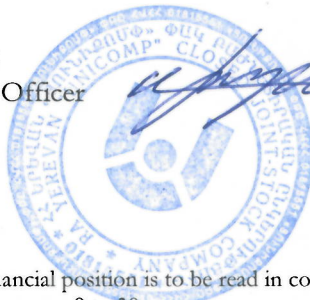


Statement of financial position

| In thousand drams | Note | As of December 31, 2016 | As of December 31, 2015 |
|-------------------------------------|------|----------------------------|----------------------------|
| Assets | | | |
| <i>Non-current assets</i> | | | |
| Property and equipment | 4 | 33,108 | 42,042 |
| Deferred income tax assets | 5 | 10,975 | 3,445 |
| Borrowings provided | 6 | 205,578 | 1,740 |
| Income tax prepayments | | - | 17,521 |
| | | <u>249,661</u> | <u>64,748</u> |
| <i>Current assets</i> | | | |
| Inventories | 7 | 246,243 | 281,434 |
| Trade and other receivables | 8 | 577,307 | 562,266 |
| Cash and bank balances | 9 | 13,647 | 36,729 |
| | | <u>837,197</u> | <u>880,429</u> |
| Total assets | | <u><u>1,086,858</u></u> | <u><u>945,177</u></u> |
| Equity and liabilities | | | |
| <i>Capital and reserves</i> | | | |
| Share capital | 10 | 100 | 100 |
| Accumulated profit | | 183 | 31,739 |
| | | <u>283</u> | <u>31,839</u> |
| <i>Non-current liabilities</i> | | | |
| Loans and borrowings | 11 | 417,206 | 269,312 |
| | | <u>417,206</u> | <u>269,312</u> |
| <i>Current liabilities</i> | | | |
| Loans and borrowings | 11 | 18,388 | - |
| Trade and other payables | 12 | 649,459 | 644,026 |
| Current income tax liabilities | | 1,522 | - |
| | | <u>669,369</u> | <u>644,026</u> |
| Total equity and liabilities | | <u><u>1,086,858</u></u> | <u><u>945,177</u></u> |

The financial statements were approved on July 27, 2017 by:

Armen Baldryan
 Chief Executive Officer



Karine Zakharyan
 Chief Accountant

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 30.

Statement of profit or loss and other comprehensive income

| In thousand drams | Note | Year ended December 31, 2016 | Year ended December 31, 2015 |
|-----------------------------------------|------|------------------------------------|------------------------------------|
| Revenue | 13 | 1,638,773 | 2,298,805 |
| Cost of sales | 14 | <u>(1,139,453)</u> | <u>(1,869,326)</u> |
| Gross profit | | <u>499,320</u> | <u>429,479</u> |
| Other income | | 947 | 2,879 |
| Distribution and marketing expenses | 15 | (71,039) | (46,078) |
| Administrative expenses | 16 | (207,314) | (202,523) |
| Other expenses | 17 | <u>(58,407)</u> | <u>(68,718)</u> |
| Results from operating activities | | <u>163,507</u> | <u>115,039</u> |
| Finance costs | | (29,508) | (38,587) |
| Foreign currency exchange loss, net | 18 | <u>(4,676)</u> | <u>(13,030)</u> |
| Profit before income tax | | <u>129,323</u> | <u>63,422</u> |
| Income tax expense | 19 | <u>(26,179)</u> | <u>(16,992)</u> |
| Profit for the year | | <u>103,144</u> | <u>46,430</u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u><u>103,144</u></u> | <u><u>46,430</u></u> |

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 30.