RUSSIAN Pharmaceutical Market

Issue: June 2007

Retail audit of the Russian pharmaceutical market – April 2007
Drugs import – March 2007

All information is based on retail audit

of Russian pharmaceutical market data by DSM Group,

QMS meets the requirements of **ISO 9001:2000**

Moscow, 2007

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RUSSIAN Pharmaceutical Market
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SUMMARY

Drugs commercial market value increased by 17.5% (in dollars) in the period of January-April 2007 compared to that of 2006 and amounted to **$1751 mln**.

In April 2007 drugs commercial market value (in pharmacy purchase prices) decreased by 5.1% in April compared to March 2007 and amounted to $453 mln (VAT included); however it is 20% higher than in April 2006.

The weighted average price per drug unit on Russian commercial market increased by 1.12% in April 2007 and amounted to **40.37 rubles ($1.56)**.

According to **Laspeyres index** prices of the commercial market decreased by 0.3% in rubles in April compared to March 2007; and increased by 0.7% in dollars. For the TOP-100 leading brands of 2006, prices increased by 0.7% in dollars and decreased by 0.1% in rubles.

Drugs consumption structure did not changed in April 2007 compared to March 2007. The average unit price decreased by 6% for expensive drugs (priced at 500 rbl. per unit) in April 2007 compared to April 2006. In other price segments (under 500 rbl. per unit) there were not any significant changes.

In April 2007, **domestic and imported drugs ratio in value terms** stayed the same as the year before and amounted to 24% and 25% correspondingly. In unit terms domestic drugs share decreased by 2% in April 2007 compared to that of 2006 and amounted to 67%.

In the 1st quarter 2007, **proportion of Rx and OTC drugs** stayed almost the same as the year before. Rx drugs cover 60% of commercial sales value (59% in April 2006). In unit terms Rx drugs share amounted to 38% in April 2007, which is 3% higher than the year before.

TOP-10 drugs manufactures of April 2007 changed in comparison to March. Pharmstandard company's share decreased by 1.35% in value terms. Sanofi-Aventis increased its share by 0.31%. Thus Sanofi-Aventis became the leader. Berlin-Chemie /A.Menarini/ stayed at the 3rd position.

Pharmstandard's sales value increased by 47.3% compared to the previous year; it covered 4.1% share in April 2007 (2.8% in April 2006).

The 1st one among the **TOP-20 leading drug trade names** of April 2007 is Actovegin. Arbidol having been the leader from September 2006 moved to the 2nd position of due to seasonal decline in anticatarrhal medications sales. However it is still doubtless leader within its group.

Viagra slightly increased in sales (by 8%) and became 3rd in the TOP-20. Anticatarrhal medications continued to decrease in share in April 2007. Coldrex showed maximum one (-36 rating lines).

For the period of January-April 2007 **Russian NS (nutritional supplements) pharmacy market value** increased by 4.8% compared to that of 2006 and amounted to $112 mln.

NS market value decreased from $32.3 mln in March to $29.7 mln in April 2007 (-7.9%). Compared to April 2006 it increased by 6.2% in value terms.

The **weighted average cost per NS unit** is $1.87 (48 rubles) in April 2007 which is 2% lower than in March.

Capilar (by Diod) leads the **TOP-20 NS trade names**. Bilberry-Forte and Ovesol (both by Evalar) are the 2nd and the 3rd ones. AlphaVIT (by Akva-MDT/Akvion) left TOP-3 due to 33.6% share decrease. It is 4th in April 2007.

TOP-3 NS manufacturers on the NS commercial market stayed the same in April 2007.

I. Russian drugs commercial market in April 2007

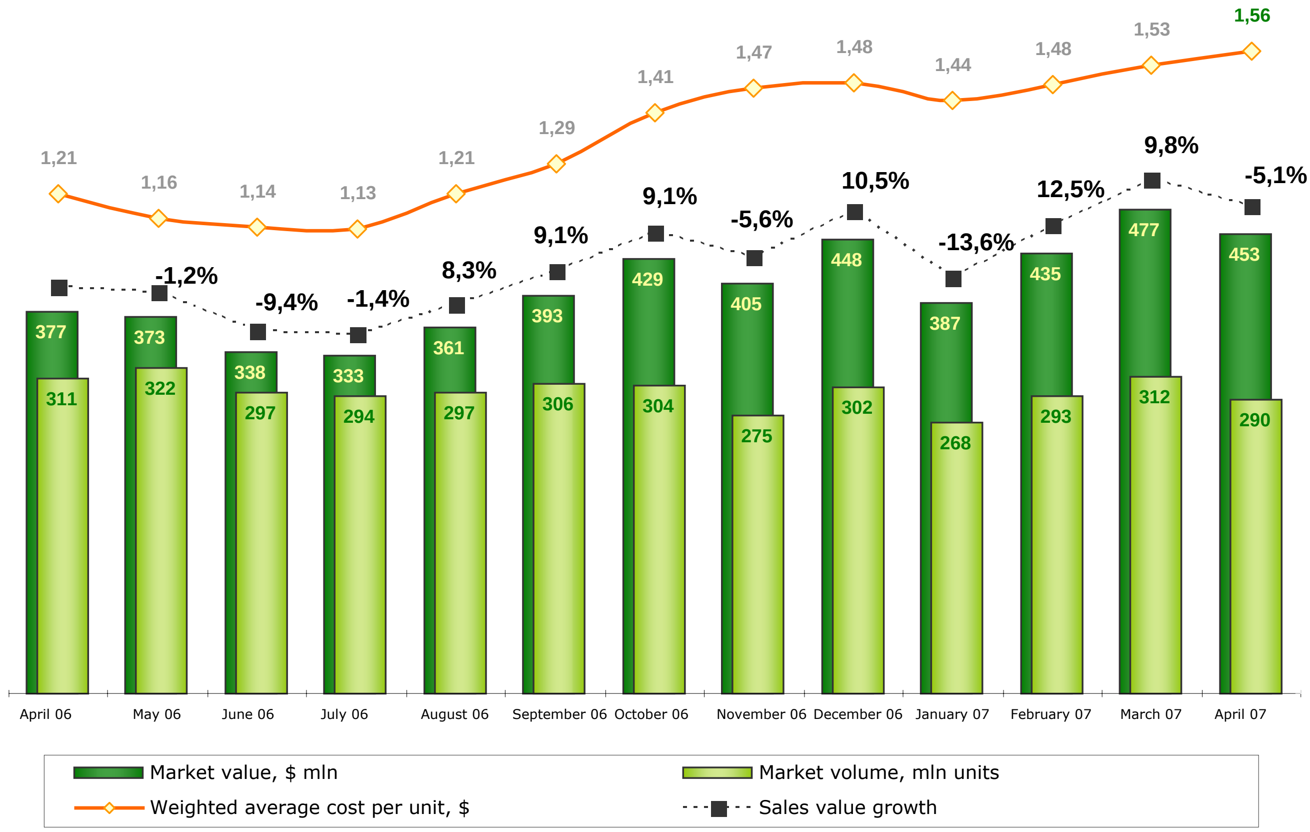
Commercial segment of the pharmaceutical market includes pharmacy sales of drugs and Parapharmaceutics, exclusive of sales under Drugs Reimbursement Program.

