

Interim Activity Report
Interim Condensed Consolidated Financial Statements

MONBAT AD

31 March 2013



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Interim condensed consolidated statement of financial position

Assets	Note	31 March 2013 BGN'000	31 December 2012 BGN'000
Non-current assets			
Other intangible assets	7	1 142	1 023
Property, plant and equipment	8	113 494	113 650
Receivables from trade loans		953	1 063
Long-term financial assets		8	8
Non-current assets		<u>115 597</u>	<u>115 744</u>
Current assets			
Inventories		39 336	42 861
Trade receivables		38 853	35 665
Related party receivables	15	11 129	7 244
Tax receivables		6 955	6 558
Other receivables		1 216	1 867
Cash and cash equivalents		5 293	2 626
Current assets		<u>102 782</u>	<u>96 821</u>
Total assets		<u><u>218 379</u></u>	<u><u>212 565</u></u>

Prepared by:
/ Belnikolov Petrov and Partners OOD – Henry
Belnikolov Manager /

Executive Director:
/Petar Hristov/

Date: 29.05.2013

Interim condensed consolidated statement of financial position (continued)

	Note	31 March 2013 BGN'000	31 December 2012 BGN'000
Equity and liabilities			
Equity			
Share capital	10	36 412	36 377
Share premium		14 770	14 631
Revaluation reserves		5 969	5 969
Other reserves		54 423	54 293
Foreign currency translation reserve		(567)	(540)
Retained earnings		20 471	15 794
Equity attributable to the owners of the parent		131 478	126 524
Non-controlling interests		(468)	(273)
Total equity		131 010	126 251
Liabilities			
Non-current liabilities			
Long-term borrowings	11	10 268	10 895
Finance lease liabilities		1 435	1 681
Long-term related party payables	15	7	7
Other liabilities		36	37
Long-term grants		3 194	3 310
Deferred tax liabilities		1 624	1 605
Non-current liabilities		16 564	17 535
Current liabilities			
Provisions		732	732
		826	989
Pension and other employee obligations			
Short-term borrowings	11	48 667	45 599
Finance lease liabilities		786	809
Trade payables		14 970	16 381
Short-term related party payables	15	12	5
Short-term grants		2 623	2 140
Tax liabilities		456	456
Other liabilities		1 733	1 668
Current liabilities		70 805	68 779
Total liabilities		87 369	86 314
Total equity and liabilities		218 379	212 565

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Date: 29.05.2013

Executive Director:
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Interim condensed consolidated income statement

	Note	3 months to 31 March 2013 BGN'000	3 months to 31 March 2012 BGN'000
Sales revenue		64 342	45 878
Other revenue		115	121
Cost of materials		(39 332)	(27 016)
Hired services expenses		(4 140)	(4 386)
Employee benefits expense		(3 751)	(3 225)
Depreciation, amortization and impairment of non-financial assets	7,8	(2 600)	(2 527)
Cost of goods sold and other current assets		(986)	(488)
Changes in finished goods and work in progress		(6 246)	(2 376)
Other expenses		(1 246)	(747)
Gain from sale of non-current assets		2	-
Operating profit		6 158	5 234
Finance costs		(884)	(832)
Finance income		127	72
Other financial items		(59)	(130)
Profit before tax		5 342	4 344
Tax expense		(730)	(451)
Profit for the period		4 612	3 893
Profit for the period, attributable to:			
Non-controlling interests		(195)	(30)
Owners of the parent		4 807	3 923
Basic earnings per share	13.1	0.13	0.11

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Date: 29.05.2013

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Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN '000	Share capital	Share premium	Revaluati on reserves	Other reserves	Foreign currency translation reserve	Retained earnings	Total attributable to owners of parent	Non- controlling interests	Total equity
Balance at 1 January 2013	36 377	14 631	5 969	54 293	(540)	15 794	126 524	(273)	126 251
Purchased own shares	35	139	-	-	-	-	174	-	174
Transactions with owners	35	139	-	-	-	-	174	-	174
Profit for the period	-	-	-	-	-	4 807	4 807	(195)	4 612
Other comprehensive income:	-	-	-	-	-	-	-	-	-
Currency translation differences from foreign operations	-	-	-	-	(27)	-	(27)	-	(27)
Total comprehensive income for the period	-	-	-	-	(27)	4 807	4 780	(195)	4 585
Transfer of retained earnings to other reserves	-	-	-	130	-	(130)	-	-	-
Balance at 31 March 2013	36 412	14 770	5 969	54 423	(567)	20 471	131 478	(468)	131 010

Prepared by:
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Executive Director:
/Petar Hristov/

Date: 29.05.2013

Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN '000	Share capital	Share premium	Revaluation reserves	Total reserves	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of the parent	Non- controlling interests	Total equity
Balance at 1 January 2012	36 858	16 610	5 969	54 399	21	4 787	118 644	2 447	121 091
Redeemed own shares	(481)	(1 979)	-	-	-	-	(2 460)	-	(2 460)
Dividends	-	-	-	-	-	(6 300)	(6 300)	-	(6 300)
Other changes	-	-	-	(106)	-	-	(106)	(120)	(226)
Transactions with owners	(481)	(1 979)	-	(106)	-	(6 300)	(8 866)	(120)	(8 986)
Profit for the year	-	-	-	-	-	17 307	17 307	(2 600)	14 707
Other comprehensive income:	-	-	-	-	-	-	-	-	-
Currency translation differences from foreign operations	-	-	-	-	(561)	-	(561)	-	(561)
Total comprehensive income for the year	-	-	-	-	(561)	17 307	16 746	(2 600)	14 146
Balance at 31 December 2012	36 377	14 631	5 969	54 293	(540)	15 794	126 524	(273)	126 251

Prepared by:
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Executive Director:
/Petar Hristov/

Date: 29.05.2013

Interim condensed consolidated statement of cash flows

	Note	3 months to 31 March 2013 BGN'000	3 months to 31 March 2012 BGN'000
Operating activities			
Cash receipts from customers		64 870	50 534
Cash paid to suppliers		(54 560)	(38 670)
Cash paid to and on behalf of employees		(3 712)	(3 024)
Income taxes paid		1 877	221
Other payments for operating activities		(325)	(242)
Net cash flow from operating activities		8 150	8 819
Investing activities			
Purchase of property, plant and equipment		(2 703)	(1 674)
Loans granted		(3 798)	(1 600)
Grants received		-	4 227
Loan repayments received		120	192
Cash flow from investing activities		(6 381)	1 145
Financing activities			
Received borrowings		2 936	1 348
Payments on borrowings		(1 225)	(10 055)
Payments on finance leases		(280)	(168)
Acquisition of non-controlling interests		-	(841)
Payments for redemption of shares		189	(1 032)
Interest paid		(503)	(682)
Other payments for financial activities		(126)	(88)
Net cash flow from financing activities		991	(11 518)
Net change in cash and cash equivalents		2 760	(1 554)
Cash and cash equivalents, beginning of year		2 626	4 007
Losses on foreign currency translation		(93)	(129)
Cash and cash equivalents, end of period		5 293	2 324

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/ Belnikolov Petrov and Partners OOD
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Date: 27.02.2013

Executive Director :
/Petar Hristov/

Notes to the interim condensed consolidated financial statements

1. Nature of operations

The main activities of MonbatAD and its subsidiaries (“The Group”) include manufacturing, maintenance and realization of batteries; engineering and development activity; production and trade of equipment used in battery manufacturing; domestic and foreign trade and construction of commercial networks; specialized stores and representatives, recycling of lead and lead contain alloys.

The parent company Monbat AD has the same principle activities. The company is registered as joint stock company in c.d. 4636/1999 SGS. The parent company’s domicile, which is also its principal place of business, is on 4 ‘Golo bardo’ str., Sofia. The company is registered on the Bulgarian stock exchange on 22.12.2006.

The principle place of the activity is town of Montana, 76 ‘Industrialna’ str.

The Group is managed through single-tier management system consisting of Board of Directors.

The members of the Board of Directors are:

1. Atanas Stoilov Bobokov - chairman
2. Petar Hristov Petrov
3. Ivan Petrov Karageorgiev
4. Plamen Stoilov Bobokov
5. Aleksandar Viktorov Chaushev
6. Nikolay Georgiev Trenchev
7. Stoyan Jivkov Stalev
8. Kamen Zahariev
9. Florian Huth

Executive director is Petar Hristov Petrov.

The ultimate owner of the group, is Prista Oil EAD, owns 68.51% of the Monbat AD’s capital.

2. Basis for the preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements as of 31 March 2013 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information and disclosures required in full annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

The interim condensed consolidated financial statements are presented in Bulgarian Leva (BGN), which is also the functional currency of the Group. All amounts are presented in

thousand Bulgarian leva (BGN'000) (including comparative information for 2012) unless otherwise stated.

