



Bar at the Red Square



ANNUAL REPORT 2008





Tricolor exhibition
1-st line

CONTENTS

Speech of the managing director of OJSC «GUM Trading House» to shareholders	51
Members of the Board of Directors of OJSC «GUM Trading House»	52
Members of the Direction of OJSC «GUM Trading House»	53
Summary information about members of the Board of Directors of OJSC «GUM Trading House»	54
Summary information about members of the collegial executive body (Direction) of OJSC «GUM Trading House»	56
Position of OJSC «GUM Trading House» in the field	59
Results of OJSC «GUM Trading House» for the year 2008	61
Main risk factors connected with the activity of OJSC «GUM Trading House»	66
OJSC «GUM Trading House» corporate behavior code	67
Joint stock capital of OJSC «GUM Trading House»	69
List of largest shareholders of OJSC «GUM Trading House»	69
Proposals on distribution of net profit gained in the year 2008 by OJSC «GUM Trading House»	69
Data from RTS Stock exchange on trading with shares of OJSC «GUM Trading House»	70
Dividends	70
Accounting balance-sheet of OJSC «GUM Trading House»	74
Findings of the auditing commission on results of work of OJSC «GUM Trading House» for the year 2008	88
Audit report on financial (accounting) statements of OJSC «GUM Trading House» for the year 2008	89



SPEECH OF THE MANAGING DIRECTOR OF «GUM TRADING HOUSE» OJSC TO STOCKHOLDERS



Thus, we decided to open a branch of successful GUM's Gastronome No.1 in the Trading House VESNA in the Noviy Arbat Street that allows both the territory's expansion of GUM presence in other shopping centers and improves financial indices of the Gastronome integrally as a whole due to reduction of purchase prices and costs for creation of commodity stocks.

At the same time we continue to work on salons grouping by type, purpose and price level of goods allowing visitors to easily find their way in the trading house and make choices having a comprehensive idea of goods concentrated in one place without wasting much time.

Next year after opening Cesare Paciotti, Casadei, Alberto Guardiani and Camper salons in GUM we will finish working on the footwear line's creation. After opening the «Imperial porcelain plant» salon the «goods and dishware for home» line will be finished. Moreover, in the year 2009 we are going to complete formation of a technical products area where a wide range of computer, audio and video equipment, musical instruments and accessories will be offered.

We also keep on traditionally exhibitions' organizing at GUM lines that introduce to our visitors cultural events that take place in Russia and abroad allowing the well-established GUM's image confirmation as a shopping and cultural Moscow's center on the Red Square.

Comprehensive events bring our company closer to our aim to transform the trading house into a unique property in the center of Moscow that accumulates historical traditions, state-of-the-art technology and new approach to presentation of luxury goods.

Dear Shareholders,

The accounting year 2008 became for our joint-stock company a period of checking the correctness of the chosen path of development, economic strength and stability in terms of the external negative influence's growth caused by the global financial crisis.

During last years OJSC «GUM TH» has been realizing previously adopted by shareholders policy to transform the GUM building located on the Red Square into the world-class trade center providing visitors with luxury goods and comfortable shopping conditions. Only within the last year many new world-famous brands that enjoy continuous success among the most prosperous social classes were attracted, among them are Emporio Armani, Mont Blanc, Paul Zileri, Coach, Sportmax, Stuart Weitzman, Il Piatto, Valentin Yudashkin and others.

With the chosen strategy we haven't just achieved positive results in the company's development but also managed to overcome the most difficult period of the financial recession — the forth quarter of the year 2008 — with minimum losses.

Despite grave crisis effects on the consumer market our joint-stock company has clear, economically sound development program for the future.

T. V. Guguberidze
Managing director
GUM Trading House OJSC

**MEMBERS OF THE BOARD OF DIRECTORS
OF OJSC «GUM TRADING HOUSE»**

ELECTED BY THE GENERAL MEETING OF SHAREHOLDERS
OF OJSC «GUM TRADING HOUSE» ON APRIL 25, 2008.

FULL NAME	POSITION, SHARE IN AUTHORIZED CAPITAL OF ISSUER
VECHKANOV Vyacheslav Leonidovich	President, chairman of the Board of Directors of OJSC «GUM Trading House» Share in the issuer's authorized capital: 0,002%
GUGUBERIDZE Teimuraz Vladimirovich	Managing director, Chairman of the Direction of OJSC «GUM Trading House» Share in the issuer's authorized capital: no share
GNATUIK Andrey Klimentievich	President of ODO «IMA Group» Share in the issuer's authorized capital: no share
KARAKHANYAN Samwell Gurgenovich	President of the Moscow Bar Association «Barshchevsky and partners» Share in the issuer's authorized capital: none
MALISHEV Nikolai Nikolaevich	Director of the Directorate of sports broadcasting of OJSC «Channel One» Share in the issuer's authorized capital: no share
SKVORTSOV Alekssei Uvenalievich	Director of financial department of OJSC «GUM TRADING HOUSE» Share in the issuer's authorized capital: 0,000267%
TYAGACHEV Leonid Vasilievich	President of the Olympic Games committee in Russia Share in the issuer's authorized capital: no share

**MEMBERS
OF THE OJSC «GUM TRADING HOUSE» DIRECTION**

ELECTED BY THE BOARD OF DIRECTORS
OF OJSC «GUM TRADING HOUSE» ON AUGUST 9, 2008

FULL NAME	POSITION SHARE IN AUTHORIZED CAPITAL OF ISSUER
RUSAKOV Alekssei Sergeevich	Director of legal department of OJSC «GUM Trading House». Share in the issuer's authorized capital: no share
SERGUEYEV Vladimir Nikolayevich	Director of commercial department of of OJSC «GUM Trading House». Share in the issuer's authorized capital: no share
SOKOLNIKOV Dmitri Ivovich	Head of real estate management department of OJSC «GUM Trading House» Share in the issuer's authorized capital: no share
SHPITONOV Igor Mihailovich	Director of administration department of OJSC «GUM Trading House» Share in the issuer's authorized capital: no share

According to Article 69 paragraph 1 of the Federal Law «On joint-stock companies» a person carrying out functions of a sole agency is to perform functions of the chairman of the collegial executive body (Direction) as well. Functions of the Chairman of the Direction of OJSC «GUM Trading House» are carried out by GUGUBERIDZE Teimuraz Vladimirovich.

The functions of the sole executive body are fulfilled by the managing company ATLAS PROJECT MANAGEMENT LIMITED. At the moment the representative of the managing company ATLAS PROJECT MANAGEMENT LIMITED for OJSC «GUM Trading House» is managing director GUGUBERIDZE Teimuraz Vladimirovich.

SOLE EXECUTIVE BODY. Functions of the sole executive body are transferred to the managing company ATLAS PROJECT MANAGEMENT LIMITED.

INDEPENDENT EXECUTING AGENCY

The functions of independent executing agency are passed to the managing company ATLAS PROJECT MANAGEMENT LIMITED.

Location:
38 Princess Court 88, Brompton Road, London, SW3 1 ES, United Kingdom.
Postal address: 109012, Moscow, the Red Square, 3/2/2/1.

SUMMARY INFORMATION ABOUT MEMBERS OF THE BOARD OF DIRECTORS OF OJSC «GUM TRADING HOUSE»

VECHKANOV Vyacheslav Leonidovich

Year of birth: 1947
 Education: Higher — Moscow Financial Institute, 1970, National Economy Academy under the Council of Ministers of the USSR, 1985
 Positions during the last 5 years:
 Period: 2003 – 2004
 Organization: OJSC «GUM TH»
 Field: trading
 Position: President, member of the Direction, member of the Board of Directors
 Period: 2004 – 2005
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction
 Period: 2004 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: President, member of the Board of Directors
 Period: 2007 till today
 Organization: guardianship board of the Fund of the State Pushkin Museum of Fine Arts
 Field: control over special-purpose and effective use of non-budget funds
 Position: member of the guardianship board, secretary of the guardianship board

GUGUBERIDZE Teimuraz Vladimirovich

Year of birth: 1973
 Education: Higher — Abkhazian State University, 1992, Tbilisi Humanities and Economic Institute, 1998.
 Positions during the last 5 years:
 Period: 2003 – 2004
 Organization: OJSC «Monomarka Bosco»
 Field: trading
 Position: Director General
 Period: 2003 – 2004
 Organization: OJSC «Sporttovary Bosco»
 Field: trading
 Position: Director General
 Period: 2004 – 2004
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Deputy Managing General
 Period: 2004 – 2004
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction
 Period: 2004 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: Managing Director, Chairman of the Direction, member of the Board of Directors
 Period: 2004 till today
 Organization: ATLAS PROJECT MANAGEMENT LIMITED

Field: consulting on business activity and management
 Position: director
 Period: 2004 till today
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Managing Director
 Period: 2005 – 2007
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Commercial Director
 Period: 2006 till today
 Organization: CJSC «East-West Group of Companies»
 Field: holding companies management
 Position: member of the Board of Directors
 Period: 2008 till today
 Organization: Board of the Fund of the State Pushkin Museum of Fine Arts
 Field: development of the Fund of the State Pushkin Museum of Fine Arts
 Position: member of the Board of the Fund
 Period: 2008 till today
 Organization: Fund of specific capital of the State Pushkin Museum of Fine Arts
 Field: development of exhibition and scientific-outreach activities of the State Pushkin Museum of Fine Arts
 Position: chairman of the Board of the Fund
 Period: 2008 till today
 Organization: CJSC «Univermag».
 Field: retail trading
 Position: Director General

GNATIUK Andrei Klimentievich

Year of birth: 1961
 Education: Higher — Moscow Polygraphic Institute, 1983
 Positions during the last 5 years:
 Period: 2003 till today
 Organization: ODO IMA Group
 Field: advertising
 Position: President
 Period: 2005 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Board of Directors

KARAHANYAN Samvel Gurgenovich

Year of birth: 1960
 Education: Higher — master of laws, Yerevan Polytechnic Institute, 1982, Moscow Law Academy, 1994.
 Positions during the last 5 years:
 Period: 2003 till today
 Organization: Moscow Bar Association «Barshchevsky and partners»
 Field: advocacy
 Position: President
 Period: 2004 till today
 Organization: ATLAS PROJECT MANAGEMENT LIMITED
 Field: consulting on business activity and management
 Position: director
 Period: 2004 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Board of Directors
 Period: 2006 till today
 Organization: CJSC «East-West Group of Companies»
 Field: holding companies management
 Position: member of the Board of Directors

MALISHEV Nikolai Nikolaevich

Year of birth: 1938
 Education: Higher — Moscow Aircraft Institute, 1963, Moscow Institute of Oriental Languages, 1970.
 Positions during the last 5 years:
 Period: 1995 till today
 Organization: TV company «Channel One»
 Field: television field:
 Position: Director of Direction of sport broadcasting
 Period: 2005 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Board of Directors

