



Pharma Sector in Romania Newsletter – June 2010

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Sources for this newsletter include: Rompres, money.ro, MediaFax, Ziarul Financiar, the companies etc. Whilst every care is taken in compiling this newsletter, no responsibility is taken for errors or omissions.

Antibiotice exported drugs of 6.7 million USD in the first five months of 2010

In the first five months of 2010, the local drug producer Antibiotice exported drugs of 6.7 million USD, this representing an increase by 18% compared to the similar period of 2009.

Starting with June 2010, Antibiotice exports the “Ampicilina” drug to the US market, after the company received the related authorisations in December 2009. The contract has the value of four million USD per year and was signed for an initial period of five years.

Antibiotice estimates total sales of some 60 million EUR in 2010, up by 12% compared to the previous year. For the next period, the company intends to enter new markets in Europe, Latin America etc.

In 2009, the exports generated 18.5% in the company’s revenues. For the next three years, Antibiotice targets a percentage of the exports in its revenues of 25%.

Antibiotice is listed on the Bucharest Stock Exchange. The company’s shareholders are: the Ministry of Health (53.0173%), SIF Oltenia (10.0954%), others (36.8873%).

LaborMed to increase its exports in 2010

The drug producer LaborMed Pharma, controlled by the Advent International investment fund, intends to increase its export values in 2010. Thus, the company forecasts that the exports will represent 15% in its turnover in 2010, compared to 6% in 2009.

The company forecasts exports of some eight million EUR on its main foreign market, Poland, in 2010.

Also, the company announced the finalising of its re-branding process and the complete integration of the Ozone brands acquired last year. The re-branding was performed in collaboration with the Romanian agency Grapefruit.

Biofarm recorded net profit growth of 5% in T1 2010

The drug producer Biofarm recorded a net profit of some five million RON in the first trimester of 2010, this representing an increase by some 5% compared to the similar period of the previous year. In the first three months of 2010, the company reported an increase in the operational activity but a loss in the financial activity.

In the first quarter of 2010 compared to the first trimester of 2009, Biofarm recorded a turnover increase by 21%, reaching 22.6 million RON.

Biofarm is listed on the Bucharest Stock Exchange, being evaluated at 49 million EUR. The company’s shareholders are: SIF Oltenia (approx. 17.5%), SIF Banat Crisana (approx. 15%), SIF Moldova (approx. 11.5%), Authority for State Assets Recovery (approx. 1%), others (approx. 55%).

Top 50 pharma companies in Romania recorded cumulated turnover of 1.79 billion EUR in 2009

According to the calculations of the Ziarul Financiar newspaper based on the Cegedim data, the top 50 pharma companies in Romania recorded a cumulated turnover of 1.79 billion EUR in 2009, this representing 1.5% in the GDP.

The first 20 pharma companies controlled almost 80% in the total sales in 2009, compared to 70% in 2008 and the sector is characterised by a strong concentration trend.



A&D Pharma



A&D Pharma records 33% growth in T1 2010

A&D Pharma, the biggest pharmaceutical group on the Romanian market, posted a turnover of 150 million EUR in the first three months of 2010, up by 33% (in EUR) compared to the same period of 2009.

The Group operates through three business lines: distribution (Mediplus), marketing & sales (which mainly promotes products of foreign companies with no operations on the Romanian market) and retail (Sensiblu drugstore chain).

A&D Pharma is listed on the London Stock Exchange. According to the company's annual report and the Ziarul Financiar newspaper, the shareholders of A&D Pharma are:

- Sograno BV (Mr. Michel Eid, Mr. Ludovic Robert, Mr. Roger Akoury, Mr. Walid Abboud): 60.8813%
- Citibank N.A. (depository): 33.4757%
- Mantin Ltd (Mr. Dragos Dinu): 2.3180%
- Defrin Investment Ltd (Mr. Florin Buligoanea): 2.2555%
- Wartfield Investments Ltd (Mr. Claudiu Opran): 0.6622%
- Neelix Services Ltd (Mr. Michel Eid, Mr. Ludovic Robert, Mr. Roger Akoury, Mr. Walid Abboud): 0.2797%
- Dream Catcher Ltd (Mr. Michel Eid, Mr. Ludovic Robert, Mr. Roger Akoury, Mr. Walid Abboud): 0.1276%

Terapia Ranbaxy estimates turnover growth of 10% in 2010

Terapia Ranbaxy, one of the main producers of drugs on the local market, estimates a turnover increase by 10% in 2010 compared to the previous year.

