

Gerresheimer  
CAPITAL MARKETS DAY 2010

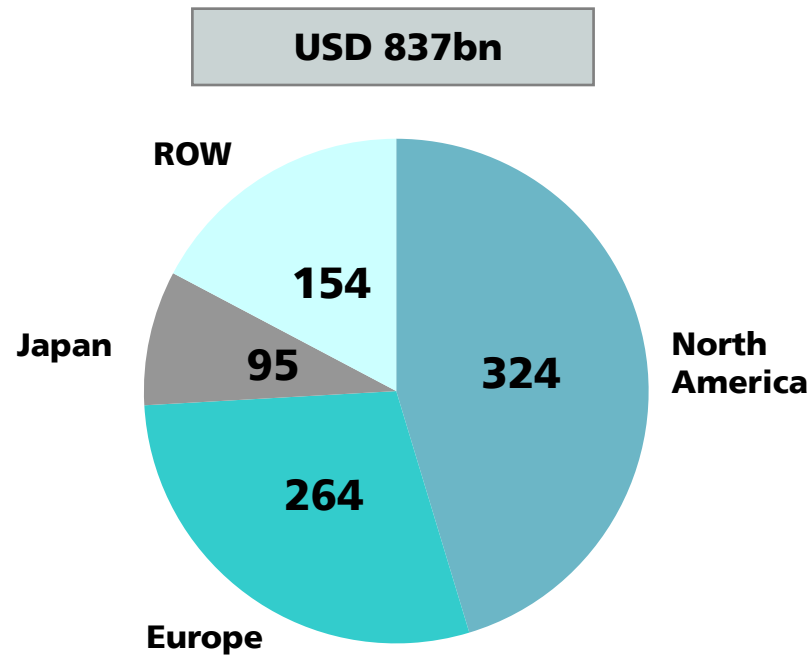
**Our Markets**

September 1, 2010

Uwe Röhrhoff, CEO

**The pharma market continues to be attractive due to solid fundamental growth drivers**

**Global pharmaceutical sales 2009**

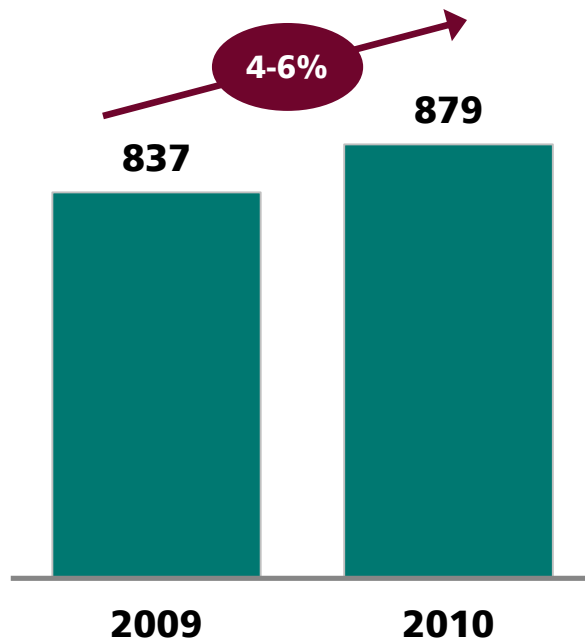


**Key growth drivers:**

- Growing and aging population
- Expanded access to healthcare, especially in emerging countries
- Drug innovation
- New therapeutic areas
- Generics

## Global market growth rates in transition year 2010

### Global pharma market (USD bn)



Source: IMS Health

### Growth rate by region 2009-2010

- North America: 4-6%
- Europe: 4-6%
- Japan: 0-2%
- Asia: 13-15%
- Latin America: 10-12%

