

BALANCE SHEET

Company name:

Balkancar ZARYA Plc

Bulstat

814191256

Type of statement: consolidated/non-consolidated:

non-consolidated

Reporting period:

01.01.2010 - 30.09.2010

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 | 278 | 278 | Issued and outstanding shares | 1-0411 | 1322 | 1322 |
| 2. Buildings | 1-0012 | 1450 | 1560 | Ordinary shares | 1-0411-1 | 1322 | 1322 |
| 3. Machinery and equipment | 1-0013 | 279 | 455 | Preferred shares | 1-0411-2 | | |
| 4. Facilities | 1-0014 | 477 | 507 | Treasury ordinary shares | 1-0417 | | |
| 5. Vehicles | 1-0015 | 129 | 241 | Treasury preferred shares | 1-0417-1 | | |
| 6. Office fittings | 1-0017-1 | 6 | 7 | Unpaid capital | 1-0416 | | |
| 7. Assets under construction | 1-0018 | 35 | 35 | Total share capital | 1-0410 | 1322 | 1322 |
| 8. Other | 1-0017 | | | II. Reserves | | | |
| Total property, plant and equipment | 1-0010 | 2654 | 3083 | 1. Issue premiums | 1-0421 | | |
| II. Investment property | 1-0041 | | | 2. Revaluation reserve | 1-0422 | 859 | 863 |
| III. Farm animals | 1-0016 | | | 3. Reserves incl.: | 1-0423 | 218 | 218 |
| IV. Intangible assets | | | | general reserves | 1-0424 | 113 | 113 |
| 1. Rights of ownership | 1-0021 | 2 | 2 | special reserves | 1-0425 | | |
| 2. Software | 1-0022 | 303 | 328 | other reserves | 1-0426 | 105 | 105 |
| 3. R&D expenses | 1-0023 | | | Total reserves | 1-0420 | 1077 | 1081 |
| 4. Other intangible assets | 1-0024 | 46 | 65 | III. Retained earnings | | | |
| Total intangible assets | 1-0020 | 351 | 395 | 1. Retained earnings from previous periods | 1-0451 | -4073 | -1673 |
| | | | | undistributed profit | 1-0452 | 82 | 78 |
| V. Goodwill | | | | loss not covered | 1-0453 | -4155 | -1751 |
| 1. Positive goodwill | 1-0051 | | | one-time effect from changes in accounting policy | 1-0451-1 | | |
| 2. Negative goodwill | 1-0052 | | | 2. Current year profit | 1-0454 | | |
| Total goodwill | 1-0050 | | | 3. Current year loss | 1-0455 | -1092 | -2404 |
| VI. Financial assets | | | | Total retained earnings | 1-0450 | -5165 | -4077 |
| 1. Share participations in: | 1-0031 | 3426 | 3426 | | | | |
| subsidiary companies | 1-0032 | 3426 | 3426 | | | | |
| joint ventures | 1-0033 | | | TOTAL SHAREHOLDERS' EQUITY | 1-0400 | -2766 | -1674 |
| associated companies | 1-0034 | | | | | | |
| other companies | 1-0035 | | | | | | |
| 2. Long-term investment securities held to maturity | 1-0042 | 0 | 0 | B. MINORITY SHAREHOLDINGS | 1-0400-1 | | |
| treasury bonds | 1-0042-1 | | | | | | |
| bonds | 1-0042-2 | | | C. LONG-TERM LIABILITIES | | | |
| incl. municipality bonds | 1-0042-3 | | | I. Long-term debt | | | |
| other | 1-0042-4 | | | 1. Due to related parties | 1-0511 | | |
| 3. Other financial assets | 1-0042-5 | | | 2. Due to financial institutions | 1-0512 | | |
| Total long-term financial assets | 1-0040 | 3426 | 3426 | 3. Due under ZUNK | 1-0512-1 | | |
| VII. Long-term trade and other receivables from: | | | | 4. Trade loans | 1-0514 | | |
| 1. Related parties | 1-0044 | 182 | 57 | 5. Bonds | 1-0515 | 10757 | 10757 |
| 2. Trade loans | 1-0045 | | | 6. Other long-term liabilities | 1-0517 | 178 | 328 |
| 3. Financial lease receivables | 1-0046-1 | | | Total long-term debt | 1-0510 | 10935 | 11085 |

