

OFFER MEMORANDUM

JSC Pharmstandard-Leksredstva

with respect to a proposed offer to purchase for cash of up to 1,850,000 of the issued and outstanding shares of common stock, nominal value 1 ruble per share (the "Common Shares")

of

JSC Pharmstandard

at a purchase price of RUR 3000 per Common Share

THIS OFFER WILL EXPIRE AT

6:30 P.M., MOSCOW TIME, ON February 16, 2011, UNLESS THIS OFFER IS EXTENDED (THE "EXPIRATION TIME").

JSC Pharmstandard-Leksredstva ("Leksredstva", "we," "our" or "us"), a wholly-owned subsidiary of JSC Pharmstandard ("Pharmstandard"), is offering to purchase in cash from the holders of the issued and outstanding Common Shares of Pharmstandard ("Common Shares", the "securities" and each a "security") at a purchase price of RUR 3000 per security (the "Purchase Price") up to 1,850,000 securities, but excluding Global Depository Receipts ("GDRs") representing Common Shares of Pharmstandard, (the "Maximum Number of Securities"), upon the terms and subject to the conditions set forth in this Offer Memorandum and, with respect to tendering Common Shares in the related Common Shares Letter of Transmittal in a form attached hereto as Appendix 1 ("**Common Shares Letter of Transmittal**"), which, together with this Offer Memorandum, constitute this "Offer".

The following table provides information with respect to the securities:

Securities Description	State registration No./ Common Codes/ISIN Nos.	Number of Securities Issued and Outstanding
Common Shares	1-01-03675-E	37,792,603

The principal trading markets for the Common Shares are the Russian Trading System Stock Exchange (the "RTS") and the Moscow Interbank Currency Exchange. The Common Shares on RTS trade under the symbol "PHST." In the United Kingdom, the GDRs have a standard listing on the Main Market of the London Stock Exchange. Each Common Share represents four GDRs. The Bank of New York is the depository for the GDRs (the "GDR Depository").

Leksredstva is not making this offer directly to GDR holders with respect to GDRs. Nevertheless, GDR holders may wish to convert their GDRs into Common Shares in order to partake in this offer (See Section 4 A (b), "Holders of GDRs").

Securityholders are urged to obtain current market quotations for the securities.

As of January 18, 2011, there were 37,792,603 Common Shares issued and outstanding. In the aggregate, no more than 1,850,000 securities, or approximately 4.9% of all issued and outstanding Common Shares, will be purchased pursuant to this Offer. See Section 1, "Overview; Purchase Price; Number of Securities; Pro-Ration."

Each securityholder who has properly tendered securities pursuant to this Offer and who has not properly withdrawn such securities prior to the Expiration Time will receive the Purchase Price per security payable in cash, without interest, for all securities purchased upon the terms and subject to the conditions of this Offer, including the provisions relating to pro-ration described below. Payment for Common Shares will be made in rubles.

If more than the Maximum Number of Securities are properly tendered prior to the Expiration Time, the tendered securities will be purchased on a *pro rata* basis according to the number of securities tendered (or deemed to have been tendered) by the tendering securityholders (with downward adjustments where necessary since no fractional securities will be acquired in this Offer). See Section 1, "Overview; Purchase Price; Number of Securities; Pro-Ration." Any tendered Common Shares not purchased in course of this Offer will remain owned by the holder thereof and remain registered on such

securityholder's personal account with REGISTRAR (as defined below) or depo account with the depository, as applicable. We will accept for purchase from each securityholder that has tendered its Common Shares only that number of Common Shares that are properly tendered and that may be purchased from such securityholder after pro-ration. See Section 4D, "Procedures for Tendering Securities — Return of Securities Tendered by Securityholders but Not Purchased by Leksredstva."

Leksredstva has retained JSC "Registrar "R.O.S.T." 18 Strominka Street, building 13, Moscow, Russia ("REGISTRAR") as the registrar of Pharmstandard shares, and has retained Closed Joint-Stock Financial Company Profit House, 10 Letnikovskaya Street, building 1, 6th floor, Moscow, Russia, contact person Oksana Korneeva, tel.(495) 232-31-82 ("Profit House") to act as the nominee holder on behalf of Leksredstva for the purposes of this Offer.

Any GDR holder who is willing to sell the underlying Common Shares in accordance with the terms of this Offer Memorandum should contact the GDR Depository. Requests for information in relation to the tendering procedures for the GDR holders should be directed to the GDR Depository. See Section 4A (b).

The Expiration Time is 6:30 P.M., Moscow time, on February 16, 2011, unless extended.

