

# EastPharma



**CONSOLIDATED FINANCIAL RESULTS  
9M 2010 INVESTOR CONFERENCE CALL  
12 NOVEMBER 2010**

PHILIPP HAAS – CHAIRMAN & CEO  
MESUT CETIN – CFO

# EastPharma Consolidated IFRS Financial Results – 9M 2010

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- Revenues in 9M 2010 reached to US\$191.3m vs US\$187.3m in 9M 2009
  - 2.1% year-on-year growth in US\$
  - 6.2% year-on-year growth in TRY
- Volumes increase 13.9% in 9M 2010 vs 9M 2009; market share increased from 4.9% to 5.5%
- EBITDA reached US\$28.5m in 9M 2010 vs US\$ 40.3m in 9M 2009
  - Margins declined to 14.8% from 21.5%, driven by Turkish-government price reductions and increased commercial spend
- Net profit in 9M 2010 was US\$10.3m vs US\$10.5m in 9M 2009
- Earnings per share for 9M 2010 were US\$ 0.17 vs US\$ 0.17 in 9M 2009

# EastPharma Consolidated IFRS Financial Results – 9M 2010

## Turkish government announced price reductions in Q4 2009

- The Turkish government expects to save approximately TRY 2.5bn (~\$1.7bn) in 2010 with the new price regulation;

### Reference Pricing Mechanism\*

Drugs	Price	Age	% of Ref. Price
Original			
Generic introduced	> TRL3.56	<20 years	66%
Generic not introduced	> TRL3.56	<20 years	100%
Generic	> TRL3.56	<20 years	66%
Original & Generic	< TRL3.56	<20 years	Excluded from Ref. Price
Original & Generic	< TRL6.79	>20 years	Excluded from Ref. Price

Source: Official Gazette

\* Wholesale price

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Sales growth normalized across the market in Q2 2010, and has continued to be stable in Q3 2010.

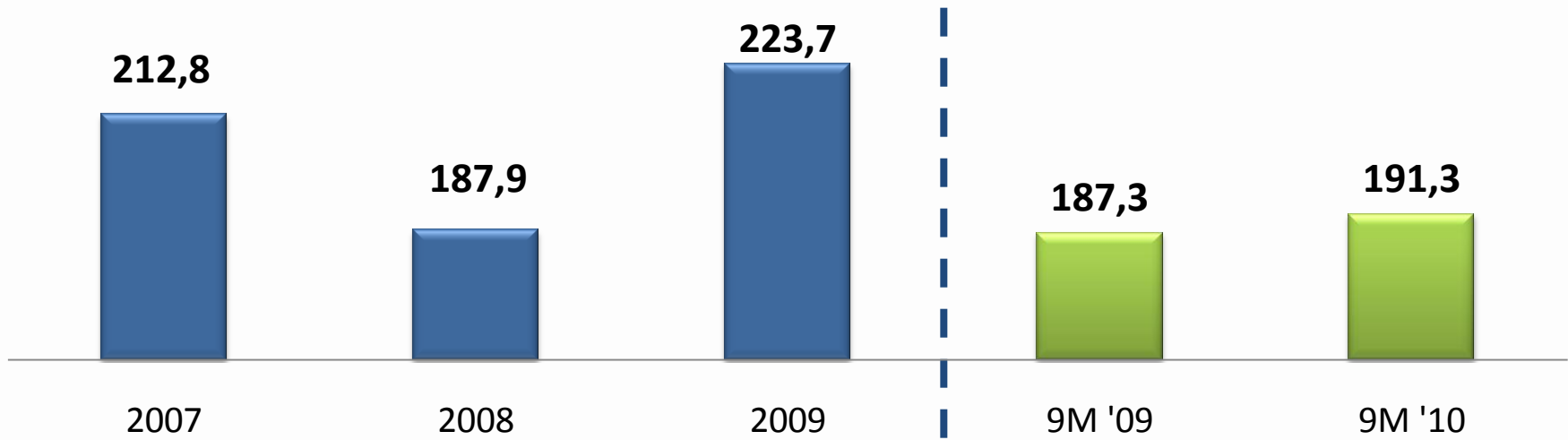
To maintain margins in a declining price environment, EastPharma has undertaken initiatives in two primary areas:

- Enhancing revenue by expanding commercial presence, acquiring the BMS products, and accelerating the launch of internally developed and in-licensed high margin products,
- Cutting costs by capturing even greater production and procurement (API cost) efficiencies, reducing general and administrative expense, and finding financial support for major R&D projects.

