

Confirmed «07» September 2010

By the committee of directors of Open
Joint-Stock Company «Pharmsynthez»

Protocol № b/n
dated 7 September 2010

Registered « »2010
State registration number

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(state registration number, incorporated to issue of securities)

**RO FFMS of Russia in NWFD (Northwestern
Federal District)**

(Job title and authorized signature of registration authority)

Seal of registration authority

Prospectus

Open Joint-Stock Company«Pharmsynthez»

***Undocumented registered ordinary shares
In the amount of 26 200 000 (twenty six million two hundred thousand shares
with par value 5 (five) roubles each,
Placement of shares – private placement***

The website, used by the issuer to disclose information:
<http://www.pharmsynthez.com/>

Information, contained in this prospectus of securities shall be disclosed in
accordance with Russian law on securities

***Registration authority is not responsible for the accuracy of information,
contained in the prospectus of securities and the fact of its registration doesn't
express their attitude towards published securities.***

<p>This is to confirm the accuracy of financial (accounting) statements of the issuer for the 2007, 2008, 2009 and compliance of the issuer's accounting with laws of the Russian Federation. The other information about financial position of the issuer contained in sections III, IV, V и VIII of the prospectus, tested for compliance in all considerable respects with the financial (accounting) statements, for which the audit was carried out.</p>

<p>General director Limited Liability Company «Aleks Audit Konsalt» Date «15» October 2010</p>	<p>_____ A.S. Kapitula stamp here</p>
<p>General director Open Joint-Stock Company«Pharmsynthez» Date «15» October 2010</p>	<p>_____ V.D. Romanov</p>
<p>Chief Accountant Open Joint-Stock Company«Pharmsynthez» Date «15» October 2010</p>	<p>_____ A.B. Barkanova stamp here</p>

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Introduction

a) Basic information about the placing securities of the issuer, which are subject to registration of prospectus:

Kind, category (type): **registered common shares (hereinafter - Shares)**

Other identification features of issue: registered common undocumented shares

Number of placed securities: **26,200,000 (Twenty-sixth million two hundred thousand)**

The par value of each security: **5 (five) roubles**

The procedure and terms of placement:

The procedure for determining the date of placement:

Start date of placement announced by the Issuer after the state registration of issue of Shares. Placing of Shares begins not less than 2 (two) weeks after information disclosure about state registration of the Shares and about the procedure of access for any interested persons to information contained in the Prospectus of securities in the newspaper "Daily News. Moscow area". The start date of placement of shares is determined by the Issuer and published in the news, not later than 5 (five) days before the date of the placement, as well as on the website of the Issuer <http://www.pharmsynthez.com>, not later than 4 (four) days before the date of the placement shares, but not before the publication of information in the news.

If the Issuer decides to change the date of the placement of the securities disclosed in the above order, the issuer must publish a notice about changing the date of placement of securities in the news and on the website <http://www.pharmsynthez.com> not later than 1 day before the date.

The procedure for determining the expiry date of placement: **date of placement of the last security of the additional issue, but not later than one year from the date of state registration of additional issue of securities.**

Term of placement is determined by reference to the date of disclosure of any information on the securities issue.

Procedure for the disclosure of such information:

Report on the state registration of additional shares and the procedure for access to information contained in the prospectus of securities, shall be published by the Issuer on the following dates from the date of publication of information on state registration of additional issue of securities of the Issuer on the registration authority's website or receiving by the issuer written notice of the registering body about state registration of additional issue of securities by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs first:

- In the news - not later than 1 (one) day;

- **In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;**
 - **In the newspaper "Daily News. Moscow area"- not later than ten (10) days.**
- If the information on the state registration of additional issue of securities of the Issuer on the website of the registering body was published on the date of state registration of additional securities issue, the information about the state registration of additional issue of securities is disclosed by the Issuer in the form of messages on the issue stage.**
- If the information about the state registration of additional issue of securities of the Issuer on the website of the registering body was published on the date following the date of state registration of additional securities issue, the information about the state registration of the securities disclosed by the Issuer in the form of such a message about material fact "information about the stages of the issuance of securities" in the following order:**
- **In the news - not later than 1 (one) day;**
 - **In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;**
 - **In the newspaper "Daily News. Moscow area"- not later than ten (10) days.**

The procedure of placement securities:

The procedure and conditions of making civil law contracts (terms and conditions of filing and satisfaction of applications) in the process of placement:

The Issuer and the purchaser of shares make a sale contract of shares by creating a single document and signing by the parties during the time of the placement of shares at the location of the Issuer: 188663, Russian Federation, Leningradskaya oblast, Vsevolozhskiy rayon, urban settlement Kuzmolovsky, station Kapitolovo, № 134, lit. 1.

Excess shares are placed on the basis of sale agreement.

After signing the purchase and sale agreement of shares the acquirer pays the purchased shares and tenders a document confirming full payment of the purchased Shares to the issuer.

After full payment for the purchased Shares, the Issuer enters into the register of shareholders the adequate record about the entry of Shares to the personal account of the purchaser.

Shares are considered to be placed since the moment of making entry to the personal account of the first purchaser.

Entry of Shares to the personal account of the purchaser of shares in the register of holders of registered securities shall be made only after full payment of the Shares and not later than the last day of their placement.

During the placing of securities, the prior right to acquire securities according to the provision 40 and 41 in the federal law on joint-stock companies shall not be granted due to the results of voting at the annual general meeting of shareholders

of the Issuer held on 06/30/2010 Year (record of June 30, 2010 № 10 GOS/2010). There were no Issuer's shareholders, who voted against or did not participate in the vote on issuing of excess shares through private placement. The decision to increase authorized capital by issuing excess shares through private placement was approved unanimously by all shareholders of the Issuer.

Securities are not placed through subscription, but through an auction.

Placement of securities is performed by the issuer without involvement of professional participants, providing services for placement of securities.

Simultaneously with the placement of securities, offer to purchase previously issued (outstanding) securities of the issuer of the same species, category (type), including outside the Russian Federation by placing the relevant foreign securities, is not planned.

Shares, securities convertible into shares and options of the issuer are not placed, by joint stock Company through private placement only among all shareholders with the provision of specified shareholders the possibility of acquiring a number of securities, proportionally to the number of shares of the relevant category (type).

Securities are not placed through private placement only among the shareholders of joint-stock company (issuer), with the opportunity to purchase a certain (limited) number of securities.

The securities are placed through private placement without division into several stages, conditions of placement for each of them is not the same (different).

Time (procedure for determining the time) and conditions of placement of securities of this issue are the same.

Issuer and / or Seller does not intend to enter into preliminary agreements containing the obligation to sign the main agreement in the future, aimed at the alienation of securities to the first owner, or to collect preliminary bids for the purchase of securities.

The Issuer is not a business company of strategic importance to national defense and national security. And making contracts, aimed at the alienation of securities of the Issuer to the first owners during their placement may not require a decision on preliminary approval of these agreements in accordance with Federal law "On Procedures for Foreign Investments to the Business Companies of Strategic Importance for National Defense and State Security".

a) The price of placement or the procedure for determining it:

The placement price of the Shares will be determined by the Board of Directors of the Company after the state registration of additional issue and not later than the date of starting the placement of shares.

b) Basic information about the issuer's outstanding securities, which are subject to registration of prospectus (in case of registration of the securities prospectus

subsequently (after the state registration of the issue (additional issue) of securities)): **Registration of this prospectus is accompanied by the registration of additional issue of Securities.**

c) The main objectives of issue and draft on funds received as a result of placement of securities:

The aim of issue is to attract capital for the production of drug products, creating of own network of medical offices, the acquisition of biotechnological and pharmaceutical companies abroad, financing of the second phase of clinical trials of MueloXEN Virexxa.

d) Other information: **none**

This prospectus contains estimates and projections of commissioners of the issuer's management relative to future events and / or actions, prospects of development of industries in which the Issuer carries out its core activities and concerning results of issuer's activity, including plans of the Issuer, the probability of occurrence of certain events and the fulfillment of certain action. Investors should not rely on estimates and projections of the Issuer entirely, as actual results of operations of the Issuer in the future may differ materially from projected results due to many reasons. Acquisition of securities of the Issuer related to the risks described in this prospectus of securities.

I. BRIEF INFORMATION ON PERSONS BELONGING TO THE ISSUER'S GOVERNING BODY, INFORMATION ON BANK ACCOUNTS, AUDITOR, APPRAISERS, FINANCIAL ADVISER OF THE ISSUER AND ON OTHER PERSONS WHO SIGNED THE PROSPECTUS

1.1. Persons belonging to the issuer's governing body

Information about the personal composition of the board of directors of the issuer:

Chairman of the Board of Directors:

Surname, first name: **Genkin Dmitry D.**

Date of birth: **1968**

Members of the Board of Directors:

Surname, first name: **Indrek Kasela**

Date of birth: **1971**

Surname, first name: **Erik Haavamäe**

Date of birth: **1969**

Surname, first name: **Steven Yaroslav Gorelik**

Date of birth: **1979**

Surname, first name: **Romanov Vadim D.**

Date of birth: **1962**

Surname, first name: **Howard S. Fischer**

Date of birth: **1962**

Surname, first name: **Miroslav S. Ravic**

Date of birth: **1949**

Information about the personal composition of the collegial executive body (board, directorship):

Formation of the collegial executive body is not envisaged by the Issuer's Charter.

For information on the person holding the post (acting director) of the independent executive body (General Director):

Surname, first name: **Romanov Vadim D.**

Date of birth: **1962**

1.2. Information on issuer's bank accounts

1. Full firm-name of the bank: **OpenJoint-Stock Company "SEB Bank"**

Abbreviated name of the bank: **OJSC "SEB Bank"**

Location: **195009, Russia, St. Petersburg, Mikhailova ulica, 11**

VATIN: **4706006731**

Account number: **40702810500000001040**

Account type: **settlement (current) ruble account**

Account number: **40702810377770001040**

Account type: **special card ruble account**

Account number: **40702840100000000259**

Account type: **current foreign currency account (USD)**

Account number: **40702840500000000260**

Account type: **transit currency account (USD)**

Account number: **40702978600000000252**

Account type: **current foreign currency account (EUR)**

Account number: **40702978900000000253**

Account type: **transit currency account (EUR)**

BIC: **044030747**

Loro account number of the bank: **30101810500000000747**

2. Full firm-name of the bank: **Dresdner Bank Closed Joint-Stock Company**

Abbreviated name of the bank: **Dresdner Bank CJSC**

Location: **190000, Russian Federation, St. Petersburg,. Malaya Morskaya ulica, 23**

VATIN: **7831000901**

Account number: **40702810064002015523**

Account type: **settlement (current) ruble account**

Account number: **40702840364002015523**

Account type: **current foreign currency account (USD)**

Account number: **40702840164082015523**

Account type: **transit currency account (USD)**

Account number: **40702978964002015523**

Account type: **current foreign currency account (EUR)**

Account number: **40702978764082015523**

Account type: **transit currency account (EUR)**

BIC: **044030813**

Loro account number of the credit institution: **30101810900000000813**

1.3. Information on issuer's auditors

Information about auditors who carried out an independent audit of accounting and financial (accounting) statements of the issuer for the last three completed fiscal years or for each completed financial year if the issuer conducts its operations within less than three years, and form appropriate audit opinions:

1. Full firm-name: Closed Joint Stock Company "Audit-Consulting Group" Audit-Eurofinance

Abbreviated name: **CJSC Audit-Consulting Group "Audit-Eurofinance**

Location of the firm: **190068, Russia, St. Petersburg, Sadovaya ulica, d.53, office 78**

Phone Number: **(812) 710-81-73**

Fax Number: **(812) 710-81-73**

E-mail address: **audit@audit-eurofinance.ru**

Number, date of issuance of a license to perform audits: **E 003,135 from 27.12.2002.**

Validity of license: **27.12.2012.**

Authority which issued the license: **Ministry of Finance of the Russian Federation**

Financial year (s) for which the auditor conducted an independent audit of the accounting and financial (accounting) statements of the issuer: **2007.**

Factors that may affect the independence of the auditor of the issuer, including information on the availability of essential interest, binding the auditor (auditor's officials) with the issuer (the officials of the issuer): **None**

Auditor's availability of stakes (auditor's officials) in the authorized (share) capital (unit trust) of the issuer: **None**

Crediting the auditor (auditor's officials) by the Issuer: **borrowed funds to the auditor were not granted**

The close business relations (participation in the promotion of products (services) of the issuer, the participation in joint ventures, etc.), as well as family ties: **None**

Details of officials of the issuer who are also officials of the auditor (s): **no such officials.**

Measures taken by the issuer and the auditor to reduce the influence of mentioned factors: **The main measure taken by the Issuer to reduce the influence of mentioned factors is the process of close examination of candidates for the auditor's independence from the Issuer.**

The selection of the issuer's auditor: **Auditor is selected at the shareholders meeting.**

The presence of tender process associated with the choosing of auditor, and its basic conditions: **the issuer's auditor is appointed at the general meeting of shareholders without a tender procedure.**

The procedure for nomination of an auditor for approval by the meeting participants, including the governing body: **the approval of an audit and appointment of the auditor is the exclusive competence of the general meeting of shareholders.**

Information about the work performed by the auditor as a part of special engagements: **works within the framework of special engagements of the auditors were not carried out.**

The procedure for determining the remuneration of the auditor: **the exclusive competence of the general meeting of shareholders.**

The actual size of the fees paid by the issuer to the auditor for each fiscal year or other period for which the auditor conducted an independent audit of the accounting and financial accounting statement of the issuer:

The actual size of the fees paid to the auditor by the issuer:

2007 - 245 000 roubles.

Information about deferred and late payments for services rendered by the auditor: **there are no deferred and late payments for services rendered by the auditor of the Issuer.**

2. Full firm-name: Limited Liability Company Agency "of Industrial and Financial Audit"

Abbreviated name: **LLC Agency "of Industrial and Financial Audit"**

Location of the firm: **196084, Russia, St. Petersburg, Smolenskya ulica, 9**

Phone Number: **(812) 740-58-28**

Fax Number: **(812) 740-58-28**

E-mail address: **promfinaudit@mail.ru**

Number, date of issuance of a license to perform audits: **E 000,528 from 25.06.2002.**

Validity of license: **25.06.2012.**

Authority which issued the license: **Ministry of Finance of the Russian Federation**

Financial year (s) for which the auditor conducted an independent audit of the accounting and financial (accounting) statements of the issuer: **2008.**

Factors that may affect the independence of the auditor of the issuer, including information on the availability of essential interest, binding the auditor (auditor's officials) with the issuer (the officials of the issuer): **None**

Auditor's availability of stakes (auditor's officials) in the authorized (share) capital (unit trust) of the issuer: **None**

Crediting the auditor (auditor's officials) by the Issuer: **borrowed funds to the auditor were not granted**

The close business relations (participation in the promotion of products (services) of the issuer, the participation in joint ventures, etc.), as well as family ties: **None**

Details of officials of the issuer who are also officials of the auditor (s): **no such officials.**

Measures taken by the issuer and the auditor to reduce the influence of mentioned factors: **The main measure taken by the Issuer to reduce the influence of mentioned factors is the process of close examination of candidates for the auditor's independence from the Issuer.**

The selection of the issuer's auditor: **Auditor is selected at the shareholders meeting.**

The presence of tender process associated with the choosing of auditor, and its basic conditions: **the issuer's auditor is appointed at the general meeting of shareholders without a tender procedure.**

The procedure for nomination of an auditor for approval by the meeting participants, including the governing body: **the approval of an audit and appointment of the auditor is the exclusive competence of the general meeting of shareholders.**

Information about the work performed by the auditor as a part of special engagements: **works within the framework of special engagements of the auditors were not carried out.**

The procedure for determining the remuneration of the auditor: **the exclusive competence of the general meeting of shareholders.**

The actual size of the fees paid by the issuer to the auditor for each fiscal year or other period for which the auditor conducted an independent audit of the accounting and financial accounting statement of the issuer:

The actual size of the fees paid to the auditor by the issuer:

2008 - 200 000 roubles.

Information about deferred and late payments for services rendered by the auditor: **there are no deferred and late payments for services rendered by the auditor of the Issuer.**

3. Full firm-name: Limited Liability Company "Aleks Audit Konsalt"

Abbreviated name: **LLC "Aleks Audit Konsalt"**

Location of the firm: **191119, Russia, St. Petersburg, ul. Constantine Zaslouova ulica, 10, lit.B**

Phone Number: **(812) 740-11-24**

Fax Number: **(812) 740-11-24**

E-mail address: **ak39@rambler.ru**

Number, date of issuance of a license to perform audits, the validity of licenses: **there is license to carry out audit work; company is a member of self-regulating organization of auditors.**

Data on the auditor's membership in self-regulating organizations of auditors:

Full name of self-regulating organization of auditors, member of which is the issuer's auditor: **Non-Profit Partnership "The Guild of the auditors of the Regional Institutes of Professional Accountants.**

Location of the self-regulating organization of auditors, member of which is the issuer's auditor: **127081, Moscow, Russia, Yasnyi proezd, 19, p.2**

Information about the auditor's membership in the boards, associations or other professional associations (organizations): **The auditor is a member of the Non-Profit Partnership "The Guild of the auditors of the Regional Institutes of Professional Accountants.**

Financial year (s) for which the auditor conducted an independent audit of the accounting and financial (accounting) statements of the issuer: **2009.**

Factors that may affect the independence of the auditor of the issuer, including information on the availability of essential interest, binding the auditor (auditor's officials) with the issuer (the officials of the issuer): **None**

Auditor's availability of stakes (auditor's officials) in the authorized (share) capital (unit trust) of the issuer: **None**

Crediting the auditor (auditor's officials) by the Issuer: **borrowed funds to the auditor were not granted**

The close business relations (participation in the promotion of products (services) of the issuer, the participation in joint ventures, etc.), as well as family ties: **None**

Details of officials of the issuer who are also officials of the auditor (s): **no such officials.**

Measures taken by the issuer and the auditor to reduce the influence of mentioned factors: **The main measure taken by the Issuer to reduce the influence of mentioned factors is the process of close examination of candidates for the auditor's independence from the Issuer.**

The selection of the issuer's auditor: **Auditor is selected at the shareholders meeting.**

The presence of tender process associated with the choosing of auditor, and its basic conditions: **the issuer's auditor is appointed at the general meeting of shareholders without a tender procedure.**

The procedure for nomination of an auditor for approval by the meeting participants, including the governing body: **the approval of an audit and appointment of the auditor is the exclusive competence of the general meeting of shareholders.**

Information about the work performed by the auditor as a part of special engagements: **works within the framework of special engagements of the auditors were not carried out.**

The procedure for determining the remuneration of the auditor: **the exclusive competence of the general meeting of shareholders.**

The actual size of the fees paid by the issuer to the auditor for each fiscal year or other period for which the auditor conducted an independent audit of the accounting and financial accounting statement of the issuer:

The actual size of the fees paid to the auditor by the issuer:

2009 - 240 000 roubles.

Information about deferred and late payments for services rendered by the auditor: **there are no deferred and late payments for services rendered by the auditor of the Issuer.**

1.4. Information on issuer's appraiser

To provide valuation services related to the implementation of this issuance of securities, namely:

Appraisal of the market value of securities;

Appraisal of the market value of property that is collateral for the issuer's bonds with collateral security;

Providing other appraisal services, relating to the implementation of the issuance of securities, information of which is indicated in the prospectus for the securities

Appraiser was not involved.

The issuer is not a stock investment fund.

1.5. Information on issuer's financial advisers

Information about the financial adviser in the securities market, as well as on other persons providing consulting services to the issuer relating to the implementation of issue of securities, who signed the prospectus submitted for

registration, as well as a registered prospectus of the outstanding securities of the issuer:

For the preparation of this Prospectus of securities and other registered securities prospectuses, financial advisers in the securities market and other consultants of the issuer were not involved.

1.6. Information on other persons who signed the prospectus

Information about individuals who provided security for bonds of the issue, and other persons who signed the prospectus, and not mentioned in the preceding paragraphs of this section:

1. Information about the chief accountant of the issuer who signed this prospectus:

Surname, first name: **Barkanova Anna B.**

Date of Birth: **1964**

Information about the main place of work and position: **Chief Accountant of OJSC "Pharmsintez ".**

II. Brief Information on the amounts, date, order and terms of placement for every kind, category (type) of securities

2.1. Kind, category (type) and form of securities

Kind of placed securities: **shares**

Category of shares: **common**

The form of the placed securities: **registered undocumented securities**

The securities are not convertible.

2.2. Par value of each kind, category (type), series of placed securities

The par value of each security of an additional issue: **5 (five) roubles.**

2.3. The estimated value of output in money terms and number of placed securities

Number of placed securities: **26,200,000 (Twenty-sixth million two hundred thousand).**

Volume of securities at par value: **131,000,000 (One hundred thirty one million) roubles.**

2.4. Price (the procedure of rating) of placement of securities

The procedure of rating: **the offering price of Shares will be determined by the Board of Directors of the Company after the state registration of additional issue and not later than the date of the placement of the Shares.**

2.5. Procedure and date of placement of securities

Start date of placement of securities or the procedure for determining it:

The procedure for determining the date of placement:

Start date of placement announced by the Issuer after the state registration of issue of Shares. Placing of Shares begins not less than 2 (two) weeks after information disclosure about state registration of the Shares and about the procedure of access for any interested persons to information contained in the Prospectus of securities in the newspaper "Daily News. Moscow area".

The start Date of placement of shares is determined by the Issuer and published in the news, not later than 5 (five) days before the date of the placement, as well as on the website of the Issuer <http://www.pharmsynhez.com>, not later than 4 (four) days before the date of the placement shares, but not before the publication of information in the news.

If the Issuer decides to change the date of the placement of the securities disclosed in the above order, the issuer must publish a notice about changing the date of placement of securities in the news and on the website <http://www.pharmsynhez.com> not later than 1 day before the date.

The procedure for determining the expiry date of placement: **date of placement of the last security of the additional issue, but not later than one year from the date of state registration of additional issue of securities.**

Term of placement is determined by reference to the date of disclosure of any information on the securities issue.

Procedure for the disclosure of such information:

Report on the state registration of additional shares and the procedure for access to information contained in the prospectus of securities, shall be published by the Issuer on the following dates from the date of publication of information on state registration of additional issue of securities of the

Issuer on the registration authority's website or receiving by the issuer written notice of the registering body about state registration of additional issue of securities by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs first:

- In the news - not later than 1 (one) day;**
- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;**
- In the newspaper "Daily News. Moscow area"- not later than ten (10) days.**

If the information on the state registration of additional issue of securities of the Issuer on the website of the registering body was published on the date of state registration of additional securities issue, the information about the state registration of additional issue of securities is disclosed by the Issuer in the form of messages on the issue stage.

If the information about the state registration of additional issue of securities of the Issuer on the website of the registering body was published on the date following the date of state registration of additional securities issue, the information about the state registration of the securities disclosed by the Issuer in the form of such a message about material fact "information about the stages of the issuance of securities" in the following order:

- In the news - not later than 1 (one) day;**
- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;**
- In the newspaper "Daily News. Moscow area "- not later than ten (10) days.**

Procedure of placement: private placement.

The presence of prior right to purchase the securities and the date of making the list of persons having such preferential right: **During the placing of securities, the prior right to acquire securities according to the provision 40 and 41 in the federal law on joint-stock companies shall not be granted due to the results of voting at the annual general meeting of shareholders of the Issuer held on 06/30/2010 Year (record of June 30, 2010 № 10 GOS/2010). There were no Issuer's shareholders, who voted against or did not participate in the vote on the flotation of excess shares through private placement. The decision to increase authorized capital by issuing excess shares through private placement, was approved unanimously by all shareholders of the Issuer.**

Placement of securities is not implemented by public subscription with the possibility of their acquisition outside the Russian Federation.

Placement of securities is performed by the issuer without involvement of professional participants, providing services for placement of securities.

Other material, according to the issuer, terms of placement:

Other material terms of the Placement are listed in section IX of this Prospectus.

2.6. Procedure and terms of payment for securities

Stipulated by payment in monetary funds.

Terms of payment of securities: **Stipulated by payment in monetary funds. All Shares are payable in the currency of the Russian Federation on a cashless basis through their transfer to the settlement account of the Issuer, opened in the Joint-Stock Company "SEB Bank".**

Payment period: **excess shares must be fully paid if they were purchased during the term of the placement of shares indicated in paragraph 8.2 of the Decision on the additional issue of securities.**

Cash payments are not available.

Stipulated by non-cash payment.

Information on lending agency:

The form of non-cash payments: **payment by a payment order.**

Full firm-name of the bank: **Joint-Stock Company "SEB Bank"**

Abbreviated name of the bank: **JSC "SEB Bank"**

Location: **195009, Russia, St. Petersburg, Mikhailova ulica, 11**

Bank account details, where funds received in payment for securities must be transferred: the account to which the funds are transferred:
40702810500000001040

Loro account: 30101810500000000747 in GRKC Bank of Russia in St. Petersburg

BIC 044030747

VATIN 7801075160

OKPO 32838957

KPP 470301001

Non-monetary forms of payment are not provided.

2.7. Procedure and terms of signing contracts during placing of securities

The procedure and conditions of making civil law contracts (terms and conditions of filing and satisfaction of applications) in the process of placement:

The Issuer and the purchaser of shares make a sale contract of shares by creating a single document and signing by the parties during the time of the placement of shares at the location of the Issuer: 188663, Russian Federation, Leningradskaya oblast, Vsevolzhskiy rayon, urban settlement Kuzmolovsky, station Kapitolovo, № 134, lit. 1

Excess shares are placed on the basis of sale agreement.

After signing the sale agreement of shares, the acquirer pays the purchasing shares and tenders a document confirming full payment of the purchased Shares to the issuer.

After full payment for the purchased Shares, the Issuer enters into the register of shareholders the adequate record about the entry of Shares to the personal account of the purchaser.

Shares are considered to be placed since the moment of making entry to the personal account of the first purchaser.

Entry of Shares to the personal account of the purchaser of shares in the register of holders of registered securities shall be made only after full payment of the Shares and not later than the last day of their placement.

Securities are not placed through subscription, but through an auction.

Placement of securities is performed by the issuer without involvement of professional participants, providing services for placement of securities.

2.8. Group of potential purchasers of securities

The group of potential purchasers of securities (also may be pointed the number of securities placed for each of the parties): **Benedicteko Limited (Benedicteco Limited), incorporated under the laws of the Republic of Cyprus, the registration number of which is 267756. The Company is located at: 1097 Cyprus, Nicosia, Diagorou Street 2, 7-12 floors.**

2.9. Procedure for disclosure of information on placement and the results of placement of securities

The Issuer shall disclose the information at each stage of issuance of securities in accordance with the requirements of the Federal Law "On securities market" from 22.04.1996. № 39-FZ, the provisions on information disclosure by issuers of securities approved by the Order of

the Federal Financial Markets Service of Russia from 10 October 2006. № 06-117/pz-n (hereinafter - the "Regulation on Disclosure"), in the manner and time stipulated by the Decision on Additional Securities Issue and by the Prospectus. If, at the time of an event, of which the Issuer must disclose the information in accordance with applicable federal laws and regulations of the federal executive body for the securities market was established a different procedure and deadlines for the disclosure of such an event, rather than the procedure and deadlines provided by the Decision on Additional Securities Issue and by the Prospectus, the information on this event is revealed in the manner and time stipulated by federal laws and regulations of the federal executive body for the Securities Market, effective at the time of occurrence.

