

# PHARMSTANDARD – LEADING RUSSIAN PHARMACEUTICAL COMPANY

## *2008 Business & Financial Results Presentation*



# Company



# Pharmstandard at a Glance

## Market

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

- #2 pharma company overall in Russia
- #1 pharma company in the commercial segment

## Production

### Modern and efficient manufacturing facilities

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

## Sales & Marketing

### Experienced sales force & Market leading brands

- 448 sales people
- 6 brands among top-10 best selling domestic brands in Russia
- Launched 35 new products from 2004

## Financials

### Industry leading growth and profitability

- Leading EBITDA (42%) & Gross profit (61%) margins
- Total Sales of RUR 14 336 mln 2008, representing 26% growth

# Achievements

## Company

- Pharmstandard becomes No 1 in the Russian pharmaceutical retail segment;
- Pharmstandard becomes No 2 in the Russian pharmaceutical market;
- Pharmstandard is included into the list of strategic companies issued by the Government of the Russian Federation;
- Pharmstandard is included into the list of the top 100 fastest growing European companies published by BusinessWeek ;
- Pharmstandard – Leksredstva JSC receives a visit from Russia's Prime Minister Vladimir Putin.

## Financials

- Revenue growth +26%; total revenue 14,336 mln RUR
- Gross profit growth +28%; gross profit 8,759 mln RUR or 61% of sales
- EBITDA growth +24%; EBITDA 6,049 mln RUR or 42% of sales
- Net profit growth + 7%; net profit 3,503 mln RUR or 24% of sales

## Products

- Arbidol® becomes the best selling over-the-counter product of the retail pharmaceutical segment
- Direct antiviral effect of Arbidol® is confirmed in major scientific peer-review journal
- Pentalgin® is announced winner of NARODNAYA MARKA (People's Brand)/RUSSIA'S BRAND No1 Award in Painkillers Category;
- 3 Pharmstandard brands are named among the top 20 best selling brands in Russia
- Company launches 14 new products

## Facilities

- Pharmstandard receives international EU GMP certificates for six Pharmstandard – Leksredstva JSC production lines
- The total output of medicines exceeds 640 million packages (over four packages per each Russian resident)

## Long-term projects and Acquisitions

- Pharmstandard acquires the Afobazol® trade mark from Donelle Company Limited financing the transaction entirely from own funds:
- In February 2008, Pharmstandard and Grindeks (Latvia) sign a long-term cooperation agreement for exclusive distribution and promotion of Mildronate®
- Successful development of SOLMIR project.
- Company acquired the remaining minority interests in OJSC “Pharmstandard-Ufavita”, OJSC “Pharmstandard-Octyabr”, OJSC “Pharmstandard-Leksredstva” and OJSC “TZMOI” and became the sole shareholder in all those entities
- New agreement with Pharmapark on marketing and exclusive sales of Altevir®

# Milestones

2008

**Feb**

Pharmstandard and Grindex (Latvia) sign a long-term cooperation agreement for exclusive distribution and promotion of Mildronate®

**Aug**

Pharmstandard acquires Afobazol® trade mark from Donelle Company Limited. Afobazol® is a new original selective anxiolytic for anxiety disorders treatment.

**Dec**

Pharmstandard is included into the list of the top 100 fastest growing European companies published by BusinessWeek.

**Dec**

SOLMIR project (with Solvay Pharmaceuticals) – starting production of IRS19®

2009

**Feb**

Direct antiviral effect of Arbidol® is confirmed in major scientific peer-review journal

**Mar**

New agreement with Pharmapark on marketing and exclusive sales of Altevir®

January February June August October December January February March

**Jan**

Arbidol® becomes the best selling over-the-counter product of the retail pharmaceutical segment

**Jun**

Pharmstandard – Leksredstva JSC receives a visit from Russia's Prime Minister V.V. Putin

**Oct**

Pentalgin® is announced winner of NARODNAYA MARKA (People's Brand)/RUSSIA'S BRAND No1 Award in Painkillers Category according to the results of nationwide opinion polls

**Dec**

Pharmstandard is included into the list of strategic companies by the Government of the Russian Federation

**Jan**

Pharmstandard receives international EU GMP certificates for 6 Pharmstandard – Leksredstva JSC production lines

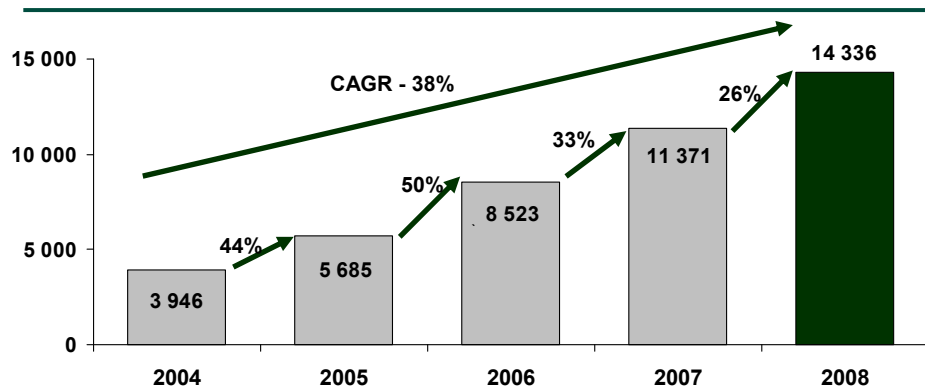
**Mar**

SOLMIR project (with Solvay Pharmaceuticals) – starting production of Imudon®

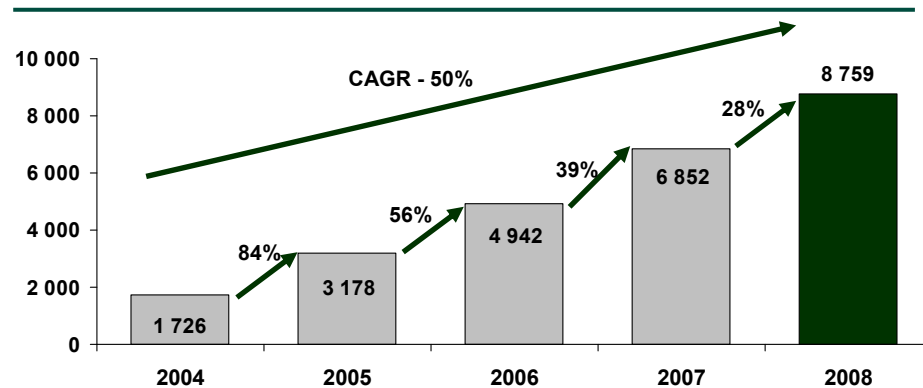
- Pharmstandard - #1 Russian Pharmaceutical Company
- Pharmstandard - #2 Company on pharmaceutical market at large
  - Pharmstandard - #1 Company in Retail segment
  - Company launched 14 new products in 2008

