

Overview of the Activities of Estonian Pharmacies

Number of Pharmacies

There are three types of pharmacies in Estonia: general pharmacies, veterinary pharmacies and hospital pharmacies. Pharmacies may have up to three branch pharmacies as structural units. The changes in the total number of pharmacies from 2009-2013 are shown in following table, which gives the number of pharmacies and their branches at the beginning of the year.

Number of pharmacies (incl. branches) in Estonia 2009-2013.

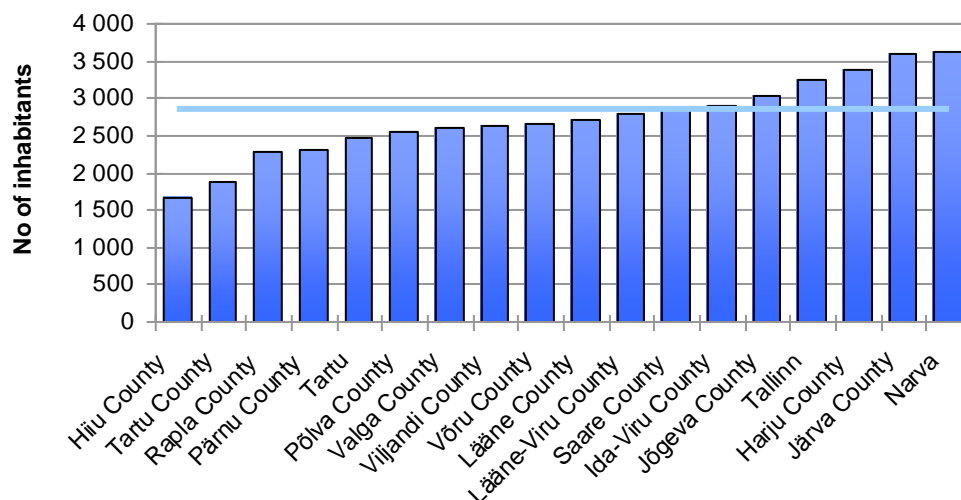
	2009	2010	2010	2011	2012
General pharmacies	496	486	477	469	475
Hospital pharmacies	28	26	26	24	25
Veterinary pharmacies	7	7	7	5	4

*The number of pharmacies (inc. branch pharmacies) as of 1st of January

In 2012 number of general pharmacies increased by 6. Three general pharmacies were closed and 11 new main pharmacies were opened in 2012, the number of branch pharmacies decreased by two at the same time. Activity licences had been issued to 309 general pharmacies, which had 166 branch pharmacies, at the start of 2013. A quarter of all general pharmacies are located in Tallinn. 73% of all general pharmacies and their branch pharmacies are located in towns and cities.

The average number of retail pharmacies in Estonia at 1st of January 2012 was one per every 2856 people. In most counties the number is below average. However, in Jõgeva County, Tallinn, Harju County, Järva County and Narva, the number is around 3000 or more residents per pharmacy. The horizontal line illustrates the average in Estonia. The population figures used to calculate the number of people living in each county was obtained from the regional development database of Statistics Estonia.

Number of inhabitants per pharmacy in the beginning of 2012 in major cities and counties compared to the Estonian average



The number of hospital pharmacies has changed less in recent years: one hospital branch pharmacy was opened in 2012. There were 23 hospital pharmacies and 2 branch pharmacy at the start of 2013. Six of the hospital pharmacies were located in Tallinn, four in Harju County and two in Ida-Viru County. As for other counties and larger cities Tartu and Narva there was one hospital pharmacy in each. Valga County and Võru County are the only counties that have no hospital pharmacies.

