

BALANCE SHEET

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

"Kaolin" AD
non-consolidated

Bulstat

827182866

Reporting period:

01.01.2010 - 30.09.2010

(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				I. Share capital			
1. Land	1-0011	19 854	16 253	Issued and outstanding shares	1-0411	25 000	25 000
2. Buildings	1-0012	8 116	8 445	Ordinary shares	1-0411-1	25 000	25 000
3. Machinery and equipment	1-0013	11 053	15 453	Preferred shares	1-0411-2		
4. Facilities	1-0014	14 765	15 364	Treasury ordinary shares	1-0417		
5. Vehicles	1-0015	1 803	2 822	Treasury preferred shares	1-0417-1		
6. Office fittings	1-0017-1	601	632	Unpaid capital	1-0416		
7. Assets under construction	1-0018	8 054	7 211	Total share capital	1-0410	25 000	25 000
8. Other	1-0017			II. Reserves			
Total property, plant and equipment	1-0010	64 246	66 180	1. Issue premiums	1-0421	54 757	54 757
II. Investment property	1-0041			2. Revaluation reserve	1-0422	1 180	1 509
III. Farm animals	1-0016			3. Reserves incl.:	1-0423	33 818	30 279
IV. Intangible assets				general reserves	1-0424		
1. Rights of ownership	1-0021	240	229	special reserves	1-0425	4 768	4 768
2. Software	1-0022	14	8	other reserves	1-0426	29 050	25 511
3. R&D expenses	1-0023	1 110	1 110	Total reserves	1-0420	89 755	86 545
4. Other intangible assets	1-0024	582	657	III. Retained earnings			
Total intangible assets	1-0020	1 946	2 004	1. Retained earnings from previous periods	1-0451	53	53
				undistributed profit	1-0452	53	53
V. Goodwill				loss not covered	1-0453		
1. Positive goodwill	1-0051	2 083	2 083	one-time effect from changes in accounting policy	1-0451-1		
2. Negative goodwill	1-0052			2. Current year profit	1-0454	7 172	7 289
Total goodwill	1-0050	2 083	2 083	3. Current year loss	1-0455		
VI. Financial assets				Total retained earnings	1-0450	7 225	7 342
1. Share participations in:	1-0031	77 541	77 343				
subsidiary companies	1-0032	77 536	77 338				
joint ventures	1-0033			TOTAL SHAREHOLDERS' EQUITY	1-0400	121 980	118 887
associated companies	1-0034						
other companies	1-0035	5	5				
2. Long-term investment securities held to maturity	1-0042	0	0	B. MINORITY SHAREHOLDINGS	1-0400-1		
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	38 678	38 678
Total long-term financial assets	1-0040	77 541	77 343	3. Due under ZUNK	1-0512-1		
VII. Long-term trade and other receivables from:				4. Trade loans	1-0514	1 651	2 165
1. Related parties	1-0044	2 490	2 732	5. Bonds	1-0515		
2. Trade loans	1-0045			6. Other long-term liabilities	1-0517	1 657	1 368
3. Financial lease receivables	1-0046-1	374		Total long-term debt	1-0510	41 986	42 211
4. Other long-term receivables	1-0046						
Total long-term trade and other receivables	1-0040-1	2 864	2 732	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	14	14
IX. Assets on deferred tax payments	1-0060-1			V. Financing	1-0520-1		
TOTAL NON-CURRENT ASSETS	1-0100	148 680	150 342	TOTAL LONG-TERM LIABILITIES	1-0500	42 000	42 225