THE INFORMATION CONTAINED IN THIS OFFER MEMORANDUM IS ADDRESSED EXCLUSIVELY TO THE HOLDERS OF COMMON SHARES OF PHARMSTANDARD. NEITHER THIS OFFER MEMORANDUM NOR THE OFFER DESCRIBED HEREIN NOR ANY INFORMATION CONTAINED HEREIN CONSTITUTE AN OFFER ("OFERTA") PURSUANT TO RUSSIAN OR ANY OTHER APPLICABLE LAW, OR AN ADVERTISEMENT, OR AN OFFER OF SECURITIES WITHIN OR OUTSIDE THE TERRITORY OF THE RUSSIAN FEDERATION.

UNDER NO CIRCUMSTANCES SHALL THIS OFFER TO PURCHASE CONSTITUTE AN INVITATION OR AN OFFER TO SELL OR THE SOLICITATION OF AN INVITATION TO BUY THE SECURITIES.

This Offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require this Offer to be made by a licensed broker or dealer, this Offer shall be deemed to be made on behalf of Leksredstva by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

This Offer Memorandum is only for communication to securityholders and other persons in any relevant jurisdiction to whom it may lawfully be communicated in accordance with the applicable laws.

IMPORTANT INFORMATION

Leksredstva reserves the absolute right to reject tenders determined not to be in appropriate form, such determination solely at Leksredstva's discretion.

IF YOU DO NOT WISH TO TENDER YOUR COMMON SHARES, YOU NEED NOT TAKE ANY ACTION. NEITHER LEKSREDSTVA NOR PHARMSTANDARD MAKE ANY RECOMMENDATION TO ANY SECURITYHOLDER WHETHER TO TENDER OR REFRAIN FROM TENDERING THEIR COMMON SHARES. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF LEKSREDSTVA OR PHARMSTANDARD AS TO WHETHER SECURITYHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING THEIR COMMON SHARES PURSUANT TO THIS OFFER OR TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION IN CONNECTION WITH THIS OFFER OTHER THAN AS CONTAINED HEREIN OR IN ANY RELATED COMMON SHARES LETTER OF TRANSMITTAL. IF MADE OR GIVEN, ANY SUCH RECOMMENDATION, REPRESENTATION OR INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY LEKSREDSTVA OR PHARMSTANDARD. SECURITYHOLDERS ARE URGED TO EVALUATE CAREFULLY ALL INFORMATION IN THIS OFFER MEMORANDUM, ANY RELATED COMMON SHARES LETTER OF TRANSMITTAL AND OTHER RELATED MATERIALS, CONSULT THEIR OWN INVESTMENT AND TAX ADVISERS AND MAKE THEIR OWN DECISIONS WHETHER TO TENDER OR REFRAIN FROM TENDERING THEIR SECURITIES.

Leksredstva is not making this Offer to, and will not accept any tendered securities from, securityholders in any jurisdiction where it would be illegal to do so.

Securityholders should be aware that the sale of securities and receipt of the Purchase Price pursuant to this Offer will have certain tax consequences, and are urged to consult at their own expense their tax advisors with respect to those consequences in considering this Offer.

Questions and requests for assistance in connection with this Offer may be directed to Leksredstva (at the Address specified in Section 12, "Additional Information"), attention of Irina Volkova and Konstantin Vodianski . Copies of this Offer Memorandum and any related Common Shares Letter of Transmittal will be available at a web-sites <http://www.e-disclosure.ru> and <http://www.pharmstd.ru/investors/>.

January 18, 2011

FORWARD-LOOKING STATEMENTS

Some of the information contained in this Offer may contain forward-looking statements. All statements, other than statements of historical facts, that are included in this Offer, as well as statements made in any supplement to this Offer, in presentations, in response to questions or otherwise, that address activities, events or developments that Leksredstva or Pharmstandard expects or anticipates to occur in the future, including but not limited to such matters as projections, future capital expenditures, business strategy, competitive strengths, goals, future acquisitions, development of operational assets, market and industry developments and the growth of Pharmstandard's business and operations (often, but not always, through the use of words or phrases such as "anticipates," "estimates," "expects," "believes," "intends," "plans," "may," "will," "should" and similar expressions), are forward-looking statements. Although Leksredstva and Pharmstandard believe that in making any such forward-looking statement their respective expectations are based on reasonable assumptions, any such forward-looking statement involves uncertainties.

Neither Leksredstva nor Pharmstandard makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Accordingly, securityholders should not place undue reliance on these forward-looking statements.

