



OlainFarm

Webinar Presentation 3rd quarter and 9 months of 2013

December 10, 2013





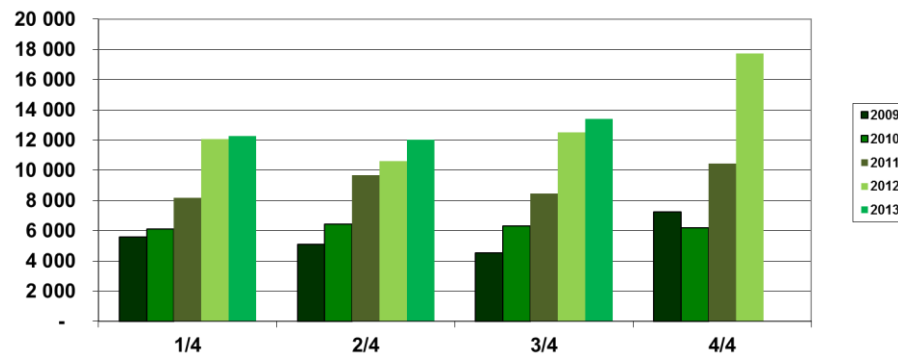
3rd Quarter

Sales in 3rd Quarter

It's a record, as usual

- Sales worth more than 13.4 million lats (19 million euros), an increase by 7%
- About 2.3 million lats are sales by pharmacies, increase by 28%;
- Again, the best third quarter so far, and the second best in corporate history;
- Ukraine back on track with 2 million lats (3 million euro) in sales.

Sales By Quarters, Thsnd. LVL

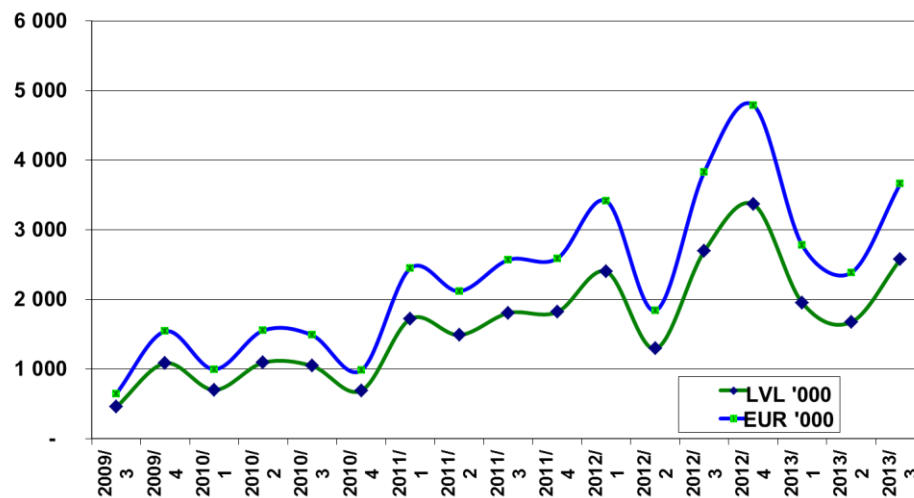


Profit of 3rd Quarter

Almost did it again

- Preliminary at 2.6 million lats (3.7 million euros), a reduction by 4%;
- Although close, but not the best ever;
- Negative Russian rouble fluctuations took some 0.1 m LVL more from profit of Q3;
- Exchange of 2 pharmacies added some 0.28 million lats as a “one of”.

