5th June 2007

Maelor plc
(“Maelor”, “Group” or “Company”)

Maelor results ahead of expectations – profitable in H2

Preliminary Results for the year ended 31st March 2007

Maelor plc (AIM: MLR), the specialist hospital medicines company, announces preliminary results for the year ended 31st March 2007.

Financial Highlights – *Results ahead of expectations – profitable in H2*

- Turnover up 53% to £2.84m (2006: £1.86m)
- Operating loss down to £73k (2006:£609k / H1 £93k)
- Earnings/loss per share reduced to 0.10p (2006:1.93p)
- Net cash position improved to £1.43m (2006:£1.10m)

Operational Highlights – *Transformational year*

- Strong performance from underlying business
    - Volplex sales tripled Vs 2005/06
    - ISOplex and AquiHex into late stage development and on schedule
    - Licence secured to supply “specials”
    - Initial payment received for Micelle Lidocaine
    - 8% improvement in gross margin to 48% (2006: 40%)

- Further strengthened management team
    - New Finance Director & Commercial Manager

- Transforming acquisition of Acorus Therapeutics Limited (“Acorus”) post year end
    - Enlarged group profitable and growing
    - Highly synergistic portfolio of products
    - Integration progressing to schedule

Tim Wright, Chief Executive of Maelor plc said:

“This year has been transformational for Maelor. In line with our new strategy developed in 2005/6 we have focused the Company on late stage and launched products, managed the business to profitability in the second half of the year and completed the acquisition of Acorus, thereby creating a substantial specialist hospital medicine business which is profitable and cash generative.

Trading since the period end is in line with expectations and the integration of Acorus is, as anticipated, proceeding smoothly. The enlarged business provides us with a platform for further growth both organically and through further acquisitions."

- Ends -

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Financial Dynamics

Chairman's Statement

Introduction

I am pleased to present the results for the past financial year, a year of significant achievements for Maelor. Under the leadership of our CEO, Tim Wright, the new management team has worked to transform the Company into a profitable business with a focus on late stage specialist hospital medicines.

In my statement in the 2005-06 Annual Report I noted that for Maelor to accelerate its growth we needed to succeed in marketing core products in our own right and in partnering non-core products. In the year end March 2007 we achieved both of these objectives with a threefold increase in sales of Volplex and the exploitation of our micelle technology in a partnership with Plethora. In addition we have further expanded our portfolio of critical care products with the addition of AquiHex™ and ISOplex™.

Our financial performance this year is much improved with the company reaching breakeven in the second half of the year, resulting from an outstanding 53% revenue growth. Our cash position has also strengthened and margins have been substantially improved.

Acquisition

Since the year end, we have delivered a transforming, earnings enhancing acquisition, which has made us profitable and built a strong platform for growth. Acorus is a successful specialist pharmaceuticals and medical devices company, which we acquired for a total consideration of £13 million. The initial cash consideration was satisfied by the issue to institutional investors of 80,000,000 new Ordinary Shares of 10 pence each, which raised £8 million and was oversubscribed.

Acorus is significantly profitable and growing with a portfolio of assets primarily focused in critical care and neurology. It was established in 2000 and has been built as a virtual company; thus the speed and success of our integration process to date.

Outlook

Trading since the period end is in line with expectations and the integration of Acorus is on schedule.

The existing business is now performing well. The acquisition of Acorus, with its portfolio of marketed products will make us significantly profitable creating a strong platform upon which to grow the business both organically and through further acquisitions. The Board would like to thank the Maelor team for its efforts and achievements during the year and it looks to the future with confidence.

Chief Executive's Review

In my report last year we outlined our strategy to transform Maelor into a specialist hospital medicine business, focused initially in critical care. We identified the importance of focusing on late stage products, thereby reducing the risk and expense of early stage development as well as leveraging our non-critical care portfolio through efficient partnerships.

I am pleased to report that the implementation of this plan is progressing well and has been significantly accelerated following the recently announced; transforming acquisition of Acorus, creating a strong and profitable enlarged Company.

Separating out the recent acquisition of Acorus, I am also pleased to report that the underlying Maelor business has performed well over the year and in particular has delivered a strong and profitable second half:

Building a specialist hospital medicines business

A significant contributor to this performance has been the successful re-acquisition and re-launch of Volplex, a product Maelor originally developed and licensed. Used in operating theatres and wards to maintain blood volume, Volplex competes primarily with one other long established product.

We have succeeded in trebling sales of Volplex since March 2006 and MAT (moving annual total) market share has grown from 12% to 20%. We have recruited an experienced Commercial Manager and with substantial room for further market share growth, the management team is confident that Maelor can continue to win new customers and further grow sales of Volplex.

