REMEDIUM
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AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

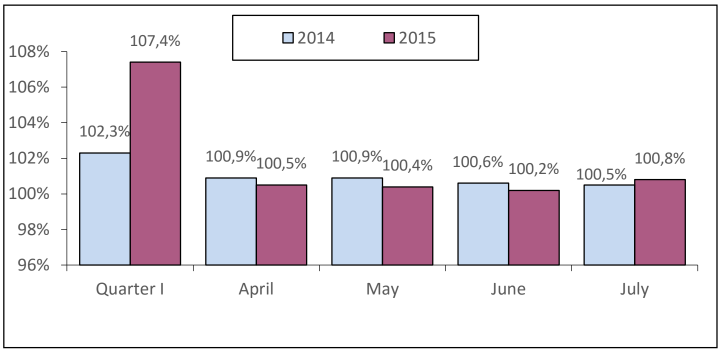
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in July 2015, the Consumer Price Index was estimated at 100.8% compared to the previous month, and 109.4% since the beginning of the year.

In July this year, Industrial Producer Price Index was 101.5%, whereas in the month-earlier period it had amounted to 100.7%.

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



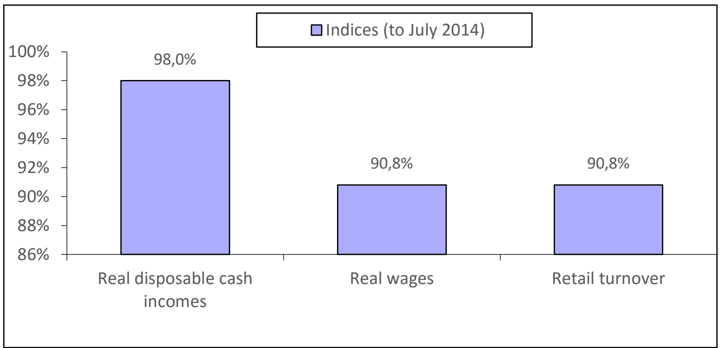
Living standard

According to preliminary Federal State Statistics Service's data, in July 2015 the gross monthly average wages per worker reached RUB 33,980 (USD 595.41) which accounted for 96% compared to the previous month and 105.0% compared to July 2014. The real wage in July 2015 accounted for 90.8% as compared with the same period in 2014. In July 2015, the real value of disposable cash incomes accounted for 98% as compared with the same period of the previous year (Fig. 2).

Retail turnover

In July 2015, the retail turnover was equal to RUB 2,313.1 bln, which in comparable prices accounted for 90.8% compared to the same period a year ago, in January-July 2015 - RUB 15235.6 bln and 91.9% (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in July 2015



Industrial Production

According to Federal State Statistics Service's data, in July 2015 Industrial Production Index accounted for 95.3% compared to the same period in the previous year, and in January - July of 2014 - 97.0%).

According to Federal State Statistics Service's data, Industrial Production Index in July 2015 accounted for 125.1% compared to the relevant period in 2014, and 101.4% to the previous month.

Domestic production

The top 10 domestic pharmaceutical manufacturers by their shares of the total sales in all market segments based on the results for July 2015 are shown in Table 1.

Table 1. The top ten domestic chemical and pharmaceutical manufacturers by sales in July, 2015

Rank	Manufacturer	Sales (%)
1	Otcpharm	5.31%
2	Pharmstandart	4.87%
3	Biocard	4.22%
4	Stada	4.19%
5	F-Sintez	3.92%
6	Ozon	3.67%
7	Generium	3.46%
8	KRKA-RUS	2.88%
9	Sotex	2.82%
10	Veropharm	2.62%

Source - Remedium according to IMS Health's data

Table 2 shows pharmacy sales data for 10 regions of the Russian Federation. In June 2015 compared to May, pharmacy sales slump (in terms of roubles) was observed in half of the regions. The biggest slump was observed in Tatarstan (-14%), the smallest one in Krasnoyarsk Krai (-2%). The highest sales gain was observed in Rostov Region (+7%).

Table 2. Pharmacy sales in the regions, 2015

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	April 2015	May 2015	June 2015	April/ March 2015	May/ April 2015	June/ May 2015
Moscow	150.3	127.0	114.1	3%	-19%	-3%
St. Petersburg	39.1	35.6	32.0	-4%	-13%	-3%
Krasnodar Krai	26.1	25.2	23.8	-0.5%	-8%	2%
Novosibirsk Region	16.4	14.7	13.7	-8%	-14%	0.3%
Tatarstan	19.2	19.9	15.8	-3%	-1%	-14%
Krasnoyarsk Krai	13.4	16.0	14.6	-25%	14%	-2%
Rostov Region	20.3	18.5	18.4	-5%	-13%	7%
Voronezh Region	11.8	11.1	10.8	-16%	-10%	5%
Perm	5.2	3.9	3.4	10%	-29%	-6%
Tyumen	5.3	4.5	4.4	2%	-18%	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, 2015

Rank	Company*	Quantity of broadcasts
1	Otcpharm	10,933
2	Novartis	10,039
3	Bayer AG	6,815
4	Johnson & Johnson	5,013
5	Obolenskoe	3,379

Source - Remedium according to TNS Russia's data

Table 4. Top five brands in mass media in July, 2015

Rank	Brand*	Quantity of broadcasts
1.	Halls	2,483.
2.	Filtrum	2,365.
3.	Exoderil	2,293.
4.	Linex	2,145.
5.	Nurofen	2,037.

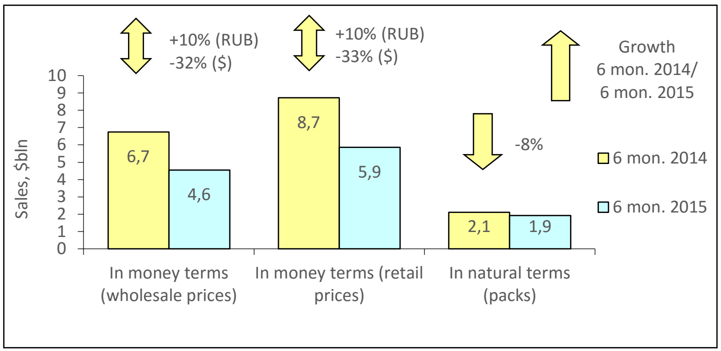
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2015 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2015 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 8% decrease to 1.929 bln packs. In money terms, the market saw a 10% increase in terms of roubles, whereas it showed a negative decline (-32%) in terms of dollars. The market reached RUB 260.774 bln (USD 4.551 bln) in wholesale prices (Fig.1). The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.14) and reached USD 3.04 at retail prices. At the end of the first half of 2015, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 40.05.

Figure 1. Russian pharmacy market for 6 months of 2014 – 6 months of 2015



Based on the first 6 months of 2015, three leading drug manufacturers from the top ten manufacturers in the Russia market held their own in the ranking (Table 1. As before, the drug manufacturers SANOFI-AVENTIS (-3%[1]), BAYER (+9%) and SERVIER (+3%) maintained their previous top three ranks, though two of them, one and three, reduced their market shares. The manufacturers SANDOZ (+6%) and MENARINI (+7%) also kept their previous ranks five and eight. The manufacturers with outperformance of sales NYCOMED/TAKEDA (+13%) and GEDEON RICHTER (+15%) upgraded their ranks, moving up to numbers four and seven, respectively.. At the same time, the less dynamic NOVARTIS (+4%) and TEVA (+2%) moved down two ranks, to numbers six and nine respectively, and the Russia-based OTCPHARM (+6%) shifted down from rank nine to ten. The total share of the top 10 drug manufacturers decreased by almost 1.6 p.p. to 34.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	**SANOFI-AVENTIS**	4.9	5.6
2	2	**BAYER HEALTHCARE**	4.6	4.6
3	3	**SERVIER**	3.6	3.8
4	6	**NYCOMED/TAKEDA**	3.5	3.4
5	5	**SANDOZ GROUP**	3.3	3.5
6	4	**NOVARTIS**	3.3	3.5
7	10	GEDEON RICHTER	2.9	2.8
8	8	**MENARINI**	2.9	3.0
9	7	TEVA	2.9	3.2
10	9	OTCPHARM	2.7	2.8
Total			34.6	36.2

