

RUSSIAN Pharmaceutical Market

Issue: May 2007

Retail audit of the Russian pharmaceutical market – March 2007
Drugs import – January-February 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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Analytic Report
**RUSSIAN Pharmaceutical Market
Issue: May 2007**

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SUMMARY

Drugs commercial market value in pharmacy purchase prices increased by 9.8% in March compared to February 2007 and amounted to \$477 mln (VAT included); thus, 1st quarter 2007 capacity amounted to about \$1.3 billion which is 16.5% higher than that of 2006.

The weighted average **price per drug unit** on Russian commercial market almost did not increase and amounted to 40 rubles (\$1.53) in March 2007.

According to **Laspeyres index prices increased by 1.2% in rubles in comparison to February 2007**; and by 2.1% in dollars. For the TOP-100 leading brands of 2006, prices increased in March 2007 by 0.7% in rubles and by 1.6% in dollars.

Drugs consumption structure almost did not change in March 2007 compared to February 2007. The highest increase (+19%) was observed for the expensive drugs priced 500 rubles and more per unit. In March 2007 the weighted average cost per unit was the same as in February 2007 for all price segments.

In the 1st quarter 2007, **domestic drugs share** stayed the same as the year before and amounted to 25% of the commercial market. Domestic drugs share decreased by 3% in the 1st quarter 2007 and amounted to 66%.

In the 1st quarter 2007, **proportion of Rx and OTC drugs** stayed the same as the year before. Rx drugs cover 56% of commercial sales value. At that, in the 1st quarter 2007 Rx drugs share increased by 2% in units compared to that of 2006, and amounted to 36%.

TOP-3 drugs manufacturers of February 2007 saved their positions in March as well. The leading Pharmstandard company's share increased by 0.18%. Sanofi-Aventis and Berlin-Chemie /A.Menarini/ stayed at the 2nd and the 3rd positions despite of their slight sales decrease.

In March 2007, Arbidol (2.1% market share) saved its leading position in **TOP drug trade names**; however it slightly increased its share. Anticatarrhal medications sales decreased due to the end of winter period. Theraflu (0.89%) stayed in March on the 2nd position in rating, however its sales decreased by 14%. Polivitamin Vitrum (0.85%) is the 3rd one.

In March 2007 **Russian NS (nutritional supplements) pharmacy market value** increased by 17.6% compared to February 2007 and amounted to \$23.3 mln. Thus, the 1st quarter 2007 increased by 5% compared to that of 2006. Besides, NS market volume increased by 7% and amounted to 17 mln units.

The **weighted average cost per NS unit** highly increased in March 2007 (+10%) and amounted to \$1.88 (49 rubles).

I. Russian drugs commercial market in February 2007

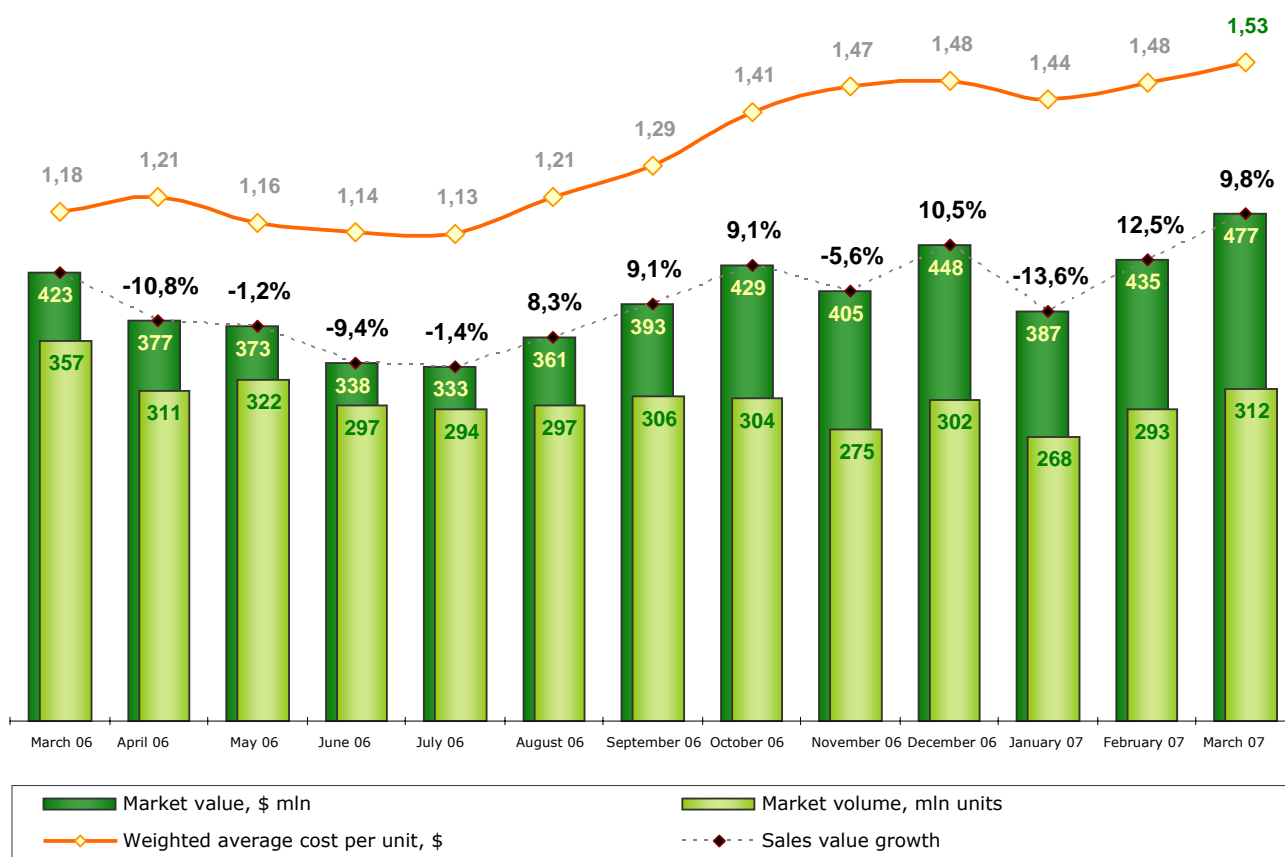
Commercial segment of the pharmaceutical market includes pharmacy sales of drugs and Parapharmaceutics, exclusive of sales under Drugs Reimbursement Program.

