
X5 REPORTS SECOND QUARTER 2010 RESULTS:**SOLID TOP LINE GROWTH AND
STRONG EBITDA MARGIN OF 8.3%****STEPPED UP PACE OF NEW STORE OPENINGS****OUTLOOK FOR 2010 SALES AND CAPEX REITERATED**

Amsterdam, 26 August 2010- X5 Retail Group N.V., Russia's largest retailer in terms of sales (LSE ticker: "FIVE"), today published its interim report for the second quarter and first half of 2010. The full version of the report including condensed consolidated interim financial statements for the six months ended 30 June 2010 is available on our corporate website at http://www.x5.ru/en/investors/financial_reports/.

Q2 2010 Highlights

- Net sales increased 17% year-on-year in RUR terms to RUR 79,850 mln or 25% in USD terms to USD 2,641 mln;
- Gross profit totaled USD 638 mln, for a gross margin of 24.1%;
- EBITDA amounted to USD 220 mln, for an EBITDA margin of 8.3%;
- X5 reported a net profit of USD 25 mln affected by a foreign exchange (FX) loss;

H1 2010 Highlights

- Net sales increased 18% year-on-year in RUR terms to RUR 155,853 mln or 30% in USD terms to USD 5,184 mln;
- Gross profit totaled USD 1,232 mln, for a gross margin of 23.8%;
- EBITDA amounted to USD 399 mln, for an EBITDA margin of 7.7%;
- X5 reported a net profit of USD 104 mln;

- X5 reiterates 2010 sales growth and CapEx outlook, as provided on 27 May 2010.

X5 Retail Group CEO **Lev Khasis** commented:

“X5 delivered solid second quarter sales growth and strong EBITDA margin. Discounters again led the industry in net sales and like-for-like sales growth, hypermarkets’ results were positive while supermarkets are still hampered by trading down trends and we are positioning the format for an upturn to benefit from future economic recovery. X5 is driving positive business momentum – with increased market leadership, stepped up pace of new store openings, completion of Paterson integration and continuous focus on quality, convenience and value for customers – giving us confidence in our outlook for the year.”

“Strong EBITDA margin of 8.3% this quarter was in line with our expectations and considerably higher than in the first quarter of 2010. We continued to strengthen X5’s value propositions but at a reduced level of gross margin reinvestment. SG&A as a percent of sales rose slightly year on year as X5 incurred increased costs in some areas, including Paterson store conversions, while at the same time Q2 2010 sales from new and converted stores were still ramping up. We continue to drive operational excellence to secure long-term competitiveness and efficiency benefits.”

X5 Retail Group CFO **Evgeny Kornilov** added:

“We are well positioned to support X5’s growth objectives while protecting the Company’s balance sheet and staying within our CapEx limits. The Company has access to RUR-denominated Sberbank’s committed credit line for refinancing X5’s USD 1.1 bln syndicate loan later this year. Investors showed their confidence in X5 when the Company successfully fulfilled its obligations in respect of RUR 9 billion in corporate debt with holders of 85% of the issue electing to keep their bonds with maturity in July 2014. There were temporary movements in liquidity as the bonds were classified as short-term debt at June 30 and reverted to long-term debt following the put exercise in July 2010.”

Profit & Loss – Key Trends and Developments
P&L Highlights^{(1), (2)}

USD mln	Q2 2010	Q2 2009	% change y-o-y	H1 2010	H1 2009	% change y-o-y
Net Sales	2,640.9	2,111.2	25%	5,183.6	3,978.1	30%
incl. Retail	2,637.7	2,099.6	26%	5,172.0	3,959.0	31%
Gross Profit	637.8	520.8	22%	1,231.9	979.0	26%
<i>Gross Margin, %</i>	24.1%	24.7%		23.8%	24.6%	
EBITDA	220.3	184.3	20%	398.8	347.0	15%
<i>EBITDA Margin, %</i>	8.3%	8.7%		7.7%	8.7%	
Operating Profit	146.9	129.1	14%	258.1	246.0	5%
<i>Operating Margin, %</i>	5.6%	6.1%		5.0%	6.2%	
Net Profit / (Loss)	24.9	130.4	(81%)	103.8	48.3	115%
<i>Net Margin, %</i>	0.9%	6.2%		2.0%	1.2%	

Net Sales & Gross Margin Performance

USD mln	Q2 2010	Q2 2009	% change y-o-y	H1 2010	H1 2009	% change y-o-y
Net Sales	2,640.9	2,111.2	25%	5,183.6	3,978.1	30%
incl. Retail	2,637.7	2,099.6	26%	5,172.0	3,959.0	31%
Hypermarkets	487.8	394.8	24%	958.9	747.9	28%
Supermarkets	630.5	573.7	10%	1,276.6	1,113.7	15%
Soft Discounters	1,496.1	1,131.1	32%	2,909.2	2,097.3	39%
Convenience stores ⁽³⁾	19.2	-	n/a	19.2	-	n/a
Online ⁽⁴⁾	4.0	-	n/a	8.0	-	n/a
Gross Profit	637.8	520.8	22%	1,231.9	979.0	26%
<i>Gross Margin, %</i>	24.1%	24.7%		23.8%	24.6%	

(1) Please note that in this and other tables of the Interim Management Report immaterial deviations in calculation of % change, subtotals and totals are explained by rounding.

(2) X5's operational currency is the Russian Ruble (RUR), while the Company's presentation currency is the U.S. Dollar (USD). As RUR/USD rate has substantially changed in the past twelve months, comparisons of the Company's financial results either with the corresponding period a year ago (for profit & loss statement) or with the beginning of the year (for balance sheet statement) have been substantially affected by these movements. For more information please see page 8 of this press-release.

(3) Included from April 2010

(4) Included from October 2009

For the second quarter 2010 X5 reported net sales of USD 2,641 million - a year-on-year increase of 25% in USD terms. In RUR terms net revenue for the quarter increased 17% year-on-year. For first half 2010 net sales totaled USD 5,184 million - a year-on-year increase of 30% in USD terms and 18% growth in RUR terms with 5% growth in like-for-like (LFL)⁽¹⁾ sales with the rest coming from expansion. This growth was achieved amid extremely low price inflation on X5's shelves (1.5% for the period 30 June 2010 to 30 June 2009) versus an official inflation rate of 4.5% for the same period.

In Q2 2010 soft discounters delivered industry-beating 11% LFL growth, thanks to the format's successful brand promise of *lowest price in the market on 100% of assortment* policy. Supermarkets' performance is still hampered by consumer trading down trends. Hypermarkets showed positive LFL trends and we continue to increase the customer appeal of this format by executing our *Everything under one roof – at Low Prices* concept.

Second quarter 2010 gross margin totalled 24.1% - a 60 bp decline versus second quarter 2009, translating into the first half gross margin of 23.8% (80 bp decline year-on-year) in line with management's expectations.

⁽¹⁾ Like-for-like (LFL) comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least twelve full months preceding the beginning of the last month of the reporting period. Their sales are included in LFL calculation starting from the first day of the month following the month of the store opening.

Selling, General and Administrative Expenses (SG&A)

USD mln	Q2 2010	Q2 2009	% change y-o-y	H1 2010	H1 2009	% change y-o-y
Staff Costs, incl.	(233.2)	(178.6)	31%	(462.4)	(342.4)	35%
<i>% of Net Sales</i>	8.8%	8.5%		8.9%	8.6%	
ESOP	(8.4)	(7.3)	14%	(33.7)	(5.2)	545%
<i>% of Net Sales</i>	0.3%	0.3%		0.7%	0.1%	
Lease Expenses	(87.5)	(63.2)	38%	(171.3)	(124.4)	38%
<i>% of Net Sales</i>	3.3%	3.0%		3.3%	3.1%	
Other Store Costs	(36.7)	(27.2)	35%	(69.2)	(51.0)	36%
<i>% of Net Sales</i>	1.4%	1.3%		1.3%	1.3%	
D&A	(73.3)	(55.2)	33%	(140.6)	(101.0)	39%
<i>% of Net Sales</i>	2.8%	2.6%		2.7%	2.5%	
Utilities	(48.5)	(36.5)	33%	(103.5)	(72.3)	43%
<i>% of Net Sales</i>	1.8%	1.7%		2.0%	1.8%	
Third Party Services	(19.1)	(17.6)	8%	(33.5)	(32.5)	3%
<i>% of Net Sales</i>	0.7%	0.8%		0.6%	0.8%	
Other Expenses	(24.3)	(34.9)	(30%)	(52.9)	(55.6)	(5%)
<i>% of Net Sales</i>	0.9%	1.7%		1.0%	1.4%	
Total SG&A	(522.5)	(413.2)	26%	(1,033.4)	(779.2)	33%
<i>% of Net Sales</i>	19.8%	19.6%		19.9%	19.6%	

