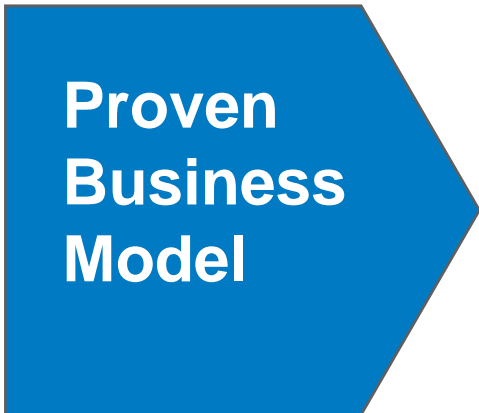




ProActive Investors

John Dawson, CEO
20th April 2010





**Proven
Business
Model**



**Results:
Improving
Profitability**



Outlook

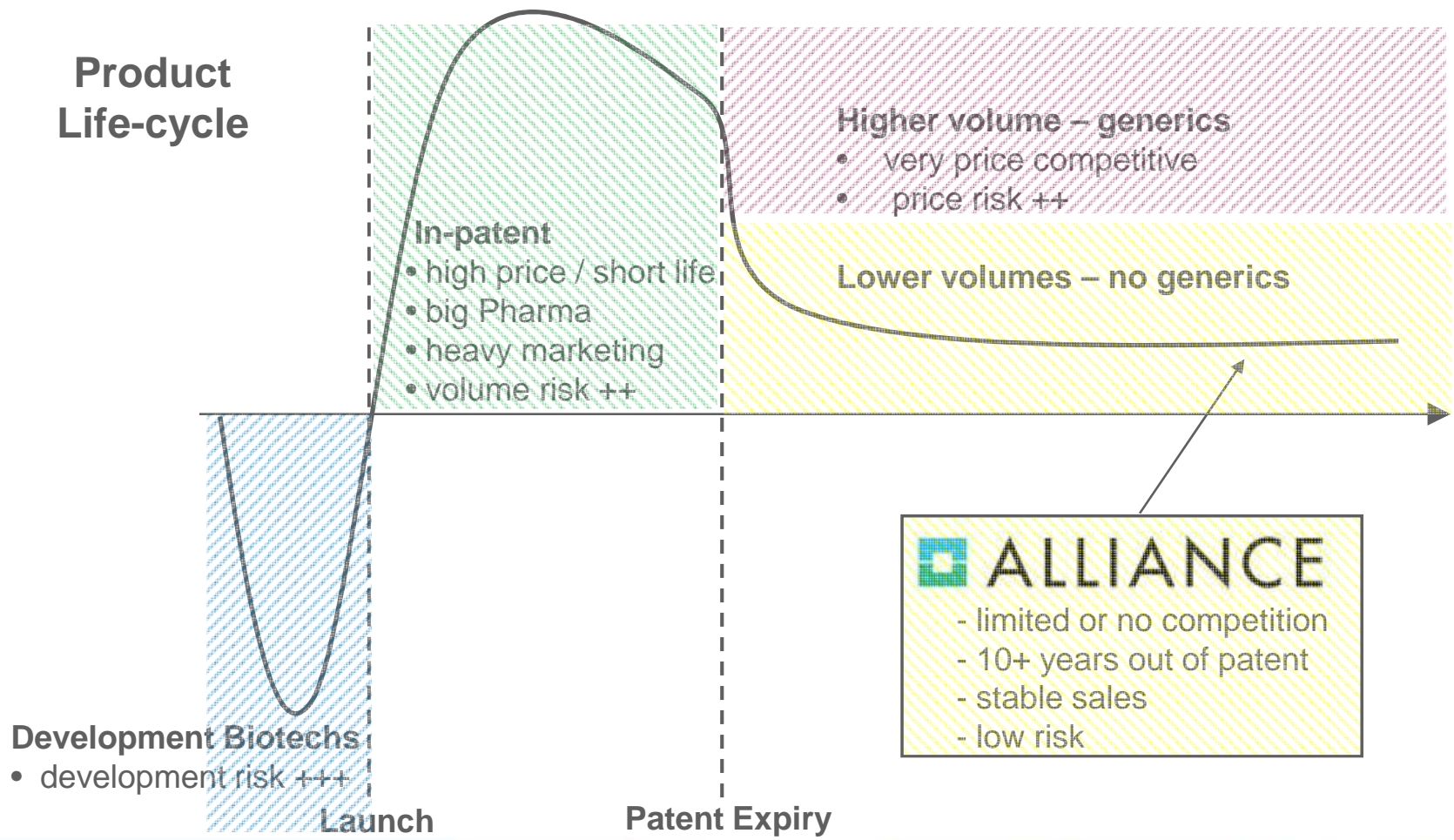


Proven business model

- ❑ Acquisition of low risk, cash generating assets
 - ❑ Prescription medicines which have stood the test of time
 - ❑ Generally niche brands with limited competition
 - ❑ Brands with history of sustainable sales
 - ❑ Demand largely unaffected by the economic cycle
- ❑ Low marketing costs
 - ❑ Selective promotion when economically justified



