

1. Latest Macroeconomic Developments

Global economy: Growth slowdown in the most developed economies defines GDP trend in Q3 14



- ✚ Further deceleration of global growth in Q3'14, according to the latest OECD GDP statistics.
- ✚ Broadly changed growth dynamics in the main developing economies.
- ✚ Growth slowdown mainly in the most developed economies: 2.3% GDP increase in the USA (from 2.6%), 3.0% in the UK (from 3.0%).
- ✚ Low GDP growth in Russia, of the same magnitude as in the second quarter of 2014 (0.7%).
- ✚ GDP increase in China during Q3 '14 close to its Q2 '14 level (7.3% from 7.5%).
- ✚ Stabilization of the growth rate in the Euro Area (0.8%).
- ✚ +4.7% in India for second quarter.

Table 1. Main Macroeconomic figures (% changes)

	2013	2014	2015	2016
GDP (% change)				
Greece **	-3.3	0.6	2.9	3.7
Euro Area**	-0.5	0.8	1.1	1.7
Emerging and Developing Europe	2.8	2.7	2.9	-
EU-28**	0.0	1.3	1.5	2.0
Global Economy	3.3	3.3	3.8	-
Inflation (%)				
Greece **	-0.9	-1.0	0.3	1.1
Euro Area**	1.4	0.5	0.8	1.5
Emerging and Developing Europe	4.2	4.0	3.8	-
EU-28**	1.5	0.6	1.0	1.6
Global Economy	-	-	-	-
Unemployment (% of labor)				
Greece **	27.5	26.8	25.0	22.0
Euro Area**	11.9	11.6	11.3	10.8
Emerging and Developing Europe	-	-	-	-
EU-28**	10.8	10.3	10.0	9.5
Global Economy	-	-	-	-
Budget Balance (% of GDP)*				
Greece	-3.2	-2.7	-1.9	-
Euro Area**	-2.9	-2.6	-2.4	-2.1
Emerging and Developing Europe	-1.6	-1.5	-1.4	-
EU-28**	-3.2	-3.0	-2.7	-2.3
Global Economy	-3.2	-3.2	-2.7	-

Sources: World Economic Outlook, IMF, October 2014; * Fiscal Monitor, IMF, October 2014

**European Economic Forecast, autumn 2014, European Commission, November 2014

The Euro Area economy: Uncertainty factors hamper return to growth

- ✦ According to the recent European Economic Forecast of the European Commission, economic recovery will continue across EU countries during the rest of 2014 and become stronger in 2015.
- ✦ The acceleration of growth continues stemming mainly from domestic demand, as fiscal consolidation is completed and uncertainty weakens.
- ✦ Investment, particularly investment in equipment, will increase at a high rate.
- ✦ Moderate consumption growth until now in 2014. But it will gain momentum in Q4'14 and in 2015.
- ✦ By 2015, all the EU economies are expected to grow. Accordingly, growth will reach 1.8% next year in the Euro Area, by 1.2% in 2014.



The Greek economy: On a growth path for second straight quarter during Q3 '14



- ✦ According to ELSTAT, Q3'14 GDP was 1.6% higher y-o-y. The initial ("flash") estimate for growth was marginally higher (1.7%).
- ✦ Increases in exports by €1.1 bn (+8.6% y-o-y) and in final consumption by €0.9 bn (+2.0% y-o-y) were the main drivers of growth.
- ✦ Continuous high increase in exports during the first nine months of 2014 is expected to result to their higher annual expansion since 2007.
- ✦ The moderate increase in imports (+2.9%) limited the improvement of the external sector balance due to the rise of exports.
- ✦ After a moderate fall in Q2 '14, investment contracted significantly during Q3'14 (-17.7% y-o-y).

Table 2: Main GDP components Greece – Quarterly National Accounts (2010 volumes)

Year/ Quarter	GDP		Final Consumption		Investment		Exports		Imports	
	bn. €	Annual rate of change	bn. €	Annual rate of change	bn. €	Annual rate of change	bn. €	Annual rate of change	bn. €	Annual rate of change
2001	197.0	3.7%	171.5	4.2%	44.3	1.7%	43.2	0.6%	62.6	1.2%
2002	203.2	3.2%	178.7	4.2%	44.5	0.3%	40.0	-7.3%	60.4	-3.4%
2003	216.7	6.6%	186.4	4.3%	53.4	20.1%	39.7	-0.7%	64.0	5.8%
2004	227.4	5.0%	194.4	4.3%	53.4	0.0%	47.1	18.5%	68.5	7.1%
2005	229.4	0.9%	203.2	4.5%	45.4	-15.0%	48.7	3.4%	68.1	-0.7%
2006	242.8	5.8%	210.4	3.5%	57.7	27.2%	51.2	5.2%	77.4	13.7%
2007	251.4	3.5%	218.6	3.9%	64.0	10.9%	56.6	10.6%	89.1	15.1%
2008	250.2	-0.4%	222.5	1.8%	59.5	-7.0%	58.6	3.5%	91.3	2.6%
2009	239.2	-4.4%	221.6	-0.4%	43.0	-27.7%	47.8	-18.5%	73.4	-19.6%
2010	226.2	-5.4%	207.3	-6.4%	38.3	-11.0%	50.0	4.6%	69.4	-5.5%
2011	206.2	-8.9%	187.3	-9.7%	32.0	-16.4%	50.0	0.0%	63.1	-9.0%
2012	192.6	-6.6%	173.9	-7.2%	25.3	-20.8%	50.6	1.2%	57.4	-9.1%
2013	186.2	-3.3%	168.6	-3.0%	22.2	-12.3%	51.6	2.1%	56.4	-1.6%
Q1 2014	46.4	-0.3%	42.2	0.5%	5.1	-17.8%	13.7	7.4%	11.5	0.3%
Q2 2014	46.5	0.4%	42.5	1.2%	5.0	-4.3%	14.1	9.1%	12.2	8.2%
Q3 2014	46.9	1.6%	42.7	2.0%	4.4	-17.7%	14.4	8.6%	12.0	2.9%

