

Company Presentation 2011

*“ Strategic Focus on
Radiology and Oncology “*

Vienna, April 2011

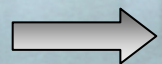
SANOCHEMIA
Pharmazeutika AG

The Specialty Pharma Company

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What does Sanochemia stand for?

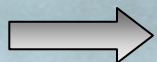
- A proven business model as the key to profitability:
Development / production / marketing and sales of specialty pharmaceuticals
- Market segments with excellent growth and earnings potentials
Specialisation in radiology and oncology
- Top quality, established products in growth markets generating rising cashflows
- An R&D pipeline providing next generation products to broaden the portfolio
- Consolidated sales revenues 2010/2011: approx. €33m, positive EBIT underlined by Q1 results
- Acquisition of Alvetra & Werfft GmbH (veterinary medicine) boosts production, sales revenues of approx. €7m p.a. and positive EBIT



High growth potential accompanied by low risks

Many years of experience in development and production

- HUMAN PHARMACEUTICALS
 - **RADIOLOGY:** Manufacture and global sales of imaging agents
 - **THERAPEUTICS:** Production and international marketing of Viveo® / Agileo® (muscle relaxant)
 - R&D focussed on next-generation products to broaden the portfolio
- PRODUCTION
 - **SYNTHESIS:** Production of premium quality APIs
 - R&D: New synthesis processes for own APIs and galenics for finished products
 - **PHARMACEUTICAL PRODUCTION:** Specialisation in sterile injectables, suspensions and solutions



Strategically and operatively well positioned due to optimal risk/benefit profile

Five-Year Plan:

→ **Radiology**

All efforts focussed on registrations, marketing and sales in order to enter and dominate international, high-margin markets

→ **Tolperisone**

Regulatory filings in our target markets and rapid conclusion of a partnership in the USA in order to carry out the necessary development work in this market

→ **Vidon[®], Secrelux[®] and Cyclolux[®]**

Greater R&D focus on next-generation diagnostic products with considerable market value: Vidon[®] for improved diagnosis of bladder cancer, Secrelux[®] for improved early diagnosis of pancreatic cancer, and Cyclolux[®] for improved MRT diagnostic procedures

→ **API synthesis**

Rapid development of in-house synthesis processes for our APIs in order to reduce dependence on vendors and to increase margins

- **Imaging Agents**

Extensive portfolio of imaging agents

Imaging agents for CT and MR

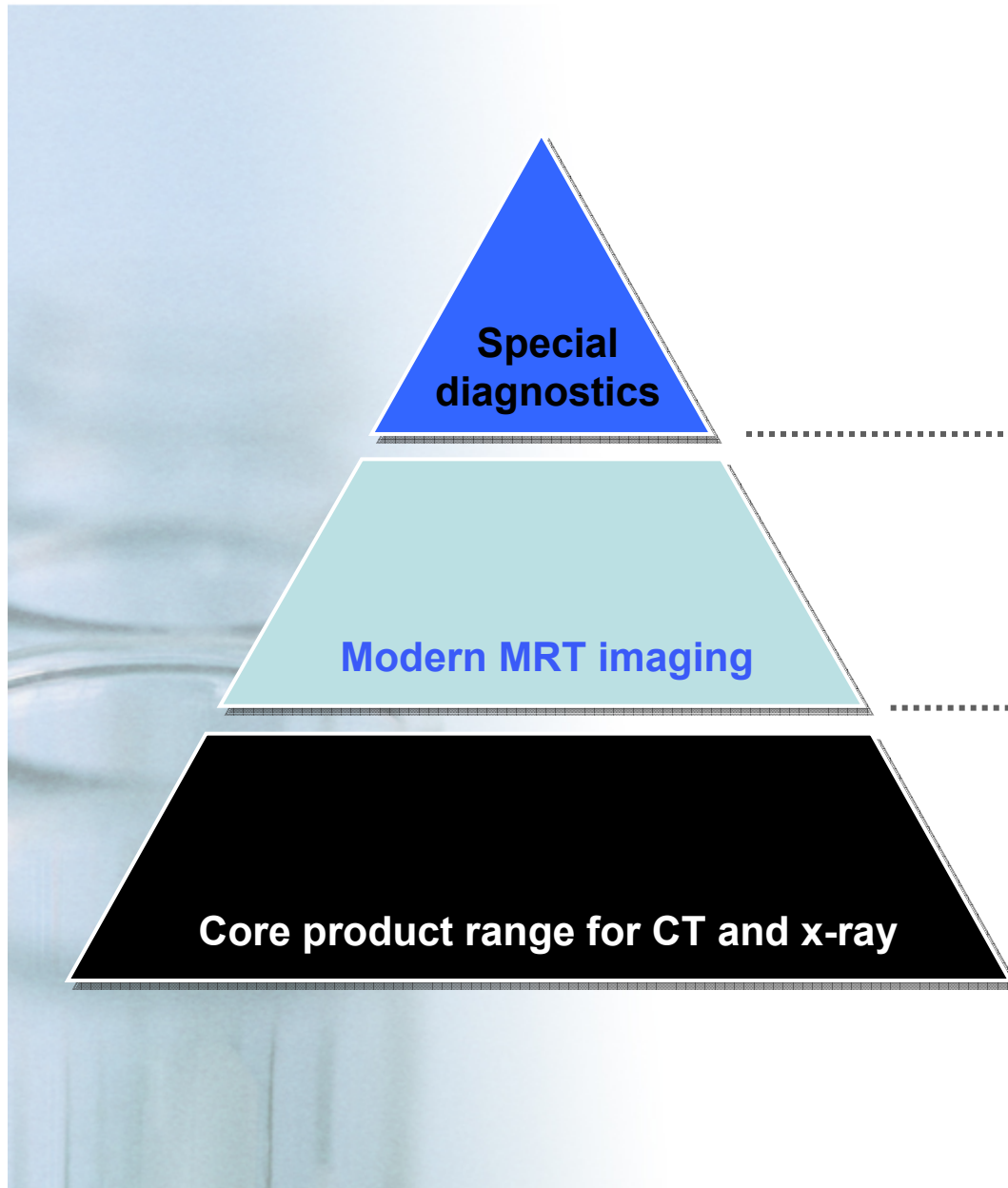
- **Ionic imaging agents**
- **Non-ionic imaging agents**
- **Barium sulphates**
- **MR imaging agents**

Portfolio extension:

- **Oncological Diagnostics**

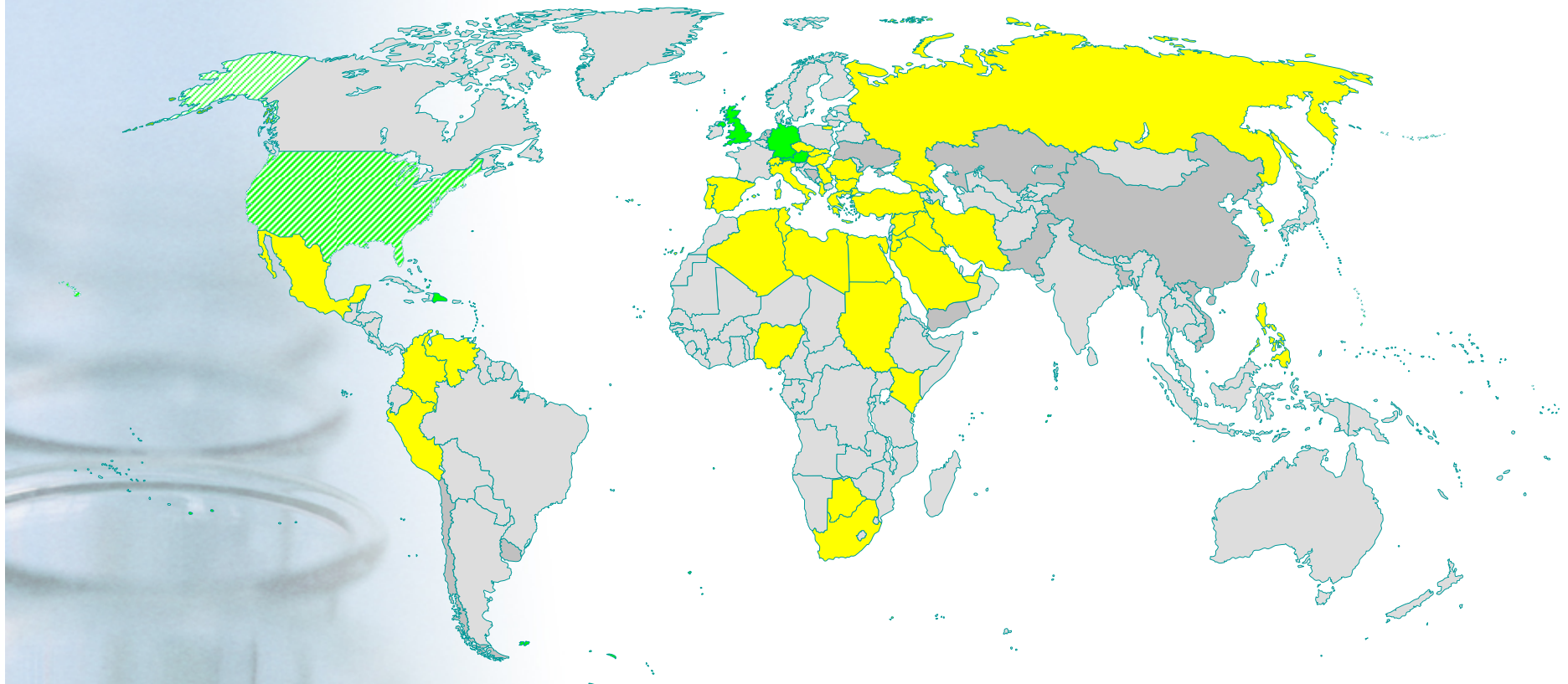
Products on the market!

Development pipeline




- Innovative USP of Sanochemia (Secrelux[®] + Vidon[®])
- Growth market
- Product MR-Lux[®]/Magnetolux[®]
- Development of other branded generics
- Solid core sales market
- Product Scanlux[®] as a 'door opener'


Geographic expansion and consolidation of existing markets:



