OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENT AS OF JUNE 30, 2006

(in US dollars and in thousands)

	6m2006	6m2005
Net sales	217 626	135 171
Cost of sales	-138 821	-83 969
Gross profit	78 805	51 202
Selling. general and administrative expenses	-74 628	-45 799
Non-recurring expenses	-	-992
Operating income	4 177	4 411
Interest expense	-6 446	-5 452
Non-operating income (net)	2 184	56
Foreign currency exchange gain (loss)	2 627	-27
Income before taxation and minority interest	2 542	-1 012
Loss from investment activity	-860	-
Income tax expense	-2 869	-1 486
Result from sale of investment	53 102	-
Minority interest	-2 437	-19
Net income	49 478	-2 518

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2006

(in US dollars and in thousands)

	6m2006	FY2005
ASSETS		
NON-CURRENT ASSETS:		
Intangible assets. net	59 997	36 431
Property. plant & equipment. net	91 789	84 638
Other long-term assets	8 306	4 194
Total non-current assets	160 092	125 264
CURRENT ASSETS:		
Inventories	73 483	49 680
Accounts receivable (net of bad debt provision)	52 753	38 195
Other receivables and prepaid expenses	30 381	23 653
Cash&Cash equivalents	32 924	7 863
Total current assets	189 541	119 391
TOTAL ASSETS	349 633	244 655
SHAREHOLDERS' EQUITY AND LIABILITIES SHAREHOLDERS' EQUITY:		
Share capital	187	178
Additional paid-in capital	15 729	14 953
Retained earnings	84 687	33 221
Total shareholders' equity	100 603	48 351
MINORITY INTEREST	37 981	14 808
LONG-TERM LIABILITIES:		
Long-term debt	55 994	82 019
Deferred taxation	7 112	7 178
Long-term portion of the finance leases payable	429	275
Total long-term liabilities	63 535	89 472
CURRENT LIABILITIES:		
Accounts payable	75 154	52 579
Other payables and accrued expenses	13 216	11 613
Short-term debt	59 144	27 832
Total current liabilities	147 514	92 024
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	349 633	244 655

OAO PHARMACY CHAIN 36.6 AND SUBSIDIARIES CONSOLIDATED STATEMENT CASH FLOWS AS OF JUNE 30, 2006

(in US dollars and in thousands)

DPERATING ACTIVITIES: 1.000 1.00		6m2006	6m2005
Adjustments to reconcile income before taxation and minority interest to net cash used in operating activities: Effect of depreciation and amortization 4 979 3 707 Effect of loss on disposal of property, plant and equipment -2 325 99 Effect of loss on disposal of other receivables - 108 - 108 Effect of gain on disposal of debt - 644 54 Effect of provision for doubful receivables - 644 54 Foreign exchange (gain) loss on financing and investing activities - 2 627 26 Interest expense - 6 447 5 464 Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities - 14 968 - 5 684 Accounts receivable - 14 968 - 5 684 Other receivables and prepaids - 4 911 - 5 404 Accounts receivable - 14 968 - 5 684 Other payables and accruals - 4 911 - 5 404 Accounts receivable - 2 1 803 - 1 615 Cash flow from operations - 2 1 803 - 1 615 Cash flow from operations - 2 2 810	OPERATING ACTIVITIES:		
cash used in operating activities: 4 979 3 707 Effect of depreciation and amortization 4 979 3 707 Effect of loss on disposal of property, plant and equipment 2- 325 99 Effect of loss on disposal of other receivables - 946 Effect of provision for doubful receivables 644 54 Effect of provision for doubful receivables 6447 546 Foreign exchange (gain) loss on financing and investing activities 2- 627 26 Interest expense 6 447 5 464 Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities 4 911 5 684 Accounts receivable 14 968 5 684 Accounts receivable 14 968 5 684 Accounts payable and prepaids 4 911 5 404 Accounts payables and prepaids 4 911 5 404 Accounts payables and accruals 3 474 6-93 Inventories 2 1 803 -1 615 Cash flow from operations -1 2 478 572 Cash flow from fower f	Income before taxation and minority interests	2 540	-990