*AIPM members are in bold

The top three of the top ten brand names also held their own in the ranking (table 2. The above top three brands included ESSENTIALE N (-15%), a stimulant of tissue regeneration ACTOVEGIN (+5%) and antiviral product KAGOCEL (+32%). The other top 10 brand names changed their ranks; moreover, only three of them improved their positions. CARDIOMAGNIL (+33%) moved up to rank four from ten, and MEXIDOL (+8%) moved up to rank six from nine. The newcomer DETRALEX (+7%) moved up to rank ten in the ranking of the top ten brand names. At the same time, the products ALFLUTOP (+2%) and CONCOR (+4%) showing low sales growth, and EXODERIL (-3%) and LINEX (-10%) which reduced their sales, moved down to the lower ranks five and from seven through nine, respectively. The total share of the top 10 brand names reduced from 6.9% to 6.5%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	ESSENTIALE N	0.9	1.2
2	2	ACTOVEGIN	0.8	0.9
3	3	KAGOCEL	0.8	0.7
4	10	CARDIOMAGNIL	0.6	0.5
5	4	ALFLUTOP	0.6	0.7
6	9	MEXIDOL	0.6	0.6
7	6	EXODERIL	0.6	0.6
8	7	CONCOR	0.6	0.6
9	5	LINEX	0.5	0.6
10	11	DETRALEX	0.5	0.5
Total			6.5	6.9

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

The leader of the top ten INN and group names managed to hold its own in the ranking. As before, XYLOMETAZOLINE (+17%) maintained its rank number one, strengthening its position due to outperformance sales (Table.3). BISOPROLOL (+9%) moved up to rank two from three, whereas PHOSPHOLIPIDS, which had been placed on that position earlier, reduced its sales by14% and moved down to rank three.. Only one more INN BLOOD (+6%) fell in the ranks, moving down to rank seven. At the same time, INN NIMESULIDE (+15%) and IBUPROFEN (+23%) moved up one rank, to numbers five and six. KAGOCEL (+32%) moved up from rank ten to eight. The newcomers moved up to the two bottom positions of the ranking: the composition DIOSMIN + HESPERIDIN and INN DICLOFENAC (+21% each). INN PANCREATIN (+11%) held its previous rank four.. The total share of the top 10 under review 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. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	XYLOMETAZOLINE	1.6	1.5
2	3	BISOPROLOL	1.0	1.0
3	2	PHOSPHOLIPIDS	1.0	1.3
4	4	PANCREATIN	1.0	1.0
5	6	NIMESULIDE	1.0	0.9
6	7	IBUPROFEN	0.9	0.8
7	5	BLOOD	0.9	0.9
8	10	KAGOCEL	0.8	0.7
9	16	DIOSMIN + HESPERIDIN	0.7	0.6
10	17	DICLOFENAC	0.7	0.6
Total			9.6	9.5

The top-ten ATC group ranking showed high stability. It didn't change in composition, and eight of the top ten ATC groups held their own in the ranking (table 4). At the same time, the ATC groups placed at the top four ranks M01 Anti-inflammatory and antirheumatic products (+16%), C09 Agents acting on the rennin-angiotensin system (+13%), J01 Antibacterials for systemic use and R01 Nasal preparations (+14% each) strengthened their ranks due to sales outperformance. In addition, N02 Analgesics (+11%), R05 Cough and cold preparations (+10%), G03 Sex hormones (+14%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+6%) held their previous ranks from five through seven and ten, respectively. The only shift took place in the bottom part of the ranking. The group J05 Antivirals for systemic use, which saw a 16% increase in growth, moved up from rank nine to eight, displacing A11 Vitamins (+7%) down one rank. In total, based on the results for the first half of 2015 the top ten ATC groups accumulated 37% of the Russian market, which was 36.6% 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. 2015	6 mon. 2014			6 mon. 2015	6 mon. 2014
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.1	4.9
2	2	C09	AG ACT RENIN-ANGIOTENS SYST	4.2	4.1
3	3	J01	ANTIBACTERIALS FOR SYST USE	4.0	3.9
4	4	R01	NASAL PREPARATIONS	3.8	3.7
5	5	N02	ANALGESICS	3.6	3.6
6	6	R05	COUGH AND COLD PREPARATIONS	3.5	3.6
7	7	G03	SEX HORM&MODULAT GENITAL SYS	3.4	3.3
8	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.3
9	8	A11	VITAMINS	3.2	3.3
10	10	A07	INTESTINAL ANTIINFECTIVES	3.0	3.1
Total				37.0	36.6

Conclusion. On the basis of the results for the first six months of 2015, the retail pharmacy market of Russia reached RUB 335,733 bln (USD 5.858 bln). It was 10% more in terms of roubles and 33% less in terms of dollars than during the same period in 2014. In natural terms, the market showed the negative growth rates (-8%) and equalt to 1.929 bln packs. Based on the results for the first half of 2015, the average cost of OTC pack in the national pharmacies was USD 3.04, whereas in the same period of 2014 it was USD 4.14. The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 40.05 vs. USD 60.70).

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2015 FIRST 6 MONTHS RESULTS

According to DLO in RF™, the OTC drugs supplies under the Federal Program amounted to RUB 65.222 bln on the basis of the results for the first half of 2015 (USD 1.102 bln) in contractual prices[2]. The segment volume increased 20% in terms of roubles, and reduced 31% in terms of dollars as compared to the relevant period in 2014. The scope of supplies in pack terms increased by 8% to 52.014 mln packs. The average cost of a FPP pack through the DLO program was USD 21.19 in contractual prices (a year ago it was USD 33.12).

Based on the results for six months of 2015, the drug manufacturers F-SYNTEZ (supplies increased 8 times) showed the largest supplies under DLO Program and the highest growth rates, moving up to rank number one from 16 (Table 1). ROCHE, that used to be the ranking leader before, reduced its sales by 46% and moved down to rank two. BIOCAD RF (supplies increased 7.4 times), as well as the ranking leader, broke into the ranks of the top ten, coming in at number three. The drug manufacturers BAXTER (+38%), LABORATORIO TUTEUR (+27%) and NOVO NORDISK (+34%) also showed high growth rates. On top of that, the former moved up one rank, coming in at number four, whereas the other two, in contrast, moved down to ranks 8 and 10, respectively. The other four drug manufacturers also fell in the ranks. TEVA (+16%), SANOFI-AVENTIS (+15%), JOHNSON & JOHNSON (-59%) and GENERIUM ZAO RF (+7%) moved down to ranks 5 through 7 and nine respectively. The total share of the top ten drug manufacturers under DLO Program reduced by 4.5 p.p. and accounted for 60%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	16	F-SYNTEZ	10.5	1.6
2	1	**ROCHE**	9.3	20.3
3	17	BIOCAD RF	6.8	1.1
4	5	**BAXTER INT**	6.2	5.6
5	3	TEVA	5.7	6.1
6	4	**SANOFI-AVENTIS**	5.6	5.7
7	2	**JOHNSON & JOHNSON**	4.2	12.4
8	7	LABORATORIO TUTEUR	4.0	3.9
9	6	GENERIUM ZAO RF	4.0	4.6
10	8	**NOVO NORDISK**	3.7	3.2
Total			60.0	64.5

*AIPM members are in bold

The leaders of the top 10 brand names in the DLO sector also changed. The newcomers BORAMILAN FS and ACELLBIA moved up to the top two ranks of the top ten (table 2). On top of that, two more newcomers broke into the ranks of the top ten ranking. FILAHROMIN FS which increased its purchases 4 times and OCTANATE (+46%) moved up to ranks 8 and 10, respectively. The brand names GENFAXON (+49%) and HERCEPTIN(+16%) also rose in the ranks, moving up one rank, to numbers four and nine. At the same time, VELCADE (-70%), COAGIL-VII (-8%) and LANTUS SOLOSTAR (+19%) moved down to ranks five through seven, respectively. COPAXONE TEVA (+32%) held its previous rank three. The total share of the top ten ranking increased by 6.3 p.p. and achieved 36.5%.

Table 2. The top ten brand names for DLO.

Rank in the top ten		Brand name	Share in total DLO volume, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	N/A	BORAMILAN FS	7.0	0.0
2	N/A	ACELLBIA	6.0	0.0
3	3	COPAXONE TEVA	5.1	4.8
4	5	GENFAXON	3.3	2.8
5	2	VELCADE	2.9	11.6
6	4	COAGIL-VII	2.7	3.6
7	6	LANTUS SOLOSTAR	2.6	2.6
8	25	FILAHROMIN FS	2.6	0.8
9	10	HERCEPTIN	2.2	2.2
10	13	OCTANATE	2.2	1.9
Total			36.5	30.2

Despite the low growth rates, BORTEZOMIB (+3%) moved up to rank number one of the top ten INN and group names ranking, whereas the last year leader RITUXIMAB (-24%) moved down to rank two, due to reduction in supplies by almost one fourth (table 3). As before, INNs INTERFERON BETA-1A (+5%), FACTOR VIII (+30%) and GLATIRAMER ACETATE (+32%) maintained their previous ranks from three to five. INNs INSULIN GLARGINE (+27%) and TRASTUZUMAB (+16%) also held their own in the ranking. The remaining three INNs of top ten changed their ranks; moreover, only one of them rose in the ranks. Due to 2.4-fold growth in supplies, the newcomer IMATINIB broke into the ranks of the top ten, moving up from rank 14 to six. Showing negative growth rates, EPTACOG ALFA (ACTIVATED) (-6%) moved down from rank six to eight, displacing OCTOCOG ALFA (+29%) one rank down.