1. Drugs commercial market value

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

Diagram 1

Drugs commercial market value in March 2006 – March 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 by 9.8% in March 2007 compared to February 2007 and amounted to \$477 mln (in pharmacy purchase prices, VAT included). The market growth in ruble terms was 8.8% (from 11.5 to 12.5 billion rubles).

Thus, drugs commercial market increased by 16.5% in the 1st quarter 2007 compared to that of 2006 and amounted to \$1298 mln. This growth in rubles was much lower (9.2%), the market value amounted to 34.2 billion rubles in the 1st quarter 2007.

The weighted average cost per drug unit on the Russian commercial market slightly increased in March 2007 and amounted to 40 rubles (\$1.53).

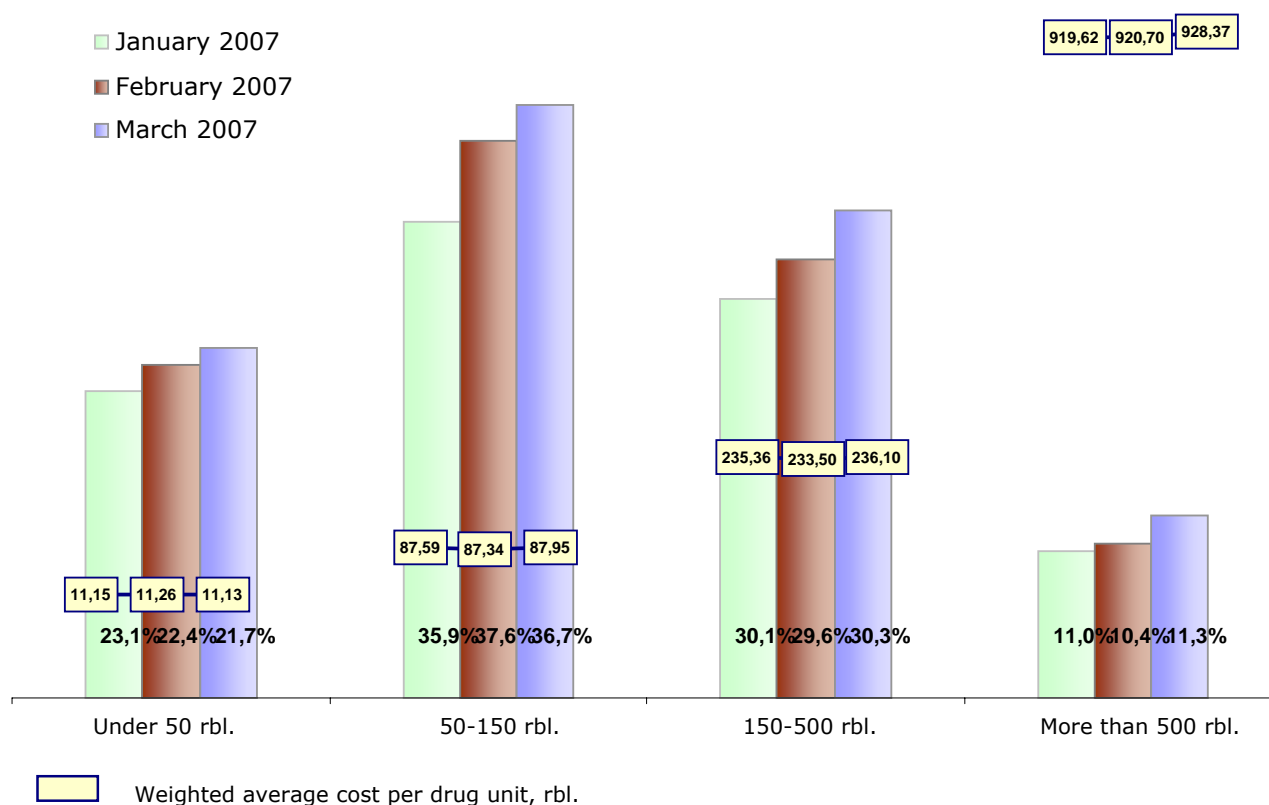
2. Structure of the Russian commercial market

