

Company Name:

SOPHARMA AD

Board of Directors:

**Ognian Donev, PhD
Vessela Stoeva
Alexander Chaushev
Ognian Palaveev
Andrey Breshkov**

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant:

Yordanka Petkova

Address of Management:

**Sofia
16, Iliensko Shousse Str.**

Lawyers:

**Galina Angelova
Adriana Baleva
Venelin Gachev
Ventsislav Stoev
Lyubimka Georgieva
Stefan Yovkov**

Servicing Banks:

**Raiffeisenbank (Bulgaria) EAD
DSK Bank EAD
Eurobank and EFG Bulgaria AD
Piraeus Bank AD
Unicredit AD
BNP Paribas Bulgaria EAD
Citibank N.A.
MKB Unionbank**

Auditor:

AFA OOD

SOPHARMA AD
INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the period ending 30 September 2012

	Attachments	2012 BGN'000	2011 BGN'000
Sales revenues	3	159,047	155,671
Other operating revenue/(loss)	4	3,046	3,056 *
Change of available stock of finished goods and work in progress		1,745	521
Materials	5	(45,148)	(41,456)
External services	6	(49,409)	(48,287)
Emoloyees	7	(26,159)	(23,899)
Amortization	13,14	(6,526)	(6,349)
Other operating expenses	8,9	(3,446)	(3,518)
Operating profit		33,150	35,739
Financial income	10	9,949	9,426
Financial expenses	11	(4,516)	(5,140)
Financial income/(expenses) net		5,433	4,286
Profit before tax		38,583	40,025
Profit tax		(3,391)	(3,859)
Net profit		35,192	36,166
Other components of the total income:	12		
Changes in fair value of available-for-sale financial assets		(1)	176
Other comprehensive income for the period net of tax		(1)	176
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		35,191	36,342
Earnings per share	25	BGN 0.27	0.28

The notes on pages 5 to 75 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova

* reclassification

INTERIM STATEMENT OF COMPREHENSIVE INCOME

as at 30 September 2012

	Attachments	30 September 2012 BGN'000	31 December 2011 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	173,752	135,048
Intangible assets	14	3,701	3,386
Investment properties	15	19,170	19,170
Investments in subsidiaries	16	93,967	88,462
Available-for-sale investments	17	19,572	16,792
Loans to related parties	18	787	16,069
Other non-current assets	19	445	272
		311,394	279,199
Current assets			
Inventory	20	53,754	50,916
Receivables from related persons	21	163,163	135,104
Commercial receivables	22	31,530	29,383
Other receivables and prepayments	23	15,331	10,333
Cash and cash equivalents	24	6,968	18,038
		270,746	243,774
TOTAL ASSETS		582,140	522,973
EQUITY AND LIABILITIES			
EQUITY			
Share capital		132,000	132,000
Treasury shares		(11,502)	(10,036)
Reserves		189,683	157,913
Retained earnings	25	35,192	40,791
		345,373	320,668
LIABILITIES			
Non-current liabilities			
Long-term bank loans	26	45,306	18,737
Deferred taxes		3,408	3,864
Payables to employees on retirement	27	1,352	1,269
Financial leasing liabilities	28	639	304
		50,705	24,174
Current liabilities			
Short-term bank loans	29	94,001	112,008
Short-term part of long-term bank loans	26	65,111	40,735
Commercial payables	30	5,843	16,544
Payables to related parties	31	10,947	5,236
Tax payables	32	321	262
Payables to employees and social insurance	33	4,145	2,748
Other current liabilities	34	5,694	598
		186,062	178,131
TOTAL LIABILITIES		236,767	202,305
TOTAL EQUITY AND LIABILITIES		582,140	522,973

The notes on pages 5 to 75 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova

INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the period ending 30 September 2012

