



PROTEK

group of companies

Q1-2010 TRADING UPDATE

INVESTOR AND ANALYST PRESENTATION



JUNE 2010

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- **Market performance in Q1-2010**
 - Vadim Muzyaev, President of Protek Group
 - **Current trading and business update**
 - Vadim Muzyaev, President of Protek Group
 - Timofei Prokopov, CFO of Protek Group
 - **Q & A**
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Conference call details:

Protek Analyst & Investor Conference Call : 14.00 UK time / 17.00 Moscow time

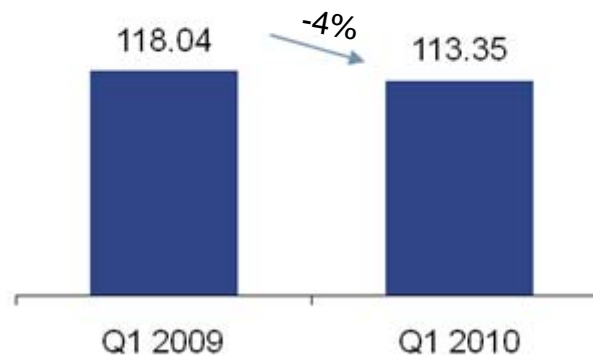
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Russian pharmaceutical market in Q1-2010

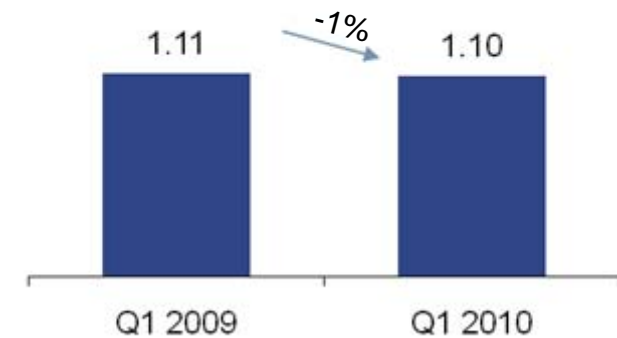
- In Q1-2010, the Russian pharmaceutical market has declined by 4% compared to Q1-2009 (in RUR terms) and reached RUR 113bn (as per DSM report)
- In volume terms, the market decreased by 1% with 1.1bn packs sold in Q1-2010
- Commercial segment – the strategic sector for Protek Group development – decreased by 3%
- Market stagnation in Q1-2010 resulted from uncertainty related to new federal regulation and new rules for price mark-ups control for life vital medications

