

**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)
<b>Profit from operations</b>		<b>52,835</b>	<b>45,468</b>
Finance income	12	6,553	6,043
Finance costs	13	(22,514)	(9,341)
<b>Finance income / (costs), net</b>		<b>(15,961)</b>	<b>(3,298)</b>
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)
<b>Profit before income tax</b>		<b>37,817</b>	<b>42,900</b>
Income tax expense	15	(5,179)	(4,934)
<b>Net profit for the year before statutory dividend for distribution</b>		<b>32,638</b>	<b>37,966</b>
Statutory dividend for distribution		-	(6)
<b>Net profit for the year</b>		<b>32,638</b>	<b>37,960</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	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)
		<b>(435)</b>	<b>(219)</b>
<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	-	-
		<b>(1,623)</b>	<b>707</b>
<b>Other comprehensive income for the year, net of tax</b>	16	<b>(2,058)</b>	<b>488</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>30,580</b>	<b>38,448</b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the parent		29,248	35,196
Non-controlling interests		3,390	2,764
<b>Total comprehensive income for the year attributable to:</b>			
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>
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
		<b>384,502</b>	<b>354,751</b>
<b>Current assets</b>			
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
		<b>398,286</b>	<b>390,667</b>
<b>TOTAL ASSETS</b>		<b>782,788</b>	<b>745,418</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		132,000	132,000
Reserves		32,013	35,979
Retained earnings	3, 29	194,585	177,617 *
		<b>358,598</b>	<b>345,596</b>
<b>Non-controlling interests</b>			
		<b>54,177</b>	<b>45,474</b>
<b>TOTAL EQUITY</b>	29	<b>412,775</b>	<b>391,070</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
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
		<b>72,245</b>	<b>70,371</b>
<b>Current liabilities</b>			
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
		<b>297,768</b>	<b>283,977</b>
<b>TOTAL LIABILITIES</b>		<b>370,013</b>	<b>354,348</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>782,788</b>	<b>745,418</b>

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
<b>Cash flows from operating activities</b>			
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)
<b>Net cash flows from operating activities</b>		<b>52,497</b>	<b>5,733</b>
<b>Cash flows from investing activities</b>			
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
<b>Net cash flows used in investing activities</b>		<b>(24,937)</b>	<b>(59,838)</b>
<b>Cash flows from financing activities</b>			
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
<b>Net cash flows (used in)/from financing activities</b>		<b>(16,214)</b>	<b>38,212</b>
Effects of restatements for hyperinflationary economies		(484)	(575)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10,862</b>	<b>(16,468)</b>
Cash and cash equivalents at 1 January		15,767	32,235
<b>Cash and cash equivalents at 31 December</b>		<b>26,629</b>	<b>15,767</b>

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										Total	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				
		(2,131)						(2,131)		(2,131)				
			4,079				(13,099)	(9,020)		(9,020)				
			4,079				(4,079)							
							(9,020)	(9,020)		(9,020)				
							1,055	1,055	(3,046)	(1,991)				
43							(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				
				16			35,196	35,196	2,707	38,683				
							(235)	(235)		(235)				
3				16			34,961	35,741	2,707	38,448				
							35,196	35,196	2,764	37,960				
				16			(349)	345	(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				
		(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)				
									4,509	4,509				
44							181	181	(684)	(503)				
45							(471)	(471)	3,933	3,462				
				(318)			29,131	27,869	2,711	30,580				
							29,248	29,248	3,390	32,638				
				(318)			(117)	(1,379)	(679)	(2,058)				
				(1,420)			1,420							
	132,000	(18,995)	30,051	24,657	961	(4,661)	194,585	358,598	54,177	412,775				

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AUDITED BY AIA

29/04/2014

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