

PHARMSTANDARD – LEADING RUSSIAN PHARMACEUTICAL COMPANY

1H 2009 Results CC Presentation

1 September 2009

Pharmstandard at a Glance

Market

Leading domestic pharmaceutical company in Russia (measured by sales)

- #4 pharma company overall in Russia
- #1 pharma company in the commercial segment
- #1 domestic pharma company

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

- 460 sales people
- Top best selling brands
- Launched 39 new products from 2004

Financials

Industry leading growth and profitability

- Leading EBITDA (39%) & Gross profit (48%) margins
- Total Sales of RUR 10 062 mln in 1H 2009, representing 62% growth

1H 2009 Achievements

Company

- Pharmstandard increased its participation in FRP programme (23% from PHST total sales); and supplied Velcade® (INN: bortezomib) for the total amount of RUR2,505 mln (including 10% VAT);
- Under 7 nosologies programme, Pharmstandard won tender for delivery of Rastan for 2H2009 amounting RUR 71 mln (26% of total auction amount).
- Arbidol is proven to be active against viruses A/H1N1 California and Moscow strains;
- In 1H 2009, the management adopted a decision of reorganizing Group's structure. This plan provides the reorganization of OJSC "Pharmstandart" in the form of joining OJSC "Pharmstandart - Octyabr" and CJSC "Masterlek". OJSC "Pharmstandart - Octyabr" and CJSC "Masterlek" will be incorporated to OJSC "Pharmstandart".
- Pharmstandard signs an agreement with Pharmapark on marketing and exclusive sales of Altevir® (gepatology). Starting from April 2009, sales of Altevir® reached RUR14 mln;
- Pharmstandard has become a full member of the International Pharmaceutical Excipients Council (IPEC) Europe.
- Pharmstandard and ZAO "Apteki 36.6" signed an agreement on direct collaboration (trade contract). Sales started from

Financials – 1H 2009

- Revenue growth +62%; total revenue 10,061 mln RUR
- Gross profit growth +31%; gross profit 4,775 mln RUR or 48% of sales
- EBITDA* growth +51%; EBIDTA 3,952 mln RUR or 39% of sales
- Net profit growth + 47%; net profit 2,5588 mln RUR or 26% of sales

* - excluding foreign exchange gain or loss

1H 2009 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 metabolism

- Product portfolio includes:

- Sterilisers
- Distillers
- Medical disposables

33% growth (24% organically¹)

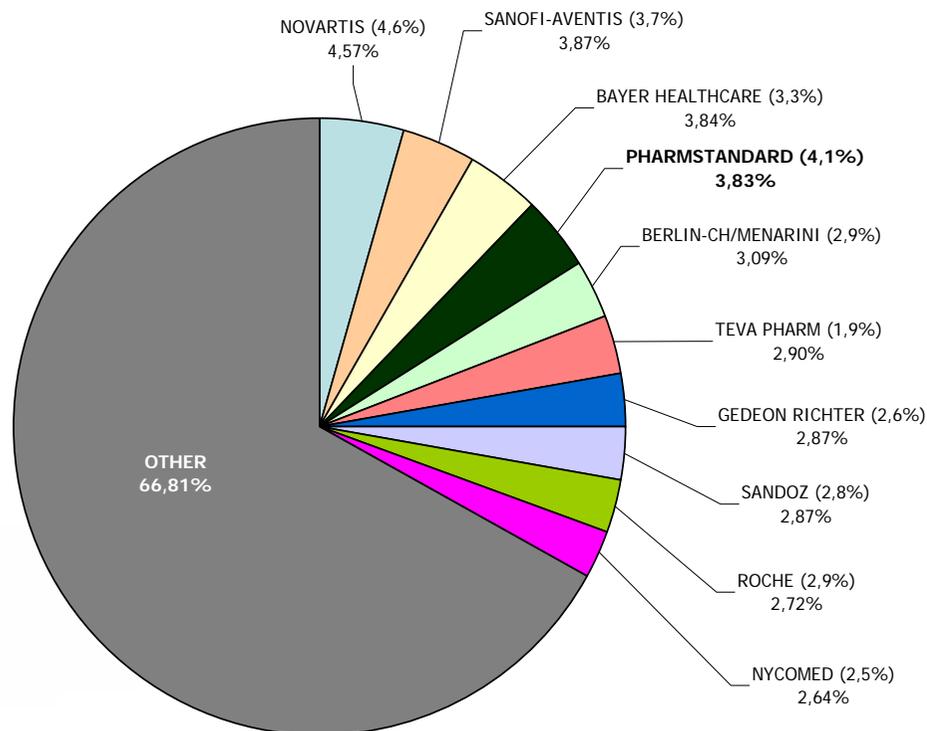
203% growth (52% organically²)