B. CURRENT ASSETS				D. SHORT-TERM LIABILITIES			
I. Inventory				I. Trade and other payables			
1. Materials	1-0071	2 869	3 009	1. Short-term borrowings	1-0612	30 364	29 846
2. Finished goods	1-0072	15 368	18 271	2. Short-term part of long-term loans	1-0510-2	53	52
3. Goods for resale	1-0073	3 430	3 736	3. Short-term payables	1-0630	20 659	27 682
4. Work in progress	1-0076	1 774	1 800	related parties payables	1-0611	1 786	10 850
5. Farm animals	1-0074			trade loans	1-0614	857	1 446
6. Other materials	1-0077			trade accounts payables	1-0613	16 673	13 353
Total inventory	1-0070	23 441	26 816	advance payments	1-0613-1	63	64
II. Receivables				salaries payable	1-0615	785	1 042
1. Related parties receivables	1-0081	3 659	7 135	social security payable	1-0616	245	309
2. Trade accounts receivables	1-0082	24 364	20 671	tax payable	1-0617	250	618
3. Advance payments	1-0086-1	981	1 085	4. Other	1-0618	719	796
4. Trade loans	1-0083	544	44	5. Provisions	1-0619		
5. Court receivables	1-0084	305	305	Total trade and other payables	1-0610	51 795	58 376
6. Recoverable taxes	1-0085	1 399	792				
7. Personnel receivables	1-0086-2						
8. Other receivables	1-0086	737	980	II. Other short-term liabilities	1-0610-1		
Total receivables	1-0080	31 989	31 012	III. Deferred revenues	1-0700		
III. Financial assets				IV. Financing	1-0700-1	261	261
1. Financial assets held for trading	1-0093	0	0				
bonds	1-0093-1			TOTAL SHORT-TERM LIABILITIES	1-0750	52 056	58 637
derivatives	1-0093-2						
other	1-0093-3						
2. Financial assets declared for sale	1-0093-4						
3. Other current financial assets	1-0095	4	7				
Total current financial assets	1-0090	4	7				
IV. Cash and cash equivalents							
1. Cash	1-0151	1 336	1 060				
2. Cash in banks	1-0153	7 656	8 138				
3. Restricted cash	1-0155						
4. Cash equivalents	1-0157	162	65				
Total cash and cash equivalents	1-0150	9 154	9 263				
V. Deferred expenses	1-0160	2 768	2 309				
TOTAL CURRENT ASSETS	1-0200	67 356	69 407				
TOTAL ASSETS	1-0300	216 036	219 749	TOTAL LIABILITIES	1-0800	216 036	219 749

Date: 29.10.2010

Accountant: Irina Stoyanova

Manager: Aleksandar Prokopiev

INCOME STATEMENT

Company name:

"Kaolin" AD

Bulstat

827182866

Type of statement: consolidated/non-consolidated:

non-consolidated

Reporting period:

01.01.2010 - 30.09.2010

(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	17 448	14 726	1. Finished goods	2-1551	50 951	43 028
2. External services	2-1130	42 932	30 788	2. Goods for sale	2-1552	8 791	7 026
3. Depreciation	2-1160	7 304	8 458	3. Services	2-1560	30 182	21 700
4. Salaries	2-1140	6 919	6 167	4. Other	2-1556	5 594	4 613
5. Social security	2-1150	1 227	1 232	Total net revenues from sale	2-1610	95 518	76 367
6. Net book value of assets sold (finished goods excluded)	2-1010	9 318	8 264				
7. Assets under construction and write off of assets	2-1030	593	-1 498	II. Revenues from financing for fixed assets	2-1620	56	123
8. Other expenses	2-1170	794	830	incl. government grants	2-1621		
incl. impairment of assets	2-1171						
incl. provisions	2-1172			III. Financial income			
Total operating expenses:	2-1100	86 535	68 967	1. Interest revenue	2-1710	843	1 177
				2. Divident income	2-1721	186	
II. Financial expenses				3. Gains from operations with financial assets and instruments	2-1730		6
1. Interest expenses	2-1210	2 425	1 733	4. Gains from foreign exchange operations	2-1740	1 228	1 534
2. Losses from operations with financial assets and instruments	2-1220	3	134	5. Other financial income	2-1745		
3. Losses from foreign exchange operations	2-1230	938	1 713	Total financial income	2-1700	2 257	2 717
4. Other financial expenses	2-1240	758	321				
Total financial expenses:	2-1200	4 124	3 901				
B. Total operating expenses	2-1300	90 659	72 868	B. Total revenues before extraordinary activities	2-1600	97 831	79 207
C. Profit/(loss) from operations	2-1310	7 172	6 339	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	90 659	72 868	D. Total revenues	2-1800	97 831	79 207
E. Profit before tax	2-1400	7 172	6 339	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	7 172	6 339	F. Loss after taxes	2-0455	0	0
incl. from minority shareholding	2-0454-1			incl. from minority shareholdings	2-0455-1		
G. Net profit	2-0454-2	7 172	6 339	G. Net loss	2-0455-2	0	0
Total	2-1500	97 831	79 207	Total	2-1900	97 831	79 207

