



Corporate Presentation

March 2008

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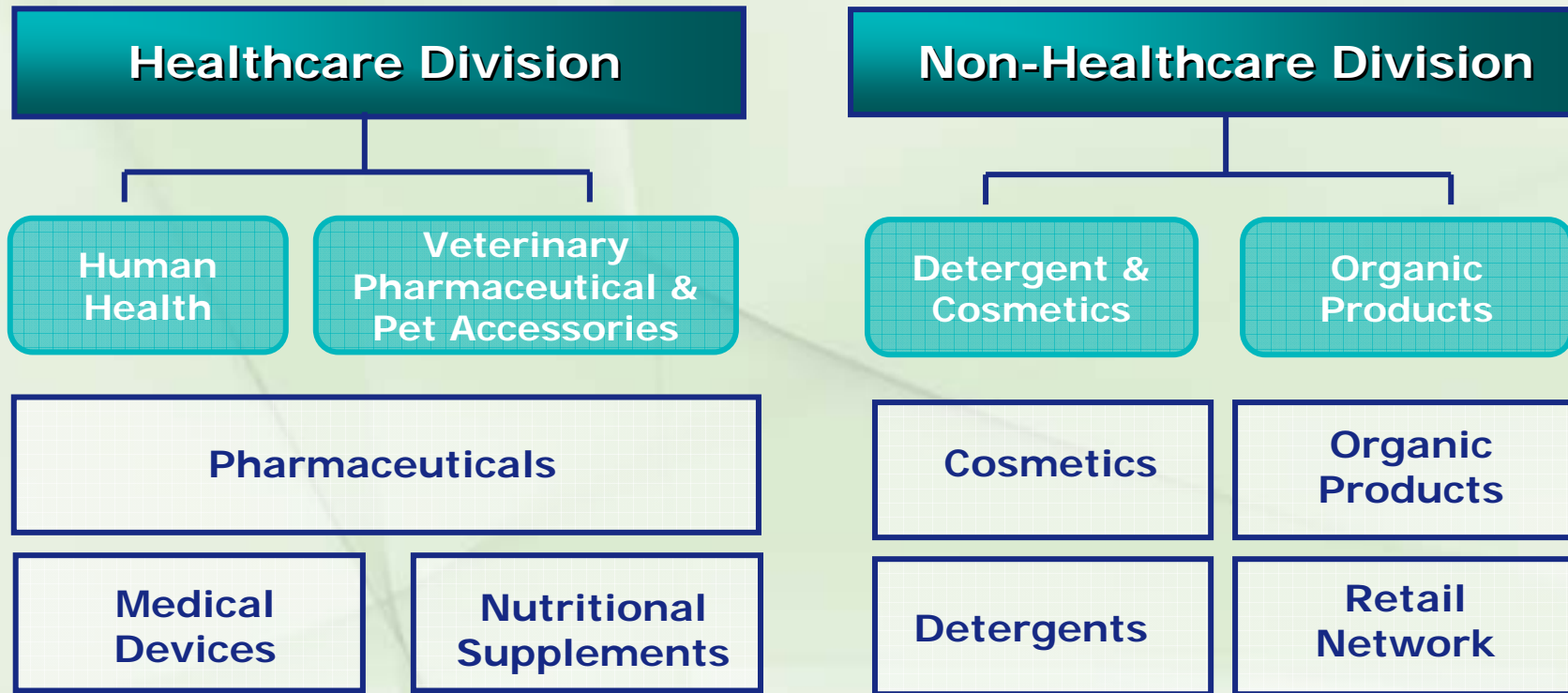
# Agenda

- **Business overview**
- **Strategy**
- **Health Division**
  - Pharmaceuticals
  - Medical Devices & Equipment
  - Veterinary Pharmaceuticals & Pet Accessories
- **Non-Health Division**
  - Cosmetics & Detergents
  - Organic products
- **Financials**
- **Appendix**

# Overview of Alapis

- **Leading consolidator in the Greek generics market**
- Formed in February 2007 from the merger of EBIK, Elpharma, Veterin and Lamda Detergent
- Combination offers significant opportunity to generate synergies in sales and marketing, sourcing, manufacturing and distribution logistics
- Two core business units
  - **Healthcare—human health pharmaceuticals, medical devices, veterinarian products**
  - **Non-healthcare—detergents, cosmetics and organic products**
- Headquartered in Athens, Greece, the Group employs c. 1,200 people
- Market cap €2.1bn

