



PROTEK

group of companies

1HY-2010 FINANCIAL RESULTS

Investor and analyst presentation

October 2010



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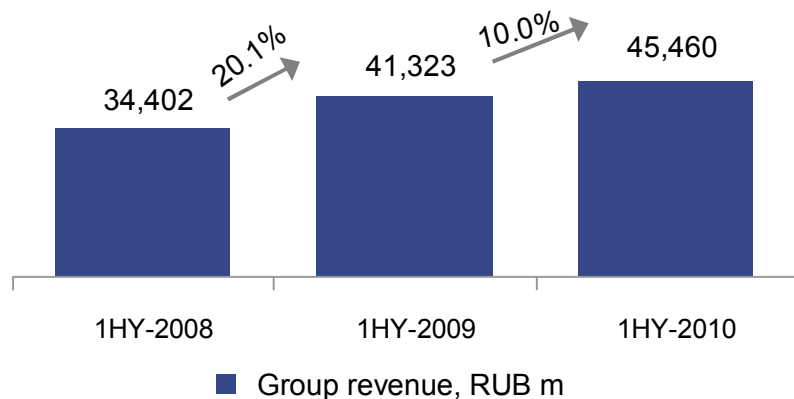
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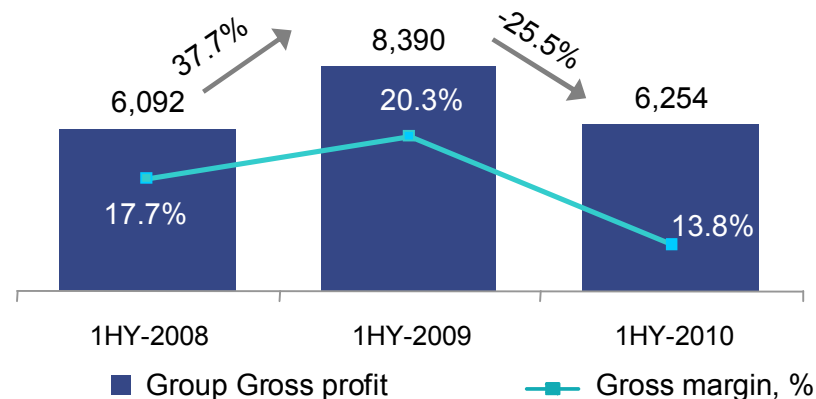
1HY-2010 Group performance summary



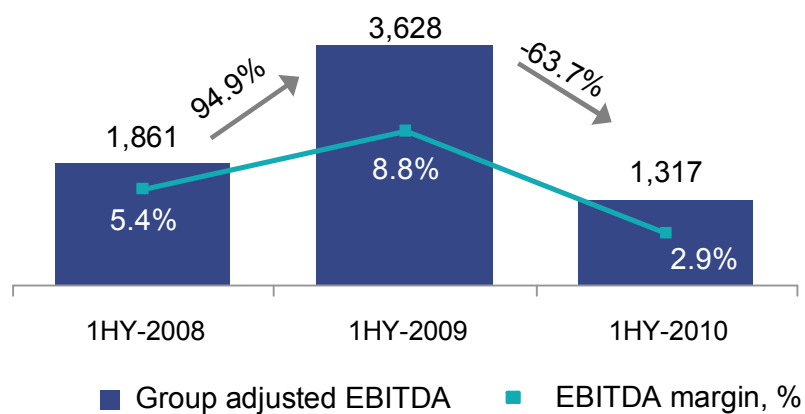
Total revenue dynamics, RUB mln.