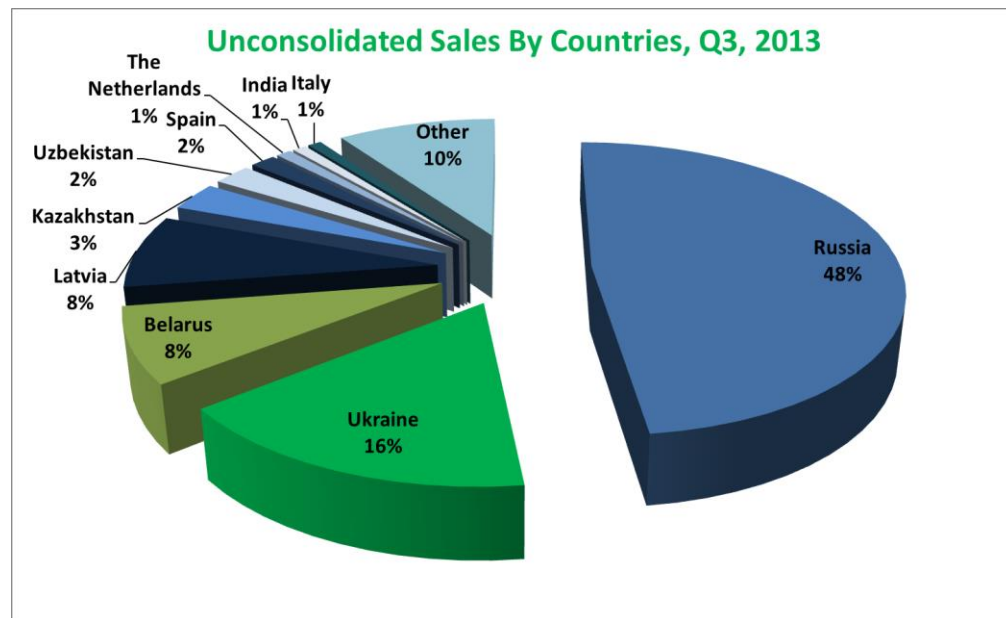
Profit By Quarters



Sales by Countries, Q3

Top 10 welcomes India

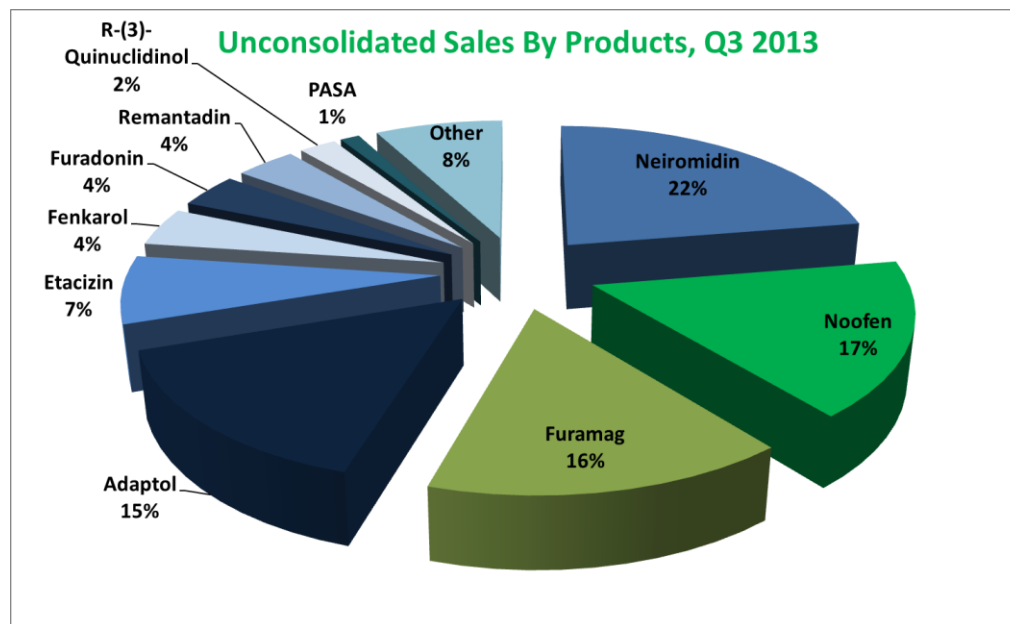
- Good performance in all key markets, except Kazakhstan;
- Russia's stable at 48%, Ukraine down to 16% from 24%, Belarus up from 3% to 8%, Italy, Uzbekistan stable, share of others up to 10% from 7%
- India among newcomers, along with Italy, Spain and several other countries they are buyers of chemical products, which, while adding to sales, reduce the overall margins.



Sales by Products, Q3

Leaders getting stronger

- Still a good diversity within leaders;
- Neiromidin at its normal share, Noofen and Furamag increasing their share;
- Furagin, MAG out of top 10, Quinuclidinol in;
- Others down to 8%.





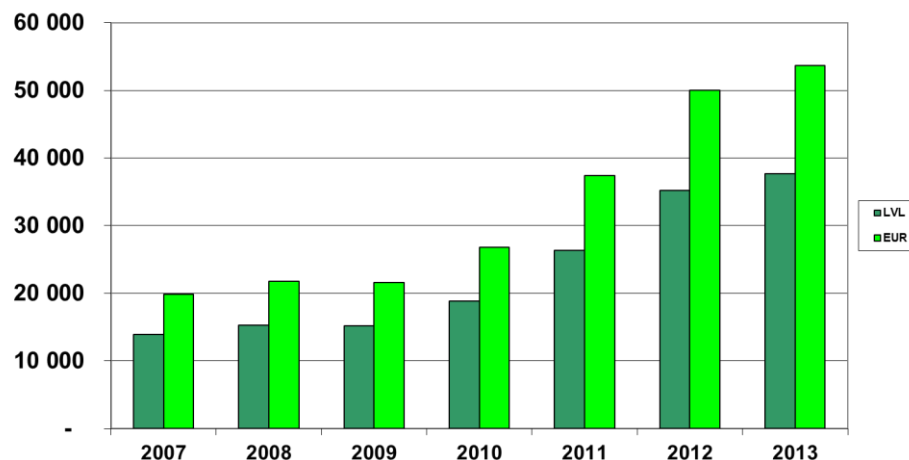
9 months

Sales in 9 Months

Keeps improving

- Sales worth 37.7 million lats (53.6 million euros), or 7% higher than last year;
- Of this about 4.9 million lats are net sales by pharmacies;
- As usual - the best nine months so far;
- Achieved despite the fact that 4 out of 9 months Ukrainian sales were absent.

Sales In Nine Months, Thsnd

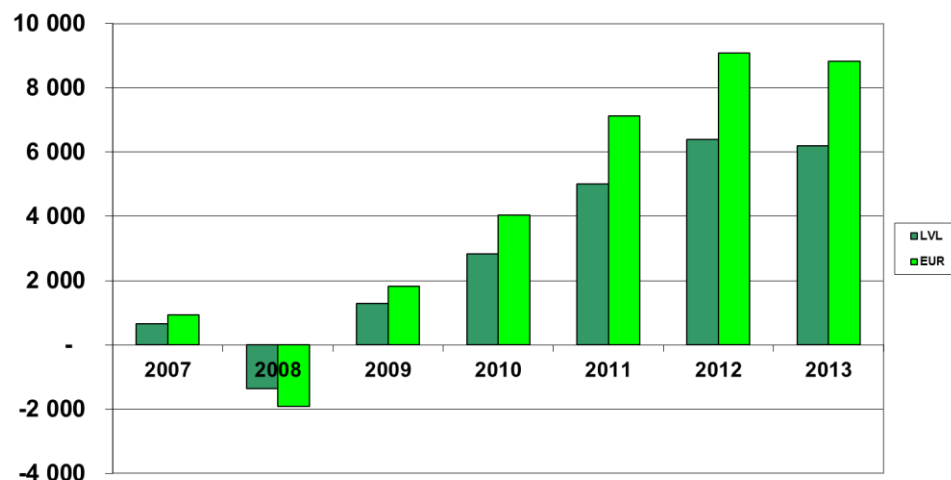


Profit of 9 Months

Struggling a bit

- Preliminary at 6.2 million lats (8.8 million euros);
- Both, Q2 and Q3 hit by rouble fluctuations, creating approx. 0.5 million forex loss;
- Positive impact of 280 thousand from pharmacy exchange and 138 thousand from “Olainfarm Energija”;
- By 2.9% smaller than in 2012;
- 54% of annual target met, although best months are still to come, adjusted targets will be revealed shortly.

