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AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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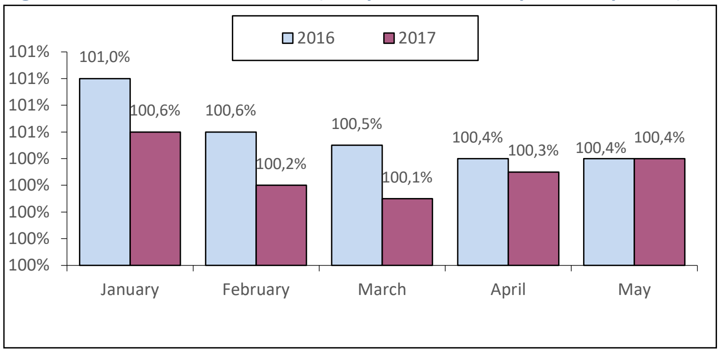
## MACROECONOMIC INDICES

### Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.4% in May 2017, compared to the previous month, - 101.7% as against December 2016.

In May this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 99.5%, whereas in the month-earlier period it had amounted to 98.5%. The index accounted for 101.7% against December of the previous year.

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



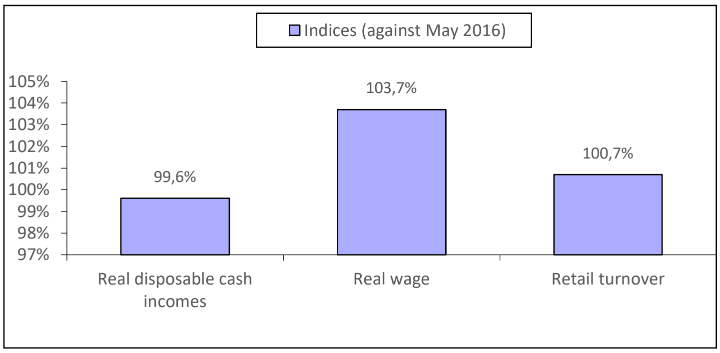

### Living standard

According to preliminary Federal State Statistics Service's data, in May 2017, the gross monthly average salary per worker reached RUB 40,640 (USD 710.86) which accounted for 102% compared to the previous month and 107.9% compared to May 2016. In May 2017, the real wage accounted for 103.7% compared to May 2016. In May 2017, the real value of disposable cash incomes accounted for 99.6% as compared with the same period of 2016 (Fig. 2).

### Retail turnover

In May 2017, the retail turnover was equal to RUB 2380.0 bil., which in comparable prices accounted for 100.7% compared to the same period a year ago, in January-May 2017 - RUB 11459.0 bil. or 99.2% (Fig. 2).

**Figure 2. Real values of cash incomes, salary and retail turnover in May 2017**




### Industrial Production

According to Federal State Statistics Service's data, in May 2017 Industrial Production Index accounted for 105.6% compared to the same period in January-May 2017. - 101.7%.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in May 2017 accounted for 114.2% compared to the relevant period of the previous year, and 104.7% 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 May, 2017.

**Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in May 2017**

| Rank | Manufacturer | RUB mil. |
|---|---|---|
| 1 | Otcpharm | 1493.48 |
| 2 | Nativa | 1309.31 |
| 3 | Biocad | 1155.05 |
| 4 | Stada | 1023.26 |
| 5 | Pharmstandart | 1007.41 |
| 6 | Pharmasyntez | 882.84 |
| 7 | Sotex | 780.01 |
| 8 | Valenta | 746.27 |
| 9 | Servier | 697.68 |
| 10 | Generium | 697.41 |

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In April 2017 compared to March, reduction in pharmacy sales (in terms of roubles) was reported in almost all analysed regions. The deepest slump was observed in Novosibirsk Region (-18%), the smallest one in Tyumen (-2%). The sales increased only in Moscow by 7%.

**Table 2. Pharmacy sales in the regions, 2017**

| Region | Pharmacy sales, $ mil. (wholesale prices) | | | Growth gain, % (roubles) | | |
|---|---|---|---|---|---|---|
| | February 2017 | March 2017 | April 2017 | February /January 17 | March / February 17 | April/ March 17 |
| Moscow | 143.8 | 175.7 | 194.2 | 11% | 22% | 7% |
| St Petersburg | 47.7 | 58.4 | 49.8 | 7% | 22% | -17% |
| Krasnodar Krai | 31.8 | 37.3 | 32.1 | -11% | 17% | -16% |
| Novosibirsk Region | 19.6 | 22.0 | 18.5 | -7% | 12% | -18% |
| Tatarstan | 22.9 | 28.1 | 24.1 | -5% | 22% | -17% |
| Krasnoyarsk Krai | 26.8 | 29.5 | 26.0 | -0.5% | 9% | -14% |
| Rostov Region | 21.4 | 24.0 | 21.6 | -8% | 12% | -13% |
| Voronezh Region | 14.5 | 16.4 | 14.6 | -11% | 13% | -14% |
| Perm | 7.8 | 8.0 | 7.2 | -2% | 3% | -13% |
| Tyumen | 6.2 | 7.0 | 7.0 | -6% | 12% | -2% |

### 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 May 2017**

| Rank | Company* | Quantity of broadcasts |
|---|---|---|
| 1 | Berlin-Chemie Menarini Group | 12,117 |
| 2 | Bayer | 10,847 |
| 3 | Teva | 8,947 |
| 4 | Otcpharm | 7,835 |
| 5 | Sanofi Aventis | 5,562 |

Source - Remedium according to Mediascope's data

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

| Rank | Brand* | Quantity of broadcasts |
|---|---|---|
| 1 | Evalar | 2,795 |
| 2 | Espumisan | 2,475 |
| 3 | Exoderil | 2,468 |
| 4 | Aerius | 2,452 |
| 5 | Mezim | 2,090 |

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

## STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2017 FIRST THREE MONTHS RESULTS

According to DLO in RF™, the drugs supplies under the Federal Program amounted to RUB 31.401 bil. on the basis of the results for January-March of 2017, (USD 529.483 mil.) in contract prices. The sector volume decreased by 9% in terms of roubles, and 6% - in terms of dollars as compared to 2016. Scope of supplies in pack terms reduced by 21% to 22.531 mil. packs. The average cost of a FPP pack through the DLO program was USD 23.50 in contractual prices (a year ago it was USD 19.71).

On the basis of the results for the first quarter of 2017, the manufacturer CELGENE (+13%) maintained and strengthened its leading position in the Top-10 manufacturers in the Federal Essential Medicines Procurement (DLO) segment (Table 1). Due to 2.4-fold growth in purchases, NATIVA moved up to rank two from 13, displacing BIOCAD down one rank (-17%). The other manufacturers of the top 10 showed negative growth rates, though four of them managed to rise in the ranks. Among them was the second newcomer of the top ten, ASTRAZENECA (-23%), which moved up to rank ten. GENERIUM (-51%) and SANOFI-AVENTIS (-32%) also moved up one rank, whereas NOVO NORDISK (-16%) moved up from rank 10 to seven. The manufacturers BAXTER (-56%), OCTAPHARMA (-31%) and ROCHE (-68%) moved down to ranks six, eight and nine, respectively. The total share of the top ten drug manufacturers under DLO Program extended by 3.4 p.p. and accounted for 59.9%.

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

| Rank | | Manufacturer* | Share in total DLO volume, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | **CELGENE** | 13.9 | 9.0 |
| 2 | 13 | NATIVA | 9.6 | 2.7 |
| 3 | 2 | BIOCAD RF | 9.4 | 8.3 |
| 4 | 5 | GENERIUM ZAO RF | 4.7 | 7.2 |
| 5 | 6 | **SANOFI-AVENTIS** | 4.6 | 5.0 |
| 6 | 3 | **BAXTER INT** | 4.3 | 7.3 |
| 7 | 10 | **NOVO NORDISK** | 3.7 | 3.2 |
| 8 | 7 | OCTAPHARMA | 3.3 | 3.5 |
| 9 | 4 | **ROCHE** | 3.2 | 7.3 |
| 10 | 11 | **ASTRAZENECA** | 3.1 | 3.0 |
| Total | | | 59.9 | 56.5 |

*AIPM members are in bold

Three newcomers broke into the top 10 brand names ranking in the DLO segment (table 2). AKSOGLATIRAN FS, BORAMILAN FS (+16%) and ADVATE (+66%) moved up to ranks three through five respectively. REVLIMIDE (+13%) and ACELLBIA (-43%) continued to hold the lead in the top ten ranking. Due to strong positive growth rates, the former reinforced its positions. In contrast, the other brands of the top ten showed reduction in purchases. At the same time, OCTANATE (-38%), COAGIL-VII (-55%), REBIF (-43%) and OCTOFACTOR (-55%) fell in the ranks, while GENFAXON (-31%) managed to move up from rank nine to eight. The total share of the top-10 FPPs increased from 31.4% to 36.6%.

### Table 2. The top 10 Brand in DLO segment

| Rank in the top ten | | Brand | Share in total DLO volume, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | REVLIMIDE | 13.8 | 9.0 |
| 2 | 2 | ACELLBIA | 5.9 | 7.5 |
| 3 | | AKSOGLATIRAN FS | 3.3 | 0.0 |
| 4 | 16 | BORAMILAN FS | 2.4 | 1.5 |
| 5 | 23 | ADVATE | 2.2 | 1.0 |
| 6 | 5 | OCTANATE | 2.1 | 2.5 |
| 7 | 3 | COAGIL-VII | 1.9 | 3.1 |
| 8 | 9 | GENFAXON | 1.8 | 1.9 |
| 9 | 7 | REBIF | 1.7 | 2.2 |
| 10 | 4 | OCTOFACTOR | 1.6 | 2.6 |
| Total | | | 36.6 | 31.4 |

LENALIDOMIDE (+13%), which moved up to rank 1 from three, became a leader of the top ten INN and group names ranking (table 3). Another four INNs showed positive growth rates. BORTEZOMIB (+1%) and GLATIRAMER ACETATE (+5%) moved up to ranks 3 and 6, and the newcomers IMATINIB (6.3-fold growth in purchases) and TRASTUZUMAB (+23%) broke into the ranks of the top ten for the first time. In contrast, a half of the top ten INNs reduced their sales. For instance, RITUXIMAB (-56%), which was placed at rank one, reduced its purchases by more than one half and moved to rank two. FACTOR VIII (-70%) and EPTACOG ALFA (ACTIVATED) (-49%) moved down to ranks five and nine. INN INTERFERON BETA-1A (-36%) managed to hold its previous rank 4, while INSULIN GLARGINE (-14%) moved up to rank seven from ten. The total share of the top-10 reduced from 46.7% to 46.1%.

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

| Rank in the top ten | | INNs/Group Names | Share in total DLO volume, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 3 | LENALIDOMIDE | 13.8 | 9.0 |
| 2 | 1 | RITUXIMAB | 6.3 | 10.4 |
| 3 | 5 | BORTEZOMIB | 4.6 | 3.4 |
| 4 | 4 | INTERFERON BETA-1A | 4.3 | 5.0 |
| 5 | 2 | FACTOR VIII | 3.8 | 9.2 |
| 6 | 8 | GLATIRAMER ACETATE | 3.6 | 2.5 |
| 7 | 10 | INSULIN GLARGINE | 2.6 | 2.3 |
| 8 | 46 | IMATINIB | 2.5 | 0.3 |
| 9 | 6 | EPTACOG ALFA (ACTIVATED) | 2.3 | 3.3 |
| 10 | 19 | TRASTUZUMAB | 2.2 | 1.3 |
| Total | | | 46.1 | 46.7 |

Almost all ATC groups of the top 10 ATC groups ranking in the DLO segment showed the negative growth rates (table 4). The group L02 Endocrine therapy (+9%), which moved up to rank seven from nine, became the only exception B02 Antihemorrhagics, which headed the Top 10 ranking earlier, reduced their purchases by 54% and moved down to rank three, giving the way to L01 Antineoplastic agents (-21%) and L04 Immunosuppressants (-5%). The Group A16 Other alimentary tract and metabolism products (-47%) also reduced its rank by two p.p. However half ATC groups of the top 10 held their own in the ranking. L03 Immunostimulants (-26%), A10 Drugs Used in Diabetes (-10%) and R03 Drugs for obstructive airways diseases (-24%) held their previous ranks from 4 through 6 and B03 Antianemic preparations (-21%) and H01 Hypothalamic-Pituitary Hormones and Analogues (-25%) held their previous ranks 8 and 10. The total share of the top ten accounted for 87.3% of the market, which was 0.5 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, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | L01 | ANTINEOPLASTIC AGENTS | 21.2 | 19.8 |
| 2 | 3 | L04 | IMMUNOSUPPRESSANTS | 19.9 | 15.5 |
| 3 | 1 | B02 | ANTIHEMORRHAGICS | 14.1 | 22.4 |
| 4 | 4 | L03 | IMMUNOSTIMULANTS | 10.0 | 9.9 |
| 5 | 5 | A10 | DRUGS USED IN DIABETES | 9.9 | 8.8 |
| 6 | 6 | R03 | DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES | 3.6 | 3.5 |
| 7 | 9 | L02 | ENDOCRINE THERAPY | 2.9 | 1.7 |
| 8 | 8 | B03 | ANTIANEMIC PREPARATIONS | 2.1 | 2.0 |
| 9 | 7 | A16 | OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS | 1.8 | 2.5 |
| 10 | 10 | H01 | PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES | 1.7 | 1.7 |
| Total | | | | 87.3 | 87.8 |

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 16% market share. They are followed by Moscow region and Tatarstan accumulating a little bit more than 4% of the market each. In addition to Moscow, the positive growth rates were also reported in St. Petersburg (+8%) and Krasnodar Krai (+37%), while the reduction in supplies was observed in the rest of the Russian Federation. The top ten regions accumulated 44.5% of the DLO market.

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

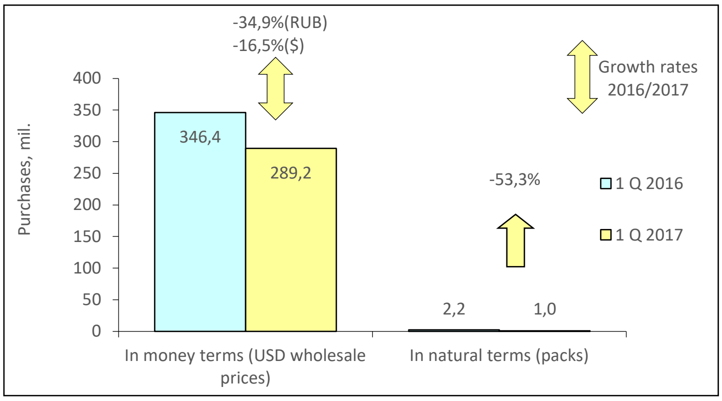
| Rank | | Region | Share in total DLO volume, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | Moscow | 15.6 | 9.4 |
| 2 | 2 | Moscow Region | 4.5 | 5.0 |
| 3 | 3 | Tatarstan Republic | 4.1 | 3.9 |
| 4 | 12 | Saint Petersburg | 3.6 | 2.4 |
| 5 | 20 | Krasnodar Krai | 3.4 | 1.8 |
| 6 | 11 | Krasnoyarsk Region | 3.1 | 2.6 |
| 7 | 6 | Kemerovo Region | 2.9 | 2.8 |
| 8 | 10 | Tyumen Region | 2.6 | 2.6 |
| 9 | 9 | Bashkortostan Republic | 2.5 | 2.6 |
| 10 | 4 | Sverdlovsk Region | 2.2 | 3.9 |
| Total | | | 44.5 | 37.1 |

**Conclusion**. On the basis of the results for the first quarter of 2017, the DLO segment of Russia brought in RUB 31.401 bil. (USD 529.483 mil.), which was 26% in terms of roubles and 6% in terms of dollars less than in 2016. In physical terms, the supplies decreased by 21% to 22.531 mil. packs. The average cost of FPP participating in the DLO Programme increased as compared to the past year (USD 23.50 vs USD 19.71).

## COST DEMANDING NOSOLOGIES (VZN) PROGRAM, Q 1, 2017

In January-March of 2017 the purchases under the VZN Program in physical terms (packs) reduced two times as compared to the same period in the previous year (Fig.1). In terms of national currency, the purchases decreased by 35% (in terms of dollars by 16.5%). In absolute terms, the purchases were estimated at RUB 17.2 bil. or USD 289.2 mil.

**Figure 1. Supplies trend under the DLO Program in Q 1, 2017 and Q 1, 2016**




In QI 2017 all nosological segments showed negative growth rates. On top of that, the purchases decreased by more than two times in most of them (haemophilia, transplantology, Gaucher disease, pituitary dwarfism).

Oncohematological drugs, which accounted for almost half of all purchases under VZN Program in money terms, saw the least strong reduction (-14.2%) (Table 1). INN Lenalidomide, represented by the original drug Revlimide of the manufacturer Celgene (the second packaging and release control is executed by Pharmstandart-Leksredstva), showed the most significant purchase volumes. As compared with the same period of last year, Revlimide saw a sales increase of 26% in terms of packs, and 12.5% in terms of roubles. The weighted average price per pack decreased 11%. As in the previous year, Revlimide topped the brand names ranking throughout the VZN Program (Table 2). The manufacturer Celgene also held its leading position in the top ten manufacturers ranking (Table 3).

**Table 1. Supplies pattern under the VZN Program**

| Nosologies | INN | Share in total CDD supplies (RUB), % | |
|---|---|---|---|
| | | 1Q_2017 | 1Q_2016 |
| **Oncohematology** | | **49.0** | **37.2** |
| | LENALIDOMIDE | 25.1 | 14.5 |
| | RITUXIMAB | 10.7 | 16.3 |
| | BORTEZOMIB | 8.4 | 5.4 |
| | IMATINIB | 4.4 | 0.3 |
| | FLUDARABINE | 0.4 | 0.6 |
| **Haemophilia** | | **24.1** | **35.5** |
| | FACTOR VIII | 6.9 | 14.8 |
| | EPTACOG ALFA (ACTIVATED) | 4.2 | 5.3 |
| | OCTOCOG ALFA | 3.9 | 1.7 |
| | MOROCTOCOG ALFA | 2.9 | 4.2 |
| | FACTOR IX | 2.2 | 3.9 |
| | FACTOR VON WILLEBRAND*FACTOR VIII | 2.1 | 2.9 |
| | FACTOR VIII INHIBITOR BYPASSING FRACTION | 2.0 | 2.6 |
| **Sclerosis Multiplex** | | **18.9** | **15.1** |
| | INTERFERON BETA-1A | 7.9 | 8.1 |
| | GLATIRAMER ACETATE | 6.5 | 4.0 |
| | INTERFERON BETA-1B | 3.1 | 3.0 |
| | NATALIZUMAB | 1.3 | 0.0 |
| **Transplantology** | | **3.2** | **6.1** |
| | TACROLIMUS | 1.6 | 3.0 |
| | MYCOPHENOLIC ACID | 1.2 | 2.3 |
| | CICLOSPORIN | 0.3 | 0.5 |
| | MYCOPHENOLATE MOFETIL | 0.2 | 0.3 |
| **Mucoviscidosis** | | **2.8** | **2.6** |
| | DORNASE ALFA | 2.8 | 2.6 |
| **Gaucher disease** | | **1.9** | **3.1** |
| | IMIGLUCERASE | 1.6 | 2.7 |
| | VELAGLUCERASE ALFA | 0.2 | 0.3 |
| **Pituitary dwarfism** | | **0.2** | **0.5** |
| | SOMATROPIN | 0.0 | 0.0 |

In the oncohematology segment, INN Bortezomib, which purchases reduced by 57% as compared with the same period of last year, was represented by biosimilar Acellbiya. This drug moved up to rank 2 in the top ten brand names ranking and its manufacturer (Biocad) to rank 3 in the top ten manufacturers ranking. INN Bortezomib sales grew by 38% in terms of packs and didn't change in terms of money. A share of the original drug Velcade J&J experiencing competition from the Russian biosimilars reduced from 54% to 34%. Boramilan FS (Nativa) supplies grew by 75% in terms of packs and 16% in terms of roubles, with the result that this drug moved to rank 4 in the top ten brand names ranking, and 52% in the INN group sales profile. Another one biosimilar of Nativa - Philachromin FS - accounted for 62% of all INN Imatinib purchases.

The manufacturer Nativa, which sales grew 3 times as compared to the previous year, moved up to rank 2 in the top ten manufacturers ranking (table 3). In addition to oncohematological drugs, this growth was provided by sales of a biosimilar AKSOGLATIRAN FS, which accounted for 91% of all purchases of INN Glatiramer Acetate and moved up to rank 3 in the general brand name ranking (table 2). The purchases of drugs to treat multiple sclerosis were 19% less as compared with the previous year, in this case the group accounted for 19% in all purchases pattern under the VZN Program (Table 1).

The group of drugs for the treatment of haemophilia, the second one by supplies, saw a 56% reduction as compared with the same period of last year and accounted for 2% of the total supplies under the VZN Program (Table 1). The purchases only grew in relation to INN Octocog alfa (+47%), in which case the drug Advate (Baxter Int) (secondary packaging was localized at Biocad facilities) moved up to rank 5 in the top ten brand names ranking (table 2).

**Table 2. Top ten brand names by purchases under the VZN Program**

| Rank | | Brand | Share in total VZN supplies, % | |
|---|---|---|---|---|
| 1Q_2017 | 1Q_2016 | | 1Q_2017 | 1Q_2016 |
| 1 | 1 | REVLIMIDE | 25.1 | 14.5 |
| 2 | 2 | ACELLBIA | 10.6 | 12.1 |
| 3 | | AKSOGLATIRAN FS | 6.0 | 0.0 |
| 4 | 16 | BORAMILAN FS | 4.4 | 2.5 |
| 5 | 23 | ADVATE | 3.9 | 1.5 |
| 6 | 7 | OCTANATE | 3.8 | 4.0 |
| 7 | 3 | COAGIL-VII | 3.5 | 5.0 |
| 8 | 10 | GENFAXON | 3.2 | 3.1 |
| 9 | 9 | REBIF 44 | 3.0 | 3.4 |
| 10 | 5 | OCTOFACTOR | 2.9 | 4.2 |
| Total | | | 66.5 | 58.1 |

In total, the drugs of Russian and foreign manufacturers amounted to an equal number in the top ten brand names ranking. On top of that the final manufacturing phases of all foreign drugs were localized at the facilities of the domestic manufacturers (Table 2).

