

SOPHARMA GROUP

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

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the quarter ended 30 September 2014

	Attachments	1 January - 30 September 2014 BGN'000	1 January - 30 September 2013 BGN'000
Revenue	3	617 722	553 792
Other operating income/(losses), net	4	(6 687)	3 850
Changes in inventories of finished goods and work in progress		6 264	(3 321)
Expenses on materials	5	(68 824)	(63 123)
Hired services expense	6	(47 238)	(41 226)
Employee benefits expense	7	(59 348)	(56 190)
Depreciation and amortisation expense	13, 14	(21 294)	(17 149)
Carrying amount of goods sold		(377 355)	(324 787)
Other operating expenses	8	(6 935)	(8 739)
Profit from operations		36 305	43 107
Finance income	10	3 798	6 570
Finance costs	11	(12 466)	(13 156)
Finance (costs)/income, net		(8 668)	(6 586)
Profit from net monetary position recalculated under hyper inflation	2.32.1	-	672
Loss/(profit) from associated companies and joint ventures		(182)	(294)
Loss from sale of subsidiaries		-	(11)
Profit before income tax		27 455	36 888
Income tax expense		(4 226)	(4 143)
Net profit for the period before mandatory dividend for distribution		23 229	32 745
Mandatory dividend for distribution		-	-
Net profit for the period		23 229	32 745
Other components of comprehensive income:			
<i>Components that will not be reclassified in the profit or loss:</i>			
Net profit from 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		445	(584)
Exchange rate differences from foreign operations		(1 134)	(680)
Income tax relating to components of other comprehensive income that may be reclassified		-	-
		(689)	(1 264)
Other comprehensive income for the period, net of tax	12	(689)	(1 260)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		22 540	31 485
Net profit for the period, attributable to:			
Equity holders of the parent		20 146	30 837
Non-controlling interest		3 083	1 908
Total comprehensive income attributable to:			
Equity holders of the parent		19 798	29 935
Non-controlling interest		2 742	1 550

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 30 September 2014

	Attachments	30 September 2014	31 March 2013
		BGN'000	BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	301 100	306 781
Intangible assets	14	14 745	15 848
Goodwill	14	11 517	12 890
Investment property	15	10 631	10 526
Investments in associated companies and joint ventures	16	2 211	1 002
Available-for-sale investments	17	9 982	8 187
Long-term receivables from related parties	18	32 773	25 656
Other long-term receivables	19	496	585
Deffered tax assets		4 476	3 027
		387 931	384 502
Current assets			
Inventories	20	145 619	139 596
Trade receivables	21	213 249	191 132
Receivables from related parties	22	30 454	28 763
Other receivables and prepayments	23	24 808	11 639
Cash and cash equivalents	24	18 696	27 156
		432 826	398 286
TOTAL ASSETS		820 757	782 788
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		132 000	132 000
Reserves		35 522	32 013
Retained earnings	25	202 916	194 585
		370 438	358 598
Non-controlling interest		59 676	54 177
TOTAL EQUITY	25	430 114	412 775
LIABILITIES			
Non-current liabilities			
Long-term bank loans	26	50 733	55 992
Deferred tax liabilities		7 039	4 647
Retirement benefit obligations	27	3 455	3 557
Finance lease liabilities	28	2 054	2 382
Government grants	29	5 410	5 612
Other non-current liabilities		85	55
		68 776	72 245
Current liabilities			
Short-term bank loans	30	227 757	208 643
Short-term part of long-term bank loans	26	7 090	7 083
Commercial payables	31	63 164	61 712
Payables to related parties	32	2 883	3 828
Payables to personnel and for social security	33	8 110	6 757
Tax payables	34	6 589	4 410
Other current liabilities	35	6 274	5 335
		321 867	297 768
TOTAL LIABILITIES		390 643	370 013
TOTAL EQUITY AND LIABILITIES		820 757	782 788

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SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
for the quarter ended 30 September 2014