Proven business model: Niche brands that have stood the test of time



Business model: Longevity of niche prescription brands

Average age
37 years

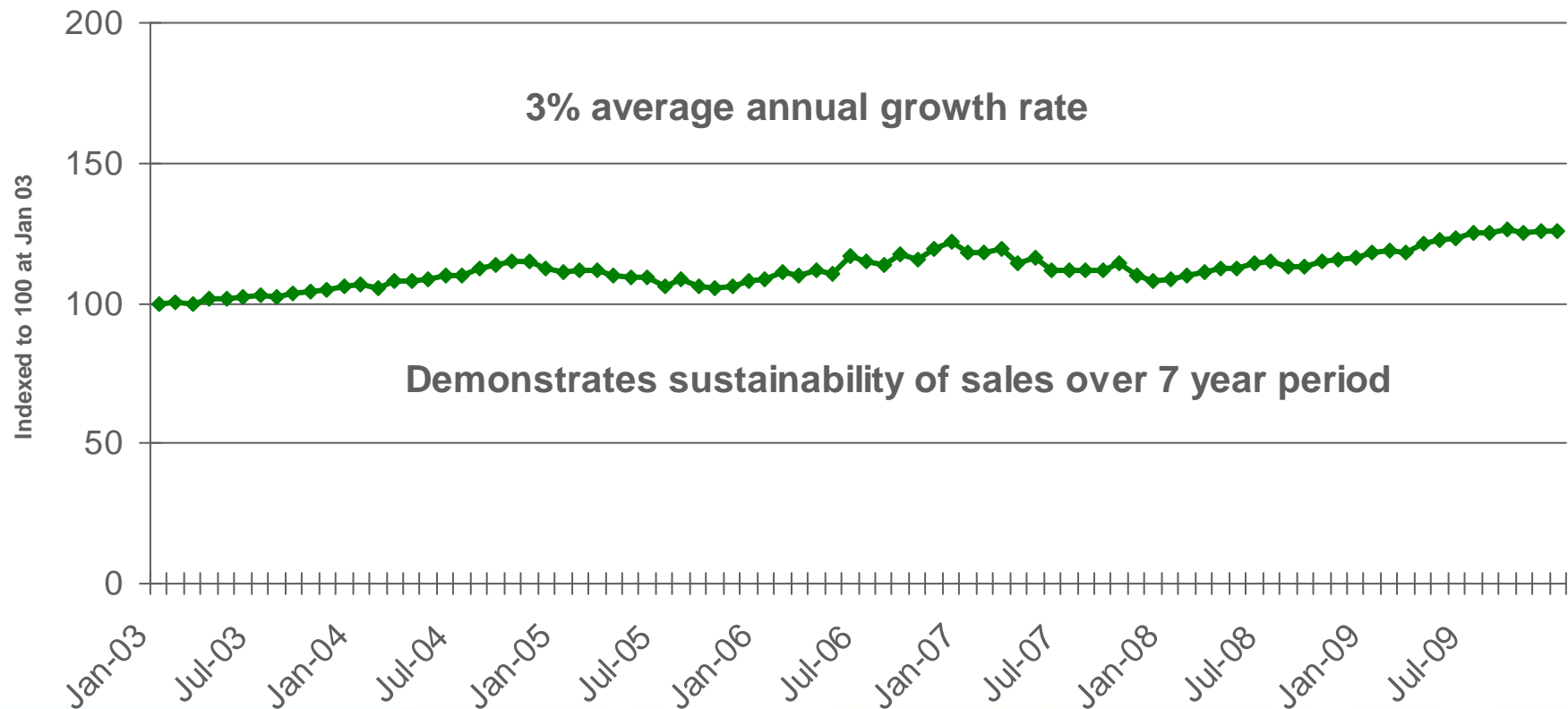
Brand	2009 Sales £m	Launched By	Launch Date	Alliance Since	Description
Deltacortril	8.5	Pfizer	1957	2006	Steroid to control immune system in a variety of conditions
Nu-Seals	5.8	Lilly	1978	2002	Low dose aspirin for prevention of heart attacks and strokes
Forceval	3.7	Unigreg	1970	2004	Complete supplement of micro-nutrients
ImmuCyst	3.2*	Cambridge Labs	2001	2010	Immunotherapy for superficial bladder cancer
Xenazine / Nitoman	2.3*	Roche	1971	2010	Treatment for the alleviation of a wide range of hyperkinetic movement disorders (e.g. chorea in Huntington's disease)
Syntocinon/ Syntometrine	2.3	Sandoz	1956	1998/ 2006	Childbirth: assist labour/prevent haemorrhage after delivery
Hydromol	2.3	Quinoderm	1987	2006	Range of emollient products used in the management of eczema and other dry skin conditions
Symmetrel	1.7	Geigy	1970	2001	Parkinson's disease
Buccastem	1.5*	Reckitt & Colman	1987	2009	Buccal tablet for treatment of nausea and vomiting
Naseptin	1.1	ICI	1959	1999	Antibiotic cream for nasal infections / control nose bleeds

