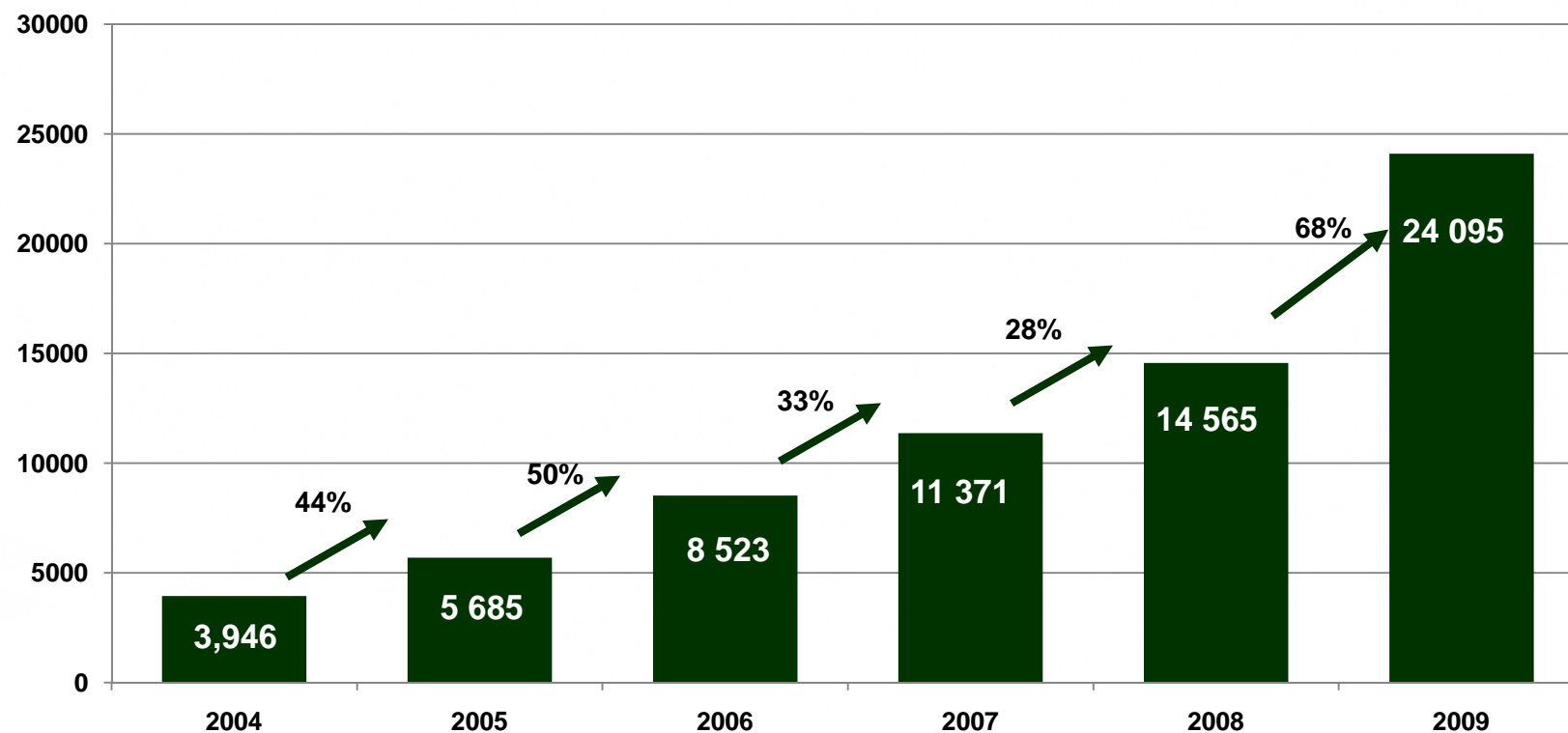


PHARMSTANDARD – LEADING RUSSIAN PHARMACEUTICAL COMPANY

*2009 Sales Results
Conference Call Presentation*



6 Years of Substantial Growth

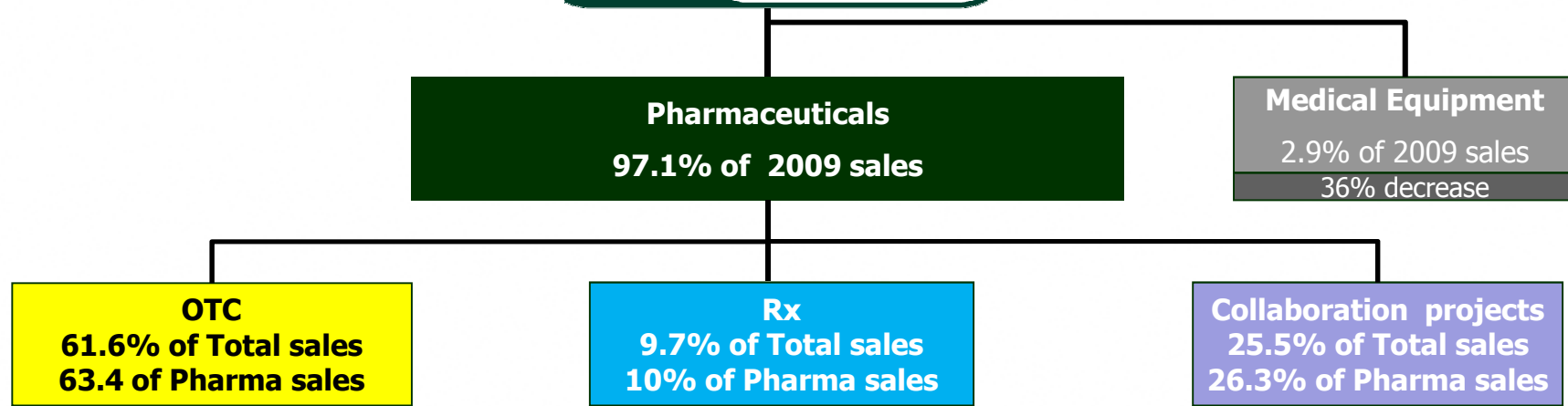


Pharmstandard's sales reached RUR 24,095 million in 2009

2009 Achievements

- Pharmstandard won the government tenders in 2009 under 7 nosologies program (part of FRP) for oncology diseases treatment preparations. Pharmstandard acts as a distributor of Velcade® (bortezomib), original prescription product of Janssen-Cilag, and supplied Velcade® for the total amount of RUR 3, 661.9 mln
- Pharmstandard won the government tenders in December 2009 to supply products in year 2010 under FRP program for the total amount of RUR 2,627.1 mln for the following products –Dornaza alfa, Rastan (Somatropin), Coagil IV (IV blood factor).
- Pharmstandard signs an agreement with Pharmapark on marketing and exclusive sales of Altevir® (gepatology). Starting from April 2009, sales of Altevir® achieved RUR 32.2 mln;
- The efficacy of Arbidol® for prevention and treatment of “swine influenza” (A / H1N1/ «California 04/2009» strain) has been proven by major Russian virology scientific centres;
- Pharmstandard and ZAO “Apteki 36.6” signed an agreement on direct collaboration, sales achieved RUR 257.7mln from 2q 2009. Pharmstandard delivers its products directly to Pharmacy Chain 36.6.
- Pharmstandard-Leksredstva (Kursk) confirmed EU GMP standards for syrop production line and the total amount of EU GMP production lines increased to 6 (tablets – 2 lines, capsules, aerosols, sprays, sachets).

2009 Sales Structure



- Therapeutic focus:
 - Analgesics
 - Cough & cold
 - Vitamins
 - Anti-viral
 - Anti-fungal

43% growth

- Product portfolio includes:
 - Coronary Therapy
 - Acid pump inhibitors
 - Nitrites & nitrates
 - ACE inhibitors
 - Alimentary tract metabolism

