

PHARMACY CHAIN



HEALTHY, FIT & STRONG

MARCH 2006

2 36.6 AT GLANCE

over **300**
million

sales in 2005 (preliminary)

~ **250**
million

current market capitalization

20% of shares were placed at IPO in 2003 at \$9 per share

42%

top-line annual growth: 50% in retail, 20% - in manufacturing (preliminary)

505
pharmacies

under management in 21 Russian regions (March 01, 2006)

over **34**
million

purchases in 2005; 0,6 mln. purchases per week; 2,6 mln. purchases per month

7000
employees

skilled personnel and experienced management team

3 STRATEGIC GOALS

We strive to be Russia's leading health & beauty retailer and to become the preferred source of medicines and health & beauty products for Russian consumers

- ❑ Pursuing industry and internal growth
- ❑ Creating a unique customer value proposition
- ❑ Expanding into rapidly growing regions
- ❑ Developing and sustaining a profitable business model
- ❑ Introducing best standards of corporate governance

4 HEALTHCARE MARKET GROWTH

CAGR'04-09

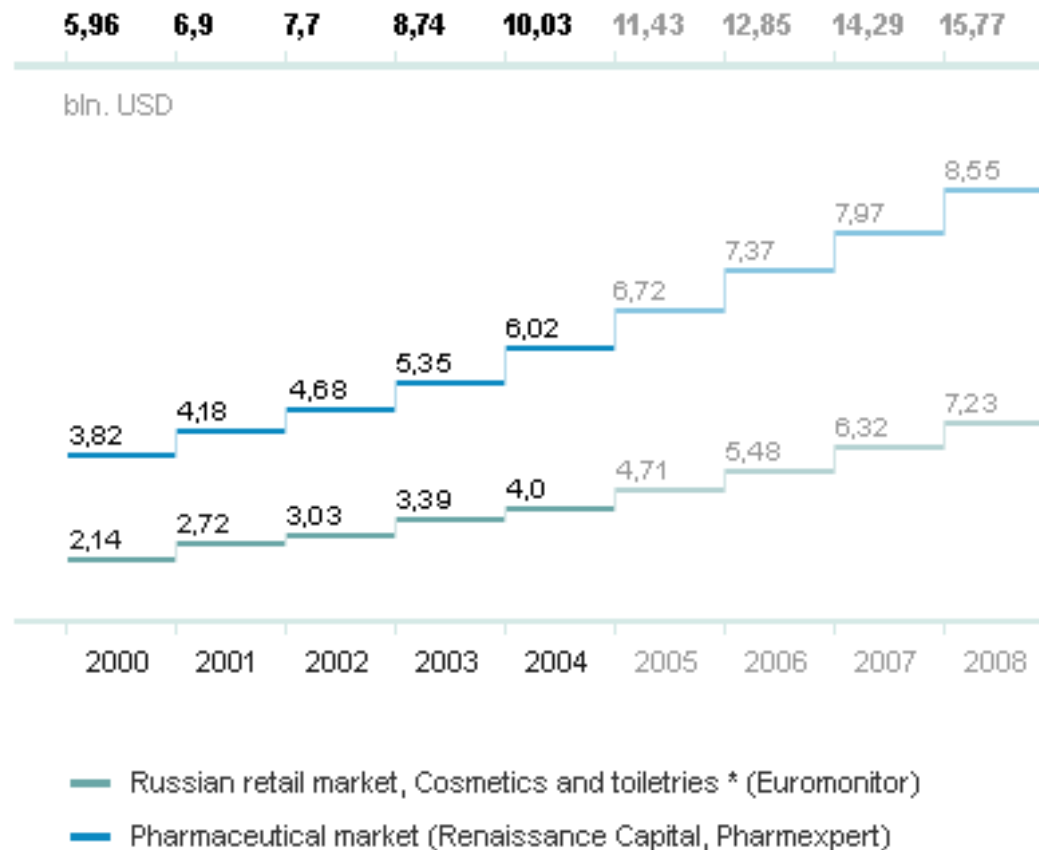
Pharmaceuticals
8.8-13.2%

Dietary supplements
15.8%

Cosmetics and Toiletries
12-15%

Other non-pharmaceuticals
18%

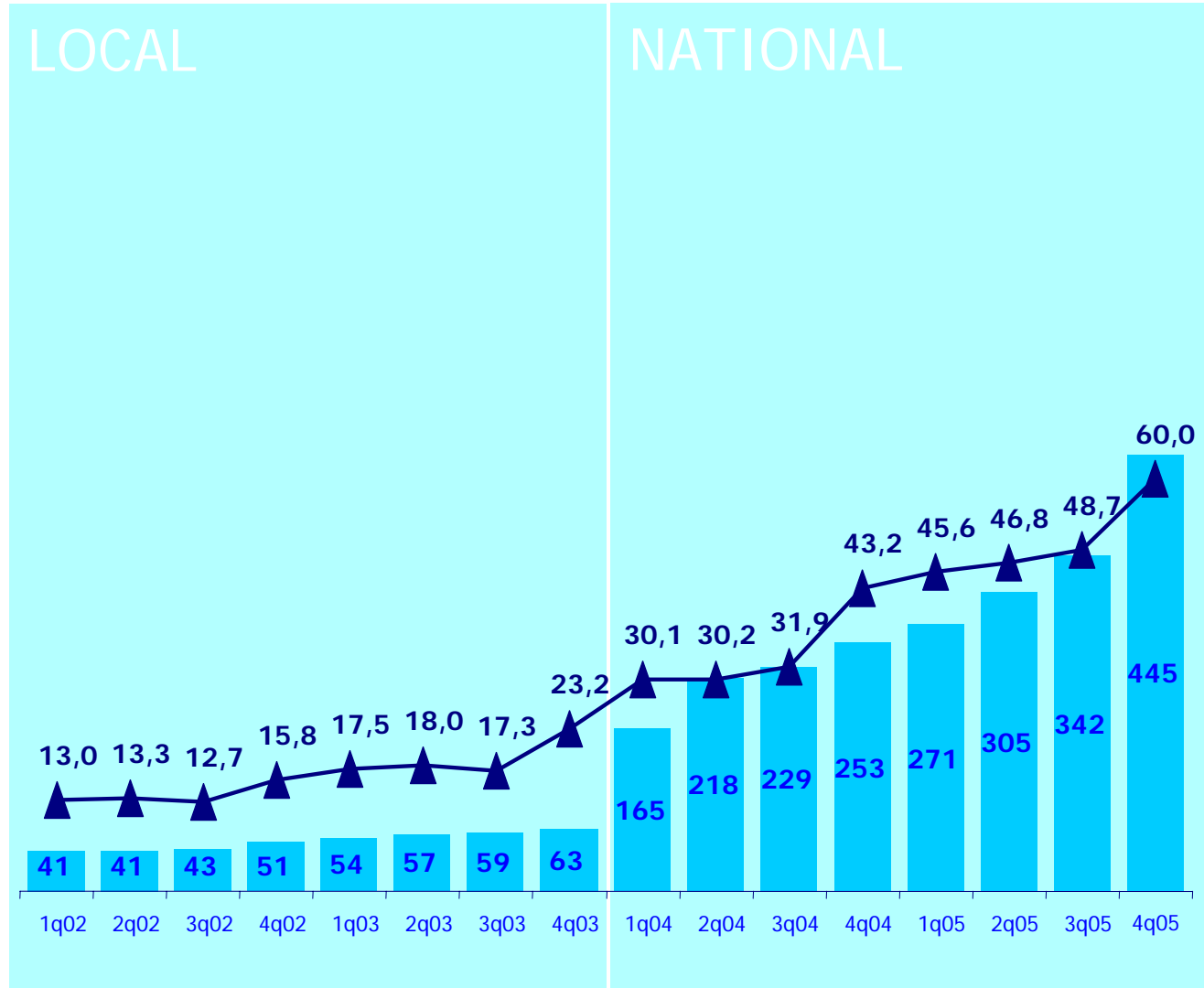
Market size forecast



5 STORES GROWTH

NET SALES,
USD millions

NUMBER OF
STORES,
eop



6 RETAIL TECHNOLOGY

We elaborate the retail technology, we introduce innovative products, we create unique customer's shopping experience

