

RUSSIAN Pharmaceutical Market

Issue: November 2007

- Retail audit of the Russian pharmaceutical market – III quarter of 2007
- Drugs import – August 2007



The given information is based on retail audit of the Russian pharmaceutical market by DSM Group; QMS meets **ISO 9001:2000** requirements



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Moscow, 2007

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**Analytic review
Russian Pharmaceutical Market.
Issue: November 2007**

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SUMMARY

For the period of January-September 2007 **drugs commercial market volume** amounted to **\$3.956 billion** (in pharmacy purchasing prices) which is 20.19% higher than the year before. Drugs commercial market amounted to \$490 mln in September 2007 which is 9.6% higher than in August and 24.5% higher than in September 2006. Growth in rubles is +8.4% to August 2007 and +18% to September 2006.

The weighted average price per drug unit amounted to 38.84 rubles (\$1.53).

According to Laspeyres index **prices on the commercial pharmacy market** increased by 1.9% in rubles and by 0.7% in dollars in September 2007 compared to the previous month.

Structure of drugs from **different price categories** stayed almost the same in the III quarter of 2007.

Domestic and imported drugs ratio in value terms stayed the same in the III quarter 2007 compared to that of 2006: domestic drugs cover 24%, while imported ones – 76%.

In the III quarter of 2007 **Rx drugs share** increased by 1% in value terms and amounted to 60%.

Sanofi-Aventis leads **TOP-10 drugs manufactures**. Pharmstandard moved from 5th to 2nd position, having increased its sales by 67%.

A **TOP-10 drug manufacturers of the III quarter of 2007** differs from the TOP-10 of September 2007. Because III quarter covers summer and autumn months, i.e. the period when seasonal diseases change. So, TOP companies and brands also changes. TOP-3 drug manufacturers are: Sanofi-Aventis, Berlin-Chemie /A.Menarini/ and Pharmstandard.

The leading drug brands in September 2007 are Arbidol, Teraflu and Viagra.

In September 2007 **Russian NS (nutritional supplements) pharmacy market volume** amounted to \$26 mln which is 11% higher than in previous month and 24.9% higher than in September 2006. At that in unit terms NS market volume amounted to 18 mln units (+18.4% to August 2007 and + 24.9% to September 2006).

The **weighted average cost per NS unit** amounted to 39.94 rubles (\$1.49).

TOP-10 NS manufacturers cover almost a half of the commercial market in September 2007 (48.29%). Also vitamin mineral complexes become more popular: Gerimax Energy and AlphaVIT.

Drug import volume amounted to \$640 mln in August 2007 (+8.1% to July 2007; +26.6% to August 2006). Berlin-Chemie /A.Menarini/ (4.8%) is the leading manufacturer by drug import volume in August 2007.

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I. Russian drugs commercial market in September 2007

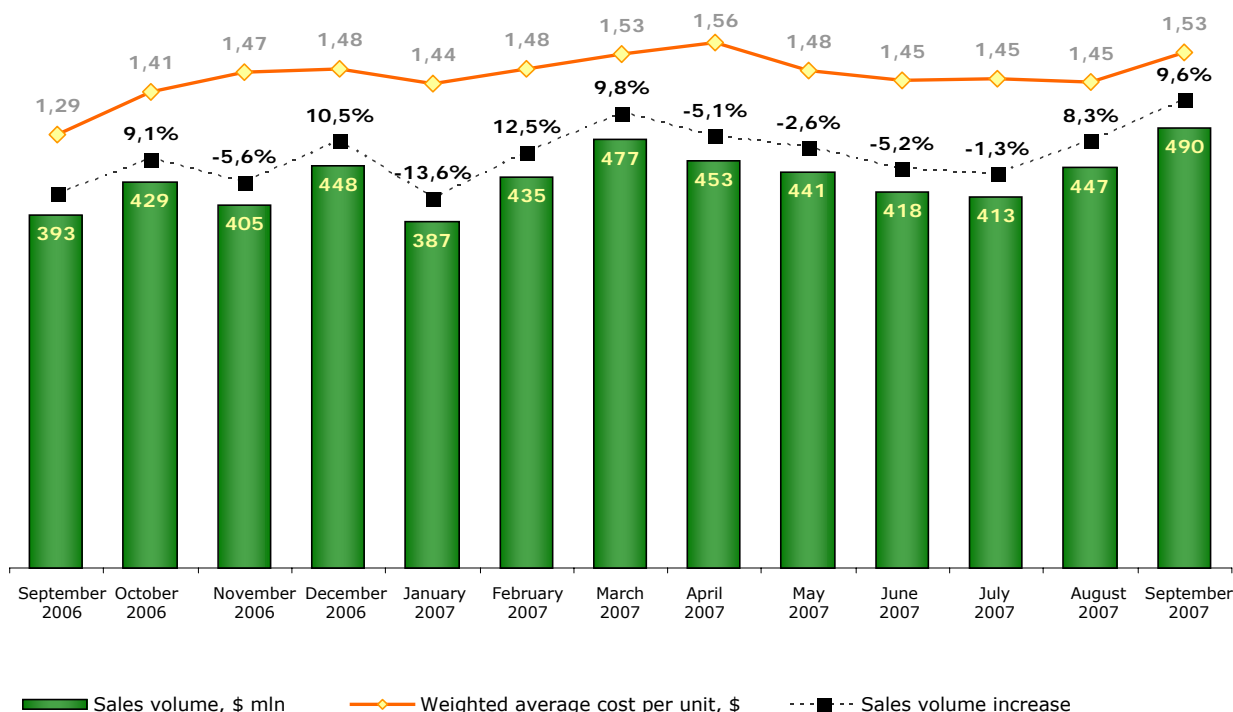
Commercial segment of the pharmaceutical market includes pharmacy sales of drugs and Parapharmaceuticals, exclusive of sales under Drugs Reimbursement Program.

