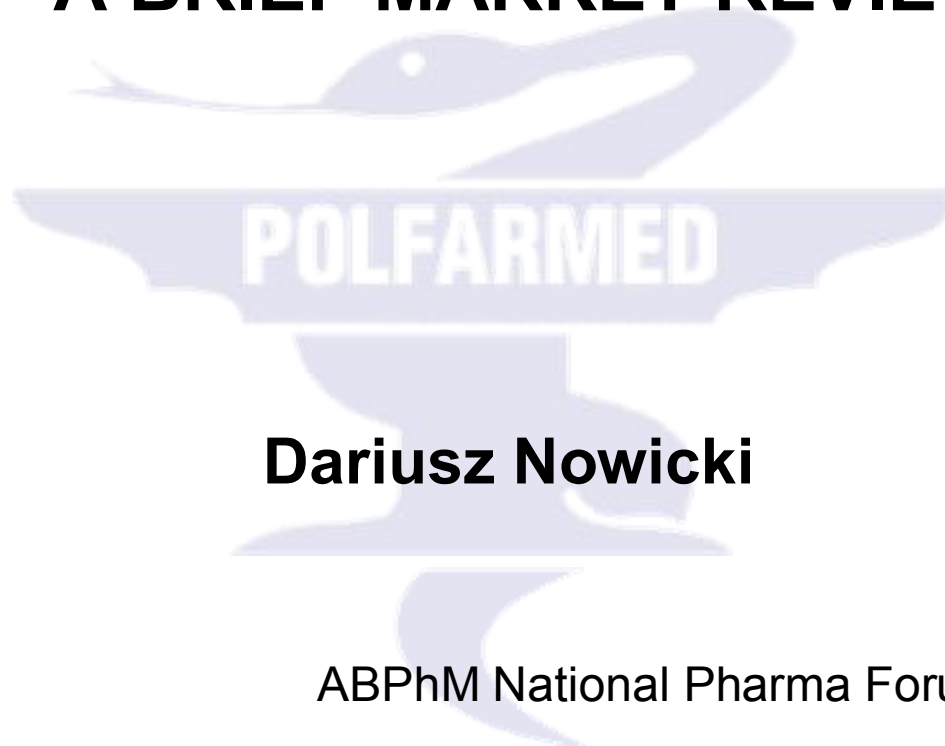




POLAND

A BRIEF MARKET REVIEW



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ABPhM National Pharma Forum –15th November 07

