

type of report	Current report
number	16/2012
company	PHARMENA

Updated Company's Strategy for 2012-2015

The Management Board of Pharmena S.A. informs that on 13th April 2012, the Supervisory Board of Pharmena S.A. adopted a resolution on the approval of the updated strategy of the Company for 2012-2015.

In accordance with the updated strategy, the Company's activity will encompass three areas, i.e. clinical research on innovative anti-atherosclerotic medicinal product, production of innovative dermatological cosmetics and production of innovative dietary supplement used for special nutritional needs in the prevention of atherosclerosis. The introduction to the market of dietary supplements will enable obtaining additional and significant revenue from the use of 1-MNA active substance. The realisation of the updated strategy of the Company is to make a dynamic increase of sales revenue possible.

In the sphere of its dermatological cosmetics, the Company intends to double its revenue by 2015. In order to deliver this goal, the Company will expand the distribution of its products to new pharmaceutical wholesalers, pharmacy stores, as well as by employing a new channel of distribution i.e. health and beauty retail chain stores. The Company will, at the same time, enhance its product offer. Only in 2012, the Company plans to introduce 9 new products into the market. Also, in second half of the 2012, in order to complete its offer, the Company intends to place on the market an innovative dietary supplement in capsules – Dermena Complex which reduces hair loss. The market of dietary supplements in category "Hair, skin, and nails" was estimated at 76 million PLN in 2010 (according to IMS). It is the Company's objective to reach 10% market share within 2-3 years from the introduction of the product. Also, the new strategy of the Company is to enable an increase of return on sales by 76% in 2015, which will significantly improve financial effectiveness of the business line. According to the adopted strategy, the Company will continue its activity headed for granting license for the sale of its dermatological cosmetics in 15 key markets in Europe and Russia, where the products are protected by patents. The Company plans to grant fist license in 2013.

Placing on the market of the innovative dietary supplement (new foodstuff) based on 1-MNA, which is used to meet special nutritional needs in the prevention of atherosclerosis, will become a new area of the Company's operations. The world market of dietary supplements undergoes a rapid growth, which is caused by healthy lifestyle trends, increased awareness of the need of prevention, and the fact that people live longer and become increasingly prosperous. It is estimated that only in Poland there are 18 million people threatened with atherosclerosis, of which only 8 million is aware of that fact. Atherosclerosis is one of the most significant civilisation diseases, and together with cancer, it is one of the most common causes of death in the world. The market of OTC products in Poland in the category "Heart and vascular system" was estimated at 271 million PLN in 2011 (according to IMS). Within 3 years from the introduction of the product, the Company intends to reach market share of 6%, and eventually of 12%. Also, the Company possesses patent protection of 1-MNA in combination with statins, therefore, a possible decision of regulatory authorities on accepting statins to the market of OTC products (currently Rx medicinal products), will enable the Company to expand the group of its buyers by introducing a product containing both 1-MNA and statin. In Poland the market of Rx medicinal products used for lipid profile (mainly statins) was estimated at 692 million PLN in 2011 (according to IMS) and is still dynamically growing. In 2013, PHARMENA intends to carry out the process of registration of 1-MNA dietary supplement as "new foodstuff" within the application procedure in an EU country of its choice. The Company intends to register the dietary supplement in 2013.

As far as the 1-MNA anti-atherosclerotic medicinal product is concerned, the Company intends to continue clinical trials which are aimed at confirming its efficacy and absence of adverse side effects with increased doses. In the view of the Company, the execution of the aforementioned trials will increase the capacity of the medicinal product's commercialisation among major innovation-led pharmaceutical companies (Big Pharma). In this industry, the most legendary transactions of unique and innovative treatments, being in phase II or post phase II of clinical trials, were concluded between 400-600 million USD. Potential revenue after commercialisation of 1-MNA medicinal product may prove to be very beneficial for the financial results of the Company. An introduction of a medicinal product with beneficial therapeutic properties, however, without side effects which occur in currently available therapies, will surely be a breakthrough in dyslipidemia treatment. Niacin was a first product to correct abnormal lipid profile, but despite its positive influence, it often causes adverse side effects. As a result, a majority of patients discontinues treatment, which in turn lowers that product's potential. So far, various efforts to develop niacin derivatives, which would be side effects free, did not live up to expectations. Therefore, the 1-MNA medicinal product, which offers such possibility, may become a leading treatment on a dozen billion dollars worth cardiovascular market. It is estimated that the niacin and combination therapy market (1-MNA segment) may reach 31% of dyslipidemia market share in 2015. In line with its updated strategy, the Company intends to finance further clinical trials through new issue of shares. The execution of phase II of trials will be possible thanks to the obtained funds. The estimated budget related to the aforementioned trials equals to 5 million USD, and the Company plans to carry them out in Canada.

Disclaimer:

This report is exclusively of informative nature and should not serve as grounds for making investment decisions in the shares of the company Pharmena S.A. during the planned issue of its new series of shares. This report does not constitute public offering of securities.

An Investment memorandum will be the only legally binding document with information on public offering of Pharmena S.A. shares. This document will be prepared with relation to possible offering of Pharmena S.A. shares with no pre-emptive rights and their listing on Alternative Trading System on the NewConnect Market organized by the Warsaw Stock Exchange S.A.

The information is made public due to significant influence of the strategy realisation on the financial and economic situation of the Company in 2012-2015.

Legal basis: Alternative Trading System Rules – Exhibit 3 “Current and Periodical Information in the Alternative Trading System on the NewConnect Market”, Article 3 (1).

Representatives of the company:

- Konrad Palka - President of the Board
- Marzena Wieczorkowska – Vice President of the Board