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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

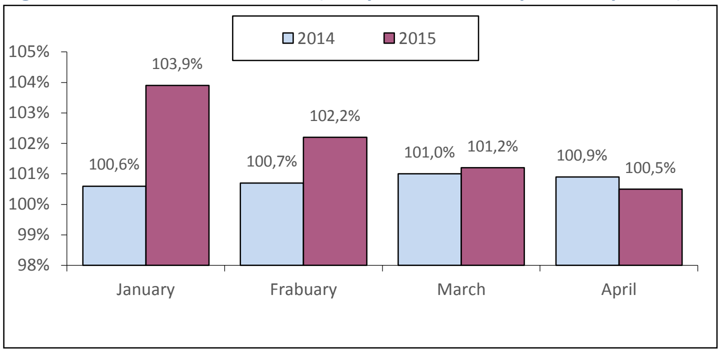
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in April 2015, the Consumer Price Index was estimated at 100.5% compared to the previous month, and 107.9% since the beginning of the year.

In April this year, Industrial Producer Price Index was 102.7%, whereas in the month-earlier period it had amounted to 105.5%.

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



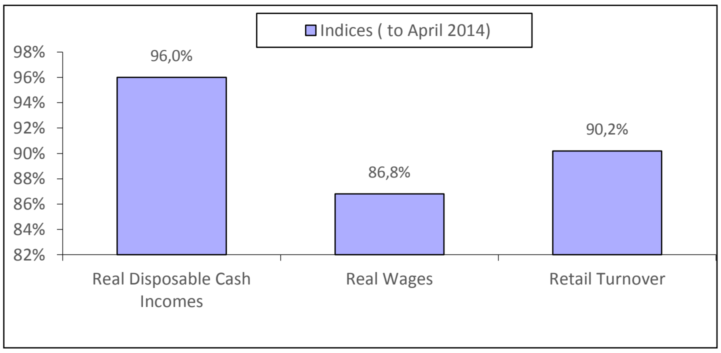
Living standard

According to preliminary Federal State Statistics Service's data, in April 2015 a gross monthly average wage per worker reached RUB 32,805 (USD 620.48) which accounted for 100.5% compared to the previous month and 101% compared to April 2014. The real wage in April 2015 accounted for 86.8% as compared with the same period in 2014. In April 2015, the real value of disposable cash incomes accounted for 96% as compared with the same period of 2014 (Fig. 2).

Retail turnover

In April 2015, the retail turnover was equal to RUB 2,160.3 bln, which in comparable prices accounted for 90.2% compared to the same period a year ago, in January-April 2015 - RUB 8,446.8 bln and 92.5% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in April 2015



Manufacture of Industrial Products

According to Federal State Statistics Service's data, in April 2015 Industrial Production Index accounted for 95.5% compared to the same period in 2014, and in January-April 2015 - 98.5%).

According to Federal State Statistics Service's data, in April 2015 Pharmaceutical Industrial Production Index accounted for 103.4% compared to the same period in 2014, and in January-April 2015 - 109.4%).

Domestic production

Top 10 domestic pharmaceutical manufacturers according to their shares of total sales in all segments of the market based on the results for April 2014 are shown in Table 1.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in April 2015

Rank	Manufacturer	Share, %
1	Otcpharm	7.34
2	Pharmstandart	5.77
3	Stada	4.77
4	Valenta	3.75
5	Ozon	3.69
6	KRKA	3.58
7	Sotex	3.49
8	Veropharm	2.95
9	Akrihin	2.64
10	Microgen	2.43

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In March compared to February 2015, reduction in pharmacy sales (in terms of roubles) was observed in most regions. The most pronounced slump was in Krasnodar Krai and Tumen (-9% each). Three regions showed positive growth rates, of which the highest growth was recorded in Voronezh Region (+8%)

Table 2. Pharmacy sales in the regions, 2015

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	January 2015	February 2015	March 2015	January15/ December 2014	February/ January 2015	March / February 2015
Moscow	100.9	117.0	128.3	-38%	22%	2%
St. Petersburg	29.1	33.8	35.8	-22%	22%	-1%
Krasnodar Krai	18.2	23.5	23.0	-29%	36%	-9%
Novosibirsk Region	13.2	14.6	15.5	-27%	16%	-1%
Tatarstan	13.9	17.3	17.3	-38%	31%	-7%
Krasnoyarsk Krai	12.5	13.7	15.7	-7%	15%	7%
Rostov Region	16.8	17.8	18.8	-14%	11%	-2%
Voronezh Region	9.6	10.6	12.2	-37%	15%	8%
Perm	3.5	4.1	4.2	-45%	23%	-4%
Tyumen	4.0	4.6	4.5	-30%	21%	-9%

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 April 2015

Rank	Company*	Quantity of broadcasts
1	Novartis	18,261
2	Bayer AG	15,509
3	OTCPHARM	11,600
4	Berlin-Chemie Menarini Group	7,360
5	Sanofi Aventis	5,818

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in April, 2015

Rank	Brand*	Quantity of broadcasts
1	Exoderil	3,237
2	Evalar	2,458
3	Linex	2,246
4	Calcemin	1,823
5	Next	1,803

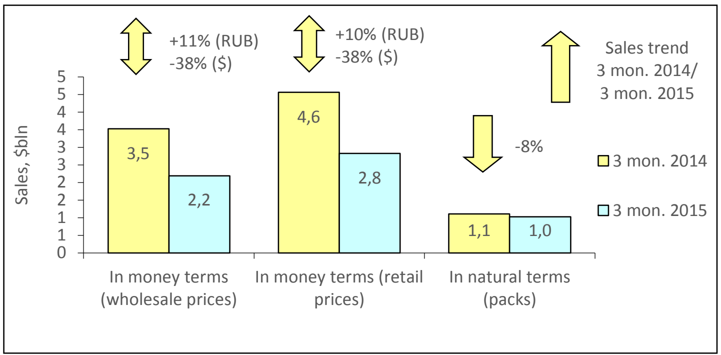
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2015 FIRST 3 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 three months of 2015 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 8% decrease to 1.019 bln packs. In money terms, the market saw a 11% increase in roubles equivalent, whereas it showed a negative decline (-38%) in dollars equivalent due to significant drop in the exchange rate of rouble. The market reached RUB 136.370 bln (USD 2.190 bln) in wholesale prices (Fig.1). The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.12) and reached USD 2.77 at retail prices. At Quarter I-end 2015, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 19.32.

Figure 1. Russian pharmacy market for 3 months of 2014 – 3 months of 2015



Based on the results for the first three months of 2015, SANOFI-AVENTIS (-3%[1]) remained the leader of the top ten pharmaceutical manufacturers in the Russian pharmacy market, though it was the only manufacturer from the top ten which reduced its sales (table 1). Another two manufacturers held their own in the ranking. BAYER (+9%) and MENARINI (+5%) continued to maintain their previous ranks two and eight, respectively. Five drug manufacturers from the top 10 rose in the ranks. NYCOMED/TAKEDA (+14%), SANDOZ and OTCPHARM (+8% each) moved up one rank, to numbers three, four and six, and the newcomers GEDEON RICHTER (+10%) and STADA (+21%) broke into the ranks of the top ten, coming in at numbers nine and ten. In contrast, the other drug manufacturers SERVIER (+1%) and TEVA (+2%) showed low growth rates and moved down to the lower ranks five and seven, respectively. The cumulative share of the top 10 manufacturers reduced from 35.3% to 34%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	**SANOFI-AVENTIS**	4.8	5.5
2	2	**BAYER HEALTHCARE**	4.3	4.3
3	4	**NYCOMED/TAKEDA**	3.7	3.6
4	5	**SANDOZ GROUP**	3.5	3.6
5	3	**SERVIER**	3.4	3.7
6	7	OTCPHARM	3.1	3.2
7	6	TEVA	3.0	3.3
8	8	**MENARINI**	2.8	3.0
9	11	GEDEON RICHTER	2.7	2.7
10	12	**STADA**	2.7	2.4
Total			34.0	35.3

