

PHARMACY CHAIN 36.6 ANNOUNCES Q3 AND 9M 2011 TRADE UPDATE (UNAUDITED)

January 12, 2012, MOSCOW – OJSC Pharmacy Chain 36.6 [RTS:APTK; MICEX:RU14APTK1007], the leading Russian pharmaceutical retailer, announces unaudited sales and operational results for Q3 and 9M 2011 according to the management accounts.

GROUP SALES¹:

- Group's consolidated Net sales reached RUR 15 693.1 mln in 9M 2011 versus RUR 14 616.8 mln in 9M 2010, a 7.4% increase in ruble terms y-o-y;
- Pharmacy Retail Gross sales (including VAT) increased by 11.7% in 9M 2011 in ruble terms and reached RUR 11 816.6 mln versus RUR 10 583.2 mln in 9M 2010. Pharmacy Retail Net Sales increased by 4.3% in 9M 2011 in ruble terms and reached RUR 10 571.5 mln versus RUR 10 138.1 mln in 9M 2010;
- Net Sales of finished goods of the production unit Veropharm increased by 15.3% in 9M 2011 in ruble terms and reached RUR 4 534.1 mln versus RUR 3 934.0 mln in 9M 2010;
- Non-core business Net sales increased by 12.2% in 9M 2011 in ruble terms and reached RUR 637.6 mln versus RUR 568.4 mln in 9M 2010;
- Early Learning Center revenue consolidated by the Group (which is 50% of the total revenue) reached RUR 174.5 mln in 9M 2011, a 31.6% increase in ruble terms versus 9M 2010 (RUR 132.6 mln). As of the end of Q3 2011 Pharmacy Chain 36.6 operated 19 ELC stores.

Operational data for the Group in segments

Sales, mln (excluding VAT)	Consolidated (excluding VAT)	Retail (excluding VAT)	Veropharm (excluding VAT)	Other (excluding VAT)	Elimination
9M 2011	15 693,1	10 571,5	4 534,1	637,6	-50,2
9M 2010	14 616,8	10 138,1	3 934,0	568,4	-23,7
<i>Change y-o-y</i>	<i>7,4%</i>	<i>4,3%</i>	<i>15,3%</i>	<i>12,2%</i>	

RETAIL:

In accordance with the provisions of the Tax Code, From 1 January 2011, changes restricting utilisation of the special tax regime - Imputed Earnings Tax (IET) for pharmaceutical organizations have taken effect. Thus all regional retail companies of the Group Pharmacy Chain 36.6 have switched to a common tax regime, effecting an exclusion of VAT from the Gross Sales.

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

In order to provide comparable statistics of sales performance of retail segment in Q3 and 9M 2011 versus Q3 and 9M 2010, hereinafter in this part of the press-release Sales figures and Average check data are given in **Gross Sales including VAT**.

SALES:

- Pharmacy Retail Gross Sales (including VAT) increased by 5.8% in Q3 2011 in ruble terms and reached RUR 3 762.2 mln versus RUR 3 555.8 mln in Q3 2010;
- In Q3 2011 average check across the network (including VAT) stood at RUR 306.3, in Moscow – RUR 411.4, an increase of 23.2% and 17.5% respectively in ruble terms versus Q3 2010;
- In 9M 2011 average check across the network (including VAT) increased by 24.4% in ruble terms and reached RUR 304.8, versus RUR 245.0 in 9M 2010;

Operational data for the retail unit

Period	Sales, gross (including VAT), mln. RUR.	Average check, (including VAT), RUR
Q3 2011	3 762,2	306,3
Q3 2010	3 555,8	248,6
<i>Change y-o-y</i>	<i>5,8%</i>	<i>23,2%</i>
9M 2011	11 816,6	304,8
9M 2010	10 583,2	245,0
<i>Change y-o-y</i>	<i>11,7%</i>	<i>24,4%</i>

- As of the end of 9M 2011 Pharmacy Chain 36.6 operated 996 stores in 29 regions of Russia.

Retail unit structure as of the end of Q3 2011

Business Unit	No. Of pharmacies	Share of Sales	Average retail space per pharmacy, sq.m.
1. Moscow-Central	358	54%	73,7
<i>Inc. Northwest</i>	14	1%	52,9
2. Southern Urals	177	12%	57,8
3. South	165	12%	52,1
4. Volga	159	11%	56,0
5. Northern Urals	79	6%	53,5
6. Western Siberia	58	4%	50,2
Total:	996	100%	61,5

▪ *The data as of 30th of September 2011*

- During Q3 2011 15 stores were opened organically and 2 stores were closed;
- During 9M 2011 28 stores were opened organically and 21 were closed;
- During 9M 2011 99 stores were rebranded;
- As of the end of 9M 2011 Pharmacy Chain 36.6 operated 10 stand-alone optical outlets and 21 additional optical departments within pharmacies.

LIKE-FOR-LIKE SALES IN COMPARABLE STORES²:

- As of the end of Q3 2011 Pharmacy Chain 36.6 operates 815 comparable stores.
- In 9M 2011 L-F-L sales (gross, including VAT) growth reached 13.7% versus 9M 2010;
- In Q3 2011 L-F-L sales (gross, including VAT) growth reached 6.7% versus Q3 2010;

L-F-L sales growth in comparable stores in Q3 2011

Business Unit	Number of L-F-L stores, Q3 2011	Sales, gross (including VAT), mln		Change y-o-y
		In Q3 2011	In Q3 2010	
1. Moscow-Central, incl. Northwest	293	1 926	1 746	10,3%
2. Other Business Units	522	1 632	1 589	2,7%
Total:	815	3 559	3 335	6,7%

- In Q3 2011 L-F-L average check stood at RUR 308 (including VAT), a 22.7% increase in ruble terms y-o-y;

Average check growth in L- F- L stores in Q3 2011

Business Unit	Number of L-F-L stores, Q3 2011	Average check (including VAT), RUR		Change y-o-y
		In Q3 2011	In Q3 2010	
1. Moscow-Central, incl. Northwest	293	379	319	18,8%
2. Other Business Units	522	251	203	24,0%
Total:	815	308	251	22,7%

Sales per trading sq.m. (including VAT):

- In Q3 2011 sales per trading sq. m. increased by 9% in ruble terms and reached RUR 61 393 thousand versus RUR 56 494 thousand in Q3 2010

PRIVATE LABEL:

- Number of SKUs increased by 32.5% and by the end of Q3 2011 reached 1 556. Para pharmaceuticals constitute the major part of private label goods assortment; a share of OTC drugs, vitamins and supplements equals to 16% of the private label goods turnover.
- In 9M 2011 the private label sales in L- F- L stores reached RUR 1 309.6 mln (gross sales, including VAT), which represents a more than 54.1 % growth in rouble compared to 9M 2010;
- In 9M 2011 a share of private label sales in the total gross turnover (including VAT) reached 12.6% (compared to 9, 3% in 9M 2010).

²Comparable stores are defined as stores:

- Opened or acquired 24 months prior to the presented reporting period, and
- Not closed in the presented reporting period.

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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 11th January 2012 totaled USD 137.550.000 (according to RTS). Pharmacy Chain 36.6 operates 996 stores in 29 regions and 90 cities in Russia as of 30th of September, 2011.

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 11th January 2012 totaled USD 277.000.000 (according to RTS).

ZAO Apteki 36.6 is one of the founding members of the Russian Association of Pharmacy Chains (RAPC). Pharmacy Chain 36.6 is a participating member of the international retailers' organizations - NRF and NACDS.

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