






# Corporate Presentation


## February 2008

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# Agenda

## **Business Overview**

## **Health Division**

Pharmaceuticals

Medical Devices & Equipment

Veterinary Pharmaceuticals &  
Pet Accessories

## **Non - Health Division**

Detergent & Cosmetics

Organic Products

## **Financials**

# Who we are

## Core business activities

Alapis Group is primarily active in 2 major strategic business units:

**I. Healthcare:** Pharmaceuticals, Medical Devices & Equipment, Veterinary Pharmaceuticals & Pet accessories and

**II. Non-Healthcare:** Detergents & Cosmetics, and Organic Products.

## Long - term strategy

Vertical integration in the Healthcare business

(€ in million)	2005	2006	2007	2008 (E)
<b>SALES</b>	<b>180.1</b>	<b>273.5</b>	<b>472.7</b>	<b>900.0</b>
Growth %		51.9%	72.8%	90.4%
<b>EBITDA</b>	<b>25.8</b>	<b>46.1</b>	<b>123.6</b>	<b>250.0</b>
Margin %		16.9%	26.2%	27.8%
<b>EAT</b>	<b>(9.4)</b>	<b>20.1</b>	<b>57.5</b>	<b>160.0</b>
Margin %		7.3%	18.5%	17.8%
<b>DEBT/EQUITY</b>	<b>1.05</b>	<b>0.33</b>	<b>0.13</b>	<b>0.15</b>
<b>ROE</b>	<b>n/a</b>	<b>2.7%</b>	<b>5.4%</b>	<b>9.7%</b>

# Company milestones

## 2007

**February** ● Merger proposed by BoDs of Elpharma, Lamda Detergent, Veterin, EBIK

**May** ● Completion of the merger

**June** ● Establishment of (i) Veterin Farmaceutina d.o.o. in Croatia, (ii) Veterin Hungary Kft in Hungary and (iii) Alapis Cropscience in Greece

**July** ● Rights issue of 817,166,850 shares at €1 per share  
● Establishment of Veterin Pharma Doo Beograd in Serbia

**August** ● Acquisition of Farmalex S.A. (fixed assets only)  
● Acquisition of Pharmagora S.A., A. Moisoglou S.A., Revold

**September** ● Acquisition of 68.25% of SUMADIJALEK S.A. in Serbia

**October** ● Establishment of Veterin Farmaceutvska Drurba d.o.o. in Slovenia and PE Veterin in Ukraine

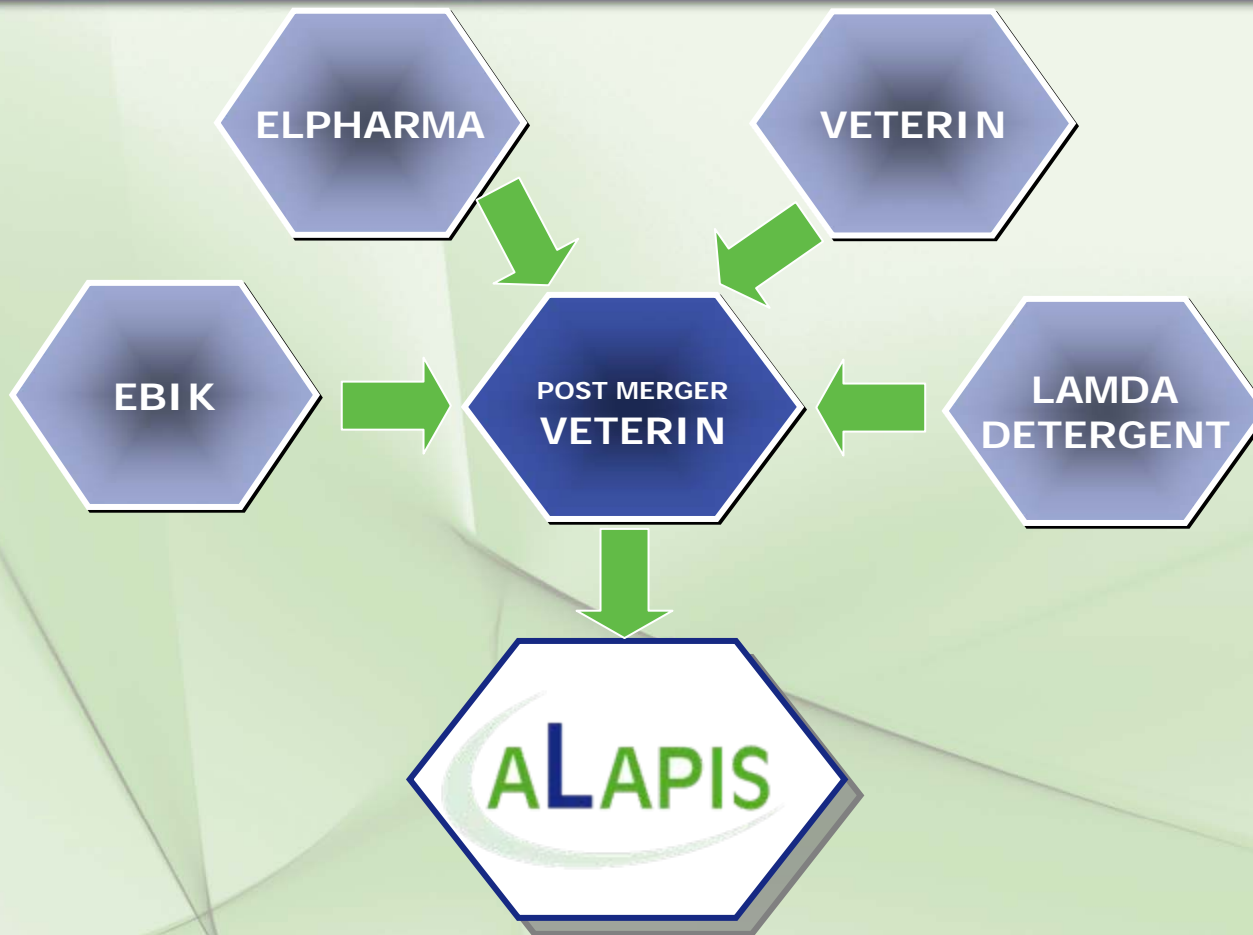
**November** ● Establishment of Veterinpharma Albania Shpk  
● Sign of a five year Toll Manufacturing Agreement, Between Alapis Cropscience S.A. and Bayer Cropscience S.A.  
● Acquisition of BIOCHEM DIAGNOSTICS S.A.  
● Acquisition of BAYER HELLAS S.A. facilities

**December** ● Acquisition of 49% of K.P. MARINOPOULOS S.A. Sign of preliminary agreement for the purchase of the rest 51% of the company.  
● Acquisition of BIODOMUS S.A.

