

The background features a decorative graphic consisting of three concentric blue circles of varying sizes, each with a lighter blue outer ring. These circles are positioned in the upper right and lower right areas of the page. Two thin, light blue diagonal lines cross the page, one from the top left towards the center and another from the top right towards the bottom right.

Eurohold Bulgaria AD

**INTERIM MANAGEMENT
REPORT AND FINANCIAL
STATEMENTS**

1 January – 31 December 2013

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as of 31 December 2013**
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INTERIM MANAGEMENT REPORT

containing information on important events occurred in the fourth quarter of 2013 and cumulatively from the beginning of the current year

in accordance with Art. 100o, para. 4, item 2 of the POSA

Financial performance (Stand alone base)

As of 31 December 2013 the financial result of Eurohold Bulgaria AD on stand alone base is a loss in amount of BGN 777 thousand compared to a loss in amount of BGN 5,119 thousand for the same period last year.

The total revenues of the company over the reporting period amounted to BGN 4,767 thousand, of which gains from financial operations – BGN 4,048 thousand and interest income in amount of BGN 719 thousand. For comparison, as of the end of 2012 the total revenues amounted to BGN 711 thousand.

The company slightly decreased the operating expenses – from BGN 5,991 thousand as of 31.12.2012 to BGN 5,628 thousand for the current year. The expenses of different headings decreased their size as of the comparable period, mainly due to the reported lower expenses for external services, decreasing by BGN 380 thousand, as well as due to the slightly increase of the interest expenses by BGN 56 thousand. Only increased staff expenses by BGN 48 thousand because of an increase in the company's staff. The interest expenses amounted to BGN 4,353 thousand decreasing by only 18 thousand in comparison with 2012 despite of the significant reduction of the borrowings from financial and non-financial institutions, due to the increased borrowings from related parties. As of 31 December 2013 the interest expenses to banks amounted to BGN 3,008 thousand, while the accrued interest to related and other parties was in amount of BGN 1,345 thousand. For comparison in 2012 the interest expenses to banks was in amount of BGN 3,700 thousand and the interests to related and other parties amounted to BGN 671 thousand. The increase in interest expenses to subsidiaries was due to the accumulation of a large part of the free cash flow of subsidiaries in the parent company.

At the end of 2013 the company's assets amounted to BGN 337,023 thousand compared to BGN 334,311 thousand as of the end of 2012. As of 31 December 2013 the equity amounted to BGN 273,700 thousand while as of 31 December 2012 the equity amounted to BGN 274,477 thousand.

During the reporting period the company's liabilities increased by BGN 3,489 thousand and amounted to BGN 63,323 thousand compared to BGN 59,834 thousand at 31 December 2012. As of the end of the reported period the non-current liabilities amounted to BGN 56,225 thousand compared to BGN 45,869 thousand at the end of 2012 as the growth of non-current liabilities are due to the increased long-term related and other parties liabilities with BGN 11,682 thousand, as well as due to the decreased liabilities to the financial and non-financial institutions (Accession Mezzanine loan) with BGN 1,326 thousand. The amount of current liabilities is BGN 7,098 thousand compared to the end

of 2012 when amounted to BGN 13,965 thousand or a decrease in current indebtedness with BGN 6,867 thousand. The decrease in current liabilities was due to the repaid current portion of loans to Accession Mezzanine and UniCredit Bulbank AD, used by Eurolease Auto EAD to fund its main business. The loans from financial and non-financial institutions was distributed accordingly depending on the term of repayment as current and non-current liabilities. As of 31 December 2013 the total remaining debt amounted to BGN 25,597 thousand compared to BGN 35,011 thousand at the end of 2012 as during the reported period has been repaid BGN 9,414 thousand to Accession Mezanin and a fully repayment to Unicredit Bulbank AD, matured on 1 August 2013.

During 2013 the efforts of Eurohold Bulgaria have been mainly focused on making investments in the subsidiaries to strengthen their market position, improved their liquidity and cash flow and optimize costs by increasing their capital, as well as by following the policy for reduction the exposure to financial institutions.

INFLUENCE OF THE IMPORTANT EVENTS ON FINANCIAL STATEMENTS AS OF 31 December 2013

During the reporting period have no any important events that could affect results in the financial statements.

DESCRIPTION OF THE KEY RISK FACTORS

1. Systematic risks

Influence of the global economic and financial crisis

The global financial crisis, which started in 2007, led in many countries (including the US, EU countries, Russia, and Japan) to a slowdown of economic growth and an increase in unemployment, limited access to sources of financing and a significant devaluation of financial assets worldwide. The financial crisis also caused significant disturbances on the global financial market which led to reduced confidence on financial markets and, thus, difficulties of entities in the financial sector with maintaining liquidity and raising financing.

Also, the crisis on the global financial market may affect the non banking financial services sector and the sale of the range of products and services by the Group, particularly driven by the possible further decrease in unemployment and drop in disposable incomes. Deterioration in the regional financial system and markets coupled with corresponding low consumer consumption rates could seriously lower sales across all divisions of the Group and thus may also adversely affect the Group's outlook, results and financial situation.

Risks related to the general macroeconomic, political and social situation, and government policy

The macroeconomic situation and the growth rate in the Balkans (Bulgaria, Romania, Macedonia and Serbia) are of key importance to the development of the Group, as well

as government policy, particularly the regulatory policy and the decisions taken by the respective National Banks affecting such external factors as money supply, interest rates and exchange rates, taxes, GDP, inflation rate, budget deficit and foreign debt, and unemployment rate and income structure.

Changes in the demographic structure, mortality or morbidity rate are also important elements affecting the Group's development. The above external factors, as well as other unfavorable political, military or diplomatic developments leading to social instability may lead to a curb on higher-level consumer expenditures, including limitation of funds allocated for insurance coverage, car buying and leasing.

Political risk

This is the risk arising from political processes in the country - the risk of political instability, changes in government principles, legislation and economic policy. Political risk is directly related to the likelihood of unfavorable changes in the direction of governmental long-term policies. As a result there is a danger of adverse changes in the business climate.

Long-term political environment in the Balkans (Bulgaria, Macedonia, Romania and Serbia) is stable and does not imply greater risks for future economic policies. The integration of the countries in the Balkans with the EU, along with their consistent domestic and foreign policies, ensure the absence of shocks and significant changes in policies in the future

Sovereign credit risk

Credit risk represents the likelihood of worsening of the international credit rating of Bulgaria, Romania, Macedonia and Serbia. Low credit ratings could lead to higher interest rates, more restrictive financing terms for business enterprises, including the Company.

The credit rating agencies are giving positive assessments of the region during the ongoing crisis, thanks to sound fiscal policies and effective structural reforms. The best example of disciplined fiscal policy is the increased credit rating of Bulgaria to Baa by Moody's at the end of July 2011 – indeed, the highest credit rating in the Balkans. The policies which in the long-run shall preserve the current fiscal stability are:

- ◆ Controlling the size, dynamics and servicing of all financial commitments and debts, both domestic and external;
- ◆ Development and implementation of a uniform policy on public debt management, whose fundamental essence is aimed at ensuring a smooth budget funding and refinancing of maturing debt at minimum mid and long-term rates and at an optimal level of risk;
- ◆ Development and implement of a funding policy, while also exercising control over open-market transactions with government securities, the issuance of permits for prime brokerage, along with the implementation of policies aimed at the development of an efficient, transparent and liquid secondary market for government securities;
- ◆ Monitoring the proper servicing of all financial liabilities which a guarantee has been issued for and on behalf of the state, as well as providing complete and

accurate data on consolidated public indebtedness, including government debt, municipal debt and well-fare and pension liabilities;

- ♦ Identifying and monitoring possible risks that may arise during the implementation of the strategic goals set forward;
- ♦ Taking appropriate and timely actions to minimize or avoid the impact of identified risks and their potential negative effects.

