

JSC “Grindeks” –
leading pharmaceutical company in the Baltic States

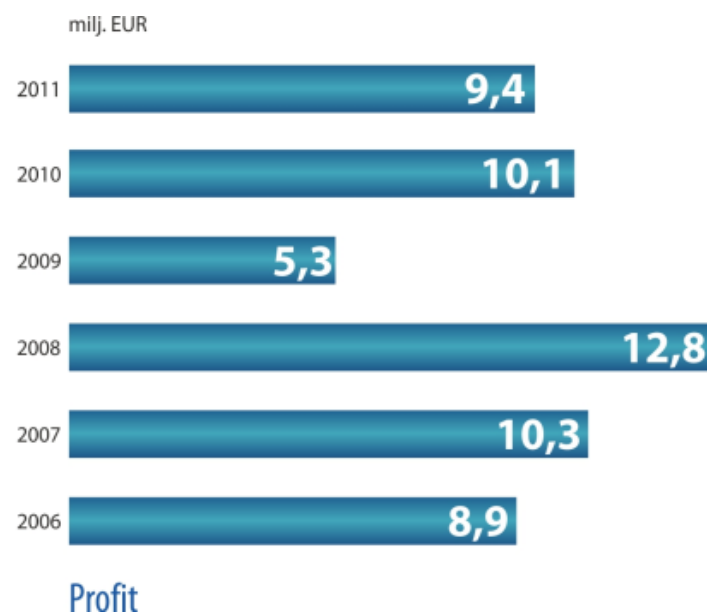
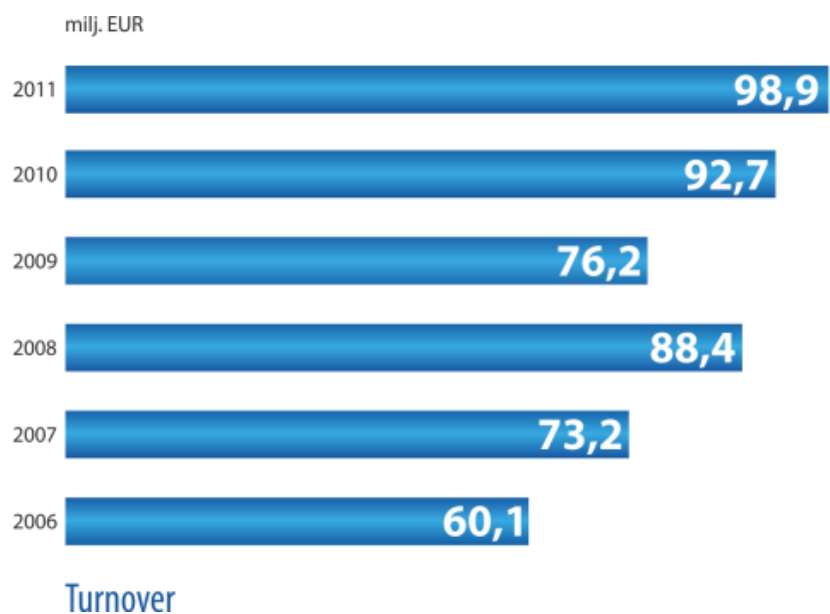
Vadims Rabša
Member of the Board, Chief Finance and Administrative Officer
at JSC “Grindeks”



