REMEDIUM GROUP OF COMPANIES

AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

Joint Publication of the Association of International Pharmaceutical Manufacturers in Russia and Remedium Group

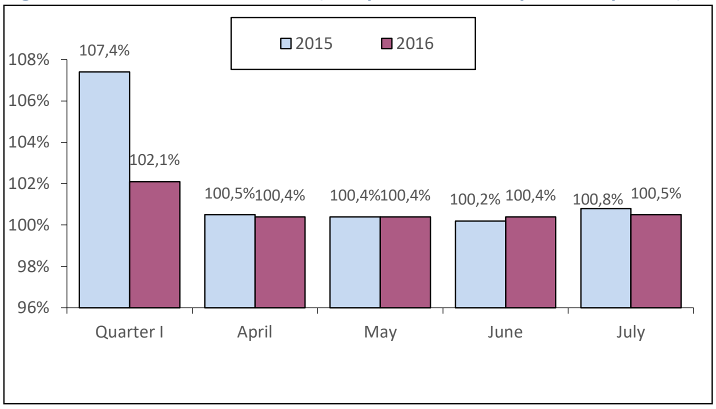
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in July 2016 the Consumer Price Index was estimated at 100.5% compared to the previous month, and 103.9% since the beginning of the year.

In July this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 100.2%, whereas in the month-earlier period it had amounted to 102.7%. The index accounted for 106.6% against December of the previous year.

Figure 1. Consumer Price Index (compared with the previous period)



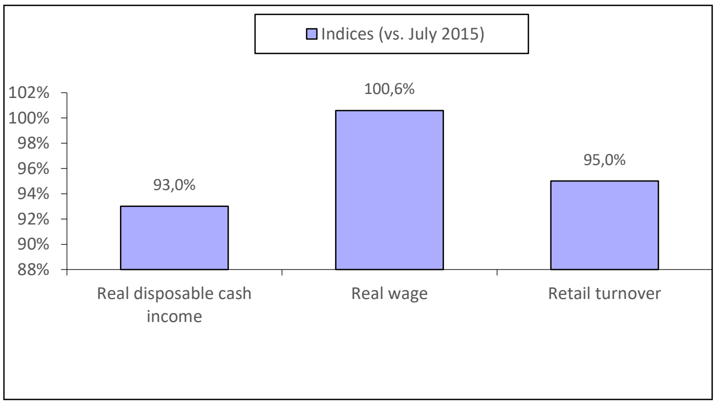
Living standard

According to preliminary Federal State Statistics Service's data, in July 2016 the gross monthly average wages per worker reached RUB 36,525 (USD 567.78) which accounted for 95% compared to the previous month and 107.8% compared to July 2015. The real wage in July 2016 accounted for 100.6% compared to July in 2015. In July 2016, the real value of disposable cash incomes accounted for 93% compared to the same period of 2015 (Fig. 2).

Retail turnover

In July 2016, the retail turnover was equal to RUB 2,364.4 bil., which in comparable prices accounted for 95.0% compared to the same period a year ago, in January-July 2016 - RUB 15521.3 bil. or 94.4% (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in June 2016



Industrial Production

According to Federal State Statistics Service's data, in July 2016 Industrial Production Index accounted for 99.7% compared to the same period in the previous year, and in January - July of 2016 - 100.3%.

According to Federal State Statistics Service's data, Industrial Production Index in July 2016 accounted for 82.9% compared to the relevant period of the previous year, and 78.9% compared to the previous month.

Domestic production

The top ten domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for July 2016 is shown in Table 1.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in July 2016

Rank	Manufacturer	RUB mil.
1	Otcpharm	1,202.7
2	Biocard	867.7
3	Pharmstandart	841.7
4	Stada	781.0
5	Servier	639.5
6	Veropharm	607.7
7	Sotex	604.0
8	Pharmasyntez	569.7
9	Valenta	551.3
10	Akrikhin Pharma	514.7

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In June compared to May 2016, pharmaceutical sales continued on an upward trend (in terms of roubles) in half of analysed regions. The highest performance was observed in Krasnodar Krai (+14%), the lowest one in Rostov Region (+0.5%). Reduction in sales was observed in five regions, from -1% in Perm to -6% in Krasnoyarsk Krai.

Table 2. Pharmacy sales in the regions, 2016

Region	Pharmacy sales, $mil. (wholesale prices)			Growth gain, % (roubles)		
	April 2016	May 2016	June 2016	April/ March 16	May/ April 16	June/ May 16
Moscow	132.9	113.0	124.7	-4%	-16%	10%
St. Petersburg	47.5	41.6	40.2	-9%	-14%	-4%
Krasnodar Krai	29.0	29.6	34.0	-5%	0.3%	14%
Novosibirsk Region	16.3	15.5	16.3	-8%	-6%	5%
Tatarstan	16.9	15.5	15.7	-1%	-10%	1%
Krasnoyarsk Krai	19.2	18.6	17.5	-3%	-5%	-6%
Rostov Region	17.2	17.5	17.7	-9%	-0.1%	0.5%
Voronezh Region	12.1	11.8	11.6	-5%	-4%	-2%
Perm	7.4	6.4	6.3	1%	-16%	-1%
Tyumen	5.0	4.9	4.8	3%	-4%	-4%

Advertising

The largest advertisers and pharmaceutical brand names highly publicized in mass media (TV, radio, press, outdoor advertising) are shown in Tables 3 & 4.

Table 3. Top five advertisers in mass media in July 2016

Rank	Company*	Quantity of broadcasts
1	Otcpharm	10,994
2	Sandoz	8,451
3	GSK Consumer Healthcare	5,939
4	Johnson & Johnson	5,723
5	Actavis	4,318

Source - Remedium according to TNS Russia's data

Table 4. The top five brands in mass media in July, 2016

Rank	Brand*	Quantity of broadcasts
1	Linex	3,762
2	Exoderil	3,067
3	Loceryl	2,264
4	Nurofen	2,154
5	Magne-B6	2,018

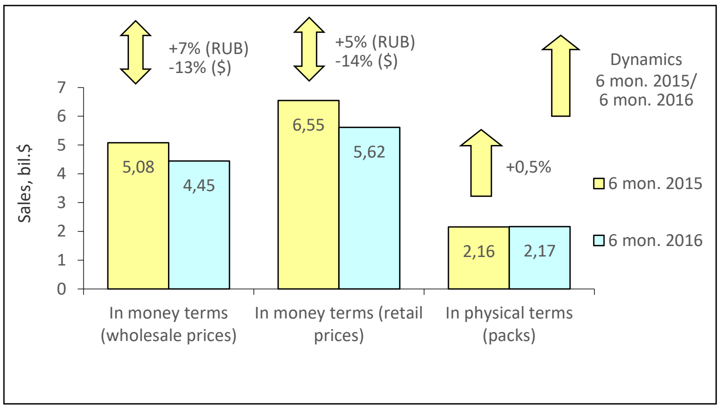
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2016 FIRST SIX MONTHS RESULTS

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federationтм, at the end of the first six months of 2016 the sales of drugs in physical terms in the pharmacies of Russia saw a 0.5% increase to 2.165 bil. packs. In money terms, the market saw a 7% increase in terms of roubles, whereas it showed a negative decline (-13%) in terms of dollars. The market reached RUB 312.009 bil. (USD 4.446 bil.) at wholesale prices (Fig.1). The average cost of an OTC pack reduced as compared to a year earlier period (USD 3.04) and reached USD 2.59 at retail prices. Consumer spending for drugs in Russia averaged to USD 38.33 for the first half of 2016, whereas during the same period a year ago it averaged to USD 44.75.

