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

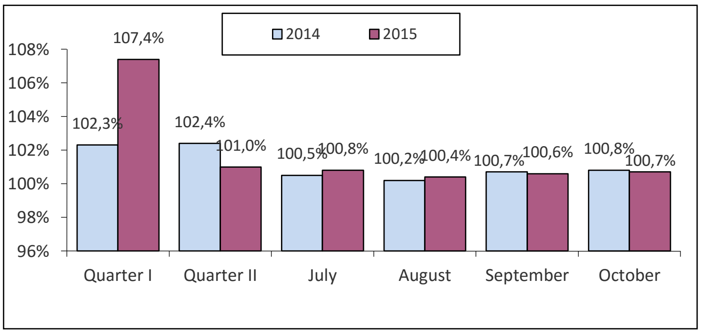
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in October 2015, the Consumer Price Index was estimated at 100.7% compared to the previous month, and 111.2% since the beginning of the year.

In September this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 101.8%, whereas in the month-earlier period it had amounted to 98.9%.

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



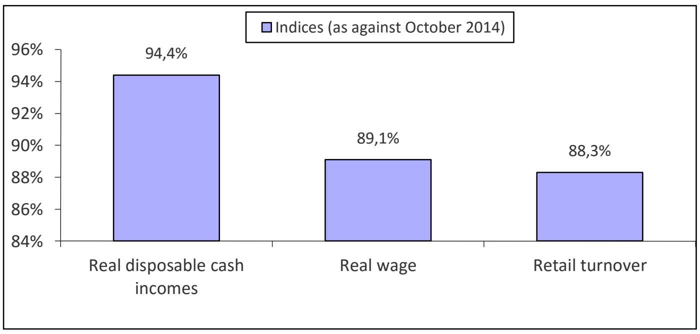
Living standard

According to preliminary Federal State Statistics Service's data, in October 2015 a gross monthly average salary per worker reached RUB 33,240 (USD 527.03) which accounted for 101% compared to the previous month and 103% compared to October 2014. The real wage in October 2015 accounted for 89.1% as compared with the same period in 2014. In October 2015, the real value of disposable cash incomes accounted for 94.4% as compared with the same period of the previous year (Fig. 2).

Retail turnover

In October 2015, the retail turnover was equal to RUB 2,378.3 bil., which in comparable prices accounted for 88.3% compared to the same period a year ago, in January-October 2015 - RUB 22,351.6 bil. and 91.2% (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in October 2015



Industrial Production

According to Federal State Statistics Service's data, in October 2015 Industrial Production Index accounted for 96.4% compared to the same period of the previous year, and in January - October of 2015 - 96.7%).

According to Federal State Statistics Service's data, Industrial Production Index in October 2015 accounted for 107.5% compared to the relevant period of the previous year, and 104.6% to the previous month.

Domestic production

The top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for October 2015 are shown in Table 1.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales in October 2015

Rank	Manufacturer	RUB mil.
1	Otcpharm	1,501.3
2	Pharmstandart	929.1
3	Valenta	787.9
4	Stada	780.6
5	Sotex	628.1
6	Ozon	541.7
7	Veropharm	525.2
8	Pharm-Center	520.7
9	KRKA	512.3
10	Materia Medica	498.0

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data for 10 regions of the Russian Federation. In September 2015 compared to August, growth in pharmacy sales (in terms of roubles) was observed in almost all analysed regions. The highest growth was observed in Perm (+84%), the lowest one in Rostov Region (+15%). Only Krasnodar Krai (-8%) showed the negative growth rates.

Table 2. Pharmacy sales in the regions, 2015

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	July 2015	August 2015	September 2015	July/ June 2015	August/ July 2015	September/ August 2015
Moscow	106.3	89.0	114.2	-2%	-4%	31%
St. Petersburg	33.1	23.6	33.4	8%	-19%	45%
Krasnodar Krai	27.0	25.1	22.5	18%	6%	-8%
Novosibirsk Region	12.7	11.3	13.8	-3%	2%	24%
Tatarstan	14.1	12.6	14.4	-6%	2%	17%
Krasnoyarsk Krai	14.6	11.3	14.8	5%	-11%	34%
Rostov Region	18.3	16.5	18.4	4%	3%	15%
Voronezh Region	9.9	8.0	9.7	-4%	-8%	24%
Perm	3.5	2.8	5.1	9%	-8%	84%
Tyumen	3.9	3.3	4.1	-7%	-3%	26%

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 October 2015

Rank	Company*	Quantity of broadcasts
1	Otcpharm	16,449
2	Novartis	13,008
3	Berlin-Chemie Menarini Group	11,335
4	Bayer AG	9,471
5	Sanofi Aventis	7,570

Source - Remedium according to TNS Russia's data

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

Rank	Brand*	Quantity of broadcasts
1	Strepsils	3,573
2	Linex	3,471
3	ACC	2,634
4	Arbidol	2,511
5	Nurofen	2,357

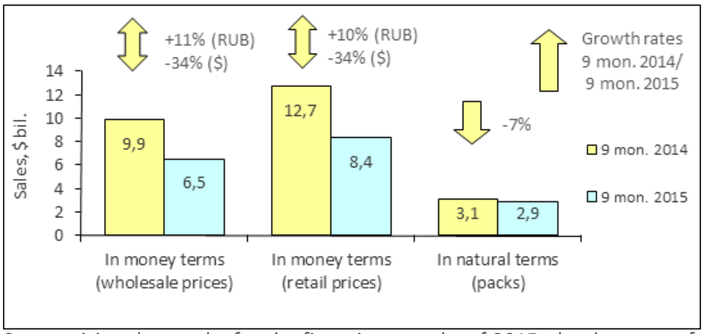
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2015 FIRST 9 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 nine months of 2015 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 7% decrease to 2.873 bil. packs. In money terms, the market saw a 11% increase in terms of roubles, whereas it showed a negative decline (-34%) in terms of dollars. The market reached RUB 386.203 bil. (USD 6.536 bil.) 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 2.92 at retail prices. At the end of the first nine months of 2015, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 57.31.

Figure 1. Russian pharmacy market for 9 months of 2014 – 9 months of 2015



Summarizing the results for the first nine months of 2015, the drug manufacturers NYCOMED PHARMA (+11%[1]) and BERLIN-CHEMIE/MENARINI (+7%) remained the leaders of the Russian pharmacy market (Table 1). ABBOTT (+6%) moved up to rank three from four, displacing the Russia-based OTCPHARM (+6%) down one rank. The more dynamic manufacturers GEDEON RICHTER (+14%) and BAYER (+16%) moved up two ranks, coming in at numbers five and nine. Note that the latter became the only newcomer of the top-10. At the same time, the manufacturers AVENTIS (-3%), GSK (-2%) and ASTELLAS PHARMA (+13%) moved down one rank, to numbers six, 7 and 10, respectively. The drug manufacturer LEK (+1%) held its earlier rank eight. The total share of the top 10 drug manufacturers reduced almost 1 p.p. to 23.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	1	**NYCOMED PHARMA**	3.4	3.4
2	2	**BERLIN-CH/MENARINI**	2.9	3.0
3	4	**ABBOTT LABORATOR.**	2.6	2.8
4	3	OTCPHARM	2.6	2.8
5	7	GEDEON RICHTER AO	2.4	2.4
6	5	**AVENTIS**	2.2	2.5
7	6	**GSK CON.HEALTHCARE**	2.1	2.4
8	8	LEK	1.9	2.1
9	11	**BAYER HEALTH.PHARM**	1.9	1.8
10	9	**ASTELLAS PHARMA**	1.8	1.8
Total			23.9	24.9

*AIPM members are in bold

The dominant three brand names held their own in the top ten brand name ranking (table 2). The above top three brands included ESSENTIALE N (-13%), a stimulant of tissue regeneration ACTOVEGIN (+4%) and antiviral product KAGOCEL (+21%). The brand name ALFLUTOP (+2%) also held its previous rank five. Four from the remaining brand names of the top ten rose in the ranks. The most dynamic brand name among the top ten leaders CARDIOMAGNYL (+26%) moved up to rank four from ten, and CONCOR (+4%) moved up to rank six from seven. The newcomers MEXIDOL (+11%) and DETRALEX (+8%) broke into the ranks of the top ten, moving up to ranks seven and ten. At the same time, EXODERIL (-8%) and LINEX (-12%) reduced their sales, moving down to ranks eight and ten, respectively. The total share of the top 10 brand names reduced from 6.9% to 6.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	1	ESSENTIALE N	0.9	1.2
2	2	ACTOVEGIN	0.8	0.9
3	3	KAGOCEL	0.7	0.7
4	10	CARDIOMAGNYL	0.6	0.6
5	5	ALFLUTOP	0.6	0.6
6	7	CONCOR	0.6	0.6
7	11	MEXIDOL	0.6	0.5
8	6	EXODERIL	0.5	0.6
9	12	DETRALEX	0.5	0.5
10	4	LINEX	0.5	0.7
Total			6.4	6.9

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

One newcomer broke into the ranks of the top ten INNs and group names ranking. The composition DIOSMIN*HESPERIDIN (+23%) moved up from rank 15 to nine (Table 3). Another two INNs from the top ten managed to rise in the ranks. INNs BISOPROLOL (+10%) and IBUPROFEN (+19%) moved up one rank, to numbers two and six, respectively. At the same time, they displaced PHOSPHOLIPIDS (-12%), BLOOD (+5%) and DICLOFENAC (+16%) down one rank, to numbers three, seven and ten, respectively. INN XYLOMETAZOLINE (+15%) held and strengthened its leadership. The other three INNs also kept their positions unchanged: PANCREATIN (+12%), NIMESULIDE (+14%) and KAGOCEL (+21%) as before held their previous ranks four, five and eight. The cumulative share of the top 10 didn't 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, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 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	5	NIMESULIDE	1.0	1.0
6	7	IBUPROFEN	0.9	0.9
7	6	BLOOD	0.9	0.9
8	8	KAGOCEL	0.7	0.7
9	15	DIOSMIN*HESPERIDIN	0.7	0.6
10	9	DICLOFENAC	0.7	0.7
Total			9.6	9.6

R05 Cough and cold preparations (+5%), C09 Agents acting on the rennin-angiotensin system (+14%) and R01 Nasal preparations (+11%) remained the best selling groups on the Russian pharmacy market (Table 4). Having outperformed their sales peers, the groups G03 Sex hormones (+14%), G04 Urologicals (+13%), L03Immunostimulants and N02 Analgesics (+14% each), and M01 Anti-inflammatory and antirheumatic products (+9%) rose in the ranks, moving up to ranks four and six and coming in at the three bottom ranks. On top of that, the latter became the only newcomer of the top 10 ranking. Due to lagging behind the growth rates, the groups J01 Antibacterials for systemic use (+11%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+8%), in contrast, moved down to ranks five and seven. In total, following the results for 9 months of 2015 the top ten ATC groups accumulated 35.6% of the Russian market, as in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

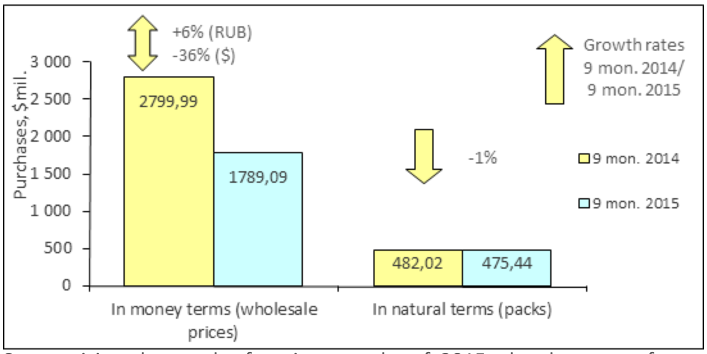
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2015	9 mon. 2014			9 mon. 2015	9 mon. 2014
1	1	R05	COUGH AND COLD PREPARATIONS	4.9	5.3
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	4.0
3	3	R01	NASAL PREPARATIONS	3.9	3.9
4	5	G03	SEX HORMONES AND PRODUCTS WITH SIMILAR DESIRED EFFECTS, SYSTEMIC ACTION ONLY	3.5	3.4
5	4	J01	SYSTEMIC ANTIBACTERIAL	3.4	3.4
6	8	G04	UROLOGICALS	3.2	3.1
7	6	A07	ANTIDIARRHOEALS, ORAL ELECTROLYTE REPLACERS AND INTESTINAL ANTI-INFLAMMATORIES	3.2	3.3
8	9	L03	IMMUNOSTIMULATING AGENTS	3.2	3.1
9	10	N02	ANALGESICS	3.1	3.1
10	11	M01	ANTI-INFLAMMATORY AND ANTI-RHEUMATIC PRODUCTS	3.0	3.0
Total				35.6	35.6

Conclusion. On the basis of the results for the first nine months of 2015, the retail pharmacy market of Russia reached RUB 495.214 bil. (USD 8.382 bil.). It was 10% more in terms of roubles and 34% less in terms of dollars than during the same period in 2014. In natural terms, the market showed the negative growth rates (-7%) and equal to 2.873 bil. packs. Based on the results for nine months of 2015, the average cost of an FPP pack in the national pharmacies was USD 2.92, whereas in the same period of 2014 it was USD 4.12. The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 57.31 vs. USD 88.42).

RUSSIAN FEDERATION HOSPITAL MARKET: 2015 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first nine months of 2015 the Russian hospital market in natural terms reduced by 1% to 475.435 mil. packs. In money terms, the market showed positive growth rates in terms of roubles (+6%) and negative growth rates (-36%) in terms of dollars, and reached RUB 105.252 bil. (USD 1.789 bil.) in wholesale prices. Based on the results for nine months of 2015, the average cost of an FPP pack in the hospital sector was USD 3.76, whereas in the year-earlier period its cost was USD 5.81.

Figure 1. Russian hospital market for 9 months of 2014 – 9 months of 2015



Summarizing the results for nine months of 2015, the drug manufacturer ABBVIE (+14%) became the leader of the top ten manufacturers, moving up one rank due to high growth rates (Table 1). In contrast, ROCHE that had previously topped the ranking reduced its purchases by 2% and moved down to rank two. The other five manufacturers of the top ten ranking showed the negative growth rates. At the same time, the drug manufacturers JANSSEN CILAG (-12%) and AVENTIS (-10%) moved up one rank, coming in at numbers three and four. Due to 36% reduction in purchases, the drug manufacturer GLAXOSMITH that had previously held rank three moved down to rank five. MERCK SHARP DOHME (-10%) moved down two ranks, coming in at number eight, while ASTRAZENECA (-1%) held its previous rank seven. NOVARTIS PHARMA (+0.1%) and BAYER (+4%) that lost one rank each moved down to the two bottom ranks of the top ten. The Russian manufacturer PHARMASYNTEZ IRKUTSK showed almost 5-fold growth in purchases and moved up from rank 49 to six, becoming the only newcomer of the top ten. The total share accumulated by the top ten drug manufacturers reduced from 28.3% to 26.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	2	**ABBVIE**	4.4	4.1
2	1	**ROCHE**	3.8	4.1
3	4	**JANSSEN CILAG**	2.9	3.5
4	5	**AVENTIS**	2.7	3.1
5	3	**GLAXOSMITH.TRADING**	2.5	4.1
6	49	PHARMASYNTEZ IRKUTSK	2.3	0.5
7	7	**ASTRAZENECA**	2.1	2.3
8	6	**MERCK SHARP DOHME**	2.1	2.5
9	8	**NOVARTIS PHARMA**	2.0	2.1
10	9	**BAYER HEALTH.PHARM**	1.9	2.0
Total			26.7	28.3

