

LOGISTICS B.U.

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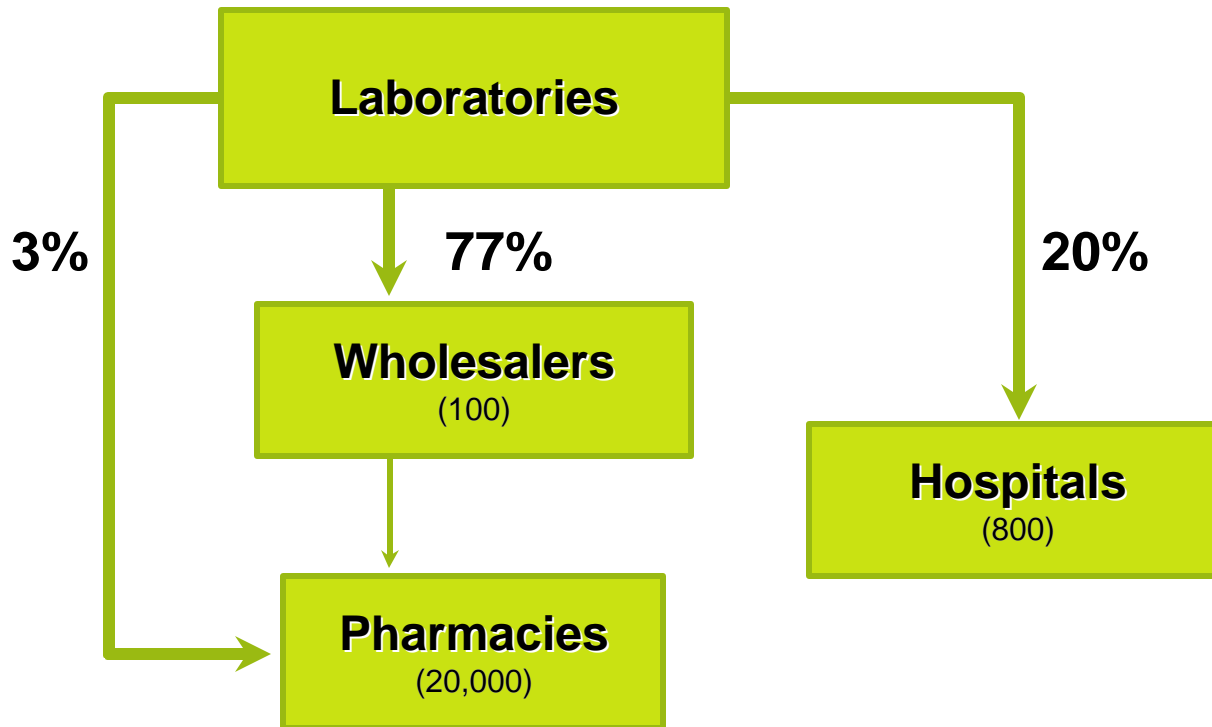
The Pharma

 Altadis **Sector**

Why the pharma sector?

- High quality and complex logistic services required from the pharmaceutical sector:
 - Compliance with regulations (GxP and FDA)
 - Refrigerated infrastructures
 - Security and track & trace throughout the chain
- Specialised channel and widespread distribution through 20,000 authorised retail channel
- High retail price per product and small size and weight per product

Spanish pharmaceutical distribution structure



Pharmacy market size (retail sales): € 15,6 billion

points of sale: 20.000

Tobacco market size (retail sales): € 9,5 billion

points of sale: 15.000

Logista's supply chain proposal

PRE WHOLESALE (LOGISTICS OPERATIONS)



