

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2013

	Notes	2013 BGN'000	2012 BGN'000 <i>Restated</i>
Revenue	4	762,689	688,579
Other operating income/(losses), net	5	4,911	2,328
Changes in inventories of finished goods and work in progress		(3,173)	2,678
Raw materials and consumables used	6	(87,166)	(89,575)
Hired services expense	7	(59,305)	(55,492)
Employee benefits expense	8	(74,659)	(68,972)
Depreciation and amortisation expense	11, 17, 18	(26,219)	(21,995)
Carrying amount of goods sold		(450,112)	(400,535)
Other operating expenses	9, 10	(14,131)	(11,548)
Profit from operations		52,835	45,468
Finance income	12	6,553	6,043
Finance costs	13	(22,514)	(9,341)
Finance income / (costs), net		(15,961)	(3,298)
Gain on net monetary position from restatements for hyperinflationary economies	2.33.4	1,690	823
Loss from associates	14	(736)	(56)
Loss on disposal of subsidiaries	44.1	(11)	(37)
Profit before income tax		37,817	42,900
Income tax expense	15	(5,179)	(4,934)
Net profit for the year before statutory dividend for distribution		32,638	37,966
Statutory dividend for distribution		-	(6)
Net profit for the year		32,638	37,960
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
(Loss) / gain on revaluation of property, plant and equipment	17,19	(353)	18
Remeasurements of defined benefit pension plans	3,32	(117)	(235) *
Income tax relating to items of other comprehensive income that will not be reclassified	15	35	(2)
		(435)	(219)
<i>Items that may be reclassified to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		(217)	1,214
Exchange differences on translating foreign operations		(1,406)	(507)
Income tax relating to items of other comprehensive income that may be reclassified	15	-	-
		(1,623)	707
Other comprehensive income for the year, net of tax	16	(2,058)	488
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		30,580	38,448
Net profit for the year attributable to:			
Equity holders of the parent		29,248	35,196
Non-controlling interests		3,390	2,764
Total comprehensive income for the year attributable to:			
Equity holders of the parent		27,869	35,741 *
Non-controlling interests		2,711	2,707
Basic earnings per share	29	BGN 0.23	0.27

The accompanying notes on pages 5 to 131 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondjova

* Restated

 AUDITED BY AEA
29/04/2014

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2013

	Notes	31 December 2013 BGN'000	31 December 2012 BGN'000 <i>Restated</i>
ASSETS			
Non-current assets			
Property, plant and equipment	17	306,781	292,074
Intangible assets	18	15,848	13,463
Goodwill	18	12,890	12,917
Investment property	19	10,526	7,110
Investments in associates	20	1,002	582
Available-for-sale investments	21	8,187	23,425
Long-term receivables from related parties	22	25,656	1,183
Other long-term receivables	23	585	1,460
Deferred tax assets	31	3,027	2,537
		384,502	354,751
Current assets			
Inventories	24	139,596	130,950
Trade receivables	25	191,132	160,558
Receivables from related parties	26	28,763	60,871
Other receivables and prepayments	27	11,639	22,521
Cash and cash equivalents	28	27,156	15,767
		398,286	390,667
TOTAL ASSETS		782,788	745,418
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		132,000	132,000
Reserves		32,013	35,979
Retained earnings	3, 29	194,585	177,617 *
		358,598	345,596
Non-controlling interests			
		54,177	45,474
TOTAL EQUITY	29	412,775	391,070
LIABILITIES			
Non-current liabilities			
Long-term bank loans	30	55,992	56,844
Deferred tax liabilities	31	4,647	5,792
Retirement benefit obligations	32	3,557	2,614 *
Finance lease liabilities	33	2,382	2,509
Government grants	34	5,612	2,567
Other non-current liabilities		55	45
		72,245	70,371
Current liabilities			
Short-term bank loans	35	208,643	203,994
Current portion of long-term bank loans	30	7,083	9,559
Trade payables	36	61,712	55,242
Payables to related parties	37	3,828	1,560
Payables to personnel and for social security	38	6,757	6,624
Tax payables	39	4,410	2,408
Other current liabilities	40	5,335	4,590
		297,768	283,977
TOTAL LIABILITIES		370,013	354,348
TOTAL EQUITY AND LIABILITIES		782,788	745,418

The accompanying notes on pages 5 to 131 form an integral part of the consolidated financial statements.

The consolidated financial statements on pages 1 to 131 were approved for issue by the Board of Directors of Sopharma AD and signed on its behalf on 29 April 2014 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondjova

AUDITED BY AFA
29/04/2014

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2013

	Notes	2013 BGN'000	2012 BGN'000
Cash flows from operating activities			
Cash receipts from customers		857,875	765,780
Cash paid to suppliers		(679,322)	(644,714)
Cash paid to employees and for social security		(70,866)	(65,759)
Taxes paid (except income taxes)		(46,965)	(42,809)
Taxes refunded (except income taxes)		8,705	12,480
Income taxes paid		(6,747)	(7,964)
Income taxes refunded		1,311	-
Interest and bank charges paid on working capital loans		(7,429)	(7,874)
Foreign currency exchange gains/(losses), net		(971)	(960)
Other proceeds/(payments), net		(3,094)	(2,447)
Net cash flows from operating activities		52,497	5,733
Cash flows from investing activities			
Purchases of property, plant and equipment		(35,967)	(61,982)
Proceeds from sales of property, plant and equipment		428	244
Purchases of intangible assets		(990)	(1,450)
Purchases of available-for-sale investments		(2,169)	(3,389)
Proceeds from sale of available-for-sale investments		4,934	26
Proceeds from dividends under available-for-sale investments		206	167
Consideration paid on acquisition of subsidiaries, net of cash received	43.1	(3,146)	(134)
Consideration paid on the acquisition of shares in joint ventures, net of cash received	43.3	(494)	(294)
Proceeds from disposal of a subsidiary, net of cash granted	44.1	-	(24)
Purchases of investments in associates	20	(1,033)	(583)
Proceeds/(payments) on transactions with non-controlling interests, net	43.2, 44.2	3,814	1,144
Loans granted to related parties		(15,153)	(17,223)
Loan repayments by related parties		22,192	18,945
Loans granted to third parties		(1,719)	(1,388)
Loan repayments by third parties		1,706	1,256
Interest received on loans and deposits		2,454	4,847
Net cash flows used in investing activities		(24,937)	(59,838)
Cash flows from financing activities			
Proceeds from short-term bank loans (overdraft), net		57,550	49,430
Repayment of short-term bank loans (overdraft), net		(56,723)	(37,460)
Proceeds from long-term bank loans		11,689	45,507
Repayment of long-term bank loans		(15,147)	(4,832)
Loans received from third parties		787	-
Interest and charges paid under investment purpose loans		(2,606)	(1,578)
Payment of finance lease liabilities		(1,498)	(958)
Proceeds from issued capital		2,424	-
Treasury shares		(5,964)	(2,131)
Proceeds from sale of treasury shares		430	-
Dividends paid		(10,942)	(11,672)
Grants from public institutions		3,786	1,906
Net cash flows (used in)/from financing activities		(16,214)	38,212
Effects of restatements for hyperinflationary economies		(484)	(575)
Net increase/(decrease) in cash and cash equivalents		10,862	(16,468)
Cash and cash equivalents at 1 January		15,767	32,235
Cash and cash equivalents at 31 December		26,629	15,767

The accompanying notes on pages 5 to 131 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondjova

AUDITED BY AFA
29/04/2014

SOPHARMA GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2013

Notes	Attributable to equity holders of the parent										Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Available-for-sale financial assets reserve	Translation of foreign operations reserve	Retained earnings	Total	BGN'000	BGN'000		
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
	132,000	(11,463)	21,855	26,662	(65)	(3,455)	154,465	319,999	45,813	365,812		
3	132,000	(11,463)	21,855	26,662	(65)	(3,455)	154,417	319,951	45,813	365,764		
Changes in equity for 2012												
Effect of treasury shares acquisition												
	-	(2,131)	-	-	-	-	-	(2,131)	-	(2,131)		
	-	-	4,079	-	-	-	(13,099)	(9,020)	-	(9,020)		
	-	-	4,079	-	-	-	(4,079)	-	-	-		
	-	-	-	-	-	-	(9,020)	(9,020)	-	(9,020)		
	-	-	-	-	-	-	-	-	-	-		
43	-	-	-	-	-	-	1,055	1,055	(3,046)	(1,991)		
	-	-	-	-	-	-	(59)	(59)	(22)	(81)		
	-	-	-	-	-	-	(19)	(19)	(3,487)	(3,506)		
	-	-	-	-	-	-	-	-	2,894	2,894		
43	-	-	-	-	-	-	710	710	(2,781)	(2,071)		
44	-	-	-	-	-	-	423	423	350	773		
	-	-	-	-	-	-	-	-	2,707	38,683		
	-	-	-	16	1,113	(349)	35,196	35,976	2,707	38,683		
3	-	-	-	16	1,113	(349)	34,961	35,741	2,707	38,448		
	-	-	-	-	-	-	35,196	35,196	2,764	37,960		
	-	-	-	16	1,113	(349)	(235)	545	(57)	488		
	-	-	-	(283)	-	-	283	-	-	-		
	132,000	(13,594)	25,934	26,395	1,048	(3,804)	177,900	345,879	45,474	391,353		
3	-	-	-	-	-	-	(283)	(283)	-	-		
29	132,000	(13,594)	25,934	26,395	1,048	(3,804)	177,617	345,596	45,474	391,070		
Changes in equity for 2013												
Effect of treasury shares acquisition												
	-	(5,401)	-	-	-	-	(126)	(5,527)	-	(5,527)		
	-	-	4,117	-	-	-	(13,047)	(8,930)	-	(8,930)		
	-	-	4,117	-	-	-	(4,117)	-	-	-		
	-	-	-	-	-	-	(8,930)	(8,930)	-	(8,930)		
	-	-	-	-	-	-	(410)	(410)	5,992	5,582		
45	-	-	-	-	-	-	(120)	(120)	131	11		
	-	-	-	-	-	-	-	-	(1,897)	(1,897)		
44	-	-	-	-	-	-	-	-	4,509	4,509		
	-	-	-	-	-	-	181	181	(684)	(503)		
45	-	-	-	-	-	-	(471)	(471)	3,933	3,462		
	-	-	-	(318)	(87)	(857)	29,131	27,869	2,711	30,580		
	-	-	-	-	-	-	29,248	29,248	3,390	32,638		
	-	-	-	(318)	(87)	(857)	(117)	(1,379)	(679)	(2,058)		
	-	-	-	(1,420)	-	-	1,420	-	-	-		
29	132,000	(18,995)	30,051	24,657	961	(4,601)	194,585	358,598	54,177	412,775		

The accompanying notes on pages 5 to 131 form an integral part of the consolidated financial statements.

Executive Director:

Finance Director:

Preparer:

Ognyan Donev, PhD

Boris Borisov

Lyudmila Bindjova

AUDITED BY AIA

29/04/2014

This is a translation from Bulgarian of the consolidated financial statements of Sopharma Group for year 2013.