

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

*Unofficial translation of the original in Bulgarian*

### **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.

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

#### Ordinary shares (E4A)

For the period between October and December 2012, the total turnover of ordinary shares, issued by Enemona AD, realised on the BSE-Sofia AD decreased by 61.10 %, while the number of the shares traded decreased by 61.81 % as compared to the third quarter of 2012. A drop of 3.38% was registered in the weighted average price of the shares as compared to the previous quarter.

During Q4 2012, the total turnover realised was worth BGN 320 653.36, while the daily average was BGN 5171.83. The total number of transactions was 335, while the daily average was 5.40. The weighted average share price for the period was BGN 2.834.

	October	November	December	October - December
<b>Total Number of Transactions</b>	63	102	170	<b>335</b>
<b>Total Number of Shares Traded</b>	17 773	27 069	68 297	<b>113 139</b>
<b>Weighted Average Share Price</b>	BGN 2.972	BGN 2.902	BGN 2.770	<b>BGN 2.834</b>
<b>Total Turnover</b>	<b>BGN 52838.23</b>	<b>BGN 78565.09</b>	<b>BGN 189250.04</b>	<b>BGN 320653.36</b>

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

## Comparative Data about the Trade in Ordinary Shares in Q4 2011 and Q4 2012

	Q4 2011	Q4 2012
<b>Total Number of Transactions</b>	<b>462</b>	<b>335</b>
<b>Total Number of Shares Traded</b>	<b>99 366</b>	<b>113 139</b>
<b>Weighted Average Share Price</b>	<b>BGN 3.819</b>	<b>BGN 2.834</b>
<b>Total Turnover</b>	<b>BGN 379 479.04</b>	<b>BGN 320 653.36</b>

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

### Preferred shares (E4AP)

During the fourth quarter of 2012, the total turnover of preferred shares, issued by Enemona AD, decreased by 22.53 % as compared to the third quarter of 2012 and totalled BGN 155 553.04, the daily average was BGN 2 508.92. The total number of transactions was 203, while the daily average was 3.27. The total number of shares traded was 51 925, and the weighted average share price for the period was BGN 2.995.

	October	November	December	October - December
<b>Total Number of Transactions</b>	18	35	150	<b>203</b>
<b>Total Number of Shares Traded</b>	2 919	5 361	43 645	<b>51 925</b>
<b>Weighted Average Share Price</b>	BGN 3.210	BGN 3.042	BGN 2.975	<b>BGN 2.995</b>
<b>Total Turnover</b>	<b>BGN 9 372.54</b>	<b>BGN 16 311.88</b>	<b>BGN 129868.61</b>	<b>BGN 155553.04</b>

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

### Warrants (ZNOA)

During Q4 2012, the total turnover of warrants, issued by Enemona AD, realised on the BSE-Sofia AD was worth BGN 64 282.03, while the daily average was BGN 1 036.81. The total number of transactions was 78, while the daily average was 1.26. The total number of shares traded was 376004 and the weighted average share price for the period was BGN 0.170.

	October	November	December	October - December
<b>Total Number of Transactions</b>	13	1	64	<b>78</b>

<b>Total Number of Shares Traded</b>	22 673	1 450	351 881	<b>376 004</b>
<b>Weighted Average Share Price</b>	BGN 0.119	BGN 0.170	BGN 0.174	<b>BGN 0.170</b>
<b>Total Turnover</b>	<b>BGN 2713.83</b>	<b>BGN 246.50</b>	<b>BGN 61282.70</b>	<b>BGN 64282.03</b>

