

# ***Annual Report on the Activity of*** ***“AKTOR BULGARIA” EAD***

The annual report on the activity of “AKTOR BULGARIA” EAD for the year 2011 has been compiled in accordance with the requirements of art.33 of the Accounting Act, art.189 and art.247 of the Commerce Act, on the basis of analysis of the development, market presence, the public, macro – and micro-economic environment, financial and economic status of the company for 2011 and the perspectives for development. The report represents a commentary and analysis of the financial reports and other significant information about the financial status and the results from the activities of the companies.

The annual report on the activity of “AKTOR BULGARIA” EAD for 2011 has been discussed and accepted by the Board of directors at a meeting of theirs and recorded in a minutes of the same meeting.

## **ОРГАНИЗАЦИОННА ФОРМА ORGANIZATION FORM**

“AKTOR BULGARIA” EAD is a legal entity established as a sole joint-stock company with decision № 258/11.01.2007 on a company case № 63/2007 at the Regional Court of Plovdiv.

**Company:** “AKTOR BULGARIA” EAD

**Subject of activity of the company is:** Trade representation of “KASTOR” AD.

**Seat:** The company has its company seat and registered address at: Plovdiv, R.D. Maritsa Gardens, block 10, office 1, telephone: 032/ 396 760, fax: 032/396 762, e-mail: aktor@aktor.bg.

**Property:** The Company is 100% property of a foreign legal entity.

**Capital:** “AKTOR BULGARIA” EAD has a capital of 50 000 / fifty thousand / lv formed by cash payments, distributed in 50 000 nominal, available shares with the right of vote, with a nominal value of each one of them of 1 / one / lv. The shares of the company have been registered and the capital has been entirely deposited.

A sole owner of the capital is “AKTOR ATD”, Athens, 18 “Filelilon” Street, entered into the register of the Trade companies of Prefecture Athens under the



number of 8153/01AT /in/ 86/355/05 and it is legally represented by Dimitrios Athanasios Koutras – Chairman and General Director.

**Management authorities:**

“AKTOR BULGARIA” EAD has a single-stage system of management – a Board of Directors with a mandate of 5 years, consisting of the following members:

» SIMOS PAVLOS PANAGIOTIDIS, a citizen of the Republic of Greece, born on 19.06.1973 in Tashkent, Republic of Uzbekistan, – Deputy Chairman of the Board of Directors;

» IVAN MLADENOV SOKOLOV, Uniform Civil Number 6201027365, city of Plovdiv, 11 Akademik Petar Dinekov, Blvd.;

» NIKOLAOS DIMITRIOS CHATZITHEODOSIOU, citizen of the Republic of Greece, born on 02.10.1954 in Kavala, region of Kavala and

» DIMITRIOS ATHANASIOS KOUTRAS, citizen of the Republic of Greece, born on 23.03.1944 in Perivoli Dom, region of Phthiotis – chairman of the Board of Directors and executive director.

**Related persons:** The company has relations of a related person to the following enterprises: “AKTOR ATD”, “AKTOR Joint-Stock Construction” BFC, GD “CONSORTIUM AKTOR” and GD CONSORTIUM BIOSAR ENERGY AKTOR.

**Human resources:** The average number of personnel hired under employment agreements for the reported period is 3, from whom 2 are technical persons and 1 person of servicing personnel.

**Responsibilities of the management:** According to the Bulgarian legislation, the management shall prepare a financial report for each financial year, which has to give a true and fair idea of the financial status of the Company towards the end of the year, its financial representation and cash flows.

The management confirms that it has consecutively applied adequate accounting policies while compiling the annual financial report towards December 31<sup>st</sup>, 2011 and that it has made reasonable and cautious estimations, assumptions and approximate assessments.

The management also confirms that it has adhered to the accounting standards in force, and that the financial report has been prepared on the principle of the operating enterprise.

The management bears responsibility for correct keeping of the accounting registers, for the expedient management of the assets and for undertaking of the measures necessary for avoiding and founding out of eventual misuses and other irregularities.



**Operating enterprise:** The company management thinks that the company is operating and that it will remain operating, there are no plans and intentions for termination of the activity.