SKVORTSOV Aleksei Yuvenalievich

Year of birth: 1968
 Education: Higher — Moscow Engineering and Physical Institute, 1993; Moscow international high business school «Irbis», 2003
 Positions during the last 5 years:
 Period: 2003 till today
 Organization: «GUM-PROJECT», LLC
 Field: investment activity
 Position: Director General
 Period: 2004 – 2004
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Economics Director
 Period: 2004 – 2006
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction
 Period: 2004 till today
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Head of representative office
 Period: 2004 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Board of Directors
 Period: 2005 till today
 Organization: ATLAS PROJECT MANAGEMENT LIMITED
 Field: consulting on business activity and management
 Position: director
 Period: 2005 till today
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Financial Director
 Period: 2007 till today
 Organization: «Managing Company «Bosco», LLC
 Field: management services
 Position: member of the Direction
 Period: 2007 till today
 Organization: «Managing Company «Bosco», LLC
 Field: management services
 Position: Head of financial administration
 Period: 2008 till today
 Organization: CJSC «Univermag»
 Field: retail trading
 Position: Executive Director

TYAGACHEV Leonid Vasilievich

Year of birth: 1946
 Education: Higher — Moscow Regional Pedagogical Institute, 1970;
 Positions during the last 5 years:
 Period: 2001 till today
 Organization: Olympic committee of Russia
 Field: sports field
 Position: President
 Period: 2004 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Board of Directors

SUMMARY INFORMATION ABOUT MEMBERS OF THE COLLEGIAL EXECUTIVE BODY OF OJSC «GUM TRADING HOUSE»

GUGUBERIDZE Teimuraz Vladimirovich

Year of birth: 1973
 Education: Higher — Abkhazian State University, 1992, Tbilisi Humanities and Economic Institute, 1998.
 Positions during the last 5 years:
 Period: 2003 – 2004
 Organization: «Monomarka «Bosco» Co Ltd.
 Field: trading
 Position: Director General
 Period: 2003 – 2004
 Organization: OJSC «Sporttovary «Bosco» Co Ltd.
 Field: trading
 Position: Director General
 Period: 2004 – 2004
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Deputy Managing General
 Period: 2004 – 2004
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction
 Period: 2004 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: Managing Director, Chairman of the Direction, member of the Board of Directors
 Period: 2004 till today
 Organization: ATLAS PROJECT MANAGEMENT LIMITED
 Field: consulting on business activity and management
 Position: director
 Period: 2004 till today
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Managing Director
 Period: 2005 – 2007
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Commercial Director
 Period: 2006 till today
 Organization: CJSC «East-West Group of Companies»
 Field: holding companies management
 Position: member of the Board of Directors
 Period: 2008 till today
 Organization: Board of the Fund of the State Pushkin Museum of Fine Arts
 Field: development of the Fund of the State Pushkin Museum of Fine Arts
 Position: member of the Board of the Fund
 Period: 2008 till today
 Organization: Fund of specific capital of the State Pushkin Museum of Fine Arts
 Field: development of exhibition and scientific-outreach activities of the State Pushkin Museum of Fine Arts
 Position: chairman of the Board of the Fund
 Period: 2008 till today

Organization: CJSC «Univermag»
 Field: retail trading
 Position: Director General

RUSAKOV Aleksei Sergeevich

Year of birth: 1976
 Education: Higher — Moscow Economic and Law Academy, 1999;
 Positions during the last 5 years:
 Period: 2003 till today
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Director of legal department
 Period: 2003 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction
 Period: 2005 till today
 Organization: CJSC «Registronics»
 Field: Services on keeping of registers of joint-stock companies
 Position: member of the Board of Directors
 Period: 2008 till today
 Organization: Fund of specific capital of the State Pushkin Museum of Fine Arts
 Field: development of exhibition and scientific-outreach activities of the State Pushkin Museum of Fine Arts
 Position: member of the Board of the Fund
 Period: 2008 till today
 Organization: CJSC «Univermag».
 Field: retail trading
 Position: Executive Director
 Period: 2008 till today
 Organization: CJSC «28th Creative association»
 Field: various types of services
 Position: Executive Director

SERGEEV Vladimir Nikolaevich

Year of birth: 1958
 Education: Higher— Moscow energy Institute, 1981
 Positions during the last 5 years:
 Period: 2001 – 2004
 Organization: Company «Aliazh»
 Field: trading
 Position: Commercial Director
 Period: 2004 – 2005
 Organization: Company «Edinaya Evropa»
 Field: trading
 Position: Marketing Director
 Period: 2005 till today
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Director of business department
 Period: 2006 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction

SOKOLNIKOV Dmitri Ivanovich

Year of birth: 1964
 Education: Higher — Moscow Automobile and Road Institute, 1987
 Moscow State Law Academy, 2000
 Positions during the last 5 years:
 Period: 2001 – 2005
 Organization: «Toros Invest» LLC
 Field: real estate transactions
 Position: Director General
 Period: 2005 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: Head of real estate management department
 Period: 2006 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction
 Period: 2008 till today
 Organization: CJSC «Univermag».
 Field: retail trading
 Position: Executive Director
 Period: 2008 till today
 Organization: «MaxWest», LLC:
 Field: services on leasing and exploitation of buildings
 Position: Executive Director
 Period: 2008 till today
 Organization: CJSC «Vesna 21 vek»
 Field: services on leasing and exploitation of buildings
 Position: Executive Director

SHPITONOV Igor Mihailovich

Year of birth: 1957
 Education: Higher — Moscow Energy Institute, 1980
 Positions during the last 5 years:
 Period: 2000 – 2003
 Organization: OJSC «Russian Aluminum Management»
 Field: colored industry
 Position: Administration Director
 Period: 2004 – 2004
 Organization: «GUM-PROJECT», LLC
 Field: investment activity
 Position: Executive Director
 Period: 2004 – 2005
 Organization: CJSC «GUM – Trust»
 Field: investment activity
 Position: Director General
 Period: 2004 – 2005
 Organization: «Stilni Gorod» LLC
 Field: investment activity
 Position: Director General
 Period: 2004 till today
 Organization: OJSC «GUM TH»
 Field: trading
 Position: member of the Direction
 Period: 2004 till today
 Organization: Representation of the company ATLAS PROJECT MANAGEMENT LIMITED.
 Field: consulting on business activity and management
 Position: Administration Director
 Period: 2008 till today
 Organization: CJSC «Univermag».
 Field: retail trading
 Position: Executive Director



POSITION OF OJSC «GUM TRADING HOUSE» IN THE FIELD

As of today OJSC «GUM Trading House» preserves its significant place on the retail market and shows good combination of historical appearance of the building, unique atmosphere and modern approach to presentation and sale of premium-class goods. After a long period of ongoing growth of basic economic indicators in the field, retail turnover growth slowed down in the 4th quarter of 2008 under the influence of the recession in the overall national economy. The following changes in primary trends of the field may be distinguished:

1. Slowdown of turnover growth of trade and public catering enterprises in terms of value, reduction of its volume in kind.
2. Weakening of consumers' activity due to expectations of exacerbation of the financial crisis.
3. Slowdown of expansion of sales areas, extension of terms for placing of projects under construction in operation due to complications in access to financial resources.
4. Closing or correction of development programs of products and services providers due to lack of liquidity caused by great debt load and failure to attract additional financial resources.
5. Increase of share of unoccupied areas in new buildings and in the less qualitative areas, rotation and moving of lease holders from less qualitative to more conceptual buildings.
6. Changes in shopping development in terms of size. Thus, under crisis conditions hypermarkets lose customers but discounters on the contrary now have a chance to successful development despite of forecasts of analysts about their stagnation.
7. Commercial real estate market passed into correction stage. Primary indicators change: structure and demand and supply volumes, prices and lease rates as well as «pool» of main merchants in various market segments.

Retail companies that faced the most severe difficulties in access to credit resources are having major problems. Many store chains declared closedown of regional development programs and rotation of existing shops. Thus, the strongest players stay on the market and they will strive in medium-term future to occupy market niches left by weaker competitors. Therefore OJSC «GUM Trading House» is going to increase the share of sales areas for conceptual projects that are absent in other shopping centers of Moscow. «Gastronome» was opened in GUM. It is a unique project reconstructed on the basis of historical materials of past years, and in the future we plan to expand the range of services for customers not only in our traditional field but also in the field of leisure and entertainment.

Financial crisis and slowdown of incomes growth of Muscovites already affected adversely development of the Moscow market of retail trade and services. Price increase and weakness of national currency are tightly connected in the Russian economy. High probability of further devaluation of Ruble negatively affects consumer demand, especially in nonfood goods segment, and makes customers wait and see. However one must bear in mind that OJSC «GUM Trading House» focuses on target audience with high income level formed from well-to-do Muscovites and visitors of Moscow who pay much attention to their image and for this reason are not going to significantly reduce their expenses for goods offered by OJSC «GUM Trading House» (clothes, shoes, perfume and make-up and accessories). In order to minimize influence of the recession, the management of OJSC «GUM Trading House» makes a series of arrangements on optimization of expenses of the company, saving its income and its further development.

Within last months of the year 2008 some changes affected the commercial real estate market as well. The commercial real estate market turned from actively growing into dying, there are some tendencies to downfall: many projects are closed at the planning stage, projects under construction are frozen, the number of deals reduces, level of purchasing power drops.

In the forth quarter of the year 2008 no mass lowering of rental rates level was noticed in the commercial real estate market of Moscow but most retailers applied to the management of shopping centers asking to cut down rental rates or calculate rental rate on the basis of a percent of the leaseholder turnover. Lowering of rental rates is quite possible in the short-term future and may lead to failure of OJSC «GUM Trading House» to achieve the same results as in the previous period. For this reason the company aims not only to increase the quality of sales areas of the building but also to develop an effective model of employees work. Comfortable sales areas, well-thought-out assortment structure and recognizable image guarantee GUM demand for lease of its areas and therefore stable rental rates level.

It should be noted that despite negative changes in the market situation OJSC «GUM Trading House» keeps on realizing set tasks on conversion of the store into a premium-class store in accordance with the accepted development strategy of the company.



Mebelissima Italia exhibition
2-nd line

RESULTS OF OJSC «GUM TRADING HOUSE» FOR THE YEAR 2008

During the accounting period OJSC «GUM TH» continued its step-by-step realization of accepted strategy to focus maximum possible number of goods and services of world-famous manufacturers in one sales area and transform the company into a unique Moscow shopping center in the premium-class goods segment.

During the year active work was carried out relating to further floor relocation of salons by replace of trademarks achieved a strong position in the Moscow market with salons of famous international brands that are very particular in electing sales areas and offer best-quality goods that are renowned throughout the world. Thus within the accounting period conversion of the 1-st floor of the building on the Red Square was almost finished.

