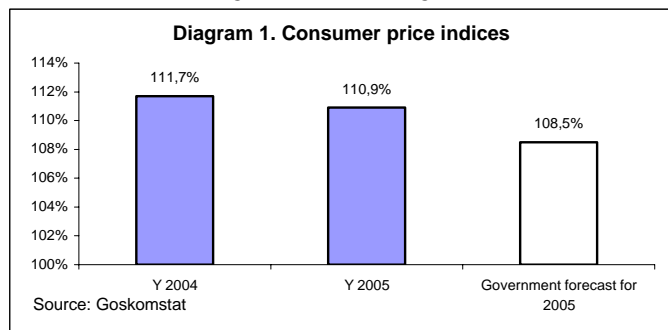


MACROECONOMIC INDICATORS

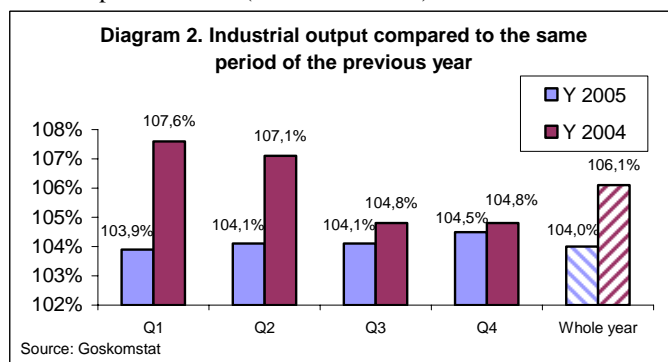
Monetary and financial indicators

According to Goskomstat, the inflation rate of consumer market slightly increased from 0.7% in November to 0.8% in December. The overall inflation rate for 2005 was reported by Goskomstat at 10.9%. Therefore, the consumer market inflation rate in 2005 was slightly below the same indicator in 2004 and exceeded the Government forecast figure for 2005 (Diagram 1).



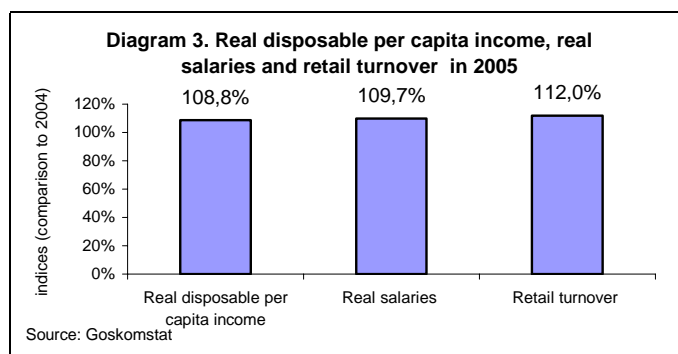
Industrial output

Goskomstat estimated the industrial output in December 2005 at 104.6% as compared to the same month in 2004. The highest growth rate in terms of quarterly dynamics was achieved in fourth quarter of 2005 (Diagram 2). Industrial production grew by 4% in 2005 compared to 2004 (vs. 6.1% in 2004).



Population income and living standards

According to Goskomstat preliminary data, the average salary in 2005 was Rbl. 8530 (about \$ 301). Real salaries in 2005 increased by 9.7% compared to 2004, while real disposable per capita income was 8.8% higher than the previous year (Diagram 3). Real turnover grew by 12% in 2005 compared to the previous year and accounted for about Rbl. 6934 B.



Domestic production

According to Goskomstat, in November 2005 the output of domestic pharmaceutical companies was \$172 M., which is almost 8% higher than the same indicator in previous month. The top 10 producers by output value in November 2005 are listed in Table 1. The total output of these leaders accounted for \$93 M., which is 54% of the total pharmaceutical production by value.

