



Webinar Presentation 4th quarter and 2012

March 2012



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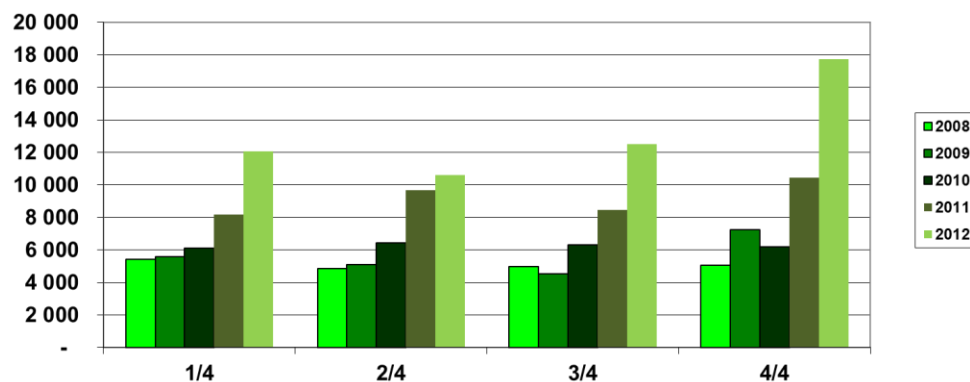
4th Quarter

Sales in 4th Quarter

Record as usual

- Unaudited sales worth 17.7 million lats (25.3 million euros);
- Highest ever quarterly sales of the company;
- Impact of consolidation 1,6 million lats (2.3 million euros)
- Three times the volume of 2010;

Sales by Quarters, thsnd. LVL

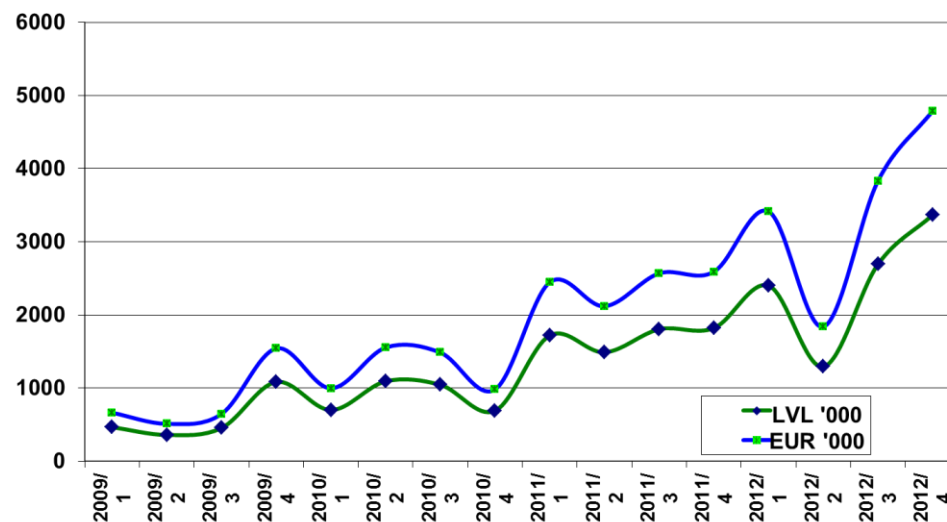


Profit of 4th Quarter

A new breakthrough

- Preliminary at 3.4 million lats (4.8 million euros);
- Again - highest ever;
- Almost twice as high as year ago;
- Impressive despite provisions of 1.1 million lats;

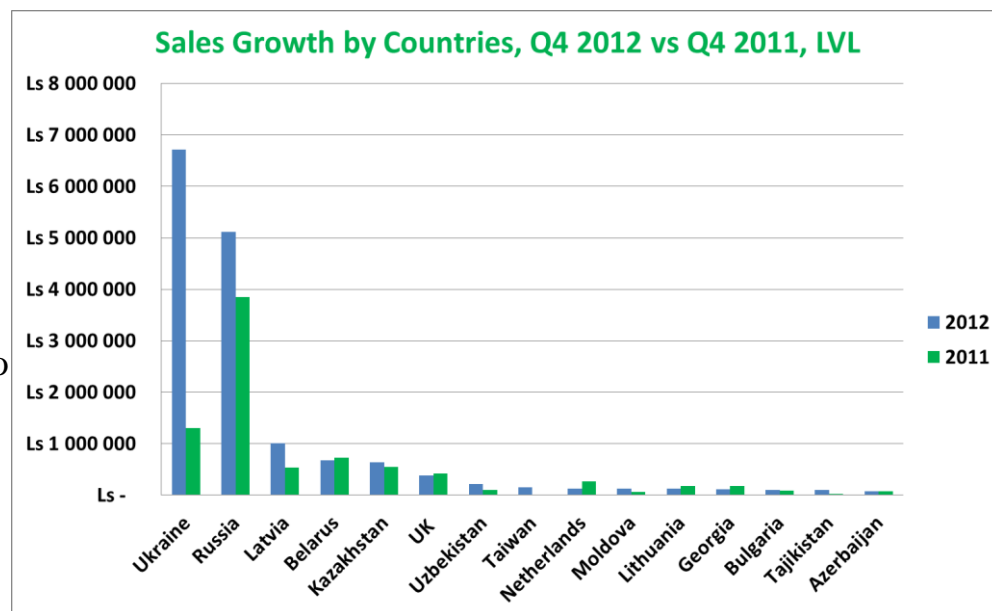
Profit by Quarters



Growth Drivers: Markets

Ukraine way ahead

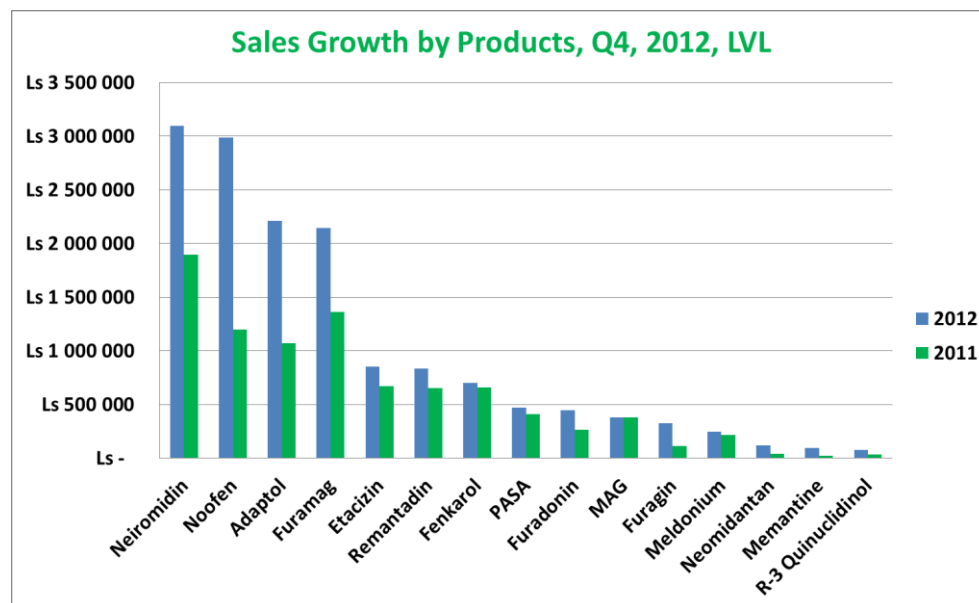
- In Q4 sales were made to 28 countries in 5 continents;
- 10 out of 15 markets were growing;
- No «one offs»;
- Sales to Ukraine, as previously announced, due to registration formalities include some of shipments of 2013.



Growth Drivers: Products

No sales falling

- All are growing, while MAG stable;
- Most impressive growth of top 4 products have certain element of «Ukrainian» factor;
- Another adamantane derivative named «Neomidantan» appears «on radars»;
- Memantine has grown by 350%, Furagin by 190% and Noofen by 150%.





