REMEDIUM GROUP OF COMPANIES

AIPM Association of International Pharmaceutical Manufacturers / Ассоциация международных фармацевтических производителей

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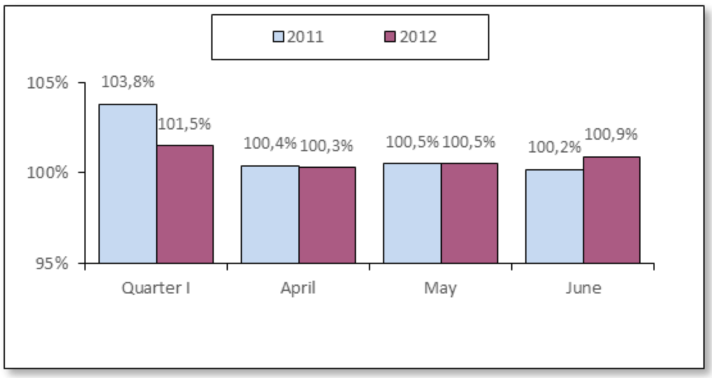
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in June 2012, the Consumer Price Index was estimated as 100.9%, compared to the previous month. For the period from start of the year, it escalated to 103.2% (in January-June 2011 – 105.0%)

In June, Industrial Producer Price Index was 99.1%, whereas in the month-earlier period it had amounted to 97.6%. In January-June, it accounted for 100.3% (during the same period a year ago – 107.8%).

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



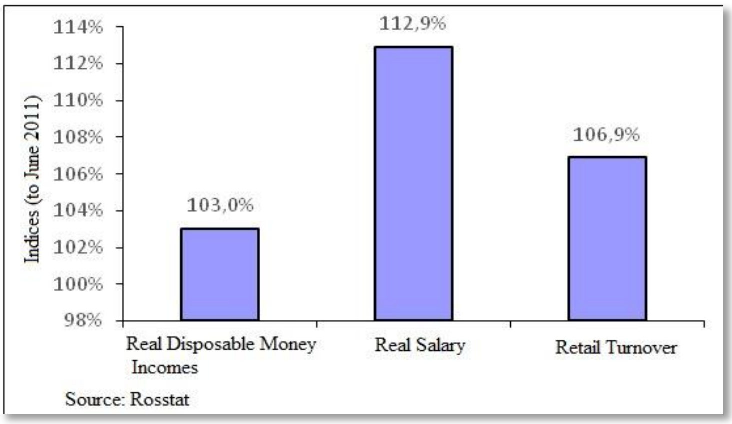
Living standard

According to preliminary Federal State Statistics Service's data, in June 2012 a gross monthly average salary per worker reached RUR 28,232 (USD 860.21) which accounted for 117.7% compared to June 2011 and 107.0% compared to May 2012. The real salary in June 2012 accounted for 112.9 % as compared with the same period in 2011. In June 2012, the real value of cash incomes accounted for 103.0% compared to the same period of 2011 (Fig. 2).

Retail turnover

In June 2012 the retail turnover was equal to RUB 1,739.7 bln, which in stock accounted for 106.9% compared to the same period a year ago (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in June 2012



Manufacture of industrial products

According to Federal State Statistics Service's data, in June 2012 Industrial Production Index accounted for 101.9% compared to the same period a year ago, 99.4% to the previous period of 2012, and 103.1% for year to date.

Domestic production

The Top-10 largest domestic manufacturers by production volume at June-end 2011 are summarized in Table 1. The total production volume by top ten manufacturers was estimated at USD 198.8 mln.

Table 1. Top-ten chemical and pharmaceutical manufacturers by production volume in June 2012

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	43,8
2	KRKA-RUS	34,1
3	Stada	29,9
4	Valenta	20,8
5	Sotex	13,8
6	Akrihin	12,1
7	Pharm-Center	11,6
8	Veropharm	11,5
9	Escom	11,2
10	Materia Medica	10,1

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In May 2012 compared to April 2012, growth in pharmacy sales (in terms of roubles) was observed in most analyzed regions. The most pronounced growth in sales was in Krasnodarsky Krai (+15%), the least one – in Krasnoyarsky Krai (+0.1%). In three regions OTC drug sales reduced, the most pronounced reduction was seen in Perm (-13%).

Table 2. Pharmacy sales in regions, 2011 - 2012

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	March 2012	April 2012	May 2012	March/ February 2012	April/ March 2012	May/ April 2012
Moscow city	202,8	170,2	150,0	18%	-16%	-3%
St. Petersburg	48,2	46,1	40,7	5%	-4%	-2%
Krasnodarsky Krai	33,5	30,8	32,2	26%	-8%	15%
Novosibirskaya Oblast	24,9	22,4	20,8	12%	-10%	3%
Republic of Tatarstan	28,8	26,2	23,9	17%	-9%	1%
Krasnoyarsky Krai	18,8	18,4	16,6	15%	-2%	0,1%
Rostovskaya Oblast	19,1	18,5	18,7	-0,1%	-3%	12%
Voronezhskaya Oblast	18,0	15,3	14,2	1%	-15%	3%
Perm city	7,3	7,9	6,2	19%	8%	-13%
Tyumen city	7,0	6,8	6,1	4%	-3%	1%

Advertising

The largest advertisers and pharmaceutical trade 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 June 2012

Rank	Company*	Quantity of broadcasts
1	Novartis	5 259
2	Berlin-Chemie Menarini Group	4 281
3	Reckitt Benckiser	3 232
4	Evalar	2 848
5	Firn M	2 148

Source – TNS Gallup AdFact

Table 4. Top-five trade names in mass media in June 2012

Rank	Trade name*	Quantity of broadcasts
1	Evalar	2 848
2	Nurofen	1 940
3	Smecta	1 132
4	Pentalgin	1 111
5	Oftalmoferon	1 079

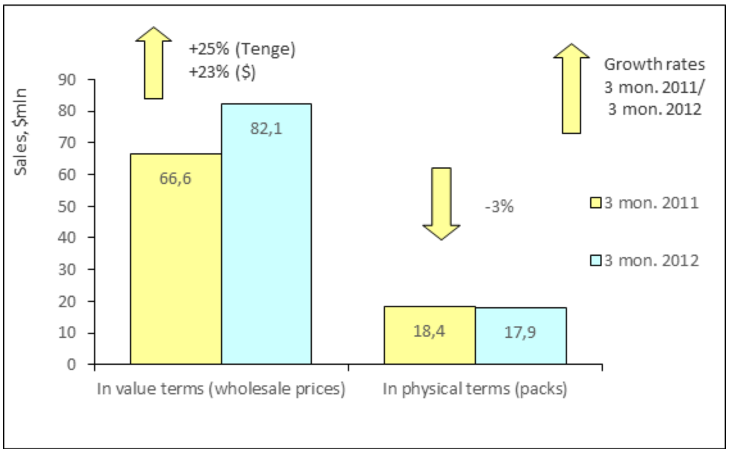
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN HOSPITAL MARKET: 2012 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in Q 1, 2012 the Kazakhstan hospital market in physical terms decreased by 3% to 17.921 million packs. The purchases in value terms increased by 25% in Tenges, by 23% in USD and achieved Tenge 12.159 billion (USD 82.083 million) in wholesale prices. In the analyzed period, the average cost of OTC pack in the hospital sector was USD 4.58, whereas in the year-earlier period its cost was USD 3.62.

Figure 1. Kazakhstan hospital market for 3 months of 2011 – 3 months of 2012



On the basis of the results for the first three months of the current year, as before the highest share of hospital market accrued to the drugs of the local manufacturer KHIMPHARM (+1%1) (Table 1). However, it should be noted that due to low growth rates, a share of this manufacturer on the market of the country considerably decreased which allowed the company JANSSEN-SILAG (+60%) to approach the leader by moving up to rank 2. The share of F. Hoffmann-La Roche also considerably increased. Due to 1.8-fold growth in purchases, the company expanded its market share to 10% and moved up to rank three of the top ten. The markets of another four manufacturers of the top ten developed at a fast pace: GLAXOSMITHKLINE (1.7-fold growth of purchases), MERCK SHARP AND DOHME (3.4-fold growth), TEVA (1.5-fold growth) and ABBOTT (2.4-fold growth) which moved up to rank six and three bottom lines, respectively. The latter three manufacturers broke into the ranks of the top ten for the first time. The other three manufacturers showed low (SANOFI-AVENTIS and BAYER) and even negative (NYCOMED) growth of purchases. However, BAYER (+12%) managed to hold its rank 7 in the ton ten. However, the total share accumulated by the top 10 drug manufacturers increased by more than 3 p.p. and escalated to 63.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	KHIMPHARM OJSC	11,6	14,4
2	3	**JANSSEN-SILAG AG**	11,4	8,9
3	5	**F. Hoffmann-La Roche LTD**	10,0	7,0
4	2	**SANOFI-AVENTIS**	9,1	9,6
5	4	**NYCOMED**	5,0	8,4
6	8	**GLAXOSMITHKLINE**	4,7	3,4
7	7	**BAYER HEALTHCARE**	3,1	3,5
8	18	**MERCK SHARP AND DOHME B.V.**	3,0	1,1
9	11	**TEVA**	2,7	2,3
10	15	**ABBOTT LABORATORIES LTD**	2,5	1,3
Total			63,2	59,8

*AIPM members are in bold

Three drugs managed to hold their own in the top ten trade names ranking (table 2). They were the leaders for the top-10 Taxotere (+15%) and Herceptine (+43%), as well as Eprex (+16%) placed on rank 4. Most trade names of the top 10 managed to rise in the ranks. Thus, the newcomers broke into the ranks of the top ten, coming in at number three and three bottom lines: Velcade (purchases grew 3.6 times), Mabthera, Cef III (+13%) and Doriprex (+86%). Avastin (+60%) and Clexane (+24%) moved up one rank, to numbers 5 and 7. Only one trade name of the top ten, Cef IV (+9%), moved down one rank, coming in at number 6.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade Name	Share in total hospital purchases, %	
3mon. 2012	3mon. 2011		3 mon. 2012	3 mon. 2011
1	1	Taxotere	5,4	5,9
2	2	Herceptine	4,4	3,9
3	16	Velcade	3,3	1,1
4	4	Eprex	2,5	2,7
5	6	Avastin	2,4	1,9
6	5	Cef IV	1,7	2,0
7	8	Clexane	1,7	1,7
8	N/A	Mabthera	1,5	N/A
9	11	Cef III	1,4	1,6
10	26	Doriprex	1,4	0,9
Total			25,7	21,5

