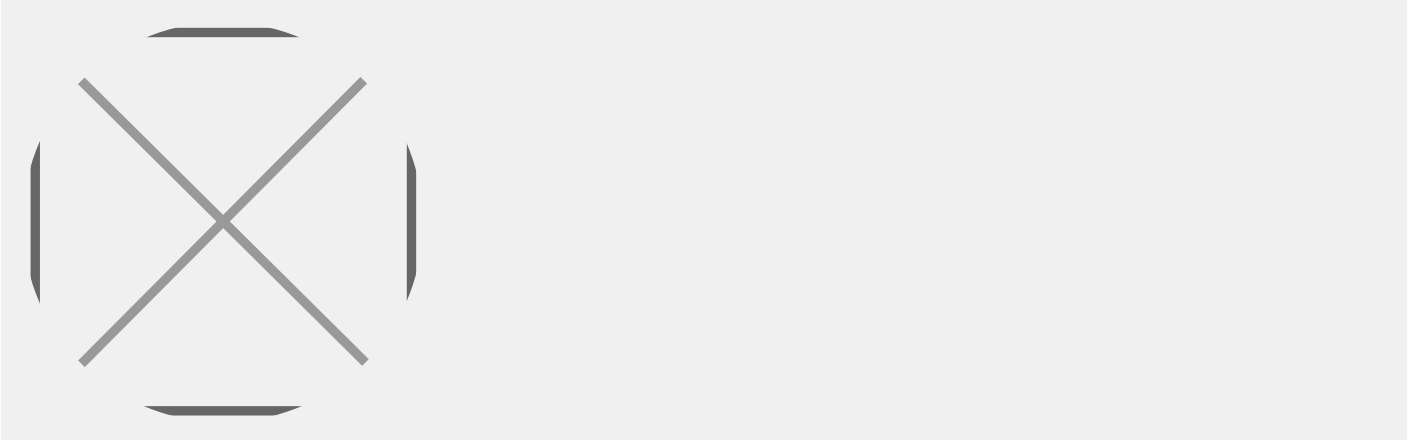
Interview with Tapani Sura, General Manager, Astellas Poland



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You were appointed general manager of Astellas Poland in early 2006, only a bit after Astellas Pharma Inc. was established, on April 1, 2005 through the merger of the mother companies Yamanouchi and Fujisawa. Could you describe to our readers the evolution of the affiliate since the merger?

Astellas has been one of the fastest growing companies in Poland within these five years. 2006 was a very tough year for Astellas, poor in performance due mainly to the entry of generics competing against Astellas' main products. The same year, Astellas' innovative products experienced delays in the reimbursement process, while prices of foreign drugs were requested from the government to drop by 13%, which greatly concerned Astellas with reasons as the affiliate's performance was badly affected. It is safe to say that the company has had all possible problems in one year.

Nevertheless, the company performed well since then, Astellas' turnover being today about 70% higher than it was in 2006.

How important is Poland for Astellas Europe in terms of revenues and growth potential?

Poland is the 6th most important country for the group's European operations, and shows a potential to place itself within the top five in Europe. The affiliate is generating today almost as much in revenue as in Italy, even though it will take at least two years to catch up with them. Within the region though I believe that Russia is at the moment the key strategic market to be looked at in

the pharmaceutical world, becoming soon the number one market in Europe for the pharmaceutical industry.

The Polish pharmaceutical is known for having a double digit growth; however this is not true anymore. The total market is currently growing by 3.9%, which is almost comparable to Western European countries. What will drive the growth and still attract the industry in Poland is the specialty market, in the light of what Novartis is doing in oncology for instance.

Coming back to this tough year 2006, one of the main challenges when you came to office was to maintain competitivity of Astellas original products in Poland for the reasons that you mentioned. To what extent is that still a challenge today given Loss of Exclusivity (LOE) issues?