- Different store formats
- Innovative products
- Exclusive customer offerings
- Private Label products
- Hard traffic in pharmacies
- Personnel Training Centre

7 SAFETY & EXCITEMENT

Unique **36.6**
Customer Value
Proposition



CONVENIENT LOCATIONS



WIDE ASSORTMENT



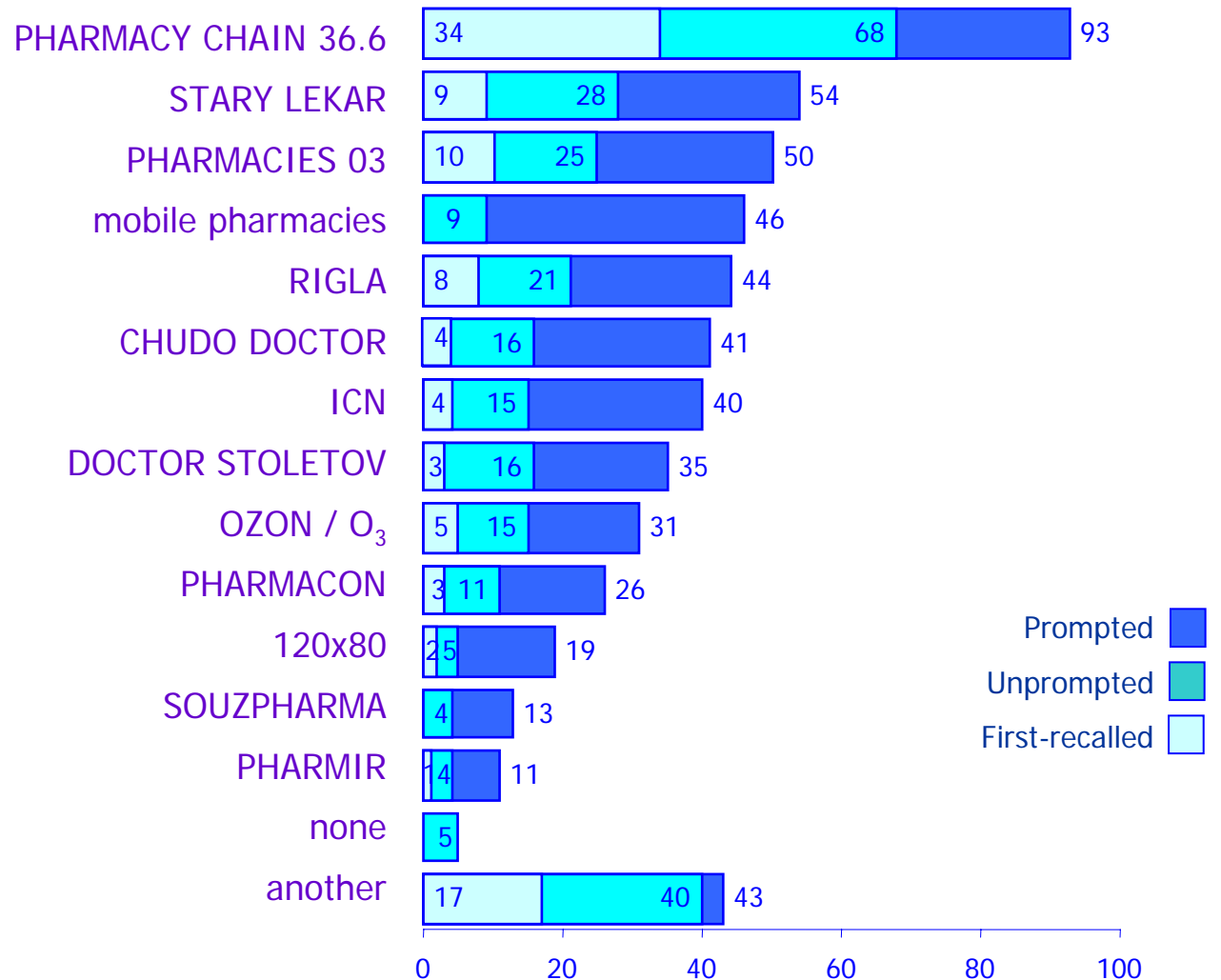
RELIABLE QUALITY PRODUCTS



COMPETITIVE PRICES

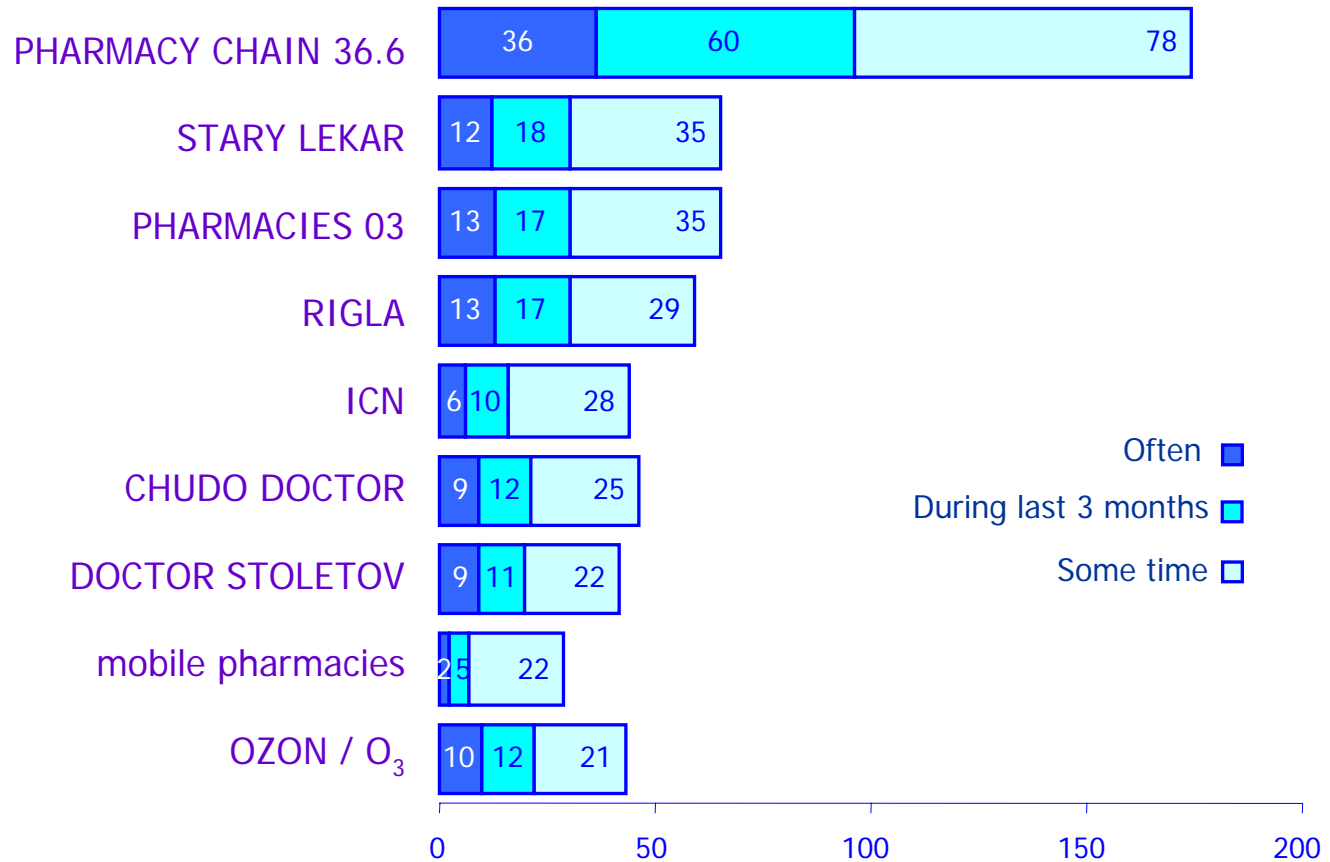
8 PHARMACY BRANDS. MOSCOW

*36.6 is
unambiguously
identified as a
pharmacy brand
both first-recalled
and unprompted*



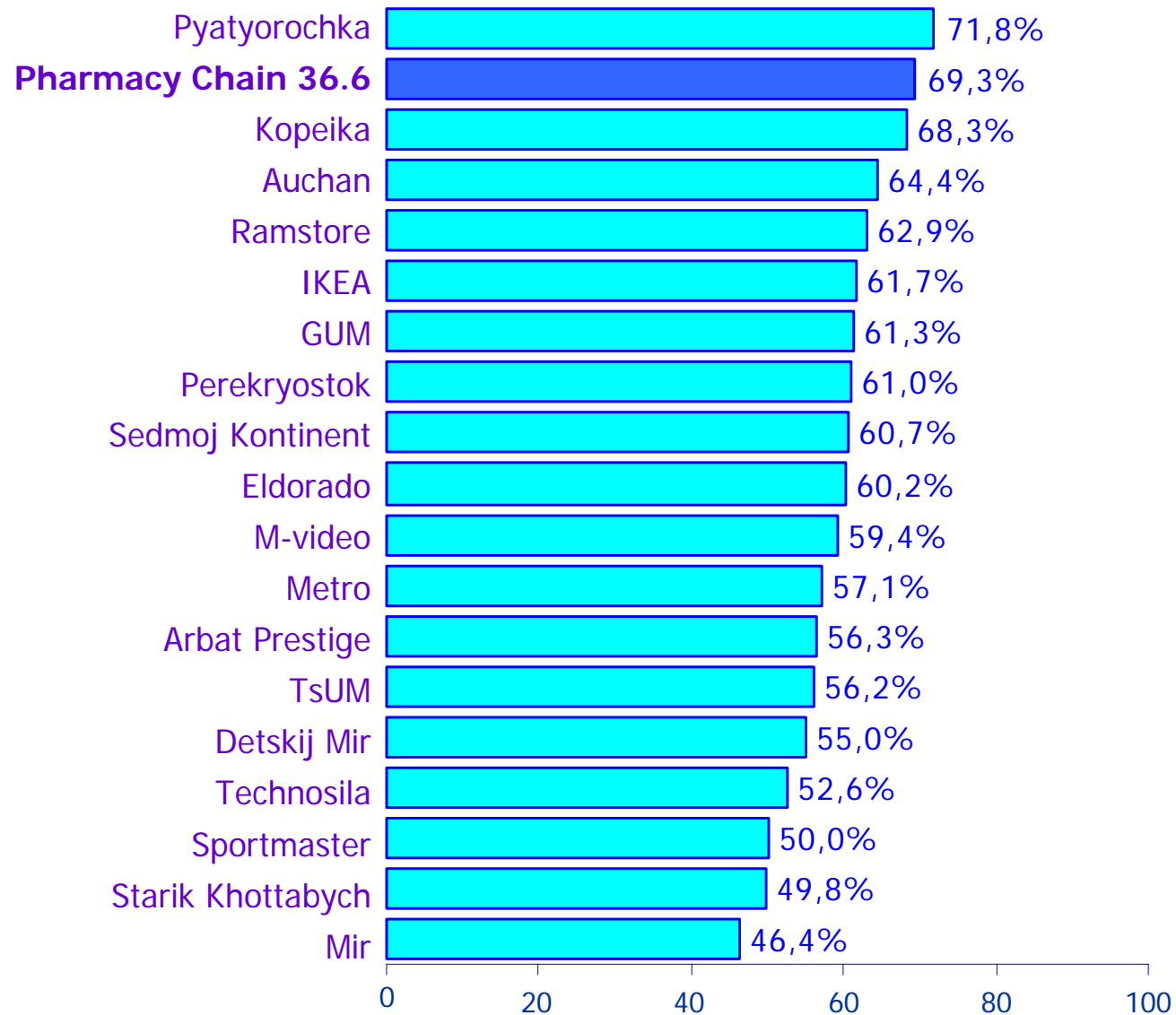
9 SHOPPING EXPERIENCE

Almost all the Muscovites visited 36.6 pharmacies ones and prefer shopping there rather than in any other pharmacy



10 BRAND AWARENESS

36.6 enjoys highest levels of brand awareness among most successful retail brands



11

REGIONAL EXPANSION

NORTH-WEST 43

MOSCOW 165

POVOLJIE 94

URALS 156

SOUTH 30

WESTERN SIBERIA 17



*currently operating
505 pharmacies
in 21 regions,*

*the Company
reaches out
to every Russian
city
with a population
from 500 to 1000
thnd people
to enjoy 10-20% of
their pharmacy
retail market*