Table 1. Top 10 domestic manufacturers in November 2005

Ranking	Manufacturer	Output Value, \$ M.
1	Pharmstandart	14.5
2	Otechestvennyye Lekarstva	13.6
3	Veropharm	11.0
4	Nizhpharm	10.6
5	PHARM-CENTR	10.3
6	Akrikhin	8.6
7	Bryntsalov A	8.1
8	Moskhimpharmpreparaty	6.0
9	Immunopreparat	5.6
10	Materia Medica	5.1

Table 2. Pharmacy sales in 2005 by different regions

Region	Pharmacy sales, \$M. (in pharmacy purchasing prices)			Growth rate, %		
	October 2005	November 2005	December 2005	October 2005/September 2005	November 2005/October 2005	December 2005/November 2005
Moscow city	79.0	74.5	85.7	11%	-6%	15%
Saint-Petersburg	19.4	20.1	20.6	5%	3%	3%
Tatarstan	10.8	10.9	12.8	9%	2%	17%
Novosibirsk region	7.5	8.1	9.4	4%	9%	16%
Krasnodar region	8.5	8.6	8.3	9%	1%	-4%
Rostov-on-Don region	6.1	6.5	7.8	1%	6%	20%
Krasnoyarsk region	6.5	6.5	6.8	3%	-1%	5%
Voronezh region	5.5	5.6	6.5	5%	3%	14%
Tyumen city	3.4	3.9	4.5	7%	15%	16%
Perm city	3.7	3.6	3.7	5%	-3%	2%

Pharmacy sales of 10 regions are presented in Table 2. In December 2005 pharmacy sales increased in all of analyzed regions compared to the previous month, except Krasnodar region. The highest growth rate in terms of monthly pharmacy sales was in Rostov-on-Don region (+20%).

Advertisement

The top 5 pharmaceutical manufacturers and top 5 brands by quantity of advertising blocks (TV, radio, press, outdoor advertisement) are listed in Table 3 and Table 4, respectively.

Table 3. Top 5 advertisers in December 2005

Rank	Company*	Quantity
1	Materia Medica	3 187
2	Bayer AG	2 195
3	Berlin-Chemie / Menarini Pharma G.m.b.H.	1 642
4	Novartis	1 541
5	Nycomed	1 295

Source – TNS Gallup AdFact

Table 4. Top 5 brands in December 2005

Rank	Brand Name*	Quantity
1	Impaza	1 759
2	Alka-Seltzer	1 380
3	Proproten-100	1 080
4	TeraFlu	963
5	Aspirin (Bayer)	751

Source – TNS Gallup AdFact

* Both rankings in Tables 3 and 4 contain only products registered as drugs and only companies that advertise registered pharmaceuticals.

HOSPITAL MARKET OF THE REPUBLIC OF KAZAKHSTAN IN Q1-Q3 2005

According to the Analysis of Hospital Purchases in Kazakhstan™ data, the value of drugs purchased by hospitals during the first three quarters of 2005 amounted to \$91.8 M. in purchasing prices.

The cumulative share of the 10 leading manufacturers presented in Table 1 accounted for almost a half of the total hospital market of Kazakhstan in the first nine months of 2005. The share of Nycomed, unconditional leader of the ranking, almost 55% higher than the share of the next participant, Sanofi-Aventis. First three leaders accumulated 24% of the total hospital purchases. Western European companies are predominated on the hospital market of Kazakhstan. One domestic company entered the top 10 list in Q1-Q3 2005.

Table 1. Top 10 manufacturers by hospital purchases

Rank	Manufacturer*	Share in hospital purchases, %
1	Nycomed	10.6
2	Sanofi-Aventis	6.9
3	GlaxoSmithKline	6.2
4	Gedeon Richter Ltd.	5.3
5	Schering AG	4.7
6	Berlin-Chemie / Menarini Pharma G.m.b.H.	3.3
7	Janssen-Cilag	3.0
8	EBEWE Pharma	2.3
9	Lek-Sandoz	2.1
10	Vostochno-Kazakhstansky Oblastnoy Centr Krovi	2.1
Total top 10		46.5

*AIPM members are in bold

The cumulative share of the top 10 trade names accounted for 28% of the total hospital purchases in Kazakhstan in the first nine months of 2005 (Table 2). The share of Actovegin, the unconditional leader in terms of hospital purchases, is over three times higher than the share of the next top 10 participant Recofol. It should be noted that first three leaders accumulated 14% of the total hospital purchases in Q1-Q3 2005.

Table 2. Top 10 trade names by hospital purchases

Rank	Trade name	Share in hospital purchases, %
1	Actovegin	9.1
2	Recofol	2.5
3	Arduan	2.4
4	Fortum	2.3
5	Albumin	2.1
6	Cerebrolysin	2.1
7	Sodium chloride	1.9
8	Zinacef	1.9
9	Rheopolyglukin	1.9
10	Rispolept	1.9
Total top 10		28.1

The total share of the 10 leading INN's accounted for over 20% of the total hospital purchases in Kazakhstan in the first three quarters of 2005 (Table 3). First three leaders accumulated over 7% of the total hospital purchases. Due to successful promotion of Recofol, its INN propofol occupied leading position in the analyzed period.

