



OJSC "VEROPHARM"

CONSOLIDATED INCOME STATEMENT

FOR PERIOD ENDING 30 SEPTEMBER, 2011

(in thousands of rubles)

	<u>9 m 2011</u>	<u>9 m 2010</u>
Revenue	4 534 092	3 933 996
Cost of sales	(1 394 987)	(1 205 475)
Gross profit	3 139 105	2 728 521
Selling, general and administrative expenses	(1 906 486)	(1 680 695)
Operating income	1 232 619	1 047 826
Interest expenses	2 651	(49 968)
Foreign currency exchange gain/loss	(11 722)	(5 835)
Profit before income tax expense	1 223 549	992 023
Income tax	(65 571)	(158 378)
Net profit	1 157 978	833 645



OJSC "VEROPHARM"

CONSOLIDATED BALANCE SHEET
FOR PERIOD ENDING 30 SEPTEMBER, 2011
(in thousands of rubles)

	<u>30.09.2011</u>	<u>31.12.2010</u>
ASSETS		
<u>NON-CURRENT ASSETS:</u>		
Property, plant & equipment, net	1 043 901	843 624
Goodwill	287 311	287 311
Intangible assets	80 739	73 651
Peffered tax assets, net	0	
<u>Total non-current assets</u>	<u>1 411 951</u>	<u>1 204 586</u>
<u>CURRENT ASSETS:</u>		
Inventories	1 385 987	1 248 904
Trade receivables	4 929 849	4 465 145
Other receivables and prepaid expenses	767 796	388 375
Loans receivable	440 825	174 994
Cash	46 910	19 126
<u>Total current assets</u>	<u>7 571 367</u>	<u>6 296 544</u>
TOTAL ASSETS	<u>8 983 319</u>	<u>7 501 130</u>
EQUITY AND LIABILITIES		
<u>EQUITY:</u>		
Share capital	10 000	10 000
Other reserves	500	500
Retained earnings	7 203 281	6 235 304
<u>Total equity</u>	<u>7 213 781</u>	<u>6 245 804</u>
<u>NON-CURRENT LIABILITIES:</u>		
Long-term borrowings	382 163	169 313
Deffered tax liability	52 382	40 555
Finance lease obligations	858	6 162
<u>Total non-current liabilities</u>	<u>435 402</u>	<u>216 030</u>
<u>CURRENT LIABILITIES:</u>		
Short-term borrowings	596 934	295 484
Trade payables	237 117	275 819
Other payables	374 652	251 576
Finance lease obligations, current maturities	7 269	8 312
Tax payable	118 162	208 105
<u>Total current liabilities</u>	<u>1 334 135</u>	<u>1 039 296</u>
TOTAL LIABILITIES	<u>1 769 538</u>	<u>1 255 326</u>
TOTAL EQUITY AND LIABILITIES	<u>8 983 319</u>	<u>7 501 130</u>



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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR PERIOD ENDING 30 SEPTEMBER, 2011
(in thousands of rubles)

	<u>9m2011</u>	<u>9m2010</u>
OPERATING ACTIVITIES		
Profit for the year	1 157 978	833 645
Adjustments for		
Income tax	65 571	158 378
Interest expense	52 529	98 637
Interest income	(55 181)	(48 669)
Depreciation and amortization	105 495	91 930
(Gain)/Loss on disposal of FA	126	6 596
Change in inventory obsolescence allowance	58 869	55 829
Foreign exchange (gain) loss	11 722	5 835
Loss on write off other receivables		
Change in allowance for doubtful debts	(837)	(11 699)
Unused employment benefits	(450)	(9 937)
Profit before movements in working capital	1 395 822	1 180 545
Movements in working capital		
Inventories	(193 694)	(207 496)
Trade receivables	(463 866)	(474 093)
Other receivables and prepaid expenses	(380 781)	(144 626)
Trade payables	(38 702)	37 158
Other payables and accruals	208 500	40 250
Cash generated from operations	527 278	431 738
Interest paid	(47 365)	(112 490)
Interest received	1 620	
Income tax paid	(388 333)	(118 415)
Net cash generated by operating activities	93 200	200 833
INVESTING ACTIVITIES:		
Purchase of property, plant, equipment	(292 727)	(102 392)
Proceeds from disposal of property, plant, equipment	1 360	1 661
Proceeds from sale of investments		200 000
Purchase of intangible assets	(22 516)	(32 996)
Proceeds from loans given to related parties	(265 831)	(123 156)
Net cash used in investing activities	(579 715)	(56 883)
FINANCING ACTIVITIES:		
Proceeds from borrowings	1 124 988	1 102 140
Repayment of borrowings	(610 689)	(1 242 702)
Net cash generated from financing activities	514 299	(140 562)
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	27 785	3 388



CASH AND CASH EQUIVALENTS, beginning of period	19 126	64 814
CASH AND CASH EQUIVALENTS, end of period	<u>46 910</u>	<u>68 202</u>