

Independent auditors' report

To the Board of Directors of American Chamber of Commerce in Bulgaria

Report on the financial statements

We have audited the accompanying financial statements of American Chamber of Commerce in Bulgaria, which comprise the statement of financial position as of 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, as adopted for use in 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.

Auditors' 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 about 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 auditors' 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 of financial statements that give a true and fair view 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.

This is a translation from Bulgarian of the official Auditors' Report issued under Bulgarian law on the Chamber's financial statements including summary of significant accounting policies and other explanatory information.

Member of Ernst & Young Global

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BIC: UNCRBOSF with Unicredit Bulbank AG.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of American Chamber of Commerce in Bulgaria as of 31 December 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted for use in the European Union.

Report on other legal requirements

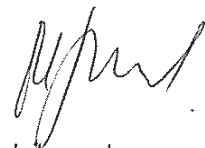
Pursuant to the requirements of the Bulgarian Accountancy Act, article 38, paragraph 4, we read the Annual Management Report accompanying the financial statements for the year ended 31 December 2012.

In our opinion, the information given in the Annual Management Report is consistent with the accompanying annual financial statements as of 31 December 2012.

A handwritten signature in black ink, appearing to read 'Ioannis Mystakidis', written over a faint grid background.

Ioannis Mystakidis
Managing Partner

Ernst & Young Audit OOD

A handwritten signature in black ink, appearing to read 'Milka Natcheva-Ivanova', written over a faint grid background.

Milka Natcheva-Ivanova, CPA
Registered Auditor

17 June 2013


Sofia, Bulgaria

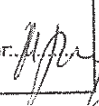
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

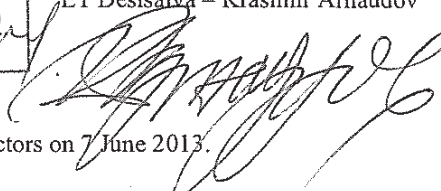
(All amounts are in BGN thousands unless otherwise stated)

| | Notes | 2012 | 2011 |
|--|-------|--------------|------------|
| Membership fees | | 554 | 564 |
| Rendering of services | 3.1 | 464 | 343 |
| Revenue | | 1,018 | 907 |
| Other income | 3.2 | 24 | 25 |
| Materials and consumables | | (21) | (7) |
| Personnel expenses | 3.3 | (288) | (299) |
| Depreciation and amortisation | | (12) | (12) |
| Hired services | 3.4 | (511) | (440) |
| Other expenses | 3.5 | (209) | (129) |
| Operating activities | | 1 | 45 |
| Finance cost | 3.6 | (3) | (3) |
| Finance income | 3.7 | 13 | 12 |
| Profit before tax | | 11 | 54 |
| Income tax expense | 4 | - | - |
| Profit for the year | | 11 | 54 |
| Other comprehensive income net of taxes | | - | - |
| Total comprehensive income net of taxes | | 11 | 54 |


 Valentin Georgiev
 Executive Director

Financial statements
 on which our auditor's report was issued dated:
17-06-2013
 EY Audit Firm Ltd OOD
 Managing director: Registered auditor: 
 EY Ernst & Young

Prepared by:
 ET Desisalva – Krasimir Arnaudov



These financial statements were authorized for issue by the Board of Directors on 7 June 2013.

The accompanying notes from page 7 to page 25 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

(All amounts are in BGN thousand unless otherwise stated)

| | Notes | 2012 | 2011 |
|--|-------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 140 | 151 |
| | | <u>140</u> | <u>151</u> |
| Current assets | | | |
| Trade and other receivables | 7 | 179 | 123 |
| Prepayments | | 2 | 3 |
| Cash and cash equivalents | 8 | 551 | 558 |
| | | <u>732</u> | <u>684</u> |
| TOTAL ASSETS | | <u>872</u> | <u>835</u> |
| EQUITY AND LIABILITIES | | | |
| Retained earnings | | | |
| | | <u>578</u> | <u>567</u> |
| Non - current liabilities | | | |
| Employee benefit liabilities upon retirement | 9 | 1 | 1 |
| | | <u>1</u> | <u>1</u> |
| Current liabilities | | | |
| Trade and other payables | 10 | 53 | 42 |
| Deferred income | 11 | 240 | 225 |
| | | <u>293</u> | <u>267</u> |
| Total Liabilities | | <u>294</u> | <u>268</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>872</u> | <u>835</u> |

Financial statements
 on which our audit report was issued dated:
17-06-2013
 Ernst & Young Audit OOD
 Managing director: Registered auditor: *[Signature]*
 3 ERNST & YOUNG

Valentin Georgiev
 Executive Director

Prepared by:
 ET Desislava – Krasimir Arnaudov

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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

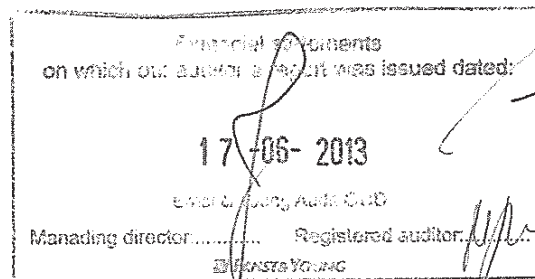
(All amounts are in BGN thousand unless otherwise stated)

| | Retained earnings | Total |
|----------------------------|-------------------|-------------------|
| At 1 January 2011 | 513 | 513 |
| Profit for the year | 54 | 54 |
| Other comprehensive income | - | - |
| Total comprehensive income | <u>54</u> | <u>54</u> |
| At 31 December 2011 | <u>567</u> | <u>567</u> |
| At 1 January 2012 | 567 | 567 |
| Profit for the year | 11 | 11 |
| Other comprehensive income | - | - |
| Total comprehensive income | <u>11</u> | <u>11</u> |
| At 31 December 2012 | <u>578</u> | <u>578</u> |



Valentin Georgiev
 Executive Director

Prepared by:
 ET Desislava Krasimir Arnaudov



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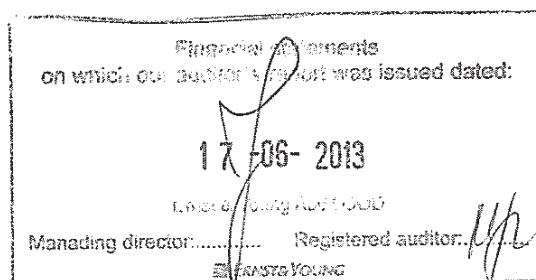
The accompanying notes from page 7 to page 25 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
 For the year ended 31 December 2012

(All amounts in BGN thousand unless otherwise stated)

| | Notes | 2012 | 2011 |
|--|-------|------------|------------|
| Operating activities | | | |
| Profit before tax | | 11 | 54 |
| Adjustment to reconcile profit before tax to net cash flows | | | |
| <i>Non-cash:</i> | | | |
| Depreciation of property and equipment | 5 | 12 | 12 |
| Movements in provisions for unused paid leaves | 10 | 3 | 4 |
| Movements in accumulated allowance for bad debt | 7 | 6 | 3 |
| Interest income | 3.7 | (13) | (12) |
| <i>Working capital adjustments:</i> | | | |
| Decrease in trade and other receivables and prepayments | | (61) | (2) |
| Increase in trade and other payables and prepaid membership fees | | 23 | 120 |
| Interest received | | 13 | 12 |
| Net cash flows (used in)/from operating activities | | (6) | 191 |
| Investing activities | | | |
| Purchase of property, plant and equipment | | (1) | - |
| Net cash flows(used in)/from investing activities | | (1) | - |
| Financing activities | | | |
| Net cash flows used in financing activities | | - | - |
| Net (decrease)/increase in cash and cash equivalents | | (7) | 191 |
| Cash and cash equivalents at 1 January | | 558 | 367 |
| Cash and cash equivalents at 31 December | 8 | 551 | 558 |


 Valentin Georgiev
 Executive Director



Prepared by:
 ET Desislava, Krasimir Arnaudov

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