

INDEPENDENT AUDITOR'S REPORT

TO
The Shareholders of
Plesio Estate AD -
Sofia City

Financial Statement Report

We have audited the enclosed financial statement of **Plesio Estate AD – Sofia City**, comprising the accounting balance sheet as of 31 December 2009, and the income statement, statement of changes in equity capital, statement of the cash flows for the year ended on such date, as well as the summarized disclosure of the material accounting policies and other explanatory enclosures.

Responsibility of the management for the financial statement

The responsibility for preparation and truthful presentation of this financial statement in compliance with the International Financial Reporting Standards is assumed by the management. This responsibility involves: development, implementation and maintenance of an internal control system, relating to the preparation and truthful presentation of financial statements, which are to be free of any significant inaccuracies, deviations and discrepancies, regardless of whether these are due to fraud or error; selection and application of appropriate accounting policies; and preparation of accounting estimates, which are to be reasonable under the specific circumstances.

Auditor's responsibility

Our responsibility comes down to rendering an auditor's opinion on such financial statement, based on the audit performed by us. Our audit was conducted in accordance with the professional requirements of the International Standards on Auditing. These standards enforce compliance with the ethical requirements, and they require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of significant inaccuracies, deviations and discrepancies.

The audit comprises the implementation of procedures for the purposes of obtaining auditor's evidence regarding the sums and disclosures, presented in the financial statement. The selected procedures depend on the auditor's discretion, including an assessment of the risks of significant inaccuracies, deviations and discrepancies in the financial statement, regardless of whether these are due to fraud or error. When performing such evaluations of the risk, the auditor takes account of the internal control system, relating to the preparation and truthful presentation of the financial statement on the part of the enterprise, in order to elaborate auditing procedures, suited to these circumstances, however not intended to express



an opinion regarding the efficiency of the enterprise internal control system. The audit also involves assessment of the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates, as made by the management, as well as evaluation of the overall presentation in the financial statement.

We believe that the audit performed by us provides sufficient and proper grounds for the auditor's opinion rendered by us.

Opinion

As a result, we hereby certify that the financial statement truthfully represents, in all material aspects, the financial standing of **Plesio Estate AD – Sofia City** as of 31 December 2009, as well as its financial performance and the cash flows for the year, ended on such date, in compliance with the International Financial Reporting Standards.

Report on other legal and regulatory requirements

Annual statement of operations of the Company pursuant to the requirements of the Accountancy Act (Art. 33).

In compliance with the requirements of the Bulgarian Accountancy Act (Art. 38, para. /4/), we have familiarized ourselves with the management's annual statement of operations of the Company for the reporting year 2009. This statement does not constitute part of its annual financial statement for the said period. The responsibility for preparation of such annual statement of operations is assumed by the Company management. The background financial information, presented in the annual statement of operations, corresponds in all material aspects to the information, presented and disclosed in the financial statement of the Company as of 31.12.2009, prepared in compliance with the International Financial Reporting Standards, as adopted by the European Union Commission.

19.01.2010
Sofia

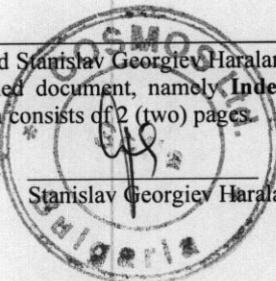
Registered Auditor: _____ /Sgt. /
Veselin St. Dichev

Seal of Veselin Dichev,
Registered Auditor No. 0338

I, the undersigned Stanislav Georgiev Haralampiev, do hereby certify that the foregoing translation from Bulgarian into English of the attached document, namely **Independent Auditor's Report**, is true and correct to the best of my knowledge. The translation consists of 2 (two) pages.

Sworn translator:

Stanislav Georgiev Haralampiev



ДОКЛАД НА НЕЗАВИСИМИЯ ОДИТОР

до
Акционерите на
"Плесио Истейт" АД –
гр. София

Доклад върху финансовия отчет

Ние извършихме одит на приложения финансова отчет на "Плесио Истейт" АД – гр. София, включващ счетоводния баланс към 31 декември 2009 година и отчет за всеобхватния доход, отчет за промените в собствения капитал, отчет за паричните потоци за годината, завършваща на тази дата, както и обобщеното оповестяване на съществените счетоводни политики и другите пояснителни приложения.

