

IMO PROPERTY INVESTMENTS SOFIA EAD
ANNUAL DIRECTORS' REPORT
ANNUAL STANDALONE FINANCIAL STATEMENTS
REPORT OF THE INDEPENDENT AUDITOR
31 DECEMBER 2011

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**IMO PROPERTY INVESTMENTS SOFIA EAD
DIRECTORS' REPORT
31 DECEMBER 2011**

The Directors present the report and the standalone financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), for the year ended 31 December 2011. The standalone financial statements have been audited by PricewaterhouseCoopers Audit OOD.

GENERAL INFORMATION

Establishment and activity

Imo Property Investments Sofia EAD Court Registration Number 14845/2007 110, UIK 175386257 is a private limited liability company registered in Bulgaria. On 2.2.2010 the shareholder of the Company took decision to change the company's trade name from EFG Business Services Bulgaria EAD to Imo Property Investments Sofia. EFG Business Services Bulgaria EAD had not had any activity prior to that.

The owner of the Company is a Neu Property Holding Ltd. Neu Property Holding Ltd is a private company incorporated and existing under the laws of Cyprus. It is part of EFG Group.

The Company's basic activities are purchase, construction and fitting up of properties in order to sell or rent them.

Share capital structure

Share capital is BGN 400,000 and was fully paid. The shares are ordinary and registered. The number of shares is 400,000 of nominal value BGN 1 (one) each.

Board of Directors

As at 31 December 2011 the Board of Directors consists of the following members:

Emil Pilafov – Chairman of the Board of Directors and Executive Director
Petros Angelakis – Deputy Chairman of the Board of Directors and Executive Director
Petya Dimitrova – Member of the Board of Directors and Executive Director
Iordan Souvandjiev – Member of the Board of Directors
Dimitrios Andritsos – Member of the Board of Directors
Georgios Fragkou – Member of the Board of Directors
Ioannis Tegopoulos – Member of the Board of Directors

General Manager of the Company is Borislav Slavov.

Total annual remuneration of the members of the Board of Directors

In 2011 the members of the Board of Directors did not receive remuneration from the Company in their capacity of Board of Directors members.

Shares and bonds of the Company that are acquired, owned and transferred by the members of the Board of Directors during the year

No member of the Board of Directors has owned or transferred shares or bonds of the Company.

Board member's rights to acquire shares and bonds of the Company

No member of the Board of Directors holds special rights of acquisition of shares or bonds of the Company.

The Board of Directors member's ownership in other commercial enterprises, as:

1. Partners with unlimited liability

No member of the Board of Directors has been a partner with unlimited liability in other commercial enterprise.

2. Partners/shareholders holding more than 25 per cent of the capital of another company

No member of the Board of Directors holds more than 25 per cent of the capital of another company

3. Participants in the management of other companies or cooperatives as procurators, managers or board members

Petia Nikolova Dimitrova

- Eurobank EFG Bulgaria AD, Bulgaria – Member of the Board of Directors and Executive Director (until 05.05.2011); Deputy Chairperson of the Management Board and Executive Director (effective as of 05.05.2011);
- Bulgarian Retail Services AD, Bulgaria – Chairperson of the Board of Directors and Executive Director;
- EFG Property Services Sofia AD, Bulgaria – Member of the Board of Directors;
- IMO Rila EAD, Bulgaria – Deputy Chairperson of the Board of Directors and Executive Director (effective as of 24.01.2011);
- IMO Central Office EAD, Bulgaria – Deputy Chairperson of the Board of Directors and Executive Director (effective as of 24.01.2011);
- IMO 03 EAD, Bulgaria – Member of the Board of Directors and Executive Director (effective as of 09.06.2011);
- AmCham Bulgaria (American Chamber of Commerce in Bulgaria), Bulgaria – Member of the Board of Directors;
- Bulgarian Business Leaders Forum (BBLF), Bulgaria – Member of the Board of Directors;
- State-owned enterprise Communicative construction and rehabilitation, Bulgaria – Member of the Board of Directors;
- Municipal Bank AD, Bulgaria – Member of the Supervisory Board.

**IMO PROPERTY INVESTMENTS SOFIA EAD
DIRECTORS' REPORT (CONTINUED)
31 DECEMBER 2011**

Emil Atanasov Pilafov

- IMO Central Office EAD, Bulgaria – Chairman of the Board of Directors and Executive Director (effective as of 24.01.2011);
- IMO Rila EAD, Bulgaria – Chairman of the Board of Directors and Executive Director (effective as of 24.01.2011);
- IMO 03 EAD, Bulgaria – Chairman of the Board of Directors and Executive Director (effective as of 09.06.2011).

Iordan Marinov Souvandjiev

- Eurobank EFG Bulgaria AD, Bulgaria – Member of the Management Board (effective as of 05.05.2011);
- EFG Property Services Sofia AD, Bulgaria – Member of the Board of Directors;
- IMO Central Office EAD, Bulgaria – Member of the Board of Directors and Executive Director (effective as of 24.01.2011);
- IMO Rila EAD, Bulgaria – Member of the Board of Directors and Executive Director (effective as of 24.01.2011);
- Vinimpeks 21 AD, Bulgaria – Member of the Board of Directors.

Petros Angelakis

- Eurobank EFG Business Services S.A., Greece – Member of the Board of Directors;
- IMO Property Investments Bucuresti S.A., Romania - Deputy Chairman of the Board of Directors;
- S.C. IMO - II PROPERTY INVESTMENTS S.A., Romania - Member of the Board of Directors;
- EFG IT Shared Services S.A, Romania – Member of the Board of Directors;
- IMO Property Investments AD Beograd, Serbia - Member of the Board of Directors;
- IMO 03 EAD, Bulgaria – Deputy Chairman of the Board of Directors (effective as of 09.06.11);
- EFG Eurobank Ergasias S.A., Greece - Deputy General Manager, Head of IT & Operations, International Activities General Division.