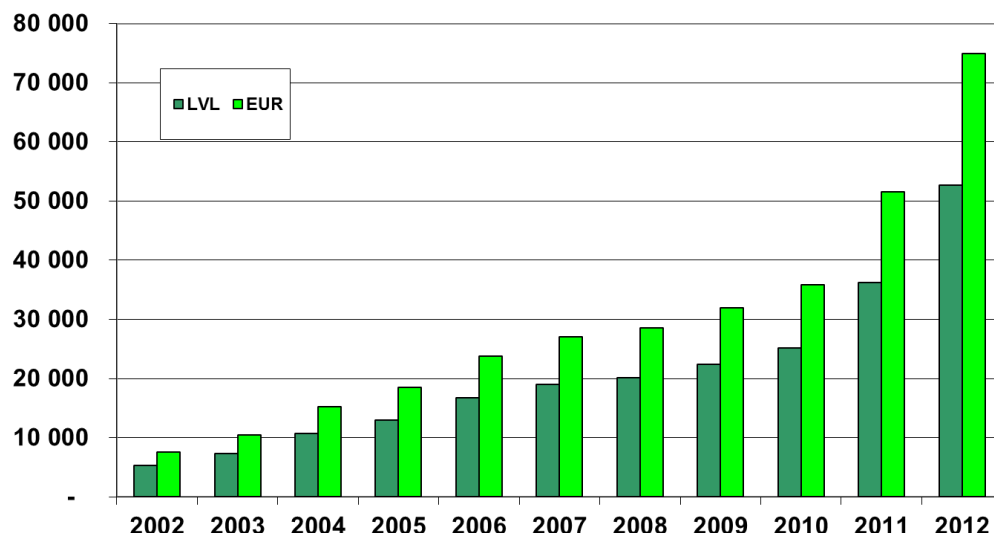
Year 2012

Sales in 2012

All plans outperformed... again

- Close to 75 million euros;
- 44% growth compared to 2011, 109% growth compared to 2010.
- Sales forecasts have been outperformed, and would have been outperformed even without extra shipments to Ukraine;
- Influence of consolidation 6.3 million lats (9 million euros)

Sales, thsnd.

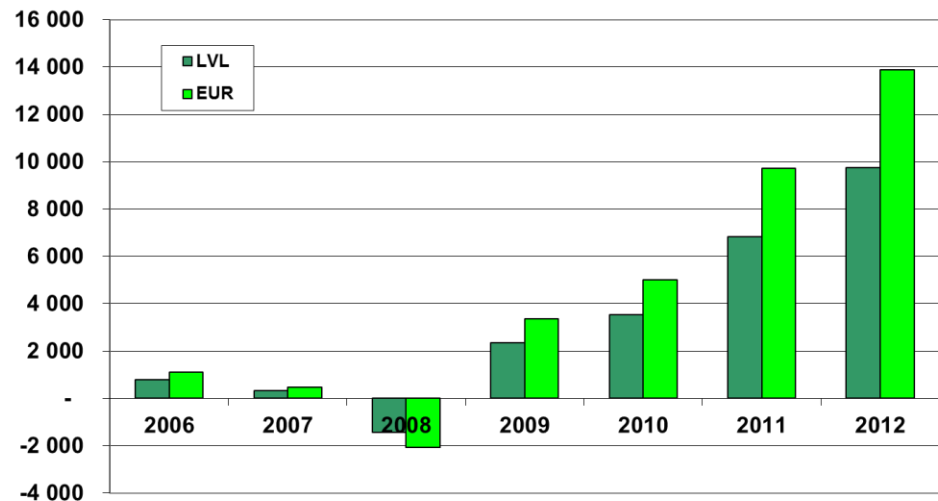


Profit of 2012

It's times, not percentages

- Highest ever;
- 41% increase compared to 2011;
- Profit guidance outperformed;
- Preliminarily dividends of about 0.1 LVL/share could be expected if 15% of profits will be distributed as discussed earlier;
- Growth even more challenging to maintain.

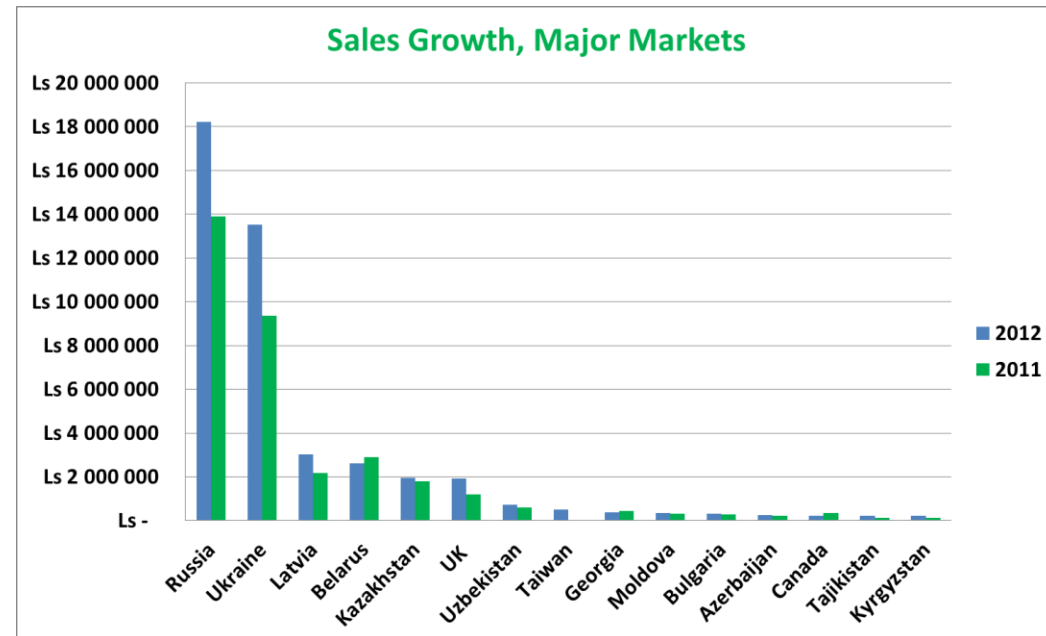
Net Profit, thsnd.



Growth Drivers of 2012: Markets

Double digit for growing ones

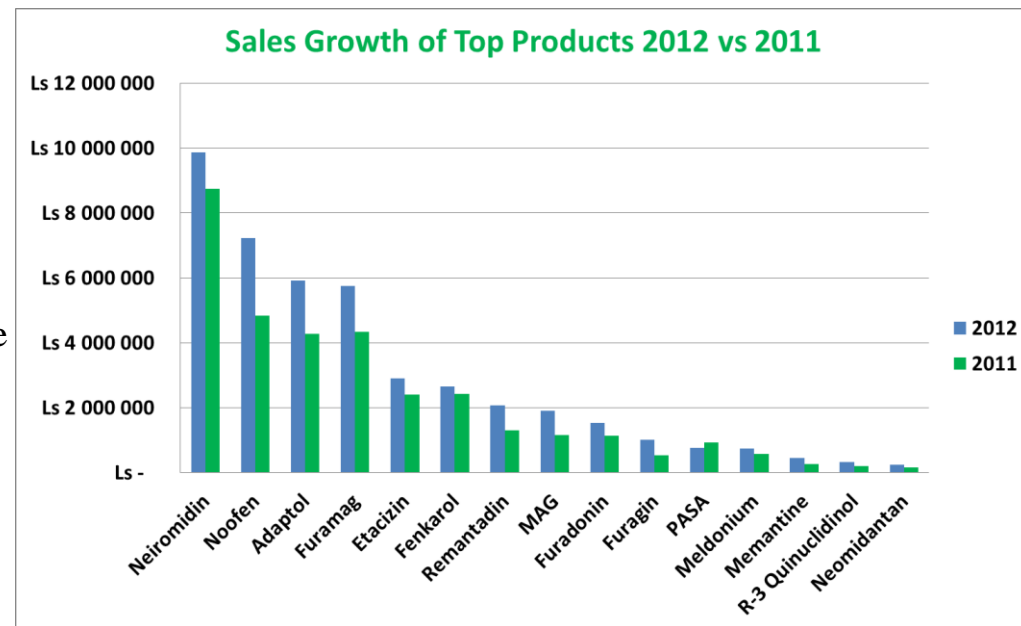
- All top markets, except Georgia, Belarus and Canada are growing;
- Growing markets grow by at least double digit rate;
- Strong growth in Ukraine, partially due to extra shipments;
- Russia: grows by 31% despite large base of 2011;
- Belarussian sales decline by 10% after 25% growth last year;



Growth Drivers of 2012: Products

Some new names

- Very strong performance 4 leading products,
- PASA is the only one to fall;
- Fenkarol with 9% being the slowest growing;
- 4 last products growing by an impressive average of 51%





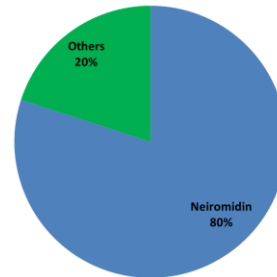
Products

Neiromidin

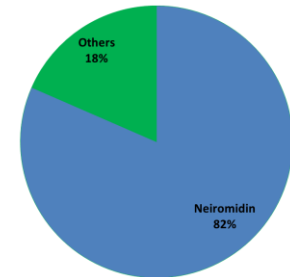
The leader

- Cholinesterase inhibitor (N07X);
- Key competitors:
 - Kalymin by Pliva;
 - Mestinon by Valeant;
 - Proserin by Zdorovye Narodu;
 - Nivalin by Sopharma
 - Aricept by Pfizer
- CIS market = 12.9 million EUR