Table 3. Top 10 INN's by hospital purchases

Rank	INN/ Combination	Share in hospital purchases, %
1	Propofol	2.5
2	Pipecuronium bromide	2.4
3	Ceftazidime	2.4
4	Albumin	2.1
5	Cefuroxime	2.1
6	Sodium chloride	1.9
7	Risperidone	1.9
8	Dextran [average mw 30000-40000]	1.9
9	Povidone+ Sodium chloride + Potassium chloride + Calcium chloride + Magnesium chloride + Sodium hydrocarbonate	1.6
10	Aprotinin	1.6
Total top 10		20.6

The cumulative share of medicines from the ten leading ATC groups by hospital purchases listed in Table 4 accounted for almost 62% of hospital market of Kazakhstan in the first nine months of 2005. It should be noted that two unconditional leaders, Antibacterials for Systemic Use and Plasma Substitutes and Perfusion Solutions groups, accumulated almost a half of this value.

Table 4. Top 10 ATC groups by hospital purchases

Rank	ATC code	ATC group	Share in hospital purchases, %
1	J01	Antibacterials for Systemic Use	16.5
2	B05	Plasma Substitutes and Perfusion Solutions	12.4
3	B06	Other Hematological Agents	9.1
4	L01	Antineoplastic Agents	4.4
5	N01	Anesthetics	3.9
6	N05	Psycholeptics	3.7
7	N06	Psychoanaleptics	3.6
8	B02	Antihemorrhagics	3.1
9	M03	Muscle relaxants	2.6
10	C01	Cardiac Therapy	2.4
Total top 10			61.7

Conclusion

The hospital market of Kazakhstan accounted for almost \$92 M. in wholesale prices during the first nine months of 2005. Foreign manufacturers, mainly AIPM members, are leading by value of hospital purchases. At the same time, domestic company Vostochno-Kazakhstansky Oblastnoy Centr Krovi entered the top 10 manufacturers by hospital purchases.

PHARMACEUTICAL RETAIL MARKET OF KHBAROVSK IN Q1-Q3 2005

General information

The Khabarovsk population is reported to be 0.6 M., which is 0.04% of the total Russian population. According to Goskomstat, the average salary in Khabarovsk region in October 2005 equaled Rbl. 11749.1 (about \$412), which is 35% higher the national average of Rbl. 8701.2 (about \$305). The pharmaceutical retail business consists of 98 pharmacies and about 246 kiosks and outlets.

Pharmaceutical market

According to the Retail Audit of Drugs in Russia™, the retail pharmaceutical market value of Khabarovsk in Q1-Q3 2005 accounted for \$17.7 M. in wholesale prices; the average retail mark-up accounted for 27%.

The top 10 manufacturers shared 35% of the total pharmacy sales in Q1-Q3 2005 (Table 1). The top 10 leading manufacturers didn't change significantly during the analyzed period, but their total share decreased. Despite of 10% share decrease, Sanofi-Aventis is still the leader of the ranking. The majority of companies from the top 10 list slightly dropped in the ranking, while their shares decreased. Some improvement was demonstrated only by Lek-Sandoz, KRKA D.D. and Nycomed. There is one domestic manufacturer in the ranking – Pharmstandart. Eight out of the top 10 companies are AIPM members.

Table 1. Top 10 manufacturers by sales value

Rank		Manufacturer*	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	1	Sanofi-Aventis	5.0	5.5
2	3	Berlin-Chemie / Menarini Pharma G.m.b.H.	4.5	4.8
3	2	Gedeon Richter Ltd.	4.3	4.9
4	4	Pfizer International Inc.	3.5	3.6
5	5	Lek-Sandoz	3.5	3.3
6	7	KRKA D.D.	3.0	3.0
7	6	Servier Pharmaceuticals	2.9	3.1
8	9	Nycomed	2.9	2.9
9	8	Schering AG	2.7	2.9
10	10	Pharmstandart	2.6	2.7
Total top 10			35.0	36.6

* AIPM members are in bold

The ranking of trade names demonstrated significant changes during the analyzed period (Table 2). There are three new entrants in the top 10 list in Q1-Q3 2005. Arbidol, the new leader, grew up from the 16th place, increasing its market share almost twice. Lamivit demonstrated the most significant sales increase and went up from 42nd to 9th place. Among the trade names that decreased their shares and dropped in the ranking are Xenical and Enap. The cumulative share of the top 10 brands accounted for almost 9% of the total retail sales in Khabarovsk.

