

EASTPHARMA LTD.

London, 3 November 2016 - EastPharma (EAST LI) announces that it will be releasing its 9M 2016 sales performance and a review of its main subsidiary DEVA Holding's unaudited financial statements for the related period.

Management comment on the sales performance of EastPharma is provided in the attachment, and a presentation of the results will be available on the EastPharma website [www.eastpharma.com](http://www.eastpharma.com) on 4 November 2016.

A conference call to review the 9M 2016 sales performance will be hosted by the management of EastPharma at 11:00am London time on **4 November 2016** (07:00am New York / 12:00-noon Zurich time / 02:00pm Istanbul time). The dial-in details are provided below.

Conference call:

Dial-in Number (UK): + 44 (0)20 7162 0077

Dial-in Number (US): + 1 646 851 2407

Dial-in Number (Switzerland): + 41 (0)434 5692 61

Dial-in Number (Germany): + 49 (0)695 8999 0507

Conference ID: 960536

For further information, please contact:

Investor Relations:

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

## **MANAGEMENT COMMENTS ON EASTPHARMA'S SALES PERFORMANCE IN 9M 2016 (IFRS):**

According to IFRS results, revenue in 9M 2016 was USD 172.6mn, up 9.0% from the same period in 2015 (USD 158.3mn). In Turkish Lira terms, revenue increased by 20.8% in the same period (net sales in 9M 2016 were TRY 505.4mn vs TRY 418.5mn net sales in 9M 2015).

The average US Dollar exchange rate strengthened by 10.3% against the Turkish Lira to 2.9309 in 9M 2016, which compares with an average rate of 2.6562 in 9M 2015. The USD/TRY exchange rate was 2.9959 on 30 September 2016, while it was 2.9076 on 31 December 2015, which corresponds to an increase of 3.0%.

EastPharma's sales increase was mainly achieved by both increased volumes in Deva's Human Pharma products business and price increase which was effective as of 22 February 2016 and also increased veterinary products business. In 9M 2016 versus 9M 2015, Human Pharma revenues in US dollar terms increased by 9.2% (from USD 146.6mn to USD 160.1mn). Veterinary products revenues increased by 8.4% (from USD 9.52mn to USD 10.32mn).

## **MANAGEMENT COMMENTS ON CAPITAL MARKET BOARD (CMB) FINANCIAL PERFORMANCE FOR DEVA 9M 2016:**

Deva's Capital Markets Board (CMB) results show revenue in 9M 2016 was TRY 515.8mn, up 21.2% from the same period in 2015 (TRY 425.6mn). In 9M 2016 versus 9M 2015, Human Pharma revenue increased by 21.6% (from TRY 394.2mn to TRY 479.4mn). Veterinary business revenue increased by 19.4% compared to the 9M 2015 (from TRY 25.32mn to TRY 30.24mn).

Deva's gross profit in 9M 2016 was TRY 216.9mn, up from TRY 175.3mn in 9M 2015. The gross profit margin in 9M 2016 was 42% vs 41% in 9M 2015.

EBITDA in 9M 2016 was TRY 115.4mn vs TRY 93.5mn in 9M 2015 representing an EBITDA margin of 22.4% vs 22.0% in 9M 2015.

Operating expenses in 9M 2016 increased by 15.0%, from TRY 106.7mn to TRY 122.7mn. The ratio of operating expenses to revenues decreased to 23.8% from 25.1% compared to 9M 2015. Sales and marketing expenses in 9M 2016 were 14.0% of revenues; general administrative expenses were 7.6% of revenues; research and development expenses were 2.2% of revenues. These expenses were 15.8%, 7.5% and 1.8% in 9M 2015, respectively.

Finance expenses increased by TRY 1.0 mn in 9M 2016 compared to the same period of 2015; from TRY 37.2 mn to TRY 38.2 mn. Foreign exchange gain/losses decreased by TRY 3.8 mn, bank loan and bond issued interests increased by TRY 4.7 mn and other finance expenses increased by TRY 0.1 mn. Average interest rate for TL was 12.4% in 9M 2016 whereas it was 10.6% in 9M 2015.

Receivable days at 30 September 2016 were 102 days, compared to 120 days as at 31 December 2015.

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

‘The company is currently experiencing continued head winds in the form of a weak Turkish Lira as well as by structural measures by the authorities to decrease product prices and to restrict patient access, as is the case for some of our best pharmaceutical products. Therefore, cost containment and new product introductions continue to be of utmost importance.’

**EastPharma Ltd** - a company active in the manufacturing and marketing of pharmaceutical products in Turkey and in other regional markets; for further information please visit [www.eastpharma.com](http://www.eastpharma.com)