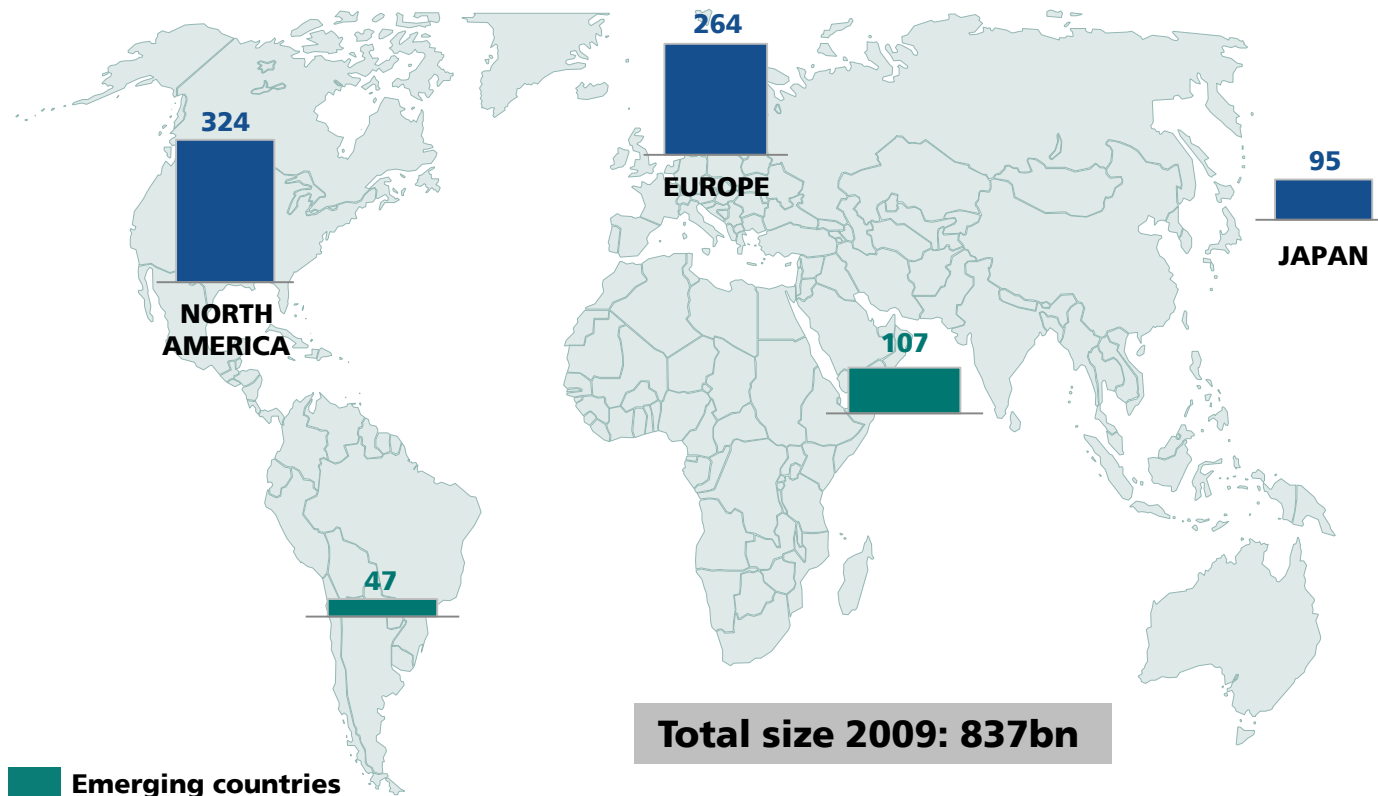
## Four important pharma trends

- 1 Shift in regional growth patterns
- 2 Different size and growth rates of disease patterns
- 3 Trend towards genericization
- 4 Growing power of payers

1 Different regional growth patterns

North America and Europe still most important markets

Pharmaceutical market size 2009 (USD bn)



Source: IMS Health

**1** Different regional growth patterns**North America and Europe are the most demanding markets for their suppliers****Market trends:**

- New sophisticated therapies with specialized packaging needs
- Upgraded government standards regarding safety, unit dose, quality and anti-counterfeit packaging

**Implications for Gerresheimer:**

- Highest standard of quality and service essential
- Joint development of new products with customer requested
- Investments to approach 0-defect quality levels indispensable