Source: Quarterly National Accounts, ELSTAT, December 2014

Table 3: Main Macroeconomic figures (Greece)

	2012	2013	2014	2015	2016
Annual percentage changes					
Gross Domestic Product	- 6.6	- 3.3	0.6	2.9	0.6
Private Consumption	- 7.8	- 2.0	-0.6	1.6	2.2
Public Consumption	- 5.0	- 6.5	-3.1	-2.9	-1.4
Gross Fixed Capital Formation	- 28.7	-4.6	4.5	11.7	15.0
Exports of Goods and Services	1.2	2.1	5.3	5.4	4.9
Imports of Goods and Services	- 9.1	- 1.6	0.4	2.1	3.4
Employment	- 6.9	- 7.8	-3.8	0.6	2.6
Compensation of employees / head	- 2.0	- 7.1	-1.5	0.1	1.7
Real Unit Labour Cost	-3.4	- 4.9	0.0	-0.7	0.9
Harmonized Index of Consumer Prices	1.0	- 0.9	-1.0	0.3	1.1
Contribution to real GDP change					
Domestic Demand	-11.0	-3.3	-0.6	1.9	3.2
Net Exports	3.2	1.1	1.5	1.0	0.5
Inventories	1.2	-1.1	-0.3	0.0	0.0
GDP percentage					
General Government Balance	-8.6	-12.2	-1.6	-0.1	1.3
Current Account Balance	-4.3	-2.7	-2.8	-2.5	-2.2
General Government Debt	156.9	174.9	175.5	168.8	157.8
Percentage					
Unemployment (% of civilian labor force)	24.5	27.5	26.8	25.0	22.0

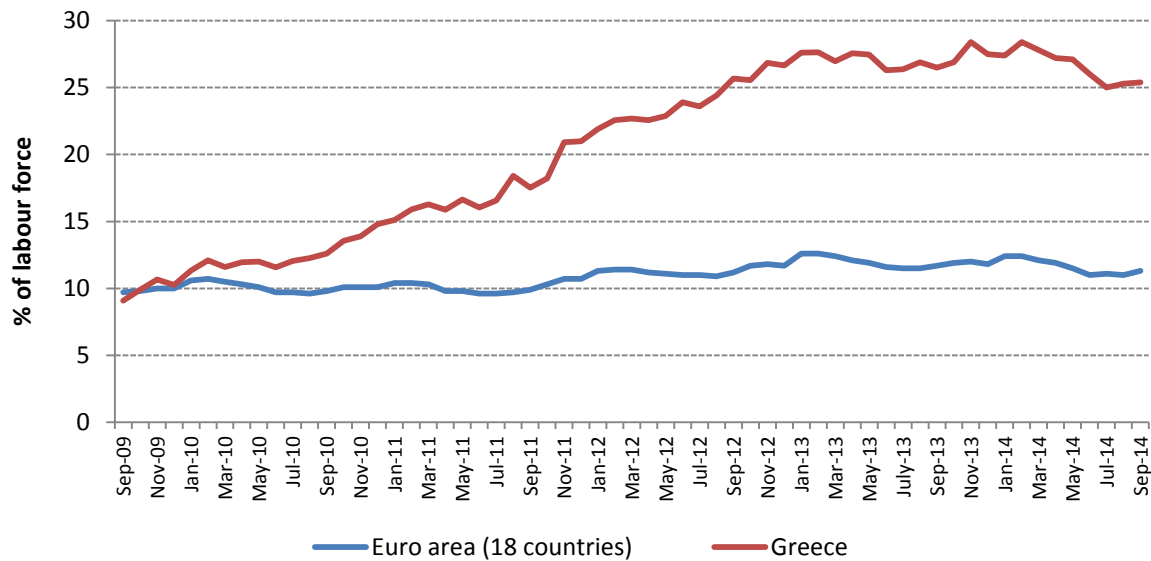
Source: European Economic Forecast, autumn 2014, European Commission, November 2014

Unemployment in Greece (September 2014): Marginal increase as summery job creation recedes

✚ The rate of non-seasonally adjusted unemployment marginally increased in September, to 25.4% from 25.3% in August. The number of persons re-entering the labour market was increased only by 36.4 thousand, significantly less against the previous month.

