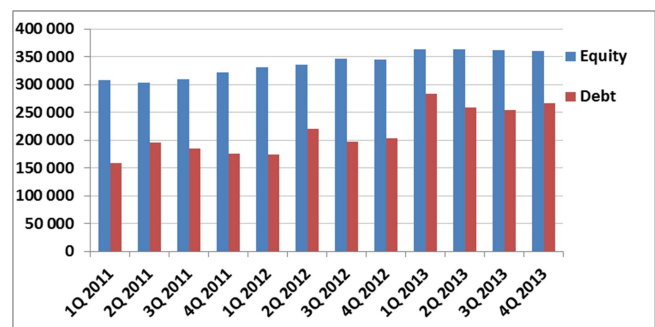
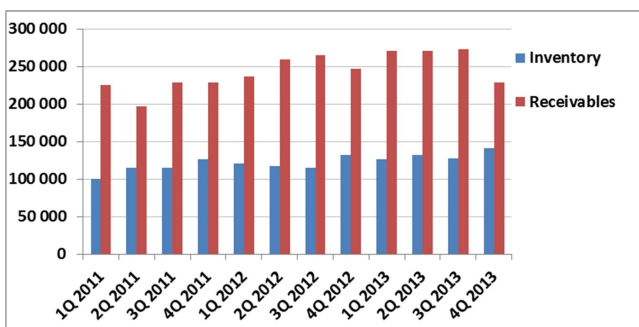
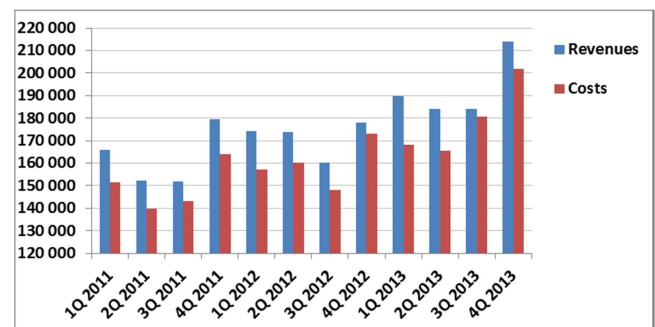
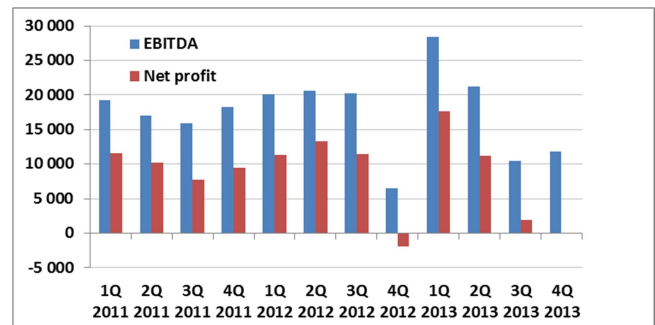


- The consolidated report of Sopharma (3JR) showed solid increase of revenues on yearly basis. The pharmaceutical group announced 20% increase of sales. The company also reported 12% growth for total 2013, mainly generated by the higher turnover in the distribution unit Sopharma Trading (S05).
- The consolidated profit of the group in 2013 is 9% lower as compared to a year ago. Weak results during the second quarter of 2013 were due to the financial loss from investments in the subsidiary Doverie United Holding. Moreover, costs increased during the third quarter, including depreciation and interest expenses.
- The decreased profitability due to the cost pressure during the third quarter of 2013 is temporarily factor. Margins are

returning to normal levels and the profitability in the fourth quarter was better on yearly basis. The company reported better sales in January as export jumped by 9%.

- Receivables are declining to 2-year low. When comparing to assets, their level is corresponding to the average for 2008. The company reported double decrease of receivables from related companies, mainly loans to subsidiaries. Receivables from clients grew on yearly basis with slower pace than revenues.
- The level of inventories to assets remained hardly changed to the average for the last two years.
- Treasury shares were 5.675 million or 4.3% of the capital. Sopharma’s short-term debt increased last year.

	4Q 2013	q-o-q	y-o-y
Revenues	213 835	16.18%	20.20%
Costs, incl.	201 957	11.79%	16.74%
depreciation	6 400	2.20%	22.35%
Interest expenses	2 642	0.42%	72.12%
EBITDA	11 839	13.18%	80.64%
EBIT	5 439	29.56%	311.1%
Net profit	38	-98.08%	-
Assets	787 028	-0.03%	5.27%
Long-term assets	309 154	1.36%	6.75%
Inventories	140 722	10.47%	6.41%
Receivables	228 597	-16.29%	-7.31%
Cash	27 155	18.07%	68.59%
Equity	360 096	-0.53%	4.61%
Long-term loans	56 556	3.52%	-0.8%
Short-term loans	209 743	5.43%	42.80%



*Source: Sopharma; '000 BGN

Financial Data

Statement of Income (in '000 BGN)	2009	2010	2011	2012	2013
Sales	503 983	603 062	649 572	694 027	771 832
Production expenses	390 996	479 384	515 097	554 472	618 091
Personnel expenses	46 990	51 547	65 200	68 972	74 852
Net income from financial activities	1 919	259	614	1 518	(7 527)
Other revenues and expenses	29	790	439	619	573
EBITDA	67 945	73 180	70 328	72 720	71 935
Depreciation	17 741	16 329	18 139	21 995	23 549
EBIT	50 204	56 851	52 189	50 725	48 386
Interest expense	8 427	7 961	8 608	7 719	8 701
Pretax income	41 777	48 890	43 581	43 006	39 685
Taxes	4 473	5 333	4 964	4 934	6 021
After-tax income	37 304	43 557	38 617	38 072	33 664
Minority interest	692	842	(227)	2 764	2 789
Net income	36 612	42 715	38 844	35 308	30 875
Earnings per share in BGN	0.28	0.32	0.29	0.28	0.24

