

Richter Group

2009 M12



Interim Report, M12 2009
09 February 2010



Leading pharmaceutical group in the region

2009 M12

Pharmaceuticals



Parent company: Gedeon Richter
Founded: 1901



Russia: Gedeon Richter RUS
Greenfield investment (1996)



Romania: Gedeon Richter Romania
Acquisition (1998)



Poland: GR Polska
Acquisition (2002-2008)



India: Richter Themis
Joint venture (2004)



Germany: Richter-Helm Biologic
Joint venture (2007)

2 + more than 30 other commercial and servicing subsidiaries and associated undertakings

Wholesale and retail

Dita Import Export: wholesale (Romania)

Pharmafarm: wholesale (Romania)

Gedeon Richter Farmacia: retail (Romania, 142 pharmacies)

+ further minority interests in wholesale and pharmacies

Other

A number of companies rendering services or performing commercial and marketing activities



Key financial data

2009 M12

	HUF	Change	EUR	Change
Sales	267.3 mrd	+ 13.0 %	952.4 m	+ 1.1 %
Operating profit	49.2 mrd	+ 44.1 %	175.3 m	+ 28.9 %
Net profit	51.0 mrd	+ 22.8 %	181.8 m	+ 9.8 %
EPS (HUF / EUR)	2,746	+ 23.6 %	9.78	+ 10.6 %

Key market developments

2009 M12

- **CIS – uncertainty**
 - **Russia:**
 - rouble / euro exchange rate stabilized
 - predictable political, economic environment
 - IV. quarter: increase, flat sales

 - **Ukraine:**
 - substantial drop in the turnover
 - political and economic uncertainty
 - Devaluation of hrivnya

 - **Other republics:**
 - depreciation of local currencies
 - decline in sales

Key market developments

2009 M12

- **USA**

- substantial profit sharing revenue – drospirenone
- lower level of API sales

- **Central and Eastern Europe**

- significant depreciation of local currencies
- decline in sales

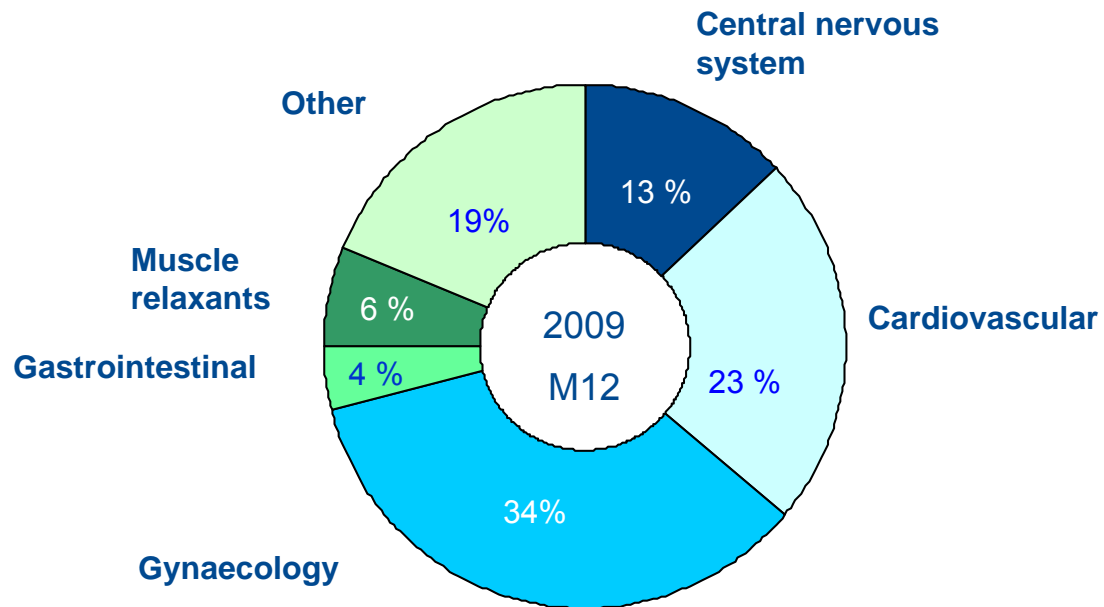
- **Hungary**

- rate of price reductions became negligible
- unfavourable macroeconomic and industry environment