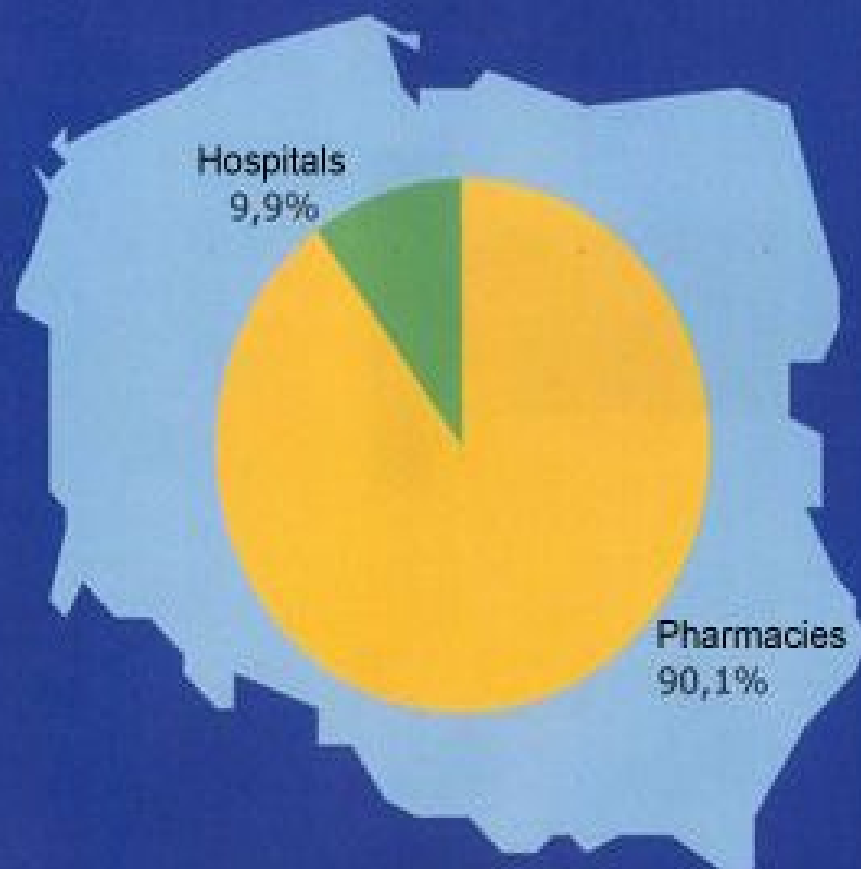


POLFARMED is a voluntary and self-governing organization of enterprises operating in the fields of production of medicinal products, medical devices as well as introducing medicaments and medical devices on the territory of the Republic of Poland and operating in the fields of manufacturing raw materials, appliances to their production and servicing of medical devices.