Four INNs of the top ten INN and Generic Names held their own in the ranking (table 3). Despite the delay in growth rates and reduction of share presence, as before Docetaxel (+15%), Epoetin Alfa (+16%), Cefepime (+14%) and Aprotinin (+7%) hold ranks 1, 5, 7 and 10. Five INNs of the top ten that showed a pronounced growth of rates rose in the ranks. Among them there were three newcomers that broke into the ranks of the Top-10: Bortezomib (which purchases grew 3.6 times), Human Normal Immunoglobulin (4.5 times) and Enoxaparin Sodium (+24%), coming in at numbers 4, 8 and 9, respectively. Apart from them, Trastuzumab (+43%) moved up from rank 3 to 2, and Bevacizumab (+60%) moved up from rank 9 to 6. The total share of the analyzed ranking, as well as one of the above ranking increased from 26.5% to 29.5%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Name	Share in total hospital purchases, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	Docetaxel	5,4	5,9
2	3	Trastuzumab	4,4	3,9
3	2	Unidentified	4,3	4,8
4	24	Bortezomib	3,3	1,1
5	5	Epoetin Alfa	2,5	2,7
6	9	Bevacizumab	2,4	1,9
7	7	Cefepime	2,0	2,2
8	48	Human Normal Immunoglobulin	1,9	0,5
9	12	Enoxaparin Sodium	1,7	1,7
10	10	Aprotinin	1,6	1,8
Total			29,5	26,5

J06 Immune Sera and Immunoglobulins that due to its sales growth 3.3 times moved up from rank 23 to 10 has became a newcomer of the top ten ATC Groups (Table 4). However, most ATC groups of the top 10 held their own in the ranking. They were three leading groups: L01 Antineoplastic Agents (+45%), J01 Antibacterials for Systemic Use (+20%) and B05 Blood Substitutes and Perfusion Solutions (+49%), as well as B03 Antianemic preparations (+25%) and N05 Psycholeptics (+19%) placed at numbers 6 and 7. Two shifts took place in the top ten ranking. The more dynamic group B01 Antithrombotic Agents (+59%), which displaced B02 Antihemorrhagics (+21%), moved up one rank, to number 4. Groups V08 Contrast Media (-6%) and N06 Psychoanaleptics (+1%) also moved up one rank, despite the low and even negative growth rates: Group R07 which used to hold rank 8 considerably reduced purchases and moved out of the bounds of the top ten. The total share of the top 10 increased more than 5 p.p. and reached 73.6%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	1	L01	Antineoplastic agents	25,7	22,1
2	2	J01	Antibacterials for systemic use	16,1	16,7
3	3	B05	Blood Substitutes and Perfusion Solutions	6,7	5,6
4	5	B01	Antithrombotic Agents	5,6	4,4
5	4	B02	Antihemorrhagics	5,2	5,4
6	6	B03	Antianemic preparations	4,4	4,4
7	7	N05	Psycholeptics	3,4	3,5
8	9	V08	Contrast Media	2,2	2,9
9	10	N06	Psychoanaleptics	2,2	2,7
10	23	J06	Immune Sera and Immunoglobulins	2,1	0,8
Total				73,6	68,5

Conclusion. At the end of the first three months in 2012, Kazakhstan hospital market grew by 25% in tenge terms and by 23% in dollar terms and brought in Tenge 12.159 bln (USD 82.083 mln). In physical terms, the country market showed negative sales growth rates (-3%) and reached 17.921 mln packs. The average cost of an OTC pack in the hospital market of Kazakhstan at the end of Q 1 of 2012 was much higher than the same indicator a year ago (USD 4.58 vs. USD 3.62). As the analyzed rankings showed, the hospital market experienced considerable structural changes, though the leaders remained unchanged.

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

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2012 FIRST 3 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, following the results of the first quarter of 2012, 11 regional markets taken individually accounted for 45.5% of the entire hospital sector of Russian Federation, which is a bit lower than in the year-earlier period (47.7%). The biggest market is the market of Moscow which share accounted for 21.1% of hospital purchases (Fig. 1). Further follow the markets of Saint Petersburg (5.0%), Kazan (4.6%) and Yekaterinburg (2.9%). The regional markets considerably differ by average cost of a hospital OTC pack. At the end of three months of 2012, the highest average price of hospital OTC pack was registered in Moscow (USD 8.46) and the lowest one - in Novosibirsk (USD 2.30) In Saint Petersburg the average cost of a pack was USD 4.38.

Figure 1. Regions share in the total hospital purchase volume in the Russian Federation for 3 months 2012.

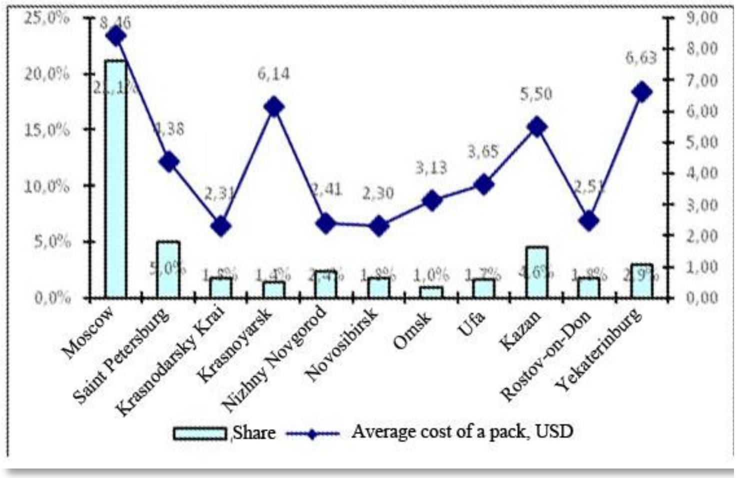


Table 1 provides information of the ranks of the All-Russia top drug manufacturers in the regional top ten rankings. At the year-end, the largest share of the Russian hospital market was accounted for by the drugs from unidentified manufacturers which took the lead in 6 of 11 regions. The leading company of the All-Russia hospital sector – Sanofi-Aventis – ranked number one in two regional markets: Ufa and Kazan. It ranked second in three regions and third in two regions. At the same time, Sanofi-Aventis only ranked 6th in Rostov-on-Don, and 7th in St. Petersburg. NYCOMED rounded out the top three: it came in the top ten rankings in seven analyzed regional markets. In Moscow, St. Petersburg, Yekaterinburg and Krasnoyarsk that company came in at the ranks in the beginning of the second ten. The maximum number of "crossings" with the all-Russia list of top manufacturers was observed in Moscow (7 companies), the minimum number – in Krasnodarsky Krai and Nizhniy Novgorod (3 manufacturers each).

Table 1. The top 10 drug manufacturers by hospital purchases (rank in the regional rankings)

Rank in RF top ten	Company	Rank in Regional top tens										
		Moscow	St. Petersburg	Krasnodar sky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	Unidentified manuf	1	1	1	2	39	4	1	46	1	14	1
2	Sanofi-Aventis	3	7	3	1	1	2	2	6	2	4	6
3	Nycomed	13	11	2	10	2	12	9	3	3	12	5
4	Roche	2	21	52	22	29	14	60	92	31	5	49
5	Merck Sharp Dohme	7	2	91	31	4	7	14	7	10	1	2
6	Pharm-Center	66	10	33	17	50	25	41	1	12	18	13
7	Biotek	149	57	59	34	9	86	16	37	94	29	85
8	AstraZeneca	9	9	18	7	17	15	19	12	4	3	10
9	Bayer Healthcare	5	22	65	13	7	1	40	2	29	22	23
10	Pfizer	4	5	49	21	15	5	12	32	11	7	27

Yet more significant deviations in the regional top 10 rankings were observed with a breakdown of individual trade names (Table 2). However, in five regions under review the leader of all-Russia hospital market - Sodium Chloride – ranked number one in the regional ranking. It broke into the ranks of the top tens in three regions, and only in Kransodarsky Krai it ranked 45th. Clexane ranked second in the all-Russia ranking held the same rank in Kazan and Yekaterinburg, but in Ufa it ranked number one in the top ten. At the same time, in four regions it was placed at the ranks in the second and even third tens. At the same time, Actovegin which ranked third broke into the ranks of the top ten in only two regions, and moved to much lower ranks in the other regions. It should be noted that in three regions (Saint-Petersburg, Krasnodarksy Krai and Yekaterinburg) the leader of the regional market didn't come in the All-Russia top ten. The maximum number of "crossings" with the all-Russia list of top trade names was observed in Novosibirsk (6 ranks).

