

Joint Publication of the Association of International Pharmaceutical Manufacturers in Russia and Remedium Group

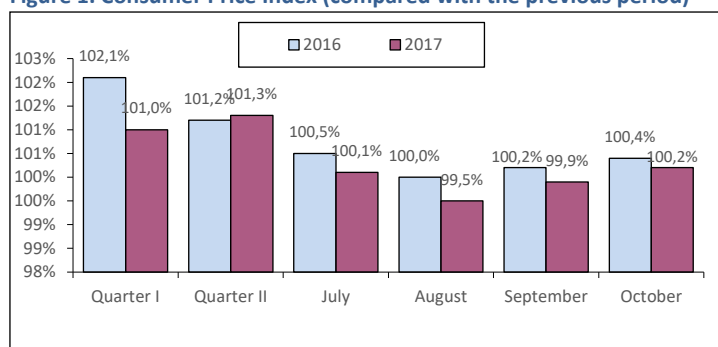
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.2% in October 2017, compared to the previous month, - 101.9% as against December 2016.

In October this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 101.2%, whereas in the month-earlier period it had amounted to 102.4%. The index accounted for 106.1% against December of the previous year.

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



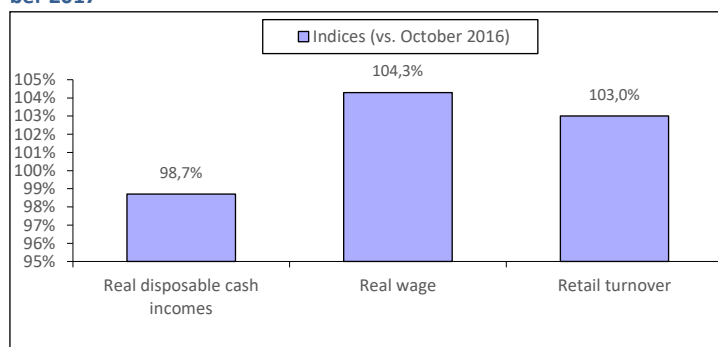
Living standard

According to preliminary Federal State Statistics Service's data, in October 2017 gross monthly average salary per worker reached RUB 38,275 (USD 663) which accounted for 100.5% compared to the previous month and 107.1% compared to October 2016. The real wage accounted for 104.3% in October 2017 compared to July 2016. In October 2017, the real value of disposable cash incomes accounted for 98.7% as compared with the same period of 2016 (Fig. 2).

Retail turnover

In October 2016, the retail turnover was equal to RUB 2585.4 bil., which in comparable prices accounted for 103.0% compared to the same period a year ago, in January-October 2017 - RUB 24153.1 bil. or 100.8% (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in October 2017



Industrial Production

According to Federal State Statistics Service's data, in October 2017 Industrial Production Index accounted for 100.0% compared to the same period of the previous year, and in January - October 2017 - 101.6%.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in October 2017 accounted for 114.1% compared to the relevant period of the previous year, and 107.8% 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 October 2017.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in October 2017

| Rank | Manufacturer | RUB mil. |
|------|----------------|----------|
| 1 | Otcpharm | 2203.7 |
| 2 | Microgen | 1406.7 |
| 3 | Biocad | 1385.5 |
| 4 | Pharmstandart | 1314.0 |
| 5 | Stada | 1123.9 |
| 6 | Valenta | 1086.7 |
| 7 | Sotex | 883.3 |
| 8 | Veropharm | 769.8 |
| 9 | Servier | 716.4 |
| 10 | Materia Medica | 712.8 |

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In September 2017 compared to August, growth in pharmacy sales (in terms of roubles) was observed in most analysed regions. The highest growth was observed in Moscow (+45%), the lowest one in Rostov Region (+10%). The sales dropped by 18% in the Krasnodar Krai only.

Table 2. Pharmacy sales in the regions, 2017

| Region | Pharmacy sales, \$ mil. (wholesale prices) | | | Growth gain, % (roubles) | | |
|--------------------|--|-------------|----------------|--------------------------|----------------|----------------------|
| | July 2017 | August 2017 | September 2017 | July/ June 17 | August/July 17 | September/ August 17 |
| Moscow | 151.1 | 158.3 | 237.3 | 18% | 5% | 45% |
| St. Petersburg | 51.9 | 54.2 | 70.5 | 15% | 4% | 26% |
| Krasnodar Krai | 49.0 | 56.4 | 47.6 | 37% | 15% | -18% |
| Krasnoyarsk Krai | 26.5 | 29.0 | 34.6 | 24% | 9% | 15% |
| Tatarstan | 23.7 | 25.7 | 31.1 | 12% | 8% | 17% |
| Rostov Region | 23.6 | 24.9 | 28.2 | 23% | 5% | 10% |
| Novosibirsk Region | 20.6 | 24.3 | 29.5 | 26% | 18% | 17% |
| Voronezh Region | 13.8 | 14.8 | 18.8 | 10% | 7% | 23% |
| Perm | 8.3 | 9.6 | 12.0 | 17% | 16% | 21% |
| Tyumen | 7.3 | 7.8 | 9.1 | 24% | 7% | 13% |

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 October 2017

| Rank | Company* | Quantity of broadcasts |
|------|------------------------------|------------------------|
| 1 | Otcpharm | 22,892 |
| 2 | Berlin-Chemie Menarini Group | 16,624 |
| 3 | Teva | 14,503 |
| 4 | Bayer AG | 12,126 |
| 5 | GSK Consumer Healthcare | 10,122 |

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in October, 2017

| Rank | Brand* | Quantity of broadcasts |
|------|--------------|------------------------|
| 1 | Phosphalugel | 3,829 |
| 2 | Complivit | 3,434 |
| 3 | Evalar | 3,372 |
| 4 | De-Nol | 3,001 |
| 5 | Strepsils | 2,993 |

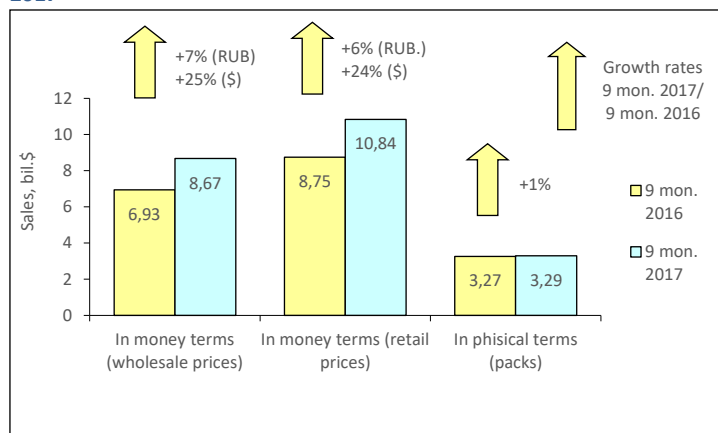
Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY RETAIL MARKET: 2017 FIRST SIX MONTHS RESULTS

According to the results of the Retail Audit in Russian Federation™, at the end of the first nine months of 2017 the sales of drugs in physical terms in pharmacies of Russia saw a 1% increase to 3.292 bil. packs. In money terms, the market saw a 7% increase in terms of roubles and 25% in terms of dollars. At the same time, the market volume reached RUB 505.366 bil. (USD 8.670 bil.) at wholesale prices (Fig.1). The average cost of a pack increased as compared to a year earlier (USD 2.68) and reached USD 3.29 at retail prices. Consumer spending for drugs in Russia averaged to USD 73.84 for three quarters of 2017, whereas during the same period a year ago it averaged to USD 59.72.

Figure 1. Russian pharmacy market for 9 months of 2016 – 9 months of 2017



BAYER (+14%¹) moved to rank number one in terms of retail sales on the Russian pharmacy market based on the results for January-September 2017, displacing SANOFI-AVENTIS which reduced its sales by 2% (Table 1). TEVA (-0.2%) and SERVIER (+6%) retained ranks three and four, and MENARINI (+5%) held its rank number nine. The most dynamic among the top ten manufacturers NYCOMED/TAKEDA (+16%) also moved up to rank five, displacing OTCPHARM (+9%) and SANDOZ (+7%) down one rank. The newcomer of the top ten STADA (+9%) and ABBOTT (+8%) also rose in the ranks, moving up to rank eight. The cumulative share of the top 10 manufacturers didn't change and accounted for 35.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|-------------|-------------|-------------------------|----------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 2 | BAYER HEALTHCARE | 5.1 | 4.8 |
| 2 | 1 | SANOFI-AVENTIS | 4.7 | 5.1 |
| 3 | 3 | TEVA | 4.0 | 4.3 |
| 4 | 4 | SERVIER | 3.5 | 3.6 |
| 5 | 7 | NYCOMED/TAKEDA | 3.2 | 3.0 |
| 6 | 5 | OTCPHARM | 3.2 | 3.1 |
| 7 | 6 | SANDOZ | 3.1 | 3.1 |
| 8 | 10 | ABBOTT | 2.8 | 2.8 |
| 9 | 9 | MENARINI | 2.8 | 2.8 |
| 10 | 12 | STADA | 2.8 | 2.7 |
| Total | | | 35.2 | 35.2 |

*AIPM members are in bold

NUROFEN (+15%), DETRALEX (+25%) and CONCOR (+4%) became the best selling drugs in the national pharmacy market, moving up to the top three ranks of the top ten brands from the lower ranks (Table 2). Due to the negative growth rates, the past year leaders KAGOCEL (-25%), INGAVIRIN (-22%) and ESSENTIALE (-4%) fell in the ranks, moving down to the last two rank and rank four, respectively. In contrast, the rest of the top ten INNs moved up to the higher ranks, coming in at numbers five through eight, respectively: ACTOVEGIN (+7%), CARDIOMAGNYL (+14%) and MEXIDOL (+19%), as well as the newcomer of the top ten brands XARELTO (+42%). The total share of the top 10 brands didn't virtually change: 6.7% vs 6.6% a year-earlier.

