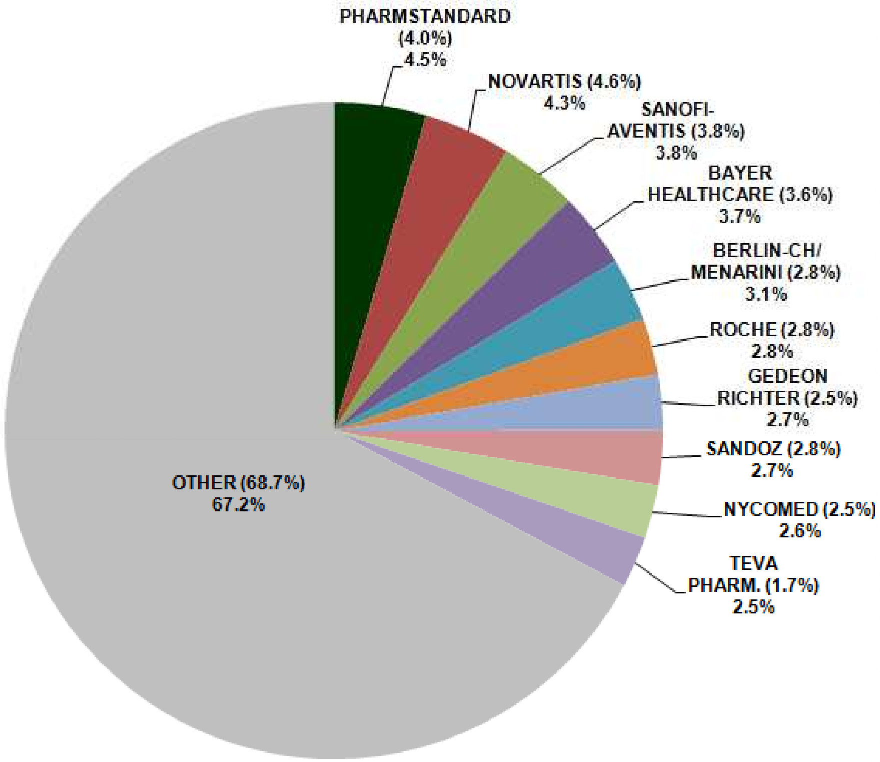
PHARMSTANDARD – LEADING RUSSIAN PHARMACEUTICAL COMPANY

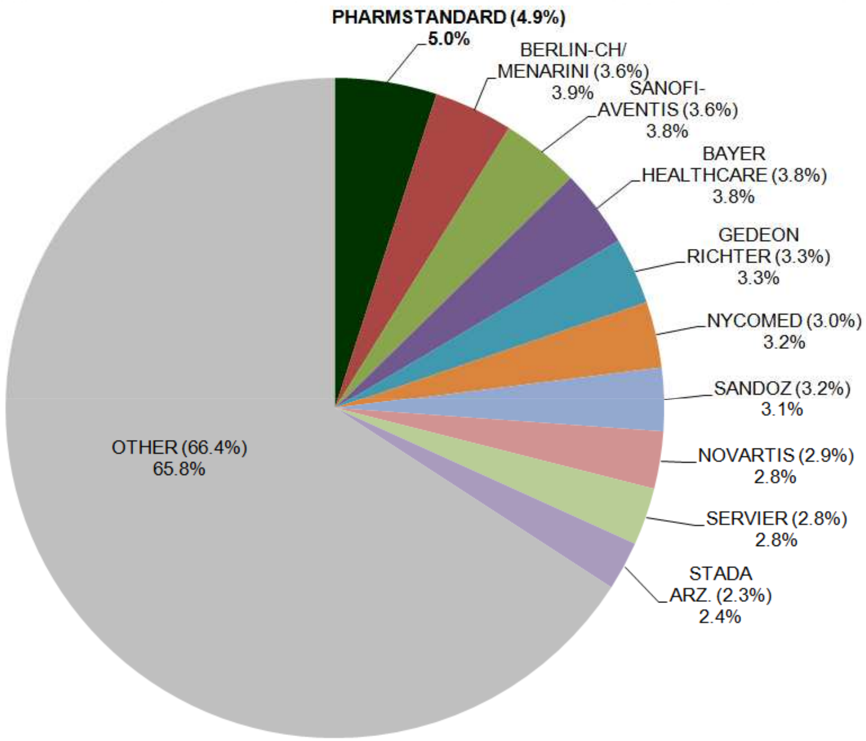
1H 2010 Sales Results Presentation

A Leader in the Russian Commercial Segment

Market Share 2009– All Companies



Market share 1H2010 - Retail Segment



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

1H2010 Sales Structure

Pharmstandard

Pharmaceuticals
97.8% of 1H2010 sales

Medical Equipment
2.2% of 1H2010 sales
8.2% decrease

OTC
50.2%
of Pharma sales

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

4.7% growth

Rx
14.1of Pharma sales

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

60.4% growth

Collaboration projects
35.7% of Pharma sales

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

18.7% growth

14.7% revenue growth in 1H2010

13.3% pharma revenue organic growth for 1H2010

*** – excluding Velcade, Mildronate, IRS-19& Imudon, others products.**

Best Selling Brands 1H2010 (excluding 3rd parties products)

№	BRAND	1H2010 Volume (mln packs)	1H2010 Sales (mln RUR)	1H2010 % of total sales	1H2009 Volume (mln packs)	1H2009 Sales (mln RUR)	1H2009 % of total sales	Volume 10/09 Change	Volume 10/09 %	Sales 10/09 Change	Sales 10/09 %
1	Arbidol	13.912	1,610	22.2%	12.329	1,475	23.0%	1.582	12.8%	136	9.2%
2	Pentalgin	16.839	877	12.1%	18.306	945	14.7%	-1.468	-8.0%	-68	-7.2%
3	Complivit	5.531	472	6.5%	7.164	487	7.6%	-1.633	-22.8%	-15	-3.1%
4	Terpinkod	3.010	412	5.7%	2.151	302	4.7%	0.858	39.9%	110	36.5%
5	Phosphogliv	0.991	318	4.4%	0.934	326	5.1%	0.058	6.2%	-7	-2.2%
6	Flucostat	2.582	301	4.1%	2.700	316	4.9%	-0.118	-4.4%	-15	-4.8%
7	Rastan	0.221	301	4.1%	0.024	23	0.4%	0.197	812.8%	278	1206.1%
8	Afobazol	1.639	244	3.4%	1.297	191	3.0%	0.342	26.4%	53	27.6%
9	Amixin	0.538	221	3.0%	0.443	189	2.9%	0.095	21.4%	32	17.2%
10	Codelac	2.532	210	2.9%	3.392	339	5.3%	-0.860	-25.4%	-129	-38.1%
	TOP 10 total	***47.795***	***4,967***	***68.4%***	***48.741***	***4,593***	***71.6%***	***-0.945***	***-1.9%***	***374***	***8.1%***
	Other brands	***259.672***	***2,298***	***31.6%***	***273.521***	***1,819***	***28.4%***	***-13.849***	***-5.1%***	***479***	***26.3%***
	TOTAL SALES	**307.467**	**7,265**	**100.0%**	**322.262**	**6,412**	**100.0%**	**-14.794**	**-4.6%**	**853**	**13.3%**

* Flucostat (tablets&solution for Injection)

** Amixin(№125&№60)

Top 10 Best selling Brands demonstrated growth of 8,1% in value

Top 10 OTC Brands 1H2010 (excluding 3rd parties products)

		1H2010			1H2009			Volume 10/09		Sales 10/09	
№	BRAND	Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Arbidol	13.912	1,610	28.4%	12.329	1,475	27.2%	1.582	12.8%	136	9.2%
2	Pentalgin	16.839	877	15.4%	18.306	945	17.4%	-1.468	-8.0%	-68	-7.2%
3	Complivit	5.531	472	8.3%	7.164	487	9.0%	-1.633	-22.8%	-15	-3.1%
4	Terpincod	3.010	412	7.3%	2.151	302	5.6%	0.858	39.9%	110	36.5%
5	Flucostat*	2.582	301	5.3%	2.663	310	5.7%	-0.081	-3.0%	-9	-2.9%
6	Afobazol	1.639	244	4.3%	1.297	191	3.5%	0.342	26.4%	53	27.6%
7	Codelac	2.532	210	3.7%	3.392	339	6.3%	-0.860	-25.4%	-129	-38.1%
8	Amixin**	0.449	193	3.4%	0.399	175	3.2%	0.050	12.5%	18	10.3%
9	Activated carbon	37.155	128	2.3%	30.431	87	1.6%	6.724	22.1%	42	48.3%
10	Corvalol	22.270	116	2.0%	26.431	126	2.3%	-4.160	-15.7%	-11	-8.4%
	TOP 10 total	***105.919***	***4,563***	***80.4%***	***104.564***	***4,437***	***81.8%***	***1.355***	***1.3%***	***126***	***2.8%***
	Other brands	***175.872***	***1,114***	***19.6%***	***198.745***	***985***	***18.2%***	***-22.873***	***-11.5%***	***129***	***13.1%***
	TOTAL SALES	**281.791**	**5,677**	**100.0%**	**303.309**	**5,422**	**100.0%**	**-21.517**	**-7.1%**	**255**	**4.7%**

* Flucostat (tablets only)

** Amixin (only №125)

Top 10 Rx Brands 1H2010 (excluding 3rd parties products)

		1H2010			1H2009			Volume 10/09		Sales 10/09	
№	BRAND	Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Phosphogliv	0.991	318	20.0%	0.934	326	32.9%	0.058	6.2%	-7	-2.2%
2	Rastan	0.221	301	19.0%	0.024	23	2.3%	0.197	812.8%	278	1206.1%
3	Biosulin	0.326	161	10.1%	0.180	91	9.2%	0.146	81.4%	70	76.4%
4	Combilipen	1.228	117	7.4%	0.744	74	7.5%	0.484	65.0%	43	57.2%
5	Cocarboxylase Hydrochloride	2.396	111	7.0%	0.832	21	2.1%	1.564	187.9%	90	430.9%
6	Picamilon	1.697	65	4.1%	2.118	57	5.8%	-0.421	-19.9%	8	13.3%
7	Ciclodol	1.367	61	3.8%	1.249	51	5.2%	0.118	9.4%	10	18.8%
8	Sulfocamphocaine	1.157	45	2.8%	0.896	30	3.0%	0.261	29.1%	15	50.8%
9	Renipril	0.967	36	2.3%	0.944	35	3.6%	0.022	2.4%	1	2.7%
10	Octolipen	0.192	36	2.3%	0.041	7	0.7%	0.152	373.8%	29	419.8%
	TOP 10 total	***10.542***	***1,251***	***78.8%***	***7.962***	***715***	***72.3%***	***2.580***	***32.4%***	***535***	***74.8%***
	Other brands	***15.134***	***337***	***21.2%***	***10.991***	***275***	***27.7%***	***4.143***	***37.7%***	***63***	***22.9%***
	TOTAL SALES	**25.676**	**1,588**	**100.0%**	**18.953**	**990**	**100.0%**	**6.723**	**35.5%**	**598**	**60.4%**

Top 10 RX Brands demonstrated growth of 74.8% in value

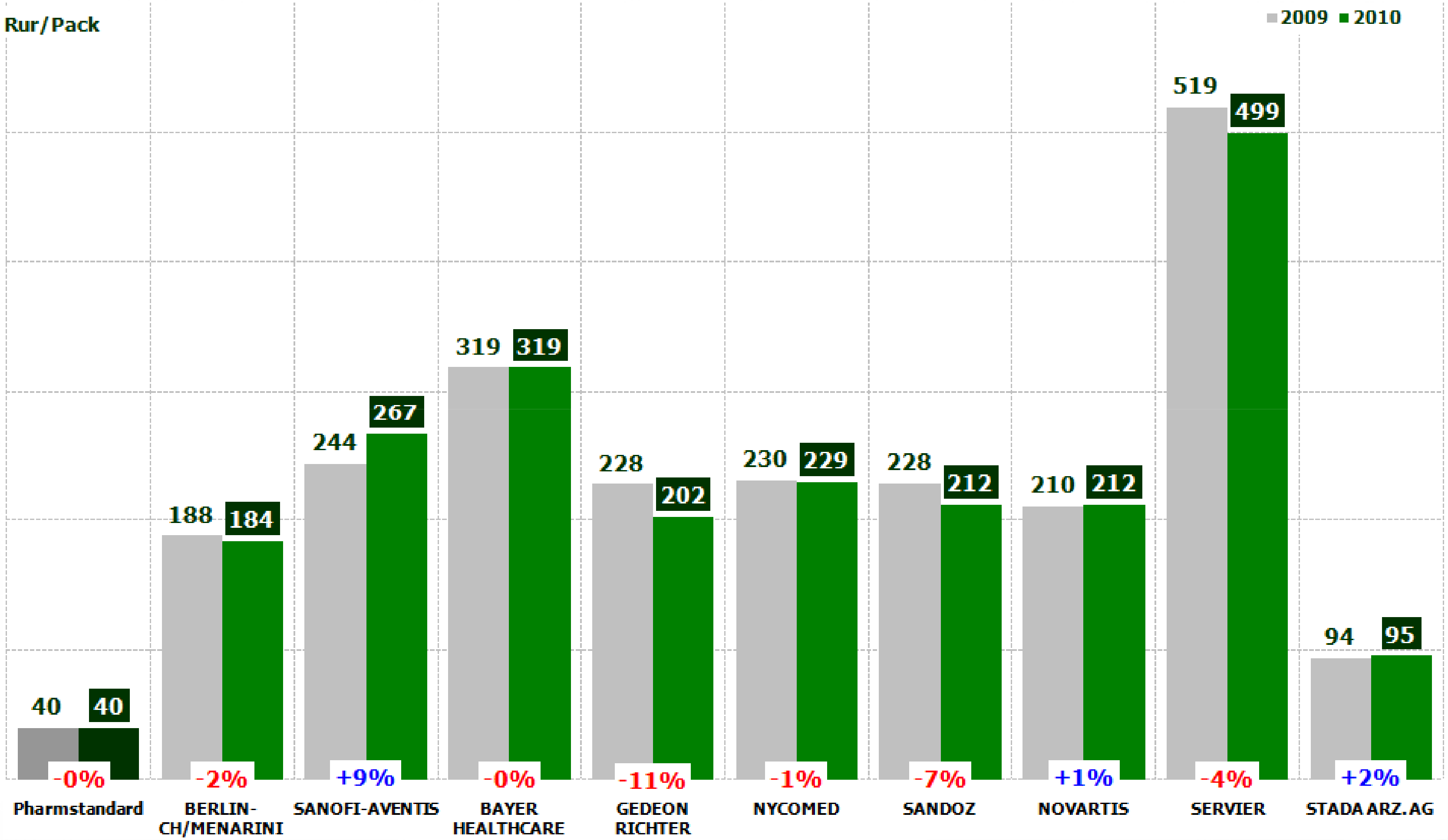
Collaboration projects – 3rd parties products

Brand	1H 2010 (RUR mln)	% of total sales	1H 2009 (RUR mln)	% of total sales	Change (RUR mln)	Change (%)
Velcade®	*1,649.6*	*14.3%*	*2,278.1*	*22.6%*	*-628.5*	*-27.6%*
Coagil VII	*790.6*	*6.8%*	*0.0*	*0.0%*	*790.6*	*-*
Pulmozyme®	*610.2*	*5.3%*	*0.0*	*0.0%*	*610.2*	*-*
Mildronate®	*554.7*	*4.8%*	*673.6*	*6.7%*	*-118.9*	*-17.7%*
Other 3rd parties products	*351.1*	*3.0%*	*381.9*	*3.8%*	*-30.8*	*-8.1%*
Total	3,956.2	34.3%	3,333.6	33.1%	622.6	18.7%

