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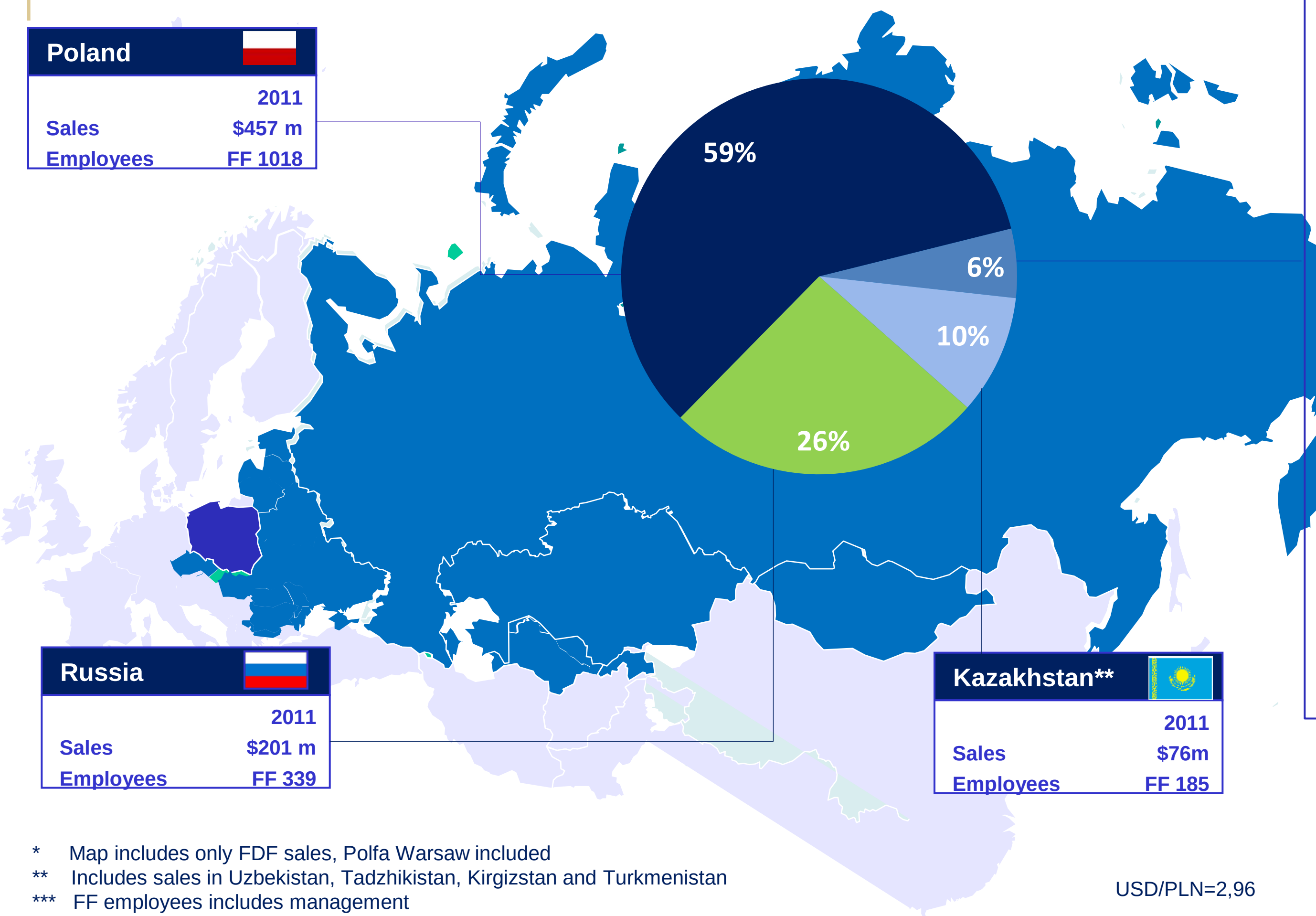
Presentation

July 2012

Polpharma Group is a vertically integrated generic player with a leading position in Poland and presence on CEE markets

Leader in Poland and international footprint	Leading generic player in Poland. Leading domestic manufacturer in Kazakhstan. In top 5 local companies in Russia Representation offices in Ukraine, Belarus, Baltics, Caucasus, Mongolia, Vietnam. Commercial presence in app 50 countries
Sales and marketing excellence	Most effective SF team in Poland Most effective e-marketing in Poland Transfer of sales and marketing know-how to international operations
Wide product portfolio and development capabilities	Almost 600 products in the portfolio Pipeline of over 430 products Expansion into difficult-to-make products and biotechnology R&D team of over 400 employees and 5 development sites
Cost efficient operations	Gross profit margin at a level of best top generic companies Effective sourcing due to economies of scale Optimized working capital
Competent Management	Highly skilled and experienced Management with international background
Sound financials	Healthy financials and limited leverage

Leader in Poland expanding into key CEE/CIS markets*



Poland	2011
Sales	$457 m
Employees	FF 1018

Russia	2011
Sales	$201 m
Employees	FF 339

Kazakhstan**	2011
Sales	$76m
Employees	FF 185

Ukraine & Mld	2011
Sales	$9 m
Employees	FF 93

Belarus	2011
Sales	$7 m
Employees	FF 43

Baltics	2011
Sales	$7 m
Employees	FF 28

Turkey	2011
Sales	$3m
Employees	FF 70

Other	2011
Sales	$18m
Employees	FF 8

* Map includes only FDF sales, Polfa Warsaw included
** Includes sales in Uzbekistan, Tadzhikistan, Kirgizstan and Turkmenistan
*** FF employees includes management

USD/PLN=2,96

Integrated API, FDF, R&D and commercial operations

Total Employment of *ca.* 7,546 persons

Commercial operations Poland	Manufacturing Operations Starogard	Manufacturing Operations Sieradz	Representative Offices	Polfa Warszawa
polpharma	polpharma	medana	polpharma	Polfa Warszawa SA
Trade Office in Warsaw	API and FDF production R&D (both APIs and FDFs), Biotech	FDF production and R&D (special forms)	S&M organizations in Baltic countries, Ukraine & Moldavia, CIS countries	FDF and API production Sales and marketing organisation covering Poland
1120 people	**1529 people**	**285 people**	**189 people**	**1503 people**

Anti-infectives FDF's at Duchnice	Cenova Pharma	Russian operations Akrikhin	Chimpharm (Santo trademark)	Strategic Alliance Farmaprojects	Strategic Alliance Herbapol Pruszków
	cenovapharma	АКРИХИН	SANTO	Farmaprojects	Herbapol Pruszków
FDF production of oral cephalosporins and sterile powder injections	Turkey S&M organization	S&M organization FDF production R&D unit	S&M operations & manufacturing in Central Asia	Products development organization	Production of fitopharmaceuticals and herbal products
83 people	**77 people**	**1333 people**	**1145 people**	**107 people**	**175 people**

Geographical expansion → Product development → Product expansion → Cost leadership

To create a regional leader offering wide portfolio of generics as well as differentiated products

Geographical expansion

Geographical expansion into most attractive branded markets (Russia, Turkey, Kazakhstan, Ukraine)

Product development

Leveraging on product development
- accelerated growth of out-licensing revenues
- expansion into selected tender markets

Product expansion

Expansion into new products
- increased integration of in-house API development
- expansion into oncology, respiratory and biotechnology

Cost leadership

Commitment to maintain cost leadership:
- continued manufacturing network optimization
- supply chain cost reduction programme
- sales force effectiveness
- working capital optimization

2.1 Overview of strategic markets

Geographical expansion → **Product development** → **Product expansion** → **Cost leadership**

Geographical focus on large and fast growing CEE/CIS markets

Country	Popu-lation (m)	Pharma sales / GDP	Market size 2011F ($bn)	CAGR (2008-11, l.c.)
	38,1	2,2%	12,1	6,7%
	142,8	1,2%	20.6	14,7%
	76,6	1,4%	10,7	6,3%
	45,5	2,2%	3,4	16,6%
	16,2	0,8%	1,3	15,1%

Headquarter
Representation offices
Other markets

Population: 517 mm

Pharma market size: $ 48bn

Number of SF: app. 1629
(including management)

* Source BMI Q1 2012

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2.1 Recent acquisitions

Geographical expansion → **Product development** → **Product expansion** → **Cost leadership**

Acquisitions on key strategic markets in 2011

Poland

Polfa Warszawa SA

Acquisition of Polfa Warsaw:

- purchase of ophthalmology portfolio
- purchase of complementary hospital portfolio
- export to CIS

Herbapol Pruszków

Acquisition of Herbapol Pruszków

- purchase of fitopharmaceutical and herbal products portfolio

Russia

АКРИХИН

Acquisition of Akrikhin:

- purchase of shares in the Top-10 local player

Kazakhstan

SANTO

Joint-venture with Chimpharm:

- purchase of shares in the biggest domestic player
- participation in off-take program (purchase of drugs financed by reimbursement agency)
- a basis for export expansion to Central Asia

Turkey

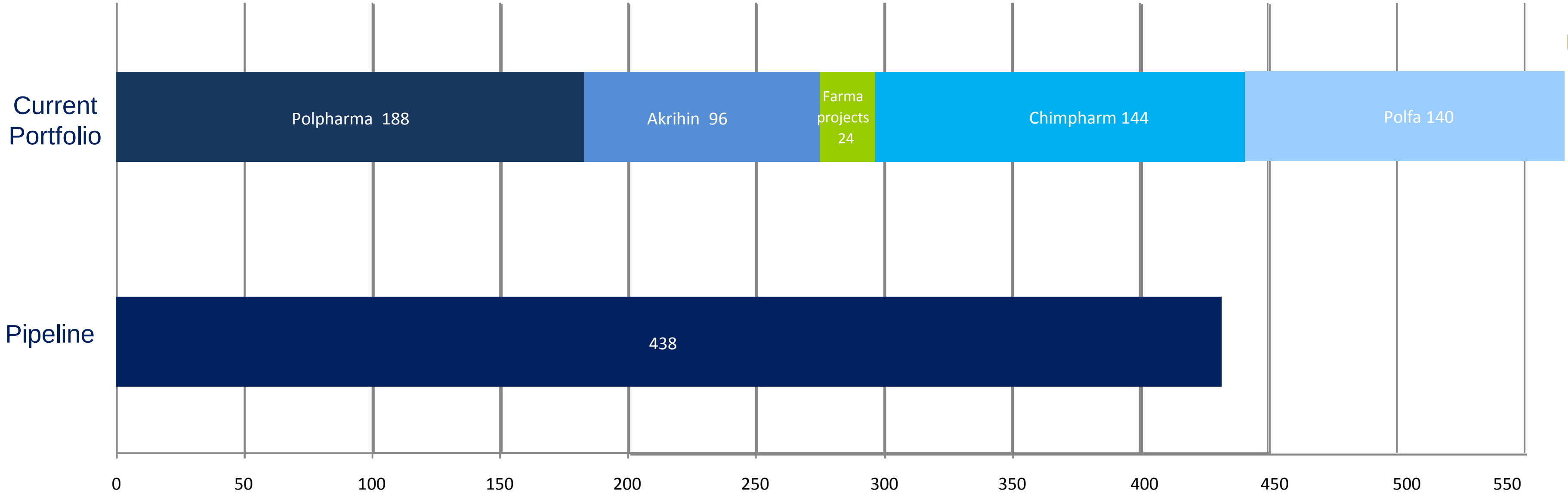
cenovapharma

Purchase of sales and marketing organization in Turkey:

- local S&M team as a foothold in Turkey market

Geographical expansion | **Product development** | **Product expansion** | **Cost leadership**

Wide and established product portfolio well recognized by doctors



Today Polpharma has 592 products and pipeline of 438 products

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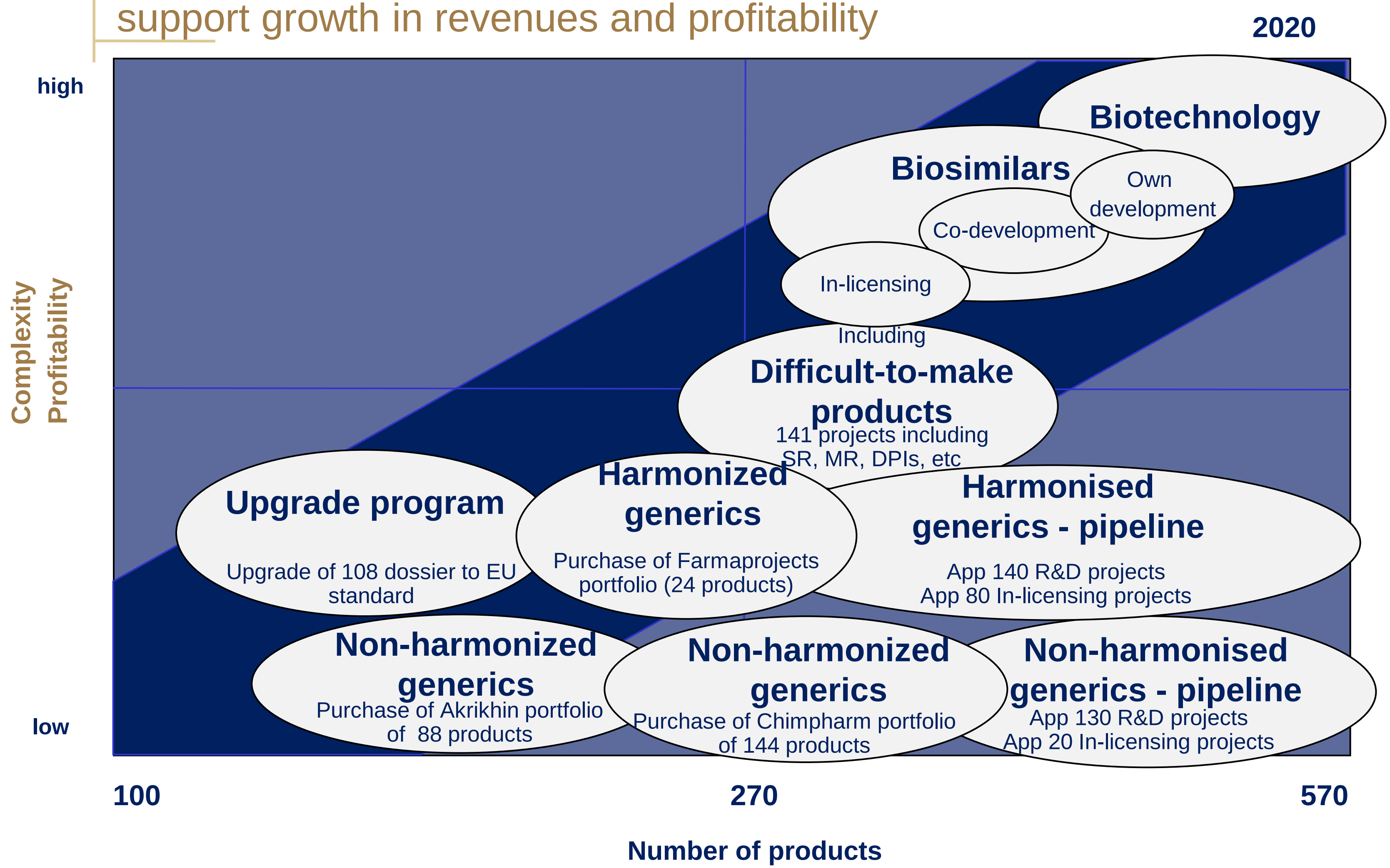
Geographical expansion | Product development | **Product expansion** | Cost leadership

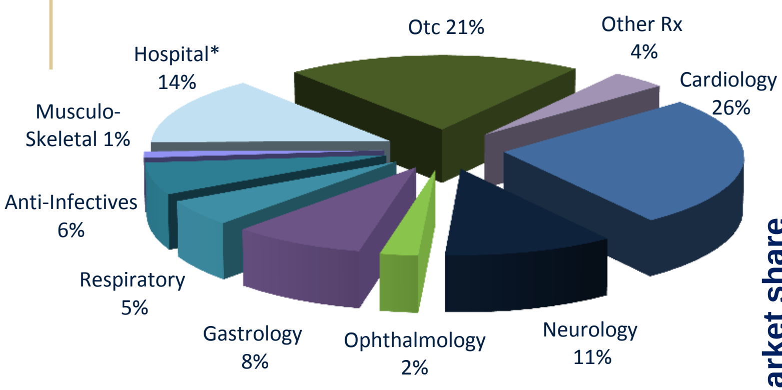
Switching from generics to difficult-to-make products and biotechnology to support growth in revenues and profitability



3.1 Market position: Poland

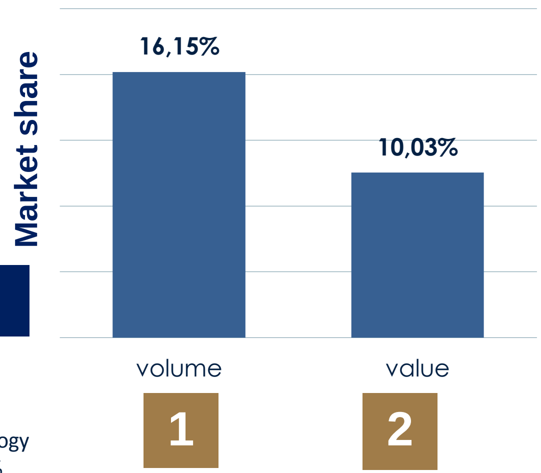
Polpharma*** has a leading market share within its key therapeutic areas in Poland and is currently expanding into Respiratory

1Q2012 Sales breakdown by therapeutic area in Poland

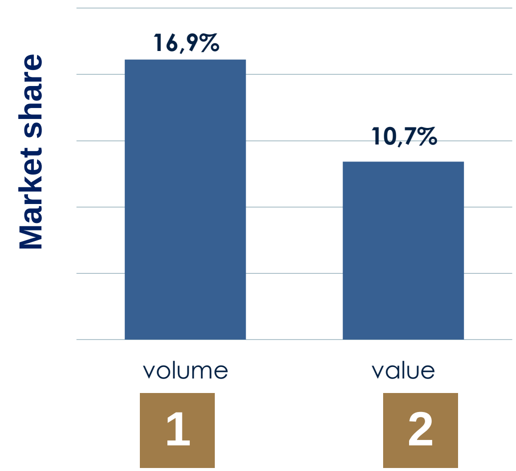


* Hospital sales includes drugs of various ATCs categories (not only ATC H drugs)
** Including food supplements
*** Including Polfa Warsaw

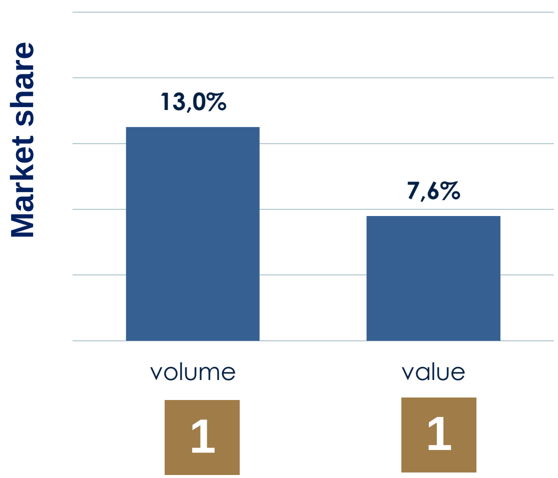
Alimentary & Metabolism Rx



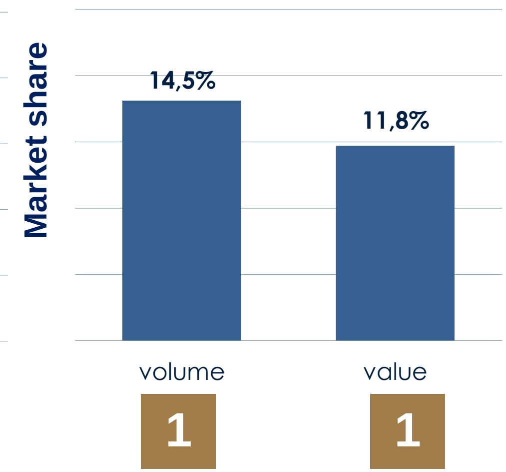
Cardiovascular, Rx



OTC**



Central Nervous System, Rx



Source: IMS data 01/2012

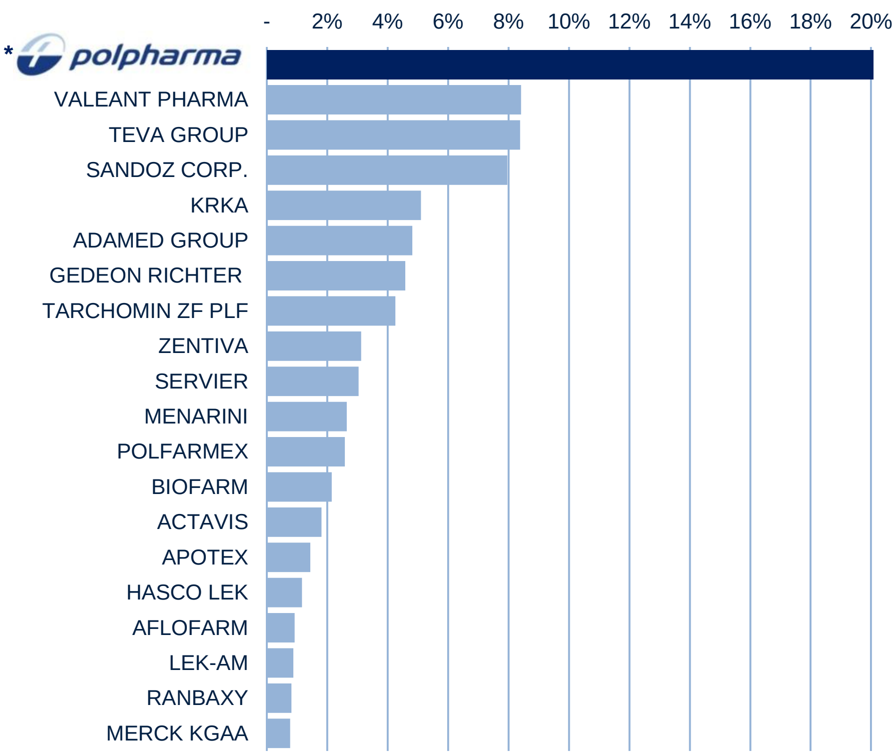
We aim at achieving a leading position for all promoted products

