

PHARMACY CHAIN



HEALTHY, FIT & STRONG

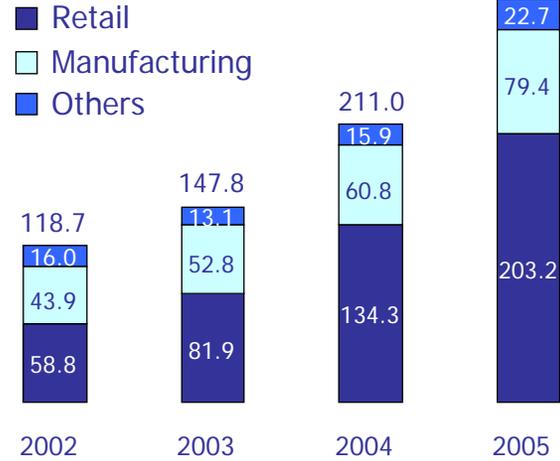
DECEMBER 2006

2 36.6 AT GLANCE

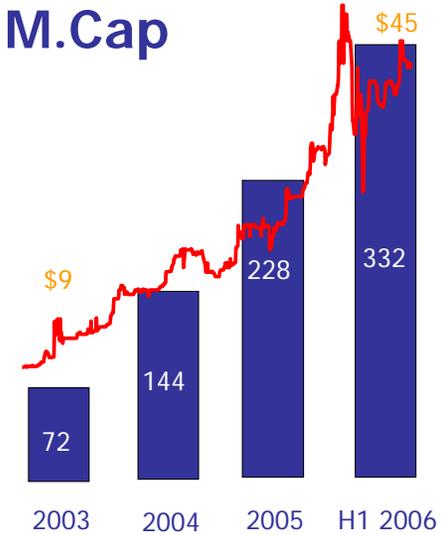
We strive to be Russia's leading health & beauty retailer and to become the preferred source of medicines and health & beauty products for Russian consumers

USD millions

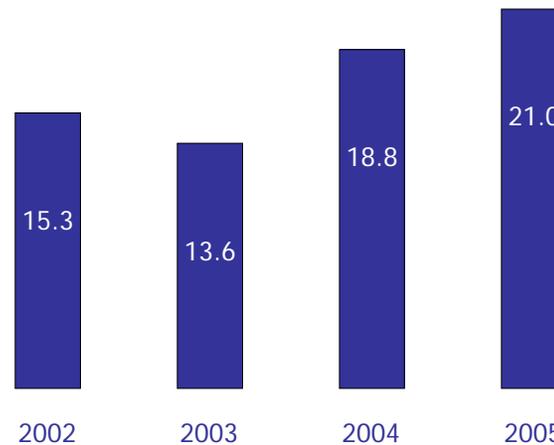
Net Sales



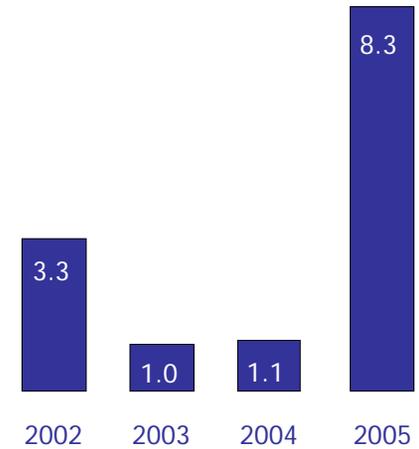
M.Cap



EBITDA



Net Profit



3 GROWTH DRIVERS

GDP per Capita
2006E \$6,800

Disposable Income
CAGR 14-16%

Pharma market
2006E \$9.9bln

Pharma market
CAGR 10-12%

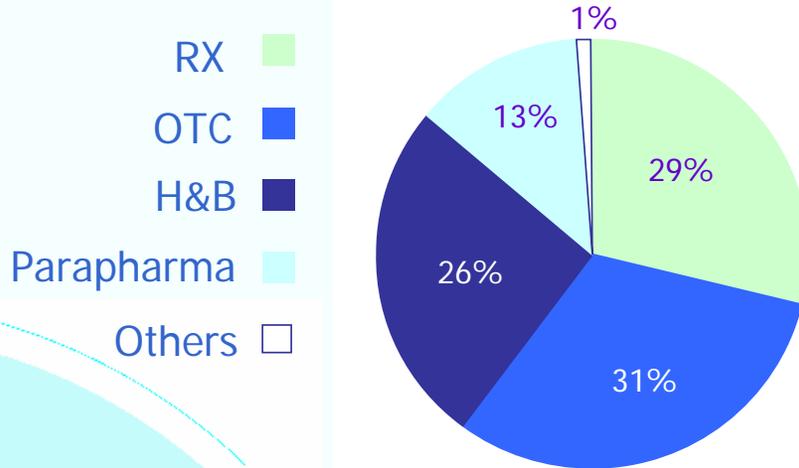
- ❑ Growing disposable income pushes consumption up
- ❑ Booming H&B and Pharma industry followed by changes in consumer's behaviour
- ❑ Improving economy in the regions provide for better opportunities of consolidation
- ❑ Scale effect together with internal improvements in operations management ensure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