Effect of loss on disposal of property, plant and equipment 2 325 99 Effect of loss on disposal of other receivables - 946 Effect of provision for doubful receivables 644 54 Effect of provision for doubful receivables 644 54 Foreign exchange (gain) loss on financing and investing activities 2 627 26 Interest expense 6 447 5 464 Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities -14 968 -5 684 Accounts receivable -14 968 -5 684 Accounts payable and prepaids 4 911 -5 404 Accounts payable and prepaids 4 911 -5 404 Accounts payable and accruals 3 474 -693 Inventories -21 803 -1615 Cash flow from operations -21 803 -1657 Cash flow from operations -24 89 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -2 28 10 -842 Purchase of property, plant.	cash used in operating activities:		
Effect of loss on disposal of other receivables - 946 Effect of gain on disposal of debt - -108 Effect of provision for doubful receivables 644 54 Foreign exchange (gain) loss on financing and investing activities -2 627 26 Interest expense 6 447 5 464 Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities - -14 968 -5 684 Accounts receivables and prepaids 4 911 -5 404 Accounts payable 16 072 4 770 Other payables and accruals 3 474 -693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -2 489 -1 342 Interest paid -2 380 -5 477 Net cash outflow from operating activities -2 2810 -842 Purchase of property, plant, equipment -1 67 73 -9 753 Purchase of financial instruments -3 000 </td <td>·</td> <td>4 979</td> <td>3 707</td>	·	4 979	3 707
Effect of gain on disposal of debt - 108 Effect of provision for doubful receivables 644 54 Foreign exchange (gain) loss on financing and investing activities -2 627 26 Interest expense 6 447 5 464 Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities -14 968 -5 684 Accounts receivable -14 968 -5 684 Other receivables and prepaids -4 911 -5 684 Accounts payable 16 072 4 770 Other payables and accruals 3 474 -693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -2 489 -1 342 Interest paid -2 363 -5 477 Net cash outflow from operating activities -22 810 -842 Purchase of property, plant. equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proce	· · · · · · · · · · · · · · · · · · ·	-2 325	99
Effect of provision for doubful receivables 644 54 Foreign exchange (gain) loss on financing and investing activities 2. 627 26 Interest expense 6447 5 464 Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities - 14 968 5 684 Accounts receivables and prepaids - 14 901 - 5 404 Accounts payable 16 072 4 770 Other payables and accruals 3 474 - 693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -2 489 -1 342 Interest paid -2 489 -5 477 Net cash outflow from operating activities -21 353 -5 247 INVESTING ACTIVITIES: -22 810 -842 Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of financial instruments -3 000 - Proceeds on disposal of property. plant. equipment 6 205		-	946
Foreign exchange (gain) loss on financing and investing activities 2.627 26 Interest expense 6.447 5.464 Operating cash flow before working capital changes 9.658 9.198 Changes in operating assets and liabilities - - Accounts receivable -14.968 -5.684 Other receivables and prepaids -4.911 -5.404 Accounts payable 16.072 4.770 Other payables and accruals 3.474 -693 Inventories -21.803 -1.615 Cash flow from operations -12.478 572 Income taxes paid -2.489 -1.342 Interest paid -6.386 -5.477 Net cash outflow from operating activities -21.353 -6.247 INVESTING ACTIVITIES: Acquisitions of businesses, net of cash acquired -22.810 -842 Purchase of property, plant, equipment -16.773 -9.753 Purchase of equity interest in subsidiaries -3.000 - Proceeds from sale of investments, net of transactions amount 74.506 - </td <td></td> <td>-</td> <td>-108</td>		-	-108
Interest expense 6 447 5 464 Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities -14 968 5 684 Accounts receivable -14 968 5 684 Other receivables and prepaids -4 911 5 404 Accounts payable 16 072 4 770 Other payables and accruals 3 474 -693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 803 -6 247 INVESTING ACTIVITIES: -22 810 -842 Purchase of property, plant, equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property, plant, equipment -6 205 - Purchase of equity interest in subsidiaries - -1 007 Proceeds from sale of investments, net of transactions amount 74 506 - <td>·</td> <td>644</td> <td>54</td>	·	644	54
