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AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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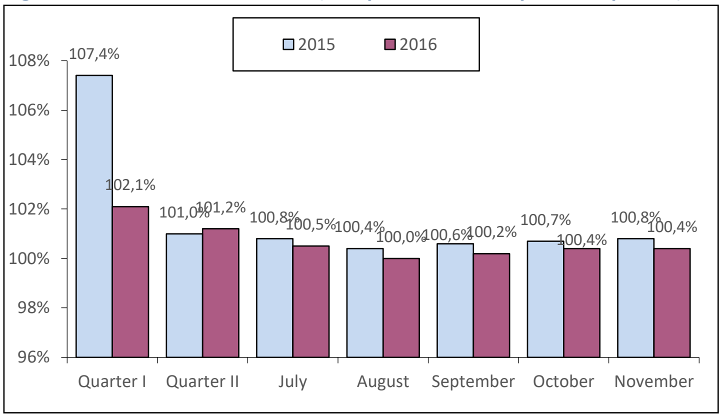
## MACROECONOMIC INDICES

### Inflation

According to Federal State Statistics Service's data, in November 2016, the Consumer Price Index was estimated at 100.4% compared to the previous month, and 105% since the beginning of the year.

In November this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 100.7%, whereas in the month-earlier period it had amounted to 100.3%. The index accounted for 106.8% against December of the previous year.

**Figure 1. Consumer Price Index (compared with the previous period)**



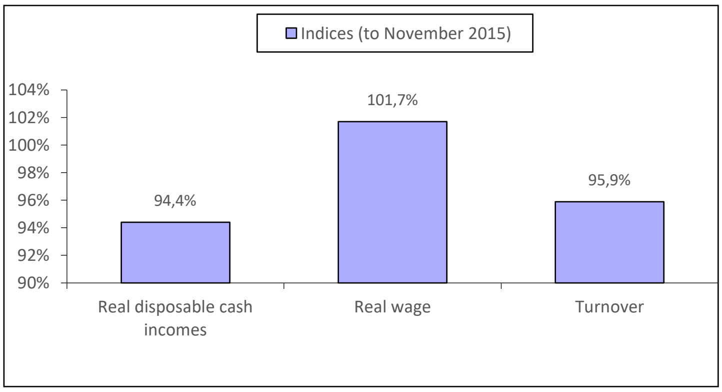

### Living standard

According to preliminary Federal State Statistics Service's data, in November 2016 a gross monthly average salary per worker reached RUB 36,105 (USD 560.99) which accounted for 101.0% compared to the previous month and 107.6% compared to November 2015. The real wage in November of 2016 accounted for 101.7% compared to November of 2015. In November 2016, the real value of disposable cash incomes accounted for 94.4% compared to the same period of 2015 (Fig. 2).

### Retail turnover

In November 2016, the retail turnover was equal to RUB 2439.3 bil., which in comparable prices accounted for 95.9% compared to the same period a year ago, in January-November 2016 - RUB 25,237.9 bil. or 94.9% (Fig. 2).

**Figure 2. Real values of cash incomes, salary and retail turnover in November 2016**




### Industrial Production

According to Federal State Statistics Service's data, in November 2016 Industrial Production Index accounted for 102.7% compared to the same period of the previous year, and in January - November of 2016 - 100.8%.

According to Federal State Statistics Service's data, Industrial Production Index in November 2016 accounted for 108.5% compared to the relevant period of the previous year, and 106.5% to the previous month.

### Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for November 2016.

**Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in November 2016**

| Rank | Manufacturer | RUB mil. |
|---|---|---|
| 1 | Otcpharm | 1897.1 |
| 2 | Stada | 1076.3 |
| 3 | Biocard | 1072.6 |
| 4 | Pharmstandart | 992.9 |
| 5 | Valenta | 914.4 |
| 6 | Sotex | 796.2 |
| 7 | Servier | 765.7 |
| 8 | Materia Medica | 746.5 |
| 9 | Veropharm | 687.7 |
| 10 | Pharm-Center | 612.8 |

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In October of 2016 compared to September, pharmaceutical sales continued on an upward trend (in terms of roubles) in five regions. The highest growth was observed in Tatarstan (+6%), the lowest one in Rostov Region (+0.3%). Five regions experienced a decline in sales; Krasnodar Krai demonstrated the biggest drop in sales (-18%).

**Table 2. Pharmacy sales in the regions, 2016**

| Region | Pharmacy sales, $mil. (wholesale prices) | | | Growth gain, % (roubles) | | |
|---|---|---|---|---|---|---|
| | August 2016 | September 2016 | October 2016 | August/July 16 | September/ August 16 | October/September 16 |
| Moscow | 111.8 | 169.6 | 163.4 | 3% | 51% | -7% |
| St. Petersburg | 37.3 | 55.0 | 54.6 | 4% | 47% | -4% |
| Krasnodar Krai | 44.5 | 42.8 | 36.0 | 7% | -4% | -18% |
| Novosibirsk Region | 16.5 | 19.9 | 20.9 | 12% | 20% | 2% |
| Tatarstan | 16.5 | 20.9 | 23.0 | 16% | 26% | 6% |
| Krasnoyarsk Krai | 19.0 | 22.3 | 23.9 | 11% | 17% | 4% |
| Rostov Region | 19.9 | 22.1 | 22.9 | 13% | 10% | 0.3% |
| Voronezh Region | 12.8 | 15.4 | 15.9 | 11% | 20% | -0.3% |
| Perm | 5.6 | 7.2 | 7.6 | 12% | 27% | 2% |
| Tyumen | 4.9 | 6.3 | 6.2 | 12% | 28% | -5% |

### Advertising

The largest advertisers and pharmaceutical brand names highly publicized in mass media (TV, radio, press, outdoor advertising) are shown in Tables 3 & 4.

**Table 3. Top five advertisers in mass media in November 2016**

| Rank | Company* | Quantity of broadcasts |
|---|---|---|
| 1 | Otcpharm | 17,982 |
| 2 | GSK Consumer Healthcare | 11,746 |
| 3 | Bayer AG | 10,364 |
| 4 | Berlin-Chemie Menarini Group | 9,710 |
| 5 | Sanofi Aventis | 8,406 |

Source - Remedium according to TNS Russia's data

**Table 4. Top five brands in mass media in November, 2016**

| Rank | Brand* | Quantity of broadcasts |
|---|---|---|
| 1 | Evalar | 2,409 |
| 2 | Essentiale | 2,358 |
| 3 | Linex | 2,330 |
| 4 | Otrivin | 2,302 |
| 5 | Strepsils | 2,116 |

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

## STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2016 FIRST NINE MONTHS RESULTS

According to DLO in RF™, the drugs supplies under the Federal Program amounted to RUB 90.892 bil. on the basis of the results for the first nine months of 2016. (USD 1.300 bil.) in contractual prices[1]. The sector volume increased 10% in terms of roubles, and reduced 6% in terms of dollars as compared to the same period of 2015. Scope of supplies in pack terms reduced by 4% to 64.468 mil. packs. The average cost of a FPP pack through the DLO program was USD 20.16 in contractual prices (a year ago it was USD 20.57).

Based on the results for nine months of 2016, due to 20-fold growth in purchases the manufacturer CELGENE became the leader among the top ten manufacturers in the DLO segment (Table 1). In contrast, the former leader of the top ten ROCHE (-30%[2]) showed the significant negative rates and moved down to rank 4. Note that seven manufacturers of the top ten ranking retained their positions unchanged. The manufacturers F-SYNTEZ (-4%), BIOCAD RF (+14%), BAXTER (+4%), SANOFI-AVENTIS (-2%), GENERIUM (+32%), JOHNSON & JOHNSON (-10%) и NOVO NORDISK (+3%) held their previous ranks two and three, and ranks from five through nine. Another newcomer of the top ten ASTRAZENECA (+12%) rounds out the top ten manufacturers ranking. The total share of the top ten drug manufacturers under DLO Program extended by 2.6 p.p. and accounted for 54.5%.

### Table 1. The top 10 drug manufacturers for DLO

| Rank | | Manufacturer* | Share in total DLO volume, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 35 | **CELGENE** | 8.7 | 0.5 |
| 2 | 2 | F-SYNTEZ | 7.5 | 8.6 |
| 3 | 3 | BIOCAD RF | 6.9 | 6.6 |
| 4 | 1 | **ROCHE** | 6.5 | 10.2 |
| 5 | 5 | **BAXTER INT** | 5.3 | 5.6 |
| 6 | 6 | **SANOFI-AVENTIS** | 5.0 | 5.6 |
| 7 | 7 | GENERIUM ZAO RF | 4.9 | 4.1 |
| 8 | 8 | **JOHNSON & JOHNSON** | 3.4 | 4.1 |
| 9 | 9 | **NOVO NORDISK** | 3.3 | 3.5 |
| 10 | 11 | **ASTRAZENECA** | 3.1 | 3.1 |
| Total | | | 54.5 | 52.0 |

*AIPM members are in bold

Four newcomers broke into the ranks of the top ten brand names ranking in the DLO segment (table 2). REVLIMIDE, which purchases increased by 21 times, topped the top ten ranking, and AKSOGLATIRAN FS, REBIF 44 (+89%) and OCTANATE (-4%) moved up to ranks 4, 8 and 10 respectively. The other brand names from the top ten ranking showed negative growth rates. On top of that, four of them: ACELLBIA (-6%), LANTUS SOLOSTAR (-3%), COAGIL-VII (-15%) and GENFAXON (-21%) held their previous ranks two and from five through seven. The name REMICADE (-19%) managed to move up one rank, to number 9. Only the last year leader BORAMILAN FS (-36%) moved down to rank three. The total share of the top ten FPPs increased by 5.5 p.p. and achieved 31.8%.

### Table 2. The top ten brand names in DLO segment

| Rank in the top ten | | Brand name | Share in total DLO volume, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 34 | REVLIMIDE | 8.6 | 0.5 |
| 2 | 2 | ACELLBIA | 5.0 | 5.9 |
| 3 | 1 | BORAMILAN FS | 3.6 | 6.3 |
| 4 | N/A | AKSOGLATIRAN FS | 2.8 | 0.0 |
| 5 | 5 | LANTUS SOLOSTAR | 2.6 | 2.9 |
| 6 | 6 | COAGIL-VII | 2.2 | 2.8 |
| 7 | 7 | GENFAXON | 2.0 | 2.8 |
| 8 | 20 | REBIF 44 | 1.8 | 1.0 |
| 9 | 10 | REMICADE | 1.7 | 2.3 |
| 10 | 12 | OCTANATE | 1.6 | 1.9 |
| Total | | | 31.8 | 26.3 |

The leader of the top 10 INN and grouping names also changed. Following the respective brand name, INN LENALIDOMIDE (+20%) move up to rank number one from 41 (purchases increased 21 times) (Table 3). On top of that, it displaced RITUXIMAB (-20%), BORTEZOMIB (-29%) and FACTOR VIII (-7%) down one rank. INTERFERON BETA-1A (+11%), INSULIN GLARGINE (-3%) and TRASTUZUMAB (+1%) as before held their previous ranks five, seven and nine. Due to strong negative growth rates, GLATIRAMER ACETATE (-21%) and EPTACOG ALFA (ACTIVATED) (-12%) moved down to ranks six and eight. The only newcomer of the top ten INTERFERON BETA-1B (+22%) broke into the ranks of the top ten, coming in at number ten. The total share of the top-10 reduced from 44.8% to 43.7%.