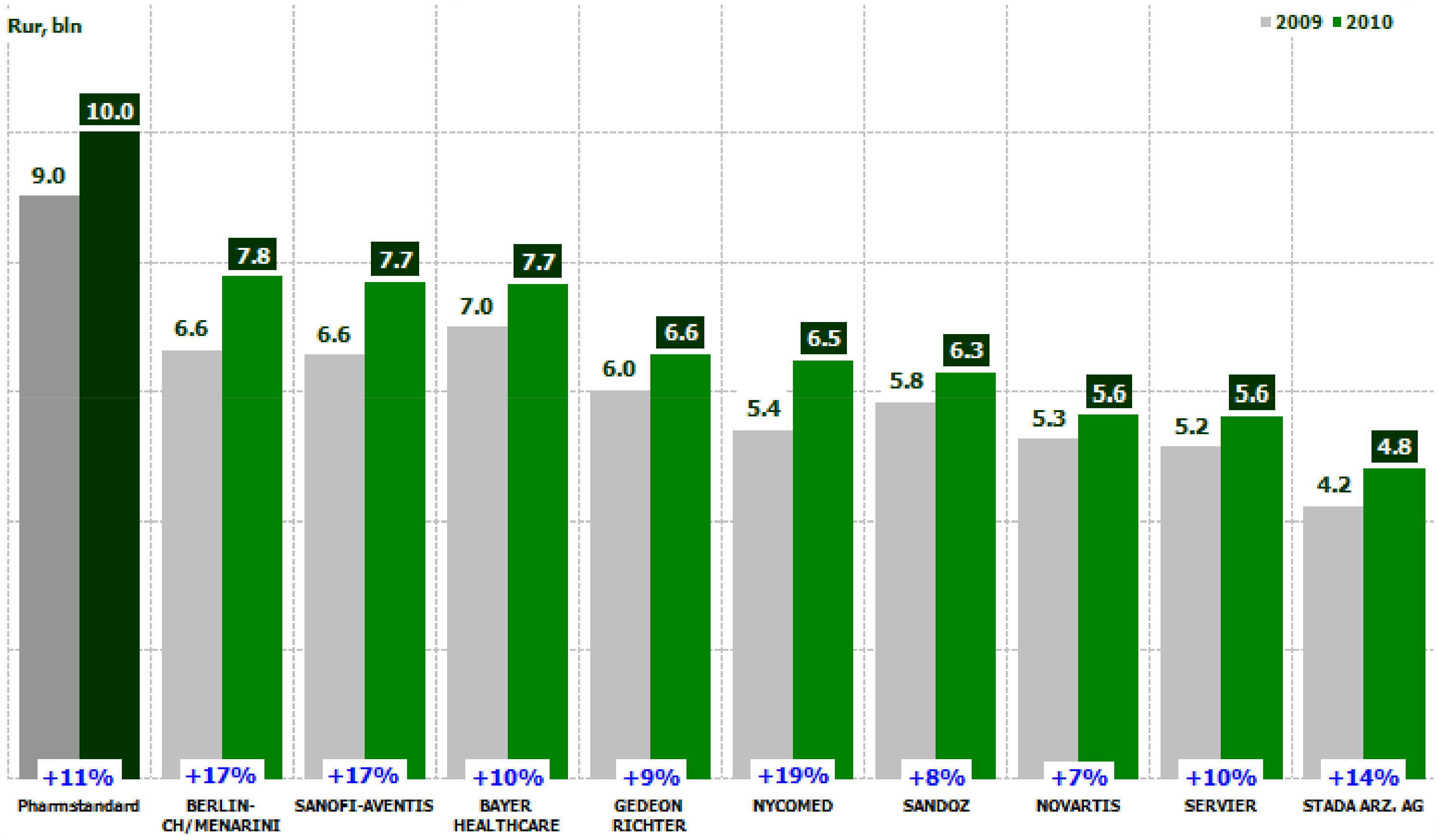
The OJSC Pharmstandard and "Johnson & Johnson" LLC entered into mutual agreement (secondary packaging of the product Velcade® (INN Bortezomib)) - The sales of the product in the first half of 2010 achieved RUR1,650 mln.

The Company successfully launched first shipments of the product Coagil VII (INN Eptacog Alpha) - RUR 791 mln.

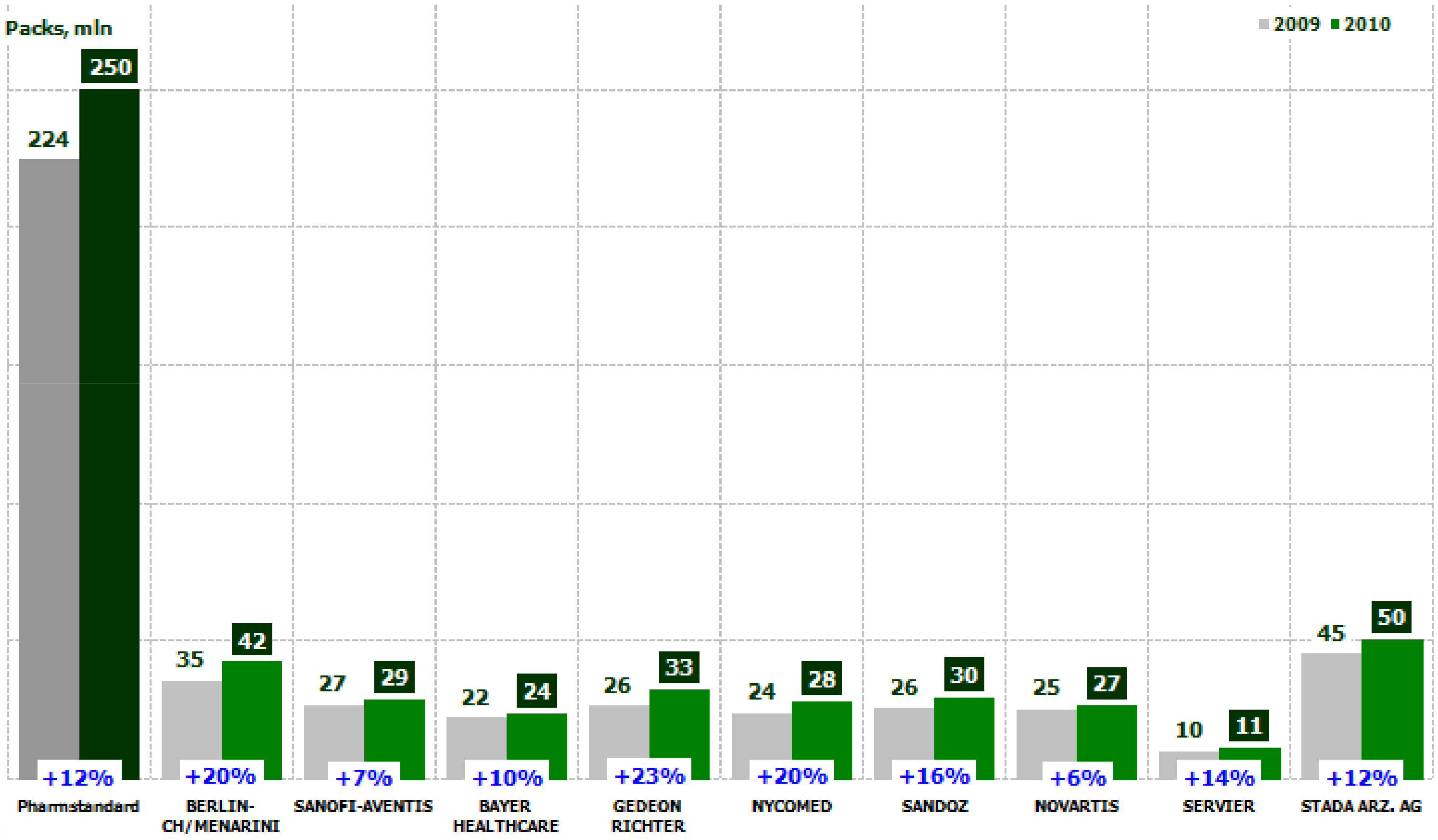
TOP-10 Average retail price dynamics 1H2010/1H2009, RUR



TOP-10 sales 1H2010/1H2009 by value, bln RUR



TOP-10 sales 2009/2008 by volume, packs



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

Source: Pharmexpert, Company data

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