Inflation risk

Inflation risk is associated with the possibility inflation to adversely impact real returns. Inflation may affect the amount of expenses of the Issuer as a large part of the company's liabilities are interest bearing. Servicing them is related prevailing current interest rates, which reflect levels of inflation in the country. Therefore, low inflation rates in the countries of operation, is seen as a significant factor in the Company.

Currency risk

This risk is related to the possibility of devaluation of a local currency.

In the case of Bulgaria this is the risk of a premature collapse of the Monetary Board and the drastic change in corresponding fixed exchange rate of the national currency. The official government and central bank policy are expected to maintain the currency board country to the adoption of the euro area.

In Romania, Serbia and Macedonia the exchange rates are determined by free market forces and rare interventions by central banks are driven primarily by sharp market movements in FX rates, caused by one-time extrinsic factors.

Any significant devaluation of currencies in the region (Bulgaria, Romania, Macedonia and Serbian) can have a significant adverse effect on businesses in the country, including that of the Company. Risks exist when revenues and expenditures of a firm are derived in different currencies.

Interest rate risk

Interest rate risk is related to the possibility of changes in the prevailing interest rates in a country. Its impact is most obvious on the Net Income of a firm, as in cases of increases in underlying interest rates, should the firm fund itself with leverage. Interest rate risks are part of general macro-economic risks, as it is most likely driven by instability and perceived risk in the overall financial system. This risk is best handled through the balanced use of multiple sources of funding. A typical example of this risk is the ongoing global economic crisis, caused by capital shortage and liquidity squeeze in large mortgage lenders and financial institutions in the U.S. and Europe. As a result of the crisis, the required interest rate premium were re-evaluated and consequently dramatically increased globally. The effect of the crisis on Balkans is very tangible and has hampered access to leverage.

Increases in general interest rate levels, ceteris paribus, would impact the cost of leverage used by the company in its business development efforts. In parallel, such changes could adversely impact the expenses of the Firm, as a large portion of the Firm's financial liabilities are interest bearing and have a floating interest rate component.

2. Unsystematic risks

Risk relating to the business operations of the Company

EuroHold Bulgaria AD is a holding company and any deterioration in the operating results, financial position and growth prospects of its subsidiaries may adversely affect financial position of the Company.

The Company is involved in managing assets and other companies and thus cannot be specifically attributed to being exposed to one particular industry segment. Broadly, the Company is focused on the industry segment – (1) non-banking financial service (leasing, insurance, asset management, brokerage and financial intermediation) and (2) new car sales and services. The main risk facing EuroHold is the possibility of decreasing revenue across business segments. This could possibly impact the dividends received. Correspondingly, this could have a negative effect on consolidated revenue growth and respectively return on equity.

The largest business risk comes from the largest business segment of the Company – namely the general insurance operations, as the subsidiaries operating in Bulgaria, Romania and Macedonia bring a very significant portion of the Firm's overall revenues.

The activities of all subsidiaries of the Company are adversely affected by continued increases in market prices of fuel and electricity that are subject to international supply and demand and are determined by factors far beyond the Firm's control.

The largest business risk comes from the largest business segment of the Company – namely the general insurance operations, as the subsidiaries operating in Bulgaria, Romania and Macedonia bring a very significant portion of the Firm's overall revenues.

The major risks in the leasing business stem from the needs of the regional leasing subsidiaries to raise sufficient leverage at favorable interest rates, which in turn leaves them room to grow and provides proper interest margins that drive profitability. The leading leasing subsidiary is EuroLease Auto which is the Bulgarian operating company. As such it has issued several tranches of public bonds traded on the Bulgarian Stock Exchange (BSE) and thus has publicly disclosed a lot of information, including certain risk considerations.

Eurohold's Brokerage and Asset management arm is Euro-Finance AD. The risks associated with financial intermediation, brokerage and asset management relate to the overall general financial markets condition and the inherent volatility, along with the investment awareness and activeness of the general audience.

The car-sales segment which is present only in Bulgaria and is hosted under the umbrella of Avto Union AD is active in new car sales and also provides after-sales services to customers. Along with that, it provides rent-a-car services under short and long-term operating lease contracts. The ability to sell certain brands is a result of having a valid license issued by the OEMs to market and sell a given brand on the local market. Should such licenses and agreement be revoked, the impact on sales and the financial position of the company could be materially negative. This is particularly important, given the ongoing global restructuring and repositioning of car brands and manufacturers. The business environment in the automotive industry could be dramatically impacted by

purely internal drivers related to general purchasing power, access to lease-financing, general business sentiment, inventory levels, etc.

Deterioration in the performance of one or more subsidiaries could lead to a deterioration of the results on a consolidated basis. This in turn, is related to the price of the Company's shares as equity markets reflect the business potential and total net assets of the Group as a whole.

Strategic development risks

Future earnings and market value of the company depend on the strategy chosen by the senior management team of the company and its subsidiaries. Choosing the wrong strategy could lead to significant losses.

Eurohold seeks to manage the risk of strategic errors by continuous monitoring of various stages in the implementation of its marketing strategy and financial performance. It is absolutely crucial to be able to respond quickly if a sudden change is needed at some stage in the strategic development plan. Untimely or inappropriate changes in strategy may also have a significant negative impact on the Company's operating results and financial position.

Risks related to the management of the company

The following risks are related to the management of the company:

- ◆ Poor investment management and liquidity management decisions by either top management or other senior employees;
- ◆ Inability to launch and execute new projects under development;
- ◆ Possible information system errors;
- ◆ Possible external control failures;
- ◆ Departure of key employees and inability to retain and hire qualified personnel;
- ◆ Possible jump in SG&A expense, leading to shrinkage in overall margins and profitability levels.

Financial risk

Financial risk is the additional level of risk and uncertainty. This level of financial uncertainty adds an extra layer of risk business. When a part of the capital which a company uses to finance its development is borrowed, the company has taken on predictable and/or fixed financial obligations for periodic payments.

The larger the proportion of long-term indebtedness to equity, the greater will be the probability of default in the payment of future financial obligations. An increase in this proportion (leverage ratio) implies an increase in overall financial risk. Another group of indicators are related to the flow of revenues through which the payment of the company's obligations is possible. Another indicators is the so called debt-service coverage ratio, which is an indication of the free cash flow before interest and taxes, which in turn can be used to repay and service the currently due interest components of debt. This ratio is a good indicator of a firm's ability to service its financial liabilities.

Acceptable or “normal” level of financial risk is generally highly dependent on the business risk. In a low business risk environment, investors should generally be willing to take higher levels of financial risk.

Currency risk

EuroHold operates in several Balkan countries (Bulgaria, Romania, Macedonia and Serbia), as the national currency of each of the countries, except Bulgaria, is a freely convertible currency, whose value relative to other currencies is determined by free markets forces. In Bulgaria, since 1996 the local currency has been pegged to the EURO. Abrupt change in macro-framework of any of the countries, where the Company actively pursues business opportunities, may have a negative effect on its consolidated results. Ultimately, however, EuroHold reports consolidated Financial Results in Bulgaria in Bulgarian leva (BGN), which in turn is pegged to the Euro, which also changes its value against other global currencies, but is significantly less exposed to dramatic price fluctuations.

Liquidity Risk

Liquidity risk is linked to the ability of the Company to service its maturing financial liabilities fully and on time. Low financial indebtedness and capitalization alone do not guarantee uninterrupted debt servicing capacity. Liquidity risks can also arise from a substantial delay in customer payment of amounts due.

EuroHold aims to manage this risk through an optimal allocation of internal resources on a consolidated basis. The Group seeks adequate liquidity levels in order to meet liabilities coming due, both under normal and unexpected market conditions, in a way that minimizes bearing of extra costs or losses, and that takes away reputation risk from non-payment of obligations due.

All subsidiaries exercise proper financial planning and forecasting, taking into account amounts due within the next 90 days, including servicing of financial liabilities. This format of detailed planning minimizes or even completely eliminates the effects of unexpected events happening.

