

PHARMACY CHAIN



HEALTHY, FIT & STRONG

APRIL 2007

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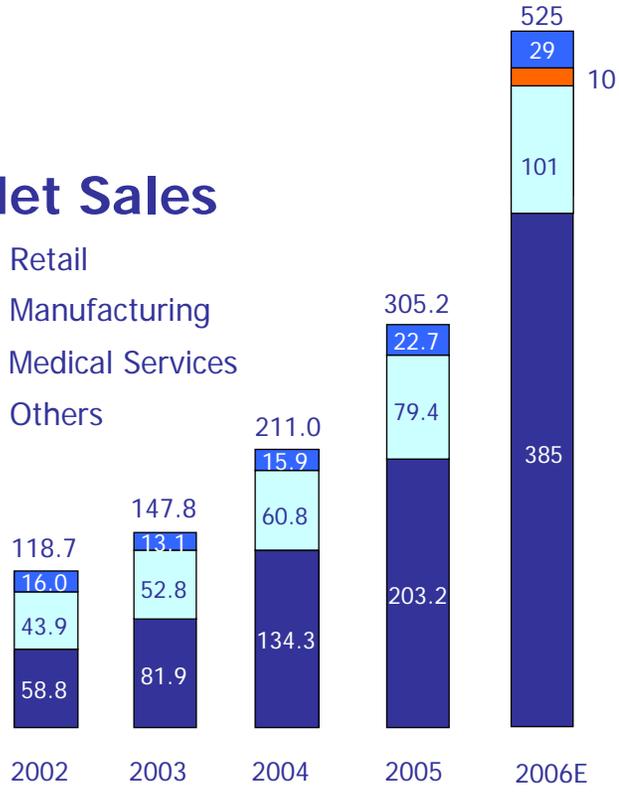
36.6 AT GLANCE

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

USD millions

Net Sales

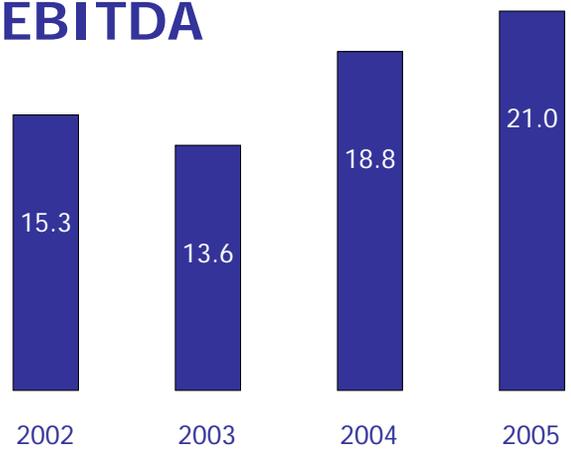
- Retail
- Manufacturing
- Medical Services
- Others



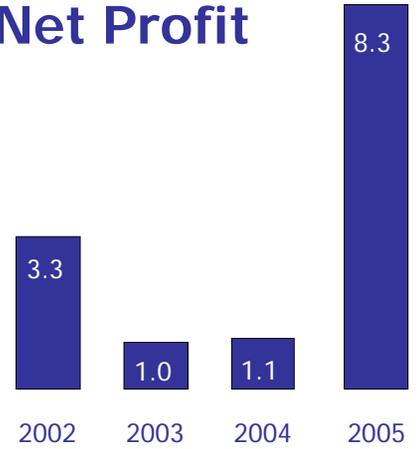
M.Cap



EBITDA



Net Profit



GROWTH DRIVERS

GDP per Capita
2006E \$6,800

Disposable Income
CAGR 14-16%

Pharma market
2007E \$14.0bln

Pharma market
CAGR 12-15%

- ❑ Growing disposable income pushes consumption up
- ❑ Booming H&B and Pharma industry followed by changes in consumer's behaviour
- ❑ Improving economy in the regions provide for better opportunities of consolidation
- ❑ Scale effect together with internal improvements in operations management ensure higher future profitability

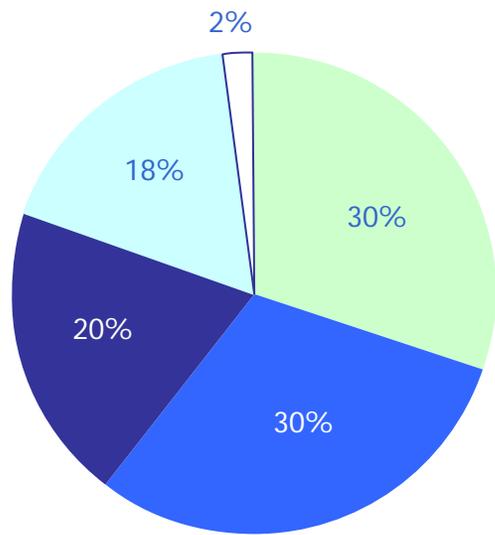
Source:
Investment banks researches,
Pharmexpert, DSM

CAGR for '07-'12

STORES GROWTH

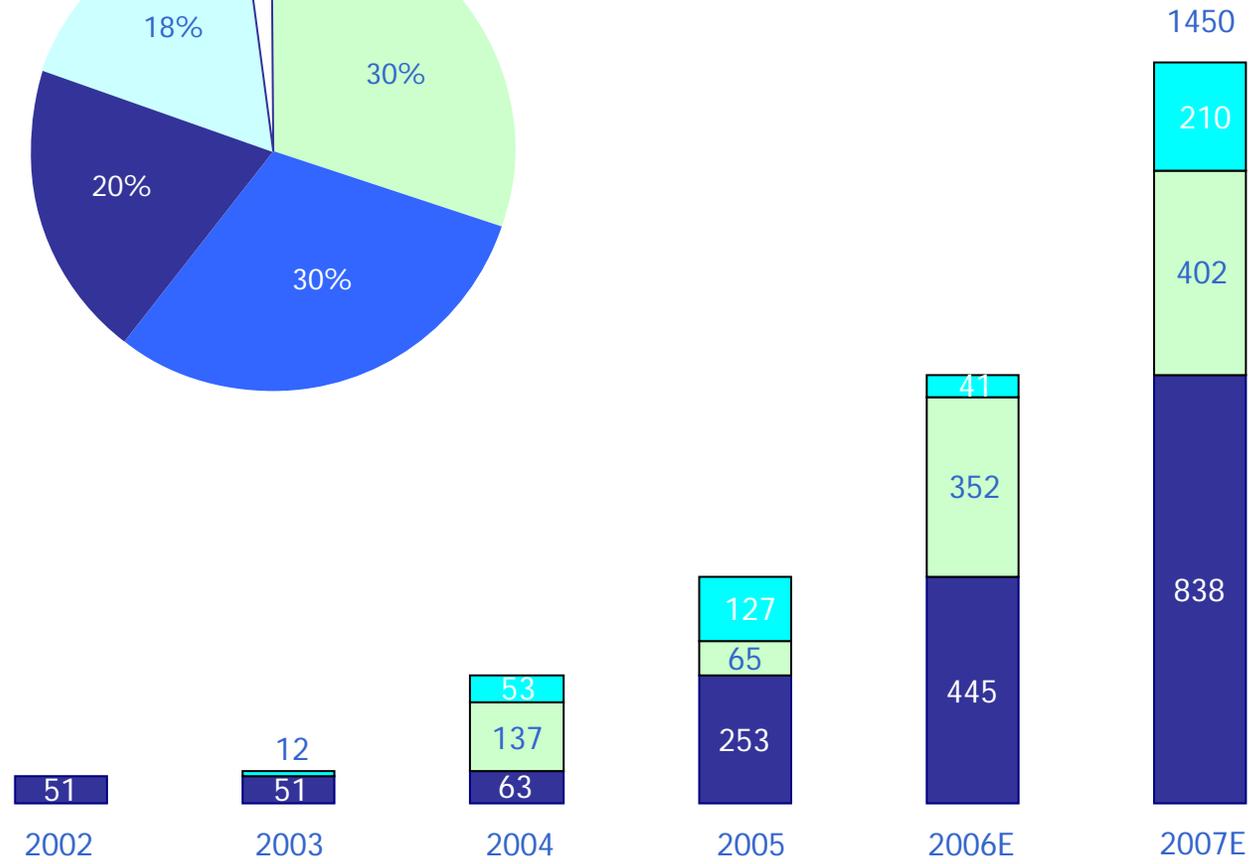
FY06E Sales breakdown

- RX ■
- OTC ■
- H&B ■
- Parapharma ■
- Optics ■



STORECOUNT

- Organic growth, net
- Acquisitions
- b-o-p



REGIONAL EXPANSION

Business-Units

URALS	275
MOSCOW	273
POVOLJIE	118
SOUTH	115
WEST. SIBERIA	37
NORTH-WEST	35

the Company reaches out to every Russian city with a population of over 500K people to enjoy 10-20% of the region's pharmacy retail market

