



Servier Voluntary Public Offer for all outstanding shares of Egis Pharmaceuticals plc



Interview with Pascal Touchon, Head of Business Development & Scientific Cooperation

Q : What are you announcing today?

A : Art et Techniques du Progrès, ATP, a company of the Servier Group, has announced a voluntary public offer to purchase all outstanding shares of a majority-owned company, Egis, at a price of 28,000 HUF per share.

Q : You've owned 51 per cent of Egis for 18 years. Why are you making this Offer now?

A : That's correct. Servier has owned 51% of Egis since 1995. Hence the two companies have shared 18 years of very successful history together.

Servier has been and will remain an innovative, research-led pharmaceutical company. But we also control three generic affiliates, including Egis, each having its own identity, business strategies and operations. These companies operate in different markets with different managements.

Egis is the only legal entity within the Servier Group that is listed on the stock exchange, but Egis doesn't need equity financing, hence it makes little financial sense for Egis to maintain its presence on the stock market, and we have the financial resources at the Group level to make that offer now.

Q : Now the offer you've made represents a 33 per cent premium. How did you arrive at that amount?

A : That's right. That's the premium towards the price at close on Monday 23rd September 2013, the day before we announced this offer.

It is also a 38 per cent premium to the six month volume weighted average price of Egis' shares.

We feel this offer represents a good total shareholder return for the shareholders invested in the company, with a total shareholder return of 60 per cent compared with -3 per cent for the Budapest Stock Exchange, the BUX, over the last 12 months, and a total shareholder return of 151 per cent vs. -2 per cent for the BUX over the last 5 years.

Q : This is obviously your first offer. Presumably you'll be increasing it in due course?

A : The offer price is final and Servier will not increase the price outlined in the public offer. We are not planning any post-bids after the acceptance period ends, regardless of the original bid's outcome.

Q : And tell us, how are you financing the deal?

A : Servier has the financial resources available to fully fund the Offer in cash.

Q : So what's the process from here?

A : The Offer now needs to gain approval from the Hungarian Financial Supervisory Authority which is a process that should take approximately 10 business days.

Following receipt of the approval by the Hungarian Financial Supervisory Authority, shareholders will have at least 30 days to respond to the bid. Details of how to respond to the bid can be obtained from the Offer documentation which is publicly available as well as on our tender agent website, KBC Securities'.

Within 5 business days of the closure of the bid, shareholders who have tendered their holding to the bid will receive cash in exchange for their shares.

Q : And how will the change of ownership affect Egis?

A : We are not planning any significant changes at Egis, regardless of the outcome of the Offer.

As I already said, both companies have shared together an eighteen year history very successfully and we have already maximized all the available synergies for the benefit of all shareholders. We do not intend to make any significant changes to the strategy or operations of Egis, which is already operating in a fully integrated way with the Servier Group on strategies and will continue to operate under its own highly respected identity.

Egis will continue to focus on developing, producing and marketing high quality generics and biosimilars in its market. Servier trusts Egis's Hungarian management team and intends to retain it, just as it did 18 years ago.

Q : Do you expect any regulatory challenges in completing the transaction?

A : This Offer will of course be subject to gaining all the necessary regulatory approvals, and we do not envisage any particular issues in gaining these approvals.

Q : So what should shareholders do now?

A : We believe shareholders should accept our proposal once officially approved by the authorities. Details on how to respond to the bid are available from the Offer documentation that is publicly available as well as on our tender agent, KBC Securities' website.

Q : Finally, should we expect job cuts at Egis as you extract synergies from the business?

A : We do not plan any significant changes in employment or strategies of Egis. We have held a majority 51% stake at Egis for 18 years and we fully support the strategies in place at present.

As I mentioned, we have already maximised the synergies between the two companies, and the identity and focus of Egis will not change regardless of the Offer outcome.

And I would like also to take this opportunity to thank warmly my colleagues, staff and management at Egis, for their strong contribution and hard work for the Company.