48% decrease

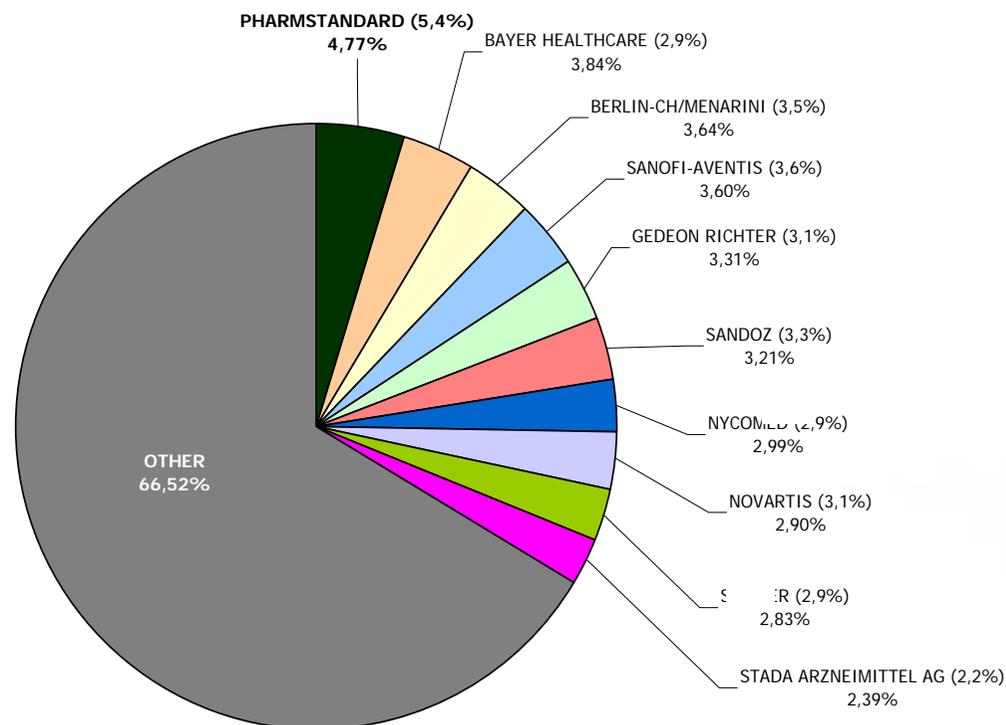
62% revenue growth in 1H 2009
32% organic growth in 1H 2009