Date: 29.10.2010

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

non-consolidated

PI-05-

Reporting period:

01.01.2010 - 30.09.2010

(thousand BGN)

INDEXES	Code	Reserves						Retained earnings		Reserve from transfers	Total shareholders' equity	Minority shareholdings
		Share capital	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	1 509	0	4 768	25 511	7 342	0	0	118 887	0
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										0	
Fundamental mistakes	4-15-2										0	
Corrected balance - beginning of reporting period	4-01-1	25 000	54 757	1 509	0	4 768	25 511	7 342	0	0	118 887	0
Net profit/loss	4-05							7 172	0		7 172	
1. Distributed profit for:	4-06	0	0	0	0	0	3 539	-7 289	0	0	-3 750	0
dividends	4-07							-3 750			-3 750	
other	4-07-1						3 539	-3 539			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			-329							-329	
Balance - end of reporting period	4-17	25 000	54 757	1 180	0	4 768	29 050	7 225	0	0	121 980	0
7. Changes from transfers of annual financial reports of companies abroad	4-18										0	
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	1 180	0	4 768	29 050	7 225	0	0	121 980	0

Date: 29.10.2010

Accountant: Irina Stoyanova

Manager: Al. Prokopiev

NON-CURRENT ASSETS STATEMENT

Company name:
Reporting period:

"Kaolin" AD
01.01.2010 - 30.09.2010

Bulstat
PT-05-

827182866

(thousand BGN)

INDEXES	Code	Reported value of non-current assets				Revaluation		Revaluation (4+5-6)	Depreciation				Revaluation		Revaluated depreciation as of end of period (11+12-13)	Balance value for the current period (7-14)
		beginning of period	purchased during the period	written-off during the period	end of period	increase	decrease		beginning of period	estimated during period	written-off during period	end of period	increase	decrease		
a	b	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Property, plant and equipment																
1. Land	5-1001	18 918	4083	204	22 797			22 797	2 665	406	128	2 943			2 943	19 854
2. Buildings	5-1002	11 866	68		11 934			11 934	3 421	397		3 818			3 818	8 116
3. Machinery and equipment	5-1003	41 578	1258	2355	40 481			40 481	26 125	4832	1529	29 428			29 428	11 053
4. Facilities	5-1004	21 217	95	50	21 262			21 262	5 853	649	5	6 497			6 497	14 765
5. Vehicles	5-1005	8 443	202	2112	6 533			6 533	5 621	831	1722	4 730			4 730	1 803
6. Office fittings	5-1007-1	1 177	76	4	1 249			1 249	545	105	2	648			648	601
7. Assets under construction	5-1007-2	7 211	5809	4966	8 054			8 054				0			0	8 054
8. Other	5-1007				0			0				0			0	0
Total property, plant and equipment	5-1015	110 410	11 591	9 691	112 310	0	0	112 310	44 230	7 220	3 386	48 064	0	0	48 064	64 246
II. Investment property	5-1037				0			0				0			0	0
III. Farm animals	5-1006				0			0				0			0	0
IV. Intangible assets					0			0				0			0	0
1. Rights of ownership	5-1017	261	12		273			273	32	1		33			33	240
2. Software	5-1018	768	14		782			782	760	8		768			768	14
3. R&D expenses	5-1019	1 110			1 110			1 110				0			0	1 110
4. Other intangible assets	5-1020	707			707			707	50	75		125			125	582
Total intangible assets	5-1030	2 846	26	0	2 872	0	0	2 872	842	84	0	926	0	0	926	1 946
V. Financial assets (excl. of long-term receivables)																
1. Share participations in:	5-1032	77 343	198	0	77 541	0	0	77 541	0	0	0	0	0	0	0	77 541
subsidiary companies	5-1033	77 338	198		77 536			77 536				0			0	77 536
joint ventures	5-1034				0			0				0			0	0
associated companies	5-1035				0			0				0			0	0
other companies	5-1036	5			5			5				0			0	5
Long-term investment securities held to maturity	5-1038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
treasury bonds	5-1038-1				0			0				0			0	0
bonds incl.	5-1038-2				0			0				0			0	0
municipality bonds	5-1038-3				0			0				0			0	0
Other	5-1038-4				0			0				0			0	0
3. Other financial assets	5-1038-5				0			0				0			0	0
Total financial assets	5-1045	77 343	198	0	77 541	0	0	77 541	0	0	0	0	0	0	0	77 541
VI. Goodwill	5-1050	2 083			2 083			2 083				0			0	2 083
Total (I+ II+ III+ IV+V+VI)	5-1060	192 682	11 815	9 691	194 806	0	0	194 806	45 072	7 304	3 386	48 990	0	0	48 990	145 816