It currently associates approximately 100 enterprises: pharmaceutical manufacturers, medical devices manufacturers, veterinary drugs producers, distributors and consulting firms.

Polish Pharmaceutical Market

Wholesale price



Market	Value (billion PLN)	Share %
Pharmacies	15.939	90,1%
Hospitals	1.742	9,9%
TOGETHER	17.681	100,0%

Źródło: IMS Polska; Dane z hurtowni

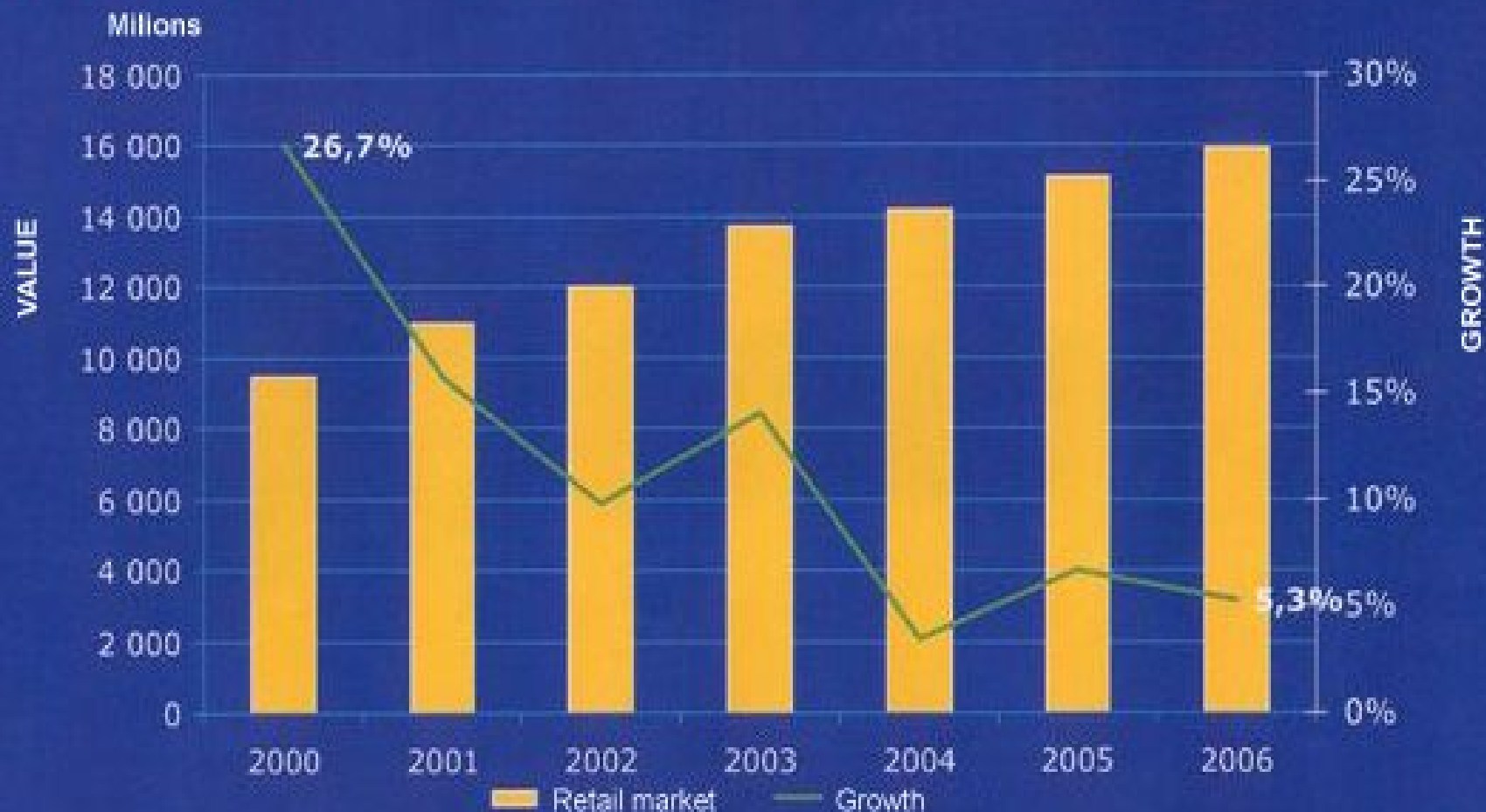
Rynek dystrybucji farmaceutycznej w Polsce • 15 luty 2007 r.

