

PRESS RELEASE

Date: Tuesday, February 16th, 2010

Subject: Medicinal Products Price Determination Policy

The new pricing policy was presented today in a Press Conference by the Minister of Economy, Competitiveness and Shipping, Mrs. Louka Katseli.

In her statement, Mrs. Katseli reported the following:

As you know, the past two-three months we held consecutive meetings and we were in contact with all the representatives of the pharmaceutical sector, such as representatives of the pharmaceutical industry, the wholesalers and the pharmacies. The dialogue has come to a conclusion in a very constructive environment and we are therefore ready to announce our decisions.

Today, after successive meetings I held with the most important institutional representatives of our country's pharmaceutical enterprises, I would like to announce the decision pertaining the Medicinal Products Pricing Policy, based on which by the end of this month the Price Bulletin will be issued.

Aiming at a precise observation of the pharmaceutical market we created a unique in Europe complete electronic data base of all medicinal products, from all the countries of the European Union.

The data regarding the cost of medicinal products we have collected constitute a convincing witness of the need to rationalize and smoothen the institutional framework for price determination. Indicatively I mention that our country up until today is one of the most expensive European countries regarding the prices of medicinal products, while at the same time is the third most expensive country in the world in generics. This is one of the factors, which together with the extensive over prescribing and the abolishment of the list, has caused the pharmaceutical expenditure to rise up to 6,6 billion in 2009.

Today we announce that in 2010 we will precede to a waited average decrease in the price of 6.500 medicinal products by approximately 20%. This decrease will be attained in two phases, starting this month. In this way we proceed to a drastic decrease of the pharmaceutical expenditure and of the Social Security Funds expenditure of at least one billion € per year, relieving significantly the health expenditure of the Greek insured citizen and of the consumer. With these decisions the participation of each insured citizen is

decreased by approximately 100 € per year. Meanwhile a decrease in the consumer prices index is achieved by 0,25%.

The reduction in the price of medicinal products is a result of the new type of price determination based on the average of the three lowest prices in the Euro zone. The selection of this standard method was made: a) to create a standard reference system and to base the price determination on objective criteria b) to eliminate any difficulties during the implementation, because of the fluctuation in the exchange rate and c) to establish a gradual and smooth adjustment period for the enterprises.

For the smooth transition to the new prices regime and in order to ensure that no problem will arise with the present stock of medicinal products in the pharmacies and in the wholesalers warehouses, we anticipate a transitional two months period of adjustment, during which medicinal products will be sold at both prices.

The re-costing of copies-essentially similar medicines will still be calculated as a percentage of the price of the original off patent medicine, minus 10%. The price of every new essentially similar medicine will be set at 70% of the original off patent medicine.

A special provision will be foreseen for the hospital use medicinal products, the orphan medicines and the common use medicines.

I would like to underline the fact that today's decisions are only part of the total government policy for the sector of medicines, which include the introduction of electronic prescribing, the establishment of a reimbursement list based on criteria and the enhancement of innovation and research in the pharmaceutical field in Greece through development incentives.

This policy aims not only to contain expenditure but also to protect the income of the average Greek family.