Отговорност на ръководството за финансовия отчет

Отговорността за изготвянето и достоверното представяне на този финансов отчет в съответствие с Международните стандарти за финансови отчети се носи от ръководството. Тази отговорност включва: разработване, внедряване и поддържане на система за вътрешен контрол, свързана с изготвянето и достоверното представяне на финансови отчети, които да не съдържат съществени неточности, отклонения и несъответствия, независимо дали те се дължат на измама или на грешка; подбор и приложение на подходящи счетоводни политики; и изготвяне на приблизителни счетоводни оценки, които да са разумни при конкретните обстоятелства.

Отговорност на одитора

Нашата отговорност се свежда до изразяване на одиторско мнение върху този финансов отчет, основаващо се на извършения от нас одит. Нашия одит бе проведен в съответствие с професионалните изисквания на Международните одиторски стандарти. Тези стандарти налагат спазване на етичните изисквания, както и одитът да бъде планиран и проведен така, че ние да се убедим в разумна степен на сигурност доколко финансовия отчет не съдържа съществени неточности, отклонения и несъответствия.

Одитът включва изпълнението на процедури с цел получаване на одиторски доказателства относно сумите и оповестяванията, представени във финансовия отчет. Избраните процедури зависят от преценката на одитора, включително оценката на рисковете от съществени неточности, отклонения и несъответствия във финансовия отчет, независимо дали те се дължат на

измама или на грешка. При извършването на тези оценки на риска одиторът взема под внимание системата за вътрешен контрол, свързана с изготвянето и достоверното представяне на финансовия отчет от страна на предприятието, за да разработи одиторски процедури, които са подходящи при тези обстоятелства, но не с цел изразяване на мнение относно ефективността на системата за вътрешен контрол на предприятието. Одитът също така включва оценка на уместността на прилаганите счетоводни политики и разумността на приблизителните счетоводни оценки, направени от ръководството, както и оценка на цялостното представяне във финансовия отчет.

Считаме, че извършеният от нас одит предоставя достатъчна и подходяща база за изразеното от нас одиторско мнение.

Mнение

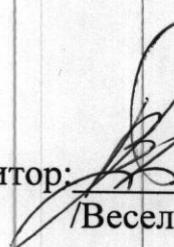
В резултат на това удостоверяваме, че финансовият отчет представя достоверно, във всички съществени аспекти финансовото състояние на **"Плесио Истейт" АД – гр. София** към 31 декември 2009 година, както и неговите финансни резултати от дейността и паричните потоци за годината, завършваща тогава, в съответствие с Международните стандарти за финансови отчети.

Доклад върху други правни и регуляторни изисквания

Годишен доклад за дейността на Дружеството по изискванията на Закона за счетоводството (чл.33)

В съответствие с изискванията на българския Закон за счетоводството (чл.38, ал(4)), ние сме се запознали с годишния доклад на ръководството за дейността на Дружеството за отчетната 2009 год. Този доклад не представлява част от годишния му финансов отчет за същия период. Отговорността за изготвянето на този годишен доклад за дейността се носи от ръководството на Дружеството. Историческата финансова информация, представена в годишния доклад за дейността, съответства във всички съществени аспекти на информацията, представена и оповестена във финансовия отчет на Дружеството към 31.12.2009 година, изготвен в съответствие с Международните стандарти за финансови отчети, приети от Комисията на Европейския съюз.

