



OJSC "VEROPHARM"
CONSOLIDATED INCOME STATEMENT
FOR THE FIRST SIX MONTHS OF 2012
(in millions of Russian Roubles)

	<u>6m2012</u>	<u>6m2011</u>
REVENUE	3,169	3,155
COST OF SALES	(875)	(901)
GROSS PROFIT	2,294	2,253
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(1,283)	(1,255)
OPERATING PROFIT	1,012	999
INTEREST EXPENSE	(21)	2
FOREIGN CURRENCY EXCHANGE GAIN/(LOSS)	8	(17)
PROFIT BEFORE INCOME TAX	999	984
INCOME TAX EXPENSE	(216)	(103)
PROFIT FOR THE YEAR	783	881



OJSC “VEROPHARM”
 CONSOLIDATED BALANCE SHEET
 AT 30 JUNE 2012

(in millions of Russian Roubles)

	<u>30.06.2012</u>	<u>31.12.2011</u>
ASSETS		
NON-CURRENT ASSETS:		
Property, plant & equipment	1,619	1,386
Goodwill	287	287
Intangible assets	81	87
Other long-term assets	-	57,274
Total non-current assets	<u>1,987</u>	<u>1,817</u>
CURRENT ASSETS:		
Inventories	743	690
Trade receivables	5,301	5,168
Other receivables and prepaid expenses	3,512	2,995
Loans receivable	-	27
Cash and cash equivalents	158	80
Total current assets	<u>9,714</u>	<u>8,960</u>
TOTAL ASSETS	<u>11,701</u>	<u>10,777</u>
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	10	10
Reserves	1	1
Retained earnings	8,103	7,321
Total equity	<u>8,114</u>	<u>7,331</u>
NON-CURRENT LIABILITIES:		
Long-term borrowings	342	158
Deferred tax liabilities, net	7	0
Total non-current liabilities	<u>349</u>	<u>158</u>
CURRENT LIABILITIES:		
Short-term borrowings	1,288	325
Trade payables	995	1,653
Other payables and accrued expenses	794	1,020
Short-term portion of obligations under finance leases	2	6
Taxes payable	159	284
Total current liabilities	<u>3,238</u>	<u>3,288</u>
TOTAL LIABILITIES	<u>3,587</u>	<u>3,446</u>
TOTAL EQUITY AND LIABILITIES	<u>11,701</u>	<u>10,777</u>



OJSC "VEROPHARM"

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST SIX MONTHS OF 2012

(in millions of Russian Roubles)

	<u>6m 2012</u>	<u>6m 2011</u>
OPERATING ACTIVITIES:		
Profit for the year	783	881
Adjustments to profit for the year:		
Income tax	216	103
Interest expense	46	31
Interest income	(25)	(33)
Depreciation and amortization	71	74
Loss on disposal of other intangible assets and property, plant and equipment	(1)	0
Change in allowance for doubtful debts	185	(0)
Change in inventory obsolescence allowance	21	28
Foreign currency exchange (gain)/loss, net	(8)	17
Unused employment benefits	16	15
Profit before movements in working capital	<u>1,304</u>	<u>1,115</u>
Movements in working capital:		
Increase in inventories	(74)	(153)
Increase in trade receivables	(319)	498
Decrease/(Increase) in other receivables and prepaid expenses	(521)	287
Decrease/(Increase) in trade payables	(658)	33
Increase in other payables and taxes payable	(320)	235
Cash generated from operations	<u>(588)</u>	<u>445</u>
Interest paid	(54)	(28)
Interest received	-	1
Income taxes paid	(162)	(356)
Net cash generated by operating activities	<u>(805)</u>	<u>63</u>
INVESTING ACTIVITIES:		
Purchase of property, plant, equipment	(289)	(124)
Proceeds from disposal of property, plant, equipment	4	1
Purchase of intangible assets	(9)	(17)
Loans given to related parties	27	(222)
Proceeds from repayment of loans given	-	-
Net cash used in investing activities	<u>(266)</u>	<u>-362</u>
FINANCING ACTIVITIES:		
Dividends payment	-	-
Proceeds from borrowings	1,829	724
Repayment of borrowings and obligations under finance leases	(681)	(427)
Net cash used in financing activities	<u>1,148</u>	<u>298</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>78</u>	<u>(0)</u>
Effect of exchanges in balance of cash held in foreign currencies	-	-
CASH AND CASH EQUIVALENTS, beginning of period	80	19
CASH AND CASH EQUIVALENTS, end of period	<u>158</u>	<u>19</u>