

INDEPENDENT AUDITOR'S REPORT

TO
THE SHAREHOLDERS OF
YURI GAGARIN PLC
PLOVDIV

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of YURI GAGARIN PLC, which comprise the balance sheet as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes (presented from p.4 to p.32).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, as adopted by the Commission of the European Union and for the system of internal control, relevant to 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 the professional requirements of the 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 by the entity 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 overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give in all material aspects a true and fair view of the financial position of YURI GAGARIN PLC as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the Commission of the European Union.

Without classifying our opinion, we pay attention to:

1. The information disclosed in Note 28 to the financial statements; on 21.02.2013 the company secured a loan in favour of a third liable party establishing a mortgage and registered pledge of assets amounting to BGN 19.3 million in favour of the crediting bank.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Annual Activity Report of the Company in accordance with the requirements of the Accountancy Act (Art. 33).

In accordance with the legislative requirements (Art. 38, Para. 4), we have reviewed the management's Annual Activity Report of the company for the accounting year 2012. This report is not a part of the Annual Financial Statements of the company for the same period and is attached thereto from p.33 to p.46. The preparation of the management's report is responsibility of the company's management. We consider, that the financial information in the Annual Activity Report complies with the information presented and disclosed in the financial statements of the Company for the year ended 31 December 2012.

Registered Auditor,
Boyana Stoyanova Toncheva

25 February 2013

Plovdiv
48 Iztochen Blvd