

**SOPHARMA AD**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2013**

	Notes	2013 BGN'000	2012 BGN'000 <i>Restated</i>	
Revenue	4	216,054	210,291	
Other operating income/(losses), net	5	3,079	4,143	
Changes in inventories of finished goods and work in progress		(6,872)	1,113	
Raw materials and consumables used	6	(54,932)	(59,002)	
Hired services expense	7	(59,659)	(65,710)	
Employee benefits expense	8	(32,328)	(34,859)	
Depreciation and amortisation expense	16,17	(11,716)	(8,941)	
Other operating expenses	9,10	(8,059)	(6,219)	
<b>Profit from operations</b>		<b>45,567</b>	<b>40,816</b>	
Impairment of non-current assets	11	(193)	(975)	
Finance income	12	9,987	11,757	
Finance costs	13	(17,338)	(6,451)	
<b>Finance (costs)/income, net</b>		<b>(7,351)</b>	<b>5,306</b>	
<b>Profit before income tax</b>		<b>38,023</b>	<b>45,147</b>	
Income tax expense	14	(4,362)	(4,262)	
<b>Net profit for the year</b>		<b>33,661</b>	<b>40,885</b>	
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
(Loss) / gain on revaluation of property, plant and equipment	16,18	(353)	18	
Remeasurements of defined benefit pension plans	3, 31	(80)	(137) *	
Income tax relating to items of other comprehensive income that will not be reclassified	14	35	(2)	
		<b>(398)</b>	<b>(121)</b>	
<i>Items that may be reclassified to profit or loss:</i>				
Net change in fair value of available-for-sale financial assets		470	512	
Income tax relating to items of other comprehensive income that may be reclassified		-	-	
		<b>470</b>	<b>512</b>	
<b>Other comprehensive income for the year, net of tax</b>	15	<b>72</b>	<b>391</b>	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>33,733</b>	<b>41,276</b>	
Earnings per share	28	BGN	<b>0.26</b>	<b>0.32</b>

The accompanying notes on pages 5 to 98 form an integral part of these financial statements.

Executive Director:

*Ognjan Donev, PhD*

Finance Director:

*Boris Borisov*

Chief Accountant (preparer):

*Yordanka Petkova*

AUDITED BY AEA *[Signature]*  
25/03/2014 *[Signature]*

\* Restated

**SOPHARMA AD**  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2013**

	Notes	31 December 2013 BGN'000	31 December 2012 BGN'000 <i>Restated</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	198,158	186,861
Intangible assets	17	3,661	3,973
Investment property	18	22,555	19,391
Investments in subsidiaries	19	101,207	92,932
Available-for-sale investments	20	6,862	19,472
Long-term receivables from related parties	21	25,649	1,183
Other long-term receivables	22	17	922
		<b>358,109</b>	<b>324,734</b>
<b>Current assets</b>			
Inventories	23	50,083	54,482
Receivables from related parties	24	103,350	167,113
Trade receivables	25	22,155	22,539
Other receivables and prepayments	26	7,241	11,560
Cash and cash equivalents	27	8,198	2,595
		<b>191,027</b>	<b>258,289</b>
<b>TOTAL ASSETS</b>		<b>549,136</b>	<b>583,023</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		132,000	132,000
Treasury shares		(18,105)	(12,156)
Reserves		220,935	189,928
Retained earnings	3	34,856	41,060 *
	28	<b>369,686</b>	<b>350,832</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	29	48,723	51,779
Deferred tax liabilities	30	3,826	3,815
Retirement benefit obligations	31	1,855	1,479 *
Finance lease liabilities	32	49	682
Government grants	33	3,534	-
		<b>57,987</b>	<b>57,755</b>
<b>Current liabilities</b>			
Short-term bank loans	34	98,878	152,778
Current portion of long-term bank loans	29	3,822	5,888
Payables to related parties	35	7,836	3,782
Trade payables	36	4,973	7,090
Tax payables	37	1,243	208
Payables to personnel and for social security	38	3,736	3,684
Other current liabilities	39	975	1,006
		<b>121,463</b>	<b>174,436</b>
<b>TOTAL LIABILITIES</b>		<b>179,450</b>	<b>232,191</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>549,136</b>	<b>583,023</b>

The accompanying notes on pages 5 to 98 form an integral part of these financial statements.

The financial statements on pages 1 to 98 were approved for issue by the Board of Directors and signed on its behalf on 25 March 2014 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

AUDITED BY AEA

25/03/2014

\* Restated

This is a translation from Bulgarian of the separate financial statements of Sopharma AD for year 2013.