Figure 1. Russian pharmacy market for 6 months of 2015 – 6 months of 2016



Summarizing the results for the first six months of 2016, the drug manufacturer BAYER (+12%[1]) became the leader of the market, displacing the less dynamic SANOFI-AVENTIS (+2%) to rank two (Table 1). SERVIER (+6%) held its previous rank three. Due to 26% growth in sales, the Russia-based manufacturer OTCPHARM moved up to rank four from ten. At the same time, the drug manufacturers NYCOMED/TAKEDA (-5%), SANDOZ (-7%), GLAXOSMITHKLINE (+4%) and MENARINI (+3%) moved down one rank, to numbers five through eight. The only newcomer ABBOTT (+13%) of the top ten moved up to the last, but one rank, displacing TEVA (+3%) down to the last rank of the ranking. The total share of the top ten drug manufacturers reduced by almost 0.5 p.p. and reached 33.4 %.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	2	**BAYER HEALTHCARE**	4.7	4.5
2	1	**SANOFI-AVENTIS**	4.7	4.9
3	3	**SERVIER**	3.5	3.6
4	10	OTCPHARM	3.2	2.7
5	4	**NYCOMED/TAKEDA**	3.0	3.4
6	5	**SANDOZ**	2.9	3.4
7	6	**GLAXOSMITHKLINE**	2.9	3.0
8	7	**MENARINI**	2.8	2.9
9	11	ABBOTT	2.8	2.7
10	9	**TEVA**	2.7	2.8
Total			33.4	33.9

*AIPM members are in bold

Due to 81% growth in sales, antiviral drug INGAVIRIN took the lead in the top ten brand names ranking, moving up to rank one from ten (Table 2). At the same time, the former leader of the top ten hepatoprotector ESSENTIALE N (-5%) moved down one rank, while another antiviral drug KAGOCEL (+6%) kept its previous rank three. MEXIDOL (+9%) and CONCOR (-8%) also held their own in the ranking, as before keeping their previous ranks seven and eight in the top ten. The other top 10 INNs shifted their ranks; moreover, three of them improved them. The newcomers DETRALEX (+36%), ERGOFERON (+54%) and XARELTO (+71%) broke into the top ten, coming in at ranks five, nine and ten, respectively. At the same time, ACTOVEGIN (-12%) and CARDIOMAGNYL (-4%) reduced their sales and moved down to ranks four and six. The total share of the top 10 brand names expanded from 6.0% to 6.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	10	INGAVIRIN	0.9	0.5
2	1	ESSENTIALE N	0.8	0.9
3	3	KAGOCEL	0.8	0.8
4	2	ACTOVEGIN	0.7	0.8
5	11	DETRALEX	0.6	0.5
6	4	CARDIOMAGNYL	0.6	0.6
7	7	MEXIDOL	0.6	0.6
8	8	CONCOR	0.5	0.6
9	29	ERGOFERON	0.5	0.3
10	41	XARELTO	0.4	0.3
Total			6.4	6.0

[1] Hereinafter, unless otherwise stated, growth gains are stated in the rouble equivalent or national currency.

The leader of the top ten INNs and group names ranking didn't change - INN XYLOMETAZOLINE (+0.4%) held its previous rank number one (Table 3). Half of the drug manufacturers from the top 10 rose in the ranks. PANCREATIN (+4%) and NIMESULIDE (+5%) moved up two ranks, coming in at numbers 2 and 3, IBUPROFEN (+9%) moved up to rank five from six, the composition DIOSMIN*HESPERIDIN (+38%) moved up to rank seven from ten, and the newcomer INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+81%) broke into the top ten ranking. At the same time, BISOPROLOL (-0.3%), PHOSPHOLIPIDS (-6%) and BLOOD (-9%), and INN KAGOCEL (+6%) reduced their sales and moved down to the lower ranks. The cumulative share of the top 10 didn't virtually change and accounted for 9.6%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.5	1.6
2	4	PANCREATIN	1.0	1.0
3	5	NIMESULIDE	1.0	1.0
4	3	BISOPROLOL	0.9	1.0
5	6	IBUPROFEN	0.9	0.9
6	2	PHOSPHOLIPIDS	0.9	1.0
7	10	DIOSMIN*HESPERIDIN	0.9	0.7
8	26	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.5
9	8	KAGOCEL	0.8	0.8
10	7	BLOOD	0.8	0.9
Total			9.6	9.5

Based on the results for the first half of the current year, M01 Anti-inflammatory and antirheumatic products (+2%) and C09 Agents acting on the rennin-angiotensin system (+11%) remained the best selling groups in the Russian pharmacy market (Table 4). J05 Antivirals for systemic use (+35%) moved up to rank three from eight. In addition, the groups G02 Sex hormones (+9%) and A11 Vitamins (+11%), which moved up to ranks six and eight respectively, improved their rankings by one point. On top of that, J01 Antibacterials for systemic use (+0.1%) and R01 Nasal preparations (+5%) moved down one rank, and the groups N02 Analgesics (+1%) and R05 Cough and cold preparations (-7%) moved down to ranks seven and nine. The only newcomer N06 Psychoanaleptics (+6%) broke into the top ten, coming in at the last rank. In total, based on the results for six months of 2016 the top ten ATC groups accumulated 37% of the Russian market, which was as much as in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

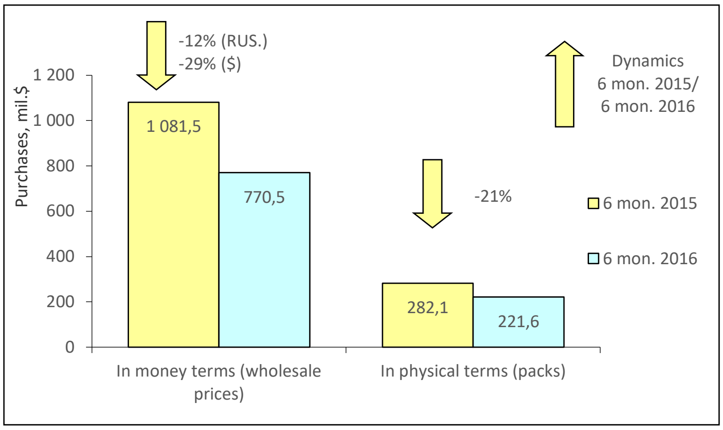
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.1
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.3	4.2
3	8	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	3.4
4	3	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.0
5	4	R01	NASAL PREPARATIONS	3.7	3.8
6	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.4
7	5	N02	ANALGESICS	3.4	3.6
8	9	A11	VITAMINS	3.3	3.2
9	6	R05	COUGH AND COLD PREPARATIONS	3.1	3.5
10	11	N06	PSYCHOANALEPTICS	2.9	2.9
Total				37.0	37.0

Conclusion. On the basis of the results for the first half of 2016, the retail pharmacy market of the country brought in RUB 394.199 bil. (USD 5.617 bil.) This is 5% more in terms of roubles and 14% less in terms of dollars than during the same period in 2015. In pack terms, the market showed slightly positive growth rates (+0.5%) and brought in 2.165 bil. packs. Based on the results for six months of 2016, the average price per FPP pack in the national pharmacies was USD 2.59, whereas in 2015 it was USD 3.04. The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 38.33 vs. USD 44.75).

RUSSIAN FEDERATION HOSPITAL MARKET: 2016 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit)™, in six months of 2016 the national hospital market reduced by 21% in physical terms and amounted to 221.554 mil. packs. In money terms, the market showed negative growth rates both in terms of roubles (-12%) and in terms of dollars (-29%) and reached RUB 53.198 bil. (USD 770.528 mil.) in wholesale prices. Based on the results of the first six months of 2016, the average price per FPP pack in the hospital sector of the country was USD 3.48, whereas in the year-earlier period its price was USD 3.83.

Figure 1. Russia hospital market for 6 months of 2015 – 6 months of 2016



In the first half of 2016, the top ten pharmaceutical manufacturers ranking undergone significant changes in the hospital market (Table 1). Its leaders changed - the manufacturer ABBVIE (+50%) moved up to rank one from five, ROCHE (+4%) moved up to rank two from three. One of four newcomers of the top ten ranking the Russian manufacturer PHARMASYNTEZ (+73%) moved up to rank three. Another three newcomers moved up to ranks seven through nine, respectively. These were PFIZER (+5%), VEROPHARM (+7%) and BRISTOL MYERS SQUIBB (+13%). The remaining four manufacturers of the top ten showed negative growth rates and almost all of them fell in the ranks. At the same time, SANOFI-AVENTIS (-32%), MERCK SHARP DOHME (-21%) and ASTRAZENECA (-13%) moved down to ranks four, five and ten. The manufacturer JOHNSON & JOHNSON (-14%) managed to hold its previous rank six. The total share accumulated by the top 10 drug manufacturers increased by almost 5 p.p. and amounted to 32.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	5	**ABBVIE**	5.7	3.4
2	3	**ROCHE**	4.3	3.7
3	13	PHARMASYNTEZ	3.8	1.9
4	2	**SANOFI-AVENTIS**	3.2	4.2
5	4	**MERCK SHARP DOHME**	3.1	3.5
6	6	**JOHNSON & JOHNSON**	2.9	3.0
7	12	**PFIZER**	2.4	2.0
8	14	VEROPHARM	2.3	1.9
9	16	**BRISTOL MYERS SQU**	2.2	1.7
10	8	**ASTRAZENECA**	2.2	2.2
Total			32.2	27.4

