

BALANCE SHEET

Company name:
Type of statement: consolidated/non-
consolidated:
Reporting period:

"Kaolin" AD
consolidated
01.01.2009 - 30.06.2009

Bulstat

827182866

(thousand BGN)

ASSETS	Code	Current period	Previous period	LIABILITIES	Code	Current period	Previous period
A. NON-CURRENT ASSETS				A. SHAREHOLDERS' EQUITY			
I. Property, plant and equipment				1. Share capital			
1. Land	1-0011	18 509	14 122	Issued and outstanding shares	1-0411	25 000	25 000
2. Buildings	1-0012	11 466	12 018	Ordinary shares	1-0411-1	25 000	25 000
3. Machinery and equipment	1-0013	21 085	22 164	Preferred shares	1-0411-2		
4. Facilities	1-0014	15 574	12 699	Treasury ordinary shares	1-0417		
5. Vehicles	1-0015	5 798	6 081	Treasury preferred shares	1-0417-1		
6. Office fittings	1-0017-1	731	764	Unpaid capital	1-0416		
7. Assets under construction	1-0018	40 477	42 127	Total share capital	1-0410	25 000	25 000
8. Other	1-0017	74	66	II. Reserves			
Total property, plant and equipment	1-0010	113 714	110 041	1. Issue premiums	1-0421	54 757	54 757
II. Investment property	1-0041			2. Revaluation reserve	1-0422	2 714	2 714
III. Farm animals	1-0016			3. Reserves incl.:	1-0423	24 917	21 407
IV. Intangible assets				general reserves	1-0424	4 862	4 803
1. Rights of ownership	1-0021	240	247	special reserves	1-0425		
2. Software	1-0022	47	61	other reserves	1-0426	20 055	16 604
3. R&D expenses	1-0023	1 110	1 110	Total reserves	1-0420	82 388	78 878
4. Other intangible assets	1-0024	200	853	III. Retained earnings			
Total intangible assets	1-0020	1 597	2 271	1. Retained earnings from previous periods	1-0451	1 064	196
				undistributed profit	1-0452	4 576	521
V. Goodwill				loss not covered	1-0453	-3 512	-325
1. Positive goodwill	1-0051	13 211	13 678	one-time effect from changes in accounting policy	1-0451-1		
2. Negative goodwill	1-0052			2. Current year profit	1-0454	4 004	9 691
Total goodwill	1-0050	13 211	13 678	3. Current year loss	1-0455		
VI. Financial assets				Total retained earnings	1-0450	5 068	9 887
1. Share participations in:	1-0031	12	12				
subsidiary companies	1-0032						
joint ventures	1-0033			TOTAL SHAREHOLDERS' EQUITY	1-0400	112 456	113 765
associated companies	1-0034						
other companies	1-0035	12	12				
2. Long-term investment securities held to maturity	1-0042	0	0	B. MINORITY SHAREHOLDINGS	1-0400-1	7 761	5 612
treasury bonds	1-0042-1						
bonds	1-0042-2			C. LONG-TERM LIABILITIES			
incl. municipality bonds	1-0042-3			I. Long-term debt			
other	1-0042-4			1. Due to related parties	1-0511		
3. Other financial assets	1-0042-5			2. Due to financial institutions	1-0512	54 295	52 516
Total long-term financial assets	1-0040	12	12	3. Due under ZUNK	1-0512-1		
VII. Long-term trade and other receivables from:				4. Trade loans	1-0514	4 586	5 042
1. Related parties	1-0044	6	130	5. Bonds	1-0515		
2. Trade loans	1-0045	26	31	6. Other long-term liabilities	1-0517	331	359
3. Financial lease receivables	1-0046-1			Total long-term debt	1-0510	59 212	57 917
4. Other long-term receivables	1-0046	13	14				
Total long-term trade and other receivables	1-0040-1	45	175	II. Other long-term liabilities	1-0510-1		
				III. Deferred revenues	1-0520		
VIII. Deferred expenses	1-0060			IV. Liabilities on deferred taxes	1-0516	217	217
IX. Assets on deferred tax payments	1-0060-1	176	176	V. Financing	1-0520-1		
TOTAL NON-CURRENT ASSETS	1-0100	128 755	126 353	TOTAL LONG-TERM LIABILITIES	1-0500	59 429	58 134

