



## Consolidated financial results 2008

Athens, 30 March 2009

ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL, CHEMICAL AND ORGANIC PRODUCTS S.A. ("**Alapis**" or the "**Group**") announces its consolidated financial results for the fiscal year 2008.

Consolidated Turnover for 2008 increased by 157% to **€1,136.3m** from 442.5m in 2007. The increase in Turnover is a result of the considerable growth of the Group's activities, both through strategic acquisitions it has carried out and the integration of companies with significant market presence and potential, as well as through organic growth with the development and introduction of new products in the pharma and cosmetics sectors.

Consolidated Earnings before Tax, Interest and Depreciation (EBITDA) excluding impairment charges increased by 137% to **€277.9m** from €117.4m in 2007, while Earnings after Tax and Minorities excluding impairment charges stood at **€146.7m** in 2008, up by 81% compared to €81.3m in 2007, confirming guidance previously provided by Management.

Following a €94.6m goodwill impairment charge in the Detergents and Organic products sectors, consolidated EBITDA stood at €183.4m, increased by 56% compared to €117.4m in 2007, while Earnings after Tax and Minorities were down 36% totalling €52.1m compared to €81.3m in 2007.

### **Health sector** (Human and Veterinary)

Sales increased significantly to €948.5m, an increase of 218% compared to 2007, while EBITDA increased by 176% to €240m. The main factors contributing to the growth in 2008 included: a) the acquisition of PNG Gerolymatos SA, b) the acquisition of KP Marinopoulos SA, c) the growth in human pharma activities resulting to a diversified portfolio of products covering fourteen therapeutic areas with 262 different drug codes and d) the realisation of synergies and the benefits from significant economies of scale resulting from the acquisitions made by the Group and the successful integration of management teams with significant expertise and track record.

**Other activities** (Cosmetics, Detergents and Organic products)

Sales from Other activities increased by 30% to €187.8m compared to 2007, while EBITDA increased by 22% to €37.2m, primarily due to the commencement of operations in the Cosmetics sector, following the acquisition of Biomodus SA and PNG Gerolymatos SA, which offset the reduced activity in the Detergents and Organic products sectors. Following the €94.6m goodwill impairment charge recorded in the Detergents and Organic products sectors, Losses before Tax, Interest and Depreciation stood at €57.4m.

In light of the ongoing global financial recession which is significantly impacting consumer behaviour patterns, and the decelerating market growth and intense competition, and with the aim of informing the investor community of the impact of these circumstances on Alapis' financial profile, the Management carried out an extensive audit and proceeded with the recording of a goodwill impairment charge in the Detergents and Organic products sectors. The impairment charge stood at €94.6m.

**Recent corporate developments and outlook for 2009**

On March 30, 2009, Alapis completed the acquisition of 100% of Dilaco, a distributor and representative of well-known brands of orthopaedic materials for a total consideration of €11m, which in turn controls 40% in Medimec SA. Alapis also acquired an additional 9.9% stake in Medimec SA, a distributor and representative of orthopaedic materials and signed an agreement to acquire the remaining 50.1% stake, subject to approval from the Competition Commission. The total consideration for the acquisition of the 60% stake (ie 9.9 + 50.1%) amounted to €38m, subject to the achievement of several performance targets. Specifically, Medimec forecasts Turnover of €40m and €60m, and EBITDA of €18m and €28m for 2009 and 2010, respectively.

Furthermore, Alapis completed: the acquisition of the remaining 40% stake in Andreas Christofoglou SA that it did not already own, for a consideration of €0.2m, the acquisition of the remaining 1% in PNG Georlymatos Medical SA that also did not previously control, for a consideration of €2.7m, and the acquisition of 100% of Beauty Works SA for a consideration of €1.5m. Beauty Works forecasts Turnover of €2.5m and €3.3m, and EBITDA of €0.6m and €0.76m for 2009 and 2010, respectively.

During the first quarter of 2009, the Organic products sector experienced a significant reduction in its profit (gross and net) margins. As a result, and in order to safeguard the interests of Alapis and its shareholders, the Management resolved upon the following: a) the termination of operation of all retail stores under the brand name "Organic Cycle", b) the termination of production and distribution of organic products and c) the liquidation of the companies that are active in the Organic products sector. The termination of operation of the Organic products sector is not expected to have a material impact on Group financials, since the sector contributed 1-1.5% to Group Turnover. In light of the current adverse

economic environment and its impact on consumer behaviour patterns which would lead to reduced demand for organic products, the sector was forecasted to record losses in excess of €4m in 2009. It has also been decided that during the current year Alapis will absorb the detergents activities of DALL SA, with immediate expected administrative expenses savings of approximately €1.5m.

Alapis' Management will propose to the AGM of its shareholders a total dividend payout of €10m for 2008 (or €0.011 per share) compared to €24.5m (or €0.025 per share) paid out in 2007.

Alapis' Management is closely monitoring developments in the Greek and International socio-economic environment and readjusts its corporate strategy accordingly in a timely manner, based on the following pillars: a) ongoing increase of its generics portfolio through the development of new products, b) expansion of the medical devices, diagnostics & orthopaedics activities into new markets, c) exploitation of distribution synergies and d) promotion of own cosmetics products of the Group in the pharmacy and mass market segments.