Value terms, RUR, bn



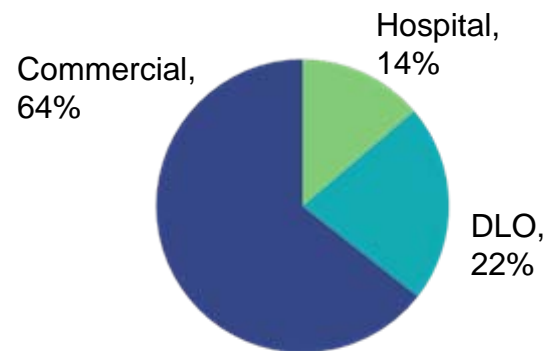
Source: DSM report, Q1-2010

Volume terms, packs, bn



Source: DSM report, Q1-2010

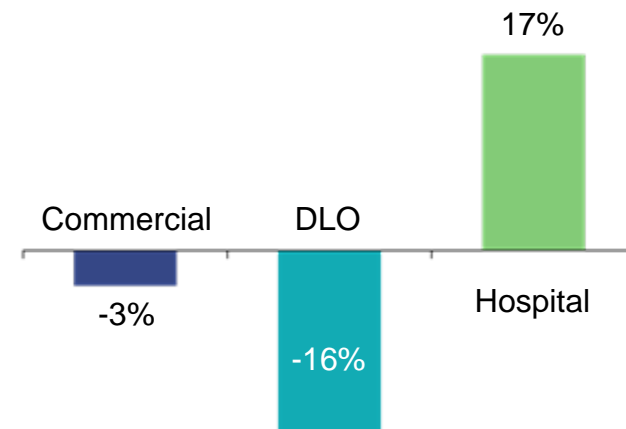
Market structure in Q1-2010



Source: DSM report, Q1-2010

* Commercial segment does not include parapharmaceuticals

Growth by market segments

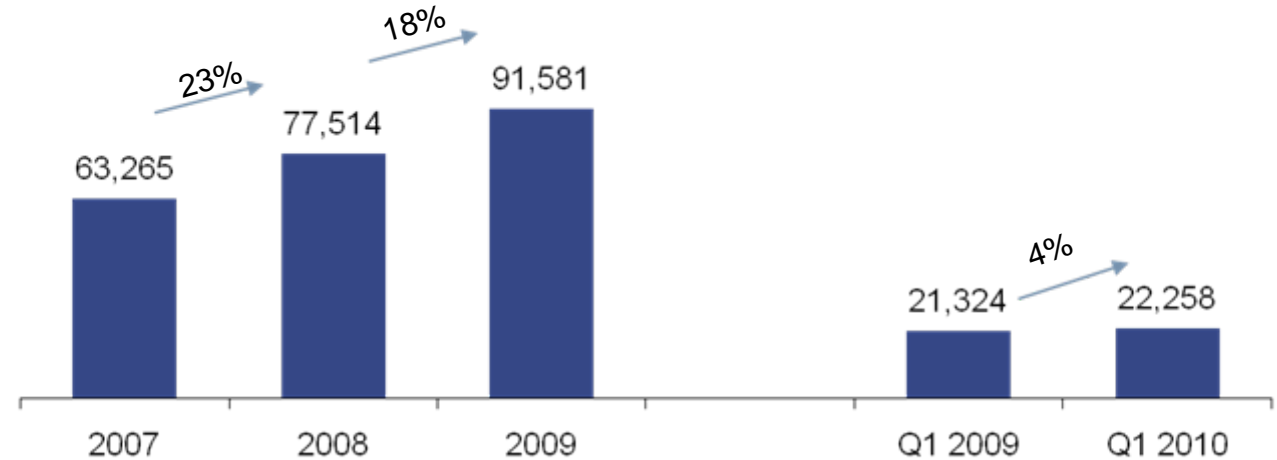


Source: DSM report, Q1-2010

Group performance in Q1-2010

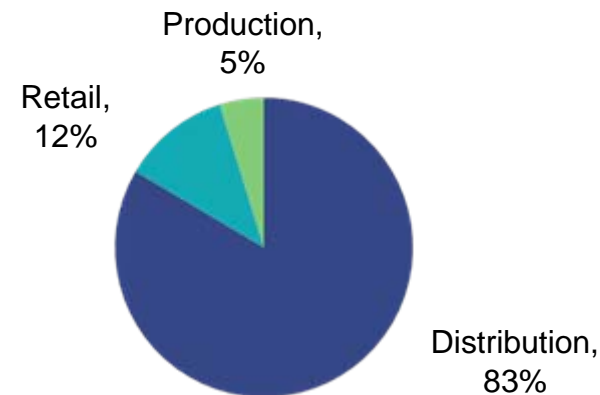
- Despite the market decline, the Group's consolidated revenue in Q1-2010 increased by 4.4% to RUR 22,258m
- Slowdown in sales growth demonstrated in Q1-2010 reflects market stagnation at the same period
- Overall the Group outperformed the market dynamics across all of its business segments
- In Q1-2010, Distribution segment accounted for 83% of total unallocated revenues, Retail segment – for 12% and Production segment – for 5%

Consolidated revenue dynamics, RUR, mln



Source: Protek Group IFRS accounts for 2007-2009, unaudited management accounts Q1-2010