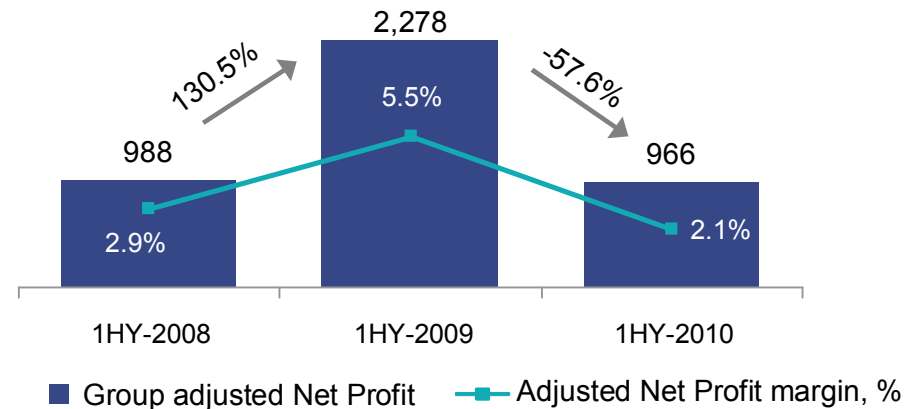
Gross Profit dynamics, RUB mln.



Adjusted EBITDA dynamics¹, RUB mln.



Adjusted Net Profit dynamics¹, RUB mln



Source: IFRS accounts

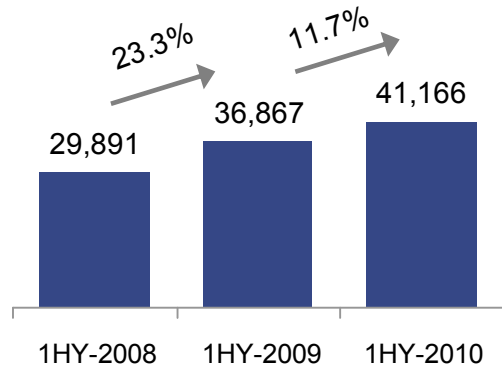
¹ Adjusted EBITDA and Net Profit for 1HY-2010 exclude IPO-2010 expense of RUB 476 m.

1HY-2010 Results - Distribution segment

Financial performance highlights

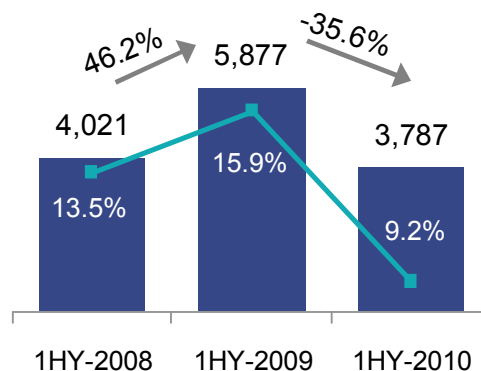
- Revenue increase of ~12% in 1HY-2010 compared to 1HY-2009, which is twice faster than the Russian pharma market
- Decrease in Gross Profit (-35.6%, 1HY-2010 vs. 1HY-2009) and EBITDA (-76.8%, 1HY-2010 vs. 1HY-2009) as a result of:
 - New legislation changes in Life Essential Medicines program (effective from April 1, 2010)
 - Substantial changes in mark-up structure
 - Increased competition

Total revenue dynamics



■ Total revenue, RUB mln

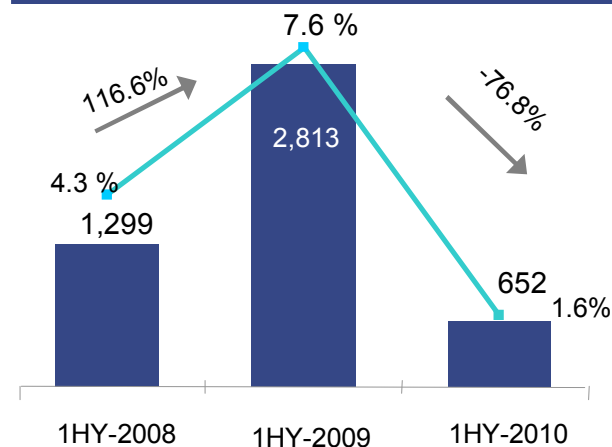
Gross profit dynamics



■ Gross profit, RUB mln

■ Gross margin, %

Adjusted EBITDA dynamics¹



■ Adjusted EBITDA, RUB mln

■ Adjusted EBITDA margin, %

Source: IFRS accounts

¹ Adjusted EBITDA and EBITDA margin for 1HY-2010 exclude IPO expense of RUB 224 m.