# EastPharma Consolidated IFRS Financial Results – 9M 2010

Revenues : (\$, m)

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### 9M 2010 Revenues Breakdown:

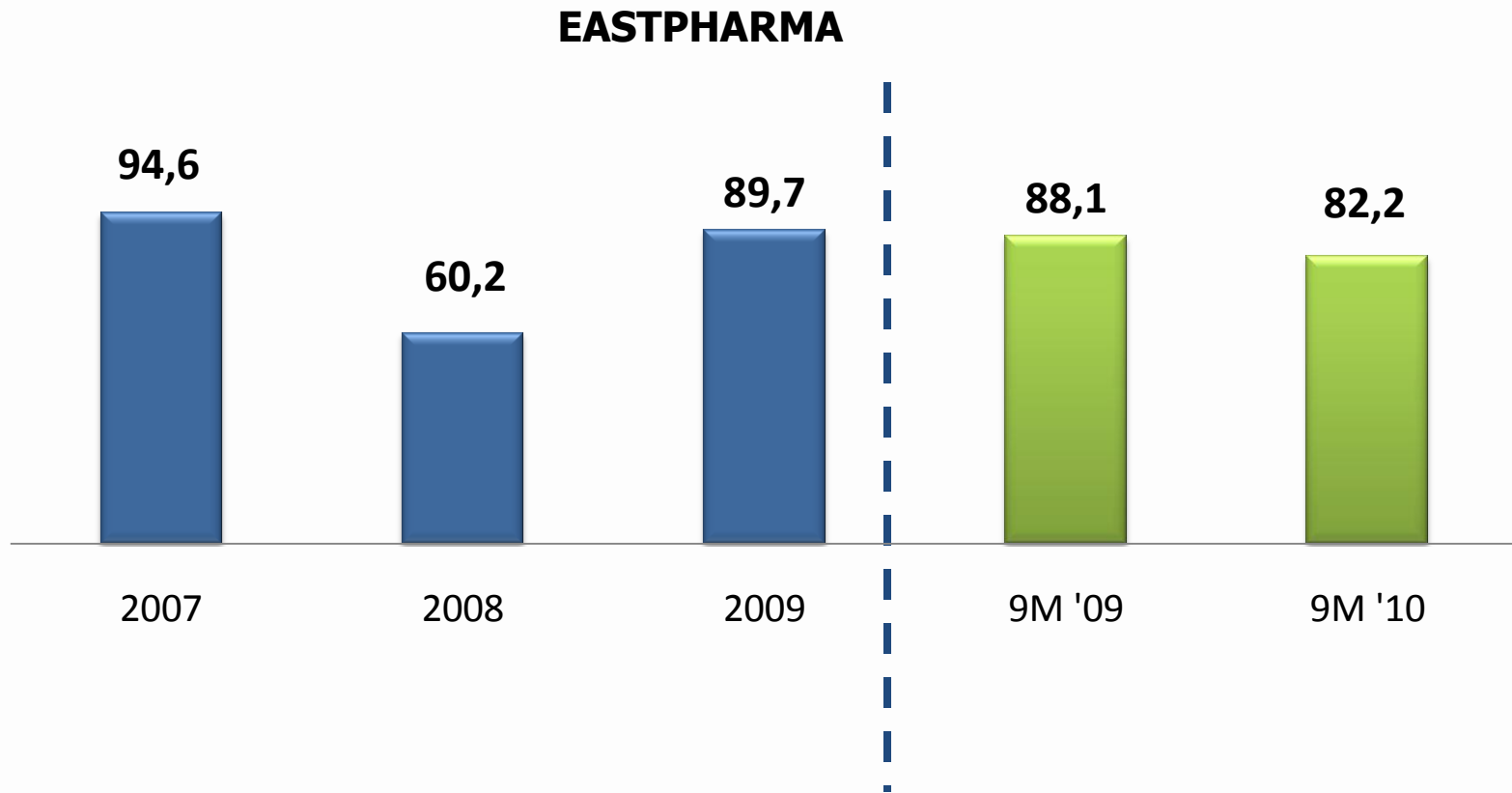
Human Pharma Revenue:	93.1%
Veterinary Products:	5.4%
Consumer Goods:	1.5%



