

BALANCE SHEET

Company name:

Balkancar ZARYA Plc

Bulstat

814191256

Type of statement: consolidated/non-consolidated:

consolidated

Reporting period:

30.6.2014

PG-05-380

(thousand BGN)

350

| ASSETS | Code | Current period | Previous period | LIABILITIES | Code | Current period | Previous period |
|---|---------------|----------------|-----------------|---|-----------------|----------------|-----------------|
| A. NON-CURRENT ASSETS | | | | A. SHAREHOLDERS' EQUITY | | | |
| I. Property, plant and equipment | | | | I. Share capital | | | |
| 1. Land | 1-0011 | 350 | 350 | Issued and outstanding shares | 1-0411 | 2404 | 2404 |
| 2. Buildings | 1-0012 | 1340 | 1452 | Ordinary shares | 1-0411-1 | 2404 | 2404 |
| 3. Machinery and equipment | 1-0013 | 371 | 448 | Preferred shares | 1-0411-2 | 0 | 0 |
| 4. Facilities | 1-0014 | 428 | 447 | Treasury ordinary shares | 1-0417 | 0 | 0 |
| 5. Vehicles | 1-0015 | 51 | 61 | Treasury preferred shares | 1-0417-1 | 0 | 0 |
| 6. Office fittings | 1-0017-1 | 13 | 15 | Unpaid capital | 1-0416 | 0 | 0 |
| 7. Assets under construction | 1-0018 | 312 | 295 | Total share capital | 1-0410 | 2404 | 2404 |
| 8. Other | 1-0017 | 0 | 0 | II. Reserves | | 0 | 0 |
| Total property, plant and equipment | 1-0010 | 2865 | 3068 | 1. Issue premiums | 1-0421 | 0 | 0 |
| II. Investment property | 1-0041 | 0 | 0 | 2. Revaluation reserve | 1-0422 | 858 | 858 |
| III. Farm animals | 1-0016 | 0 | 0 | 3. Reserves incl.: | 1-0423 | 218 | 218 |
| IV. Intangible assets | | 0 | 0 | general reserves | 1-0424 | 113 | 113 |
| 1. Rights of ownership | 1-0021 | 32 | 46 | special reserves | 1-0425 | 0 | 0 |
| 2. Software | 1-0022 | 180 | 196 | other reserves | 1-0426 | 105 | 105 |
| 3. R&D expenses | 1-0023 | 0 | 0 | Total reserves | 1-0420 | 1076 | 1076 |
| 4. Other intangible assets | 1-0024 | 7 | 8 | III. Retained earnings | | 0 | 0 |
| Total intangible assets | 1-0020 | 219 | 250 | 1. Retained earnings from previous periods | 1-0451 | -7232 | -7148 |
| | | 0 | 0 | undistributed profit | 1-0452 | 99 | 99 |
| V. Goodwill | | 0 | 0 | loss not covered | 1-0453 | -7331 | -7247 |
| 1. Positive goodwill | 1-0051 | 2103 | 2103 | one-time effect from changes in accounting policy | 1-0451-1 | 0 | 0 |
| 2. Negative goodwill | 1-0052 | 0 | 0 | 2. Current year profit | 1-0454 | 0 | 0 |
| Total goodwill | 1-0050 | 2103 | 2103 | 3. Current year loss | 1-0455 | -99 | -84 |
| VI. Financial assets | | 0 | 0 | Total retained earnings | 1-0450 | -7331 | -7232 |
| 1. Share participations in: | 1-0031 | 0 | 0 | | | 0 | 0 |
| subsidiary companies | 1-0032 | 0 | 0 | | | 0 | 0 |
| joint ventures | 1-0033 | 0 | 0 | TOTAL SHAREHOLDERS' EQUITY | 1-0400 | -3851 | -3752 |
| associated companies | 1-0034 | 0 | 0 | | | 0 | 0 |
| other companies | 1-0035 | 0 | 0 | | | 0 | 0 |
| 2. Long-term investment securities held to maturity | 1-0042 | 0 | 0 | B. MINORITY SHAREHOLDINGS | 1-0400-1 | 1040 | 1097 |
| treasury bonds | 1-0042-1 | 0 | 0 | | | 0 | 0 |
| bonds | 1-0042-2 | 0 | 0 | C. LONG-TERM LIABILITIES | | 0 | 0 |
| incl. municipality bonds | 1-0042-3 | 0 | 0 | 1. Long-term debt | | 0 | 0 |
| other | 1-0042-4 | 0 | 0 | 1. Due to related parties | 1-0511 | 0 | 0 |
| 3. Other financial assets | 1-0042-5 | 0 | 0 | 2. Due to financial institutions | 1-0512 | 0 | 0 |
| Total long-term financial assets | 1-0040 | 0 | 0 | 3. Due under ZUNK | 1-0512-1 | 0 | 0 |
| VII. Long-term trade and other receivables from: | | 0 | 0 | 4. Trade loans | 1-0514 | 0 | 0 |
| 1. Related parties | 1-0044 | 0 | 0 | 5. Bonds | 1-0515 | 9143 | 9466 |
| 2. Trade loans | 1-0045 | 0 | 0 | 6. Other long-term liabilities | 1-0517 | 3 | 15 |
| 3. Financial lease receivables | 1-0046-1 | 0 | 0 | Total long-term debt | 1-0510 | 9146 | 9481 |