N. Novgorod 30% local Market share
Moscow 15% local Market share
Perm 40% local Market share
Ufa 30% local Market share
Rostov-on-Don 30% local Market share
Orenburg 25% local Market share

currently operating 853 pharmacies in 26 regions

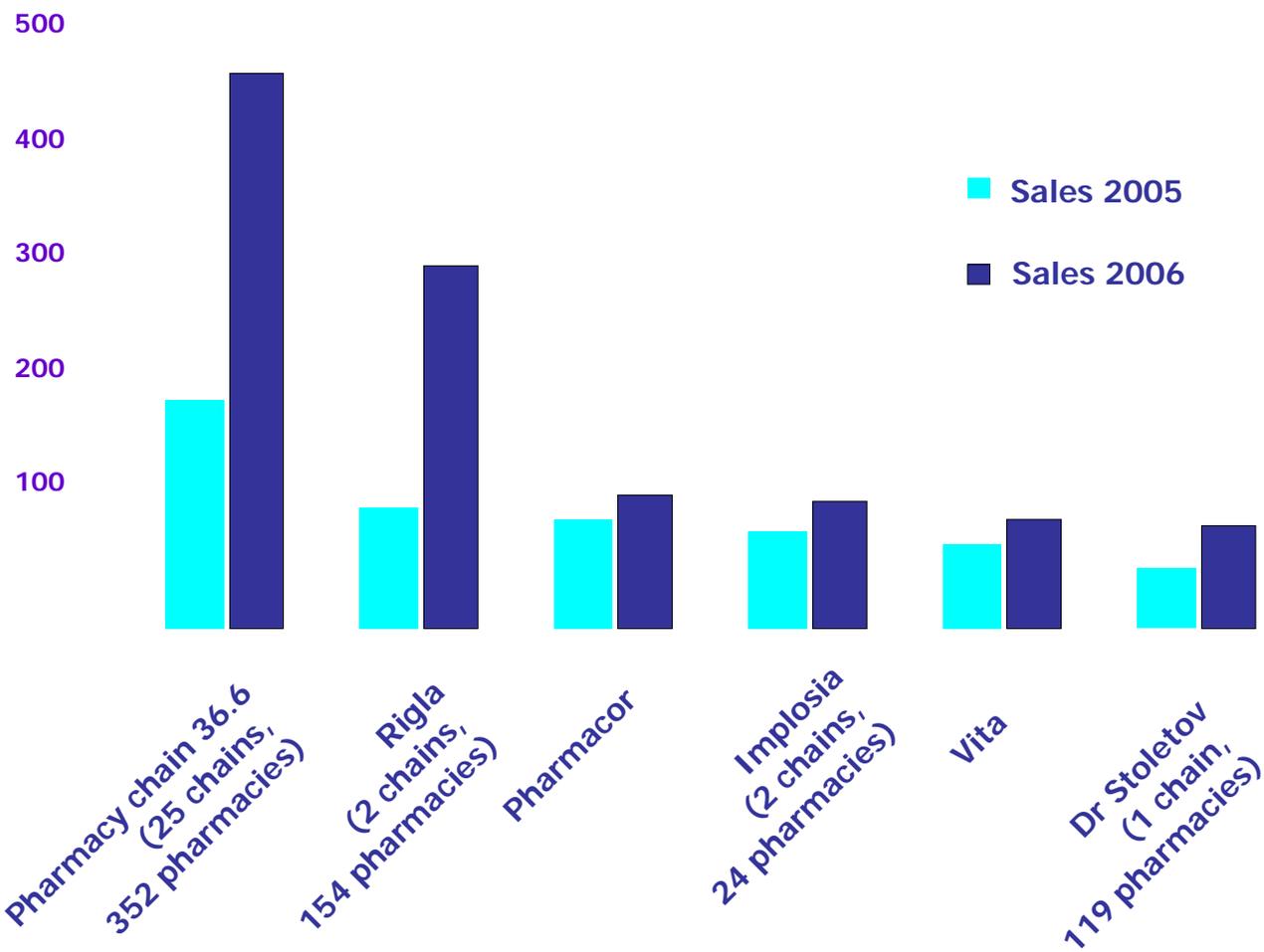


COMPETITION

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

Sales PRO-FORMA
USD mln



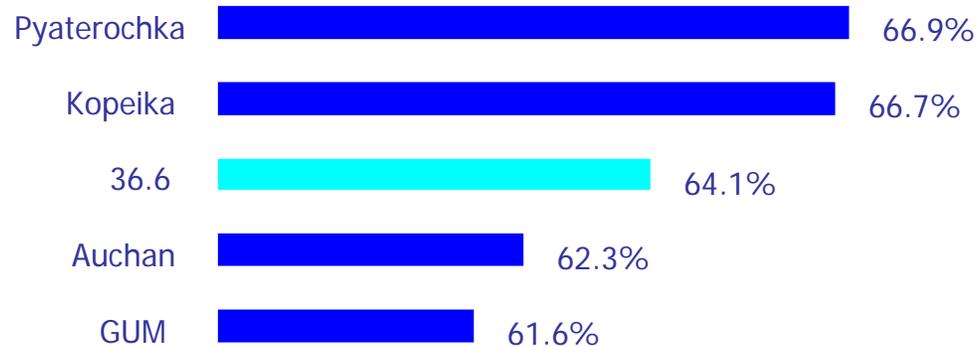


*36.6 membered
MALINA - new
loyalty program to
gather leading
companies of the
Russian consumer
sector*

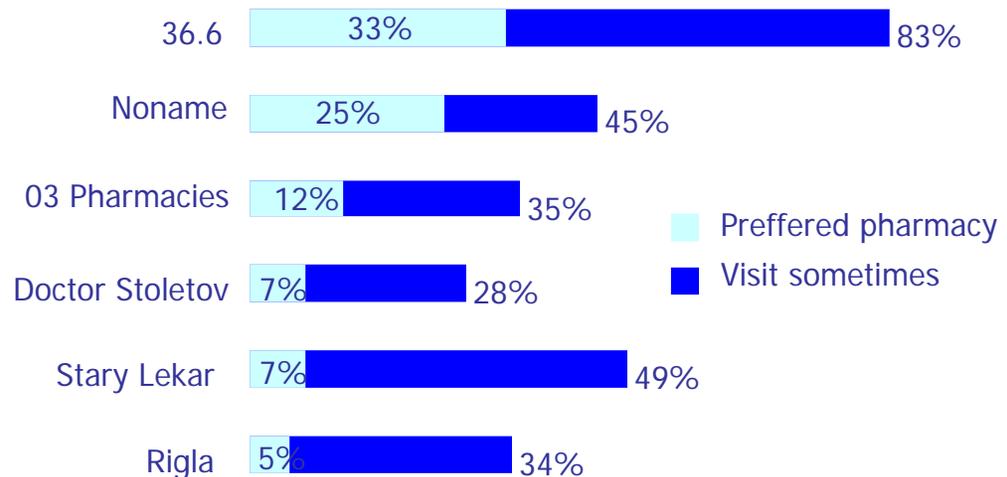
Source: Gallup Media Survey'06

A/R/M/I-Marketing data,
June, 2006

Brand awareness



Shopping experience



DIFFERENTIATION

New projects launched by 36.6 aimed to differentiate our product assortment and to obtain higher gross margins

Cosmetics centers
located in over 50 major pharmacies



Private Label
over 90 SKU's and 150 in the pipeline



Exclusive offerings
600 SKU's of Boots products are sold countrywide



Optics
7 stores and 22 opticians departments



DIFFERENTIATION

PRIVATE LABEL

We target the most successful product categories to launch private label products

Recent developments:



Breath freshener



Sweeteners



Pregnancy tests



Lipcare



Deodorants



Liquid soap



Mineral water



- 96 SKU`s available
- 2.5mln – sales volume in 2006
- 67% - average gross margin
- over 150 products in pipeline
- 10% - share in retail sales by 2008