Dimitrios Andritsos

- Eurobank EFG Property Services S.A., Greece - Chief Executive Officer;
- IMO Property Investments Bucuresti S.A., Romania - Member of the Board of Directors;

**IMO PROPERTY INVESTMENTS SOFIA EAD
DIRECTORS' REPORT (CONTINUED)
31 DECEMBER 2011**

- EFG Eurobank Property Services S.A., Romania – Deputy Chairman of the Board of Directors;
- S.C. IMO - II PROPERTY INVESTMENTS S.A., Romania - Member of the Board of Directors;
- IMO Property Investments AD Beograd, Serbia – Member of the Board of Directors;
- EFG Property Services d.o.o. Beograd, Serbia – Director;
- EFG Property Services Sofia A.D., Bulgaria – Member of the Board of Directors;
- EFG Property Services Polska Sp.zo.o, Poland – Chairman of the Board of Directors;
- EFG Property Services Ukraine Ltd, Ukraine - Deputy General Director (effective as of 07.06.11).

Guergios Fragkou

- IMO Property Investments Bucuresti S.A., Romania - Member of the Board of Directors;
- S.C. IMO - II PROPERTY INVESTMENTS S.A., Romania - Member of the Board of Directors;
- IMO Property Investments AD Beograd, Serbia - Member of the Board of Directors;
- PYRRICHOS S.A., Greece - Deputy Chairman of the Board of Directors (until 16.05.2011);
- EFG Eurobank Ergasias S.A., Greece – Group Real Estate Division, International Activities General Division.

Ioannis Tegopoulos

- EFG Eurobank Finance S.A., Romania – Member of the Board of Directors (effective as of 26.09.11);
- EFG Eurobank Securities S.A., Romania – Member of the Board of Directors (effective as of 19.09.11);
- EFG Eurobank Ergasias S.A., Greece - Assistant General Manager, Head of Strategic Planning - International Activities.

Contracts under Article 240b of the Commerce Act

The company has not entered into contracts specified in Article 240b, paragraph 1 of the Commerce Act

OVERVIEW OF RESULTS

Financial results for the current period

The financial result before tax for 2011 is loss in the amount of BGN 8,099 thousand. The financial costs are the main part of expenses - 68%, the properties costs are 19%, administrative costs are 7% and impairment costs are 6% of the Total expenses.

Investing activity

The scope of activity of the Company comprises of execution of all types of real estate transactions: sale – purchase, renting, leasing and subleasing, as well as property management and maintenance, construction, designing and engineering activity, preparation of investment projects, real estate consultancy, services, project management, valuation services, real estate brokerage and intermediary services, technical consultancy services, architectural, real estate development and engineering studies.

In 2011 the Company acquired properties through public auctions and direct purchases. There were 562 purchases through auctions and 17 direct ones. The acquired properties are regulated and non-regulated landplots, residential buildings, industrial and commercial properties and hotels.

MAIN OBJECTIVES FOR 2012

For 2012 the Company has budgeted to increase the investment properties by BGN 136.9 mln, mainly through participation in public auctions. Budgeted rental income of acquired properties for 2012 is BGN 694 thousand, and budgeted income from sales of properties is BGN 13.7 mln.

Priorities

The Company intends to continue investing in properties in Bulgaria with the purpose of renting them to third parties.

FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks. Detailed description of these risks and the policies and procedures applied by the Management are set out in note 3 of the standalone financial statements as at 31 December 2011.

RESPONSIBILITIES OF MANAGEMENT

The Directors are required by the Bulgarian law to prepare financial statements each financial year that give a true and fair view of the state of affairs of the company as at the

IMO PROPERTY INVESTMENTS SOFIA EAD
DIRECTORS' REPORT (CONTINUED)
31 DECEMBER 2011

year end and of the profit or loss and cash flows for the year. The management has prepared the enclosed standalone financial statements in accordance with IFRS as adopted by the EU.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the standalone financial statements for the year ended 31 December 2011.

The Directors confirm that the standalone financial statements were prepared in accordance with IFRS as adopted by EU and on a going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Petya Dimitrova
Executive Director and Member of Board of Directors



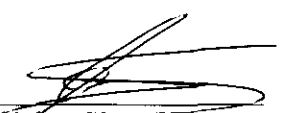
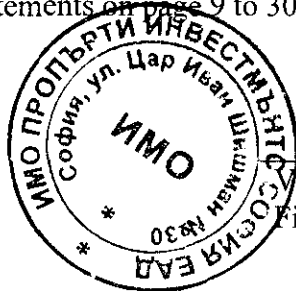
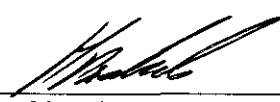

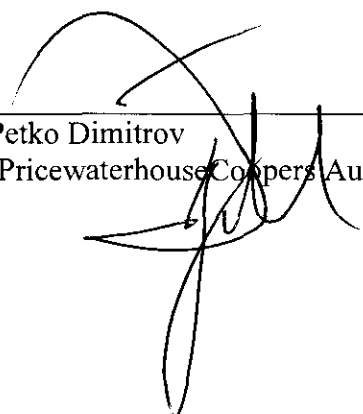
Emil Pilafov
Executive Director and Member of Board of Directors
15.06.2012

IMO PROPERTY INVESTMENTS SOFIA EAD
BALANCE SHEET
31 DECEMBER 2011

(All amounts in Bulgarian leva thousands)