Second quarter 2010 SG&A expenses as a percentage of revenue increased slightly by 20 bp year-on-year to 19.8%. X5 incurred increased costs in some areas, including Paterson stores temporary closings, while at the same time Q2 2010 sales from new store openings were still ramping up. Staff costs, excluding ESOP, increased mainly because of salary indexation for in-store personnel in Q2 2010. Lease expenses also increased by 30 bps year-on-year due to the addition of net 350 new stores compared to June 30, 2009. Other Expenses decreased sharply by 80 bp in Q2 2010 compared to the second quarter of 2009, when X5 created a provision for a one-off non-cash CIP Impairment charge.

As at 30 June 2010 the Company employed 72,804 people compared to 68,457 as at 31 December 2009. This increase is in line with the expansion of X5's store base and distribution centre capacity.

Non-Operating Gains and Losses

USD mln	Q2 2010	Q2 2009	% change y-o-y	H1 2010	H1 2009	% change, y-o-y
Operating Profit	146.9	129.1	14%	258.1	246.0	5%
Finance Costs (Net)	(29.9)	(40.7)	(27%)	(65.1)	(76.0)	(14%)
Net FX Result	(72.4)	86.0	n/a	(35.8)	(77.8)	(54%)
Share of Income/(Loss) of Associates	(0.0)	0.3	n/a	0.4	(2.5)	n/a
Profit before Tax	44.6	174.6	(74%)	157.7	89.8	76%
Income Tax Expense	(19.7)	(44.2)	(55%)	(53.9)	(41.5)	30%
Current Income Tax	(21.6)	(26.1)	(17%)	(50.7)	(68.8)	(26%)
Deferred Income (Tax)/Benefit	1.9	(18.1)	n/a	(3.2)	27.3	n/a
Net Profit	24.9	130.4	(81%)	103.8	48.3	115%
<i>Net Margin, %</i>	<i>0.9%</i>	<i>6.2%</i>		<i>2.0%</i>	<i>1.2%</i>	

Finance Costs

First half 2010 net finance costs decreased 14% year-on-year in USD terms and 22% in RUR terms due to lower interest rates on funding. The effective interest rate on X5's total debt for the first half 2010 was approximately 7.2% per annum.

Foreign Exchange (FX) Gain/(Loss)

The Company posted a USD 36 million of net foreign exchange (FX) loss in the first half of 2010, which is a result of USD 37 million net FX gain in the first quarter on the back of RUR appreciation and USD 72 million net FX loss in the second quarter due to significant RUR depreciation. This is a primarily non-cash item, resulting from revaluation of the Company's long-term USD-denominated debt.

Income Tax

In first half 2010, X5 reported income tax expense of USD 54 million. Effective tax rate for the first six months of 2010 totaled 34%, which is higher than the statutory tax rate for three main reasons: inventory shrinkage is not tax deductible in Russia, ESOP cost is only partially tax deductible and FX loss is only partially tax deductible.

Consolidated Cash Flow – Key Trends and Developments

USD mln	Q2 2010	Q2 2009	% change y-o-y	H1 2010	H1 2009	% change y-o-y
Net Cash Flows (Used in)/Generated from Operating Activities	(9.5)	77.9	n/a	(139.0)	39.5	n/a
<i>Net Cash from Operating Activities before Changes in Working Capital</i>	<i>238.6</i>	<i>210.2</i>	<i>13%</i>	<i>448.8</i>	<i>380.1</i>	<i>18%</i>
<i>Change in Working Capital</i>	<i>(176.9)</i>	<i>(56.1)</i>	<i>215%</i>	<i>(448.9)</i>	<i>(182.9)</i>	<i>145%</i>
<i>Net Interest and Income Tax Paid</i>	<i>(71.2)</i>	<i>(76.2)</i>	<i>(7%)</i>	<i>(138.9)</i>	<i>(157.8)</i>	<i>(12%)</i>
Net Cash Used in Investing Activities	(84.9)	(55.8)	52%	(136.8)	(99.0)	38%
Net Cash (Used in)/Generated from Financing Activities	130.0	23.9	445%	(29.9)	(61.4)	(51%)
Effect of Exchange Rate Changes on Cash & Cash Equivalents	(7.7)	17.3	n/a	(1.6)	(11.0)	(86%)
Net (Decrease)/Increase in Cash & Cash Equivalents	27.8	63.2	(56%)	(307.3)	(132.0)	133%