[2] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

Table 3. The top ten INN and group names for DLO

Rank in the top ten		Brand name	Share in total DLO volume, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	2	BORTEZOMIB	9.9	11.6
2	1	RITUXIMAB	8.2	13.4
3	3	INTERFERON BETA-1A	5.2	6.1
4	4	FACTOR VIII	5.1	4.9
5	5	GLATIRAMER ACETATE	5.1	4.8
6	14	IMATINIB	3.3	1.7
7	7	INSULIN GLARGINE	2.8	2.6
8	6	EPTACOG ALFA (ACTIVATED)	2.7	3.7
9	8	OCTOCOG ALFA	2.5	2.4
10	10	TRASTUZUMAB	2.2	2.2
Total			47.0	53.3

Most of the top 10 ATC groups in DLO segment held their own in the ranking (table 4). L01 Antineoplastic agents (+8%), B02 Antihemorrhagics (+29%), L03 Immunostimulants (+16%), A10 Drugs Used in Diabetes (+34%), L04 Immunodepressants (+26%), R03 Drugs for obstructive airway diseases (+11%) and L02 Endocrine therapy (+26%) rounding out the top ten held their previous ranks from one through six. The most dynamic of the top ten B03 Antianemic preparations (+49%) moved up to rank seven by displacing A16 Other alimentary tract and metabolism products (+25%) down one rank. The only newcomer of the top ten H01 Hypothalamic-Pituitary Hormones and Analogues (+28%) moved up to rank nine. The cumulative share of the top ten reduced by 1.3 p.p. and accounted for 84.6%.

Table 4. The top ten ATC groups for DLO

Rank		ATC code	ATC group	Share in total DLO volume, %	
6 mon. 2015	6 mon. 2014			6 mon. 2015	6 mon. 2014
1	1	L01	ANTINEOPLASTIC AGENTS	28.9	32.4
2	2	B02	ANTIHEMORRHAGICS	14.1	13.7
3	3	L03	IMMUNOSTIMULANTS	12.9	13.6
4	4	A10	DRUGS USED IN DIABETES	10.8	9.3
5	5	L04	IMMUNOSUPPRESSANTS	5.6	5.2
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.9	4.1
7	9	B03	ANTIANEMIC PREPARATIONS	2.4	1.9
8	7	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	2.3	2.2
9	11	H01	PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES	1.9	1.8
10	10	L02	ENDOCRINE THERAPY	1.9	1.8
Total				84.6	85.9

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The highest supplies volumes were observed in Moscow with a 17% market share in the DLO segment, and in Moscow Region, Krasnodar Krai, Tatarstan, and St. Petersburg. Novosibirsk Region broke into the ranks of the top ten for the first time. Note that supplies growth was positive in terms of roubles in all ten regions. The total share of the top ten regions in DLO sector accounted for 45.1%.

Table 5. The top ten regions by sales for DLO

Rank		Region	Share in total DLO volume, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	Moscow	17.0	6.3
2	2	Moscow Region	5.6	6.3
3	3	Krasnodar Krai	3.1	3.8
4	4	Tatarstan Republic	3.1	3.2
5	5	Saint Petersburg	3.0	3.1
6	9	North Caucasian FD, Rest	3.0	2.7
7	6	Sverdlovsk Region	2.9	3.0
8	7	Rostov Region	2.8	2.9
9	12	Novosibirsk Region	2.4	2.4
10	10	Tyumen Region	2.3	2.6
Total			45.1	36.3

Conclusion. On the basis of the results for the first 6 months of 2015, the DLO sector of Russia brought in RUB 65.222 bln. (USD 1.102 bln) in contractual prices. This was 20% more in terms of roubles and 31% less in terms of dollars than during the same period in 2014. In pack terms, the supplies increased by 8% and amounted to 52.014 mln packs. The average cost of OTC pack participating in the DLO Programme reduced as compared to the figures of the past year (USD 21.19 vs USD 33.12).

MOSCOW PHARMACEUTICAL MARKET IN Q 1-2, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data characterizing socio - economic situation in Moscow

Value	January-July 2015	January-July 2015, % of January-July 2014
Industrial production index		87.4
Retail turnover, RUB bln	2,524.7	89.8
Monthly average accrued wage per worker (nominal), RUB	62,334	105.4
real		90.5

Note: Moscow TOGS data

Table 2. Moscow consolidated budget expenditure on health care in January – July, 2015

	January-July 2015	Share in total budget expenditures
Consolidated budget expenditures on health care, RUB mln	97,187.31	12.58%

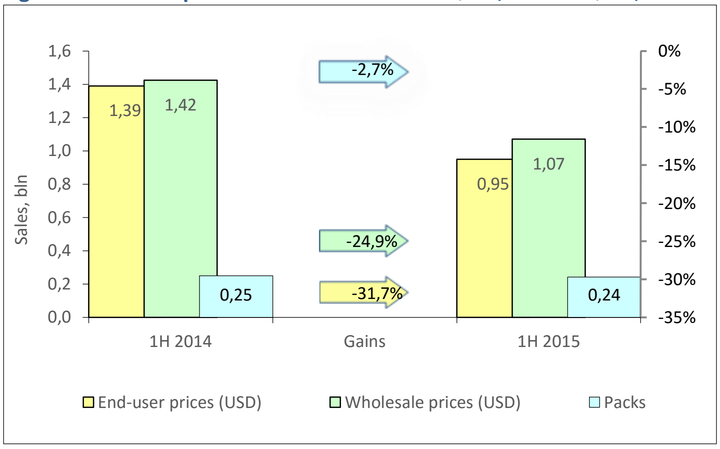
Note: RF Health Ministry data

Table 3. Inflation rates in Moscow, July 2015

	July 2015 to December 2014
CPI	111.2
CPI for non-food products	109.9
CPI for medications	114.0

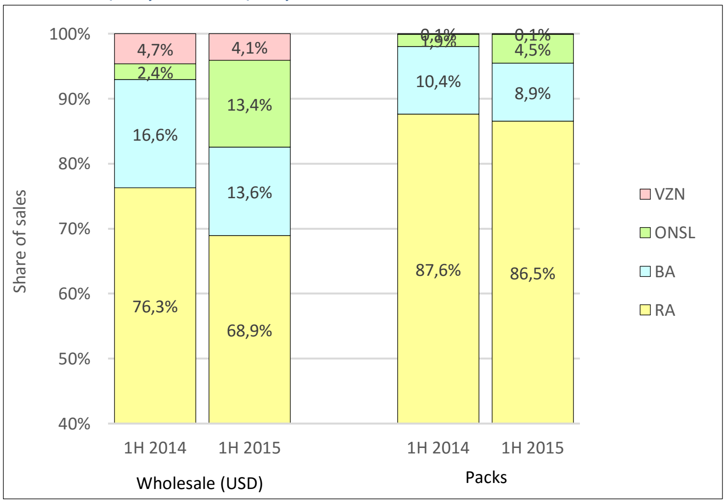
Indicators of the dynamics and structure of the market

Figure 1. Moscow pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 2. Structure of Moscow pharmaceutical market by major segments in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 3. Structure of the retail segment of Moscow pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015

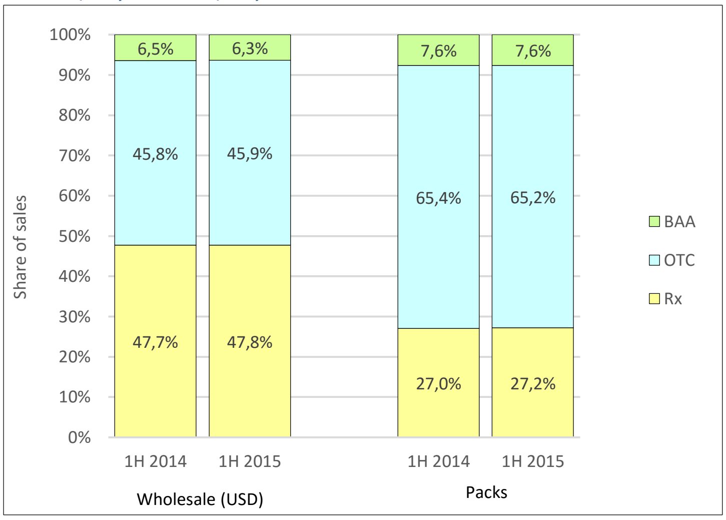
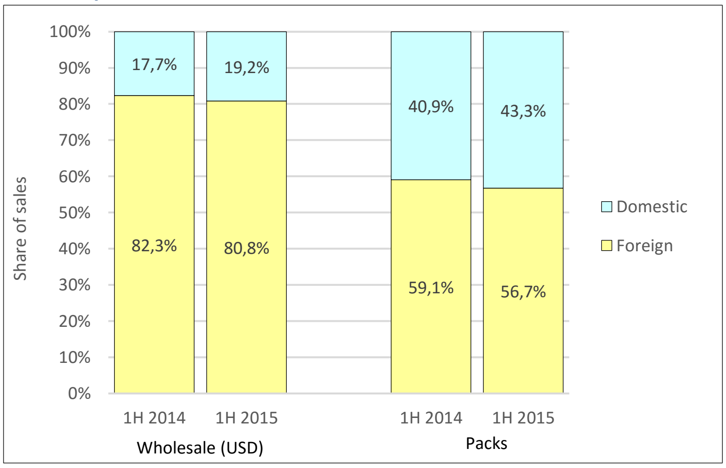