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Dynamics of retail market 2000 - 2006

Wholesale price



Źródło: IMS Polska; Dane z hurtowni

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PRICING

Medicine prices in Poland tend to be lower than those in other European countries
(Pharmaceutical products - comparative price levels in 33 European countries in 2005, Economy and Finance, 45/2007).

Poland operates a price-regulated system only for medicines that wish to be entered on the reimbursement list.



REFERENCE PRICING

Poland runs two RPS in parallel, one by active substance and the other by pharmacological class.

The RP is set below or equal to the price of the cheapest generic medicine.



BRAND MARKET

Polish market is a brand market for generics.

Each product must be named with (a brand name) and an INN name.

Physicians are not encouraged to prescribe by INN and they are not assisted in generic prescribing.



GENERIC SUBSTITUTION

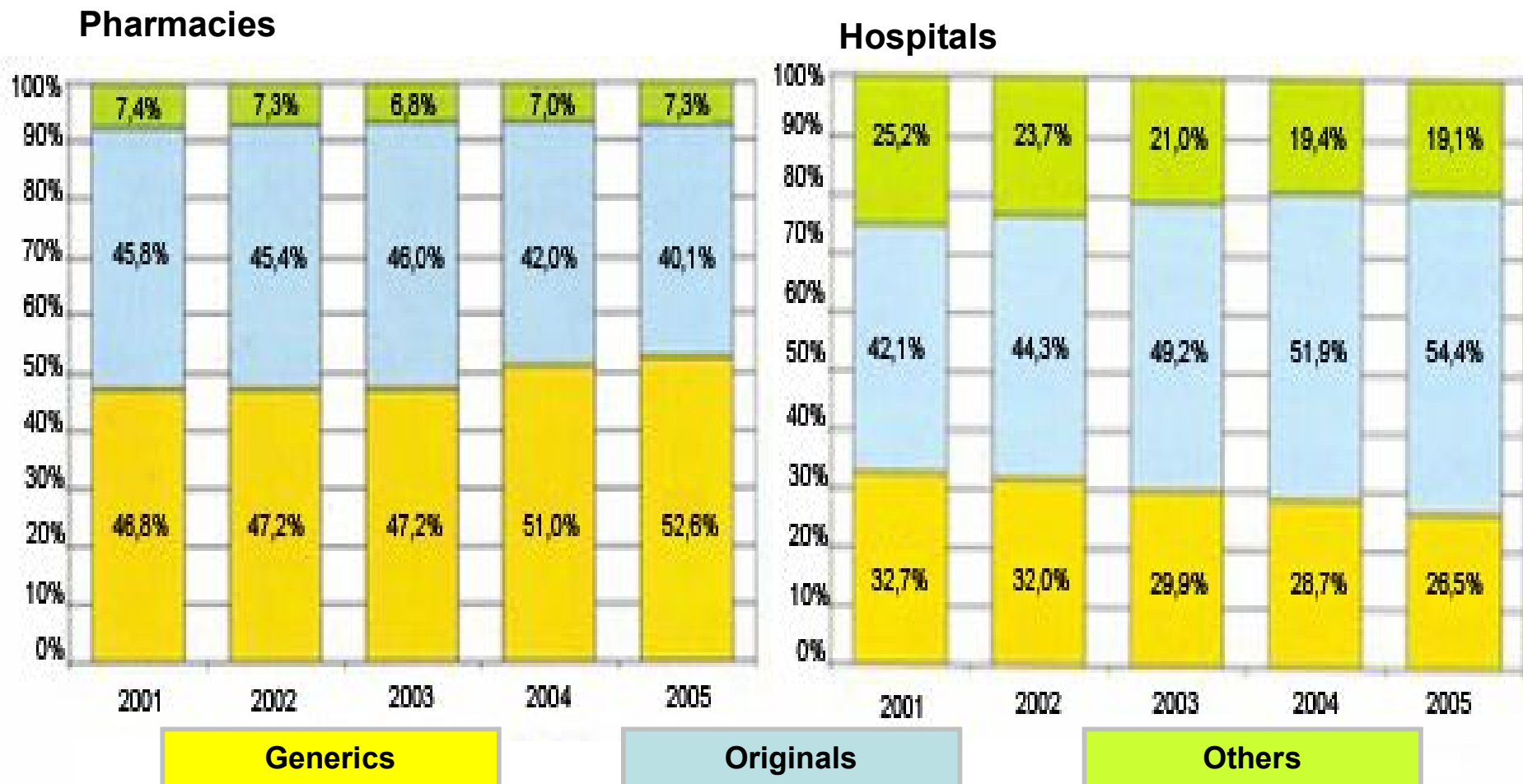
Generic substitution by pharmacists is allowed.