1. Drugs commercial market value

Diagram 1 shows dynamics in Russian commercial market volume of RTU drugs in wholesale prices from April 2006 to April 2007.

Diagram 1

Drugs commercial market value in April 2006 – April 2007



Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets **ISO 9001:2000** requirements.

According to the DSM Group's retail audit data, drugs commercial market value increased in value terms by 17.5% for the period of January-April 2007 compared to that of 2006, and amounted to $1751 mln (in pharmacies purchasing prices).

In April 2007 drugs commercial market value decreased by 5.1% compared to March 2007 and amounted to $453 mln (VAT included). The market decrease in ruble terms was 6% (from 12.5 to 11.7 billion rubles).

Drugs commercial market increased by 20% in dollars (+$75.5 mln) in April 2007 compared to that of 2006; and by 13% in rubles (+1.3 billion rbl.).

The weighted average cost per drug unit is 40.37 rbl. ($1.56); which is a bit higher then in March 2007.

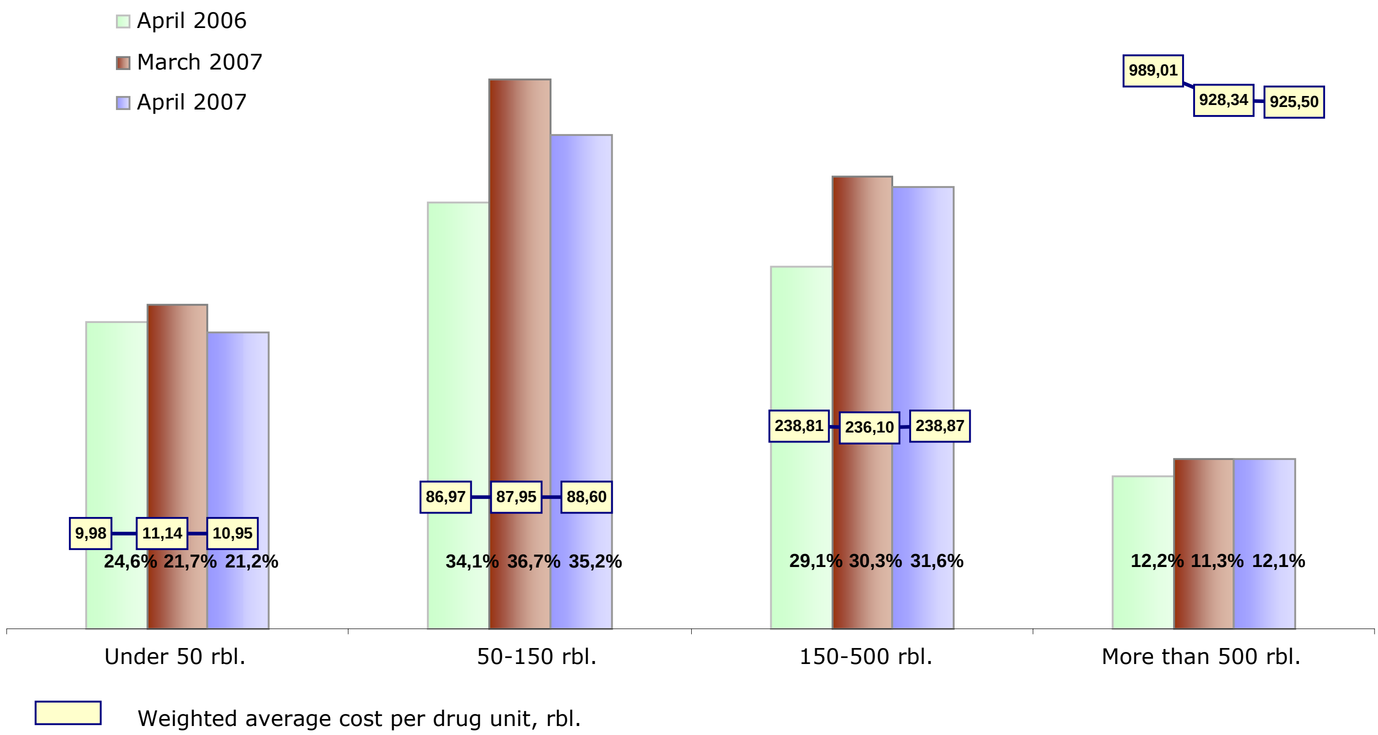
2. Structure of the Russian commercial market

2.1. Drugs consumption structure for different price categories

Diagram 2 shows dynamics in drug consumption structure (in value terms) with regard to various price categories.