Operating cash flow before working capital changes 9 658 9 198 Changes in operating assets and liabilities -14 968 -5 684 Accounts receivable -14 968 -5 684 Other receivables and prepaids -4 911 -5 404 Accounts payable 16 072 4 770 Other payables and accruals 3 474 -693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of financial instruments -3 000 - Purchase of financial instruments -3 000 - Proceeds on disposal of property, plant. equipment 6 205 - Purchase of equity interest in subsidiaries - 1007 Proceeds from sale of investments. net of transactions amount 74 506 - <		-2 627	26
Changes in operating assets and liabilities - 14 968 - 5 684 Accounts receivable - 14 968 - 5 684 Other receivables and prepaids - 4 911 - 5 404 Accounts payable 16 072 4 770 Other payables and accruals 3 474 - 693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses net of cash acquired -22 810 -842 Purchase of property, plant, equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property, plant, equipment 6 205 - Purchase of equity interest in subsidiaries - - 1 007 Proceeds from sale of investments, net of transactions amount 74 506 - Net cash outflow from investing activities 4 574 19 891 <td>Interest expense</td> <td>6 447</td> <td>5 464</td>	Interest expense	6 447	5 464
Changes in operating assets and liabilities -14 968 -5 684 Accounts receivable -14 968 -5 684 Other receivables and prepaids -4 911 -5 404 Accounts payable 16 072 4 770 Other payables and accruals 3 474 -693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of property. plant. equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property, plant. equipment 6 205 - Proceeds from sale of investments. net of transactions amount 74 506 - Net cash outflow from investing activities 38 128 -11 602 FINANCING ACTIVITIES: Proceeds from borrowings.	Operating cash flow before working capital changes	9 658	9 198
Accounts receivable .14 968 .5 684 Other receivables and prepaids .4 911 .5 404 Accounts payable .16 072 .4 770 Other payables and accruals .3 474 .693 Inventories .21 803 .1 615 Cash flow from operations .12 478 .572 Income taxes paid .2 489 .1 342 Interest paid .6 386 .5 477 Net cash outflow from operating activities .21 353 .6 247 INVESTING ACTIVITIES: Acquisitions of businesses net of cash acquired .22 810 .842 Purchase of property, plant, equipment .16 773 .9 753 Purchase of financial instruments .3 000 Proceeds on disposal of property, plant, equipment .6 205 Proceeds of investments in subsidiaries .1 007 Proceeds from sale of investments, net of transactions amount .74 506 Net cash outflow from investing activities .1 602 FINANCING ACTIVITIES:			
Accounts payable 16 072 4 770 Other payables and accruals 3 474 -693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of property. plant. equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property. plant. equipment 6 205 - Purchase of equity interest in subsidiaries - -1 007 Proceeds from sale of investments. net of transactions amount 74 506 - Net cash outflow from investing activities 38 128 -11 602 FINANCING ACTIVITIES: Proceeds from borrowings. net 4 574 19 891 Net cash inflow from financing activities 4 574 19 891 Effect of translation on cash flows 3 711 -1 151		-14 968	-5 684
Other payables and accruals 3 474 -693 Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of property, plant, equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property, plant, equipment 6 205 - Purchase of equity interest in subsidiaries - -1 007 Proceeds from sale of investments, net of transactions amount 74 506 - Net cash outflow from investing activities 38 128 -11 602 FINANCING ACTIVITIES: Proceeds from borrowings, net 4 574 19 891 Net cash inflow from financing activities 3 711 -1 151 Net increase (decrease) on cash flows 3 711 -1 151	Other receivables and prepaids	-4 911	-5 404
Inventories -21 803 -1 615 Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of property. plant. equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property. plant. equipment 6 205 - Purchase of equity interest in subsidiaries - -1 007 Proceeds from sale of investments. net of transactions amount 74 506 - Net cash outflow from investing activities 38 128 -11 602 FINANCING ACTIVITIES: Proceeds from borrowings. net 4 574 19 891 Net cash inflow from financing activities 4 574 19 891 Effect of translation on cash flows 3 711 -1 151 Net increase (decrease) on cash flows 25 061 891 <td>Accounts payable</td> <td>16 072</td> <td>4 770</td>	Accounts payable	16 072	4 770