In the case of the prescription of a branded generic medicine, the pharmacist can dispense any generic medicine.

If the physician prescribes by INN, the pharmacist may deliver any originator or generic medicine. Pharmacists are required to inform patients of the availability of cheaper generic medicines and of generic substitution.

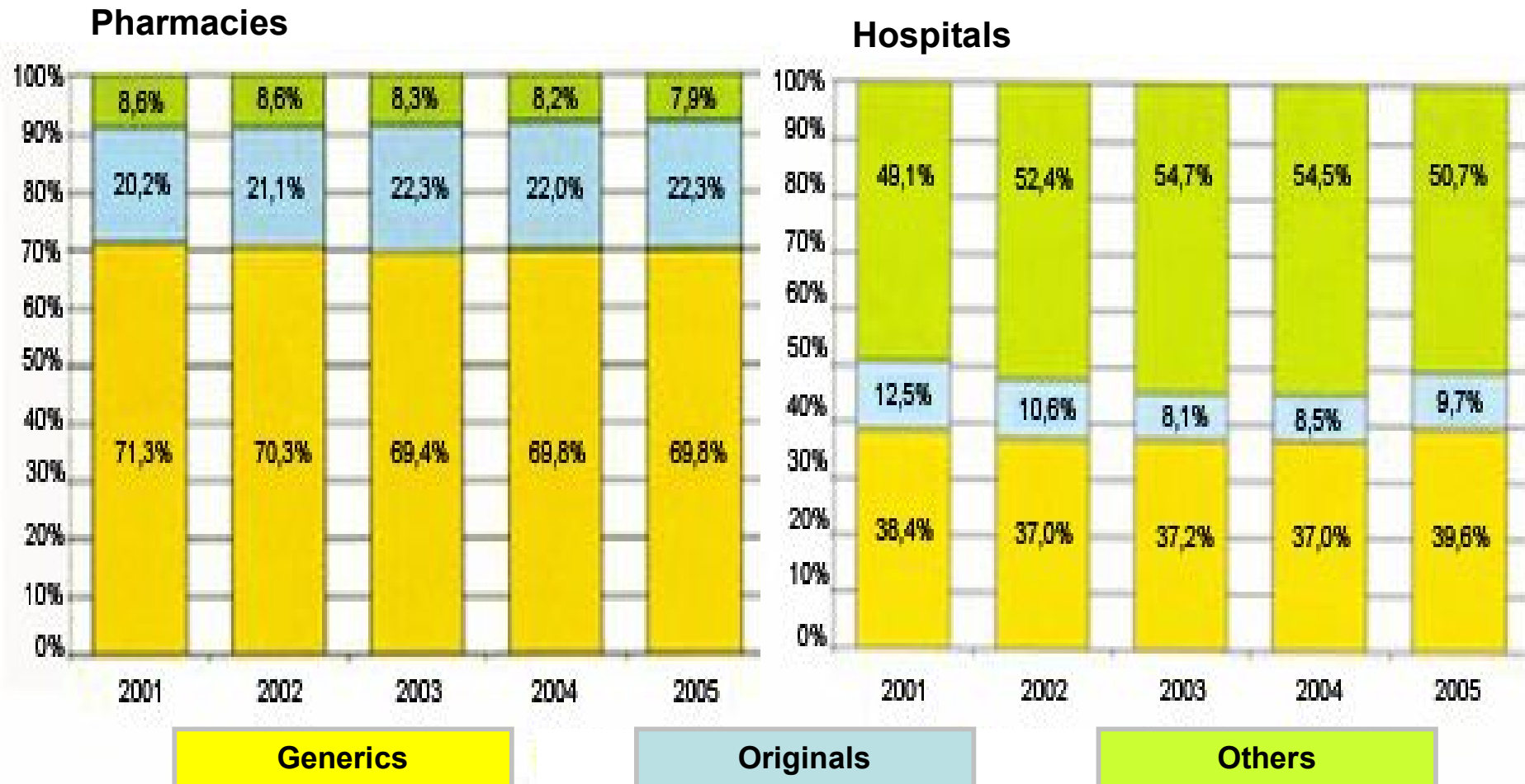
Generic substitution by pharmacists is conditional on physicians not forbidding substitution.

