



FINANCIAL STATEMENT

for the year ended at 31 December 2009

(short version)

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STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31, 2009

	Note	31 December 2009 BGN'000	31 December 2008 BGN'000
Sales revenue	5	90 120	129 736
Other income	6	151	165
Materials expenses	7	(17 939)	(16 397)
Hired services expenses	8	(7 964)	(4 202)
Salaries and social securities expenses	9	(4 986)	(6 556)
Depreciation and amortization	10	(2 336)	(2 338)
Book value of sold assets (excl. finished production)	11	(61 477)	(98 507)
Cost of self-constructed or liquidates fixed assets		6 947	2 609
Other adjusting sums		2 347	1 519
Change in finished production, work in progress and other		(31)	(178)
Other operating expenses	12	(893)	(589)
Total operating expenses		(86 332)	(124 639)
Finance income	13	104	2
Finance expenses	13	(828)	(1 335)
Finance expense, net		(724)	(1 333)
Profit before income tax		3 215	3 929
Income tax expense	14	(325)	(394)
Profit for the period		2 890	3 535
Aknowledged actuarial profit	26	351	34
Deferred taxes on actuarial profit	26	(35)	3
Other comprehensive income, net of income tax		316	31
Total comprehensive income for the period		3 206	3 566

These financial statement are approved on behalf of Filkab JSCo. by:

(signature)
Ivan Kukov
Executive Director

(signature)
Nonka Cherpokova
Financial Director

(signature)
Blagoy Panayotov
Registered Oditor

28 February 2010

(The notes on page 7 to 19 are an integral part of this financial statement)

STATEMENT OF FINANCIAL POSITION
As at December 31, 2009

	Note	31 December 2009 BGN'000	31 December 2008 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	27 720	22 703
Intangible assets	16	59	331
Equity investments	18	2 568	2 568
Trade and other receivables, net	20	-	196
Deferred tax assets, net	14	2	-
		30 349	25 798
Current assets			
Inventories	19	19 603	29 500
Trade and other receivables, net	20	17 421	19 152
Cash and cash equivalents	21	1 358	1 506
Refundable income tax	22	203	491
		38 585	50 649
		68 934	76 447
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity and Reserves			
Share capital	27	20 000	20 000
Reserves		9 355	9 039
Accumulated profit		5 549	3 098
		34 904	32 137
Non-current liabilities			
Loans	24	1 594	2 550
Lease payables	25	278	415
Obligations for retirement compensations	26	210	487
		2 082	3 452
Current liabilities			
Commercial and other liabilities	23	18 153	25 363
Loans	24	13 598	15 236
Lease payables	25	197	259
		31 948	40 858
		68 934	76 447
TOTAL EQUITY AND LIABILITIES			

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STATEMENT OF CHANGES IN EQUITY
for the year ended December 31, 2009

	Share capital	Legal reserves	Other reserves	Actuarial profit/ loss	Accumulated profit	Total
Balance at January 1, 2008	20 000	2 000	-	8	7 422	29 430
Comprehensive income for the period	-	-	-	31	3 535	3 535
Reserves	-	-	7 000	-	(7 000)	-
Dividend paid	-	-	-	-	(859)	(859)
Balance at December 31, 2008	20 000	2 000	7 000	39	3 098	32 137
Changes in equity in 2009						
Comprehensive income for the period	-	-	-	316	2 890	2 890
Dividend paid	-	-	-	-	(439)	(439)
Balance at December 31, 2009	20 000	2 000	7 000	355	5 549	34 904

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STATEMENTS OF CASH FLOWS
for the year ended December 31, 2009

	31 December 2009 BGN'000	31 December 2008 BGN'000
A. Cash flows from operating activities		
Cash receipts from customers	108 002	153 586
Cash paid to suppliers	(84 877)	(132 338)
Cash paid to employees	(4 420)	(6 412)
Other taxes paid (without income tax)	(7 523)	(10 404)
Other cash flows from operating activities	(101)	(241)
Total cash flows from operating activities:	11 081	4 191
Income tax paid	(75)	(613)
Net cash flows from operating activities:	11 006	3 578
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(7328)	(1585)
Net cash flows from investing activities:	(7 328)	(1 585)
C. Cash flows from financial activities		
Proceeds from bank loans	2 641	6 862
Payments of loans	(5 235)	(7 092)
Paid interests and commissions	(652)	(1 110)
Paid dividend to owners	(579)	(654)
Net cash flows from financial activities:	(3 825)	(1 994)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(147)	(1)
Cash and cash equivalents at 1 January	1 506	1 524
Net changes in exchange rates	(1)	(17)
Cash and cash equivalents at 31 December (note 21)	1 358	1 506

