



PRESS-RELEASE

FOR IMMEDIATE DISTRIBUTION

19TH DECEMBER 2011

**OJSC “VEROPHARM” ANNOUNCES PRELIMINARY RESULTS
FOR THE FIRST NINE MONTHS OF 2011 YEAR**

DECEMBER 19, 2011, MOSCOW – OJSC «VEROPHARM» [RTS:VRPH, MICEX:VFRM] announces preliminary data and operational performance indicators for the first nine months of 2011 year according to the management accounting.

SALES

- In 9M 2011 sales of Veropharm’s finished goods increased by 15,3% compared to the same period in 2010, reaching RUR 4,534.1 million. ^[1]

- Rx drugs sales amounted to RUR 3,184.4 million in 9M 2011, a 15,4% increase in comparison with 9M 2010. The Rx drugs sales accounted for 70,2% of total finished goods sales. ^[2]
- OTC drugs sales amounted to RUR 578.7 million in 9M 2011, a 16,4% increase in comparison with 9M 2010. The share of OTC drugs sales accounted for 12,8% of total finished goods sales.
- In 9M 2011 traditional drug sales amounted to RUR 22.5 million, which represents 55,1% decrease as compared to 9M 2010, and made up 0,5% of total finished goods sales.

Group of non-pharmaceutical products

- Adhesive bandages and cosmetic products sales came to RUR 748.5 million, a 17,2% increase in comparison with 9M 2010. The share of adhesive bandages and cosmetic products in total finished goods sales of the Company was 16,5%.

Veropharm sales as part of the Federal Reimbursement Program (FRP) came to RUR 102,7 million, accounting for 2,3% of the Company’s total finished goods sales. ^[2]

In 9M 2011 sales in Russian Federation provide 96,6% of the Company's sales. In 9M 2011 exports accounted for 3,4% of the Company’s total finished goods sales compared to 3.7% in 9M 2010.

RX drugs segment

Total sales of the five most popular prescription drugs by the results in 9M 2011 amounted to RUR 1,146.1 million, or 36% of sales in the prescription drugs segment and 25% of the Company's total finished goods sales^[2].

The five top-selling Rx drugs in 9M 2011 results include:

- Cerepro (Holina Alfostserat; ATC «Central nervous system»); sales growth in comparison with 9M 2010 amounted 38%; 9% of sales in the prescription drugs segment;
- Irunine (Itraconazole; ATC^[3] «General anti-infectives systemic»); sales growth in comparison with 9M 2010 amounted 53%; 8% of sales in the prescription drugs segment;
- Geptor (Ademetionine; ATC«Digestive tract and metabolism»); sales growth in comparison with 9M 2010 amounted 34%; 7% of sales in the prescription drugs segment;
- Amigrenin (Sumatriptan; ATC «Central nervous system»); sales growth in comparison with 9M 2010 amounted 192%; 6% of sales in the prescription drugs segment;
- Paclitaxel-LENS (Paclitaxel; ATC «Antineoplastic and immunomodulating agents»); 6% of sales in the prescription drugs segment;

OTC drugs segment

Total sales of the five products in the OTC drugs segment amounted to 99% of sales in the OTC drugs segment.

- Xilen (Xylometazoline; ATC «Respiratory system»); sales growth in comparison with 9M 2010 amounted 17%; 51% of sales in the OTC drugs segment;
- Slabilen (Sodium picosulfate; ATC «Alimentary tract and metabolism»); sales growth in comparison with 9M 2010 amounted 18%; 28% of sales in the OTC drugs segment;
- Motilak (Domperidone; ATC «Alimentary tract and metabolism»); sales growth in comparison with 9M 2010 amounted 13%; 15% of sales in the OTC drugs segment;
- Vitasharm and Vitatress (ATC «Vitamins»); sales growth in comparison with 9M 2011 amounted 92%; 4% of sales in the OTC drugs segment;
- Ginecotex vaginal tablets (Benzalkonium chloride; ATC «Urinary system&sex hormone»); 1% of sales in the OTC drugs segment.



Traditional drugs segment

Total sales of the five most popular traditional drugs by the results in 9M 2011 amounted to RUR 21,9 million, or 98% of sales in the traditional drugs segment.

The five top-selling traditional drugs for 9M 2011 include

- Vero-Dexamethasone (Dexamethasone; ATC «Hormonal drugs»); 51% of sales in the traditional drugs segment;
- Pyridoxine hydrochloride (Pyridoxine; ATC «Alimentary tract and metabolism»); 23% of sales in the traditional drugs segment;
- Vero-Ciprofloxacin (Ciprofloxacin; ATC «General anti-infective systemic»); 13% of sales in the traditional drugs segment;
- Fluconazole (Fluconazole; ATC «General anti-infective systemic»); 9% of sales in the traditional drugs segment;
- Drotaverine (Drotaverine; ATC «Alimentary tract and metabolism»); 2% of sales in the traditional drugs segment.

