

<b>Board of Directors:</b>	<b>Ognian Donev, PhD Vessela Stoeva Alexander Tchaushev Ognian Palaveev Andrey Breshkov</b>
<b>Executive Director:</b>	<b>Ognian Donev, PhD</b>
<b>Finance Director:</b>	<b>Boris Borisov</b>
<b>Head of Reporting:</b>	<b>Lyudmila Bondzhova</b>
<b>Chief Accountant:</b>	<b>Yordanka Petkova</b>
<b>Head of Legal Department:</b>	<b>Galina Angelova</b>
<b>Address of Management:</b>	<b>Sofia 16, Iliensko Shousse Str.</b>
<b>Lawyers:</b>	<b>"Gatchev, Baleva, partners" Law office Ventsislav Stoev Stefan Yovkov</b>
<b>Servicing Banks:</b>	<b>Raiffeisenbank (Bulgaria) EAD DSK Bank EAD Eurobank and EFG Bulgaria AD Societe Generale Expressbank AD Unicredit AD Citibank N.A. ING Bank, Branch Sofia</b>
<b>Auditor:</b>	<b>AFA OOD</b>

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the quarter ended 31 March 2014**

	Attachments	1 January - 31 March 2014 BGN'000	1 January - 31 March 2013 BGN'000
Revenue	3	214,292	187,608
Other operating income/(losses), net	4	3,133	2,361
Changes in inventories of finished goods and work in progress		(311)	(484)
Expenses on materials	5	(23,733)	(21,484)
Hired services expense	6	(18,181)	(14,219)
Employee benefits expense	7	(19,326)	(17,276)
Depreciation and amortisation expense	13, 14	(7,612)	(5,410)
Carrying amount of goods sold		(126,283)	(105,935)
Other operating expenses	8	(957)	(3,433)
<b>Profit from operations</b>		<b>21,022</b>	<b>21,728</b>
Finance income	10	1,123	1,858
Finance costs	11	(7,060)	(2,051)
<b>Finance (costs)/income, net</b>		<b>(5,937)</b>	<b>(193)</b>
Profit from net monetary position recalculated under hyper inflation	2.32.1	-	(378)
Loss/(profit) from associated companies and joint ventures		(33)	4
Loss from sale of subsidiaries		-	123
<b>Profit before income tax</b>		<b>15,052</b>	<b>21,284</b>
Income tax expense		(2,121)	(2,674)
<b>Net profit for the period before legally mandatory dividend for distribution</b>		<b>12,931</b>	<b>18,610</b>
Legally mandatory dividend for distribution		-	-
<b>Net profit for the period</b>		<b>12,931</b>	<b>18,610</b>
<b>Other comprehensive income:</b>			
<i>Components that will not be reclassified in the profit or loss:</i>			
Net profit from on revaluation of property, plant and equipment		-	4
Income tax relating to components of other comprehensive income that will not be reclassified		-	-
		-	4
<i>Components that may be reclassified in the profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		153	64
Exchange rate differences from foreign operations		(1,499)	598
Income tax relating to components of other comprehensive income that may be reclassified		-	-
		(1,346)	662
<b>Other comprehensive income for the period, net of tax</b>	12	<b>(1,346)</b>	<b>666</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>11,585</b>	<b>19,276</b>
<b>Net profit for the period, attributable to:</b>			
Equity holders of the parent		12,568	17,680
Non-controlling interest		363	930
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		11,410	18,197
Non-controlling interest		175	1,079

The accompanying notes on pages 5 to 89 form an integral part of the consolidated interim financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Prepared by:

Lyudmila Bondzhova

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2014

	Attachments	31 March 2014	31 March 2013
		BGN'000	BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	304,109	306,781
Intangible assets	14	15,118	15,848
Goodwill	14	11,807	12,890
Investment property	15	10,528	10,526
Investments in associated companies and joint ventures	16	1,679	1,002
Available-for-sale investments	17	8,754	8,187
Long-term receivables from related parties	18	27,143	25,656
Other long-term receivables	19	688	585
Deffered tax assets		4,247	3,027
		<b>384,073</b>	<b>384,502</b>
<b>Current assets</b>			
Inventories	20	140,484	139,596
Trade receivables	21	207,588	191,132
Receivables from related parties	22	28,464	28,763
Other receivables and prepayments	23	11,943	11,639
Cash and cash equivalents	24	26,606	27,156
		<b>415,085</b>	<b>398,286</b>
<b>TOTAL ASSETS</b>		<b>799,158</b>	<b>782,788</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		132,000	132,000
Reserves		32,244	32,013
Retained earnings	25	206,224	194,585
		<b>370,468</b>	<b>358,598</b>
<b>Non-controlling interest</b>		<b>59,587</b>	<b>54,177</b>
<b>TOTAL EQUITY</b>	25	<b>430,055</b>	<b>412,775</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	26	53,949	55,992
Deferred tax liabilities		6,644	4,647
Retirement benefit obligations	27	3,349	3,557
Finance lease liabilities	28	2,006	2,382
Government grants	29	5,474	5,612
Other non-current liabilities		85	55
		<b>71,507</b>	<b>72,245</b>
<b>Current liabilities</b>			
Short-term bank loans	30	210,244	208,643
Short-term part of long-term bank loans	26	6,340	7,083
Commercial payables	31	61,832	61,712
Payables to related parties	32	2,066	3,828
Payables to personnel and for social security	33	7,472	6,757
Tax payables	34	4,331	4,410
Other current liabilities	35	5,311	5,335
		<b>297,596</b>	<b>297,768</b>
<b>TOTAL LIABILITIES</b>		<b>369,103</b>	<b>370,013</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>799,158</b>	<b>782,788</b>

The accompanying notes on pages 5 to 89 form an integral part of the consolidated interim financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Prepared by:

Lyudmila Bondzhova

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the quarter ended 31 March 2014**

	Attachments	1 January - 31 March 2014 BGN'000	1 January - 31 March 2013 BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		242,822	193,908
Cash paid to suppliers		(199,593)	(162,913)
Cash paid to employees and for social security		(17,730)	(16,032)
Taxes paid (except income taxes)		(13,597)	(11,519)
Taxes refunded (except income taxes)		1,226	2,257
Income tax paid		(2,686)	(586)
Interest and bank charges paid on working capital loans		(1,760)	(1,864)
Foreign currency exchange, net		(1,598)	203
Other proceeds/(payments), net		(710)	(304)
<b>Net cash flows from operating activities</b>		<b>6,374</b>	<b>3,150</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(7,807)	(11,841)
Proceeds from sales of property, plant and equipment		80	11
Purchases of intangible assets		(492)	(102)
Purchases of available-for-sale investments		(503)	(1,539)
Proceeds from sales of available-for-sale investments		88	23
Payments for acquisition of subsidiaries, net of received cash		-	(293)
Proceeds from sale of subsidiaries, net of provided cash		-	(108)
Purchase of investments in associated companies	16	(801)	(749)
Cash received / (paid) on transactions with non-controlling interest, net		3,804	2,646
Loans granted to related parties		(2,670)	(5,140)
Loan repayments by related parties		2,343	606
Loans granted to third parties		(145)	(901)
Loan repayments by third parties		146	21
Interest received on investment purpose loans and deposits		130	421
<b>Net cash flows used in investing activities</b>		<b>(5,827)</b>	<b>(16,945)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term bank loans (overdraft), net		27,084	23,683
Repayment of short-term bank loans (overdraft), net		(26,315)	(5,238)
Proceeds from long-term bank loans		-	7,124
Repayment of long-term bank loans		(2,694)	(1,568)
Received loans from third parties		415	-
Repayment of loans to third parties		(482)	-
Interest and charges paid under investment purpose loans		(599)	(665)
Payment of finance lease liabilities		(284)	(232)
Purchases of treasury shares		(385)	(341)
Proceeds from sale of treasury shares		2,267	-
Dividends paid		(108)	(3)
<b>Net cash flows (used in) / from financing activities</b>		<b>(1,101)</b>	<b>22,760</b>
Effect from recalculated under hyper inflation		-	63
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(554)</b>	<b>9,028</b>
Cash and cash equivalents at 1 January		26,633	15,767
<b>Cash and cash equivalents at 31 March</b>	24	<b>26,079</b>	<b>24,795</b>

*The accompanying notes on pages 5 to 89 form an integral part of the consolidated interim financial statements.*