Table 2. The top 10 trade names by hospital purchases (rank in regional rankings)

Rank in RF top ten	Trade name	Rank in Regional top tens										
		Moscow	St. Petersburg	Krasnodar sky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	NATRIUM CHLORIDUM	8	4	45	2	1	4	1	1	1	3	1
2	CLEXAN	24	7	19	1	2	2	4	11	5	18	N/A
3	ACTOVEGIN	37	46	2	N/A	12	78	23	3	69	28	26
4	GLUCOSE	49	42	5	6	22	9	7	26	2	14	2
5	AVELOX	1	178	N/A	99	100	44	N/A	140	N/A	37	N/A
6	CEFOTAXIM	93	18	283	81	203	96	17	4	36	175	82
7	CUROSURF	11	19	N/A	40	10	16	62	N/A	4	11	N/A
8	MERONEM	18	8	362	43	240	14	152	86	6	1	121
9	CEFTRIAXONE	66	37	N/A	106	43	393	3	37	12	118	10
10	TIENAM	21	16	N/A	212	6	37	13	5	10	24	3

Considerable variance in the consumption structure of not only individual drugs and INN groups, but of pharmacotherapeutic groups as well is observed depending on the regions (table 3). However, it should be noted that the leader of the all-Russia ranking – Group J01 Antibacterials for systemic use toped almost all regional rankings. The sole exception was Ufa where it ranked number 2. Group L01 Antineoplastic agents ranked fourth in the All-Russia top ten became the ranking leader in that region. The second group of the All-Russia hospital ranking - B05 Blood substitutes and perfusion solutions – broke into the top five ranking in 10 analyzed regions, being ranked 2nd in five of them. And only in Moscow it ranked sixth. Starting from rank three, the regional rankings differ considerably. In Kazan, the top 10 of all-Russia hospital sector was reproduced to the fullest extent (8 ranks match).

Table 3. The top 10 ATC groups by hospital purchases (rank in regional rankings)

Rank in RF top ten	ATC\ code	Rank in Regional top tens										
		Moscow	St. Petersburg	Krasnodar sky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	J01	1	1	1	2	1	1	1	1	1	1	1
2	B05	6	3	4	3	2	5	2	2	2	3	2
3	B01	7	5	10	5	3	2	3	4	3	11	5
4	L01	2	23	12	1	4	4	5	28	40	62	3
5	N01	3	8	30	6	7	10	8	16	5	10	4
6	V08	9	9	24	7	5	3	28	3	4	16	9
7	B02	10	12	8	18	8	15	6	5	30	17	17
8	L03	17	48	39	4	23	6	38	27	46	7	19
9	N06	22	11	2	16	12	27	12	10	16	6	10
10	N05	11	6	3	26	6	20	25	42	8	4	36

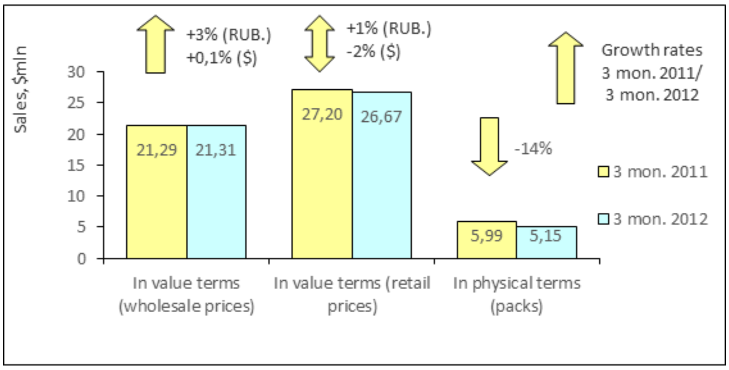
Conclusion. As comparison of the main rankings shows, the Russian hospital sector was marked by the pronounced regional specificity of market profile. However, in most cases the leaders of all-Russia rankings got high ranks in the regional hospital markets as well.

KRASNODAR PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Krasnodarsky Krai was estimated as 5.284 mln, which accounts for 3.7% of the total Russian Federation population and 38.1% of Southern FO (SFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the region was RUB 19,636.0 (USD 664.5), which is 24% lower than the average salary in Russia.

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Krasnodar the sales of over-the-counter drugs in physical terms increased by 14% to 5.153 mln packs over the period of first three months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 3% increase in terms of roubles and 0.1% increase in terms of dollars compared to the same period a year ago and reached RUB 641.405 mln (USD 21.309 mln) in wholesale prices (Fig.1). The region's share accounted for 0.6% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.54) and reached USD 5.18 in retail prices. In Q 1, 2012, the Krasnodar residents spent USD 31.33 on drugs on the average.

Figure 1. Krasnodar pharmacy market for 3 months of 2011 – 3 months of 2012



Following the results of the first three months of 2012, one newcomer broke into the ranks of thetop-ten manufacturers ranking in the hospital market of the region – due to 1.8-fold growth in sales, MERCK SHARP DOHME moved up from rank 14 to 6 (table 1). The markets of BAYER (+13%), SERVIER (+9%) and NOVARTIS (+27%) also developed at a fast pace which allowed them to move up to higher ranks 2, 5 and 7. At the same time, PHARMSTANDART (-18%), SANDOZ (-10%), TEVA (+5%) and MENARINI (-11%), which had low and even negative growth rates, moved down to the lower ranks: three, eight, nine and ten. SANOFI-AVENTIS (-0.3%) and ABBOTT (+3%) hold their ranks one and four taken earlier. The total share accumulated by the top-10 drug manufacturers increased 0.5 p.p. and reached 39.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	**SANOFI-AVENTIS**	5,8	6,1
2	5	**BAYER HEALTHCARE**	4,4	4,0
3	2	PHARMSTANDART	4,4	5,6
4	4	**ABBOTT**	4,1	4,0
5	7	**SERVIER**	3,7	3,5
6	14	**MERCK SHARP DOHME**	3,7	2,0
7	9	**NOVARTIS**	3,6	2,9
8	3	**SANDOZ GROUP**	3,5	4,1
9	8	**TEVA**	3,3	3,2
10	6	**MENARINI**	3,0	3,5
Total			39,5	39,0

*AIPM members are in bold

ESSENTIALE N (+11%) became the best-selling over-the-counter drug in the regional market (table 2). The leader of the previous year ARBIDOL reduced its sale volumes 41% and moved down to rank 2. The newcomer PEGINTRON, interferon preparation, which sales grew 6 times in the analyzed period, broke into the ranks of the top ten, coming in at number three. Apart from that, another three newcomers broke into the ranks of the top ten ranking: OTC drug LINEX ALFLUTOP (+19%), HEPTRAL (+27%) and NUROFEN PLUS (+19%), which moved up to ranks 7, 8 and 10. PLAVIX and DUPHASTON (+7% each) also rose in the ranks, by moving up from the two bottom lines to the middle part of the top ten, coming in at numbers 5 and 6. KAGOCEL (+14%) hold its rank four, whereas OCILLOCOCCINUM, which was placed at number three, reduced its sales by 1/3 and moved down to number 9.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	ESSENTIALE N	1,1	1,0
2	1	ARBIDOL	1,1	1,9
3	107	PEGINTRON	1,0	0,2
4	4	KAGOCEL	0,9	0,8
5	9	PLAVIX	0,7	0,7
6	10	DUPHASTON	0,7	0,7
7	13	ALFLUTOP	0,7	0,6
8	18	HEPTRAL	0,7	0,5
9	3	OCILLOCOCCINUM	0,6	1,0
10	19	NUROFEN PLUS	0,6	0,5
Total			8,1	7,9

Numerous shifts took place in the top ten INN and generic names ranking. Only one INN name of the ranking PANCREATIN (-19%) managed to keep its own rank two unchanged (table 3). Most trade names of the top ten rose in the ranks. XYLOMETAZOLINE (+11%) moved up from rank 3 to one and PHOSPHOLIPIDS (+10%) moved up from rank 6 to 3. The newcomers PEGINTERFERON ALFA-2B (5.9-fold growth in sales), KAGOCEL (+1%) and CLOPIDOGREL (+9%) broke into the ranks of the top ten INNs, coming in at numbers five, six and ten. Despite reduction in sales, INTERFERON ALFA-2A (-9%) move up from rank 10 to 7. At the same time, INNs with more pronounced negative growth rates ARBIDOL (-41%), AZITHROMYCIN (-33%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-29%) reduced their market shares and fell in the ranks, by moving down to numbers 4, 8 and 9, respectively. The total share of the top ten also decreased from 11.5% to 10.5%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	3	XYLOMETAZOLINE	1,6	1,5
2	2	PANCREATIN	1,5	1,8
3	6	PHOSPHOLIPIDS	1,2	1,1
4	1	ARBIDOL	1,1	1,9
5	131	PEGINTERFERON ALFA-2B	1,0	0,2
6	12	KAGOCEL	0,9	0,8
7	10	INTERFERON ALFA-2A	0,8	0,9
8	4	AZITHROMYCIN	0,8	1,3
9	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,8	1,2
10	15	CLOPIDOGREL	0,8	0,7
Total			10,5	11,5

Half of the top ten ATC groups moved down to the lower ranks (table 4). On top of that, four of them showed reduction in sales volumes: J01 Antibacterials for systemic use (-24%), R01 Nasal preparations (-1%), J05 Antivirals for systemic use (-15%) and R05 Cough and cold preparations (-25%), moving down to ranks 3 and 7 through 9. Despite positive growth rates, Group M01 Anti-inflammatory and antirheumatic products (+4%) moved down to rank 10. N02 Analgesics (-9%) maintained their own rank two. The other three ATC groups of the top 10 rose in the ranks. L03 Immunostimulants (+5%) moved up to number one from 4. N06 Psychoanaleptics (+79%), G03 Sex hormones (+21%) and N05 Psycholeptics (+87%) came in at numbers 4 through 6. At the same time, Groups N06 and N05 became the only newcomers of the top ten. The total share of the top ten ATC groups didn't change and accounted for 39.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	4	L03	IMMUNOSTIMULANTS	4,5	4,4
2	2	N02	ANALGESICS	4,3	4,8
3	1	J01	ANTIBACTERIALS FOR SYST USE	4,3	5,8
4	14	N06	PSYCHOANALEPTICS	4,3	2,5
5	7	G03	SEX HORM&MODULAT GENITAL SYS	4,2	3,6
6	15	N05	PSYCHOLEPTICS	3,8	2,1
7	6	R01	NASAL PREPARATIONS	3,6	3,7
8	5	J05	ANTIVIRALS FOR SYSTEMIC USE	3,5	4,2
9	3	R05	COUGH AND COLD PREPARATIONS	3,4	4,7
10	9	M01	ANTIINFLAM & ANTIRHEUM PROD	3,4	3,4
Total				39,3	39,3