Company’s senior management endorses use of financial leverage by the subsidiaries to the extent it is used for new business development or as working capital facilities. The level of such borrowed money is strictly controlled and is kept within pre-approved limits, after careful consideration of the needs of the specific business segment and the economic effect of such leverage. The general policy of EuroHold is to raise capital in the form of debt and equity financing on a centralized basis and then distribute it to the respective subsidiaries either in form of equity or debt.

Risk related to the possible transactions between companies in the group with terms different from the market terms as well as related to the dependence on the group activity

The relations with the related parties arise from contract for temporary financial aid to the subsidiary companies and regarding transactions related to the normal business activity of the subsidiary companies.

The risk from the possible transactions between the companies in the Group under terms that are different from the market terms is a risk from achieving low profitability from the

provided inter-group financing. Another risk which can be taken in inter-group transactions is failing to realize enough revenues and therefore good profit for the relevant company. On a consolidated level this can reflect negatively on the profitability of the whole group.

Transactions between the parent company and the subsidiary companies are constantly done inside the Holding which arise from their normal activity. All transactions with related parties are conducted under terms that are no different from the normal market prices, complying with IAS 24.

Eurohold Bulgaria AD operates through its subsidiary companies which means that its financial results are directly dependant on the financial results, the developments and the perspectives of the subsidiary companies. One of the main objectives of Eurohold Bulgaria AD is to realize significant synergies between its subsidiary companies due to the integration of the three business lines – insurance, leasing and car sales. Bad results of one or several subsidiary companies could lead to worsening of the consolidated financial results. This is related to the Issuer's share price which can change as a result of the expectations of the investors about the perspectives of the company.

RISK MANAGEMENT

The elements through which the Group manages risks, are directly related to specific procedures for prevention and solving any problems in the operations of EuroHold in due time. These include current analysis in the following directions:

- ◆ Market share, pricing policy and marketing researches for the development of the market and the market share;
- ◆ Active management of investments in different sectors;
- ◆ Comprehensive policy in asset and liabilities management aiming to optimize the structure, quality and return on assets;
- ◆ Optimization of the structure of raised funds aiming to ensure liquidity and decrease of financial expenses for the group;
- ◆ Effective management of cash flows;
- ◆ Administrative expenses optimization, management of hired services;
- ◆ Human resources management.

Upon occurrence of unexpected events, the incorrect evaluation of current market tendencies, as well as many other micro- and macroeconomic factors could impact the judgment of management. The single way to overcome this risk is work with experienced professionals, maintain and update of fully comprehensive database on development and trends in all markets of operation.

The Group has implemented an integrated risk management system based on the Enterprise Risk Management model. The risk management process covers all the Group's organizational levels and is aimed at identifying, analyzing and limiting risks in all areas of the Group's operations. In particular, the Group minimizes insurance risk through proper selection and active monitoring of the insurance portfolio, matching the duration of asset and liabilities as well as minimizing F/X exposure. An effective risk management

system allows the Group to maintain stability and a strong financial position despite the ongoing crisis on the global financial markets.

Risk management in the Group aims to:

- ♦ identify potential events that could impact the Group's operations in terms of achieving business objectives and achievement related risks;
- ♦ manage risk so that the risk level complies with the risk appetite specified and accepted by the Group;
- ♦ ensure that the Group's objectives are attained with a lower than expected risk level.

INFORMATION FOR TRANSACTIONS BETWEEN RELATED PARTIES IN THE FOURTH QUARTER OF 2013

During the reporting period there were no transactions between related parties.

Date: 21 January 2014

Asen Minchev,

*Executive Member of the
Management Board*

Eurohold Bulgaria AD
Statement of comprehensive income
For the period ended December 31, 2013

		2013	2012
	Notes	BGN '000	BGN '000
Revenue from operating activities			
Dividend income	3	-	171
Gains from financial activities	4	4,048	21
Interest income	5	719	519
		4,767	711
Expenses on operating activities			
Interest expenses	6	(4,353)	(4,371)
Losses on financial activities	7	(147)	(161)
Salaries and related expenses		(304)	(256)
Depreciation		(14)	(13)
Hired services and other expenses	8	(810)	(1,190)
		(5,628)	(5,991)
Profit from operating activities		(861)	(5,280)
Other revenue		84	161
Profit before tax		(777)	(5,119)
Tax expenses		-	-
Profit after tax		(777)	(5,119)
Other comprehensive income		-	-
Total comprehensive income for the period		(777)	(5,119)

Prepared by:

/I. Hristov/

Signed on behalf of BoD:

/A. Minchev/

Date: 1/21/2014

Eurohold Bulgaria AD
Statement of financial position
As at December 31, 2013

		31.12.2013	31.12.2012
	<i>Notes</i>	BGN '000	BGN '000
ASSETS			
Non-current assets			
Machinery and equipment	9	28	39
Intangible assets	10	-	2
Trade and other receivables	11	9,784	10,086
		9,812	10,127
Investments			
Investments in subsidiaries, associates and other companies	12	320,535	321,944
Current assets			
Financial assets	13	-	24
Trade receivables	14	37	117
Receivables from related parties	15	6,092	949
Other current receivables	16	460	1,100
Cash and cash equivalents	17	87	50
		6,676	2,240
TOTAL ASSETS		337,023	334,311

Eurohold Bulgaria AD
Statement of financial position (continued)
As at December 31, 2013

		31.12.2013 BGN '000	31.12.2012 BGN '000
	Notes		
EQUITY AND LIABILITIES			
Equity			
Share capital	18	127,345	127,345
Share premium		38,714	38,714
General reserves		7,641	7,641
Revaluation reserve		1,224	1,224
Retained earnings		99,553	104,672
Profit for the period		(777)	(5,119)
Total equity		273,700	274,477
Non-current liabilities			
Borrowings	19	23,006	24,332
Related parties liabilities	20	21,102	18,281
Other non-current liabilities	21	12,117	3,256
		56,225	45,869
Current liabilities			
Borrowings	22	2,591	10,679
Trade payables	23	884	502
Related parties liabilities	24	2,363	1,652
Other current liabilities	25	1,260	1,132
		7,098	13,965
Total liabilities		63,323	59,834
TOTAL EQUITY AND LIABILITIES		337,023	334,311

Prepared by:

/I. Hristov/

Signed on behalf of BoD:

/A. Minchev/

Date: 1/21/2014

Eurohold Bulgaria AD
Statement of cash flows
For the period ended December 31, 2013

		2013	2012
	Notes	BGN '000	BGN '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		(777)	(5,119)
Adjusted for:			
Depreciation		14	13
Interest income	5	(719)	(519)
Interest expenses	6	4,353	4,371
Dividend income	3	-	(171)
Gains from sale of investments		(4,048)	(21)
Adjustments in working capital:			
Change in trade and other receivables		(4,423)	3,813
Change in trade and other payables		4,974	(3,921)
Net cash flows from operating activities		(626)	(1,554)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(91)	(5,659)
Receipts from the sale of investments		3,810	488
Dividends received		373	335
Net cash used by investing activities		4,092	(4,836)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares		-	-
Proceeds from loans		41,344	50,116
Repayments of loans		(43,623)	(42,793)
Interest and commissions paid, net		(1,150)	(976)
Other cash receipts/ payments from financing activities		-	-
Net cash generated/(used) by financing activities		(3,429)	6,347
Net increase/(decrease) in cash and cash equivalents		37	(43)
Cash and cash equivalents at the beginning of the period	17	50	93
Cash and cash equivalents at the end of the period	17	87	50

Prepared by:

/I. Hristov/

Signed on behalf of BoD:

/A. Minchev/

Date: 1/21/2014

Eurohold Bulgaria AD
Statement of changes in equity
For the period ended December 31, 2013

	Share capital	General reserves	Share premium	Revaluation reserve	Retained earnings	Total Equity BGN '000
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Balance as at 1 January 2012	127,345	6,250	38,714	1,224	106,063	279,596
Profit for the period	-	-	-	-	(5,119)	(5,119)
Forming a reserve fund	-	1,391	-	-	(1,391)	-
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at 31 December 2012	127,345	7,641	38,714	1,224	99,553	274,477
Balance as at 1 January 2013	127,345	7,641	38,714	1,224	99,553	274,477
Profit for the period	-	-	-	-	(777)	(777)
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at 31 December 2013	127,345	7,641	38,714	1,224	98,776	273,700

Prepared by:

/I. Hristov/

Signed on behalf of BoD:

/A. Minchev/

Date: 1/21/2014

Notes to the Non-consolidated Interim Financial Statement for 2013

Founded in 1996, Eurohold Bulgaria AD operates in Bulgaria, Romania and Macedonia. The company is owner of a large number of subsidiaries within the sectors of insurance, financial services and car sales.

1. INFORMATION ABOUT THE GROUP

Eurohold Bulgaria AD is a public joint stock company established pursuant to the provisions of article 122 of the Law for Public Offering of Securities and article 261 of the Commerce Act. The company is registered in the Sofia City Court under corporate file 14436/2006 and is formed through the merger of Eurohold AD registered under corporate file № 13770/1996 as per the registry of Sofia City Court, and Starcom Holding AD, registered under corporate file № 6333/1995 as per the registry of Sofia City Court.

Eurohold Bulgaria has its seat and registered address in the city of Sofia, Izgrev Region, 16 G.M. Dimitrov Blvd., EIK 175187337. Since 21st of January, 2010, the new registered address of Eurohold Bulgaria AD is: City of Sofia, 43 Hristofor Kolumb Blvd.

The governing bodies of the company are: the general meeting of shareholders, the supervisory board /two-tier system/ and the management board.

1.1 Scope of Activities

The scope of activities of Eurohold Bulgaria AD is: acquisition, management, assessment and sales of participations in Bulgarian and foreign companies, acquisition, management and sales of bonds, acquisition, assessment and sales of patents, granting patent use licenses to companies in which the company participates, funding companies, in which the company participates.

2. SUMMARY OF THE GROUP'S ACCOUNTING POLICY

2.1 Basis for Preparation of the Financial Statement

The financial statements of Eurohold Bulgaria AD are prepared in compliance with the Accounting Act and all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations of the Standing Interpretation Committee (SIC), interpretations of the IFRS interpretation committee (IFRIC), which are effectively in force since 01 January 2009 and are adopted by the Commission of the European Union.

The company has considered all standards and interpretations applicable to its activity as at the date of preparation of the present financial statement.

The separate financial statement is drafted in compliance with the historic cost principle, excluding those financial instruments and financial liabilities, which are measured at fair value.

2.2 Comparative Data

Eurohold Bulgaria AD presents comparative information for a single previous period.

2.3 Functional and Reporting Currency

The Bulgarian Lev (BGN) is the functional and reporting currency of the group. Data presented in the statement and the attachments thereto are in thousand BGN (000'BGN). Since 1 January 2009, the Bulgarian Lev is pegged to the EURO at the exchange rate: BGN 1, 95583 for EUR 1. Cash, receivables and payables denominated in foreign currency are reported in the BGN equivalent on the basis of the exchange rate as at the date of the operation and are revaluated on annual basis using the official exchange rate of the Bulgarian National Bank on the last working day of the year.

2.4 Accounting Assumptions and Accounting Estimates

Upon preparing the financial statement in compliance with IAS, the management is required to apply approximate estimates and assumptions, which affect the reported assets and liabilities, and the disclosure of the contingent assets and liabilities as at the date of the balance sheet. Despite the estimates are based on the management's knowledge of current developments, the actual results may vary from the estimates used.

2.5 Income

The Company's income is recognized on the accrual basis and to the extent economic benefits are obtained by the Company and as far as the incomes may be reliably measured.

Upon sales of goods incomes are recognized when all material risks and benefits from the title of goods are transferred to the buyer.

Upon provision of services, incomes are recognized considering the stage of completion of the transaction as at the date of the balance sheet, if such stage may be reliably measured, as well as the costs incurred for the transaction.

Dividend incomes are recognized upon certifying the right to obtain them.

Eurohold Bulgaria AD generates financial incomes mainly from the following activities:

- Income from operations with investments
- Income from dividends
- Income from interests under loans granted to subsidiaries
- Income from Services

2.6 Expenses

Expenses are recognized at the time of occurrence thereof and on the accrual and comparability basis.

Administrative expenses are recognized as expenses incurred during the year, and are relevant to the management and administration of the company, including expenses that relate to the administrative staff, officers, office expenses, and other outsourcing.

Financial expenses include: expenses incurred in relation to investment operations, negative differences from financial instruments operations and currency operations, expenses on interest under granted bank loans and obligatory issues, as well as commissions.

Deferred expenses (prepaid expenses) are carried forward for recognition as current expenses for the period in which the contracts they pertain to are performed.

Other operating income and expenses include items of secondary character in relation to the main activity of the Company.

2.7 Interest

Interest income and expenses are recognized in the Statement of Comprehensive Income using the effective interest rate method. The effective interest rate is the rate for discounting the expected cash payments and proceeds during the term of the financial asset or liability up to the net book value of the respective asset or liability. The effective interest rate is calculated upon the initial recognition of the financial asset or liability and is not adjusted afterwards.

The calculation of the effective interest rate includes all received or paid commissions, transaction costs, as well as discounts or premiums, which are an integral part of the effective interest rate. Transaction costs are the inherent costs directly attributable to the financial asset or liability acquisition, issue or derecognition.

The interest income and expenses stated in the Statement of Comprehensive Income include interest recognized on the basis of effective interest rate under financial assets and liabilities carried at amortized value.

2.8 Fees and Commissions

Fees and commissions costs, which are an integral part of the effective interest rate for a financial asset or liability, are included in the calculation of the effective interest rate.

Other fees and commissions incomes, including logistic services fees, insurance and other intermediation fees, are recognized upon providing the respective services.

The other fees and commissions costs relevant mainly to banking services are recognized upon receipt of the respective services.

2.9 Types of Activities

As a holding company with a main activity of acquisition and management of subsidiaries, Eurohold Bulgaria AD performs mainly financial activity.

The companies within the issuer's portfolio operate on the following markets: insurance and health insurance, leasing, finance, automobile and real estate.

Insurance and Health Insurance line:

- Insurance services
- Health insurance services

Leasing line:

- Leasing services
- Car rentals

• Financial line:

- Investment intermediation

Automobile line:

- Sales of new cars
- Car repairs services

2.10 Business Combinations and Goodwill

Business combinations are reported by using the purchase method. This method requires the assignee to recognize, on the date of acquisition, the acquired differentiated assets, undertaken liabilities and participation, which is not controlling the acquired entity, separately from the goodwill. Any costs directly pertaining to the acquisition are reported in the statement of comprehensive income for the period. Differentiated acquired assets and

undertaken liabilities and contingent obligations within a business combination are measured at fair value on the date of acquisition, regardless of the extent of non-controlled participation. The company is able to measure participations, which are not controlling for the acquired entity, either at fair value, or as proportional share in the differentiated net assets of the acquired entity.

The acquisition cost in excess of the share of assignee in the net fair value of differentiated assets, liabilities and contingent obligations of acquisitions, is reported as goodwill. In case the acquisition cost is less than the investor share in the fair values of the company's net assets, the difference is recognized directly in the statement of comprehensive income.

2.11 Taxes

Income Tax

The current tax includes the tax amount, which should be paid over the expected taxable profit for the period on the basis of the effective tax rate or the tax rate applicable on the day of preparation of the balance sheet and all adjustments of due tax for previous years.

The company calculates the income tax in compliance with the applicable legislation. The income tax is calculated on the basis of taxable profit after adjustments of the financial result in accordance with the Corporate Income Tax Act.

Current income taxes are defined in compliance with the Bulgarian tax legislation – the Corporate Income Taxation Act. The nominal tax rate for 2013 is 10% of the taxable profit.

Deferred Tax

Deferred tax is calculated using the balance sheet method for all temporary differences between the net book value as per the financial statements and the amounts used for taxation purposes.