Composition of pharmaceutical sales

2009 M12

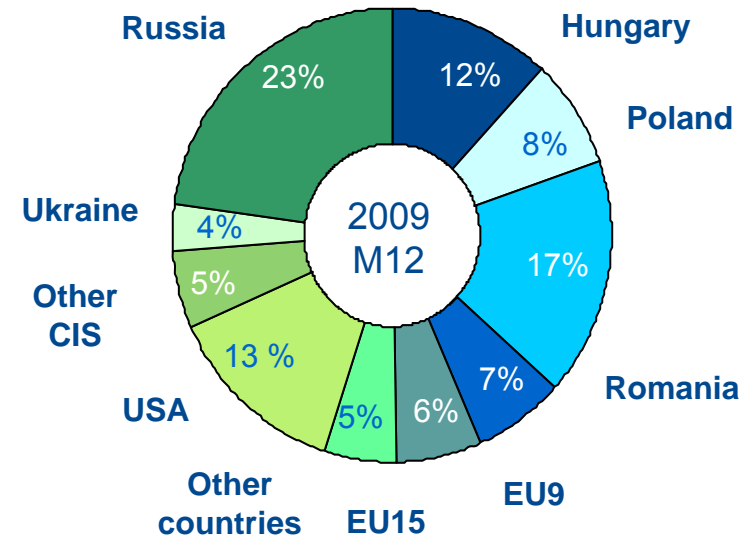
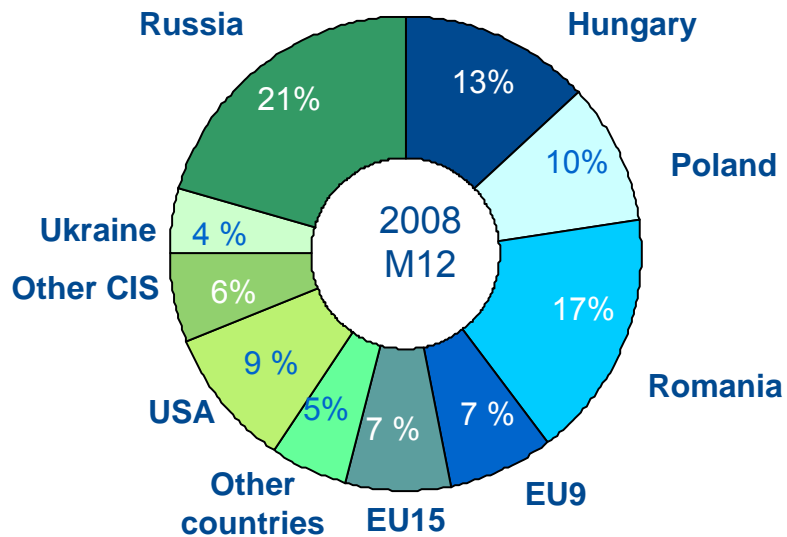
by therapeutic areas