* Pro forma assuming full year of ownership



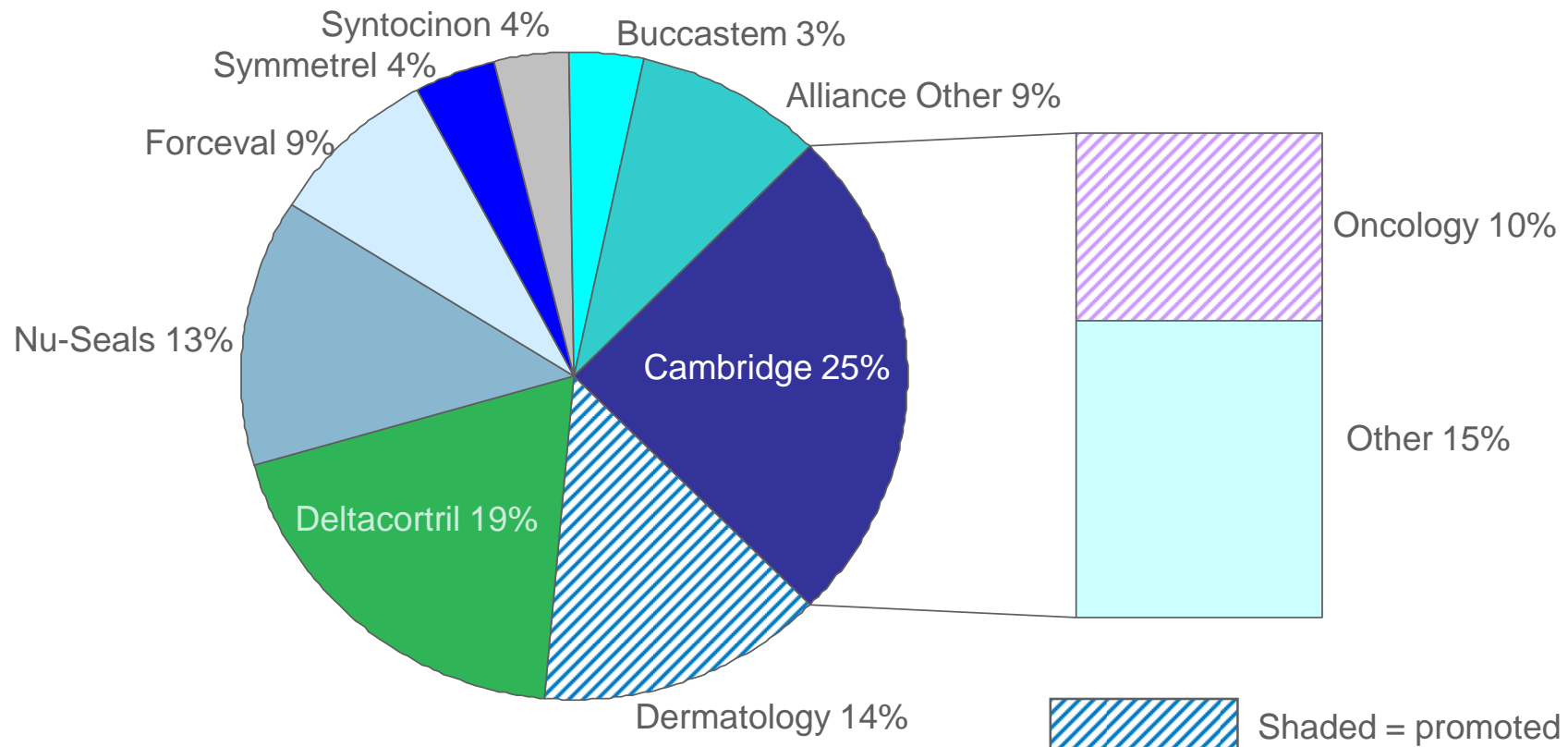
Business model: Sustainability of sales from non-promoted products

Like for like sales of non-promoted products,
indexed to 100 at January 2003



Business model: Risk reduction through diversity – over 50 products

Pro forma 2009 revenue segmentation including Cambridge



Proven business model: History of successful selective promotion

Nu-Seals (Ireland)

- Low dose aspirin for cardiovascular protection
- Acquired from Lilly in 2002
- Used bespoke contract field force covering hospital and general practice until Mar 2005
- Maintained market share at over 80% and grew brand from £2.0m to £3.5m


Hydromol (UK)

- Range of emollients for remission of eczema
- Acquired from Ferndale Labs in 2006
- Using bespoke contract field force covering hospital and general practice
- Grew from £0.9m to £2.3m and still growing

Symmetrel (UK)

- Control of dyskinesias in late stage Parkinson's disease
- Acquired from Novartis in 2001
- Used bespoke contract hospital field force for educational campaign until Jan 2006
- Grew from £0.6m to £1.6m





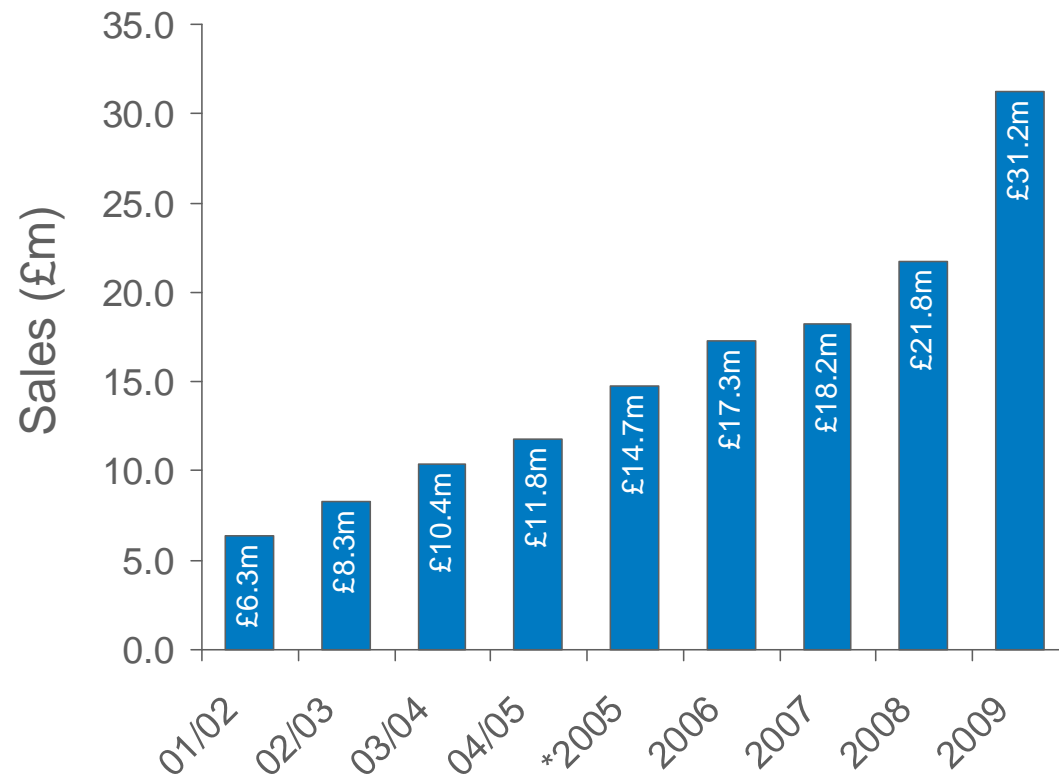
Proven
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Strong record of growing Sales



Five year
average annual
growth rate:
9% organic
12% acquisitions
21% combined

** 10 months annualised*

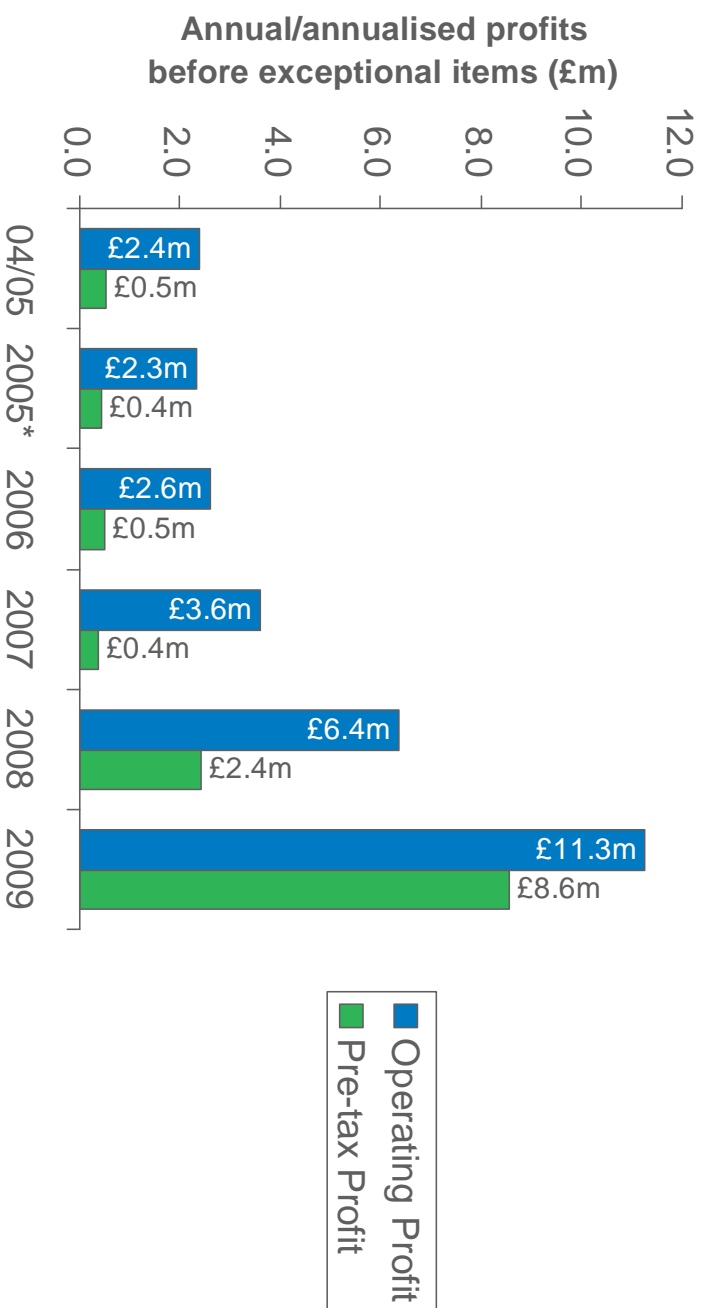


Results: 2009 Sales growth

		2009 £m	Growth £m
Deltacortril	Improved production volumes	8.5	+6.4
Dermatology (excl Timodine)	18% growth	5.1	+0.8
Nu-Seals	11% underlying volume growth + foreign exchange gains	5.8	+1.1
Buccastem and Timodine	First four months - acquisition in August 2009	1.0	+1.0
Other	Very stable sales from core non-promoted brands	10.8	+0.1
Total	44% growth overall	31.2	+9.4



Significant increase in Profits



* 10 months annualised



Results: Improving Cash Flow

£'m	2009	2008
Operating profit (pre-exceptionals)	11.3	6.4
Depreciation	0.1	0.1
Working capital	(0.8)	(1.3)
Cash flow from trading	10.6	5.2
Interest	(2.7)	(3.0)
Capital expenditure	(0.2)	(0.1)
Tax (paid)/received	(0.3)	0.4
Cash generation	7.4	2.5
Acquisitions	(7.7)	(1.0)
Equity raised	3.7	-
New loans to fund acquisitions	2.0	0.4
Repayments of loans and overdraft	5.4	1.9