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 in March 2007



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

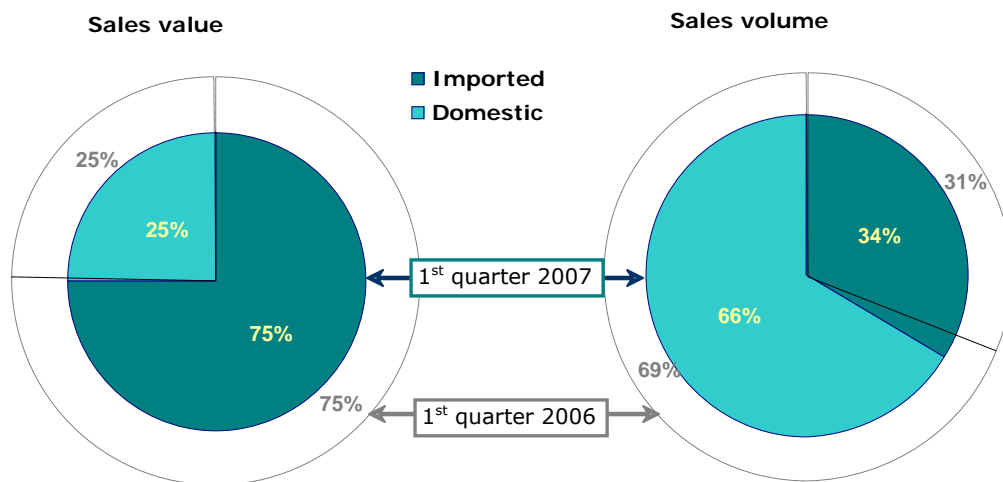
In March 2007, maximum growth (+19%) was observed for the segment expensive drugs priced at more than 500 rbl. per unit. Average unit price for all segments stayed at the level of February 2007.

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 the 1st quarters of 2006 and 2007, %



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

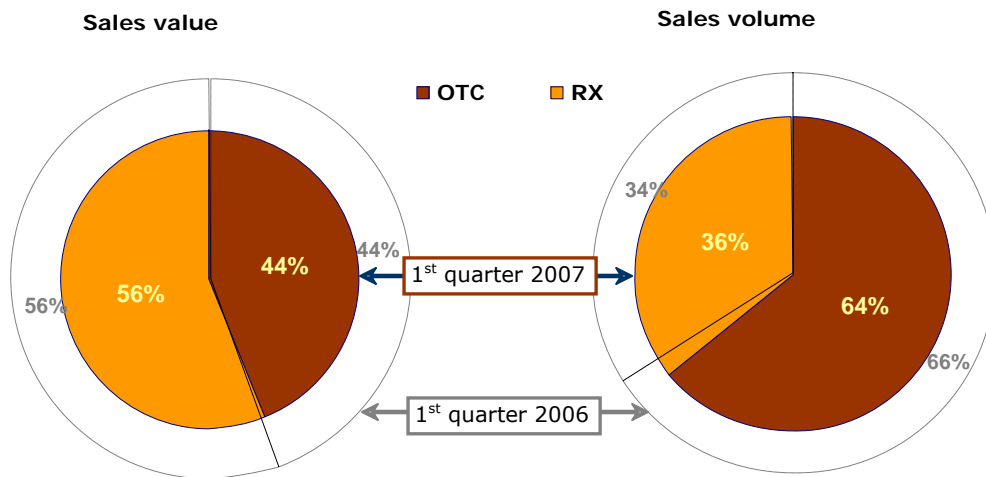
In the 1st quarter 2007, the share of domestic drugs stayed the same as the year before and covered 25% of the commercial market value. In units the share of domestic drugs decreased by 3% in the 1st quarter 2007 compared to that of 2006 and amounted to 66%.