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Executive Director

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Nonka Cherpokova
Financial Director

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Registered Oditor

28 February 2010

(The notes on page 7 to 19 are an integral part of this financial statement)

NOTES TO THE FINANCIAL STATEMENT

31 DECEMBER 2009

*Notes to the financial statement
for the year ended December 31, 2009*

1. Legal status

FILKAB is a joint-stock company, established and registered in Bulgaria. The address of registration and management is: Bulgaria, 4004 Plovdiv, 92, Komatevsko Shosse Str. As at 31 December 2009 shareholders are six natural persons.

The Company organizes deliveries of cable products, electrical and automation equipment, MV equipment, cable accessories, lighting fixtures and electrical installation materials. **FILKAB JSCo.** also provide engineering and complete services - design, production, delivery, installation and commissioning of electrical equipment and automation of all types of construction sites, power lines and facilities. We design and produce lighting fixtures, LV electrical boards, distribution stations 24 kV, and complete concrete transformer stations.

This financial statement is approved for issuing by the management body of the company on 28th February 2010.

2. Base for preparation of the financial statements and accounting principles

The financial statement is prepared and presented in accordance with the International Financial Reporting Standards and the International Financial Reporting Interpretations Committee, approved by the European Commission.

The statement provides information about the financial status, the annual results and the cash flows of the Company for the year ended at 31 December 2009. It is an individual financial statement prepared according to the accounting and tax legislation of Republic of Bulgaria.

The financial statement is prepared by observing the principle of historical cost.

2.1. Currency

This financial statement is prepared in thousand of Bulgarian leva. The exchange rate EUR/BGN is 1.95583.

3. Share capital

The share capital of the company is presented in historical price to the day of its registration. As at 31 December 2009 the registered capital is 20.000.000 BGN.

4. Financial risk

Currency risk

The company carries out transactions in foreign currency, mainly in Euro. Given that the exchange rate EUR-BGN is fixed, the group is not exposed to currency risk.

Interest risk

The company is potentially exposed to interest risk due to the bank loans and finance lease it uses. The contacted interest rate is Euribor plus a fixed extra.

*Notes to the financial statement
for the year ended December 31, 2009*

Liquidity risk

	Up to 1 year	Between
	BGN'000	2 and 3 years
		BGN'000
31 December 2009		
Loans (note 24)	14 282	1 679
Leasing payables (note 25)	217	295
Trade and other liabilities	15 930	
31 December 2008		
Loans (note 24)	15 875	2 764
Leasing payables (note 25)	292	453
Trade and other liabilities	21 558	

Capital risk

The debt factor shows to what extent the activities of the company are financed with its own capital or with borrowed resources.

	31 December	31 December
	2009	2008
	BGN'000	BGN'000
Loans (note 24)	15 192	17 786
Leasing payables (note 25)	475	674
Cash and cash equivalents	(1 358)	(1 506)
Net debtness	14 309	16 954
Equity	34 904	32 137
Debt rate	<u>0.410</u>	<u>0.528</u>

5. Revenues

	31 December	31 December
	2009	2008
	BGN'000	BGN'000
Sales of stocks	71 120	110 577
Sales of production	18 018	18 900
Sales of services	982	259
Total	<u>90 120</u>	<u>129 736</u>

Income from sales of goods by good groups is as follows:

	31 December	31 December
	2009	2008
	BGN'000	BGN'000
Cables and conductors	56 136	86 933
Electrical equipment	4 966	8 095
Lighting materials and equipment	4 537	6 057
Transformers, distribution stations and other	2 851	6 039
Cable accessories	2 630	3 453
Total	<u>71 120</u>	<u>110 577</u>

*Notes to the financial statement
for the year ended December 31, 2009*

5. Revenues (continued)

Income from sales of production by production groups comprise:

	31 December 2009 BGN'000	31 December 2008 BGN'000
Electrical switchboards	8 943	9 291
Complete concrete transformer stations	7 021	7 220
Other	2 054	2 389
Total	18 018	18 900

