

Egyptian Medical Devices Industry



READY FOR THE FUTURE

Local Market Overview

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**WE ARE DEALING WITH
A STRATEGIC INDUSTRY**

Industry Investments



- More than L.E. 2.5 Billion
- More than 130 manufacturers
- More than 20,000 qualified professionals and skilled workers
- Open for Future Investments
 - To serve the growing Local Market that is importing about **\$800 Million** worth of medical equipment and supplies
 - To serve the global market that is valued at **\$336 Billion**

Small & Ready to Grow



Company Size	No. of Employees	No. of Companies	%
V. Large	>500	7	5%
Large	100-500	10	8%
Mid	50-100	12	9%
Small	<50	101	78%

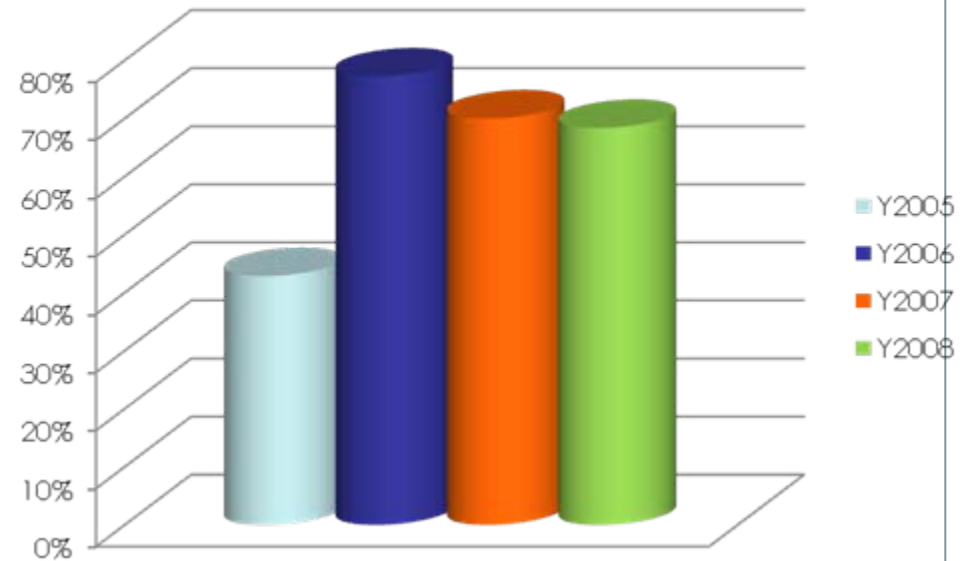
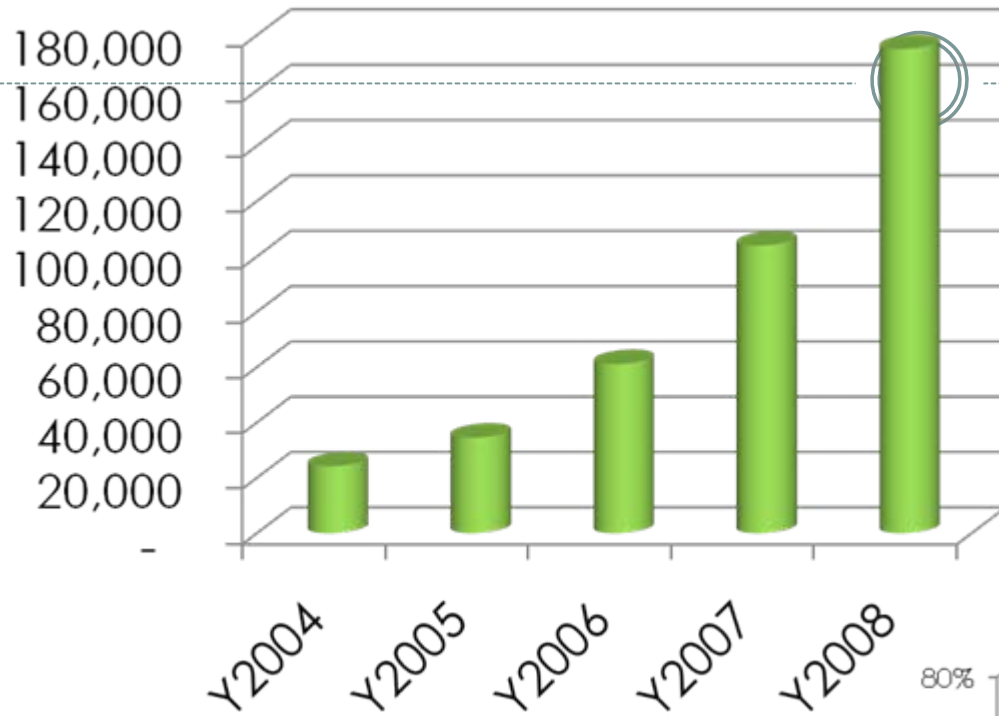
More than 80% of U.S. medical device firms had less than **50 employees**