Improving Balance Sheet

£'m	Dec 09 pro forma*	Dec 09	Dec 08	Change
Product licences	61.1	44.9	37.2	+7.7
Isprelor clinical development	-	-	2.7	(2.7)
Other net assets	(2.6)	0.9	1.6	(0.7)
<i>Net cash / (overdraft)</i>	<i>(0.8)</i>	<i>0.4</i>	<i>(2.4)</i>	<i>+2.8</i>
<i>Term loans</i>	<i>(26.1)</i>	<i>(22.1)</i>	<i>(22.8)</i>	<i>+0.7</i>
Net bank debt	(26.9)	(21.7)	(25.2)	+3.5
Convertible loan stock	(7.5)	(7.5)	(7.5)	-
Equity	24.1	16.6	8.8	+7.8

*December 2009 balance sheet adjusted for pro forma impact of Cambridge acquisition



Acquisition of Cambridge Laboratories



Cambridge Laboratories: Products

	2009 Sales* (£m)	Description
Xenazine®	2.3	Treatment for the alleviation of a wide range of hyperkinetic movement disorders (e.g. chorea in Huntington's disease)
Vitamin E	1.0	Only licensed liquid formulation treatment for correction of Vitamin E deficiency available in the UK
Other	3.0	12 other products across a variety of therapeutic areas
Established products subtotal	6.3	
ImmuCyst®	3.2	Immunotherapy for non-muscle-invasive bladder cancer
gelclair®	0.7	Oral gel for the management of oral mucositis caused by chemotherapy and radiotherapy
Procarbazine	0.4	Treatment of Hodgkin's Lymphoma as part of chemotherapy treatment
Oncology subtotal	4.3	
Cambridge sales excluding toxicology product	10.6	
Toxicology product	£5 – 6m every 2 – 3 years	

* Source: Cambridge Laboratories



Cambridge Laboratories: General

❑ **Consideration:**

- ❑ Total price £14.3–16.4m depending upon renewal of ImmuCyst distribution agreement in Dec 2011


❑ **Funding:**

- ❑ £7.5m vendor placing
- ❑ £4.0m new term loan
- ❑ Balance from increased working capital facility and cash generation

❑ **Integration**

- ❑ Deal completed Feb 22nd
- ❑ Activities transferred to Alliance's Chippenham office by Mar 31st





Proven
Business
Model

Results:
Improving
Profits

Outlook



Outlook drivers: Organic growth

1. **Dermatology**

- ❑ Annual sales of £5.5m
- ❑ Total sales growth of 27% in 2009 (18% like for like)
- ❑ Increased promotional investment during 2009

2. **Oncology**

- ❑ Annual sales of £4.3m
- ❑ 3 year CAGR of 18%
- ❑ Looking for further products to add to portfolio

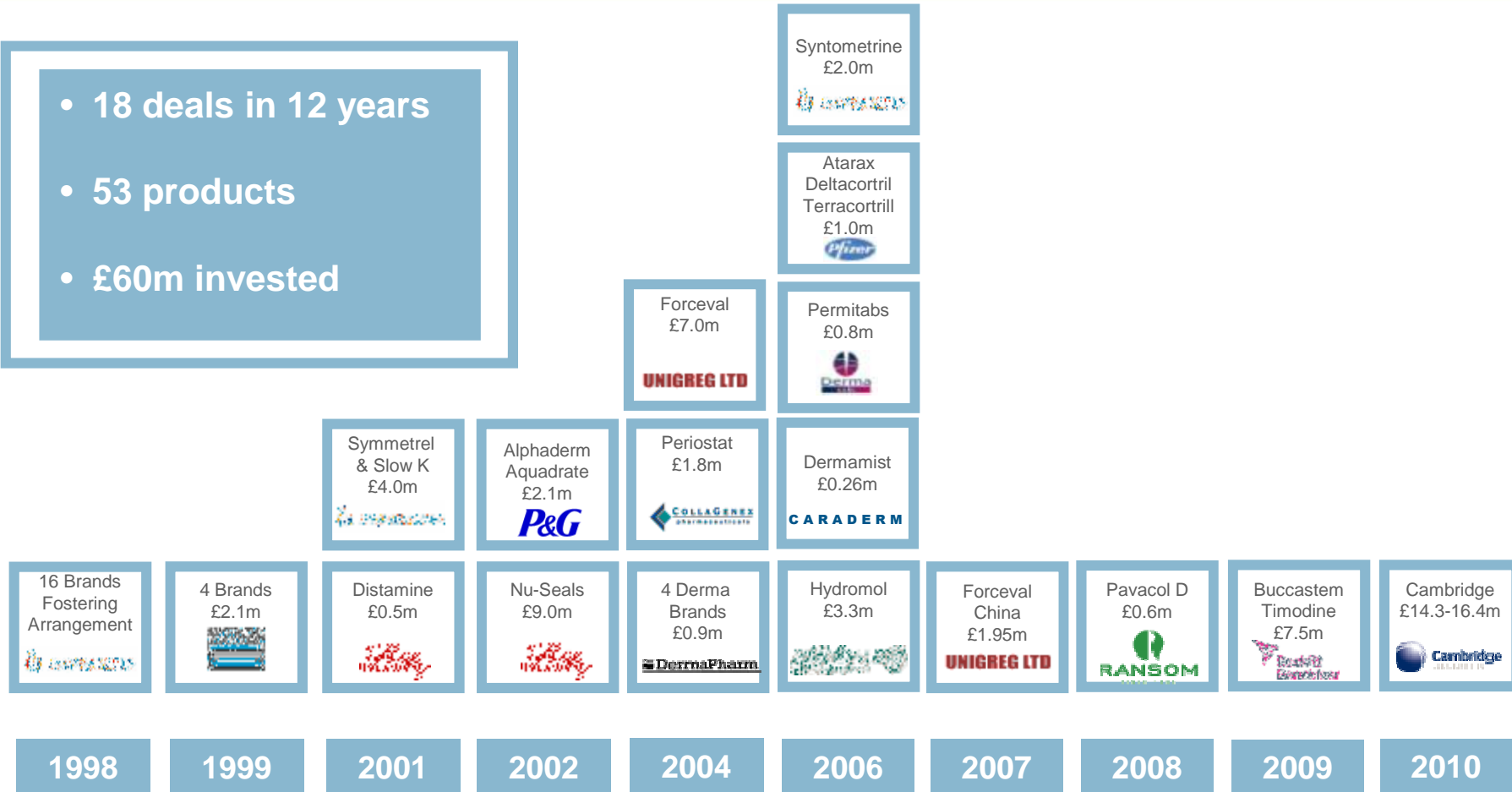
3. **Forceval China** - Good medium term growth potential