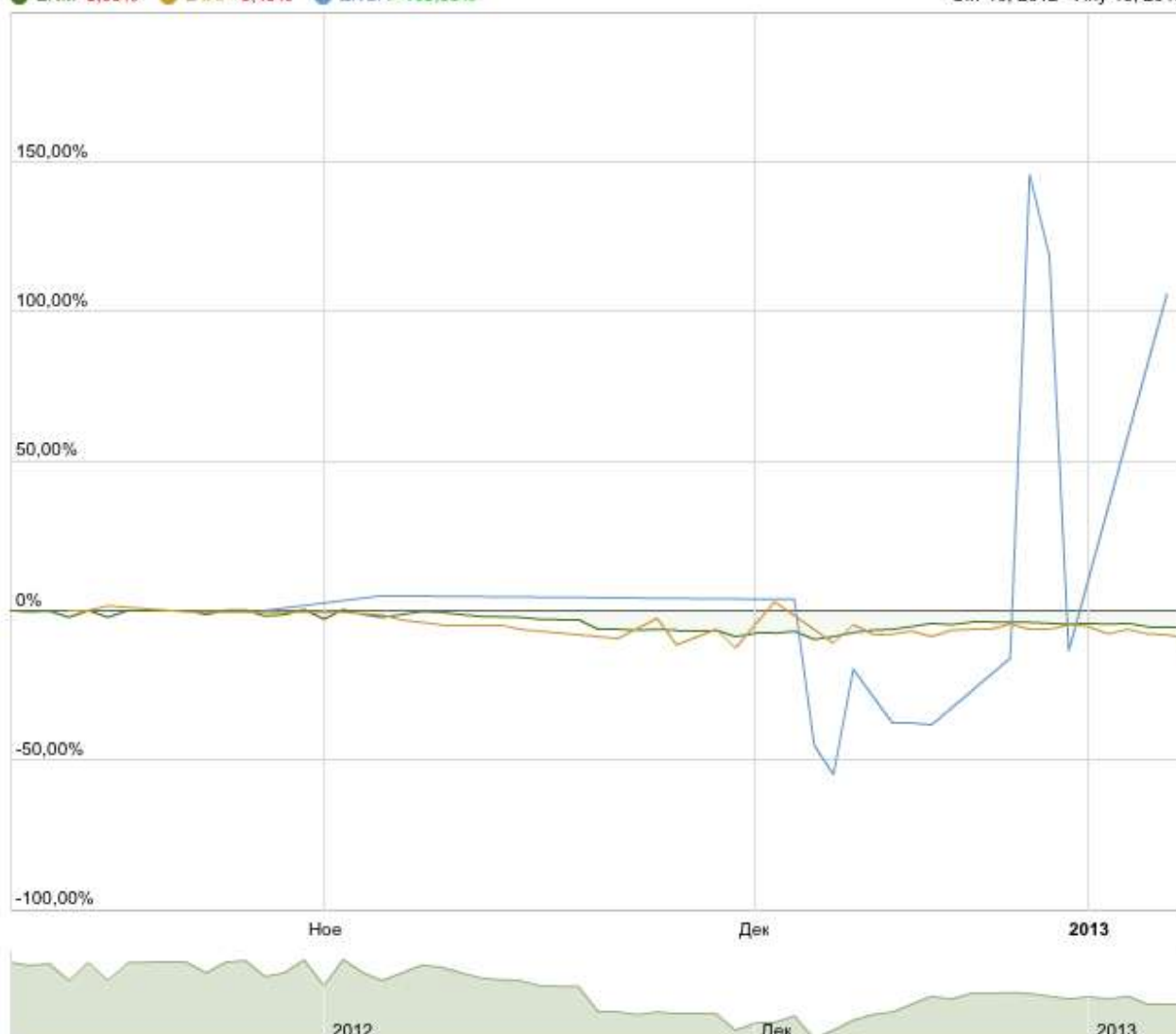
Source: [www.infostock.bg](http://www.infostock.bg)

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

Енемона АД (ENM)