### Table 3. The top ten INN and group names in DLO segment

| Rank in the top ten | | Brand name | Share in total DLO volume, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 41 | LENALIDOMIDE | 8.6 | 0.5 |
| 2 | 1 | RITUXIMAB | 6.6 | 9.0 |
| 3 | 2 | BORTEZOMIB | 5.7 | 8.9 |
| 4 | 3 | FACTOR VIII | 5.2 | 6.2 |
| 5 | 5 | INTERFERON BETA-1A | 4.7 | 4.7 |
| 6 | 4 | GLATIRAMER ACETATE | 4.2 | 5.8 |
| 7 | 7 | INSULIN GLARGINE | 2.6 | 2.9 |
| 8 | 6 | EPTACOG ALFA (ACTIVATED) | 2.3 | 2.9 |
| 9 | 9 | TRASTUZUMAB | 2.1 | 2.3 |
| 10 | 12 | INTERFERON BETA-1B | 1.8 | 1.7 |
| Total | | | 43.7 | 44.8 |

L01 Antineoplastic agents (-16%) remained the bestselling group in the DLO segment, however the group showed negative growth rates (Table 4). L04 Immunosuppressants, which purchases increased 2.8 times, moved up to rank two. At the same time, the groups B02 Antihemorrhagics (+21%), L03 Immunostimulants (-4%) and A10 Drugs Used in Diabetes (+2%) displaced down one rank. Another shift took place in the bottom part of the t op 10 ranking. The more dynamic groups J05 Antivirals for systemic use (+14%) moved up from rank 9 to eight, displacing A16 Other alimentary tract and metabolism products (+6%) from that rank. However, the other three ATC groups from the top ten held their own in the ranking. R03 Drugs for obstructive airway diseases (+1%), B03 Antianemic preparations (+12%) and L02 Endocrine therapy (+12%) maintained their previous ranks 6, 7 and 10 respectively. The total share of the top ten accounted for 85.1% of the market, which was 0.8 p.p. more than in the last year.

### Table 4. The top ten ATC groups in DLO segment

| Rank | | ATC code | ATC group | Share in total DLO volume, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | L01 | ANTINEOPLASTIC AGENTS | 22.0 | 28.8 |
| 2 | 5 | L04 | IMMUNOSUPPRESSANTS | 15.0 | 6.0 |
| 3 | 2 | B02 | ANTIHEMORRHAGICS | 14.7 | 13.4 |
| 4 | 3 | L03 | IMMUNOSTIMULANTS | 11.4 | 13.1 |
| 5 | 4 | A10 | DRUGS USED IN DIABETES | 9.7 | 10.5 |
| 6 | 6 | R03 | DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES | 3.6 | 3.9 |
| 7 | 7 | B03 | ANTIANEMIC PREPARATIONS | 2.4 | 2.4 |
| 8 | 9 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 2.2 | 2.1 |
| 9 | 8 | A16 | OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS | 2.1 | 2.2 |
| 10 | 10 | L02 | ENDOCRINE THERAPY | 2.1 | 2.0 |
| Total | | | | 85.1 | 84.3 |

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The highest supplies volumes were observed in Moscow with an almost 20% market share in the DLO segment and in Moscow Region. Saint Petersburg held its rank three. Note that below that all regions kept their ranks, though in two of them (Krasnodar Region and Rostov Region) the supplies growth was negative. The top ten regions accumulate 45.6% of sales in the DLO segment.

### Table 5. The top ten regions by sales in DLO segment

| Rank | | Region | Share in total DLO volume, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | Moscow | 19.7 | 19.1 |
| 2 | 2 | Moscow Region | 4.8 | 5.1 |
| 3 | 3 | Saint Petersburg | 3.7 | 3.6 |
| 4 | 4 | North Caucasian FD, Rest | 2.8 | 2.9 |
| 5 | 5 | Tatarstan Republic | 3.1 | 2.9 |
| 6 | 6 | Sverdlovsk Region | 2.8 | 2.9 |
| 7 | 7 | Krasnodar Krai | 2.2 | 2.8 |
| 8 | 8 | Rostov Region | 2.0 | 2.6 |
| 9 | 9 | Bashkortostan Republic | 2.1 | 2.4 |
| 10 | 10 | Tyumen Region | 2.3 | 2.3 |
| Total | | | 45.6 | 46.6 |

**Conclusion**. On the basis of the results for 9 months of 2016, the DLO segment of Russia brought in RUB 90.892bil. (USD 1.300 bil.) in contractual prices. This was 10% more in terms of roubles and 6% less in terms of dollars than during the same period in 2015. In pack terms, the supplies reduced by 4% and amounted to 64.468 mil. packs. The average cost of FPP pack participating in the DLO Programme reduced as compared to the figures of the past year (USD 20.16 vs USD 21.57).

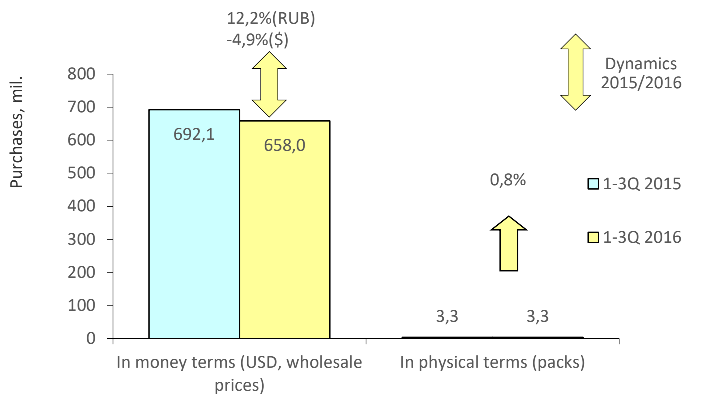
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

[2] Hereinafter, unless otherwise stated, growth gains are stated in the rouble equivalent or national currency.

## COST DEMANDING NOSOLOGIES (VZN) PROGRAMME Q 1-3, 2016

Based on the results for Q I-3, 2016, the purchases under the VZN Program in physical terms (packs) have not much changed (increased by 0.8%), as compared to the same period of the previous year. In terms of national currency, the purchases grew by 12.2% (in terms of dollars reduced by 4.9%). In absolute terms, the supplies are estimated at RUB 46.9 bil. or USD 658.0 mil.

### Figure 1. Supply dynamics under the VZN Program in Q 1-3, 2016 and Q 1-3, 2015




The most considerable growth in supplies in value terms - by 20.5% (in terms of packs - by 2.7%) was characteristic of the hemophilia sector, which resulted in the growth of the group's share in the VZN pattern from 25.6% to 27.5% (Table 1). Dynamics was determined by a significant increase in purchases of the Russian drug Octofactor Generium (recombinant coagulation factor YIII, INN Moroctocog alfa), and INN Factor IX (Immunine Baxter Int and Aimafix Kedrion), anti-inhibitor coagulant complex (Feiba, Baxter Int) and factor VIII in combination with Willebrand factor (Hfemate P CSL Behring GmbH and Vilate Octapharma). As a result, a share of these drugs in the nosological segment increased considerably - from 14% up to 35%, which was caused also by the reduction of supplies of other INNs from this group. In addition to the drugs to treat hemophilia segment, oncohematological drugs (+15.7%) and immunosuppressants used in the transplantology (+12.9%) also showed significant positive dynamics of supplies in terms of roubles as compared to the same period of the previous year. In natural terms, the supplies of the former reduced considerably (-13%), the supplies of the latter remained at the same level. The growth in value sales of oncohematological drugs was exclusively determined by the supplies of a drug to treat multiple myeloma Revlimid (Lenalidomide) Celgene (the second packaging is executed by Pharmstandart-Leksredstva), which share in the nosological segment resulted in 40%. Purchases of the drugs from the INN Rituximab group reduced by 20.5%, Bortezomib by 31%, Imatinib – by 64% (in term of packs the reduction accounted for 20%, 6% and 27% respectively). As a result, a share of these INNs in the overall supplies pattern under the VZN Program reduced from 39.5% to 24% (Table 1). The Russian biosimilars moved up to the leading positions in all these INN groups.

### Table 1. Supply pattern under the VZN Program

| Nosologies | INN | Share in total VZN supplies (RUB), % 1-3Q 2016 | 1-3Q 2015 |
|---|---|---|---|
| **Oncohematology** | | **41.4** | **40.1** |
| | LENALIDOMIDE | 16.6 | 0.0 |
| | RITUXIMAB | 11.9 | 16.8 |
| | BORTEZOMIB | 10.8 | 17.5 |
| | IMATINIB | 1.7 | 5.2 |
| | FLUDARABINE | 0.4 | 0.6 |
| **Haemophilia** | | **27.5** | **25.6** |
| | FACTOR VIII | 10.1 | 12.1 |
| | EPTACOG ALFA (ACTIVATED) | 4.5 | 5.8 |
| | OCTOCOG ALFA | 3.2 | 4.2 |
| | MOROCTOCOG ALFA | 2.6 | 0.1 |
| | FACTOR IX | 2.5 | 2.4 |
| | FACTOR VIII INHIBITOR BYPASSING FRACTION | 2.3 | 0.6 |
| | FACTOR VON WILLEBRAND*FACTOR VIII | 2.2 | 0.4 |
| **Sclerosis Multiplex** | | **21.3** | **24.1** |
| | INTERFERON BETA-1A | 9.1 | 9.2 |
| | GLATIRAMER ACETATE | 8.0 | 11.5 |
| | INTERFERON BETA-1B | 3.5 | 3.4 |
| | NATALIZUMAB | 0.7 | 0.0 |
| **Transplantology** | | **4.3** | **4.2** |
| | TACROLIMUS | 2.2 | 2.1 |
| | MYCOPHENOLIC ACID | 1.5 | 1.5 |
| | CICLOSPORIN | 0.4 | 0.4 |
| | MYCOPHENOLATE MOFETIL | 0.2 | 0.2 |
| **Mucoviscidosis** | | **2.9** | **3.0** |
| | DORNASE ALFA | 2.9 | 3.0 |
| **Gaucher disease** | | **2.4** | **2.6** |
| | IMIGLUCERASE | 2.2 | 2.5 |
| | VELAGLUCERASE ALFA | 0.3 | 0.1 |
| **Pituitary dwarfism** | | **0.3** | **0.3** |
| | SOMATROPIN | 0.3 | 0.3 |

The purchases of drugs to treat multiple sclerosis slightly decreased in money terms (-0.8%) and increased in physical terms (+6.7%). This group's share in the overall supplies pattern under the VZN Program reduced from 24.1 to 21.3% (Table 1). While holding its own in the top ten ranking in the terms of packs, the sales of INN Glatiramer Acetate reduced by 22% in terms of money. On top of that, the supplies of Copaxone-Teva were replaced by 2/3 by the Russian biosimilar Aksoglatiran FS, F-Sintez. In the multiple sclerosis segment, INNs Interferone beta–1a (+11.4%) and Interferone beta–1в (+11.6%) showed the growth in sales in terms of money. In addition, Tizabri (INN Natalisumab) was purchased for the first time under the 7 Nosologies Programme Biogen Idec. The drugs to treat pituitary dwarfism and mucoviscidosis (by 3.2% and 6.1%, respectively) showed a relatively small growth in supplies. In the first group, Vpriv (INN Velaglucerase) Shire was purchased alongside with the drug Cerezym (INN Imiglucerase) Sanofi which continued to hold the leading positions in the nosological segment. Based on the results for Quarter 1-3, 2016, the top ten brand names ranking has experienced significant changes as compared to the similar period of the previous year (Table 2). The ranking was topped by the drug Revlimid Celgene, which accounted for 16.6% of all supplies under the VZN Program. The drug Acelbiya (INN Rituximab) of Biocad showing reduction in purchases by 6.8% held its previous rank 2. The leader of the prior year top ten ranking Boralamin (INN Bortezomib) of FS F-Sintez moved down to rank 3 due to reduction in purchases by 39%. The drugs Aksoglatiran FS (Glatiramer Acetate) of F-Sintez, Rebif (Interferone beta–1a) of Serono and Advate (Octocog alfa) of Baxter Int, which moved up to ranks 4, 7 and 10, showed substantial advance in the ranking. The share of the first top 10 brand names in the value supplies pattern reduced from 56.5 to 59.1%.