The Issuer shall disclose this information in a manner and form required by regulations of the federal executive body for the securities market.

The state registration of additional securities issue is accompanied by the registration of the securities prospectus.

Procedure for disclosure of information on each step of issuing securities, including forms, methods, timing of disclosure of relevant information:

a) Notification of making a decision on the placement of shares is disclosed by the Issuer on the following dates from the date of compilation of minutes (expiry date, established by the legislation of the Russian Federation for minutes) of meeting (session) authorized governing body of the Issuer, which made such a decision:

- In the news - not later than 1 (one) day;

- On the website: <http://www.pharmsynthez.com> - within 2 (two) days.

The publication in the Internet "is carried out after publication in the news.

b) Report on approval of the decision on the additional issue of securities is disclosed by the Issuer on the following dates from the date of compilation of minutes (expiry date, established by the legislation of the Russian Federation for minutes) of meeting (session) authorized governing body of the Issuer, which made such a decision:

- In the news - not later than 1 (one) day;

- On the website: <http://www.pharmsynthez.com> - within 2 (two) days.

The publication in the Internet "is carried out after publication in the news.

c) Report on the state registration of additional shares and the procedure for access to information contained in the prospectus of securities, shall be published by the Issuer on the following dates from the date of publication

of information on state registration of additional issue of securities of the Issuer on the registration authority's website or receiving by the issuer written notice of the registering body about state registration of additional issue of securities by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs first:

- In the news - not later than 1 (one) day;**
- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;**
- In the newspaper "Daily News. Moscow area"- not later than ten (10) days.**

If the information on the state registration of additional issue of securities of the Issuer on the website of the registering body was published on the date of state registration of additional securities issue, the information about the state registration of additional issue of securities is disclosed by the Issuer in the form of messages on the issue stage.

If the information about the state registration of additional issue of securities of the Issuer on the website of the registering body was published on the date following the date of state registration of additional securities issue, the information about the state registration of the securities disclosed by the Issuer in the form of such a message about material fact "information about the stages of the issuance of securities" in the following order:

- In the news - not later than 1 (one) day;**
- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;**
- In the newspaper "Daily News. Moscow area"- not later than ten (10) days.**

Within 2 (two) days from the date of publication of information on state registration of additional issue of securities of the Issuer on the registration authority's website or receiving by the issuer written notice of the registering body about state registration of additional issue of securities by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs first, the Issuer will publish the text of the registered Decision on the additional issue of securities in the Internet at: <http://www.pharmsynthez.com>.

Text of the registered decision about additional issue of securities must be available in the Internet at: <http://www.pharmsynthez.com> since the time of termination established earlier for publication in the Internet, and if it is published in the Internet after the expiry of that date - from the date of its publication in the Internet till redemption (cancellation) of all securities of the issue (additional issue).

Within 2 (two) days from the date of publication of information about the state registration of additional issue of securities on the registration authority's website or receiving by the issuer written notice of the registering body about state registration of additional issue of securities, depending on which of these dates occurs first, the Issuer will publish the text of the registered Decision on the additional issue of securities in the Internet at: <http://www.pharmsynthez.com>.

Text of the registered prospectus of securities must be available in the Internet at: <http://www.pharmsynthez.com> since the time of termination established earlier for publication in the Internet, and if it is published in the Internet after the expiry of that date - from the date of its publication in the Internet till expiration date, of at least 6 (six) months since the publication of text of registered report on results of additional issue of securities.

d) During share floatation the Issuer is obliged to disclose information in the following form:

- Information about the price (rating procedure) of the placement of securities;
- Information on the start date of placement;
- Information about the start of placement;
- Information about suspension of securities placement;
- Data about renewed placement of securities;
- Information on the completion of the placement of securities

1. Share floatation price is determined by the issuer after the state registration of additional issue of securities.

Information on the offering price of the Shares must be published by the Issuer in the news and in the Internet not later than the date of placement of securities. Information on the offering price of the Shares is published by the Issuer on the following dates prior to the start date of placement:

- In the news, within 1 (one) day after the decision of determining the offering price, but not later than the date of the placement of securities;
- In the Internet <http://www.pharmsynthez.com> - within 2 (two) days after the decision of determining the offering price, but not later than the date of the placement of securities.

The publication in the Internet is carried out after publication in the news.

2. Information about the start date of placing securities must be published by the issuer within the following time:

In the news – not later than 5 days before the start date of placing shares;

In the internet: <http://www.pharmsynthez.com> – not later than 4 days before the start date of placing shares.

The publication in the Internet is carried out after publication in the news. The Issuer shall disclose this information in a manner and form prescribed for disclosure on the stages of the issuance of securities.

3. If the Issuer decides to change the date of the share floatation, the issuer must publish a notice about changing the date of Floatation of shares in the news and on the website: <http://www.pharmsynthez.com> not later than 1 day before the date.

The publication in the Internet is carried out after publication in the news.

4. Information about the start date of share floatation is disclosed by the Issuer in the form of material fact "information about the stages of the issuance of securities in the following periods from the date of starting placement:

- In the news - not later than 1 (one) day;

In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days.

The publication in the Internet "is carried out after publication in the news.

5. If during the term of share floatation, issuer decides to make changes and / or additions to the Decision on the additional issue of securities and / or to the prospectus of the securities and / or in the case if a written demand (instruction, determination) of the federal executive body for the securities market is received by the issuer, the Issuer must suspend share floatation and publish an information about suspension of Share floatation on the following dates from the date of compilation of minutes (expiry date, established by the legislation of the Russian Federation for minutes) of meeting of issuer's authorized body, which made decision to modify the Decision on the additional issue of securities and / or the prospectus of securities, or from the date of receiving by the Issuer a written demand (instructions, determination) of the federal executive body for the securities market to suspend the placement of securities by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs first:

- In the news - not later than 1 (one) day;

- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;

The publication in the Internet is carried out after publication in the news.

If the offering of securities is suspended in connection with the registration authority's decision to suspend issuance of securities; information about the suspension of the securities is disclosed by the Issuer in the form of

material fact "information about the suspension and resumption of issuance of securities."

6. Information on the resumption of the placement of securities must be published by the Issuer on the following dates from the date of publication of information about registration of changes and / or additions to the Decision on the additional issue of securities and / or to the Securities Prospectus or about the refusal to register such changes and / or additions on the website of the registering authority or receiving of a written notice of the registering authority for registration of changes and / or additions to the Decision on the additional issue of securities and / or to the Securities Prospectus or the refusal to register such changes and / or additions, or a written notice (determination, decision) of the authorized body for the resumption of the placement of securities (the termination of the grounds for the suspension of the placement of securities) by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs earlier:

- In the news - not later than 1 (one) day;

- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;

The publication in the Internet is carried out after publication in the news.

If the offering of securities is resumed in connection with the registration authority's decision to resume issuance of securities; information about the resumption of the securities is disclosed by the Issuer in the form of material fact "information about the suspension and resumption of issuance of securities."

Renewal of the placement of securities is not allowed before the publication of information about the resumption of placement of securities in the news and in the Internet is provided.

7. Information about the end of share floatation is disclosed by the issuer in the form of announcement about material fact "information about the stages of the issuance of securities" in the following periods from the date of completion of share floatation:

- In the news - not later than 1 (one) day;

- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;

The publication in the Internet is carried out after publication in the news.

e). Information about state registration of account on totals of the additional issue of securities is disclosed by the Issuer in the form of announcement about material fact "information about the stages of the issuance of securities" in the following periods from the date of publication of information on state registration of report on the additional issue of securities of the Issuer on the website of the registering body or in time of

receiving of a written notice of the registering body, about the state registration of the report on the totals of the additional issue of securities by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs first:

- In the news - not later than 1 (one) day;

- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;

The publication in the Internet is carried out after publication in the news.

Text of the registered account on the totals of the additional issue of securities must be published by the Issuer in the internet within two days since the information on state registration of report on the additional issue of securities of the Issuer is published on the website of the registering body, or since the Issuer received a written notice of the registering body, about the state registration of the account on the additional issue of securities by post, fax, e-mail, on receipt of delivery, depending on which of these dates occurs first.

Text of the registered account on the totals of the additional issue of securities must be available in the Internet at: <http://www.pharmsynthez.com> within 6(six) months, since expiration of time established by the present regulations for publication in the Internet, and if it is published in the Internet after the expiration date - from the date of its publication in the Internet.

f). The Issuer shall disclose this information in the form of announcement about material fact and in the order stipulated by legislation of Russian Federation including regulations of the federal executive body for the securities market.

The information disclosure in the form of announcement about material fact is carried out by the issuer through publishing of announcement about material fact in the following terms since the moment of emergence of the material fact:

- In the news - not later than 1 (one) day;

- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days;

The publication in the Internet is carried out after publication in the news.

Text of the announcement about material fact must be available in the Internet at: <http://www.pharmsynthez.com> within 6(six) months, since expiration of time established by the present regulations for publication in the Internet, and if it is published in the Internet after the expiration date - from the date of its publication in the Internet.

g). Beginning with the quarter during which the prospectus was registered, the Issuer must disclose information in the form of quarterly account in the order stipulated by Russian legislation, including regulations of the federal executive body for the securities market.

The quarterly account is compiled on the basis of each quarter and submitted to the federal executive body for the securities market within 45 (forty five) days from the expiry date of the reporting quarter.

In a period of time - not more than 45 (forty five) days from the end of the quarter, Issuer shall publish the text of the quarterly account of the issuer of securities in the Internet at: <http://www.pharmsynthez.com>.

Text of the quarterly account must be available in the Internet at: <http://www.pharmsynthez.com> within 3(three) years, since expiration of date established by the present regulations for publication in the Internet, and if it is published in the Internet after the expiration date - from the date of its publication in the Internet.

Not later than 1 (one) day from the date of publication of text about the quarterly report in the Internet, the issuer must publish in the news report on the access to the information contained in the quarterly account.

h). Other conditions of disclosure of information, provided by the issuer

1. The issuer is obliged to provide access to any interested party to the information contained in each of the reports, including each announcement about material facts, published by the Issuer in accordance with the Decision on the additional issue of securities, by the Securities Prospectus and the Regulations on information disclosure, as well as in the registered Decision on the additional issue of securities, in the Securities Prospectus and in the amendments and / or supplements to them, in the reports on the additional issue of securities, as well as in the quarterly account, by placing copies of them at the following address:

Open Joint-Stock Company “Pharmsynthez”

Address: 188663, Russian Federation, Leningradskaya oblast, Vsevolozhskiy rayon, urban settlement Kuzmolovsky, station Kapitolovo, № 134, lit. 1.

Phone number: +7 (812) 329-80-80

Internet address: <http://www.pharmsynthez.com>.

Issuer must provide a copy of each report, including a copy of each announcement about material fact, which is published by the Issuer in accordance with the Decision on the additional issue of securities by the Securities Prospectus and Regulations on information disclosure, a copy of the registered Decisions on additional issue of securities, the Prospectus, changes and / or supplements to them, reports on the additional issue of securities, as well as a copy of the Quarterly report. All this information must be provided by the issuer to owners of securities and also to other interested parties on their request for a fee not exceeding the cost of making such copies in a period

not exceeding 7 (seven) days from the date of the request. A copy provided by the issuer is certified by an authorized person of the Issuer.

2) In case of any data that could materially affect the value of the securities of the Issuer, the information on this data will be disclosed in the following periods from the occurrence of the event:

- In the news - not later than 1 (one) day;

- In the Internet »: <http://www.pharmsynthez.com> - within 2 (two) days.

Text of the data that could materially affect the value of the securities of the Issuer must be available in the Internet at: <http://www.pharmsynthez.com> within 6(six) months, since expiration of time established by the present regulations for publication in the Internet, and if it is published in the Internet after the expiration date - from the date of its publication in the Internet.

Issuer and / or the Registrar, who maintains the register of holders of registered securities, must provide a copy of the decision on the additional issue of securities for a fee not exceeding the cost of its manufacture on a request of an interested person.

III. Basic information on the financial and economic status of the issuer

3.1. Indexes of financial and economic activities of the issuer

Dynamics of indexes of financial condition of the issuer for the last 5 fiscal years, as well as for the last complete accounting period before the date of approval of the prospectus:

Name of the index	2005	2006	2007	2008	2009	1 half year 2010
Net asset value, thousand of roubles	225 907	240 561	263 823	265 867	270 441	283 761
Debt-to-equity ratio	247,29	52,87	42,58	45,18	38,74	41,26
Ratio of current liabilities to capital and reserve	247,29	52,87	41,94	43,63	38,53	38,78
Cover of payments on debt service, %	No information	334,12	151,97	77,13	349,79	74,28
Level of past due balance, %	0	0	0	0	0	0
Turnover of accounts receivables, number of times	5,04	2,68	2,47	2,11	3,56	1,46
Quota of dividends in the benefit, %	0	0	0	99	0	0
Working efficiency, thousand of roubles./men.	1 390,81	1 554,16	1 778,37	1 666,17	2 217,46	1 295,34
Amortization to the revenue, %	14,97	12,31	10,77	10,75	8,15	7,15

For calculating these indexes was used a method recommended by the "Regulation on information disclosure by issuers of securities approved by order of the Federal service for financial markets on October 10, 2006 № 06-117/pz-n.

The analysis of solvency and financial condition of the issuer based on an economic analysis of the dynamics of these indexes:

The calculation of net asset value of the Issuer shows that the amount of net assets exceeds the amount of authorized capital of the Issuer. The fact meets the requirements of the Federal Law on Joint Stock Companies "and attests to successful financial-economic activity of the company. In addition, during 2005-2009 smooth increase in net assets value of the Issuer by 19.71percents is observed, which also reflects the effective work of the Issuer.

The Pointers «Debt-to-equity ratio» and «Ratio of current liabilities to capital and reserve» are indexes of financial dependence. The higher these indexes, the greater degree of financial leverage of the company is.

The Index «Debt-to-equity ratio» shows the amount of borrowed current assets attracted by the issuer on 1 ruble of own funds. Values of this index over the considered period decreased (except for 2008 when the index increased marginally by 6.11percents) and by the end of 2009 decreased in comparison to 2005 by 6.38 times through reducing the amount of liabilities. The dynamics of this index suggests that the Issuer, although supplied with own funds in sufficient quantities, after all obtain funds for securing the current activity.

The Index «Ratio of current liabilities to capital and reserve » shows the amount of current liabilities attracted by the issuer on 1 ruble of own funds. Values of this index over the considered period decreased (except for 2008 when the index increased marginally by 4.03percents) and by the end of 2009 decreased in comparison to 2005 by 6.42 times through reducing the amount of liabilities. Considering the analysis of the previous index, we can conclude that the Issuer's obligations consisted primarily of current liabilities.

The Index “Cover of payments on debt service” shows the ability of the company to repay current liabilities due to the current values of profits. Index values for 2005 were not calculated because the issuer had no net profit. Index value was the lowest in 2008, and the fact testified that the Issuer was able to repay only 77.13percents of existing liabilities at the expense of current surplus due to low net profits obtained in 2008. In other years, the Issuer was able to repay existing liabilities in full.

The Index «Level of past due balance» shows the percentage of past due balance of the issuer in the total liabilities of the Issuer.

Past due balance of the Issuer was absent during the concerned period. This fact testifies to the sufficient solvency of the issuer, and its financial stability.

The index “Turnover of accounts receivables” reflects the rate at which customers (debtors) pay its liabilities to the company, and is calculated as the ratio of revenue from sales to the amount of accounts receivables. Decrease in accounts receivables turnover by 2.39 times in 2005, 2008 is associated with an increase in accounts receivables. In 2009 the turnover of accounts receivables

increased in comparison with 2008 by 68.72percents due to the reduction of accounts receivable and increase of the revenue.

During the following period the issuer pay dividends only in 2008.

The index “Working efficiency” shows the value of revenue earned on average by each worker (employee) of the company during the period under review. The index allows evaluating the effectiveness of labor resources in the company. Values of this index increased throughout the period by 1.59 times at the expense of revenue growth. As light decline occurred in 2008, which coincided with an increase in the average number of employees. Thus, the company implemented an effective human resources policy.

Value of the index “Amortization to the revenue” has decreased gradually during the concerned period, because of the changes in the volume of revenue and amortization.

At large, according to the data analysis of indexes of financial and economic activity of the Issuer, one can conclude that the Issuer has satisfactory financial condition and high degree of business activity.

Solvency and financial soundness of the Company are, in general, at an acceptable level, as evidenced by the positive dynamics in most major financial indexes.

The Issuer has a good chance for further development. Implementation of the planned investment projects will help to ensure more efficient operation of the Issuer.

3.2. Issuer’s market capitalization

Information on the issuer's market capitalization The issuer is an Open Joint-Stock Company, registered common shares of which are admitted by the organizer of trade in the securities market for the last 5 completed financial years, with details about market capitalization on the date of completion of each fiscal year and the date of the last complete accounting period to the date of approval of the securities prospectus:

Due to the fact that in 2005-2009, as well as in the first half of 2010 shares of the Issuer were not traded on the securities market, to determine the market

capitalization of the Issuer, the cost of its net asset for the concerned period is taken into account.

Accounting period	Net asset value (thousand of roubles)
2005	225 907
2006	240 561
2007	263 823
2008	265 867
2009	270 441
1 half of 2010	283 761

3.3. Issuer's liabilities

3.3.1. Bill payable

Information on the total amount of bill payable of the Issuer (the sum of long-term liabilities and current liabilities of the issuer, after deduction of debts to sharers (promoters) for income payments, deferred revenue, reserves for future expenses and payments) with a separate indication of the total amount of outstanding bill payable for the last 5 completed financial years:

Name of the index	2005	2006	2007	2008	2009
Total amount of long-term and current liabilities *, thousand of roubles	558 566	127 172	112 318	120 089	102 265
Total sum of outstanding bill payable, thousand of roubles.	0	0	0	0	0

* This index is calculated in accordance with the Regulations on information disclosure by issuers of securities approved by the Order of the Federal Financial Markets Service dated 10.10.2006 № 06-117/pz-n.

The Issuer has no outstanding bill payable under credit agreements, loan agreements, as well as debt on issued securities (including issued bonds and bills), as well as other liabilities of the Issuer.

Structure of bill payable of the issuer with the date of performance of liabilities for the last completed financial year and the last complete accounting period before the date of approval of the securities prospectus:

Name of the bill payable	2009		1 half of 2010	
	Date of payment		Date of payment	
	Within one year	Over one year	Within one year	Over one year
Bill payable to suppliers and builders, thousand of roubles	<i>70 498</i>	<i>X</i>	<i>93 459</i>	<i>X</i>
Including outstanding, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>
Bill payable to the staff of the company, thousand of roubles.	<i>1 970</i>	<i>X</i>	<i>2 481</i>	<i>X</i>
Including outstanding, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>

Bill payable to state budget and extra-budgetary funds, thousand of roubles	<i>7 116</i>	<i>572</i>	<i>5 315</i>	<i>7 038</i>
Including outstanding, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>
Credits, thousand of roubles	<i>21 439</i>	<i>X</i>	<i>3 006</i>	<i>X</i>
Including outstanding, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>
Borrowing, in all, thousand of roubles	<i>322</i>	<i>X</i>	<i>353</i>	<i>X</i>
Including outstanding, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>
Including bonded debts, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>
Including outstanding bonded debts, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>
Other bill payable, thousand of roubles	<i>348</i>	<i>X</i>	<i>2 915</i>	<i>X</i>
Including outstanding, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>
Total, thousand of roubles	<i>101 693</i>	<i>572</i>	<i>107 530</i>	<i>7 038</i>
Including outstanding, thousand of roubles	<i>X</i>	<i>X</i>	<i>X</i>	<i>X</i>

Lenders, which has not less than for 10 percents of the total amount of bill payable of the Issuer for the last complete accounting period before the date of approval of the securities prospectus:

At 30.06.2010

Full firm-name: Closed Joint Stock Company "Baltiyskoe finansovoye obshestvo"

Abbreviated name: CJSC "BFO"

Location: Russian Federation, 197022, St. Petersburg. Bolshoi prospect, d.77

The amount of bill payable: 33 870 thousand roubles.

The size and condition of bill payable (interest rate, penalties, and fines): There is no outstanding bill payable; penalties are not provided in case of delay of bill

payable. The lender, which has at least 10 percents of the total amount of bill payable, is not affiliated with the Issuer.

3.3.2. Issuer's credit history

Fulfillment of liabilities by the issuer before and at the date of the last complete accounting period before the date of approval of the securities prospectus credit agreements and / or loan agreements, principal of which is 5 or more percents of the balance-sheet asset value of the issuer at the date of the last completed financial quarter, preceding the signing of the treaty, as well as other credit agreements and / or loan agreements that the issuer believes to be significant.

Provides information for the last 5 fiscal years, as well as for the last complete accounting period before the date of approval of the securities prospectus:

Liability	Creditor (lender)	Sum of the main debt	Credit (loan)period	Payback period	Delay in Fulfillment of liabilities in payment of the main debt and/or of interests, delay period, days
Credit line	OJSC «SEB Bank»	30 000 000 roubles	365 days	30.10.2008	None
Credit line	OJSC «SEB Bank»	629 000 euros	730 days	28.07.2010	None

Fulfillment of liabilities by the issuer on each bond issue, the aggregate par value of which is 5 or more percents of the balance-sheet asset value of the issuer at the date of the last completed quarter preceding the state registration of the report on the outcome of the bond issue, and if the placement of bonds is not completed or the state registration of the report on the results of their issue is not provided, - on the date of the last completed quarter preceding the state registration of bond issue:

The issuer has not previously undertaken bond issue.

3.3.3. Liabilities of the issuer of the security provided to third parties

Information on total sum of issuer's liability of the security provided by him and the total sum of third parties' liabilities of which the issuer provided security, including bails and guarantees for 5 last completed financial years:

2005

The total sum of liabilities of the issuer of security provided by him to the date of completion of accounting period is: **none**

The total sum of third parties' liabilities: **none**

2006

The total sum of liabilities of the issuer of security provided by him to the date of completion of accounting period is: **none**

The total sum of third parties' liabilities: **none**

2007

The total sum of liabilities of the issuer of security provided by him to the date of completion of accounting period is: **60 452 roubles**

The total sum of third parties' liabilities: **none**

2008

The total sum of liabilities of the issuer of security provided by him to the date of completion of accounting period is: **60 452 roubles**

The total sum of third parties' liabilities: **none**

2009

The total sum of liabilities of the issuer of security provided by him to the date of completion of accounting period is: **132 412 roubles**

The total sum of third parties' liabilities: **none**

Information on each issuer's liability of the security provided by him to third parties, including bail and guarantee for the last completed financial year and the last completed accounting period before the approval of the securities prospectus, which is at least 5 percents at the date of the last completed quarter, preceding the security providing: **none**

3.3.4. Other issuer's liabilities

Agreement of the Issuer, including futures deals, which are not reflected in the balance sheet, which can significantly affect the financial condition of the issuer, his liquidity, sources of funding and conditions of their use, performance and costs:

Within 2005-2009 and also during the first quarter of 2010 no agreements, including futures deals, which are not reflected in the balance sheet, which

can significantly affect the financial condition of the issuer, his liquidity, sources of funding and conditions of their use, performance and costs were signed.

3.4. Goals of issue and vectors of draft on funds received from placement of securities

Goals of issue and vectors of draft on funds received from placement of issuing securities:

The aim of issue is to raise funds for the production of drug products, to create own network of medical offices, to purchase biotechnological and pharmaceutical companies abroad, finance the second phase of clinical trials of MueloXEN, and Virexxa.

Description of the transaction (relative transactions) or any other operation for the aim of which, the issue of securities is carried out:

Placement of securities by the Issuer is not carried out in order to finance certain transactions (relative transactions) or other specific operation.

The Issuer is not a state or municipal unitary enterprise.

3.5. Risks associated with purchase of issuing securities

A detailed analysis of risk factors associated with the acquisition of securities, in particular:

Branch-wise risks;

Country and regional risks;

Financial risks;

Legal risks;

Risks associated with the activities of the issuer.

The policy of the issuer in the field of risk management is described:

Investing in common shares of the Issuer is associated with some degree of risk. The onset of one of the following risks could adversely affect the performance of the Issuer and its financial condition.

The main activities of the Issuer are:

- **Development of new medicines and methods of their penetration into the body, innovative technologies for producing their ingredients;**
- **Production and sale of drug products;**
- **Production and realization of innovative high-tech and high-value active pharmaceutical ingredients.**

The policy of the Issuer in the management of risks set forth below, aims to reduce them through constant monitoring and careful analysis of the market, comprehensive approach to assessing such risks, the implementation of well-

thought-out business strategy, planning and implementation of measures to protect the property interests of the Issuer.

With regard to branch-wise risks, the assessment will be carried out according to the condition of branch at medium and long term periods, based on macroeconomic forecasts of analysts. Based on the analysis, the development strategy will be worked out. The aim of this strategy is to strengthen the competitive position and to increase the market share of the Issuer.

With regard to regional and country risks, monitoring of the political and economic situation as well as the level of risk of natural disasters, the possible termination of transportation will be conducted.

In respect of financial risks, the level of interest rate, currency, and credit and liquidity risk will be assessed. Interest rate risk management is performed by selecting the most appropriate means of financing and the timing of fund raising with the terms of the implementation of projects for funding which they are sent. Reducing of the cost of attracted resources is achieved through policies aimed at increasing informational transparency. One of the mechanisms of managing interest rate risk is the prediction of changes in interest rates, and assessment of the level of acceptable debt load of the company with possible changes in the general level of interest rates. With respect to foreign exchange risk, the forecasts of analysts on the possible changes in exchange rates are evaluated. With respect to liquidity risks, the Issuer supports a balanced timing ratio of assets and liabilities. With respect to credit risk, financial analysis of counterparties is applied.

Legal risk management based on strict compliance with Russian laws, as well as on the implementation of thorough legal appraisal of contracts signed by the Issuer.

To avoid the risk of non-renewal of license the issuer meets the conditions of license, adheres to national and international standards.

In the event of one or more of the following risks, the Issuer shall take all possible measures to limit their negative influence. Parameters of the activities will depend on the nature of the situation in each particular case. The Issuer cannot guarantee that actions aimed at overcoming of the negative changes will substantially change the situation, since the absolute majority of the above risks are beyond the control of the Issuer.

3.5.1. Branch-wise risks

The impact of a possible deterioration in the sector of the issuer on its activities and performance of the liabilities on the securities is described. The most important possible changes in the industry (separately for domestic and foreign markets), in the opinion of the issuer, as well as the alleged actions of the issuer, in this case:

Domestic market.

