Interview with Şebnem Tuna, General Manager, Novo Nordisk Turkey

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Would you like to provide our international readers with a brief introduction into Novo Nordisk's Turkish affiliate?

As you may know, Novo Nordisk has a rich history of over 85 years of experience across the globe where we now treat more than 24 million people with our advanced injectable treatments. By comparison, the Turkish affiliate, established in 1995, can be considered to be relatively new. Even so, given the lifesaving nature of our diabetes medicines, Novo Nordisk products have been made available to the Turkish market for more than 40 years prior to the establishment of our offices here through a wide distribution network.

Today, Novo Nordisk in Turkey is a fully fledged affiliate with over 200 employees and boasting a complete range of business departments. The Turkish affiliate also serves as a hub for the regional operations, managing the so-called 'near east' activities which include Afghanistan, Iran, Iraq, Israel, , Jordan, Lebanon, Pakistan, and Syria. As such, our main portfolio of offering includes diabetes products and modern insulins as well as a biopharma group of products targeted haemophilia and growth hormone deficiency. We are also proud to support R&D and innovation in Turkey. Together with leading Turkish doctors, we currently run numerous clinical trials in Turkey and in 2011 entered into a long-term partnership with Kocaeli University to support break-through basic research projects and foster international knowledge-sharing.

How have you perceived the past three years of heavy discounts on the prices on drugs, and to what extent did Novo Nordisk manage to adapt to the situation?

In short, the past three years of public discounts on drug prices have certainly been challenging. Continuously lowering prices is of course not possible for Novo Nordisk as a research-based company that bases its existence on bringing innovative products to patients also in the future.

Nonetheless, through an open and constructive dialogue with the healthcare authorities, we last year were able to find a compromise solution during for our current portfolio of modern medicines serving more than 600.000 Turkish patients. I believe this was due to our therapy area and insulin treatments unique characteristics, namely that:

• Insulin cannot be over-consumed or wasted due to its physiological mechanism
• Insulin treatment is an uniquely effective way of bringing down the high number of burdensome diabetes related complications
• There is a lot of innovation within insulin treatment and diabetes medicines and devices

We now look forward to continuing the dialogue with the authorities on how a sustainable environment can be created that ensures the continued availability of innovative medicines in Turkey including launches of new molecules that address the significant unmet medical needs of Turkish patients not least within the area of diabetes and haemophilia.

In this regard, we believe that it is key to look at other parameters than price. Price is of course important. But price has to be balanced with an evidence based evaluation of the efficacy of the medicine and management of the growth in consumption. We believe that promoting rational use of medicines in every step of the decision-making process in the healthcare system will be the most effective way of ensuring savings in Turkey. This means using the right medicine at the right time and in the right dose .Through timely medical intervention and minimization of waste and overconsumption savings will be generated that can be used to offer innovative treatments. And here diabetes is a good example of an area where investments into innovative treatments will carry a high return in the form of fewer complications, improved quality of life and increased productivity for the millions of Turks living with diabetes.

Considering the strategic importance of Turkey and the 3.5 million diagnosed diabetes population, would you say Novo Nordisk is where it should be in the rankings, in the 21st place?

Novo Nordisk does not necessarily aspire to become a top ten company from a turnover point of view. Rather, our mission, in terms of values, is to become the market leader in the treatment of diabetes. Here, I am not referring to market leader only in the financial sense, but also in terms of ensuring a high level of innovation and quality in everything we deliver whether it is about the products themselves or the services we offer to healthcare professionals and patients In this perspective, I believe that Novo Nordisk is the leader in its field and we are demonstrating this leadership in Turkey as well.

What other areas have been important for Novo Nordisk growth in Turkey?

Our potential for growth is based on the introduction of Novo Nordisk's new and innovative drugs to the Turkish market. Unfortunately, we have been unable to launch new products here for the last six years. This is largely due to entry barriers that include GMP issues as well as exchange rate and public discount problems. This has put us in a very difficult and uncomfortable position not only as a business, but also as a provider of drugs. I believe this is a lost opportunity for the Turkish public since these are promising products for the treatment of diabetes patients as well as patients with growth hormone deficiencies.

