

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2011

	Notes	2011 BGN'000	2010 BGN'000
Revenue	3	644,731	600,334
Other operating income/(losses), net	4	1,775	2,648
Changes in inventories of finished goods and work in progress		10,414	654
Raw materials and consumables used	5	(86,524)	(70,986)
Hired services expense	6	(59,336)	(61,147)
Employee benefits expense	7	(64,582)	(53,400)
Depreciation and amortisation expense	10, 16, 17	(19,732)	(16,560)
Carrying amount of goods sold	8	(370,991)	(337,094)
Other operating expenses	9, 10	(9,730)	(8,766)
<b>Profit from operations</b>		<b>46,025</b>	<b>55,683</b>
Finance income	11	7,013	6,246
Finance costs	12	(11,713)	(14,183)
<b>Finance income / (costs), net</b>		<b>(4,700)</b>	<b>(7,937)</b>
Gain on net monetary position from restatements for hyperinflationary economies	2.33.4	4,126	-
Losses from associates	13	(406)	(965)
Gains/(losses) on acquisition and disposal of subsidiaries, net	42, 43	-	1,181
<b>Profit before income tax</b>		<b>45,045</b>	<b>47,962</b>
Income tax expense	14	(4,620)	(5,500)
<b>Net profit for the year before statutory dividend for distribution</b>		<b>40,425</b>	<b>42,462</b>
Statutory dividend for distribution		(89)	-
<b>Net profit for the year</b>		<b>40,336</b>	<b>42,462</b>
<b>Other comprehensive income:</b>	15		
Net change in fair value of available-for-sale financial assets		283	4,267
Net gain on revaluation of property, plant and equipment		3,099	67
Exchange differences on translating foreign operations		(826)	(487)
Income tax relating to components of other comprehensive income		(325)	(5)
<b>Other comprehensive income for the year, net of tax</b>		<b>2,231</b>	<b>3,842</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>42,567</b>	<b>46,304</b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the parent		38,404	41,958
Non-controlling interest		1,932	504
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		40,166	46,049
Non-controlling interest		2,401	255
Earnings per share	27	BGN 0.30	0.32

The accompanying notes on pages 5 to 122 form an integral part of the consolidated financial statements.

Executive Director:

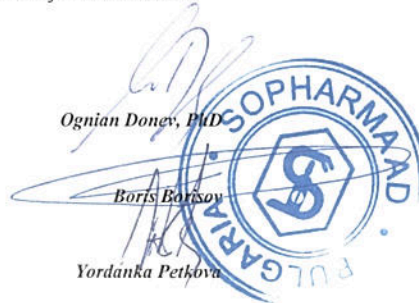
Ognian Donev, BMD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



AUDITED BY AEA  
11/05/2012

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2011

	Notes	31 December 2011 BGN'000	31 December 2010 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	236,338	208,550
Intangible assets	17	27,979	24,357
Investment property	18	6,555	6,821
Available-for-sale investments	19	19,972	20,927
Loans granted to related parties	20	729	3,195
Deferred tax assets	29	1,709	-
Other non-current assets	21	848	601
		<u>294,130</u>	<u>264,451</u>
<b>Current assets</b>			
Inventories	22	126,022	111,685
Trade receivables	23	136,756	145,523
Receivables from related parties	24	63,113	45,822
Other receivables and prepayments	25	24,332	12,640
Cash and cash equivalents	26	32,235	45,069
		<u>382,458</u>	<u>360,739</u>
<b>TOTAL ASSETS</b>		<u><b>676,588</b></u>	<u><b>625,190</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		132,000	132,000
Reserves		33,534	34,631
Retained earnings		154,465	131,601
		<u>319,999</u>	<u>298,232</u>
<b>Non-controlling interest</b>		<u>45,813</u>	<u>49,047</u>
<b>TOTAL EQUITY</b>	27	<u><b>365,812</b></u>	<u><b>347,279</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	28	23,280	31,182
Deferred tax liabilities	29	6,531	6,433
Retirement benefit obligations	30	2,389	2,610
Finance lease liabilities	31	1,534	415
Other non-current liabilities	32	1,368	798
		<u>35,102</u>	<u>41,438</u>
<b>Current liabilities</b>			
Short-term bank loans	33	151,765	114,465
Current portion of long-term bank loans	28	42,650	50,795
Trade payables	34	66,134	59,326
Payables to related parties	35	3,360	2,605
Payables to personnel and for social security	36	5,487	3,950
Tax payables	37	3,046	3,200
Other current liabilities	38	3,232	2,132
		<u>275,674</u>	<u>236,473</u>
<b>TOTAL LIABILITIES</b>		<u><b>310,776</b></u>	<u><b>277,911</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>676,588</b></u>	<u><b>625,190</b></u>

The accompanying notes on pages 5 to 122 form an integral part of the consolidated financial statements.

