



PHARMSTANDARD

LEADING **RUSSIAN** PHARMACEUTICAL COMPANY

Company Profile -2009,1Q2010

About Pharmstandard



Pharmstandard at Glance

Market

Leading domestic pharmaceutical company in Russia (measured by sales) in 2009

- №1 pharma company overall in Russia
- №1 pharma company in the retail segment
- №1 domestic pharmaceutical company

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, 86 products in the Vital and Essential List
- Capacity - more than 1,35 billion packs

Sales & Marketing

Experienced sales force & Market leading brands

- 640 sales people
- 7 best selling local brands
- Launched more than 40 new products from 2004

Financials

Industry leading growth and profitability for 2009

- Leading EBITDA (48% Organic) (40% with 3rd parties) & Gross profit (59 % Organic) (45.9% with 3rd parties) margins for 2009
- Total Sales of RUR 24 095 mln for 2009, representing 68% growth

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

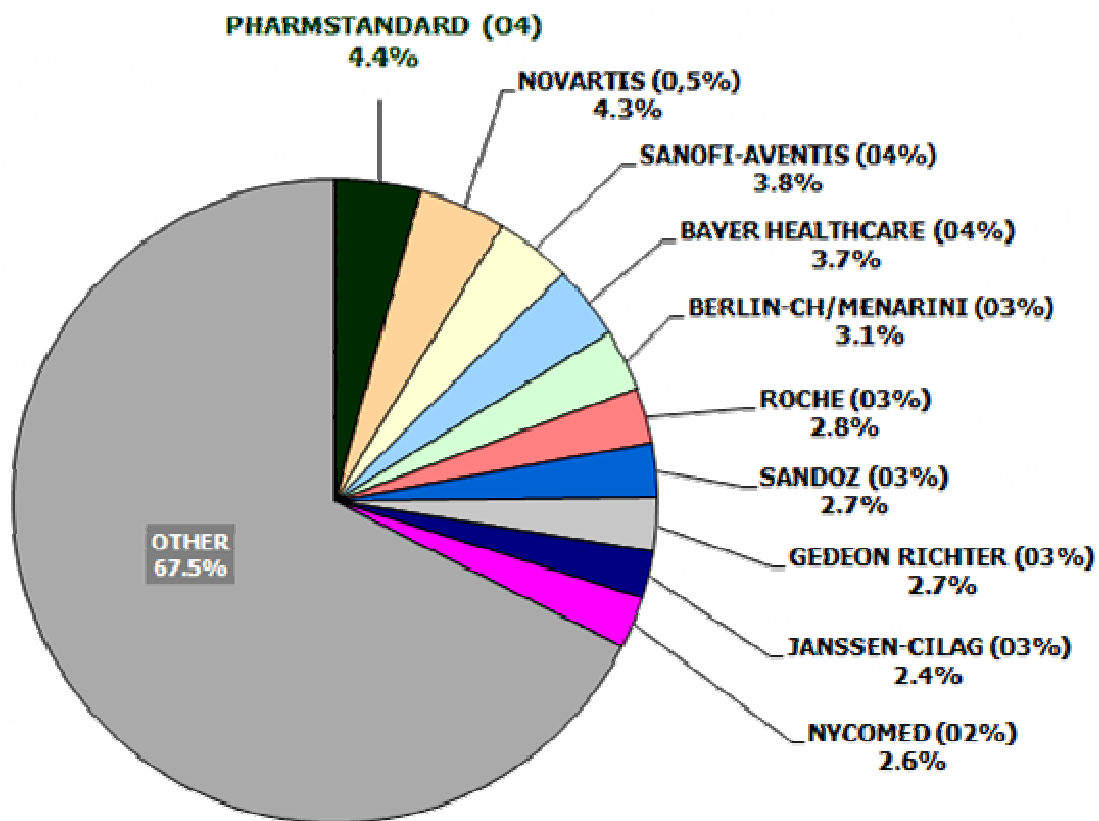
Building the **Nº1** pharmaceutical company in **Russia**

Pharmstandard & Russian Market

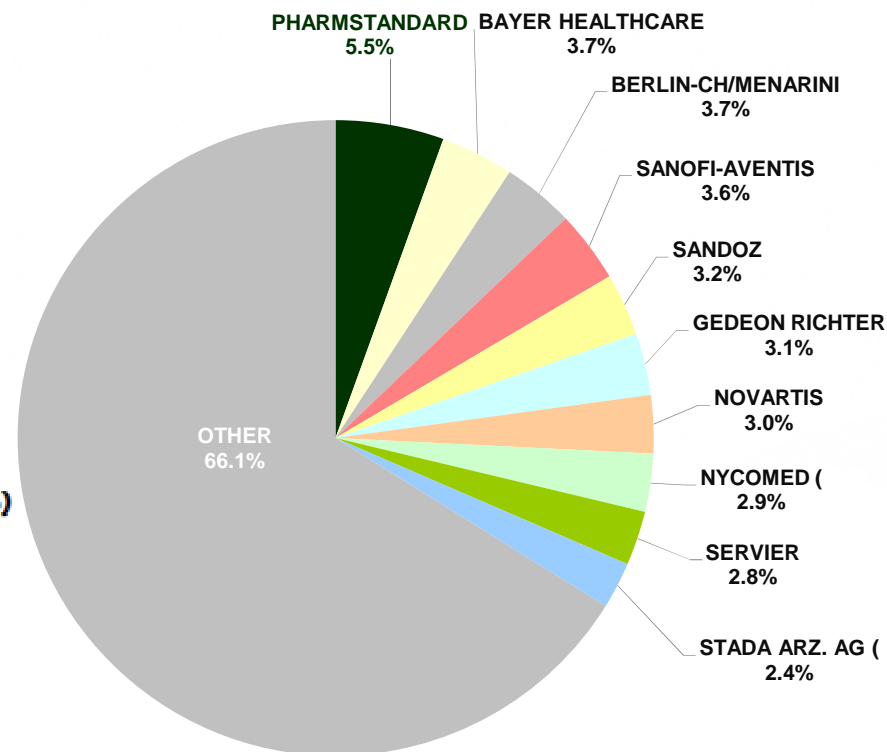


A Leader in the Russian pharmaceutical market by sales value in 2009

Market Share - Russian Market

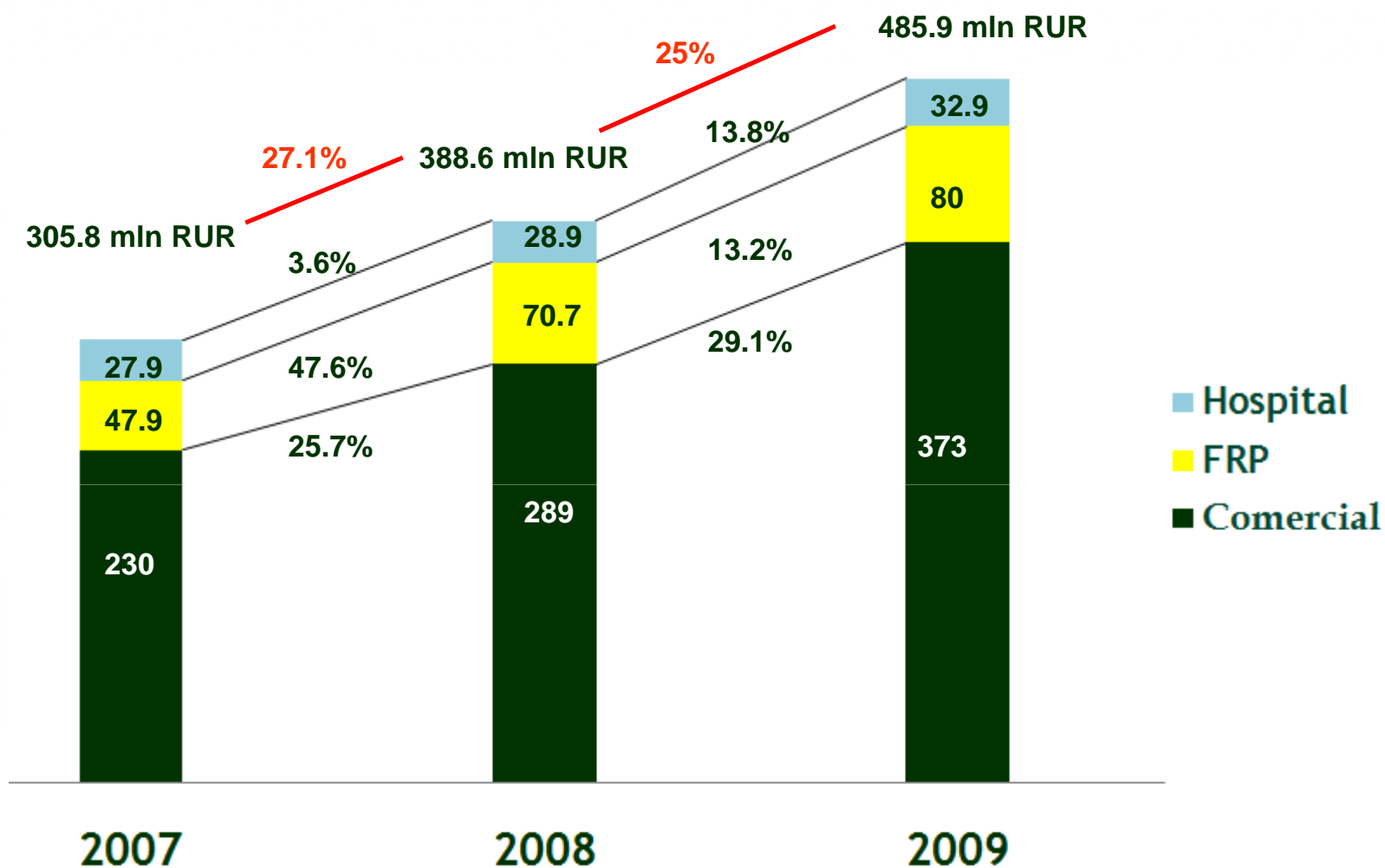


Market Share - Retail Segment

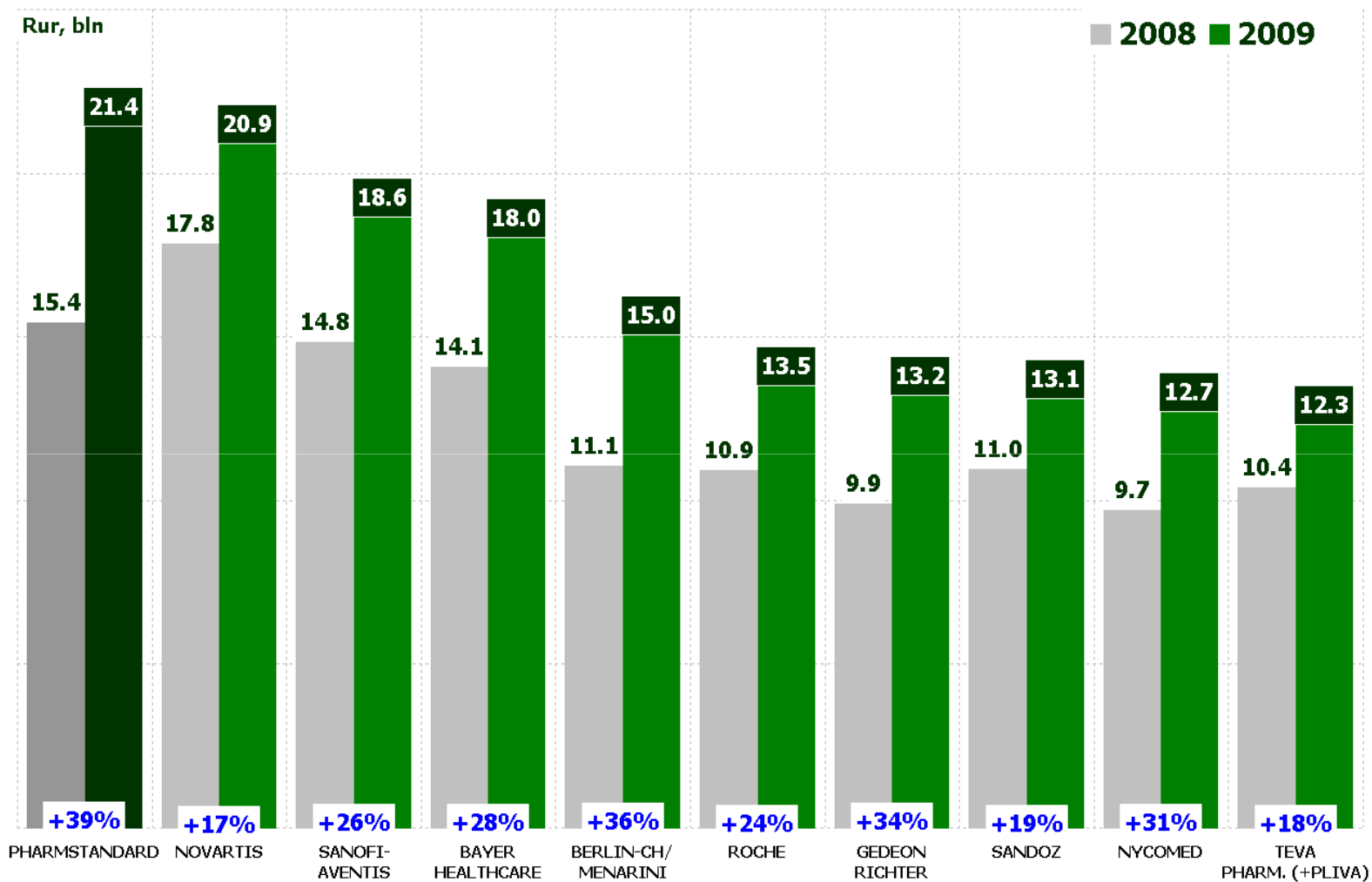


PHS increased market share in the commercial segment from 5.2% (2008) to 5.5% (2009)

Russian Pharmaceutical Market (mln RUR)



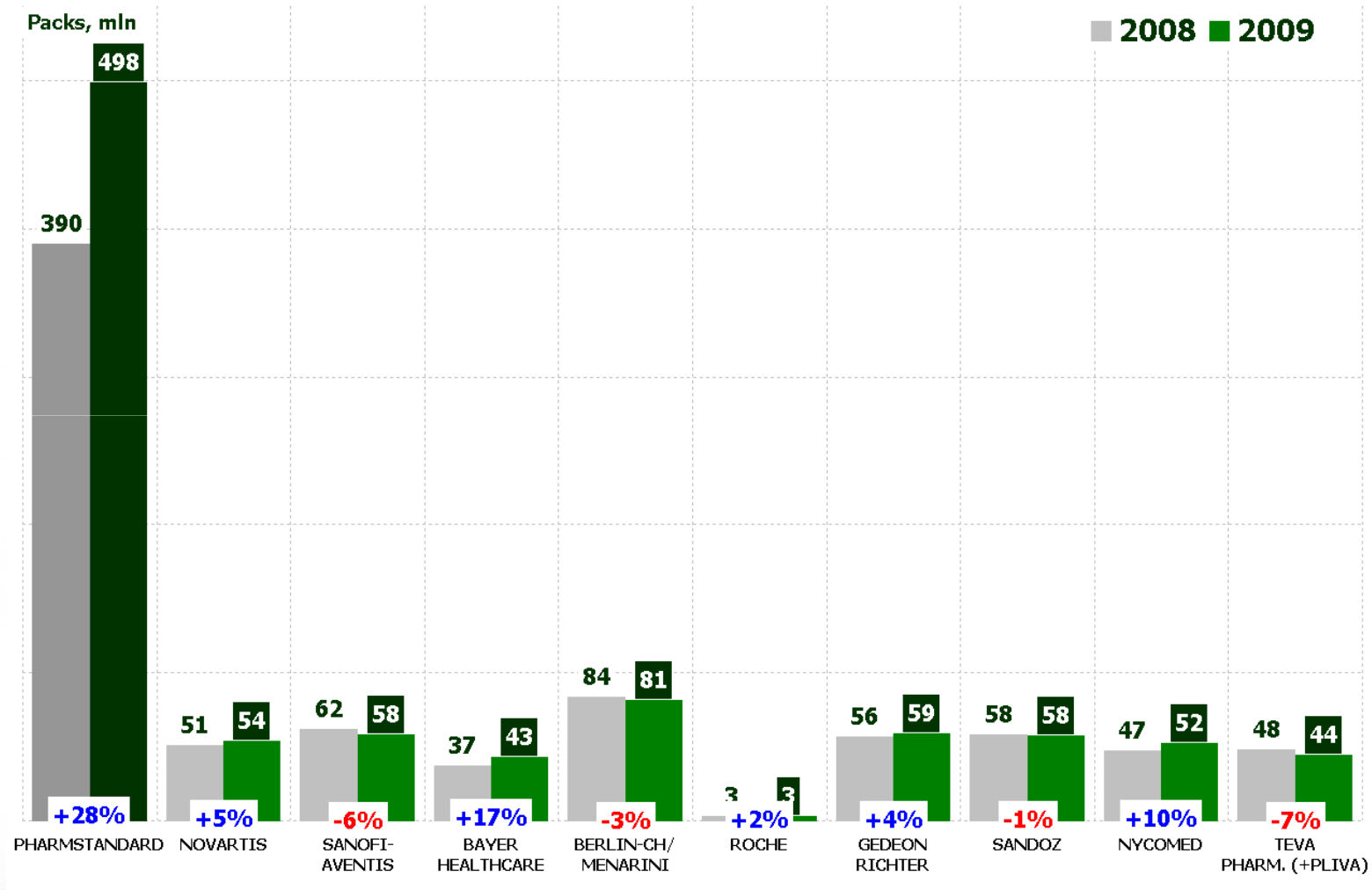
TOP-10 sales 2009/2008 by value, bln RUR