Based on the results for January-March of 2017, three Russian manufacturers broke into the ranks of the top ten manufacturers ranking (table 3). In addition to manufacturers Nativa and Biocad placed at ranks 2 and 3, the manufacturer Generium which two drugs (Coagil-VII and Octofactor) broke into the ranks of the top 10 brand names ranking, hold its previous rank 4.

**Table 3. Top ten manufacturers by purchases under the VZN Program**

| Rank in the top ten | | Manufacturer* | Share in total VZN supplies, % | |
|---|---|---|---|---|
| 1Q_2017 | 1Q_2016 | | 1Q_2017 | 1Q_2016 |
| 1 | 1 | **CELGENE** | 25.1 | 14.5 |
| 2 | 13 | NATIVA* | 13.2 | 2.7 |
| 3 | 2 | BIOCAD RF | 11.5 | 12.7 |
| 4 | 4 | GENERIUM ZAO RF | 8.6 | 11.6 |
| 5 | 3 | **BAXTER INT** | 7.9 | 11.8 |
| 6 | 6 | OCTAPHARMA | 5.9 | 5.6 |
| 7 | 10 | LABORATORIO TUTEUR | 3.4 | 3.5 |
| 8 | 9 | SERONO | 3.2 | 3.6 |
| 9 | 11 | **JOHNSON & JOHNSON*** | 2.9 | 2.9 |
| 10 | 5 | **ROCHE*** | 2.8 | 6.8 |
| Total | | | 84.6 | 80.1 |

*AIPM members are in bold

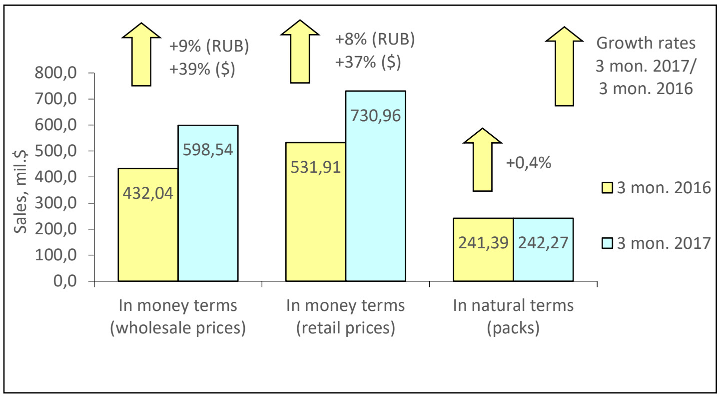
**Conclusion.** In the first quarter of 2017, a share of domestic drugs in the purchase pattern under the VZN Program increased from 28% to 36%, and a share of foreign drugs reduced from 25% to 16% in money terms, compared to the same period a year ago. A share of localized products (final manufacturing phase) increased by approximately 1 p.p. to 48%.

## CFD PHARMACY MARKET (WITHOUT MOSCOW): 2017 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Central Federal District (CFD) (without Moscow) was 26.829 mil., which accounted for 18.3% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for the first quarter of 2017 the average wage in the CFD (without Moscow) was RUB 46,648 (USD 793.2), which was 27% higher than the average wage in Russia (RUB 36,664).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first three months of 2017 the sales of drugs in physical terms in the CFD (without Moscow) saw a 0.4% increase to 242.269 mil. packs. In money terms, the market saw a 9% increase in terms of roubles and 39% in terms of dollars. At the same time, the volume of the market achieved RUB 35.225 bil (USD 598.541 mil.) at wholesale prices (Fig. 1). The region market share accounted for 19.3% of the Russian pharmacy retail sales. The average cost of a pack increased as compared to the same period a year ago: USD 3.02 vs. USD 2.20 in retail prices. At the end of I quarter 2017, the average amount spent by the residents of the region for FPPs in pharmacies amounted to USD 27.25.

**Figure 1. The CFD (without Moscow) pharmacy market for 3 months of 2016 – 3 months 2017**




At the end of the first three months of 2017, the top three manufacturers on the pharmacy market of the Central Federal District (CFD) (without Moscow) held its own in the ranking (Table 1). These were the drug manufacturers BAYER (+17%), SANOFI-AVENTIS (+4%) and TEVA (+2%). In addition, another three manufacturers held their own in the ranking: MENARINI (+9%) maintained its previous rank seven, and STADA and SANDOZ (+15% each) retained their lowest two ranks. The Russia-based OTCPHARM reduced sales by 1% and moved down from rank four to six, giving way to SERVIER (+7%) and NYCOMED/TAKEDA (+18%). The only newcomer of the top ten also rose in the ranks: the manufacturer KRKA (+21%) moved up to rank eight from 12. The cumulative share of the top 10 manufacturers expanded from 35% to 35.3%.

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

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | **BAYER HEALTHCARE** | 4.7 | 4.4 |
| 2 | 2 | **SANOFI-AVENTIS** | 4.2 | 4.4 |
| 3 | 3 | **TEVA** | 4.0 | 4.2 |
| 4 | 5 | **SERVIER** | 3.6 | 3.6 |
| 5 | 6 | **NYCOMED/TAKEDA** | 3.5 | 3.3 |
| 6 | 4 | OTCPHARM | 3.5 | 3.9 |
| 7 | 7 | **MENARINI** | 3.1 | 3.2 |
| 8 | 12 | **KRKA** | 2.9 | 2.6 |
| 9 | 9 | STADA | 2.9 | 2.7 |
| 10 | 10 | **SANDOZ** | 2.9 | 2.7 |
| Total | | | 35.3 | 35.0 |

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brands ranking (table 2). They were DETRALEX (+32%) and XARELTO (+60%), coming in at numbers six and ten of the top ten. The most strongly sought-for four brands was also updated on the regional brand market: MEXIDOL (+24%), CONCOR (+3%), NUROFEN (+34%) and ACTOVEGIN (+15%) moved up to the top four ranks. Despite 4% reduction in sales, ESSENTIALE continued to hold rank five. At the same time, the past year leaders INGAVIRIN (-54%) and KAGOCEL (-42%) showed highly negative growth rates and moved down to ranks 8 and 9. CARDIOMAGNYL (+13%) moved up to rank seven from eight. The total share of the top ten brand names reduced by 1 p.p. and accounted for 7.3%.

**Table 2. The top ten brands by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 6 | MEXIDOL | 0.8 | 0.7 |
| 2 | 4 | CONCOR | 0.8 | 0.9 |
| 3 | 9 | NUROFEN | 0.8 | 0.7 |
| 4 | 7 | ACTOVEGIN | 0.8 | 0.7 |
| 5 | 5 | ESSENTIALE | 0.7 | 0.9 |
| 6 | 12 | DETRALEX | 0.7 | 0.6 |
| 7 | 8 | CARDIOMAGNYL | 0.7 | 0.7 |
| 8 | 1 | INGAVIRIN | 0.7 | 1.6 |
| 9 | 2 | KAGOCEL | 0.6 | 1.2 |
| 10 | 23 | XARELTO | 0.6 | 0.4 |
| Total | | | 7.3 | 8.3 |

XYLOMETAZOLINE (+23%) maintained and strengthened the leading position in the top -10 INN and group names ranking (Table 3). Apart from the leader, the markets of another seven INNs of the top ten developed at a fast pace. INNs IBUPROFEN (+40%), BISOPROLOL (+11%), PANCREATIN (+19%) and ETHYLMETHYLHYDROXYPYRIDINE (+27%) moved up to rank two through four and six, and the newcomers the composition DIOSMIN* HESPERIDIN (+24%) and INNs BLOOD (+14%) and DICLOFENAC (+13%) broke into the top ten for the first time. At the same time, PHOSPHOLIPIDS (+1%) moved down two ranks, to number 9. INN NIMESULIDE (+2%) kept its previous rank five. The total share of the top ten under review increased from 9.8% to 10.5%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | XYLOMETAZOLINE | 1.9 | 1.7 |
| 2 | 8 | IBUPROFEN | 1.1 | 0.9 |
| 3 | 4 | BISOPROLOL | 1.1 | 1.1 |
| 4 | 6 | PANCREATIN | 1.0 | 0.9 |
| 5 | 5 | NIMESULIDE | 1.0 | 1.1 |
| 6 | 10 | ETHYLMETHYLHYDROXYPYRIDINE | 1.0 | 0.8 |
| 7 | 13 | DIOSMIN*HESPERIDIN | 0.9 | 0.8 |
| 8 | 11 | BLOOD | 0.9 | 0.8 |
| 9 | 7 | PHOSPHOLIPIDS | 0.9 | 0.9 |
| 10 | 15 | DICLOFENAC | 0.7 | 0.7 |
| Total | | | 10.5 | 9.8 |

The former leaders of the top ten ATC groups ranking J05 Antivirals for systemic use showed 42% reduction in sales and basis of the results for the first quarter of 2017 moved down to rank seven (Table 4). At the same time, the groups M01 Anti-inflammatory and antirheumatic products (+17%), C09 Agents acting on the renin-angiotensin system (+20%), R01 Nasal preparations (+14%), J01 Antibacterials for systemic use (+8%), N02 Analgesics (+9%) and R05 Cough and Cold Preparations (+6%) moved up one rank, coming in at the first six positions. In addition to them, G03 Sex hormones (+9%) moved up one rank, coming in at number eight and displacing A11 Vitamins (+3%) from that position. The only newcomer A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+19%) rounded out the top ten. In total, the top ten ATC groups accumulated 37.9% of the regional market, whereas in the year-earlier period they accounted for 39.7%.