4. **Non-promoted products** - have grown modestly over time



Outlook drivers: Acquisition growth - history

- 18 deals in 12 years
- 53 products
- £60m invested



Outlook drivers: Financial

▣ Stability of finance

- ▣ No refinancing of debt until end 2012
- ▣ c. 70% of interest is fixed
- ▣ Good headroom on covenant ratios:
 - ▣ Interest cover
 - ▣ Cash generation : debt servicing cash
 - ▣ Net debt : EBITDA

▣ Dividends commenced

- ▣ Debt being paid down steadily
- ▣ No significant day to day capital requirements
- ▣ First full year dividend of 0.30p per share, covered c.12 times

▣ Good capacity for future acquisitions

- ▣ Equity raisings in Aug 2009 and Feb 2010 over-subscribed
- ▣ Bank has supported every acquisition since 2001



Appendices



Top 20 Investors: 26 March 2010

Holder / Fund Manager	No. of Shares	% Holding
Director & Related	69,860,893	31.45%
Nigel Wray	24,519,995	11.40%
Aviva Investors Global Services	19,546,755	8.80%
MVM Life Science Partners	19,300,000	8.69%
Hargreave Hale	8,422,150	3.79%
Gartmore Investment Management	6,753,785	3.04%
Investec Asset Management	6,000,000	2.70%
Slater Investments	5,770,000	2.60%
Individuals	5,453,313	2.45%
Barclays Wealth	5,355,615	2.41%
LGT Bank In Liechtenstein	4,721,071	2.13%
Henderson Global Investors	3,669,579	1.65%
Cavendish	3,585,000	1.61%
JM Finn & Co	3,377,500	1.52%
JP Morgan	3,014,590	1.36%
Taylor Young Investment	2,920,000	1.31%
BlackRock Investment Management	2,600,00	1.17%
TD Waterhouse	1,905,087	0.86%
Pershing Securities	1,783,500	0.80%
Smith & Williamson	1,698,504	0.76%
Total No of Share Owners - 1,326		No of Shares in Issue - 222,165,552



Convertible Unsecured Loan Stock

- ❑ £6.4m of CULS paying 8% coupon
 - ❑ Was £7.5m, but £1.1m converted in March 2010
 - ❑ Publicly traded with a current price c. £1.62
 - ❑ Held mainly by a small number of income funds

- ❑ Convertible at the option of the holders at any time up to 30 November 2013 at 21 pence per share
 - ❑ 31m additional shares if all £6.4m convert
 - ❑ Otherwise redeemed at par



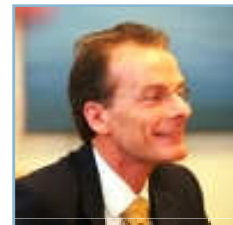
Board members



John Dawson, CEO
Pharmacist, MSc Finance; > 35yrs sector experience, founder of Alliance



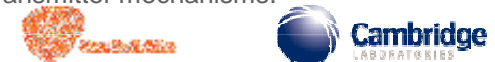
Richard Wright, Finance Director & Company Secretary: MA, Chartered Accountant, >15 years experience across various industries, joined 2007



Tony Booley, Director – Alliance Pharmaceuticals
BSc Physiology, MBA, Chartered Marketer; > 25yrs sector experience, with Alliance since 1998



Peter Butterfield, Director – Cambridge Laboratories
Ex- UK Commercial Manager of Cambridge Laboratories Ltd, graduated from University of Edinburgh with BSc (Hons) specialising in neurotransmitter mechanisms.



Michael Gatenby, Non Executive Chairman
MA. FCA ex-director of Hill Samuel and Co, ex-Vice Chairman of Charterhouse Bank. Holds a number of non executive directorships



Andrew Smith, Non Executive Director
Senior positions held at SmithKline Beecham Pharmaceuticals, Diversified Health Systems Europe, Cerebrus plc and Parexel International



Paul Ranson, Non Executive Director
LL.B Barrister Solicitor. 20 years sector experience



Thomas Casdagli, Non Executive Director
Partner in MVM Life Science Partners, Chartered Accountant, graduated from Oxford in Molecular and Cellular Biochemistry, joined March 2009



Product portfolio: Dermatology

BRAND	NON-PROPRIETARY NAME	USES
Acnival	2% salicylic acid	A medicated cleanser for the treatment and prevention of acne.
Alphaderm	hydrocortisone and urea	An anti-inflammatory and hydrating cream used in the treatment of inflammatory dermatoses such as eczema and psoriasis.
Aquadrate	urea	A hydrating cream used in the treatment of dry, scaling and itchy skin disorders. Including: ichthyosis and hyperkeratotic skin conditions associated with atopic eczema, xeroderma, iasteatosis and other chronic dry skin conditions
Atarax	hydroxyzine hydrochloride	For pruritus (itching) associated with acute and chronic urticaria in children and adults. Also for anxiety in adults
Dermamist	White Soft Paraffin	Treatment of dry skin conditions including eczema, ichthyosis and pruritus of the elderly
Hydromol Cream	sodium pyrrolidone carboxylate 2.5%.	Cream for the treatment of dry skin conditions including dermatitis, eczema, ichthyosis and senile pruritus
Hydromol Bath & Shower Emollient	light liquid paraffin (37.8%) and isopropyl myristate (13%)	Bath emollient additive for the treatment of dry skin conditions such as eczema, ichthyosis and senile pruritus
Hydromol Ointment	yellow soft paraffin (30%) and emulsifying wax (30%)	Ointment for moisturising and softening dry skin. May be used as a soap substitute
Hydromol Intensive	urea	A hydrating cream used in the treatment of dry, scaling and itchy skin disorders. Including: ichthyosis and hyperkeratotic skin conditions associated with atopic eczema, xeroderma, iasteatosis and other chronic dry skin conditions
Meted	3% salicylic acid and 5% sulphur	A medicated shampoo for the treatment of seborrhoeic dermatitis, scalp dermatitis and dandruff. Relieves the itching, irritation, erythema and flaking.
Naseptin	chlorhexidine and neomycin	An antimicrobial cream for inside the nose. It is used for eradicating staphylococcus infections in the nose.
Occlusal	26% salicylic acid	A topical solution for the treatment and prevention of common and planar warts.
Permitabs	Potassium Permanganate	A topical solution for cleansing and deodorising suppurating eczematous reactions and wounds
Pentrax	Fractar 5 coal tar extract	A shampoo for the treatment of seborrhoeic dermatitis, scalp dermatitis and dandruff. Relieves the itching, irritation, erythema, flaking and scaling
Timodine	nystatin 100,000 IU/g, hydrocortisone 0.5%w/w, dimeticone 350 10% w/w, benzalkonium chloride solution 0.2% w/w	Anti-fungal and anti-bacterial skin cream used for treating inflamed and infected skin conditions in which the Candida albicans fungus is a factor. Uses include treatment of severe nappy rash, eczema and other dermatoses.



Product portfolio: Other existing products

BRAND	NON-PROPRIETARY NAME	USES
Biorphen	orphenadrine hydrochloride	A liquid for Parkinson's disease (a degenerative process characterized by muscular rigidity and tremor), including Parkinson – like symptoms caused by other psychiatric drugs.
Broflex	trihexyphenidyl hydrochloride	A liquid for Parkinson's disease.
Buccastem & Buccastem M	prochlorperazine maleate	As a prescription treatment for nausea and vomiting, and for symptomatic treatment of other conditions such as vertigo. As an OTC product Buccastem® M is used by migraine sufferers. It comes in a special buccal tablet formulation which adheres to the gum and releases the drug over one to two hours. This has a particular advantage as vomiting patients may encounter difficulties taking tablets orally.
Cafergot	ergotamine tartrate and caffeine	For the management of acute attacks of migraine headache in patients who have not responded to alternative therapies.
Calcium Sandoz	calcium glutubionate and calcium lactobionate	A calcium supplement used to maintain calcium levels. It is given in neonatal hypocalcaemia. It may help to replace lost calcium and reduce the risk of broken bones in elderly patients with osteoporosis
Deltacortril	prednisolone	Enteric coated tablets. Used for a wide range of disorders in which systemic corticosteroids are indicated, including allergies, arteritis, rheumatic fever, rheumatic disorders, autoimmune disorders etc
Deseril	methysergide	Used for the prevention of migraine in patients who have not responded to alternative therapies. It is also used in the management of diarrhoea associated with carcinoid disease.
Distamine	penicillamine	A disease modifying antirheumatic drug (DMARD) used for the treatment of rheumatoid arthritis (not osteoarthritis), Wilson's disease (toxic accumulation of copper), lead poisoning and cystinuria (formation of cystine stones in the kidneys).
Forceval	multivitamin and mineral preparation	Capsules containing 24 essential vitamins and minerals (22 in the Junior capsules). Available on prescription unlike other preparations for use in patients with nutritional deficits due to disease e.g. AIDS, cancer, inflammatory bowel disease, or on restricted diets e.g. food intolerances, galactosaemia. A powder formulation also exists which includes a protein supplement



