

Translation from Bulgarian

**M+S HYDRAULIC PLC, the town of Kazanluk**

**BALANCE SHEET**

For the Year ended 31 December 2012

in thousand EUR

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>Fixed assets</b>			
Property, Plant and Equipment	<b>1</b>	14 816	15 364
Fixed intangible assets	<b>2</b>	61	29
Investments in subsidiaries and associated companies	<b>3</b>	18	8
Accounts receivable of subsidiary companies	<b>4</b>	1 600	
		<b>16 496</b>	<b>15 401</b>
<b>Current assets</b>			
Inventories	<b>5</b>	5 102	5 860
Accounts receivable	<b>6</b>	6 125	6 745
Refundable taxes	<b>7</b>	684	
Financial assets	<b>8</b>	864	
Cash and cash equivalents	<b>9</b>	6 494	7 559
		<b>19 269</b>	<b>20 165</b>
<b>TOTAL ASSETS</b>		<b>35 764</b>	<b>35 565</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Capital		6 654	6 656
Reserves		7 184	7 210
Gained Profit/Loss		11 319	7 010
Annual Profit/Loss	<b>10</b>	5 570	7 399
		<b>30 727</b>	<b>28 275</b>
Long-term financial liabilities	11	591	964
Deferred income taxes	12	217	242
Gratuitous state funds	13	10	
		<b>817</b>	<b>1 206</b>
<b>CURRENT LIABILITIES</b>			
Current financial liabilities	14	372	26
Accounts payable	15	3 007	5 081
Accounts payable to employees	16	798	559
Tax liabilities	17	43	419
		<b>4 220</b>	<b>6 085</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35 764</b>	<b>35 565</b>

Date of issue: 04.03.2012

**Procurator:**

(N. Obretenov)

**Financial manager:**

(M. Marinov)

**M+S HYDRAULIC PLC, the town of Kazanluk**

For the Year ended 31 December 2012

**EQUITY CHANGES REPORT FOR 2012**

in thousand EUR

INDEXES	Shared Capital	Additional Reserves	Accumulated profit	Total
<b>Ending Balance on 31.12.2011</b>	<b>6 656</b>	<b>7 210</b>	<b>7 010</b>	<b>20 876</b>
Revaluation of the written-off long-term assets		(14)	14	0
Earning appropriation from previous years			2	2
NET earning for the current period			5 570	5 570
Dividends and others			(3 106)	(3 106)
Repurchased basic shares	(2)	(12)		(14)
<b>Balance as at 31.12.2012</b>	<b>6 654</b>	<b>7 184</b>	<b>9 491</b>	<b>23 328</b>

Date of issue: 04.03.2012

**Procurator:**  
**(N. Obretenov)**

**Financial manager:**  
**(M. Marinov)**

# M+S HYDRAULIC PLC

The town of Kazanlak  
BULSTAT 123028180

## Comprehensive earnings statement for 2012

In thousand E<sup>1</sup>

Earnings statement entries	Note	31.12.2012	31.12.2011
Net income	18	40 830	46 963
Gratuitous state grants	18	6	1
Utilized raw materials	19	(18 090)	(20 553)
Accounts receivable of subsidiary companies	19	(3 166)	(3 995)
Personnel related expenditures	19	(9 743)	(10 934)
Depreciation and amortization	19	(3 444)	(3 299)
Other	19	(230)	(358)
Adjustment amount		(138)	399
<b>Profit from the activities</b>		<b>6 025</b>	<b>8 223</b>
Financial incomes/costs	20	170	4
<b>Profit (prior to taxation)</b>		<b>6 194</b>	<b>8 227</b>
<b>Expenditures for taxes</b>	21	<b>(624)</b>	<b>(828)</b>
<i>Cost for income taxes</i>		(649)	(825)
Alteration at the expense of deferred taxes		25	(3)
<i>Date of issue: 04.03.2012</i>		<u>5 570</u>	<u>7 399</u>
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COMPREHENSIVE EARNINGS		0.43	0.57

Date of issue:04.03.2013

**Procurator:**  
(N. Obretenov)

**Financial manager:**  
(M. Marinov)

**M+S HYDRAULIC PLC, the town of Kazanluk****CASH FLOW STATEMENT**

For the Year ended 31 December 2012

INDEXES	in thousand EUR	
	31.12.2012	31.12.2011
<b><u>Cash flows from Operating Activity</u></b>		
Proceeds from clients	45 536	49 886
Fundings	6	0
Supplier payments	(25 972)	(29 612)
Personnel payments and insurance	(10 728)	(10 784)
Interests paid/received	237	159
Income taxes paid	(1 115)	(602)
<b>Net cash flow from Operating Activity</b>	<b><u>7 964</u></b>	<b><u>9 046</u></b>
<b><u>Cash flows from Investment Activity</u></b>		
Purchase of assets from other companies' capital	-10	0
Purchase of property, machinery, installations, equipment and other long-term assets	-3 390	-2 858
Additional financial contributions given to subsidiary companies	(1 600)	0
Proceeds from sales of long-term assets	23	31
Operations with financial assets	(807)	0
Funding for the purchase of long-term assets	10	688
<b>Net cash, used in Investing Activities</b>	<b><u>(5 775)</u></b>	<b><u>(2 140)</u></b>
<b><u>Cash flows from Financial Activity</u></b>		
Purchase of common shares	-14	0
Loans paid	-542	-962
Leasing contracts obligations paid	(17)	(19)
Dividends paid	(2 646)	(1 326)
Paid interest rates, fees, commissions under loans	(35)	(65)
<b>Net cash used in Financial Activity</b>	<b><u>(3 254)</u></b>	<b><u>(2 372)</u></b>
<b>Net increase of cash and cash equivalents</b>	<b><u>(1 065)</u></b>	<b><u>4 535</u></b>
<b>Cash and cash equivalents; beginning of period</b>	<b><u>7 559</u></b>	<b><u>3 024</u></b>
<b>Cash and cash equivalents; end of period</b>	<b><u>6 494</u></b>	<b><u>7 559</u></b>

Date of issue: 04.03.2012

**Procurator:****(N. Obretenov)****Financial manager:****(M. Marinov)**