The first year of operating «GUM – Gastronome» proved necessity of food products, increased qualitative level of sales areas of OJSC «GUM Trading House» and became one of attraction hubs for customers.

Work of commercial staff on conversion of GUM was carried out taking into account zoning on goods groups when salons are concentrated in one shopping area depending on their designated purpose offering a wide range of products in one price segment but of different styles and trends.

As a result of the performed work the first Moscow salon of the leading world-famous group of companies producing fashion goods and luxury articles Emporio Armani was opened. Delicacy, fine combination of taste and style distinguish not only the presented collections but the whole shopping area of the salon that occupies the 3-rd floor and has an original extension – cafe under the same name. Style of the interior and product range of the salon are in step with the general recognizable line of the leading shops of Emporio Armani in Milan, London, Paris and other cities of the world.

Louis Vuitton salon was renewed and expanded. Now the salon is located on two levels offering to its customers a wide range of products including not only leather articles but also watches and jewelry, textile, collections of clothes, shoes and accessories for men and women.

Moreover, such salons as Sportmax, Mont Blanc and Coach were opened on the 1st floor that expanded the assortment of clothes and accessories.

More active work on relocation of salons was carried out on the 2-nd floor of the building.

Work on creation of a shoe zone is near completion. In addition to the existing shoe salons that has successfully operated in GUM for a long time a new shoe salon Stuart Weitzman was opened in the fountain area.

As a result of repair and reconstruction works performed in the shoe zone mono-brand shoe salons Cesare Paciotti, Casadei and Alberto Guardiani that

made a good showing on the world market and are recognizable by our target customers are to be opened soon.

Continuous development is carried out also relating to makeover of the 1-st pavilion of the 2-nd floor where in accordance with the accepted concept Paul Zileri salon of elite male shoes was opened that harmonically supplements salons of Christian Dior, Escada and Louis Vuitton.

Along with foreign world-famous brands OJSC «GUM Trading House» pays much attention to Russian designers and producers as well that quite well represent Russian high fashion at the international level and won love and recognition of customers. In the end of the year 2008 a salon of famous Russian designer Valentin Yudashkin was opened. A salon of not less famous designer Igor Chapurin is at the stage of preparation.

Rotation of salons located on the 2-nd floor is just gathering pace. Thus, in the forth pavilion salons of Penny Black and Pinco were relocated. They had located on the 1st floor before but satisfy principles of assortment and price policy of the 2nd floor. In the end of the year a new salon of female clothes Principe and salon of female underwear Estelle, A-Store were opened, that, in their turn, replaced salons that do not correspond with the new strategy of the company.

Modifications involved the 3-rd floor as well. Creation of the «line of household products» is near completion. Thus, in the year 2008 salons of glassworks and dishware Riedel, Il Piatto and Crispas were opened in the specially designated area. These salons supplement the already existing successful salons Alessi, Kartell and Villeroy&Boch. Areas of technical products and accessories continue to expand.

Modifications involved services as well. In the end of the year a beauty salon Jean Louis David was opened in OJSC «GUM Trading House». Salons chain under this name includes approximately a thousand salons all over the world and offers to its clients the best services, exclusive methods of haircut and coloring. The interior design was created by the leading Italian architectures and designers. Besides services of stylists and hairdressers a wide range of additional services are rendered in the salon.

Scheduled modifications were carried out also in the public catering area of GUM. On the 3-rd floor in the cafe «Festivalnoe» a new pavilion «Blini» was opened with the menu including mainly dishes of traditional Russian cuisine. In the course of organization of the public catering area GUM based on principles of steady increasing of the level of customer services. For this reason GUM decided to avoid using disposable tableware. All pavilions of the cafe «Festivalnoe» now work with bright ovenware that positively influences customer's reviews relating to esthetic perception of

food. «Sbarro» was replaced by the pavilion «Italia» that enjoys steady popularity among visitors of the cafe «Festivalnoe». The pavilion was equipped with special ovens for cooking traditional Italian pizza. Chefs received training from Italian specialists that were invited in GUM for master-classes on cooking of traditional Italian dishes. As a result of relocation the pavilion's area expanded that allowed increasing the number of tables by 20%.

Clear commercial policy aimed at maximum possible satisfaction of needs of our target customers, promotion of GUM's status and recipient-oriented advertising policy allowed not only retaining the number of visitors but also increasing goods turnover. In the year 2008 turnover of OJSC «GUM Trading House» amounted to 2 756,1 million Rubles that is by 24,7% more than in the previous year. Sublessees of GUM enjoyed similar increase of turnover.

It is important to note that the recession effects influenced conditions and results of operations of our joint-stock company. Varying conditions speeded up the process of decision-making relating to closing of salons that became low-gain due to decrease of buying activity. Sales area that became vacant, that is more than 1 200 square meters, is reserved for new goods groups corresponding to the concept accepted by GUM.

Quality changes in the commercial policy of GUM are of great importance for the accepted policy and confirm high status of the store on the Red Square

Onward movement on conversion of GUM Trading House directly involves correction of methods of influence on customers. Advertising campaigns of the year 2008 were aimed at realization of tasks of long-term perspective — deepening of opinion of customers about GUM as a shop offering high-quality goods of premium-class. During the whole advertising campaign such effective advertising vehicles were used as road banners at the central highways of the city, publication of information in the leading mass media and broadcasting on the radio.

Advertising activity of GUM was aimed not only at timely informing customers on current changes in commercial life (opening of new salons, display of new collections, discounts, advertising campaigns of some brands, etc.) but also at image events carried out by the joint-stock company that cover both charitable activity and cultural arrangements giving GUM some traits of a cultural center along with a shopping one.

It is important to note advertising campaigns connected with realization of large-scale shopping projects. Thus, in May the exhibit of exclusive food products of Italian manufacturers was displayed at the line along the whole «Gastronome №.1». Herewith visitors of GUM could get themselves familiar with new product lines of the Gastronome and also taste various products and dishes that were made by Italian cooks right there.

This campaign attracted much attention of our customers that undoubtedly gave a new impetus to the

Gastronome development.

In the spring visitors of GUM could see the exhibition devoted to 75-th anniversary of a famous French manufacturer and a partner of GUM — Lacoste. Visitors of GUM could see the anniversary collection as well as some retrospective photographs. Lacoste shops step-by-step change their former design. Boutiques are decorated in «white» style: black-and-white photographs of the founder of this mark Rene Lacoste are placed near pop-art elements joining past and present.

The first anniversary of Cartier House in GUM was bright and unforgettable. Visit of Monica Belucci attracted attention of mass media and therefore many new purchasers. That day in the center of the event many famous guests visited GUM enchanting by elegance and delicacy of the evening including Mikhail Barshevskiy, Oleg Yankovskiy, Ingeborga Dapkunaite, Renata Litvinova, Olga Slutsker and many others.

In order to attract customers to new perfume and make-up shop «Articoli» a great entertainment event «Glamour running on stilettos on the Red Square» was organized. Sport atmosphere, glamour dress, famous people, fans and admirers, modern music and lots of balloons — all this gifted to Muscovites and guests of the city wonderful summer festival, and to GUM — new visitors and customers.

Although economic situation dramatically changed in the end of the year that negatively affected sales level, GUM made much effort to attract new customers and realize scheduled projects. For example, organization of a festival together with «Bosco di Ciliegi» — anniversary of Sublime salons — when for the first time not only the first floor of the building on the Red Square but also its historic basement was used. Guests found themselves in the atmosphere of a great theatrical show where they could see not only jewelry and watch collections of the Sublime salon but also a big collection of retro cars as well as take part in music and dance competitions with participation of famous show-business stars of Russia, such as Filipp Kirkorov, Larisa Dolina, Igor Butman and many others.

During the accounting period GUM held on its charitable activity.

One of the most notable events was a charity evening arranged to coincide with New Year holidays. Within the frames of this event more than 20 most famous partners of GUM prepared New Year trees trimmed by designers in the spirit and style of each brand which were demonstrated on the first floor of GUM during some weeks. After that trees from Cartier, Hermes, Omega, Longines, Chaumet, ARTICOLI, Bosco-FAMILY, Sonia Rykiel, Van Cleef & Arpels and many other were sold at a charitable auction and earnings were given to various funds for children with serious diseases.

Photographs exhibition «Game» was opened in the interests of the charitable fund «Favour life» where actresses Dina Korzun and Chulpan Khamatova took part. The principal characters of photographs

of a famous photographer Alina Vlasova along with children with blood cancer were famous Russian actors of theater and cinema: Galina Volchek, Nikita Mikhalkov, Sergey Garmash, Olga Drozdova, Vladimir Spivakov and others. Cash-boxes were placed in GUM for collection of charitable gift. All funds collected in the course of the exhibition were transferred for purchase of expensive medication for children who took part in photographic work and for other children treatment.

Moreover, in the spring of 2008 exhibition of fine arts and applied works of VI children region arts festival «April» was arranged where visitors of GUM could see amazing works of children from visiting families: wood painting, ceramics, ornaments made of bead, mosaic, batik, articles made of wood and natural materials.

GUM never fails to bring joy and surprise its visitors with cultural events.

During the whole August photographs exhibition «Olympic games day by day» took place that was prepared on the basis of archival and present-day photographs of Russian Information Agency «News» and arranged to coincide with the Olympic Games in Beijing. The distinctive feature of this exhibition was daily change of photographs allowing visitors to keep an eye on all events at stadiums, feel exciting atmosphere of competitions, see the most bright and memorable moments of this worldwide sport and beauty festival. Opening of the Big Winter GUM-Rink on the Red Square marked for visitors of GUM the onset of winter. This ice rink in the center of Moscow one more time attracted attention of people and mass media. Besides enjoyment in everyday free skating for all guests, such events as presentation of a movie of Valeriy Todarovskiy «Stiliagi», New Year shows for children, shows of junior skating schools and many other events took place at the GUM-rink. Muscovites and guests of the city might welcome in the New Year and arrange corporate parties at the Big Winter GUM-Rink.

GUM shop-windows play an important role in creation of the image of this store and its and primarily the shop-windows of each salon. Careful attention was also paid to image show-cases decorated in retro-style of 50s and 60s of the XX century. Genuine articles and accessories of that age were used for the design. Special style and aesthetics of these show-cases attract attention of many visitors. Decoration of the interior of GUM for the New Year was made in the similar retro-style. Huge toys: paper streamers, confetti, gift boxes, flags, lots of New Year pictures from original post card of mid-XX century, along with music created recognizable image and warm and comfortable atmosphere.

In the year 2008 we managed to bring to life lots of unique ideas and original projects that create positive GUM's image in the eyes of our customers.