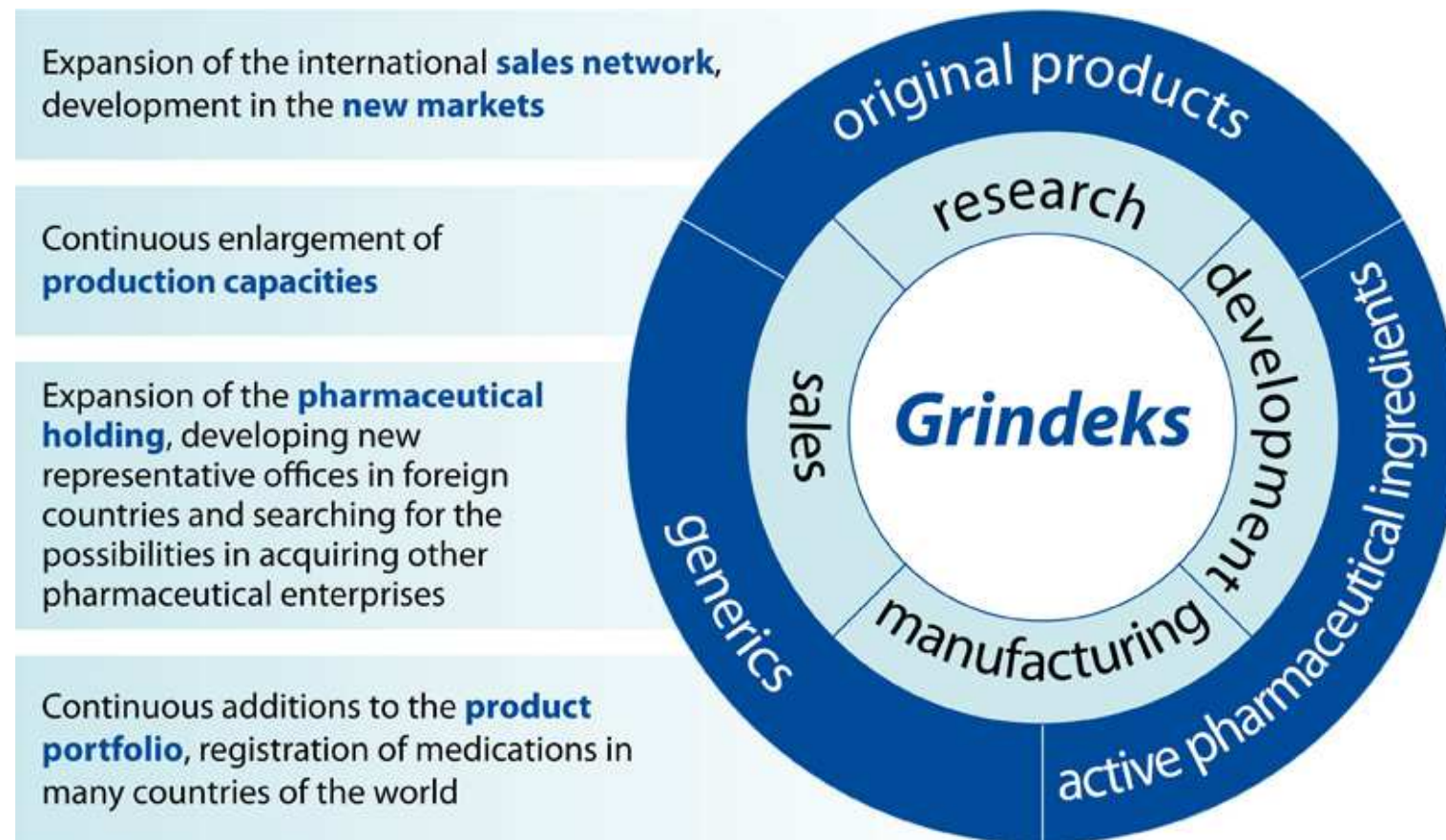
About “Grindeks”

Grindex

- Innovative, technologically advanced pharmaceutical company
- Broad knowledge and experience throughout the entire product life cycle
- Investments 2006-2011 – 51.32 million euro