Total: EUR 795.8 m

Geographical composition of Group sales

2009 M12



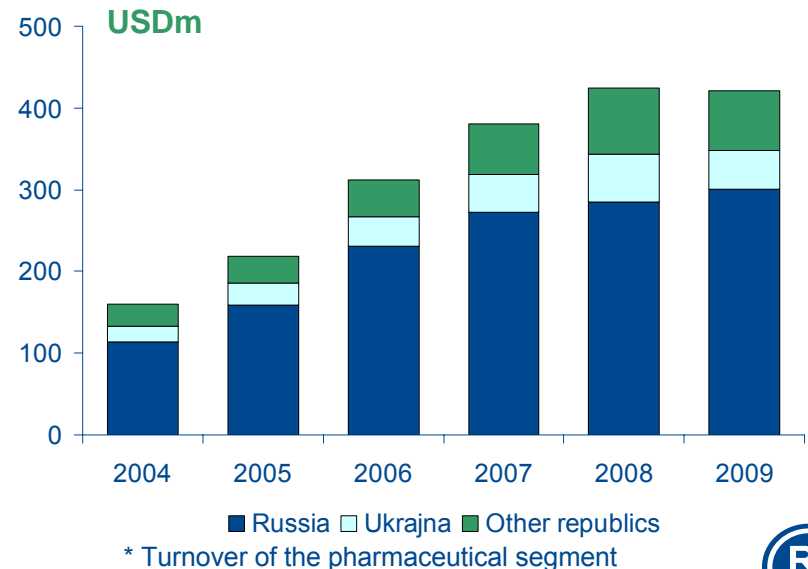
Total:
HUF 236.5 bn
EUR 941.6 m

+ 1.1 % (€)

Total:
HUF 267.3 bn
EUR 952.4 m

CIS

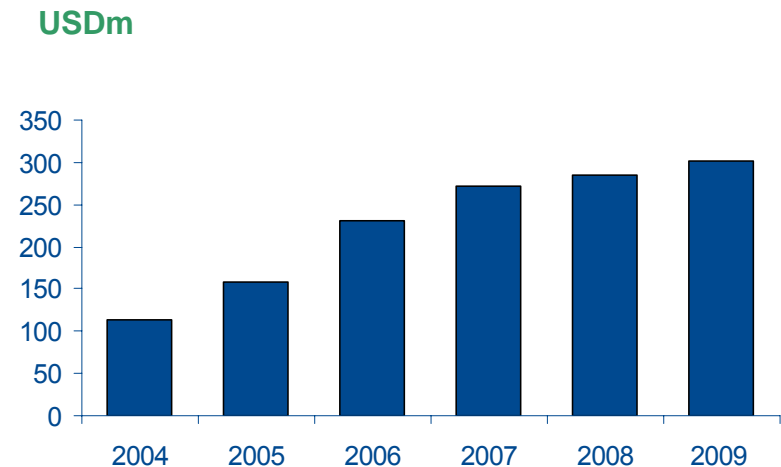
- Sales increased slightly (+ 2.3%) in EUR terms (- 2.7 % in USD terms)
- Russia – stable market conditions
- Other republics – political / economic uncertainty



Russia

- Rouble exchange rate stabilized
- Significant increase in sales (11 % in EUR)
- IV. quarter: increasing sales, low base

2009 M12



* Turnover of the pharmaceutical segment

Ukraine, Kazakhstan, other republics

2009 M12

- **Ukraine**

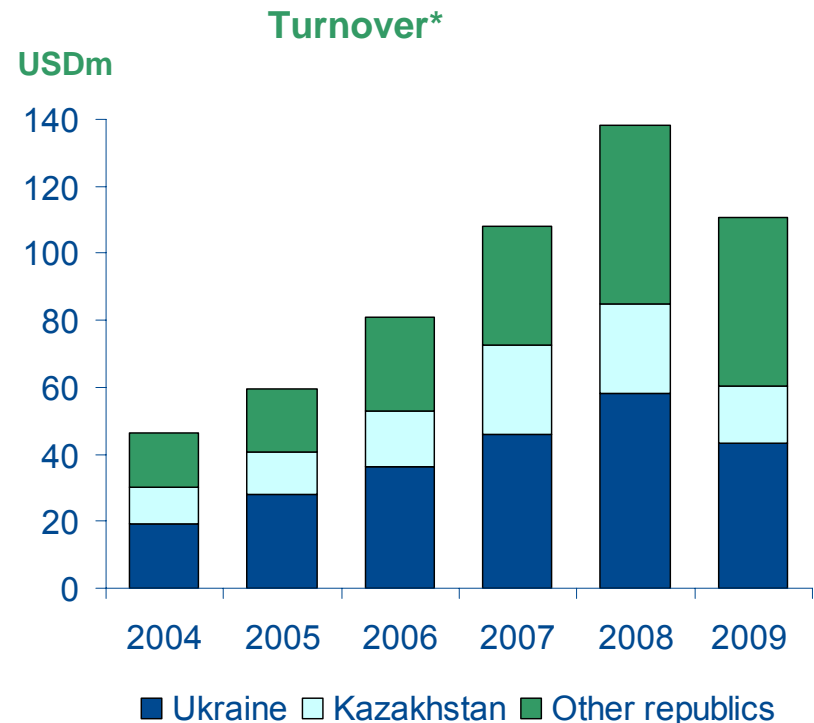
- decrease: 25 % (USD)
- uncertain political and economic environment