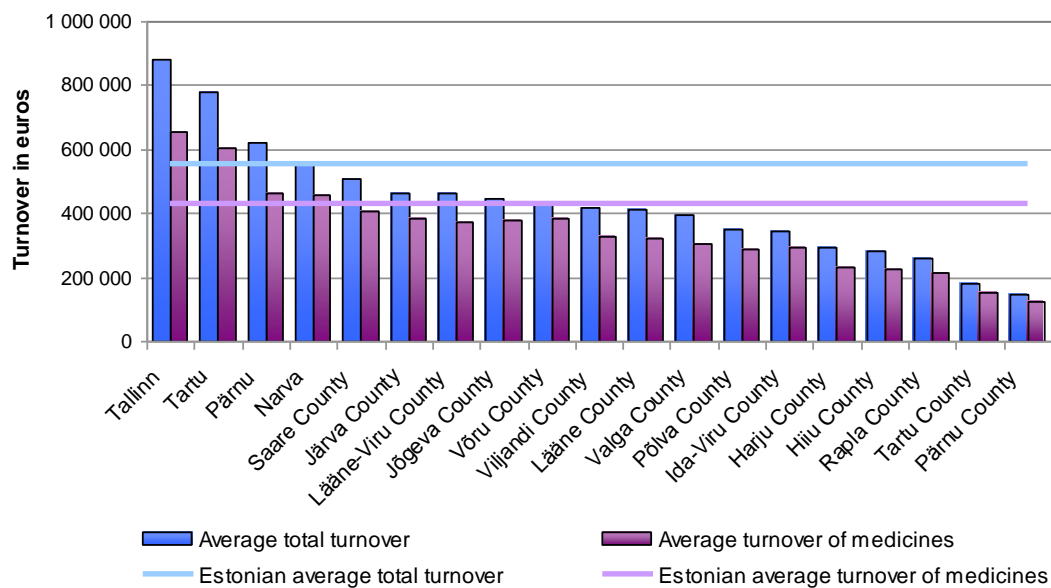
The number of veterinary pharmacies has decreased significantly. There were four veterinary pharmacies operating in Estonia at the beginning of 2013: in Tallinn, Tartu, Põlva County and Saare County.

General Pharmacies

The turnover of general pharmacies divides as follows: ca. 80% from sales of medicines and ca. 20% from sales of other goods. Turnover of medicines includes sales of OTC medicines, prescription medicines and veterinary medicines. Turnover of prescription drugs can in turn be divided into turnover of medicines dispensed on the basis of prescriptions the Estonian Health Insurance Fund (EHIF) compensates for or not. The other goods sold in pharmacies include hygiene products, medical supplies, medical equipment, food additives, cosmetics, etc.

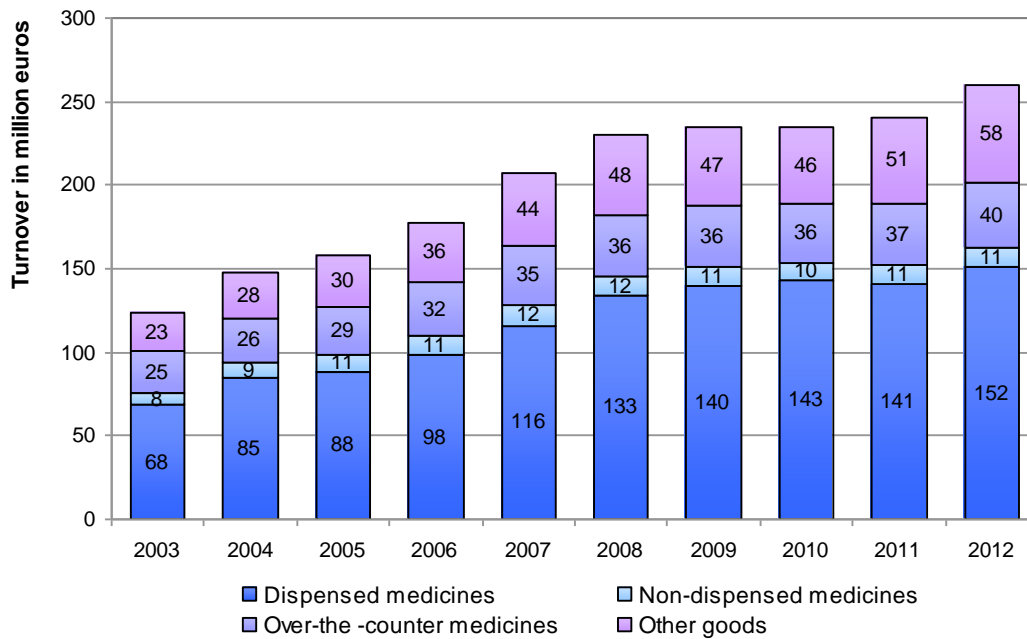
In 2012 the turnover of general pharmacies was 261 millions euros, which is increased 8.3% compared to previous year. The average turnover of general pharmacies was 0.55 million euros. When we look at the average turnover of general pharmacies in major cities and counties, shows that the average turnover is strongly affected by the Tallinn and Tartu pharmacies sales.

