



Webinar Presentation 2nd quarter and 6 months of 2012

September 5, 2012





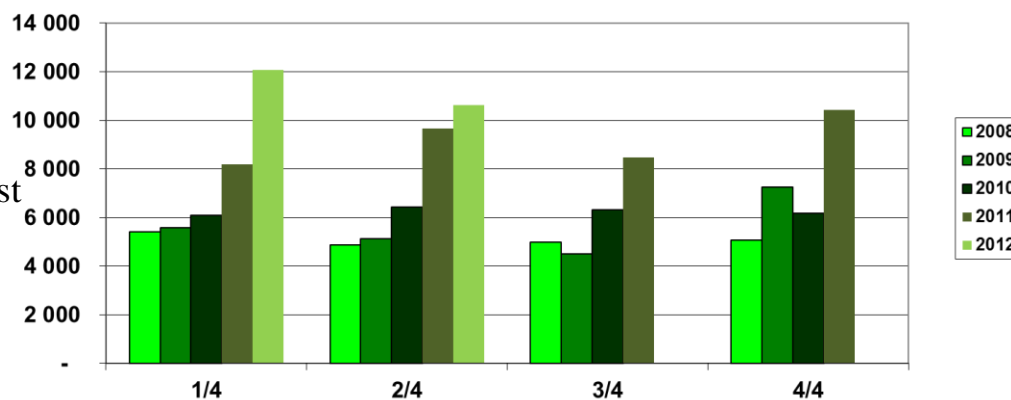
2nd Quarter

Sales in 2nd Quarter

Yet Another Record

- Sales worth 10.6 million lats (17 million euros);
- Of this about 1.56 million lats are sales by pharmacies;
- The best second quarter so far;
- 2nd and 3rd quarters traditionally lower than 1st and 4th due to seasonality.

Sales by Quarters, thsnd. LVL

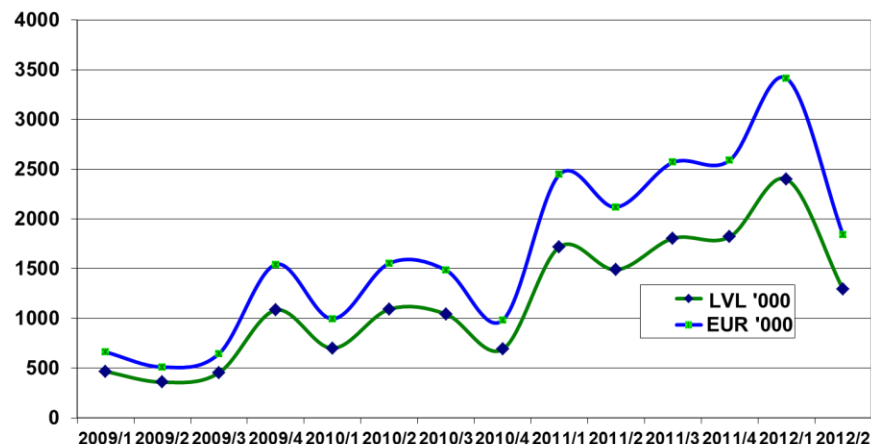


Profit of 2nd Quarter

Hit by Fluctuations

- Preliminary at 1.3 million lats (1.8 million euros);
- Lowest since Q1, 2011;
- Favourable Russian rouble fluctuations added to profits of Q1, while negative ones took about 0.3 m LVL from profit of Q2;
- Some minor write-offs in pharmacies slightly adjusted their profitability.

