BIOIASIS AD

Financial Statements

For the year ending on 31 December 2010

With an Independent Auditor's Report

Statement of comprehensive income

As of 31 December 2010

	App.	as of 31 December 2010	as of 31 December 2009
		BGN '000	**BGN '000**
Revenues	3.2 a	1 274	2 082
Cost of materials	3.2. b	(4)	(11)
External services	3.2.c	(122)	(129)
Depreciation expenses	3.2.d	(22)	(15)
Staff costs	3.2 e	(264)	(63)
Other expenses	3.2.f	(51)	(26)
Net book value of sold assets	3.2.g	(342)	(602)
Result from the activity		**469**	**1 236**
Net financial expenses	3.2.h	**(12)**	**(12)**
Result before taxes		**457**	**1 224**
Tax expenses	3.3	47	122
Net result for the period		**410**	**1 102**
Total comprehensive income for the year		**410**	**1 102**

The statement of comprehensive income is to be read in conjunction with the notes, which are an integral part of the financial statements on pages 14 to 19.

The financial statement is prepared on 25 January 2011.

Executive director:
Georgios Kisas

Registered auditor

Prepared by:
"Accounting Service" OOD

Statement of financial position
As of 31 December 2010

	App.	as of 31 December 2010	as of 31 December 2009
		BGN ‘000	BGN ‘000
Non-current assets		**60**	**60**
Tangible	3.1.a	52	59
Non-tangible	3.1.b	7	-
Deferred tax assets		1	1
Current assets	3.1.c	**2 260**	**1 665**
Inventories	3.1.d	440	148
Trade and other receivables	3.1.e	1 093	1 360
Cash and cash equivalents		727	157
Total assets		**2 320**	**1 725**
Equity		**1 896**	**1 529**
Share capital		1 200	400
Reacquired stocks	3.1.f	(3)	(1)
Share premiums		(113)	(73)
Other reserves		120	101
Result from previous year		282	-
Result for the current year	3.1.g	410	1 102
Non-current liabilities		**23**	**29**
Other long-term liabilities	3.1 h	23	29
Current liabilities		**401**	**167**
Trade and other payables	3.1.i	368	47
Liabilities to employee	3.1.i	6	8
Other short-term liabilities	3.1.i	27	112
Total equity and liabilities		**2 320**	**1 725**

The statement of financial position is to be read in conjunction with the notes, which are an integral part of the financial statements on pages 14 to 19.

Executive director: Registered auditor
Georgios Kisas
Prepared by:
“Accounting Service” OOD

Statement of cash flows

As of 31 December 2010

	as of 31 December 2010	**as of 31 December 2009**
	BGN '000	**BGN '000**
Operating activities		
Revenues related to trade partners	1 806	1 531
Payments related to trade partners	(633)	(779)
Cash flows related to salaries	(273)	(49)
Paid interests and commissions	(7)	(5)
Cash flows from foreign exchange gains and losses	-	(1)
Paid profit taxes	(137)	(74)
Other payments, net	(248)	(443)
Net cash flow from operating activity	508	180
Investment activities		
Payments for acquisitions	(26)	(6)
Net cash flow from investing activity	(26)	(6)
Financing activities		
Cash flows from emissions and redeeming for securities	(42)	(74)
Received loans	144	-
Repaid loans	-	(39)
Payments under lease contracts	(8)	(9)
Paid interests	(6)	(7)
Net cash flow from investing activity	88	(129)
Increase/ (decrease) of cash and cash equivalents	**570**	**45**
Cash and cash equivalents at the beginning of the period	**157**	**112**
Cash and cash equivalents as of 31st December 2010	**727**	**157**

Executive director: Registered auditor
Georgios Kisas

Prepared by:
"Accounting Service" OOD

Statement of changes in equity
As of 31 December 2010

	Registered capital	Reserves	Financial result	Total
	BGN '000	BGN '000	BGN '000	BGN '000
Balance at 1st January 2009	**200**	**-**	**301**	**501**
Distribution of profit from previous years including				
Increase of equity	**200**	**-**	**(200)**	**-**
Formation of reserves	**-**	**101**	**(101)**	**-**
Formation of reserves in connection with reacquired stock	**-**	**(73)**	**-**	**(73)**
Reacquired stock	**(1)**	**-**	**-**	**(1)**
Result for the year ending on 31st December 2010	**-**	**-**	**1 102**	**1 102**
Total comprehensive income for the year	**(1)**	**-**	**1 102**	**1 028**
Balance at 1st January 2010	**399**	**28**	**1 102**	**1 529**
Correction	**-**	**(1)**	**-**	**(1)**
Distribution of profit from previous years including				
Increase of equity	**800**	**-**	**(800)**	**-**
Formation of reserves in connection with reacquired stock	**-**	**(40)**		**(40)**
Formation of reserves	**-**	**20**	**(20)**	**-**
Reacquired stock	**(2)**	**-**	**-**	**(2)**
Result for the year ending on 31st December 2010	**-**	**-**	**410**	**410**
Total comprehensive income for the year	**(2)**	**-**	**410**	**408**
Balance at 31st December 2010	**1 197**	**7**	**692**	**1 896**

Manager: Registered auditor

Prepared by:
"Accounting Service" OOD

1. Basis for Financial Statement Preparation

(a) Legal Status

The Company is registered under the name Mediplas OOD and is registered in the Company Register of Sofia City Court by decision № 1 dated 18/04/2005 under company case 4357/2005 batch № 92873, volume 1215, registration 1, page. 65, BULSTAT 131407988 with establishment capital of BGN 5 000 divided into 50 shares of BGN 100 each.

Mediplas OOD (the Company) is limited liability company 100% private property. The partners are Georgios Panos Kisas, Greece, holder of passport “N” № 008423 issued on 22.10.1999, holding 40 shares of the Company capita and Dimitrios Hristos Dumpalis, Greece, holder of passport “B” № 109981 issued on 13.01.2005, holding 10 shares.

By decision № 2 dated 25/07/2006 Sofia City Court entered Dimitris Panayotis Sotiropulos as partner who transferred 10 company shares. Georgios Panos Kisas transfers 4 shares and Dimitrios Hristos Dumpalis transfers 6 shares. A change of the company name was also registered from Mediplas OOD to **Bioiasis OOD.**

By decision № 3 dated 11/10/2006 of Sofia City Court the capital of the Company was increased from BGN 5 000 to BGN 100 000.

By decision № 5 dated 23.02.2007 of Sofia City Court the capital of the Company was increased from BGN 100 000 to BGN 200 000.

By decision № 6 dated 01/08/2007 Sofia City Court registered the transformation of the legal form of the company **Bioiasis OOD** into a joint stock company with name **Bioiasis AD** with registered office and address of management: Sofia, Vazrazhdane, 83 Gyueshevo, Business Centre Serdika, offices 406-407.

A General Meeting of the Shareholders was held 07.05.2009 and a decision was taken to divide the undivided profit from previous years amounting to BGN 386 762.69 as follows:

- To cover losses from past years - BGN 86 272.20.
- To increase the equity - BGN 200 000.
- To establish reserves - BGN 100 490.49.

The increase of the capital was officially registered in the Trade Register on 08.06.2009.

A General Meeting of the Shareholders was held 18.06.2010 and a decision was taken to divide the undivided profit from previous years amounting to BGN 820 000.00 as follows:

- To cover losses from past years - BGN 800 000.
- To establish reserves - BGN 20 000.

The increase of the capital was officially registered in the Trade Register on 19.07.2010.

The main business of the Company is the trade in medical materials, instruments and appliances, sanitary products, medical equipment and other similar products.

(b) Applicable standards

“BIOIASIS” AD has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 January 2010, but have not effect on the financial statements of the Company:

- IFRS 1 "First-time Adoption of International Financial Reporting Standards" (amended) – Additional Exemptions for First-time Adopters, adopted by the EU on 25 June 2010;

- IFRS 1 "First-time Adoption of International Financial Reporting Standards" (revised 2008), adopted by the EU on 25 November 2010;

- IFRS 2 "Share-based Payment" (amended) – Group Cash-settled Share-based Payment Transactions, adopted by the EU on 23 March 2010;

- IFRS 3 "Business Combinations" (revised 2008), adopted by the EU on 12 June 2009;

- IAS 27 "Consolidated and Separate Financial Statements" (revised 2008), adopted by the EU on 12 June 2009;

- IAS 39 "Financial Instruments: Recognition and Measurement" (amended) – Eligible Hedged Items, adopted by the EU on 16 September 2009;

- IFRIC 15 "Agreements for the Construction of Real Estate", effective 1 January 2009, although EU endorsed for 1 January 2010;

- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", effective 1 October 2008, although EU endorsed for 1 July 2009;

- IFRIC 17 "Distributions of Non-cash Assets to Owners", adopted by the EU on 25 November 2009;

- IFRIC 18 "Transfers of Assets from Customers", adopted by the EU on 27 November 2009 for periods beginning on or after 31 October 2009;

- Annual Improvements to IFRSs 2008 – IFRS 5 "Non-current Assets Held for Sales and Discontinued Operations", adopted by the EU;

- Annual Improvements to IFRSs 2009, adopted by the EU on 23 March 2010.

- "Reassessment of Embedded Derivatives" (amended).

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement, but they are not expected to have a material impact on the Company's financial statements.

- IFRS 1 “First-time Adoption of International Financial Reporting Standards” (amended) – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters – effective from 1 July 2010, adopted by the EU on 30 June 2010;

- IFRS 1 “First-time Adoption of International Financial Reporting Standards” (amended) – Fixed dates and Hyperinflation, effective from 1 July 2011, not yet adopted by the EU;

- IFRS 7 “Financial Instruments: Disclosures” – Derecognition, effective from 1 July 2011, not yet adopted by the EU;

- IFRS 9 “Financial Instruments” effective from 1 January 2013, not yet endorsed by the EU;

- IAS 12 “Income Taxes” – Deferred Tax, effective from 1 January 2012, not yet adopted by the EU;

- IAS 24 “Related Party Disclosures” (amended) effective from 1 January 2011, adopted by the EU on 19 July 2010;

- IAS 32 “Financial Instruments: Presentation” (amended) effective from 1 February 2010, adopted by the EU on 24 December 2009;

- IFRIC 14 “Prepayments of a Minimum Funding Requirement” (amended) effective from 1 January 2011, adopted by the EU on 19 July 2010

- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” effective from 1 July 2010, adopted by the EU on 23 July 2010

- Annual Improvements to IFRSs 2010 effective from 1 January 2011 unless otherwise stated, not yet adopted by the EU;

(c) Basis for Preparation

These financial statements have been prepared according to the principles for evaluation of all kinds of assets, liabilities, incomes and expenses, according to IFRS. The bases for the evaluation are given out in detail below in the accounting policy to the financial statement. The financial statement is prepared according to the principle of going concern.

The financial statement has been prepared in thousands BGN. Where the historic price has been used as basis the preparation. The Financial Statement presents and independent report of the enterprise. The Financial Statement has been prepared in the national currency of Republic of Bulgaria – BGN (Bulgarian lev). From 1 Jan., 1999 the Bulgarian lev has been fixed to the Euro: 1.95583 BGN per 1 Euro. The accuracy of the amounts presented in the Financial Statement is thousand BGN.

Date of the Financial Statement: 31 Dec., 2010.

Current period: the year beginning on 01 January, 2010 and ending on 31 December, 2010.

Previous period: the year beginning on 01 January, 2009 and ending on 31 December, 2009.

2. Main Elements of the Accounting Policy

(a) Foreign Currency Operations

All transactions performed in foreign currency have been recalculated in BGN according to the Central Bank rate of exchange at the day of transaction. The financial assets and liabilities, denominated in foreign currency as of the Balance Sheets' date have been recalculated in BGN according to the closing rate of exchange of the Central bank by 31 December 2010. The differences in the rates of exchange resulting of this have been acknowledged in the incomes statement. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not re-valued). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

(b) Property, plant and equipment

As property, plant and equipment have been reported those assets that meet the criteria of the International Accounting Standard 16 and have price of acquisition equal to or exceeding BGN 700. The assets, which price is lower than the indicated one have been reported as current expenses for the period of acquisition in accordance with the approved accounting policy. Each estate, machinery or equipment has been estimated at the time of its acquisition at the price of acquisition set in compliance with the requirements of the International Accounting Standard 16.
The Company has adopted to report the property, plant and equipment in compliance with the International Accounting Standard 16 at acquisition cost less accumulated depreciation, and less a provision for impairment, where required.
Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.
The average efficient life in years for the main groups long-term tangible assets, is as follows:

Group	Years
Buildings and installations	25
Machinery	3,3
Vehicles	4
Business equipment	6,7
Computers and appliances	2

The lands and the expenses for acquisition of long-term assets are not subject to deprecation. The deprecation norms used, are based on the efficient life calculated.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in

profit or loss within "Profit/ (Loss) from sale of non-current assets".

(c) Intangible Assets

For intangible assets have been reported the assets that conform to the intangible asset definition and meet the criteria for report of the intangible assets set in International Accounting Standard 38.
At the moment of their acquisition the intangible assets shall be reported by their acquisition cost.
The intangible assets have been reported after their acquisition according to their cost decreased by accumulated amortization and less provision the impairment where required.
They have been deprecated following the straight-line method for the period of the efficient life set.

(d) Long-term Tangible Assets Impairment

If there are events and change in the conditions, which indicate that the balance value of the long-term tangible and intangible assets, is unrecoverable within the activity, shall be provided for impairment. The loss due to impairment have been acknowledged for the amount, by which the balance value exceeds the recoverable one, which represents the higher one of the net sale price of the asset and its value in use. For the purposes of the deprecation assessment, the assets have been grouped to the highest possible degree of analyticity, for which present cash flows subject to identification.

With relation to the International Accounting Standard 36, Impairment, the Company considers that:
1. Negative changes in its working environment are expected to occur.
2. The Company's internal reports do not show probability of significant decrease in the economic interest of the assets possessed – on the grounds of prognostications about the Company's activity.

(e) Investments in Subsidiaries, Associates and Non-controlling Interest

The investments in associates and subsidiaries companies have been reported and presented at cost.
The investments that present non controlling interest have been reported by equitable value and classified as financial assets available for sale, according to the International Accounting Standard 39 requirements.

(f) Investment Properties

The Company does not report investment properties pursuant to the International Accounting Standard 40.

(g) Inventory

The inventories are current assets, such as materials, acquired mainly by purchase and designated for direct sales.
The inventory in stock is valued at the lower on net realizable value. The acquisition value includes the amount of all expenses made under the purchase, working, as well as other

expenses made with relation to their supply to their current state and place.
The subsequent valuation has been assessed using the method of the average-weighted price.
At the end of every accounting period, inventories are carried at the lower of cost and net realizable value. The amount of the impairment of inventories to their net realizable value is recognized as an expense for the period of impairment.

(h) Commercial and Other Receivables

As credits and receivables initially arisen in the enterprise have been classified the receivables occurred by the direct consigning of goods, services, money or financial equivalents of debtors.
Initially these receivables have been assessed at cost.
After the initial admission the receivables from clients and suppliers, which have not fixed date of payment, have been reported at cost.
The credits and receivables from clients that have fixed date of payment have been reported by their amortised cast. The efficient interest percent is the original interest rate set by the contract.
By the date of the financial statement has been made a review to assess the impairment due to uncollected debts. The deprecation assessment has been made on the grounds of the individual approach for each receivable according to the management resolution.
The taxes for receivable have been presented according to the original amount of the receivable sum.
The deferred tax assets are represented with a value defined according to the amount of the temporary differences. The deferred tax assets are being accounted for all temporary differences between the tax base of the assets and the liabilities and their carrying amount as of the date of the financial statement, as it is used the balance method of the liabilities. For defying of the deferred tax the expected tax rates are used, effective in their future realization. An asset for deferred tax is admitted up to the level, up to which it is probable to be a future taxable profit, for which to be possible to be used the deductible temporary differences. The deferred taxes are admitted as a profit or an expense and are entered in the net profit or loss for the period, except in the cases, when the taxes accrue from the operations or events, admitted in the same or another reported period directly in the capital. The deferred taxes are reported directly in the capital, when the tax refers to entries, reported in the same or different reported period directly in the capital.
Other receivables are represented according to cost price.
As short-term have been classified receivables, which:

- have not fixed date of payment

- have fixed date of payment and residual time to the date of payment up to one year from the date of the financial statement.

As long-term have been classified receivables that have fixed date of payment and residual time to the date of payment exceeding one year from the date of payment.

The commercial and other receivables have been presented by their nominal value by deducting all losses as result of deprecation.

(i) Cash and Cash equivalents

The cash and cash equivalents include the cash at hand, and those in bank deposits.

(j) Financial Instruments

The Company's financial instruments include financial funds in bank accounts, receivables and liabilities. The Company's management thinks that the equitable price for the financial instruments is close to their balance value.

Currency Risk

The currency transactions have been carried out in Euro. The Company does not use special financial instruments to hedge the risk, since the use of such financial instruments is not usual practice in Republic of Bulgaria.

Credit Risk

The financial assets that potentially expose the Company to a credit risk are mainly receivables from sales. The Company would be exposed to credit risk in case its clients do not cover their obligations towards the Company. The Company policy in that sphere is directed to realization of sales of goods and services to clients with adequate credit reputation.

(k) Main capital stock

The Company's main capital stock is accounted as per historic cost as at registration day.

(l) Liabilities

Liabilities classification:

- As credits and liabilities initially recognized in the enterprise have been classified the liabilities occurred from the direct supply of goods, services, money or financial equivalents from creditors.

Initially these liabilities and credits have been assessed at cost.

After they have been initially acknowledged the credits and liabilities to clients and suppliers that have no fixed date of payment have been reported at cost.

The credits and receivables from clients and suppliers that have fixed date of payment have been reported by their amortization value. The efficient interest rate is the original rate set by the contract.

- The liabilities to the staff and social security organizations have been classified as liabilities of the enterprise in connection with passed labour expended by the staff hired and the respective social security payments, required by the Law. According to the International Accounting Standards requirements there also have been included the accrued short-term income of the staff that has a proven origin, unused holidays of the personal and the social security payments over these holidays, assessed on the grounds of the existing insurance rates. The company does not have adopted policy to assess long-term incomes of the staff.
- The deferred tax liabilities are represented with a value defined according to the amount of the deferred tax temporary differences. The deferred tax assets are being accounted for all temporary differences between the tax base of the assets and the liabilities and their carrying amount as of the date of the financial statement, as it is used the balance method of the liabilities. For defying of the deferred tax the expected tax rates are used, effective in their future realization. The deferred taxes are admitted as a profit or an expense and are entered in the net profit or loss for the period, except in the cases, when the taxes accrue from the operations or events, admitted in the same or another reported period

directly in the capital. The deferred taxes are reported directly in the capital, when the tax refers to entries, reported in the same or different reported period directly in the capital.

- Current tax liabilities are the enterprise's liabilities related to the tax legislation enforcement. They have been presented by value in compliance with the provisions of the respective tax law for assessment of the rates of each tax.

- Provisions have been assessed under the best estimation of the company management, regarding the constructive and legal obligations occurred as a result of past events. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the best reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

- In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Contingent liabilities should be valued subsequently at the higher amount of the above-mentioned comparable provision and the initially recognized amount, less accumulated depreciation.

- The probable income flows of the economical benefits, which still do not respond to the criteria for admitting of an asset, are considered for contingent assets.