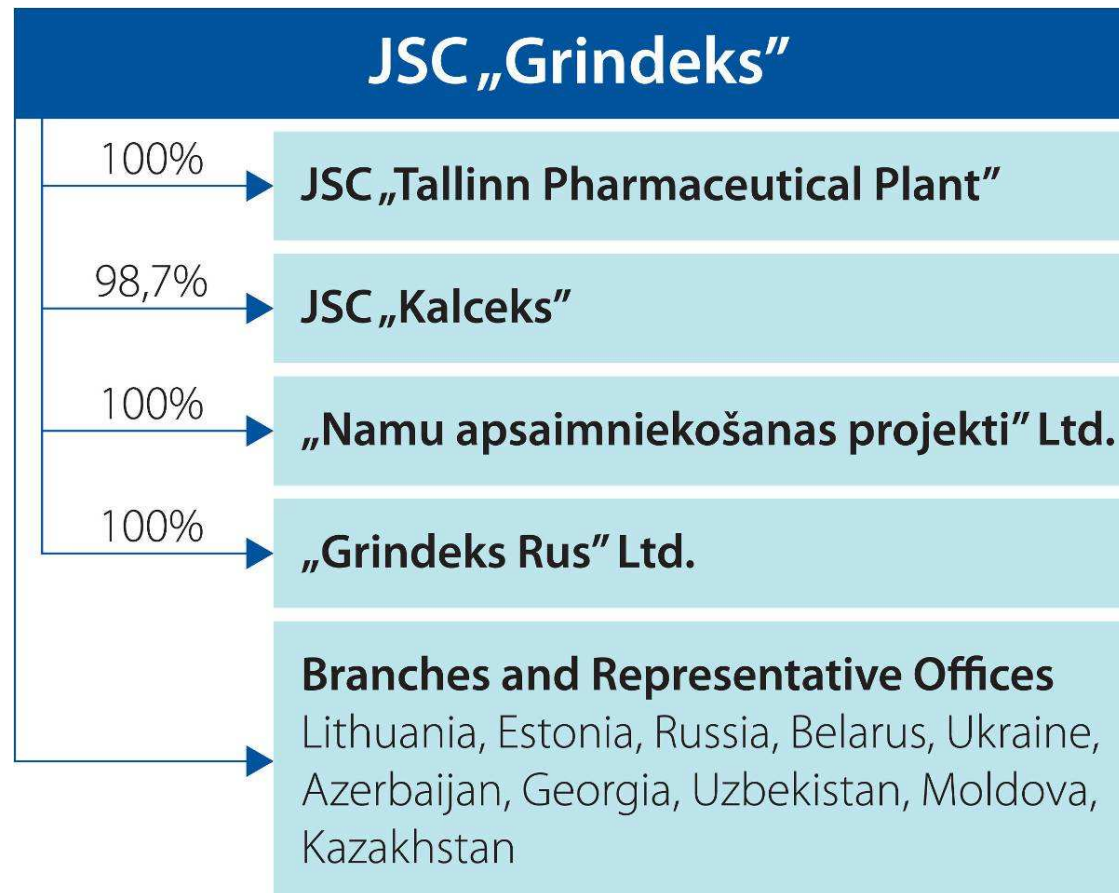


Vertical integration of all operational processes ensures **Grindex** the complete development of product, using own resources



Structure of “Grindeks” holding company

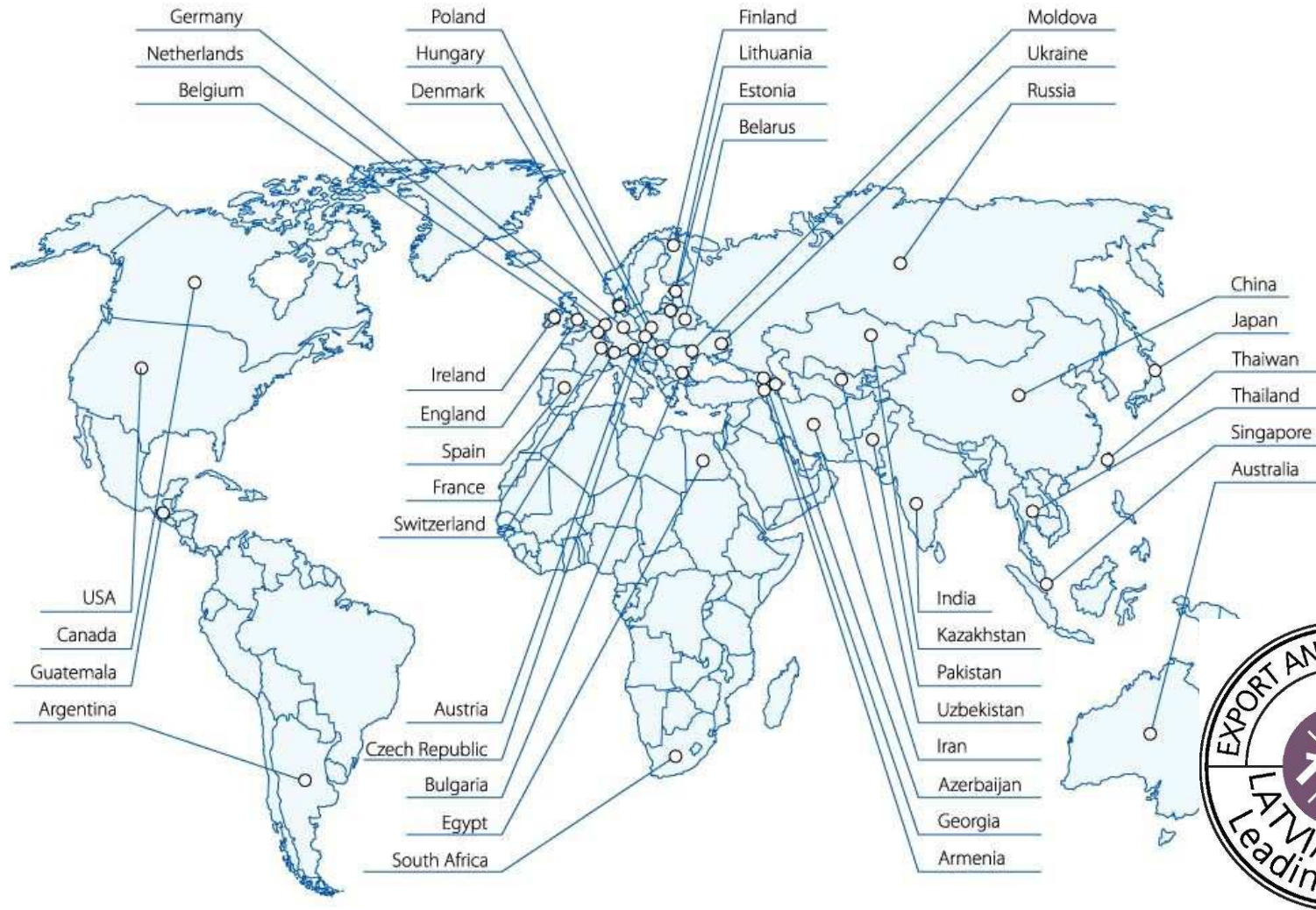
Grindex



“Grindeks” in the world



Products are exported to 50 countries and export comprises 95% of the total sales



