



OlainFarm

Webinar Presentation 2nd quarter and 6 months of 2013

September 10, 2013





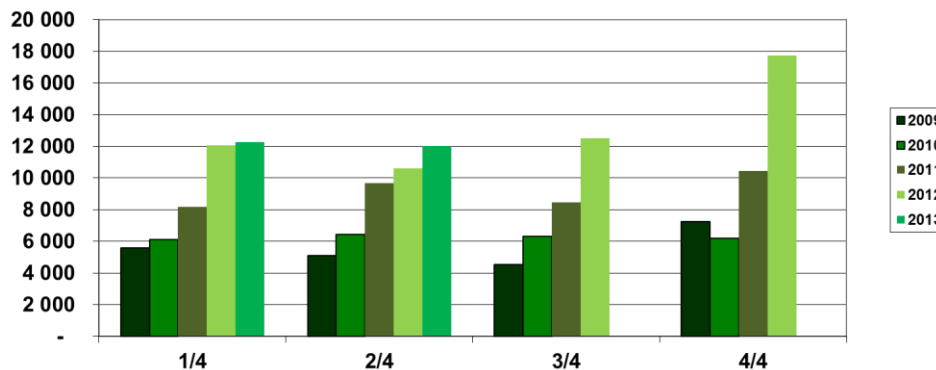
2nd Quarter

Sales in 2nd Quarter

Yet Another Record

- Sales worth more than 12 million lats (17 million euros), an increase by 13%
- About 2.3 million lats are sales by pharmacies, increase by 47%;
- Again, the best second quarter so far;
- 2nd and 3rd quarters traditionally lower than 1st and 4th due to seasonality.

Sales by Quarters Thsnd. LVL

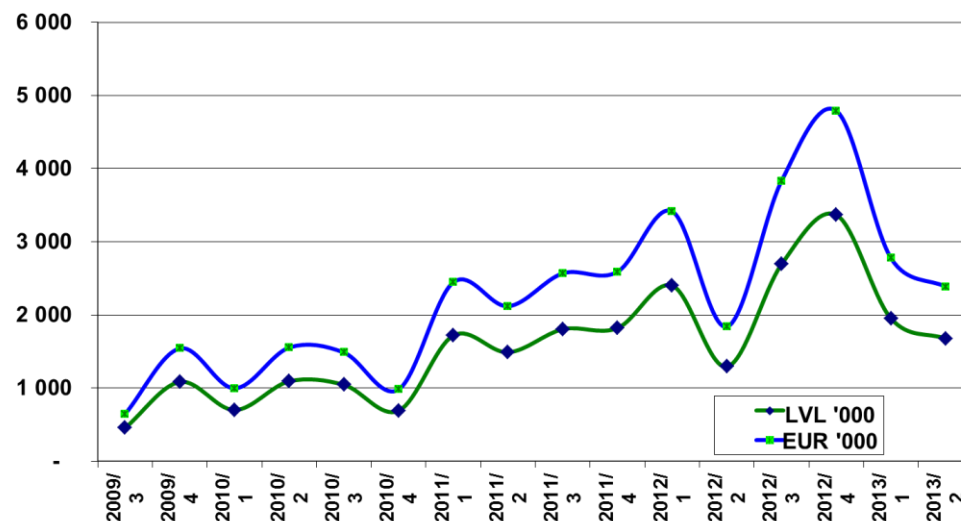


Profit of 2nd Quarter

Record Despite Issues

- Preliminary at 1.67 million lats (2,3 million euros), an increase by 28%;
- Best Q2 ever;
- Negative Russian rouble fluctuations took about 0.4 m LVL from profit of Q2;