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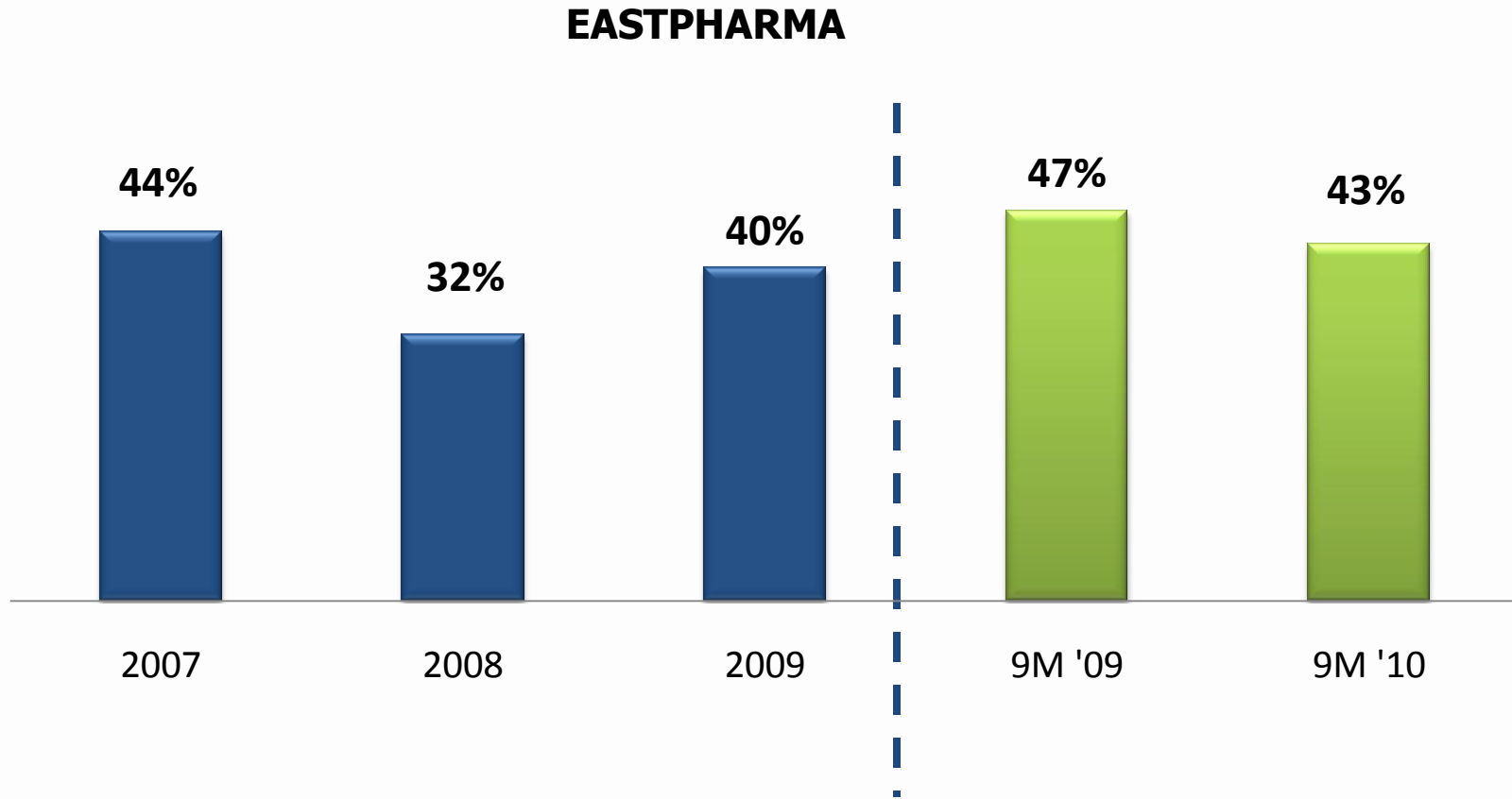
# EastPharma Consolidated IFRS Financial Results – 9M 2010

Gross Profit : (\$, m)