Average turnover of general pharmacies in major cities and counties 2012



Turnover from medicines dispensed on the basis of prescriptions with discounts is the highest with approximately 93% of the total turnover from prescription medicines. Turnover of prescription medicines increased by 7.2% in 2012 when compared to the previous year. Turnover from prescription medicines without discounts has remained at more or less the same level. Turnover of OTC medicines has increased 8.3% in 2012 compared to the 2011. Compared to the previous year turnover of the other goods have increased the most (14.1).

Turnover of general pharmacies in 2003-2012

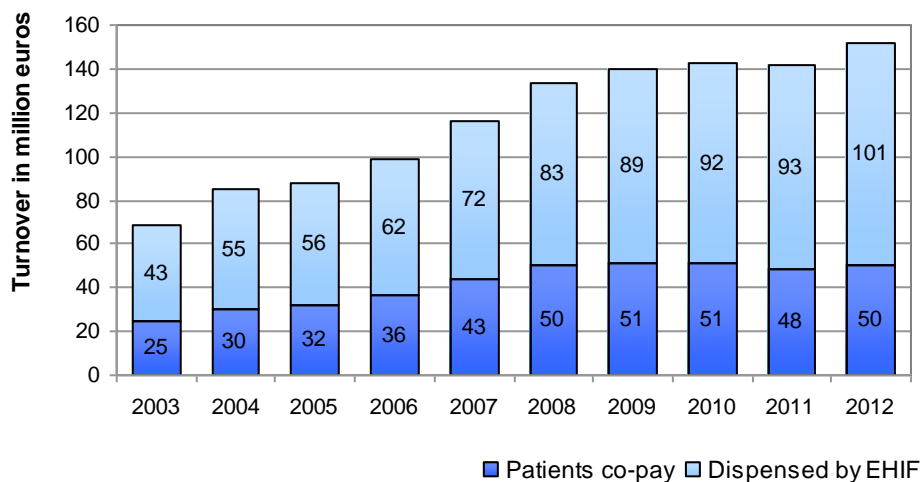


Turnover of veterinary medicines in general pharmacies is relatively modest and remained in 0.3 million euros in 2012.

Data of medicines dispensed on the basis of prescriptions issued in the European Union, member states of the European Economic Area and the Swiss Confederation (hereinafter EU prescriptions) and processed in Estonia has been collected since the second quarter of 2010. The value of medicines dispensed on the basis of EU prescriptions in 2012 was 61 thousand euros.