The ranking of 10 leading INNs demonstrated changes in Q1-Q3 2005 (Table 3). However, first four leaders kept their positions in the ranking. The most significant improvement was demonstrated by methylphenylthiomethyl – dimethylaminomethyl – hydroxyl – bromindol carbonic acid ethyl ester (Arbidol), which went up from 25th to 5th place with almost two times share increase. At the same time, crataegi fructus decreased its share by 17% and dropped from 6th to 9th place. The cumulative share of the top 10 INNs accounted for over 13% of the total retail sales in Khabarovsk.

The cumulative share of the top 10 ATC groups accounted for over 41% of the total pharmacy market of Khabarovsk in Q1-Q3 2005 (Table 4). Antibacterials for Systemic Use group is a new leader of the ranking. Due to 12% share decrease, Vitamins dropped from 1st

to 2nd place. Cough and Cold Preparations, the only new entrant in the top 10 list in Q1-Q3 2005, increased its share by 11% and went up from 12th to 9th place. At the same time, Agents Acting on the Renin-Angiotensin System group decreased its share and left the top 10 list

Table 2. Top 10 trade names by sales value

Rank		Trade name	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	16	Arbidol	1.2	0.6
2	1	Mezym forte	1.1	1.2
3	3	Viagra	1.1	1.1
4	2	Crataegi tinctura	1.0	1.1
5	5	Essentiale N	0.9	1.0
6	4	Xenical	0.7	1.0
7	6	Enap	0.7	0.9
8	14	Amoksiklav	0.7	0.6
9	42	Lamivit	0.7	0.4
10	10	Linex	0.6	0.7
Total top 10			8.7	8.7

Table 3. Top 10 INNs by sales value

Rank		INN/Combination	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	1	Multivitamine+Multimineral	2.6	3.1
2	2	Fluconazole	1.6	1.7
3	3	Pancreatin	1.5	1.6
4	4	Enalapril	1.3	1.5
5	25	Methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester	1.2	0.6
6	7	Sildenafil	1.1	1.1
7	10	Ketoprofen	1.0	1.0
8	8	Indapamide	1.0	1.1
9	6	Crataegi fructus	1.0	1.2
10	13	Xylometazoline	0.9	0.9
Total top 10			13.3	13.7

Table 4. Top 10 ATC groups by sales value

Rank		ATC code	ATC group	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004			Q1-Q3 2005	Q1-Q3 2004
1	2	J01	Antibacterials for Systemic Use	6.2	6.6
2	1	A11	Vitamins	5.9	6.7
3	4	N02	Analgesics	4.9	4.4
4	5	L03	Immunomodulating Agents	4.3	3.6
5	3	G03	Sex Hormones and Modulators of the Genital System	4.3	5.0
6	7	M01	Antiinflammatory and Antirheumatic Products	3.5	3.2
7	6	A07	Antidiarrheals. Intestinal Antiinflammatory / Antiinfective Agents	3.3	3.4
8	10	R01	Nasal Preparations	3.1	2.9
9	12	R05	Cough and Cold Preparations	3.1	2.8
10	8	N06	Psychoanaleptics	2.8	3.0
Total top 10				41.3	41.6

Conclusion. According to the Retail Audit of Drugs in Russia™, the retail pharmaceutical market value of Khabarovsk in Q1-Q3 2005 accounted for \$22.5 M. in retail prices. The average per capita drugs consumption through pharmacies accounted for \$38.6 in retail prices, which is significantly higher the national average level (\$25.9). The rankings of brands and INNs demonstrated changes during the analyzed period. The majority of the leading manufacturers are AIPM members.

PHARMACEUTICAL RETAIL MARKET OF VLADIVOSTOK IN Q1-Q3 2005

General information

The Vladivostok population is reported to be 0.6 M., which is 0.04% of the total Russian population. According to Goskomstat, the average salary in Primorski Krai in October 2005 equaled Rbl. 9116.7 (about \$320), which is 5% higher the national average of Rbl. 8701.2 (about \$305). The pharmaceutical retail business consists of 100 pharmacies and about 174 kiosks and outlets.