In 2009, the company recorded a turnover of 73.8 million EUR, this representing a decrease by some 7% compared to 2008.

Also, the company forecasts exports of some 7.4 million EUR in 2010.



Local pharma producers focus on OTCs and exports

The local drug producers started to focus more and more on the products without prescription (OTCs) and on the exports. During the last years, the local producers focused mainly on the prescription drugs.

As an example, Terapia Ranbaxy produced drugs with prescription that generated over 50% in the company's sales in 2009 compared to below 40% in 2010.

Egis sales in Romania increased by 24%

The sales of the Hungarian pharma producer Egis on the Romanian market increased in the first semester of the fiscal year 2009/2010, ended in March, by 24%, reaching 10.69 million USD.

During October 2008 – March 2009, the sales of Egis in Romania reached 8.6 million USD.

Medlife to open own pharmacy network in 2010

Medlife will open its own pharmacy network - Farma Life - in 2010.

MedLife is the biggest operator of private medical services on the domestic market. MedLife is present in all the major segments of the private medical services market (primary and speciality care, laboratories, imaging, hospital, corporate subscriptions).

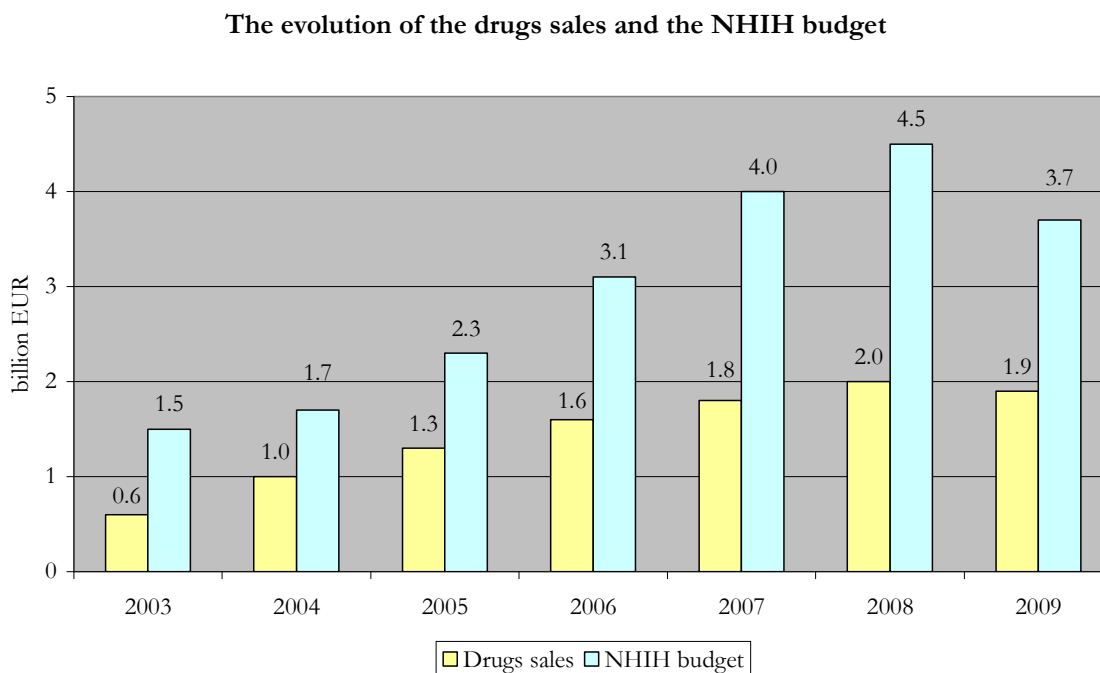
Recordati Group entered the Romanian market

The Italian drug manufacturer Recordati Group entered the Romanian market through the acquisition of the company ArtMed International SRL, following a transaction of 1.2 million EUR. The transaction was mediated by Capital Mind.

ArtMed International is a provider of specialised services of pharma marketing and promotion. Some of company's main clients are Bristol-Myers Squibb or Pfizer.

Evolution of drugs sales and NHIH budget in 2003 - 2009

The evolution of the drugs sales and the budget of the National Health Insurance House (NHIH) during the period 2003 – 2009 is presented in the below chart.



Source: Ziarul Financiar newspaper, Ministry of Finances, National Health Insurance House, Cegedim

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