



- The pharmaceutical market in Latvia expanded by about 7% in 2001.
- Tamro Latvia's net sales of EUR 59.2 million exceeded the targets.
- The Latvian pharmaceutical market is expected to grow by nearly 10%.

## Operating environment and markets

The pharmaceutical market in Latvia expanded by about 7% and amounted to approx. EUR 115 million in 2001. Further expansion was burdened by insufficient financing of the governmental healthcare system.

The consolidation process on both the wholesale and the retail level continued. Although there still are more than 40 licensed pharmaceutical wholesalers, the top 5 control two thirds of the market, with Tamro SIA the market leader.

## Financial performance and operations

	2001	2000	Change
Net sales, EUR million	59.2	43.3	36.7%
Employees	189	93	103.2%

Tamro bought a leading wholesaler, Hansa Pharma Balticum and its pharmacy chain "Gimenes aptieka" with 25 outlets in June. Through this acquisition Tamro's market share in wholesale grew from 20% to 27% and Tamro signalled its entry into the retail business, where it now holds 7% of the market. Integration of its wholesale operations into Tamro SIA's operations was completed in 3Q.

Tamro Latvia's net sales exceeded the targets and contributed to fulfilment of the expected profit level. Tamro employed an average of 189 (93) people, of which 77 worked in pharmacies. The corresponding year-end figures were 263 and 134.

## Outlook for 2002

The pharmaceutical market is expected to grow by nearly 10% due to considerable increase in financing of the governmental healthcare budget. Further improvements in operational efficiency, cost control and customer service in wholesale will enable Tamro to augment both its sales and market share. In retail the main effort is to further develop the Gimenes aptieka chain to be a clear market leader.

Net sales



Personnel



Share of consolidated net sales



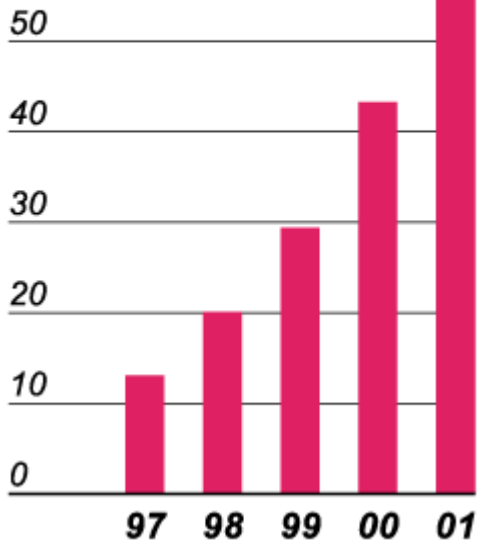
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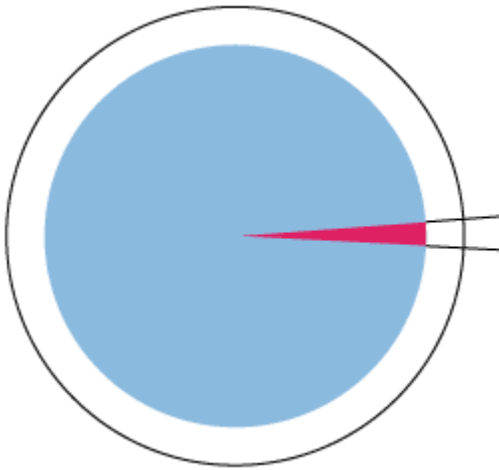
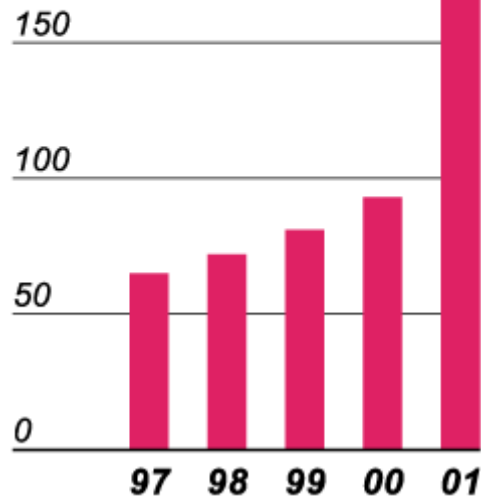
### Net sales

60 milj.€



### Employees

200



Share of consolidated net sales 2%

