

SOPHARMA GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	Notes	2012 BGN'000	2011 BGN'000
Revenue	3	688,579	644,731
Other operating income/(losses), net	4	2,328	1,775
Changes in inventories of finished goods and work in progress		2,678	10,414
Raw materials and consumables used	5	(89,575)	(86,524)
Hired services expense	6	(55,492)	(59,336)
Employee benefits expense	7	(68,972)	(64,582)
Depreciation and amortisation expense	10, 16, 17	(21,995)	(19,732)
Carrying amount of goods sold	8	(400,535)	(370,991)
Other operating expenses	9, 10	(11,548)	(9,730)
Profit from operations		45,468	46,025
Finance income	11	6,043	7,013
Finance costs	12	(9,341)	(11,713)
Finance income / (costs), net		(3,298)	(4,700)
Gain on net monetary position from restatements for hyperinflationary economies	2.33.4	823	4,126
Loss from associates	13	(56)	(406)
Loss on disposal of subsidiaries	44.1	(37)	-
Profit before income tax		42,900	45,045
Income tax expense	14	(4,934)	(4,620)
Net profit for the year before statutory dividend for distribution		37,966	40,425
Statutory dividend for distribution		(6)	(89)
Net profit for the year		37,960	40,336
Other comprehensive income:	15		
Net change in fair value of available-for-sale financial assets		1,214	283
Net gain on revaluation of property, plant and equipment		18	3,099
Exchange differences on translating foreign operations		(507)	(826)
Income tax relating to components of other comprehensive income		(2)	(325)
Other comprehensive income for the year, net of tax		723	2,231
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		38,683	42,567
Net profit for the year attributable to:			
Equity holders of the parent		35,196	38,404
Non-controlling interest		2,764	1,932
Total comprehensive income for the year attributable to:			
Equity holders of the parent		35,976	40,166
Non-controlling interest		2,707	2,401
Earnings per share	28	BGN 0.27	0.30

The accompanying notes on pages 5 to 128 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



AUDITED BY 
29/04/2013

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	Notes	31 December 2012 BGN'000	31 December 2011 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	292,074	236,338
Intangible assets	17	26,380	27,979
Investment property	18	7,110	6,555
Investments in associates	19	582	-
Available-for-sale investments	20	23,425	19,972
Long-term receivables from related parties	21	1,183	1,001
Other long-term receivables	22	1,460	576
Deferred tax assets	30	2,537	1,709
		354,751	294,130
Current assets			
Inventories	23	130,950	126,022
Trade receivables	24	160,558	136,756
Receivables from related parties	25	60,871	63,113
Other receivables and prepayments	26	22,521	24,332
Cash and cash equivalents	27	15,767	32,235
		390,667	382,458
TOTAL ASSETS		745,418	676,588
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		132,000	132,000
Reserves		35,979	33,534
Accumulated profit		177,900	154,465
		345,879	319,999
Non-controlling interest		45,474	45,813
TOTAL EQUITY	28	391,353	365,812
LIABILITIES			
Non-current liabilities			
Long-term bank loans	29	56,844	23,280
Deferred tax liabilities	30	5,792	6,531
Retirement benefit obligations	31	2,331	2,389
Finance lease liabilities	32	2,509	1,534
Other non-current liabilities	33	2,612	1,368
		70,088	35,102
Current liabilities			
Short-term bank loans	34	203,994	169,880
Current portion of long-term bank loans	29	9,559	24,535
Trade payables	35	55,242	65,536
Payables to related parties	36	1,560	3,360
Payables to personnel and for social security	37	6,624	5,487
Tax payables	38	2,408	3,046
Other current liabilities	39	4,590	3,830
		283,977	275,674
TOTAL LIABILITIES		354,065	310,776
TOTAL EQUITY AND LIABILITIES		745,418	676,588

The accompanying notes on pages 5 to 128 form an integral part of the consolidated financial statements.

The consolidated financial statements on pages 1 to 128 were approved for issue by the Board of Directors of Sopharma AD and signed on its behalf on 29 April 2013 by:

Executive Director:

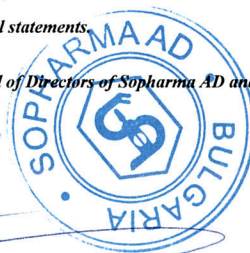
Ognian Donev, PhD

Finance Director:

Boris Bortsov

Chief Accountant (preparer):

Yordanka Petkova


AUDITED BY AFA
29/04/2013

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2012

	Notes	2012 BGN'000	2011 BGN'000
Cash flows from operating activities			
Cash receipts from customers		765,780	745,198
Cash paid to suppliers		(644,714)	(582,449)
Cash paid to employees and for social security		(65,759)	(60,996)
Taxes paid (except income taxes)		(42,809)	(39,578)
Taxes refunded (except income taxes)		12,480	7,419
Income taxes paid		(7,964)	(7,190)
Interest and bank charges paid on working capital loans		(7,874)	(8,473)
Foreign currency exchange gains/(losses), net		(960)	(198)
Other proceeds/(payments), net		(2,447)	(1,356)
Net cash flows from operating activities		5,733	52,377
Cash flows from investing activities			
Purchases of property, plant and equipment		(61,982)	(39,227)
Proceeds from sales of property, plant and equipment		244	520
Purchases of intangible assets		(1,450)	(1,739)
Purchases of available-for-sale investments		(3,389)	(1,895)
Proceeds from sales of available-for-sale investments		26	804
Proceeds from dividends relating to available-for-sale investments		167	80
Consideration paid on the acquisition of subsidiaries, net of cash received	43.1	(134)	(7,674)
Consideration paid on the acquisition of shares in joint ventures, net of cash received	43.3	(294)	-
Amounts from disposal of a subsidiary, net of cash granted	44.1	(24)	-
Purchases of investments in associates	13	(583)	-
Proceeds/(payments) from transactions with non-controlling interest, net	43.2, 44.2	1,144	(476)
Loans granted to related parties		(17,223)	(80,615)
Loan repayments by related parties		18,945	61,476
Loans granted to third parties		(1,388)	(1,526)
Loan repayments by third parties		1,256	1,605
Interest received on loans and deposits		4,847	4,161
Net cash flows used in investing activities		(59,838)	(64,506)
Cash flows from financing activities			
Proceeds from short-term bank loans (overdraft), net		49,430	63,340
Repayment of short-term bank loans (overdraft), net		(37,460)	(49,900)
Proceeds from long-term bank loans		45,507	41,380
Repayment of long-term bank loans		(4,832)	(33,619)
Repayment of loans from related parties		-	(24)
Interest and charges paid under investment purpose loans		(1,578)	(1,239)
Payment of finance lease liabilities		(958)	(1,133)
Treasury shares		(2,131)	(6,740)
Dividends paid		(11,672)	(12,814)
Grants from public institutions		1,906	904
Net cash flows from financing activities		38,212	155
Effects of restatements for hyperinflationary economies		(575)	(860)
Net decrease in cash and cash equivalents		(16,468)	(12,834)
Cash and cash equivalents at 1 January		32,235	45,069
Cash and cash equivalents at 31 December		15,767	32,235

The accompanying notes on pages 5 to 128 form an integral part of the consolidated financial statements.

Executive Director:

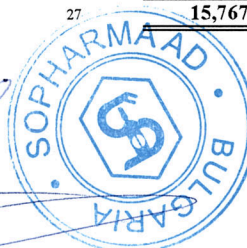
Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



AUDITED BY AIA
29/04/2013

SOPHARMA GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2012

	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	Total	Non-controlling interest	Total equity
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2011	132,000	(4,643)	17,788	24,267	(354)	(2,427)	131,601	298,232	49,047	347,279
<i>Changes in equity for 2011</i>										
Effect of treasury shares acquisition	-	(6,820)	-	-	-	-	75	(6,745)	-	(6,745)
Distribution of profit for:										
* statutory reserves	-	-	4,067	-	-	-	(4,067)	-	-	-
* dividends	-	-	-	-	-	-	(11,081)	(11,081)	-	(11,081)
Effects assumed by non-controlling interest on:										
* acquisition of subsidiaries	-	-	-	-	-	-	(573)	(573)	(5,635)	(6,208)
* distribution of dividends	-	-	-	-	-	-	(278)	(278)	(2,896)	(2,896)
* increase of the participation in subsidiaries	-	-	-	-	-	-	(341)	(341)	(2,558)	(2,836)
* decrease of the participation in subsidiaries	-	-	-	-	-	-	46	46	(925)	(1,266)
Total comprehensive income for the year	-	-	-	2,501	289	(1,028)	38,404	40,166	2,401	42,567
Transfer to accumulated profit	-	-	-	(106)	-	-	106	-	-	-
Balance at 31 December 2011	132,000	(11,463)	21,855	26,662	(65)	(3,455)	154,465	319,999	45,813	365,812
<i>Changes in equity for 2012</i>										
Effect of treasury shares acquisition	-	(2,131)	-	-	-	-	-	(2,131)	-	(2,131)
Distribution of profit for:										
* statutory reserves	-	-	4,079	-	-	-	(4,079)	-	-	-
* dividends	-	-	-	-	-	-	(9,020)	(9,020)	-	(9,020)
Effects assumed by non-controlling interest on:										
* acquisition (disposal) of subsidiaries	-	-	-	-	-	-	1,055	1,055	(3,046)	(1,991)
* distribution of dividends	-	-	-	-	-	-	(59)	(59)	(22)	(81)
* capital issue in subsidiaries	-	-	-	-	-	-	(19)	(19)	(3,487)	(3,506)
* increase of the participation in subsidiaries	-	-	-	-	-	-	710	710	2,894	2,894
* decrease of the participation in subsidiaries	-	-	-	-	-	-	423	423	(2,781)	(2,071)
Total comprehensive income for the year	-	-	-	16	1,113	(349)	35,196	35,976	2,707	38,683
Transfer to accumulated profit	-	-	-	(283)	-	-	283	-	-	-
Balance at 31 December 2012	132,000	(13,594)	25,934	26,395	1,048	(3,804)	177,900	345,879	45,474	391,353

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Executive Director:

Finance Director:

Chief Accountant (preparer):

Ognian Dones, PhD
Boris Borisov
Yordanka Petkova

AUDITED BY IFA

29/04/2013