Any forward-looking statement speaks only as of the date on which it is made, and, subject to applicable law, neither Leksredstva nor Pharmstandard undertakes any obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for Leksredstva or Pharmstandard to predict all of them; nor can Leksredstva or Pharmstandard assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

1. Overview; Purchase Price; Number of Securities; Pro-Ration.

Overview. Upon the terms and subject to the conditions of this Offer (including, if this Offer is extended or amended, the terms and conditions of any such extension or amendment), Leksredstva will accept for purchase and purchase in cash, without interest, from the securityholders of Pharmstandard up to the Maximum Number of Securities at a purchase price of RUR 3000 per security those securities properly tendered and not withdrawn prior to the Expiration Time.

This Offer will commence at 4:00 P.M., Moscow time, on January 18, 2011, and will expire at 6:30 P.M., Moscow time, on February 16, 2011, unless extended. Leksredstva may elect to extend the Expiration Time of this Offer. If the Expiration Time of this Offer is extended, Leksredstva will issue a press release announcing the extension no later than 9:00 A.M., Moscow time, on the Moscow business day after the day on which this Offer was scheduled to expire. (See Section 9, "Amendments; Extension of Tender Period; Termination".)

As of January 18, 2011, there were 37,792,603 Common Shares (including Common Shares represented by GDRs) issued and outstanding. Some securityholders were brokers, dealers, commercial banks, trust companies and other institutions that held legal title to securities, as nominee on behalf of multiple beneficial owners.

For purposes of this Offer, a "business day" or "Moscow business day" mean a Russian business day. A "Russian business day" means any day other than a Saturday, Sunday or a Russian holiday and consists of the time period from 12:01 A.M. through midnight, Moscow time. A "U.S. business day" means any day other than a Saturday, Sunday or a federal U.S. holiday and consists of the time period from 12:01 A.M. through midnight, New York City time.

For purposes of this Offer, the expiration time of this Offer means 6:30 P.M., Moscow time, on February 16, 2011, unless Leksredstva, in its sole discretion, extends the period this Offer is to remain open, in which case expiration time means 6:30 P.M., Moscow time on the date as to which this Offer is so extended. Leksredstva reserves the right in its sole discretion, and for any reason, to amend or extend this Offer or terminate the offer if certain conditions are not satisfied. (See Sections 3, "Certain Conditions of this Offer", and 9, "Amendments; Extension of Tender Period; Termination.") Leksredstva will not be obligated to purchase Common Shares pursuant to this Offer under certain circumstances. (See Section 3, "Certain Conditions of this Offer".)

A. Purchase Price. The purchase price per Common Share will be RUR 3000 per security and will be payable in cash in Russian rubles. No securityholder will be entitled to any payment in excess of the Purchase Price with respect to each security tendered and accepted for purchase. No securityholder will be entitled to any payment of accrued or other interest with respect to the Purchase Price under any circumstances.

B. Number of Securities. Leksredstva is offering to purchase up to the Maximum Number of Securities. This is the number of securities that will allow Leksredstva to purchase securities for a total amount not exceeding RUR 5,550,000,000 at a purchase price per security equal to the Purchase Price.

C. Pro-Ration. If more than the Maximum Number of Securities are properly tendered pursuant to this Offer, the tendered securities will be purchased on a *pro rata*, or proportional, basis according to the number of securities tendered (or deemed to have been tendered) by the tendering securityholders (with downward adjustments where necessary to avoid the purchase of fractional securities). For the purposes of pro-ration, in the event the Common Shares are held through nominee holders, every single Common Shares Letter of Transmittal received by Leksredstva from the nominee holder will be deemed to be received by Leksredstva from that nominee shareholder on behalf of a single securityholder. The number of securities that will be purchased from each securityholder that has properly tendered and not withdrawn its securities, prior to the Expiration Time will be calculated as follows:

$$Y = Z * K,$$

where **Y** represents the number of securities that will be purchased from a respective securityholder, which will be counted downward where necessary to avoid the purchase of fractional securities;

Z represents the number of securities properly tendered and not withdrawn by such securityholder;
and

K represents the pro-ration rate calculated pursuant to the below formula.

$$K = \frac{37,792,603}{X}$$

where **K** represents the pro-ration rate (rounded to four decimal places); and

X represents the total amount of Common Shares which will be properly tendered and not withdrawn prior to the Expiration Time pursuant to this Offer Memorandum.

Following the disclosure of the proposed transactions as the sufficient fact ("*Suschestvenny fact*"), as required by the applicable law, the essential terms of the transactions adjusted as a results of the pro-ration, if necessary, will be announced by Leksredstva in a press release and published on the designated web-sites <http://www.pharmstd.ru/investors/> and <http://www.e-disclosure.ru> promptly following the Expiration Time.

2. Purpose of this Offer. This Offer provides securityholders who wish to sell all or a portion of their interest in Pharmstandard to do so at a market price and provides Leksredstva with a block of shares that may be used for

financial and business purposes. Leksredstva is making this Offer pursuant to a resolution of its sole shareholder dated January 18, 2011. Leksredstva is a direct wholly-owned subsidiary of Pharmstandard. The decision to return cash to shareholders of Pharmstandard is consistent with Pharmstandard's commitment to maintain an appropriate capital structure and disciplined approach to returning excess capital to its shareholders.

Neither Leksredstva nor Pharmstandard, nor their respective directors or members of senior management, can predict how or whether this Offer, or any other related actions taken by the respective companies' board of directors, individual directors or members of senior management, will affect the market price of either the Common Shares or the GDRs. The market prices of the Common Shares are also determined by, among other things, the relative demand for and supply of Pharmstandard securities in the markets, the business performance of Pharmstandard and its subsidiaries and affiliates, as well as that of its competitors, investor perception of the overall attractiveness of an investment in Pharmstandard as compared with other investment alternatives, changes in valuation of pharmaceutical companies and relative performance of Russian equity market and other emerging markets equity indices.

Any securities acquired by Leksredstva pursuant to this Offer will be held by Leksredstva and will be available for future resale without further securityholder action (except as required by applicable law or the rules of the securities exchanges or over-the-counter markets on which the Common Shares or GDRs, as the case may be, trade). Any resale, or the possibility of resale, of these securities in the future could adversely affect the trading prices of the securities overall. In any event, Leksredstva will be considered the owner of the securities, entitled to vote and to receive any accrued or future dividend payments with respect to the securities, or any other distribution paid on the securities.

3. Certain Conditions of this Offer. Notwithstanding any other provisions of this Offer, and in addition to (and not in limitation of) Leksredstva's right to extend, amend or terminate this Offer at any time in its sole discretion. This Offer is subject to several significant conditions, which Leksredstva may waive in its sole discretion. In particular, a) under no circumstances will Leksredstva be required to accept for purchase or pay for GDRs in a manner other than as described in Section 4 A (b) "Holders of GDRs" and b) Leksredstva will not be required to accept for purchase or pay for, and may delay the acceptance for purchase or payment for Common Shares, if:

- any action or proceeding has been instituted or threatened that would, in Leksredstva's reasonable judgment, impair a contemplated purpose of such offer; or
- there has been, among other things, any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market on which any securities of Pharmstandard trade, including the GDRs.

Furthermore, this Offer is subject to the following conditions, which may be waived in Leksredstva's sole discretion:

- there shall not have occurred or be likely to occur in Leksredstva's reasonable judgment any event affecting the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Leksredstva or Pharmstandard, or their respective subsidiaries or affiliates, that would or might prohibit, prevent, restrict or delay consummation of this Offer; and
- no development shall have occurred which would, in the reasonable judgment of Leksredstva, materially adversely affect the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Leksredstva or Pharmstandard, or their respective subsidiaries or affiliates, including but not limited to the commencement of war, armed hostilities, terrorist action or any other international or national calamity, or any other material event or condition which, in Leksredstva's sole judgment, would have a material adverse effect on Leksredstva or Pharmstandard or the securityholders of either if this Offer were consummated.

The foregoing conditions are for Leksredstva's sole benefit and may be asserted by Leksredstva regardless of the circumstances giving rise to any such condition (including any action or inaction of Leksredstva), and any such condition may be waived by Leksredstva, in whole or in part, at any time and from time to time in its reasonable judgment. Leksredstva's failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts or circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by Leksredstva concerning the events described in this Section 3 shall be final and binding.

Leksredstva reserves the right, in its sole discretion, and for any reason, at any time during the pendency of this Offer, to amend, extend or terminate this Offer in any respect. (See Section 9 "Amendments; Extension of Tender Period; Termination".)

4. Procedures for Tendering Securities.

A. Proper Tender and Delivery of Common Shares.

Securityholders must follow all applicable procedures outlined in this Section 4 and, for tenders of Common Shares,

in the Common Shares Letter of Transmittal (“Zayavleniye o Prodazje Tsennih Bumag”) that accompany this Offer Memorandum to tender securities.