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

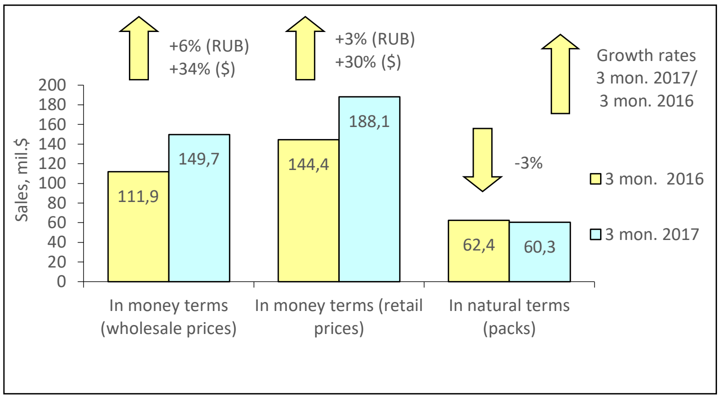
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.1 | 4.8 |
| 2 | 3 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.9 | 4.5 |
| 3 | 4 | R01 | NASAL PREPARATIONS | 4.1 | 4.0 |
| 4 | 5 | J01 | ANTIBACTERIALS FOR SYST USE | 3.9 | 3.9 |
| 5 | 6 | N02 | ANALGESICS | 3.8 | 3.8 |
| 6 | 7 | R05 | COUGH AND COLD PREPARATIONS | 3.4 | 3.5 |
| 7 | 1 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 3.3 | 6.2 |
| 8 | 9 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.2 | 3.0 |
| 9 | 8 | A11 | VITAMINS | 3.1 | 3.3 |
| 10 | 12 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 3.0 | 2.7 |
| Total | | | | 37.9 | 39.7 |

**Conclusion.** At the end of January-March of 2017, the retail pharmacy market of the Central Federal District (without Moscow) brought in RUB 43.018 mil. (USD 730.959 mil.), which was 8% in terms of roubles and 37% in terms of dollars more than in 2016. In natural terms, the market increased by 0.4% to 242.269 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for the first quarter of 2017 was USD 3.02 which was higher than in the year-earlier period (USD 2.20), and less than the national average (USD 3.24). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 27.25 vs. USD 25.78).

## NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2017 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.618 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 three months of 2017 the average wage in the NWFD (with St. Petersburg) was RUB 41,641 (USD 708.06), which was 14% higher than the average wage in Russia (RUB 36,664). According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of the first quarter of 2017 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 3% decrease to 60.314 mil. packs. In money terms, the market saw a 6% increase in terms of roubles and 34% in terms of dollars. At the same time, the volume of the market achieved RUB 8.815 bil (USD 149.679 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 5.0% of the retail pharmacy sales. The average cost of a pack increased as compared to a year earlier (USD 2.32) and reached USD 3.12 at retail prices. In January-March 2017, an average amount spent by the region residents for FPPs in the pharmacies amounted to USD 21.83.

**Figure 1. The NWFD (without St. Petersburg) pharmacy market for 3 months of 2016 – 3 months 2017**




At the end of the first quarter of 2017, the manufacturer BAYER (+18%) showed the highest sales on the NWFD pharmacy market (without St. Petersburg) and moved up to the first rank in the top ten drug manufacturers (table 1). At the same time, SANOFI-AVENTIS (+1%) and SERVIER (-1%) moved down one rank, to numbers two and three. In contrast, the Russian drug OTCPHARM (+11%), and SANDOZ (+14%) and STADA (+19%) moved up one rank, coming in at numbers four, six and nine, respectively. In addition, the manufacturer KRKA (+23%), which became the only newcomer of the top ten, moved up from rank 12 to ten. The less dynamic TEVA (+8%) and GEDEON RICHTER (+7%) moved down one rank, coming in at numbers 5 and 7. As before, NYCOMED/TAKEDA (+4%) held its previous rank eight. The total share of the top-ten manufacturers grew by almost 1.5 p.p. and accounted for 38.1%.

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

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 3 | **BAYER HEALTHCARE** | 4.9 | 4.4 |
| 2 | 1 | **SANOFI-AVENTIS** | 4.5 | 4.7 |
| 3 | 2 | **SERVIER** | 4.1 | 4.4 |
| 4 | 5 | OTCPHARM | 4.0 | 3.8 |
| 5 | 4 | **TEVA** | 4.0 | 3.9 |
| 6 | 7 | **SANDOZ** | 3.7 | 3.5 |
| 7 | 6 | GEDEON RICHTER | 3.7 | 3.6 |
| 8 | 8 | **NYCOMED/TAKEDA** | 3.3 | 3.3 |
| 9 | 10 | STADA | 3.0 | 2.7 |
| 10 | 12 | **KRKA** | 2.8 | 2.4 |
| Total | | | 38.1 | 36.7 |

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brands ranking in the region (table 2). DETRALEX (+29%) and LINEX (+61%) moved up to ranks seven and eight. In addition to them, another four brands from the top ten ranking rose in the ranks. NUROFEN (+41%), CONCOR (-2%) and ESSENTIALE (+2%) moved up to the top three ranks from the lower ones. CARDIOMAGNYL (+2%) moved up one rank, coming in at number six. The other brands of the top 10 showed negative growth rates and moved down to the lower positions. They were the former leaders KAGOCEL (-49%), INGAVIRIN (-32%) and ARBIDOL (-42%), as well as THERAFLU (-9%). The total share of the top 10 brand names reduced from 9.4% to 7.9%.

**Table 2. The top ten brands by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 6 | NUROFEN | 1.1 | 0.8 |
| 2 | 4 | CONCOR | 0.9 | 1.0 |
| 3 | 5 | ESSENTIALE | 0.9 | 0.9 |
| 4 | 1 | KAGOCEL | 0.8 | 1.8 |
| 5 | 2 | INGAVIRIN | 0.8 | 1.3 |
| 6 | 7 | CARDIOMAGNYL | 0.8 | 0.8 |
| 7 | 12 | DETRALEX | 0.7 | 0.6 |
| 8 | 23 | LINEX | 0.7 | 0.4 |
| 9 | 3 | ARBIDOL | 0.6 | 1.1 |
| 10 | 9 | THERAFLU | 0.6 | 0.7 |
| Total | | | 7.9 | 9.4 |

Numerous shifts also took place in the top 10 INN and group names ranking (table 3). At the same time, most INNs of the top 10 rose in the ranks. XYLOMETAZOLINE (+15%), IBUPROFEN (+38%), BISOPROLOL (+1%), PANCREATIN (+17%), PHOSPHOLIPIDS and NIMESULIDE (+4%), and the newcomer of the top ten the composition DIOSMIN* HESPERIDIN (+23%) moved up to the top six ranks. One more newcomer ACETYLSALICYLIC ACID* MAGNESIUM (+2%) moved up to rank ten in the top ten ranking. Due to strong negative growth rates, INNs KAGOCEL (-49%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-32%) moved down to the bottom part of the ranking, coming in at numbers 8 and 9. The cumulative share of the top10 reduced from 11.2% to 10.4%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | XYLOMETAZOLINE | 1.8 | 1.6 |
| 2 | 6 | IBUPROFEN | 1.4 | 1.1 |
| 3 | 4 | BISOPROLOL | 1.2 | 1.2 |
| 4 | 10 | PANCREATIN | 0.9 | 0.8 |
| 5 | 7 | PHOSPHOLIPIDS | 0.9 | 0.9 |
| 6 | 8 | NIMESULIDE | 0.9 | 0.9 |
| 7 | 12 | DIOSMIN*HESPERIDIN | 0.9 | 0.8 |
| 8 | 1 | KAGOCEL | 0.8 | 1.8 |
| 9 | 3 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.8 | 1.3 |
| 10 | 11 | ACETYLSALICYLIC ACID* MAGNESIUM | 0.8 | 0.8 |
| Total | | | 10.4 | 11.2 |

As in the previous rankings, the top ten ATC groups ranking changed its leader (table 4): M01Anti-inflammatory and antirheumatic products (+19%) moved up to rank one from three (table 4). J05 Antivirals for systemic use their sales by one39%), which had been placed at rank number one earlier, reduced their sales by 39% and moved down to rank six. C09 Agents acting on the renin-angiotensin system (+3%), J01 Antibacterials for systemic use (+7%) and G03 Sex hormones (+15%) held their previous ranks two, 8 and 9. Due to outperformance rates, the groups R05 Cough and cold preparations (+10%), R01 Nasal preparations and N02 Analgesics (+7% each) moved up to ranks 3 through 5, and the newcomers A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+16%) broke into the ranks of the top ten, coming in at the last rank in the top ten ranking. Due to low growth rates, A11 Vitamins (+4%) moved down one rank, to number seven. In total, the top ten ATC groups accumulated 40.4% of the market, whereas in the year-earlier period they accounted for 41.5%.

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

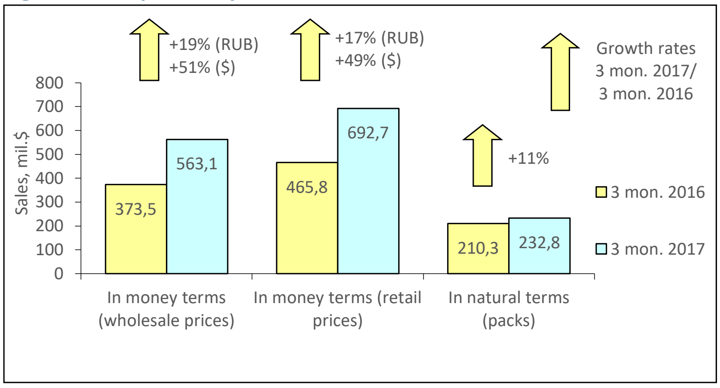
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 3 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.2 | 4.6 |
| 2 | 2 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 5.1 | 4.8 |
| 3 | 4 | R05 | COUGH AND COLD PREPARATIONS | 4.4 | 4.3 |
| 4 | 5 | R01 | NASAL PREPARATIONS | 4.1 | 4.0 |
| 5 | 7 | N02 | ANALGESICS | 3.9 | 3.9 |
| 6 | 1 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 3.7 | 6.4 |
| 7 | 6 | A11 | VITAMINS | 3.7 | 3.9 |
| 8 | 8 | J01 | ANTIBACTERIALS FOR SYST USE | 3.7 | 3.6 |
| 9 | 9 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.5 | 3.2 |
| 10 | 11 | A07 | ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS | 3.1 | 2.8 |
| Total | | | | 40.4 | 41.5 |

Conclusion. On the basis of the results for I Quarter of 2017, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 11.077 bil. (USD 188.086 mil.), It was 3% in terms of roubles and 30% in terms of dollars more than in the same period of 2016. In physical terms, the market saw a 3% decrease and was equal to 60.314 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results January-March of 2017 was USD 3.12 which was more than in the year-earlier period (USD 2.32) and lower than the national average (USD 3.24). The average medicine expenses of the district residents in the pharmacies were lower than the national average expenses in Russia (USD 21.83 vs. USD 25.78).

## VFD PHARMACY MARKET: 2017 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Volga Federal District (VFD) was 29.637 mil., which accounted for 20.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-March 2017, the average salary in the PFD was RUB 27,003 (USD 459.16), which was 26% lower than the national average wage in Russia (RUB 36,664). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first quarter of 2017 the VFD pharmacy market volume in physical terms increased by 11% to 232.795 mil. packs (Fig. 1) In wholesale prices, the market performance showed positive sales growth in terms of roubles (+19%) and in terms of dollars (+51%) and reached RUB 33.145 bil. (USD 563.101 mil.), A region's share in the total pharmacy sales in Russia accounted for 18.3%. Based on the results for January-March of 2017, the average cost of FPP in the PFD pharmacies was USD 2.98, whereas in the year-earlier period its cost was USD 2.21. At the end of the first three months of 2017, the average per capita expenses for purchase of drugs in the regional pharmacies were estimated at USD 23.37.