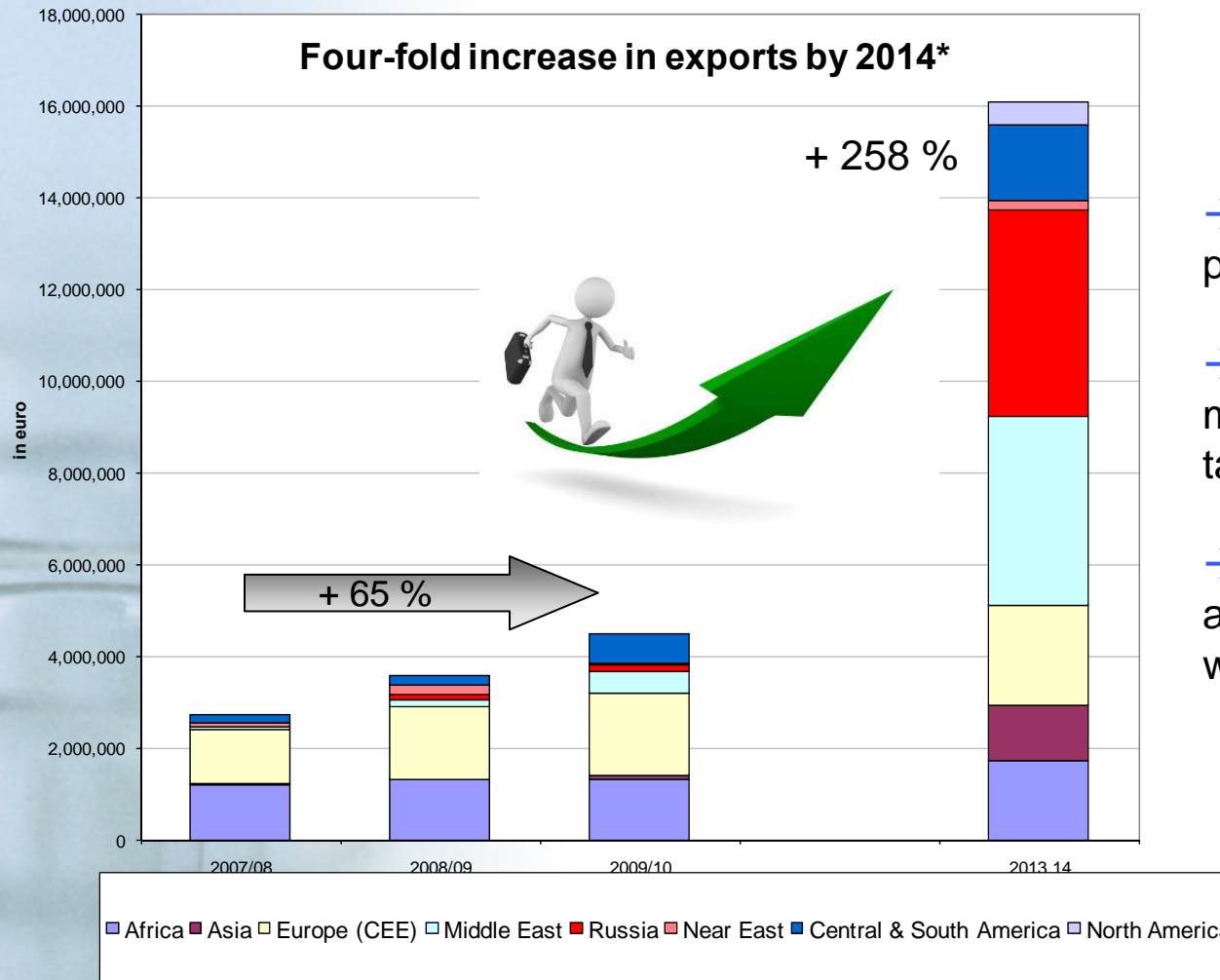
Rapid penetration of our target markets with Scanlux[®], MR-Lux[®] and other specialty imaging agents

 Direct sales

 Distribution partnership

 Distribution of Flourognost by Sanochemia Corp.