The procedures for each type of tender are outlined below:

(a) Tender and transfer of Common Shares

Securityholders who desire to tender all or any portion of their Common Shares pursuant to this Offer must follow the procedures set forth in this Section 4A (a) and in the Common Shares Letter of Transmittal that accompanies this Offer Memorandum.

(1) A Common Shares Letter of Transmittal must be submitted to Leksredstva prior to the Expiration Time, together with all documents required to be attached thereto. Completed and Duly executed Common Shares Letters of Transmittal must be submitted to Leksredstva by securityholders in person or by their authorized representatives, nominee holders acting on the basis of notarized powers of attorney at the following address:

JSC Pharmstandard-Leksredstva,

Agregatnaya 2nd Str., 1A/18, Kursk, Russia

Phone/fax: +7 (495) 970-00-38

Attention: Irina Volkova (Ext. 2345) and Konstantin Vodianski (Ext. 2728).

Submission of the Common Shares Letter of Transmittal by a securities holder to Leksredstva constitutes an offer (*oferta*) by the securities holder to sell Leksredstva such number of Common shares as determined, in accordance with the relevant Common Shares Letter of Transmittal and the terms of this Section 4, “Procedures for Tendering Securities”, on the terms of the Offer.

If prior to the Expiration Time Leksredstva receives from a securityholder, its authorized representative, or a nominee holder a notice of withdrawal of the Common Shares to the address where the Common Shares Letter of Transmittal was previously submitted, the respective securityholder will be considered as having withdrawn its Common Shares from the offer to purchase. See also Section 5 “Withdrawal Rights”.

The execution and delivery of the Common Shares Letter of Transmittal by you or your authorized representative, nominee holder will constitute your agreement to complete the settlement procedures set forth in (2) below. You further agree not to transfer such Common Shares until such time as the share purchase agreement with respect to the Common Shares to be purchased is executed or a valid withdrawal of the tender is effected.

(2) During the period commencing on February 18, 2011 (when the essential terms of the transactions adjusted as a result of the pro-ration, if necessary, may be announced) and ending on February 28, 2011, Leksredstva is expected to forward to the securityholders (or, with respect to securityholders, Common Shares of which are held through a nominee holder and have been tendered by such nominee holder, to its duly authorized nominee holder) a set of documents including: (a) a share purchase agreement signed on behalf of Leksredstva and (b) a cover letter, which contains information regarding the settlement procedures;

Upon receipt of the documents, but in any event on, or before February 28, 2011 securityholders (or, with respect to securityholders, Common Shares of which are held through a nominee holder and have been tendered by such nominee holder, to its duly authorized nominee holder) must execute and duly deliver (i) a share purchase agreement with respect to the number of Common Shares calculated based on the pro-ration rate; (ii) with respect to securityholders, Common Shares of which are held through a nominee holder and have been tendered by such nominee holder, the order to debit depo account in its duly authorized nominee holder to Leksredstva’s depo account in Profit House, and on the same date receive the settlement of the depo account (“*spravka ob operatsijah po schetu*”) as a proof of the transaction completion which is to be delivered to Profit House together with the order; (iii) a transfer order to the Registrar to transfer the purchased Common Shares from the securities account of the shareholder (or, with respect to securityholders, Common Shares of which are held through a nominee holder and have been tendered by such nominee holder, a transfer order from its duly authorized nominee holder). Securityholders will need to undertake actions required to transfer Common Shares sold in the Offer to Leksredstva pursuant to the share purchase agreements.

Any Common Shares tendered to Leksredstva by securityholders other than in accordance with the procedures set forth in this Offer Memorandum and the Common Shares Letter of Transmittal will not be eligible for purchase by Leksredstva. Any Common Shares transferred to Leksredstva by securityholders other than in accordance with the procedures set forth in this Offer Memorandum, the Common Shares Letter of Transmittal and the applicable share purchase agreement may not be eligible for the acceptance and payment by Leksredstva and may be returned by Leksredstva to the respective securityholder. Share purchase agreements with respect to Common Shares entered into pursuant to this Offer Memorandum will be governed by Russian law.

(b) Holders of GDRs

Securityholders who hold GDRs and who wish to tender Common Shares pursuant to this Offer should apply to the GDR Depository for the purpose of conversion of their GDRs into the Common Shares to: BNY Mellon One Wall Street, New York, NY 10286, USA, tel. +1 212.815.2867, fax 212.571.3050.