Cash flow from operations -12 478 572 Income taxes paid -2 489 -1 342 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of property. plant. equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property. plant. equipment 6 205 - Purchase of equity interest in subsidiaries - -1 007 Proceeds from sale of investments. net of transactions amount 74 506 - Net cash outflow from investing activities 38 128 -11 602 FINANCING ACTIVITIES: Proceeds from borrowings. net 4 574 19 891 Net cash inflow from financing activities 4 574 19 891 Effect of translation on cash flows 3 711 -1 151 Net increase (decrease) on cash flows 25 061 891	Other payables and accruals	3 474	-693
Income taxes paid Interest paid -2 489 -1 342 -1 342 -1 343 Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of property. plant. equipment -16 773 -9 753 Purchase of inancial instruments -3 000 - Proceeds on disposal of property. plant. equipment 6 205 - Purchase of equity interest in subsidiaries - - 1 007 Proceeds from sale of investments. net of transactions amount 74 506 - Net cash outflow from investing activities 38 128 -11 602 FINANCING ACTIVITIES: Proceeds from borrowings. net 4 574 19 891 Net cash inflow from financing activities 4 574 19 891 Effect of translation on cash flows 3 711 -1 151 Net increase (decrease) on cash flows 25 061 891 CASH. beginning of period 7 863 1 662	Inventories	-21 803	-1 615
Interest paid -6 386 -5 477 Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES: Acquisitions of businesses. net of cash acquired -22 810 -842 Purchase of property. plant. equipment -16 773 -9 753 Purchase of financial instruments -3 000 - Proceeds on disposal of property. plant. equipment 6 205 - Purchase of equity interest in subsidiaries - -1 007 Proceeds from sale of investments. net of transactions amount 74 506 - Net cash outflow from investing activities 38 128 -11 602 FINANCING ACTIVITIES: Proceeds from borrowings. net 4 574 19 891 Net cash inflow from financing activities 4 574 19 891 Effect of translation on cash flows 3 711 -1 151 Net increase (decrease) on cash flows 25 061 891 CASH. beginning of period 7 863 1 662	Cash flow from operations	-12 478	572
Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES:	Income taxes paid	-2 489	-1 342
Net cash outflow from operating activities -21 353 -6 247 INVESTING ACTIVITIES:	Interest paid	-6 386	-5 477
Acquisitions of businesses. net of cash acquired Purchase of property. plant. equipment Purchase of financial instruments Proceeds on disposal of property. plant. equipment Purchase of equity interest in subsidiaries Purchase of equity interest in subsidiaries Proceeds from sale of investments. net of transactions amount Proceeds from sale of investments. net of transactions amount Proceeds from borrowings activities FINANCING ACTIVITIES: Proceeds from borrowings. net Proceeds from borrowings. net Proceeds from financing activities A 574 Perfect of translation on cash flows Proceeds (decrease) on cash flows Proceeds from borrowing of period A 574 Perfect of translation on cash flows Proceeds from borrowings of period A 574 Perfect of translation on cash flows Proceeds from borrowing of period A 574 Perfect of translation on cash flows Proceeds from borrowing of period A 574 Perfect of translation on cash flows Proceeds from borrowing of period A 574 Perfect of translation on cash flows Proceeds from borrowing of period A 574 Perfect of translation on cash flows Proceeds from borrowing of period A 574 Perfect of translation on cash flows Proceeds from borrowing of period A 574 Perfect of translation on cash flows Proceeds from borrowing of period	Net cash outflow from operating activities		-6 247