## **CHARACTERISTICS OF THE ACTIVITY**

The activity of “AKTOR BULGARIA” EAD during the past year 2011 has developed in the following directions:

- representing GD “CONSORTIUM AKTOR” на ГД „КОНСОРЦИУМ АКТОР”;
- trade representation of “KASTOR” AD.
- participation in GD Consortium Biosar Energy Aktor with the purpose of survey, engineering and construction of photovoltaic power plants and Agreements for maintenance of photovoltaic power plants for the following projects:
  - project with name “FOX” with investor “AES Solar Bulgaria Fox” EOOD
  - project with name “VILO” with investor “AES Solar Bulgaria Vilo” EOOD
  - project with name “GERAN” with investor “AES Solar Bulgaria Geran” EOOD
  - project with name “OKEAN” with investor “AES Solar Bulgaria Okean” EOOD
  - project with name “MONTAN” with investor “AES Solar Bulgaria Montan” EOOD
  - project with name “RENAR” with investor “AES Solar Bulgaria Renar” EOOD
  - project with name “SAINT GEORGE” with investor AES Solar

### **Achievements**

In 2011 the company represented GD CONSORTIUM AKTOR before all instances necessary for achieving of the main goal according to a contract concluded with Plovdiv Municipality for general repair, reconstruction and rearrangement of an existing construction of building “City House of Culture”.

With regard to its obligations under the contract for Trade representation of “KASTOR” AD, the company was actively working on establishment of new business contacts, with the purpose of implementing and expanding of the activities of the company- trader.



Contracts were signed and construction of the photovoltaic power plants commenced as per the following projects:

project with the name "FOX" with investor "AES Solar Bulgaria Fox" EOOD  
EOOD

project with the name "VILO" with investor „AES Solar Bulgaria Vilo" EOOD

project with the name "GERAN" with investor „Ей И ЕС Солар България Геран"  
EOOD

project with the name "OKEAN" with investor "AES Solar Bulgaria Okean" EOOD

project with the name "MONTAN" with investor "AES Solar Bulgaria Montan"  
EOOD

project with the name "RENAR" with investor "AES Solar Bulgaria Renar" EOOD

#### **Results from the activity**

The incomes of the company during the accounting year have increased in comparison to the foregoing period by 2.68%. The incomes from sale of services - 100% have a basic share therein.

(in thous. lv.)

Name	2011	Share in %	2010	Share in %
<b>Net incomes from sales</b>	<b>112</b>	<b>100.00</b>	<b>109</b>	<b>97.32</b>
Incomes from sale of services	112	100.00	109	97.32
Incomes from sale of assets	-	-	-	-
<b>Extraordinary incomes</b>	-	-		
<b>Incomes in total:</b>	<b>112</b>	<b>100</b>	<b>109</b>	<b>100</b>

The most significant share in the structure of the expenses for the activity have expenses for external services – 69.16 % of the total expenses for the activity.

(in thous. lv)

Type of expense	2011	Share in %	2010	Share in %
Expenses for materials	1	0.9		
Expenses for external services	74	69.16	76	71.70
Expenses for amortizations	4	3.74	4	3.77

Expenses for salaries	22	20.56	22	20.75
Expenses for social insurances	4	3.74	4	3.77
Expenses for taxes, fees and the like	-	-	-	
Other expenses	2	1.9	-	
<b>Expenses in total</b>	<b>107</b>	<b>100</b>	<b>106</b>	<b>100</b>

In compliance with the audited annual report as at 31.12.2011 the company accounts a profit to the amount of 5 thousand leva.

### Structure and dynamics of the assets

ASSETS	As at 31.12.2011		As at 31.12.2010r.	
	thous. lv	%	thous. lv	%
I.NON-CURRENT ASSETS	40	6	44	5.99
II.CURRENT ASSETS, incl.:	626	94	690	94.01
Trade and other receivables	608	91.44	687	93.60
<b>ASSETS IN TOTAL</b>	<b>666</b>	<b>100</b>	<b>734</b>	<b>100</b>

83.56 % or 509 thous. lv. from the amount of the receivables –are from transactions with related persons and in particular receivable from “Kastor” AD on occasion of the contract for trade representation of “KASTOR” AD.

The transactions with related persons are from the current activity and have been concluded in accordance with the usual market relations.

### Structure and dynamics of the liabilities

The liability of the balance as at 31.12.2011 is 734 thousand lv and it has been structured as follows:

LIABILITIES	As at 31.12.2011		As at 31.12.2010	
	thous. lv	%	thous. lv	%
I.OWN CAPITAL	(321.00)	(48.2)	(326)	(44.41)

II.NON-CURRENT LIABILITIES	-	-	-	-
III.CURRENT LIABILITIES	987	148.20	1060	144.41
<b>LIABILITIES IN TOTAL</b>	<b>666</b>	<b>100.00</b>	<b>734</b>	<b>100.00</b>

The obligations to the suppliers and clients come from the current trade activity and as at 31.12.2011 they amount to 11 thous. lv.

The obligations towards related persons as at 31.12.2011 are to the amount of 973 thous. lv. to "AKTOR ATD" on occasion of current trade relations.