Laboratories

Storage and Order Preparation Services



Receipt



Storage



Quarantine management



Order preparation



Dispatch



Wholesalers,
Hospitals, Pharmacies



TRANSPORT



Transport between centers



Transport Laboratory-Operator

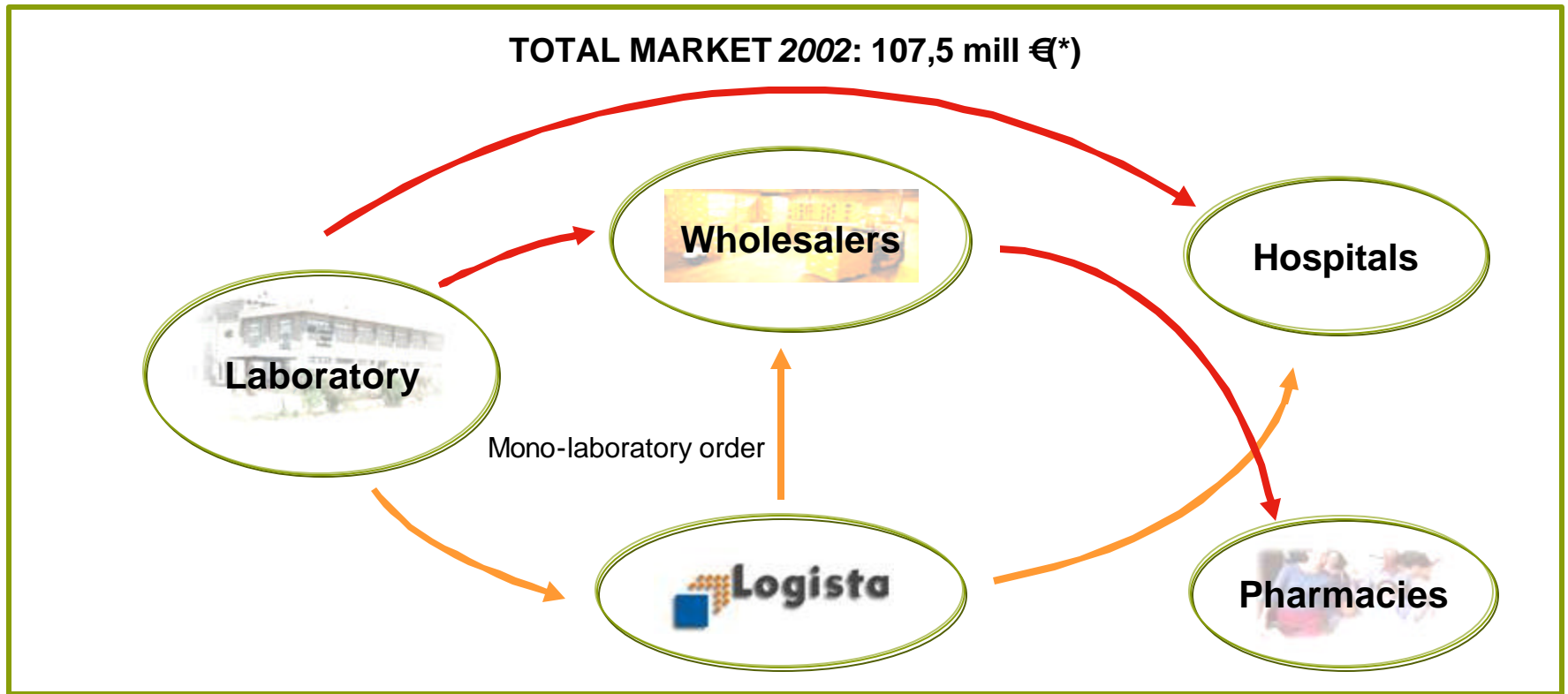


Transport to customer

Business opportunity

PRE WHOLESALE & DISTRIBUTION

“Outsourcing of the laboratory’s logistic operations”



(*) Potential “Added value services” are not included

— Current model
— Proposed model

How to enter in the sector in Spain

**Low degree of logistic´s outsourcing in Spain
Only the transport is largely subcontracted**

■ Logistics operators

- There are six operators, none of which has turnover >3 mill €

■ Specialised Transport

- There are three dominant players
- High barriers due to refrigerated capabilities

■ Wholesalers

- Very fragmented market
 - the first six players generates 53% of the sales
 - the rest of the market is composed by more than 300 players
- Out of the first six players four belong to the pharmacies (COOPERATIVES)

Leverage on selective acquisitions + capex

Through the **GRUPO BURGAL** and **ALAMEDA** acquisitions we get, additionally, access to the pharmaceutical pre wholesale activities and distribution:

- OPELOG
- INTEGRA2



Organic investments
in **WAREHOUSES, SYSTEMS**
and **IT solutions**

The “branding” through the acquisitions

OPELOG “Pre wholesale activities”



INTEGRA2 + ALAMEDA “Transport”



The organic investments

PIERA (BARCELONA)

17,500 m²

- Air conditioning (temperature and humidity)
 - Silo: 25°C (uniform throughout)
 - Premises: 25°C
 - Cool store: refrigeration 2-8°C with capacity for 3.000 pallets
- Strict safety regulations: **CEPREVEN**
- Compliance with **GxP** regulations:
 - Traceability (batch control)
 - FEFO
 - Quarantine
 - Expiry date control
- 10 years rental contract

LEGANES (MADRID)

20,000 m²

- Controlled area for psychotropic drugs and narcotics.
- Technologies oriented to space optimization and achievement of high productivity
- Simplicity and coherence in materials flows
- Capacity for expansion and growth
- Versatility in the re-use of premises and spaces
- Property

New Warehouses



PIERA (BARCELONA)

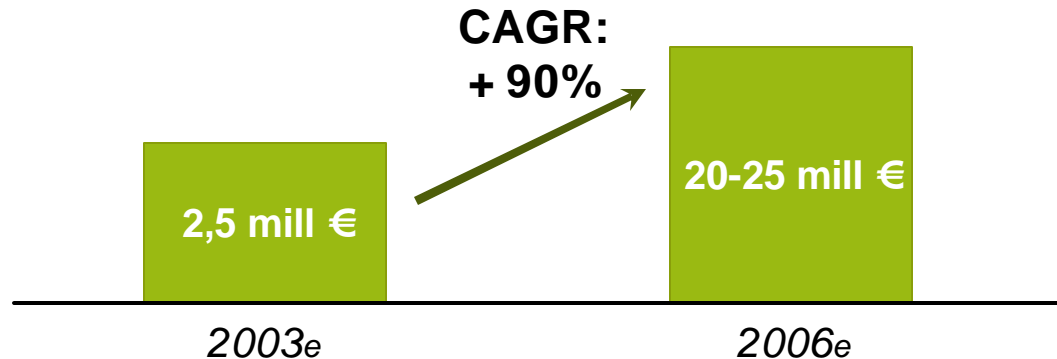
LEGANES (MADRID)



The Pharma Business Plan

- In the pre-wholesaling activity Logista has installed capacity for 20-30% of market share to be raised in three years (FY 2006):

(Turnover)



- The total investment is expected to be € 20 million, out of which €7 million are dedicated exclusively for the pharma business
- Once full capacity is utilised in FY2006e, ebitda margins will no be dilutive for Logista
- The IRR for the business yields 15%

Recent events and commercial actions

- Logista Pharma (Opelog) has recently obtained required licenses:
 - Opening of PIERA new facilities in May 2003
 - OPELOG has obtained in the Canary Island the “Laboratorio Farmacéutico” pre wholesale authorisation in April 2003 (being therefore the only operator in islands with it). New clients for Canary Island are Aventis, Almirall Prodesfarma...
 - In November 2003 the new LEGANES warehouse has obtained the Pre wholesale “Laboratorio comercializador” authorisation
- One to one commercial actions with multinational laboratories has been done
 - Logista has presented offers to clients that potentially would use up to 100% of the installed capacity
 - Awarded clients for 2004 will entail 100% of 2004 estimated turnover

Next Steps

- The expansion strategy into the pharmaceutical sector could contemplate:
 - To expand from the pre wholesaling activities into offering other added value services

ADDED VALUE SERVICES



Order capture



Billing
and collection



Services for
Laboratoy



Special handling



Returned product
management

- To offer to the laboratories the direct distribution services to pharmacies (replicating the model of direct distribution to hospitals)



The Pharma



Sector