



**OJSC "VEROPHARM"**

CONSOLIDATED INCOME STATEMENT  
FOR THE FIRST NINE MONTHS OF 2012

*(in millions of Russian Roubles)*

	<u>9m2012</u>	<u>9m2011</u>
<b>REVENUE</b>	<b>4 151</b>	<b>4 534</b>
COST OF SALES	(1 171)	(1 395)
<b>GROSS PROFIT</b>	<b>2 980</b>	<b>3 139</b>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(1 732)	(1 906)
<b>OPERATING PROFIT</b>	<b>1 248</b>	<b>1 233</b>
INTEREST EXPENSE	39	3
FOREIGN CURRENCY EXCHANGE GAIN/(LOSS)	(66)	(12)
<b>PROFIT BEFORE INCOME TAX</b>	<b>1 221</b>	<b>1 224</b>
INCOME TAX EXPENSE	(283)	(66)
<b>PROFIT FOR THE YEAR</b>	<b>938</b>	<b>1 158</b>



**OJSC "VEROPHARM"**

CONSOLIDATED BALANCE SHEET

AT 30 SEPTEMBER 2012

*(in millions of Russian Roubles)*

	<u>30.09.2012</u>	<u>31.12.2011</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS:</b>		
Property, plant & equipment	1 926	1 386
Goodwill	287	287
Intangible assets	87	87
Other long-term assets	-	57 274
<b>Total non-current assets</b>	<u>2 300</u>	<u>1 817</u>
<b>CURRENT ASSETS:</b>		
Inventories	740	690
Trade receivables	4 752	5 168
Other receivables and prepaid expenses	3 549	2 995
Loans receivable	-	27
Cash and cash equivalents	322	80
<b>Total current assets</b>	<u>9 363</u>	<u>8 960</u>
<b>TOTAL ASSETS</b>	<u>11 663</u>	<u>10 777</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY:</b>		
Share capital	10	10
Reserves	1	1
Retained earnings	8 259	7 321
<b>Total equity</b>	<u>8 269</u>	<u>7 331</u>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	356	158
Deferred tax liabilities, net	58	0
<b>Total non-current liabilities</b>	<u>414</u>	<u>158</u>
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	1 223	325
Trade payables	953	1 653
Other payables and accrued expenses	695	1 020
Short-term portion of obligations under finance leases	1	6
Taxes payable	109	284
<b>Total current liabilities</b>	<u>2 980</u>	<u>3 288</u>
<b>TOTAL LIABILITIES</b>	<u>3 394</u>	<u>3 446</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>11 663</u>	<u>10 777</u>



**OJSC "VEROPHARM"**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FIRST NINE MONTHS OF 2012

(in millions of Russian Roubles)

	<u>9m 2012</u>	<u>9m 2011</u>
<b>OPERATING ACTIVITIES:</b>		
Profit for the year	938	1 158
<b>Adjustments to profit for the year:</b>		
Income tax	283	66
Interest expense	78	53
Interest income	(117)	(55)
Depreciation and amortization	104	105
Loss on disposal of other intangible assets and property, plant and equipment	(1)	0
Change in allowance for doubtful debts	15	(1)
Change in inventory obsolescence allowance	63	59
Foreign currency exchange (gain)/loss, net	66	12
Unused employment benefits	0	(0)
<b>Profit before movements in working capital</b>	<b>1 429</b>	<b>1 396</b>
<b>Movements in working capital:</b>		
Increase in inventories	(113)	(194)
Increase in trade receivables	401	(464)
Decrease/(Increase) in other receivables and prepaid expenses	(559)	(381)
Decrease/(Increase) in trade payables	(701)	(39)
Increase in other payables and taxes payable	(454)	209
<b>Cash generated from operations</b>	<b>3</b>	<b>527</b>
Interest paid	(99)	(47)
Interest received	-	2
Income taxes paid	(148)	(388)
<b>Net cash generated by operating activities</b>	<b>(243)</b>	<b>93</b>
<b>INVESTING ACTIVITIES:</b>		
Purchase of property, plant, equipment	(623)	(293)
Proceeds from disposal of property, plant, equipment	5	1
Purchase of intangible assets	(20)	(23)
Loans given to related parties	-	(266)
Proceeds from repayment of loans given	27	-
<b>Net cash used in investing activities</b>	<b>(611)</b>	<b>-580</b>
<b>FINANCING ACTIVITIES:</b>		
Dividends payment	-	-
Proceeds from borrowings	2 220	1 125
Repayment of borrowings and obligations under finance leases	(1 124)	(611)
<b>Net cash used in financing activities</b>	<b>1 096</b>	<b>514</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>242</b>	<b>28</b>
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	<b>322</b>	<b>47</b>