Purchase of property. plant. equipment Purchase of financial instruments Proceeds on disposal of property. plant. equipment Purchase of equity interest in subsidiaries Proceeds from sale of investments. net of transactions amount Proceeds from sale of investments. net of transactions amount Proceeds from investing activities FINANCING ACTIVITIES: Proceeds from borrowings. net Proceeds from borrowings net Proceeds from borrowings activities Firect cash inflow from financing activities A 574 Perfect of translation on cash flows A 574 A 583 A 1 662	INVESTING ACTIVITIES:		
Purchase of financial instruments Proceeds on disposal of property. plant. equipment Purchase of equity interest in subsidiaries Proceeds from sale of investments. net of transactions amount Proceeds from investing activities FINANCING ACTIVITIES: Proceeds from borrowings. net Proceeds from borrowings net Proceeds from financing activities Firect of translation on cash flows CASH. beginning of period Proceeds on disposal of property. plant. equipment Proceeds from sale of investments. equipment Proceeds from sale of investments. net of transactions amount Proceeds from sale of investments. net of transactions amount Proceeds from investing activities Proceeds from borrowings. net Pro	Acquisitions of businesses. net of cash acquired	-22 810	-842
Proceeds on disposal of property, plant, equipment Purchase of equity interest in subsidiaries Proceeds from sale of investments, net of transactions amount Net cash outflow from investing activities FINANCING ACTIVITIES: Proceeds from borrowings, net Proceeds from borrowings, net A 574 Proceeds from financing activities A 574 Proceeds from financing activities A 574 A 598 Effect of translation on cash flows Net increase (decrease) on cash flows CASH, beginning of period A 578 A 583 A 585 A 586	Purchase of property. plant. equipment	-16 773	-9 753
Purchase of equity interest in subsidiaries Proceeds from sale of investments. net of transactions amount Net cash outflow from investing activities FINANCING ACTIVITIES: Proceeds from borrowings. net Net cash inflow from financing activities 4 574 19 891 Net cash inflow from financing activities Effect of translation on cash flows Net increase (decrease) on cash flows CASH. beginning of period 7 863 1 662	Purchase of financial instruments	-3 000	-
Proceeds from sale of investments. net of transactions amount Net cash outflow from investing activities FINANCING ACTIVITIES: Proceeds from borrowings. net Net cash inflow from financing activities Effect of translation on cash flows Net increase (decrease) on cash flows CASH. beginning of period 7 863 1 662	Proceeds on disposal of property. plant. equipment	6 205	-
Net cash outflow from investing activities FINANCING ACTIVITIES: Proceeds from borrowings. net Net cash inflow from financing activities Effect of translation on cash flows Net increase (decrease) on cash flows CASH. beginning of period Tenant State S	Purchase of equity interest in subsidiaries	-	-1 007
Net cash outflow from investing activities FINANCING ACTIVITIES: Proceeds from borrowings. net Net cash inflow from financing activities Effect of translation on cash flows Net increase (decrease) on cash flows CASH. beginning of period 7 863 -11 602 4 574 19 891 19 891 10 25 061 10 891	Proceeds from sale of investments. net of transactions amount	74 506	-
Proceeds from borrowings. net 4 574 19 891 Net cash inflow from financing activities 4 574 19 891 Effect of translation on cash flows 3 711 -1 151 Net increase (decrease) on cash flows 25 061 891 CASH. beginning of period 7 863 1 662	Net cash outflow from investing activities		-11 602
Proceeds from borrowings. net Net cash inflow from financing activities Effect of translation on cash flows Net increase (decrease) on cash flows CASH. beginning of period 4 574 19 891 1 9 891 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	FINANCING ACTIVITIES:		
Net cash inflow from financing activities4 57419 891Effect of translation on cash flows3 711-1 151Net increase (decrease) on cash flows25 061891CASH. beginning of period7 8631 662		4 574	19 891
Effect of translation on cash flows Net increase (decrease) on cash flows CASH. beginning of period 7 863 1 662	Net cash inflow from financing activities		
Net increase (decrease) on cash flows 25 061 891 CASH. beginning of period 7 863 1 662			
	Net increase (decrease) on cash flows		
	CASH. beginning of period	7 863	1 662
	CASH. end of period		