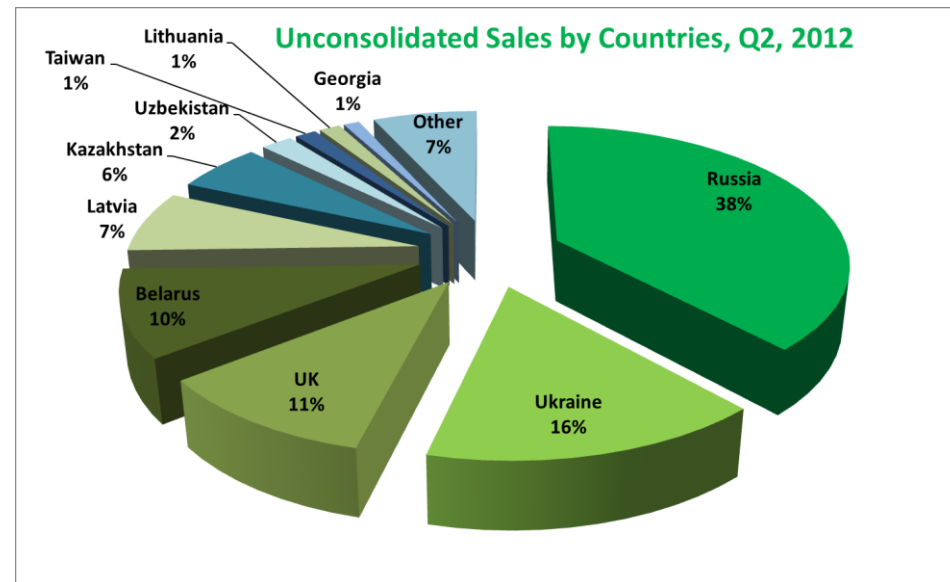
Profit by Quarters



Sales by Countries, Q2

UK Among Key Markets

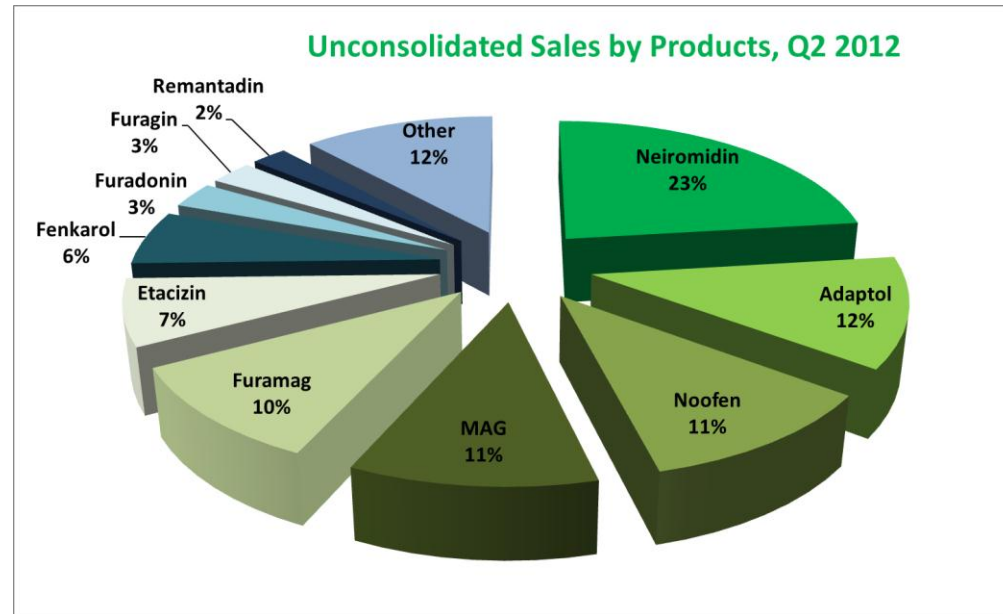
- Good performance in all key markets;
- Russia's share down to 38%, UK up to 11%;
- Belarus recovered significantly to catch up with 2011;



Sales by Products, Q2, 2012

Usual Suspects + MAG

- Still a good diversity;
- Adaptol 2nd best;
- MAG new in the top 4;