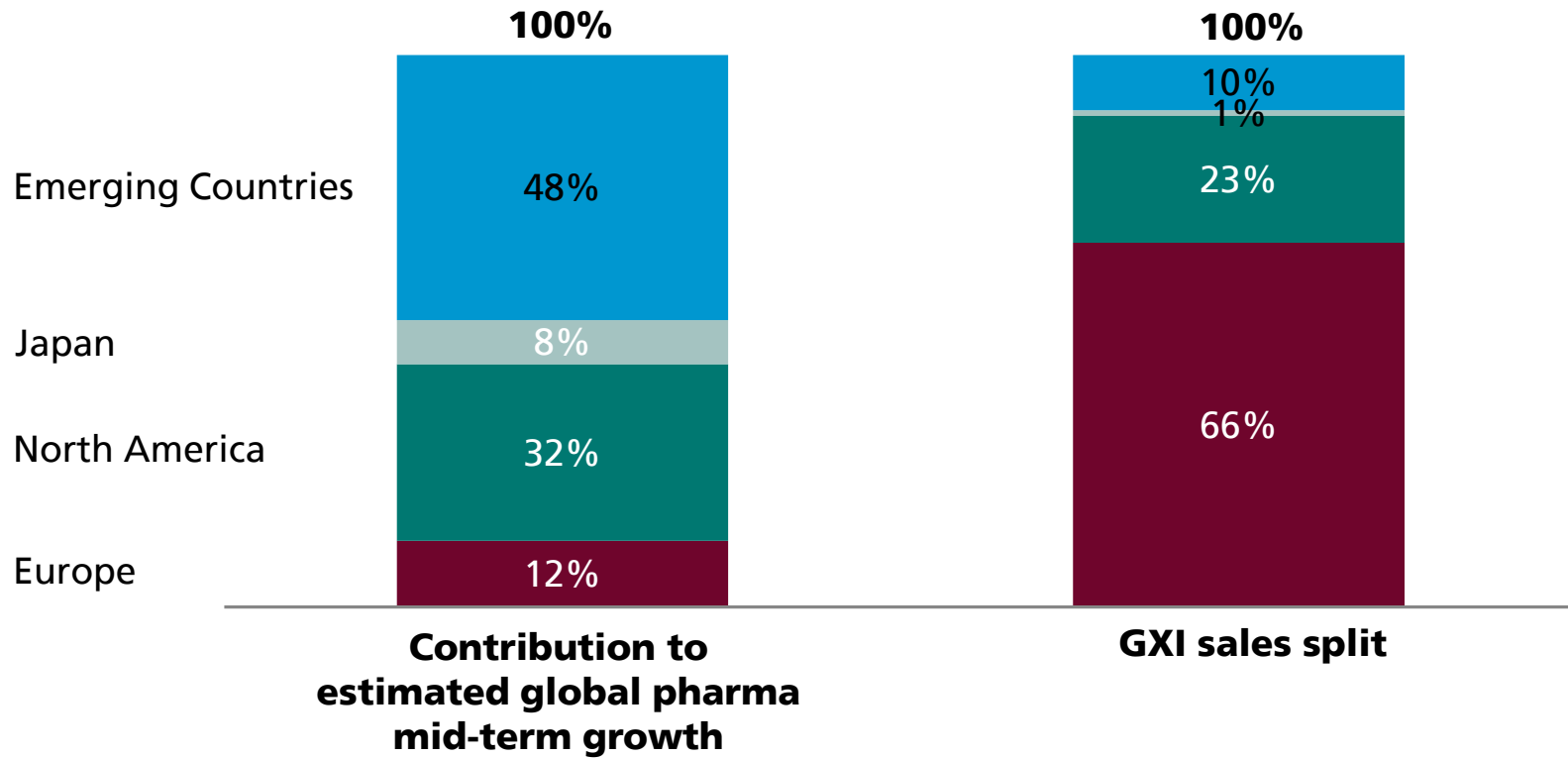
**Gerresheimer presence in North America and Europe:**

- 89% of revenues: Europe and North America are most important markets
- 28 plants with 6,916 employees

1 Different regional growth patterns

Emerging markets will be key growth drivers

Contribution to global pharma growth



Source: IMS Health

**1** Different regional growth patterns

## Pharma companies are expanding rapidly into emerging markets

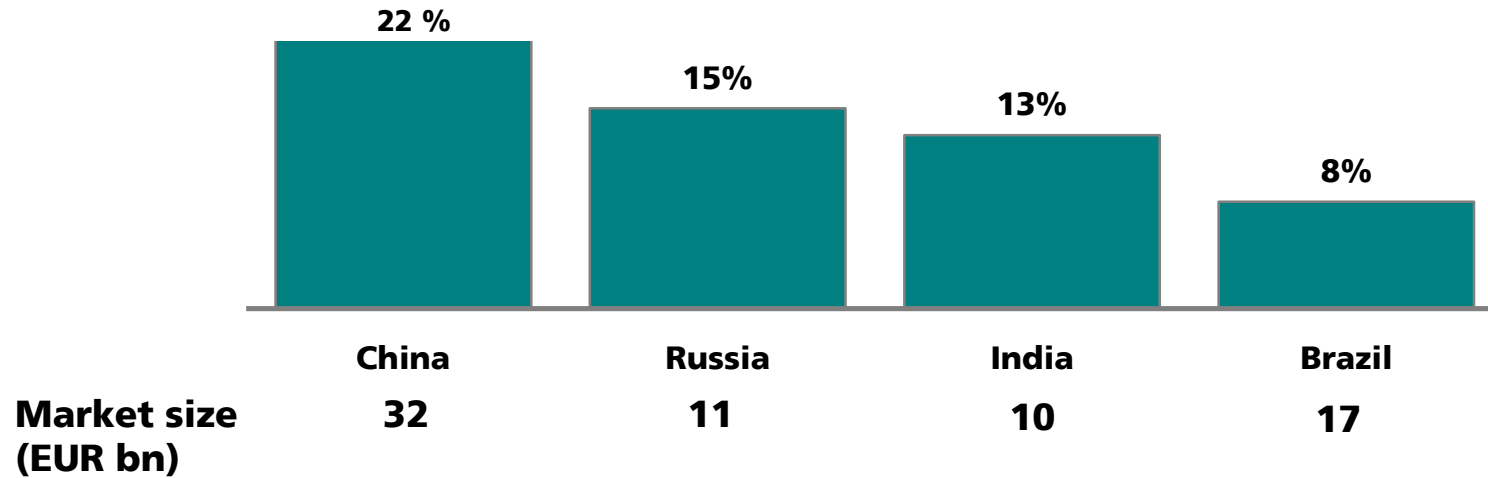
Country	Company	Comment
<b>Recent plant openings:</b>		
China	Novartis	2009: Plant + R&D center
China	Novo Nordisk	2008: Insulin plant
China	Roche	2007: R&D center
Brazil	Novo Nordisk	2007: Insulin plant
<b>Recent M&amp;A activities:</b>		
India	Abbott	May 10: Acquisition of Piramal Health
India	Pfizer	Mar 10: License & supply agreement with Strides Arcolab
Korea	GSK	May 10: Alliance with Dong-A Pharmaceuticals
China	AstraZeneca	Mar 10: License & supply agreement with Torrent
India	Hospira	Mar 10: Completion of Orchid acquisition
China	Hospira	Nov 09: Zhenjiang Tianyuan (vaccines)



**1** Different regional growth patterns

**High pharmaceutical market growth rates in BRIC countries**

**BRIC markets: growth and size**



- Gerresheimer already with strong manufacturing positions in China and Brazil
- Gerresheimer with established sales offices in Russia and new offices in India

Source: IMS Health

**1** Different regional growth patterns**Gerresheimer already with sizeable local production outside North America and Europe****Market trends:**

- Extensive programs to upgrade quality of locally produced drugs
- Rapidly expanding pharma manufacturing capabilities

**Implications for Gerresheimer:**

- Focus on primary pharma packaging
- Sales offices first step for manufacturing plants
- Medium quality level of products and technology
- Limited capex required in the next years