# 5 Years of Substantial Growth

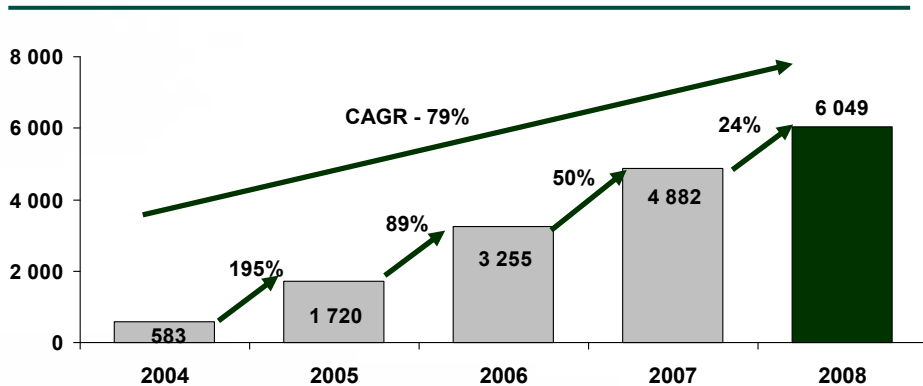
## Revenue, RUR mln



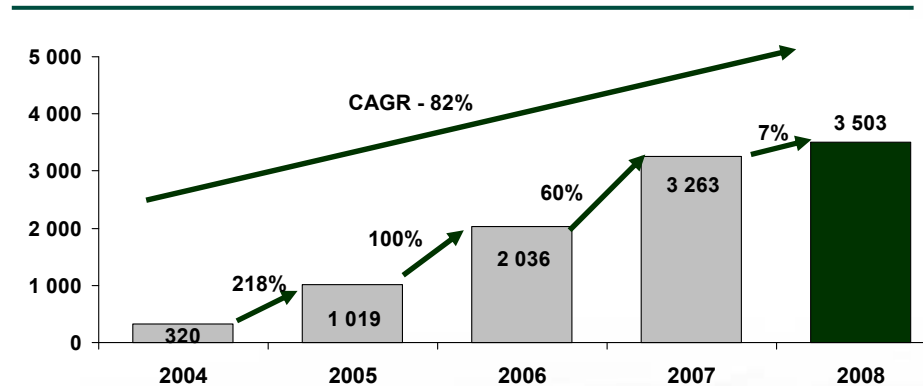
## Gross Profit, RUR mln



## EBITDA, RUR mln



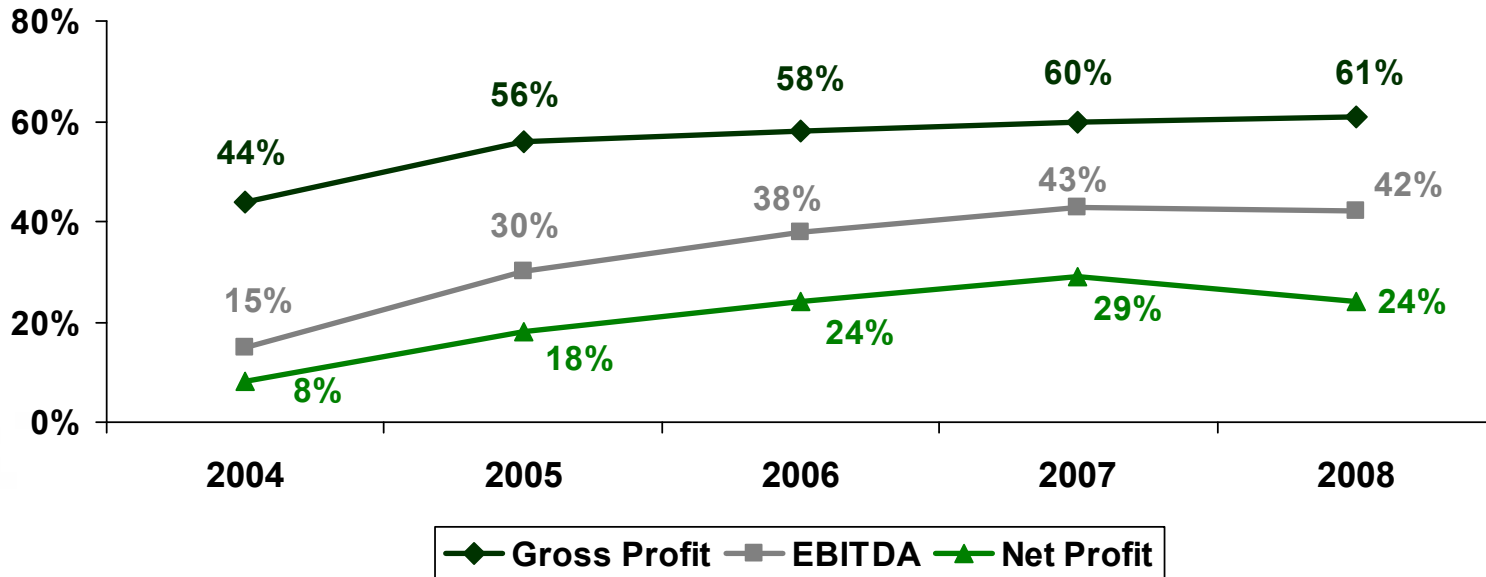
## Net Profit, RUR mln



Pharmstandard demonstrates growth from 2004 to 2008

# Strong Set of Margins

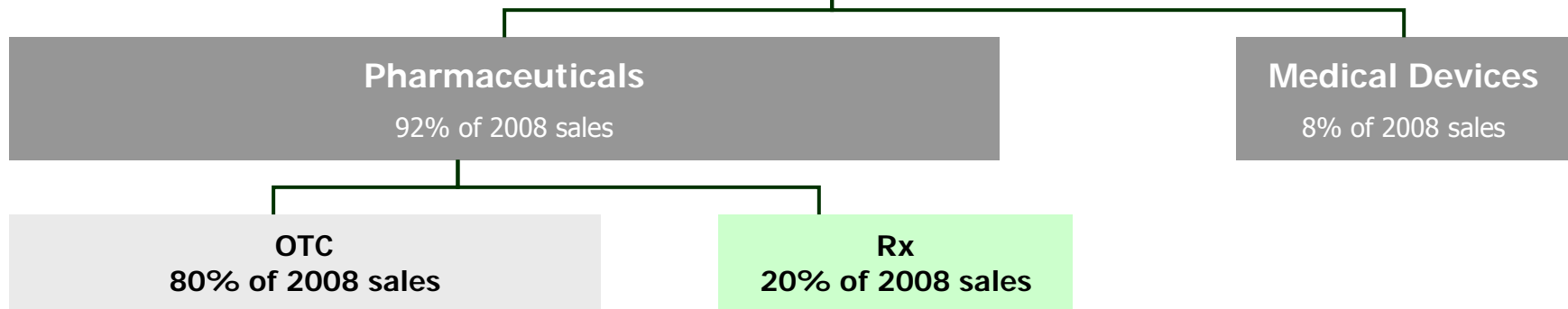
## Margins



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

**Pharmstandard keeps margins high from 2004 to 2008**

# 2008 Sales Structure



- Therapeutic focus:

- Analgesics
- Cough & cold
- Vitamins
- Anti-viral
- Anti-fungal

- Product portfolio includes:

- Coronary Therapy
- Acid pump inhibitors
- Nitrites & nitrates
- ACE inhibitors
- Alimentary tract

- Product portfolio includes:

- Sterilisers
- Distillers
- Medical disposables

**24% growth**

**122% growth (25% excluding Mildronate)**

**33% decrease**

**26% revenue growth in 2008**  
**36% pharma growth in 2008**



# Strategy

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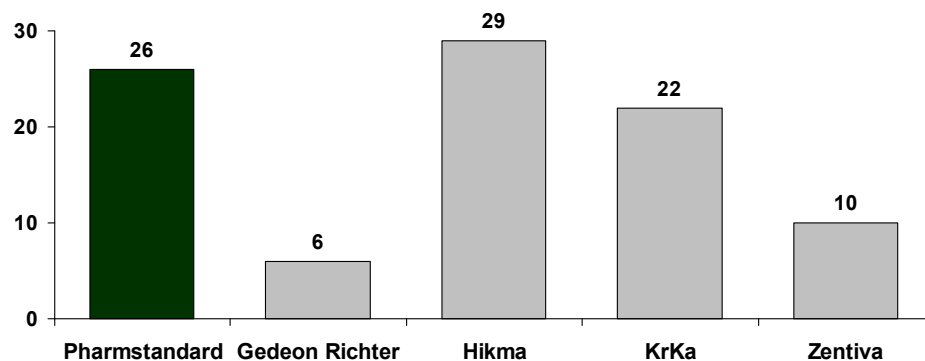
1. Promote our market-leading brands to drive sales growth and profitability
2. Launch new products on a regular basis
3. Expand sales and marketing effort
4. Grow through acquisitions and realize synergies
5. Cooperation with leading pharmaceutical companies
6. Continue to actively control costs
7. Exploit opportunities arising from government funding of healthcare



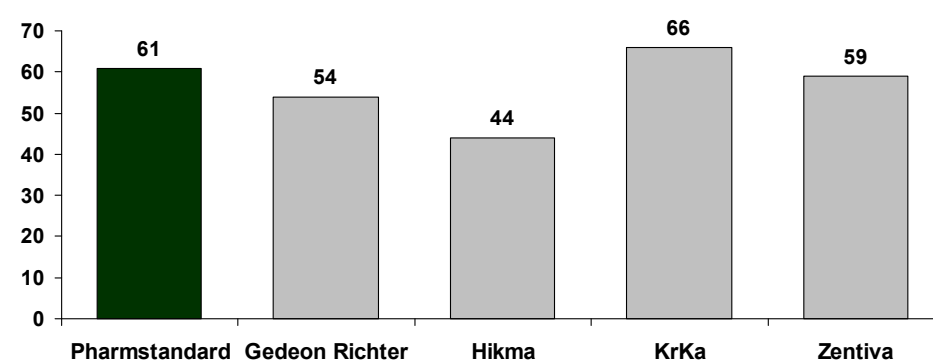
**Building the leading pharmaceutical company in Russia**

