

CFR Pharmaceuticals Corporate Presentation



Pharmaceuticals®

Bringing new science to life

March, 2014



This presentation may contain forward-looking statements or forward-looking information (“forward-looking statements”). These statements are based on certain factors and assumptions with respect to future events and financial trends affecting our business, including with respect to: exchange rates; expected growth, results of operations, performance, business prospects and opportunities; and effective income tax rates. While the company considers these factors and assumptions to be reasonably based on information currently available, they may prove to be incorrect. Several factors could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, but not limited to: competition in our industry and markets; an ability to develop and commercialize additional pharmaceutical products; changes in the prices of raw materials or products; varying levels of acceptance of our products by the medical community; impacts of any production problems or product safety issues; exchange rate fluctuations; significant economic or political developments in the regions in which we operate and particular developments affecting the pharmaceutical industry; changes in the regulation of the pharmaceutical industry in the regions in which we operate; and other risks that could affect our financial condition, liquidity or results of operations.

The words “believe”, “may”, “will”, “aim”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they were made and the company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In light of the risks and uncertainties described above, the forward-looking statements and circumstances discussed in this presentation might not occur and are not guarantees of future performance.

In addition, you should not interpret statements regarding past trends or activities as assurances that those trends or activities will continue in the future.



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COMPANY OVERVIEW



WHO WE ARE TODAY: THE ONLY PURE-PLAY SPECIALTY PHARMA LISTED COMPANY IN LATIN AMERICA

WHAT WE DO

Product Development

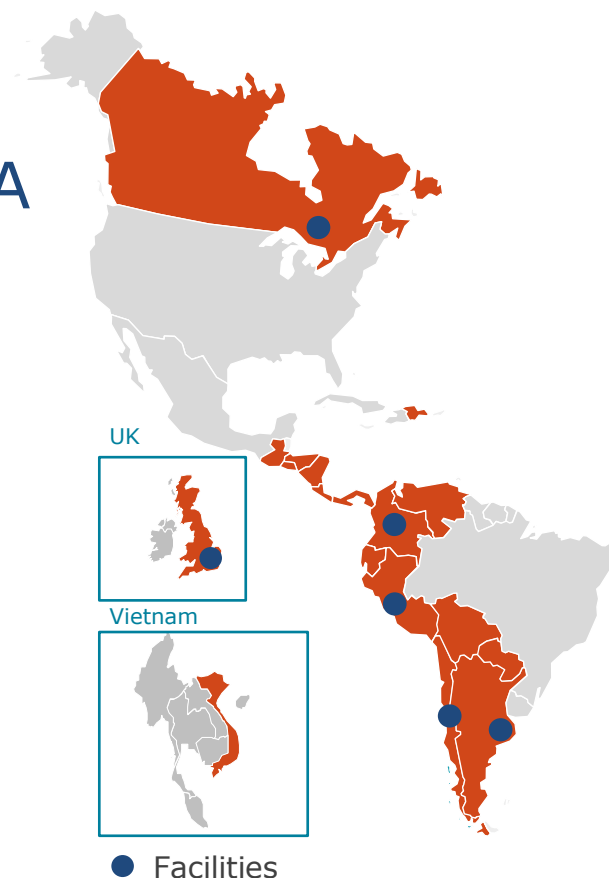
- We develop off-patent and locally unpatented value added branded generics, focused on specialty products
- ~**1,000** products and **150** new formulations under development
- ~**650** INNs under approximately **3,100** registrations

Manufacturing

- **14** specialized manufacturing facilities in Chile, Argentina, Colombia, Peru, Canada and UK
- Capability to manufacture all pharmaceutical forms, complex formulations and drug delivery systems
- ~**84%** of sales manufactured in-house

Commercialization

- The strongest sales force in the region
 - Nearly **2,300** medical reps
 - More than **140,000** physicians visited every month
- Strong reputation in the medical community



USD mn	2009	2010	2011	2012	2013
Revenue	313	378	491	571	768
Adj. EBITDA ⁽¹⁾	61	96	99	100	170
Adj. Net Income ⁽²⁾	43	65	91	80	96

