

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE FULL YEAR ENDED DECEMBER 31, 2005
(in US dollars and in thousands, except for income per share data)

	<u>2005</u>	<u>2004</u>
Net sales	305 215	210 095
Cost of sales	-187 388	-129 229
Gross profit	<u>117 827</u>	<u>80 866</u>
Selling, general and administrative expenses	-102 763	-69 669
Non-recurring expenses	-1 791	-110
Other operating income, net	<u>0</u>	<u>657</u>
Operating income	13 273	11 744
Interest expense	-15 124	-7 968
Non-operating expenses (net)	15 626	0
Foreign currency exchange gain (loss)	-182	148
Income before taxation and minority interest	<u>13 592</u>	<u>3 924</u>
Income tax expense	-4 510	-2 891
Investment revenues	0	
Minority interest	-786	70
Net income	<u>8 296</u>	<u>1 103</u>
Earnings per share:		
Net income per share	USD 1,04	0,14
Weighted average number of shares (in thousands)	8 000	8 000

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2005
(in US dollars and in thousands)

	2005	2004
ASSETS		
NON-CURRENT ASSETS:		
Intangible assets, net	36 431	24 905
Property, plant & equipment, net	84 638	74 816
Other long-term assets	4 194	36
Total non-current assets	<u>125 263</u>	<u>99 757</u>
CURRENT ASSETS:		
Inventories	49 680	30 283
Accounts receivable (net of bad debt provision)	38 195	22 502
Other receivables and prepaid expenses	23 653	16 396
Cash&Cash equivalents	7 863	1 662
Total current assets	<u>119 391</u>	<u>70 843</u>
TOTAL ASSETS	<u><u>244 654</u></u>	<u><u>170 600</u></u>
 SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY:		
Share capital	178	185
Additional paid-in capital	14 953	15 512
Retained earnings	33 221	26 027
Total shareholders' equity	<u>48 352</u>	<u>41 724</u>
MINORITY INTEREST	14 808	2 492
LONG-TERM LIABILITIES:		
Long-term debt	82 019	7 208
Deferred taxation	7 178	8 318
Total long-term liabilities	<u>89 197</u>	<u>15 526</u>
CURRENT LIABILITIES:		
Accounts payable	52 577	29 551
Other payables and accrued expenses	11 888	8 090
Current portion of short-term debt	27 832	73 215
Total current liabilities	<u>92 297</u>	<u>110 858</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u><u>244 654</u></u>	<u><u>170 600</u></u>

OA0 PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED STATEMENT CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005
(in US dollars and in thousands)

	2005	2004
OPERATING ACTIVITIES:		
Income before taxation and minority interests	13 592	3 924
Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities:		
Gain on sale of investment	-15 801	0
Effect of depreciation and amortization	7 773	7 008
Effect of loss on disposal of property, plant and equipment	492	157
Effect of loss on disposal of other receivables	946	0
Effect of (gain) loss of associate	176	0
Effect of provision for doubtful receivables	-315	852
Foreign exchange (gain) loss on financing and investing activities	182	-148
Interest expense	15 124	7 968
Operating cash flow before working capital changes	<u>22 169</u>	<u>19 761</u>
Changes in operating assets and liabilities		
Accounts receivable	-15 378	-4 619
Other receivables and prepaids	-8 865	-3 130
Accounts payable	20 965	7 683
Other payables and accruals	4 473	1 261
Inventories	-19 397	-4 928
Cash flow from operations	3 967	16 028
Income taxes paid	-3 296	-1 669
Interest paid	-14 231	-8 392
Net cash outflow from operating activities	<u>-13 560</u>	<u>5 967</u>
INVESTING ACTIVITIES:		
Acquisitions of businesses, net of cash acquired	-12 865	-27 625
Purchase of property, plant, equipment	-19 498	-12 024
Purchase of intangible assets	-2 577	-743
Proceeds on disposal of property, plant, equipment	492	99
Purchase of equity interest in subsidiaries	-992	-236
Net cash outflow from investing activities	<u>-35 440</u>	<u>-40 529</u>
FINANCING ACTIVITIES:		
Sale of investment	27 930	0
Proceeds from borrowings, net	28 372	32 857
Net cash inflow from financing activities	<u>56 302</u>	<u>32 857</u>
Effect of translation on cash flows	-1 101	1 647
Net increase (decrease) on cash flows	<u>6 201</u>	<u>-60</u>
CASH, beginning of period	1 662	1 722
CASH, end of period	7 863	1 662