✚ The non-seasonally adjusted unemployment rate in the Euro Area increased marginally to 11.3%.

Figure 1: Unemployment in Greece and Euro area (Non-seasonally adjusted)



Sources: ELSTAT, Eurostat

2. Economic Climate Indicators

Stabilization of the economic climate during November

- ✚ Marginal increase of the Economic Sentiment Indicator in Greece, by 0.5 units (to 102.7 units from 102.2).
- ✚ The relevant index remained stable in the EU (104.1 units).
- ✚ Similar stabilization trends in the Euro area: The indicator leveled to 100.8 units.

Figure 2: Economic climate indicator, Greece and Euro area

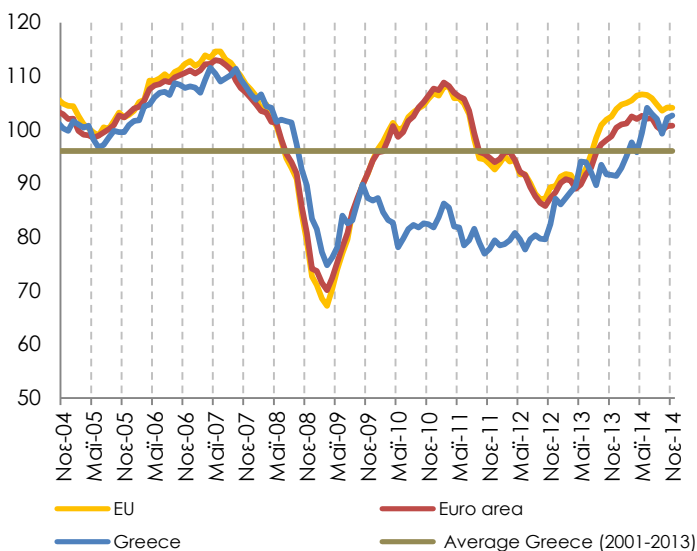
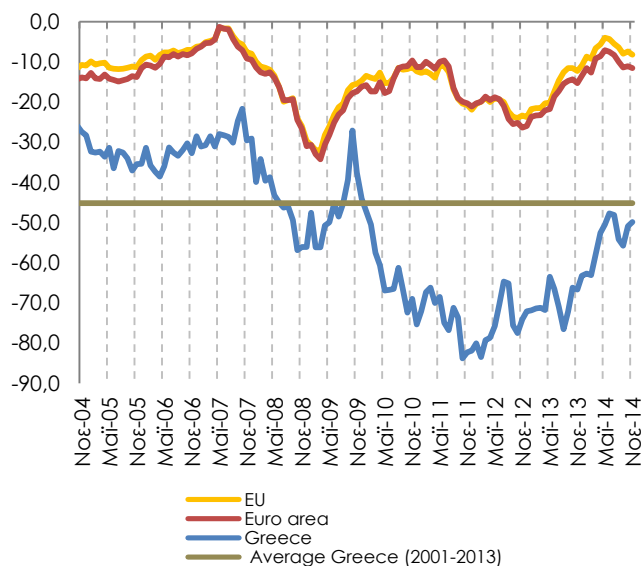


Figure 3: Consumer Confidence Indicator, Greece and Euro area



The Consumer Confidence Indicator

- ✚ Slight increase of the relevant index, to -49.9 units from -50.9 units in October.
- ✚ Expectations regarding both households' and the country's economic situation for the next 12 months were further improved, due to the significant GDP increase in Q3 '14.
- ✚ Expectations on unemployment seem to remain low, as there is a time lag between economic recovery and job creation.
- ✚ The ability to save worsened in November. Fewer households consider saving as a plausible option in the near future: 91% of them stated that saving part of their income during the next period seems impossible.

