

Interview: Tomasz Florkiewicz, General Manager, Mylan, Poland

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Poland has an important manufacturing role for the CEE region and this is where Mylan has settled Agila, a state-of-the-art, high quality injectables manufacturing platform. Mylan has great ambitions in Poland and one of them is to be part of the top three global players in injectables, explains General Manager, Tomasz Florkiewicz.

You have been general manager of Mylan Poland since the company first arrived in the country back in 2008. Back at that time, what opportunities did Mylan see in Poland?

Poland has a population of 40 million and is one of the top 20 generic pharmaceuticals markets globally. This is why, through the acquisition of Merck KGaA's generic division in 2007, Mylan entered the Polish market. Our mission is to provide the world's seven billion people access to high quality medicine and it was clear when we entered the Polish market that we would have the opportunity to fulfill this commitment.

Today, Mylan is one of the world's leading generics and specialty pharmaceutical companies. The company offers a robust portfolio of more than 1,300 products that are sold in more than 140 countries and territories, state-of-the-art R&D capabilities and an expansive manufacturing platform comprised of more than 35 facilities across the globe.

We strongly believe that Mylan's steadfast commitment to high quality standards, broad product portfolio and affordable pricing levels are key differentiators supporting our strong organic growth in Poland. Indeed, we have managed to triple our sales in the first few years of operating in Poland. We are looking to further expand our position in Poland through enhancing our product portfolios in CNS and antiretroviral for the treatment of HIV/AIDS.

Do you think this new Reimbursement Act was necessary for Poland?

The reimbursement policy in Poland is still defined in isolation, looking mostly into the cost impact on the pharmaceutical budget.

Poland is still a prescription market where substantial effort is required to generate prescriptions for generic products. These prescriptions that substitute expensive branded products with their generic equivalents are generating savings for the government. Big price reduction, which was a result of this new reimbursement law, has substantially reduced the ability of generic players to promote such substitution as well as invest in new generations of generic products. In the long term, this cost-

focused approach could lead to non-sustainability of the generics industry.

What is your strategy for competing with the national generics-focused champions in Poland?

Mylan's strategy has always centered on quality. We apply one quality standard across the globe, which means our products sold in Poland are of the same high quality as those offered anywhere else in the world. We are building our portfolio to be able to offer a full range of generic products to our customers. Globally, we have a very strong hospital portfolio as well as the largest range of ARVs products.

We are building new platforms of growth for the future. In 2014, Mylan expects to invest between 7-8 percent of its revenue in R&D as the company plans to continue to work on high-value opportunities to bring to market in the coming years such as insulin, biosimilars and respiratory products.

How did Mylan's purchase of Agila in 2013 strengthen its injectable portfolio in Poland?

By combining Agila's strong injectables capabilities with Mylan's powerful global engine, we have catapulted our injectables business to a new level. The addition of Agila to our strong existing injectables platform accelerates our progress toward meeting our goal of becoming a top-three global player in injectables. Further, the acquisition of this unique asset delivers on several of Mylan's strategic growth drivers by further expanding and diversifying our product portfolio and geographic reach, strengthening our presence in the institutional channel, particularly in Poland, and positioning us to leverage our future generic biologics portfolio. Agila's broad product portfolio and pipeline, which is very complementary to Mylan's, is the result of best-in-class research and development and an industry-leading track record of securing product approvals.

Agila brings Mylan one of the deepest and broadest global injectables portfolios in the industry, and together we have more than 700 marketed injectables products and a global pipeline of more than 350 injectables products in development or already under review by regulatory agencies around the world.

Importantly, Agila brings us one of the most state-of-the-art, high quality injectables manufacturing platforms in the industry. Our significantly expanded manufacturing capacity allows us to vertically integrate our injectables platform and enhances our ability to pursue additional product opportunities and partnerships to facilitate long-term growth.

With an important part of your business concentrated on pharmacies and the need to bring more affordable products to hospitals and patients, how have you been creating the right dialogue to help this transition with substitute products?

We are committed to maintaining strong relationships with our patients, physicians and pharmacists. We strongly believe that the role of the pharmacist can evolve with an increased generic substitution rate. In many countries, government plays a very important role in promoting generic substitution at the physician and pharmacist level, developing incentive programs that stimulate substitution, which can in turn generate savings for the healthcare system. Today, we have to promote substitution using our own resources. We are focused on building awareness of Mylan as a unique player capable of offering a broad range of high quality, affordable medicines.

What has been Mylan's approach to ensure that doctors see the benefits of using your products?

Our communication to the doctors is focused on the benefits of generic medications to the patient. Generic medicines offer the same efficacy and safety for the patients, which are guaranteed by harmonized EU regulations regarding the bioequivalence of generic products. Our goal is to provide high quality, affordable alternatives that bring substantial savings to the patient and help decrease the overall cost burden on Poland's healthcare system.

As a very dynamic player in Poland, what would Mylan like to accomplish in the next five years?

In 2013, Mylan delivered impressive financial results reporting total revenues of 6.91 billion USD. We further positioned our company to generate sustainable long-term growth while continuing to fulfill our mission of setting new standards in healthcare and providing 7 billion people access to high quality medicine. Our ability to invest in significant R&D programs and expand manufacturing capabilities while maintaining and growing our core generics business has fueled our success to date and in many cases put us in front of our competitors.

In Poland, our goal is to continue to leverage Mylan's one-of-a-kind platform to become a leading generics player.

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