During the year we announced the late stage development of ISOplex and AquiHex, both products which will be used in critical care settings. ISOplex, in common with Volplex will be used in situations where an increase in blood volume is required. ISOplex has been designed to mimic natural blood plasma, particularly in the balance of electrolytes. The use of these "isotonic" formulations is an area of significant interest amongst critical care clinicians. Given our experience and existing data in this sector it is anticipated that development will be relatively rapid and inexpensive for a pharmaceutical product. Development has continued to progress on schedule and regulatory approval remains to be forecast for the end of 2008.

AquiHex is a 2% aqueous formulation of chlorhexidine, an antibacterial product commonly used prior to surgical incision or insertion of IV lines. To date all products of this type are alcohol based and therefore present problems in settings where flammability is of concern such as operating theatres. Use of alcohol based products is also recommended against when using certain IV lines as it can make them brittle. AquiHex is being supplied as a "special" ahead of registration, which is currently forecast for late 2009.

In the middle of the year we succeeded in gaining approval to supply un-licensed medicines. Generally known as "specials" these products can be requested by physicians for use in patients where there is a specific requirement which is presently unmet by any medicine licensed in the UK. In addition to establishing closer relationships with the critical care community this strategy will enable Maelor to gauge demand for products and where this demand is sufficient, progress these products to licence in the UK. We have recently gained distribution rights to a selection of fluid and volume replacement products from Germany which we also make available as part of this service.

Leverage non-critical care portfolio through efficient partnerships

We will continue to select strong partners to commercialise the heritage portfolio of products and technologies that do not fit directly with the Company's hospital specialist strategy, in particular our catheter flushing solutions OptiFlo and Contisol and our proprietary early stage micelle nanotechnology.

OptiFlo, the UK brand of catheter flushing solutions distributed by Bard, continues to perform well, with sales up 6% versus 2005/2006, and remains the UK market leader with a market share of 54%.

Included in the first half of the year is an initial payment following the licensing of our proprietary micelle nanotechnology, micelle lidocaine. The partnership with Plethora Solutions Holdings plc, a specialist urology company, is progressing well and the product has successfully passed through the first stage of its preclinical development programme. Under the terms of the agreement Plethora is responsible for product development and distribution and Maelor is entitled to milestone and royalty payments. The micelle lidocaine technology will be incorporated into Plethora's on going product development programme for the treatment of interstitial cystitis and painful bladder syndrome. These distressing conditions are estimated to afflict up to two million women in the United States and Europe.

Financial Summary

Financial results for the year ended 31 March 2007 have been delivered ahead of expectations.

Turnover for the year to 31 March 2007 was £2.84m (2006: £1.86m), representing an increase of 53% over prior year. This significant increase can be attributed to the management team's continued focus on growing Volplex, the sales growth of Optiflo as well as an initial payment received for our micelle lidocaine nanotechnology.

Gross margins increased from last year by almost 8% to 48% as a result of further efficiencies in manufacturing and supply.

The Group's operating loss for the year reduced significantly to £73k from £609k in 2006, including achieving a £20k operating profit in the second half of the year. The improvement was driven by the sales growth, the initial licensing payment and careful cost control.

Group cash balances, net of debt, at 31 March 2007 were £1.43m compared with £1.10m last year. At the end of the year we sold our office building and relocated to a modern leasehold property on Chester Business Park. Proceeds from the sale of the building enabled the bank mortgage to be cleared leaving the Company debt free at the year end. Since the year end we have negotiated a £2.0m bank facility for further business expansion.

Acquisition of Acorus Therapeutics Limited

In line with the Company's strategy the most recent achievement was to successfully complete a deal to acquire privately owned Acorus for a total consideration of approximately £13.0m, comprising £7.0m in cash, 10 million ordinary shares at 10p each and loan notes of £4.88m, contingent on achievement of certain sales milestones.

The deal was funded by an oversubscribed placing of 80 million 10p ordinary shares issued at 10p each and was completed on 10 May 2007. It is a transforming move for Maelor, with the enlarged group becoming immediately profitable and cash generative.

Acorus is a particularly synergistic acquisition. The product range is complementary to Maelor's with the same customers, distribution channels and regulatory systems and processes. The integration process is progressing well and on schedule.

Outlook

Our vision remains to build a new force in specialist hospital medicine, leveraging our expertise in both pharmaceuticals and medical devices. We have re-focused the business, taken it to profitability in the second half and in Acorus made a synergistic transformational acquisition. With a strong team in place, Maelor is well-positioned to drive growth organically and through acquisition.

