

EASTPHARMA LTD.

London, 6 November 2014 - a company active in the manufacturing and marketing of pharmaceutical products in Turkey and in other regional markets, announces that it will be releasing figures on its sales performance for the period 30 September 2014 and a review of its main subsidiary DEVA Holding's financial statements for the related period.

Management comment on the financial performance of EastPharma is provided in the attachment, and a presentation of the results will be available on the EastPharma website [www.eastpharmaltd.com](http://www.eastpharmaltd.com) on 7 November 2014.

A conference call to review the sales performance for the period 30 September 2014 will be hosted by the management of EastPharma at 4:00pm London time on **7 November 2014** (11:00am New York / 5:00pm Zurich time / 6:00pm Istanbul time). The dial-in details are provided below.

Conference call:

Participant Std International Dial-In:

United Kingdom: +44 (0) 14 5255 5566

United States: +1 631 510 7498

Participant Local Dial-In:

Switzerland, Baden: 0565800007

Germany, Frankfurt: 06922224918

Conference ID: 18369430

For further information, please contact:

Investor Relations:

**email:** [ir@eastpharmaltd.com](mailto:ir@eastpharmaltd.com)

## **SALES UPDATE AND MANAGEMENT REVIEW**

### **MANAGEMENT COMMENTS ON EASTPHARMA'S SALES PERFORMANCE IN 9M 2014 (IFRS):**

According to IFRS results, revenue in 9M 2014 was USD 156.6mn, down 4.6% from the same period in 2013 (USD 164.1mn). In Turkish Lira terms, revenue increased by 11.5% in the same period (Net sales in 9M 2014 were TRY 338.6mn vs TRY 303.6mn net sales in 9M 2013).

The average US Dollar exchange rate strengthened by 16.1% against the Turkish Lira to 2.1618 in 9M 2014, which compares with an average rate of 1.8628 in 9M 2013. The USD/TRY exchange rate was 2.1343 on 31 December 2013, while it was 2.2789 on 30 September 2014, which corresponds to an increase of 6.8%.

EastPharma's sales decrease in US Dollar terms was mainly due to the strengthening of the US Dollar against the Turkish Lira. In 9M 2014 versus 9M 2013, Human Pharma revenues in US Dollar terms decreased by 7.5% (from USD 155.6mn to USD 143.9mn). In Turkish Lira terms, Human Pharma revenues increased by 8.1%, from TRY 287.9mn to TRY 311.1mn.

### **MANAGEMENT COMMENTS ON CAPITAL MARKET BOARD (CMB) FINANCIAL PERFORMANCE FOR DEVA 9M 2014:**

Deva's Capital Markets Board (CMB) results show revenue in 9M 2014 was TRY 344.2mn, up 11.7% from the same period in 2013 (TRY 308.2mn).

Deva's sales increase was mainly due to increased volumes in Deva's Human Pharma and Veterinary products business revenue. In 9M 2014 versus 9M 2013, Human Pharma revenue increased by 8.3% (from TRY 292.5mn to TRY 316.7mn). Veterinary business revenue increased by 117.1% compared to the 9M 2013 (from TRY 9.9mn to TRY 21.5mn).

Deva's gross profit in 9M 2014 was TRY 119.8mn, up from TRY 117.5mn in 9M 2013. The gross profit margin in 9M 2014 was 35% vs 38% in 9M 2013.

EBITDA in 9M 2014 was TRY 51.5mn vs TRY 51.2mn in 9M 2013 representing an EBITDA margin of 15.0% vs 16.6% in 9M 2013.

Operating expenses in 9M 2014 increased by 2.9%, from TRY 86.8mn to TRY 89.3mn. The ratio of operating expenses to revenues decreased to 25.9% from 28.2% compared to 9M 2013. Sales and marketing expenses in 9M 2014 were 18.4% of revenues; general administrative expenses were 6.6% of revenues. These expenses were 20.4% and 7.3% in 9M 2013, respectively.

Finance expenses increased by TRY 5.7mn, from TRY 26.9mn to TRY 32.6mn in 9M 2014 compared to 9M 2013. Foreign exchange gain/loss decreased by TRY 6.3mn, on the other hand, interest on borrowings and bond interests and expenses increased by TRY 12.3mn. Average TL interest rate increased to 10.60% in 9M 2014 from 7.60% in 9M 2013.

Receivable days at 30 September 2014 were 123 days, compared to 134 days as at 31 December 2013.

Philipp Haas, EastPharma's Chairman and CEO, stated;

“The weak Turkish Lira continues to affect our performance, both at the top line level but also and more importantly at the gross margin level.

Thanks to continued strict cost control, we have been able to stay profitable during the 3rd quarter, which is normally our weakest quarter. We are also benefitting from new product introduction, especially in ophthalmology, which is also contributing to counterbalance the negative impacts from the currency and further price erosion due to reference price application.”