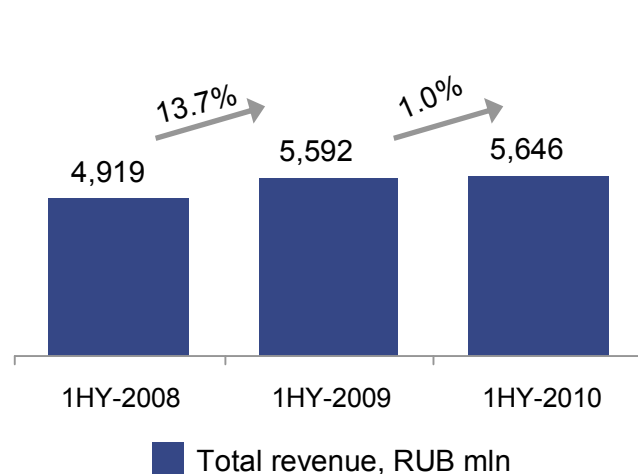
1HY-2010 Results - Retail segment



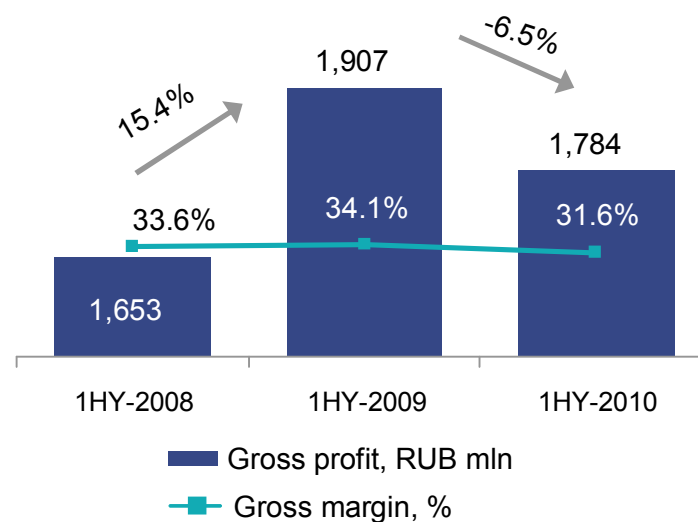
Financial performance highlights

- Revenue increase of 1% in 1HY-2010 compared to 1HY-2009
- Decrease in Gross Profit (-6.5%, 1HY-2010 vs. 1HY-2009) and EBITDA (-26.4%, 1HY-2010 vs. 1HY-2009) as a result of:
 - Significant decrease of Trade mark-up (from 38.5% in 1HY-2009 to 31.2% in 1HY-2010)
 - Decrease in total average number of transactions / tickets in 1HY-2010 (-5.3%)
 - Substantial OPEX cuts could not compensate the Gross profits decrease