Diagram 2

Sales value of various price categories of drugs on the commercial market (April 2006, March 2007, April 2007)



Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets **ISO 9001:2000** requirements.

In April 2007, average unit price for all segments stayed at the level of March 2007.

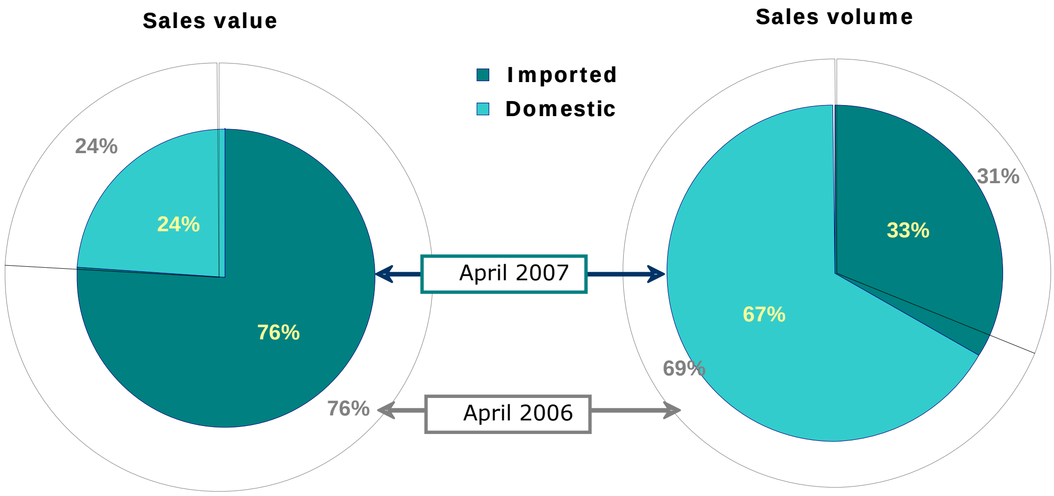
In the segment of expensive drugs (more than 500 rbl. per unit) average unit price decreased by 6% compared to April 2006 – from 989.01 rbl. to 925.50 rbl. For the price segments under 500 rbl. average unit price stayed almost the same in April 2007 compared to the previous year.

2.2. Proportion of imported and domestic drugs

The proportion of domestic and imported drugs by pharmacy sales in Russia is shown in *Diagram 3*.

Diagram 3

Shares of domestic and imported drugs on the Russian commercial pharmacy market in April 2006 and April 2007, %



Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

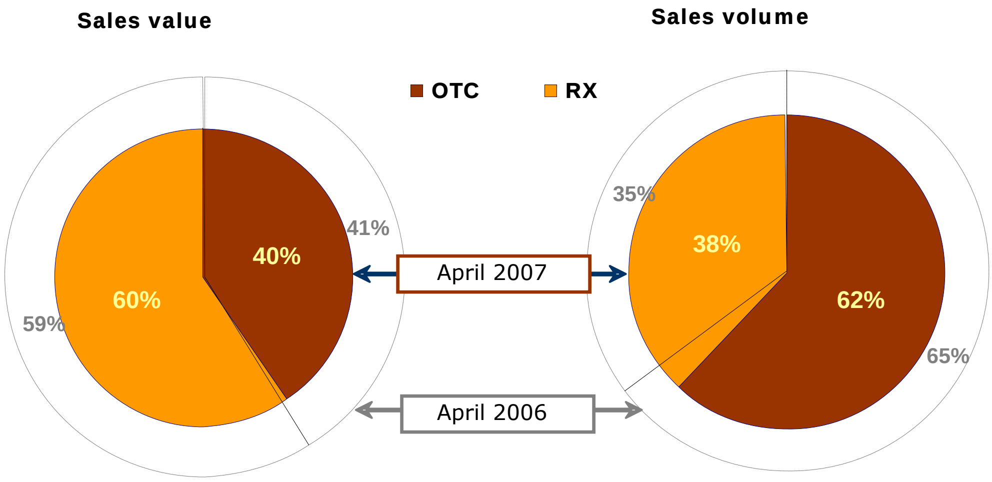
In April 2007, the shares of domestic and imported drugs in value terms stayed the same as the year before and amounted to 24% and 76% correspondingly. In units the share of domestic drugs decreased by 2% in April 2007 compared to that of 2006 and amounted to 67%.

2.3. Proportion of Rx and OTC drugs on the Russian commercial market

Proportion of Rx and OTC drugs by pharmacy sales in Russia is shown in *Diagrams 4 and 5.*

Diagram 4

Proportion of Rx and OTC drugs sales on the Russian commercial market in April 2006 and April 2007, %



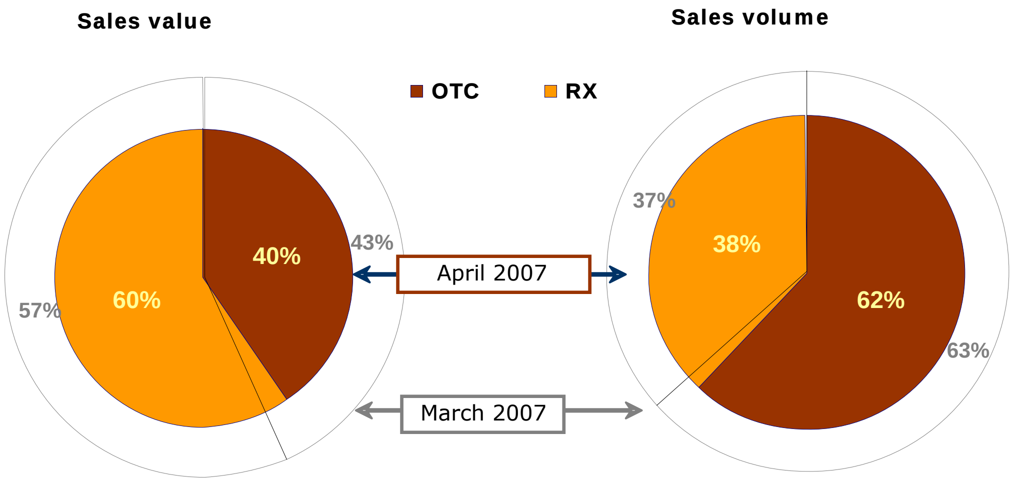
Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

In April 2007, proportion of Rx and OTC drugs (in value terms) stayed almost the same as the year before. Rx drugs cover 60% of the commercial market value (59% in April 2006).

At that, the share of RX drugs in units increased by 3% in April 2007 compared to that of 2006 and covered 38% of the market volume.

Diagram 5

Proportion of Rx and OTC drugs sales on the Russian commercial market in March-April 2007, %



Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

In April compared to March 2007 we see increase in share of Rx drugs both is value and in units terms. In value terms RX drugs share amounted by 60% (+3%), in units – 38% (+1%).

2.4. Drug sales structure by ATC groups

Proportion of 1st level ATC groups by pharmacy sales in March-April 2007 in Russia is shown in *Table 1.*

Table 1

First level ATC groups ranking by share in pharmacy sales in March-April 2007, %

First level ATC groups	Share in sales value, $, %			Share in sales volume, units, %		
	March 2007	April 2007	Share change	March 2007	April 2007	Share change
A: Alimentary tract and metabolism	18,6%	18,6%	-	19,5%	19,3%	-0,2%
N: Nervous system drugs	13,6%	13,3%	-0,3%	20,4%	20,4%	0,0%
C: Cardiovascular system drugs	11,4%	12,9%	1,5%	7,8%	8,7%	0,9%
R: Respiratory system drugs	11,8%	11,0%	-0,8%	14,8%	12,8%	-2,0%
J: Antibacterials for systemic use	8,2%	7,5%	-0,7%	6,2%	5,5%	-0,7%
G: Genitourinary system drugs and sex hormones	6,8%	7,3%	0,5%	1,5%	1,6%	0,1%
M: Musculoskeletal system drugs	6,5%	6,8%	0,3%	5,9%	6,5%	0,6%
D: Dermatologicals	4,7%	5,3%	0,6%	8,6%	10,4%	1,8%
[~] Without allocation (homeopathic preparations, plant and animal drugs, substances etc.)	5,6%	5,0%	-0,6%	8,1%	7,7%	-0,4%
L: Antineoplastic and immunomodulating agents	5,9%	4,5%	-1,4%	1,4%	0,9%	-0,5%
B: Agents affecting blood and blood forming organs	2,9%	3,2%	0,3%	2,2%	2,2%	0,0%
S: Agents affecting sensory organs	2,1%	2,4%	0,3%	1,9%	2,1%	0,2%
H: Systemic hormonal preparations (excluding sex hormones)	0,9%	1,0%	0,1%	0,4%	0,4%	0,0%
V: Various	0,7%	0,7%	0,0%	0,8%	0,8%	0,0%
P: Antiparasitic products, insecticides and repellents	0,4%	0,5%	0,1%	0,5%	0,5%	0,0%

Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

ATC-group [A]: "Alimentary tract and metabolism" leads with 18.6% market share in April 2007. The group [N]: "Nervous system drugs" (13.3%) is the 2nd, while the group [C]: "Cardiovascular system drugs" (12.9%) is the 3rd one.

From March 2007 there have been some changes in commercial market structure by ATC-groups. The group [C]: "Cardiovascular system drugs" moved from 4th to 3rd position. The group [D]: "Dermatologicals" moved from 10th to 8th position.

Shares variation for any ATC-group is occurs due to seasonal changes in drug consumption structure. So, we also compare similar periods for 2007 and 2006.

Table 2

First level ATC groups ranking by share in pharmacy sales in April 2006 and April 2007, %

First level ATC groups	Share in sales value, $, %			Share in sales volume, units, %		
	April 2006	April 2007	Share change	April 2006	April 2007	Share change
A: Alimentary tract and metabolism	18,9%	18,6%	-0,3%	20,4%	19,3%	-1,1%
N: Nervous system drugs	14,1%	13,3%	-0,8%	19,5%	20,4%	0,9%
C: Cardiovascular system drugs	12,0%	12,9%	0,9%	8,0%	8,7%	0,7%
R: Respiratory system drugs	10,2%	11,0%	0,8%	12,4%	12,8%	0,4%
J: Antibacterials for systemic use	7,9%	7,5%	-0,4%	5,2%	5,5%	0,3%
G: Genitourinary system drugs and sex hormones	7,5%	7,3%	-0,2%	1,5%	1,6%	0,1%
M: Musculoskeletal system drugs	6,4%	6,8%	0,4%	5,9%	6,5%	0,6%
D: Dermatologicals	5,2%	5,3%	0,1%	10,5%	10,4%	-0,1%
[~] Without allocation (homeopathic preparations, plant and animal drugs, substances etc.)	5,8%	5,0%	-0,8%	9,7%	7,7%	-2,0%
L: Antineoplastic and immunomodulating agents	4,6%	4,5%	-0,1%	0,9%	0,9%	0,0%
B: Agents affecting blood and blood forming organs	3,1%	3,2%	0,1%	2,2%	2,2%	0,0%
S: Agents affecting sensory organs	2,1%	2,4%	0,3%	2,0%	2,1%	0,1%
H: Systemic hormonal preparations (excluding sex hormones)	1,0%	1,0%	0,0%	0,3%	0,4%	0,1%
V: Various	0,7%	0,7%	0,0%	0,9%	0,8%	-0,1%
P: Antiparasitic products, insecticides and repellents	0,4%	0,5%	0,1%	0,5%	0,5%	0,0%

Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

Maximum share decrease (by 0.8%) in April 2007 compared to that of 2006 was observed for ATC-groups [N]: "Nervous system drugs" and [~] Without allocation (homeopathic preparations, plant and animal drugs, substances etc.)

Maximum share increase (by 0.9%) was observed for the group [C]: "Cardiovascular system drugs".

The group [R]: "Respiratory system drugs" also increased significantly (+0.8%).

3. Leaders among drug manufacturers

More than 800 drug manufacturers were represented on the Russian pharmacy market in March 2007.

TOP 10 manufacturers by sales volume are shown in *Table 3.*

Table 3

TOP 10 drug manufacturers by share in pharmacy sales in Russia in March-April 2007

Rating		Manufacturers	Share in sales value, $, %		Share in sales volume, packs, %	
March 2007	April 2007		March 2007	April 2007	March 2007	April 2007
2	1	Sanofi-Aventis	4,06	4,37	1,44	1,62
1	2	Pharmstandard	5,43	4,08	8,95	8,44
3	3	Berlin-Chemie /A.Menarini/	3,36	3,63	1,83	1,90
6	4	Gedeon Richter	2,68	3,05	1,09	1,22
4	5	Nycomed	2,70	2,95	0,89	0,94
5	6	Lek DD	2,70	2,71	1,18	1,12
9	7	Pfizer International inc.	2,42	2,55	0,45	0,46
8	8	Servier	2,43	2,55	0,44	0,46
7	9	Novartis	2,55	2,34	0,78	0,76
10	10	KRKA	2,20	2,26	1,04	1,09
		Total share of TOP 10	**30,53**	**30,49**	**18,08**	**18,01**

Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

There have been some changes in TOP of April compared with TOP of March 2007.

Pharmstandard showed maximum share decrease (-1.35%) in value terms from the TOP-10 manufacturers; this occurred due to its Arbidol sales decrease (-15.7%).

Sanofi-Aventis was the 1st in April 2007 (+0.31% share increase).

Berlin-Chemie /A.Menarini/ increased its share by 0.27%, however it saved the 3rd position.

Gedeon Richter moved from the 6th position in March to 4th one in April 2007.

Table 4 shows changes in TOP manufacturers in April 2007 compared to that of 2006.

Table 4

TOP 10 drug manufacturers by share in pharmacy sales in Russia in April 2006 and in April 2007

Rating		Manufacturers	Share in sales value, $, %		Share in sales volume, packs, %	
April 2006	April 2007		April 2006	April 2007	April 2006	April 2007
1	1	Sanofi-Aventis	4,34	4,37	1,50	1,62
5	2	Pharmstandard	2,77	4,08	8,01	8,44
2	3	Berlin-Chemie /A.Menarini/	3,69	3,63	1,75	1,90
3	4	Gedeon Richter	2,95	3,05	1,09	1,22
7	5	Nycomed	2,64	2,95	0,68	0,94
9	6	Lek DD	2,31	2,71	0,91	1,12
4	7	Pfizer International inc.	2,85	2,55	0,39	0,46
6	8	Servier	2,67	2,55	0,42	0,46
8	9	Novartis	2,39	2,34	0,73	0,76
10	10	KRKA	2,25	2,26	0,93	1,09
		Total share of TOP 10	**28,86**	**30,49**	**16,40**	**18,01**

Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

In April 2007, the same companies enter TOP-10 drug manufacturers than of that in 2006. However, their common share increased by 1.63%.

Pharmstandard increased in its share by 47.29% and now is the 2nd in TOP instead of being 5th last year. LEK DD and Nycomed also increased their shares.

Some brands produced by Pfizer International Inc. decreased in sales. So Pfizer was 7th in April 2007 which is 3 positions lower than the year before.

4. Top sales products

TOP 20 drug brands by pharmacy sales volume in Russia in March-April 2007 are shown in *Table 5.*

Table 5

TOP 20 drug trade names by sales value in Russia in March-April 2007

Rating		Brand	Share in sales value, $, %	
March 2007	April 2007		March 2007	April 2007
4	1	Actovegin	0,80%	1,01%
1	2	Arbidol	2,10%	0,94%
5	3	Viagra	0,72%	0,82%
7	4	Enap	0,66%	0,74%
6	5	Linex	0,68%	0,73%
8	6	Essentiale	0,66%	0,72%
3	7	Vitrum	0,85%	0,72%
12	8	Mezym Forte	0,61%	0,64%
13	9	Pentalgin	0,58%	0,64%
14	10	Mexidol	0,56%	0,63%
18	11	No-Spa	0,52%	0,62%
22	12	Mildronat	0,49%	0,58%
19	13	Preductal	0,52%	0,56%
17	14	Xenical	0,54%	0,54%
30	15	Cayenne	0,41%	0,51%
2	16	Teraflu	0,89%	0,50%
28	17	Concor	0,43%	0,50%
25	18	Crataegus	0,47%	0,49%
27	19	Cavinton	0,44%	0,49%
16	20	Nurofen	0,54%	0,47%
		Total share of TOP 20	**-**	**12,85%**

Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

Note 1. *A number of trade names from Cliphar-Gosreestr are grouped according to the principle of product lines (Coldrex, Vitrum, No-spa, Teraflu, Cavinton, Pentalgin, Preductal).*

Note 2. *Whereas TOP 20 trade names list changes every month, the cumulative share of TOP 20 trade names for past months could not be indicated in this Table. Only ranking positions and shares of each trade name presented in the reported month are shown for previous months.*

The 1st one among the TOP-20 leading drug trade names of April 2007 is Actovegin. Arbidol having been the leader from September 2006 moved to the 2nd position of due to seasonal decline in anticatarrhal medications sales. However it is still doubtless leader within its group.

Viagra slightly increased its sales value (by 8%), thus it was 3rd in rating.

Anticatarrhal medications sales continued decreasing. Coldrex showed maximum decrease and left TOP-20 (it was only 45th in rating in April). Anaferon and Theraflu also left their positions.

Cayenne showed maximum increase in April 2007 (+15 positions). Mildronat rose by 10 positions and it was 12th in TOP in April 2007.

5. Price index

Laspeyres index was used for the analysis of drug price dynamics from the beginning of 2006.

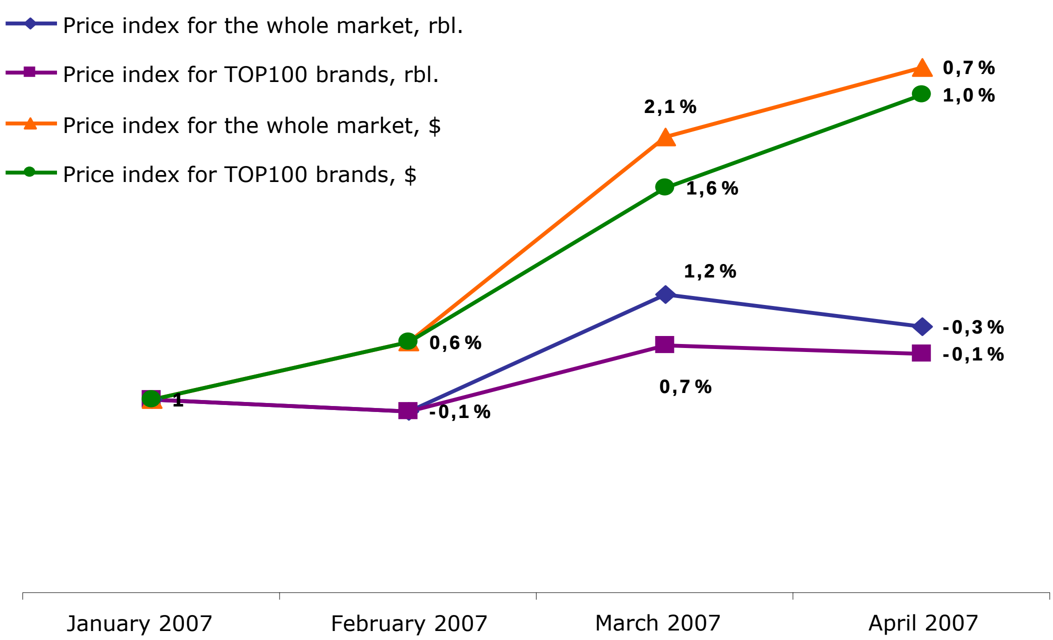
Laspeyres index is the ratio of two value aggregates of base-period quantities at current and base-period prices, where real sales volumes of basket of goods in the base period are used as weights. Ratio of drugs sales in 2006 was taken as a basket of goods. Using this method, seasonal influence on consumption grades, so we see price changes for the period of January-April 2007.

Price index was calculated on the basis of **all drug trade names listed in the DSM Group database over 2006**. January 2007 was used as a base period.

Diagram 6 shows dynamics in drug prices according to Laspeyres index in January-April 2007.

Diagram 6

Dynamics of drugs prices on commercial pharmacy market in January-April 2007, %



Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

According to Laspeyres index, in April 2007, drug prices decreased by 0.3% in rubles and increased by 0.7% in dollars compared to that of March 2007. For the TOP-100 leading brands of 2006: +0.7% in dollars and –0.1% in rubles.