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten trade names ranking as well (table 2). CARDIOMAGNIL (+41%) and ACC (+38%) moved up to ranks five and nine, respectively. The top ten leader also changed, the most dynamic product KAGOCEL (+47%) moved up to rank one from three, displacing ESSENTIALE N (-9%) and ACTOVEGIN (+4%) down one rank. Due to one-fourth growth of sales, INGAVIRIN (+25%) moved up two ranks, coming in at number four. In contrast, ARBIDOL (-18%) and LINEX (-8%) which reduced their sales and MEXIDOL (+3%) which showed low growth rates moved down to the lower ranks six, eight and ten, respectively. The brand name ALFLUTOP (+1%) held its previous rank seven. The total share of the top 10 brand names virtually remained unchanged and accounted for 7.2%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	3	KAGOCEL	1.1	0.9
2	1	ESSENTIALE N	1.0	1.2
3	2	ACTOVEGIN	0.8	0.9
4	6	INGAVIRIN	0.8	0.7
5	11	CARDIOMAGNIL	0.7	0.5
6	4	ARBIDOL	0.6	0.8
7	7	ALFLUTOP	0.6	0.6
8	5	LINEX	0.6	0.7
9	17	ACC	0.6	0.4
10	9	MEXIDOL	0.5	0.6
Total			7.2	7.2

XYLOMETAZOLINE (+19%) remained the leader of the top 10 INN and generic names ranking (Table 3). PANCREATIN (+10%) also held its own in the ranking, keeping its rank four. Four INNs rose in the ranks, and the same amount of INNs, in contrast, fell in the ranks. INN KAGOCEL (+47%) moved up to rank two from seven, displacing PHOSPHOLIPIDS (-8%) to rank three. INN IBUPROFEN (+30%) moved up two ranks, and the newcomers AZITHROMYCIN (+18%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+25%) broke into the ranks of the top ten, coming in at numbers six, nine and ten, respectively. At the same time, INNs BISOPROLOL (+6%), NIMESULIDE (+19%) and BLOOD (+5%) moved down to the lower ranks five, seven and eight. The total share of the top ten under review increased by 0.4 p.p. and accounted for 10.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	XYLOMETAZOLINE	1.7	1.6
2	7	KAGOCEL	1.1	0.9
3	2	PHOSPHOLIPIDS	1.1	1.3
4	4	PANCREATIN	1.0	1.0
5	3	BISOPROLOL	1.0	1.0
6	8	IBUPROFEN	0.9	0.8
7	6	NIMESULIDE	0.9	0.9
8	5	BLOOD	0.9	0.9
9	11	AZITHROMYCIN	0.8	0.7
10	13	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.7
Total			10.2	9.8

M01 Anti-inflammatory and antirheumatic products (+16%) remained the best selling ATC group in the Russian pharmacies (Table 4). Group J05 Antivirals for systemic use (+26%) showed the highest growth of sales among the top ten ATC groups and moved up to rank two. At the same time, it displaced the less dynamic groups R05 Cough and cold preparations (+21%) and J01 Antibacterials for systemic use (+23%) down one rank. R01 Nasal preparations (+13%), A11 Vitamins (+5%), G03 Sex hormones (+12%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+34%) held their previous ranks five and the last three ranks in the top ten ranking. The shifts took place both in the central and in the top part of the ranking. The more dynamic group N02 Analgesics (+15%) moved up one rank, to number six, displacing the less dynamic group C09 Agents acting on the rennin-angiotensing system (+10%) to number seven. In total, based on the results for the first quarter of 2015 the top ten ATC groups accumulated 39.6% of the Russian market, which was almost 1.5 p.p. more than 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, %	
3 mon. 2015	3 mon. 2014			3 mon. 2015	3 mon. 2014
1	1	M01	[ANTIINFLAM & ANTIRHEUM PROD]	4.8	4.6
2	4	J05	[ANTIVIRALS FOR SYSTEMIC USE]	4.6	4.0
3	2	R05	[COUGH AND COLD PREPARATIONS]	4.5	4.1
4	3	J01	[ANTIBACTERIALS FOR SYST USE]	4.5	4.0
5	5	R01	[NASAL PREPARATIONS]	4.0	4.0
6	7	N02	[ANALGESICS]	4.0	3.9
7	6	C09	[AG ACT RENIN-ANGIOTENS SYST]	3.9	3.9
8	8	A11	[VITAMINS]	3.3	3.5
9	9	G03	[SEX HORM&MODULAT GENITAL SYS]	3.2	3.1
10	10	A07	[INTESTINAL ANTIINFECTIVES]	2.9	3.1
Total				39.6	38.2

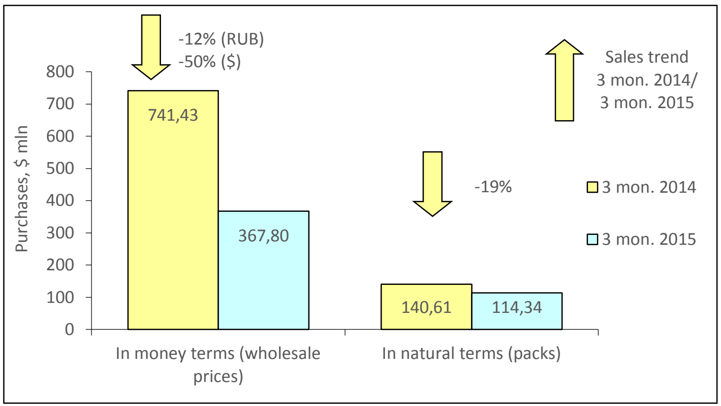
Conclusion. On the basis of the results for the first three months of 2015, the pharmacy market of Russia brought in RUB 175.977 bln (USD 2.826 bln). It was 10% more in terms of roubles and 38% less in terms of dollars than during the same period in 2014. In natural terms, the market showed the negative growth rates (-8%) and brought in 1.019 bln packs. Based on the results for Quarter I of 2015, the average cost of OTC pack in the national pharmacies was USD 2.77, whereas in 2014 it was USD 4.12. The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 19.32 vs. USD 31.72).

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

RUSSIAN FEDERATION HOSPITAL MARKET: 2015 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in Quarter I of 2015 the Russian hospital market reduced by 19% in natural terms to 114.342 mln packs. In money terms, the market showed negative growth rates both in terms of roubles (-12%) and in terms of dollars (-50%) and reached RUB 22.846 bln (USD 367.801 mln) in wholesale prices. Based on the results for the first three months of 2015, the average cost of OTC pack in the hospital sector was USD 3.22, whereas in the year-earlier period its cost was USD 5.27.

Figure 1. Russian hospital market for 3 months of 2013 – 3 months of 2014



Following the results of Quarter I of 2015, the drug manufacturer SANOFI-AVENTIS (-9%) retained its leading position in the Russian hospital market, despite the reduction in purchases by 19% and significant drop in the market share (Table 1). Note that most of the top ten drug manufacturers, as well as the market at large, showed negative growth rates. At the same time, only two of them fell in the ranks. MERCK SHARP DOHME (-18%) and NYCOMED/TAKEDA (-30%) moved down to ranks three and five. The drug manufacturers BAYER (-21%) and JOHNSON & JOHNSON (-20%) held their previous ranks seven and eight, whereas ASTRAZENECA and ABBVIE (-16% each) moved up to the higher ranks four and nine, respectively, despite the reduction of purchases. Three drug manufacturers with positive sales growth rates also rose in the ranks. ROCHE (+5%) moved up to rank two, and the newcomers PFIZER (+33%) and PHARM-CENTER (+17%) broke into the ranks of the top ten. The total share accumulated by the top-10 drug manufacturers didn't virtually change and accounted for 27.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	**SANOFI-AVENTIS**	4.5	4.9
2	3	**ROCHE**	3.8	3.2
3	2	**MERCK SHARP DOHME**	3.1	3.3
4	6	**ASTRAZENECA**	2.6	2.7
5	4	**NYCOMED/TAKEDA**	2.5	3.1
6	13	**PFIZER**	2.4	1.6
7	7	**BAYER HEALTHCARE**	2.3	2.6
8	8	**JOHNSON & JOHNSON**	2.3	2.5
9	10	**ABBVIE**	2.2	2.3
10	14	PHARM-CENTER	2.1	1.6
Total			27.7	27.8