First half 2010 net cash used in operating activities totaled USD 139 million versus USD 40 million generated from operating activities a year ago. Working capital was affected by restructuring of supplier arrangements in preparation for the new Retail Law coming into effect on August 1 and the timing of volume discount bonus collections. This resulted in an increase in trade and other accounts receivable of USD 83 million recorded in H1 2010. Other working capital effects on first half 2010 cash flow were mainly the result of first quarter seasonal factors related to the New Year and Orthodox Christmas holidays. These include a USD 75 million decrease in inventories mainly due to de-stocking after the holidays, and a corresponding decrease in trade accounts payable by USD 386 million almost entirely attributable to Q1 payments to suppliers for Q4 2009 pre-holiday deliveries.

Net cash used in investing activities totaled USD 137 million in the first half of 2010 compared to USD 99 million for the same period last year. X5 increased investment in new store openings, preparations for additional stores to be opened later this year and other projects to support X5's growth objectives, including Paterson integration and store conversions, and continued investment in distribution and logistics infrastructure and IT systems platform implementation. Higher CapEx is also attributable to a higher proportion of owned versus leased properties this year.

Net cash used in financing activities in the first half 2010 amounted to USD 30 million as the Company used available cash to reduce outstanding debt in the first quarter while increasing short-term borrowings in the second quarter.

Liquidity Update

USD mln	30-Jun-10	% in total	31-Mar-10	% in total	31-Dec-09	% in total
Total Debt	1,898.5		1,811.2		1,944.0	
Short-Term Debt	1,886.2	99%	1,530.9	85%	1,656.6	85%
Long-Term Debt	12.3	1%	280.4	15%	287.4	15%
Net Debt	1,794.1		1,734.7		1,532.3	
Denominated in USD	1,097.2	61%	1,091.7	63%	1,162.8	76%
Denominated in RUR	696.9	39%	643.0	37%	369.5	24%
FX, EoP	31.20		29.36		30.24	
Net Debt/EBITDA	2.28x		2.31x		2.08x	

As at 30 June 2010, the Company's total debt amounted to RUR 59 billion or USD 1,899 million (at RUR/USD exchange rate of 31.19). Net debt totaled RUR 56 billion or USD 1,794 million.

Although most of X5's debt at 30 June 2010 is classified as short-term (USD 1,886 million or RUR 59 billion), the Company has a guaranteed source of refinancing both for USD 1.1 billion syndicated loan and RUR 9 billion corporate bonds:

- While at 30 June 2010 the USD 1.1 billion syndicated loan maturing in December is classified as short-term, X5 has diverse and guaranteed sources of credit for refinancing it as long-term RUR-denominated debt later this year.

- In July 2010 the Company fulfilled its obligations in respect of RUR 9 billion corporate bonds. The new annual rate for the next 8 semi-annual coupons is 7.95%. X5 bought back 1,342,653 bonds with nominal value of 1,000 RUR, while investors holding 85% of the issue kept their bonds at the new coupon. As a result the outstanding bond issue decreased from RUR 9 billion to RUR 7.7 billion with maturity in July 2014.
- As of 30 June 2010, the Company had access to RUR-denominated credit facilities of approximately RUR 29.6 billion (approximately USD 948 million). Of this amount, approximately RUR 21.9 billion (approximately USD 705 million) represented available undrawn credit lines with major Russian and international banks. The Company also has a commitment from Sberbank for a 5-year ruble-denominated credit line (equivalent of up to USD 1.1 billion) available for refinancing USD 1.1 billion syndicate loan later throughout the year.

Effect of RUR/USD Exchange Rate Movements on Presentation of X5's Results and Their Dynamics

X5's operational currency is the Russian Ruble (RUR), while the Company's presentation currency is the U.S. Dollar (USD). As RUR/USD rate has substantially fluctuated in the past twelve months, comparisons of the Company's financial results either with the corresponding period a year ago (for profit & loss statement) or with the beginning of the year (for balance sheet statement) have been substantially affected by these movements.

