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Pharmstandard to Spin Off Over-the-Counter Business

By The Moscow Times

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The new company that is going to take over major drugmaker Pharmstandard's over-the-counter business will assume the name OTCpharm, a news report said Thursday.

OTC stands for over the counter.

The new legal entity will have a share capital of 15 million rubles and will be split into 151 million shares, of which nearly 38 million will belong to Pharmstandard, Vedomosti reported.

The report cited information from the materials that the company is preparing for its shareholder meeting Sept. 27.

Historically, over-the-counter sales have driven the company's growth. But now its sales under state contracts constitute more than half of the total business.

Over-the-counter sales have a less transparent business model, which puts pressure on the

value, said Igor Krylov, the company's chief. That is why the company announced in July it wanted to spin off the business, he said.

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