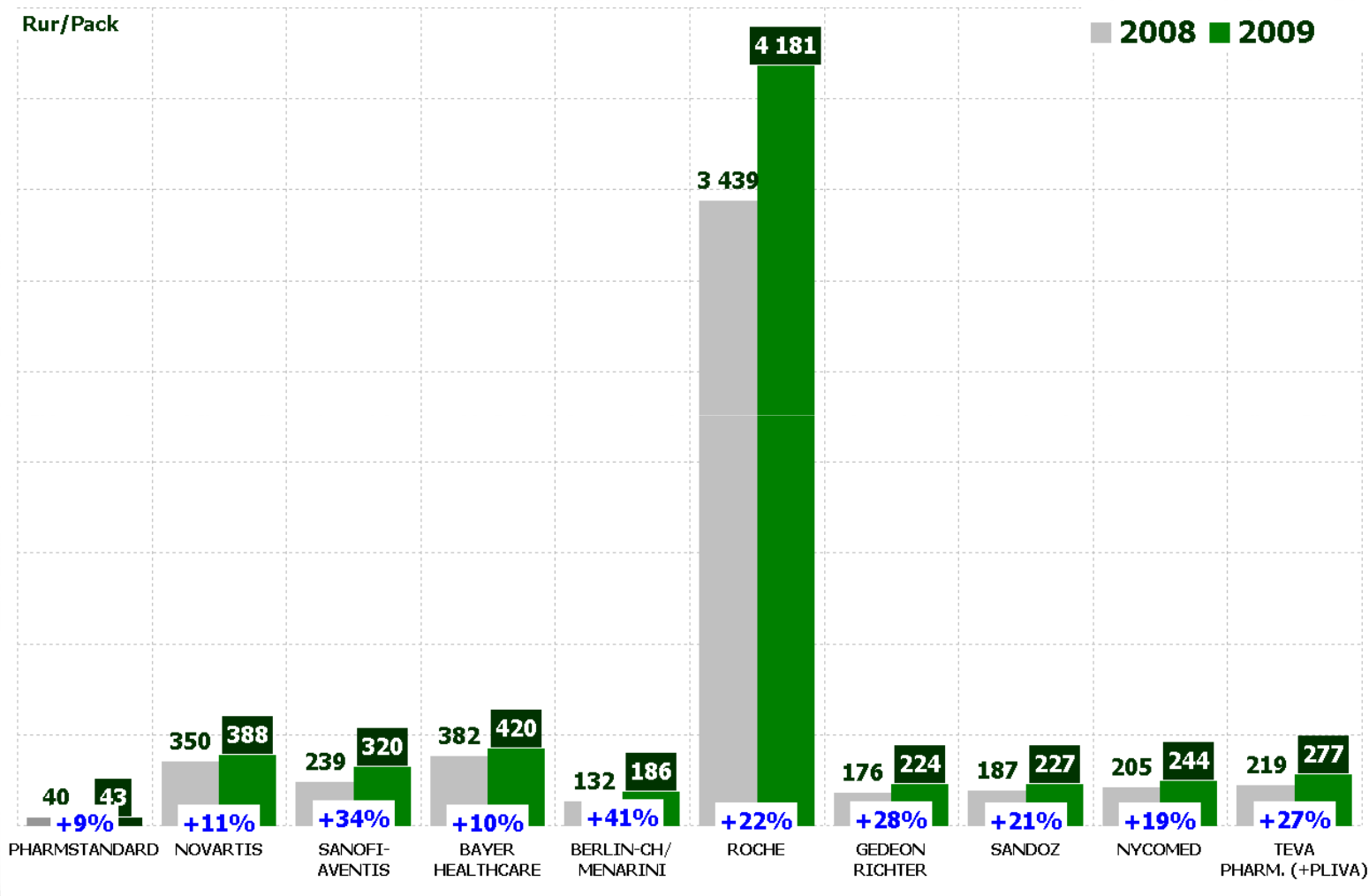
Pharmstandard sales growth (in Retail Prices): +39%

TOP-10 sales 2009/2008 by volume, packs

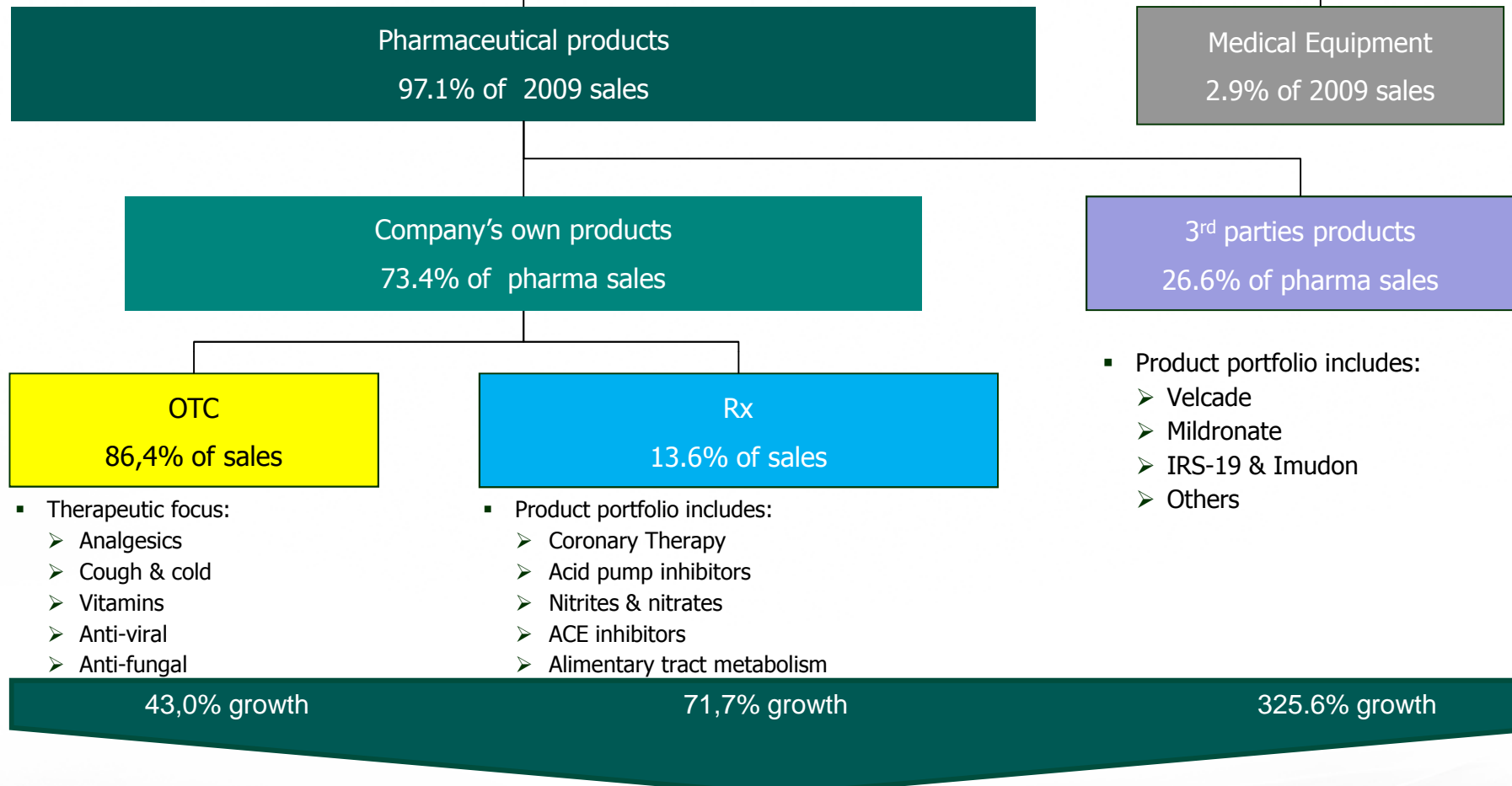
Pharmstandard growth was stipulated by increase in volume (+28%)



TOP-10 Average retail price dynamics 2009/2008, RUR

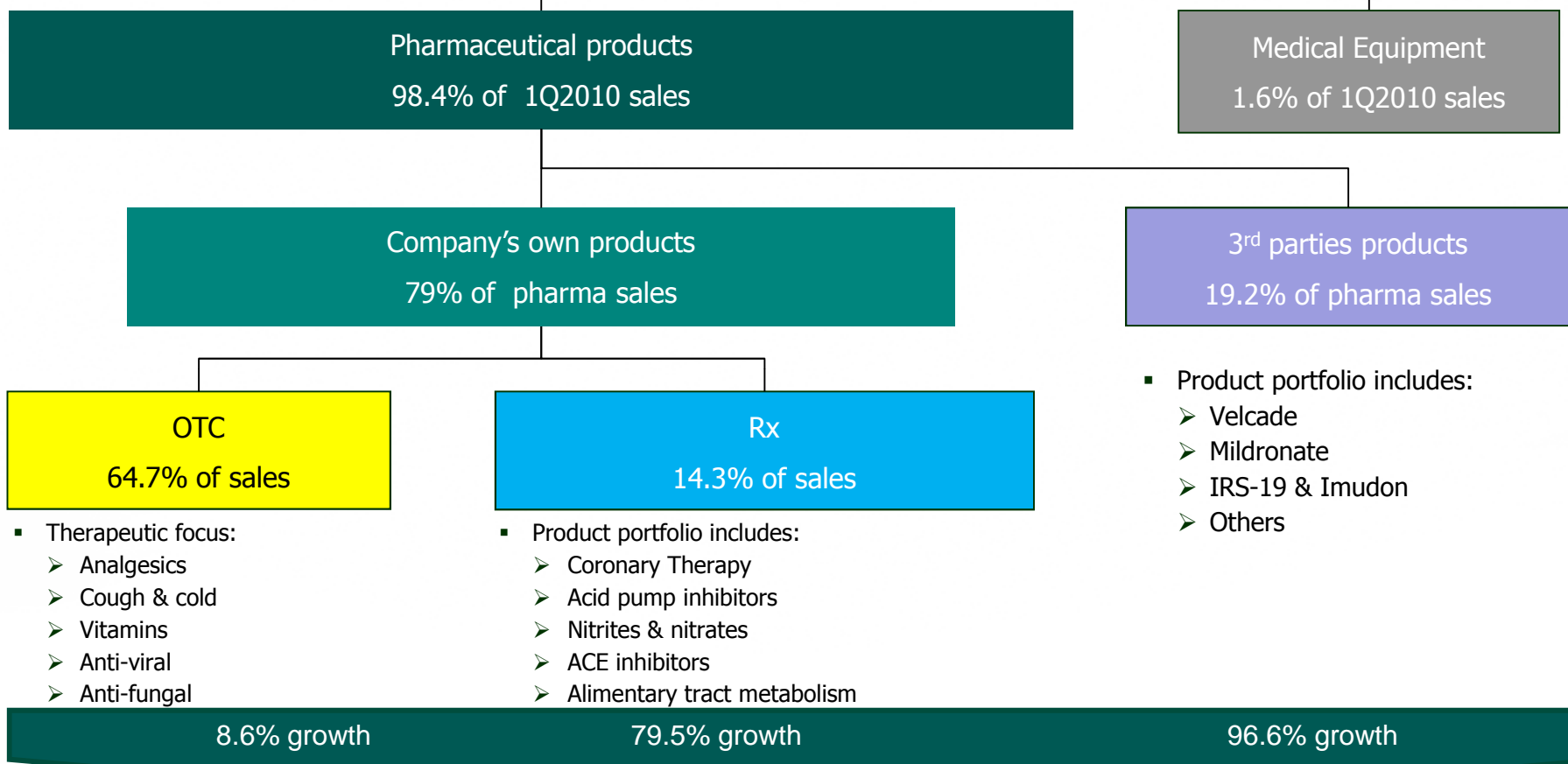


2009 Sales Structure



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

1Q 2010 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

8.6% growth

79.5% growth

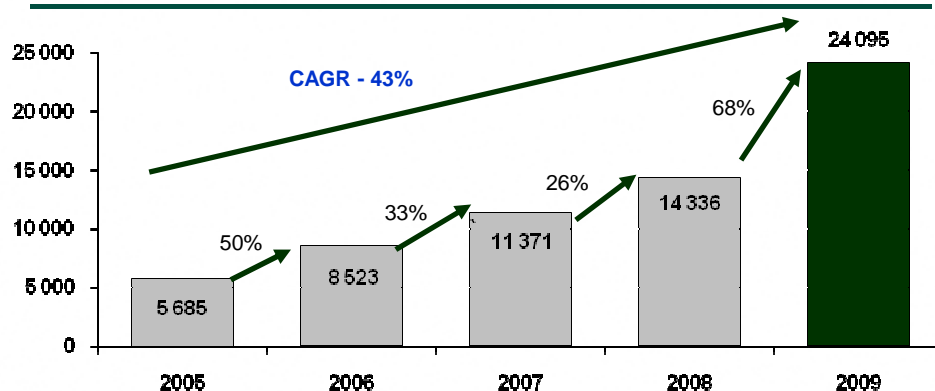
96.6% growth

25.8% revenue growth in 1Q2010
16.7% pharma revenue *organic growth for 1Q2010

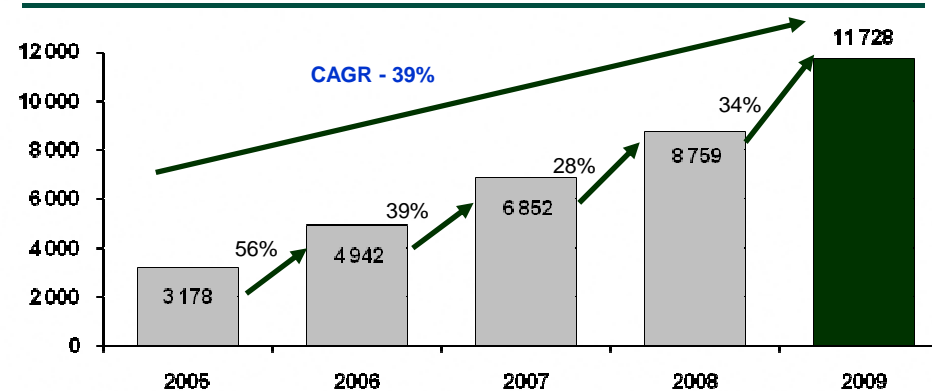
Source: Company data, *excluding 3rd parties products

5 Years of Substantial Growth

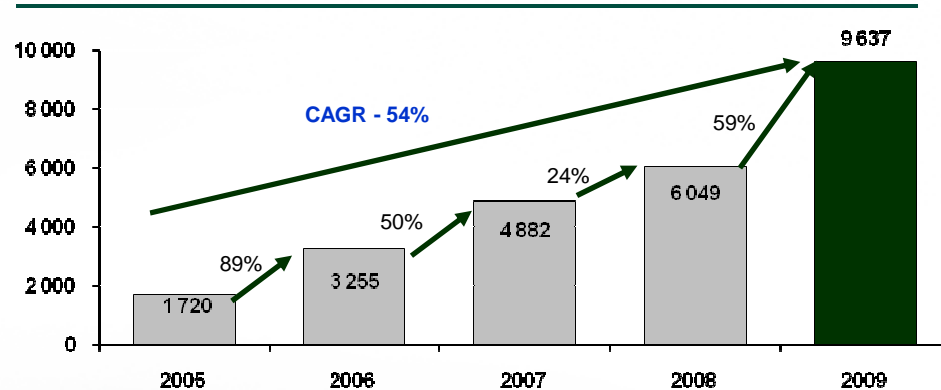
Revenue, RUR mln



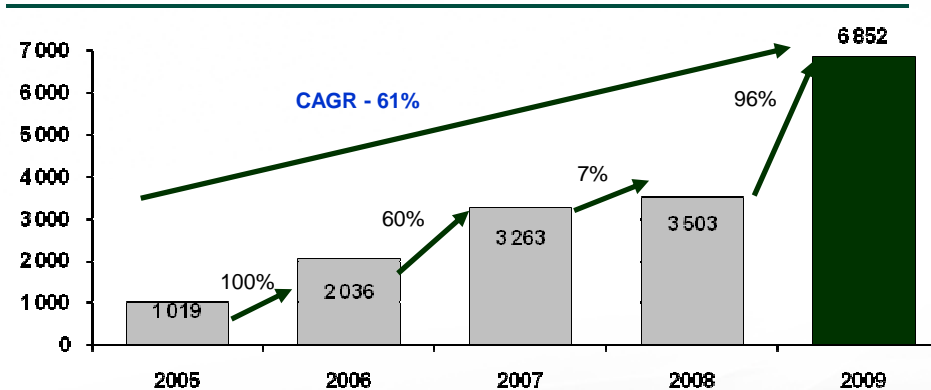
Gross Profit, RUR mln



EBITDA, RUR mln



Net Profit, RUR mln



Pharmstandard demonstrates growth from 2005 to 2009

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%

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

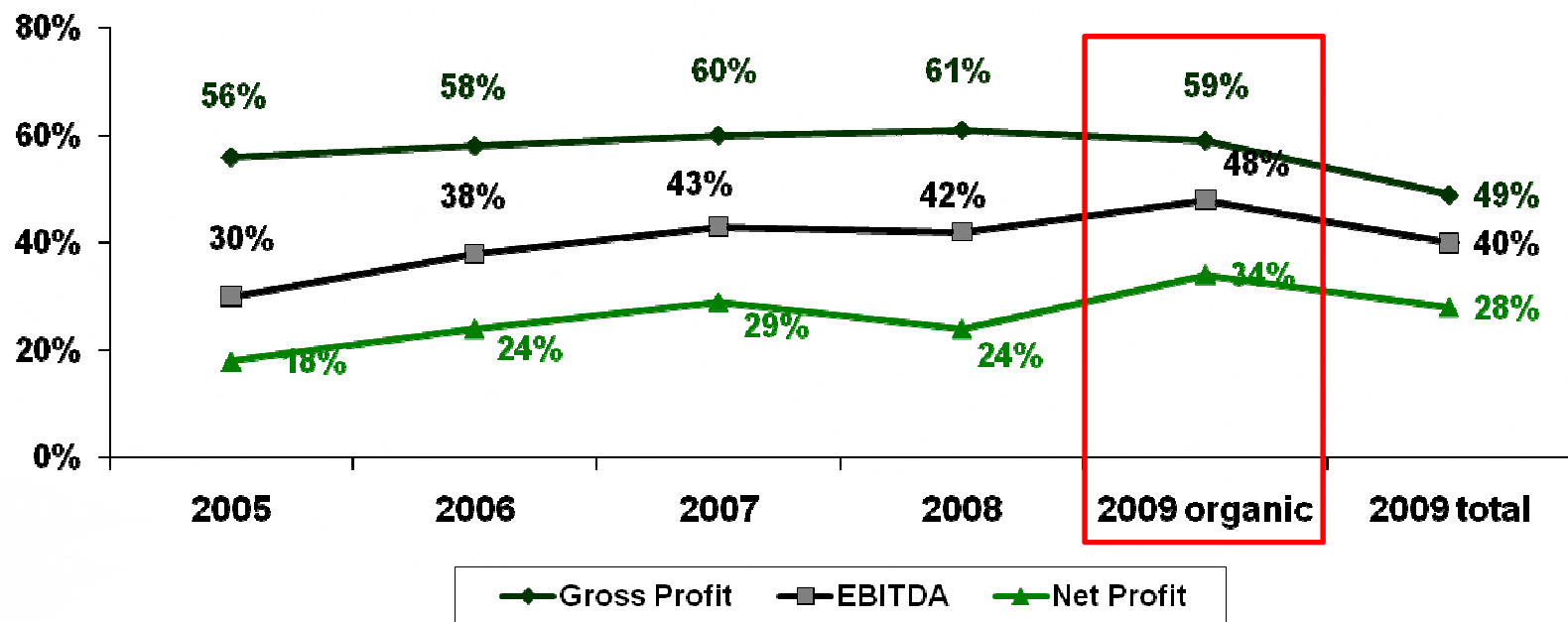
- Starting from 2020 Domestic products consumption – 50% of total market by value
- Share of innovation preparations on the market – 60% of total market by value
- Increase of export by 8 times compared to 2008
- Provision of medicinal safety of the RF in compliance with the list of life-saving drugs
- Stimulation of domestic substances production sufficient for production of 50% of total drugs by value

2009 Financial Results



Strong Set of Margins

Pharmstandard keeps margins high from 2005 to 2009

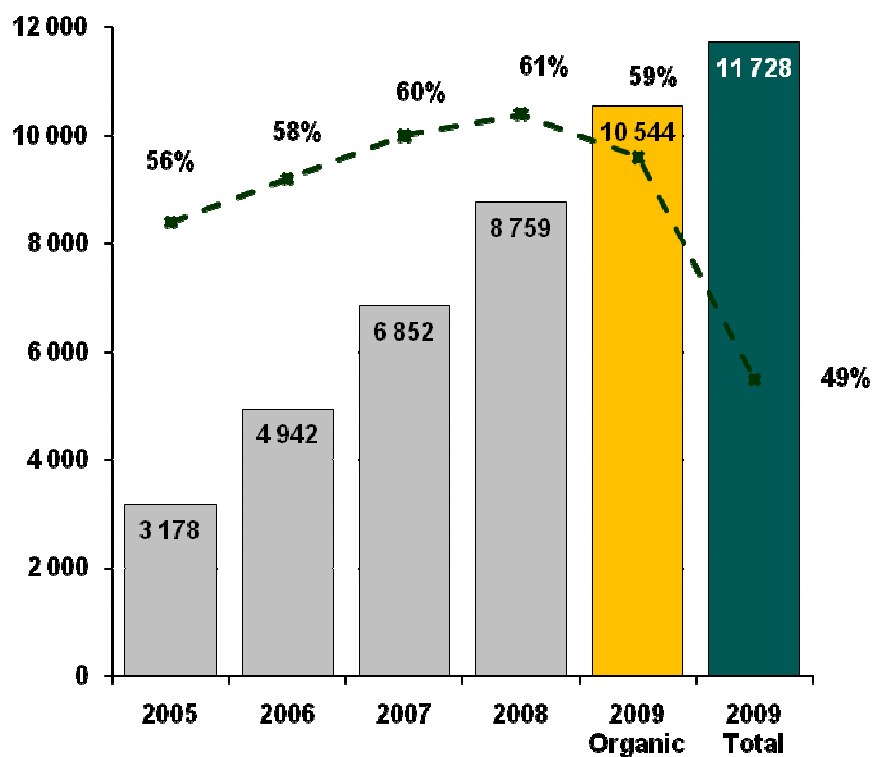


* EBITDA is defined as profit for the accounting period before finance costs, income tax expense and depreciation and amortization and excluding foreign exchange gain or loss

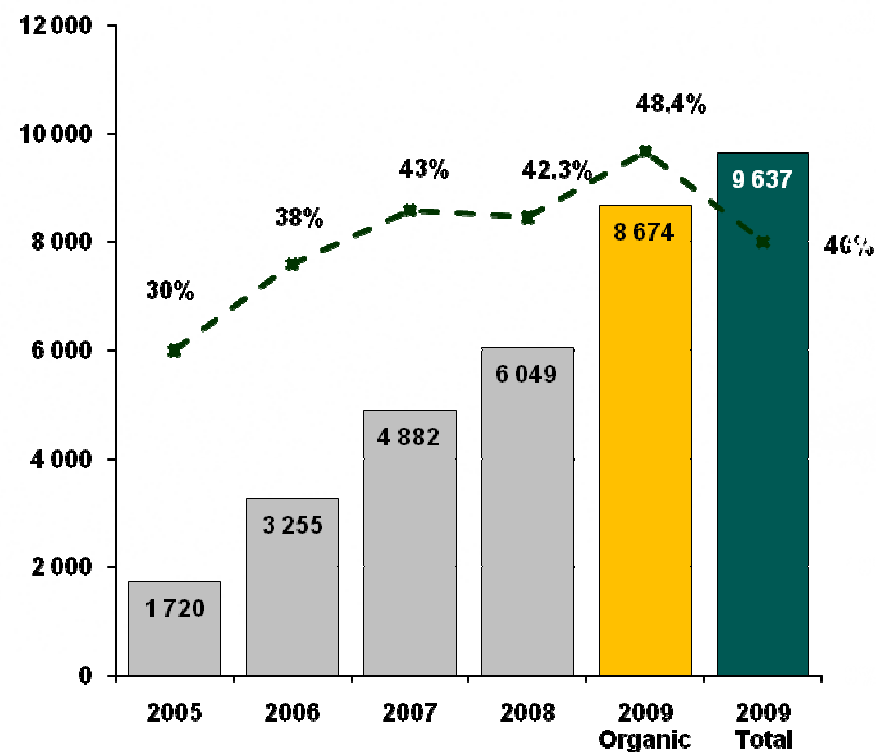
** ORGANIC - excluding Velcade, Mildronate, IRS-19& Imudon, others 3rd parties products.

Margins

Gross Profit



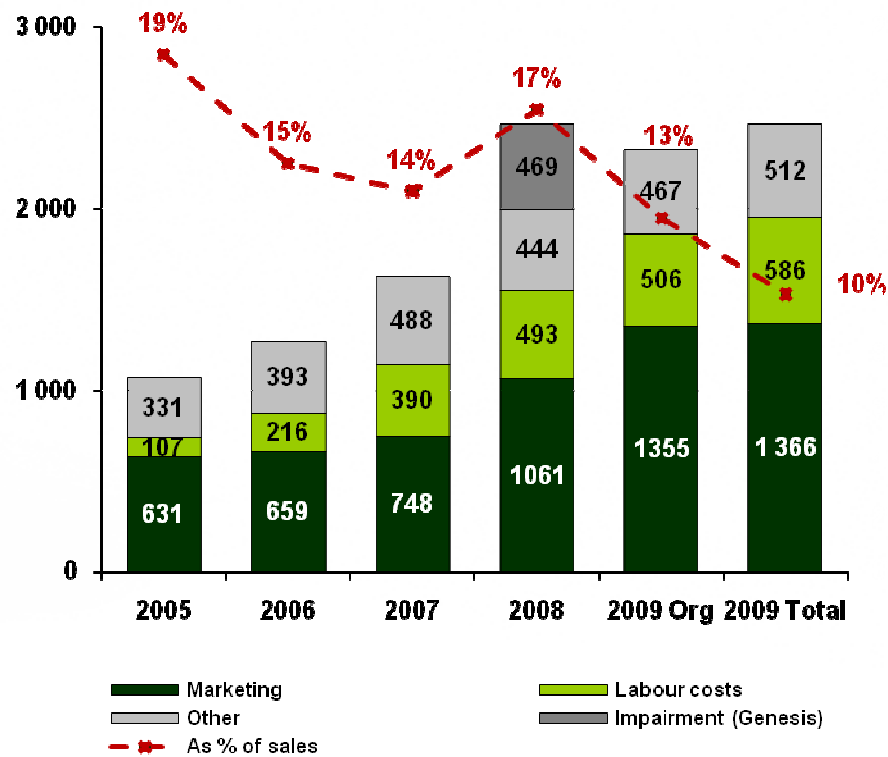
EBITDA



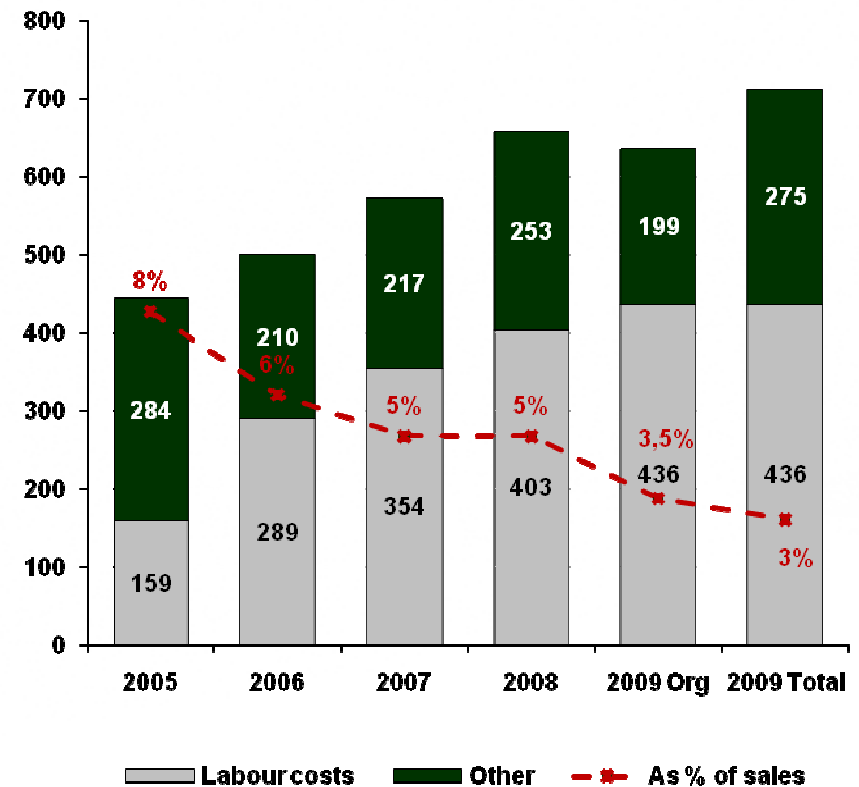
Gross profit growth organic 23%, total business 34%
EBITDA growth organic 44%, total business 59%