In July 2006 we acquired one of the best Moscow private clinics providing medical, surgical and dental services through EMC & EDC as well as full-scale laboratory

FY` 06(E)

SALES	\$21mln
EBITDA	22%

Market

- fragmented with no potential core for consolidation
- non-satiated rapidly growing demand
- disturbed national healthcare system

Rationale/Strategy

- realize synergies between retail and medical services businesses by launching a chained operator in "masstige" market segment

DIVERSIFICATION

NEW PROJECTS

- new format: discounter pharmacy and wide range of FMCG
- low level of opening expenses
- efficient operations in the larger stores in the regions

MILA Stores

3 stores in Povoljje



- franchise experience
- adjacent to pharmacy retail market segment
- exclusive child's play assortment for pharmacies
- own logistics and import operations

ELC Stores

4 stores in Moscow



*In 2006 we started
own supply chain
system development*

- 20mln investments in 3 years
- higher margins secured
- exclusive assortment deliveries
- payback in 3 years



BOARD OF DIRECTORS

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

MANAGEMENT STRUCTURE

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

SBORETS YULIA
CFO

OLGA ALTUNINA
Human Resources

BORIS RYABOV
Business Technology
Development

KIRILL LEVASHOV
Medical director

VICTOR VASILIEV
Legal Council

OLEG ANIKIN
Strategy

ANDREY SLIVCHENKO
Corporate Finance
& Investor Relations

DARYA KAPLUNOVA
Marketing

CATEGORY
DIRECTORS

REGIONAL
BUSINESS UNITS

APPENDIX

FINANCIALS & ANALYSIS

Please note:
reporting under IFRS since 2002
auditor Deloitte
9M 2006 financials are IFRS unaudited
data by segments requires certain adjustments

INCOME STATEMENT

CONSOLIDATED

	9M06	9M05	06/05	2005	2004	2003	2002
NET SALES	346.9	210.7	65%	305.2	211.0	147.8	118.7
GROSS PROFIT	121.8	81.7	49%	117.8	80.2	59.8	46.0
EBITDA	12.3	15.0	-18%	21.1	18.5	13.6	15.1
	3.6%	7.1%		6.9%	8.8%	9.2%	12.7%
OPERATING INCOME	3.9	7.7	-49%	13.3	11.5	8.4	10.4
NET INCOME	41.5	-4.8	n/a	8.3	0.7	1.0	3.3
	12.0%	-2.3%		2.7%	0.3%	0.7%	2.8%

BALANCE SHEET

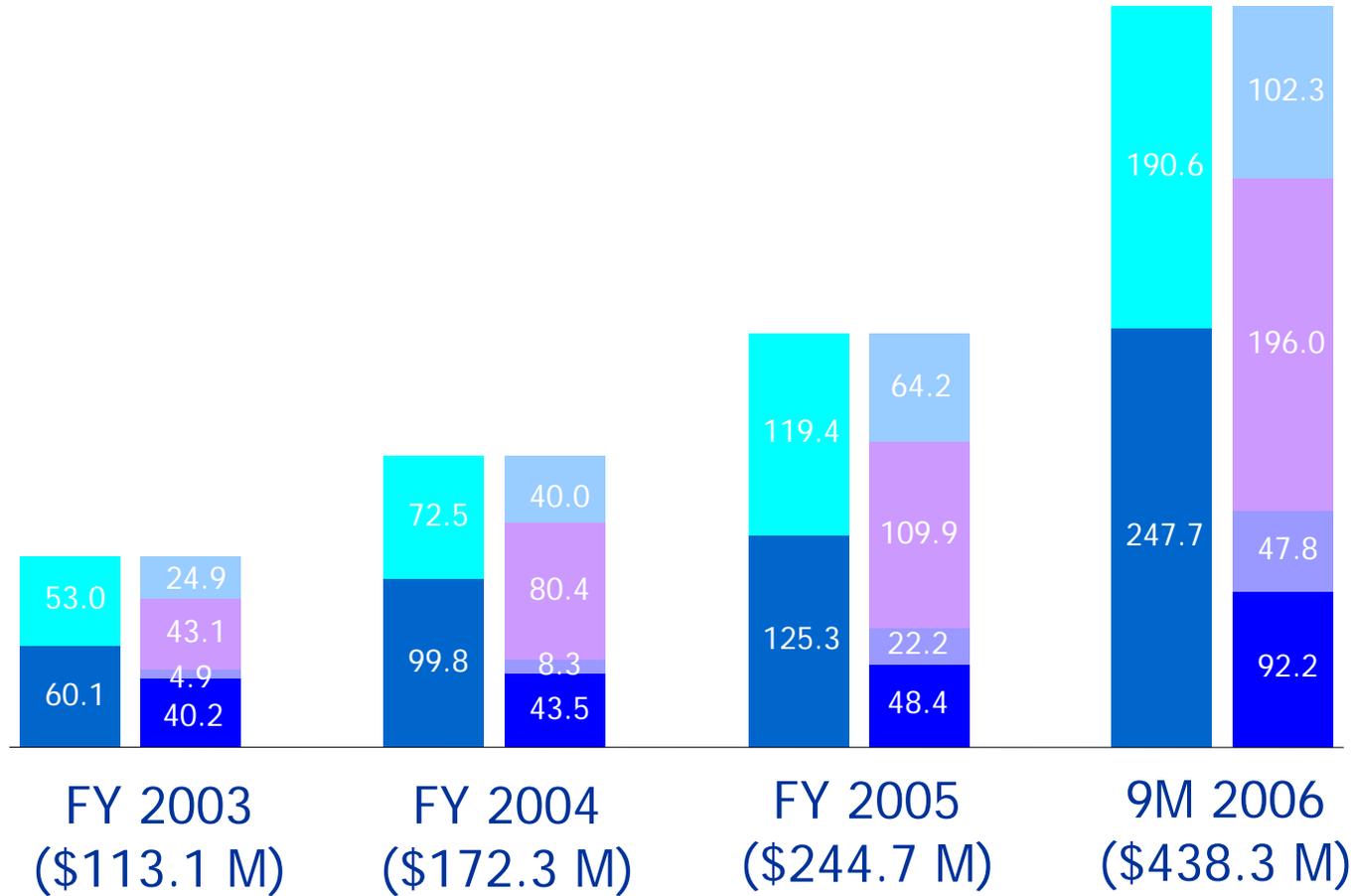
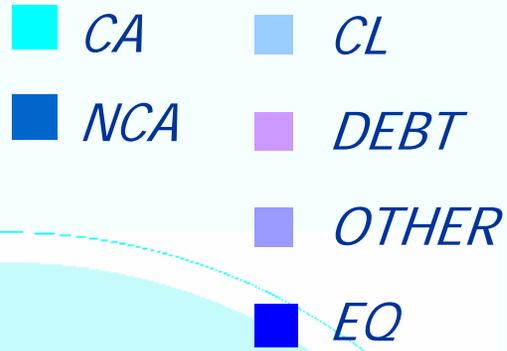
CONSOLIDATED

	9M06	2005	2004	2003	2002
N-CURRENT ASSETS	247.7	125.3	99.8	60.1	45.9
CURRENT ASSETS	190.6	119.4	72.5	53.0	38.8
TOTAL ASSETS	438.3	244.7	172.3	113.1	84.7
EQUITY	92.2	48.4	43.5	40.2	24.7
TOTAL DEBT	196.0	109.9	80.4	43.1	36.0
C-NT LIABILITIES*	102.3	64.2	40.0	24.9	20.1

