

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS STATEMENT
Q2 2009 ending 30 June 2009 (mln. rubles)

	Q2 2009	Q2 2008
Revenue	5 592.8	6 635.4
Cost of sales	(3 227.2)	(4 330.3)
Gross profit	2 365.5	2 305.1
Selling, general and administrative expenses	(1 874.2)	(2 181.5)
Impairment of goodwill	-	-
Operating income/loss	491.4	123.7
Finance costs	(279.5)	(228.3)
Other income (loss)	(7.8)	16.1
Foreign currency exchange gain (loss)	202.2	(18.1)
Income/(loss) before tax and investment activity	406.3	(106.6)
Gain on sale of investment	-	-
Income tax expense	(110.8)	(161.2)
Loss for the period	46.7	393.6
Attributable to:		
Minority interest	(248.8)	(180.8)

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS STATEMENT
1H 2009 ending 30 June 2009 (mln. rubles)

	1H 2009	1H 2008
Revenue	11 456.8	13 379.8
Cost of sales	(7 010.5)	(9 016.4)
Gross profit	4 446.2	4 363.4
Selling, general and administrative expenses	(3 875.2)	(4 411.7)
Impairment of goodwill	-	-
Operating income/loss	571.0	(48.4)
Finance costs	(580.6)	(495.8)
Other income (loss)	(16.1)	14.1
Foreign currency exchange gain (loss)	(126.1)	(15.3)
Income/(loss) before tax and investment activity	(151.8)	(545.4)
Gain on sale of investment	-	-
Income tax expense	(100.4)	(237.1)
Loss for the period	(601.8)	(194.7)
Attributable to:		
Minority interest	(349.6)	(254.4)

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
At 30 June 2009 (mln. rubles)

	1H 2009	1H 2008
ASSETS		
NON-CURRENT ASSETS:		
Property, plant & equipment	3 139.5	3 423.2
Goodwill	4 935.9	5 621.9
Intangible assets	277.8	279.5
Other assets	35.5	39.5
Total non-current assets	8 388.8	9 364.2
CURRENT ASSETS:		
Inventories	3 085.0	4 086.6
Accounts receivable	3 919.4	2 754.9
Other receivables and prepaid expenses	1 847.9	1 888.7
Cash and bank balances	548.0	3 010.1
Total current assets	9 400.3	11 740.3
TOTAL ASSETS	17 789.0	21 104.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY:		
Share capital	6.0	6.0
Additional paid-in capital	2 796.1	2 796.1
Translation reserve	-	-
Retained earnings	(3 142.9)	(1 110.8)
Total shareholders' equity		
MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES	4 991.2	3 953.8
LONG-TERM LIABILITIES:		
Borrowings	113.3	802.2
Share-based payment liability	-	-
Deferred tax liabilities	106.4	88.9
Long-term lease payable	9.2	14.2
Total long-term liabilities	228.9	936.0
CURRENT LIABILITIES:		
Accounts payable	6 413.7	7 429.9
Borrowings	4 560.8	4 884.3
Other payables and accrued expenses	1 360.7	1 630.0
Taxes payable	558.2	502.6
Current portion of share-based payments liability	(0)	35.9
Current portion of lease payable	16.4	40.9
Total current liabilities	12 909.8	14 523.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17 789.0	21 104.5

OAo PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For Q2 ending 30 June 2009 (*mln. rubles*)

	Q2 2009	Q2 2008
OPERATING ACTIVITIES		
Income/loss before taxation and minority interest	406.2	(113.4)
Gain on sale of investment	-	-
Depreciation and amortization	120.6	127.4
Loss on sale of securities	-	-
Loss on disposal of property, plan and equipment and unrealized investments	19.1	(7.3)
Profit on disposal of subsidiary	-	-
Impairment recognized (reversed) on accounts receivable	95.7	23.9
Unused vacation provision	(34.7)	2.5
Inventory provision and write-off	(42.0)	37.2
Other	-	-
Impairment of goodwill	-	-
Share- based payments expenses	-	7.8
Foreign exchange loss/(gain)	(202.2)	18.2
Finance costs	279.5	228.3
Operating cash flow before working capital changes	642.2	324.5
Increase in inventories	9.0	140.5
Increase in accounts receivable	(838.6)	(197.5)
Increase in other receivables and prepaid expenses	(186.1)	(647.8)
Increase in accounts payable	295.4	1 533.5
Increase in other payables and accruals	85.2	264.3
Cash generated from operations	7.1	1 417.4
Income taxes paid	(22.3)	(219.3)
Finance costs paid	(95.9)	(316.8)
Net cash generated by (used in) operating activities	(111.1)	881.4
INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiaries	-	(117.8)
Purchase of property, plant and equipment	(65.0)	(108.1)
Purchase of intangible assets	(5.3)	(16.6)
Proceeds from sale of property, plant and equipment	-	-
Proceeds from partial disposal of subsidiary	-	-
Net cash inflow on disposal of discontinued operation	-	2 639.8
Net cash generated by (used in) investing activities	(70.2)	2 397.3
FINANCING ACTIVITIES		
Proceeds from borrowings	(37.1)	(1 069.3)
Repayments of borrowings	-	-
Proceeds from issuance of ordinary shares, net	-	-
Proceeds from consortium of investors	-	-
Distributions paid to minority shareholders	-	-
Net cash (used in) generated by financing activities	(37.1)	(1 069.3)
Effect of translation to presentation currency	-	-
Net (decrease) increase in cash and cash equivalents	(218.4)	2 209.4
Cash and cash equivalents at beginning of the period	766.4	800.7
Cash and cash equivalents at end of the period	548.0	3 010.1

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For 6 months ending 30 June 2009 (mln. rubles)

	1H 2009	1H 2008
OPERATING ACTIVITIES		
Income/loss before taxation and minority interest	(151.8)	(552.2)
Gain on sale of investment	-	-
Depreciation and amortization	252.7	280.0
Loss on sale of securities	-	-
Loss on disposal of property, plan and equipment and unrealized investments	19.1	(7.3)
Profit on disposal of subsidiary	-	-
Impairment recognized (reversed) on accounts receivable	94.6	(4.0)
Unused vacation provision	(11.3)	29.5
Inventory provision and write-off	2.8	87.1
Other	-	-
Impairment of goodwill	-	-
Share- based payments expenses	-	10.7
Foreign exchange loss/(gain)	126.1	15.4
Finance costs	580.6	495.8
Operating cash flow before working capital changes	912.7	355.0
Increase in inventories	219.6	58.1
Increase in accounts receivable	(966.2)	(223.8)
Increase in other receivables and prepaid expenses	(272.7)	(643.3)
Increase in accounts payable	345.6	2 338.7
Increase in other payables and accruals	(224.8)	227.7
Cash generated from operations	14.3	2 112.3
Income taxes paid	(34.0)	(286.4)
Finance costs paid	(272.9)	(411.2)
Net cash generated by (used in) operating activities	(292.7)	1 414.8
INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiaries	-	(217.9)
Purchase of property, plant and equipment	(86.4)	(144.2)
Purchase of intangible assets	(8.7)	(8.9)
Proceeds from sale of property, plant and equipment	-	-
Proceeds from partial disposal of subsidiary	-	-
Net cash inflow on disposal of discontinued operation	-	2 639.8
Net cash generated by (used in) investing activities	(95.1)	2 268.7
FINANCING ACTIVITIES		
Proceeds from borrowings	233.6	(1 480.6)
Repayments of borrowings	-	-
Proceeds from issuance of ordinary shares, net	-	-
Proceeds from consortium of investors	-	-
Distributions paid to minority shareholders	-	-
Net cash (used in) generated by financing activities	233.6	(1 480.6)
Effect of translation to presentation currency	-	-
Net (decrease) increase in cash and cash equivalents	(154.2)	2 202.9
Cash and cash equivalents at beginning of the period	702.2	807.2
Cash and cash equivalents at end of the period	548.0	3 010.1