The deferred tax is calculated on the basis of the tax rate that is expected to be effective upon the realization of the asset or the settlement of the liability. The effect from changes in the tax rates on the deferred tax is reported in the income statement, except in cases when it concerns amounts, which are earlier accrued or reported directly in equity.

Based on IAS 12, Income Taxes, the Company recognizes only the portion of a current tax asset or liability from the acquisition or sale of financial instruments for which the Company expects to realize a reverse benefit in the foreseeable future, or does not control the timing of the reverse benefit. The Company's policy applies equally to each class of financial instruments.

VAT

Eurohold Bulgaria AD has a VAT registration and charges 20% tax upon delivery of services.

Withholding tax

Pursuant to the Corporate Income Tax Act, payment of incomes to foreign individuals or legal entities is subject to withholding tax within the territory of the Republic of Bulgaria.

Withholding tax is not due provided the foreign legal entity has proved grounds for application of the Agreements for Avoidance of Double Taxation before tax rate or applicable tax rate on the day of expiration of the tax payment term.

2.12. Fixed Assets

2.12.1 Fixed Tangible Assets

Fixed tangible assets are measured at acquisition cost, less the amount of accrued amortization and possible impairment losses.

The company has fixed the 2013 value materiality threshold to BGN 700, under which acquired assets, regardless if they have the characteristics of fixed assets, are reported as current expenses at the time of acquisition thereof.

Initial Acquisition

Fixed tangible assets are initially measured:

- at acquisition cost, which includes: purchase price (including duties and nonrefundable taxes), all direct costs for bringing the asset into working condition according to its purpose – for assets acquired from external sources;
- at fair value: for assets obtained as a result of a charitable transaction;
- at evaluation: approved by the court and all direct costs for bringing the asset into working condition according to its purpose – for assets acquired as a contribution of physical assets.

Borrowing costs directly related to acquisition, construction or production of eligible assets are included in the acquisition cost (cost) of this asset. All other borrowing costs are reported on current basis in the profit or loss for the period.

Further Measurement

Further costs for repairs and maintenance are accounted in statement of financial position when the same criteria as at initial recognition are in place.

Upon sales of fixed assets, the difference between the net book value and the sales price of the asset is reported as profit or loss in the statement of comprehensive income, in "Other Incomes" item.

Fixed tangible assets are derecognized from the balance sheet upon sale or when the asset is finally decommissioned and no further economic benefits are expected after derecognition.

2.12.2 Amortization Methods

The company applies the straight-line method of depreciation/amortization. Depreciation/Amortization of assets begins from the month following the month of acquisition thereof. Land and assets in process of construction are not depreciated.

The useful life by groups of assets depends on: the usual wear and tear, equipment specificity, future intentions for use and the probable moral aging.

The estimated useful lives by groups of assets are as follows:

Buildings	25 years
Plant and equipment	3–10 years
Vehicles	4–6 years
Fixtures and fittings	3–8 years
Computers	2–3 years

2.12.3 Impairment

Net book values of fixed tangible assets are subject to review for impairment, when events or changes in circumstances have occurred, which evidence that the net book value might permanently differ from their recoverable amount. If there are indicators that the estimated recoverable value is less than their net book value, the latter is adjusted up to the recoverable value of assets.

Impairment losses are recognized as expense in the statement of comprehensive income during the year of occurrence thereof.

2.12.4 Fixed Intangible Assets

Intangible assets are presented in the financial statement at cost, less the accumulated amortization and possible impairment losses.

The company applies the straight-line method of amortization of intangible assets at expected useful lives of 5-7 years.

Net book value of intangible assets is subject to review for impairment, when events or changes in circumstances have occurred, which evidence that their net book value might exceed their recoverable value.

2.12.5 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, or use in supply of services or for administrative purposes.

Investment property is measured at fair value.

2.12.6 Positive Goodwill

After initial recognition, goodwill is accounted at acquisition cost, less accumulated impairment losses.

The positive goodwill is reviewed for impairment on annual basis. The impairment loss of goodwill is not subject to recovery in future periods.

2.13 Employment Benefits

Annual Paid Leave

The Company recognizes the undiscounted amount of estimated costs relevant to annual leaves that are expected to be paid against the employees' service for the ended period as a liability.

2.14 Financial Assets

2.14.1 Investments in Financial Assets

Investments in subsidiaries are measured at costs in the separate statement of the parent-company.

The companies in which the company holds between 20% and 50% of the voting rights and may significantly affect, but not perform control functions, are considered associated companies.

Investments in associated companies are reported by using the equity method. By using the equity method, the investment in the associated company is carried in the statement of financial position at acquisition cost, plus the changes in the share in the net assets of the associated entity after the acquisition. The goodwill related to the associated entity is included in the net book value of the investment and is not amortized.

Conditional Remuneration

The remuneration that the acquirer transfers to the acquiree in exchange for a company includes any asset or liability arising from the arrangement under consideration. The acquirer shall recognize the fair value of the contingent consideration at the acquisition date as part of the consideration transferred to the acquiree in exchange for the company. The acquirer shall classify an obligation to pay the remuneration condition as a liability or as own equity on the basis of the definitions of an equity instrument and financial liability in paragraph 11 of IAS 32, Financial Instruments: presentation and other applicable IFRS regulations.

The acquirer shall classify as an asset the right to return the previously transferred consideration, if specified conditions are met. Paragraph 58 provides guidance on subsequent accounting for conditional remuneration.

2.14.2 Investments in Financial Instruments

Financial assets within the scope of IAS 39 are classified as financial assets at fair value in the profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or derivatives defined as hedging instruments in effective hedge, where appropriate. The company classifies its financial instruments at their initial recognition.

Financial assets include cash and short-term deposits, trade and other receivables, financial instruments and financial instrument derivatives quoted and unquoted on the stock exchange.

Financial Assets at Fair Value in Profit or Loss

Financial assets at fair value in profit or loss include financial assets held for trading and those designated at fair value at inception. Financial assets, which are usually acquired for the purposes of selling in the near term, are classified as held for trading.

Investments Held-to-Maturity

Investments held-to-maturity are financial assets, which are non-derivative and have fixed or determinable payments and fixed maturity, that the company has the positive intention and ability to hold to maturity. Initially, these investments are recognized at acquisition cost, which includes the amount of consideration paid for acquisition of the investment. All transaction costs directly related to the acquisition are also included in the acquisition cost. After the initial measurement, held-to-maturity investments are carried at amortized cost by using the method of the effective interest rate. Gains and losses from held-to-maturity investments are recognized in the statement of comprehensive income when the investment is derecognized or impaired.

Loans and Other Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Such financial assets are initially recognized at acquisition cost, which is the fair value paid for

acquisition of financial assets. All directly attributable acquisition transaction costs are also included in the acquisition cost. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method. Gains and losses from loans and receivables are recognized in the statement of comprehensive income when derecognized or impaired.

Financial Assets Available for Sale

Financial assets available for sale are non-derivative financial assets that are so classified and are not classified in any of the three categories listed above. Initially, these investments are presented at fair value. Subsequent to initial recognition, financial assets available for sale are measured at fair value. Unrealized gains and losses from fair value are carried in separate item of the other comprehensive income until the financial assets are not derecognized or are not defined as impaired. Upon derecognition or impairment, cumulative gains and losses previously recognized in equity, are recognized in the statement of comprehensive income.

Derivative Financial Instruments

Derivative financial instruments are classified as held-for-trading, unless they are effective hedging instruments. All derivatives are carried as assets, when their fair values are positive and as liabilities when the fair values are negative.

2.15 Inventory

Materials and goods are measured at delivery cost. Their value includes the sum of all purchase expenses, as well as other expenses incurred in relation to the delivery thereof to their current location and condition.

2.16 Short-Term Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Impairment is estimated for the purposes of meeting the expected loss on the basis of separate measurement of individual arrangements.

2.17 Liability Provisions

Liability provisions include expected costs related to obligations under guarantees, restructuring, etc., as well as deferred tax assets.