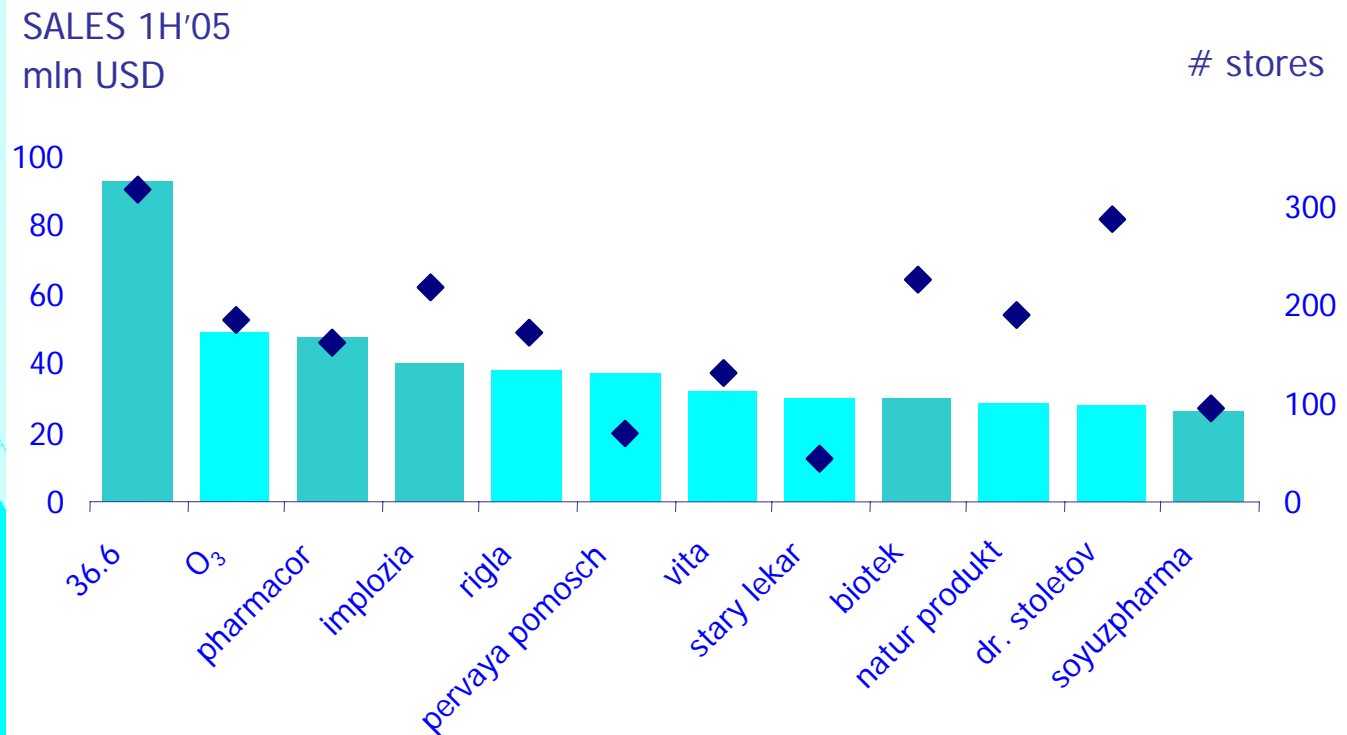
As of March 01, 2006

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36.6 – THE CONSOLIDATOR OF CHOICE

Regional penetration will be achieved both through organic openings and acquisitions of the regional chains

This is subject to successful competition with a few other chains developing nationwide



13 AGING PHARMACIES PERFORMANCE

Same store sales were up **15.5%** yoy in the 3rd quarter of 2005

GROSS MARGIN

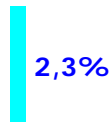
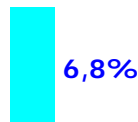
EBITDA MARGIN