The interim condensed consolidated financial statements are prepared under the going concern principle.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

3. Accounting policies and significant changes during the period

Standards and Interpretations Entered Into Force during the Current Period

The following amendments to existing standards, issued by the International Accounting Standards Board (IASB) and approved by EU have entered into force during the reporting period:

- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities, approved by EU on 22 November 2011 (effective for annual periods, beginning on or after 1 July 2011)

The adoption of these amendments to existing standards did not result in changes in the accounting policies of the Group.

Standards and Interpretations issued by the International Accounting Standards Board and approved by EU which have not yet entered into force

The following IFRS, amendments to IFRS and interpretations approved by EU as at the date of these consolidated financial statements, have not yet entered into force:

- IFRS 10 “Consolidated Financial Statements”, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2014);
- IFRS 11 “Joint Arrangements”, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2014);
- IFRS 12 “Disclosure of Interests in Other Entities”, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2014);
- IFRS 13 “Fair Value Measurement”, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2013);
- IAS 27 (revised in 2011) “Separate Financial Statements”, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2014);
- IAS 28 (revised in 2011) “Investments in Associates and Joint Ventures”, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2014);
- Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” – Hyperinflation and Fixed dates for companies first-time adopting IFRS, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2013);
- Amendments to IFRS 7 “Financial Instruments: Disclosures” – Offsetting Financial Assets and Financial Liabilities, approved by EU on 13 December 2012 (effective for annual periods, beginning on or after 1 January 2013);

- Amendments to IAS 1 “Financial Statement Presentation” – Other Comprehensive Income, approved by EU on 5 June 2012 (effective for annual periods, beginning on or after 1 July 2012);
- Amendments to IAS 12 “Income Taxes” – Deferred Tax: recovery of assets, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2013);
- Amendments to IAS 19 “Employee Benefits” - improvements in reporting of post-employment benefits, approved by EU on 5 June 2012 (effective for annual periods, beginning on or after 1 January 2013);
- Amendments to IAS 32 “Financial Instruments: Presentation” - set-off financial assets and financial liabilities, approved by EU on 13 December 2012 (effective for annual periods, beginning on or after 1 January 2014);
- IFRIC 20 Costs for removal of the surface layer in the production phase of an opened mine, approved by EU on 11 December 2012 (effective for annual periods, beginning on or after 1 January 2013);

The Group has chosen not to adopt these standards, amendments to standards and interpretations prior to the date of their entering into force. The Group expects that the adoption of these standards, amendments to existing standards and interpretations will not have a material effect on the Group's consolidated financial statements in the period of their initial application.

Standards and Interpretations issued by the International Accounting Standards Board which have not yet been approved by EU

Currently, IFRS, adopted by EU do not differ significantly from those adopted by the IASB, except for the following standards, amendments to existing standards and interpretations which have not yet been approved by EU as at the date of approval of these consolidated financial statements:

- IFRS 9 “Financial Instruments” (effective for annual periods, beginning on or after 1 January 2015);
- Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” – Government loans (effective for annual periods, beginning on or after 1 January 2013);
- Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosure - Mandatory date for entry into force and transitional disclosures;
- Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosure of Interests in Other Entities” – transitional provisions (effective for annual periods, beginning on or after 1 January 2013);
- Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 27 “Separate Financial Statements” – investment companies (effective for annual periods, beginning on or after 1 January 2014);
- Amendments to various standards Improvements of IFRS (2012), Improvements to IFRS (2012), resulting from the annual improvement project of IFRS, published on 17 May 2012 (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily aimed at elimination inconsistencies and clarifying wording (amendments shall be applicable for annual periods beginning on or after 1 January 2013).

The Group expects that the adoption of these standards, amendments to existing standards and interpretations will not have a material effect on the Group's consolidated financial statements in the period of their initial application.

At the same time, hedge accounting, relating to portfolios of financial assets and liabilities whose principles have not been adopted by the EU, is still unregulated.

According to the assessment of the Group, the application of hedge accounting for portfolios of financial assets and liabilities in accordance with IAS 39: Financial Instruments: Recognition and measurement will not have a material effect on the consolidated financial statements, if applied at the reporting date.

3.1. Estimates

When preparing the interim consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2012.

3.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual consolidated financial statements as at 31 December 2012. There have been no changes in the risk management policies since year end.