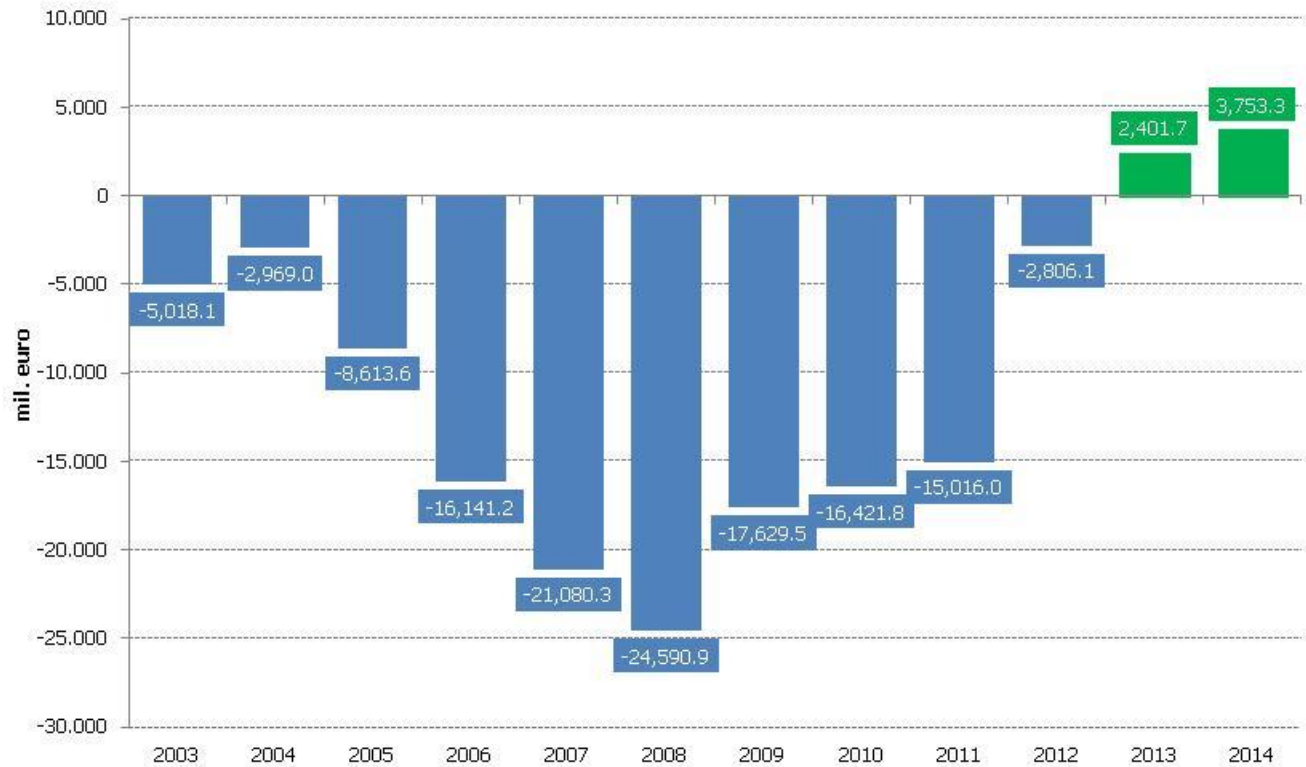
Sources: IOBE - DG ECFIN, European Commission

3. Main Short – term Indicators

Current Account Balance (January – September 2014):

- ✚ Current Account Surplus of €3.7 billion during the first nine months of 2014.
- ✚ Surplus grew by €1.8 billion compared to the same period of 2013.
- ✚ Surplus of €1.6 billion during September 2014, 67.3% higher against September 2013.

Figure 4: Current Account Balance, Jan. - September 2003 - 2014

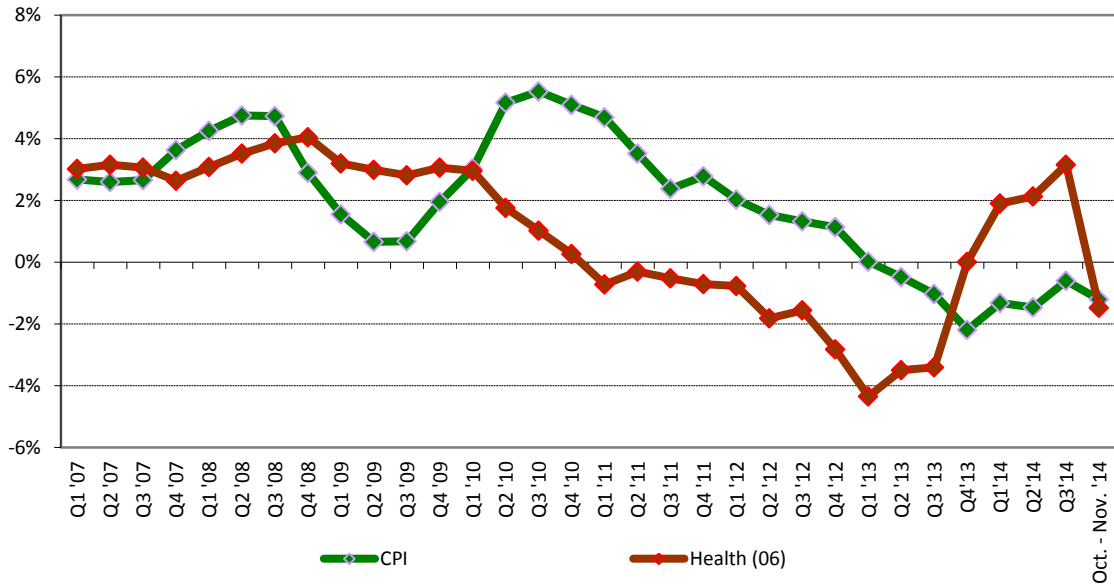


Source: Bank of Greece

Consumer Price Index (November 2014)

- ✦ CPI decreased by 1.2% y-o-y in November, against a sharper deflation rate of 1.7% in October.
- ✦ The Health prices index declined by 1.6% y-o-y in November. In October, the index was 1.7% lower y-o-y.