| | | | | | | | |
|---|-----------------|--------------|--------------|---------------------------------------|-----------------|--------------|--------------|
| 4. Other long-term receivables | 1-0046 | 0 | 0 | | | 0 | 0 |
| Total long-term trade and other receivables | 1-0040-1 | 0 | 0 | II. Other long-term liabilities | 1-0510-1 | 0 | 0 |
| | | 0 | 0 | III. Deferred revenues | 1-0520 | 0 | 0 |
| VIII. Deferred expenses | 1-0060 | 0 | 0 | IV. Liabilities on deferred taxes | 1-0516 | 0 | 0 |
| IX. Assets on deferred tax payments | 1-0060-1 | 328 | 328 | V. Financing | 1-0520-1 | 249 | 249 |
| TOTAL NON-CURRENT ASSETS | 1-0100 | 5515 | 5749 | TOTAL LONG-TERM LIABILITIES | 1-0500 | 9395 | 9730 |
| B. CURRENT ASSETS | | 0 | 0 | | | 0 | 0 |
| I. Inventory | | 0 | 0 | D. SHORT-TERM LIABILITIES | | 0 | 0 |
| 1. Materials | 1-0071 | 1124 | 1171 | I. Trade and other payables | | 0 | 0 |
| 2. Finished goods | 1-0072 | 318 | 338 | 1. Short-term borrowings | 1-0612 | 512 | 539 |
| 3. Goods for resale | 1-0073 | 0 | 11 | 2. Short-term part of long-term loans | 1-0510-2 | 538 | 215 |
| 4. Work in progress | 1-0076 | 911 | 943 | 3. Short-term payables | 1-0630 | 4878 | 5112 |
| 5. Farm animals | 1-0074 | 0 | 0 | related parties payables | 1-0611 | 0 | 1 |
| 6. Other materials | 1-0077 | 0 | 0 | trade loans | 1-0614 | 1815 | 1815 |
| Total inventory | 1-0070 | 2353 | 2463 | trade accounts payables | 1-0613 | 2635 | 2928 |
| | | 0 | 0 | advance payments | 1-0613-1 | 0 | 0 |
| II. Receivables | | 0 | 0 | salaries payable | 1-0615 | 160 | 177 |
| 1. Related parties receivables | 1-0081 | 2105 | 2038 | social security payable | 1-0616 | 134 | 59 |
| 2. Trade accounts receivables | 1-0082 | 830 | 756 | tax payable | 1-0617 | 134 | 132 |
| 3. Advance payments | 1-0086-1 | 0 | 0 | 4. Other | 1-0618 | 760 | 858 |
| 4. Trade loans | 1-0083 | 1815 | 1815 | 5. Provisions | 1-0619 | 0 | 0 |
| 5. Court receivables | 1-0084 | 0 | 0 | Total trade and other payables | 1-0610 | 6688 | 6724 |
| 6. Recoverable taxes | 1-0085 | 89 | 37 | | | 0 | 0 |
| 7. Personnel receivables | 1-0086-2 | 0 | 0 | | | 0 | 0 |
| 8. Other receivables | 1-0086 | 329 | 310 | II. Other short-term liabilities | 1-0610-1 | 0 | 0 |
| Total receivables | 1-0080 | 5168 | 4956 | III. Deferred revenues | 1-0700 | 0 | 0 |
| | | 0 | 0 | IV. Financing | 1-0700-1 | 0 | 0 |
| III. Financial assets | | 0 | 0 | | | 0 | 0 |
| 1. Financial assets held for trading | 1-0093 | 0 | 0 | | | 0 | 0 |
| bonds | 1-0093-1 | 0 | 0 | TOTAL SHORT-TERM LIABILITIES | 1-0750 | 6688 | 6724 |
| derivatives | 1-0093-2 | 0 | 0 | | | 0 | 0 |
| other | 1-0093-3 | 0 | 0 | | | 0 | 0 |
| 2. Financial assets declared for sale | 1-0093-4 | 0 | 0 | | | 0 | 0 |
| 3. Other current financial assets | 1-0095 | 0 | 0 | | | 0 | 0 |
| Total current financial assets | 1-0090 | 0 | 0 | | | 0 | 0 |
| | | 0 | 0 | | | 0 | 0 |
| IV. Cash and cash equivalents | | 0 | 0 | | | 0 | 0 |
| 1. Cash | 1-0151 | 185 | 314 | | | 0 | 0 |
| 2. Cash in banks | 1-0153 | 51 | 317 | | | 0 | 0 |
| 3. Restricted cash | 1-0155 | 0 | 0 | | | 0 | 0 |
| 4. Cash equivalents | 1-0157 | 0 | 0 | | | 0 | 0 |
| Total cash and cash equivalents | 1-0150 | 236 | 631 | | | 0 | 0 |
| V. Deferred expenses | 1-0160 | 0 | 0 | | | 0 | 0 |
| TOTAL CURRENT ASSETS | 1-0200 | 7757 | 8050 | | | 0 | 0 |
| TOTAL ASSETS | 1-0300 | 13272 | 13799 | TOTAL LIABILITIES | 1-0800 | 13272 | 13799 |

25.8.2014

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff

INCOME STATEMENT

Company name:

Balkancar ZARYA Plc

Bulstat

814191256

Type of statement: consolidated/non-consolidated:

consolidated

Reporting period:

30.6.2014

PF-05-380

(thousand BGN)

| EXPENSES | Code | Current period | Previous period | REVENUES | Code | Current period | Previous period |
|---|-----------------|----------------|-----------------|--|-----------------|----------------|-----------------|
| A. Expenditures | | | | A. Revenues | | | |
| I. Operating expenses | | | | I. Net revenues from the sale of: | | | |
| 1. Materials | 2-1120 | 1941 | 2950 | 1. Finished goods | 2-1551 | 3952 | 5227 |
| 2. External services | 2-1130 | 391 | 436 | 2. Goods for sale | 2-1552 | 0 | 0 |
| 3. Depreciation | 2-1160 | 260 | 201 | 3. Services | 2-1560 | 19 | 30 |
| 4. Salaries | 2-1140 | 1019 | 1129 | 4. Other | 2-1556 | 231 | 241 |
| 5. Social security | 2-1150 | 166 | 188 | Total net revenues from sale | 2-1610 | 4202 | 5498 |
| 6. Net book value of assets sold (finished goods excluded) | 2-1010 | 79 | 100 | | | | |
| 7. Assets under construction and write off of assets | 2-1030 | 52 | 194 | II. Revenues from financing for fixed assets | 2-1620 | | |
| 8. Other expenses | 2-1170 | 27 | 35 | incl. government grants | 2-1621 | 0 | 0 |
| incl. impairment of assets | 2-1171 | 0 | 0 | | | | |
| incl. provisions | 2-1172 | 0 | 0 | III. Financial income | | | |
| Total operating expenses: | 2-1100 | 3,935 | 5,233 | 1. Interest revenue | 2-1710 | 7 | 1 |
| | | | | 2. Divident income | 2-1721 | | |
| II. Financial expenses | | | | 3. Gains from operations with financial assets and instruments | 2-1730 | | |
| 1. Interest expenses | 2-1210 | 406 | 422 | 4. Gains from foreign exchange operations | 2-1740 | | |
| 2. Losses from operations with financial assets and instruments | 2-1220 | 0 | 0 | 5. Other financial income | 2-1745 | | |
| 3. Losses from foreign exchange operations | 2-1230 | 11 | 11 | Total financial income | 2-1700 | 7 | 1 |
| 4. Other financial expenses | 2-1240 | 13 | 29 | | | | |
| Total financial expenses: | 2-1200 | 430 | 462 | | | | |
| | | | | B. Total revenues before extraordinary activities | 2-1600 | 4209 | 5499 |
| B. Total operating expenses | 2-1300 | 4,365 | 5,695 | | | | |
| | | | | C. Operating loss | 2-1810 | 156 | 196 |
| C. Profit/(loss) from operations | 2-1310 | | 0 | IV. Share in the loss of associated and joint companies | 2-1810-1 | | |
| III. Share in the profit of associated and joint companies | 2-1250-1 | | | V. Extraordinary revenues | 2-1750 | | |
| IV. Extraordinary costs | 2-1250 | | | D. Total revenues | 2-1800 | 4,209 | 5,499 |
| D. Total expenses | 2-1350 | 4,365 | 5,695 | E. Loss before taxes | 2-1850 | 156 | 196 |
| E. Profit before tax | 2-1400 | 0 | 0 | | | | |
| V. Tax expense | 2-1450 | 0 | 0 | | | | |
| 1. Corporate profit tax | 2-1451 | 0 | 0 | | | | |
| 2. Expenses/(gains) on deferred corporate taxes | 2-1452 | 0 | 0 | | | | |
| 3. Other taxes | 2-1453 | 0 | 0 | | | | |
| F. Profit after taxes | 2-0454 | | | F. Loss after taxes | 2-0455 | 156 | 196 |
| incl. from minority shareholding | 2-0454-1 | 0 | 0 | incl. from minority shareholdings | 2-0455-1 | 57 | 18 |
| G. Net profit | 2-0454-2 | 0 | 0 | G. Net loss | 2-0455-2 | 99 | 178 |
| Total | 2-1500 | 4,365 | 5,695 | Total | 2-1900 | 4,365 | 5,695 |

25.8.2014

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff

CASH FLOW STATEMENT - DIRECT METHOD

Company name: "BALKANCAR ZARYA" Plc Bulstat 814191256
 Type of statement: consolidated/non-consolidated consolidated ПГ-05-380
 Reporting period: 30.6.2014 (thousand BGN)

| CASH FLOW | | Current period | Previous period |
|--|---------------|----------------|-----------------|
| A. Cash flow from operating activities | | | |
| 1. Cash receipts from customers | 3-2201 | 4154 | 4726 |
| 2. Cash paid to suppliers | 3-2201-1 | -2859 | -3617 |
| 3. Payments/income related to financial assets | 3-2202 | 0 | 0 |
| 4. Cash paid to employees and social security | 3-2203 | -944 | -996 |
| 5. Paid/refunded taxes except corporate tax/ | 3-2206 | 10 | 96 |
| 6. Corporate tax paid | 3-2206-1 | 0 | 5 |
| 7. Interest received | 3-2204 | 0 | 0 |
| 8. Interest and bank charges paid on short-term loans | 3-2204-1 | -13 | -16 |
| 9. Foreign currency exchange gains/losses net | 3-2205 | -15 | -10 |
| 10. Other proceeds/payments from operational activity | 3-2208 | -18 | -10 |
| Net cash flow from operational activities (A): | 3-2200 | 315 | 178 |
| B. Cash flow from investing activity | | | |
| 1. Purchase of fixed assets | 3-2301 | -50 | -465 |
| 2. Sale of fixed assets | 3-2301-1 | 0 | 0 |
| 3. Loans granted | 3-2302 | -58 | -54 |
| 4. Proceeds from loans | 3-2302-1 | 0 | 0 |
| 5. Interest received on granted loans | 3-2302-2 | 0 | 0 |
| 6. Purchase of investments | 3-2302-3 | 0 | 0 |
| 7. Sale of investments | 3-2302-4 | 0 | 0 |
| 8. Dividends received | 3-2303 | 0 | 0 |
| 9. Foreign currency exchange gains/losses net | 3-2305 | 0 | 0 |
| 10. Other proceeds/payments from investing activity | 3-2306 | 0 | 0 |
| Net cash flow from investing activities (B): | 3-2300 | -108 | -519 |
| C. Cash flow from financing activities | | | |
| 1. Proceeds on securities issued | 3-2401 | 0 | 0 |
| 2. Payments on securities buy-back | 3-2401-1 | 0 | 0 |
| 3. Proceeds on loans | 3-2403 | 1657 | 3038 |
| 4. Payments of loans | 3-2403-1 | -1753 | -2218 |
| 5. Payments on leasing contracts | 3-2405 | 0 | 0 |
| 6. Paid interest, charges and commissions on investment loans | 3-2404 | -461 | -484 |
| 7. Dividends paid | 3-2404-1 | 0 | 0 |
| 8. Other proceeds/payments on financing activities | 3-2407 | -45 | -30 |
| Net cash flow from financing activities (C): | 3-2400 | -602 | 306 |
| D. Net decrease/increase in cash and cash equivalents (A+B+C) : | 3-2500 | -395 | -35 |
| E. Cash and cash equivalents as of the beginning of the period | 3-2600 | 631 | 538 |
| F. Cash and cash equivalents as of the end of the period | 3-2700 | 236 | 503 |
| cash and bank deposits | 3-2700-1 | 236 | 503 |
| restricted cash | 3-2700-2 | | |

25.8.2014

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff

CHANGES IN SHAREHOLDERS' EQUITY STATEMENT

Company name:
Type of statement: consolidated/non-consolidated
Reporting period:

Balkancar ZARYA Plc
consolidated
30.6.2014

Bulstat
PT-05-380

814191256

(thousand BGN)

| INDEXES | Code | Reserves | | | | | | Retained earnings | | Reserve from transfers | Total shareholders' equity | Minority shareholdings |
|---|---------------|---------------|----------------|---------------------|---------------------|---------|--------|-------------------|--------|------------------------|----------------------------|------------------------|
| | | Share capital | Issue premiums | Revaluation reserve | Reserves including: | | | profit | loss | | | |
| | | | | | general | special | other | | | | | |
| a | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Code | | 1-0410 | 1-0410 | 1-0422 | 1-0424 | 1-0425 | 1-0426 | 1-0452 | 1-0453 | 4-0426-1 | 1-0400 | 1-0400-1 |
| Balance-beginning of reporting period | 4-01 | 2,404 | 0 | 858 | 113 | 0 | 105 | 99 | -7,331 | 0 | -3,752 | 1,097 |
| Changes in initial balances due to: | 4-15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Effect from changes in accounting policy | 4-15-1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fundamental mistakes | 4-15-2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Corrected balance - beginning of reporting period | 4-01-1 | 2,404 | 0 | 858 | 113 | 0 | 105 | 99 | -7,331 | 0 | -3,752 | 1,097 |
| Net profit/loss | 4-05 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -99 | 0 | -99 | -57 |
| 1. Distributed profit for: | 4-06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| dividends | 4-07 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| other | 4-07-1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Loss coverage | 4-08 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Revaluation of non-current tangible and intangible assets, incl.: | 4-09 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| increase | 4-10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| decrease | 4-11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Revaluation of financial assets and instruments, incl.: | 4-12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| increase | 4-13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| decrease | 4-14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Deferred tax effect | 4-16-1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Other changes | 4-16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance - end of reporting period | 4-17 | 2,404 | 0 | 858 | 113 | 0 | 105 | 99 | -7,430 | 0 | -3,851 | 1,040 |
| 7. Changes from transfers of annual financial reports of companies abroad | 4-18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Changes from revaluation of financial reports in case of hyper inflation | 4-19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders' equity - as of end of reporting period | 4-20 | 2,404 | 0 | 858 | 113 | 0 | 105 | 99 | -7,430 | 0 | -3,851 | 1,040 |

25.8.2014

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff