

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS STATEMENT
Q1 2010 ending 31 March 2010 (mln. rubles)

	Q1 2010	Q1 2009
Revenue	4 537.1	5 864.0
Cost of sales	(2 688.1)	(3 783.3)
Gross profit	1 849.0	2 080.7
Selling, general and administrative expenses	(1 743.9)	(2 001.1)
Impairment of goodwill	-	-
Operating income/loss	105.1	79.6
Finance costs	(279.4)	(301.1)
Other income (loss)	(3.7)	(8.4)
Foreign currency exchange gain (loss)	105.6	(328.3)
Income/(loss) before tax and investment activity	(72.4)	(558.1)
Gain on sale of investment	-	-
Income tax expense	(50.2)	10.4
Minority interest	(39.5)	(100.8)
Loss for the period	(162.0)	(648.5)

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
At 31 March 2010 (mln. rubles)

	Q1 2010	Q1 2009
ASSETS		
NON-CURRENT ASSETS:		
Property, plant & equipment	2 925.9	3 215.4
Goodwill	4 875.5	4 935.9
Intangible assets	283.7	280.4
Other assets	203.6	54.9
Total non-current assets	8 289	8 487
CURRENT ASSETS:		
Inventories	3 472.4	3 053.0
Accounts receivable	3 475.2	3 177.7
Other receivables and prepaid expenses	1 627.6	1 662.4
Cash and bank balances	612.8	766.4
Total current assets	9 188.1	8 659.6
TOTAL ASSETS	17 476.8	17 146.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY:		
Share capital	60.7	6.0
Additional paid-in capital	5 339.6	3064.8 ¹
Translation reserve	-	-
Retained earnings	(3 331.3)	(3461.2) ²
Total shareholders' equity	2069.0	(390.4)
Minority interests in equity of subsidiaries	2347.5	4742.4
Total liabilities and shareholders' equity	4416.5	5132.8
LONG-TERM LIABILITIES:		
Borrowings	4470.0	58.5
Share-based payment liability	-	-
Deferred tax liabilities	132.2	(4.8)
Long term lease payable	14.5	7.1
Total long-term liabilities	4616.7	60.7
CURRENT LIABILITIES:		
Accounts payable	3 621.0	6 120.6
Borrowings	3 677.4	4 779.8
Other payables and accrued expenses	752.7	1 273.3
Taxes payable	379.3	527.8
Current portion of share-based payments liability	(0)	(0)
Current portion of lease payable	13.4	32.0
Total current liabilities	8 443.7	12 733.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17476.8	17146.2

¹ As a result of audit for FY 2009, the amount of additional paid-in capital was recalculated in ruble terms as of 1st January 2009, and as a consequence the value of retained earnings as of 1st January 2009 was altered too.

OA0 PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
At 31 March 2010 (mln. rubles)

	Q1 2010	Q1 2009
OPERATING ACTIVITIES		
Income/loss before taxation and minority interest	(72.4)	(558.1)
Gain on sale of investment	-	-
Depreciation and amortization	108.6	132.1
Loss on sale of securities	-	-
Loss on disposal of property, plan and equipment and unrealized investments	3.7	-
Profit on disposal of subsidiary	-	-
Impairment recognized (reversed) on accounts receivable	(13.0)	(1.1)
Unused vacation provision	10.1	23.4
Inventory provision and write-off	(10.3)	44.8
Other		
Impairment of goodwill	-	-
Share based payments expenses	-	-
Foreign exchange loss/(gain)	(105.6)	328.3
Finance costs	279.4	301.1
Operating cash flow before working capital changes	200.4	270.5
Increase in inventories	(7.2)	(210.6)
Increase in accounts receivable	(286.2)	127.6
Increase in other receivables and prepaid expenses	(155.9)	86,7
Increase in accounts payable	(217.6)	50,2
Increase in other payables and accruals	(140.8)	(241.4)
Cash generated from operations	(607.4)	83.0
Income taxes paid	(26.4)	(87.9)
Finance costs paid	(257.4)	(177.1)
Net cash generated by (used in) operating activities	(891.0)	(181.9)
INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiaries	(21.5)	(21.4)
Purchase of property, plant and equipment	(8.4)	(3.4)
Purchase of intangible assets	-	-
Proceeds from sale of property, plant and equipment	-	-
Proceeds from partial disposal of subsidiary	-	-
Proceeds from disposal of subsidiaries, net of cash disposed		
Net cash generated by (used in) investing activities	(29.9)	(24.8)
FINANCING ACTIVITIES		
Proceeds from borrowings	796.1	270.7
Repayments of borrowings	-	-
Proceeds from issuance of ordinary shares, net	-	-
Proceeds from consortium of investors	-	-
Distributions paid to minority shareholders		
Net cash (used in) generated by financing activities	796.1	270.7
Effect of translation to presentation currency	-	-
Net (decrease) increase in cash and cash equivalents	(124.8)	63.9
Cash and cash equivalents at beginning of the period	737.7	702.4
Cash and cash equivalents at end of the period	612.8	766.4