

PHARMSTANDARD – LEADING RUSSIAN PHARMACEUTICAL COMPANY

COMPANY

2009 Business & Financial Results Presentation

Q1 2010 Sales results

Pharmstandard at a Glance

Market

Leading domestic pharmaceutical company in Russia (measured by sales)

- **№1 pharma** company overall in Russia with market share of 4.4%
- **№1 pharma** company in the retail segment with market share of 5.5%
- **№1 domestic** pharmaceutical company with market share of 20%

Production

Modern and efficient manufacturing facilities

- 3 pharmaceutical production sites and 1 medical equipment and disposables plant
- Russian standards compliant facilities & 6 lines on Kursk are EU GMP compliant
- More than 200 pharmaceutical products
- Capacity – more then 1,3 billion packs per year

Sales & Marketing

Experienced sales force & Market leading brands

- 485 sales people
- Top best selling brands
- Launched 40 new products from 2004

Financials

Industry leading growth and profitability (based on full year 2009 results)

- Total Sales of RUR 24 095 mln for 2009, representing 68% growth
- Gross profit margins 59% organic and 48.7% for total business
- EBITDA margins 48.4% organic and 40% for total business
- Net Profit margins increased by 96% and achieved 28% for total business

Highlights

- **№1 pharma** company overall in Russia with market share of 4.4%
- **№1 pharma** company in the retail segment with market share of 5.5%
- **№1 domestic** pharmaceutical company with market share of 20%

- «Platinum ounce 2009» awards in the nominations:
 - ✓ «Company of the Year – the Russian pharmaceutical products manufacturer»
 - ✓ «Company of the Decade – the Russian pharmaceutical products manufacturer»
 - ✓ **Arbidol®** in nomination «Over-the-counter preparation of the year» and «Over-the-counter preparation of the decade ».
 - ✓ **Pentalgin®** in nomination «HOUSEHOLD BRAND/BRAND №1 in Russia» in the category «Analgesic drug»
 - ✓ **Complivit®** in nomination «Brand of Trust» in the category «Vitamins»

- Antiviral medicine **Arbidol** became the leader of Russian pharmaceutical market under the results of sales for year 2009. The efficacy of **Arbidol** in prevention and treatment of “swine flu” **A/H1N1** was confirmed by the leading Russian virological scientific centers. The sales of **Arbidol** in year 2009 achieved 5,503 millions of rubles.

- Within year 2009 **Pharmstandard** won in five Federal opened auctions for the purchase of **Rastan®** (somatropin) for the total amount of 483,7 millions of rubles (including VAT) in the frames of Federal Reimbursement Program “7 nosologies”.

Highlights (continue)

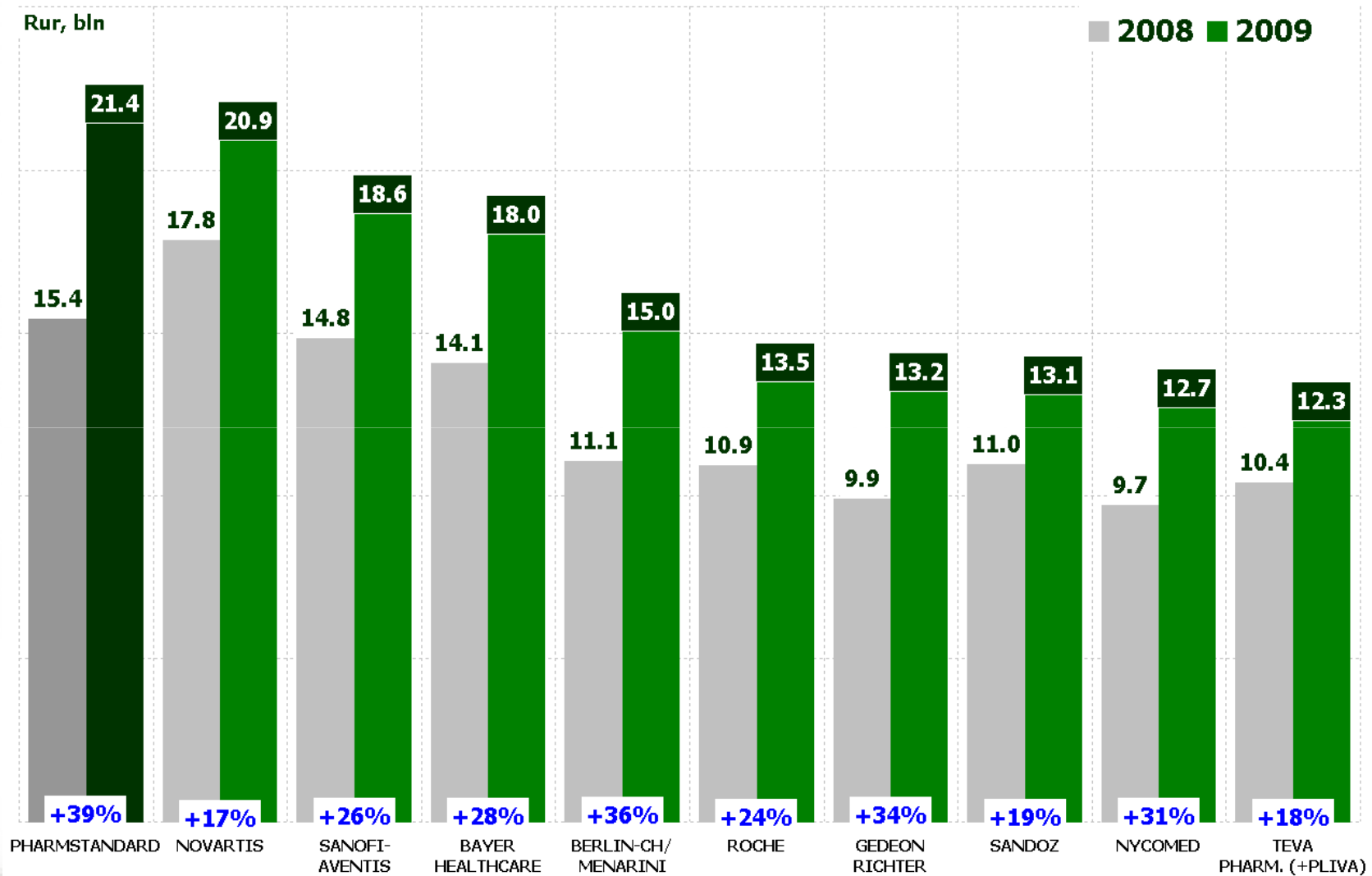
- In December 2009 Pharmstandard won in Federal opened auction under the program 7 nosologies for the supply in year 2010 of Coagil VII® (coagulation factor VII) for the amount of 1 176 millions of Rubles (including VAT). Coagil VII® is manufactured in the frames of joint biotechnological project “Generium”.
- Pharmstandard won in Federal opened auction under the program of 7 nosologies for the supply of Velcade (bortezomib) of Janssen-Cilag production and fulfilled the State contract for the amount of 4 028,1 millions of rubles (including VAT).
- Within the new price regulation law for the life saving products Pharmstandard registered successfully the prices of 86 pharmaceuticals products, which enter in the list.
- On April 2010 Pharmstandard acquired 11,3% of JSC “Grindeks”, one of the biggest Latvian pharmaceutical company, continuing the strategic partnership in the distribution and promotion of Mildronate® in Russia.
- On April 2010 the LLC «NauchTekhStroy Plus» signed the agreement with the company Affitech A/S (Denmark) on joint development of innovative monoclonal antibody for treatment of oncological and other diseases. The amount of investments from the part of «NauchTekhStroy Plus» will make 23 millions of Euro. The commercialization of pharmaceutical preparations in Russia and CIS countries is planned to be effected by the Company Pharmstandard.

Strategy

1. Promote our market-leading brands to drive sales growth and profitability
 - Focused promotion of major umbrella brands
 - Discontinue lower margin products (e.g. old traditional products, medical disposables)
2. Launch new products on a regular basis
 - Focus on new branded OTC products and generic prescription products
3. Expand sales and marketing effort
 - Increase “feet on the street”, specialise sales force to improve efficiency of physician detailing
4. Grow through acquisitions and realize synergies
 - Entire companies, brands, trademarks, patents
5. Cooperation with leading pharmaceutical companies
6. Continue to actively control costs
 - Focus production at cost efficient facilities
7. Exploit opportunities arising from government funding of healthcare

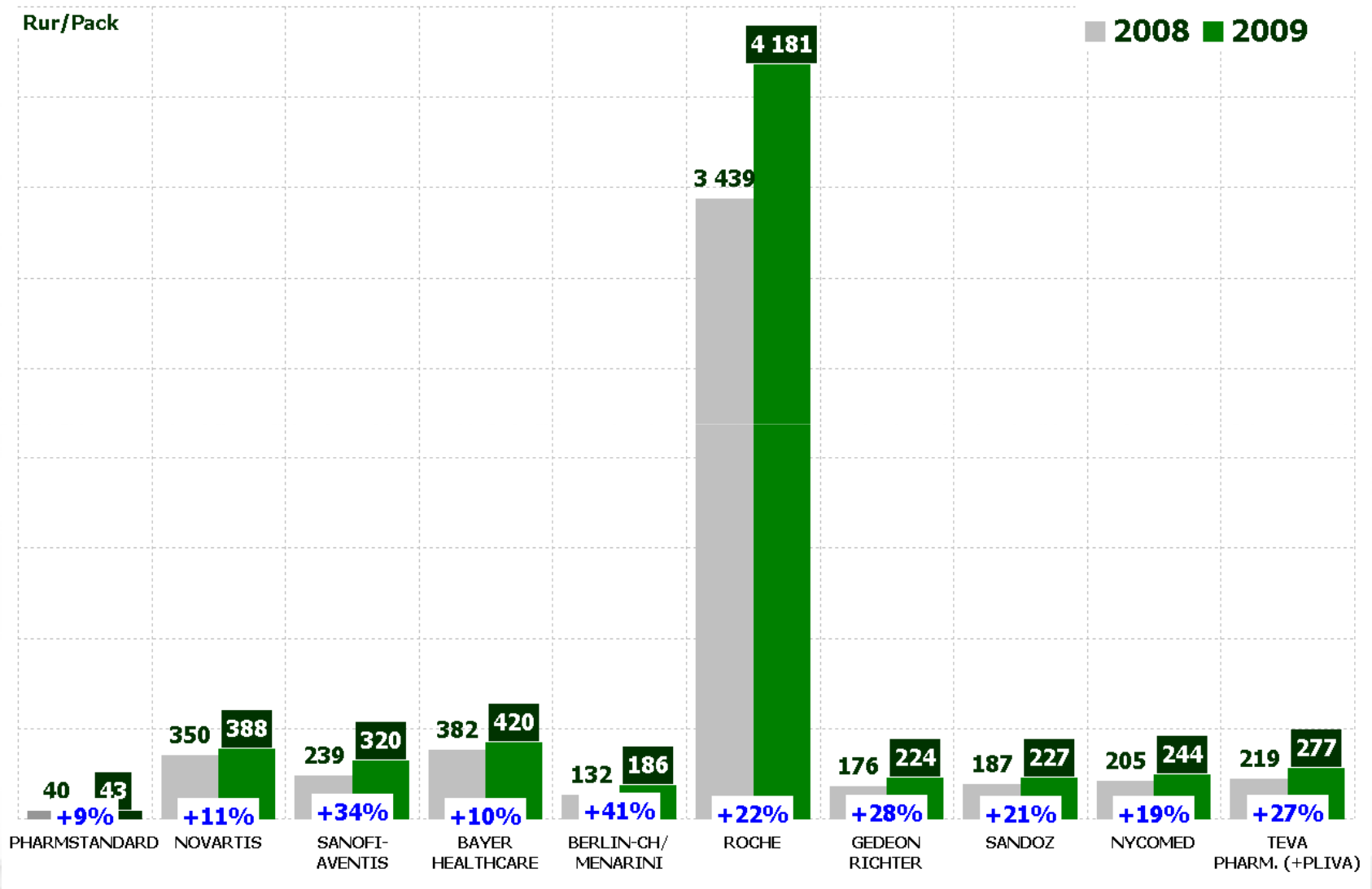
Building the #1 pharmaceutical company in Russia