*AIPM members are in bold

The top ten brand names ranking also changed its leader - the most dynamic among brand names antiviral drug KALETRA (+51%) moved up to rank number one from two, displacing the traditional hospital product NATRIUM CHLORIDUM (-10%) down to rank two (Table 2). FPPs HERCEPTIN (+31%) and REYATAZ (+16%) retained their ranks three and four. As before, despite the negative growth rates, CUROSURF (-2%) and CEFTRIAXONE (-13%) placed at ranks six and eight respectively, held their own in the ranking. The other four manufacturers showed signs of growth. ISENTRESS (+2%) moved up from rank ten to seven, and the newcomers AVASTIN (+18%), SEVORAN (+5%) and INTELENCE (+8%) broke into the top ten brand names ranking. The total share of the top 10 trade names increased from 13.2% to 16.7%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	2	KALETRA	3.7	2.2
2	1	NATRIUM CHLORIDUM	3.6	3.5
3	3	HERCEPTIN	1.8	1.2
4	4	REYATAZ	1.5	1.1
5	11	AVASTIN	1.1	0.9
6	6	CUROSURF	1.1	1.0
7	10	ISENTRESS	1.0	0.9
8	8	CEFTRIAXONE	1.0	1.0
9	14	SEVORAN	0.9	0.7
10	18	INTELENCE	0.9	0.7
Total			16.7	13.2

Following the respective brand name, the composition LOPINAVIR*RITONAVIR (+51%) moved up to rank number one of the ranking, displacing SODIUM (-10%) to rank two as well (Table 3). Due to a third increase in purchases, TRASTUZUMAB moved up to rank three from six, displacing INN CEFTRIAXONE (-14%) down one rank from that position. In addition, another four INNs managed to rise in the ranks. ATAZANAVIR (+16%) and DARUNAVIR (-3%) moved up to ranks 5 and 8, and the newcomers BEVACIZUMAB (+36%) and PORACTANT ALFA (-2%) broke into the top ten, coming in at ranks six and nine, respectively. In contrast, INNs ENOXAPARIN SODIUM (-18%) and IMMUNOGLOBULIN BASE (-12%), which showed strong negative growth rates, moved down to the lower ranks, seven and ten, respectively. The total share of the top 10 INNs increased by almost 3.2 p.p. and accounted for 18.4%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	2	LOPINAVIR*RITONAVIR	3.7	2.2
2	1	SODIUM	3.6	3.6
3	6	TRASTUZUMAB	1.9	1.2
4	3	CEFTRIAXONE	1.6	1.6
5	9	ATAZANAVIR	1.5	1.1
6	16	BEVACIZUMAB	1.3	0.9
7	5	ENOXAPARIN SODIUM	1.3	1.4
8	10	DARUNAVIR	1.2	1.1
9	11	PORACTANT ALFA	1.1	1.0
10	8	IMMUNOGLOBULIN BASE	1.1	1.1
Total			18.4	15.1

In contrast to the previous ranks, the top-10 ATC groups ranking in the hospital market of the country showed high stability based on the results for the first half of 2016– most of its groups held their own in the ranking (Table 4). Its leader also didn't change; ATC group L01 Antineoplastic agents (+7%) held and reinforced its leading positions in the market. Another six groups didn't change their rankings either. B05 Blood substitutes and perfusion solutions (-22%), B01 Antithrombotic agents (-17%), N01 Anaesthetics and N05 Psychoanaleptics (-8% each), and L04 Immunosuppressants (-14%) held their ranks four and five, and three bottom ranks. However, two shifts took place in the top ten ranking. Due to positive growth rates, J05 Antivirals for systemic use (+12%) moved up one rank, to number two, displacing J01 Antibacterials for systemic use (-25%). The groups placed at ranks six and seven also switched their places. At the same time, V08 Contrast media (-19%), which showed stronger negative growth rates, moved down to rank seven, giving the way to J07 Vaccines (-9%), which didn't reduce their purchases so considerably. The total share of the top ten increased by almost 3 p.p. and reached 65%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	L01	ANTINEOPLASTIC AGENTS	14.9	12.3
2	3	J05	ANTIVIRALS FOR SYSTEMIC USE	14.3	11.3
3	2	J01	ANTIBACTERIALS FOR SYST USE	10.0	11.6
4	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	7.1	8.1
5	5	B01	ANTITHROMBOTIC AGENTS	5.4	5.7
6	7	J07	VACCINES	3.0	2.9
7	6	V08	CONTRAST MEDIA	3.0	3.2
8	8	N01	ANESTHETICS	2.7	2.6
9	9	N05	PSYCHOLEPTICS	2.6	2.4
10	10	L04	IMMUNOSUPPRESSANTS	2.1	2.1
Total				65.0	62.2

Conclusion. At the end of the first half of 2016, the Russian hospital market reduced considerably both in rouble terms (-12%) and in dollar terms (-29%) and brought in RUB 53.198 bil. (USD 770.528 mil.). In natural terms, the market reduced by 21% and amounted to 221.554 mil. packs. At the end of the first six months of 2016, the average price of a finished pharma product (FPP) pack in the hospital sector of the country was USD 3.48 vs. USD 3.83 in the year earlier period.

PHARMACEUTICAL MARKET OF THE CENTRAL FEDERAL DISTRICT (CFD) IN 1-2 QUARTER OF 2016 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in CFD

Value	January-June 2016	January-June 2016 in % vs. January-June 2015
Industrial production index		104.0
Retail turnover, RUB bil.	4,456.6	93.9
Monthly average accrued wage per one worker (nominal), RUB	44,665	109.6
real		100.9

Note: CFD TOGS data

Table 2. Inflation rates in the CFD, June 2016

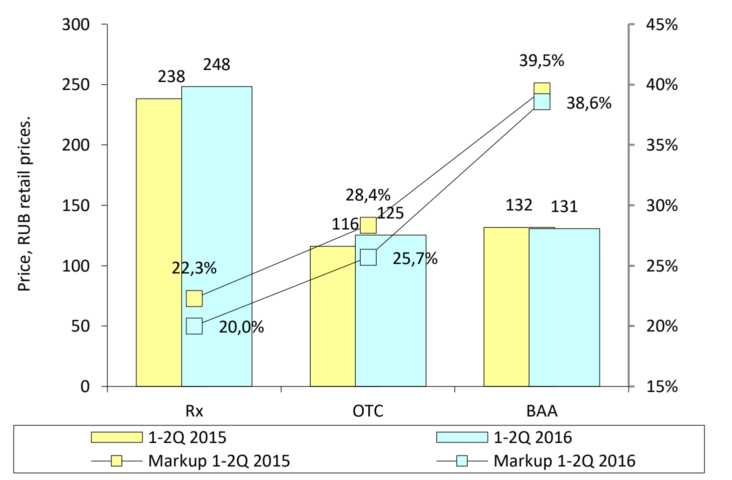
	June 2016 to December 2015
CPI	103.7
CPI for non-food products	104.1

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in CFD

	Price dynamics in August 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	0.5	0.5	0.9
Up to RUB 50	0.8		
From RUB 50 to 500	0.5		
Over RUB 500	0.2		

Figure 1. Dynamics of weighted average prices and retail margins in Q 1-2, 2015 – Q 1-2, 2016



Indicators of the dynamics and structure of the market[2]

Figure 2. CFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

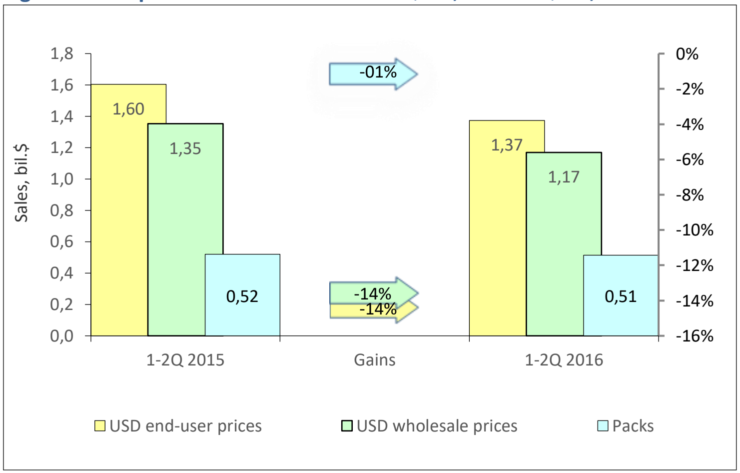


Figure 3. Structure of CFD pharmaceutical market by major segments in Q 1-2, 2015 – Q 1-2, 2016

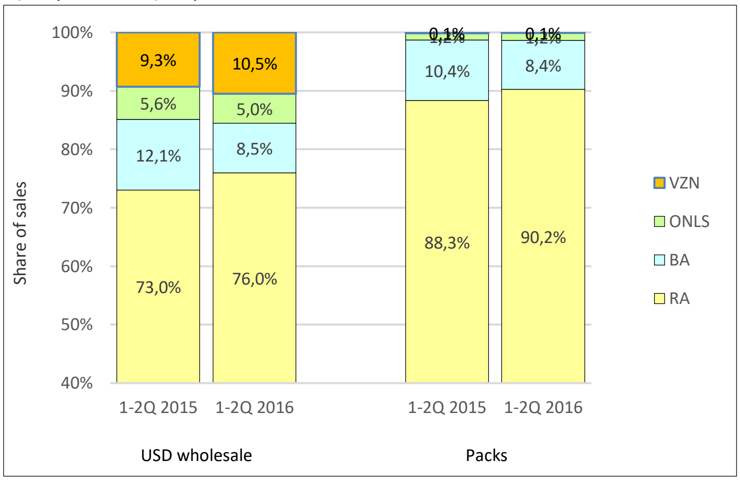


Figure 4. Structure of the retail segment of CFD market in Q 1-2, 2015 – Q 1-2, 2016

