

**OAO SYNERGY
(SYNERGY GROUP)**

**Interim Condensed Consolidated Financial
Statements
for the six months ended
30 June 2009**

REPORT OF INDEPENDENT AUDITORS ON REVIEW OF INTERIM FINANCIAL INFORMATION

**Attn: The Board of Directors
and Shareholders of Synergy OAO (Synergy Group)**

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Synergy OAO and its subsidiaries (hereinafter referred to as the "Group") as of 30 June 2009 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standards. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information of the Group is not prepared in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

N.Y. Chernysheva
Deputy General Director
"Baker Tilly Russaudit" Ltd
15 September 2009
95 Prospect Mira Moscow 129085 Russia



SYNERGY GROUP

*Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2009
(All amounts in Russian Ruble thousand, unless stated otherwise)*

Interim Condensed Consolidated Statement of Financial Position

	Note	30 June 2009	31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment		3 346 292	3 687 779
Goodwill		242 408	242 408
Intangible assets		5 255 768	4 758 269
Other financial assets		235	33 161
Other long-term assets		510 789	463 663
Deferred tax assets		135 814	122 335
Total non-current assets		9 491 306	9 307 615
Current assets			
Inventories	4	2 092 169	2 479 183
Biological assets		176 908	290 678
Trade and other receivables	6	5 029 787	5 870 451
Prepayments		331 637	631 823
Other financial assets		46 685	18 754
Income tax overpaid		29 640	13 947
Cash and cash equivalents	5	583 735	926 519
Total current assets		8 290 561	10 231 355
TOTAL ASSETS		17 781 867	19 538 970
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity and reserves			
Owners' equity:			
Share capital	8	1 432 000	1 432 000
Treasury Shares	8	(96 809)	-
Retained earnings		3 304 901	2 808 579
Other reserves		2 412 884	3 627 488
Minority interest		499 725	444 236
Total equity and reserves		7 552 701	8 312 303
Non-current liabilities			
Loans and borrowings	7	1 360 846	965 276
Deferred tax liabilities		698 645	715 456
Total non-current liabilities		2 059 491	1 680 732
Current liabilities			
Loans and borrowings	7	5 424 799	6 145 790
Trade and other payables	9	2 645 997	3 333 881
Income tax payable		98 879	66 264
Total current liabilities		8 169 675	9 545 935
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		17 781 867	19 538 970

Notes to the financial statements on pages 8 through 24 shall be part and parcel of these Financial Statements

Mechetin A.A., Chairman of Management Board

Kim E.S., Chief Accountant

15 September 2009



SYNERGY GROUP

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(All amounts in Russian Ruble thousand, unless stated otherwise)*

Interim Condensed Consolidated Statement of Comprehensive Income and Expense

	Note	Six months ended 30 June	
		2009	2008
Revenue	10	7 778 178	7 199 601
Cost of sales	11	(5 102 167)	(4 618 306)
Gross profit		2 676 011	2 581 295
General and administrative expenses	12	(548 282)	(809 317)
Distribution expenses	13	(1 039 723)	(1 037 557)
Other income/expenses		130 999	231 101
Operating profit		1 219 005	965 522
Net finance costs	14	(634 017)	(295 730)
Profit before tax		584 988	669 792
Income tax	15	(72 829)	(102 982)
Profit for the period		512 159	566 810
Attributable to:			
Equity holders of the Company		496 322	560 960
Minority interest		15 837	5 850
Basic and diluted earnings per share (expressed in RUB per share)	16	36.44	39.17

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Interim Condensed Consolidated Statement of Changes in Equity

	Share capital	Treasury Shares (Note 8)	Retained earnings	Other reserves	Total shareholders' equity	Minority interest	Total
Balance at 31 December 2007	1 432 000	-	1 584 117	3 627 488	6 643 605	424 223	7 067 828
Acquisition of minority interest	-	-	-	-	-	(35 025)	(35 025)
Total changes, not recorded into net profit	-	-	-	-	-	(35 025)	(35 025)
Net profit for the 6 months ended 30 June 2008	-	-	560 960	-	560 960	5 850	566 810
Balance at 30 June 2008	1 432 000	-	2 145 077	3 627 488	7 204 565	395 048	7 599 613
Balance at 31 December 2008	1 432 000	-	2 808 579	3 627 488	7 868 067	444 236	8 312 303
Repurchase of shares	-	(96 809)	-	(1 600 190)	(1 696 999)	-	(1 696 999)
Contribution of assets from shareholders	-	-	-	385 586	385 586	-	385 586
Increase of minority due to increase of share capital in subsidiary	-	-	-	-	-	8 711	8 711
Disposal of minority interest	-	-	-	-	-	30 941	30 941
Total changes, not recorded into net profit	-	(96 809)	-	(1 214 604)	(1 311 413)	39 652	(1 271 761)
Net profit for the 6 months ended 30 June 2009	-	-	496 322	-	496 322	15 837	512 159
Balance at 30 June 2009	1 432 000	(96 809)	3 304 901	2 412 884	7 052 976	499 725	7 552 701

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*Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2009
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Interim Condensed Consolidated Cash Flow Statement

	Note	Six months ended 30 June	
		2009	2008
Cash flows from operating activities			
Profit before income tax and finance costs		1 219 005	965 522
Adjustments for:			
Depreciation and amortisation		178 744	118 174
(Gain)/loss on disposal of property, plant and equipment		(15 436)	15 788
Gain/loss on disposal of materials		42 598	39 126
Gain/loss on disposal of accounts payable		(23 137)	(1 610)
Reserves and accruals		122 581	32 184
Gain/loss on disposal of Financial assets		(78 259)	28 744
Foreign exchange difference		(181 991)	(18 936)
Other non-cash transactions		(5 873)	(376 341)
Changes in working capital			
(Increase)/Decrease in inventories and biological assets		128 544	(265 211)
(Increase)/Decrease in accounts receivable		280 373	(197 588)
Increase/(Decrease) in accounts payable		(692 922)	(244 002)
Cash flows from operating activities		974 228	115 635
Interest paid		(538 974)	(342 998)
Income tax paid		(159 128)	(140 111)
Net cash flow from operating activities		276 126	(367 474)
Cash flows from investing activities			
Acquisition of subsidiaries	17	(3 255)	(2 325 765)
Disposal of subsidiaries	18	(20 850)	-
Acquisition of property, plant and equipment		(32 258)	(368 619)
Disposal of property, plant and equipment		7 013	96 177
Acquisition of intangible assets		(27)	(6 163)
Acquisition of financial assets		-	(6 008)
Disposal of financial assets		-	39 226
Loans originated		(15 523)	(2 899 395)
Loans originated repayment		17 859	3 644 439
Interest received		55 327	70 446
Net cash flow from investing activities		8 286	(1 755 662)
Cash flows from financing activities			
Loans received		29 385 064	27 265 673
Loans repaid		(30 012 260)	(24 381 791)
Net cash flow from financing activities		(627 196)	2 883 882
Net increase/(decrease) in cash and cash equivalents		(342 784)	760 746
Cash and cash equivalents at beginning of the year	5	926 519	445 990
Cash and cash equivalents at end of the year	5	583 735	1 206 736

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