Table 2. The top ten brands by pharmacy sales

| Rank in the top ten | | Brand | Share in total pharmacy sales, % | |
|---------------------|-------------|--------------|----------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 4 | NUROFEN | 0.8 | 0.7 |
| 2 | 7 | DETRALEX | 0.7 | 0.6 |
| 3 | 5 | CONCOR | 0.7 | 0.7 |
| 4 | 3 | ESSENTIALE | 0.7 | 0.7 |
| 5 | 6 | ACTOVEGIN | 0.7 | 0.7 |
| 6 | 14 | XARELTO | 0.6 | 0.5 |
| 7 | 8 | CARDIOMAGNYL | 0.6 | 0.6 |
| 8 | 9 | MEXIDOL | 0.6 | 0.5 |
| 9 | 1 | KAGOCEL | 0.6 | 0.9 |

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

| Rank in the top ten | | Brand | Share in total pharmacy sales, % | |
|---------------------|-------------|-----------|----------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 10 | 2 | INGAVIRIN | 0.6 | 0.8 |
| Total | | | 6.6 | 6.7 |

XYLOMETAZOLINE (+15%) remained the leader of the top 10 INN and group names ranking (Table 3). INN IBUPROFEN (+19%) and the composition DIOSMIN*HESPERIDIN (+25%) moved up to ranks two and three from three and six. At the same time, PANCREATIN (+7%) and NIMESULIDE (-1%) moved down two ranks. In addition to the above INNs, another three INNs from the top ten ranking managed to rise in the ranks. INN BLOOD (+7%) moved up to rank nine from ten, and the newcomers ROSUVASTATIN (+25%) and DICLOFENAC (+9%) broke into the ranks of the top ten, moving up to ranks seven and ten, respectively. BISOPROLOL (+8%) and PHOSPHOLIPIDS (+1%) as before held ranks five and eight. The total share of the top 10 increased from 9.3% to 9.7%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|-------------|-------------|--------------------|----------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 1 | XYLOMETAZOLINE | 1.7 | 1.5 |
| 2 | 3 | IBUPROFEN | 1.1 | 1.0 |
| 3 | 6 | DIOSMIN*HESPERIDIN | 1.0 | 0.9 |
| 4 | 2 | PANCREATIN | 1.0 | 1.0 |
| 5 | 5 | BISOPROLOL | 1.0 | 1.0 |
| 6 | 4 | NIMESULIDE | 0.9 | 1.0 |
| 7 | 12 | ROSUVASTATIN | 0.8 | 0.7 |
| 8 | 8 | PHOSPHOLIPIDS | 0.8 | 0.8 |
| 9 | 10 | BLOOD | 0.7 | 0.7 |
| 10 | 11 | DICLOFENAC | 0.7 | 0.7 |
| Total | | | 9.7 | 9.3 |

M01 Anti-inflammatory and antirheumatic products (+8%) and C09 Agents acting on the rennin-angiotensin system (+11%) continued to take the lead in the top ten ATC groups ranking in the Russian pharmacy market (Table 4). R01 Nasal preparations (+9%) and G03 Sex hormones (+11%), which moved up two ranks, came in at numbers three and four. N02 Analgesics (+4%) moved up one rank, coming in at rank six, and the newcomers B1 Antithrombotic agents (+20%) and N06 Psychoanaleptics (+10%) broke into the ranks of the top ten, coming in at the two last ranks. J01 Antibacterials for systemic use (+2%) and J05 Antivirals for systemic use (-17%) showed low and even negative growth rates, moving down to ranks four and seven, respectively. The group A07 Antidiarrheals, intestinal anti-inflammatory/anti-infective agents (+6%) managed to hold their previous rank eight. In total, based on the results for nine months of 2017, the top ten ATC groups accumulated 36.3% of the Russian market, which was less than in the year-earlier period (36.7%).

Table 4. The top ten ATC Groups by pharmacy sales

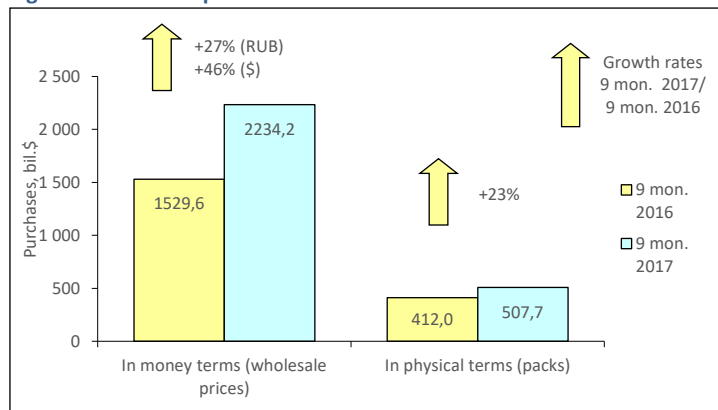
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|-------------|-------------|----------|---|----------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 1 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.0 | 5.0 |
| 2 | 2 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.5 | 4.3 |
| 3 | 5 | R01 | NASAL PREPARATIONS | 3.7 | 3.7 |
| 4 | 6 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.7 | 3.6 |
| 5 | 4 | J01 | ANTIBACTERIALS FOR SYST USE | 3.6 | 3.7 |
| 6 | 7 | N02 | ANALGESICS | 3.5 | 3.6 |
| 7 | 3 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 3.2 | 4.1 |
| 8 | 8 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 3.1 | 3.2 |
| 9 | 12 | B01 | ANTITHROMBOTIC AGENTS | 3.1 | 2.8 |
| 10 | 11 | N06 | PSYCHOANALEPTICS | 2.9 | 2.8 |
| Total | | | | 36.3 | 36.7 |

Conclusion. On the basis of the results for the first nine months of 2017, the retail pharmacy market of Russia reached RUB 631.808 bil. (USD 10.840 bil.). This is 6% higher in terms of roubles and 24% in terms of dollars than during the same period in 2016. In pack terms, the market also showed the positive though low growth rates (+1%) and brought in 3.292 bil. packs. Based on the results for January-September of 2017, the average cost of an FPP pack in the national pharmacies was USD 3.29, whereas in the same period of 2016 it was USD 2.68. The average expenses of the Russian Federation residents for purchase of OTC drugs in pharmacies also increased as compared to the previous year (USD 73.84 vs. USD 59.72).

RUSSIAN FEDERATION HOSPITAL MARKET: 2017 NINE MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit)TM, based on the results for three quarters of 2017 the national hospital market increased by 23% in physical terms and amounted to 507.659 mil. packs. In money terms, the market also showed positive growth rates both in terms of roubles (27%) and in terms of dollars (+46%) and reached RUB 130.301 bil. (USD 2.234 mil.) in wholesale prices. Based on the results for January-September 2017, the average price per FPP pack in the hospital sector of the country was USD 4.40, whereas in the year-earlier period its price was USD 3.71.

Figure 1. Russia hospital market for 6 months of 2016 – 6 months of 2017



Based on the results for the first nine months of 2017, the drug manufacturer PFIZER became the leader of the top ten drug manufacturers in the Russian hospital market, moving up to rank number one from seven, due to 2.4-fold growth in purchases (Table 1). In contrast, the former leader of the top ten ABBVIE (-1%) showed negative growth rates and moved down to rank two. The other manufacturers and the market as a whole showed positive growth rates. The markets of the manufacturers JOHNSON & JOHNSON (+71%), MICROGEN and MERCK SHARP DOHME (+41% each), BIOCAD (+40%) and BAYER (+58%) developed at a fast pace. However, only three of them, JOHNSON & JOHNSON, BIOCAD and BAYER rose in the ranks, moving up to ranks three, eight and nine, respectively. Russia-based MICROGEN moved down one rank, to number four, and MERCK SHARP DOHME kept its previous rank six. The drug manufacturer VEROPHARM (+17%) rounding out the top ten also managed to hold its previous rank. Due to lagging behind the growth rates, the drug manufacturers PHARMASYNTEZ (+18%) and SANOFI-AVENTIS (+22%) moved down to the lower ranks five and seven. The total share accumulated by the top 10 drug manufacturers increased by over 3 p.p. and amounted to 35.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

| Rank in the top ten | | Manufacturer* | Share in total hospital purchases, % | |
|---------------------|-------------|------------------------------|--------------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 7 | PFIZER | 5.8 | 3.1 |
| 2 | 1 | ABBVIE | 4.5 | 5.7 |
| 3 | 8 | JOHNSON & JOHNSON | 3.8 | 2.8 |
| 4 | 3 | MICROGEN | 3.8 | 3.4 |
| 5 | 2 | PHARMASYNTEZ | 3.6 | 3.9 |
| 6 | 6 | MERCK SHARP DOHME | 3.5 | 3.1 |
| 7 | 5 | SANOFI-AVENTIS | 3.1 | 3.3 |
| 8 | 9 | BIOCAD RF | 3.1 | 2.8 |
| 9 | 14 | BAYER HEALTHCARE | 2.1 | 1.7 |
| 10 | 10 | VEROPHARM* | 2.0 | 2.2 |
| Total | | | 35.2% | 32.0 |

*AIPM members are in bold

The top ten brands rating changed its leader: PREVENAR 13 showed almost 4-fold growth in purchases and moved up to rank number one from five (Table 2). The less dynamic NATRIUM CHLORIDUM (+5%) continued holding rank two, whereas the former leader KALETRA (-3%) moved down to rank three. Due to these shifts, SOVIGRIPP (+98%) moved down one rank despite its high growth rates. Having increased its purchases by 96%, ISENTRESS moved up to rank five from seven. Three newcomers of the top ten, INTELENCE (2.1-fold growth in purchases), SEVORAN (+8%) and ULTRAVIST (+18%) moved up to ranks six, nine and ten. At the same time, REYATAZ (+12%) moved down one rank, whereas CUROSURF (-1%) held its previous rank eight. The total share of the top 10 trade names increased from 14.8% to 17.6%.

Table 2. The top 10 brands by hospital purchases

| Rank in the top ten | | Brand | Share in total hospital purchases, % | |
|---------------------|-------------|-------------------|--------------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 5 | PREVENAR 13 | 3.9 | 1.3 |
| 2 | 2 | NATRIUM CHLORIDUM | 2.7 | 3.1 |
| 3 | 1 | KALETRA | 2.7 | 3.5 |
| 4 | 3 | SOVIGRIPP | 2.1 | 1.4 |
| 5 | 7 | ISENTRESS | 1.7 | 1.1 |
| 6 | 11 | INTELENCE | 1.3 | 0.8 |
| 7 | 6 | REYATAZ | 1.1 | 1.3 |
| 8 | 8 | CUROSURF | 0.7 | 0.9 |

| Rank in the top ten | | Brand | Share in total hospital purchases, % | |
|---------------------|-------------|-----------|--------------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 9 | 12 | SEVORAN | 0.6 | 0.8 |
| 10 | 16 | ULTRAVIST | 0.6 | 0.7 |
| Total | | | 17.6 | 14.8 |

Three newcomers broke into the top 10 INN and group names ranking as well (table 3). INNS RALTEGRAVIR (+96%), ETRAVIRINE (2.1-fold growth in purchases) and IMMUNOGLOBULIN BASE (+25%) moved up to ranks five, eight and ten, respectively. INNS VACCINE, PNEUMOCOCCAL (3.5-fold growth in purchases) and VACCINE, INFLUENZA (+29%) in the upper part of the top ten also showed high growth rates and rose in the ranks. At the same time, the former leaders EXODERIL (-3%) and SODIUM (+12%) moved down to ranks four and three, respectively. INNS ATAZANAVIR (+58%), DARUNAVIR (+54%) and ENOXAPARIN SODIUM (+14%) continued holding their ranks six, seven and nine. The total share of the top 10 increased from 17.6% to 20.7%.

Table 3. The top 10 INNs and Group Names by hospital purchases

| Rank | | INNs/Group Names | Share in total hospital purchases, % | |
|-------------|-------------|-----------------------|--------------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 4 | VACCINE, PNEUMOCOCCAL | 4.4 | 1.6 |
| 2 | 3 | VACCINE, INFLUENZA | 2.8 | 2.7 |
| 3 | 2 | SODIUM | 2.7 | 3.1 |
| 4 | 1 | LOPINAVIR* RITONAVIR | 2.7 | 3.5 |
| 5 | 11 | RALTEGRAVIR | 1.7 | 1.1 |
| 6 | 6 | ATAZANAVIR | 1.6 | 1.3 |
| 7 | 7 | DARUNAVIR | 1.5 | 1.2 |
| 8 | 19 | ETRAVIRINE | 1.3 | 0.8 |
| 9 | 9 | ENOXAPARIN SODIUM | 1.0 | 1.2 |
| 10 | 12 | IMMUNOGLOBULIN BASE | 1.0 | 1.0 |
| Total | | | 20.7 | 17.6 |

The top 10 ATC groups ranking didn't change in composition (table 4). Apart from that, most of the ATC groups retained their ranks unchanged. J05 Antivirals for systemic use (+28%) and L01 Antineoplastic agents (+7%) topped the top ten ranking and B05 Blood substitutes and perfusion solutions (+25%), B01 Antithrombotic agents (+23%), V08 Contrast media (+27%), N01 Anaesthetics (+25%), N05 Psycholeptics (+28%) and J04 Antimycobacterials (+31%) held their previous ranks from five through ten, respectively. The only shift affected the ATC groups placed at ranks three and four. The group J07 Vaccines (+49%), which showed the highest growth in purchases, moved up one rank, to number three, displacing J01 Antibacterials for systemic use (+17%) down to rank four. In total, the top ten ATC groups accumulated 65.0% of the hospital market, whereas in the year-earlier period 66.5%.

Table 4. The top ten ATC groups by hospital purchases

| Rank | | ATC code | ATC group | Share in total hospital purchases, % | |
|-------------|-------------|----------|--|--------------------------------------|-------------|
| 9 mon. 2017 | 9 mon. 2016 | | | 9 mon. 2017 | 9 mon. 2016 |
| 1 | 1 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 14.2 | 14.2 |
| 2 | 2 | L01 | ANTINEOPLASTIC AGENTS | 11.5 | 13.7 |
| 3 | 4 | J07 | - VACCINES | 10.6 | 9.0 |
| 4 | 3 | J01 | - ANTIBACTERIALS FOR SYSTEMIC USE | 8.4 | 9.2 |
| 5 | 5 | B05 | PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS | 6.1 | 6.2 |
| 6 | 6 | B01 | ANTITHROMBOTIC AGENTS | 4.7 | 4.8 |
| 7 | 7 | V08 | CONTRAST MEDIA | 2.6 | 2.6 |
| 8 | 8 | N01 | ANESTHETICS | 2.3 | 2.3 |
| 9 | 9 | N05 | PSYCHOLEPTICS | 2.2 | 2.2 |
| 10 | 10 | J04 | ANTIMYCOBACTERIALS | 2.2 | 2.2 |
| Total | | | | 65.0 | 66.5 |

Conclusion. At the end of the first nine months of 2017, the Russian hospital market increased noteworthy both in rouble terms (+27%) and in dollar terms (+46%) and brought in RUB 130.301 bil. (USD 2.234 bil.). In physical terms, the market expanded by 23% and amounted to 507.659 mil. packs. At the end of the first three quarters of 2017, the average cost of a finished pharmaceutical product (FPP) pack in the national hospital sector amounted to USD 4.40 vs. USD 3.71 in the year earlier period.

PHARMACEUTICAL MARKET OF THE CENTRAL FEDERAL DISTRICT (CFD) IN 1-3 QUARTER OF 2017 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio-economic situation in CFD

| Value | September-January 2017 | September-January 2017 (%) as % against September-January 2016 |
|--|------------------------|--|
| Industrial production index | | 101.6 |
| Retail turnover, RUB bil. | 7,368.1 | 101.7 |
| Monthly average accrued wage per one worker (nominal), RUB | 46,833 | 108.0 |
| real | | 103.4 |

Note: CFD TOGS data

Table 2. Inflation rates in the CFD, September 2017

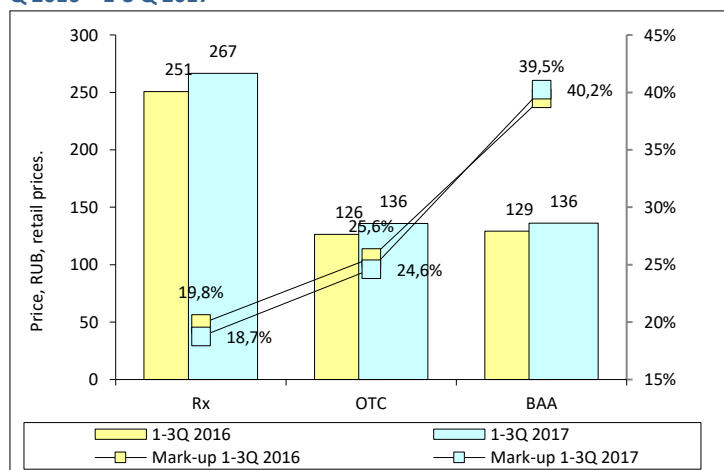
| | September 2017 as against December 2016 |
|---------------------------|---|
| CPI | 102.1 |
| CPI for non-food products | 102.0 |

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in CFD

| | Price dynamics in November 2017 vs. December 2016 (%) | | |
|----------------------|---|------------------|-----------------------|
| | Retail prices | Wholesale prices | Manufacturers' prices |
| VED total | -1.5 | -1.0 | 1.4 |
| Not more than RUB 50 | -2.2 | | |
| From RUB 50 to 500 | -1.4 | | |
| Over RUB 500 | -0.7 | | |

Figure 1. Dynamics of weighted average prices and retail margins in 1-3 Q 2016 – 1-3 Q 2017