*AIPM members are in bold

Two newcomers also broke into the top ten trade names ranking (table 2). Antibiotic product MEROPENEM increased its purchases two times and moved up to rank two, and cephalosporin product CEFOTAXIM showed three-fold growth and moved up to rank nine. Another three trade names managed to rise in the ranks: HERCEPTIN (+26%), CEFTRIAXONE (+41%) and AVASTIN (+13%) moved up to ranks three, five and eight, respectively. In contrast, four trade names with negative sales rates CUROSURF (-7%), CLEXAN (-34%), ULTRAVIST (-14%) and GLUCOSE (-21%) moved down to ranks four, six, seven and ten, respectively. The traditional hospital product NATRIUM CHLORIDUM (+4%) kept and reinforced its leadership in the ranking. The cumulative share of the top ten brand names increased by almost 3 p.p. and achieved 13.9%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Trade names	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	NATRIUM CHLORIDUM	3.9	3.3
2	16	MEROPENEM	1.4	0.6
3	7	HERCEPTIN	1.3	0.9
4	3	CUROSURF	1.2	1.1
5	10	CEFTRIAXONE	1.2	0.7
6	2	CLEXAN	1.1	1.5
7	4	ULTRAVIST	1.0	1.0
8	9	AVASTIN	1.0	0.8
9	70	CEFOTAXIM	1.0	0.3
10	6	GLUCOSE	0.8	0.9
Total			13.9	11.2

The leaders of the top ten INNs and group names ranking didn't change either - SODIUM (+4%) and CEFTRIAXONE (-24%) held their first two ranks in the ranking (table 3). MEROPENEM (+24%) moved up to rank three from seven, displacing ENOXAPARIN SODIUM (-18%) and IMMUNOGLOBULIN BASE (-22%) down one rank. Due to 2.3-fold growth in hospital purchases, the newcomers TRASTUZUMAB (+26%) and CEFOTAXIME broke into the ranks of the top ten, coming in at numbers six and nine. INN DOCETAXEL (+7%) also showed positive growth rates, which allowed it to move up from rank ten to seven. INN PORACTANT ALFA (-7%) as before held its previous rank eight, whereas IOPROMIDE (-14%) moved down to the last rank of the ranking. The total share of the top 10 INNs ranking increased by almost 2 p.p. and accounted for 16.3%.

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

Rank		INNs/Group Names	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	SODIUM	3.9	3.3
2	2	CEFTRIAXONE	1.9	2.2
3	7	MEROPENEM	1.8	1.3
4	3	ENOXAPARIN SODIUM	1.5	1.6
5	4	IMMUNOGLOBULIN BASE	1.3	1.5
6	14	TRASTUZUMAB	1.3	0.9
7	10	DOCETAXEL	1.2	1.0
8	8	PORACTANT ALFA	1.2	1.1
9	50	CEFOTAXIME	1.0	0.4
10	9	IOPROMIDE	1.0	1.0
Total			16.3	14.4

The ATC groups J01 Antibacterials for systemic use (-8%), L01 Antineoplastic agents (+27%) and B05 Plasma substitutes and perfusion solutions (-10%) held their leading positions among the top ten ATC groups in the hospital market of Russia (Table 4). The group V08 Contrast media (-15%) also held its previous rank six in the top ten ranking. Four of the remaining top ten ATC groups rose in the ranks and two of them moved down to the lower ranks. B01 Antithrombotic agents (-11%) moved up one rank, to number four, displacing J05 Antivirals for systemic use (-32%) down one rank. The groups L04 Immunosuppressants (-9%), N01 Anesthetics (+1%) and N05 Psycholeptics (-1%) moved up to ranks seven through nine. Note that the latter two broke into the ranks of the top 10 for the first time. The group J06 Immune sera and immunoglobulins (-27%) moved down to the last rank of the top ten ranking. The total share of the top 10 INNs and group names increased from 56.7% to 60.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014			3 mon. 2015	3 mon. 2014
1	1	J01	ANTIBACTERIALS FOR SYST USE	13.3	12.8
2	2	L01	ANTINEOPLASTIC AGENTS	13.1	9.1
3	3	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	8.8	8.6
4	5	B01	ANTITHROMBOTIC AGENTS	6.0	6.0
5	4	J05	ANTIVIRALS FOR SYSTEMIC USE	5.1	6.6
6	6	V08	CONTRAST MEDIA	3.7	3.9
7	10	L04	IMMUNOSUPPRESSANTS	2.8	2.7
8	12	N01	ANESTHETICS	2.6	2.3
9	13	N05	PSYCHOLEPTICS	2.5	2.3
10	9	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.3	2.7
Total				60.2	56.7

Conclusion. At the end of the first three months of 2015, the Russian hospital market reduced both in rouble terms (-12%) and in dollar terms (-50%) and brought in RUB 22.846 bln (USD 367.801 mln). In pack terms, the market also showed negative growth rates (-19%) and achieved 114.342 mln packs. Based on the results for three months of 2015, the average cost of OTC pack in the hospital sector of Russia was USD 3.22, whereas in the year-earlier period its cost was USD 5.27.

MOSCOW PHARMACEUTICAL MARKET IN Q 1, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

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

Value	January-May, 2015	January-May 2015, % to January-May 2014
Industrial production index		87.5
Retail turnover, RUB bln	1,824.7	90.9
Monthly average accrued wage per worker (nominal), RUB	60,635	104.3
real		89.5

Note: Moscow TOGS data

Table 2. Health care expenditure of Moscow consolidated budget in January - May 2015

	January-May, 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	69,175.61	13.14%

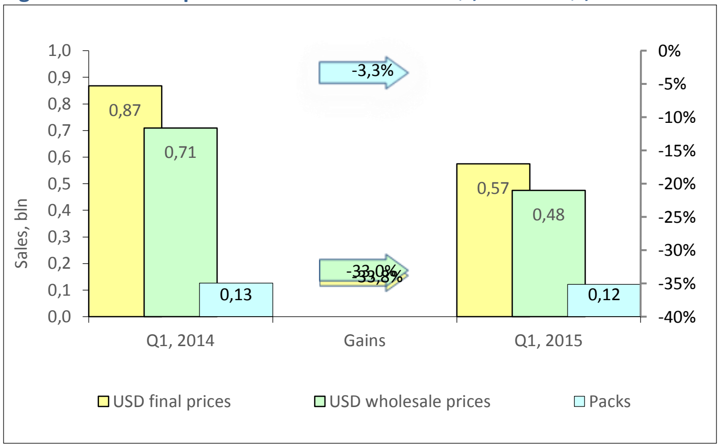
Note: RF Health Ministry data

Table 3. Inflation rates in Moscow, May 2015

	May 2015 to December 2014
CPI	109.6
CPI for non-food products	108.8
CPI for medications	112.6

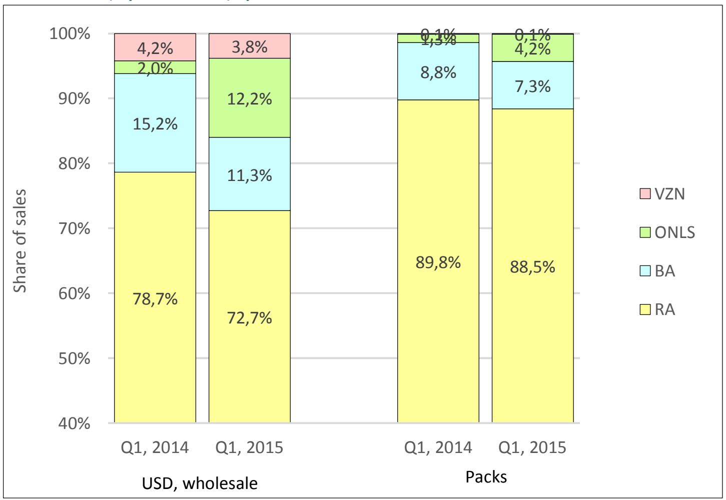
Indicators of the dynamics and structure of the market

