

## Simcere Pharma reports preliminary Q2 results

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**Singapore:** Simcere Pharmaceutical Group, a leading pharmaceutical company specializing in the development, manufacturing, and marketing of branded generic and proprietary pharmaceuticals in China, reported preliminary unaudited financial results for the quarter ending June 30, 2012.

Simcere reported total revenue of \$83.2 million (RMB528.7 million) for the second quarter (Q2) of 2012, which is a 3.2 percent decrease as compared to the same period in 2011. For the first six months of 2012, total revenue was \$160.0 million (RMB1,016.3 million), representing a decrease of 1.2 percent from the prior year period.

While gross margin for Q2 was 83.9 percent, when compared with 84.9 percent for the same period in 2011, income from operations was \$6.5 million (RMB41.6 million) for the second quarter of 2012, representing a decrease of 48.0 percent when compared with the same period last year.

Mr Jinsheng Ren, chairman and CEO, Simcere Pharmaceutical Group said, "In the second quarter of 2012, Simcere's revenue and gross margin remained largely stable. While sales of edaravone, Endu and Sinofuan continued to grow compared with the first quarter of 2012, year-over-year sales performance was below our expectation. During the quarter, we increased our marketing efforts for branded generic drugs such as Zailin, Yingtaiqing and Biqi which helped drive sales growth in these key products but impacted profitability."

Mr Ren further pointed out that "In the second quarter, we were encouraged by sales of our new category I drug Iremod and Shanghai Celgen's biogeneric drug Qiangke. We also received approval to initiate clinical studies for our oncology drug candidate Thiophenib and continue to see strong progress with the four additional new drug candidates currently under clinical trials."