4. Significant events and transactions during the reporting period

The world economic situation has worsened since the end of the last reporting period. As with all other types of business, the Group is affected by the shrinking of the economics. The goals and policies of the Group for the management of equity, credit risk and liquidity risk are described in the previous annual consolidated financial statements.

The Management believes that the Group is in a proper position, considering the current economic situation. The factors, complementing the stable position of the Group are:

- No significant decrease in the acceptance of larger projects.
- The Group does not expect to have a need for additional financing in the coming 12 months due to the large amount of financial resources it currently has, as well as the available loans and high liquidity reserves. The Group has significant resources which can cover its liabilities.
- The principal clients of the group have not had financial difficulties. The return of the trade receivables is estimated as good as at 31 March 2013.

Overall the Group's position is stable despite the current economic environment and has enough equity and liquidity to cover its operating activities and loans.

5. Changes in ownership interest in subsidiaries

5.1. Acquisition of non-controlling interest

During February 2012 the Group acquired an additional 21 % interest in its subsidiary YU Monbat Serbia for BGN 391 166 in cash, increasing its ownership interest from 79 % to 100 %.

The carrying amount of the net assets of the subsidiary in the consolidated financial statements on the date of the acquisition was TBGN 2 534. The Group recognized a decrease in non-controlling interest of tBGN 206 and a decrease in retained earnings of TBGN 185.

	BGN'000
Total consideration transferred	(391)
Additional acquired interest in the net assets of YU Monbat Serbia	206
Decrease in retained earnings	(185)

6. Segment reporting

No change has occurred in the basis of segment reporting or determining the profit or loss of the segments as compared to the prior period consolidated financial statements.

Segment information for the reporting periods under review can be analyzed as follows:

3 months ended 31 March 2013	Bulgaria	Serbia	Romania	Total
	'000 BGN	'000 BGN	'000 BGN	'000 BGN
Revenue:				
- from external customers	56 229	933	7 295	64 457
- intersegment transactions	50 997	6 733	10 502	68 232
Segment revenues	107 226	7 666	17 797	132 689

3 months ended 31 March 2012	Bulgaria	Serbia	Romania	Total
	'000 BGN	'000 BGN	'000 BGN	'000 BGN
Revenue:				
- from external customers	45 033	594	372	45 999
- intersegment transactions	30 888	1 610	13 110	45 608
Segment revenues	75 921	2 204	13 482	91 607

Assets	March 2013 BGN'000
Total segment assets	405 077
Consolidation	(186 698)
Group assets	218 379

Liabilities	March 2013 BGN'000
Total segment liabilities	172 645
Consolidation	(85 276)
Group liabilities	87 369

Assets	December 2012 BGN'000
Total segment assets	388 584
Consolidation	(176 019)
Group assets	212 565

Liabilities	December 2012 BGN'000
Total segment liabilities	160 601
Consolidation	(74 287)
Group liabilities	86 314

The total of segment profit/loss reconciles to the Group's profit before tax expense as presented in its interim condensed consolidated financial statements as follows:

	3 months to 31 March 2013 BGN'000	3 months to 31 March 2012 BGN'000
Profit		
Total segment profit	6 201	5 422
Elimination from intersegment profits from related party transactions	(43)	(188)
Group operating profit	<u>6 158</u>	<u>5 234</u>
Finance costs	(884)	(832)
Finance income	127	72
Other financial items	(59)	(130)
Group profit before tax	<u>5 342</u>	<u>4 344</u>

7. Other intangible assets

The Group's other intangible assets comprise software, trade marks and other intangible assets. The carrying amounts for the reporting periods under review can be analyzed as follows:

3 months to 31 March 2013	Software BGN'000	Trade marks BGN'000	Other assets BGN'000	Total BGN'000
Gross carrying amount				
Balance at 1 January 2013	381	1 161	922	2 464
Additions, separately acquired	2	-	189	191
Balance at 31 March 2013	<u>383</u>	<u>1 161</u>	<u>1 111</u>	<u>2 655</u>
Amortization				
Balance at 1 January 2013	(270)	(998)	(173)	(1 441)
Amortization	(28)	(9)	(35)	(72)
Balance at 31 March 2013	<u>(298)</u>	<u>(1 007)</u>	<u>(208)</u>	<u>(1 513)</u>
Carrying amount at 31 March 2013	<u>85</u>	<u>154</u>	<u>903</u>	<u>1 142</u>