### Table 2. The top 10 brand names by supplies under the VZN Program

| Rank 1-3Q 2016 | 1-3Q 2015 | Brand | Share in total CDD supplies, % 1-3Q 2016 | 1-3Q 2015 |
|---|---|---|---|---|
| 1 | 53 | REVLIMIDE | 16.6 | 0.0 |
| 2 | 3 | ACELLBIA | 9.5 | 11.5 |
| 3 | 1 | BORAMILAN FS | 6.7 | 12.3 |
| 4 | 53 | AKSOGLATIRAN FS | 5.4 | 0.0 |
| 5 | 4 | COAGIL-VII | 4.3 | 5.6 |
| 6 | 5 | GENFAXON | 3.9 | 5.5 |
| 7 | 16 | REBIF 44 | 3.4 | 2.0 |
| 8 | 9 | OCTANATE | 3.1 | 3.7 |
| 9 | 7 | VELCADE | 3.1 | 5.2 |
| 10 | 28 | ADVATE | 3.1 | 0.6 |
| Total | | | 59.1 | 56.5 |

The top-10 manufacturers ranking also showed some shifts (table 3). The manufacturer Celgene with the drug Revlimid moved up to rank number one. The last year leader F-Sintez moved down to rank two against the background of reduction of sales (8.2%). Despite the success of the biosimilar Aksoglatiran FS (Glatiramer Acetate) which quickly moved up to the leading position in the INN group, the purchases of the drugs Boramilan FS (Bortezomib) and Philachromin FS (Imatinib) reduced considerably: in terms of roubles - by 39% and 60%, in terms of packs – by 6% and 27% respectively. Biocad, which sales in terms of money reduced (by 6.7%), also fell in the ranks (from rank 2 to 3). Baxter Int (+3.9%) kept its previous rank four. In contrast to the other Russian companies represented in the top ten ranking, Generium improved its rank, moving up to rank 5 from 6. The manufacturers Serono (+96%) and CSL Behring GmbH (+63%) which moved up to ranks 9 and 10 respectively strengthened their positions in the ranking against the considerable positive dynamics. In total, the top ten manufacturers in Q 1-3, 2016 accounted for 81% of all supplies under the VZN Program, whereas this share accounted for only 72% a year ago.

### Table 3. The top 10 manufacturers by supplies under the CDN Program

| Rank in the top ten 1-3Q 2016 | 1-3Q 2015 | Manufacturer* | Share in total CDD supplies, % 1-3Q 2016 | 1-3Q 2015 |
|---|---|---|---|---|
| 1 | 26 | **CELGENE** | 16.6 | 0.0 |
| 2 | 1 | F-SYNTEZ | 13.6 | 16.6 |
| 3 | 2 | BIOCAD RF | 10.3 | 12.4 |
| 4 | 4 | **BAXTER INT** | 10.2 | 11.1 |
| 5 | 6 | GENERIUM ZAO RF | 9.6 | 8.2 |
| 6 | 5 | **ROCHE*** | 5.3 | 8.4 |
| 7 | 9 | OCTAPHARMA | 4.4 | 4.5 |
| 8 | 7 | LABORATORIO TUTEUR | 4.1 | 6.0 |
| 9 | 12 | SERONO | 3.6 | 2.0 |
| 10 | 11 | CSL BEHRING GMBH | 3.4 | 2.3 |
| Total | | | 81.1 | 72.3 |

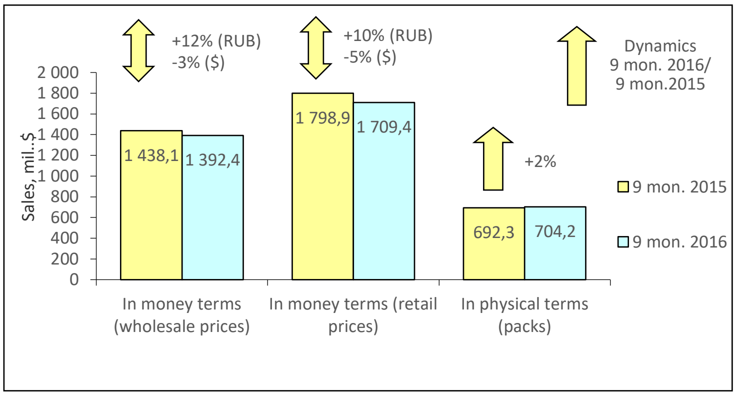
*AIPM members are in bold

**Conclusion.** In general, it can be concluded that in Q 1-3, 2016 the purchases under the VZN Program 2016, have not much changed in physical terms (packs) and increased by 12% in terms of roubles, as compared to the same period of the previous year. The leading nosological segments, haemophilia, oncohematology, showed strong positive growth in purchases in terms of money. The oncohematology segment reduced considerably in physical terms. In INN segments, which lost the patent protection, the balance is changing rapidly in favour of biosimilars. New INNs have been purchased in the leading nosological segments. The value supplies of the drugs made in the Russian Federation increased by 3.6% and their share in CDN program pattern decreased from 38% to 35% as compared to the similar period of the previous year. The growth in supplies of localized products accounted for 13.7%, a share increased by 0.7 p.p. and accounted for 45%. The drugs of foreign origin (+26.6%), which share increased from 17.8% to 20%, showed more significant growth rates.

## CFD PHARMACY MARKET (WITHOUT MOSCOW): 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Central Federal District (CFD) (without Moscow) was 26.774 mil., which accounted for 18.3% of the total Russian Federation population. According to Federal State Statistics Service's data, the average wage in the CFD was RUB 44,661 based on the results for nine months of 2016 (USD 653.13), which was 25% higher than the average wage in Russia (RUB 35,721). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of nine months of 2016 the sales of drugs in physical terms in the CFD (without Moscow) saw a 2% increase to 704.199 mil. packs. In money terms, the market saw a 12% increase in terms of roubles, whereas it showed a negative decline (-3%) in terms of dollars. The market reached RUB 94.886 bil. (USD 1.392 bil.) at wholesale prices (Fig.1). The region market share accounted for 19.5% of the Russian pharmacy retail sales. The average cost of a pack reduced as compared to a year earlier period (USD 2.43 vs USD 2.60) at retail prices. At the end of nine months of 2016, the average amount spent by the residents of the district for drugs in pharmacies amounted to USD 63.84.

**Figure 1. The CFD (without Moscow) pharmacy market for 9 months of 2015 – 9 months of 2016**




Based on the results for nine months of 2016, the manufacturer BAYER (+18%) took the lead in the top ten manufacturers ranking in the Central Federal District (without Moscow), displacing SANOFI-AVENTIS (+3%) down one rank (Table 1). SERVIER (+11%), NYCOMED/TAKEDA (+3%) and MENARINI (+8%) held their previous ranks three through five, respectively. OTCPHARM (+31%) which showed the highest growth rates among the leaders moved up to rank six from nine. The manufacturers GLAXOSMITHKLINE (+8%) and KRKA (+17%) moved up one rank, coming in at numbers seven and ten, respectively. On top of that the latter became the only newcomer of Top-10 rating. The manufacturers GEDEON RICHTER (+3%) and SANDOZ (-7%), on the contrary, moved down to the lower ranks 7 and 8. The cumulative share of the top 10 manufacturers reduced from 34.3% to 33.8%.

**Table 1. The top ten drug manufacturers by pharmacy sales**

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 2 | **BAYER HEALTHCARE** | 4.6 | 4.3 |
| 2 | 1 | **SANOFI-AVENTIS** | 4.4 | 4.8 |
| 3 | 3 | **SERVIER** | 3.7 | 3.7 |
| 4 | 4 | **NYCOMED/TAKEDA** | 3.3 | 3.6 |
| 5 | 5 | **MENARINI** | 3.2 | 3.3 |
| 6 | 9 | OTCPHARM | 3.2 | 2.7 |
| 7 | 8 | **GLAXOSMITHKLINE** | 3.0 | 3.1 |
| 8 | 7 | GEDEON RICHTER | 2.9 | 3.1 |
| 9 | 6 | **SANDOZ** | 2.8 | 3.1 |
| 10 | 11 | **KRKA** | 2.8 | 2.6 |
| Total | | | 33.8 | 34.3 |

*AIPM members are in bold

Antiviral drug INGAVIRIN, which sales increased 2 times, became the most best-selling and dynamic drug on the regional market, moving up to rank number one from fourteen (Table 2). The second newcomer of the ranking, drug XARELTO (+95%), rounded out the top ten. The other three names of the top ten ranking showed growth in sales. MEXIDOL (+13%) and PENTALGIN (+19%) moved up one rank, coming in at numbers two and nine, and DETRALEX (+47%) moved up to rank four from seven. The other brand names of the top ten fell in the ranks. ACTOVEGIN (-5%) moved down one rank, whereas the drugs ESSENTIALE N (-6%), KAGOCEL (+12%), CARDIOMAGNYL (+8%) and CONCOR (+1%) moved down to ranks 5 through 8 respectively. The total share of the top 10 brand names expanded from 6.3% to 6.7%.

**Table 2. The top ten brand names by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 14 | INGAVIRIN | 0.8 | 0.5 |
| 2 | 3 | MEXIDOL | 0.8 | 0.7 |
| 3 | 2 | ACTOVEGIN | 0.7 | 0.9 |
| 4 | 7 | DETRALEX | 0.7 | 0.6 |
| 5 | 1 | ESSENTIALE N | 0.7 | 0.9 |
| 6 | 4 | KAGOCEL | 0.7 | 0.7 |
| 7 | 5 | CARDIOMAGNYL | 0.6 | 0.7 |
| 8 | 6 | CONCOR | 0.6 | 0.6 |
| 9 | 10 | PENTALGIN | 0.5 | 0.5 |
| 10 | 34 | XARELTO | 0.5 | 0.3 |
| Total | | | 6.7 | 6.3 |

The first three INNs of the top ten INNs and grouping names ranking held their own in the ranking. As before, XYLOMETAZOLINE (+8%), NIMESULIDE (+9%) and BISOPROLOL (+8%) held their previous top three ranks (table 3). Four INNs of the top ten INNs ranking demonstrated outperformance and rose in the ranks. IBUPROFEN (+16%), DIOSMIN* HESPERIDIN (+45%) and ETHYLMETHYLHYDROXYPYRIDINE (+14%), and the newcomer of the top ten IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID, which broke into the ranks of the top ten due to two-fold growth in sales, moved up to ranks four, five and seven. The less dynamic PANCREATIN (+6%), and BLOOD (-2%) and PHOSPHOLIPIDS (-5%), which reduced their sales, moved down to the lower ranks six and the last two ranks, respectively. The total share of the top ten under review increased from 10.0% to 10.2%.