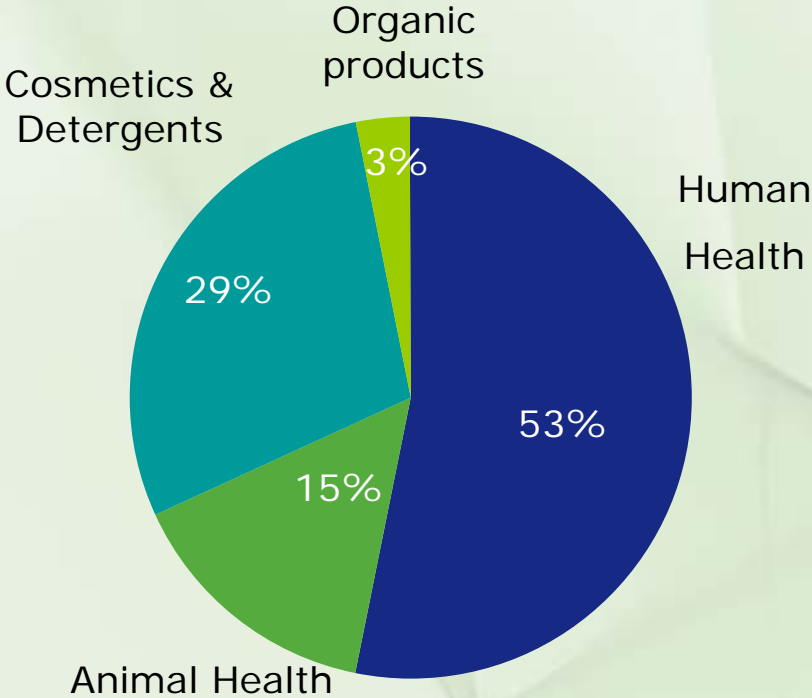
# Strategic business units



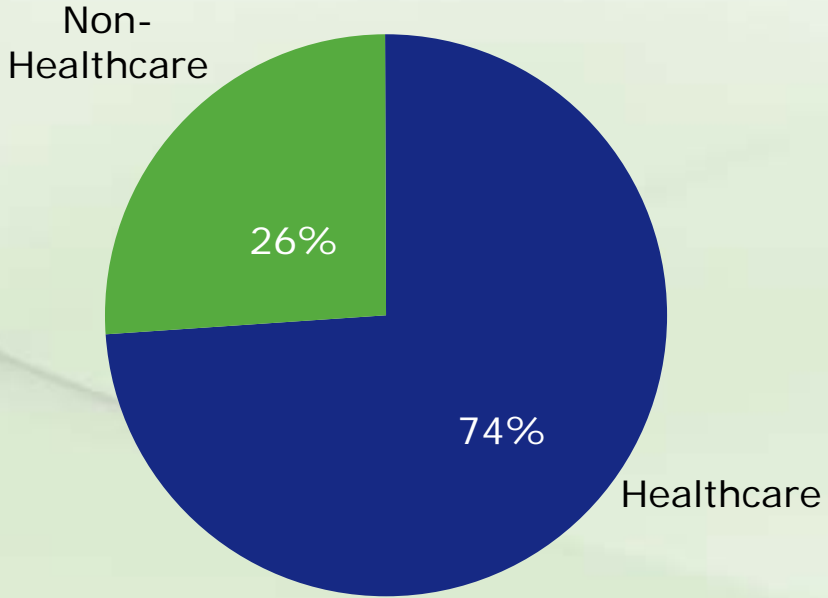
# Alapis Group—divisional breakdown (2007)

Revenues

EBITDA



Total: €442.5 million



€117.3 million

# Investment highlights



# Strategy implementation

Background: The Greek generics market is currently highly fragmented and underdeveloped and is ready for consolidation and significant expansion

**Vision: To become the leading generics player in South Eastern Europe**

Step 1  
Position

Build sales and marketing infrastructure through in-licensing products from third parties and the wholesale business

Step 2  
Consolidate

Acquire selective assets, consolidating the market and extracting synergies

Step 3  
Sustain

Strengthen position through vertical integration into retail



# Strategy (cont.)

The cornerstone of the Group's strategy is its pharmaceutical business with significant cross synergies across all business areas creating a vertically integrated platform and a "one stop shop"

## Human health

- Pharma is key focus area - expansion of generic products portfolio and into new geographical markets
- Cross-selling opportunities
- Sells own generics through own wholesalers
- Strong co-marketing agreements with major pharma companies

## Veterinary

- Market leadership in a concentrated market
- Partnerships with industry leaders
- Product range expansion (own branded products) and geographical expansion
- Same partners as human health operations
  - serves as reference for new business

## Organic products

- Greek market currently hugely under penetrated compared to Europe
- Route to gain experience in retail business
- Acquire attractive store locations
  - potential to convert into pharmacies in future

## Cosmetics & Detergents

- Expansion into private label products
- Strong relationships with established multinationals
- Sales synergies with human health
  - cosmetic products share same client base (pharmacies) as human health

Significant synergies between medical devices & diagnostics with pharma

# Track record in consolidation Acquisitions since July 2007

Successful completion of **9 acquisitions** in Greece over the last 8 months with a total value of **c. €150 million**. A number of other/additional deals are also in the pipeline

Target	Enterprise Value	Implied Multiples, LTM (reported)	
		Sales	EBITDA
1 Pharmagora S.A.	37.1	0.30x	4.6x
2 A. Moisoglou S.A. <sup>1</sup>	3.3	0.20x	3.9x
3 Revold Healthcare Products <sup>2</sup>	0.9	0.32x	1.1x
4 Biochem <sup>3</sup>	38.6	1.70x	6.3x
5 Farmalex	14.4	na	na
6 KP Marinopoulos	47.5	0.18x	7.0x
7 Biomodus	0.1	0.02x	na
8 Labomed	2.0	0.80x	2.1x
9 Lamda Applied	0.5	na	na
<b>Total</b>	<b>144.4</b>	<b>Average 0.50x</b>	<b>4.2x</b>

Note: All figures in €m

1 Financials refer to annualised H1 2007 financials

2 Financials refer to annualised Q1 2007 financials



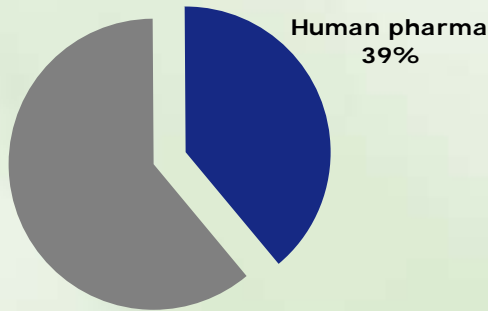
**Health Division**

**Pharmaceuticals**



# Greek market overview

## Pharmaceutical



Favourable market dynamics

### Large market

€6.2bn in Greece<sup>1</sup>

### Robust growth

2006–11E CAGR  
Pharmaceutical 6%  
OTC 10%<sup>2</sup>

### Fragmented sector

~400 companies out of which only 5 have sales of more than €100m

### Comments

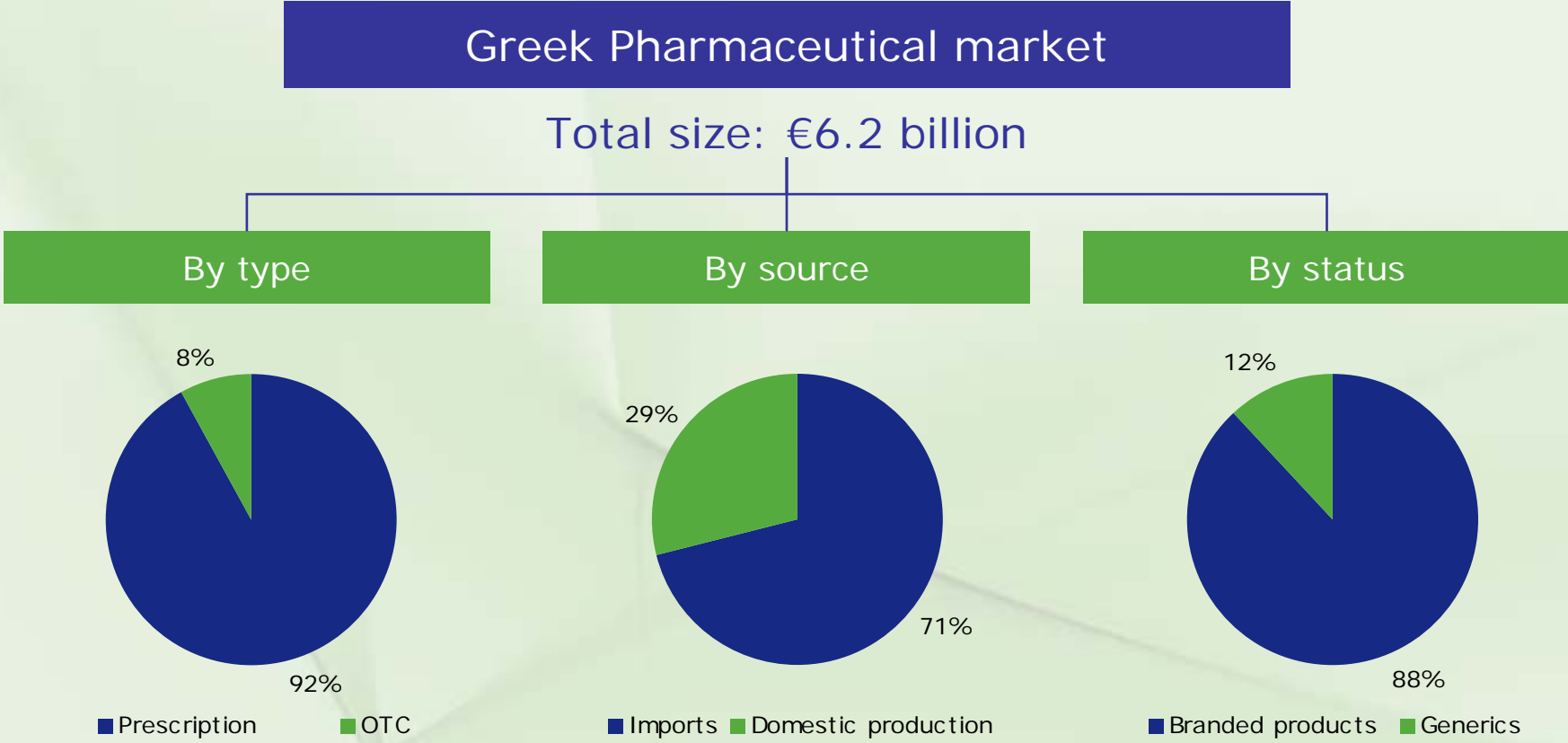
- Mandatory pricing set by government for originator and generics products
- Generics discount to originator products 20%
- Generics market significantly under penetrated compared to other EU countries
  - expected to reach 20% penetration by 2010 (currently 12%) of the total pharma market
- Local players lack critical mass
- To consolidate, infrastructure and balance sheet strength needs to be in place
- Customer relationships critical

<sup>1</sup> Source: National Pharmaceuticals Organisation (EOF)

<sup>2</sup> Source: Medical Device Outlook – Greece – Espicom Business Intelligence, QIII 2006

# Greek market overview (cont.)

## Pharmaceutical



Source: Business Monitor International, EFPIA

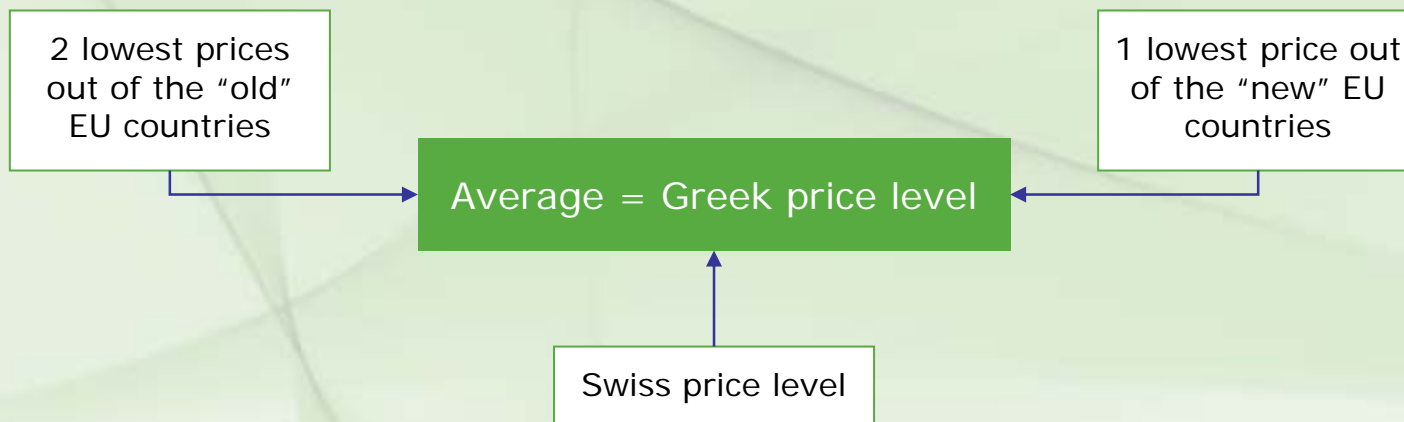
# Greek market overview (cont.)