12 months to 31 December 2012	Software BGN'000	Trade marks BGN'000	Other assets BGN'000	Total BGN'000
Gross carrying amount				
Balance at 1 January 2012	282	1 093	465	1 840
Additions, separately acquired	99	68	457	624
Balance at 31 December 2012	<u>381</u>	<u>1 161</u>	<u>922</u>	<u>2 464</u>
Amortization				
Balance at 1 January 2012	(179)	(968)	(73)	(1 220)
Amortization	(91)	(30)	(100)	(221)
Balance at 31 December 2012	<u>(270)</u>	<u>(998)</u>	<u>(173)</u>	<u>(1 441)</u>
Carrying amount at 31 December 2012	<u>111</u>	<u>163</u>	<u>749</u>	<u>1 023</u>

8. Property, plant and equipment

Group's property, plant and equipment comprise lands, buildings, machinery, equipment, vehicles, business inventory and cost of acquisition. The carrying amount can be analyzed as follows:

3 months to 31 March 2013	Lands	Buildings	Machinery	Equipment	Vehicles	Business inventory	Cost of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount								
Balance at 1 January 2013	7 470	35 964	81 485	31 032	8 818	3 587	6 000	174 356
Additions	-	59	1 021	74	123	7	1 215	2 499
Depreciation	-	-	(139)	-	(68)	-	-	(207)
Assets transfer	-	-	8	-	-	-	(8)	-
Balance at 31 March 2013	7 470	36 023	82 375	31 106	8 873	3 594	7 207	176 648
Depreciation								
Balance at 1 March 2013	-	(5 860)	(44 323)	(3 506)	(4 219)	(2 798)	-	(60 706)
Disposals	-	-	22	-	58	-	-	80
Depreciation	-	(345)	(1 390)	(491)	(227)	(75)	-	(2 528)
Balance at 31 March 2013	-	(6 205)	(45 691)	(3 997)	(4 388)	(2 873)	-	(63 154)
Carrying amount at 31 March 2013	7 470	29 818	36 684	27 109	4 485	721	7 207	113 494

12 months to 31 December 2012	Lands	Buildings	Machinery	Equipment	Vehicles	Business inventory	Cost of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount								
Balance at 1 January 2012	6 832	28 052	77 814	30 098	7 597	3 465	11 366	165 224
Additions	640	299	539	151	1 201	117	6 303	9 250
Disposals	(2)	(26)	(70)	-	(14)	(6)	-	(118)
Assets transfer	-	7 639	3 202	783	34	11	(11 669)	-
Net exchange differences	7 470	35 964	81 485	31 032	8 818	3 587	6 000	174 356
Balance at 31 December 2012								
Depreciation								
Balance at 1 January 2012	-	(4 546)	(37 851)	(2 423)	(3 359)	(2 475)	-	(50 654)
Disposals	-	1	31	15	3	-	-	50
Depreciation	-	(1 315)	(6 503)	(1 098)	(863)	(323)	-	(10 102)
Balance at 31 December 2012	-	(5860)	(44 323)	(3 506)	(4 219)	(2 798)	-	(60 706)
Carrying amount at 31 December 2012	7 470	30 104	37 162	27 526	4 599	789	6 000	113 650

As at 31 December 2012 the fair value of land and buildings is measured at the basis of market data through an evaluation, performed by an independent qualified valuer. The fair value of machines and equipment is their market value, after an evaluation.

9. Seasonality and cycles of the interim operations

The demand of accumulator batteries is not a subject to significant seasonal changes. However, practice shows that the demand reaches its peak values in autumn and winter.

10. Share capital

The registered capital of the Group consists of 39 000 000 ordinary shares with a nominal value of BGN 1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Group.

During the nine months period to 31 March 2013, the Group has bought back 40 155 ordinary own shares, during period to 31 March 2013 75 000 redemption are being sold.

The issued and authorized shares for reporting periods can be presented as follows:

	31 March 2013	31 December 2012
	BGN	BGN
Number of shares issued and fully paid,		
- beginning of the period	36 377 135	36 858 364
- shares bought back during the period	(40 155)	(681 429)
- sold redemption for the period	75 000	200 200
Number of shares issued and fully paid	36 411 980	36 377 135
Total number of shares authorized at the end of the period	36 411 980	36 377 135

The list of the principal shareholders' of the Group is as follows:

	31 March 2013	31 March 2013	31 December 2012	31 December 2012
	Number of shares	%	Number of shares	%
Prista Oil EAD	18 080 129	46.36	18 080 129	46.36
Unicredit Ban Austria AG	10 051 400	25.77	10 051 400	25.77
Monbat Trading OOD	1 376 400	3.53	1 376 400	3.53
Other natural persons and entities	9 492 071	24.34	9 492 071	24.34
	39 000 000	100	39 000 000	100
Buyback of own shares from natural persons and entities	(2 588 020)	(6.64)	(2 622 865)	(6.73)
	36 411 980	93.36	36 377 135	93.27

11. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	31 March 2013 BGN '000	31 December 2012 BGN '000	31 March 2013 BGN '000	31 December 2012 BGN '000
Financial liabilities measured at amortized cost:				
Other bank loans	48 667	45 599	10 268	10 895
Total carrying amount	48 667	45 599	10 268	10 895

11.1. Borrowings at amortized cost

Details of the contracts for banking loans:

1. Eurobank EFG Bulgaria AD

Contract № 100-532 from 16.05.2007

Maturity date: 16.05.2017

Amount borrowed: EUR 6 100 000

Type of credit: Investment loan

Interest rate and commission: 3 M EURIBOR + fixed mark-up

Collateral: Mortgage on real estate: UPI XXIII 27 250 sq. m. in Montana, including the buildings on it. Pledge on movable property owned by Monbat AD – Non-current tangible assets Machinery and equipment at the amount of EUR 2 934 860, automobiles at the amount of EUR 131 484 and non-current tangible assets Equipment acquired with money from the loan.

Utilized amount as at 31.03.2013 at the amount of EUR 3 176 928 or BGN 6 213 531

2. Unicredit Bulbank AD

Contract № 1043/28.11.2006 and Annex N9.

Maturity date: 30.06.2013

Amount borrowed: 300 000 EUR

Type of credit: Credit line

Interest rate and commission: 1 month EURIBOR + fixed mark-up

Collateral: First rank contractual mortgage of a senior mortgage in favour of Piraeus Bank on land with cadastre № 48489.5.281 of 7940 sq.m.

Utilized amount as at 31.03.2013 at the amount of EUR 300 000 or BGN 586 749

3. Eurobank EFG Bulgaria AD

Contract № 339/07.12.2004

Maturity date: 15.03.2013

Amount borrowed: 2 200 000 EUR

Type of credit: Credit line

Interest rate and commission: 3 M Euribor + fixed mark-up

Collateral: Special pledge registered in the CRSP

Utilized amount as of 31.03.2013 at the amount of EUR 2 014 342 or BGN 3 939 712

4. Unicredit Bulbank AD

Contract № 1099 from 14.06.2007

Maturity date: 11.06.2017

Amount borrowed: EUR 6 228 000

Type of credit: Investment loan

Interest rate and commission: 1-month EURIBOR + 3.5%

Collaterals:

First rank contractual mortgage on real estate with cadastral № 48489.5.279 and an area of 20 640 square meters.

First rank contractual mortgage on real estate with cadastral № 48489.5.280 and an area of 24 800 square meters.

Second rank contractual mortgage on real estate with cadastral № 48489.5.281 and an area of 7 940 square meters.

First rank pledge on fixed assets with market value of EUR 2 102 200

First rank pledge on fixed assets, acquired with monetary units from the borrowing at the amount of EUR 3 450 000.

First rank pledge on receivables of Monbat AD from Monbat DOO Serbia at the amount of EUR 3 673 000.

Utilized amount as at 31.03.2013 at the amount of EUR 2 919 375 or BGN 5 709 801.

5. Eurobank EFG Bulgaria AD

Annex N 4 to Contract № 100-242/31.03.2006

Maturity date: 15.03.2013

Amount borrowed: EUR 2 200 000

Type of credit: Credit line

Interest rate and commission: 3-month EURIBOR + fixed mark-up

Collateral: Pledge, registered in CRSP

Utilized amount as at 31.03.2013 at the amount of EUR 2 057 721 or BGN 4 024 553.

6. Societe Generale Expressbank AD

Loan contract overdraft

Maturity date: 31.03.2013

Amount borrowed: EUR 3 500 000

Type of credit: working capital and issuance of bank guarantees

Interest rate and commission: 1 M EURIBOR + fixed mark-up

Collateral: Special pledge on raw materials and inventories – lead, lead compounds and accumulator batteries and similar, property of Monbat AD

Utilized amount as at 31.03.2013 at the amount of EUR 2 698 571 or BGN 5 277 946

7. BNP PARIBAS S.A. BRANCH SOFIA

Loan contract N 869/07.2010 overdraft

Maturity date: 22.07.2013

Amount borrowed: EUR 3 000 000

Type of credit: working capital

Interest rate and commission: 3 m EURIBOR + fixed mark-up

Collateral:

First rank pledge of all existing and future receivables of the borrower from companies part of the Vodafone group approved by the bank and companies insured with BAEZ EAD amounting to EUR 6 700 000.