Truthfully, I do not see prospects of introducing any new drugs for Novo Nordisk in Turkey under the current circumstances. But as I mentioned we are having a constructive dialogue with the authorities and I am hopeful, with the new global budget system for 2013-2015, that we will be able to agree on new solutions that will allow for the introduction of innovative drugs.

How do you evaluate Turkey's potential to develop into a hub for Novo Nordisk's regional operations?

Novo Nordisk has long ago seized the opportunity and realized Turkey's potential. Our Istanbul operations are already a regional hub for the 'near-east' countries as I mentioned earlier. In fact, Novo Nordisk was the first MNC to establish its regional headquarters here, five years ago. Moreover, Novo Nordisk Turkey serves as an R&D centre for the region. Our clinical development centre in Istanbul manages mainly phase II-IV clinical studies for Turkey and the 'near eastern' countries. Undoubtedly, this signals our strong interest and commitment to Turkey.

Strategically, we have chosen Turkey to serve as the regional centre for several reasons. One attractive aspect of the country to us is its political and economic strength and stability.. Another important reason is that we find Turkey's talented and dedicated workforce highly appealing and advantageous.

It is fair to say that a lot of people rely on Novo Nordisk and the products the company comes up with. Could you describe this relationship of dependence between the company and its patients?

I believe we have a solid and close relationship with our patients. Relating back to our values, we believe that all of our undertakings should serve to the benefit of our patients. Although this term is perhaps overused nowadays, I do sincerely mean it in every sense. As experts in diabetes care, we are constantly looking to understand what our patients needs are through close interaction. Moreover, we are engaged in various patient education and awareness programs through physicians and government stakeholders to improve our patients' conditions or help prevent the disease from developing. This is reflected in our triple bottom line figures; in our financials, our

CSR initiatives and our environmental ambitions.

Ultimately, we are well aware that diabetes is a tough disease to cope with especially when having to administer several injections per day. That is why we are continuously seeking better or more manageable solutions for our patients). We are strongly focusing on the development of a ‘once-per-day’ injection or, if possible an oral drug. I am confident that one day there will be a cure for diabetes and, as Novo Nordisk, we want to be a part of this. However, we cannot tackle this challenge on our own. That is why we have been forming many partnerships and building relationships with universities, research institutes and other stakeholders to help find a cure for this pandemic.

Obesity and diabetes rates in Turkey have risen over the last 13 years, according to a report published at the 32nd Congress of Endocrinology and Metabolic Diseases of Turkey. Is it realistic to reverse the trend in the future?

In the short term, I do not think it would be feasible to reverse the trend; however I do believe that the upward trend can be stopped. Once this is accomplished, I expect that we can then reduce the prevalence rate as well.
Alarmingly, diabetes in Turkey has doubled and obesity has tripled in the past decade. Currently, there are 3.5 million diagnosed diabetes patients in Turkey, however, according to prevalence estimates, there are 3 million more people unknowingly suffering from diabetes. Naturally, this has drawn the attention of both government and The research community spurring them to at least contain this growth. Not only are we tackling this problem alongside these institutions, but we are also working closely with them as experts in this field; in terms of plan executions and physician and patient education in addition to providing treatment options.

In terms of value creation for your stakeholders, what objectives have you set for Novo Nordisk to grow in the next three years?

For our primary stakeholders, our main objective is to persuade them to introduce measures to ensure rational consumption of medicines and to create a separate budget allocation for innovative drugs. This of course is for the ultimate benefit of Turkish patients. In addition, once this is achieved, we can proceed with further investments in disease awareness to prevent diabetes and its complications and curb prevalence as well as investments in R&D in Turkey. This is in line with the government’s ambitions to boost technology and know-how related to R&D.

What final messages would you have for your existing or potential international partners and investors?

Turkey’s current healthcare system has made significant leaps forward and I believe has some great plans for its further development. In addition to this, the Turkish government and corporate institutions have demonstrated their highly effective ability in executing health policy. Consequently,

we continue to see pronounced opportunities for Turkey in the future. However, realizing these opportunities, all stakeholders must agree on the same objectives and sustainable solutions. For Novo Nordisk, market sustainability and clarity on the future reimbursement regulation for innovative medicines are the key words and we are hopeful that this juncture will be reached. I believe that Turkey will once again be a leading investment destination for innovative pharmaceutical companies and we at Novo Nordisk intend to be at the forefront of this transformation.

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