

News Release

2 December 2010

Consort Medical plc

Interim results for the six months ended 31 October 2010

Consort Medical plc delivers significant revenue and profit growth.

Consort Medical plc (LSE: CSRT), a leader in drug delivery and device technologies, today announces positive results for the six months ended 31 October 2010.

Highlights:

- Revenues from ongoing products and services up 13% to £65.6m (2009: £57.8m).
- Strong growth in Earnings before interest, tax depreciation and amortisation (EBITDA) up 32% to £14.0m (2009 £10.6m)
- Operating profit before special items up 17% to £10.1m (2009: £8.6m)
- Profit before tax and special items up 7% to £8.4m (2009: £7.8m)
- Profit before tax up 44% to £7.5m (2009: £5.2m)
- Adjusted earnings per share up 12% to 21.3p (2009: 19.0p)
Basic earnings per share up 55% to 19.8p (2009: 12.8p)
- Interim dividend maintained at 7.0p per share (2009: 7.0p per share)
- Produced our 500 millionth Diskus® device for GSK
- King Vision™ laryngoscope launched
- Nick Higgins appointed to the Board as Group Corporate Development Director with effect from 1 Jan 2011

Jon Glenn, Chief Executive Officer, commented:

“We have delivered a strong set of financial results in what continue to be challenging markets. Our portfolio of new products is starting to deliver with the launch of the King Vision laryngoscope and a new MDI valve at Bepak. We were also very pleased to produce our 500 millionth Diskus device in October, a great achievement for the team. I am confident that we have now positioned Consort Medical to deliver growth going forwards.”

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Consort Medical plc is a leader in medical devices for drug delivery and device technologies. The Group develops drug delivery systems for the pharmaceutical industry and disposable airway management products for critical care settings in hospitals.

Consort Medical develops and manufactures metered dose inhaler valves, autoinjectors, needle free injectors, actuators, compliance aids, dry powder devices, disposable facemasks, breathing circuits, video laryngoscopes and laryngeal tubes. The Group has a Head Office in Hemel Hempstead, UK and manufacturing facilities in King's Lynn, Norfolk, and Nelson, Lancashire in the UK, Indianapolis, Indiana and Kent, Ohio in the US. Consort Medical is a public company quoted on the full list of the London Stock Exchange (LSE: CSRT).

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Interim results for the six months ended 31 October 2010

We are pleased to report that Consort Medical has delivered a good set of results in markets that continue to be challenging. Consort Medical's businesses have strong franchises and profitable platforms, which underpin a range of opportunities for organic growth over the medium term.

Consort Medical has two business divisions: Bespak and King Systems.

- The Bespak Division is a world leading manufacturer of drug delivery devices. It is a market leader in the supply of devices for respiratory applications to global pharmaceutical companies and has now added a range of self-injection applications to its portfolio.
- King Systems Division is a leading supplier of life-saving patient care solutions to the US anaesthesia market: including breathing circuits, face masks and other disposable airway management and airway visualisation products. These are sold to anaesthetists in hospitals and to emergency medical practitioners.

Group interim results

In the six months to 31 October 2010, revenue from products and services grew by 13% to £65.6m (2009: £57.8m) with both divisions experiencing good revenue growth, albeit in comparison to a weak period last year. Total revenue was £69.6m (2009: £61.5m), which included £4.0m (2009: £3.8m) of customer tooling costs which are passed directly on to customers.

Operating profit before special items grew by 17% to £10.1m (2009: £8.6m) with improved operating margins in both divisions as a result of stronger volumes and tight cost control compared to the prior period. EBITDA rose by 32% to £14m (2009: £10.6m). Profit before tax and special items rose by 7% to £8.4m (2009: £7.8m), with higher margins payable on the renewed banking facilities offsetting the operating profit growth as previously forecast. Profit before tax rose 44% to £7.5m (2009: £5.2m), with a reduction in restructuring costs in comparison to last year.

Basic earnings per share rose by 55% to 19.8p (2009: 12.8p). Earnings per share, adjusted for special items, rose by 12% to 21.3p (2009: 19.0p) The Group's underlying tax rate fell from 30% to 27% mainly as a result of the reduction in the rate of UK corporation tax.

Net debt continued to reduce and as at 31 October 2010 was £31.8m (30 April 2010: £33.2m). Net debt remains comfortably within our borrowing covenants and facilities and is around 1.2 times EBITDA.

The Board is maintaining an interim dividend of 7.0p per share, which is payable on 18 February 2011 to those shareholders on the register on 21 January 2011.