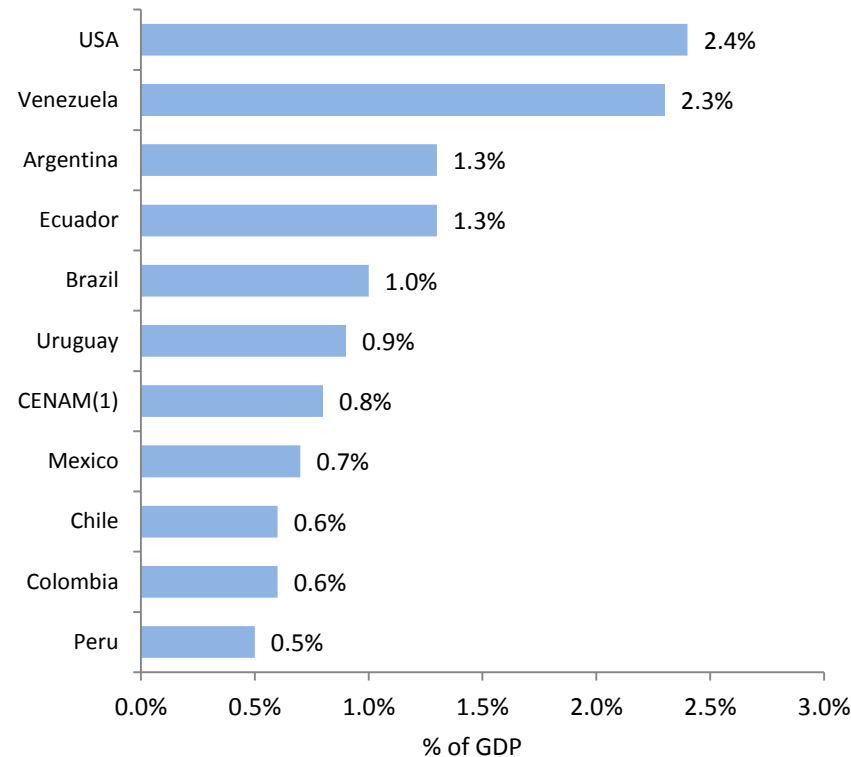
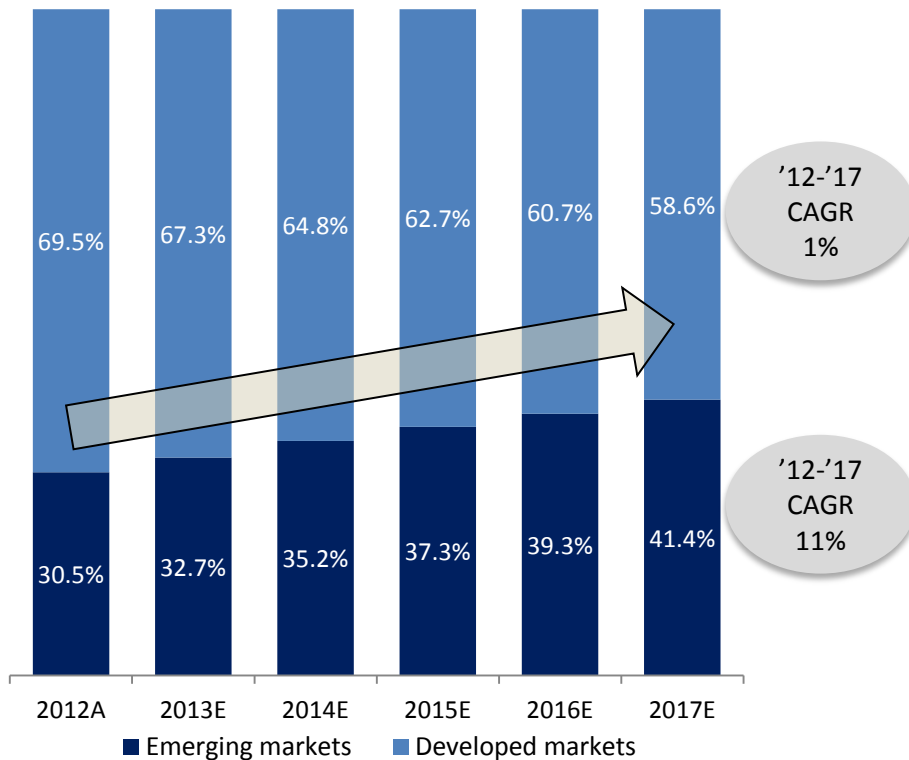
(1) EBITDA as reported in 2013: US\$ 122.2 million. Adjusted for M&A expenses, exchange rate fluctuations, Uman Pharma minority effect and other non-recurring items

(2) Net income attributable to equity holders of the parent as reported in 2013: US\$ 58.3 million. Adjusted for M&A expenses, exchange rate fluctuations and other non-recurring items

FOCUSED ON EMERGING MARKETS... THE DOMINANT THEME IN GLOBAL PHARMA...

Emerging markets are driving global pharma growth

Rising incomes expected to drive pharma spend as % of GDP off a low base



Source: IMS Health

(1) CENAM includes Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala and Dominican Republic
Source: IMS, BMI

CFR'S 90 YEARS OF DISCIPLINED GROWTH AND EXPANSION

PHASE I – CONSOLIDATE LOCAL CHILEAN POSITION

1922 - 1990

- Founded by Nicolás Weinstein Rudoy in 1922



PHASE II – EXPAND VIA GREENFIELDS AND JVs AND CONSOLIDATE JVs

1990 - 2010

- Argentina
- Bolivia
- Colombia
- Ecuador
- Mexico
- Peru
- Thailand
- Venezuela
- Vietnam
- CENAM⁽¹⁾



