

## INTERIM REPORT ON THE ACTIVITY OF ENEMONA AD FOR THE FIRST QUARTER OF 2012

*Unofficial translation of the original in Bulgarian*

### 1. Short description of the Company's activity

Enemona AD is a publically traded joint stock company, with **seat and registered office**: at 1A, Panayot Hitov, Kozloduy, Vratsa District, Bulgaria, tel.: 0973/80159, fax: 0973/80701, e-mail: [office@enemona.com](mailto:office@enemona.com), Internet site: [www.enemona.com](http://www.enemona.com). The Company has currently two Bulgarian branches, Enemona AD – Sofia Branch (UIC 0024) and Enemona AD – Galabovo Branch (UIC 0016).

The **scope of activity** of the Company is: *design, investment, construction and assembly, commissioning works, repair, maintenance, engineering, marketing, tourist, public catering, hotel management, camping, agency, advertising, business activities /including import, export, purchase and sale of real property including agricultural lands, purchase and sale of receivables, exchange, compensation, leasing, rental, barter, consignment transactions/, production, purchase, marketing, maintenance of and trade with machines, equipment, materials, elements and spare parts and commodities. production, transmission, distribution and trade with heat and electrical energy, including energy from renewable sources, production and trade with energy carriers – after the obtaining the relevant permit/licence in the cases provided in the law; design and construction of energy facilities and energy saving facilities; energy efficiency services /including investigation, consulting, research, design, construction, installation, modernization, maintenance, operation and monitoring of machines, facilities and buildings/prospecting, investigation, development, production and use of deposits of mineral resources within the meaning of art. 2 of the mineral resources act, and of biological resources, mineral resources, energy resources and water. acquisition of concessions for hydromeliorative and water supply facilities and systems, port terminals, republican roads, objects of the railroad infrastructure. Consultancy, translation, motor vehicle repair, transport, taxi, tourist, communication and household services. agricultural activities /including production, purchase, processing and marketing of agricultural products/ in this country and abroad; veterinary services and consultations; holding of shares and interest including acquisition of shares and interest in other companies, participation in joint ventures, acquisition of shares, interest and/or companies by merger and bundling and their sale; trade with shops and any other activities that are not forbidden by the laws of the Republic of Bulgaria.*

The Company has a one-tier system of government – **Board of Directors**, consisting of:

DICHKO PROKOPIEV PROKOPIEV – Chairman of the of Board of Directors and Chief Executive Officer, TSVETAN KAMENOV PETRUSHKOV - Deputy Chairman of the Board of Directors and Executive Director, LYUDMIL IVANOV STOYANOV- Deputy Chairman of the Board of Directors and Executive Director, ILIAN BORISOV MARKOV – Member of the Board of Directors; PROKOPI DICHEV PROKOPIEV - Member of the Board of Directors; MARGARITA IVANOVA DINEVA – Independent Member of the Board of Directors; GEORGI ZAMFIROV GORANOV - Independent Member of the Board of Directors, and IVAN DIMITROV PETROV - Independent Member of the Board of Directors. The Company is represented by DICHKO PROKOPIEV PROKOPIEV, TSVETAN KAMENOV PETRUSHKOV, LYUDMIL IVANOV STOYANOV and the Procurator BOGDAN DICHEV PROKOPIEV – both together and independently.

The **registered capital** of the Company currently amounts to BGN 13,036,501 and is fully paid in. It is distributed into 13,036,501 dematerialized (book-entry form) shares, with a nominal value of BGN 1.00 each. The shares are divided in two classes: Class I – consisting of 11,933,600 ordinary voting shares and Class II – consisting of 1,102,901 non-voting preference shares.

## 2. Information on the securities, issued by Enemona AD

BSE-Sofia AD disclosed the distribution in accordance with markets and segments, in relation to the changes in its Rules and Regulations. As of March 1, 2012, on the Main Market (BSE) a total of 157 issues of equities have been traded (not including the SPVs). The Main Market (Bulgarian Stock Exchange or BSE) is divided into the following segments:

- **Premium Equities Segment** - 7 issues, one of which is the ordinary shares of Enemona AD (**E4A**);
- **Standard Equities Segment** – 80 issues, one of which is the preferred shares of Enemona AD (**E4AP**);
- Special Purpose Vehicles Segment – 70 issues;
- Bonds Segment – 56 issues;
- UCITs Segment – 47 issues;
- Compensatory Instruments Segment – 3 issues
- **Structured Products Segment** – 2 issues of warrants, one of which is the warrants of Enemona AD (**ZNOA**).

On the so-called Alternative Market (Bulgarian Alternative Stock Market or BaSE), as of March 1, 2012 a total of 241 issues of the not so liquid companies have been listed.

### 2.1. Ordinary shares (E4A)

For the period between January and March 2012, the total turnover of ordinary shares, issued by Enemona AD, realised on the BSE-Sofia AD increased by 29.73%, while the number of the shares traded increased by 43.80% as compared to the fourth quarter of 2011. A drop of 9.79% was registered in the weighted average price of the shares as compared to the previous quarter.

During Q1 2012, the total turnover realised was worth BGN 492 285.21, while the daily average was BGN 7 691.96. The total number of transactions was 400, while the daily average was 6.25. The weighted average share price for the period was BGN 3.445.

2012	January	February	March	January-March
<b>Total Number of Transactions</b>	82	146	172	<b>400</b>
<b>Total Number of Shares Traded</b>	14 523	85 608	42 754	<b>142 885</b>
<b>Weighted Average Share Price</b>	BGN 3.736	BGN 3.430	BGN 3.375	<b>BGN 3.445</b>
<b>Total Turnover</b>	<b>BGN 54 268.94</b>	<b>BGN 293 702.62</b>	<b>BGN 144 313.66</b>	<b>BGN 492 285.21</b>

Source: [www.infostock.bg](http://www.infostock.bg)

### Comparative Data about the Trade in Ordinary Shares in Q1 2011 and Q1 2012

	Q1 2011	Q1 2012
<b>Total Number of Transactions</b>	664	400
<b>Total Number of Shares Traded</b>	123 747	142 885
<b>Weighted Average Share Price</b>	BGN 6.942	BGN 3.445
<b>Total Turnover</b>	<b>BGN 859 055.41</b>	<b>BGN 492 285.21</b>

Source: [www.infostock.bg](http://www.infostock.bg)

### 2.2. Preferred shares (E4AP)

During the first quarter of 2012, the total turnover of preferred shares, issued by Enemona AD, decreased by 44.17% as compared to the fourth quarter of 2011 and totalled BGN 246 524.68, the daily average was BGN 3 851.95. The total number of transactions was 93, while the daily average was 1.45. The total number of shares traded was 34 846, and the weighted average share price for the period was BGN 7.074.

2012	January	February	March	January-March
<b>Total Number of Transactions</b>	26	31	36	<b>93</b>
<b>Total Number of Shares Traded</b>	3 059	24 860	6 927	<b>34 846</b>
<b>Weighted</b>	BGN 7.394	BGN 7.134	BGN 6.717	<b>BGN 7.074</b>

Average Share Price				
<b>Total Turnover</b>	<b>BGN 22 619.34</b>	<b>BGN 177 375.89</b>	<b>BGN 46 529.45</b>	<b>BGN 246 524.68</b>

Source: [www.infostock.bg](http://www.infostock.bg)

### 2.3. Warrants (ZNOA)

During Q1 2011, the total turnover of warrants, issued by Enemona AD, realised on the BSE-Sofia AD was worth BGN 18 654.35, while the daily average was BGN 291.47. The total number of transactions was 10, while the daily average was 0.16. The weighted average share price for the period was BGN 0.401 and the total number of warrants traded was 46 474.

2012	January	February	March	January-March
<b>Total Number of Transactions</b>	3	2	5	<b>10</b>
<b>Total Number of Shares Traded</b>	675	200	45 599	<b>46 474</b>
<b>Weighted Average Share Price</b>	BGN 0.482	BGN 0.474	BGN 0.399	<b>BGN 0.401</b>
<b>Total Turnover</b>	<b>BGN 325.35</b>	<b>BGN 94.90</b>	<b>BGN 18 234.10</b>	<b>BGN 18 654.35</b>

Source: [www.infostock.bg](http://www.infostock.bg)

## Comparison between the price movements of the securities, issued by Enemona AD

Енемона АД (ENM)

● ENM -17,50% ● E4AP -6,25% ● ZNOA +1,28%

Окт 17, 2011 - Апр 12, 2012



Source: [www.investor.bg](http://www.investor.bg)

### 3. Main Activities and Events during the First Quarter of 2012

The value of new construction and engineering contracts signed in Q1 2012 reached BGN 19.72 million, excl. VAT

Contractor	Subject
<b>Chelopech Mining EAD</b>	<b>Annex №1</b> to Contract №1013/17.08.2011 for additional activities for site: „Execution of construction, mechanical part and pipelines” for project Modernization of ventilation installation of North Shaft of Chelopech Mining EAD.

<b>Kozloduy NPP EAD</b>	Delivery of ventilation and electrical equipment for the organization of areas of size reduction in machine room blocks 1-2 of Kozloduy NPP EAD
<b>Risk Engineering AD</b>	<b>Annex № 1</b> to Contract 7601/ 15.02.2010 for deadline prolongation
<b>Chelopech Mining EAD</b>	Delivery of materials in accordance with Purchase Order №139637 for Chelopech Mining EAD
<b>Chelopech Mining EAD</b>	<b>Annex №1</b> to Contract №1174/04.11.2011 for additional activities for site: "Structural Steel Fabrication for CV-1105, Area 11 – Surface Stockpile & Reclaim System (Phase 2)"
<b>Chelopech Mining EAD</b>	<b>Annex №2</b> to Contract №1111/03.09.2011 for additional activities for site: "Concentrator Upgrade Project" Zone 78-tailings thickener installation" of Chelopech Mining EAD.
<b>Agropolychim AD</b>	Annex for deadline prolongation of Contract № 925/08.07.2011 for site: Construction and Assembly Works for the electrical installation and ATP Parts, including erection of electrical and I&C equipment during the execution of investment project IP. 703 "Construction of a new workshop for ammonium nitrate of Agropolychim AD in the town of Devnya, Industrial Zone" up to 30.04.2012
<b>Agropolychim AD</b>	Annex for deadline prolongation of Contract №999/01.08.2011r. for site: Construction and Assembly Works for the execution of investment project IP. 703 "Construction of a new workshop for ammonium nitrate of Agropolychim AD in the town of Devnya, Industrial Zone" up to 30.04.2012
<b>Agropolychim AD</b>	Annex for deadline prolongation of Contract №1263/23.11.2011 for site: Construction and Assembly Works for the execution of investment project IP. 703 "Construction of a new workshop for ammonium nitrate of Agropolychim AD in the town of Devnya, Industrial Zone" up to 30.04.2012
<b>Chelopech Mining EAD</b>	Structural & Mechanical Steel Fabrication for CV-1106 and other, Area 11 – Surface Stockpile & Reclaim System (Phase 2)