PHST – Leading Russian Pharmaceutical Company

Market Share – All Companies



Market Share – Retail Segment

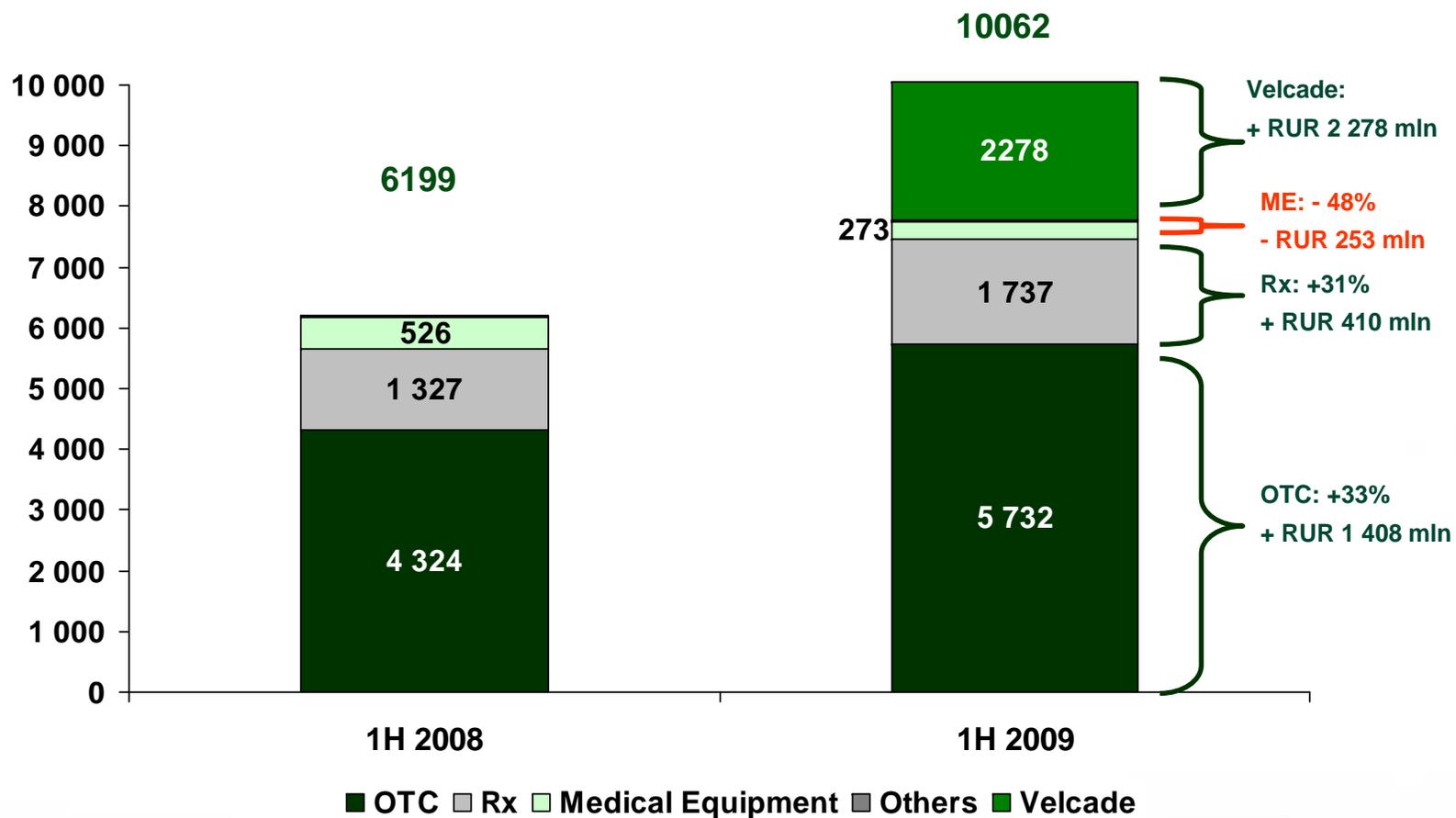


#4 pharma company in Russia overall
#1 domestic pharma company
#1 in Retail segment

MS in 1H 2009
 (1H 2008 – in brackets)

Revenue Analysis

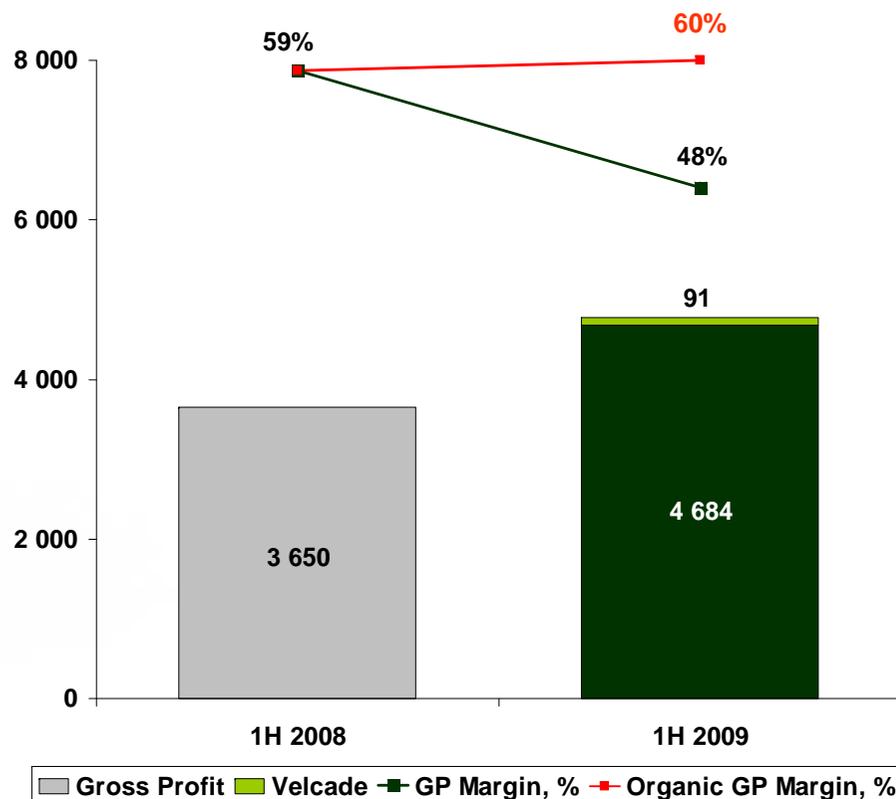
Sales structure, RUR mln



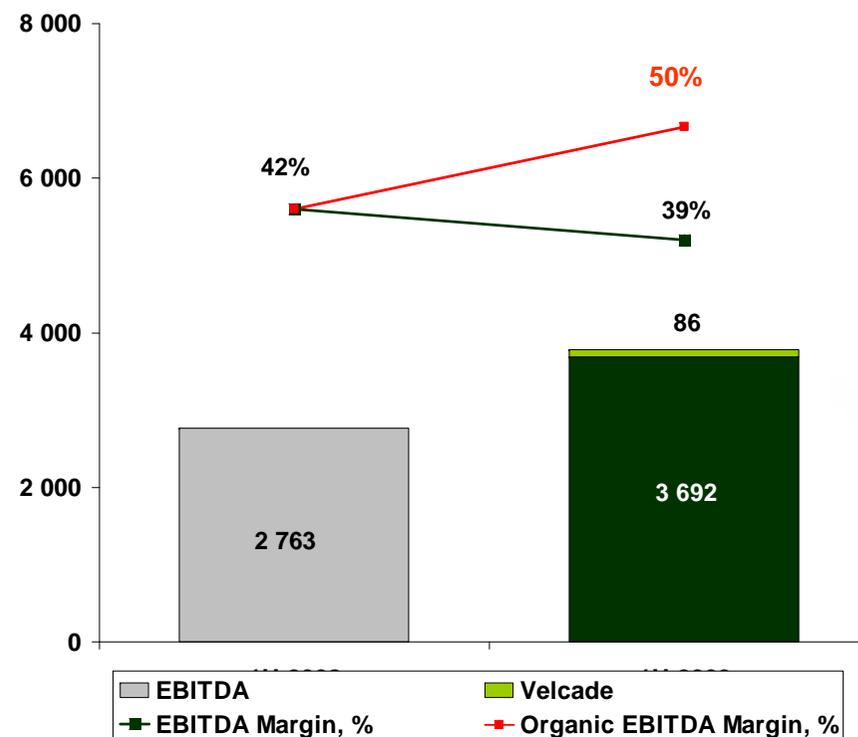
Total sales grew by 62%

Margins

Gross Profit



EBITDA*

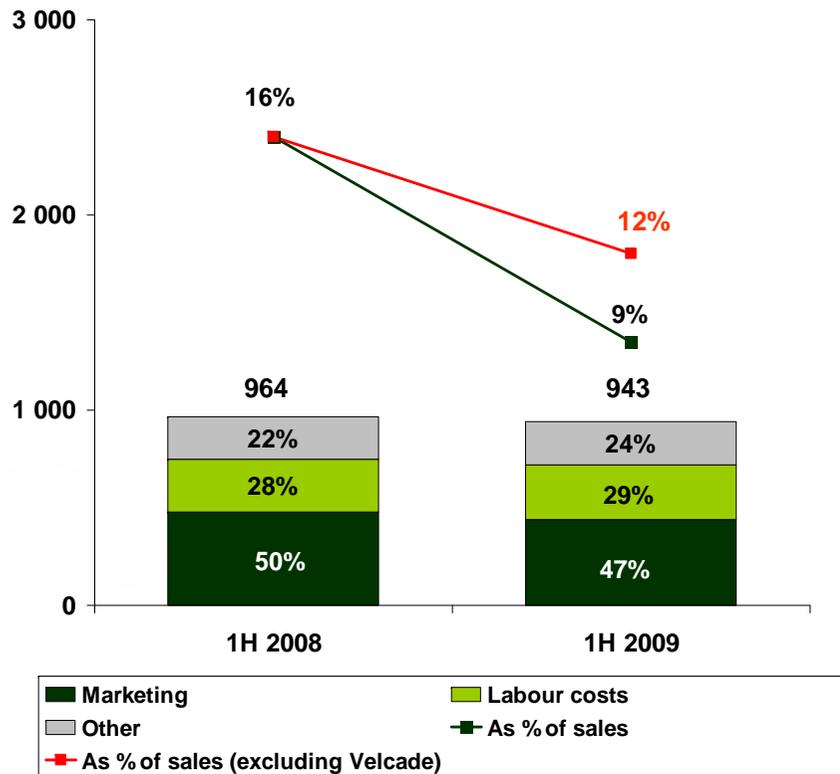


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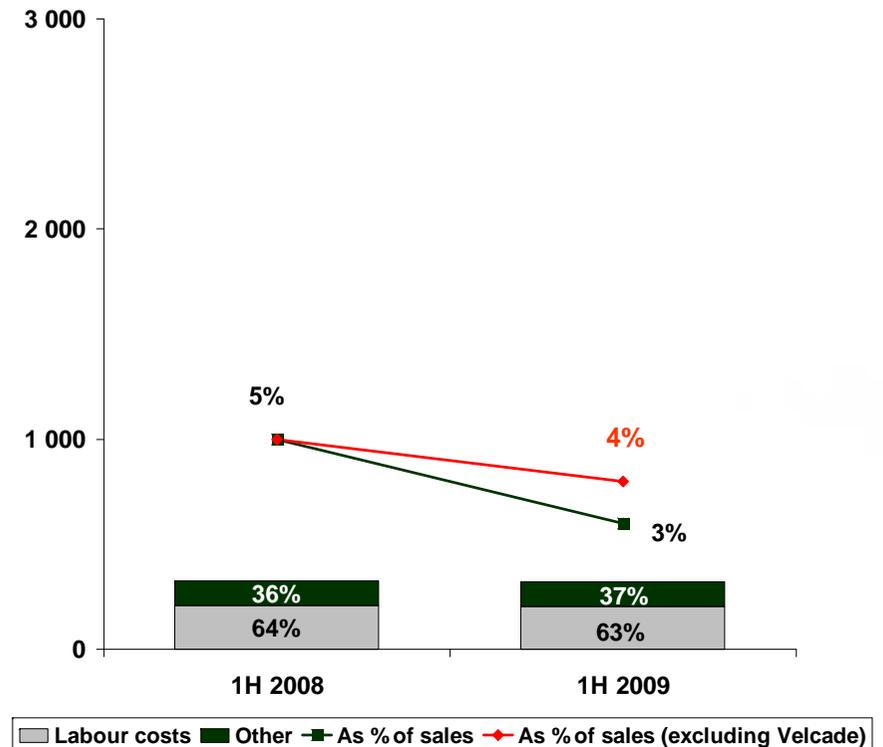
Gross profit margin (excluding Velcade) - 60%
EBITDA margin (excluding Velcade) - 50%