B. CURRENT ASSETS				D. SHORT-TERM LIABILITIES			
I. Inventory				I. Trade and other payables			
1. Materials	1-0071	5 238	6 544	1. Short-term borrowings	1-0612	30 583	20 203
2. Finished goods	1-0072	16 363	14 327	2. Short-term part of long-term loans	1-0510-2		
3. Goods for resale	1-0073	5 032	3 818	3. Short-term payables	1-0630	21 771	24 810
4. Work in progress	1-0076	2 879	2 619	related parties payables	1-0611	2 939	339
5. Farm animals	1-0074			trade loans	1-0614	2 479	2 635
6. Other materials	1-0077			trade accounts payables	1-0613	14 056	18 640
Total inventory	1-0070	29 512	27 308	advance payments	1-0613-1	480	1 031
				salaries payable	1-0615	1 119	1 502
II. Receivables				social security payable	1-0616	325	454
1. Related parties receivables	1-0081	15 138	6 436	tax payable	1-0617	373	209
2. Trade accounts receivables	1-0082	26 216	23 676	4. Other	1-0618	1 507	1 504
3. Advance payments	1-0086-1	9 751	10 079	5. Provisions	1-0619		
4. Trade loans	1-0083	1 830	1 900	Total trade and other payables	1-0610	53 861	46 517
5. Court receivables	1-0084	305	300				
6. Recoverable taxes	1-0085	3 261	4 913				
7. Personnel receivables	1-0086-2	26	26				
8. Other receivables	1-0086	852	1 011	II. Other short-term liabilities	1-0610-1		
Total receivables	1-0080	57 379	48 341	III. Deferred revenues	1-0700	10	18
				IV. Financing	1-0700-1	261	261
III. Financial assets							
1. Financial assets held for trading	1-0093	0	0				
bonds	1-0093-1			TOTAL SHORT-TERM LIABILITIES	1-0750	54 132	46 796
derivatives	1-0093-2						
other	1-0093-3						
2. Financial assets declared for sale	1-0093-4						
3. Other current financial assets	1-0095	6	6				
Total current financial assets	1-0090	6	6				
IV. Cash and cash equivalents							
1. Cash	1-0151	1 091	1 280				
2. Cash in banks	1-0153	12 259	17 014				
3. Restricted cash	1-0155	880	880				
4. Cash equivalents	1-0157	957	616				
Total cash and cash equivalents	1-0150	15 187	19 790				
V. Deferred expenses	1-0160	2 939	2 509				
TOTAL CURRENT ASSETS	1-0200	105 023	97 954				
TOTAL ASSETS	1-0300	233 778	224 307	TOTAL LIABILITIES	1-0800	233 778	224 307

Date: 28.08.2009

Accountant: Irina Stoyanova

Manager: Aleksandar Prokopiev

INCOME STATEMENT

Company name:

"Kaolin" AD

Bulstat

827182866

Type of statement: consolidated/non-consolidated:

consolidated

Reporting period:

01.01.2009 - 30.06.2009

(thousand BGN)

