Questcor Increases Quarterly Cash Dividend 20 Percent

October 10, 2013

Dividend Increased to $1.20 per Share on an Annual Basis
Second Dividend Increase in 2013 Reflects Growing Cash Flow

ANAHEIM, Calif., Oct. 10, 2013 /PRNewswire/ -- Questcor Pharmaceuticals, Inc. (Nasdaq: QCOR) today announced that its Board of Directors has declared a quarterly cash dividend of $0.30 per share ($1.20 per share on an annual basis), reflecting a 5 cent or 20 percent increase over the previous quarter's dividend, and a 50 percent increase year over year. The dividend will be paid on or about October 30, 2013 to shareholders of record at the close of business on October 22, 2013.

"Our second dividend increase this year reflects our strong financial performance to date, driven by increasing usage of Acthar among physicians to treat patients with serious, difficult to treat medical conditions," said Don M. Bailey, President and CEO of Questcor. "Our business is generating a growing amount of cash flow, as evidenced by Questcor's $278 million in cash and investments at October 4, 2013. Our cash position includes $75 million in restricted cash, unchanged from the second quarter 2013. We remain committed to using our strong cash flow to invest in our business, including significant investments in R&D, while returning cash to shareholders. To date we have maintained a payout ratio—dividends paid per share divided by earnings per share —of approximately 20%."

About Questcor

Questcor Pharmaceuticals, Inc. is a biopharmaceutical company focused on the treatment of patients with serious, difficult-to-treat autoimmune and inflammatory disorders. Questcor also provides specialty contract manufacturing services to the global pharmaceutical industry through its wholly-owned subsidiary BioVectra Inc. Questcor's primary product is H.P. Acthar® Gel (repository corticotropin injection), an injectable drug that is approved by the FDA for the treatment of 19 indications. Of these 19 indications, Questcor currently generates substantially all of its net sales from the following approved indications: the treatment of proteinuria in the nephrotic syndrome of the idiopathic type, or NS, the treatment of acute exacerbations of multiple sclerosis, or MS, in adults, the treatment of infantile spasms, or IS, in infants and children under two years of age, and the treatment of certain rheumatology related conditions. With respect to nephrotic syndrome, the FDA has approved Acthar to "induce a diuresis or a remission of proteinuria in the nephrotic syndrome without uremia of the idiopathic type or that due to lupus erythematosus." Questcor has announced its intent to initiate a pilot commercialization effort for Acthar for the treatment of respiratory manifestations of symptomatic sarcoidosis. The FDA approved package insert for Acthar includes "symptomatic sarcoidosis" under the heading "Respiratory Diseases". Questcor is also exploring the possibility of developing markets for other on-label indications and the possibility of pursuing FDA approval of additional indications not currently on the Acthar label where there is high unmet medical need. Questcor also has agreed to acquire certain international rights for Synacthen® (tetracosactide) and Synacthen Depot®, and has licensed the right to develop and seek FDA approval for these products in the United States. For more information about Questcor, please visit www.questcor.com.

Note: Except for the historical information contained herein, this press release contains forward-looking statements that have been made pursuant to the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "believes," "continue," "could," "ensuring," "estimates," "expects," "growth," "may," "momentum," "plans," "potential," "remain," "should," "start," "substantial," "sustainable" or "will" or the negative of such terms and other comparable terminology. These statements are only predictions. Actual events or results may differ materially. Factors that could cause or contribute to such differences include, but are not limited to, the following:

- Our reliance on Acthar for substantially all of our net sales and profits;
- Our ability to continue to generate revenue and free cash flow from sales of Acthar to treat on-label indications associated with NS, MS, IS or rheumatology-related conditions, and our ability to develop other therapeutic uses for Acthar;
- Our ability to effectively manage our growth, including the expansion of our sales forces, planned international expansion, recent acquisitions, and our reliance on key personnel;
- Our ability and willingness to continue to pay our quarterly dividend or make future increases in our quarterly dividend; and
- Other risks discussed in Questcor's annual report on Form 10-K for the year ended December 31, 2012 as filed with the Securities and Exchange Commission, or SEC, on February 27, 2013, and other documents filed with the SEC.

The risk factors and other information contained in these documents should be considered in evaluating Questcor's prospects and future financial performance.

Questcor undertakes no obligation to publicly release the result of any revisions to these forward-looking statements, which may be made to reflect events or circumstances after the date of this release.

SOURCE Questcor Pharmaceuticals, Inc.