Branch-wise risks of the issuer may include:

- **Keen competition in the pharmaceutical sector, together with the need to adapt to the growing need to keep the rising cost of health care. The emergence of a new manufacturer or new drugs will lead to increased competition and reduced profitability of production. In order to reduce these risks, the Issuer carries out: production of high quality competitive products, the constant optimization of production costs at all its stages, renewal of the portfolio of products, tracking of global trends in technology development, market research.**

- **Risks associated with government regulation in the sector, as well as changes in product and prices for raw materials. Conjuncture of the pharmaceutical market depends on several factors, including: government regulation of the market, changes in world market prices, etc. Bad change in prices could adversely affect the financial results of operations. The Issuer has a certain level of financial stability to overcome the adverse short-term price changes.**

Foreign market.

Due to the fact that at the time of approval of this Prospectus, the proportion of goods sent by the Issuer on the export is 1,3percents of the total volume of developed and manufactured products, risks in foreign markets, according to the Issuer, are not significant.

Risks associated with possible changes in prices for raw materials, services used by the issuer in its activity (separately for domestic and foreign markets), and their influence on the activities of the issuer and the fulfillment of liabilities on securities:

Domestic market.

There are risks connected with the changes in prices for raw materials and services used by the Issuer in its activities, but they are mainly related to domestic inflation in the country and not significantly higher than its average. In the case of price increases for raw materials and services used in the activities, the Issuer will be forced to operate on the basis of these conditions, which may ultimately lead to higher output prices and lower profits. Decrease in profitability of the Issuer, in turn, may adversely affect the liquidity and the ability to fulfill liabilities on the securities, but the likelihood of such a situation is evaluated by the Issuer as a minimum.

Foreign market.

Due to the fact that at the time of approval of this Prospectus, the proportion of goods sent by the Issuer on the export is 1,3percents of the total volume of developed and manufactured products, risks in foreign markets, according to the Issuer, are not significant.

Risks associated with possible changes in product prices and/or services of the issuer (separately for domestic and foreign markets), and their influence on the activities of the issuer and the fulfillment of liabilities on securities:

Domestic market.

If net cost of production increases and the Issuer will not be able to adequately increase its prices to cover these costs (for example, due to increased competition and lower prices of similar goods), then this may adversely affect the results of operations of the Issuer. To reduce the impact of such risks, the Issuer will undertake measures such as: optimization of production programs, optimization of production volume, and development of programs to reduce the cost of production and sales of products, an active investment policy in the renovation of production facilities.

According to the Issuer, these risks do not have a material impact on the Issuer's liabilities on the securities.

Foreign market.

Due to the fact that at the time of approval of this Prospectus, the proportion of goods sent by the Issuer on the export is 1,3percents of the total volume of developed and manufactured products, risks in foreign markets, according to the Issuer, are not significant.

3.5.2. Country and regional risks

Risks associated with political and economic situation in the country (countries) and the region in which the issuer is registered as a taxpayer and / or carries out its core activities, on condition that the core activities of the issuer in such a country (region) brings more than 10 percents of revenue for the last completed accounting period preceding the date of approval of the securities prospectus:

Country risks

The Issuer leads the main economic activities in the Russian Federation, thus, its activity is subjected to all the political and economic risks inherent in Russia as a whole.

Sudden changes in the regional scale (environmental, political, demographic and social) are unlikely, but their appearance will certainly affect the Issuer.

Abrupt changes in policy over the period of issuer's activity are not predicted. Political situation in the world can be assessed as stable in the medium term.

Fluctuations of global economics, the possible economic instability in Russia, volatility of oil and gas prices and weakening of monetary policy and other factors may in the future materially affect the issuer's business. Further socio-economic development of the Russian Federation may be prevented from the following factors:

- High economic dependence on commodities and the consequent sensitivity of country's economy to a fall in world prices for commodities;**
- A serious obstacle to conduct the effective reform, established by the bureaucracy;**
- Strong deterioration of infrastructure projects in energy and transport.**

Slowdown of socio-economic development could potentially affect the ability of the Issuer promptly and fully perform its liabilities on the Securities.

Shortcomings of the Russian legal system and Russian legislation, in some cases create a hostile environment for business and may adversely affect the Issuer.

Among the risks associated with the state of the Russian legal system, it is necessary to consider the following:

- Principles of law sometimes do not correspond or contradict each other;**
- Lack of legal and administrative documents for the unambiguous interpretation of Russian law, the lack of a sufficient number of comments of judgments and legislation;**

The novelty of much of Russian legislation, the rapid development of the Russian legal system leads to ambiguities and contradictions.

All of the above shortcomings of the legal system of the Russian Federation may adversely affect the ability of the Issuer to exercise its rights under agreements or to protect itself from unlawful demands of others.

All of the above risks are beyond the control of the Issuer, but the Issuer will do everything necessary to limit the impact of these risks on its activities.

Regional risks.

The issuer as a taxpayer is registered in the Leningradskaya oblast, which is also the major area of presence of the Issuer.

This region is characterized by high investment attractiveness and investment potential. In Russia, St. Petersburg and Leningradskaya oblast took 2nd place in the volume of attracted investments. The economic situation is characterized by an increase in gross regional product and industrial output, with growth rates of these indicators in St. Petersburg and Leningradskaya oblast exceeding the all-Russian growth. Experts predict the region will retain its investment attractiveness within next 10 years. For the Issuer, this means that there is growth potential.

Issuer evaluates the situation in the Leningrad region as a stable and favorable. Activities of the St. Petersburg Government provides a significant influx of investment into the region, promotes the development of infrastructure, making the region attractive in all respects.

Alleged actions of the issuer in case of negative impact of changes in the situation in the country (ies) and region on its activities:

Most of the above risks of an economic, political and legal nature due to the global scale are beyond the control of the Issuer.

In the event of significant political instability in Russia or in the world, which will adversely affect the activities and earnings of the Issuer, the latter involves a series of measures on crisis management in order to minimize possible negative impact of the political situation in country and regions on the Issuer's activity, in particular the reduction of costs, search for new outlets, etc., and if necessary, the Issuer intends to attract loans from commercial banks.

Risks associated with possible military conflicts, imposition of a state of emergency and strikes in the country (ies) and the region in which the issuer is registered as a taxpayer and / or carries out its core activities:

Risks associated with possible military conflicts, imposition of a state of emergency and strikes in the country and regions in which the Issuer carries out its core activities, are assessed as minimal. The Issuer carries out its activities in the region with a favorable social position away from military conflicts. However, in the event of specified events, the issuer will take all necessary measures prescribed by current legislation.

Risks associated with the geographical features of the country (countries) and the region in which the issuer is registered as a taxpayer and / or carries out its core activities, including increased risk of natural disasters, the possible termination of transportation due to remoteness and / or inaccessibility, etc.:

Risks associated with geographic features of the country and regions in which the Issuer carries out its core activities, including increased risk of natural disasters, the possible termination of transportation due to remoteness and / or inaccessibility, etc. are minimal, as the issuer conducts its activities in regions that are characterized by a developed transport network and infrastructure, as well as the lack of seismic activity and increased risk of natural disasters.

3.5.3. Financial risks

Susceptibility of the issuer to risks associated with changes in interest rates, foreign exchange rates, connected with the activities of the issuer or in connection with

hedging undertaken by the issuer in order to reduce the adverse effects of the influence of the above risks:

Negative impact on the Issuer and the Group's companies may have:

- **changes in monetary policy of the country;**
- **increases in interest rates on obtained funds;**
- **sharp exchange fluctuations;**
- **high rates of inflation;**
- **lack of ability to perform its liabilities within the required time due to lack of funds.**

The peculiarity of financial risk is the likelihood of damage as a result of any transactions in the financial, credit and exchange areas, transactions in stock securities, that is the risk that derives from the nature of these transactions.

According to the Issuer, the most susceptible to the above financial risks are major financial indicators of the issuer - profit and net cost of goods. The issuer uses the borrowed funds, respectively, they are subject to risks associated with increasing rates on borrowed funds. With emergence of any of the above financial risks (sharp change in exchange rates, inflation, rising interest rates), the increase of net costs and reduction of profits of the Issuer is possible. Due to the fact that these risks to some extent affect the Issuer's activity, special attention is paid on constant improvement of risk management. In risk management issuer uses a variety of measures which allows to predict the onset of risk event and to take measures to reduce risk in time: collection and processing of information, planning and forecasting, organization, coordination, regulation, stimulation and control.

Hedging is not exercised by the issuer to reduce the adverse effects of changes in interest rates and in foreign exchange rate.

Susceptibility of the financial condition of the issuer, its liquidity, sources of financing, performances, etc. to change of the exchange rate (currency exchange risks):

Sharp fluctuations of the ruble rate to foreign currencies could adversely affect the financial condition of the Issuer. Financial condition of the Issuer, its liquidity, sources of financing and results of operations to some extent depend on the exchange rate changes.

Alleged actions of the issuer in case of negative impact of changes in exchange rates and interest rates on the issuer's activities:

In the case of the negative impact of foreign exchange and interest rates on the activities of the Issuer, the following activities are planned to be undertaken:

- **Revise the funding structure of the Issuer;**
- **Optimize the cost-based part of the activity;**

- To specify the programs of investment and borrowing;
- Take steps to increase accounts receivable turnover.

To minimize this risk, the majority of revenues and expenses of the Issuer remains in roubles.

However, some of the risk cannot be fully neutralized, as these risks are largely beyond the control of the Issuer, and depend on the general economic situation in the country.

The impact of inflation on the payments on the issuer's securities. Critical effect of inflation in the opinion of the issuer and the expected actions of the issuer to reduce this risk:

Inflationary impact on the economy of Russia (according to the Federal State Statistics Service) has decreased gradually until the beginning of global financial crisis. So, in 2001, inflation stood at 18,6percents in 2002 - 15,1percents in 2003 - 12,0percents in 2004 - 11,7percents in 2005 - 10,9percents 2006. - 9, 7percents in 2007 - 11, 9percents in 2008 - about 13,3percents, 2009. - About 9percents. The inflation projection for 2010 - is expected to reach 7percents.

According to the Issuer, moderate inflation will not affect the ability to carry out service activities of issuing and issued securities and to pay dividends. High rate of inflation may increase the costs of the Issuer and lower profit margins, reducing the value of the shares of the Issuer. The critical level of inflation, which could have a negative impact on the effectiveness of the Issuer, is substantially higher than expected and is at least 30-35percents.

In the case of a significant excess of actual inflation over the forecast, the Issuer may take the necessary measures to adapt to the changed rates of inflation, including the same activities as for the neutralization of the negative impact of exchange risk and interest rate changes.

The financial statements of the issuer are particularly susceptible to change as a result of the influence of these financial risks. Risks, their likelihood and nature of changes in financial statements:

The above financial risks can affect to the greatest degree the following indicators of financial statements of the Issuer: accounts receivable and bill payable (Balance Sheet), proceeds from sale services, operating expenses (profit and loss report). In the case of emergence of inflation risk and the risk of rising interest rates, revenue and net profit may decrease, as well as costs of operating activities and operating expenses may increase.

The Issuer intends to use the following sources of finance:

- Cash flow from operating activities;
- Financial resources of Russian credit organizations;

- Project financing.

Governing body of the Issuer believes that the future cash flows from operations will be sufficient to finance current operations.

Risks affecting financial statements of the issuer	Likelihood of their emergence	Character of changes in the financial statement
Changes in interest rates	medium	Changes in interest rates may affect the policy of the Issuer in debt management, and arouse an increase of net cost of production and reduction of profits.
Changes in exchange rate	medium	Changes in exchange rate may provoke an increase in the costs of the Issuer or create difficulties with the execution of commitments.
Inflation	Low	Inflation may lead to increased costs of the Issuer, and as a result to a fall in the Issuer's profit and economic efficiency of its activities. In addition, inflation is likely to raise the price of borrowed funds for the Issuer.

3.5.4. Legal risks

Legal risks associated with the activities of the issuer (separately for domestic and foreign markets), including:

Due to the fact that at the time of approval of this Prospectus, the proportion of goods sent by the Issuer on the export is 1,3percents of the total volume of developed and manufactured products, risks in foreign markets, according to the Issuer, are not significant.

Risks associated with changes in foreign exchange regulation:

Foreign exchange regulation in Russia is carried out under the Federal Law of 10 December 2003 № 173-FZ "On foreign exchange regulation and control". Possible changes in the currency legislation may affect the Issuer so far as such changes could lead to a general deterioration in the economic situation in the country, and may also result in increased costs of the Issuer or impede the payment of his debts. However, as soon significant changes in foreign

exchange regulation haven't been predicted, the probability of occurrence of such risks, the issuer estimates as a minimum.

Risks associated with the changes in tax legislation:

Russian tax legislation is subject to frequent changes. Shortcomings of revenue bills are usually identified after their adoption. To bring the legislation in balance with the needs of the economy can be possible in a considerable time interval. Currently, the Russian Federation has the Tax code and other normative-legal acts and regulating tax legal relationship. These acts often contain vague wording and contradictions. This situation increases the risks associated with changes in tax legislation.

Tax risks associated with possible:

- Imposition of new taxes and duties**
- Increased rates of existing taxes,**
- Broadening the tax base,**
- Changes in the terms and procedure of covering of tax payments**
- Change in terms of submitting and delivery of tax accounts.**

In addition, there are risks associated with the possibility of an incorrect calculation and / or payment of taxes due to different interpretation of the legislation. To minimize this risk, the Issuer is constantly working to optimize the financial and tax accounting in strict accordance with Russian legislation. Compliance with the requirements of standard acts of taxes and duties: Timely and complete payment of taxes and other compulsory payments, absence of debts of taxes and duties, constant monitoring of tax legislation, and also the fact that these risks affect the Issuer to the same extent as all market participants, suggests that the risks associated with changes in tax legislation are minimal for the Issuer. In the event of introduction of changes in current tax legislation, the Issuer intends to plan its financial - economic activity in the light of these changes.

Risks associated with changes in customs control and duties:

The current edition of Customs Code provides a number of strict requirements for legislative and other standard acts in the area of customs, legal risks associated with changes in the normative-legal base in terms of customs control are not significant and changes themselves in case of their introduction will not be unexpected and spontaneous.

Risks associated with changes in requirements for licensing of main activity of the issuer or licensing of rights to use objects, the presence of which in circulation is restricted (including natural resources):

Changes in the licensing requirements can significantly affect the results of financial and economic operations of the Issuer. Inability to extend the license

or revocation of it may result in suspension of the company. In the case of changes and / or raise of licensing demands of the main business of the Issuer, the Issuer will take the necessary steps to obtain the appropriate licenses and permits. The issuer is not inherent in risks associated with changes in requirements for licensing rights to use objects whose presence in circulation is limited, because of his lack of such rights to the date of approval of this Prospectus.

Risks associated with changes in judicial practice on matters relating to the Issuer's activity (including licensing), which may adversely affect the results of its operation, as well as the results of ongoing trials in which the issuer participates:

There are no legal risks associated with changes in judicial practice on matters relating to the Issuer's activity (including licensing), which may adversely affect the results of its operation. The Issuer doesn't predict any changes in judicial practice on matters relating to the Issuer's activity, which may adversely affect the results of its operation. At the date of approval of this Prospectus, the Issuer does not participate in any trials that may substantially affect its financial and economic activities.

3.5.5. Risks associated with the activities of the issuer

Risks which are inherent exclusively to the issuer, including:

Risks associated with ongoing trials in which the issuer participates:

Currently, the Issuer is not involved in any trials, the results of which could significantly affect the results of their activities.

According to the Issuer, there is a risk of being involved in trials in respect of manufacture, use and sale of new products. Any trial could adversely affect the company and its financial position. However, at present day, this risk is assessed by the Issuer as a minimum.

Risks associated with lack of opportunity to extend the term of license of the issuer to conduct a certain activity or to use objects, whose presence in circulation is restricted (including natural resources):

Risks associated with lack of opportunity to extend the term of license of the issuer to conduct a certain activity or to use objects, whose presence in circulation is restricted (including natural resources) are not significant, as the issuer fully complies with all requirements for extending of terms of its licenses.

Risks associated with possible liability of the issuer for the debts of third parties, including subsidiaries of the issuer:

There are no such risks, as the issuer at the time of approval of the Prospectus hasn't provided security to third parties.

Risks associated with possible loss of customers, on turnover with whom there are not less than 10 percents of total sales of goods (works, services) of the issuer:

There are no such customers

3.5.6. Banking Risks

The information is not presented, as the issuer is not a credit institution.

IV. Detailed information on the issuer

4.1. History and development of the issuer

4.1.1. Data on the firm-name (name) of the Issuer

Issuer's full firm-name: **Open Joint Stock Company "«Pharmsynthez»"**

Abbreviated name of issuer: **OJSC "«Pharmsynthez»"**

The similarity of full firm-name or abbreviated name of the issuer, with full firm-name or abbreviated names of the other legal entity:

Firm name of the issuer is similar to the names of other legal entities:

- 1. Closed Joint-Stock Company "Pharm Syntez", location - 440066, Penzenskaya oblast, Penza, pr. Stroiteley, 138, Primary State Registration Number (PSRN) - 1025801204230, VATIN - 5835017998)**
- 2. Closed Joint-Stock Company "Pharm-Syntez", location - 111024, Moscow, 2nd Kabelnaya, 2, p. 9, PSRN - 1037739009406, VATIN -7713154020)**

-To avoid mixing name of the Issuer and names of the said companies it is necessary to pay attention to:

- The name of the business form,**
- Way of writing names of companies (together, hyphenated or separately)**
- Location of the company,**
- Registration information of the company.**

Information on the registration of firm-name of the issuer as the trademark or service mark:

Firm-name of the issuer is registered as a trademark of the same name. The trademark is protected by the certificate № 158519 from 26 September 1996 and the annex to the certificate for a trademark on February 20, 2007 about the renewal of the trademark. Valid until September 26, 2016

Information about changing of the firm-name of the issuer during its existence:

Former full firm-name: **Closed Joint Stock Company "«Pharmsynthez»"**

Former abbreviated name: **CJSC "«Pharmsynthez»"**

Introduced: 19.02.2001

The current name was introduced: **21.07.2010**

Grounds of change: **Decision of the annual general meeting of shareholders (minutes of "30" June 2010. № 10 GOS/2010).**

4.1.2. Information on the state registration of the Issuer

Information about the legal entity registered before July 1, 2002, in accordance with the specifications in the certificate of state registration of legal entity:

Number of state registration of the legal entity: **R-15450.16**

Registration date: **19.02.2001**

Name of the body which has registered the issuer: **State registration chamber under the Ministry of justice of the Russian Federation**

Information about the legal entity registered before July 1, 2002, in accordance with the specifications in the certificate of registration in the Unified state register of legal entities regarding the legal entity registered before July 1, 2002:

Main state registration number: **1034700559189**

Registration Date: 02/07/2003

Registration authority: Internal revenue service of Russian Federation in Vsevolzhskiyraion of Leningradskoy oblast.

4.1.3. Information on the creation and development of the Issuer

The time of existence of the issuer since the date of its registration: **9 years 6 months**

The date until the issuer will exist: **Issuer established for an indefinite period of time**

Brief description of the history and development of the issuer:

The Issuer was established in 2001 as a result of restructuring by converting Limited Liability Company "«Pharmsynthez» in Closed Joint-Stock Company" «Pharmsynthez».

CJSC "«Pharmsynthez»" was a part of a group of companies controlled by CJSC " Baltiyskoe Pharmaceuticheskoe Obshestvo "(BFO)until 2004 .

In 2001Research and Production Complex (RPC) «Pharmsynthez» was set in operation.

In 2004, CJSC "BFO" sold some of its pharmaceutical assets to the largest distributor of medicines CJSC "SIA International". Since then CJSC "«Pharmsynthez»"has become an autonomus unit.

In 2004 "«Pharmsynthez»"has enteredthe CIS markets.CJSC "«Pharmsynthez»" actively cooperates with the North American and

European companies in the field of chemical compounds and active pharmaceutical ingredients (API). The company partners are:

- UGM Engineering Ltd. (Canada);
- AsysChem Inc. (USA);
- Kemira Chemicals (Finland)

In 2005 CJSC “«Pharmsynthez»” has actively supported the national process of transition to international regulation of pharmaceutical activities. In this regard, since 2005 the quality management system conforming to international standards has been used in the company.

CJSC “«Pharmsynthez»” has worked in accordance with GOST R ISO 9001-2001 and GOST R 52249-2004 since 2006.

In 2008 CJSC “«Pharmsynthez»” has developed technology which allows synthesizing substances of pharmaceutical level of cleanliness without the use of a multistage process of synthesis and purification of drugs and complex procedures for waste disposal. The result is a high quality of medicinal substances with significantly reduced cost. This technology allows the company to enter the market of expensive generic drugs of new generation and to produce such drugs as Fludarabine, cladribine and ribavirin.

Also in 2008, a preliminary audit in accordance with the standards of GMP was completed.

In 2009 CJSC “«Pharmsynthez»” signed a contract with the Ministry of Industry of the Russian Federation on the development of exclusive technology of production of synthetic oligopeptid drug - copolymer 3 – analogue of glatiramer acetate for the treatment of multiple sclerosis.

In 2010 CJSC “«Pharmsynthez»” changed its name to OJSC “«Pharmsynthez»”.

The purposes of creation of the issuer: The aim is to create a strong biotech company with a broad territorial coverage, whose task is to create innovative medicines and vaccines for the treatment of the most significant diseases, which have the direct impact on mortality and demographic situation in the country.

The mission of the issuer: a brief mission of the Issuer: "From Ideas to Pharmacy"

Other information about the issuer, which is important for the decision to purchase securities of the issuer: **none**.

4.1.4. Contacts

Location of the Issuer: **188663, Russian Federation, Leningradskaya oblast, Vsevolozhskiy raion, urban settlement Kuzmolovsky, station Kapitolovo, № 134, lit. 1**

Postal address of the issuer: **Russian Federation, 194358, St. Petersburg, pr. Engelsa, 150, cor. 1, pom.3N, lit. A**

Phone Number: **7 (812) 329-80-80**

Fax Number: **7 (812) 329-80-89**

E-mail address: **info@pharmsynthez.com**

The address of the website on which information is available on the Issuer issued and / or issuing securities: **<http://www.pharmsynthez.com>**

Information about the special unit of the Issuer (third party) working with shareholders and investors of the issuer: **The issuer has no special units (third party) working with shareholders and investors of the Issuer.**

4.1.5. VATIN

VATIN assigned to the Issuer by the tax authorities: **7801075160**

4.1.6. Branches and representative offices of the Issuer

Information about branches and representative offices of the Issuer in accordance with its Charter (constituent documents):

The issuer has no branches and representative offices.

4.2. Main economic activity of the issuer

4.2.1. Branch of the Issuer

Codes of major industrial activities of the issuer in accordance with GICS: **24.42.2, 24.42.1, 24.66.4, 15.89.3, 24.14.2, 24.41, 24.13, 50.20, 51.45, 51.46, 51.55, 51.56.5, 51.70, 60.24.2, 60.21.1, 63.11.2, 63.12.4, 63.40, 73.10, 74.11, 74.30.1**

4.2.2. Main economic activity of the issuer

The main economic activities (activities, products (works, services) which have provided not less than 10 percents of revenue (income) of the issuer for the last 5 fiscal years, as well as for the last complete accounting period before the date of approval of the securities prospectus):

Name of the index	2005	2006	2007	2008	2009	1half of 2010
The volume of revenue of the issuer from the economic activity, thousand of roubles.	116 828	147 645	172 502	179 946	228 398	130 829

Sort of economic activity: services for the production of substances						
The volume of revenue of the issuer from this sort of economic activity, thousand of roubles.	5 091	16 812	38 153	14 833	0	0
The share of volume of revenues of the issuer from the main economic activity in the total revenues of the issuer, %	4,36	11,39	22,12	8,24	0	0
Sort of economic activity: gross sale of drugs						
The volume of revenue of the issuer from this sort of economic activity, thousand of roubles.	97 582	116 510	117 845	134 673	145 283	55 319
The share of volume of revenues of the issuer from the main economic activity in the total revenues of the issuer, %	83,53	78,91	68,32	74,84	63,61	42,28
Sort of economic activity: sale of substances						
The volume of revenue of the issuer from this sort of economic activity, thousand of roubles.	13 737	13 670	15 744	29 442	11 917	210
The share of volume of revenues of the issuer from the main economic activity in the total revenues of the issuer, %	11,76	9,26	9,13	16,36	5,22	0,16
Sort of economic activity: R&D						
The volume of revenue of the issuer from this sort of economic activity, thousand of roubles.	0	0	0	0	71 000	75 300
The share of volume of revenues of the issuer	0	0	0	0	31,09	57,56

from the main economic activity in the total revenues of the issuer, %						
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There are no other sorts of economic activities which have provided not less than 10 percents of the revenue (incomes) of the issuer during the time of existing of issuer.

Change in the size of revenue (incomes) of the issuer from the main economic activity (activities) for 10 percents or more compared with the previous accounting period:

Name of the index	2005	2006	2007	2008	2009	1half of 2010
The size of revenue of the issuer from the main economic activity, thousand of roubles.	116 828	147 645	172 502	179 946	228 398	130 829
Change in the size of revenue of the issuer in comparison with the previous accounting period, %	+ 13,02	+26,38	+ 16,84	+ 4,32	+ 26,93	+ 108,60

Reasons for change in the size of revenue (incomes) of the issuer from the main economic activity (activities) by 10 percents or more compared with the previous accounting period:

The growth in revenues of the Issuer in 2005-2009 as well as in the first half of 2010 provoked by the significant long-term increase of the Russian pharmaceutical market, including the growth of real incomes of the population, increasing of state funding for procurement of certain groups of medicines, marketing and promoting of their own brands.

If the issuer conducts its main economic activity in several countries, those geographic areas which generate 10 percents or more of revenue for each accounting period are indicated. Change in the size of the issuer's revenues relating to specified geographic areas by 10 percents or more compared with the previous accounting period and the reasons of these changes:

During 2005 and 2010 none of the countries in which the Issuer sells its products bring more than 10 percents of revenue for each accounting period.

Seasonal nature of the main economic activity of the issuer: **because of the specific main economic activity of the Issuer, seasonality does not influence the activities of the Issuer.**

The total net cost structure of the issuer for the last completed fiscal year, as well as for the last complete accounting period before the date of approval of the securities prospectus according to these items in a percentage of total cost:

Name of cost items	2009	1 half of 2010
Supply, %	10,40	24,40
Purchased componentry, semi-manufactured goods, %	0	0
Work and production services performed by outside organizations, %	34,57	42,33
Fuel, %	0,26	0,19
Energy, %	0,98	1,16
Labour costs, %	8,10	6,17
Interest on credit, %	0	0
Rent, %	0,40	0,38
Transfers for social needs, %	1,58	1,57
Amortization of fixed assets, %	11,43	9,35
Taxes included in net cost of production, %	2,75	2,08
miscellaneous inputs (explain), %	29,53	12,37
Intangible assets amortization, %	0,06	0,05
Remuneration for innovation, %	0	0
Compulsory insurance payments, %	0	0
Expenses of representation, %	0	0
Cost for purchased goods, %	22,21	5,28
Transport charges, %	1,38	1,33
Maintenance of access roads, %	0,75	0,59
Maintenance of the plant, %	3,49	1,47
Other, %	1,64	3,65
Total: cost for manufacturing and sale of production (works, services) (net cost), %	100,0	100,0
Reference: Revenue from the sale of goods (works, services), % to the net cost	147,78	160,47

Essentially new products (services) offered by the issuer in the market of its main activities, in so far as it corresponds to publicly available information about these

types of products (works, services), the state of development of these types of products (works, services):

The issuer does not offer new and essential products (services) to the market of its main activity new and essential products (services).

Standards (rules) reflected in this paragraph of the securities prospectus, under which financial statements were prepared and the calculations were made:

Federal Law "On Accounting" dated 21.11.1996 № 129-FZ.

Order of the Ministry of Finance of the Russian Federation "On the forms of accounting of organization" from 22.07.2003 № 67n.

"Regulation on Accounting and Financial Reporting (RA) in the Russian Federation", approved by the Ministry of Finance of the Russian Federation of 29 July 1998 № 34n.

RAS 1 / 98 "accounting policy of organization", approved by order of Ministry of Finance of the Russian Federation from 09.12.1998 № 60n.

RAS 9 / 99 "Income of organization, approved by order of RF Ministry of Finance from 06.05.1999 № 32n.

RAS 10/99 "expenses of a organization, approved by order of RF Ministry of Finance from 06.05.1999 № 33n.

RAS 4 / 99 "Financial Statements of organization, approved by order of RF Ministry of Finance from 06.07.1999 № 43n.

4.2.3. Materials, goods (raw materials) and suppliers of the Issuer

Information about the suppliers of the issuer, which deliver not less than 10 % of all materials and goods (raw materials), and about their share in volume of delivery for the last completed fiscal year, as well as for the last complete accounting period before the date of approval of the securities prospectus:

Name of the supplier	Location	Share in the delivery volume	
		2009	1 half of 2010
OJSC «Biohimic»	Russia, 430030, Saransk, ulica Vasenko, 15a	48,5%	0%
LLC «Labinstruments»	Russia, 117198, Moscow, ulica Miklukho-Maclay,. 16/10	12.6%	0%

FDS PHARMA	Hillbrow House , Hillbrow Road ,Esher, Surrey KT10 9NW, United Kingdom	6,4%	16%
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Information on changes in prices of basic raw materials or the absence of such a change for the last completed fiscal year, as well as for the last complete accounting period before the date of approval of the securities prospectus: **in 2009, and in the first quarter of 2010, prices for raw materials has changed in different directions and generally remained the same.**

Information on the proportion of the issuer's deliveries in the import for the specified periods: Forecast of the issuer in respect of the availability of these sources in the future and on possible alternative sources: **the share of imports of basic raw materials is small and cannot affect the activity of the Issuer in the future. Major share of imports is purchasing of drugs for subsequent distribution in the territory of the Russian Federation.**

4.2.4. Outlet of goods (works, services) of the issuer

Major markets in which the issuer operates:

Production of the Issuer is mainly sold in the territory of the Russian Federation. Export occupies 1.3% of the proceeds of the Issuer and occurs mainly in CIS countries: Azerbaijan, Ukraine, Kazakhstan and Belarus.

Possible factors that may adversely affect the issuer's sale of its products (services):

- **The emergence of strong competitors with similar product portfolios;**
- **Reduced funding for the program of public procurement of medicines;**
- **Reduction in real incomes of the population (low pay);**
- **Administrative barriers for the Issuer's activity at the federal and regional levels.**

Possible action of the issuer to reduce this effect:

In case of the above factors, the Issuer intends to perform the analysis and take appropriate decisions in each case for acts contributing to reduce the impact of these factors, as well as ongoing monitoring of the main consumers of its products, to monitor the competitive situation on the market.

4.2.5. Information on the issuer's licenses

License: № FS-99-02-014080

Date of issue: 05.08.2010

Expiry date: **29.01.2013**

Issued by: **Federal Service on Surveillance in Healthcare and Social Development (Roszdravnadzor)**

Types of activity: **the implementation of pharmaceutical activity**

License: **№ 56-EX-003372 (X)**

Date of issue: **04.12.2004**

Expiry date: **04.12.2014**

Issued by: **Rostekhnadzor (the Federal Service for Ecological, Technological and Nuclear Supervision)**

Types of activity: **exploitation of chemically hazardous production facilities**

License: **№ FS-99-04-000879**

Date of issue: **10.08.2010**

Expiry date: **01.02.2015**

Issued by: **Federal Service on Surveillance in Healthcare and Social Development (Roszdravnadzor)**

Types of activity: **the implementation of activities for the production of medicines**

License: **№ VP-00-011536 (X)**

Date of issue: **07.05.2010g**

Expiry date: **07.05.2015**

Issued by: **Rostekhnadzor (the Federal Service for Ecological, Technological and Nuclear Supervision)**

Types of activity: **exploitation of explosivemanufacturing entities**

Other licenses, including the license to use of limited negotiable objects (natural resources) todo banking, to write insurance business, to implement the activity of professional securities market participant, to operate investment fund to carry out other activities, which are essential to the Issuer were not issued.

Forecast of the issuer of the probability of extending the special permission (license):

As the issuer satisfies all the necessary requirements for obtaining this license and complies with all requirements of the licensing authorities, so there are no reasons to assume that the licenses would not be extended.

4.2.6. Joint activities of the issuer

Information on joint activities, which the issuer has with other organizations for the last 5 fiscal years and for the last complete accounting period before the date of approval of the securities prospectus.

Joint activities with other organizations for the last 5 fiscal years and for the last complete accounting period before the date of approval of the securities prospectus were not conducted by the issuer.

4.2.7. Additional requirements to the issuers being joint stock investment funds, insurance or lending institutions, mortgage agents

The Issuer is not a joint stock investment funds, insurance or lending institution, or mortgage agent.

4.2.8. Additional requirements to issuers whose main activity is mining operations

The main business of the Issuer is not mining operations, including extraction of precious metals and stones, and the Issuer doesn't have subsidiaries or affiliated companies that operate the extraction of these minerals.

4.2.9. Additional requirements to the issuers whose main activity is provision of communication services

Provision of communication services is not the main activity of the issuer.

4.3 Plans for the future activity of the issuer

Brief description of the issuer's plans for future activities and sources of future income, including plans for the organization of new production, expansion or curtailment of production, product development, modernization and reconstruction of equipment, possible changes in operating activities:

The issuer's plans for future sources of income: **the production and sale of finished dosage forms, the performance of contract work on R & D, sale of licenses for production and sales of patented drugs abroad.**

Plans of the Issuer concerning the organization of new production: **in order to reduce the cost of production of finished dosage forms and increase of marginality of sales CJSC «Pharmsynthez» plans to build a plant for the production of finished dosage forms in the period from 2011 to 2012. The plant's capacity will be 2 million capsules and 15 million tablets a year. Construction cost is estimated at 90 million roubles.**

The issuer's plans regarding the expansion of production: **none.**

Plans of the Issuer relating to the curtailment of production: **none.**

The issuer's plans for new types of products:

- **Creation of the exclusive technology for manufacturing of glatiramer acetate analog;**
- **Creation of dornase alpha analog;**
- **Creation of HIV vaccine;**
- **Development nucleoside analogues of cladribine, fludarabine and ribavirin.**

The issuer's plans regarding reconstruction and modernization of equipment:

- **Work on the organization of the territorial independence of the industrial complex;**
- **Organization of an independent power supply;**
- **Creation of a single warehouse to store raw materials and finished products.**

The issuer's plans regarding the possible changes in operating activities: **none.**

4.4. ISSUER'S PARTICIPATION IN INDUSTRIAL, BANKING AND FINANCIAL GROUPS, HOLDINGS, CONCERNS AND ASSOCIATIONS

The Issuer doesn't participate in industrial, banking and financial groups, holdings, concerns and associations.

4.5. SUBSIDIARIES AND DEPENDENT COMPANIES OF THE ISSUER

The issuer doesn't have any subsidiaries and dependent companies.

4.6. COMPOSITION, STRUCTURE AND VALUE OF THE OBJECTS OF PROPERTY, FACTORY AND EQUIPMENT OF THE ISSUER, INFORMATION ON PLANS ABOUT PURCHASING, REPLACEMENT, DISPOSAL OF THE OBJECTS OF PROPERTY, FACTORY AND EQUIPMENT AS WELL AS ABOUT ALL THE FACTS OF ENCUMBRANCE ISSUER'S OBJECTS OF PROPERTY, FACTORY AND EQUIPMENT

4.6.1. Property, factory and equipment

Information on the initial (replacement) cost of fixed assets and the amount of accumulated amortization for the last 5 completed financial years:

Name of the group of objects of fixed assets	Initial (replacement) cost, thousand of roubles	The amount of accumulated amortization
Accounting date: 2005		
Buildings	51 539	4 162
Installations and transmission facilities	1056	214
Machinery and equipment	256 626	62 861
Transportation	2 186	777

Production and economic implements	393	117
Other kinds of equipment	371	208
Lands and environmental facilities	2 161	0
Total:	314 332	68 339
Accounting date: 2006		
Buildings	51 539	5 202
Installations and transmission facilities	1 106	297
Machinery and equipment	257 941	79 163
Transportation	2 686	1 164
Production and economic implements	758	211
Other kinds of equipment	345	178
Lands and environmental facilities	2 964	0
Total:	317 339	86 215
Accounting date: 2007		
Buildings	51 539	6 243
Installations and transmission facilities	1 392	530
Machinery and equipment	260 082	95 639
Transportation	5 630	1 343
Production and economic implements	812	347
Other kinds of equipment	372	234
Lands and environmental facilities	2 964	0
Total:	322 792	104 336
Accounting date: 2008		
Buildings	51 539	7 282
Installations and transmission facilities	1 392	711
Machinery and equipment	261 217	112 492
Transportation	4 724	1 489
Production and economic implements	812	487

Other kinds of equipment	457	295
Lands and environmental facilities	2 964	0
Total:	323 105	122 756
Accounting date:		
Buildings	51 539	8 322
Installations and transmission facilities	1 392	844
Machinery and equipment	266 054	128 551
Transportation	4 076	1 530
Production and economic implements	812	609
Other kinds of equipment	457	342
Lands and environmental facilities	2 964	0
Total:	327 295	140 198

Information about how to charge amortization for groups of fixed assets:

Amortization of fixed assets is provided by linear method.

The results of the last revaluation of fixed assets and long-term lease of fixed assets carried out during the last 5 completed financial years or from the date of state registration of the issuer if the issuer exercises its activity within less than 5 years. Method of revaluation of fixed assets:

Revaluation of fixed assets and long-term lease of fixed assets of the Issuer during the last 5 fiscal years was not performed.

Information about the plans of acquisition, replacement, retirement of fixed assets, valued at more than 10 percents of the value of fixed assets of the issuer, and other fixed assets at the discretion of the issuer:

CJSC “«Pharmsynthez»” plans to build a plant for the production of finished dosage forms in the period from 2011 to 2012. Construction cost is estimated at 90 million roubles.

For information about all facts of encumbrance of issuer's fixed assets (indicating the type of encumbrance, the date and validity period of encumbrance and other conditions at the discretion of the Issuer):

№	Type of encumbrance of fixed assets	Date of encumbrance of fixed assets	Validity period of encumbrance of	Other conditions at the discretion
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			fixed assets	of the Issuer
1	Pledge of building of pilot plants of medicinal substances of the first stage NPBTTS (47-00-8/2001-94 arbitrary number), with the total area of 934.7 square meters, with the corresponding land (cadastral number: 47:07:05 - 16-001:0051), located at the address: Leningradskaya Oblast, Vsevolzhskiy raion, the village Kapitolovo, Opytny Zavod RNTz "Prikladnaya Khimiya" upon the security of loan of OJSC "SEB Bank"	29.10.2009	28.07.2010	none
2	Pledge of movables composed of: - glass plant - Line number 3 (ready-assembled) Inv. № 013431 - glass plant - Line number 4 (ready-assembled) Inv. № 013432 The security of loan of OJSC "SEB Bank"	31.10.2007	28.07.2010	none

V. Information on the financial and economic activities of the issuer

5.1. Results of the financial and economic activities of the issuer

5.1.1. Profit and losses

Dynamics of indexes, characterizing profitability and loss ratio of the issuer for the last 5 completed financial years or for each completed financial year if the issuer exercises its activity within less than 5 years:

Name of the index	2005	2006	2007	2008	2009
Revenue, thousand of	116	147	172	179	228

roubles	828	645	502	946	398
Gross profit, thousand of roubles	39 693	72 877	79 038	79 729	73 842
Net profit (retained earnings (uncovered loss)), thousand of roubles	(8 089)	14 664	16 869	2 123	14 043
return on equity, %	No information	6,10	6,39	0,80	5,19
Return on Total Assets, %	No information	3,99	4,48	0,55	3,74
Net profit ratio, %	No information	9,93	9,78	1,18	6,15
Product profitability (sales), %	No information	14,79	18,75	11,64	7,18
Capital turnover, times	0,52	0,61	64,97	66,65	84,28
The amount of uncovered loss on accounting date, thousand of roubles.	(21 724)	(7 059)	0	0	0
Proportion of uncovered loss to total balance on accounting date, %	2,77	1,92	0	0	0

For calculation of these indexes used a method recommended by the "Regulation on information disclosure by issuers of securities approved by Order of the Federal Service for Financial Markets on October 10, 2006 № 06-117/pz-n.

Economic analysis of profitability / loss ratio of the issuer is based on the dynamics of these indexes. Information on the causes, which in the opinion of the issuer's governing body, led to the loss / profit of the issuer, as reflected in financial statements for the five fiscal years preceding the date of approval of the securities prospectus, or for each completed fiscal year, if the issuer has been operating less than 5 years:

Since 2005 till 2009 proceeds have been gradually growing and finally increased in 2009 compared with 2005 by 95.50percents due to rising of real

incomes of the population, increasing of state funding for procurement of certain groups of medicines, marketing and promoting of own brands, expanding the range of products and services.

In 2005- 2008 change in gross profit corresponds to changes in revenue. Gross profit increased by 100.86percents. In 2009gross profit decreased by 7.38percents in connection with the increased share of revenue from government contracts, the profits of which shall not exceed 10percents.

In 2005 net profit had a negative value; the Issuer has had a net loss. Since 2006 till 2009 the net profit has been at a consistently high level. In 2008 because of the difficult economic situation that prevailed at the end of the year, this figure had the minimum value. The Return of the index of net profit to its previous level in 2009 was stipulated by the growth of revenue and anti-crisis measures taken by the Issuer.

The indexes of profitability, representing the results of the ratio of profit (net profit) and its means of earning it, characterize the efficiency of the enterprise - productivity or returns of financial resources.

Since in 2005 the Issuer had no net profit, the indexes of profitability for this period are not calculated.

Return on equity during 2006-2007 was within the range 6,10-6,39, in 2008 the index fell by 87.48percents due to a significant decrease in net profit. In 2009 rate returned to pre-crisis levels, approaching those of previous years.

Return on assets in 2007 increased compared to 2006 by 12.28percents, which is associated with the increase of net profit of the Issuer. In 2008the index decreased in comparison with 2007by 87.72percents. In 2009 the index returned to pre-crisis levels, approaching the performance of previous years.

During the period the changes in the net profit corresponded to changes in profitability.

Product profitability (sales) in 2007 increased in comparison with 2006 by 26.77percents due to the significant increase in profits from sales in comparison with growth in revenue. In 2008 the index fell by 37.92percents and in 2009 by 38.32percents, which is associated with lower profits from sales due to the increasing share of government contracts in revenue, profits of which should not be more than 10percents.

Indicator of capital turnover in the period under review had been increasing and by the end of 2009 had a value of 84.28.

Within 2006-2009, the Issuer's activity was profitable, so it hadn't any uncovered losses.

Financial and economic activities of the Issuer can be assessed as positive.

Owing to the specific character of the Issuer's activity, seasonality does not significantly affect the company's activity.

Mentioned in this section information is given in accordance with the views expressed the governing body of the Issuer.

5.1.2. Factors that influenced the change in the amount of revenues from the sale of goods, works and services and income (loss) from operations of the Issuer

Factors which, in the opinion of the issuer's governing body had an impact on changing the size of revenues from the sale of goods, works and services, the costs of their production and sale (par value) and profit (loss) from operations for the last 5 financial years ended or for each completed fiscal year, if the issuer has been operating less than 5 years, as well as assessment of the impact, which, according to the above-mentioned bodies of the issuer, had each of the above factors on the aforementioned financial and economic activity of the issuer:

	Factors that influenced the size of the revenues of the issuer (the impact of inflation, changes in foreign exchange rates, decisions of public authorities, other economic, financial, political factors)
2005	- increase in sales of goods and services
2006	- increase in sales of services for the production of chemical compounds - increase in sales of finished products through active promotion
2007	- increase in sales of services for the production of chemical compounds
2008	- increase in sales of medicines and pharmaceutical ingredients - expanding the range of products - the economic crisis had a negative influence
2009	- the active development of the company, including the expansion of the range of products and services, geographic expansion of sales, increase of the customer base - the economic crisis negatively influenced, the increased cost of raw materials, appreciation of borrowed funds

Mentioned in this section information is given in accordance with the views expressed the governing body of the Issuer.

5.2. Issuer's liquidity, capital and current assets adequacy

Dynamics of the liquidity of the issuer for the last 5 completed financial years or for each completed financial year if the issuer exercises its activity within less than 5 years:

Name of the index	2005	2006	2007	2008	2009
Working capital, thousand of roubles	(- 42 027)	(- 14 491)	21 645	38 888	50 757
Net fixed assets index	1,19	1,06	0,92	0,85	0,81
Current liquidity ratio	0,92	0,89	1,21	1,37	1,49
Quick ratio	0,83	0,45	0,70	0,78	0,85
Equity-assets ratio	0,29	0,65	0,70	0,69	0,72

For calculation of these indexes used a method recommended by the "Regulation on information disclosure by issuers of securities approved by Order of the Federal Service for Financial Markets on October 10, 2006 № 06-117/pz-n.

An economic analysis of liquidity and solvency of the issuer, own capital adequacy of the issuer to repay short-term liabilities and to cover current operation expenditures of the issuer based on an economic analysis of the dynamics of these indicators. Description of factors that, in the opinion of the issuer's governing body, led to a change in the value of any of these indexes compared with the previous accounting period by 10 percents or more:

Working capital - the amount by which total current assets usually exceeds the amount of short-term liabilities (current bill payables). The negative value of this indicator in 2005 and 2006 indicates that due to insufficiency of own funds, the issuer is forced to resort to raising capital to finance working capital. Within 2007-2009 the working capital had a tendency to grow.

Net fixed assets index characterizes the fraction of non-current assets in the sources of its own funds. In 2005 and 2006 this index exceeded the value of 1, which indicates that the own funds for the period under review were insufficient to cover non-current assets. Within 2007-2009 the net fixed assets index has been gradually declining.

Current Ratio indicates whether the enterprise has sufficient funds that can be used to repay short-term liabilities (including the bill payables). The current liquidity of the Issuer increases during 2005 to 2009. (Except for 2006 when the index fell by 3. 26%), which is a favorable factor in terms of current assets management. The increase of indexes is caused by the growth of liquid assets of the Issuer.

Quick ratio - the ratio of the most liquid assets and receivables to current liabilities. This ratio reflects the payment capacity of the enterprise for timely and quick

payment of their arrears. Low level of rapid liquidity (0, 45) in 2006 determined that the Issuer decreased current assets for 2006. Already in 2007 the figure was released at a more acceptable level of value and amounted to 0, 70, and in 2009 increased to 0, 85.

The coefficient of autonomy equity characterizes the dependence of the enterprise from external loans. Coefficient value during 2006 to 2009 is in the range of 0, 65 - 0, 72, which indicates the low financial dependence on external sources of business financing.

Referred information in this section is given in accordance with the views expressed by governments of the Issuer.

5. 3. The amount and structure of capital and current assets of the Issuer

5. 3. 1. The amount and structure of capital and current assets of the Issuer

The size and structure of capital and current assets of the Issuer for the last 5 completed financial years or for each complete financial year if the Issuer exercises its activity within less than 5 years:

The name of the index	2005	2006	2007	2008	2009
a) The authorized capital stock of the Issuer, thousand rubles	247 606	247 596	247 596	247 596	247 596
Compliance with the authorized capital of the Issuer's constitutive documents of the Issuer.	<i>The authorized capital stock of the Issuer meets the constituent documents of the Issuer</i>				
b) The total value of shares of the Issuer, the Issuer repurchased for resale (transfer), indicating the percentage of such shares of issued shares of the Issuer, thousand rubles	0	0	0	0	0
c) The amount of reserve capital of the Issuer, which is formed by contributions from the profits of the Issuer, thousand rubles	1	1	1	1	1
d) The amount of additional capital of the Issuer, reflecting capital gains, revealed the results of the revaluation, thousand rubles as well as	2	2	2	2	2
amount of difference between the selling price (the price of accommodation) and the nominal value of shares (shares) of the company by selling shares (shares) at a price exceeding the nominal value;	0	0	0	0	0
e) The amount of	(21724	(7 059)	16 202	18 247	22 821

Accounts receivable (payments expected within 12 months after the reporting date)	23 179	4,49	55 053	48,87	69 789	52,10	85 098	53,53	64 203	41,29
Short term financial investments	433 958	84,01	0	0	0	0	425	0,27	425	0,27
Cash resources	5 040	0,97	1 019	0,90	6 123	4,57	3 494	2,20	22 028	14,17
Other assets	1 394	0,27	1 394	1,24	1 394	1,04	1 394	0,88	1 394	0,90
TOTALS	516 539	100	112 661	100	133 962	100	158 977	100	155 497	100

Sources of financing working capital of the Issuer (own sources, loans, credits):

The main source of financing working capital of the Issuer during the period under review was issuer's own funds.

The policy of the Issuer to finance working capital:

The policy of the Issuer to finance the working capital provides a balanced form of working capital from external sources and its own funds, subject to the terms of turnover, the duration of operational and financial cycle. Financing of working capital and the choice of individual sources is done on the greatest benefits, feasibility and cost of resources for the company. In the present policies of the Issuer to finance the working capital is aimed at increasing the share of financing from its own funds.

Factors that could cause a change in the financing policy of working capital, and their probabilities of occurrence:

At the date of approval of this Prospectus, the Issuer's management has not got any information, which allows predicting the onset of the negative factors and their effects in amounts that could lead to problems in financing and replenishment of circulating assets of the Issuer.

5. 3. 2. Financial investments of the Issuer

The list of investments of the Issuer, which constitute more than 10 per cent of its investments at the end of last fiscal year prior to the date of approval of the securities prospectus:

On 31. 12. 2009 the Issuer has no financial investment that make up 10 percent or more of all its financial investments.

5. 3. 3. Intangible assets of the Issuer

Information about the composition of the initial (replacement) value of intangible assets of the Issuer and the value of depreciation charges for the last 5 completed financial years or for each complete financial year, if the Issuer has been operating less than 5 years if the information is not reflected in the financial statements of the Issuer for the relevant period:

	Name of group of intangible assets	Initial (replacement) cost, rubles.	The amount of accumulated depreciation, rub.
Reporting date: 2005			
1	Intellectual property right owner for an invention, industrial design, utility model	1 183	19
2	Intellectual property by the owner of the trademark and service mark, appellation of origin of the products.	711	0
3	Organization expenses	2	0
4	Other	815	358
	Totals	2 711	377
Reporting date: 2006			
1	Intellectual property right owner for an invention, industrial design, utility model	1 652	47
2	Intellectual property by the owner of the trademark and service mark, appellation of origin of the products.	760	2
3	Organization expenses	2	0
4	Other	820	358
	Totals	3 234	407
Reporting date: 2007			
1	Intellectual property right owner for an invention, industrial design, utility model	1 652	261
2	Intellectual property by the owner of the	764	9

	trademark and service mark, appellation of origin of the products.		
3	Organization expenses	2	0
4	Other	820	360
	Totals	3 238	630
Reporting date: 2008			
1	Intellectual property right owner for an invention, industrial design, utility model	1 652	460
2	Intellectual property by the owner of the trademark and service mark, appellation of origin of the products	950	120
3	Other	1 071	439
	Totals	3 673	1 019
Reporting date: 2009			
1	Intellectual property right owner for an invention, industrial design, utility model	1 652	675
2	Intellectual property by the owner of the trademark and service mark, appellation of origin of the products	989	191
3	Other	1 071	471
	Totals	3 712	1 337

Contribution of intangible assets in authorized (reserve) capital (share fund) or receipts through grant: for the period 2005-2009 were not included.

Standards (rules) accounting, under which the Issuer presents information about their intangible assets: **in accordance with the laws and regulations on accounting of the Russian Federation. The Federal Law dated 21. 11. 96 № 129-FZ, Order of the Ministry of Finance dated 16. 10. 2000, № 91n "On**

Approval of Accounting "Accounting for Intangible Assets" RAS (Russian accounting standards) № 14/2000, Order of the Ministry of Finance of the Russian Federation dated 29. 07. 98, № 34n "On Approval of the Regulations on Accounting and Financial Reporting in the Russian Federation"

5. 4. Information on policy and expenditures of the Issuer in the field of scientific and technological development, in relation to licenses and patents, new developments and researches.

The policy of the Issuer in the field of scientific and technological development over the last 5 completed financial years or for each complete financial year, if the Issuer exercises its activity within less than 5 years, including the disclosure of the costs of implementing the scientific and technical activities at their own expense of the Issuer for each of the periods:

One of the most important activities, along with the implementation of production programs are versatile research in generating new active pharmaceutical ingredients (API), including intermediates for them, and other fine chemicals.

For more than 12-year history of the Chemical Research Group (CRG) has gained successful experience of cooperation with leading Russian and foreign (UK, Canada, USA, Ukraine, Finland, France, Estonia), research centers, manufacturing companies, as well as with manufacturers and suppliers of laboratory, industrial and analytical equipment.

Over the last 5 years Open Joint Stock Company "Pharmsynthez" has invested in research and development work for more than 10 million rubles of its own funds.

Information about creating and obtaining by the Issuer the legal protection for the main objects of intellectual property (including information on the date of issue and expiry of patents on inventions for utility model and industrial design, the state registration of trademarks and service marks, appellation of origin), the main directions and the results of the using the main objects of intellectual property for the Issuer:

- A patent for an invention "Method of sodium 10-methylenecarboxylate-9-or 10 akridon methylenecarboxy-9-akridon out of akridon" (document number 2162843 dated 19. 05. 1998, valid until 05. 19. 2018)**
- A patent for an invention "Hard Drugs" (document number 2198659 dated 16. 05. 2001, valid until 16. 05. 2021)**

- A patent for an invention "Salts of 1-deoxy-1-N-methylaminogeksaspirin with N-akridonacetic acid possessing immunomodulatory activity, and drugs based on them" (document number 2135474 dated 19. 08. 1998, valid until 19. 08. 2018);
- A patent for an invention "Method of doxorubicine hydrochloride (document number 2211842 dated 31. 01. 2002, valid until 01. 31. 2022)
- A patent for an invention "drugs to treat tuberculosis (document number 2080114 dated 21. 06. 1994, valid until 21. 06. 2014)

Risk factors associated with the possibility of expiry of the basic to the Issuer of patents, licenses to use trademarks: **reduced volumes and selling prices due to the withdrawal of analogues (generic) original drugs with other pharmaceutical companies (increased competition).**

5. 5. Analysis of trends in the core business of the Issuer

The main trends of the economy, in which the Issuer carries out its core activity for the last 5 completed financial years or for each complete financial year, if the Issuer exercises its activity within less than 5 years, and the main factors influencing the state of the industry:

The Issuer carries out its activities in the pharmaceutical industry.

Overall assessment of the performance of the Issuer in the industry. Conformity assessment of the results of the Issuer's industry to development trends.

The growth in revenues of the Issuer for this period is much higher than the average market growth in the pharmaceutical industry of Russia, indicating the correctly chosen development strategy, competent management decisions and management of its high business qualifications. The Issuer develops innovative medicines and vaccines, thus adheres to the state in 2009, the pharmaceutical industry development strategy until 2020 (with regards to development and production in Russia imported products and products which are not produced in Russia). The Issuer is one of the few in the Russian Federation carries out a deep R & D in the pharmaceutical industry, which is also indicated by the state as a priority development of pharmaceutical manufacturers in the long run.

Reasons justifying the results of (satisfactory and unsatisfactory, according to the Issuer's results):

Overall growth of the Russian pharmaceutical market, more rapid growth in the ATC-group G (genitourinary system and sex hormones) and J

(antimicrobials for systemic use), which belong to the drugs produced by the Issuer, the expansion of the ADP program (additional drug provision), funded by the state, increasing real incomes, increasing the propensity to consume drugs in connection with the tendency of concerns about personal health in the Russian Federation.

Referred information in this section is given in accordance with the views expressed by governments of the Issuer.

5. 5. 1. Analysis of the factors and conditions affecting the activity of the Issuer

Factors and conditions affecting the Issuer's business and results of such activities:

The main factors and conditions affecting the Issuer, include: consumer demand for the markets (the main RF), competition with foreign and Russian producers, government support of the pharmaceutical industry and the policies associated with the pharmaceutical market (including import restrictions), policies on the Russian pharmaceutical manufacturers of foreign countries, where the Issuer sells its products, quality and safety of domestic production and management processes, the productivity of the activities of R & D.

Forecast for the duration of these factors and conditions:

Factors differ in their effect and its duration. As for the forecast for the duration of these factors and conditions, we can note their short term influence in the case of the negative effect of the nature on the operations of the Issuer, as the Issuer conducts ongoing analysis of the economic situation in the industry and will make its best action in advance, anticipating a negative situation.

Actions taken by the Issuer, and the actions that the Issuer intends to take in the future to use these factors and conditions effectively:

The Issuer in the event of the occurrence of such factors and conditions has developed an action plan that will allow him to use them effectively. For example, a driver of economic growth and stability of macroeconomic development will expand the geography of the Issuer, together with the positive trends in micro-economic development of the Company, and therefore get bigger income.

Methods used by the Issuer, and the ways in which the Issuer intends to use in the future for the reduction the negative effects of factors and conditions affecting the Issuer's activities:

Planning activities based on an analysis of the economic situation is the main method used by the Issuer at the current stage of development companies, in the future the Issuer plans to use the analysis to reduce the negative impact of factors and conditions.

Significant events / factors that may be most adversely affect the possibility of having in the future the same or better results for the Issuer, compared with results obtained in the last reporting period, as well as the likelihood of such events (factors):

Factors that could adversely affect the company's activities: increased competition manufacturers similar product range, increasing / input tax, the weakening of state support of the pharmaceutical sector, weakening consumer demand, failure of the investment program as scheduled, the introduction of strict regulation of public sales prices drug groups, which fall in manufactured products by the Issuer, the negative results of clinical trials R & D portfolio and the inability to register as a ready-made medicines.

Significant events / factors that can improve the results of the work of the Issuer, and the likelihood of their occurrence and their duration:

Among the factors that have a positive impact on the company are internal and external factors.

External:

Growth of the Russian pharmaceutical market, increased consumption of drugs ATC-group G (genitourinary system and sex hormones) and J (antimicrobials for systemic use), which include drugs manufactured by the Issuer, Financial support from the state of pharmaceutical industry in general and the demand for drugs in particular, the growth of real incomes of the population and the tendency to greater consumption of drugs, including due to the growth of morbidity.

Internal:

Optimization of production and financial activities of the enterprise management, the highest multi-level quality control in product, development of a network of sales and marketing policies, the right choice of partners for

cooperation (including suppliers and companies offering their products to distribution in Russia and CIS) .

5. 5. 2. Competitors of the Issuer

Major existing and prospective competitors of the Issuer on the core activities, including competitors abroad:

Global Players:

The Swiss company Roche. The company produces Pulmozim - a product containing Dornase alpha and for the treatment of cystic fibrosis. Sales of the drug are around 170 thousand packages, though the potential market size of 2, 166, 000 packs. Thus, Pulmozim takes only 8% of the market. Thus, considering the need to purchase amounts of drugs for treating multiple sclerosis as well as state policy of import substitution, competition from Roche is not critical.

The German company Merck KGaA has been developing therapeutic nanovaccine for the treatment of multiple sclerosis. As part of the development of Merck KGaA has signed an agreement with the British biotechnology company Apitope Technology. In accordance with this agreement Apitope granted exclusive rights to Merck Serono (division Merck KGaA) for the development and commercialization of therapeutic peptide ATC-MS-1467. This peptide has passed the first stage of clinical trials, designed to determine the immunological tolerance of T cells to key antigens that cause the pathogenesis of multiple sclerosis.

Nevertheless, due to the above reasons (the policy of import substitution), Open Joint Stock Company "Pharmsynthez" will gain an advantage over foreign pharmaceutical companies. Implementation of state contract in developing innovative production of therapeutic nanovaccine MyeloXen will provide Open Joint Stock Company "Pharmsynthez" guaranteed level of procurement from the government.

Local producers:

Science and technology company Polysan was founded in 1992 by specialists of medical and biological profile of the various agencies of St. Petersburg. The priority activity of the company is to develop, manufacture and introduction of modern medicine. The main product of Polysan is Cyclopheron in the form of tablets, solution for intramuscular injection, and liniment. Cyclopheron occupies the same niche, as produced by OJSC "Pharmsynthez" Neovir -

antiviral, immunomodulating and anti-inflammatory drugs. Neovir occupies 20% on the market share of Cyclopheron. Cyclopheron received widespread occurrence due to its price, which, however, is not considered that drugs needed to prevent adverse events and concomitant medications which should be used alongside with Cyclopheron.

Center for High Technology ChemRar engaged in innovative designs for treatment of AIDS, cancer and hepatitis C. In July this year projects of ChemRar were approved by Rusnano. In addition, ChemRar landed a contract with Swiss company Roche to develop a drug for the treatment of HIV / AIDS.

The St. Petersburg pharmaceutical company NPF KEM specializes in the production of substances. The company was founded in 2006 by experts in the field of organic synthesis. A product portfolio includes preparations of APF KEM bactericidal properties (Dioksidyn, Diazolin, Proxodolol), and nootropic (Pantogam), an antioxidant agent (Meldony) and drug detoxification (Unitiol). Thus, the areas of overlap of companies are very remote.

The list of factors of competitiveness of the Issuer with a description of their impact on the competitiveness of products (works, services):

- Unique research and production complex

Degree of influence: high

- Specializing in innovative drugs

Degree of influence: high

- Qualified personnel staff

Degree of influence: high

- Government policies aimed at import substitution

Degree of influence: high

- Historically conditioned high concentration of medical schools and medical facilities in St. Petersburg and Leningrad region

Degree of influence: average

- International cooperation

Degree of influence: average

VI. Detailed information on the persons included in the Issuer's management bodies, bodies controlling its financial and economic activity, and brief information on employees of the Issuer

6. 1. Information on the structure and competence of the Issuer's management bodies

Full description of the structure of the Issuer's management bodies and their competence in accordance with the Charter (constituent documents) of the Issuer:

Issuer's management bodies (hereinafter - the "Company") are:

General meeting of shareholders;

The Board of Directors;

The sole executive body - the General Director.

Collegial executive body of the Issuer's Charter is not foreseen.

The supreme governing body is the General Meeting of Shareholders.

The exclusive competence of the general meeting of shareholders of the Company shall address the following issues:

- 1) amendments to the Charter of the Company or approval of the Company in the new edition;**
- 2) reorganization of the Company;**
- 3) liquidation of the Company, appointment of liquidation committee and approval of interim and final liquidation balance sheets;**
- 4) election of members of the Board of Directors of the Company and the termination of their powers;**
- 5) identification number, nominal value, category (type) of declared shares and rights to such shares;**
- 6) increase the authorized capital by increasing the nominal value of shares or by issuing additional shares;**
- 7) reduction of the share capital by reducing the nominal value of shares through the acquisition of a portion of shares to reduce their total number, as well as through redemption of shares acquired or repurchased by the Company;**

8) payment (declaration) of dividends for the first quarter, first nine months of the fiscal year and (or) for the financial year;

9) approval of annual reports, annual financial statements, including statements of profit and loss statement (profit and loss accounts) of the company, as well as distribution of profits (including payment (declaration) of dividends, except for profits distributed as dividends for the first quarter, nine months of fiscal year) and losses for the financial year;

10) determine the order of the General Meeting of Shareholders;

11) election of members of the Audit Commission and the termination of their powers;

12) split or consolidation of shares;

13) decision to approve major transactions and related party transactions in cases provided for in Chapter X and XI of the Federal Law "On Joint Stock Companies";

14) repurchase of the outstanding shares by the Company, in cases stipulated by legislation of the Russian Federation;

15) decision to participate in financial and industrial groups, associations and other commercial organizations;

16) approval of internal documents regulating the activities of the Company;

17) election of members of the Audit Commission and early termination of their powers;

18) approval of the Company's Auditor;

19) other issues stipulated by the federal law.

The Board of Directors has overall management of the Company, except for matters referred by federal laws and the Charter of the General Meeting of Shareholders. The Board of Directors has the right to the following:

1) identification of priority activities of the Company;

2) convening of the Annual and Extraordinary General Meetings of Shareholders, except as provided for in paragraph 9. 3. 5 of the Charter of the Company;

3) approval of the agenda of the General Meeting of Shareholders;

- 4) determining the date of the list of persons entitled to attend the General Shareholders' Meeting and other matters within the jurisdiction of the Board of Directors of the Company in accordance with the provisions of Chapter VII of the Federal Law "on Joint Stock Companies" and related to the preparation and holding of General Shareholders' Meeting;**
- 5) placement of bonds and other securities issued in the cases stipulated by the Federal Law "On Joint Stock Companies";**
- 6) determine the price (value) of assets, offering price and redemption of securities in cases stipulated by the Federal Law "on Joint Stock Companies";**
- 7) the appointment of the Director of the Company and early termination of his powers;**
- 8) recommendations on the amount paid to the Auditor of compensation and reimbursement, and determine the amount of payment for services of an auditor;**
- 9) recommendations on the amount of the share dividend and the payment thereof;**
- 10) use of the reserve fund and other funds;**
- 11) approval of internal documents, except for internal documents, approval of which is within the Federal Law "on Joint Stock Companies" to the jurisdiction of the General Meeting of Shareholders as well as other internal documents, approval of which is assigned by this Charter to the competence of the general director of the Company;**
- 12) establishment of branches and representative offices of the Company;**
- 13) approval of major transactions in cases provided for in Chapter X of the Federal Law "On Joint Stock Companies ";**
- 14) approval of related party transactions in cases provided for in Chapter XI of the Federal Law on Joint Stock Companies ";**
- 15) approval of the Company's registrar and the terms of the contract with it, and to terminate the contract with it;**
- 16) making decisions on participation and cessation of participation in other organizations (except for organizations described in Section 11.2.15 of the Charter of the Company);**

17) approval of the transactions specified in clauses 13.4.1 - 13.4.4 the Company's Charter in view of Section 11.2.13 of the Company Charter;

18) other issues specified by the Federal Law "On Joint Stock Companies" and the Company's Charter.

Matters referred to the Board of Directors of the Company may not be transferred to the executive body of the Company.

The competence of the sole executive authority in accordance with the Charter of the Issuer:

The General -Director is authorized:

1) to enforce the decisions of the General Meeting of Shareholders and Board of Directors;

2) to dispose the assets of the Company within the limits prescribed by this Charter and applicable law;

3) to approve the rules, procedures and other internal documents, to determine the organizational structure of the Company, except for documents to be approved by the General Meeting of Shareholders and the Board of Directors of the Company

4) to approve the staffing of the Company, its subsidiaries and representative offices;

5) to employ and dismiss employees, and to appoint and dismiss their deputies, chief accountants, heads of departments, branches and representative offices;

6) to open a bank settlement, currency and other accounts of the Company;

7) to enter into contracts and perform other transactions;

8) to organize accounting and reporting;

9) to perform other actions to ensure achievement of the objectives of the Company and its normal functioning.

Data on the Corporate Governance Code (Administration) of the Issuer or other similar document:

Corporate Code of Conduct of the Company is not accepted.

Data on the Issuer's internal documents regulating the activities of agencies:

In society there are:

- Regulations for the General Shareholders' Meeting approved by the decision of the Annual General Meeting of shareholders of Closed Joint Stock Company "Pharmsynthez " June 30, 2010, minutes dated " 30 "June 2010 № 10 GOS \ 2010;

- Regulations of the Board of Directors approved the decision of the Annual General Meeting of shareholders of Closed Joint Stock Company "Pharmsynthez" June 30, 2010, minutes dated " 30 "June 2010 № 10 GOS \ 2010;

- Regulations on the General Director of the Company, approved by Resolution of the annual general meeting of shareholders of Closed Joint Stock Company "Pharmsynthez" June 30, 2010, minutes dated " 30 "June 2010 № 10 GOS \ 2010;

- Regulations on the Company's Audit Committee, approved by Resolution of the annual general meeting of shareholders of Closed Joint Stock Company "Pharmsynthez" June 30, 2010, minutes of" 30 "June 2010 № 10 GOS \ 2010;

- Regulations on Dividend Policy, approved by Resolution of the annual general meeting of shareholders of Closed Joint Stock Company "Pharmsynthez" June 30, 2010, minutes dated " 30 "June 2010 № 10 GOS \ 2010.

The page address in the Internet, where a free access to the full text of the current edition of the Issuer's Charter and internal documents, regulating the activities of the Issuer and the Issuer's corporate governance code, if any:

<http://www.pharmsynthez.com>

6. 2. Information on the members of the Issuer's management bodies

Members of the Board of Directors of the Issuer:

Chairman of the Board of Directors:

Full name: **Genkin Dmitry Dmitrievich**

Date of birth: **1968**

Education: **St. Petersburg State Medical Academy**

All positions held by such person within the Issuer and other organizations over the last 5 years and are now in chronological order, including off-hour work:

Period: **2003 – present**

Organization: **Lipoxen PLC (London, UK)**

Position: **Director, Member of the Scientific Council**

Period: **2003 - present**

Organization: **FDS Pharma LLP (London, UK)**

Position: **Managing**

Period: **2007 - present**

Organization: **EPHAG AS (Tallinn, Estonia)**

Position: **Member of the Supervisory Board**

Period: **2009 - present**

Organization: **Open Joint Stock Company "Institute of Human Stem Cells"**

Position: **Member of the Board of Directors**

Period: **2009 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **0, 001%**

The share owned by such person of ordinary shares: **0, 001%**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue options**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Members of the Board of Directors:

Full name: **Indrek Kasela**

Date of birth: **1971**

Education: **University of Tartu - Bachelor of Laws, New York University - Master of Laws**

All positions held by such person within the Issuer and other organizations over the past 5 years and are now in chronological order, including off-hour work:

Period: **2005 – present**

Organization: **AS Premia Tallinna Kulmhoone**

Position: **Member of the Supervisory Board**

Period: **2008 – present**

Organization: **AS Premia Foods**

Position: **Member of the Supervisory Board**

Period: **2007 – present**

Organization: **Saaremere Kala AS**

Position: **Member of the Supervisory Board**

Period: **2003 – present**

Organization: **Vettel OU**

Position: **Member of the Supervisory Board**

Period: **2007 – present**

Organization: **OU TCS Invest**

Position: **Member of the Supervisory Board**

Period: **2007 – present**

Organization: **AS Toode**

Position: **Member of the Supervisory Board**

Period: **2006 – present**

Organization: **AS PKL**

Position: **Member of the Supervisory Board**

Period: **2007 – present**

Organization: **ELKE Grupi S**

Position: **Member of the Supervisory Board**

Period: **2007 – present**

Organization: **EPhaG AS**

Position: **Member of the Supervisory Board**

Period: **2004 – present**

Organization: **Salva Kindlustuse AS**

Position: **Member of the Supervisory Board**

Period: **2010 – present**

Organisation: **Ridge Capital AS**

Position: **Member of the Supervisory Board**

Period: **2004 – present**

Organization: **OU X-expression**

Position: **Member of the Board of Directors**

Period: **2007 – present**

Organization: **Fine, Wood and Company OU**

Position: **Member of the Board of Directors**

Period: **2009 – present**

Organization: **Lindermann, Birnbaum & Kasela OU**

Position: **Member of the Board of Directors**

Period: **2008 – present**

Organization: **Managettrade OU**

Position: **Member of the Board of Directors**

Period: **2009 – present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Full name: **Erik Haavamäe**

Date of birth: **1969**

Education: **Tallinn Technical University**

All positions held by such person within the Issuer and other organizations over the past 5 years and are now in chronological order, including off-hour work:

Period: **2008 – present**

Organization: **AS Premia fods**

Position: **Member of the Supervisory Board**

Period: **2009 - present**

Organization: **AS Premia FFL**

Position: **Member of the Supervisory Board**

Period: **2006 - present**

Organization: **Saaremere Kala AS**

Position: **Member of the Supervisory Board**

Period: **2007 - present**

Organization: **Vettel OU99**

Position: **Member of the Supervisory Board**

Period: **2007 - present**

Organization: **OU TCS Invest**

Position: **Member of the Supervisory Board**

Period: **2007 - present**

Organization: **AS Toode**

Position: **Member of the Supervisory Board**

Period: **2009 - present**

Organization: **Heimon Kala OY**

Position: **Member of the Board of Directors**

Period: **2007 - present**

Organization: **AS EPhaG**

Position: **Member of the Board of Directors**

Period: **2009 - present**

Organization: **AB Premia KPC**

Position: **Member of the Board of Directors**

Period: **2004 - present**

Organization: **OU Kamakamaka**

Position: **Member of the Board of Directors**

Period: **2009 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Full name: **Steven Jaroslav Gorelik**

Date of birth: **1979**

Education: **Masters - MBA - Columbia Business School, Bachelors-Carnegie Mellon University**

All positions held by such person within the Issuer and other organizations over the past 5 years and are now in chronological order, including off-hour work:

Period: **2005 -2005**

Organization: **did not work**

Position: **No position**

Period: **2006 – present**

Organization: **Firebird Management**

Position: **Portfolio Manager (Portfolio Manager)**

Period: **2007 - present**

Organization: **AS EPhaG**

Position: **Member of the Supervisory Board**

Period: **2009 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities

market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Full name: **Romanov Vadim Dmitrievich**

Date of birth: **1962**

Education: **St. Petersburg Pediatric Academy**

All positions held by such person within the Issuer and other organizations over the past 5 years and are now in chronological order, including off-hour work:

Period: **1998 – present**

Organization: **Closed Joint Stock Company "Pharmavit"**

Position: **General Director**

Period: **2007 - present**

Organization: **AS EPhaG**

Position: **Member of the Board of Directors**

Period: **2007 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **General Director**

Period: **2009 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Full name: **Howard S. Fisher**

Date of birth: **1962**

Education: **Masters - MBA - UNIVERSITY OF CHICAGO, GRADUATE SCHOOL OF BUSINESS, Bachelor - THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA**

All positions held by such person in the Issuer and other organizations over the past 5 years and are now in chronological order, including off-hour work:

Period: **2004 -2005**

Organization: **SILVERBACK ASSET MANAGEMENT**

Position: Investment Manager

Period: **2005 -2007**

Organization: **SCO FINANCIAL GROUP**

Position: **Investment Manager**

Period: **2001 – present**

Organization: **HSF BUSINESS ADVISORS LLC**

Position: **President and Founder**

Period: **2010 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities

market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Full name: **Miroslav S. Ravic**

Date of birth: **1949**

Education: **Bachelor of Health Sciences - University of Belgrade, Yugoslavia. Master of Medical Sciences - University of Belgrade, Yugoslavia. Specialization in Clinical Pharmacology and Therapeutics - University of Belgrade, Yugoslavia. Diploma in Clinical Pharmacology - Medical College of St. Bartholomew's Hospital, University of London. Candidate of Medical Sciences - Medical College of St. Bartholomew's Hospital, University of London, UK.**

All positions held by such person in the Issuer and other organizations over the past 5 years and are now in chronological order, including off-hour work:

Period: **2002 - 2005**

Organization: **Antisoma Research Limited**

Position: **Executive Director**

Period: **2006 - 2007**

Organization: **LipoNova AG**

Position: **Executive Director**

Period: **2005 – present**

Organization: **Affimed Therapeutics AG**

Position: **Executive Director**

Period: **2005 - present**

Organization: **Pharma Integra Limited**

Position: **Managing Director and Founder**

Period: **2010 - present**

Organization: **MGB Biopharma Limited**

Position: **Executive Director and Co-Founder (Chief Executive Office and Co-Founder)**

Period: **2010 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Formation of the collegial executive body is not stipulated by the Charter of the Issuer.

The sole executive body of the Issuer - The Director-General:

Full name: **Romanov Vadim Dmitrievich**

Date of birth: **1962**

Education: **St. Petersburg Pediatric Academy**

All positions held by such person within the Issuer and other organizations over the past 5 years and are now in chronological order, including off-hour work:

Period: **1998 – present**

Organization: **Closed Joint Stock Company "Pharmavit"**

Position: **General Director**

Period: **2007 - present**

Organization: **AS EPhaG**

Position: **Member of the Board of Directors**

Period: **2007 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **General Director**

Period: **2007 - present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Board of Directors**

The share of participation by such person in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

6. 3. Information on the amount of remuneration, benefits and / or refund of charges on each management body of the issuer

Information about all types of rewards with the size of each of the Issuer's management bodies (except physical persons as the sole executive body of the Issuer), including salary, bonuses, commissions, benefits and / or reimbursement of expenses, as well as other property provision, which was paid by the Issuer for the last completed fiscal year:

Remuneration paid to members of the Board of Directors for 2009:

<i>Remuneration including:</i>	Thousand rubles
Wages	2 514
Awards	0
Fees	0
Exemptions	0
Reimbursement	0
Other property representation	0
Other	2 764
TOTALS	5 278

Information about existing agreements for such payments in the current fiscal year: **According to the decision of the Extraordinary General Meeting of Shareholders dated 22.07.2007 (Minutes 22. 07. 2007 № 4VOS/2007) established a monthly compensation of the Chairman of the Board of 105 thousand rubles. There are no other agreements.**

The Issuer is not an equity investment Fund.

6. 4. Information on the structure and competence of monitoring financial activity of the Issuer

A complete description of the structure of control over the financial and economic activities of the Issuer and its competence in accordance with the Charter of the Issuer:

To monitor and control financial and economic activities General Meeting of Shareholders shall elect the Audit Commission within 3 (three) people. The term of office of the Audit Commission is determined by the General Meeting of Shareholders in the decision to elect its members.

The competence and activities of the Audit Commission is determined by the law and the Charter of the Company.

The Audit Commission is elected among the shareholders of the Company or persons working under employment contracts with the restrictions and

compliance with the procedure prescribed by law. Person holding position in government of the Company can not be the Member of the Audit Commission

Procedure and powers of the Audit Commission is determined by the Company Charter and internal documents approved by the General Meeting of Shareholders.

The competence of the Audit Commission in particular is:

conduct annual audits planned on results activity of the Company for the year, as well as at any time in the cases stipulated by law, in particular on the initiative of the Company's Audit Committee, the General Meeting of Shareholders, Board of Directors or at the request of the shareholder (s) holding in aggregate not less than 10 percent of the voting shares of the Company. On results verifications the Audit Commission reports to the General Meeting of Shareholders.

Persons holding positions in the Company's management bodies are obliged to submit the Audit Commission at the disposal of all materials and documents necessary to implement the audit and to provide terms for their realization.

By decision of the General Meeting of Shareholders members of the Audit Commission of the Company during the performance of their duties may be paid remuneration and (or) compensation expense related to the performance of their duties. The amount of such compensation and reimbursement are set by the General Meeting of Shareholders.

The Audit Commission is obliged to call for an extraordinary general meeting if there is a serious threat to the interests of the Company.

Information about the system of internal control over financial and economic activities of the Issuer: **none.**

Information about the Issuer's internal document that sets rules to prevent the use of insider (insider) information: **none.**

6. 5. Information on members of the management bodies monitoring the financial and economic activity of the Issuer

Information about the personal composition of the Audit Commission and other bodies of the Issuer's control over its financial and economic activities:

The Audit Commission:

Full name: **Avtushenko Sergey Sergeevich**

Date of birth: **1968**

Education: **St. Petersburg State Medical Academy**

All positions held in the Issuer and other organizations over the last 5 years and now, including off-hour work:

Period: **2003-2007**

Organization: **LLC «H & H» (Health and Hygienic)**

Position: **Executive Director**

Period: **2007 – present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Director of Innovation**

Period: **2007 – present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Audit Commission**

The share of participation of the member of the Issuer's control over its financial and economic activities in the authorized capital: **0, 0005%**

The share owned by such person of ordinary shares: **0, 0005%**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue options**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Full name: **Surkov Kirill Gennadievich**

Date of birth: **1968**

Education: **St. Petersburg State Medical Academy**

All positions held in the Issuer and other organizations over the last 5 years and now, including off-hour work:

Period: **2004 – present**

Organization: **Closed Joint Stock Company "Krioniks"**

Position: **Deputy Director General for Scientific affairs**

Period: **2009 – present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Head of Research Department**

Period: **2010 – present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Audit Commission**

The share of participation of the member of the Issuer's control over its financial and economic activities in the authorized capital: **0, 0005%**

The share owned by such person of ordinary shares: **0, 0005%**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

Full name: **Shafranov Alexey Nikolaevich**

Date of birth: **1979**

Education: **St. Petersburg State University of Economics and Finance**

All positions held in the Issuer and other organizations over the last 5 years and now, including off-hour work:

Period: **2003-2005**

Organization: **Open Joint Stock Company "Pharmavit"**

Position: **Head of the Department of technical and economic researches**

Period: **2005 -2009**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Head of Economic Department**

Period: **2009 – present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Director of Economics**

Period: **2007 – present**

Organization: **Open Joint Stock Company "Pharmsynthez"**

Position: **Member of the Audit Commission**

The share of participation of the member of the Issuer's control over its financial and economic activities in the authorized capital: **no shares**

The share owned by such person of ordinary shares: **no shares**

Number of shares of each category (type), which may be acquired by such person as a result of exercising the rights to issuer's options belonging to him: **The Issuer did not issue option**

The share of participation of such person in the share capital of subsidiaries and affiliates of the Issuer: **no shares**

The share owned by such person of ordinary shares in the subsidiary or affiliate of the Issuer: **no shares**

Number of shares of a subsidiary or affiliate of the Issuer of each category (type), which may be acquired by such person as a result of exercising the rights to options owned subsidiary or affiliated company: **no shares**

The nature of any kinship with other members of the governing bodies of the Issuer and / or bodies for financial and economic activities of the Issuer: **these family ties do not exist**

Information concerning the imposition of such a person to administrative responsibility for violations in the areas of finance, taxes and levies, securities

market or criminal sanctions (criminal record) for economic crimes or crimes against the state: **not involved**

Information about this person in the management bodies of commercial entities in the period, in respect of these organizations have been bankruptcy and / or one of the bankruptcy procedures provided for by the legislation of the Russian Federation on insolvency (bankruptcy): **did not manage**

6. 6. Information on remuneration, benefits and / or refund of charges of the body monitoring the financial economic activity of the Issuer

Information about all kinds of awards to each body, monitoring financial and economic activities of the Issuer, including salary, bonuses, commissions, benefits and / or reimbursement of expenses, as well as other property provision, which was paid by the Issuer for the last completed fiscal year:

Remuneration paid to members of the Audit Commission for 2009:

Remuneration	Thousand rubles
including:	
Wages	2 123
Awards	0
Fees	0
Exemptions	0
Reimbursement	0
Other property representation	0
Other	0
TOTALS	2 123

Information about existing agreements for such payments in the current fiscal year:

Agreements regarding the payment of remuneration to each body of control over the financial and economic activities of the Issuer in the current fiscal year are not concluded.