## Pharmaceutical

### Greek regulatory framework

- Market regulated by National Pharmaceuticals Organisation (EOF)
- Prescribed medicines sold exclusively by authorised pharmacies
- Product prices mandated by Government (reference price)
  - prices apply to both off-patent and generic product
  - mandatory 20% price cut post patent expiration on both originator and generics

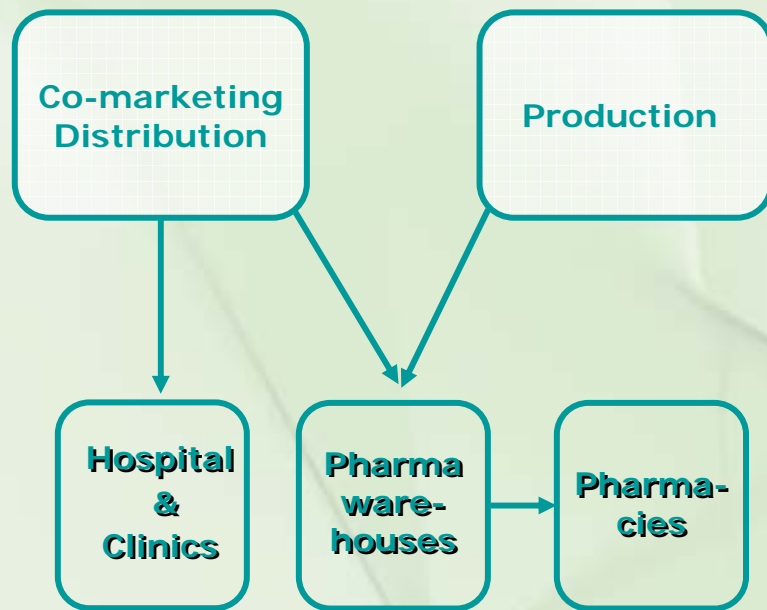
### Price calculation for patent products



# Division overview

## Pharmaceutical

### Pharmaceutical division



### Key Categories

- Cardiology
- Cardiovascular
- Dermatology
- Haematology
- Respiratory
- Neurology
- Oncology
- Paediatrics
- Urology



# Health Division

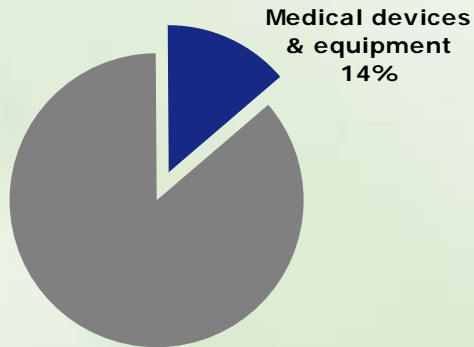
## Medical Devices & Equipment





# Greek market overview

## Medical Devices & Equipment



### Favourable market dynamics

#### Sizeable market

€770m in Greece

#### Steady growth

2007–11 CAGR  
~4%

#### Import dominated

~95% from imports

#### Highly fragmented

Local market consists of small players distributing imported products

#### Comments

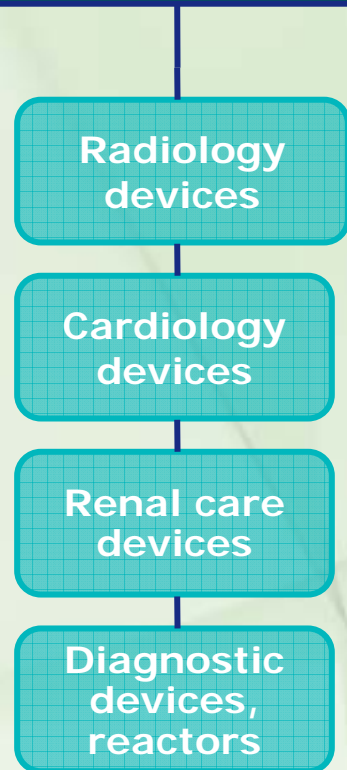
- Among the largest markets in South Eastern Europe
- Growth in line with market
- Broad range of products supplied by a large number of players
- Alapis co-markets with Gambro BCT, Given Imaging, Medicult and Sorin
- Relationships with hospitals and suppliers held by local players
- Multinationals lack relationships for direct distribution
- No competitors have sales in excess of €50m