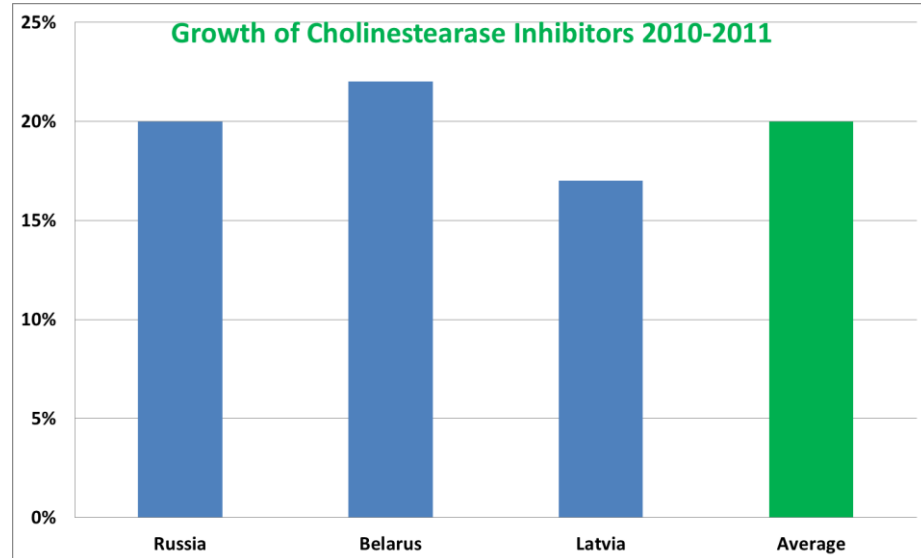
Share of Neiromidin in Latvian Market, 2011



Share of Neiromidin in CIS Market, 2011



Growth of Cholinesterase Inhibitors 2010-2011

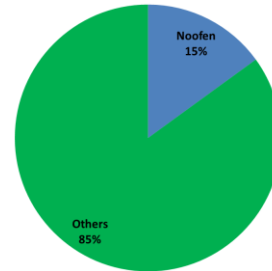


Noofen

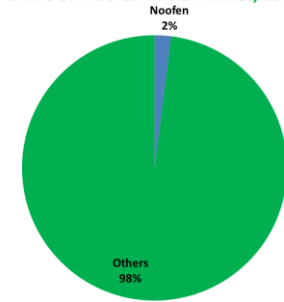
The runner-up

- Nootropic product (N06D0);
- Key competitors:
 - Phenibut by Belmedpreparaty;
 - Pantogam by Pik-Farma;
 - Cavinton by Gedeon Richter ;
 - Phezam by Actavis;
 - Alucetam by Egis
- CIS market = 277 million EUR

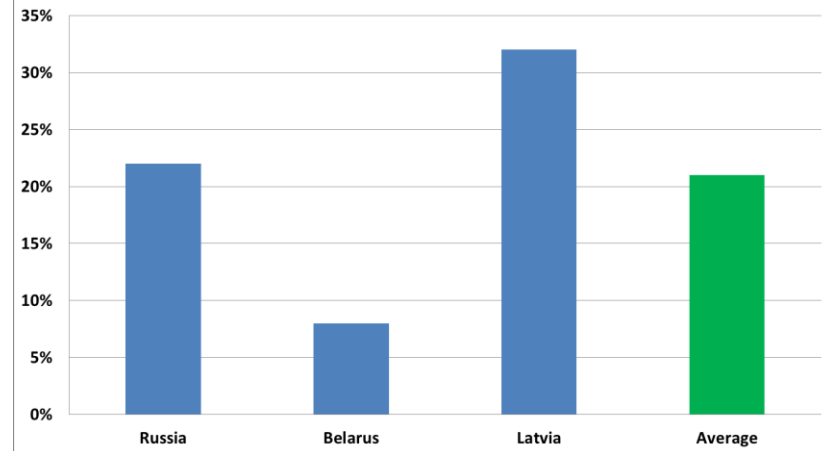
Share of Noofen in Latvian Market, 2011



Share on Noofen in CIS Market, 2011



Growth of Nootropic Medicines, 2010 - 2011

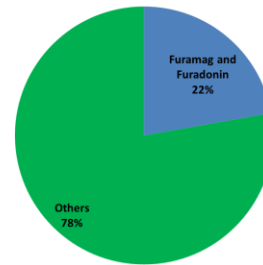


Furamag and Furadonin

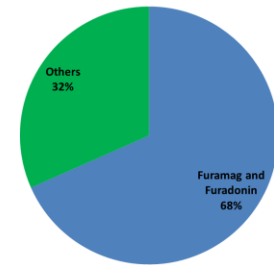
Original and his generic brother

- Urological antibacterial (G04A);
- Key competitors:
 - Furazidinum by Arterium;
 - Urosept by Herbapol;
 - Urinal Akut by Walmark
- CIS market = 11 million EUR