- **Kazakhstan**

- sales declined 37% (EUR)

- **Other republics**

- sales decreased in most republics of the region

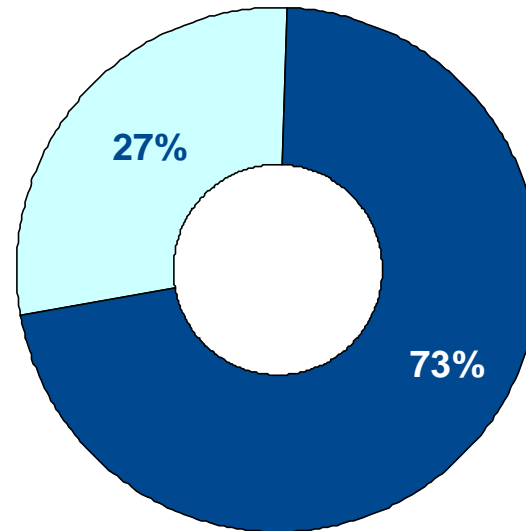


* Turnover of the pharmaceutical segment

EU – composition of sales

2009 M12

- **Traditional EU member states**
 - sales via partners
 - increasing generic competition – decreasing prices

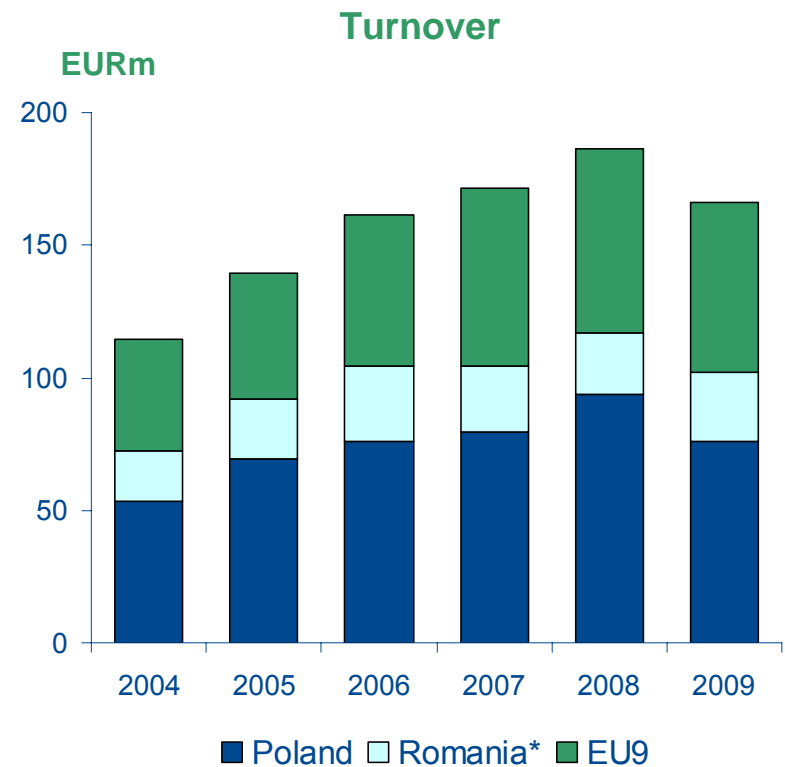


- **Poland, Romania, EU 9**
 - well established in the region for decades
 - own specialized sales network

Poland, Romania, EU9

2009 M12

- Declining sales
- Significant weakening of local currencies against EUR
- Unfavourable regulatory environment
- Introduction of new products
- Poland:
 - sales growth of 4 % in PLN
- Romania:
 - Sales growth
 - Increasing bad debts