Note: Companies that own non-current tangible assets abroad present a separate statement for each foreign country

Date: 29.10.2010

Accountant: Irina Stoyanova

Manager: Al. Prokopiev

RECEIVABLES, PAYABLES AND PROVISIONS STATEMENT

Company name: "Kaolin" AD

Bulstat

827182866

Reporting period: 01.01.2009 - 30.09.2010

ПГ-05-

A. RECEIVABLES

(thousand BGN)

INDEXES	Code	Receivables amount	Liquidity	
			up to 1 year	over 1 year
a	b	1	2	3
I. Unpaid capital	6-2010			0
II. Long-term trade and other receivables				
1. Related parties receivables, incl.:	6-2021	2 490	0	2 490
- loans	6-2022	2 304		2 304
- sale of assets and services	6-2241			0
- other	6-2023	186		186
2. Trade loans	6-2024			0
3. Other receivables, incl.:	6-2026	374	0	374
- financial lease	6-2027	374		374
- other	6-2029			0
Total long-term trade and other receivables	6-2020	2 864	0	2 864
III. Tax assets				0
Assets on deferred taxes	6-2030			0
IV. Short-term trade and other receivables				
1. Related parties receivables, incl.:	6-2031	3 659	3 659	0
- loans	6-2032	889	889	0
- sales	6-2033	2 494	2 494	0
- other	6-2034	276	276	0
2. Trade accounts receivable	6-2035	24 364	24 364	0
3. Advance payments	6-2036	981	981	0
4. Trade loans	6-2037	544	544	0
5. Court receivables	6-2039	305	305	0
6. Adjudged receivables	6-2040			0
7. Taxes to be refunded, incl.:	6-2041	1 399	1 399	0
- corporate tax	6-2043	527	527	0
- VAT	6-2044	869	869	0
- refundable tax temporary differences	6-2045			0
- other taxes	6-2046	3	3	0
8. Other receivables, incl.:	6-2047	737	737	0
- personnel receivables	6-2048			0
- social security receivables	6-2049	1	1	0
- claims receivables	6-2050			0
- other	6-2051	736	736	0
Total short-term trade and other receivables	6-2060	31 989	31 989	0
TOTAL RECEIVABLES (I+II+III+IV):	6-2070	34 853	31 989	2 864

B. PAYABLES

(thousand BGN)