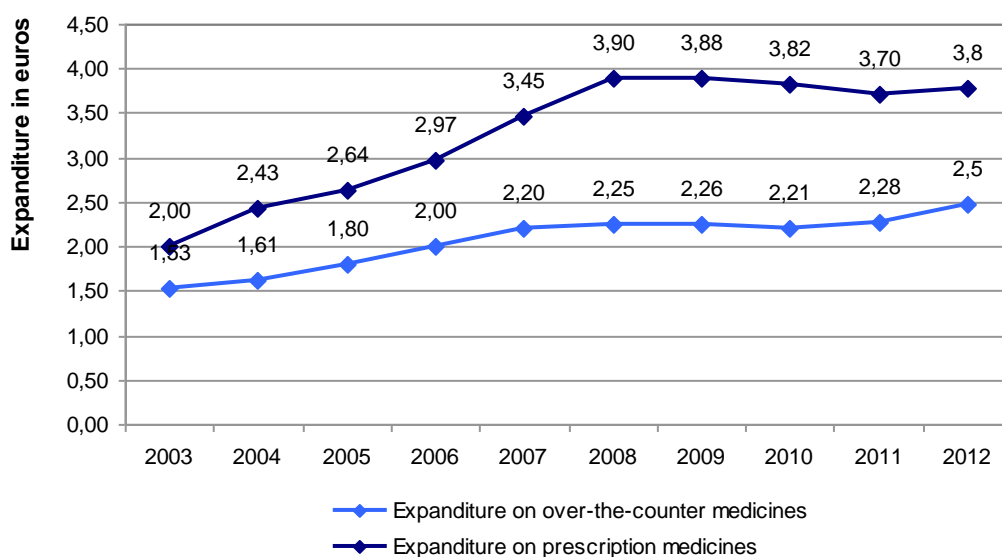
The cost of prescription medicines with discounts from EHIF divided as follows in 2012: ca. 33% paid by the patient and ca. 67% paid by the EHIF. This ratio has remained stable in recent years. The average cost of a prescription with a discount from EHIF is influenced by the quantity of discounted medicines dispensed as well as the choice of specific discounted medicines, i.e. whether the chosen medicinal product with the same active ingredient is the more expensive or a cheaper option. The average cost of a discounted medicine in 2012 was 20 euros, which is remained at the same level as previous year.

Turnover of dispensed medicines in general pharmacies in 2003-2012



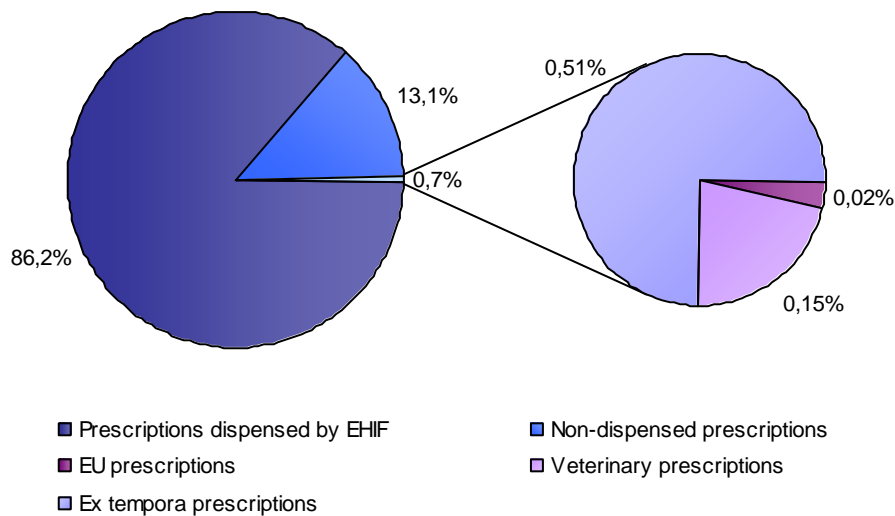
The average amount spent by a resident of Estonia on medicines in 2012 was 6.2 euros per month, 75 euros per year. Compared to 2011, expenditure on prescription medicines has increased 2% and expenditure on OTC medicines has increased 8%.

