



PRESS-RELEASE

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**OJSC “VEROPHARM” ANNOUNCES PRELIMINARY RESULTS
FOR THE NINE MONTHS OF 2009**

NOVEMBER 09, 2009, MOSCOW – OJSC «VEROPHARM» [RTS:VRPH, MICEX:VFRM] announces preliminary data and operational performance indicators for the first nine months of 2009 year according to the management accounts.

SALES

- For 9M 2009 sales of Veropharm’s finished goods amounted USD 98.5 million and decreased by 23.1% in comparison with 9M 2008 (*in RUR sales totaled 3 167.5 million, a 2.7% increase compared to the same period in 2008*).^[1]

- Rx drugs sales amounted to USD 68.5 million for 9M 2009, a 16.5% decrease in comparison with 9M 2008 (*in RUR sales totaled 2 187.9 million, a 10.7% increase compared to the same period in 2008*). The Rx drugs sales accounted for 70% of total finished goods sales.^[2]
- Adhesive bandages sales came to USD 17.0 million for 9M 2009, a 31.7% decrease as compared to 9M 2008 (*in RUR sales totaled 552.2 million, a 7.6% decrease compared to the same period in 2008*). The share of adhesive bandages in total finished goods sales was 17%.
- OTC drugs sales amounted to USD 10.7 million for 9M 2009, a 4.2% decrease in comparison with 9M 2008 (*in RUR sales totaled 350.1 million, a 30.1% increase compared to the same period in 2008*). The share of OTC drugs makes 11% of total finished goods sales.
- For 9M 2009 traditional drug sales amounted to USD 2.3 million, which represents a 77.0% decrease as compared to 9M 2008 (*in RUR sales totaled 77.3 million, a 68.1% decrease compared to the same period in 2008*), and made up 2% of total finished goods sales.

- Veropharm sales as part of the Federal Reimbursement Program (FRP) came to USD 1.5 million for 9M 2009, accounting for 1.5% of the Company’s total finished goods sales.^[2] By the results of 9M 2008, FRP sales were USD 3,5 million, or 2,7% of the Company’s total finished goods sales.

- Sales within the Russian Federation accounted for 97% of the Company’s total finished goods sales for 9M 2009.



RX DRUGS SEGMENT

- Total sales of the five most popular prescription drugs by the results of 9M 2009 amounted to USD 22.3 million, or 33% of sales in the prescription drugs segment and 23% of the Company's total finished goods sales.

The five top-selling Rx drugs for 9M 2009 results include:

- Paclitaxel-LENS (Paclitaxel; ATC ^[3] «Antineoplastic and immunomodulating agents»); 9% of sales in the prescription drugs segment;
- Irunine (Itraconazole; ATC «General anti-infectives systemic»); 8% of sales in the prescription drugs segment;
- Bilumid (Bycalutamid; ATC «Antineoplastic and immunomodulating agents»); 6% of sales in the prescription drugs segment;
- Carboplatin-LENS (Carboplatin; ATC «Central nervous system»); 5% of sales in the prescription drugs segment;
- Cerepro (Holina Alfostserat; ATC «Central nervous system»); 5% of sales in the prescription drugs segment.

ADHESIVE BANDAGES SEGMENT

For 9M 2009 in a segment of Adhesive bandages major groups shares of sales remain at the same level:

- Conventional reel and bacterial adhesive bandages; 51% of sales in the adhesive bandages segment;
- Therapeutic patches (capsicum and corn plasters), 30% of sales in the adhesive bandages segment;
- Individual use branded patches («Uniplast» and «Smart»); 19% of sales in the adhesive bandages segment.

OTC DRUGS SEGMENT

Total sales of five products in the OTC drugs segment amounted to 100% sales of segment for 9M 2009:

- Xilen (Xylometazoline; ATC «Respiratory system»); 48% of sales in the OTC drugs segment;
- Slabilen (Sodium picosulfate; ATC «Alimentary tract and metabolism»); 31% of sales in the OTC drugs segment;
- Motilak (Domperidone; ATC «Alimentary tract and metabolism»); 14% of sales in the OTC drugs segment;
- Vitasharm and Vitatress (ATC «Vitamins»); 6% 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.



TRADITIONAL DRUGS SEGMENT

- Total sales of the five most popular traditional drugs by the results of 9M 2009 amounted to USD 1.7 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 for 9M 2009 results include:

- Pyridoxine hydrochloride (Pyridoxine; ATC «Alimentary tract and metabolism»); 27% of sales in the traditional drugs segment;
- Vero-Dexamethasone (Dexamethasone; ATC «Hormonal drugs»); 16% of sales in the traditional drugs segment;
- Magnesium sulfate (Magnesium sulfate; ATC «Agents affecting blood and blood forming organs»); 15% of sales in the traditional drugs segment;
- Vero-Ciprofloxacin (Ciprofloxacin; ATC «General anti-infectives systemic»); 7% of sales in the traditional drugs segment;
- Riboxin (Inosine; ATC «Cardiovascular system»); 6% of sales in the traditional drugs segment.

NEW DRUGS PRODUCTION AND SALES

During 9 months in 2009 Veropharm launched production and sales of the following new drugs:

- Meropenem-Vero (Meropenem; ATC «General anti-infectives systemic»);
- Gemcitover (Gemcitabine; ATC «Antineoplastic and immunomodulating agents»);
- Vero- Spironolactone (Spironolactone; ATC «Cardiovascular system»);
- Bilumid (Bycalutamid; ATC «Antineoplastic and immunomodulating agents»); new dosage – 50 mg №30;
- Betaver (Betahistine; ATC «Central nervous system»), new drug formulation - tablets.

NEW DRUGS REGISTRATION

For 9M 2009, Veropharm received registration for the new drugs by ATC-group:

- Vero-Bleomycin (Bleomycin; ATC «Antineoplastic and immunomodulating agents»);
- Veromistin Silver (Myramistin; Remedy for intimate hygiene);
- Veromistin Daily (Myramistin; Remedy for hygienic treatment of the skin of hands and feet);
- Veromistin Flores (Myramistin; Remedy for oral hygiene);
- Meropenem (Meropenem, ATC «General anti-infectives systemic»);
- Ekostimulin (Human Chorionic Gonadotrophin; ATC «Genito-urinary system and hormones»);
- Topiramax (Topiramate; ATC «Central nervous system»).

Additionally, 16 more drugs are currently at different stages of the registration process.



DEBT

At the end of the first nine months of 2009 Veropharm's debt amounted to USD 23.8 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 November 05, 2009 totaled \$260 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 9M2009 Veropharm moved to 3rd position among Russian pharmaceutical producers in production volume terms.

According to IMS Health, as of the end of 1 half 2009 compared to 1 half 2008 Veropharm ranked 4th position in overall ranking of pharmaceutical market in sales volume.

According to DSM Group, as of the end of 1 half 2009 Veropharm ranked 2th position in overall ranking of pharmaceutical market in sales volume.

According to IMS Health, as of the end of 1 half 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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