Market overview. Final dosage forms

Grindex

- Moderate growth in all markets excepting Belarus
- Competition becomes increasingly fiercer
- Low-price policy dominates
- Protection of interests of local producers in the CIS countries
- Customs Union between Russia, Belarus and Kazakhstan
- Mildronate® generics

*Competition advantages –
Effective, quality products
for comparatively advantageous price*

The market potential in each of the final dosage product markets is different, and development opportunities depend not only on the market, but also on purchasing capacity and public health policies of a given country.

Market overview. Active pharmaceutical ingredients **Grindex**

- The European Union, the United States and Japan face stiffer competition as more and more Chinese and Indian manufacturers offer substances in these regulated markets
- With increasing competition, increases the number of counterfeit substances
- Participation in an international project “Fingerprinting” organized by the EDQM

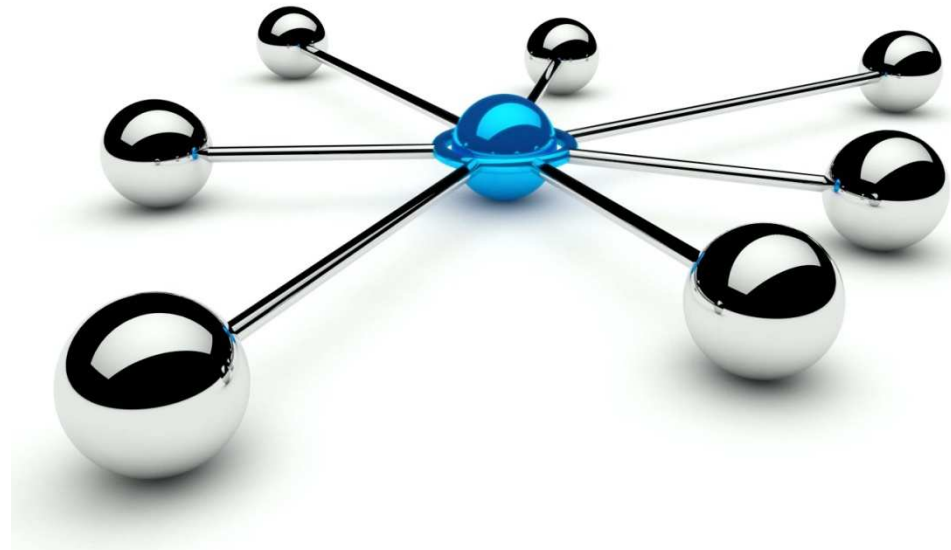
*Competition advantages –
Complicated products created in multi-stage synthesis*

- Close cooperation with the scientific centres in Latvia and other countries
- Significant market positions – zopiclone’s share of world market – 25%, oxytocin’s share of the world market – 30%; veterinary substances’ market share in the EU – 32%

Generics Strategy

Grindex

- Focus on customer and patient insight
- At least 4 new generics annually in four countries simultaneously
- The main therapeutic groups: heart and cardiovascular, anti-cancer and the central nervous system medications
- Diversification of product portfolio in order to increase competitiveness and to reduce proportion of Mildronate®
- 10 years plan of implementation of generics
- Vertical integration solutions



Original product Strategy

Grindex

- Development of new Mildronate® combinations
- Partnership and co-investments in development of new original products
- Protection of intellectual property
- The main therapeutic groups:
 - heart and cardiovascular
 - anti-cancer
 - central nervous system
 - antiviral



Market Strategy

Grindex

- Focus on opportunities in the fast growing markets – Kazakhstan, Ukraine etc.
- Strengthening position in the main market – Russia
- Increasing sales in the local market – Latvia
- Opportunities in Scandinavia and other European markets
- Registration process of Mildronate® in China



Summary

Grindex

- Annual turnover growth – above 10%
- At least 4 new generics annually in four countries simultaneously
- Investments in the development of product portfolio
- Moderate investments in fixed assets
- Sales increase in existing markets and entrance in new markets
- Return on investments of intellectual property
- Investments in R&D – 10% of net sales
- Cost effectiveness



Contact details

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