Indicators of the dynamics and structure of the market²

Figure 2. CFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017

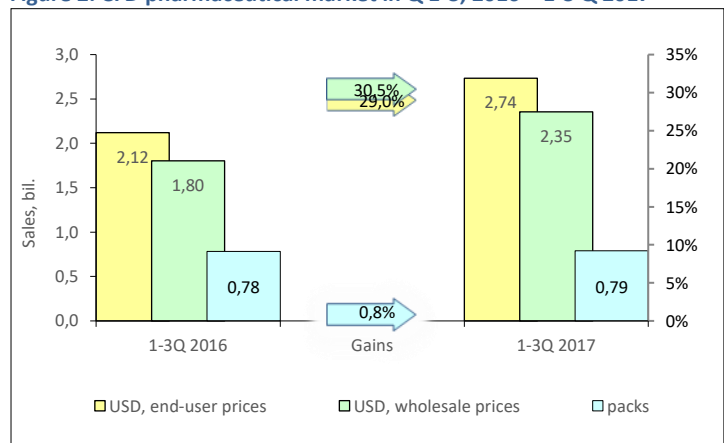


Figure 3. Structure of CFD pharmaceutical market by major segments in Q 1-3, 2016 – 1-3 Q 2017

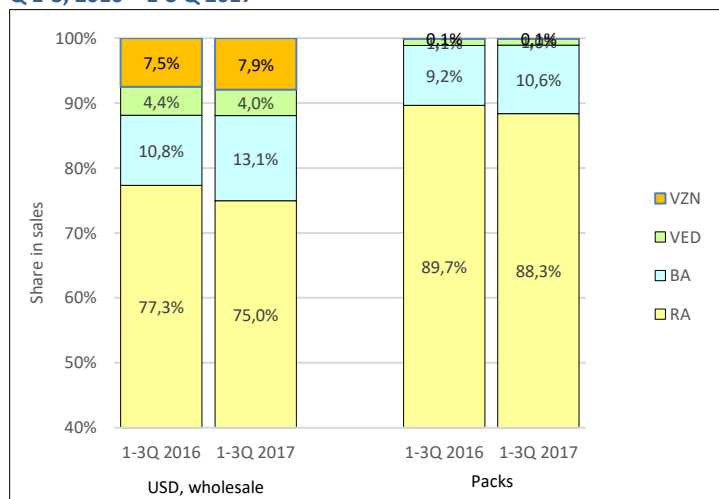


Figure 4. Structure of the retail segment of CFD market in Q 1-3, 2016 – 1-3 Q 2017

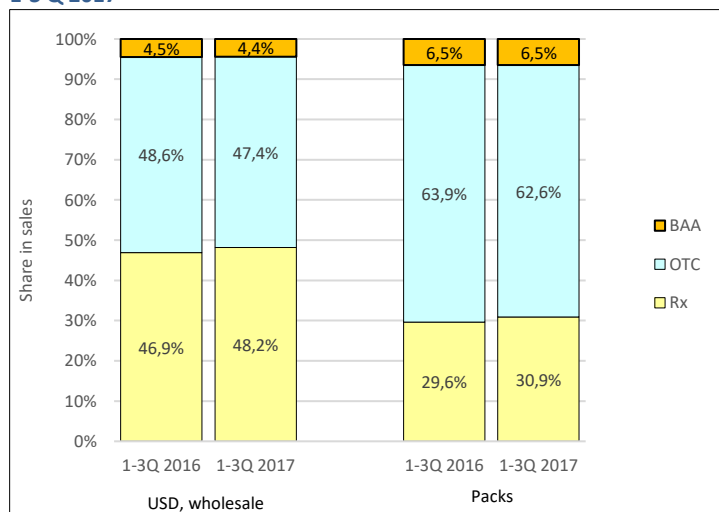
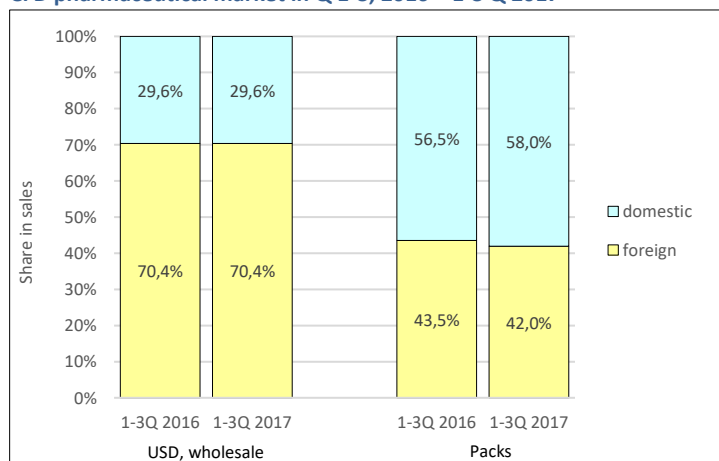


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of CFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017



² Exclusive of Moscow

PHARMACEUTICAL MARKET OF THE NORTH-WESTERN FEDERAL DISTRICT (NWFD) IN 1-3 Q, 2017 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in NWFD

| Value | September-January 2017 | September-January 2017 (%) as % against September-January 2016 |
|--|------------------------|--|
| Industrial production index | | 101.3 |
| Retail turnover, RUB bil. | 2,108.4 | 101.1 |
| Monthly average accrued wage per one worker (nominal), RUB | 43,359 | 107.4 |
| real | | 103.1 |

Note: NWFD TOGS data

Table 2. Inflation rates in the NWFD, September 2017

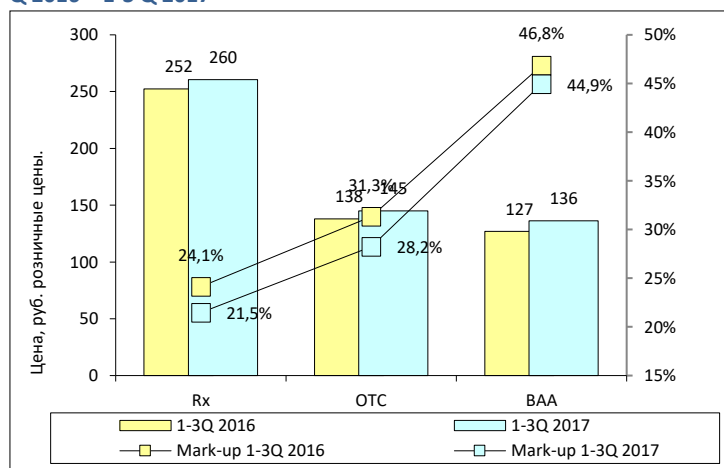
| | September 2017 as against December 2016 |
|---------------------------|---|
| CPI | 102.3 |
| CPI for non-food products | 102.0 |

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in NWFD

| | Price dynamics in November 2017 vs. December 2016 (%) | | |
|----------------------|---|------------------|-----------------------|
| | Retail prices | Wholesale prices | Manufacturers' prices |
| VED total | -1.3 | -0.6 | 0.3 |
| Not more than RUB 50 | -1.8 | | |
| From RUB 50 to 500 | -1.4 | | |
| Over RUB 500 | -0.6 | | |

Figure 1. Dynamics of weighted average prices and retail margins in 1-3 Q 2016 – 1-3 Q 2017



Indicators of the dynamics and structure of the market³

Figure 2. NWFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017

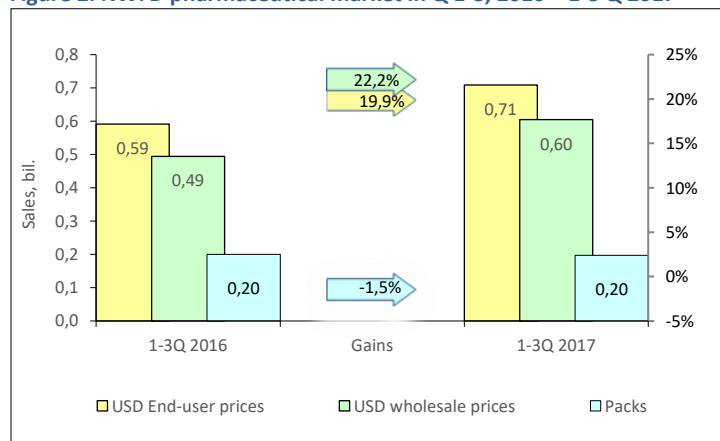


Figure 3. Structure of NWFD pharmaceutical market by major segments in Q 1-3, 2016 – 1-3 Q 2017

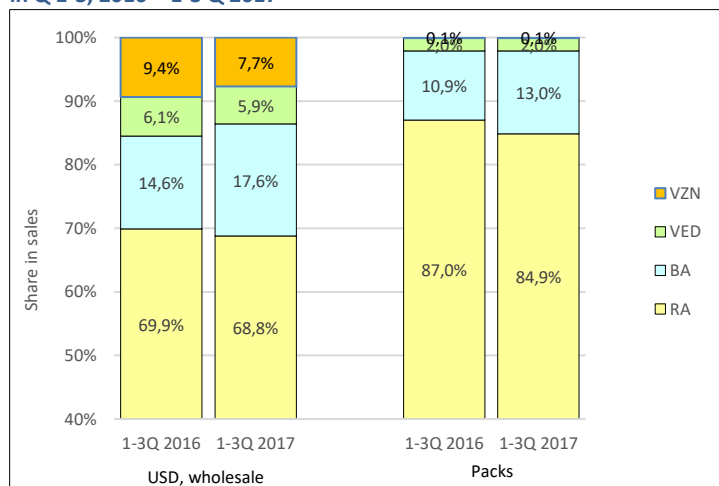


Figure 4. Structure of the retail segment of NWFD market in Q 1-3, 2016 – 1-3 Q 2017

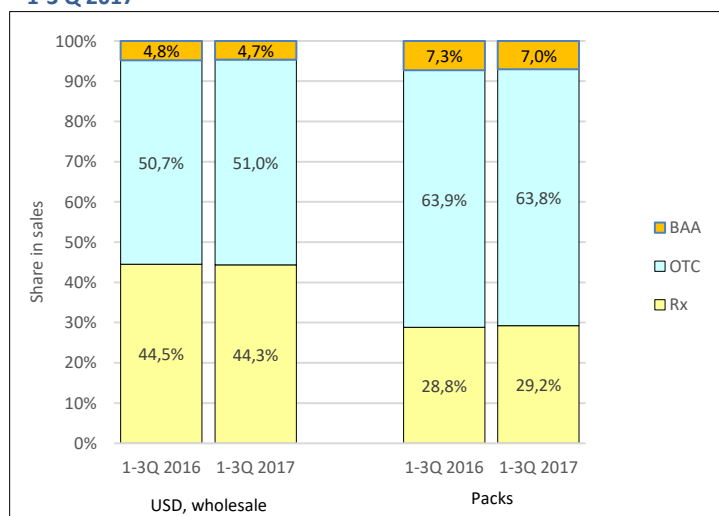
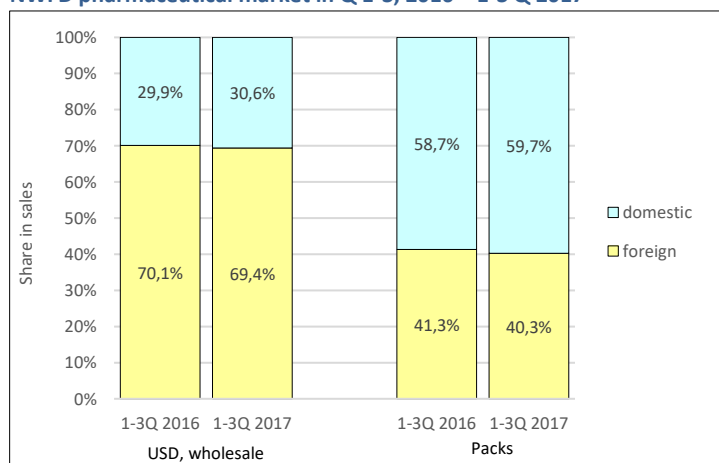


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of NWFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017



³ Exclusive of St. Petersburg

PHARMACEUTICAL MARKET OF THE VOLGA FEDERAL DISTRICT (VFD) IN Q 1-3 OF 2017 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in VFD

| Value | September-January 2017 | September-January 2017 (%) as % against September-January 2016 |
|--|------------------------|--|
| Industrial production index | | 101.8 |
| Retail turnover, RUB bil. | 3,793.2 | 101.1 |
| Monthly average accrued wage per one worker (nominal), RUB | 28,331 | 106.1 |
| real | | 102.5 |

Note: VFD TOGS data

Table 2. Inflation rates in the PFD, September 2017

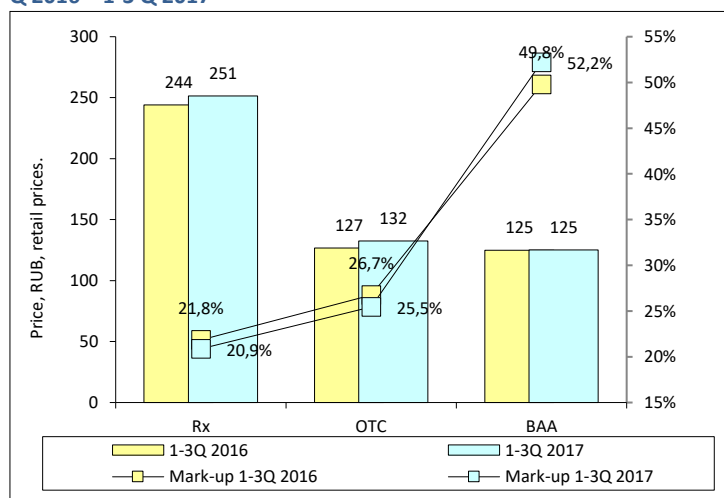
| | September 2017 as against December 2016 |
|---------------------------|---|
| CPI | 101.2 |
| CPI for non-food products | 101.3 |

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in VFD

| | Price dynamics in November 2017 vs. December 2016 (%) | | |
|----------------------|---|------------------|-----------------------|
| | Retail prices | Wholesale prices | Manufacturers' prices |
| VED total | -1.5 | -1.4 | 0.2 |
| Not more than RUB 50 | -1.7 | | |
| From RUB 50 to 500 | -1.8 | | |
| Over RUB 500 | -1.3 | | |

Figure 1. Dynamics of weighted average prices and retail margins in 1-3 Q 2016 – 1-3 Q 2017



Indicators of the dynamics and structure of the market

Figure 2. VFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017

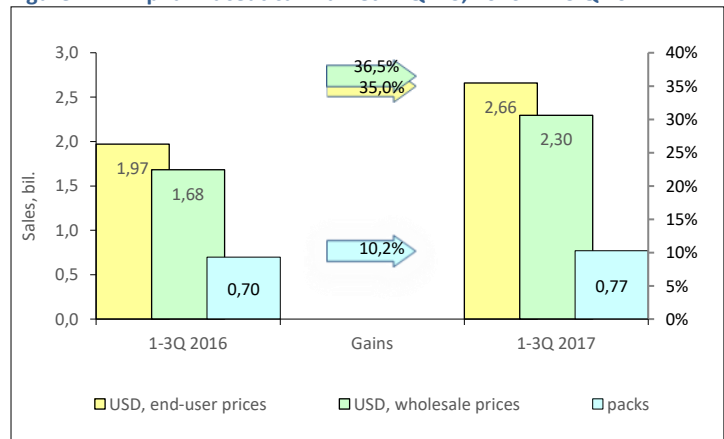


Figure 3. Structure of PFD pharmaceutical market by major segments in Q 1-3, 2016 – 1-3 Q 2017

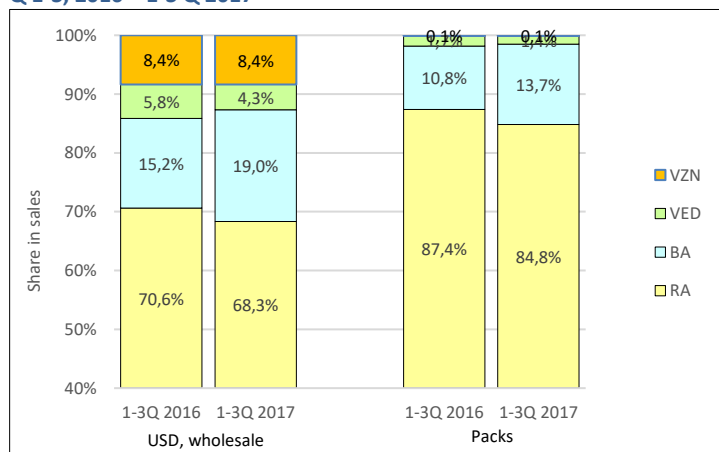


Figure 4. Structure of the retail segment of VFD market in Q 1-3, 2016 – 1-3 Q 2017

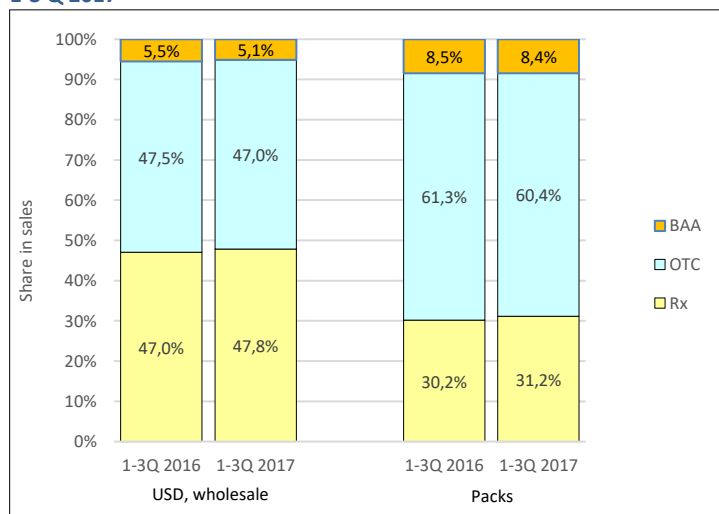
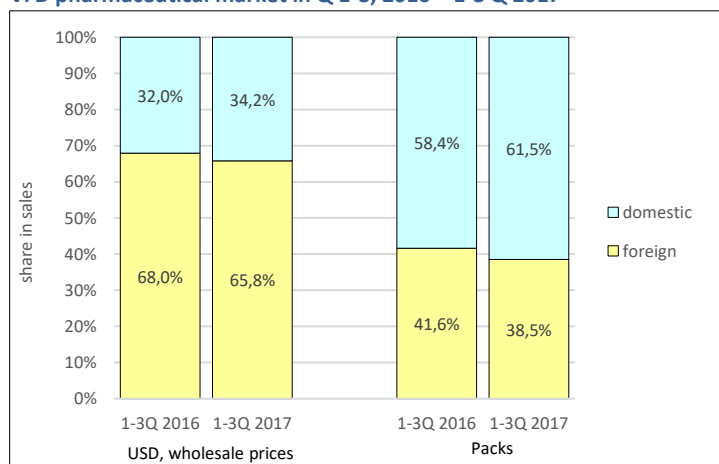


Figure 5. Dynamics of the Russian/foreign drugs share in the structure of VFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017



Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in UrFD

| Value | September-January 2017 | September-January 2017 (%) as % against September-January 2016 |
|--|------------------------|--|
| Industrial production index | | 103.4 |
| Retail turnover, RUB bil. | 1,848.2 | 97.5 |
| Monthly average accrued wage per one worker (nominal), RUB | 43,153 | 106.0 |
| real | | 101.9 |

Note: VFD TOGS data

Table 2. Inflation rates in the UrFD, September 2017

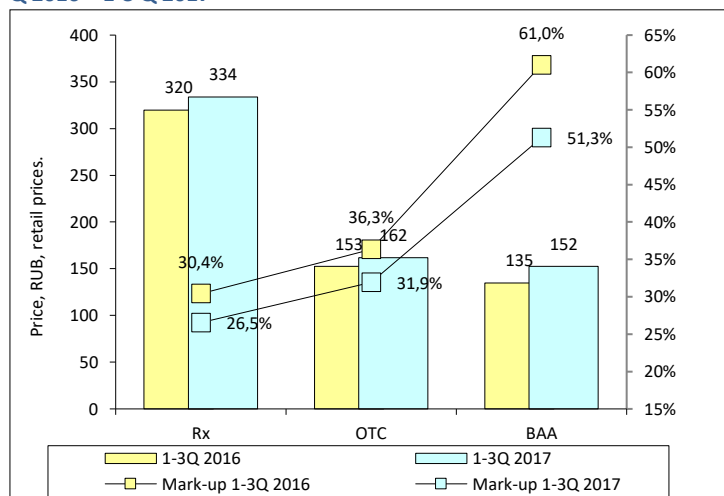
| | September 2017 as against December 2016 |
|---------------------------|---|
| CPI | 101.6 |
| CPI for non-food products | 102.5 |

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in UrFD

| | Price dynamics in November 2017 vs. December 2016 (%) | | |
|----------------------|---|------------------|-----------------------|
| | Retail prices | Wholesale prices | Manufacturers' prices |
| VED total | -2.3 | -1.1 | 0,0 |
| Not more than RUB 50 | -2.6 | | |
| From RUB 50 to 500 | -2.4 | | |
| Over RUB 500 | -2.0 | | |

Figure 1. Dynamics of weighted average prices and retail margins in 1-3 Q 2016 – 1-3 Q 2017



Indicators of the dynamics and structure of the market

Figure 2. UrFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017

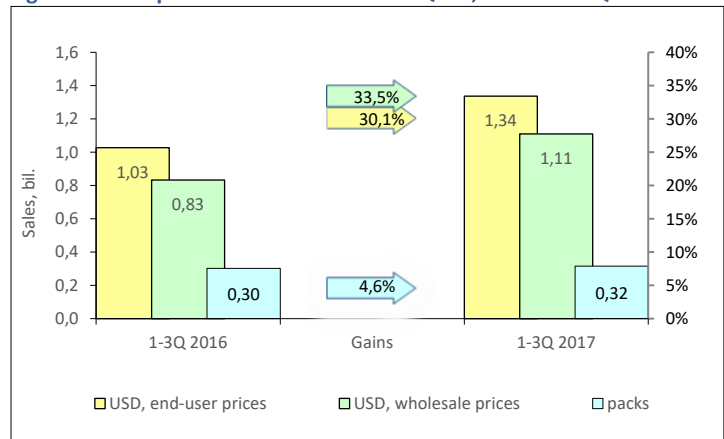


Figure 3. Structure of UrFD pharmaceutical market by major segments in Q 1-3, 2016 – 1-3 Q 2017

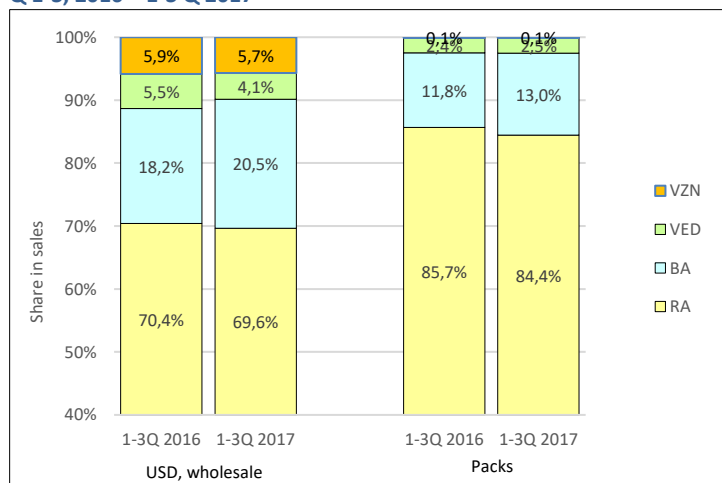


Figure 4. Structure of the retail segment of UrFD market in Q 1-3, 2016 – 1-3 Q 2017

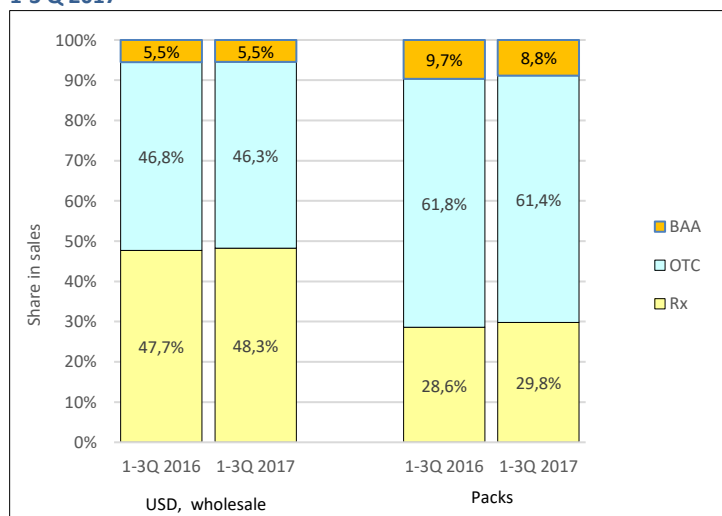
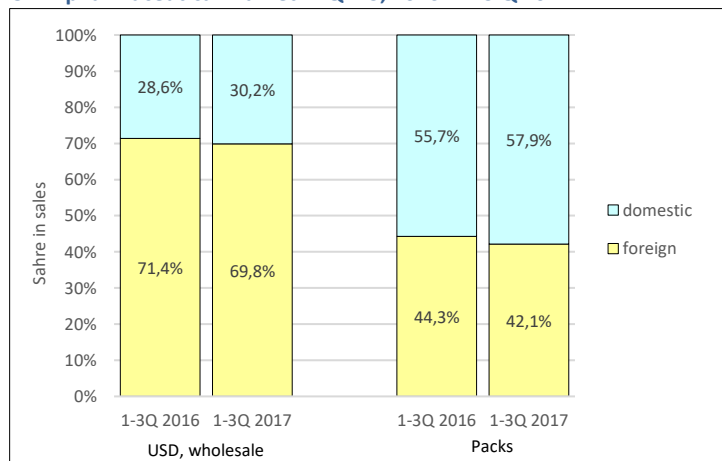


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of UrFD pharmaceutical market in Q 1-3, 2016 – 1-3 Q 2017



PHARMACEUTICAL MARKET OF THE SIBERIA FEDERAL DISTRICT (SFD) IN 1-3 Q OF 2017 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in SiFD

| Value | September-January 2017 | September-January 2017 (%) as % against September-January 2016 |
|--|------------------------|--|
| Industrial production index | | 103.5 |
| Retail turnover, RUB bil. | 2,110.9 | 100.9 |
| Monthly average accrued wage per one worker (nominal), RUB | 32,818 | 106.3 |
| real | | 102.7 |

Note: SiFD TOGS data

Table 2. Inflation rates in the NFD, September 2017

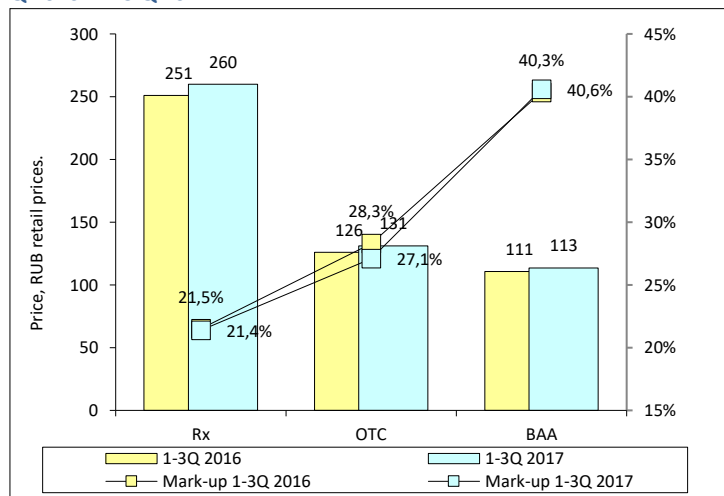
| | September 2017 as against December 2016 |
|---------------------------|---|
| CPI | 101.3 |
| CPI for non-food products | 101.7 |