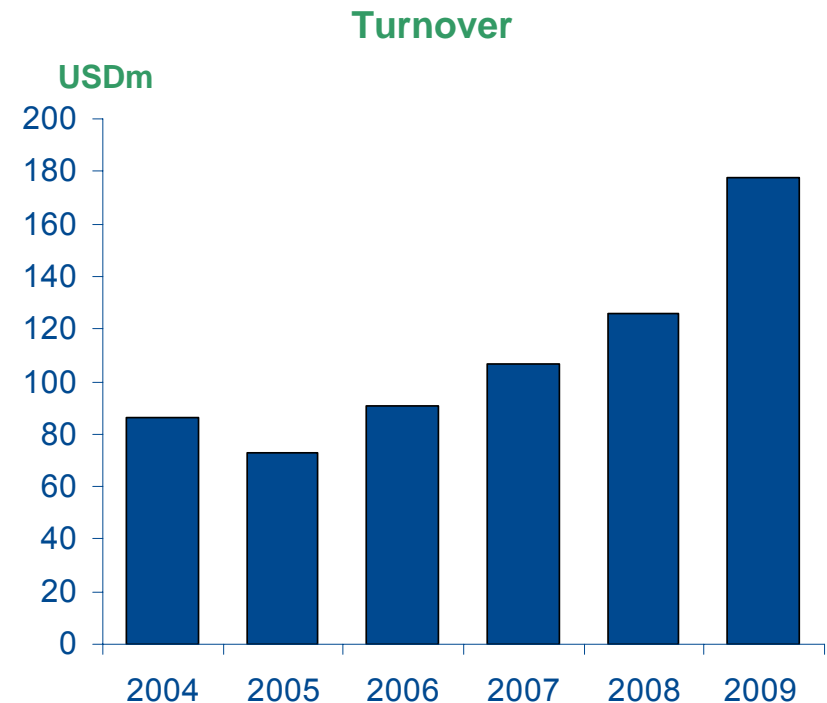


* incl. turnover of wholesale and retail segment

USA

2009 M12

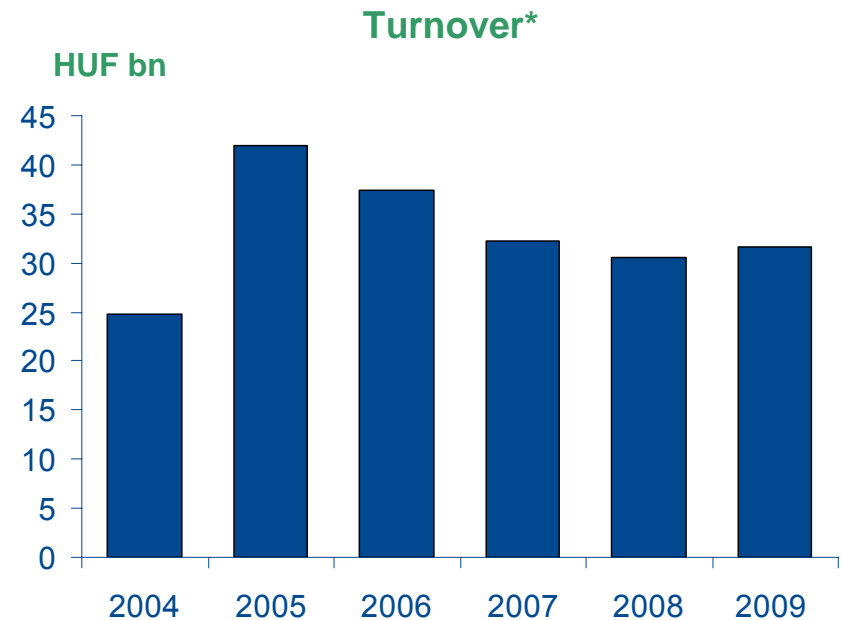
- Substantial revenue growth: 41 % (USD)
- Significant role of gynaecology
- Increasing contribution of profit sharing – drospirenone
- Plan B One Step – FDA approval, market introduction
- Further decline in API sales



