

## OA0 PHARMACY CHAIN 36.6 AND SUBSIDIARIES

### CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2003

(in US Dollars and in thousands, except for earnings per share data)

	2003	2002*
NET SALES	147,782	118,724
COST OF SALES	<u>(88,002)</u>	<u>(72,726)</u>
GROSS PROFIT	59,780	45,998
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(52,171)	(36,015)
OTHER OPERATING INCOME, NET	<u>767</u>	<u>130</u>
OPERATING INCOME	8,376	10,113
NON-OPERATING (EXPENSES) INCOME:		
Interest expense	(6,219)	(6,166)
Net gain on monetary position	-	2,395
Foreign currency exchange gain (loss)	<u>816</u>	<u>(1,257)</u>
INCOME BEFORE TAXATION AND MINORITY INTEREST	2,973	5,085
Income tax expense	<u>(1,973)</u>	<u>(2,210)</u>
INCOME BEFORE MINORITY INTEREST	1,000	2,875
Minority interest	46	405
NET INCOME	<u><u>1,046</u></u>	<u><u>3,280</u></u>
EARNINGS PER SHARE:		
Net income per share		
Basic and diluted	USD 0.13	USD 0.41
Weighted average number of shares (in thousands)		
Basic and diluted	8,000	8,000

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

**OA0 PHARMACY CHAIN 36.6 AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**AT DECEMBER 31, 2003**  
*(in US Dollars and in thousands)*

	2003	2002*
<b>ASSETS</b>		
NON-CURRENT ASSETS:		
Property, plant & equipment, net	47,653	33,595
Intangible assets, net	11,563	11,480
Other long-term assets	903	856
	<u>60,119</u>	<u>45,931</u>
CURRENT ASSETS:		
Inventories	20,483	17,378
Trade accounts receivable (net of bad debt allowance of USD 790 and USD 370, respectively)	21,160	11,625
Other receivables and prepaid expenses	11,363	8,448
Cash and cash equivalents	1,722	1,315
	<u>54,728</u>	<u>38,766</u>
TOTAL ASSETS	<u>114,847</u>	<u>84,697</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
SHAREHOLDERS' EQUITY:		
Share capital	176	159
Additional paid-in capital	14,613	1,940
Other reserves	-	(325)
Retained earnings	25,400	22,603
	<u>40,189</u>	<u>24,377</u>
MINORITY INTEREST	2,623	2,119
LONG-TERM LIABILITIES:		
Long-term debt	2,917	13,263
Deferred taxation	4,737	4,115
Long-term portion of capitalized leases payable	190	62
	<u>7,844</u>	<u>17,440</u>
CURRENT LIABILITIES:		
Short-term borrowings and current portion of long-term debt	40,152	22,743
Current portion of capitalized leases payable	141	263
Trade accounts payable	18,851	10,929
Other payables and accrued expenses	5,047	6,826
	<u>64,191</u>	<u>40,761</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>114,847</u>	<u>84,697</u>

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## OA0 PHARMACY CHAIN 36.6 AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2003

(in US Dollars and in thousands)

	2003	2002*
<b>OPERATING ACTIVITIES:</b>		
Income before taxation	2,973	5,085
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,199	5,174
Loss on disposal of property, plant and equipment	95	293
Foreign exchange loss on financing and investing activities	(816)	674
Translation and indexation effect on non-operating balances	-	(4,126)
Interest expense	6,219	6,166
Operating cash flow before working capital changes	<u>13,670</u>	<u>13,266</u>
Increase in Accounts receivable	(9,535)	3,171
Increase in Other receivables and prepaid expenses	(2,915)	(3,633)
Increase in Accounts payable	7,922	(4,803)
Decrease in Other payables and accruals	(1,779)	(2,639)
Increase in Inventories	<u>(3,105)</u>	<u>(940)</u>
Cash flows from operations	4,258	4,422
Income taxes paid	(1,693)	(819)
Interest paid	<u>(5,099)</u>	<u>(6,372)</u>
Net cash inflow (outflow) from operating activities	<u>(2,534)</u>	<u>(2,769)</u>
<b>INVESTING ACTIVITIES:</b>		
Acquisitions of businesses, net of cash acquired	(2,073)	-
Purchase of property, plant, equipment	(12,760)	(3,975)
Purchase of intangible assets	(345)	(73)
Proceeds on disposal of property, plant, equipment	93	359
Purchase of equity interest in subsidiaries	(903)	(946)
Proceeds from sale of investments	-	2,214
Net cash outflow from investing activities	<u>(15,988)</u>	<u>(2,421)</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from share issue	12,673	159
Returned to shareholders	-	(60)
Proceeds from new borrowings	36,428	38,332
Repayment of borrowings	<u>(30,276)</u>	<u>(33,838)</u>
Net cash inflow from financing activities	<u>18,825</u>	<u>4,593</u>
Effect of translation to presentation currency on cash and cash equivalents	104	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	407	(597)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,315</u>	<u>1,912</u>
CASH AND CASH EQUIVALENTS, end of year	<u>1,722</u>	<u>1,315</u>

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