



PRELIMINARY UNAUDITED IFRS RESULTS FOR THE 1ST QUARTER 2010

SALES

In 1Q 2010 sales of Veropharm's finished goods have increased by 5.5% compared to the same period in 2009, reaching RUR 962.9 million. ^[1]

- Rx drugs sales amounted to RUR 597.6 million in 1Q 2010, a 4.5% increase in comparison with 1Q 2009. The Rx drugs sales accounted for 62% of total sales. ^[2]
- Adhesive bandages sales came to RUR 196.5 million in 1Q 2010, a 3.0% increase as compared to 1Q 2009. The share of adhesive bandages in total sales was 21%.
- OTC drugs sales amounted to RUR 155.9 million in 1Q 2010, a 52.3% increase in comparison with 1Q 2009, their share in total sales increased to 16%.
- In 1Q 2010 traditional drug sales stood at RUR 12.9 million, which represents 73.0% decrease as compared to 1Q 2009, and made up 1% of total sales.

Veropharm sales as part of the Federal Reimbursement Program (FRP) came to RUR 55.5 million in 1Q 2010, accounting for 6% of the Company's sales. By the results of 1Q 2009, FRP sales were RUR 17.5 million, or 2% of the Company's total sales. ^[2] Sales of Sypresta (Mycophenolate mofetil) and Geptor (Ademetionine) through FRP accounted for 83% of the Veropharm total FRP sales in 1Q 2010.

In 1Q 2010 sales within the Russian Federation accounted for 96% of the Company's sales. In 2010 exports accounted for 4% of the Company's total finished goods sales compared to 2% in 1Q 2009.

RX DRUGS SEGMENT

Total sales of the five most popular prescription drugs by the results of 1Q 2010 amounted to RUR 243.1 million, or 41% of sales in the prescription drugs segment and 25% of the Company's total finished goods sales.

The five top-selling Rx drugs in 1Q 2010 results include:

- Gemcitover (Gemcitabine; ATC ^[3] "Antineoplastic and immunomodulating agents"); the drug was launched in 3Q 2009; in 1Q 2010 sales RUR 61.7 million; 10% of sales in the prescription drugs segment;
- Paclitaxel-LENS (Paclitaxel; ATC "Antineoplastic and immunomodulating agents"); in 1Q 2010 sales RUR 51.8 million; 9% of sales in the prescription drugs segment;
- Geptor (Ademetionine; ATC "Digestive tract and metabolism"); in 1Q 2010 sales RUR 47.1 million; 8% of sales in the prescription drugs segment;
- Taytax (Docetaxel, ATC "Antineoplastic and immunomodulating agents"); in 1Q 2010 sales RUR 43.9 million; 7% of sales in the prescription drugs segment;



- Bilumid (Bycalutamid, ATC “Antineoplastic and immunomodulating agents”); in 1Q 2010 sales RUR 38.5 million; 7% of sales in the prescription drugs segment.

ADHESIVE BANDAGES SEGMENT

In 1Q 2010 segment of Adhesive bandages had the following structure:

- Conventional reel and bacterial adhesive bandages; 55% of sales in the adhesive bandages segment in 1Q 2010 (as compared with 47% in 1Q 2009);
- Therapeutic patches (capsicum and corn plasters), 30% of sales in the adhesive bandages segment in 1Q 2010 (as compared with 36% in 1Q 2009);
- Individual use branded patches (“Uniplast” and “Smart”); 15% of sales in the adhesive bandages segment in 1Q 2010 (as compared with 17% in 1Q 2009).

OTC DRUGS SEGMENT

Total sales of five products in the OTC drugs segment amounted to 98% sales of segment in 1Q 2010:

- Xilen (Xylometazoline; ATC “Respiratory system”); in 1Q 2010 sales RUR 69.8 million; 45% of sales in the OTC drugs segment;
- Slabilen (Sodium picosulfate; ATC “Alimentary tract and metabolism”); in 1Q 2010 sales RUR 41.9 million; 27% of sales in the OTC drugs segment;
- Motilak (Domperidone; ATC “Alimentary tract and metabolism”); in 1Q 2010 sales RUR 26.7 million; 19% of sales in the OTC drugs segment;
- Veromistine Daily, Silver, Flores (Cosmetics); in 1Q 2010 sales RUR 5.7 million; 4% of sales in the OTC drugs segment;
- Ginecotex vaginal tablets (Benzalkonium chloride; ATC «Drugs for the treatment of urogenital organs »); in 1Q 2010 sales RUR 5.3 million; 3% of sales in the OTC drugs segment.

TRADITIONAL DRUGS SEGMENT

The traditional drugs segment shows decreasing sales trend as stipulated by the market conditions and is fully expected by the Company.

Total sales of the five most popular traditional drugs by the results of 1Q 2010 amounted to RUR 12.9 million, or 89% of sales in the traditional drugs segment.

The five top-selling traditional drugs in 1Q 2010 results include:

- Pyridoxine hydrochloride (Pyridoxine; ATC “Alimentary tract and metabolism”); in 1Q 2010 sales RUR 6.2 million; 48% of sales in the traditional drugs segment;
- Vero-Dexamethasone (Dexamethasone; ATC “Hormonal drugs”); in 1Q 2010 sales RUR 2.8 million; 22% of sales in the traditional drugs segment;
- Vero-Ciprofloxacin (Ciprofloxacin; ATC “General anti-infectives systemic”); in 1Q 2010 sales RUR 1.1 million; 9% of sales in the traditional drugs segment;



- Fluconazole (Fluconazole; ATC “Antimicrobial drugs”); in 1Q 2010 sales RUR 0.7 million; 5% of sales in the traditional drugs segment;
- Acetylsalicylic acid (Acetylsalicylic acid; ATC “Central nervous system”); in 1Q 2010 sales RUR 0.6 million; 5% of sales in the traditional drugs segment.

NEW DRUGS PRODUCTION AND SALES

During 1Q 2010 Veropharm launched production and sales of the following new drugs:

- Sypresta (Mycophenolate mofetil; ATC «Antineoplastic and immunomodulating agents»); sales RUR 29.4 million;
- Veromistin Silver (Myramistin; Remedy for intimate hygiene); sales RUR 2.4 million;
- Veromistin Daily (Myramistin; Remedy for hygienic treatment of the skin of hands and feet); sales RUR 1.7 million;
- Veromistin Flores (Myramistin; Remedy for oral hygiene); sales RUR 1.6 million.

NEW DRUGS REGISTRATION

In 1Q 2010 Veropharm received registration for the new drugs by ATC-group:

- Antineoplastic and immunomodulating agents – 1 product;
- Hormonal drugs - 1 product.

Additionally, 11 drugs are currently at different stages of the registration process.

DEBT

As of the end of 1Q 2010 Veropharm’s debt amounted to RUR 1 026.5 million, that represents less than 20% of net assets.

^[1] according to unaudited management accounts of OJSC “Veropharm”

^[2] % — percent of finished goods sales

^[3] ATC — anatomico-therapeutic-chemical group

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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 May 24, 2010 totaled \$350 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 about 2,000 people.

According to CMR "Pharmexpert", as of the end of 2009 Veropharm ranked 5th position among Russian pharmaceutical producers in production volume terms.

According to IMS Health, as of the end of 1Q2010 compared to 1Q2009 Veropharm ranked 6th position in overall ranking of Russian pharmaceutical market in sales volume.

According to IMS Health, as of the end of 1Q2010 compared to 1Q 2010 Veropharm moved from 7th to 6^d position in overall ranking of oncology drugs producers. As far as oncology drug producers ranking in pack terms concerned, Veropharm maintained its leading position.

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