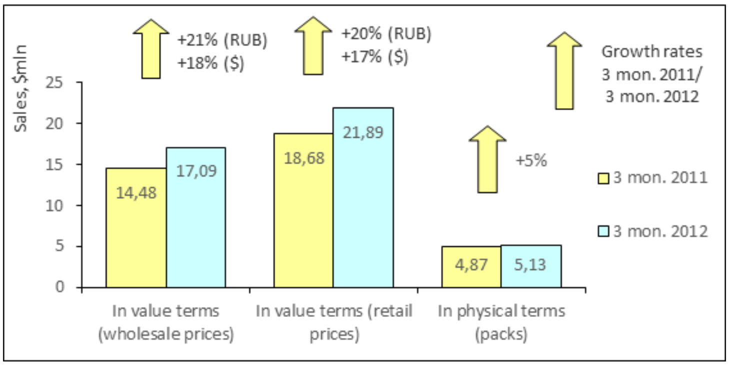
Conclusion. On the basis of the results of Q1, 2012, the retail pharmacy market of Krasnodar brought in RUB 802.816 mln (USD 26.671 mln). The regional market performance was positive in rouble terms (+1%), whereas in dollar terms it was negative (-2%). In physical terms, the market performance reduced by 14% to 5.153 mln packs. The average cost of OTC pack in pharmacies of the city considerably increased as compared to a year earlier (USD 5.18 vs. USD 4.54) and was notably higher than the average value in Russia (USD 3.77). Per capita expenses of city residents for purchase of medicines in pharmacies amounted to USD 31.33 which is higher than on the average in the country (USD 29.32).

SOCHI PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Krasnodarsky Krai was estimated as 5.284 mln, which accounted for 3.7% of the total Russian Federation population and 38.1% of Southern FO (SFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the region was RUB 19,636.0 (USD 664.5), which is 24% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of Q 1, 2012 the sales of OTC drugs in physical terms in pharmacies of Sochi saw a 5% increase to 5.127 bln packs. In value terms, the sales volumes increased 21% in rouble terms and 18% in dollar terms and achieved RUB 513.340 mln (USD 17.087 mln) in wholesale prices (Fig.1). The regional market share (in value terms) accounted for 0.5% of the Russian pharmacy market. The average cost of an OTC pack increased as compared to the same period of previous year (USD 3.84) and reached USD 4.27 in retail prices. For three months of 2012, the average amount spent by residents of Sochi for OTC drugs amounted to USD 50.03.

Figure 1. Sochi pharmacy market for 3 months of 2011 – 3 months of 2012



In the first three months of 2012, the top ten drug manufacturers in the regional market didn't change in composition; however it had significant shifts (table 1). Though two of top ten manufacturers managed to hold their own – as before RECKITT BENCKISER (+33%) and SERVIER (+20%) kept their ranks 3 and 8. The other three drug manufacturers of the top ten rose in the ranks. Thus, due to 2-fold sales growth, PFIZER moved up from rank 5 to 1. BAYER (+21%) and NOVARTIS (+38%) moved up one rank, coming in at numbers 6 and 9. At the same time, due to lag in growth rates, a half of the top ten drug manufacturers moved down to the lower ranks: PHARMSTANDART (+9%), SANOFI-AVENTIS (+12%), SANDOZ (+5%), NYCOMED (+15%) and MENARINI (+11%), coming in at numbers 2, 4, 5, 7 and 10 ranks, respectively. The cumulative share of the top ten drug manufacturers increased from 40.8% to 42.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	5	**PFIZER**	6,9	3,8
2	1	PHARMSTANDART	5,7	6,3
3	3	**RECKITT BENCKISER**	4,9	4,5
4	2	**SANOFI-AVENTIS**	4,5	4,9
5	4	**SANDOZ GROUP**	3,7	4,3
6	7	**BAYER HEALTHCARE**	3,6	3,6
7	6	**NYCOMED**	3,6	3,8
8	8	**SERVIER**	3,5	3,5
9	10	**NOVARTIS**	3,3	2,9
10	9	**MENARINI**	3,1	3,4
Total			42,7	40,8

*AIPM members are in bold

The leader of the top ten trade names also changed – an antiepilepsy drug LYRICA which saw a 3.6 times increase moved up from rank three to one (table 2). On top of that, it displaced NUROFEN PLUS (+41%) down one rank to number 2. Note that only two trade names of the top ten ARBIDOL (-40%) and OCILLOCOCCINUM (-22%) reduced their sales and moved down to the lower rank, coming in at numbers five and ten. All other trade names of the top ten including the above leaders showed the pronounced sales growth rates, which allowed the trade names to rise in the ranks. TERPINCOD (+59%) and ACTOVEGIN (+22%) moved up one rank to numbers 3 and 6. ESSENTIALE N (+21%), LINEX (+27%) and HEPTRAL (+22%) which came in at numbers 4, 7 and 9 respectively moved up two ranks. At the same time, the latter became one of two newcomers of the Top ten. Due to 2.6-fold growth in sales, REDUKSIN became the second newcomer of the top ten and moved up from rank 38 to 8. The total share of the top ten trade names increased by over 3 p.p. and achieved 16.6%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	3	LYRICA	4,8	1,6
2	1	NUROFEN PLUS	3,9	3,4
3	4	TERPINCOD	2,0	1,5
4	6	ESSENTIALE N	1,0	1,0
5	2	ARBIDOL	1,0	2,0
6	7	ACTOVEGIN	0,9	0,9
7	9	LINEX	0,8	0,7
8	38	REDUKSIN	0,8	0,4
9	11	HEPTRAL	0,7	0,7
10	5	OCILLOCOCCINUM	0,7	1,1
Total			16,6	13,3

The top ten INN and generic names leader also changed (table 3). Following the respective trade name, PREGABALIN became the leader. Due to 3.6-fold growth in sales, it moved up two ranks by displacing the composition IBUPROFEN + CODEINE (+41%) to rank 2. The markets of the composition CODEINE + SODIUM + TERPIN HYDRATE (+59%) as well as of INN XYLOMETAZOLINE (+35%) and SIBUTRAMINE (+57%) developed at a fast pace, which allowed them to move up to rank three, four and ten of the top ten. Apart from that, PHOSPHOLIPIDS (+19%), PANCREATIN (+11%) and BLOOD (+21%) moved up to higher ranks, coming in at numbers 5, 6 and 8, respectively. At the same time, due to reduction in sales, INN ARBIDOL (-40%) and composition the last year's leader ARBIDOL (-40%) and the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-9%) moved down to the lower ranks 7 and 9. The total share of the top ten, as well as in the previous ranking, notably increased and accounted for 18.3%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	3	PREGABALIN	4,8	1,6
2	1	IBUPROFEN + CODEINE	3,9	3,4
3	4	CODEINE + SODIUM + TERPIN HYDRATE	2,0	1,5
4	5	XYLOMETAZOLINE	1,5	1,3
5	7	PHOSPHOLIPIDS	1,1	1,2
6	8	PANCREATIN	1,1	1,1
7	2	ARBIDOL	1,0	2,0
8	11	BLOOD	1,0	1,0
9	6	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	1,2
10	19	SIBUTRAMINE	0,9	0,7
Total			18,3	15,1

Groups N02 Analgesics (+27%) and R05 Cough and Cold Preparations (+7%) held their leading ranks in the regional market (table 4). Due to three-fold growth in sales, N03 Analeptics moved up to rank three from seventeen, by displacing J01 Antibacterials for systemic use (-1%) down one rank. The other two ATC groups rose in the ranks: R01 Nasal preparations (+21%) moved up from rank 7 to 5, and G03 Sex hormones (+28%) moved up from rank 7 to 5. Groups M01 Anti-inflammatory and antirheumatic products (+15%) and S01 Ophthalmologicals (+19%) held their own ranks six and ten in the top ten. L03 Immunostimulants LEONURI FORTE reduced its sales 4% and moved down from rank 5 to 9. The total share of the top ten, in contrast to two previous rankings, increased moderately from 42.6% to 42.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	1	N02	ANALGESICS	8,4	8,0
2	2	R05	COUGH AND COLD PREPARATIONS	6,1	6,8
3	17	N03	ANTIEPILEPTICS	5,2	2,0
4	3	J01	ANTIBACTERIALS FOR SYST USE	4,7	5,7
5	7	R01	NASAL PREPARATIONS	3,5	3,5
6	6	M01	ANTIINFLAM & ANTIRHEUM PROD	3,3	3,5
7	4		Unidentified	3,3	4,0
8	9	G03	SEX HORM&MODULAT GENITAL SYS	3,0	2,8
9	5	L03	IMMUNOSTIMULANTS	2,8	3,6
10	10	S01	OPHTHALMOLOGICALS	2,7	2,7
Total				42,9	42,6

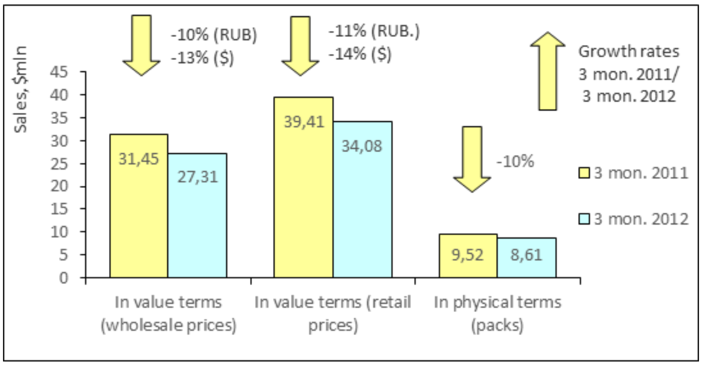
Conclusion. On the basis of the results of Q I, 2012, the retail pharmacy market of Sochi reached RUB 657.788 mln (USD 21.895 mln), which is 20% in terms of roubles and 17% in terms of dollars higher than the same indicator in the same period a year ago. In physical terms, the market also showed positive sales growth rates (+5%) and reached 5.127 mln packs. The average cost of an OTC pack at the end of Q 1 of 2012 was higher than in the same period a year ago (USD 4.27 vs. USD 3.84). Both the average cost of an OTC pack and the average sum spent by residents of the city for the purchase of OTC in the pharmacies was higher than the Russia average (cost of OTC drug – USD 3.77 and average expenses – USD 29.32).