Figure 1. Moscow pharmaceutical market in Q1, 2014 – Q1, 2015



Note: Without BAA sales

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



Note: Without BAA sales

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

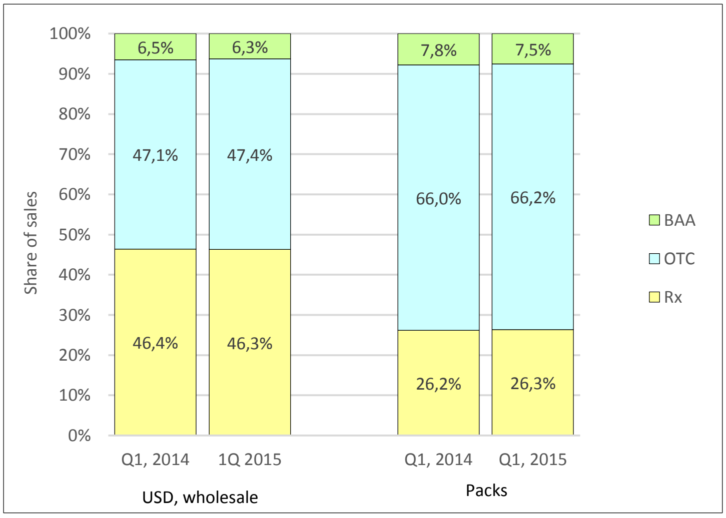
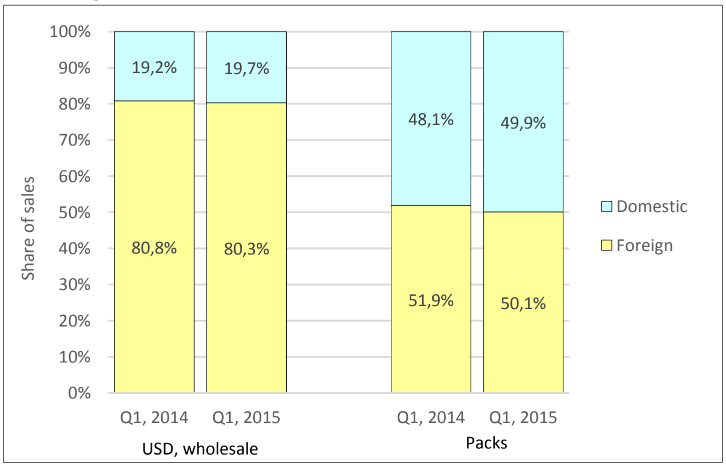


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Moscow pharmaceutical market in Q 1, 2014 – Q 1, 2015



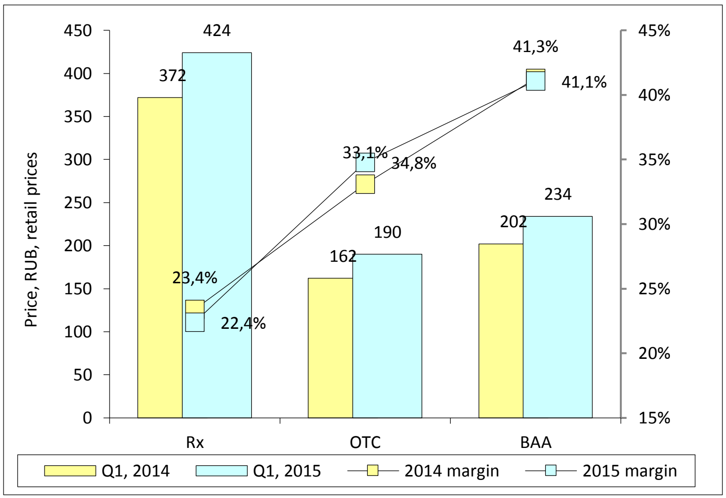
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in May 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
ONLS total	7.4	6.1	2.5
Up to RUB 50	7.9		
From RUB 50 to 500	7.6		
Over RUB 500	5.9		

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



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

Macroeconomic indices

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

Value	January-May, 2015	January-May 2015, % to January-May 2014
Industrial production index		92.8
Retail turnover, RUB bln	427.9	91.7
Monthly average accrued wage per worker (nominal), RUB	44,144	110.0
real		93.9

Note: St.Petersburg TOGS data

Table 2. Health care expenditure of St. Petersburg consolidated budget in January - May 2015

	January-May, 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	27,448.22	19.07%

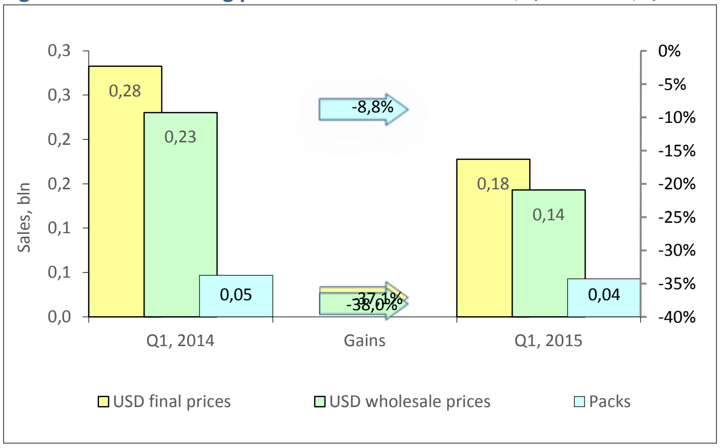
Note: RF Health Ministry data

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

	May 2015 to December 2014
CPI	109.1
CPI for non-food products	110.2
CPI for medications	112.7

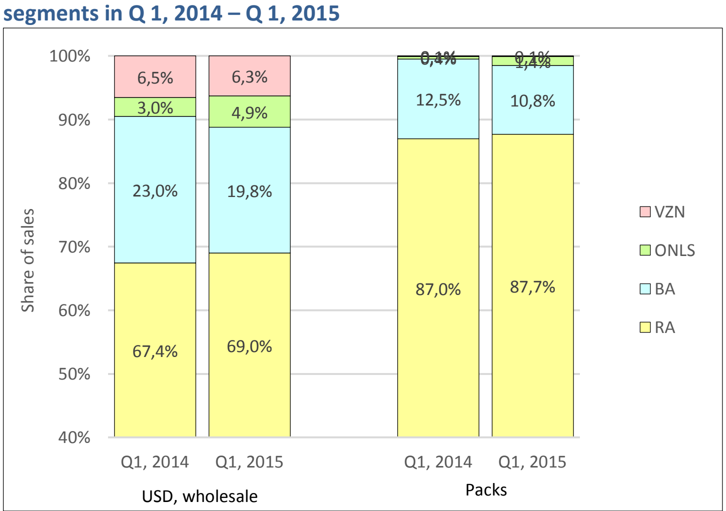
Indicators of the dynamics and structure of the market

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



Note: Without BAA sales

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



Note: Without BAA sales

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

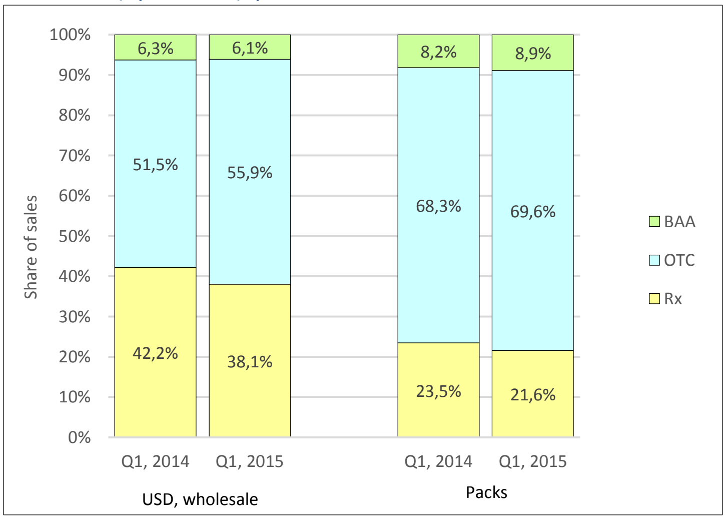
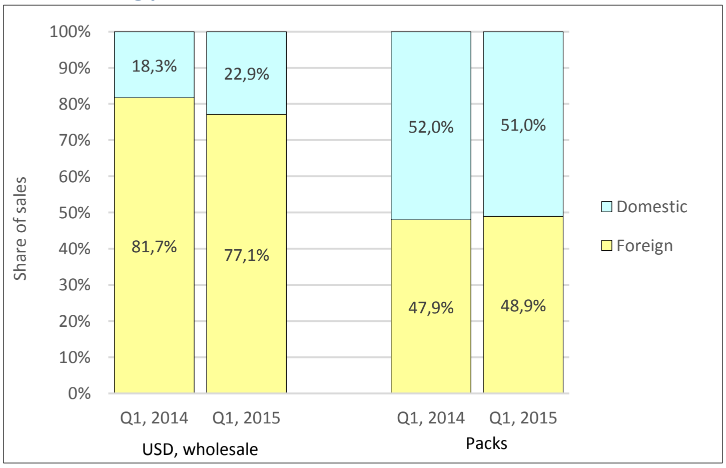


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of St. Petersburg pharmaceutical market in Q 1, 2014 – Q 1, 2015



