

OJSC PHARMACY CHAIN 36.6 AND SUBSIDIARIES**CONSOLIDATED INCOME STATEMENT****FOR THE FULL YEAR ENDED DECEMBER 31, 2004***(in US dollars and in thousands, except for income per share data)*

	<u>FY 2004</u>	<u>FY 2003</u>
Net sales	210 953	147 782
Cost of sales	-130 760	-88 002
Gross profit	80 193	59 780
Selling, general and administrative expenses	-69 375	-52 171
Other operating income, net	657	767
Operating income	11 475	8 377
Interest expense	-7 968	-6 219
Net gain on monetary position	-110	0
Foreign currency exchange gain (loss)	148	816
Income before taxation and minority interest	3 546	2 974
Income tax expense	-2 891	-1 973
Income before minority interest	655	1 001
Minority interest	70	46
Net income	<u>725</u>	<u>1 047</u>
Earnings per share:		
Net income per share	USD 0,09	0,13
Weighted average number of shares (in thousands)	8 000	8 000

OJSC PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2004
(in US dollars and in thousands)

	2004	2003
ASSETS		
NON-CURRENT ASSETS:		
Intangible assets, net	24 905	11 563
Property, plant & equipment, net	74 816	47 653
Other long-term assets	36	903
Total non-current assets	<u>99 757</u>	<u>60 119</u>
CURRENT ASSETS:		
Inventories	30 283	20 483
Accounts receivable (net of bad debt provision)	23 848	19 415
Other receivables and prepaid expenses	16 727	11 363
Cash&Cash equivalents	1 662	1 723
Total current assets	<u>72 520</u>	<u>52 983</u>
TOTAL ASSETS	<u><u>172 277</u></u>	<u><u>113 102</u></u>
 SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY:		
Share capital	185	176
Additional paid-in capital	15 512	14 613
Other reserves	0	0
Retained earnings	27 765	25 400
Total shareholders' equity	<u>43 462</u>	<u>40 190</u>
MINORITY INTEREST	2 492	2 623
LONG-TERM LIABILITIES:		
Long-term debt	7 208	2 917
Deferred taxation	8 318	4 737
Long-term portion of the finance leases payable	28	189
Total long-term liabilities	<u>15 554</u>	<u>7 844</u>
CURRENT LIABILITIES:		
Trade accounts payable	29 551	17 106
Other payables and accrued expenses	7 926	5 048
Short-term borrowings and current portion of long-term debt	73 215	40 152
Current portion of the finance leases payable	77	141
Total current liabilities	<u>110 769</u>	<u>62 446</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u><u>172 277</u></u>	<u><u>113 102</u></u>

OJSC PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED STATEMENT CASH FLOWS
FOR THE FULL YEAR ENDED DECEMBER 31, 2004
(in US dollars and in thousands)

	2004	2003
OPERATING ACTIVITIES:		
Income before taxation and minority interests	3 545	2 973
Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities:		
Effect of depreciation and amortization	7 008	5 199
Effect of loss on disposal of property, plant and equipment	157	95
Effect of provision for doubtful receivables	852	420
Foreign exchange (gain) loss on financing and investing activities	-149	-709
Interest expense	7 968	6 219
Operating cash flow before working capital changes	<u>19 381</u>	<u>14 197</u>
Changes in operating assets and liabilities		
Accounts receivable	-3 946	-9 955
Other receivables and prepaids	-3 130	-2 915
Accounts payable	7 683	7 922
Other payables and accruals	966	-1 779
Inventories	-4 928	-3 105
Cash flow from operations	16 026	4 365
Income taxes paid	-1 669	-1 693
Interest paid	-8 392	-5 099
Net cash outflow from operating activities	<u>5 965</u>	<u>-2 427</u>
INVESTING ACTIVITIES:		
Acquisitions of businesses, net of cash acquired	-27 625	-2 073
Purchase of property, plant, equipment	-12 024	-12 094
Purchase of intangible assets	-743	-424
Proceeds on disposal of property, plant, equipment	99	93
Purchase of equity interest in subsidiaries	-236	-903
Net cash outflow from investing activities	<u>-40 529</u>	<u>-15 401</u>
FINANCING ACTIVITIES:		
Proceeds from share offering	0	11 574
Proceeds from borrowings, net	32 857	6 152
Net cash inflow from financing activities	32 857	17 726
Effect of translation on cash flows	1 647	509
Net increase (decrease) on cash flows	<u>-60</u>	<u>407</u>
CASH, beginning of period	1 722	1 315
CASH, end of period	1 662	1 722