The Diversity Challenge

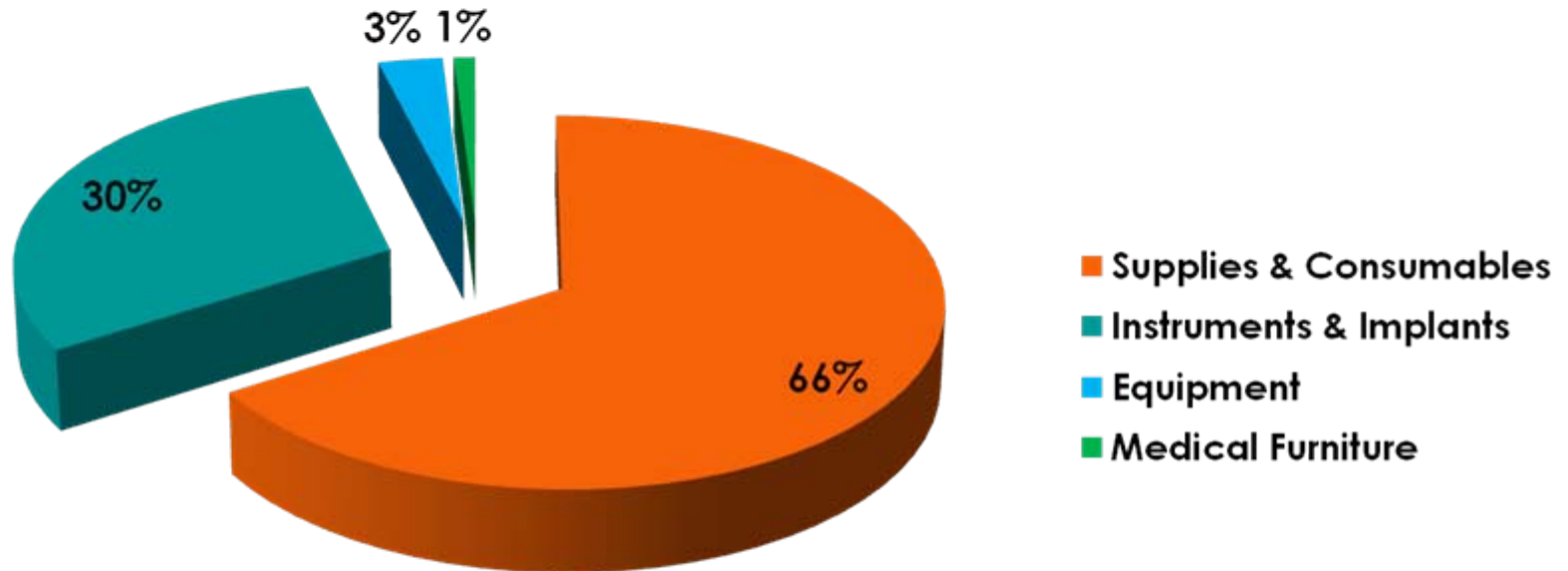


Product Type	# of Companies
Medical Furniture	45
Medical Equipment	40
Consumables	34
Medical Supplies	33
IV Fluids	6
Dental Supplies	4