● ENM -5,38% ● E4AP -9,43% ● ZNOA +105,56%

Окт 10, 2012 - Яну 10, 2013



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

### Main Activities and Events during the Fourth Quarter of 2012

**The value of new construction and engineering contracts signed in Q4 2012 reached BGN 12.034 million, excl. VAT**

Contractor	Subject
Chelopech Mining EAD	<b>Annex № 2</b> to Contract 1437/08.03.2012 manufacture and assembly of hydraulic lines according Appendix 1
Agropolychim AD	<b>Annex №143/10.10.2012</b> for additional construction and assembly works to Contract 01-00-925-000 for construction and assembly works for investment project IP. 703 "Construction of a new workshop for ammonium nitrate of Agropolychim AD in the town of Devnya, Industrial Zone".
Neochim AD	Contract construction and assembly works on site Industrial Unit 608 Improving the energy efficiency and reducing carbon dioxide on installation AM-76.
Atomstroyexport JSC	Additional agreement to Contract № 77-288/44700 from 21.02.2007 for contract terms amendments and additional activities related to the assembly, setting and commissioning of installations.
Neochim AD	<b>Annex</b> to Contract 1989 for additional construction and assembly works on site Industrial Unit 608 Improving the energy efficiency and reducing carbon dioxide on installation AM-76.
Multiprofile Hospital for Active Treatment St. Panteleymon – Plovdiv EOOD	Implementation of energy saving measures under a contract with guaranteed results for the building of Multiprofile Hospital for Active Treatment St. Panteleymon – Plovdiv EOOD.
TenneT TSO GmbH	Additional construction and assembly works on site reconstruction of Substation Wechold 110 kV, Germany.
Energomontaj AEK AD	Contract for carrying out of activities related to maintenance, repair and modification of lifting equipment.
NPP Kozloduy EAD	Contract for replacement of hydrochloric acid lines.
Chelopech Mining EAD	<b>Annex № 2</b> to Contract № 1201/14.10.2011. Additional activities for site: Implementation of concrete work and installation of structural and mechanical part of the conveyor area and reclaiming units - Area 27 - Underground Crusher and Conveyors System Project at Chelopech Mining EAD
Bauer Elektroanlagen GmbH	<b>Annex № 3</b> for additional activities for site: Construction of a new building for the office of Urban Planning and Environment in Hamburg, Wilhemsburg, Germany
Imtech Deutschland GmbH& Co.KG	<b>Annex № 1 to</b> Contract № 1567 for additional activities on site: Electrical Erection at a University in the town of Bielefeld.
Chelopech Mining EAD	<b>Annex № 3</b> to Contract № 1201/14.10.2011. Additional activities for site: Implementation of concrete work and installation of structural and mechanical part of the conveyor area and reclaiming units - Area 27 - Underground Crusher and Conveyors System Project at Chelopech Mining EAD
Trakia Glass Bulgaria EAD	Energy efficiency audit
Chelopech Mining EAD	<b>Annex № 3</b> to Contract № 1437 for additional activities for site: Area 27 - Underground Crusher and Conveyors System Project at

	Chelopech Mining EAD.
Contour Global Maritsa East 3 TPP	Disassembly of pipe from the chemical flush on site Contour Global Maritsa East 3 TPP.
Enemona Galabovo AD	Annex 10 to Framework contract from 10.07.2010 for construction and assembly works.
Enemona Galabovo AD	Annex 10 to Framework contract from 10.07.2010 for construction and assembly works.
Municipality of Haskovo	Additional Agreement to Contract № 1678/13.06.2012 for Implementation of energy saving measures under a contract with guaranteed results for the building of the Municipality of Haskovo
Schneider Electric Energy GmbH	Additional Agreement for contract prolongation until 31.12.2013
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Vattenfall Europe Generation AG	Design of installation with option for production, supply, installation, testing and commissioning for site TPP Boxberg, Germany
Chelopech Mining EAD	<b>Annex № 4</b> to Contract № 1437 for additional activities for site: Area 27 - Underground Crusher and Conveyors System Project at Chelopech Mining EAD
Mondi Stambolijski EAD	Design, supply, erection and commissioning of hangers pipeline, pipeline and equipment for the new balance of industrial power Stambolijski
Imtech Deutschland GmbH & Co.KG	<b>Annex № 2</b> to Contract № 1567 for additional activities on site: Electrical Erection at a University in the town of Bielefeld.
Komos OOD	Construction and assembly works on site: Assembly works – electrical part for substation in Ruse
Enemona Galabovo AD	Construction and assembly works.
Contour Global Maritsa East 3 TPP	Construction and assembly works.
Bauer Elektroanlagen GmbH	<b>Annex № 4</b> for additional activities for site: Construction of a new building for the office of Urban Planning and Environment in Hamburg, Wilhelmsburg, Germany
Dekafos AD	Replacement stair railings in of silo S02