Source:
Investment banks researches,
Pharmexpert

CAGR for '05-'11

4 STORES GROWTH

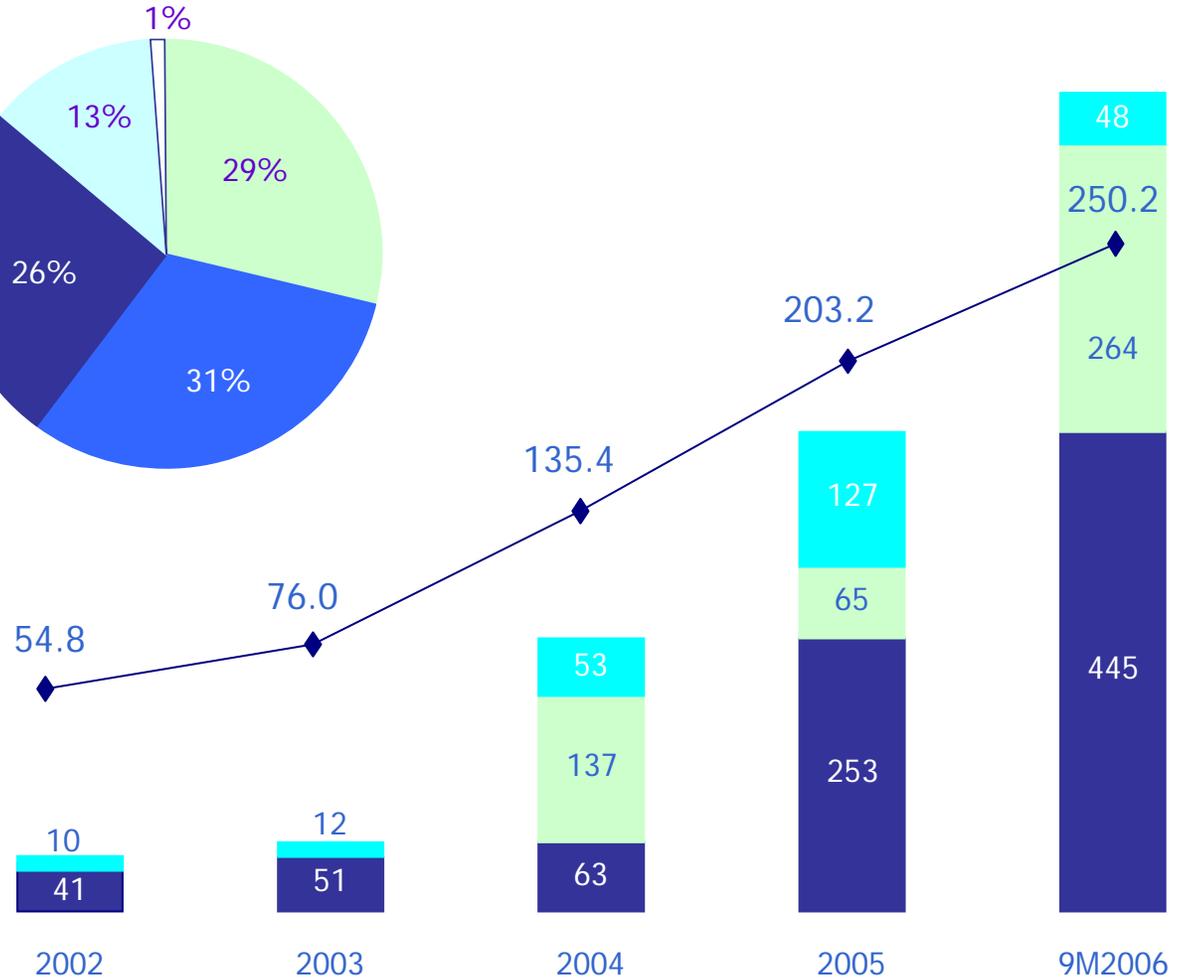
FY05 Sales breakdown



NET SALES,
USD millions

STORECOUNT

- Organic growth
- Acquisitions
- b-o-p



5 REGIONAL EXPANSION

Business-Units

MOSCOW	269
URALS	177
POVOLJIE	163
SOUTH	77
NORTH-WEST	46
WEST. SIBERIA	25

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 **757** pharmacies in 23 regions*



6 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

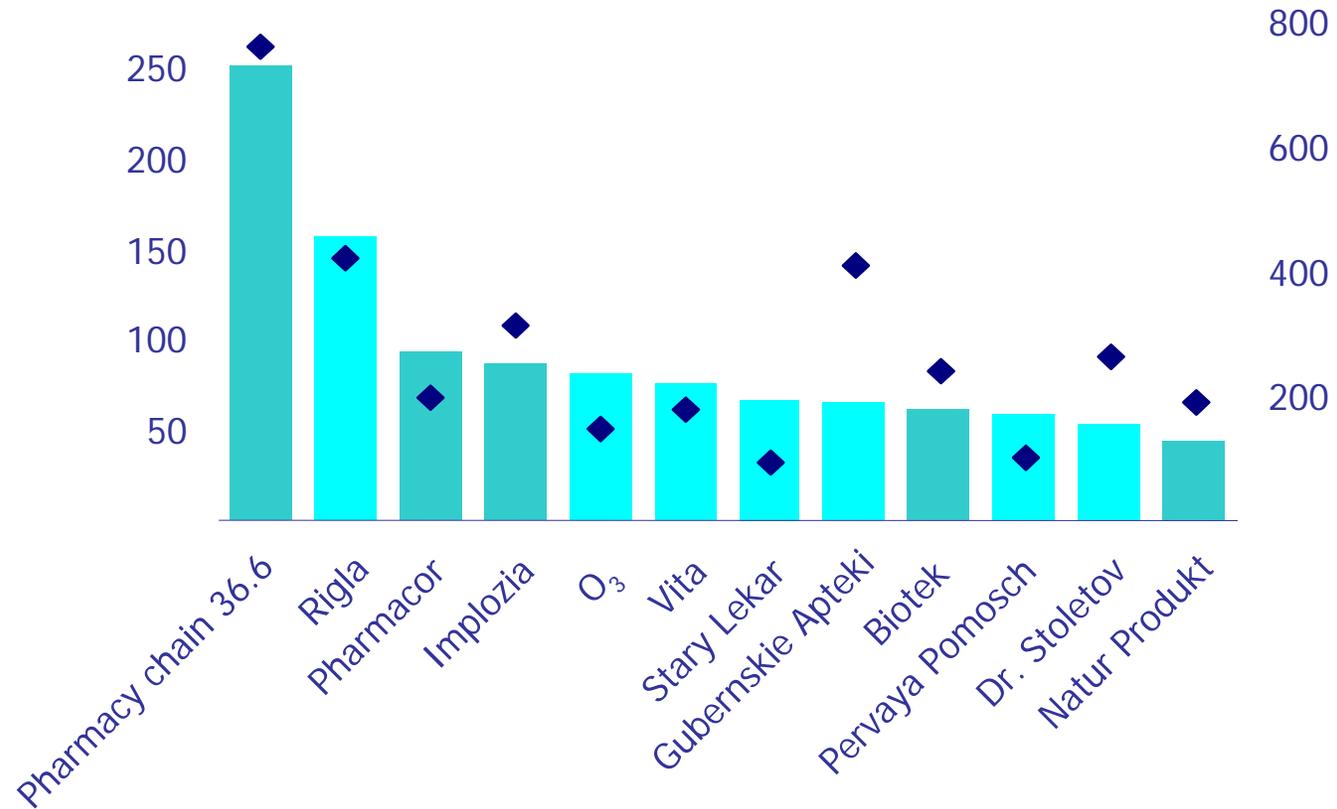
7 COMPETITION

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 9M 2006
mln USD

stores



8 BRAND & CUSTOMERS

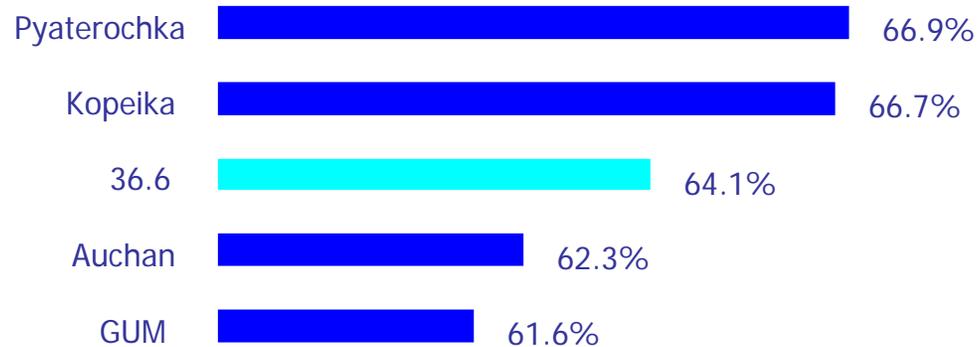


36.6 membered MALINA - new loyalty program to gather leading companies of the Russian consumer sector

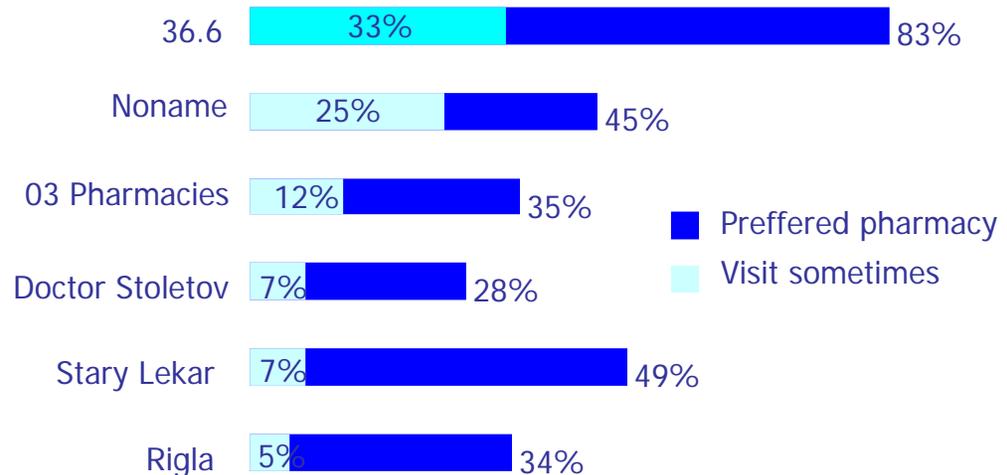
Source: Gallup Media Survey'06

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

Brand awareness



Shopping experience



9 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 50 SKU's and 150 in the pipeline



Exclusive offerings

300 SKU's of Boots products
are sold countrywide



Optics

20 opticians
departments



**Деловой
Взгляд на жизнь**



10 DIVERSIFICATION

MEDICAL SERVICES



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 \$20mln
EBITDA 20%

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

11 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

Vassily RUDOMINO,
Independent director,
Partner in ALRUD law firm

Michael OBERMAYER
Independent director,
Director Emeritus of
McKinsey & Company

Vladimir STOLIN,
Independent director,
Chairman in ECOPSY
consulting firm

12 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

CATEGORY
DIRECTORS

SBORETS YULIA
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

APPENDIX

FINANCIALS & ANALYSIS

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

14 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%

15 BALANCE SHEET

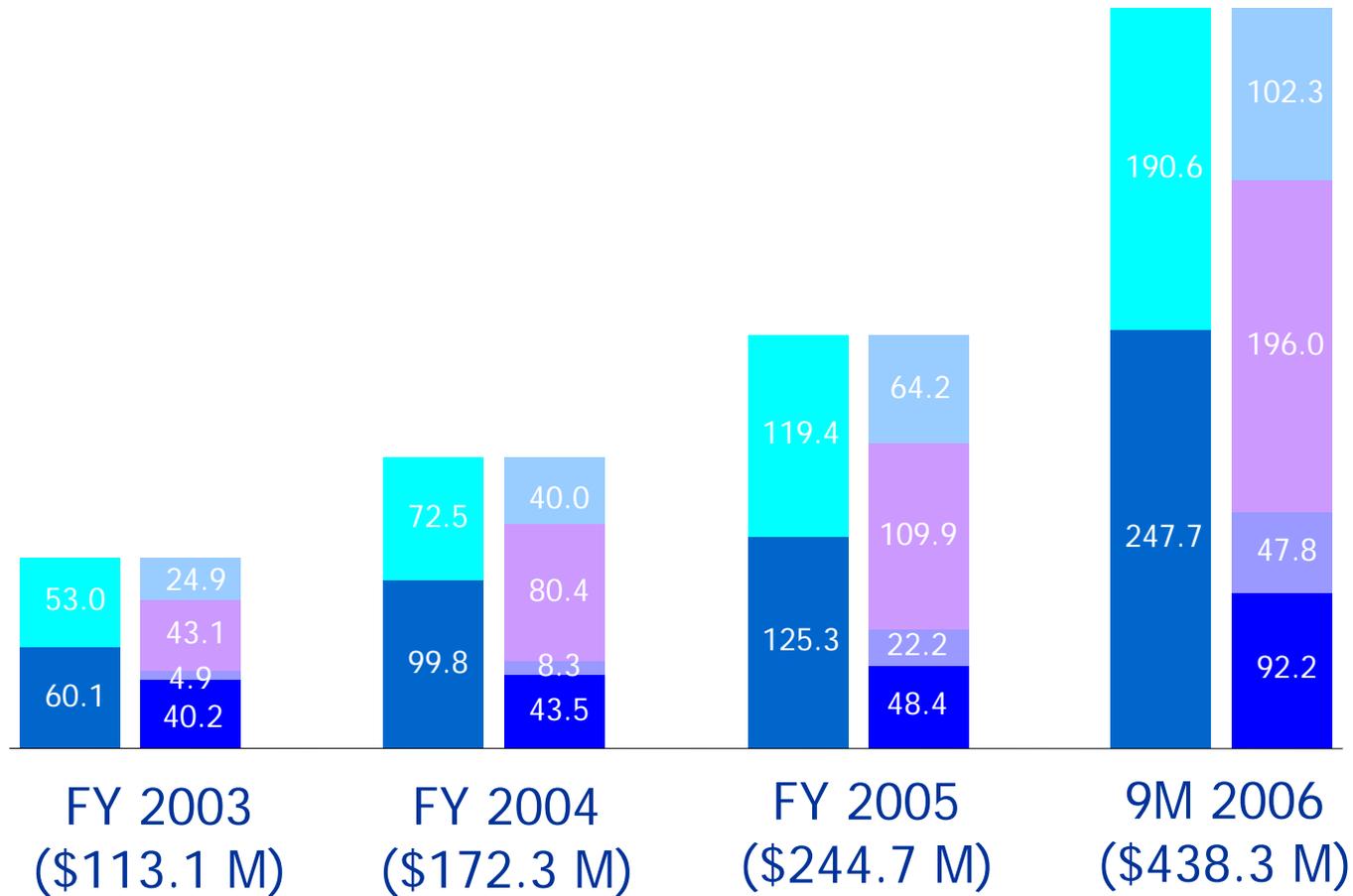
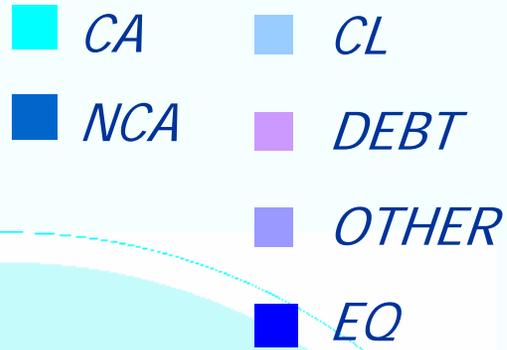
CONSOLIDATED