Radiology: Growth Potential in Export Field



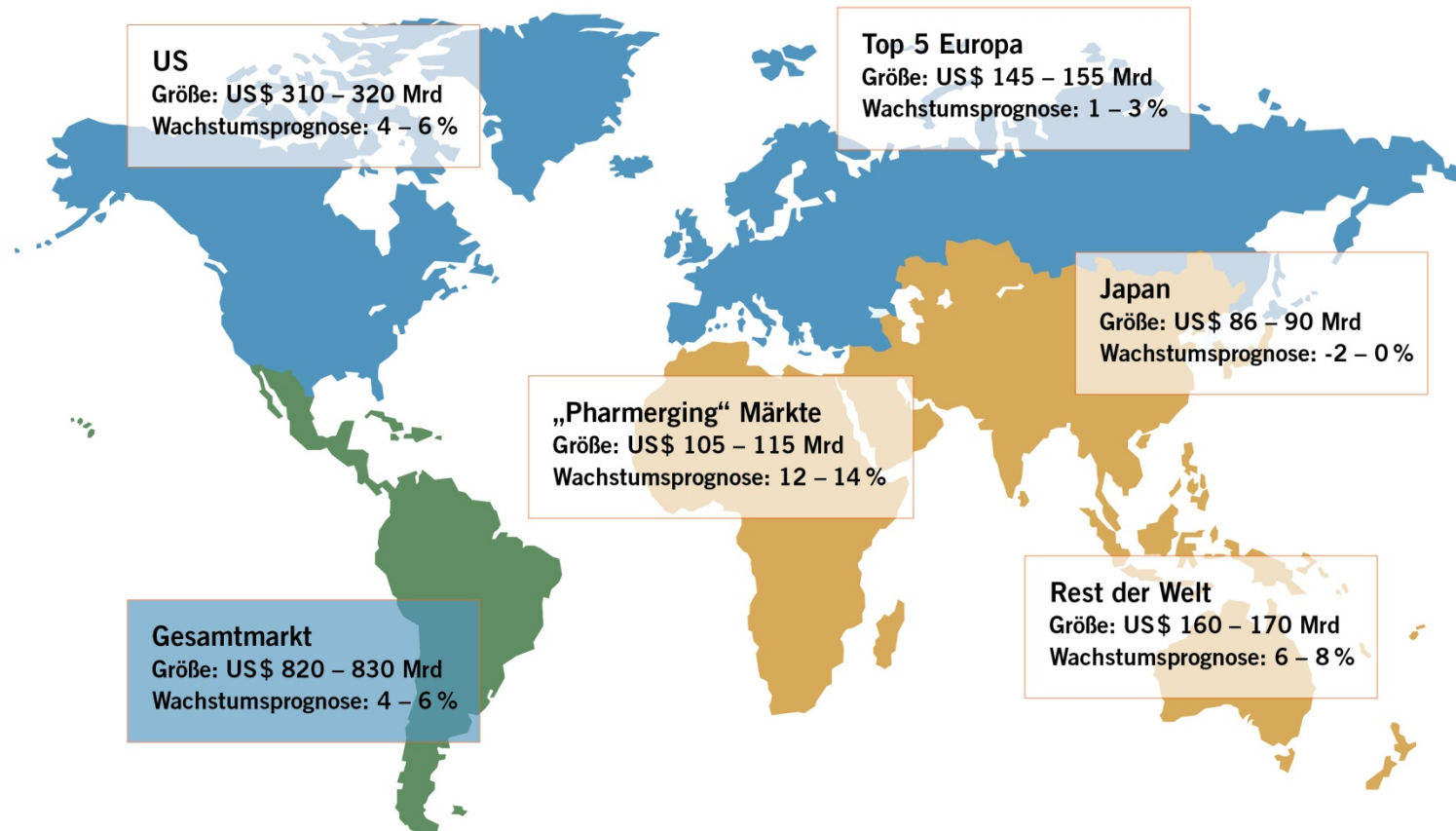
→ Based on existing product portfolio

→ with international marketing authorisations in target markets

→ with distribution partners and cooperations worldwide

* Forecasts of distribution partners

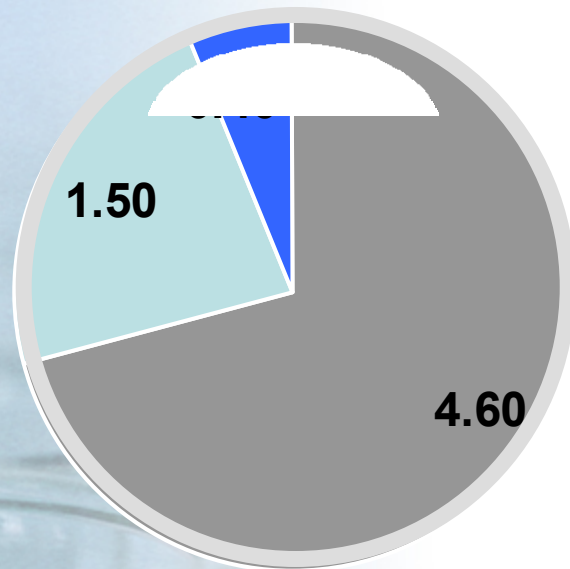
Hauptabsatzmärkte und Wachstum 2010



Quelle: IMS Health, Market Prognosis, Sep 2009; beinhaltet Vorabprognose für die Türkei

„Pharmerging“ Märkte umfassen China, Brasilien, Russland, Mexiko, Indien, Türkei, Südkorea

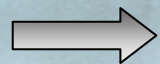
Market volumes of imaging agents worldwide:
Approx. \$6.4bn in 2009



■ CT agents ■ MRT agents ■ Ultrasound

Main Market Drivers

- CT and x-ray represent largest volumes and are standard procedures
- As a modern technology, MRT is growing fastest at > 7% p.a.
- Global growth due to greater availability of CT and MRT scanners
- Non-invasive early diagnosis increasingly important, particularly in oncological area
- Competitive hospital-based market



**Target: 5 – 10 % market share for Sanochemia
in markets with regulatory approval**

	Product / Project	Indication	Pre-clinical Developme	Clinical Development			Registration	Status
				Phase I	Phase II	Phase III		
Pharmaceuticals	Tolperisone	<i>neurological indication</i>	Viveo® (Agileo)				Registered and marketed in DE and CH, TR licensed	
		<i>neurological indication + acute muscle spasms</i>	galenic development				High-purity quality - active substance and pill - indication expansion	
	PVP hypericine	<i>phototherapy bladder cancer</i>					Development as a therapeutic	
Diagnostics	MR-Lux® / Magnetolux	<i>MRT contrast medium</i>					Marketed in Germany and Switzerland, European DCP Phase completed in 15 counties	
	Cyclo-Lux®	<i>MRT contrast medium</i>	galenic development				Galenic Development of macrocyclic MRT contrast agent	
	Secrelux®	<i>pancreas</i>					Line extension MRCP Indication: S-MRCP study planned (Start 2011)	
	PVP hypericine	<i>bladder cancer</i>					Successful Phase IIa, Start of Phase IIb in 2011	

> **Our development plans in the area of cancer diagnostics**

PVP hypericin – Vidon® : Improving the diagnosis of bladder cancer

Sanochemia's current project in clinical Phase IIb; Phase IIa completed with excellent results (all parameters satisfied)

Novel photodynamic detection of bladder tumours

Secretin - Secrelux®: Pancreatic diagnostic

Further development → S-MRCP diagnostic (magnetic resonance tomography + Secretin)

Preparations for Phase III trial

Already available in Europe on a named-patient basis

Business Areas

- **Chemical Synthesis (API)**
 - Multi-purpose plant
 - Pilot plant and commercial scale facility
 - Manufacture of complex APIs
- **Pharmaceutical Production**
 - Liquid and semi-liquid pharmaceuticals
 - Solutions, creams and ointments – sterile / non-sterile
 - Incl. antibiotics
 - Imaging agents
- **Diagnostics (HIV kit)**



A blurred background image of laboratory glassware, including several glass beakers and test tubes, set against a light blue gradient.