## Information on framework contracts

At the General Shareholders' Meeting of Enemona AD, held on July 23, 2012, 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 14-07-2010 for supplies and/or assembly between Enemona AD(Executor) and EMCO AD (Contractor);
- Annex to Framework Agreement, dated 27.09.2010 between Energetics and Energy Savings Fund- EESF SPV and „Enemona” AD (transferor) for purchase of current and future receivables in an amount up to BGN 30 000 000, resulting from Contracts for engineering and implementation of energy efficiency result and the necessary construction and repair works;
- Annex to Contract for renting of Opel Vectra with reg. № CT 3637 AP, signed between Enemona AD (Lessee) and Enemona Galabovo AD, Galabovo (Lessor) on 27.10.2010;
- Annex to Framework Agreement for renting of construction equipment between „Enemona” AD (Lessee) and „Enemona Galabovo” AD (Lessor) on 01.08.2011;
- Annex to Framework Agreement for renting of construction equipment and transport between „Enemona” AD (Lessor) and „Enemona Galabovo” AD (Lessee) on 01.08.2011.

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. On December 27, 2012 an Annex was signed for BGN 313204.80. For Q4 no other Annexes to Framework contracts were signed.

On December 11 and 21, 2012, were signed the following cessions according Framework contract from August 6, 2012 signed with “Energetics and Energy Savings Fund - EESF” SPV for for sale (cession) of current and future receivables up to BGN 30 000 000 arising from contracts of engineering with guaranteed energy efficiency result and construction – repair works, 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>1st Receivable:</b>	
<b>Contract</b>	26.03.2012
<b>Subject of the Contract</b>	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
<b>Debtor</b>	"Mental Health Center Dr. P. Stanchev - Dobrich" EOOD, in the town of Dobrich
<b>Value of the Receivable</b>	BGN 450831.79
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	55 monthly installments
<b>Value of the transaction (cession)</b>	BGN 345478.13

<b>2nd Receivable:</b>	
<b>Contract</b>	12.06.2012
<b>Subject of the Contract</b>	Implementation of engineering activities for energy efficiency with guaranteed result for the building I of Multiprofile Hospital for Active Treatment St. Ivan Rilski – Razgrad and repair works part ESCO
<b>Debtor</b>	Multiprofile Hospital for Active Treatment St. Ivan Rilski – Razgrad
<b>Value of the Receivable</b>	BGN 1 694 700.95
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	82 monthly installments
<b>Value of the transaction (cession)</b>	BGN 1 152 749.88

<b>3rd Receivable:</b>	
<b>Contract</b>	12.06.2012
<b>Subject of the Contract</b>	Implementation of engineering activities for energy efficiency with guaranteed result for the building I of Multiprofile Hospital for Active Treatment St. Ivan Rilski – Razgrad and additional repair works
<b>Debtor</b>	Multiprofile Hospital for Active Treatment St. Ivan Rilski – Razgrad
<b>Value of the Receivable</b>	BGN 359658.15
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	82 monthly installments
<b>Value of the transaction (cession)</b>	BGN 244642.39

<b>4th Receivable:</b>	
<b>Contract</b>	13.06.2012
<b>Subject of the Contract</b>	Implementation of engineering activities for energy efficiency with guaranteed result and associated construction and repair works for the building of the Municipality of Haskovo, part ESCO
<b>Debtor</b>	Municipality of Haskovo



<b>Value of the Receivable</b>	BGN 1 327 608.54
<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 843 375.45

#### 5th Receivable:

<b>Contract</b>	13.06.2012
<b>Subject of the Contract</b>	Implementation of engineering activities for energy efficiency with guaranteed result and associated construction and repair works for the building of the Municipality of Haskovo, part construction and repair works
<b>Debtor</b>	Municipality of Haskovo
<b>Value of the Receivable</b>	BGN 319325.62
<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 202 854.35

#### 6th Receivable:

<b>Contract</b>	09.01.2012
<b>Subject of the Contract</b>	Implementation of engineering for energy efficiency with guaranteed results for the building of "Hristo Botev" Primary School, in the village of Opan
<b>Debtor</b>	Municipality of Opan
<b>Value of the Receivable</b>	BGN 304463.34
<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 207 992.91