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in SiFD

| | Price dynamics in November 2017 vs. December 2016 (%) | | |
|----------------------|---|------------------|-----------------------|
| | Retail prices | Wholesale prices | Manufacturers' prices |
| VED total | -2.1 | -2.4 | -0.7 |
| Not more than RUB 50 | -2.3 | | |
| From RUB 50 to 500 | -2.3 | | |
| Over RUB 500 | -0.5 | | |

Figure 1. Dynamics of weighted average prices and retail margins in 1-3 Q 2016 – 1-3 Q 2017



Indicators of the dynamics and structure of the market

Figure 2. SFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017

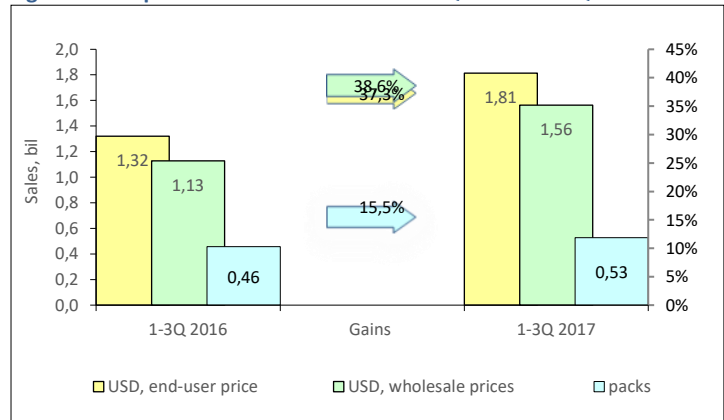


Figure 3. Structure of SiFD pharmaceutical market by major segments in Q 1-3, 2016 – 1-3 Q 2017

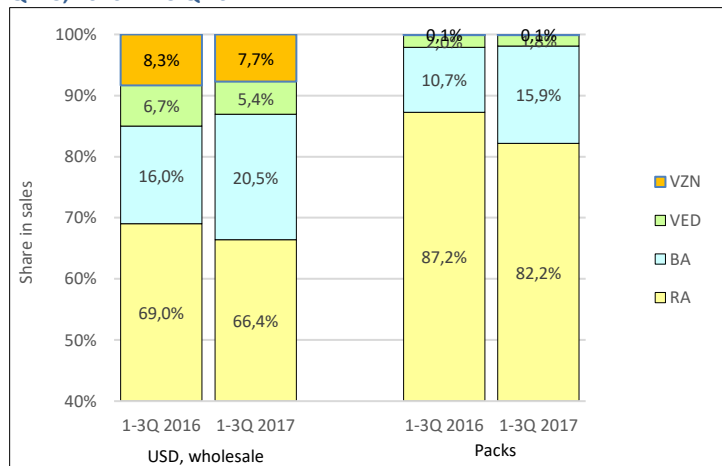


Figure 4. Structure of the retail segment of SiFD market in 1-3 Q 2016 – 1-3 Q 2017

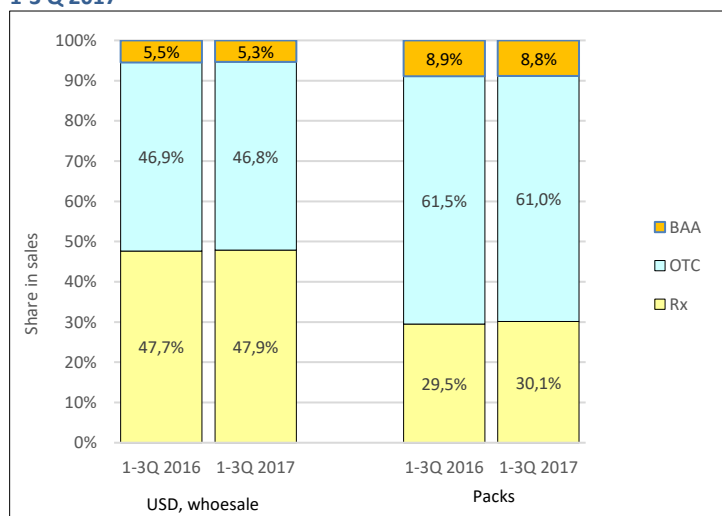
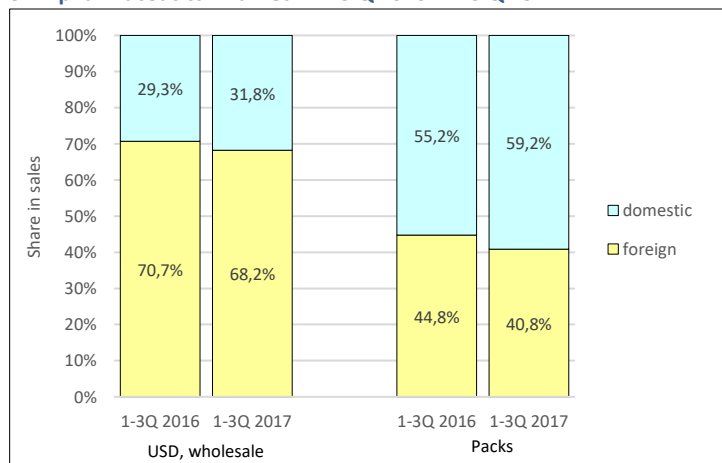


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of SiFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017



PHARMACEUTICAL MARKET OF THE SOUTHERN FEDERAL DISTRICT (SoFD) IN 1-3 Q OF 2017 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in SoFD

| Value | September-January 2017 | September-January 2017 (%) as % against September-January 2016 |
|--|------------------------|--|
| Industrial production index | | 105.5 |
| Retail turnover, RUB bil. | 2,270.9 | 101.0 |
| Monthly average accrued wage per one worker (nominal), RUB | 27,942 | 106.0 |
| real | | 101.6 |

Note: SoFD TOGS data

Table 2. Inflation rates in the SoFD, September 2017

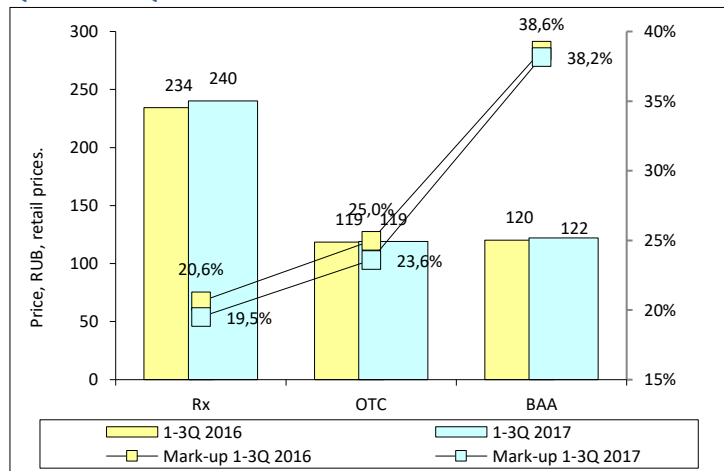
| | September 2017 as against December 2016 |
|---------------------------|---|
| CPI | 101.4 |
| CPI for non-food products | 101.3 |

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in SoFD

| | Price dynamics in November 2017 vs. December 2016 (%) | | |
|----------------------|---|------------------|-----------------------|
| | Retail prices | Wholesale prices | Manufacturers' prices |
| VED total | -1.6 | -0.1 | 0.5 |
| Not more than RUB 50 | -2.2 | | |
| From RUB 50 to 500 | -1.5 | | |
| Over RUB 500 | -0.9 | | |

Figure 1. Dynamics of weighted average prices and retail margins in 1-3 Q 2016 – 1-3 Q 2017



Indicators of the dynamics and structure of the market

Figure 2. SoFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017

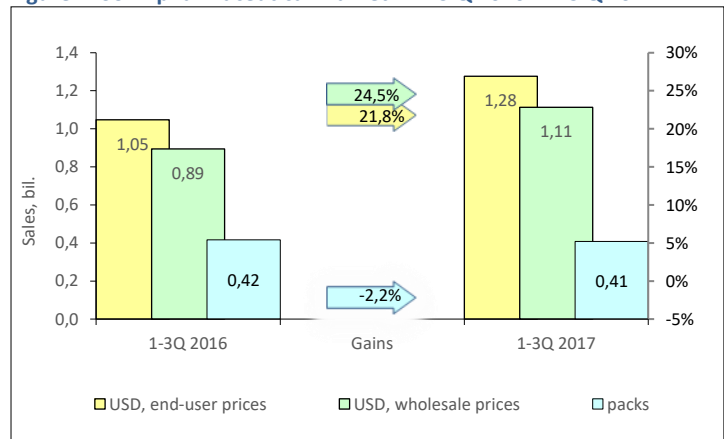


Figure 3. Structure of SoFD pharmaceutical market by major segments in 1-3 Q 2016 – 1-3 Q 2017