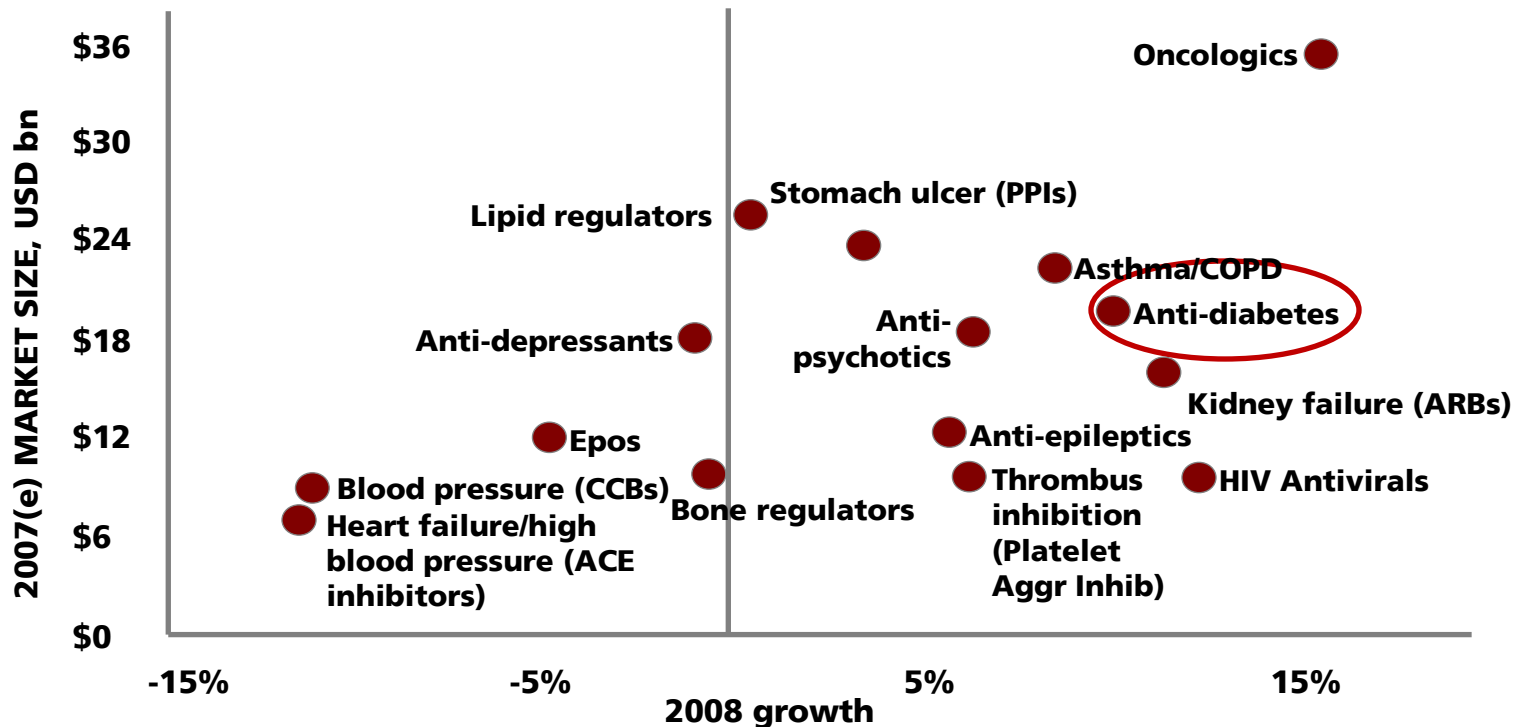
**Gerresheimer presence outside North America and Europe:**

- 11% of revenues
- 12 plants with 2,547 employees

2 Different size and growth rates of disease patterns

GXI supplies packaging for all kinds of drugs; however, the diabetes markets are of particular interest