EBIT MARGIN

NET INCOME MARGIN*

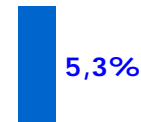
ALL PHARMACIES

Moscow



OLD PHARMACIES

46 Moscow pharmacies opened before 2003



14 KEY PERFORMANCE INDICATORS

3Q03 4Q03 1Q04 2Q04 3Q04 4Q04 1Q05 2Q05 3Q05 4Q05

PURCHASES
millions

2,9 3,6 3,8 6,5 6,2 7,3 7,7 8,0 8,5 10,3

AVG. TICKET
USD

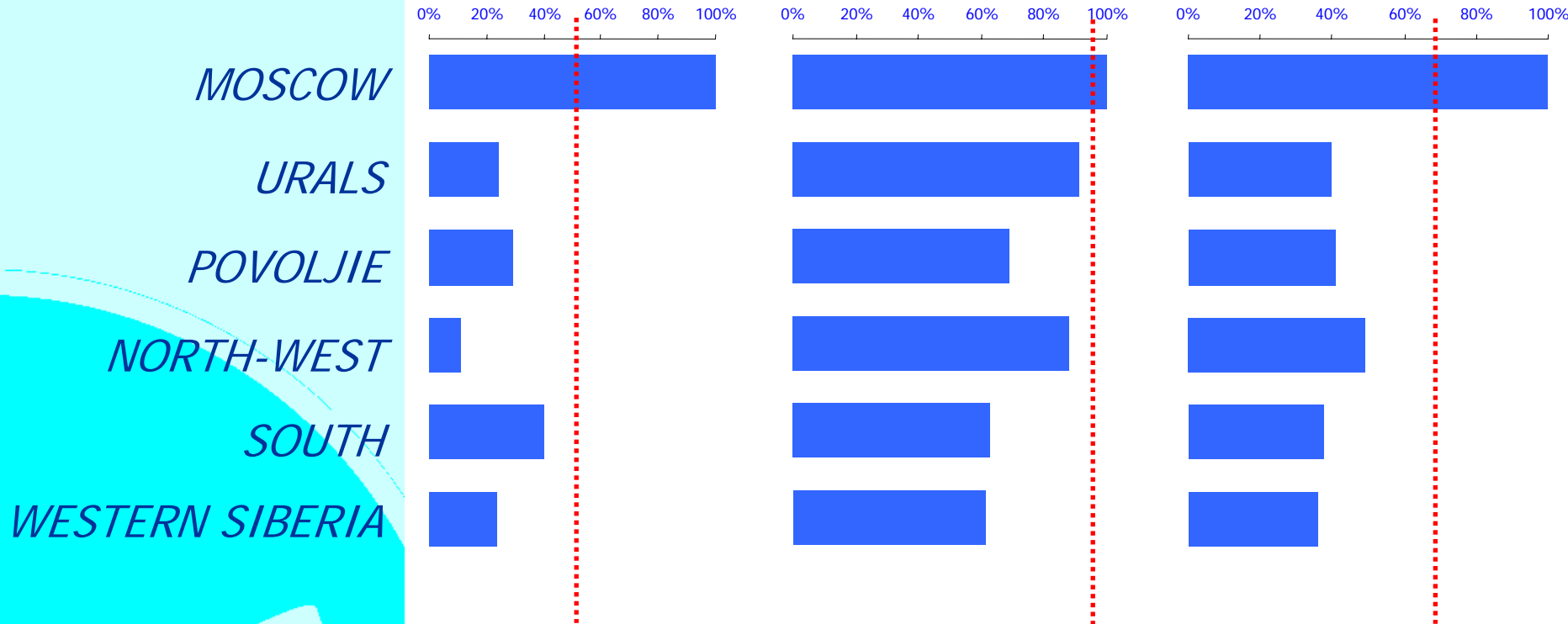
5,9 6,4 7,3 7,4 5,5 6,0 6,2 6,4 5,7 6,5

SALES PER M2
USD

2,1 2,6 2,5 2,3 1,6 2,8 2,1 2,1 1,4 1,8

regional impact

15 KEY PERFORMANCE INDICATORS



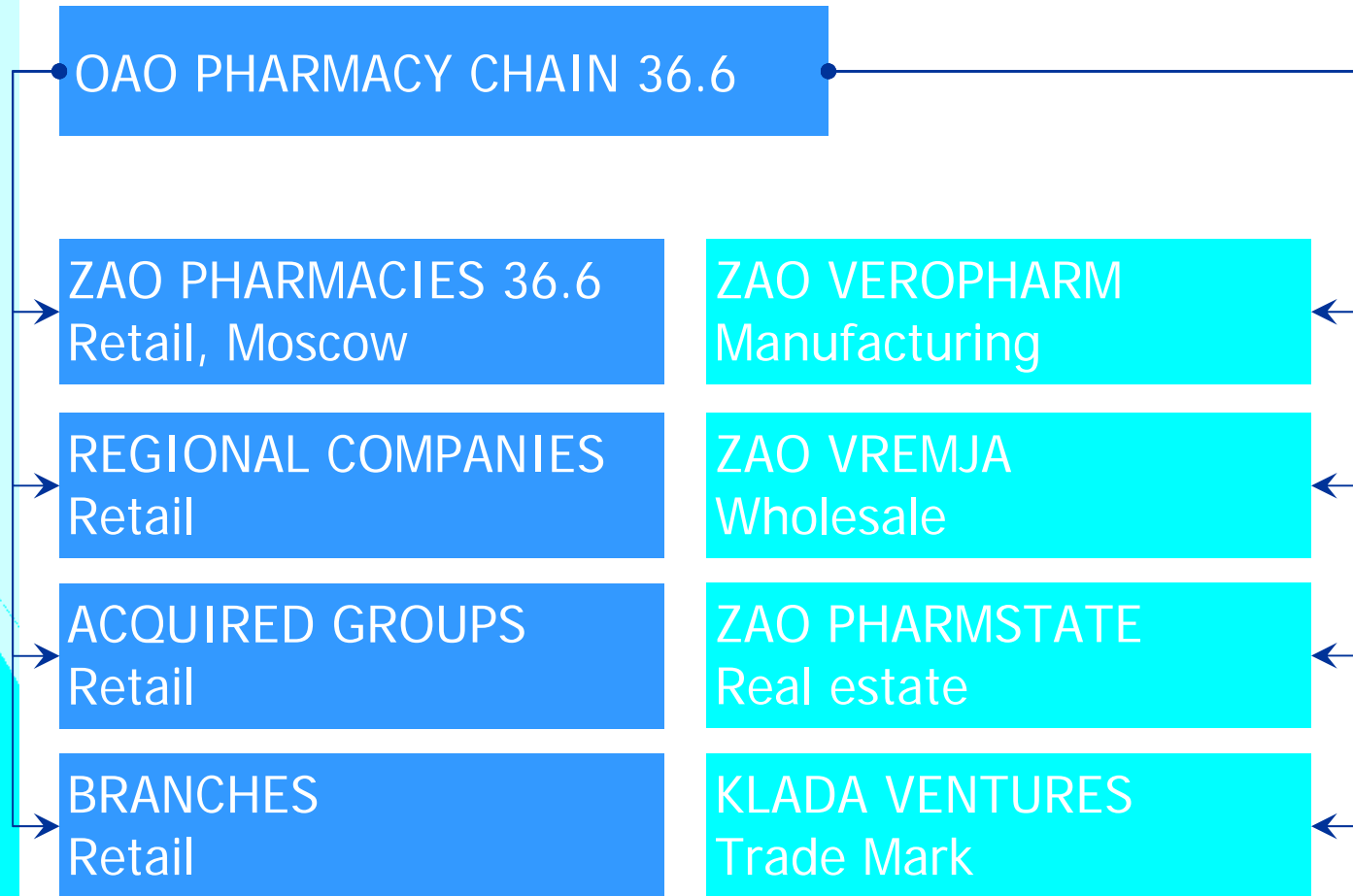
Sales per sq. meter
Index
Moscow=100

Gross margin
Index
Moscow=100

Average ticket
Index
Moscow=100

* Please note, that in 2005 the Company regrouped certain business-units

16 ORGANIZATION CHART



Decision making is ensured by the balanced opinion of both shareholders and that of independent directors

Sergey KRIVOSHEEV
Chairman, Co-founder

Artem BEKTEMIROV
CEO, Co-founder

Michael OBERMAYER
Independent director,
Director Emeritus of
McKinsey & Company

Vassily RUDOMINO,
Independent director,
Partner in ALRUD law firm

Vladimir STOLIN,
Independent director,
Chairman in ECOPSY
consulting firm

Planning and operational controls are performed across the regional business units and product categories

Brand integrity and management as well as strategic business development and expansion are corporate major priorities

ARTEM BEKTEMIROV
CEO

ANTON PARKANSKY
Managing director

DMITRY GODUNOV
Operations
1st Deputy MD

ALEXANDRA KOZHAEVA
Commercial director

CATEGORY
DIRECTORS

SVEIN AAGE OLSEN
CFO

OLGA ALTUNINA
Human Resources

BORIS RYABOV
Business Technology
Development

DMITRY KOZOREZOV
Medical director

REGIONAL
BUSINESS UNITS

VICTOR VASILIEV
Legal Council

OLEG ANIKIN
Strategy

ANDREI SLIVCHENKO
Corporate Finance
& Investor Relations

DARYA KAPLUNOVA
Marketing

19 SHARE PRICE

RTS: APTK

*IPO in February
2003*

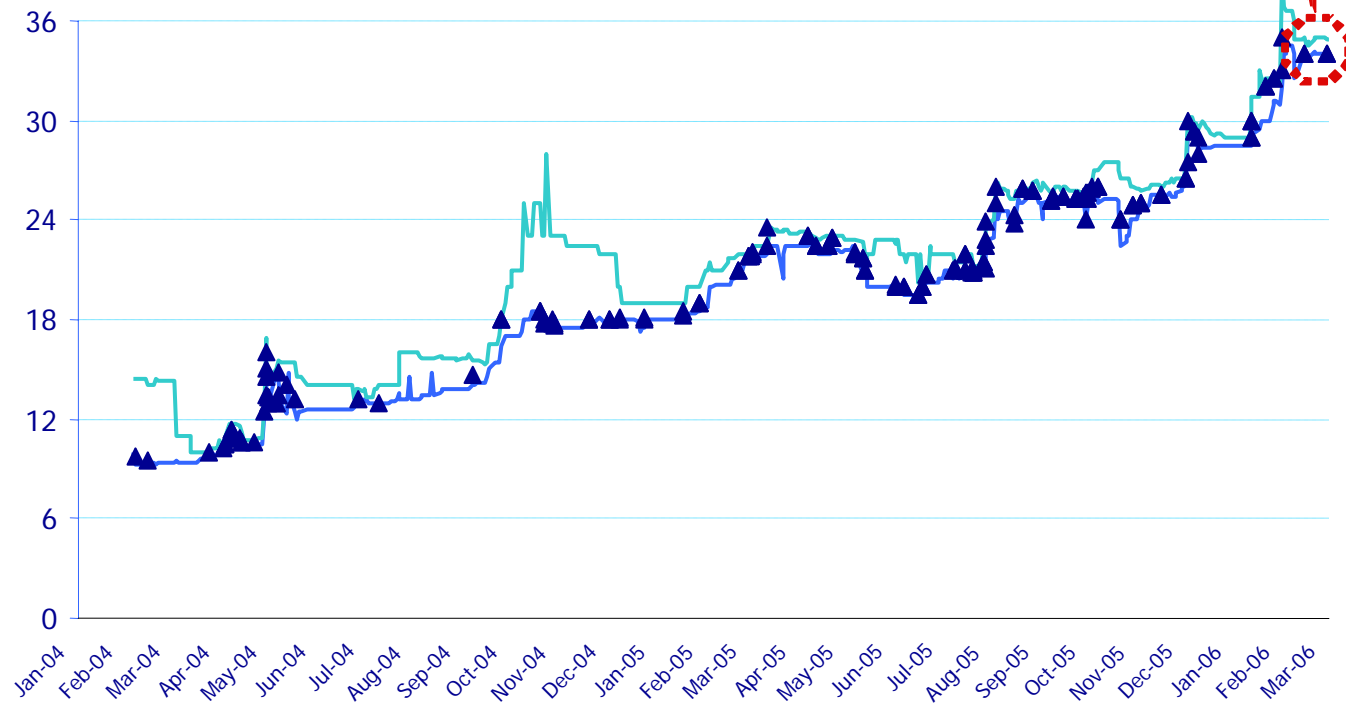
*Shares placed at
MICEX at \$9 per
share*

