OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENT AS OF MARCH 31, 2006 *(in US dollars and in thousands)*

	3m2006	3m2005
Net sales	99 219	65 435
Cost of sales Gross profit Selling, general and administrative expenses	<u>-63 484</u> 35 735 -32 369	-41 027 24 408 -22 748
Operating income Interest expense	<u> </u>	1 660 -2 592
Non-operating income (net) Foreign currency exchange gain (loss)	2 179 1 680	60 -3
Income before taxation and minority interest Loss from investment activity	2 915 -185	-874
Income tax expense Minority interest	-1 793 -646	-148 -42
Net income	291	-1 063

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2006 *(in US dollars and in thousands)*

	3m2006	FY2005
ASSETS		
NON-CURRENT ASSETS:		
Intangible assets, net	43 402	36 431
Property, plant & equipment, net	85 800	84 638
Other long-term assets	1 502	4 194
Total non-current assets	130 704	125 264
CURRENT ASSETS:		
Inventories	59 764	49 680
Accounts receivable (net of bad debt provision)	41 325	38 195
Other receivables and prepaid expenses	24 672	23 653
Cash&Cash equivalents	5 403	7 863
Total current assets	131 163	119 391
TOTAL ASSETS	261 867	244 655
SHAREHOLDERS' EQUITY AND LIABILITIES SHAREHOLDERS' EQUITY:		
Share capital	185	178
Additional paid-in capital	15 502	14 953
Retained earnings	36 561	33 221
Total shareholders' equity	52 248	48 351
MINORITY INTEREST	16 013	14 808
LONG-TERM LIABILITIES:		
Long-term debt	72 650	82 019
Deferred taxation	7 093	7 178
Long-term portion of the finance leases payable	285	275
Total long-term liabilities	80 028	89 472
CURRENT LIABILITIES:		
Accounts payable	59 214	52 579
Other payables and accrued expenses	11 322	11 613
Current portion of short-term debt	43 041	27 832
Total current liabilities	113 577	92 024
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	261 867	244 655

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES CONSOLIDATED STATEMENT CASH FLOWS AS OF MARCH 31, 2006

(in US dollars and in thousands)

OPERATING ACTIVITIES: Income before taxation and minority interests Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities: Effect of depreciation and amoritzation2 915-874Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities: Effect of depreciation and amoritzation2 0771 794Effect of obes on disposal of property, plant and equipment Foreign exchange (gain) loss on financing and investing activities1 680-3Interest expense4 3092 592Operating cash flow before working capital changes5 3533 569Changes in operating assets and liabilities Accounts receivable-2 463-2 211Other receivables and prepaids-1 168-646Accounts receivable-2 463-2 211Other receivables and prepaids-1 168-646Accounts payable4 6961 896Other payables and accruals322-138Inventories-10 084-1 070Cash flow from operating activities-2 6591-2 287Interest paid-960-282Interest paid-960-282Interest paid-2 0540Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment-0 0836 266Net cash unflow from investing activities-0 033-2 2460Proceeds form borrowings, net6 0836 266<		3m2006	3m2005
Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities: 2 077 1 794 Effect of loss on disposal of property, plant and equipment -2 268 60 Foreign exchange (gain) loss on financing and investing activities -1 680 -3 Interest expense 4 309 2 592 Operating cash flow before working capital changes 5 353 3 569 Changes in operating assets and liabilities -2 463 -2 211 Accounts receivable -2 463 -2 211 Other receivables and prepaids -1 168 -646 Accounts payable 4 696 1 896 Other payables and accruals 322 -138 Inventories -10 084 -1 070 Cash flow from operations -3 344 1 401 Income taxes paid -960 -282 Interest paid -960 -282 Net cash outflow from operating activitites -1 174	OPERATING ACTIVITIES:		
Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities: 2 077 1 794 Effect of loss on disposal of property, plant and equipment -2 268 60 Foreign exchange (gain) loss on financing and investing activities -1 680 -3 Interest expense 4 309 2 592 Operating cash flow before working capital changes 5 353 3 569 Changes in operating assets and liabilities -2 463 -2 211 Accounts receivable -2 463 -2 211 Other receivables and prepaids -1 168 -646 Accounts payable 4 696 1 896 Other payables and accruals 322 -138 Inventories -10 084 -1 070 Cash flow from operations -3 344 1 401 Income taxes paid -960 -282 Interest paid -960 -282 Net cash outflow from operating activitites -1 174		2 915	-874