| | | | | | | | | |
|---|-----------------|--------------|--------------|---------------------------------------|-----------------|--------------|--------------|--|
| 4. Other long-term receivables | 1-0046 | | | | | | | |
| Total long-term trade and other receivables | 1-0040-1 | 182 | 57 | III. Other long-term liabilities | 1-0510-1 | | | |
| VIII. Deferred expenses | 1-0060 | | | III. Deferred revenues | 1-0520 | | | |
| IX. Assets on deferred tax payments | 1-0060-1 | 146 | 146 | IV. Liabilities on deferred taxes | 1-0516 | | | |
| TOTAL NON-CURRENT ASSETS | 1-0100 | 6759 | 7107 | V. Financing | 1-0520-1 | | | |
| B. CURRENT ASSETS | | | | TOTAL LONG-TERM LIABILITIES | 1-0500 | 10935 | 11085 | |
| I. Inventory | | | | D. SHORT-TERM LIABILITIES | | | | |
| 1. Materials | 1-0071 | 799 | 1036 | I. Trade and other payables | | | | |
| 2. Finished goods | 1-0072 | 181 | 102 | 1. Short-term borrowings | 1-0612 | | | |
| 3. Goods for resale | 1-0073 | | | 2. Short-term part of long-term loans | 1-0510-2 | | | |
| 4. Work in progress | 1-0076 | 684 | 742 | 3. Short-term payables | 1-0630 | 4278 | 2933 | |
| 5. Farm animals | 1-0074 | | | related parties payables | 1-0611 | 628 | 221 | |
| 6. Other materials | 1-0077 | | | trade loans | 1-0614 | 20 | 70 | |
| Total inventory | 1-0070 | 1664 | 1880 | trade accounts payables | 1-0613 | 2129 | 1825 | |
| | | | | advance payments | 1-0613-1 | | | |
| II. Receivables | | | | salaries payable | 1-0615 | 1180 | 589 | |
| 1. Related parties receivables | 1-0081 | 36 | 42 | social security payable | 1-0616 | 143 | 100 | |
| 2. Trade accounts receivables | 1-0082 | 419 | 329 | tax payable | 1-0617 | 178 | 128 | |
| 3. Advance payments | 1-0086-1 | | | 4. Other | 1-0618 | 324 | 242 | |
| 4. Trade loans | 1-0083 | 1815 | 1815 | 5. Provisions | 1-0619 | | | |
| 5. Court receivables | 1-0084 | | 421 | Total trade and other payables | 1-0610 | 4602 | 3175 | |
| 6. Recoverable taxes | 1-0085 | 24 | 20 | | | | | |
| 7. Personnel receivables | 1-0086-2 | | | | | | | |
| 8. Other receivables | 1-0086 | 1062 | 1051 | II. Other short-term liabilities | 1-0610-1 | | | |
| Total receivables | 1-0080 | 3356 | 3237 | III. Deferred revenues | 1-0700 | | | |
| | | | | IV. Financing | 1-0700-1 | | | |
| III. Financial assets | | | | | | | | |
| 1. Financial assets held for trading | 1-0093 | 0 | 0 | | | | | |
| bonds | 1-0093-1 | | | TOTAL SHORT-TERM LIABILITIES | 1-0750 | 4602 | 3175 | |
| derivatives | 1-0093-2 | | | | | | | |
| other | 1-0093-3 | | | | | | | |
| 2. Financial assets declared for sale | 1-0093-4 | | | | | | | |
| 3. Other current financial assets | 1-0095 | | 0 | | | | | |
| Total current financial assets | 1-0090 | | 0 | | | | | |
| IV. Cash and cash equivalents | | | | | | | | |
| 1. Cash | 1-0151 | 968 | 347 | | | | | |
| 2. Cash in banks | 1-0153 | 24 | 15 | | | | | |
| 3. Restricted cash | 1-0155 | | | | | | | |
| 4. Cash equivalents | 1-0157 | | | | | | | |
| Total cash and cash equivalents | 1-0150 | 992 | 362 | | | | | |
| V. Deferred expenses | 1-0160 | | | | | | | |
| TOTAL CURRENT ASSETS | 1-0200 | 6012 | 5479 | | | | | |
| TOTAL ASSETS | 1-0300 | 12771 | 12586 | TOTAL LIABILITIES | 1-0800 | 12771 | 12586 | |

Date:26.10.2010

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff

INCOME STATEMENT

Company name:

Balkancar ZARYA Plc

Bulstat

814191256

Type of statement: consolidated/non-consolidated:

non-consolidated

Reporting period:

01.01.2010 - 30.09.2010

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 | 2108 | 623 | 1. Finished goods | 2-1551 | 3264 | 1166 |
| 2. External services | 2-1130 | 402 | 458 | 2. Goods for sale | 2-1552 | | 3 |
| 3. Depreciation | 2-1160 | 400 | 436 | 3. Services | 2-1560 | 40 | 90 |
| 4. Salaries | 2-1140 | 850 | 665 | 4. Other | 2-1556 | 258 | 99 |
| 5. Social security | 2-1150 | 134 | 102 | Total net revenues from sale | 2-1610 | 3562 | 1358 |
| 6. Net book value of assets sold (finished goods excluded) | 2-1010 | 107 | 43 | | | | |
| 7. Assets under construction and write off of assets | 2-1030 | -21 | -345 | II. Revenues from financing for fixed assets | 2-1620 | | |
| 8. Other expenses | 2-1170 | 38 | 122 | incl. government grants | 2-1621 | | |
| incl. impairment of assets | 2-1171 | | | | | | |
| incl. provisions | 2-1172 | | | III. Financial income | | | |
| Total operating expenses: | 2-1100 | 4 018 | 2 104 | 1. Interest revenue | 2-1710 | 12 | 139 |
| | | | | 2. Divident income | 2-1721 | | |
| II. Financial expenses | | | | 3. Gains from operations with financial assets and instruments | 2-1730 | | |
| 1. Interest expenses | 2-1210 | 634 | 614 | 4. Gains from foreign exchange operations | 2-1740 | 32 | 13 |
| 2. Losses from operations with financial assets and instruments | 2-1220 | | | 5. Other financial income | 2-1745 | | |
| 3. Losses from foreign exchange operations | 2-1230 | 25 | 11 | Total financial income | 2-1700 | 44 | 152 |
| 4. Other financial expenses | 2-1240 | 21 | 75 | | | | |
| Total financial expenses: | 2-1200 | 680 | 700 | | | | |
| | | | | B. Total revenues before extraordinary activities | 2-1600 | 3606 | 1510 |
| B. Total operating expenses | 2-1300 | 4 698 | 2 804 | | | | |
| | | | | C. Operating loss | 2-1810 | 1 092 | 1 294 |
| C. Profit/(loss) from operations | 2-1310 | 0 | 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 | | 157 |
| IV. Extraordinary costs | 2-1250 | | | D. Total revenues | 2-1800 | 3 606 | 1 667 |
| D. Total expenses | 2-1350 | 4 698 | 2 804 | E. Loss before taxes | 2-1850 | 1 092 | 1 137 |
| E. Profit before tax | 2-1400 | 0 | 0 | | | | |
| V. Tax expense | 2-1450 | 0 | 0 | | | | |
| 1. Corporate profit tax | 2-1451 | | | | | | |
| 2. Expenses/(gains) on deferred corporate taxes | 2-1452 | 0 | 0 | | | | |
| 3. Other taxes | 2-1453 | | | | | | |
| F. Profit after taxes | 2-0454 | 0 | 0 | F. Loss after taxes | 2-0455 | 1 092 | 1 137 |
| incl. from minority shareholding | 2-0454-1 | | | incl. from minority shareholdings | 2-0455-1 | | |
| G. Net profit | 2-0454-2 | 0 | 0 | G. Net loss | 2-0455-2 | 1 092 | 1 137 |
| Total | 2-1500 | 4 698 | 2 804 | Total | 2-1900 | 4 698 | 2 804 |

Date: 26.10.2010

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff

CASH FLOW STATEMENT - DIRECT METHOD

Company name: "BALKANCAR ZARYA" Plc Bulstat 814191256
 Type of statement: consolidated/non-consolidated non-consolidated ПГ-05-380
 Reporting period: 01.01.2010-30.09.2010 (thousand BGN)

| CASH FLOW | | Current period | Previous period |
|--|---------------|----------------|-----------------|
| A. Cash flow from operating activities | | | |
| 1. Cash receipts from customers | 3-2201 | 3407 | 1403 |
| 2. Cash paid to suppliers | 3-2201-1 | -2344 | -1227 |
| 3. Payments/income related to financial assets | 3-2202 | | |
| 4. Cash paid to employees and social security | 3-2203 | -121 | -462 |
| 5. Paid/refunded taxes except corporate tax/ | 3-2206 | -20 | 36 |
| 6. Corporate tax paid | 3-2206-1 | | -4 |
| 7. Interest received | 3-2204 | | |
| 8. Interest and bank charges paid on short-term loans | 3-2204-1 | | |
| 9. Foreign currency exchange gains/losses net | 3-2205 | 14 | 2 |
| 10. Other proceeds/payments from operational activity | 3-2208 | -3 | 294 |
| Net cash flow from operational activities (A): | 3-2200 | 933 | 42 |
| B. Cash flow from investing activity | | | |
| 1. Purchase of fixed assets | 3-2301 | -133 | -143 |
| 2. Sale of fixed assets | 3-2301-1 | | 7 |
| 3. Loans granted | 3-2302 | -115 | |
| 4. Proceeds from loans | 3-2302-1 | 60 | |
| 5. Interest received on granted loans | 3-2302-2 | | |
| 6. Purchase of investments | 3-2302-3 | | |
| 7. Sale of investments | 3-2302-4 | | |
| 8. Dividends received | 3-2303 | | |
| 9. Foreign currency exchange gains/losses net | 3-2305 | | |
| 10. Other proceeds/payments from investing activity | 3-2306 | | |
| Net cash flow from investing activities (B): | 3-2300 | -188 | -136 |
| C. Cash flow from financing activities | | | |
| 1. Proceeds on securities issued | 3-2401 | | |
| 2. Payments on securities buy-back | 3-2401-1 | | |
| 3. Proceeds on loans | 3-2403 | 796 | 464 |
| 4. Payments of loans | 3-2403-1 | -302 | -184 |
| 5. Payments on leasing contracts | 3-2405 | | |
| 6. Paid interest, charges and commissions on investment loans | 3-2404 | -598 | -389 |
| 7. Dividends paid | 3-2404-1 | | |
| 8. Other proceeds/payments on financing activities | 3-2407 | -11 | 471 |
| Net cash flow from financing activities (C): | 3-2400 | -115 | 362 |
| D. Net decrease/increase in cash and cash equivalents (A+B+C) : | 3-2500 | 630 | 268 |
| E. Cash and cash equivalents as of the beginning of the period | 3-2600 | 362 | 16 |
| F. Cash and cash equivalents as of the end of the period | 3-2700 | 992 | 284 |
| cash and bank deposits | 3-2700-1 | 992 | 284 |
| restricted cash | 3-2700-2 | | |

Date: 26.10.2010

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff

CHANGES IN SHAREHOLDERS' EQUITY STATEMENT

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

Balkancar ZARYA Plc
non-consolidated
01.01.2010 - 30.09.2010

Bulstat
PF-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 | 1 322 | 0 | 863 | 113 | 0 | 105 | 78 | -4 155 | | -1674 | 0 |
| 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 | |
| Fundamental mistakes | 4-15-2 | | | | | | | | | | 0 | |
| Corrected balance - beginning of reporting period | 4-01-1 | 1 322 | 0 | 863 | 113 | 0 | 105 | 78 | -4 155 | 0 | -1674 | 0 |
| Net profit/loss | 4-05 | | | | | | | | -1092 | | -1092 | 0 |
| 1. Distributed profit for: | 4-06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| dividends | 4-07 | | | | | | | | | | 0 | |
| other | 4-07-1 | | | | | | | | | | 0 | |
| 2. Loss coverage | 4-08 | | | | | | | | | | 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 | |
| decrease | 4-11 | | | | | | | | | | 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 | |
| decrease | 4-14 | | | | | | | | | | 0 | |
| 5. Deferred tax effect | 4-16-1 | | | | | | | | | | 0 | |
| 6. Other changes | 4-16 | | | -4 | | | | 4 | | | 0 | |
| Balance - end of reporting period | 4-17 | 1 322 | 0 | 859 | 113 | 0 | 105 | 82 | -5 247 | 0 | -2766 | 0 |
| 7. Changes from transfers of annual financial reports of companies abroad | 4-18 | | | | | | | | | | 0 | |
| 8. Changes from revaluation of financial reports in case of hyper inflation | 4-19 | | | | | | | | | | 0 | |
| Shareholders' equity - as of end of reporting period | 4-20 | 1 322 | 0 | 859 | 113 | 0 | 105 | 82 | -5 247 | 0 | -2766 | 0 |

Date: 26.10.2010

Accountant: Mariana Patova

Manager: Dimitar Ivantchoff