EXPENSES	Code	Current period	Previous period	REVENUES	Code	Current period	Previous period
A. Expenditures				A. Revenues			
I. Operating expenses				I. Net revenues from the sale of:			
1. Materials	2-1120	13 171	17 809	1. Finished goods	2-1551	33 738	42 483
2. External services	2-1130	20 582	27 950	2. Goods for sale	2-1552	3 916	6 459
3. Depreciation	2-1160	6 561	4 630	3. Services	2-1560	15 591	16 299
4. Salaries	2-1140	5 946	7 177	4. Other	2-1556	2 070	1 443
5. Social security	2-1150	1 120	1 550	Total net revenues from sale	2-1610	55 315	66 684
6. Net book value of assets sold (finished goods excluded)	2-1010	3 355	6 357				
7. Assets under construction and write off of assets	2-1030	-1 065	-6 299	II. Revenues from financing for fixed assets	2-1620	71	49
8. Other expenses	2-1170	748	768	incl. government grants	2-1621		
incl. impairment of assets	2-1171						
incl. provisions	2-1172			III. Financial income			
Total operating expenses:	2-1100	50 418	59 942	1. Interest revenue	2-1710	813	829
				2. Dividend income	2-1721		
II. Financial expenses				3. Gains from operations with financial assets and instruments	2-1730	4	91
1. Interest expenses	2-1210	1 272	851	4. Gains from foreign exchange operations	2-1740	1 348	780
2. Losses from operations with financial assets and instruments	2-1220	2	187	5. Other financial income	2-1745	3	6
3. Losses from foreign exchange operations	2-1230	1 462	1 044	Total financial income	2-1700	2 168	1 706
4. Other financial expenses	2-1240	197	234				
Total financial expenses:	2-1200	2 933	2 316				
B. Total operating expenses	2-1300	53 351	62 258	B. Total revenues before extraordinary activities	2-1600	57 554	68 439
C. Profit/(loss) from operations	2-1310	4 203	6 181	C. Operating loss	2-1810	0	0
III. Share in the profit of associated and joint companies	2-1250-1			IV. Share in the loss of associated and joint companies	2-1810-1		
IV. Extraordinary costs	2-1250			V. Extraordinary revenues	2-1750		
D. Total expenses	2-1350	53 351	62 258	D. Total revenues	2-1800	57 554	68 439
E. Profit before tax	2-1400	4 203	6 181	E. Loss before taxes	2-1850	0	0
V. Tax expense	2-1450	0	0				
1. Corporate profit tax	2-1451						
2. Expenses/(gains) on deferred corporate taxes	2-1452						
3. Other taxes	2-1453						
F. Profit after taxes	2-0454	4 203	6 181	F. Loss after taxes	2-0455	0	0
incl. from minority shareholding	2-0454-1	199	427	incl. from minority shareholdings	2-0455-1		
G. Net profit	2-0454-2	4 004	5 754	G. Net loss	2-0455-2	0	0
Total	2-1500	57 554	68 439	Total	2-1900	57 554	68 439

Date: 28.08.2009

Accountant: Irina Stoyanova

Manager: Aleksandar Prokopiev

CASH FLOW STATEMENT - DIRECT METHOD

Company name: "Kaolin" AD Bulstat 827182866
 Type of statement: consolidated/non-consolidated consolidated PT-05-
 Reporting period: 01.01.2009 - 30.06.2009 (thousand BGN)