Promotion of the status of GUM and its attraction for prospective shoppers is impossible without creation of comfortable conditions for visits. For this purpose GUM carries out lots of repair and restoration works as well as works connected with technical upgrading and installation helping to create comfortable conditions for those who visit our store.

In the year 2008 approximately 3500 square meters of sale areas were repaired and reconstructed. Works on reconstruction of wooden (oak) stained-glass windows along the outside perimeter of the building and inside the building were carried out; floor structure of the Demonstration Hall over the scene that had been in emergency condition was repaired and strengthened. 2400 square meters of the external face of the building looking out on the Vetoshniy side-street and 2267 square meters of the interior face of the building were restored, including repair of electric power distribution system of gallery lighting.

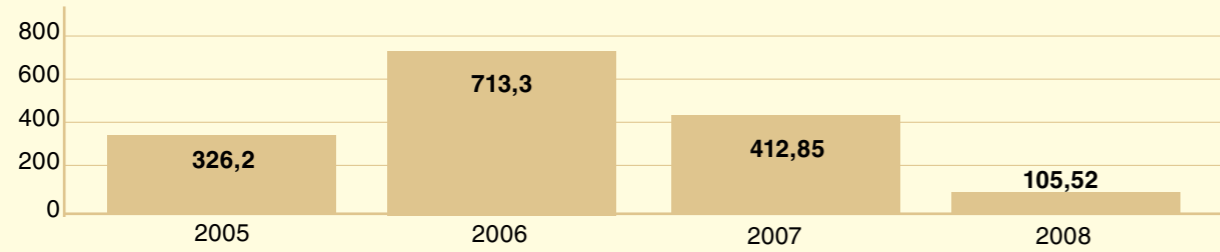
Works on reconstruction of conditioning system were carried on, including installation of four additional compression refrigerating machines with total power of 1600 kW. Creation of main and supply net of submission of refrigerating medium to sales areas was completed allowing to ensure conditioning of new salons in the area of approximately 1700 square meters and transfer air conditioning to an absolutely new type of refrigerating medium (water) in salons in the area of approximately 4500 square meters.

In order to ensure good work of warehouses, floor structures of the basement looking out on the Vetoshniy side-street were waterproofed.

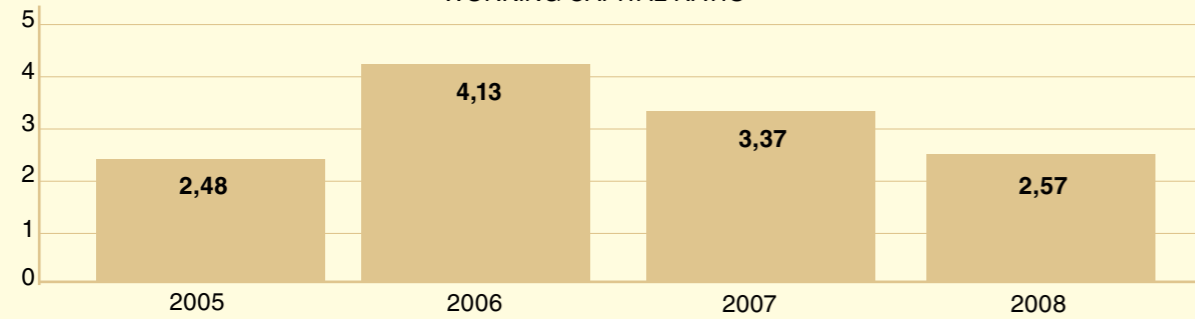
As a whole, investments in current capital repairs, restoration and reconstruction of GUM on the Red Square in the year 2008 amounted to 506 million Rubles.

Continuing realization of the program of conversion of GUM into a store trading luxury goods along with appropriate necessary changes in the exterior and interior of the building as well as creation of highly comfortable conditions for visitors definitely led to temporary (for the period of conversion) decrease of financial results of the joint-stock company. Herewith decrease of the balance profit of OJSC «GUM Trading House» in the accounting year to 205,1 million rubles was caused by the financial meltdown in the country that first of all affected retail business.

NET INCOME OF OJSC «GUM TRADING HOUSE» (IN MILLION RUBLES.)



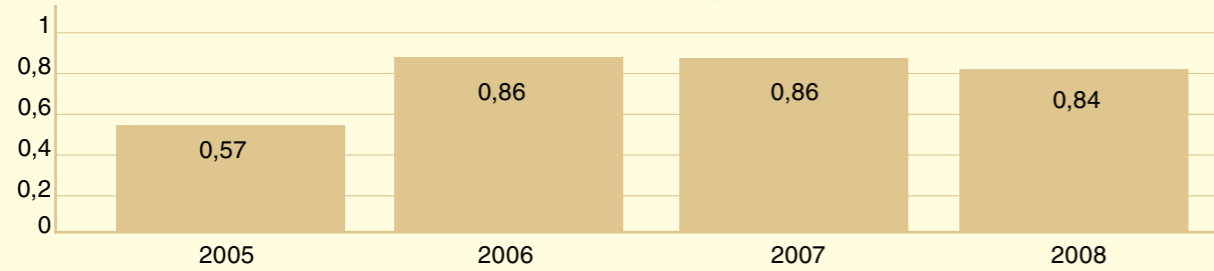
WORKING CAPITAL RATIO



Working capital ratio as of January 1, 2009 amounted to 2.57 (with standard limit (WCR>1). Since current assets exceed current liabilities the working capital ratio did not reduce below the standard level during the year 2008.

Reduction of this indicator in the year 2008 occurred due to decrease of commodity stock and cash assets.

OWN CIRCULATING ASSETS LIQUIDITY RATIO



Own circulating assets liquidity ratio as of January 1, 2009 amounted to 0.84 (with standard OCALR > 0,1) showing OJSC «GUM Trading House» as financially stable and

sound company.



MAIN RISK FACTORS CONNECTED WITH THE ACTIVITY OF OJSC «GUM TRADING HOUSE»

RISKS CONNECTED WITH POSSIBLE CHANGES IN PRICES OF PRODUCTS.

Degree of influence of this factor on OJSC «GUM Trading House» may be estimated as medium since target customers are well-to-do people who pay much attention to their image and for this reason we do not expect decrease of sales volume and price cutting for goods offered by OJSC «GUM Trading House».

RISKS CONNECTED WITH POSSIBLE CHANGES IN PRICES OF SERVICES.

These days sub-leasing is one of the main areas of activity of OJSC «GUM Trading House». Pool of tenants who are world-famous brands, unique location of the building and unique architecture of shopping area advantage distinguish GUM from other shopping centers.

In the near future situation in the real estate market may exert minor influence on decrease of profit of OJSC «GUM Trading House» from sub-leasing: on the one hand there is still deficit of quality sales areas in the center of Moscow and new construction will visibly decrease in the medium term; on the other hand sub-lessees of GUM are stable enough since the management of GUM carries out a policy aimed at mutually profitable long-term partnership relations with existing companies – sub-lessees as well as creation of competitive conditions for clients of GUM.

POLITICAL RISKS

The past 5 years in Russia are characterized by political stability that created a favorable climate for investments into the Russian industry and significantly reduced political risks connected with our country. Leading rating agencies took a favorable view of economic achievements of the country and therefore it became more advantageous in the eyes of analysts and creditors.

The region where OJSC «GUM Trading House» carries out its activity and was registered as a tax-payer is characterized by low rate of such risks as strikes and announcement of the state of emergency.

Risks connected with military conflicts are extremely low and cannot have much influence on activity of the issuer. As for such risks as terrorism the issuer conducts policy of insurance of its activity and pays much attention to security.

Social situation in Russia may be estimated as relatively stable.

INFLATION RISKS

Increasing growth of inflation rate may entail growth of the issuer's expenses (from price advance for energy resources, transportation, growth of purchasing prices), slower inventory and assets turnover and may become a reason for lower indicators of profitability and reduction of profit. In case of higher inflation GUM is going to conduct tough policy on reduction of expenses and take the following measures:

- reconsideration of the structure of financing of existing and new projects;
- optimization of expenses, reduction of costs

- connected with production activity;
- reconsideration of investment program.

It should be noted that a part of risks cannot be evened in full since the mentioned risks are mostly out of control of the issuer and depend on economic situation in the country.

Critical inflation rate for the issuer is 25-28% a year.

ENVIRONMENTAL RISKS

Natural and climatic disasters connected with geographic features of the region are not typical for the territory of the Central district. Therefore risks of influence of natural disasters on infrastructure of the company and its activity are minimal. Moreover, OJSC «GUM Trading House» uses such risks mitigation mechanism as insurance. GUM buildings are insured from loss or damage as a result of natural disasters (earthquake, heavy rain, flood, whirlwind, hurricane, whirlwind, etc.). It allows compensating loss from expected risks occurrences.

RISK OF CHANGES IN CURRENCY EXCHANGE RATES

As for significant exchange rate fluctuations, they bear influence first of all on the economy of Russia as a whole and, therefore, implicitly on the operations of OJSC «GUM Trading House». Ruble exchange rate is regulated by the Central Bank, which in its turn correlates its activities with major fields of development of economy policy of the country.

The main aim of the country is to keep the fundamental economic indicators – inflation, rate, taxes collection rate, government expenditures – on the level ensuring stable economy resistant to external shakes.

Since a part of goods sold by OJSC «GUM Trading House» is imported the issuer incurs some currency risk. Acute fluctuations of exchange rate may adversely affect sales and expenses volume.

At the same time OJSC «GUM Trading House» receives a great part of funds from sub-leasing. Taking into account that rates for the leased areas are calculated in conventional units we may minimize influence of this risk.

RISK OF CHANGES IN INTEREST RATES

Increase of interest rates may negatively affect financial indicators of OJSC «GUM Trading House» when there is a need in borrowed assets. Proposed actions of the issuer in case of negative influence of changes in interest rates: search of new sources of monetary funds to ensure dynamic development of the company.

RISKS CONNECTED WITH CHANGES IN CUSTOM CONTROL AND FEES.

Changes in custom control procedure and custom fees lead to some risks related to the increase of costs of purchased goods, production costs and decrease of profitability of the issuer, especially in case the most of the purchased goods for operations are imported or manufactured using materials of foreign manufacture. Due to small percentage of imported goods in the goods turnover of OJSC «GUM Trading House» the degree of this risk is low.

RISKS CONNECTED WITH CHANGES IN TAX LEGISLATION

Changes in tax legislation were carried out in the whole territory of Russia beginning from January 1, 2002, therefore tax rates were changed. OJSC «GUM Trading House» pays taxes at new rates and has adjusted to the new tax situation in full.

Possible growth of rates of taxes paid by GUM in the course of its production and financial activity may cause increase of expenses of the issuer and decrease of funds for financing of current operations and performance of obligations.