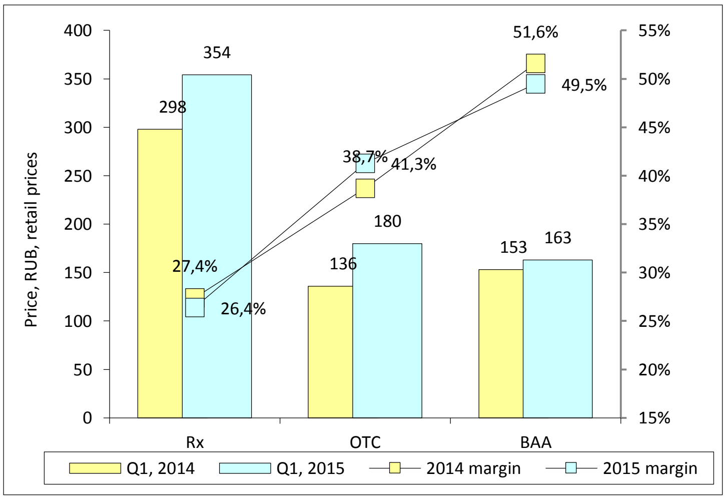
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in May 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
ONLS total	3.8	4.9	3.1
Up to RUB 50	7.7		
From RUB 50 to 500	2.5		
Over RUB 500	3.3		

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



NIZHNY NOVGOROD REGION PHARMACEUTICAL MARKET IN Q 1, 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		100.2
Retail turnover, RUB bln	244.93	85.8
Monthly average accrued wage per worker (nominal), RUB	25,511	104.7
real		88.0

Note: Nizhny Novgorod Region TOGS data

Table 2. Health care expenditure of Nizhny Novgorod Region consolidated budget in January - May 2015

	January-May, 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	9,572.14	14.35%

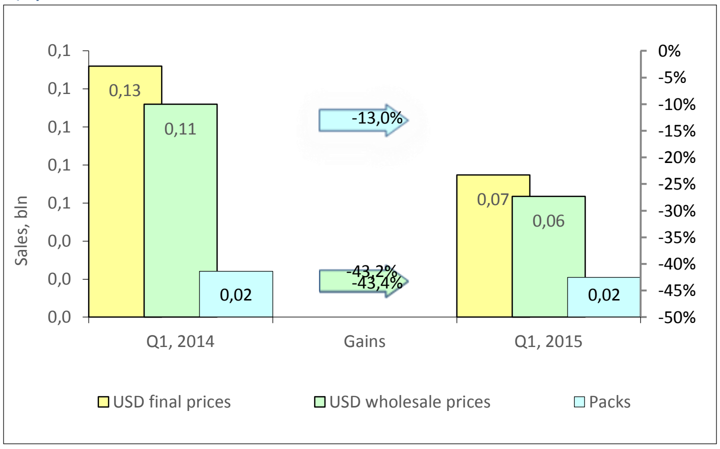
Note: RF Health Ministry data

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

	May 2015 to December 2014
CPI	108.4
CPI for non-food products	109.7
CPI for medications	111.2

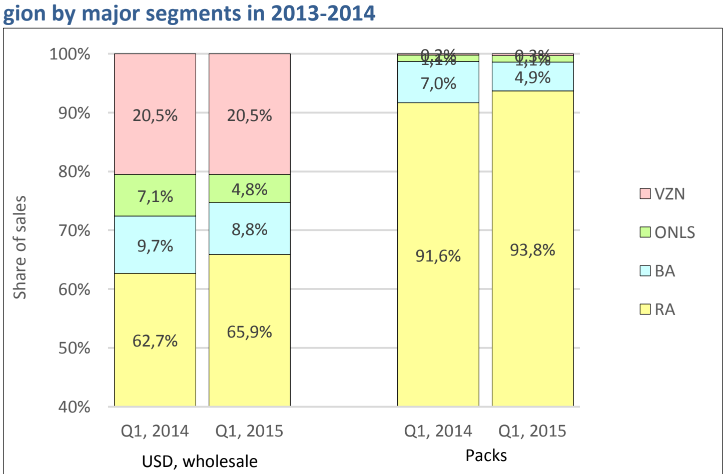
Indicators of the dynamics and structure of the market

Figure 1. Nizhny Novgorod Region pharmaceutical market in Q 1, 2014 – Q 1, 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, 2014 – Q 1, 2015

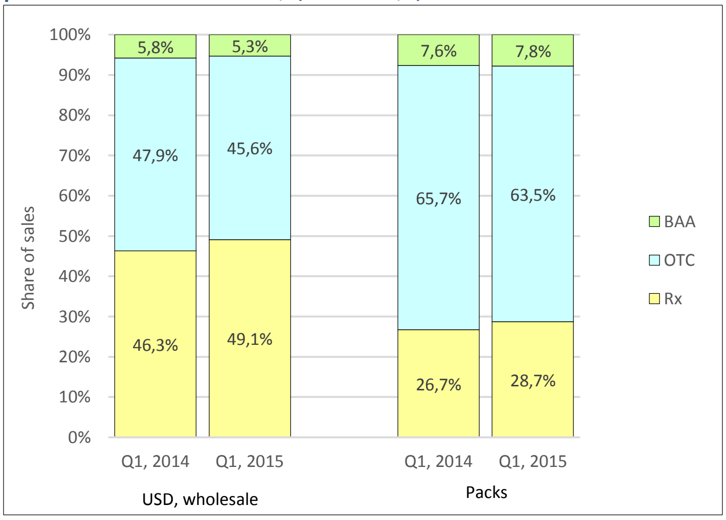
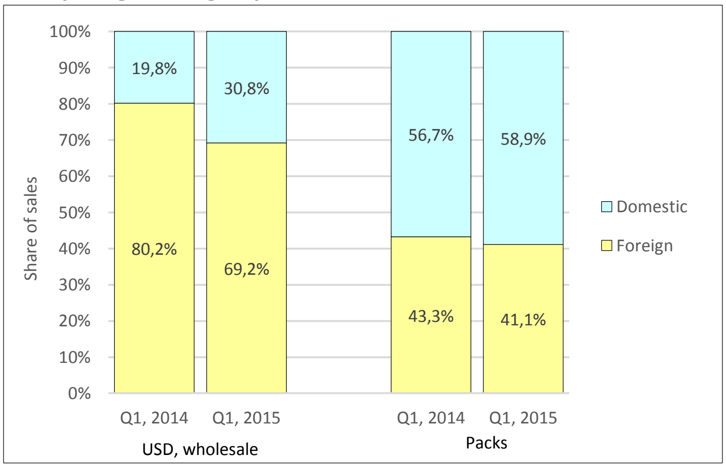


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Nizhny Novgorod Region pharmaceutical market in Q 1, 2014 – Q 1, 2015



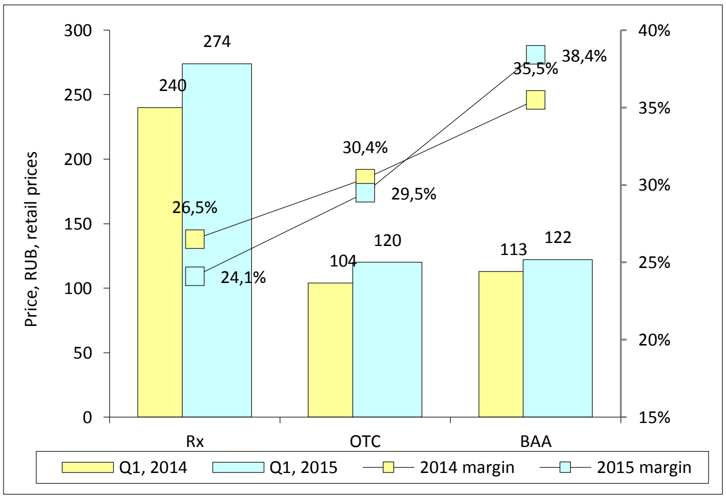
Note: Without BAA sales

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 May 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
ONLS total	5.8	6.9	2.8
Up to RUB 50	11.4		
From RUB 50 to 500	4.4		
Over RUB 500	2.4		

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



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

Macroeconomic indices

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

Value	January-May, 2015	January-May 2015, % to January-May 2014
Industrial production index		95.6
Retail turnover, RUB bln	407.98	90.0
Monthly average accrued wage per one worker (nominal), RUB	30,026	105.3
real		81.2

Note: Ekaterinburg Region TOGS data

Table 2. Health care expenditure of Ekaterinburg Region consolidated budget in January - May 2015

	January-May, 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	15,803.82	18.00%