# Division overview

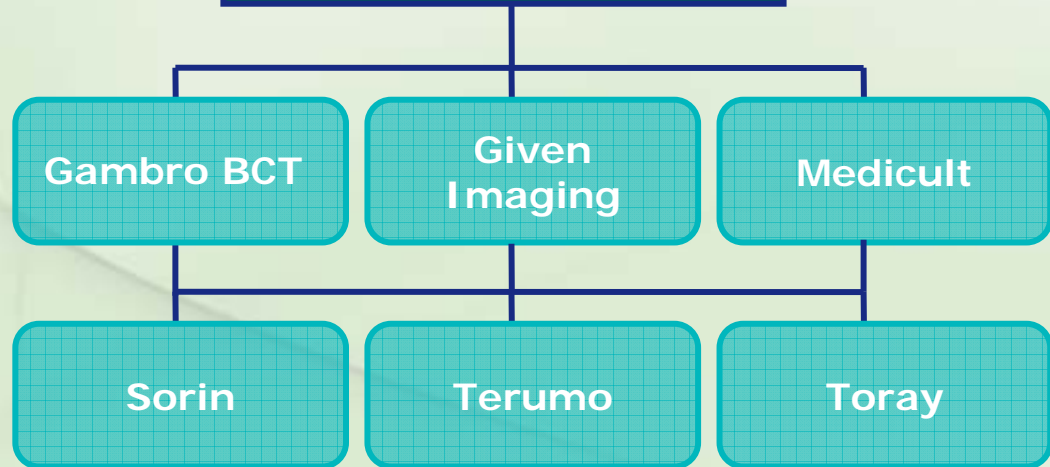
## Medical Devices & Equipment

Exclusive Representative of medical devices & equipment

### Key Products



### Main Partnerships





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# Health Division

## Veterinary Pharmaceuticals & Pet Accessories



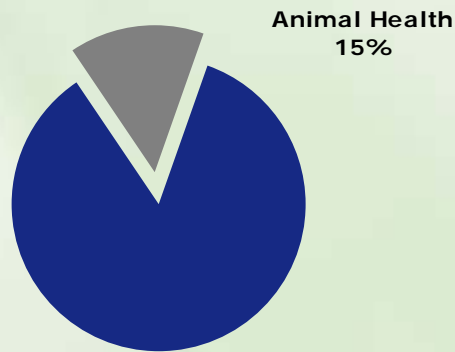
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# Market and business overview

## Veterinary Pharmaceuticals & Pet Accessories

### Market overview



Favourable market dynamics

#### Strong growth

- 10% in SE Europe
- Rapid growth in South Eastern Europe overdue
- Coming years generic products increasing important as consumers try to reduce costs

#### Import dominated

- Major international animal health companies
- Market dominated by major international animal health companies who utilise local companies to distribute products

#### Fragmented market

- Local market highly fragmented
- Few local competitors of scale
- Significant scope for consolidation

### Business overview

- Local partner for leading multinational animal health companies in Greece, Romania and Bulgaria
  - partners include **Bayer** and **Pfizer**
- 78 sales representatives serving 5,000 customers
- Supplies wide spectrum of products for companion animals and livestock
- Alapis is market leader in both the €300 million Greek veterinary market and €80 million Pet accessories market (along with Pet Line 1)

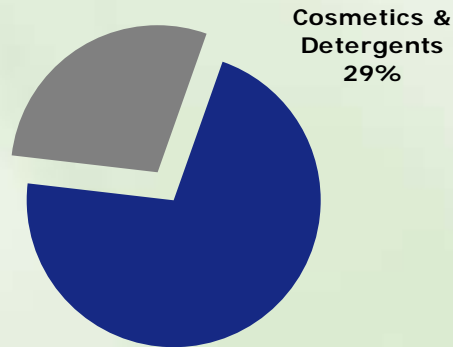
# **Non-Health Division**

**Cosmetics & Detergents,  
Organic Products**

# Market and business overview

## Cosmetics & Detergents

### Market overview



Favourable market dynamics

#### Large market

- Substantial market for cosmetics and detergents in South Eastern Europe
- Greece: €2.1 billion <sup>1</sup>
- South Eastern Europe (ex. Greece): €1.5 billion <sup>2</sup>

#### Barriers to entry

- Multinationals who own majority of brands seeking to source locally to reduce costs
- Few local competitors with capabilities to service demand
- Private label market is under-developed
- Only 5.3% penetration (household care market) <sup>3</sup>

### Business overview

- Manufacturers of liquid and powder detergents for multinationals and private labels
- Multinationals: including Unilever, Henkel, Sara Lee, Ecolab and Johnson Diversey
- Private label: major supermarket chains
- High-quality low-cost manufacturing facilities
- Broad product range – approx. 150 product lines and approx. 800 product codes
- Own brand natural cosmetics based on olive oil

<sup>1</sup> Source: Household products Euromonitor 2006

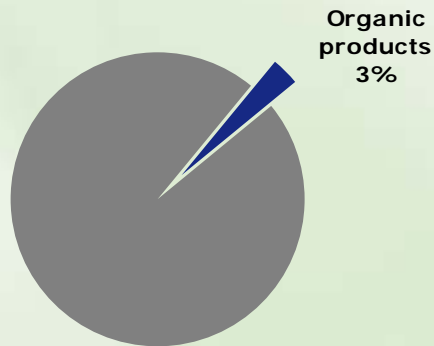
<sup>2</sup> Source: Cosmetics and toiletries – Euromonitor reports (Greece – June 2006, Bulgaria – May 2006, and Romania – April 2006)

<sup>3</sup> Source: Household products (market share by company) – Euromonitor database 2006

# Market and business overview (cont.)

## Organic products

### Market overview



Favourable market dynamics

#### Growth drivers

- Overall growth of organic products has outperformed total food market <sup>1</sup>
- Increasing health awareness in Greece
- Increasing demand for organic products due to changing tastes among consumers
- Organic food under-penetrated in Greece:
  - 1–1.5% of total food market in Greece <sup>1</sup>; 2.5–3% in Europe <sup>1</sup>

#### Rapidly changing landscape

- Certified producers or organic products more than doubled over the last two years <sup>1</sup>
- Historical dominance of independent retailers
- Supermarkets are becoming increasingly important
- Wider range of organic products becoming available, e.g. cosmetics

### Business overview

- Vertically integrated supplier of organic produce
  - Production
  - Wholesale/distribution
  - Retail
- Sales focused in home market (Greece)
- Strong relationships across a broad network of producers
- Products available to over 200 points of sale
- Strong brand through network of 16 “Organic Cycle” retail outlets
- Footprint in retail delivers synergies across all Alapis divisions

<sup>1</sup> Source: “Organic Agriculture & Products”, Hellastat, April 2007, 2<sup>nd</sup> edition