**Figure 1. VFD pharmacy market for 3 months of 2016 – 3 months 2017**




At the end of the first quarter of 2017, the manufacturer SANOFI-AVENTIS (+12%) held its leadership on the retail market of the Volga Federal District retail market despite lagging behind the growth rates and decrease in the market's share (table 1). The manufacturers NYCOMED/TAKEDA (+24%), ABBOTT (+17%) and MENARINI (+18%) held their previous ranks five and the two last ranks in the top ten. The other top 10 drug manufacturers shifted their ranks; moreover, three of them improved them. OTCPHARM (+25%) and BAYER (+28%) improved their ranks by one rank, coming in at numbers two and three. SANDOZ (+24%) moved up two ranks, coming in at number six. At the same time, TEVA (-2%) moved down two ranks, and the manufacturers SERVIER (+7%) and STADA (+10%) lost one rank each. The total share of the top 10 drug manufacturers decreased from 33.9% to 33.0%.

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

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | **SANOFI-AVENTIS** | 4.1 | 4.4 |
| 2 | 3 | OTCPHARM | 4.1 | 3.9 |
| 3 | 4 | **BAYER HEALTHCARE** | 4.0 | 3.7 |
| 4 | 2 | **TEVA** | 3.4 | 4.2 |
| 5 | 5 | **NYCOMED/TAKEDA** | 3.3 | 3.2 |
| 6 | 8 | **SANDOZ** | 3.0 | 2.9 |
| 7 | 6 | **SERVIER** | 2.9 | 3.2 |
| 8 | 7 | STADA | 2.8 | 3.0 |
| 9 | 9 | **ABBOTT** | 2.7 | 2.8 |
| 10 | 10 | **MENARINI** | 2.6 | 2.7 |
| Total | | | 33.0 | 33.9 |

*AIPM members are in bold

As the above ranking, the Top-10 brands ranking on the regional market didn't change in composition; however it experienced numerous transformations (table 2). The leaders also changed: KAGOCEL (+10%) and ESSENTIALE (+39%) improved their position by one rank, moved up to the first two ranks. INGAVIRIN which used to top it earlier reduced its sales by one fourth and moved down to rank three. In addition to the leaders, the brands CARDIOMAGNYL (+27%), MEXIDOL (+33%) and NUROFEN (+34%) also showed ranking progress, moving up to ranks 6 through 8 from the last three ranks respectively. At the same time, CONCOR (+7%) and ARBIDOL (+5%) moved down to the lower part of the top ten. ARBIDOL (+11%) and ERGOFERON (+8%) held their previous ranks four and five, respectively. The total share of the top ten brands reduced by 0.5 p.p. and accounted for 7.7%.

**Table 2. The top ten brands by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | KAGOCEL | 1.1 | 1.1 |
| 2 | 3 | ESSENTIALE | 1.0 | 0.8 |
| 3 | 1 | INGAVIRIN | 0.9 | 1.4 |
| 4 | 4 | ACTOVEGIN | 0.8 | 0.8 |
| 5 | 5 | ERGOFERON | 0.7 | 0.8 |
| 6 | 8 | CARDIOMAGNYL | 0.7 | 0.7 |
| 7 | 9 | MEXIDOL | 0.7 | 0.6 |
| 8 | 10 | NUROFEN | 0.7 | 0.6 |
| 9 | 7 | CONCOR | 0.6 | 0.7 |
| 10 | 6 | ARBIDOL | 0.6 | 0.7 |
| Total | | | 7.7 | 8.2 |

Two newcomers broke into the ranks of the top ten INN and group names ranking: INN IBUPROFEN (+47%) and ETHYLMETHYLHYDROXYPYRIDINE (+34%) came in at ranks six and seven (Table 3). XYLOMETAZOLINE (+22%) remained the leader of the top ten, and PANCREATIN (+27%) and PHOSPHOLIPIDS (+46%) moved up to ranks two and three. KAGOCEL (+10%) and BISOPROLOL (+17%) retained their ranks four and five. IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-25%), BLOOD (+11%) and NIMESULIDE (+7%) moved down to the last three ranks. The cumulative share of the top 10 didn't virtually change and accounted for 10.3%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | XYLOMETAZOLINE | 1.5 | 1.5 |
| 2 | 3 | PANCREATIN | 1.2 | 1.2 |
| 3 | 6 | PHOSPHOLIPIDS | 1.2 | 0.9 |
| 4 | 4 | KAGOCEL | 1.1 | 1.1 |
| 5 | 5 | BISOPROLOL | 1.0 | 1.0 |
| 6 | 11 | IBUPROFEN | 1.0 | 0.8 |
| 7 | 13 | ETHYLMETHYLHYDROXYPYRIDINE | 0.9 | 0.8 |
| 8 | 2 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.9 | 1.4 |
| 9 | 8 | BLOOD | 0.8 | 0.9 |
| 10 | 9 | NIMESULIDE | 0.8 | 0.9 |
| Total | | | 10.3 | 10.4 |

Half of the top ten ATC groups managed to retain their positions unchanged (table 4). C09 Agents acting on the rennin-angiotensin system (+22%), J01 Antibacterials for systemic use (+24%), R05 Cough and cold preparations (+29%), N02 Analgesics (;/+23%) and R01 Nasal preparations (+21%) held their previous ranks three through seven respectively. M01 Anti-inflammatory and antirheumatic products (+21%) moved up to rank one from two, displacing J05 Antivirals for systemic use (-8%), which reduced its sales, down one rank. The groups G03 Sex hormones (+27%) и N06 Psychoanaleptics (+23%) also rose in the ranks, coming in at ranks eight and ten. On top of that, the latter became the only newcomer of the top 10 ranking. The group A11 Vitamins (+15%) lost one rank and moved down to number nine. In total, the top ten ATC groups accumulated 38.8% of sales, whereas in the year-earlier period 39.3%.

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

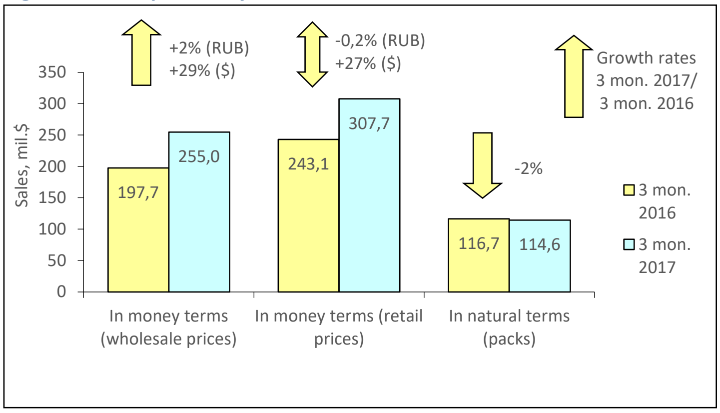
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.0 | 4.9 |
| 2 | 1 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 4.7 | 6.0 |
| 3 | 3 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.3 | 4.2 |
| 4 | 4 | J01 | ANTIBACTERIALS FOR SYST USE | 4.3 | 4.2 |
| 5 | 5 | R05 | COUGH AND COLD PREPARATIONS | 3.9 | 3.6 |
| 6 | 6 | N02 | ANALGESICS | 3.7 | 3.6 |
| 7 | 7 | R01 | NASAL PREPARATIONS | 3.6 | 3.5 |
| 8 | 10 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.2 | 3.0 |
| 9 | 8 | A11 | VITAMINS | 3.1 | 3.4 |
| 10 | 11 | N06 | PSYCHOANALEPTICS | 3.0 | 2.9 |
| Total | | | | 38.8 | 39.3 |

**Conclusion.** In the first quarter of 2017, the pharmacy market in VFD was estimated at RUB 40.776 bil. (USD 692.733 mil.) at retail prices. At the same time, the market behaviour was positive both in rouble (+17%) and dollar (+49%) terms. In natural terms, the sales increased by 11% to 232.795 mil. packs. The average cost of an FPP pack amounting to USD 2.98 grew as compared to a year earlier (USD 2.21), but was lower than the average value in Russia (USD 3.24). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 23.37 vs. USD 25.78).

## SoFD PHARMACY MARKET: 2017 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Southern Federal District (SoFD) was 16.428 mil., which accounted for 11.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in 1 Q, 2016 the average salary in the SoFD was RUB 26,501 (USD 450.62), which was 28% lower than the national average wage in Russia (RUB 36,664). According to the results of the Retail Audit of FPPs in Russian Federation™, at the end of first three months of 2017 the sales of drugs in natural terms in the SoFD saw a 2% decrease to 114.553 mil. packs. In money terms, the market showed positive growth rates both in rouble terms (+2%), and in dollar terms (+29%), and reached RUB 15.016 bil. (USD 255.002 mil.) in wholesale prices (Fig. 1). The city market share accounted for 8.1% of the pharmacy sales in Russia. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.08) and reached USD 2.69 at retail prices. In January-March of 2017, the average amount spent by residents of the SoFD for drugs amounted to USD 18.73.

**Figure 1. SoFD pharmacy market for 3 months of 2016 – 3 months 2017**




At the end of the first three months of 2017, BAYER (+25%) and TEVA (+0.3%) took the lead in the top ten drug manufacturers ranking on the Southern Federal District market (Table 1). SANOFI-AVENTIS (-3%) and OTCPHARM (-10%), which had been placed at ranks one and three, reduced their sales and moved down to ranks three and four respectively. Its only newcomer ABBOTT (+20%) moved up to rank five in the top 10 ranking. The manufacturers which moved up to ranks six through eight respectively also rose in the ranks. They were STADA (+6%), MENARINI (+7%) and NYCOMED/TAKEDA (+14%). At the same time, the less dynamic SANDOZ (+2%) and SERVIER (+0.4%) moved down to the bottom positions. The total share of the 10 drug manufacturers increased by 1.3 p.p. and accounted for 35.1%.

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

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | **BAYER HEALTHCARE** | 5.1 | 4.1 |
| 2 | 4 | **TEVA** | 4.0 | 4.0 |
| 3 | 1 | **SANOFI-AVENTIS** | 4.0 | 4.1 |
| 4 | 3 | OTCPHARM | 3.6 | 4.1 |
| 5 | 11 | **ABBOTT** | 3.1 | 2.6 |
| 6 | 7 | STADA | 3.1 | 3.0 |
| 7 | 9 | **MENARINI** | 3.1 | 2.9 |
| 8 | 10 | **NYCOMED/TAKEDA** | 3.1 | 2.7 |
| 9 | 5 | **SANDOZ** | 3.1 | 3.1 |
| 10 | 6 | **SERVIER** | 3.0 | 3.1 |
| Total | | | 35.1 | 33.8 |

*AIPM members are in bold

The top ten brand ranking has notably updated on the regional market: four newcomers entered the rating (Table 2). HEPTRAL (+95%), THERAFLEX (+26%), CONCOR (+5%) and CARDIOMAGNYL (+11%) moved up to ranks six and the three bottom ranks. ESSENTIALE (+3%), ACTOVEGIN (+2%) and NUROFEN (+12%) also showed the positive growth rates, which allowed them to move up to ranks one, three and five, respectively. Despite 8% reduction in sales, the brand THERAFLU moved up one rank, to number seven. In contrast, INGAVIRIN (-57%) and KAGOCEL (-58%), which showed the more pronounced negative growth rates, moved down to ranks two and four. The total share of the top ten FPPs decreased by 1.5 p.p. and accounted for 7.1%.