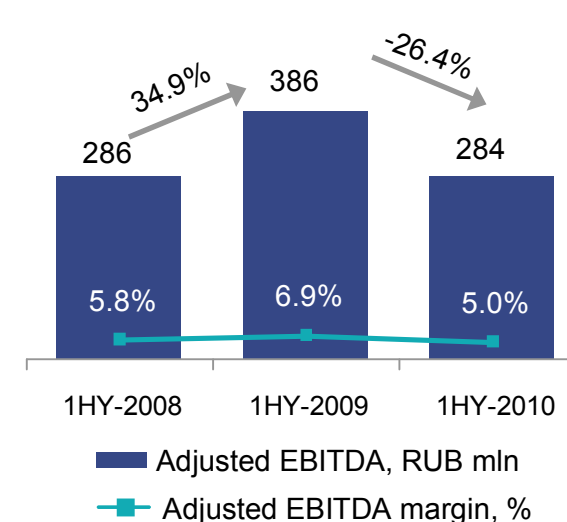
Total revenue dynamics



Gross profit dynamics



Adjusted EBITDA dynamics¹



Source: IFRS accounts

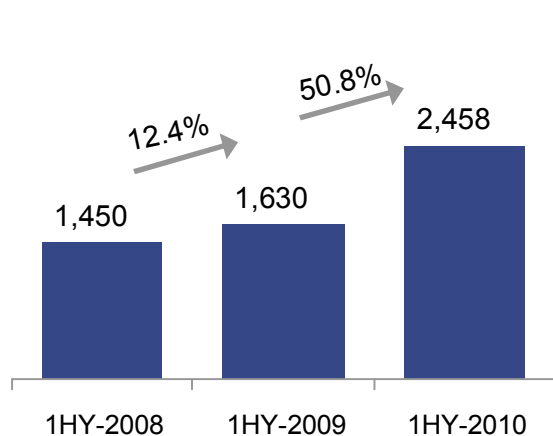
¹ Adjusted EBITDA and EBITDA margin for 1HY-2010 exclude IPO expense of RUB 75 m.

1HY-2010 Results - Production segment

Financial performance highlights

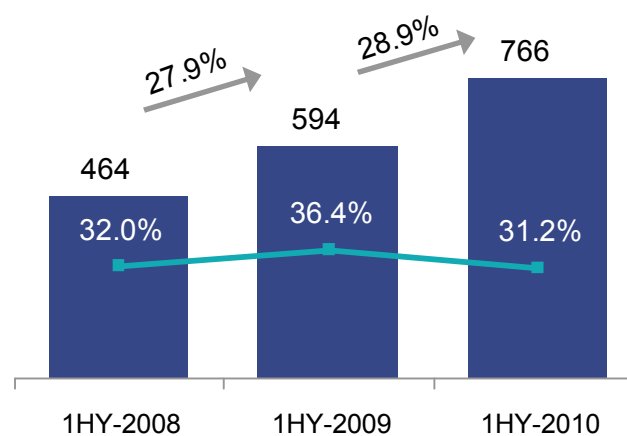
- Solid revenue increase of 50.8% in 1HY-2010 compared to 1HY-2009
- Increase in Gross profit (+29%, 1HY-2010 vs. 1HY-2009) and EBITDA +36%, 1HY-2010 vs. 1HY-2009) as a result of:
 - Increase of own brands in production portfolio (from 14% in 1HY-2009 to 22% in 1HY-2010)
 - Increased sales of contract licensed manufacturing (simultaneously it diluted the margin)
 - Costs structure tight control and optimisation

Total revenue dynamics



■ Total revenue, RUB mln

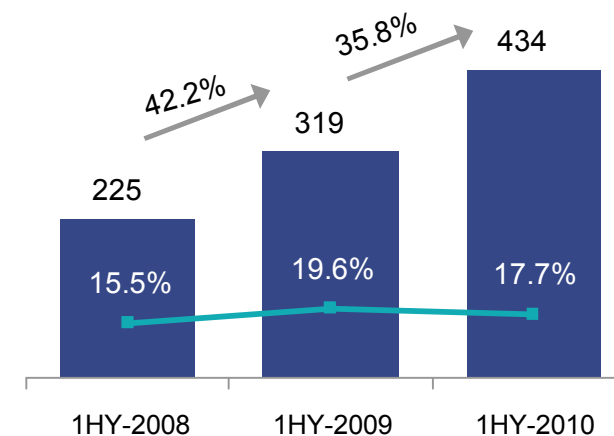
Gross profit dynamics



■ Gross profit, RUB mln

— Gross margin, %

Adjusted EBITDA dynamics¹



■ Adjusted EBITDA, RUB mln

— Adjusted EBITDA margin, %

Source: IFRS accounts

¹ Adjusted EBITDA and EBITDA margin for 1HY2010 exclude IPO expense of RUB 58 m.