71.7% growth

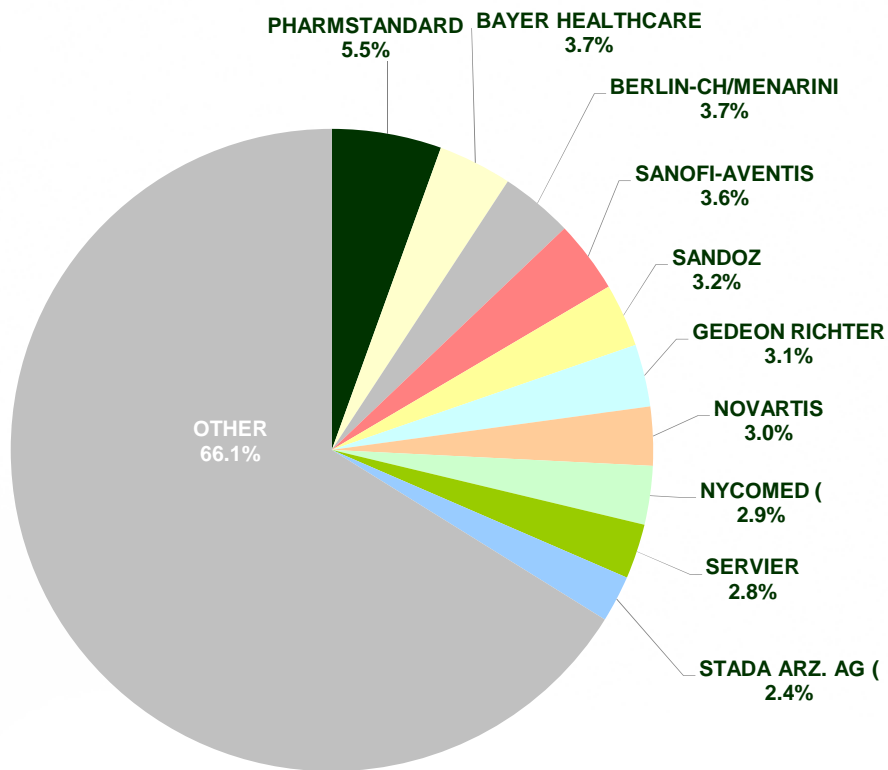
- Product portfolio includes:
 - Velcade
 - Mildronate
 - IRS-19 & Imudon
 - Others

325.6% growth

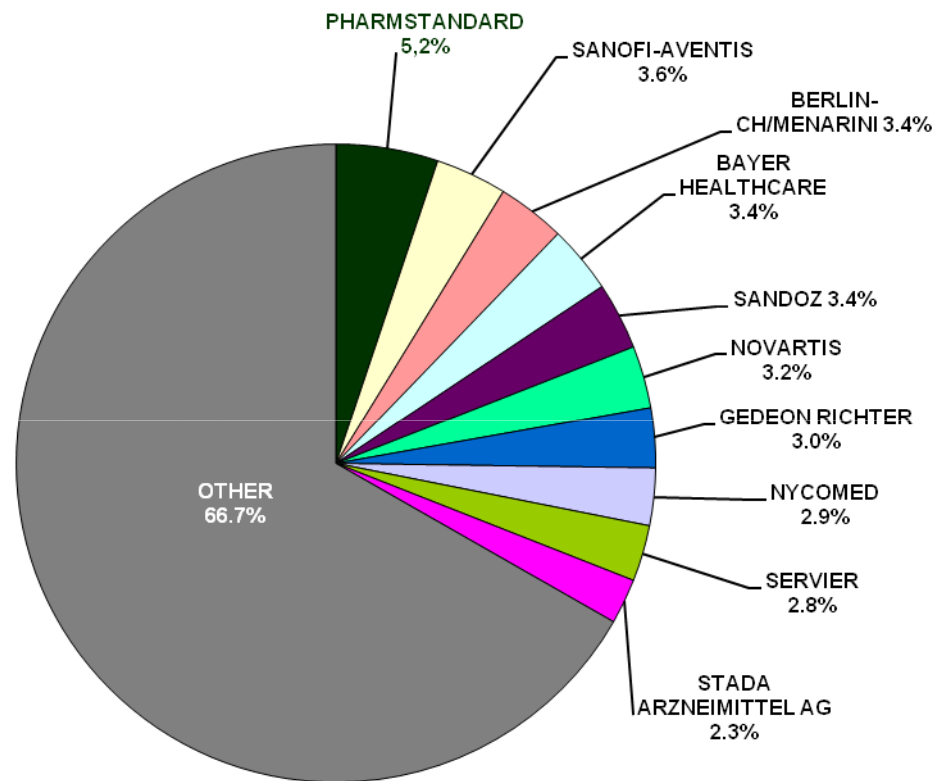
68.1% revenue growth in 2009
46% pharma revenue organic growth for 2009

A Leader in the Russian Commercial Segment

2009



2008



PHS increased market share in the commercial segment from 5.2% (2008) to 5.5%(2009)

Source: Pharmexpert preliminary data, retail prices. Subject to change

Best Selling Brands 2009 (excluding 3rd parties products)