	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*

16 BALANCE SHEET

CONSOLIDATED



17 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	n/a	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	n/a	-3.0	2.6	-0.2	0.9

18 AGING PHARMACIES PERFORMANCE

Same store sales were up **19.8%** yoy in the 9M of 2006

GROSS MARGIN

PHARMACY PROFIT MARGIN

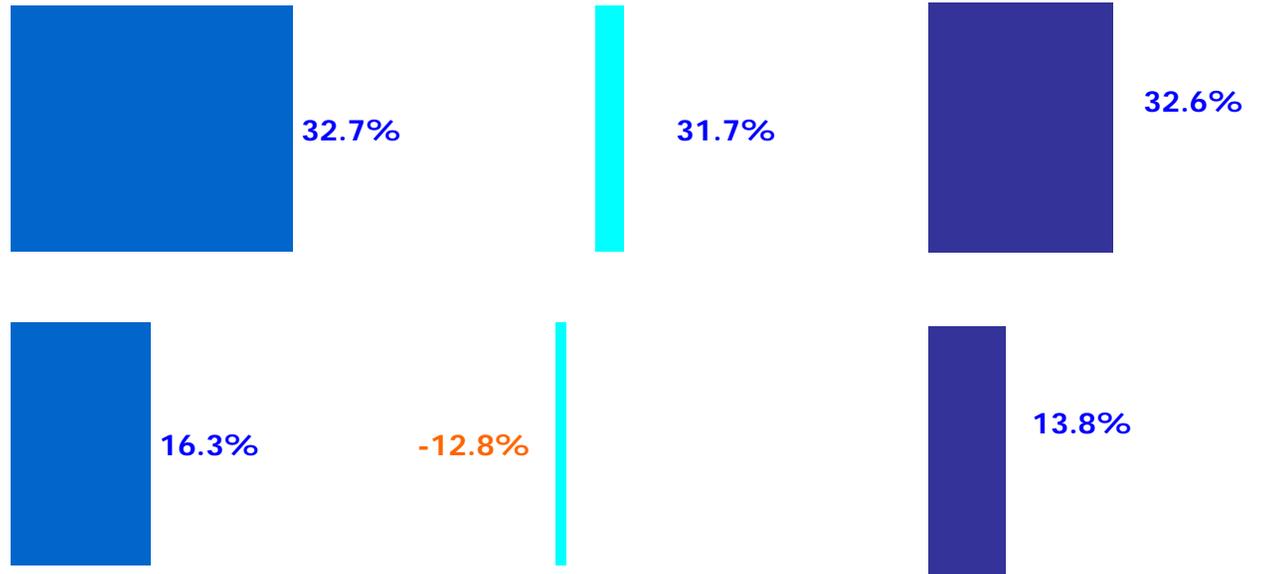
OLD PHARMACIES

pharmacies opened before 2005

NEW PHARMACIES

pharmacies opened in 2005

ALL PHARMACIES



As of FY2005, percentage of generated sales