6. Nutritional Supplements

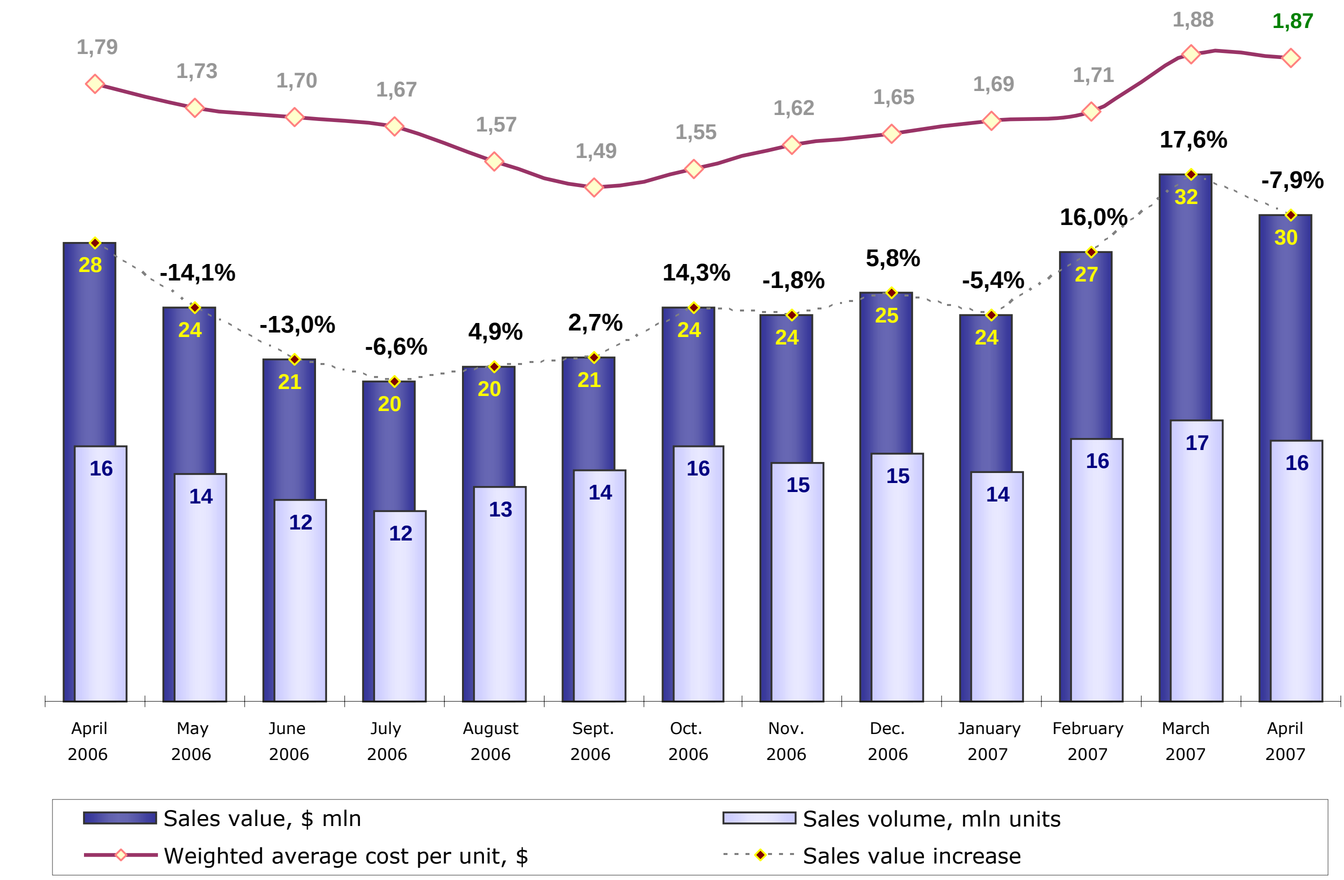
Nutritional supplements (NS) are the 2nd after drugs by commercial pharmacy market sales value.

For the first four months of 2007 (January-April) NS pharmacy sales value amounted to $112 mln, which is 4.8% higher than the year before.

Diagram 7 presents the dynamics of NS commercial pharmacy market value for the period of April 2006 – April 2007.

Diagram 7

Russian NS commercial pharmacy market in April 2006 – April 2007



Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

Russian NS pharmacy market value decreased in April 2007 too - by 7.9% and amounted to $29.7 mln (instead of $32.3 mln in March 2007). NS pharmacy market volume decreased in units by 7.3% and amounted to 15.9 mln units.

Compared to April 2006 NS pharmacy market slightly increased: by 6.2% in value terms and by 1.8% in real terms.

The weighted average cost per NS unit amounted to $1.87 (48 rubles) in April 2007 which is 2% lower than in March.

Table 6 shows NS manufacturers with largest pharmacy sales value in Russia in April 2007.

Table 6

TOP 10 NS manufacturers by sales value in Russia in March-April 2007

Rating		Manufacturers	Share in sales value, $, %		Share in sales volume, units, %	
March 2007	April 2007		March 2007	April 2007	March 2007	April 2007
1	1	Evalar	18,36%	19,55%	10,20%	11,98%
2	2	Diod	10,64%	9,88%	9,21%	6,33%
3	3	Akva-MDT/Akvion	6,91%	5,95%	3,35%	3,58%
4	4	Nycomed	4,67%	3,70%	0,73%	1,34%
5	5	Ferrosan AG	3,09%	2,97%	0,35%	0,70%
6	6	Ekomir	2,79%	2,95%	1,14%	1,05%
7	7	Pharma-med Inc	2,75%	2,78%	0,26%	0,33%
10	8	Vis M	1,90%	2,23%	0,35%	0,35%
8	9	Natur Produkt	2,25%	2,20%	5,01%	4,37%
11	10	Sti-Meds Sorb	1,50%	1,67%	0,73%	0,64%
		Total share of TOP 10:		**53,88%**		**30,67%**

Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

In April 2007, there were some changes at the end of TOP-10. Vis M showed maximum growth in TOP (+8%) and moved from 10th to 8th position.

Nycomed showed maximum decrease in sales (-27%), however it saved its 4th position.

Lag between leading companies Evalar and Diod continued to grow and amounted to 9.66% in value terms.

Table 7 shows TOP-20 NS trade names by pharmacy sales value in Russia.