Hungary

2009 M12

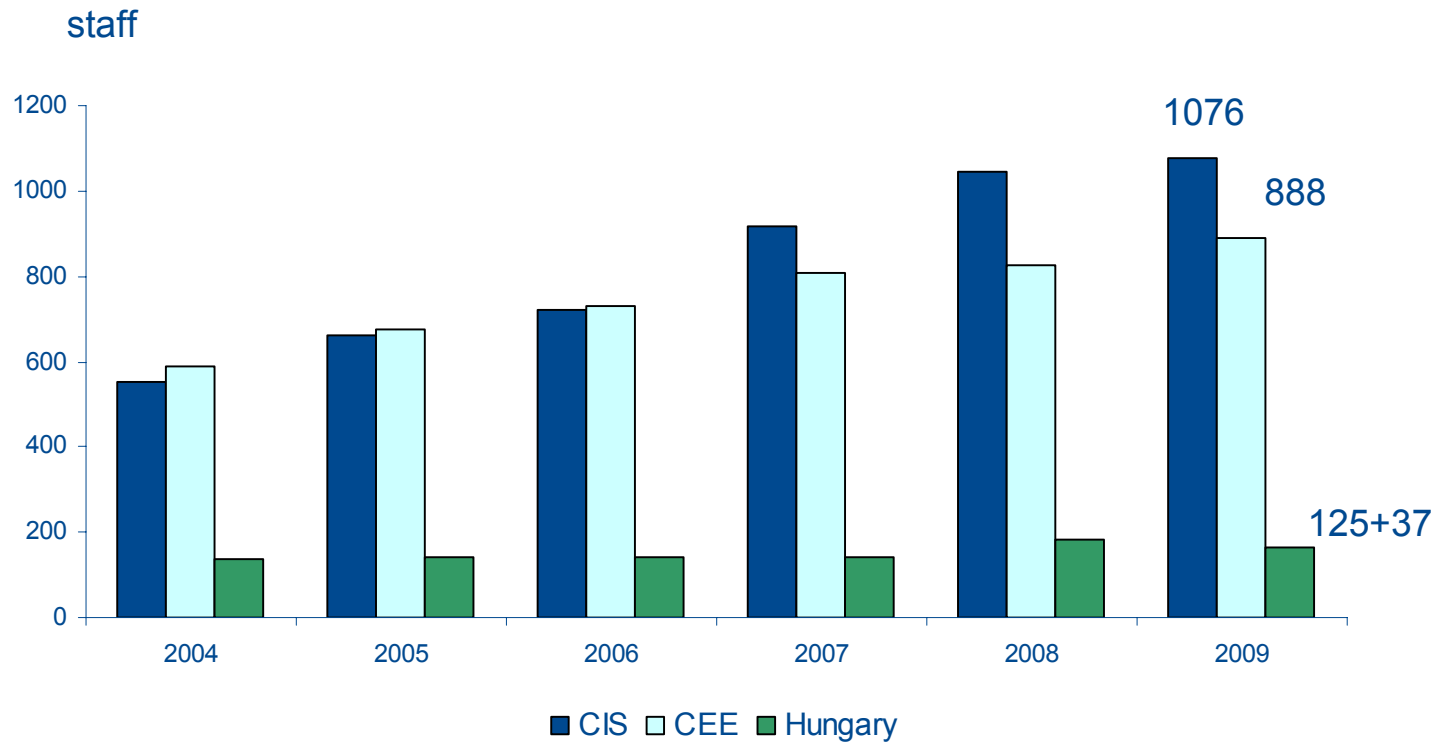
- Sales growth: 4 % (HUF) – over a low base
- Unfavourable macroeconomic and industry environment
- Rate of price reductions became negligible
- New product launches
- Extraordinary tax: HUF 1,684 m