2.18 Deferred Tax Liabilities

Current tax liabilities and current tax receivables are recognized in the statement of financial position as tax calculated on taxable income for the year adjusted for the tax on taxable income for previous years and paid taxes.

2.19 Equity

Equity is presented at its nominal value pursuant to the court decisions for its registration.

2.20 Liabilities

Financial liabilities are recognized during the loan period with the amount of gained proceeds, principal, less the transaction expenses. During subsequent periods financial liabilities are measured at amortized cost, equal to the capitalized value, when applying the effective interest rate method. In the statement of comprehensive income, loan expenses are recognized during the loan term period.

Current liabilities, such as payables to suppliers, group and associated companies and other payables, are measured at amortized cost, which is usually equal to the nominal value.

2.21 Financial Risk Management

2.21.1 Factors Determining Financial Risk

In the implementation of its activity, the Company is exposed to diverse financial risks: market risk (including currency risk, risk from change of financial instruments fair value under the impact of market interest rates and price risk), credit risk, liquidity risk and risk from change of future cash flows due to a change in market interest rates. The overall risk management program emphasizes the unpredictability of financial markets and is aimed at mitigating the possible adverse effects on the Company's financial result.

The Company is exposed to currency risk through payments in foreign currency and through its assets and liabilities, which are denominated in foreign currency.

Currency Risk

As a result of foreign currency exposures, gains and losses occur, which are carried in the statement of comprehensive income. These exposures include the cash assets of the Group, which are not denominated in the currency used in the local companies' financial statements.

Eurohold Bulgaria AD has no investments in other countries, except in the countries in which it operates – Bulgaria, Romania, Macedonia, and the Netherlands. In case the local currency is exposed to currency risk, it is managed through investments in assets denominated in Euro.

Interest Risk

The company is exposed to interest risk in relation to the used bank and trade loans as part of the loans obtained have floating interest rate agreed as basis interest (EURIBOR/LIBOR) increased with the respective allowance. In 2010, the floating interest rate loans are denominated in euro. The interest rates are specified in the respective appendixes.

Credit Risk

Credit risk is mainly related to trade and financial receivables. The amounts stated in the statement of financial position are on net basis, excluding the provisions for doubtful receivables determined as such by the management on the basis of previous experience and current economic conditions.

Liquidity Risk

Liquidity risk is the risk that the company may encounter difficulties in servicing its financial obligations when they become payable. Policy in this field is aimed at ensuring that there will be enough cash available to service its maturing obligations, including in exceptional and unforeseen conditions. The management's objective is to maintain continuous balance between continuity and flexibility of financial resources by using adequate forms of funding. The company's management is responsible for managing the liquidity risk and involves maintaining enough cash available, arranging adequate credit lines, preparation of analysis and update of cash flows estimates.

2.22 Measuring Fair Values

Fair value of financial instruments traded on active market (for example securities held for trading and held for sale) is based on the market quotes as at the balance sheet date. The market quote used to define the values of financial assets and financial liabilities held by the Company, is the price at the Bulgarian Stock Exchange.

2.23 Cash Flows

The statement of cash flows shows the cash flows for the year in relation to operating, investment and financial activity during the year, the change in cash and cash equivalents for the year, cash and cash equivalents at the beginning and at the end of the year.

The operating cash flows are calculated as result for the year adjusted with the non-cash operating

positions, changes in net turnover capital and corporate tax.

Investment activity cash flows include payments in relation to purchase and sale of fixed assets and cash flows related to the purchase and sale of entities and operations. Purchase and sale of other securities which are not cash and cash equivalents are also included in the investment activity.

Financial activity cash flows include changes in the amount or composition of share capital and the related costs, the borrowings and the repayment of interest bearing loans, purchase, and sale of own shares and payment of dividends.

Cash and cash equivalents include bank overdraft, liquidity cash and securities for term less than three months.

3. Dividend income

	2013 BGN'000	2012 BGN'000
Euro-Finance AD	-	171
	-	171

4. Gains from financial activities

	2013 BGN'000	2012 BGN'000
Gains from sale of investments	4,048	21
	4,048	21

5. Interest income

	2013 <i>BGN'000</i>	2012 <i>BGN'000</i>
Interest income – from related party loans	16	348
Interest income – from third party loans	3	45
Interest income – from subordinated term loan	699	114
Interest income – from deposits	1	12
	719	519

6. Interest expense

	2013 <i>BGN'000</i>	2012 <i>BGN'000</i>
Interest expense – bank loans	3,008	3,700
Interest expense – from related party loans	954	589
Interest expense – from third party loans	391	82
	4,353	4,371

7. Losses on financial activities

	2013 <i>BGN'000</i>	2012 <i>BGN'000</i>
Losses on sale of investments	31	4
Other financial expenses	116	157
	147	161

8. Hired services and other expenses

	2013 <i>BGN'000</i>	2012 <i>BGN'000</i>
Hired services expenses	762	992
Other expenses	48	198
	810	1,190

9. Property, plant and equipment

	Vehicles	Fixtures and fittings	Total
	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>
Cost:			
At 1 January 2012	-	58	58
Additions	16	-	16
Disposals	-	-	-
At 31 December 2012	16	58	74
Additions	-	1	1
Disposals	-	-	-
At 31 December 2013	16	59	75
Depreciation:			
At 1 January 2012	-	24	24
Accrued depreciation	2	9	11
Written-off	-	-	-
At 31 December 2012	2	33	35
Accrued depreciation	4	8	12
Written-off	-	-	-
At 31 December 2013	6	41	47
Carrying value:			
At 1 January 2012	-	34	34
At 31 December 2012	14	25	39
At 31 December 2013	10	18	28

10. Intangible assets

	Software
	<i>BGN'000</i>
Cost:	
At 1 January 2011	4
Additions	-
Disposals	-
At 31 December 2011	4
Additions	-
Disposals	-
At 31 December 2013	4
Depreciation:	
At 1 January 2011	-
Accrued depreciation	2
Written-off	-
At 31 December 2011	2
Accrued depreciation	2
Written-off	-
At 31 December 2013	4
Carrying value:	
At 1 January 2012	4
At 31 December 2012	2
At 31 December 2013	-

11. Trade and other receivables

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
Trade and other receivables	5	307
Subordinated term loan granted	9,779	9,779
	9,784	10,086

12. Investments in subsidiaries, associates and other companies

12.1 Investments in subsidiaries

	Value as at 1.1.2013	Increase	Decrease	Value as at 31.12.2013	Share capital of the subsidiary	% control in the subsidiary
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Euroins Insurance Group AD	207,512	-	-	207,512	268,263	80.82%
Avto Union AD	66,775	-	-	66,775	40,004	99.99%
BG Autolease Holding B.V.	28,042	-	(28,042)	-	-	-
Euro-Finance AD	18,145	-	-	18,145	14,100	99.99%
Eurohold Imoti EOOD	1,447	-	(1,447)	-	-	-
Eurolease Group EAD	50	28,042	-	28,092	267,741	100.00%
Unpaid capital of Eurolease Group EAD	(38)	38	-	-		
	321,933	28,080	(29,489)	320,524		

12.2 Investments in associates

	Value as at 1.1.2013	Increase	Decrease	Value as at 31.12.2013
	BGN'000	BGN'000	BGN'000	BGN'000
Juliunica AD	1	-	-	1
	1	-	-	1

12.3 Investments in other companies

	Value as at 1.1.2013	Increase	Decrease	Value as at 31.12.2013
	BGN'000	BGN'000	BGN'000	BGN'000
Sevko AD	9	-	-	9
Hebar AD	1	-	-	1
	10	-	-	10

13. Financial assets

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
Securities	-	24
	-	24

14. Trade receivables

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
Trade receivables	27	23
Tax receivables	10	94
	37	117

15. Receivables from related parties

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
15.1 Interest receivables		
Eurohold Imoti EOOD	-	3
Eurohold Imoti Veliko Tarnovo EOOD	-	57
Erolease Auto – Macedonia	21	21
Bulvaria Holding EAD	1	1
Eurolease Auto EAD	-	2
Euroins Insurance Group AD	14	-
	36	84

16.2 Dividend receivables

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
Nissan Sofia EOOD	-	24
	-	24

15.3 Other receivables

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
Avto Union AD	-	9
Auto Italia EAD	18	26
Avto Union Service EOOD (Espas Auto EOOD)	82	49
Bulvaria Varna EOOD	22	4
Daru Car AD	23	6
Euroins - Health Insurance AD	1	2
Euroins AD	4	28
Euroins - Romania	37	37
Euroins Insurance Group AD	5,857	-
Eurolease Auto EAD	6	678
Star Motors EOOD	6	1
Espas Auto OOD	-	1
	6,056	841

16. Other current receivables

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
Receivables from sale of investments	98	298
Interest receivables	75	82
Interest receivables on subordinated term loan	120	114
Deferred expenses	167	256
Other receivables	-	350
	460	1,100

17. Cash and cash equivalents

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
Cash at banks	54	27
Cash in hand	33	23
	87	50

18. Share capital

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
Issued shares	127,345,000	127,345,000

All ordinary shares are fully paid.