PHASE III – TRANSFORM INTO A GLOBAL EMERGING MARKETS PLAYER

2010 ONWARDS

Corporate

- Incorporation of CFR
- IPO

Acquisitions and investments

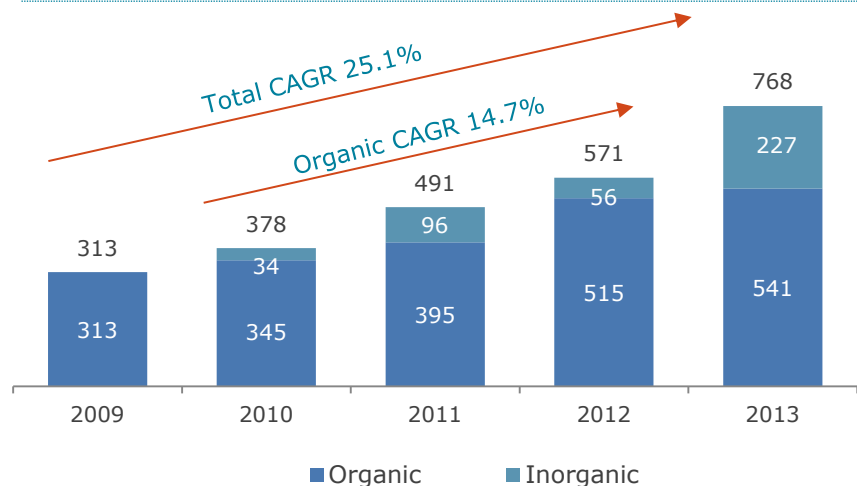
- Allergy Therapeutics Strategic Investment
- Acquisition of Northia and Fada (Argentina)
- Acquisition of Domesco (Vietnam)
- Acquisition of Uman (Canada)
- Acquisition of Lafrancol (Colombia)

SUCCESSFUL CONSOLIDATION AND INTEGRATION OF 10 ACQUISITIONS SINCE 2007

(1) CENAM includes Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala and Dominican Republic

SUSTAINED GROWTH WITH DIVERSIFIED REVENUES

REVENUES (US\$ million)

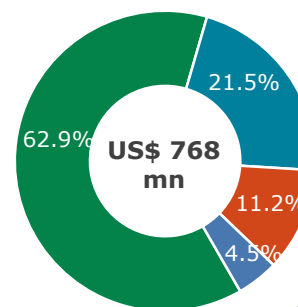


REVENUE BREAKDOWN BY DIVISION⁽¹⁾

Specialty Pharma



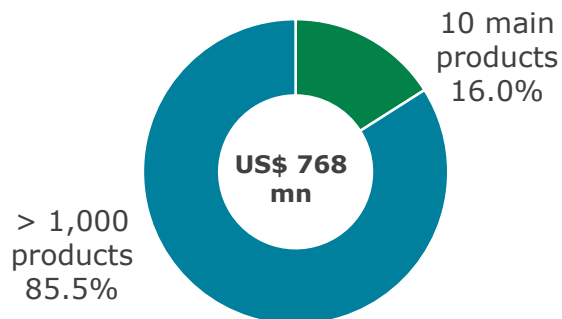
Complex Therapeutics



Health & Wellness

Other

TOP TEN BRANDS REVENUE BREAKDOWN⁽²⁾



- Rapid population growth increasing purchasing power and increasing life expectancy will act as drivers of demand for pharmaceuticals, in particular to address chronic diseases
- Diversification by therapeutic areas with focus on difficult-to-substitute, high growth business segments
- Limited concentration of revenues by product, which are also commercialized in several markets
- Focus on chronic treatments and difficult-to-substitute (low elasticity products)

(1) As of December 2013
(2) As of December 2013, including Lafrancoil



YEAR 2013 HIGHLIGHTS



YEAR 2013 HIGHLIGHTS

Strong Growth Supported by Organic and Inorganic Growth

- Solid growth in constant currency and recurring basis:
 - On a constant currency basis, revenues increased by 46.4% (35.5% as reported)
 - Organic revenues increased 16.6% on a constant currency basis (5.2% as reported)
 - Recurring EBITDA⁽¹⁾ for the year 2013 increased 70.4% to US\$170.4 million, or 20.5% over sales (26.0% to US\$ 122.2 million as reported)
- We realized all the short term synergies of the acquisition of Lafrancol, and we started to implement the long term revenue synergies
- We successfully turn around Argentinean performance
- We continue investing in organic growth
- We launched 246 products in the year 2013

(1) Adjusted for M&A expenses, exchange rate fluctuations, Uman Pharma minority effect and other non-recurring items

INTEGRATION OF LAFRANCOL

Successful Implementation of Short-Term Synergies

- Acquisition of Lafrancol was concluded on December 12, 2012
- Total synergies were estimated between US\$150 to US\$200 million in NPV
- Short-term Synergies were fully implemented in 2013:
 - Original plan was to generate ~US\$10 million of annual synergies
 - Actual synergies achieved in 2013 reached US\$15.5 million
 - Full year synergies from 2014 will be ~US\$18 million
- Long-term revenue synergies will be implemented in the following years