	Attachments	1 January - 30 September 2014	1 January - 30 September 2013
		BGN'000	BGN'000
Cash flows from operating activities			
Cash receipts from customers		688 545	617 932
Cash paid to suppliers		(560 675)	(489 554)
Cash paid to employees and for social security		(54 251)	(50 579)
Taxes paid (except income taxes)		(43 629)	(34 995)
Taxes refunded (except income taxes)		3 277	6 992
Income tax paid		(6 343)	(5 542)
Income tax refunded		-	1 326
Interest and bank charges paid on working capital loans		(5 296)	(5 825)
Foreign currency exchange, net		(1 897)	(775)
Other proceeds/(payments), net		(4 100)	(8 532)
Net cash flows from operating activities		15 631	30 448
Cash flows from investing activities			
Purchases of property, plant and equipment		(18 715)	(24 831)
Proceeds from sales of property, plant and equipment		448	3 738
Purchases of intangible assets		(1 838)	(520)
Purchases of available-for-sale investments		(1 527)	(2 048)
Proceeds from sale of available-for-sale investments		140	4 417
Proceeds from dividends from available-for-sale investments		56	159
Payments for acquisition of subsidiaries, net of received cash		-	(3 240)
Proceeds from sale of subsidiaries, net of provided cash		-	(1 417)
Purchase of investments in associated companies	16	(1 336)	-
Cash received / (paid) on transactions with non-controlling interest, net		4 870	4 086
Loans granted to related parties		(14 925)	(12 874)
Loan repayments by related parties		8 097	13 126
Loans granted to third parties		(598)	(960)
Loan repayments by third parties		719	899
Interest received on investment purpose loans and deposits		460	1 286
Net cash flows used in investing activities		(24 149)	(18 179)
Cash flows from financing activities			
Proceeds from short-term bank loans (overdraft), net		70 078	51 762
Repayment of short-term bank loans (overdraft), net		(54 822)	(57 780)
Proceeds from long-term bank loans		2 643	33 524
Repayment of long-term bank loans		(7 912)	(23 748)
Proceeds from non-controlling interest on issues capital in a subsidiary		-	2 397
Received loans from third parties		345	-
Repayment of loans to third parties		(681)	-
Interest and charges paid under investment purpose loans		(1 617)	(2 055)
Payment of finance lease liabilities		(869)	(983)
Purchases of treasury shares		(1 150)	(5 216)
Proceeds from sale of treasury shares		2 798	339
Dividends paid		(9 016)	(6 821)
Donations from public institutions		210	3 787
Net cash flows (used in) / from financing activities		7	(4 794)
Effect from recalculated under hyper inflation		-	(242)
Net increase/(decrease) in cash and cash equivalents		(8 511)	7 233
Cash and cash equivalents at 1 January		26 629	15 767
Cash and cash equivalents at 30 September	24	18 118	23 000

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

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SOPHARMA GROUP

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

for the quarter ended 30 September 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	Non-controlling interest BGN'000	Total equity BGN'000
Balance at 1 January 2013	132 000	(13 594)	25 934	26 395	1 048	(3 804)	177 900	345 879	45 474	391 353
Changes in owner's equity for the period										
Effect of treasury shares acquisition	-	(4 713)	-	-	-	-	(164)	(4 877)	-	(4 877)
Distribution of profit for:	-	-	4 117	-	-	-	(13 047)	(8 930)	-	(8 930)
* reserves	-	-	4 117	-	-	-	(4 117)	-	-	-
* dividends	-	-	-	-	-	-	(8 930)	(8 930)	-	(8 930)
Effects assumed by non-controlling interest on:	-	-	-	(36)	-	-	54	18	6 230	6 248
* acquisition/(sale) of subsidiaries	-	-	-	-	-	-	-	-	1 974	1 974
* distribution of dividends	-	-	-	-	-	-	-	-	(1 894)	(1 894)
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	2 397	2 397
* increase in participation in subsidiaries	-	-	-	-	-	-	(187)	(187)	(148)	(335)
* decrease in participation in subsidiaries	-	-	-	(36)	-	-	241	205	3 901	4 106
Total comprehensive income for the period, incl.:	-	-	-	4	(492)	(414)	30 837	29 935	1 550	31 485
* net profit for the year	-	-	-	-	-	-	30 837	30 837	1 908	32 745
* other component of comprehensive income, net of taxes	-	-	-	4	(492)	(414)	-	(902)	(358)	(1 260)
Transfer to retained earnings	-	-	-	(41)	-	-	41	-	-	-
Balance at 30 September 2013	132 000	(18 307)	30 051	26 322	556	(4 218)	195 621	362 025	53 254	415 279
Balance at 1 January 2014	132 000	(18 995)	30 051	24 657	961	(4 661)	194 585	358 598	54 177	412 775
Changes in equity for the period										
Effect from acquisition of treasury shares	-	1 045	-	-	-	-	587	1 632	-	1 632
Distribution of profit for:	-	-	3 504	-	-	-	(12 394)	(8 890)	-	(8 890)
* statutory reserves	-	-	3 504	-	-	-	(3 504)	-	-	-
* dividends	-	-	-	-	-	-	(8 890)	(8 890)	-	(8 890)
Effects assumed by non-controlling interest on:	-	-	-	-	-	-	(700)	(700)	2 757	2 057
* acquisition/(sale) of subsidiaries	-	-	-	-	-	-	-	-	2 245	2 245
* distribution of dividends	-	-	-	-	-	-	-	-	(2 628)	(2 628)
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	4 458	4 458
* increase in participation in subsidiaries	-	-	-	-	-	-	2 464	2 464	(3 842)	(1 378)
* decrease in participation in subsidiaries	-	-	-	-	-	-	(3 164)	(3 164)	2 524	(640)
Total comprehensive income for the year, incl.:	-	-	-	-	445	(793)	20 146	19 798	2 742	22 540
* net profit for the year	-	-	-	-	-	-	20 146	20 146	3 083	23 229
* other component of comprehensive income, net of taxes	-	-	-	-	445	(793)	-	(348)	(341)	(689)
Transfer to retained earnings	-	-	-	(692)	-	-	692	-	-	-
Balance at 30 September 2014	132 000	(17 950)	33 555	23 965	1 406	(5 454)	202 916	370 438	59 676	430 114

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