First rank collateral all existing and future receivables of the borrower from all of his receivables on all of his existing and newly open bank accounts at the amount of EUR 5 330 000.
Utilized amount as at 31.03.2013 at the amount of EUR 3 048 390 or BGN 5 962 134.

8. Eurobank EFG Bulgaria AD

Loan № 100-972 from 23.11.2010

Maturity date: 23.06.2013

Amount borrowed: EUR 1 000 000

Type of credit: working capital

Interest rate and commission: 3-month EURIBOR + fixed mark-up

Collaterals:

Real estate 1: ½ part of the ideal. land with ident. N48489.282 on the cadastral map of Montana, approved with Directive № RD-18-19-/05.04.2006 of the executive director of AK.

Real estate 2: : ½ part of the ideal. land with ident. N48489.282 on the cadastral map of Montana, approved with Directive № RD-18-19-/05.04.2006 of the executive director of AK..

Special pledge:

Pledge 1: Property, plant and equipment, located in the manufacturing building of Monbat AD in Montana, 72 “Industrialna” str.

Pledge 2: Vehicle weighing equipment and security room with a total construction area of 102 square meters, in accordance with ownership document with inventory number 3000000003.

Pledge 3: Unloading area, with a total construction area of 1 980 square meters, in accordance with ownership document with inventory number 30000000004.

Utilized amount as at 31.03.2013 at the amount of EUR 1 000 000 or BGN 1 955 830.

9. Credit card accounts with credit limit and utilized amounts as at 31.03.2013 r. TBGN 30

10. Societe Generale Expressbank AD

Loan contract overdraft

Maturity date: 31.05.2013

Amount borrowed: EUR 1 500 000

Type of credit: working capital, refinancing of an existing loan, borrowed from another bank

Interest rate and commission: 1 M EURIBOR + fixed mark-up

Collateral: Contractual mortgage on factory buildings at the amount of EUR 2 357 504.00

Repayment schedule: Currently paid depending on the available cash and cash equivalents

Utilized amount as at 31.03.2013 at the amount of EUR 1 488 406 or BGN 2 911 070

11. KBC Bank Deutschland AG

Contract N 860 271/28.07.2010

Amount borrowed: EUR 1 000 000

Type of credit : working capital

Interest rate and commission: 3 M Euribor + fixed mark-up

Repayment schedule: Currently paid depending on the available cash and cash equivalents

Balance as at 31.03.2013 at the amount of EUR 270 000 or BGN 528 074.

12. Eurobank EFG Bulgaria AD

Contract N 100-1066/27.10.2011

Maturity date: 27.10.2013

Amount borrowed: EUR 3 000 000

Type of credit: Credit line

Interest rate and commission: 3 M EURIBOR + fixed mark-up

Collateral: UPI with an area of 22 280 square meters, located in the town of Panteleymon-Romania, along with all buildings constructed on the property.

Balance as at 31.03.2013 at the amount of EUR 999 723 or BGN 1 955 288.

13. Emporiki Bank

Contract N 019/21/2011

Maturity date: 27.09.2013

Amount borrowed: EUR 2 000 000

Type of credit: Credit line

Interest rate and commission: 3 M EURIBOR + fixed mark-up

Collaterals: Corporate guarantee on the name of Monbat AD, as well as reprocessing equipment for the recycling of wastage accumulator batteries – rotational furnace, boiler 5000.

Balance as at 31.03.2013 at the amount of EUR 3 373 197 or BGN 6 597 400

14. Emporiki Bank

Contract N 1031-12/04.07.2012

Maturity date: 04.07.2013

Amount borrowed: EUR 3 000 000

Type of credit: Credit line

Interest rate and commission: 3 M EURIBOR + mark-up

Collaterals: Special pledge on plant and equipment situated in Montana for amount of 3 630 000 EUR.

Balance as at 31.03.2013 at the amount of EUR 3 000 000 or BGN 5 867 490.

15.KBC Bank AD Beograd

Contract N 348/12-717/07.08.2012

Maturity date: 14.08.2015

Amount borrowed: EUR 1 000 000

Type of credit : working capital

Interest rate and commission: 3 M Euribor +5.5%_s

Repayment schedule: Currently paid depending on the available cash and cash equivalents

Collaterals: Building N 5; 7 promissory notes

Balance as at 31.03.2013 694 658 EUR or BGN 1 358 633.

16. Eurobank Bulgaria AD

Factoring contract

Collateral: Trade receivables

Balance as at 31.03.2013: BGN 6 017 thousand

12. Income tax expense

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rate for income tax for 2012 and March 2013 is 10%.

13. Earnings per share and dividends

13.1. Earnings per share

Basic earnings per share have been calculated using the profit attributed to the shareholders of the Group as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders is as follows:

	31 March 2013 BGN	31 March 2012 BGN
Profit attributable to the shareholders (BGN)	4 807 000	3 923 000
Weighted average number of outstanding shares	36 411 980	36 746 578
Basic earnings per share (BGN per share)	0.13	0.11

13.2. Dividends

At the General meeting of the shareholders, held on 25.06.2012, a decision was made to distribute dividends in the amount of BGN 6 300 000, which is a part of the income for 2011. Until 31 December 2012 the Company has paid dividends in the amount of BGN 1 679 045. This amount represents a payment in the amount of BGN 0.17228851 per share.

14. Related parties transactions

The Group's related parties include its owners, subsidiaries, companies under common control, key management and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

14.1. Transactions with owners

	31 March 2013 BGN '000	31 March 2012 BGN '000
Purchases of goods and services		
- purchases of raw materials from Prista oil Holding EAD	(5)	(1)
- purchases of goods from Prista oil Holding EAD	(8)	

- purchases of raw materials from Monbat Holding B.V.	(8)	-
- purchases of services from Monbat Trading OOD	(218)	(294)
- purchases of services from Prista Oil B.V.	(47)	-
	(286)	(295)
Sale of services		
- sale of services to Monbat Trading OOD	6	6
	6	6
Other		
- loan granted to Prista Oil Holding EAD	(2 934)	(1 600)
- interest on loan granted to Prista Oil Holding EAD	100	28

14.2. Transactions with other related parties under common control

	31 March 2013 BGN '000	31 March 2012 BGN '000
Sale of goods and services		
- sale of products to Prista oil Hungary	-	161
- sale of products to IBT	54	
	54	161
Purchases of goods and services		
- advances for assets from PCMV	(834)	-
- purchases of assets from Agency Apex OOD	-	(114)
- purchases of services from Kom EOOD	(9)	(12)
- purchases of raw materials from Kom EOOD	(18)	(12)
- purchases of assets from IBT	(133)	-
	(994)	(138)

14.3. Transactions with key management personnel

Key management personnel of the Group include members of the Management board and Supervisory board. Key management personnel remuneration includes the following expenses:

	31 March 2013 BGN '000	31 March 2012 BGN '000
Short-term employee benefits:		
-Salaries	602	451
-Social security costs	79	31
-Company cars	31	24
Total short-term employee benefits	712	506
Total employee benefits	712	506

15. Related parties balances at year end

	31 March 2013 BGN '000	31 December 2012 BGN '000
Current		
Receivables from:		
- Bobko OOD/Mix oil OOD/ – loan	106	106
- Prista oil Holding EAD – trade receivables	844	844
- Monbat Trading OOD- trade receivables	2	2
- Bobko OOD/Mix oil OOD/ – interest	36	34
- Prista oil Holding EAD – loan	8 646	5 712
- Atanas Bobokov - loan	64	64
- PCMV EAD – trade receivables	1 019	185
- Prista oil Holding EAD – interest	206	112
- IBT – loan	185	185
- IBT – trade receivables	21	-
Total current receivables	11 129	7 244
Total receivables from related parties	11 129	7 244
Non current		
Payables to:		
- Ecobat AD – dividends	6	6
- Bat AD – dividends	1	1
Total noncurrent payables to related parties	7	7
Current		
Payables to:		
- Prista Oil Holding EAD – trade payables	5	-
- Prista Oil B.V. – trade payables	2	-
- Octa Light EOOD-trade payables	2	-
- Kom EOOD- trade payables	3	3
- Prista oil Romania	-	2
Total current payables to related parties	12	5
Total payables to related parties	19	12

16. Post - reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

17. Authorization of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements as of 31 March 2013 (including comparatives) were approved for issue by the managing board on 29 May 2013.