

Press Release

Nycomed sustains commitment to Russia-CIS and invests in new pharmaceutical production plant

- Modern, state-of-the-art production plant to be built in Yaroslavl region
- Investment up to €75 million
- Construction starts in 2010, plant opening in 2014

Nycomed today announced its decision to invest in a state-of-the-art pharmaceutical production plant near the city of Yaroslavl in Russia. The company plans to invest between €65 million to €75 million.

The new facility will produce medicines for the local Russia-CIS market, which contributes 10% to Nycomed's turnover and plays an important role in the company's growth strategy. The plant, located in the Yaroslavl region, approximately 280 kilometres from Moscow, meets both the local and current Good Manufacturing Practice (cGMP) requirements. The latest safety and environmental standards will be applied. Total investments of the company over the next five years will be between €65 million to €75 million. Construction starts in 2010 and the plant will start production in 2014 with approximately 150 employees.

The facility is designed to manufacture liquid sterile products (ampoules and vials) as well as solid medicines (tablets). Liquid production includes solution preparation, washing of ampoules, sterilization, filling and inspection. Solid production will encompass all stages, from mixing and granulation through compression and coating. In addition, a packaging line for both solids and liquids will be integrated. Nycomed plans to produce products that are important for the local market, like Cardiomagnyl, Actovegin[®], Calcium and Warfarin.

Håkan Björklund, Chief Executive Officer of Nycomed, said: "With the investment in our production facility, we further strengthen our commitment to the Russia-CIS region. Russia-CIS is an important cornerstone in our growth strategy, and optimally serving this market is vital for Nycomed. The investment underlines our belief in the long-term prospects of the pharmaceutical market in Russia-CIS and we welcome the efforts of the Russian authorities to develop this market."

Sergey Vakhrukov, Governor of the Yaroslavl region, commented: "We are very proud that Yaroslavl region has been chosen by Nycomed to build a new pharmaceutical production. Personally, I am delighted that Nycomed is investing in our region and we are looking forward to continuing the great cooperation we have established during the last couple of months. We are confident that Nycomed will play a key role in supporting us to set-up a pharmaceutical cluster in Yaroslavl. The Yaroslavl administration will ensure all necessary support for Nycomed's business in our region."

"We are building a state-of-the-art facility", said Barthold Piening, Executive Vice President Operations of Nycomed. "It will be flexible to produce a variety of medicines for the local market and is designed to be expandable. We will manufacture to international production requirements

and adhere to the highest environmental standards. We believe that for our future employees this will be an exciting place to work.”

Jostein Davidsen, Senior Vice President, Nycomed Group, and President Nycomed Russia-CIS, remarked: “We have inspected many possible locations in many different regions, and put Yaroslavl early on the shortlist of the most attractive locations for Nycomed. A key factor for our decision was the long-term availability of a qualified workforce, where the medical academy in Yaroslavl plays an important role. The infrastructure and land plot also very well meets our requirements. We are confident that we made the right choice.”

About Nycomed

Nycomed is a privately owned global pharmaceutical company with a differentiated portfolio focused on branded medicines in gastroenterology, respiratory and inflammatory diseases, pain, osteoporosis and tissue management. An extensive range of OTC products completes the portfolio.

Its R&D is structured around partnerships and in-licensing is a cornerstone of the company's growth strategy.

Nycomed employs 12,000 associates worldwide, and its products are available in more than 100 countries. It has strong platforms in Europe and in fast-growing markets such as Russia/CIS and Latin America. While the US and Japan are commercialised through best-in-class partners, Nycomed plans to further strengthen its own position in key Asian markets.

Headquartered in Zurich, Switzerland, the company generated total sales of €3.4 billion in 2008 and an adjusted EBITDA of €1.2 billion.

For more information visit www.nycomed.com

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Additional Information

Location	Novoselki industrial park, Yaroslavl, Russia
Description	<ul style="list-style-type: none"> • Production of important solid and liquid pharmaceuticals for Nycomed Russia-CIS. • Production according to international pharmaceutical manufacturing standards (cGMP). • Latest safety and environmental standards applied.
Technical Data	<ul style="list-style-type: none"> • Site area: 18ha • Floor space: 18,000m² • Construction volume: 150,000m³ • Total investments: €65-75 million
Capacity	<ul style="list-style-type: none"> • Capacity solid production: ~2 billion tablets per year • Capacity liquid production: ~150 million ampoules per year • Warehouse capacity: 12,000 pallets
Employees	Approximately 150 at start of production