Poland can be described as a branded generic market. This is a very positive attribute of the country, where generic companies invest a lot in this market to promote their products among other sources of expenditures. Most of the generics are more expensive here than they are in Western Europe, while at the same time original products are in Poland less expensive than they are elsewhere. As the price difference between the branded generic market and original drugs markets is not so large, LOE issues should not affect multinational companies' sales that much.

Mr. Toczynski of GSK told us that his affiliate developed a survival mechanism in these tough environments; Mr. Kowalski of NN talked about the unpredictability of this market. How have you learned to adapt to change in Poland and to anticipate change?

The Polish market is definitely constantly evolving regarding reimbursement, pricing, and regulations. I fully agree with these two statements, although I would say that there is no survival model in Poland, you simply have to survive.

In order to remain competitive in this industry, Astellas strives to be fast and more importantly flexible in all its operations. There are several products for which the company is still waiting for reimbursement. The industry often has to operate blindly. More transparency is needed in the administration system, regulation, drug approvals and market authorizations for reimbursed products.

What have been the niches driving the growth in the recent years?

Astellas focuses on urology, transplantation, dermatology, anti-infective, pain management, and antibiotics. Among these therapeutic areas, urology has been the main key driver, along with transplantation, dermatology and antibiotics offering a stable and solid growth for the company. Transplantation for instance is still offering a great potential in Poland because the number of transplantation per capita in the country remains very low compared to other European countries.

But this represents a business opportunity only if the country is ready for innovative solutions. What are Astellas' main initiatives to change mindsets in Poland and raise awareness about increasing the quality of operations?

I have been in the transplantation business in Poland since 1993, as I did a lot of work in this area already in previous companies before Astellas, especially to increase awareness about today's available methods.

The pharmaceutical industry in Poland has also been active in creating foundations in this regard. Where first, this segment faced severe funding problems it rapidly developed until 2005, when for certain strange reason, it was seen as very negative by public opinion. However, last November was one of the highest months ever for transplantation. The number of operations is to increase in the next years, so that perhaps next year one can expect for the number of transplantation per capita can reach again its level of 2005/2006.

How does the company plan to further diversify in Poland?

The company will further develop its activity in pain management, reinforce its partnerships with hospitals, as well as focus on its oncology products. Despite the budgetary and economic situation, Astellas Poland shows good potential.

Although Yamanouchi and Fujisawa have had operations in Poland before 2000, Astellas can be seen as a newcomer to the industry and had to a new identity. To what extent, would you say, Astellas established itself and is perceived as a reliable partner by the medical community and the different stakeholders of the healthcare sector?

Astellas Poland is definitely seen as a key and reliable partner to the eyes of the medical field in transplantation and especially in urology.

Ulrich Eggert interviewed in Germany by Focus Reports last year mentioned the difficulties in creating a unified company culture and management style after the 2005 merger. To what extent has this been the case in Poland?

Corporate structures are of course very different from one country to another. Although Astellas is a Japanese company, it considers itself very European. For instance, Astellas Poland reports to Astellas regional headquarters based in London. Thus, Japan, America and Europe, are three areas where the organization operates independently.

In the global company's Vision 2015, Astellas wants to be the employer of choice in pharma. What is your strategy to achieve this in Poland? And today, how do you attract industry professionals?

Astellas Poland already attracts today high-quality professionals, being ranked very highly in many surveys. I believe Astellas offers a fair management, based on open communication, respect and honesty between colleagues. In Poland, professionals are very well educated. Based on that, Empowerment is really the success factor in the pharma industry.

We know the importance of having a long term vision in the pharmaceutical industry. Where do you see Astellas Poland five years from now?

It is indeed important to plan long term objectives in the pharmaceutical world. Today Astellas is ranked as the 25th company in Poland, according to IMS figures. The company hopes to reach the top 15 within five years. As a sign that this is achievable, Astellas has been growing in Poland two or three times faster than the market in the last two years.

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