1HY-2010 Group Income statement



RUB ('000)	1HY-2008	1 HY-2009	1 HY-2010
Sales	34 401 993	41 323 131	45 459 853
Cost of sales	(28 310 280)	(32 933 589)	(39 205 764)
Gross profit	6 091 713	8 389 542	6 254 089
<i>Cost of sales margin, %</i>	21,5%	25,5%	16,0%
<i>Gross margin, %</i>	17,7%	20,3%	13,8%
Operating expenses			
Distribution and selling expenses	(2 477 307)	(3 275 535)	(3 422 773)
General and administrative expenses	(2 199 238)	(1 950 121)	(1 893 954)
Other operating (expenses)/income, net	45 870	63 031	(575)
IPO expenses	-	-	(476 450)
Operating profit	1 461 039	3 226 918	460 337
<i>Operating margin, %</i>	4,2%	7,8%	1,0%
Share of post-tax profit of associate		2 326	6 672
Financial expenses, net	(334 348)	(332 251)	(187 602)
Foreign exchange gain/(loss), net (incl.			
Compensation of foreign exchange losses)	107 332	(21 462)	459 515
Profit before income tax	1 234 023	2 875 530	738 921
Income tax expense	(245 558)	(597 390)	(249 369)
Profit for the period	988 465	2 278 140	489 552
<i>Net income margin, %</i>	2,9%	5,5%	1,1%
Adjusted EBITDA	1 861 254	3 627 766	1 316 857
<i>Adjusted EBITDA margin, %</i>	5,4%	8,8%	2,9%
Adjusted Profit for the period			966 002
<i>Adjusted Net income margin, %</i>			2,1%

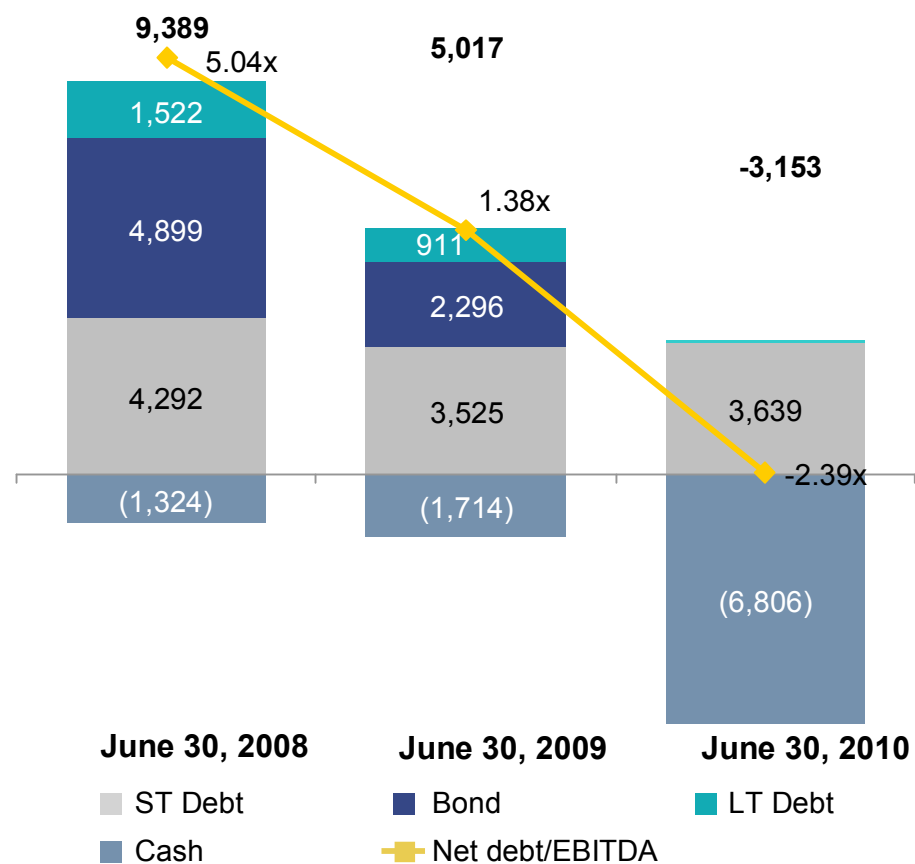
Adjusted Profit, EBITDA and Profit margin, EBITDA margin for 1HY-2010 exclude IPO expense of RUB 476 m.