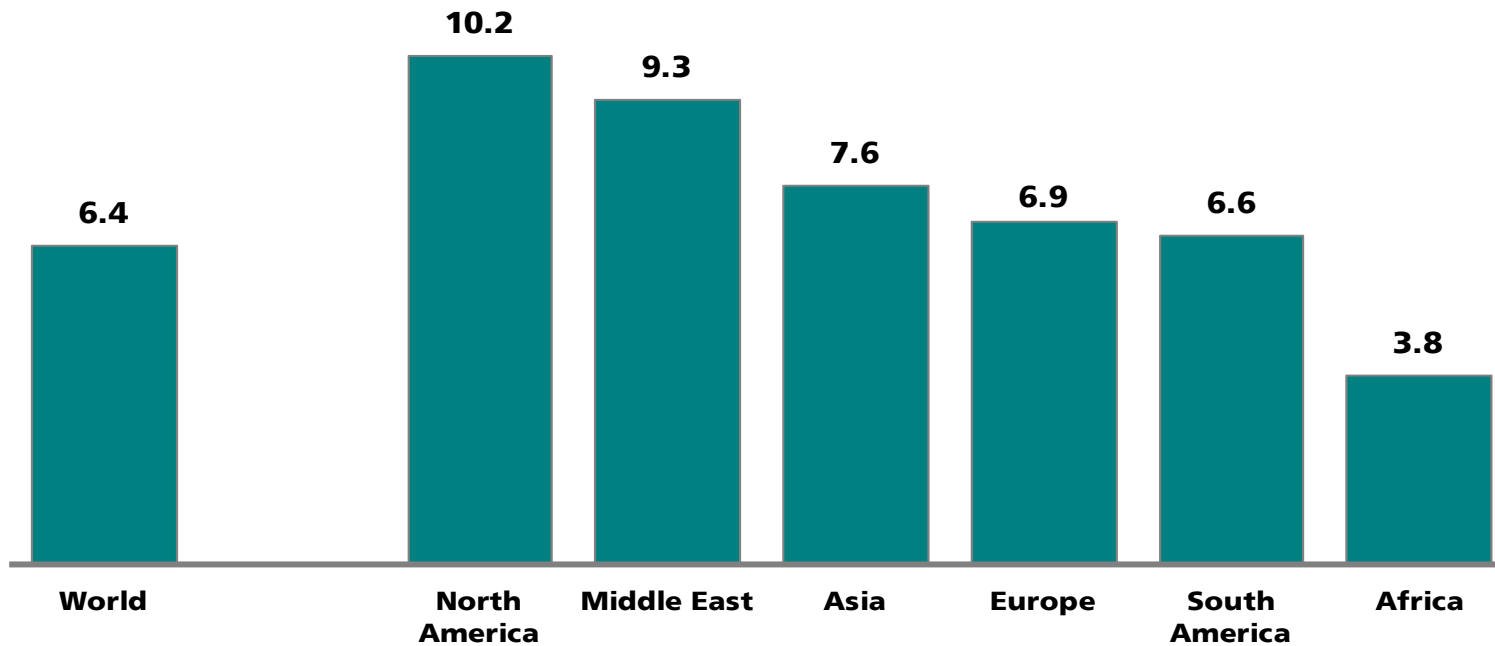
Assessment of selected indications



Source: IMS Health

**2** Different size and growth rates of disease patterns**Strongest prevalence of diabetes in North America**

Prevalence estimates of diabetes mellitus worldwide  
(in % of adult population 2010<sup>1</sup>)



<sup>1</sup> Refers to population ages between 20-79 years  
Source: International Diabetes Federation; IDF Diabetes Atlas 2010

