



**2007**  
**ANNUAL REPORT**



# Table of Contents

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## **Stara Planina Hold**

Mission Statement .....	3
Board of Directors' Statement .....	4
Corporate Governance .....	6
Investment Portfolio .....	7
2007 Consolidated Financial Report .....	8
2007 Audit Report .....	11

## **Subsidiaries**

Highlights .....	12
M+S Hydraulic Plc .....	14
Hydraulic Elements and Systems Plc .....	16
Elhim-Iskra Plc .....	18
Bulgarska Rosa Plc .....	20
Fazan Plc .....	21
Patstroyinjenering Jsc .....	22
Slavyana Jsc .....	23



# Mission Statement

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## Mission Statement

### Our mission

**Stara Planina Hold** manages industrial companies dedicated to the manufacturing of products that satisfy various demands both of people and business.

We will participate in the development of the Bulgarian industry by achieving European and world level quality, efficiency and profitability.

Our success will be shared among all parties contributing for its achievement.

### Our values

We believe that the world will always need modern and efficient industry and that the material products remain the fundamental basis of the welfare all around the world.

We believe that the Bulgarian industry is capable of meeting the challenge of the rapid global economy development by emphasizing on human knowledge, the innovations brought by it and by the investments implementing those innovations.

We believe that the achievement of our goals is a reward for the hard work of anyone contributing to our development and success.

### Our history

**Stara Planina Hold** was established on 27th September, 1996 under the name Central Privatization Fund and took an active part in the mass privatization. During the period 1997-2000, we structured our investment portfolio including companies from the machine building, pharmaceutical and cosmetics, textile and food-processing industries. During this period the two biggest subsidiaries managed by our company, **M+S Hydraulic** and **Hydraulic Elements and Systems**, further developed their products' range, increased the productivity and achieved higher quality. In 2007 **Elhim – Iskra** join with these both companies registered considerable progress. The financial indices of these companies grew manifold, strengthening their position among the top hundred Bulgarian companies and becoming companies of European scale.

As a result, the holding company succeeded to develop itself steadily and to achieve a steady growth of its dividends for the last seven years. The shares of the holding company are among the secure and profitable investments on the stock market.

### Our future

**Stara Planina Hold** will continue managing its subsidiaries setting high goals regarding the quality, productivity and profitability.

We view the admission of Bulgaria into the European Union as a challenge to our competitiveness and as a great opportunity for a new stage in the subsidiaries' development. The international business interest in our country is rising sharply. We intend to take advantage of this opportunity by developing new strategic partnerships and by enlarging our investment portfolio.

We expect 2008 to be another successful year of growth and good profits.



# Board of Directors' Statement

## Dear shareholders,

**2007** was another consecutive successful year for **Stara Planina Hold**. Our subsidiaries extended their market share and increased their investments and profitability. This happened in times of sharp rise of materials, prices and heavy competition.

We are pleased to announce that, as a result of many years of hard work and development, our two biggest subsidiaries, M+S Hydraulic and Hydraulic Elements & Systems, are now among the top 100 public Bulgarian companies. In 2007 Elhim-Iskra join with these both companies registered considerable progress. They strengthened their positions as main European producers of hydraulic products and Starter batteries.

The European market share of M+S Hydraulic is nearing 35% and its world market share is about 8%. M+S Hydraulic was included in three Dow Jones Wilshire Global Indices and it entered the leading Bulgarian stock exchange index SOFIX.

In 2007, the subsidiaries of **Stara Planina Hold** achieved an overall profit growth rate of 72% with 23% sales growth rate.

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In the current 2008 the main task of the corporate management of **Stara Planina Hold** again will be to continue the successful management of the subsidiary companies through participation in their management bodies.

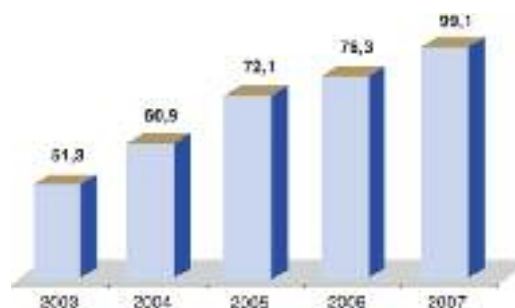
The management of **Stara Planina Hold** shall continue to concentrate its efforts on the improvement of the property status and financial standing of the subsidiary companies as well as on the achievement of higher financial results and distribution of bigger dividends compared to previous years.



**Evgeniy UZUNOV**

*Chairman of the  
Board of Directors*

**Annual Sales of All Subsidiaries (EURm)**





**Vasil VELEV**  
Executive Director

The consolidated results of the holding company are:

- Income: EURm 51.3
- Assets: EURm 43.8
- Profit after taxation: EURm 4.17
- Shareholders' equity: EURm 26.5

General Meeting of Shareholders of Stara Planina Hold, held on 15.06.2007, took decision for increase in the company capital for the account of company's own funds, namely of the accumulated reserves and the retained profit from prior periods, from BGN 1,750,000 to BGN 21,000,000.

Meanwhile, we continued our dividend payment policy by increasing the dividends for an eight consecutive years.

We intend to continue our success by concentrating our efforts on increasing production efficiency through better organization, cautious investments and special attention to quality and innovation.

