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Dechra® Pharmaceuticals PLC
("Dechra" or the "Group")

Product Acquisition

Dechra Pharmaceuticals PLC ("Dechra" or "the Group") is pleased to announce the acquisition from Bexinc Limited of the worldwide rights (excluding Canada) to HY-50® for a cash consideration of 8.03 million Canadian dollars.

HY-50 is used for intra-articular ("IA") or intravenous ("IV") treatment of lameness in horses caused by joint dysfunction. It is unique in Europe as being the only single injection to deliver 50mg of Sodium Hyaluronate and having both IA and IV indications. It is currently approved and marketed by various companies in the UK, Belgium, Netherlands, Sweden, Finland, Denmark, Norway, Italy, Germany and Spain. Furthermore, registrations are being prepared for France and Switzerland. Dechra already markets the product in the UK as the marketing rights were acquired as part of the *Genitrix* acquisition (announced on 1 December 2010). Marketing rights for all other territories return to Dechra by July 2013.

For the year ended 28 February 2011, *HY-50* earned revenue of US$2.2 million and operating income of US$1.0 million. The consideration is being funded from the Group's existing cash resources.

Ian Page, Group Chief Executive commented:

"This product acquisition further strengthens our specialist equine portfolio and will be earnings enhancing in the first full year of ownership."

Enquiries:
Ian Page, Chief Executive
Simon Evans, Group Finance Director
Dechra Pharmaceuticals PLC
Telephone: + 44 (0) 1782 771100
Mobile: +44 (0) 777 564 2222 (IP)
Mobile: +44 (0) 777 564 2220 (SE)

Fiona Tooley, Director
Citigate Dewe Rogerson
Mobile: +44 (0) 778 570 3523 or
Telephone: +44 (0) 121 362 4035

corporate.enquiries@dechra.com
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