#### 7th Receivable:

<b>Contract</b>	01.02.2012
<b>Subject of the Contract</b>	Implementation of engineering for energy efficiency with for buildings of Energomontaj-AEK AD
<b>Debtor</b>	Energomontaj-AEK AD
<b>Value of the Receivable</b>	BGN 1 555 969.38
<b>Owner of the Receivable / Seller</b>	"Enemona" AD
<b>Buyer</b>	"Energetics and Energy Savings Fund - EESF" SPV
<b>Installments</b>	83 monthly installments
<b>Value of the transaction</b>	BGN 993276.72

(cession)

<b>8 Receivable:</b>	
<b>Contract</b>	30.10.2012
<b>Subject of the Contract</b>	Implementation of energy saving measures under a contract with guaranteed results for the building of Multiprofile Hospital for Active Treatment St. Panteleymon – Plovdiv EOOD
<b>Debtor</b>	Multiprofile Hospital for Active Treatment St. Panteleymon – Plovdiv EOOD
<b>Value of the Receivable</b>	BGN 846 220.72
<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 570 679.57

On December 19, 2012, were signed the following annexes to cessions according Framework contract:

<b>1st Receivable:</b>	
<b>Contract</b>	13.06.2012
<b>Subject of the Contract</b>	Implementation of engineering activities for energy efficiency with guaranteed result and associated construction and repair works for the building of the Municipality of Haskovo, part ESCO
<b>Debtor</b>	Municipality of Haskovo
<b>Value of the Receivable</b>	BGN 1 349 482.54
<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 857 271.38

<b>2nd Receivable:</b>	
<b>Contract</b>	13.06.2012
<b>Subject of the Contract</b>	Implementation of engineering activities for energy efficiency with guaranteed result and associated construction and repair works for the building of the Municipality of Haskovo, part construction and repair works
<b>Debtor</b>	Municipality of Haskovo
<b>Value of the Receivable</b>	BGN 297 451.19
<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 188 958.42

## Research and development activities

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

## Financial standing for the period

### INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2012

All amounts are in thousand Bulgarian Levs, except otherwise stated

	As of 31.12.2012	As of 31.12.2011
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	35,805	35,382
Intangible assets	611	687
Investments in subsidiaries and associates	14,810	17,022
Loans and advances	8,216	21,647
Deferred tax assets, net	2,561	2,561
<b>TOTAL NON-CURRENT ASSETS</b>	<b>62,003</b>	<b>77,299</b>
<b>CURRENT ASSETS</b>		
Inventories	5,981	3,996
Trade and other receivables	37,936	32,930
Gross amounts due from customers under construction contracts	27,662	21,588
Loans and advances	12,566	8,974
Cash and cash equivalents	1,832	4,957
<b>TOTAL CURRENT ASSETS</b>	<b>85,977</b>	<b>72,445</b>
<b>TOTAL ASSETS</b>	<b>147,980</b>	<b>149,744</b>
<b>EQUITY</b>		
Issued share capital	13,037	13,037
Premium reserves	8,739	36,262
Reserves	28,709	28,709
Retained earnings	2,699	(27,523)
<b>TOTAL EQUITY</b>	<b>53,184</b>	<b>50,485</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans	4,079	2,781
Finance lease	445	672
Finance liability on preferred shares	3,223	3,747
Long-term employee benefits	62	62
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,809</b>	<b>7,262</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	14,179	17,765
Gross amounts due to customers under construction contracts	5,779	4,946
Loans	65,940	68,516
Finance lease	869	498
Current tax liabilities	-	52
Provisions	220	220
<b>TOTAL CURRENT LIABILITIES</b>	<b>86,987</b>	<b>91,997</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>147,980</b>	<b>149,744</b>