**Table 2. The top ten brands by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 5 | ESSENTIALE | 0.9 | 0.9 |
| 2 | 1 | INGAVIRIN | 0.8 | 1.8 |
| 3 | 7 | ACTOVEGIN | 0.8 | 0.8 |
| 4 | 2 | KAGOCEL | 0.7 | 1.8 |
| 5 | 9 | NUROFEN | 0.7 | 0.7 |
| 6 | 29 | HEPTRAL | 0.7 | 0.4 |
| 7 | 8 | THERAFLU | 0.7 | 0.7 |
| 8 | 14 | THERAFLEX | 0.6 | 0.5 |
| 9 | 11 | CONCOR | 0.6 | 0.6 |
| 10 | 13 | CARDIOMAGNYL | 0.6 | 0.5 |
| Total | | | 7.1 | 8.6 |

INNs showing high growth rates moved up to the top seven ranks of the top ten INN and group names ranking (table 3). For instance, XYLOMETAZOLINE (+23%) moved up to rank one from three and PHOSPHOLIPIDS (+10%) moved up to rank two from nine. NIMESULIDE (-6%) and PHOSPHOLIPIDS (+5%) moved up to ranks four and five. The newcomers IBUPROFEN (+22%), BISOPROLOL (+10%), BLOOD (+1%) and ADEMETIONINE (+84%) broke into the ranks of the top ten for the first time, coming in at ranks three, six, seven and ten. Im contrast to the rest, two INNs with the pronounced negative growth rates IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-57%) and KAGOCEL (+-58%) fell in the ranks, moving down to ranks eight and nine. The total share of the top 10 INNs reduced from 11.2% to 10%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 3 | XYLOMETAZOLINE | 2.0 | 1.6 |
| 2 | 9 | PANCREATIN | 1.1 | 1.0 |
| 3 | 12 | IBUPROFEN | 1.0 | 0.8 |
| 4 | 8 | NIMESULIDE | 1.0 | 1.1 |
| 5 | 10 | PHOSPHOLIPIDS | 1.0 | 0.9 |
| 6 | 13 | BISOPROLOL | 0.9 | 0.8 |
| 7 | 11 | BLOOD | 0.8 | 0.8 |
| 8 | 1 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.8 | 1.8 |
| 9 | 2 | KAGOCEL | 0.7 | 1.8 |
| 10 | 34 | ADEMETIONINE | 0.7 | 0.4 |
| Total | | | 10.0 | 11.2 |

Most ATC groups from the top ten ATC groups ranking in the analysed period showed outperformance rates which resulted in the expansion of their market shares and rising in the ranks (Table 4). The group M01 Anti-inflammatory and antirheumatic products (+8%) moved up to rank one, R01 Nasal preparations (+13%), R05 Cough and Cold Preparations (+7%), C09 Agents acting on the rennin-angiotenzin system (+12%) and G03 Sex hormones (+11%) moved up to rank three and 6 through 8 respectively. The market of the group N02 Analgesics (+7%), which maintained its previous rank five, also developed at a fast pace. Despite not to high growth rates, the group J01 Antibacterials for systemic use (+0.2%) moved up to rank two from four. At the same time, due to reduction in sales, J05 Antivirals for systemic use (-51%) and L03 Immunostimulants (-30%), and Vitamins (+1%) moved down to the lower ranks four, nine and ten, respectively. The total share of the analysed ranking reduced from 42.7% to 38.4%.

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

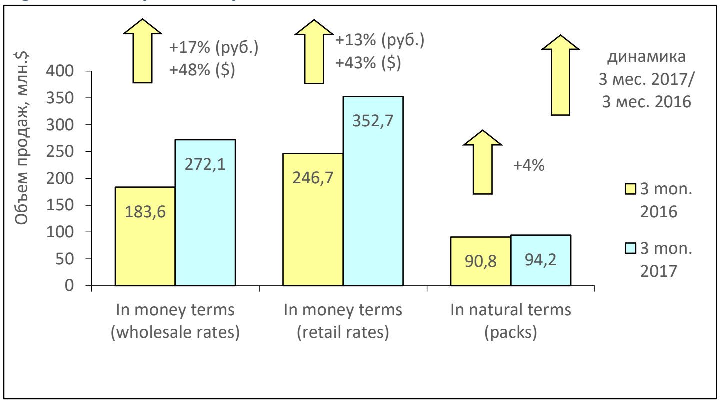
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 5.0 | 4.7 |
| 2 | 4 | J01 | ANTIBACTERIALS FOR SYST USE | 4.2 | 4.3 |
| 3 | 6 | R01 | NASAL PREPARATIONS | 4.2 | 3.8 |
| 4 | 1 | J05 | - ANTIVIRALS FOR SYSTEMIC USE | 4.2 | 8.7 |
| 5 | 5 | N02 | - ANALGESICS | 4.0 | 3.8 |
| 6 | 7 | R05 | - COUGH AND COLD PREPARATIONS | 3.8 | 3.6 |
| 7 | 8 | C09 | - AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 3.7 | 3.3 |
| 8 | 10 | G03 | - SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.3 | 3.0 |
| 9 | 3 | L03 | - IMMUNOSTIMULANTS | 3.0 | 4.4 |
| 10 | 9 | A11 | - VITAMINS | 3.0 | 3.0 |
| Total | | | | 38.4 | 42.7 |

**Conclusion.** On the basis of the results for the first quarter of 2017, the pharmacy market of SoFD brought in RUB 18.122 bil. (USD 307.733 mil.) at retail prices. The sales decreased by 0.2% in terms of roubles and increased by 27% in terms of dollars. In natural terms, the market showed negative growth rates (-2%) and amounted to 114.553 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.69 which was higher than the 2016 figures (USD 2.08), but lower than national average (USD 3.24). At the end of the first three months of 2017, the average expenses of the SoFD residents for medications in the pharmacies were lower than the national average (USD 18.73 vs. USD 25.78).

## UFD PHARMACY MARKET: 2017 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Ural Federal District (UFD) was 12.346 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in 1 Q, 2017 the average salary in the UFD was RUB 40,968 (USD 696.62), which was 12% higher than the average wage in Russia (RUB 36,664). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first three months of 2017 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 4% increase to 94.206 mil. packs. In money terms, the market also showed positive growth rates both in rouble terms (+17%), and in dollar terms (+48%), and reached RUB 16.013 bil. (USD 272.091 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 9.3% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 3.74, which was higher than in the year-earlier period (USD 2.72). In the first quarter of 2017, the average amount spent by residents of the UFD for drugs amounted to USD 28.57.

**Figure 1. UFD pharmacy market for 3 months of 2016 – 3 months 2017**




Based on the results for January-March of 2017, the manufacturers SANOFI-AVENTIS and BAYER (+17% each) held their leading positions in the top ten manufacturers ranking on the pharmacy market of the Ural Federal District (Table 1). The Russia-based OTCPHARM (+20%) moved up to rank three from four, displacing the less dynamic TEVA (-5%) down one rank. The other three manufacturers of the top 10 succeeded in rising in the ranks. NYCOMED/TAKEDA (+30%) moved up from rank ten to five, displacing GEDEON RICHTER (+13%) down one rank. ABBOTT (+19%) and STADA (+20%) moved up to ranks seven and eight. On top of that, the less dynamic manufacturers SERVIER (+9%) and SANDOZ (+11%) moved down to the two last positions. The cumulative share of the top 10 drug manufacturers reduced from 35.9% to 35.1%.

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

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | **SANOFI-AVENTIS** | 4.9 | 4.9 |
| 2 | 2 | **BAYER HEALTHCARE** | 4.7 | 4.7 |
| 3 | 4 | OTCPHARM | 3.7 | 3.7 |
| 4 | 3 | **TEVA** | 3.4 | 4.2 |
| 5 | 10 | **NYCOMED/TAKEDA** | 3.2 | 2.9 |
| 6 | 5 | GEDEON RICHTER | 3.2 | 3.3 |
| 7 | 8 | **ABBOTT** | 3.0 | 3.0 |
| 8 | 9 | STADA | 3.0 | 2.9 |
| 9 | 6 | **SERVIER** | 3.0 | 3.2 |
| 10 | 7 | **SANDOZ** | 3.0 | 3.1 |
| Total | | | 35.1 | 35.9 |

*AIPM members are in bold

The top ten brand ranking has changed its leader on the regional market: due to 28% growth in sales, ESSENTIALE moved up to the first line (table 2). In addition, another three brands of the top ten showed outperformance. NUROFEN (+39%) moved up to rank three, and the newcomers DETRALEX (+22%) and CARDIOMAGNYL (+38%) broke into the ranks of the top ten, coming in at ranks seven and eight. Another two brands managed to rise in the ranks, despite lagging behind the growth rates. ACTOVEGIN (+13%) moved up from rank six to four and LOZAP (+14%) improved its position by one rank. In contrast, INGAVIRIN (-22%), KAGOCEL (-28%) and ERGOFERON (-21%) reduced their sales and moved down to the lower ranks two, five and ten, respectively. The brand VITRUM (+9%) managed to retain its rank nine. The total share of the top 10 decreased by almost 1 p.p. and accounted for 7.2%.