Q1-2010 Revenue contribution by segments, %*

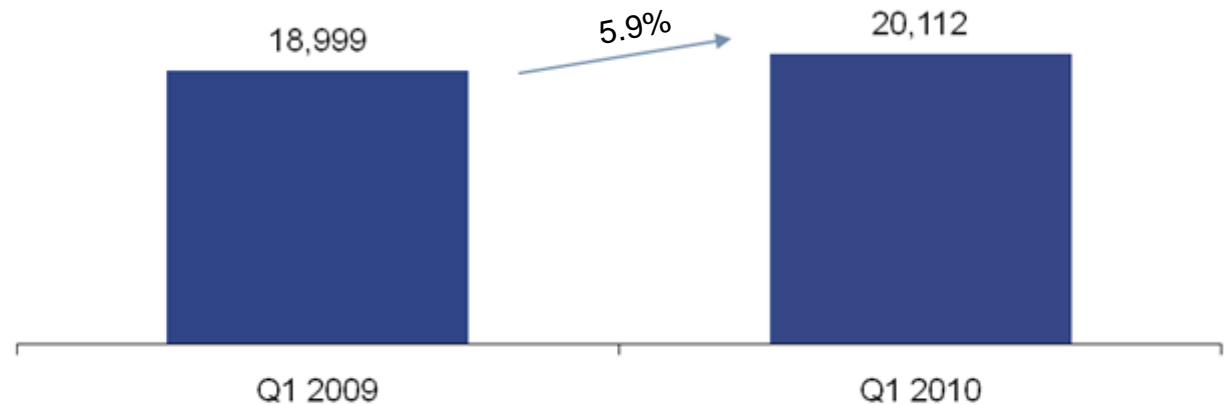


* Calculated on the basis of revenue for each segment (excludes unallocated revenues and eliminations)

Distribution segment performance in Q1-2010

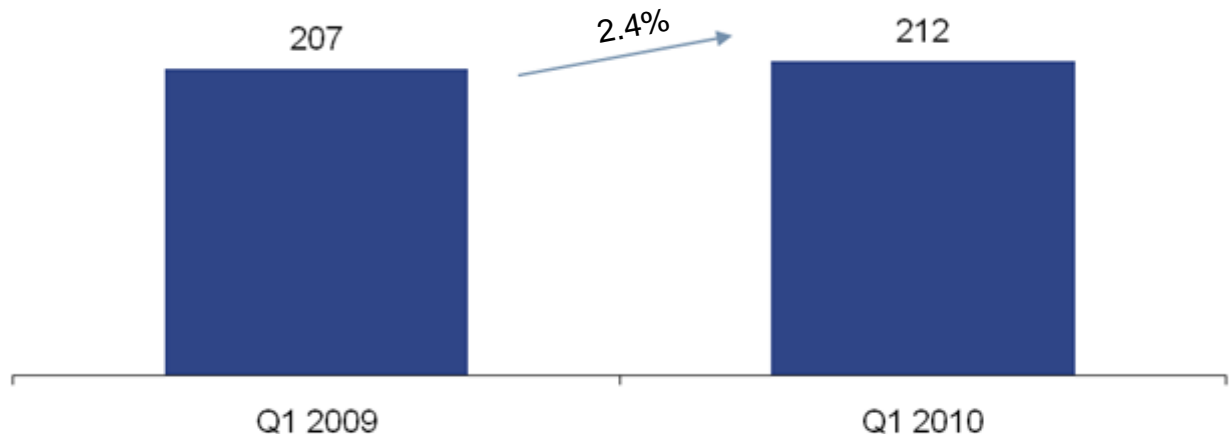
- Solid revenue growth of 5.9% to RUR 20,112m from RUR 18,999m
- Sales volume of the Distribution segment increased by 2.4% to 212 mln packs, compared to 207 mln packs in Q1-2009
- Key segment growth drivers in Q1-2010:
 - Increase in labour productivity
 - Enhancement of the product range
 - Optimisation of customer base and selling terms