6. 7. Information on the number and generalized information on education and employees of the Issuer, as well as changes in the number of employees of the Issuer

Average number of workers (employees) of the Issuer, including the workers (employees) working in its branches and offices, as well as the amount of deductions for wages and welfare for the last 5 completed financial years:

The name of the index	2005	2006	2007	2008	2009
Average number of employees, pers.	84	95	97	108	103
Percentage of employees of the Issuer, with higher professional education, %	83,5	83	78	81	84
Amount of money to pay, thousand rubles	25 398	28 267	34 403	41 160	42 949
Amount of money to social security, thousand rubles	5 633	6 538	7 734	8 751	8 856
The total amount expended funds, thousand rubles	31 031	34 805	42 137	49 911	51 805

Throughout 2005-2008, the average number of employees of the Issuer has gradually increased, due to increased production volume. In 2009 average number of employees of the Issuer declined to 4, 63%, due to financial and economic crisis.

Information about employees of the Issuer, who have a significant impact on the financial and economic activities of the Issuer (key employees):

Employees have a significant impact on the financial and economic activities of the Issuer (key staff) are:

- 1. Production Director – Tuchkova Alexandra Vladimirovna.**
- 2. Director of Innovation - Avtushenko Sergey Sergeevich**
- 3. Director of economics - Shafranov Alexey Nikolaevich**
- 4. Chief Accountant - Barkanova Anna Borisovna**
- 5. Director of Quality - Mikhailova Rosa Vasilevna**
- 6. Medical Director - Poznyak Dmitry Nikolaevich**

Employees (workers) of the Issuer did not create trade union body.

6. 8. Information on any obligations of the Issuer to employees regarding their possible participation in the authorized (share) capital stock (unit trust) of the Issuer

Agreements or obligations of the Issuer, regarding the possibility of participation of employees (workers) of the Issuer in its charter (reserve) capital (unit trust) and also share in the authorized (reserve) capital (share fund) of the Issuer (the number of ordinary shares of the Issuer - joint-stock company) that may be acquired (which may be purchased) on such agreements or obligations of the staff (employees) of the Issuer:

An issuer does not have agreements and obligations before the employees (workers), relating to their participation in the authorized capital of the Issuer.

Information about the providing or the possibility of providing staff (employees) of the Issuer options:

Providing the personnel (employees) with Issuer's options is not foreseen.

VII. Information on the participants (shareholders) of the Issuer and transactions in fulfillment of which there was an interest.

7. 1. Information on the total number of shareholders (participants) of the Issuer

The total number of persons registered in the register of shareholders of the Issuer at the date of approval of the securities prospectus: **5**

The total number of nominee shareholders of the Issuer: **none.**

7. 2. Information on the participants (shareholders) of the Issuer, holding not less than 5 percent of its authorized (share) capital stock (share fund) or not less than 5 percent of its ordinary shares as well as information on the participants (shareholders), holding not less than 20 percent of the authorized (share) capital stock (share fund) or not less than 20 percent of their ordinary shares

Shareholders of the Issuer, owning not less than 5 percent of its charter (reserve) capital (share fund) or not less than 5 percent of ordinary shares:

Full name: **EphaG AS**

Abbreviated name: **EphaG AS**

Location: **10113, Estonia, Tallinn, 19 Viru street, 3 floor**

Taxpayer Identification Number: **is not appropriated.**

The size of the share capital of the Issuer: **99, 9975%**

The size of the ordinary shares of the Issuer: **99, 9975%**

Shareholders (members) owning not less than 20 percent of the share capital or not less than 20 percent of ordinary shares of persons holding not less than 5 percent of the authorized capital or at least 5 percent of ordinary shares of the Issuer:

1. Full name: **Amber Trust II SCA**

Abbreviated name: **Amber Trust II SCA**

Location: **412F, route d'Esch L-1030 Luxembourg**

TIN: **is not appropriated**

The share of fixed capital of EPhaG AS: **75%**

Percentage of ordinary shares of EPhaG AS: **75%**

Share in the Issuer's authorized capital: **no shares**

Percentage of ordinary shares: **no shares**

2. Full name: **ANGPORT LIMITED**

Abbreviated name: **ANGPORT LIMITED**

Location: **POBOX 161, SIR WILLIAM PLACE, DIXCART HOUSE, ST. PETERPORT, GUERNSEY GY14EZ, United Kingdom**

TIN: **is not appropriated**

The share of fixed capital of EPhaG AS: **16, 8915%**

Percentage of ordinary shares of EPhaG AS: **16, 8915%**

Share in the Issuer's authorized capital: **no shares**

Percentage of ordinary shares: **no shares**

Name of nominee in the register of shareholders of the Issuer is not registered the shares of the Issuer, constituting not less than 5 percent of share capital or not less than 5 percent of the ordinary shares.

7. 3. Information on the share of participation of the government or municipality in the authorized (share) capital stock (unit trust) of the Issuer, the availability of special right ("golden shares")

Information about the share of the state (municipality) in the share capital of the Issuer and the special rights:

The size of the Issuer's charter capital, located in the state (federal, Russian Federation), municipal property: **none**.

Special right of participation of the Russian Federation, Russian Federation subjects and municipalities in the management of the Issuer - joint-stock company (the "golden share"), the validity of a special right ("golden share"): **none**.

7. 4. Information on restrictions on participation in authorized (share) capital (unit trust) of the issuer

Information on issuer's charter limitation in number of shares owned by one shareholder, and / or their total nominal value, and / or maximum number of votes given to one shareholder: **The issuer is not a joint stock company**

Restrictions imposed by the legislation of the Russian Federation or other regulations of the Russian Federation on the share of foreign persons in the issuer's authorized capital stock: **none**

Other limitations associated with participation in authorized capital stock of the issuer: **none**

7. 5. Information about changes in the composition and amount of participation of shareholders (participants) of the Issuer, owning not less than 5 percent of its authorized (share) capital stock (share fund) or not less than 5 percent of its ordinary shares

The compositions of the Issuer's shareholders, owning not less than 5 percent of the authorized capital of the Issuer, and not less than 5 percent of ordinary shares of the Issuer, certain upon the date of the list of persons entitled to participate in each general meeting of shareholders of the Issuer held for the last 5 completed financial years preceding the date of approval of the securities prospectus, according to a list of persons entitled to participate in each of these meetings:

2005

Date of making up a list of persons eligible to participate in the General Meeting of Shareholders of the Issuer: **20. 05. 2005**

Shareholders who owned at least 5 percent of the authorized capital of the Issuer, and not less than 5 percent of ordinary shares:

1. Full name: **Closed Joint Stock Company "Baltiyskoe Farmaceuticheskoe Obshchestvo"**

Abbreviated name: **CJSC "BFO"**

Share in authorized capital: **99, 9974%**

Percentage of listed ordinary shares of the Issuer: **99, 9974%**

2006

Date of making up a list of persons eligible to participate in the general meeting of shareholders of the Issuer: **10. 05. 2006**

Shareholders who owned at least 5 percent of the authorized capital of the Issuer, and not less than 5 percent of ordinary shares:

2. 1. Full name: **Closed Joint Stock Company " Baltiyskoe Farmaceuticheskoe Obshchestvo"**

Abbreviated name: **CJSC "BFO"**

Share in authorized capital: **99, 9974%**

Percentage of listed ordinary shares of the Issuer: **99, 9974%**

2007

Date of making up a list of persons eligible to participate in the general meeting of shareholders of the Issuer: **27. 05. 2007**

Shareholders who owned at least 5 percent of the authorized capital of the Issuer, and not less than 5 percent of ordinary shares:

Full name: **EPhaG AS**

Abbreviated name: **EPhaG AS**

Share in authorized capital: **99, 9975%**

Percentage of listed ordinary shares of the Issuer: **99, 9975%**

2008

Date of making up a list of persons eligible to participate in the general meeting of shareholders of the Issuer: **27. 05. 2008**

Shareholders who owned at least 5 percent of the authorized capital of the Issuer, and not less than 5 percent of ordinary shares:

Full name: **EPhaG AS**

Abbreviated name: **EPhaG AS**

Share in authorized capital: **99, 9975%**

Percentage of listed ordinary shares of the Issuer: **99, 9975%**

2009

Date of making up a list of persons eligible to participate in the general meeting of shareholders of the Issuer: **26. 05. 2009**

Shareholders who owned at least 5 percent of the authorized capital of the Issuer, and not less than 5 percent of ordinary shares:

Full name: **EPhaG AS**

Abbreviated name: **EPhaG AS**

Share in authorized capital: **99, 9975%**

Percentage of listed ordinary shares of the Issuer: **99, 9975%**

7. 6. Information on the transactions performed by the Issuer in the feasance of which there was an interest

The number and monetary value of transactions arranged by the Issuer, recognized in accordance with the laws of the Russian Federation party transactions in the feasance of which there was a personal interest, requiring the approval of the competent authority of the Issuer, at the end of each complete financial year for the last 5 completed financial years:

The name of the index	2005	2006	2007	2008	2009
The total number of transactions made by the Issuer during the period in the feausance of which there was a personal interest, and which required approval by the authorized governing body of the Issuer, things.	0	0	1	3	0
The total volume in monetary terms of transactions made by the Issuer during the period in the feausance of which there was an interest and which required the approval of the competent authority of the Issuer, rub. (VAT excluded)	0	0	2 090 000	13 591 650	0
Number of transactions made by the Issuer for the period in which there was an interest and which were approved by the General Meeting of members (shareholders) of the Issuer, things.	0	0	0	0	0
Volume in monetary terms of transactions made by the Issuer during the period in the feausance of which there was an interest and which have been approved by the General Meeting of members (shareholders) of the Issuer, rub. (VAT excluded)	0	0	0	0	0
Number of transactions made by the Issuer for the period in which there was an interest and which were approved by the Board of Directors (supervisory council) of the Issuer, things.	0	0	1	3	0
Volume in monetary terms of transactions made by the Issuer during the period in the feausance of which there was an interest and which were approved by the Board of Directors (supervisory council) of the Issuer, rub. (VAT excluded)	0	0	2 090 000	13 591 650	0
Number of transactions made by the Issuer for the period in which there was an interest and which required approval, but have not been approved by the authorized governing body of the Issuer's shares.	0	0	0	0	0
Volume in monetary terms of transactions made by the Issuer during the period in the feausance of which there was an interest and which required approval, but have not been approved by the competent authority of the Issuer, rub. (VAT excluded)	0	0	0	0	0

Information about each transaction (group of related transactions), the price of which is 5 percent or more of the book value of assets of the Issuer, defined according to its financial statements for the last reporting date before making a transaction entered into by the Issuer for the last 5 fiscal years and for the period until the date of approval of the securities prospectus:

Such transactions were not made by the Issuer during 2005 - 2009.

Transactions (group of related transactions) in the feausance of which there was an interest and which required approval, but have not been approved by the competent

authority of the Issuer (which is subject to the board of directors (supervisory board) or a general meeting of members (shareholders) of the Issuer is not accepted in case when such approval is mandatory in accordance with the laws of the Russian Federation):

Such transactions were not made by the Issuer during 2005 - 2009.

7. 7. Information on the amount of accounts receivable

Information about the total amount of account receivable of the Issuer with a separate indication of the total amount of overdue account receivable for the last 5 completed financial years:

Year	The total amount of account receivable, thousand rubles.	Including the total amount of outstanding receivables, thousand rubles.
2005	23 179	0
2006	55 053	0
2007	69 789	0
2008	85 098	0
2009	64 203	1 211

The structure of the account receivable of the Issuer indicating the period of performance for the last completed financial year and the last complete reporting period before the date of approval of the securities prospectus:

Type of account receivable	2009		First half of 2010	
	Offensive term of payment		Offensive term of payment	
	Up to one year	Over one year	Up to one year	Over one year
Account receivable and other receivables, thousand rubles	51 052	X	81 511	X
including overdue, thousand rubles	1 211	X	967	X
Account receivable on notes receivable, thousand rubles.	0	X	0	X
including overdue, thousand rubles	0	X	0	X
Account receivable from participants (founders) on contributions to registered capital, thousand rubles	0	X	0	X
including overdue, thousand rubles	0	X	0	X
Accounts receivable prepayments, thousand rubles	10 299	X	1 643	X
including overdue, thousand rubles	0	X	0	X
Other receivables, thousand rubles	2 852	X	6 712	X
including overdue, thousand rubles	0	X	0	X
Total, thousand rubles	64 203	X	89 866	X
including total overdue, thousand rubles	1 211	X	0	X

Debtors, which accounted for not less than 10 percent of total receivables of the Issuer for the last 5 completed financial years:

2005

Full name: **Closed Joint Stock Company "SIA International LTD"**

Location: **Russia, 125167, Moscow, Leningradskiy Prospect, 47**

The amount of receivables: **3321 thousand rubles**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company "Shreya Korporeyshnl"**

Abbreviated name: **CJSC "Shreya Korporeyshnl"**

Location: **Russia, 117342, Moscow, Ostrovityanova ulica, 43a**

The amount of receivables: **2, 647 thousand rubles**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

2006

Full name: **Limited Liability Company "Rusresurs"**

Abbreviated name: **LLC "Rusresurs"**

Location: **Russia, 115230, Moscow, Nagatinskaya ulica 2, kor. 2**

The amount of receivables: **13, 571 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company "SIA International LTD"**

Abbreviated name: **CJSC "SIA International LTD"**

Location: **Russia, 125167, Moscow, Leningradskiy Prospect, 47**

The amount of receivables: **9282 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company "PENTKROFT Farma"**

Abbreviated name: **CJSC "PENTKROFT Farma"**

Location: **Russia, Moscow, Prospect Mira, 68 str. 2, corp. 1**

The amount of receivables: **6710 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company CV "PROTEK"**

Abbreviated name: **CJSC Company CV "PROTEK"**

Location: **Russia, 115201, Moscow, Kashirskoye shosse 22, corp. 4**

The amount of receivables: **6 021 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none.**

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

2007

Full name: **Open Joint Stock Company "Biohimik"**

Abbreviated name: **OJSC "Biohimik"**

Location: **Russia, 430030 Saransk, Vasenko ulica, 15a**

The amount of receivables: **18, 615 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none.**

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Limited Liability Company "Rusresurs"**

Abbreviated name: **LLC "Rusresurs"**

Location: **Russia, 115230, Moscow, Nagatinskaya ulica 2, corp. 2**

The amount of receivables: **12, 374 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none.**

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company "SIA International LTD"**

Abbreviated name: **CJSC "SIA International LTD"**

Location: **Russia, 125167, Moscow, Leningradskiy Prospect, 47**

The amount of receivables: **10, 828 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none.**

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

2008

Full name: **Open Joint Stock Company "Biohimik"**

Abbreviated name: **OJSC "Biohimik"**

Location: **Russia, 430030 Saransk, Vasenko ulica, 15a**

The amount of receivables: **23, 821 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none.**

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company "SIA International LTD"**

Abbreviated name: **CJSC "SIA International LTD"**

Location: **Russia, 125167, Moscow, Leningradskiy Prospect, 47**

The amount of receivables: **17, 855 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none.**

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company "PENTKROFT Farma"**

Abbreviated name: **CJSC "PENTKROFT Farma"**

Location: **Russia, Moscow, Prospect Mira 68, str. 2, corp. 1**

The amount of receivables: **9 867 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

2009

Full name: **Closed Joint Stock Company "SIA International LTD"**

Abbreviated name: **CJSC "SIA International LTD"**

Location: **Russia, 125167, Moscow, Leningradskiy Prospect, 47**

The amount of receivables: **16, 295 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company "PENTKROFT Farma"**

Abbreviated name: **CJSC "PENTKROFT Farma"**

Location: **Russia, Moscow, Prospect Mira 68, str. 2, corp. 1**

The amount of receivables: **13 638 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

Full name: **Closed Joint Stock Company CV "PROTEK"**

Abbreviated name: **CJSC Company CV "PROTEK"**

Location: **Russia, 115201, Moscow, Kashirskoye shosse 22, corp. 4**

The amount of receivables: **9 723 thousand rub.**

The amount and conditions of overdue account receivable (interest rate, penalties, and fines): **none**.

Debtor, who accounts for at least 10 percent of the total amount of receivables, is not affiliated with the Issuer.

VIII. Financial statements of the Issuer and other financial information

8. 1. Annual financial statements of the Issuer

The composition of the annual financial statements of the Issuer, attached to the prospectus of securities:

- a) Annual financial statements of the Issuer for the last three complete fiscal years preceding the date of approval of the securities prospectus, the time for submission of which has come in accordance with the laws of the Russian Federation, with an attached opinion of the auditor (s) in respect of indicated financial statements.

Appendix № 1. - Financial statements for 2007.

- **Form № 1 "Balance Sheet" on 31. 12. 2007,**
- **Form № 2 "Profit and Loss Account for the year 2007,**
- **Form № 3 "Statement of Changes in Equity for the year 2007,**
- **Form № 4 "Statement of Cash Flows for the year 2007,**
- **Form № 5, Appendix to the Balance Sheet for the year 2007,**
- **Explanatory note to the financial statements for the year 2007;**
- **The auditor's report on the financial (accounting) in 2007;**

Appendix № 2. - Financial statements for 2008.

- **Form № 1 "Balance Sheet" on 31. 12. 2008,**
- **Form № 2 "Profit and Loss Account for the year 2008,**
- **Form № 3 "Statement of Changes in Equity for the year 2008,**
- **Form № 4 "Statement of Cash Flows for the year 2008,**
- **Form № 5, Appendix to the Balance Sheet for the year 2008,**
- **Explanatory note to the financial statements for the year 2008;**
- **The auditor's report on the financial (accounting) in 2008;**

Appendix № 3. - Financial statements for 2009.

- **Form № 1 "Balance Sheet" on 31. 12. 2009,**
- **Form № 2 "Profit and Loss Account for the year 2009,**
- **Form № 3 "Statement of Changes in Equity for the year 2009,**
- **Form № 4 "Statement of Cash Flows for the year 2009,**
- **Form № 5, Appendix to the Balance Sheet for the year 2009,**
- **Explanatory note to the financial statements for the year 2009;**
- **The auditor's report on the financial (accounting) in 2009;**

Annual financial statements prepared in accordance with International Financial Reporting Standards or Generally Accepted Accounting Principles of the USA:

The Issuer did not make annual financial statements in accordance with International Financial Reporting Standards or Generally Accepted Accounting Principles of the USA.

8. 2. Quarterly financial statements of the Issuer for the last completed current quarter

The composition of the Issuer's quarter financial statements accompanying the prospectus for the securities:

a) Quarter financial statements of the Issuer for the last completed financial quarter preceding the date of approval of the securities prospectus (II quarter of 2010), the time for submission of which has come in accordance with the laws of the Russian Federation, prepared in accordance with the laws of the Russian Federation: the number given in Appendix 4.

The composition of provided financial statements for the period:

- Balance sheet (form № 1),

- Profit and Loss Statement (form № 2)

b) Quarter financial statements prepared in accordance with International Financial Reporting Standards or Generally Accepted Accounting Principles of the USA:

The Issuer does not make the quarter financial statements in accordance with International Financial Reporting Standards or Generally Accepted Accounting Principles of the USA.

8. 3. Consolidated financial statements of the Issuer for the last three completed financial years or for each completed financial year

The Issuer does not make summary (consolidated) financial statements.

8. 4. Information on the accounting policy of the Issuer

Registration policy of the Issuer independently determined by the Issuer in accordance with Russian legislation on accounting and approved by the order of the person responsible for the organization and the condition of financial statements of the Issuer.

- **the Accounting policy ratified in 2006, operated in 2007, the Accounting policy of 2006 is given in the Appendix № 1 to this securities prospectus.**
- **the Accounting policy of 2008 is given in the Appendix № 2 to this securities prospectus.**
- **the Accounting policy of 2009 is given in the Appendix № 3 to this securities prospectus.**
- **the Accounting policy ratified in 2009, operated in 2010, the Accounting policy of 2009 is given in the Appendix № 3 to this securities prospectus.**

8. 5. Information on the total amount of exports, as well as the share of exports in total sales

Total revenues of the Issuer derived from exports (goods, works, services), as well as the share of such proceeds to the Issuer's income from ordinary activities, calculated separately for each of the last three completed financial years preceding the date of approval of the securities prospectus, as well as for the last completed quarter preceding the date of approval of the securities prospectus:

The main supplies of its products by the Issuer to the Republic of Azerbaijan, Armenia, Belarus, Kazakhstan.

The name of the index	Reporting period			
	2007	2008	2009	First half of 2010
Total revenues of the Issuer derived from exports of goods (works, services), thousand rub.	379	4 253	4 834	1 804
The share of revenues from exports of goods (works, services) in the Issuer's income from ordinary activities, %	0,22	2,36	2,12	1,38

8. 6. Information on the property value of the Issuer and essential changes in the Issuer's property after the date of termination of the last completed financial year

The total value of real estate and the value of accumulated depreciation at the date of the last complete financial year and the last complete reporting period before approval of the securities prospectus:

The total value of real estate for 31. 12. 2009 is 55 895 thousand rub.

The quantity of accumulated depreciation for 31. 12. 2009 is 9, 167 thousand rub.

The total value of real estate for 30. 06. 2010 is 55 895 thousand rub.

The quantity of accumulated depreciation for 30. 06. 2010 is 9, 732 thousand rub.

Information about significant changes in the real estate of the Issuer occurred during the 12 months prior to the date of approval of the securities prospectus:

Significant changes in the real property of the Issuer during the 12 months prior to the date of approval of the securities prospectus did not happen.

Details of any acquisitions or disposals of any grounds of any other property of the Issuer, if the carrying value of such property exceeds 5 percent of book value of assets of the Issuer, as well as details of any other material to the Issuer changes that have occurred in the Issuer's property after the date of the last complete financial year prior to the date of approval of the securities prospect:

Acquisitions or disposals of any grounds of any property of the Issuer, the carrying value of which would exceed 5 percent of book value of assets of the Issuer after the date of the last complete financial year prior to the date of approval of the securities prospectus did not happen.

8. 7. Information on the Issuer's participation in court proceedings, if such participation may significantly affect the financial and economic activity of the Issuer

Information about the Issuer's participation in court proceedings (including imposed on the Issuer's legal authority sanctions) in the case if such participation may significantly affect the financial and economic activities of the Issuer within three years preceding the date of approval of the securities prospectus:

In the three years preceding the date of approval of the Securities Prospectus, the Issuer was not involved in litigation, participation in which could significantly affect its financial and economic activity.

IX. Detailed information on the procedure and conditions of placement of issue securities

9. 1. Information on placement of securities

9. 1. 1. General information

Type of securities to be placed: **shares**

Category of shares: **ordinary**

The nominal value of each issued securities: **Five (5) rubles.**

Number of securities to be placed and their volume at par value: **26 200 000 (Twenty-six million two hundred thousand) shares in volume 131 million (one hundred thirty one million) rubles.**

The form of the distributed securities: **nominal, without documents.**

Information about the person maintaining the register of holders of registered securities of the Issuer is disclosed in paragraph 10. 6 of securities prospectus.

Rights granted to each security issue:

Shareholders have a right to:

- **Participate in managing the affairs of the Company, including participation in general meetings either personally or through a representative, to elect and be elected for office in the Company;**
- **Receive information about the Company and meet with the accounting and other documents in the prescribed manner the Company's Charter;**
- **Participate in the distribution of profits;**
- **Receive in proportion to its existing stock share of the profits (dividends) to be distributed among shareholders;**
- **Receive in the event of liquidation of the Company the property (or its monetary equivalent) proportionally to the number of shares owned by him;**
- **Dispose of its shares without the consent of other shareholders and the Company;**
- **Seek and obtain a copy (extract) minutes and decisions of the General Meeting of Shareholders, and copies of decisions of other management bodies;**
- **Exercise any other rights that may be established by the legislation of the Russian Federation.**

The Charter does not provide the restriction of maximum number of votes belonging to the same shareholder.

Method of placement: closed subscription. Information about the range of potential purchasers of the securities disclosed in paragraph 9. 7 of securities prospectus.

The order of placement:

The procedure and conditions of civil contracts (terms and conditions of submission and meet the requests) during the placement of securities:

Between the Issuer and the purchaser of shares a contract of sale of shares by creating a single document and signed by the parties during the term of the placement of shares at the location of the Issuer: 188663, Russian Federation, Leningradskaya oblast, Vsevolozhskiy rayon, poselok Kuzmolovsky, derevnya

Kapitolovo, № 134 , liter 1 is concluded. Excess shares are placed on the basis of the contract of sale.

After signing the contract of sale of shares the acquirer pays the purchased shares and is issuing a document confirming full payment of purchased shares.

After full payment for the purchased shares the Issuer make appropriate entry in the register of shareholders about the admission of the Shares to the account of the purchaser.

Shares are placed upon making entry on the personal account of the first purchaser.

Admission of Shares to the account of the purchaser of shares in the register of holders of registered securities shall be made only after full payment of the Shares and no later than the last day of their replacement.

While placing securities emptive right to acquire securities, according to the Article 40 and 41 of the Federal Law "On Joint Stock Companies", shall not be granted due to the fact that the results of voting at the annual General Meeting of Shareholders of the Issuer held on 30. 06. 2010 (Minutes of June 30, 2010 № 10 GOS/2010) no Issuer's shareholders, who voted against or did not participate in the vote on the deployment of additional shares through closed subscription. The decision to increase share capital by issuing additional shares through a private offering approved unanimously by all shareholders of the Issuer.

Securities do not take place by means of subscription by realization of auctions.

Placement of securities by the Issuer with the assistance of a professional securities market participant, who provides the Issuer services on placement of securities, does not exist.

Simultaneously with the placement of securities to offer to purchase, including outside the Russian Federation by placing the relevant foreign securities previously issued (outstanding) securities of the Issuer of the same type, category (type) does not plan.

