

Richter Announces the Acquisition of PregLem

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7 October 2010

Richter announces the Acquisition of PregLem for an initial cash consideration of CHF150 million (€114 million) and further milestone payments of up to CHF295 million (€223 million). The Acquisition values PregLem at up to CHF445 million (€337 million)

- PregLem is a Swiss based, specialty biopharmaceutical company focused on the development and commercialisation of women's reproductive medicine
- The Acquisition of PregLem:
 - Increases Richter's exposure to specialty pharma
 - Develops Richter Groups's presence in main European markets
 - Complements Richter's existing Women's Health franchise
- Richter will invest at least CHF100 million in PregLem in 2011-2013 to assist the commercial development of PregLem's product portfolio

Summary

Gedeon Richter Plc ("Richter") today announces the Acquisition of PregLem Holding SA ("PregLem"), a privately held Swiss biopharmaceutical company focused on the treatment of gynaecological conditions and infertility. The Acquisition has completed and Richter now owns 100% of PregLem's equity.

PregLem's owners included Founders, Sofinnova Partners (Seed and Lead investor), MVM International Life Sciences Partners, NeoMed Innovation, Sofinnova Ventures, Sutrepa and managers and employees of PregLem.

The existing PregLem executive team will continue to manage PregLem which will become a research and development centre of an enlarged and growing Women's Health business for the Richter Group, with a core focus on the development of early stage compounds. PregLem's senior management team have extensive experience in women's reproductive medicine from leading international pharmaceutical companies such as Serono (now Merck Serono), Ipsen and Warner Lambert (now Pfizer).

PregLem's lead product, PGL4001 Esmya™, completed Phase III clinical trials in June 2010 for the treatment of uterine myoma. PregLem currently has five products in clinical and pre-clinical development. PregLem will provide a further high added value pipeline to Richter's existing female healthcare product portfolio, which itself has been based on well established steroid chemistry knowledge.

The transaction values PregLem at up to CHF445 million provided certain milestones are achieved, with the consideration to be settled in cash. PregLem shareholders will receive

CHF150 million in cash upfront and further milestone payments of up to CHF295 million will be paid assuming achievement of all milestone targets. Over the next three years, Richter is committed to investing CHF100 million in PregLem to commercialise PregLem's products, develop salesforce capability in the main European markets and progress the clinical development of PregLem's early stage compounds.

Rationale for the Acquisition

PregLem represents a unique opportunity for Richter to strengthen its core Women's Health business as it broadens Richter's specialty pharma nature whilst at the same time complementing Richter's existing Women's Health expertise and product range. This Acquisition will develop Richter's presence in main European markets and in addition, Richter's salesforce will sell PregLem's products in CEE and CIS countries.

Erik Bogsch, Managing Director of Richter, said:

"PregLem represents an outstanding strategic opportunity for the Richter Group in a core therapeutic area. I look forward to working with the existing management team to develop the PregLem products in the European markets."

Ernest Loumaye, CEO and Founder of PregLem, said:

"PregLem, in three years, has developed an innovative pipeline of drugs for the treatment of benign gynaecological conditions."

This deal provides the opportunity to advance our portfolio of products, to register ESMYATM (PGL4001) in Europe and to build a commercial organisation in selected European countries. Richter's existing portfolio and approach to specialty pharma is highly complementary and we look forward to working together to bring products to market which will have a significant impact on women's lives."

Principal terms of the Acquisition

Financial terms

- (a) The initial purchase price for the shares in PregLem amounts to CHF150 million
- (b) In addition, upon the achievement of milestones, Richter will pay PregLem's shareholders additional cash amounts, up to a maximum of CHF295 million

Capital injection

Richter committed to make equity capital contributions to PregLem in the amount of CHF100 million, over the next three years, towards the funding of assets, activities, employees and resources needed by PregLem to achieve the milestones, clinical development of PregLem's early stage compounds and to establish a marketing organisation in the UK, Germany, France, Italy and Spain.

Information on PregLem

PregLem is a Swiss based, specialty biopharmaceutical company engaged in the development and commercialisation of a new class of drugs for the treatment of benign

gynaecological conditions. PregLem focuses on women's reproductive medicine with significant unmet medical needs, such as uterine fibroids (myoma), endometriosis, infertility and post surgical abdominal adhesions.

PregLem currently has five projects in clinical and pre-clinical development. Its most advanced product, PGL4001 Esmya™, completed Phase III clinical trials in June 2010 for the treatment of uterine myoma, a common benign tumor in women of reproductive age. A European MAA filing for Esmya™ is anticipated in Q4 2010.

PregLem was founded in Geneva in 2006 by two experienced pharmaceutical industry executives: Dr Ernest Loumaye, a specialist in female reproductive medicine, and Eric Rolin, a finance and business development executive. PregLem was initially established to develop and commercialise clinical and pre-clinical assets that were spun off from Ipsen Pharma (PGL1001 and PGL2001). Subsequently, PregLem also in-licensed (PGL4001) from HRA Pharma and PGL5001 from Merck-Serono.

Notes to investors

A presentation for analysts and investors will be hosted today at 16:00pm (CET) by Erik Bogsch, Managing Director of Richter.

Evercore Partners is acting as exclusive financial adviser to Richter and Bär & Karrer AG is acting as Richter's legal adviser. Credit Suisse is acting as financial adviser to PregLem and Homburger AG is acting as sellers' legal adviser.

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Notes to editors

About Richter Plc

Richter is a leading multinational pharmaceutical company headquartered in Budapest, Hungary. With consolidated sales of approximately €1 billion (US\$1.3 billion) in 2009 and a market capitalization of €3.2 billion (US\$4.3 billion), Richter is one of the largest pharmaceutical companies in Central Eastern Europe. Richter's core markets are in Central Eastern Europe and the CIS and it has a growing presence in the US through its strategic partners and in key EU countries through its commercial subsidiaries. The product portfolio of the company covers most therapeutic areas, including cardiovascular, central nervous system and gynaecology. Richter has the largest R&D unit in Central Eastern Europe and its original research activity focuses exclusively on CNS disorders with main clinical targets being schizophrenia, anxiety, chronic pain and depression. With its widely acknowledged steroid chemistry expertise, Richter is a significant player in the female healthcare field worldwide.

Forward-looking Statements

This announcement includes “forward-looking statements” relating to Richter and PregLem that are subject to known and unknown risks and uncertainties, many of which are outside of Richter’s and PregLem’s control and are difficult to predict, that may cause actual results to differ materially from any future results expressed or implied from the forward-looking statements. In this announcement, the words “anticipates,” “believes,” “estimates,” “seeks,” “expects,” “plans,” “intends” and similar expressions, as they relate to Richter or PregLem, are intended to identify forward-looking statements. Important factors that could cause actual results to differ materially from such expectations include, without limitation: the inability to obtain necessary regulatory approvals in the context of the Acquisition or to obtain them on acceptable terms; the inability to integrate successfully PregLem within Richter Group or to realize synergies from such integration following the Acquisition; costs related to the combination of Richter and PregLem; the economic environment of the industries in which Richter and PregLem operate; costs associated with research and development; changes in the prospects for products in the pipeline or under development by Richter or PregLem; dependence on the existing management of Richter and PregLem; changes or uncertainties in Hungarian or Swiss tax laws or the administration of such laws; changes or uncertainties in the laws or regulations applicable to the markets in which Richter and PregLem operate. All written and oral forward-looking statements attributable to Richter or PregLem or persons acting on either of their behalf are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included in this announcement are made only as of the date of this announcement. Neither Richter nor PregLem intend, or undertake any obligation, to update these forward-looking statements.

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