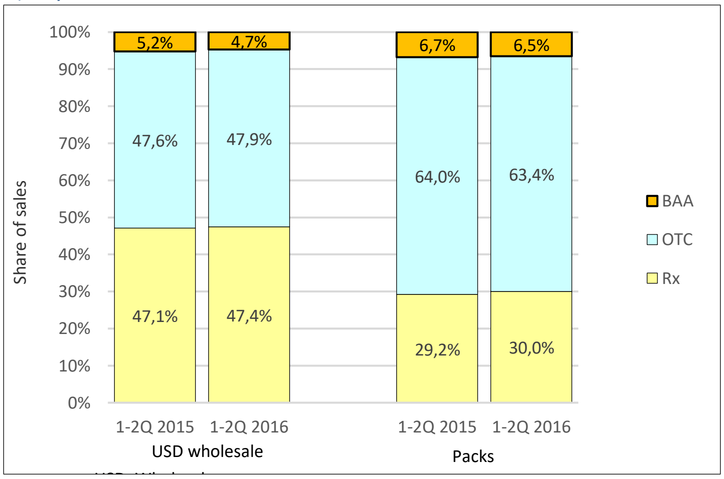
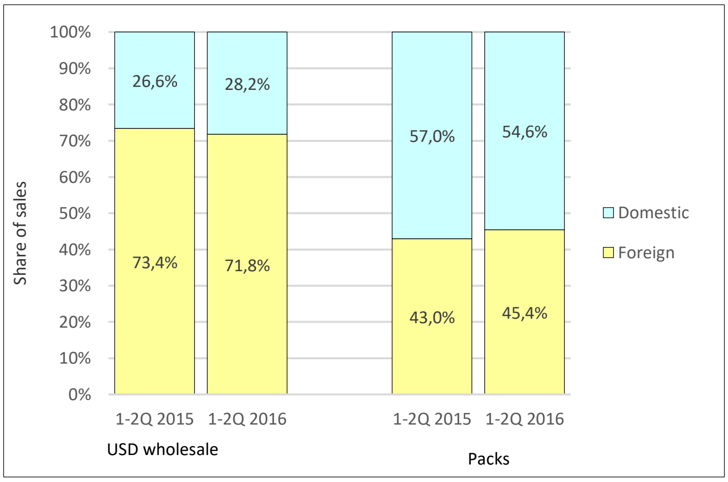


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of CFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016



[2] Exclusive of Moscow

PHARMACEUTICAL MARKET OF THE NORTH-WESTERN FEDERAL DISTRICT (NWFD) IN Q 1-2, 2016 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in NWFD

Value	January-June 2016	January-June 2016 in % vs. January-June 2015
Industrial production index		100.8
Retail turnover, RUB bil.	1302.2	96.5
Monthly average accrued wage per one worker (nominal), RUB	40,027	108.0
real		100.2

Note: NWFD TOGS data

Table 2. Inflation rates in the NWFD, June 2016

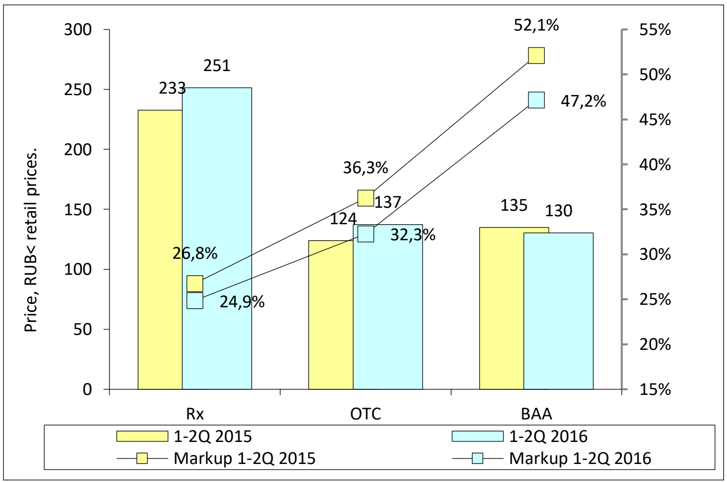
	June 2016 to December 2015
CPI	103.2
CPI for non-food products	103.8

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in NWFD

	Price dynamics in August 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	-1.1	-0.3	0,4
Up to RUB 50	-1.2		
From RUB 50 to 500	-1.0		
Over RUB 500	-0.4		

Figure 1. Dynamics of weighted average prices and retail margins in Q 1-2, 2015 – Q 1-2, 2016



Indicators of the dynamics and structure of the market[3]

Figure 2. NWFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

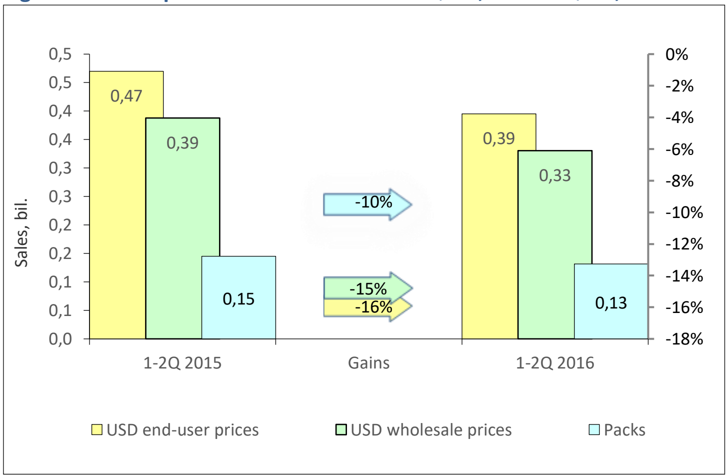


Figure 3. Structure of NWFD pharmaceutical market by major segments in Q 1-2, 2015 – Q 1-2, 2016

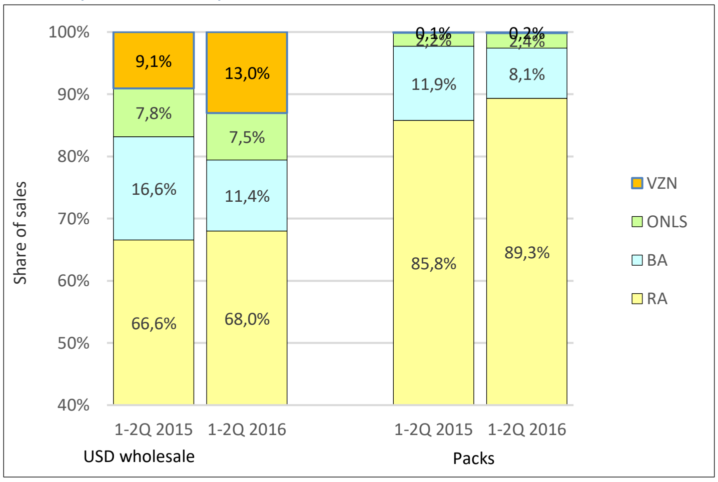


Figure 4. Structure of the retail segment of NWFD market in Q 1-2, 2015 – Q 1-2, 2016

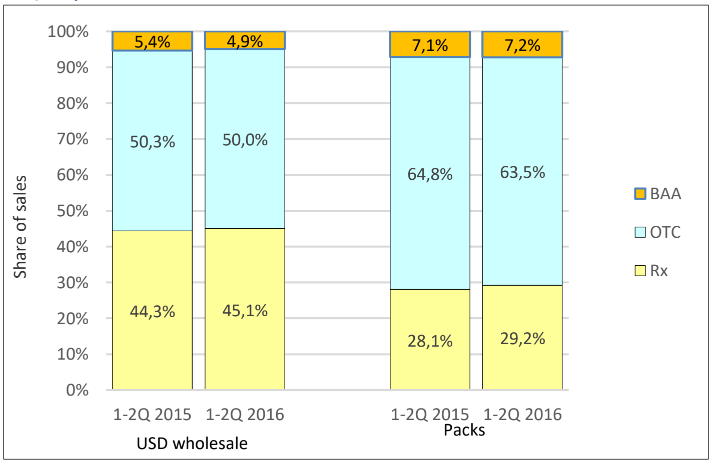
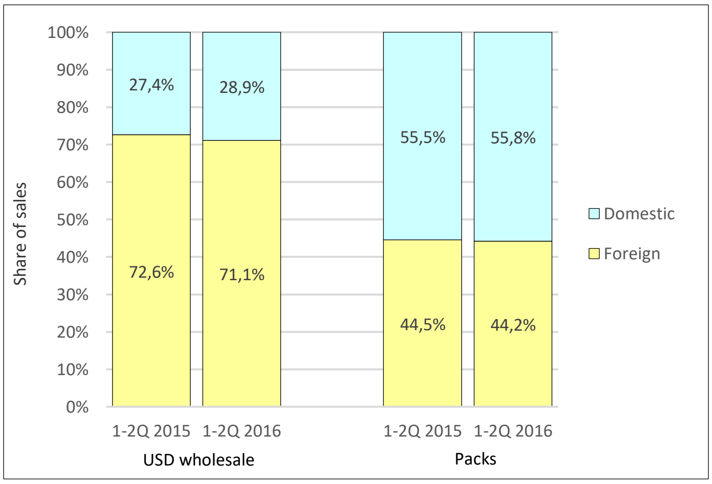