Strategy

Our strategy remains unchanged and is focused on building and strengthening our core businesses through new product innovation, increased market reach and higher value business models. We have made good progress in further diversifying the Group into adjacent markets and technologies which leverage our exceptional capabilities in drug delivery and medical device technologies, and we will continue to seek further opportunities to extend this. We plan to deliver a growth portfolio of new products over the coming three years, but will also continue to manage costs aggressively in order to maintain and increase margins in the current demanding economic environment. We expect this to deliver both sales and profit growth as we reposition the business and provide an improving return to our shareholders.

Business performance

Bespak Division

Bespak is a leading drug delivery device manufacturer which has some of the world's top pharmaceutical companies as its largest customers. It has focused historically on the inhalation market, with devices primarily used to treat asthma and COPD (Chronic Obstructive Pulmonary Disease). Over 300 million people worldwide have been diagnosed with these diseases and Bespak devices deliver over one third of their inhaled medication. Bespak moulds or sources over 3 billion parts a year to make 500 million products, from valves and actuators to complete devices. We were delighted to celebrate in October with GSK the production of our 500 millionth Diskus® device. With Bespak's acquisition of its injectables business, Bespak has broadened its product portfolio to include the rapidly growing autoinjector market, which allows patients to self-administer a range of drugs including an expanding portfolio of biological products.

Bespak enjoyed a strong six months to 31 October 2010, with revenues up 9% to £40.8m (2009: £37.4m). Bespak respiratory experienced strong valve sales, due to a mix of customer restocking, competitor supply issues, customer business wins and a new product launch driving a 33% volume increase. As expected, the device services business reported a 20% revenue fall due largely to the second round of planned reductions with a major customer that was announced in February 2009. Operating profit rose by 11% to £7.5m (2009: £6.8m) and operating margins increased over the period to 18.4% (2009: 18.1%) as the benefits of cost reduction activities undertaken in early 2010 were realized.

Good progress continued to be made across Bespak's development portfolio. VAL410, an MDI valve for Merck's Dulera product, has received FDA approval and is currently being launched to the market in a phased approach. Launch volumes are already being shipped. INJ300, an autoinjector for Dr Reddys Laboratories, continues to await FDA approval and is now expected to be launched in 2011. The elements of the supply chain for INJ300 within Bespak's remit are now ready to commence launch stock build. INJ570, an autoinjector for an un-named major pharma company, has been filed with the FDA on schedule and is expected to launch during 2011. All other programmes have achieved their planned milestones on schedule for expected launch as previously communicated. During the period, we have also been awarded a contract for a further manufacturing line to make dose counters for a customer's currently marketed product. We have also been very pleased with the activities of our new innovations team, who have identified a number of promising new areas into which to deploy the core capabilities of Bespak. We expect that these activities will deliver at least one new project into the growth portfolio over the next twelve months.

King Systems Division

King Systems is a leading US manufacturer of medical devices used by anaesthetists and emergency practitioners to establish, manage and maintain patient airways: our products are used in around 10 million procedures every year. Products include anaesthesia circuits, masks, breathing bags, laryngeal tubes and visualisation devices.

Total sales grew by 21% at actual exchange rates to £24.7m (14% at constant exchange rates to \$37.8m). This was achieved in a market that remains very uncertain, with the hospital customer base under significant ongoing economic pressure. An element of the sales growth represented a restocking by the distribution channels following the operational issues experienced in the first calendar quarter of 2010. Nevertheless, this was a solid performance in difficult markets. International sales were particularly pleasing, growing 28% on prior year and representing 12% of total sales.

Operating margins rose on the back of strong volumes to 10.5% (2009: 9.1%) and operating profits rose by 39% at actual exchange rates (32% at constant exchange rates) to £2.6m. Progress continues with our transformation programme. The automated Flex 2 circuit line is now undergoing factory acceptance trials at the supplier in anticipation of a transfer to King Systems within the next quarter.

Most significantly, King announced the launch of the King Vision video laryngoscope at the American Society of Anaesthesiologists' annual convention in October 2010. The King Vision meets an unmet need for anaesthetists by offering premium quality visualisation of the airway at an affordable price. King Systems expects that the product will be immediately attractive for addressing the challenge of difficult

airways but that over time it may become the standard of care in routine intubations. Initial orders are now being taken for the King Vision, and shipments are expected to commence by the end of the financial year. Initial feedback has been encouraging.

Outlook

Both businesses demonstrated solid growth in the first half. However, end markets remain challenging, particularly in the US. Nevertheless, we believe that results will be in line with expectations for the year. The Board further believes that the launch of the King Vision and the progress in the Bespak development portfolio will underpin medium term revenue and profit growth. Our strong balance sheet and cash flows will allow the business to continue investing strongly in R&D, capital programmes and, where value enhancing to our shareholders, in acquisitions.

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