№	BRAND	2009			2008			Volume 09/08		Sales 09/08	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Arbidol	45.736	5,503	32.0%	26.349	2,731	23%	19.387	74%	2,772	102%
2	Pentalgin	40.608	2,100	12.2%	31.964	1,582	13%	8.644	27%	518	33%
3	Complivit	16.818	1,188	6.9%	10.321	673	6%	6.497	63%	516	77%
4	Terpinkod	6.442	889	5.2%	15.715	1,606	14%	-9.273	-59%	-716	-45%
5	Codealc	8.386	752	4.4%	10.331	670	6%	-1.945	-19%	82	12%
6	Flucostat	5.534	661	3.8%	4.969	561	5%	0.565	11%	101	18%
7	Phosphogliv	1.721	596	3.5%	1.318	424	4%	0.403	31%	171	40%
8	Amixin	1.322	558	3.2%	0.791	337	3%	0.531	67%	221	65%
9	Afobazol	3.649	531	3.1%	1.503	218	2%	2.146	143%	313	144%
10	Corvalol	46.298	222	1.3%	53.821	236	2%	-7.523	-14%	-14	-6%
TOP 10 total		176.514	13,000	75.7%	157.081	9,036	77%	19.433	12.4%	3,964	43.9%
Other brands		531.526	4,179	24.3%	471.346	2,706	23%	60.180	12.8%	1,472	54.4%
TOTAL SALES		708.040	17,179	100%	628.426	11,743	100%	79.613	12.7%	5,436	46.3%

* Flucostat (tablets&solution for Injection)

** Amixin(№125&№60)

Top 10 Best selling Brands demonstrated growth of 43,9% in value and 12.4% in volume

Arbidol-sales structure

Product	Volume, mln U		Change 09/08 volume	Sales mln RUR		Change 09/08 sales	average price, RUR		Change 09/08 average price
	FY 2008	FY 2009	%	FY 2008	FY 2009	%	FY 2008	FY 2009	%
ARBIDOL SALES IN RUSSIA									
ARBIDOL, caps 100 mg #10	17,6	28,8	64%	2 085,2	3 612,2	73%	118,6	125,2	5,6%
ARBIDOL, caps 100 mg #20	0,0	3,1		0,0	627,1			204,1	new
ARBIDOL, tab 50 mg #10	6,1	9,8	60%	482,8	824,4	71%	78,8	83,9	6,4%
ARBIDOL, tab 50 mg #20	0,0	2,0		0,0	291,0			145,4	new
ARBIDOL SALES FOR EXPORT (CONSOLIDATED)	2,6	2,0	-25%	162,5	148,0	-9%			
GRAND TOTAL FOR ARBIDOL	26,3	45,7	74%	2 730,6	5 502,6	102%			

Top 10 OTC Brands 2009 (excluding 3rd parties products)

№	BRAND	2009			2008			Volume 09/08		Sales 09/08	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Arbidol	45.736	5,503	37.1%	26.349	2,731	26.3%	19.387	73.6%	2,772	101.5%
2	Pentalgin	40.608	2,100	14.1%	31.964	1,582	15.2%	8.644	27.0%	518	32.7%
3	Complivit	16.818	1,188	8.0%	10.321	673	6.5%	6.497	62.9%	516	76.6%
4	Terpincod	6.442	889	6.0%	15.715	1,606	15.5%	-9.273	-59.0%	-716	-44.6%
5	Codelac	8.386	752	5.1%	10.331	670	6.5%	-1.945	-18.8%	82	12.3%
6	Flucostat*	5.458	649	4.4%	4.931	555	5.3%	0.527	10.7%	94	16.9%
7	Afobazol	3.649	531	3.6%	1.503	218	2.1%	2.146	142.7%	313	144.1%
8	Amixin**	1.162	507	3.4%	0.727	317	3.1%	0.435	59.8%	190	59.9%
9	Corvalol	46.298	222	1.5%	53.821	236	2.3%	-7.523	-14%	-14	-6.0%
10	Ingalipt	7.343	199	1.3%	5.446	128	1.2%	1.897	34.8%	71	55.1%
TOP 10 total		181.900	12,540	84.5%	161.108	8,715	84%	20.792	12.9%	3,826	43.9%
Other brands		482.618	2,300	15.5%	437.049	1,666	16%	45.569	10.4%	634	38.1%
TOTAL SALES		664.518	14,841	100%	598.157	10,381	100%	66.361	11.1%	4,460	43.0%

* Flucostat (tablets only)

** Amixin (only №125)

Top 10 Rx Brands 2009 (excluding 3rd parties products)

