



PRESS-RELEASE

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**OJSC “VEROPHARM” ANNOUNCES PRELIMINARY RESULTS  
FOR THE FIRST HALF OF 2010 YEAR**

AUGUST 30, 2010, MOSCOW – OJSC «VEROPHARM» [RTS:VRPH, MICEX:VFRM] announces preliminary data and operational performance indicators for the second quarter and the first half of 2010 year according to the management accounting.

**SALES**

- In H1 2010 sales of Veropharm’s finished goods increased by 16% compared to the same period in 2009, reaching RUR 2,673.2 million. <sup>[1]</sup> Sales of finished goods in the second quarter of 2010 compared to the same period last year increased by 23%.

- Rx drugs sales amounted to RUR 1,881.0 million in H1 2010, a 18% increase in comparison with H1 2009. The Rx drugs sales accounted for 70% of total finished goods sales. <sup>[2]</sup>
- Adhesive bandages sales came to RUR 457.7 million in H1 2010, a 6% increase as compared to H1 2009. The share of adhesive bandages in total finished goods sales was 17%.
- OTC drugs sales amounted to RUR 303.9 million in H1 2010, a 44% increase in comparison with H1 2009. The share of OTC drugs increased to 12% against 9% in the first half of 2009.
- In H1 2010 traditional drug sales amounted to RUR 30.6 million, which represents 51% decrease as compared to H1 2009, and made up 1% of total finished goods sales.

- Veropharm sales as part of the Federal Reimbursement Program (FRP) came to RUR 105.9 million in H1 2010, accounting for 4.0% of the Company’s total finished goods sales. <sup>[2]</sup> By the results of H1 2009, FRP sales were RUR 35.7 million, or 1.6% of the Company’s total finished goods sales.

- Sales within the Russian Federation accounted for 98.5% of the Company’s total finished goods sales in H1 2010. In H12010 exports accounted for 1.5% of the Company’s total finished goods sales compared to 2.3% in H1 2009.

## **RX DRUGS SEGMENT**

Total sales of the five most popular prescription drugs by the results of H1 2010 amounted to RUR 642.3 million, or 34% of sales in the prescription drugs segment and 24% of the Company's total finished goods sales.

The five top-selling Rx drugs in H1 2010 results include:

- Cerepro (Holina Alfostserate, ATC [3] «Central nervous system»); 9% of sales in the prescription drugs segment;
- Irunine (Itraconazole; ATC «Antiinfectives for systemic use»); 7% of sales in the prescription drugs segment;
- Tautax (Docetaxel; ATC «Antineoplastic and immunomodulating agents»); 6% of sales in the prescription drugs segment;
- Paclitaxel-LENS (Paclitaxel; ATC «Antineoplastic and immunomodulating agents»); 6% of sales in the prescription drugs segment;
- Bilumid (Bycalutamid; ATC «Antineoplastic and immunomodulating agents»); 6% of sales in the prescription drugs segment.

## **ADHESIVE BANDAGES SEGMENT**

In H1 2010 observed the following changes in the segment of adhesive bandages:

- Conventional bacterial adhesive bandages; 48% of sales in the adhesive bandages segment in 1H 2010 (as compared with 41% in 1H 2009);
- Conventional reel adhesive bandages; share of sales remained at the level of the first half of 2009 and amounted to 30%;
- Therapeutic patches - corn plasters, 14% of sales in the adhesive bandages segment in 1H 2010 (as compared with 13% in 1H 2009);
- Therapeutic patches - pepper plasters, 8% of sales in the adhesive bandages segment in 1H 2010 (as compared with 16% in 1H 2009).

## **OTC DRUGS SEGMENT**

The following drugs made 44% y-o-y sales growth in OTC drugs segment in 1H 2010:

- Xilen (Xylometazoline; ATC «Respiratory system»); 48% of sales in the OTC drugs segment;
- Slabilen (Sodium picosulfate; ATC «Alimentary tract and metabolism»); 29% of sales in the OTC drugs segment;
- Motilak (Domperidone; ATC «Alimentary tract and metabolism»); 16% of sales in the OTC drugs segment;



- Ginecotex vaginal tablets (Benzalkonium chloride; ATC «Urinary system&sex hormone»); 2% of sales in the OTC drugs segment;
- Veromistine (Benzyldimethyl-myristoikamino-propylammonium monohydrate; ATC «Dermatologicals»); 2% of sales in the OTC drugs segment.

## **TRADITIONAL DRUGS SEGMENT**

Total sales of the five most popular traditional drugs by the results of H1 2010 amounted to RUR 28.3 million, or 92% of sales in the traditional drugs segment.

The five top-selling traditional drugs in H1 2010 results include:

- Pyridoxine (Pyridoxine; ATC «Alimentary tract and metabolism»); 56% of sales in the traditional drugs segment;
- Vero-Dexamethasone (Dexamethasone; ATC «Hormonal drugs»); 20% of sales in the traditional drugs segment;
- Vero-Ciprofloxacin (Ciprofloxacin; ATC «Antiinfectives for systemic use»); 7% of sales in the traditional drugs segment;
- Vero-Loperamide (Loperamide; ATC «Alimentary tract and metabolism»); 5% of sales in the traditional drugs segment;
- Paracetamol (Paracetamol; ATC «Nervous system»); 4% of sales in the traditional drugs segment.

## **NEW DRUGS PRODUCTION AND SALES**

During H1 2010 Veropharm launched production and sales of the following new drugs:

- Sypresta (Mycophenolate mofetil; ATC «Antineoplastic and immunomodulating agents»); sales amounted to RUR 29.4 million;
- Ekzorum (Oxaliplatin; ATC «Antineoplastic and immunomodulating agents»); new dosage – 150 mg №1; sales amounted to RUR 18.9 million;
- Vero-Bleomycin (Bleomycin; ATC «Antineoplastic and immunomodulating agents»); sales amounted to RUR 8.3 million;
- Veromistin Silver (Myramistin; Remedy for intimate hygiene); sales amounted to RUR 2.9 million;
- Veromistin Daily (Myramistin; Remedy for hygienic treatment of the skin of hands and feet); sales amounted to RUR 2.1 million;
- Veromistin Flores (Myramistin; Remedy for oral hygiene); sales amounted to RUR 2.0 million;
- GeptorDaily (Ademetionine; ATC «Alimentary tract and metabolism»); new drug formulation - tablets 200mg №30; sales amounted to RUR 1.5 million;
- Vero-Ribavirin (Ribavirin; ATC «Antiinfectives for systemic use»); new drug formulation - capsules 200mg №12; sales amounted to RUR 1.0 million.



## NEW DRUGS REGISTRATION

In H1 2010, Veropharm received registration for the new drugs:

- Aromeston (Exemestane; ATC «Antineoplastic and immunomodulating agents»);
- Verotecan (Topotecan; ATC «Antineoplastic and immunomodulating agents»);
- Vero-Netilmicin (Netilmicin; ATC «Antiinfectives for systemic use»);
- Osteover (Calcitonin; ATC «Hormonal preparations for systemic use»);
- Veroclast (Zoledronic acid; ATC «Musculo-skeletal system»);
- Bergolak (Cabergoline; ATC «Urinary system&sex hormone»).

Additionally, 8 more drugs are currently at different stages of the registration process.

## DEBT

As of the end of first half 2010 Veropharm's debt amounted to RUR 774.7 million, that represents less than 20% of net assets.

<sup>[1]</sup> according to unaudited management accounts of OJSC "Veropharm"

<sup>[2]</sup> % - percent of finished goods sales

<sup>[3]</sup> 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 August 27, 2010 totaled \$388.5 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 over 2,000 people.*

*According to IMS Health, as of the end of 1 half 2010 compared to 1 half 2009 Veropharm moved from 6<sup>th</sup> to 5<sup>th</sup> position among Russian pharmaceutical producers in overall ranking of pharmaceutical market.*

*According to IMS Health, as of the end of 1 half 2010 compared to 1half 2009 Veropharm moved from 8<sup>th</sup> to 5<sup>d</sup> 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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