B. Method of delivery.

THE METHOD OF DELIVERY BY ANY TENDERING SECURITYHOLDER OF ANY DOCUMENTS, ANY APPLICABLE COMMON SHARES LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE SOLE RISK AND DISCRETION OF THE TENDERING SECURITYHOLDER. ANY DOCUMENTS TO BE PROVIDED BY ANY TENDERING SECURITYHOLDER PURSUANT HERETO, WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY LEKSREDSTVA, PROFIT HOUSE, OR REGISTRAR, AS APPROPRIATE. Tendering securityholders have the responsibility to cause: (a) their securities to be properly tendered; (b) the timely delivery of any applicable Common Shares Letter of Transmittal; and (c) the timely delivery of all other documents required herein or in any applicable Common Shares Letter of Transmittal. Timely delivery is a condition precedent to acceptance for purchase and purchase of securities pursuant to this Offer.

In all cases, payment for securities purchased by Leksredstva pursuant to this Offer will be made only after receipt by Leksredstva prior to the Expiration Time of a Common Shares Letter of Transmittal, properly completed and duly executed, together with any other documents required by the Common Shares Letter of Transmittal, and execution and delivery of a share purchase agreement and transfer order pursuant to the procedures set forth in Section 4.

Any documentation required to be submitted to Leksredstva must be submitted to us within our normal business hours and in any event on or prior to the Expiration Time.

FAILURE OF A SECURITYHOLDER TO COMPLY WITH THE PROCEDURES DESCRIBED ABOVE WILL RESULT IN AN INVALID TENDER OF SECURITIES AND, ACCORDINGLY, SUCH SECURITYHOLDER'S TENDERED SECURITIES WILL NOT BE ACCEPTED FOR PURCHASE OR PURCHASED.

C. Determinations of Validity.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tenders will be determined by Leksredstva, in its sole discretion, which determination shall be final and binding. Leksredstva reserves the absolute right to reject any or all tenders determined not to be in appropriate form or to refuse to accept for purchase or pay for, any Common Shares if, in the opinion of Leksredstva's counsel, accepting, purchasing or paying for such Common Shares would be unlawful. Leksredstva also reserves the absolute right to waive any of the conditions of this Offer or any defect in any tender, whether generally or with respect to any particular Common Share(s) securityholder(s). See also Section 9, "Amendments; Extension of Tender Period; Termination".

Leksredstva's interpretations of the terms and conditions of this Offer (including the Common Shares Letters of Transmittal and the instructions thereto) and this Offer Memorandum shall be final and binding.

NONE OF LEKSREDSTVA, PHARMSTANDARD, THEIR RESPECTIVE BOARDS OF DIRECTORS, OR ANY OTHER PERSON IS OR WILL BE OBLIGATED TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY TENDER, AND NONE OF THEM WILL INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.

D. Return of Securities Tendered by Securityholders but Not Purchased by Leksredstva

Any Common Shares that will not be purchased in course of this Offer will remain in the ownership of the holder thereof and remain registered on such securityholder's personal account with REGISTRAR or depo account with the depository, as applicable. Leksredstva will accept for purchase from each securityholder that has tendered its Common Shares only that number of Common Shares that may be purchased from such securityholder after pro-ration. Any Common Shares transferred to Leksredstva by any securityholder in excess of the amount that may be accepted from such securityholder following pro-ration, will be returned by Leksredstva to such securityholder.

5. Withdrawal Rights. At any time after January 18, 2011 and prior to the Expiration Time, any securityholder may withdraw all or a portion of the Common Shares that such securityholder previously properly tendered pursuant to this Offer by complying with the procedures described herein.

In order for a withdrawal of Common Shares to be effective, Leksredstva must receive at its address to which the applicable Common Shares Letter of Transmittal was submitted a valid written notice of withdrawal prior to the Expiration Time. Any notice of withdrawal must specify the name of the securityholder, whose Common Shares were tendered, and the number of Common Shares to which the withdrawal notice applies (which need not be all of the securities tendered). Any properly withdrawn and not re-tendered Common Shares shall remain in the tendering securityholder's personal account with REGISTRAR or depo account with the respective nominee holder.

All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal will be determined by Leksredstva in its sole discretion, which determination shall be final and binding. Any permitted withdrawal may not be rescinded. Common Shares properly withdrawn will not thereafter be deemed to be tendered for purposes of this Offer. Withdrawn Common Shares may, however, be re-tendered by following the procedures described in Section 4 prior to the Expiration Time. Except as otherwise provided in this Section 5, tenders of Common Shares made pursuant to this Offer will be irrevocable.