INTEGRATION OF LAFRANCOL

Successful Implementation of Short-Term Synergies

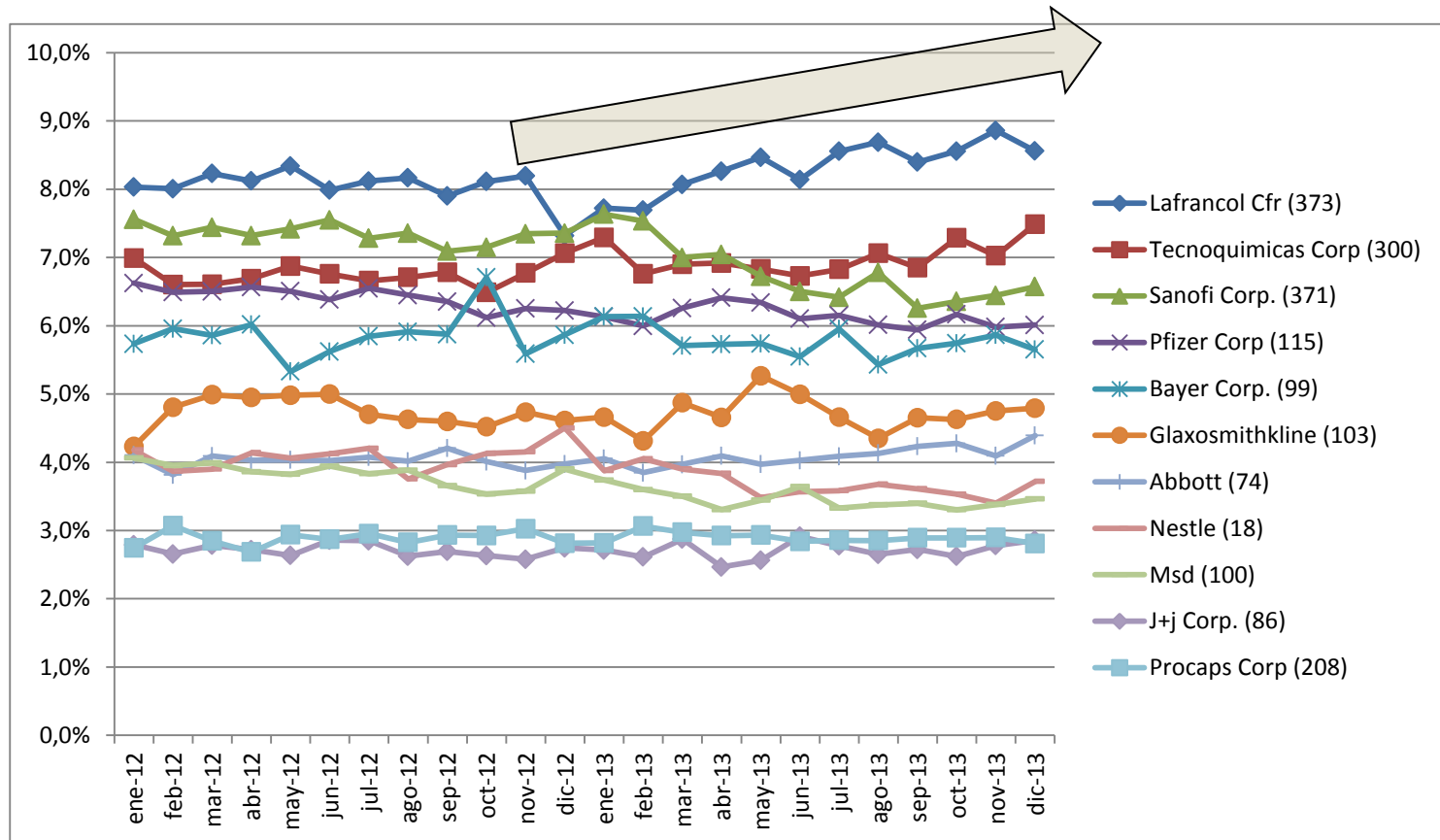
- Short-term Synergies implemented in 2013:
 - Divisional structure by business area → Type of customers
 - Integration of product portfolios of Lafrancol and Synthesis
 - Creation of integrated strategic support areas
 - Consolidation of our approach to the commercial channel
 - Optimization of the back-office structure
 - Decompressing critical product lines in Chile
 - Full capacity utilization of R&D unit in Colombia



INTEGRATION OF LAFRANCOL

Successful Implementation of Short-Term Synergies

Market share (Colombia)