Pharmaceutical market

According to the Retail Audit of Drugs in Russia™, the retail pharmaceutical market value of Vladivostok in Q1-Q3 2005 accounted for \$18.2 M. in wholesale prices; the average retail mark-up accounted for 32%.

The cumulative share of the top 10 manufacturers accounted for 35.5% of the total pharmacy sales in Q1-Q3 2005 (Table 1). Sanofi-Aventis and Berlin-Chemie / Menarini Pharma are still the leaders of the ranking. Some companies slightly improved their positions in the ranking, while their shares increased. The most significant growth was demonstrated by KRKA D.D. and Schering – Plough, the only entrant in the ranking in Q1-Q3 2005. Among the companies that decreased their shares and dropped in the ranking are Gedeon Richter, Pfizer International and Lek-Sandoz. The majority of the leading companies in terms of sales value are AIPM members.

Table 1. Top 10 manufacturers by sales value

Rank		Manufacturer*	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	1	Sanofi-Aventis	5.6	6.9
2	2	Berlin-Chemie / Menarini Pharma G.m.b.H.	4.3	4.0
3	5	Servier Pharmaceuticals	3.8	3.8
4	6	KRKA D.D.	3.6	3.3
5	3	Gedeon Richter Ltd.	3.5	3.9
6	4	Pfizer International Inc.	3.3	3.8
7	16	Schering - Plough	3.0	1.6
8	8	Nycomed	2.9	2.6
9	7	Lek-Sandoz	2.8	2.9
10	9	Novartis	2.5	2.2
Total top 10			35.5	34.8

* AIPM members are in bold

The ranking of leading trade marks demonstrated significant changes during the analyzed period (Table 2). Due to its 20% share increase, Actovegin became a new leader in Q1-Q3 2005. The previous year leader, Viagra, decreased its share by 27% and dropped in the ranking. Mezzym forte demonstrated the most significant growth – due to 25% share increase, it went up from 7th to 5th place. There are two new entrants in the top 10 in Q1-Q3 2005 - Prostamol Uno and Enap. The cumulative share of the top 10 trade names accounted for over 9% of the total retail sales.

The top 10 INNs accounted for almost 13% of the total retail market of Vladivostok in Q1-Q3 2005 (Table 3). First two leaders kept their positions in the ranking. There are three new entrants in the top 10 in Q1-Q3 2005. Among them the most significant increases were demonstrated by ribavirin (12 times share increase) and interferon alfa-2b (almost 3 times share increase), which went up from 192nd and 55th places to 5th and 7th, respectively. At the same time, fluconazole noticeably decreased its share and ranking position.

The cumulative share of the 10 ATC groups accounted for 39% of the total pharmacy sales (Table 4). Antibacterials for Systemic Use group is still unconditional leader of the ranking. Urologicals group entered the top 10 list in Q1-Q3 2005. Analgesics, Agents Acting on the Renin-Angiotensin System, Antiinflammatory and

Antirheumatic Products and Sex Hormones and Modulators of the Genital System (4 out of 10 groups) kept their ranking positions. At the same time, Vitamins, Cardiac Therapy and Psychoanaleptics decreased their shares and dropped in the ranking.

Table 2. Top 10 trade names by sales value

Rank		Trade name	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	2	Actovegin	1.2	1.0
2	4	Preductal	1.0	0.9
3	3	Mildronate	1.0	1.0
4	6	Sodium chloride	1.0	0.9
5	7	Mezzym forte	1.0	0.8
6	1	Viagra	0.8	1.1
7	8	Indap	0.8	0.7
8	5	Essentiale N	0.8	0.9
9	12	Prostamol Uno	0.8	0.6
10	16	Enap	0.7	0.6
Total top 10			9.2	8.5

Table 3. Top 10 INNs by sales value

Rank		INN/Combination	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	1	Multivitamine+Multimineral	2.2	2.0
2	2	Indapamide	1.5	1.5
3	5	Pancreatin	1.4	1.2
4	4	Enalapril	1.3	1.3
5	192	Ribavirin	1.2	0.1
6	3	Fluconazole	1.1	1.4
7	55	Interferon alfa-2b	1.1	0.4
8	11	Sodium chloride	1.0	0.9
9	10	Trimetazidine	1.0	0.9
10	7	Trimethylhydrazinium propionate	1.0	1.0
Total top 10			12.8	10.6