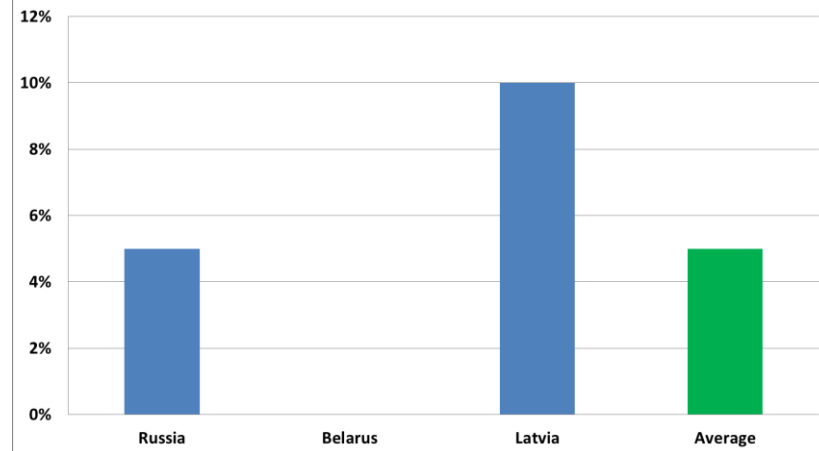
Share of Furamag and Furadonin in Latvian Market, 2011



Share of Furamag and Furadonin in CIS Market, 2011



Growth of Antibacterials 2010-2011

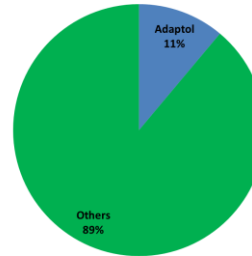


Adaptol

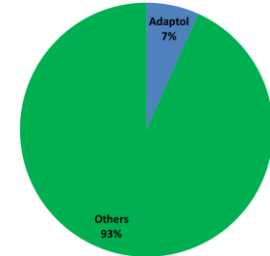
Keep calm

- Anxiolytic (N05C);
- Key competitors:
 - Grandaxin and Spitomin by Egis;
 - Afobazol by Pharmstandart;
 - Strezam by Biocodex;
 - Alprazolam Grind by Grindeks
- CIS market = 85 million EUR