RISKS CONNECTED WITH CHANGES IN REQUIREMENT TO MAIN ACTIVITIES LICENSING

In opinion of OJSC «GUM Trading House» changes in requirements to main activities licensing cannot bear much influence on financial and economic activity because the main activity of the issuer is not subject to licensing. The share of goods subject to obligatory licensing (for example, alcohol drinks) is small.

RISKS CONNECTED WITH ACTIVITY OF OJSC «GUM TH»

OJSC «GUM TH» carries out business aimed at development of own retail trade (sale of food and non-food products, public catering services) as well as leasing of areas, thereby ensuring stable financial condition and further economic development.

Risks connected with macro-economic environment and inflation rate growth may cause possible drop of profit of the issuer but results of its financial and economic activity are on the same level because main asset of OJSC «GUM Trading House» is sales areas. Taking into account growth of inflation rate OJSC «GUM Trading House» pays special attention to management of and control over production costs and increase of financial results.

There are no risks connected with possible loss of customers who create turnover not less than 10% of total earnings from sale of products (works, services) of the

issuer.

There is no legal proceeding where OJSC «GUM Trading House» takes part and that may affect significantly activity of the issuer.

OJSC «GUM TH» does not bear responsibility for debts of third persons.

ECONOMIC RISKS

Russian economy is not protected from market drops and slowdown of economic development in other countries of the world. Various financial problems and high sensitivity to risks connected with investments in countries with developing economy may reduce volume of foreign investments in Russia and negatively affect Russian economy. Moreover, since the Russian Federation manufactures and exports great volumes of natural gas and oil as well as other energy products and useful minerals, Russian economy is extra sensitive to changes in world prices of raw materials and such prices cutting may slowdown development of the Russian economy.

Higher prices may cause growth of issuer's expenses (from price advance for energy resources, transportation, growth of purchasing prices), slower inventory and assets turnover and may become a reason for lower indicators of profitability and reduction of profit. Cutting of prices for products sold by GUM is possible only in case of decrease of customer demand in the country or the region as well as rapid aggravation of competition. In this case margin may be reduced and financial results of the issuer may come down.

OJSC «GUM Trading House» is financially stable enough to overcome short-term negative economic changes in the country. In case of any significant political or economic volatility in Russia or in the region GUM is to take some measures on anti-crisis management for the purpose to mobilize business and minimize negative influence of such political or economic situation in the country or the region.

OJSC «GUM TRADING HOUSE» CORPORATE BEHAVIOR CODE

Improvement of the corporate management system is performed in compliance with the Russian legislation for the benefit of the shareholders.

In the process of corporate management the managers constantly follow the rules and principles of corporate culture and ethics.

OJSC «GUM Trading house» strictly follows requirements of the law on disclosure of information at the securities market. Besides, OJSC «GUM Trading House» follows the rules of the Corporate Behavior Code developed according to the Federal Law «On Joint Stock Companies» as well as extra norms.



GUM-Skating rink on Red Square

JOINT STOCK (AUTHORIZED) CAPITAL OF OJSC «GUM TRADING HOUSE»

The authorized capital of the Company amounts to 60 000 000 (sixty million) Rubles and is divided into 60 000 000 (sixty million) registered ordinary shares with par value of 1 (one) ruble. Each paid ordinary share gives the right to participate in shareholders meetings; the right to one vote on any issue voted at the meetings; right to dividends in amounts determined by the general

meeting of shareholders.

On April 22, 2009 in the morning (record date) the register of shareholders of OJSC «GUM Trading house» includes the following persons: 61 legal entities (nominee holders) and 8358 individuals, including 52 foreign shareholders.

LIST OF LARGEST SHAREHOLDERS OF OJSC «GUM TRADING HOUSE»

SHAREHOLDER	SHARE IN THE AUTHORIZED CAPITAL (%)
Depository Clearing Company CJSC	68.09
ING Bank (Eurasia)CJSC	13.77

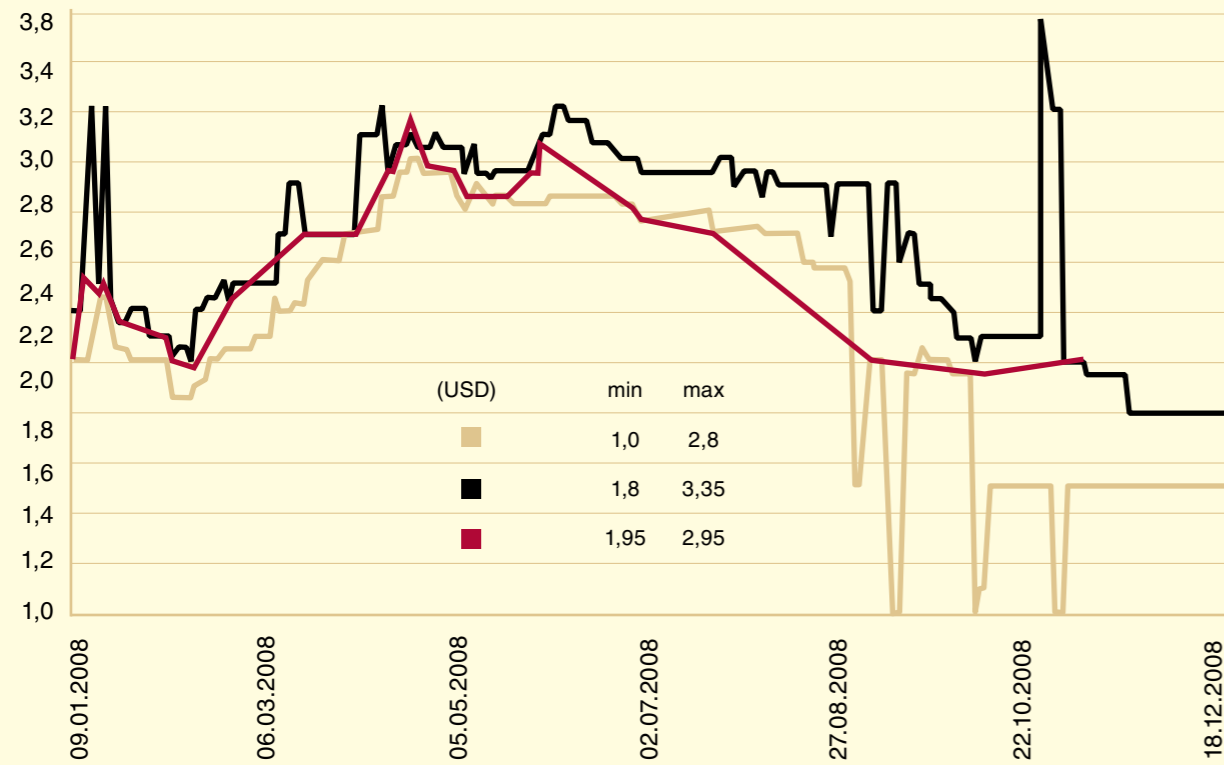
Throughout its history OJSC «GUM Trading House» has made five security emissions: September 02, 1992; June 22, 1993; July 06, 1995; August 15, 1997; April 24, 1998 – emission void.

Registered ordinary shares of OJSC «GUM TRADING HOUSE» are being traded at the leading exchanges of Russia: RTS Stock Exchange and MICEX Stock Exchange.

OFFERS ON DISTRIBUTION OF NET PROFIT RECEIVED IN THE YEAR 2008 BY OJSC «GUM TRADING HOUSE»

ALLOCATIONS	MILLION RUBLES
For development of joint stock company	51,1
For social development	16,8
Charity	37,6
Remuneration of members of the Board of Directors	0
Remuneration of members of the Auditing committee	0
Total	105,5

DATA FROM RTS STOCK EXCHANGE ON TRADING WITH SHARES OF OJSC «GUM TRADING HOUSE»



The blue line represents offers from bidders to sell shares of OJSC «GUM TRADING HOUSE», the green one represents demand for shares. The red one shows last bid price.

In cooperation with the Bank of New York (USA), OJSC «GUM TRADING HOUSE» has allocated American Depositary Receipts (ADR) grade 1 starting from 1996. Shares convert into ADR using the following scheme: two ordinary shares of OJSC «GUM TRADING HOUSE» for one ADR. Due to continuous interest to our securities, shares are periodically converted into ADR and vice versa, depending on objectives of investors. American Depositary Receipts grade 1 of OJSC «GUM TRADING HOUSE» actively circulate at Berlin, Frankfurt and Stuttgart exchanges as well as at USA OTC market.

Monthly average number of transaction made at RTS Exchange was 5,16; while monthly average volume of transactions was 59 344,58 shares.

At the annual general meeting of shareholders held in April 25, 2008 a resolution was approved on spending of net profit to purchase own shares of OJSC "GUM Trading House". In accordance with this resolution OJSC «GUM Trading House» redeemed registered ordinary non-documentary shares of 4th issue in the number of 3 494 842 (three million four hundred ninety four thousand eight hundred forty two) shares for the amount of 203 644 443,34 (two hundred and three million six hundred forty four thousand four hundred forty three) Rubles (thirty four) kopecks at the price on 58 (fifty eight) Rubles 27 (twenty seven) kopecks a share.

OJSC "GUM Trading House" performed all obligations on redemption of its shares in full and within due time.

DIVIDENDS

Investment policy of OJSC «GUM TRADING HOUSE» implies escalation of expenses for modernizing GUM into a technically advanced shopping complex of European level. Taking this into account and on the basis of resolution of the general meeting of shareholders held in April 22 of 2008 OJSC «GUM TRADING HOUSE» did not pay dividends in the year 2008.





Гастроном №1 Italia

Итальянские продукты Гастроном №1 Italia на Красной площади

Итальянские продукты Гастроном №1 Italia на Красной площади

Гастроном №1 Italia

Гастроном №1 Italia

Гастроном №1 Italia

Гастроном №1 Italia

Гастроном №1 Italia

«Gastronome Italia» exhibition

**ACCOUNTING BALANCE-SHEET
OF OJSC «GUM TRADING HOUSE»
(IN THOUSAND RUBLES) (FORMS OF BALANCE SHEET)**

ASSET	CODE LINES	OPENING BALANCE	CLOSING BALANCE
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets (04, 05)	110	5 270	2 680
including: database, trade marks, organization expenses	111	5 270	2 680
Fixed assets (01, 02)	120	682 201	827 538
including: buildings, vehicles, machinery	121	682 201	827 538
Construction in progress (07, 08, 16, 60)	130	20 088	8 475
Profitable investments into tangible assets (03)	135	-	-
Long-term financial investments (58, 59)	140	138 144	120 333
including: investments into affiliate companies	141	4 550	4 550
investments in other entities	142	1 730	1 730
loans granted for over 12 months	143	130 420	130 420
other long-term financial investments	144	1 444	-
Deferred tax assets	145	1 187	502
Other noncurrent assets	150	-	-
TOTAL for Section I	190	846 890	959 528
II. CURRENT ASSETS			
Inventories	210	297 367	255 670
including: raw materials, materials and other similar values (10, 14, 15, 16)	211	77 933	72 652
rearers and fatteners (11)	212	-	-
expenses related to construction in progress distribution costs (14,20, 21, 23, 29, 44,46)	213	-	-
finished products and goods for resale (14,16, 40, 41,43)	214	165 931	125 939
goods shipped (45)	215	-	-
deferred expenses (97)	216	53 503	57 079
other inventories and expenses	217	-	-
Value added tax related to values purchased (19)	220	3 890	1 585
Accounts receivable (payable over 12 months after reporting date)	230	1 771 950	1 927 821
including: buyers and customers (62, 63, 76)	231	354 841	322 599
bills receivable (62)	232	-	-
accounts receivable from affiliate and subsidiary companies (78)	233	1 368 222	1 506 616
advances paid (60)	234	48 887	98 606
other debtors	235	-	-
Accounts receivable (payable within 12 months after reporting date)	240	283 213	170 623
including: buyers and customers (62, 63, 76)	241	75 926	74 396

ASSET	CODE LINES	OPENING BALANCE	CLOSING BALANCE
1	2	3	4
bills receivable (62)	242	-	-
accounts receivable from affiliate and subsidiary companies (6203)	243	1 934	-
amounts due from participants (partners) in relation to contributions to statutory capital (75)	244	-	-
advances paid (60)	245	67 925	37 695
others debtors	246	137 428	58 532
Short-term financial investments (58, 59, 81)	250	325 633	685 594
including: loans payable within 12 months	251	45 633	-
other short-term financial investments	252	280 000	685 594
Cash	260	602 287	41 815
including: cash: (50)	261	3 976	3 992
current accounts (51)	262	563 272	27 651
foreign currency accounts (52)	263	24 185	3 877
other monetary funds (55, 57)	264	10 854	6 295
Other current assets	270	-	-
TOTAL for Section II	290	3 284 340	3 083 108
BALANCE (total of lines 190+290)	300	4 131 230	4 042 636

LIABILITIES	CODE LINES	OPENING BALANCE	CLOSING BALANCE
1	2	3	4
III. CAPITAL AND RESERVES			
Statutory capital (80)	410	60 000	60 000
Own shares repurchased from shareholders	411	-	(203 644)
Additional capital (83)	420	25 158	25 158
Provisions (82)	430	9 000	9 000
including: provisions created in accordance with current regulations	431	9 000	9 000
provisions created in accordance with statutory documents	432	-	-
Retained earnings (uncovered loss)	470	3 568 311	3 673 831
Minority share	471	-	-
TOTAL: as per section III	490	3 662 469	3 564 345
IV. LONG-TERM LIABILITIES			
Loans and credits (67)	510	-	-
including: bank credits due within 12 months after reporting date	511	-	-
Loans due over 12 months after reporting date	512	-	-
Deffered tax liabilities	515	19 497	28 527
Other long-term liabilities	520	-	-
TOTAL for Section IV	590	19 479	28 527

LIABILITIES	CODE LINES	OPENING BALANCE	CLOSING BALANCE
1	2	3	4
V. CURRENT LIABILITIES			
Loans and credits (66)	610	-	-
including:			
bank credits due within 12 months after reporting date	611	-	-
loand due within 12 months after reporting date	612	-	-
Accounts payable	620	449 279	449 536
including:			
suppliers and contractors (60, 76)	621	329 272	262 483
payables to staff (70)	622	-	-
payables to public off-budget foundations (69)	623	981	751
tax and fee payalbes (68)	624	5 276	45 587
other creditors	625	34 344	15 925
bills payable	626	-	-
payables to affiliate and subsidiary companies	627	-	-
advances received (62)	628	79 406	124 790
Payables to participants (partners) related to income (75)	630	-	-
Deferred revenue (98)	640	3	228
Provision for future expenses (96)	650	-	-
Other short-term liabilities	660	-	-
TOTAL for Section V	690	449 282	449 764
BALANCE (total of lines 490+590+690)	700	4 131 230	4 042 636

ASSETS LISTED ON OFF-BALANCE ACCOUNTS

DESCRIPTION	CODE LINES	OPENING BALANCE	CLOSING BALANCE
1	2	3	4
Leased asstes (001)	910	4 565 037	4 570 600
	911		
Inventories accepted for storage (002)	920	4 206	2 411
Goods acquired for re-sale (004)	930	25 306	2 968
	940	23 087	20 472
Guarantees received for liabilities and debts (008)	950	24 546	29 380
Guarantees issued for liabilities and debts (009)	960	-	-
Deterioration of residential property	970		
Deterioration of outside amenities and other similar facilities	980		

DESCRIPTION	CODE LINES	OPENING BALANCE	CLOSING BALANCE
1	2	3	4
Intangible assets received for usage (012)	990		
Fixed assets under RUR 10000 (012); inventories accounted (013); used items accounted (014)	991	21 898	31 943
Classified forms	992	-	263
Fixed assets written off for disposal (015)	993	19 036	396
Items for hire (16)	994	1 626	-

PROFIT AND LOSS STATEMENT

DESCRIPTION	CODE LINES	FOR REPORTING PERIOD	FOR SIMILAR PREVIOUS PERIOD
1	2	3	4
I. OPERATING PROFIT AND LOSS BY ACTIVITIES			
Proceeds from sales of goods, works and services (after deduction of VAT, excises and other similar mandatory payments), including	010	2 756 141	2 208 949
related to sales of goods, products	011	787 389	493 236
related to lease of owned facilities and sub-lease	012	1 729 344	1 544 226
related to provision of services	013	239 408	171 487
Cost of sold goods, works and services, including	020	574 952	(452 823)
related to sales of goods, products	021	(414 391)	(318 863)
related to lease of owned facilities and sub-lease	022	(-)	(-)
related to provision of services	023	(160 561)	(133 960)
Gross Profit	029	2 181 189	1 756 126
Expenses related to sales	030	(1 425 561)	(1 312 640)
Administrative expenses	040	(446 442)	(423 008)
Profit (loss) from sales (lines (010-020-030-040))	050	309 186	420 478
III. OTHER REVENUE AND EXPENSES			
Interest receivable	060	63 959	48 106
Interest due	070	(-)	(-)
Income from participation in other entities	080	-	10
Other income	090	84 810	1 260 556
Other expenses	100	(252 822)	(735 422)
III. PROFIT (LOSS) BEFORE TAXATION	140	205 133	993 728
Deferred tax asset	141	- 685	287
Deferred tax liabilities	142	(9 605)	(12 161)
Current tax on income	150	(88 763)	(166 999)
Deferred tax assets written off due to retirement	151	-	-
Deferred tax obligations written off due to retirement	152	(-)	(1 861)
Tax on income for previous years, penalties	160	(560)	(145)

DESCRIPTION	CODE LINES	FOR REPORTING PERIOD	FOR SIMILAR PREVIOUS PERIOD
1	2	3	4
IV. NET PROFIT (LOSS) FOR REPORTING PERIOD	190	105 520	812 849
REFERENCE			
Minority share	195		
Constant tax liabilities	200	49 821	36 378
Basic profit (loss) per share		0,002	0,007
Watered profit (loss) per share			

DETAILED DESCRIPTION OF SPECIFIC PROFITS AND LOSSES

DESCRIPTION	CODE	FOR REPORTING PERIOD		FOR SIMILAR PREVIOUS PERIOD	
		PROFIT	LOSS	PROFIT	LOSS
1	2	3	4	5	6
Penalties, fees or forfeit recognized or determined by court decisions (arbitration) on levy of the same	210	-	-	-	-
Profit (loss) for previous years	220	1 989	9 504	2 404	135
Remuneration of loss caused by failure to fulfil or inappropriate fulfilment of obligations	230	113	14 700	1 358	1 340
Currency difference for transactions in foreign currency	240	40 429	5 271	1 687	5 558
Deductions to evaluation provisions	250	x	-	x	-
Payables and receivables written-off with expired limitation period	260	207	1 860	53	425
	270				

STATEMENT ON CHANGED IN EQUITY

I. Changes in equity

INDEX	STATUTORY CAPITAL	ADDITIONAL CAPITAL	PROVISION CAPITAL	RETAINED EARNINGS (UNCOVERED LOSS)	TOTAL	
DESCRIPTION	CODE	3	4	5	6	
1	2	3	4	5	6	
Balance for December 31 for the period prior to the previous one		60 000	25 158	9 000	3 155 462	3 249 620

INDEX	STATUTORY CAPITAL	ADDITIONAL CAPITAL	PROVISION CAPITAL	RETAINED EARNINGS (UNCOVERED LOSS)	TOTAL	
DESCRIPTION	CODE	3	4	5	6	
1	2	3	4	5	6	
2007 (PREVIOUS YEAR)						
Changes in accounting policy		x	x	x	-	-
Re-evaluation of fixed assets		x	-	x	-	-
Balance as of January 1 previous year		60 000	25 158	9 000	3 155 426	3 249 620
Re-calculation of foreign currencies		x		x	-	-
Net profit		x	x	x	412 849	412 849
Dividends		x	x	x	-	-
Deductions to provisions	110	x	x	-	-	-
Increase of equity due to the following:						
extra issue of shares	121	-	x	x	x	-
increase of nominal value of shares	122	-	x	x	x	-
restructurization of legal entity	123	-	x	x	x	-
Decrease of equity due to the following:						
decrease of nominal value of shares	131	-	x	x	x	-
reduction of shares	132	-	x	x	x	-
restructurization of legal entity	133	-	x	x	-	-
Balance as of December 31 previous year		60 000	25 158	9 000	3 568 311	3 662 496
2008 (FINANCIAL YEAR)						
Changes in accounting policy		x	x	x	-	-
Re-evaluation of fixed assets		x		x	-	-
Balance as of January 1 previous year	100	60 000	25 158	9 000	3 568 311	3 662 496
Re-calculation of foreign currencies		x	-	x	x	-
Net profit		x	x	x	105 520	105 520
Dividends		x	x	x		

INDEX						
DESCRIPTION	CODE	STATUTORY CAPITAL	ADDITIONAL CAPITAL	PROVISION CAPITAL	RETAINED EARNINGS (UNCOVERED LOSS)	TOTAL
1	2	3	4	5	6	7
Deductions to provisions		x	x	-	-	-
Increase of equity due to the following:						
extra issue of shares			x	x	x	-
increase of nominal value of shares			x	x	x	-
reorganization of legal entity			x	x	-	-
Decrease of equity due to the following:						
decrease of nominal value of shares			x	x	x	-
reduction of shares			x	x	x	-
Restructurization of legal entity			x	x	-	-
Own shares repurchased from shareholders						(203 644)
Balance as of December 31 of current year		60 000	25 158	9 000	3 673 831	3 564 345

II. Reserves

Value		BALANCE	RECEIVED	SPENT	BALANCE
DESCRIPTION	CODE				
1	2	3	4	5	6
PROVISIONS CREATED IN ACCORDANCE WITH CURRENT REGULATIONS:					
(name of the reserve)					
data of the previous year		9 000	-	-	9 000
data of the accounting year		9 000	-	-	9 000
(name of the reserve)					
data of the previous year		-	-	-	-
data of the accounting year		-	-	-	-
RESERVES CREATED IN ACCORDANCE WITH STATUTORY DOCUMENTS:					
(name of the reserve)					
data of the previous year		-	-	-	-
data of the accounting year		-	-	-	-
(name of the reserve)					
data of the previous year		-	-	-	-
data of the accounting year		-	-	-	-
(name of the reserve)					
ASSESSED RESERVES:					
(name of the reserve)					
data of the previous year		-	-	-	-
data of the accounting year		-	-	-	-
(name of the reserve)					
data of the previous year					
data of the accounting year					

REFERENCES

INDEX		OPENING BALANCE		CLOSING BALANCE	
DESCRIPTION	CODE				
1	2	3		4	
1) Net assets		3 662 472		3 564 573	
		BUDGET FUNDS		OFF-BUDGET FUNDS	
		FOR FINANCIAL YEAR	FOR PREVIOUS YEAR	FOR FINANCIAL YEAR	FOR PREVIOUS YEAR
		3	4	5	6
2) Received:					
for operational expenses total:					
including:					
Capital investments in non-current assets					
including:					

CASH FLOW STATEMENTS AS OF DECEMBER 31, 2008

DESCRIPTION	LINE CODE	FOR FINANCIAL YEAR	FOR SIMILAR PREVIOUS PERIOD
OPENING BALANCE FOR THE BEGINNING OF THE YEAR	010	606 993	278 275
CASH FLOW RELATED TO OPERATION			
Prepayments received from buyers, customers	020	3 481 858	2 676 196
other income	110	6 945 740	2 286 067
Cash for:	140	(10 843 219)	(5 697 100)
payment for goods, services, raw materials and other current assets purchased	150	(1 845 057)	(1 996 088)
salaries	160	(418 106)	(306 013)
dividends and interest	170	()	()
tax and fee payalbes	180	(319 917)	(597 862)
other expenses	190	(8 260 139)	(2 797 137)
Net cash from operation	200	(415 621)	(734 837)
CASH FLOW RELATED TO INVESTMENT ACTIVITIES:			
Proceeds from fixed assets ans other non-current assets	210	4 397	902 924
Proceeds from sales of securities and other financial investments	220		13 162 100
Dividends received	230		
Interest received	240	63 959	32 168
Income from repayment of loans granted to other entities	250	762 000	273 174
Acquisition of affiliate companies	280	()	()
Acquisition of fixed assets, profitable investments into tangible and intangible assets	290	(279 913)	(157 253)
Acquisition of securities and other financial investments	300	()	(12 848 987)
Loans granted to other entities	310	(700 000)	(305 333)
Net cash from investment activities	340	(149 557)	1 058 802
CASH FLOW RELATED TO FINANCIAL ACTIVITY			
Proceeds from issue of shares	350	-	-
Proceeds from loans and credits granted to other entities	360	-	-
Repayment of loans and credits (without interest)	390	()	()
Repayment of liabilities on financial lease	400	(-)	(-)
Net cash from financial activitiess	430		-
Net increase (decrease) of cash and cash equivalentents	440	565 178	323 965
CLOSING BALANCE FOR THE END OF THE REPORTING PERIOD	450	41 815	602 240
Currency exchange difference in relation to RUR	460	4 753	405

ANNEX TO THE ACCOUNTING BALANCE-SHEET FOR THE YEAR 2008 INTANGIBLE ASSETS

INDEX	DESCRIPTION	CODE	AVAILABILITY AT THE BEGINNING OF THE REPORTING PERIOD	RECEIVED	DISPOSED	AVAILABILITY AT THE END OF REPORTING PERIOD
1	2	3	4	5	6	
	Intellectual property (exclusive rights for results of intellectual property)	010	3 243		-	3 243
	including:					
	patent holder's rights for invention, prototype, useful pattern	011	-	-	-	-
	rightholder's rights for software, databases	012	2 258	-	-	2 258
	rightholder's rights for topology of integrated circuits	013				
	owner's rights for trade mark and service mark, place of origin of goods	014	985		-	985
	patent holder's rights for results of selection	015	-	-	-	-
	Organization expenses	020				
	Goodwil	030				
	Other	040	4 256	4 568	5 835	2 989

INDEX	DESCRIPTION	CODE	OPENING BALANCE	CLOSING BALANCE
1	2	3	4	6
	Depreciation of intangible assets - total	050	2 229	3 552
	including: software	051	1 851	2 173
	trade marks	052	176	282
	other funds	053	202	1 097

FIXED ASSETS

INDEX		AVAILABILITY AT THE BEGINNING OF REPORTING PERIOD	RECEIVED	DISPOSED	AVAILABILITY AT THE END OF REPORTING PERIOD
DESCRIPTION	CODE				
1	2	3	4	5	6
Buildings	70	165 375			165 375
Erections and transfer units	75	2 044			2 044
Machinery and equipment	80	708 169	286 549	36 578	958 140
Vehicles	85	27 614	4 242	466	31 390
Production and housekeeping tools	90	14 999	345	827	14 517
Cattle		-	-	-	-
Productive cattle		-	-	-	-
Perennial plant		-	-	-	-
Other assets	110	740	22	226	536
Land and natural resources		-	-	-	-
Capital investments for land improvement		-	-	-	-
Total	130	918 941	292 988	38 097	1 173 832

INDEX		OPENING BALANCE	CLOSING BALANCE
DESCRIPTION	CODE		
1	2	3	4
Depreciation of fixed assets – total	140	236 740	346 294
including:			
Buildings and erections	141	21 778	27 269
Machinery and equipment	142	214 468	318 517
other	142	494	508
fixed assets provided for lease - total	150	15 199	149
including:			
buildings	151	-	-
erections	152	-	-
machinery	153	15 199	149
Fixed assets temporarily closed-down		-	-
Fixed assets leased - total	160	4 565 037	4 570 600
including:			
Real estate received for operation and currently being under registration procedures		-	-

REFERENCE	CODE	OPENING BALANCE	OPENING BALANCE FOR PREVIOUS YEAR
Re-evaluation of fixed assets	2	3	4
initial (recovery) value	171	-	-
of depreciation	172	-	-
	CODE	OPENING BALANCE	CLOSING BALANCE
Cost of fixed assets changed after completion, re-equipent, refurbishment, partial liquidation	2	3	4

PROFITABLE INVESTMENTS INTO TANGIBLE ASSETS

INDEX		AVAILABILITY AT THE BEGINNING OF REPORTING PERIOD	RECEIVED	DISPOSED	AVAILABILITY AT THE END OF REPORTING PERIOD
DESCRIPTION	CODE				
1	2	3	4	5	6
Property to lease					
Property for hire	210				
Other					
Total					
	CODE	OPENING BALANCE	CLOSING BALANCE		
	1	2	3	4	
Depreciation of profitable investments into tangible assets					

RESEARCH AND DEVELOPMENT EXPENSES

OTHER WORKS		AVAILABILITY AT THE BEGINNING OF REPORTING PERIOD	RECEIVED	WRITTEN OFF	AVAILABILITY AT END OF REPORTING PERIOD
DESCRIPTION	CODE				
1	2	3	4	5	6
Total					
Including:					
REFERENCE			CODE	OPENING BALANCE	CLOSING BALANCE
Total expenses of reserach and development works in progress			2	3	4
Value of negative results of reserach and development works accounted as non-operating expenses			CODE	FOR ACCOUNTING PERIOD	FOR SIMILAR PERIOD WITHIN PREVIOUS YEAR
			2	3	4

EXPENSES ON RESOURCE DEVELOPMENT

INDEX		OPENING BALANCE	RECEIVED	WRITTEN OFF	CLOSING BALANCE
DESCRIPTION	CODE				
1	2	3	4	5	6
Expenses on resource development – total					
including:					
REFERENCE			CODE	OPENING BALANCE	CLOSING BALANCE
Expenses by entrails, investigation works in progress and evaluation of deposits, prospecting (or) hydrogeological survey and other similar works			2	3	4
Expenses on resource development accounted as non-operating expenses because of negative results					

FINANCIAL INVESTMENTS

INDEX		LONG-TERM		SHORT-TERM	
DESCRIPTION	CODE	OPENING BALANCE	CLOSING BALANCE	OPENING BALANCE	CLOSING BALANCE
1	2	3	4	5	6
Participation in statutory (joint) capital of other entitites - total	510	6 280	6 280	-	-
including affiliate and subsidiary companies	511	4 550	4 550	-	-
State and municipal securities	515	1 444		-	-
Securities of other entities - total	520				
including debt instruments (notes, bills)	521				
Loans granted	525	130 420	114 053	45 633	
Deposits	530	-	-	280 000	685 594
Other	535	-	-		
Total	540	138 144	120 333	325 633	685 594
From the total – financial investments with current market price:					
Participation in statutory (joint) capital of other entitites – total		-	-	-	-
including affiliate and subsidiary companies		-	-	-	-
State and municipal securities		-	-	-	-
Securities of the other entities - total		-	-	-	-
including debt instruments (notes, bills)		-	-	-	-
Other	565	-	-	-	-
Total	570	-	-	-	-
REFERENCE					
For financial investments with current market price – changes in value due to adjustment	580	-	-	-	-
for debt instruments – difference between initial value and nominal value accounted as financial result of the reporting period		-	-	-	-

ACCOUNTS PAYABLE AND RECEIVABLE

INDEX		OPENING BALANCE	CLOSING BALANCE
DESCRIPTION	CODE		
1	2	3	4
ACCOUNTS RECEIVABLE:			
short-term - total	610	283 213	170 623
including:			
settlements with buyers and customers	611	75 926	74 396
prepayments made	612	67 925	37 695
other	613	139 362	58 532
long-term - total	620	1 771 950	1 927 821
including:			
settlements with buyers and customers		354 841	322 599
prepayments mad	622	48 887	98 606
other	623	1 368 222	1 506 616
Total		2 055 163	2 098 561
ACCOUNTS PAYABLE:			
short-term - total	640	449 279	449 536
including:			
settlements with suppliers and contractors	641	329 272	262 483
prepayments received	642	79 406	124 790
tax and fee payalbes s	643	5 276	45 587
credits	644	-	-
loans		-	-
other	646	35 325	16 676
long-term - total	650		
including:			
credits		-	-
loans		-	-
Total		449 279	449 536