Competitive Cost Structure

Selling and Distribution Costs

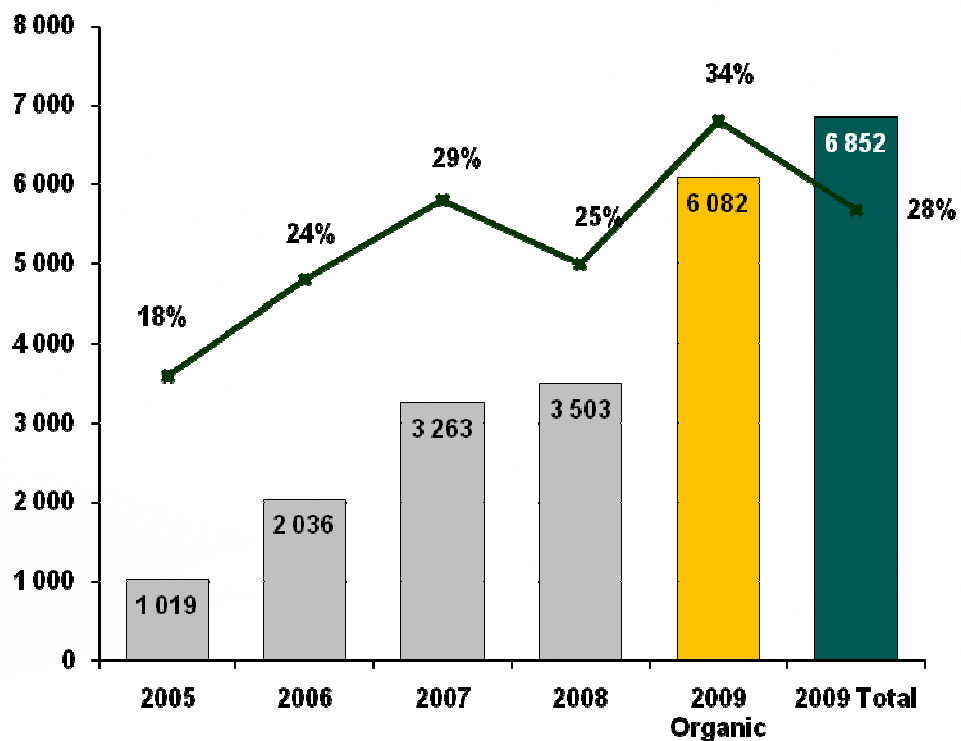


General and Administration Costs

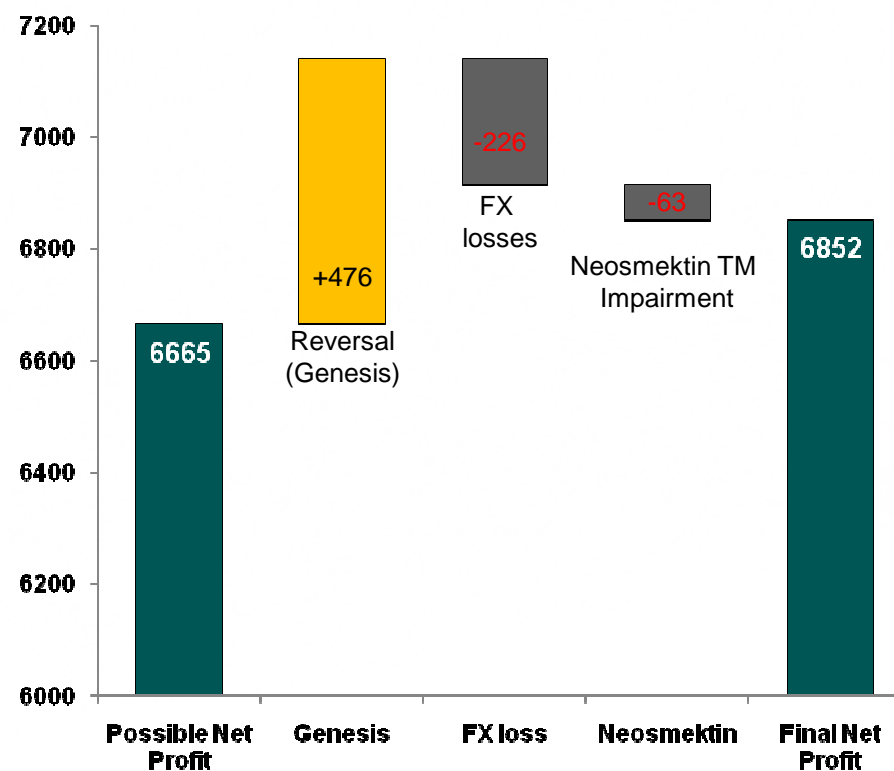


Attractive Profitability

Net Profit dynamic



Net Profit analyses



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

Consolidated Balance Sheet and CAPEX

IFRS basis mln RUR

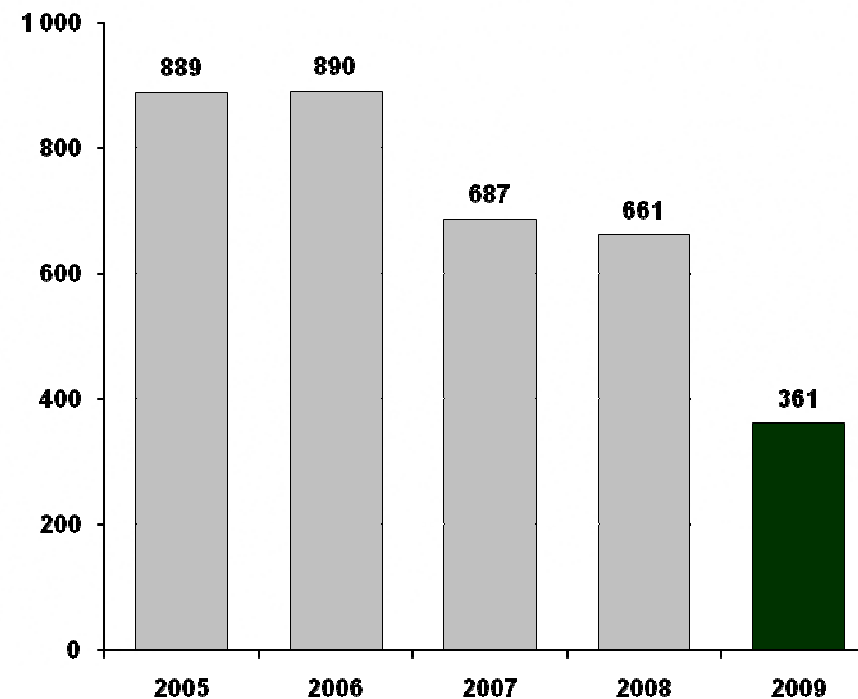
	2009	2008
Long-term assets	9 848	10 264
Trade receivables	9 289	4 761
Cash and cash equivalents	2 798	186
Other assets	4 288	2 999
Total assets	26 223	18 210
Total equity	19 696	12 614
Trade and other payables and accruals	3 906	1 708
Long-term borrowings and loans	392	761
Current portion of long-term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

R&D



Research & Development

Research & Development

- Launching more than 10 new products every year
- In 2004-2009, the company launched more than 40 new preparations
- 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 2009

Product	Form	Pharmaceutical group
Complivit Anti-stress	tablets	A11A - multivitamins with minerals
Complivit Shining	tablets	A11A - multivitamins with minerals
Complivit Diabetes	tablets	A11A - multivitamins with minerals
Codelac Broncho	tablets	R05D - antitussives
Magnelis B6	tablets	A12C - other mineral supplement
Cinocap	aerosol, cream	Antifungal, antibacterial preparations
Phosphogliv Forte	capsules	Hepatoprotective agent

Pipeline for 2010

Product	Form	Pharmaceutical group
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

Collaboration projects



Based on the example
project **GENERIUM**

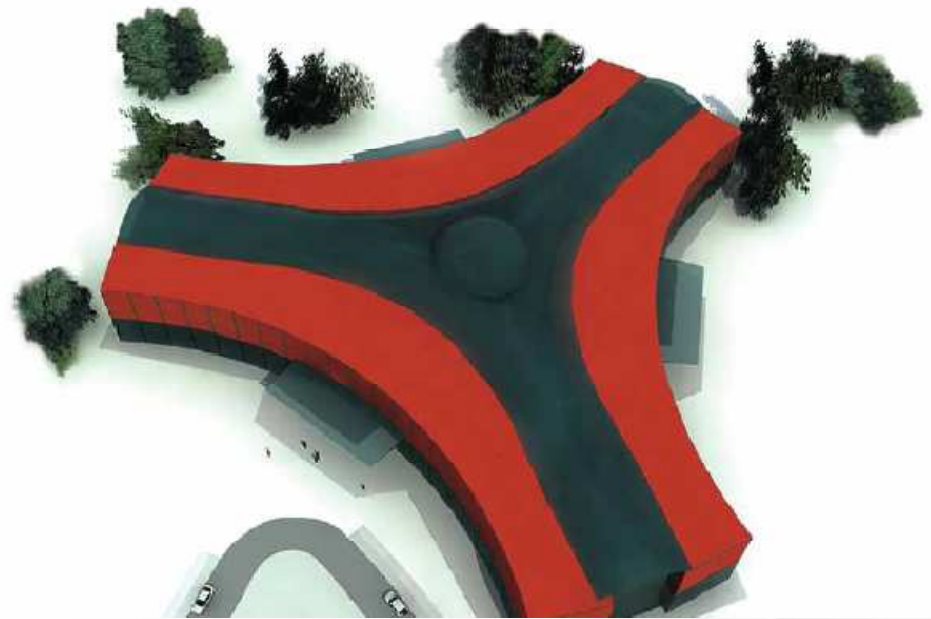
Mission

GENERIUM

founded by two Russian pharmaceutical companies “LEKKO” and “PHARMSTANDARD” in 2009 order to establish modern biotechnological R&D center and production facilities to develop and produce modern biopharmaceutical products.

Targets: 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 deficit
- Myocardial infarction
- Insult



Project idea

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

Production already started for:

- **Rastan® (API)**- human growth hormone
- **Neupomax®(API)** – filgrastim
- **Diaskintest®** – tuberculosis diagnosis
- **Coagil VII** - coagulation factor VII



Main objects

R&D center

- biopharmaceutical products research and development
- collaboration with leading local scientific academic centers
- scientists with big pharma experience
- organization of local / international scientific board member

Production facility

- modern GMP facility for biopharmaceutical products
- current manufacturing facility for launched recombinant products
- additional manufacturing facility for R&D products (>7000 sq.m.)



