



OJSC "VEROPHARM"
CONSOLIDATED INCOME STATEMENT
FOR PERIOD ENDING 30 JUNE 2011
(in thousands of rubles)

	6m2011	6m2010
Revenue	3 154 806	2 673 162
Cost of sales	(901 393)	(713 316)
Gross profit	2 253 413	1 959 846
Selling, general and administrative expenses	(1 254 613)	(1 103 548)
Operating income	998 799	856 298
Interest expense	2 136	(36 616)
Foreign currency exchange gain/(loss)	(16 866)	(1 702)
Profit before income tax expense	984 070	817 980
Income tax expense	(103 442)	(88 589)
Net profit	880 628	729 391



OJSC “VEROPHARM”
CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2011

(in thousands of rubles)

	<u>30.06.2011</u>	<u>31.12.2010</u>
ASSETS		
NON-CURRENT ASSETS:		
Property, plant & equipment, net	906 001	843 624
Goodwill	287 311	287 311
Intangible assets	78 216	73 651
Peffered tax assets, net	8 036	
Total non-current assets	<u>1 279 564</u>	<u>1 204 586</u>
CURRENT ASSETS:		
Inventories	1 373 991	1 248 904
Trade receivables	4 963 347	4 465 145
Other receivables and prepaid expenses	666 295	388 375
Loans receivable	396 793	174 994
Cash	18 718	19 126
Total current assets	<u>7 419 144</u>	<u>6 296 544</u>
TOTAL ASSETS	<u>8 698 708</u>	<u>7 501 130</u>
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	10 000	10 000
Other reserves	500	500
Retained earnings	6 925 930	6 235 304
Total equity	<u>6 936 430</u>	<u>6 245 804</u>
NON-CURRENT LIABILITIES:		
Long-term borrowings	234 734	169 313
Deferred tax liability	-	40 555
Finance lease obligations	2 250	6 162
Total non-current liabilities	<u>236 984</u>	<u>216 030</u>
CURRENT LIABILITIES:		
Short-term borrowings	527 931	295 484
Trade payables	309 052	275 819
Other payables	523 361	251 576
Finance lease obligations, current maturities	8 093	8 312
Tax payable	156 857	208 105
Total current liabilities	<u>1 525 294</u>	<u>1 039 296</u>
TOTAL LIABILITIES	<u>1 762 278</u>	<u>1 255 326</u>
TOTAL EQUITY AND LIABILITIES	<u>8 698 708</u>	<u>7 501 130</u>



OJSC "VEROPHARM"
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR PERIOD ENDING 30 JUNE 2011
(in thousands of rubles)

	<u>1H 2011</u>	<u>1H 2010</u>
OPERATING ACTIVITIES:		
Profit for the year	880 628	729 391
Adjustments for		
Income tax	103 442	88 589
Interest expense	30 687	72 738
Interest income	(32 823)	(36 122)
Depreciation and amortization	73 561	61 407
(Gain) / Loss on disposal of FA	35	-
Change in inventory obsolescence allowance	27 990	102 263
Foreign exchange (gain) loss	16 866	1 702
Loss on write off other receivables		2
Change in allowance for doubtful debts	(219)	(11 986)
Unused employment benefits	14 625	2 062
Profit before movements in working capital	<u>1 114 792</u>	<u>1 010 046</u>
Movements in working capital:		
Inventories	(152 731)	(113 756)
Trade receivables	(497 983)	(674 047)
Other receivables and prepaid expenses	(287 072)	(112 619)
Trade payables	33 233	70 042
Other payables and accruals	234 777	(18 428)
Cash generated from operations	<u>445 016</u>	<u>161 238</u>
Income taxes paid	(355 641)	(58 977)
Interest paid	(27 556)	(89 495)
Interest received	1 473	
Net cash generated by operating activities	<u>63 292</u>	<u>12 766</u>
INVESTING ACTIVITIES:		
Purchase of property, plant, equipment	(124 362)	(54 201)
Proceeds from disposal of property, plant and equipment	1 115	
Proceeds from sale of investments		200 000
Purchase of intangible assets	(16 522)	(23 549)
Proceeds from loans given to related parties	(221 799)	27 929
Net cash used in investing activities	<u>(361 568)</u>	<u>150 179</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings	724 454	704 056
Repayment of borrowings	(426 586)	(892 064)
Net cash generated from financing activities	<u>297 868</u>	<u>(188 008)</u>
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(408)	(25 063)
CASH AND CASH EQUIVALENTS, beginning of period	19 126	64 814
CASH AND CASH EQUIVALENTS, end of period	<u><u>18 718</u></u>	<u><u>39 751</u></u>