EXPENSES BY OPERATING ACTIVITIES (BY COST ELEMENTS)

INDEX		FOR FINANCIAL YEAR	FOR PREVIOUS YEAR
DESCRIPTION	CODE		
1	2	3	4
Tangible expenses	710	575 443	452 823
Salaries	720	463 709	320 197
Social security contributions	730	98 657	68 042
Depreciation	740	141 463	74 115
Other costs	750	1 168 174	1 273 294
Total by cost elements	760	2 447 446	2 188 471
Changes in balances(increase[+], decrease[-]):			
construction in progress	765		

INDEX		FOR FINANCIAL YEAR	FOR PREVIOUS YEAR
DESCRIPTION	CODE		
1	2	3	4
deferred expenses	766	3 576	32 261
provision for future expenses		-	-

SECURITY

INDEX		OPENING BALANCE	CLOSING BALANCE
DESCRIPTION	CODE		
1	2	3	4
Received - total	810	24 546	29 380
including:			
bills	811	-	-
Property pledged			
including:			
fixed assets			
securities and other financial investments			
other			
Issued - total	820	-	-
including:			
bills			
Property left as pledge			
including:			
fixed assetss			
securities and other financial investments			
other			

GOVERNMENT ASSISTANCE

INDEX		REPORTING PERIOD	FOR SIMILAR PREVIOUS PERIOD	
DESCRIPTION	CODE			
1	2	3	4	
Budget funds received within current financial year – total				
including:				
		OPENING BALANCE	RECEIVED WITHIN THE REPORTING PERIOD	REPAID WITHIN THE REPORTING PERIOD
Budget credits – total				CLOSING BALANCE
including:				

FINDINGS OF THE AUDITING COMMISSION ON RESULTS OF WORK OF OJSC «GUM TRADING HOUSE» FOR THE YEAR 2008

The Auditing commission of OJSC «GUM Trading House» finds that the accounting records of Open Joint Stock Company «GUM Trading House» have been prepared according to the Federal Law №129 – FZ «On Accounting» dated November 21, 1996, «Regulations on Accounting and Reporting in the Russian Federation» № 34n, adopted by the order of the Ministry of Finances of the Russian Federation dated July 29, 1998, Regulations of accounting «Records policy of legal entities» № 60n(RAS 1/98), adopted by the order of the Ministry of Finances of the Russian Federation dated December 09, 1998, Regulations of accounting «Records policy of legal entities» № 43n (RAS 4/99), adopted by the order of the Ministry of Finances of the Russian Federation dated July 06, 1999 and other regulations of the Russian Federation stipulating the procedure for accounting and bookkeeping records.

Gross profit in the year 2008 amounted to 2 181,2 mln. rubles. (increasing as compared with the year 2007 by 24,2%) The increase was mainly caused by:

- leasing and sub-leasing for the amount of 185.1 mln. rubles (or 12 %);
- sale of goods and products for the amount of 294.2 mln. rubles (or 59.6%);
- sale of services for the amount of 67.9 mln. rubles (or 39.6%);

Business expenses increased in the year 2008 as compared with the previous year by 8,6% and amounted to 1 425,6 mln. rubles.

The following expenses increased:

- expenses for salaries increased by 122.2 mln. rubles (or by 69.4%). These expenses increased due to creation of new organization departments (public catering, gastronomie), average staff number as a whole in the joint-stock company in the year 2008 increased by 197 employees.
- expenses for depreciation of fixed assets increased by 65.3 mln. rubles (or in 2.3 times) due to putting of new facilities of public catering and the gastronomie in operation;
- expenses for leasing increased by 41.1 mln. rubles (or by 25,5%) due to increase of leasing rates for the building on the Red Square;
- expenses for maintenance of buildings increased by 76.9 mln. rubles (or by 54.5%). These expenses increased mainly due to growth of electricity rates and expenses for municipal services, as well as putting of energy-intensive objects (public catering, gastronomie, rink) into operation. Expenses for clearing and maintenance of areas by third-party companies also increased due to expansion of the servicing zone (public catering, gastronomie, rink);
- expenses for write-off of goods and losses increased by 20.2 mln. rubles due to write-off of disposable tableware in the gastronomie and public catering.

Some expenses were decreased. Particularly, in connection with changes in the concept of advertising activity development, expenses for commercial advertising decreased by 22,5 mln. rubles (or by 27.3%). Current and capital repairs expenses decreased by 262.3 mln. rubles due to reduction of the scope of work. (or by 45.3%).

Management expenses in the year 2008 amounted to 446,6 mln. rubles and increased by 23,4 mln. rubles mainly due to management wages increase – 21,4 mln. rubles.

Profit of OJSC «GUM Trading House» in 2008 before taxation amounted to 205.1 mln. rubles. Net profit for the accounting period of OJSC «GUM Trading House» after taxes and other obligatory payments amounted to 105,5 mln. rubles.

In 2008 the joint-stock company saved inventory, fixed and cash assets.

Receivables in the year 2008 increased by 43.3 mln. rubles (or by 2,1%) and amounted 2,098.4 mln. rubles.

Payables as of 31.12.2008 amounted to 449,5 mln. rubles that is on the level of the year 2007.

Own current assets in the year 2008 amounted to 2 605 mln. rubles reducing by 210.5 mln. rubles (or by 7,5%) due to investments in amount of 203,6 mln. rubles in redemption of own shares in accordance with resolution of the shareholders' meeting adopted in the year 2007.

In the accounting period the Auditing commission considered the financial and commercial results of OJSC «GUM Trading House» as of reporting dates. The analysis of costs, own current assets, accounts payable and receivable was performed.

Considering the mentioned above the Auditing commission confirms the accuracy of the accounting statements of the company as of December 31, 2008 in amount of 4 042,6 mln rubles included in the annual report of OJSC «GUM Trading House».

The Auditing commission recommends to take steps on decrease of expenses, growth of own current assets and timely settlements with debtors and creditors.

Chairman of the Auditing
Commission of OJSC «GUM Trading House»
S.A. Demin



AUDIT REPORT ON FINANCIAL (ACCOUNTING) STATEMENTS OF OJSC «GUM TRADING HOUSE» FOR THE YEAR 2008

ADDRESSEE

Shareholders of Open Joint Stock Company «GUM Trading House»

AUDITOR

Name: CJSC «Gorislavtsev and Co Audit»

Address: 103009, Moscow, B. Nikitskaya 17, bldg. 2.
State registration: certificate of registration № 000565 Series ВД issued on October 27, 1997 by the Moscow Registration Chamber, registration number 001.205.133; certificate of registration in the Uniform State Register of Legal Entities Series 77 № 007212832, issued by Directorate of the Ministry of Taxation of Russia in the city of Moscow on 18.12.2002 under registration number 1027700542858.

License for audit activity No. E 003461 was issued by the Ministry of Finance of the Russian Federation on 04.03.2003 for the period of 5 years. The term of the license was prolonged to 04.03.2013.

License for working with information classified as state secret No. Б 359446, registration number 9959 dated 15.02.2007 was issued by the Administration of Federal Security Service of Russia in the city of Moscow and Moscow region. The license is valid till 19.01.2010.

CJSC Gorislavtsev and Co Audit is an active member of the non-profit partnership Institute of Professional Auditors since 19.03.2002, certificate № 183 dated 19.03.2002 issued by the non-profit partnership Institute of Professional Auditors.

The certificate of quality of auditing services № 156 issued by the non-profit partnership Institute of Professional Auditors, the term of validity from 19.12.2007 to 19.12.2010 has been established for the certificate in accordance with the Resolution of the IPAR Quality Control Committee dated 19.12.2007.

AUDITED ENTITY:

Name: Open Joint Stock Company «GUM Trading House»

Address: 109012, Moscow, Red Square 3
State registration: registered by the Moscow Registration Chamber on 06.12.90 under registration number № 1027739098287, registered by the Inspectorate N 39 of Ministry of Taxation of the Russian Federation in Moscow on 21.08.2002 INN 7710035963.

We have audited the enclosed financial (accounting) statements of OJSC «GUM TH» for the period from January 1 to December 31, 2008 inclusive. Financial (accounting) statements of OJSC «GUM TH» consist of:

- accounting balance-sheet (form No.1);
- profit and loss statement (form No.2);
- statement of changes in equity (form No.3);
- cash flow statement (form No.4);
- Annex to the Balance-sheet (form No.5);
- explanatory note.

The executive body of OJSC «GUM TH» is responsible for preparing and submitting the financial (accounting) statements. Our responsibility is to express an opinion on the fairness, in all material respects, of these statements and on compliance of accounting procedures with the legislation of the Russian Federation based on our audit.

We have executed the audit in compliance with the Federal Law № 119-FZ dated August 07, 2001 «On Auditing», the Federal Law № 307-FZ «On Auditing» dated December 30, 2008 and federal rules (standards) of auditing, approved by Regulations of the Government of the Russian Federation № 696 dated 23.09.2002 (as further amended), other regulations on auditing activities and corporate standards and auditing methods.

The audit was planned and performed so as to ensure reasonable certainty that the financial (accounting) statements do not contain any material misstatements.

The audit was conducted using the sampling approach and included testing evidence in support of the numerical indicators in the financial (accounting) statements and the disclosure of information on financial and economic activities. The audit also included evaluating of compliance to accounting principles and regulations applicable in preparing financial (accounting) statements, reviewing of the main estimates made by the Company management, and evaluating of the presentation of the financial (accounting) statements.

We believe that our audit provides sufficient grounds to express our opinion on the reliability of the financial (accounting) statements and on whether the accounts are kept in compliance with the laws of the Russian Federation.

It is our opinion that financial (accounting) statements of OJSC «GUM TH» reflect the financial standing in all essential respects as of December 31, 2008 and the results of its financial and economic activities from January 31 to December 31, 2008 (inclusive) in accordance with the legislative requirements of the Russian Federation on preparing financial (accounting) statements.

We have executed the audit in compliance with the Federal Law No. 129-FZ «On Accounting» dated November 12, 1996, the Provision on Business Accounting and Accounting Statements in the Russian Federation approved by the Order № 34n of the Ministry of Finance of the Russian Federation dated 29.07.98, the Provision on Accounting «Accounting Statements of Legal Entities» approved by the Order № 43n of the Ministry of Finance of the Russian Federation dated 06.07.99 and the Order № 67n of the Ministry of Finance of the Russian Federation «On Forms of Accounting Statements of Legal Entities» dated July 29, 2003.

March 20, 2009

Director General
M. M. Klopotovskaya

Head of Audit
A.P. Nazarenko

Certificate of Auditor's Qualification № K 014155 issued by the Ministry of Finance of the Russian Federation in accordance with the order N 97 dated April 1, 2004 for indefinite period.