	Notes	As at 31 December	
		2011	2010
Non-current assets			
Investment property	10	151,342	36,153
Prepayments for acquisition of investment property	12 a	69,641	38,879
Other tangible and intangible assets	11	8	8
Investment in subsidiaries	19	800	-
Deferred tax asset	16	252	113
Total non-current assets		222,043	75,153
Current assets			
VAT recoverable	12 b	10,243	6,688
Other receivables	12 b	3,348	27
Cash and cash equivalents and restricted amounts	13	3,005	4,382
Total current assets		16,596	11,097
Total assets		238,639	86,250
Equity			
Share capital	14	400	400
Share premium		1,806	1,806
Accumulated losses		(8,981)	(1,021)
Total equity		(6,775)	1,185
Current liabilities			
Borrowings from related parties	15	244,834	82,199
Other payables	17	580	2,866
Total current liabilities		245,414	85,065
Total equity and liabilities		238,639	86,250


The standalone financial statements on page 9 to 30 have been approved on 15 June 2012 and signed as follows:

 Borislav Slavov General Manager		 Vesselin Glavchev Financial Manager
 Rositsa Boteva Registered auditor		 Petko Dimitrov (PricewaterhouseCoopers Audit OOD)
Date: Sofia, Bulgaria		
<i>19.6. 2012</i>		

IMO PROPERTY INVESTMENTS SOFIA EAD
STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2011

<i>(All amounts in Bulgarian leva thousands)</i>	Notes	2011	2010
Rental income	5	112	13
Expenses for investment property	6	(1,592)	(118)
Impairment of investment property	6	(499)	-
Administrative expenses	7	(551)	(106)
Operating loss		(2,530)	(211)
Financial costs, net	8	(5,569)	(923)
Loss before income tax		(8,099)	(1,134)
Income tax credit	9	139	113
Loss for the year		(7,960)	(1,021)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(7,960)	(1,021)


The standalone financial statements on page 9 to 30 have been approved on 15 June 2012 and signed as follows:

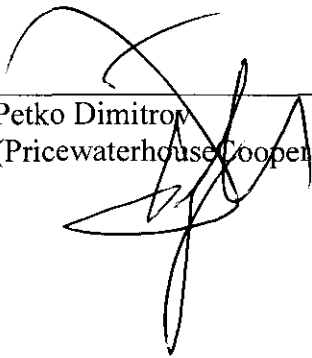

 Borislav Slavov
 General Manager




 Vesselin Glavchev
 Financial Manager

Initialed for identification purposes in reference to the auditor's report:


 Rositsa Boteva
 Registered auditor


 Petko Dimitrov
 (PricewaterhouseCoopers Audit OOD)

Date:
 Sofia, Bulgaria

19.6.2012

**IMO PROPERTY INVESTMENTS SOFIA EAD
STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2011**


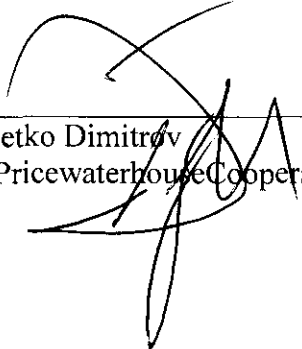
(All amounts in Bulgarian leva thousand)

	Notes	Share capital	Share premium reserve	Accumulated losses	Total equity
Balance as at 1 January 2010		250	-	-	250
Loss for the year		-	-	(1,021)	(1,021)
Capital increase		150	1,806	-	1,956
Balance as at 31 December 2010		400	1,806	(1,021)	1,185
Balance as at 1 January 2011		400	1,806	(1,021)	1,185
Loss for the year		-	-	(7,960)	(7,960)
Balance as at 31 December 2011	14	400	1,806	(8,981)	(6,775)

The standalone financial statements on page 9 to 30 have been approved on 15 June 2012 and signed as follows:

 Borislav Slavov General Manager		 Vesselin Glavchev Financial Manager
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Initialed for identification purposes in reference to the auditor's report:

 Rositsa Boteva Registered auditor	 Petko Dimitrov (PricewaterhouseCoopers Audit OOD)
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Date:
Sofia, Bulgaria


19.6.2012

IMO PROPERTY INVESTMENTS SOFIA EAD
STATEMENT OF CASH FLOWS
31 DECEMBER 2011


(All amounts in Bulgarian leva thousand)

	Notes	2011	2010
Operating activities			
Receipts from clients		129	22
Payments for administrative expenses		(159)	(15)
Employee benefits and social securities paid		(362)	(73)
Other operating cash flows		(518)	(21)
<i>Net cash used in operating activities</i>		<u>(910)</u>	<u>(87)</u>
Investing activities			
Purchase and prepayments for investment property		(156,732)	(79,001)
Purchases of equipment		(4)	(8)
Restricted cash – contributions to new subsidiaries		400	(1,200)
Restricted cash – other		-	(1,806)
<i>Net cash used in investing activities</i>		<u>(156,336)</u>	<u>(82,015)</u>
Financing activities			
Increase of share capital		-	1,956
Borrowings received		189,006	136,907
Interest paid		(5,265)	(873)
Borrowings repaid		(26,672)	(54,762)
<i>Net cash flows from financing activities</i>		<u>157,069</u>	<u>83,228</u>
(Decrease)/increase in cash and cash equivalents		(177)	1,126
Cash and cash equivalents at 1 January		<u>1,376</u>	<u>250</u>
Cash and cash equivalents at 31 December	13	<u>1,199</u>	<u>1,376</u>

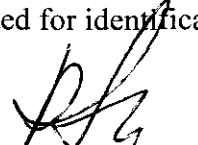
The standalone financial statements on pages 9 to 30 have been approved on 15 June 2012 and signed as follows:



 Borislav Slavov
 General Manager




 Vesselin Glavchev
 Financial Manager

Initiated for identification purposes in the reference to the audit report:


 Rositsa Boteva
 Registered auditor


 Petko Dimitrov
 (PricewaterhouseCoopers Audit OOD)

Date:
 Sofia, Bulgaria

19.6.2012

IMO PROPERTY INVESTMENTS SOFIA EAD
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
31 DECEMBER 2011

1. General information

Imo Property Investments Sofia EAD (“the Company”) is a privately owned company with limited liability registered in Republic of Bulgaria.

The Company basic activity is purchase, building and construction of real estate property for the purpose of rent and sale. The Company had no activity until 2009.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the standalone financial statements are set out below:

2.1 Basis of preparation

The standalone financial statements of the company have been prepared in accordance with International Financial Reporting Standards issued by the IASB as adopted by the European Union and in particular with those IFRS and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

The policies set out below have been consistently applied to the years 2010 and 2011. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Going concern

Standalone financial statements are prepared on the principle of going concern which implies that the company will continue operations in the foreseeable future. In support of that, existing borrowing line was prolonged to 2013 (see note 15).

(a) Amended and new standards and interpretations effective in 2011

IAS 24, Amendment - Related Party Disclosures

IAS 32, Amendment - Classification of Rights Issues

IFRIC 14, Amendment - Prepayments of a Minimum Funding Requirement

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

Amendments to various Standards that form part of IASB's 2010 Annual Improvement Project.

(b) Standards and interpretations issued but not yet effective

- IAS 1, Amendment - Presentation of Items of Other Comprehensive Income (effective 1 January 2013, not yet endorsed by EU)

- IAS 12, Amendment - Deferred tax: Recovery of Underlying Assets (effective 1 January 2012, not yet endorsed by EU)

- IAS 19, Amendment - Employee Benefits (effective 1 January 2013, not yet endorsed by EU)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) Standards and interpretations issued but not yet effective (continued)

- IAS 27, Amendment - Separate Financial Statements (effective 1 January 2013, not yet endorsed by EU)
- IAS 28, Amendment - Investments in Associates and Joint Ventures (effective 1 January 2013, not yet endorsed by EU)
- IAS 32, Amendment - Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014, not yet endorsed by EU)
- IFRS 7, Amendment - Disclosures, Offsetting Financial Assets and Financial Liabilities (effective 1 January 2013, not yet endorsed by EU)
- IFRS 7, Amendment - Disclosures, Transfers of Financial Assets (effective 1 January 2012)
- IFRS 9, Financial Instruments (effective 1 January 2015, not yet endorsed by EU)
- IFRS 9 and IFRS 7, Amendment - Mandatory Effective Date and Transition Disclosures (effective 1 January 2015, not yet endorsed by EU)
- IFRS 10, Consolidated Financial Statements (effective 1 January 2013, not yet endorsed by EU)
- IFRS 11, Joint Arrangements (effective 1 January 2013, not yet endorsed by EU)
- IFRS 12, Disclosure of Interests in Other Entities (effective 1 January 2013, not yet endorsed by EU)
- IFRS 13, Fair Value Measurement (effective 1 January 2013, not yet endorsed by EU)

IFRS 9 is part of IASB's project to replace IAS 39 Financial Instruments which has not been finalised yet and as a result, it is not practicable to quantify its impact. The application of the other above mentioned standards and interpretations is not expected to have a material impact on the Company's standalone financial statements in the period of the initial application.

The standalone financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Consolidated financial statements

The Company is ultimately a wholly owned subsidiary of EFG Eurobank Ergasias S.A., a listed entity in Greece, through its 100% subsidiary NEU Property Holdings Ltd and has used the exemption offered by IAS 27 "Consolidated and Separate Financial Statements" paragraph 10 and did not prepare consolidated financial statements. Preparation of consolidated financial statements was not required due to the availability of the consolidated financial statements of EFG Eurobank Ergasias S.A. into which the results and financial position of the Company are consolidated. This is also in compliance with local Accounting Law.

2. Summary of significant accounting policies (continued)

2.2 Foreign currency transactions

(a) Functional and presentation currency

The functional currency and the presentation currency is 'Bulgarian lev'(BGN). The standalone financial statements are prepared in BGN. All amounts in the standalone financial statements are rounded to the nearest multiple of thousand.

(b) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.3 Investment property

Based on IAS 40, Investment property is property, land or a building or part of a building or both held to earn rentals or for capital appreciation or both and that is not occupied by the Company. Investment property is recognised as an asset when it is probable that future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be reliably measured. Before the Company completes the legal procedure of obtaining access to the respective property, the consideration paid is presented as prepayments for acquisition of investment property.

After the initial recognition, investment properties are presented as non-current assets and are measured at cost less any accumulated depreciation and any accumulated impairment.

All acquisition costs are accumulated in the book value of investment property. An investment property is measured initially at its cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes, and other transaction costs. The real estate assets acquired, where further construction or development is necessary before they become ready for sale, can be treated as 'qualifying assets' and in this case, the borrowing costs directly attributable to the acquisition and construction/development are eligible for capitalization.

Buildings recognized as investment properties are depreciated for a period of 50 years. The annual depreciation rate is 2%.

In 2011 the Company extended the useful life of the buildings and the effect of the change in the profit and loss amounted to BGN 1,096 thousand decreased expenses for depreciation. The review performed shows that these are high quality assets and the Company expects to benefit from them for a long period of time.

Assets under construction are not depreciated.

Movable assets are depreciated on annual depreciation rate 15%.

Land recognized as investment property is not depreciated.

2. Summary of significant accounting policies (continued)

2.3 Investment property (continued)

Subsequent expenditure is charged to the asset's carrying amount 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 costs are charged to the income statement during the financial period in which they are incurred.

Transfers between investment property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

According to IAS 40 and the Company's policy, Imo Property Investments Sofia EAD has to perform an impairment assessment of the acquired properties closer to the year-end reporting date.

2.4. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required.

Subsequent costs are included in the asset's 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 profit or loss 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.5 Receivables and other financial assets

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established, when there is an objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

2.6 Cash and cash equivalent

Cash and cash equivalents are carried at amortized cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and excludes restricted cash accounts.

2. Summary of significant accounting policies (continued)

2.7 Payables and other financial liabilities

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Accounting for operating lease contracts

Assets leased out under operating leases are included in investment property in the balance sheet. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

Operating lease payments are recognized as expenses in the statement of comprehensive income on a straight-line basis over the lease term.

2.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, unless it is capitalised under IAS 23.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.10 Interest expense

Interest expenses for borrowings are recognised within 'finance costs' in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.11 Revenue recognition

Rental income

Revenue includes rental income, service charges and management charges from properties and income from property trading.

Rental income from operating leases is recognised in revenue on a straight-line basis over the lease term.

2. Summary of significant accounting policies (continued)

2.12 Deferred tax

Taxation has been provided for in the standalone financial statements, in statement of comprehensive income, in accordance with Bulgarian legislation currently in force. The charge for taxation in the income statement comprises the current tax and changes in the deferred tax. The current tax is calculated on the basis of the taxable profit for the year, using the tax rates enacted at the balance sheet date. Income tax payable on profits, based on the applicable tax law, is recognised as an expense in the period in which profits arise.

Taxes other than on income are recorded within operating expenses.

The deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

The deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The principal temporary differences arise from depreciation of investment property.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

2.13 Investments in subsidiaries and advances for shares to be issued

The investments of the Company in subsidiaries are accounted for at acquisition cost less impairment.

3. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk), credit risk, liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The risk management is executed by the management as its policy is approved by the parent company.

3.1. Market risk

(a) Currency risk

The Company's policy is not to hold monetary assets, denominated in a currency different from BGN or EUR. The Company has insignificant exposure to currency risk since FX rate EUR/BGN is pegged at 1.95583.

(b) Interest rate risk

As the Company has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from its borrowings (Note 15). Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Interest re-pricing period of the borrowings is on a yearly base, thus mitigating to some extent the interest rate risk.

3. Financial risk management (continued)

3.1. Market risk (continued)

(b) Interest rate risk (continued)

The Company's cash flow and interest rate risk is periodically monitored by the Company's management and by the parent Company (i.e. the Group management). As the borrowings are provided by the Eurobank EFG Private Bank Luxembourg S.A, the exposure of the Company to interest rate risk is reviewed individually for each new facility provided.

Trade and other receivables and payables are interest-free and have settlement dates within one year.

The Company is not exposed to the price risk with respect to financial instruments as it does not hold any equity securities.

(c) Impact of the economic crisis and situation in Greece

Since late 2009, fears of a European sovereign debt crisis developed among investors as a result of the rising government debt levels, together with a wave of downgrading of government debt in some European states. Concerns intensified in early 2010 making it difficult for some countries in the euro area to re-finance their government debt without external assistance. The three countries most affected by this were Greece, Ireland and Portugal.

On the Greek debt front, a new funding program was agreed with the European Commission, the ECB and the Eurozone member-states, in the Eurogroup meeting held on 21 February 2012. The new program aims to bring the country's public debt-to-GDP below the 120.0% by 2020, target envisioned in the European Council session held on 26 and 27 October 2011 via Private Sector's Involvement (PSI) in the reduction of Greek debt.

The new funding program is expected to have a significant beneficial effect on the country's solvency outlook. This is due, not only to the reduction of public debt, but also to the expected decline of interest expenditure from 2012 onwards. The funding program constitutes a credible opportunity for the Greek economy to remove uncertainty surrounding it from the middle of 2010 onwards, regarding both sustainability of fiscal position as well as preservation of the country's Eurozone participation.

In addition, the Eurogroup confirmed that the necessary elements have been put in place for Member States to carry out the relevant national procedures to allow for the support by European Financial Stability Fund (EFSF), including the necessary financing for recapitalisation of Greek banks (including EFG Eurobank Ergasias) following their participation in the recent sovereign debt restructuring (PSI). The capital requirement for Greek banks has been set at 9% for Core Tier I by 30 September 2012 and 10% by 30 June 2013. In February 2012, the Greek parliament adopted the necessary legal framework to enable the necessary financing for the recapitalization of Greek banks and in April 2012 the first €25bn in EFSF bonds were remitted to Greece. The recapitalization will have been completed before the year end.

Position of the Group

EFG Eurobank Ergasias S.A. was significantly affected by the impairment charge on Greek Government bonds (due to its participation in the PSI+).

3. Financial risk management (continued)

3.1. Market risk (continued)

(c) Impact of the economic crisis and situation in Greece (continued)

EFG Eurobank Ergasias S.A, was confirmed as a viable bank and has received the Hellenic Financial Stability Fund's (HFSF) commitment for capital support, which once received, would bring its total Capital Adequacy ratio above the regulatory minimum. Furthermore, following the Presidential Decree published on 30.04.2012 (implementing Law 3864/2012 ruling HFSF's role and responsibilities), the relevant framework was established for HFSF to advance its contribution for participating in the capital support of viable banks, to the banks themselves. The Bank, the Hellenic Financial Stability Fund ("HFSF") and the European Financial Stability Facility ("EFSF") have signed on May 28th 2012 a trilateral presubscription agreement based on which HFSF advanced to the Bank EFSF notes of face value € 3,97 bn as an advance payment of its participation in the future share capital increase of the Bank.

Management of EFG Eurobank Ergasias S.A. has reasonable expectations that the planned recapitalization will be completed successfully within the timeline that has been temporarily agreed between them, the Bank of Greece and the HFSF.

Position of the Company

IMO Property Investments Sofia EAD finances its activities through a borrowing by EFG Private Bank Luxembourg.

Impact on liquidity

The availability of external funding in financial markets has significantly reduced since August 2007. Such circumstances may affect the ability of the Company to obtain new borrowings and re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions.

Impact on customers

Debtors of the Company may be adversely affected by the financial and economic environment, which could in turn impact their ability to repay the amounts owed. Deteriorating economic conditions for customers may also have an impact on management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. To the extent that information is available, management has properly reflected revised estimates of expected future cash flows.

3.2 Credit risk

Credit risk arises from cash and cash equivalents and bank deposits, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The table on next page shows balances of cash and cash equivalents as at 31 December 2011 to banks, as follows:

IMO PROPERTY INVESTMENTS SOFIA EAD
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
31 DECEMBER 2011

3. Financial risk management (continued)

3.2 Credit risk (continued)

Contractor	31 December 2011		31 December 2010	
	Credit rating	Balance	Credit rating	Balance
Eurobank EFG Bulgaria AD	BBB (BCRA)	3,005	BB+ (FITCH)	4,382
		3,005		4,382

The Company has not suffered losses as a result of default of the counterparties. The fair value of those assets do not differ materially from their carrying amount.

3.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The liquidity risk is strictly monitored by the Management.

The Management expects positive cash flows for the year ended 2012 and onwards, mainly due to cash inflows from operations.

The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>(in BGN thousands)</i>	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Total
As at 31 December 2010				
Payables	2,852	-	14	2,866
Borrowings	-	4	84,041	84,045
Total financial liabilities	2,852	4	84,055	86,911

<i>(in BGN thousands)</i>	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Total
As at 31 December 2011				
Payables	10	435	135	580
Borrowings	9	-	251,915	251,924
Total financial liabilities	19	435	252,050	252,504

3.4 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and to maintain an optimal capital structure to reduce the cost of capital. Total capital is calculated by the management as 'equity' as shown in the balance sheet.

3. Financial risk management (continued)

3.4 Capital management (continued)

As at 31.12.2011 the company is in breach with the recommendations in article 252, paragraph. 1, p. 5 in relation to article. 247a, paragraph. 2 from Comercial Act, the company management and shareholder have 12 months time to take measure in order to became in compliance with the requirement of the referred above article.

4. Critical accounting estimates and judgments

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Estimate of fair value of investment properties

The fair value of the investment properties, accounted at cost model in accordance with IAS 40 is updated, in order to reflect the market conditions at the end of the reporting period by using of licensed evaluator. The fair value of the investment properties is the amount at which the properties can be sold between knowledgeable and willing parties at an arm's length transaction. „Willing seller” is not a pressed seller who will sell at whatever price.

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. The current practice of the Company to use the services of external valuers to estimate the fair value of the property when it identifies indicators of change in the fair value in the market in which it operates. The fair value estimations of the external valuers are based on estimates such as:

- (i) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

According to IAS 40 and the Company's policy, Imo Property Investments Sofia EAD performed an impairment analysis of the acquired properties in 2011 closer to the year-end reporting date.

As at 31.12.2011 the Company has 741 properties with Net Book Value (NBV), at the amount BGN 220.98 mil. There are appeals in reference to 18 properties and respectively, they are not included in the scope of the impairment analysis. From the remaining 723 properties such analysis has been performed for 274 properties.

IMO PROPERTY INVESTMENTS SOFIA EAD
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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4. Critical accounting estimates and judgments (continued)

Estimate of fair value of investment properties (continued)

The properties included in the analysis are selected according to the prescription term: the previous valuation is in over a year period. Thus, the analysis does not encompass properties that are recently acquired because such market to book value analysis has been performed for them.

The total NBV of these 274 properties amounts to BGN 122.71 mil. New market valuations have been performed which represent the fair value of the particular properties. The impairment analysis is done by comparing the most recent available valuation, which should not be older than 1 year, with the carrying amount (Net Book Value) of a particular property. For the ones where a substantial deviation between recoverable amount and the carrying amount appears, the difference is recognized as an impairment loss.

The properties with a substantial deviation between the recoverable amount and the carrying amount are 17 and their total NBV amounts to BGN 3,731.72 mil. The difference recognized as impairment loss is at the amount BGN 498.9 thousand.

5. Rental income

	2011	2010
Revenue from customers	112	13
Total	112	13

6. Expenses for investment property and impairment

	2011	2010
Depreciation	(1,099)	(90)
Maintenance	(493)	(28)
Impairment	(499)	-
Total	(2,091)	(118)

7. Administrative expenses

	2011	2010
Salaries	(331)	(68)
Social security costs	(31)	(5)
Rent	(25)	(5)
Travel costs	(75)	(5)
Audit fees	(25)	(15)
Other	(64)	(8)
Total	(551)	(106)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS
31 DECEMBER 2011

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

8. Finance costs, net

	2011	2010
Finance costs, gross		
Interest expense	(5,363)	(890)
Other finance costs	(266)	(34)
Total	<u>(5,629)</u>	<u>(924)</u>
Finance income		
Interest income from bank deposit	60	1
Total Finance Income	<u>60</u>	<u>1</u>

9. Income tax

	2011	2010
Accounting Loss before income tax	(8,099)	(1,134)
Expected tax credit	801	113
Tax effect on losses carried forward	(662)	-
Income tax credit	<u>139</u>	<u>113</u>

Tax for the year is calculated at a tax rate of 10% (2010:10%)

10. Investment property

	Building	Land	Equipment related to properties	Total
Carrying amount as at 1 January 2010	-	-	-	-
Additions	17,894	18,255	94	36,243
Depreciation	(90)	-	-	(90)
Impairment expenses	-	-	-	-
Carrying amount as at 31 December 2010	<u>17,804</u>	<u>18,255</u>	<u>94</u>	<u>36,153</u>
Additions	77,790	37,946	1,048	116,784
Depreciation	(986)	-	(110)	(1,096)
Impairment expenses	(477)	(22)	-	(499)
Carrying amount as at 31 December 2011	<u>94,131</u>	<u>56,179</u>	<u>1,032</u>	<u>151,342</u>

IMO PROPERTY INVESTMENTS SOFIA EAD
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

10. Investment property (continued)

The annual impairment assessment, close to the year end was performed by independent professionally recognised valuers, who hold recognized and relevant professional certificate. As a result impairment expenses at the amount of 499 thousand BGN was booked. In view of the management, fair value approximates net book value.