Product portfolio: Other existing products

BRAND	NON-PROPRIETARY NAME	USES
Hygroton	chlortalidone	A diuretic to treat mild to moderate hypertension and oedema. Also used for diabetes insipidus (excessive urination).
Lysovir	amantadine	Used for the prevention and treatment of influenza A.
Metopirone	metyrapone	Used in the diagnosis of certain problems of the adrenal glands. It is also used for the management of Cushing's syndrome (a rare disorder, mainly of females, characterized by a moonface, obesity and excessive growth of hair) and for oedema.
Nu-Seals	aspirin, enteric coated	Low and standard dose aspirin with a protective coat to protect against GI side effects of aspirin. Low dose is used to prevent heart attacks and ischaemic strokes in patients with risk factors. Standard dose used for all aspirin indications except acute pain relief
Pavacol D	pholcodine	A sugar free liquid for the symptomatic treatment of dry troublesome coughs
Periostat	doxycycline	Subantimicrobial dose doxycycline used for the treatment of periodontitis. By suppressing tissue destructive MMP enzymes, it has an anti-inflammatory rather than an antimicrobial action. Licensed in Europe through MRP
Rogitine	phentolamine	Used in the diagnosis of phaeochromocytoma, a tumour of the adrenal gland and in the management of hypertensive episodes associated with phaeochromocytoma.
Sinthrome	acenocoumarol	An oral anticoagulant used in the treatment or prevention of thromboembolic disorders.
Slow-K	potassium chloride	A potassium supplement used to correct low potassium levels associated with disease, poor diet or other drug therapy.
Symmetrel	amantadine	Used in the treatment of Parkinson's disease and herpes zoster but only in those patients who you could expect to get a severe and painful rash. The syrup is also useful in the treatment and prevention of influenza type A.
Synacthen	tetracosactide	Used in the diagnosis of adrenocortical insufficiency. Stimulates the formation of adrenal steroids (cortisol).
Synacthen Depot	tetracosactide – slow release	A long acting formulation of Synacthen. In addition, it is used to treat various inflammatory diseases including ulcerative colitis, rheumatoid arthritis, and osteoarthritis in short term use only.
Syntocinon	oxytocin	A synthetic form of the hormone oxytocin, used in the induction of labour, the management of missed and incomplete abortion and to stop excessive bleeding following delivery.
Syntometrine	ergometrine maleate and oxytocin	A combination of oxytocin and ergometrine used during the last stage of childbirth or following delivery of the placenta to prevent excessive bleeding.
Uniflu with Gregovite C	caffeine, codeine, diphenhydramine, paracetamol, phenylephrine, vitamin C	Uniflu tablets and Gregovite C tablets. For the relief from the signs and symptoms of colds and flu



Product portfolio: Cambridge products

BRAND	NON-PROPRIETARY NAME	USES
Actidose Aqua Advance	charcoal	An activated charcoal suspension for the emergency treatment of acute poisoning and drug overdose.
Antidotum Thalii	antidotum thalii	Antidotum Thalii is used as an antidote to poisoning from both caesium and thallium, such as a result of a 'dirty bomb'.
Dicobalt Edetate	dicobalt edetate	Product of choice in the UK for cyanide poisoning.
Edrophonium Chloride	edrophonium chloride	The only drug used in the UK as a diagnostic test for Myasthenia Gravis.
gelclair®	deionised water, polyvinylpyrrolidone (PVP)	gelclair is a barrier-forming oral gel, for the management of oral mucositis (lesions in the mouth) caused by chemotherapy and radiotherapy (e.g. for head and neck cancer). It is used for rapid and sustained release from the discomfort and pain experienced during eating and swallowing. It forms a protective film that shields exposed and sensitized nerve endings to provide pain relief.
ImmuCyst®	bacillus of calmette and guérin	Immunotherapy for non-muscle-invasive bladder cancer. ImmuCyst works by creating a local immune response that destroys the tumour cells.
Isocarboxazid	isocarboxazid	MAOI for the treatment of depressive illness
Isoniazid	isoniazid	Unbranded oral tablet treatment for pulmonary and extra-pulmonary tuberculosis
Menadiol	menadiol	Unbranded oral tablet formulation used for Vitamin K deficiency, main indication is obstructive jaundice. The only oral drug in the UK that treats patients with malabsorption syndromes who suffer from Vitamin K deficiency.
Neostigmine	neostigmine	An unbranded treatment for Myasthenia Gravis (MG) that blocks the action of an enzyme in the body which switches off nerve impulses to the muscles.



Product portfolio: Cambridge products

BRAND	NON-PROPRIETARY NAME	USES
Oxymetholone	oxymetholone	Oral tablet formulation synthetic male hormone, which enhances and repairs the body tissue-building process as a treatment for aplastic and refractory anaemias.
Pentagastrin	pentagastrin	Injectable synthetic polypeptide that stimulates the secretion of gastric acid, pepsin, and intrinsic factor. Diagnostic test for gastric acid secretion.
Thyrogard™	potassium iodate	Thyroid blocking agent used in the case of nuclear emergency. • Potassium iodate protects the thyroid gland from taking up radioactive iodine, which may be released in to the environment following a nuclear accident. It acts by saturating the body with a stable source of iodine prior to exposure.
Procarbazine	procarbazine	Used to treat Hodgkin's Lymphoma (HL) as second line after relapse in chemotherapy and has also been used to treat other forms of lymphoma and solid tumours that have been resistant to other therapy. It is an anti-neoplastic agent - inhibits DNA replication as well as RNA and protein synthesis inside cancerous cells.
Protirelin	protirelin	Injectable diagnostic test for assessing thyroid function
Testosterone Enantate	testosterone enantate	Used for the treatment of andropause - males who have too little or no endogenous testosterone production. Can also be used to treat breast cancer in females.
Vitamin E Suspension	vitamin E suspension	Vitamin E deficiency in malabsorption disorders. It is the only UK licensed liquid formulation treatment for the correction of Vitamin E malabsorption in conditions such as including Cystic Fibrosis (CF, primary indication) and chronic cholestasis. The active ingredient is tocopherol acetate, a synthetic form of vitamin E
Xenazine®	tetrabenazine	Xenazine IR is used for alleviation of a wide range of hyperkinetic movement disorders such as chorea associated with Huntington's disease (HD); tardive dyskinesias and tics associated with Tourettes syndrome. Tetrabenazine interferes with the normal action of dopamine to dampen neuro-transmission along motor pathways.

