



QUARTERLY FINANCIAL ACTIVITY REPORT

AS OF 30 JUNE 2009

/unconsolidated/

**as per the requirements of Article 100o, paragraph 4 of LPOS and
Article 33, paragraph 1 of Regulation 2 on the public offering prospectuses and admission to
trading at a regulated securities market and disclosure of information by the public companies
and the other issuers of securities**



INTERIM ACTIVITY REPORT /unconsolidated/

I. Important events occurring during the 1st and 2nd quarter of 2009 and their impact on the results in the financial statements

1. Core operations

On 30 May 2009 on the territory of Bulyard Shipbuilding Industry EAD the ship with construction number 288 was commissioned. It is named Emona, named by Mrs. Daneta Zheleva, Chief Executive Officer of Industrial Holding Bulgaria Plc. The ship is a 9,800-ton multi-purpose ship. The Emona is owned by Emona Ltd., a subsidiary of Industrial Holding Bulgaria Plc.

In June 2009 the maritime transportation business of IHB Group was launched, with the first newly-built own ship of the company, Emona, sailing under a charter contract with the German company MTC Levant-Line based in Bremen, signed for a period of 6 months with an option for extension by a further 4-month period.

On 27 May 2009 on the territory of Bulyard Shipbuilding Industry EAD ship with construction number 289 – the second of the five IHB ships currently being build at the shipyard sailed out. It is a 9,800-ton multi-purpose ship. The construction of the ship hull at a large docking chamber began with the laying of the first ship block, which took place on 23.02.2009.

2. Corporate events

Management changes

In February 2009 Mr. George Momchilov was elected a new member of the Management Board and Executive Director of IHB, undertaking the responsibilities of Mr. Angel Katsarov.

With Decision 20090217124730 the Commercial Register to the Registry Agency entered the following changes in the circumstances of Industrial Holding Bulgaria AD:

Deletes Angel Stoyanov Katsarov as a member of the Management Board, Executive Director and representative of the company due to death;

Enters in his place as a member of the Management Board Mr. George Yanchev Momchilov;

Enters Daneta Angelova Zhelevav as Chief Executive Officer;

Enters Mr. George Yanchev Momchilov as Executive Director;

The company is represented by Daneta Angelova Zheleva and. George Yanchev Momchilov, separately and jointly.

Mr. Momchilov has management experience in commercial companies in the fields of finance, banking and insurance. He has graduated Finances from the University of National and World Economics, Sofia. He has a MBA degree from the Buckingham University, Great Britain, where he is also a PhD. Mr. Momchilov is the Chief Executive Officer of ZMM Bulgaria Holding.

Mr. George Momchilov started his career as a portfolio manager at Again Invest Financial House. From 1998 to the present he held consecutive positions as financial director, executive director and chairman of the Management Board of Naturela Group and executive director of Nasarchitelna Bank, Allianz Bank, executive director of Allianz Bulgaria Life and executive director of O2 Capital.

Extraordinary General Assembly of the shareholders



.....

The Management Board of Industrial Holding Bulgaria AD, Sofia, pursuant to Article 223, para.1 of the Commerce Act, in connection with Article 20, para.1 of the Statutes, convened a General Assembly of the shareholders of Industrial Holding Bulgaria Plc. on 07.05.2009, 10:00 h at the seat of the Company – Sofia, the building of the Bulgaria Chamber of Commerce, № 16-20 Alabin Str., 1st floor conference hall, with the following agenda and draft decisions:

1. Selection of an Audit Committee pursuant to the Independence Financial Audit Act.

Draft decision:

1. The General Assembly of the shareholders, pursuant to 40f, para.2 of the Independent Financial Audit Act determines the number of the members of the Audit Committee to three members;
2. The General Assembly of the shareholders determines the composition and mandate of the Audit Committee as follows: members of the Audit Committee with a mandate of 3 years: Snezhana Ilieva Hristova, Maxim Stanev Sirakov and Boryana Vladimirova Dimova;
3. The General Assembly of the shareholders determines the remuneration of the members of the Audit Committee.

2. Authorization of the Management Board for conclusion of a transaction within the scope of application of Article 114 of the Law on the Public Offering of Securities.