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking: antibiotic drug MEROPENEM (+43%) gained rank seven, moving up from rank 15 2). Note that almost all brand names from the top ten developed at a fast pace. At the same time, HERCEPTIN (+27%), REYATAZ (+28), ISENTRESS (+23%), CUROSURF (+9%) and ULTRAVIST (+12%) rose in the ranks, coming in at numbers two through four, six and eight. The brand names NATRIUM CHLORIDUM (+20%) and CEFTRIAXONE (+11%) held their own in the top ten, moreover the former reinforced its leadership. Due to reduction in sales, PREZISTA (-31%) and CLEXAN (-22%) moved down to ranks five and ten, respectively. The cumulative share of the top ten brand names increased by almost 0.4 p.p. and achieved 12.5%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	1	NATRIUM CHLORIDUM	3.3	2.9
2	5	HERCEPTIN	1.3	1.1
3	6	REYATAZ	1.3	1.0
4	7	ISENTRESS	1.1	0.9
5	2	PREZISTA	1.0	1.6
6	8	CUROSURF	0.9	0.9
7	15	MEROPENEM	0.9	0.7
8	10	ULTRAVIST	0.9	0.9
9	9	CEFTRIAXONE	0.9	0.9
10	4	CLEXAN	0.9	1.2
Total			12.5	12.1

Following the respective brand name, INN SODIUM (+18%) held and reinforced its leading position in the top ten INN and group names (Table 3). Despite the negative growth rates, CEFTRIAXONE (-1%) and DARUNAVIR (-4%) retained their previous ranks two and three. Another two INNs reduced their purchases. INNs ENOXAPARIN SODIUM (-2%) and IMMUNOGLOBULIN BASE (-7%) moved down to ranks six and nine, respectively. Four INNs from the top ten ranking rose in the ranks TRASTUZUMAB (+27%) and ATAZANAVIR (+28%) moved up to ranks four and five, and the newcomers DOCETAXEL (+30%) and RALTEGRAVIR (+23%) broke into the ranks of the top ten, coming in at numbers eight and ten, respectively. The brand name MEROPENEM (+12%) held its previous rank seven. The total share of the top 10 INNs increased by almost 0.7 p.p. and accounted for 14.7%.

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

Rank		INNs/Group Names	Share in total hospital purchases, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	1	SODIUM	3.4	3.0
2	2	CEFTRIAXONE	1.5	1.6
3	3	DARUNAVIR	1.4	1.6
4	8	TRASTUZUMAB	1.3	1.1
5	10	ATAZANAVIR	1.3	1.0
6	4	ENOXAPARIN SODIUM	1.3	1.4
7	7	MEROPENEM	1.2	1.2
8	12	DOCETAXEL	1.1	0.9
9	5	IMMUNOGLOBULIN BASE	1.1	1.3
10	11	RALTEGRAVIR	1.1	0.9
Total			14.7	14.0

The leaders of the top ten ATC groups also held their own on the hospital market of the country. J05 Antivirals for systemic use (+5%) and J01 Antibacterials for systemic use (+4%) retained their previous top two ranks, despite lagging behind the growth rates (Table 4). Another two groups: J07 Vaccines T01 (+10% each) held their previous ranks five and six. Five ATC groups from the top ten moved up one rank. K01 Intravenous solutions (+9%) moved up to rank three from four, displacing B01 Antithrombotic agents (+4%) down one rank. The groups N01 Anesthetics (+16%), J04 Antimycobacterials (+7%), N05 Psycholeptics (+8%) and J06 Immune sera and immunoglobulins (-6%) moved up to ranks seven through ten respectively. On top of that, the latter broke into the ranks of the top 10 ranking for the first time. The cumulative share of the top 10 didn’t virtually change and accounted for 51.6%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2015	9 mon. 2014			9 mon. 2015	9 mon. 2014
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	14.0	14.1
2	2	J01	SYSTEMIC ANTIBACTERIAL	10.8	11.0
3	4	K01	INTRAVENOUS SOLUTIONS	5.4	5.2
4	3	B01	ANTITHROMBOTIC AGENTS	5.2	5.3
5	5	J07	VACCINES	4.2	4.1
6	6	T01	DIAGNOSTIC IMAGING	3.0	2.9
7	8	N01	ANAESTHETICS	2.6	2.4
8	9	J04	ANTIMYCOBACTERIALS	2.3	2.3
9	10	N05	PSYCHOLEPTICS	2.2	2.2
10	11	J06	SERA AND GAMMA-GLOBULIN	1.9	2.2
Total				51.6	51.6

Conclusion. At the end of the first nine months of 2015, the Russian hospital market increased in rouble terms by 6%, but reduced considerably in dollar terms (-36%) and brought in RUB 105.252 bil. (USD 1.789 mil.). In natural terms, the market reduced by 1% to 475.435 mil. packs. At the end of the first nine months of 2015, the average cost of a finished pharma product (FPP) pack in the Russian hospital sector was USD 3.76 vs. USD 5.81 in the year earlier period.

MOSCOW PHARMACEUTICAL MARKET IN Q 1-3, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

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

Value	January-October 2015	January-October 2015, % vs. January-October 2014
Industrial production index		91.9
Retail turnover, RUB bil.	36,243.7	87.8
Monthly average accrued wage per one worker (nominal), RUB	60,424	100.6
real		89.7

Note: Moscow TOGS data

Table 2. Moscow consolidated budget expenditures on health care in January - October 2015

	January-October 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mln	141,155.15	11.99%

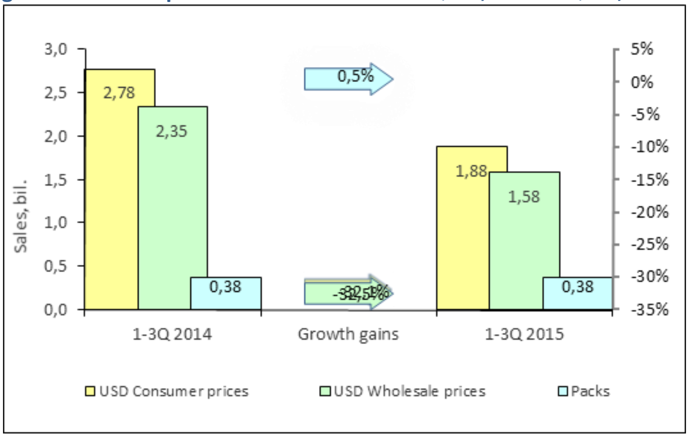
Note: RF Health Ministry data

Table 3. Inflation rates in Moscow, October 2015

	October 2015 vs. December 2014
CPI	112.5
CPI for non-food products	112.0
CPI for medications	118.10

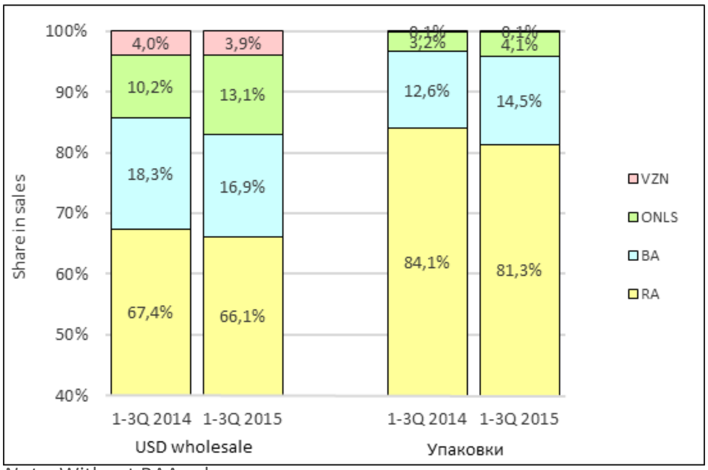
Indicators of the dynamics and structure of the market

Figure 1. Moscow pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

Figure 2. Structure of Moscow pharmaceutical market by major segments in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

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

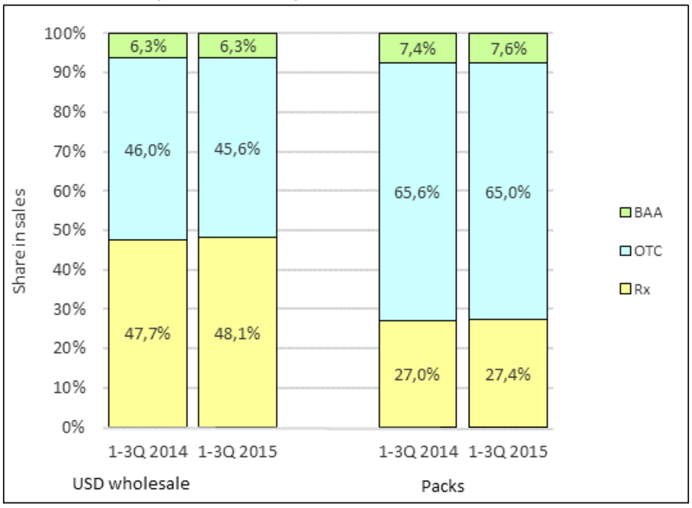
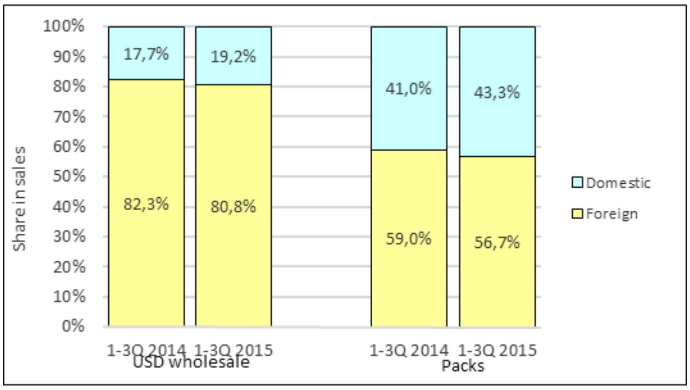


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Moscow pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



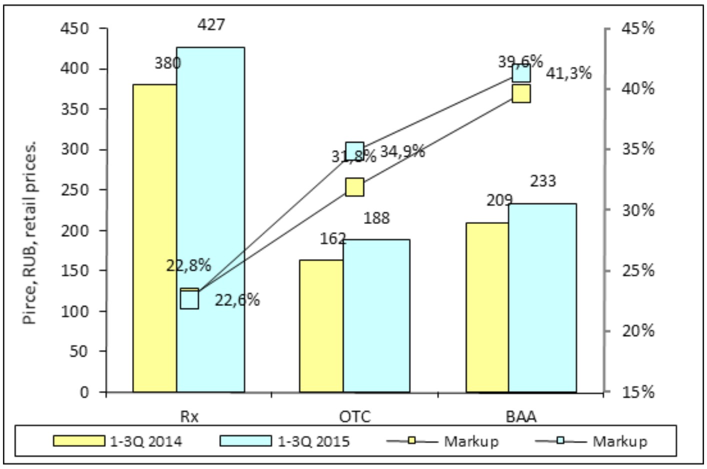
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	7.8	7.7	3.9
Up to RUB 50	13.0		
From RUB 50 to 500	7.4		
Over RUB 500	3.9		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-3, 2014 – Q 1-3, 2015



ST. PETERSBURG PHARMACEUTICAL MARKET IN Q 1-3, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Latest statistical data characterizing socio - economic situation in St. Petersburg

Value	January-October 2015	January-October 2015, % vs. January-October 2014
Industrial production index		91.7
Retail turnover, RUB bil.	857.37	89.3
Monthly average accrued wage per one worker (nominal), RUB	41,709	105.7
real		92.3

Note: St.Petersburg TOGS data

Table 2. St. Petersburg consolidated budget expenditures on health care in January - October 2015

	January-October 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mil.	56,100.1	17.88%

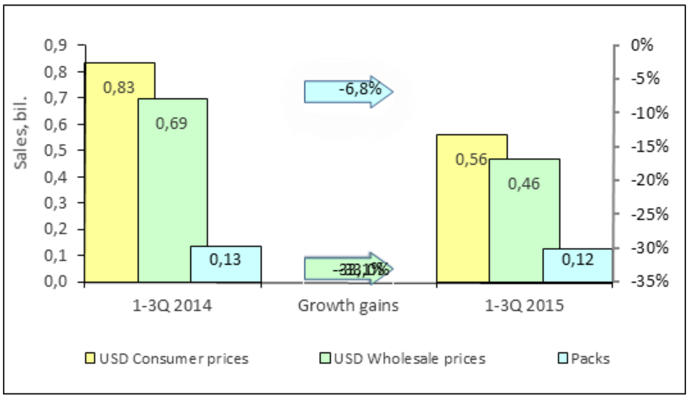
Note: RF Health Ministry data

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

	October 2015 vs. December 2014
CPI	111.4
CPI for non-food products	114.4
CPI for medications	117.7

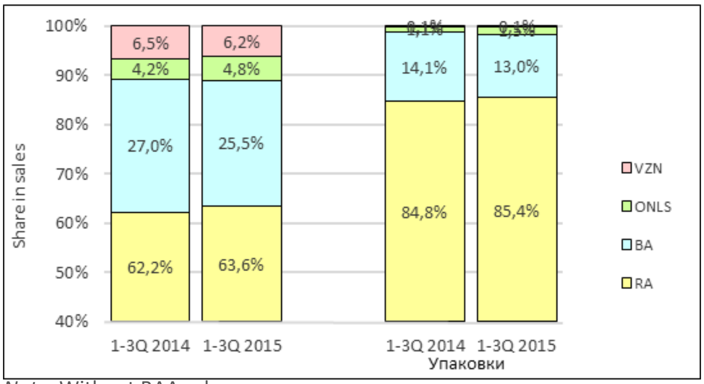
Indicators of the dynamics and structure of the market

Figure 1. St. Petersburg pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

Figure 2. Structure of St. Petersburg pharmaceutical market by major segments in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

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

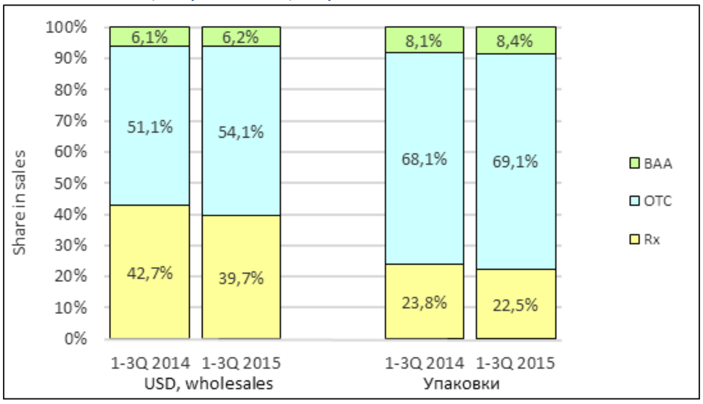
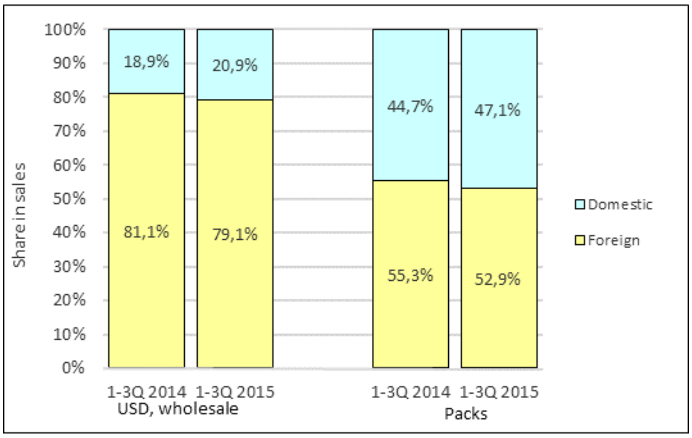


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of St. Petersburg pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