**Table 3. The top 10 INNs and group names by pharmacy sales**

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | XYLOMETAZOLINE | 1.7 | 1.7 |
| 2 | 2 | NIMESULIDE | 1.1 | 1.2 |
| 3 | 3 | BISOPROLOL | 1.1 | 1.2 |
| 4 | 5 | IBUPROFEN | 1.0 | 1.0 |
| 5 | 10 | DIOSMIN*HESPERIDIN | 1.0 | 0.8 |
| 6 | 4 | PANCREATIN | 1.0 | 1.0 |
| 7 | 8 | ETHYLMETHYLHYDROXYPYRIDINE | 0.8 | 0.8 |
| 8 | 33 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.8 | 0.5 |
| 9 | 7 | BLOOD | 0.8 | 1.0 |
| 10 | 6 | PHOSPHOLIPIDS | 0.8 | 1.0 |
| Total | | | 10.2 | 10.0 |

The top ten ATC groups ranking didn't change its leader either. M01 Anti-inflammatory and antirheumatic products (+8%) and C09 Agents acting on the rennin-angiotensin system (+15%) held their previous top two ranks (Table 4). A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+12%) also kept their previous rank eight. The groups R01 Nasal preparations (+10%) and J01 Antibacterials for systemic use (+11%) rose in the ranks, coming in at numbers three and four, as well as the newcomers of the top ten J05 Antivirals for systemic use (+46%) and C05 Vasoprotectives (+18%) which moved up to ranks six and ten of the top ten ranking. The groups N02 Analgesics (+7%), G03 Sex hormones (+16%) and R05 Cough and cold preparations (+8%), in contrast, moved down to the lower ranks five, seven and nine respectively. In total, the top ten ATC groups accumulated 37.4% of the regional market, whereas in the year-earlier period 36.6%.

**Table 4. The top ten ATC Groups by pharmacy sales**

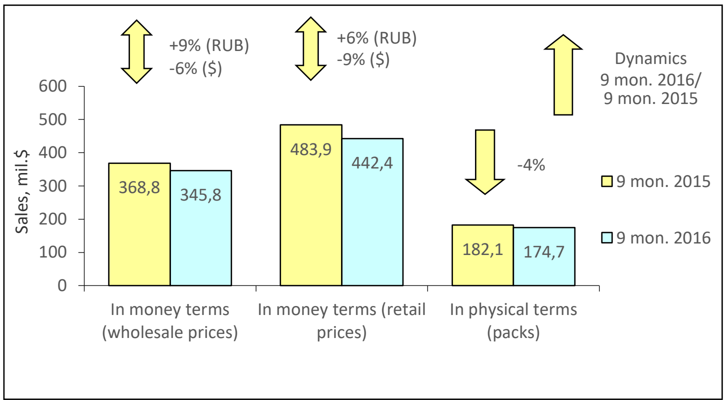
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.3 | 5.5 |
| 2 | 2 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.8 | 4.6 |
| 3 | 4 | R01 | NASAL PREPARATIONS | 3.8 | 3.8 |
| 4 | 5 | J01 | ANTIBACTERIALS FOR SYST USE | 3.8 | 3.8 |
| 5 | 3 | N02 | ANALGESICS | 3.7 | 3.9 |
| 6 | 11 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 3.7 | 2.8 |
| 7 | 6 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.4 | 3.2 |
| 8 | 8 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 3.1 | 3.1 |
| 9 | 7 | R05 | COUGH AND COLD PREPARATIONS | 3.1 | 3.2 |
| 10 | 12 | C05 | VASOPROTECTIVES | 2.9 | 2.7 |
| Total | | | | 37.4 | 36.6 |

**Conclusion.** On the basis of the results for 9 months of 2016, the retail pharmacy market of CFD (without Moscow) brought in RUB 116.504 bil. (USD 1.709 bil.), which was by 10% in terms of roubles and 5% in terms of dollars less than in 2015. In pack terms, the market increased by 2% and amounted to 704.199 mil. packs. According to the results for 9 months of 2016, the average cost of an FPP pack in the regional pharmacies was USD 2.43 which was lower than in the year-earlier period (USD 2.60), and less than the national average (USD 2.67). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 63.84 vs. USD 59.70).

## NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.628 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, as of the end of the first nine months of 2016 the average wage in the NWFD (with St. Petersburg) was RUB 39,916 (USD 583.74), which was 12% higher than the average wage in Russia (RUB 35,721). According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of nine months of 2016 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 4% decrease to 174.700 mil. packs. In money terms, the market saw a 9% increase in terms of roubles, whereas it showed a negative decline (-6%) in terms of dollars. At the same time, the volume of the market achieved RUB 23.616 bil (USD 345.799 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 5.1% of the pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.66) and reached USD 2.53 at retail prices. At the end of 9 months of 2016, the average amount spent by the residents of the district for drugs in pharmacies amounted to USD 51.27.

**Figure 1. The NWFD (without St. Petersburg) pharmacy market for 9 months of 2015 – 9 months of 2016**




The top ten companies in the pharmacy market of North-West Federal District (without St. Petersburg) have not changed in composition at the end January-September 2016, but underwent some shifts (Table 1). BAYER (+14%) became the leader of the top ten, displacing the less dynamic SANOFI-AVENTIS (+4%) from this position down one rank. Due to the highest among leaders sales growth, the Russian manufacturer OTCPHARM (+31%) moved up from rank ten to five, displacing NYCOMED/TAKEDA (+3%) and GLAXOSMITHKLINE (+7%) down one rank, to ranks seven and eight, respectively. The manufacturer MENARINI (+2%) also fell in the ranks, moving to the bottom position of the top ten ranking. Four manufacturers of the top 10 managed to hold their own in the ranking. SERVIER (+9%), GEDEON RICHTER (+6%) and SANDOZ (-1%) kept ranks from three through five, and STADA (+7%) kept rank nine. The cumulative share of the top 10 manufacturers reduced from 36.3% to 36.1%.

**Table 1. The top ten drug manufacturers by pharmacy sales**

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 2 | **BAYER HEALTHCARE** | 4.7 | 4.5 |
| 2 | 1 | **SANOFI-AVENTIS** | 4.7 | 4.9 |
| 3 | 3 | **SERVIER** | 4.4 | 4.4 |
| 4 | 4 | GEDEON RICHTER | 4.0 | 4.1 |
| 5 | 5 | **SANDOZ** | 3.5 | 3.8 |
| 6 | 10 | OTCPHARM | 3.3 | 2.7 |
| 7 | 6 | **NYCOMED/TAKEDA** | 3.2 | 3.4 |
| 8 | 7 | **GLAXOSMITHKLINE** | 2.9 | 3.0 |
| 9 | 9 | **STADA** | 2.7 | 2.7 |
| 10 | 8 | **MENARINI** | 2.7 | 2.9 |
| Total | | | 36.1 | 36.3 |

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking (table 2). The antiviral drugs INGAVIRIN (+98%) and ARBIDOL (+39%) moved up to ranks three and ten, respectively. Apart from them, another three brand names showed high growth rates. CARDIOMAGNYL (+1%) moved up from rank three to two, DETRALEX (+37%) from rank nine to four and PRESTARIUM (+14%) from rank ten to seven. At the same time, ESSENTIALE N (-8%), CONCOR (-2%), EXODERIL (-11%) and ACTOVEGIN (-6%) reduced their sales and moved down to the lower ranks five, six, eight and nine, respectively. Antiviral drug KAGOCEL (+22%) kept and reinforced its leading rank number one in the top ten. The total share of the top 10 brand names expanded from 6.6% to 6.8%.

**Table 2. The top ten brand names by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | KAGOCEL | 1.0 | 0.9 |
| 2 | 3 | CARDIOMAGNYL | 0.7 | 0.8 |
| 3 | 20 | INGAVIRIN | 0.7 | 0.4 |
| 4 | 9 | DETRALEX | 0.7 | 0.6 |
| 5 | 2 | ESSENTIALE N | 0.7 | 0.8 |
| 6 | 4 | CONCOR | 0.6 | 0.7 |
| 7 | 10 | PRESTARIUM A | 0.6 | 0.6 |
| 8 | 5 | EXODERIL | 0.6 | 0.7 |
| 9 | 6 | ACTOVEGIN | 0.6 | 0.7 |
| 10 | 14 | ARBIDOL | 0.6 | 0.4 |
| Total | | | 6.8 | 6.6 |

The leader of the top ten INN and grouping names also held its own in the ranking. Despite lagging behind the growth rates, INN XYLOMETAZOLINE (+3%) held its previous rank number one (Table 3). IBUPROFEN (+9%) moved up to rank two from three, displacing BISOPROLOL (+4%) down one rank. KAGOCEL (+22%), DIOSMIN*HESPERIDIN (+33%) and the newcomer of the top ten ATORVASTATIN (+20%) demonstrated outperformance and rose in the ranks, moving up to ranks four, six and eight respectively. AT the same time, INNs NIMESULIDE (-3%), PANCREATIN (-2%), DICLOFENAC (+10%) and PHOSPHOLIPIDS (-8%) moved down to the lower ranks five, seven and the last two ranks in the top ten. The total share of the top-10 didn't virtually change and accounted for 10.2%.

**Table 3. The top 10 INNs and group names by pharmacy sales**

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | XYLOMETAZOLINE | 1.6 | 1.7 |
| 2 | 3 | IBUPROFEN | 1.2 | 1.2 |
| 3 | 2 | BISOPROLOL | 1.2 | 1.3 |
| 4 | 6 | KAGOCEL | 1.0 | 0.9 |
| 5 | 4 | NIMESULIDE | 1.0 | 1.1 |
| 6 | 10 | DIOSMIN*HESPERIDIN | 0.9 | 0.8 |
| 7 | 5 | PANCREATIN | 0.8 | 0.9 |
| 8 | 12 | ATORVASTATIN | 0.8 | 0.7 |
| 9 | 8 | DICLOFENAC | 0.8 | 0.8 |
| 10 | 7 | PHOSPHOLIPIDS | 0.8 | 0.9 |
| Total | | | 10.2 | 10.3 |

M01 Anti-inflammatory and antirheumatic products (+2%) and C09 Agents acting on the rennin-angiotensin system (+11%) held their leadership in the top ten ATC groups ranking (Table 4). R01 Nasal preparations (+3%) also held its previous rank four. Only two ATC groups managed to improve their positions. J05 Antivirals for systemic use (+44%) moved up from rank ten to three, and G03 Sex hormones (+14%) moved up from rank seven to six. The other five ATC groups from the top 10 moved down to the lower ranks. N02 Analgesics (+7%), R05 Cough and cold preparations (+1%), J01 Antibacterials for systemic use (+3%), A11 Vitamins (+8%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+10%) moved down to ranks five and the last four ranks in the top ten ranking. In total, following the results for 9 months of 2016 the top ten ATC groups accumulated 38.9% of the market.

**Table 4. The top ten ATC Groups by pharmacy sales**

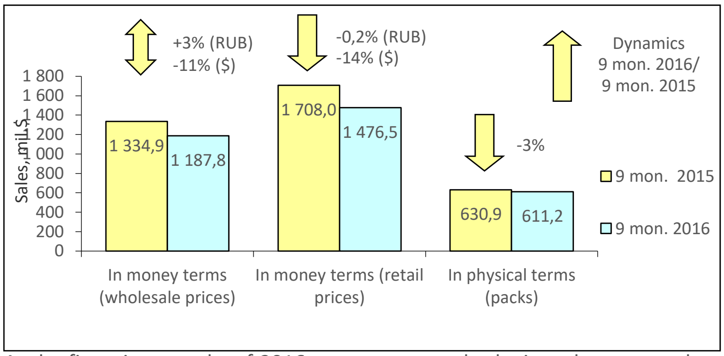
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.2 | 5.6 |
| 2 | 2 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 5.2 | 5.1 |
| 3 | 10 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 4.0 | 3.0 |
| 4 | 4 | R01 | NASAL PREPARATIONS | 3.7 | 3.8 |
| 5 | 3 | N02 | ANALGESICS | 3.7 | 3.9 |
| 6 | 7 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.7 | 3.5 |
| 7 | 5 | R05 | COUGH AND COLD PREPARATIONS | 3.5 | 3.8 |
| 8 | 6 | J01 | ANTIBACTERIALS FOR SYST USE | 3.4 | 3.6 |
| 9 | 8 | A11 | VITAMINS | 3.4 | 3.4 |
| 10 | 9 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 3.1 | 3.0 |
| Total | | | | 38.9 | 38.7 |

**Conclusion.** On the basis of the results for nine months of 2016, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 30.226 bil. (USD 442.379 mil.). It was 6% more in terms of roubles and 9% less in terms of dollars than in 2015. In physical terms, the market saw a 4% decrease and was equal to 174.700 mil. packs. In the first nine months of 2016, the average cost of FPP pack in the regional pharmacies was USD 2.53, which was lower than in the year-earlier period (USD 2.66) and the national average (USD 2.67). The average medicine expenses of the district residents in the pharmacies were lower than the national average expenses in Russia (USD 51.27 vs. USD 59.70).