## Facts diabetes

### **Background diabetes disease:**

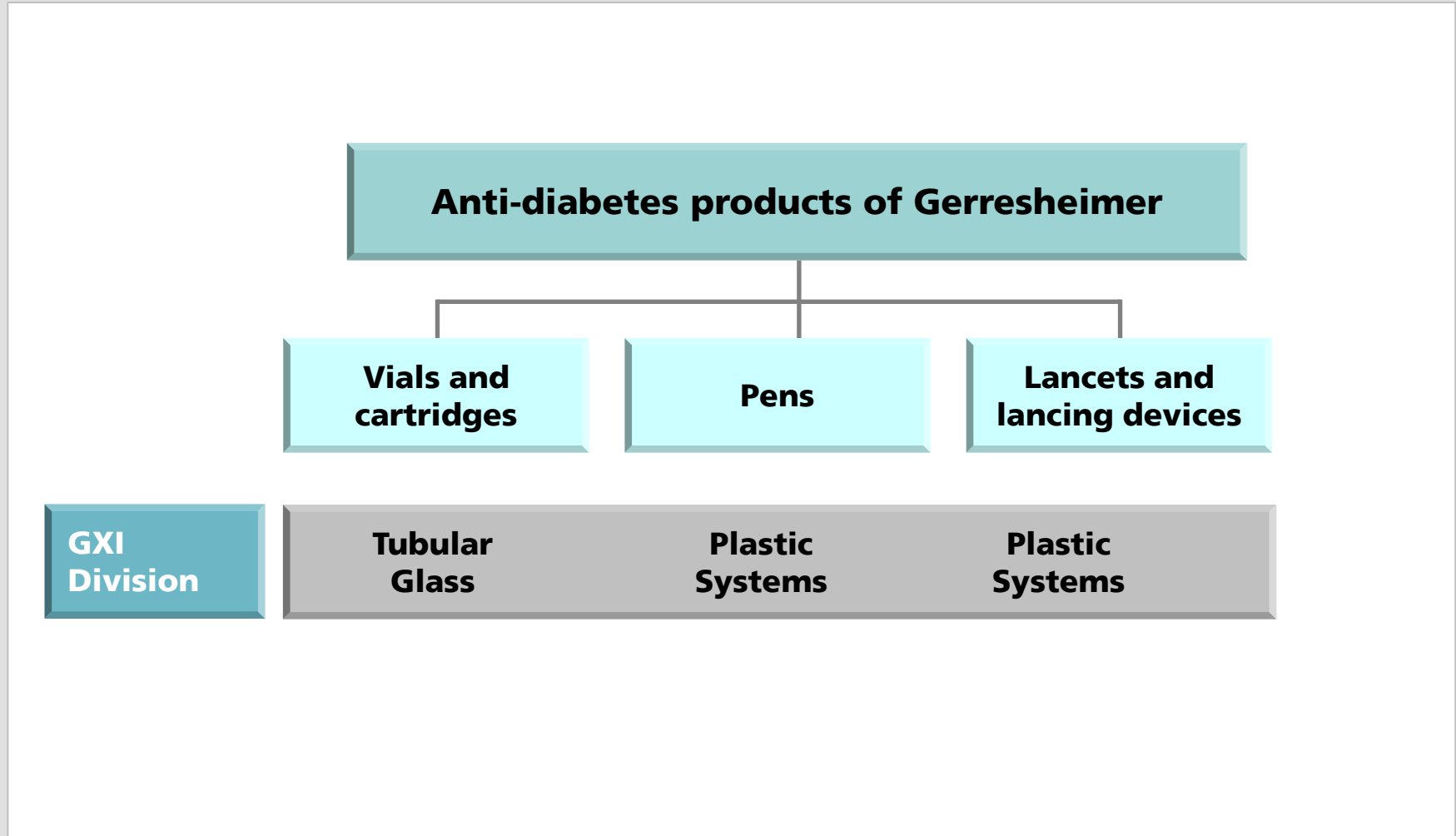
- Number of persons concerned estimated to be 350m by 2025
- 50% of people with diabetes have not been diagnosed or treated
- Main reasons for increase in diabetes prevalence are behavioural patterns such as limited physical activity and malnutrition
  - Around 90% of diabetes is type 2 diabetes

### **Major pharma companies involved in diabetes diagnosis and treatment:**

- Insulin producers: Novo Nordisk, Eli Lilly, Sanofi-Aventis
- Manufacturers of diagnosis equipment: Roche, Abbott, Bayer, J&J