We are Getting Global - Exports

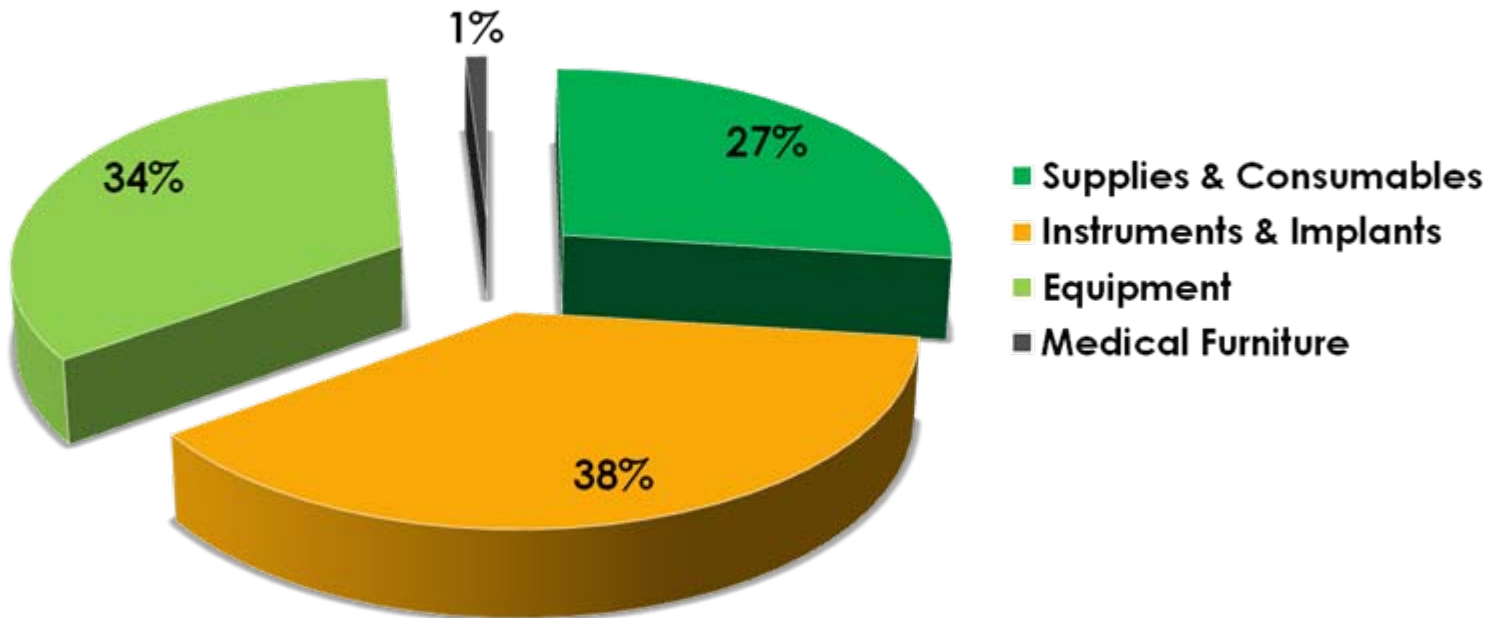


Exports by Product Line



Imports by Product Line

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Global Sales

\$350

\$300

\$250

\$200

\$150