* Excl. turnover of Medimpex wholesale

Sales network

2009 M12



Key financial data

	2009 M12 HUFm	2008 M12 HUFm	2009 M12 Growth	
			HUFm	%
Total sales	267,344	236,518	30,826	13.0
Gross profit	151,022	128,097	22,925	17.9
Operating profit	49,226	34,156	15,070	44.1
Net financial income	4,682	8,394	- 3,712	- 44.2
Profit for the period	51,046	41,577	9,469	22.8
Total assets	430,377	384,133	46,244	12.0
Shareholders' equity	378,395	339,286	39,109	11.5
Capital expenditures	24,090	22,010	2,080	9.5
Cash	93,271	57,456	35,815	62.3

Operating expenses and margins

2009 M12

- **Sales and marketing expenses**
 - 20% of turnover
- **Administration and general expenses**
 - increased by 10 %
- **Research and development expenses**
 - 9 % of consolidated turnover
 - grew by 25 %, mainly due to the costs of clinical trials
- **Other income and other expenses**
 - one-off items
 - milestone payments - Cariprazine
 - expenses related to the 12 % tax on subsidies
 - Romania: impairment loss accounted

Gross margin

54.2%  56.5%

Operating margin

14.4%  18.4%

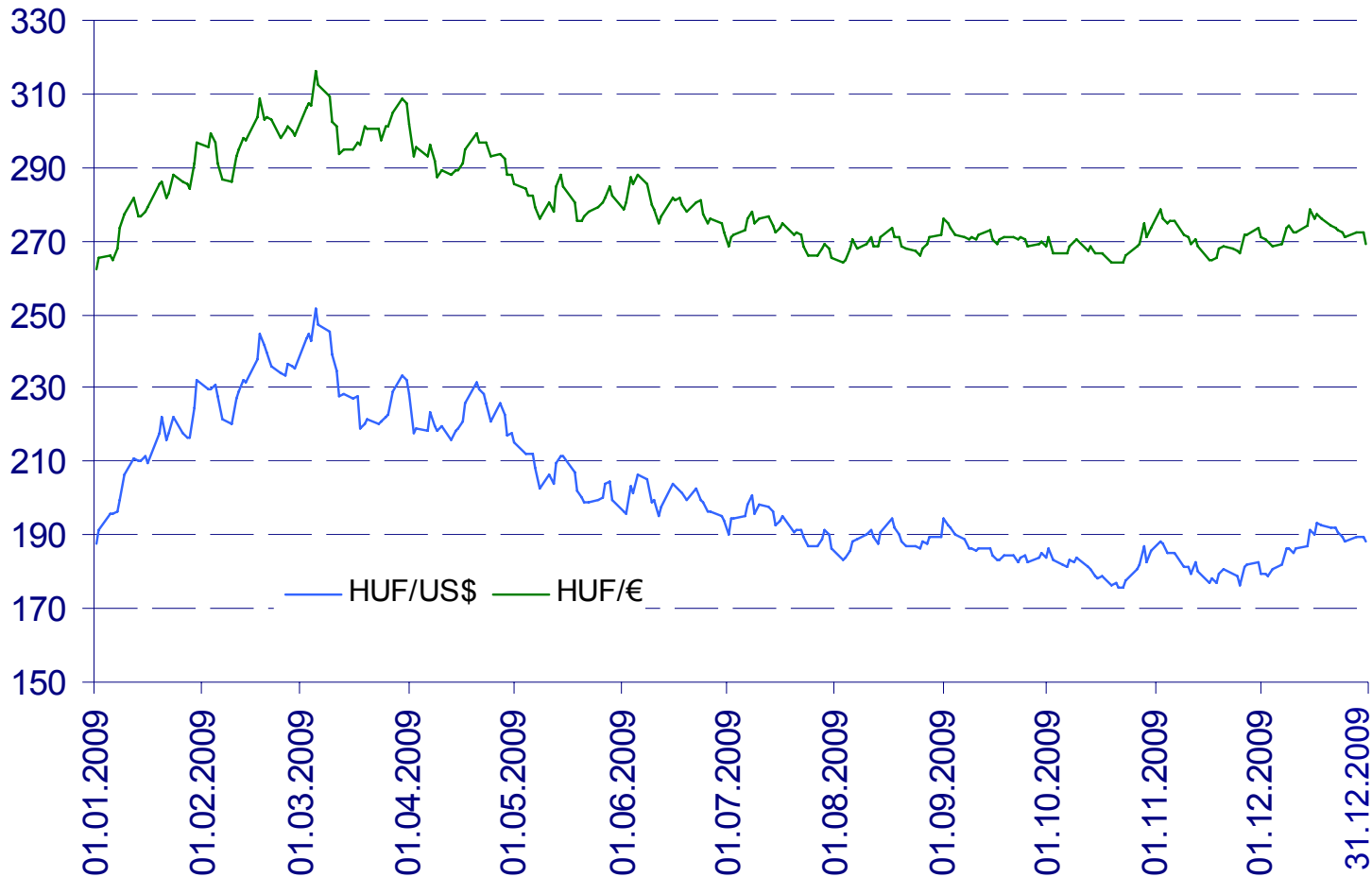
Financial income

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	2009 M12	HUFm	2008 M12
Unrealised financial items	(1,830)		2,391
Reassessment of currency related trade receivables and trade payables	291		202
Reassessment of currency loans	(37)		(57)