ROSTOV-ON-DON PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Rostovskaya Oblast was estimated as 4.261 th., which makes 3% of the total Russian Federation population and 31% of Southern FO (SFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the region was RUB 17,291.4 (USD 585.16), which is 41% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Rostov-on-Don the sales of over-the-counter drugs in physical terms reduced by 10% to 8.614 mln packs over the period of first three months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 10% increase in terms of roubles and 13% increase in terms of dollars compared to the same period a year ago and reached RUB 822.358 mln (USD 27.306 mln) in wholesale prices (Fig.1). The region's share accounted for 0.8% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack reduced as compared to a year earlier and reached USD 3.96 (vs. USD 4.14 a year earlier) in retail prices. In Q 1, 2012, the city consumers spent USD 31.08 on drugs on the average.

Figure 1. Rostov-on-Don pharmacy market for 3 months of 2011 – 3 months of 2012



One newcomer broke into the ranks of the top ten manufacturers ranking as compared to the same period a year ago – though PFIZER reduced its sales by 2%, it moved up from rank 11 to 10 (table 1). Apart from that, the top ten ranking changed its leader. Due to pronounced positive growth rates, NOVARTIS (+23%) moved up to rank one. BAYER (+4%) moved up to rank two from four. SANOFI-AVENTIS (-19%) which topped it earlier reduced its sales and moved down to rank three. It should be noted that the other drug manufacturers of the top ten showed the negative growth rates. Only three of them, SERVIER (-7%), MENARINI (-4%) and ABBOTT (-1%), managed to move up to the higher ranks: four, five and eight, respectively. PHARMSTANDART (-35%), SANDOZ (-25%) and TEVA (-20%) considerably reduced their sales, moving down to numbers 6, 7 and 9. The cumulative share of the top 10 manufacturers didn't change and accounted for 39.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	6	**NOVARTIS**	5,1	3,8
2	4	**BAYER HEALTHCARE**	5,0	4,3
3	1	**SANOFI-AVENTIS**	4,9	5,4
4	5	**SERVIER**	3,9	3,8
5	7	**MENARINI**	3,9	3,6
6	2	PHARMSTANDART	3,7	5,1
7	3	**SANDOZ GROUP**	3,7	4,4
8	9	**ABBOTT**	3,5	3,2
9	8	**TEVA**	3,0	3,3
10	11	**PFIZER**	2,9	2,7
Total			39,6	39,6

*AIPM members are in bold

At the end of the first quarter of 2012, THERAFLU EXTRA became the best selling drug in the regional market. Due to 11-fold growth in sales, it moved up from rank 148 to one (table 2). KAGOCEL (+30%) became another newcomer of the top ten ranking, coming in at number eight. The other two trade names also showed positive growth rates and rose in the ranks: TROPICAMID (+38%) and ACTOVEGIN (+8%), coming in at numbers 5 and 6, respectively. The other six trade names of the top ten reduced their sales. At the same time, two of them, ESSENTIALE N (-12%) and LINEX (-7%) held their own ranks 2 and 4 in the top ten. Trade names with pronounced negative growth rates: ARBIDOL (-52%), OCILLOCOCCINUM (-22%), VIAGRA (-21%), as well as NIMESIL (-1%) moved down to much lower ranks.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	148	THERAFLU EXTRA	1,6	0,1
2	2	ESSENTIALE N	1,1	1,1
3	1	ARBIDOL	1,1	2,0
4	4	LINEX	1,0	1,0
5	10	TROPICAMID	1,0	0,6
6	7	ACTOVEGIN	0,9	0,8
7	5	OCILLOCOCCINUM	0,8	0,9
8	17	KAGOCEL	0,8	0,5
9	6	VIAGRA	0,8	0,9
10	8	NIMESIL	0,8	0,7
Total			9,9	8,7

Four INNs of the top ten INN and generic names ranking - PHOSPHOLIPIDS (-9%), ARBIDOL (-52%), BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (-7%) and SILDENAFIL (-18%) showed reduced sales (Table 3). At the same time, the former two moved down to the lower ranks 5 and 6, and the latter two held their own ranks 7 and 10, respectively. The other INNs of the top ten rose in the ranks. The composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+41%) moved up from rank 2 to one. XYLOMETAZOLINE (+45%), NIMESULIDE (+11%) and PANCREATIN (+7%) moved up to ranks 2 through 4. The newcomers BLOOD (+5%) and TROPICAMIDE (+37%) broke into the ranks of the top ten, coming in at numbers eight and nine. The total share of the top ten INN and generic names ranking increased by 1.5 p.p. and achieved 12.7%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	2,2	1,4
2	4	XYLOMETAZOLINE	1,8	1,1
3	6	NIMESULIDE	1,3	1,0
4	5	PANCREATIN	1,3	1,1
5	3	PHOSPHOLIPIDS	1,2	1,2
6	1	ARBIDOL	1,1	2,0
7	7	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1,0	1,0
8	12	BLOOD	1,0	0,9
9	18	TROPICAMIDE	1,0	0,6
10	10	SILDENAFIL	0,8	0,9
Total			12,7	11,2

The leader of the ten top ATC groups ranking didn't change – despite the pronounced reduction in sales, Group N02 Analgesics (-25%) held its own in the top ten (table 4). It should be noted that all ATC groups of the analyzed ranking showed negative growth rates. At the same time, J01 Antibacterials for systemic use (-31%), R05 Cough and cold preparations (-34%) and J05 Antivirals for systemic use (-33%) moved down to ranks 4, 5 and 8 respectively. Three ATC groups – L03 Immunostimulants (-29%), G03 Sex hormones (-11%) and A11 Vitamins (-9%) held their own ranks 6, 9 and 10. On top of that, M01 Anti-inflammatory and antirheumatic products (-3%) and R01 Nasal preparations (-2%) moved up to higher ranks two and three, respectively. The total share of the top ten ATC groups, in contrast to the above rankings, reduced from 42.7% to 37.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	1	N02	ANALGESICS	5,3	6,4
2	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,6	4,3
3	7	R01	NASAL PREPARATIONS	4,2	3,8
4	2	J01	ANTIBACTERIALS FOR SYST USE	4,1	5,4
5	3	R05	COUGH AND COLD PREPARATIONS	3,4	4,7
6	6	L03	IMMUNOSTIMULANTS	3,2	4,0
7	8		Unidentified	3,2	3,7
8	5	J05	ANTIVIRALS FOR SYSTEMIC USE	3,2	4,2
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,2
10	10	A11	VITAMINS	3,1	3,0
Total				37,6	42,7

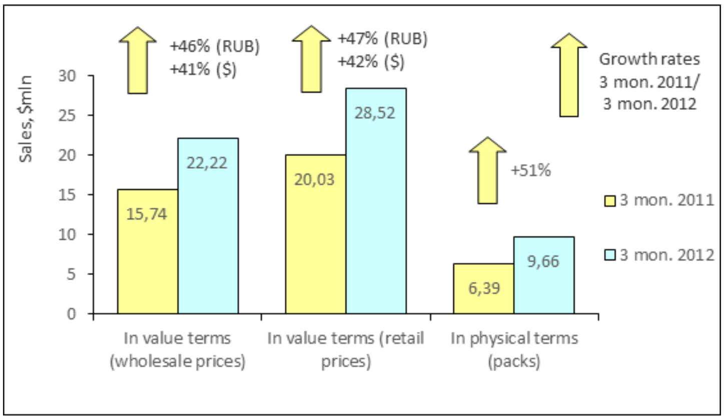
Conclusion. At the end of Q 1, 2012, the retail OTC drugs market of Rostov-on-Don brought in RUB 1.026 bln (USD 34.078 mln). At the same time, the market reduced 11% in terms of roubles and 14% in terms of dollars. In physical terms, the city market also showed negative sales growth rates (-10%) and reached 8.614 mln packs. The average cost of a pack at the end of the period was lower than the same value a year ago (USD 3.96 vs. USD 4.14), but higher than the average value in the country (USD 3.77). At the end of three months in 2012, per capita expenses for purchase of medicines in pharmacies of the city amounted to USD 31.08 and exceeded the average indicators throughout Russia (USD 29.32).

TULA PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Tula region was estimated as 1.545 mln, which makes 1.1% of the total Russian Federation population and 4.0% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the region was RUB 18,298.2 (USD 619.23), which is 33% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first three months of 2012 the Tula pharmacy market volume increased by 51% in physical terms and amounted to 9.660 million packs (Fig. 1) In wholesale prices, the market also showed the pronounced positive performance both in terms of roubles (+46%) and in terms of dollars (+41%) and reached 670.152 million roubles (USD 22.219 million). The region's share accounted for 0.7% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies in the analyzed period was USD 2.95 (during the same period in 2011 - USD 3.13). The average sum spent by residents of Tula for purchase of medicines amounted to USD 57.50.

Figure 1. Tula pharmacy market for 3 months of 2011 – 3 months of 2012



At the end of Q 1 of 2012, the leading three drug manufacturers of the top ten drug manufacturers held their own in the ranking (table 1). They were MENARINI (+54%), SANOFI-AVENTIS (+46%) and PHARMSTANDART (+20%). Apart from that, another two drug manufacturers didn't change their ranks - as before NOVARTIS (+43%) and ABBOTT (+39%) held their own numbers six and nine. Three manufacturers rose in the ranks. SERVIER (+32%) moved up one rank, to number 4. The more dynamic drug makers GEDEON RICHTER (+61%) and NYCOMED (+51%) moved up from rank 10 and 11 to 5 and 7, respectively. At the same time, SANDOZ (+40%) and BAYER (+32%) moved down to the bottom part of the ranking, coming in at numbers 8 and 10. The total share of the top 10 drug manufacturers reduced from 40.2% to 39.0%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	**MENARINI**	5,9	5,6
2	2	**SANOFI-AVENTIS**	5,4	5,4
3	3	PHARMSTANDART	4,1	5,0
4	5	**SERVIER**	4,0	4,5
5	10	GEDEON RICHTER	3,6	3,2
6	6	**NOVARTIS**	3,3	3,4
7	11	**NYCOMED**	3,3	3,2
8	7	**SANDOZ GROUP**	3,2	3,4
9	9	**ABBOTT**	3,1	3,3
10	8	**BAYER HEALTHCARE**	3,1	3,4
Total			39,0	40,2

*AIPM members are in bold

Two newcomers broke into the ranks of the ten top trade names: DIROTON (+66%) and MEZYM FORTE (+67%) moved up to two bottom ranks (table 2). Apart from that, another five trade names of the top ten rose in the ranks. The ophthalmologic preparation TROPICAMID (+19%), hepatoprotector ESSENTIALE N (+36%) and NSAID NIMESIL (+66%) moved up to ranks one through three. The trade names MEXIDOL (+65%) and LINEX (+54%) moved up from ranks 9 and 10 to 7 and 8, respectively. At the same time, ARBIDOL (-39%) and VIAGRA (+44%) moved down to lower ranks 4 and 6. CONCOR (+51%) managed to hold its own rank 5 in the top ten.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	TROPICAMID	1,3	1,6
2	3	ESSENTIALE N	0,9	1,0
3	6	NIMESIL	0,9	0,8
4	1	ARBIDOL	0,8	2,0
5	5	CONCOR	0,8	0,8
6	4	VIAGRA	0,8	0,8
7	9	MEXIDOL	0,7	0,7
8	10	LINEX	0,7	0,6
9	14	DIROTON	0,7	0,6
10	15	MEZYM FORTE	0,6	0,6
Total			8,2	9,4

Noticeable shifts took place in the top ten INN and generic names ranking as well. But one INN name of the ranking managed to keep its earlier rank unchanged (table 3). It was ENALAPRIL (+53%) which as before held its number 7. INN BISOPROLOL (+67%), NIMESULIDE (+77%) and PANCREATIN (+74%) moved up to the first three ranks, displacing the less dynamic TROPICAMIDE (+19%) from rank 2 to 4. XYLOMETAZOLINE (+80%) moved up from rank nine to five, displacing PHOSPHOLIPIDS (+42%) down one rank. The only newcomer of the top ten KETOPROFEN (+53%) moved up to rank 8. The last year leader ARBIDOL (-39%) reduced considerably its sales and moved down to the bottom rank of the top ten. The total share of the top ten trade names reduced from 12.4% to 11.7%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	3	BISOPROLOL	1,4	1,3
2	4	NIMESULIDE	1,4	1,2
3	6	PANCREATIN	1,3	1,1
4	2	TROPICAMIDE	1,3	1,6
5	9	XYLOMETAZOLINE	1,3	1,0
6	5	PHOSPHOLIPIDS	1,1	1,2
7	7	ENALAPRIL	1,1	1,1
8	11	KETOPROFEN	0,9	0,9
9	8	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	1,0
10	1	ARBIDOL	0,8	2,0
Total			11,7	12,4

The prevailing trend in the top ten ATC groups ranking was the improvement of the positions of ATC groups - eight of them rose in the ranks (table 4). This trend also affected the leaders of the top ten - C09 Agents acting on the rennin-angiotensin system (+60%), M01 Anti-inflammatory and antirheumatic products (+58%), N02 Analgesics (+60%), J01 Antibacterials for systemic use (+30%) and S01 Ophthalmologicals (+47%) moved up to the first five ranks of the top ten. R01 Nasal Preparations (+48%) moved up from rank 8 to 7, and A11 Vitamins (+57%) moved up to rank 8 from 10. Due to two-fold growth in sales, Its only newcomer N05 Psycholeptics moved up to rank nine in the top ten rankng. Group R05 Cough and Cold Preparations (+1%) showed moderate growth rates and moved down from rank one to six. The total share of the top ten ATC groups, as well as of the above rankings, reduced and accounted for 38.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	2	C09	AG ACT RENIN-ANGIOTENS SYST	5,3	4,8
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	5,1	4,7
3	4	N02	ANALGESICS	4,9	4,5
4	5	J01	ANTIBACTERIALS FOR SYST USE	4,0	4,5
5	7	S01	OPHTHALMOLOGICALS	3,6	3,6
6	1	R05	COUGH AND COLD PREPARATIONS	3,3	4,8
7	8	R01	NASAL PREPARATIONS	3,3	3,2
8	10	A11	VITAMINS	3,2	3,0
9	19	N05	PSYCHOLEPTICS	3,1	2,1
10	6		Unidentified	3,0	3,8
Total				38,8	38,9

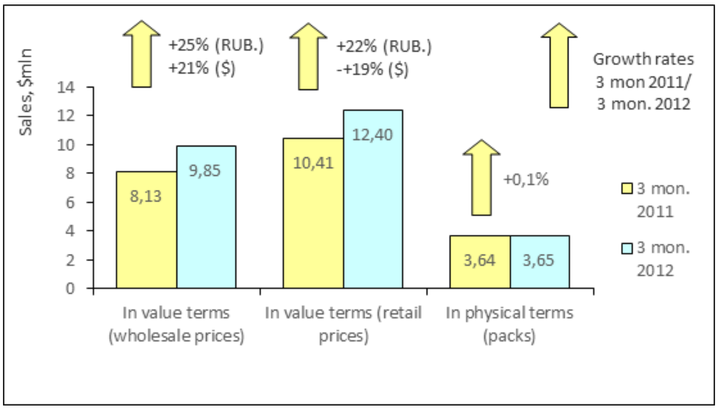
Conclusion. On the basis of the results of Q1, 2012, the pharmacy market of Tula brought in RUB 860.217 mln (USD 28.522 mln) in final consumer prices, Note that the market performance was pronounced and positive both in rouble terms and in dollar terms (+47% and +42%, respectively). In physical terms, the city market also markedly expanded (+51%) and reached 9.660 mln packs. The average cost of an OTC pack in the first three months increased as compared to a year earlier (USD 3.13) and was lower than an average cost in Russia (USD 3.77). At the same time, expenses of residents for purchase of drugs in the city pharmacies proved to be higher than the average expenses in Russia (USD 57.50 vs. USD 29.32).

KURSK PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Kurskaya Oblast was estimated as 1.122 mln, which accounts for 0.8% of the total Russian Federation population and 2.9% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the region was RUB 17,852.2 (USD 604.14), which is 37% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Audit of OTC drugs in Russian Federation™, in the first three months of 2012 the Kursk pharmacy market in physical terms didn't virtually change (+0.1%) and amounted to 3.648 mln packs. In value terms, the sales volumes increased 25% in terms of roubles and 21% in terms of dollars and reached RUB 295.889 mln (USD 9.850 mln) in wholesale prices. The regional market share in value terms accounted for 0.3% of the Russian pharmacy market. The average cost of an OTC drug in the city pharmacies increased as compared to a year earlier and amounted to USD 3.40 (in a year-earlier period – USD 2.86). The average sum spent by residents for purchase of medicines amounted to USD 29.30.

Figure 1. Kursk pharmacy market for 3 months of 2011 – 3 months of 2012



Based on the results of the first quarter of 2012, the top ten INN and generic names ranking in Kursk changed its leader (table 1). PHARMSTANDART, that used to top it before, reduced its sales by 14% and moved down to rank 5. In this connection SANOFI-AVENTIS (+21%), MENARINI (+11%), NYCOMED (+8%) and SERVIER (+14%) moved up one rank, coming in at numbers 1 through 4. GEDEON RICHTER (+18%), BAYER (+27%) and BOEHRINGER ING (+53%) also rose in the ranks, coming in at numbers 7, 8 and 10, respectively. On top of that, the latter became the only newcomer of the top ten. The companies KRKA (+36%) and STADA (+18%) held their own ranks six and nine. The total share of the top 10 drug manufacturers reduced from 39.1% to 36.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	**SANOFI-AVENTIS**	5,2	5,3
2	3	**MENARINI**	4,4	5,0
3	4	**NYCOMED**	3,9	4,5
4	5	**SERVIER**	3,9	4,2
5	1	PHARMSTANDART	3,8	5,5
6	6	**KRKA**	3,6	3,3
7	8	GEDEON RICHTER	2,9	3,1
8	10	**BAYER HEALTHCARE**	2,8	2,8
9	9	**STADA**	2,8	3,0
10	13	**BOEHRINGER ING**	2,8	2,3
Total			36,2	39,1

*AIPM members are in bold

The ranking of the top-ten trade names was updated more considerably: it acquired five newcomers (table 2). Two of them, ELAPRASE and NALBUPHINE came in at the first two ranks, displacing CONCOR (+22%) down one rank. Note that the leader of the previous year ARBIDOL reduced its sale volumes by half and moved down to rank 5. The newcomers MIRAPEX (19-fold growth in sales), CARDIOMAGNYL (+14%) and MEXIDOL (+19%) broke into the ranks of the top ten, coming in at numbers six, eight and nine. At the same time, ACTOVEGIN (+13%) and LINEX (+2%) moved down one rank, to numbers 7 and 10, respectively. ESSENTIALE N (+22%) succeeded in maintaining its rank 4 in the top ten.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	N/A	ELAPRASE	1,4	N/A
2	189	NALBUPHINE	1,3	0,0
3	2	CONCOR	0,9	0,9
4	4	ESSENTIALE N	0,9	0,9
5	1	ARBIDOL	0,7	1,9
6	186	MIRAPEX	0,7	0,0
7	6	ACTOVEGIN	0,6	0,7
8	11	CARDIOMAGNYL	0,6	0,6
9	14	MEXIDOL	0,6	0,6
10	8	LINEX	0,5	0,6
Total			8,1	6,3

Only two INNs retained their previous ranks in the top ten INN and generic names ranking (table 3). They were INN BISOPROLOL (+25%) and PANCREATIN (+24%) placed at number 2 and 5, respectively. The other six INNs of the analyzed ranking including three newcomers rose in the ranks: INNs NALBUPHINE, IDURSULFASE and METFORMIN, moving up to ranks 1, 3 and 9, respectively. XYLOMETAZOLINE (+65%) moved up from rank 10 to 4, and PHOSPHOLIPIDS (+26%) moved up from rank 8 to 6. NIMESULIDE (+30%) moved up one rank, to number 8. INNs with low growth rates - ENALAPRIL (+16%), and negative growth rates - AMBROXOL (-23%) - moved down to ranks 7 and 10, respectively.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	192	NALBUPHINE	1,8	0,0
2	2	BISOPROLOL	1,5	1,5
3	N/A	IDURSULFASE	1,4	N/A
4	10	XYLOMETAZOLINE	1,2	0,9
5	5	PANCREATIN	1,0	1,0
6	8	PHOSPHOLIPIDS	1,0	1,0
7	4	ENALAPRIL	1,0	1,0
8	9	NIMESULIDE	1,0	0,9
9	12	METFORMIN	1,0	0,9
10	3	AMBROXOL	0,9	1,4
Total			11,7	8,6

One newcomer broke into the ranks of the top ten ATC groups. Due to 18% growth in sales, A11 Vitamins moved up to number nine (table 4). The markets of a leader of the top ten N02 Analgesics (+28%), as well as of Groups C09 Agents acting on the rennin-angiotensin system and R01 Nasal preparations (+37% each) developed at a fast pace, which allowed them to move up to ranks 2 and 7, respectively. M01 Anti-inflammatory and antirheumatic products (+21%) and N06 Psychoanaleptics moved up one rank, to numbers 4 and 8. At the same time, the former displaced the less dynamic Group A10 Drugs used in diabetes (+7%) down one rank, to number five. R05 Cough and cold preparations (-19%) which sales markedly reduced also moved down to the lower rank. Group J01 Antibacterials for systemic use (+8%) held its own rank three despite lagging behind growth and reduction in its share of market. The cumulative share of the top ten manufacturers on the regional market also reduced from 42.5% to 38.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	1	N02	ANALGESICS	5,8	5,7
2	6	C09	AG ACT RENIN-ANGIOTENS SYST	4,7	4,3
3	3	J01	ANTIBACTERIALS FOR SYST USE	4,6	5,3
4	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,4	4,5
5	4	A10	DRUGS USED IN DIABETES	4,2	5,1
6	2	R05	COUGH AND COLD PREPARATIONS	3,6	5,5
7	10	R01	NASAL PREPARATIONS	3,2	2,9
8	9	N06	PSYCHOANALEPTICS	2,9	3,1
9	11	A11	VITAMINS	2,7	2,8
10	7		Unidentified	2,7	3,3
Total				38,9	42,5

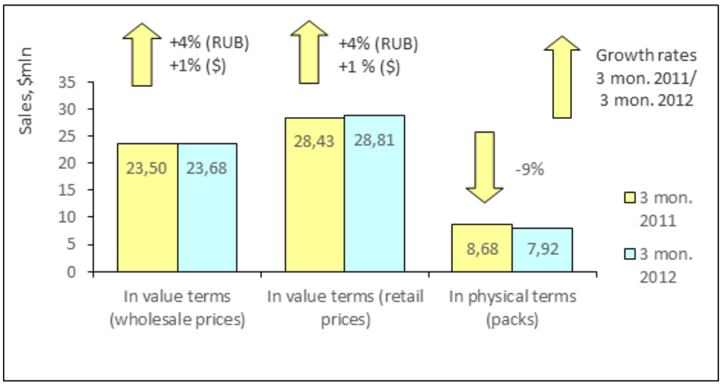
Conclusion. Following the results of the first quarter of 2012, the Kursk region pharmacy market performance (in value terms) proved to be positive (+22% in terms of roubles and +19% in terms of dollars), at the same time the market brought in RUB 372.391 mln (USD 12.397 mln). In physical terms, the market performance didn't virtually change (+0.1%) and amounted to 3.648 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.40 vs. USD 2.86), but was lower than the average one in Russia (USD 3.77). The average expenses of the region residents for purchase of OTC drugs in pharmacies also proved to be somewhat lower (USD 29.30 vs. USD 29.32).

VORONEZH PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Voronezh region was estimated as 2.332 mln, which makes 1.6% of the total Russian Federation population and 6.0% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the region was RUB 16,553.9 (USD 560.20), which is 47% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Audit of OTC drugs in Russian Federation™, in the first three months of 2012 the Voronezh region pharmacy market in physical terms saw a 9% decline to 7.920 mln packs. In value terms, the sales volume increased 4% in terms of roubles and 1% in terms of dollars and reached RUB 711.490 mln (USD 23.678 mln) in wholesale prices. The regional market share in value terms accounted for 0.7% of the Russian pharmacy market. The average cost of an OTC drug in the region pharmacies increased as compared to a year earlier and amounted to USD 3.64 (in a year-earlier period – USD 3.27). The average sum spent by residents for purchase of medicines amounted to USD 29.06.

Figure 1. Voronezh pharmacy market for 3 months of 2011 – 3 months of 2012



Following the results of Q 1, 2012, SERVIER (+4%) became a leader in the region pharmacy market (table 1). PHARMSTANDART, that used to top it before, reduced its sales by 24% and moved down to rank 3. Apart from the leader, the other four drug manufacturers moved up to the higher ranks. NYCOMED (+3%) moved up from rank six to five, and NOVARTIS (+24%) moved up from rank 9 to 7. At the same time, MENARINI (-2%) and SANDOZ (+6%) moved down one rank, to numbers 6 to 8. The newcomers - BOEHRINGER ING (+58%) and ABBOTT (+21%) – broke into the ranks of the top ten, coming in at numbers nine and ten. Two companies of the top 10 - SANOFI-AVENTIS (-1%) and BAYER (+6%) – held their own ranks 2 and 4, The total share of the top 10 drug manufacturers slightly increased from 36.5% to 36.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	3	**SERVIER**	4,8	4,8
2	2	**SANOFI-AVENTIS**	4,6	4,8
3	1	PHARMSTANDART	4,2	5,8
4	4	**BAYER HEALTHCARE**	3,8	3,7
5	6	**NYCOMED**	3,5	3,6
6	5	**MENARINI**	3,4	3,6
7	9	**NOVARTIS**	3,2	2,7
8	7	**SANDOZ GROUP**	3,1	3,0
9	15	**BOEHRINGER ING**	3,1	2,0
10	11	**ABBOTT**	3,1	2,6
Total			36,7	36,5

*AIPM members are in bold

Two trade names held their own in the top ten trade names ranking (table 2). ACTOVEGIN (+4%) maintained its rank three, and VIAGRA (-2%) – its ranks seven. Four trade names rose in the ranks. ESSENTIALE N (+17%) and MEXIDOL (-3%) moved up one rank, coming in at number 1 and 4. The more dynamic trade names LINEX (+30%) and MOVALIS (+52%) broke into the ranks of the top ten, coming in at numbers five and six. At the same time, ARBIDOL (-50%), PREDUCTAL MV (-4%), OCILLOCOCCINUM (-23%) and LASOLVAN (-1%) which reduced their sales moved down to the lower ranks 8 through 10.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	ESSENTIALE N	1,2	1,0
2	1	ARBIDOL	1,1	2,2
3	3	ACTOVEGIN	1,0	1,0
4	5	MEXIDOL	0,8	0,9
5	12	LINEX	0,8	0,6
6	17	MOVALIS	0,7	0,5
7	7	VIAGRA	0,7	0,8
8	6	PREDUCTAL MV	0,7	0,8
9	4	OCILLOCOCCINUM	0,7	0,9
10	8	LASOLVAN	0,6	0,7
Total			8,3	9,4

Most INNs of the top ten INN and Generic Names Ranking rose in the ranks (table 3). PANCREATIN (+13%) moved up to rank one. XYLOMETAZOLINE (+57%) broke into the ranks of the top ten, coming in at number two. The second newcomer MELOXICAM (+46%) moved up to rank 10 of the top ten. Despite reduction in sales, NIMESULIDE (-0.3%), EMOXIPIN (-4%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-5%) also rose in the ranks moved up to ranks 6 through 8. At the same time, INNs of the top ten showing the pronounced negative sales rates ARBIDOL (-50%) and TRIMETAZIDINE (-7%) moved down to the lower ranks 5 and 9. PHOSPHOLIPIDS (+12%) and BLOOD (+4%) held their own in the ranking.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	PANCREATIN	1,5	1,4
2	12	XYLOMETAZOLINE	1,4	0,9
3	3	PHOSPHOLIPIDS	1,3	1,2
4	1	ARBIDOL	1,1	2,2
5	5	BLOOD	1,1	1,1
6	8	NIMESULIDE	0,9	1,0
7	10	EMOXIPIN	0,9	1,0
8	9	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	1,0
9	6	TRIMETAZIDINE	0,9	1,0
10	17	MELOXICAM	0,9	0,6
Total			10,8	11,3