## 2008

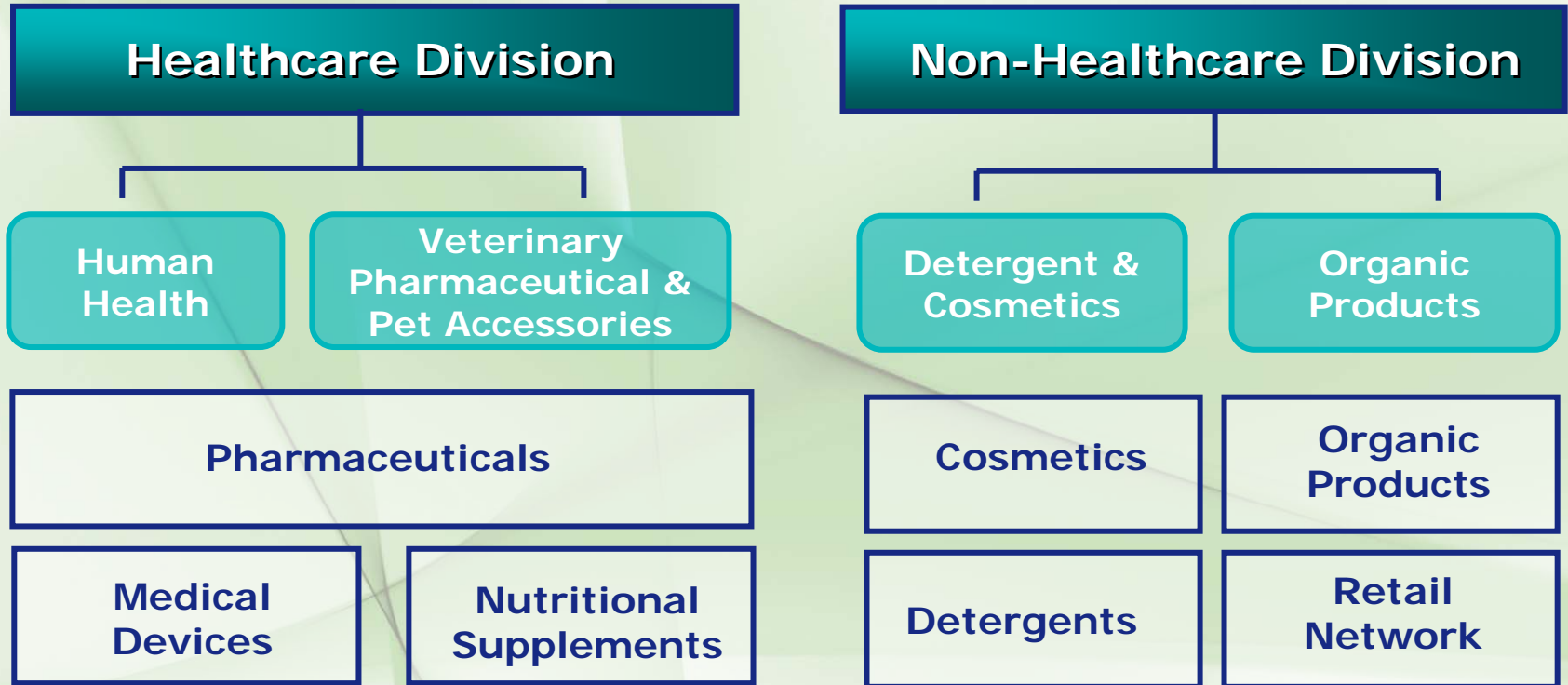
**January** ● Acquisition of LAMDA APPLIED S.A. ● Acquisition of LABOMED S.A.

# Creation of Alapis



The integration of these businesses provides a significant opportunity to generate synergies in sales & marketing, sourcing, manufacturing and distribution logistics