Product	YTD/03/2012 Sales (USD)	Substance	YTD/03/2012 Molecule Sales (USD)	Share in molecule	Number of competitors	Market position
POLOCARD	4 848 249	ACETYLSALICYLIC ACID - relevant comprtitors only	10 446 326	46%	14	1
ACARD	4 806 552	ACETYLSALICYLIC ACID - relevant comprtitors only	10 446 326	46%	14	2
MEMOTROPIL	3 971 126	PIRACETAM	8 503 978	47%	19	1
POLPRAZOL	3 738 163	OMEPRAZOLE	15 887 673	24%	29	1
OXODIL	3 059 757	FORMOTEROL	19 772 257	15%	11	3
SIMVASTEROL	2 808 161	SIMVASTATIN	12 946 237	22%	25	1
RANIGAST MAX	2 578 565	RANITIDINE	4 379 983	59%	13	1
POLPRIL	2 531 919	RAMIPRIL	19 198 403	13%	18	2
PYRALGINA	2 339 191	METAMIZOLE SODIUM	4 012 362	58%	5	1
ENARENAL	2 252 383	ENALAPRIL	2 655 341	85%	6	1
Total sales of top 10 leading brands	32 934 066	**26,7%**				
Polpharma's Group total sales YTD/03/2012	123 435 809					

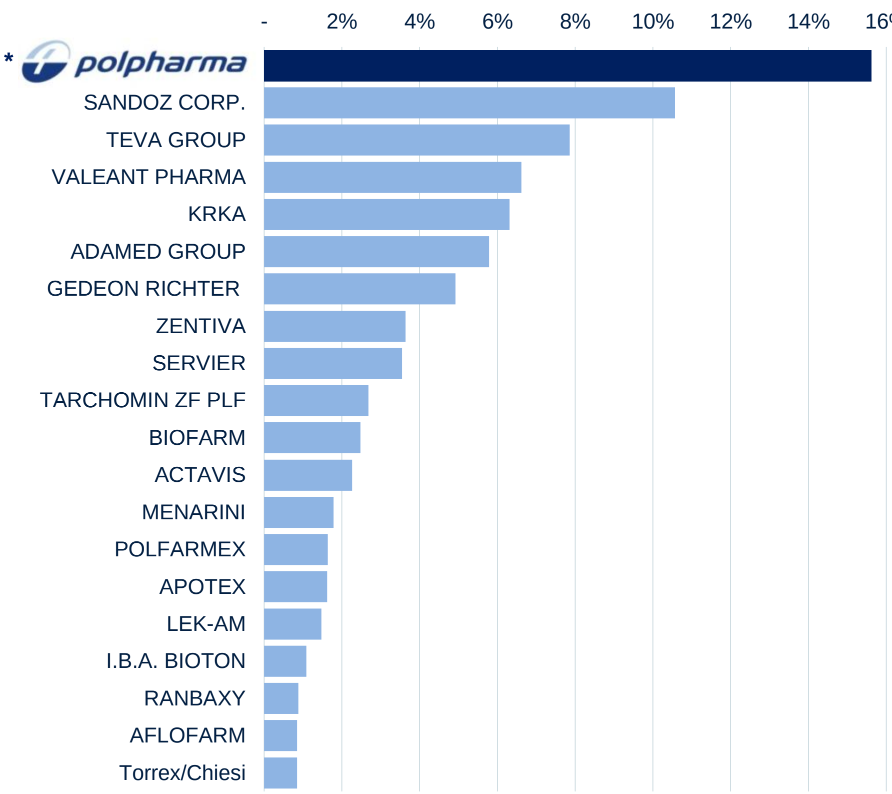
Polpharma has a broad and balanced product portfolio, all Polpharma's top 10 products maintain leading position in their categories on Polish market