Q1-2010 Sales revenue dynamics, RUR, mln



Source: Protek Group unaudited management accounts

Q1-2010 Sales volume dynamics, packs, mln

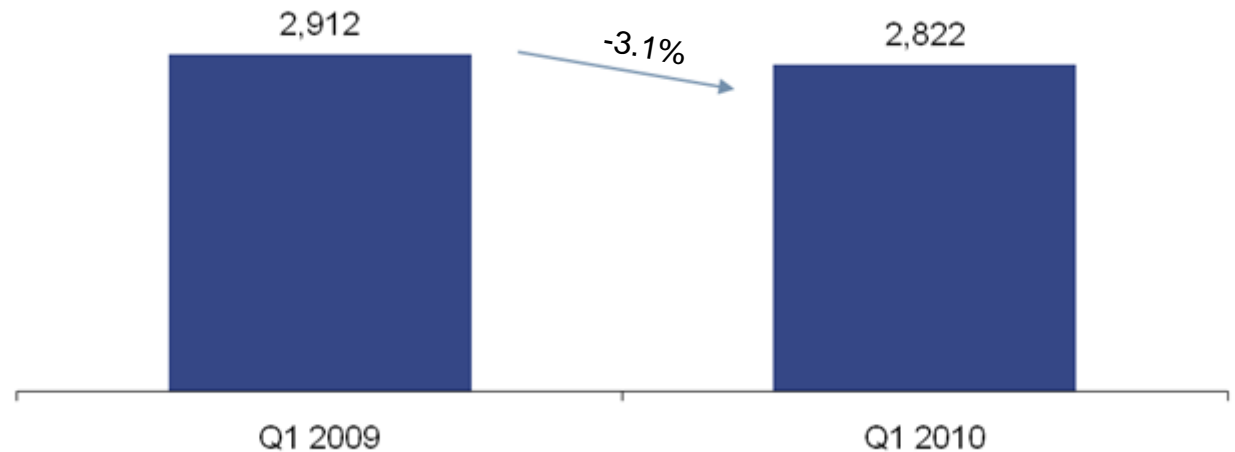


Source: Company data

Retail segment performance in Q1-2010

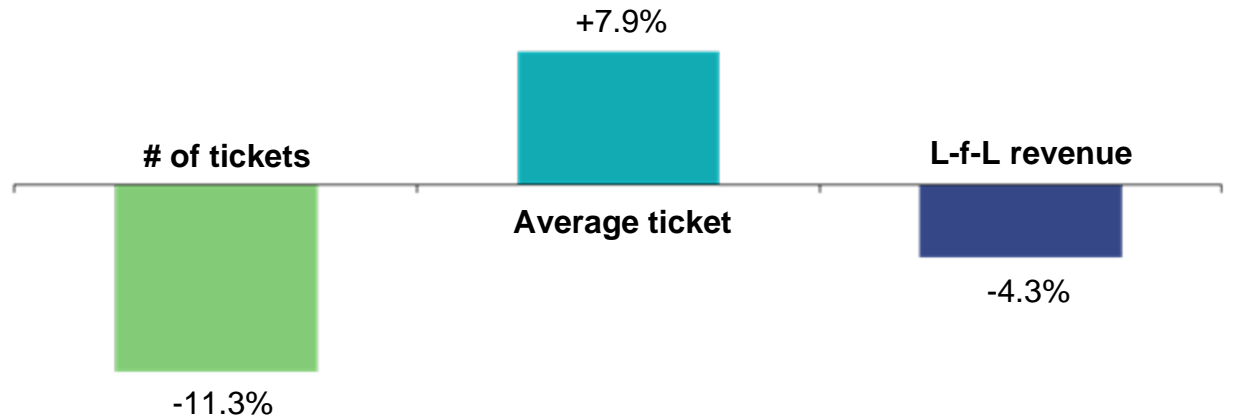
- Pharmacies count dynamics in Q1-2010:
 - 6 stores opened, 5 stores closed
 - Total stores at 31 March 2010: 578*
 - 2 pharmacy chains (15 stores) acquired in April-May 2010.
- In line with the dynamics of commercial market segment in Q1-2010, sales revenue in the Retail segment has decreased by 3.1% to RUR 2,822m from RUR 2,912m in Q1-2009
- Like-for-Like revenue decreased by 4.3%
- Traffic and ticket support programs introduced in Q1-2010:
 - Price reduction for seasonal drugs
 - “Wholesale-price pharmacies”
 - Private label products
 - Strategic program for pharmacy personnel efficiency improvement