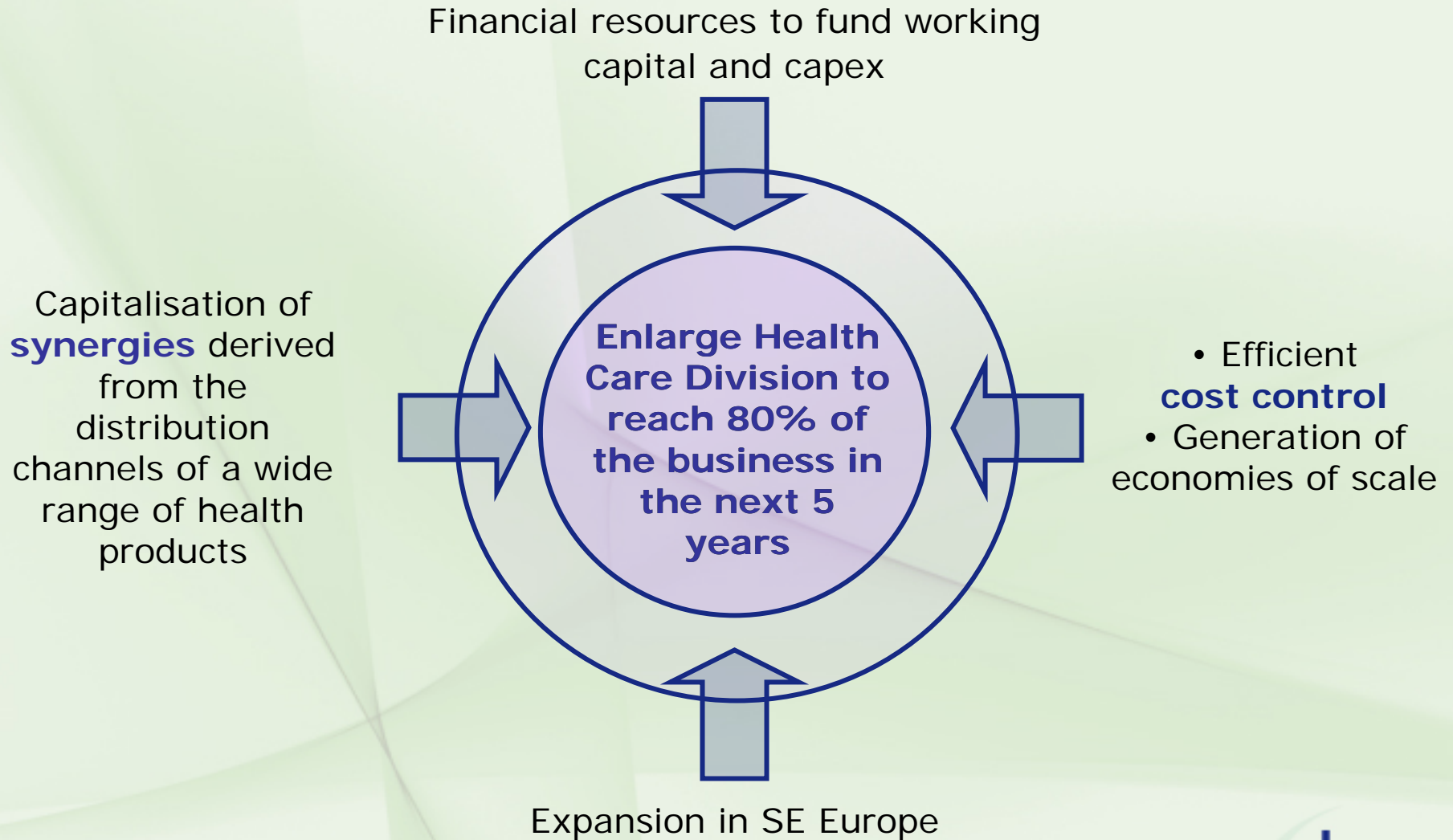
# Strategic Business Units





# Strategy

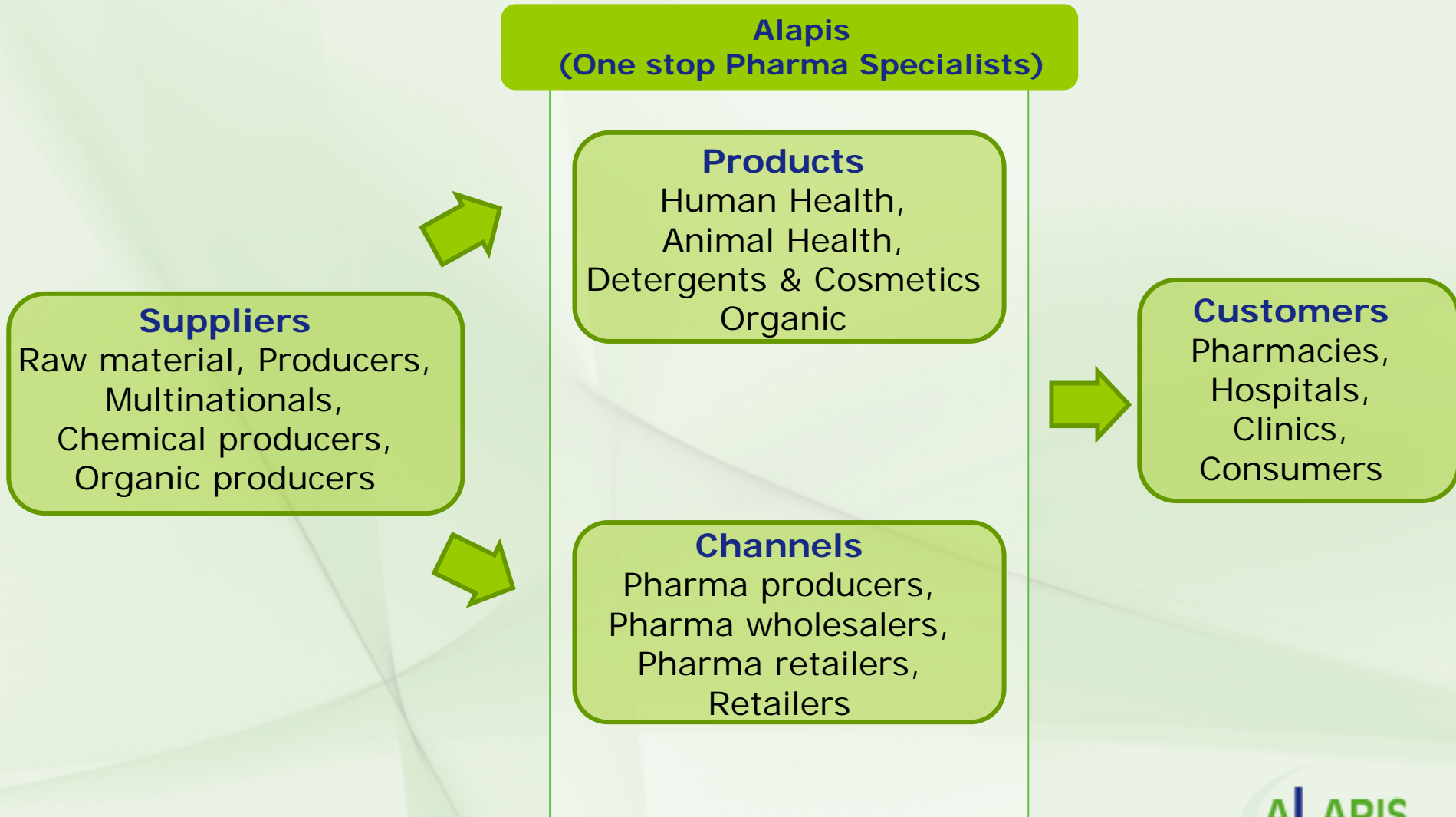
## Focus on Pharmaceuticals





# Strategy

Focus on Pharmaceuticals



# Strategic Advantages

## COMPANY SPECIFIC COMPETITIVE ADVANTAGES

- Strong relationships with major multinationals
- High distribution synergies
- High liquidity – strong cash flow giving ability for qualitative acquisitions in Greece and abroad
- Successful track record - Proven management team

## MARKET FAVOURABLE CHARACTERISTICS

- Under – penetrated generics market
- High barriers to entry
- Lack of critical mass by local competitors
- Expansion in SE Europe

**Health Division**

**Pharmaceuticals**

# Market Overview- Pharmaceutical

## Large Market

€ 6.2 bn. in Greece <sup>(a)</sup>

## Robust growth

2006-11(E) CAGR  
Pharmaceutical ~ 6 %  
OTC ~ 10 % <sup>(b)</sup>

## Fragmented sector

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

**Favourable  
market dynamics**



(a) Source: National Pharmaceuticals Organisation (EOF)

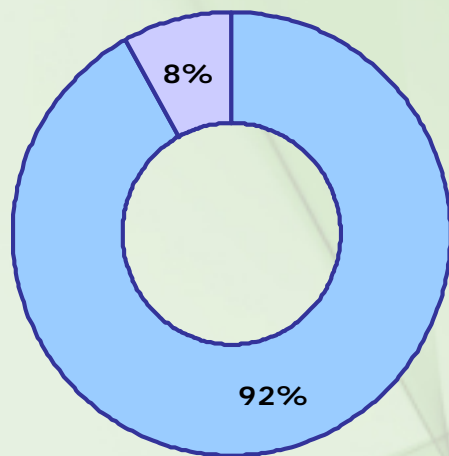
(b) Source: Medical Device Outlook – Greece – Espicom Business Intelligence, QIII 2006

# Market Overview- Pharmaceutical

## Greek Pharmaceutical Market

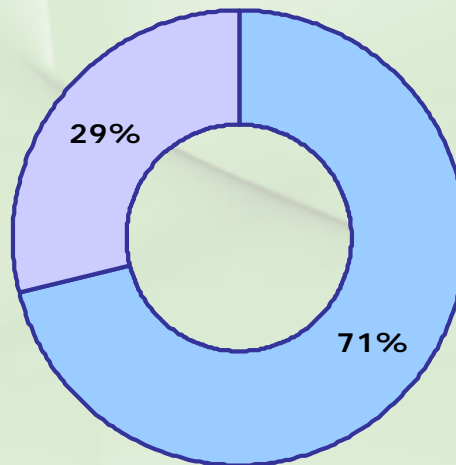
Total size : € 6.2 bn.

by type



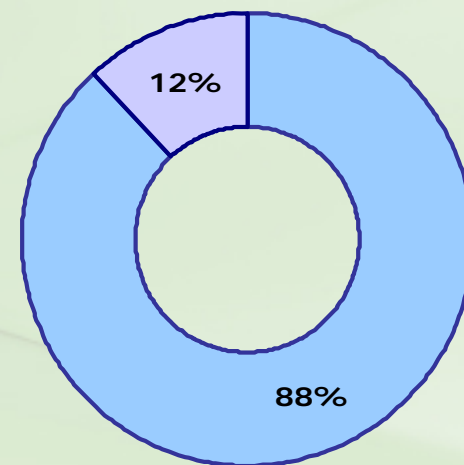
■ Prescription ■ OTC

by source



■ Imports ■ Domestic production

by status



■ Branded products ■ Generics

# Market Overview- Pharmaceutical

## Underpenetrated sector

### High barriers to entry

- Local knowledge and customer relationships critical
- Need for efficient infrastructure

### Local competitors lack critical mass

- Face financial problems limiting their ability to grow

### Generics market underpenetrated compared to other European countries

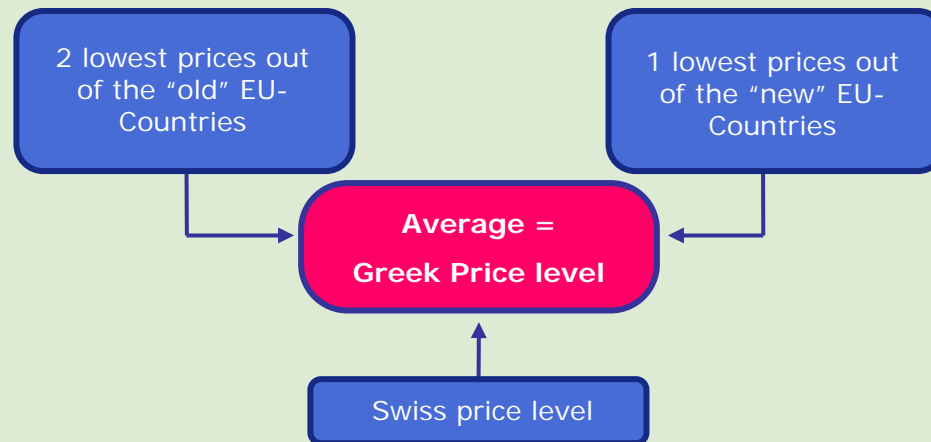
- Greek government sets mandatory product price which applies to both off patent and generics
- Without differential pricing, the ability to bundle products is beneficial
- Generics is estimated to reach 20% from 12% of the total pharma market