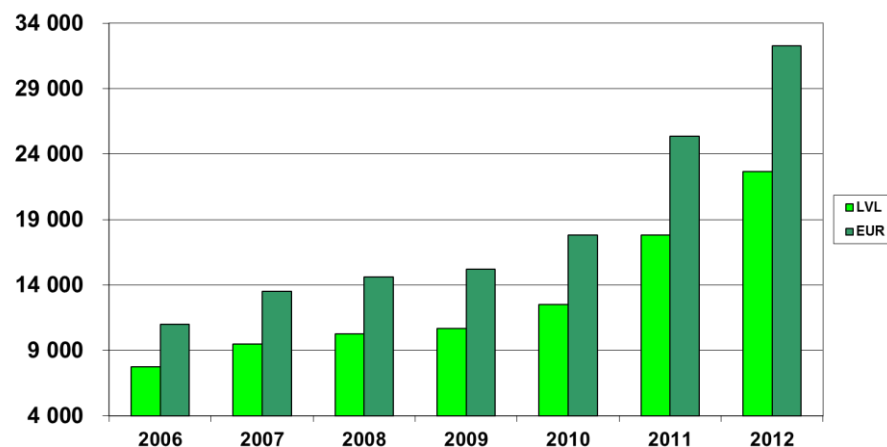
6 months

Sales in 6 Months

It's a Record Again

- Sales worth 22.7 million lats (32.2 million euros), or 27% higher than last year;
- Of this about 3.1 million lats are sales by pharmacies;
- Again - the best first six months so far;
- Even unconsolidated 6 months sales are best ever.

Sales in Six Months, thsnd.

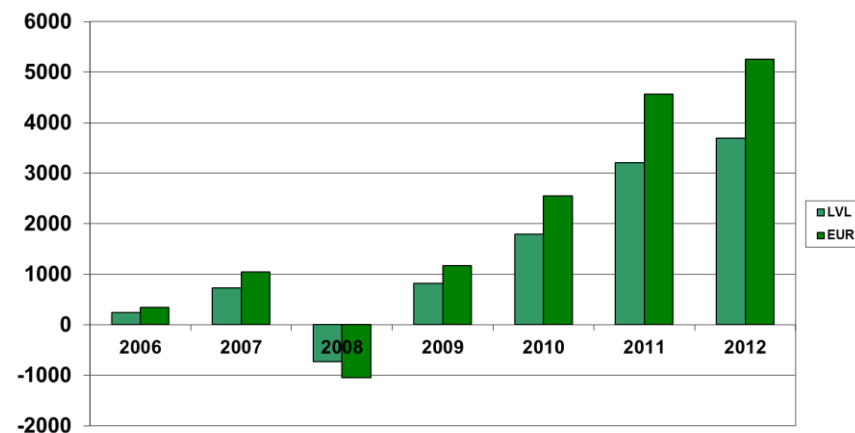


Profit of 6 Months

Keeps Increasing

- Preliminary at 3.7 million lats (5.3 million euros);
- Rouble fluctuations of Q1 and Q2 are levelling out;
- Yet again – best so far;
- About 43% of annual target met.

Six Months Profit, thsnd.

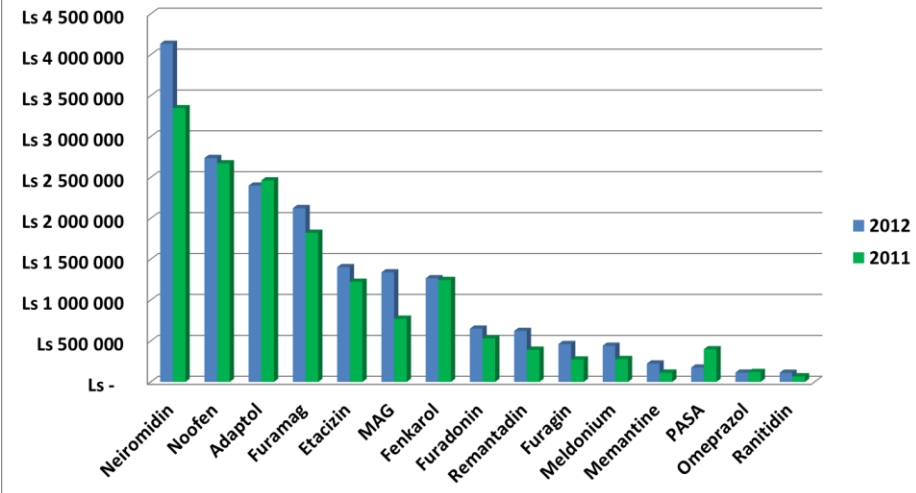


Growth Drivers: Products

Second Tier Catching up

- 12 out of 15 are growing;
- Neiromidin demonstrates impressive 27% growth, even with the high base;
- Among other best growers: Memantine +100%, MAG +73%, Furagin +70%, Remantadin and Meldonium + 60%;
- PASA fell by 56%, being a product for tender procedure sale only.