Figure 5: Consumer price index, % change over the same period of the previous year

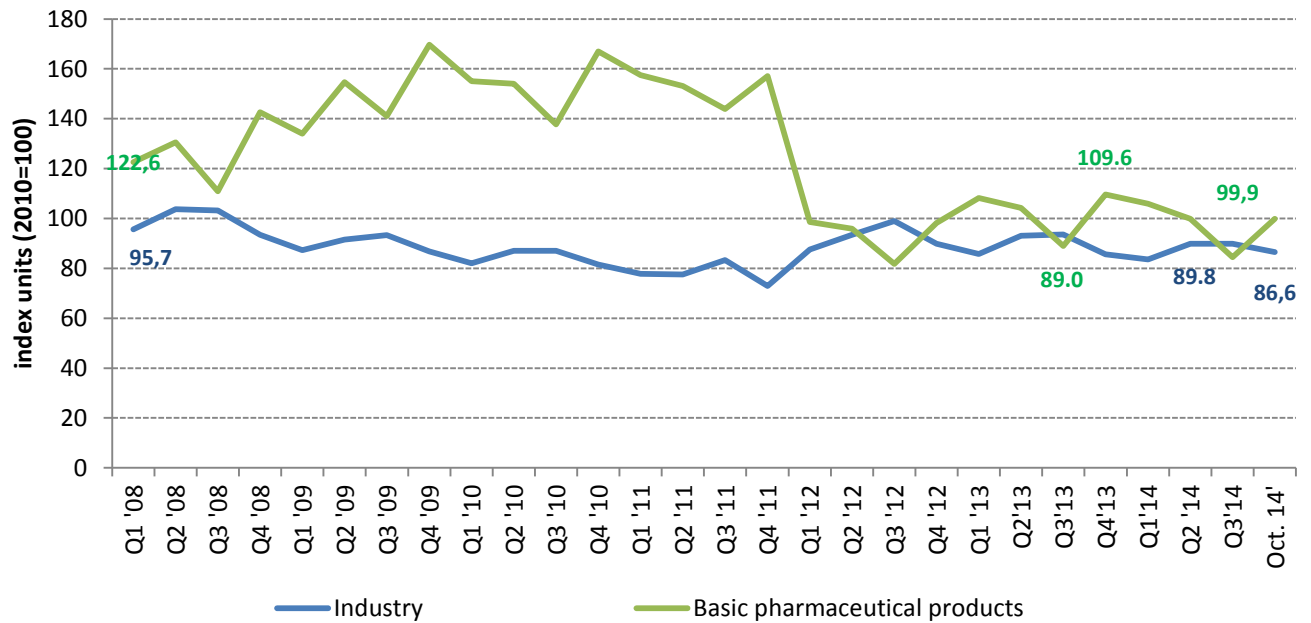


Source: ELSTAT

Industrial Production (October 2014):

- ✚ The overall industrial production index declined in October by 0.7% y-o-y against a sharp fall by 5.1% in September.
- ✚ During the same month, the production of basic pharmaceutical products was 13.2% lower y-o-y, a decline double that in September (6.0%).