<b>Chelopech Mining EAD</b>	<b>Annex №1</b> to Contract №1272/01.12.2011 for additional activities for site: Structural Steel Fabrication for CV-1105, Area 11 – Surface Stockpile & Reclaim System (Phase 2)
<b>Chelopech Mining EAD</b>	<b>Annex №2</b> to Contract №1013/17.08.2011r „Execution of construction, mechanical part and pipelines” for project Modernization of ventilation installation of North Shaft of Chelopech Mining EAD.
<b>RWE Power AG, Essen</b>	Annex to Contract №1200/11.10.2011 for an Exit-Fee payment for site: Extension of the transmission facility for coke gas to Hukingen power plant (Duisburg, Germany).
<b>Bauer Elektroanlagen GmbH, Halle</b>	Construction of a new building for the Office for Urban Planning and Environment in Hamburg Wilhelmsburg
<b>Helse Bergen HF, Bergen</b>	Project for constructing a New centre for children, youth and psychosomatic medicine in the town of Bergen, Norway
<b>ABB AG, Germany</b>	Reconstruction of a 420 kV installation at substation Niederrhein, Wesel, Germany
<b>Kozloduy NPP EAD</b>	Electrical erection related to the planned maintenance activities, implementation of the investment program and reliability improvement of the equipment of the safety systems and reliable electricity systems in 2012.
<b>Chelopech Mining EAD</b>	<b>Letter</b> for site: RFT-000353: Zone 27- Ore Pass Structural and Mechanical Installation
<b>Schneider Electric Energy GmbH, Germany</b>	Electrical erection – Lot 3 Lighting for Power Plant Moorburg, Germany.
<b>Kozloduy NPP EAD</b>	Repair of the lightning system round buildings RS „PBZN”, Regional Police Department – NPP and GPU Kozloduy
<b>Agropolychim AD</b>	Change of cables on site: Agropolychim AD

**The value of new energy efficiency contracts signed in Q1 2012 totalled BGN 0.81 million, excl. VAT**

<b>Contractor</b>	<b>Subject</b>
<b>Municipality of Opan</b>	Implementation of engineering for energy efficiency with guaranteed results for the building of "Hristo Botev"

	Primary School, in the village of Opan
"Mental Health Center Dr. P. Stanchev - Dobrich" EOOD	Implementation of engineering for energy efficiency audit, design and implementation of energy saving measures under a contract with guaranteed results for the building of "Mental Health Center Dr. P. Stanchev - Dobrich" EOOD, in the town of Dobrich

### Information on framework contracts

At the General Shareholders' Meeting of Enemona AD, held on June 30, 2011, the shareholders authorized the Board of Directors and the Executive Directors of the Company to extend for one year the period of transactions under Article 114 of the Law on Public Offering of Securities (LPOS), as follows:

- Annex to the Contract of 13-07-2010 for the implementation of construction and assembly works and/or deliveries of materials and equipment between Enemona AD (Contractor) and Enemona Galabovo AD (Executor);
- Annex to the Contract of 13-07-2010 for the implementation of the CMP for construction and assembly works and/or deliveries of materials and equipment between Enemona AD (Executor) and Enemona Galabovo AD (Contractor);
- Annex to the Contract on 13-07-2010 for manufacturing and/or delivery of metal structures and supports and/or assembly between Enemona AD (Contractor) and EMCO AD (Executor);
- Annex to the Contract on 13-07-2010 for supplies and/or assembly between Enemona AD(Executor) and EMCO AD (Contractor);

At the Extraordinary Shareholders' Meeting of Enemona AD, held on December 2, 2011, the shareholders of the Company authorized the Board of Directors and the Executive Directors for transactions under Article 114 of the LPOS with a subject - sale of electricity between Enemona Utilities AD and Enemona AD for a period of three years.