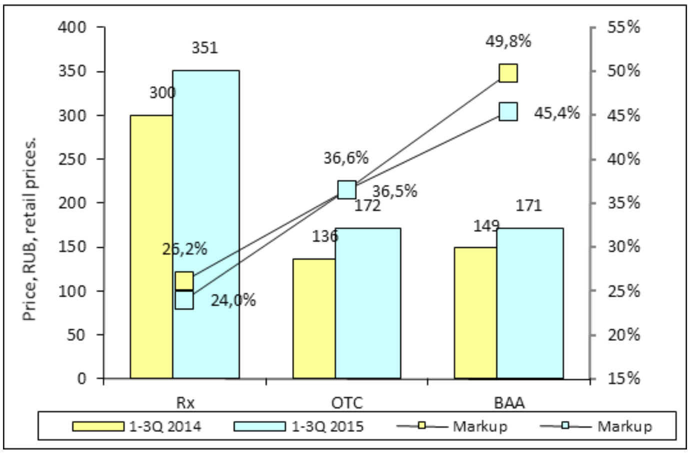
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	4.0	4.6	4.6
Up to RUB 50	13.2		
From RUB 50 to 500	2.0		
Over RUB 500	1.7		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-3, 2014 – Q 1-3, 2015



NIZHNY NOVGOROD REGION PHARMACEUTICAL MARKET IN Q 1-3, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Latest statistical data characterizing socio - economic situation in Nizhny Novgorod Region

Value	January-October 2015	January-October 2015, % vs. January-October 2014
Industrial production index		101.9
Retail turnover, RUB bil.	501.5	85.2
Monthly average accrued wage per one worker (nominal), RUB	26,199	105.3
real		89.1

Note: Nizhny Novgorod region TOGS data

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

	January-October 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mil.	19,626.24	14.72%

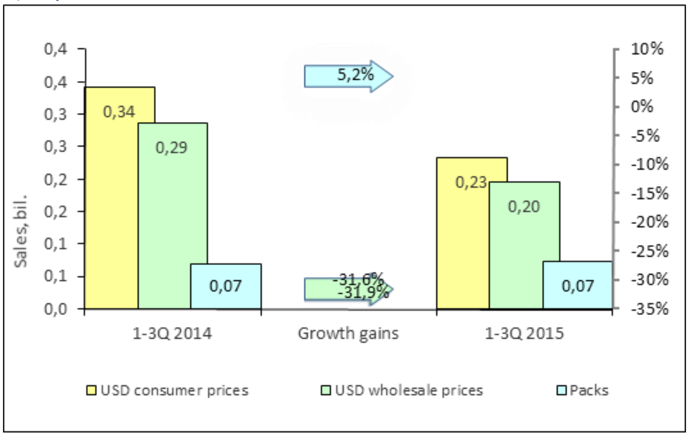
Note: RF Health Ministry data

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

	October 2015 vs. December 2014
CPI	111.2
CPI for non-food products	113.2
CPI for medications	116.6

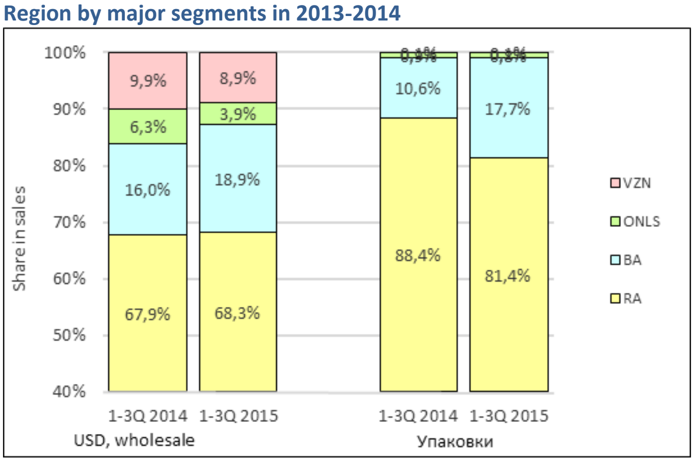
Indicators of the dynamics and structure of the market

Figure 1. Nizhny Novgorod region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 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 1-3, 2014 – Q 1-3, 2015

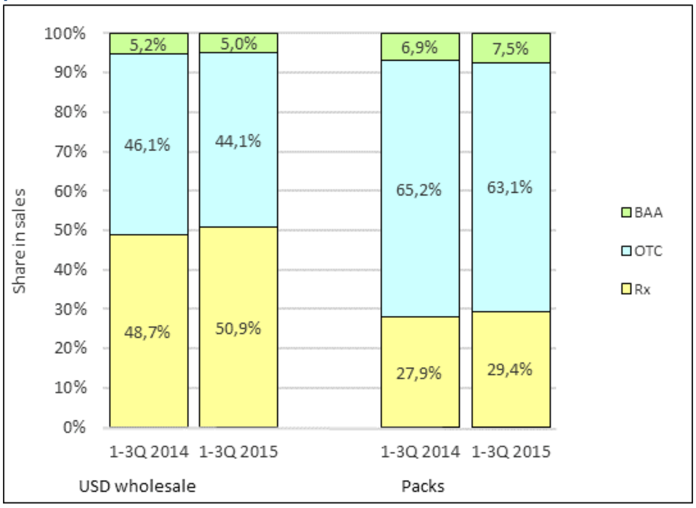
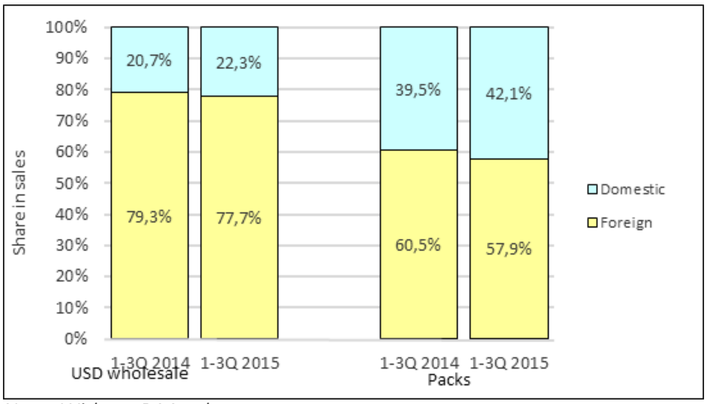


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Nizhny Novgorod Region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



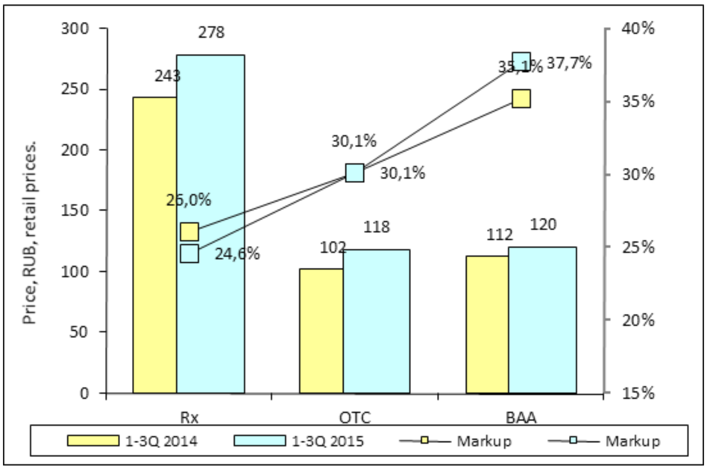
Note: Without BAA sales

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 October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	4.6	5.8	5.3
Up to RUB 50	13.6		
From RUB 50 to 500	2.8		
Over RUB 500	-0.1		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-3, 2014 – Q 1-3, 2015



YEKATERINBURG REGION PHARMACEUTICAL MARKET IN Q 1-3, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Latest statistical data characterizing socio - economic situation in Yekaterinburg region

Value	January-October 2015	January-October 2015, % vs. January-October 2014
Industrial production index		95.7
Retail turnover, RUB bil.	847.5	89.8
Monthly average accrued wage per one worker (nominal), RUB	30,158	104.8
real		83.2

Note: Yekaterinburg region TOGS data

Table 2. Yekaterinburg region consolidated budget expenditures on health care in January - October, 2015

	January-October 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mil.	32,940.31	17.25%