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Moscow pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



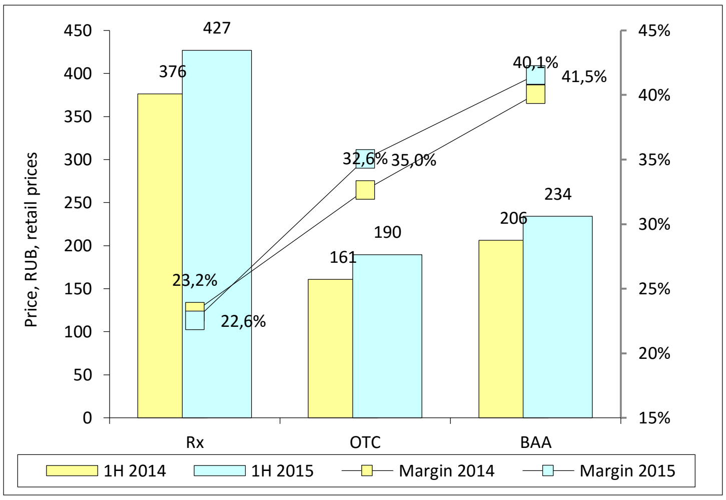
Note: Without BAA sales

Indicators of price dynamics and retail margins

Table 4. Results of the VED price monitoring conducted by Roszdravnadzor in Moscow

	Price dynamics in August 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	8.3	7.1	3.6
Up to RUB 50	11.7		
From RUB 50 to 500	8.1		
Over RUB 500	5.3		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-2, 2014 – Q 1-2, 2015



ST. PETERSBURG PHARMACEUTICAL MARKET IN Q 1-2, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in St. Petersburg

Value	January-July 2015	January-July 2015, % to January-July 2014
Industrial production index		91.8
Retail turnover, RUB bln	602.6	91.2
Monthly average accrued wage per worker (nominal), RUB	42,377	109.3
real		92.3

Note: St.Petersburg TOGS data

Table 2. St.Petersburg consolidated budget expenditure on health care in January - July 2015

	January-July 2015	Share in total budget expenditures
Consolidated budget expenditures on health care, RUB mln	39,393.48	17.95%

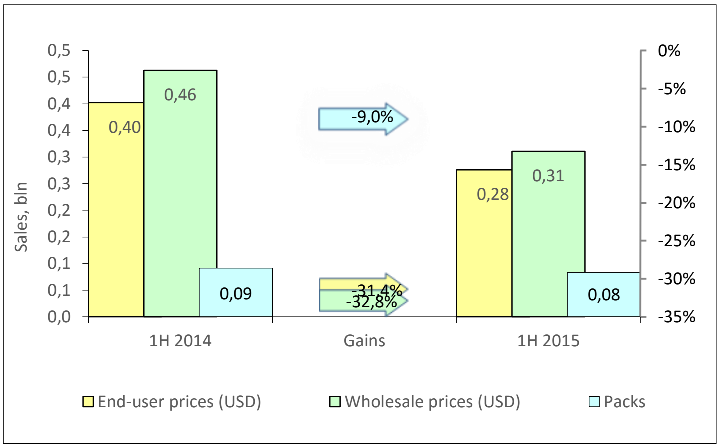
Note: RF Health Ministry data

Table 3. Inflation rates in St. Petersburg, May 2015

	July 2015 to December 2014
CPI	110.1
CPI for non-food products	111.1
CPI for medications	113.7

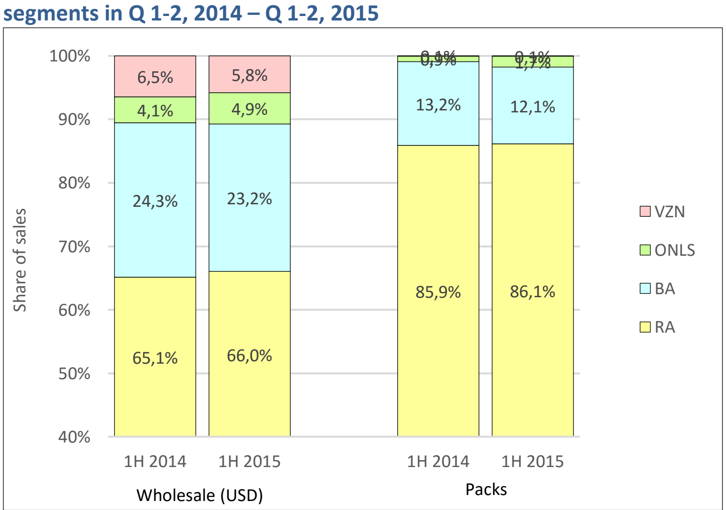
Indicators of the dynamics and structure of the market

Figure 1. St. Petersburg pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 2. Structure of St. Petersburg pharmaceutical market by major segments in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 3. Structure of the retail segment of St. Petersburg pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015

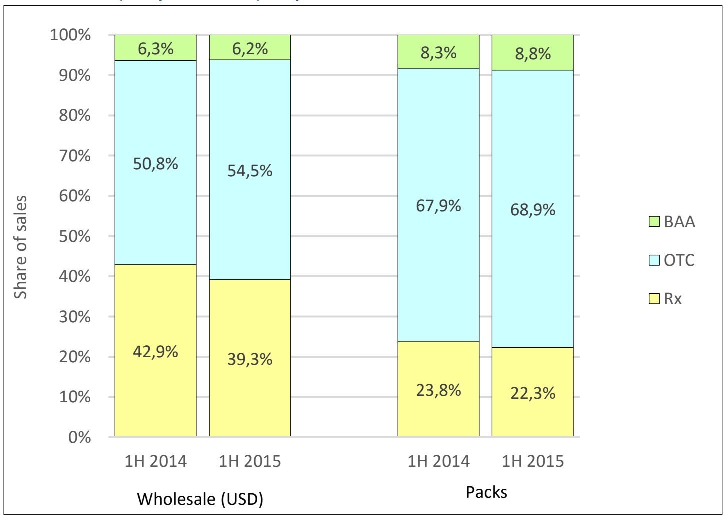
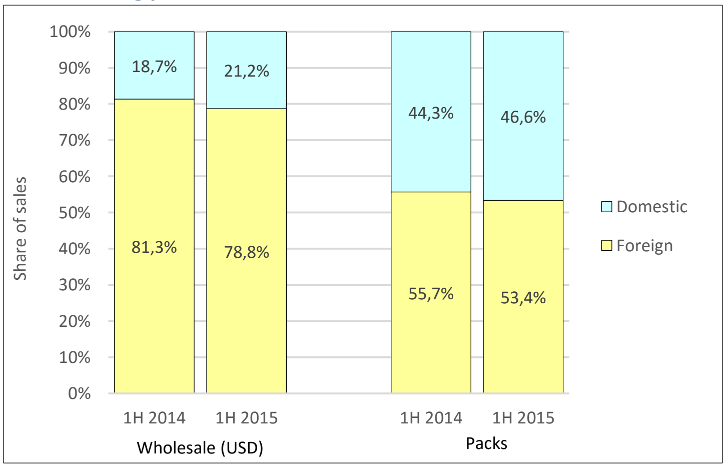


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of St. Petersburg pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



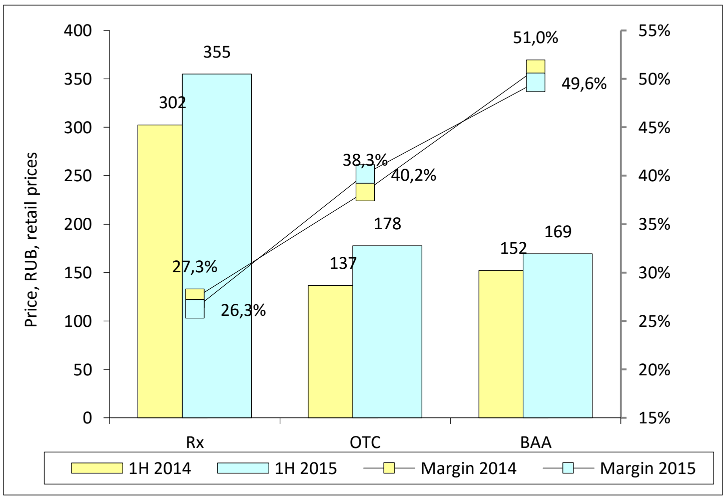
Note: Without BAA sales

Indicators of price dynamics and retail margins

Table 4. Results of the VED price monitoring conducted by Roszdravnadzor in St. Petersburg