Shares, securities convertible into shares and options of the Issuer by stock company by private subscription only among all shareholders with the provision of specified shareholders of the possibility of acquiring a number of securities to be placed, proportional number of shares of the relevant category (type) are not placed.

Securities through closed subscription only among the shareholders of joint stock Company - issuer providing them with the opportunity to gain a certain (limited) number of securities to be placed are not placed.

The securities are placed through closed subscription without division into several stages, conditions of accommodation for each of which is not the same (different).

Time (procedure for determining the timing) placement of this issue and accommodations are the same.

Issuer and / or Seller does not intend to enter into preliminary agreements containing the obligation to conclude a basic agreement in the future, aiming at the exclusion of securities being placed first owner, or to collect preliminary bids for the purchase of securities.

The Issuer is not a business entity of strategic importance to national defense and national security, and the conclusion of treaties aimed to dispose of securities of the Issuer to the first owners during their placement may not require a decision on preliminary approval of these contracts in accordance with Federal law "On Procedures for Foreign Investments in Business Entities"

Issuer's governing body approved the further issue of securities and the prospectus, as well as the date (s) approval:

Decision on the additional issue of securities and securities prospectus approved on "07" September 2010 by the decision of the Board of Directors of "Pharmsynthez", minutes dated 07 September 2010 № b/n.

The share of securities in which the non-deployment of the issuance of securities considered invalid:

The share of securities in which the non-deployment issue is recognized invalid, does not set by the Issuer.

9. 1. 2. Additional information on placement of bonds

Offered securities are not bonds.

9. 1. 3. Additional information on convertibles

Offered securities are not convertible.

9. 1. 4. Additional information on Options of the Issuer

Options are not placed.

9. 1. 5. Additional information on the placing bonds with mortgage coverage

The placed securities are not bonds with mortgage coverage.

9. 1. 6. Additional information on the placing Russian Depository receipts

Russian depository receipts are not placed.

9. 2. Price (procedure for determining the price) for placement of issue securities

The procedure for determining the offering price of each distributed security: **the offering price of Shares will be determined by the Board of Directors of the Company after the state registration of additional issue and not later than the date of placement of shares.**

9. 3. Priorities and preferences for purchase of issue securities

While placing securities empty right to acquire securities, according to the Article 40 and 41 of the Federal Law “on Joint Stock Companies”, shall not be granted due to the fact that the results of voting at the annual General Meeting of Shareholders of the Issuer held 30. 06. 2010 (Minutes of June 30, 2010 № 10 GOS/2010) no Issuer's shareholders, who voted against or did not participate in the vote on the deployment of additional shares through closed subscription. The decision to increase share capital by issuing additional shares through a private offering approved unanimously by all shareholders of the Issuer.

9. 4. Restrictions for purchase and circulation of placed issue securities

In accordance with Federal Law "On securities market" dated 22. 04. 1996 № 39-FZ and Federal Law "On protection of rights and legitimate interests of investors in the securities market" dated 05. 03. 1999 № 46-FZ prohibited:

-Circulation of securities to complete their payment and registration of the Report (the submission to the registering authority notice) on the outcome of their issuance of securities;

- Advertise and / or to offer to the public securities of issuers which do not disclose the extent and the manner envisaged by the legislation of the Russian Federation on securities and regulations of the Federal Commission.

The conclusion of civil legal transactions with Shares to state registration of their producing is forbidden.

Restrictions on potential buyers of the Shares have not been established.

Non-residents may purchase Shares in accordance with Russian law and regulations of the Russian Federation.

9. 5. Information on the dynamics of price changes on issue securities of the Issuer

Securities of the Issuer did not participate in the auctions on the market of securities.

9. 6. Information on persons providing services for arranging the placement of issue securities

Placing Shares is made by the Issuer without the involvement of professional participants, providing services for placement of securities.

9. 7. Information on groups of potential purchasers of issue securities

The group of potential purchasers of the securities (the amount of securities, placed to each of the indicated persons can be specified also): Benedicteco Company Limited (Benedicteco Limited), registered under the laws of the Republic of Cyprus, which has the registration number NE 267, 756 and is located at: 1097 Cyprus, Nicosia, Diagorou Street 2, 7-12 floors.

9. 8. Information about the organizers of trade on securities market, including information on stock exchanges, where issue securities are supposed to be placed

Equity release is not distributed by subscription through auction.

9. 9. Information on possible changes in shareholders' stake in authorized capital stock of the issuer as a result of placement of issue securities

In the case of placement of shares on the basis of: a) the assumption that all of the shares will be available and b) that the shareholder does not participate in the acquisition of the offered shares; the share of a shareholder in the Issuer's authorized capital by placement of shares will decrease by 52.91%. The size of the change in share is calculated relative to the size of the authorized capital of the Issuer on the date of approval of the Securities Prospectus and with respect to the amount outstanding on the date of approval of the securities prospectus of ordinary registered shares of the Issuer.

9. 10. Information on costs associated with the issue of securities

The total size of the Issuer's costs associated with the issue of securities:

The total amount of expenses of the Issuer relating to the issue of securities of this issue will not exceed the amount of compensation of the Broker and 520 000 rubles, which is 0,397% of the securities issue at par value.

The amount paid by the state tax levied in accordance with the Russian Federation Legislation on taxes and duties in the course of securities issue:

The state fee for registration of additional issue of equity securities - 200 000 rubles, which is 0,153% of the securities issue at par value.

Size expenses of the Issuer associated with the payment of consultants taking part in the preparation and conduct of securities issues, as well as those providing services to the Issuer on the placement and / or organization of placement:

Payment for consulting services: no more than 200 000 rubles, which is 0,153% of the securities issue at par value

Persons providing services on the placement and / or organizations involved in the placement of securities to the Issuer will not be involved.

Size expenses of the Issuer relating to the admission of securities of the Issuer to trade organizer of trade in the securities market, including the inclusion of an

issuer's securities to quotation list of the stock exchange (the listing of securities):
none

Size of expenses of the Issuer relating to the disclosure of information in the course of issuing securities, including the cost of producing brochures and other printed materials related to the conduct of securities issue: **not more than 100 000 rubles, which is 0, 076% of the securities issue at par value**

Size of expenses of the Issuer related to advertising placed securities, conducting market research (marketing) of securities, organizing and conducting meetings with investors, presentation of the distributed securities (road-show): **none**

Other expenses of the Issuer relating to the issue of securities: **not foreseen**

Issuer expenses related to the issue of securities shall be paid by the Issuer independently.

9.11. Information on methods and procedure of refund of money received for securities in the case of admission the issue of securities invalid or void, and in other cases stipulated by legislation of the Russian Federation

In case of confession of producing invalid or void, as well as in other cases stipulated by the Russian legislation, the funds should be returned to the purchasers in the manner Russian Federal Securities Commission established by the Regulations "On the procedure for return to owners of securities funds (other property) received by the Issuer in payment for the securities, whose issue is declared invalid or void" (endorsed by the Russian Federal Securities Commission dated September 8, 1998 № 36 (with changes dated 27. 02. 2001).

Before the expiration of 5 (fifth) day after receipt of written notice of the Russian Federal Financial Markets Service cancellation of state registration in this issue of Shares the Issuer should establish the Commission on the organization of the return of funds used to purchase Shares, holders of such Shares.

Responsibilities of the Commission:

- To carry out proper notification of owners / nominee shareholders on how to return the funds used to purchase shares,**
- To organize the return of funds used to purchase shares to the owners / nominee shareholders,**
- To determine the size of the return to each owner / nominee shareholder funds used to purchase shares,**

- To draw up a list returned to the owner / nominee shareholders of the funds used to purchase Shares.

Commission within a period not later than 45 days from the date of receipt of written notice of cancellation of state registration of securities, is obliged to make a statement to return to owners of securities investment funds (hereinafter - the Statement). This statement is prepared on the basis of a list of holders of securities, state registration of producing of which is nullified.

At the request of the owner to withdrawal from circulation of securities or other interested persons (including the heirs of owners of securities) the Issuer shall be obliged to provide them Statement for review after its approval.

Funds used to purchase shares are returned to the purchasers in cash.

Commission within a period not later than 2 months from the date of receipt of written notice of cancellation of state registration of producing securities is obliged to make notification of owners of securities, as well as nominal holders of securities (hereinafter - Notification). Such notice shall contain the following information:

Full name of the Issuer of the securities;

Registration authority, decided to recognize the issue of securities failed;

Name of court, the date of the court, act on the recognition issue of securities to be invalid, the effective date of the judicial act on the recognition issue of securities void in force;

Full official name of the registrar, his mailing address (if keeping the register of holders of registered securities shall be made by the registrar);

Kind, category (type), series, form of securities, state registration number of issue and date of state registration, name registration body carried out state registration of securities, declared invalid or void; The date of cancellation of state registration of securities;

Surname, first name (full corporate name) of the holder of the securities;

Place of residence (mailing address) of the holder of the securities;

Category of owners of securities (the first and (or) a purchaser);

Number of securities that is subject to withdrawal by the owner, indicating the type, category (type) of the series;

The size of investment, which shall be returned to the owner of the securities;

The order and timing of withdrawal of securities from circulation and return of investment;

Pointing to the fact that execution of transactions in securities, state registration of which has been canceled is not allowed;

Indication that the return of investment funds will be made only after submission of certificates (with the documentary form of securities) by the owners of the securities. The address where it is necessary to send a statement of the return of investment, and contact numbers of the Issuer.

The notification must be attached with application form of the owner of the securities on the return of investment.

Commission within a period not later than 2 months from the date of receipt of written notice of cancellation of state registration of securities, shall publish a notice of the order of retirement of securities and repayment of funds investing. This message must be published in a periodical that is available to most owners of securities to be withdrawn from circulation, as well as in "the Supplement to the Bulletin of the Federal Financial Markets Service".

Statement by the owner / nominee shareholder for the return of the funds used to purchase Shares shall contain the following information:

surname, first name (full corporate name), owner of the Shares;

place of residence (mailing address) of the holder of the Shares;

amount of money in rubles, refundable to the owner of the Shares.

The application must be signed by the owner of the Shares being withdrawn from circulation or his representative. The statement signed by the representative of the owner of the Shares must be accompanied by documents confirming his authority.

The application for Refund of funds should be directed by the owner whose shares are withdrawn from circulation to the Issuer, no later than 10 days from the date of receipt of shareholder of notification.

The owner of the Shares in case of disagreement with the size of the returned funds as specified in the Notice, at the time provided in this paragraph, the Issuer may make a statement. The application must contain the reasons and grounds for disagreement of shareholder, as well as documents proving his case.

The shareholder may apply to court for recovery of funds from the Issuer without a declaration of disagreement with the size and terms of repayment.

At the time, not later than 10 days from the date of receipt of declarations of disagreement of the owner of the Shares with the size of the returned funds, the Commission shall consider it and send a reminder notification to the owner of the Shares.

The owner of a security in case of disagreement with the terms of repayment of investment, provided a reminder notification, may apply to court for recovery of funds from the Issuer in accordance with the laws of the Russian Federation.

After removal from circulation of the Shares, the Issuer is obligated to return funds to shareholders. The period of repayment may not exceed 1 month.

Refunds should be transferred to an account of shareholder or by another method provided by legislation of the Russian Federation, or by agreement of the Issuer and the shareholder.

The method and procedure for the return of funds in other cases stipulated by legislation of the Russian Federation, is similar to the order of return, indicated higher, in case of confession a refund invalid or void, if another method and/or an order is not established by a law or another normative legal acts.

Return of funds is carried out through the following credit institution:

Full name: **Open Joint Stock Company "SEB Bank"**

Abbreviated name: **OJSC "SEB Bank"**

Location: **195009, Russia, St. Petersburg, Mikhailova, 11**

Consequences of non-fulfillment or improper fulfillment of obligations by the Issuer to repay the funds received in payment for the securities and the penalties applicable to the Issuer:

In case of failure / improper performance by the Issuer obligations to return the funds received in payment for the Shares, the Issuer simultaneously with the payment of overdue sums shall pay interest to shareholders in accordance with Art. 395 CC RF.

Other essential information about methods of returning funds, received in payment for the securities: **none**

X. Additional information on the issuer and the issue securities

10. 1. Additional information on the Issuer

10. 1. 1. Information on the size and structure of the authorized (share) capital stock(unit trust) of the Issuer

The authorized capital stock of the Issuer at the date of approval of the securities prospectus: **247 596 325 (two hundred forty seven million five hundred ninety six thousand three hundred twenty-five) rubles**

A breakdown of the authorized capital stock of the Issuer by categories of the shares:

Ordinary shares:

total nominal value of ordinary shares: **247 596 325 (two hundred forty seven million five hundred ninety six thousand three hundred twenty-five) rubles**

the size of ordinary shares in the authorized capital: **100%**

nominal value of shares: **5 (five) rubles**

Preferred stock: **did not take place**

Issuer's shares are not traded outside the Russian Federation through treatment under the foreign law of foreign securities certifying the rights in respect of such shares of the Issuer.

10. 1. 2. Information on the changes in the size of authorized (share) capital stock (unit trust) of the issuer

Information about changing the authorized capital of the Issuer for the last 5 completed financial years preceding the date of approval of the securities prospectus:

<i>The size and structure of authorized capital, beginning of period</i>	<i>Name of the Issuer's management made the decision to amend the charter capital of the Issuer</i>	<i>Date and number of minutes of the meeting (session) Issuer's management body, which made a decision to change the size of the share capital of the Issuer</i>	<i>The size of authorized capital after the change</i>
2005			
247 606 325 rubles	There were no changes in the authorized capital		
2006			
247 606 325 rubles	extraordinary common meeting of shareholders'	Minutes from 02. 10. 2006, № 2VOS/2006	247 596 325
2007			
247 596 325 rubles	There were no changes in the authorized capital		
2008			
247 596 325 rubles	There were no changes in the authorized capital		
2009			
247 596 325 rubles	There were no changes in the authorized capital		

10. 1. 3. Information on forming and using the reserve fund and other funds of the Issuer

Information about the reserve fund, as well as every other fund of the Issuer, emerging from its net profits for the last 5 completed financial years preceding the date of approval of Prospectus, and if the Issuer exercises its activity within less than 5 years - for each complete financial year preceding the date of approval of the securities prospectus:

The Company established a reserve of 5% of the share capital through annual deductions of 5% of net profits until the fund of this size, as well as funds for special purposes, decision on the appointment procedure, use, size of contributions to which are taken depending on the financial and economic situation. Reserve Fund is intended to cover losses, as well as to repay the

bonds and repurchase shares in the absence of other means. Reserve can not be used for other aims.

A reserve fund was formed during the period 2005-2009:

The name of the index	2005	2006	2007	2008	2009
Size of fund, set by constituent documents, % from the chartered capital	5% from the chartered capital				
Size of fund in monetary terms, thousand rubles	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Size of fund in percents from the chartered capital, %	<i>0,0004</i>	<i>0,0004</i>	<i>0,0004</i>	<i>0,0004</i>	<i>0,0004</i>
Size of deductions to the fund rubles	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Size of used money, rubles	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

During 2005 - 2009 other funds generated by net income were not created by the Issuer.

10. 1. 4. Information on the procedure for convening and holding the meeting (session) of the supreme governing body of the Issuer

The name of the supreme governing body of the Issuer: **highest governing body is the General Meeting of Shareholders.**

Procedure of notification of shareholders (participants) of the meeting (session) of the supreme body of the Issuer:

Notice of General Meeting of Shareholders shall be made not later than 20 days, and the notice of the general shareholders meeting, whose agenda includes the reorganization of the Company - not later than 30 days before the scheduled date. The Board of Directors approves the agenda and organizes the preparations for the General Meeting of Shareholders. The Board of Directors of the Company shall notify the shareholders about the date and venue of the General Meeting of Shareholders, agenda, to ensure providing the shareholders with documents and materials for consideration by the General Shareholders' Meeting, and undertake other necessary actions.

Notice of General Meeting of shareholders must be sent to each person named in the list of persons entitled to attend the General Meeting of shareholders by registered mail or delivered to each of the persons under the sign.

In the cases provided for in section 2 and section 8, Article 53 of the Federal Law "On Joint Stock Companies", the message to hold an extraordinary general meeting of shareholders shall be made not later than 70 days before the scheduled date.

Persons (entities) who may convene (request for) special meeting (session) of the supreme body of the Issuer's management, as well as order trends (presentation) of such claims:

An extraordinary general meeting of shareholders, except cases, provided by paragraph 8 of article 55 of the Federal Law "On Joint Stock Companies" refers to the jurisdiction of the Board of Directors.

An extraordinary general meeting of shareholders of the Issuer is held by the Board of Directors based on its own initiative, requirements of the Audit Commission, the auditor of the Issuer and the shareholders (shareholder) holding no less than 10 percent of the voting shares of the Issuer on the date of claim.

Within 5 days from the date of the request of the Audit Commission, auditor or shareholders (shareholder) holding no less than 10 percent of the voting shares of the Company to convene an extraordinary general meeting of shareholders of the Company the Board of Directors shall decide to convene an extraordinary general meeting of shareholders of the Company or not.

The decision of the Board of Directors to convene an extraordinary general meeting of shareholders or a reasoned decision not to convene it is sent to the persons requesting its convening, no later than 3 days from the date of such decision.

The decision not to convene an extraordinary general meeting of shareholders at the request of the Audit Commission, auditor or shareholders (shareholder) holding no less than 10 percent of voting shares may only be taken on the grounds established by the Federal Law "On Joint Stock Companies".

The decision of the Board of Directors to refuse to convene an extraordinary general meeting of shareholders may be appealed to court.

In cases where, in accordance with Articles 68 - 70 of the Federal Law "On Joint Stock Companies" the Board of Directors shall decide on holding an extraordinary general meeting of shareholders of the Issuer a general meeting of shareholders shall be held within 40 days after the decision to hold it by the Board of Directors.

In case, if during the term, established by federal law "On Joint Stock Companies" the Board of Directors did not decide to convene an extraordinary general meeting of shareholders of the Issuer or to refuse to convene the extraordinary general meeting of shareholders of the Issuer the extraordinary common meeting of shareholders' of Issuer can be convened by bodies and persons who request it.

The bodies and persons convening an extraordinary general meeting of shareholders of the Issuer, have the authority under the Federal Law "On Joint Stock Companies" necessary to convene and hold a general meeting of shareholders. In this case, the costs of preparing and conducting the general meeting of shareholders of the Issuer may be reimbursed by the decision of the general meeting of shareholders at the expense of Issuer.

The request to convene an extraordinary general meeting of shareholders shall be formulated questions to be included in the agenda of the meeting.

The Board of Directors of the Company may not modify the wording of the agenda, formulation of decisions on such issues and to change the proposed form of the EGM to be convened at the request of the Auditing Commission, Auditor or shareholders (shareholder) holding no less than 10 percent of the voting shares of the Company.

If the request to convene an extraordinary general shareholders' meeting is made by shareholders (shareholder), it must contain the name (title) of shareholder (s) requiring the convening of meeting, with the number of their shares. The requirement to convene an extraordinary general meeting of shareholders shall be signed by the person (s) requesting the convocation of an extraordinary meeting.

Within five days from the date of the request of the Audit Commission of the Company, Auditor or shareholders (shareholder) holding no less than 10 percent of the voting shares of the Company to convene an extraordinary general meeting of shareholders of the Company the Board of Directors shall decide to convene an extraordinary meeting or not.

The decision not to convene an extraordinary general meeting of shareholders at the request of the Auditing Commission, Auditor or shareholders (shareholder) holding no less than 10 percent of voting shares may be made only if:

- the order is not complied with established by the Charter of the request to convene a general meeting of shareholders;**
- shareholder(s), requiring the convening of an extraordinary meeting, are the owners of at least 10 percent of voting shares of the Company;**
- none of the issues proposed for inclusion in the agenda of the extraordinary general meeting of shareholders, falls within its competence and (or) do not meet the requirements of the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.**

The decision of Board of Directors to convene an extraordinary general meeting of shareholders or a reasoned decision not to convene it sent to the persons requesting its convening, no later than three days from the date of such decision.

The decision of the Board of Directors of the Company to refuse to convene an extraordinary general meeting of shareholders may be appealed to the court.

In case, if during the established term, the Board of Directors did not decide to convene an extraordinary general meeting of shareholders of the Issuer or to refuse to convene the extraordinary general meeting of shareholders of the Issuer the extraordinary common meeting of shareholders' of Issuer can be convened by bodies and persons who request it.

The procedure for determining the date of the meeting (session) of the supreme body of the Issuer:

In accordance with Federal Law from 26 December 1995 № 208-FZ "On Joint Stock Companies" and the Charter of the Company general meeting of shareholders may be regular and extraordinary.

Ordinary General Shareholders' Meeting shall be held not earlier than on 1 March and no later than June 30.

Convening annual and extraordinary general meetings of shareholders, except as provided by paragraph 8 of Art. 55 of the Federal Law "On Joint Stock Companies" refer to the jurisdiction of the Board of Directors.

An extraordinary general meeting of shareholders of the Issuer, convened at the request of the Audit Commission, auditor or shareholders (shareholder) holding no less than 10 percent of the voting shares of the Issuer must be held within 40 days from the date of the request for such an extraordinary general meeting of shareholders. The date of the request to convene an extraordinary general shareholders' meeting is the date of receipt of the request by the Issuer.

Persons who are entitled to make proposals on the agenda of the meeting (session), the supreme governing body of the Issuer, as well as the procedure for making such proposals:

Shareholder (s), holding in aggregate not less than 2 percent of the voting shares of the Issuer shall be entitled to propose items on the agenda of the annual general meeting of shareholders and nominate candidates for the Board of Directors, the Audit Commission, and the counting board of the Issuer. Such proposals must be received by the Issuer not later than 60 days after the end of the financial year.

Procedure for submitting a proposal in the agenda of the supreme governing body of the Issuer:

Proposal to include issues in the agenda of general shareholders' meeting shall contain the formulation of each proposed issue. Proposal to include items on the agenda of the General Meeting of Shareholders may contain formulation of the decision on each proposed idea.

Nomination of candidates must contain the name and details of identity document (series and (or) number, date and place of issue, issuing body) of each proposed candidate and the name of the body to which he is nominated.

Proposals to introduce issues in the agenda of the general meeting of shareholders and the nomination of candidates shall be made in writing, specifying the name (title) of the submitting shareholder (s), quantity and category (type) of their shares and shall be signed by the shareholder (s).

The Board of Directors shall consider the proposals and decide on their inclusion in the agenda of the general meeting of shareholders of the Issuer or to refuse to include it in the agenda no later than 5 days after the Issuer's charter expiration of the Issuer received proposals in the agenda of the AGM and the candidates to the Board of Directors, the Audit Commission and the counting board of the Issuer.

Question proposed by the shareholder (s) shall be included in the agenda of the general meeting of shareholders of the Issuer; the nominated candidates shall be included in the list of nominees for election to the appropriate authority of the Issuer, except if:

- Shareholder (s) are not complied with the Charter of the Issuer set time limits for items in the agenda and nominations for the annual general meeting of shareholders;**
- Shareholder (s) are not complied with the Charter of the Issuer set deadline for nominating candidates for election to the Board of Directors at the extraordinary general meeting of shareholders;**
- Shareholder (s) are not the owners, under Sections 1 and 2, Art. 53 of the Federal Law "On Joint Stock Companies", of the appropriate number of voting shares of the Issuer;**
- Proposal does not meet the requirements of Sections 3 and 4 Art. 53 of the Federal Law "On Joint Stock Companies" and based on these requirements of the Charter of the Issuer;**
- A question proposed for inclusion in the agenda of the general meeting of shareholders of the Issuer, not within its competence by law and the Charter of the Issuer and (or) does not comply with the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.**

Reasoned decision of the Board to refuse to include the proposed item in the agenda of the general meeting of shareholders of the Issuer or the candidate on the list of candidates for election to the appropriate authority of the Issuer sent to the shareholders (shareholder) who have made the issue or nominating no later than 3 days from the date of its acceptance.

The Board of Directors may not amend the formulating of items proposed for inclusion in the agenda of the general meeting of shareholders of the Issuer, and formulate decisions on such items.

In addition to the items proposed by shareholders for inclusion in the agenda of the general meeting of shareholders of the Issuer, as well as in the absence of such proposals, the absence or insufficient number of candidates proposed by shareholders for the formation of the body, the Board of Directors may include in the agenda of general shareholders' meeting issues or candidates on the list of nominees at its own discretion.

Persons who may have access to information (materials) provided for the preparation and holding of the meeting (session), the supreme governing body of the Issuer, as well as the procedure of access to such information (materials):

The information (materials) to be provided to persons entitled to participate in general shareholders' meeting in preparation for the general meeting of shareholders of the Issuer include annual reports, annual financial statements, including auditor's certificate, the assessment of the auditor of the Company, prepared by a committee of the Board of Directors, certificate of the Audit Commission on the audit of annual financial statements, information about the candidate (s) to the executive bodies of the Company's Board of Directors, Counting Commission, Audit Commission, the auditors of the Company, the draft changes and amendments to the Articles of Association or Articles of Association in the draft new formulating of the draft internal documents, draft decisions of the general meeting of shareholders, as well as other documents approved by the Board of Directors. In accordance with Article 51 of the Federal Law "On Joint Stock Companies" list of persons entitled to attend the general meeting of shareholders shall be made on the basis of data from the company's shareholders. If the society is used for a special law on the participation of the Russian Federation, the subject of the Russian Federation or municipal entity in the management of listed company ("golden share"), the list also includes representatives of the Russian Federation, the subject of the Russian Federation or municipal entity.

In accordance with Article 52 of the Federal Law "On Joint Stock Companies" Issuer shall at the request of the person entitled to attend the general meeting of shareholders, to provide him with copies of the documents mentioned above. The fee charged by the Issuer for the provision of such copies may not exceed the cost of their manufacture. If registered in the register of shareholders of a company facing a nominee shareholder, a statement of the general meeting of shareholders sent to the address of nominee shareholder, if in the list of persons entitled to attend the general meeting of shareholders, there is no other specified address, for sending a message of a general meeting of shareholders. If the notice of the general meeting of shareholders sent a nominee shareholder, he must bring it to the attention of their customers in order and terms established by the legislation of the Russian Federation or the contract with the client.

Notice about a general meeting of shareholders shall be made not later than 30 days, including a statement of the general shareholders meeting, whose

agenda includes the reorganization of the Company. In the cases provided for in Subsection 2 and Section 8, Article 53 of the Federal Law "On Joint Stock Companies", the message is to hold an extraordinary general meeting of shareholders shall be made not later than 70 days before the scheduled date.

At the general meeting of shareholders of the Issuer, the form of absentee ballots must be sent or delivered against receipt to each person specified in the list of persons entitled to attend the general meeting of shareholders, not later than 20 days before the general meeting of shareholders. The direction of the ballot is sent by registered mail. The ballot shall contain the information specified in paragraph 4 of Art. 60 of the Federal Law "On Joint Stock Companies". Ballot paper may contain additional information identified by the Board of Directors in approving the form and content of the ballot.

The order of the announcement (bringing to the attention of the Issuer) decisions taken by the supreme governing body of the Issuer and the vote:

Decisions adopted by the General Meeting of Shareholders and the voting results are announced at the general shareholders' meeting, during which the vote was taken, or brought no later than 10 days after the protocol of voting returns in the form of a report on the voting results to the attention of included in the list of persons entitled to attend the general meeting of shareholders in the manner provided for notice of the general meeting shareholders.

10. 1. 5. Information on commercial organizations, in which the Issuer owns at least 5 percent of the authorized (share) capital stock (unit trust) or not less than 5 percent of ordinary shares

List of commercial organizations in which the Issuer at the date of approval of the securities prospectus owns not less than 5 percent of the authorized (reserve) capital (share fund) or not less than 5 percent of ordinary shares:

At the date of approval of this Prospectus, the Issuer does not own at least 5 percent of the authorized (reserve) capital (share fund) or not less than 5 percent of shares in other commercial organizations.

10. 1. 6. Information on significant transactions made by the Issuer

Information on each significant transaction (group of related transactions), the size of commitments is 10 percent or more of the book value of assets of the Issuer according to its financial statements for the last complete reporting period, prior to

the transaction by the Issuer for the last 5 completed financial years preceding the date of approval of the securities prospectus:

2005

<i>date of settlement of a transaction</i>	08.08.2005
<i>object and another significant terms of transaction</i>	Contract of sale of shares of CJSC "BFO" № 3-071-CPA-08-05, concluded with OJSC "Profit"
<i>information about compliance with state registration and / or notarized the deal in the cases provided for by Russian Federation</i>	Not required
<i>transaction price in monetary terms and as a percentage of book value of assets of the Issuer at the date of the last complete reporting period preceding the date of the transaction</i>	433 358 thousand rubles 114,00%
<i>term of the obligations under the transaction, as well as information about the execution of these obligations</i>	08.08.2005г., obligations are made in time and in full volume
<i>in case of delay in the performance of the obligations of the counterparty or issuer of the transaction - the reasons for the delay (if known to the surety) and implications for the counterparty or issuer with penalties under the terms of transaction</i>	No delays in performance of obligations
<i>information on referring the transaction to close deals, and on the approval of the transaction management body of the Issuer</i>	The deal approved by the extraordinary general meeting of shareholders of the Issuer 08. 08. 2005 (Minutes 08. 08. 2005 № 2OS/2005)
<i>other details of the transaction referred to the surety at its sole discretion</i>	None

2006

In 2006, there were no material transactions of the Issuer (a group of related transactions), the amount of liabilities for which is 10 percent or more of the carrying value of the assets of the Issuer according to its financial statements for the last complete reporting period preceding the performance of the transaction.

2007

<i>date of settlement of a transaction</i>	07.02.2007
<i>object and another significant terms of transaction</i>	The contract for providing services for the production of 5'-H-phosphonate-3'-azido-3'-deoxythymidine-sodium salt, made with CJSC "Production and Commercial Association of AZT"
<i>information about compliance with state registration and / or notarized the deal in the cases provided for by Russian Federation</i>	Not required
<i>transaction price in monetary terms and as a percentage of book value of assets of the Issuer at the date of the last complete reporting period preceding the date of the transaction</i>	50 144 thousand rubles, 13,64%
<i>term of the obligations under the transaction, as well as information about the execution of these obligations</i>	30.04.2008r, obligations are made in time and in full volume
<i>in case of delay in the performance of the obligations of the counterparty or issuer of the transaction - the reasons for the delay (if known to the surety) and implications for the counterparty or issuer with penalties under the terms of transaction</i>	No delays in performance of obligations
<i>information on referring the transaction to close deals, and on the approval of the transaction management body of the Issuer</i>	The deal was not approved, since it is not a major deal and the excitement of the transaction is not foreseen by applicable law
<i>other details of the transaction referred to the surety at its sole discretion</i>	None

2008

In 2008, there were no material transactions of the Issuer (a group of related transactions), the amount of liabilities for which is 10 percent or more of the carrying value of the assets of the Issuer according to its financial statements for the last complete reporting period preceding the performance of the transaction.

2009

<i>date of settlement of a transaction</i>	02.11.2009
<i>object and another significant terms of transaction</i>	State contract № 9411. 0810200. 13. V11 to perform R&D "Development of technology for the production of synthetic oligopeptidny drug-polymer 3-analog of glatiramer acetate for multiple sclerosis treatment, " code "Copolymer-1, signed with the Ministry of Industry and Trade of the Russian Federation
<i>information about compliance with state registration and / or notarized the deal in the cases provided for by Russian Federation</i>	Not required
<i>transaction price in monetary terms and as a percentage of book value of assets of the Issuer at the date of the last complete reporting period preceding the date of the transaction</i>	41 000 thousand rubles, 11,59%
<i>term of the obligations under the transaction, as well as information about the execution of these obligations</i>	15.12.2009, obligations are made in time and in full volume
<i>in case of delay in the performance of the obligations of the counterparty or issuer of the transaction - the reasons for the delay (if known to the surety) and implications for the counterparty or issuer with penalties under the terms of transaction</i>	No delays in performance of obligations
<i>information on referring the transaction to close deals, and on the approval of the transaction management body of the Issuer</i>	The deal was not approved, since it is not a major deal and the excitement of the transaction is not foreseen by applicable law
<i>other details of the transaction referred to the surety at its sole discretion</i>	None

10.1.7. Information on credit rating of the issuer.

The data about each of the credit rating, known to the issuer, that was given to issuer and/or capital issues of the issuer over last 5 complete financial years, if the issuer has been acting less then 5 years-over each complete financial year:

Credit ratings weren't conferred on the issuer or capital issues of the issuer.

10.2. Information on each type \category of the issuer's shares.

Share category: ordinary

Principal value of each share (rub.): 5 (five)

Quantity of outstanding shares (shares without par value or annulled shares): 49 519 265 (forty nine millions five hundred nineteen thousand two hundred sixty five)

Quantity of additional shares being offered (additional shares, in respect of which there is no state registration of the report on the results of their release): No

Number of authorized shares: 2000000000 (two billion)

Number of shares owned by the issuer: none

The number of additional shares that may be offered as a result of conversion of published securities convertible into shares, or performing obligations under the issuer's options: none

Date of state registration of securities issue: 09.08.2004

State registration number of securities: 1-02-09669-J

Rights of share owners:

Shareholders have the right to:

-participate in the management of the Company, including participation in general meetings either personally or through a representative, to elect and be elected for an elective office in the Company;

-get information about the activities of the Company, accounting records and other documents in the manner prescribed by the Company's Charter;

- Participate in the profit distribution;

-get in proportion to the amount of his shares profit share (dividends), subject to be distributed among the shareholders;

- get in case of liquidation of the Company part of property (or its monetary equivalent) in proportion to the number of shares owned by him;

-expropriate his shares without the consent of other shareholders and the Company;

Require and get copies (extracts) of minutes and decisions of General shareholder's Meeting, and copies of decisions of other management bodies of the Company;

-Accomplish any other rights (that can be) established by the legislation of the Russian Federation.

The Charter does not provide the restriction of maximum number of votes held by one shareholder. Прослушать

Other data on shares, provided by the Issuer at his own discretion: there is no other information.

10.3. Information on previous issues of the issuer's securities except Issuer's shares

Information about issues, which securities are canceled.

The Issuer has no issue of securities except shares of the Issuer, which securities are paid off (canceled).

10.3.2. Information on issues which securities are in circulation

The Issuer has no issue of securities except shares of the Issuer, which securities are in circulation.

10.3.3. Information on issues, the obligations of the guarantee on the securities of which are not performed (default)

The Issuer has no issue of securities obligations on securities of which are not fulfilled.

10.4. Information on the person (s) who provided (provide) security for bond issue

Issuer did not offer secured bonds, commitments under which have not been fulfilled yet.

10.5. Terms of discharging of obligations on the bond issue

Issuer did not offer secured bonds, commitments under which have not been fulfilled yet.

10.5.1. Terms of discharging of obligations under Collateralized Mortgage Obligation

Issuer did not offer Collateralized Mortgage Obligation issue.

10.6. Information on organizations, registering the rights to the issue securities of the Issuer.

A person who maintains the register of holders of registered securities of the issuer: the issuer maintains a register of holders of registered securities by himself.

Certificated securities of the Issuer (bonds) with obligatory centralized storage are not in circulation.

10.7. The information on the legislative act, controlling the import and export of capital, which may affect the payment of dividends, interest and other payments to the non-residents

Federal Law on "Currency Regulation and Currency Control "dated December 10, 2003 № 173-FZ.

Internal Revenue Code of the Russian Federation, Part 1, dated July 31, 98 № 146-FZ.

Internal Revenue Code of the Russian Federation, Part 2, dated August 5, 2000 № 117-FZ.

Federal Law "On Securities Market" dated 22.04.96 № 39-FZ.

Federal Law "On Central Bank of the Russian Federation (Bank of Russia)" dated July 10, 2002 № 86-FZ.

Federal law "On Counteracting the Legalization (laundering) of proceeds from crime and terrorist financing" dated August 07, 2001 № 115-FZ.

The Federal Law "On Foreign Investment in the Russian Federation "dated July 09, 99 № 160-FZ.

Federal law "On investment activity in the Russian Federation, in the form of capital of foreign investment" dated February 25, 99 № 39-FZ.

Federal law "On the principles of state regulation of foreign trade" dated December 08, 2003 № 164-FZ.

International treaties of the Russian Federation on the avoidance of double taxation.

10.8. The description of the taxation scheme of incomes according to published and publishing issue securities of the Issuer

Taxation of incomes according to published and publishing issue securities of the Issuer is regulated by the Internal Revenue Code of the Russian Federation (hereinafter - the "IRC"), as well as other legal acts of the Russian Federation adopted in accordance with the Internal Revenue Code of the Russian Federation.

TAX RATES

<i>Type of income</i>	<i>Legal entitis</i>		<i>individuals</i>	
	<i>Residents</i>	<i>Non-residents</i>	<i>Residents</i>	<i>Non-residents</i>
<i>Revenue from the sale of securities</i>	<i>20% (from which: federal budget – 2%; budget of the subject – 18%)</i>	<i>20%</i>	<i>13%</i>	<i>30%</i>
<i>Dividend income</i>	<i>9% (0 % - according to the incomes, obtained by Russian organizations in the form of dividends, providing that at the day the decision to</i>	<i>15%</i>	<i>9%</i>	<i>15%</i>

	<p><i>pay dividends was made, the organization obtaining dividends during at least 365 calendar days on the right of ownership continuously owns not less than 50 percent of contribution (share) in the authorized capital (fund) paying dividends to the organization or depositary receipts , giving the right to obtain dividends in an amount corresponding to not less than 50 percent of the total amount of dividends paid by the organization and provided that the cost of acquisition and (or) the receipt in accordance with the legislation of the Russian Federation to ownership of contribution (share) in the authorized capital (fund) paying dividends to the organization or depositary receipts , giving the right to obtain dividends</i></p>			
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	<i>exceeds 500 million rubles.</i>			
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ORDER OF INDIVIDUALS TAXATION.

Type of tax - a tax on personal income.

Incomes from sources in the Russian Federation are:

- Dividends and interest obtained from a Russian company, as well as interest earned on Russian entrepreneurs, and (or) a foreign companies in connection with the activities of its separate division in the Russian Federation;*
- Revenues from the selling of shares or other securities in Russia, as well as by stakes in the authorized capital of companies.*

Tax base.

Upon payment of individual income in the form of dividends, which source is the Russian company, this company is recognized as tax agent and defines the amount of tax separately for each taxpayer in respect to each specified payment of such income at the rate, provided for by the paragraph 4 a.224 of the Internal Revenue Code of the Russian Federation (for individuals who are not residents of the Russian Federation, the rate is set by paragraph 3 a.224), in the manner prescribed by Article 275 of the Internal Revenue Code.

According to Article 275 of the Internal Revenue Code:

- In compliance with income in the form of dividends obtained by an individual who is a tax resident of Russia, from a Russian company, the amount of tax to be withheld from the taxpayer's income - the remittee of dividends is determined by the following formula:*

$T=R \times TR \times (d-D)$, where

T- amount of tax to be withheld;

R - ratio of amount of dividends to be distributed in favor of the taxpayer - the remittee of dividends to the total amount of dividends to be distributed by a tax agent;

TR - tax rate established by the paragraph 3 a.284 of the Internal Revenue Code;

d- the total amount of dividends to be distributed by a tax agent in favor of all taxpayers - the remittees of dividends;

D - total amount of dividends obtained by the tax agent in the current reporting (tax) period and previous reporting (tax) period, except for dividends taxed at a rate of 0% according to claim 1 p.3 a.284 of the Internal Revenue Code by the time of the distribution of dividends in favor of taxpayers - the remittees of dividends, provided that, if the given amount of the dividends had not been previously taken into account at determining of the tax base, determined in respect of income obtained by a tax agent in the form of dividends.

If T is negative, there is no obligation to pay tax and the compensation from the budget is not made.

In compliance of income in the form of dividends obtained by an individual who is not a tax resident of Russia, the amount of tax withheld by a tax agent from the income, is calculated for each such payment on the assumption of the amount of dividends paid at the rate established by p.3 a.224 of the Internal Revenue Code.

In case if an individual- the remittee of the dividends is a resident of the country with which Russia has made a treaty (agreement) on the avoidance of double taxation, valid during the relevant tax period (or part of it), and subject to the provision of an individual - the remittee of the dividends provided official confirmation that he is a resident of the foreign state, as well as documents showing the income obtained and the payment of an individual income tax outside the Russian Federation, confirmed by the tax authority of a foreign state, in determining the amount of tax on income in the form of dividends, the provisions of the treaty (agreement), on the avoidance of double taxation between the Russian Federation and the State, which resident is an individual – the remittee of the dividends.

The date of actual acquisition of income is the date of payment of income, including the income transfers to the taxpayers' bank accounts, or on its behalf on the accounts of third parties.

Taxpayer's income derived in the form of material benefits is material profit, obtained from the acquisition of the securities. The tax base is defined as the excess of market value, determined by taking into account the margin of fluctuation of market prices of securities over the amount of actual expenses of the taxpayer's expenditure to purchase them. The procedure for determining the market price of the securities and the margin of fluctuation of the market price

of securities is established by the federal authorities, regulating the securities market.

In determining the tax base of income, of operations with securities, obtained incomes are accounted for the following operations:

- account dealing, circulating on an organized securities market;*
- account dealing, not circulating on an organized securities market;*

Income (loss) on account dealing is defined as the difference between the amounts of incomes obtained from selling of securities, and document supported expenses for the purchase, selling and storage of securities actually performed by the taxpayer.

These expenses include:

Amounts paid to the seller in accordance with the treaty;

Payment for services rendered by the depositary;

Commission payments to the professional participants of the securities market, discount, payable (recoverable) to the management company of the mutual investment fund while selling (redemption) by the investor of the investment unit of the investment fund, determined in accordance with the procedure established by Russian legislation on investment funds;

Stock fees (commission);

Payment for the registrar's services;

Other expenses directly related to the account dealing, made for the services, provided by the professional participants of the securities market in their professional activity.

Income (loss) on account dealing, circulating on an organized securities market, is decreased (increased) by the amount of interest paid for the use of funds involved for the transaction of the account dealing, within the amounts estimated on the basis of current refinancing rate of the Central Bank of the Russian Federation.

On the operations with securities circulated on an organized securities market, the extent of loss is determined by taking into account the margin of fluctuation of market prices of securities.

To the securities, circulating on an organized securities market, refer securities, which are accepted for use for the organizers of the trade, who have the license of the federal authority, regulating the securities market.

Market quotation of the securities, circulating on an organized market of securities, is the average price of a security on the transactions, made during the trading day via the trade organizer. If the transactions were conducted on one and the same security through two or more organizers of the trade, the taxpayer is entitled to choose the market quotation of a security that has evolved from one of the organizers of the trade.

If the organizer of a trade does not calculate the average price, the half of the amount of maximum and minimum prices of trades made during the trading day through this trade organizer may be approved as the average price. If the expenses of the taxpayer for the purchase, selling and storage of securities can not be attributed directly to the cost of the purchase, selling and storage of specific securities, those expenditures are allocated in proportion to the valuation of the securities, to share of which refer the specified expenditures. The valuation of securities is determined by the date of implementation of these expenditures.

Loss on transactions with the securities, circulating on an organized securities market, obtained by the results of these transactions, performed in the tax period, reduces the tax base of securities dealing in this category.

The profit from the transactions with securities, not circulating on an organized securities market, which at the time of purchase met the requirements established for the securities, circulating on an organized securities market, may be reduced for the amount of loss, incurred in the tax period, for the transactions with securities circulating on an organized securities market.

Date of actual acquisition of income:

- The day of income payment, including income transfers to the taxpayer's bank accounts or on its behalf on account of third parties - when income is obtained in cash;*
- The day of purchase of securities.*

The tax base for the transactions of purchase - the sale of the securities and transactions with the financial instruments of forward transaction is determined by the end of the tax period. Calculation and payment of the tax is made by a tax

agent at the end of the tax period or the implementing the payment of money to the taxpayer before the tax period expires.

In implementing the payment of money by a tax agent before the expiration of the tax period the tax is paid from the share of income, determined in accordance with this Article, corresponding the actual amount of cash to be paid. The share of income is defined as the multiplication of the total income to the ratio of the amount paid to the valuation of securities, determined at the date of disbursement of funds, according to which the tax agent is acting as a broker. In implementing the payment of money to the taxpayer more than once during the tax period, the computation of tax is conducted by the progressive total with an allowance for offsetting previously paid taxes.

Valuation of the securities is determined on the basis of actually incurred and documented expenses for their purchase.

Payment of funds - is the payment of cash, transfer of funds to an individual bank account or to a third party at the request of an individual.

When it is impossible to withhold the tax amount, tax agent (broker, trustee or other person who performs operations on the contract of agency, commission agreement, a treaty in favor of the taxpayer) within one month after the occurrence of this fact, in writing notifies the tax authority at the place of registration about the impossibility of a specified retention and amount of indebtedness of the taxpayer. In this case, the payment of a tax is performed in accordance with Article 228 of the Internal Revenue Code.

ORDER OF TAXATION OF A LEGAL ENTITY

Type of tax - a tax on profits.

Incomes include:

Revenues from selling of proprietary rights (income from sales);

Non-operating interest income on securities and other debt obligations and / or share participation in other organizations.

Tax base.

Taxpayer's incomes from transactions on the selling or other disposal of the securities (including redemption) are determined on the assumption of the selling price or other disposal of securities and the amount of accrued interest (coupon) incomes paid by the buyer to the taxpayer and the amount of the

interest (coupon) income paid to the taxpayer by the issuer. In this case, the taxpayer's income from the selling or other disposal of the securities does not include the amount of the interest (coupon) income, previously recorded for taxation.

Sale expenditures (or other disposal) of the securities are determined in accordance with the purchase price of the security (including the cost of its acquisition), costs of its implementation, the discounts rate with the estimated value of investment shares, amount of accrued interest (coupon) income, paid by the taxpayer to the seller of the securities. In this case, expenditure does not include the amount of accrued interest (coupon) income, previously recorded for taxation.

Securities are recognized as circulating on the organized securities market only, when the following conditions are satisfied:

If they are accepted at least by one organizer of the trade, eligible for this, in accordance with national legislation;

If the information about their prices (quotations) is published in the media (including electronic) or can be represented by the organizer of the trade or other authorized person to any interested party within three years after the date of completion of transactions with the securities.

If the market quotation is calculated upon them when it is provided for by the relevant national legislation.

Market price of the securities, circulating on an organized securities market, for purposes of taxation shall be the actual selling price of selling or other disposal of securities if this price is between the minimum and maximum prices of transactions (price range) with the specified securities, registered by the organizer of the trading on the securities market on the date of the relevant transaction. In case of the selling of the securities, circulating on an organized securities market at a price lower than the minimum price of transactions on the organized securities market, in determining of the financial result, the minimum price of transaction on an organized securities market is approved.

In respect of the securities, not circulating on an organized market of the securities, for tax purposes, the actual price of selling or other disposal of such securities is approved if at least one of the following conditions is satisfied:

If the actual price of the transaction is in the range of prices of a similar (identical, uniform) security, registered by the organizer of the trading on the

securities market on the transaction date or the date of the next auction, held prior to the date of completion of the transaction, if trading on these securities were held by the organizer of the trade at least once in the past 12 months;

If the deviation of the actual price of the transaction is within 20 percent upward or downward from the average price of a similar (identical, uniform) security, calculated by the organizer of the trading on the securities market in accordance with the rules established by him, of the trading results on the date of the transaction or on the date of the next auction, held prior to the date of completion of the transaction, if trading in these securities were held by the organizer of the trading at least once in the past 12 months.

The tax base on the operations with securities is determined by the taxpayer separately, except for the tax base for the transactions in securities, defined by the professional participants of the securities market. The taxpayer (except for the professional participants of the securities market, engaged in a dealer activity) determine the tax base on operations with securities, circulating on an organized securities market, separately from the tax base on securities not circulating on an organized securities market.

When selling or other disposal of securities the taxpayer independently, in accordance with the purposes of taxation accounting policy, chooses one of the following methods of writing-off of the retired securities cost on the expenditure:

on the cost of the first acquisitions (FIFO)

on the cost of the most recent acquisitions (LIFO)

on the cost of the unit

Taxpayers, who obtained a loss (losses) for the securities transactions in the previous tax period or in previous tax periods, may reduce the tax base on the transactions with securities in the reporting (tax) period (transfer such losses for the future) in order and on terms, established by Article 283 of the Internal Revenue Code.

At the same time, losses from the transactions with the securities not circulating on an organized market of the securities obtained in the previous tax period (the previous tax periods), can be used to reduce the tax base of operations involving such securities, determined in the reporting (tax) period. Losses from the transactions with the securities, circulating on an organized market of the securities, obtained in the previous tax period (the previous tax periods), can be

used to reduce the tax base of operations for the selling of this category of securities.

During the tax period, transfer for the future of losses incurred in the respective reporting period of the transactions with the securities, circulating on an organized market of the securities, and the securities not circulating on an organized market of the securities, is carried out separately for these categories of securities, respectively, within the limits of the profits from transactions involving such securities.

Non- operating income of legal entities includes income from share participation in other companies, including dividends obtained from the participation in the authorized capital stock of other organizations.

Upon payment of incomes in the form of the dividends to the legal entity, the source of which is the Russian organization, this organization is recognized as the tax agent and defines the amount of tax for each taxpayer separately, in respect of each payment of such income at the rate stipulated by p.3 a.284 of the Internal Revenue Code, in the manner, prescribed by Article 275 of Internal Revenue Code.

According to Article 275 of the Internal Revenue Code:

upon the incomes in the form of dividends, obtained by the legal entity, who is the tax resident of the Russian Federation, from the Russian organization, the amount of tax, subject to be withheld from the income of the taxpayer – the recipient of the dividends, is determined by the following formula:

$T = R \times TR \times (d - D)$, where

T - amount of tax to be withheld;

R - ratio of amount of dividends to be distributed in favor of the taxpayer - the remittee of dividends to the total amount of dividends to be distributed by a tax agent;

TR - tax rate established by the paragraph 3 a.284 of the Internal Revenue Code;

d- the total amount of dividends to be distributed by a tax agent in favor of all taxpayers - the remitees of dividends;

D - total amount of dividends obtained by the tax agent in the current reporting (tax) period and previous reporting (tax) period, except for dividends taxed at a rate of 0% according to sp. 1 p.3 a.284 of the Internal Revenue Code by the time

of the distribution of dividends in favor of taxpayers - the remittees of dividends, provided that, if the given amount of the dividends had not been previously taken into account at determining the tax base, determined in respect of income obtained by a tax agent in the form of dividends.

If T is negative, there is no obligation to pay tax and the reimbursement from the budget is not made.

On incomes in the form of dividends obtained by a legal entity that is not a tax resident of Russia, the amount of tax withheld by a tax agent from the incomes, is calculated for each such payment on the assumption of the amount of dividends paid at the rate, established by p.3 a.284 of the Internal Revenue Code.

In case if a legal entity- the remittee of the dividends is registered in the State, with which Russia has made a treaty (agreement) on the avoidance of double taxation, valid during the relevant tax period (or part of it), and in case of providing by the legal entity- the remittee of dividends, the confirmation of the place of registration, signed by the competent authority of the State, where the legal entity- the remittee of dividends is registered, till the date of income payment, in reference to which preferential treatment of taxation in Russia is provided by the international agreement of the Russian Federation, the exemption from taxation is conducted in respect of such income.

Deadlines for payment of income tax from dividends:

on the incomes in the form of dividends, paid to the Russian companies, the company, which pays dividends, transfers the amount of income tax to the budget within 10 days from the day of income payment.

on the incomes, paid to the foreign legal entities, the company, which pays dividends, must transfer the proper amount of tax within 3 days after payment to the foreign company or other income by the foreign company.

If the income is paid to the foreign company in kind or another kind of non-monetary form, including offsetting, or in case if the taxable amount, subject to deduction, exceeds the amount of income the foreign company, obtained in cash, tax agent must transfer the tax to the budget in calculated sum, having decreased the income of the foreign company, obtained in non-monetary form.

10.9 Information on declared (accrued) and paid dividends on issuer's shares and the income of the issuer's bonds

Information on declared (accrued) and paid dividends on issuer's shares for the last 5 completed financial years or for every completed financial year, if the issuer conducts his activity less than 5 years:

In 2005-2008 decision on accrual of dividends was not made by the General shareholders Meeting of the Issuer, dividends were not paid.

2009

Type of securities	<i>shares</i>	
Category of shares	<i>ordinaries</i>	
The rate of declared (accrued) dividends on ordinary shares of the Issuer	<i>Per ordinary share</i>	<i>0,05 rubles</i>
	<i>in the aggregate on all ordinary shares</i>	<i>2 475 963,25 rubles</i>
Agency of administration of the issuer, which took a decision (declared) on accrual of dividends on issuer's shares	<i>General meeting of shareholders</i>	
Date of the meeting (session) of Issuer's agency of administration, when a decision on payment (declaration) of dividends was made	<i>June 26, 2009</i>	
The date and the number of report of agency of administration meeting (session), when the decision on payment (declaration) of dividends was made.	<i>Report №9 GOS/2009 dated 26.06.2009</i>	
Time limit for payment of declared dividends on Issuer's shares	<i>Within 1,5 years from the date of meeting</i>	
Form and other terms of payment of dividends declared on Issuer's shares	<i>Non-cash</i>	

Reporting period (year, quarter) for which the dividends on Issuer's shares are (were)paid	2008
Total rate of dividends paid on all ordinary shares of the issuer for each period, for which the decision about payment (declaration) of dividends was made	2 475 963,25 rubles
In case if the declared dividends on issuer's shares were not paid or paid by the issuer not fully-are the reasons of declared dividends non-payment.	<i>Dividends were paid off fully before 01.08.2010</i>
Other information on declared and / or paid dividends on issuer's shares, mentioned by the issuer at his own discretion	<i>none</i>

The issuer did not issue the bonds.

10.10. Other information

Other information about the issuer and his securities, provided for by the Federal law of "Securities market" or other federal laws: ***none***

Other information about the issuer and his securities, not mentioned in previous clauses of securities prospectus: ***none***.