News Release

5 December 2012

Consort Medical plc

Interim results for the 6 months ended 31 October 2012

Solid performance; exciting programme development

Consort Medical plc (LSE: CSRT) ("Consort" or the "Group"), a leading designer and manufacturer of drug delivery and device technologies, today announces its interim results for the 6 months ended 31 October 2012.

Financial Highlights

6 months ended	**H1 FY2013** *31 Oct 2012 (GBPm)*	**H1 FY2012** *31 Oct 2011 (GBPm)*	**Growth**
Revenue from products and services	69.9	68.8	1.7%
Operating profit (before special items)	11.5	11.2	3.2%
Operating profit (after special items)	9.9	12.4	(20.2)%
EBITDA (before special items)	15.2	14.4	5.6%
Profit before tax and special items	10.5	10.2	2.6%
Profit before tax and after special items	8.9	11.5	(22.6)%
Adjusted basic earnings per share	28.5p	26.7p	6.7%
Basic earnings per share	24.4p	30.3p	(19.5)%

(Special items of £1.6m consist of £1.1m of continuing amortisation of intangible assets following the acquisition of King Systems in 2005 and The Medical House in 2009, and £0.5m for a provision against a lease from The Medical House. Special items in H1 FY2012 included £1.1m of amortisation and a credit of £2.3m related to restructuring.)

Other Financial Highlights

- Bespak increased operating profit** by 8.9% to £10.2m, with continuing strong operating margin
- King Systems revenue grew by 4.4% to £22.0m, led by King Vision sales in line with expectations
- Interim dividend maintained at 7.0p per share
- Balance sheet remains strong with net debt of £38.5m, at annualised 1.3x EBITDA

Operational Highlights

- Bespak secures multi-year contract exclusive with Nicoventures (part of the BAT group), for innovative nicotine inhalation device
- Execution and progress on other Bespak development portfolio milestones
- Doubling of investment in Bespak Innovations Centre to underpin progress with novel product concepts
- Good progress on the King Vision product range, with the first iteration scheduled to launch in H1 2013
- King Systems manufacturing transformation programmes continue on schedule

Jon Glenn, Chief Executive Officer, commented:

"Both of Consort's businesses have delivered on trading expectations, at the same time as achieving success on a broad range of our business development programmes. The Nicoventures contract award is a significant achievement, and a number of other important milestones have also been achieved on other programmes in the development portfolio. The continuing strength of our business and development pipeline gives us confidence for the future. We are delivering on our strategy."

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Consort Medical plc is a leader in medical devices for inhaled drug delivery, anaesthesia and self-injection. The Group develops drug delivery systems for the pharmaceutical industry and disposable airway management products for critical care settings in hospitals.

The Group is comprised of two businesses:
Bespak is a global market leader in the manufacture of drug delivery devices for pharmaceutical partner companies, including products across the respiratory, injectables and Point of Care diagnostics markets.
King Systems manufactures and markets airway management products, used primarily by anaesthetists and emergency room practitioners.

The Group has facilities in King's Lynn, Cambridge, Nelson and Hemel Hempstead in the UK, and 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). The Group's website address is www.consortmedical.com.

* All references to revenues are to revenues from products and services excluding intra-group revenues, unless otherwise stated. It excludes revenues from sales of tooling to customers, which are passed on at cost as and when incurred.
** All references to operating profit are before special items unless otherwise stated.
*** All references to operating margin refer to operating profit before special items as a percentage of revenues from products and services.

The above definitions are those used by the Group's management in the operation of the business

Cautionary Statement.
This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.
The IMR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Consort Medical plc

Group Interim Results

Revenues from products and services* grew by 1.7% to £69.9m (H1 FY2012: £68.8m) and operating profit** grew by 3.2% to £11.5m (H1 FY2012: £11.2m). EBITDA before special items increased by 5.6% to £15.2m (H1 FY2012: £14.4m).

Profit before tax and special items rose by 2.6% to £10.5m (H1 FY2012: £10.2m) and profit after tax and before special items rose by 6.7% to £8.2m. Adjusted earnings per share increased by 6.7% to 28.5p.

Including special items, profit after tax declined by 19.8% to £7.0m and earnings per share by 19.5% to 24.4p. Special items included £1.1m of amortisation of acquired intangible assets, and £0.5m for a provision against a lease from The Medical House.