\$100

\$50

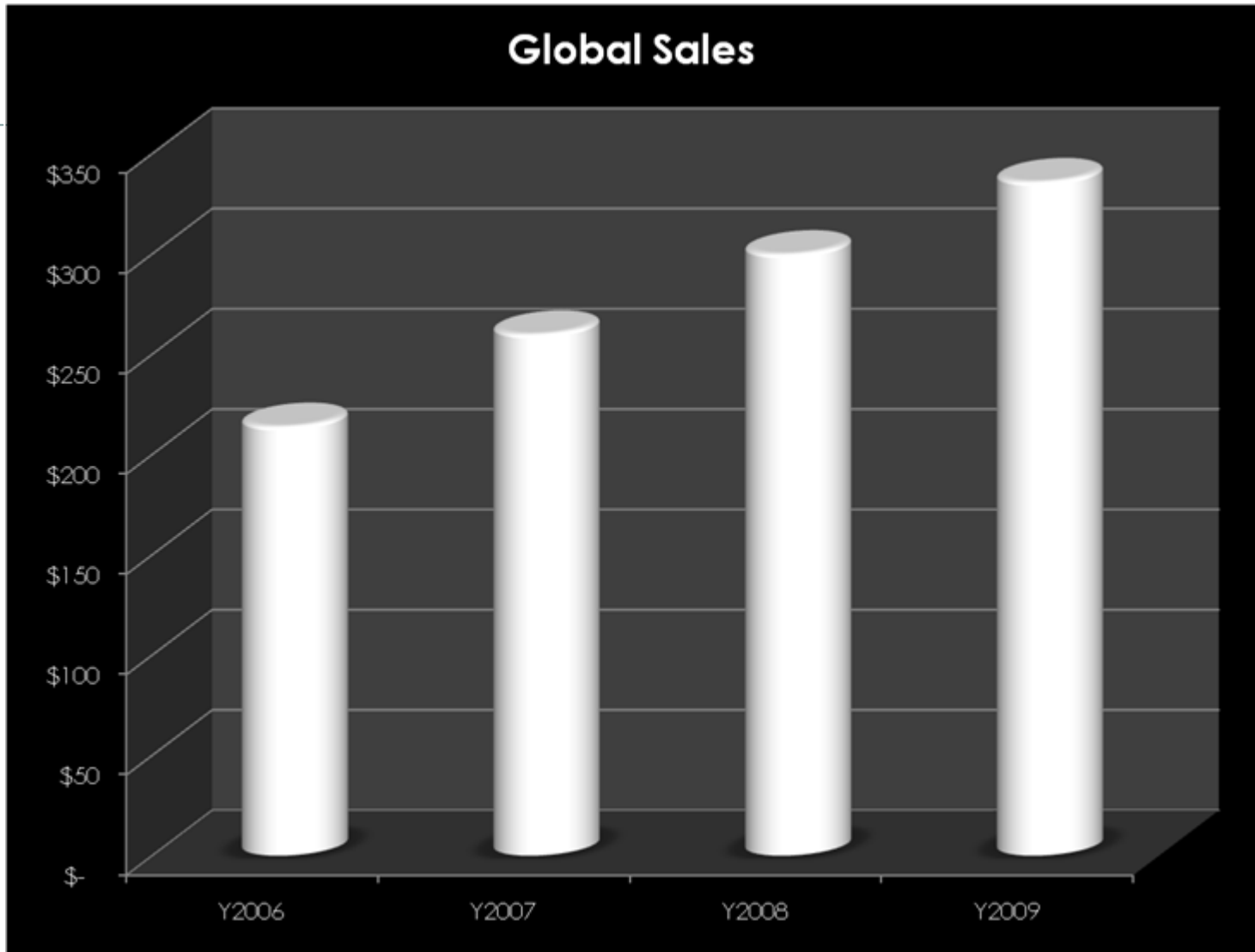
\$

Y2006

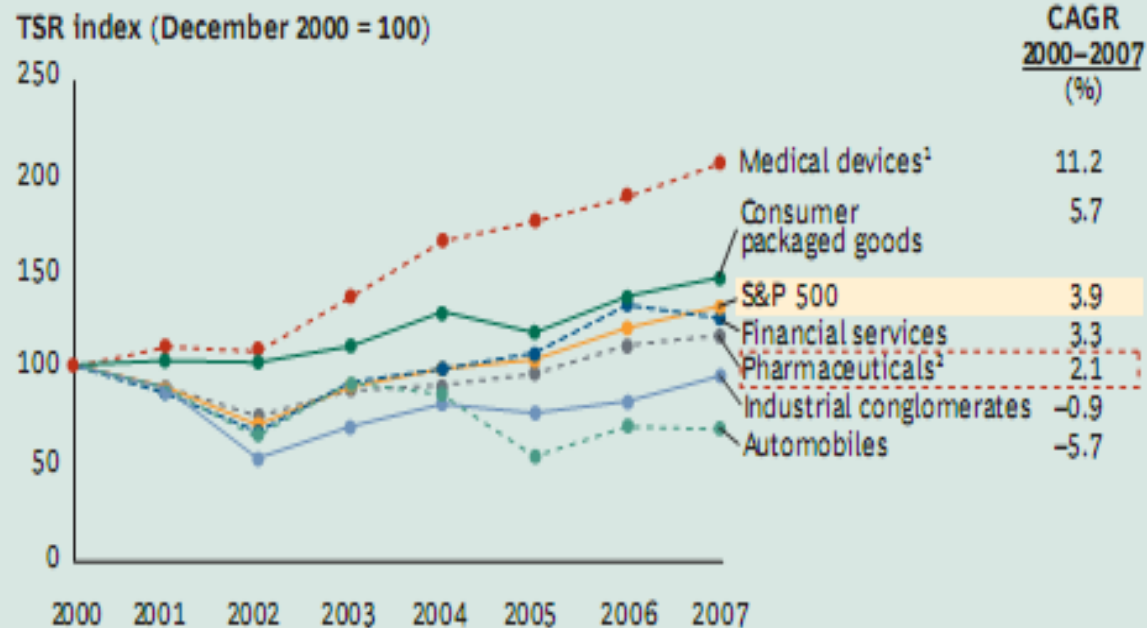
Y2007

Y2008

Y2009



Total shareholder return, December 2000 to September 2007



Sources: Compustat; BCG analysis.