Competitive Cost Structure

Selling and Distribution Costs



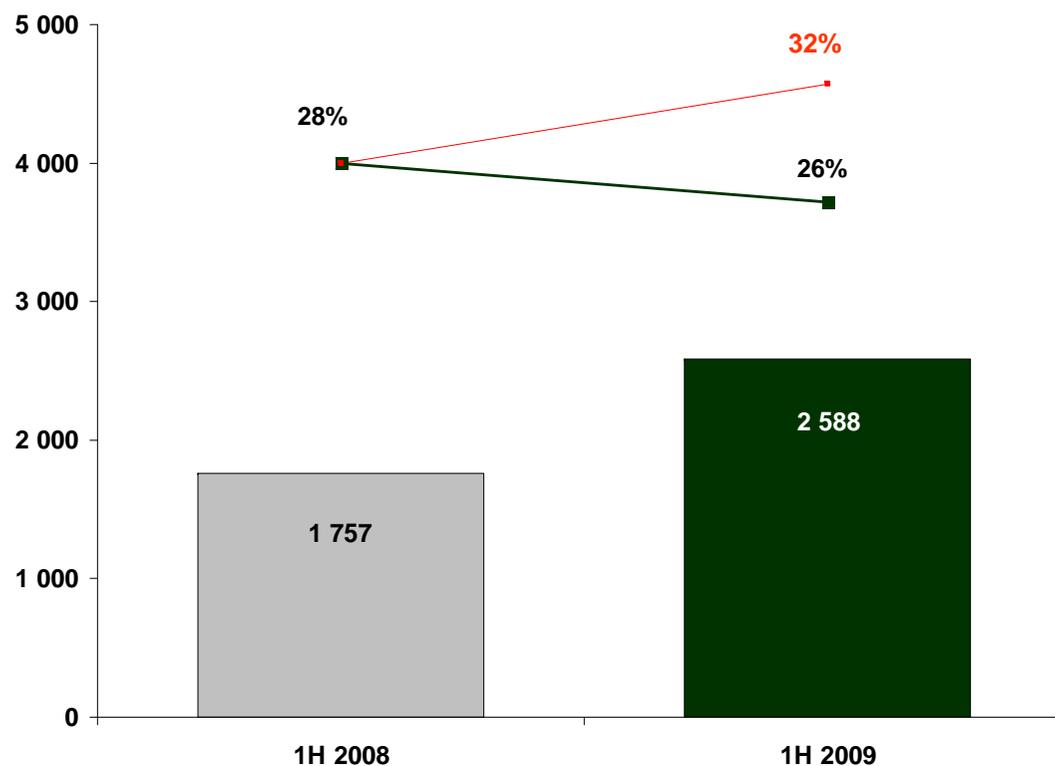
General and Administration Costs



1H 2009 Pharmstandard SG&A costs - less 13%

Profitability

Net Profit



Net profit growth of 47%
Income tax rate has been decreased to 20% from 24%



Q & A

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Market information provided by Pharmexpert MRS in retail prices.