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of NWFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016



3 Exclusive of St. Petersburg

PHARMACEUTICAL MARKET OF THE VOLGA FEDERAL DISTRICT (VFD) IN Q 1-2 OF 2016 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in VFD

Value	January-June 2016	January-June 2016 in % vs. January-June 2015
Industrial production index		100.0
Retail turnover, RUB bil.	2,322.9	96.7
Monthly average accrued wage per one worker (nominal), RUB	26,436	106.3
real		99.8

Note: VFD TOGS data

Table 2. Inflation rates in the VFD, June 2016

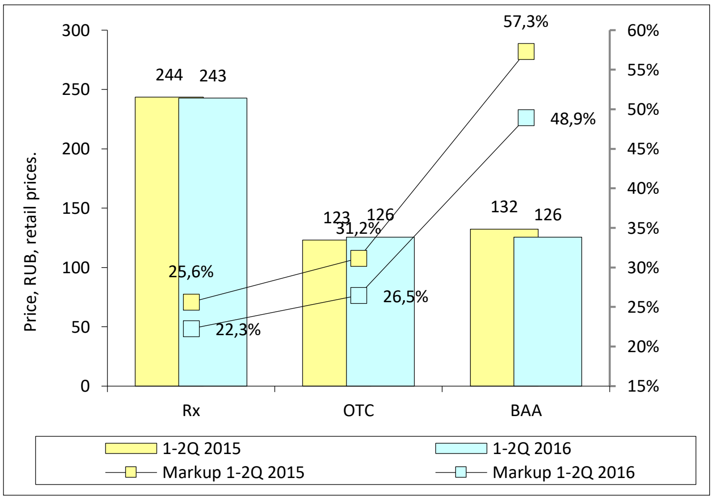
	June 2016 to December 2015
CPI	102.8
CPI for non-food products	103.2

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in VFD

	Price dynamics in August 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	0.5	0.8	1.0
Up to RUB 50	0.9		
From RUB 50 to 500	0.3		
Over RUB 500	-0.5		

Figure 1. Dynamics of weighted average prices and retail margins in Q 1-2, 2015 – Q 1-2, 2016



Indicators of the dynamics and structure of the market

Figure 2. VFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

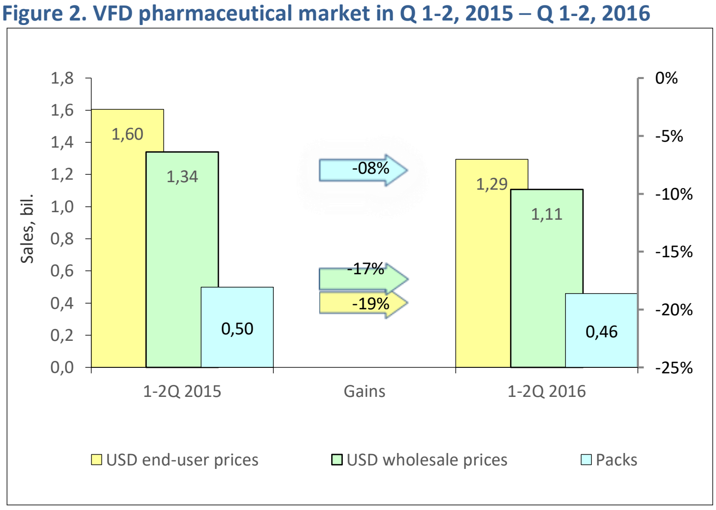


Figure 3. Structure of the pharmaceutical market of VFD by major segments in 2013-2014

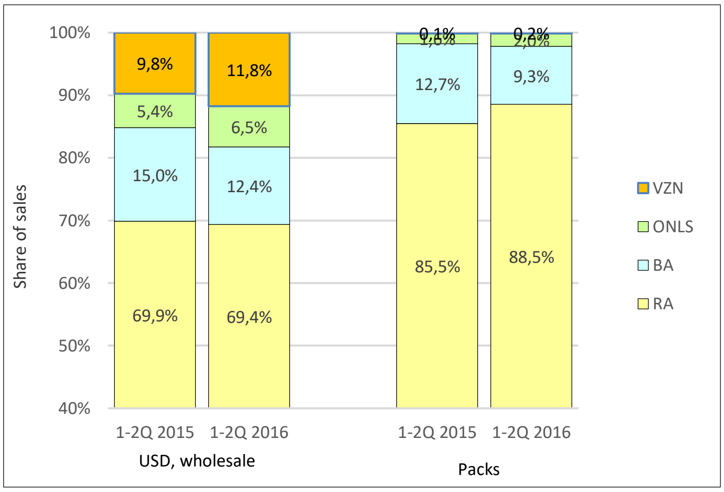


Figure 4. Structure of the retail segment of VFD market in Q 1-2, 2015 – Q 1-2, 2016

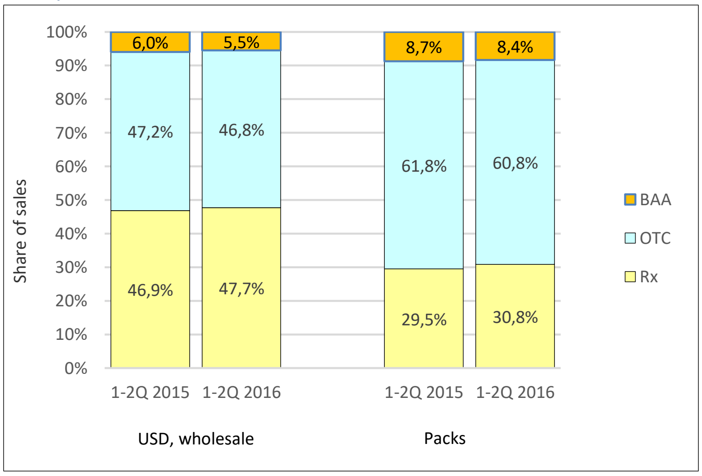
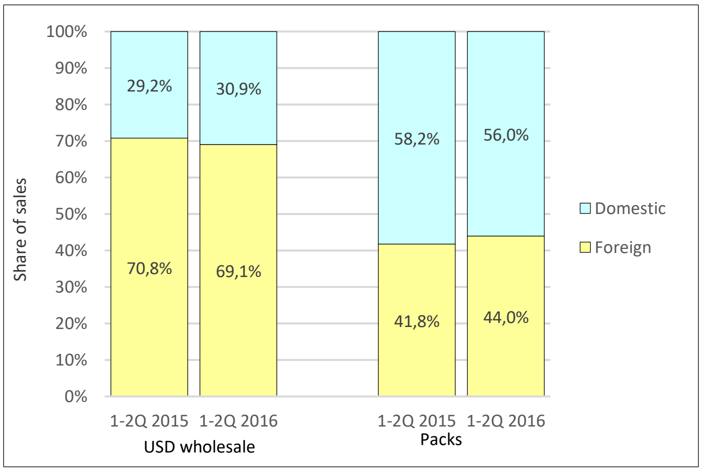


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of VFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016



PHARMACEUTICAL MARKET OF THE URAL FEDERAL DISTRICT (URFD) IN Q 1-2, 2016 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in UrFD

Value	January-June 2016	January-June 2016 in % vs. January-June 2015
Industrial production index		101.4
Retail turnover, RUB bil.	1191.7	93.0
Monthly average accrued wage per one worker (nominal), RUB	41,098	106.2
real		98.1