Cash flow from Operating Activities increased to £8.0m (H1 FY2012: £6.6m). Capital expenditure of £5.7m (H1 FY2012: £7.1m) was lower than the previous year, which saw investment in the King Systems Transformation programme. Net debt remains comfortably managed at £38.5m (H1 FY2012: £42.6m), with headroom of £24.2m, and a further £25.0m available under the Group's accordion facility.

The Board is maintaining the interim dividend of 7.0p per share, which is payable on 15 February 2013, with a record date of 18 January 2013.

Business Performance

Bespak Division

Bespak is a leading global drug delivery device manufacturer which produces over 500 million devices per year, mainly for the respiratory segment. The business strategy is to leverage its unique competencies of design for manufacture and high volume manufacturing in regulated markets into new market segments. This will broaden and diversify the number of growth opportunities and allow for expansion of activities up the value chain, for example through drug handling and filling.

Bespak's first half revenue was broadly flat, as expected, at £48.0m (H1 FY2012: £47.7m), following a number of significant stocking orders in the comparative period. Sequentially, Bespak revenues grew by 5.3% compared with the H2 FY2012. Operating profit increased by 8.9% to £10.2m (H1 FY2012: £9.3m), and operating margins expanded again, to 21.2% (H1 FY2012: 19.5%).

In April 2012, we announced that Teva had received FDA approval to launch their QNASL™ drug for the treatment of rhinitis, with a device that uses our Integrated Dose Counter (IDC). This was the first regulatory approval for our proprietary IDC. The launch has proceeded in line with expectations.

Valve sales have returned to more normal levels in the first half compared to the comparable period last year which saw several one-off stocking orders. Valve sales to emerging markets continue to grow, particularly in to China and South America. Parts of the King's Lynn manufacturing site have been successfully reconfigured to accommodate new programmes due to launch from the Bespak development portfolio.

New developments: Nicoventures Contract award

(This programme was previously referred to as "DEV200 Nicotine delivery device")

We announced on the 3 December 2012, that Bespak has been awarded a major new contract. Bespak has signed a multi-year exclusive contract with Nicoventures Ltd ("Nicoventures"), a stand-alone company within the British American Tobacco Group focusing on the development and

commercialisation of licensed nicotine products. The contract is for the supply of an innovative nicotine inhalation product for use as a safer alternative to smoking.

The supply of the product by Bespak would commence following regulatory approval. Revenues from the contract will be dependent on product sales following consumer launch. The capital expenditure required will be funded from current lending facilities over a three year period. As previously announced, Bespak was awarded the manufacturing development contract for the device in November 2011.

Bespak will manufacture the inhalation system and have responsibility for the final assembly of the product, including a canister containing the active pharmaceutical ingredient. The complete and final assembly will be housed in a dedicated facility. The product will also incorporate Bespak's proprietary valve. This continues Bespak's strategic development in broadening its product and service offering.

Bespak Development Portfolio

There has been significant progress within our development portfolio during the period, including the Nicoventures contract award and several major milestones passed on pre-existing pipeline programmes.

Project	Description	Customer	Status
DEV750	DPI	European Pharma	The build of launch stock for this programme continues at pace, with regulatory approval now received in 14 European countries. Launch is anticipated in the first European country in H1 2013
INJ300	Autoinjector	Dr Reddy's Laboratories	This injector programme continues on track with the current schedule
VAL020	MDI valve	Global Pharma	Good progress has been made, though launch is now expected in 2014
VAL310	Easifill primeless valve	US Pharma	This has now been re-filed following a response letter, and is awaiting final FDA approval
INJ570	Autoinjector	Global Pharma	Industrialisation scale up continues
POC010	POC Test Cartridge	Atlas Genetics	Good progress continues with launch expected in H1 2014
NAS010	Nasal device	Global Pharma	The programme is currently under review by the customer
DEV610	DPI	Global Pharma	Producing clinical trials batches. Expected launch 2015
NAS020	Nasal device	Global Generic	Clinical batches being produced

DPI = Dry Powder Inhaler; MDI = Metered Dose Inhaler; POC = Point Of Care

Innovations

The establishment of our Innovations Centre in Cambridge has been a key part of our diversification strategy into new areas of drug delivery. The team has been exploring a broad range of opportunities in order to expand the market segments Bespak can serve and add value to.

There has been significant expansion of resources at the Innovations Centre, underpinning progress with novel product. We are planning to more than double our investment in this year. The growing team continue to make good progress, and we expect to reveal new opportunities from these programmes over the next twelve months.