Noticeable shifts occurred in the top 10 ATC groups ranking as well (table 4). M01 Anti-inflammatory and antirheumatic products (+10%) became the best selling group in the regional market. The last year leaders - J01 Antimicrobial drugs for systemic administration (-10%) and N02 Analgesics (-16%) reduced their shares and moved down to ranks 2 and 3. The group R05 Cough and cold preparations (-21%) also showed considerably reduced sales and moved up from rank 4 to 7 which allowed the preparations of unidentified pharmaceutical groups to moved up one rank to number 4, despite reduction in its share of the market. The other ATC groups of the top ten ATC groups showed the positive purchases growth rates. One of the newcomers of the top ten R01 Nasal preparations (+22%) demonstrated the highest growth rates and moved up to rank five. C09 Agents acting on the rennin-angiotensin system (+14%) moved up from rank seven to six. The second newcomer of the top ten – G03 Sex Hormones (+12%) - moved up to rank eight. As the same time, the less dynamic groups A11 Vitamins (+2%) and N06 Psychoanaleptics (+7%) moved down one rank. The cumulative share of the top 10 ATC groups on the regional market reduced and accounted for 36.0%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,6	4,4
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,7
3	2	N02	ANALGESICS	3,8	4,7
4	5		Unidentified	3,7	4,0
5	12	R01	NASAL PREPARATIONS	3,5	3,0
6	7	C09	AG ACT RENIN-ANGIOTENS SYST	3,5	3,2
7	4	R05	COUGH AND COLD PREPARATIONS	3,3	4,3
8	11	G03	SEX HORM&MODULAT GENITAL SYS	3,2	3,0
9	8	A11	VITAMINS	3,1	3,2
10	9	N06	PSYCHOANALEPTICS	3,1	3,0
Total				36,0	37,4

Conclusion. Following the results of the first quarter of 2012, the Voronezh region pharmacy market performance (in value terms) proved to be positive (+4%) in terms of roubles and (+1%) in terms of dollars. At the same time, the market volume amounted to RUB 865.642 mln (USD 28.808 mln). In physical terms, the market performance reduced by 9% to 7.920 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.64 vs. USD 3.27) and was lower than the average one in Russia (USD 3.77). The average expenses of the region residents for purchase of OTC drugs in pharmacies also proved to be lower (USD 29.06 vs. USD 29.32).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

July 7, 2012, RIA News

Ministry of Public Health intends to reimburse half of the cost of drugs to citizens by 2016

On Saturday, Russian minister of health Veronica Skvortsova has announced that the Ministry of Public Health intends to present its strategies for the implementation of a drug insurance system which will make it possible to reimburse to people in work 50% of the cost of prescription drugs and to keep all existing benefits of drug coverage for certain categories of the population. According to Decree of the President of the Russian Federation, the Ministry of Public Health should present its strategies for the implementation of a drug insurance system in the country and submit it to the Government by January 1, 2013.

July 16, 2012, RIA News

Ministry of Public Health to purchase anticancer drugs for the regions to the amount of RUB 3.9 bln

The Ministry of Public Health of Russia has invited tenders for the supply of anticancer drugs to the regions of the Russian Federation in 2012. According to the bids placed on the Government procurement portal, the starting maximum price of state contracts amounted to almost RUB 3.9 bln. According to the project documentation, about RUB 2.16 bln are planned to be spent on the purchase of Imatinib in the capsules or tablets, and over RUB 1.6 bln on the purchase of Rituximab (RUB 1.6 bln) concentrate for solution. Almost RUB 100 ml is intended to be spent on the purchase of Fludarabine in the tablets.

July 17, 2012, The Parlamentskaya Gazeta

The Federation Council put forward an initiative to single out a breast cancer issue in the separate direction of the general oncology programme

In 2011, an estimated 524,329 new cases of breast cancer were diagnosed in women in Russia. According to Chairman of Upper Chamber Valentina Matvienko, this issue has been debated periodically in the Federation Council within the scope of the Working Group of the Committee on Social Policy. As a result, the Federation Council proposed to update the actions of the National Priority Project Health and the Federal Target Program Socially Significant Diseases Prevention and Control for 2007-2012 by singling out a breast cancer issue in the separate direction.

July 17, 2012, PRIME

FAS to complete approval of amendments to the draft law concerning advertising

Federal Antimonopoly Service of Russia completes approval of a draft law with regulatory authorities which will tighten the liability of Mass Media and other distributors for placement of deceptive advertising. The point at issue is advertising of biologically active additives and banning healers from advertising their healing properties. In contrast, in advertising of medicines the law shall ban presenting of medicines as BAA, guarantying their positive effect or creating the impression of uselessness of medical care. Today, FAS identifies about 5-5.5 thousand violations per year in the field of advertising, a tenth share of which is accounted for by deceptive advertising related to medicines.

July 18, 2012, Gazeta.Ru

Stolichnye Apteki GUP is preparing for privatization

Stolichnye Apteki GUP (State Unitary Enterprise) started preparing for privatization. Banks and competing chains show interest in buying assets. But experts believe that after the pharmacy chain has lost privileges for distribution of the state order, investors are most interested in its real properties. As yet no tender has been formally announced, so nobody knows the price, at which the city authorities would like to sell the pharmacy chain. But Sberbank and MKB, Pharmacy chain 36.6 and Pharmacy chain A5 show interest in buying assets.

July 22, 2012, PRIME

President signed amendments to the law on state purchases

The President of the Russian Federation Vladimir Putin signed a federal law that amends the law on state purchases. According to the amendments, it shall be allowed to specify in the bidding documents only International Non-proprietary Names (INN) of medications. Under the new law, governmental and municipal customers shall be obligated to state in the tender documents exclusively INN of medications or their chemical names (in the absence of INN). Also, the draft law “allows” without clarifications specifying trade names with respect to the medications included "into the respective list, which is approved in accordance with the procedure established by the government”.

July 25, 2012 Remedium

Authorities of Moscow region and Cuba launched negotiations on setting up production of vaccines in Moscow region

Moscow authorities launched negotiations with Cuba on setting up production of medical vaccines in the territory of Moscow region, the Moscow Region Governor Sergey Shoigu announced on Wednesday. "We started negotiations with Cuba concerning the production of vaccines in the territory of Moscow Region. As you know, Cuba is a leading country in this area. In particular, Hepatitis B vaccines are produced in Switzerland, South Korea and Cuba. We need to be more active in this area”, Shoigu said. At the end of June, Shoigu had a meeting with the Ambassador of the Republic of Cuba Juan Valdez Figueroa; they discussed the cooperation of two regions in different fields.

NEWS FROM COMPANIES

July 10, 2012, Arsin

AstraZeneca to boost investment in Kaluga pharmaceuticals plant 23%

British-Swedish pharmaceuticals company AstraZeneca increases investment in the construction of a full-cycle plant in Kaluga region by 23% to USD 187 million, David Smith, the company’s executive Vice-President, said at a roundtable on development of the pharmaceuticals industry Pharma-2000. The additional funds will go to expanding the packaging line, he said.

July 10, 2012, RIA News

Akrikhin to start produce MSD products in the Moscow Region

Akrikhin OJSC has signed an agreement on manufacturing and packaging of key products with MSD, the pharmaceutical company. The cooperation between the companies includes the transfer of technological processes to Akrikhin manufacturing facilities for local manufacturing of a part of MSD products on the territory of the Russian Federation. At the first phase, Akrikhin will be engaged in the secondary packaging of MSD products. The first batch of MSD products is expected to be produced using Akrikhin facilities at the end of 2012. In the future, the company plans to transfer production of tableted forms to full cycle mode. MSD will continue to be responsible for sales of its products in the Russian market.

July 11, 2012, The Vedomosti

Pharmstandart to purchase insulin from Sanofi

Russian Pharmstandart intends to sign an agreement on selling of insulin with French Sanofi. The pharmaceutical plant applied to the Federal Antimonopoly Service (FAS) for checking whether a draft contract which it intends to sign with Aventis Pharma, Russian subsidiary of Sanofi, complies with the antimonopoly law, the Service informed. The point at issue is the sale of five insulin products of different pharmaceutical forms, of in total nine products. If the contract is signed, Pharmstandart will gain experience in selling and promoting insulin products, and Sanofi will get a partner which is in contact with distributors, tender participation experience and a strong marketing team.

July 12, 2012, The Vedomosti

Pharmstandart to acquire a pharmaceutical company Lekko

From the look of things, Pharmstandart continues to buy out assets of Alexander Shuster and Vitali Martianov who created Arbidol, Afobazol and other popular medications. The Federal Antimonopoly Service prolonged the application of Pharmstandart for acquisition of 100% voting shares of Pharmaceutical Firm Lekko CJSC, the Service informed. A spokesman for Pharmstandart refused to comment on a possible deal. Earlier, the top managers of the company mentioned that the company intends to close two deals of about USD 100 mln for two transactions.

July 24, 2012, RIA-AMI

Protek has so far failed to secure the right to AntiGrippin

The scandal around AntiGrippin brand just got a shot in the arm. Protek Group's companies which spent USD 60 mln on the purchase of AnviLab a year ago has so far failed to secure at court the right to produce and sell a key product of the company AntiGrippin Maximum. The Arbitration Court for they city of St. Petersburg and Leningrad Region took the side of a patent holder of AntiGrippin, Natur Product International. Protek is going to appeal against a court decision.

July 25, 2012, The Vedomosti

Rosnano and Domain to invest USD 40 mln in the development of a drug to treat ulcer

Rosnanomedinvest (RMI) and Domain Associates will invest up to USD 40 mln in American Coda therapeutics which is developing a drug for treatment of chronic ulcerous diseases, the companies announced. In March, the companies signed an investment agreement: they intend to invest USD 380 mln each in the development, production and promotion of medicines and medical devices. They will invest USD 95 mln each in the production in Russia, and the rest amount of the investment in two dozens of American biotechnological companies engaged in the development of drugs to treat cardiovascular, oncology, infectious and other diseases, as well as diagnostic equipment.

Copyright: AIPM – Remedium (Remedium Group)

Information source: IMS Health

For any questions and comments please call

Vladimir G. Shipkov, CEO, AIPM

Tel.: 933 70 40

For more information on the AIPM, please, visit our website: http://www.aipm.org

Ekaterina Korduban, Head of PR and Development of Remedium Group

Tel.: 780 34 25, fax: 780 34 26

For more information on the Remedium Group, please, visit our website: http://www.remedium.ru