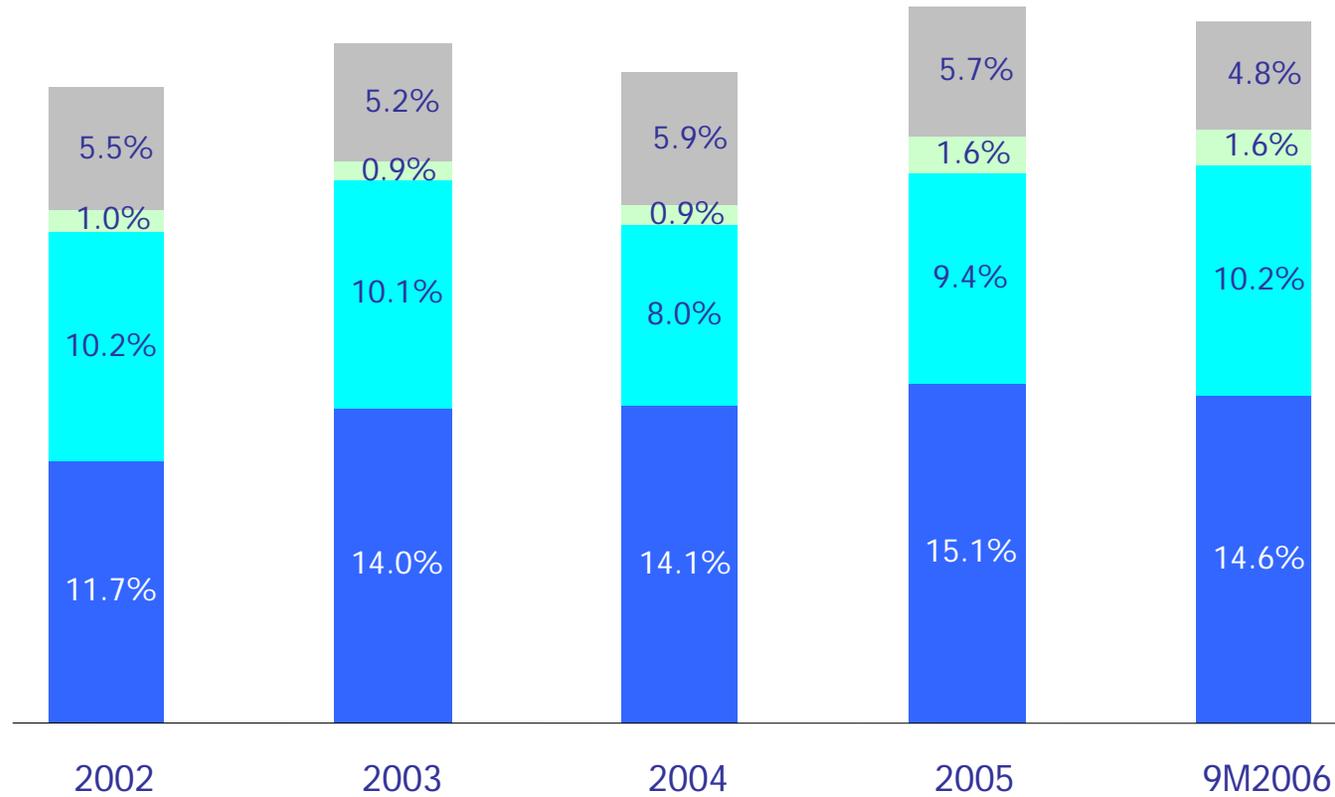
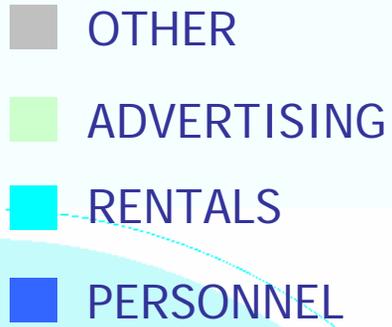
19 BALANCE SHEET

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

20 SG&AE

RETAIL



21 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

22 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-NT LIABILITIES

15.1

13.6

20.4

20.1

6.5

23 DISCLAIMER

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24 HEALTHY, FIT & STRONG

Address: 105082, Moscow,
Bolshaya Pochtovaya 36

Tel.: +7 (495) 792-5207

Fax: +7 (495) 792-5206

E-mail: ir@oao366.ru

www.pharmacychain366.com