

Translation from Bulgarian

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

**BALANCE SHEET**

For the Year ended 31 December 2013

in thousand EUR

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
<b>FIXED ASSETS</b>			
Property, Plant and Equipment	<b>1</b>	14 897	14 816
Fixed intangible assets	<b>2</b>	43	61
Investments in subsidiaries and associated companies	<b>3</b>	18	18
Accounts receivable	<b>4</b>	1 600	1 600
		<b>16 558</b>	<b>16 496</b>
<b>CURRENT ASSETS</b>			
Inventories	<b>5</b>	5 442	5 102
Accounts receivable	<b>6</b>	8 682	6 125
Refundable taxes	<b>7</b>	369	684
Financial assets	<b>8</b>	867	864
Cash and cash equivalents	<b>9</b>	5 782	6 494
		<b>21 142</b>	<b>19 269</b>
<b>TOTAL ASSETS</b>		<b>37 700</b>	<b>35 764</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Capital		6 654	6 654
Reserves		7 745	7 184
Gained Profit/Loss		12 003	11 319
Annual Profit/Loss	<b>10</b>	5 412	5 570
		<b>31 814</b>	<b>30 727</b>
<b>LONG TERM LIABILITIES</b>			
Long-term financial liabilities	11	415	591
Deferred income taxes	12	197	217
Grants state funds	13	0	10
		<b>612</b>	<b>817</b>
<b>CURRENT LIABILITIES</b>			
Current financial liabilities	14	172	372
Accounts payable	15	3 692	3 007
Accounts payable to employees	16	928	798
Tax liabilities	17	159	43
Grants state funds		324	
		<b>5 274</b>	<b>4 220</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37 700</b>	<b>35 764</b>

Date of issue: 04.03.2014

**Procurator:**

(V. Spasov)

**Financial manager:**

(M. Marinov)

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

For the Year ended 31 December 2013

**EQUITY CHANGES REPORT FOR 2013**

in thousand EUR

INDEXES	Shared Capital	Additional Reserves	Accumulated profit	Total
<b>Ending Balance on 31.12.2012</b>	<b>6 654</b>	<b>7 184</b>	<b>16 890</b>	<b>30 727</b>
Revaluation of the written-off long-term assets		(19)	19	0
Earning appropriation from previous years		581	(581)	0
NET earning for the current period			5 412	5 412
Dividends and others			(4 325)	(4 325)
Repurchased basic shares	0	0		0
<b>Balance as at 31.12.2013</b>	<b>6 654</b>	<b>7 745</b>	<b>17 415</b>	<b>31 814</b>

Date of issue: 04.03.2014

**Procurator:**  
(V. Spasov)

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

# M+S HYDRAULIC PLC

The town of Kazanlak

BULSTAT 123028180

## COMPREHENSIVE EARNINGS STATEMENT FOR 2013

In thousand EUR

Earnings statement entries	Note	31.12.2013	31.12.2012
Net income	18	43 608	40 830
State grants	18	9	6
Raw materials	19	(19 930)	(18 090)
Services	19	(3 466)	(3 166)
Personnel related expenditures	19	(10 432)	(9 743)
Depreciation and amortization	19	(3 427)	(3 444)
Other	19	(478)	(230)
Adjustment amount		(50)	(138)
<b>Profit from the activities</b>		<b>5 834</b>	<b>6 025</b>
Financial incomes/costs	20	177	170
<b>Profit (prior to taxation)</b>		<b>6 011</b>	<b>6 194</b>
<b>Expenditures for taxes</b>	21	<b>(600)</b>	<b>(624)</b>
Cost for income taxes		(620)	(649)
Alteration at the expense of deferred taxes		20	25
<b>TOTAL COMPREHENSIVE EARNINGS</b>		<b><u>5 412</u></b>	<b><u>5 570</u></b>
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Earnings per share		0.42	0.43

Date of issue:04.03.2014

**Procurator:**  
(V. Spasov)

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

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

For the Year ended 31 December 2013

INDEXES	31.12.2013	in thousand EUR 31.12.2012
<b>Cash flows from Operating Activity</b>		
Proceeds from clients	46 339	45 536
Grants	9	6
Supplier payments	(28 293)	(25 972)
Personnel payments and insurance	(10 721)	(10 728)
Interests paid/received	260	237
Income taxes paid	(538)	(1 115)
<b>Net cash flow from Operating Activity</b>	<b><u>7 057</u></b>	<b><u>7 964</u></b>
<b>Cash flows from Investment Activity</b>		
Purchase of property, machinery and other long-term assets	-5 024	-3 401
Additional financial contributions given to subsidiary companies	0	(1 600)
Proceeds from sales of long-term assets	5	23
Operations with financial assets	0	(807)
Grants for the purchase of long-term assets	1 602	10
<b>Net cash, used in Investing Activities</b>	<b><u>(3 417)</u></b>	<b><u>(5 775)</u></b>
<b>Cash flows from Financial Activity</b>		
Purchase of common shares	0	-14
Loans paid	-354	-542
Leasing contracts obligations paid	(14)	(17)
Dividends paid	(3 968)	(2 646)
Paid interest rates, fees, commissions under loans	(15)	(35)
<b>Net cash used in Financial Activity</b>	<b><u>(4 352)</u></b>	<b><u>(3 254)</u></b>
<b>Net increase of cash and cash equivalents</b>	<b><u>(712)</u></b>	<b><u>-1 065</u></b>
<b>Cash and cash equivalents; beginning of period</b>	<b><u>6 494</u></b>	<b><u>7 559</u></b>
<b>Cash and cash equivalents; end of period</b>	<b><u>5 782</u></b>	<b><u>6 494</u></b>

Date of issue: 04.03.2014

**Procurator:****(V. Spasov)****Financial manager:****(M. Marinov)**