# EastPharma Consolidated IFRS Financial Results – 9M 2010

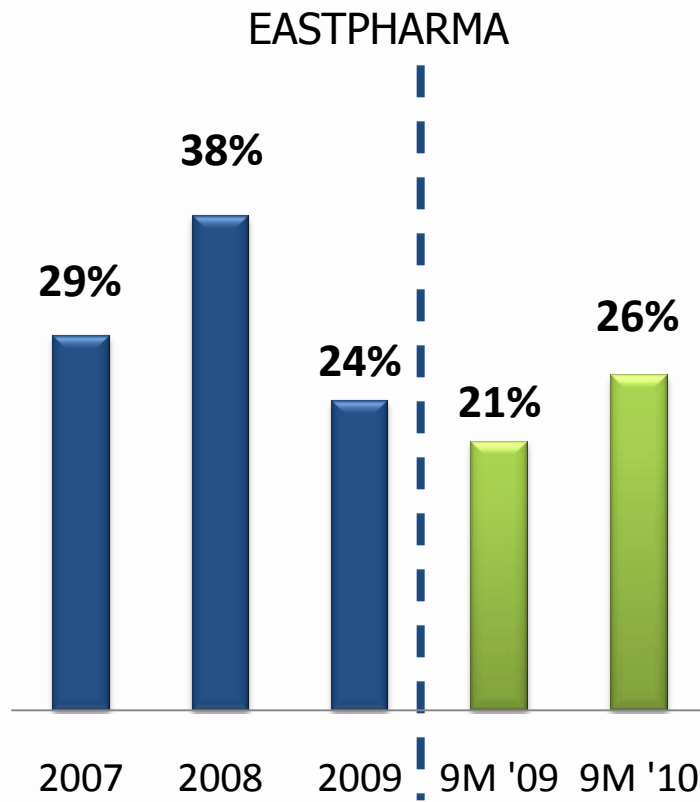
## Gross Profit Margin:



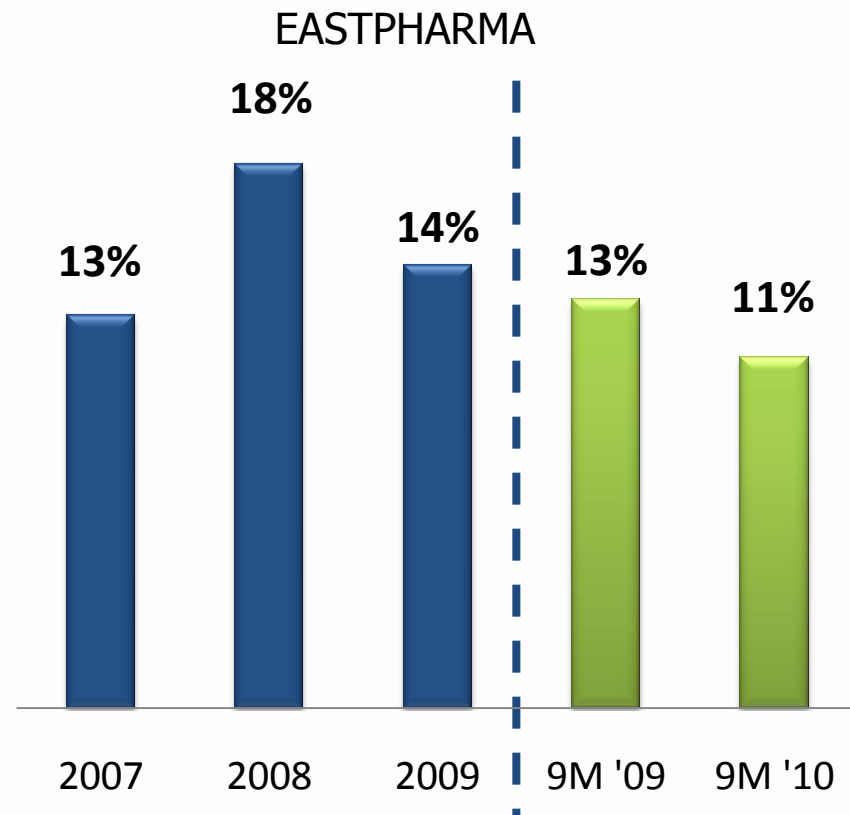
# EastPharma Consolidated IFRS Financial Results – 9M 2010