Expenditure on medicines per inhabitant per month in 2003-2012



More than 8.8 million prescriptions were handled by general pharmacies in 2012. The largest proportion was medicines dispensed on the basis of prescriptions with discounts by the EHIF (86.2%). The number of prescriptions without discounts was ca. 1.1 million (13.1%), while the number of EU prescriptions was slightly under 2000 (0.02%) and the number of prescriptions for medicines prepared *ex tempore* remained nearly fifty thousand (0.52%). Medicines for veterinary purposes were dispensed on the basis of just over thirteen thousand prescriptions (0.15%).

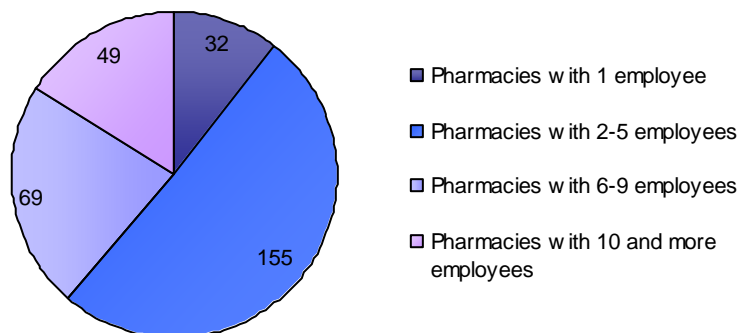
Prescriptions handled by general pharmacies in 2012



10% of general pharmacies prepared medicines *ex tempore* or officinal formulae or divide them up into smaller packages in 2012. 19% of general pharmacies prepared medicines as officinal formulae, 44% prepared medicines *ex tempore* and 16% of pharmacies divided medicines up into smaller packages. Nearly half of the pharmacies (53%) did not prepare or divide up any medicines. More than 120,000 medicine packages were prepared in general pharmacies in 2012, 41,845 of which were prepared *ex tempore*. The number of medicines prepared *ex tempore* was highest in Tallinn, comprising 53% of all medicines prepared *ex tempore* in general pharmacies in 2012. The number of medicines prepared as officinal formulae was highest in Tartu, comprising 46% of all medicines prepared as officinal formulae in general pharmacies in 2012.

779 dispensing chemists, 605 pharmacists and 381 other employees worked in Estonian general pharmacies at the end of 2012. 25% of all people working in general pharmacies are employed part-time. Approximately 32% of all dispensing chemists and 48% of pharmacists employed in general pharmacies work in Tallinn. The proportion of dispensing chemists is highest in general pharmacies in Tartu, where it comprises 71% of all general pharmacy employees in the city. Dispensing chemists comprise 44%, pharmacists 34% and other employees 22% of all general pharmacy employees in Estonia as a whole. 2-5 employees usually work in one general pharmacy (main pharmacy and its branches put together). The number of general pharmacies with more than 10 employees is highest in Tallinn, while the number of general pharmacies with one employee is highest in Pärnu County and Tartu County.

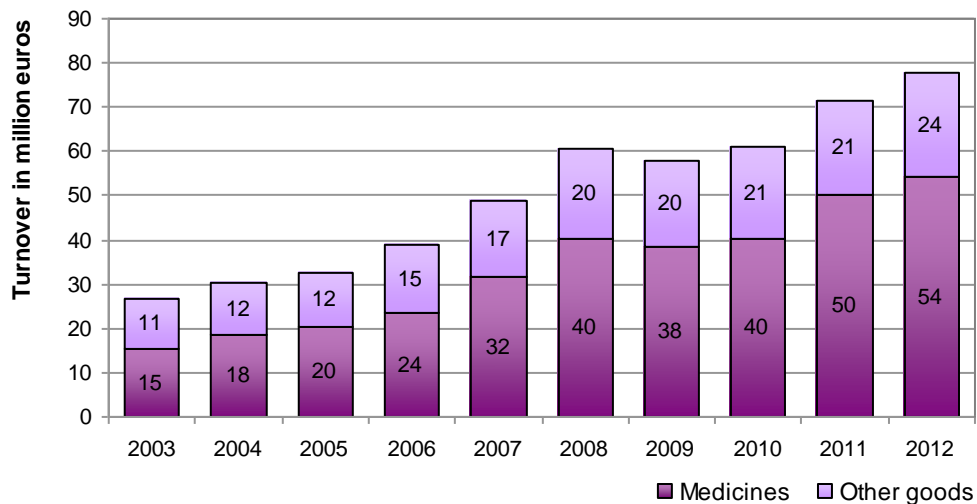
General pharmacies divided by the number of employees in 2012