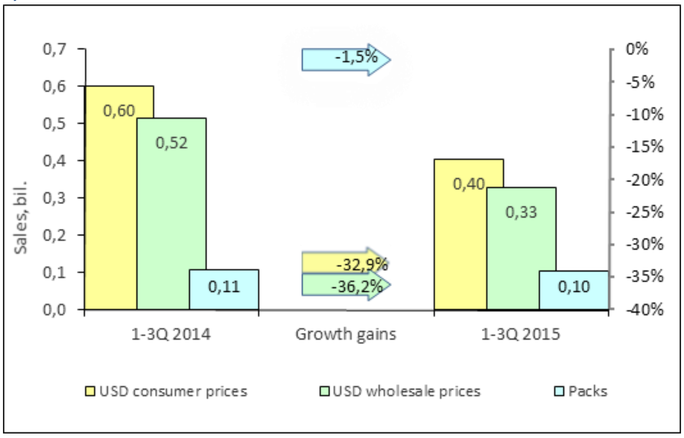
Note: RF Health Ministry data

Table 3. Inflation rates in Yekaterinburg region, October 2015

	October 2015 vs. December 2014
CPI	112.4
CPI for non-food products	113.1

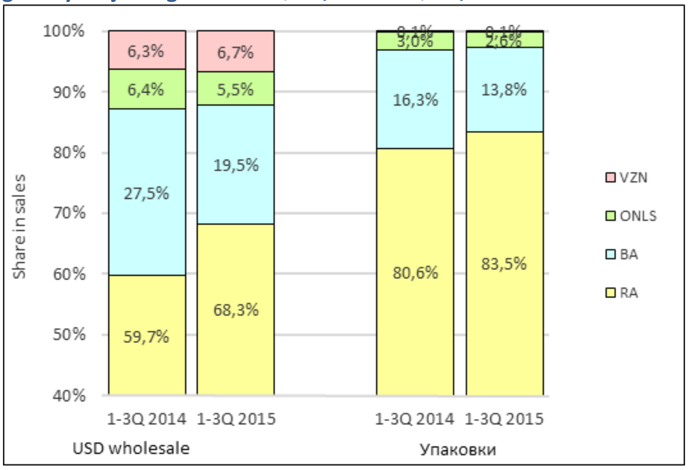
Indicators of the dynamics and structure of the market

Figure 1. Ekaterinburg region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Yekaterinburg region by major segments in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

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

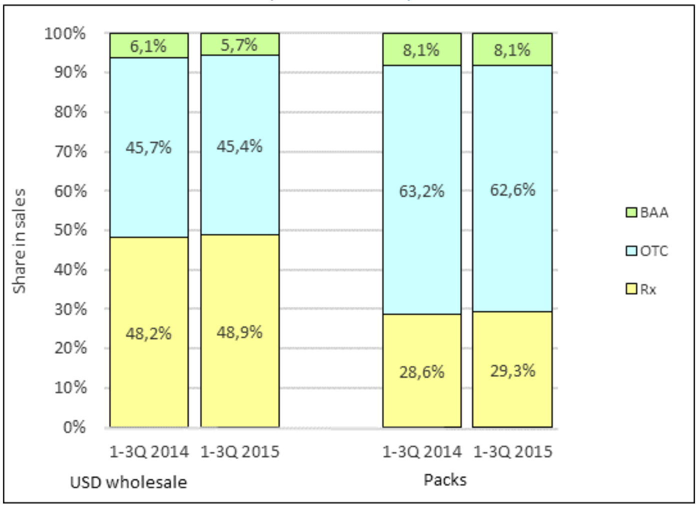
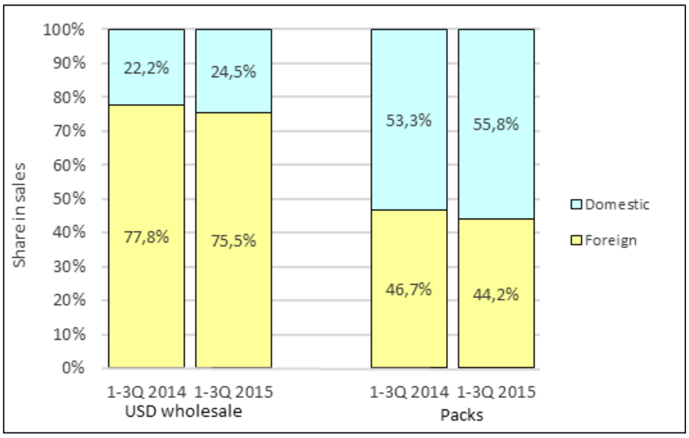


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Yekaterinburg region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



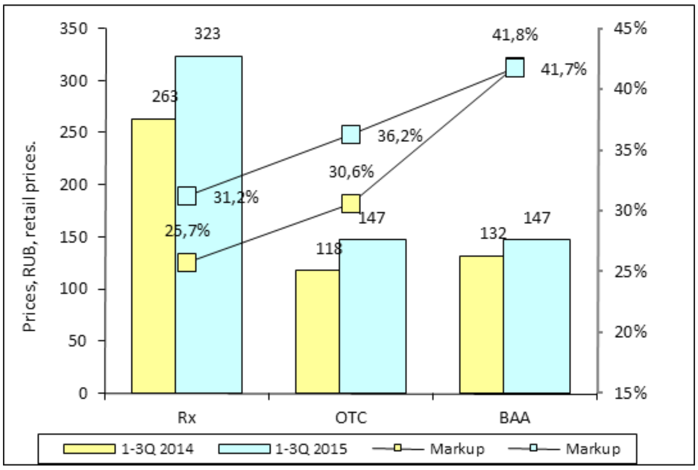
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	11.3	13.6	9.5
Up to RUB 50	20.7		
From RUB 50 to 500	8.1		
Over RUB 500	3.6		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-3, 2014 – Q 1-3, 2015



NOVOSIBIRSK REGION PHARMACEUTICAL MARKET IN Q 1-3, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Latest statistical data characterizing socio-economic situation in Novosibirsk Region

Value	January-October 2015	January-October 2015, % vs. January-October 2014
Industrial production index		100.6
Retail turnover, RUB bil.	356.0	83.4
Monthly average accrued wage per one worker (nominal), RUB	27,109	101.7
real		90.3

Note: Novosibirsk region TOGS data

Table 2. Novosibirsk region consolidated budget expenditures on health care in January - October, 2015

	January-October 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mil.	16,150.84	13.88%

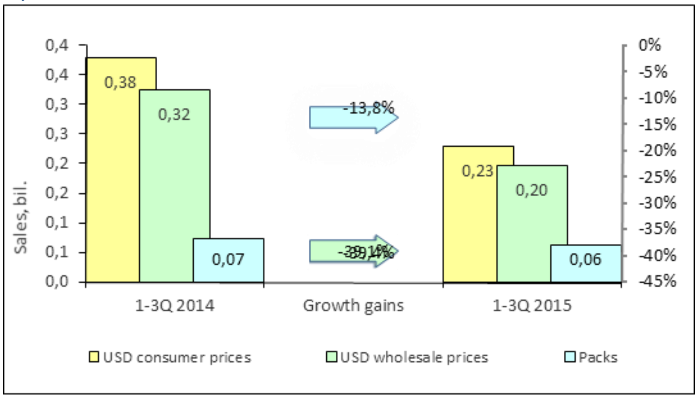
Note: RF Health Ministry data

Table 3. Inflation rates in Novosibirsk region, October 2015

	October 2015 vs. December 2014
CPI	110.1
CPI for non-food products	110.8
CPI for medications	124.9

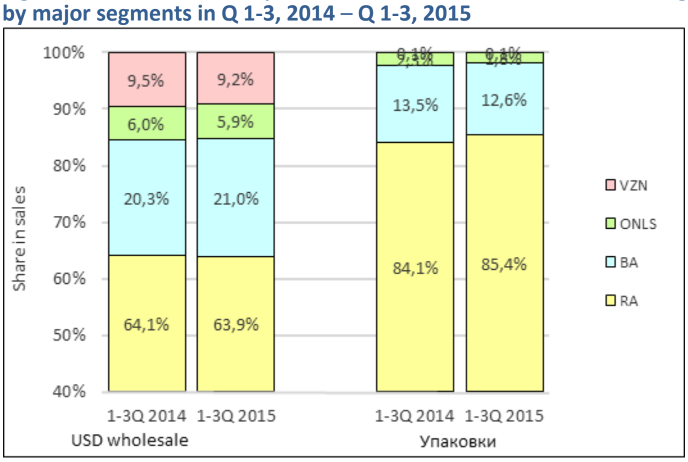
Indicators of the dynamics and structure of the market