**Table 2. The top ten brands by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 3 | ESSENTIALE | 1.1 | 1.0 |
| 2 | 1 | INGAVIRIN | 0.9 | 1.4 |
| 3 | 10 | NUROFEN | 0.7 | 0.6 |
| 4 | 6 | ACTOVEGIN | 0.7 | 0.7 |
| 5 | 2 | KAGOCEL | 0.7 | 1.1 |
| 6 | 7 | LOZAP | 0.6 | 0.7 |
| 7 | 11 | DETRALEX | 0.6 | 0.6 |
| 8 | 13 | CARDIOMAGNYL | 0.6 | 0.5 |
| 9 | 9 | VITRUM | 0.6 | 0.6 |
| 10 | 4 | ERGOFERON | 0.6 | 0.9 |
| Total | | | 7.2 | 8.1 |

Only the leader of the top ten INN and group names ranking XYLOMETAZOLINE (+20%) held its own in the ranking (Table 3). The other top 10 INNs changed their ranks; moreover, most INNs improved them. For example, INNs PHOSPHOLIPIDS (+32%), PANCREATIN (+23%), IBUPROFEN (+43%) and the composition DIOSMIN*HESPERIDIN (+26%) moved up to ranks two through five respectively. The newcomers ROSUVASTATIN (+29%), BLOOD (+12%) and CHONDROITINSULFURIC ACID* GLUCOSAMINE (+10%) broke into the ranks of the top ten, coming in at numbers seven, eight and ten respectively. IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-22%), which reduced its sales, and BISOPROLOL (+3%), which showed not-so-high growth rates, moved down to ranks six and nine. The cumulative share of the top 10 didn't virtually change and accounted for 9.6%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | XYLOMETAZOLINE | 1.5 | 1.4 |
| 2 | 3 | PHOSPHOLIPIDS | 1.3 | 1.1 |
| 3 | 5 | PANCREATIN | 1.0 | 1.0 |
| 4 | 10 | IBUPROFEN | 1.0 | 0.8 |
| 5 | 7 | DIOSMIN*HESPERIDIN | 0.9 | 0.9 |
| 6 | 2 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.9 | 1.4 |
| 7 | 11 | ROSUVASTATIN | 0.9 | 0.8 |
| 8 | 13 | BLOOD | 0.7 | 0.8 |
| 9 | 8 | BISOPROLOL | 0.7 | 0.8 |
| 10 | 14 | CHONDROITINSULFURIC ACID* GLUCOSAMINE | 0.7 | 0.7 |
| Total | | | 9.6 | 9.7 |

M01 Anti-inflammatory and antirheumatic products (+21%) became the best-selling group in the regional market in the analysed period (Table 4). The former leaders J05 Antivirals for systemic use reduced their sales by 16% and moved down to rank two of the top ten. G03 Sex hormones (+23%), which displaced C09 Agents acting on the renin-angiotensin system (-2%) and A11 Vitamins (+7%) down one rank, moved up to rank three from five. The groups R01 Nasal preparations (+14%), R05 Cough and cold preparations (+17%) and J01 Antibacterials for systemic use (+14%) held their previous ranks six through eight. The newcomers A07 Antidiarrheals (+31%) and B01 Antithrombotic agents (+38%) broke into the top ten ranking, coming in at the last two ranks. The total share of the top ten under review reduced by 1 p.p. and achieved 38.1%.

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

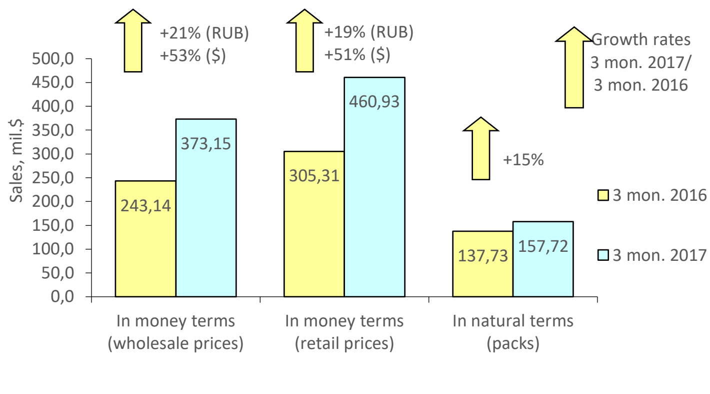
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 4.6 | 4.4 |
| 2 | 1 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 4.3 | 6.1 |
| 3 | 5 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 4.3 | 4.1 |
| 4 | 3 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.3 | 4.2 |
| 5 | 4 | A11 | VITAMINS | 3.8 | 4.1 |
| 6 | 6 | R01 | NASAL PREPARATIONS | 3.6 | 3.7 |
| 7 | 7 | R05 | COUGH AND COLD PREPARATIONS | 3.5 | 3.5 |
| 8 | 8 | J01 | ANTIBACTERIALS FOR SYST USE | 3.3 | 3.4 |
| 9 | 12 | A07 | ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS | 3.2 | 2.9 |
| 10 | 14 | B01 | ANTITHROMBOTIC AGENTS | 3.2 | 2.7 |
| Total | | | | 38.1 | 39.1 |

**Conclusion.** On the basis of the results for three months of 2017, the retail pharmacy market of the Ural Federal District brought in RUB 20.760 bil. (USD 352,738201 mil.) at retail prices. The sales increased 13% in terms of roubles and 43% in terms of dollars. In physical terms, the market also showed positive growth rates (+4%) and achieved 94.206 mil. packs. Based on the results for the first quarter of 2017, the average cost of an FPP pack in the regional pharmacies was USD 3.74 which was higher than the last year figures (USD 2.72) and the national average (USD 3.24). The average expenses of the UFD residents for medications in the pharmacies also exceeded the national average (USD 28.57 vs. USD 25.78).

## SiFD PHARMACY MARKET: 2017 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Siberian Federal District (SiFD) was 19.326 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 January-March of 2017 the average wage in SiFD was RUB 31,156 (USD 529.77), which was 15% lower than the national average wage in Russia (RUB 36,664). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first quarter of 2017 the SiFD pharmacy market volume in physical terms increased by 15% to 157.717 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+21%) and in terms of dollars (+53%) and reached RUB 21.971 bil. (USD 373.149 mil.). The district's share accounted for 12.2 % of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for three months of 2017, the average cost of a FPP pack in the SiFD pharmacies was USD 2.92, whereas in the year-earlier period its cost was USD 2.71. In I Quarter of 2017, per capita expenses of the SFD residents for purchase of medicines in pharmacies amounted to USD 23.85.

**Figure 1. SiFD pharmacy market for 3 months of 2016 – 3 months 2017**




BAYER (+27%), which moved to rank one from three, became a leader of the ten top manufacturers ranking on the SiFD pharmacy market on the basis of the results for January-March (Table 1). TEVA (+16%) held its previous rank two, and the former leader SANOFI-AVENTIS (+10%) moved up to rank three. The manufacturer SERVIER (+12%) moved down two ranks, coming in at number six, allowing OTCPHARM (+34%) and SANDOZ (+24%) to move up. Another shift took place in the bottom part of the top-10 rating: the more dynamic STADA (+28%) moved up from rank nine to eight, displacing GLAXOSMITHKLINE (+16%) down one rank. The manufacturer NYCOMED/TAKEDA (+27%) and GEDEON RICHTER (+15%) as before held their previous ranks seven and ten. The total share of the analysed top 10 manufacturers didn't virtually change and accounted for 34.7%.

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

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 3 | **BAYER HEALTHCARE** | 4.5 | 4.3 |
| 2 | 2 | **TEVA** | 4.3 | 4.4 |
| 3 | 1 | **SANOFI-AVENTIS** | 4.1 | 4.5 |
| 4 | 5 | OTCPHARM | 3.7 | 3.3 |
| 5 | 6 | **SANDOZ** | 3.3 | 3.2 |
| 6 | 4 | **SERVIER** | 3.3 | 3.6 |
| 7 | 7 | **NYCOMED/TAKEDA** | 3.3 | 3.1 |
| 8 | 9 | STADA | 3.0 | 2.8 |
| 9 | 8 | **GLAXOSMITHKLINE** | 2.7 | 2.9 |
| 10 | 10 | GEDEON RICHTER | 2.6 | 2.8 |
| Total | | | 34.7 | 34.8 |

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking: ACTOVEGIN (+22%) moved up to rank ten from eleven (Table 2). Apart from it, another three ATC groups of the top ten showed growth in sales. NUROFEN (+30%) moved up from rank nine to two, while CARDIOMAGNYL (+19%) and CONCOR (+11%) improved their ranks by one p.p., moving up to ranks four and seven. At the same time, INGAVIRIN (-6%) and ARBIDOL (-1%), which reduced their sales, and ESSENTIALE (+13%) and LOZAP (+4%) moved down to the lower ranks. The ranking leader KAGOCEL (-22%) and THERAFLU (+14%) placed at number six held their own in the ranking. In total, the top ten brand names accumulated 7.1% of sales, which was 1 p.p. less than in the year-earlier period.

**Table 2. The top ten brands by pharmacy sales**

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | KAGOCEL | 0.8 | 1.3 |
| 2 | 9 | NUROFEN | 0.8 | 0.7 |
| 3 | 2 | INGAVIRIN | 0.7 | 1.0 |
| 4 | 5 | CARDIOMAGNYL | 0.7 | 0.8 |
| 5 | 4 | ESSENTIALE | 0.7 | 0.8 |
| 6 | 6 | THERAFLU | 0.7 | 0.8 |
| 7 | 8 | CONCOR | 0.7 | 0.7 |
| 8 | 7 | LOZAP | 0.6 | 0.7 |
| 9 | 3 | ARBIDOL | 0.6 | 0.8 |
| 10 | 11 | ACTOVEGIN | 0.6 | 0.6 |
| Total | | | 7.1 | 8.1 |

The leader of the top ten INN and group names managed to hold its own in the ranking. INN XYLOMETAZOLINE (+28%) held its previous rank number one (table 3). BISOPROLOL (+15%) also held its previous rank up three. The other top 10 drug manufacturers shifted their ranks; moreover, five of them improved them. The most dynamic INN among the leaders IBUPROFEN (+15%) moved up from rank six to two. PANCREATIN (+21%) moved up to rank four from seven, and PHOSPHOLIPIDS (+17%) and NIMESULIDE (+9%) moved up to ranks six and seven. The only newcomer, the composition ACETYLSALICYLIC ACID*MAGNESIUM (+19%), broke into the ranks of the top ten, coming in at number ten. KAGOCEL (-22%), INTERFERON ALFA-2B (-5%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-6%), which showed negative growth rates, fell in the ranks, moving down to numbers five, eight and nine, respectively. The total share of the top 10 reduced from 10.1% to 9.3%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | XYLOMETAZOLINE | 1.6 | 1.6 |
| 2 | 6 | IBUPROFEN | 1.1 | 0.9 |
| 3 | 3 | BISOPROLOL | 1.0 | 1.0 |
| 4 | 7 | PANCREATIN | 0.9 | 0.9 |
| 5 | 2 | KAGOCEL | 0.8 | 1.3 |
| 6 | 9 | PHOSPHOLIPIDS | 0.8 | 0.8 |
| 7 | 8 | NIMESULIDE | 0.8 | 0.9 |
| 8 | 5 | INTERFERON ALFA-2B | 0.7 | 0.9 |
| 9 | 4 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 0.7 | 1.0 |
| 10 | 11 | ACETYLSALICYLIC ACID*MAGNESIUM | 0.7 | 0.8 |
| Total | | | 9.3 | 10.1 |

The top-10 ATC groups ranking didn't change in composition; however numerous shifts took place in the top part of it (Table 4). Due to 24% growth in sales, the groups M01 Anti-inflammatory and antirheumatic products and C09 Agents acting on the rennin-angiotenzin moved up to the top two ranks in the top ten ranking. R05 Cough and cold preparations (+29%) and J01 Antibacterials for systemic use (+25%) moved up to ranks three and five, displacing N02 Analgesics (+18%) to rank four. The last year leader J05 Antivirals for systemic use (-7%) moved down to rank six. R01 Nasal preparations (+20%), G03 Sex hormones (+23%), A11 Vitamins (+11%) and L03 Immunostimulants (+6%) held their four bottom ranks. The cumulative share of the top-ten increased by 1.5 p.p. and achieved 39.5%.