NONE OF LEKSREDSTVA, PHARMSTANDARD, THEIR RESPECTIVE BOARDS OF DIRECTORS, OR ANY OTHER PERSON IS OR WILL BE OBLIGATED TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY NOTICE OF WITHDRAWAL, AND NONE OF THEM WILL INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.

6. Payment for Securities.

Upon the terms and subject to conditions of this Offer, properly tendered securities will be accepted for purchase by Leksredstva. Payment for properly tendered Common Shares is expected to be made by April 15, 2011, in accordance with the relevant sale and purchase agreement, upon and subject to receipt by Leksredstva of all the executed documents set forth in Section 4 at the address where the Common Shares Letter of Transmittal was previously submitted and completion of the other settlement procedures described in this Offer Memorandum.

Payments to securityholders who have tendered Common Shares will be made only to such securityholders' (or their agents') ruble bank accounts with authorized Russian banks. Leksredstva will not accept for purchase any Common Shares if the securityholder tendering such Common Shares does not indicate in the Common Shares Letter of Transmittal a ruble bank account with an authorized Russian bank to which the purchase price for the Common Shares shall be transferred. Securityholders tendering their Common Shares should consult with their bank on whether they can receive payment for their Common Shares to their bank account. Leksredstva will not pay any accrued or other interest with respect to the Purchase Price under any circumstances.

In all cases, payment for securities purchased by Leksredstva pursuant to this Offer will be made only after **receipt by Leksredstva prior to the Expiration Time of a Common Shares Letter of Transmittal, properly completed and duly executed, together with any other documents required by the Common Shares Letter of Transmittal; execution and delivery of a share purchase agreement (along with any other documents required to effect the transfer of Common Shares to Leksredstva) pursuant to the procedures set forth in Section 4; and transfer of Common Shares to Leksredstva.**

Any documentation required to be submitted to Leksredstva (with respect to Common Shares) must be submitted to them within their normal business hours and in any event prior to the Expiration Time.

Securityholders who properly tender their securities pursuant to this Offer and whose securities are accepted for purchase and purchased by Leksredstva will receive the applicable payment for such securities in exchange for giving up their interest in such securities. In other words, securityholders give up all rights associated with owning such securities, including any dividend payments, if any, with respect to such securities.

Except as specified directly below, Leksredstva is paying the costs of printing and mailing materials to securityholders, certain legal and filing fees. (See Section 10.)

Securityholders will pay all stock transfer taxes, fees, commissions, if any, with respect to the transfer and sale of Common Shares pursuant to this Offer. Brokers, dealers or other institutions also may charge fees to a participating securityholder for processing a purchase or transfer request and sending it to the Leksredstva. Costs of reregistration of Common Shares registered directly with the Pharmstandard register held by REGISTRAR will be paid by the securityholders.

7. Source and Amount of Funds. Leksredstva expects to pay for all tendered Common Shares pursuant to this Offer with available cash on-hand. No other alternative financing arrangements have been made.

8. Certain Legal Matters; Regulatory Approvals; Civil Liabilities.

This Offer has not been and will not be registered under the securities laws of the Russian Federation or in any other jurisdiction. No authority or securities exchange in the Russian Federation has approved or disapproved of this Offer, passed upon the merits of this Offer or determined whether this Offer is accurate or complete. Participating securityholders are urged to consult their own legal and tax advisors regarding possible legal requirements as well as possible tax consequences of participating in this Offer in their particular circumstances. Neither this Offer Memorandum nor this Offer nor any information contained herein constitute or may be construed as constituting an offer ("*oferta*") pursuant to Russian law, or an advertisement, or an offer of securities to an unlimited number of persons within the territory of or outside the Russian Federation.

Leksredstva is not aware of any approval or action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required to effect this Offer other than those disclosed in this Offer Memorandum. Should any such approval or other action be required, Leksredstva presently cannot determine whether such approval or other action will be sought. Leksredstva is unable to predict whether it may determine that it is required to delay the acceptance for purchase or payment for Common Shares tendered pursuant to this Offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to Leksredstva's or Pharmstandard's respective businesses. Leksredstva's obligations under this Offer to accept for purchase and pay for Common Shares are subject to certain conditions described in Section 3.

Judgments rendered by a court in any jurisdiction outside of Russia will generally be recognized by courts in Russia only if an international treaty providing for recognition and enforcement of judgments in civil cases exists between Russia and the country where the judgment is rendered and/or a federal law is adopted in Russia providing for the

recognition and enforcement of foreign court judgments.