Q1-2010 Sales revenue dynamics, RUR, mln



Source: Protek Group unaudited management accounts

Q1-2010 L-f-L performance, %



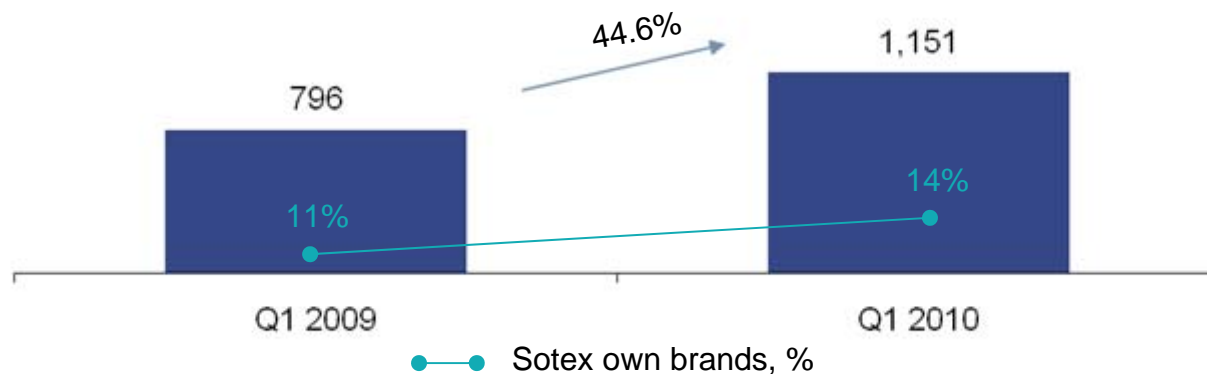
Source: Protek Group unaudited management accounts

* incl. Zhivika chain

Production segment performance in Q1-2010

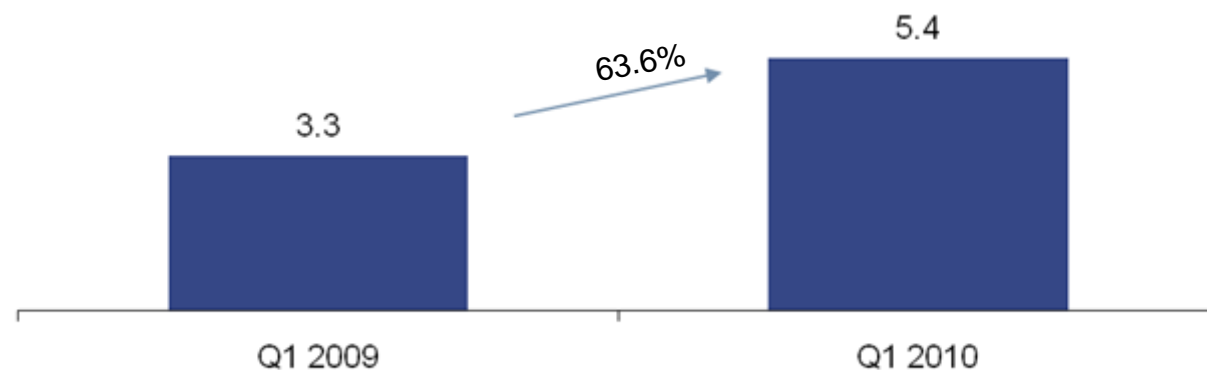
- Production segment revenue increased by 45% to RUR 1,151m from RUR 796m
- Volume growth of 63% to 5.4 mln packs, compared to 3.3 mln packs in Q1-2009
- Share of own brands' revenue increased from 10.6% to 13.7% and reached RUR 158m (+87% growth YoY)
 - Total number of own brands as of Q1-2010 reached 21 positions
- Most successful own brands: Eralfon, Amelotex and Angiosil

Q1-2010 Sales revenue dynamics, RUR, mln



Source: Protek Group unaudited management accounts

Q1-2010 Sales volume dynamics, packs, mln



Source: Company data