Hospital Pharmacies

Within the past decade turnover of the hospital pharmacies has increased three times. Comparing 2011, turnover of medicines and other goods both has risen. The total turnover of hospital pharmacies in 2012 was 77.7 million euros. Turnover of medicines comprised 54.1 million euros (70%) of this. The turnover of hospital pharmacies is calculated without VAT.

Turnover of hospital pharmacies in 2003-2012

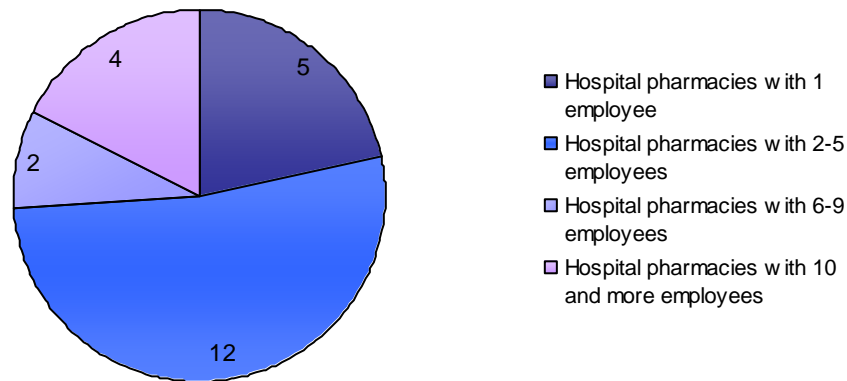


All hospital pharmacies are included in the comparison with their branch pharmacies, as it is impossible to distinguish between the turnover of the main pharmacy and that of branch pharmacies on the basis of the reports submitted by the pharmacies.

The turnover of hospital pharmacies is very versatile. The annual turnover of fifteen hospital pharmacies or approximately two-thirds of hospital pharmacies was less than 1 million euros. There are four medium-sized hospital pharmacies whose turnover remained between one and five million euros, and there are also four large hospital pharmacies in Estonia whose turnover in 2012 exceeded five million euros. In total, the four largest pharmacies comprised 78% of the total turnover of hospital pharmacies. This means that the four largest pharmacies also have a very strong impact on the average annual turnover of hospital pharmacies, which in 2012 was 3.4 million euros. When we look at the remaining pharmacies separately from the four largest, we see that the average annual turnover is considerably smaller: 0.92 million euros.

The employees in hospital pharmacies are mostly dispensing chemists. 71 dispensing chemists, 40 pharmacists and 34 other employees worked in hospital pharmacies at the end of 2012. Up to five people work in medium-sized hospital pharmacies and only the largest ones employ more than five people.