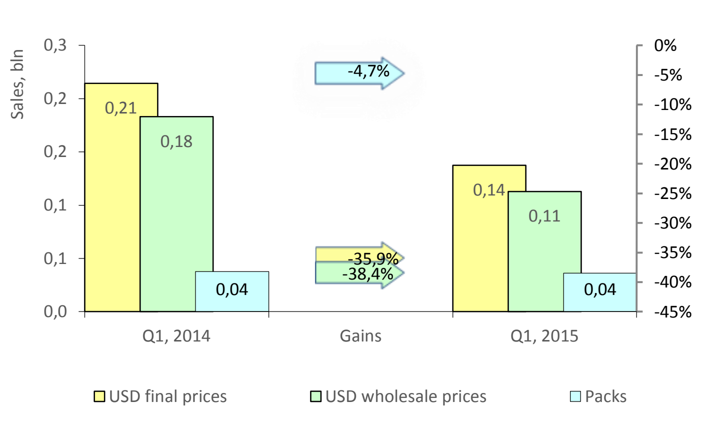
Note: RF Health Ministry data

Table 3. Inflation rates in Ekaterinburg Region, May 2015

	May 2015 to December 2014
CPI	108.6
CPI for non-food products	108.9

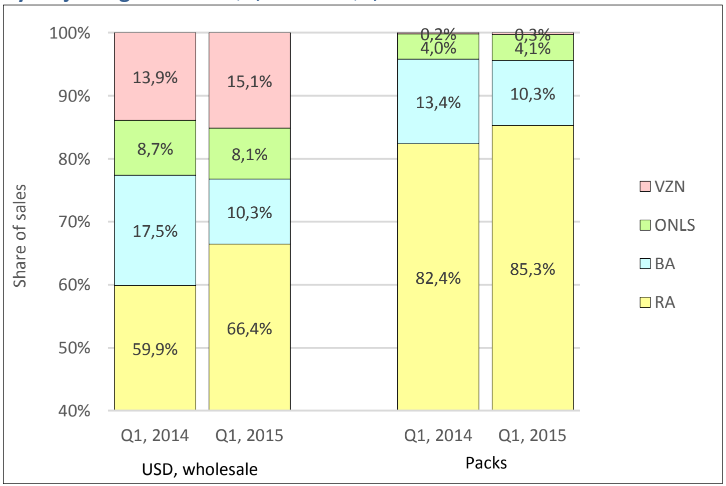
Indicators of the dynamics and structure of the market

Figure 1. Ekaterinburg Region pharmaceutical market in Q 1, 2014 – Q 1, 2015



Note: Without BAA sales

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



Note: Without BAA sales

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

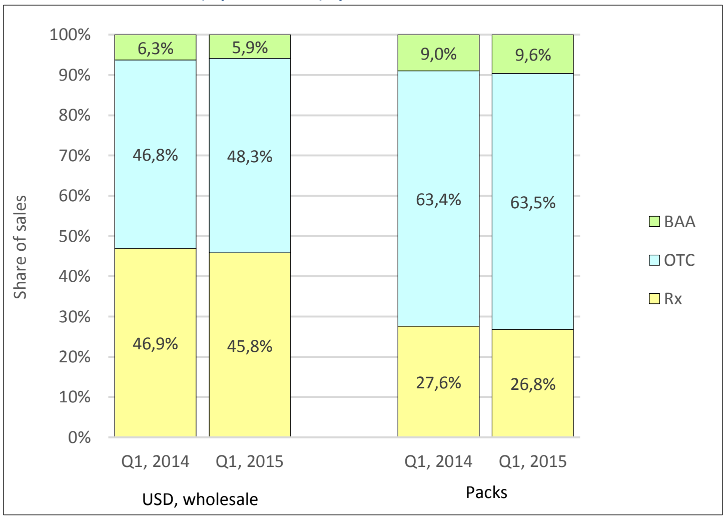
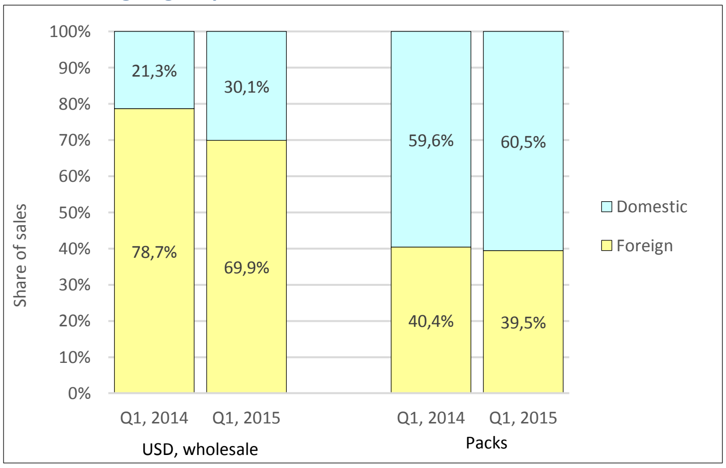


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Ekaterinburg Region pharmaceutical market in Q 1, 2014 – Q 1, 2015



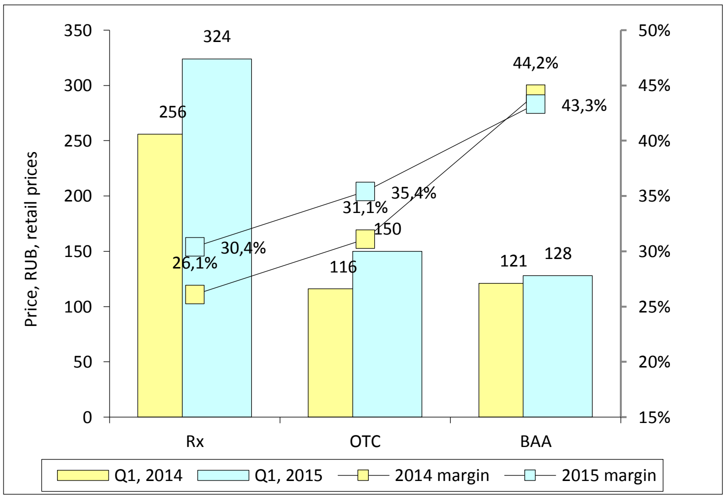
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in May 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
ONLS total	8.9	11.4	4.5
Up to RUB 50	13.8		
From RUB 50 to 500	7.0		
Over RUB 500	5.1		

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



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

Macroeconomic indices

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

Value	January-May, 2015	January-May 2015, % to January-May 2014
Industrial production index		98.1
Retail turnover, RUB bln	104.60	84.6
Monthly average accrued wage per worker (nominal), RUB	27,022	103.8
real		90.3

Note: Novosibirsk region TOGS data

Table 2. Health care expenditure of Novosibirsk Region consolidated budget in January - May 2015

	January-May, 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	7,600.48	13.78%

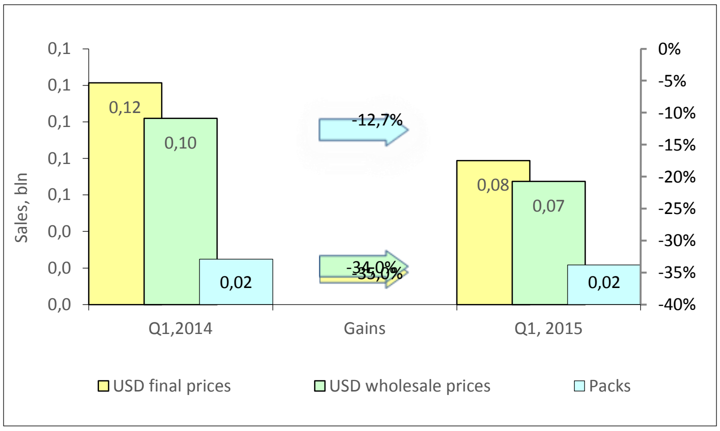
Note: RF Health Ministry data

Table 3. Inflation rates in Novosibirsk Region, May 2015

	May 2015 to December 2014
CPI	107.3
CPI for non-food products	106.2
CPI for medications	116.0

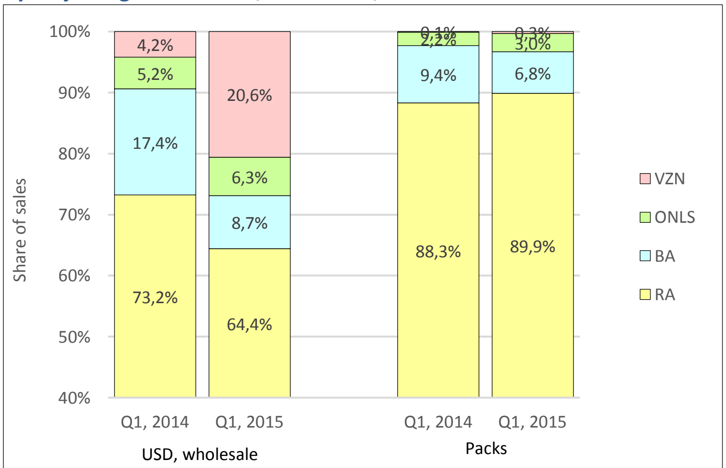
Indicators of the dynamics and structure of the market