Financials and Outlook

KPIs Significantly Improved

	Q1 2010/11	Q1 2009/10	% change	2009/10	2008/09
	Oct.10-Dec.10	Oct.09-Dec.09		Oct.09-Sep.10	Oct.08-Sep.09
Sales revenues	7,027	6,544	7 %	27,090	29,527
EBITDA	1,817	1,252	45 %	2,657	34
EBIT	1,040	152	584 %	-1,257	-4,638
Operational cashflow	1,676	1,353	24 %	3,395	-3,593
Equity ratio	65.6 %	55.7%	18 %	63.1%	54.1%

Earnings per share positive	0.04	0.01	300 %	-0.14	-1.04
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Positive trend set to continue in Q2:

Sales revenues of around €16m and positive EBIT

H1 report due on 24 May 2011

Well Set for a Profitable Future

- Focussed on radiology and specialised oncological areas
- Corporate structure, processes and strategies revised to reflect changed market conditions
- Financial stability and operational cashflow boosted
- Registrations and product launches in target markets
- Intensive marketing work via efficient partnerships
- R&D with a main focus on cancer diagnostics: bladder cancer and pancreatic function diagnostics due to enter final pre-marketing trials
- Order books well filled for current financial year

Objectives 2011/2012

Increase in sales revenues and profitable growth by means of rapid expansion in radiology, innovative R&D developments and rising levels of in-house production

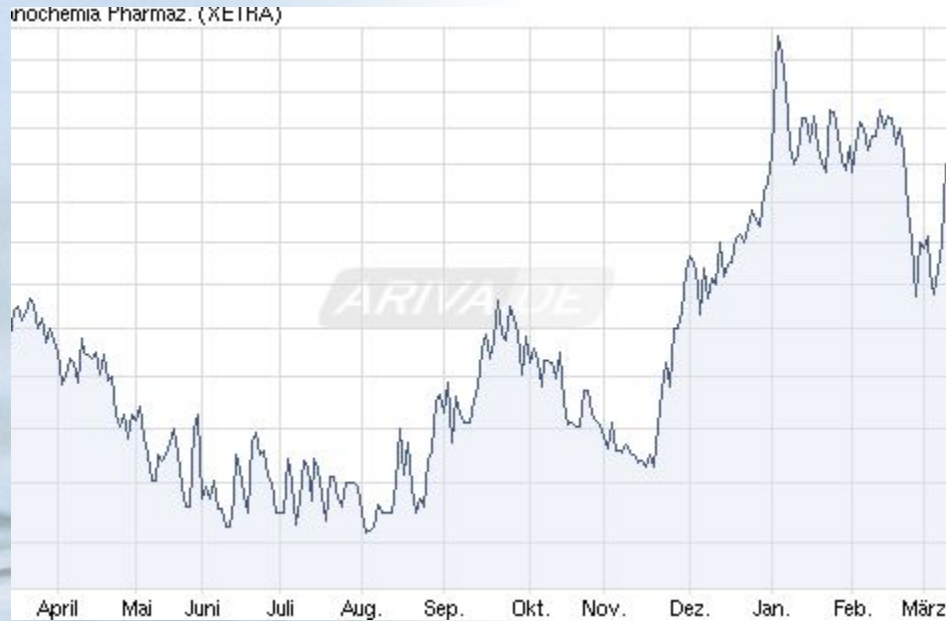
- Sanochemia's three-pillar business model provides for sustainable growth and a balanced risk/benefit profile
- All key steps in the value-added chain in-house: development, production, marketing / sales of clinical diagnostics
- Extensive range of intellectual property, licenses, patents and trademarks
- Sanochemia is already well positioned in attractive, fast-growing markets and innovation-driven segments
- The continual demand for new therapeutic options and improved diagnostics underpins long-term growth prospects
- A management team with many years of experience at the company

Mid-term objectives

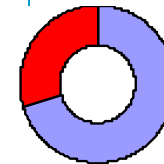
To become a global player in attractive niche markets
+ Stable growth in core segments
+ Additional growth through out-licensing & milestone payments

Share Data (ISIN: AT0000776307)

> Free float boosted by capital increase

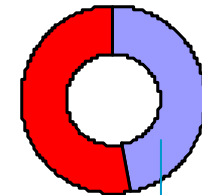


Free float: 29.36% 3 million shares prior to capital increase



Sanochemia Ltd.: 70.64%
7.1 million shares

Free float: 39,8 % 4.4 million shares after capital increase



Sanochemia Ltd.: 60,2%
7.1 million shares

Number of shares prior to capital increase:	10,155,598
Frankfurt: Re-listing in General Standard	12.5.2010
First listing in Vienna (Third Market) mid market:	26.2.2010
MCAP:	+/- €40m
Ticker:	SAC