Balance Sheet (in '000 BGN)	2009	2010	2011	2012	2013
Total Assets	540 158	625 190	683 362	745 418	787 028
Equity subscriptions receivable	0	0	0	0	0
Fixed assets	230 162	264 451	293 902	354 751	388 771
Tangible fixed assets	182 770	208 550	237 751	292 074	309 154
Financial investments	24 170	20 927	20 043	24 007	9 080
Current assets	309 996	360 739	389 460	390 667	398 257
Inventory	111 251	111 685	126 247	130 950	140 722
Receivables	181 226	202 731	228 973	242 431	228 597
Financial assets	0	0	0	0	0
Cash and cash equivalents	16 843	45 069	32 377	15 767	27 155
Total liabilities + equity	540 158	625 190	683 362	745 418	787 028
Equity	257 543	298 232	321 690	345 879	360 096
Registered capital	131 974	127 357	120 780	118 406	113 005
Capital funds	88 958	128 789	162 066	189 513	213 427
Earnings	36 611	42 086	38 844	37 960	33 664
Liabilities	282 615	326 958	361 672	399 539	426 932
Long-term payables	7 567	10 256	10 228	13 244	18 533
Long-term bank loans	25 115	31 182	23 496	56 844	56 556
Short-term bank debt	94 995	114 465	151 798	203 994	209 743
Short-term payables	126 860	122 008	131 694	79 983	88 092
Other liabilities	0	0	0	0	0
Working capital	88 141	124 266	105 968	106 690	100 422

Cash Flow Statement (in '000 BGN)	2009	2010	2011	2012	2013
Net income	36 612	42 715	38 844	35 308	30 875
Depreciation	17 741	16 329	18 139	21 995	23 549
Changes in Working capital	(3 530)	36 125	(18 298)	722	(6 268)
Other operating cash flow items	(18 506)	(28 072)	10 207	(52 292)	4 553
Net cash from operating activities	32 317	67 097	48 892	5 733	52 709
Capital expenditures	(6 940)	(9 089)	(37 141)	(63 432)	(36 453)
Other investing cash flow items	(16 636)	(38 675)	(24 027)	3 594	11 845
Net cash from investing activities	(23 576)	(47 764)	(61 168)	(59 838)	(24 608)
Issuance/ Retirement of Stock, Net	0	(2 392)	(6 741)	(2 131)	(5 629)
Issuance/ Retirement of Debt, Net	878	12 285	21 415	52 645	(1 882)
Dividends paid	(1 199)	(924)	(12 790)	(11 672)	(10 942)
Other financing cash flow items	(1 244)	(761)	(2 767)	(1 205)	1 740
Net cash from financing activities	(1 565)	8 208	(883)	37 637	(16 713)
Net change in cash	7 176	27 541	(13 159)	(16 468)	11 388
Beginning-of-period cash	9 667	16 843	44 384	32 235	15 767
End-of-period cash	16 843	44 384	31 225	15 767	27 155
Cash per share	0.13	0.34	0.24	0.12	0.21

Financial and Performance Indicators	2009	2010	2011	2012	2013
Valuation Ratios					
Price/Earnings (P/E)	14.28	12.02	10.81	7.62	16.02
Book Value (BV)	1.95	2.26	2.44	2.70	2.85
Price/Book (P/B)	2.03	1.72	1.30	0.78	1.37
Sales Per Share	3.82	4.57	4.92	5.42	6.11
Price/Sales (P/S)	1.04	0.85	0.65	0.39	0.64
Price/Cash per share	9.62	8.69	7.37	4.70	9.09
EV (in BGN)	625 987	613 926	562 677	514 178	733 705
EV/Sales	1.24	1.02	0.87	0.74	0.95
EV/EBITDA	9.21	8.39	8.00	7.07	10.20
EV/EBIT	12.47	10.80	10.78	10.14	15.16
Liquidity					
Current ratio	1.40	1.53	1.37	1.38	1.34
Quick ratio	0.90	1.05	0.93	0.91	0.86
Debt Management					
Debt to total assets	0.52	0.52	0.53	0.54	0.54
Interest coverage	5.96	7.14	6.06	6.57	5.56
LT Debt/Equity	0.13	0.14	0.10	0.20	0.21
Total Debt/Equity	1.10	1.10	1.12	1.16	1.19
Asset Management					
Inventory turnover	4.53	5.40	5.15	5.30	5.48
Days sales outstanding	129	121	127	126	107
Fixed asset turnover	2.19	2.28	2.21	1.96	1.99
Total asset turnover	0.93	0.96	0.95	0.93	0.98
Profitability					
Profit margin on sales	7.3%	7.1%	6.0%	5.1%	4.0%
EBITDA margin	13.5%	12.1%	10.8%	10.5%	9.3%
Basic earning power	9.3%	9.1%	7.6%	6.8%	6.1%
Return on assets	6.8%	6.8%	5.7%	4.7%	3.9%
Return on equity	14.2%	14.3%	12.1%	10.2%	8.6%
Return on investments	12.6%	12.6%	10.9%	8.5%	7.1%
Dividend Information					
Dividend Yield	-	2.19%	2.20%	3.33%	-
Dividend per share	-	0.09	0.07	0.07	-
Number of shares:					
	132 000 000	132 000 000	132 000 000	128 146 265	126 324 658
Price in BGN - period end:					
	3.96	3.89	3.18	2.10	3.92
Market cap in BGN - period end:					
	522 720 000	513 348 000	419 760 000	269 107 157	494 561 036

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