Draft decision:

1. The General Assembly of the shareholders of Industrial Holding Bulgaria Plc., pursuant to the justification report of the Management Board, drafted pursuant to Article 114a of LPOS accepts/does not accept a decision to authorize the Management Board to conclude the following deal, within the scope of application of Article 114 of LPOS: provision of corporate security in the form of surety for Bulyard Shipbuilding Industry EAD, Varna under Contract for Bank Loan under the provision for undertaking of credit obligations in the form of bank guarantees and documented letters of credit between Bulyard Shipbuilding Industry EAD, Varna and Unicredit Bulbank AD, Sofia, pursuant to the following key parameters: objective: a/ credit undertakings in the form of three bank guarantees for reimbursement of advance payments due under the conditions of the construction contract for ship with construction number 103 and all annexes to it, concluded between Bulyard Shipbuilding Industry EAD, Varna and Diler Shipping and Trading Inc, Turkey, with beneficiary of the bank guarantees Diler Shipping and Trading Inc, Turkey; b/ amount of the credit limit: up to USD 27589060; c/ term for issuance of the bank guarantees: by 03.10.2011. Against the provision of corporate security Bulyard Shipbuilding Industry EAD, Varna will pay to the Company a remuneration amounting to 1% annually on the actual amount of the provided corporate guarantee. In order to secure the corporate guarantee Bulyard Shipbuilding Industry EAD, Varna will provide to the Company acceptable material collateral – contractual mortgages on real estate with a total value of no less than 120% /one hundred and twenty percent / of the value of the provided corporate guarantee.
2. The Management Board is entitled to negotiate independently all remaining parameters of the deal under Item 1 above within the framework of the above-mentioned material terms.

The written documents related to the agenda of the event are at the disposal of the shareholders as of the date of announcement of the invitation in the Commercial Register, at address: 47 Vassil Levski Blvd., every working day between 09:00h and 12:00h and from 14:00 h to 17:00 h and upon request they will be provided



free of charge, and also at the web site of the company - www.bulgariaholding.com. The registration of the shareholders commences at 09:00h on 07.05.2009 at the place where the General Assembly of the shareholders will be held. Pursuant to Article 115, para.2 of LPOS we would like to inform you that the Company has issued 43,756,118 dematerialized registered shares with voting rights in the General Assembly and all shareholders meeting the provisions under the previous sentence have the right to take part in the general assembly. The shareholders – legal persons – are represented by their lawful representatives whose identification is confirmed through submission of a certificate for current registration and identity document. The representatives of the shareholders – legal persons identify themselves through the submission of a written, explicit, power of attorney certified by a notary public issued for this General Assembly of the Shareholders by the lawful representative of the shareholder and meeting the requirements of the specific regulation; current registration certificate and identity document of the authorized person. The shareholders – natural persons identify themselves with the issuance of an identity document and written, explicit power of attorney certified by a notary public issued for this General Assembly of the Shareholders and meeting all requirements of the specific regulation. All shareholders are invited to participate personally or through representatives authorized by them. In case of lack of quorum pursuant to Article 227, para.3 of the Commerce Act this General Assembly of the Shareholders will take place on 22.05.2009, at 10:00 h at the same place and under the same agenda. Every representative of a shareholder or shareholders in the General Assembly of the Shareholders shall inform the Company about this fact 1 day prior to the day of the General Assembly of the Shareholders. Re-authorization with the rights under issued powers of attorneys and representation issued in violation of LPOS is null and void.

[Materials](#)

DECISION of the Extraordinary General Assembly of Industrial Holding Bulgaria Plc. held on 07.05.2009, Bulgarian Chamber of Commerce, 16-20 Alabin Str., Sofia

Under Item 1 of the agenda: Selection of an Audit Committee pursuant to the Independent Financial Audit Act.

Decision: Determines the number of members of the Audit Committee to three members.

Determines the composition and mandate of the Audit Committee as follows: The following are elected members of the Audit Committee with a mandate of three years: Snezhana Ilieva Hristova, Id No:5004276655, Maxim Stanev Sirakov, Id No: 5206046704 and Boryana Vladimirova Dimova, Id No: 5504156956.

Determines a monthly remuneration of BGN 500 /five hundred/ for the members of the Audit Committee.

Under Item 2 of the agenda: Authorization of the Management Board for the conclusion of a deal within the scope of application of Article 114 of LPOS.

Decision: Pursuant to the justification report of the Management Board drafted pursuant to Article 114a, para 1 of LPOS authorizes the Management Board to conclude the following deal within the scope of application of Article 114 of LPOS:

Provision of corporate security by Industrial Holding Bulgaria Plc. in the form of surety for Bulyard Shipbuilding Industry EAD, Varna under Contract for Bank Loan under the provision for undertaking of credit obligations in the form of bank guarantees and documented letters of credit between Bulyard



Shipbuilding Industry EAD, Varna and Unicredit Bulbank AD, Sofia, pursuant to the following key parameters:

a/ Objective: credit undertakings in the form of three bank guarantees for reimbursement of advance payments due under the conditions of the construction contract for ship with construction number 103 and all annexes to it, concluded between Bulyard Shipbuilding Industry EAD, Varna and Diler Shipping and Trading Inc, Turkey Tersane Caddesi Dilerhan № 96, Persembe Pazari, Karakoy, Istanbul, Turkey, with beneficiary of the bank guarantees Diler Shipping and Trading Inc, Turkey;

b/ Amount of the credit limit: up to USD 27,589,060 /twenty-seven million, five hundred and eighty-nine thousand and sixty US dollars /;

c/ term of issuance of the bank guarantees: by 03.10.2011.

Against the provision of corporate security Bulyard Shipbuilding Industry EAD, Varna will pay to Industrial Holding Bulgaria Plc. a remuneration amounting to 1% annually on the actual amount of the provided corporate guarantee. Bulyard Shipbuilding Industry EAD, Varna will provide acceptable material collateral – contractual mortgages on real estate with a total value of no less than 120% /one hundred and twenty percent/ of the value of the provided corporate guarantee.

2. The Management Board has the right to negotiate independently all other parameters of the deal under Item 1 above within the framework of the indicated material terms and conditions.

Regular annual General Assembly of the shareholders

The Supervisory Board of INDUSTRIAL HOLDING BULGARIA PLC /hereinafter referred to as the Company/, with seat and management address in the city of Sofia, UIC: 121631219, with its decision from 18.05.2009 convenes a regular annual General Assembly of the shareholders of the Company on 23.06.2009 from 10:00 h to be held at 16-20 Alabin Str., Sofia, the building of the Bulgarian Chamber of Commerce, 1st floor conference hall, with the following agenda and the following draft decisions:

1. Report on the activity of the Company for 2008. Consolidated Activity Report of the Company for 2008

Draft decisions: the General Assembly of the shareholders accepts the Activity Report of the Company and the Consolidated Activity Report of the Company for 2008.

2. Report on the activity of the Investor Relations Director in 2008.

3. Report of the registered auditor on the audit of the Annual Financial Statements of the Company for 2008. Report of the registered auditor on the audit of the Consolidated Financial Statements of the Company for 2008.

Draft decision: the General Assembly of the shareholders accepts the Report of the registered auditor for the audit of the Annual Financial Statements and the Report on the audit of the Consolidated Annual Financial Report of the Company for 2008.

4. Approval of the Annual Financial Statements of the Company for 2008 and of the Consolidated Financial Statements of the Company for 2008.

Draft decision: the General Assembly of the shareholders approves the Annual Financial Statements and the Consolidated Annual Financial Statements of the Company for 2008.

5. Adoption of a decision for distribution of the profit of the Company for 2008.



Draft decision: the General Assembly of the shareholders adopts a decision for distribution of the profit of the Company for 2008, the whole said profit amounting to BGN 8,390,495 /eight million, three hundred and ninety thousand, four hundred and ninety-five/ as undistributed profit of the Company.

6. Releases from liability the members of the Management Board and the Supervisory Board regarding their activities in 2008.

Draft decision: the General Assembly of the shareholders releases from liability for their activities in 2008:

As members of the Supervisory Board:

Snezhana Ilieva Hristova,

Konstantin Kuzmov Zografov

DZH AD, represented by Elena Petrova Kircheva.

as members of the Management Board:

Bozhidar Vassilev Zlatev,

Daneta Angelova Zheleva,

Borislav Emilov Gavrilov,

Boyko Nikolov Noev.

7. Determination of the remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009.

Draft decision: the General Assembly of the shareholders determines the monthly remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009 to the same amount as for 2008.

8. Renewal of the mandates of members of the Supervisory Board of the Company.

Draft decision: the General Assembly of the shareholders elects for a new 5-year mandate as members of the Supervisory Board Mrs. Snezhana Ilieva Hristova and DZH AD, Sofia, BULSTAT code: 130020928, represented by Mrs. Elena Petrova Kircheva.

9. Amendments to the Statutes of the Company.

Draft decision: the General Assembly of the shareholders adopts the following amendments to the Statutes of the Company:

1/ in Article 2a the phrase „the court of registration; the number of registration» shall be replaced with the phrase «Unified identity code»;

2/ in Article 7, para. 5 the phrase «with a guaranteed share in the corporate property upon liquidation» shall be deleted;

3/ in Article 12, para.10 the phrase «or» in front of the phrase «provided that» shall be deleted, and after it the phrase «by the General Assembly of the shareholders or with a decision of the Management Board following the procedure set forth in Article 196, para.3 of the Commerce Act» shall be supplemented;