	Price dynamics in August 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	4.3	3.7	4.8
Up to RUB 50	9.4		
From RUB 50 to 500	3.1		
Over RUB 500	2.9		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-2, 2014 – Q 1-2, 2015



NIZHNY NOVGOROD REGION PHARMACEUTICAL MARKET IN Q 1-2, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in Nizhny Novgorod Region

Value	January-May 2015	January-May 2015, % to January-May 2014
Industrial production index		100.4
Retail turnover, RUB bln	348.02	86.0
Monthly average accrued wage per worker (nominal), RUB	26,033	103.4
real		89.1

Note: Nizhny Novgorod region TOGS data

Table 2. Nizhny Novgorod Region consolidated budget expenditure on health care in January - July, 2015

	January-July 2015	Share in total budget expenditures
Consolidated budget expenditures on health care, RUB mln	13,876.78	14.60%

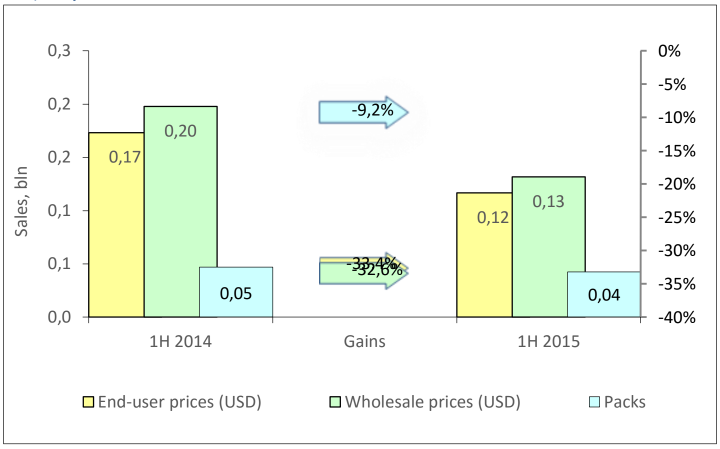
Note: RF Health Ministry data

Table 3. Inflation rates in Nizhny Novgorod Region, May 2015

	July 2015 to December 2014
CPI	109.6
CPI for non-food products	109.9
CPI for medications	111.6

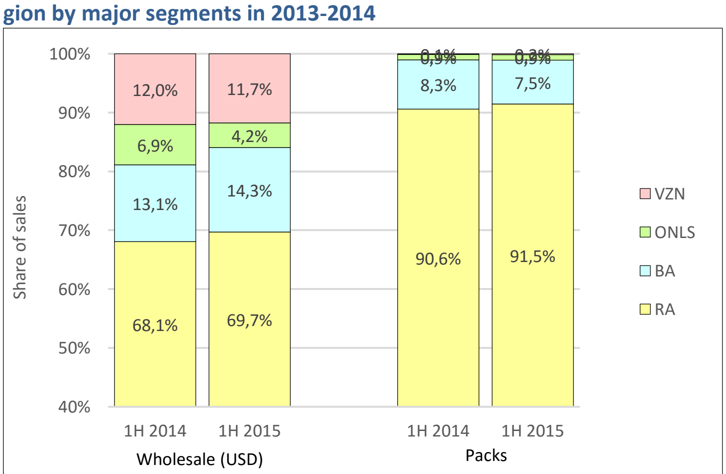
Indicators of the dynamics and structure of the market

Figure 1. Nizhny Novgorod region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Nizhny Novgorod Region by major segments in 2013-2014



Note: Without BAA sales

Figure 3. Structure of the retail segment of Nizhny Novgorod Region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015

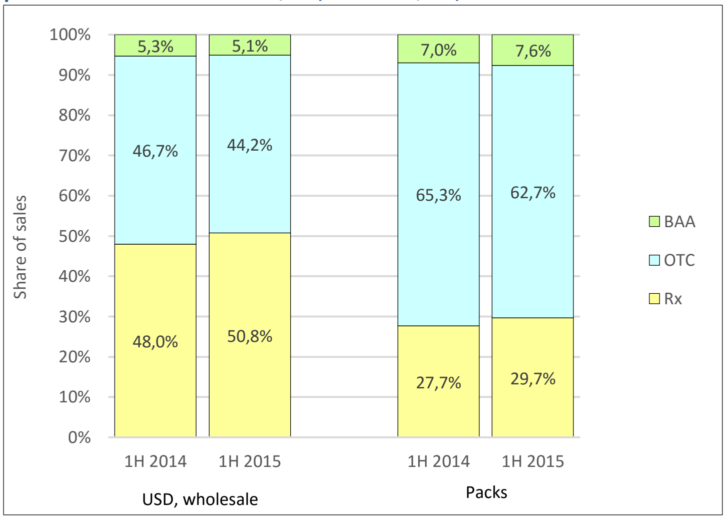
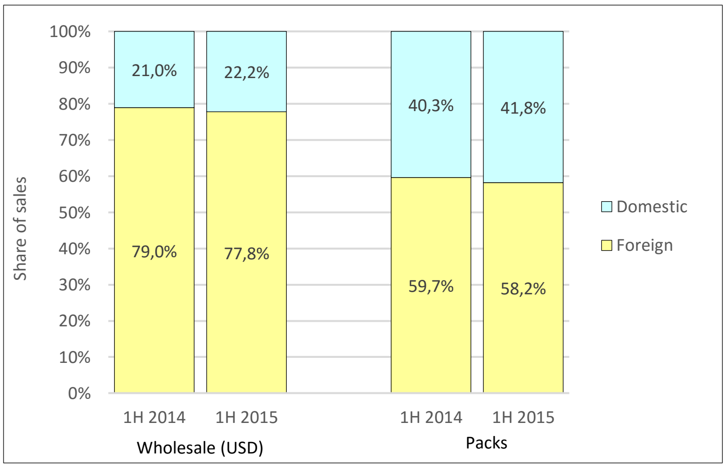


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Nizhny Novgorod Region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



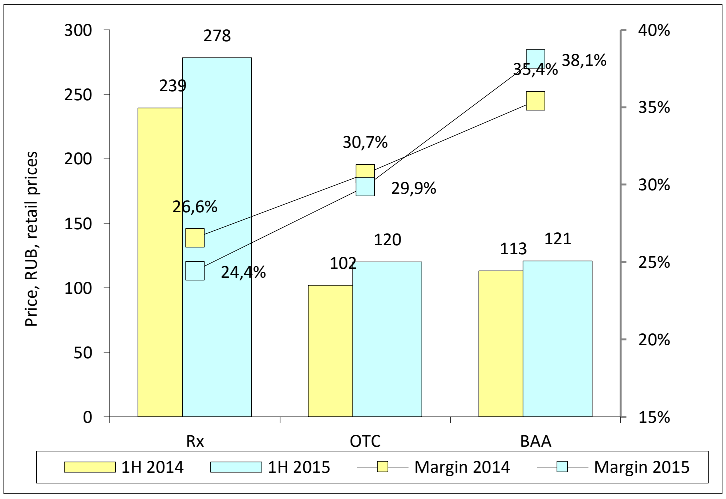
Note: Without BAA sales

Indicators of price dynamics and retail margins

Table 4. Results of the VED price monitoring conducted by Roszdravnadzor in Nizhny Novgorod region

	Price dynamics in August 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	4.9	6.1	4.6
Up to RUB 50	12.4		
From RUB 50 to 500	3.3		
Over RUB 500	0.6		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-2, 2014 – Q 1-2, 2015



EKATERINBURG REGION PHARMACEUTICAL MARKET IN Q 1-2, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

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

Value	January-July 2015	January-July 2015, % to January-July 2014
Industrial production index		97.8
Retail turnover, RUB bln	584.34	90.1
Monthly average accrued wage per worker (nominal), RUB	30,458	105.5
real		83.2

Note: Ekaterinburg region TOGS data

Table 2. Ekaterinburg region consolidated budget expenditure on health care in January - July, 2015

	January-July 2015	Share in total budget expenditures
Consolidated budget expenditures on health care, RUB mln	22,890.17	17.10%

