

PHARMACY CHAIN 36.6 OJSC AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF OPERATIONS FOR THE 6 MONTHS ENDED
JUNE 30, 2003**

(in US Dollars and in thousands)

	6 months ended June 30, 2003*	Year ended December 31, 2002*	6 months ended June 30, 2002
	(Unaudited)	(Audited)	
NET SALES	68,379	118'724	53,377
COST OF SALES	(41,987)	(72'726)	(32,797)
GROSS PROFIT	26,392	45'998	20,580
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(23,784)	(36'015)	(14,919)
OTHER OPERATING INCOME, NET	461	130	-
OPERATING INCOME	3,069	10,113	5,661
NON-OPERATING INCOME (EXPENSES):			
Interest expense	(2,890)	(6,166)	(3,291)
Net gain on monetary position			1,673
Other non-operating expenses, net	(692)	2,395	(44)
Foreign currency exchange loss	212	(1,257)	(606)
Gain on debt restructuring	-		-
INCOME BEFORE MINORITY INTERESTS AND INCOME TAX EXPENSE	(301)	5,085	3,393
Income tax expense	(666)	(2,210)	(1,041)
INCOME BEFORE MINORITY INTERESTS	(967)	2,875	2,352
Minority interests	23	405	(167)
NET INCOME	(944)	3,280	2,185

* **Note: Reclassifications** – Certain reclassifications have been made to the financial statements for the year ended December 31, 2002 and for 6 months ended 30 June, 2003 to conform to the year 2003 presentation. Such reclassifications do not effect retained earnings.

PHARMACY CHAIN 36.6 OJSC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT JUNE 30, 2003
(in US Dollars and in thousands)

	June 30, 2003 (Unaudited)	December 31, 2002 (Audited)	June 30, 2002 (Audited)
ASSETS			
NON-CURRENT ASSETS:			
Intangible assets, net	11,054	10,841	10,659
Property, plant & equipment, net	38,794	33,595	31,979
Other long-term assets	2,876	856	800
	<hr/>	<hr/>	<hr/>
Total non-current assets	52,724	45,292	43,438
CURRENT ASSETS:			
Inventories	17,469	17,378	14,600
Accounts receivable (net of bad debt provisions)	11,584	11,625	8,165
Other receivables and prepaid expenses	9,187	9,087	6,024
Available-for-sale investments			71
Cash & cash equivalents	2,205	1,315	1,680
	<hr/>	<hr/>	<hr/>
Total current assets	40,445	39,405	30,540
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	93,170	84,697	73,978
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY:			
Share capital	13,193	159	1,015
Additional paid-in capital	2,078	2,308	2,253
Other reserves	(923)	(325)	(172)
Retained earnings	23,088	22,603	19,739
	<hr/>	<hr/>	<hr/>
Total shareholders' equity	37,436	24,745	22,835
	<hr/>	<hr/>	<hr/>
MINORITY INTERESTS	2,241	2,119	2,583
	<hr/>	<hr/>	<hr/>
LONG-TERM LIABILITIES:			
Long-term debt	13,520	13,325	9,317
Deferred income tax payable	4,108	4,115	4,434
	<hr/>	<hr/>	<hr/>
Total long-term liabilities	17,629	17,440	13,751
	<hr/>	<hr/>	<hr/>
COMMITMENTS AND CONTINGENCIES	57,306	44,304	39,169
	<hr/>	<hr/>	<hr/>
CURRENT LIABILITIES:			
Accounts payable	10,849	10,929	10,053
Other payables and accrued expenses	5,288	6,458	4,484
Current portion of long-term debt	19,727	23,006	20,272
	<hr/>	<hr/>	<hr/>
Total current liabilities	35,864	40,393	34,809
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	93,170	84,697	73,978