



**PRESS-RELEASE**

FOR IMMEDIATE RELEASE

**JANUARY 26, 2006**

**PHARMACY CHAIN 36.6 ANNOUNCES  
PRELIMINARY RESULTS FOR FINANCIAL YEAR 2005**

JANUARY 26, 2006 MOSCOW – OAO Pharmacy Chain 36.6 [RTS: APTK; MICEX: RU14APTK1007] announces its preliminary operational results for 2005 according to management reporting.

- Consolidated sales for 2005 amounted to over \$300\* million, which represents a 42% increase year on year.
- Retail sales reached over \$200 million, representing a 50% increase over 2004. This significant increase was achieved through the active expansion of the pharmacy chain in the regions as well as through the successful performance of pharmacies acquired in 2003 and early 2004. In 2005, over 34.5 million purchases were made in pharmacies of the chain.
- In 2005 Veropharm sales increased by 28% year on year and reached \$78 million.
- By the end of 2005, Pharmacy Chain 36.6 included 445 pharmacies situated in 65 cities in 19 regions throughout Russia. In 2005 pharmacies of the chain appeared for the first time in Belgorod, Volgograd, Yekaterinburg, Kazan, Krasnodar, Novosibirsk, Perm, Rostov-on-Don, Samara, Saratov, Togliatti and Yaroslavl. Pharmacies outside Moscow accounted for one third of sales revenues in 2005.
- In 2005 Pharmacy Chain 36.6 acquired 8 pharmacy chains with a total of 65 pharmacies in the following cities and regions: Volgograd (Dobry Sosed), Dmitrov (Mega-Stil), Novosibirsk (Aptechny Torgovy Dom), Perm (Chasha Zdorovya), Samara (Nebolit), St. Petersburg (Apelsin and Tabletka) and Sarov (Doktor Zelenkin).
- In early January 2006, an acquisition of the Farmatsiya (Permskie apteki) pharmacy chain in the Perm region was completed. With this acquisition, the number of pharmacies owned by Pharmacy Chain 36.6 reached 482.
- In addition to the pharmacies acquired via purchase of existing chains, a total of 139 new 36.6 pharmacies were opened in 2005. Twenty-eight pharmacies were re-branded into 36.6 pharmacies.
- Pharmacy Chain 36.6 successfully launched the following projects: 36.6's private label product line, the acquisition of exclusive distribution rights in Russia to products of the UK's Boots and the development of the eyewear chain Optika 36.6.

*\* Financial information provided in this press-release may differ significantly from the audited financial reports for 2005.*

- In 2005, Pharmacy Chain 36.6 conducted its first large-scale television advertising campaign in the Russian regions. According to independent research, 36.6 brand recognition increased by 40% in regions where Pharmacy Chain 36.6 has been present for a year or more and by up to 100% in regions where Pharmacy Chain 36.6 has only recently entered the market.
- Investment in Pharmacy Chain 36.6 totaled 38.5 million US dollars for 2005.
- At the end of 2005, Pharmacy Chain 36.6's debt totaled \$109 million, which represents an 8% decrease from the end of the third quarter 2005.

Full year 2005 financial results release is planned for the end of the first half of 2006 upon completion of an independent audit in accordance with International Finance Reporting Standards.

### **Commentary:**

*Artem Bektemirov, Chief Executive officer, Pharmacy Chain 36.6:*

"For the second year in a row the Company has demonstrated a very high rate of growth. We doubled our number of pharmacies in 2005. The system for integrating regional branches of the Company was established, and in the current year our main challenge is to maximize the chain's scale effect. The increase in brand recognition in regions where Pharmacy Chain 36.6 is new was one of the greatest successes of the past year: residents of 19 regions throughout Russia now perceive the format of Pharmacy Chain 36.6 to be the industry standard. In 2006 we are continuing to expand the geography of the chain as well as strengthening our presence on markets where 36.6 pharmacies are already operating. By the end of 2006, Pharmacy Chain 36.6 will solidify its position as the only nationwide pharmacy chain in Russia."

*Sergei Krivosheev, Chairman of the Board of Directors, Pharmacy Chain 36.6:*

"On behalf of the Board of Directors, I would like to express our satisfaction with the results achieved by Pharmacy Chain 36.6 in 2005. There are several achievements worth noting. The Pharmacy Chain entered the debt capital markets to receive a syndicated loan that will provide for long-term financing for the expansion of the chain. Pharmacy Chain 36.6 remains a major player in mergers and acquisitions in the pharmacy sector. Following the guidance of the Board of Directors, Pharmacy Chain 36.6 will continue in 2006 to consolidate the Russian pharmacy market and acquire regional pharmacy chains, making use of the Company's expertise and practical experience in fair retail market pricing. As the company grows, so does our awareness of the social responsibilities that accompany this growth. We will continue to promote the introduction of appropriate rules to govern pharmacy practices in Russia in cooperating with government agencies and the Russian Association of Pharmacy Chains."

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*www.pharmacychain366.com*

Notes to the Editor:

*Pharmacy Chain 36.6 is the first public national health and beauty retailer listed in the "B"-list on RTS (ticker: APTK). Market capitalisation as of 30.12.05 was USD 196 million based on RTS share prices. Company currently operates 482 stores in 19 regions and 65 cities in Russia. Veropharm, the Company's generics subsidiary, is one of Russia's top five manufacturers (according to Pharmexpert research). ZAO Apteki 36.6 is one of the founding members of the Russian Association of Pharmacy Chains (RAPC). Pharmacy Chain 36.6 employs over 7,000 people.*

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