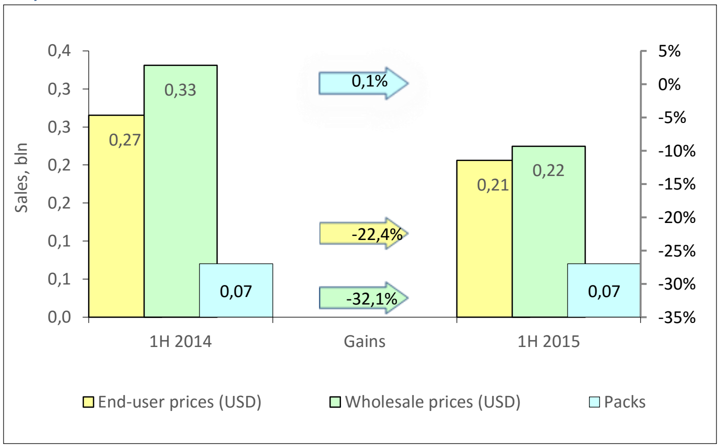
Note: RF Health Ministry data

Table 3. Inflation rates in Ekaterinburg region, May 2015

	July 2015 to December 2014
CPI	110.3
CPI for non-food products	109.6

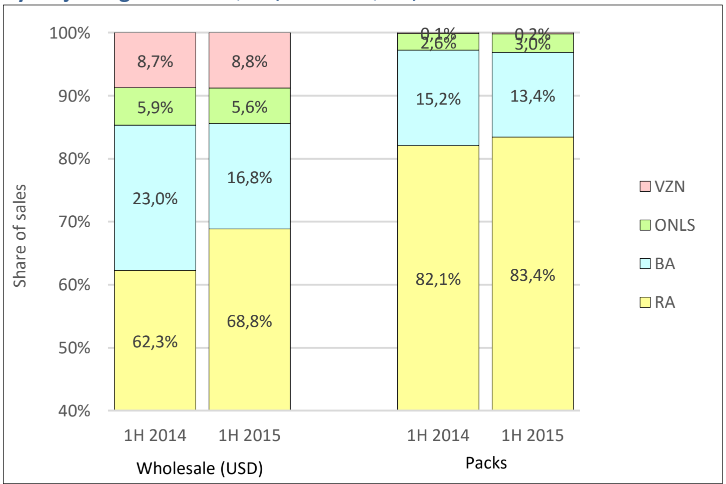
Indicators of the dynamics and structure of the market

Figure 1. Ekaterinburg region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Ekaterinburg region by major segments in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 3. Structure of the retail segment of Ekaterinburg Region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015

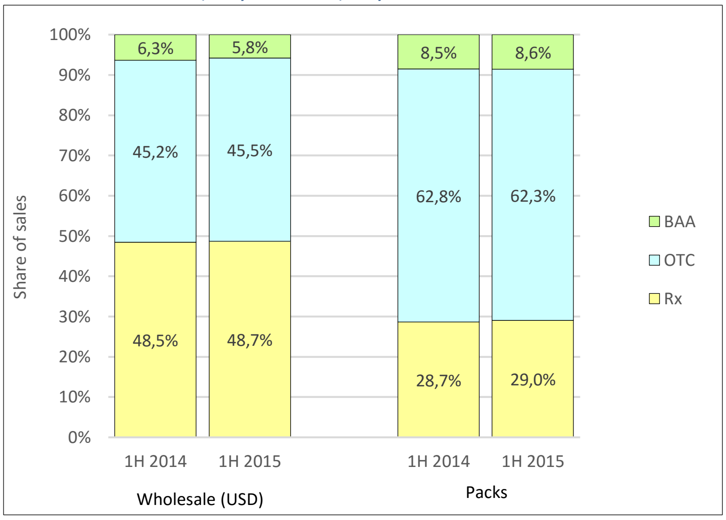
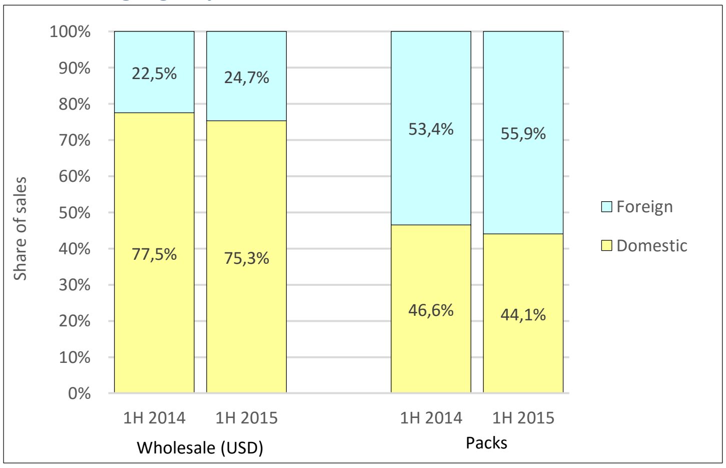


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Ekaterinburg region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



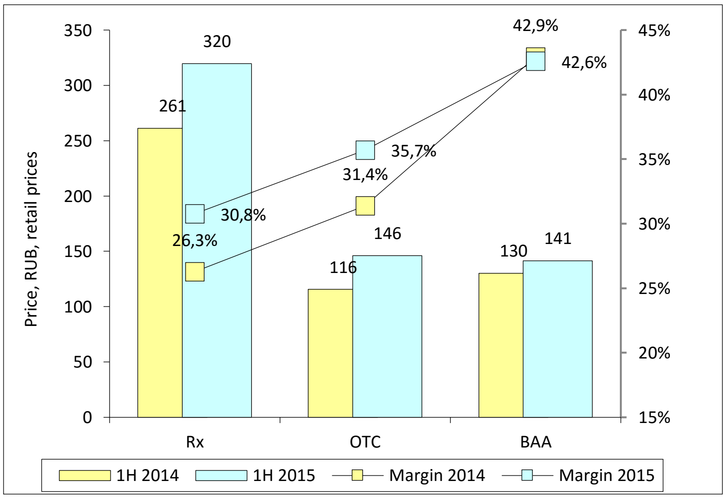
Note: Without BAA sales

Indicators of price dynamics and retail margins

Table 4. Results of the VED price monitoring conducted by Roszdravnadzor in Ekaterinburg region

	Price dynamics in August 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	9.0	10.9	6.9
Up to RUB 50	15.2		
From RUB 50 to 500	6.8		
Over RUB 500	3.5		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-2, 2014 – Q 1-2, 2015



NOVOSIBIRSK REGION PHARMACEUTICAL MARKET IN Q 1-2, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

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

Value	January-July 2015	January-July 2015, % to January-July 2014
Industrial production index		100.4
Retail turnover, RUB bln	243.84	82.8
Monthly average accrued wage per worker (nominal), RUB	27,328	103.8
real		90.3

Note: Novosibirsk region TOGS data

Table 2. Novosibirsk region consolidated budget expenditure on health care in January - July, 2015

	January-July 2015	Share in total budget expenditures
Consolidated budget expenditures on health care, RUB mln	11,091.98	13.62%

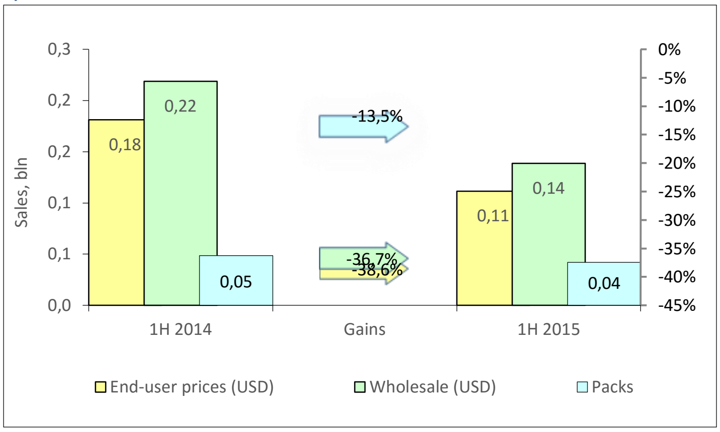
Note: RF Health Ministry data

Table 3. Inflation rates in Novosibirsk Region, May 2015

	July 2015 to December 2014
CPI	107.7
CPI for non-food products	106.4
CPI for medications	116.6

