



Apokjeden Group

- The Norwegian pharmaceutical market continued to grow at 10.7% in 2001.
- Apokjeden Group's consolidated net sales rose to EUR 453.3 (185.0) million.
- The aim of Apokjeden Group is to maintain its leading position in Norway.

Operating environment and markets

The Norwegian pharmaceutical market continued to grow at 10.7% in 2001. Pharmaceutical sales in terms of pharmacy purchasing prices rose to EUR 1049 million. Key contributors to the good market growth were newer and costlier medicines.

The Norwegian pharmaceutical market was deregulated on a large scale in 2001. The New Pharmacy Law, effective as of 1 March 2001, in practice totally liberalised the ownership and establishment of pharmacies. At the end of the year there were 460 pharmacies in Norway, an increase of 63 pharmacies compared to the previous year. Approximately 85% of the pharmacies belong to one of three major chains, of which the Tamro Group Apokjeden chain is the biggest with an average market share of 38%. The other chains are owned by the two big European wholesalers Gehe and AllianceUnichem. Apokjeden is the only chain in the market where pharmacists are owners together with the wholesaler.

Financial performance and operations

	2001	2000	Change
Net sales, EUR million	453.3	185.0	145.0%
Employees	491	110	346.4%

In February, Tamro's Norwegian subsidiary Tamro Distribution AS and the Apokjeden pharmacy chain merged their Norwegian operations into Apokjeden Group. Tamro subscribed to 49% of the shares in Apokjeden and Tamro Distribution AS became a fully owned subsidiary of Apokjeden Group. In the Norwegian market, Apokjeden Group represents a fully integrated, market driven wholesale and retail group.

The net sales figure includes Tamro Distribution's entire wholesale for the year 2001 as well as the retail sales of Apokjeden's pharmacies in April-December. Apokjeden's financial performance was unsatisfactory and it made a loss, mainly due to the heavy investments in pharmacies during the year 2001. Of the employees, 292 work in pharmacies.

The company has concluded agreements on part or total ownership with almost 140 pharmacies. Through these powerful investments Apokjeden has gained the position and structure required for building up sustainable long-term profitability as the leading actor in the Norwegian market.

Apokjeden Group represents over 180 of the Norwegian pharmacies. Twelve new pharmacies were opened, and already over 80 of the pharmacies have been restructured according to the branded Apotek1 chain concept. All members participate in the chains' marketing and sales campaigns.

Organisation change

In January 2002, Mr Øyvind Winther was appointed Managing Director of Apokjeden Group, thus succeeding Mr Steinar Stokke who resigned in December.

Outlook for 2002

The establishment of pharmacies is expected to continue at a rapid pace in the market, with 40-50 new pharmacies to be opened in the entire country. Pharmacies will continue to join the three major chains. In this totally new market situation, the integration of wholesale activities with the

pharmaceutical retail trade is vital for the sake of synergies, cost control and efficiency. The aim of Apokjeden Group is to maintain its leading position in Norway also in the present tightening competitive situation.

Net sales



Personnel



Share of consolidated net sales



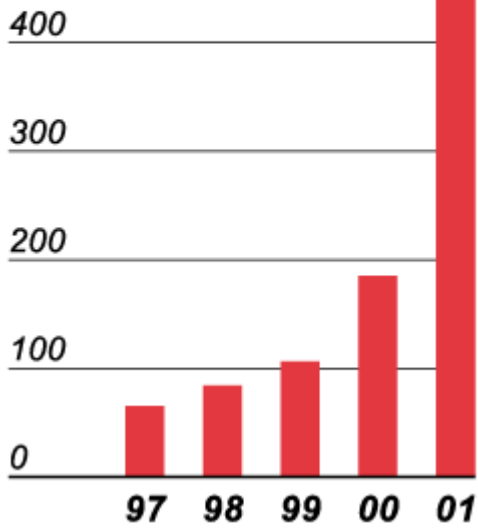
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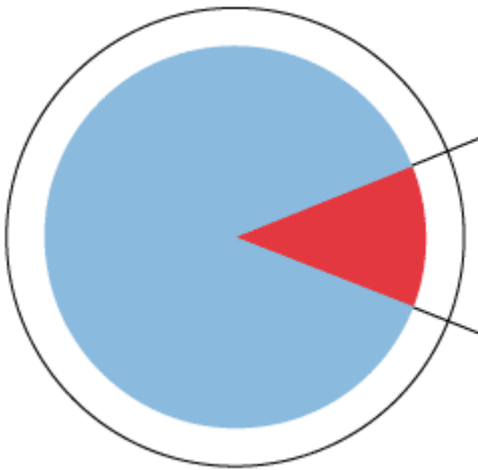
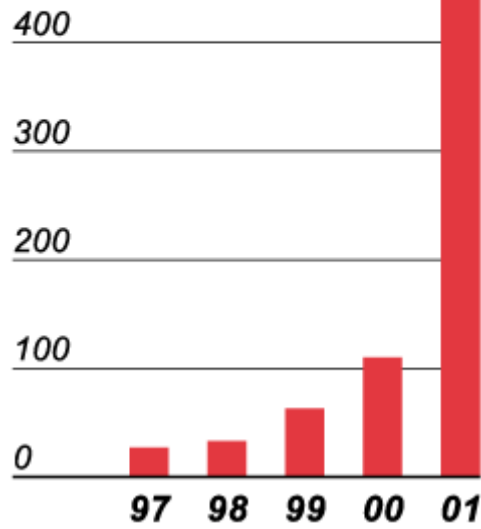
Net sales

500 €m



Employees

500



Share of consolidated net sales 12%