Stara Planina Hold will continue to manage its subsidiary companies while aiming at higher results with respect to quality, output and profitability. We have also set higher goals with regard to the environment protection, human resources development and corporate social responsibility.

We are looking forward to the upcoming challenges and opportunities with optimism and we are continuing ahead.

**Board of directors**

Financial indices	2007	2006
<i>(EURm)</i>		
Shareholder's equity	26.5	18.6
Assets	43.8	36.0
Income	51.3	36.9
<b>Capitalisation</b>	<b>81.69</b>	<b>17.85</b>
<i>(EUR)</i>		
Assets per share	2.09	20.6
Income per share	2.44	21.1
<b>Share price</b>	<b>3.89</b>	<b>0.85</b>



## Board of Directors

The governing body of Stara Planina Hold is the Board of Directors comprising three members:

- Evgeniy Vasilev Uzunov  
Chairman of the Board of Directors
- Vasil Georgiev Velev  
Executive Director
- Finance Invest Ltd – represented by Spas Borisov Videv

One third of the Board members meet the requirement for independence. The Board of Directors holds meetings at least once per quarter discussing the current activities. The holding company also applies a system for regular review of the subsidiaries' financial results, the implementation of their business plans and analysis of future investment projects.

## Financial Audit

The General Meeting of Shareholders elects independent auditor for provision of impartial and fair valuation of the way the financial reports of the company have been made. For the financial 2007 Prof. Dr. of Economics Mihail Dinev, a registered auditor and chairman of the Institute of the Certified Public Accountants in Bulgaria, was elected.

## Investors' Relations

The Board Directors of Stara Planina Hold, considering the important role of the modern corporate governance for the support of sustainable development of the national economy of the Republic of Bulgaria and lead by its determination to continue the implementation of internationally recognized standard for good corporate management and as issuer, registered at the Bulgarian Stock Exchange – Sofia, Official market, segment A, resolved that the holding shall carry out its activity in compliance with the principles and provisions of the National Code for Corporate Governance. This National Code has been drawn up in conformity with the principles for good corporate governance of OECD.

The main priorities in the program are protection of the shareholders' rights, stimulating the investors' interest by implementing an effective model of corporate governance and enlarging the means of informing the public about upcoming corporate events.

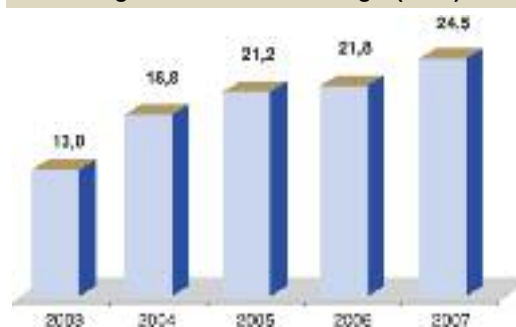
The General Meeting of Shareholders is presented with an annual investors' relations activities report by the investors' relations director.

In compliance with the policy for more transparency in the relationships with the shareholders, investors and the general public, Stara Planina Hold announced four media through which is will disclose the regulated information.

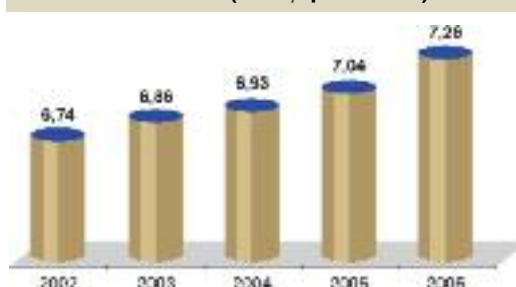
Stara Planina Hold actively cooperates with the Financial Supervision Commission, the Bulgarian Stock Exchange and with other state institutions and non-governmental organizations committed to the corporate governance in the country.

Stara Planina Hold is a member of the Bulgarian Industrial Capital Association.

**Share price on Bulgarian Stock Exchange (EUR)**



**Dividends (EUR¢ per share)**

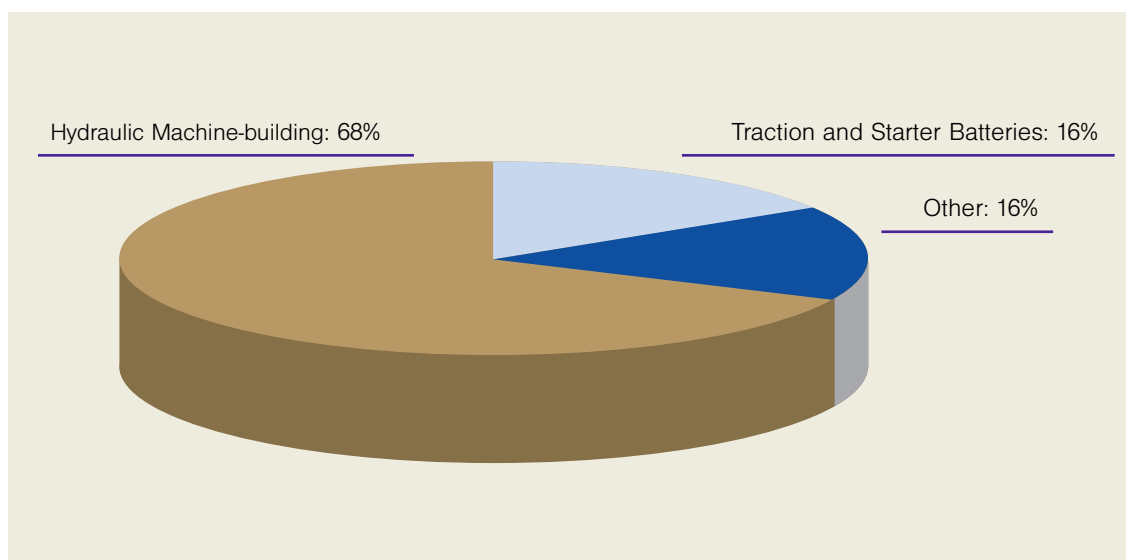




## Strategic Investments

№ Company	Sales	Assets	Equity	% of the	Capitalisation
	('000 EUR)	('000 EUR)	('000 EUR)	capital*	('000 EUR)*
	To 31 <sup>st</sup> December, 2007			To 30 <sup>th</sup> June, 2008	
1 M+S Hydraulic Plc	38 970	27 034	16 869	31	63 567
2 Hydraulic Elements & Systems Plc	24 947	15 651	10 515	64	33 008
3 Elhim-Iskra Plc	17 995	12 337	9 938	51	30 297
4 Bulgarska Rosa Plc	3 411	2 892	2 368	50	3 570
5 Fazan Plc	2 789	1 930	995	75	1 641
6 Patstroyengineering Jsc	8 014	4 428	976	27	-
7 Slavyana Plc	2 957	6 413	5 495	99	-

## Structure of the Investment Portfolio by Industries





# 2007 Consolidated Financial Report

## Balance sheet

in thousand EURO

Financial year ended December 31 <sup>st</sup>	2007	2006
<b>ASSETS</b>		
<b>Non-current assets</b>		
Land	1 040	1 044
Buildings	4 597	4 989
Machines and Equipment	2 097	2 695
Outfits	1 215	1 169
Vehicles	285	257
Furniture and fixtures	10	16
Construction in progress	3 376	2 702
Other	20	28
Intangible assets	74	70
Investments in associates	6 797	6 214
Other investments	3 338	1 661
Long-term receivables	12	23
Long-term receivables from trade loans	256	
Prepaid expenses	4	4
<b>Total Non-current assets</b>	<b>23 121</b>	<b>20 872</b>
<b>Current assets</b>		
Materials	5 855	5 764
Finished Goods	1 697	1 098
Trading Goods	41	9
Work in progress	2 503	1 665
Biological assets	571	421
Receivables from related parties	242	105
Trade receivables	4 905	4 301
Prepayments	214	61
Receivables from trade loans	767	
Court receivables	11	9
Tax receivables	735	646
Other	55	95
Cash and cash equivalents	3 057	849
Prepaid expenses	62	64
<b>Total current assets</b>	<b>20 714</b>	<b>15 087</b>
<b>TOTAL ASSETS</b>	<b>43 835</b>	<b>35 959</b>
<b>EQUIT</b>		
Share capital	10 737	895
Revaluation reserves	0	11
Reserves	1 489	4 650
Retained earning	10 138	11 890
Net result for the period	4 168	1 152
<b>Total equity</b>	<b>26 532</b>	<b>18 598</b>
<b>Minority interest</b>	<b>8 974</b>	<b>6 192</b>
<b>LIABILITIES</b>		
<b>Non-current</b>	<b>265</b>	<b>1 133</b>
<b>Current</b>	<b>8 064</b>	<b>10 036</b>
<b>Total liabilities</b>	<b>8 329</b>	<b>11 169</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43 835</b>	<b>35 959</b>

## Income statement

in thousand EURO

Financial year ended December 31 <sup>st</sup>	2007	2006
Revenue from sales of finished goods	45 707	35 161
Revenue from sales of trading goods	59	45
Revenue from sales of services	309	539
Revenue from other sales	2 681	1 169
Grants	71	63
Gains from transactions with financial instruments	1 236	0
Gains from dividends	240	210
Interest income/expenses (net)	(144)	(267)
Net foreign exchange gain/loss	(57)	(60)
Other financial income/expenses (net)	25	(93)
Cost of materials	(33 116)	(23 713)
Services	(5 619)	(4 358)
Depreciation	(1 353)	(1 464)
Salaries	(5 313)	(4 407)
Social securities	(1 209)	(1 079)
Changes in finished goods and work-in-progress	2 463	681
Cost of disposals	(914)	(756)
Other expenses	(299)	(344)
<b>Operating Result</b>	<b>4 766</b>	<b>1 326</b>
Result from equity accounted associates	798	466
Extraordinary income/expenses (net)		
<b>Result before tax</b>	<b>5 564</b>	<b>1 792</b>
Tax expenses, net	312	251
<b>Net result for the period</b>	<b>5 252</b>	<b>1 541</b>
Attributable to minority interest	1 084	389
<b>Attributable to shareholders</b>	<b>4 168</b>	<b>1 152</b>
<b>Earnings per share</b>		
Number of shares (x1000)	21 000	1 750
<b>Diluted</b>	<b>0,20</b>	<b>0,05</b>

## Cash flow statement

in thousand EURO

Financial year ended December 31st	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	49 126	36 386
Cash paid to suppliers	(40 298)	(28 938)
Cash paid to employees and social security institutions	965	
Taxes paid/received	(5 526)	(4 783)
Proceeds from financial assets held for trade	2 052	2 236
Interest, fees and commissions paid	(142)	(133)
Other payments/proceeds for operating activities	(4 974)	(4 825)
<b>Net cash flow from operating activities</b>	<b>1 203</b>	<b>(57)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current assets	(1 267)	(342)
Proceeds from sale of non-current assets	49	68
Payments for loans granted	(1 079)	(235)
Payments for loans received	1 103	(131)
Interests from loans received	12	-
Purchase of investments in subsidiaries and associates companies	(146)	(14)
Sale of investments in subsidiaries and associates companies	298	-
Dividends received from investment	218	197
Other payments/proceeds for investing activities	182	-
<b>Net cash flow from investing activities</b>	<b>(630)</b>	<b>(457)</b>
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		
Proceeds from issuance of securities	4 165	
Proceeds from loans received	1 123	3 131
Payments for loans received	(3 199)	(2 273)
Payments under to lease contracts	(65)	-
Interest, fees and commissions paid	(69)	(98)
Dividends paid	(256)	(100)
Other payments for financial activity	(45)	6
<b>Net cash flow from financial activities</b>	<b>1 654</b>	<b>666</b>
Net increase/decrease in cash and cash equivalents	2 227	152
Cash and cash equivalents at a beginning of the period	830	697
<b>Cash and cash equivalents at the end of the period</b>	<b>3 057</b>	<b>849</b>



TO  
THE SHAREHOLDERS  
OF STARA PLANINA HOLD PLC

## INDEPENDENT AUDITOR REPORT

We audited the attached financial statement of STARA PLANINA HOLD PLC, city of Sofia, as of 31 December 2007 which includes balance sheet, income statement, statement of changes in equity, cash flow statement as of the end of the respective year and the relevant appendices.

### Responsibilities

The responsibility for the preparation of this financial statement is born by the management of the enterprise. Our responsibility includes the statement of audit opinion grounded solely on the audit performed by us.

### Scope of the audit

Our audit was carried out in compliance with the professional requirements set in the International Auditing Standards. These standards require that the audit is planned and carried out in a manner which will give us a reasonable degree of confidence as to what extend the financial statement does not contain any material inaccuracies, deviations or discrepancies. The audit includes inspection on the grounds of tests of evidences regarding the amounts and disclosures presented in the financial statement. The audit also includes assessment of the applied accounting principles and the material approximate valuations made by the management as well as the overall presentation in the financial statement.

### Audit opinion

We do reckon that the performed audit provides sufficiently reasonable grounds for the audit opinion expressed by us. The information provided in the annual activity report of the company corresponds to the one in the annual financial statement.

On the grounds of the aforementioned, we hereby certify that the financial statement represents truthfully and in all material aspects the property status and financial standing of the enterprise as of 31 December 2007 as well as the results from its activity and its cash flows for the year ending on this date in compliance with the International Financial Reporting Standards.

Registered auditor (certificate No 0003): Mihail Dinev

City of Sofia, 26.03.2008





## Highlights of the year

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- **M+S Hydraulic** was included in the Bulgarian SOFIX index and in three Dow Jones Wilshire Global Indices.
- **Stara Planina Hold** increased the capital of the company. The capital was increased with the accumulated profit and reserves of the company. The capital was increased from BGN 1,750,000 to BGN 21,000,000. Every shareholder received 11 new shares for one old share.
- **Hydraulic Elements and Systems** increased its capital by IPO from BGN 2,619,830 to BGN 3,032,929 through the issuance of 412,462 ordinary, dematerialised, registered and voting shares. Raising funds of EUR 4,165,000 as a result of successful IPO will be used in Program, focused on the Overall Technological and Organizational Development; under the heading „**The Result of the Development is a Development of the Results**“.
- **Elhim Iskra** increased the capital of the company with own resources from BGN 836,947 to BGN 12,554,205. Every shareholder received 14 new shares for one old share.
- **Stara Planina Hold** submit for consideration an application for transfer of the issue of shares, from the Official Market of Equities, Segment "B" to Official Market of Equities, Segment "A" on Bulgarian Stock Exchange - Sofia.
- **Stara Planina Hold** and **M+S Hydraulic** were included in new index BG Total Return 30.
- **Total market capitalisation of Stara Planina Hold grew up from EUR 17.9 million at the end of 2006 to EUR 81.8 million at the end of 2007.**
- **Total market capitalisation of the public subsidiaries reached EUR 80.0 million at the end of 2006 and EUR 185.8 million at the end of 2007.**



## News of 2008

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- Board Directors of **Stara Planina Hold** considering the important role of the modern corporate governance for the support of sustainable development of the national economy of the Republic of Bulgaria and lead by its determination to continue the implementation of internationally recognized standard for good corporate management and as issuer, registered at the Bulgarian Stock Exchange - Sofia, Official market, segment A, resolved that the holding shall carry out its activity in compliance with the principles and provisions of the National Code for Corporate Governance.
- **Elhim Iskra** was included in the Bulgarian index BG40.
- Bulgarian Industrial Association was held for presenting the annual „IN-5“ awards gives for contribution to the development of the Bulgarian economy through 2007. In category Industry the annual award was delivered to Mr. Vasil Velev - Executive Director of **Stara Planina Hold**.
- General Meetings of shareholders of **M+S Hydraulic, Hydraulic Elements & Systems** and **Elhim Iskra** took a decision for buy back of shares of the company's capital up to 3% of the total amount of shares issued by the company for redemption period within five years.
- **Total market capitalization on 30.06.2008 of Stara Planina Hold is EUR 57.0 million and the public subsidiaries reached EUR 132.0 million.**



## Subsidiaries



1	M+S Hydraulic Plc	<b>Kazanlak</b>
2	Hydraulic Elements and Systems Plc	<b>Yambol</b>
3	Elhim-Iskra Plc	<b>Pazardzhik</b>
4	Bulgarska Rosa Plc	<b>Karlovo</b>
5	Fazan Plc	<b>Ruse</b>
6	Patstroyinjenering Jsc	<b>Kardzhali</b>
7	Slavyana Jsc	<b>Slavyanovo</b>

# M+S Hydraulic Plc

## Machine Building

### Production of hydraulic elements

#### Products

- Orbital hydraulic motors  
Capacity – 8 cm<sup>3</sup> to 800 cm<sup>3</sup>  
Maximum speed – up to 2000 min<sup>-1</sup>  
Pressure – up to 250 bar  
Output – up to 55 kW
- Hydrostatic steering units  
Capacity – 40 cm<sup>3</sup> to 1000 cm<sup>3</sup>
- Accessories

#### Applications

The products of M+S Hydraulic are used in:

- Agricultural machines (harvesters, tractors)
- Forest machines
- Building machines (excavators, bulldozers, steam-rollers, front shovels, concrete mixers )
- Material handling machines (cranes, fork-lifts, dumpers)
- Communal transport machines
- Plastic and Rubber machines;
- Machines for food industry
- Mining Industry

#### Sales

M+S Hydraulic proceeds with the development of new products and expanded its distributors' network, which laid the grounds for its steady sales growth. Since the company became private, its sales have increased from 7.2 million euro in 1997 to 37.0 million euro in 2007. M+S Hydraulic sold 444000 hydraulic products during 2007.

This makes the company one of the largest producers of hydraulic products next to Eaton, Sauer-Danfoss, Parker and White.

M+S Hydraulic established a well developed distributors' network in over 42 countries in Europe, the Americas, Asia, Australia and Africa. The company maintains a constant pool of customers, while trying to increase its sales in the emerging markets in Eastern Europe, Asia and South America.

Some of our customers are:

- AVANT TECNO OY - Finland
- Haulotte - France
- TEREX - USA, Italy
- GENIE Industries - USA

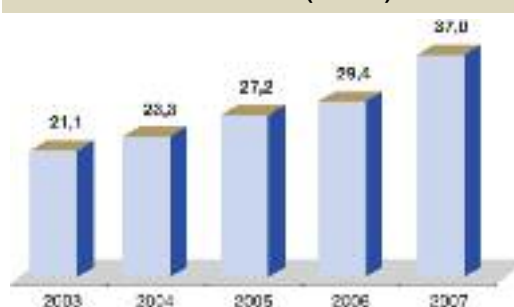
- ROLFO - Italy
- Palfinger - Italy
- AICHI Corporation - Japan
- Emily - France
- Sandvik Tamrock - France, Finland

#### Miscellaneous

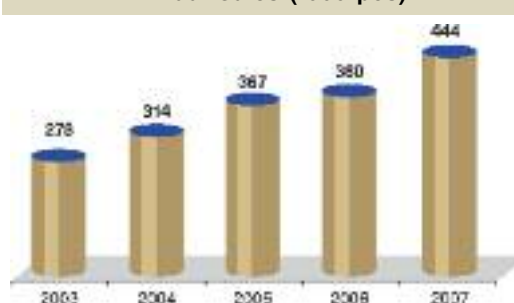
M+S Hydraulic

- is the fifth largest manufacturer of orbital hydraulic motors in the world. Its market share is 8 %.
- among top 100 of the Bulgarian companies according to the Bulgarian Chamber of Commerce and Industry
- Entered in Sofix; BG40 and BG30TR Indices;
- Entered in tree Dow Jones indexes;
- is certified according to the international quality standard ISO 9001:2000
- Since August, 2006 is certified under both OHSAS (Occupational Health and Safety System) 18001:1999 and ISO 14001:2004 (Environmental Management System) management system standards.
- certified its products according to the Russian technical standards GOST

Annual Sales (EURm)

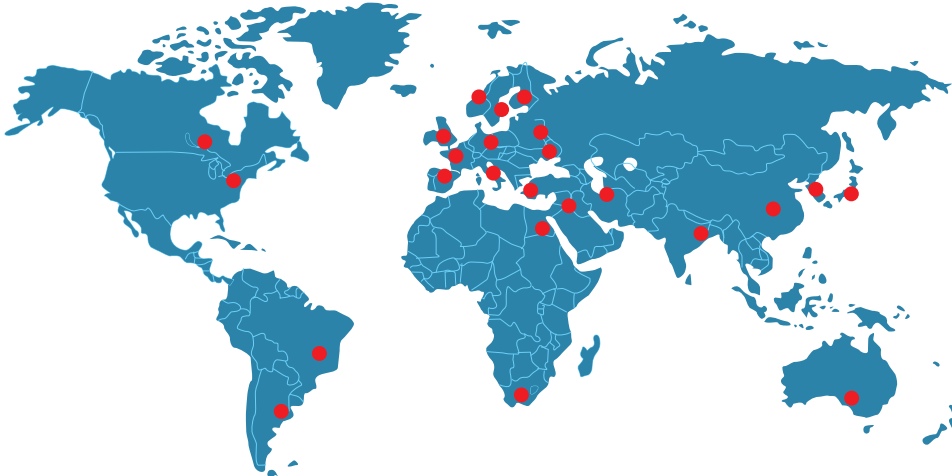


Annual Sales ('000 pcs)





has distributors in 42 countries and customers all around the world



**Contacts**

Tel.: (+359 431) 65167  
Fax: (+359 431) 64114  
e-mail: [msh@ms-hydraulic.com](mailto:msh@ms-hydraulic.com)  
URL: [www.ms-hydraulic.com](http://www.ms-hydraulic.com)

# Hydraulic Elements and Systems Plc

## Machine building

### Production of hydraulic elements.

### Products

Hydraulic Elements & Systems Plc (HES) constructs, produces and maintains hydraulic cylinders. HES works mainly on customers' requirements with specified parameters, quantity and terms of delivery.

PISTON CYLINDERS – single-acting and double-acting (with or without damping at the end of the stroke) with diameter of the piston rod from 30 mm to 300 mm and maximum stroke length of 2500 mm.

PLUNGER CYLINDERS – with diameter of the plunger from 20 mm to 250 mm and maximum stroke length of 3000 mm.

TELESCOPIC CYLINDERS – single-acting up to 8 levels with maximum stroke length of 8000 mm; double-acting up to 3 levels with maximum stroke length of 4500 mm.

RACK CYLINDERS – with diameter of the piston up to 100 mm and maximum stroke length of 500 mm.

The quality of the sealings ensures the dependability of the products and maximum working pressure of 32 MPa. The plungers and the piston rods are hard chromium-plated with standard layer depth from 0.025 mm to 0.035 mm and hardness of 800-1100 HV. On customer demand, rods may be produced with a thicker chromium layer, made of stainless steel and heat-treated.

### Applications

- Material handling equipment (cranes, fork-lifts, dumpers);
- Agricultural machines (harvesters, tractors);
- Construction machines (excavators, bulldozers, front shovels, concrete mixers, lifting platforms);
- Machines for forestry industry;
- Communal transport machines, etc.

## Sales

HES Plc. is a manufacturing and engineering company, showing fast growth and continuous development in the recent years. Its basic activities are in hydraulic cylinders' design and production. HES Plc. exports about 95% of its products mainly to countries in EU and USA.

Some of the company's major customers are:

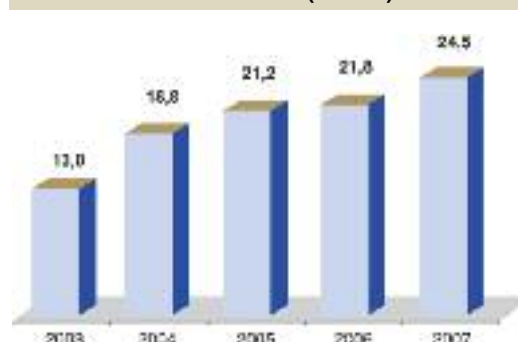
- PALFINGER Group
- HS PENTA Srl
- STERTIL B.V.
- GALLIGNANI GROUP

## Miscellaneous

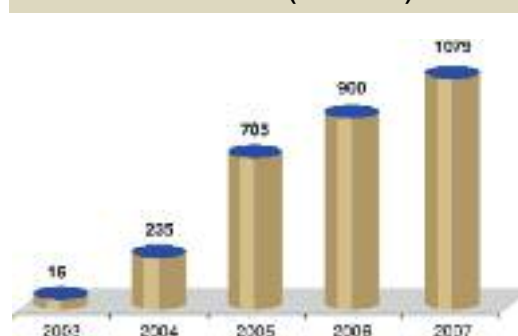
HES:

- is certified according to the international quality standard ISO 9001:2000 by **Lloyd's Register** and **TÜV Rheinland InterCert Kft.**

Annual Sales (EURm)



Annual Profit ('000 EUR)





**Contacts**

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Fax: (+359 46) 661 456

E-mail: [info@hes-co.com](mailto:info@hes-co.com)

URL: [www.hes-co.com](http://www.hes-co.com)

# Elhim-Iskra Plc

## Electrical engineering

### Production of batteries

#### Products

- Starter batteries
- Standart starter batteries with capacity from 40Ah to 230Ah and voltage 12V , from 84Ah to 215Ah with voltage 6V.
- Max energy – from 12V/44Ah to 12V/100Ah
- Maintenance free – Ca, from 12V44 Ah to 12V100 Ah
- Extreem energy – from 12V44Ah to 12V100Ah

#### Traction batteries

- Pasted traction batteries – with capacity from 150Ah to 630Ah and voltage from 6V to 80V
- Panzer traction batteries – on DIN and BS, with capacity from 110Ah to 1160Ah and voltage from 6V to 80V

#### Semi traction batteries

- Pasted batteries – 6V 185 Ah
- Panzer batteries – 6V 185 Ah, 6V 200Ah and 12V 120 Ah

Traction cells with voltage 2V and capacity from 110Ah to 1160Ah

## Applications

The products of Elhim-Iskra Plc are used in

- Vehicles (cars, trucks, buses)
- Agricultural machines (harvesters, tractors)
- Lifting and storage equipment
- Golf jacklifts, floor-cleaning equipment, building equipments

## Sales

A very big part of the production of Elhim-Iskra (91% of traction batteries and 50% of starter batteries) is exported to Russia, the Middle East and the European Union. 222000 pieces of starter and 6000 pieces of traction batteries were sold in 2007.

## Customers

Some of our customers are:

- Drumeda – USA
- Hemus – Bulgaria

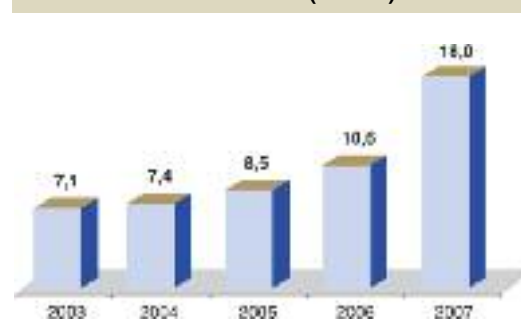
- Lagoona – Russia
- Bultechnica – Bulgaria
- Util – Romania
- Dimeks – Ukraina
- Baden – Italy
- Seacc – Italy
- Vital – Bulgaria
- Fabat – Kosovo
- Kobat – Albania
- Iskra – Macedonia
- lolmar – Poland
- ELhit – Bulgaria

## Miscellaneous

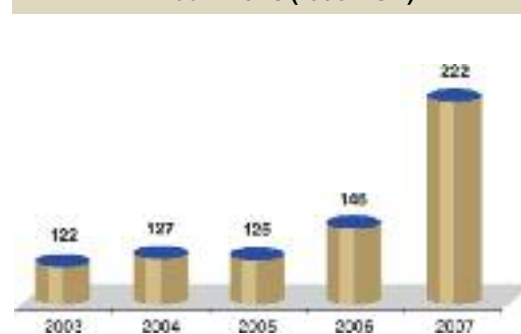
Elhim-Iskra PLC

- More than 45 years experience in the production of batteries
- Is certified according to the international standards ISO 9001:2000 and OHSAS 18001:1999.
- The production is manufactured according to EN, BSS and the Russian technical standard.

Annual Sales (EURm)



Annual Profit ('000 EUR)





#### Contacts

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# Bulgarska Rosa Plc

## Perfumery and Cosmetics

### Production of ethereal oils and cosmetics

#### Products

- Natural aromatic products.
  - Essential oils – rose oil, lavender oil, thyme oil and others.
  - Concretes – rose concrete and others.
  - Absolutes – rose absolute.
  - Natural extracts.
  - Natural waters – Rose, Lavender, Melissa, Camomile, Mentha, Clary Sage water and others.
- Tobacco sauces for the tobacco industry.
- Perfumery and cosmetic products – facial and body creams, shampoos, conditioners, body lotions, glycerin soaps and others.
- Perfume compositions used in the perfumery and cosmetic industries and in the production of household cleaning products.
- Flavors used in the food processing industry

#### Sales

The company is a leading Bulgarian producer of high quality rose oil which is exported mainly to France. The management of the company remained persistent in its efforts towards foreign markets expansion by exporting cosmetics to Russia, Latvia, Estonia, Romania, USA, Germany, Spain, Dubai, Jordan, Greece, China, Japan, Taiwan and other countries.

#### Customers

Some of our customers are:

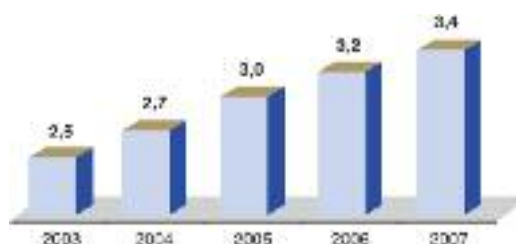
- Sharabot – France
- Jean-Niel – France
- Bioland – France
- Bell Flavours – Germany
- IFF – USA

- Berje – USA
- Givaudan – France
- ARCO SAS - France
- Wands Shoukai – Japan
- Vitamed Group – Estonia
- VOW Group SRL – Romania
- AKSO PLUS – Latvia
- Berwick Trading Company - USA
- Bulgartabac - Bulgaria

#### Miscellaneous

- Bulgarska Rosa Plc has a laboratory for testing its consumer products, accredited according to the requirements of the Bulgarian Accreditation Service – BDS EN ISO/ IES 17025:2001
- The company is certified according to the international quality standard ISO 9001:2000.
- At the national trade exhibition Produced in Bulgaria the company was awarded with the prizes Gold Lion and Silver Lion, with a gold medal at the International Fair in Plovdiv and the prize Wing of Success at the international exhibition Partners Expo in Pleven.