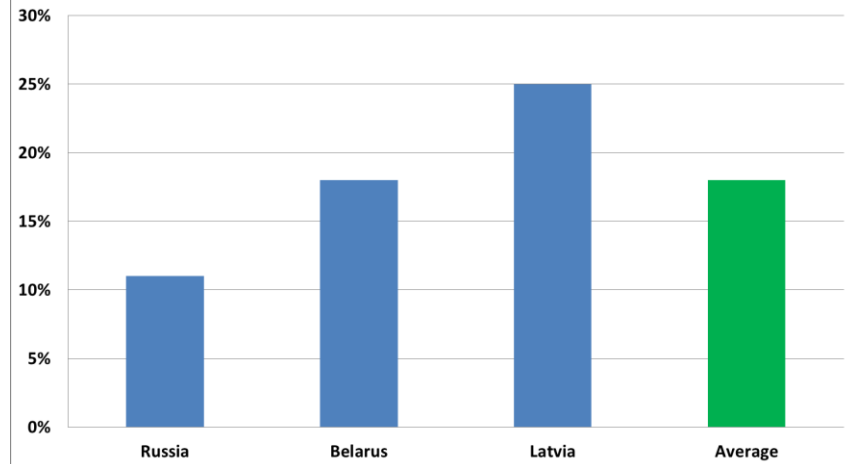
Share of Adaptol in Latvian Market



Share of Adaptol in CIS Market



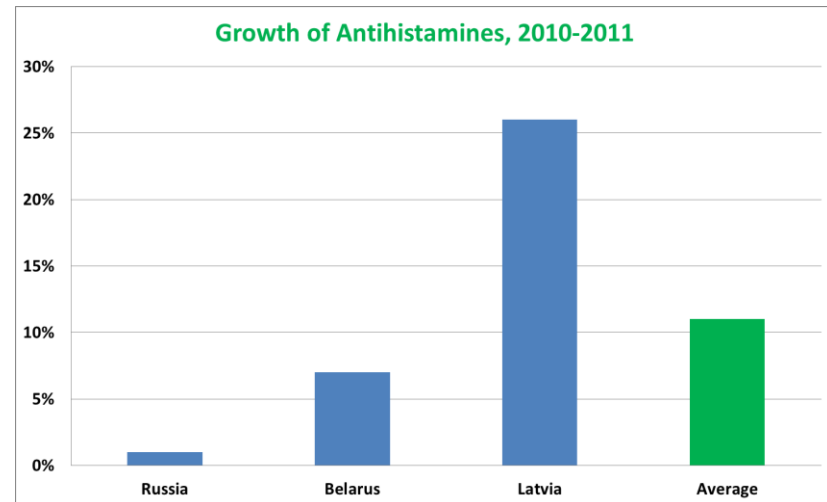
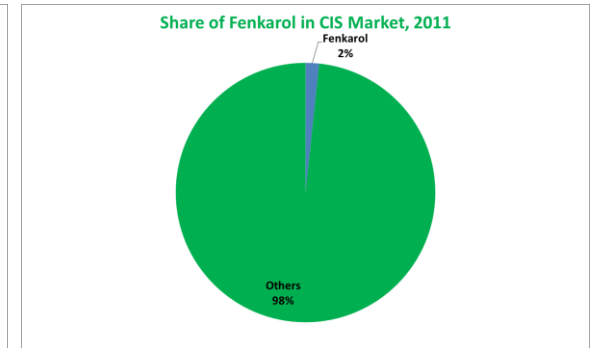
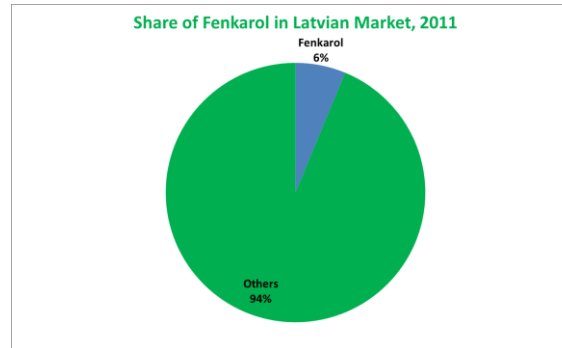
Growth of Anxiolytics 2010-2011



Fenkarol

One in a tough market

- Antihistamine (R06);
- Key competitors:
 - Parlazin and Suprastin by Egis;
 - Loratadin by various producers;
 - Tavegyl by Novartis;
 - Alerius by Schering Plough
- CIS market = 201 million EUR

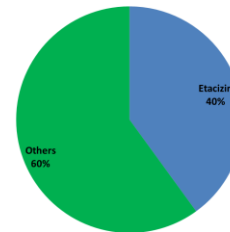


Etacizin

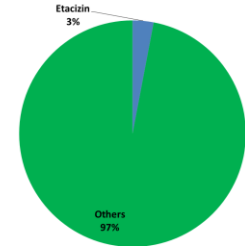
Maintains the rhythm

- Antiarrhythmics of 1st and 3rd group (C01B);
- Key competitors:
 - Cordarone by Sanofi Aventis;
 - Amiodaron by BZMP;
 - Propanorm by ProMed;
 - Rytmonorm by Abbot;
 - Amiocordin by KRKA.
- CIS market = 30 million EUR

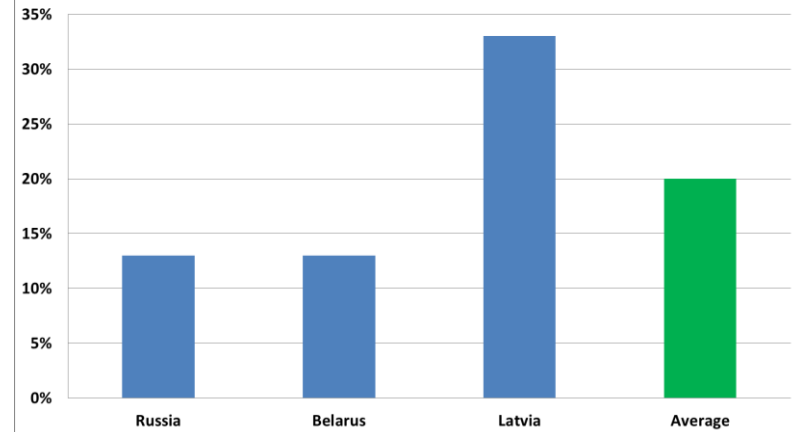
Share of Etacizin in Latvian Market, 2011



