



PRESS-RELEASE

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**OJSC “VEROPHARM” ANNOUNCES PRELIMINARY RESULTS
FOR THE FIRST HALF OF 2009 YEAR**

JULY 29, 2009, MOSCOW – OJSC «VEROPHARM» [RTS:VRPH, MICEX:VFRM] announces preliminary data and operational performance indicators for the second quarter and the first half of 2009 year according to the management accounting.

SALES

- In H1 2009 sales of Veropharm’s finished goods decreased by 14% compared to the same period in 2008, reaching USD 74.3 million (in RUR sales increased by 19% amounted to 2 457.8 million). ^[1]

- Rx drugs sales amounted to USD 51.5 million in H1 2009, a 9% decrease in comparison with H1 2008 (in RUR sales totaled 1 701.6 million, a 27% increase compared to the same period in 2008).. The Rx drugs sales accounted for 69% of total finished goods sales. ^[2]
- In H1 2009 traditional drug sales amounted to USD 1.9 million, which represents 70% decrease as compared to H1 2008 (in RUR sales totaled 62.7 million, a 58 % decrease compared to the same period in 2008), and made up 3% of total finished goods sales.
- Adhesive bandages sales came to USD 13.0 million in H1 2009, a 22% decrease as compared to H1 2008 (in RUR sales totaled 430.3 million, a 8% increase compared to the same period in 2008).. The share of adhesive bandages in total finished goods sales was 18%.
- OTC drugs sales amounted to USD 7.9 million in H1 2009, a 13% increase in comparison with H1 2008 (in RUR sales totaled 263.2 million, a 56% increase compared to the same period in 2008). The share of OTC drugs makes 10% of total finished goods sales.

- Veropharm sales as part of the Federal Reimbursement Program (FRP) came to USD 2.2 million in H1 2009, accounting for 2.9% of the Company’s total finished goods sales. ^[2] By the results of H1 2008, FRP sales were USD 3.3 million, or 3.8% of the Company’s total finished goods sales.

- Sales within the Russian Federation accounted for 98% of the Company’s total finished goods sales in H1 2009.



RX DRUGS SEGMENT

- Total sales of the five most popular prescription drugs by the results of H1 2009 amounted to USD 20.8 million (RUR 686.6 million), or 40% of sales in the prescription drugs segment and 28% of the Company's total finished goods sales.

The five top-selling Rx drugs in H1 2008 results include:

- Paclitaxel-LENS (Paclitaxel; ATC ^[3] «Antineoplastic and immunomodulating agents»); 12% of sales in the prescription drugs segment;
- Irunine (Itraconazole; ATC «General anti-infectives systemic»); 11% of sales in the prescription drugs segment;
- Bilumid (Bycalutamid; ATC «Antineoplastic and immunomodulating agents»); 8% of sales in the prescription drugs segment;
- Tautax (Docetaxel; ATC «Central nervous system»); 5% of sales in the prescription drugs segment;
- Iriten (Irinotecan; ATC «Antineoplastic and immunomodulating agents»); 4% of sales in the prescription drugs segment.

TRADITIONAL DRUGS SEGMENT

- Total sales of the five most popular traditional drugs by the results of H1 2009 amounted to USD 1.3 million (RUR 44.5 million), or 71% of sales in the traditional drugs segment and 2% of the Company's total finished goods sales.

The five top-selling traditional drugs in H1 2009 results include:

- Pyridoxine hydrochloride (Pyridoxine; ATC «Alimentary tract and metabolism»); 25% of sales in the traditional drugs segment;
- Magnesium sulfate; ATC «Agents affecting blood and blood forming organs»;
- Vero-Dexamethasone (Dexamethasone; ATC «Hormonal drugs»); 12% of sales in the traditional drugs segment;
- Riboxin (Inosine; ATC «Various»); 8% of sales in the traditional drugs segment;
- Vero-Ciprofloxacin (Ciprofloxacin; ATC «Respiratory system»); 7% of sales in the traditional drugs segment.



ADHESIVE BANDAGES SEGMENT

- In H1 2009 observed the following changes in the segment of adhesive bandages:

- Conventional reel and bacterial adhesive bandages; 53% of sales in the adhesive bandages segment in 1H 2009 (as compared with 50% in 1H 2008);
- Therapeutic patches (capsicum and corn plasters), 29% of sales in the adhesive bandages segment in 1H 2009 (as compared with 31% in 1H 2008);
- Individual use branded patches ("Uniplast" and "S mart"); 18% of sales in the adhesive bandages segment in 1H 2009 (as compared with 19% in 1H 2008).

OTC DRUGS SEGMENT

The following drugs made 13% y-o-y sales growth in OTC drugs segment in 1H 2009:

- Xilen (Xylometazoline; ATC «Respiratory system»); 36% of sales in the OTC drugs segment;
- Motilak (Domperidone; ATC «Alimentary tract and metabolism»); 26% of sales in the OTC drugs segment;
- Slabilen (Sodium picosulfate; ATC «Alimentary tract and metabolism»); 26% of sales in the OTC drugs segment;
- Vitasharm and Vitatress (ATC «Vitamins»); 10% of sales in the OTC drugs segment;
- Poludan nasal (Polyadenilic acid + Polyuridilic acid; ATC «drugs for the treatment of sensory»); 1% of sales in the OTC drugs segment.

NEW DRUGS PRODUCTION AND SALES

During H1 2009 Veropharm launched production and sales of the following new drugs:

- Betaver (Betahistine; ATC «Central nervous system»), new drug formulation - tablets;
- Vero- Spironolactone (Spironolactone; ATC «Cardiovascular system»).



NEW DRUGS REGISTRATION

In H1 2009, Veropharm received registration for the new drugs:

- Meropenem (Meropenem, ATC «General anti-infective s systemic»);
- Ekostimulin (Human Chorionic Gonadotrophin; ATC «Genito-urinary system and hormones»);
- Topiramax (Topiramate; ATC «Central nervou s system»).

Additionally, 19 more drugs are currently at different stages of the registration process.

DEBT

As of the end of H1 2009 Veropharm's debt amounted to USD 25.9 million, that represents less than 25% of net assets.

[1] according to unaudited management accounts of OJSC "Veropharm"

[2] % - percent of finished goods sales

[3] ATC – anatomico-therapeutico-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 July 28, 2009 totaled \$220 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 400 items. VEROPHARM employs over 2,000 people.

According to CMR "Pharmexpert", as of the end of 1 quarter 2009 Veropharm ranked 4th among Russian pharmaceutical producers in production volume terms.

According to IMS Health, as of the end of 1 quarter 2009 compared to 1 quarters 2008 Veropharm moved from 4th to 3th position in overall ranking of pharmaceutical market.

According to IMS Health, as of the end of 1 quarter 2009 Veropharm ranked 8th 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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