

DECEMBER 28, 2011, MOSCOW

**OJSC "VEROPHARM" ANNOUNCES FINANCIAL RESULTS FOR THE FIRST NINE MONTHS AND THE 3<sup>RD</sup> QUARTER OF 2011 YEAR (UNAUDITED)**

DECEMBER 28, 2011, MOSCOW – OJSC “VEROPHARM” [RTS:VRPH, MICEX:VFRM] announces its unaudited financial results for the first nine months and the third quarter of 2011 in accordance with the International Financial Reporting Standards (IFRS).

**SALES**

- ✓ **RUR 4,534.1 million** - sales of Veropharm’s finished goods in the nine months of 2011, up 15.3% as compared to the nine months of 2010; <sup>[1]</sup>
- ✓ **RUR 4,381.7 million** - sales in the domestic market was 3.4% of the total Company's sales for the nine months of 2011;
- ✓ **RUR 102.7 million** - Veropharm sales as part of the Federal Reimbursement Program (FRP) accounted for 2.3% of the Company's sales during nine months of 2011.

*in millions of rubles*

	3Q 2011	3Q 2010	growth, %	9M 2011	9M 2010	growth, %
<b>Group of pharmaceutical products</b>	<b>1 189,9</b>	<b>1 087,0</b>	9,5%	<b>3 785,6</b>	<b>3 295,5</b>	14,9%
<i>The share of total sales</i>	86,3%	86,2%		83,5%	83,8%	
<i>including:</i>						
<i>Rx drugs</i>	995,0	879,3	13,2%	3 184,4	2 760,3	15,4%
<i>Traditional drugs</i>	8,8	7,4	18,9%	22,5	38,0	-40,8%
<i>OTC drugs</i>	186,1	200,3	-7,1%	578,7	497,2	16,4%
<b>Group of non-pharmaceutical products</b>	<b>189,4</b>	<b>173,8</b>	9,0%	<b>748,5</b>	<b>638,5</b>	17,2%
<i>including:</i>						
<i>Adhesive bandages and cosmetic products</i>	189,4	173,8	9,0%	748,5	638,5	17,2%
<i>The share of total sales</i>	13,7%	13,8%		16,5%	16,2%	
<b>Total</b>	<b>1 379,3</b>	<b>1 260,8</b>	9,4%	<b>4 534,1</b>	<b>3 934,0</b>	15,3%



**Pharmaceutical products** sales amounted to RUR 3,785.6 million in 9M 2011, a 14.9% increase in comparison with 9M 2010. Sales in the third quarter of 2011 compared to third quarter 2010 grew by 9.5% and amounted to RUR 1,189.9 million, including:

- Rx drugs sales amounted to RUR 3,184.4 million in 9M 2011, a 15,4% increase in comparison with 9M 2010. The Rx drugs sales accounted for 70,2% of total finished goods sales.
- In 9M 2011 traditional drug sales amounted to RUR 22.5 million and made up 0,5% of total finished goods sales.
- OTC drugs sales amounted to RUR 578.7 million in 9M 2011, a 16,4% increase in comparison with 9M 2010. The share of OTC drugs sales accounted for 12,8% of total finished goods sales.

**Non-pharmaceutical products** (adhesive bandages and cosmetic products) sales came to RUR 748.5 million, a 17,2% increase in comparison with 9M 2010. The share of adhesive bandages and cosmetic products in total finished goods sales of the Company was 16,5%. 9.0% increase in comparison with 3Q 2010.

## KEY FINANCIAL INDICATORS FOR THE FIRST NINE MONTHS AND THIRD QUARTER OF 2011

*in millions of rubles*

	3Q 2011	3Q 2010	growth, %	9M 2011	9M 2010	growth, %
Revenue	1 379,3	1 260,8	9,4%	4 534,1	3 934,0	15,3%
Operating profit	233,8	191,5	22,1%	1 232,6	1 047,8	17,6%
<i>Operating profit margin</i>	16,9%	15,2%	11,6%	27,2%	26,6%	2,1%
EBITDA	265,8	222,1	19,7%	1 338,1	1 139,8	17,4%
<i>EBITDA margin</i>	19,3%	17,6%	9,4%	29,5%	29,0%	1,9%
Net profit	276,9	104,3	165,5%	1 158,0	833,6	38,9%
<i>Net profit margin</i>	20,1%	8,3%	142,7%	25,5%	21,2%	20,5%

- ✓ Core operating profit during nine months of 2011 amounted to **RUR 1,232.6 million**, in the line with increase in revenues and up to **17.6%**.

*Operating margin for the nine months increased by 2,1%.*

- ✓ EBITDA for the nine months of 2011 was **RUR 1,338.1 million**, a **17,4%** increase in comparison with the same period in 2010.

*EBITDA margin was up to 1,9%.*

- ✓ Net profit for the nine months of 2011 was **RUR 1,158.0 million**, a **38,9%** increase.

*Net profit margin increased by 20,5% compared to the nine months of 2010.*



## DEBT

At the end of 9M 2011 Veropharm's debt came to RUR 979.1 million, that represents less than 20% of net assets.

## EQUITY

The Veropharm general shareholders meeting has decided to allocate RUR 190 million of 2010 dividends.

[1] – % as percentage of finished goods sales

For further information please call OJSC "Veropharm":

**Maksutova Nadiya,**  
Chief Financial Officer

[maksutova.nadiya@veropharm.ru](mailto:maksutova.nadiya@veropharm.ru)  
tel. (+7495) 792 53 30

Or web-site of the Company

[www.veropharm.ru](http://www.veropharm.ru)

### Notes to the Editor:

VEROPHARM is one of the largest Russian pharmaceutical producers.

Shares of the Company are listed on RTS (ticker: VRPH) and are also traded at MICEX (ticker: VFRM). Market capitalization as of September 30, 2011 totaled \$285 million (according to RTS).

The charter capital of the Company totals 10 million ordinary shares. VEROPHARM is the market leader in Russia for production of plasters and oncological medicines. The Company's production facilities comprise 3 pharmaceutical plants in Belgorod, Voronezh and Pokrov. The Company's product portfolio includes more than 300 items. VEROPHARM employs more than 2,000 people.

In the annual study conducted by the portal SuperJob.ru among 290,000 Russian companies VEROPHARM recognized as one of the most attractive employers in the labor market and become "Attractive employer-2010".

According to IMS Health as of the first nine months of 2011 Veropharm ranked 4th among Russian pharmaceutical producers in production volume terms.

In 9M 2011 compared to the same period last year, ranking in the "Manufacturers of medicines in the hospital segment" in the commercial market and the hospital supplies in Russia among all producers in terms of money VEROPHARM moved to 10th position (based on nine months of 2010, VEROPHARM took 19th position).

According to IMS Health, as of the first nine months of 2011 compared to 2010 Veropharm ranked 6th position in overall ranking of oncology drugs producers. As far as oncology drug producers ranking in pack terms concerned, Veropharm maintained its leading position.

---

THIS DOCUMENT IS NOT AN ADVERTISEMENT OF SECURITIES IN THE RUSSIAN FEDERATION, AND IS NOT AN OFFER TO SELL, OR AN INVITATION TO MAKE OFFERS TO PURCHASE, ANY SECURITIES IN THE RUSSIAN FEDERATION.

NOT FOR RELEASE, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN.

This document may include statements that are "forward-looking statements", including future operating results of the Company. These forward-looking statements involve risk and uncertainty regarding implementation of future activities. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements. The Company undertakes no obligation to change these statements to reflect actual results.

This document does not contain a public offer to purchase securities in the US. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to US persons.

This communication is being distributed only to and is directed only at (a) persons outside the United Kingdom, (b) persons who have professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (c) high net worth companies, unincorporated associations and other bodies to whom it may otherwise lawfully be communicated in accordance with Article 49 of the Order (all such persons together being referred to as "relevant persons"). The securities are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be available only to or will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.