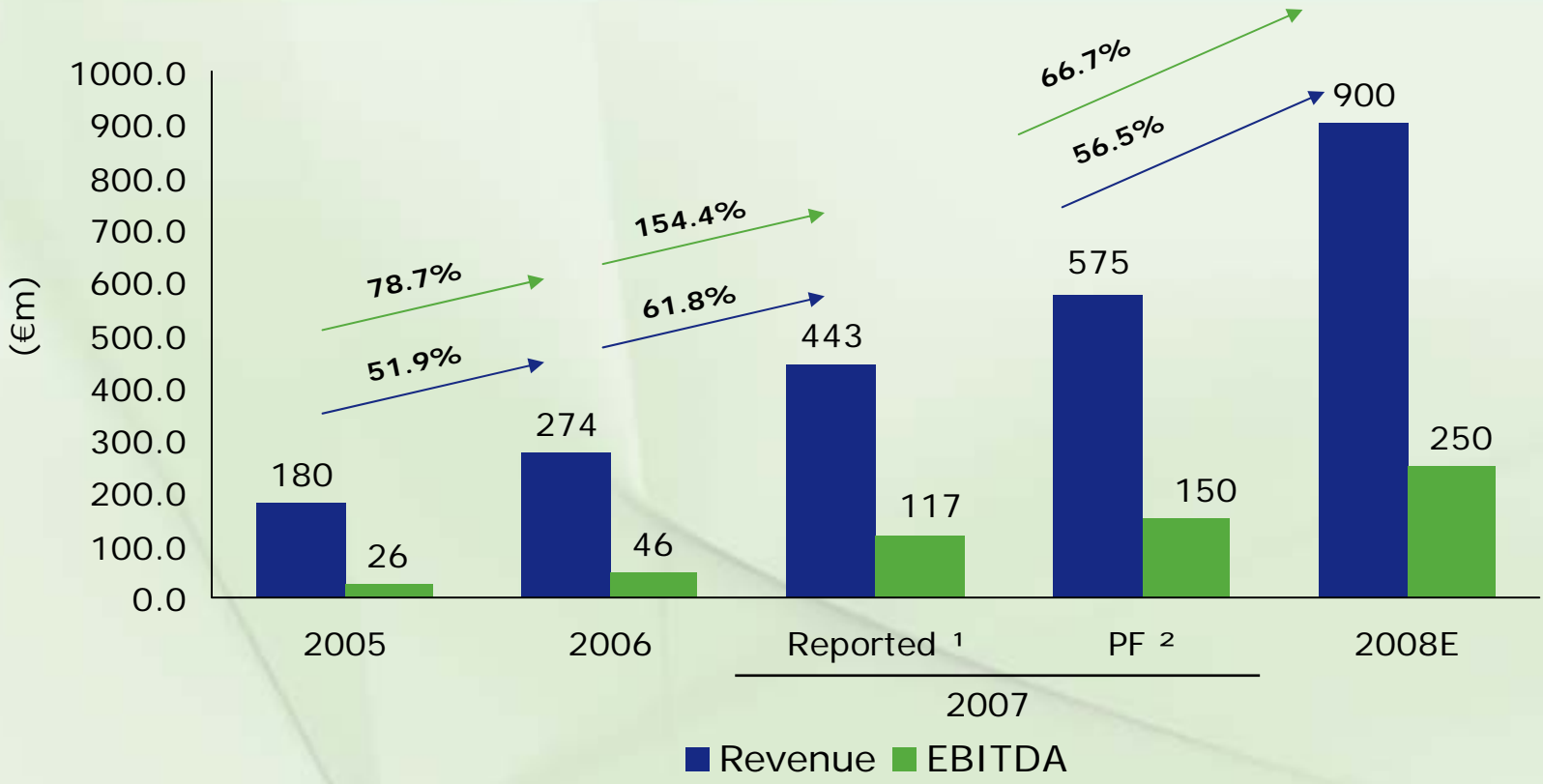


# Financials





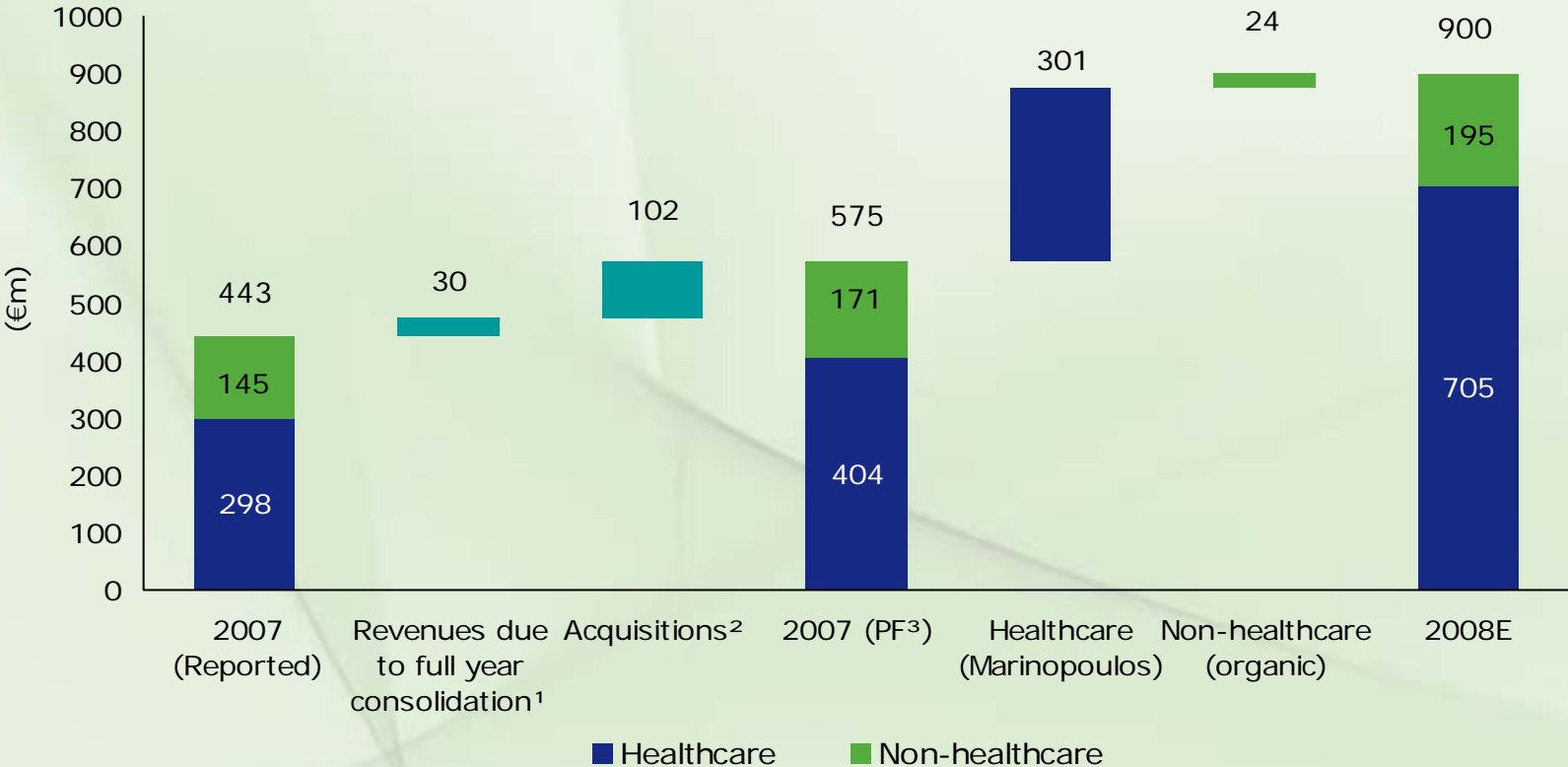
# Consolidated sales and EBITDA



EBITDA margin (%)	2005	2006	Reported <sup>1</sup>	PF <sup>2</sup>	2008E
	14.3	16.9	26.5	26.1	27.8