The financial and economic parameters achieved by the company for the year 2011 in comparison to 2010 are as follows:

Parameters					
№	Parameters	2011	2010	Difference	
		Value	Value	Value	%
1	Long-term assets /total/	40	44	(4)	-9%
2	Short-term assets , incl.	626	690	(64)	-9%
4	Material reserves	-	-	-	
5	Short-term receivables	609	687	(78)	-11%
7	Funds	17	3	14	467%
8	Total sum of the assets	666	734	(68)	-9%
9	Own capital	(321)	(326)	5	-2%
10	Financial result	5	3	2	67%
11	Long-term liabilities	-	-	-	-
12	Short-term liabilities	987	1,060	(73)	-7%
13	Total sum of the liabilities	987	1,060	(73)	-7%
14	Incomes in total	112	109	3	3%
15	Incomes from sales	112	109	3	3%
16	Expenses in total	107	107	-	0%
Coefficients					
№	Coefficients	2011	2010	Difference	
		Value	Value	Value	%
<b>Profitability:</b>					
1	Of own capital	(0.02)	(0.01)	(0.01)	69%
2	Of assets	0.01	0.00	0.00	84%
3	Of liabilities	0.01	0.00	0.00	79%
4	Of incomes from sales	0.04	0.03	0.02	62%
<b>Effectiveness:</b>					
5	Of expenses	1.05	1.02	0.03	3%
6	Of incomes	0.96	0.98	(0.03)	-3%
<b>Liquidity:</b>					
7	Total liquidity	0.63	0.65	(0.02)	-3%
8	Fast liquidity	0.63	0.59	0.04	7%

9	Immediate liquidity	0.63	0.65	(0.02)	-3%
10	Absolute liquidity	0.02	0.00	0.01	509%
	<b>Financial independence:</b>				
11	Financial independence	(0.33)	(0.31)	(0.02)	6%
12	Indebtedness	(3.07)	(3.25)	0.18	-5%

## ***BASIC RISKS INFLUENCING THE ACTIVITY OF CA "CONSORTIUM AKTOR BULGARIA" EAD***

Upon carrying out its activity "AKTOR BULGARIA" EAD is exposed to some risks, which exert an influence on its results.

The risky factors can be classified in general in two basic groups:

- systematic – related to the risk generated from the development of the economics as a whole and turn to be a result of the fluctuations in basic macroeconomic parameters and
- non-systematic – related to the subject of activity of the company, to possible changes in the demands and to the development of competition in the sector.

### **Systematic risks**

#### **Macro-economic risks**

The macroeconomic risk reflects the impact of the economic processes in the country on the economic and investment process and more precisely on the return of the investments. The macro-economic risk is determined by the probability to break the macroeconomic stability in Bulgaria. During the current year, the occurred world- wide economic and financial crisis is expected to impose an unfavorable effect on the economic and investment climate in the country.

#### ***Currency risk***

The currency risk is related to the possibility that the incomes and expenses of the economic operators in the country could be affected by the changes in the currency rate of the national currency compared to the main currencies on the international market. The imposing of currency board in Bulgaria, as well as of the Euro as unified means of payment in the EU, minimized the currency risk for investors, who have based their investments on the Euro. The company is not imposed to significant currency risk because all its operations and deals are in BGN or Euro, as far as the latter has a fixed rate compared to the lev according to the law.

#### **Non-systematic risks**

### **Company risk**





The company risk is connected to the character of the main activity of the company, to the parameters and organization of the production-technological process, to the ensuring of financial results and to other factors. The impact of this risk on the activity of the company depends on the professional qualities of the management. For its minimizing, it has been relied on the increased effectiveness from internal company planning and foreseeing, which will provide possibilities for overcoming eventual negative consequences from an occurred risky event.

## **RESEARCH AND DEVELOPMENT ACTIVITY**

In 2011 the company has not developed any actions related to the research and development activity.

## **EVENTS HAVING OCCURRED AFTER THE DATE TOWARDS WHICH THE ANNUAL FINANCIAL REPORT HAS BEEN COMPILED**

Between the date of the annual financial report and the date of its approval for publishing, no correcting and non-correcting events arose, which could cause any special announcements.

## **PERSPECTIVES FOR DEVELOPMENT**

It has set itself the task to work for popularizing of "KASTOR" AD Company in the country and assist its development and implementation of its activity; to participate actively in big public procurements, with the purpose of assisting the activity of the companies of AKTOR group.

The company estimates that the entire information that could be important to the share-holders and investors upon taking a well- grounded investment decision has been publically announced by the company.

Executive Director:

  
/Dimitrios Koutras/