Figure 1. Novosibirsk region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Novosibirsk region by major segments in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

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

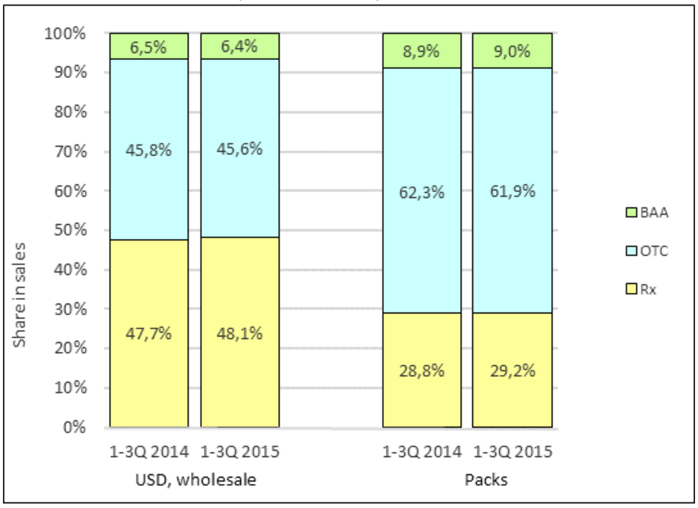
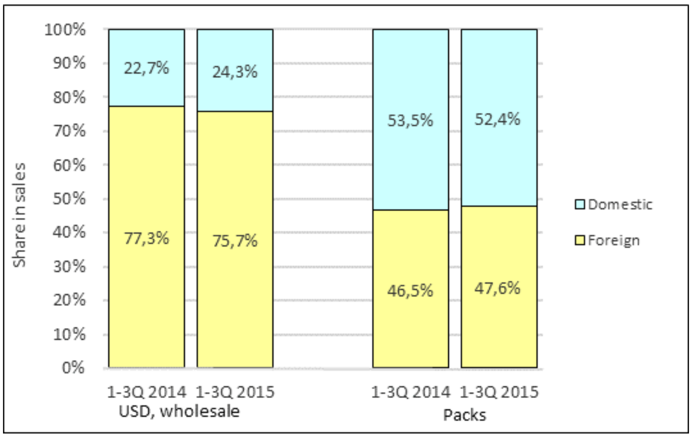


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Novosibirsk region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



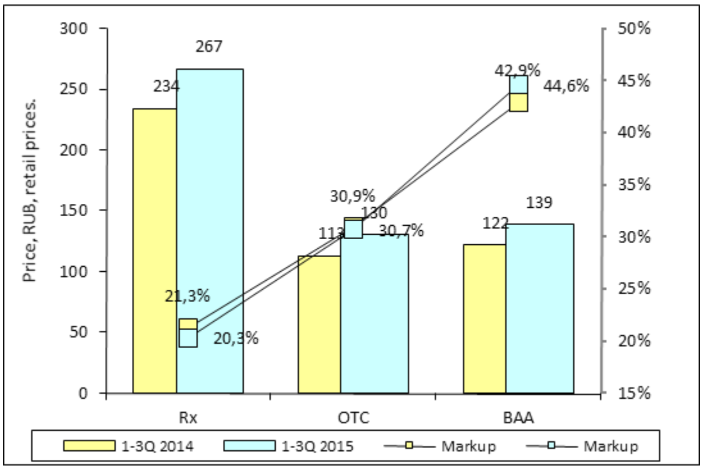
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	8.6	10.1	8.2
Up to RUB 50	16.7		
From RUB 50 to 500	7.2		
Over RUB 500	1.4		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-3, 2014 – Q 1-3, 2015



ROSTOV REGION PHARMACEUTICAL MARKET IN Q 1-3, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Latest statistical data characterizing socio - economic situation in Rostov Region

Value	January-October 2015	January-October 2015, % vs. January-October 2014
Industrial production index		139.6
Retail turnover, RUB bil.	665.8	93.2
Monthly average accrued wage per one worker (nominal), RUB	24,266	103.1
real		88.3

Note: Rostov region TOGS data

Table 2. Rostov region consolidated budget expenditures on health care in January - October, 2015

	January-October 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mil.	21,139.6	14.9%

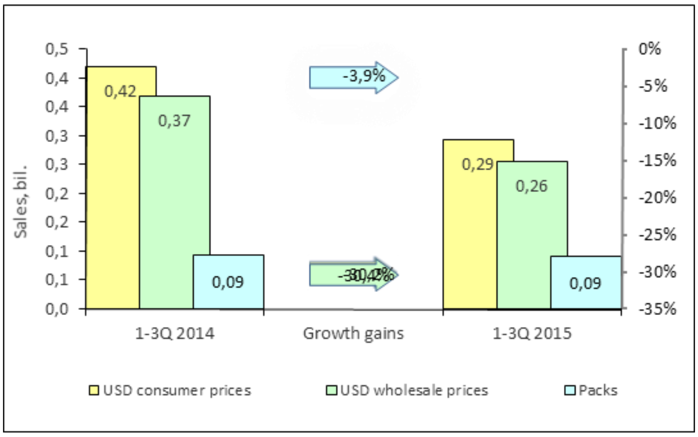
Note: RF Health Ministry data

Table 3. Inflation rates in Rostov region, October 2015

	October 2015 vs. December 2014
CPI	110.7
CPI for non-food products	113.4

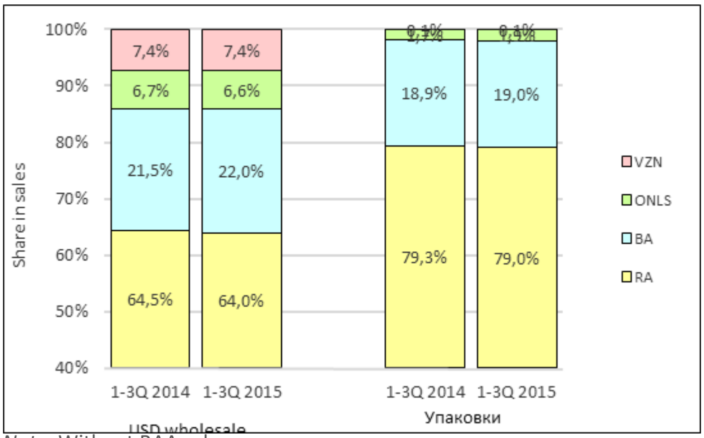
Indicators of the dynamics and structure of the market

Figure 1. Rostov region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Rostov region by major segments in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

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

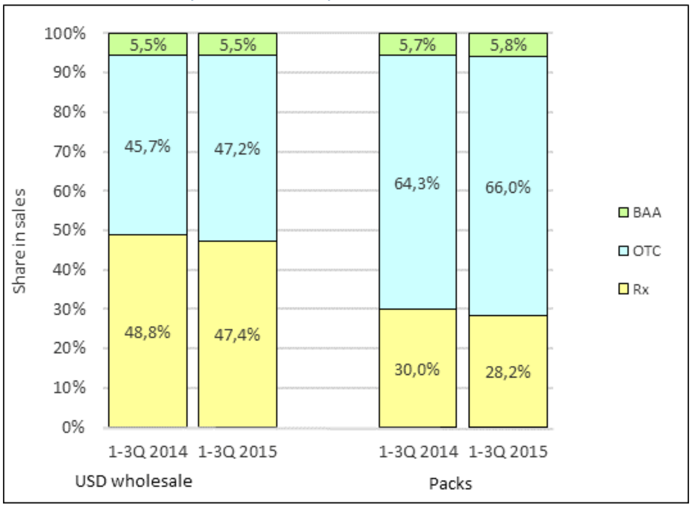
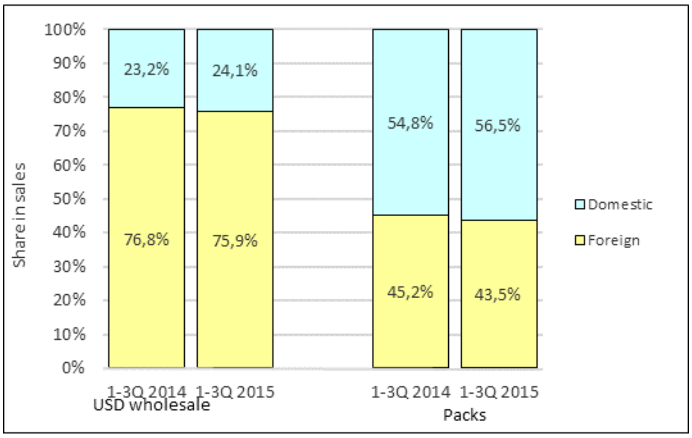


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Rostov region pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



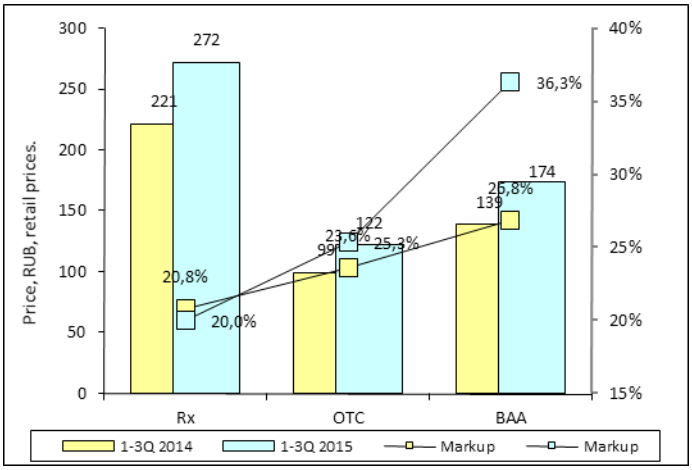
Note: Without BAA sales

Indicators of price dynamics and retail margins

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

	Price dynamics in October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	10.9	10.2	10.4
Up to RUB 50	19.8		
From RUB 50 to 500	9.5		
Over RUB 500	2.8		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-3, 2014 – Q 1-3, 2015



KHABAROVSK KRAI PHARMACEUTICAL MARKET IN Q 1-3, 2015 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Latest statistical data characterizing socio - economic situation in Khabarovsk Krai

Value	January-October 2015	January-October 2015, % vs. January-October 2014
Industrial production index		101.4
Retail turnover, RUB bil.	223.4	100.9
Monthly average accrued wage per one worker (nominal), RUB	36,944	103.9
real		89.9

Note: Khabarovsk Krai TOGS data

Table 2. Khabarovsk Krai consolidated budget expenditures on health care in January - October 2015

	January-October 2015	Share in all budget expenditures
Consolidated budget expenditures on health care, RUB mil.	11,283.3	13.95%

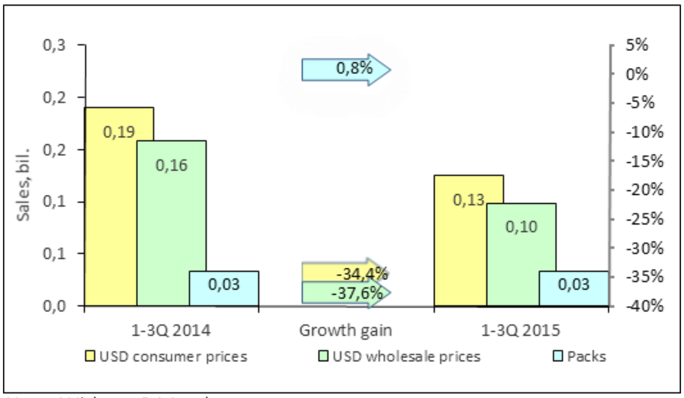
Note: RF Health Ministry data

Table 3. Inflation rates in Khabarovsk Krai, October 2015

	October 2015 vs. December 2014
CPI	111.3
CPI for non-food products	113.4

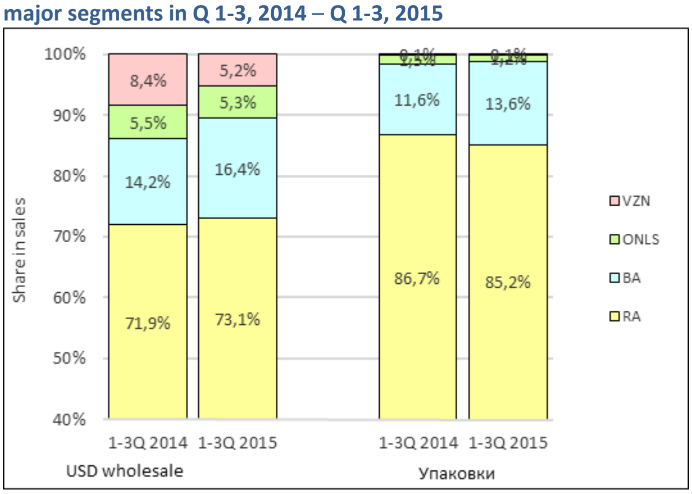
Indicators of the dynamics and structure of the market

Figure 1. Khabarovsk Krai pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

Figure 2. Structure of the pharmaceutical market of Khabarovsk Krai by major segments in Q 1-3, 2014 – Q 1-3, 2015



Note: Without BAA sales

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

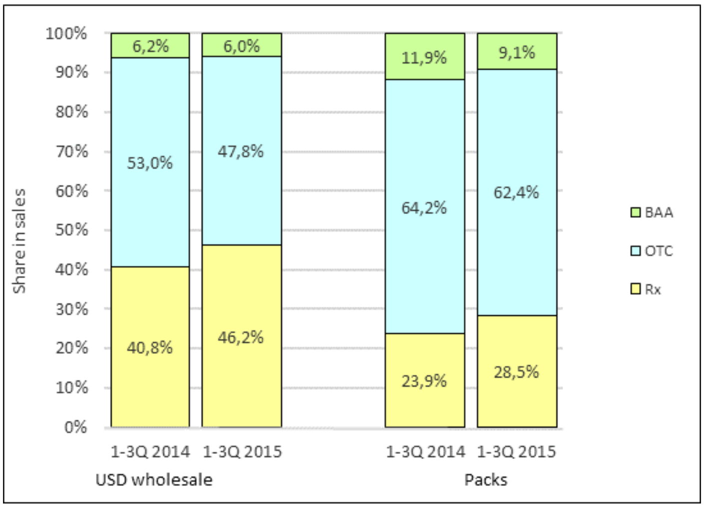
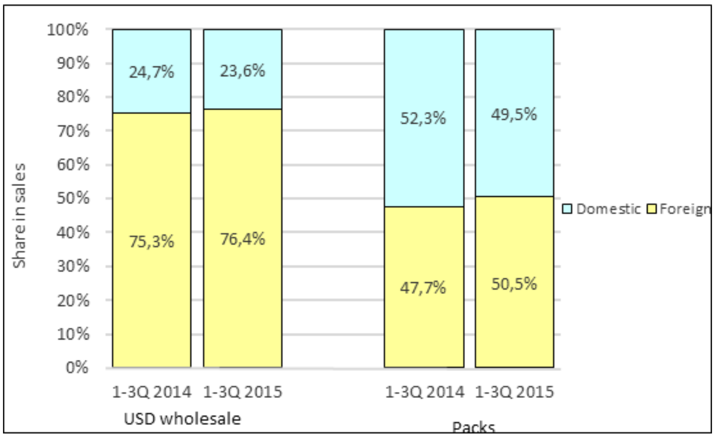


Figure 4. Dynamics of the Russian/ foreign drugs share in the structure of Khabarovsk Krai pharmaceutical market in Q 1-3, 2014 – Q 1-3, 2015



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 October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	8.8	12.0	9.1
Up to RUB 50	15.1		
From RUB 50 to 500	7.3		
Over RUB 500	3.4		

Figure 5. Dynamics of weighted average prices and retail margins in Q 1-3, 2014 – Q 1-3, 2015