Date	Contractor	Subject	Value in BGN, excl. VAT	Turnover
09.01.2012	"EMCO" AD	<b>Annex №36</b> to framework contract №351/13.07.2010 for production and supply of metal structures for site:"Construction and Assembly Works for the execution of investment project IP. 703 "Construction of a new workshop for ammonium nitrate of Agropolychim AD in the town of Devnya, Industrial Zone"	4 251.90	0.00



<b>12.01.2012</b>	"Enemona-Galabovo" AD	<b>Annex №11</b> to framework contract №349/13.07.2010 for Construction and Assembly Works for site:"Construction and Assembly Works for the execution of investment project IP. 703 "Construction of a new workshop for ammonium nitrate of Agropolychim AD in the town of Devnya, Industrial Zone"	in accordance with price indicators	28 944.00
<b>12.01.2012</b>	"Enemona-Galabovo" AD	<b>Annex №12</b> to framework contract №349/13.07.2010 for Construction and Assembly Works for site: Construction and Assembly Works for the electrical installation and ATP Parts, including erection of electrical and I&C equipment during the execution of investment project IP. 703 "Construction of a new workshop for ammonium nitrate of Agropolychim AD in the town of Devnya, Industrial Zone"	in accordance with price indicators	0.00
<b>27.01.2012</b>	"EMCO" AD	<b>Annex № 37</b> to framework contract №351/13.07.2010 to Annex №18 with subject: additional works for site: „Execution of activities for assembly/installation of a tailings thickener for project “Concentrator Upgrade Project” of Chelopech Mining EAD.	10 507.93	10 507.93
<b>27.01.2012</b>	"Enemona-Galabovo" AD	<b>Annex №13</b> to framework contract №349/13.07.2010 for Construction and Assembly Works for site: „Execution of construction, mechanical part and pipelines” for project Modernization of ventilation installation of North Shaft of Chelopech Mining EAD.	20 668.42	20 668.42
<b>27.01.2012</b>	"Enemona-Galabovo" AD	<b>Annex № 14</b> to framework contract №349/13.07.2010 for prolongation of the deadline of Annex 10 with subject: "Concentrator Upgrade Project" Zone 78-tailings thickener	-	0.00

		installation” of Chelopech Mining EAD.		
<b>27.01.2012</b>	"EMCO" AD	<b>Annex № 38</b> to framework contract №351/13.07.2010 with subject: fabrication, delivery and installation of handrails and stairs for site: Installation of construction and mechanical part and pipelines” for Zone 78-tailings thickener” of Chelopech Mining EAD.	15 513.00	15 513.00
<b>01.02.2012</b>	"EMCO" AD	<b>Annex №39</b> to framework contract №351/13.07.2010 for fabrication and delivery of steel parts for: ”Delivery of materials in accordance with Purchase Order №139637 for Chelopech Mining EAD”	6 623.07	6 623.07
<b>03.02.2012</b>	"EMCO" AD	<b>Annex №40</b> to framework contract №351/13.07.2010 for “Fabrication and delivery of metal structures and elements for a filter of the smoke purification system to a factory “Kladno”, Check Republic”.	732 810.09	146 562.02
<b>15.02.2012</b>	"EMCO" AD	<b>Annex №41</b> to framework contract №351/13.07.2010 and to Annex №33/06.12.2011 for additional activities for: "Structural Steel Fabrication for CV-1105, Area 11 – Surface Stockpile & Reclaim System (Phase 2)”	39 575.66	0.00
<b>27.02.2012</b>	"EMCO" AD	<b>Annex №42</b> to framework contract №351/13.07.2010 for fabrication and delivery of metal structures and materials in accordance with plans, delivery – DAP, INCOTERMS 2010 on the territory of Chelopech Mining EAD, for: “Structural & Mechanical Steel Fabrication for CV-1106 and other, Area 11 – Surface Stockpile & Reclaim System (Phase 2)”	88 804.80	17 760.96

<b>01.03.2012</b>	"Enemona-Galabovo"AD	<b>Annex №15</b> to framework contract №349/13.07.2010 and to Annex №13/27.01.2012 for additional Construction and Assembly Works for site: „Execution of construction, mechanical part and pipelines” for project Modernization of ventilation installation of North Shaft of Chelopech Mining EAD.	3 711.26	3 711.26
<b>01.03.2012</b>	"EMCO" AD	<b>Annex №43</b> to framework contract №351/13.07.2010 and to Annex №27/05.10.2012 for additional activities for site: Structural Steel Fabrication for underground premises for Area 11 – Surface Stockpile & Reclaim System (Phase 2)”	8 883.12	8 883.12
<b>02.03.2012</b>	"Enemona-Galabovo"AD	<b>Annex №16</b> to framework contract №349/13.07.2010 and to Annex №10/05.10.2011 and to Annex №14/27.01.2012 for additional Construction and Assembly Works for site: Installation of construction and mechanical part and pipelines” for Zone 78- tailings thickener” of Chelopech Mining EAD.	19 759.71	0.00
<b>23.03.2012</b>	"EMCO" AD	<b>Annex №44</b> to framework contract №351/13.07.2010 for fabrication and delivery of 2 articles for site: “Constructing of a rubber conveyor belt № 3 as a Fourth stage of the implementation of the Building site: "Construction of a new cyclic-flow technology /CFT/ for transportation of the overburden from Asarel mine to West Dump Site with a capacity of 5000 tons/ hour”	1 398.00	0.00