As short-term have been classified liabilities, which:
- have not fixed date of payment
- have fixed date of payment and residual time to the date of payment up to one year from the date of the financial statement

As long-term have been classified liabilities that have fixed date of payment and residual time to the date of payment exceeding one year from the date of payment.
The loans received have been initially reported by their rise cost, deducted by the respective costs under the deal. After the initial report, the loans received have been presented under the deprecated value, where each difference between the rise cost and subsequent assessment has been entered in the income and expense statement during the period of loan arising on the grounds of the efficient interest percent.

(m) Income

The company reports its operating income by type of activities by their current moment.
The income acknowledgement has been made by observing the adopted accounting policy for the following income types:
Incomes from sales of goods and other assets – on ownership transfer and delivering of the respective assets to the buyers.
Short-term services carrying out have been acknowledged in the income and expense statement proportionately to the degree of service performance as of the Balance sheets date. The degree of service performance has been set on the grounds of examination of the work carried out. When there are significant unclear points regarding the way by which the income has been received, the income shall not be acknowledged.
The incomes have been reported following the principal of the current assessment. They have been assessed by the equitable value of that received or subject to receiving.

(n) Expense

The company reports by the current moment the operating expenses under the economic elements and then refers them by functional designation with the purpose to form the expenses amount in directions and activities. Acknowledgement of the expenses for the current period has been performed by assessment of their corresponding incomes.
The company has adopted the accounting policy to report as extraordinary expenses only those expenses, which have been clearly distinguished from the common activity and due to that fact it is not expected to repeat at regular intervals.
The expenses have been reported following the principle of current accruals. They have been assessed by the equitable value of what is paid or is subject to payment.

The net financial expenses include income and expense of interests and other financial income and expense.

The income of interests has been acknowledged in the statement at the moment of its arising, by having in mind the effective income of the asset.

The interests' expense, arising from relations under financial leasing has been accounted using the method of the efficient interest percent.

Borrowing expenses primarily represent borrowing interests of the Company. All the borrowing expenses, which can directly be distributed to the purchase, the construction or the production of one qualified asset, are capitalized during the period, in which is expected to be completed and brought in a ready situation for use or sale. The other borrowing expenses should be recognized as an expense for the period, in which they are incurred, in the income statement on line "Financial expenses". When borrowings without any specific earmarking are received and they are used for the acquisition of a qualifying asset, the amount of the borrowing expenses, which cab be capitalized, is defined by applying of a capitalization rate to the expenses to this asset. The percentage of capitalization is an average-weighted value of the borrowing expenses, which are distributed to the borrowings of the Company, which are outstanding during the period, excluding loans obtained especially for the purposes for obtaining of one qualifying asset.

(o) Related Parties

The Company reports connected persons**:**

- Georgios Panos Kisas - Greece

(p) Taxation:

The corporate tax for the year incorporates current tax and deferred tax. The current tax incorporates the amount of tax due for payment over the taxable profit for the period based on the effective tax rates or the tax rates effective as at balance sheet date, with all adjustment on the tax due for previous years.

The deferred tax is calculated by applying the balance sheet liabilities method to all time differences between the book value according to the statements, and the value calculated for tax purposes.

The deferred tax is calculated based on the tax rates expected to be effective when the assets is realized or the payable is amortized. The effect of tax rates changes on the deferred tax is reflected in the income statement, except for the cases where it refers to amounts assessed in advance or reported directly in the shareholder equity.

A deferred tax asset is only recognized to the extent to which it is likely to receive future tax profits against which the unused tax losses or tax credit may be turned to account. Deferred tax assets are reduced in accordance with the reduction of the likelihood of achieving tax benefits.

(q) Accounting Assumption and Accounting Estimates

The International Accounting Standards require from the management to apply some accounting assumptions and accounting estimates when preparing the annual financial statement and assessing the value of some of the assets, liabilities, incomes and expenses. All of them have been performed on the grounds of the best assessment, made by the management by the date of preparing the financial statement. The actual results may have any differences of those presented in this financial statement.

(r) Cash Flow Statement

The policy adopted for report and presentation of the cash flows uses the direct method.
The cash flows have been classified as cash flows of:

- Operating activity
- Investing activity
- Financing activity

In the Statement of cash flows there are no summed articles.

(s) Statement of Changes in Equity

The company has adopted the accounting policy to prepare the report by including:
The net profit and loss for the period
The undistributed profit balance, as well as the flows for the period
All items of incomes or expenses, profit or loss that as a result of the International Accounting Standards in force are directly acknowledged in equity.
Cumulative effect from the changes in the accounting policy and fundamental errors in compliance with the International Accounting Standard 8.

3. Additional Information to the Financial Statement Items

3.1 Balance sheet:

(a) As of 31 December 2010 and 31 December 2009 the noncurrent tangible assets include:

	Machinery and equipment	*Vehicles*	*Other*	*Total*
Book value				
Balance at 31.12.2009	**4**	**57**	**15**	**76**
Inflow	9	0	4	13
Outflow	0	0	0	0
Balance at 31.12.2010	**13**	**57**	**19**	**89**

Depreciation				
Balance at 31.12.2009	**2**	**12**	**3**	**17**
Inflow	3	14	3	20
Outflow	0	0	0	0
Balance at 31.12.2010	**5**	**26**	**6**	**37**
Book value:				
Book value as at 31.12.2009	2	45	12	59
Book value as at 31.12.2010	**8**	**31**	**13**	**52**

The Company has no limited rights over the noncurrent tangible assets.
As of 31.12.2010 the Company executed two financial lease agreements in order to acquire passenger vehicles, which have a net book value of BGN 31 K - BGN as at 31.12.2010.

(b) As of 31 December 2010 and 31 December 2009 the non-current intangible assets include:

	Property rights	*Total*
Book value		
Balance at 31.12.2009	**0**	**0**
Inflow	9	0
Outflow	0	0
Balance at 31.12.2010	**9**	**9**
Depreciation		
Balance at 31.12.2009	**0**	**0**
Inflow	2	2
Outflow	0	0
Balance at 31.12.2010	**2**	**2**
Book value:		
Book value as at 31.12.2009	0	0
Book value as at 31.12.2010	**7**	**7**

(c) As of 31 December 2010 and 31 December 2009 the inventory stock includes:

	As of 31 December 2010	*As of 31 December 2009*
Goods	440	148

(d) As of 31 December 2010 and 31 December 2009 the trade and other receivables include:

	As of 31 December 2010	*As of 31 December 2009*
Receivables from sale of goods	***1 023***	***1 301***
Guarantees	***57***	***45***
Advances granted	***7***	***11***
Rent deposit	***1***	***3***
Taxes pending refund	***3***	**-**
Other	***2***	**-**

(e) As of 31 December 2010 and 31 December 2009 the cash and cash equivalents include:

	As of 31 December 2010	*As of 31 December 2009*
Cash in hand - total	16	68
In BGN	15	37
In foreign currency	1	31
Cash and cash equivalents in current accounts in BGN	481	67
Cash and cash equivalents in current accounts in foreign currency	113	15
Deposits granted	117	7
Total cash and cash equivalents	**727**	**157**

As of 31.12.2010 “BIOIASIS” AD has a contract for a deposit amounting to 60 K - EUR, with an annual interest rate 5.75%, which represents – first ranking pledge founded in a favor of Piraeus Bank Bulgaria AD in connection with a contract for bank credit.

(f) As of December 31, 2010 and as at December 31, 2009 the own shares redeemed are as follows:

	As of 31 December 2010	*As of 31 December 2009*
Own shares redeemed	3	1

As of 31.12.2010 the Company redeemed 2 815 of own shares at par value of BGN 1 each with the difference between the par value and the sale value being BGN 113 301.76.

(g) Financial result:

Financial result	***Value***
Financial result profit as of 31.12.2010	410

(h) As of 31 December 2010 and 31 December 2009 the noncurrent trade and other payables include:

	As of 31 December 2010	*As of 31 December 2009*
Long-term		
Payables under financial lease for vehicle purchase	23	29

The payable under financial lease is formed by two financial lease agreements with a period of 60 months, the net book value of the assets being BGN 31 K - BGN and the total value of the future minimum repayment installments amounting to BGN 32 K - BGN. The minimum lease payments have the following current cost of payment:
- up to one year – BGN 9 K.
- up to five years - BGN 23 K..

(j) As of 31 December 2010 and 31 December 2009 the current trade and other payables include:

	As of 31 December 2010	***As of 31 December 2009***
Short-term		
Payables under bank credit	144	-
Payables to foreign suppliers	202	21
Payables to domestic suppliers	22	26
Payables to personnel	6	8
Payables to social security enterprises	1	2
Tax payables incl.:	14	97
- VAT	14	8
- corporate tax	-	87
- other taxes	-	2
Payables under financial lease for vehicle purchase	9	11
Guarantees	2	2
Other	1	-

The payable is connected with a bank credit, representing a payable under a contract for a revolving credit with Piraeus Bank Bulgaria AD concluded on 22.06.2011 amounting to 150 K EUR, with an annual interest rate – a base interest rate of the bank + 2.25%.

3.2 Income statement

(a) Operational revenue

Type of revenue	***For the year ending 31 December 2010***	***For the year ending 31 December 2009***
Revenue from sale of goods	1 273	2 073
Revenue from sale of services	-	2
Other revenues	1	7
Total	1 274	2 082

(b) Expenses for materials:

Type of expense	***For the year ending 31 December 2010***	***For the year ending 31 December 2009***
Stationery	2	6
Advertising materials	1	-
Materials - vehicles	1	5
Total	4	11

(c) Expenses for external services:

Type of expense	***For the year ending 31 December 2010***	***For the year ending 31 December 2009***
Accounting, consulting and legal services	44	57
Communication expenses	24	20
Rents and utilities	25	34
Advertising	7	2
Insurances	3	3
Courier services	4	3
Education	11	-
Other services	4	10

(d) Depreciation expenses:

Type of expense	***For the year ending 31 December 2010***	***For the year ending 31 December 2009***
Machinery and equipment	3	1
Transport means	14	11
Other	5	3

(e) Expenses for salaries and social securities:

Type of expense	***For the year ending 31 December 2010***	***For the year ending 31 December 2009***
Salaries	253	55
Social securities	11	8

(f) Other expenses:

Type of expense	***For the year ending 31 December 2010***	***For the year ending 31 December 2009***
Business trips	1	17
Expenses non recognized for tax purposes	19	2
Gifts	21	2
Entertainment expenses	8	4
Tax on the entertainment expenses	1	1
Other	1	-

(g) Reported value /cost price/ of sales:

Type of asset sold	*For the year ending 31 December 2010*	*For the year ending 31 December 2009*
Goods	342	602

(g) Financial expenses, net:

	For the year ending 31 December 2010	*For the year ending 31 December 2009*
Bank fee expenses	(7)	(6)
Interest expenses	(7)	(5)
Income from interests	3	-
Negative exchange rate differences	(1)	(1)

3.3. Tax expenditure

According to the effective laws profits are taxed with a corporate tax of 10%.
For the period of 01.01.2010 – 31.12.2010 the Company reported an accounting profit amounting to BGN 457 K - BGN, after tax transformation the financial result is a tax profit amounting to BGN 477 K - BGN, as a result of which a tax obligation appears in connection with the Corporate Income Taxation Act amounting to BGN 47 K - BGN.

4. Other disclosures

Related parties

For the period of 01.01.2010 – 31.12.2010 the remunerations to the members of the Company's Board of Directors have been accrued to the amount of BGN 16 K - BGN.

Changes in the Accounting Policy and Errors Correction

There have been no changes in the accounting policy and adjustment of errors.

Contingent assets and liabilities

There are no classes of contingent assets and liabilities.

5. Events following the balance sheet date

No adjusting or non-adjusting events have occurred following the balance sheet date.

Executive director:
Georgios Kisas

Prepared by:
"Accounting Service" OOD