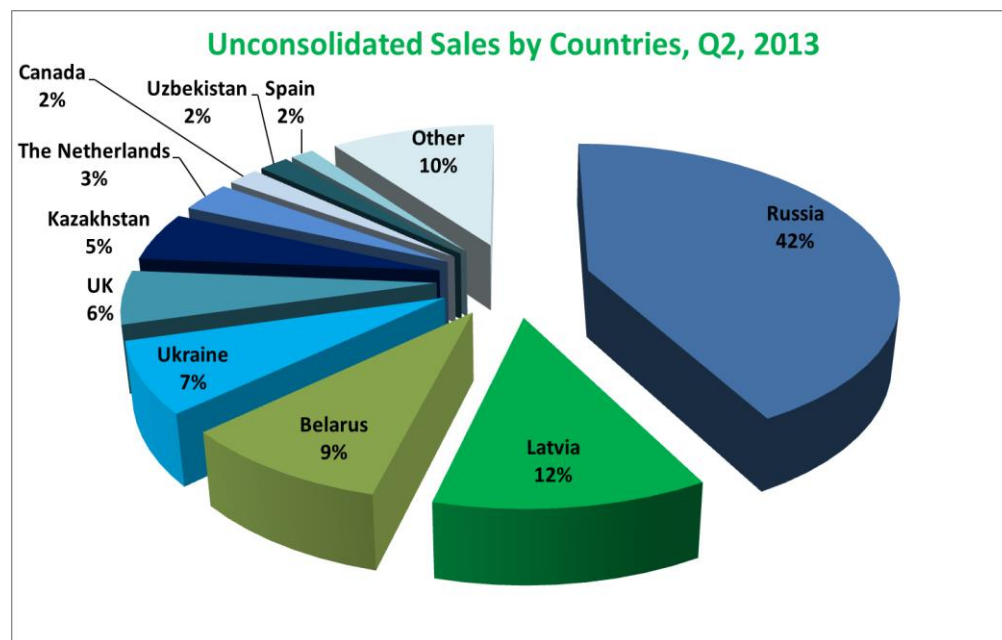
Profit by Quarters



Sales by Countries, Q2

The Netherlands Among Key Markets

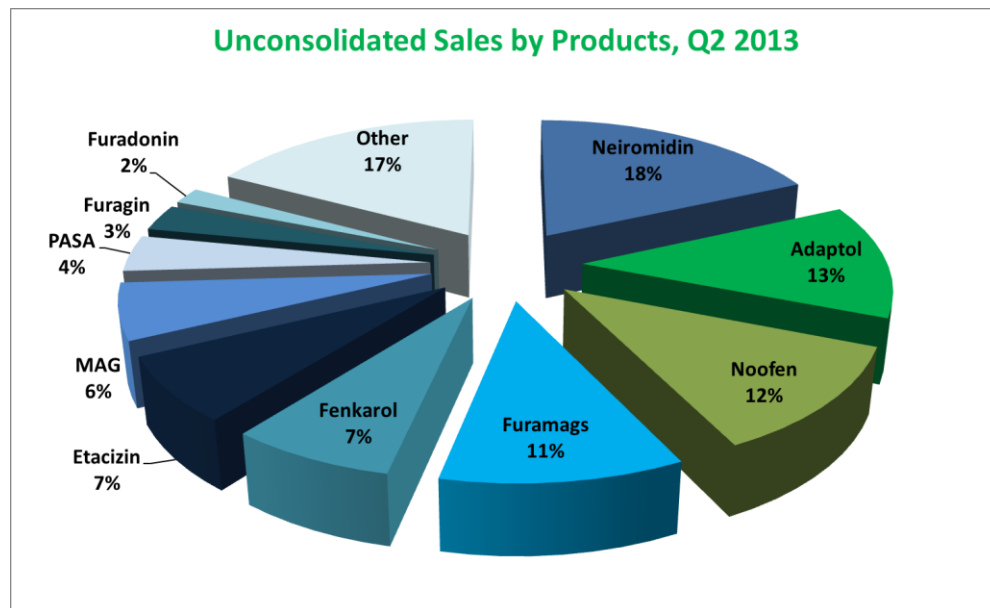
- Good performance in all key markets, except Ukraine;
- Russia's share up to 42% from 38%, UK down to 6% from 11%;
- Particularly good performance in The Netherlands and Spain in Q2 ;



Sales by Products, Q2

2nd Tier Catching up

- Still a good diversity;
- Neiromidin down to 18%, with a good growth in total sales;
- Remantadin out of top 10, PASA in;
- Others reached 17%





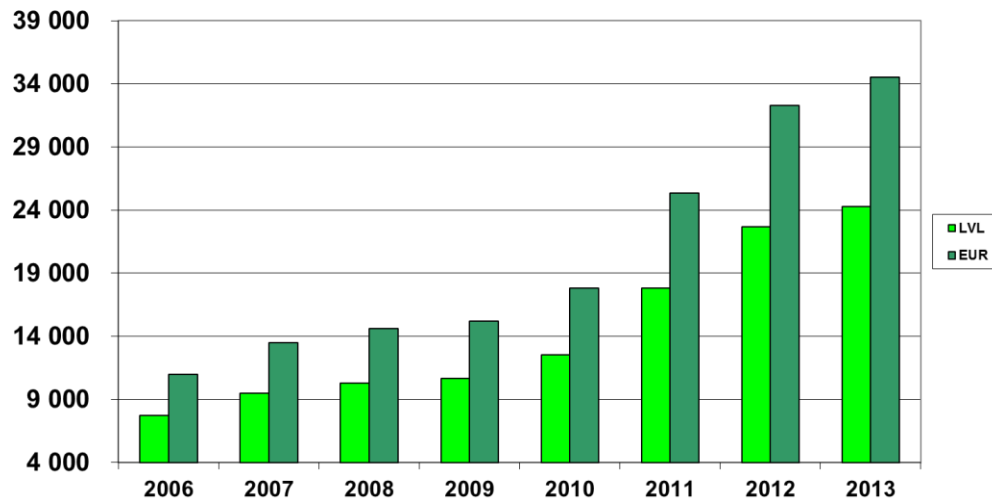
6 months

Sales in 6 Months

It's a Record Again

- Sales worth 24.3 million lats (34.6 million euros), or 7% higher than last year;
- Of this about 3.3 million lats are net sales by pharmacies;
- Again - the best first six months so far;
- Achieved despite the fact that 4 out of 6 months Ukrainian sales were absent.

6 Months Sales, Thsnd .

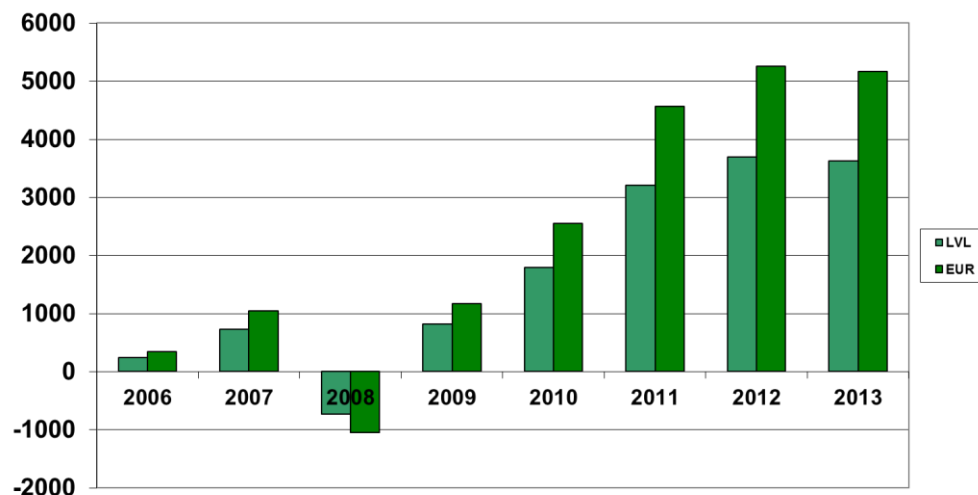


Profit of 6 Months

Keeps Increasing

- Preliminary at 3.6 million lats (5.2 million euros);
- Q2 hit by rouble fluctuations;
- By 1,8% smaller than in 2012;
- Rouble fluctuations of Q1 and Q2 are levelling out;
- Yet again – best so far;
- About a third of annual target met, best months are still to come.

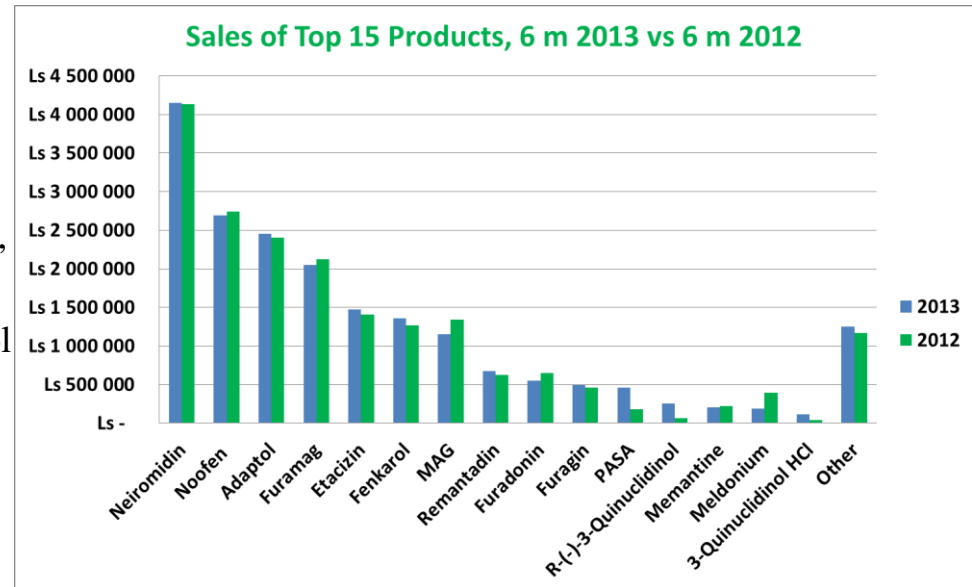
Six Months Profit, Thsnd.



