



**SHARE PRICE SENSITIVE INFORMATION  
UNDER ART. 28 REGARDING CIRCUMSTANCES  
OCCURRED IN THE PERIOD  
1 APRIL – 30 JUNE 2006**

**INDUSTRIAL HOLDING BULGARIA PLC  
CONSOLIDATED DATA**

*This document provides information in accordance with the requirements of art. 28, para 2 of Ordinance No 2 dated 17 September 2003 on the prospectuses in case of public offering of securities and on the disclosure of information by the public companies and other issuers of securities, particularly Appendix No 9 to Ordinance No 2.*

*The report sets out the items from Appendix No 9 to Ordinance No 2 for which circumstances subject to disclosure have occurred.*

*The report provides information regarding Industrial Holding Bulgaria PLC and public companies consolidated by the Holding, namely ZMM Sliven PLC, Machstroy PLC, ZMM Nova Zagora PLC, Elprom ZEM PLC, in which the Holding has indirect control through its subsidiary ZMM Bulgaria Holding AD.*



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The following circumstances have occurred in the period 1 April – 30 June 2006 within the operations of Industrial Holding Bulgaria PLC (IHB PLC) and the public companies within the Group:

**Under item 1.11. Disclosure of the profit**

1.11.1. 2006 1<sup>st</sup> quarter financial result

Industrial Holding Bulgaria PLC

The financial result of IHB PLC as at 31 March 2006 is a profit and it was disclosed on 27 April 2006 before the Financial Supervision Commission and the Bulgarian Stock Exchange by presenting the 1<sup>st</sup> quarter report of IHB. The profit after tax for the 1<sup>st</sup> quarter as at 31 March 2006 amounts to BGN 12 000 /twelve thousand/.

ZMM Sliven PLC

The financial result of ZMM Sliven PLC as at 31 March 2006 is a profit and it was disclosed on 28 April 2006 before the Financial Supervision Commission and the Bulgarian Stock Exchange by presenting the 1<sup>st</sup> quarter report of ZMM Sliven PLC. The profit after tax for the 1<sup>st</sup> quarter as at 31 March 2006 amounts to BGN 295 000 /two hundred ninety five thousand/.

Machstroy PLC

The financial result of Machstroy PLC as at 31 March 2006 is a profit and it was disclosed on 25 April 2006 before the Financial Supervision Commission and the Bulgarian Stock Exchange by presenting the 1<sup>st</sup> quarter report of Machstroy PLC. The profit after tax for the 1<sup>st</sup> quarter as at 31 March 2006 amounts to BGN 90 000 /ninety thousand/.

ZMM Nova Zagora PLC

The financial result of ZMM Nova Zagora PLC at 31 March 2005 is zero and it was disclosed on 27 April 2006 by presenting the 1<sup>st</sup> quarter report.

Elprom ZEM PLC

The financial result of Elprom ZEM PLC as at 31 March 2006 is a profit and it was disclosed on 28 April 2006 before the Financial Supervision Commission and the Bulgarian Stock Exchange by presenting the 1<sup>st</sup> quarter report of Elprom ZEM PLC. The profit after tax for the 1<sup>st</sup> quarter as at 31 March 2006 amounts to BGN 223 000 /two hundred twenty three thousand/.

1.11.2. Financial result – consolidated, 2006 1<sup>st</sup> quarter

Industrial Holding Bulgaria PLC

On 30 May 2006 IHB PLC presented to the Financial Supervision Commission and the Bulgarian Stock Exchange its 2006 1<sup>st</sup> quarter consolidated report. The financial result of the Group is a net profit of BGN 1 591 000 /one million five hundred ninety one thousand/.



1.11.3. Financial result – 2005 consolidated

Industrial Holding Bulgaria PLC

On 30 June 2006 IHB PLC has announced the 2005 consolidated financial result of the Group, which is profit after tax amounting to BGN 29 898 000 /twenty nine million eight hundred ninety eight thousand/ by presenting 2005 consolidated annual report to the Financial Supervision Commission and the Bulgarian Stock Exchange.

**Under item 1.14. Publication of a modified auditors' report**

Industrial Holding Bulgaria PLC

Modified auditors' report of IHB PLC for the year 2005 was published on 30 June 2006 by presenting to the Financial Supervision Commission and the Bulgarian Stock Exchange the 2005 annual consolidated report of IHB PLC.

**Under item 1.15. Decision of the General Meeting of Shareholders on the type and amount of dividend**

Industrial Holding Bulgaria PLC

The regular Annual General Meeting of Shareholders was summoned on 1 June 2006.

Due to lack of quorum the AGM was held on 15 June 2006 under the provisions of article 227, paragraph 3 of the Commercial Act with an agenda promulgated in the State Gazette, issue 32 dated 2006 and published in Pari Newspaper.

The regular Annual General Meeting of Shareholders passed a decision for distribution of 2005 profit of the Company at the amount of BGN 7 170 575,17 /seven million one hundred seventy thousand five hundred seventy five point seventeen/, which is to be distributed as follows:

- 10% /ten percent/ of the above mentioned 2005 profit to be taken to the Reserves Fund of the Company;
- 90% /ninety percent/ of the above mentioned 2005 profit to be retained by the Company as retained earnings.

ZMM Sliven PLC

At the General Meeting of Shareholders held on 7 June 2006 a decision was passed to distribute the 2005 profit amounting to BGN 209 648.73 /two hundred and nine thousand six hundred forty eight point seventy three/, as well as the 2004 retained earnings amounting to BGN 5 369.72 /five thousand three hundred sixty nine point seventy two/ to the General Reserves Fund.

Machstroy PLC

The regular Annual General Meeting of Shareholders of Machstroy PLC was held on 26 May 2006, where a decision was passed to distribute the 2005 profit by taking BGN 133 298.92 /one hundred thirty three thousand two hundred ninety eight point ninety two/ to the additional general reserves to cover prior year losses.



ZMM Nova Zagora PLC

The regular Annual General Meeting of Shareholders of the Company was held on 8 June 2006, where the following decisions regarding the distribution of the profit were passed:

1. No 2005 profit was distributed due to the fact that the Company reported a loss in 2005.
2. The 2004 loss at the amount of BGN 21 932.88 /twenty one thousand nine hundred thirty two point eighty eight/ and the 2005 loss at the amount of BGN 4 263.84 /four thousand two hundred sixty three point eighty four/ or a loss at a total amount of BGN 26 196.72 /twenty six thousand one hundred ninety six point seventy two/ to be covered from the prior years retained earnings of the Company.

Elprom ZEM PLC

The regular Annual General Meeting of Shareholders was held on 6 June 2006. The Company will not distributed dividend for 2005. The profit amounting to BGN 1 744 306.94 /one million seven hundred forty four thousand three hundred and six point ninety four/ is to be set aside as follows: BGN 38 917.35 to the Reserves Fund and BGN 1 705 389.59 to cover prior years loss.

**Under item 1.31. Other circumstances**

Industrial Holding Bulgaria PLC

The following announcement was made on 11 April 2006:

Industrial Holding Bulgaria PLC has concluded an agreement for the acquisition of 2 401 898 /two million four hundred and one thousand eight hundred and ninety eight/ shares representing 10 /ten/ % of the capital of Bulyard AD. Thus the shareholding of Industrial Holding Bulgaria PLC in Bulyard AD reached 61.50 /sixty one point fifty/ %.

ZMM Nova Zagora PLC

On 9 May 2006 a notification for intention to register a bid to the shareholders of ZMM Nova Zagora PLC by ZMM Bulgaria Holding AD.

Notification text:

We hereby inform you of the intention to register a bid under the provisions of art. 149 a, para 1 of the LPOS to all shareholders of ZMM Nova Zagora PLC for the purchase of their shares as follows:

1. Name, seat and address of the Commercial bidder: ZMM Bulgaria Holding AD, Sofia, 47, Vasil Levski Blvd., holding 91,1 % of the capital of ZMM Nova Zagora PLC
2. Name, seat and address of management of the public entity – subject of the bid: ZMM Nova Zagora PLC, Nova Zagora, Industrial Zone
3. Date on which the bid will be registered: 21 August 2006
4. The intentions of the bidder in respect of the future operations of the public entity subject to the bid, as well as whether it intends to apply for delisting the company from the register under art. 30, para 1, item 3 of the Law on the Financial Supervision Commission (LFSC): ZMM Bulgaria Holding AD intends to keep the current object of activities of ZMM Nova Zagora PLC, namely design and manufacturing of metal cutting machines, units and details for metal cutting and wood processing machines, technological lines, agricultural machines, general machine building sector machines and items, spare parts, repairs and services, commercial



activities in the country and abroad, as well as any other activity not forbidden by law. ZMM Bulgaria Holding AD intends to request delisting of the company from the register under art. 30, para 1, item 3 of the Law on Financial Supervision Commission (LFSC). This notification is published in 2 national daily issues: Dnevnik Newspaper and Pari Newspaper on 9 May 2006.

#### Machstroy PLC

The Company is conducting lawsuit No 2057/2003 against the State Receivables Collection Agency in relation to payable on a loan transformed under ZUNK. In 2003 balance sheet the Company has provided for a payable on ZUNK at the amount of BGN 546 thousand. On 9 February 2005 Machstroy PLC, Troyan was served act No 11/04 February 2005 establishing partial state receivable, on which the Company has duly notified the Financial Supervision Commission and BSE – Sofia AD. In relation to this act of the State Receivables Collection Agency, the provision was increased to BGN 856 thousand as at 31 December 2004. The payable on the ZUNK was revalued and the provision was increased to BGN 909 thousand as at 31 December 2005. At a meeting of the Supreme Court of Cassation held on 29 March 2005 a decision was made to return the lawsuit for review at a lower level instance.

The lawsuit was heard before Sofia Court of Appeal on 17 February 2006, by virtue of decision of the court dated 21 March 2006 the claim of Machstroy PLC, Troyan was rejected.

The legal right to demur has been used and the decision was appealed against before the Supreme Court of Cassation of the Republic of Bulgaria in due time. By the end of this year the Supreme Court of Cassation will have a decision and in case of outcome of the lawsuit unfavourable for the Company, the assessment of the provision will be adjusted with the amounts that are possible to be paid.

Bogomila Hristova  
Investor Relations Director

Daneta Zheleva  
Executive Director