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

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

	Period ended 31.12.2012	Period ended 31.12.2011
Revenue	64,864	79,069
Investment revenue	6,391	2,938
Changes in inventories of finished goods and work in progress	223	290
Materials and consumables used	(11,759)	(31,218)
Hired services	(20,727)	(30,069)
Employee benefits expenses	(25,140)	(18,817)
Depreciation and amortization expenses	(1,768)	(1,794)
Other expenses	(4,831)	(3,534)
Other gains, net	446	(5,193)
Finance costs	(5,000)	(5,252)
Profit before tax	2,699	(13,580)
Income tax benefit / (expense)	-	995
Net profit(loss) for the year	2,699	(12,585)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	2,699	(12,585)
Basic and diluted earnings per share	0.23	(1.05)

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

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

	Period ended 31.12.2012	Period ended 31.12.2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	71,654	89,770
Receipts from cession of ESKO contracts	17,959	1,810
Payments to suppliers	(61,302)	(81,321)
Payments to employees	(25,419)	(21,454)
Profit tax paid	(145)	(789)
Payments for other taxes	(2,098)	(476)
Other cash flows from operating activities	(1,644)	(2,651)
CASH FLOWS USED IN OPERATING ACTIVITIES, NET	(992)	(15,111)
<b>CASH FLOWS FROM INVESTING ACITIVIES</b>		
Purchase for property, plant and equipment	(228)	(615)
Proceeds from sale of property, plant and equipment and intangible assets	386	2,185
Proceeds from cession receivables	1,553	-
Cession paid	(46)	-
Loans granted	(11,775)	(6,539)
Proceeds from loan repayment	7,996	8,445
Purchase of investments and increase in share capital of subsidiaries	(88)	(5,597)
Proceeds from sales of investments	-	10,483
Dividends received	2,299	1,572
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES, NET	97	9,934
<b>CASH FLOWS FROM FINANCING ACITIVIES</b>		
Proceeds from borrowings	83,647	48,726
Repayments of borrowings	(81,960)	(37,641)
Payments under lease agreements	(478)	(595)
Interest paid	(3,531)	(3,712)
Proceeds from sales of subsidiaries without loss of control	50	-
Divident payments on ordinary shares	-	(60)
Dividends payments on preferred shares	-	(876)

CASH FLOWS FROM FINANCING ACTIVITIES, NET	(2,272)	5,842
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,167)	665
CASH AT THE BEGINNING OF THE PERIOD (NOTE 10)	<u>4,957</u>	<u>3,818</u>
CASH AT THE END OF THE PERIOD (NOTE 10)	<u>1,790</u>	<u>4,483</u>
Restricted cash (Note 10)	<u>42</u>	<u>474</u>
TOTAL CASH IN THE SEPARATE STATEMENT OF FINANCIAL POSITION (NOTE 10)	<u>1,832</u>	<u>4,957</u>

### **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.

#### **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.

#### **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 tools 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.

### **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.

### **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).

### **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.

### **Other information**

On October 19, 2012, according to the program for optimization of the activities and in order to create better opportunities for the company, when participating in tender procedures abroad, the Board of Directors of Enemona AD took the decision to sell Enemona Galabovo AD and to relocate the core business carried out by the subsidiary company in Galabovo Branch to Enemona AD.

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According to the resolution of the Board of Directors held on December 07, 2012 a decision to adopt the following documents was taken:

- Modified Separate Annual Report on the Activity for the year ended December 31,2011;
- Modified and verified Separate Financial Statements for the year ended December 31,2011 and the Independent Auditor's Report;
- Modified Consolidated Annual Report on the Activity for the year ended December 31, 2011;



- Modified and verified Consolidated Financial Statements for the year ended December 31, 2011 and the Independent Auditor's Report;

The board of Directors assigned to the Executive Director Tsvetan Petrushkov to take the necessary legal and other actions to convene, organize and conduct an Extraordinary General Meeting of Shareholders no later than January 31, 2013

The Company publicly disclosed via the unified system for disclosure of information E-Register of the Financial Supervision Commission and those of the Bulgarian Stock Exchange Sofia its new audited Separate Financial Statements for the year ended December 31, 2011 and new audited Consolidated Financial Statements for the year ended December 31, 2011

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According to the resolution of the Board of Directors and concluded agreement between Enemona AD and Michail Georgopapadacos, shareholder in Energoni AD to terminate the contract for sale of package of 15 000 000 ordinary shares, signed on December 27, 2012, representing 2.73941 % from the subscribed capital of Energoni AD, with BSE Code 2EL and ISIN Code BG1100077087, on December 17, 2012 on the OTC market at BSE-Sofia AD, the above mentioned shares were transferred.

According the concluded agreement, with the termination of the contract the parties regard the matter as settled and will not have any claims to each other.

After the transaction, Enemona AD does not hold shares issued by "Energoni" AD.

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In connection with the implementation of a program for the collection of impaired receivables on December 17, 2012 Enemona AD signed contracts to acquire 4 314.268 decares of agricultural land totalling BGN 2 157 134.00 or BGN 500 per decare. The price of those transactions will be paid, by offsetting of impaired receivables.

The company actively continues to gather impaired receivables. Until now, since the beginning of the year BGN 380 000 besides the present transactions the company has collected BGN 380 000.

## APPENDIX №2 TO THE INTERIM REPORT ON THE ACTIVITY OF ENEMONA AD FOR THE FOURTH QUARTER OF 2012

### IMPORTANT EVENTS FOR ENEMONA AD, WHICH TOOK PLACE DURING THE FOURTH QUOTER OF 2012 (October 1 - December 31)

Date	Event
2012-10-01	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in September 2012.
2012-10-15	Enemona AD published Investors' Bulletin for October 2012
2012-10-19	Enemona AD publicly disclosed information regarding a subsidiary sale
2012-10-30	Enemona AD revealed its Separated Financial Statement for Q3 2012
2012-11-15	Enemona AD published Investors' Bulletin for November 2012
2012-11-29	Enemona AD revealed its Consolidated Financial Statement for Q3 2012
2012-12-08	Enemona AD revealed modified audited Consolidated Financial Statements for the year ended December 31, 2011
2012-12-08	Enemona AD revealed modified audited Separate Financial Statements for the year ended December 31, 2011
2012-12-08	Enemona AD publicly disclosed information regarding adopted and released modified Annual Financial Statements for the year ended December 31, 2011 (Consolidated and Separate).
2012-12-12	Enemona AD publicly disclosed information about cessions under a framework contract signed with EESF SPV.
2012-12-14	Enemona AD publicly disclosed information concerning the publication of the Invitation for the convocation of a General Meeting of the owners of warrants
2012-12-15	Enemona AD revealed Invitation and for a Extraordinary General Meeting of Shareholders
2012-12-15	Enemona AD publicly disclosed its modified Separate Financial Statements for Q3 of 2012
2012-12-15	Enemona AD published Investors' Investors' Bulletin for December 2012
2012-12-17	Enemona AD publicly disclosed information regarding concluded agreement for contract termination between Enemona AD and Energoni AD
2012-12-17	Enemona AD publicly disclosed information regarding implementation of a program for the collection of impaired receivables

2012-12-18	Enemona AD publicly disclosed additional information to the disclosed notification on December 17, 2012
2012-12-18	Enemona AD publicly disclosed its modified Consolidated Financial Statements for Q3 of 2012
2012-12-20	Enemona AD publicly disclosed information regarding annexes to cessions under framework contract signed with EESF SPV.
2012-12-21	Enemona AD publicly disclosed Invitation and Written materials for Ordinary General Meeting of the holders of warrants
2012-12-21	Enemona AD publicly disclosed Invitation and Written materials for Extraordinary General Meeting of Shareholders
2012-12-21	Enemona AD publicly disclosed information about cessions under a framework contract signed with EESF SPV.

