

EASTPHARMA LTD.

London, 8 March 2019 - EASTPHARMA (EAST LI) announces that it is releasing its audited financial statements for the year ended 31 December 2018 and a review of its main subsidiary DEVA Holding's audited financial statements for the related period.

Management comment on the financial performance of EASTPHARMA is provided in the attachment, and a presentation of the results will be available on the EASTPHARMA website www.eastpharma.com on 11 March 2019.

A conference call to review the financial performance for the year ended 31 December 2018 will be hosted by the management of EASTPHARMA at 12:00-noon London time on **11 March 2019** (08:00am New York time / 01:00-pm Zurich time / 03:00pm Istanbul time). The dial-in details are provided below.

Conference call:

Dial-in Number (UK): +44 (0) 2071 928501

Dial-in Number (US): 19177200181

Dial-in Number (Switzerland): 0445806085

Dial-in Number (Germany): 030221533116

Conference ID: 4677714

For further information, please contact:

Investor Relations:

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MANAGEMENT COMMENTS ON EASTPHARMA's FINANCIAL PERFORMANCE IN 12M 2018 (IFRS):

According to IFRS results, revenue in 12M 2018 was USD 233.9mn, up 6.1% from the same period in 2017 (USD 220.4mn).) In Turkish Lira terms, revenue increased by 37.7% in the same period (Net sales in 12M 2018 were TRY 1,105.6mn vs TRY 802.8mn net sales in 12M 2017).

The average US Dollar exchange rate strengthened by 32.5% against the Turkish Lira to 4.8301 in 12M 2018, which compares with an average rate of 3.6445 in 12M 2017. The USD/TRY exchange rate was 5.2609 on 31 December 2018, while it was 3.7719 on 31 December 2017, which corresponds to an increase of 39.5%.

EASTPHARMA's sales increase was mainly achieved by both increased volumes at human pharma businesses and price increase which was effective as of 20 February 2018 for Deva and Saba. In 12M 2018 versus 12M 2017, Human Pharma revenues in US dollar terms increased by 6.2% (from USD 204.6mn to USD 217.3mn). In TRY terms, they increased by 37.9% (from TRY 745.1mn to TRY 1,027.5mn). Veterinary products revenues in US dollar terms decreased by 0.1% (from USD 13.14mn to USD 13.13mn). In TRY terms, they increased by 27.6% (from TRY 47.88mn to TRY 61.09mn).

Deva's Capital Markets Board (CMB) results show revenue in 12M 2018 was TRY 1,040.7mn, up 30.0% from the same period in 2017 (TRY 800.3mn).

Deva's sales increase was mainly achieved by both increased volumes at human pharma businesses and price increase which was effective as of 20 February 2018. In 12M 2018 versus 12M 2017, Human Pharma revenue increased by 29.6 % (from TRY 742.7mn to TRY 962.6mn). Veterinary business revenue increased by 27.6% compared to the 12M 2016 (from TRY 47.88mn to TRY 61.09mn).

EASTPHARMA's gross profit in 12M 2018 was USD 122.2mn, up from USD 104.8mn in 12M 2017. The gross profit margin in 12M 2018 was 52% vs 48% in 12M 2017.

EBITDA in 12M 2018 was USD 72.8mn vs USD 55.6mn in 12M 2017 representing an EBITDA margin of 31.1% vs 25.2% in 12M 2017.

Operating expenses in 12M 2018 decreased by 4.2%, from USD 63.65mn to USD 60.95mn. The ratio of operating expenses to revenues decreased to 26.1% from 28.9% compared to 12M 2017. Sales and marketing expenses in 12M 2018 were 12.1% of revenues; general administrative expenses were 10.7% of revenues; research and development expenses were 3.3% of revenues. These expenses were 13.9%, 11.2% and 3.8% in 12M 2017, respectively.

Finance cost increased by USD 8.08mn, from USD 16.92mn to USD 25.00mn in 12M 2018 compared to 12M 2017. Foreign exchange losses on borrowings and loss on derivatives increased by USD 0.80mn, bank loan and bond issued interests increased by USD 7.47mn, amortization of discount on receivables decreased by USD 0.40mn and other interest expenses increased by USD 0.21mn. Average TRY interest rate increased to 21.1% in 12M 2018 from 12.9% in 12M 2017.

Receivable days at 31 December 2018 were 100 days, compared to 100 days as at 31 December 2017.

Philipp Haas, EASTPHARMA's Chairman and CEO, stated;

‘ 2018 has been one of the most difficult years in the history of EASTPHARMA. A currency crisis, which accelerated in August to an almost 100% devaluation and interests rising to 40% were strong challenges, which left a big part of the Turkish pharmaceutical industry at the brink of collapse.

A prudent management of the liability structure and a continuation of applying sound, industrial management principles, enabled us to not only modestly increase our sales in US Dollar terms, but also to further expand net profit and EBITDA margins.

While the economic situation has now stabilized, we still experience high interest rates and an uncertain currency outlook and we will therefore continue to apply strict cost controls, and financial prudence.’

EASTPHARMA Ltd - a company active in the manufacturing and marketing of pharmaceutical products in Turkey and in other regional markets; for further information please visit www.eastpharma.com