King Systems Division

King Systems is a leading US developer and manufacturer of disposable medical devices used to establish and maintain patient airways. The business strategy is to grow through new product launches and international expansion. King Systems is entering the final year of a programme to increase margins through the automation and improvement of its core manufacturing processes.

Revenue at King Systems grew 4.4% to £22.0m (H1 FY2012: £21.0m), with good growth in the King Vision Laryngoscope partially offset by slightly weaker sales of airways products for military customers. King Systems' operating profit was consistent with H2 FY2012, at £1.4m, though 25.4% down on the comparable period (H1 FY2012: £1.9m), as expected, due to the implementation and commissioning of the manufacturing transformation programme. The operating margin of 6.3% (H1 FY2012: 8.8%), was also consistent with the H2 FY2012.

King Vision

Launched commercially in July 2011, the King Vision Laryngoscope is the division's most innovative product to date, and is expected to be a key driver of organic growth. The King Vision allows anaesthetists and clinicians to see precisely where they are placing an endotracheal tube when establishing a patient airway. The device consists of a reusable handle containing an OLED screen and a disposable blade containing a camera which allows the clinician to easily position the tube in the trachea. It has market leading optics, but is priced to allow its use in routine intubations, as well as for the management of difficult airways. The King Vision is therefore expected to address one of the major unmet needs of the airway market. The King Vision is opening up new channel opportunities for King Systems outside the operating room in areas where clinicians have an interest in safe and quick establishment of airways, such as Emergency Medical Services (EMS) and respiratory settings.

In the first half, revenues of the King Vision have continued to grow in line with our expectations and feedback from clinicians and the sales force has been consistently very positive. Sales into the hospital care setting have progressed well, and we were particularly encouraged by revenues in the EMS segment, where the cost of deploying more expensive system platforms has historically been prohibitive. The global launch has materially boosted the international portfolio: the King Vision is now approved in 65 countries and sold in 51, up from 39 at 30 April 2012.

From a clinical referencing perspective, 18 clinical studies have been either completed, are on-going, or are in preparation: of these 10 are in the OR, and 8 in EMS, with the studies being carried out globally.

Our R&D team has developed an exciting technology road map for the King Vision, in order to continually broaden and deepen the product range. Further developments of the product are forecast to launch on schedule, the first in H1 2013, and are expected to significantly widen the available market.

Manufacturing Transformation Programme

King Systems is entering the final phase of a programme to increase margins through the automation and improvement of its core manufacturing processes. The first element was the Flex 2 line, which has been running successfully since 2011, realising the benefits expected. The new breathing bag dip line has been installed in Noblesville and is undergoing final commissioning trials. The manufacturing of breathing bags at our H&M facility ceased on schedule at the end of July 2012. The automated mask line is expected to be installed at Noblesville by the end of the 2012. In order to maintain sufficient inventory levels, we plan to cease mask component manufacture at H&M Rubber near the end of the calendar year. Accordingly the cost savings associated with the final site closure will not be realised in full until FY 2014.

As the remaining Transformation Automation programmes come to a conclusion and start to deliver their operational benefits, the Operations team have launched a new lean manufacturing programme, to further deliver efficiency benefits.

Strategy and Outlook

The Group's strategy continues to be to grow organically through new product development and to diversify into adjacent market areas where we can leverage our core competencies and adopt higher value business models. In Bespak, higher value business models would include taking a greater piece of the value chain, through drug handling and pharmaceutical packaging. In King Systems we are looking to grow through new product launches with higher value and margin, whilst increasing international expansions. We have made good progress in all these areas across both Bespak and King Systems, and have laid a platform for growth in the medium term. Additionally we seek to augment our organic growth plan with selective investments and acquisitions.

Execution on our strategic initiatives continues at both businesses, underpinning a strong portfolio of sustainable growth opportunities:

- At Bespak, the Nicoventures contract opens up significant potential future growth and represents diversification in both service offering and sector. Bespak's remaining broad portfolio has expanded further, with many significant milestones passed.
- At King, the King Vision Laryngoscope continues to fulfill our expectations, with an exciting pipeline of further developments, the first of which is scheduled to launch in calendar H1 2013. The Transformation programme will complete in mid-2013, delivering productivity and fixed cost improvements.

Performance across the Group was in line with our expectations during the first half. Our expectations for the full year remain unchanged.