The share capital is distributed as follows:

Share holders	%	Number of shares	Par value
Starcom Holding AD	50,14%	63,850,246	63,850,246
Dar Finance EOOD	19,94%	25,394,755	25,394,755
Other companies	25,17%	32,051,909	32,051,909
Other individuals	4,75%	6,048,090	6,048,090
	100.00%	127,345,000	127,345,000

19. Non-current borrowings

	31.12.2013 BGN'000	31.12.2012 BGN'000
Accession Mezzanine	23,006	24,332
	23,006	24,332

Analysis of borrowings from financial institutions:

Bank	Type	Currency	Size contracted	Balance as at 31.12.2013	Balance as at 31.12.2012	Interest rate	Maturity date	Security
Accession Mezzanine	Loan - Principal	EUR	15,000,000 €	11,475,015 €	13,350,000 €	8.70%	12.2015	Pledge on shares
Accession Mezzanine	Capitalized interest		-	1,612,709 €	1,340,531 €	2%	12.2015	
Unicredit Bulbank AD	Working capital related to the leasing activities - Principal	EUR	10,000,000 €	-	3,200,000 €	Annual interest rate for regular loan + 5%	1.8.2013	Pledge on property and shares

20. Related parties liabilities

	31.12.2013 BGN'000	31.12.2012 BGN'000
Starcom Holding AD	5,720	4,687
Eurolease Auto EAD	7,602	2,172
Eurolease Group EAD	37	-
Avto Union AD	5,538	1,808
Bulvaria Varna EOOD	70	76
Eurolease Rent-A-Car EOOD	45	45
Eurohold Imoti EOOD	-	437
Repo contracts liabilities	-	9,056
Avto Union Service EOOD	2,090	-
	21,102	18,281

21. Other non-current liabilities

	31.12.2013 BGN'000	31.12.2012 BGN'000
Non-current loans from third parties	12,117	3,256
	12,117	3,256

22. Current borrowings

	31.12.2013 BGN'000	31.12.2012 BGN'000
Accession Mezzanine	2,591	4,420
Unicredit Bulbank-financing leasing activities	-	6,259
	2,591	10,679

23. Trade payables

	31.12.2013 BGN'000	31.12.2012 BGN'000
Trade payables	850	480
Payables to employees and social security institutions	34	22
	884	502

24. Related parties liabilities**24.1 Interest payables**

	31.12.2013 BGN'000	31.12.2012 BGN'000
Eurolease Rent-A-Car EOOD	19	22
Starcom Holding AD	7	5
Avto Union AD	234	7
Eurolease Auto EAD	44	48
Euroins Insurance Group AD	8	39
Eurolease Group EAD	4	-
Bulvaria Varna EOOD	3	4
Eurohold Imoti EOOD	-	2
BG Autolease Holding B.V.	-	27
Avto Union Service EOOD	32	-
	351	154

24.2. Current borrowings

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
BG Autolease Holding B.V.	-	1,490
Repo contracts liabilities	2,001	-
	2,001	1,490

24.3 Other payables

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
United Health Insurance EAD	-	2
Eurolease Auto EAD	9	4
Eurolease Rent-A-Car EOOD	2	2
	11	8

25. Other current liabilities

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
Payables for acquisition of investments	154	104
Interest payables	763	689
Tax payables	333	332
Other liabilities	10	7
	1,260	1,132

26. Events after the reporting period.

No significant events after the reporting date have been identified by the Board of Directors of Eurohold Bulgaria AD, that may influence the financial statements.

Asen Minchev

Executive member of the BD
Eurohold Bulgaria AD,

21 January 2014

INFORMATION INFLUENCING THE PRICE OF SECURITIES
in accordance with art. 28 of Ordinance No. 2 of September 17,
2003 on the prospectuses to be published when securities are
offered to the public or admitted to trading on a regulated market
and on disclosure of information by the public companies and the
other issuers of securities for the period 01.01.2013 until
31.12.2013

During the accounting period 01.01.2013 - 31.12.2013, have occurred the following essential facts and circumstances in Eurohold Bulgaria AD, representing an important information that may affect the price of securities:

1.1. Change of persons exercising a control over the Company

There was no change in the persons exercising a control over the Company. As of 31.12.2013 they were:

Name/Address of the Company	UIC
Starcom AD, Etropole, 191 Rusky Blvd.	121610851

1.2. During the reporting period there has been no change in the way of representation, there has been no an appointment or dismissal of a procurator. There has no occurred changes in the management and supervisory bodies of the company.

1.3. There has no changes in the Statutes of the Company.

1.4. No decision of transformation of the Company has been adopted.

1.5. There has no changes in the structure of the Company

1.6. There is no a proceeding of liquidation.

1.7. No bankruptcy proceedings have been opened for the Company or initiated against the Company.

1.8. No the acquisition, lease or disposition of assets of great value by art. 114, para. 1, item 1 POSA have been made.

1.9. No decisions on the conclusion, termination and cancellation of the joint venture agreement have been made.

1.10. No changes in auditors of the company have been made.

1.11. The financial result for Q4'2013 is a loss in amount of BGN 777 TH.

1.12. There has not occurred unforeseeable or unexpected circumstance of extraordinary character, due to which the Company or its subsidiary has suffered damages amounting to three per cent or more of the net assets.

- 1.13. No disclosure of a modified audit report has been made.**
- 1.14. During the reporting period has not a decision by the General Meeting of shareholders of the company on the distribution of dividends and such has not been distributed.**
- 1.15. During the reporting period has not occurred an obligation which is critical for the Company or for its subsidiary.**
- 1.16. During the reporting period has not occurred a receivable, which is critical for the Company.**
- 1.17. During the reporting period the Company has not made a joint venture, as well as not contract has been concluded for joint action.**
- 1.18. During the reporting period the Company has not acquired stocks and shares in other companies.**
- 1.19. During the reporting period the Company has not liquidity problems.**
- 1.20. No capital increase has been made during the reported period.**
- 1.21. No negotiations on acquisition of the Company have been made.**
- 1.22. No signed or executed substantial contracts that are not relating to the ordinary business of the Company.**
- 1.23. The Governing Body has not given an opinion in connection with a tender offer, as this is not occurred.**
- 1.24. Have not been terminated or substantially reduced the customer relationship, forming at least 10 per cent of the revenues of the Company for the last three years.**
- 1.25. Have not been introduced new products and developments on in the market.**
- 1.26. Have not been taken large orders (amounting to over 10 per cent of the average revenues of the Company for the last three years).**
- 1.27. No development and / or change in the volume of orders and capacity utilization has been occurred.**
- 1.28. Have not been suspended sales of a product, forming a substantial part of the revenues of the Company.**
- 1.29. No the purchase of a patent has been concluded.**
- 1.30. Has not been received, temporarily suspended or revoked license.**
- 1.31. Has not been initiated or suspended court or arbitration case concerning the receivables or liabilities of the company or its subsidiary, with claim value of at least 10 per cent of the equity of the Company.**

1.32. During the reporting period have not been performed purchasing, selling or pledge set up of shareholdings in the companies by the issuer or by its subsidiary.

1.33. Has not been prepared forecast by the issuer for its financial results or for its economic group which has been publicly disclosed.

1.34. Credit rating

In October 2011 The Agency for Credit Ratings and Analyses (ACRA) affirmed the long-term domestic credit rating of Eurohold Bulgaria AD at bgA3. The short-term credit rating is affirmed at bgP-2. The outlook was left unchanged at stable.

1.35. Important events over the fourth quarter of 2013.

By regulatory Decision № 989-ЖЗ from 20th December 2013 the Financial Supervision Commission granted permission to EUROINS INSURANCE GROUP for acquiring the entire share capital of INTERAMERICAN Bulgaria Life Insurance. After the respective permission for the deal from the Commission for Protection of Competition had been previously obtained, all the conditions precedent for finalizing the transaction have being met.

We herewith remind that at late August 2013 the Dutch financial group ACHMEA executed the relevant contracts with EUROINS INSURANCE GROUP for transferring the entire insurance business of INTERAMERICAN in Bulgaria – non-life insurance and life insurance, and in that respect as from 2nd October 2013 the entire non-life insurance portfolio of INTERAMERICAN Bulgaria ZEAD has been transferred to EUROINS Insurance plc.

On 3 December 2013, QBE, the business insurance specialist, was announced that it has reached an agreement with Euroins Insurance Group to transfer its insurance operations in Bulgaria and Romania to Euroins for an undisclosed amount.

Subject to regulatory consent, QBE's existing books of insurance business in these markets will transfer to Euroins. QBE Bulgaria and QBE Romania underwrite property and general liability business in both markets. QBE Bulgaria also underwrites travel insurance.

Date: 21.01.2013 г.

Asen Minchev,
Executive Director of Eurohold Bulgaria AD

ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL REPORT OF EUROHOLD BULGARIA FOR THE FOURTH QUARTER OF 2013

in accordance with art. 33, par. 1, item 6 of Ordinance No. 2 of September 17, 2003 on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information by the public companies and the other issuers of securities

- 1. Information about the changes in the accounting policy during the reported period, the reasons for carrying them out and how they affect the financial results and equity of the issuer.**

No changes have been made in the accounting policy of the company during the reported period.

- 2. Information about changes in the economic group of the issuer, if it belongs to such a group.**

No changes have been made in the economic group of the issuer.

- 3. Information about results of organizational changes in the issuer's structure, such as conversion, sale of companies from the same economic group, in-kind contributes from the company, property rental, long-term investments, withdrawal from business.**

No organizational changes in the issuer's structure during the reported period.

- 4. Opinion of the Governing Body of the feasibility of published estimates of the results of the current financial year, taking into account the results of the current three months, as well as information on the factors and circumstances, which will affect the achievement of the forecasted results at least in the next three months.**

No estimates of financial results of the company have been published for the first half of 2013.

- 5. Data on the persons, holding directly and indirectly at least 5 per cent of the votes in the General Meeting as of the end of the reported period, and changes in the votes, held by the persons in the end of the previous three months period.**

	Shareholder	Number of shares	% participation
1.	Starcom Holding AD	63,850,246	50.14%
2.	Dar Finance EOOD	25,394,755	19.94%

6. Data of the shares, held by the management and supervisory bodies of the issuer at the end of the respective three months and changes, which took place since the end of the previous three months period for each person individually.

	Shareholder	Number of shares	% participation
1.	Dimitar Stoyanov Dimitrov	200	-
2.	Ivan Georgiev Mankov	25,000	0,02%
3.	Dar Finance EOOD	25,394,755	19.54%
4.	Assen Emanuilov Assenov	140,250	0,11%

7. Information about pending judicial, administrative or arbitration proceedings concerning claims or liabilities of at least 10 per cent of the equity of the issuer; if the total amount of the debts or the obligations of the issuer in all proceedings exceeds 10 per cent of its own capital, information about each case separately is provided.

For the reported period the Company has no pending legal, administrative or arbitration proceedings.

8. Information about granted by the issuer or its subsidiary company loans, guarantees or commitments totally to one person or its subsidiary, including to related to it persons, showing the type of relation between the issuer and the person, the amount of unpaid principal, the interest rate, the final maturity, the size of the commitment, the term and conditions.

Long-term related parties liabilities

	31.12.2013 <i>BGN'000</i>	31.12.2012 <i>BGN'000</i>
Starcom Holding AD	5,720	4,687
Eurolease Auto EAD	7,602	2,172
Eurolease Group EAD	37	-
Avto Union AD	5,538	1,808
Cargoexpress Imoti EAD	70	76
Eurolease Rent-A-Car EOOD	45	45
Eurohold Imoti EOOD	-	437
Repo contracts liabilities	-	9,056
Avto Union Service EOOD	2,090	-
	21,102	18,281

Related parties liabilities
1. Interest payables

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
Starcom Holding AD	19	22
Eurolease Rent-A-Car EOOD	7	5
Avto Union AD	234	7
Eurolease Auto EAD	44	48
Euroins Insurance Group AD	8	39
Eurolease Group EAD	4	-
Bulvaria Varna EOOD	3	4
Eurohold Imoti EOOD	-	2
BG Autolease Holding B.V.	-	27
Avto Union Service EOOD	32	-
	351	154

2. Current borrowings

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
BG Autolease Holding B.V.	-	1,490
Repo contracts liabilities	2,001	-
	2,001	1,490

3. Other payables

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
United Health Insurance EAD	-	2
Eurolease Auto EAD	9	4
Eurolease Rent-A-Car EOOD	2	2
	11	8

Receivables from related parties
1. Interest receivables

	31.12.2013	31.12.2012
	<i>BGN'000</i>	<i>BGN'000</i>
Eurohold Imoti EOOD	-	3
Eurohold Imoti Veliko Tarnovo EOOD	-	57
Eurolease Auto – Macedonia	21	21
Bulvaria Holding EAD	1	1
Eurolease Auto EAD	-	2
Euroins Insurance Group AD	14	-
	36	84

2. Dividend receivables

	31.12.2013 BGN'000	31.12.2012 BGN'000
Nissan Sofia EOOD	-	24
	-	24

3. Other receivables

	31.12.2013 BGN'000	31.12.2012 BGN'000
Avto Union AD	-	9
Auto Italia EAD	18	26
Avto Union Service EOOD (Espas Auto EOOD)	82	49
Bulvaria Varna EOOD	22	4
Daru Car AD	23	6
Euroins - Health Insurance AD	1	2
Euroins AD	4	28
Euroins - Romania	37	37
Euroins Insurance Group AD	5,857	-
Eurolease Auto EAD	6	678
Star Motors EOOD	6	1
Espas Auto OOD	-	1
	6,056	841

Date:
21.01.2014 г.

Asen Minchev,
Executive Director of Eurohold Bulgaria AD

DECLARATION
in accordance with article 100o, paragraph 4, item 3 of
Public Offering of Securities Act

The undersigned,

1. Kiril Boshov – Chairman of the Management Board of Eurohold Bulgaria AD
2. Assen Minchev – Executive member of the Management Board of Eurohold Bulgaria AD
3. Ivan Hristov – Chief Accountant of Eurohold Bulgaria AD (complier of the financial statements)

hereby DECLARE that to our best knowledge:

1. The set of interim financial statements for 2013, composed in accordance with the applicable accounting standards, contain true and fair information regarding the assets and liabilities, the financial standing and the profit of Eurohold Bulgaria AD;

2. The interim management report of Eurohold Bulgaria AD for 2013 contains credible review of the information under article 100o, paragraph 4, item 2 of Public Offering of Securities Act.

Declarers:

1. Kiril Boshov

2. Assen Minchev

3. Ivan Hristov