1. Drugs commercial market value

Diagram 1 shows dynamics in Russian drugs commercial market volume of in wholesale prices for the period of September 2006 to September 2007.

Diagram 1

Drugs commercial market value in September 2006 – September 2007



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

According to DSM Group's retail audit data, drugs commercial market value amounted to \$3.956 billion (in pharmacies purchasing prices) for the period of January-September of 2007 which is 20.19% higher than that of 2006.

The figure amounted to \$1.350 billion for the III quarter of 2007 (+24.2% to the III quarter of 2006). At that in September the figure is \$490 mln (+24.5% to September 2006).

In rubles the growth in September is lower: +8.4% to August 2007 and + 18% to September 2006.

The weighted average cost per drug unit is 38.84 rbl. (\$1.53).

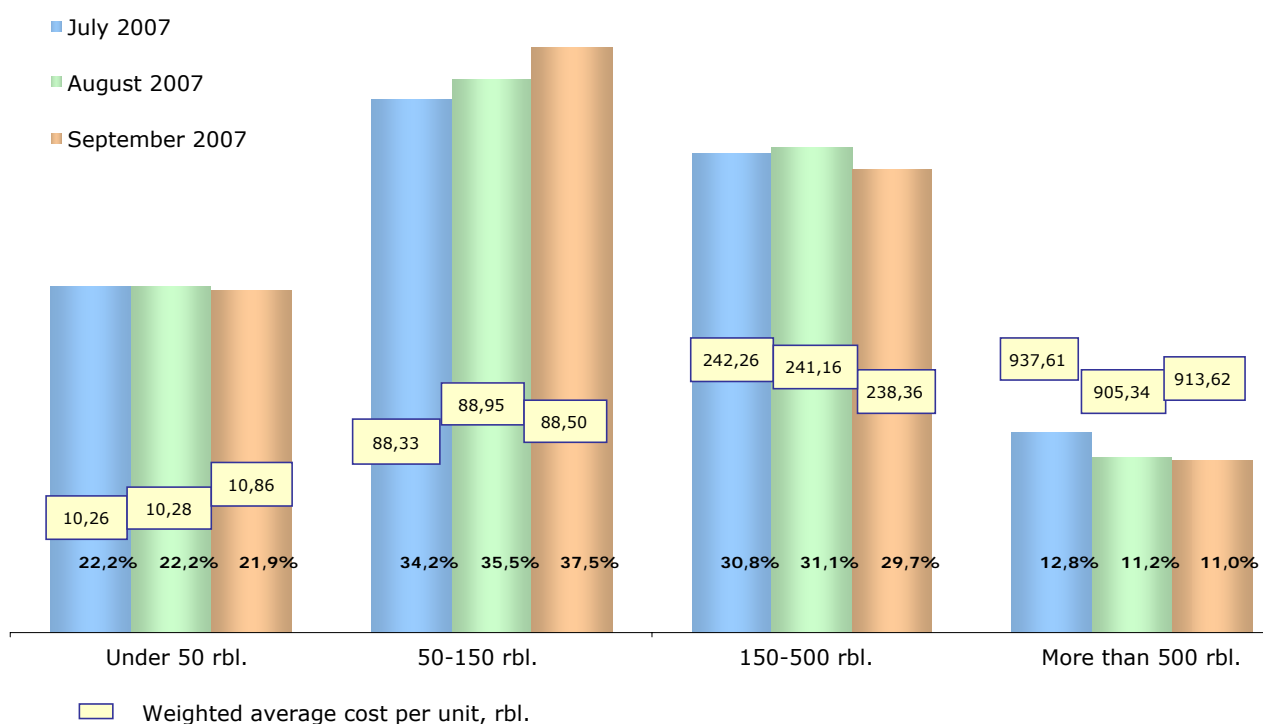
2. Structure of the Russian commercial market

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
(July, August, September 2007)**



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

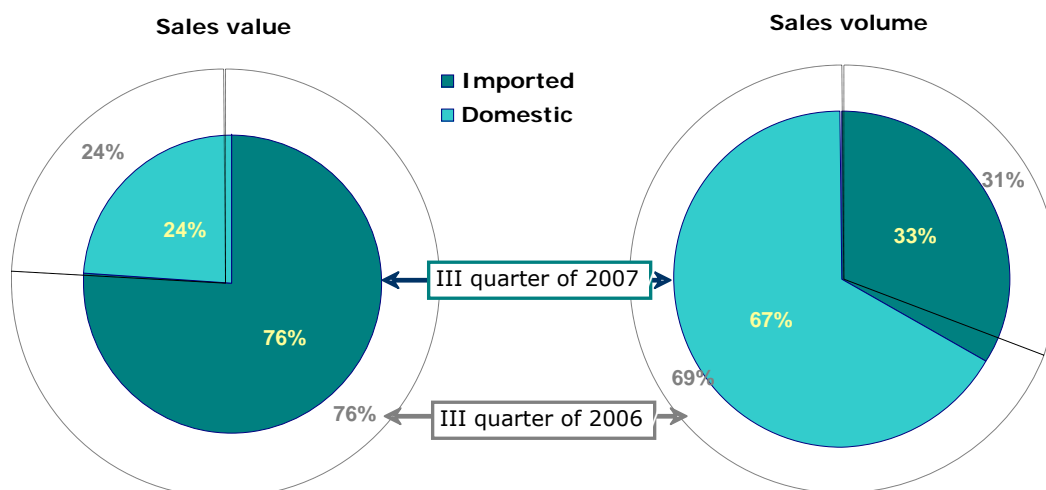
There were no any significant changes in price categories ratio during the III quarter 2007. Drugs priced at 50-150 rubles cover maximum share.