# Benchmarking 2008

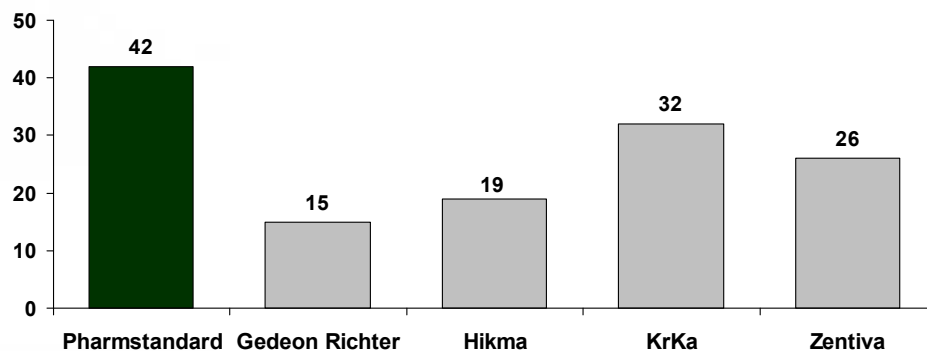
## Sales Growth, YoY



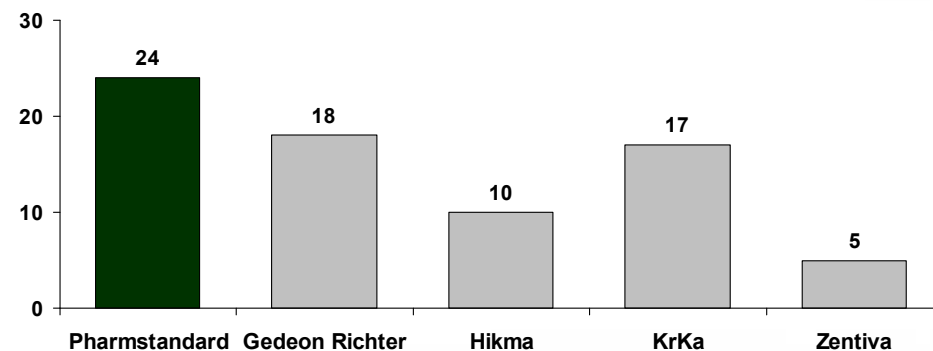
## Gross Margin, %



## EBITDA Margin, %



## Net Profit Margin, %

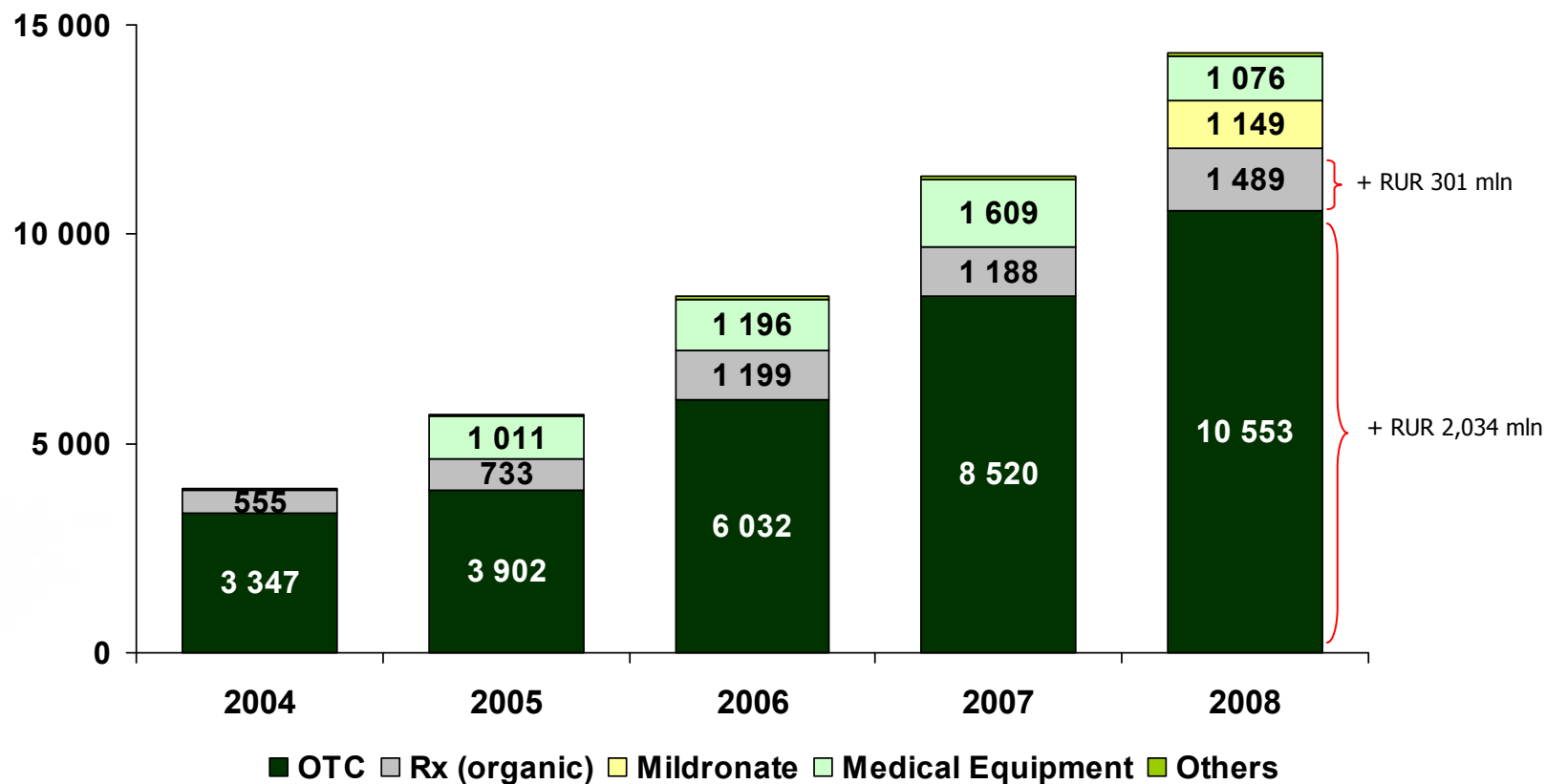


# 2008 Financial Results



# 2008 Revenue Breakdown

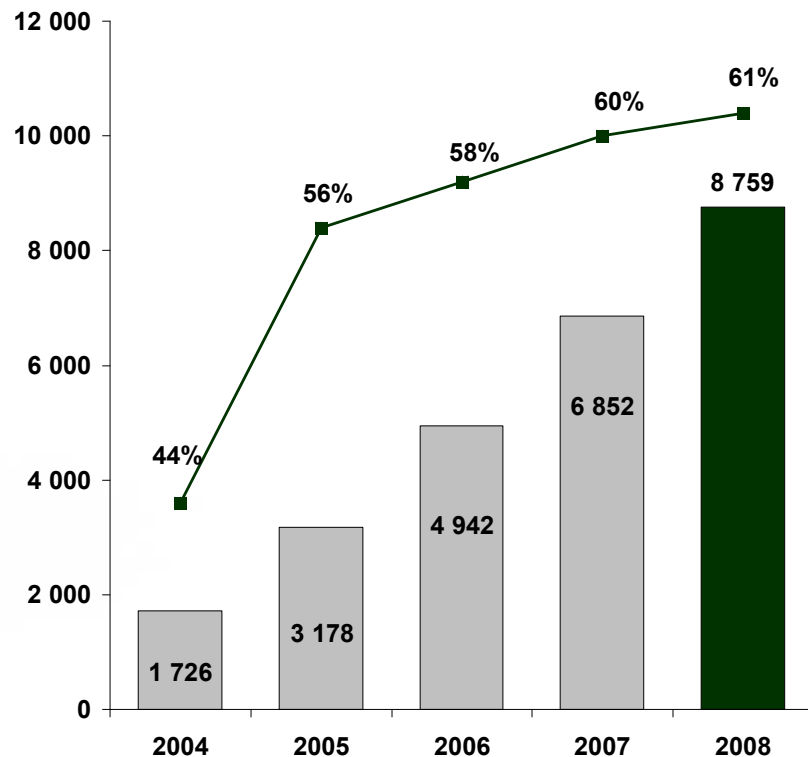
## Sales structure, RUR mln



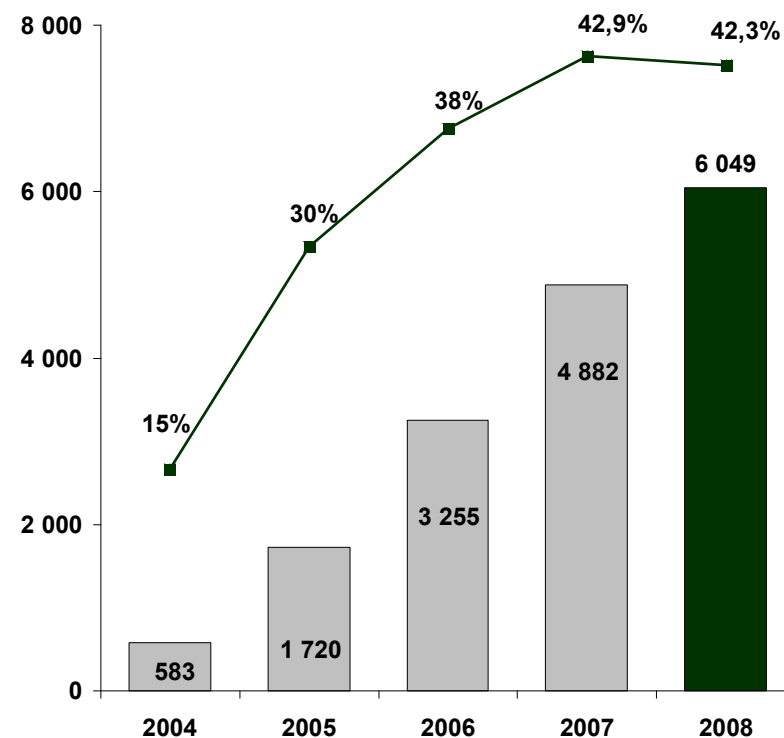
**OTC segment grew by 24%, Rx segment grew by 122%**

# Margins Retention

## Gross Profit



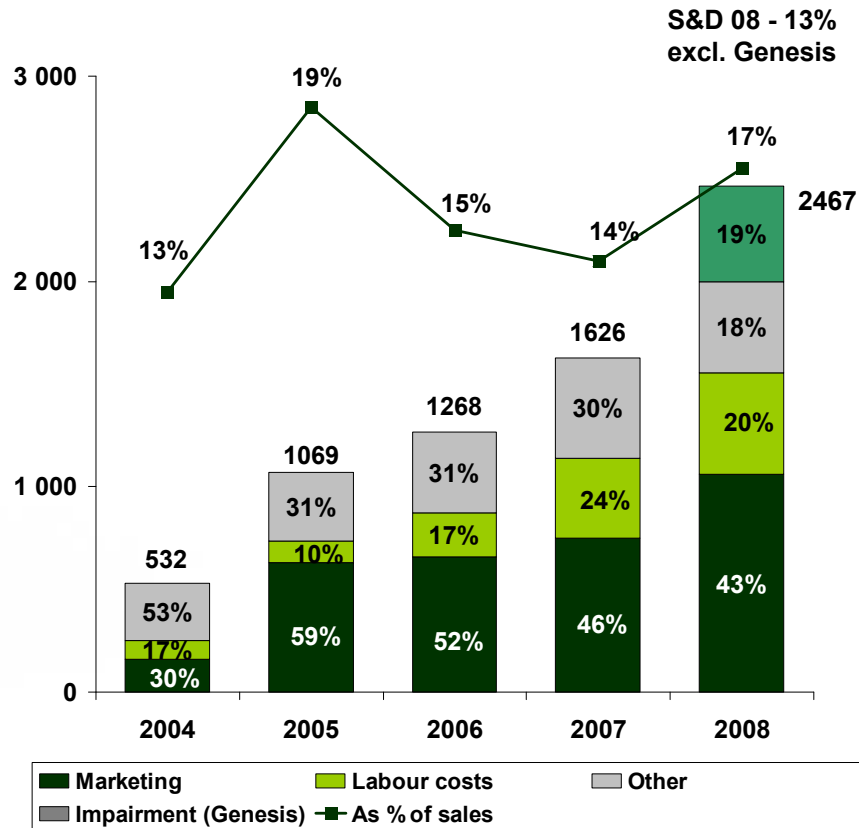
## EBITDA



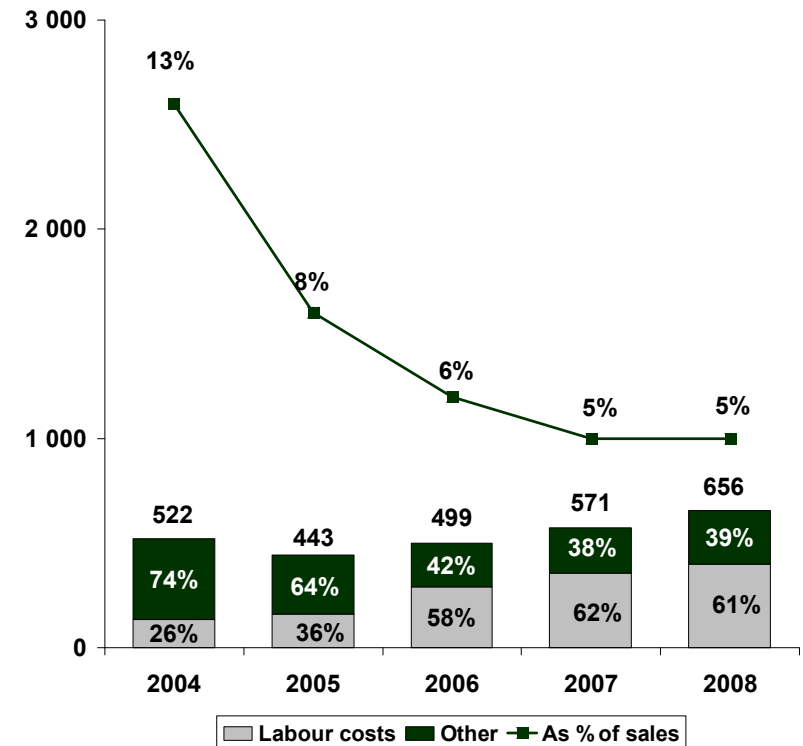
**Gross profit growth +28%**  
**EBITDA growth +24%**

# Competitive Cost Structure

## Selling and Distribution Costs



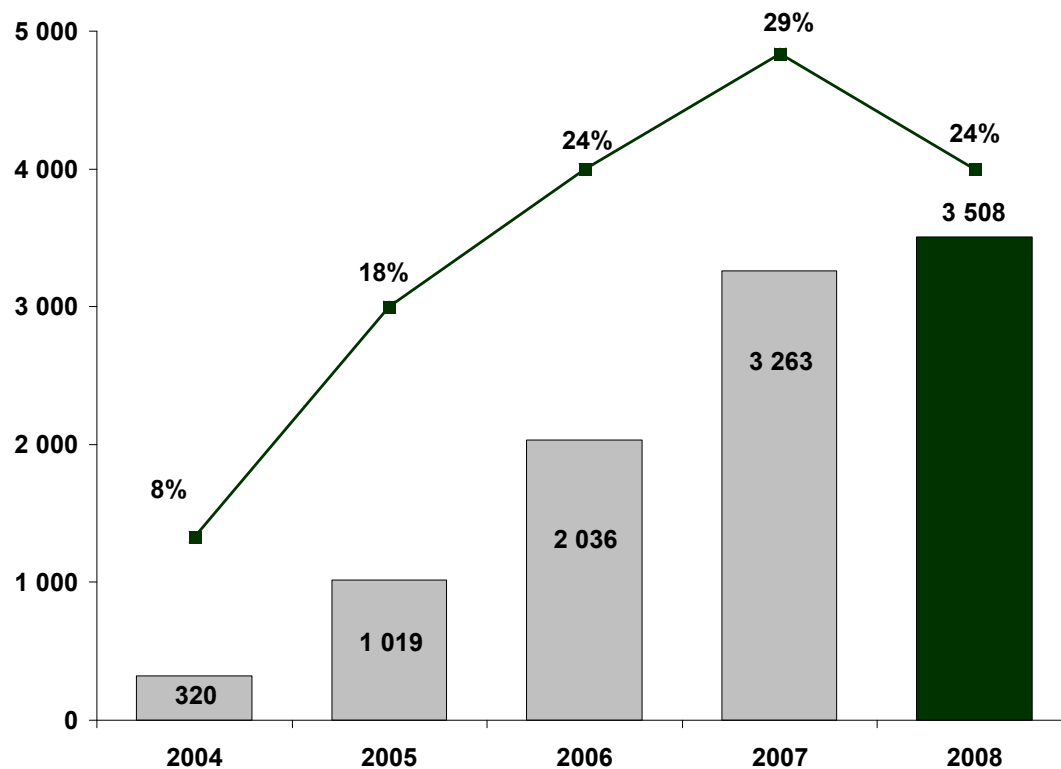
## General and Administration Costs



**Pharmstandard will hold SG&A costs less 22%**

# Attractive Profitability (1)

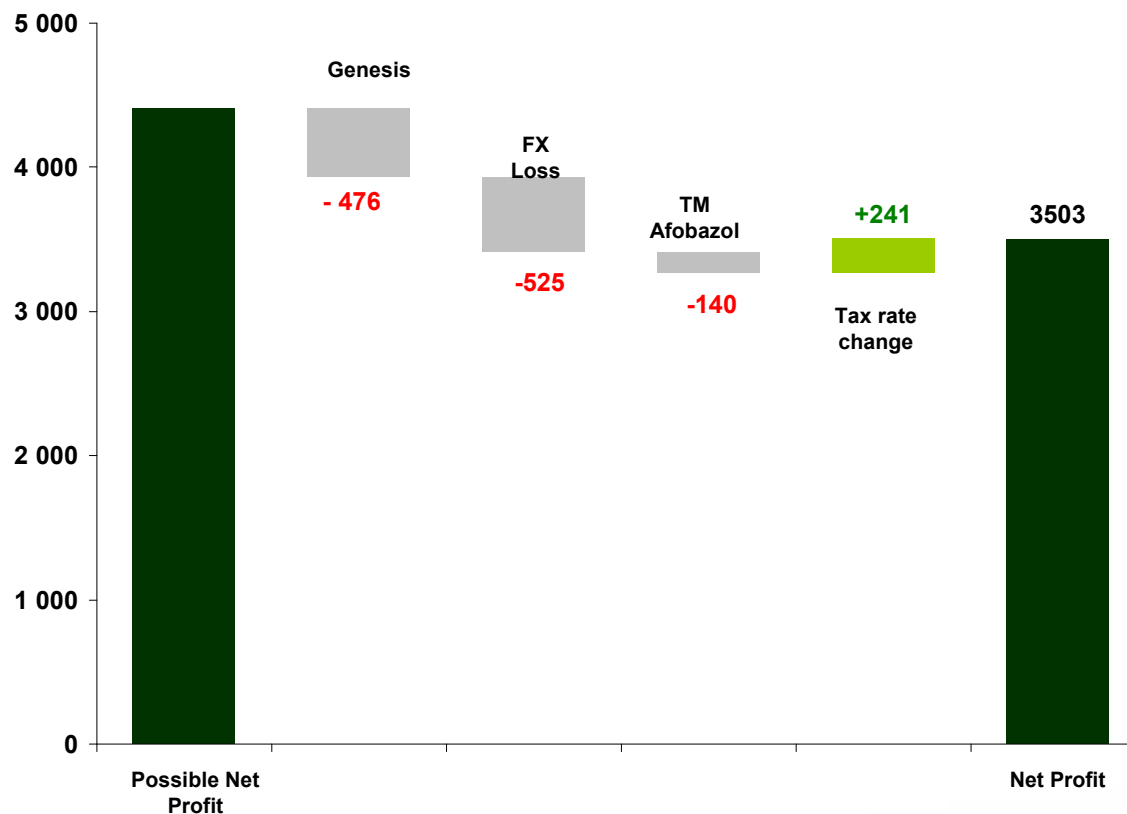
## Net Profit



**Net profit growth of 7%**

# Attractive Profitability (2)

## Net Profit Analysis



**Excluding mentioned factors, net profit growth would be 35%**



# Consolidated Balance Sheet and CAPEX

## IFRS basis

	2008	2007
Long-term assets	10,264	8,405
Trade receivables	4,761	4,176
Cash and cash equivalents	186	193
Other assets	2,999	2,52
<b>Total assets</b>	<b>18,21</b>	<b>15,294</b>
<b>Total equity</b>	<b>12,614</b>	<b>9,603</b>
Trade and other payables and accruals	1,708	1,047
Long-term borrowings and loans	761	1,955
Current portion of long-term borrowings	1,583	1,31
Other liabilities	1,544	1,379
<b>Total liabilities</b>	<b>5,596</b>	<b>5,691</b>
<b>Total equity and liabilities</b>	<b>18,21</b>	<b>15,294</b>

## Debt summary

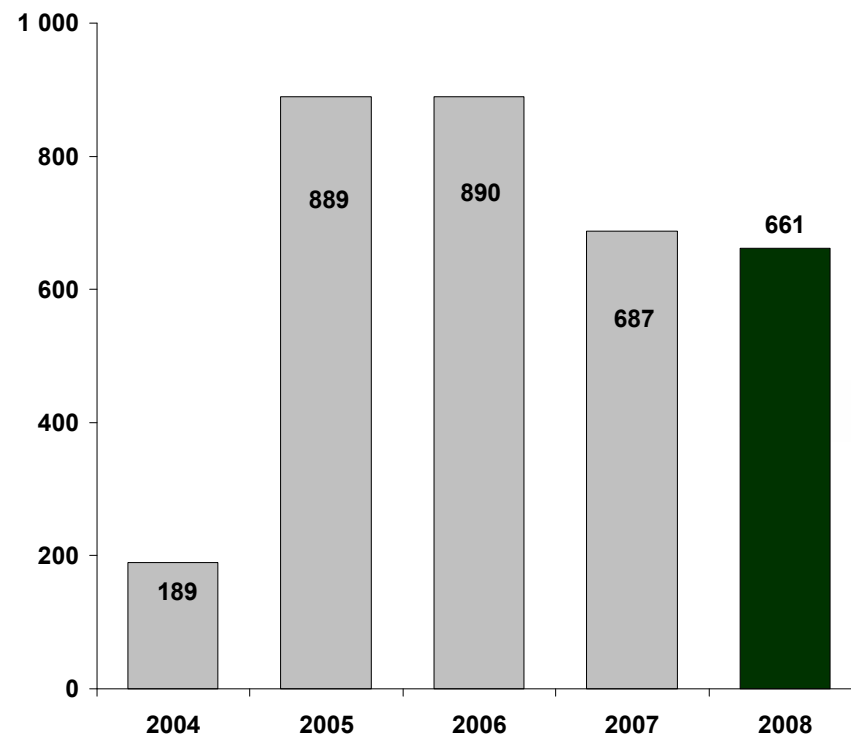
Facility A: US\$40.4m (maturity Dec-2009)

Facility B: US\$38.8m (maturity Dec-2011)

Net debt: US\$80.2m (excluding cash & equivalents)

In March 2009, next payment ~US\$13m has been paid

## Capital Expenditure (PPE\*)



\* - Tomsk, Kursk, Ufa

# Underlying Financials 2008

	<u>2007</u>	<u>2008</u>	<u>Difference, %</u>
Sales	11371	14336	26%
Gross Profit	6852	8759	28%
S&D	1626	2467	52%
S&D, % Sales	14%	17%	
G&A	571	656	15%
G&A, % Sales	5%	5%	
Operating Income	4655	5635	21%
EBITDA	4882	6049	24%
Net Income	3263	3503	7%

# Subsidiaries

In 2008, the Company's management approved a plan to acquire minority interests in several subsidiaries.

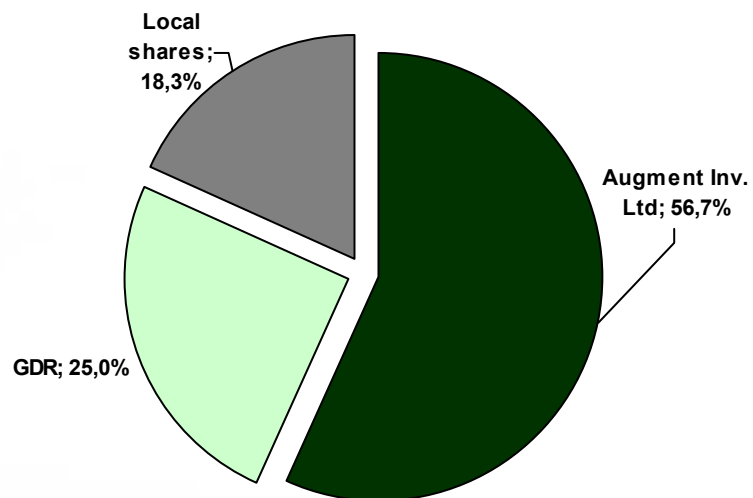
As a result, the Company acquired the remaining minority interests in OJSC "Pharmstandard-Ufavita", OJSC "Pharmstandard-Octyabr", OJSC "Pharmstandard-Leksredstva" and OJSC "TZMOI" and became the sole shareholder in all those entities.

Entity	Activity	2008, % share	2007, % share
<b>"Pharmstandard" LLC</b>	<b>Central procurement</b>	<b>100</b>	<b>100</b>
"Pharmstandard-Leksredstva" OJSC	Manufacturing of pharmaceutical products	100	99
"Pharmstandard-Tomskhimpharm" OJSC	Manufacturing of pharmaceutical products	91	91
"Pharmstandard-Ufavita" OJSC	Manufacturing of pharmaceutical products	100	94
"Pharmstandard-Octyabr" OJSC	Manufacturing of pharmaceutical products	100	93
"Pharmstandard-Phitofarm-NN" LLC	Manufacturing of pharmaceutical products	99	99

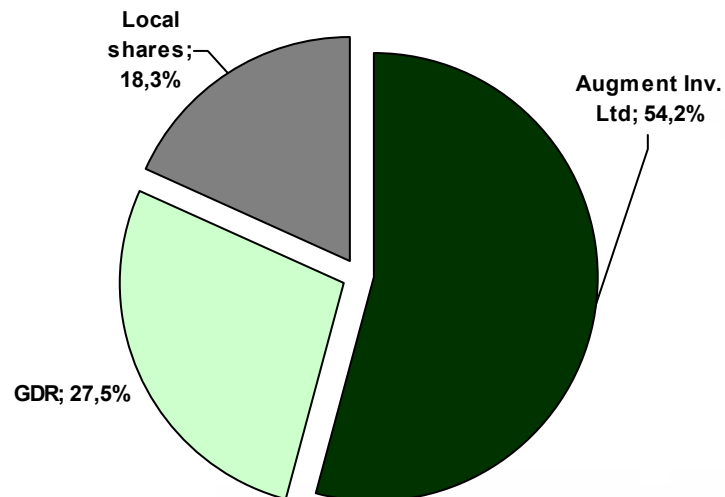
# Share Capital

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.