№	BRAND	2009			2008			Volume 09/08		Sales 09/08	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Phosphogliv	1.721	596	25.5%	1.318	424	31.1%	0.403	30.6%	171	40.4%
2	Biosulin	0.442	211	9.0%	0.373	164	12.1%	0.069	18.5%	47	28.3%
3	Combilipen	1.811	195	8.4%	0.481	39	2.9%	1.330	276.4%	156	399.1%
4	Rastan	0.153	186	8.0%	0.038	36	2.6%	0.115	301.9%	150	416.2%
5	Picamilon	4.299	129	5.5%	3.189	61	4.5%	1.110	34.8%	68	110.8%
6	Cocarboxylase	3.165	109	4.7%	2.107	39	2.8%	1.058	50.2%	70	182.3%
7	Azitrox	0.655	108	4.6%	0.376	57	4.2%	0.278	73.9%	51	90.0%
8	Ciclodol	2.506	107	4.6%	2.390	83	6.1%	0.116	4.8%	24	29.6%
9	Renipril	1.961	72	3.1%	1.749	60	4.4%	0.213	12.2%	12	19.8%
10	Sulfocamphocaine	1.989	69	3.0%	1.627	42	3.1%	0.362	22.2%	28	66.3%
TOP 10 total		18.702	1,781	76.2%	13.648	1,004	73.7%	5.054	37.0%	777	77.4%
Other brands		24.820	557	23.8%	16.621	358	26.3%	8.199	49.3%	199	55.6%
TOTAL SALES		43.522	2,338	100%	30.269	1,362	100%	13.253	43.8%	976	71.7%

Collaboration projects – 3rd parties products

	2009 (mln RUR)	% from total pharma sales	2008 (mln RUR)	Difference (mln RUR)	Difference (%)
Pharmaceutical products	23 406,8	100,0%	13260,2	10 146,6	76,52%
<i>Total 3rd parties collaboration products sales</i>	<i>6 156,4</i>	<i>26,3%</i>	<i>1446,6</i>	<i>4 709,80</i>	<i>325,58%</i>
Velcade (Janssen-Cilag)	3 661,9	15,6%	0	3 661,90	-
Mildronat (Grindex)	1 194,3	5,1%	1149,1	45,2	3,93%
IRS-19® & Imudon®(Solvay)	645,6	2,8%	17,42	628,18	3606,08%
<i>Others 3rd parties products</i>	<i>654,6</i>	<i>2,8%</i>	<i>280,1</i>	<i>374,52</i>	<i>133,72%</i>

The Company's revenue from the 3rd parties products amounted to RUR6,156 million and increased by 326% compared with the year 2008. The 3rd parties products sales were driven by:

- Velcade® (Jansen-Cilag) – distribution partnership project started in 2009 to supply product under FRP program (7 nozologies government tender).
- Mildronat® (Grindex) – marketing and distribution project with Grindex to promote and distribute in Russia Mildronad®. Projects commenced in 2008.
- IRS19® and Imudon® (Solvay) – production project with Solvay Pharmaceuticals to localize the production of 2 popular immunostimulating products in Russia. Production launched in Tomsk in 2008.

Open auctions for needs of Ministry of Health

Pharmstandard won the government open auctions in December 2009 to supply products in year 2010 under FRP program for the total amount of RUR 2,627.1 mln for the following products:

Product	Contract amount for 2010, mln RUR
Dornaza alfa (ingalation preparation)	671 270,98
Rastan ® (somatropine)	485 151,12
Coagil IV (Eptacog alpha (activated))	1 470 767,38
TOTAL for 2010	2 627 189,49

“PHARMA 2020” – Russian government strategy project*

GOALS

- Provision with domestically produced medicines
- Harmonization of Russian standards of medication development and production with international requirements
- Stimulation of innovative medications development and production, support of Russian medications export
- Protection of the internal market from unfair competition
- Technical re-equipment of the Russian pharmaceutical industry
- Quality conformity confirmation of medications. Eliminating excessive administrative barriers during registration of domestic medicines
- Educational system for preparation of specialists for the pharmaceutical industry

BUDGET

- 2009-2020 budget: RUR 177 bn

CURRENT STEPS

- FRP program launched since 2005 and become one of the key market drivers
- New list of life-saving drugs. New approach to the price registration and regulation.
- GMP production facilities certification for budget procurement from Jan 2010 (project)
- 15% price preference for local producers in government procurement
- New law about pharmaceutical products proposed by MoH and should be approved from 01/09/2010

EXPECTED RESULTS

- Domestic products consumption – 50% of total market by value
- Share of innovation preparations on the domestic market – 60% of total market by value
- Increase of export by 8 times compared to 2008
- Provision of medicinal safety of the RF in compliance with the list of life-saving drugs
- Stimulation of domestic substances production sufficient for production of 50% of total drugs by value

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All information not separately sourced is from Company data.

Market information provided by Pharmexpert MRS in retail prices.

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