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 III 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 III quarter of 2007, the shares of domestic and imported drugs in value terms stayed the same as the year before: domestic drugs cover 24%, while imported ones – 76%.

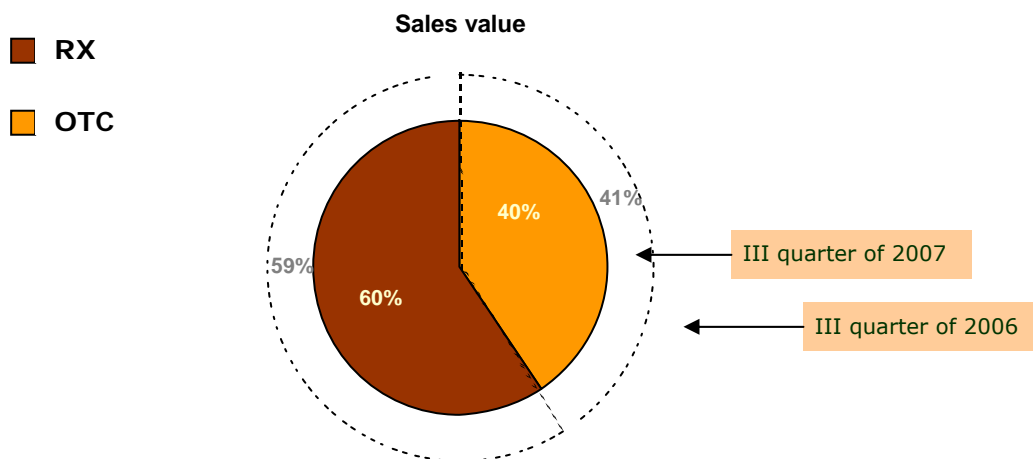
However in unit terms the share of domestic drugs increased by 2% in the III quarter of 2007 compared to that of 2006 and amounted to 33%.

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 III quarters of 2006 and 2007, %



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

Note. When calculating shares of Rx and OTC, drugs were distributed officially according to the OTC list. The fact that Rx drugs in pharmacies are often sold without prescription was disregarded.

In the III quarter of 2007, the share of Rx drugs increased by 1% in value terms and amounted to 60%.

2.4. Drug sales structure by ATC groups

Proportion of the 1st level ATC groups by pharmacy sales in Russia in August-September 2007 is shown in *Table 1*.

Table 1

**First level ATC groups ranking by share in pharmacy sales in Russia
in August-September 2007, %**

First level ATC-groups	Share in sales value, \$, %			Share in sales volume, units, %		
	August 2007	September 2007	Share change	August 2007	September 2007	Share change
A: Alimentary tract and metabolism	18,04%	17,63%	-0,42%	18,47%	18,04%	-0,43%
N: Nervous system drugs	13,36%	13,93%	0,57%	23,49%	22,23%	-1,26%
R: Respiratory system drugs	10,07%	12,48%	2,42%	10,75%	14,46%	3,71%
C: Cardiovascular system drugs	13,11%	11,26%	-1,85%	8,69%	7,82%	-0,87%
J: Antibacterials for systemic use	7,75%	8,06%	0,31%	5,46%	5,76%	0,29%
G: Genitourinary system drugs and sex hormones	8,05%	7,11%	-0,94%	1,69%	1,49%	-0,20%
M: Musculoskeletal system drugs	7,20%	6,72%	-0,49%	6,09%	6,16%	0,07%
[~] Without allocation (homeopathic preparations, plant and animal drugs, substances etc.)	4,41%	5,38%	0,97%	6,25%	6,67%	0,41%
D: Dermatologicals	6,37%	5,16%	-1,21%	12,26%	10,52%	-1,73%
L: Antineoplastic and immunomodulating agents	3,67%	5,04%	1,37%	0,69%	1,21%	0,52%
B: Agents affecting blood and blood forming organs	3,00%	2,79%	-0,21%	1,98%	1,82%	-0,16%
S: Agents affecting sensory organs	2,61%	2,31%	-0,30%	2,33%	2,08%	-0,25%
H: Systemic hormonal preparations (excluding sex hormones)	1,02%	0,91%	-0,10%	0,38%	0,37%	-0,01%
V: Various	0,72%	0,65%	-0,07%	0,85%	0,75%	-0,10%
P: Antiparasitic products, insecticides and repellents	0,61%	0,55%	-0,06%	0,62%	0,62%	-0,01%

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

In September 2007 the commercial market structure by ATC-groups changed insignificantly from August. The groups [R]: "Respiratory system drugs" and [L]: "Antineoplastic and immunomodulating agents" showed maximum share growth in total drugs sales.

Maximum share decrease is for the groups [C]: "Cardiovascular system drugs", [D]: "Dermatologicals" and [G]: "Genitourinary system drugs and sex hormones".

Proportion of the 1st level ATC groups by pharmacy sales in Russia in the III quarters of 2006 and 2007 is shown in *Table 2*.

Table 2

First level ATC groups ranking by share in pharmacy sales in Russia in the III quarters of 2006-2007, %

First level ATC-groups	Share in sales value, \$, %			Share in sales volume, units, %		
	III quart. of 2006	III quart. of 2007	Share change	III quart. of 2006	III quart. of 2007	Share change
A: Alimentary tract and metabolism	17,52%	17,66%	0,14%	18,78%	18,04%	-0,74%
N: Nervous system drugs	14,27%	13,57%	-0,70%	22,42%	22,84%	0,41%
C: Cardiovascular system drugs	12,00%	12,72%	0,72%	7,73%	8,55%	0,82%
R: Respiratory system drugs	10,34%	10,65%	0,31%	11,74%	11,87%	0,12%
G: Genitourinary system drugs and sex hormones	8,31%	7,84%	-0,46%	1,65%	1,63%	-0,02%
J: Antibacterials for systemic use	8,04%	7,74%	-0,30%	5,37%	5,53%	0,16%
M: Musculoskeletal system drugs	6,55%	7,12%	0,57%	4,80%	6,20%	1,40%
D: Dermatologicals	6,09%	6,04%	-0,05%	11,99%	11,97%	-0,02%
[~] Without allocation (homeopathic preparations, plant and animal drugs, substances etc.)	5,30%	4,75%	-0,55%	8,38%	6,49%	-1,89%
L: Antineoplastic and immunomodulating agents	3,86%	4,07%	0,21%	0,73%	0,83%	0,10%
B: Agents affecting blood and blood forming organs	2,96%	3,05%	0,09%	1,85%	1,98%	0,13%
S: Agents affecting sensory organs	2,32%	2,50%	0,18%	2,18%	2,25%	0,08%
H: Systemic hormonal preparations (excluding sex hormones)	1,04%	0,98%	-0,07%	0,35%	0,38%	0,03%
V: Various	0,89%	0,73%	-0,16%	1,50%	0,82%	-0,68%
P: Antiparasitic products, insecticides and repellents	0,52%	0,59%	0,06%	0,53%	0,62%	0,09%

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

There were no any significant changes in the market structure in the III quarter of 2007 compared to that of 2006.

Maximum share growth is for the groups [C]: "Cardiovascular system drugs" and [M]: "Musculoskeletal system drugs".

Maximum share decrease is for the groups [N]: "Nervous system drugs" and [~]: "Without allocation".

3. Leaders among drug manufacturers

More than 900 drug manufacturers were represented on the Russian pharmacy market in the III quarter of 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 August-September 2007**

Rating		Manufacturers	Share in sales value, \$, %		Share in sales volume, packs, %	
August 2007	September 2007		August 2007	September 2007	August 2007	September 2007
3	1	Pharmstandard	3,5%	4,4%	6,3%	6,2%
1	2	Sanofi-Aventis	4,6%	4,1%	1,6%	1,4%
2	3	Berlin-Chemie /A.Menarini/	3,6%	3,7%	1,7%	1,9%
8	4	Novartis	2,5%	3,2%	0,6%	1,1%
5	5	Nycomed	2,9%	3,0%	0,9%	1,1%
6	6	Pfizer International inc.	2,9%	2,8%	0,5%	0,6%
4	7	Gedeon Richter	3,2%	2,8%	1,1%	1,0%
7	8	Lek DD	2,8%	2,7%	1,0%	0,9%
9	9	Servier	2,5%	2,5%	0,4%	0,4%
10	10	Bayer Shering Pharma AG	2,4%	2,2%	0,5%	0,4%
Total share of TOP 10			-	30,23%	-	17,72%

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

Pharmstandard became the leader of September 2007 having grown by 38.3% since previous month. Novartis also showed good increase: +39.5%.

Sales of Sanofi-Aventis decreased by 2.2%, so its share in total commercial drug market decreased and amounted to 4.1%.

Gedeon Richter lost 3 positions in September 2007. Its sales showed maximum decrease among TOP-10 companies (-3.2%). This occurred due to decrease in sales of Postinor and Regulon.

TOP-10 manufacturers by sales volume are shown in *Table 4*.

Table 4

TOP 10 drug manufacturers by share in pharmacy sales in Russia in the III quarters of 2006-2007

Rating		Manufacturers	Share in sales value, \$, %		Share in sales volume, packs, %	
III quart. of 2006	III quart. of 2007		III quart. of 2006	III quart. of 2007	III quart. of 2006	III quart. of 2007
1	1	Sanofi-Aventis	4,5%	4,3%	1,6%	1,5%
2	2	Berlin-Chemie /A.Menarini/	3,7%	3,7%	1,7%	1,8%
3	3	Pharmstandard	3,4%	3,6%	7,9%	6,1%
5	4	Gedeon Richter	3,1%	3,1%	1,1%	1,1%
8	5	Nycomed	2,5%	3,0%	0,7%	1,0%
4	6	Pfizer International inc.	3,1%	2,8%	0,4%	0,5%
7	7	Novartis	2,6%	2,7%	0,7%	0,8%
9	8	Lek DD	2,5%	2,7%	1,0%	0,9%
6	9	Servier	2,8%	2,5%	0,4%	0,4%
-	10	Bayer Shering Pharma AG	-	2,4%	-	0,4%
Total share of TOP 10			28,2%	30,9%	15,6%	14,5%

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

A TOP-10 drug manufacturers of the III quarter of 2007 differs from the TOP-10 of September 2007. Because III quarter covers summer and autumn months, i.e. the period when seasonal diseases change.

The three leading companies are the same. Nycomed should be noted: it increased by 46.2% due to sales of Actovegin and Concor.

Lek DD increased by 33.4% and it is placed on the 8-th position.

4. Top sales products

TOP-20 drug brands by pharmacy sales volume in July-September 2007 are shown in *Table 5*.

Table 5

TOP-20 drug brands by sales volume in Russia in July-September 2007

Rating			Brands	Share in sales value, \$, %		
July 2007	August 2007	September 2007		July 2007	August 2007	September 2007
64	10	1	Arbidol	0,28%	0,59%	1,57%
72	25	2	Teraflu	0,27%	0,43%	1,11%
1	1	3	Viagra	1,09%	1,04%	0,89%
164	101	4	Oscilloccocinum	0,15%	0,21%	0,81%
5	2	5	Linex	0,71%	0,87%	0,80%
2	3	6	Actovegin	0,90%	0,82%	0,79%
4	5	7	Mezym Forte	0,72%	0,72%	0,73%
46	4	8	Essentiale	0,32%	0,77%	0,72%
94	52	9	Анаферон	0,22%	0,30%	0,70%
108	62	10	Coldrex	0,19%	0,28%	0,69%
18	17	11	Vitrum	0,52%	0,53%	0,68%
6	6	12	Pentalgin	0,71%	0,72%	0,66%
7	7	13	No-Spa	0,67%	0,68%	0,58%
8	9	14	Nurofen	0,61%	0,64%	0,57%
3	8	15	Enap	0,74%	0,65%	0,56%
11	12	16	Mexidol	0,56%	0,57%	0,52%
10	13	17	Preductal	0,57%	0,56%	0,51%
65	44	18	Hexoral	0,27%	0,33%	0,48%
14	15	19	Concor	0,56%	0,54%	0,47%
35	33	20	Viferon	0,36%	0,37%	0,46%
Total share of TOP 20				-	-	14,30%

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

Note. 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.

TOP-20 significantly changed from July to September 2007. Respiratory system drugs (such as Arbidol, Teraflu, Oscilloccocinum, Anaferon, Coldrex) are on high positions in September instead of summer situation.

TOP-20 drug brands by pharmacy sales volume in the III quarters of 2006-2007 are shown in Table 6.

Table 6

TOP-20 drug brands by sales volume in Russia in the III quarters of 2006-2007

Rating		Brands	Share in sales value, \$, %	
III quart. of 2006	III quart. of 2007		III quart. of 2006	III quart. of 2007
1	1	Viagra	1,13%	1,00%
9	2	Arbidol	0,62%	0,85%
3	3	Actovegin	0,86%	0,83%
15	4	Linex	0,52%	0,80%
4	5	Mezym Forte	0,72%	0,72%
11	6	Pentalgin	0,60%	0,69%
5	7	Enap	0,72%	0,64%
6	8	No-Spa	0,69%	0,64%
8	9	Teraflu	0,64%	0,63%
7	10	Essentiale	0,64%	0,61%
18	11	Nurofen	0,48%	0,61%
13	12	Vitrum	0,54%	0,58%
17	13	Mexidol	0,50%	0,55%
14	14	Preductal	0,52%	0,54%
27	15	Concor	0,39%	0,52%
20	16	Detralex	0,45%	0,51%
52	17	Movalis	0,32%	0,50%
12	18	Xenical	0,58%	0,48%
19	19	Terpinod	0,47%	0,48%
68	20	Capsicum (Cayenne)	0,26%	0,48%
Total share of TOP 20			12,67%	

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

Note. 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.

In the III quarter 2007 some brands strengthen their positions in comparison to the previous year. Arbidol is now on the 2nd position instead of 9th in the III quarter 2006 (sales increased by 71.6%). Maximum growth within TOP-20 drug brands is for Capsicum (Cayenne) (+124.3%), Movalis (+94.2%) and Linex (+90.2%).