Figure 6: Industrial Production Index

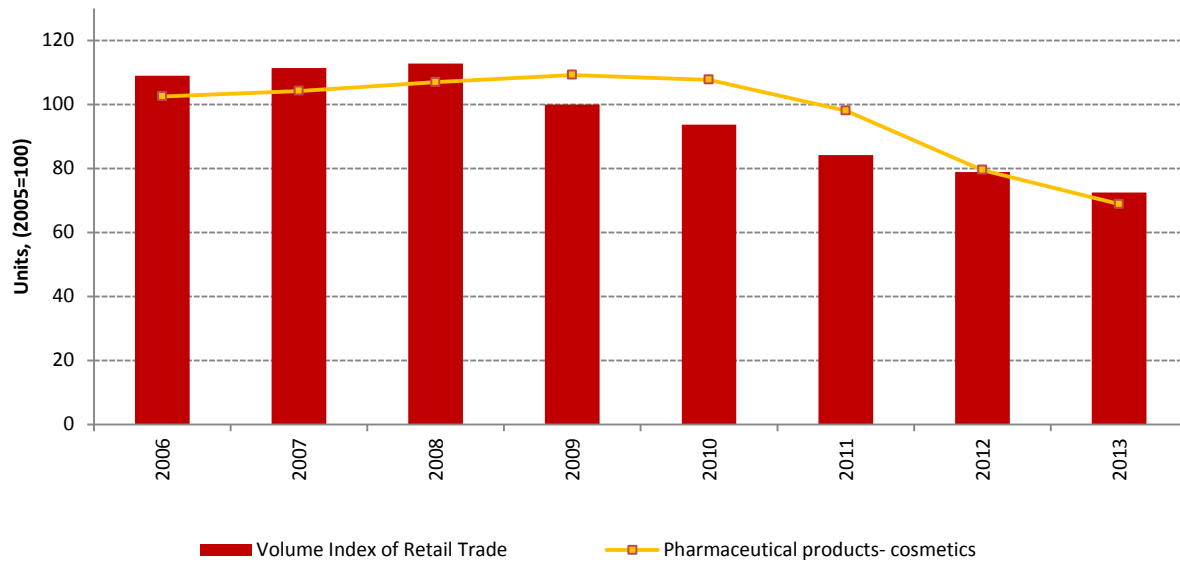


Source: ELSTAT

Retail Trade

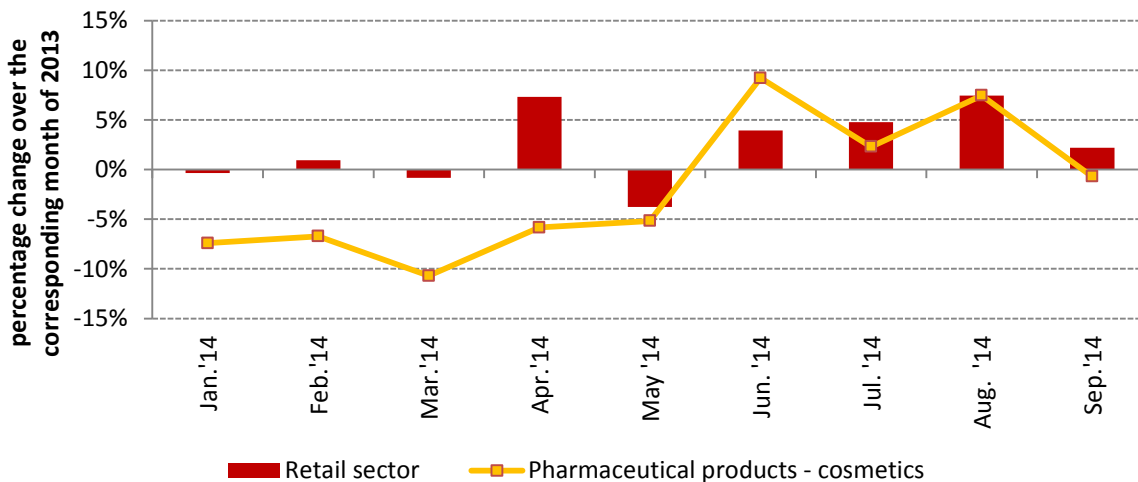
- Retail trade volume has decreased significantly since the crisis' outburst. The index reached its lowest level so far in 2013, with a cumulative contraction of nearly 27.5% since 2009.
- Trade of pharmaceutical products and cosmetics follows the same trend, exhibiting losses of 38.8% during the 2009-2013 period.

Figure 7: Retail trade and Pharmaceutical products 2006 -2013, annual averages



- Retail Trade volume increased in September 2014 by 2.2% y-o-y, significantly less than in August (7.5%).
- Pharma-products volume index was 0.7% lower y-o-y in September 2014, against an increase of 7.4% in August.

Figure 8: Retail trade and Pharmaceutical product, % change over the same month of the previous year



Source: ELSTAT

4. State Debts Evolution to Pharmaceutical Companies

- On 30.11.2014, the total amount of the state's debt towards SFEE's member- companies was €924.6 million (Figure 10).
- EOPYY has covered almost all outstanding debts for 2013 but is slowly progressing with 2014 balances (Figure 10).
- In contrast, payments from hospitals for 2014 have progressed, covering approximately 51% of the total debts (Figure 11).
- Overall, there has been a significant reduction from the previous month of approximately 7%.
- On the horizontal axis, monthly update from our member companies data is shown as of January 2014 onwards.
- Sums reported here include data from member-companies of SFEE (detailed & aggregate data).

Figure 9: Hospital debts evolution 2013 - 2014 (in millions)