19.01.2010 год.
София

Регистриран одитор:

/Веселин Ст. Дичев/

0338
Веселин
Дичев
Регистриран одитор

BALANCE SHEET

Description	PLESIO ESTATE JSC (in €)			PLESIO ESTATE JSC (in €)		
	Book Value	Depreciation	Balance	Book Value	Depreciation	Balance
Assets						
Fixed Assets	1.311.025,92 €	190.765,06 €	1.120.260,86 €	1.311.025,92 €	146.071,79 €	1.164.954,13 €
Intangible assets	299,00 €	299,00 €	0,00 €	299,00 €	299,00 €	0,00 €
Trademarks, licences and similar rights	299,00 €	299,00 €	0,00 €	299,00 €	299,00 €	0,00 €
Goodwill						
Property, plant and equipment	1.310.726,92 €	190.466,06 €	1.120.260,86 €	1.310.726,92 €	145.772,79 €	1.164.954,13 €
Land and buildings	1.290.150,32 €	186.646,87 €	1.103.503,45 €	1.290.150,32 €	143.372,25 €	1.146.778,07 €
Land						
Buildings			0,00 €			0,00 €
Leasehold improvements						
Investment property	1.290.150,32 €	186.646,87 €	1.103.503,45 €	1.290.150,32 €	143.372,25 €	1.146.778,07 €
Office equipment, operational and other equipm	20.576,60 €	3.819,19 €	16.757,41 €	20.576,60 €	2.400,54 €	18.176,06 €
Operational equipment	16.180,00 €	2.426,90 €	13.753,10 €	16.180,00 €	1.887,59 €	14.292,41 €
Office furniture and fixtures	4.396,60 €	1.392,29 €	3.004,31 €	4.396,60 €	512,95 €	3.883,65 €
Transportation	0,00 €	0,00 €	0,00 €			0,00 €
EDP Hardware						
Advance payments and construction in progress	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Adavance payments						
Construction in progress						
Accounting for leases						
Financial assets	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Investments in equity compnaies						
Loan due from equity companies						
Investments in affiliated companies						
Loan due from affiliated companies						
Security investments						
Other loans						
Inventories	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Merchandise						
Work in progress						
Finished goods	0,00 €		0,00 €			0,00 €
Receivables Clients	2.841,63 €		2.841,63 €	1.803,72 €		1.803,72 €
Advance payments						
Other receivables and other assets						
Personnel						
Tax	1.082,21 €		1.082,21 €	899,59 €		899,59 €
Court receivables	0,00 €		0,00 €	0,00 €		0,00 €
Other	852,15 €		852,15 €	852,15 €		852,15 €
Accounts receivables						
Accounts receivables	0,00 €		0,00 €			0,00 €
Cheques receivables						0,00 €
Prepaid Expences	907,27 €		907,27 €	51,98 €		51,98 €
Accounts due from other group companies	0,00 €		0,00 €	0,00 €		
Accounts due from other receivables						
Deferred income						
Deferred expenses and deferred charges						
Other Assets	75.856,32 €	0,00 €	75.856,32 €	29.626,35 €	0,00 €	29.626,35 €
Cash and cash equivalents	75.856,32 €	0,00 €	75.856,32 €	29.626,35 €	0,00 €	29.626,35 €
Cash on hand	644,70 €		644,70 €	678,26 €		678,26 €
Cash on banks	75.211,62 €		75.211,62 €	28.948,09 €		28.948,09 €
Time deposits						
Deferred taxes		0,00 €				
Start up and business expansion expenses						
Total assets	1.389.723,87 €	190.765,06 €	1.198.958,81 €	1.342.455,99 €	146.071,79 €	1.196.384,20 €
Shareholders' Equity and Liabilities						
Shareholders' equity	1.187.647,93 €		1.187.647,93 €	1.188.034,43 €		1.188.034,43 €
Capital stocks	1.058.000,00 €		1.058.000,00 €	1.058.000,00 €		1.058.000,00 €
Additional paid-in-capital	0,00 €		0,00 €			0,00 €
Reserves retained from earnings						
Reserves retainend from earnings	84.624,81 €		84.624,81 €	79.579,29 €		79.579,29 €
Net income for the period, after tax	0,00 €		0,00 €	0,00 €		0,00 €
Net profit	45.023,12 €		45.023,12 €	50.455,14 €		50.455,14 €
Minorities						
Long term liabilities	4.051,46 €		4.051,46 €	3.129,96 €		3.129,96 €
Provision for taxes						
Deferred Tax liabilities	4.051,46 €		4.051,46 €	3.129,96 €		3.129,96 €
Provisions for pensions						
Deferred Income (more 1 year)						
Other provisions						
Short term bank loans						
Other short term liabilities	7.259,42 €		7.259,42 €	5.219,81 €		5.219,81 €
Liabilities						
Liability from Finance Leases						
Liabilities due to banks						
Advance payments	0,00 €		0,00 €	0,00 €		0,00 €
Accounts payable -trade- notes payables	5.324,15 €		5.324,15 €	3.278,33 €		3.278,33 €
Accounts due to affiliated companies						
Accounts due to other group companies	0,00 €		0,00 €	0,00 €		0,00 €
Deferred Income (less 1 year)						
Tax liabilities	1.935,27 €		1.935,27 €	1.941,48 €		1.941,48 €
Other liabilities	0,00 €		0,00 €	0,00 €		0,00 €
Total liabilities	1.198.958,81 €	0,00 €	1.198.958,81 €	1.196.384,20 €	0,00 €	1.196.384,20 €