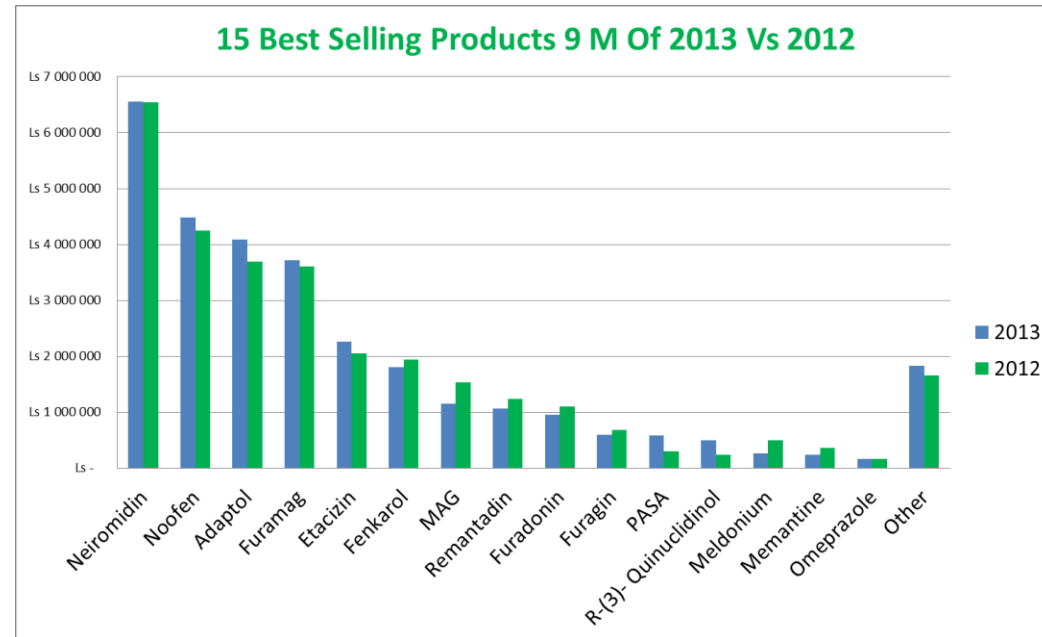
Profit In Nine Months, Thsnd



Growth Drivers: Products

Leaders getting stronger

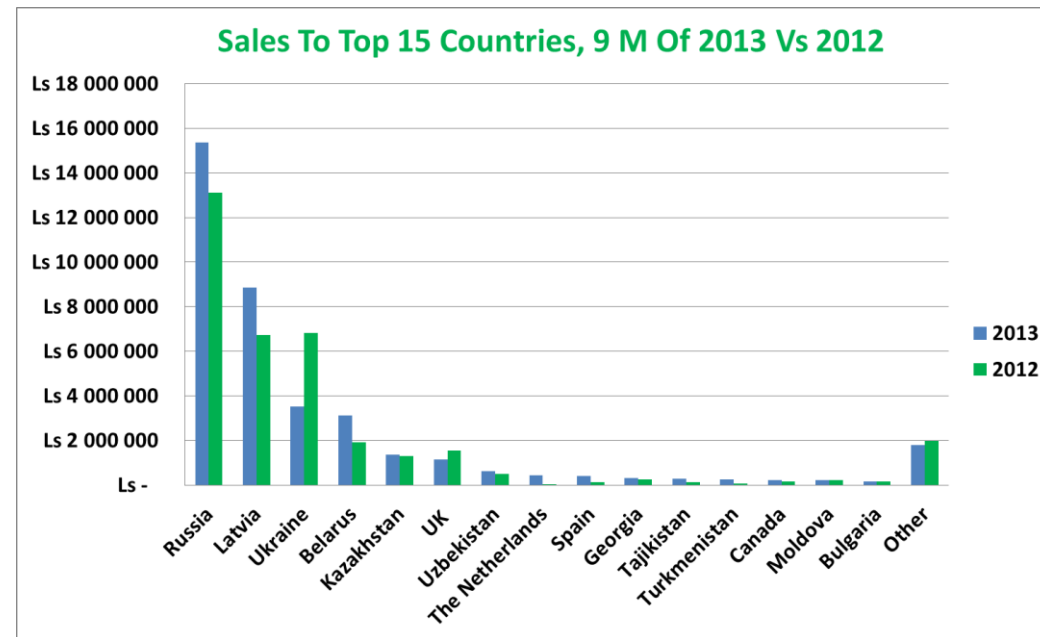
- Still most are growing;
- It needs to be noted that 4 months of Ukrainian sales are absent;
- R - 3-Quinuclidinol comfortable in top 15, as it Memantine and Meldonium;
- Leaders grow particularly strongly



Growth Drivers: Countries

Ukraine still spoils the party

- All, but Ukraine and the UK growing;
- Russia, Latvia and Belarus demonstrate a very impressive growth, despite a reasonably high base;
- Among other best growers: The Netherlands + 2685%, Turkmenistan 215%, Spain 202%, Tajikistan 123%.





Update on Recent Events

Update For October And November

Preparing for the Leap

- Four more pharmacy licenses acquired, bringing the total number of licenses to 56;
- Interim reports prepared according to requirements of IFRS. Tables now made in thousands, some break-downs are abandoned. All suggestions about what break-downs should be kept are extremely welcome;
- Few more awards received, including for Best Long-Term Strategy, Best Listed Latvian Company, Fastest Growing Listed Company and Best Crisis Management.

Sales and Profit Target Considerations

Missed and overestimated

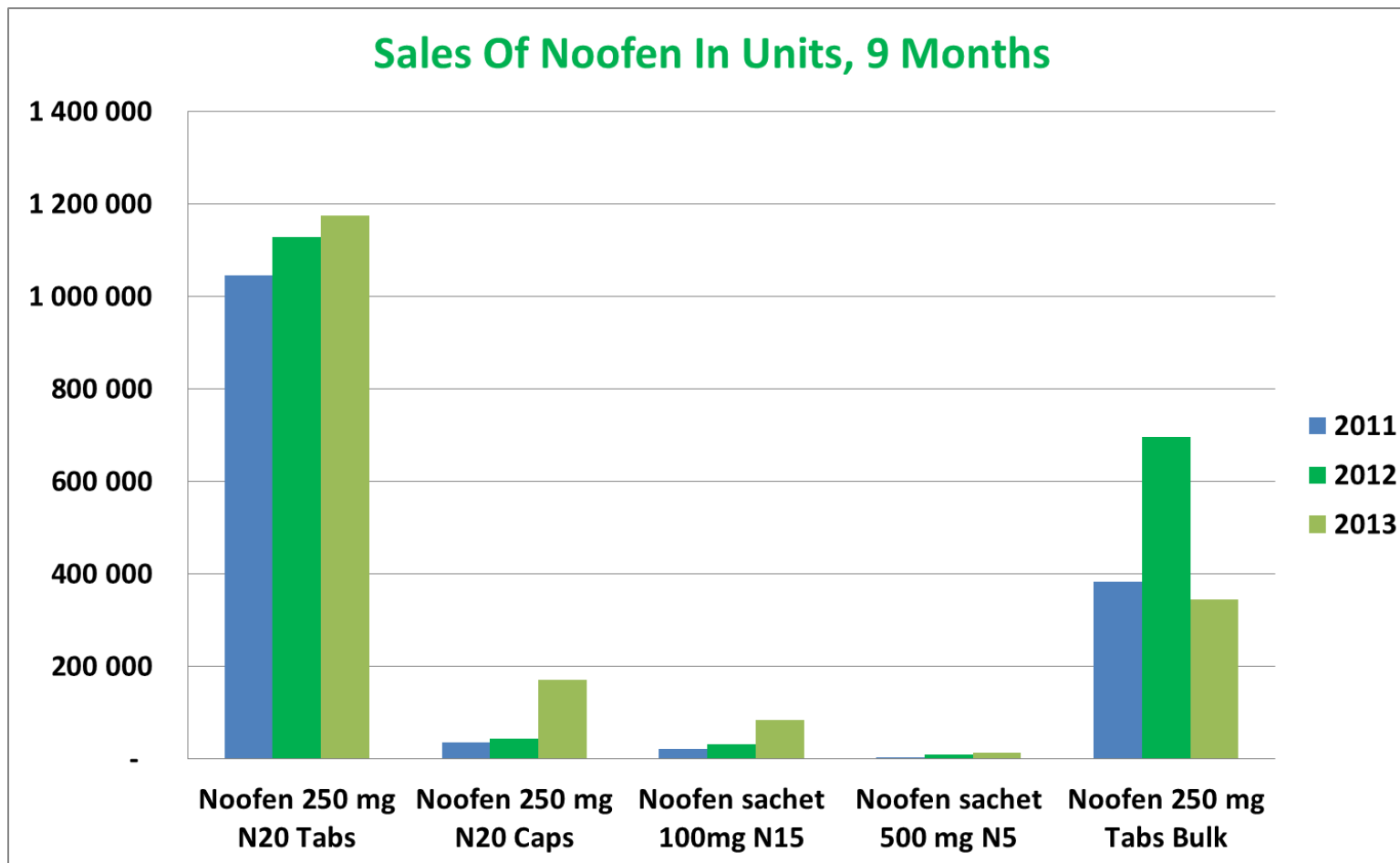
- Impact of Ukrainian sales missing for 4 months was obviously slightly underestimated, therefore the new sales and profit targets are:
- Consolidated sales: 52.8 M LVL or 90% of initial target
- Consolidated profit: 8.8 M LVL or 77% of initial target
- Unconsolidated sales: 45.4 M LVL or 91% of initial target
- Unconsolidated profit: 7.5 M LVL or 68% of initial target