9. Amendments; Extension of Tender Period; Termination. Leksredstva expressly reserves the right, in its sole discretion, at any time and from time to time, to extend the period during which this Offer is open for any reason, including the failure to satisfy any of the conditions specified in Section 3, and thereby delay acceptance for purchase, and payment for, any Common Shares, by making a public announcement thereof on the internet sites www.pharmstandard.ru and <http://www.e-disclosure.ru>. There can be no assurance that Leksredstva will exercise its right to extend this Offer. During any such extension, all Common Shares previously tendered and not properly withdrawn will remain subject to this Offer, subject to the rights of a tendering securityholder to withdraw such securityholder's Common Shares, as the case may be. (See Section 5.)

Leksredstva also expressly reserves the right, in its sole discretion, at any time and from time to time, to: (a) terminate this Offer and not accept for purchase, or pay for, any Common Shares if any of the conditions referred to in Section 3 has not been satisfied or upon the occurrence and during the continuance of any of the events specified in Section 3; and (b) waive any condition or amend this Offer in any respect, in each case by making a public announcement thereof at the internet site www.pharmstandard.ru.

Any extension, termination or amendment will be followed as promptly as practicable by a press release by Leksredstva announcing the extension, termination or amendment, such announcement, in the case of an extension, to be made no later than 6:30 P.M., Moscow time on the Russian business day on which this Offer was scheduled to expire. Notwithstanding the foregoing, Leksredstva will have no obligation to publish, advertise or otherwise communicate any such press release other than by issuing the press release and publishing it on the designated websites <http://www.pharmstd.ru/investors/> and <http://www.e-disclosure.ru>.

If pursuant to this Offer Leksredstva increases or decreases any of (a) the Purchase Price, (b) the Maximum Number of Securities and such increase or decrease exceeds 2 percent of the outstanding securities of Pharmstandard, (c) otherwise changes the consideration offered hereby in any material way, or, Leksredstva will extend this Offer to the extent required by Rule 14e-1(b) under the US Securities Exchange Act of 1934, so that this Offer will remain open for at least an additional ten U.S. business days from the date that notice of such increase, decrease, change or addition is first published, sent or given to securityholders, but in no case will this Offer remain open less than 20 U.S. business days.

10. Fees and Expenses. Other than as described herein, no fees will be paid to brokers, dealers or others, except Profit House fees for its services to act as a nominee holder of the Common Shares purchased pursuant to this Offer. Leksredstva is paying the costs of printing and mailing materials to securityholders, certain legal fees and the fees and expenses of Profit House, as described above.

11. Miscellaneous. This Offer is not being made to, nor will Leksredstva accept tenders from, or on behalf of, owners of Common Shares in any jurisdiction in which the making of this Offer or its acceptance would not comply with the securities or "blue sky" laws of that jurisdiction. Leksredstva reserves the right to exclude securityholders in any jurisdiction in which it is asserted that this Offer cannot lawfully be made or tendered Common Shares cannot lawfully be accepted, purchased or paid for. In any jurisdiction where the securities, blue sky or other laws require this Offer be made by a licensed broker or dealer, this Offer shall be deemed to be made on Leksredstva's behalf by one or more brokers or dealers licensed under the laws of such jurisdiction.

This Offer, and the agreements made in accordance herewith, shall be governed by the laws of the Russian Federation.

12. Additional Information. Questions and requests for assistance in connection with this Offer may be directed to the Leksredstva at its address and telephone number set forth on the back page of this Offer Memorandum.

The public may read and copy reports or other information that Pharmstandard disclose to the extent it is required to be made public pursuant to Russian Law. Such filings are available to the public over the internet at the Pharmstandard website at <http://www.pharmstd.ru/investors/> and at <http://www.e-disclosure.ru>. The Pharmstandard website is included in this Offer as an inactive textual reference only. The information contained on the Pharmstandard's website is not incorporated by reference into this Offer and should not be considered to be part of this Offer.

The text of this Offer Memorandum and the Letters of Transmittal as well as any announcements with respect to this Offer and contacts of the Leksredstva and Pharmstandard are and will be made available at websites at <http://www.pharmstd.ru/investors/> and <http://www.e-disclosure.ru>.

If you are a securityholder tendering Common Shares, you must submit your Common Shares Letter of Transmittal and any other required documentation to Leksredstva at:

JSC Pharmstandard-Leksredstva,

Agregatnaya 2nd Str., 1A/18, Kursk, Russia

Phone/fax: (495) 970-00-38

Attention: Irina Volkova (Ext. 2345) and Konstantin Vodianitski (Ext. 2728)

JSC Pharmstandard-Leksredstva

January 18, 2011