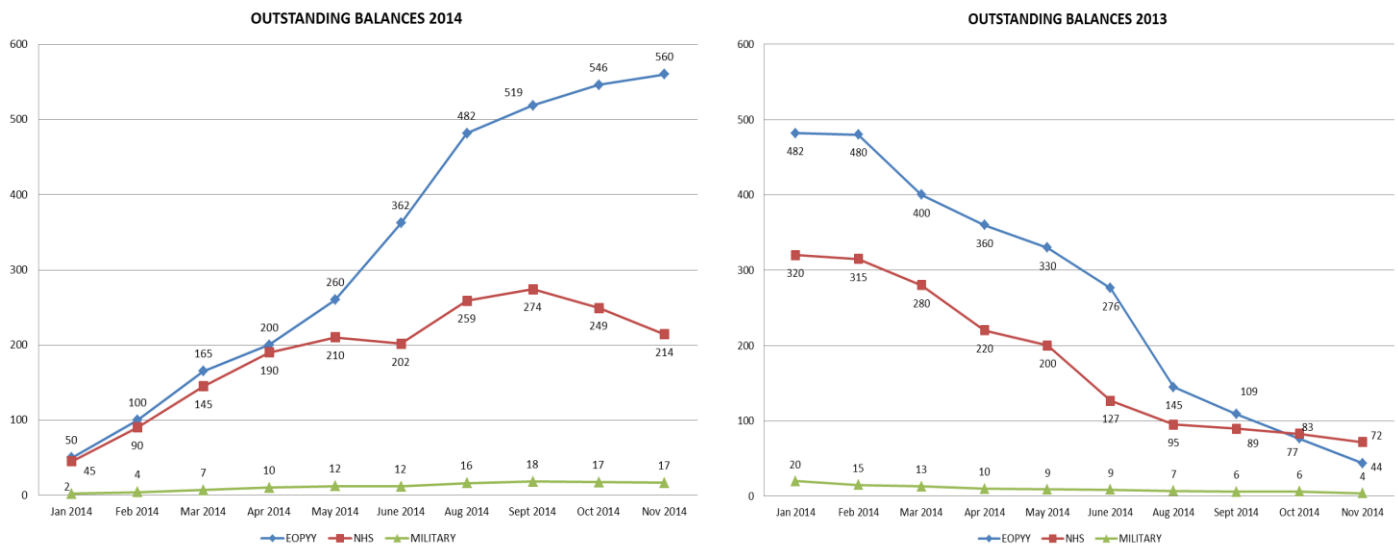
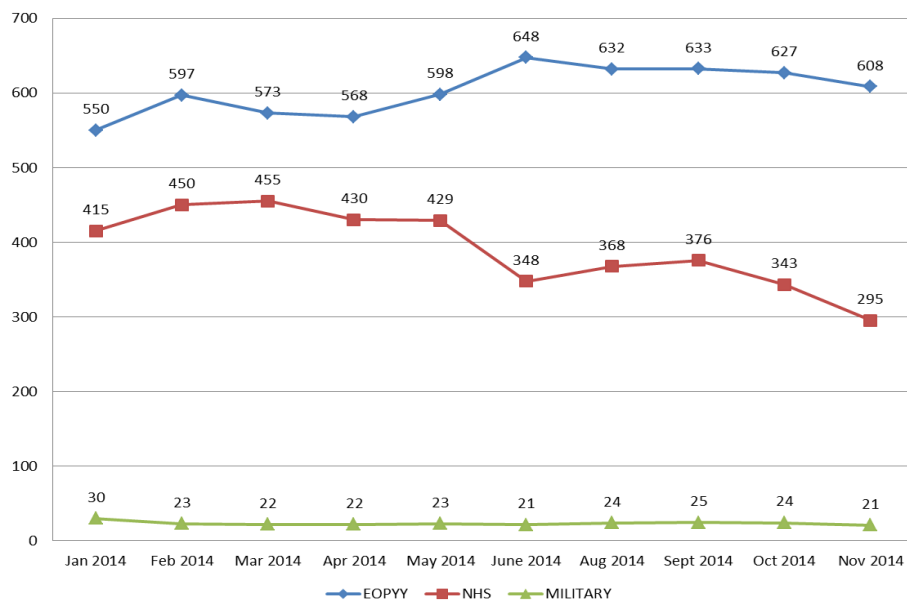


Figure 10: Hospital debts evolution in total from 2012 until November 2014 (in millions)



5. Market Evolution by Patent Status – IMS data

- ✚ Only 10.7% of units sold in the market are on-patent products, based on IMS data (MAT 09/2014). Total units sold is estimated at 284.3 million units.
- ✚ The total value of the market (MAT 09/2014) is estimated at 2.4billions, with off-patent products having the greatest share (35.08%), followed by on-patent products (29.52%). Total sales estimated at €2.4 billion
- ✚ Please note that the figures refer to the reimbursed non-L3816 market only.

Figure 11: Market size per patent status MAT09/2014 (in units)

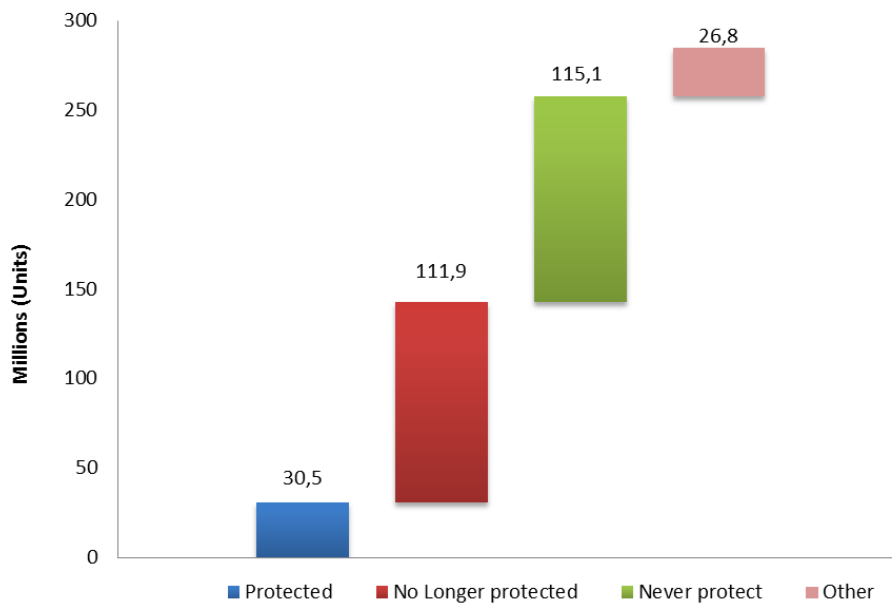
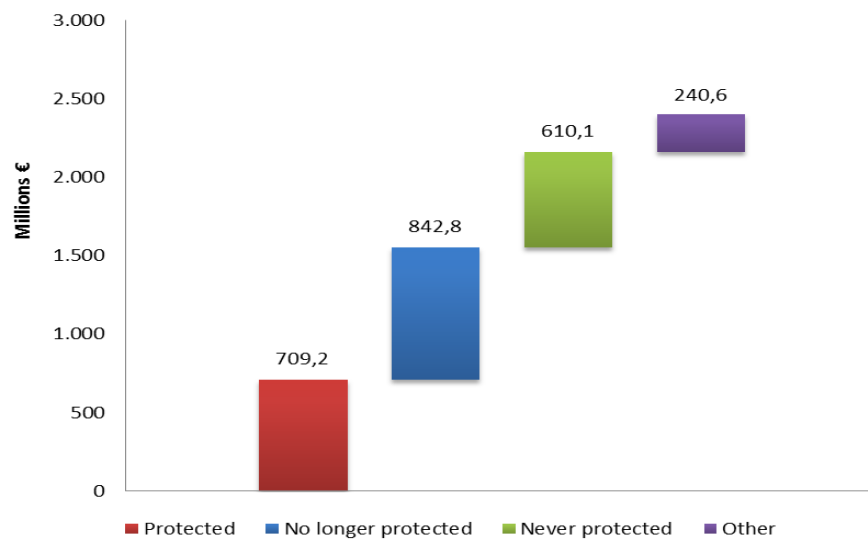


Figure 12: Market size per patent status (in euros)



6. Exchange Rate Fluctuations

- Real effective exchange rates (REER) are depicted in the table below for the period August 2013 – August 2014 as derived by Eurostat.
- The REER (or, equivalently, the "Relative price and cost indicators") aims to assess a country's (or currency area's) price or cost competitiveness relative to its principal competitors in international markets. It corresponds to the NEER deflated by nominal unit labor costs (total economy) and consumer prices (CPI/HICP).

Table 4: Exchange rate fluctuation (REER) November 2013 / November 2014*

CURRENCY/TIME	BGN	CZK	DKK	UK £	HRK	HUF	LTL	PLN	RON	SEK	US dollar	CHF
Nov 2013	1,96	26,93	7,46	0,84	7,63	297,68	3,45	4,19	4,45	8,88	1,35	1,22
Dec 2013	1,96	27,52	7,46	0,84	7,64	300,24	3,45	4,18	4,46	8,96	1,37	1,23
Jan 2014	1,96	27,49	7,46	0,83	7,64	302,48	3,45	4,18	4,52	8,83	1,36	1,22
Feb 2014	1,96	27,44	7,46	0,83	7,66	310,20	3,45	4,17	4,49	8,87	1,37	1,22
March 2014	1,96	27,40	7,46	0,83	7,66	311,49	3,45	4,20	4,49	8,87	1,38	1,22
April 2014	1,96	27,45	7,47	0,83	7,63	307,37	3,45	4,19	4,46	9,03	1,38	1,22
May 2014	1,96	27,44	7,46	0,82	7,60	304,58	3,45	4,18	4,42	9,03	1,37	1,22
June 2014	1,96	27,45	7,46	0,80	7,58	305,87	3,45	4,14	4,39	9,09	1,36	1,22
July 2014	1,96	27,46	7,46	0,79	7,61	309,81	3,45	4,14	4,41	9,23	1,37	1,22
August 2014	1,96	27,82	7,46	0,80	7,63	313,91	3,45	4,19	4,43	9,19	1,36	1,21
September 2014	1,96	27,60	7,44	0,79	7,62	313,20	3,45	4,19	4,41	9,19	1,29	1,21
October 2014	1,96	27,59	7,44	0,79	7,66	307,85	3,45	4,21	4,42	9,18	1,27	1,21
November 2014	1,96	27,67	7,44	0,79	7,67	306,89	3,45	4,21	4,43	9,24	1,25	1,20

*Source of data: Eurostat

**BGN: Bulgarian lev; CZK: Czech koruna; DKK: Danish krone; UK £: Pound sterling; HRK: Croatian kuna; HUF: Hungarian forint; LTL: Lithuanian litas; PLN: Polish zloty; RON: Romanian leu; SEK: Swedish krona; CHF: Swiss frank