



OJSC "VEROPHARM"
CONSOLIDATED INCOME STATEMENT
FOR 9 MONTHS OF 2013
(in millions of Russian Roubles)

	<u>9m.2013</u>	<u>9m.2012</u>
REVENUE	3,578	4,151
COST OF SALES	(1,356)	(1,171)
GROSS PROFIT	2,222	2,980
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(1,364)	(1,732)
OPERATING PROFIT	858	1,248
INTEREST EXPENSE/(INCOME)	(86)	39
FOREIGN CURRENCY EXCHANGE GAIN/(LOSS)	(90)	(66)
PROFIT BEFORE INCOME TAX	682	1,221
INCOME TAX EXPENSE	(216)	(283)
PROFIT FOR THE YEAR	465	938



OJSC “VEROPHARM”
 CONSOLIDATED BALANCE SHEET
 AT 30 SEPTEMBER 2013

(in millions of Russian Roubles)

	<u>30.09.2013</u>	<u>31.12.2012</u>
ASSETS		
NON-CURRENT ASSETS:		
Property, plant & equipment	4,242	2,345
Goodwill	287	287
Intangible assets	439	96
Total non-current assets	<u>4,968</u>	<u>2,728</u>
CURRENT ASSETS:		
Inventories	695	643
Trade receivables	4,212	4,514
Other receivables and prepaid expenses	3,060	3,276
Cash and cash equivalents	249	308
Total current assets	<u>8,216</u>	<u>8,741</u>
TOTAL ASSETS	<u>13,184</u>	<u>11,469</u>
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	10	10
Reserves	1	1
Retained earnings	8,950	8,433
Total equity	<u>8,961</u>	<u>8,444</u>
NON-CURRENT LIABILITIES:		
Long-term borrowings	716	1,025
Deferred tax liabilities, net	177	1
Total non-current liabilities	<u>893</u>	<u>1,026</u>
CURRENT LIABILITIES:		
Short-term borrowings	1,814	471
Trade payables	1,165	652
Other payables and accrued expenses	210	786
Taxes payable	141	90
Total current liabilities	<u>3,330</u>	<u>1,999</u>
TOTAL LIABILITIES	<u>4,223</u>	<u>3,025</u>
TOTAL EQUITY AND LIABILITIES	<u>13,184</u>	<u>11,469</u>



OJSC "VEROPHARM"

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR 9 MONTHS OF 2013

(in millions of Russian Roubles)

	<u>9m.2013</u>	<u>9m.2012</u>
OPERATING ACTIVITIES:		
Profit for the year	465	938
Adjustments to profit for the year:		
Income tax	216	283
Interest expense	137	78
Interest income	(51)	(117)
Depreciation and amortization	93	104
Loss on disposal of other intangible assets and property, plant and equipment	4	(1)
Change in allowance for doubtful debts	26	15
Change in inventory obsolescence allowance	28	63
Foreign currency exchange (gain)/loss, net	90	66
Unused employment benefits	-	-
Profit before movements in working capital	<u>1,008</u>	<u>1,429</u>
Movements in working capital:		
Increase in inventories	(89)	(113)
Increase in trade receivables	278	401
Decrease/(Increase) in other receivables and prepaid expenses	267	(559)
Decrease/(Increase) in trade payables	427	(701)
Increase in other payables and taxes payable	(463)	(454)
Cash generated from operations	<u>1,428</u>	<u>3</u>
Interest paid	(149)	(99)
Income taxes paid	(39)	(148)
Net cash generated by operating activities	<u>1,240</u>	<u>(244)</u>
INVESTING ACTIVITIES:		
Purchase of property, plant, equipment	(1,976)	(623)
Proceeds from disposal of property, plant, equipment	5	5
Purchase of intangible assets	(357)	(20)
Proceeds from repayment of loans given	-	27
Net cash used in investing activities	<u>(2,328)</u>	<u>(611)</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings	1,785	2,220
Repayment of borrowings and obligations under finance leases	(752)	(1,124)
Net cash used in financing activities	<u>1,033</u>	<u>1,096</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(54)</u>	<u>241</u>
Effect of exchanges in balance of cash held in foreign currencies	(5)	-
CASH AND CASH EQUIVALENTS, beginning of period	308	80
CASH AND CASH EQUIVALENTS, end of period	<u>249</u>	<u>322</u>