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

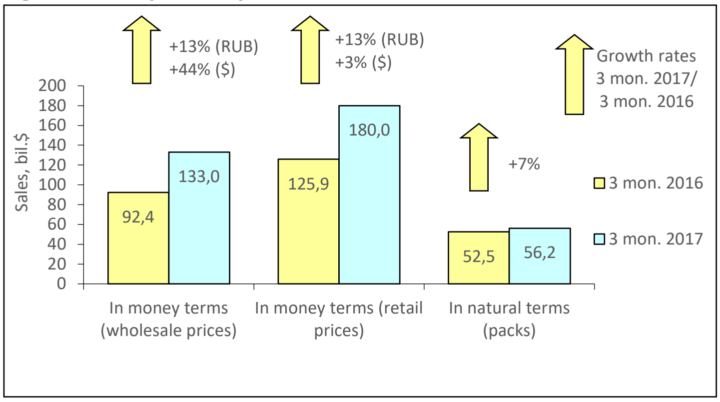
| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 4.8 | 4.7 |
| 2 | 4 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.4 | 4.3 |
| 3 | 5 | R05 | COUGH AND COLD PREPARATIONS | 4.2 | 4.0 |
| 4 | 3 | N02 | ANALGESICS | 4.2 | 4.3 |
| 5 | 6 | J01 | ANTIBACTERIALS FOR SYST USE | 4.1 | 4.0 |
| 6 | 1 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 4.1 | 5.3 |
| 7 | 7 | R01 | - NASAL PREPARATIONS | 3.8 | 3.9 |
| 8 | 8 | G03 | - SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.7 | 3.7 |
| 9 | 9 | A11 | - VITAMINS | 3.3 | 3.6 |
| 10 | 10 | L03 | - IMMUNOSTIMULANTS | 2.9 | 3.3 |
| Total | | | | 39.5 | 41.0 |

**Conclusion.** At the end of the first quarter of 2017, the pharmacy market in the Siberian Federal District was estimated at RUB 27.140 mil. (USD 460.931 mil.) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+19%), and in dollar (+51%) terms. In physical terms, the sales increased by 15% and reached 157.717 mil. packs. The average cost of a FPP pack (USD 2.92) increased as compared to a year earlier (USD 2.22), but was lower than the national FPP price average in Russia (USD 3.24). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 23.85 vs. USD 25.78).

## FEFD PHARMACY MARKET: 2017 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Far Eastern Federal District (FEFD) was 6.183 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in 1 Q, 2017 the average salary in the FEFD was RUB 46,090 (USD 783.72), which was 26% higher than the average wage in Russia (RUB 36,664). According to the results of the Retail Audit of Finished Pharma Products in Russian Federation™, in January-March 2017 the sales of drugs in physical terms in the pharmacies of the FEFD saw a 7% increase to 56.246 mil. packs. In value terms, the market increased both in rouble terms (+13%) and in dollar terms (+44%) and reached RUB 7.832 bil. (USD 132.971 mil.) in wholesale prices (Fig. 1). The district's share reached 4.8% of the all-Russia sales in retail prices. The average cost of a pack increased as compared with the same period of the previous year and escalated to USD 3.20 (vs. USD 2.40). At the end of the first three months of 2017, the average amount spent by the residents of the FEFD for the drugs in pharmacies amounted to USD 29.11.

### Figure 1. FEFD pharmacy market for 3 months of 2016 – 3 months 2017




Based on the results for January-March of 2017, the manufacturer BAYER (+19%) demonstrated the largest sales on the FEFD retail market and moved up to rank number one of the top ten manufacturers (Table 1). At the same time, the former leader SANOFI-AVENTIS (+2%) moved down one point. SANDOZ (+25%) moved up to rank three from eight, and TEVA (+7%) held its previous rank four. GEDEON RICHTER (+14%) also held its previous rank six. The drug manufacturers SERVIER (+1%), OTCPHARM (-1%) and GLAXOSMITHKLINE (+6%), which showed low and negative sales growth rates, moved down to the lower ranks five, eight and nine respectively. In contrast, the manufacturer NYCOMED/TAKEDA (+20%) moved up two points. The newcomer KRKA (+26%) rounded out the top ten manufacturers ranking. The total share of the top 10 drug manufacturers reduced from 35% to 34.2%.

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

| Rank | | Manufacturer* | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | **BAYER HEALTHCARE** | 4.3 | 4.1 |
| 2 | 1 | **SANOFI-AVENTIS** | 3.7 | 4.1 |
| 3 | 8 | **SANDOZ** | 3.5 | 3.2 |
| 4 | 4 | **TEVA** | 3.5 | 3.7 |
| 5 | 3 | **SERVIER** | 3.4 | 3.8 |
| 6 | 6 | GEDEON RICHTER | 3.4 | 3.4 |
| 7 | 9 | **NYCOMED/TAKEDA** | 3.2 | 3.0 |
| 8 | 5 | OTCPHARM | 3.2 | 3.7 |
| 9 | 7 | **GLAXOSMITHKLINE** | 3.1 | 3.3 |
| 10 | 11 | **KRKA** | 2.9 | 2.6 |
| Total | | | 34.2 | 35.0 |

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking: MIRAMISTIN (+56%) moved up to the bottom rank of the top ten from 22 (table 2). INGAVIRIN remained the leader of the top ten, despite the reduction in sales by one fourth, whereas NUROFEN (+30%) and THERAFLU (+13%) moved up to ranks two and three. Another three brand names, which used to enter the top four brands ranking, showed the negative growth rates. The drug KAGOCEL (-29%), ESSENTIALE (-13%) and ARBIDOL (-32%) moved down to ranks four, five and eight, respectively. The brand CONCOR (+5%) kept its previous rank seven, whereas the more dynamic CARDIOMAGNYL (+14%) and MEXIDOL (+22%) moved up to ranks six and nine, respectively. The total share of the top ten was 7.4%, whereas in the year-earlier period it was 8.8%.

### Table 2. The top ten brands by pharmacy sales

| Rank | | Brand | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | INGAVIRIN | 1.0 | 1.5 |
| 2 | 6 | NUROFEN | 0.9 | 0.8 |
| 3 | 5 | THERAFLU | 0.8 | 0.8 |
| 4 | 2 | KAGOCEL | 0.8 | 1.2 |
| 5 | 4 | ESSENTIALE | 0.7 | 0.9 |
| 6 | 8 | CARDIOMAGNYL | 0.7 | 0.7 |
| 7 | 7 | CONCOR | 0.7 | 0.7 |
| 8 | 3 | ARBIDOL | 0.7 | 1.1 |
| 9 | 10 | MEXIDOL | 0.6 | 0.6 |
| 10 | 22 | MIRAMISTIN | 0.6 | 0.5 |
| Total | | | 7.4 | 8.8 |

The leader of the top ten INN and group names held its own in the ranking. INN XYLOMETAZOLINE (+28%) kept and strengthened its previous rank (table 3). The remaining brands of the top ten changed their ranks; on top of that, six of them improved them. IBUPROFEN (+11%) moved up from rank six to two, BISOPROLOL (+11%) - from rank eight to four, and - NIMESULIDE+5%) moved up to rank eight from nine. In addition, the newcomers PANCREATIN (+32%), AMOXICILLIN*CLAVULANIC ACID (+41%) and ETHYLMETHYLHYDROXYPYRIDINE (+22%) broke into the ranks of the top ten, coming in at numbers five, six and ten. Three INNs with negative sales rates: IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-25%), KAGOCEL (-29%) and PHOSPHOLIPIDS (-11%), in contrast, moved down to the lower ranks. The cumulative share of the top10 reduced from 10.3% to 9.8%.

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

| Rank | | INNs/Group Names | Share in total pharmacy sales, % | |
|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 1 | XYLOMETAZOLINE | 1.9 | 1.7 |
| 2 | 6 | IBUPROFEN | 1.2 | 1.0 |
| 3 | 2 | IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID | 1.0 | 1.5 |
| 4 | 8 | BISOPROLOL | 0.9 | 0.9 |
| 5 | 11 | PANCREATIN | 0.9 | 0.8 |
| 6 | 16 | AMOXICILLIN*CLAVULANIC ACID | 0.8 | 0.6 |
| 7 | 3 | KAGOCEL | 0.8 | 1.2 |
| 8 | 9 | NIMESULIDE | 0.8 | 0.8 |
| 9 | 7 | PHOSPHOLIPIDS | 0.8 | 1.0 |
| 10 | 13 | ETHYLMETHYLHYDROXYPYRIDINE | 0.7 | 0.7 |
| Total | | | 9.8 | 10.3 |

The ATC groups rating on the regional market didn't change in contrast to the previous top 10 ratings (table 4). However, it underwent numerous shifts, including changing the leader: M01 Anti-inflammatory and antirheumatic products (+20%) moved up to rank one, displacing J05 Antivirals for systemic use (-26%) down one rank. The groups J01 Antibacterials for systemic use (+28%), R05 Cough and cold preparations (+15%), and C09 Agents acting on the renin-angiotensin system (+17%) improved their positions and moved up to ranks four through six. The less dynamic N02 Analgesics (+9%) and L03 Immunostimulants (-8%) which reduced their sales, moved down to ranks seven and eight. Three INNs of the top 10 managed to hold their own in the ranking. R01 Nasal preparations (+12%), A11 Vitamins (+2%) and G03 Sex hormones (+24%) kept their previous ranks three and the two bottom ranks. The consolidated share of the top 10 under review decreased from 41.1% to 38.8%.

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

| Rank | | ATC code | ATC group | Share in total pharmacy sales, % | |
|---|---|---|---|---|---|
| 3 mon. 2017 | 3 mon. 2016 | | | 3 mon. 2017 | 3 mon. 2016 |
| 1 | 2 | M01 | ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS | 4.6 | 4.3 |
| 2 | 1 | J05 | ANTIVIRALS FOR SYSTEMIC USE | 4.3 | 6.5 |
| 3 | 3 | R01 | NASAL PREPARATIONS | 4.2 | 4.2 |
| 4 | 8 | J01 | ANTIBACTERIALS FOR SYST USE | 4.2 | 3.8 |
| 5 | 6 | R05 | COUGH AND COLD PREPARATIONS | 4.0 | 3.9 |
| 6 | 7 | C09 | AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM | 4.0 | 3.9 |
| 7 | 4 | N02 | ANALGESICS | 3.8 | 4.0 |
| 8 | 5 | L03 | IMMUNOSTIMULANTS | 3.2 | 4.0 |
| 9 | 9 | A11 | VITAMINS | 3.2 | 3.6 |
| 10 | 10 | G03 | SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM | 3.2 | 2.9 |
| Total | | | | 38.8 | 41.1 |

**Conclusion.** On the basis of the results for the first three months of 2017, the retail market of the Far Eastern Federal District brought in RUB 10.600 bil. (USD 179.958 mil.), which was 13% in terms of roubles and 43% in terms of dollars more than in the same period of 2016. In physical terms, the market also showed the positive growth rates (+7%) and achieved 56.246 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for the first quarter of 2017 was USD 3.20 (in a year-earlier period - USD 2.40), which was a bit lower than the national average (USD 3.24). The average medicine expenses of the district residents were higher than the national average expenses in Russia (29.11 USD vs. 25.78 USD).