

August 1<sup>th</sup> 2017

## **NEWS RELEASE**

### **Eurohold's main business grows strongly in H1 2017**

Financial group Eurohold Bulgaria AD, one of the largest Bulgarian public-listed companies, registered a significant growth of its main business in the first half of 2017 due to a strong rise in the revenues and operating profit of its three major business lines - insurance, car sales and leasing, Eurohold's interim consolidated financial statement showed.

The holding's consolidated operating revenues grew 26% on the year to over BGN 647 million in the January-June period. Euroins Insurance Group AD, the group's insurance subholding, contributed most of all to the final result after having reported a growth of 32% in premium income in the first half of 2017 compared to the same period a year earlier to BGN 540 million. All EIG's insurance subsidiaries, operating in Bulgaria, Romania, FYROM and Ukraine, increased their net premium income. The insurance holding's consolidated operating profit rose to BGN 30.4 million.

Automotive holding Avto Union AD and leasing holding Eurolease Group EAD, the other two subholdings within the group, also reported a double-digit sales and operating profit growth (in the table below). Avto Union AD sold totally 2358 cars in the first six months of the year that is over 24% growth compared to the same period last year. The automotive holding 's H1 2017 sales growth surpassed the average sales growth registered in the Bulgarian market of new cars (19% growth y-o-y in the 2<sup>nd</sup> quarter of 2017 according to The Association of Automobile Importers in Bulgaria).

Eurohold Bulgaria's operating and net profit fell to respectively BGN 17.3 million and BGN 3.9 million in the first half of 2017. The reason for this decline is the fact that in the same period of 2016 the parent company generated additional revenues for almost BGN 16 million after selling some shares.

**Kiril Boshov, chairman of Eurohold Bulgaria's management board, said::** *„The tendency for the revenues and the profit of the holding's three main business lines to keep rising, seen in the first quarter of 2017, prolonged in the second quarter of the year. Our expectations are that this trend will continue in the next half of the year in the context of the positive economic outlook for the region and this will result in an increased profitability of our holding. We preserve our expectations that the holding's consolidated revenues will rise up to BGN 1.4 billion till the end of 2017".*

Last year Eurohold's consolidated operating revenues surpassed BGN 1 billion for the first time in the group's history and the company turned to a consolidated net profit of BGN 6.9 million.

## Consolidated results of Eurohold Bulgaria in January-June 2017

Segments	Revenue			Operating Profit (EBITDA)			Net Profit		
	H1.2017 000'BGN	H1.2016 000'BGN	Change %	H1.2017 000'BGN	H1.2016 000'BGN	Change %	H1.2017 000'BGN	H1.2016 000'BGN	Change %
Insurance	540 003	408 990	32%	13 231	8 562	55%	11 216	6 649	69%
Automotive business	95 349	79 230	20%	3 079	2 512	23%	434	245	77%
Leasing services	13 113	9 869	33%	2 178	1 443	51%	122	78	56%
Asset management and brokerage	3 147	5 984	-47%	201	264	-24%	171	239	-28%
<b>Total subsidiaries</b>	<b>651 612</b>	<b>504 073</b>	<b>29%</b>	<b>18 689</b>	<b>12 781</b>	<b>46%</b>	<b>11 943</b>	<b>7 211</b>	<b>66%</b>
Parent company	2 627	16 144	-84%	854	14 316	-94%	(7 478)	9 926	-175%
<b>Total without eliminations</b>	<b>654 239</b>	<b>520 217</b>	<b>26%</b>	<b>19 543</b>	<b>27 097</b>	<b>-28%</b>	<b>4 465</b>	<b>17 137</b>	<b>-74%</b>
Intragroup eliminations	(7 063)	(5 128)	38%	(2 219)	(593)	274%	(539)	(245)	120%
<b>Total</b>	<b>647 176</b>	<b>515 089</b>	<b>26%</b>	<b>17 324</b>	<b>26 504</b>	<b>-35%</b>	<b>3 926</b>	<b>16 892</b>	<b>-77%</b>

Source: Consolidated statement for the period ended June 30<sup>th</sup>, 2017

### Eurohold Bulgaria AD

Eurohold Bulgaria is a leading Bulgarian company, listed on the BSE-Sofia and the WSE. The holding company operates across CEE and SEE, focused on non-banking financial services and asset management. Eurohold Bulgaria is a majority shareholder of Euroins Insurance Group (EIG), one of the largest independent insurance groups operating in the CEE and SEE insurance markets. EIG operates in seven European countries and owns insurance subsidiaries in four of them – Bulgaria, Romania, FYROM and Ukraine. The insurance group has been operating in Greece since 2014. It has over 2 million clients, 1600 employees and annual revenues of EUR 300 million.

[www.eurohold.bg](http://www.eurohold.bg) [www.eig.bg](http://www.eig.bg)