

Corneal - Division of Croma-Pharma



L'OPHTALMOGRAPHE

n° 28



DOSSIER

A new dimension:
Croma-Pharma and Cornéal®

EDITORIAL

Croma-Pharma has purchased the historic ophthalmic activity of CORNÉAL® as of July 2nd 2007.

The confluence of these two companies with different, but supplementary cultures and know-how represents the birth of a new European corporation. It will therefore be the occasion for Croma-Pharma to widen and reinforce its offer to the world of ophthalmology.

This new entity's strategy will be described in detail in this special edition and I hope you will be convinced that our company wishes to perpetuate the innovative vision of CORNÉAL® as well as the teams that supported CORNÉAL® to become strongly present on this market.

As the country of origin of Croma-Pharma is Austria, an article will describe the ophthalmic market in this country.

We hope that you will enjoy discovering us through this special edition of the *Ophthalmographe* and that you will trust us in this new adventure.

Enjoy this special edition,

Gerhard PRINZ

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L'OPHTALMOGRAPHE



A new dimension:
Croma-Pharma and Cornéal®

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L'OPHTALMOGRAPHE

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CROMAPHARMA



Croma-Pharma an Austrian family company acquires CORNÉAL®'s ophthalmological business unit

CROMA-PHARMA, a family-owned pharmaceutical company from Austria with its headquarters in Korneuburg near Vienna, is the new owner of **CORNÉAL®**'s ophthalmological branch. The French global player **CORNÉAL®** which is based in Paris has become famous for innovative product ideas such as viscoelastic solutions, intraocular lenses and medical equipment. On 15 June 2007 the contracts were signed in Paris and on 2nd July 2007 the ophthalmic business unit of the company was officially taken over.

CORNÉAL® was founded in 1987 and has been working on a multinational level. Until now **CORNÉAL®** belonged to the American company **ALLERGAN** which had previously acquired the French company in order to combine **CORNÉAL®**'s dermatologic product range with its own existing product portfolio.

WHY CORNÉAL®?

CROMA-PHARMA, an innovative family business, has been very successful in the field of ophthalmology. However, in order to ensure long-term success it is important to be a one-stop provider, particularly in ophthalmological surgery, i.e. you have to be able to offer an innovative complete product portfolio for anterior and posterior segment surgery. The acquisition of **CORNÉAL®**'s ophthalmological unit makes **CROMA-PHARMA** one of the few one-stop providers in this field.

AN IMPORTANT ADVANTAGE

CROMA-PHARMA gains an important advantage through the acquisition of this leading French company: The innovative company can immediately access **CORNÉAL®**'s products which are well-established on the market and can immediately offer them without having to develop new products at the beginning. **CROMA-PHARMA** gains time in this way which is an important fact and should not be underestimated. After all there are many competitors in this business field.

WHICH ROLE WILL CROMA-PHARMA PLAY AND WHAT ARE THE PLANS FOR THE FUTURE?

The Austrian company **CROMA-PHARMA** now ranks among the top 5 on the European ophthalmology market through the acquisition of **CORNÉAL®**'s ophthalmologic unit. The turnover increases accordingly and doubled to 70 million Euros.

WHAT WILL HAPPEN TO CORNÉAL®'s SUBSIDIARIES?

In addition to the existing **CROMA-PHARMA** subsidiaries in Germany, Poland, Hungary and Romania the company will incorporate **CORNÉAL®**'s numerous subsidiaries. The headquarters remains in Korneuburg near Vienna, Austria and will consolidate the export activities with the multiple distributors. **As a result CROMA-PHARMA has now 8 subsidiaries in Europe.**

AND THE EMPLOYEES?

The leading company **CROMA-PHARMA** takes over all 175 French employees whom are currently employed in **CORNÉAL®**'s ophthalmologic business unit. As a result the total number of employees rises to 400 persons.



CROMA-PHARMA

a dynamic Austrian family enterprise
with a successful corporate concept



Croma-Pharma's first pharmacy: from medicinal products...

1976 – AN IDEA BECOMES REALITY

In 1976 the story began: with a lot of effort and energy, the pharmacist couple Karin and Gerhard Prinz founded CROMA-PHARMA, their own pharmaceutical company which is 100% family-owned until today. They soon created a name for their company: **CROMA**. This name is derived from the first names of their 3 children – Corinna, Martin and Andreas. All of the Prinz family's three children are pharmacists and are working in the family business. The daughter, Corinna, is managing two out of the three family-owned pharmacies while both sons are managing the growing and innovative company CROMA-PHARMA. Martin Prinz is responsible for production, research, development and logistics. His brother, Andreas Prinz, is the managing director in charge of international sales of CROMA-PHARMA's products.

HEADQUARTERS AND SUBSIDIARIES

CROMA-PHARMA, a future-oriented company, has its administration, production and research units in Korneuburg / Vienna. 171 out of 200 employees around the world (and the number is ever increasing) are working in Austria which shows that CROMA-PHARMA is an attractive employer and well-appreciated by its employees. One of the Prinz family's primary concerns is to further enlarge the Austrian site and to continue to invest into competent and qualified personnel. Nevertheless it is also important to look beyond the borders within the European Union. For this reason CROMA-PHARMA has set up sales offices in Germany, Poland, Romania and recently in Hungary. In addition the family enterprise has 60 distributors acting on their behalf in all parts of the world, selling their ophthalmological and orthopaedic products in South America,

Africa, Europe and Asia. The turnover increased by 20 to 30 percent every year within the past 4 years. Today the company expects a record turnover of 43 million Euros for 2007.

HOW EVERYTHING BEGAN...

In order to better understand CROMA-PHARMA and its corporate concept it is important to know that Karin and Gerhard Prinz started their business in 1976 by importing emergency medication, i.e. medicinal products which are not registered in Austria but are needed in certain cases. 1991 represents a milestone in the company's history: CROMA-PHARMA manufactured viscoelastic solutions for cataract surgery for the very first time. Up to this day, these OVDs have been an important part of the family's strategic business. With the launch of **Synocrom®** in 2002, CROMA-PHARMA brought its first viscoelastic injection for arthrosis patients onto the orthopaedic market. In **2005** the company launched its own product line in the area of self-medication under the brand name **CROMA-Lifeline**.

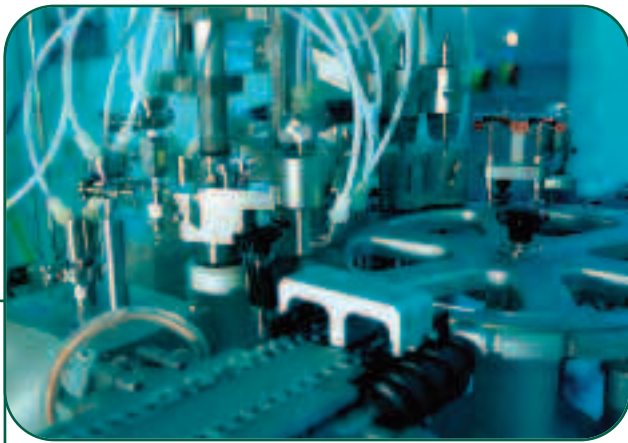


Karin and Gerhard PRINZ.

CROMA-PHARMA'S BUSINESS

The growing pharmaceutical company is operating internationally in 4 strategic business fields: **ophthalmology, orthopaedics, OTC (self-medication) and contract manufacturing.**

- 1) CROMA-PHARMA offers a wide range of ophthalmologic products which are essential for various



Automatized filling machine.



Automatized filling machine.

types of treatments as well as for eye surgery, e.g. antibiotics and products for the treatment of glaucoma and cataract, etc.

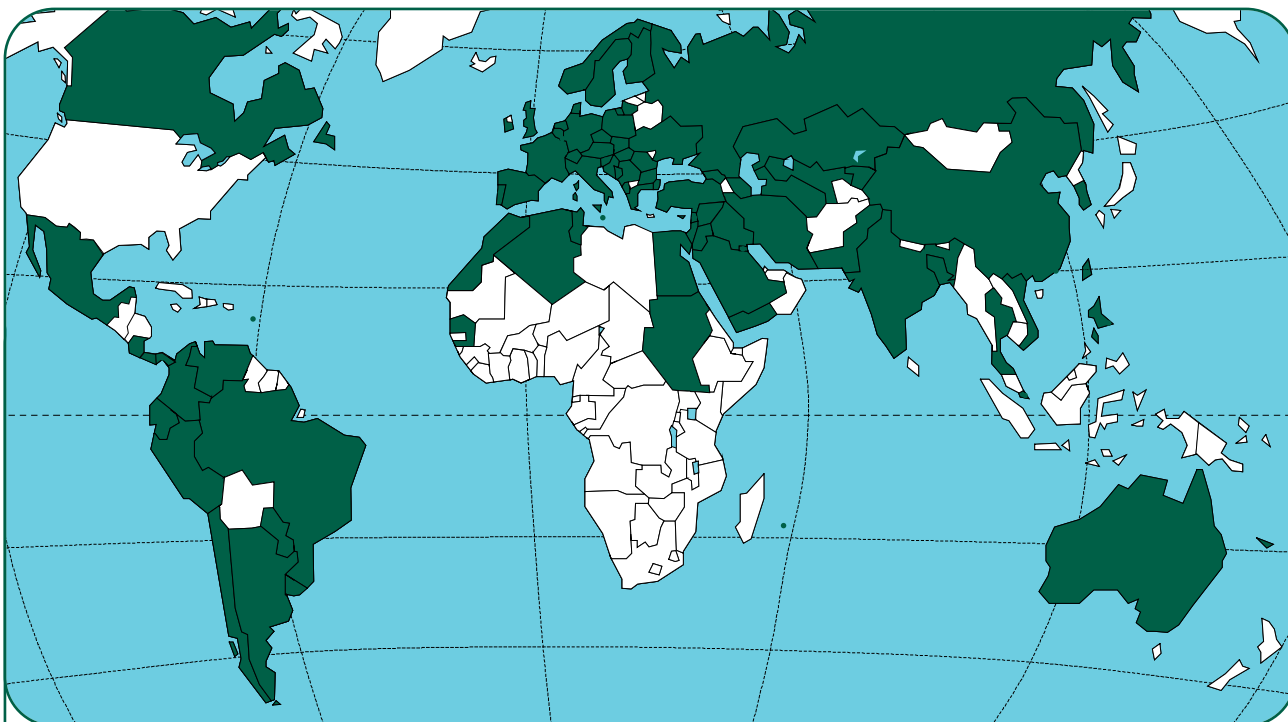
- 2) The company also has a lot of experience in the field of orthopaedics. It is particularly specialised in the field of viscoelastic injections for the treatment of arthritis. In addition to these viscoelastics CROMA-PHARMA's brand portfolio also includes a pain therapy product.
- 3) OTC products include all those helpful pharmaceuticals and medical devices which are available without prescription at pharmacies and eye specialists. The product portfolio is thematically divided into the following therapeutic areas: dry eye, allergy, cold and flu, digestion and men's health.
- 4) Today CROMA-PHARMA is one of the internationally leading manufacturers of viscoelastic injections for use in ophthalmology and orthopaedics. Its contract manufacturing activities have contributed essentially to this success. CROMA-PHARMA's viscoelastic solutions contain hyaluronic acid of biofermentative origin. They are particularly effective and very well-tolerated by patients and are manufactured in accor-

dance to the highest quality standards, i.e. ISO 9001, MDD and GMP.

CROMA-PHARMA's products are famous for their top quality all around the world. For this reason, many other companies are buying their viscoelastics from CROMA-PHARMA. The numbers speak for themselves: in 2006 CROMA-PHARMA manufactured 2.5 million injections for use in ophthalmology and orthopaedics.

THE FUTURE OF CROMA-PHARMA...

Research and Development is an important business area and is greatly emphasised at CROMA-PHARMA. For this reason, the owners are cooperating with national and international universities. Every year 10% of the company's turnover is been invested into Research and Development. In this way, the Prinz family prepares the new European pharmaceutical company for the future. For this reason the family will also remain a reliable business partner for new product ideas as well as for the production of new pharmaceuticals and medical devices.



CROMA-PHARMA in the world.

INTERVIEW with Gerhard PRINZ, Andreas PRINZ and Martin PRINZ

31 years ago, in 1976, Karin and Gerhard Prinz decided to establish the pharmaceutical enterprise CROMA-PHARMA. The successful and dynamic growth of the family company now culminates in the successful acquisition of CORNÉAL®'s ophthalmologic business unit.

Based on the French writer Victor Hugo's quote, "Nothing is stronger than the idea whose time has come", CROMA-PHARMA made the acquisition at an optimally planned time point. Through the acquisition of the leading multinational enterprise CORNÉAL®, CROMA-PHARMA has successfully taken the first step towards dominating the European ophthalmo-surgical market.

HOW DID CROMA-PHARMA'S SUCCESS STORY BEGIN?

(Mr. Gerhard Prinz, founder of Croma-Pharma)

I am pleased and it is an honour for me to welcome you here. First I will talk a little bit about the background of the company; not too much and not too long. When I was a junior pharmacist in Vienna my vision was to create something. My wife, a pharmacist, gave me the freedom to do so and supported me in this process.

In the beginning, every foreign company which I contacted regarding registrations asked me the same questions, "How many sales representatives do you have?" To which I answered: "One." "How many people do you have at your office?" "One" "How many people do you have in your packaging department "One" "How many people do you have in total?" "One; and that's me."

Anyway, back to ophthalmology now. We were already represented on the ophthalmic market with eye drops for example. By chance a friend asked me if we would be interested in helping a German company to be registered in Austria. To which I said: "Of course, registration is my specialty."

So, when I went to Germany for the second time I was asked, "Do you dare to market IOLs in Austria?" At that time, I already knew all ophthalmological departments and so we introduced the product. Later, on one occasion, our viscoelastic material supplier was unable to deliver. Back then this company was our only supplier and we were depending on them. So I said, "I'm a pharmacist. What industry can do, I can do too. Of course, I was boasting a lot which also cost me a lot of money. However, after only three months, we had manufactured high-quality viscoelastics in an extra room in our pharmacy. These viscoelastics were manufactured according to Good Manufacturing Practice regulations and approved by the ministry of health. With time we had more and more products and could also afford a

sales team. We had 1 employee in 1989 and in 1992, there were so many Croma employees that my wife told me to move out of the pharmacy. We then went to Leobendorf next to Korneuburg and set up a manufacturing and distribution site on 4000 m². From then on our success story continued.

When my son, Martin Prinz, joined me a few years ago he took over those tasks which I could not handle by myself and so things continued to progress. This is how things have gradually developed.

WHAT MOTIVATED THE PRINZ FAMILY TO PURCHASE CORNÉAL®?

(Martin Prinz)

Croma-Pharma had already been very successful in the international ophthalmic business even before the acquisition of CORNÉAL®. However, in order to ensure a long-term success we needed to grow. Our basic idea was to grow by means of innovations and cultural amalgamation on the European market and to be a one-stop provider which is quite important especially in ophthalmic surgery. And by acquiring the ophthalmic branch of CORNÉAL®, CROMA-PHARMA becomes one of the few one-stop providers in cataract and vitrectomy surgery.

The Austrian pharmaceutical enterprise CROMA-PHARMA is now one of the TOP 5 European companies in the ophthalmic surgical field. Through the acquisition of CORNÉAL®, CROMA-PHARMA now owns 8 subsidiaries in Europe. However, the company headquarters remains in Korneuburg near Vienna (AUT). Our subsidiaries are located in Spain, France, Romania, Hungary, Poland, Germany and Switzerland.

Furthermore, CROMA-PHARMA and CORNÉAL® share common characteristics which was another important reason for this acquisition.



Martin PRINZ

Gerhard PRINZ

Andreas PRINZ

WHAT ARE THESE CHARACTERISTICS, E.G. IN RESEARCH AND DEVELOPMENT?

(Martin Prinz)

Both CROMA-PHARMA and CORNÉAL® place greatest emphasis on research and development. The Research & Development department of IOLs is in Pringy (FR) and will remain there. Research and Development of viscoelastics is performed in Korneuburg near Vienna (AUT).

We invest around 10 % of our annual turnover in this field. We can only grow by keeping our yields within the company. Other companies would pay these yields to their shareholders. In other words we are reinvesting everything we earn. Under the guiding principle 'safety proven innovation' we have made substantial progress in research. In fact, studies cost a lot of money but they are necessary. They help to ensure that a product is perfect when it is being launched on the market.

WHAT IS THE PROJECTED PORTFOLIO OF CROMA-PHARMA LIKE?

(Andreas Prinz)

CORNÉAL® has a large portfolio of ophthalmic surgical products. This acquisition thus enables the confluence with CROMA-PHARMA. Both companies have been manufacturing their highly developed products at their own production site in Austria or in France until now. We will keep manufacturing to ISO 9001, GMP and MD directives. In this way CROMA-PHARMA emphasises its claim for the highest quality and safety. Using our product development motto "Ease of Use", the "surprisingly simple" administration of our innovative products, we have formed the basis for a resounding success – today, CROMA-PHARMA produces more than 2.5 million sterile pre-filled syringes per year.

We will present the new CROMA-PHARMA at the ESCRS 2007 in Stockholm for the very first time. Please visit our booth (number O2) for further information.

WILL THE COMPANY REMAIN IN THE HANDS OF THE FAMILY?

(Andreas Prinz)

CROMA-PHARMA and CORNÉAL® are both private enterprises. In the future, 100 % of the existing company and the newly purchased company will be the private property of our family.

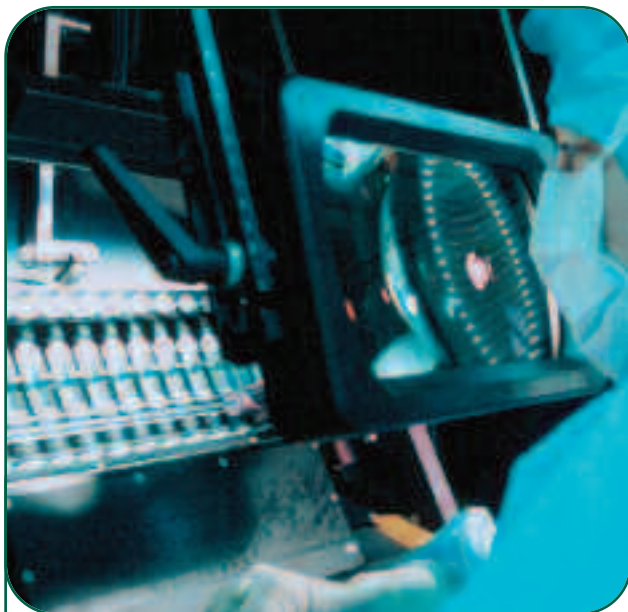
DO YOU WORK WITH DOCTORS AND UNIVERSITIES IN SCIENTIFIC AREAS?

(Andreas Prinz)

Yes, of course! We have several scientific advisory committees which act as advisors in all our business sections. They give advice for example, for the conception of study design and clinical evaluations. We have built up strong national and international networks in this area.

We are also working closely together with universities and university research groups. We are today cooperating with universities all around the world. Harvard University has for example just approached us, expressing their wish to conduct a study on a new polymer, in the field of ophthalmology.

We also have 2 research cooperation projects in Japan. This shows how much we emphasise strong networking in a relatively small market.



Automatic viscoelastic production line.



Our goal is to offer quality and innovative products to the surgeons.

CROMA-PHARMA TAKES OVER ALL 175 FRENCH EMPLOYEES WORKING IN THE OPHTHALMIC-SURGICAL BRANCH OF CORNÉAL®.

SUBSEQUENTLY CROMA-PHARMA'S TOTAL STAFF NUMBER INCREASES TO 400 EMPLOYEES.

WILL CROMA-PHARMA CONTINUE TO LOOK FOR ADDITIONAL QUALIFIED STAFF DESPITE THIS ACQUISITION?

(Andreas Prinz)

You might have already noticed that we have full-page job advertisements in various media. So we are looking for many qualified and competent employees. We train our employees effectively and also give them increasing responsibilities over the years. In fact, we want our employees to have long-term commitments with us.

ARE YOU PLANNING ANY FURTHER ACQUISITIONS?

(Andreas Prinz)

We are very pleased to announce Croma-Pharma's further business strategy as follows.

As a guarantee to the further growth and continuous competitive development of Croma-Pharma, we recently decided to acquire the company Xcelens.

Xcelens was established 3 years ago by several former employees of CORNÉAL® ophthalmology and has been successful since in the ophthalmic field. Xcelens has reached a turnover of 4 million euros; through the integration of their product portfolio our European market share in the field of cataract surgery increases from 12 to 17%.

With this acquisition we have taken important steps to ensure the future and the strategic orientation of Croma-Pharma a leading European company in the field of ophthalmology.



A truly European venture Philippe SOURDILLE

Europe, Europe, Europe!

This is not about "jumping onto a chair like a goat!" as General de Gaulle used to say, but about welcoming prospects for developing the new venture.

Croma-Pharma and CORNÉAL® have been set up in various European countries. In each of those countries, a specific activity will be performed following a solidly reasoned plan.

Each component of the new group will continue to perform its own activities: R & D is remaining in Pringy where it has always been and Vienna will be the development and coordination site.

The various scientific activities, whether they involve participation by ophthalmologists in studies and major conferences, or organizing symposia on particular topics or educational and training assistance, will continue. A very vigorous effort will be made to increase and strengthen European multicentre clinical trials, particularly those that lead to the marketing of new products. As innovation remains our culture, we will increase human and material evaluation resources. The prospective and retrospective clinical follow-up will be done step by step and will be proposed to our intra-ocular implant users in particular. As far as the evaluation of new performances such as aspheric implants is concerned we need more time and resources.

However, we will propose new forms of communication with ophthalmologists by endeavouring to achieve a complete exchange of information.

The two companies have obvious synergies in their current production lines as well as in their new projects.

The possibility of using drugs with or at the same time as medical devices is one example of a very interesting direction that we are going to take. Pharmaceutical know-how and development of materials appropriate for intraocular devices will be used to create more added values to our products.



Employees working on the production line.

The priority will be to focus on clinical trials, in order to accumulate retrospective information, verify the effect of corrective actions that have been taken, and implement prospective action on new products. These trials will be mainly European. They will involve both public and private centers and will be tailored to different possibilities for evaluation.

In the industrial world of ophthalmology, the two companies are medium-sized – large enough to create specific innovative and useful products and small enough to have a real communication with the users of our products in a way that does not categorize them as simple

customers whose treatment depends on the volume of products they purchase.

The synergy of resources will also be a synergy of people in all the European countries involved.



Ophthalmology in Austria

FACTS AND FIGURES:

Population and density in the country: 8.2 million inhabitants

Ophthalmologists: 900 of which 250 are cataract surgeons

Estimated number of cataract surgeries in 2006: 44 000

Hospitals: 264 hospitals providing 63,248 beds

Hospitals with an ophthalmic department: 25, including 3 universities

INTRODUCTION

Austria is a federal republic situated in Central Europe.

Its capital, Vienna, is ranked as one of the world-wide top scoring cities on the quality of life index. Austria has been a member of the United Nation since 1955 and entered the EU in 1995.

Austria consists of nine federal states where Vienna, Innsbruck, Salzburg and Graz are the major cities involved in ophthalmology.

THE AUSTRIAN HEALTH CARE SYSTEM

The Austrian health care system is of very high quality making it one of the best in the world. There are approximately 900 ophthalmologists (including the doctors in training) working in a total of 28 ophthalmic departments.

3 of those ophthalmic departments are the university clinics located in:

- Vienna with 73 doctors in 29 special units (Chairman: Professor Ursula Schmidt-Erfurth),
- Graz with 38 doctors (Chairman: Professor Andreas Wedrich),
- Innsbruck with 22 doctors in 6 special units (Chairman: Professor Franz Daxecker)
- Salzburg's private university clinic with 28 doctors (Chairman: Professor Günther Grabner)

More than 50% of the Austrian ophthalmologists have an additional private office (173 are located in Vienna).

The Federal Hospitals Act (KAKuG) distinguishes between the following types of hospitals:

- 106 general hospitals.
- 102 specialized hospitals including rehabilitation centres and convalescent homes.
- 44 sanatoria.
- 12 long-term hospitals for the chronically ill.



The Austrian hospital structure tends towards a large number of small hospitals. More than 25% of the hospitals have less than 100 beds each. Nine Hospitals offer more than 1 000 beds which are some of the general hospital, the university clinics (Vienna, Graz and Innsbruck) and Salzburg's private university hospital.

Most of the Austrian surgeons have a lot of experience and very good results with the IOLs developed by Laboratoires CORNÉAL®. Croma-Pharma wishes to continue the R&D as well as the cooperation with Austrian doctors in order to accelerate the development of new surgical techniques and materials.

THE AUSTRIAN OPHTHALMIC CONGRESSES

- January: The IOW or Innsbruck Ophthalmic weekend on New techniques in Ophthalmology.
- February: The Seefeld meeting combined with a skiing weekend.
- May: The Austrian Ophthalmic Society in Graz.
- June: The ÖOG-Yearly Austrian Society of Ophthalmology.
- The International Conference on Ocular Infections takes place in Salzburg.
- September: The International Conference on Vitreoretinal diseases in Vienna.
- October: The Salzburg SLT meeting. The Contact Lense symposium in Salzburg.
- November: IFA a laser course held in Innsbruck.

CORNÉAL® IOLS IN AUSTRIA

Some years ago, CORNÉAL®'s IOLs has been one of the market leaders in Austria.

CROMA-PHARMA

Founded by the pharmacist couple Karin and Gerhard Prinz in 1976, Croma-Pharma GmbH is a dynamically growing family owned pharmaceutical company.

Our company is specialized in the production of high-quality sterile surgical fluids for ophthalmic and orthopaedic use.

We are targeting a market share of at least 25% in Europe by the second quarter of the year 2009 due to the acquisition of CORNÉAL® Ophthalmology and Xcelens.

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CROMAPHARMA 



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RANGE OF PRODUCTS