## APPENDIX №2 TO THE INTERIM REPORT ON THE ACTIVITY OF ENEMONA AD FOR THE FOURTH QUARTER OF 2012

### IMPORTANT EVENTS FOR ENEMONA AD, WHICH TOOK PLACE DURING 2012

Date	Event
05-01-2012	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in December 2011.
10-01-2012	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.
11-01-2012	Enemona AD publicly disclosed information on entering of a Company under the Bulgarian Obligations and Contracts Act – ZZD ENEMONA COM.
18-01-2012	Enemona AD publicly disclosed the Protocol from the EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF ENEMONA, held on January 16, 2012
30-01-2012	Enemona AD publicly disclosed its Non-Consolidate Interim Financial Statement for Q4 2011.
01-02-2012	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in January 2012.
23-02-2012	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
29-02-2012	Enemona AD publicly disclosed its Consolidate Interim Financial Statement for Q4 2011.
29-02-2012	Enemona AD publicly disclosed information about disclosure of a monthly Investors' Bulletin of Enemona Group of Companies
01-03-2012	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in February 2012.
02-03-2012	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.
02-03-2012	Enemona's subsidiary EESF SPV signed a Loan Agreement with EBRD
14-03-2012	Enemona AD publicly disclosed information about cessions under a framework contract signed with EESF SPV.
15-03-2012	Enemona AD publicly disclosed the Investors' Bulletin - March 2012.
30-03-2012	Enemona AD publicly disclosed its NON-CONSOLIDATE ANNUAL FINANCIAL STATEMENT of a public company and issuer of securities as of 31-12-2011.
02-04-2012	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in March 2012.
11-04-2012	Enemona AD published Investors' Bulletin for April 2012
27-04-2012	Enemona AD publicly disclosed information about cessions under a framework contract signed with EESF SPV.
27-04-2012	Enemona AD publicly disclosed its Non-Consolidate Interim Financial Statement for Q1 2012.
27-04-2012	Enemona AD publicly disclosed its CONSOLIDATE ANNUAL FINANCIAL STATEMENT of a public company and issuer of securities as of 31-12-2011.
02-05-2012	Enemona AD publicly disclosed information on Annexes to Framework Contracts

signed in April 2012.

<b>11-05-2012</b>	Enemona AD published Investors' Bulletin for May 2012
<b>30-05-2012</b>	Enemona AD publicly disclosed its Consolidate Interim Financial Statement for Q1 2012.
<b>31-05-2012</b>	Enemona AD publicly disclosed information concerning the sale of 200 000 ordinary shares from the subscribed capital of ARTANES MINING GROUP AD
<b>01-06-2012</b>	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in May 2012.
<b>08-06-2012</b>	Enemona AD revealed Invitation and written materials for its Annual General Meeting of Shareholders
<b>11-06-2012</b>	Enemona AD revealed the announcement of the Invitation for its Annual General Meeting of Shareholders in the Commercial Register
<b>13-06-2012</b>	Enemona AD revealed the concerning the decision of the Board of Directors regarding the Annual General Meeting of Shareholders
<b>14-06-2012</b>	Enemona AD published Investors' Bulletin for June 2012
<b>15-06-2012</b>	Enemona AD revealed Invitation and written materials for its Annual General Meeting of Shareholders
<b>20-06-2012</b>	Enemona AD revealed the announcement of the Invitation for its Annual General Meeting of Shareholders in the Commercial Register
<b>2012-07-02</b>	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in June 2012.
<b>2012-07-13</b>	Enemona AD published Investors' Bulletin for July 2012
<b>2012-07-23</b>	Enemona AD discloses information regarding letter received from the Financial Supervision Commission for applying of Compusatory Administrative Measure
<b>2012-07-23</b>	Enemona AD discloses information regarding received purchase offer for acquisition of 15 mln. Ordinary shares of Energoni AD
<b>2012-07-25</b>	Enemona AD publicly disclosed Minutes form the Annual General Meeting of Shareholders
<b>2012-07-30</b>	Enemona AD publicly disclosed its Non-Consolidate Interim Financial Statement for Q2 2012.
<b>2012-08-01</b>	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in July 2012.
<b>2012-08-01</b>	Enemona AD discloses information regarding the appointment of a new Investor Relations Director
<b>2012-08-07</b>	Enemona AD publicly disclosed information, related to signed Framework contract between "Enemona" AD and "Energetics and Energy Saving Fund – EESF" SPV
<b>2012-08-14</b>	Enemona AD published Investors' Bulletin for August 2012
<b>2012-08-30</b>	Enemona AD publicly disclosed its Consolidate Interim Financial Statement for Q2 2012

<b>2012-09-03</b>	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in August 2012.
<b>2012-09-15</b>	Enemona AD published Investors' Bulletin for September 2012
2012-10-01	Enemona AD publicly disclosed information on Annexes to Framework Contracts signed in September 2012.
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