18.01.2010

Съставил:

Ръководител:

0338
Веселин
Дичев
Регистриран одитор



19.01.2010г. Зеберъ DEC :

Prepared by Todorka Stancheva
Address Sofia, Bulgaria

PROFIT & LOSS STATEMENT

Description		PLESIO ESTATE JSC (in €)	
	from:	1/Jan/2009	1/Jan/2008
	to:	31/Dec/2009	31/Dec/2008
Sales		154.841,45 €	151.596,00 €
Cost of sales		0,00 €	0,00 €
Gross profit		154.841,45 €	151.596,00 €
Distribution expenses		0,00 €	
Administration expenses		104.704,19 €	95.444,03 €
Other operating income		0,00 €	0,00 €
Profit from operations		50.137,26 €	56.151,97 €
Finance cost/income		-156,86 €	-142,40 €
Financial Cost		221,37 €	350,54 €
Financial Income		64,51 €	208,14 €
Share of profit from associates			
Profit before tax		49.980,40 €	56.009,57 €
Income tax expense		4.957,28 €	5.554,43 €
Profit after tax		45.023,12 €	50.455,14 €
Earnings per share			

PROFIT & LOSS STATEMENT

Description		PLESIO ESTATE JSC (in €)	
	from:	1/Jan/2009	1/Jan/2008
	to:	31/Dec/2009	31/Dec/2008
Sales		154.841,45 €	151.596,00 €
Cost of sales		0,00 €	0,00 €
Gross profit		154.841,45 €	151.596,00 €
Other operating income		0,00 €	0,00 €
Expenses		104.704,19 €	95.444,03 €
Personel		4.632,55 €	4.760,37 €
Overtime - Bonus			
Social Security		206,99 €	326,22 €
Marketing		0,00 €	0,00 €
Transportation		3,42 €	0,00 €
Consumption		36,81 €	0,00 €
Leasing on Rents		0,00 €	0,00 €
Third Party Expenses		4.714,87 €	0,00 €
Infrastructure Utilities		40.942,09 €	36.355,06 €
Depreciation		44.693,27 €	43.672,79 €
Other Expenses		9.474,19 €	10.329,59 €
Other operating income			
Profit from operations		50.137,26 €	56.151,97 €
Financial Cost		221,37 €	350,54 €
Financial Income		64,51 €	208,14 €
Share of profit from associates			
Profit before tax		49.980,40 €	56.009,57 €
Income tax expense		4.957,28 €	5.554,43 €
Profit after tax		45.023,12 €	50.455,14 €
Earnings per share			

18.01.2010

Съставил:

Ръководител:

19.01.2010. Заверял DEC.

0338
Веселин
Дичев
Регистриран одитор



Prepared by Todorka Stancheva

Address Sofia, Bulgaria

STATEMENT OF CASH FLOWS

	Description	PLAISIO ESTATE JSC (in €)	
	from:	1/Jan/2009	1/Jan/2008
	to:	31/Dec/2009	31/Dec/2008
Operating Activities			
Profits before taxes		49.980,40 €	56.009,57 €
Plus/less adjustments for:			
Depreciation/amortization		44.693,27 €	43.672,79 €
Fixed assets omissions			
Provisions			
Exchange differences			
Results (income, expenses, profit and loss) from investing activities			
Interest expenses and related costs			
Plus/less adjustments for changes in working capital or related to operating activities:			
Decrease/ (increase) in inventories		0,00 €	
Decrease/ (increase) in receivables		-1.037,91 €	81.416,96 €
(Decrease)/ increase in liabilities (except for banks)		2.039,61 €	-78.773,99 €
Less:			
Interest charges and related expenses paid			
Paid taxes		-4.035,78 €	-4.606,17 €
Total inflows / (outflows) from operating activities (a)		91.639,59 €	97.719,16 €
Investing Activities			
Acquisition of subsidiaries, affiliated companies, joint-ventures and other investments			
Purchase of tangible and intangible fixed assets		0,00 €	-84.348,45 €
Earnings from sales of tangible and intangible fixed assets			
Received interest			
Received dividends			
Total inflows / (outflows) from investing activities (b)		0,00 €	-84.348,45 €
Financing Activities			
Proceeds from share capital increase		0,00 €	0,00 €
Proceeds from issued loans			
Payments of loans			
Payments of financial leasing liabilities (capital installments)			
Dividends paid		-45.409,62 €	-42.030,62 €
Total inflows / (outflows) from financing activities (c)		-45.409,62 €	-42.030,62 €
Net increase / (decrease) in cash and cash equivalent for the period (a) + (b) + (c)		46.229,97 €	-28.659,91 €
Cash and cash equivalent in the beginning of period		29.626,35 €	58.286,26 €
Cash and cash equivalent in the end of period		75.856,32 €	29.626,35 €

18.01.2010

Съставил:

Ръководител:



19.01.2010.

Запечатан DEC



Prepared by Todor Stancheva
Address Sofia, Bulgaria

STATEMENT OF CHANGES IN EQUITY

Description	PLESIO ESTATE JSC (in €)								
	Issued Share Capital	Issue of Shares At a Premium	General Reserve	Special Reserve	Revaluation Reserve	Tax free Reserve	Reserves Taxed at a Preferential Rate	Revenue Reserve	Total
Balanse, January 1, 2009	1.058.000,00		79.579,29					50.455,14	1.188.034,43
Increase/(decrease) of the share capital	0,00								0,00
Distributed dividends								(45.409,62)	(45.409,62)
Net income recognized directly in equity								(5.045,52)	0,00
Net income (loss) for the period, after tax								45.023,12	45.023,12
Acquisition (sale) of own shares								0,00	0,00
Balanse, December 31, 2009	1.058.000,00		84.624,81	0,00	0,00	0,00	0,00	45.023,12	1.187.647,93

STATEMENT OF CHANGES IN EQUITY

Description	PLESIO ESTATE JSC (in €)								
	Issued Share Capital	Issue of Shares At a Premium	General Reserve	Special Reserve	Revaluation Reserve	Tax free Reserve	Reserves Taxed at a Preferential Rate	Revenue Reserve	Total
Balanse, January 1, 2008	1.058.000,00		74.909,22					46.700,69	1.179.609,91
Increase/(decrease) of the share capital	0,00								0,00
Distributed dividends								-42.030,62	-42.030,62
Net income recognized directly in equity								-4.670,07	0,00
Net income (loss) for the period, after tax								50.455,14	50.455,14
Acquisition (sale) of own shares								0,00	0,00
Balanse, December 31, 2008	1.058.000,00		79.579,29	0,00	0,00	0,00	0,00	50.455,14	1.188.034,43

18.01.2010

Ръководител:



0338
Веселин
Данчев
Регистриран отговорен

19.01.2010.

Запечат: ДЦС: