

**IMO CENTRAL OFFICE EAD  
ANNUAL DIRECTORS' REPORT  
ANNUAL FINANCIAL STATEMENTS  
REPORT OF THE INDEPENDENT AUDITOR  
31 DECEMBER 2012**

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**IMO CENTRAL OFFICE EAD  
DIRECTORS' REPORT  
31 DECEMBER 2012**

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The Directors present the report and the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), for the period ended 31 December 2012. The financial statements have been audited by Pricewaterhouse Coopers Audit OOD.

**GENERAL INFORMATION**

**Establishment and activity**

IMO Central Office EAD, UIK 201397391, is a private limited liability company registered in Bulgaria on 24 January 2011.

The sole owner of the Company is IMO Property Investments Sofia EAD. IMO Property Investments Sofia EAD is a private company incorporated and existing under the laws of Bulgaria.

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 2012 the Board of Directors consists of the following members:**

Emil Pilafov – Chairman of the Board of Directors and Executive Director  
Petia Dimitrova – Deputy Chairperson of the Board of Directors and Executive Director  
Jordan Souvandjiev – Member of the Board of Directors and Executive Director

**The total annual remuneration of the members of the Board of Directors**

In 2012 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 period**

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

**The Board of Directors 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.

**GENERAL INFORMATION (CONTINUED)**

**The Board of Directors members' ownership in other commercial enterprises, as:**

**Partners with unlimited liability**

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

**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

**Participants in the management of other companies or cooperatives as procurators, managers or board members:**

**Petia Nikolova Dimitrova**

- Eurobank Bulgaria AD, Bulgaria – Chairperson of the Management Board and Chief Executive Officer;
- Bulgarian Retail Services AD, Bulgaria – Chairperson of the Board of Directors and Executive Director;
- ERB Property Services Sofia AD (former name EFG Property Services Sofia AD, date of change 25.03.2013), Bulgaria – Member of the Board of Directors;
- IMO Property Investments Sofia EAD, Bulgaria – Member of the Board of Directors and Executive Director;
- IMO Rila EAD, Bulgaria – Deputy Chairperson of the Board of Directors and Executive Director;
- IMO 03 EAD, Bulgaria – Member of the Board of Directors and Executive Director;
- ERB Leasing EAD (former name EFG Leasing EAD, date of change 01.02.2013), Bulgaria – Member of the Board of Directors (effective as of 14.03.2012)
- American Chamber of Commerce in Bulgaria, Bulgaria – Member of the Management Board;
- Bulgarian Business Leaders Forum (BBLF), Bulgaria – Member of the Management Board;
- State-owned enterprise Communicative construction and rehabilitation, Bulgaria – Member of the Management Board;
- Municipal Bank AD, Bulgaria – Member of the Supervisory Board (until 13.08.2012)
- Confederation of Employers & Industrialists in Bulgaria, Bulgaria – Member of the Management Board (from 29.06.2012 to 22.11.2012).

**GENERAL INFORMATION (CONTINUED)**

**Emil Atanasov Pilafov**

- IMO Property Investments Sofia EAD, Bulgaria – Chairman of the Board of Directors and Executive Director;
- IMO Rila EAD, Bulgaria – Chairman of the Board of Directors and Executive Director;
- IMO 03 EAD, Bulgaria – Chairman of the Board of Directors and Executive Director.

**Iordan Marinov Souvandjiev**

- Eurobank Bulgaria AD, Bulgaria – Member of the Management Board;
- ERB Property Services Sofia AD (former name EFG Property Services Sofia AD, date of change 25.03.2013), Bulgaria – Member of the Board of Directors;
- IMO Property Investments Sofia EAD, Bulgaria – Member of the Board of Directors;
- IMO Rila EAD, Bulgaria – Member of the Board of Directors and Executive Director;
- Vinimpeks 21 AD, Bulgaria – Member of the Board of Directors.

**The 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 2012 is loss in the amount of BGN 2,208 thousand. The main part of the expenses is related to the investment property - BGN 3,019 thousand and financial costs – BGN 2,113 thousand. The income from rents is BGN 2,962 thousand.

**Investing activity**

The scope of activity of the Company is meant to comprise 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.

### **OVERVIEW OF RESULTS (CONTINUED)**

In 2011 the Company acquired one property - Sofia Business Center, N: 260 Ring Road Sofia, through Notary deed from 25 March 2011. Gross leasable area (GLA) is 22,959 sq. m. In 2012 the Company did not acquire new properties. The main focus was in accomplishing the building according to the requirement of the new tenants – Eurobank Bulgaria AD and its subsidiaries. The new rental contracts with the Bank and its subsidiaries started as of 01 October 2012. The term of the rental contracts is 15 year. As of the 31 December 2012 the total rented area is 79% of the GLA.

### **MAIN OBJECTIVES FOR 2013**

For 2013 the Company has not budgeted any more acquisitions. IMO Central Office plans to lease the remaining part of the building and try to keep the vacancy under 5%.

### **FINANCIAL RISK MANAGEMENT**

The Company is exposed to variety of financial risks. Detailed description of those risks and the policies and procedures applied by the Management are set out in note 3 of the financial statement as at 31 December 2012.

### **RESPONSIBILITIES OF MANAGEMENT**

The Directors are required by 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 year end and of the profit or loss and cash flows for the year. The management has prepared the enclosed 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 financial statements for the period ended 31 December 2012.

The Directors confirm that the 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.

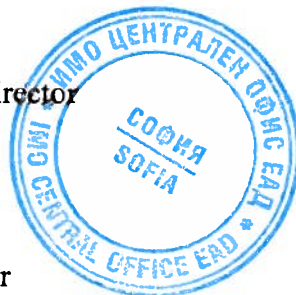
  
Emil Pilafov

Chairman of the Board of Directors and Executive Director

  
Jordan Souvandjiev

Member of Board of Directors and Executive Director

24.05.2013



**IMO CENTRAL OFFICE EAD  
BALANCE SHEET  
31 DECEMBER 2012**

*(All amounts are stated in Bulgarian leva thousands)*

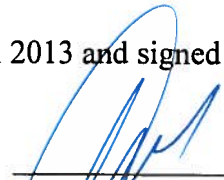
**As at 31 December**

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
<b>Non-current assets</b>			
Investment property	10	75,329	71,992
Prepayments for acquisition of investment property	11	126	103
Other tangible assets	12	123	-
Deferred tax asset	17	104	104
<b>Total non-current assets</b>		<b>75,682</b>	<b>72,199</b>
<b>Current assets</b>			
Other receivables	13	327	247
Cash and cash equivalents	14	2,150	335
<b>Total current assets</b>		<b>2,477</b>	<b>582</b>
<b>Total assets</b>		<b>78,159</b>	<b>72,781</b>
<b>Equity</b>			
Share capital	15	400	400
Accumulated losses		(5,491)	(3,283)
<b>Total equity</b>		<b>(5,091)</b>	<b>(2,883)</b>
<b>Current liabilities</b>			
Borrowings from related parties	16	82,370	75,522
Other payables	18	880	142
<b>Total current liabilities</b>		<b>83,250</b>	<b>75,664</b>
<b>Total equity and liabilities</b>		<b>78,159</b>	<b>72,781</b>


The financial statements have been approved on 25 April 2013 and signed as follows:

  
Emil Pilafov  
Executive Director and  
Chairman of the Board of  
Directors

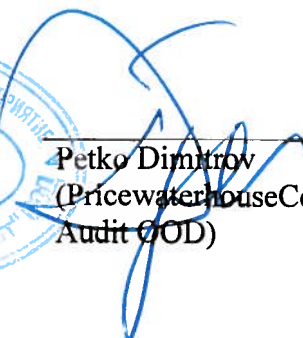


  
Elena Kamenova  
Responsible for preparation  
of financial statements

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

  
Rositsa Boteva  
Registered auditor



  
Petko Dimitrov  
(PricewaterhouseCoopers  
Audit OOD)

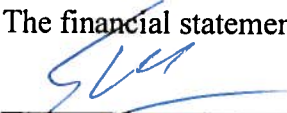
Date: 25. 04. 2013  
Sofia, Bulgaria

**IMO CENTRAL OFFICE EAD  
STATEMENT OF COMPREHENSIVE INCOME  
31 DECEMBER 2012**


*(All amounts are stated in Bulgarian leva thousands)*

	Notes	2012 12 months	2011 For the period 24.1.2011- 31.12.2011
Revenue – rental income	5	2,962	1,116
Expenses for investment property	6	(3,019)	(2,020)
Administrative expenses	7	(38)	(30)
<b>Operating (loss)</b>		<b>(95)</b>	<b>(934)</b>
Financial costs, net	8	(2,113)	(2,453)
<b>Loss before income tax</b>		<b>(2,208)</b>	<b>(3,387)</b>
Income tax credit	9	-	104
<b>Loss for the period</b>		<b>(2,208)</b>	<b>(3,283)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) for the period</b>		<b>(2,208)</b>	<b>(3,283)</b>


The financial statements have been approved on 25 April 2013 and signed as follows:

  
Emil Pilafov  
Executive Director and  
Chairman of the Board of  
Directors

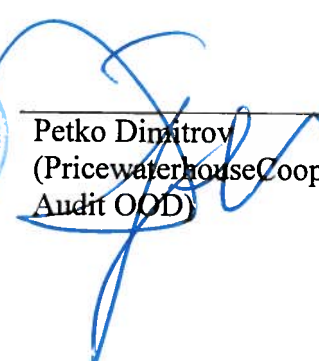


  
Elena Kamenova  
Responsible for preparation  
of financial statements

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

  
Rositsa Boteva  
Registered auditor



  
Petko Dimitrov  
(PricewaterhouseCoopers  
Audit OOD)

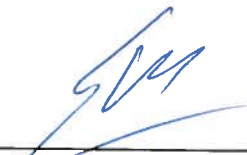
Date: 25.04.2013  
Sofia, Bulgaria



**IMO CENTRAL OFFICE EAD  
STATEMENT OF CHANGES IN EQUITY  
31 DECEMBER 2012**

<i>(All amounts are stated in Bulgarian leva thousands)</i>	Notes	Share capital	Accumulated losses	Total equity
<b>Balance as at 24.01.2011</b>		-	-	-
Capital increase		400	-	400
Loss for the period		-	(3,283)	(3,283)
<b>Balance as at 31 December 2011</b>		<b>400</b>	<b>(3,283)</b>	<b>(2,883)</b>
Loss for the period		-	(2,208)	(2,208)
<b>Balance as at 31 December 2011</b>	15	<b>400</b>	<b>(5,491)</b>	<b>(5,091)</b>

The financial statements have been approved on 25 April 2013 and signed as follows:



Emil Pilafov  
Executive Director and  
Chairman of the Board of  
Directors




Elena Kamenova  
Responsible for preparation  
of financial statements

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



Rositsa Boteva  
Registered auditor

Date: 25.04.2013  
Sofia, Bulgaria





Petko Dimitrov  
(PricewaterhouseCoopers  
Audit OOB)

**IMO CENTRAL OFFICE EAD  
STATEMENT OF CASH FLOWS  
31 DECEMBER 2012**

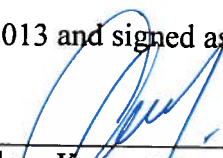
*(All amounts are stated in Bulgarian leva thousands)*

	Notes	2012	2011
<b>Operating activities</b>			
Receipts from clients		4,272	1,315
Payments for administrative expenses		(41)	(33)
Other operating cash outflows		(1,746)	(1,215)
<i>Net cash from operating activities</i>		<u>2,485</u>	<u>67</u>
<b>Investing activities</b>			
Purchase and prepayments for investment property		(5,396)	(73,209)
<i>Net cash used in investing activities</i>		<u>(5,396)</u>	<u>(73,209)</u>
<b>Financing activities</b>			
Increase of share capital		-	400
Borrowings received		17,270	97,473
Interest paid		(2,120)	(2,418)
Borrowings repaid		(10,424)	(21,978)
<i>Net cash flows from financing activities</i>		<u>4,726</u>	<u>73,477</u>
Increase in cash and cash equivalents for the period		1,815	335
<b>Cash and cash equivalents at 1 January</b>		<b>335</b>	<b>-</b>
<b>Cash and cash equivalents at 31 December</b>	14	<u><b>2,150</b></u>	<u><b>335</b></u>

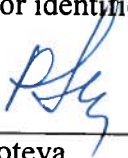
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Directors

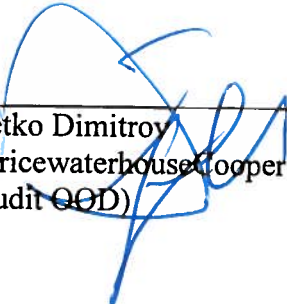


  
Elena Kamenova  
Responsible for preparation of  
financial statements

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

  
Rositsa Boteva  
Registered auditor



  
Petko Dimitrov  
(PricewaterhouseCoopers  
Audit OOD)

Date: 25.04.2013  
Sofia, Bulgaria

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**1. General information**

“Imo Central Office” 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.

**2. Summary of significant accounting policies**

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

**2.1 Basis of preparation**

The 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 2011 and 2012. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

**Going concern**

Although as at 31 Decemebr the company’s Total liabilities exceeded the Total Assets, the Financial Statements are prepared on the principle of going concern which implies that the Company will continue operations in the foreseeable future since Share Capital increase is expected to be finalized in 2013 and the current credit line was renewed at 28 March 2013 with new maturity date 30 April 2014.

**Impact of the economic crisis in Greece**

Greece entered into a new funding and restructuring programme with the European Commission, the ECB and the eurozone member-states as agreed in the Eurogroup meeting of 21 February 2012. The programme aimed at bringing the country’s public debt-to-GDP ratio below 120% by 2020.

The new funding and reform programme improved the country’s financial position and outlook, via the reduction of public debt and its servicing costs from 2012 onwards.

On the back of these developments, and after the implementation/legislation of a long list of structural reforms and fiscal austerity measures for 2013-16 by the Greek Government, the Eurogroup reached on 26 November, 2012 an agreement on a set of new measures for the reduction of Greek public debt to 124.0% of GDP by 2020 and 110.0% of GDP in 2022. This debt path is consistent with the debt sustainability required by the IMF.

***Position of Eurobank Group***

***Greek sovereign debt exchange programme***

On 21 February 2012 the Euro-area finance ministers agreed on a bail out programme for Greece, including financial assistance from the Official Sector and a voluntary debt exchange agreed with the Private Sector forgiving 53.5% of the face value of Greek debt. All exchanged bonds were derecognized and the new Greek government bonds (nGGBs) recognized at fair value, based on market quotes at the date of recognition.

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**2. Summary of significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

Following the Eurogroup's decisions on 27 November 2012 and as part of debt reduction measures, the Greek State announced on 3 December 2012 an invitation to eligible holders of nGGBs to submit offers to exchange such securities for six months zero coupon notes to be issued by the European Financial Stability Fund (EFSF). Under its participation to the Greek state's debt buyback program, the Eurobank Ergasias Group submitted for exchange the 100% of its nGGBs portfolio of total face value EUR 2.3 bn.

*Recapitalization Framework and Process*

Given the severity of the impact of the Greek Government Bond exchange program (PSI+), on 21 February 2012 the Euro Area finance ministers allocated a total of EUR 50 bn of the second support program for Greece specifically for the recapitalisation of the Greek banking system. These funds are directed to the Hellenic Financial Stability Fund (HFSF) whose mandate has been extended and enhanced accordingly. EUR 23 bn of these funds were remitted to Greece in the second quarter of 2012, EUR 16 bn in December 2012 while the final EUR 11 bn are expected within next months.

The Bank of Greece, after assessing the business plan and the capital needs of Eurobank has concluded on 19 April 2012 that Eurobank is a viable bank and, on 8 November 2012, notified the Bank that its Tier I capital should increase by EUR 5,839 million. The Bank, the HFSF and the European Financial Stability Facility ("EFSF") signed on 28 May 2012 and on 21 December 2012 a trilateral presubscription agreement (PSA) for the advance to the Bank of EFSF notes of face value of EUR 3,970 million and EUR 1,341 million (total EUR 5,311 million) as advance payment of its participation in the future share capital increase of the Bank. In addition, HFSF provided to the Bank a commitment letter for additional capital support of EUR 528 million up to the total level of recapitalisation needs of EUR 5,839 million. Proforma with the full recapitalisation amount of EUR 5,839 million, on 31 December 2012 the Group's regulatory capital stands at EUR 4.4 bn, the Core Tier I capital at EUR 4.1 bn, its Capital Adequacy ratio at 11.6% and the Core Tier I ratio at 10.8%. The above ratios will be negatively affected as of 31 March 2013 following recent changes in the Greek regulatory framework with respect to capital adequacy requirements. Such impact is expected to be mitigated through capital actions that are currently under planning and assessment stage by the Bank.

**National Bank of Greece S.A. Voluntary Tender Offer (VTO)**

On 5 October 2012, the National Bank of Greece (NBG) announced its intention to launch a voluntary exchange offer to acquire all Eurobank's shares offering 58 new shares of NBG for every 100 shares of Eurobank tendered. NBG also stated that, Eurobank shareholders holding 43.6% of Eurobank's ordinary share capital have committed to tender their shares in the tender offer.

On 11 January 2013, the Board of Directors of Eurobank Ergasias S.A., having considered the content of the VTO information memorandum and the reports provided by the Bank's financial advisors, concluded in summary that the Offer Consideration satisfies the requirements of the Law and is fair from a financial point of view.

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**2. Summary of significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

On 15 February 2013, NBG announced that all necessary regulatory approvals have been obtained.

On 18 February 2013, NBG announced that during the offering's acceptance period for Eurobank's shareholders, 84,35% of Eurobank's shareholders have accepted legally the VTO; thus NBG holds 84,38% of Eurobank's paid in Share Capital.

As stated in the VTO documentation, the VTO will be followed by the merger of the two banks. In line with this, on 19 March 2013, the boards of Eurobank and NBG resolved to initiate the merger process, with NBG absorbing Eurobank, and set 31 December 2012 as the merger reference date.

On 8 April 2013, Eurobank announced that the relevant regulatory authorities, with the consent of the management of both banks, have decided that NBG and Eurobank will be independently recapitalized in full. As a consequence, the merger process of the two Banks is being suspended.

As per the announcement of the Bank of Greece, the recapitalization process for the four systemic banks will be completed before the end of April 2013. The final decisions regarding the merger process will be taken by their future common shareholder, the HFSF.

On 10 April 2013, Eurobank's Board of Directors decided to convene a General Shareholders' Meeting on 30 April 2013 in order to discuss the Bank's EUR 5.8 bn recapitalization.

Within the current legal framework, a part of the recapitalization may be executed through the issuance of CoCos (contingent convertible securities) thus reducing the amount of the total Common Shares rights issue by an equal amount. Existing shareholders as well as other private investors will have the right to participate in the rights issue, while the recapitalization amount has already been guaranteed by the Hellenic Financial Stability Fund and EUR 5.3 bn out of EUR 5.8 bn has already been paid in advance to the Bank.

On 22 April 2013, Eurobank's Board of Directors decided to propose to the General Shareholders' Meeting on 30 April 2013 that the share capital increase of EUR 5.8 bn be fully subscribed by the HFSF, leading to the immediate and full recapitalization of the Bank.

***Position of the Company***

IMO Central Office EAD finances its activities through a borrowing by Eurobank Private Bank Luxembourg and its capital base.

***(a) New and amended standards and interpretations effective in 2012***

- IFRS 7, Amendment – Disclosures, Transfers of Financial Assets

***(b) Standards and Interpretations issued but not yet effective***

- IAS 1, Amendment - Presentation of items of Other Comprehensive Income (effective 1 January 2013)

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**2. Summary of significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

- IAS 12, Amendment – Deferred tax: Recovery of Underlying Assets (effective 1 January 2013)
- IAS 19, Amendment - Employee Benefits (effective 1 January 2013)
- IAS 27, Amendment - Separate Financial Statements (effective 1 January 2014)
- IAS 28, Amendment - Investments in Associates and Joint Ventures, (effective 1 January 2014)
- IAS 32, Amendment - Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014).
- IFRS 7, Amendment – Disclosures, Offsetting Financial Assets and Financial Liabilities (effective 1 January 2013).
- 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 2014),
- IFRS 11, Joint Arrangements (effective 1 January 2014).
- IFRS 12, Disclosure of Interest in Other Entities, (effective 1 January 2014)
- IFRS 13, Fair value measurement, (effective 1 January 2013)
- IFRS 10, 11 and 12 Amendments – Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (effective 1 January 2013, not yet endorsed by EU)
- Annual Improvements to IFRSs 2009-2011 Cycle (effective 1 January 2013, not yet endorsed by EU)
- IFRS 10, 12 and 27 Amendments – Investment Entities (effective 1 January 2014, not yet endorsed by EU)

IFRS 9 is a 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 separate statements in the period of the initial application.

The 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.



**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**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 financial statements are prepared in BGN. All amounts in the 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**

Investment property (IAS 40) 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.

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%. The Additional Improvement Investments in Premises are depreciated for the period of the main lease contract - 15 years, and the annual depreciation rate is 6.67%.

Land recognized as investment property is not depreciated.

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.

When an entity uses the cost model, transfers between investment property, owner-occupied 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 has to perform an impairment analysis of the acquired properties closer to the year-end reporting date.

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

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*(All amounts are in BGN thousand unless otherwise stated)*

**2. Summary of significant accounting policies (continued)**

**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.

**2.7 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.



**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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*(All amounts are in BGN thousand unless otherwise stated)*

**2. Summary of significant accounting policies (continued)**

**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.

**2.12 Deferred tax**

Taxation has been provided for in the 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 period, 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.

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**2. Summary of significant accounting policies (continued)**

**2.12 Deferred tax (continued)**

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 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.

**3. Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and 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 short-term borrowings (Note 16). 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.

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 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.

***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

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**3. Financial risk management (continued)**

**3.1 Market risk (continued)**

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 below shows balances of cash and cash equivalents as at 31 December 2012 and 2011 to banks, as follows:

Contractor	31 December 2012		31 December 2011	
	Credit rating	Balance	Credit rating	Balance
Eurobank EFG Bulgaria	BBB (BCRA)	2,150	BBB (BCRA)	335
		<b>2,150</b>		<b>335</b>

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 2013 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.

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**3. Financial risk management (continued)**

**3.3 Liquidity risk (continued)**

	<b>Up to 1 month</b>	<b>Between 1 and 3 months</b>	<b>Between 3 and 12 months</b>	<b>Over 12 months</b>	<b>Total</b>
<b>As at 31 December 2011</b>					
Payables	50	-	92	-	<b>142</b>
Borrowings	27	-	77,684	-	<b>77,711</b>
<b>Total financial liabilities</b>	<b>77</b>	<b>-</b>	<b>77,776</b>	<b>-</b>	<b>77,853</b>

	<b>Up to 1 month</b>	<b>Between 1 and 3 months</b>	<b>Between 3 and 12 months</b>	<b>Over 12 months</b>	<b>Total</b>
<b>As at 31 December 2012</b>					
Payables	47	81	4	748	<b>880</b>
Borrowings	30	-	-	84,399	<b>84,429</b>
<b>Total financial liabilities</b>	<b>77</b>	<b>81</b>	<b>4</b>	<b>85,147</b>	<b>85,309</b>

**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.

**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:

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**4. Critical accounting estimates and judgments (continued)**

(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.

Net Book Value of Property as at 31 December 2012 is EUR 38,515 thousands (BGN 75,329 thousands). Based of IAS 40, IMO Central Office required new market valuation of Property close to the Year End, current Market value is EUR 37,909 thousands (BGN 74,143 thousands). The deviation of 1.6% company considers as insignificant and found no ground for impairment as at 31 December 2012.

**5. Rental income**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
Revenue from customers	2,962	1,116
<b>Total</b>	<b>2,962</b>	<b>1,116</b>

**6. Expenses related to investment property**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
Depreciation	(1,305)	(918)
Maintenance	(1,714)	(1,107)
Received insurance payment	-	5
<b>Total</b>	<b>(3,019)</b>	<b>(2,020)</b>

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**7. Administrative expenses**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
Rent	(10)	(11)
Audit fees	(8)	(8)
Others	(20)	(11)
<b>Total</b>	<b>(38)</b>	<b>(30)</b>

**8. Finance costs, net**

**Finance costs**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
Interest expense	(1,991)	(2,387)
Others finance costs	(123)	(103)
<b>Total finance costs</b>	<b>(2,114)</b>	<b>(2,490)</b>

**Finance income**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
Interest income	1	37
<b>Total</b>	<b>1</b>	<b>37</b>

**9. Income tax**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
Deferred income tax credit (Note 17)	-	104
<b>Total</b>	<b>-</b>	<b>104</b>

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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*(All amounts are in BGN thousand unless otherwise stated)*

**9. Income tax (continued)**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
Accounting loss before income tax	(2,208)	(3,387)
Increase of Tax base	3,300	3,267
Decreases of Tax base	(1,280)	(918)
Tax loss base	<u>(188)</u>	<u>(1,038)</u>
Deferred tax for the period	-	<b>104</b>
Accrued Deferred tax	-	<b>104</b>

Tax for the year is calculated at a tax rate of 10% (2011:10%).

**10. Investment property**

<b>Carrying amount as at 24 January 2011</b>	-
Additions - building	61,342
Additions - land	11,568
Depreciation	<u>(918)</u>
<b>Carrying amount as at 31 December 2011</b>	<u><b>71,992</b></u>
Capitalised improvements	4,642
Depreciation	<u>(1,305)</u>
<b>Carrying amount as at 31 December 2012</b>	<u><b>75,329</b></u>

The investment properties were acquired in Q1'2011. In view of the management, based on valuation expertise, the fair value of these investment properties approximates their carrying amount.

**10. a Tangible assets located in investment property**

As part of acquisition of property, the Company also bought certain movable assets which represent inseparable part of the property. The policy of the Company is to sell or to rent them together with the respective property.

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**11. Prepayments for acquisition of investment properties**

	2012	2011
Prepayments for reconstructions of premises	126	103
	<u>126</u>	<u>103</u>

**12. Other tangible assets**

	Vehicles	Equipment	Total
<b>Carrying amount as at 31 December 2011</b>	-	-	-
Additions	124	3	127
Depreciation	(4)	-	(4)
<b>Carrying amount as at 31 December 2012</b>	<u>120</u>	<u>3</u>	<u>123</u>

**13. Other receivables**

	As at 31 December	
	2012	2011
<i>Non-financial assets</i>		
VAT recoverable	22	72
Other receivables	67	4
Prepaid expenses	50	108
<i>Financial assets</i>		
Receivables from clients	188	63
	<u>327</u>	<u>247</u>

The receivables as at the end of 2012 are not impaired. Their fair value approximates the carrying amount.

**14. Cash and cash equivalents**

	As at 31 December	
	2012	2011
Cash in BGN	1,822	66
Cash in EUR	328	269
<b>Total cash in bank</b>	<u>2,150</u>	<u>335</u>



**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**15. Share capital**

	<b>Number of shares</b>	<b>Ordinary shares BGN'000</b>
<b>At 31 December 2011</b>	<b>400,000</b>	<b>400</b>
<b>At 31 December 2012</b>	<b>400,000</b>	<b>400</b>

As at 31 December 2012 and 2011 the share capital is divided into 400,000 shares, each with a nominal value of BGN 1. The sole owner of the capital is Imo Property Investments Sofia EAD.

**16. Borrowings**

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

	<b>As at 31 December</b>	
	<b>2012</b>	<b>2011</b>
<b>Current liabilities</b>		
Bank loans	82,340	75,495
Accrued interest	30	27
	<b>82,370</b>	<b>75,522</b>

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 28 March 2013 for one year period, till 30 April 2014. Credit line limit is EUR 46 million (BGN 89,968 thousands).

**17. Deferred tax asset and liability**

**Deferred tax asset on current period loss**

	<b>Financial loss</b>	<b>Deferred tax asset</b>
<b>As at 01 January 2012</b>	<b>(3,387)</b>	<b>104</b>
Movements in 2012	(2,208)	-
<b>As at 31 December 2012</b>	<b>(5,595)</b>	<b>104</b>

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 2012 is 10% (2011: 10%).

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**17. Deferred tax asset and liability (continued)**

The tax loss for 2012 is BGN 188 thousands and the differed tax asset not recognizes is BGN 19 thousands.

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 revision 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.

**18. Payables**

	<b>As at 31 December</b>	
	<b>2012</b>	<b>2011</b>
<i>Financial liabilities</i>		
Payables to related parties	47	9
Guarantees from related parties	748	-
Payables to suppliers	81	42
Other payables	4	91
	<b>880</b>	<b>142</b>

**19. Financial instruments by category**

**As at 31 December 2012**

<b>Financial assets as per balance sheet</b>	<b>Loans and receivables</b>
Trade and other receivables (Note 13)	188
Cash and cash equivalents (Note 14)	2,150
	<b>2,338</b>
<b>Liabilities as per balance sheet</b>	<b>Financial liabilities at amortized cost</b>
Trade payables (Note 18)	833
Payables under bank loan to related parties (Note 16, 20)	82,370
Related party payables (Note 18)	47
	<b>83,250</b>

The fair value of all financial assets and liabilities as at the end of 2012 approximates their carrying value.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**20. Related party transactions**

The Company's immediate parent is IMO Property Investmet Sofia. Parent of IMO Property Investmets Sofia EAD is NEU Property Holdings Ltd (Cyprus) which is 100% owned by Eurobank Ergasias S.A (Greece). Eurobank Ergasias S.A. is listed on the Athens Stock Exchange and until 23 July 2012 is a member of the EFG Group, which held 44.7% of the Bank's ordinary shares and voting rights through wholly owned subsidiaries.

On 23 July 2012, 43.55% of the ordinary shares and voting rights held by EFG Group were transferred to ten legal entities, each of which acquire approximately 4.4%, while the EFG Group retained the remaining 1.15%. These entities have formally stated they are independent from each other. As a result, from 23 July 2012, onwards, Eurobank ceased to be under EFG Group's control and will no longer be consolidated in the financial statements of the EFG Group. In addition, the Bank's corporate and trade name have been amended in orther to no longer include the "EFG" suffix.

All transactions with related parties are with fellow subsidiaries.

	<b>2012</b>	<b>2011</b>
<b>Borrowings</b>		
Eurobank Private Bank Luxembourg S.A.	82,340	75,495
<b>Accrued interest</b>		
Eurobank Private Bank Luxembourg S.A.	30	27
<b>Payables</b>		
Eurobank Bulgaria AD	751	-
ERB Leasing EAD	25	-
ERB Property Services Sofia AD	14	-
IMO Property Investments Sofia EAD	3	-
Bulgarian Retail Services AD	2	-
<b>Total</b>	<b>795</b>	<b>-</b>
<b>Cash and cash equivalents</b>		
Eurobank Bulgaria AD (Note 14)	2,150	335
<b>Receivables</b>		
Eurobank Bulgaria AD	20	-
ERB Leasing EAD	1	-
<b>Total</b>	<b>21</b>	<b>-</b>

**IMO CENTRAL OFFICE EAD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**31 DECEMBER 2012**

*(All amounts are in BGN thousand unless otherwise stated)*

**20. Related party transactions (continued)**

	<b>2012</b>	<b>For the period</b>
	<b>12 months</b>	<b>24.1.2011-31.12.2011</b>
<b>Interest income</b>		
Eurobank Bulgaria AD	1	37
<b>Interest expenses</b>		
Eurobank Private Bank Luxembourg S.A.	1,991	2,307
Eurobank Bulgaria AD	-	38
IMO Property Investments Sofia EAD	-	42
<b>Total</b>	<b>1,991</b>	<b>2,387</b>
<b>FX transaction expenses</b>		
Eurobank Bulgaria AD	4	11
<b>Commissions and fees expenses</b>		
Eurobank Bulgaria AD	11	1
Eurobank Greece SA	109	92
<b>Total</b>	<b>120</b>	<b>93</b>
<b>Rent income</b>		
Eurobank Bulgaria AD	1,238	-
ERB Leasing EAD	167	-
ERB Property Services Sofia AD	25	-
IMO Property Investments Sofia EAD	5	-
Bulgarian Retail Services AD	4	-
<b>Total</b>	<b>1,439</b>	<b>-</b>
<b>Expenses for Investment property</b>		
ERB Property Services Sofia AD	2	-

The management is compensated by virtue of a decision of the Board of Directors. The management of the Company have received remuneration in 2012 at the total amount of BGN 207 thousands (no remuneration in 2011).

**21. Contingent liabilities and commitments**

The management has not identified any significant contingent liabilities and commitments valid as at 31 December 2012.

**22. Events after the balance sheet date**

There are no events after the Balance Sheet Date as defined by IAS 10, except for those disclosed in Note 2.1 Basic of Preparation.



## ***Independent auditor's report***

### ***To Shareholder of the Imo Central Office EAD***

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of "Imo Central Office" EAD which comprise the balance sheet as of 31 December 2012 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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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 "Imo Central Office" EAD as of 31 December 2012, 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 6, is consistent with the accompanying financial statements of the Company as of 31 December 2012.

  
\_\_\_\_\_  
Rositsa Boteva  
Registered Auditor

25 April 2013  
Sofia, Bulgaria



  
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Petko Dimitrov  
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