Reassessment of other currency related items	(737)		1,007
Reversal of assessment of forward exchange contracts as of 1 Jan	(1,239)		-
Result of unrealised forward exchange contracts	(108)		1,239
Realised financial items	6,512		6,003
Result of realised forward exchange contracts	1,745		232
Exchange losses /gains realised on trade receivables and trade payables	(422)		1,562
Exchange gains on conversion	525		629
Dividends	176		78
Net interest income	4,263		3,152
Other	225		350
Net financial income	4,682		8,394

Evolution of currency exchange rates

2009 M12



Exchange rates

2009 M12

	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2008	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2009
€/Ft										
záró	259.3	235.9	244.0	264.5	264.5	307.5	272.1	269.4	270.5	270.5
átlag	259.4	233.3	241.0	260.3	251.2	296.7	273.2	267.1	271.3	280.7
US\$/Ft										
záró	164.1	148.9	170.5	188.5	188.5	231.0	192.8	183.8	187.7	187.7
átlag	173.1	142.2	159.4	192.5	171.3	228.9	188.8	184.5	183.3	201.2

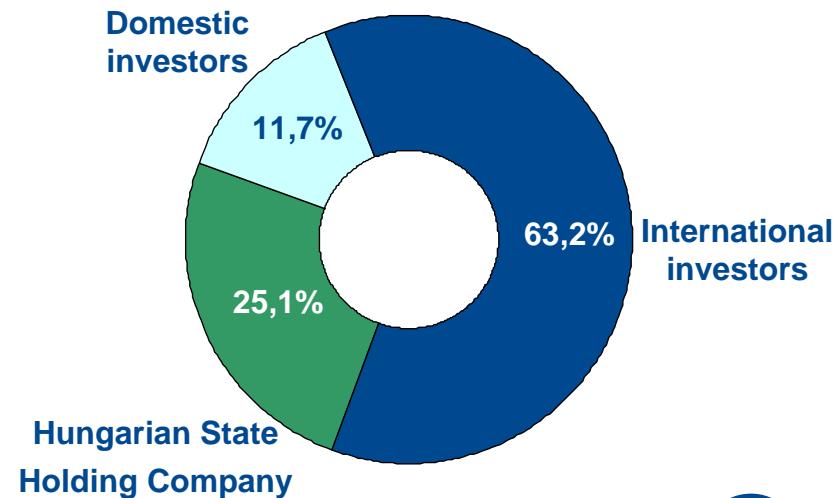
Ownership structure

2009 M12

- **Exchangeable bonds**

- 5 year duration, maturity on 25/09/14
- Amount of issue: EUR 833 m (4,680,672 shares)
- interest payment: 4.40 % pa.
- redemption at 100% of nominal value
- Can not be redeemed before expiry date
- (EUR 123 m plus)

31 December 2009



Thank you for your attention!