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

BALANCE SHEET

CONSOLIDATED

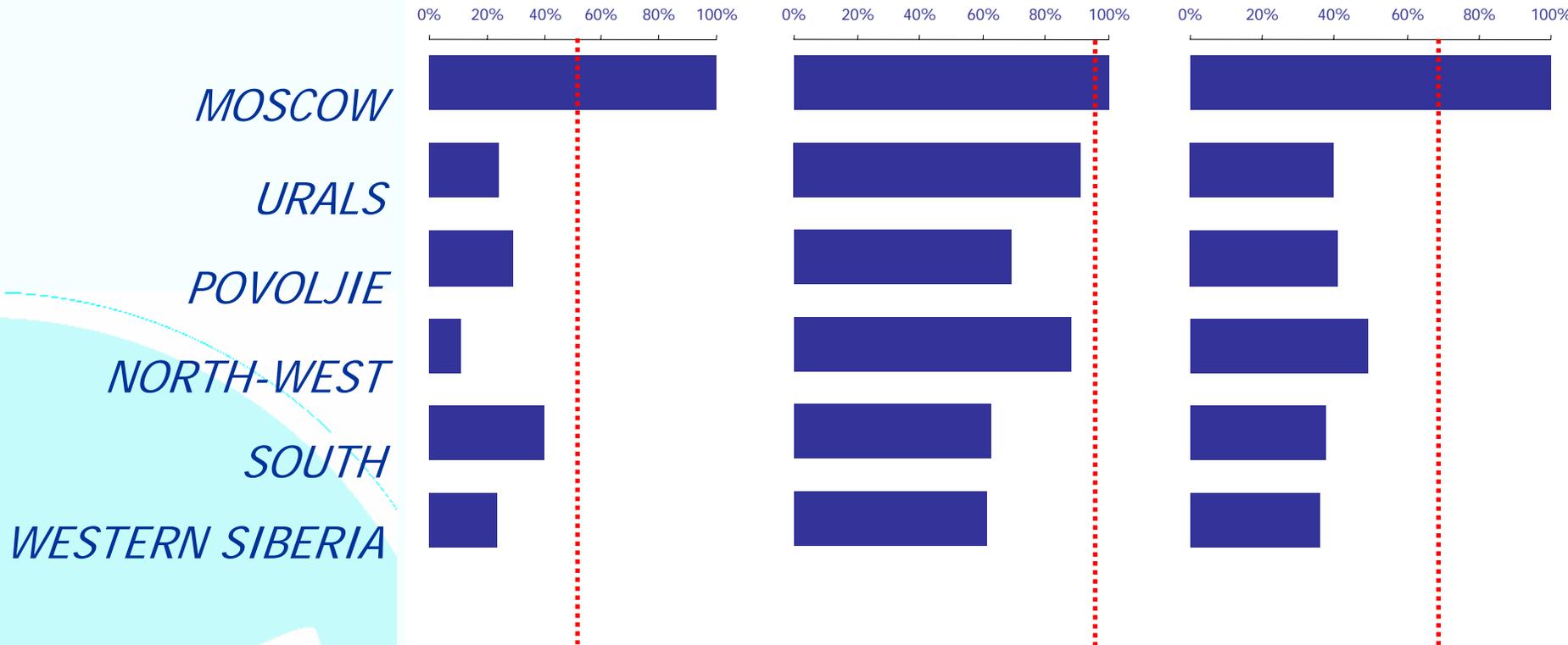


INCOME STATEMENT

RETAIL

	9M06	9M05	06/05	2005	2004	2003	2002
NET SALES	250.2	141.1	77%	203.2	134.3	81.9	58.8
GROSS PROFIT	74.7	46.4	61%	67.2	45.4	26.3	19.2
GROSS MARGIN	29.8%	32.9%		33.1%	33.8%	32.1%	33%
EBITDA	-3.6	2.1	<i>n/a</i>	2.6	6.4	1.8	2.6
	-1.4%	1.5%		1.3%	4.8%	2.2%	4.4%
OPERATING INCOME	-4.6	-0.2	<i>n/a</i>	-3.0	2.6	-0.2	0.9