Table 4. Top 10 ATC groups by sales value

Rank		ATC code	ATC group	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004			Q1-Q3 2005	Q1-Q3 2004
1	1	J01	Antibacterials for Systemic Use	6.9	7.4
2	6	L03	Immunomodulating Agents	4.8	3.4
3	2	A11	Vitamins	4.3	4.5
4	3	C01	Cardiac Therapy	4.1	4.4
5	5	N02	Analgesics	4.0	3.6
6	4	N06	Psychoanaleptics	3.4	3.7
7	7	C09	Agents Acting on the Renin-Angiotensin System	3.1	3.1
8	8	M01	Antiinflammatory and Antirheumatic Products	2.9	3.0
9	9	G03	Sex Hormones and Modulators of the Genital System	2.8	2.7
10	11	G04	Urologicals	2.6	2.6
Total top 10				39.0	38.4

Conclusion. According to the Retail Audit of Drugs in Russia™, the retail pharmaceutical market value of Vladivostok in Q1-Q3 2005 accounted for \$24 M. in retail prices. The average per capita drugs consumption through pharmacies accounted for \$40.3 in retail prices, which is significantly higher the national average level (\$25.9). The rankings of trade names and INNs demonstrated noticeable changes during the analyzed period. 90% of leading manufacturers are AIPM members.

PHARMACEUTICAL RETAIL MARKET OF IRKUTSK IN Q1-Q3 2005

General information

The Irkutsk population is reported to be 0.6 M., which is 0.04% of the total Russian population. According to Goskomstat, the average salary in Irkutsk region in October 2005 equaled Rbl. 9242.4 (about \$324), which is 6% higher the national average of Rbl. 8701.2 (about \$305). The pharmaceutical retail business consists of 118 pharmacies and about 230 kiosks and outlets.

Pharmaceutical market

According to the Retail Audit of Drugs in Russia™, the retail pharmaceutical market value of Irkutsk in Q1-Q3 2005 accounted for \$19.3 M. in wholesale prices; the average retail mark-up accounted for 36%.

The cumulative share of the top 10 manufacturers accounted for 34.5% of the total pharmacy sales in Q1-Q3 2005 (Table 1). The top seven leaders kept their positions in the ranking. Despite of 10% share decrease, Pfizer International is still the leader. Nycomed is the only new entrant in the top 10 list in Q1-Q3 2005. KRKA D.D. that occupied 10th place in Q1-Q3 2004, decreased its share and left the top 10 list a year later. All the companies from the top 10 list are AIPM members.

Table 1. Top 10 manufacturers by sales value

Rank		Manufacturer*	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	1		Pfizer International Inc.	5.0
2	2	Sanofi-Aventis	4.5	5.1
3	3	Berlin-Chemie / Menarini Pharma G.m.b.H.	4.4	4.4
4	4	Lek-Sandoz	4.0	4.2
5	5	Gedeon Richter Ltd.	3.2	3.5
6	6	GlaxoSmithKline	3.1	2.8
7	7	Servier Pharmaceuticals	2.9	2.5
8	9	Novartis	2.8	2.4
9	8	Solvay Pharmaceuticals	2.6	2.4
10	11	Nycomed	2.3	2.2
Total top 10			34.5	34.9

* AIPM members are in bold

The ranking of trade names demonstrated significant changes during the analyzed period (Table 2). Arbidol demonstrated considerable growth and became the leader. Among the brands that also significantly increased their sales and improved ranking positions are Actovegin, Hexoral and Meridia, which were not present in the top 10 list in Q1-Q3 2004. The cumulative share of the top 10 trade names accounted for almost 7% of the total pharmacy sales in Q1-Q3 2005.

Table 2. Top 10 trade names by sales value

Rank		Trade name	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005	Q1-Q3 2004
1	4		Arbidol	0.9
2	1	Viagra	0.8	0.9
3	15	Actovegin	0.7	0.5
4	18	Hexoral	0.7	0.5
5	10	Viferon	0.6	0.6
6	6	Mezym forte	0.6	0.7
7	9	Amoksiklav	0.6	0.6
8	7	Ketonal	0.6	0.6
9	3	Diflucan	0.6	0.8
10	28	Meridia	0.6	0.4
Total top 10			6.8	6.2

The ranking of 10 leading INNs demonstrates noticeable changes compared to Q1-Q3 2004 (Table 3). Multivitamine+multimineral and fluconazole kept their leading positions in the ranking, despite of their shares decreases. There are two new entrants in the top 10 list in Q1-Q3 2005. Due to successful promotion of Arbidol, methylphenylthiomethyl – dimethylaminomethyl – hydroxyl – bromindol carbonic acid ethyl ester demonstrated the most significant share increase (+29%) and went up in the ranking from 14th to 7th place. The cumulative share of the top 10 INNs accounted for 11.6% of the total retail sales in Irkutsk.

Table 3. Top 10 INNs by sales value

Rank		INN/Combination	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004		Q1-Q3 2005 ¹	Q1-Q3 2004 ²
1	1		Multivitamine+Multimineral	2.9
2	2	Fluconazole	1.2	1.4
3	7	Ketoprofen	1.1	0.9
4	5	Pancreatin	1.0	1.0
5	4	Enalapril	1.0	1.1
6	8	Ambroxol	1.0	0.9
7	14	Methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester	0.9	0.7
8	3	Ethinylestradiol+Desogestrel	0.9	1.3
9	6	Sildenafil	0.8	0.9
10	17	Vinpocetine	0.7	0.7
Total top 10			11.6	11.9

The cumulative share of the top 10 ATC groups accounted for almost 40% of the total pharmacy sales (Table 4). Despite of their shares decreases, Antibacterials for Systemic Use and Vitamins are still the leaders of the ranking. The only new entrant, Drugs for Obstructive Airway Diseases group, increased its share by 40% and went up from 14th to 9th place. Totally, the ranking of ATC groups demonstrated relative stability.

Table 4. Top 10 ATC groups by sales value

Rank		ATC code	ATC group	Share in pharmacy sales, %	
Q1-Q3 2005	Q1-Q3 2004			Q1-Q3 2005	Q1-Q3 2004
1	1			J01	Antibacterials for Systemic Use
2	2	A11	Vitamins	5.4	6.1
3	4	L03	Immunomodulating Agents	4.6	4.3
4	3	G03	Sex Hormones and Modulators of the Genital System	4.0	4.6
5	5	N02	Analgesics	3.8	4.0
6	6	N06	Psychoanaleptics	3.5	3.6
7	7	M01	Antiinflammatory and Antirheumatic Products	3.0	2.9
8	8	C09	Agents Acting on the Renin-Angiotensin System	2.9	2.9
9	14	R03	Drugs for Obstructive Airway Diseases	2.8	2.0
10	10	R05	Cough and Cold Preparations	2.7	2.6
Total top 10				39.5	40.5

Conclusion. According to the Retail Audit of Drugs in Russia™, the retail pharmaceutical market value of Irkutsk in Q1-Q3 2005 accounted for \$26.3 M. in retail prices. The average per capita consumption of drugs through pharmacies accounted for \$44.4 in retail prices, which is significantly higher the national average level (\$25.9). The rankings of trade marks and INNs demonstrated significant changes during the analyzed period.

REGIONAL DIGEST

AMENDMENTS TO CRIMINAL CODE CONCERNING PENALTY FOR ACTIVITY IN SPHERE OF COUNTERFEIT DRUGS' TURNOVER ARE PREPARED

Amendments to Criminal Code, according to which persons guilty in production, purchase, storage, transportation and also sale of counterfeit drugs in case of significant damage to citizen or State, will be penalized to the amount under Rbl. 500 thousand, were prepared. Custodial sanction for the term under 4 years could also apply to such kinds of activities.

Source: Parlamentskaya Gazeta, 25.01.2006

ST. PETERSBURG AUTHORITIES INTEND TO PUT TOGETHER ALL THE FOUR STATE UNITARY ENTERPRISES OF THE CITY ESTABLISHING A JOINT STATE UNITARY ENTERPRISE

It was declared during the joint meeting of Healthcare Committee of St. Petersburg Legislative Assembly and Healthcare Committee of the City Administration held on January, 23rd by Y. Scherbuk, the Healthcare Committee Chairman. He emphasized that private pharmaceutical companies opposed the state unitary enterprises creation and probably will be against their consolidation. However Mr. Scherbuk considers that such consolidation of pharmacies into a joint state enterprise will improve drugs supply in St. Petersburg due to creation of a joint pharmacies' control system.

Source: IA Regnum-Baltika, 23.01.2006

PHARMACIES, WHICH SELL REIMBURSED PRESCRIPTION DRUGS, SHOULD COMPLY WITH NEW RULES

The Ministry of Health and Social Development of Russia has recently signed an order, which rests more responsibility upon the pharmacies' personnel. On the one hand, pharmacists are free to give another drug with similar properties instead of one prescribed if it is not available in the pharmacy at the moment. On the other hand, requirements of pharmacies' prompt attention were harden. Now pharmacists have to quickly respond to the clients' requests. In the near future the pharmacists will get used to prescriptions with special marks. For example, the mark "statim" (urgently) means that the pharmacy should give the drug within a day, mark "cito"-within two days. And within five days since clients' call, pharmacists are obliged to propose any preparation from the list of drugs, which should always be available in the state pharmacy.

Source: Moskovsky Komsomolets, 23.01.2006

"PERVAYA POMOSCH" OPENED ITS FIRST PHARMACY IN MOSCOW

As was planned, the first pharmamarket of Moscow chain kept the corporate design of the Company and assortment of over 600 names like in Petersburg chain. All the additional benefits that are provided to the clients in St. Petersburg (morning discounts, discount-program, etc.), are also available in Moscow subsidiary. Investment in the first Moscow pharmacy opening amounted to over \$ 120 000. By the end of 2006 it is planned to open over 20 pharmamarkets, and by the end of 2008 – over 60. Under all items of a long-term marketing plan realization, "Pervaya Pomosch" plans to bring Moscow subsidiary to full cost recovery within 36 months.

Source: Gorodovoy (St. Petersburg), 20.01.2006

"36.6 PHARMACY CHAIN" ANNOUNCED CLOSE OF TRANSACTION ON PURCHASE OF TWO PERM CHAINS "PERMSKIE APTEKI" AND "CHASHA ZDOROVYA"

According to experts' estimations, "36.6 Pharmacy Chain" could spend \$5-6 M. on Perm chains' purchase, and under 50% of Perm

retail drugs market became under its control. According to them, the large federal player appearance could force the local pharmacy chains to cut prices.

Source: Kommersant-Perm, 17.01.2006

CHAMBER OF ACCOUNTS FOUND OUT SERIOUS MISCALCULATIONS IN PREPARATION AND REALIZATION OF THE LAW ON MONETIZATION OF BENEFITS

The results of last poll conducted by "Public opinion" fund refuted optimistic statements of the Ministry of Health and Social Development officials, which insisted that only 0.51% of prescriptions were not served in time (as of 07.11.2005) and also a bit of prescriptions (0.62%) were rejected in giving medicines. There is significant difference between sociologic data and the results, which were announced by the Ministry of Health. The data presented by Chamber of Accounts on the MoH collegium meeting on the last working day of the 2005 has analyzed the situation in beneficiaries' drug supply in great detail and it does not support the Ministry of Health optimistic statements.

Source: Trud, 13.01.2006

THE LIST OF REIMBURSED DRUGS HAS BEEN EXPANDED AGAIN

The list of drugs for beneficiaries for 2006 includes expensive medicines for serious cardiovascular and oncological diseases treatment. It was reported by ITAR-TASS with reference to the Ministry of Health and Social Development source. Therefore, in 2006 beneficiaries could get 500 names of drugs free.

Source: Rossiyskaya gazeta, 30.12.2005

CHANGE OF OWNERSHIP OF YOSHKAR OLA PLANT "MARBIOPHARM" REVITALIZED THE MANUFACTURER

Besides the significant extension of product portfolio, now "Marbiopharm" is seriously developing technologies of pharmaceutical substances' production, which synthesis, unfortunately, became rather exception than the rule in Russia. Since autumn of 2005 "Marbiopharm" has revitalized its production with improvement and development of product range. Up to date the basic capital investment of "Marbiopharm" amounted to about \$1.5 M.; three drug production installations have been already purchased. According to "Marbiopharm's" shareholders, they are committed to establish prosperous pharmaceutical manufacturer, keep its profile unchanged, developing new substances' and replenish the assortment with profitable products.

Source: Trud-7, 29.12.2005

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