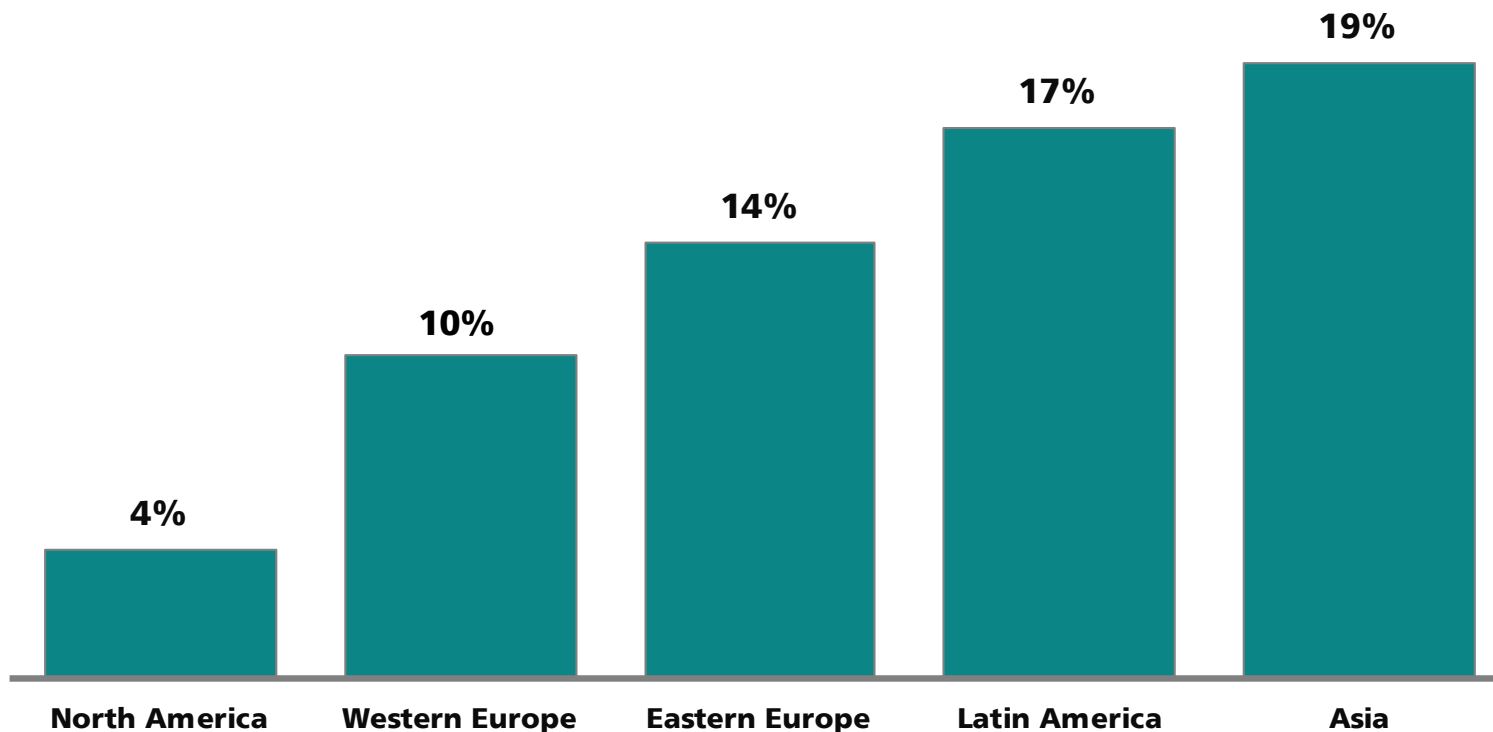
**2** Different size and growth rates of disease patterns

**Gerresheimer is the only pharma & healthcare supplier to offer a broad range of anti-diabetes products**



## Generics are growing faster in emerging countries

### Forecasted generic market growth by regions (CAGR 2010-2012)



Source: Datamonitor

## Gerresheimer provides an attractive offering to generics companies

- Access to customers and regional presence essential
  - Local: Hospira, Gland, Aurobindo, Ranbaxy, Shangzou (extract)
  - Global: Teva, Novartis (extract)
- Value proposition for generics industry
  - Regional manufacturing capabilities
  - Fit-for-use quality
  - Excellent cost position



## Challenges for the pharma industry

- Price pressure on existing drugs
  - Rebate contracts
  - Drug price control
- New drugs have to prove effectiveness
  - Cost effectiveness
  - Intelligent, user-friendly device offering (convenience)
  - Compliance
- Packaging allows for differentiation and provides added value in terms of compliance and convenience

## Added value through innovation

### ■ Compliance:

- Product traceability
- Safety devices for syringes (TELC, TERN, backstop)
- Compliance aid device for Duma Twist-Off

### ■ Convenience:

- Home medication e.g. RTF® syringes, pen systems
- Foolproof and painless: lancing devices
- Dose counter e.g. for inhalers or pens



## Gerresheimer's strategy

### Organic growth

- Base growth: existing customers and regions
- New products for existing customers
- New regions and customers

### Growth through acquisitions

- Extension of product offerings/technology
- Extension of geographic footprint
- Consolidation/scale

- Pharma & Healthcare
- Global market leadership positions