## VFD PHARMACY MARKET: 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Volga Federal District (VFD) was 29.674 mil., which accounted for 20.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first nine months of 2016 the average wage in the VFD region was RUB 26,564 (USD 388.48), which was 26% lower than the national average wage in Russia (RUB 35,721). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in January - September 2016 the VFD pharmacy market volume in physical terms reduced by 3% to 611.161 mil. packs (Fig. 1) In wholesale prices, the market performance in terms of roubles showed positive sales growth (+3%), but in terms of dollars it was negative (-11%) and reached RUB 81.021 bil. (USD 1.188 bil.). A region's share in the total pharmacy sales in Russia accounted for 16.9%. Based on the results for nine months of 2016, the average cost of FPP pack in the VFD pharmacies was USD 2.42, whereas in the year-earlier period its cost was USD 2.71. At the end of the period from January to September of 2016, the average per capita expenses for purchase of drugs in the pharmacies were estimated at USD 49.76.

### Figure 1. VFD pharmacy market for 9 months of 2015 – 9 months of 2016




At the first nine months of 2016, one newcomer broke into the top ten drug manufacturers ranking in the Volga Federal District retail market (Table 1). It was the manufacturer ABBOTT (+7%) which moved up to rank eight from 11. Note that in addition to above manufacturer, only another two manufacturers from the top ten ranking showed positive sales growth rates. BAYER (+6%) held its previous rank two, and OTCPHARM (+23%) moved up to rank three. The other manufacturers of the top ten showed the negative growth in sales. Among them was the leader of the top ten SANOFI-AVENTIS (-9%). The manufacturers SERVIER (-4%) and TEVA (-5%) also held their own in the top ten ranking, whereas the other manufacturers fell in the ranks. NYCOMED/TAKEDA (-4%), SANDOZ (-14%) MENARINI (-6%) and STADA (-5%) moved down to ranks four, six, nine and ten, respectively. The total share of the top 10 drug manufacturers decreased from 33.7% to 32.3%.

### Table 1. The top ten drug manufacturers by pharmacy sales

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | **SANOFI-AVENTIS** | 4.4 | 5.0 |
| 2 | 2 | **BAYER HEALTHCARE** | 3.9 | 3.8 |
| 3 | 8 | OTCPHARM | 3.5 | 2.9 |
| 4 | 3 | **NYCOMED/TAKEDA** | 3.3 | 3.6 |
| 5 | 5 | **SERVIER** | 3.1 | 3.3 |
| 6 | 4 | **SANDOZ** | 2.9 | 3.5 |
| 7 | 7 | **TEVA** | 2.8 | 3.0 |
| 8 | 11 | **ABBOTT** | 2.8 | 2.7 |
| 9 | 6 | **MENARINI** | 2.8 | 3.0 |
| 10 | 9 | **STADA** | 2.7 | 2.9 |
| Total | | | 32.3 | 33.7 |

*AIPM members are in bold

Antiviral drug KAGOCEL (+4%) became the best-selling drug in the regional market (Table 2). ACTOVEGIN (-14%) remained the second best-selling drug, whereas the former leader ESSENTIALE N (-30%) moved down to rank three. Due to 68% growth in sales, another antiviral drug INGAVIRIN moved up to rank four. In addition, the brand names ERGOFERON (+32%) and DETRALEX (+22%), which broke into the top ten ranking for the first time, coming in at numbers seven and ten respectively, also showed high growth rates. Due to reduction in sales, the brand names CARDIOMAGNYL (-8%) and CONCOR (-9%) fell in the ranks, moving down to numbers 5 and 9. However, the drug MEXIDOL (-2%) managed to hold its previous rank six despite the negative growth rates. PENTALGIN (+2%) held its previous rank eight. The total share of the top 10 FPP reduced from 6.6% to 6.4%.

### Table 2. The top ten brand names by pharmacy sales

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 3 | KAGOCEL | 0.8 | 0.8 |
| 2 | 2 | ACTOVEGIN | 0.8 | 0.9 |
| 3 | 1 | ESSENTIALE N | 0.8 | 1.1 |
| 4 | 10 | INGAVIRIN | 0.7 | 0.4 |
| 5 | 4 | CARDIOMAGNYL | 0.7 | 0.7 |
| 6 | 6 | MEXIDOL | 0.6 | 0.6 |
| 7 | 11 | ERGOFERON | 0.6 | 0.4 |
| 8 | 8 | PENTALGIN | 0.5 | 0.5 |
| 9 | 7 | CONCOR | 0.5 | 0.6 |
| 10 | 16 | DETRALEX | 0.5 | 0.4 |
| Total | | | 6.4 | 6.6 |

One newcomer broke into the ranks of the top ten INN and group names ranking (Table 3). The composition DIOSMIN*HESPERIDIN (+25%) moved up to rank 9. Another four names improved their positions. PANCREATIN (+6%) and BISOPROLOL (-1%) moved up one rank, coming in at numbers 2 and 3, and NIMESULIDE (+1%) and IBUPROFEN (+5%) also improved their positions, moving up to ranks 4 and 5. Two INNs PHOSPHOLIPIDS (-28%) and BLOOD (-11%) showed strong negative growth rates, moving down to ranks six and seven, respectively. INNs XYLOMETAZOLINE (-1%), KAGOCEL (+4%) and ETHYLMETHYLHYDROXYPYRIDINE (+5%) held their previous ranks one, eight and ten. The total share of the top 10 reduced from 10% to 9.6%.

### Table 3. The top 10 INNs and group names by pharmacy sales

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | XYLOMETAZOLINE | 1.4 | 1.4 |
| 2 | 3 | PANCREATIN | 1.2 | 1.1 |
| 3 | 4 | BISOPROLOL | 1.1 | 1.1 |
| 4 | 6 | NIMESULIDE | 1.0 | 1.0 |
| 5 | 7 | IBUPROFEN | 0.9 | 0.9 |
| 6 | 2 | PHOSPHOLIPIDS | 0.9 | 1.3 |
| 7 | 5 | BLOOD | 0.9 | 1.0 |
| 8 | 8 | KAGOCEL | 0.8 | 0.8 |
| 9 | 15 | DIOSMIN*HESPERIDIN | 0.8 | 0.6 |
| 10 | 10 | ETHYLMETHYLHYDROXYPYRIDINE | 0.8 | 0.8 |
| Total | | | 9.6 | 10.0 |

Most ATC groups of the top 10 ranking managed to hold their own in the ranking (Table 4). These were its leading groups M01 Anti-inflammatory and antirheumatic products (-4%), C09 Agents acting on the rennin-angiotensin system (+8%) and J01 Antibacterials for systemic use (-1%), and G03 Sex hormones (+5%), R01 Nasal preparations (+3%) and N06 Psychoanaleptics (+5%) placed at ranks six, seven and nine. J05 Antivirals for systemic use (+24%) showed the high sales growth rates and moved up from rank eight to four. The only newcomer of the top ten ATC group Vitamins (+5%) rounding out the ranking also showed positive growth rates. The other two groups showed lowering of ranking positions. They were N02 Analgesics (-1%) and R05 Cough and cold preparations (-9%), moving down to ranks five and eight, respectively. In total, the top ten ATC groups accumulated 37.1% of sales, which is almost the same as in the year-earlier period (37%).

### Table 4. The top ten ATC Groups by pharmacy sales

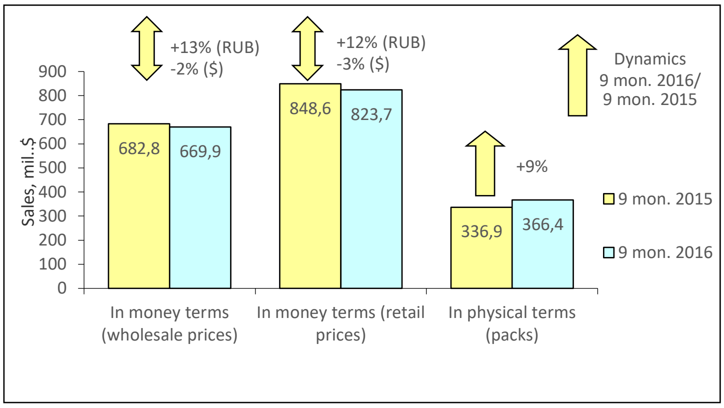
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.4 | 5.8 |
| 2 | 2 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.4 | 4.2 |
| 3 | 3 | J01 | ANTIBACTERIALS FOR SYST USE | 3.9 | 4.1 |
| 4 | 8 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 3.9 | 3.2 |
| 5 | 4 | N02 | ANALGESICS | 3.6 | 3.7 |
| 6 | 6 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.4 | 3.4 |
| 7 | 7 | R01 | NASAL PREPARATIONS | 3.3 | 3.3 |
| 8 | 5 | R05 | COUGH AND COLD PREPARATIONS | 3.1 | 3.5 |
| 9 | 9 | N06 | PSYCHOANALEPTICS | 3.1 | 3.0 |
| 10 | 11 | A11 | VITAMINS | 2.9 | 2.9 |
| Total | | | | 37.1 | 37.0 |

**Conclusion.** At the end of the period of January to September of 2016, the pharmacy market in VFD was estimated at RUB 100.734 bil. (USD 1.477 bil.) in retail prices. At the same time, the market behaviour was positive both in rouble (-0.2%) and dollar (-14%) terms. In physical terms, the sales reduced by 3% to 611.161 mil. packs. The average cost of an FPP pack (USD 2.42) in the pharmacies reduced as compared to a year earlier (USD 2.71), but was lower than the average value in Russia (USD 2.67). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 49.76 vs. USD 59.70).

## SFD PHARMACY MARKET: 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Southern Federal District (SoFD) was 14.045 mil., which accounted for 9.6% of the total Russian Federation population. According to Federal State Statistics Service's data, in January- September of 2016 the average wage in the SoFD was RUB 26,229 (USD 383.58), which was 27% lower than the national average wage in Russia (RUB 35,721). According to the results of the Retail Audit of FPPs in Russian Federation™, at the end of nine months of 2016 the sales of drugs in physical terms in the pharmacies of SoFD saw a 9% increase to 366.392 mil. packs. In money terms, the market showed positive growth rates (+13%) in rouble terms, while in dollar terms it reduced (-2%) and reached RUB 45.558 bil. (USD 669.901 mil.) at wholesale prices (Fig. 1). The city market share accounted for 9.4% of the pharmacy sales in Russia. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.52) and reached USD 2.25 at retail prices. In January-September 2016, the average amount spent by residents of the SoFD for drugs amounted to USD 58.65.

**Figure 1. SFD pharmacy market for 9 months of 2015 – 9 months of 2016**




At the end of nine months of 2016, the manufacturers BAYER (+8%) and SANOFI-AVENTIS (+7%) continued to take the lead in the top ten manufacturers on the Southern Federal District market (Table 1). The Russian manufacturer OTCPHARM (+46%) broke into the top ten manufacturers ranking, moving up to rank three. The manufacturer STADA (+17%) rounding out the top ten became the second newcomer of the ranking. Apart from them, another three drug manufacturers managed to rise in the ranks. GLAXOSMITHKLINE (+15%), MENARINI and TEVA (+13% each) moved up to ranks five, six and eight respectively. At the same time, the manufacturers SANDOZ (+9%), SERVIER (+3%) and NYCOMED/TAKEDA (-3%) moved down to the lower ranks four, seven and nine. The total share of the top 10 drug manufacturers decreased by 0.3 p.p. to 32.9%.

**Table 1. The top ten drug manufacturers by pharmacy sales**

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | **BAYER HEALTHCARE** | 4.7 | 4.9 |
| 2 | 2 | **SANOFI-AVENTIS** | 4.2 | 4.4 |
| 3 | 13 | OTCPHARM | 3.2 | 2.5 |
| 4 | 3 | **SANDOZ** | 3.2 | 3.3 |
| 5 | 7 | **GLAXOSMITHKLINE** | 3.1 | 3.0 |
| 6 | 8 | **MENARINI** | 3.1 | 3.0 |
| 7 | 4 | **SERVIER** | 3.0 | 3.2 |
| 8 | 10 | **TEVA** | 2.9 | 2.9 |
| 9 | 5 | **NYCOMED/TAKEDA** | 2.8 | 3.2 |
| 10 | 11 | **STADA** | 2.7 | 2.6 |
| Total | | | 32.9 | 33.2 |

*AIPM members are in bold

The top ten brand names in the regional market has been half updated. Five newcomers broke into the ranks of the top ten (Table 2). The brand names ERGOFERON (+92%), ARBIDOL (+78%), MIRAMISTIN (+29%), VIFERON (+33%) and ENTEROFURIL (+40%) moved up to ranks five and six, and the last three ranks. The leaders of the ranking KAGOCEL (+45%) and INGAVIRIN (2.2-fold growth in sales) also showed high growth rates. At the same time, FPP ACTOVEGIN (-13%) and ESSENTIALE N (-4%) moved down one rank, to numbers three and four, respectively. The drug CARDIOMAGNYL (-1%) lost two ranks in the top ten and moved down to rank seven. The total share of the top ten FPPs increased by 1 p.p. and accounted for 6.4%.

**Table 2. The top ten brand names by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 4 | KAGOCEL | 0.9 | 0.7 |
| 2 | 10 | INGAVIRIN | 0.9 | 0.5 |
| 3 | 2 | ACTOVEGIN | 0.7 | 0.9 |
| 4 | 3 | ESSENTIALE N | 0.7 | 0.8 |
| 5 | 26 | ERGOFERON | 0.6 | 0.3 |
| 6 | 28 | ARBIDOL | 0.5 | 0.3 |
| 7 | 5 | CARDIOMAGNYL | 0.5 | 0.6 |
| 8 | 13 | MIRAMISTIN | 0.5 | 0.4 |
| 9 | 20 | VIFERON | 0.5 | 0.4 |
| 10 | 21 | ENTEROFURIL | 0.5 | 0.4 |
| Total | | | 6.4 | 5.5 |

Two newcomers broke into the ranks of the top ten INN and generic names ranking (Table 3). INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID and INN INTERFERON ALFA-2B (+39%) placed at ranks six and seven increased their sales 2.2 times. Another four brand names of the top ten showed growth in sales. INNs XYLOMETAZOLINE and PANCREATIN (+15% each) topped the top 10 ranking, and IBUPROFEN (+18%) and KAGOCEL (+45%) moved up to ranks 4 and 5. NIMESULIDE (+11%) maintained its previous rank three. BLOOD (-10%) and PHOSPHOLIPIDS (-2%), which reduced their sales, and BISOPROLOL (-3%), which showed low growth rates, moved down to the lower ranks eight through ten, respectively. The total share of the top 10 INNs increased from 9.5% to 10%.

**Table 3. The top 10 INNs and group names by pharmacy sales**

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 2 | XYLOMETAZOLINE | 1.7 | 1.7 |
| 2 | 4 | PANCREATIN | 1.1 | 1.1 |
| 3 | 3 | NIMESULIDE | 1.1 | 1.1 |
| 4 | 6 | IBUPROFEN | 1.0 | 1.0 |
| 5 | 9 | KAGOCEL | 0.9 | 0.7 |
| 6 | 27 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.9 | 0.5 |
| 7 | 11 | INTERFERON ALFA-2B | 0.8 | 0.7 |
| 8 | 5 | BLOOD | 0.8 | 1.0 |
| 9 | 8 | BISOPROLOL | 0.8 | 0.9 |
| 10 | 7 | PHOSPHOLIPIDS | 0.8 | 0.9 |
| Total | | | 10.0 | 9.5 |

Most ATC groups from the top ten ranking in the analysed period showed outperformance rates and increased their shares (Table 4). However, only two of them rose in the ranks. J05 Antivirals for systemic use (+71%) and the newcomer of the top ten L03 Immunostimulants (+33%) moved up to rank two from nine. R01 Nasal preparations (+17%) and G03 Sex hormones (+15%) managed to hold their own in the ranking, whereas the groups J01 Antibacterials for systemic use (+15%), N02 Analgesics (+14%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+17%) moved down to the lower ranks three, five and six despite the outperformance rates. Despite lagging behind the growth rates and decrease in the market's share, M01 Anti-inflammatory and antirheumatic products (+7%) held their leadership in the top ten ranking. The groups C09 Agents acting on the rennin-angiotenzin system (+13%) and R05 Cough and cold preparations (+11%) moved down to ranks 8 and 9. The consolidated share of the top 10 ranking under review increased from 36.2% to 38.4%.

**Table 4. The top ten ATC Groups by pharmacy sales**

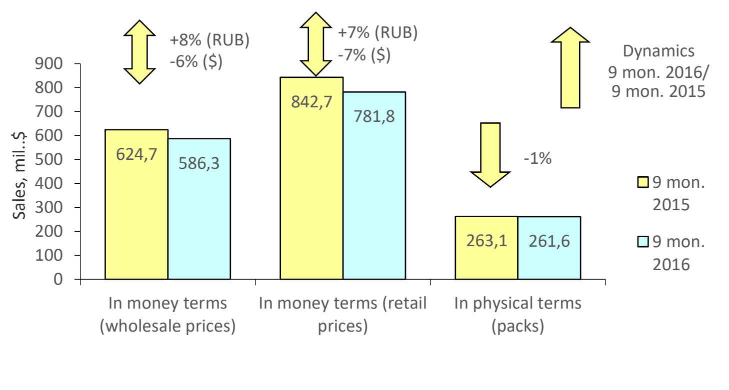
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.2 | 5.4 |
| 2 | 9 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 4.8 | 3.2 |
| 3 | 2 | J01 | ANTIBACTERIALS FOR SYST USE | 4.2 | 4.1 |
| 4 | 4 | R01 | NASAL PREPARATIONS | 3.9 | 3.7 |
| 5 | 3 | N02 | ANALGESICS | 3.8 | 3.8 |
| 6 | 5 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 3.7 | 3.5 |
| 7 | 7 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.4 | 3.3 |
| 8 | 6 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 3.4 | 3.4 |
| 9 | 8 | R05 | COUGH AND COLD PREPARATIONS | 3.1 | 3.2 |
| 10 | 14 | L03 | IMMUNOSTIMULANTS | 3.1 | 2.6 |
| Total | | | | 38.4 | 36.2 |

**Conclusion.** On the basis of the results for the first nine months of 2016, the SoFD pharmacy market reached RUB 56.014 bil. (USD 823.664 mil.) at retail prices. The sales saw a 12% increase in terms of roubles, and a 3% decrease in terms of dollars. In pack terms, the market also showed positive growth rates (+9%) and achieved 366.392 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.25 which was lower than the 2015 figures (USD 2.52), and lower than national average (USD 2.67). The average expenses of the SFD residents for medications in the pharmacies didn't exceed the national average either (USD 58.65 vs. USD 59.70).

## UFD PHARMACY MARKET: 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Ural Federal District (UFD) was 12.308 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first nine months of 2016 the average wage in the UFD region was RUB 40,917 (USD 598.38), which was 15% higher than the average wage in Russia (RUB 35,721). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months of 2016 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 1% decrease to 261.583 mil. packs. In money terms, the market showed positive growth rates (+8%) in rouble terms, but it reduced by 6% in dollar terms and reached RUB 39.959 bil. (USD 586.339 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 8.9% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 2.99, which was lower than in the year-earlier period (USD 3.20). In January-September of 2016, the average amount spent by the UFD residents on drugs amounted to USD 63.52.

### Figure 1. UFD pharmacy market for 9 months of 2015 – 9 months of 2016




At the end of nine months of 2016, the manufacturer BAYER (+14%) moved up to rank number one, displacing SANOFI-AVENTIS (+1%) down in the top ten manufacturers on the pharmacy market in the Ural Federal District market (Table 1). Some shifts also took place in the lower part of the top 10 ranking, and as a result three of its manufacturers rose in the ranks. SERVIER (+14%) and OTCPHARM (+22%) moved up to ranks four and five from 7 and 10, and ABBOTT (+13%) moved up to ranks seven from nine. At the same time, four manufacturers SANDOZ (-3%), NYCOMED/TAKEDA (+1%), TEVA (+2%) and STADA (-1%) fell in the ranks, moving down to ranks six through ten, respectively. The manufacturer GEDEON RICHTER (+5%) held its previous rank three. The cumulative share of the top 10 drug manufacturers reduced from 34.9% to 34.3%.

### Table 1. The top ten drug manufacturers by pharmacy sales

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 2 | **BAYER HEALTHCARE** | 4.9 | 4.7 |
| 2 | 1 | **SANOFI-AVENTIS** | 4.9 | 5.2 |
| 3 | 3 | GEDEON RICHTER | 3.6 | 3.7 |
| 4 | 7 | **SERVIER** | 3.2 | 3.0 |
| 5 | 10 | OTCPHARM | 3.1 | 2.8 |
| 6 | 4 | **SANDOZ** | 3.1 | 3.4 |
| 7 | 9 | **ABBOTT** | 3.1 | 2.9 |
| 8 | 5 | **NYCOMED/TAKEDA** | 3.0 | 3.2 |
| 9 | 8 | **TEVA** | 2.8 | 2.9 |
| 10 | 6 | **STADA** | 2.8 | 3.0 |
| Total | | | 34.3 | 34.9 |

*AIPM members are in bold

In contrast to the previous ranking, two newcomers broke into the top 10 brand names ranking on the regional market (Table 2). HEPTRAL (+21%) and DUPHASTON (+7%) moved up to the last two ranks of the top ten ranking. The markets of brand names INGAVIRIN (+69%), DETRALEX (+51%) and ERGOFERON (+27%) also developed by high growth rates which allowed them to move up to ranks two, three and six respectfully. The growth rates of the remaining five brand names, or as those of the drug CARDIOMAGNYL (+4%) were negative. This resulted in ranking downgrade in four of them. Only INN ESSENTIALE N (-12%) placed at rank number one held its own in the ranking despite the reduction in sales. The cumulative share of the top 10 didn't change and accounted for 6.2%.