<b>23.03.2012</b>	"EMCO" AD	<b>Annex №45</b> to framework contract №351/13.07.2010 for fabrication and delivery of a metal structure for site: "Constructing of a rubber conveyor belt № 3 as a Fourth stage of the implementation of the Building site: "Construction of a new cyclic-flow technology /CFT/ for transportation of the overburden from Asarel mine to West Dump Site with a capacity of 5000 tons/hour"	17 202.14	0.00
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On March 13, 2012 the following cessions under the Framework contract for transferring (cession) of current and future receivables up to BGN 30 million, arising from contracts for engineering with a guaranteed energy-efficient result and related construction and repair activities, payable in equal monthly installments, the first installment maturity of which should not occur sooner than one month after signing of the agreement for the transfer of the receivables, and the last installment maturity of each one of which should not occur later than 96 (ninety six) months after signing of the agreement for transfer of the receivables, as follows:

<b>1<sup>st</sup> Receivable:</b>	
<b>№ of the Contract</b>	Contract №6 / 18.02.2010
<b>Subject of the Contract</b>	Implementation of engineering activities for energy efficiency with guaranteed results and related repair activities to the building of Otets Paisii School - village of Borovan
<b>Debtor</b>	Municipality of Borovan
<b>Value of the Receivable</b>	BGN 628 652.01
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	51 monthly installments
<b>Value of the transaction (cession)</b>	BGN 391 876.61

<b>2<sup>nd</sup> Receivable:</b>	
<b>№ of the Contract</b>	Contract dated 05.07.2011
<b>Subject of the Contract</b>	Execution of an engineering contract with guaranteed results for buildings, part of the Hospital "Sveta Petka"
<b>Debtor</b>	Hospital "Sveta Petka" AD
<b>Value of the Receivable</b>	BGN 2 516 695.84
<b>Owner of the Receivable / Seller</b>	"Enemona" AD

<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	81 monthly installments
<b>Value of the transaction (cession)</b>	BGN 1 719 271.68

<b>3<sup>rd</sup> Receivable:</b>	
<b>No of the Contract</b>	Contract dated 18.06.2009
<b>Subject of the Contract</b>	Execution of an energy efficient renovation with guaranteed results, reconstruction and rehabilitation of Military Dolmitory "May" - Sofia
<b>Debtor</b>	Executive Agency "Social Activities of the Ministry of Defense" – Sofia, which successor is Executive Agency "Military Clubs and Military Recreation Activities"
<b>Value of the Receivable</b>	BGN 5 944 424.96
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	60 monthly installments
<b>Value of the transaction (cession)</b>	BGN 4 112 278.69

<b>4<sup>th</sup> Receivable:</b>	
<b>No of the Contract</b>	Contract dated 29.06.2010
<b>Subject of the Contract</b>	Implementation of engineering activities for improving the energy efficiency of facilities: 1 <sup>st</sup> school "Sv. Sv. Kiril and Metodii", 5 <sup>th</sup> school "Hristo Botev" (School "Vasil Levski"), kindergarten "Slaveiche"- branch "Raina Tsaneva", Polyclinic, located on 4-6Yavorov Str., Polyclinic in Zapad District - Kyustendil, located in the city of Kyustendil
<b>Debtor</b>	Municipality of Kyustendil
<b>Value of the Receivable</b>	BGN 2 555 624.90
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	68 monthly installments
<b>Value of the transaction (cession)</b>	BGN 1 757 529.75

<b>5<sup>th</sup> Receivable:</b>	
<b>No of the Contract</b>	Contract dated 22.02.2011
<b>Subject of the Contract</b>	Execution of an engineering contract with guaranteed results for the building of Popovo Hospital EOOD

<b>Debtor</b>	Popovo Hospital EOOD
<b>Value of the Receivable</b>	BGN 1 594 034.51
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	76 monthly installments
<b>Value of the transaction (cession)</b>	BGN 1 112 814.08

<b>6<sup>th</sup> Receivable:</b>	
<b>No of the Contract</b>	Contract dated 29.08.2011
<b>Subject of the Contract</b>	Execution of an engineering contract with guaranteed results for buildings, part of the "Oncology Hospital" EAD and related repair works
<b>Debtor</b>	"Oncology Hospital" EAD
<b>Value of the Receivable</b>	BGN 425 731.63
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	84 monthly installments
<b>Value of the transaction (cession)</b>	BGN 270 449.87

<b>7<sup>th</sup> Receivable:</b>	
<b>No of the Contract</b>	Contract dated 29.08.2011
<b>Subject of the Contract</b>	Execution of an engineering contract with guaranteed results for buildings, part of the "Oncology Hospital" EAD and related repair works
<b>Debtor</b>	"Oncology Hospital" EAD
<b>Value of the Receivable</b>	BGN 2 918 129.62
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	84 monthly installments
<b>Value of the transaction (cession)</b>	BGN 1 853 768.24

#### **4. Research and development activities**

During the period under review, the Issuer has not been not engaged in any research and development activities.

## 5. Financial standing for the period

### INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION AS OF MACRH 31, 2012

All amounts are in thousand Bulgarian Levs, except otherwise stated

	As of 31.03.2012	As of 31.12.2011
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	37,261	35,382
Intangible assets	664	687
Investments in subsidiaries and associates	17,069	17,022
Loans and advances	13,178	24,596
Deferred tax assets, net	2,520	2,520
<b>TOTAL NON-CURRENT ASSETS</b>	<b>70,692</b>	<b>80,207</b>
<b>CURRENT ASSETS</b>		
Inventories	3,934	3,996
Trade and other receivables	40,398	32,930
Gross amounts due from customers under construction contracts	20,705	22,002
Financial assets held for trading	53,700	53,700
Loans and advances	8,454	8,974
Cash and cash equivalents	1,873	4,957
<b>TOTAL CURRENT ASSETS</b>	<b>129,064</b>	<b>126,559</b>
<b>TOTAL ASSETS</b>	<b>199,756</b>	<b>206,766</b>
<b>EQUITY</b>		
Issued share capital	49,299	49,299
Reserves	28,709	28,709
Retained earnings	12,568	17,475
<b>TOTAL EQUITY</b>	<b>90,576</b>	<b>95,483</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans	3,272	2,781
Finance lease	584	672
Finance liability on preferred shares	3,616	3,747
Liability on financial assets held for trading	11,844	11,583
Long-term employee benefits	62	62
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>19,378</b>	<b>18,845</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	14,906	17,765
Gross amounts due to customers under construction contracts	5,318	4,946
Loans	68,487	68,516

Finance lease	466	498
Current tax liabilities	405	493
Provisions	220	220
<b>TOTAL CURRENT LIABILITIES</b>	<b>89,802</b>	<b>92,438</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>199,756</b>	<b>206,766</b>

**INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED MARCH 31, 2012**

**All amounts are in thousand Bulgarian Levs, except otherwise stated**

	Period ended 31.03.2012	Period ended 31.03.2011
Revenue	9,799	16,358
Investment revenue	322	449
Changes in inventories of finished goods and work in progress	177	180
Materials and consumables used	(2,009)	(6,774)
Hired services	(3,798)	(7,153)
Employee benefits expenses	(4,313)	(4,236)
Depreciation and amortization expenses	(446)	(456)
Other expenses	(621)	(678)
Other gains, net	139	13,079
Loss from securitization of receivables and discounting liabilities	(2,884)	-
Finance costs	(1,273)	(1,092)
Profit before tax	(4,907)	9,677
Income tax benefit / (expense)		(968)
Net profit for the year	(4,907)	8,709
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>(4,907)</b>	<b>8,709</b>
Basic and diluted earnings per share	(0.41)	0.73



**INTERIM SEPARATE CASH FLOW STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2012**

**All amounts are in thousand Bulgarian Levs, except otherwise stated**

	Period ended 31.03.2012	Period ended 31.03.2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	14,797	20,279
Payments to suppliers	(12,176)	(17,938)
Payments to employees	(4,753)	(3,940)
Profit tax paid	(88)	(206)
Payments for other taxes	(1,068)	(212)
Other cash flows from operating activities	(944)	(284)
<b>CASH FLOWS USED IN OPERATING ACTIVITIES, NET</b>	<b>(4,232)</b>	<b>(2,301)</b>
<b>CASH FLOWS FROM INVESTING ACITIVIES</b>		
Purchase for property, plant and equipment	(54)	(253)
Proceeds from sale of property, plant and equipment and intangible assets	-	2
Proceeds from cession receivables	1,553	-
Loans granted	(1,950)	(1,818)
Proceeds from loan repayment	1,603	3,405
Purchase of investments and increase in share capital of subsidiaries	(48)	(110)
Proceeds from sales of investments	-	-
Dividends received	-	452
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES, NET</b>	<b>1,104</b>	<b>1,678</b>
<b>CASH FLOWS FROM FINANCING ACITIVIES</b>		
Proceeds from borrowings	12,221	3,000
Repayments of borrowings	(11,756)	(2,170)
Payments under lease agreements	(183)	(215)
Interest paid	(661)	(867)
Other cash flows from financing activities	-	(1,150)
<b>CASH FLOWS FROM FINANCING ACTIVITIES, NET</b>	<b>(379)</b>	<b>(1,402)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,507)</b>	<b>(2,025)</b>
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<b>4,957</b>	<b>3,818</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>1,450</b>	<b>1,793</b>
Restricted cash	423	1,055
<b>TOTAL CASH IN THE SEPARATE STATEMENT OF FINANCIAL POSITION</b>	<b>1,873</b>	<b>2,848</b>

## **6. Principal risks and uncertainties facing the Company during the period under review**

In its ordinary course of business, the Company may be exposed to various financial risks, the most important of which are foreign exchange risk, credit risk and liquidity risk.

The risk management of the Company is currently carried out under the direct supervision of the Executive Director and the financial experts under the policy, established by the Board of Directors, who developed the basic principles of general management of financial risk, based on which are developed specific (written) procedures for managing the individual specific risks, such as currency, price, interest rate, credit and liquidity, and the use of non-derivative instruments.

The following describes the different types of risks the Company faces in the course of its business operations and the approach for managing those risks.

### **6.1. Impact of the Global Economic Crisis**

Currently, the macroeconomic environment in Bulgaria faces the negative impact of the global financial and economic crisis and its results continue to be strongly felt. The measures taken by the EU and the Bulgarian Government destroyed to some extent, the negative phenomena in the economy.