TOP-10 sales 2009/2008 by value, bln RUR



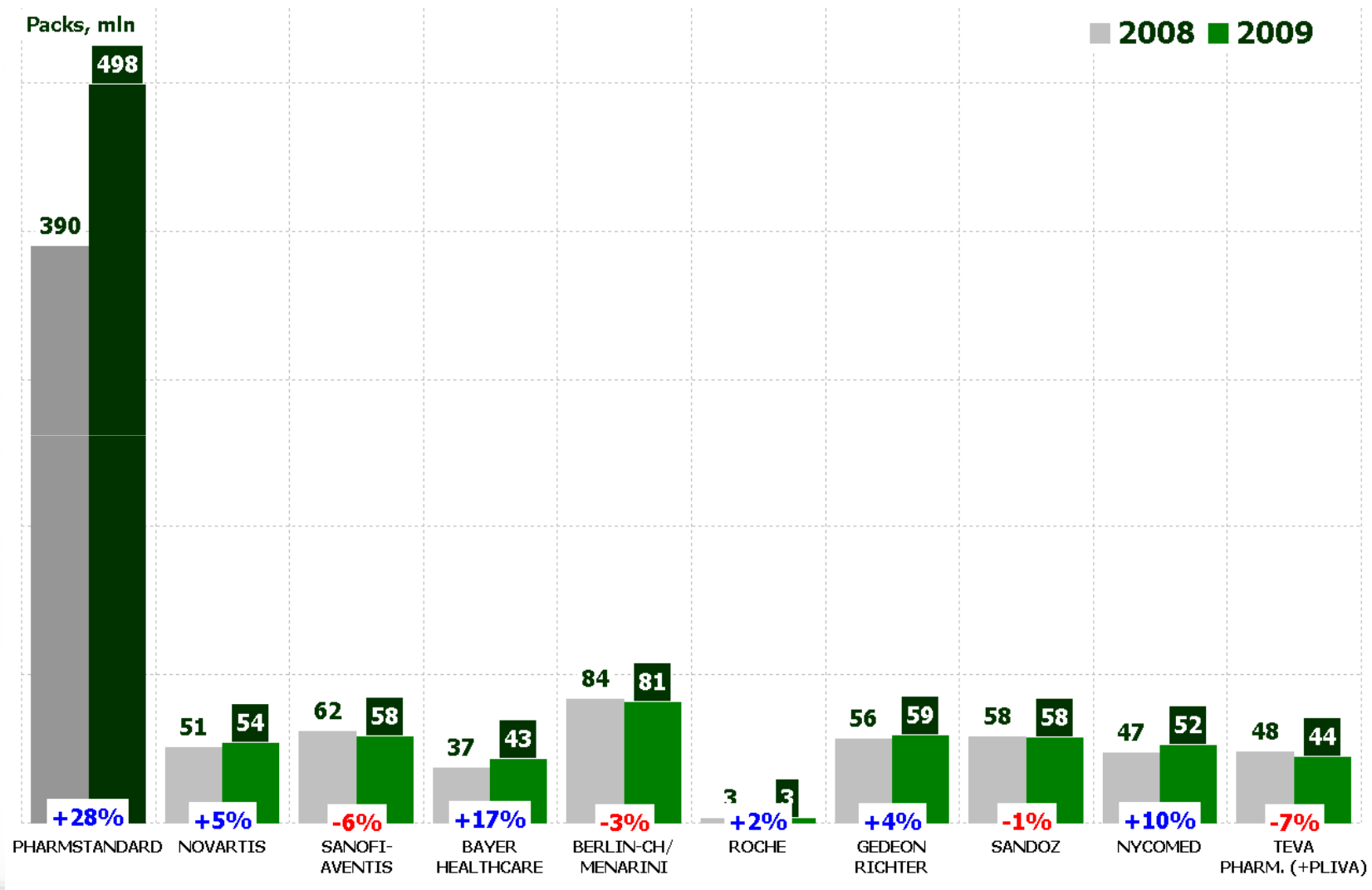
Pharmstandard sales growth: +39%

TOP-10 Average price dynamics 09/08, RUR



• **Pharmstandard keeps stable average retail price**

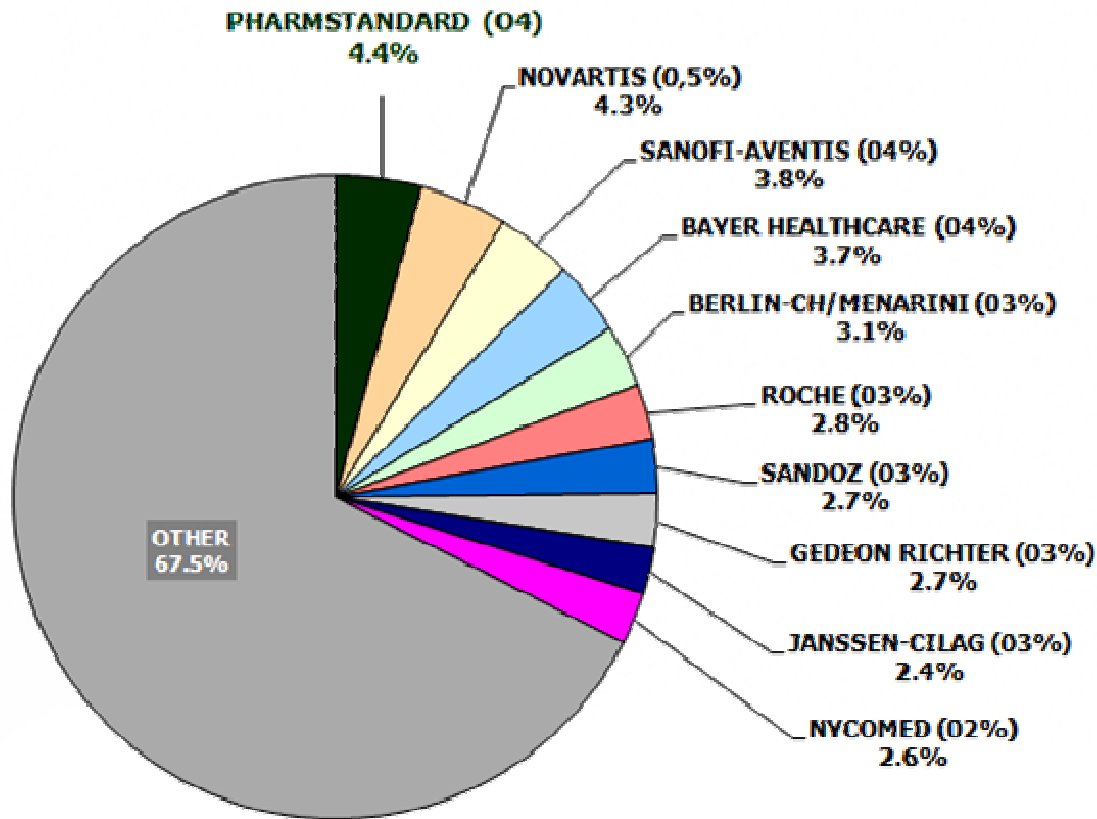
TOP-10 sales 09/08 by volume, packs



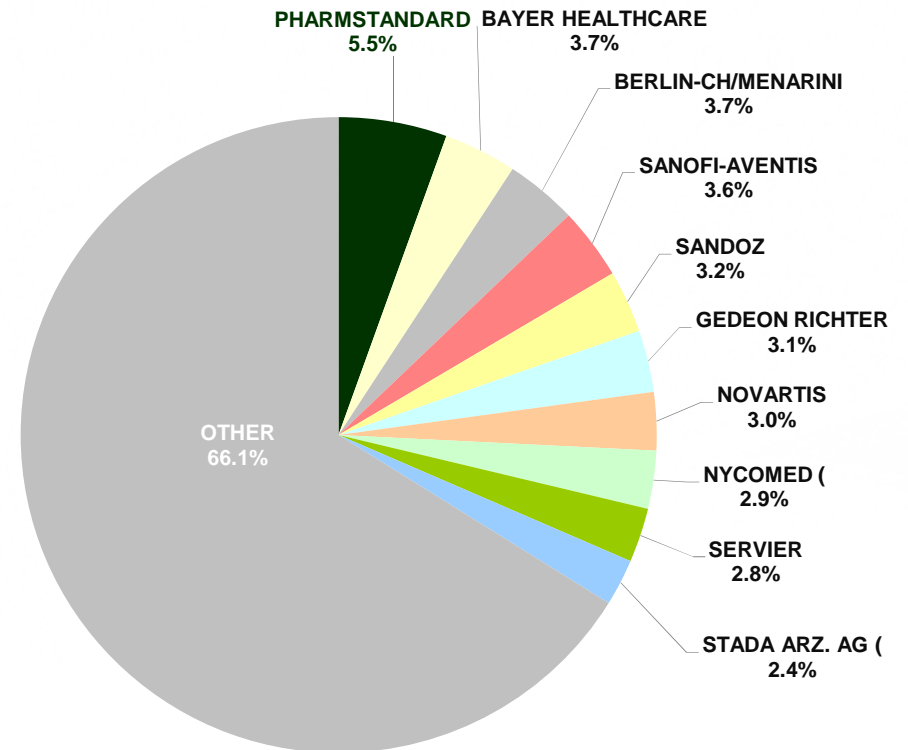
Pharmstandard growth was stipulated by increase in volume (+28%)