Note: VFD TOGS data

Table 2. Inflation rates in the UrFD, June 2016

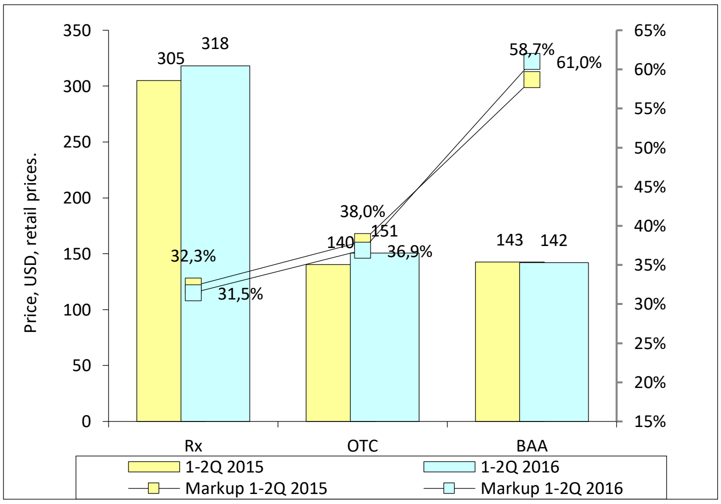
	June 2016 to December 2015
CPI	103.6
CPI for non-food products	104.1

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in UFD

	Price dynamics in August 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	0.5	1.1	1.5
Up to RUB 50	1.1		
From RUB 50 to 500	0.2		
Over RUB 500	0.0		

Figure 1. Dynamics of weighted average prices and retail margins in Q 1-2, 2015 – Q 1-2, 2016



Indicators of the dynamics and structure of the market

Figure 2. UFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

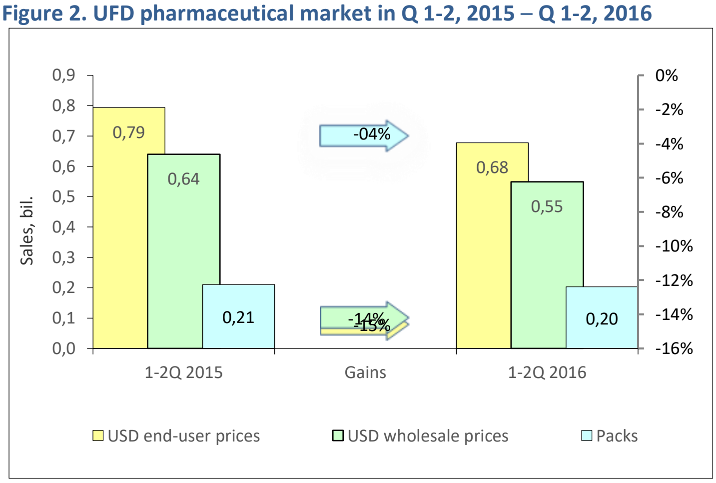


Figure 3. Structure of UFD pharmaceutical market by major segments in Q 1-2, 2015 – Q 1-2, 2016

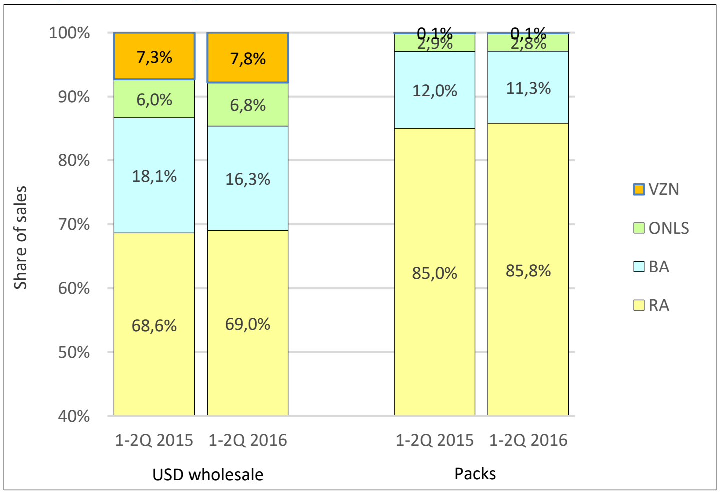


Figure 4. Structure of the retail segment of UFD market in Q 1-2, 2015 – Q 1-2, 2016

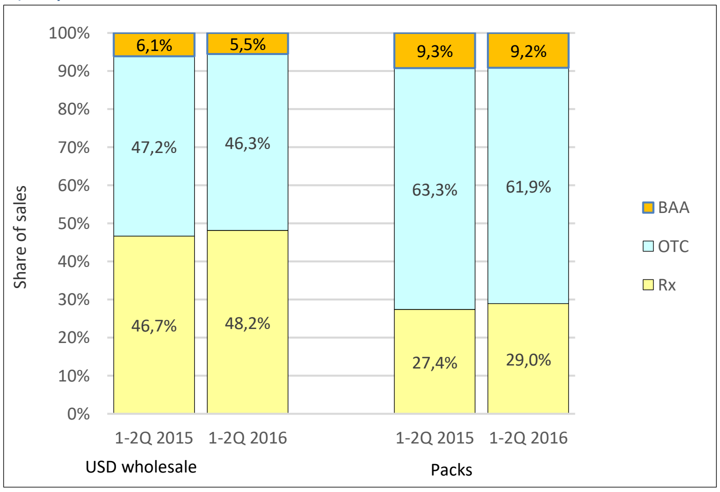
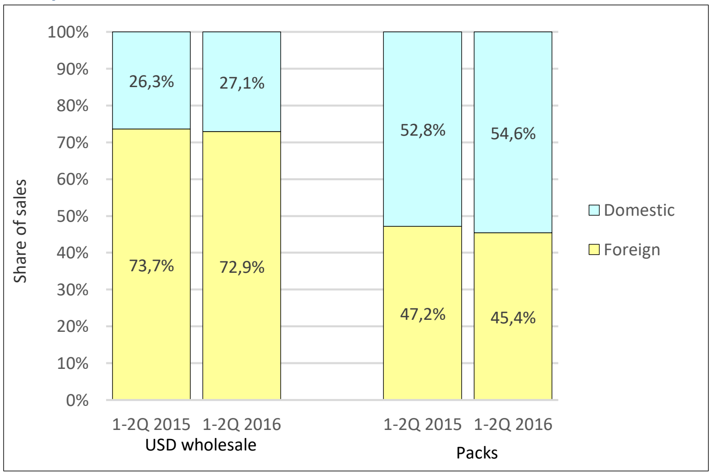


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of UFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016



PHARMACEUTICAL MARKET OF THE SIBERIA FEDERAL DISTRICT (SFD) IN Q 1-2 OF 2016 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in SFD

Value	January-June 2016	January-June 2016 in % vs. January-June 2015
Industrial production index		99.6
Retail turnover, RUB bil.	1297.0	93.2
Monthly average accrued wage per one worker (nominal), RUB	29.058	105.1
real		97.6

Note: SFD TOGS data

Table 2. Inflation rates in the SFD, June 2016

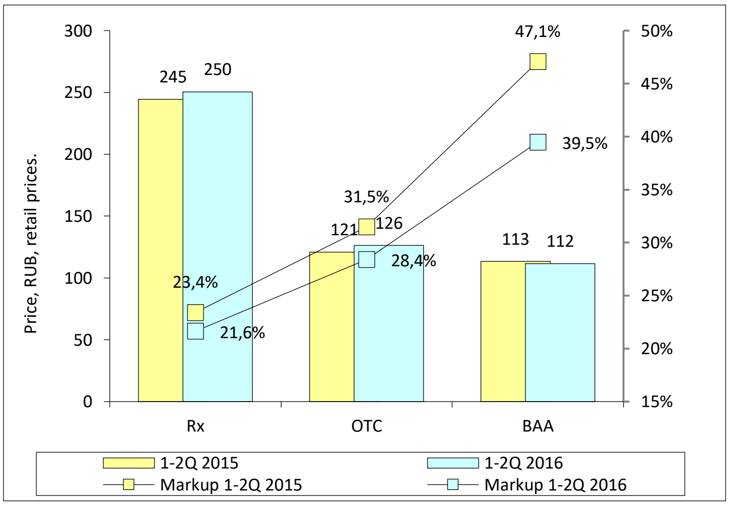
	June 2016 vs. December 2015
CPI	103.1
CPI for non-food products	103.8

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in SFD

	Price dynamics in August 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	0.9	0.8	1.0
Up to RUB 50	1.7		
From RUB 50 to 500	1.1		
Over RUB 500	1.3		

Figure 1. Dynamics of weighted average prices and retail margins in Q 1-2, 2015 – Q 1-2, 2016



Indicators of the dynamics and structure of the market

Figure 2. SFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

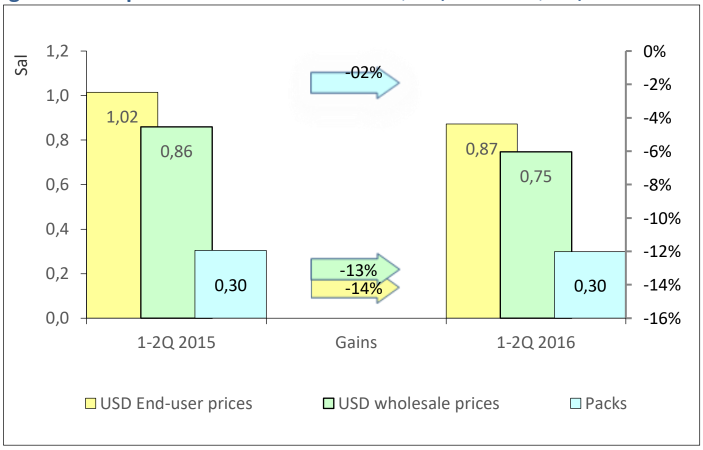


Figure 3. Structure of SFD pharmaceutical market by major segments in Q 1-2, 2015 – Q 1-2, 2016

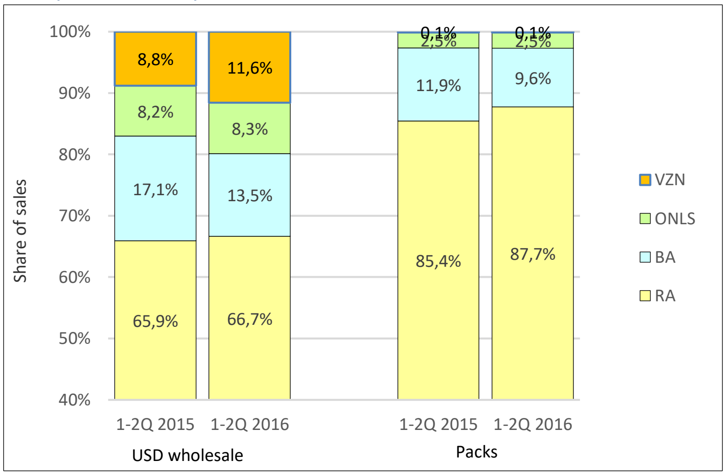


Figure 4. Structure of the retail segment of SFD market in Q 1-2, 2015 – Q 1-2, 2016

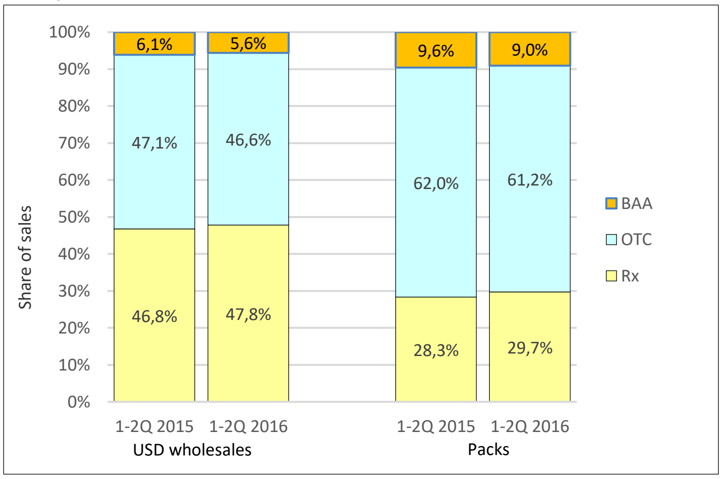
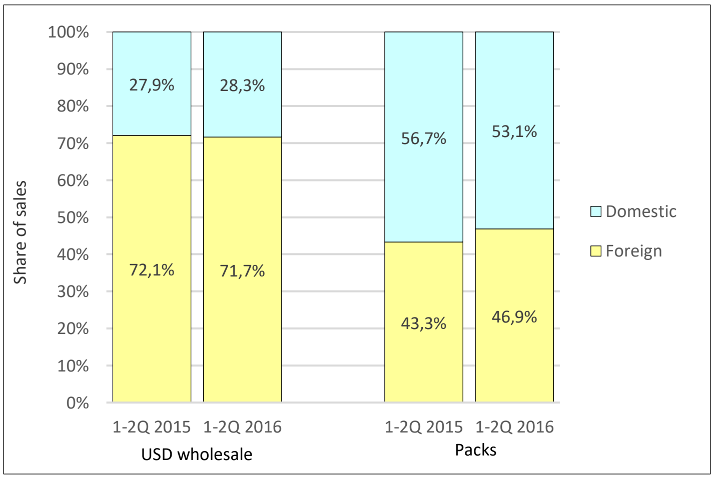


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of SFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016



PHARMACEUTICAL MARKET OF THE SOUTHERN FEDERAL DISTRICT (SFD) IN Q 1-2 OF 2016 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in SFD

Value	January-June 2016	January-June 2016 in % vs. January-June 2015
Industrial production index		105.6
Retail turnover, RUB bil.	1,236.2	97.6
Monthly average accrued wage per one worker (nominal), RUB	26,098	106.2
real		98.8

Note: SFD TOGS data

Table 2. Inflation rates in the SFD, June 2016

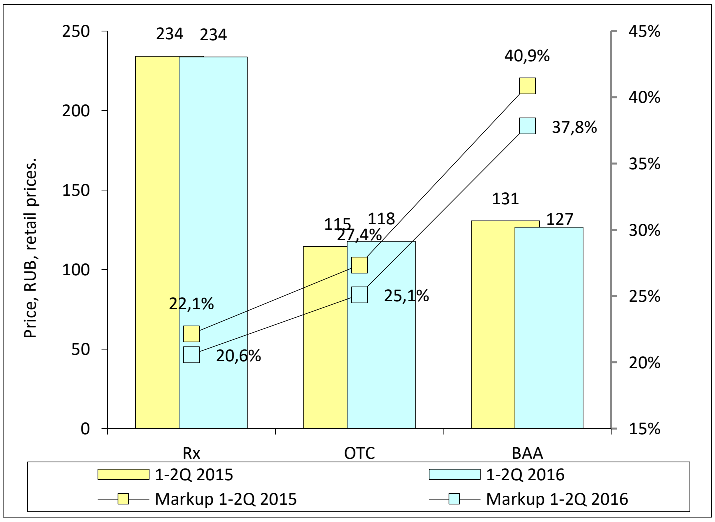
	June 2016 vs. December 2015
CPI	103.5
CPI for non-food products	104.2

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in SFD

	Price dynamics in August 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	0.7	1.3	1.0
Up to RUB 50	1.4		
From RUB 50 to 500	0.8		
Over RUB 500	1.3		

Figure 1. Dynamics of weighted average prices and retail margins in Q 1-2, 2015 – Q 1-2, 2016



Indicators of the dynamics and structure of the market

Figure 2. SFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

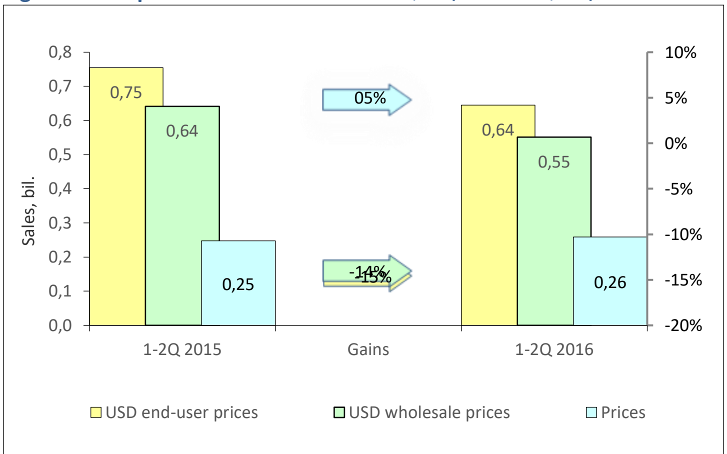


Figure 3. Structure of SFD pharmaceutical market by major segments in Q 1-2, 2015 – Q 1-2, 2016

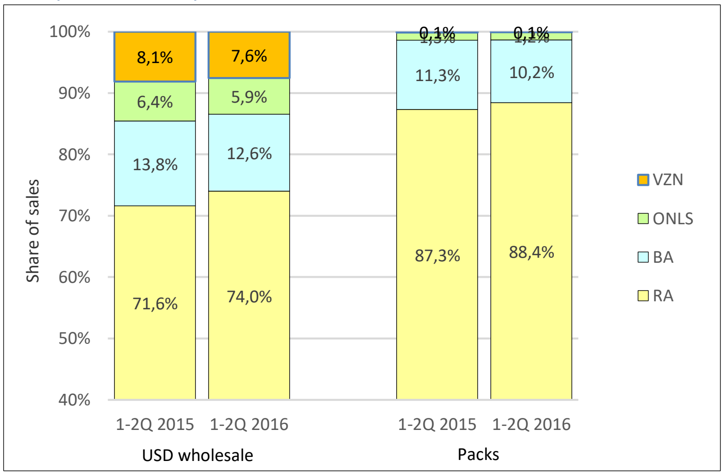


Figure 4. Structure of the retail segment of SFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

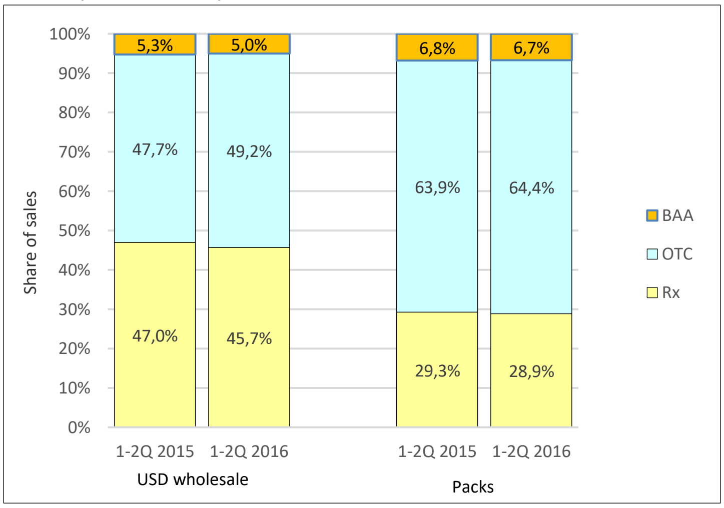
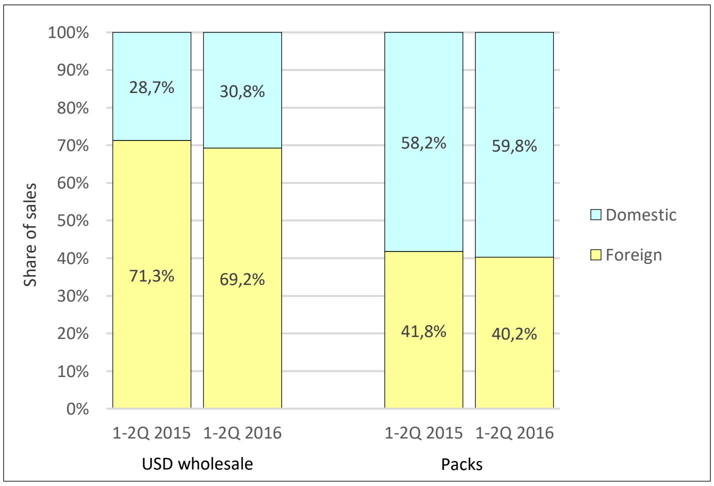


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of SFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016



PHARMACEUTICAL MARKET OF THE FAR EASTERN FEDERAL DISTRICT (FEFD) IN Q 1-2 OF 2016 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in Khabarovsk Krai

Value	January-June 2016	January-June 2016 in % vs. January-June 2015
Industrial production index		105.4
Retail turnover, RUB bil.	578.8	98.0
Monthly average accrued wage per one worker (nominal), RUB	44,568	106.2
real		98.3

Note: FEFD TOGS data

Table 2. Inflation rates in the FEFD, June 2016

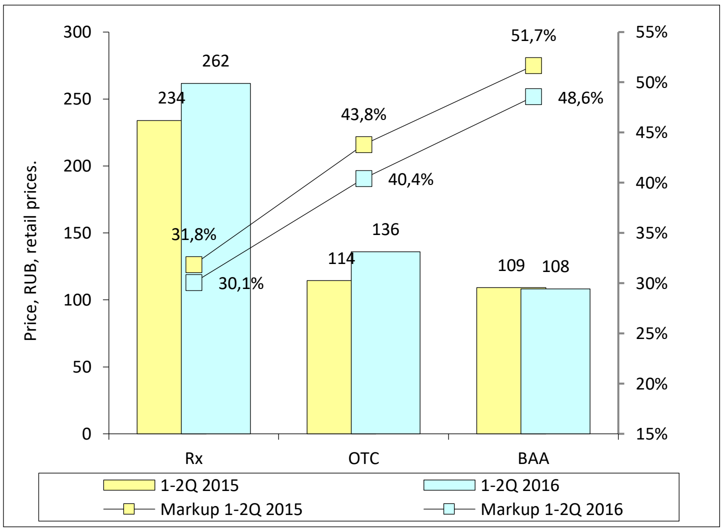
	June 2016 vs. December 2015
CPI	103.1
CPI for non-food products	103.9

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in FEFD

	Price dynamics in August 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	0.9	1.1	1.5
Up to RUB 50	2.2		
From RUB 50 to 500	0.7		
Over RUB 500	0.5		

Figure 1. Dynamics of weighted average prices and retail margins in Q 1-2, 2015 – Q 1-2, 2016



Indicators of the dynamics and structure of the market

Figure 2. FEFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

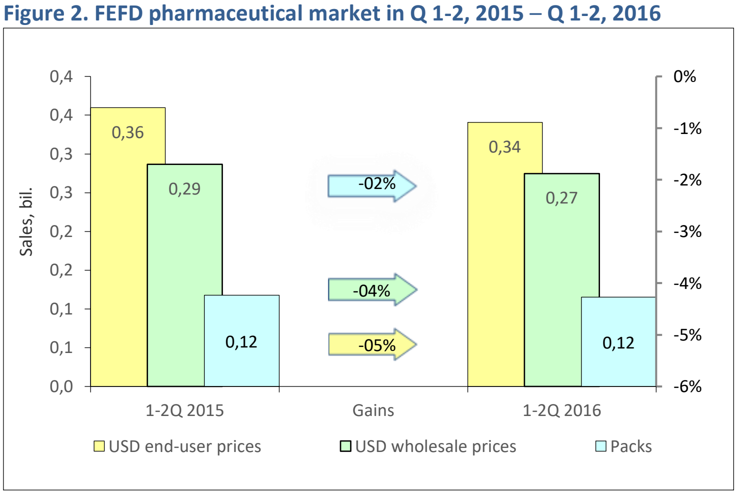


Figure 3. Structure of FEFD pharmaceutical market by major segments in Q 1-2, 2015 – Q 1-2, 2016

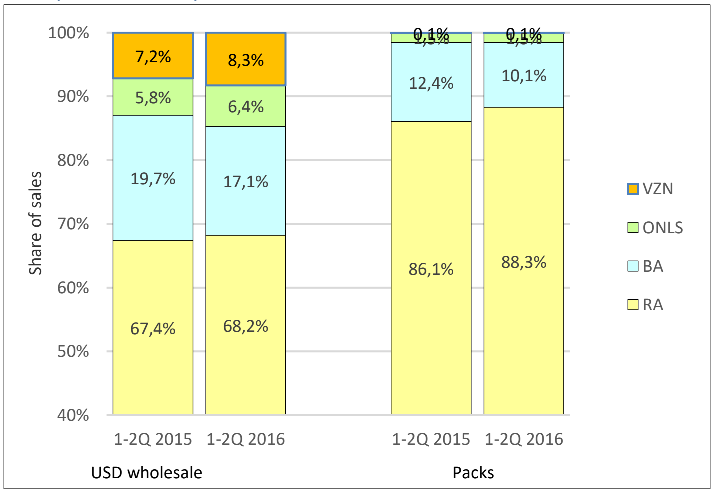


Figure 4. Structure of the retail segment of FEFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016

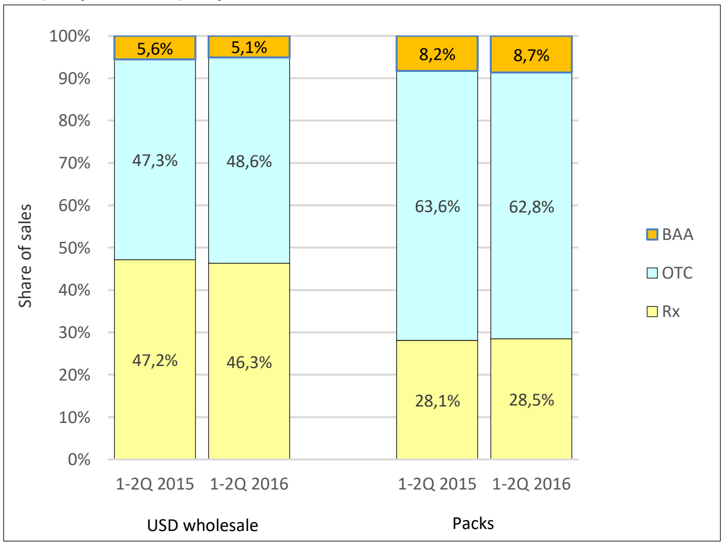


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of FEFD pharmaceutical market in Q 1-2, 2015 – Q 1-2, 2016