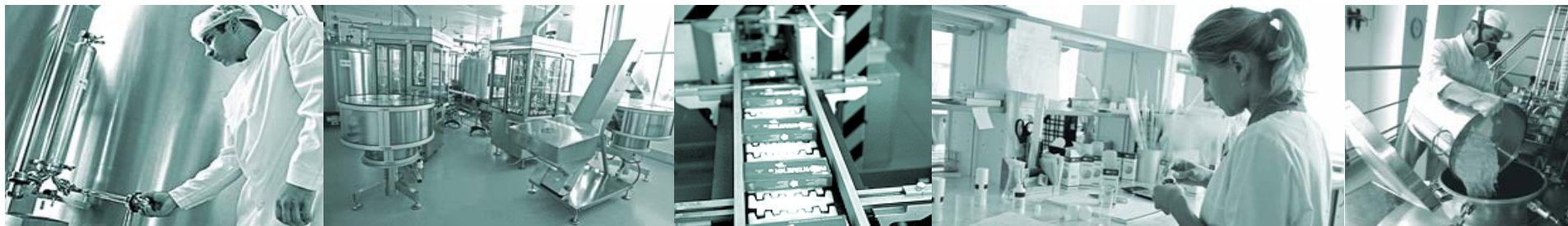
2007



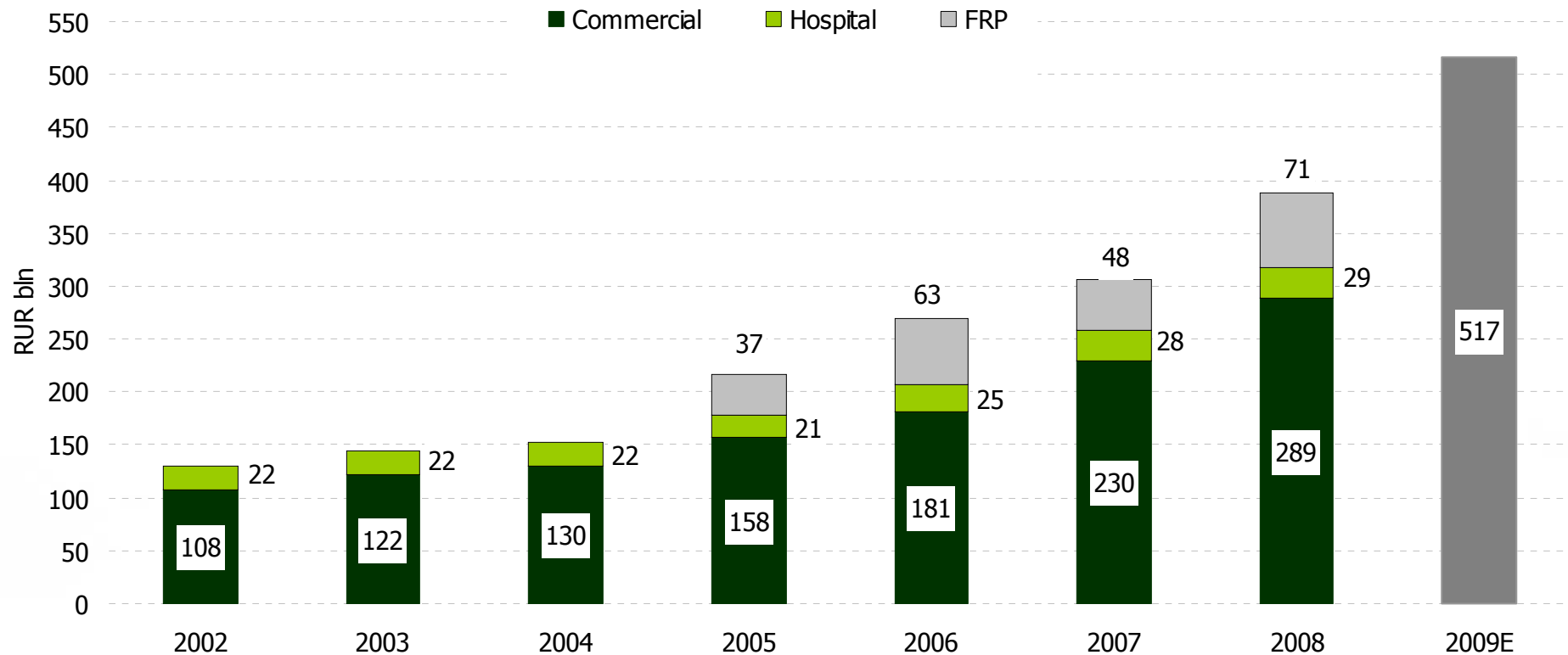
2008



# Market Trends

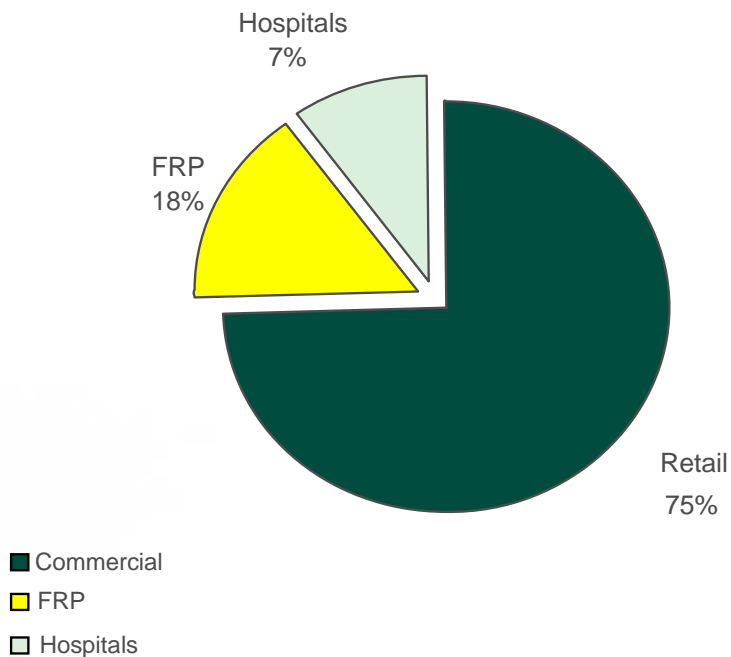


# Russian Pharmaceutical Market Development

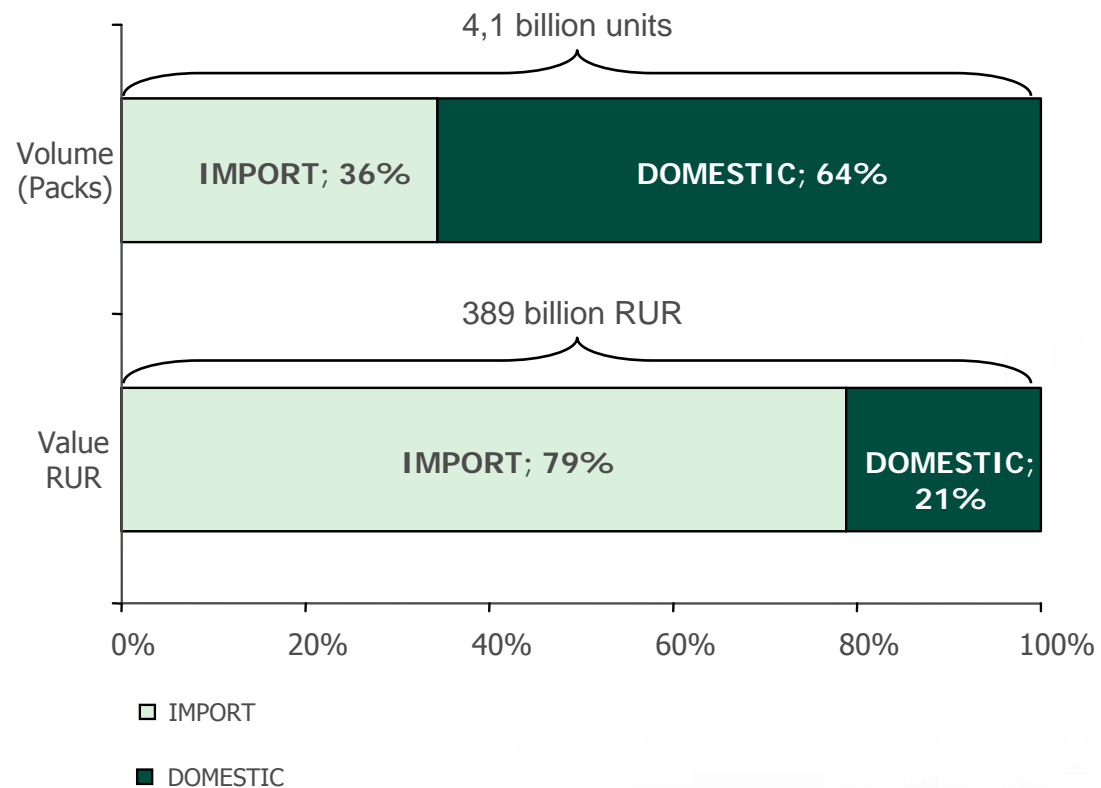


# Russian Market Structure

## Market structure by sales channels

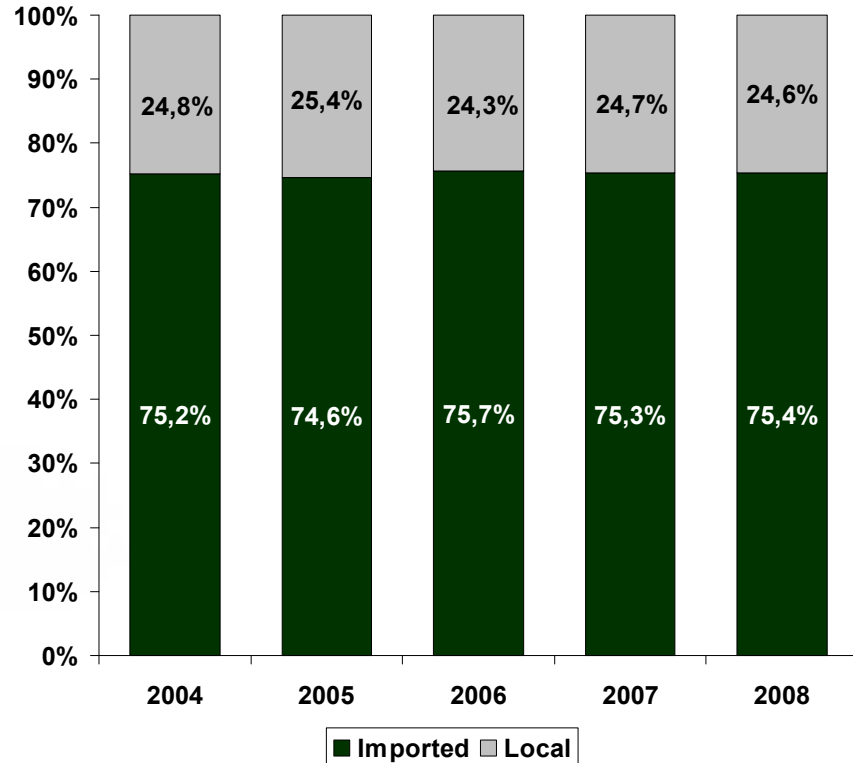


## Split between domestic and international firms

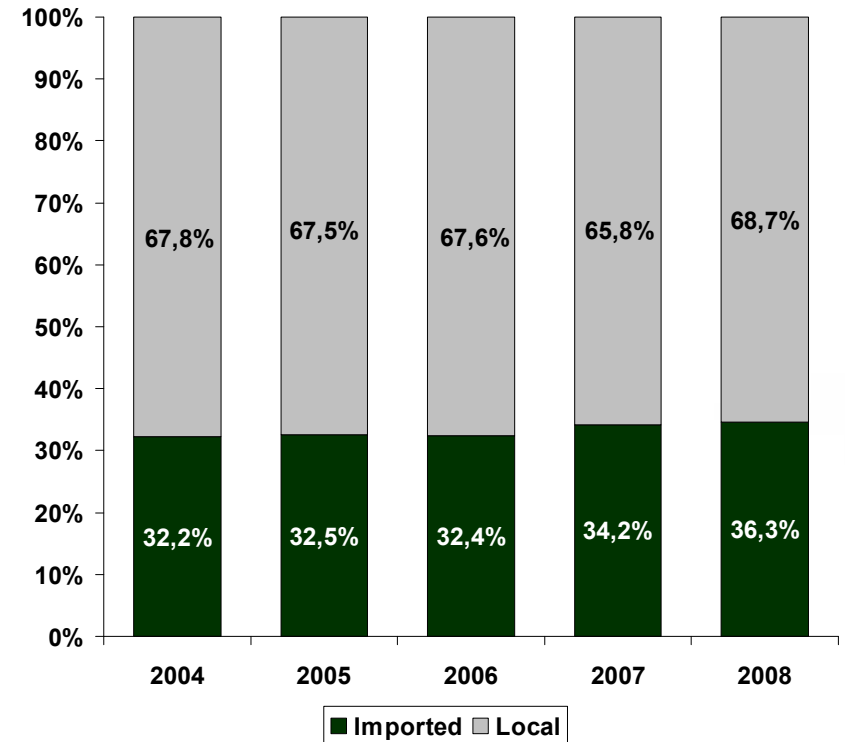


# Retail Segment - Imported vs. Local

By Value, RUR, %



By Volume, RUR, %

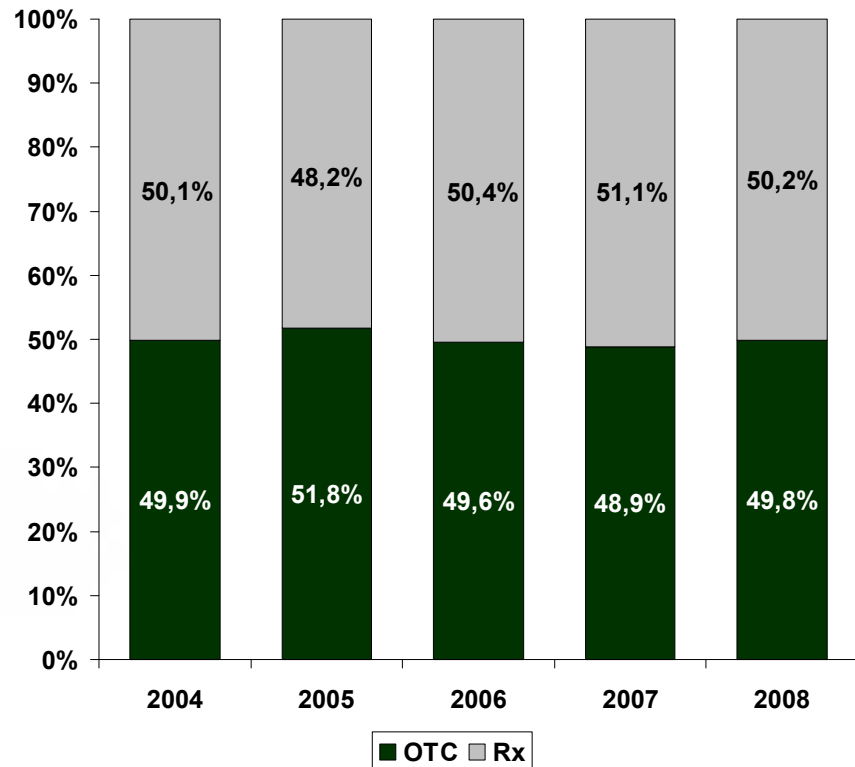


**Strong trend in imported product dominance by value**  
**and local product dominance by volume**

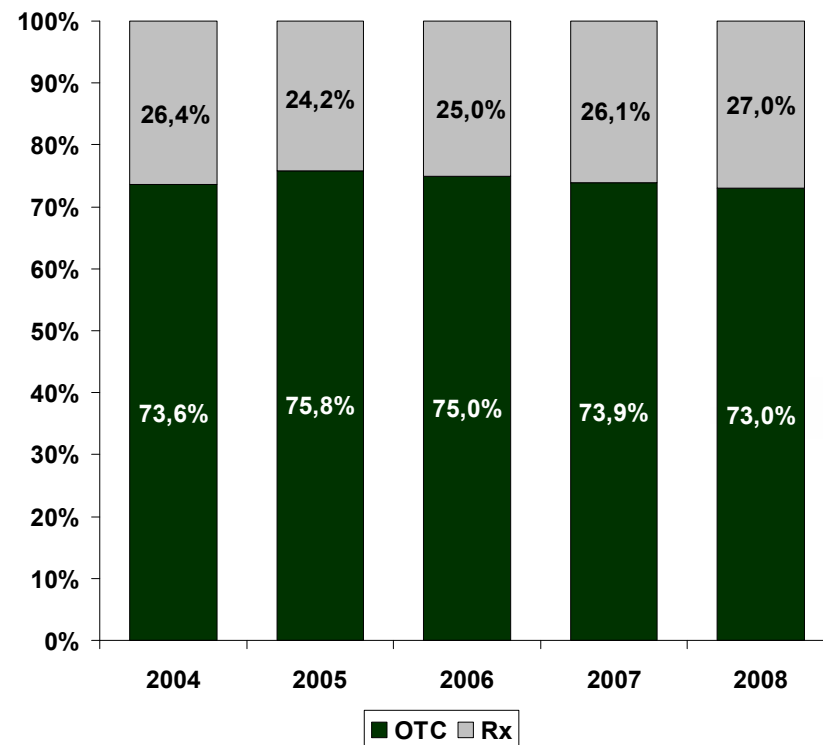


# Retail Segment - OTC vs. Rx

## By Value, RUR, %



## By Volume, RUR, %



**OTC products had a larger share in terms of packages**  
**Rx drugs led in terms of monetary value**

# Government Support of Healthcare

## 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.
- In 2007 the list of essential drugs was revised and cut down. The Programme was divided into 2 parts:
  - 1 part - 7 nosologies. Federal level.
  - 2 part - essential medication for population groups entitled to benefits (ONLS Programme). The list of population groups was expanded to include children, pregnant women and pensioners, as well as the disabled and veterans. Regional level.
- 2008 expenditures - 60 billion RUR (7 nosologies – 33 billion RUR, ONLS - 27 billion RUR).
- Approved FRP 2009 budget - 76.9 billion RUR (7 nosologies – 36.4 billion RUR, ONLS - 40.5 billion RUR).
- According to the RF Minister for Public Health and Social Development Tatiana Golikova, in the second half of 2009, “public procurement of drugs will be carried out with the focus on the maximum involvement of local manufacturers”.

## Strategy 2020

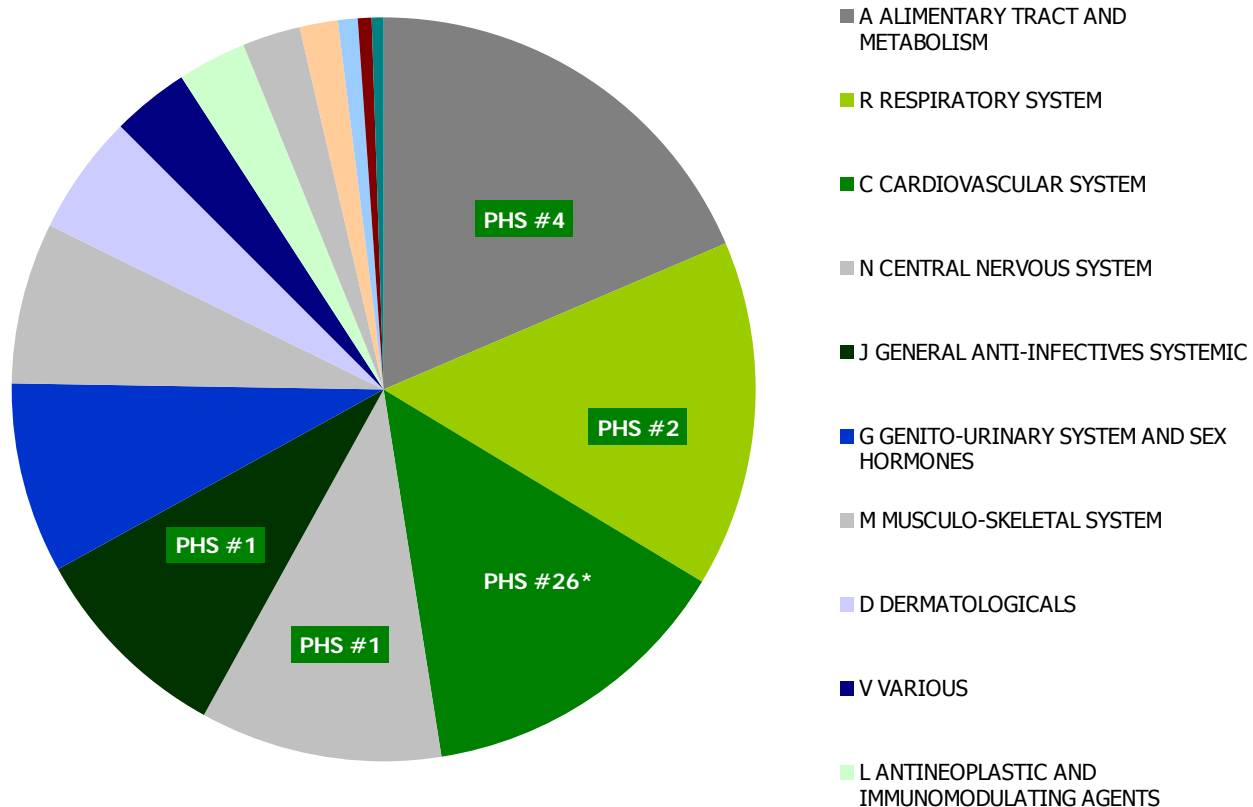
- Ministry of Industry and Trade of the Russian Federation completed and presented the draft of the Pharmaceutical Sector Development Strategy 2020.
- This document outlines the guidelines for the adoption of the GMP standards and implementation of the import substitution programme.