In Focus: Products

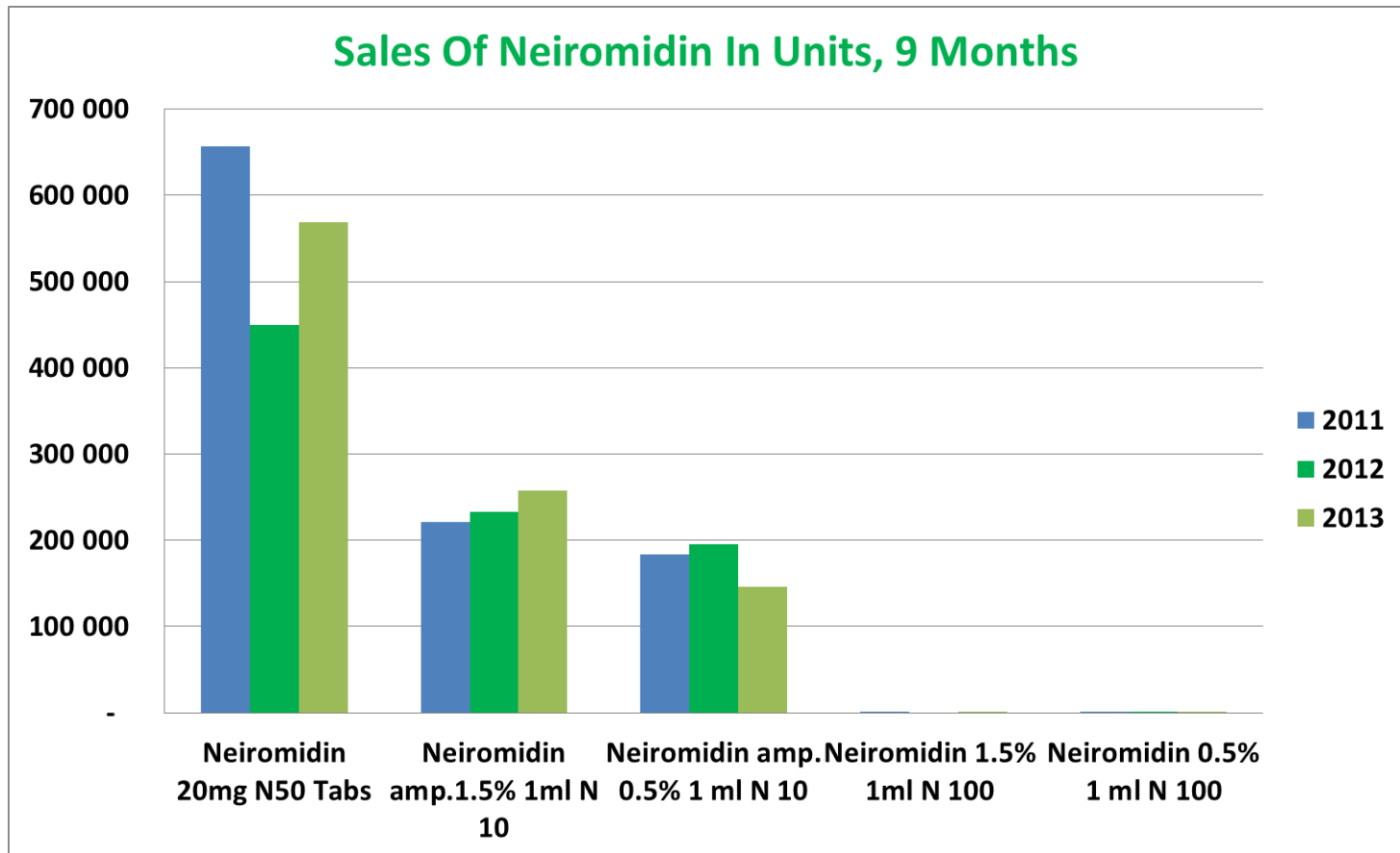
Noofen

Is it price or volume?