The consolidated financial statements on pages 1 to 122 were approved for issue by the Board of Directors of Sopharma AD and signed on its behalf on 11 May 2012 by:

Executive Director:

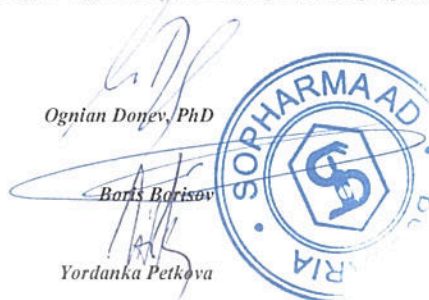
Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



AUDITED BY AEA  
11/05/2012

SOPHARMA GROUP  
CONSOLIDATED STATEMENT OF CASH FLOWS  
for the year ended 31 December 2011

	Notes	2011 BGN'000	2010 BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		745,198	797,849
Cash paid to suppliers		(582,449)	(626,887)
Cash paid to employees and for social security		(60,996)	(51,699)
Taxes paid (except income taxes)		(39,578)	(35,302)
Taxes refunded (except income taxes)		7,419	4,283
Income taxes paid		(7,190)	(7,545)
Interest and bank charges paid on working capital loans		(8,473)	(8,488)
Foreign currency exchange gains/(losses), net		(198)	(446)
Other proceeds/(payments), net		(1,356)	(995)
<b>Net cash flows from operating activities</b>		<b>52,377</b>	<b>70,770</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(39,227)	(15,717)
Proceeds from sales of property, plant and equipment		520	163
Purchases of intangible assets		(1,739)	(582)
Purchases of available-for-sale investments		(1,895)	(1,394)
Proceeds from sales of available-for-sale investments		804	1,085
Consideration (paid)/received on the acquisition of subsidiaries, net of cash received	42	(7,674)	(16,555)
(Payments)/proceeds on transactions with non-controlling interest, net	42	(476)	1,633
Loans granted to related parties		(80,615)	(46,779)
Loan repayments by related parties		61,476	23,402
Loans granted to third parties		(1,526)	(125)
Loan repayments by third parties		1,605	1,044
Interest received on loans granted and investment purpose term deposits		4,161	1,723
Proceeds from dividends relating to available-for-sale investments		80	106
<b>Net cash flows used in investing activities</b>		<b>(64,506)</b>	<b>(51,996)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term bank loans		195,310	143,302
Repayment of short-term bank loans		(181,870)	(116,841)
Proceeds from long-term bank loans		41,380	8,323
Repayment of long-term bank loans		(33,619)	(21,141)
Repayment of loans from related parties		(24)	-
Interest and charges paid under investment purpose loans		(1,239)	(381)
Payment of finance lease liabilities		(1,133)	(494)
Treasury shares		(6,740)	(2,392)
Dividends paid		(12,814)	(924)
Grants from public institutions		904	-
<b>Net cash flows from financing activities</b>		<b>155</b>	<b>9,452</b>
Effects of restatements for hyperinflationary economies		(860)	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(12,834)</b>	<b>28,226</b>
Cash and cash equivalents at 1 January		45,069	16,843
<b>Cash and cash equivalents at 31 December</b>	26	<b>32,235</b>	<b>45,069</b>


The accompanying notes on pages 5 to 122 form an integral part of the consolidated financial statements.

Executive Director:

Finance Director:

Chief Accountant (preparer):

*Ognian Donev, PhD*  
*Boris Borisov*  
*Yordanka Patkova*



*PA PATK*  
AUDITED BY AFA  
11/05/2012



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

	Notes	Attributable to equity holders of the parent							Non-controlling interest	Total equity
		Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Available-for-sale financial assets reserve	Translation of foreign operations reserve	Accumulated profit		
		BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2010		132,000	(26)	14,428	24,339	(4,621)	(2,195)	93,618	28,078	285,621
<i>Changes in equity for 2010</i>										
Effect of treasury shares acquisition		-	(4,617)	-	-	-	-	-	-	(4,617)
Distribution of profit for:										
* statutory reserves		-	-	3,360	-	-	-	(3,360)	-	-
Effects assumed by non-controlling interest on:										
* acquisition of subsidiaries	42	-	-	-	-	-	-	(743)	20,714	19,971
* distribution of dividends		-	-	-	-	-	-	(349)	19,798	19,798
* increase of the participation in subsidiaries	42	-	-	-	-	-	-	(84)	(672)	(1,021)
* decrease of the participation in subsidiaries	43	-	-	-	-	-	-	(310)	(403)	(487)
Total comprehensive income for the year		-	-	-	56	4,267	(232)	41,958	1,991	46,304
Transfer to retained earnings		-	-	-	(128)	-	-	128	-	-
Balance at 31 December 2010	27	132,000	(4,643)	17,788	24,267	(354)	(2,427)	131,601	49,047	347,279
<i>Changes in equity for 2011</i>										
Effect of treasury shares acquisition		-	(6,820)	-	-	-	-	75	-	(6,745)
Distribution of profit for:										
* statutory reserves		-	-	4,067	-	-	-	(4,067)	-	-
* dividends		-	-	-	-	-	-	(11,081)	-	(11,081)
Effects assumed by non-controlling interest on:										
* acquisition of subsidiaries	42	-	-	-	-	-	-	(573)	(5,635)	(6,208)
* distribution of dividends		-	-	-	-	-	-	(278)	(2,896)	(2,896)
* increase of the participation in subsidiaries	42	-	-	-	-	-	-	(341)	(2,558)	(2,836)
* decrease of the participation in subsidiaries	43	-	-	-	-	-	-	46	(925)	(1,266)
Total comprehensive income for the year		-	-	-	2,501	289	(1,028)	38,404	744	790
Transfer to accumulated profit		-	-	-	(106)	-	-	106	2,401	42,567
Balance at 31 December 2011	27	132,000	(11,463)	21,855	26,662	(65)	(3,455)	154,465	45,813	365,812

The accompanying notes on pages 5 to 122 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Doyev, PhD

Finance Director:

Boris Borisov

Chief Accountant (prepare):

Yordanka Petkova



AUDITED BY AIA

11/05/2012