

**Specialized pharmaceutical company Grünenthal with Continued Growth in First Half of 2012**

**Core business of mid-sized pain therapeutics specialist grows 9 per cent / Continued above-industry-average investment in research and development / Further expansion of business in Latin America**

**Aachen, September 10, 2012** – In the first half of 2012 Grünenthal Group, an international pain therapy expert, reached revenues of €473 mn (vs. € 483 mn in H1 2011). Corrected by divested businesses, core business grew by 9 per cent in the first half of 2012. Growth was driven by the continued success of Grünenthal's global pain brands, in particular the strategic growth drivers Palexia® (+€19 mn) and Versatis® (+€16 mn) in Europe and Australia as well as increased royalty income for Tapentadol, which Johnson & Johnson sells on the North American market under the trade name Nucynta® (+ €10 mn). The growth of the innovative products more than compensated for the expected revenue decreases for mature and local products. Additionally, development of the business in Brazil and other countries as well as favorable exchange rate developments in the Latin American business also contributed to revenue growth in the first half of 2012.

Significant increase of operational EBITA (Earnings before Interest, Taxes and Amortization) clearly shows the effect of the implementation of focusing strategy in 2011. Group operating EBITA rose to € 41 mn for the first half of 2012, an increase of 147% versus H1 2011. Main drivers of this significant profitability increase are accelerated revenue growth of the core business which more than compensated for the loss of profit contribution of the divested businesses. In addition, after several market launches of Palexia® in 2011, marketing and sales cost decreased in the first half of 2012. Savings in administration cost of about 14 per cent in first half of 2012 further drove profitability.

Harald F. Stock, PhD., CEO of Grünenthal Group, commented on the results: "We are pleased to see that our focus on the core business is showing the expected results. We remain on track in implementing our VISION 2020 long-term strategy. The measures we have taken provide us with the necessary resources to invest in future growth and maintain our independence as a family-owned innovative company. With our pipeline of innovative projects in pain therapy we reached further milestones in the first half of 2012."

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### **Continued above-industry-average investment in research and development**

Tapentadol received FDA approval for label extension in diabetic polyneuropathy. Grünenthal also completed the Phase III study for Tapentadol with cancer patients in Europe. GRT6005, a compound with an innovative mechanism of action is moving to Phase IIb. "Together with our strategic development partner Forest, we see great potential for GRT6005 to provide a significant enhancement in the therapy of chronic pain," added Stock. Grünenthal Group continues to invest in research and development about 25 percent of revenues which is well above the industry average of approximately 16 per cent. Global pain products that are in the market for less than five years generate more than 32 percent of global pain revenues for Grünenthal (compared with an industry average of about 9 percent). This illustrates the successful track record of R&D investment for the company which aims to launch one innovative product every five years.

### **Strategic licensing deal for Latin American pain market**

In Latin America, Grünenthal is further strengthening the business in these fast-growth emerging markets with selected acquisitions and licensing deals. Following the successful acquisition and integration of the Brazilian company Selfarma in 2011, Grünenthal announced in June 2012 an exclusive agreement with US-based Horizon Pharma for the commercialization of DUEXIS® (proprietary combination of ibuprofen and famotidine) in Latin America. The complete coverage of the Latin American market with a pain portfolio represents an important strategic step and again demonstrates that Grünenthal is an attractive partner for other pharmaceutical companies in the Latin American market. The company's current leading market position in the pain segment in Latin America is mainly based on centrally acting analgesics and this licensing agreement provides the entry in the larger and even more attractive non-steroidal anti-inflammatory drugs (NSAIDs) market.

### **About Grünenthal**

The Grünenthal Group is an independent, family-owned, international research-based pharmaceutical company headquartered in Aachen, Germany. Building on its unique position in pain treatment, its objective is to become the most patient-centric company and thus to be a leader in therapy innovation. Grünenthal is one of the last remaining five research-oriented pharmaceutical companies with headquarters in Germany which sustainably invests in research and development. These investments amounted to about 25 percent of revenues in 2011. Grünenthal's research and development strategy concentrates on selected fields of therapy and state-of-the-art technologies. We are intensely focused on discovering new ways to treat pain better and more effectively, with fewer side-effects than current therapies. Altogether, the Grünenthal Group has affiliates in 26 countries worldwide.

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# GRÜNENTHAL GROUP

## Press Release



Grünenthal products are sold in more than 155 countries and today approx. 4,200 employees are working for the Grünenthal Group worldwide. In 2011, Grünenthal achieved revenues of € 947 mn. More information: [www.grunenthal.com](http://www.grunenthal.com).

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