Annual Sales (EURm)



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## Textile industry

### Production of socks

#### Products

- Men's socks
- Lady's socks
- Children's socks
- Pelerine socks
- Sport socks
- Children's stockings

The products are made of: cotton, bamboo, polyamide, polyester, acryl, elastane, wool, wool and acryl, viscose, etc.

Fazan annual production capacity is 10 million pairs. There are ongoing plans for expansion of the capacity due to strategic partnerships. The company comprises the following departments: knitting department, bordering department, dyeing department finishing-packaging department. Fazan has a laboratory for quality control on each production stage.

#### Sales

with 2005, that falls mainly of the Far East Asia producers' invasion, the profit of the company have decreased with 40 %. Fazan has developed and enhanced its product line for the last years and has established contact with more major retailers in Europe.

83 % of the production is exported to the European market- to the countries of Great Britain, France, Germany, Spain, Hungary and to the Middle East.

Fazan socks are sold in the stores of:

- CARREFOUR
- TESCO

- GO SPORT
- WOOLWORTHS
- QUELLE
- OTTO
- C&A
- MATALAN
- KAUFLAND
- etc.

The products are sold on the local market through established distribution net as well. In Bulgaria Fazan works with the hypermarket chains:

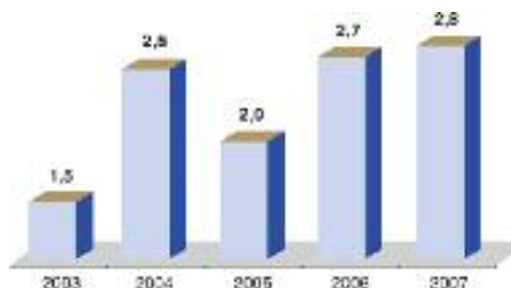
- METRO
- BILLA
- KAUFLAND
- HIT HYPERMARKET
- RAMSTORE

#### Miscellaneous

Fazan:

- is the biggest producer of socks in Bulgaria.
- produces according to Bulgarian State Standard 2273-89, and according to customers' demand for GBS, ISO and OKOTEX standard requirements.

Annual Sales (EURm)



FAZAN

#### Contacts

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# Patstroyinjenering Jsc

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## Construction

### Construction and maintenance of roads

### Products

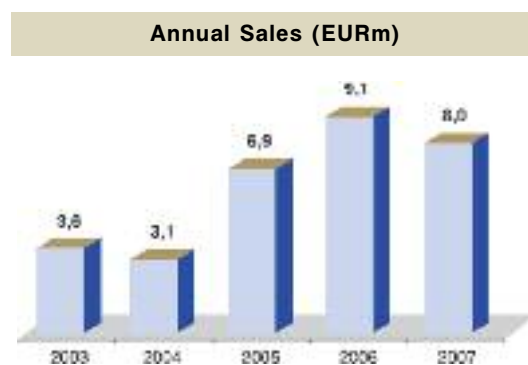
- Construction and maintenance of roads
- Construction and inert materials for road construction
- Stone tiling materials of marble, gneiss, tufts and limestone for road surfaces and lining of buildings.

### Sales

The company works entirely for the Bulgarian market.

### Miscellaneous

The company fulfils the requirements of the international standards AASHTO and ASTM Patstroyinjenering cooperates with the other road construction companies.



### Contacts

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## Food processing industry

### Production of eggs and egg products

#### Products

- Commodity eggs
- Eggs for breeding
- One-day chickens
- Pullets
- Broilers

#### Sales

Slavyana sold 27 000 000 eggs for 2006.

The capacity of the factory is 130 000 thousand eggs.

Slavyana's customers are distributors from all around the country selling on the local market.

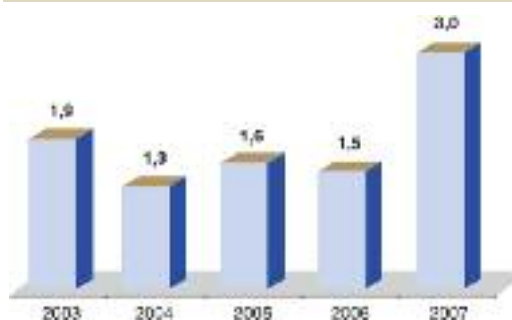
#### Miscellaneous

- Company's own workshop, producing combined forage with capacity 5 tons in an hour, was puting in exploitation on 2005. The investment, realized whit Special Accession Programme for Agriculture and Rural Development – SAPARD support, satisfies all needs of the enterprise.
- Slavyana is certified according to the requirements of the EU - International standards ISO

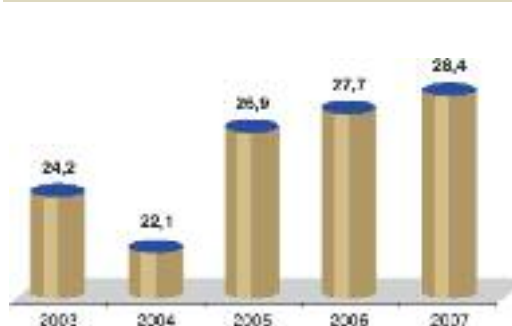
9001:2000-12 and HACCP.

- Member of Union of the Poultry Breeders in Bulgaria.
- Member of Union of Mixed Fodder Producers in Bulgaria.

Annual Sales (EURm)



Annual Sales ('000 pcs)



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