Figure 1. Novosibirsk Region pharmaceutical market in Q 1, 2014 – Q 1, 2015



Note: Without BAA sales

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



Note: Without BAA sales

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

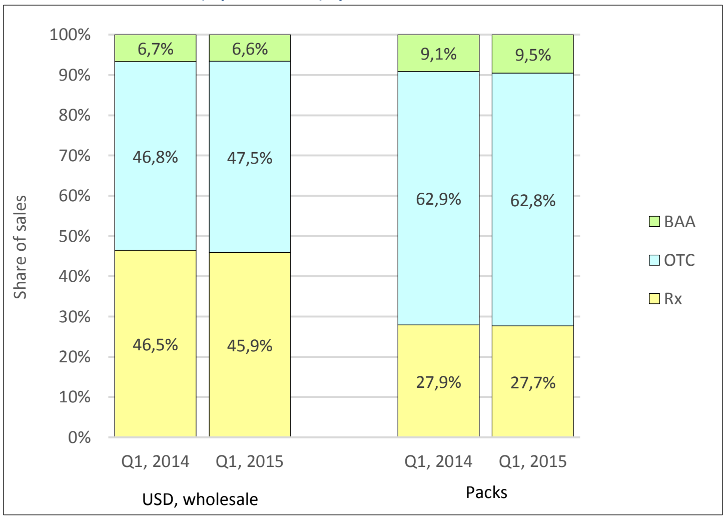
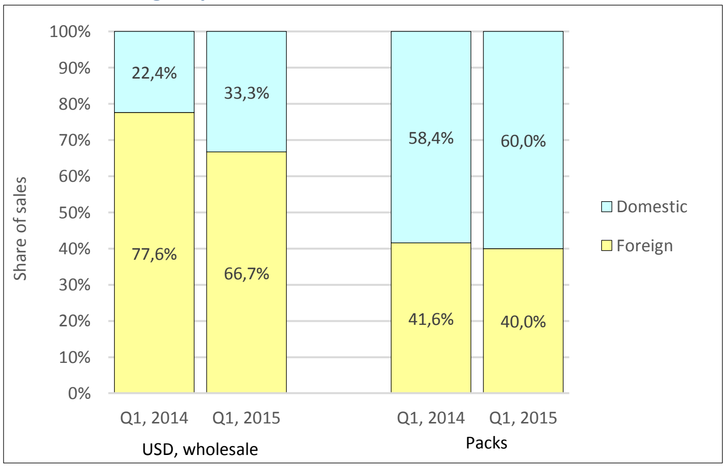


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Novosibirsk Region pharmaceutical market in Q 1, 2014 – Q 1, 2015



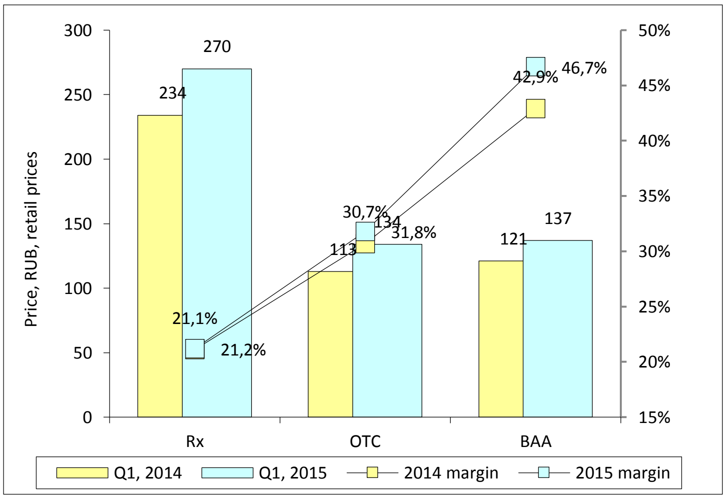
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in May 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
ONLS total	7.8	9.9	5.1
Up to RUB 50	12.6		
From RUB 50 to 500	6.4		
Over RUB 500	4.6		

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



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

Macroeconomic indices

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

Value	January-May, 2015	January-May 2015, % to January-May 2014
Industrial production index		108.7
Retail turnover, RUB bln	376.12	108.9
Monthly average accrued wage per worker (nominal), RUB	24,396	104.2
real		87.3

Note: Rostov region TOGS data

Table 2. Health care expenditure of Rostov Region consolidated budget in January - May 2015

	January-May, 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	10,661.01	15.83%

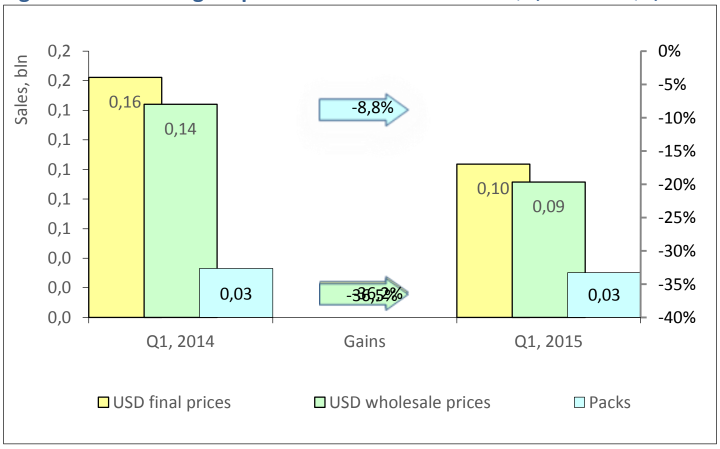
Note: RF Health Ministry data

Table 3. Inflation rates in Rostov Region, May 2015

	May 2015 to December 2014
CPI	108.5
CPI for non-food products	109.5

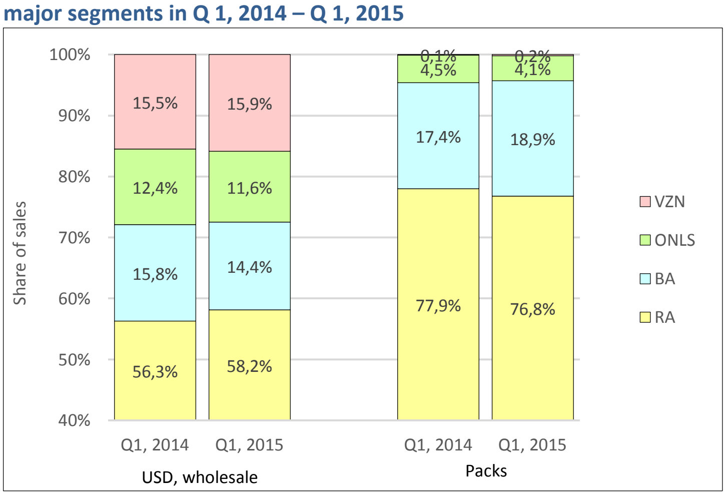
Indicators of the dynamics and structure of the market