### **6.2. Sector Risk**

The construction sector suffered most severely and continuously by the negative impact of the global economic crisis, which resulted in the following trends:

- Shrinking of the construction market;
- Termination of contracts already signed;
- Freezing of construction works of already started contracts;
- Stronger competition in all market segments;
- Lowering prices to dumped levels.

***Measures that the Company intends to undertake to reduce the impact of the global financial crisis, given the increase of global credit risk, liquidity stagnation and collapse of capital flows:***

- strict compliance with the contracts concluded with financial institutions to exclude the possibility to early payment requests;
- limited investments in projects outside the main focus of the Company;
- cost optimization and investment program review;
- speeding up the collection of receivables as well as their categorization for risk assessment and finding effective tolls for collection;
- insurance of the financial risks for significant receivables;
- establishment of relationships with affluent investors only (such as government institutions, municipalities, companies working on projects secured by government guarantees);

- if long-term receivables occur, searching for a form of their restructuring into long-term debt and securing them with appropriate assets;
- with regard to the implementation of certain energy projects and energy-efficient operations, searching for options for EU- and other financing programs.

### **6.3. Currency Risk**

The Company carries out its activities primarily on the domestic market, whereas the contracts abroad are in Euro. Therefore, Enemona AD is not exposed to significant currency risk because almost all of its operations and transactions are denominated in Bulgarian lev (BGN) and Euro (EUR).

The company has introduced a system for planning of imported deliveries and future payments in order to control the currency risk.

### **6.4. Credit Risk**

When carrying out its activities the Company is exposed to credit risk that is the risk associated with some of its Contractors which will not be able to comply fully and in time with their payments.

The Company's financial assets are concentrated in two groups: cash and receivables from customers.

The Company's cash and payment operations are carried out by the following banks - DSK, Eurobank EFG, UBB, Unicredit Bulbank, FIBank, etc., which have a high reputation and strong liquidity, that limits the risk on cash and cash equivalents.

The Company has no significant concentration of credit risk. Its policy is that payments are made within the terms specified in the contracts for the execution of construction and assembly works.

The collection and concentration of receivables is monitored currently, according to the established policy of the Company. For that purpose, a daily review is made by the financial and accounting department to monitor by clients and by received payments, followed by an analysis of the unpaid amount and the condition of the client.

To control the risk, the Company ensures immediate payment of collect receivables and the long-term ones are formed into individual agreements with debtors.

#### ***Measures that companies from the Enemona Group has introduced in order to control the collection of receivables:***

- A detailed estimation for the expected revenues from receivables and uncollected receivables is made. A daily forecast for the next two months is made. A separate forecast is made on a monthly basis for the whole year. The implementation of the underlying assumptions are monitored by the Executive Director and the Financial Department of the Group;
- Every week, in some cases even more frequently, meetings are held by the Financial Committee to the Board of Directors, to discuss problems with uncollected receivables. A person responsible for each overdue receivable is determined, who is

responsible for communicating with the company, sending notifications, if necessary bringing legal proceedings and making a plan to influence the payers. The meetings are attended by the Chief Executive Officer of Enemona AD;

- A model is developed that tracks receivables and cash flows. It is available to all offices and subsidiaries of the company and is constantly updated;
- When negotiating for a business deal with a new contractor, investigations are made for the financial reliability according to a procedure (assessment of the financial risk by Coface Group (a leading company in the field of financial management) and the Bulgarian Export Insurance Agency (BAEZ);
- Certain receivables are insured - "Financial Risk Insurance";
- The contracts with partners include provisions that ensure the collectability of receivables (indisputability, irrevocability, default interest, valid date, etc.)
- An age analysis of receivables is prepared and when unacceptable delay occurs, measures for their collecting are taken (reminders, calls for repayment notary and legal action).

## **6.5. Liquidity Risk**

The liquidity risk is the adverse situation of the company not to be able to meet unconditionally all its obligations according to their maturity.

The Company observes a conservative policy on liquidity management, maintaining constant optimal liquid cash and a good ability to finance its business. Enemona AD uses bank and other loans as well.

Enemona manages liquidity of assets and liabilities by a detailed analysis of the structure and dynamics and forecasting of future cash flows.

## **7. Transactions with related parties**

*On the General Shareholders' Meeting of "Enemona" AD, held on January 16, 2012, a decision was taken to authorize the Board of Directors and the Executive Directors of the company to enter into a transaction under Art.114 of the Law on Public Offering of Securities (LPOS) with a subject – providing of a collateral, resulting from commitments as a guarantor, joint debtor or surety of the liabilities of "Energetics and Energy Savings Fund - EESF" SPV under a loan agreement with the European Bank for Reconstruction and Development amounting up to EUR 10 million for securitization of receivables, arising from ESCO-contracts.*

In this regard, on March 2, 2012, Enemona's subsidiary "EESF" SPV signed a Loan Agreement with the European Bank for Reconstruction and Development amounting to EUR 10 million for securitization of receivables arising from ESCO-contracts, with providing of a collateral by "Enemona" AD, resulting from commitments as guarantor. The term of the loan is seven years and the annual interest rate is fixed for the whole period of the loan to the amount of 6.5%.