*About 25% are
currently in the free
float*

M.CAP \$272 MLN

AS AT 1 Mar'06

AS PER RTS



APPENDIX

FINANCIALS & ANALYSIS

Please note:
reporting under IAS since 2002
auditor Deloitte
financials for the latest period are IAS
unaudited
data by segments are before adjustments

FY2005 FINANCIAL INDICATORS

CONSOLIDATED

| | 2005* | 2004 | 05/04 | 2003 | 2002 |
|-----------|-------|-------|---------|-------|-------|
| NET SALES | 300.0 | 211.0 | 42.2% | 147,8 | 118,7 |
| CAPEX | 38.5 | 44.7 | - 13.9% | 59,8 | 46,0 |
| DEBT | 109.0 | 80.4 | 35.6% | 13,6 | 15,1 |

* Management estimates FY2005 results

22 INCOME STATEMENT

CONSOLIDATED

| | 9M05 | 9M04 | 05/04 | 2004 | 2003 | 2002 |
|------------------|-------|-------|-------|-------|-------|-------|
| NET SALES | 209,4 | 145,0 | 44% | 211,0 | 147,8 | 118,7 |
| GROSS PROFIT | 80,6 | 55,5 | 45% | 80,2 | 59,8 | 46,0 |
| EBITDA | 14,3 | 12,3 | 16% | 18,5 | 13,6 | 15,1 |
| | 6,8% | 8,5% | | 8,8% | 9,2% | 12,7% |
| OPERATING INCOME | 8,5 | 7,4 | 14% | 11,5 | 8,4 | 10,4 |
| NET INCOME | -5,1 | 0,5 | N/A | 0,7 | 1,0 | 3,3 |
| | -2,4% | 0,4% | | 0,3% | 0,7% | 2,8% |