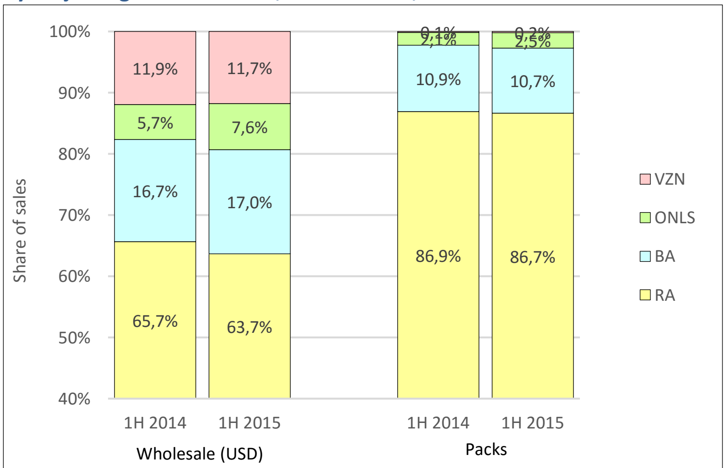
Indicators of the dynamics and structure of the market

Figure 1. Novosibirsk region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Novosibirsk Region by major segments in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 3. Structure of the retail segment of Novosibirsk region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015

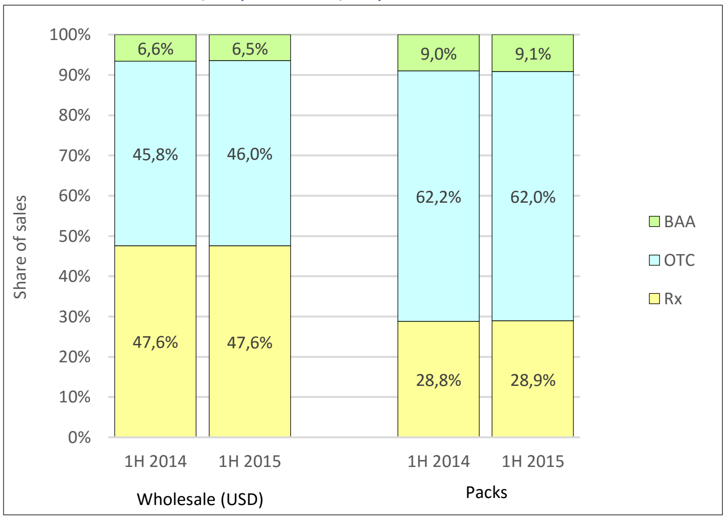
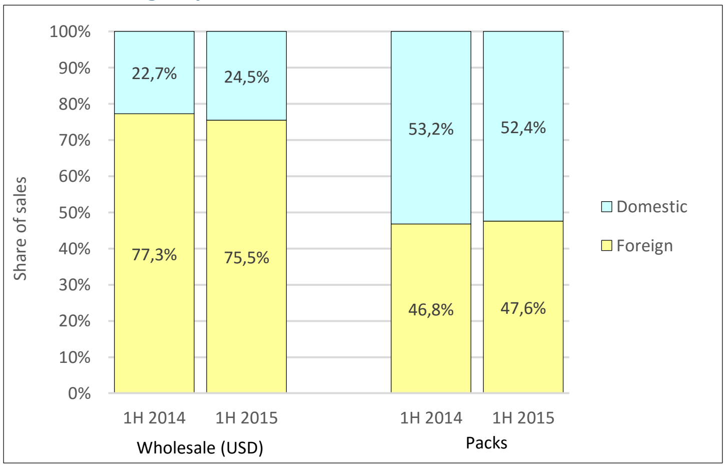


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Novosibirsk region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



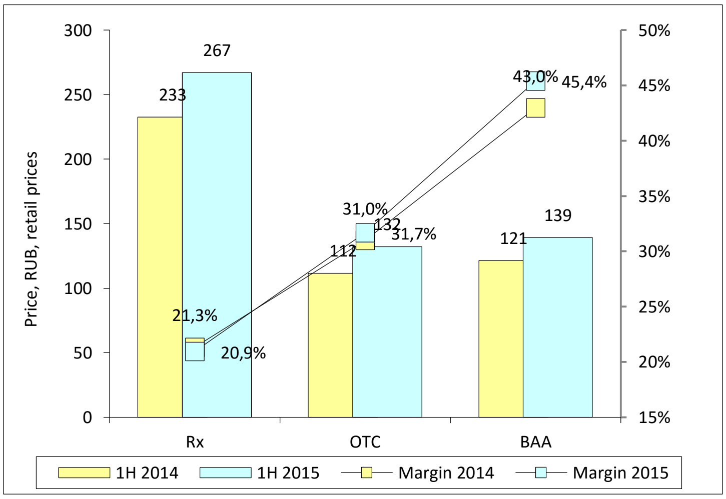
Note: Without BAA sales

Indicators of price dynamics and retail margins

Table 4. Results of the VED price monitoring conducted by Roszdravnadzor in Novosibirsk region

	Price dynamics in August 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	7.8	8.9	6.6
Up to RUB 50	14.0		
From RUB 50 to 500	6.5		
Over RUB 500	3.1		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-2, 2014 – Q 1-2, 2015



ROSTOV REGION PHARMACEUTICAL MARKET IN Q 1-2, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

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

Value	January-July 2015	January-July 2015, % to January-July 2014
Industrial production index		107.3
Retail turnover, RUB bln	447.57	92.6
Monthly average accrued wage per one worker (nominal), RUB	23,812	104.3
real		88.3

Note: Rostov region TOGS data

Table 2. Rostov region consolidated budget expenditure on health care in January - July, 2015

	January-July 2015	Share in total budget expenditures
Consolidated budget expenditures on health care, RUB mln	14,727.97	14.80%

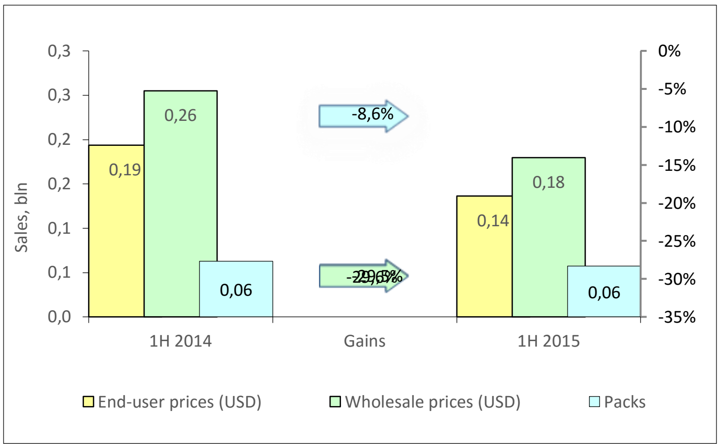
Note: RF Health Ministry data

Table 3. Inflation rates in Rostov region, May 2015

	July 2015 to December 2014
CPI	108.8
CPI for non-food products	109.9

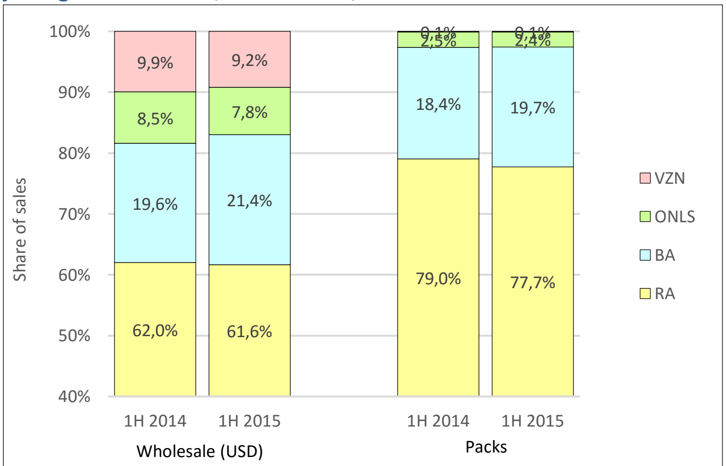
Indicators of the dynamics and structure of the market

Figure 1. Rostov region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Rostov region by major segments in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 3. Structure of the retail segment of Rostov region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015

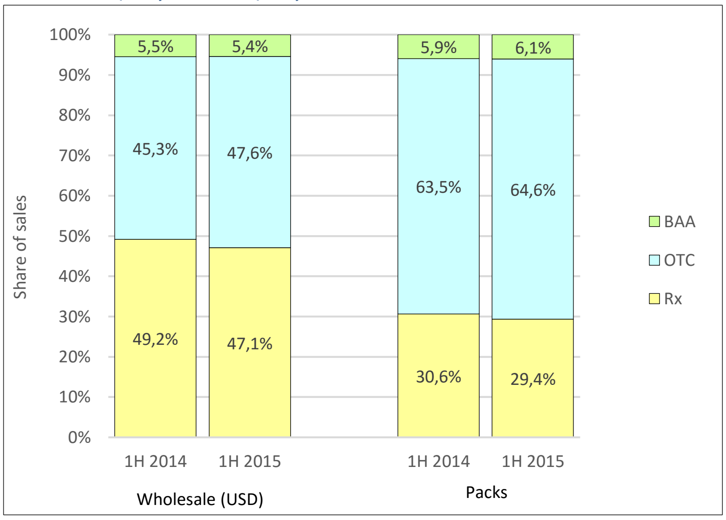
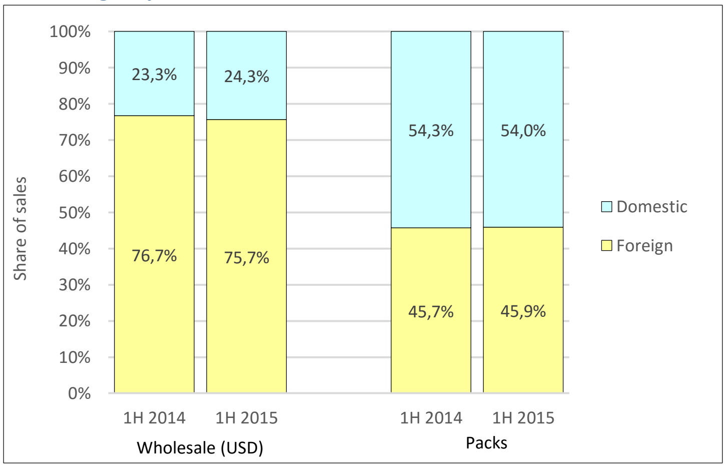


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Rostov region pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



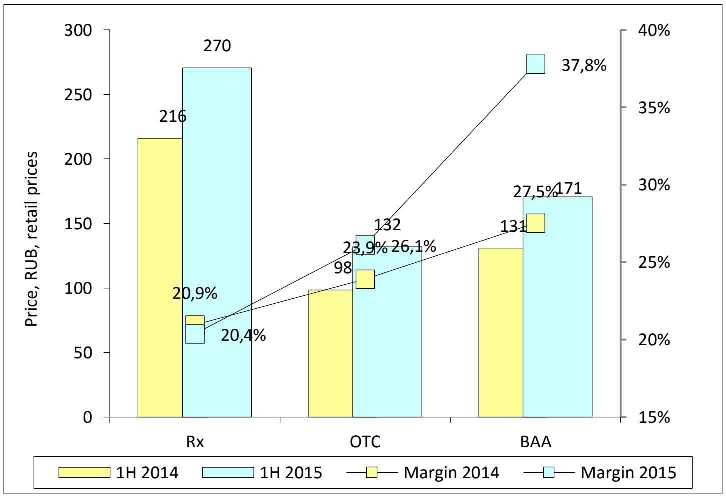
Note: Without BAA sales

Indicators of price dynamics and retail margins

Table 4. Results of the VED price monitoring conducted by Roszdravnadzor in Rostov region

	Price dynamics in August 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	9.7	10.2	8.9
Up to RUB 50	17.7		
From RUB 50 to 500	8.2		
Over RUB 500	4.2		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-2, 2014 – Q 1-2, 2015



KHABAROVSK KRAI PHARMACEUTICAL MARKET IN Q 1-2, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

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

Value	January-July 2015	January-July 2015, % to January-July 2014
Industrial production index		97.7
Retail turnover, RUB bln	147.58	101.2
Monthly average accrued wage per one worker (nominal), RUB	36,854	105.5
real		89.9

Note: Khabarovsk Krai TOGS data

Table 2. Khabarovsk Krai consolidated budget expenditure on health care in January - July 2015

	January-July 2015	Share in total budget expenditures
Consolidated budget expenditures on health care, RUB mln	7,623.59	13.53%

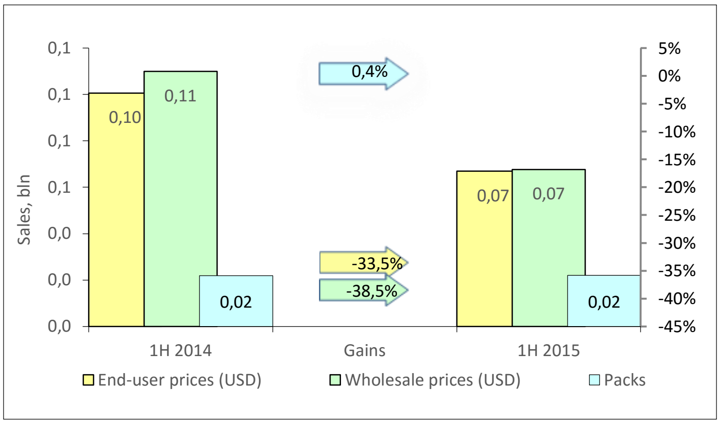
Note: RF Health Ministry data

Table 3. Inflation rates in Khabarovsk Krai, May 2015

	May 2015 to December 2014
CPI	109.2
CPI for non-food products	109.6

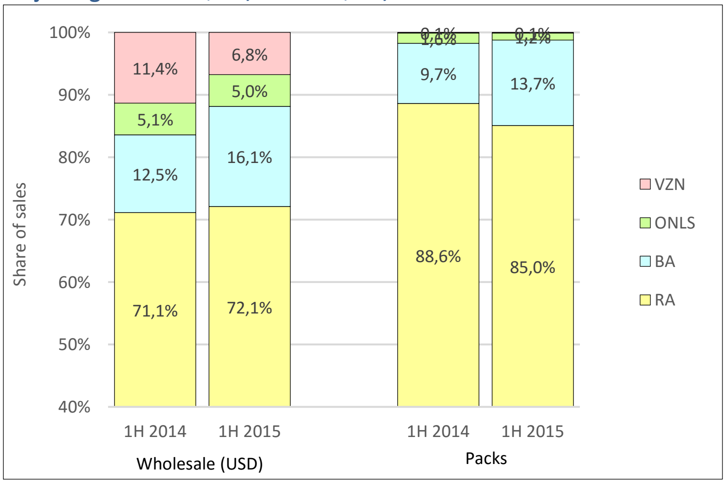
Indicators of the dynamics and structure of the market

Figure 1. Khabarovsk Krai pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Khabarovsk Krai by major segments in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Figure 3. Structure of the retail segment of the Khabarovsk Krai pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015

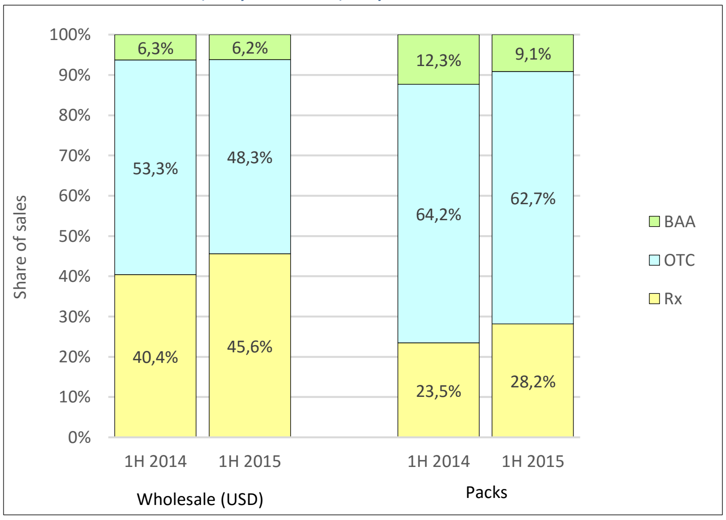
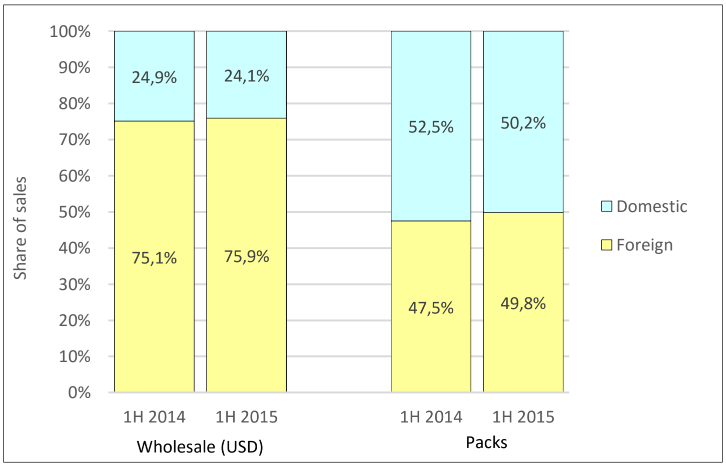


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Khabarovsk Krai pharmaceutical market in Q 1-2, 2014 – Q 1-2, 2015



Note: Without BAA sales

Indicators of price dynamics and retail margins

Table 4. Results of the VED price monitoring conducted by Roszdravnadzor in Khabarovsk Krai

	Price dynamics in August 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	7.6	9.8	6.8
Up to RUB 50	12.5		
From RUB 50 to 500	6.4		
Over RUB 500	3.3		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-2, 2014 – Q 1-2, 2015