INDEXES	Code	Amount of payables	Aging		Collateral value
			up to 1 year	over 1 year	
a	6	1	2	3	4
I. Long-term debt					
1. Due to related parties, incl.:	6-2111	0	0	0	0
- loans	6-2112			0	
- assets and services supplies	6-2113			0	
- other	6-2244			0	
2. Due to financial institutions, incl.:	6-2114	38 678	0	38 678	0
- banks, incl.:	6-2115	38 678		38 678	
- overdue	6-2116			0	
- financial institutions, incl.:	6-2114-1			0	
- overdue	6-2114-2			0	
3. ZUNK bonds	6-2123-1			0	
4. Trade loans	6-2118	1 651		1 651	
5. Bonds	6-2120			0	
6. Other long-term debts, incl.:	6-2123	1 657		1 657	
- financial lease	6-2124	186		186	
Total long-term debt	6-2130	41 986	0	41 986	0
II. Tax liabilities					
Liabilities on deferred taxes	6-2122	14		14	
III. Trade and other payables					
1. Related parties payables, incl.:	6-2141	1 786	1 786	0	0
- assets and services supplied	6-2142	824	824	0	
- dividends	6-2143			0	
- other	6-2143-1	962	962	0	
2. Short-term borrowings, incl.:	6-2144	30 364	30 364	0	0
- banks, incl.:	6-2145	30 364	30 364	0	
- overdue	6-2146			0	
- financial institutions, incl.:	6-2144-1			0	
- overdue	6-2144-2			0	
3. Short-term part of long-term loans	6-2161-1	53	53	0	0
- ZUNK	6-2161-2			0	
- bonds	6-2161-3			0	
- long-term loans	6-2161-4			0	
- other	6-2161-5	53	53	0	
4. Short-term payables	6-2148	18 873	18 873	0	0
Trade loans	6-2147	857	857	0	
Trade accounts payable	6-2149	16 673	16 673	0	
Advance payments	6-2150	63	63	0	
Salaries payable	6-2151	785	785	0	
Taxes payable, incl.:	6-2152	250	250	0	0
- corporate tax	6-2154			0	
- VAT	6-2155	174	174	0	
- other taxes	6-2156	76	76	0	
Social security payable	6-2157	245	245	0	
5. Other	6-2161	719	719	0	
Total trade and other payables	6-2170	51 795	51 795	0	0
TOTAL PAYABLES	6-2180	93 795	51 795	42 000	0

C. PROVISIONS

(thousand BGN)

INDEXES	Code	Beginning of year	Increase	Decrease	End of period
a	6	1	2	3	4
1. Provisions for legal payables	6-2210				0
2. Provisions for constructive payables	6-2220				0
3. Other provisions	6-2230				0
Total (1+2+3):	6-2240	0	0	0	0

Note:

Receivables and payables from and to a foreign country are to be reported in a separate statement for each country

Date: 29.10.2010

Accountant: Irina Stoyanova

Manager: Aleksandar Prokopiev

SECURITIES

Company name:

"Kaolin" AD

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827182866

Reporting period:

01.01.2010 - 30.09.2010

ПГ-05-

(thousand BGN)

ПОКАЗАТЕЛИ	Code	Type and number of securities			Securities value			
		ordinary	priviledged	convertible	reported value	revaluation		revaluation (4+5) 6)
						increase	decrease	
a	b	1	2	3	4	5	6	7
I. Non-current financial assets in securities								
1. Shares	7-3031							0
2. Bond, incl.:	7-3035							0
municipality bonds	7-3035-1							0
3. Treasury bonds	7-3036							0
4. Other	7-3039							0
Total non-current financial assets in securities:	7-3040	0	0	0	0	0	0	0
II. Current financial assets in securities								
1. Shares	7-3001	3000			7		3	4
2. Own shares repurchased	7-3005							0
3. Bonds	7-3006							0
4. Own bonds repurchased	7-3007							0
5. Treasury bonds	7-3008							0
6. Derivatives and other financial instruments	7-3010-1							0
7. Other	7-3010							0
Total current financial assets in securities:	7-3020	3000	0	0	7	0	3	4

Note: A company that owns short-term and long-term investment securities presents a separate statement for each country

Date: 29.10.2010

Accountant: Irina Stoyanova

Manager: Aleksandar Prokopiev

B. ABROAD					
I. Investments in subsidiaries					
1. "Jugo Kaolin" AD, Serbia		12 422	100,00		12 422
2. "Kaolin Azov", Ukraine		403	50,10		403
3. "Kaolin Mineral", Romania		538	100,00		538
4. "Promineral", Ukraine		515	93,00		515
5. "PKSP", Ukraine		19 006	51,00		19 006
6. "M.I.D." AL, Albania		1 047	92,00		1 047
7. "Kaolin Industrial Minerals", Turkey		592	80,00		592
8. "Kaolin Albania", Albania		92	92,00		92
Total	8-4030	34 615		0	34 615
II. Investments in joint ventures					
1.					0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
Total	8-4035	0		0	0
III. Investments in associated companies					
1.					0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
Total	8-4040	0		0	0
IV. Investments in other companies					
1.					0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
Total	8-4045	0		0	0
Total for abroad (I+II+III+IV):	8-4050	34 615		0	34 615

Date: 29.10.2010

Accountant: Irina Stoyanova

Manager: Aleksandar Prokopiev