Effect of loss on disposal of property, plant and equipment-2 26860Foreign exchange (gain) loss on financing and investing activities-1 680-3Interest expense4 3092 592Operating cash flow before working capital changes5 3533 569Changes in operating assets and liabilities-2 463-2 211Other receivable-2 463-2 211Other receivables and prepaids-1 168-646Accounts payable4 6961 896Other payables and accruals3 22-1 38Inventories-10 084-1 070Cash flow from operating activities-3 3441 401Income taxes paid-960-282Interest paid-2 257-2 292Net cash outflow from operating activities-6 591-1 174INVESTING ACTIVITIES:-2 0540Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment-6 2050Net cash outflow from investing activities-1 952-2 764FINANCING ACTIVITIES:-1 952-2 764Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities-0 363Other case (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities:		
Foreign exchange (gain) loss on financing and investing activities1 680.3Interest expense4 3092 592Operating cash flow before working capital changes5 3533 569Changes in operating assets and liabilities-2 463-2 211Accounts receivable-2 463-2 211Other receivables and prepaids-1 168-646Accounts payable4 6961 896Other payables and accruals322-138Inventories-10 084-1 070Cash flow from operations-3 3441 401Income taxes paid-960-282Interest paid-960-282Interest paid-960-282Net cash outflow from operating activities-6 591Inversering ACTIVITIES:-6 104-2 764Proceeds on disposal of property, plant, equipment-6 104-2 764Proceeds from borrowings, net6 0836 266Net cash outflow from financing activities-1 952-2 764FINANCING ACTIVITIES:-0-3553Net cash inflow from financing activities-1 952-2 764FINANCING ACTIVITIES:-0-3553Net increase (decrease) on cash flows-0-3553Net increase (decrease) on cash flows-0-3553Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	•	2 077	1 794
Interest expense4 309 2 592Operating cash flow before working capital changes5 353Changes in operating assets and llabilities Accounts receivable-2 463Other receivables and prepaids-1 168-6464 696Accounts payable4 696Other payables and accruals322Inventories-10 084Inventories-3 344Inventories-3 344Income taxes paid-960-282-2 287Interest paid-960-282-1174Investing ACTIVITIES:-6 591Acquisitions of businesses, net of cash acquiredProceeds on disposal of property, plant, equipmentProceeds on disposal of property, plant, equipmentProceeds from borrowings, net6 0836 266Effect of translation on cash flows03533Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 863CASH, beginning of period		-2 268	60
Operating cash flow before working capital changes5 3533 569Changes in operating assets and liabilities Accounts receivable-2 463-2 211Other receivables and prepaids-1 168-646Accounts payable4 6961 896Other payables and accruals322-138Inventories-10 084-1 070Cash flow from operations-3 3441 401Income taxes paid-960-282Interest paid-2 0540Investing ACTIVITIES:-6 591-1 174Acquisitions of businesses, net of cash acquired-2 0540Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment-1 952-2 764FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities-1 952-2 764FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities-1 952-2 764FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266CASH, beginning of period7 8631 662		-1 680	-3
Changes in only border broking capate entrigedChanges in operating assets and liabilitiesAccounts receivable-2 463-2 211Other receivables and prepaids-1 168-646Accounts payable4 6961886Other payables and accruals10 084-2 054-2 287-2 287-2 292Net cash outflow from operating activities-1 952-2 764FINANCING ACTIVITIES:Proceeds from borrowings, net-2 6083-2 460-2 640-2 640-2 640-2 640-2 640-2 640-2 640-2 640-2 640-2 640-2 640	Interest expense		2 592
Accounts receivable $-2 463$ $-2 211$ Other receivables and prepaids $-1 168$ -646 Accounts payable4 6961 896Other payables and accuals 322 -138 Inventories $-10 084$ $-1 070$ Cash flow from operations $-3 344$ 1 401Income taxes paid -960 -282 Interest paid -960 -282 Net cash outflow from operating activities $-6 591$ $-1 174$ INVESTING ACTIVITIES: $-6 104$ $-2 764$ Acquisitions of businesses, net of cash acquired $-2 054$ 0 Purchase of property, plant, equipment $-6 104$ $-2 764$ Proceeds on disposal of property, plant, equipment $-6 205$ 0 Net cash outflow from investing activities $-1 952$ $-2 764$ FINANCING ACTIVITIES: $6 083$ $6 266$ Net cash inflow from financing activities $-1 952$ $-2 764$ FINANCING ACTIVITIES: $6 083$ $6 266$ Net cash inflow from financing activities $-2 460$ $2 460$ CASH, beginning of period $7 863$ $1 662$	Operating cash flow before working capital changes	5 353	3 569
Accounts receivable $-2 \ 463$ $-2 \ 211$ Other receivables and prepaids $-1 \ 168$ -646 Accounts payable4 6961 896Other payables and accruals322 -138 Inventories $-10 \ 084$ $-1 \ 070$ Cash flow from operations $-3 \ 344$ 1 401Income taxes paid -960 -282 Interest paid -960 -282 Net cash outflow from operating activities $-6 \ 591$ $-1 \ 174$ INVESTING ACTIVITIES: $-6 \ 591$ $-1 \ 174$ Acquisitions of businesses, net of cash acquired $-2 \ 054$ 0 Purchase of property, plant, equipment $-6 \ 104$ $-2 \ 764$ Proceeds on disposal of property, plant, equipment $-6 \ 104$ $-2 \ 764$ Proceeds from borrowings, net $6 \ 083$ $6 \ 266$ Net cash outflow from financing activities $-1 \ 952$ $-2 \ 764$ FINANCING ACTIVITIES: $-1 \ 952$ $-2 \ 764$ Proceeds from borrowings, net $6 \ 083$ $6 \ 266$ Net cash inflow from financing activities $-2 \ 460$ $2 \ 460$ CASH, beginning of period $7 \ 863$ $1 \ 622$	Changes in operating assets and liabilities		
Accounts payable $4 696$ $1 896$ Other payables and accruals 322 -138 Inventories $-10 084$ $-1 070$ Cash flow from operations $-3 344$ $1 401$ Income taxes paid -960 -282 Interest paid $-2 287$ $-2 292$ Net cash outflow from operating activities $-6 591$ $-1 174$ INVESTING ACTIVITIES: $-6 591$ $-1 174$ Acquisitions of businesses, net of cash acquired $-2 054$ 0 Purchase of property, plant, equipment $-6 104$ $-2 764$ Proceeds on disposal of property, plant, equipment $6 205$ 0 Net cash outflow from investing activities $-1 952$ $-2 764$ FINANCING ACTIVITIES: $Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities-1 952-2 764FINANCING ACTIVITIES:0353Net increase (decrease) on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662$		-2 463	-2 211
Other payables and accruals 322 -138 Inventories $-10\ 084$ $-1\ 070$ Cash flow from operations $-3\ 344$ $1\ 401$ Income taxes paid -960 -282 Interest paid $-2\ 2287$ $-2\ 292$ Net cash outflow from operating activities $-6\ 591$ $-11\ 74$ INVESTING ACTIVITIES: $-6\ 104$ $-2\ 054$ 0 Purchase of property, plant, equipment $-6\ 104$ $-2\ 764$ Proceeds on disposal of property, plant, equipment $-6\ 205$ 0 Net cash outflow from investing activities $-1\ 952$ $-2\ 764$ FINANCING ACTIVITIES: Proceeds from borrowings, net $6\ 083$ $6\ 266$ Net cash inflow from financing activities $-1\ 952$ $-2\ 764$ FINANCING ACTIVITIES: Proceeds from borrowings, net $6\ 083$ $6\ 266$ Net cash inflow from financing activities $-0\ 353$ $-2\ 2\ 460$ CASH, beginning of period $7\ 863$ $1\ 662$	Other receivables and prepaids	-1 168	-646
Inventories $-10\ 084$ $-1\ 070$ Cash flow from operations $-3\ 344$ 1401Income taxes paid -960 -282 Interest paid -960 -282 Net cash outflow from operating activities $-6\ 591$ $-1\ 174$ INVESTING ACTIVITIES: $-6\ 591$ $-1\ 174$ Acquisitions of businesses, net of cash acquired $-2\ 054$ 0 Purchase of property, plant, equipment $-6\ 104$ $-2\ 764$ Proceeds on disposal of property, plant, equipment $-1\ 952$ $-2\ 764$ FINANCING ACTIVITIES: $-1\ 952$ $-2\ 764$ Proceeds from borrowings, net $6\ 083$ $6\ 266$ Net cash outflow from financing activities $-1\ 952$ $-2\ 764$ FINANCING ACTIVITIES: Proceeds from borrowings, net $6\ 083$ $6\ 266$ Net cash inflow from financing activities $-0\ 353$ 353 Net increase (decrease) on cash flows $-2\ 460$ $2\ 681$ CASH, beginning of period $7\ 863$ $1\ 662$	Accounts payable	4 696	1 896
Cash flow from operations11000411070Cash flow from operations-3 3441 401Income taxes paid-960-282Interest paid-2 287-2 292Net cash outflow from operating activities-6 591-1 174INVESTING ACTIVITIES:-6 104-2 764Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment6 2050Net cash outflow from investing activities-1 952-2 764FINANCING ACTIVITIES:-1 952-2 764Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities-0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Other payables and accruals	322	-138