5. Price index

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

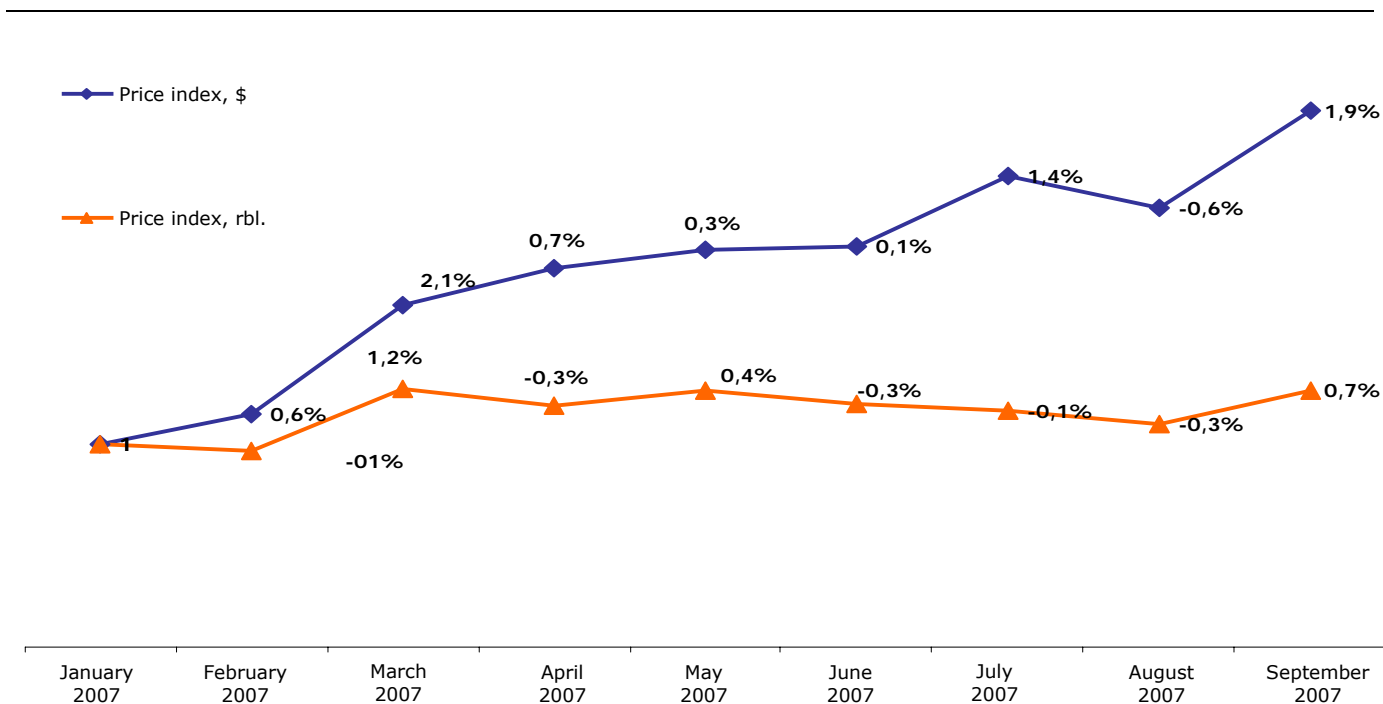
Laspeyres index is the ratio of two value aggregates of base-period quantities at current and base-period prices, where real sales volumes of basket of goods in the base period are used as weights. Ratio of drugs sales in 2006 was taken as a basket of goods. Using this method, seasonal influence on consumption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

Diagram 5

**Dynamics of drugs prices on commercial pharmacy market
in January-September 2007**



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

According to Laspeyres index, in September 2007, drug prices increased by 0.7% in rubles and by 1.9% in dollars compared to August 2007.

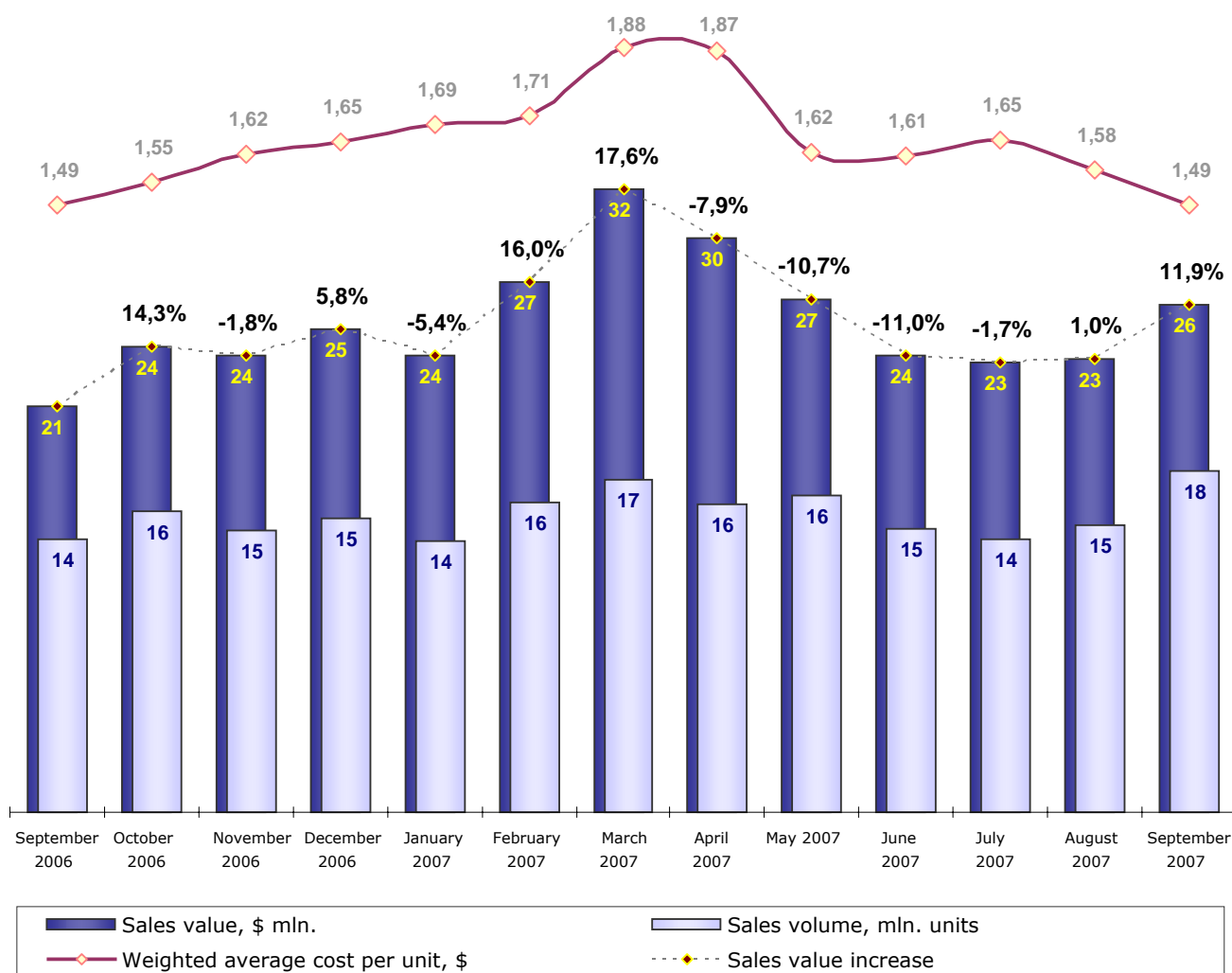
6. Nutritional Supplements

Nutritional supplements (NS) pharmacy market volume amounted to \$236.2 mln for the period of January-September 2007, which is 10.8% higher than the year before.

Diagram 6 presents the dynamics of NS commercial pharmacy market volume in September 2006 – September 2007.

Diagram 6

**Russian NS commercial pharmacy market
in September 2006 – September 2007**



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

In September 2007 Russian NS pharmacy market value amounted to \$26 mln which is 11.9% than in previous month and 24.9% higher than the year before. In unit terms NS market volume amounted to 18 mln units (+18.4% to August 2007; +24.9% to September 2006).

The weighted average cost per NS unit amounted to \$1.49 (39.94 rubles).

Table 7 shows NS manufacturers with largest pharmacy sales volume in July-September 2007.

Table 7

TOP 10 NS manufacturers by sales value in Russia in July-September 2007

Rating			Manufacturers	Share in sales value, \$,%			Share in sales volume, units,%		
July 2007	August 2007	September 2007		July 2007	August 2007	September 2007	July 2007	August 2007	September 2007
1	1	1	Evalar	16,68	15,77	14,65	9,58	9,04	7,80
2	2	2	Diod	11,56	10,67	8,57	5,56	5,10	4,10
4	3	3	Akva-MDT/Akvion	3,05	3,12	4,47	1,21	1,22	1,65
7	6	4	Ferrosan AG	2,69	2,82	3,69	0,39	0,42	0,54
9	9	5	Nycomed	2,41	2,61	3,31	0,58	0,65	0,72
6	5	6	Natur Produkt	2,73	2,97	3,26	4,33	4,44	4,93
3	4	7	Vis (RIA Panda)	3,12	3,10	2,83	0,38	0,40	0,34
8	7	8	PharmaMed	2,63	2,81	2,75	0,25	0,28	0,24
5	8	9	Ekomir	2,90	2,61	2,61	0,89	0,77	0,72
11	10	10	Farm-Pro	1,52	1,82	2,15	10,58	12,17	13,12
Total share of TOP 10:				48,29			34,13		

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

In September 2007, TOP-10 NS manufacturers cover almost a half of the commercial NS market (48.29%). Evalar and Diod have been the leaders. In spite of Diod's sales decrease (-10%), it saved its 2nd position.

Akvion, Ferrosan AG and Nycomed improved their positions.

Ecomir lost 4 positions from July to September 2007.

Table 8 shows NS manufacturers with largest pharmacy sales volume in the III quarters of 2006-2007.

Table 8

TOP 10 NS manufacturers by sales value in Russia in the III quarters of 2006-2007

Rating		Manufacturers	Share in sales value, \$,%		Share in sales volume, units,%	
III quart. of 2006	III quart. of 2007		III quart. of 2006	III quart. of 2007	III quart. of 2006	III quart. of 2007
2	1	Evalar	12,64%	15,66%	8,36%	8,73%
1	2	Diod	14,42%	10,20%	7,51%	4,86%
3	3	Akva-MDT/Akvion	3,95%	3,58%	1,79%	1,38%
6	4	Ferrosan AG	2,99%	3,09%	0,44%	0,46%
7	5	Vis (RIA Panda)	2,98%	3,01%	0,55%	0,37%
10	6	Natur Produkt	2,25%	3,00%	3,98%	4,59%
8	7	Nycomed	2,88%	2,80%	0,73%	0,66%
9	8	Pharma-med Inc	2,50%	2,73%	0,27%	0,25%
5	9	Ekomir	3,14%	2,70%	1,07%	0,79%
11	10	Farm-Pro	1,96%	1,84%	13,86%	12,05%
Total:			48,61%		34,13%	

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

In the III quarter of 2006, Diod was the leader of the TOP. This year it moved to the 2nd position having lost 14% in sales, whereas Evalar's sales increased by 50.7%.

The sales of Natur Produkt increased by 62.1% and it moved from 10th to 6th position.

Table 9 shows TOP 10 NS trade names by pharmacy sales volume in July-September 2007.

Table 9

TOP 10 NS trade names by sales value in Russia in the 1st halves of 2006 and 2007

Rating			Trade names	Manufacturers	Shares by sales value, \$, %		
July 2007	August 2007	September 2007			July 2007	August 2007	September 2007
1	1	1	Capilar	Diod	7,4%	6,0%	4,2%
3	4	2	Bilberry-Forte	Evalar	2,1%	2,0%	2,2%
5	2	3	Viardo	Diod	1,7%	2,2%	1,9%
2	3	4	Sealex	Vis (RIA Panda)	2,1%	2,1%	1,8%
4	5	5	Ovesol	Evalar	1,9%	1,9%	1,8%
8	6	6	Lactofiltrum	Sti-Meds Sorb	1,5%	1,7%	1,5%
6	8	7	Lutein Complex	Ekomir	1,6%	1,5%	1,5%
12	11	8	Gerimax Energy	Nycomed	1,1%	1,2%	1,4%
9	7	9	Indinol Cruciferae Extraction	Biomedinvest	1,5%	1,6%	1,3%
22	17	10	AlphaVIT	Akva-MDT/Akvion	0,8%	0,8%	1,2%
Total:					-	-	18,94%

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

Note. Whereas TOP 10 NS trade names list changes every month, the cumulative share of TOP 10 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 brandis Capilar by Diod. Viardo also increased its position.

In autumn vitamin mineral complexes become more popular, such as Gerimax Energy and AlphaVIT.

Table 10 shows TOP 10 NS trade names by pharmacy sales volume in the III quarters of 2006-2007.

Table 10

TOP 10 NS trade names by sales value in Russia in the III quarters of 2006-2007

Rating		Trade names	Manufacturers	Share in sales value, \$,%	
III quart. of 2006	III quart. of 2007			III quart. of 2006	III quart. of 2007
1	1	Capilar	Diod	8,4%	5,8%
4	2	Bilberry-Forte	Evalar	2,1%	2,1%
8	3	Sealex	Vis (RIA Panda)	1,4%	2,0%
2	4	Viardo	Diod	2,5%	2,0%
34	5	Ovesol	Evalar	0,6%	1,9%
9	6	Lactofiltrum	Sti-Meds Sorb	1,4%	1,6%
6	7	Lutein Complex	Ekomir	2,0%	1,5%
104	8	Indinol Cruciferae Extraction	Biomedinvest	0,2%	1,5%
3	9	Turboslim-Day	Evalar	2,2%	1,3%
11	10	Gerimax Energy	Nycomed	1,1%	1,2%
Total:				-	20,87%

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

Note. Whereas TOP 10 NS trade names list changes every month, the cumulative share of TOP 10 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 most significant changes in the TOP of the III quarter of 2007 compared to that of 2006 is appearing of Indinol Cruciferae Extraction on the 8th position and Ovesol on the 5th position.

Capilar lost 16.2% in sales but it stayed the leader of the TOP.

II. Import

In August 2007, drug import volume in Russia amounted to \$ 640 mln (in customs prices¹), which is 8.1% higher than in July 2007 26.6% higher than in August 2006.

In total period of January-August drug import volume amounted to \$3.945 billion (+1.5% to the previous year).

Table 11 shows the shares for different groups of drug importers in Russia by import volume in July-August 2007.

Table 11

Shares in import value of different groups of drug importers in Russia in July-August 2007

Rating	Importers	Shares by import value, %	
		July 2007	August 2007
1.	Distributor companies	51,5%	44,4%
2.	Representatives of foreign companies	35,9%	45,0%
3.	Direct import companies	12,2%	9,9%
4.	Domestic drug manufacturers	0,4%	0,7%
	Total:	100%	100%
	Import value, \$ mln	593	640

Source: Diamond Vision

In August 2007, the groups "Distributor companies" (44.4%) and "Representatives of foreign companies" (45%) together cover almost 90% of the drug import in Russia.

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

Table 12 shows TOP-10 distributors by drug import volume in Russia in July-August 2007.

Table 12

TOP 20 distributors by drug import value in Russia in July-August 2007

Rating	Distributors	Shares by import value of the group "Distributor companies"	
		July 2007	August 2007
1	SIA International	19,58%	24,13%
2	CV "Protek"	25,85%	22,24%
3	Rosta	7,02%	8,86%
4	Genezis	4,27%	6,60%
5	Mench-M	1,82%	1,83%
6	Shreya Corp.	1,69%	1,72%
7	Moron Biotek	2,45%	1,70%
8	Evroservis	0,64%	1,46%
9	Apteka-Holding	5,48%	1,45%
10	R-Farm	4,28%	1,38%

Source: Diamond Vision

SIA International and Protek stayed the leaders by drug import in the group "Distributor companies". However, both companies showed sales volume decrease.

Evroservis showed maximum sales growth among distributors (+109.7%) and its share increased almost twice. Genexis also increased significantly.

Maximum sales decrease is shown for Apteka-Holding (-75.5%) and R-Farm (-70.3%).

Table 13 shows TOP 10 drug manufacturers by drug import value in Russia with regard to all groups of importers in July-August 2007.

Table 13

TOP 10 drug manufacturers by drug import value in Russia with regard to all groups of importers in July-August 2007

Rating	Manufacturers	Shares by drug import volume, %
August 2007		
1	Berlin-Chemie /A.Menarini/	4,8%
2	Novartis	4,3%
3	Sanofi-Aventis	4,2%
4	Gedeon Richter	4,1%
5	F.Hoffmann-La Roshe	3,9%
6	Glaxosmithkline	3,5%
7	Pfizer International inc.	3,4%
8	Bayer Schering Pharma AG	3,2%
9	Novo Nordisk	3,2%
10	AstraZeneca	2,9%
Total:		37,6%

Source: Diamond Vision

Note. Whereas TOP 10 drug manufacturers list changes every month, the cumulative share of TOP 10 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.

Berlin-Chemie /A.Menarini/ with its share of 4.8% became the leader of August 2007.

All manufacturers from the TOP-10 cover 37.6% of total drug import volume in Russia.

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 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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