Consolidated Profit and Loss Account

for the year ended 31 March 2007

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Turnover	**2,842,002**	1,858,750
Cost of sales	**(1,485,669)**	(1,117,782)
Gross profit	**1,356,333**	740,968
Research and development	**(97,187)**	(89,888)
Administration	**(1,331,910)**	(1,259,627)
Operating loss	**(72,764)**	(608,547)
Interest receivable and similar income	**51,673**	51,784
Interest payable	**(11,539)**	(13,351)
Loss on ordinary activities before taxation	**(32,630)**	(570,114)
Taxation	**-**	(90,478)
Loss sustained attributable to the Group	**(32,630)**	(660,592)
Basic loss per ordinary share	**(0.10)p**	(1.93)p
Diluted loss per ordinary share	**(0.10)p**	(1.93)p

All operations are continuing.

Statement of recognised income and expenses

for the year ended 31 March 2007

There were no recognised income and expenses other than as reflected in the Profit and Loss Account above (2006: nil)

Note of historical cost profits and losses

for the year ended 31 March 2007

	2007 £	2006 £
Reported loss on ordinary activities before taxation	**(32,630)**	(570,114)
Realisation of property revaluation losses of previous years	**(7,287)**	-
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**2,310**	2,520
Historical cost loss on ordinary activities before taxation	**(37,607)**	(567,594)
Historical cost loss for the year sustained after taxation	**(37,607)**	(658,072)

Consolidated Balance Sheet

	31 March 2007		31 March 2006	
	£	**£**	£	£
Fixed assets				
Tangible assets		**67,453**		383,305
Current assets				
Stocks	**150,175**		205,590	
Debtors – due within one year	**597,956**		379,374	
Cash at bank and in hand	**1,427,332**		1,296,463	
	2,175,463		1,881,427	
Creditors: amounts falling due within one year	**(867,101)**		(696,553)	
Net current assets		**1,308,362**		1,184,874
Total assets less current liabilities		**1,375,815**		1,568,179
Creditors: amounts falling due after more than one year		**-**		(173,899)
Net assets		**1,375,815**		1,394,280
Capital and reserves				
Called up share capital		**3,428,083**		3,428,083
Shares to be issued		**37,182**		23,017
Share premium account		**12,154,094**		12,154,094
Revaluation reserve		**-**		151,169
Profit and loss account		**(14,243,544)**		(14,362,083)
Shareholders' funds – equity		**1,375,815**		1,394,280

Consolidated cash flow statement

for the year ended 31 March 2007

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Cash flow from operating activities	**(14,185)**	(300,746)
Returns on investments and servicing of finance	**40,134**	38,433
Taxation	**5,961**	108,487
Capital expenditure	**291,759**	(15,857)
Cash inflow/(outflow) before management of liquid resources and financing	**323,669**	(169,683)
Financing	**(192,800)**	(1,546)
Increase/ (decrease) in cash in the year	**130,869**	(171,229)

Reconciliation of net cash flow to movement in net funds

for the year ended 31 March 2007

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Increase/(decrease) in cash in the year	**130,869**	(171,229)
Cash outflow from decrease in debt and lease financing	**192,800**	19,171
Changes in funds resulting from cash flows	**323,669**	(152,058)
Movement in net funds in the year	**323,669**	(152,058)
Net funds at the start of the year	**1,103,663**	1,255,721
Net funds at the end of the year	**1,427,332**	1,103,663

Notes to the preliminary results for the year ended 31 March 2007

1. The financial information set out in this report, which was approved by the directors on 4 June 2007, does not constitute the Company's statutory accounts for the year ended 31 March 2007 or 31 March 2006 but is derived from those accounts. Statutory accounts for 2006 have been delivered to the Registrar of Companies and those for 2007 will be delivered following the Company's Annual General Meeting. The auditors have still to report on the 2007 accounts but have indicated that they will be issuing an unqualified report in all respects. The 2006 audit report was unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985.

2. The preliminary results have been prepared on the basis of the accounting policies as set out in the financial statements for the year ended 31 March 2006. Key elements of the Company's principal accounting policies are noted below.

   Basis of preparation and consolidation
   The financial statements of the Group consolidate the financial statements of the Company and all its subsidiary undertakings, whose financial statements were also made up to 31 March 2007.

   The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of freehold property.

3. Loss per ordinary share

   The calculation for basic loss per share uses the numerators and denominators noted below:

	2007	2006
	£	£
Loss attributable to the Group	**(32,630)**	(660,592)
Weighted average number of shares in issue during the year – basic	**34,280,833**	34,280,833

   Basic and diluted loss per share are the same as there is no dilution at (0.10p) (2006: (1.93p)).

4. The directors do not propose the payment of a dividend.

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