

**OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES**
**CONSOLIDATED PROFIT AND LOSS STATEMENT**
**H1 2011 ENDING 30 JUNE 2011 (mln. rubles)**

	<b>H1 2011</b>	<b>H1 2010</b>
<b>Revenue</b>	<b>10 811</b>	<b>9 749</b>
Cost of sales	(6 013)	(5 642)
<b>Gross profit</b>	<b>4 798</b>	<b>4 107</b>
Selling, general and administrative expenses	(4 011)	(3 474)
Impairment of goodwill	-	-
<b>Operating income/loss</b>	<b>787</b>	<b>633</b>
Finance costs	(702)	(580)
Other income (loss)	(488)	
Foreign currency exchange gain (loss)	(1)	5
<b>Income/(loss) before tax and investment activity</b>	<b>222</b>	<b>(147)</b>
	<b>(182)</b>	<b>(89)</b>
Disposal of discounted operations	-	-
Income tax expense	(122)	(135)
<b>Loss for the period</b>	<b>(304)</b>	<b>(224)</b>
<b>Attributable to:</b>		
Equity holders of the parent	(690)	(546)
Minority interest	386	322

**OA0 PHARMACY CHAIN 36.6 AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**AT 30 JUNE 2011 (mln. rubles)**

	<b>H1 2011</b>	<b>H1 2010</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS:</b>		
Property, plant & equipment	2 813	2 884
Goodwill	4 876	4 876
Intangible assets	324	297
Other assets	242	216
Total non-current assets	<b>8 255</b>	<b>8 273</b>
<b>CURRENT ASSETS:</b>		
Inventories	3 996	3 431
Accounts receivable	4 515	4 002
Other receivables and prepaid expenses	1 998	1 728
Cash and bank balances	751	567
Total current assets	<b>11 260</b>	<b>9 728</b>
<b>TOTAL ASSETS</b>	<b>19 515</b>	<b>18 001</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital	67	67
Additional paid-in capital	6 260	6 262
Translation reserve	-	-
Retained earnings	( 4 859 )	( 3 774 )
Equity of the parent	<b>1 468</b>	<b>2 555</b>
MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES	2 952	2 617
<b>Total shareholders' equity</b>	<b>4 420</b>	<b>5 172</b>
<b>LONG-TERM LIABILITIES:</b>		
Borrowings	6 245	5 797
Share-based liabilities	-	-
Deferred tax liabilities	185	97
Long-term lease payable	9	12
Total long-term liabilities	<b>6 439</b>	<b>5 906</b>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	3 582	3 794
Borrowings	3 970	2 100
Other payables and accrued expenses	679	577
Taxes payable	413	440
Current portion of lease payable	12	12
Total current liabilities	<b>8 656</b>	<b>6 923</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>19 515</b>	<b>18 001</b>

**OAOPHARMACY CHAIN 36.6 AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FORH1 ENDING 30 JUNE 2011 (mln. rubles)**

	<b>H1 2011</b>	<b>H1 2010</b>
<b>OPERATING ACTIVITIES:</b>		
<b>Income/(loss) before taxation and minority interest</b>	<b>(182)</b>	<b>(89)</b>
Gain sale of investment		
Depreciation and amortization	220	220
Loss on sale of securities	-	-
Loss on disposal of property, plant and equipment and unrealized investments	-	-
Impairment recognized (reversed) on accounts receivables	(102)	(5)
Inventory provision and write-off	33	(18)
Other non-cash operations	34	(5)
Impairment of goodwill	-	-
Share-based payments expenses	-	-
Foreign exchange loss/(gain) on financing and investing activities	(222)	147
Finance costs	1 191	580
<b>Operating cash flow before working capital changes</b>	<b>972</b>	<b>830</b>
Increase in inventories	(20)	42
Increase in accounts receivable	(549)	(821)
Increase in other receivables and prepaids	(383)	(456)
Increase in accounts payable	269	(44)
Increase in other payables and accruals	91	(184)
Cash flows from operations	380	(633)
Income taxes paid	(379)	(104)
Interest paid	(489)	-
Early loan repayment	(711)	(655)
<b>Net cash outflow operating activities</b>	<b>(1 199)</b>	<b>(1 392)</b>
<b>INVESTING ACTIVITIES:</b>		
Net cash outflow on acquisition of subsidiaries		
Purchase of property, plant, equipment	-	-
Purchase of intangible assets	(146)	(73)
Purchase of short-term investments	(31)	(40)
Proceed on disposal of property, plant, equipment	1	-
Loans to related parties	-	-
<b>Net cash outflow from investing activities</b>	<b>-</b>	<b>200</b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from new borrowings, net		
Repayments of borrowings	1 107	209
Distributions paid to minority shareholders	-	-
Proceeds from SPO, net	-	-
Acquisition of non- controlling intersts	-	929
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>-</b>
Effect of translation to presentation currency	<b>1 107</b>	<b>1 138</b>
NET INCREASE (DECREASE) IN CASH	-	-
CASH, beginning of year	(268)	(167)
<b>CASH, end of year</b>	<b>836</b>	<b>738</b>