Table 7

TOP 20 NS trade names by sales value in Russia

in March-April 2007

Rating		Trade names	Manufacturers	Shares by sales value, $, %	
March 2007	April 2007			March 2007	April 2007
1	1	Capilar	Diod	6,36%	5,81%
4	2	Bilberry-Forte	Evalar	3,00%	2,89%
2	3	Ovesol	Evalar	3,16%	2,80%
3	4	AlphaVIT	Akva-MDT/Akvion	3,12%	2,25%
7	5	Troychatka Evalar	Evalar	1,57%	1,95%
5	6	Gerimax Energy	Nycomed	2,33%	1,82%
6	7	Lutein Complex	Ekomir	1,65%	1,78%
9	8	Lactofiltrum	Sti-Meds Sorb	1,50%	1,67%
11	9	Ateroklefit	Evalar	1,44%	1,65%
12	10	Turboslim-Day	Evalar	1,43%	1,59%
8	11	Viardo	Diod	1,57%	1,43%
13	12	Turboslim-Night	Evalar	1,34%	1,39%
15	13	Sealex	Vis	1,02%	1,28%
10	14	Jedemen Slimming	Peking Jedemen Tea sales Centre	1,46%	1,19%
18	15	Turboslim	Evalar	0,86%	1,11%
14	16	Gepatrin	Evalar	1,17%	1,08%
17	17	Kudesan	Akva-MDT/Akvion	0,93%	0,92%
21	18	Vuka-Vuka	Biocorp	0,71%	0,89%
16	19	Centrum with Lutein	Wyeth Lederle	0,94%	0,75%
25	20	Bifiform Kid	Ferrosan AG	0,63%	0,72%
		Total:		**-**	**34,96%**

Source: Retail Audit of Russian Pharmaceutical Market by DSM Group, QMS meets the requirements of **ISO 9001:2000**

Note. *Whereas TOP 20 NS trade names list changes every month, the cumulative share of TOP 20 members for past months could not be indicated in this Table. Only ranking positions and shares of each trade name presented in the reported month are shown for previous months.*

The leading NS brand in April 2007 is still Capilar by Diod. Bilberry-Forte and Ovesol (both by Evalar) are the 2nd and the 3rd ones. AlphaVIT (by Akva-MDT/Akvion) left TOP-3 due to decrease of its sales by 33.6%. Gerimax Energy (by Nycomed) lost 27.9% in its sales; Centrum with Lutein (by Wyeth Lederle) lost 26.6%.

Turboslim (by Evalar) showed maximum growth in April – by 18.3%.

II. Import

Drug import volume in Russia in March 2007 amounted to $584 mln (in customs prices[1]), which is half as much again than that in February 2007 and 18% lower than that in March 2006.

Table 8 shows the shares for different groups of drug importers in Russia by import value in February-March 2007.

Table 8

Shares in import value of different groups of drug importers in Russia in February-March 2007

Rating	Importers	Shares by import value, %	
		February 2007	March 2007
1.	Distributor companies	49,3%	41,96%
2.	Representatives of foreign companies	42,5%	43,76%
3.	Direct import companies	7,6%	13,57%
4.	Domestic drug manufacturers	0,6%	0,70%
	Total:	100%	100%
	Import value, thousands $	**383 408**	**583 958**

Source: Diamond Vision, DSM Group

Distributor companies (with their share of 41.96%) and representatives of foreign companies (43.76%) stay being key drug importers in Russia. The share of direct import companies ("Orfe" and "Items sklady") almost doubled – from 7.6% to 13.6%.

[1] Customs price does not include customs tax (mainly 10%), VAT (10%) and specific tax (0.15%).

Table 9 shows TOP-20 distributors by drug import value in Russia in February-March 2007.

Table 9

TOP 20 distributors by drug import value in Russia

in December 2006 – February 2007

Rating	Distributors	Shares by import value of the group "Distributor companies"	
		February 2007	March 2007
1	SIA International	29,79%	24,00%
2	CV "Protek"	22,89%	19,18%
3	Rosta	13,22%	8,30%
4	Genezis	6,02%	7,51%
5	Katren	4,99%	6,44%
6	R-Farm	0,92%	6,22%
7	Apteka-Holding	2,69%	4,32%
8	Biotek	2,38%	2,90%
9	Moron	2,16%	2,66%
10	Shreya Corp.	2,51%	1,91%
11	Fortuna Plus	0,13%	1,55%
12	Intermedservis	0,66%	1,47%
13	Evroservis	1,60%	1,39%
14	FK Pulse	0,72%	1,39%
15	Dominanta-Servis	2,92%	1,24%
16	National Distributor company	-	1,20%
17	Avesta-Farm	0,52%	1,16%
18	Mench M	2,38%	0,87%
19	As Buro	0,28%	0,73%
20	Fak Baltimor	0,00%	0,73%
	Import value of all distributors, $ thousands	**49,3%**	**41,9%**

Source: Diamond Vision, DSM Group

Top-5 stayed the same in March 2007 as in February.

The share of 20 largest distributors-importers in total import value of the "Distributor companies" group amounted to 95% in March 2007.

About DSM Group

*To provide comprehensive, high quality and timely marketing research
and full advertising support to the companies on the Russian pharmaceutical market*

The marketing agency DSM Group has been on the market since 1999. Two key service fields of the company are marketing research and advertising on the Russian pharmaceutical market.

RESEARCH

QMS meets ISO 9001:2000 requirements

- Monthly retail audit of the Russian pharmaceutical market, which you can see in 25 working days
- Hospital audit
- Reimbursement database
- Drugs and substances import database
- Multifactor analysis of competitors surrounding
- Monitoring and analysis of drug sales by distributors
- Monthly analysis of market capacity, tendencies and forecasts
- Ad-hoc research
- Pharmaceutical mass-media – pharmacies workers' estimation

ADVERTISING

- Design and corporate identity creation
- Souvenirs for pharmaceutical market
- Printing (QMS meets ISO 9001:2000 requirements)
- Promo actions and events (from 20 up to 1500 persons)
- Media buying
- Outdoor advertising
- Corporate video
- Direct-mail through Russian pharmacies database
- Marketing plans

There are about 60 specialists in pharmaceutics, marketing and advertising in the staff. Our experts' opinion is highly rated by pharmaceutical and business public.

With us you will use your company's potential more effectively, so reinforce and develop your business.

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