A Leader in the Russian pharmaceutical market by sales value

Market Share - All Companies



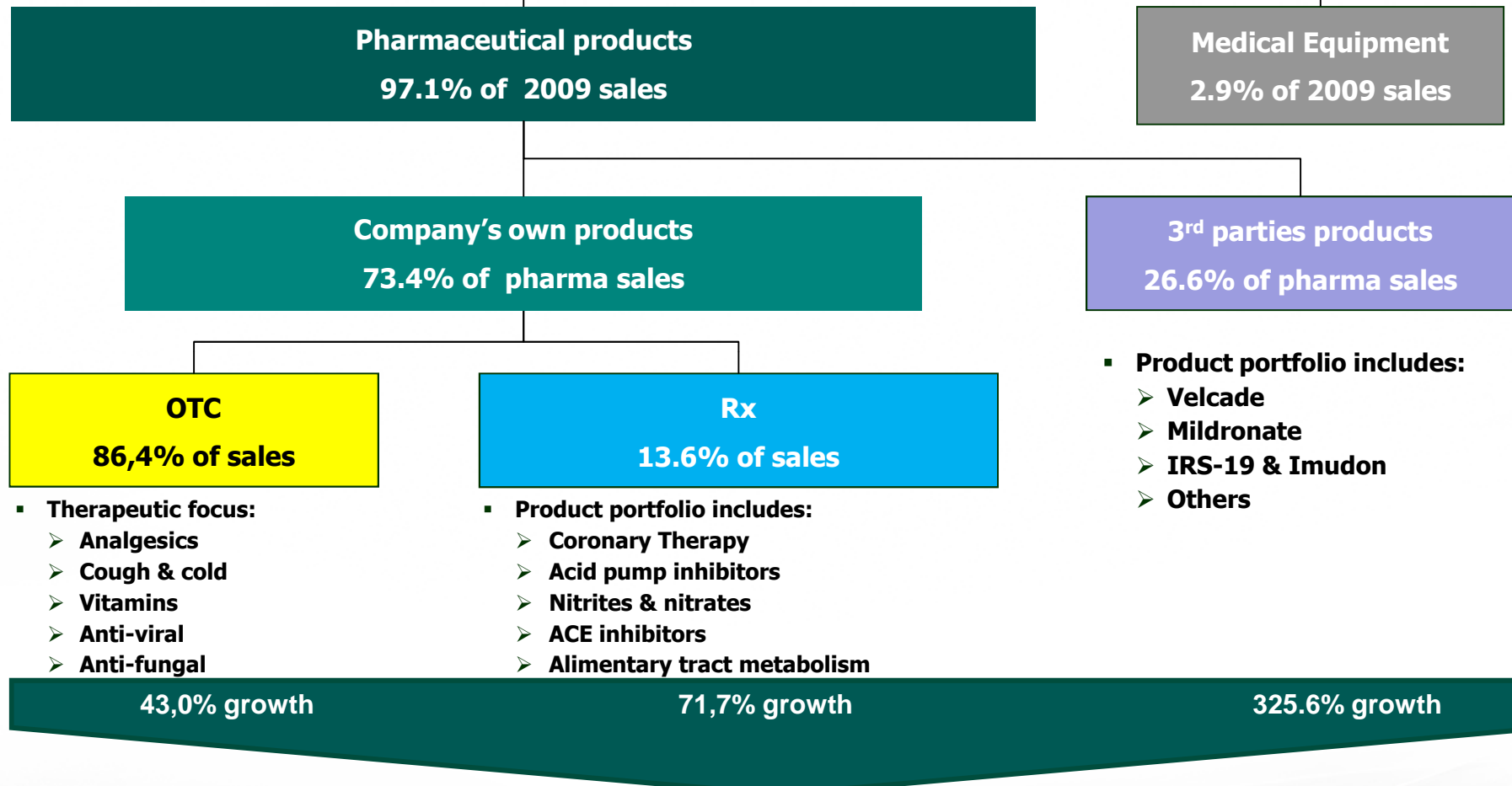
Market Share - Retail Segment



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

2009 Sales Structure



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

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

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

43,0% growth
71,7% growth
325.6% growth

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



Government Support of healthcare in frame of PHARMA 2020 strategy

FRP

- FRP was launched in 2005 and became one of the key market drivers. Stipulates free medication for certain social groups, such as physically handicapped and veterans.
- Budget 2010 increased by 10% up to 88 bln RUR

Regulations

- New approach to the price registration and regulation approved and implemented since 1/04/2010
- Obligatory GMP production facilities certification since January 2014
- 15% price preference for local producers in government procurement
- New law about pharmaceutical products approved by president and commence from 01/09/2010

Strategy 2020

- Ministry of Industry and Trade of the Russian Federation approved the concept of the Pharmaceutical Sector Development Strategy 2020.
 - This document outlines the guidelines for the adoption of the GMP standards and implementation of the import substitution programme.

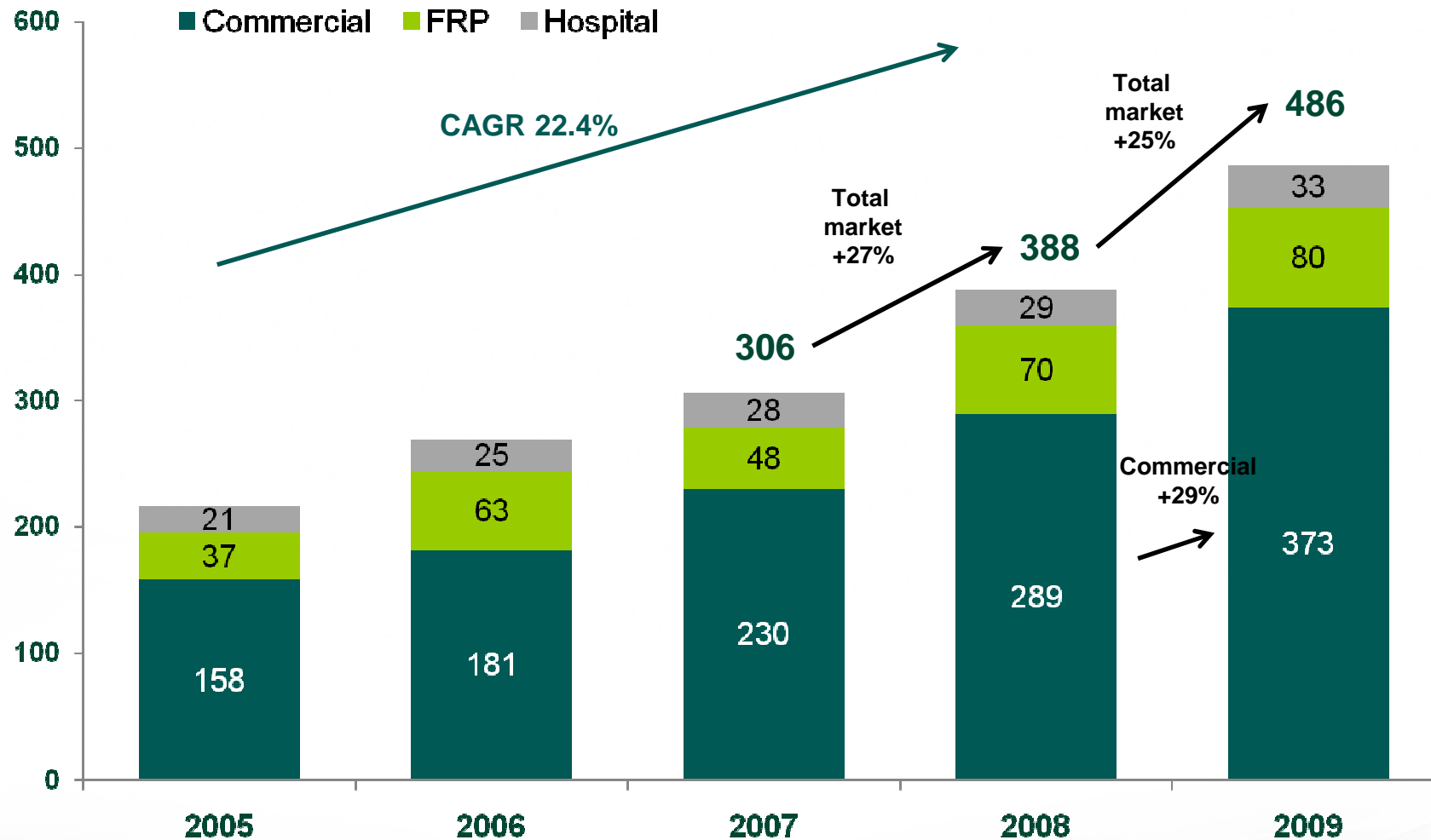
Import Substitution

- According to the Strategy 2020, by 2020, the share of local products in the Russian market shall reach 50%.
- In December 2008, Ministry of Industry and Trade of the Russian Federation issued Order No 427. 15% price preferences to Russian manufacturers until 31 December, 2010.
- Starting from 01/09/2010 no registration for API needed in line with new law

Expected results

- Starting from 2020 Domestic products consumption – 50% of total market by value
- Share of innovation preparations on the 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

Russian Pharmaceutical Market (bln RUR)



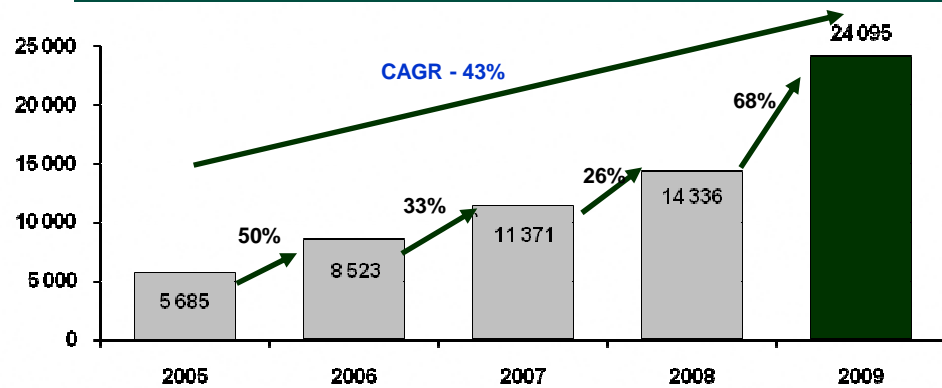
Source: Pharmexpert preliminary data.

