

INDEPENDENT AUDITOR'S REPORT

To founder of Limited liability company
«ISIDA-IVF»:

We have audited the accompanying financial statements of Limited liability company "ISIDA-IVF" (hereinafter referred to as a "Company") included balance sheet as at December 31, 2006, income statement, statement on changes in equity, cash flow statement for the year then ended as well as description of accounting regulations and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these accompanying financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that it is free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements' forms. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters that affect our attention

As indicated in notes 3 to the financial statements comparative figures as at December 31, 2006 are not included to the financial statements. . Absence of comparative information is deviation from IFRS.

As indicated in notes 3 to the financial statements property and equipment at depreciated cost 153.8 thousand UAH acquired before 1996 were reported at indexed amount less accumulated depreciation and

amortization as well as property and equipment acquired at depreciated cost 359.2 thousand UAH are accounted at historical cost less accumulated depreciation and amortization.

During the period 1990-2000 Ukraine faced hyperinflation. Assets should have been reported under these conditions in accordance with IAS 29. The index accounting method used for the assets in 1996 is a deviation from the valuation method valid for IFRS (IAS 16). These facts result in reduced depreciation in the reporting period and the assumption that the assets are understated.

Opinion

In our opinion, except for the effect of adjustments that might be needed in respect of above qualifications the accompanying financial statements present fairly, in all material aspects, the financial position of the Company as at December 31, 2006 and results of its operations, cash flows for the year then ended, in accordance with IFRS.

Kyiv, April 27, 2007

BDO Balance-Audit

Managing partner
BDO Balance-Audit

International partner,
CPA

Sergey A. Balchenko



Søren K. Sørensen

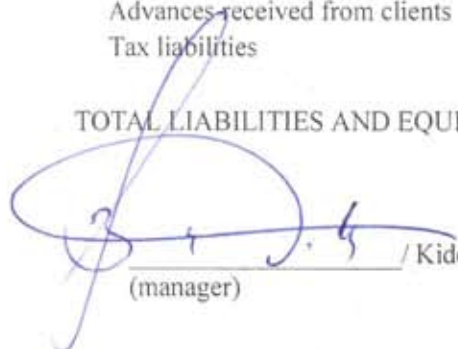
LLC "ISIDA-IVF"

BALANCE SHEET

AS AT DECEMBER 31, 2006

(in 000 UAH)

	Notes	31.12.2006
ASSETS		
CAPITAL ASSETS:		
Property and equipment, net value	4	39,671
Intangible assets	5	1,811
		<u>41,482</u>
CURRENT ASSETS		
Inventories	6	1,729
Trade and other receivables, net value	7	28
Prepayments to suppliers, net value	8	106
Recoverable taxes and prepayments on taxes	9	8
Cash	10	315
		<u>2,186</u>
TOTAL ASSETS		<u>43,668</u>
LIABILITIES AND EQUITY		
EQUITY		
Authorized capital	11	15,079
Retained earnings		338
		<u>15,417</u>
LONG-TERM LIABILITIES		
Loans	12	19,493
Deferred tax liabilities	22	958
		<u>20,451</u>
CURRENT LIABILITIES		
Loans	12	743
Trade and other payables	13	5,867
Advances received from clients	14	665
Tax liabilities	15	525
		<u>7,800</u>
TOTAL LIABILITIES AND EQUITY		<u>43,668</u>

 / Kidon V.P.
(manager)

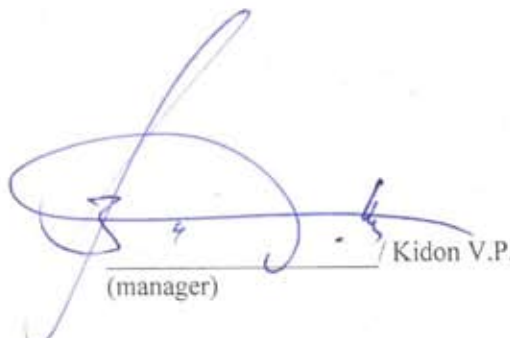
 / Lipovoy S.V.
(financial director)

Notes on pages 7-19 are the integral part of these financial statements.

LLC "ISIDA-IVF"

INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2006
(in 000 UAH)

	Notes	2006
PROFIT FROM PRINCIPAL TRANSACTIONS	16	41,096
COST OF SALE	17	<u>(25,363)</u>
GROSS PROFIT		15,733
Other operational expenses	18	(167)
General economic and administrative expenses	19	(9,168)
Sale expenses	20	<u>(1,576)</u>
OPERATIONAL INCOME		4,822
Income from disposal of property, plant and equipment		73
Net financial expenses	21	<u>(3,121)</u>
INCOME BEFORE TAXATION		1,774
INCOME TAX EXPENSES	22	<u>(533)</u>
NET PROFIT		<u>1,241</u>



(manager) / Kidon V.P.



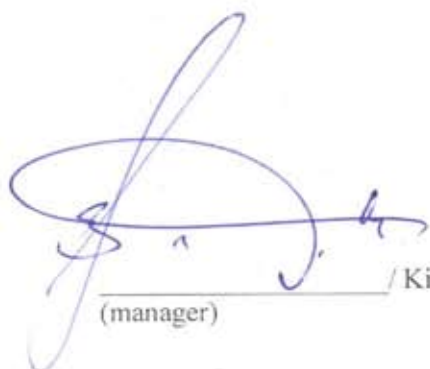
(financial director) / Lipovoy S.V.

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LLC "ISIDA-IVF"

STATEMENT ON CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2006
(in 000 UAH)

	Equity	Accumulated profit	Total equity
Balance as at December 31, 2005	15,079	(903)	14,176
Net profit		1,241	1,241
Balance as at December 31, 2006	<u>15,079</u>	<u>338</u>	<u>15,417</u>


_____/ Kidon V.P.
(manager)

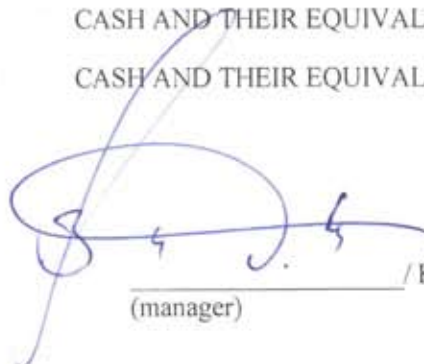

_____/ Lipovoy S.V.
(financial director)

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LLC "ISIDA-IVF"

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2006 (in 000 UAH)

	Notes	31.12.2006
OPERATIONAL ACTIVITY		
Proceeds from buyers		41,343
Acquisition of goods and services		(18,623)
Salary with accruals (paid in)		(10,752)
Taxes paid		(1,779)
Interests paid		(3,089)
Other expenses		(298)
Net cash from operational activity		<u>6,802</u>
INVESTMENT ACTIVITY		
Acquisition of property, plant and equipment		(3,062)
Proceeds from disposal of property, plant and equipment		162
Acquisition of intangible assets		(309)
Net cash from investment activity		<u>(3,209)</u>
FINANCIAL ACTIVITY		
Proceeds from current bank's loans		3,740
Repayment of current bank's loans		(2,997)
Repayment of long-term financing		(3,361)
Repayment of financial lease indebtedness		(934)
Net cash in financial activity		<u>(3,552)</u>
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS		41
CASH AND THEIR EQUIVALENTS, at the beginning of the year		<u>274</u>
CASH AND THEIR EQUIVALENTS, at the end of the year	10	<u>315</u>



(manager) / Kidon V.P.



(financial director) / Lipovoy S.V.

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