6. Other income

	31 December 2009 BGN'000	31 December 2008 BGN'000
Rents	54	-
Profit from sales of property, plant and equipment	31	9
Depreciation of receivables	-	2
Waste	27	54
Compensations	22	-
Asset surplus	10	65
Other	7	35
Total	151	165

7. Expenses for materials

	31 December 2009 BGN'000	31 December 2008 BGN'000
Materials for production	16 090	14 797
Materials for acquisition of non-current assets	825	264
Fuel	477	665
Electricity and water	193	191
Maintenance materials	163	186
Materials for vehicles	82	69
Office materials	37	53
Employees equipment	33	47
Equipment	24	104
Other	15	21
Total	17 939	16 397

*Notes to the financial statement
for the year ended December 31, 2009*

8. Expences for hired services

	31 December 2009 BGN'000	31 December 2008 BGN'000
Services for acquisition of non-current assets	6 122	2 300
Rents	401	399
Hired services from sub-contractors in production	230	169
Expences for advertisement	208	244
Insurances	190	118
Charges and fees	180	259
Maintenance and repairs	176	178
Transport services	105	124
Telephone costs	90	119
Training of employees	40	51
Other	222	241
Total	7 964	4 202

9. Expences for employees and social securities

	31 December 2009 BGN'000	31 December 2008 BGN'000
Salaries	4 290	5 616
Social securities	651	787
Obligations for retirement compensations	45	153
Total	4 986	6 556

10. Depreciation and amortization

	31 December 2009 BGN'000	31 December 2008 BGN'000
Depreciation of property, plant and equipment	2 182	2 173
Depreciation of non-current intangible assets	154	165
Total	2 336	2 338

11. Book value of sold assets

	31 December 2009 BGN'000	31 December 2008 BGN'000
Cables and conductors	48 939	78 112
Electrical equipment	4 221	6 880
Lighting materials and equipment	3 934	5 148
Transformers, distribution stations and other	2 252	5 363
Cable accessories	2 130	3 004
Total	61 477	98 507

*Notes to the financial statement
for the year ended December 31, 2009*

12. Other expenses

	31 December 2009 BGN'000	31 December 2008 BGN'000
Book-value of sold non-current assets	348	-
Social costs	152	145
Business trips	126	166
Taxes, charges and fees	94	141
Representative costs	80	81
Penalties and fines	9	23
Grants	6	2
Other	78	31
Total	893	589

13. Financial income and expenses

	31 December 2009 BGN'000	31 December 2008 BGN'000
<i>Finance income</i>		
Interest income, incl.:	99	2
<i>from commercial borrowings</i>	91	-
<i>from bank deposits</i>	8	2
Other	5	-
Total	104	2
<i>Finance expence</i>		
Interest expenses, incl.:	(718)	(1 199)
<i>on bank loans</i>	(601)	(1 112)
<i>on commercial borrowings</i>	(64)	-
<i>on financial lease</i>	(24)	(64)
<i>on pension provisions</i>	(29)	(23)
Negative foreign exchange differences, net	(5)	(8)
Bank fees and commisions, net	(105)	(128)
Total	(828)	(1 335)

14. Income tax

	31 December 2009 BGN'000	31 December 2008 BGN'000
Current tax expense	363	412
Deferred taxes	(38)	(18)
Total income tax	325	394

*Notes to the financial statement
for the year ended December 31, 2009*

14. Income tax (continued)

	31 December 2009 BGN'000	31 December 2008 BGN'000
Profit before income tax	3 215	3 929
Applicable tax rate	10%	10%
Income tax	322	393
Tax effect of permanent differences	3	1
Total income tax	325	394
Effective tax rate	10.1%	10.0%

15. Non-current tangible assets

	Land	Buildings	Machines and equipment	Vehicles	Computers and other	Cost of self- constructed assets	Total
Balance at January 1, 2008	3 080	10 963	4 795	3 078	1 155	296	23 367
New assets	46	367	608	306	198	3 134	4 659
Written off	-	-	(7)	(25)	-	-	(32)
Transfers	-	1 771	429	-	-	(2 200)	-
Balance at December 31, 2008	3 126	13 101	5 825	3 359	1 353	1 230	27 994
New assets	50	-	201	201	41	6 947	7 440
Written off	-	(421)	(33)	(34)	(33)	-	(521)
Transfers from non-current intangible assets	-	-	100	-	-	-	100
Transfers	869	4 382	710	-	1	(5 962)	-
Balance at December 31, 2009	4 045	17 062	6 803	3 526	1 362	2 215	35 013
Depreciation and amortization							
Balance at January 1, 2008	10	293	1 161	1 050	636	-	3 150
Depreciation	61	440	790	650	232	-	2 173
Written off	-	-	(7)	(25)	-	-	(32)
Balance at December 31, 2008	71	733	1 944	1 675	868	-	5 291
Depreciation	60	516	822	599	185	-	2 182
Written off	-	(91)	(28)	(34)	(27)	-	(180)
Balance at December 31, 2009	131	1 158	2 738	2 240	1 026	-	7 293
Carried value							
January 1, 2008	3 070	10 670	3 634	2 028	519	296	20 217
December 31, 2008	3 055	12 368	3 881	1 684	485	1 230	22 703
December 31, 2009	3 914	15 904	4 065	1 286	336	2 215	27 720

*Notes to the financial statement
for the year ended December 31, 2009*

16. Non-current intangible assets

	Software	Other	Cost of self-constructed assets	Total
Balance at January 1, 2008	173	416	-	589
New assets	34	40	11	85
Written off	-	11	(11)	-
Balance at December 31, 2008	207	467	-	674
New assets	-	-	-	-
Written off	-	(267)	-	(267)
Transfers to property, plant and equipment	-	(100)	-	(100)
Balance at December 31, 2009	207	100	-	307
Depreciation and amortization				
Balance at January 1, 2008	131	47	-	178
Depreciation	29	136	-	165
Balance at December 31, 2008	160	183	-	343
Depreciation	34	120	-	154
Written off	-	(249)	-	(249)
Balance at December 31, 2009	194	54	-	248
Carried value				
January 1, 2008	<u>42</u>	<u>369</u>	<u>0</u>	<u>411</u>
December 31, 2008	<u>47</u>	<u>284</u>	-	<u>331</u>
December 31, 2009	<u>13</u>	<u>46</u>	-	<u>59</u>

17. Equity investments

As at December 31, 2009 and December 31, 2008 the company is a majority shareholder in:

Name of company	Activity	31 December 2009		31 December 2008	
		BGN'000	Capital quota %	BGN'000	Capital quota %
I. Subsidiaries					
Filkab Sliven JSCO.	Trade	34	67,00%	34	67,00%
Injenering JSCO.	Engineering	139	100,00%	139	100,00%
Filkab Distributie, Romania	Trade	1 222	66,60%	1 222	66,60%
Mak Kab, Macedonia	Trade	1 168	99,06%	1 168	99,06%
Total subsidiaries:		<u>2 363</u>		<u>2 363</u>	
Other		5	7,45%	5	7,45%
Total:		<u>2 568</u>		<u>2 568</u>	

*Notes to the financial statement
for the year ended December 31, 2009*

18. Financial instruments

Financial assets

	31 December 2009 BGN'000	31 December 2008 BGN'000
Commercial and other receivables	17 421	19 152
Cash and cash equivalents	1 358	1 506
Commercial borrowings	-	196
Total	18 779	20 854

Financial liabilities

	31 December 2009 BGN'000	31 December 2008 BGN'000
Loans	15 192	17 786
Commercial and other liabilities	16 806	23 546
Leasing payables	475	674
Total	32 473	42 006

19. Inventories

	31 December 2009 BGN'000	31 December 2008 BGN'000
Goods	19 460	29 325
Production	143	175
Total	19 603	29 500

20. Commercial and other receivables, net

	31 December 2009 BGN'000	31 December 2008 BGN'000
Commercial receivables	14 203	15 529
Related parties receivables	2 367	2 732
Commercial performance guarantees	371	181
Receivables from legal proceedings	257	16
Advances from suppliers	173	338
Deferred expenses	22	130
Other	28	226
Total	17 421	19 152
Non-current commercial receivables		
Commercial borrowings from related parties	-	196
Other	-	196
Total commercial receivables	17 421	19 348

*Notes to the financial statement
for the year ended December 31, 2009*

20. Commercial and other receivables, net (continued)

The book value of the trade and other receivables in their original currency is as follows:

	31 December 2009 BGN'000	31 December 2008 BGN'000
Евпо (EUR)	1 730	2 287
Bulgarian levs (BGN)	15 691	16 865
Total	17 421	19 152

21. Cash and cash equivalents

	31 December 2009 BGN'000	31 December 2008 BGN'000
Cash at banks	1 283	1 436
Cash at hand	75	70
Total	1 358	1 506

22. Refundable income tax

	31 December 2009 BGN'000	31 December 2008 BGN'000
Refundable/ (payable) income tax at January 01	491	292
Income tax accrued	(363)	(412)
Paid income tax	491	292
Refundable income tax at December 31	491	292

23. Commercial and other liabilities

	31 December 2009 BGN'000	31 December 2008 BGN'000
Suppliers liabilities	14 195	21 392
Related parties liabilities	1 735	166
Tax liabilities	814	1 454
Commercial performance guarantees	585	309
Liabilities to employees and social securities	533	363
Advances from clients	216	1 487
Other	75	192
Total	18 153	25 363

*Notes to the financial statement
for the year ended December 31, 2009*

24. Loans

	31 December 2009 BGN'000	31 December 2008 BGN'000
<i>Current liabilities</i>		
Loans	12 642	14 280
Current part of non-current loans	956	956
Total	13 598	15 236
<i>Non-current liabilities</i>		
Loans	1 594	2 550
Total	15 192	17 786

The non-current liabilities for interest loans are payable as follows:

	31 December 2009 BGN'000	31 December 2008 BGN'000
Liabilities with maturity between one and two years	1 594	1 912
Liabilities with maturity between two and three years	-	638
Total	1 594	2 550

The short-term loans are covered on security of inventories for 13 312 BGN, and the long-term investment loan is against a mortgage of land and buildings 11 804 BGN.

25. Finance lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	31 December 2009 BGN'000	31 December 2008 BGN'000	31 December 2009 BGN'000	31 December 2008 BGN'000
Finance lease liabilities				
current (up to one year)	217	292	197	259
non-current (between two and three years)	295	453	278	415
Minus: Lease interests	(37)	(71)		
Present value of lease liabilities	475	674	475	674
Minus: Present value of current lease liabilities			(197)	(259)
Present value of non-current lease liabilities			278	415

*Notes to the financial statement
for the year ended December 31, 2009*

26. Obligations for retirement compensations

	31 December 2009 BGN'000	31 December 2008 BGN'000
Present value of obligations for retirement compensations	487	354
Actuarial profit	(351)	(43)
Expenses for length of service	48	157
Interest expences	29	23
Retirement compensations paid	(3)	(4)
Retirement obligations acknowledged in statement of financial position	210	487

The amount of the obligations acknowledged in the statement of comprehensive income are:

	31 December 2009 BGN'000	31 December 2008 BGN'000
Expenses for length of service	48	157
Interest expences	29	23
Total included in expences for employees	77	180

	31 December 2009 BGN'000	31 December 2008 BGN'000
Balance at January 1, 2009	487	354
Obligations acknowledged in equity	(351)	(43)
Obligations acknowledged in statement of comprehensive income	77	180
Retirement compensations paid	(3)	(4)
Balance at December 31, 2009	210	487

27. Registered capital

The registered capital is divided in 2 000 000 stocks at par of 10 BGN each.

*Notes to the financial statement
for the year ended December 31, 2009*

28. Related parties

The related parties are announced in note 17.

The transaction between the related parties refer to:

- purchase and sale of goods;
- commercial loans;
- paid salaries.

The amount of the transactions is:

Related parties	31 December 2009 BGN'000	31 December 2008 BGN'000	31 December 2009 BGN'000	31 December 2008 BGN'000
	Sales of stocks and services	Sales of stocks and services	Purchase of goods and services	Purchase of goods and services
Subsidiaries, total	3 194	5 841	975	309
Total	3 194	5 841	975	309

Related parties	31 December 2009 BGN'000	31 December 2008 BGN'000	31 December 2009 BGN'000	31 December 2008 BGN'000
	Receivables	Receivables	Liabilities	Liabilities
Subsidiaries, total, incl.:	2 367	2 928	526	166
<i>from commercial borrowings</i>	239	196		
Owners	-	-	1 209	
Total	2 367	2 928	1 735	166