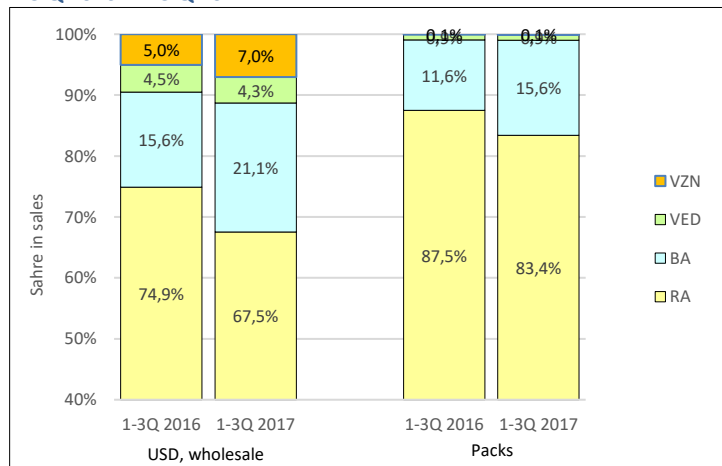


Figure 4. Structure of the retail segment of SoFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017

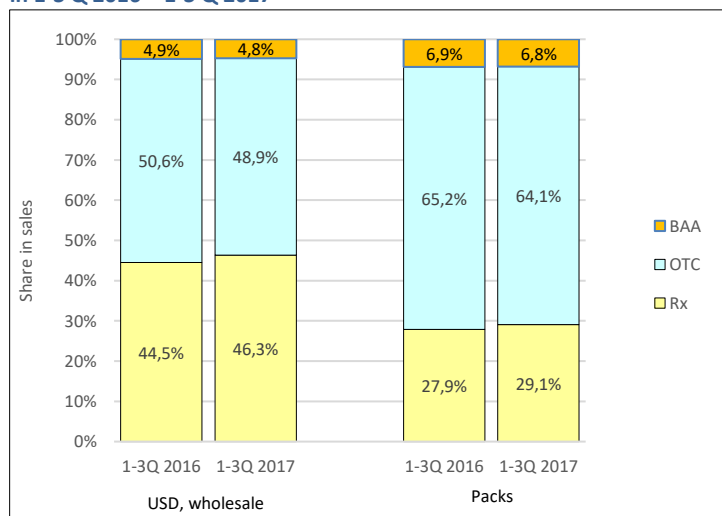
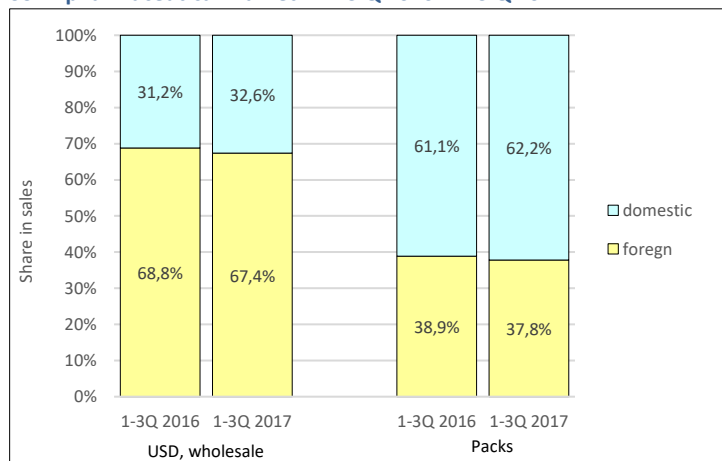


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of SoFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017



PHARMACEUTICAL MARKET OF THE FAR EASTERN FEDERAL DISTRICT (FEFD) IN 1-3 Q OF 2017 KEY PERFORMANCE INDICATORS

Macroeconomic indices

Table 1: Recent statistical data on socio - economic situation in FEFD

| Value | September-January 2017 | September-January 2017 (%) as % against September-January 2016 |
|--|------------------------|--|
| Industrial production index | | 103.5 |
| Retail turnover, RUB bil. | 947.4 | 101.9 |
| Monthly average accrued wage per one worker (nominal), RUB | 47,558 | 105.5 |
| real | | 101.8 |

Note: FEFD TOGS data

Table 2. Inflation rates in the FEFD, September 2017

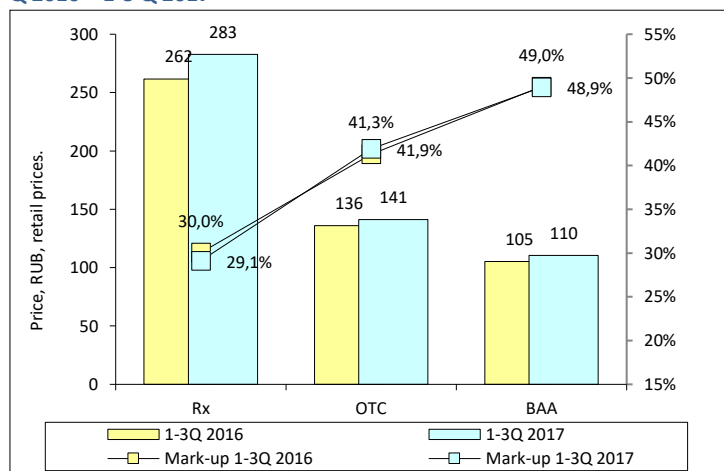
| | September 2017 as against December 2016 |
|---------------------------|---|
| CPI | 101.4 |
| CPI for non-food products | 101.6 |

Indicators of price dynamics and retail margins

Table 3. Results of the VED price monitoring conducted by Roszdravnadzor in FEFD

| | Price dynamics in November 2017 vs. December 2016 (%) | | |
|----------------------|---|------------------|-----------------------|
| | Retail prices | Wholesale prices | Manufacturers' prices |
| VED total | -1.2 | -2.4 | 0.1 |
| Not more than RUB 50 | -1.0 | | |
| From RUB 50 to 500 | -1.0 | | |
| Over RUB 500 | 1.3 | | |

Figure 1. Dynamics of weighted average prices and retail margins in 1-3 Q 2016 – 1-3 Q 2017



Indicators of the dynamics and structure of the market

Figure 2. FEFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017

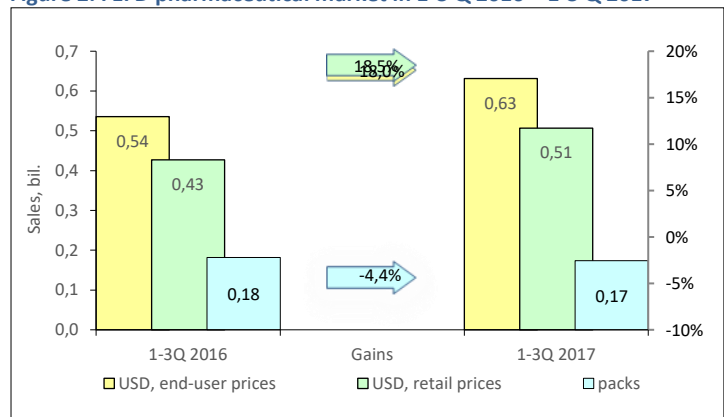


Figure 3. Structure of FEFD pharmaceutical market by major segments in 1-3 Q 2016 – 1-3 Q 2017

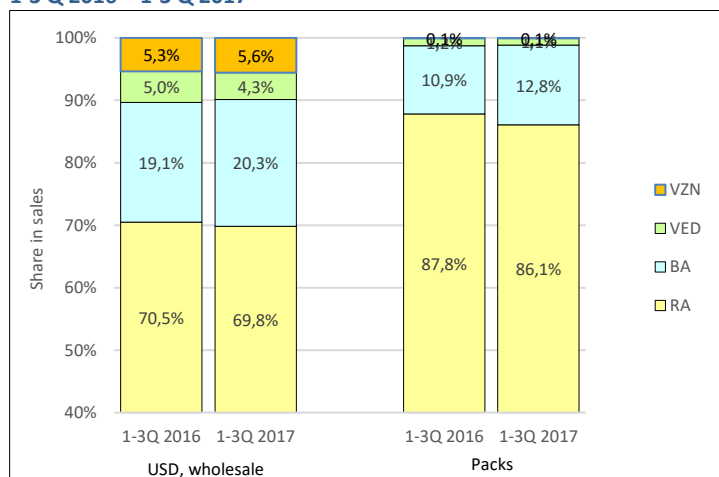


Figure 4. Structure of the retail segment of FEFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017

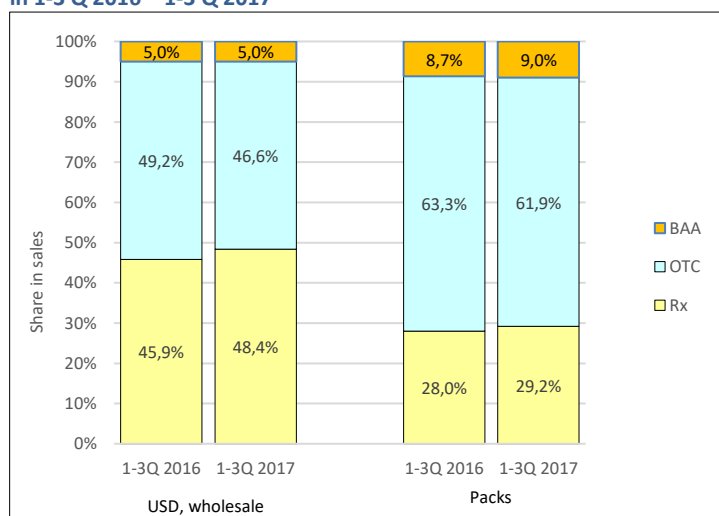


Figure 5. Dynamics of the Russian/ foreign drugs share in the structure of FEFD pharmaceutical market in 1-3 Q 2016 – 1-3 Q 2017