## 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.

# Pharmstandard Position in ATC1 Categories

Top 5 ATC1 categories occupies 67% of total Commercial retail market

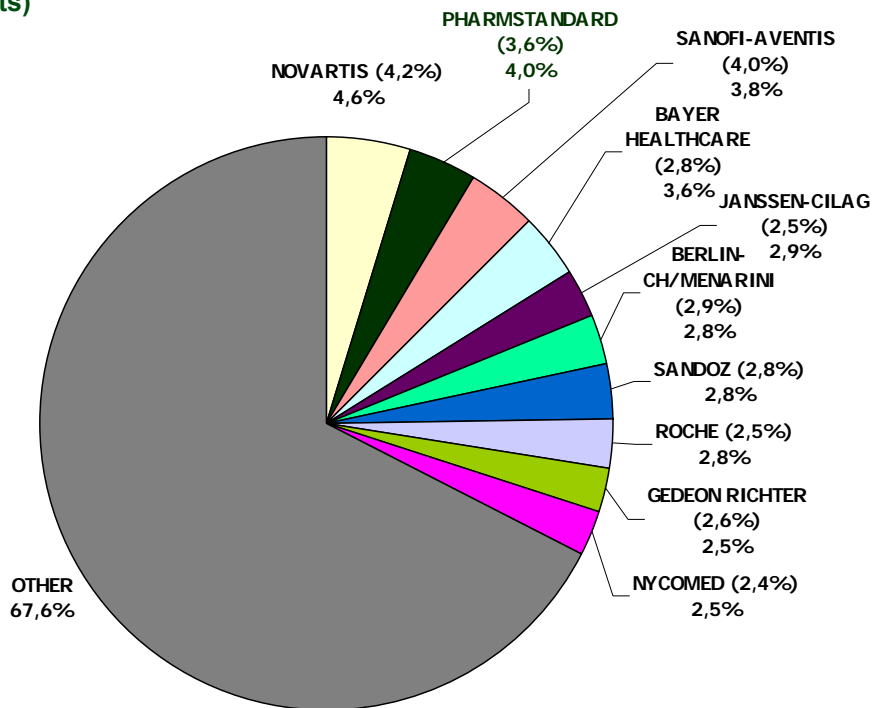


\* - Excluding Mildronate – major brand in this category

# #2 pharmaceutical company on Russian market

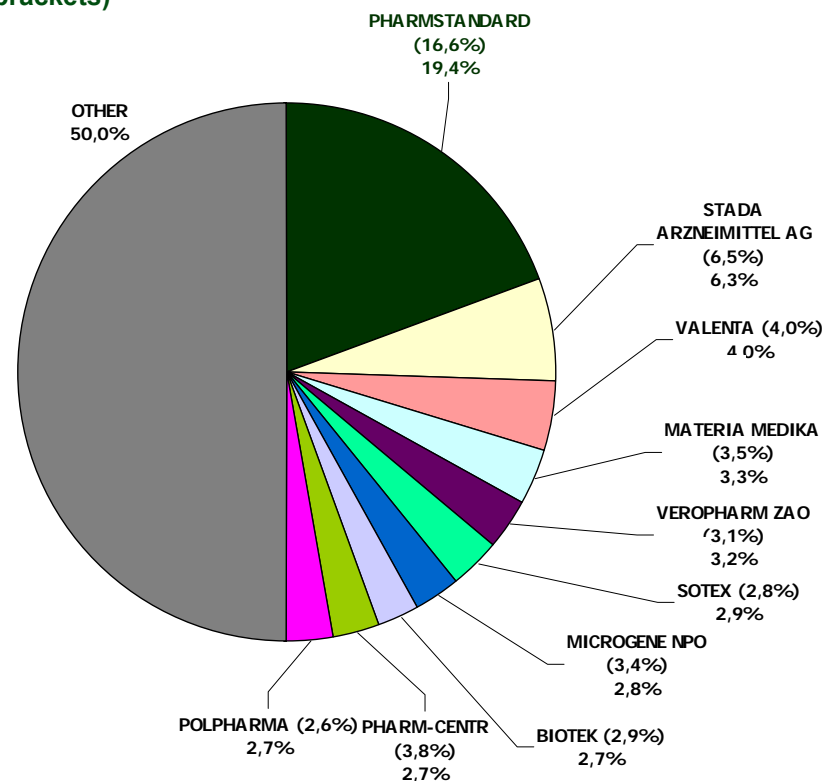
## Market Share – All Companies

MS in 2008 (2007 – in brackets)



## Market Share - Domestic Companies

MS in 2008 (2007 – in brackets)



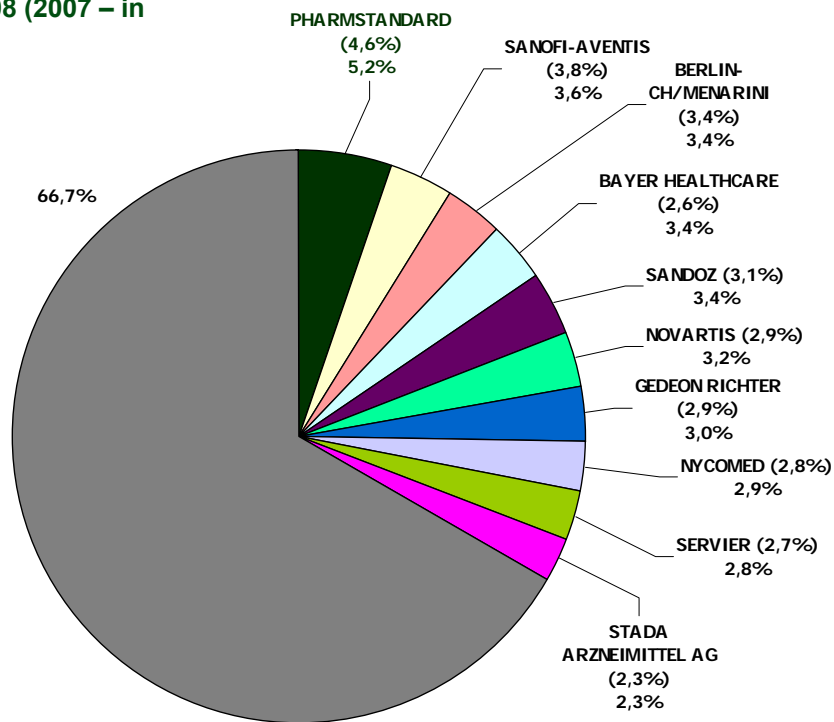
#2 pharma company in Russia overall

#1 domestic pharma company, with market share 2 times larger than that of #2 domestic player

# A Leader in the Russian Commercial Segment

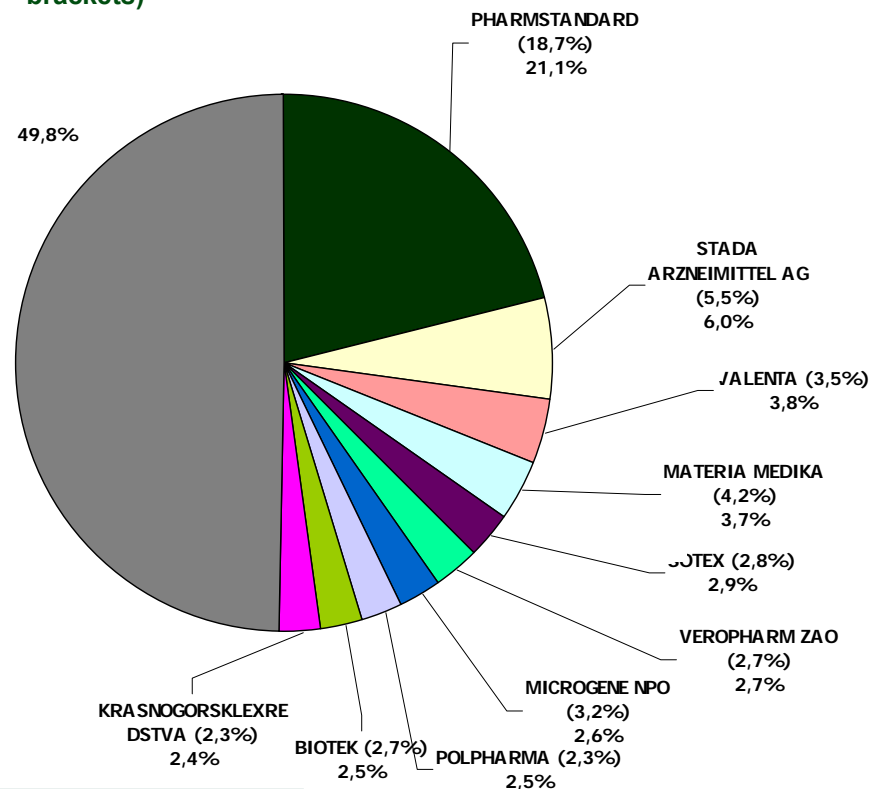
## Commercial Segment - Market Share – All Companies

MS in 2008 (2007 – in brackets)



## Commercial Segment - Market Share - Domestic

MS in 2008 (2007 – in brackets)



**PHS is #1 in commercial segment**  
**(commercial segment is 75% of the total market)**

# Distributors

Distributor	2007	% of Sales	2008	% of Total Sales
Katren	1 168	15%	2 593	19%
Genesis	1 427	18%	1 673	12%
Protek	889	11%	1 886	14%
Sia	685	9%	1 893	14%
ROSTA	472	6%	1 070	8%
<b>Total</b>	<b>4 641</b>	<b>60%</b>	<b>9 116</b>	<b>68%</b>

## Payment terms

- Russia retail – up to 90 days
- Export – up to 180 days

AR growth +13% (Sales growth – 26%)

# Products



# Product Launches in 2008 and 2009

## Product Launches 2008

Product	Date	Description	ATC value, 2007, US\$ mln	ATC value, 2008, US\$ mln
<i>OTC</i>				
Influnorm	Jul08	R05A - cold preparation without anti-infectives	157	205
Pentalgine Plus	Mar08	N02B - non-narcotics analgesics and antipyretics	216	281
Complivit Ophthalmolmo	Jul08	A11A - multivitamins with minerals	204	252
Complivit Se	Aug08	A11A - multivitamins with minerals	204	252
Complivit Fe	Aug08	A11A - multivitamins with minerals	204	252
Complivit Mg	Sep08	A11A - multivitamins with minerals	204	252
Neurocomplivit	Feb08	A11D - B1 vitamin and combinations	39	55
Lactazar	Sep08	A15A - appetite stimulants	1	2
Neosmectine	Jan08	A07B - intestinal absorbent antidiarrhoeals	41	61
<i>Rx</i>				
Combilipen	Feb08	A11D3 - (injections) - B1 vitamin and combinations	25	39
Octolipen	May08	A05B0 - hepatic protectors	187	250
Neupomax	Jun08	L03A1 - colony-stimulating factors	13	13
Formetin	Sep08	A10B2 - biguanide antidiabetics	19	28
Bloctran	Mar08	C09C0 - angiotensine-2 antagonists plain	19	29

## New Products 2009

Product	Date	Description	ATC value, US\$ mln
Complivit Anti-stress	Jun09	A11A - multivitamins with minerals	252
Complivit Siyanie	Jun09	A11A - multivitamins with minerals	252
Complivit Diabetes	Jun09	A11A - multivitamins with minerals	252
Mildronate, ampules	Aug09	C01D - coronary therapy excluding calcium antagonists and nitrites	113
Traneksam	Sep09	B02A - antifibrinolytics	3
Complivit Woman 45+	Nov09	A11A - multivitamins with minerals	252
Complivit Active (Chewing), 3-10 years	Nov09	A11A - multivitamins with minerals	252
Codelac Broncho, syrup	Dec09	R05D - antitussives	110
Codelac Broncho, tablets	Jun09	R05D - antitussives	110
Magnelis B6	Apr09	A12C - other mineral supplement	36
Zinocap, aerosol	Sep09	D05A - topical antipsoriasis product	22
Zinocap, cream	Sep09	D05A - topical antipsoriasis product	22



# Best Selling Brands 2008

№	BRAND	2008			2007			Volume 08/07		Sales 08/07	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Arbidol	26,349	2 731	20%	25,064	2 316	24%	1,285	5%	415	18%
2	Terpincod	15,715	1 606	12%	18,921	1 322	14%	-3,207	-17%	284	21%
3	Pentalgin	31,964	1 582	12%	28,757	1 314	14%	3,207	11%	268	20%
4	Mildronate	6,521	1 368	10%	0,000	0	0%	6,521	-	1 368	-
5	Complivit	10,321	673	5%	11,377	623	6%	-1,056	-9%	50	8%
6	Codelac	10,331	670	5%	9,148	468	5%	1,182	13%	202	43%
7	Flukostat	4,969	561	4%	4,565	502	5%	0,404	9%	58	12%
8	Phosphogliv	1,318	424	3%	1,107	356	4%	0,210	19%	68	19%
9	Amixin	0,791	337	3%	0,578	247	3%	0,213	37%	91	37%
10	Corvalol	53,821	236	2%	41,402	155	2%	12,419	30%	82	53%
<b>Other brands</b>		<b>487,104</b>	<b>3 237</b>	<b>24%</b>	<b>480,737</b>	<b>2 407</b>	<b>25%</b>	<b>6,367</b>	<b>1%</b>	<b>830</b>	<b>34%</b>
<b>TOTAL SALES</b>		<b>649,203</b>	<b>13 423</b>	<b>100%</b>	<b>621,658</b>	<b>9 708</b>	<b>100%</b>	<b>27,545</b>	<b>4%</b>	<b>3 715</b>	<b>38%</b>