- Comparisons of profit & loss figures with respective periods last year reflect a positive translational effect from RUR/USD rate movements, resulting in a difference between year-on-year change in RUR and the respective change in USD of approximately 9% for H1 2010. For reference, to translate its profit & loss figures from RUR to USD for reporting purposes, the Company applied RUR/USD rate of 30.07 for H1 2010 (average for the period) and RUR/USD rate of 33.07 for H1 2009 (average for the period).
- Comparisons of balance sheet figures as at 30 June 2010 to balance sheet figures as at 31 December 2009 reflect a negative translational effect from RUR/USD rate movement, resulting in a difference between change in RUR and the respective change in USD of approximately 3%. For reference, to translate its balance sheet figures from RUR to USD for reporting purposes, the Company applied RUR/USD rate of 31.19 as at 30 June 2010 and RUR/USD rate of 30.24 as at 31 December 2009.

Expected Developments

In line with the Company's growth strategy, X5 continuously reviews potential acquisitions and other asset purchases subject to regulatory requirements. In Q3 2010 X5 filed applications with the Russian Federal Anti-monopoly Service (FAS) to determine the FAS' position on potential transactions to acquire the Kopeika and Ostrov retail chains. These applications do not imply that such transactions will be pursued, agreed and/or completed.

Appendices

- I. Consolidated Interim Income Statement for the Three and Six Months Ended 30 June 2010**
- II. Consolidated Interim Statement of Comprehensive Income for the Three and Six Months Ended 30 June 2010**
- III. Consolidated Interim Statement of Financial Position (Balance Sheet) at 30 June 2010**
- IV. Consolidated Interim Statement of Cash Flows for the Six Months Ended 30 June 2010**
- V. Financial Calendar for 2010**

Note to Editors:

X5 Retail Group N.V. is Russia's largest retailer in terms of sales. The Company was created as a result of a merger between Pyaterochka (soft discounter chain) and Perekrestok (supermarket chain) on 18 May 2006. In June 2008, X5 acquired Karusel hypermarket chain and substantially strengthened its position in hypermarket format.

As at 30 June 2010, X5 had 1,514 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,135 soft discount stores, 275 supermarkets, 62 hypermarkets and 42 convenience stores.

As at 30 June 2010, X5's franchisees operated 610 stores across Russia.

For the full year 2009 X5's net sales totaled USD 8,717 mln, EBITDA reached USD 736 mln, and net profit amounted to USD 165 mln.

For the first half 2010, net sales totaled USD 5,184 mln, EBITDA reached USD 399 mln, and net profit amounted to USD 104 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.9%, founders of Pyaterochka – 23.1%, X5 Management – 1.9%, treasury shares – 0.1%, free float – 27.0%.

Forward looking statements:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal" believe", or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as at the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

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Appendix I:

**CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2010⁽¹⁾**
(expressed in thousands of US Dollars)

	Three months ended		Six months ended	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
Revenue	2,640,917	2,111,205	5,183,642	3,978,108
Cost of sales	(2,003,152)	(1,590,389)	(3,951,728)	(2,999,122)
Gross profit	637,765	520,816	1,231,914	978,986
Selling, general and administrative expenses	(522,572)	(413,240)	(1,033,416)	(779,215)
Lease/sublease and other income	31,740	21,513	59,650	46,253
Operating profit	146,933	129,089	258,148	246,024
Net finance cost	(29,901)	(40,689)	(65,064)	(75,972)
Share of income/(loss) of associates	(2)	253	443	(2,500)
Net foreign exchange result	(72,438)	85,958	(35,830)	(77,790)
Profit before tax	44,592	174,611	157,697	89,762
Income tax expense	(19,688)	(44,224)	(53,912)	(41,510)
Profit for the period	24,904	130,387	103,785	48,252

⁽¹⁾ Financial statements forms, presented in this press-release, were reviewed by PricewaterhouseCoopers.

Appendix II:

**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2010**

(expressed in thousands of US Dollars)

	Three months ended		Six months ended	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
Profit for the period	24,904	130,387	103,785	48,252
Other comprehensive income/(loss)				
Exchange differences on translation from functional to presentation currency	(113,106)	127,094	(58,237)	(98,395)
Cash flow hedges	1,781	47	7,045	1,385
Other comprehensive income/(loss) for the period	(111,326)	127,141	(51,192)	(97,010)
Total comprehensive income/(loss) for the period	(86,422)	257,528	52,593	(48,758)
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent	(86,422)	257,528	52,593	(48,758)

Appendix III: CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

(expressed in thousands of US Dollars)

	30 June 2010	31 December 2009
ASSETS		
Non-current assets		
Property, plant and equipment	2,912,274	2,995,329
Investment property	126,709	133,425
Goodwill	753,239	767,523
Intangible assets	469,867	496,111
Prepaid leases	77,651	84,805
Investment in associates	-	5,609
Other non-current assets	1,462	1,304
Deferred tax assets	150,233	151,786
	4,491,435	4,635,892
Current assets		
Inventories of goods for resale	526,047	612,722
Loans originated	1,908	2,848
Current portion of non-current prepaid lease	12,596	13,705
Trade and other accounts receivable	267,993	309,571
Current income tax receivable	40,145	18,663
VAT and other taxes recoverable	163,887	174,762
Cash and cash equivalents	104,421	411,681
	1,116,997	1,543,952
Total assets	5,608,432	6,179,844
EQUITY AND LIABILITIES		
Share capital	93,712	93,712
Share premium	2,049,144	2,049,144
Cumulative translation reserve	(617,813)	(559,576)
Accumulated profit	303,357	199,292
Hedging reserve	(3,063)	(10,108)
Employee stock plan	967	-
Non-controlling interest	1,664	-
	1,827,968	1,772,464
Non-current liabilities		
Long-term borrowings	12,280	287,378
Long-term finance lease payable	3,258	4,586
Deferred tax liabilities	203,998	207,689
Long-term deferred revenue	737	1,839
Share-based payments liability	18,781	25,986
	239,054	527,478
Current liabilities		
Trade accounts payable	1,030,782	1,556,325
Short-term borrowings	1,886,211	1,656,622
Share-based payments liability	62,334	59,559
Derivative financial liabilities	3,063	10,108
Short-term finance lease payables	1,569	1,950
Interest accrued	17,847	8,863
Short-term deferred revenue	13,521	18,979
Current income tax payable	25,321	33,790
Provisions and other liabilities	500,762	533,706
	3,541,410	3,879,902
Total liabilities	3,780,464	4,407,380
Total equity and liabilities	5,608,432	6,179,844

Appendix IV: CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2010

(expressed in thousands of US Dollars)

	Six months ended	
	30-Jun-10	30-Jun-09
Profit before tax	157,697	89,762
<u>Adjustments for:</u>		
Depreciation and amortisation	140,616	100,968
Loss on disposal of property, plant and equipment	3,494	504
Finance costs, net	65,064	75,972
Impairment of trade and other accounts receivable	4,299	10,339
Share-based payments expense	33,749	5,236
Amortisation of deferred expenses	9,018	4,610
Net foreign exchange loss	35,830	77,790
(Income)/Loss from associate	(443)	2,500
Other non-cash items	(492)	12,444
Net cash from operating activities before changes in working capital	448,832	380,125
Increase in trade and other accounts receivable	(83,095)	(7,859)
Decrease in inventories	75,408	7,834
Decrease in trade accounts payable	(385,557)	(203,255)
(Decrease)/Increase in other accounts payable and deferred revenue	(55,670)	20,406
Net cash (used in)/ generated from operations	(82)	197,251
Interest paid	(50,630)	(65,700)
Interest received	1,114	2,204
Income tax paid	(89,395)	(94,278)
Net cash flows from operating activities	(138,993)	39,477
Cash flows from investing activities:		
Purchase of property, plant and equipment	(114,728)	(76,273)
Proceeds from sale of property, plant and equipment	330	1,457
Non-current prepaid lease	(4,127)	(3,499)
Investments in subsidiaries	(5,262)	(12,710)
Purchase of intangible assets	(13,041)	(7,936)
Net cash used in investing activities	(136,828)	(98,961)
Cash flows from financing activities:		
Proceeds from short-term loans	252,811	139,938
Repayment of short-term loans	(280,102)	(424,849)
Proceeds from long-term bonds	-	241,881
Repayment of long-term loans	-	(15,675)
Acquisition of derivative financial instruments	-	(2,410)
Principal payments on finance lease obligations	(2,584)	(328)
Net cash used in financing activities	(29,875)	(61,443)
Effect of exchange rate changes on cash and cash equivalents	(1,564)	(11,048)
Net decrease in cash and cash equivalents	(307,260)	(131,975)
Movements in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	411,681	276,837
Net decrease in cash and cash equivalents	(307,260)	(131,975)
Cash and cash equivalents at the end of the period	104,421	144,862

Appendix V: Financial Calendar for 2010

Date	Event
11 October 2010, TBC	Q3 & 9M 2010 Trading Update
29 November 2010, TBC	Q3 & 9M 2010 Financial Results Reviewed by Auditors
