

Company Name:

SOPHARMA AD

Board of Directors:

**Ognian Donev, PhD
Vessela Stoeva
Alexander Chaushev
Unipharm AD represented by Ognian Palaveev
Andrey Breshkov**

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant:

Yordanka Petkova

Address of Management:

**Sofia
16, Iliensko Shousse Str.**

Lawyers:

**Galina Angelova
Adriana Baleva
Venelin Gachev
Ventsislav Stoev
Lyubimka Georgieva
Stefan Yovkov**

Servicing Banks:

**Raiffeisenbank (Bulgaria) EAD
DSK Bank EAD
Eurobank and EFG Bulgaria AD
Piraeus Bank AD
Unicredit AD
BNP Paribas Bulgaria EAD
Citibank N.A.
MKB Unionbank**

Auditor:

AFA OOD

SOPHARMA AD
INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the period ending 30. June, 2012

| | Attachments | 2012 BGN'000 | 2011 BGN'000 |
|--|-------------|---------------|---------------|
| Sales revenues | 3 | 111,205 | 109,422 |
| Other operating revenue/(loss) | 4 | 1,957 | 1,468 |
| Change of available stock of finished goods and work in progress | | (1,178) | (1,034) |
| Materials | 5 | (31,709) | (27,829) |
| External services | 6 | (32,938) | (31,241) |
| Emoloyees | 7 | (18,140) | (16,284) |
| Amortization | 13,14 | (4,128) | (4,225) |
| Other operating expenses | 8,9 | (2,229) | (2,205) |
| Operating profit | | 22,840 | 28,072 |
| Depreciation of non-current assets | | - | - |
| Financial income | 10 | 7,547 | 3,038 |
| Financial expenses | 11 | (2,876) | (3,723) |
| Financial income/(expenses) net | | 4,671 | (685) |
| Profit before tax | | 27,511 | 27,387 |
| Profit tax | | (2,591) | (2,558) |
| Net profit | | 24,920 | 24,829 |
| Other components of the total income: | 12 | | |
| Changes in fair value of available-for-sale financial assets | | (1) | 176 |
| Profit / (loss) of revaluation of property, plant and equipment | | | |
| Income tax related to the components of the comprehensive income | | | |
| Other comprehensive income for the period net of tax | | (1) | 176 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 24,919 | 25,005 |
| Earnings per share | 24 | BGN 0.19 | 0.19 |

The notes on pages 5 to 73 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova

SOPHARMA AD**INTERIM STATEMENT OF COMPREHENSIVE INCOME**

as at 30. June, 2012

| | Attachments | 30. June, 2012 BGN'000 | 30. June, 2011 BGN'000 |
|---|-------------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 158,768 | 135,048 |
| Intangible assets | 14 | 3,826 | 3,386 |
| Investment properties | 15 | 19,170 | 19,170 |
| Investments in subsidiaries | 16 | 93,796 | 88,462 |
| Available-for-sale investments | 17 | 19,104 | 16,792 |
| Loans to related parties | 18 | 6,379 | 16,069 |
| Other non-current assets | 22 | 272 | 272 |
| | | <u>301,315</u> | <u>279,199</u> |
| Current assets | | | |
| Inventory | 19 | 50,515 | 50,916 |
| Receivables from related persons | 20 | 159,795 | 135,104 |
| Commercial receivables | 21 | 31,448 | 29,383 |
| Other receivables and prepayments | 22 | 10,229 | 10,333 |
| Cash and cash equivalents | 23 | 11,965 | 18,038 |
| | | <u>263,952</u> | <u>243,774</u> |
| TOTAL ASSETS | | <u><u>565,267</u></u> | <u><u>522,973</u></u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | | 132,000 | 132,000 |
| Treasury shares | | (11,353) | (10,036) |
| Reserves | | 189,683 | 157,913 |
| Retained earnings | | 24,920 | 40,791 |
| | 24 | <u>335,250</u> | <u>320,668</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term bank loans | 25 | 53,397 | 18,737 |
| Deferred taxes | | 3,632 | 3,864 |
| Payables to employees on retirement | 26 | 1,419 | 1,269 |
| Financial leasing liabilities | 27 | 590 | 304 |
| | | <u>59,038</u> | <u>24,174</u> |
| Current liabilities | | | |
| Short-term bank loans | 28 | 107,234 | 112,008 |
| Short-term part of long-term bank loans | 25 | 34,083 | 40,735 |
| Commercial payables | 29 | 7,300 | 16,544 |
| Payables to related parties | 30 | 11,760 | 5,236 |

| | | | |
|--|----|----------------|----------------|
| Tax payables | 31 | 720 | 262 |
| Payables to employees and social insurance | 32 | 4,887 | 2,748 |
| Other current liabilities | 33 | 4,995 | 598 |
| | | <u>170,979</u> | <u>178,131</u> |
| TOTAL LIABILITIES | | <u>230,017</u> | <u>202,305</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>565,267</u> | <u>522,973</u> |

The notes on pages 5 to 73 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova

SOPHARMA AD
INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the period ending 30. June, 2012

| | Attachments | 2012 BGN'000 | 2011 BGN'000 |
|---|-------------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Sales proceeds | | 109,539 | 121,141 |
| Payables to suppliers | | (84,152) | (76,983) |
| Payments for wages and social insurance | | (15,538) | (14,629) |
| Taxes paid (profit tax excluded) | | (845) | (889) |
| Refunded taxes (profit tax excluded) | | 5,985 | 4,419 |
| Profit taxes paid | | (2,107) | (2,997) |
| Paid interest and bank fees on working capital loans | | (2,990) | (3,352) |
| Exchange rate differences, net | | (10) | (281) |
| Other proceeds/(payments), net | | (782) | (934) |
| Net cash flows from/(used in) operating activities | | <u>9,100</u> | <u>25,495</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (27,180) | (7,666) |
| Proceeds from sale of property, plant and equipment | | - | 16 |
| Purchase of intangible assets | | (284) | (847) |
| Purchase of available-for-sale investments | | (2,320) | (442) |
| Proceeds from sale of available-for-sale investments | | 3 | 490 |
| Purchase of shares in subsidiaries | | (5,344) | (5) |
| Proceeds for sale of shares in daughter companies | | 8 | 520 |
| Proceeds from dividends from investments in subsidiaries and available-for-sale investments | | 707 | - |
| Loans granted to related parties | | (10,307) | (42,374) |
| Refunded loans by related parties | | 5,973 | 26,339 |
| Loans granted to third parties | | (178) | - |
| Refunded loans by third parties | | 349 | 1,092 |
| Interest from granted loans and investment purpose deposits | | 2,119 | 2,319 |
| Net cash flows used in investing activities | | <u>(36,454)</u> | <u>(20,558)</u> |
| Cash flows from financing activities | | | |
| Proceeds from short-term bank loans | | 134,050 | 18,694 |
| Settlement of short-term bank loans | | (144,853) | (22,803) |
| Proceeds from long-term bank loans | | 3,345 | 40 |
| Settlement of long-term bank loans | | - | (2,592) |
| Treasury shares | | (7) | (1,740) |
| Finance lease payments | | (119) | (99) |
| Paid interest and bank fees on investment purpose loans | | (254) | (68) |
| Dividends paid | | (4) | (1) |
| Net financial cash flows | | <u>(7,842)</u> | <u>(8,569)</u> |
| Net (decrease)/increase in cash and cash equivalents | | <u>(35,196)</u> | <u>(3,632)</u> |
| Cash and cash equivalents at 1 January | | 18,038 | 30,982 |
| Cash and cash equivalents at 31 March | 23 | <u>(17,158)</u> | <u>27,350</u> |

The notes on pages 5 to 73 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova

INTERIM REPORT FOR CHANGES IN EQUITY

for the period ending 30. June, 2012

| Attachments | Share capital | Treasury shares | Statutory reserves | Revaluation reserve - property, plant and equipment | Available-for-sale financial assets reserve | Additional reserves | Retained earnings | Total equity |
|---|----------------|-----------------|--------------------|---|---|---------------------|-------------------|----------------|
| | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 |
| Balance at 1 January 2010 | 132,000 | - | 14,428 | 23,107 | (4,288) | 54,938 | 33,594 | 253,779 |
| Changes in equity for 2010 | | | | | | | | |
| Treasury shares purchased | - | (2,392) | - | - | - | - | - | (2,392) |
| Distribution of profit for: | - | - | 3,360 | - | - | 30,234 | (33,594) | - |
| * reserves | - | - | 3,360 | - | - | 30,234 | (33,594) | - |
| Total comprehensive income for the year | - | - | - | 52 | 3,976 | - | 40,544 | 44,572 |
| Transfer to retained earnings | - | - | - | (128) | - | - | 128 | - |
| Balance at 31 December 2010 | 132,000 | (2,392) | 17,788 | 23,031 | (312) | 85,172 | 40,672 | 295,959 |
| Changes in equity for 2011 | | | | | | | | |
| Treasury shares purchased | - | (7,644) | - | - | - | - | - | (7,644) |
| Distribution of profit for: | - | - | 4,067 | - | - | 25,524 | (40,672) | (11,081) |
| * reserves | - | - | 4,067 | - | - | 25,524 | (29,591) | - |
| * dividend | - | - | - | - | - | - | (11,081) | (11,081) |
| Total comprehensive income for the year | - | - | - | 2,435 | 314 | - | 40,685 | 43,434 |
| Transfer to retained earnings | - | - | - | (106) | - | - | 106 | - |
| Balance at 31 December 2011 | 132,000 | (10,036) | 21,855 | 25,360 | 2 | 110,696 | 40,791 | 320,668 |
| Changes in equity for 2012 | | | | | | | | |
| Treasury shares purchased | - | (1,317) | - | - | - | - | - | (1,317) |
| Distribution of profit for: | - | - | 4,079 | - | - | 27,692 | (40,791) | (9,020) |
| * reserves | - | - | 4,079 | - | - | 27,692 | (31,771) | - |
| * dividend | - | - | - | - | - | - | (9,020) | (9,020) |
| Total comprehensive income for the year | - | - | - | - | (1) | - | 24,920 | 24,919 |
| Transfer to retained earnings | - | - | - | - | - | - | - | - |
| Balance at 31 March 2012 | 132,000 | (11,353) | 25,934 | 25,360 | 1 | 138,388 | 24,920 | 335,250 |

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