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INCOME STATEMENT

CONSOLIDATED

9M 05

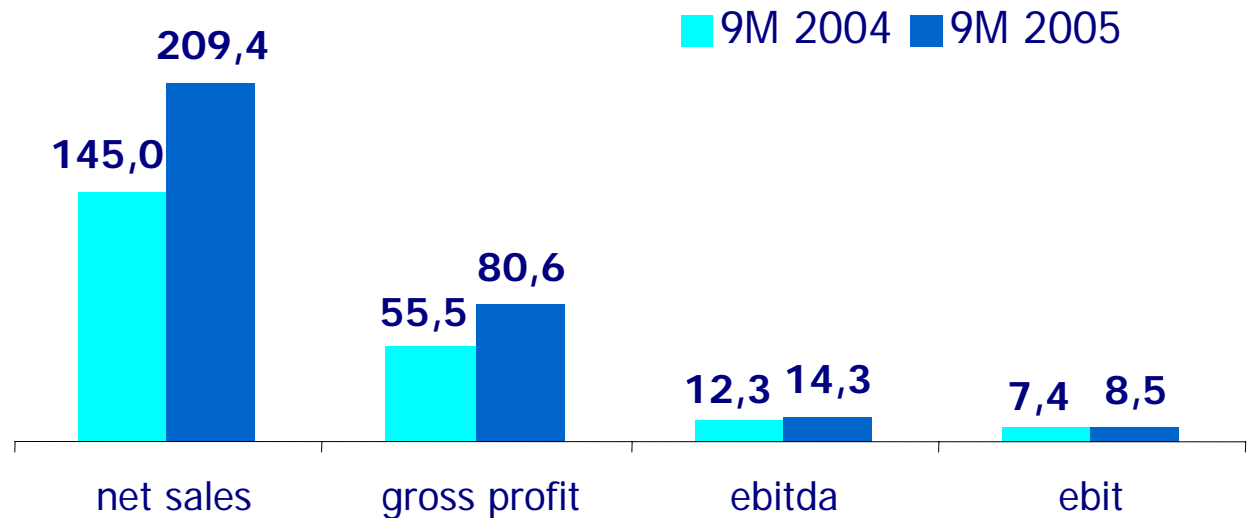
NET SALES up 44%

GROSS MARGIN 38,5%
vs 38,3%

EBITDA MARGIN 6,8%
vs 8,5%

EBIT MARGIN 4,1%
vs 5,1%

note: y-o-y basis



24 BALANCE SHEET

CONSOLIDATED

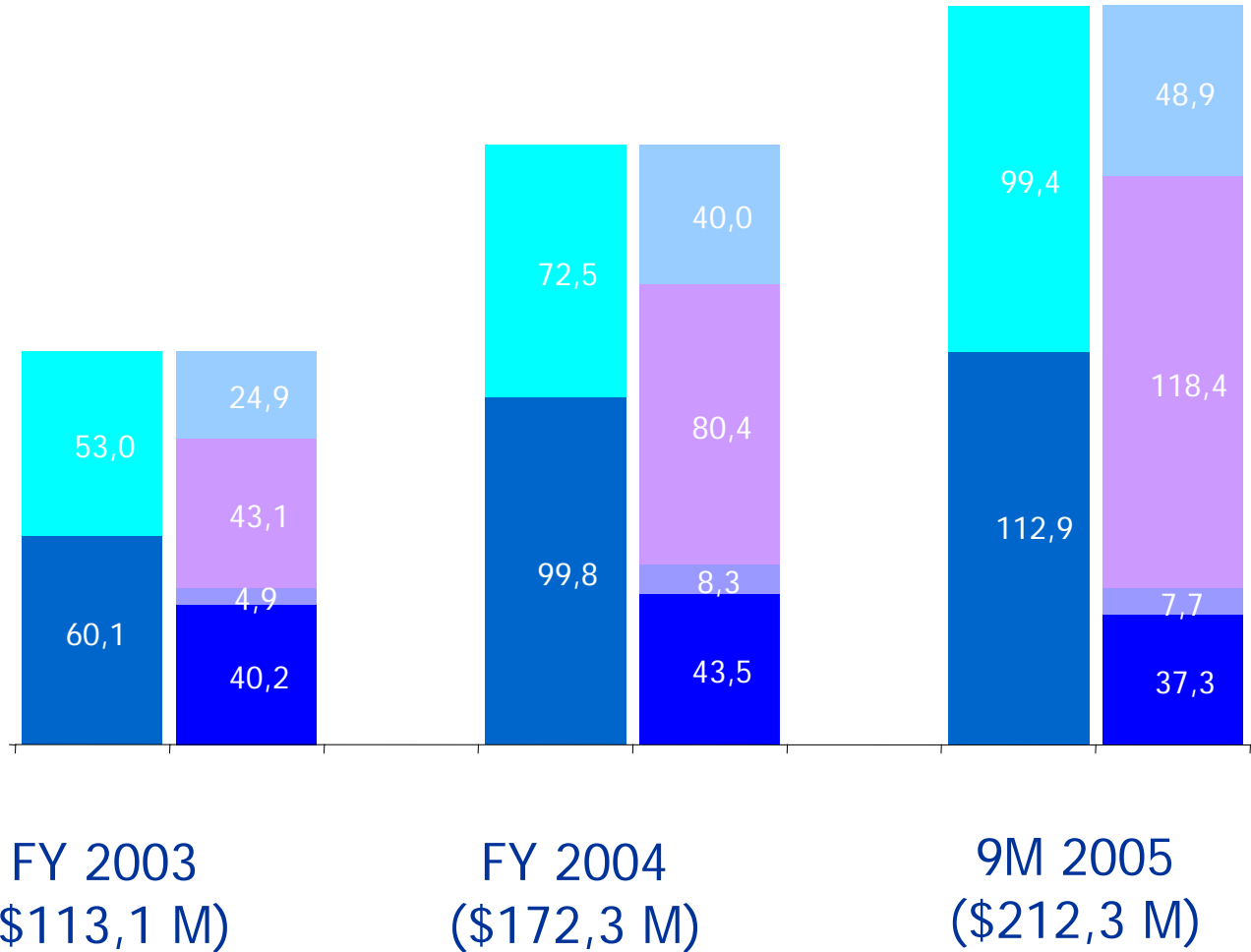
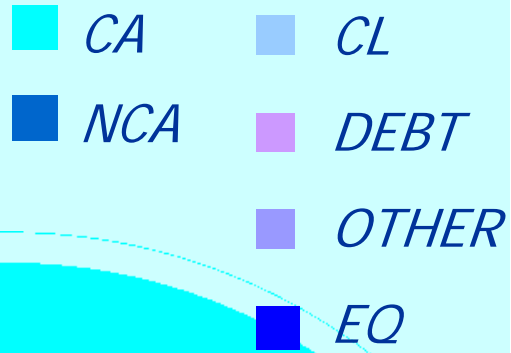
| | 9M05 | 2004 | 2003 | 2002 |
|-------------------|-------|-------|-------|------|
| N-CURRENT ASSETS | 112,9 | 100,3 | 60,1 | 45,9 |
| CURRENT ASSETS | 99,4 | 72,0 | 53,0 | 38,8 |
| TOTAL ASSETS | 212,3 | 172,3 | 113,1 | 84,7 |
| EQUITY | 37,3 | 43,5 | 40,2 | 24,7 |
| TOTAL DEBT | 118,5 | 80,4 | 43,1 | 36,3 |
| C-NT LIABILITIES* | 46,2 | 37,6 | 24,9 | 17,7 |

**Hereinafter Current Liabilities are non-interest bearing liabilities*

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BALANCE SHEET

CONSOLIDATED



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INCOME STATEMENT

RETAIL

| | 9M05 | 9M04 | 05/04 | 2004 | 2003 | 2002 |
|------------------|-------|-------|-------|-------|-------|------|
| NET SALES | 141,1 | 92,1 | 53% | 134,3 | 81,9 | 58,8 |
| GROSS PROFIT | 46,4 | 31,9 | 45% | 45,4 | 26,3 | 19,2 |
| GROSS MARGIN | 32,9% | 34,6% | | 33,8% | 32,1% | 33% |
| EBITDA | 2,1 | 5,5 | -62% | 6,5 | 1,8 | 2,6 |
| | 1,5% | 6,0% | | 4,8% | 2,2% | 4,4% |
| D&A | 3,9 | 2,8 | 41% | 3,8 | 2,1 | 1,7 |
| OPERATING INCOME | -1,8 | 2,8 | -166% | 2,7 | -0,2 | 0,9 |

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INCOME STATEMENT

RETAIL

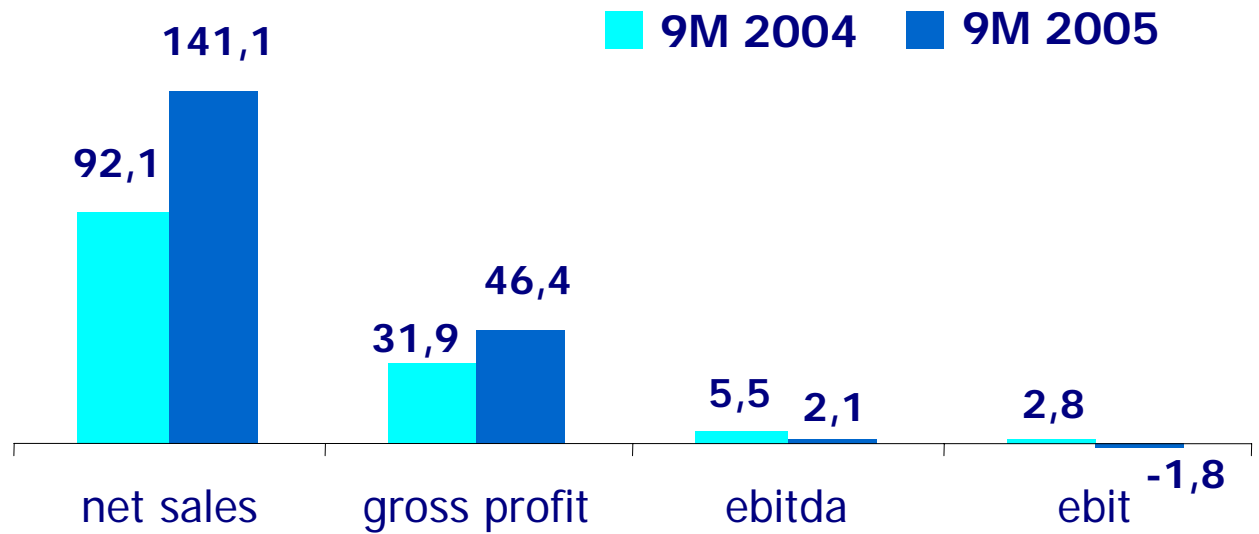
9M 2005

NET SALES up 53%

GROSS MARGIN 32,1%
vs 34,4%

EBITDA MARGIN 2,5%
vs 8,1%

EBIT MARGIN -1,3%
vs 3,0%

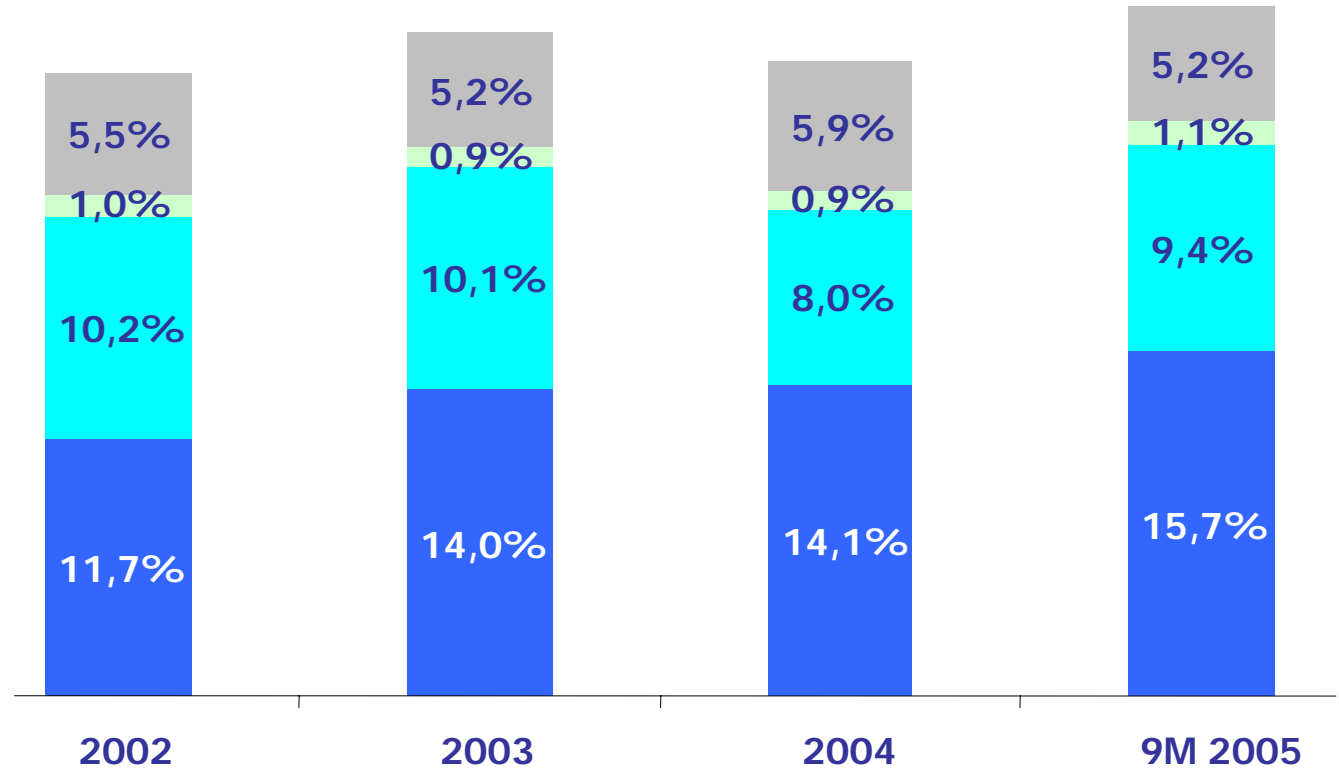


note: y-o-y basis

28 BALANCE SHEET

RETAIL

| | 9M05 | 2004 | 2003 | 2002 |
|------------------|-------|------|------|------|
| N-CURRENT ASSETS | 73,7 | 60,1 | 21,9 | 15,7 |
| CURRENT ASSETS | 43,9 | 28,6 | 15,6 | 13,1 |
| TOTAL ASSETS | 117,6 | 88,6 | 37,4 | 28,8 |
| LONG-TERM LIAB. | 4,9 | 4,7 | 1,9 | 11,1 |
| C-NT LIABILITIES | 34,1 | 27,3 | 35,3 | 15,2 |



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INCOME STATEMENT

VEROPHARM

| | 9M05 | 9M04 | 05/04 | 2004 | 2003 | 2002 |
|------------------|-------|-------|-------|-------|-------|-------|
| NET SALES | 54,4 | 41,4 | 31% | 60,8 | 52,8 | 43,9 |
| GROSS PROFIT | 32,2 | 21,7 | 48% | 32,0 | 31,3 | 23,4 |
| GROSS MARGIN | 59,2% | 52,5% | 6,7% | 52,6% | 59,2% | 53,3% |
| EBITDA | 16,3 | 9,3 | 75% | 17,6 | 15,7 | 13,5 |
| | 29,9% | 22,5% | | 28,9% | 29,7% | 30,9% |
| D&A | 1,7 | 2,0 | -13% | 3,0 | 2,9 | 3,1 |
| OPERATING INCOME | 14,5 | 7,3 | 99% | 14,6 | 12,7 | 10,5 |

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INCOME STATEMENT

VEROPHARM

9M 2005

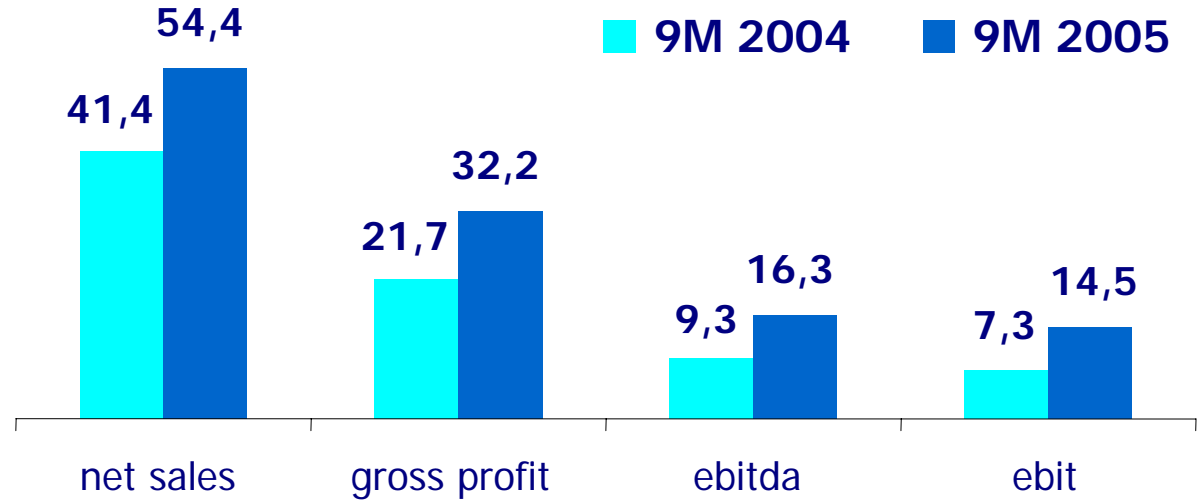
NET SALES up 31%

GROSS MARGIN 60,1%
vs 58,0%

EBITDA MARGIN 28,2%
vs 25,8%

EBIT MARGIN 24,8%
vs 21,2%

note: y-o-y basis



32 BALANCE SHEET

VEROPHARM

| | 9M05 | 2004 | 2003 | 2002 |
|------------------|------|------|------|------|
| N-CURRENT ASSETS | 35,0 | 35,9 | 34,4 | 31,2 |
| CURRENT ASSETS | 49,4 | 38,6 | 32,4 | 23,4 |
| TOTAL ASSETS | 84,4 | 74,5 | 66,8 | 54,5 |
| C-NT LIABILITIES | 30,8 | 20,4 | 20,1 | 6,5 |

33 DISCLAIMER

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34 HEALTHY, FIT & STRONG

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