## 8. Other information

In order to provide all the investors and interested parties with comprehensive and opportune information, the management of "Enemona" AD has taken the decision to prepare and disclose publicly "**Investors' Bulletin**" on a monthly basis. The Bulletin will be disclosed both in Bulgarian and English to the Financial Supervision Commission, BSE-Sofia AD and the public by means of the chosen media – Investor.BG and the company's web-site – [www.enemona.com](http://www.enemona.com), within 15 days after the beginning of each month.

The "**Investors' Bulletin**" will contain the following information about Enemona Group of Companies, on a consolidated basis:

### Revenue

- The revenues for the previous four quarters, along with preliminary data for the months from the current, which have already passed, segmented in accordance with the main activities of the Group;
- Revenue forecast for the current quarter.

### Contracts

- The Construction Backlog Indicator - CBI for the previous four quarters, along with preliminary data for the months from the current, which have already passed;
- The value of new construction contracts signed during the previous four quarters, along with data for the current, presented by segments;
- The Construction Backlog Indicator - CBI for the previous four quarters, along with preliminary data for the months from the current, which have already passed, segmented by type of contractors.

On January 9, 2012 the Annual general meeting of the owners of the warrants, issued by Enemona, was held, on which a decision was taken that they should not be exercised, since the current market price of the underlying asset (ordinary shares) on the regulated market is below the exercise price of the warrants.

On February 23, 2012, „Enemona” AD signed a Contract for erection of the electrical and low-voltage building installations for a Project for constructing a New centre for children, youth and psychosomatic medicine in the town of Bergen, Norway. The contractor is Helse Bergen HF, and the awarding of the contract is a result of a tender procedure.

The total value of the contract is NOK 32,153,336.31 (or BGN 8,417,421.91 according to the currency exchange rate of the Bulgarian National Bank for February 23, 2012), including VAT.

On March 1, 2012, the Federal state enterprise "Federal Energy Service Company" of the Ministry of Energy of the Russian Federation and "Enemona" AD signed a Memorandum of Understanding.

On the Russian side, the Memorandum was signed by Mr. Aleksandr Terekhov, Director General of "Federal Energy Service Company", and on "Enemona" side – by Mr. Dichko Prokopiev, Chief Executive Officer of the company. The negotiations were held with the active assistance of the Trade Representative of the Russian Federation in Bulgaria - Mr. Igor Ilingin.

The Memorandum aims to promote cooperation and realization of joint projects in the fields of energy efficiency and energy savings in the Russian Federation, Bulgaria and third countries of Russian and Bulgarian business entities, by attracting funding for projects, as well. The parties will share experience in the area of energy efficiency and energy savings, including technical solutions, organizational approaches and regulations. The Memorandum of Understanding also envisages sharing of experience in the implementation of ESCO contracts (contracts with guaranteed results) and personnel trainings.

**APPENDIX №1  
TO THE INTERIM REPORT  
ON THE ACTIVITY OF ENEMONA AD  
FOR THE FIRST QUARTER OF 2012**

**IMPORTANT EVENTS FOR ENEMONA AD, WHICH TOOK PLACE DURING THE  
FIRST QUARTER OF 2012  
(January 1, 2012 – March 31, 2012)**

<b>Date</b>	<b>Event</b>
<b>05-01-2012</b>	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in December 2011.
<b>10-01-2012</b>	Enemona AD publicly disclosed the Protocol from the Annual general meeting of the owners of the warrants issued by Enemona, held on January 9, 2012.
<b>11-01-2012</b>	Enemona AD publicly disclosed information on entering of a Company under the Bulgarian Obligations and Contracts Act – ZZD ENEMONA COM.
<b>18-01-2012</b>	Enemona AD publicly disclosed the Protocol from the EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF ENEMONA, held on January 16, 2012
<b>30-01-2012</b>	Enemona AD publicly disclosed its Non-Consolidate Interim Financial Statement for Q4 2011.
<b>01-02-2012</b>	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in January 2012.
<b>23-02-2012</b>	Enemona AD publicly disclosed information for a contract signed under a Project for constructing a New centre for children, youth and psychosomatic medicine in the town of Bergen, Norway
<b>29-02-2012</b>	Enemona AD publicly disclosed its Consolidate Interim Financial Statement for Q4 2011.
<b>29-02-2012</b>	Enemona AD publicly disclosed information about disclosure of a monthly Investors' Bulletin of Enemona Group of Companies
<b>01-03-2012</b>	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in February 2012.
<b>02-03-2012</b>	Enemona AD signed a Memorandum of Understanding with the Federal State Enterprise "Federal Energy Service Company" of the Ministry of Energy of the Russian Federation.
<b>02-03-2012</b>	Enemona's subsidiary EESF SPV signed a Loan Agreement with EBRD
<b>14-03-2012</b>	Enemona AD publicly disclosed information about cessions under a framework contract signed with EESF SPV.
<b>15-03-2012</b>	Enemona AD publicly disclosed the Investors' Bulletin - March 2012.
<b>30-03-2012</b>	Enemona AD publicly disclosed its NON-CONSOLIDATE ANNUAL FINANCIAL STATEMENT of a public company and issuer of securities as of 31-12-2011.