

PHARMACY CHAIN 36.6 ANNOUNCES Q3 2009 TRADE UPDATE (UNAUDITED)

November 17, 2009, MOSCOW – OJSC Pharmacy Chain 36.6 [RTS:APTK; MICEX:RU14APTK1007], the leading Russian pharmaceutical retailer, announces unaudited sales and operational results according to the management accounts.

GROUP SALES¹:

- Group's consolidated sales reached RUR 4 572.4 mln versus RUR 6 204.5 mln. in Q3 2008, a 26.3% decrease in ruble terms y-o-y;
- Pharmacy Retail Sales reached RUR 3 499.4 mln versus RUR 4 986.0 mln in Q3 2008, a 29.8% decrease in ruble terms y-o-y;
- Sales of finished goods of the production unit Veropharm decreased by 13.6% in ruble terms and reached RUR 867.5 mln versus RUR 1 004.5 mln in Q3 2008.
- Other non-core businesses decreased by 3.9% in ruble terms.

<i>Sales, mln</i>	Consolidated	Retail	Veropharm	Other
Q3 2009	4 572.4	3 499.4	867.5	205.5
Q3 2008	6 204.5	4 986.0	1 004.5	214.0
<i>Change y-o-y</i>	<i>-26.3%</i>	<i>-29.8%</i>	<i>-13.6%</i>	<i>-3.9%</i>
9m 2009	16 109.3	12 303.8	3 167.5	638.0
9m 2008	19 590.2	15 646.5	3 076.7	867.0
<i>Change y-o-y</i>	<i>-17.8%</i>	<i>-21.4%</i>	<i>+3.0%</i>	<i>-26.4²</i>

The out-of-pocket market decline, shift in customer demand towards cheaper goods, and the availability of a limited number of suppliers, which caused partial stock-outs in stores, led to decline in sales and traffic.

Valeria Solok, General Director of the Management Company "Pharmacy Chain 36.6":

"Management has developed a number of measures focused on attracting additional customers, improvement of product offering, and commercial terms through expansion of the pool of suppliers. In spite of severe external environment and low seasonality, such measures allowed the Company to minimize sales decline and laid foundation for improving results which the Company is expected to achieve short-term".

RETAIL:

- As of the end of Q3 2009 Pharmacy Chain 36.6 operated 1026 stores in 29 regions of Russia.
- During Q3 2009 5 stores were opened organically and 15 were closed (5 stores were rebranded and no stores were reformatted).
- As of the end of Q3 2009 Pharmacy Chain 36.6 operated 9 ELC stores, 12 stand-alone optical outlets and 20 additional optical departments within pharmacies.

¹ Hereinafter – these financial indicators may vary from the consolidated financial reporting prepared in accordance with IFRS.

² Significant decrease of sales in Other is due to the fact that the Company no longer consolidates operation of European Medical Center.

As of the end of Q3 2009:

Business Unit	No. of pharmacies	Share of Sales	Ave. retail space per pharmacy, sq.m.
1. Moscow-Central	353	49.3%	76.0
<i>Northwest</i>	<i>24</i>	<i>2.8%</i>	<i>67.8</i>
2. South Urals	227	16.3%	58.1
3. South	180	14.7%	53.2
4. Volga	127	8.9%	55.5
5. North Urals	86	6.7%	53.0
6. Siberia	53	4.1%	52.7
Total:	1026	100%	62.4

OPERATIONAL DATA FOR THE RETAIL UNIT:

- In Q3 2009 15.9 million purchases were made, which is 34.9% lower than in Q3 2008.
 - During 9m 2009 54.8 million purchases were made in Pharmacy Chain 36.6, which is 29.2% lower than during 9m 2008.
- In Q3 2009 average check across the network stood at RUR 229, in Moscow – RUR 328, an increase of 8.5% and 7.9% respectively in ruble terms.
 - During 9m 2009 average check across the network stood at RUR 233, in Moscow – RUR 335, an increase of 13.7% and 13.9% respectively in ruble terms.
- Average sales floor size in Q3 2009 is 62.4 sq meters, an increase of 1.6% versus Q3 2008.

PRIVATE LABEL:

- In Q3 2009 the private label sales reached RUR 281.2 mln, which represents a 8.7% growth in ruble terms compared to Q3 2008.
 - During 9m 2009 the private label sales reached RUR 840.5 mln, which represents a 44.6% growth in ruble terms compared to 9m 2008.
- In Q3 2009 share of private label sales reached 8.3%.
- Number of SKUs has increased by 21.9% from 585 at the end of Q3 2008 to 713 by the end of Q3 2009.

Consistently growing number of SKUs and share of the private label goods in the Total sales attests to the Company's intention to develop this perspective direction. The Company anticipates that favorable market environment, which increases demand for the private label goods, together with launch of new products will contribute significantly to the Retail profitability in Q4 2009.

LIKE-FOR-LIKE SALES IN COMPARABLE STORES³:

As of the end of Q3 2009 the Company operates 771 comparable stores representing 79.9% of sales and 80.3% of traffic in the retail unit in Q3 2009.

L-F-L sales reduction in these stores reached 25% as compared to Q3 2008 while traffic decreased by 29%:

³ Comparable stores are defined as stores:

- Opened or acquired 24 months from the current reporting period, and
- Neither rebranded nor reformatted or significantly changed during the last 24 months, and
- Not closed in the current reporting period.

Business Unit	Number of comparable stores	L-F-L sales growth in Q3 2009, RUR	Average check growth in Q3 2009, RUR
1. Central Russia	275	-17%	5%
2. Regions	496	-32%	3%
Total:	771	-25%	6%

During 9m 2009 L-f-L sales represented 78.6% of total sales and L-f-L traffic represented 78.5% of traffic in the retail unit during 9m 2009.

L-F-L sales reduction reached 16% as compared to 9m 2008, while traffic decreased by 24% during 9m 2009:

Business Unit	Number of comparable stores	L-F-L sales growth during 9m 2009, RUR	Average check growth during 9m 2009, RUR
1. Central Russia	275	-9%	12%
2. Regions	496	-22%	9%
Total:	771	-16%	12%

DEBT:

According to the management accounts as of the end of Q3 2009 the total Group's financial debt (in ruble terms) equaled to RUR 5 090.7 mln, of which Retail debt is RUR 4 373.3 mln⁴ and Veropharm debt is RUR 717.4 mln.

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For further information please refer to:

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Notes to the editor:

Pharmacy Chain 36.6 is the first public national health and beauty retailer listed on the "B" list on the RTS (ticker: APTK) and off-list on the MICEX. The Company's market capitalization as of November 11, 2009 totaled USD 114.0 million (according to RTS).

OAO Veropharm, the company's generics subsidiary, is one of Russia's top five pharmaceutical manufacturers (according to Pharmexpert research). Veropharm's shares are traded in the "B" list on the RTS (ticker: VRPH) and off-list on MICEX (ticker: VRFM). OAO Veropharm's market capitalization as of November 11, 2009 was USD 270.0 million (according to RTS).

ZAO Apteki 36.6 is one of the founding members of the Russian Association of Pharmacy Chains (RAPC).

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⁴ growth of the Retail debt in Q3 2009 versus Q2 2009 is due to the fact that part of trade accounts payable were restructured into debt.

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