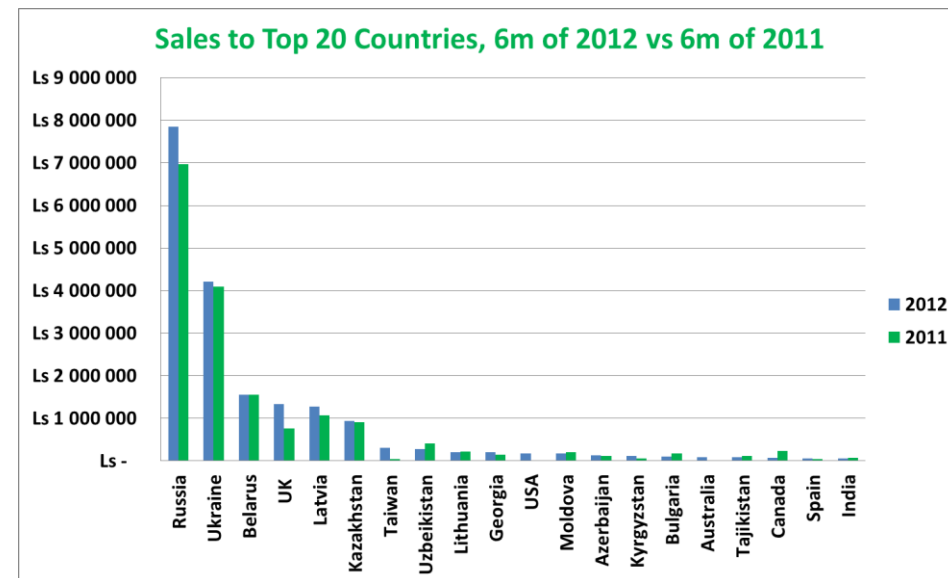
Sales of TOP 15 products, 6m of 2012 vs 6 m of 2011



Growth Drivers: Countries

Big Guys Fit and Stable

- 13 out of 20 are growing, 7 main markets either growing or stable;
- Russia demonstrates 13% growth, despite high base;
- Among other best growers: US 34k%, Australia 7k%, Taiwan 600%, but also, UK +70%, Latvia +20%;
- Biggest reductions only at the end of the list, i.e. Uzbekistan, Canada, Spain, India, etc.





Update on Recent Events

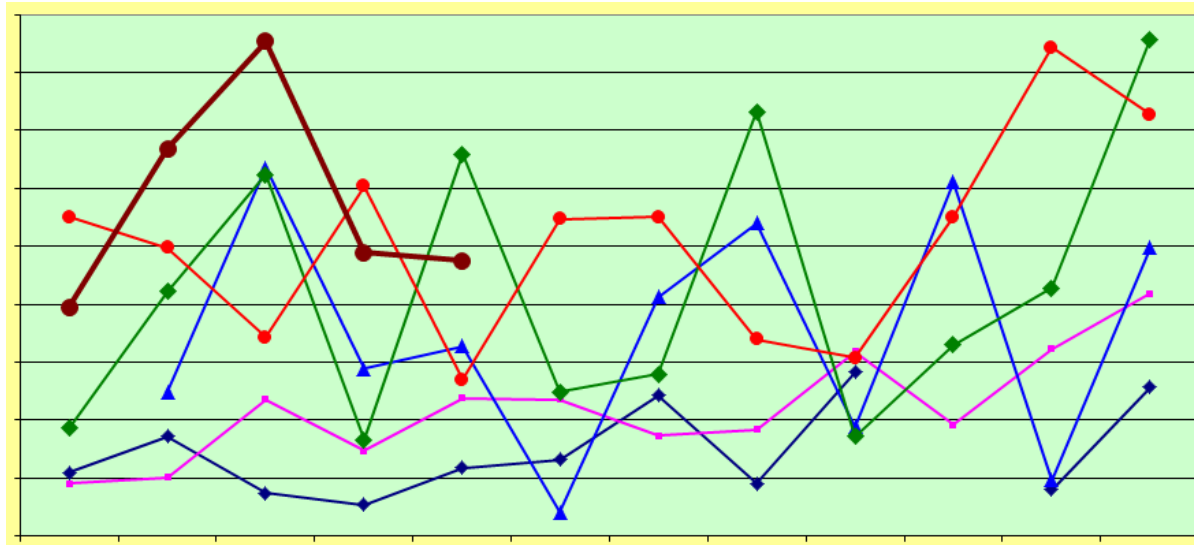
Update for July & August

Keeping the Momentum

- Three more pharmacies purchased in Daugavpils, additions about 0.2 million lats in annual sales;
- Agreement signed with Latvian Investment and Development Agency about implementation of Nitrofurane development project;
- Olainfarm is a recipient of a Corporate Excellence Award and was named the best company in Latvia and second best in Baltics. Impressive improvement since 2 years ago, when we were No. 18 in Baltics;
- Dividends paid on August 8;
- In July unconsolidated sales up 32%, 7 months on 7 months 12% growth, consolidated sales in July increased by 51% to 4.1 million lats, 7 months consolidated sales demonstrate 29% growth.

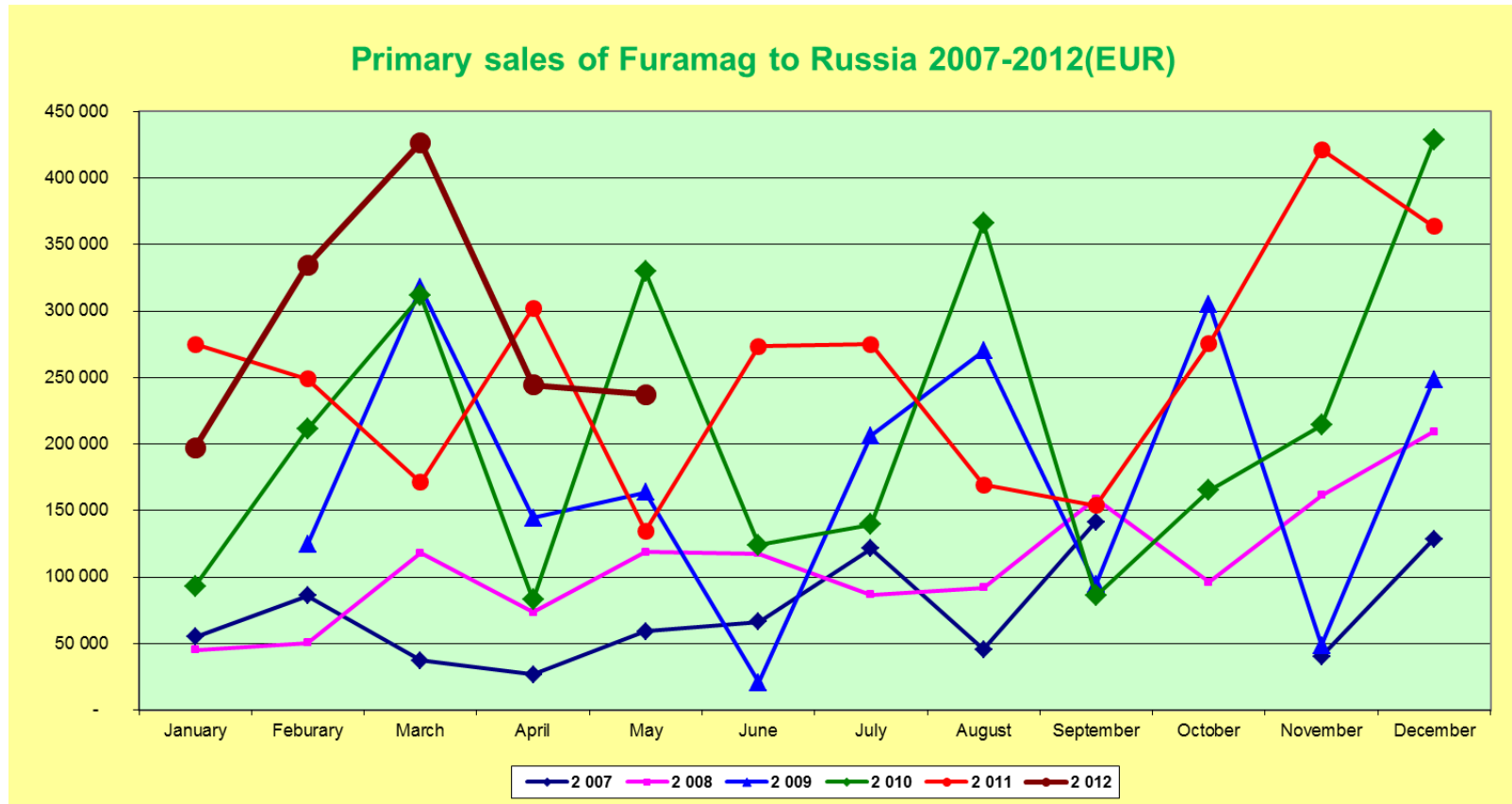
What is this?