# Market Overview – 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

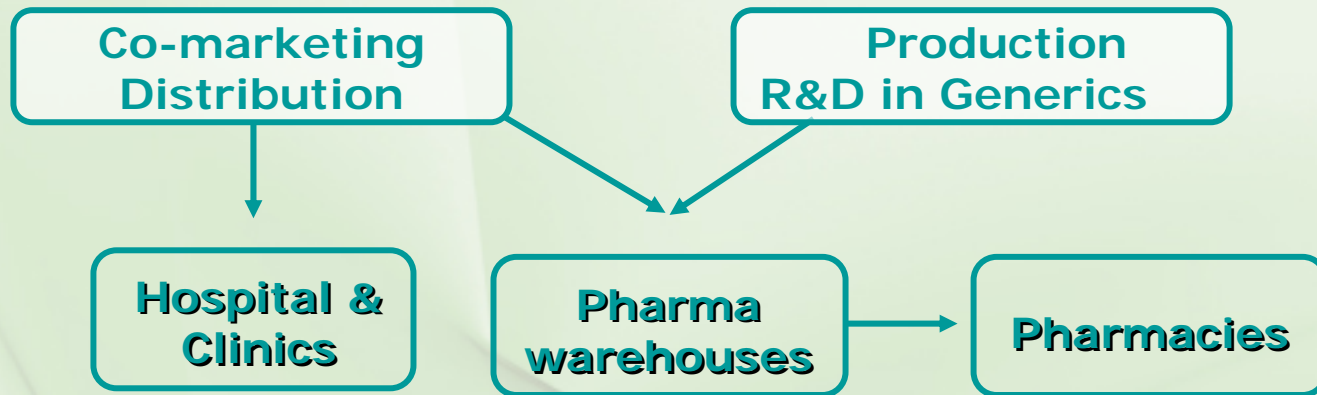
### Price Calculation for patent products





# Division Overview - Pharmaceutical

## Pharmaceutical division



## Key Categories

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

# Health Division

## Medical Devices & Equipment

# Market Overview- Medical Devices & Equipment

## Market dynamics

### Sizable Market

€770 mil. in Greece <sup>(a)</sup>

### Steady growth

2007-11 CAGR ~ 4%

### Import dominated

Market dominated by imports from multinationals: ~ 95% of total market <sup>(a)</sup>

### High fragmentation

Highly fragmented market consisting of smaller players distributing imported products

## Interdependence between multinationals and local distributors

### Range of products

Broad range of products from multiple manufacturers

### Local relationships

Multinationals generally lack local relationships for direct distribution

### Local competitors

Large number of local competitors provide relationships with hospitals

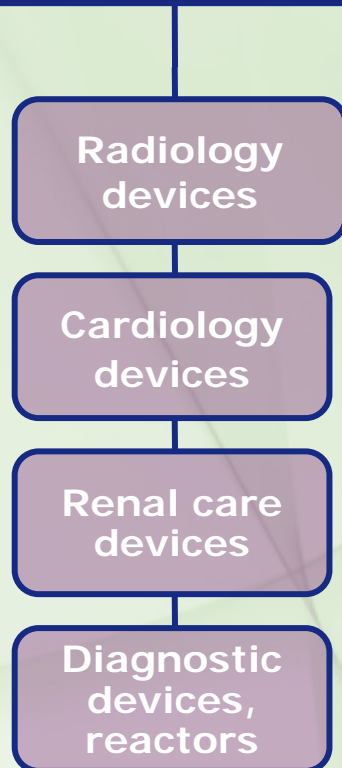
### Local suppliers

Smaller local suppliers face financial impediments to growth

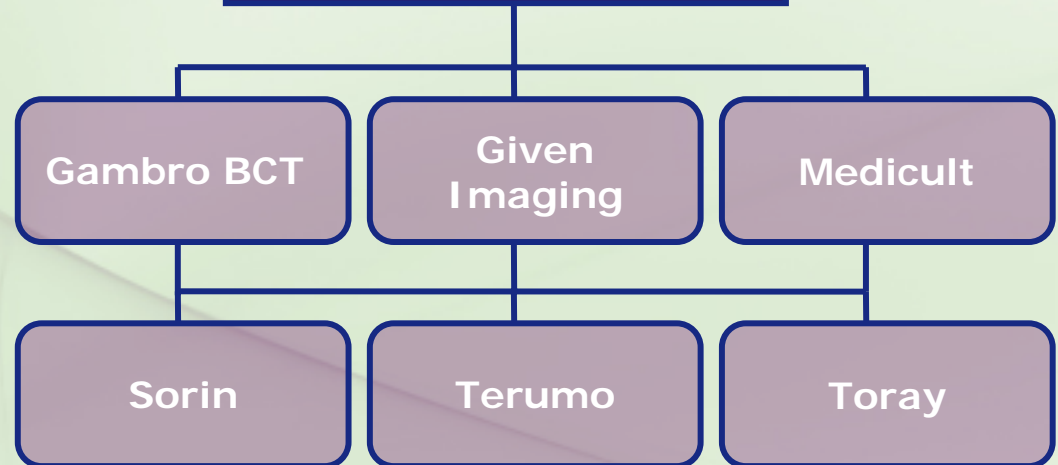
# Division Overview- Medical Devices & Equipment

Exclusive Representative of medical devices & equipment

## Key Products



## Main Partnerships



# Health Division

## Veterinary Pharmaceuticals & Pet Accessories

# Market Overview – Veterinary Pharmaceuticals & Pet Accessories

## Veterinary Pharmaceuticals & Pet Accessories

```
graph TD; A[Veterinary Pharmaceuticals & Pet Accessories] --- B[ ]; B --- C1[ ]; B --- C2[ ]; B --- C3[ ]; B --- C4[ ]; B --- C5[ ]; C1 --- D1[Rapid Growth in the coming years in SE Europe]; C2 --- D2[The expected growth rate in SE Europe is estimated at 10%]; C3 --- D3[Market dominated by major international animal health companies who utilize local companies to distribute products]; C4 --- D4[Local competitor market is highly fragmented]; C5 --- D5[Generic products becoming increasingly important as consumers try to reduce costs];
```

Rapid Growth in the coming years in SE Europe

The expected growth rate in SE Europe is estimated at 10%

Market dominated by major international animal health companies who utilize local companies to distribute products

Local competitor market is highly fragmented

Generic products becoming increasingly important as consumers try to reduce costs

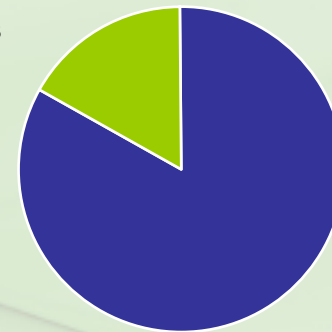
# Division Overview – Veterinary Pharmaceuticals & Pet Accessories

- Local partner for leading multinational animal health companies in Greece, Romania, and Bulgaria
  - Partners include Bayer and Pfizer
- Provide distribution through own network of 78 sales representatives who serve over 5,000 customers
- High quality manufacturing capabilities
  - Veterinary pharmaceuticals
  - Nutritional supplements
- Supply wide range of products for companion animals and livestock
- Market leader along with Pet Line<sup>(a)</sup>
- Expansion in Southeastern Europe on track

FY 2007 Revenues: € 64.4 m

by product

Distribution of pet  
foods and  
accessories  
17%



Veterinary  
pharmaceuticals  
& Nutritional  
supplements  
83%



# M&A update – 10 new business acquired after the € 817 mil. right issue on July 2007

Successful completion of **10 acquisitions** with a total value of **€111.6m**

Target	Target Financials, FY06					Implied Multiples, FY06	
	Equity value	Net debt	Enterprise Value	Sales	EBITDA	EV/Sales	EV/EBITDA
Pharmagora S.A.	20.7	15.6	36.3	121.9	8.0	0.3	4.5
Alapis Wholesale S.A.	1.0	0.5 (a)	1.0	15.1	0.3	0.1	3.2
Revold Healthcare Products S.A.	0.9	0.0	0.9	0.3	0.2	2.9	5.7
Biochem Diagnostics S.A.	22.5	17.1	39.6	23.9	6.6	1.7	6.0
Pharmalex S.A.	14.4	0	14.4	0	0	n/a	n/a
Biodomus S.A.	0.1	2.4	2.5	3.6	0.8	0.7	3.1
Sumadijalek S.A.	2.0		2.0				
KP Marinopoulos S.A. (b)	47.5	0	47.5	315.0	7.0	0.2	7.0
Lamda Applied S.A.	0.5	0	0.5	0.4	-0.01	1.2	n/a
Labomed S.A.	2.0	0.22	2.2	2.1	0.6	1.1	3.9

