Vectura Group plc

Seebri® / Ultibro® Breezhaler® 2016 sales reach $512 million triggering $5 million milestone receipt

Chippenham, UK – 25 January 2017: Vectura Group plc (LSE: VEC) ("Vectura", "the Group"), an industry-leading device and formulation business for inhaled airways disease, announces that a sales milestone receipt of $5 million has been triggered following confirmation by Novartis that EU/ROW combined net sales of Seebri® Breezhaler® and Ultibro® Breezhaler® for the year to 31 December 2016 have reached $512 million. The milestone will be recorded in the Group's revenues for 2016, as anticipated at the time of the Group's pre-close trading update on 9 January 2017.

Net sales for these products reported by Novartis today are as follows:

	Q4 2016	Q4 2015	% change		**FY 2016**	FY 2015	% change	
	$'m	$'m	$'	cc*	$'m	$'m	$'	cc*
Ultibro Breezhaler	90	76	18	20	363	260	40	38
Seebri Breezhaler	38	37	3	9	149	150	-1	2

James Ward-Lilley, Chief Executive Officer, commented:

"Vectura's collaboration with Novartis continues to deliver significant value, contributing to total recurring revenues which make up over 75%[1] of Group revenues. From their respective launches within only the last five years, Seebri and Ultibro are now established and substantial global products having achieved over $0.5 billion in combined net sales in 2016. Ultibro in particular continues to grow strongly, fuelled by the positive results of the FLAME study and with further potential both from the recent change to the GOLD guidelines and the planned 2017 US launch by Sunovion. We also look forward to further progress of the Novartis asthma triple programme QVM149, which is currently in Phase III with first planned submissions in 2019."

- Ends -

Enquiries

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About Vectura

Vectura, a FTSE250 company listed on the London Stock Exchange (LSE: VEC), is an industry-leading inhaled airways disease focused business with proprietary formulation and devices across DPI, pMDI and "smart" nebulisation platforms. With our extensive range of technologies, capabilities and collaborations, we believe we can become a leader in the development of inhalation products, increasing our ability to help patients suffering from respiratory diseases. In June 2016 Vectura completed a merger with Skyepharma PLC.

Vectura has seven inhaled, four non-inhaled and ten oral products marketed by partners with growing global royalty streams, and a portfolio of drugs in clinical development, a number of which have licence agreements with several global pharmaceutical and biotechnology companies including Hikma, Novartis, Sandoz, Mundipharma, Kyorin, Baxter, GSK, UCB, Ablynx, Grifols, Chiesi, Almirall, Janssen, and Tianjin KingYork.

[1] 2016 Interim Results: 76%

* *cc (constant currency), an exchange rate that eliminates the effects of exchange rate fluctuations*

For further information, please visit Vectura's website at www.vectura.com.

About Ultibro Breezhaler/Utibron Neohaler

Ultibro Breezhaler (indacaterol maleate/glycopyrronium bromide), a first-in-class dual bronchodilator, is approved in over 90 countries, including Japan and EU countries. It is a once-daily fixed-dose combination of indacaterol and glycopyrronium bromide, and in the EU is indicated as a maintenance bronchodilator treatment to relieve symptoms in adult patients with COPD. In the US, it was approved in October 2015 as a twice-daily inhaled, fixed-dose combination of indacaterol 27.5 mcg and glycopyrrolate 15.6 mcg, for the long-term maintenance treatment of airflow obstruction in patients with COPD, including chronic bronchitis and/or emphysema, under the brand name Utibron™ Neohaler®.

About Seebri Breezhaler/Seebri Neohaler

Seebri Breezhaler (glycopyrronium bromide), an inhaled LAMA is approved in over 90 countries and indicated as a once-daily maintenance bronchodilator treatment to relieve symptoms of patients with COPD. In the US, it was approved in October 2015 as a twice-daily inhaled monotherapy for the long-term maintenance treatment of airflow obstruction in patients with COPD, including chronic bronchitis and/or emphysema, under the brand name Seebri™ Neohaler® (glycopyrrolate 15.6 mcg).

Glycopyrronium and certain use and formulation intellectual property were exclusively licensed to Novartis in April 2005 by Sosei and Vectura.

Following the announcement on December 21, 2016 by Novartis, Sunovion Pharmaceuticals Inc. assumes US commercialisation rights for Utibron Neohaler, Arcapta Neohaler and Seebri Neohaler. Novartis will continue to bring Ultibro Breezhaler, Onbrez Breezhaler and Seebri Breezhaler to patients with COPD outside of the US.

Forward-looking statements

This press release contains forward-looking statements, including statements about the discovery, development and commercialisation of products. Various risks may cause Vectura's actual results to differ materially from those expressed or implied by the forward-looking statements, including: adverse results in clinical development programmes; failure to obtain patent protection for inventions; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and commercialise products and services; difficulties or delays in obtaining regulatory approvals to market products and services resulting from development efforts; the requirement for substantial funding to conduct research and development and to expand commercialisation activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.