Investor Relations

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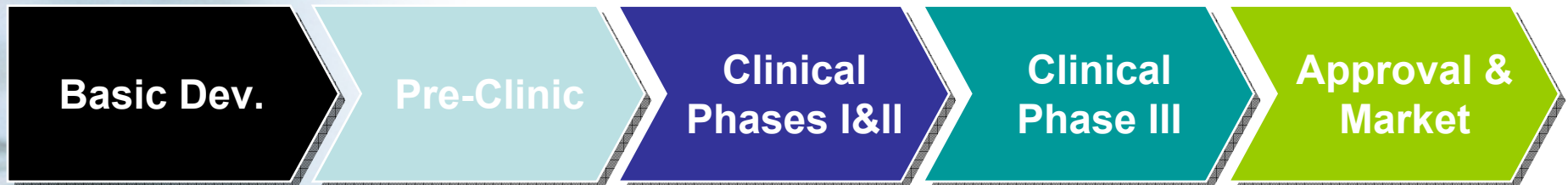
www.sanochemia.at



Back up

Sanochemia's R&D Strategy

<p>Sanochemia cooperates with universities and start ups</p>	<p>Safety & POC evaluations in-house with CROs</p> <p>Funding in-house and through grants</p>	<p>Registration and market penetration in cooperation with sales network and licensing partners</p>
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Pre-clinical development in-house with CROs; expertise in oncological diagnostics

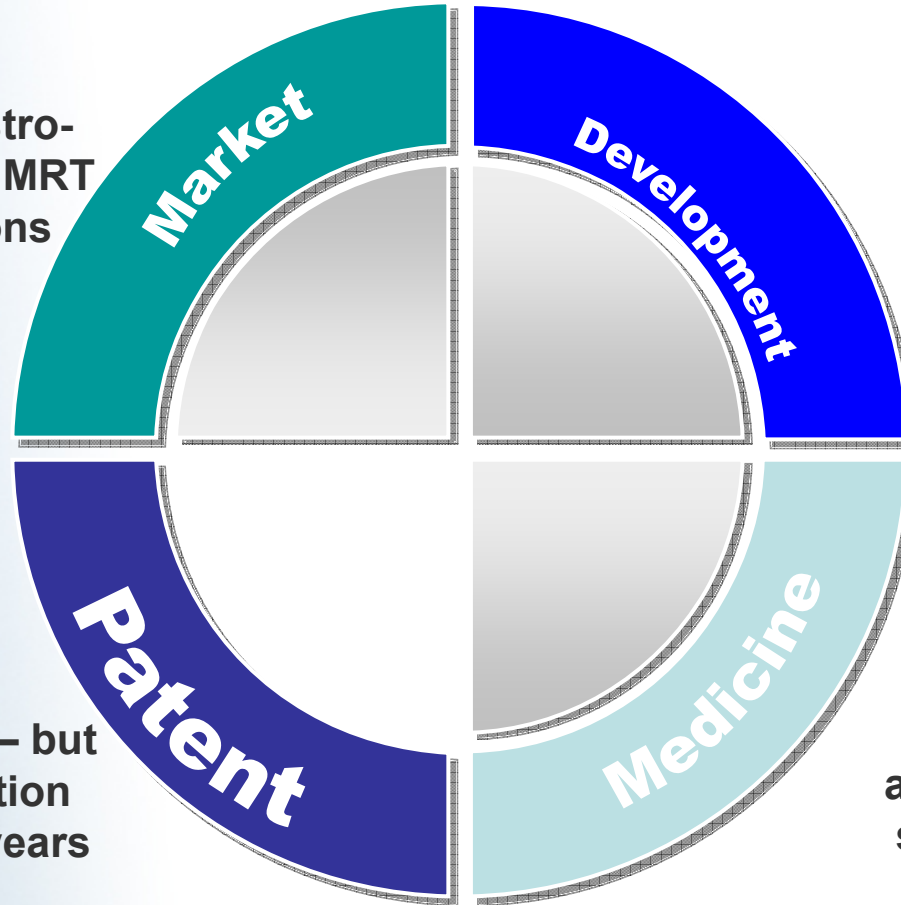
Out-licensing and cooperations with Big Pharma and/or Venture Capital

- Compared to biotech - longer involvement in development and own sales → greater value-added
- Compared to Big Pharma - cost-intensive Phase III and marketing outsourced → lower financial risk

Secretin – Secrelux®: High-End Pancreatic Diagnostic

**Target market:
Radiologists and Gastro-
enterologists in EU – MRT
pancreas investigations**

**Ready to start clinical
Phase III in 2012
Market entry with new
indication in 2016**



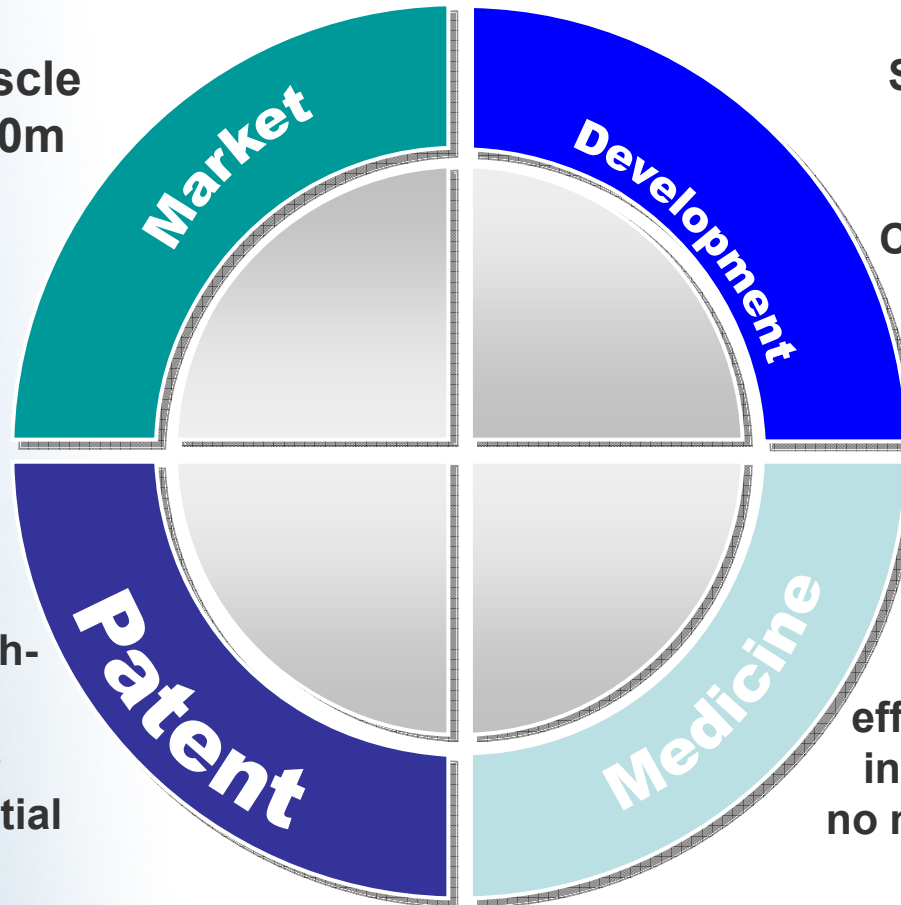
**No patent protection – but
so-called data protection
of clinical data for 6 years
in Germany**

**Non-invasive method
providing 100%
display of all side
arms of the pancreas –
significantly improved
and patient-friendly
tumour diagnosis**

Tolperisone – Known Molecule in Europe / New in USA

Target market "Muscle Spasms" USA: €700m for neurological diseases
€900m for acute illnesses

Development of a high-purity API in order to avoid genotoxic risks
Filing in 2007 – potential protection until 2027



Sanochemia searching for US partner for Phase II/III
Costs to NDA: +/- €20m
Time to NDA: 3-4 years

Nearly free of side effects, non-sedative, no interaction with alcohol, no muscular weakness as in case of current medications available

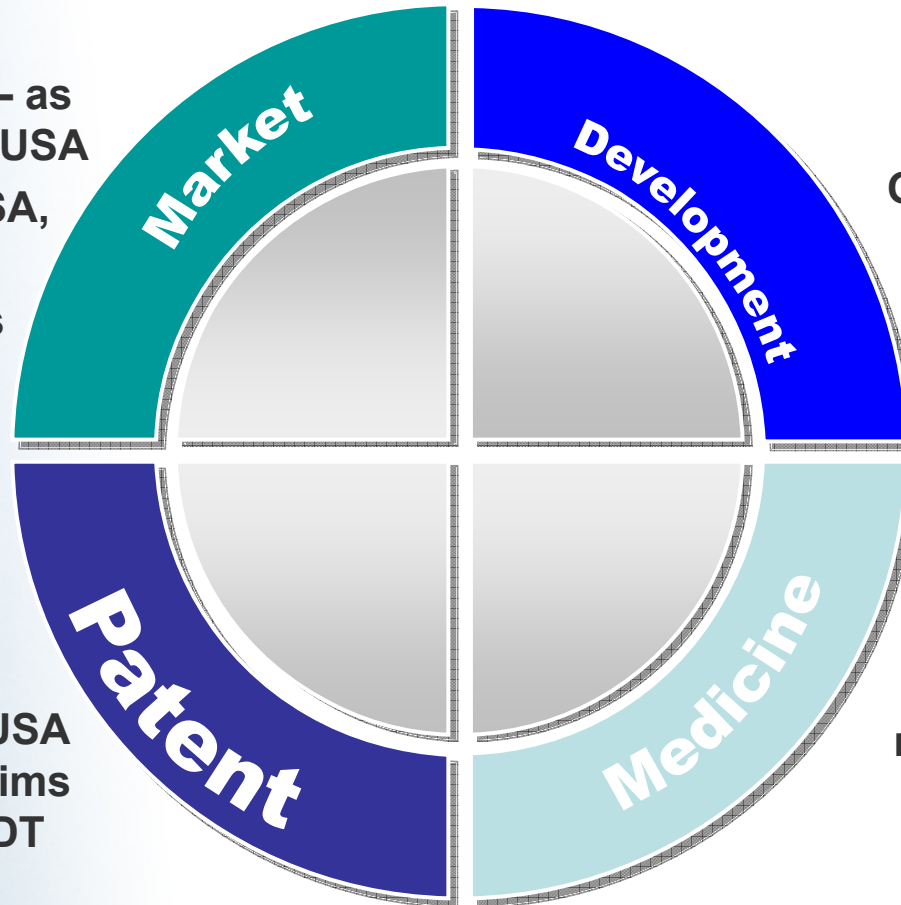
PVP hypericin – Vidon®: – Bladder Cancer Diagnostic

Target market:

Oncological urology – as diagnostic in EU and USA

- Incidence: 71k in USA, 25k in DE
- 500k – 600k patients under observation
- 3% of all cancers