Note: All figures in €mn

(a) As of June 30<sup>th</sup>, 2007

(b) Refer to 49% stake

# Production Facilities

## Healthcare Division

### Human Health

**Pallini, Attica:** (Land area: 7,500 m<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 SEE.



### Veterinary & Animal Products

**Aspropyrgos, Attica:** (Land area: 25,500 m<sup>2</sup>) High quality production facilities.  
Capacity utilization: 30%

PRODUCTION LINES	CAPACITY ANNUAL
Large Volume Parentals	1,5 Million vials of 0.5 lt
Small Volume Parentals	5 Million vials of 50 ml
Powders	330 TN
Oral solutions	1 Million vials of 1 lt
Premixes	7.800 TN
Tablets	50 million tablets
Sprays	4 million sprays

# **Non-Health Division**

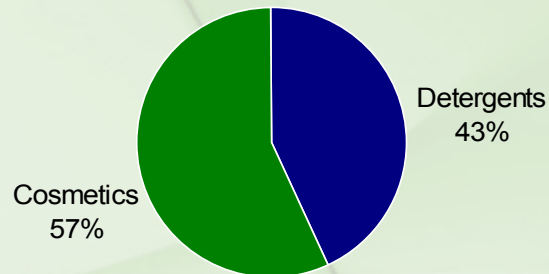
## **Detergent & Cosmetics**

# Market Overview- Detergent & Cosmetics

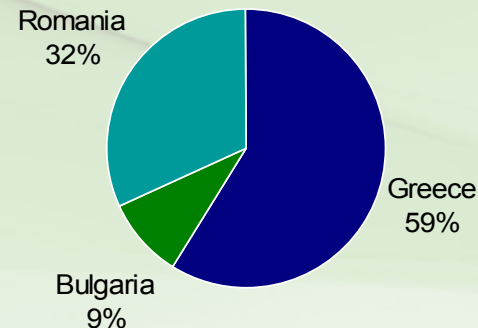
- Substantial market for cosmetics and detergents in Southeastern Europe
- Greece: €2.1 billion <sup>(b)</sup>
- Southeastern Europe (ex Greece): €1.5 billion <sup>(c)</sup>
- Multinationals who own majority of brands seeking to source locally to reduce costs
- Few local competitors with capabilities to service demand
- Private label market is under-developed
- Only 5.3% penetration (household care market) <sup>(d)</sup>

## Southeastern Europe

by Product Market <sup>(a)</sup>



by Country <sup>(a)</sup>



(a) Source: Household products – Euromonitor database 2006 and Cosmetics and toiletries – Euromonitor reports (Greece – June 2006, Bulgaria – May 2006, and Romania – April 2006)

(b) Source: Household products Euromonitor 2006

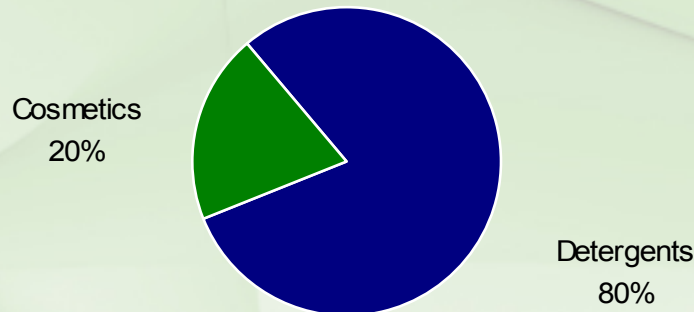
(c) Source: Cosmetics and toiletries – Euromonitor reports (Greece – June 2006, Bulgaria – May 2006, and Romania – April 2006)

(d) Source: Household products (market share by company) – Euromonitor database 2006

# Division Overview- Detergent & Cosmetics

- Alapis is a leading manufacturer of liquid and powder detergents for multinationals and private labels
- High-quality low-cost manufacturing facilities with significant capacity to satisfy increasing demand
- Strong long-term relationships with customers and track record of performing
  - Multinationals: including Unilever, Henkel, Sara Lee, Ecolab and Johnson Diversey
  - Private label: major supermarket chains
- Large product range – approx. 150 product lines and approx. 800 product codes

**Revenues : €129.8 m (FY 2007) – Breakdown by product**



# Non-Health Division

## Organic Products

# Market Overview – Organic Products

## Strong growth drivers

Overall growth of organic products has outperformed total food market (a)

Increasing health awareness in Greece

Increasing demand for organic products due to changing tastes among consumers

Organic food underpenetrated in Greece:  
1-1.5% of total food market in Greece <sup>(a)</sup>  
2.5-3% in Europe <sup>(a)</sup>

## Rapidly changing landscape

Certified producers of organic products more than doubled over the last two years <sup>(a)</sup>

Historical dominance of independent retailers

Supermarkets are becoming increasingly important

Wider range of organic products becoming available, e.g. cosmetics



# Division Overview – Organic Products

Vertically integrated supplier of organic produce

- Production
- Wholesale/distribution
- Retail

Sales focused in home market (Greece)

Strong relationships across a broad network of producers

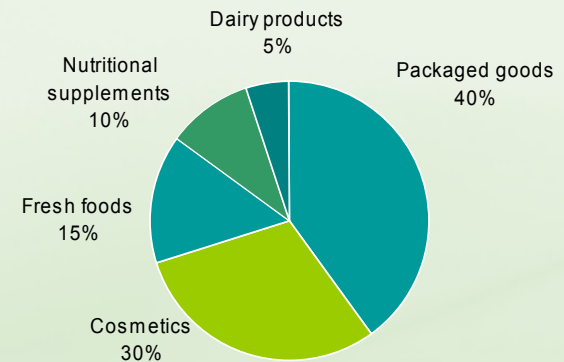
Products available to over 200 points of sale

Strong brand through network of 14 “Organic Cycle” retail outlets

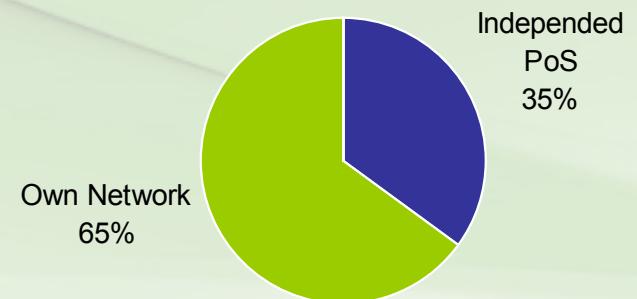
Footprint in retail delivers synergies across all Alapis divisions

FY 2007 Revenues: € 14.8 m

by product



by network



# Production Facilities

## Non-Healthcare Division

### Detergent & Cosmetics

#### **Atalanti:**

Production Capacity:

100,000 tons Liquid Detergents,  
100,000 tons Detergents Powder,  
25,000 tones Raw Material  
50% capacity utilization



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

Production Capacity: 60,000  
tons of chemical raw materials  
and liquid detergents  
Storing capacity: 1,000 m<sup>3</sup>



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

Production Capacity:  
50,000 tons Liquid Detergents,  
50,000 tons Detergents Power

### Organic Products

**Varda, Iliia:** Production and standardization  
unit

**Egaleo, Attica:** Storehouse - logistics



# Business Strategy

## Healthcare Division

### Human Health

- Expansion of generic products portfolio
- Cross-selling opportunities
- Expansion in SE Europe
- Vertical integration to fuel economies of scale
- Consolidation of the market
- Investment in newly acquired assets

### Veterinary Pharmaceuticals & Animal products

- Product range enlargement (own branded products)
- Contract manufacturing for multinationals
- Expansion in Southeastern Europe – manufacturing capabilities
- Investments in working capital and maintenance capex