Undisputed generics market leader in Poland in terms of both volume and value

Market share by volume in 1Q2012



Market share by value in 1Q2012



** Including Polfa Warsaw*

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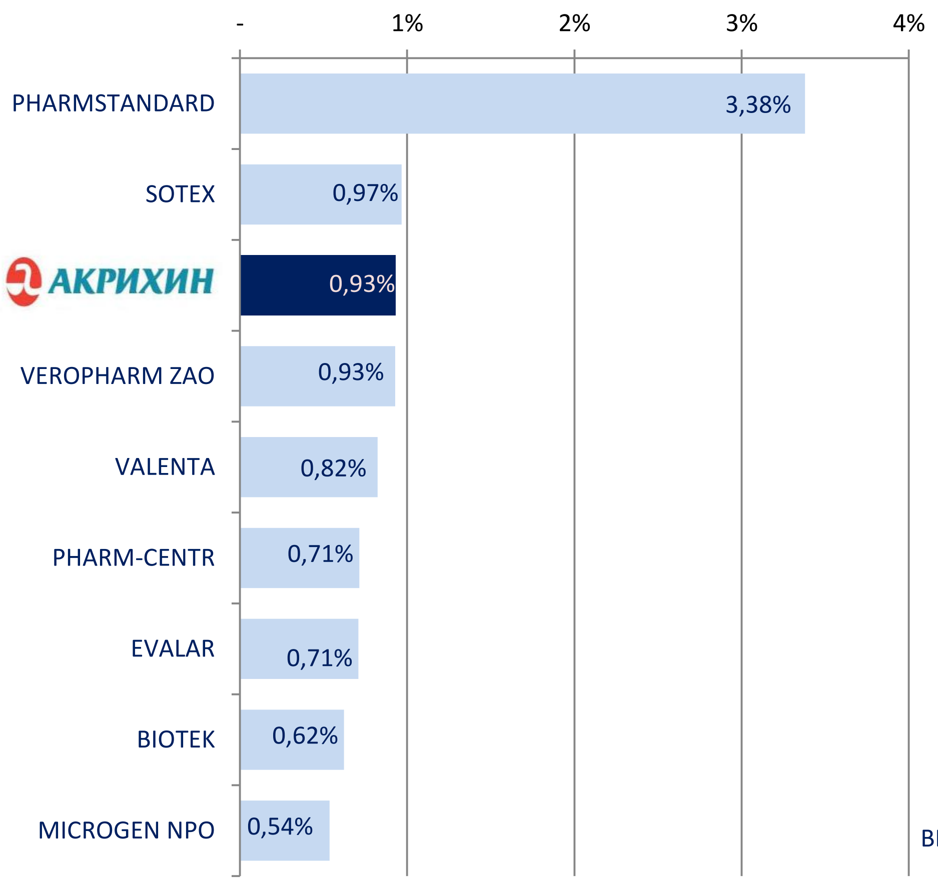
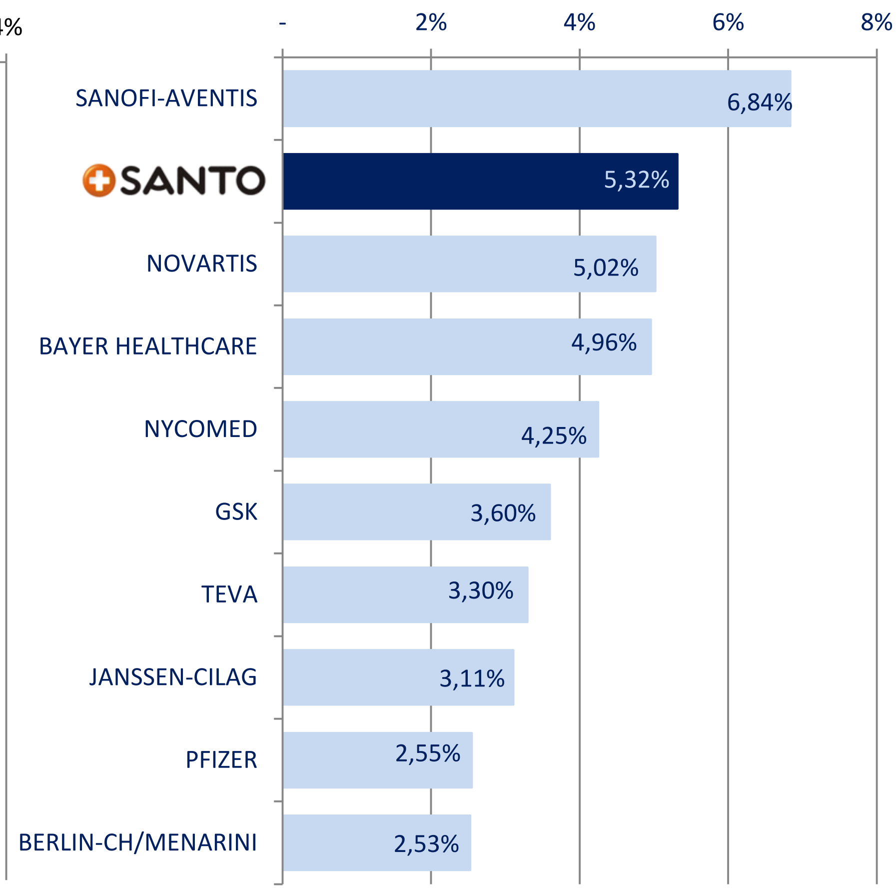
3.2 Market position: Russia&Kazakhstan