Growth Drivers: Products

It's About Even

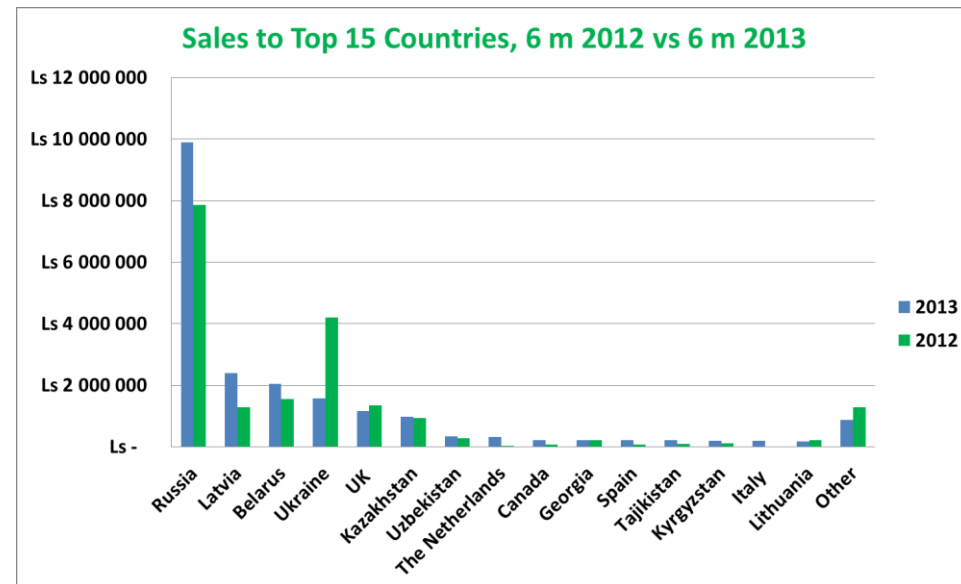
- 9 out of 15 are growing;
- Almost all the products are close to last years level, with virtually 0 sales to Ukraine;
- Our «chemical» effort rewarded by 3-Quinuclidinol HCl entering top 15.



Growth Drivers: Countries

Ukraine Spoils the Party

- 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

Preparing for the Leap

- Almost 71% purchased in Silvanols, a lot of emphasis on facilitating its exports. First news might come this year;
- Dividends paid on June 25th;
- In July unconsolidated sales down 9 %, 7 months on 7 months 4% growth, consolidated sales in July decreased by 5% to 3.9 million lats, 7 months consolidated sales demonstrate 5% growth.
- Due to significant recent Russian rouble fluctuations, price re-negotiations underway in Russia.

Sales and Profit Target Considerations

Too Early to Call

- Sales target very close to plan (about 50% in 7 months);
- Profit target more behind schedule (32% in 6 months);
- Although minor, but growth has been achieved with Ukrainian sales virtually absent;
- In 2012 even less than a third of final net profit was achieved in first six months;
- The final outcome of bottomline will depend on development of Ukrainian sales.

In Focus: Sales to Ukraine

Much Depends on it

- Due to regulatory issues significant overshipment has been done in Q4 2012;
- According to estimates, products worth more than 3 million lats have been shipped in advance;
- Virtually no sales to Ukraine in February through May;
- For three months now Ukraine is back to normal sales levels of about 1 million EUR per month;
- Should the trend continue, management feels that it is realistic to meet sales and profit targets.





A Topic for Debate

A Stock-Split!

How About That Now?

- One share of Olainfarm currently is one of the most expensive ones in Baltic Market;
- With everything else unchanged, after Latvia joins Euro zone, the share price will be slightly above 7 EUR, with expected further growth;
- Olainfarm has a broad retail investor base;
- Board is considering a tenfold stock split, leading to
 - 140 850 780 shares;
 - Face value of LVL 0,1 (EUR 0,14)
 - Market value (same conditions) of about 0,7 EUR
- What is your opinion?

Questions and Answers

Are always welcome

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Thank you!

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