

Lebedyansky Group**Consolidated Statement of Income for 3 months ended 31.03.2006 (unaudited)***(all items are measured in Russian Roubles and presented in thousands of US Dollars)*

	31 March 2006	31 March 2005	Diff	%
Sales volumes, mln litres	206,0	164,8	41,2	25%
Juices	187,5	155,8	31,7	20%
Baby Food	11,8	9,0	2,9	32%
Mineral water	6,7	0,0	6,7	100%
Sales	151 013	116 751	34 262	29%
Juices	132 725	105 828	26 897	25%
Baby Food	17 562	10 923	6 639	61%
Mineral water	726	0	726	100%
Cost of sales	(87 577)	(65 616)	(21 961)	(33%)
Gross profit	63 436	51 135	12 301	24%
%	42,0%	43,8%		
Selling and distribution costs	(24 269)	(16 398)	(7 871)	(48%)
General and administrative expenses	(7 154)	(5 582)	(1 572)	(28%)
Other operating expenses – net	84	(32)	115	
Operating income	32 097	29 124	2 973	10%
%	21,3%	24,9%		
Finance expense – net	(78)	(238)		
Net foreign exchange gains	677	651		
Income before taxation	32 696	29 537	3 159	11%
%	21,7%	25,3%		
Income tax expense	(8 535)	(7 527)		
Profit for the period	24 161	22 010	2 151	10%
%	16,0%	18,9%		
Attributable to:				
Equity holders of the Company	23 797	21 742	2 055	9%
Minority interest	364	268	96	36%
EBITDA	35 521	31 870	3 650	11%
%	23,5%	27,3%		

Lebedyansky**Consolidated Statement of Cash Flows for 3 months ended 31.03.2006 (unaudited)**
(all items are measured in Russian Roubles and presented in thousands of US Dollars)

Cash flows from operating activities	31 March 2006	31 March 2005
Income before taxation and minority interest	32 696	29 537
Adjustments for:		
Options	247	-
Depreciation	3 383	2 719
Amortisation	40	27
Provision for impairment of receivables	(454)	56
Allowance for obsolete inventory	-	0
Deferred Income	(540)	(544)
Loss on disposal of property, plant and equipment	2	(1)
Interest expense / income	252	222
Provision for impairment of promissory notes and available for sale investments	-	-
Gain on forgiveness of interest payable	-	-
Forex on non-operating balances	(738)	(671)
Operating cash flows before working capital changes	34 887	31 344
Decrease (increase) in trade receivables	(3 725)	(5 146)
Decrease (increase) in other receivables and prepayments	(4 387)	(6 927)
Decrease (increase) in VAT & other taxes receivable	(3 030)	(476)
Decrease (increase) in inventories	(1 461)	(266)
Increase (decrease) in accounts payable and accrued expenses	(4 063)	(6 127)
Increase (decrease) in taxes payable	(94)	(132)
Cash provided from operations	18 127	12 269
Income taxes paid	(4 853)	(4 573)
Interest paid	(248)	(349)
Net cash provided from operating activities	13 027	7 348
Cash flows from investing activities:		
Purchase of property, plant and equipment	(24 204)	(4 422)
Proceeds from the sale of property, plant and equipment	534	-
Loan provided	(40)	(127)
Repayment of loans given	565	52
Interest received	26	-
Acquisition of subsidiaries	-	-
Net cash used in investing activities:	(23 118)	(4 497)
Cash flows from financing activities:		
Proceeds from borrowings	15 400	19 186
Repayment of borrowings	(1 619)	(19 436)
Repayment of finance lease liability	(1 153)	(1 731)
Change in promissory notes	(21)	250
Dividends paid (net tax)	-	-
Acquisition of own ordinary shares	-	-
Net cash used in financing activities	12 607	(1 731)
Net decrease in cash and cash equivalents	2 515	1 120
Cash and cash equivalents at the beginning of the period	4 777	1 351
Net decrease in cash and cash equivalents	2 515	1 120
Effect of translation	210	91
Cash and cash equivalents at the end of the period	7 502	2 562

Lebedyansky Group

Consolidated balance sheet for 3 months ended 31.03.2006 (unaudited)

(all items are measured in Russian Roubles and presented in thousands of US Dollars)

31 March 2006 31 March 2005

ASSETS		
Current assets:		
Cash and cash equivalents	7 502	2 562
Available for sale investments	354	477
Trade Receivables	51 658	38 222
Other receivable and prepayments	42 027	29 854
Inventories	60 511	42 232
Total current assets	162 052	113 346
Non-current assets:		
Property, plant and equipment (incl prepayments)	141 376	90 362
Intangible assets & goodwill	3 119	1 036
Total non-current assets	144 495	91 399
Total assets	306 547	204 745
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	35 048	24 177
Tax payable	4 416	3 740
Finance lease payable	2 853	3 706
Short-term borrowings	5 127	6 052
Other current liabilities	2 185	2 180
Total current liabilities	49 629	39 855
Non-current liabilities:		
Finance lease payable	9 125	7 790
Long-term borrowings	21 294	6 390
Government grants	52	72
Deferred tax liability	6 613	5 306
Other non-current liabilities	1 639	3 815
Total non-current liabilities	38 723	23 373
Total liabilities	88 352	63 228
Minority interest	4 282	3 220
Shareholders' equity:		
Share capital	448	447
Share premium	34	34
Treasury shares	(4 510)	
Share options	996	
Presentation currency adjustment	11 987	10 094
Retained earnings	204 959	127 722
Total shareholders' equity	213 914	138 296
Total liabilities and shareholders' equity	306 547	204 745

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