Income taxes paid Interest paid -960 -282 Interest paidNet cash outflow from operating activities $-2 287$ $-2 292$ Interest paidNet cash outflow from operating activities $-6 591$ $-1 174$ INVESTING ACTIVITIES: Acquisitions of businesses, net of cash acquired Purchase of property, plant, equipmentPurchase of property, plant, equipment $-6 104$ $-2 764$ Proceeds on disposal of property, plant, equipment $-6 104$ $-2 764$ Proceeds on disposal of property, plant, equipment $-6 205$ 0 Net cash outflow from investing activities $-1 952$ $-2 764$ FINANCING ACTIVITIES: Proceeds from borrowings, net $6 083$ $6 266$ Net cash inflow from financing activities $-6 083$ $6 266$ Effect of translation on cash flows $-2 460$ $2 681$ CASH, beginning of period $7 863$ $1 662$	Inventories	-10 084	-1 070
Interest paid-2 287 -2 292Net cash outflow from operating activities-6 591INVESTING ACTIVITIES: Acquisitions of businesses, net of cash acquired-2 054Purchase of property, plant, equipment-6 104Proceeds on disposal of property, plant, equipment6 205O-1 952Vet cash outflow from investing activitiesFINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 0836 266Effect of translation on cash flows00353Net increase (decrease) on cash flows-2 460CASH, beginning of period7 8631 defe	Cash flow from operations	-3 344	1 401
Net cash outflow from operating activities-1174INVESTING ACTIVITIES: Acquisitions of businesses, net of cash acquired-2 0540Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment6 2050Net cash outflow from investing activities-1 1952-2 764FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities0353Net cash inflow from financing activities0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Income taxes paid	-960	-282
INVESTING ACTIVITIES: Acquisitions of businesses, net of cash acquired-2 0540Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment6 2050Net cash outflow from investing activities-1 952-2 764FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities6 0836 266Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Interest paid	-2 287	-2 292
Acquisitions of businesses, net of cash acquired-2 0540Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment6 2050Net cash outflow from investing activities-1 952-2 764FINANCING ACTIVITIES:Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities6 0836 266Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Net cash outflow from operating activities	-6 591	-1 174
Purchase of property, plant, equipment-6 104-2 764Proceeds on disposal of property, plant, equipment6 2050Net cash outflow from investing activities-1 952-2 764FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities6 0836 266Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	INVESTING ACTIVITIES:		
Proceeds on disposal of property, plant, equipment6 2050Net cash outflow from investing activities-1 952-2 764FINANCING ACTIVITIES: Proceeds from borrowings, netProceeds from borrowings, net6 0836 266Net cash inflow from financing activities6 0836 266Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Acquisitions of businesses, net of cash acquired	-2 054	0
Net cash outflow from investing activities-2 764FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities Effect of translation on cash flows6 0836 266Net increase (decrease) on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Purchase of property, plant, equipment	-6 104	-2 764
FINANCING ACTIVITIES: Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Proceeds on disposal of property, plant, equipment	6 205	0
Proceeds from borrowings, net6 0836 266Net cash inflow from financing activities6 0836 266Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Net cash outflow from investing activities	-1 952	-2 764
Net cash inflow from financing activities6 0836 266Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	FINANCING ACTIVITIES:		
Effect of translation on cash flows0353Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Proceeds from borrowings, net	6 083	6 266
Net increase (decrease) on cash flows-2 4602 681CASH, beginning of period7 8631 662	Net cash inflow from financing activities	6 083	6 266
CASH, beginning of period 7 863 1 662	Effect of translation on cash flows	0	353
	Net increase (decrease) on cash flows	-2 460	2 681
	CASH, beginning of period	7 863	1 662
		5 403	4 343