GENERIUM – strategic biopharmaceutical alliance



- LEKKO – Russian pharmaceutical innovative company specialized in R&D and production of biopharmaceutical products
- More than 280 employees including 50 scientists
- Experience in long term R&D project with successful launch and commercialization of the finish product
- Product portfolio includes such products as probiotics, antibiotics, antiviral and others

Role in the project:

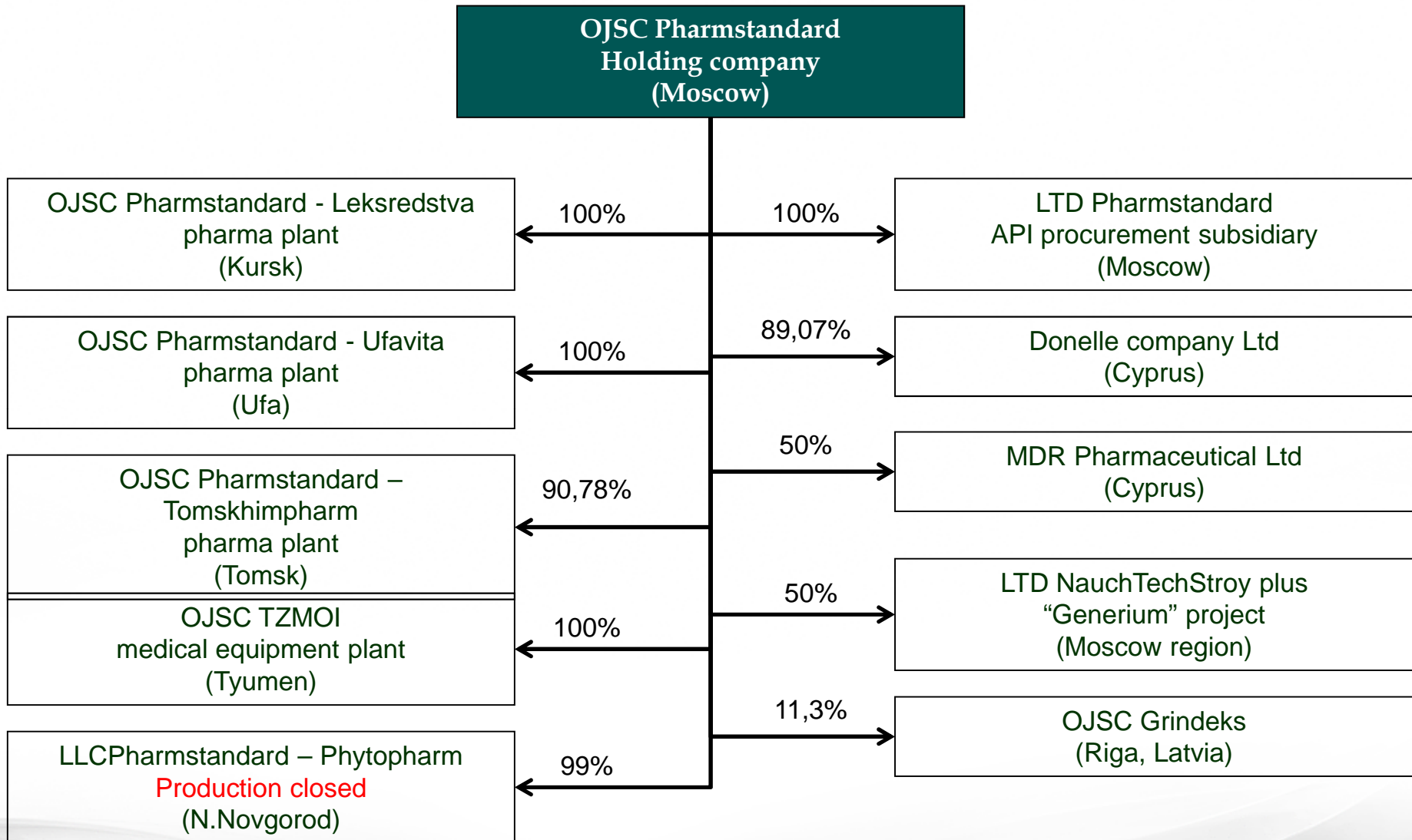
- R&D function
- Preclinical studies
- Production

- PHS - the largest Russian pharmaceutical company with 4 pharmaceutical plant and 1 plant of medical equipment and disposables
- More than 5000 employees
- More than 200 products, about 90 products included into “V&E” list
- Production capacity exceeds 1.35 bln packs per year in different formulation
- Lunched more than 40 new products in 2004-2009. Including Biosulin – human insulin, Rastan – human growth hormone.

• Role in the project:

- Clinical studies
- Registration
- Sales & Marketing
- Distribution

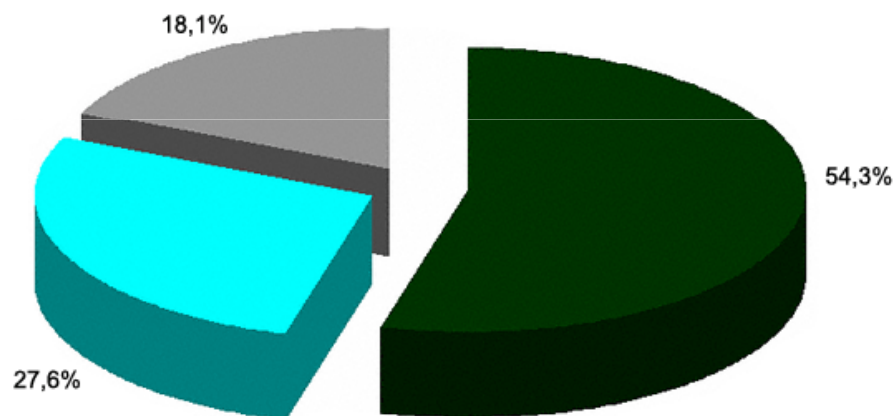
Corporate structure



Shareholders structure of OJSC Pharmstandard

Pharmstandard became a public company in 2007 by offering to the public 25.0% of its share capital in the form of GDR during the Initial Public Offering (IPO) on the London Stock Exchange (LSE) and 18.3% of its share capital in the form of ordinary shares on two local stock exchanges (RTS, MICEX).

In May 2008, the major Pharmstandard shareholder, Augment Investments Limited, placed 2.5% of JSC Pharmstandard share capital in the form of GDR at the market price.



Shareholders structure		% of registered capital
Augment Investments Limited		54,3%
LSE		27,6%
PTC, MICEX		18,1%
Total shares	37 792 603	100%

Free float 45,7%

Investor Relations

Our company regards openness and business transparency as important competitive advantages. With these principles in mind, Pharmstandard has developed investment management philosophy aimed at facilitating stable growth in share capital and good returns on investment.

Company Management and Investor Relations Department are open to dialogue and always ready to help you with understanding of the Company's processes, plans, developments and financials.

Investor Relations department is always glad to answer you questions. Any feedback is highly appreciated.

IR department contacts
Ilya Klylov, IR manager
Tel. +7 (495) 970-00-30 ext. 2416
Fax +7 (495) 970-00-32
email ir@pharmstd.ru

Disclaimer and Confidentiality Requirements

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of OJSC Pharmstandard (the "Company") or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of Augment Investments Limited (the "Selling Shareholder") or the Company or any of their respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

This presentation is only for persons having professional experience in matters relating to investments and must not be acted or relied on by persons who are not Relevant Persons (as defined below). Solicitations resulting from this presentation will only be responded to if the person concerned is a Relevant Person.

This presentation and its contents are confidential and must not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person, whether or not such person is a Relevant Person. Failure to comply with this restriction may constitute a violation of applicable securities laws. If you have received this presentation and you are not a Relevant Person you must return it immediately to the Company. This presentation does not constitute a recommendation regarding the securities of the Company.

This presentation is not a public offer or advertisement of Securities in the Russian Federation and is not an invitation to make offers to purchase any Securities in the Russian Federation, and must not be passed on to third parties or otherwise be made publicly available in Russia. The GDRs have not been and will not be registered in Russia and are not intended for "placement" or "circulation" in Russia.

This presentation includes 'forward-looking statements'. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's projects and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this presentation. Each of the Company and the Selling Shareholder and their respective agents, employees and advisers, expressly disclaims any obligation or undertaking to update any forward-looking statements contained herein.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

All information not separately sourced is from Company data.

Market information provided by Pharmexpert MRS in retail prices.

Contacts

OJSC Pharmstandard
Likhachevsky drive, 5 «B» Moscow region,
Dolgoprudny, Russia, 141700.
Tel/Fax: (495) 970-0030/32
www.pharmstd.ru