Share of Etacizin in CIS market, 2011



Growth of Antiarrhythmics, 2010-2011

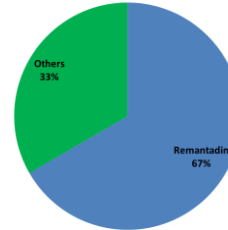


Remantadin

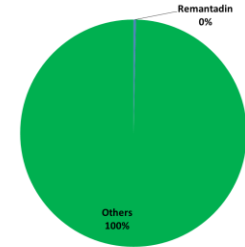
Former flagship

- Other antivirals (J05B4);
- Key competitors:
 - Combivir by GSK;
 - Kaletra bby Abbot;
 - Prezista by Janssen Cilag;
 - Tamiflu by Roche;
 - Rimantadine Grind. by Grindeks.
- CIS market =555,7 million EUR

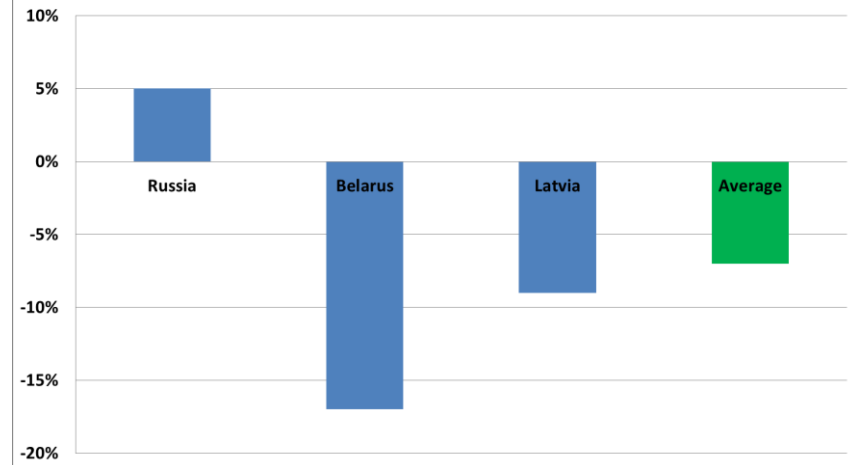
Share of Remantadin in Latvian Market, 2011



Share of Remantadin in CIS markets



Development of Antivirals, 2010-2011



Update on New Launches

Different paces

- Meldonium
 - Announced in 2007;
 - On most markets;
 - Annual sales 2011 = 1,1 million EUR.
- Memantine
 - Announced in 2007
 - Launched in Australia, Canada and Turkey;
 - Annual sales in 2011 = 0,7 million EUR;
 - Registration in 10 more countries underway.
- R-Fenibut, R-Fenootropil
 - Announced in 2007;
 - Clinical trials to be commenced;
 - Expected registration in late 2016 – early 2017
 - Intangible asset fully impaired.

Update on New Launches

There's more

- Olvazol
 - Announced in 2007;
 - Renamed into Kapikor;
 - Capsules registered recently in 3 countries.
 - No sales in 2012.
- Cogniphen
 - New product;
 - Targets cognitive functions of post stroke patients;
 - Expected launch: late 2014.
- New forms of Fenkarol
 - Includes injectibles;
 - Expected registration from early 2014 through early 2017;
 - Will give a new boost to product in very competitive environment.

Update for 2013

A lot of work to do

- January consolidated sales up 55%, unconsolidated up 63%;
- Number of pharmacies increased to 45, interim plan of 50 remains in place, slowing down with purchases;
- Although no formal sales and profit targets are announced yet, a «working» plan provides 50 million lats in non consolidated sales and 57 million lats in consolidated sales in 2013.
- The Board has decided that further development of Olainfarm shall include growing into subsegments of medical devices and food supplements.

Questions and Answers

Are always welcome

- In between webinars, please contact me at:
 - Salvis.Lapins@olainfarm.lv;
 - Cellular: +371 2 6448873 ;
 - Twitter: @SalvisLapins or @OlainFarm;

Thank you!

JSC Olainfarm

5 Rūpnīcu iela., Olaine, LV-2114, Latvia

Phone: +371 67013701

Fax: +371 67013777

www.olainfarm.lv

Investor relations:

Salvis Lapiņš, Member of the Board

Phone.: +371 26448873

e-mail: Salvis.Lapins@olainfarm.lv

