

## Press Release

### Nycomed optimises its European manufacturing network

- New network structure for improved competitiveness
- European production from five centres of competence and five regional supply facilities to ensure high customer service level
- Nycomed in Denmark will focus on regional and local supply
- Negotiations to sell Finnish manufacturing facility

**Nycomed today announced a new strategy for its European manufacturing network. The company will focus its European production at five dedicated centres of competence and five facilities for regional supply. To optimise utilisation, production from two Danish and the Finnish plant will be transferred to other sites. The changes, which affect approximately 250 employees, will be implemented over the next years. Background for the new manufacturing strategy is the increasing pressure to reduce costs and adapt to ever-changing requirements.**

Nycomed's goal is to build a best-in-class, mid-sized healthcare company that is ready for the future. Therefore, the production network is constantly reviewed and optimised, for example by increasing utilisation, enhancing the supply-chain performance, maintaining a high customer service level and decreasing the cost of goods sold (COGS) ratio.

With the newly introduced strategy, the company will focus technologies and capabilities at five dedicated centres of competence which are located in: Oranienburg and Singen in Germany; Lyszkowice, Poland; Linz, Austria; and Asker, Norway. In total, 10 plants in Europe will ensure supply. In March 2008 already, Nycomed announced that it will move its chemical production of active pharmaceutical ingredients (APIs) from Singen, Germany, and Linz, Austria, to the joint venture company Zydus Nycomed in India and the joint venture partner plants in India.

Production in Denmark will be downsized and focus on local and regional supply. Nycomed Denmark will operate from three sites, down from five today. It will maintain a strong presence with local sales and marketing as well as corporate functions like R&D and International Marketing. As announced beginning of September, for the Finnish production site, negotiations with potential buyers have started. Products will be transferred to sites in Poland and Germany. In total, approximately 250 employees are affected by these changes.

Through the announced product transfers, Nycomed is convinced to increase the overall utilization level and to better meet the needs of varying short-term demands of international markets.

“Our decisions to restructure our manufacturing network will allow Nycomed to remain competitive in a tough market environment, where pressure on costs and fast market introduction has become critical. We are convinced to increase the overall utilisation level while serving the needs of fluctuating demands of international markets”, said Barthold Piening, Nycomed’s Executive Vice President Operations. “Regrettably this is not possible without a reduction of a number of positions. However, we all have to acknowledge that this change is an essential precondition to secure the long-term success of the company. We care for our employees. Therefore we are determined to act in a fair and socially responsible way”, he continued.

### **Denmark: Clear commitment to regional and local business**

In the future, manufacturing at Nycomed Denmark will focus on regional and local market supply from the plant in Hobro as well as packaging and logistics from Roskilde. The plants in Grenaa and Helseholmen, which also produce for international markets, will be closed; while the plant in Roskilde will be re-organised and the capacities reduced. The production from Grenaa and Helseholmen will be transferred to the plants in Lyszkowice, Poland, and Oranienburg, Germany, which can absorb further capacities. As a result, approximately 190 positions in Denmark will be reduced. These changes will be implemented latest 31 December 2009. Employee representatives have been consulted.

With approximately 600 employees (as of 2010) in manufacturing, local sales and marketing as well as various corporate functions like R&D or International Marketing, Nycomed remains fully committed to its Danish business. In the future, Nycomed in Denmark will operate from its sites in Hobro, Roskilde and Taastrup.

### **Finland: Transferring production to Poland and Germany**

As announced beginning of September, in Finland, the decision has been taken to discontinue manufacturing at the Ekenäs plant. The production will be transferred to Germany and Poland. Negotiations to sell the facility have been started. As a result, a maximum of 66 positions in Finland will be affected. Employee representatives have been consulted. The Finnish Nycomed subsidiary Leiras, based in Helsinki, continues to be a major player in the country’s pharmaceutical market.

## About Nycomed

Nycomed is a privately owned pharmaceutical company that provides medicines for hospitals, specialists and general practitioners, as well as over-the-counter medicines in selected markets.

The company is active in a range of therapeutic areas, focusing on gastroenterology, respiratory, inflammation, pain management, osteoporosis and surgical management. New products are sourced both from its own research and from business partners.

Based in Europe, Nycomed is present in over 50 countries worldwide with increasing emphasis on fast-growing markets.

The combined group employs 12,000 people. In 2007, it had annual sales of € 3.5 billion and an adjusted EBITDA of € 1.2 billion.

For more information visit [www.nycomed.com](http://www.nycomed.com)

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