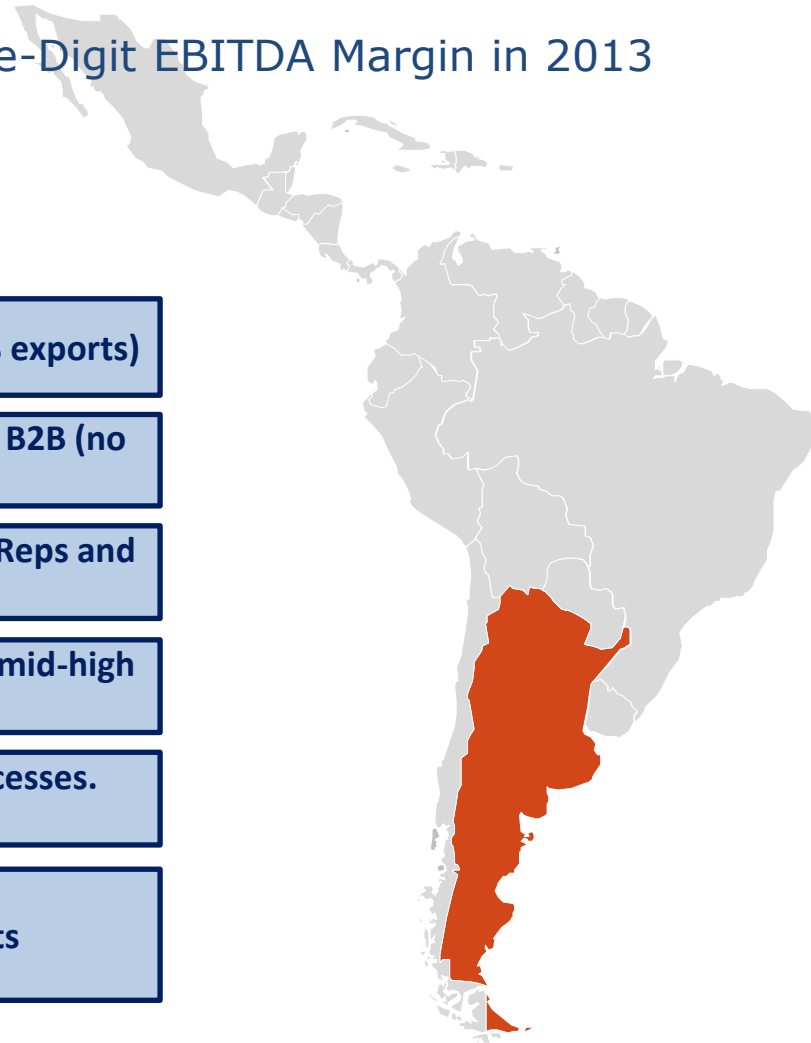
Note: Lafrancol CFR: includes both subsidiaries in Colombia, Lafrancol and Synthesis

ARGENTINA TURNAROUND

From Negative EBITDA in 2012, to High Single-Digit EBITDA Margin in 2013

Turnaround Drivers

EXPORTS	Strong expansion on CFR Markets (+61% exports)
PRICING	Focus on pricing to mitigate inflation in B2B (no price control)
RETAIL FUSION (FADA- NORTHIA)	Focus on synergies and efficiencies: 11 Reps and 40 productive FTE reduction
ONCO BUSINESS DEVELOPMENT	Re- focus Onco business into profitable mid-high price Tier
EFFICIENCY PROJECTS	Improve purchasing and logistics processes. Reduce absenteeism
PROFITABILITY ANALYSIS BY PRODUCT	Focusing on high margin products



INVESTMENTS IN ORGANIC GROWTH

Launching New Divisions and Rolling Out our Portfolio

- Roll-out of our Cardiopharm
 - Central America, Peru, Chile and Colombia
 - Addition of sales force
 - Acceleration of growth
 - Sales of US\$ 39.9 million (26.0% growth)

- Roll-out of Neumobiotics
 - Chile, Peru, Colombia, Paraguay and Bolivia
 - Addition of sales force
 - Sales of US\$ 37.7 million (38.8% growth)