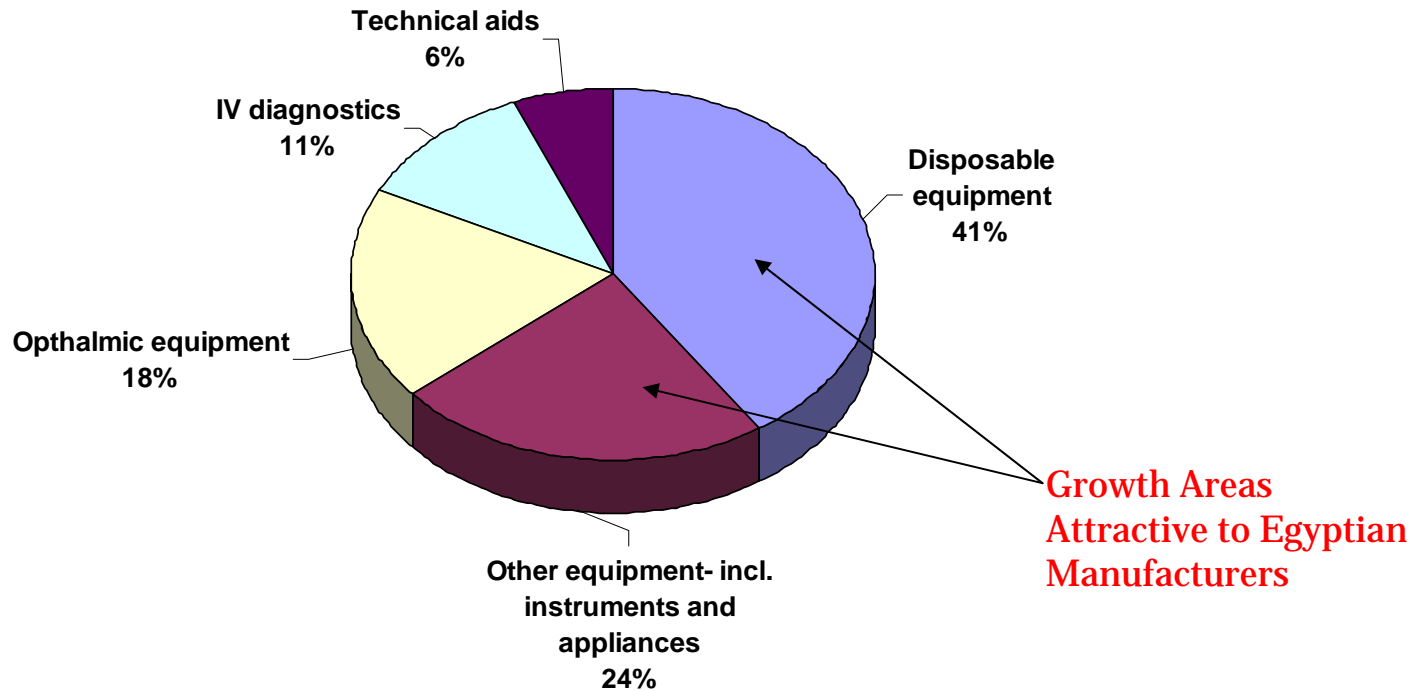
Note: Market cap weighted.

¹Alcon, C. R. Bard, Baxter International, Becton Dickinson, Biomet, Boston Scientific, Dentsply International, Johnson & Johnson, Medtronic, Smith & Nephew, St Jude Medical, Stryker, Terumo Medical, Zimmer Holdings.

²Pfizer, GlaxoSmithKline, Novartis, Roche, Sanofi Aventis, Abbott Labs, Merck, Ely Lilly, AstraZeneca, Wyeth, Bristol-Myers Squibb, Schering-Plough, Teva Pharmaceutical Industries.

The Global Medical Products Sector Size & Capacity

- On a global scale, the medical device sector contains more than 400,000 products, divided into more than 8,000 different product families
- Disposable equipment is an attractive sub-sector generating total revenues of \$86.6 billion



Top 30 Global Medical Device Companies

Rank	Company	2006 Revenues	Worldwide Headquarters
1	Johnson and Johnson	\$17.7B	New Brunswick, NJ
2	GE Healthcare	\$12.1B	Fairfield, CT
3	Medtronic \$10.1B	\$10.1B	Minneapolis, MN
4	Baxter International	\$9.8B	Deerfield, IL
5	Cardinal Health	\$9.8B	Dublin, OH
6	Tyco Healthcare	\$9.5B	Pembroke, Bermuda
7	Siemens Medical Solutions	\$9.2B	Munich, Germany
8	Philips Medical Systems	\$7.5B	Amsterdam, The Netherlands
9	Boston Scientific	\$6.3B	Natick, MA
10	Stryker	\$4.9B	Kalamazoo, Michigan
11	B. Braun	\$3.9B	Melsungen, Germany
12	Guidant Corp.	\$3.6B	Indianapolis, IN
13	3M Healthcare	\$3.5B	St. Paul, MN
14	Zimmer Holdings	\$3.3B	Warsaw, IN
15	Becton, Dickinson & Co.	\$3B	Franklin Lakes, NJ
16	St. Jude Medical	\$2.9B	St. Paul, MN
17	Kodak Health Group	\$2.7B	Rochester, NY
18	Hospira	\$2.6B	Lake Forest, IL
19	Fresenius	\$2.5B	Bad Homburg, Germany
20	Smith & Nephew	\$2.4B	London, United Kingdom
21	Synthes	\$2.1B	West Chester, PA
22	Alcon	\$2B	Fort Worth, TX
23	Biomet	\$1.9B	Warsaw, IN
24	C. R. Bard	\$1.8B	Murray Hill, NJ
25	Terumo	\$1.8B	Tokyo, Japan
26	Dentsply International	\$1.7B	York, PA
27	Invacare	\$1.5B	Elyria, Ohio
28	Gambro	\$1.4B	Stockholm, Sweden
29	Dräger Medical	\$1.3B	Lubeck, Germany
30	Varian Medical	\$1.2B	Palo Alto, California

Source: Medical Products Outsourcing Magazine, July/August Issue, 2006

SWOT ANALYSIS & SECTOR COMPETITVNESS
WE CAN DO IT

Consumables & Supplies

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Strengths	Weaknesses
<ul style="list-style-type: none">• Availability of technological know-how• Track record of success• Large number of companies that could be competitive• Patented products• Entrepreneurial management	<ul style="list-style-type: none">• Difficulty to conform to standards• Costs of moulds and tooling• R&D• Training of qualified workforce
Opportunities	Threats
<ul style="list-style-type: none">• Large global market• Foundation for fruitful collaboration• Large local market• Good prospects for OEM contracts	<ul style="list-style-type: none">• Low entry barriers for this sub-sector• Raw material sourcing and supply• Economies of scale• Access to finance

Instruments & Implants

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Strengths

- Price competitive in some areas
- Patents
- Application in veterinary fields
- Entrepreneurship culture

Opportunities

- Large local market
- Local resource Metallurgical Institute (Tebbin)
- Relatively low capital investment

Weaknesses

- Economies of scale
- Training and retaining qualified technicians
- Individualized know-how
- Product line not integrated
- High cost to conduct necessary sales and promotional activities

Threats

- Sourcing for raw materials
- Access to finance
- Economies of scale
- Competition from Near Eastern Counties
- Weakness of the local market to absorb variety
- Competition from lower quality and prices products

Furniture

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Strengths

- **Availability of required technological know-how**
- **Trained workforce**

Opportunities

- **High local demand**
- **Relative low cost of product development**

Weaknesses

- **Modern designs**
- **Finishing**
- **Material engineering**

Threats

- **Lack of quality and standards oriented demand**
- **Competition from informal and non-specialized producers**
- **Imported components**

Medical Equipment

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Strengths	Weaknesses
<ul style="list-style-type: none">• Availability of qualified engineers• Ability to design low-tech equipment and devices based on components' local availability	<ul style="list-style-type: none">• Limited number of producers• Difficulty to train and retain technicians• High financial requirements for R&D• Product design, testing and development know-how
Opportunities	Threats
<ul style="list-style-type: none">• Strong local related industries such as electronics, appliances, some components• Focus on specific equipment of high local demand	<ul style="list-style-type: none">• Economies of scale• Advanced technological competition at low cost ()• Main components are imported• Access to finance