Adhesive bandages and cosmetic products segment

In 9M 2011 segment of Adhesive bandages and Cosmetic products had the following structure:

- Conventional bacterial adhesive bandages; 46% of sales in segment in 9M 2011;
- Conventional reel adhesive bandages; 23% of sales in the segment in 9M 2011;
- Therapeutic patches - pepper plasters, 15% of sales in the segment in 9M 2011;
- Therapeutic patches - corn plasters, 15% of sales in the segment in 9M 2011;
- Cosmetic products (Veromistin Silver, Daily, Flores); 1% of sales in the segment in 9M 2011.

NEW DRUGS PRODUCTION AND SALES

During the first nine months of 2011 Veropharm launched production and sales of the following new drugs:

- Vero-Netilmicin (Netilmicin; ATC «Antiinfectives for systemic use»);
- Vero-Asparaginase (Asparaginase; ATC «Antineoplastic and immunomodulating agents»); new dosage – 10 000 ME №10;
- Veroklast (Zoledronic acid; ATC «Musculoskeletal system»); new dosage – 4mg/5 ml 5ml №1;
- Veromistin Silver (Myramistin; Remedy for intimate hygiene); new dosage – 50ml №1;
- Veromistin Daily (Myramistin; Remedy for hygienic treatment of the skin of hands and feet); new dosage – 50ml №1;



- Veromistin Flores (Myramistin; Remedy for oral hygiene); new dosage – 50ml №1;
- Mielastra (Filgrastim; ATC «Antineoplastic and immunomodulating agents»).

NEW DRUGS REGISTRATION

In the first nine months of 2011 received registration certificate for the following products:

- Poludan (Polyadenilic acid + Polyuridilic acid; ATC «Sensory organs»); new form and dosage - nasal drops 50 unit/ml;
- Aprotoks (Aprotinin; ATC «Blood & blood forming organs»); new dosage -10000 KIE/ml;
- Xilen (Xylometazoline; ATC «Respiratory system»); new form - nasal spray;
- The bandage Uniplast ointment;
- The bandage Uniplast wound sorbent;

Additionally, 5 drugs are currently at different stages of the registration process.

DEBT

At the end of 9M 2011 Veropharm's debt came to RUR 979.1 million, that represents less than 20% of net assets.

^[1] according to management accounts of OJSC "Veropharm"

^[2] % - percent of finished goods sales

^[3] ATC – anatomico-therapeutico-chemical group

For further information please call OJSC "Veropharm":

Maksutova Nadiya,
Chief Financial Officer

maksutova.nadiya@veropharm.ru
tel. (+7495) 792 53 30

Or web-site of the Company

www.veropharm.ru



Notes to the Editor:

VEROPHARM is one of the largest Russian pharmaceutical producers. Shares of the Company are listed on RTS (ticker: VRPH) and are also traded at MICEX (ticker: VFRM). Market capitalization as of September 30, 2011 totaled \$285 million (according to RTS).

The charter capital of the Company totals 10 million ordinary shares. VEROPHARM is the market leader in Russia for production of plasters and oncological medicines. The Company's production facilities comprise 3 pharmaceutical plants in Belgorod, Voronezh and Pokrov. The Company's product portfolio includes more than 300 items. VEROPHARM employs more than 2,000 people.

In the annual study conducted by the portal SuperJob.ru among 290,000 Russian companies VEROPHARM recognized as one of the most attractive employers in the labor market and become "Attractive employer-2010."

According to IMS Health as of the first nine months of 2011 Veropharm ranked 4th among Russian pharmaceutical producers in production volume terms.

In 9M 2011 compared to the same period last year, ranking in the "Manufacturers of medicines in the hospital segment" in the commercial market and the hospital supplies in Russia among all producers in terms of money VEROPHARM moved to 10th position (based on nine months of 2010, VEROPHARM took 19th position).

According to IMS Health, as of the first nine months of 2011 compared to 2010 Veropharm ranked 6th position in overall ranking of oncology drugs producers. As far as oncology drug producers ranking in pack terms concerned, Veropharm maintained its leading position.

THIS DOCUMENT IS NOT AN ADVERTISEMENT OF SECURITIES IN THE RUSSIAN FEDERATION, AND IS NOT AN OFFER TO SELL, OR AN INVITATION TO MAKE OFFERS TO PURCHASE, ANY SECURITIES IN THE RUSSIAN FEDERATION.

NOT FOR RELEASE, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN.

This document may include statements that are "forward-looking statements", including future operating results of the Company. These forward-looking statements involve risk and uncertainty regarding implementation of future activities. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements. The Company undertakes no obligation to change these statements to reflect actual results.

This document does not contain a public offer to purchase securities in the US. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to US persons.

This communication is being distributed only to and is directed only at (a) persons outside the United Kingdom, (b) persons who have professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (c) high net worth companies, unincorporated associations and other bodies to whom it may otherwise lawfully be communicated in accordance with Article 49 of the Order (all such persons together being referred to as "relevant persons"). The securities are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be available only to or will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.