

OPEN JOINT STOCK COMPANY PHARMACY CHAIN 36.6 AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE 9M 2012 ENDED 30 SEPTEMBER 2012**
(in millions of Russian Roubles, unless otherwise stated)

| | <u>9M 2012</u> | <u>9M 2011</u> |
|--|---------------------|---------------------|
| Revenue | 15 588 | 15 693 |
| Cost of sales | <u>(9 298)</u> | <u>(8 830)</u> |
| Gross profit | 6 290 | 6 863 |
| Selling, general and administrative expenses | <u>(5 574)</u> | <u>(5 900)</u> |
| Operating profit | 716 | 963 |
| Finance costs, net | (1 144) | (1 066) |
| Loss on early repayment of borrowings | | (488) |
| Foreign currency exchange gain/(loss), net | (91) | 208 |
| Other income, net | <u>(2)</u> | <u>1</u> |
| (Loss)/profit before tax | (521) | (382) |
| Discontinuing operation | 170 | |
| Income tax expense | <u>(300)</u> | <u>(170)</u> |
| Loss for the year, being | <u>(650)</u> | <u>(552)</u> |

OPEN JOINT STOCK COMPANY PHARMACY CHAIN 36.6 AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2012 (in millions of Russian Roubles)

| | 9M 2012 | 12M 2011 | 12M 2010 |
|--|--------------------|---------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 716 | 3 295 | 2 859 |
| Goodwill | 4 876 | 4 876 | 4 876 |
| Other intangible assets | 325 | 348 | 319 |
| Loans receivable from related parties | 237 | 224 | 196 |
| Deferred tax assets | | 94 | 120 |
| Other assets | 9 | 14 | 21 |
| Total non-current assets | 9 163 | 8 851 | 8 391 |
| Current assets | | | |
| Inventories | 3 445 | 3 292 | 3 379 |
| Trade accounts receivable | 4 323 | 4 532 | 3 864 |
| Other receivables and prepaid expenses | 4 287 | 4 023 | 1 615 |
| Short-term investments | 545 | 280 | 185 |
| Cash and cash equivalents | 1 166 | 889 | 836 |
| Total current assets | 13 766 | 13 016 | 9 879 |
| TOTAL ASSETS | 22 929 | 21 867 | 18 270 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 67 | 67 | 67 |
| Additional paid-in capital | 6 632 | 6 632 | 6 260 |
| Accumulated deficit | (6 484) | (5 504) | (4 430) |
| Equity attributable to equity holders of the parent | 215 | 1 195 | 1 897 |
| Non-controlling interests | 3 333 | 3 003 | 2 416 |
| Total equity | 3 548 | 4 198 | 4 313 |
| Non-current liabilities | | | |
| Borrowings | 624 | 1 567 | 5 762 |
| Long-term portion of finance leases payable | 6 | 7 | 9 |
| Deferred tax liabilities | 261 | 247 | 188 |
| Total non-current liabilities | 891 | 1 821 | 5 959 |
| Current liabilities | | | |
| Borrowings | 9 644 | 7 985 | 3 573 |
| Trade accounts payable | 6 259 | 5 793 | 3 313 |
| Trade accounts payable factoring | 861 | | |
| Other payables and accrued expenses | 1 245 | 1 476 | 664 |
| Other taxes payable | 440 | 500 | 301 |
| Income tax payable | 34 | 83 | 135 |
| Current portion of finance leases payable | 7 | 11 | 12 |
| Total current liabilities | 18 490 | 15 848 | 7 998 |
| Total liabilities | 19 381 | 17 669 | 13 957 |
| TOTAL EQUITY AND LIABILITIES | 22 929 | 21 867 | 18 270 |

OPEN JOINT STOCK COMPANY PHARMACY CHAIN 36.6 AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 9M 2012 ENDED 30 SEPTEMBER 2012 (in millions of Russian Roubles)

| | 9M 2012 | 9M 2011 |
|---|--------------|----------------|
| OPERATING ACTIVITIES | | |
| (Loss)/profit before tax | (521) | (382) |
| Finance costs, net | 1 144 | 1 555 |
| Depreciation and amortisation | 303 | 345 |
| Foreign currency exchange (gain)/loss, net | 91 | (209) |
| Inventory written off | 142 | 61 |
| Change in allowance for doubtful debts | 19 | 8 |
| Other non-cash items, net | (22) | 11 |
| Operating cash flow before working capital changes | 1 156 | 1 389 |
| Increase in inventories | (295) | (102) |
| Increase in trade accounts receivable | 190 | (587) |
| Increase in other receivables and prepaid expenses | (264) | (652) |
| Increase/(decrease) in trade accounts payable | 1 327 | 274 |
| Increase/(decrease) in other payables, accrued expenses and taxes payable (other than income tax) | (388) | (23) |
| Cash used in operations | 1 726 | 299 |
| Income taxes paid | (145) | (405) |
| Cash outflow on early repayment of borrowings | | (489) |
| Interest received | | |
| Interest paid | (1 154) | (1 074) |
| Net cash used in operating activities | 427 | (1 668) |
| INVESTING ACTIVITIES | | |
| Discontinuing operation | 170 | |
| Purchase of property, plant and equipment | (695) | (371) |
| Purchase of intangible assets | (28) | (59) |
| Loans provided | (265) | (285) |
| Proceeds from disposal of property, plant and equipment | 5 | 1 |
| Net cash used in investing activities | (813) | (714) |
| FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 715 | 2 000 |
| Repayments of borrowings | | |
| Distributions paid to non-controlling interests | (53) | (90) |
| Net cash generated by financing activities | 662 | 1 910 |
| Net increase in cash and cash equivalents | 276 | (473) |
| Cash and cash equivalents at beginning of the year | 889 | 836 |
| Cash and cash equivalents at end of the year | 1 166 | 364 |