

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS STATEMENT
9 months ending 30 September 2008
(in US dollars and in thousands)

	Q3 2008	Q3 2007	9m 2008	9m 2007
Revenue	254 417	200 178	813 212	590 630
Cost of sales	(163 259)	(135 329)	(539 822)	(394 885)
Gross Profit	91 158	64 849	273 390	195 745
SGA	(85 671)	(72 797)	(269 476)	(197 176)
Share-based payments	233		(215)	-
Operating Profit	5 720	(7 947)	3 701	(1 431)
Finance costs	(9 056)	(11 376)	(29 762)	(23 271)
Other income/(loss)	(1 095)	795	(790)	266
Foreign currency exchange gain/(loss)	(6 554)	(2 045)	(7 196)	(2 254)
Income before tax and investment activity	(10 984)	(20 573)	(34 048)	(26 690)
Gain on sale of investment	16 928	-	16 928	-
Disposal of discontinued operation	157		35 617	
Income tax expense	214	(2 057)	(9 687)	(7 468)
Minority interest	(2 699)	(2 390)	(13 324)	(7 716)
Profit for the period	<u>3 616</u>	<u>(25 020)</u>	<u>(4 513)</u>	<u>(41 876)</u>

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES ,
CONSOLIDATED BALANCE SHEET
9 months ending 30 September 2008
(in US dollars and in thousands)

ASSETS	9m 2008	9m 2007
NON-CURRENT ASSETS:		
Property, plant & equipment	133 865	132 557
Goodwill	222 683	215 840
Intangible assets	10 915	11 707
Other assets	1 552	16 217
Total non-current assets	369 015	376 321
CURRENT ASSETS:		
Inventories	161 145	131 751
Accounts receivable (net of bad debt provision)	123 690	100 701
Other receivables and prepaid expenses	104 746	64 637
Cash&Cash equivalents	33 099	35 282
Total current assets	422 680	332 371
TOTAL ASSETS	791 695	708 692
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY:		
Share capital	198	159
Additional paid-in capital	120 103	13 514
Translation reserve	9 660	12 574
Retained earnings	(38 447)	23 550
Total shareholders' equity	91 513	49 797
MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES	178 168	142 759
LONG-TERM LIABILITIES:		
Long-term debt	33 334	13 903
Share-based payment liability	575	7 995
Deferred income tax payable	4 035	368
Long term lease payable	425	
Total long-term liabilities	38 369	22 266
CURRENT LIABILITIES:		
Accounts payable	246 689	145 684
Borrowings	160 417	308 654
Other payables and accrued expenses	50 771	27 419
Taxes payable	23 605	10 917
Current portion of share-based payments liability	560	
Current portion of lease payable	1 600	1 196
Total current liabilities	483 644	493 870
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	791 695	708 692

**OAo PHARMACY CHAIN 36.6 AND SUBSIDIARIES,
CONSOLIDATED STATEMENT OF CASH FLOWS
9 months ending 30 September 2008
(in US dollars and in thousands)**

	3Q2008	3Q2007	9m 2008	9m 2007
OPERATING ACTIVITIES:				
Income/(loss) before taxation and minority interest	(10 984)	(20 573)	(34 048)	(26 691)
Depreciation and amortization	4 896	5 784	16 589	14 262
Loss on disposal of property, plant and equipment and unrealized investments	1 095	(290)	790	-
Impairment recognized (reversed) on accounts receivables	(807)	76	(974)	191
Unused vacation provision	(637)		596	-
Inventory provision and write-off	1 387		5 025	-
Share based payments expenses	(233)		215	-
Foreign exchange loss/(gain) on financing and investing activities	6 554	2 045	7 196	2 254
Finance costs	9 056	11 376	29 762	23 270
Operating cash flow before working capital changes	10 327	(1 582)	25 151	13 286
Increase in inventories	1 600	(8 006)	4 077	(18 766)
Increase in accounts receivable	(13 251)	(19 396)	(22 793)	(27 142)
Increase in other receivables and prepaids	(10 856)	(14 616)	(38 281)	(25 622)
Increase in accounts payable	(54 559)	30 383	45 142	33 473
Increase in other payables and accruals	(3 024)	819	6 090	2 782
Cash flows from operations	(69 763)	(12 398)	19 386	(21 989)
Income taxes paid	(1 255)	(3 257)	(13 215)	(9 868)
Finance cost paid	(3 469)	(10 527)	(20 643)	(16 749)
Net cash outflow operating activities	(74 478)	(26 182)	(14 472)	(48 606)
INVESTING ACTIVITIES:				
Net cash outflow on acquisition of subsidiaries	(4 266)	(14 748)	(13 365)	(38 242)
Purchase of property, plant, equipment	(778)	(9 572)	(6 802)	(27 075)
Purchase of intangible assets	(749)		(1 121)	
Net cash inflow on disposal of discontinued operation	(3 881)		107 256	
Net cash inflow on sale of investment	37 351		37 351	
Loans to related parties		(7 566)		(7 566)
Net cash outflow from investing activities	27 677	(31 886)	123 319	(72 883)
FINANCING ACTIVITIES:				
Proceeds from new borrowings, net	(42 993)	26 294	(106 112)	55 486
Proceeds from subsidiary (consortium of investors)		25 000		85 000
Net cash inflow from financing activities	(42 993)	51 294	(106 112)	140 486
Effect of translation to presentation currency	(5 422)	1 911	(2 525)	3 316
NET INCREASE (DECREASE) IN CASH	(95 225)	(4 863)	212	22 313
CASH, beginning of year	128 324	40 145	32 887	12 969
CASH, end of period	33 099	35 282	33 099	35 282