

**OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS STATEMENT**

*for 6 months ending 30 June 2008*

in USD'000

	6m 2008	6m 2007
Revenue	558 795	390 451
Cost of sales	(376 563)	(259 556)
Gross Profit	182 232	130 895
SGA	(183 804)	(124 380)
Goodwill Impairment	-	-
Non-recurring expenses	-	-
Share-based payments	(448)	-
Operating Profit	(2 019)	6 516
Finance costs	(20 707)	(11 895)
Other income/(loss)	305	(529)
Foreign currency exchange gain/(loss)	(642)	(210)
Income before tax and investment activity	(23 063)	(6 117)
Share of loss of associate	-	-
Gain on sale of investment	-	-
Disposal of discontinued operation	35 459	-
Income tax expense	(9 901)	(5 412)
Minority interest	(10 625)	(5 326)
Profit for the period	(8 129)	(16 855)

**OA O PHARMACY CHAIN 36.6 AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET**

6 months ending 30 June 2008

*(in US dollars and in thousands)*

ASSETS	6m 2008	6m 2007
<b>NON-CURRENT ASSETS:</b>		
Property, plant & equipment	146 282	127 302
Goodwill	239 667	183 492
Intangible assets	11 917	10 228
Other assets	1 686	4 130
Investment in associate	-	-
Total non-current assets	<u>399 552</u>	<u>325 152</u>
<b>CURRENT ASSETS:</b>		
Inventories	177 157	123 745
Accounts receivable	117 442	81 381
Other receivables and prepaid expenses	99 068	50 020
Cash and bank balances	128 324	40 145
Total current assets	<u>521 991</u>	<u>295 291</u>
<b>TOTAL ASSETS</b>	<u><u>921 543</u></u>	<u><u>620 443</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Issued capital	198	159
Additional paid-in capital	120 103	13 514
Translation reserve	16 719	9 288
Retained earnings	(42 063)	48 570
Total shareholders' equity	<u>94 956</u>	<u>71 531</u>
<b>MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES</b>	168 554	110 704
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	34 200	138 212
Share-based payments liability	1 308	
Deferred taxation liabilities	6 339	7 037
Long term lease payable	606	185
Total long-term liabilities	<u>42 451</u>	<u>145 435</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	<u>305 961</u>	<u>327 669</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	316 144	115 301
Borrowings	208 219	149 082
Other payables and accrued expenses	67 259	17 271
Taxes payable	20 685	10 295
Current portion of share-based payments liability	1 531	
Current portion of lease payable	1 742	825
Total current liabilities	<u>615 581</u>	<u>292 773</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>921 542</u></u>	<u><u>620 443</u></u>

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES,  
CONSOLIDATED STATEMENT OF CASH FLOWS *(in US dollars and in thousands)*

6 months ending 30 June 2008

	6m 2008	6m 2007
<b>OPERATING ACTIVITIES:</b>		
Income/(loss) before taxation and minority interest	(23 063)	(6 118)
Gain sale of investment	-	-
Depreciation and amortization	11 694	8 478
Loss on sale of securities	-	-
Loss on disposal of property, plant and equipment and unrealized investments	(305)	290
Impairment recognized (reversed) on accounts receivables	(167)	115
Unused vacation provision	1 233	-
Inventory provision	3 638	-
Share based payments expenses	448	-
Foreign exchange loss/(gain) on financing and investing activities	642	210
Finance costs	20 707	11 894
Operating cash flow before working capital changes	14 826	14 869
Increase in inventories	2 477	(10 761)
Increase in accounts receivable	(9 542)	(7 746)
Increase in other receivables and prepaids	(27 425)	(11 005)
Increase in accounts payable	99 700	3 090
Increase in other payables and accruals	9 115	1 962
Cash flows from operations	89 150	(9 590)
Income taxes paid	(11 959)	(6 611)
Finance cost paid	(17 174)	(6 223)
Net cash outflow operating activities	60 017	(22 424)
<b>INVESTING ACTIVITIES:</b>		
Net cash outflow on acquisition of subsidiaries	(9 099)	(23 493)
Purchase of property, plant, equipment	(6 024)	(17 503)
Purchase of intangible assets	(372)	-
Proceed on disposal of property, plant, equipment	-	-
Proceeds from sale of investment, net	-	-
Net cash inflow on disposal of discontinued operation	111 137	-
Net cash outflow from investing activities	95 641	(40 996)
<b>FINANCING ACTIVITIES:</b>		
Proceeds from new borrowings, net	(63 120)	29 192
Repayments of borrowings	-	-
Proceeds from SPO, net	-	-
Proceeds from subsidiary (consortium of investors)	-	60 000
Net cash inflow from financing activities	(63 120)	89 192
Effect of translation to presentation currency	2 900	1 404
NET INCREASE (DECREASE) IN CASH	95 437	27 176
CASH, beginning of period	32 887	12 969
CASH, end of period	128 324	40 145