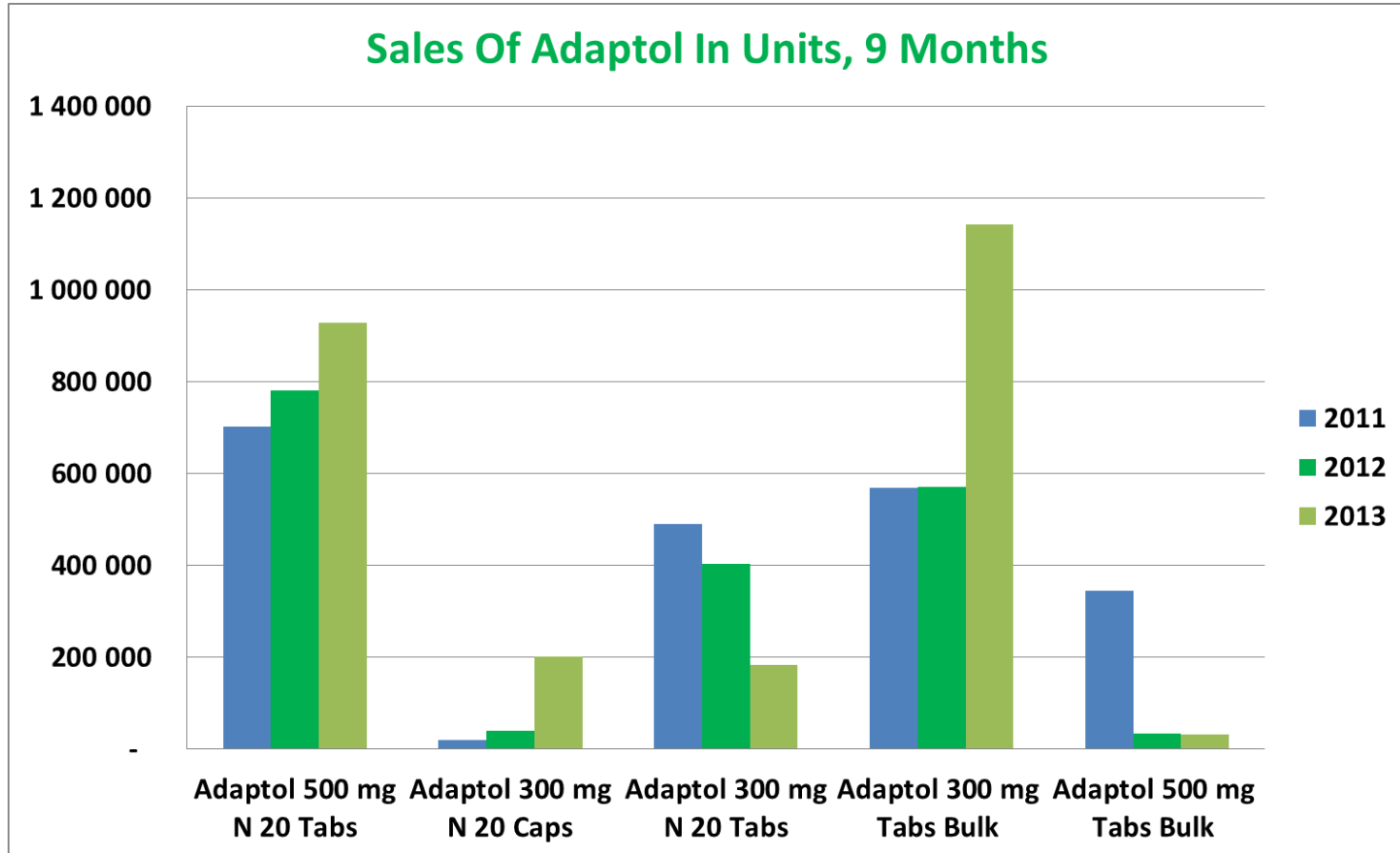
Neiromidin

Is it price or volume?



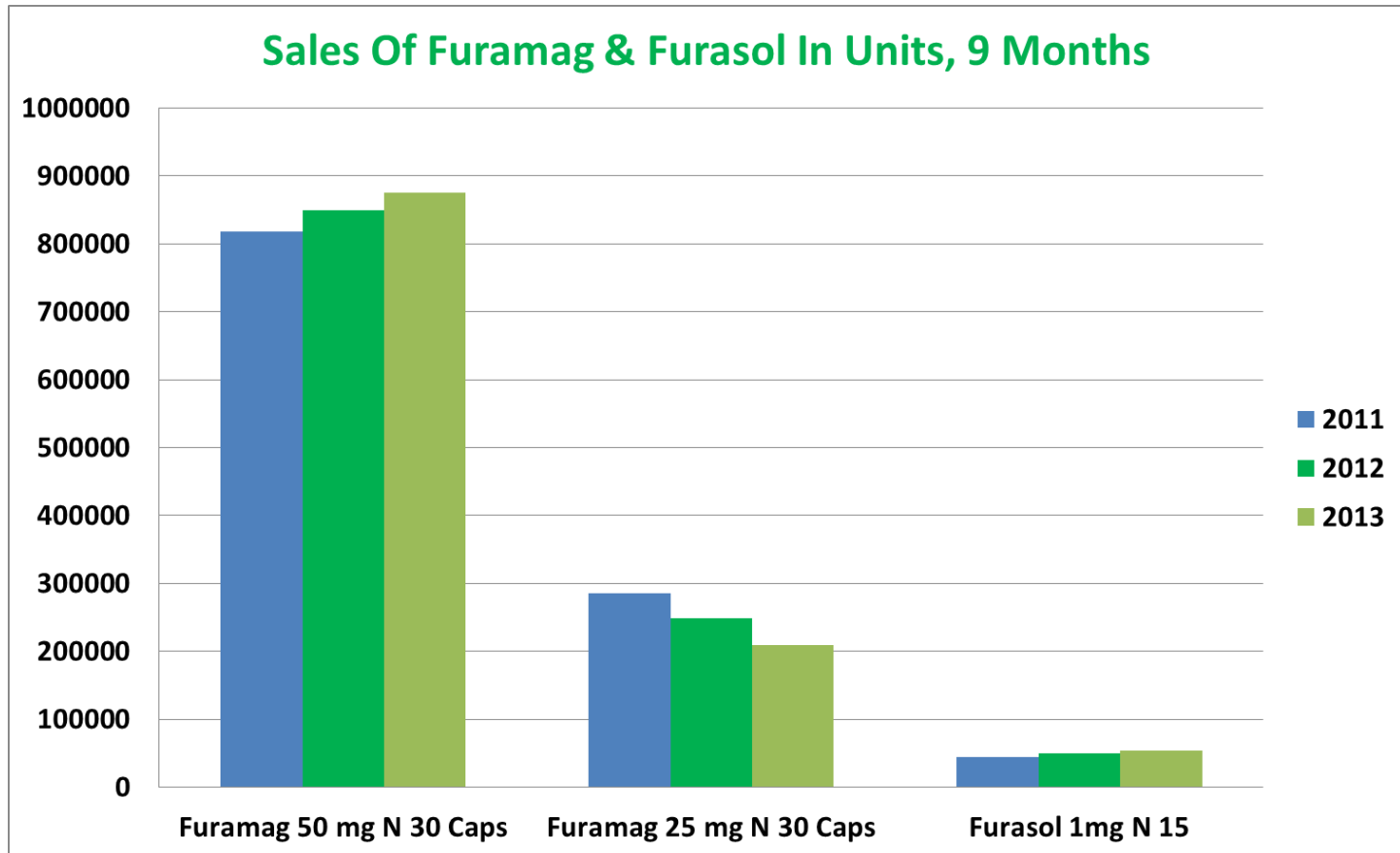
Adaptol

Is it price or volume?



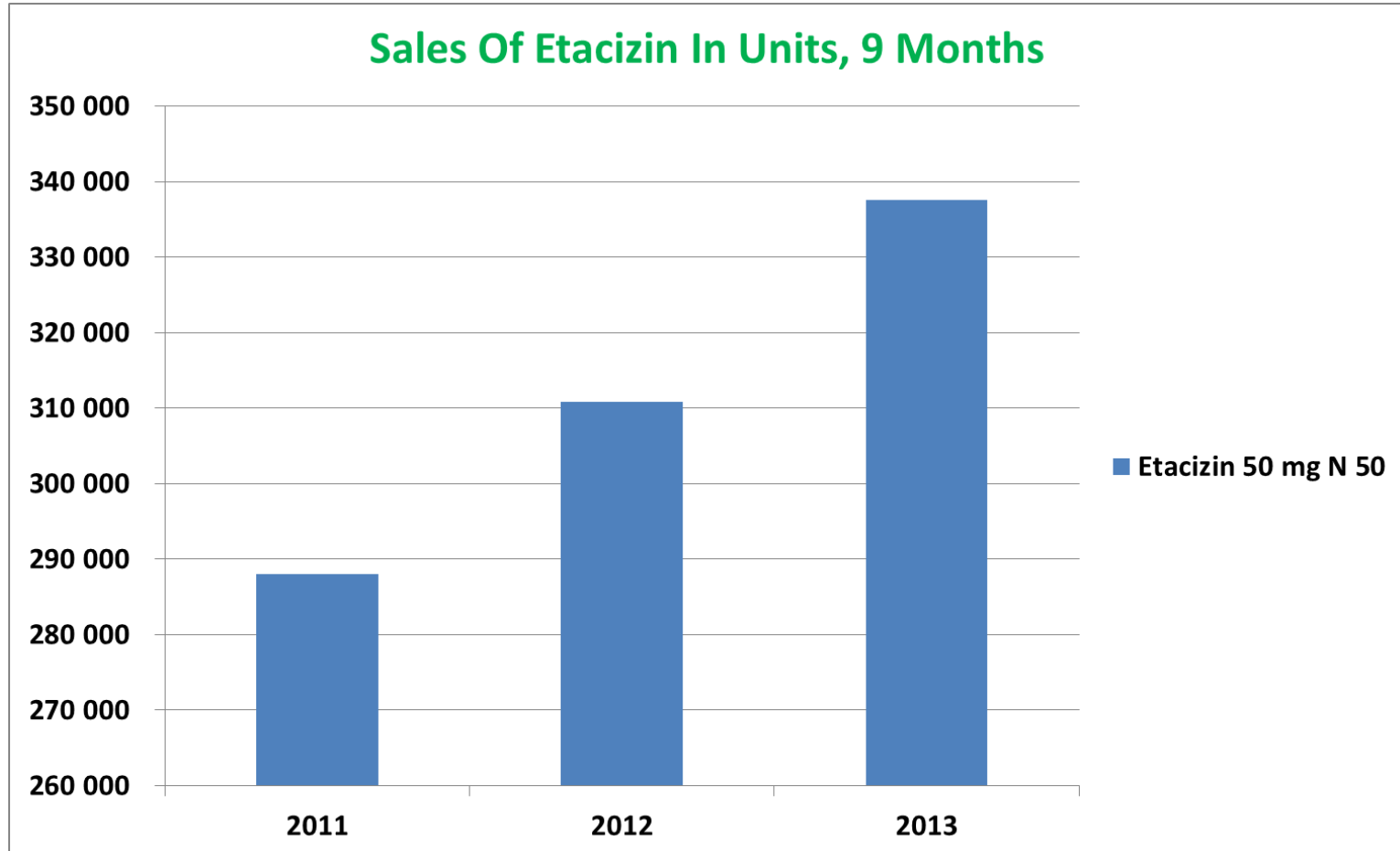
Furamag & Furasol

Is it price or volume?



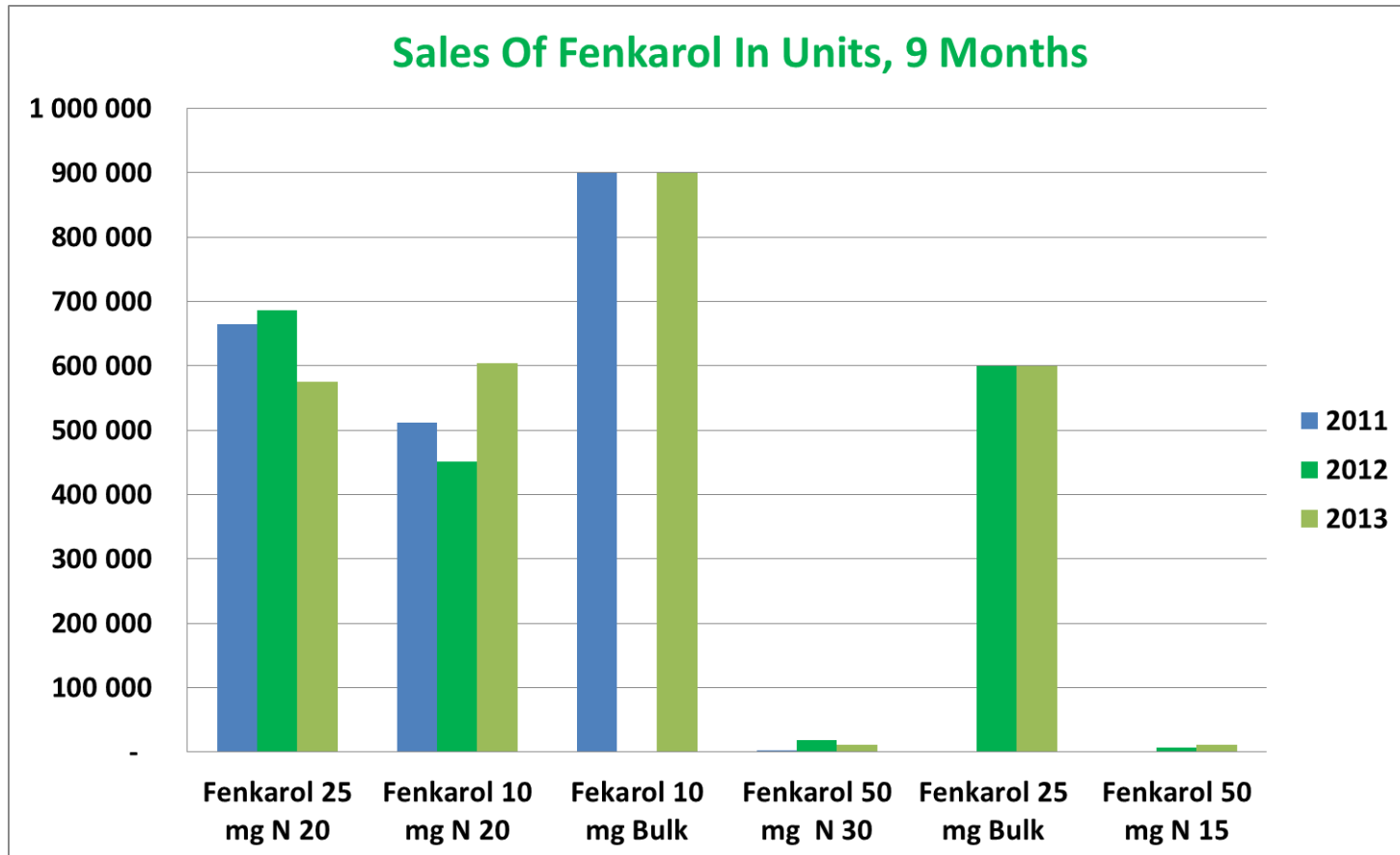
Etacizin

Is it price or volume?



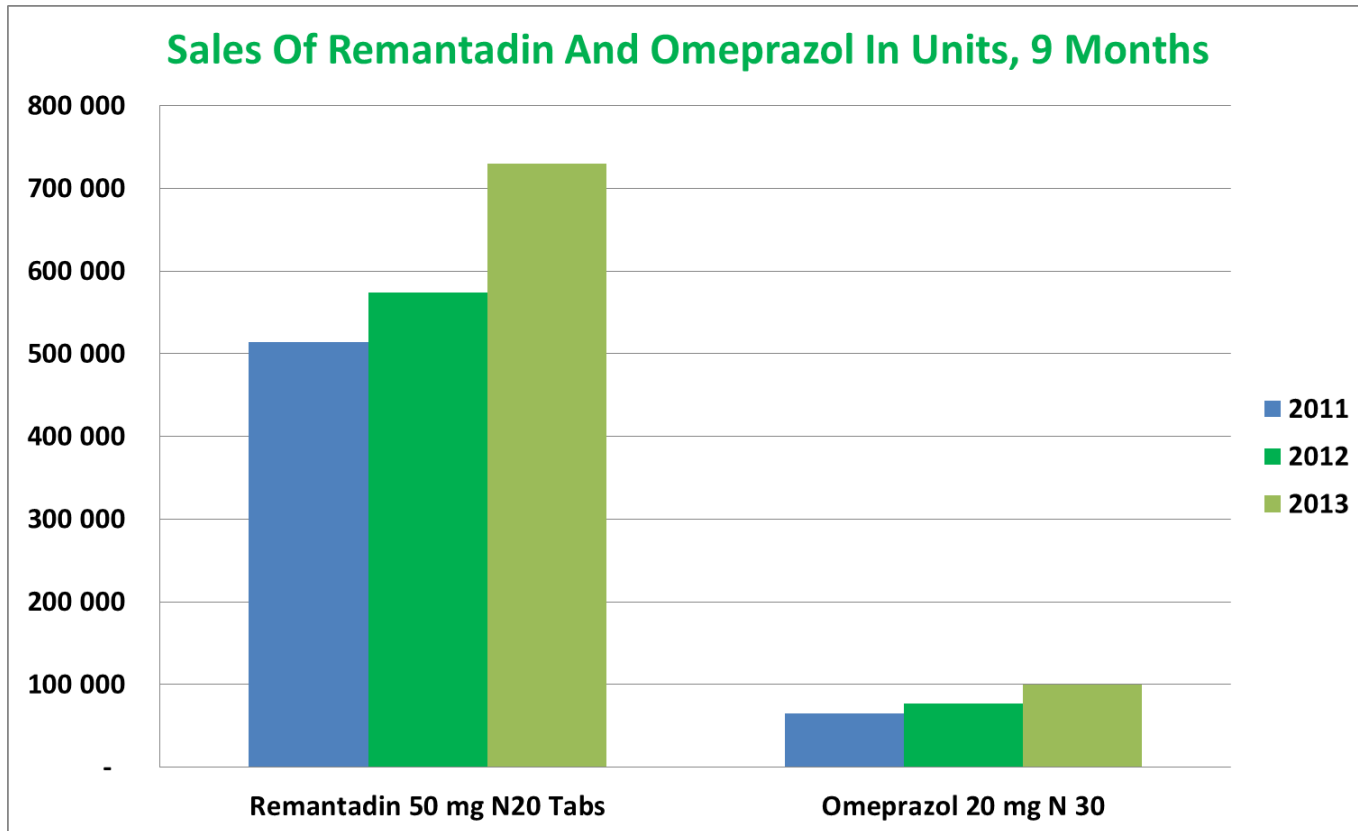
Fenkarol

Is it price or volume?



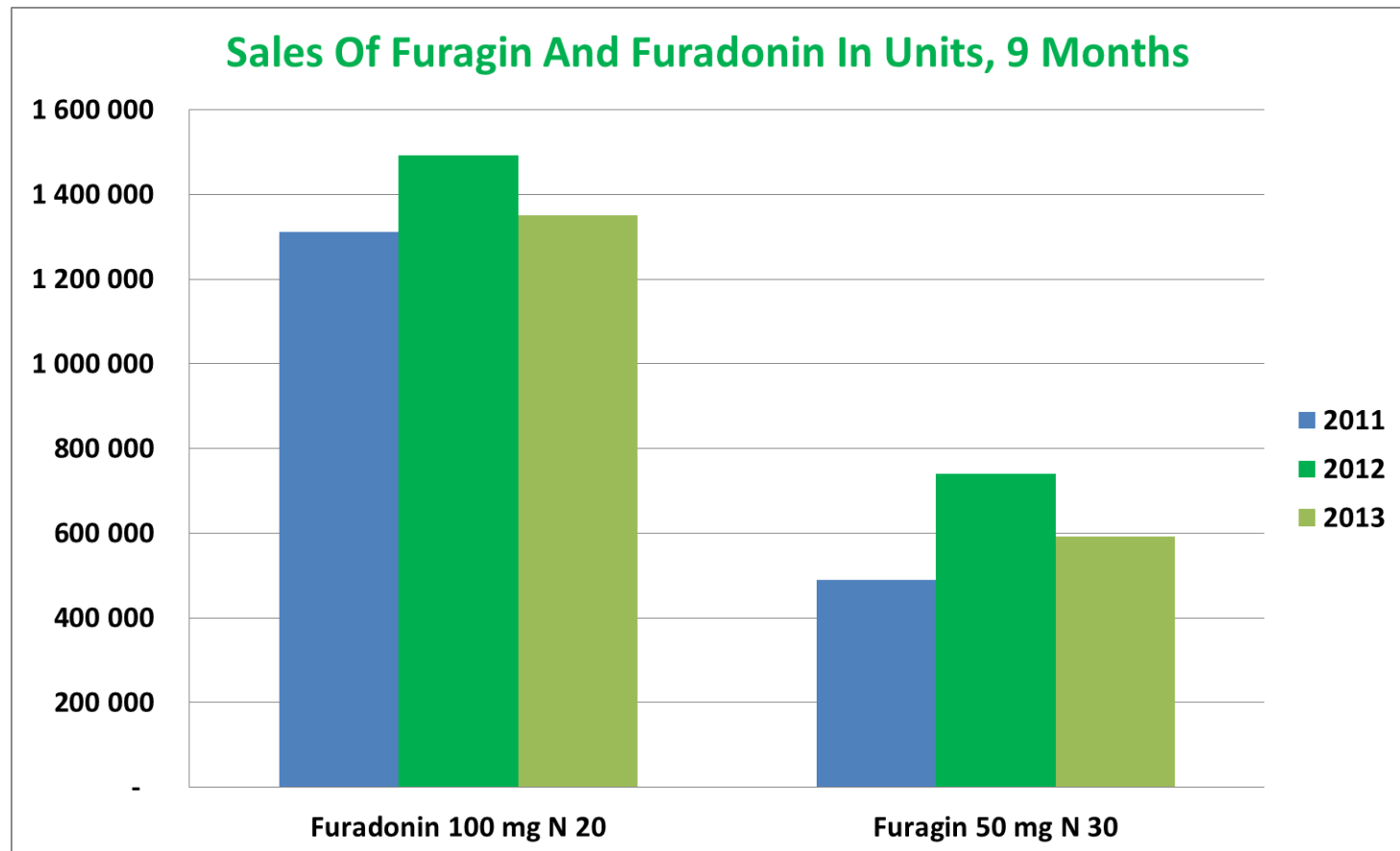
Remantadin And Omeprazol

Is it price or volume?



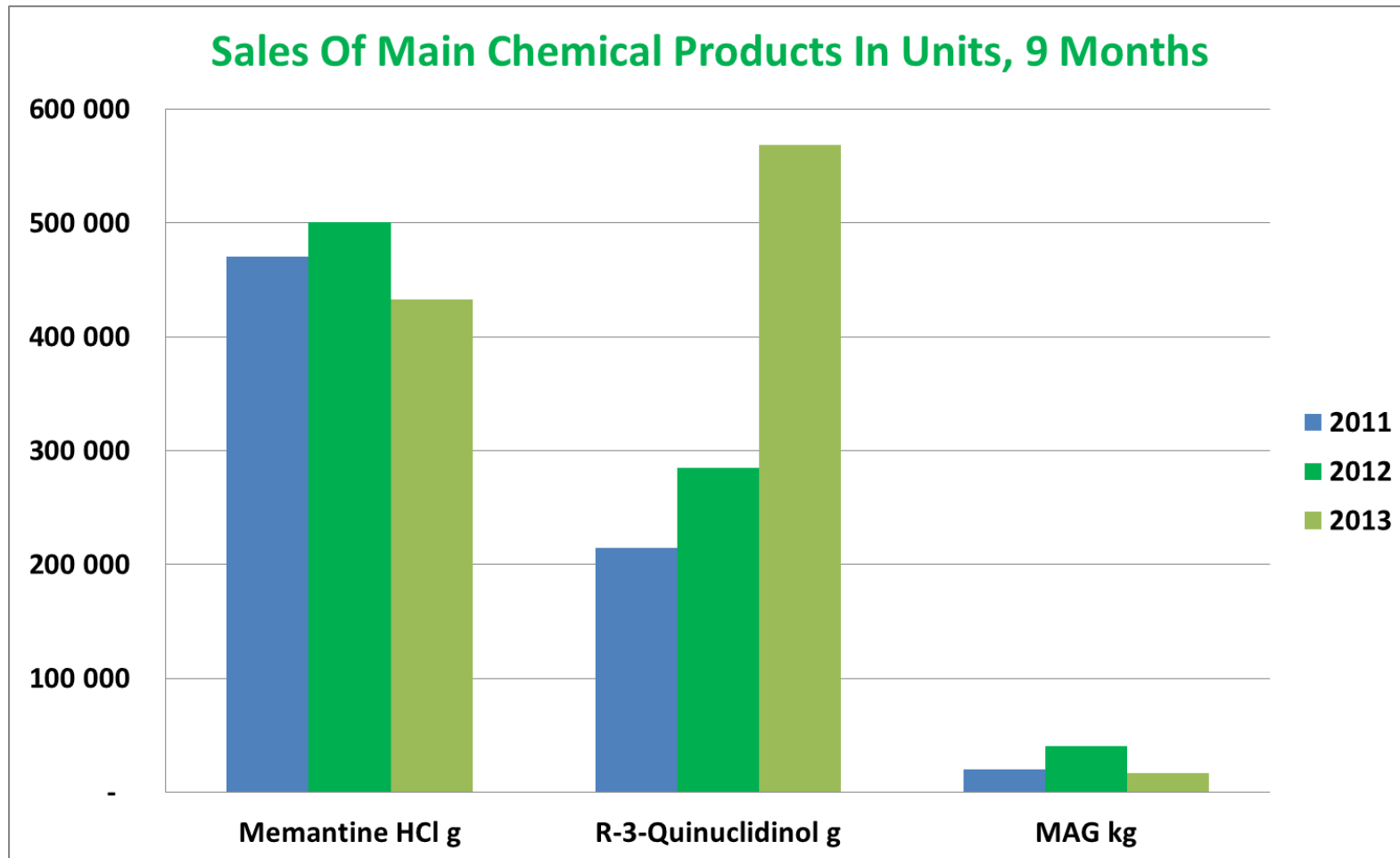
Furagin And Furadonin

Is it price or volume?



Main Chemical Products

Is it price or volume?



Questions and Answers

Are still welcome

- In between webinars, please contact me at:
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Thank you!

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