Some purchases of a properties include the purchase of the equipment which represents inseparable part of the property. The aim of the Company is to sell or to rent them together with the respective property. As at 31 December 2011 the total amount of the movable assets is BGN 1,032 thousand.

11. Tangible and intangible assets

	Office furniture	Computers	Software	Total
Carrying amount as at 1 January 2010	-	-	-	-
Additions	4	3	1	8
Depreciation	-	-	-	-
Carrying amount as at 31 December 2010	4	3	1	8
Carrying amount as at 1 January 2011	4	3	1	8
Additions	1	2	1	4
Depreciation	(1)	(2)	(1)	(4)
Disposals	-	-	-	-
Carrying amount as at 31 December 2011	4	3	1	8
Cost	5	5	2	12
Accumulated depreciation	(1)	(2)	(1)	(4)
Carrying amount as at 31 December 2011	4	3	1	8

12 a. Prepayments for acquisition of investment properties

	As at 31 December	2010
	2011	2010
Investment property in process of acquisition	65,234	37,759
Deposits with bailiffs	4,407	1,120
	69,641	38,879

IMO PROPERTY INVESTMENTS SOFIA EAD
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

	As at 31 December	
	2011	2010
12 b. VAT and other receivables		
<i>Non-financial assets</i>		
VAT recoverable	10,243	6,688
Other receivables	604	6
Court receivables	212	-
Prepaid expenses	103	-
<i>Financial assets</i>		
Receivables from clients	33	21
Receivables from bailiffs and other suppliers	2,396	-
	13,591	6,715

The receivables as at the end of 2011 are not impaired as their fair value approximates carrying amount.

13. Cash and cash equivalents and restricted amounts

	As at 31 December	
	2011	2010
Cash in BGN	438	10
Cash in EUR	761	1,366
Total Cash and Cash Equivalents	1,199	1,376
Restricted cash - contributions to new subsidiaries	-	1,200
Other restricted cash in EUR (see note 14)	1,806	1,806
Total	3,005	4,382

14. Share capital

	Number of shares	Ordinary shares BGN'000
At 31 December 2010	400,000	400
At 31 December 2011	400,000	400

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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

14. Share capital (continued)

On 28/07/2010 with a Resolution of the sole shareholder of Company's capital was increased through issue of 150 000 new ordinary shares with nominal value 1 BGN each and issue value of BGN 13.04. The difference of BGN 1,806 thousand represents a Share Premium to be used as Company Reserve Fund, pursuant at 176, paragraph 3 of the Comercial Act.

As at 31 December 2011 the share capital is divided into 400,000 shares, each with a nominal value of BGN 1. The sole owner of the capital of Imo Property Investments Sofia EAD is Neu Property Holding Ltd – Cyprus. As at 31.12.2010 and 31.12.2011 there is also BGN 1,806 thousand in a share premium account.

15. Borrowings

All loans of the Company are with a floating interest rate and are denominated in Euro. The loans have not been collateralised.

Current liabilities	As at 31 December	
	2011	2010
Bank loans	244,825	82,195
Accrued LG fee	9	4
	244,834	82,199

The carrying amounts of these floating-rate borrowings approximated their fair values at the balance sheet date. All borrowings are contracted with floating rate of (1M EURIBOR) plus margin of 2.075%. There are no covenants included in the loan agreements.

Current credit line was renewed at 02.05.2012 with new maturity date 11/11/2013. Current credit line limit is 150 million EUR (BGN 293,370 thousand)

16. Deferred tax asset and liability

Deferred tax asset on current year loss

	Financial loss	Deferred tax asset
As at 1 January 2011	1,134	113
Movements in 2011 (see note 9)	8,099	139
As at 31 December 2011	9,233	252

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

16. Deferred tax asset and liability (continued)

Deferred income taxes are calculated at the tax rate that will be effective at the time when they are expected to be realised. The tax applicable for 2011 is 10% (2010: 10%). Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same fiscal authority.

Tax authorities can at any given time carry out an audit of the accounting registers within 5 years after the reporting period, where it is possible to levy additional tax or impose fines. Management does not believe that there are circumstances, which could lead to significant tax obligations of the abovementioned nature.

17. Payables

	As at 31 December	
	2011	2010
<i>Financial liabilities</i>		
To suppliers	444	2,837
Guarantee	33	14
Deffered income	3	-
Other payables in next year	100	15
	580	2,866

18. Financial instruments by category

As at 31 December 2011

Financial assets as per balance sheet	Loans and receivables
Trade and other receivables (Note 12 b)	2,429
Cash and cash equivalents (Note 13)	3,005
	5,434
Liabilities as per balance sheet	Financial liabilities at amortized cost
Trade payables (Note 17)	580
Payables under bank loan to related parties (Note 15, 19)	244,825
Related party payables (Note 19)	9
	245,414

The fair value of all financial assets and liabilities as at the end of 2011 and 2010 approximates their carrying value.

IMO PROPERTY INVESTMENTS SOFIA EAD
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

19. Related party transactions

The Company's immediate parent is NEU Property Holding Ltd (Cyprus) which is 100% owned by EFG Eurobank Ergasias S.A (Greece). EFG Eurobank Ergasias is a member of the worldwide EFG Group, which consists of credit institutions, financial services and financial holding companies. The operating parent company of the EFG Group is European Financial Group EFG (Luxembourg) S.A., whilst its ultimate parent company is Private Financial Holdings Limited (PFH), which is owned and controlled indirectly by members of the Latsis family. As at 31 December 2011, the EFG Group held 44.7% of the ordinary shares and voting rights of the Bank through wholly owned subsidiaries of the ultimate parent company, the remaining ordinary shares and voting rights being held by institutional and retail investors, none of which, to the knowledge of the Bank, holds 5% or more

As at 31.12.2011 the Company has two subsidiaries. On 28 of December 2010 the Company has made advance contributions of BGN 1,200 thousands in relation to incorporation of three subsidiaries to which Imo Property Investments Sofia EAD will be a sole owner. On 1.4.2011 one of them, IMO 02 returned back BGN 400 thousand investments in share capital to IMO Property Investments Sofia.

Two subsidiaries have been incorporated during 2011.

On 25 January 2011 Imo Rila EAD with BGN 400 thousand Share Capital was incorporated and registered in Registry Agency. The sole owner of the entity is Imo Property Investments Sofia EAD. On 2 February 2011 Imo Rila EAD acquired Hotel Rila-Sofia for EUR 19,269 thousand, VAT excluded. Since this date a rental contract for the hotel has been signed.

On 25 January 2011 Imo Central Office EAD with BGN 400 thousand Share Capital was incorporated and registered in Registry Agency. The sole owner of the entity is Imo Property Investments Sofia EAD. On 25 March 2011 Imo Central Office EAD acquired a business building, located in Sofia for BGN 70,832 thousand, VAT excluded.

All transactions with related parties are with fellow subsidiaries.

	2011	2010
Investment in subsidiaries		
IMO Rila	400	-
IMO Central Office	400	-
	<u>800</u>	<u>-</u>
Payables to related parties		
Eurobank EFG Bulgaria SA	9	4
Borrowings		
Eurobank EFG Private Bank Luxembourg S.A.	244,825	82,195

According to Resolution of the Board from 21/02/12, IMO Property Investment EAD transferred its participation in the Sshare capital of IMO Rila EAD to NEU II PROPERTY HOLDING LIMITED - Cyprus, namely to transfer 400 000 registered ordinary shares, with nominal value 1.00 BGN, representing 100% of the share of IMO Rila, for cash consideration of 19,118 EUR. The amount was received effectively on 13/03/2012.

IMO PROPERTY INVESTMENTS SOFIA EAD
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
31 DECEMBER 2011

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

19. Related party transactions (continued)

Cash and cash equivalents	2011	2010
Eurobank EFG Bulgaria SA (Note 13)	3,005	3,182
Interest income from bank deposits		
Eurobank EFG Bulgaria SA	60	1
Interest expenses		
Eurobank EFG Bulgaria SA	-	800
BRS	26	-
Eurobank EFG Private Bank Luxembourg S.A.	5,337	90
Interest expenses total	5,363	890
FX transaction expenses		
Eurobank EFG Bulgaria SA	47	28
Commissions and fees expenses		
Eurobank EFG Bulgaria SA	23	4
Eurobank EFG Greece SA	196	2
	219	6
Expenses for valuations, broker fees		
EFG Property Services Sofia	11	-

The management is compensated by virtue of a decision of the Board of Directors. The management of the Company have received remuneration in 2011 at the total amount of BGN 189 thousand (2010: BGN 47 thousand).

20. Contingent liabilities and commitments

The management has not identified any significant contingent liabilities and commitments valid as at 31 December 2011. See also Note 4.

21. Events after the balance sheet date

According to Resolution of the Board from 21/02/12, IMO Property Investment EAD transferred its participation in the Sshare capital of IMO Rila EAD to NEU II PROPERTY HOLDING LIMITED - Cyprus, namely to transfer 400 000 registered ordinary shares, with nominal value 1.00 BGN, representing 100% of the share of IMO Rila, for cash consideration of 19,118 EUR. The amount was received effectively on 13/03/2012.



Independent auditor's report

To Sole shareholder of the Imo Property Investment Sofia EAD

Report on the Financial Statements

We have audited the accompanying financial statements of Imo Property Investment Sofia EAD which comprise the balance sheet as of 31 December 2011 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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T: +359 2 9355200, F: +359 2 9355266, www.pwc.com/bg
Registered with the Sofia City Court under company file number 13424/1997.*

This version of our report/the accompanying documents is a translation from the original, which was prepared in Bulgarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Opinion

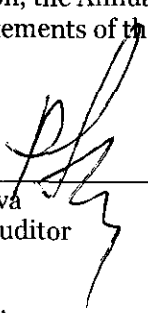
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Imo Property Investment Sofia EAD as of 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Management is also responsible for preparing the Annual Report in accordance with the Accounting Act.

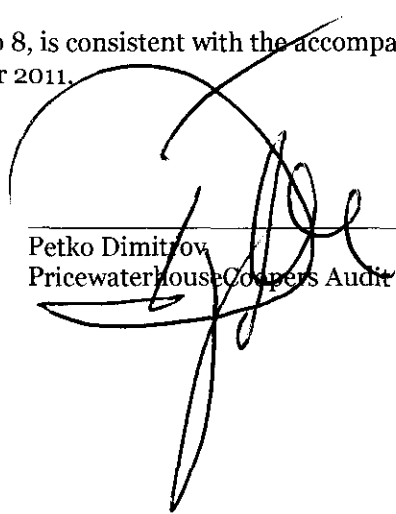
We are required by the Accounting Act to express an opinion whether the Annual Report is consistent with the annual financial statements of the Company.

In our opinion, the Annual Report set out on pages 3 to 8, is consistent with the accompanying financial statements of the Company as of 31 December 2011.



Rositsa Boteva
Registered Auditor

19.6.2012
Sofia, Bulgaria



Petko Dimitrov
PricewaterhouseCoopers Audit OOD