	Att ach	2012 BGN'000	2011 BGN'000
Cash flows from operating activities			
Sales proceeds		148,795	156,668
Payables to suppliers		(130,751)	(110,643)
Payments for wages and social insurance		(24,130)	(22,371)
Taxes paid (profit tax excluded)		(1,389)	(1,354)
Refunded taxes (profit tax excluded)		9,590	6,765
Profit taxes paid		(3,475)	(4,317)
Paid interest and bank fees on working capital loans		(4,601)	(4,801)
Exchange rate differences, net		(155)	(473)
Other proceeds/(payments), net		(10,802)	(12,370)
Net cash flows from/(used in) operating activities		(16,918)	7,104
Cash flows from investing activities			
Purchase of property, plant and equipment		(36,723)	(14,551)
Proceeds from sale of property, plant and equipment		12	21
Purchase of intangible assets		(680)	(886)
Purchase of available-for-sale investments		(2,619)	(951)
Proceeds from sale of available-for-sale investments		14	502
Purchase of shares in subsidiaries		(5,344)	(14)
Proceeds for sale of shares in daughter companies		46	683
Proceeds from dividends from investments in subsidiaries and available-for-sale investments		6,189	4,736
Loans granted to related parties		(15,128)	(52,024)
Refunded loans by related parties		22,070	28,172
Loans granted to third parties		(658)	-
Refunded loans by third parties		359	1,093
Interest from granted loans and investment purpose deposits		6,090	3,298
Net cash flows used in investing activities		(26,372)	(29,921)
Cash flows from financing activities			
Proceeds from short-term bank loans		403,710	119,218
Settlement of short-term bank loans		(421,555)	(114,282)
Proceeds from short-term bank loans to related parties		1,607	-
Proceeds from long-term bank loans		80,391	16,619
Settlement of long-term bank loans		(29,386)	(5,916)
Treasury shares		(1,466)	(5,715)
Finance lease payments		(400)	(303)
Paid interest and bank fees on investment purpose loans		(941)	(688)
Dividends paid		(9)	(2)
Net financial cash flows		31,951	8,931
Net (decrease)/increase in cash and cash equivalents		(11,339)	(13,886)
Cash and cash equivalents at 1 January		18,038	30,982
Cash and cash equivalents at 30 September	24	6,699	17,096

The notes on pages 5 to 75 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova

INTERIM REPORT FOR CHANGES IN EQUITY

for the period ending 30 September 2012

	Attachments	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Available-for-sale financial assets reserve	Additional reserves	Retained earnings	Total equity
		BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2010		132,000	-	14,428	23,107	(4,288)	54,938	33,594	253,779
Changes in equity for 2010									
Treasury shares purchased		-	(2,392)	-	-	-	-	-	(2,392)
Distribution of profit for:		-	-	3,360	-	-	30,234	(33,594)	-
* reserves		-	-	3,360	-	-	30,234	(33,594)	-
Total comprehensive income for the year		-	-	-	52	3,976	-	40,544	44,572
Transfer to retained earnings		-	-	-	(128)	-	-	128	-
Balance at 31 December 2010		132,000	(2,392)	17,788	23,031	(312)	85,172	40,672	295,959
Changes in equity for 2011									
Treasury shares purchased		-	(7,644)	-	-	-	-	-	(7,644)
Distribution of profit for:		-	-	4,067	-	-	25,524	(40,672)	(11,081)
* reserves		-	-	4,067	-	-	25,524	(29,591)	-
* dividend		-	-	-	-	-	-	(11,081)	(11,081)
Total comprehensive income for the year		-	-	-	2,435	314	-	40,685	43,434
Transfer to retained earnings		-	-	-	(106)	-	-	106	-
Balance at 31 December 2011	25	132,000	(10,036)	21,855	25,360	2	110,696	40,791	320,668
Changes in equity for 2012									
Treasury shares purchased		-	(1,466)	-	-	-	-	-	(1,466)
Distribution of profit for:		-	-	4,079	-	-	27,692	(40,791)	(9,020)
* reserves		-	-	4,079	-	-	27,692	(31,771)	-
* dividend		-	-	-	-	-	-	(9,020)	(9,020)
Total comprehensive income for the year		-	-	-	-	(1)	-	35,192	35,191
Transfer to retained earnings		-	-	-	-	-	-	-	-
Balance at 30 September 2012	25	132,000	(11,502)	25,934	25,360	1	138,388	35,192	345,373

The notes on pages 5 to 75 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova