

## **PRESS RELEASE**

Lelystad, the Netherlands, 10 May 2011

### **Fornix publishes trading update for first four months of 2011**

- **Sale of Medical Aid Division (Laprolan) completed**
- **Proceeds of sale of Laprolan distributed as interim-dividend**
- **Structural and significant reduction of holding and management costs**
- **Change in composition of Management Board and Supervisory Board intended in 2011**
- **During the coming annual General Meeting of Shareholders on 13 May 2011, the amount and timing of the future extra dividend will be discussed**
- **Profit forecast for full year 2011: slightly positive net result**

**In the first four months of 2011 Fornix BioSciences N.V. (NYSE Euronext: AFORBI) sold its last remaining activities. Further, all employment agreements were terminated and the managing director only works on a consultancy basis. The profile of the company has changed significantly as a result and Fornix now no longer has any operational activities. The Supervisory Board is of the opinion that it is no longer in the company's benefit to maintain the Supervisory Board in its current composition and the members have indicated that they will step down once new members have been appointed. For this purpose a new Extraordinary General Meeting of Shareholders (EGM) will be convened. The Supervisory Board has initiated a search for candidates to form a new Supervisory Board.**

#### **Sale of Laprolan**

The sale of Laprolan to Rochester Medical Corporation, with as effective date 1 January 2011, was completed on 7 April 2011 by the transfer of the entire issued share capital of Laprolan against payment of the agreed consideration payable of € 10.35 million. The net proceeds of the sale of Laprolan (i.e. the consideration paid by Rochester less the costs directly related to the transaction) amounted to € 0.96 gross per ordinary share and was distributed as interim-dividend on 29 April 2011.

#### **Holding and management costs**

In parallel to the divestment of Laprolan, the Management Board and Supervisory Board have been working on significantly reducing the overhead costs of Fornix and its infrastructure considering the 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 after aforementioned date on a consultancy basis for a limited period of time against a substantially lower compensation. Furthermore the Supervisory Board decided to reduce the fees paid to the members of the Supervisory Board by 50% as of 1 January 2011. The reason for this lies in the reduced size of the company, it being noted that this has not resulted in the activities of the Supervisory Board having been reduced.

In addition, where possible, further cost saving measures have been taken. As a result, as per May 2011, Fornix no longer has any employees. The requisite administrative support (to be able to continue to meet the requirements of a listed company) will be "purchased" from third parties by

way of a service agreement. Thanks to these measures the structural cost level of Fornix has been reduced significantly.

### **Corporate Governance**

Considering the changed profile of the company, the Supervisory Board is of the opinion that it is no longer in the company's benefit to maintain the Supervisory Board in its current composition. The current members have indicated that they desire to step down in the short term, as soon as new members are appointed. For this purpose a new Extraordinary General Meeting of Shareholders (EGM) will be convened. The Supervisory Board has initiated a search for candidates to form a new Supervisory Board.

### **"Extra dividend" distributions**

Fornix is considering distributing extra dividend from its freely distributable reserves. The amount and timing of the distribution are dependant on the reserves that must be maintained in order to cover potential liabilities of the company, pursuant to guarantees and indemnities provided by the company, as well as to cover other costs.

At the EGM of 30 March 2011, the shareholders expressed the explicit desire that a potential distribution of extra dividend would first be submitted to the shareholders' meeting. In this context the Management Board and the Supervisory Board will discuss during the 13 May 2011 General Meeting of Shareholders what amount of "extra dividend" they believe can be distributed and under which conditions (i.e. the amount and the timing) and will obtain the views of the shareholders on this matter.

### **Outlook for the full year 2011**

In the press release of 10 March 2011, in which the definitive annual figures were published, it was stated that the negative net result of Fornix in 2011 would amount to less than € 0.4 million. Especially thanks to a lower tax liability, which is further detailed in the press release of 30 March 2011, it is currently anticipated that the net result will be slightly positive.

**END OF PRESS RELEASE**

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