Figure 1. Rostov Region pharmaceutical market in Q 1, 2014 – Q 1, 2015



Note: Without BAA sales

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



Note: Without BAA sales

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

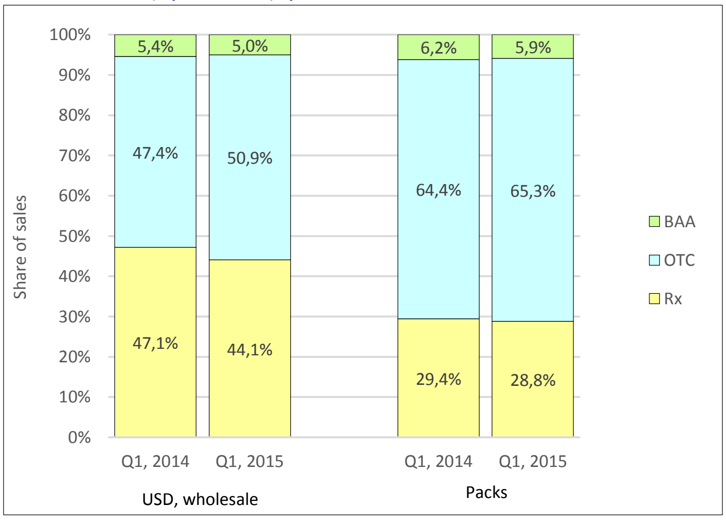
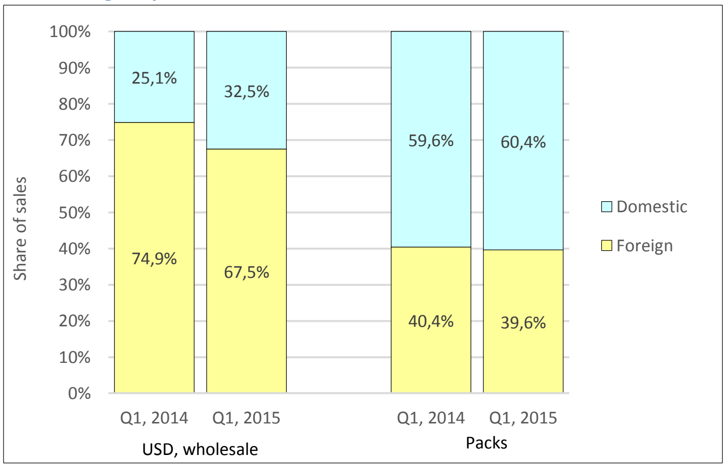


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Rostov Region pharmaceutical market in Q 1, 2014 – Q 1, 2015



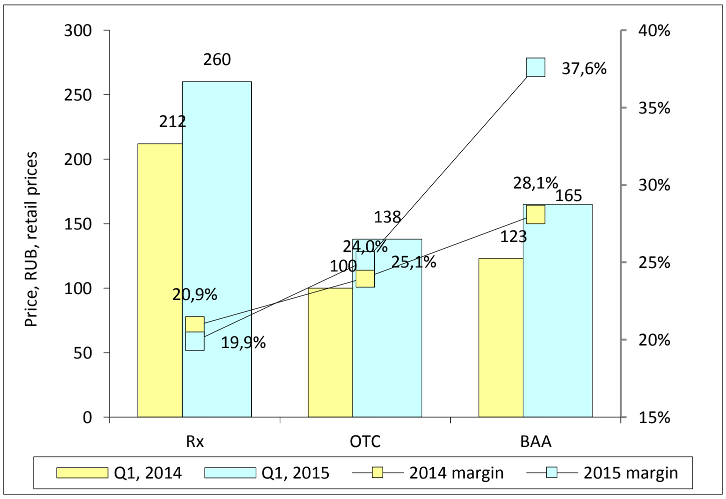
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in May 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
ONLS total	9.1	10.5	6.0
Up to RUB 50	15.4		
From RUB 50 to 500	8.0		
Over RUB 500	4.4		

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



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

Macroeconomic indices

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

Value	January-May, 2015	January-May 2015, % to January-May 2014
Industrial production index		98.6
Retail turnover, RUB bln	59.39	103.9
Monthly average accrued wage per worker (nominal), RUB	36,113	105.0
real		88.9

Note: Khabarovsk Krai TOGS data

Table 2. Health care expenditure of Khabarovsk Krai consolidated budget in January - May 2015

	January-May, 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	5,287.06	13.72%

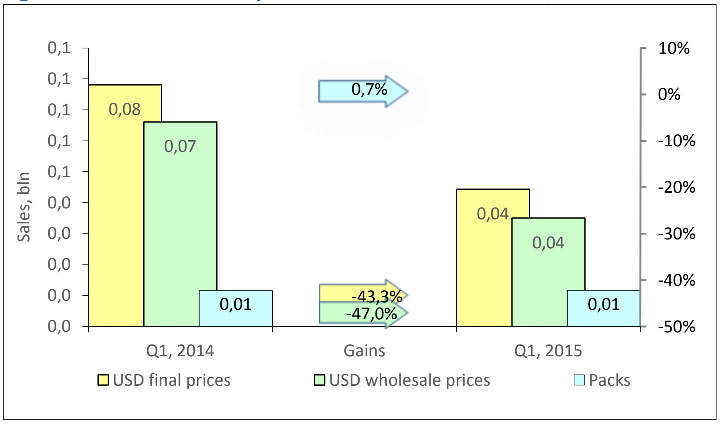
Note: RF Health Ministry data

Table 3. Inflation rates in Khabarovsk Krai, May 2015

	May 2015 to December 2014
CPI	109.3
CPI for non-food products	110.5
CPI for medications	112.8

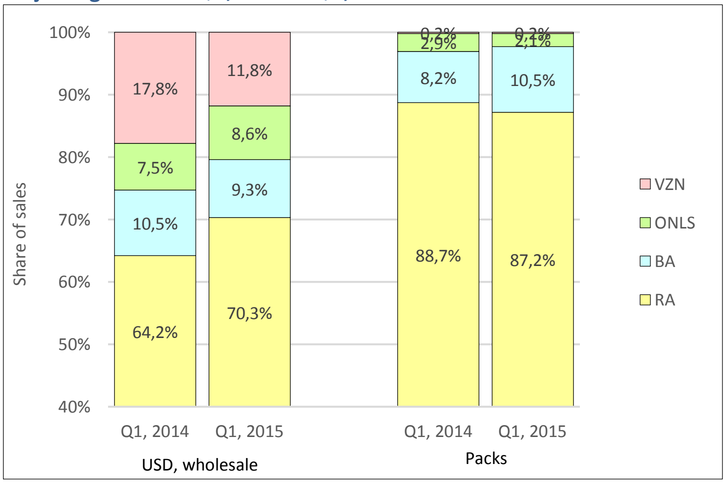
Indicators of the dynamics and structure of the market

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



Note: Without BAA sales

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



Note: Without BAA sales

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

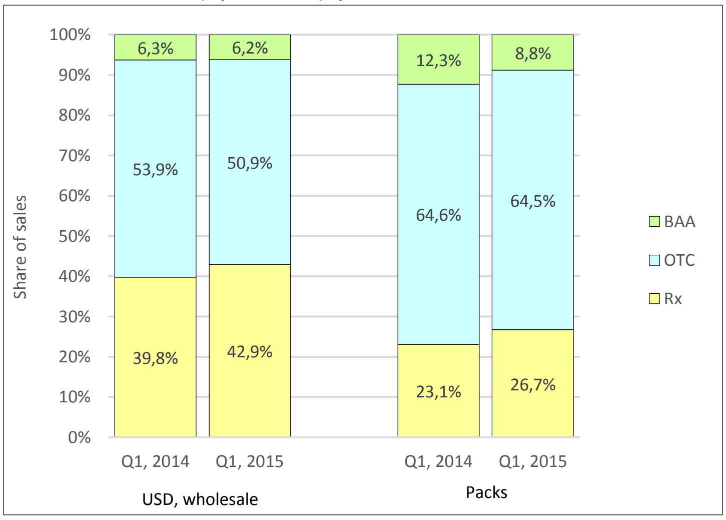
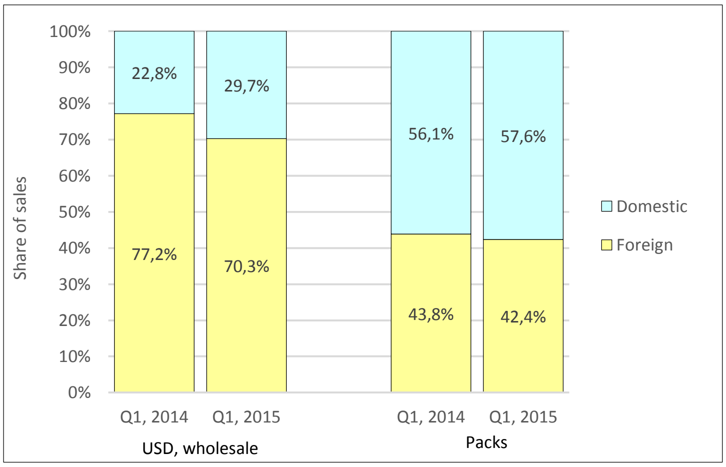


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Khabarovsk Krai pharmaceutical market in Q 1, 2014 – Q 1, 2015



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 May 2015 to December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
ONLS total	7.1	8.6	5.2
Up to RUB 50	10.1		
From RUB 50 to 500	6.7		
Over RUB 500	2.6		

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