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 *Diagram 4*.

Diagram 4

**Proportion of Rx and OTC drugs sales on the Russian commercial market
in the 1st quarters of 2006 and 2007, %**



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

In the 1st quarter 2007, proportion of Rx and OTC drugs stayed the same as the year before. Rx drugs cover 56% of the commercial market value. At that, the share of Rx drugs increased by 2% in units in the 1st quarter 2007 compared to that of 2006 and covered 36% of the market volume.

2.4. Drug sales structure by ATC groups

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

Table 1

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

First level ATC groups	Share in sales value, \$, %			Share in sales volume, units, %		
	February 2007	March 2007	Share change	February 2007	March 2007	Share change
A: Alimentary tract and metabolism	18,5%	18,6%	0,1%	19,9%	19,5%	-0,4%
N: Nervous system drugs	13,8%	13,6%	-0,2%	20,4%	20,4%	-
R: Respiratory system drugs	12,6%	11,8%	-0,8%	15,3%	14,8%	-0,5%
C: Cardiovascular system drugs	11,0%	11,4%	0,4%	7,6%	7,8%	0,2%
J: Antibacterials for systemic use	8,0%	8,2%	0,2%	6,0%	6,2%	0,2%
G: Genitourinary system drugs and sex hormones	6,6%	6,8%	0,2%	1,5%	1,5%	-
M: Musculoskeletal system drugs	6,2%	6,5%	0,3%	5,6%	5,9%	0,3%
L: Antineoplastic and immunomodulating agents	5,9%	5,9%	-	1,6%	1,4%	-0,2%
[~] Without allocation (homeopathic preparations, plant and animal drugs, substances etc.)	6,1%	5,6%	-0,5%	8,3%	8,1%	-0,2%
D: Dermatologicals	4,7%	4,7%	-	8,2%	8,6%	0,4%
B: Agents affecting blood and blood forming organs	2,8%	2,9%	0,1%	2,1%	2,2%	0,1%
S: Agents affecting sensory organs	2,0%	2,1%	0,1%	1,8%	1,9%	0,1%
H: Systemic hormonal preparations (excluding sex hormones)	0,8%	0,9%	0,1%	0,4%	0,4%	-
V: Various	0,7%	0,7%	-	0,8%	0,8%	-
P: Antiparasitic products, insecticides and repellents	0,4%	0,4%	-	0,5%	0,5%	-

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 March 2007. The group [N]: "Nervous system drugs" is the 2nd, while the group [R]: "Respiratory system drugs" is the 3rd one. There were not any significant changes in structure in comparison to the previous month.

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 the 1st quarters of 2006 and 2007, %

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

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

Maximum share decrease in the 1st quarter 2007 compared to that of 2006 was observed for ATC-group [A]: "Alimentary tract and metabolism". This occurred due to share decrease of sub-groups [A11]: "Mineral supplements" and [A13]: "Generally tonic medications".

The share of the group [R]: "Respiratory system drugs" increased significantly (+1.1%).

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 February-March 2007**

Rating		Manufacturers	Share in sales value, \$, %		Share in sales volume, packs, %	
February 2007	March 2007		February 2007	March 2007	February 2007	March 2007
1	1	Pharmstandard	5,25	5,43	9,03	8,95
2	2	Sanofi-Aventis	4,24	4,18	1,49	1,48
3	3	Berlin-Chemie /A.Menarini/	3,37	3,36	1,84	1,83
6	4	Nycomed	2,62	2,70	0,90	0,89
4	5	Lek DD	2,82	2,70	1,26	1,18
8	6	Gedeon Richter	2,55	2,68	1,07	1,09
5	7	Novartis	2,80	2,56	0,92	0,79
9	8	Servier	2,36	2,43	0,43	0,44
7	9	Pfizer International inc.	2,58	2,42	0,55	0,45
10	10	KRKA	2,16	2,20	1,01	1,04
Total share of TOP 10			30,76	30,65	18,48	18,13

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

TOP-3 drugs manufactures of February 2007 saved their positions in March as well. The leading Pharmstandard company's share increased by 0.18%. Sanofi-Aventis and Berlin-Chemie /A.Menarini/ stayed at the 2nd and the 3rd positions despite of their slight sales decrease.

Nycomed moved up to 4th rating position due to its brand "Calcium D3" sales growth.

Table 4 shows changes in TOP manufacturers in the 1st quarter 2007 compared to that of 2006.

Table 4

TOP 10 drug manufacturers by share in pharmacy sales in Russia in the 1st quarters of 2006 and 2007

Rating		Manufacturers	Share in sales value, \$, %		Share in sales volume, packs, %	
1 st quarter 2006	1 st quarter 2007		1 st quarter 2006	1 st quarter 2007	1 st quarter 2006	1 st quarter 2007
4	1	Pharmstandard	2,78	4,93	7,21	9,01
1	2	Sanofi-Aventis	4,52	4,39	1,49	1,56
2	3	Berlin-Chemie /A.Menarini/	3,66	3,54	1,68	1,90
9	4	Lek DD	2,36	2,75	0,96	1,22
3	5	Gedeon Richter	2,79	2,68	1,02	1,11
6	6	Nycomed	2,62	2,64	0,70	0,87
7	7	Novartis	2,62	2,61	0,81	0,83
5	8	Pfizer International inc.	2,69	2,55	0,38	0,49
8	9	Servier	2,47	2,35	0,36	0,43
10	10	KRKA	2,20	2,19	0,91	1,01
Total share of TOP 10			28,71	30,63	15,51	18,43

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

In the 1st quarter 2007, the same companies enter TOP-10 drug manufacturers than of that in 2006. However, together they cover bigger total market share – 30.6%. Their positions changed significantly in comparison to the previous year. Pharmstandard increased in its share by 80% and now leads the TOP (due to purchasing of Masterlek company). LEK DD moved to 4th position (+5 rating lines), its brands highly increased during the 1st quarter 2007 compared to that of 2006: Linex (+61%), Amoksilav (+47%), Ketonal (+47%), Persen (+50%), Broncho-Munal (+54%). For the other manufacturers share changes did not exceed 0.15%.

4. Top sales products

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

Table 5

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

Rating		Brand	Share in sales value, \$, %	
February 2007	March 2007		February 2007	March 2007
1	1	Arbidol	2,07	2,10
2	2	Teraflu	1,13	0,89
4	3	Vitrum	0,77	0,85
5	4	Actovegin	0,77	0,80
7	5	Viagra	0,73	0,72
8	6	Linex	0,72	0,68
10	7	Enap	0,66	0,66
9	8	Essentiale	0,72	0,66
6	9	Coldrex	0,75	0,63
3	10	Anaferon	0,82	0,63
12	11	Complivit	0,54	0,63
11	12	Mezym Forte	0,63	0,61
15	13	Pentalgin	0,52	0,58
13	14	Mexidol	0,54	0,56
17	15	Sumamed	0,52	0,54
21	16	Nurofen	0,50	0,54
28	17	Xenical	0,44	0,54
16	18	No-Spa	0,52	0,52
22	19	Preductal	0,50	0,52
18	20	Multi-Tabs	0,51	0,51
Total share of TOP 20			-	14,20

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.

Arbidol saved its leading position in March 2007 and besides slightly increased its share. This fact shows its strong market position, because other antivirus drugs lost their shares: Anaferon (-7 rating lines), Viferon (-4 rating lines).

Anticatarrhal medications sales decreased due to the end of winter period. Teraflu (0.89%) stayed in March on the 2nd position in rating, however its sales decreased by 14%. Coldrex moved from 6th to 9th position, Fervex lost 15 rating lines and did not enter TOP-20.

5. Price index

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

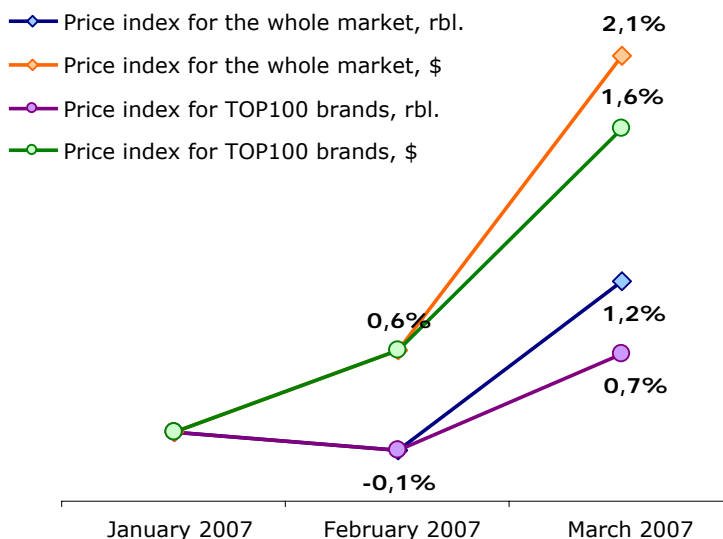
Laspeyres index is the ratio of two value aggregates of base-period quantities at current and base-period prices, where real sales volumes of basket of goods in the base period are used as weights. Ratio of drugs sales in 2006 was taken as a basket of goods. Using this method, seasonal influence on consumption grades, so we see price changes for the period of January-March 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 5 shows dynamics in drug prices according to Laspeyres index in January-March 2007.

Diagram 5

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



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

According to Laspeyres index, in March 2007, drug prices increased by 1.2% in rubles and by 2.1% in dollars compared to that of February 2007. Price growth were insignificant for TOP-100 leading brands of 2006: +07% in rubles and +1.6% in dollars.

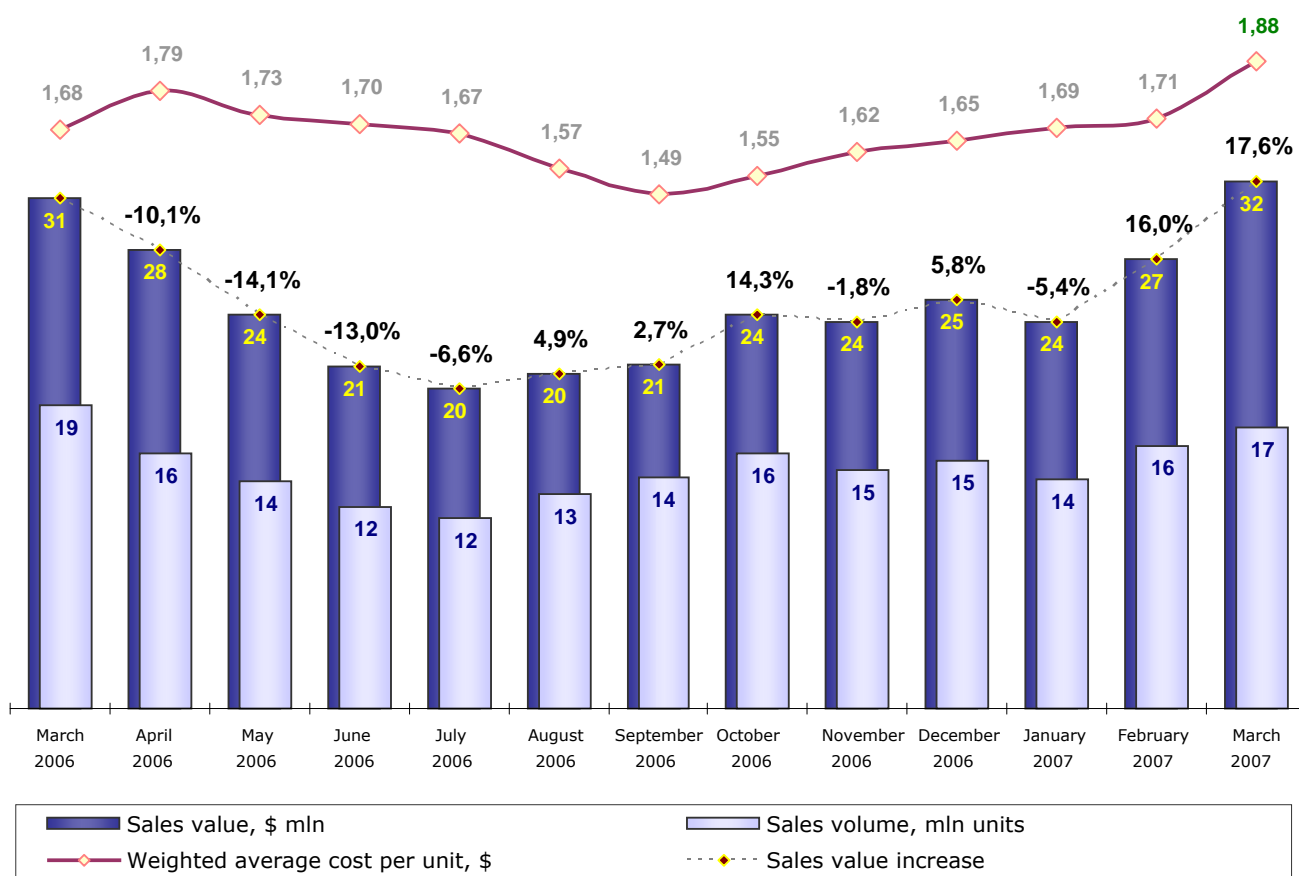
6. Nutritional Supplements

Nutritional supplements (NS) are the 2nd after drugs by commercial pharmacy market sales value. 4500 NS trade names by 600 manufacturers were sold in Russian pharmacies in March 2007.

Diagram 6 presents the dynamics of NS commercial pharmacy market value for the period of February 2006 – February 2007.

Diagram 6

Russian NS commercial pharmacy market in March 2006 – March 2007



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

Russian NS pharmacy market value increased by 17.6% in March 2007 compared to February, and amounted to \$32.3 mln. So, the 1st quarter 2007 increased by 5% compared to that of 2006. In real terms, NS pharmacy market volume increased by 7% in March 2007 compared to February and amounted to 17 mln units.

The weighted average cost per NS unit highly increased in March 2007 (+10% compared to February 2007) and amounted to \$1.88 (49 rubles).

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

Table 6

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

Rating		Manufacturers	Share in sales value, \$,%		Share in sales volume, units,%	
February 2007	March 2007		February 2007	March 2007	February 2007	March 2007
1	1		Evalar	16,90	18,36	10,74
2	2	Diod	10,09	10,64	5,76	6,33
3	3	Akva-MDT/Akvion	6,18	6,91	2,96	3,58
4	4	Nycomed	4,21	4,67	1,16	1,34
7	5	Ferrosan AG	2,85	3,09	0,57	0,70
6	6	Ekomir	3,01	2,79	1,08	1,05
8	7	Pharma-med Inc	2,37	2,75	0,28	0,33
5	8	Natur Produkt	3,88	2,25	5,47	4,38
12	9	Peking Jedemen Tea sales Centre	1,52	1,93	0,29	0,30
9	10	Vis M	2,15	1,90	0,45	0,35
Total share of TOP 10:			-	55,30	-	30,34

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

In March 2007, lag between two leading NS manufacturers increased and amounted to about 8%. Changes began from the 5th position. Natur Produkt had maximum decrease in share (-32%). Peking Jedemen Tea sales Centre had maximum share growth (+50%) due to seasonal growth of slimming medications consuming.

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 February-March 2007

Rating		Trade names	Manufacturers	Shares by sales value, \$, %	
February 2007	March 2007			February 2007	March 2007
1	1	Capilar	Diod	5,94	6,36
2	2	Ovesol	Evalar	3,26	3,16
4	3	AlphaVIT	Akva-MDT/Akvion	2,60	3,12
3	4	Bilberry-Forte	Evalar	2,82	3,00
5	5	Gerimax Energy	Nycomed	1,98	2,33
6	6	Lutein Complex	Ekomir	1,80	1,65
19	7	Troychatka Evalar	Evalar	0,84	1,57
11	8	Viardo	Diod	1,32	1,57
8	9	Lactofiltrum	Sti-Meds Sorb	1,54	1,50
13	10	Jedemen Slimming	Peking Jedemen Tea sales Centre	1,09	1,46
9	11	Ateroklefit	Evalar	1,45	1,44
14	12	Turboslim-Day	Evalar	1,01	1,43
17	13	Turboslim-Night	Evalar	0,95	1,34
7	14	Gepatrin	Evalar	1,61	1,17
12	15	Sealex	Vis	1,12	1,02
18	16	Centrum with Lutein	Wyeth Lederle	0,93	0,94
16	17	Kudesan	Akva-MDT/Akvion	0,98	0,93
39	18	Turboslim	Evalar	0,50	0,86
15	19	Chistovit well	Ecologia Pitania	0,99	0,79
20	20	Multi-Tabs Kid Ca+	Ferrosan AG	0,78	0,78
Total:				-	36.43

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.

Leading NS brand Capilar by Diod increase its share by 6.4% in March 2007, its lag from the following Ovesol by Evalar was more than 100%. Despite of that, Evalar leads due to sales of slimming brand (Turboslim-Day, Turboslim-Night, Turboslim) and we also see significant growth of Troychatka Evalar.

II. Import

Drug import volume in Russia in February 2007 amounted to \$383 mln (in customs prices¹), which is 93% higher than that in January 2007 and 18% lower than that in February 2006.

It should be noted that drugs import decreased by 28% in January/February 2007 compared to that of 2006. This occurred due to the following facts. The first is that 15% of yearly drugs import was brought in Russia in December 2006. The next is that Reimbursement program situation could result in reducing import volume. DLO list cutting, state' debts upon suppliers, reduction of the Program financing in particular. It means that during these two months only drugs for commercial market were imported in Russia.

Table 8 shows the shares for different groups of drug importers in Russia by import value for the period of December 2006 – February 2007 and for the whole 2006.

Table 8

**Shares in import value of different groups of drug importers in Russia
in December 2006 – February 2007**

Rating	Importers	Shares by import value, %		
		December 2006	January 2007	February 2007
1.	Distributor companies	41,13%	33,6%	49,3%
2.	Representatives of foreign companies	50,09%	47,3%	42,5%
3.	Direct import companies	8,56%	18,1%	7,6%
4.	Domestic drug manufacturers	0,22%	0,9%	0,6%
	Total:	100%	100%	100%
	Import value, thousands \$	920 219	198 707	383 408

Source: Diamond Vision, DSM Group

As can be seen from the Table, in February 2007 more than 91% of the total drug import is covered by two groups of importers – distributor companies and representatives of foreign companies.

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 and their share in import value in December 2006 – February 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"		
		December 2006	January 2007	February 2007
1	SIA International	24,83	32,09	29,79
2	CV "Protek"	15,83	20,88	22,89
3	Rosta	8,20	5,26	13,22
4	Genezis	7,96	0,10	6,02
5	Katren	5,66	5,68	4,99
6	Apteka-Holding	3,23	9,32	2,69
7	Moron	3,01	4,45	2,16
8	Dominanta-Servis	2,69	1,05	2,92
9	Biotek	2,24	5,56	2,38
10	R-Farm	2,91	1,65	0,92
11	Farmacevt	3,61	-	-
12	Shreya Corp.	1,80	2,19	2,51
13	Fortuna Plus	2,46	0,07	0,13
14	Evroservis	1,25	0,25	1,60
15	Vitis A	0,82	-	1,64
16	Avesta-Farm	1,15	-	0,52
17	Intermedservis	0,93	0,85	0,66
18	FK Pulse Bakster	0,94	0,40	0,72
19	Farmakor	1,01	1,72	0,01
20	Medoprofit	1,08	0,68	-
Import value of all distributors, \$ thousands		378 472	66 766	189 181

Source: Diamond Vision, DSM Group

As is shown in this Table, SIA International and CV "Protek" remain the largest distributors by import volume in the group "Distributor companies". The other distributors fall behind significantly in ranking. The significant decrease of CV "Protek" in drug import volume at the end of 2006 as well as at the beginning of 2007 should be noticed. This decrease was probably due to reduce of CV "Protek" in Reimbursement program in 2007.

The share of 20 largest distributors-importers in total import value of the "Distributor companies" group amounted to about 96% in February 2007.

Table 10 shows TOP 20 drug manufacturers by drug import value in Russia with regard to all groups of importers in October-December 2006.

Table 10

**TOP 20 drug manufacturers by drug import value in Russia
with regard to all groups of importers in October-December 2006**

December 2006	Rating		Manufacturers	Shares by import value, \$		
	January 2007	February 2007		December 2006	January 2007	February 2007
3	3	1	SANOFI-AVENTIS	5,59	5,90	7,83
2	1	2	NOVARTIS	5,91	8,29	5,92
10	5	3	SERVIER	2,97	4,11	5,26
7	9	4	BERLIN-CHEMIE	3,71	3,28	5,20
8	16	5	NYCOMED	3,02	1,94	3,29
18	13	6	GEDEON RICHTER	1,78	2,63	3,29
17	21	7	ASTRAZENECA UK LTD	1,80	1,43	3,07
16	12	8	GLAXOSMITHKLINE	2,07	2,77	3,04
20	10	9	KRKA	1,61	3,26	2,67
12	6	10	PFIZER	2,92	4,04	2,65
4	2	11	SCHERING AG	4,01	5,94	2,65
19	4	12	BOEHRINGER INGELHEIM	1,67	4,45	2,62
11	17	13	NOVO NORDISK	2,93	1,89	2,36
13	15	14	LEK D.D.	2,50	2,28	1,91
9	7	15	F.HOFFMANN-LA ROCHE LTD	2,99	3,93	1,89
30	19	16	RICHARD BITTNER AG	0,89	1,47	1,84
5	14	17	SOLVAY PHARMACEUTICALS B.V.	3,90	2,61	1,73
29	35	18	EGIS	0,89	0,64	1,50
33	34	19	UNIPHARM INC	0,72	0,65	1,27
15	45	20	ABBOTT GMBH & CO.KG	2,40	0,39	1,16
Total:				-	-	62,43

Source: Diamond Vision, DSM Group

Note. Whereas TOP 20 drug manufacturers 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 manufacturer presented in the reported month are shown for previous months.

As is shown in the Table, SANOFI-AVENTIS, NOVARTIS and SERVIER are the largest manufacturers by drug import value in Russia.

The share of TOP 20 drug manufacturers by import value in Russia in February 2007 amounted to more than 62%.

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
- ❖ 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

ADVERTISING

There are about 60 specialists in pharmaceuticals, 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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