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## SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December 2013

	Notes	2013 BGN'000	2012 BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		265,501	201,195
Cash paid to suppliers		(140,584)	(170,777)
Cash paid to employees and for social security		(31,121)	(33,025)
Taxes paid (except income taxes)		(1,926)	(1,821)
Taxes refunded (except income taxes)		7,759	11,709
Income taxes paid		(3,550)	(5,156)
Income taxes refunded		1,300	-
Interest and bank charges paid on working capital loans		(4,726)	(5,871)
Foreign currency exchange gains/(losses), net		(442)	(261)
Other proceeds/(payments), net		(768)	(1,926)
<b>Net cash flows from/(used in) operating activities</b>		<b>91,443</b>	<b>(5,933)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(21,616)	(50,513)
Proceeds from sales of property, plant and equipment		33	15
Purchases of intangible assets		(494)	(1,081)
Purchases of available-for-sale investments		(956)	(2,668)
Proceeds from sales of available-for-sale investments		1,611	26
Purchases of shares in subsidiaries		(10,300)	(5,376)
Proceeds from sales of shares in subsidiaries		3,225	179
Proceeds from liquidation shares in subsidiaries		109	-
Dividends received from investments in subsidiaries and available-for-sale investments		5,852	6,806
Loans granted to related parties		(15,892)	(17,416)
Loan repayments by related parties		21,872	26,691
Loans granted to other companies		(1,215)	(1,123)
Loan repayments by other companies		1,597	702
Interest received on granted loans and deposits		2,284	7,640
<b>Net cash flows used in investing activities</b>		<b>(13,890)</b>	<b>(36,118)</b>
<b>Парични потоци от финансова дейност</b>			
Proceeds from long-term bank loans		4,165	38,798
Repayment of long-term bank loans		(9,297)	-
Proceeds from short-term bank loans (overdraft), net		-	29,026
Repayment of short-term bank loans (overdraft), net		(53,954)	(28,669)
Proceeds from short-term related party loans		-	1,607
Repayment of short-term related party loans		-	(1,277)
Interest and charges paid under investment purpose loans		(2,308)	(1,477)
Treasury shares		(5,949)	(2,120)
Government grants received		3,787	-
Dividends paid		(8,827)	(8,785)
Payments of finance lease liabilities		(94)	(495)
<b>Net cash flows (used in)/from financing activities</b>		<b>(72,477)</b>	<b>26,608</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,076</b>	<b>(15,443)</b>
Cash and cash equivalents at 1 January		2,595	18,038
<b>Cash and cash equivalents at 31 December</b>		<b>7,671</b>	<b>2,595</b>

The accompanying notes on pages 5 to 98 form an integral part of these financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

AUDITED BY AEA

25/03/2014

SOPHARMA AD  
SEPARATE STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2013

Notes	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
	132,000	(10,036)	21,855	25,360	2	110,696	40,791	320,668
3	132,000	(10,036)	21,855	25,360	2	110,696	40,820	320,697
<b>Changes in equity for 2012</b>								
Treasury shares purchased	-	(2,120)	-	-	-	-	-	(2,120)
Distribution of profit for:	-	-	4,079	-	-	27,691	(40,791)	(9,021)
* reserves	-	-	4,079	-	-	27,691	(31,770)	-
* dividend	-	-	-	-	-	-	(9,021)	(9,021)
<b>Total comprehensive income for the year (originally stated)</b>	-	-	-	16	512	-	40,885	41,413
Effects of changes in accounting policies	-	-	-	-	-	-	(137)	(137)
<b>Total comprehensive income for the year (restated), including:</b>	-	-	-	16	512	-	40,748	41,276
* net profit for the year	-	-	-	-	-	-	40,885	40,885
* other comprehensive income, net of taxes	-	-	-	16	512	-	(137)	391
Transfer to retained earnings	-	-	-	(283)	-	-	283	-
<b>Balance at 31 December 2012 (originally stated)</b>	132,000	(12,156)	25,934	25,093	514	138,387	41,168	350,940
Effects of changes in accounting policies	-	-	-	-	-	-	(108)	(108)
<b>Balance at 31 December 2012 (restated)</b>	132,000	(12,156)	25,934	25,093	514	138,387	41,060	350,832
<b>Changes in equity for 2013</b>								
Treasury shares purchased	-	(5,949)	-	-	-	-	-	(5,949)
Distribution of profit for:	-	-	4,117	-	-	28,121	(41,168)	(8,930)
* reserves	-	-	4,117	-	-	28,121	(32,238)	-
* dividend	-	-	-	-	-	-	(8,930)	(8,930)
<b>Total comprehensive income for the year, including:</b>	-	-	-	(318)	470	-	33,581	33,733
* net profit for the year	-	-	-	-	-	-	33,661	33,661
* other comprehensive income, net of taxes	-	-	-	(318)	470	-	(80)	72
Transfer to retained earnings	-	-	-	(1,383)	-	-	1,383	-
<b>Balance at 31 December 2013</b>	132,000	(18,105)	30,051	23,392	984	166,508	34,856	369,686

The accompanying notes on pages 5 to 98 form an integral part of these financial statements.

Executive Director:

Finance Director:

Chief Accountant (preparer):



Boris Borisov

Ognian Donev, Ph.D.

Yordanka Petkova

AUDITED BY IFA  
25/03/2014

This is a translation from Bulgarian of the separate financial statements of Sopharma AD for year 2013.