SELECTED LAUNCHES OF 2013

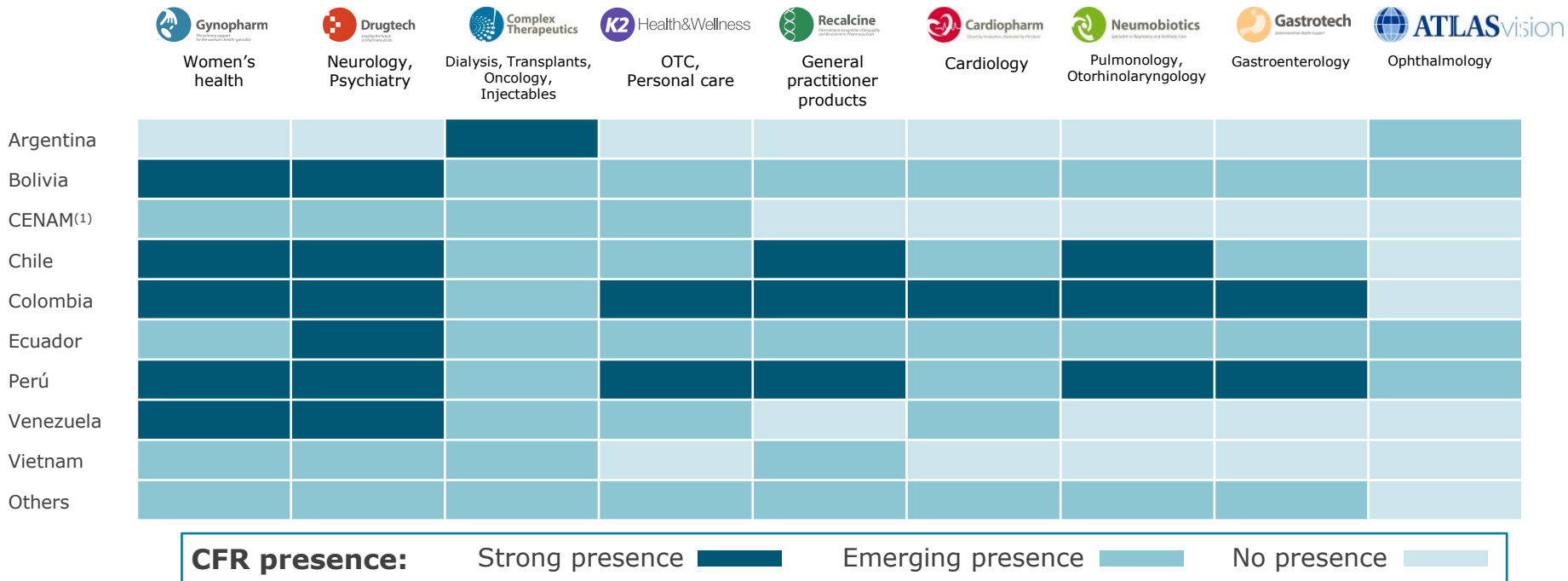
Supporting Organic Growth

- Ibone D[®] (Ibandronic acid + Vitamin D) in Colombia, a unique combination in the world for the loss of bone mass
- Acotol[®] (Dienogest + Ethinylestradiol) in Chile, a latest-generation contraceptive, which has been the most successful launch in Gynopharm Chile
- Noval[®] / Marilow[®] (Nomegestrol + Estradiol) in Colombia and Chile respectively, another latest-generation with one of the best safety profiles
- Reage[®] (Botulinum Toxin type A) in Chile, Colombia and Peru, with which we entered the aesthetics area, one of the fastest-growing segments in the pharmaceutical market.



LEADING REGIONAL FOOTPRINT... WHICH WE ARE INCREASINGLY ROLLING OUT ACROSS OUR MARKETS

COUNTRY PRESENCE



CFR'S STRATEGY IS TO INCREASE SCALE OF DIVISIONS ACROSS ITS CURRENT MARKETS TO DRIVE FUTURE EXPANSION, LEVERAGING ON INFRASTRUCTURE TO DELIVER HIGHER PROFITS

(1) Central America (CENAM) includes Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Dominican Republic and Guatemala.

CFR IS IN A KEY POSITION TO CONSOLIDATE MARKETS... LEVERAGING ITS PLATFORM TO DRIVE ORGANIC GROWTH

Our ability to create value through synergies extracted from...

Supplying

- Increased purchasing power
 - Better selection of suppliers and access to information on new products
-

Development

- Better access to pipeline (global vs. local)
 - Improved registration capabilities
 - Increased productivity and new product capacities through specialized teams
 - Better use of local regulatory plant approvals
-

Production

- Increased efficiency and scale
 - Reduction of need for contract manufacturing
 - Reduction of stock-out
 - Allocation of best equipments between plants
-

Commercialization

- Increased productivity of reps by improving portfolio
 - Increased bargaining power with the trade
 - Increased size of target market
 - Better position for tenders
-

Overhead

- Reduction of fixed cost by sharing and optimizing services
 - Better access to credit and reduction of financial fee
-



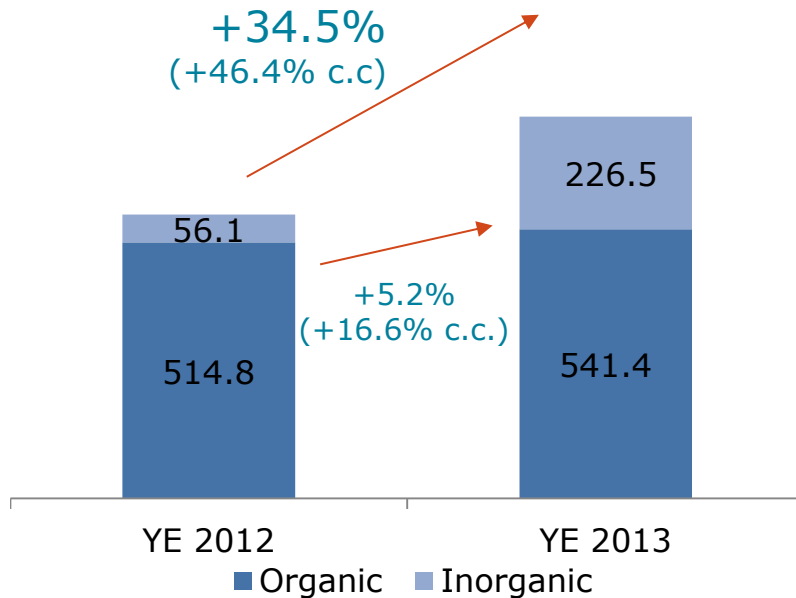
YEAR 2013 FINANCIAL RESULTS

31,74	77,12
12,78	221,45
23,54	65,11
55,21	19,05
231,06	422,77
27,73	61,12
43,88	389,66
311,09	61,70
77,21	98,41
127,01	16,44
4,68	411,09
54,05	0,52
	89,00

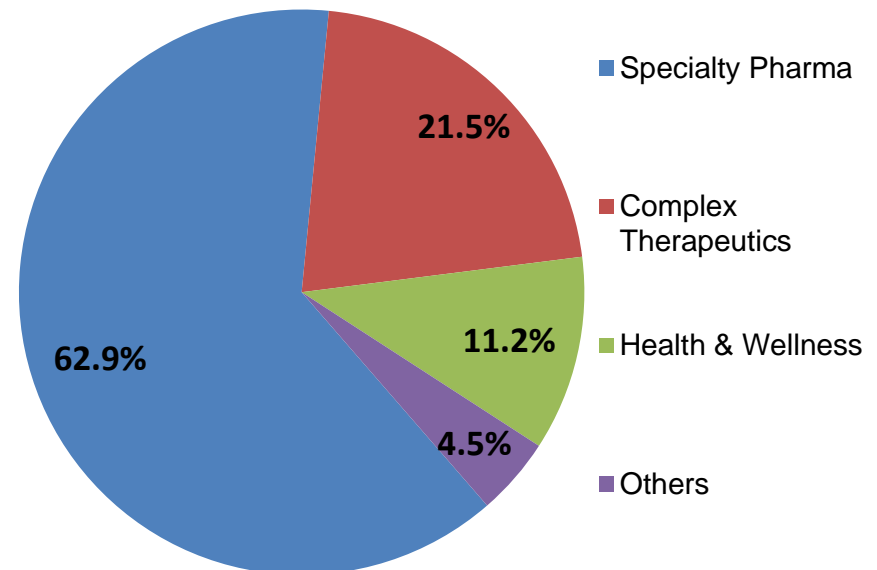
REVENUES

Strong Growth Supported by Organic and Inorganic Businesses

Revenues (US\$ million)



Revenue By Segment 2013

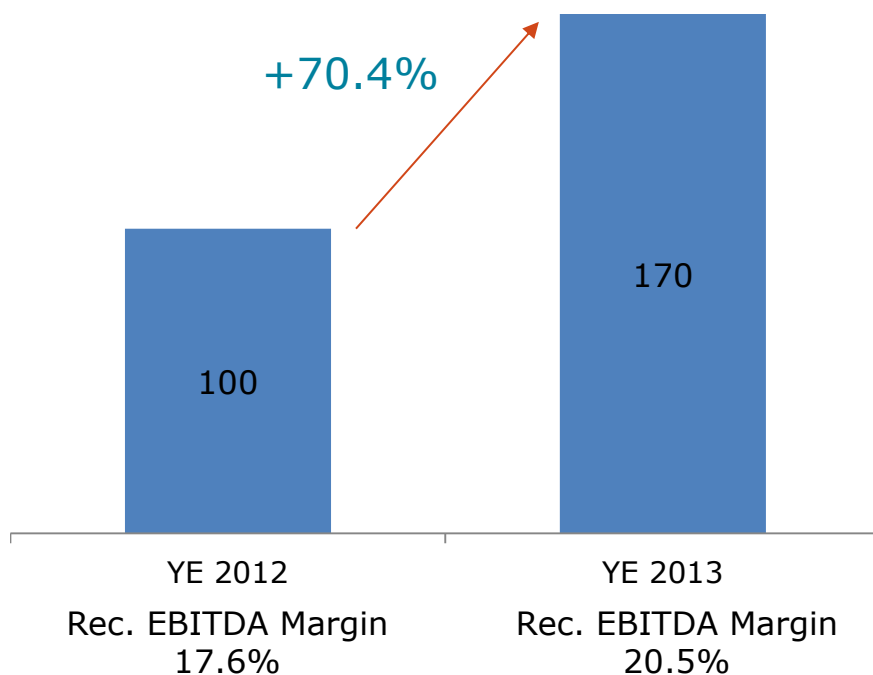


- Strong growth in Peru and Cenam
- Growth in Venezuela and Argentina despite currency devaluations

RECURRING EBITDA

Strong Performance Compared to 2012 due to Integration and Synergies

Recurring EBITDA⁽¹⁾ (US\$ million)



- Recurring EBITDA for the year 2013 increased 70.4% to US\$170.4 million
 - Adcock expenses
 - FX
 - Acquisition of Lafranco
 - Uman Pharma minority stake

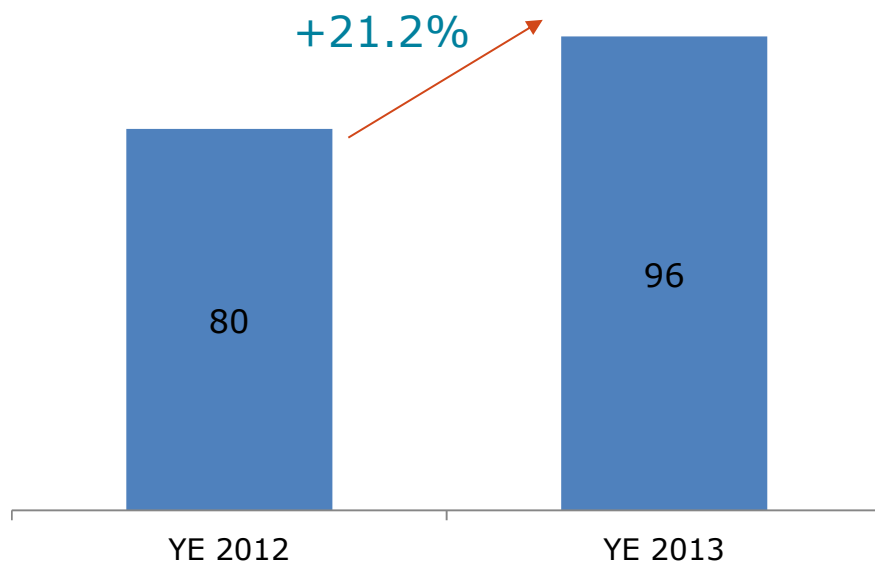
- Recurring EBITDA margin reached 20.5% due mainly to:
 - Strong margin in Colombia
 - Complex Therapeutics turn around
 - Strong performance of Peru
 - Delivery from our investments in organic growth: Cenam and two new business lines

⁽¹⁾ Adjusted by M&A activity expenses, Uman Pharma, exchange rate fluctuations and other non-recurring items.

RECURRING PROFIT

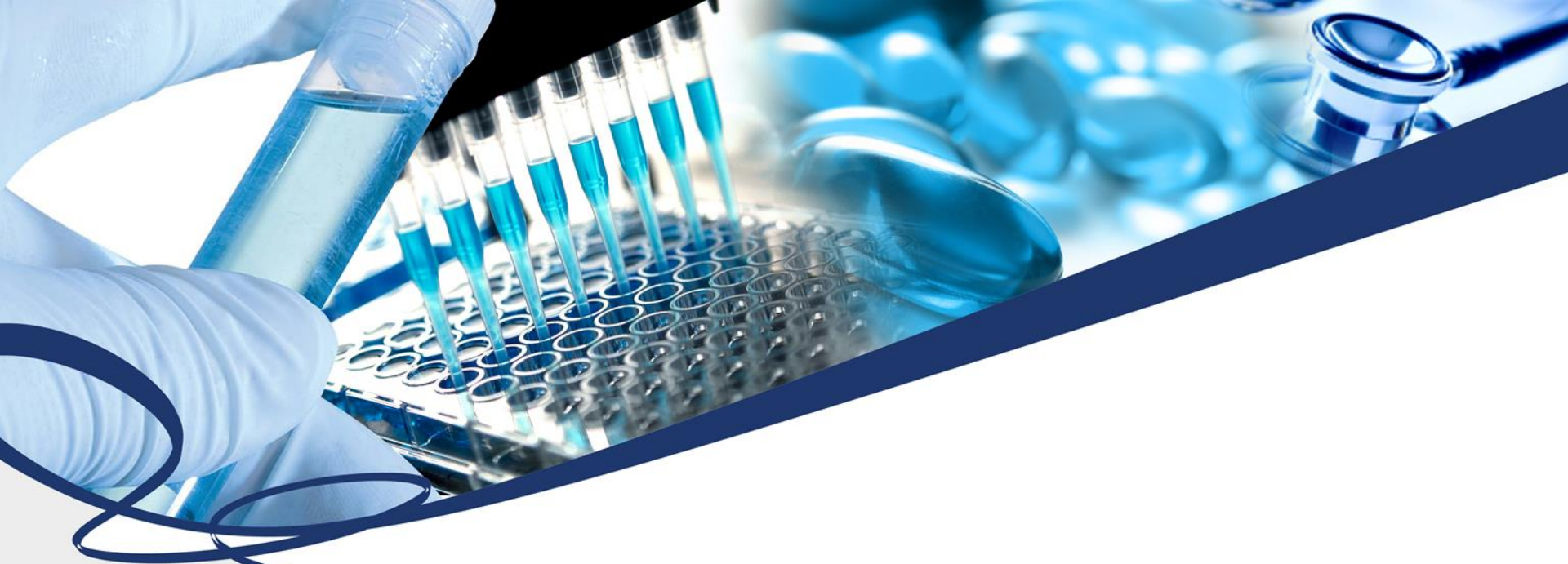
Significant Growth Despite Higher Financial Expenses

Recurring Profit (Attributable to owners of parent)⁽¹⁾ (US\$ million)



- Net financial expenses increased US\$22.5 million, to US\$(29.9) million due to Lafrancol financing
- Exchange rate difference decreased compared to high base in 4Q 12
- Recurring Profit increased despite the above by 21.2%

⁽¹⁾ Adjusted by M&A activity expenses, Uman Pharma, exchange rate fluctuations and other non-recurring items.



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