# Top 10 OTC/RX Brands 2008

## Top 10 OTC Brands

№	BRAND	2008			2007			Volume 08/07		Sales 08/07	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Arbidol	26,349	2 731	26%	25,064	2 316	27%	1,285	5%	415	18%
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5	Codelac	10,331	670	6%	9,148	468	5%	1,182	13%	202	43%
6	Flukostat (tablets)	4,931	555	5%	4,519	495	6%	0,412	9%	59	12%
7	Amixin (125mg)	0,727	317	3%	0,512	226	3%	0,215	42%	91	40%
8	Corvalol	53,821	236	2%	41,402	155	2%	12,419	30%	82	53%
9	Afobazol	1,503	218	2%	0,000	0	0%	1,503	-	218	-
10	Activated charcoal	65,533	162	2%	51,117	60	1%	14,416	28%	102	170%
<b>Other brands</b>		<b>389,946</b>	<b>1 818</b>	<b>17%</b>	<b>382,163</b>	<b>1 542</b>	<b>18%</b>	<b>7,783</b>	<b>2%</b>	<b>277</b>	<b>18%</b>
<b>TOTAL SALES</b>		<b>611,141</b>	<b>10 567</b>	<b>100%</b>	<b>572,980</b>	<b>8 520</b>	<b>100%</b>	<b>38,161</b>	<b>7%</b>	<b>2 047</b>	<b>24%</b>

## Top 10 Rx Brands

№	BRAND	2008			2007			Volume 08/07		Sales 08/07	
		Volume (mln packs)	Sales (mln RUR)	% of total sales	Volume (mln packs)	Sales (mln RUR)	% of total sales	Change	%	Change	%
1	Mildronate	6,521	1 368	48%	0,000	0	0%	6,521	-	1 368	-
2	Phosphogliv	1,318	424	15%	1,107	356	30%	0,210	19%	68	19%
3	Biosulin	0,373	164	6%	0,244	120	10%	0,129	53%	44	36%
4	Reduxin	0,133	113	4%	0,000	0	0%	0,133	-	113	-
5	Cyclodol	2,390	83	3%	0,962	29	2%	1,429	149%	53	184%
6	Pikamilon	3,189	61	2%	2,539	45	4%	0,650	26%	16	35%
7	Renipril	1,749	60	2%	1,953	68	6%	-0,205	-10%	-8	-11%
8	Azitrox	0,376	57	2%	0,256	37	3%	0,121	47%	20	52%
9	Sulfokamfokain	1,627	42	1%	1,843	34	3%	-0,216	-12%	8	23%
10	Liptonorm	0,152	41	1%	0,081	21	2%	0,071	87%	19	91%
<b>Other brands</b>		<b>20,234</b>	<b>444</b>	<b>16%</b>	<b>39,693</b>	<b>477</b>	<b>40%</b>	<b>-19,458</b>	<b>-49%</b>	<b>-33</b>	<b>-7%</b>
<b>TOTAL SALES</b>		<b>38,062</b>	<b>2 856</b>	<b>100%</b>	<b>48,678</b>	<b>1 188</b>	<b>100%</b>	<b>-10,616</b>	<b>-22%</b>	<b>1 668</b>	<b>140%</b>



Q & A

# Appendix



# Growth Analysis Across Market Segments

## Domestic companies

Corporation	2007			2007 Иттор	2008			2008 Иттор	2008			2008 Иттор
	Commercial	Hospital	Reimbursement		Commercial	Hospital	Reimbursement		Commercial	Hospital	Reimbursement	
PHARMSTANDARD	10 557 649 798	164 536 078	333 574 568	11 055 760 445	14 924 420 276	137 373 997	382 246 046	15 444 040 319	+41%	-17%	+15%	+40%
STADA ARZNEIMITTEL AG	3 101 415 419	78 329 583	1 125 245 678	4 304 990 680	4 266 054 589	83 184 866	666 582 192	5 015 821 648	+38%	+6%	-41%	+17%
VALENTA	1 985 724 315	153 571 126	502 043 114	2 641 338 555	2 706 519 871	144 278 991	314 581 554	3 165 380 416	+36%	-6%	-37%	+20%
MATERIA MEDIKA	2 354 408 301	1 713 830		2 356 122 131	2 623 020 552	572 429		2 623 592 981	+11%	-67%		+11%
VEROPHARM ZAO	1 499 548 822	373 298 715	194 727 341	2 067 574 878	1 875 980 052	305 779 736	353 946 362	2 535 706 150	+25%	-18%	+82%	+23%
SOTEX	1 598 161 448	75 788 162	181 719 116	1 855 668 726	2 020 117 947	201 665 052	116 195 788	2 337 978 787	+26%	+166%	-36%	+26%
MICROGENE NPO	1 816 569 778	433 348 275		2 249 918 053	1 812 398 566	409 562 801	2 259 252	2 224 220 619	-0%	-5%		-1%
BIOTEK	1 515 394 181	316 121 018	79 582 610	1 911 097 809	1 746 113 733	397 083 941	33 487 930	2 176 685 604	+15%	+26%	-58%	+14%
PHARM-CENTR	1 347 018 849	923 190 165	258 448 871	2 528 657 885	1 523 569 332	467 022 255	178 965 336	2 169 556 923	+13%	-49%	-31%	-14%
POLPHARMA	1 296 371 735	80 523 722	344 438 627	1 721 334 085	1 767 751 869	53 164 884	302 088 582	2 123 005 335	+36%	-34%	-12%	+23%

## International companies

Corporation	2007			2007 Иттор	2008			2008 Иттор	2008			2008 Иттор
	Commercial	Hospital	Reimbursement		Commercial	Hospital	Reimbursement		Commercial	Hospital	Reimbursement	
NOVARTIS	6 637 738 579	418 684 174	5 660 892 268	12 717 315 021	9 106 878 780	579 030 172	8 155 752 364	17 841 661 316	+37%	+38%	+44%	+40%
PHARMSTANDARD	10 557 649 798	164 536 078	333 574 568	11 055 760 445	14 924 420 276	137 373 997	382 246 046	15 444 040 319	+41%	-17%	+15%	+40%
SANOFI-AVENTIS	8 765 535 637	1 785 369 000	1 530 948 063	12 081 852 700	10 445 700 769	2 052 816 171	2 326 786 453	14 825 303 393	+19%	+15%	+52%	+23%
BAYER HEALTHCARE	5 981 559 075	535 528 658	2 167 197 966	8 684 285 699	9 889 673 394	699 758 853	3 490 411 506	14 079 843 753	+65%	+31%	+61%	+62%
JANSSEN-CILAG	2 574 342 231	276 345 975	4 925 396 216	7 776 084 422	1 709 864 708	414 049 832	9 218 811 463	11 342 726 003	-34%	+50%	+87%	+46%
BERLIN-CH/MENARINI	7 731 577 733	382 874 623	725 638 625	8 840 090 980	9 960 317 282	359 900 414	731 336 204	11 051 553 901	+29%	-6%	+1%	+25%
SANDOZ	7 182 465 387	1 059 148 500	322 093 525	8 563 707 411	9 794 151 766	833 374 706	323 515 988	10 951 042 460	+36%	-21%	+0%	+28%
ROCHE	2 226 438 836	890 924 973	4 571 901 901	7 689 265 710	2 685 988 444	1 187 407 499	7 053 054 912	10 926 450 856	+21%	+33%	+54%	+42%
GEDEON RICHTER	6 721 980 247	865 526 439	439 251 150	8 026 757 836	8 740 206 049	731 642 745	425 044 279	9 896 893 073	+30%	-15%	-3%	+23%
NYCOMED	6 394 585 413	623 874 596	380 868 315	7 399 328 324	8 388 137 329	671 723 809	476 193 074	9 536 054 212	+31%	+8%	+25%	+29%

Pharmstandard demonstrated leading growth among its domestic and international peers

# Product Facilities

Factory	Approximate size (sq.m)	Land own/lease	Dosage form	Shifts	Capacity 000's 2008	Utilisation, 2008	Date of new capacity launch
<b>LEKSREDSTVA (KURSK)</b>	14'900	lease	Syrops & liquid forms	3	65 887	86%	April 2008
			Tablets	3	693 586	49%	
			Sprays	3	13 100	87%	
			Powders	3	6 730	42%	June 2008
			Capsules	3	37 930	60%	May 2008
<b>UFAVITA (UFA)</b>	5'850	lease	Ampules	3	12 442	61%	
			Frozen-dried preparation	3	4 166	50%	July 2008
			Syrops & liquid forms	3	9 053	28%	
			Tablets	3	145 288	43%	
			Vitamin bars (ferrohematogen)	3	35 700	51%	August 2008
			Insulin	3	14 400	3%	
<b>PHYTOFARM (N.NOVGOROD)</b>	1'200	lease	Ointments	3	744	23%	January 2008
			Powders	3	-	0%	
			Syrops & liquid forms	3	-	0%	
			Tablets	3	-	0%	
<b>TOMSKHIMPHARM</b>	29'000	own	Syrops & liquid forms	3	5 400	5%	
			Tablets	3	273 239	28%	March 2009
			Sprays	3	2 880	27%	October 2008

# IFRS Results

	2008		2007	
	mln,RUR	%	mln, RUR	%
<b>Sales of goods</b>	<b>14,335.9</b>	<b>100</b>	<b>11,371.3</b>	<b>100</b>
Pharmaceutical products	13,260.2	92	9,762.6	86
OTC products	10,553.4	74	8,519.9	75
Branded	9,087.1	63	7,427.5	65
Non-branded	1,466.3	10	1,092.4	10
Prescription products	2,637.6	18	1,188.2	10
Branded	2,349.2	16	938.0	8
Non-branded	288.4	2	250.2	2
Other sales	69.3	0	54.6	0
Medical equipment and disposables	1,075.7	8	1,608.7	14
Cost of sales	-5,577.5	39	-4,519.7	-40
<b>Gross profit</b>	<b>8,758.4</b>	<b>61</b>	<b>6,851.6</b>	<b>60</b>
Selling and distribution costs	-2,466.8	17	-1,626.0	14
General and administrative expenses	-656.2	5	-570.5	5
Other expenses, net	-715.2	5	-41.4	0
Interest income	22.6	0	28.7	0
Interest expense	-255.2	2	-320.4	3
Profit before income tax			4,321.9	38
Income tax expense	-1,184.4	8	-1,058.7	9
<b>Profit for the period</b>	<b>3,503.1</b>	<b>24</b>	<b>3,263.2</b>	<b>29</b>
Attributable to participants of the Company	3,504.0		3,227.9	
Attributable to minority shareholders' stakes	-0.9		35.3	

# Divisional Sales Breakdown 2004-2008

	2004	2005	2006	2007	2008	Growth, %
Pharmaceutical products	3 946	4 674	7 326	9 763	13 260	36%
OTC products	3 347	3 902	6 032	8 520	10 553	24%
Branded	2 766	3 275	5 341	7 428	9 087	22%
Non-branded	581	627	691	1 092	1 466	34%
Prescription products	555	733	1 199	1 188	2 637	122%
Branded	294	440	899	938	2 349	150%
Non-branded	261	293	299	250	288	15%
Other sales	44	39	96	55	69	25%
Medical equipment and disposables	0	1 011	1 196	1 609	1 076	-33%



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