**Executive Director:**

*Ognian Donev, PhD*

**Finance Director:**

*Boris Borisov*

**Prepared by:**

*Lyudmila Bondzhova*

## SOPHARMA GROUP

## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

for the quarter ended 31 March 2014

Attachments	Share capital BGN'000	Treasury shares BGN'000	Statutory reserves BGN'000	Revaluation reserve - property, plant and equipment BGN'000	Available-for-sale financial assets reserve BGN'000	Translation of foreign operations reserve BGN'000	Retained earnings BGN'000	Total BGN'000	Uncontrolling interest BGN'000	Total equity BGN'000
<b>Balance at 1 January 2013</b>	<b>132,000</b>	<b>(13,594)</b>	<b>25,934</b>	<b>26,395</b>	<b>1,048</b>	<b>(3,804)</b>	<b>177,900</b>	<b>345,879</b>	<b>45,474</b>	<b>391,353</b>
<b>Changes in owner's equity for the period</b>										
Effect of treasury shares acquisition	-	(406)	-	-	-	-	-	(406)	-	(406)
Distribution of profit for:	-	-	-	-	-	-	-	-	-	-
* reserves	-	-	-	-	-	-	-	-	-	-
* dividends	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interest on:	-	-	-	-	-	-	-	-	<b>2,853</b>	<b>2,853</b>
* acquisition/(sale) of subsidiaries	-	-	-	-	-	-	-	-	289	289
* distribution of dividends	-	-	-	-	-	-	-	-	-	-
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	-	-
* increase in participation in subsidiaries	-	-	-	-	-	-	-	-	(80)	(80)
* decrease in participation in subsidiaries	-	-	-	-	-	-	-	-	2,644	2,644
<b>Total comprehensive income for the period, incl.:</b>	-	-	-	<b>4</b>	<b>64</b>	<b>449</b>	<b>17,680</b>	<b>18,197</b>	<b>1,079</b>	<b>19,276</b>
* net profit for the year	-	-	-	-	-	-	17,680	17,680	930	18,610
* other component of comprehensive income, net of taxes	-	-	-	4	64	449	-	517	149	666
Transfer to retained earnings	-	-	-	(6)	-	-	6	-	-	-
<b>Balance at 31 March 2013</b>	<b>132,000</b>	<b>(14,000)</b>	<b>25,934</b>	<b>26,393</b>	<b>1,112</b>	<b>(3,355)</b>	<b>195,586</b>	<b>363,670</b>	<b>49,406</b>	<b>413,076</b>
<b>Balance at 1 January 2014</b>	<b>132,000</b>	<b>(18,995)</b>	<b>30,051</b>	<b>24,657</b>	<b>961</b>	<b>(4,661)</b>	<b>194,585</b>	<b>358,598</b>	<b>54,177</b>	<b>412,775</b>
<b>Changes in equity for the period</b>										
Effect from acquisition of treasury shares	-	1,389	-	-	-	-	481	1,870	-	1,870
Distribution of profit for:	-	-	-	-	-	-	-	-	-	-
* statutory reserves	-	-	-	-	-	-	-	-	-	-
* dividends	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interest on:	-	-	-	-	-	-	<b>(1,410)</b>	<b>(1,410)</b>	<b>5,235</b>	<b>3,825</b>
* acquisition/(sale) of subsidiaries	-	-	-	-	-	-	-	-	-	-
* distribution of dividends	-	-	-	-	-	-	-	-	-	-
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	4,458	4,458
* increase in participation in subsidiaries	-	-	-	-	-	-	1,967	1,967	(1,442)	525
* decrease in participation in subsidiaries	-	-	-	-	-	-	(3,377)	(3,377)	2,219	(1,158)
<b>Total comprehensive income for the year, incl.:</b>	-	-	-	-	<b>153</b>	<b>(1,311)</b>	<b>12,568</b>	<b>11,410</b>	<b>175</b>	<b>11,585</b>
* net profit for the year	-	-	-	-	-	-	12,568	12,568	363	12,931
* other component of comprehensive income, net of taxes	-	-	-	-	153	(1,311)	-	(1,158)	(188)	(1,346)
<b>Balance at 31 March 2014</b>	<b>132,000</b>	<b>(17,606)</b>	<b>30,051</b>	<b>24,657</b>	<b>1,114</b>	<b>(5,972)</b>	<b>206,224</b>	<b>370,468</b>	<b>59,587</b>	<b>430,055</b>

The accompanying notes on pages 5 to 89 form an integral part of the consolidated interim financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Prepared by:

Lyudmila Bondzhova