A Quiz



Primary Sales of Furamag to Russia

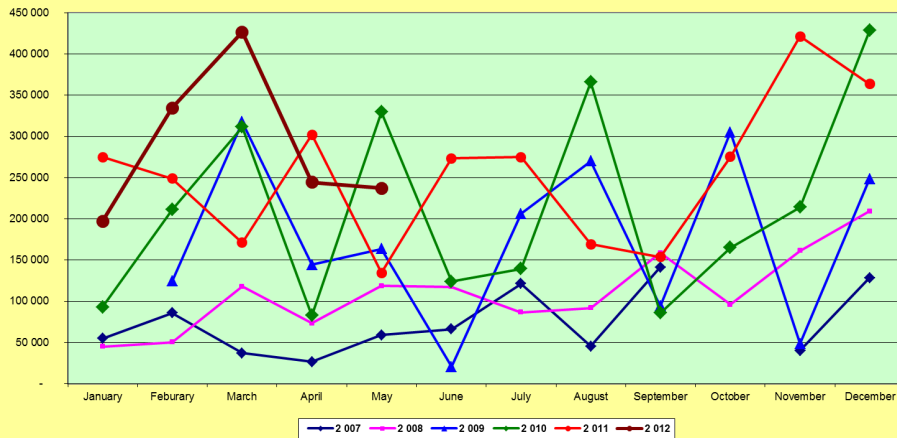
An Answer



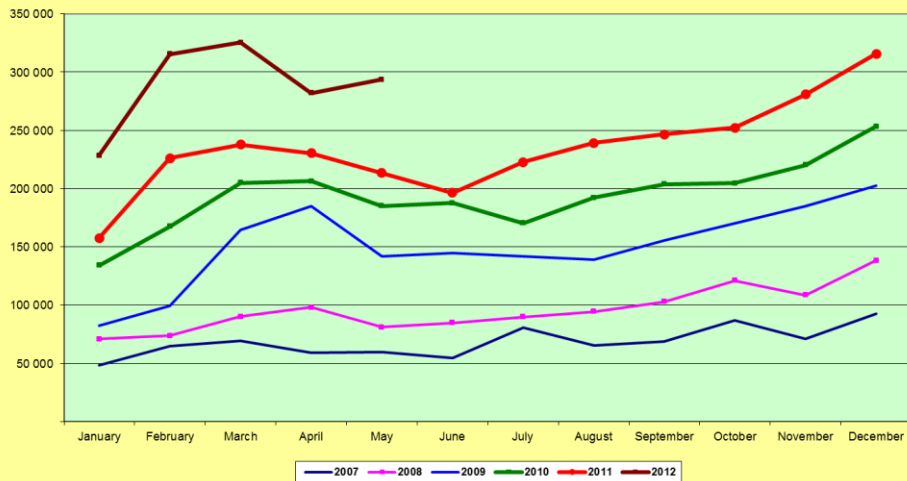
Monthly Sales Information

Value, Follow, but do not Overestimate

Primary sales of Furamag to Russia 2007-2012(EUR)



Secondary Sales of Furamag in Russia 2007-2012 (EUR)



- Similar lack of trends in primary shipments for all products;
- Certain trends can be observed in secondary sales charts;
- Secondary sales charts are available to us from Russia, Ukraine, Latvia and Kazakhstan, we are closely following them, but they come with significant delay;
- Primary sales figures is a precise and valuable information, but no trustworthy conclusions can be made from any given single month.

Location of Pharmacies in Riga

Know your Pharmacist



OlainFarm

Questions and Answers

Are always welcome

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

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