



P R E S S R E L E A S E

Lelystad, the Netherlands, 15 February 2011

Sale of Medical Aid Division to Rochester Medical:

- **Publication of Shareholder Circular on proposed divestment of the Medical Aid Division Laprolan to Rochester Medical**
- **Fornix intends to distribute the net proceeds to its shareholders**

Reference is made to the press release dated 12 January 2011 of Fornix BioSciences N.V. (**Fornix**) announcing the proposed sale of Fornix' Medical Aid Division (**Laprolan**) to Rochester Medical Corporation (**Rochester**) and related arrangements (the **Transaction**). Fornix hereby announces to publish on its website a Shareholder Circular regarding the proposed Transaction and the convocation as well as the agenda for the Extraordinary General Meeting of Shareholders (**EGM**) to be held on 30 March 2011.

Background of the Transaction

As of September 2010, the Management Board and the Supervisory Board of Fornix (the **Boards**) have performed an extensive strategic study regarding Fornix' future. This study included a review of all possible strategic options open to Fornix, including Laprolan.

Fornix extensively reviewed the merits of a buy-and-build scenario involving the acquisition of one or more target companies in the medical aids sector. For that purpose, Fornix' Management Board identified and held discussions with a number of target companies. The outcome hereof was that suitable target companies were either not available, or were available only at terms unattractive to Fornix. Most important, in all cases the combination would not have contributed to reaching the critical mass required for a continuation as a publicly listed company.

As part of the strategic review the Boards have in parallel initially investigated the strategic alternative of a (reverse) takeover of Fornix as a whole (including Laprolan), with a preference of seeking a candidate in the healthcare sector. Initial talks to interested target companies indicated that Laprolan is not considered a strategic asset in such a transaction due to a lack of expected synergies. As a consequence, the Boards concluded that a divestment of Laprolan would increase the attractiveness of Fornix as a reverse takeover candidate.

Proceeds

The purchase price for the shares in Laprolan amounts to EUR 10,350,000, on a debt and cash free basis.

As per the press release dated 12 January 2011 the cash proceeds of the Transaction are subject to various conditions, with a maximum reduction of approximately EUR 2,000,000. These conditions relate to certain third party consents that are required to be obtained in relation to the Transaction (the **Required Consents**), within 90 days after the date of the completion of the transfer of the shares of Laprolan pursuant to the relevant notarial deed of transfer (**Completion**). Fornix has confirmed to Rochester that it has obtained a majority of the Required Consents since.



If and insofar the Required Consents have not all been obtained within 90 days after the date of Completion, a reduction of the purchase price shall be made in order to compensate Rochester and such compensation shall be calculated as agreed in the share purchase agreement between Fornix and Rochester dated 12 January 2011 (the **SPA**). This downward adjustment is currently maximized at approximately EUR 500,000. Fornix and Rochester have agreed to deposit this amount into an escrow account as of Completion until it is clear if, and if so, by how much, the purchase price must be adjusted downwards.

As a result of the Transaction, Fornix is likely to incur a tax liability with respect to the application of article 15ai of the Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969* or its successor). This potential tax liability relates to a transfer of assets and liabilities within the Fornix fiscal unity that took place in the past. Together with the tax authorities, Fornix is in the process of determining the precise amount payable. It is the current expectation that this amount will be in a range of EUR 600,000 to EUR 900,000. The purchase price agreed upon with Rochester incorporates a partial compensation for this expected tax liability.

Allocation of proceeds

The net proceeds for Fornix of the Transaction (i.e. cash proceeds less the costs for the Transaction, estimated at EUR 850,000), which were communicated by press release dated 12 January 2011 to be in the range of EUR 7,500,000 - EUR 9,500,000, are now expected to be in the range of EUR 8,950,000 - EUR 9,450,000. This range is based on the potential downward adjustment of the purchase price as described above, with the downward adjustment having decreased from EUR 2,000,000 to EUR 500,000 due to certain conditions already having been met.

Fornix intends to distribute, as an interim dividend in cash to its shareholders, the proceeds from the Transaction received on Completion, adjusted for (i) costs related to the Transaction (currently estimated at EUR 900,000), (ii) a reservation for the exposure relating to representations, warranties and indemnities provided to Rochester (equal to 15% of the purchase price, i.e. EUR 1,550,000), and (iii) a potential tax liability which is likely to result from the Transaction referred to above (estimated to be in a range of EUR 600,000 up to EUR 900,000). Shareholders should note that the definitive amount can only be determined after completion of the Transaction and upon finalization of the annual accounts of Laprolan and shall be distributed in April 2011. It is the expectation that the cash that is consequently distributable to the shareholders as a result of the Transaction will be in the range of EUR 6,500,000 - EUR 7,000,000, assuming the expected maximum potential tax liability of EUR 900,000 in both cases.

Other conditions

The SPA contains terms and conditions as are customary for this type of transactions, including warranties and indemnities for a limited period of time and for which the liability is capped. Fornix has committed to Rochester that it will not liquidate prior to 31 December 2011. Fornix and Rochester have agreed that any remaining liability under the tax indemnity shall terminate upon completion of a liquidation of Fornix after 31 December 2011, should Fornix decide to do so. As security for Fornix' liability pursuant to the SPA towards Rochester, Fornix has agreed to maintain until 31 December 2011 a cash reserve on its balance sheet of at least 15% of the purchase price.

Financial information Laprolan

Below follows a summary of financial information relating to Laprolan (figures are in EUR millions). Please note that the 2010 figures are unaudited. The 2008 and 2009 figures have been derived from Fornix' audited annual accounts.

	2008	2009	2010
Net Sales	9.686	9.254	8.195
Cost of Sales	4.087	4.137	3.485
Gross margin	5.599	5.117	4.710
<i>Margin (%)</i>	<i>57.8</i>	<i>55.3</i>	<i>57.5</i>
Operating costs excl. holding costs	2.677	2.440	2.190
Holding costs (i.e. Fornix BioSciences N.V.)	304	282	304
EBIT after holding costs	2.618	2.395	2.216
<i>Margin (%)</i>	<i>27,0</i>	<i>25,9</i>	<i>27,0</i>
EBIT before holding costs	2.922	2.677	2.520
<i>Margin (%)</i>	<i>30,2</i>	<i>28,9</i>	<i>30,8</i>
Capital expenditures	68	24	518

Recommendation Boards

The Management Board and Supervisory Board of Fornix unanimously recommend that Fornix' shareholders vote in favour of the resolution to be proposed at the EGM to approve the Transaction. The reasons for doing so are detailed in the Shareholder Circular together with a description of and further background to the Transaction. The Shareholder Circular can be retrieved from www.fornix.nl or obtained, free of charge, from Fornix as well as from Kempen & Co N.V. (Beethovenstraat 11 in Amsterdam).

Update strategic review

In the context of the strategic review the Boards have continued to explore the strategic option of a reverse merger or takeover of Fornix, with a preference of, but not restricted to, a transaction with a candidate in the healthcare sector. This alternative continues to be the Management Board's and Supervisory Board's preferred option for all of Fornix' stakeholders based on its sound track record as public entity and its cash position.



For the selection of potential target companies for a reverse merger or takeover the Boards defined three key selection criteria:

1. Attractive equity story of the combination and upside potential to Fornix' shareholder value
2. Downside protection to Fornix' shareholders, limiting the investment risk
3. A certain minimum level of transaction execution likelihood

Based on these criteria a substantial pipeline of potential target companies has been established and extensive meetings with several target companies have taken place. The Boards continue to see a reverse merger or takeover of Fornix as the preferred option and will provide a further update on or before the upcoming EGM.

Reduction of holding costs

In parallel to the divestment of Laprolan and Artu Deutschland and the review of reverse merger alternatives, the Boards have been working on significantly reducing the overhead costs of Fornix and its infrastructure representing reduced operational activities. In this context the Supervisory Board mutually agreed with Mr. C.L. Bergman to end his employment as per 30 April 2011. Mr. Bergman will continue to work as CEO and member of the Management Board beyond 30 April on a contractual basis with a substantially lower compensation for a limited period of time. The reduced fees payable to Mr. C.L. Bergman represent a reduction to Fornix of more than 50% of the fixed remuneration costs of Mr. Bergman and no further bonus entitlements. Furthermore the Supervisory Board decided to reduce the fees paid to the members of the Supervisory Board by 50% as of 1 January 2011.

As a result of the significantly reduced infrastructure of Fornix, the costs of the continuation of this process will be significantly less, which is also reducing the time pressure in finding the right candidate and proposing a transaction to Fornix' shareholders.

END OF PRESS RELEASE

For additional information, please contact: Fornix BioSciences N.V.

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Profile of Fornix BioSciences N.V.

Fornix BioSciences N.V. is a listed company (Euronext Amsterdam: AFORBI) engaged in the distribution of medical aids and medical and nursing consumables. The company, which operates sites in Lelystad and Beuningen, currently employs approximately 20 people. Fornix BioSciences N.V. operates mainly in the Netherlands and is currently only engaged in the sale and distribution of medical aids.

The Medical Aids Division consists of Laprolan, which is located in Beuningen, and specialises in the sale, marketing and distribution in the Netherlands of a wide range of medical aids and medical and nursing consumables.