CASH FLOW	Code	Current period	Previous period
A. Cash flow from operating activities			
1. Cash receipts from customers	3-2201	53 283	63 110
2. Cash paid to suppliers	3-2201-1	-42 858	-47 902
3. Payments/income related to financial assets	3-2202		
4. Cash paid to employees and social security	3-2203	-7 811	-8 637
5. Paid/refunded taxes except corporate tax/	3-2206	1 944	1 179
6. Corporate tax paid	3-2206-1	-101	-2 116
7. Interest received	3-2204	675	772
8. Interest and bank charges paid on short-term loans	3-2204-1	-485	-520
9. Foreign currency exchange gains/losses net	3-2205	241	-508
10. Other proceeds/payments from operational activity	3-2208	-2 189	-2 234
Net cash flow from operational activities (A):	3-2200	2 699	3 144
B. Cash flow from investing activity			
1. Purchase of fixed assets	3-2301	-18 853	-29 553
2. Sale of fixed assets	3-2301-1	196	30
3. Loans granted	3-2302		
4. Proceeds from loans	3-2302-1	-1 706	-2 377
5. Interest received on granted loans	3-2302-2		
6. Purchase of investments	3-2302-3	-2 376	-3 781
7. Sale of investments	3-2302-4		
8. Dividends received	3-2303		
9. Foreign currency exchange gains/losses net	3-2305		-33
10. Other proceeds/payments from investing activity	3-2306		-425
Net cash flow from investing activities (B):	3-2300	-22 739	-36 139
C. Cash flow from financing activities			
1. Proceeds on securities issued	3-2401	1 828	2 067
2. Payments on securities buy-back	3-2401-1		
3. Proceeds on loans	3-2403	57 407	47 881
4. Payments of loans	3-2403-1	-42 933	-20 249
5. Payments on leasing contracts	3-2405	-165	-244
6. Paid interest, charges and commissions on investment loans	3-2404	-784	-257
7. Dividends paid	3-2404-1	-3	
8. Other proceeds/payments on financing activities	3-2407	87	38
Net cash flow from financing activities (C):	3-2400	15 437	29 236
D. Net decrease/increase in cash and cash equivalents (A+B+C) :	3-2500	-4 603	-3 759
E. Cash and cash equivalents as of the beginning of the period	3-2600	19 790	33 394
F. Cash and cash equivalents as of the end of the period	3-2700	15 187	29 635
cash and bank deposits	3-2700-1	13 350	29 534
restricted cash	3-2700-2	880	

Date: 28.08.2009

Accountant: Irina Stoyanova

Manager: Aleksandar Prokopiev

CHANGES IN SHAREHOLDERS' EQUITY STATEMENT

Company name:

"Kaolin" AD

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827182866

Type of statement: consolidated/non-consolidated

consolidated

PT-05-

Reporting period:

01.01.2009 - 30.06.2009

(thousand BGN)

INDEXES	Code	Share capital	Reserves					Retained earnings		Reserve from transfers	Total shareholders' equity	Minority shareholdings
			Issue premiums	Revaluation reserve	Reserves including:			profit	loss			
					general	special	other					
a		1	2	3	4	5	6	7	8	9	10	11
Code		1-0410	1-0410	1-0422	1-0424	1-0425	1-0426	1-0452	1-0453	4-0426-1	1-0400	1-0400-1
Balance-beginning of reporting period	4-01	25 000	54 757	2 714	4 803	0	21 191	10 212	-325	-4587	113765	5 612
Changes in initial balances due to:	4-15	0	0	0	0	0	0	0	0	0	0	0
Effect from changes in accounting policy	4-15-1											
Fundamental mistakes	4-15-2											
Corrected balance - beginning of reporting period	4-01-1	25 000	54 757	2 714	4 803	0	21 191	10 212	-325	-4 587	113765	5 612
Net profit/loss	4-05							4004	0		4004	199
1. Distributed profit for:	4-06	0	0	0	0	0	5 003	-8 753	0	0	-3750	0
dividends	4-07							-3750			-3750	
other	4-07-1						5003	-5003			0	
2. Loss coverage	4-08										0	
3. Revaluation of non-current tangible and intangible assets, incl.:	4-09	0	0	0	0	0	0	0	0	0	0	0
increase	4-10										0	
decrease	4-11										0	
4. Revaluation of financial assets and instruments, incl.:	4-12	0	0	0	0	0	0	0	0	0	0	0
increase	4-13										0	
decrease	4-14										0	
5. Deferred tax effect	4-16-1										0	
6. Other changes	4-16				59		-56	-394	325		-66	1963
Balance - end of reporting period	4-17	25 000	54 757	2 714	4 862	0	26 138	5 069	0	-4 587	113953	7 774
7. Changes from transfers of annual financial reports of companies abroad	4-18									-1497	-1497	-13
8. Changes from revaluation of financial reports in case of hyper inflation	4-19										0	
Shareholders' equity - as of end of reporting period	4-20	25 000	54 757	2 714	4 862	0	26 138	5 069	0	-6 084	112456	7 761

Date: 28.08.2009

Accountant: Irina Stoyanova

Manager: A. Prokopiev