## Non-Healthcare Division

### Organic Products

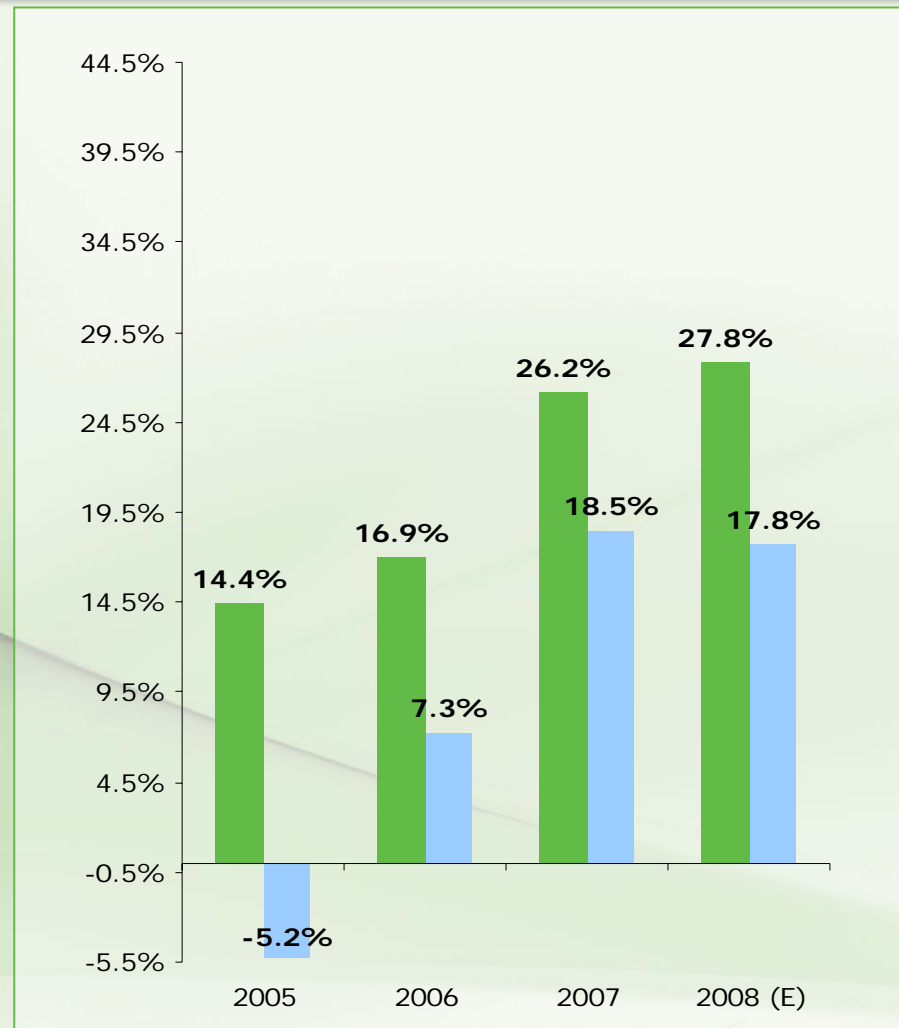
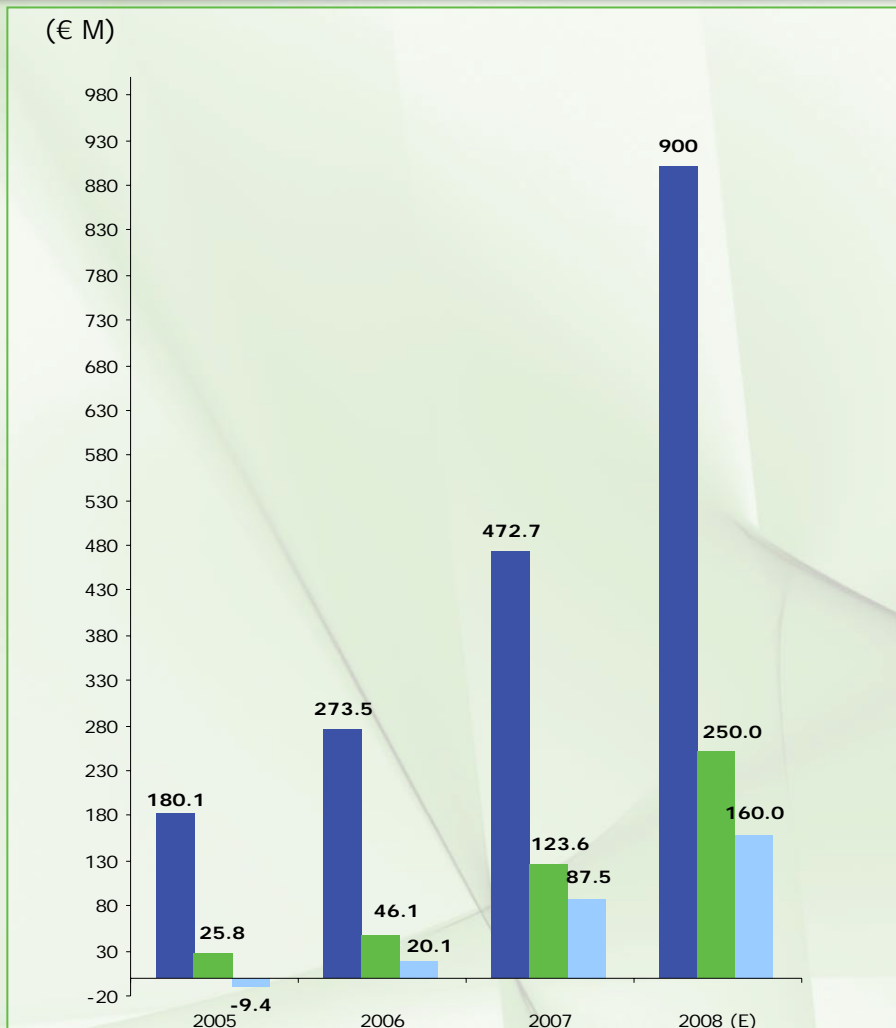
- Increasing health awareness in Greece
- Distribution synergies - Alternative distribution network for OTC drugs in case of Greek pharma market liberalization
- Increasing importance of supermarkets

### Detergents & Cosmetics

- Import substitution
- Further expansion into private label products
- Build-up of distribution infrastructure to follow existing customers in region

# Financials

# Consolidated FY Financial Results & Profit Margins-(Pro Forma)



■ Revenue

■ EBITDA

■ EAT

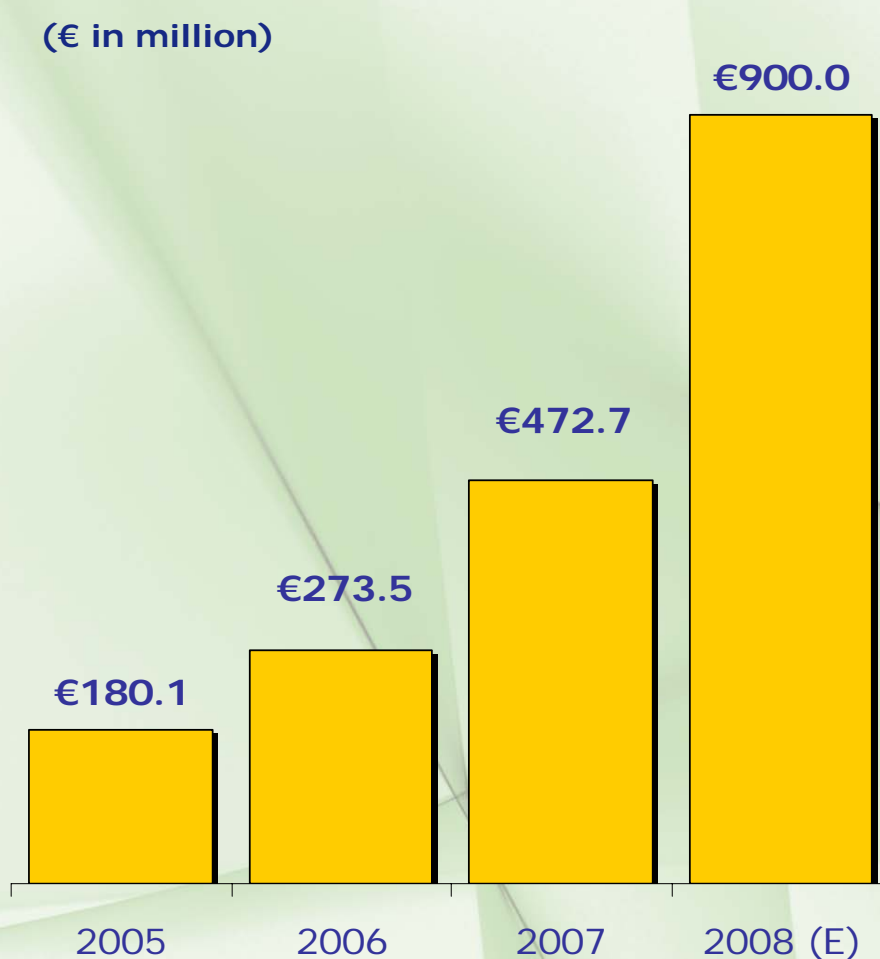
**ALAPIS**

Note: Alapis pro forma IFRS financial information for 2005, 2006, 2007. For 2008 company's estimations

# Revenues & EBITDA Trend 2005 - 2008

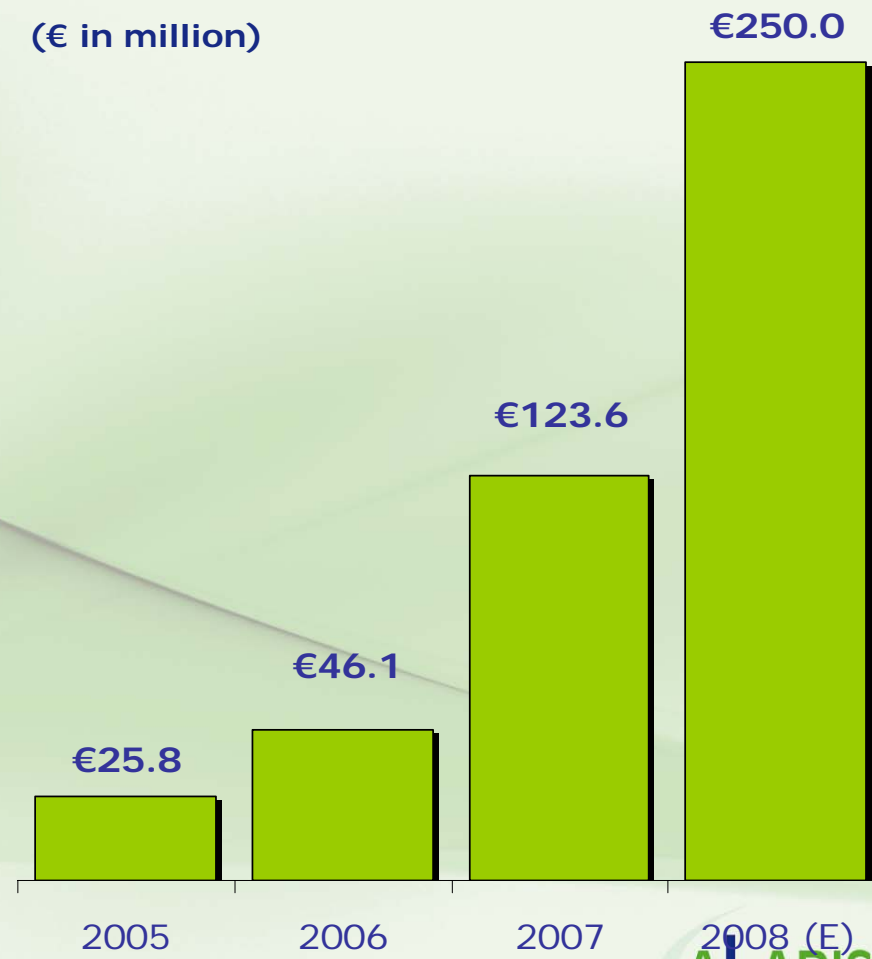
## Revenues

(€ in million)



## EBITDA

(€ in million)

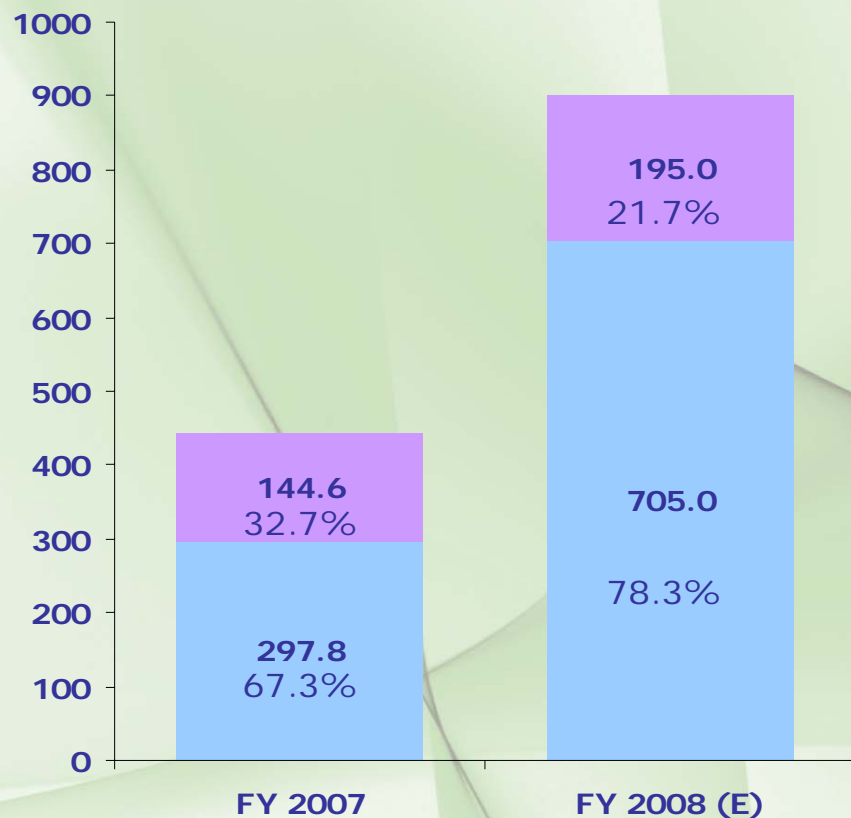


Source: 2005, 2006 and 2007 pro forma IFRS financial information / 2008 company's estimations

# Breakdown by Business – FY'07

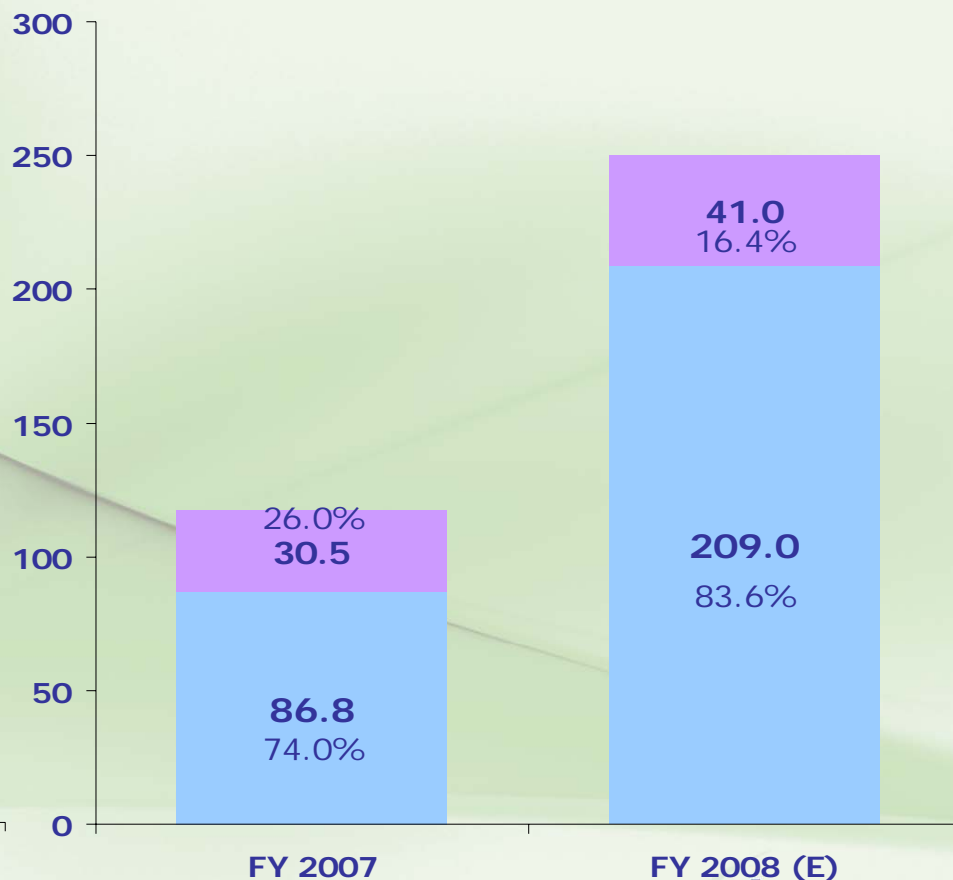
## REVENUES

(€ in million)



## EBITDA

(€ in million)



Healthcare

Non-healthcare

ALAPIS



# Financial Highlights – Balance Sheet

	Pro forma	
(€ in million)	2006 <sup>(a)</sup>	FY'07
Cash	17.4	318.0
Current Assets <sup>(b)</sup>	156.9	517.8
Tangible Assets	176.6	511.7
Total Assets	985.0	1,825.7
Current Liabilities	129.8	118.2
Total Debt	128.4	214.8
Other Long-Term Liabilities	14.9	20.6
Shareholders' Equity	738.1	1,610.9
Total Liabilities & Shareholders' Equity	985.0	1,825.7

(a) Pro forma 2006 IFRS financial information as per Company reported financial information

(b) Including cash

# Key Consolidated figures & ratios

		2005	2006	2007	2008(E)
SALES	(000. €)	180,120	273,457	472,746	900,000
EBITDA	(000. €)	25,847	46,107	123,644	250,000
EAT&MIN	(000. €)	-9,399	20,095	87,465	160,000
B.V.	(000. €)	173,091	738,131	1,610,953	1,648,422
EPS	¢	-0.01	0.02	0.09	0.16
P/E	x	n/a	101.99	23.43	12.81
P/BV	x	11.84	2.78	1.27	1.24
P/SALES	x	11.38	7.49	4.34	2.28
EV/EBITDA	x	82.82	46.86	14.74	7.29
DEPT/ EQUITY	x	1.05	0.33	0.13	0.15
ROE	%	n/a	2.7%	5.4%	9.7%

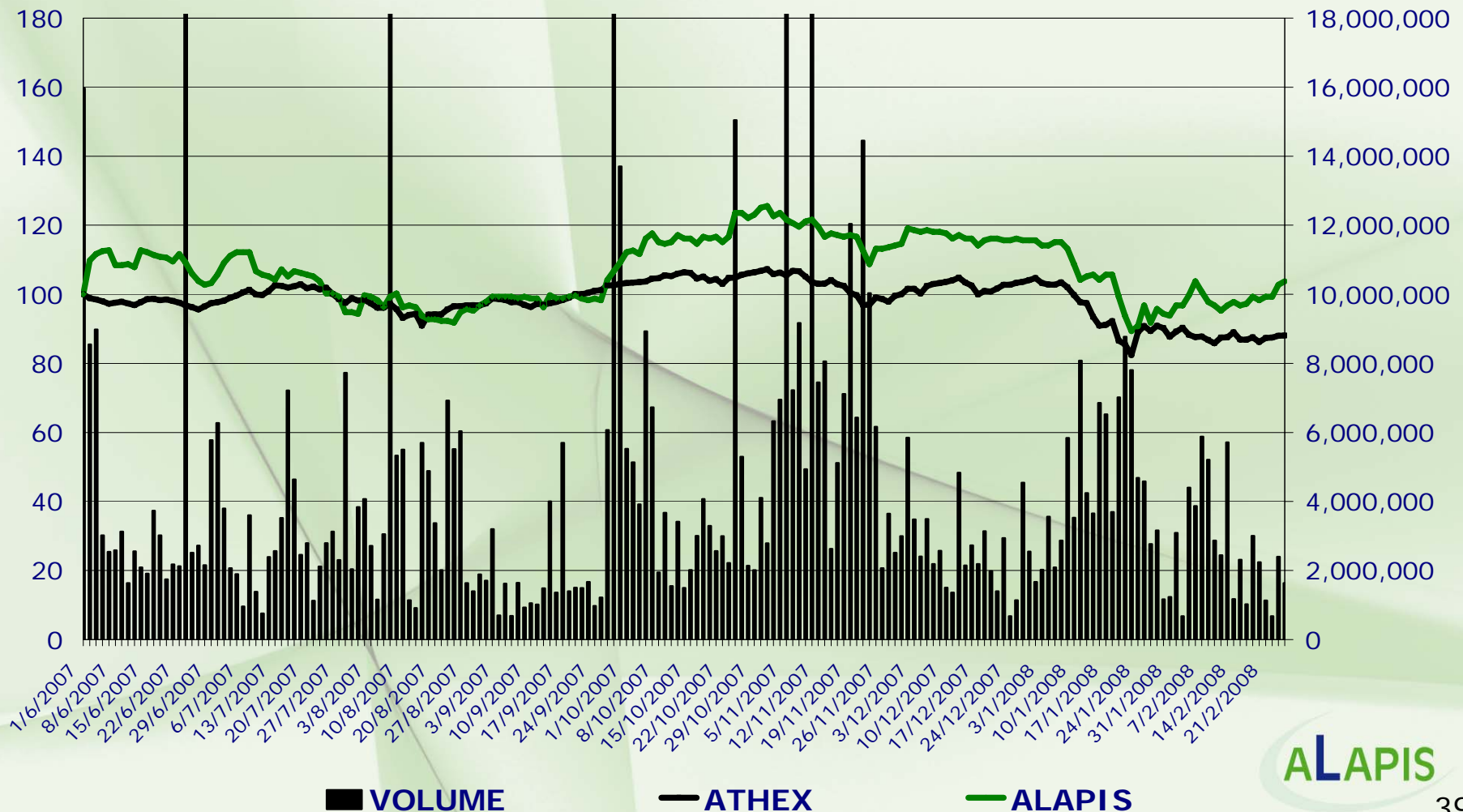
Pro Forma Figures

Share price € 2.09 (26/02/2008)

Investment ratios computed with number of shares 980,600,220.

# Share Evolution

## ALAPIS S.A. vs ATHEX



# Equity listing details

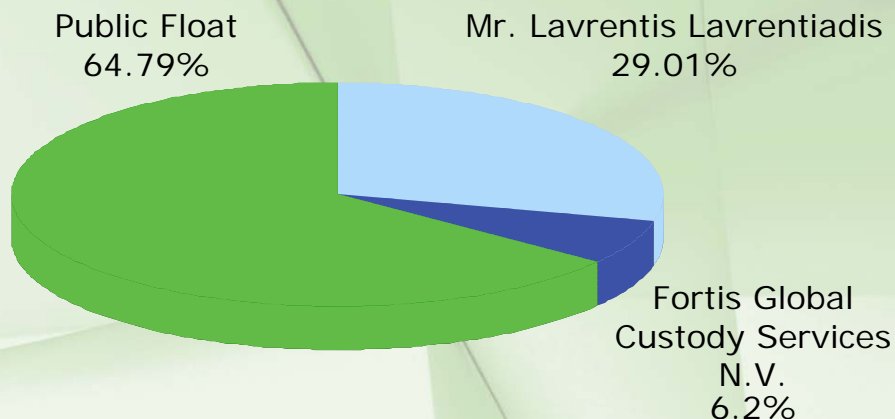
## Trading Symbols

<b>ATHEX</b>	<b>ALAPIS</b>
<b>Reuters</b>	<b>ALAr.AT</b>
<b>Bloomberg</b>	<b>ALAPIS GA</b>

## Share price and capitalization

Traded in the ATHEX as <b>ALAPIS</b> after the merger	<b>01/06/2007</b>
Listed in ATHEX (ex-Veterin)	<b>2003</b>
<b>Outstanding Shares</b>	<b>980,600,220</b>
<b>Market Cap (26/02/2008)</b>	<b>€ 2,049.5 Mio</b>

## Shareholder Structure



## Participation in Indexes

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

# Key Investment Highlights



# Contacts

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