Source: IFRS accounts

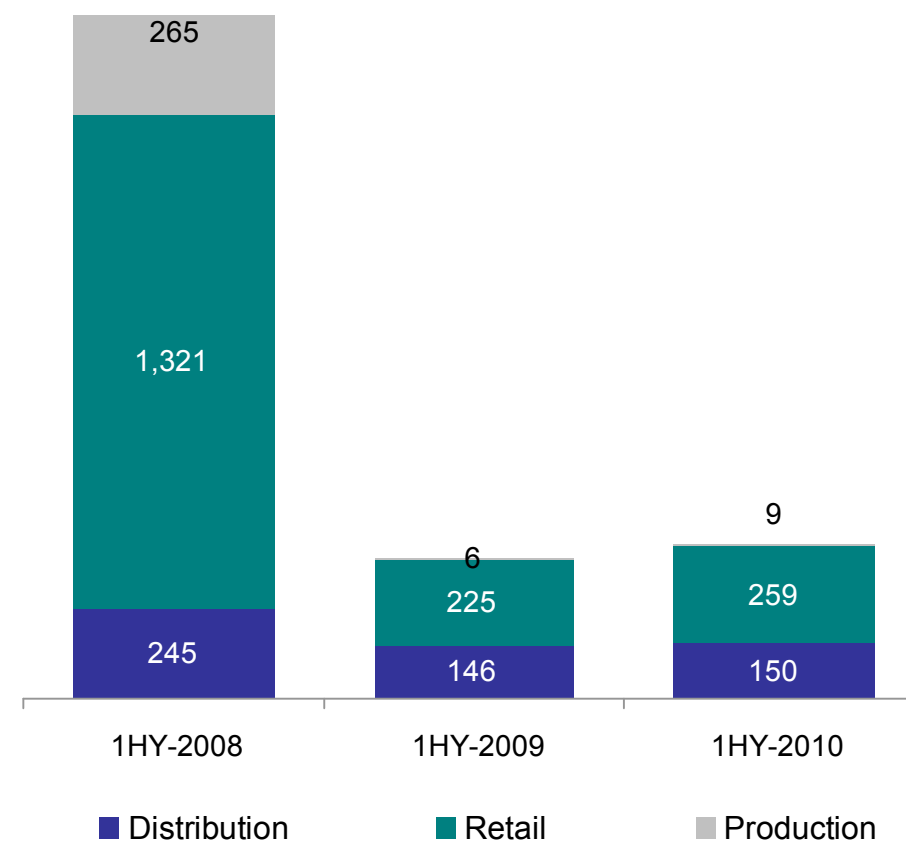
1HY-2010 Results – Net debt position, Capital investment



Group Net debt capital structure, RUB mln.



Capital expenditure by business segment, RUB mln.