Notes:  
 1 Not proforma for 4 way merger and subsequent acquisitions  
 2 Pro forma for 4 way merger and subsequent acquisitions (as if on 1 January 2007)

# Sales bridge 2007–2008E

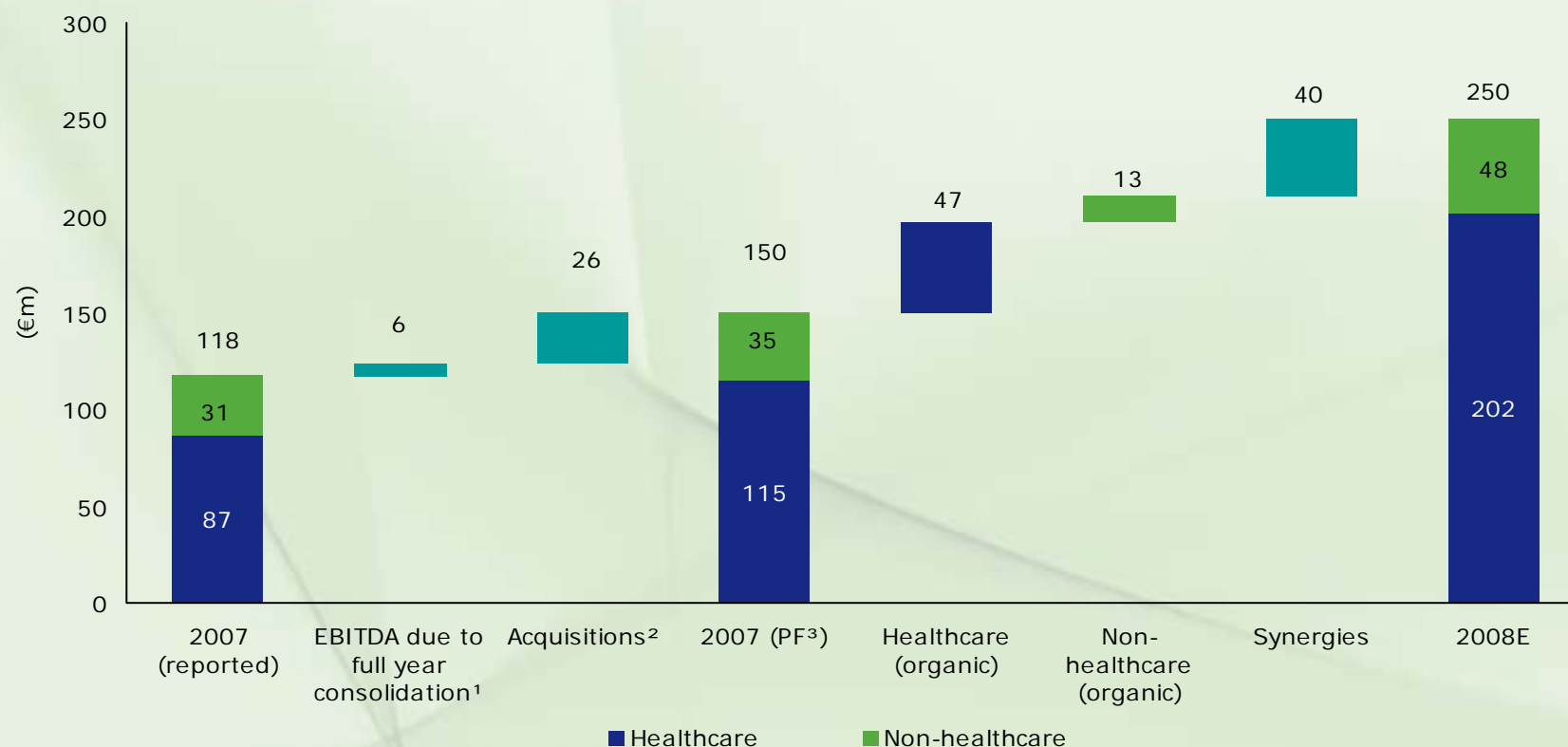


Notes:

- 1 Alapis was formed in February 2007. Bar shows annualised FY 2007 sales (assuming merger as at 1 January 2007)
- 2 Since the merger, the group announced 9 acquisitions. Bar shows incremental annualised FY 2007 sales (assuming all acquisitions as at 1 January 2007)
- 3 Pro forma for FY 2007 mergers and acquisitions



# EBITDA bridge 2007–2008E



Notes:

- 1 Alapis was formed in February 2007. Bar shows annualised FY 2007 EBITDA (assuming merger as at 1 January 2007)
- 2 Since the merger, the group announced 9 acquisitions. Bar shows incremental annualised FY 2007 EBITDA (assuming all acquisitions as at 1 January 2007)
- 3 Pro forma for FY 2007 mergers and acquisitions

# Group financial statements

## Balance sheet and cash flow

	Balance sheet			Cash flow	
(€m)	2006	2007	(€m)	2006	2007
Current assets	37.9	517.8	Profit before tax	(1.3)	95.4
Non-current assets	47.2	1,304.1	Operating activities	22.7	(31.6)
Other	5.0	3.9	Investing activities	(7.7)	(386.5)
Total assets	90.1	1,825.7	Financing activities	(14.6)	726.0
Current liabilities	18.5	118.2	Net increase / (decrease) in cash & equivalent	0.3	307.9
Non-current liabilities	40.5	96.0	Cash & equivalents at beginning of period	8.8	2.0
Other	0.7	0.5	Cash & equivalents – merged entities	0.0	8.2
Total liabilities	59.8	214.8	Cash & equivalents at end of period	9.1	318.0
Shareholders' equity	30.3	1,611.0			
Total liabilities & shareholders equity	90.1	1,825.7			

# Investment highlights



# Contacts

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# Appendix



# Equity listing details

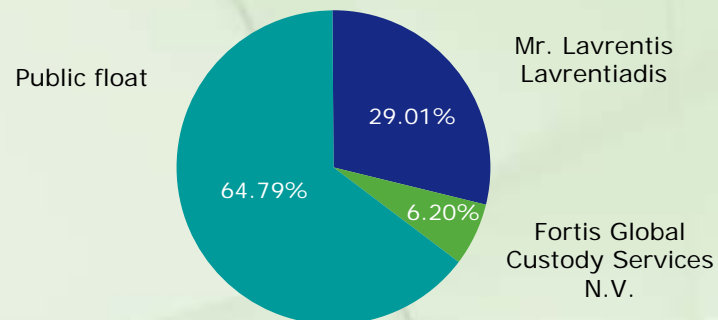
## Trading symbols

ATHEX	ALAPIS
Reuters	ALAr.AT
Bloomberg	ALAPIS GA

## Share price and capitalisation

Traded in the ATHEX as ALAPIS after the merger	01/06/2007
Listed in ATHEX (ex-Veterin)	2003
Outstanding shares	980,600,220
Market cap (29/2/2008)	€2,108m

## Shareholder structure



## Participation in indexes

FTSE/ASE 40	Dec 2007
FTSE/ASE International	Dec 2007
FTSE/ASE 20	1 <sup>st</sup> on the candidate list



# Company milestones—2007

February	<ul style="list-style-type: none"><li>• Merger proposed by BoDs of Elpharma, Lamda Detergent, Veterin, EBIK</li></ul>
May	<ul style="list-style-type: none"><li>• Completion of the merger</li></ul>
June	<ul style="list-style-type: none"><li>• Establishment of (i) Veterin Famaceutina d.o.o. in Croatia, (ii) Veterin Hungary Kft in Hungary and (iii) Alapis Cropscience in Greece</li></ul>
July	<ul style="list-style-type: none"><li>• Rights issue of 817,166,850 shares at €1 per share</li><li>• Establishment of Veterin Pharma Doo Beograd in Serbia</li></ul>
August	<ul style="list-style-type: none"><li>• Acquisition of Farmalex S.A. (fixed assets only)</li><li>• Acquisition of Pharmagora S.A, A. Moisoglou S.A, Revold</li></ul>
September	<ul style="list-style-type: none"><li>• Sign of the purchase agreement for the acquisition of 68.25% in SUMADIJALEK S.A. in Serbia</li></ul>
October	<ul style="list-style-type: none"><li>• Establishment of Veterin Farmaceutvska Drurba d.o.o. in Slovenia and PE Veterin in Ukraine</li></ul>

# Production facilities

## Healthcare Division

### Human Health

**Pallini, Attica:** (Land area: 7,500m<sup>2</sup>)

Former Farmalex plant, start of operation within 2008. Intention to become one of the biggest vertically integrated production facility for generics production in South East Europe



### Veterinary & Animal Products

**Aspropyrgos, Attica:** (Land area: 25,500m<sup>2</sup>)

High quality production facilities.

Capacity utilisation: 30%

Production lines	Capacity annual
Large volume parentals	1.5 million vials of 0.5lt
Small volume parentals	5 million vials of 50ml
Powders	330 tn
Oral solutions	1 million vials of 1lt
Premixes	7,800 tn
Tablets	50 million tablets
Sprays	4 million sprays

# Production facilities

## Non-Healthcare Division

### Detergents & Cosmetics

#### **Atalanti:**

Production capacity: 100,000 tons liquid detergents; 100,000 tons detergents powder; 25,000 tonnes raw material

50% capacity utilisation



#### **Echedoros, Thessalonica:**

Production capacity: 60,000 tons of chemical raw materials and liquid detergents

Storage capacity: 1,000m<sup>3</sup>



#### **Sofia, Bulgaria:**

Production capacity: 50,000 tons of liquid detergents, 50,000 tons detergent powder

### Organic Products

**Varda, Ilia:** Production and standardisation unit

**Egaleo, Attica:** Storehouse—logistics