Hospital pharmacies divided by the number of employees in 2012

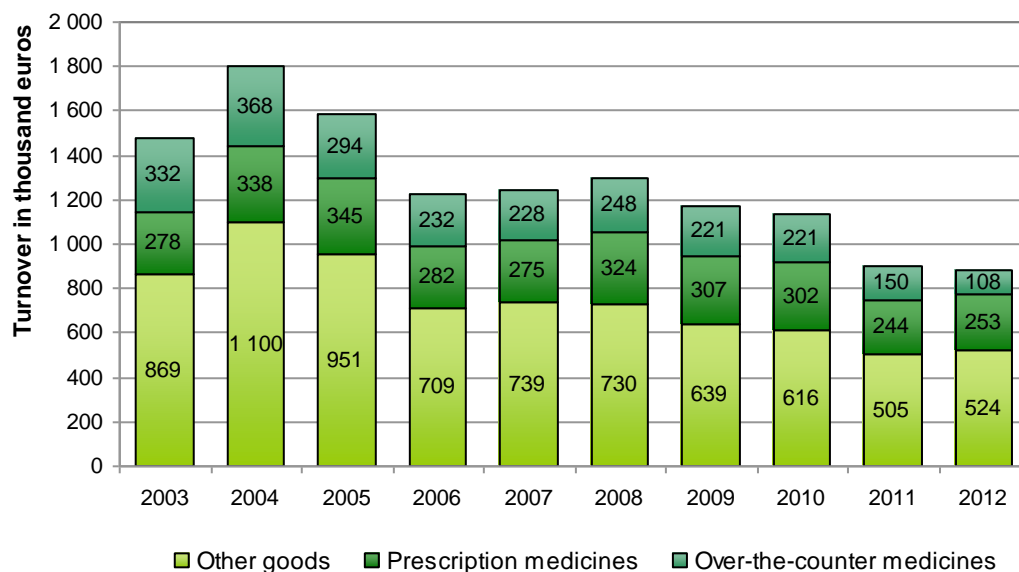


Veterinary Pharmacies

Similar to general pharmacies, the turnover of veterinary pharmacies comprises turnover of medicines and turnover of other goods. However, unlike general pharmacies, sales of other goods comprise the largest proportion of veterinary pharmacy turnover, which was 56% in 2012.

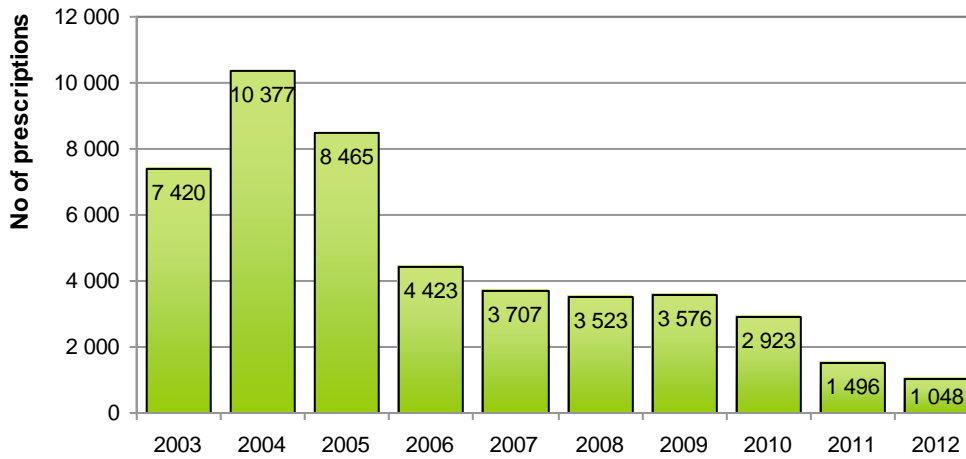
Due to the number of veterinary pharmacies has decreased, the total turnover of veterinary pharmacies has declined 51% since 2005. In 2012 the decrease of the turnover has slowed. Sales of OTC medicines decreased by 27.8%, while sales of prescription medicines and sales of other goods increased about 3% in 2012 compared to the previous year. The annual turnover of veterinary pharmacies was in the range of 50-400 thousand euros in 2012.

Turnover of veterinary pharmacies in 2003-2012



Veterinary pharmacies dispense prescription medicines on the basis of order forms and prescriptions. The number of prescriptions handled by veterinary pharmacies has decreased by 85% in the past five years.

Number of prescriptions handled in veterinary pharmacies in 2003-2012



In 2012 nine veterinarians worked in five veterinary pharmacies.