2009 Financial Results

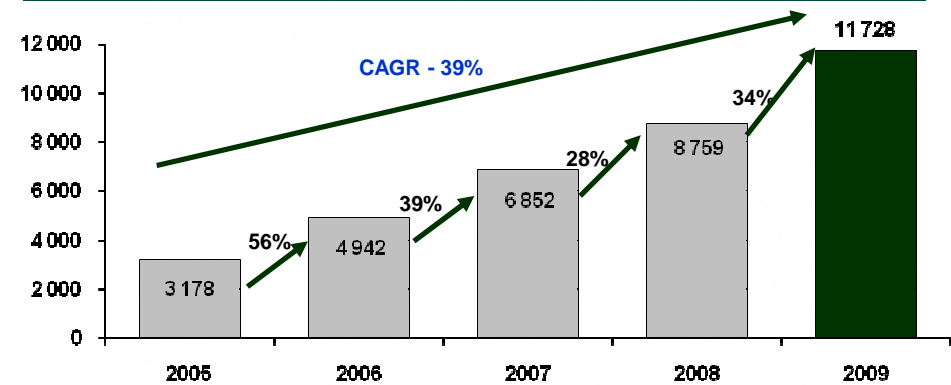


5 Years of Substantial Growth

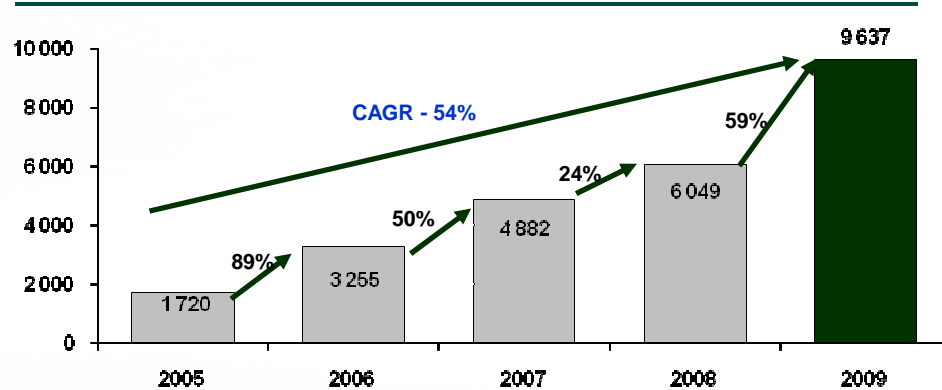
Revenue, RUR mln



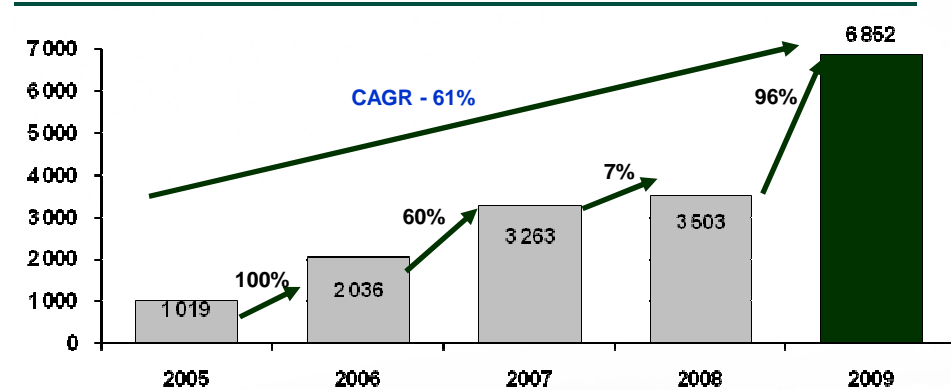
Gross Profit, RUR mln



EBITDA, RUR mln

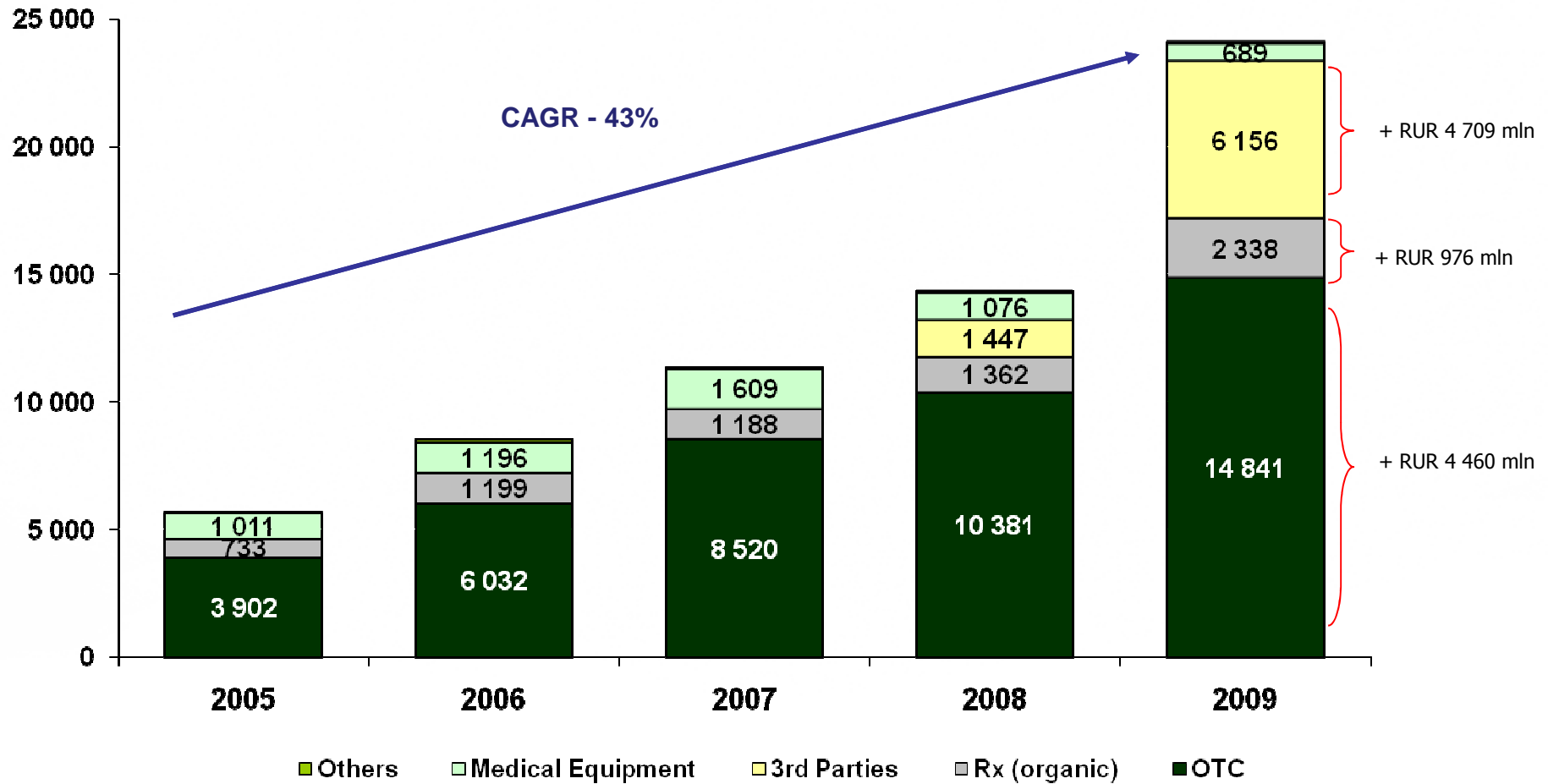


Net Profit, RUR mln



Pharmstandard demonstrates growth from 2005 to 2009

2009 Revenue Breakdown, RUR mln

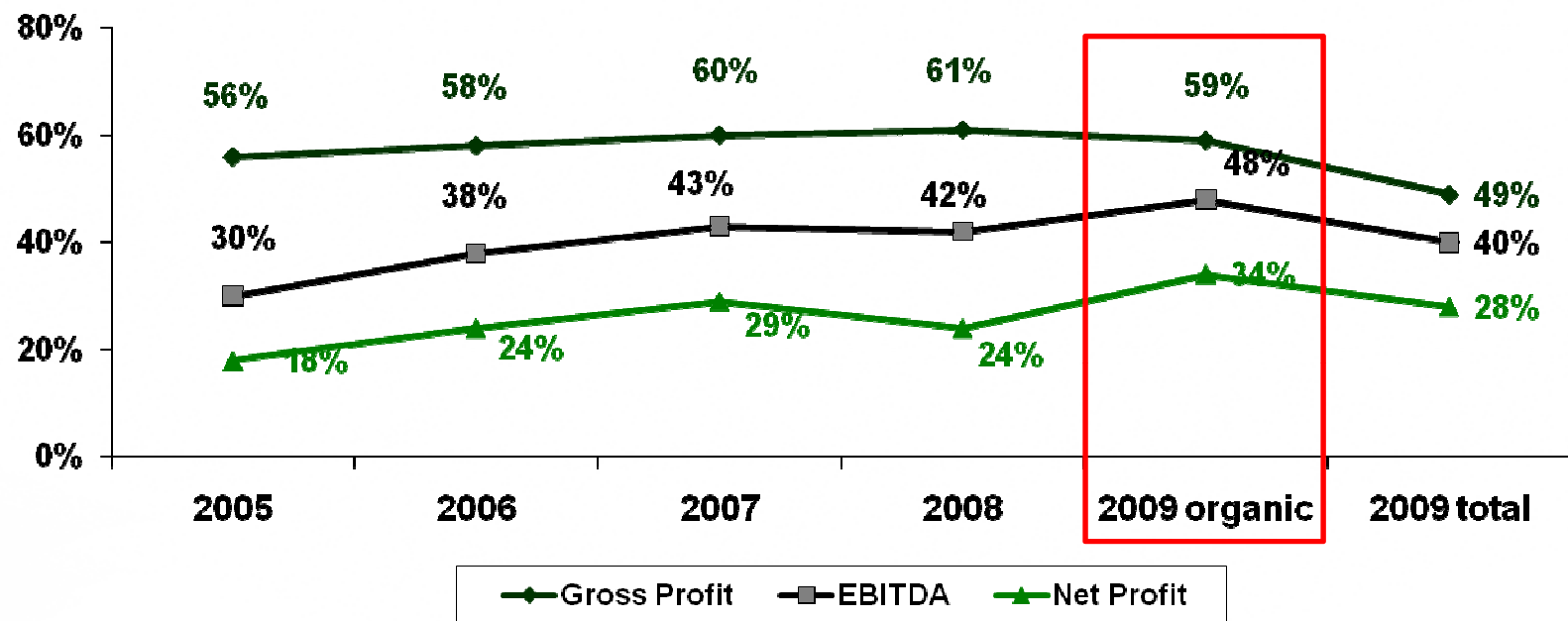


OTC segment grew by 43%, Rx segment grew by 72%

Source: Company data, IFRS FS

Strong Set of Margins

Pharmstandard keeps margins high from 2005 to 2009