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

AGING PHARMACIES PERFORMANCE

Same store sales were up 25.5% yoy in 2006

GROSS MARGIN

OLD PHARMACIES

pharmacies opened before Oct1`05



NEW PHARMACIES

pharmacies opened after Oct1`05



ALL PHARMACIES



PHARMACY PROFIT MARGIN

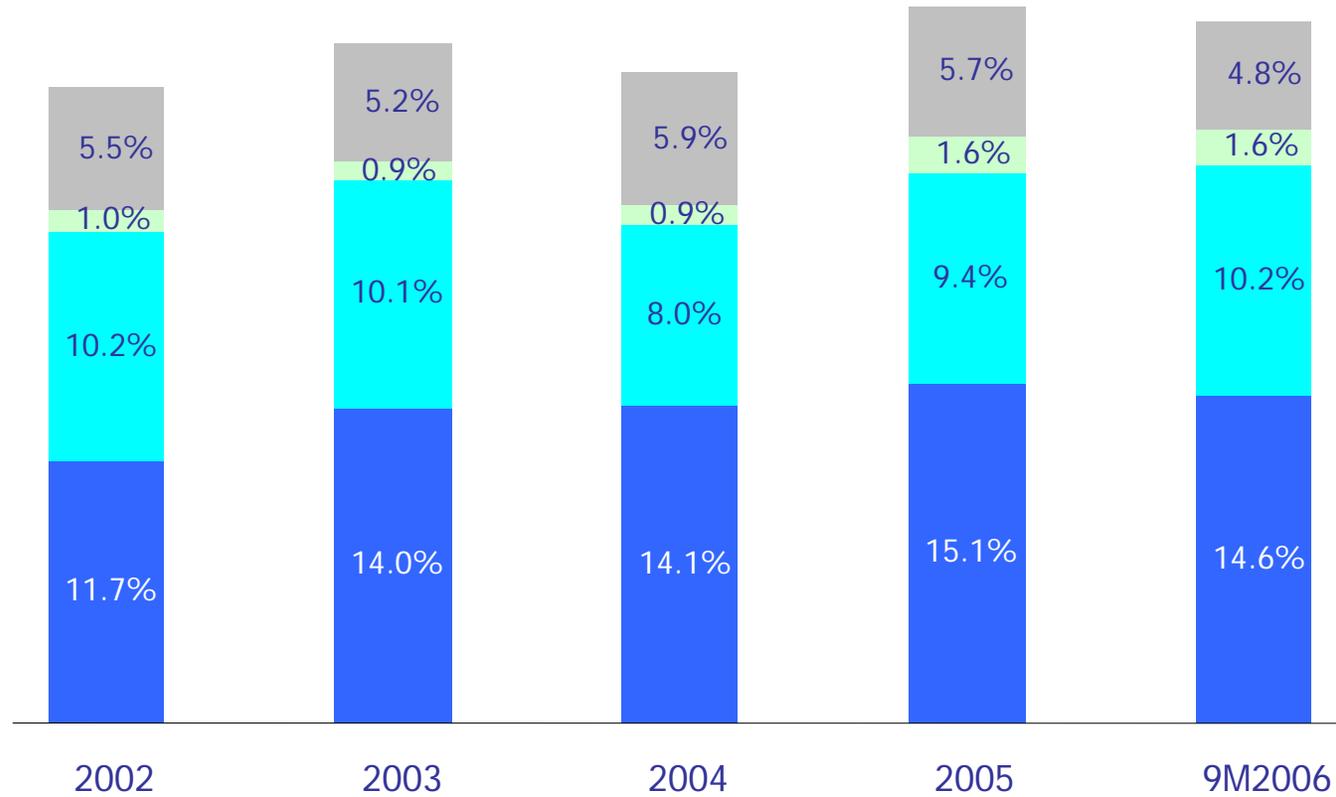


BALANCE SHEET

RETAIL

	9M06	2005	2004	2003	2002
N-CURRENT ASSETS	186.0	85.4	59.5	21.9	15.7
CURRENT ASSETS	96.8	52.4	29.1	15.6	13.1
TOTAL ASSETS	282.8	137.8	88.6	37.4	28.8
LONG-TERM LIAB.	4.8	4.6	4.7	1.9	11.1
C-NT LIABILITIES	78.8	47.2	27.3	35.3	15.2

- OTHER
- ADVERTISING
- RENTALS
- PERSONNEL



INCOME STATEMENT

VEROPHARM

	9M06	9M05	06/05	2005	2004	2003	2002
NET SALES	70.7	55.7	27%	79.4	59.9	52.8	43.9
GROSS PROFIT	41.6	33.2	25%	47.0	32.7	31.3	23.4
GROSS MARGIN	58.8%	59.6%		59.2%	54.5%	59.2%	53.3%
EBITDA	19.0	15.8	20%	23.3	17.8	15.7	13.5
	26.9%	28.4%		29.3%	29.7%	29.7%	30.9%
OPERATING INCOME	17.0	12.7	34%	21.2	14.8	12.7	10.5

BALANCE SHEET

VEROPHARM

	9M06	2005	2004	2003	2002
N-CURRENT ASSETS	38.6	35.5	35.9	34.4	31.2
CURRENT ASSETS	78.5	58.4	38.7	32.4	23.4
TOTAL ASSETS	117.1	93.9	74.6	66.8	54.5
C-CURRENT LIABILITIES	15.1	13.6	20.4	20.1	6.5

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