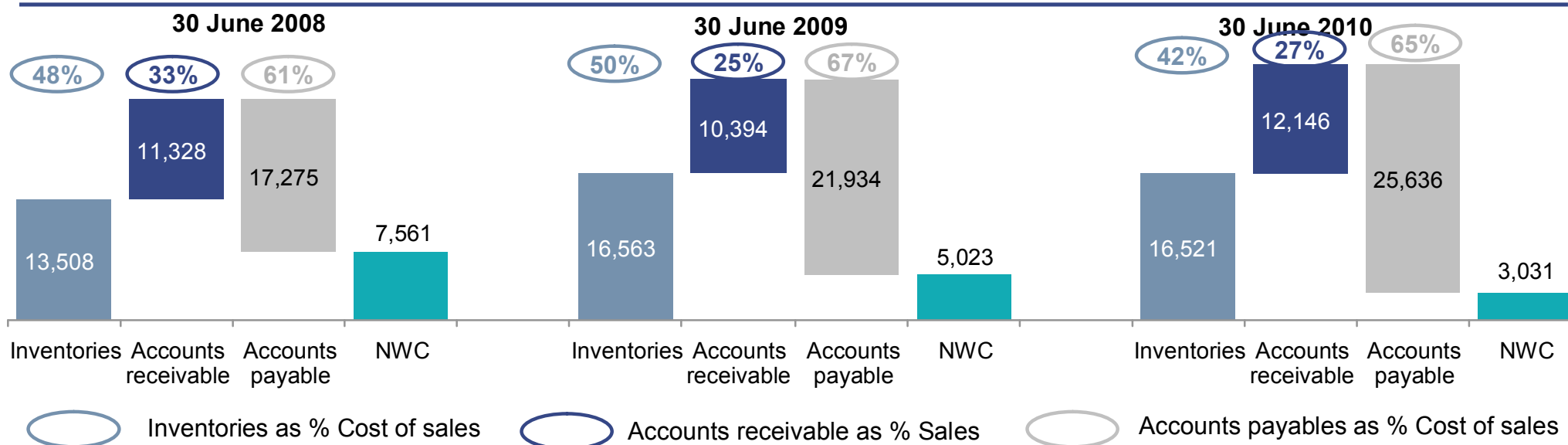
Source: IFRS accounts

Note: As of 30 June 2010 total LT Debt was RUB 14 m
EBITDA for 1HY2010 exclude IPO expense of RUB 476 m.

Source: IFRS accounts

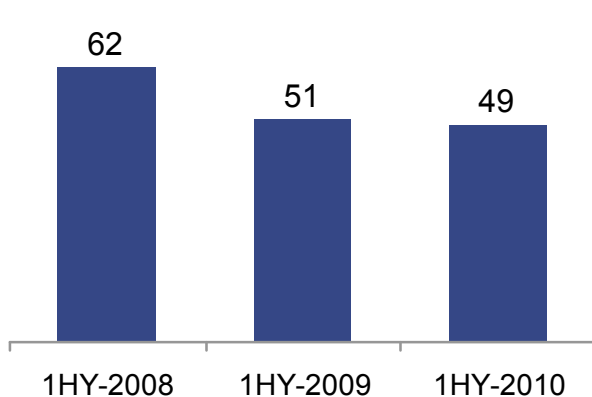
1HY-2010 Group Working capital analysis

Net Working Capital, RUB mln.

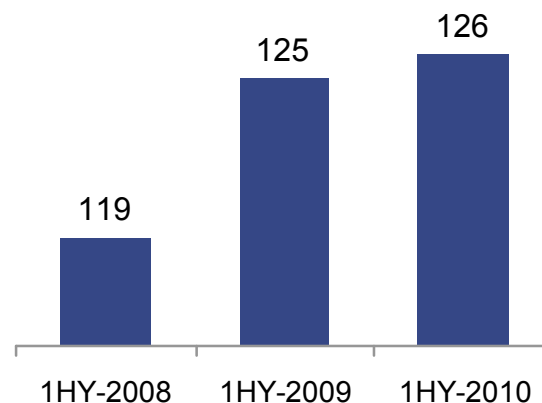


Improvements in working capital management

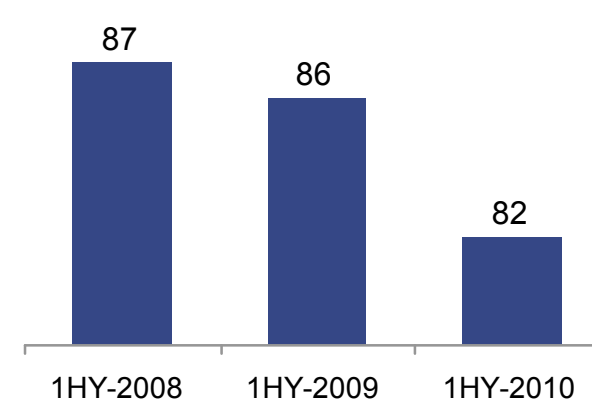
Accounts Receivable turnover, days



Accounts Payable turnover, days



Inventories turnover, days



Source: IFRS accounts

Use of Proceeds received by the Group as a result of IPO.

Current Use of Proceeds, RUB, m.

IPO-2010 expenses	476
Bank credits repayment	3 402
Retail chains acquisitions	322
Distribution infrastructure	125
Bank deposits	<u>1 480</u>
TOTAL	<u>5 805</u>