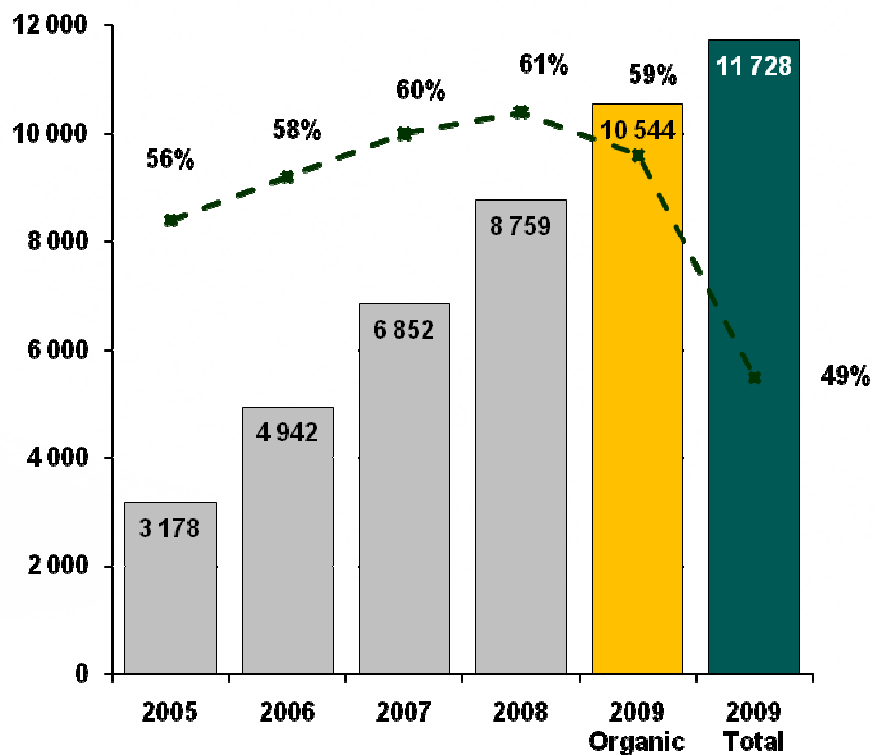


* EBITDA is defined as profit for the accounting period before finance costs, income tax expense and depreciation and amortization and excluding foreign exchange gain or loss

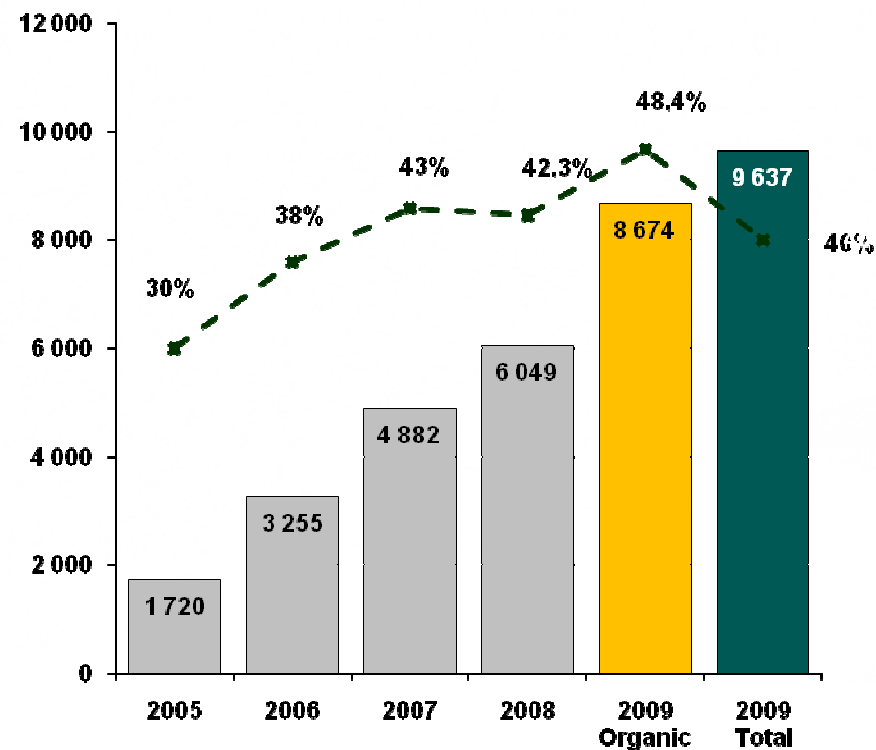
** ORGANIC – excluding Velcade, Mildronate, IRS-19& Imudon, others 3rd parties products.

Margins

Gross Profit



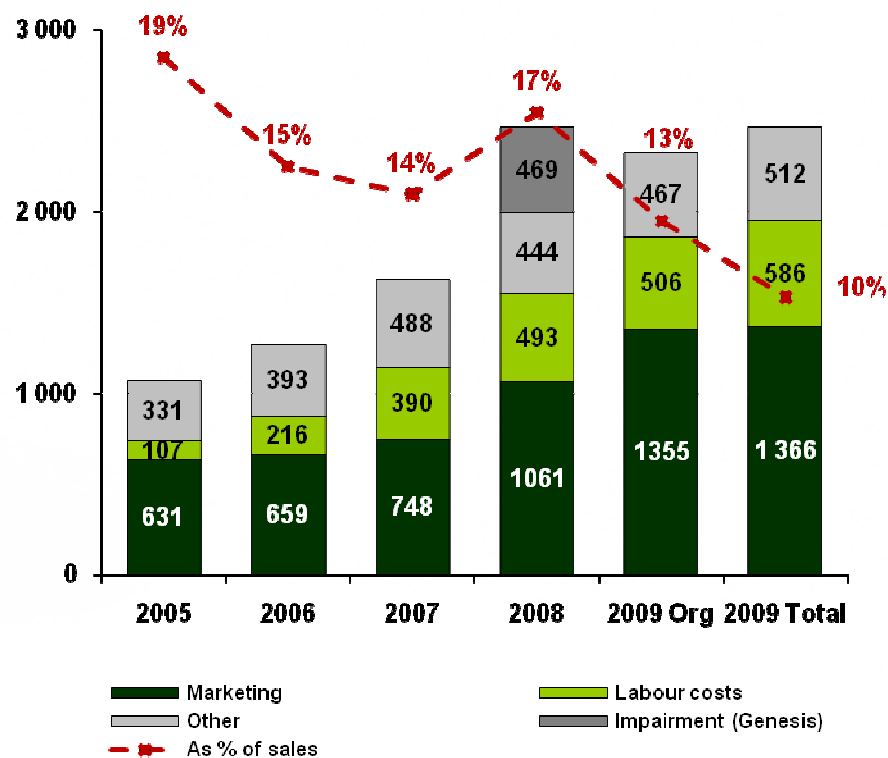
EBITDA



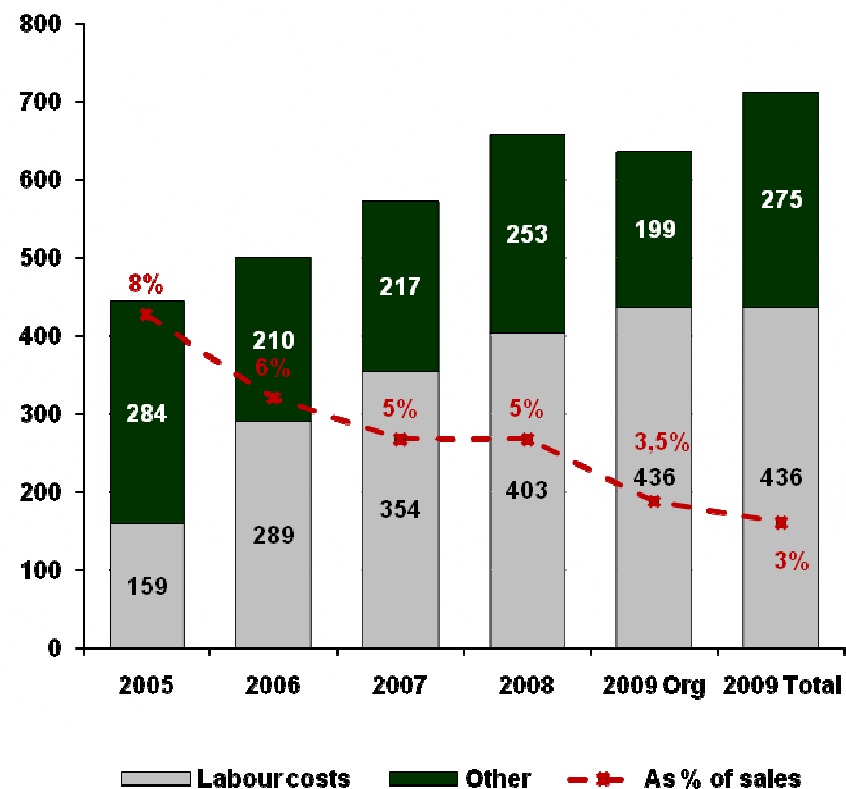
Gross profit growth organic 23%, total business 34%
EBITDA growth organic 44%, total business 59%

Competitive Cost Structure

Selling and Distribution Costs



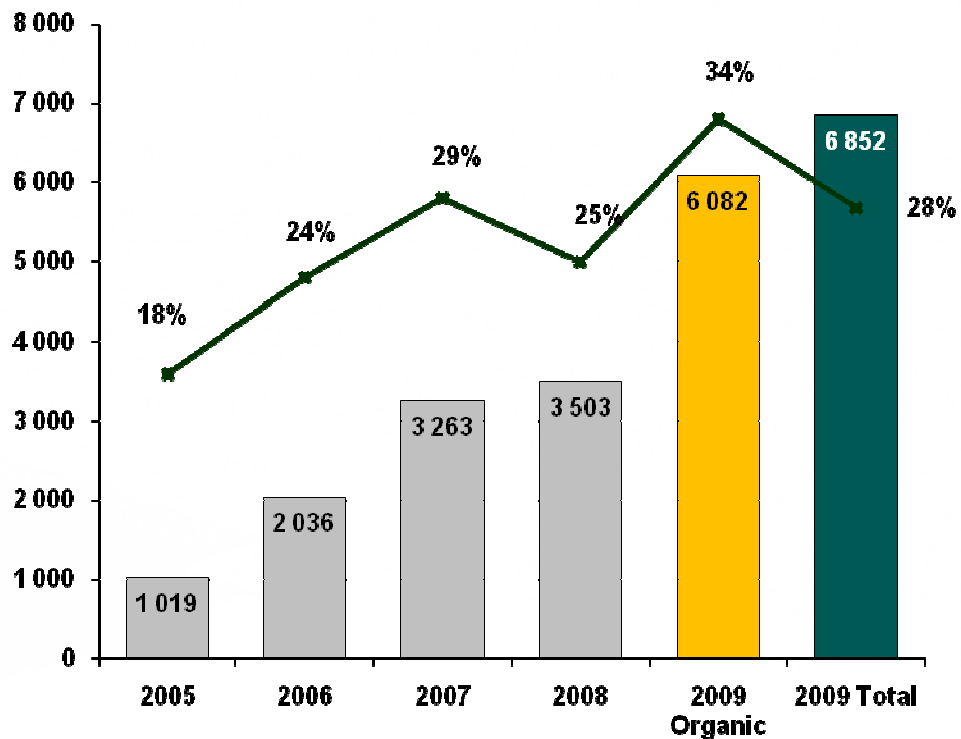
General and Administration Costs



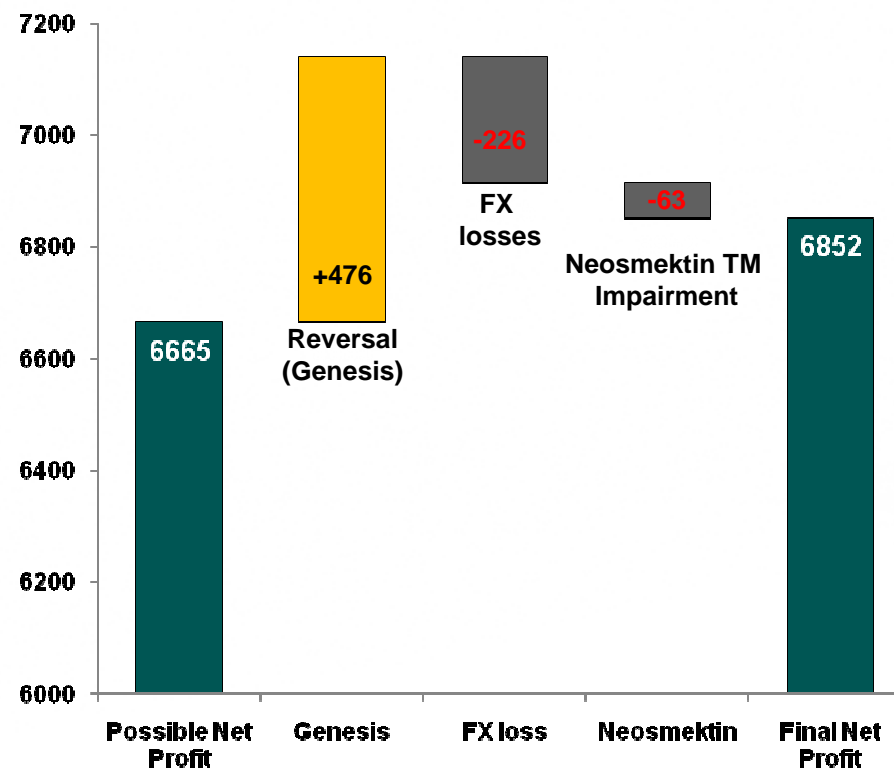
Pharmstandard held SG&A costs less 17% organically

Attractive Profitability

Net Profit dynamic



Net Profit analyzes



Net profit growth for total business 96%, organically 75%

Source: Company data, IFRS FS

Consolidated Balance Sheet and CAPEX

IFRS basis mln RUR

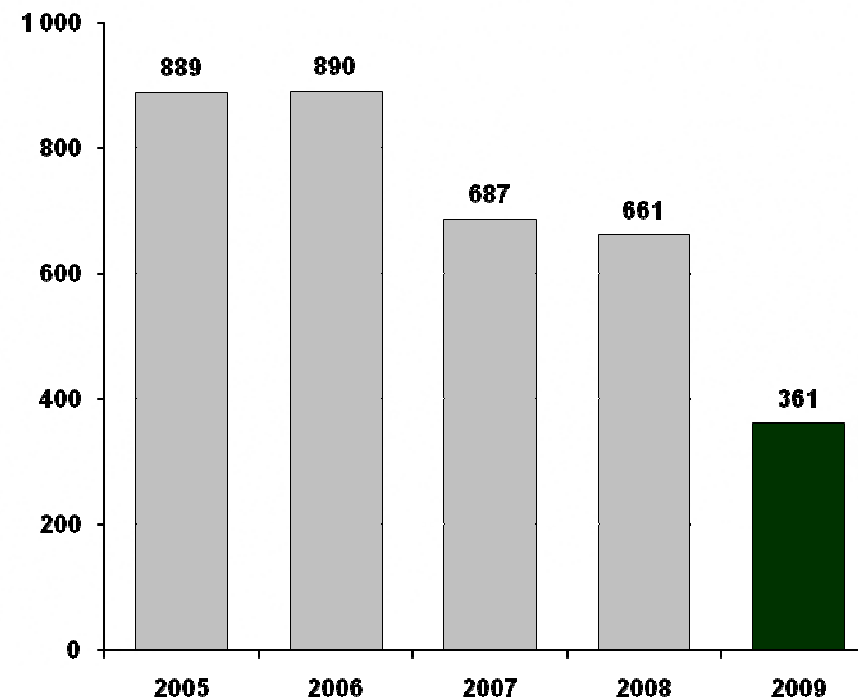
	2009	2008
Long-term assets	9 848	10 264
Trade receivables	9 289	4 761
Cash and cash equivalents	2 798	186
Other assets	4 288	2 999
Total assets	26 223	18 210
Total equity	19 696	12 614
Trade and other payables and accruals	3 906	1 708
Long-term borrowings and loans	392	761
Current portion of long-term borrowings	391	1 583
Other liabilities	1 838	1 544
Total liabilities	6 527	5 596
Total equity and liabilities	26 223	18 210

Debt summary

Syndicated borrowing organized by Citi in 2006 for Masterlek acquisition
 Facility A: fully paid
 Facility B: RUR 783mln (maturity Dec-2011)

Net debt: RUR 1 891mln (excluding cash & equivalents)

Capital Expenditure (PPE*) mln RUR

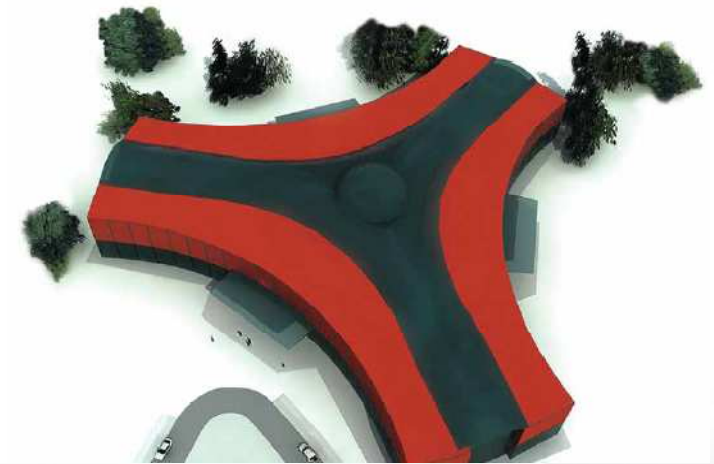


* - Tomsk, Kursk, Ufa

Source: Company data, IFRS FS

R&D

Research & Development



Research & Development

- Launching more than 10 new products every year
- In 2004-2009, the company launched 40 products
- Portfolio expansion is based on the production of high quality generics at user friendly-prices and development of innovative formulations
- Close cooperation with the leading Russian research centers
- All new formulations undergo rigorous preclinical and clinical studies in compliance with the requirements of applicable international and national regulations
- Support for medical research centers
- Supplying practicing doctors with reliable scientific information and teaching resources required for the improvement of the healthcare quality.



Product Launches and pipe-line

Product	Form	Pharmaceutical group
Launched in 2009		
Complivit Anti-stress	tablets	A11A - multivitamins with minerals
Complivit Siyanie	tablets	A11A - multivitamins with minerals
Complivit Diabetes	tablets	A11A - multivitamins with minerals
Codelac Broncho	tablets	R05D - antitussives
Magnelis B6	tablets	A12C - other mineral supplement
Rastan	liofilizate	Growth hormone
Pipe-line for 2010		
Complivit Trimestrum	tablets	Multivitamins and minerals for pregnant
Complivit Ca D3 Forte	chewing tablets	Multivitamins and minerals
Complivit multivitamins for children	powder	Multivitamins and minerals
Complivit Active	chewing tablets	Multivitamins and minerals
Complivit Women 45+	tablets	Multivitamins and minerals
Codelac Broncho	syrup	Antitussives
Pentalgin (codeine free)	tablets	Analgesic
Zinocap	aerosol, cream	Antifungal, antibacterial preparations
Phosphogliv Forte	capsules	Hepatoprotective agent

R&D project - GENERIUM

founded by two Russian pharmaceutical companies “LEKKO” and “PHARMSTANDARD” in order to establish modern biotechnological R&D center and production facilities to develop and produce modern biopharmaceutical products.

Target: to cover demand of Russian population in modern biopharmaceutical products with attractive price to diagnose and treat serious and social diseases as:

- Hemophilia • Tuberculosis • Multiple sclerosis • Oncology diseases
- Human growth hormone deficiency • Myocardial infarction • Insult

Project idea:

- **Territory** - 70 hectares in central region (80 km from Moscow)
- **Buildings and production facilities** - 4500 sq. m.
- **Employees** - 150 scientists with experience in R&D in biotechnology, chemistry, pharmacology and other scientific areas
- **Residential area** - more than 10 000 sq. m. with all necessary infrastructure for 600 people.
- **Investment planned** - USD 33 mln
- **Project completion** - 2010



R&D Product Portfolio

INN	Trade name	Indications	Status
Launched products			
(innovative)	Diaskintest	Tuberculosis diagnostics	Launched
Growth Hormone	Rastan	Growth hormone deficiency	Launched
Filgrastim	Neupomax	Neutropenia	Launched
Coagulation Factor VII	Coagil VII	Haemophilia	Launched
Interferon β	-	Multiple sclerosis	Clinical Trials
R&D products			
Coagulation Factor VIII	-	Haemophilia	R&D
Coagulation Factor IX	-	Haemophilia	R&D
PEG Filgrastim	-	Neutropenia	R&D
Alteplase (tissue plasminogen activator)	-	Acute ischaemic stroke / Myocardial infarction	R&D

Year 2009 sales brake down



Divisional Sales Breakdown 2005-2008

SALES STRUCTURE	2005	2006	2007	2008	2009	% from total sales 2009	change 09-08	change 09/08 %
PHARMACEUTICAL PRODUCTS	4 674,0	7 327,0	9 763,0	13 260,2	23 406,7	97,1%	10 146,5	76,5%
PHS own	4 635,0	7 231,0	9 708,0	11 742,7	17 178,8	71,3%	5 436,1	46,3%
OTC	3 902,0	6 032,0	8 520,0	10 380,8	14 840,7	61,6%	4 459,9	43,0%
BRANDED	3 275,0	5 341,0	7 428,0	8 852,9	12 709,9	52,7%	3 857,0	43,6%
NON-BRANDED	627,0	691,0	1 092,0	1 527,9	2 130,8	8,8%	602,9	39,5%
PRESCRIPTION	733,0	1 199,0	1 188,0	1 361,9	2 338,1	9,7%	976,2	71,7%
BRANDED	440,0	899,0	938,0	1 190,6	2 022,4	8,4%	831,7	69,9%
NON-BRANDED	293,0	299,0	250,0	171,3	315,7	1,3%	144,5	84,4%
3rd parties products	0,0	0,0	0,0	1 446,6	6 156,4	25,5%	4 709,7	325,6%
<i>Velcade (Janssen-Cilag)</i>	0,0	0,0	0,0	0,0	3 661,9	15,2%	3 661,9	-
<i>Mildronat (Grindeks)</i>	0,0	0,0	0,0	1 149,1	1 194,3	5,0%	45,2	3,9%
<i>IRS19® & Imudon (Solvay)</i>	0,0	0,0	0,0	17,4	645,6	2,7%	628,2	3607,2%
<i>Other 3rd parties</i>	0,0	0,0	0,0	280,1	654,5	2,7%	374,4	133,7%
OTHER PHARMACEUTICAL SALES	39,0	96,0	55,0	70,9	71,5	0,3%	0,7	0,9%
MEDICAL EQUIPMENT & DISPOSABLES	1 011,0	1 196,0	1 609,0	1 075,7	688,7	2,9%	-386,9	-36,0%
TOTAL PHARMSTANDARD	5 685,0	8 523,0	11 372,0	14 335,9	24 095,4	100,0%	9 759,5	68,1%

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	Terpinod	6.442	889	5.2%	15.715	1,606	14%	-9.273	-59%	-716	-45%
5	Codelac	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

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

№	BRAND	2009			2008			Volume 09/08		Value 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)

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 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	Azithrox	0.655	108	4.6%	0.376	57	4.2%	0.278	73.9%	51	90.0%
8	Cyclodol	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%

Sales break down by distributors (pharma)

Distributor	2009 sales mln RUR	% of Total Sales
Katren	3 289	17%
Protek	3 170	16%
SIA	2 664	14%
Rosta	2 263	12%
Apteka-Holding	1 873	10%
Moron	958	5%
Pharmcomplekt	566	3%
Genesis	459	2%
ProfitMed	426	2%
Puls FK	366	2%
Total	16 033	82%

Average payment terms

- Russia retail – up to 120 days
- Export – up to 180 days

Q1 Sales brake down



Divisional Sales Breakdown Q1 2010

SALES STRUCTURE	1Q 2010	% from total sales Q1 2010	1Q 2009	% from total sales Q1 2009	Changes value	Changes %
PHARMACEUTICAL PRODUCTS	5 635,8	98,4%	4 445,3	97,6%	1 190,5	26,8%
PHS own	4 522,5	79,0%	3 867,2	84,9%	655,3	16,9%
OTC	3 705,3	64,7%	3 411,9	74,9%	293,4	8,6%
BRANDED	3 120,8	54,5%	2 923,4	64,2%	197,4	6,8%
NON-BRANDED	584,5	10,2%	488,5	10,7%	96,0	19,7%
PRESCRIPTION	817,2	14,3%	455,3	10,0%	361,9	79,5%
BRANDED	708,2	12,4%	406,8	8,9%	301,4	74,1%
NON-BRANDED	109,0	1,9%	48,5	1,1%	60,5	124,7%
3rd parties products	1 100,0	19,2%	559,5	12,3%	540,5	96,6%
Mildronat (Grindeks)	363,1	6,3%	398,2	8,7%	-35,1	-8,8%
IRS19® & Imudon (Solway)	122,7	2,1%	84,5	1,9%	38,2	45,2%
Coagil VII	213,9	3,8%	0,0	0,0%	213,9	-
Other 3rd parties	400,3	7,0%	76,8	1,7%	323,5	421,4%
OTHER PHARMACEUTICAL SALES	13,3	0,2%	18,6	0,4%	-5,3	-28,5%
MEDICAL EQUIPMENT & DISPOSABLES	91,3	1,6%	107,7	2,4%	-16,4	-15,2%
TOTAL PHARMSTANDARD	5 727,1	100,0%	4 553,0	100,0%	1 174,1	25,8%

Best Selling Brands Q1 2010 (excluding 3rd parties products)

№	BRAND	1Q 2010			1Q 2009			Volume 10/09		Sales 10/09	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Arbidol	11,9	1 377	30,4%	10,4	1 228	31,8%	1,455	14,0%	149	12,1%
2	Pentalgin	8,0	448	9,9%	9,5	494	12,8%	-1,574	-16,5%	-46	-9,2%
3	Complivit	4,2	362	8,0%	4,8	323	8,4%	-0,624	-13,0%	39	12,2%
4	Terpincod	1,5	218	4,8%	0,9	119	3,1%	0,642	75,3%	99	83,5%
5	Amixin*	0,5	193	4,3%	0,3	136	3,5%	0,150	47,0%	57	42,0%
6	Flucostat**	1,5	185	4,1%	1,3	153	4,0%	0,202	15,6%	32	20,9%
7	Phosphogliv	0,5	184	4,1%	0,4	142	3,7%	0,100	23,2%	42	29,8%
8	Afobazol	0,9	143	3,2%	0,8	122	3,2%	0,089	10,8%	21	17,2%
9	Rastan	0,1	127	2,8%	0,0	16	0,4%	0,080	478,2%	111	710,8%
10	Biosulin	0,2	85	1,9%	0,1	29	0,7%	0,101	164,5%	56	196,3%
TOP 10 total		29,2	3 321	73,4%	28,6	2 760	71,4%	0,621	2,2%	561	20,3%
Other brands		129,8	1 202	26,6%	140,8	1 107	28,6%	-10,945	-7,8%	95	8,5%
TOTAL SALES		159,0	4 523	100,0%	169,3	3 867	100,0%	-10,324	-6,1%	655	16,9%

* Amixin includes (№125 & №60)

** Flucostat includes all forms (tablets & injections)

Best Selling OTC Brands Q1 2010 (excluding 3rd parties products)

№	BRAND	1Q 2010			1Q 2009			Volume 10/09		Sales 10/09	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Arbidol	11,878	1 377	37,2%	10,422	1 228	36,0%	1,455	14,0%	149	12,1%
2	Pentalgin	7,975	448	12,1%	9,550	494	14,5%	-1,574	-16,5%	-46	-9,2%
3	Complivit	4,188	362	9,8%	4,812	323	9,5%	-0,624	-13,0%	39	12,2%
4	Terpincod	1,495	218	5,9%	0,853	119	3,5%	0,642	75,3%	99	83,5%
5	Flucostat*	1,500	185	5,0%	1,275	149	4,4%	0,226	17,7%	36	24,0%
6	Amixin**	0,381	165	4,4%	0,283	125	3,7%	0,098	34,7%	40	32,2%
7	Afobazol	0,915	143	3,9%	0,826	122	3,6%	0,089	10,8%	21	17,2%
8	Coal activated	21,971	81	2,2%	16,411	44	1,3%	5,560	33,9%	37	83,3%
9	Codelac	0,904	79	2,1%	1,984	218	6,4%	-1,080	-54,4%	-139	-63,7%
10	Corvalol	13,664	72	1,9%	13,447	63	1,9%	0,217	1,6%	8	12,8%
TOP 10 total		64,871	3 129	84,4%	59,861	2 885	84,6%	5,010	8,4%	244	8,5%
Other brands		82,265	576	15,6%	100,597	527	15,4%	-18,333	-18,2%	50	9,4%
TOTAL SALES		147,135	3 705	100,0%	160,458	3 412	100,0%	-13,323	-8,3%	293	8,6%

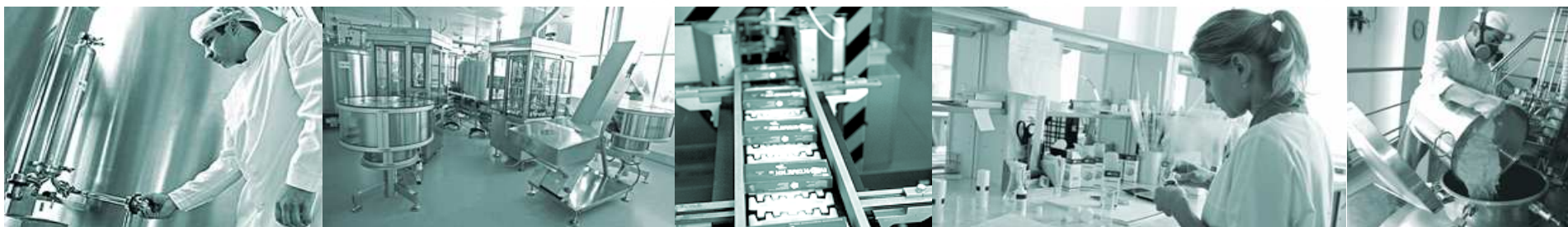
* Flucostat only tabs

** Amixin only №125

Best Selling Rx Brands Q1 2010 (excluding 3rd parties products)

