

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS STATEMENT
Q3 2010 ending 30 September 2010 (mln. rubles)

	Q3 2010	Q3 2009
Revenue	4 867.5	4 579.1
Cost of sales	(3 024.9)	(2 831.8)
Gross profit	1 842.6	1 747.3
Selling, general and administrative expenses	(1 739.4)	(1 711.5)
Impairment of goodwill	-	-
Operating income/loss	103.2	35.8
Finance costs	(294.2)	(307.1)
Other income (loss)	(3.3)	(6.3)
Foreign currency exchange gain (loss)	96.7	73.6
Income/(loss) before tax and investment activity	(97.5)	(204.0)
Income tax expense	(98.3)	(57.1)
Loss for the period	(195.8)	(261.1)
Attributable to:		
Equity holders of the parent	(229.7)	(229.0)
Minority interest	33.9	(32.1)

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS STATEMENT
9M 2010 ending 30 September 2010 (mln. rubles)

	9M 2010	9M 2009
Revenue	14 616.8	16 035.9
Cost of sales	(8 667.0)	(9 842.4)
Gross profit	5 949.8	6 193.5
Selling, general and administrative expenses	(5 213.3)	(5 586.8)
Impairment of goodwill	-	-
Operating income/loss	736.5	606.8
Finance costs	(874.3)	(887.7)
Other income (loss)	1.2	(22.5)
Foreign currency exchange gain (loss)	(50.4)	(52.5)
Income/(loss) before tax and investment activity	(186.9)	(355.9)
Income tax expense	(233.5)	(157.5)
Loss for the period	(420.4)	(513.4)
Attributable to:		
Equity holders of the parent	(776.0)	(830.8)
Minority interest	355.6	317.4

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of 30 September 2010 (mln. rubles)

	9M 2010	9M 2009
ASSETS		
NON-CURRENT ASSETS:		
Property, plant & equipment	2 834.5	3 063.1
Goodwill	4 875.5	4 935.9
Intangible assets	297.5	271.9
Loans receivable	191.6	-
Other assets	23.4	33.6
Total non-current assets	8 222.4	8 304.5
CURRENT ASSETS:		
Inventories	3 760.1	2 915.7
Accounts receivable	3 808.3	3 705.6
Other receivables and prepaid expenses	1 942.5	1 587.1
Cash and bank balances	1 111.0	550.1
Total current assets	10 621.8	8 758.4
TOTAL ASSETS	18 844.3	17 063.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY:		
Share capital	67.1	6.0
Additional paid-in capital	6 260.1	3 064.8
Retained earnings	(4 003.5)	(3 640.6)
Total shareholders' equity	2 323.7	(569.8)
MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES	2 651.1	4 959.0
LONG-TERM LIABILITIES:		
Borrowings	5 309.4	1 547.2
Deferred tax liabilities	133.2	98.0
Long-term lease payable	9.4	8.1
Total long-term liabilities	5 452.0	1 653.4
CURRENT LIABILITIES:		
Accounts payable	3 354.2	5 587.5
Borrowings	3 996.4	3 588.2
Other payables and accrued expenses	611.6	1 172.7
Taxes payable	443.6	657.5
Current portion of lease payable	11.7	14.4
Total current liabilities	8 417.5	11 020.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18 844.3	17 063.0

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For Q3 ending 30 September 2010 (*mln. rubles*)

	Q3 2010	Q3 2009
OPERATING ACTIVITIES		
Income/loss before taxation and minority interest	(97.5)	(204.0)
Depreciation and amortization	104.2	114.1
Loss on disposal of property, plan and equipment and unrealized investments	3.3	6.2
Impairment recognized (reversed) on accounts receivable	7.9	35.1
Unused vacation provision	(8.0)	(6.5)
Inventory provision and write-off	(25.7)	13.1
Impairment of goodwill	-	-
Foreign exchange loss/(gain)	(96.7)	(73.6)
Finance costs	294.2	307.1
Operating cash flow before working capital changes	181.7	191.5
(Increase) / decrease in inventories	(303.2)	46.5
(Increase) / decrease in accounts receivable	185.7	178.7
(Increase) / decrease in other receivables and prepaid expenses	(164.3)	260.8
Increase / (decrease) in accounts payable	(440.1)	(826.2)
Increase / (decrease) in other payables and accruals	123.1	10.3
Cash generated from operations	(417.1)	(138.3)
Income taxes paid	(79.7)	(42.2)
Finance costs paid	(238.3)	(207.5)
Net cash generated by (used in) operating activities	(735.1)	(388.0)
INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiaries	-	-
Purchase of property, plant and equipment	(54.5)	(29.8)
Purchase of intangible assets	(19.8)	(14.5)
Purchase of shares in subsidiaries	(70.7)	-
Proceeds from sale of short-term investments	-	-
Net cash generated by (used in) investing activities	(144.9)	(44.3)
FINANCING ACTIVITIES		
Proceeds from borrowings, net	1 423.8	434.4
Proceeds from SPO, net	(1.7)	-
Distribution paid to minority shareholders	-	-
Net cash (used in) generated by financing activities	1 422.1	434.4
Net (decrease) increase in cash and cash equivalents	542.1	2.1
Cash and cash equivalents at beginning of the period	569.0	548.0
Cash and cash equivalents at end of the period	1 111.0	550.1

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For 9 months ending 30 September 2010 (*mln. rubles*)

	9M 2010	9M 2010
OPERATING ACTIVITIES		
Income/loss before taxation and minority interest	(186.9)	(355.9)
Depreciation and amortization	324.5	366.8
Loss on disposal of property, plant and equipment and Unrealized investments	(1.2)	25.4
Impairment recognized (reversed) on accounts receivable	3.2	129.7
Unused vacation provision	(8.6)	(17.9)
Inventory provision and write-off	(43.5)	15.9
Impairment of goodwill	-	-
Foreign exchange loss/(gain)	50.4	52.5
Finance costs	874.3	887.7
Operating cash flow before working capital changes	1 012.1	1 104.3
(Increase) / decrease in inventories	(261.6)	266.1
(Increase) / decrease in accounts receivable	(635.5)	(787.5)
(Increase) / decrease in other receivables and prepaid expenses	(620.8)	(11.9)
Increase / (decrease) in accounts payable	(484.4)	(480.6)
Increase / (decrease) in other payables and accruals	(60.4)	(214.4)
Cash generated from operations	(1 050.7)	(124.1)
Income taxes paid	(183.7)	(76.3)
Finance costs paid	(893.4)	(480.4)
Net cash generated by (used in) operating activities	(2 127.7)	(680.7)
INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiaries	-	-
Purchase of property, plant and equipment	(127.9)	(116.1)
Purchase of intangible assets	(59.8)	(23.2)
Purchase of shares in subsidiaries	(70.7)	-
Proceeds from sale of short-term investments	200.0	-
Net cash generated by (used in) investing activities	(58.4)	(139.3)
FINANCING ACTIVITIES		
Proceeds from borrowings, net	1 632.6	668.0
Proceeds from SPO, net	926.9	-
Distribution paid to minority shareholders	-	-
Net cash (used in) generated by financing activities	2 559.5	668.0
Net (decrease) increase in cash and cash equivalents	373.4	(152.1)
Cash and cash equivalents at beginning of the period	737.7	702.2
Cash and cash equivalents at end of the period	1 111.0	550.1