Polish pharmaceutical market by value 2001-2005



Source: IMS-Health - Poland

Polish pharmaceutical market by volume 2001-2005



Source: IMS-Health - Poland

30 top active substances (included to the reimbursement system)

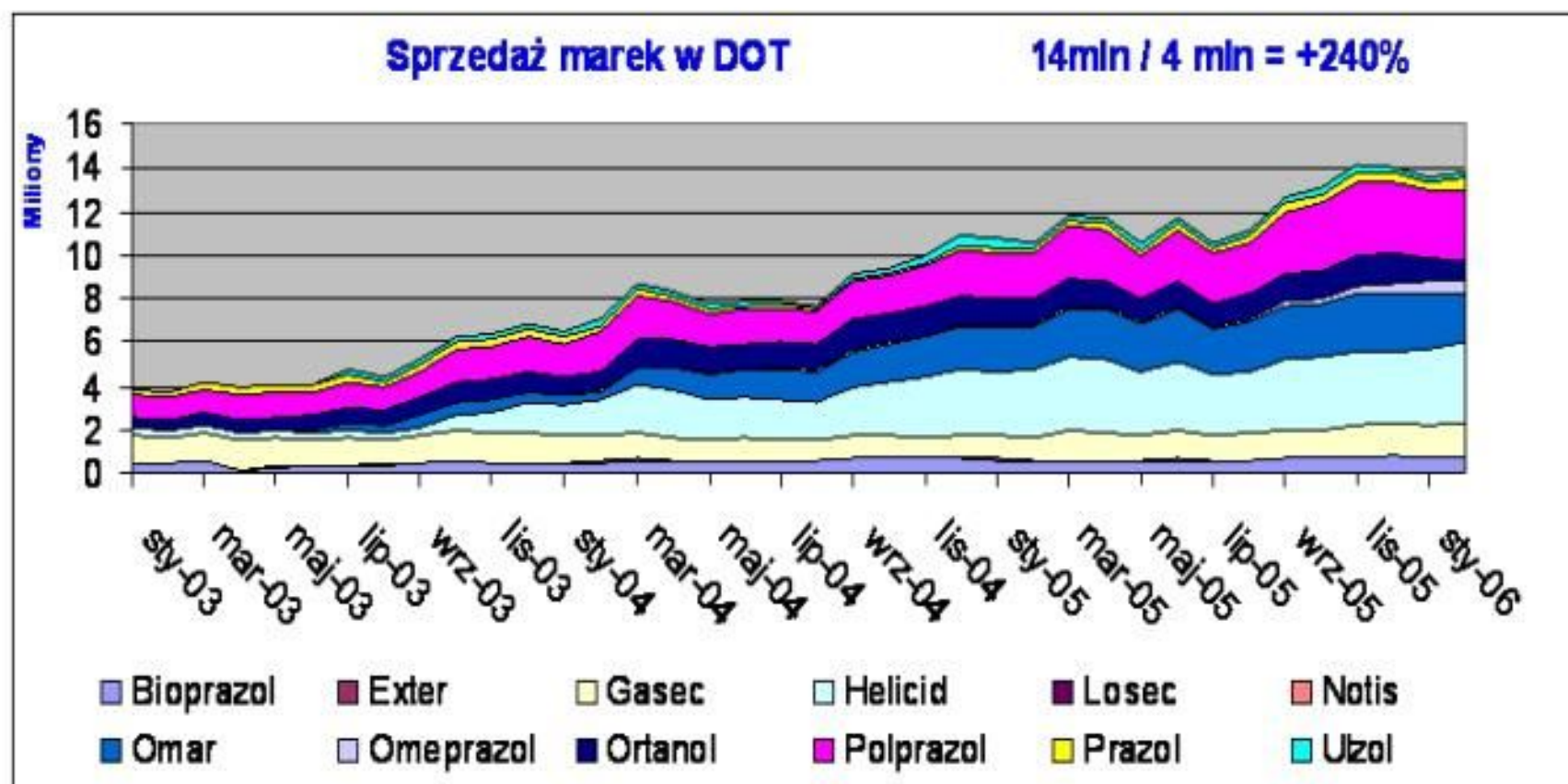
No.	INN	Value (retail price mln. zł)	Number of producers	Oryginator	Market Share %
1.	Insulin and analogues	255	4	Eli Lilly, Novo-Nordisk	84,6
2.	Simvastatinum	188	11	MSD	17,3
3.	Omeprazolium	157	12	Astra Zeneca	2,9
4.	Fluticasonum	117	1	GSK	100
5.	Formoterolum	113	4	Astra Zeneca	17,9
6.	Olanzapinum	110	4	Eli Lilly	1,6
7.	Enoxaparinum natricum	94	1	Aventis Pharma	100
8.	Amlodipinum	86	7	Pfizer	1,7
9.	Doxazosinum	83	9	Pfizer	17,6
10.	Indapamidum	81	10	Servier	60,4
11.	Perindoprilum	78	1	Servier	100
12.	Amoxicillinum + ac. clavulanicum	75	7	GSK	52,4
13.	Atorvastatinum	73	3	Parke Davis	20,5
14.	Budesonidum	71	6	Astra Zeneca	56,3
15.	Cefuroximum	70	6	GSK	81,4
16.	Nadroparinum calcicum	64	1	Sanofi Aventis	61,5

30 top active substances (included to the reimbursement system)

No.	INN	Value (retail price mln. zł)	Number of producers oryginator	oryginator	Market Share %
14.	Budesonidum	71	6	Astra Zeneca	56,3
15.	Cefuroximum	70	6	GSK	81,4
16.	Nadroparinum calcicum	64	1	Sanofi Aventis	61,5
17.	Salmeterolum	64	1	GSK	100
18.	Ketoprofenum	54	7	Rhone-Poulenc Rorer	14,1
19.	Gliclazidum	53	10	Servier	81,8
20.	Acidum alendronicum	51	8	MSD	0
21.	Ramiprilum	47	4	Aventis	87,5
22.	Amoxicillinum	46	9	GSK	0
23.	Risperidonum	44	7	Janssen-Cilag	97,0
24.	Goserelinum	42	1	Astra Zeneca	100
25.	Natri valproas	41	3	Sanofi Aventis	92,4
26.	Megestrolu acetat	40	4	BMS	84,0
27.	Finasteridum	40	3	MSD	23,9
28.	Montelukastum	54	1	MSD	100
29.	Tripterelinum	34	2	Ipsen Biotech	98
30.	Metformini hydrochloridum	34	7	Merck Sante	4,8

Sales of original drug vs generics

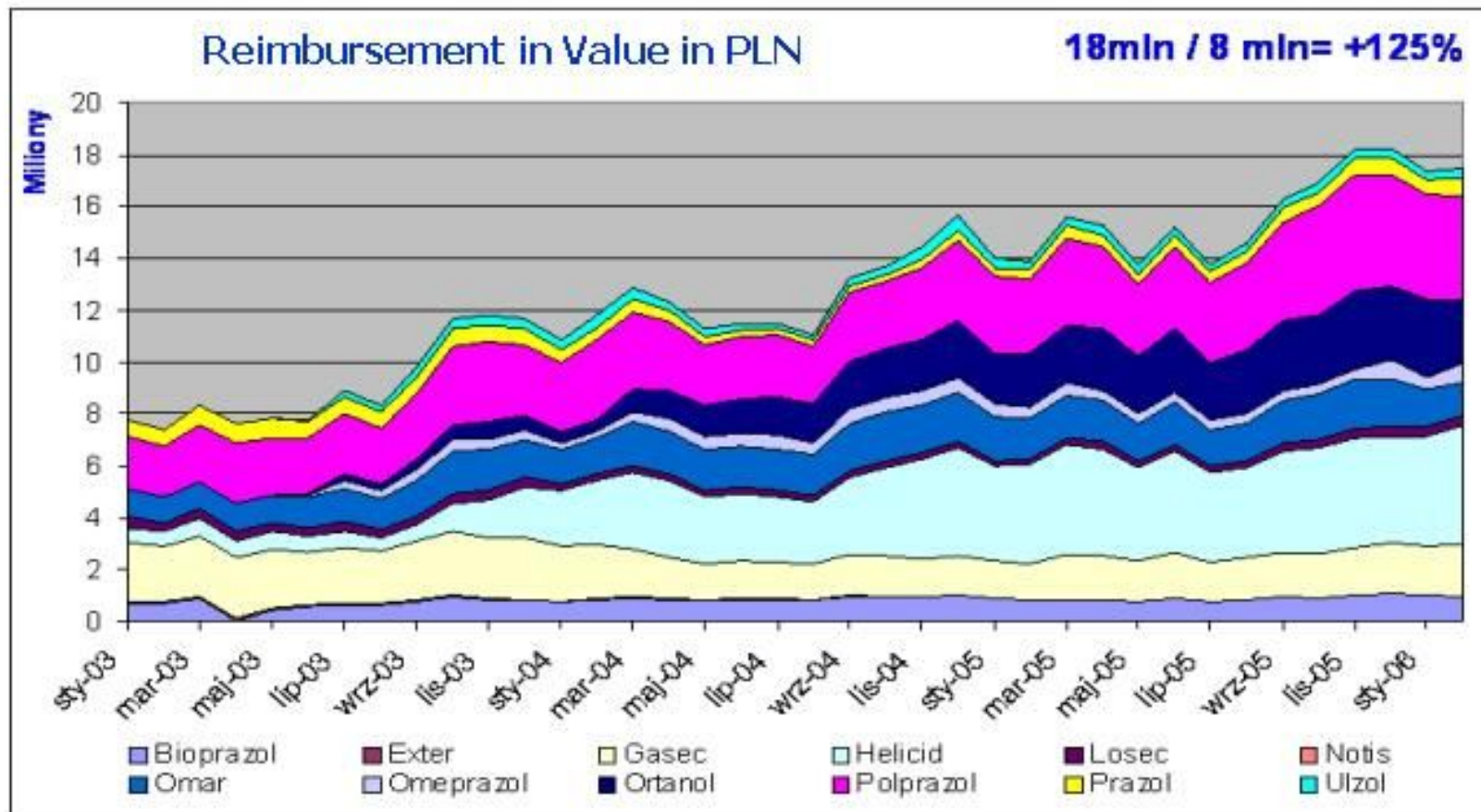
Omeprazol example



Source: Pharma Expert

Reimbursement of original drug vs generics

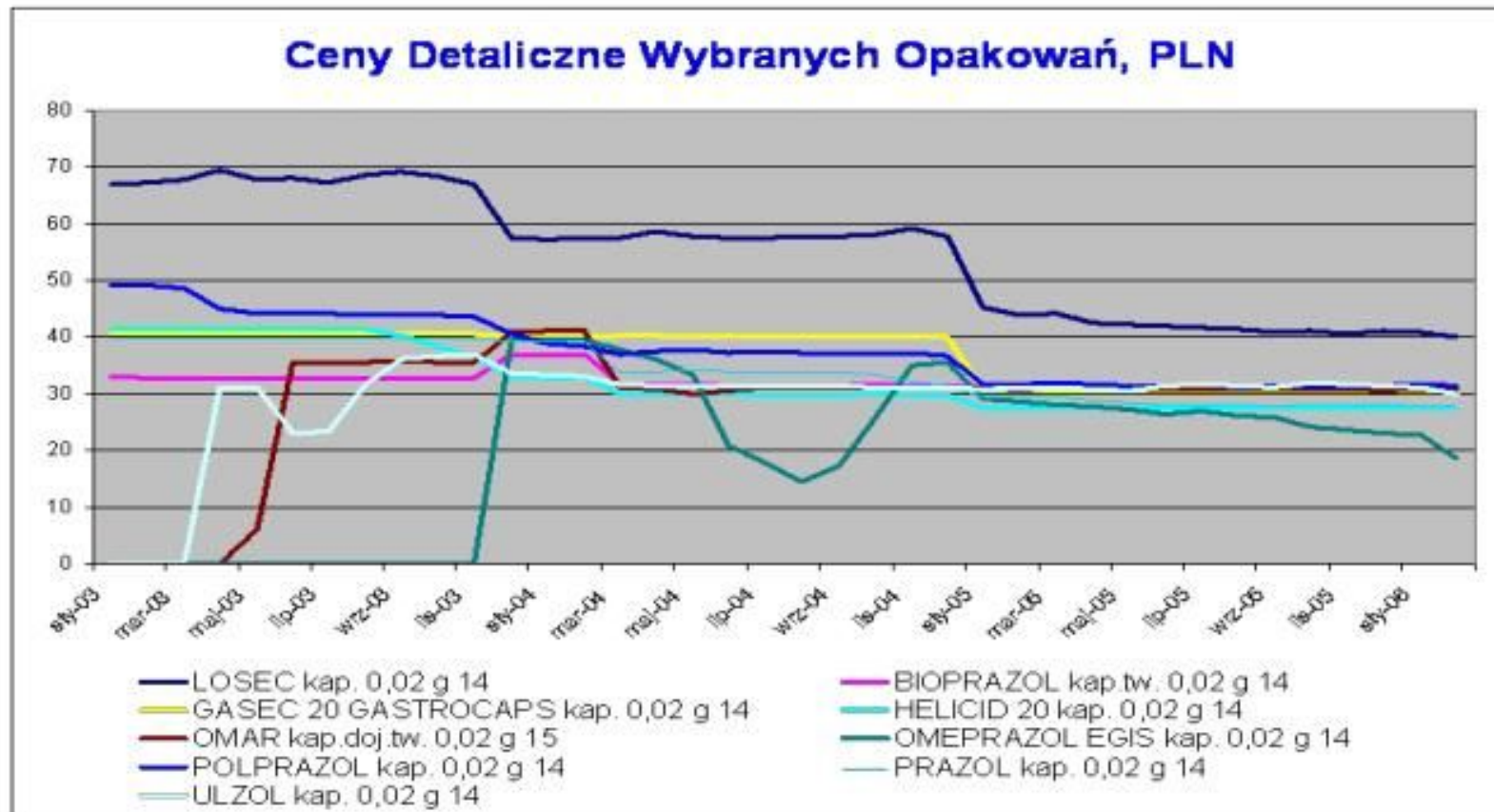
Omeprazol example



Source: Pharma Expert

Price drop resulting from generic competition

Omeprezol example



Source: Pharma Expert



Expected evolution of the system

- Replacement of maximum margins by fixed margins (no discounts possible)
- Fixed retail prices for reimbursed products (one country – one price)

Source: the Polish Ministry of Health



Polfarmed's expectations towards State policy

- Education of costs awareness among medical practitioners
- Publishing of prescribing guidelines and formularies
- Revaluation of regulated price calculation system – transparency (no more RP below costs of manufacturing)
- No delays in pricing, reimbursement and substitution status
- Wide application of electronic prescribing system



Thank you for attention!