№	BRAND	1Q 2010			1Q 2009			Volume 10/09		Sales 10/09	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Phosphogliv	0,529	184	22,5%	0,429	142	31,1%	0,100	23,2%	42	29,8%
2	Rastan	0,096	127	15,5%	0,017	16	3,4%	0,080	478,2%	111	710,8%
3	Biosulin	0,163	85	10,4%	0,062	29	6,3%	0,101	164,5%	56	196,3%
4	Combilipen	0,555	57	7,0%	0,388	37	8,2%	0,168	43,2%	20	52,9%
5	Cocarboxylase	1,228	50	6,1%	0,382	8	1,8%	0,846	221,5%	41	509,4%
6	Pikamilon	1,023	40	4,9%	1,037	26	5,8%	-0,013	-1,3%	14	53,3%
7	Cyclodol	0,628	31	3,8%	0,819	33	7,3%	-0,191	-23,3%	-2	-6,9%
8	Amixin	0,088	28	3,5%	0,036	11	2,5%	0,052	143,9%	17	149,7%
9	Renipril	0,538	22	2,7%	0,433	17	3,7%	0,105	24,3%	5	28,7%
10	Sulfocamphocaine	0,544	22	2,7%	0,357	12	2,6%	0,187	52,5%	10	83,0%
TOP 10 total		5,392	645	78,9%	3,959	331	72,7%	1,434	36,2%	314	94,9%
Other brands		6,497	172	21,1%	4,932	124	27,3%	1,565	31,7%	48	38,5%
TOTAL SALES		11,890	817	100,0%	8,891	455	100,0%	2,999	33,7%	362	79,5%

Appendix (Back up slides)



Mission

At Pharmstandard, we are dedicated to the development and manufacture of advanced pharmaceutical products, which meet healthcare requirements and patients' expectations.

The company is committed to the following guiding principles:

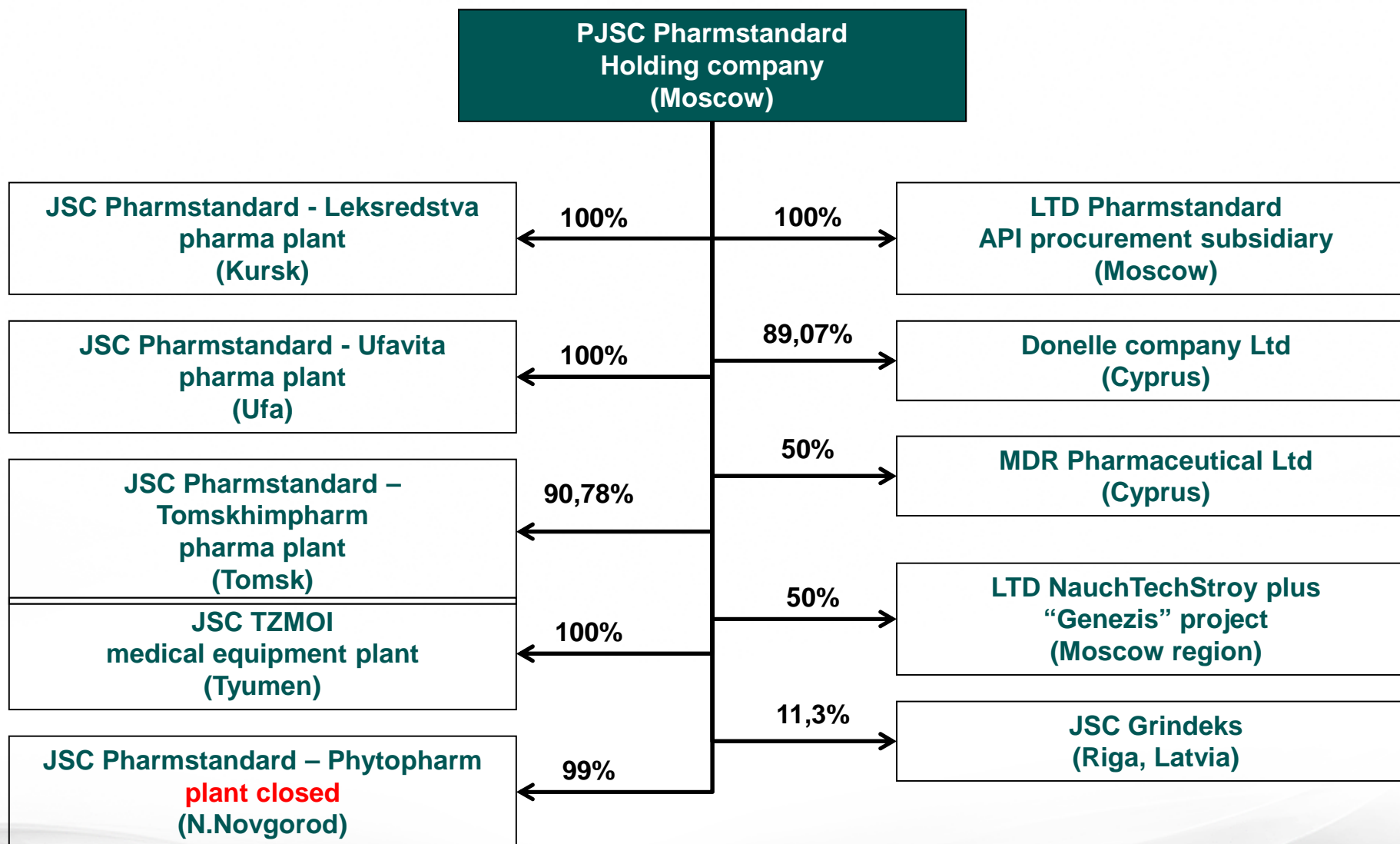
- **Innovation** – speedy implementation of cutting-edge scientific developments in medicine and pharmacology in close cooperation with Russian and international scientists
- **Efficiency** – implementation of business process management procedures based on an efficient and balanced combination of technical and scientific innovations with a vast practical experience acquired over the years of extensive involvement in pharmaceutical market
- **Responsibility** – the use of international administrative and technological standards as part of the company's responsible consumer policy. Compliance with ecological standards and commitment to the reduction of industrial effect on the environment in the context of the company's responsibility to future generations.

Pharmstandard facilities overview

- **Pharmstandard** invested more than USD150 mln from 2004-2009 to modernize production capacity.
- **Pharmstandard** owns 3 pharmaceutical plants (in Kursk, Ufa, Tomsk) and one plant of medical equipment and disposables (in Tyumen)
- **Pharmstandard** **manufacture in Kursk** – first Russian pharmaceutical plant which compliant to EU GMP lines (6 production lines certified as GMP compliant in 2008-2009)
- **Total pharma production capacity** - more than 1.3 billion packs per year

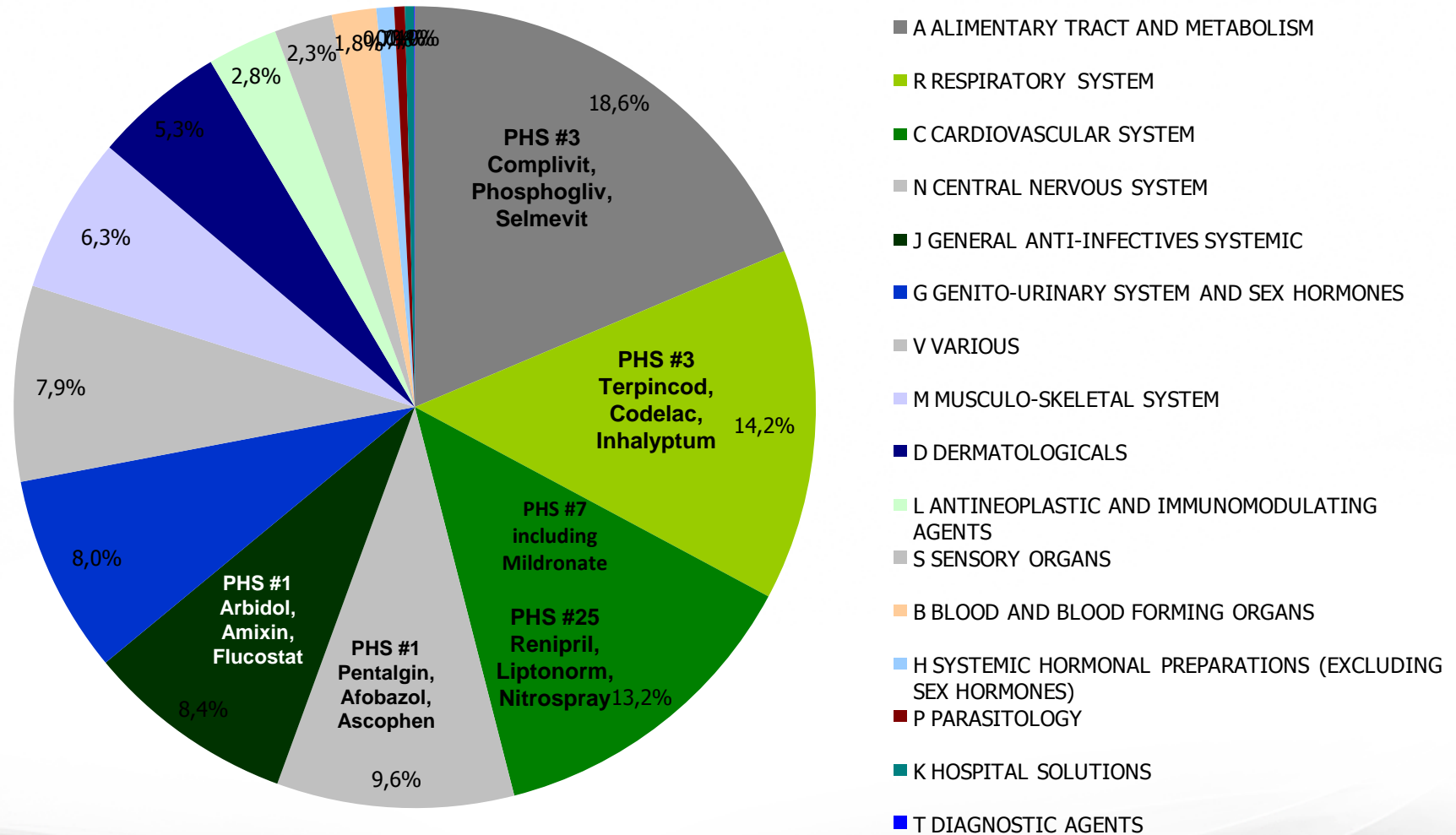


Corporate structure



Pharmstandard Position in ATC1 Categories

Top 5 ATC1 categories occupies 72% of total Commercial retail market



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