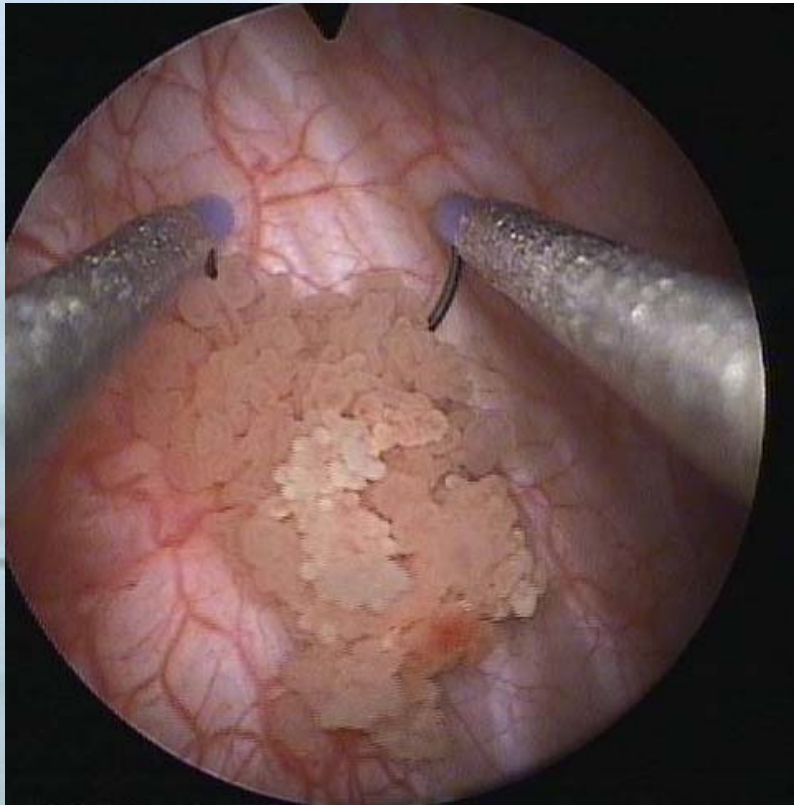
Patent granted on aqueous solution in USA and EU, including claims for use in PDD and PDT



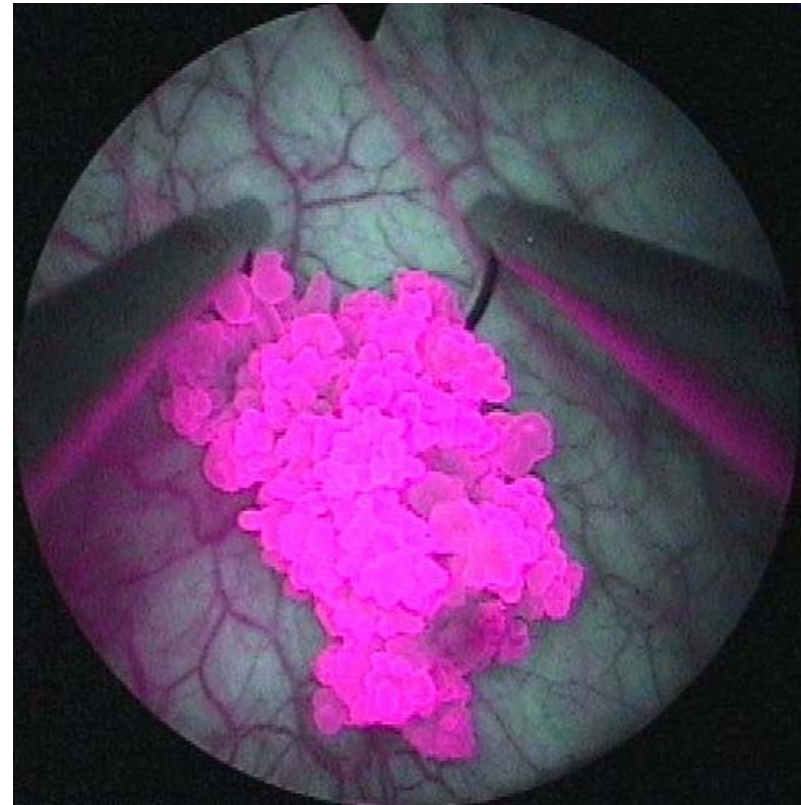
Sanochemia engaged in Phase IIa+b;
Out-licensing and start of Phase III in 2012
Market entry in 2015

10-20% of all tumours are overseen;
PDD and PDT are novel, highly sensitive technologies
4 million cystoscopic investigations p.a. worldwide

White Light

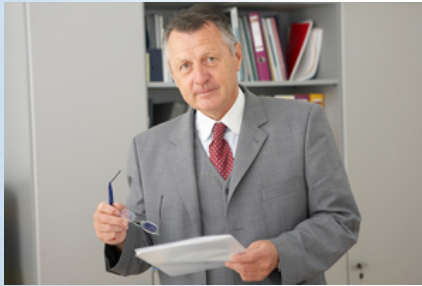


Blue Light



→ **Excellent staining properties of PVP hypericin**

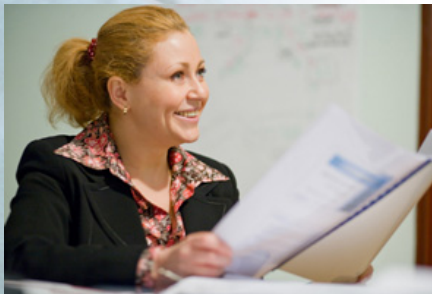
New Management Team



Werner Frantsits
CEO, CFO



Anton Dallos
Chief Technical Officer



Maria Popova
Marketing & Sales, Business
Development