Russia: Market share by value in 2011



Kazakhstan: Market share by value in 2011



Top-5 local producer in Russia

…and market leader in Kazakhstan with c. 50% market share in local market

Source Pharmaexpert,

Local producers only. Market share in total market

Our business model incorporates multiple routes to market covering all important target groups and channels

S&M organisation in Poland*

1018*** employees (Sales Force *ca.* 924)

Sales and distribution Poland

	Rx Sales	Pharmacy	Hospital	Psychiatry	Mass Market	Wholesalers / Pharmacy Chains	Polfa Warsaw
Sales force **	576	115	34****	31	11	13	144
Sales managers	62	13	4	4	1	1	9

* *Including Polfa Warsaw*
** *Managers excluded*
*** *including Management*
**** *incl. 5 for HOSP tenders*

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5. R&D capabilities

R&D Group (incl. regulatory)
418 employees

Strategic Alliance

API & FDF development of Generics and Generics +	R&D - mainly special technologies: liquids, semi liquids and soft gelatin caps	R&D Focused on harmonisation of Polfa products	R&D of products tailored to the Russian market	R&D of products tailored to the Kazachstan market	FDF dossiers IP, RA and out-licensing capabilities	FDF dossiers IP, RA and out-licensing capabilities

15 projects managers located in Barcelona, Starogard, Shymkent, India able to deliver 30-40 CTD per year

9 formulation teams with capacity of 20 – 25 projects per annum
10 – 15 formulations to be developed under Polpharma/Farmaprojects project management

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R&D FDF & FC Starogard 171 employees, incl 38 regulatory	R&D Sieradz 22 employees incl. 5 regulatory	R&D Warsaw 96 employees incl. 25 regulatory	R&D Akrikhin (Russia) 38 employees incl. 17 regulatory	R&D Santo (Kazachstan) 38 employees Incl. 19 regulatory	Spain 30 employees incl 13 in regulatory	India 12 employees

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6. Manufacturing operations

Broad manufacturing know-how and expandable capacities

API - Starogard Gdański
- GMP/FDA approved
- 1 dedicated and 5 multipurpose plants
- Pilot plant
- 40 dedicated reactors
- 165 multipurpose reactors

FDF - Starogard Gdański
- GMP approved
- 6 billion units of solid forms & 190 m of liquid forms

Anti-infectives FDF at Duchnice
- FDF production building
- GMP certificate
- Capacity of 20 m vials, 60 m tablets
- Headcount of 90

Pruszków
- Fitopharmaceuticals production

FDF, API - Warsaw
- FDF and API production
- GMP certificate
- Liquid forms : ampules, drops, syrups,

FDF - Nowa Dęba
- FDF production
- GMP certificate
- Gels, tabletts, capsules

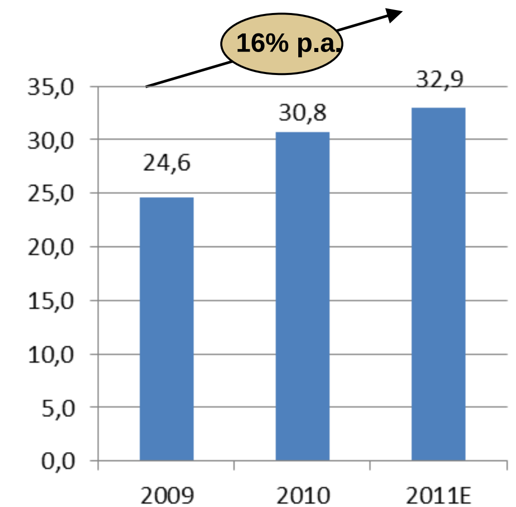
Staraya Kupavna
- Russian Federation GMP approved
- 3.1 bln tablets, 150 m capsules, 400 ton of ointments, gels, creams

FDF - Sieradz
- GMP approved
- Solids
- Semisolids
- Oral liquids
- Capacity of 800 m tablets and 26 m bottles with liquids
- 600 m soft gelatine capsules

FDF - Shymkent
- 1 billion tablets, capsules, granules
- 250 million ampoules
- 24 million vials of antibiotics
- 20 million bottles of liquids
- 5 million Tubes, ointments, gels

6. Manufacturing operations

FCBU - competitive advantage due to vertical integration

Fine Chemicals capabilities	Fine Chemicals production	Fine Chemicals sales (USDm)
• Fine Chemicals Business Unit (FDA approved): 1 dedicated and 5 multipurpose buildings • GMP Pilot Plant	• Total Fine Chemicals output amounted to app $ 43 million in 2011 • Captive use amounted to app 24% of output or app $ 10 million • Export amounted to app $ 33 million. • Key export markets are: Western Europe and Northern America	

Successful customer audits

Thank you for your attention