## Expense Ratios :

### Marketing Expenses:



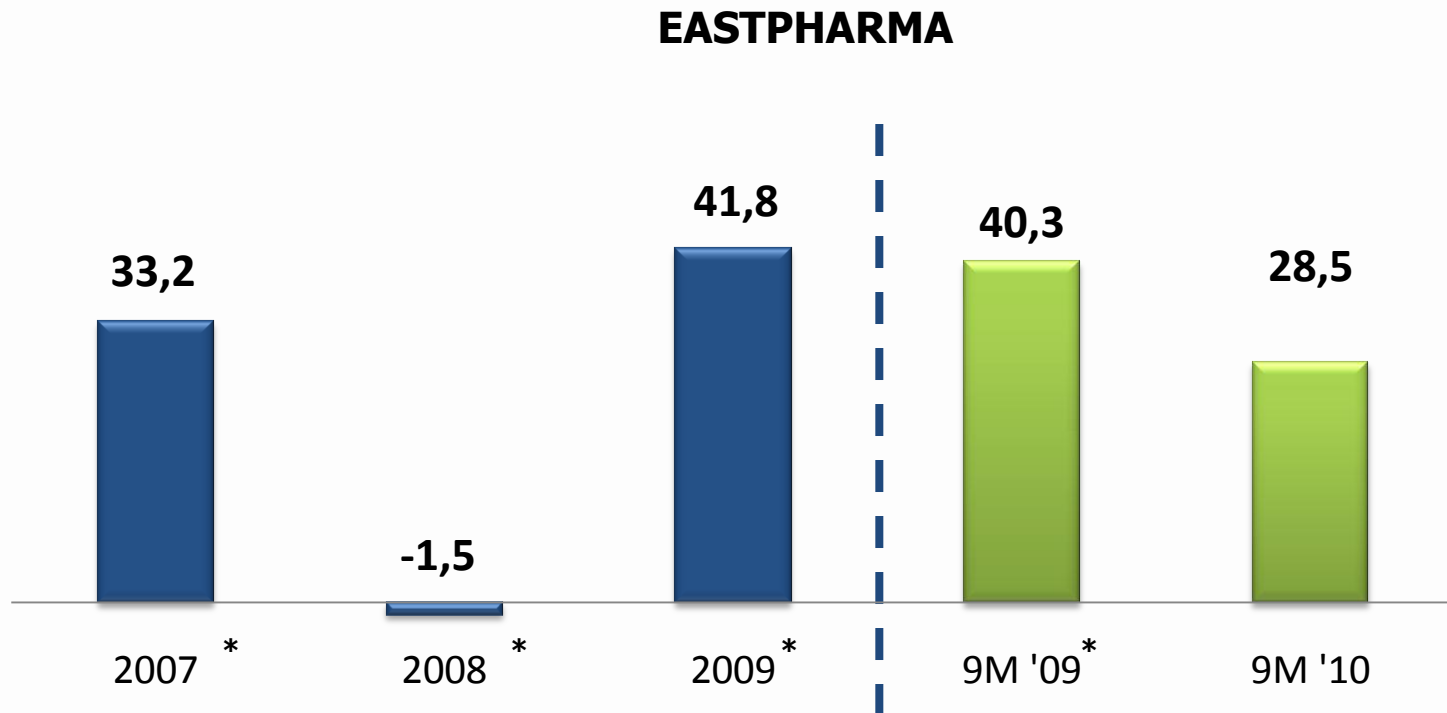
### General Administration Expenses:





# EastPharma Consolidated IFRS Financial Results – 9M 2010

**EBITDA : (\$, m)**



**EBITDA  
Margin:**

15.6%

NM

18.7%

21.5%

14.9%



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# EastPharma Consolidated IFRS Financial Results – 9M 2010

**US\$ (000)**

	<b>1 January – 30 September 2010</b>	<b>1 July – 30 September 2010</b>	<b>1 January – 30 September 2009</b>
Revenue	191.336	60.033	187.276
Cost of sales	(109.086)	(35.591)	(99.202)
Gross profit	<b>82.250</b>	<b>24.442</b>	<b>88.074</b>
<i>Gross profit margin</i>	<i>43%</i>	<i>41%</i>	<i>47%</i>
Operating expenses	(73.472)	(22.769)	(64.574)
Investment revenue	2.836	291	6.939
Finance costs	(4.030)	897	(18.838)
Other gains and losses	5.669	2.252	1.303
Profit/ (loss) before tax	<b>13.253</b>	<b>5.113</b>	<b>12.904</b>
Current tax expense	(477)	(33)	(512)
Deferred tax expense	(2.504)	(1.068)	(1.854)
Tax expense	<b>(2.981)</b>	<b>(1.101)</b>	<b>(2.366)</b>
Net profit/(loss) for the period	<b>10.272</b>	<b>4.012</b>	<b>10.538</b>



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# ■ Q&A session

# THANK YOU FOR YOUR INTEREST

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