### Table 2. The top ten brand names by pharmacy sales

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | ESSENTIALE N | 0.9 | 1.1 |
| 2 | 8 | INGAVIRIN | 0.8 | 0.5 |
| 3 | 7 | DETRALEX | 0.7 | 0.5 |
| 4 | 2 | ACTOVEGIN | 0.7 | 0.8 |
| 5 | 4 | KAGOCEL | 0.6 | 0.7 |
| 6 | 10 | ERGOFERON | 0.5 | 0.5 |
| 7 | 5 | CARDIOMAGNYL | 0.5 | 0.6 |
| 8 | 3 | ALFLUTOP | 0.5 | 0.8 |
| 9 | 14 | HEPTRAL | 0.5 | 0.4 |
| 10 | 12 | | 0.4 | 0.4 |
| Total | | | 6.2 | 6.3 |

Despite almost zero sales rates, INN XYLOMETAZOLINE (-0.4%) managed to hold its previous rank number one in the top ten INNs and group names ranking (Table 3). The newcomer composition DIOSMIN*HESPERIDIN (+62%) broke into the top ten ranking, coming in at number two, and PANCREATIN (+8%) as before held its previous rank three. In addition to the above, another two newcomers broke into the ranks of the top ten. INNs ROSUVASTATIN (+37%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+69%) moved up to ranks eight and ten. The composition CHONDROITINSULFURIC ACID* GLUCOSAMINE (+10%) also managed to rise in the ranks, moving up to rank 7. PHOSPHOLIPIDS (-13%) and NIMESULIDE (-1%), which reduced their sales, and BISOPROLOL, which showed zero growth rates, lost two ranks each and moved down to ranks 4, 6 and 7, respectively. INN IBUPROFEN (+10%) held its previous rank five. The cumulative share of the top10 extended from 9% to 9.4%.

### Table 3. The top 10 INNs and group names by pharmacy sales

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | XYLOMETAZOLINE | 1.3 | 1.4 |
| 2 | 12 | DIOSMIN*HESPERIDIN | 1.1 | 0.7 |
| 3 | 3 | PANCREATIN | 1.0 | 1.0 |
| 4 | 2 | PHOSPHOLIPIDS | 1.0 | 1.2 |
| 5 | 5 | IBUPROFEN | 0.9 | 0.9 |
| 6 | 4 | NIMESULIDE | 0.9 | 1.0 |
| 7 | 8 | CHONDROITINSULFURIC ACID* GLUCOSAMINE | 0.8 | 0.8 |
| 8 | 13 | ROSUVASTATIN | 0.8 | 0.6 |
| 9 | 7 | BISOPROLOL | 0.8 | 0.9 |
| 10 | 34 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.8 | 0.5 |
| Total | | | 9.4 | 9.0 |

The top three groups held their own in the top ten ATC group ranking: the groups M01 Anti-inflammatory and antirheumatic products (+4%), G03 Sex hormones (+15%) and C09 Agents acting on the rennin-angiotenzin system (+12%) maintained and the latter two reinforced their positions (Table 4). In addition to them, A11 Vitamins (+6%) and R01 Nasal preparations (+3%) held their previous ranks five and six. Four groups of the top ten rose in the ranks. At the same time, J05 Antivirals for systemic use (+20%) moved down three ranks, coming in at number four. N06 Psychoanaleptics (+11%) moved up to rank eight from ten, and a newcomers A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+10%) and B01 Antithrombotic agents (+28%) broke into the top ten, moving up to the last two ranks of the top ten. Due to 4% reduction in sales, the group J01 Antibacterials for systemic use moved down from rank four to seven. The total share of the top ten extended by 0.5 p.p. and accounted for 37.2%.

### Table 4. The top ten ATC Groups by pharmacy sales

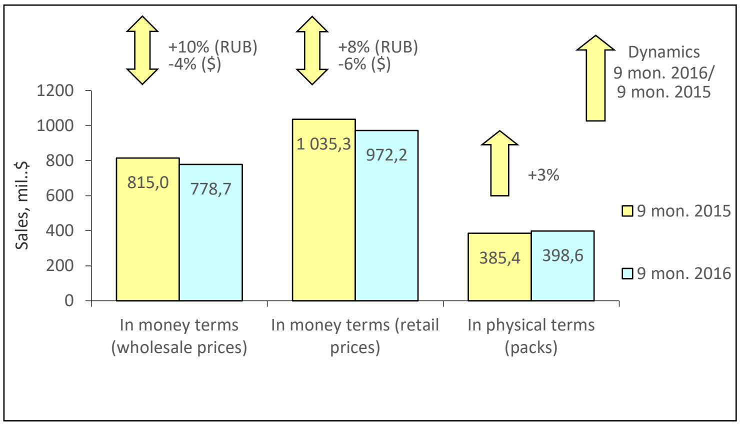
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 4.9 | 5.1 |
| 2 | 2 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 4.6 | 4.4 |
| 3 | 3 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.3 | 4.2 |
| 4 | 7 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 3.9 | 3.5 |
| 5 | 5 | A11 | VITAMINS | 3.6 | 3.6 |
| 6 | 6 | R01 | NASAL PREPARATIONS | 3.4 | 3.6 |
| 7 | 4 | J01 | ANTIBACTERIALS FOR SYST USE | 3.3 | 3.7 |
| 8 | 10 | N06 | PSYCHOANALEPTICS | 3.1 | 3.0 |
| 9 | 11 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 3.1 | 3.0 |
| 10 | 13 | B01 | ANTITHROMBOTIC AGENTS | 3.1 | 2.6 |
| Total | | | | 37.2 | 36.7 |

**Conclusion.** On the basis of the results for nine months of 2016, the retail pharmacy market of the Ural Federal District brought in RUB 53.302 bil. (USD 781.818 mil.) at retail prices. The sales saw a 7% increase in terms of roubles, and a 7% decrease in terms of dollars. In physical terms, the market showed negative growth rates (-1%) and amounted to 261,583 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for January-September of 2016 was USD 2.99 which was lower than the last year figures (USD 3.20), but higher than average figures in the country (USD 2.67). The average expenses of the UFD residents for medications in the pharmacies also exceeded the national average (USD 63.52 vs. USD 59.70).

## SFD PHARMACY MARKET: 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Siberian Federal District (SiFD) was 19.324 mil., which accounted for 13.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for 9 months of 2016 the average salary in the SiFD was RUB 30,463 (USD 445.5), which was 15% lower than the national average wage in Russia (RUB 35,721). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first nine months of 2016 the SiFD pharmacy market volume increased in physical terms by 3% and amounted to 398.633 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance in terms of roubles (+10%) and the negative performance in terms of dollars (-4%) and reached RUB 53.101 bil. (USD 778.700 mil.). The district's share accounted for 11.1% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for January-September of 2016, the average cost of FPP pack in the SiFD pharmacies was USD 2.44, whereas in the year-earlier period its cost was USD 2.69. At the end of 9 months of 2016, per capita expenses of the SFD residents for purchase of FPPs in the pharmacies amounted to USD 50.31.

**Figure 1. The SFD pharmacy market for 9 months of 2015 – 9 months of 2016**




At the end of the period of January-September of 2016, the manufacturers SANOFI-AVENTIS (+5%), BAYER (+17%), SERVIER (+10%), NYCOMED/TAKEDA (+4%) and SANDOZ (+3% held their leading positions on the pharmacy market of the SiFD market (Table 1). Some shifts took place in the lower part of the top-10 ranking. The more dynamic manufacturer TEVA (+8%) moved up one rank to number 6, displacing GEDEON RICHTER (+5%). The only newcomer OTCPHARM (+27%) moved up to rank eight in the top 10. STADA (+5%) held its previous rank nine, whereas GLAXOSMITHKLINE (+4%) moved down to the last rank. The total share of the top ten INN and group names increased by 0.6 p.p. and achieved 33.5%.

**Table 1. The top ten drug manufacturers by pharmacy sales**

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | **SANOFI-AVENTIS** | 4.6 | 4.8 |
| 2 | 2 | **BAYER HEALTHCARE** | 4.6 | 4.3 |
| 3 | 3 | **SERVIER** | 3.5 | 3.5 |
| 4 | 4 | **NYCOMED/TAKEDA** | 3.2 | 3.4 |
| 5 | 5 | **SANDOZ** | 3.2 | 3.4 |
| 6 | 7 | **TEVA** | 3.1 | 3.2 |
| 7 | 6 | GEDEON RICHTER | 3.1 | 3.2 |
| 8 | 12 | OTCPHARM | 2.9 | 2.5 |
| 9 | 9 | **STADA** | 2.7 | 2.9 |
| 10 | 8 | **GLAXOSMITHKLINE** | 2.7 | 2.9 |
| Total | | | 33.5 | 34.1 |

*AIPM members are in bold

Three newcomers broke into the top 10 brand names ranking on the regional market (table 2). The brand names DETRALEX (+37%), INGAVIRIN (+69%) and MEXIDOL (+15%) moved up to ranks five, six and nine, respectively. The leader of the top ten ranking was also replaced: KAGOCEL (+13%) moved up to rank number one from three. At the same time, CARDIOMAGNYL (+4%), ESSENTIALE N (-10%) and LOZAP PLUS (+11%) moved down one rank, whereas the drug CONCOR (-3%) lost two ranks. The brand names ACTOVEGIN (-1%) and PENTALGIN (+9%) hold their previous ranks four and eight. In total, the top ten brand names accumulated 5.9% of sales, which is nearly as much as in the year-earlier period.

**Table 2. The top ten brand names by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 3 | KAGOCEL | 0.8 | 0.7 |
| 2 | 1 | CARDIOMAGNYL | 0.7 | 0.8 |
| 3 | 2 | ESSENTIALE N | 0.6 | 0.8 |
| 4 | 4 | ACTOVEGIN | 0.6 | 0.7 |
| 5 | 12 | DETRALEX | 0.6 | 0.5 |
| 6 | 19 | INGAVIRIN | 0.5 | 0.4 |
| 7 | 5 | CONCOR | 0.5 | 0.6 |
| 8 | 8 | PENTALGIN | 0.5 | 0.5 |
| 9 | 11 | MEXIDOL | 0.5 | 0.5 |
| 10 | 9 | LOZAP PLUS | 0.5 | 0.5 |
| Total | | | 5.9 | 5.9 |

The upper half of the top ten INN and group names ranking remained unchanged: INNs XYLOMETAZOLINE (0%), BISOPROLOL (+6%), IBUPROFEN (+10%), NIMESULIDE (+6%) and PANCREATIN (+7%) held their previous top five ranks (Table 3). INN KAGOCEL (+13%), the composition LOSARTAN* HYDROCHLOROTHIAZIDE (+14%), and the newcomers of the top ten DIOSMIN*HESPERIDIN (+41%) and SILDENAFIL (+27%) moved up to ranks six through nine respectively. The composition ACETYLSALICYLIC ACID*MAGNESIUM (+4%) moved down to the last rank in the top ten. The cumulative share of the top 10 didn't change and accounted for 9.1%.

**Table 3. The top 10 INNs and group names by pharmacy sales**

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | XYLOMETAZOLINE | 1.4 | 1.6 |
| 2 | 2 | BISOPROLOL | 1.1 | 1.1 |
| 3 | 3 | IBUPROFEN | 1.0 | 1.0 |
| 4 | 4 | NIMESULIDE | 0.9 | 1.0 |
| 5 | 5 | PANCREATIN | 0.9 | 0.9 |
| 6 | 9 | KAGOCEL | 0.8 | 0.7 |
| 7 | 10 | LOSARTAN*HYDROCHLOROTHIAZIDE | 0.8 | 0.7 |
| 8 | 25 | DIOSMIN*HESPERIDIN | 0.7 | 0.6 |
| 9 | 14 | SILDENAFIL | 0.7 | 0.6 |
| 10 | 7 | ACETYLSALICYLIC ACID*MAGNESIUM | 0.7 | 0.8 |
| Total | | | 9.1 | 9.1 |

Four ATC groups held their previous ranks in the top ten ATC groups ranking (Table 4). These were its leaders M01 Anti-inflammatory and antirheumatic products (+5%) and C09 Agents acting on the rennin-angiotensin system (+16%), and J01 Antibacterials for systemic use (+6%) and R01 Nasal preparations (+5%) placed at ranks 5 and 6. Three ATC groups from the top ten rose in the ranks. G03 Sex hormones (+14%) moved up to rank three from four, J05 Antivirals for systemic use (+33%) moved up to rank seven from ten, and the newcomer N06 Psychoanaleptics (+11%) moved up to rank ten. At the same time, N02 Analgesics (+6%), R05 Cough and cold preparations (-2%) and A11 Vitamins (+11%) moved down one rank. The total share of the top-10 didn't virtually change and accounted for 37.5%.

**Table 4. The top ten ATC Groups by pharmacy sales**

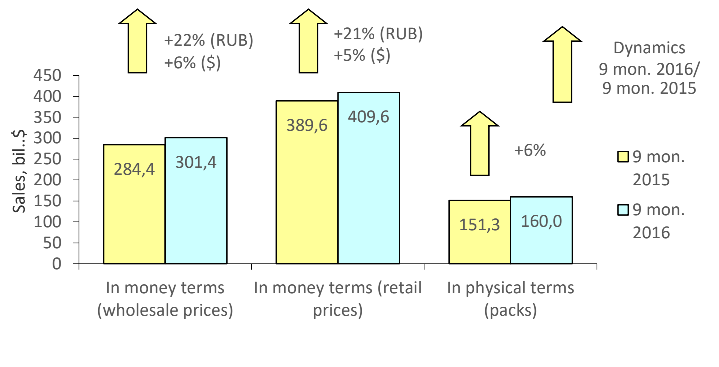
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.2 | 5.4 |
| 2 | 2 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.6 | 4.4 |
| 3 | 4 | G03 | - SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 4.2 | 4.0 |
| 4 | 3 | N02 | - ANALGESICS | 3.9 | 4.1 |
| 5 | 5 | J01 | ANTIBACTERIALS FOR SYST USE | 3.7 | 3.9 |
| 6 | 6 | R01 | NASAL PREPARATIONS | 3.5 | 3.7 |
| 7 | 10 | J05 | - ANTIVIRALS FOR SYSTEMIC USE | 3.3 | 2.8 |
| 8 | 7 | R05 | - COUGH AND COLD PREPARATIONS | 3.1 | 3.5 |
| 9 | 8 | A11 | - VITAMINS | 3.1 | 3.1 |
| 10 | 11 | N06 | - PSYCHOANALEPTICS | 2.8 | 2.7 |
| Total | | | | 37.5 | 37.6 |

**Conclusion.** At the end of the period of January-September of 2016, the pharmacy market in the Siberian Federal District was estimated at RUB 66.317 bil. (USD 972.250 mil.) in final consumer prices. At the same time, the market performance was positive in rouble terms (+8%), whereas in dollar terms the national market reduced by 6%. In physical terms, the sales increased (+3%) and reached 398.633 mil. packs. The average cost of a FPP pack (USD 2.44) reduced as compared to a year earlier (USD 2.69), but was lower than the national average FPP cost in Russia (USD 2.67). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 50.31 vs. USD 59.70).

## FFD PHARMACY MARKET: 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Far Eastern Federal District (FEFD) was 6.195 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in 9 months of 2016 the average wage in the FEFD was RUB 44,620 (USD 652.53), which was 25% higher than the average wage in Russia (RUB 35,721). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of 9 months of 2016 the sales of drugs in natural terms in the pharmacies of FEFD saw a 6% increase to 159.953 mil. packs. In value terms, the market increased both in rouble terms (+22%) and in dollar terms (+6%) and reached RUB 20.537 bil. (USD 301.402 mil.) in wholesale prices (Fig. 1). The district's share reached 4.7% of the all-Russia sales in retail prices. The average cost of an OTC pack didn't practically change as compared to a year earlier and reached USD 2.56 (vs. USD 2.57). At the end of 9 months of 2016, the average amount spent by the residents of the FEFD for drugs in pharmacies amounted to USD 66.11.

**Figure 1. The FEFD pharmacy market for 9 months of 2015 – 9 months of 2016**




Based on the results for nine months of 2016, the pharmaceutical manufacturer BAYER (+34%) became the leader of the top ten manufacturers in the FEFD, moving up to this rank from four (Table 1). The former leaders of the top ten SANOFI-AVENTIS (+18%), SERVIER (+13%) and GEDEON RICHTER (+10%) moved down one rank. Apart from the leader, the other three drug manufacturers from the top ten moved up to yet higher ranks. SANDOZ (+30%) moved up one rank, coming in at number 5, and the newcomers of the top ten OTCPHARM (+46%) and STADA (+18%) moved up to ranks eight and ten, respectively. The manufacturers GLAXOSMITHKLINE (+28%) and KRKA (+24%) held and reinforced their positions, whereas due to lagging behind the growth rates NYCOMED/TAKEDA (+10%) moved down one rank. The total share of the analysed top 10 manufacturers remained unchanged and accounted for 34%.

**Table 1. The top ten drug manufacturers by pharmacy sales**

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 4 | **BAYER HEALTHCARE** | 4.3 | 3.9 |
| 2 | 1 | **SANOFI-AVENTIS** | 4.1 | 4.3 |
| 3 | 2 | **SERVIER** | 3.8 | 4.2 |
| 4 | 3 | GEDEON RICHTER | 3.7 | 4.1 |
| 5 | 6 | **SANDOZ** | 3.3 | 3.1 |
| 6 | 5 | **NYCOMED/TAKEDA** | 3.2 | 3.6 |
| 7 | 7 | **GLAXOSMITHKLINE** | 3.2 | 3.0 |
| 8 | 12 | OTCPHARM | 2.9 | 2.5 |
| 9 | 9 | **KRKA** | 2.8 | 2.7 |
| 10 | 11 | **STADA** | 2.6 | 2.7 |
| Total | | | 34.0 | 34.0 |

*AIPM members are in bold

Antiviral drug INGAVIRIN, which sales in the analysed period increased 2.3 times, became the bestselling drug in the regional pharmacies (2.5-fold growth in sales) (Table 2). The brand names ESSENTIALE N (+11%), CARDIOMAGNYL (+15%) and KAGOCEL (+23%) held their previous ranks two through four in the ranking. The FPP MEXIDOL (+28%), DETRALEX (+52%), MIRAMISTIN (+57%) and ARBIDOL (+53%), which showed high growth rates, rose in the ranks. In addition, the last two became the newcomers of the top ten ranking. At the same time, ACTOVEGIN (-13%), which reduced its sales, and CONCOR (+2%) showing low growth rates moved down to ranks six and eight, respectively. The total share of the top-ten increased by 0.3 p.p. and achieved 6.4%.

**Table 2. The top ten brand names by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 12 | INGAVIRIN | 0.8 | 0.4 |
| 2 | 2 | ESSENTIALE N | 0.8 | 0.8 |
| 3 | 3 | CARDIOMAGNYL | 0.7 | 0.8 |
| 4 | 4 | KAGOCEL | 0.7 | 0.7 |
| 5 | 8 | MEXIDOL | 0.6 | 0.6 |
| 6 | 1 | ACTOVEGIN | 0.6 | 0.8 |
| 7 | 9 | DETRALEX | 0.6 | 0.5 |
| 8 | 6 | CONCOR | 0.5 | 0.6 |
| 9 | 19 | MIRAMISTIN | 0.5 | 0.4 |
| 10 | 16 | ARBIDOL | 0.5 | 0.4 |
| Total | | | 6.4 | 6.1 |

The top 10 INN and grouping names leader held its own in the ranking: INN XYLOMETAZOLINE (+26%) held and strengthened its previous rank (table 3). NIMESULIDE (+2%) also held its previous rank four. Five drug manufacturers of the top 10 showed high growth rates. These were IBUPROFEN and PANCREATIN (+19% each) moving up to ranks two and five, and the newcomers IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+128%), DIOSMIN*HESPERIDIN (+51%) and SILDENAFIL (+56%) broking into the top ten ranking. In contrast, the less dynamic INNs AMBROXOL (+7%), KETOPROFEN (+11%) and AZITHROMYCIN (+16%) moved down to ranks three, 7 and 10, respectively. The cumulative share of the top10 increased from 9.3% to 9.5%.

**Table 3. The top 10 INNs and group names by pharmacy sales**

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | XYLOMETAZOLINE | 1.7 | 1.6 |
| 2 | 3 | IBUPROFEN | 1.1 | 1.1 |
| 3 | 2 | BISOPROLOL | 1.0 | 1.2 |
| 4 | 4 | NIMESULIDE | 0.9 | 1.1 |
| 5 | 7 | PANCREATIN | 0.9 | 0.9 |
| 6 | 35 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.8 | 0.4 |
| 7 | 6 | PHOSPHOLIPIDS | 0.8 | 0.9 |
| 8 | 14 | DIOSMIN*HESPERIDIN | 0.8 | 0.6 |
| 9 | 17 | SILDENAFIL | 0.8 | 0.6 |
| 10 | 8 | DICLOFENAC | 0.7 | 0.8 |
| Total | | | 9.5 | 9.3 |

The top ten ATC groups ranking turned out to be the most stable: it didn't change in composition and its four ATC groups held their previous ranks (Table 4). These were its leaders M01 Anti-inflammatory and antirheumatic products (+12%) and C09 Agents acting on the rennin-angiotensin system (+21%), and G03 Sex hormones (+24%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+29%) placed at ranks 7 and 10. R01 Nasal preparations (+27%) showing outperformance rates and J05 Antivirals for systemic use (+58%) moved up to ranks three and five. At the same time, ATC groups N02 Analgesics and J01 Antibacterials for systemic use (+18% each), and R05 Cough and cold preparations (+10%) and A11 Vitamins (+19%) moved down to the lower ranks four, six, eight and nine. The total share of the analysed top 10 ranking remained unchanged and accounted for 37%.

**Table 4. The top ten ATC Groups by pharmacy sales**

| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 9 mon. 2016 | 9 mon. 2015 | | | 9 mon. 2016 | 9 mon. 2015 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 4.9 | 5.4 |
| 2 | 2 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.3 | 4.3 |
| 3 | 4 | R01 | NASAL PREPARATIONS | 3.9 | 3.8 |
| 4 | 3 | N02 | ANALGESICS | 3.9 | 4.0 |
| 5 | 9 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 3.9 | 3.0 |
| 6 | 5 | J01 | ANTIBACTERIALS FOR SYST USE | 3.6 | 3.7 |
| 7 | 7 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.3 | 3.3 |
| 8 | 6 | R05 | COUGH AND COLD PREPARATIONS | 3.2 | 3.6 |
| 9 | 8 | A11 | VITAMINS | 3.0 | 3.1 |
| 10 | 10 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 2.9 | 2.8 |
| Total | | | | 37.0 | 36.9 |

**Conclusion.** On the basis of the results for 9 months of 2016, the retail market of the Far Eastern Federal District brought in RUB 27.909 bil. (USD 409.554 mil.). It was 21% more in terms of roubles and 5% more in terms of dollars than in 2015. In physical terms, the market also showed the positive growth rates (+6%) and was equal to 159.953 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for January-September of 2016 was USD 2.56 (in a year-earlier period - USD 2.57), which was lower than the national average (USD 2.67). The average medicine expenses of the district residents were higher than the national average expenses in Russia (66.11 USD vs. 59.70 USD).