4/ the following amendments shall be made to Article 12a

- in Article 1 the phrase «as of the entry of this amendment in the Statutes in the Commercial Register» shall be replaced with «as of 25.07.2008»; the phrase «registered» shall be replaced with «entered»; the phrase «par value of» shall be deleted; the phrase «ordinary» shall be replaced by «dematerialized registered»;

- in para.2 in front of the phrase «the privilege» the word «respectively» shall be added;



5/ in Article 15, para. 2 after the phrase «the General Assembly of the shareholders " the phrase „or of the Management Board following the procedure set forth in Article 12a of the Statutes" shall be added;

6/ in Article 17, para. 2 the phrase „these shareholders who have acquired their shares within a period no later than 14 /fourteen / days» shall be replaced with the phrase «the persons entered in the registers of Central Depository as shareholders 14 days», and the second sentence shall be deleted;

7/ in Article 20, para. 3 the phrase «in one central daily newspaper» shall be replaced by the phrase «announced following the procedure provided for by law»;

8/ in Article 23 the following amendments shall be made:

- in para. 2, at the end, the phrase „and the Company " shall be added;

- in para. 3, at the end, the phrase „following the requirements of the existing legislation " shall be added;

- a new para. 6 shall be added as follows:

„/6/ The rules for voting through proxy, the templates used for voting of the power of attorney as well as the manners through which the Company shall be informed about executed authorizations via the Internet shall be determined by the Management Board and announced at the web site of the Company ";

9/ in Article 24 the following amendments shall be made:

- para. 2 shall be deleted;

- the present para. 3 shall become para. 2, and the following amendments shall be made to it: the phrase „and paragraph 2" shall be deleted and a new sentence, «No items under Article 223a of the Commerce Act may be included in the agenda of the new session» shall be added at the end;

10/ in Article 27, para. 2 shall be amended as follows:

«/2/ The decisions regarding amendments and supplements to the Statutes and termination of the Company shall enter into force after their entry into the Commercial Register. Capital increase or reduction, transformation of the Company, election and release of members of the Management Board and the Supervisory Board and appointment of liquidators shall come into force as of their entry into the Commercial Register."»

11/ in Article 36 the following amendments shall be made:

- in para. 3, item 1 the phrase «with the care of a diligent merchant» shall be replaced with the phrase «with due care»;

- in Article 8 the phrase «in court» shall be deleted;

12/ in Article 36a, para. 2, letter «d» the phrase «the deputy chairman heading Supervision of Investment Activities Division» shall be replaced with the phrase «the Financial Supervision Commission»;

13/ in Article 38 the following amendments shall be made:

- in para. 3 the word «court» shall be replaced by «an official according to registration at the Registry Agency»;

- para. 6 shall be deleted and the present para. 7 shall become para. 6.

14/ in Article 41 the following amendments shall be made:

- para. 1 shall be amended as follows:

„/1/ Right to dividend shall be granted to persons entered into the Central Depository as shareholders on the 14th day after the day of the General Assembly where the annual financial statements has been adopted and a decision for distribution of the profit has been made.»

- in para. 2 the phrase „following the procedure envisaged by law " shall be added at the end.



15/ in paragraph 2 the phrase «and with a decision of the General Assembly held on 23.06.20090» shall be added at the end.

10. Selection of a registered auditor of the Company for 2009.

Draft decision:

11. Miscellaneous.

All shareholders or persons authorized by them to participate in the General Assembly are invited to take part. Right to participate and vote at the General Assembly is granted only to persons entered in the registers of Central Depository AD as shareholders 14 days prior to the date of the General Assembly, i.e. prior to 09.06.2009.

As of the date of the decision of convention of the General Assembly of the shareholders - 18.05.2009 – the total number of voting shares in the capital of the Company is 43,756,118.

This invitation, together with the written materials related to the agenda of the General Assembly of the shareholders, is published at the web site of the Company - www.bulgariaholding.com for the period from the announcement of the invitation in the Commercial Register to the end of the General Assembly of the Shareholders.

The written materials under 224 of the Commerce Act /CA/ are at the disposal of the shareholders also at address: 46 Vassil Levski Blvd., Sofia, every working day from 15:00 h to 17:00 h, as of the date of announcement of the invitation in the Commercial Register. The materials are provided to the shareholders against an identity document, and to proxies of the shareholders – against submission of an explicit written power of attorney the original of which remains in the archive of the Company.

Persons holding together or separately at least 5 percent of the capital of the Company may request the inclusion of items and propose decisions on already included items in the agenda of the General Assembly following the procedure of Article 223a of CA, for which purpose no later than 15 days prior to the opening of the General Assembly they are to submit for announcement in the Commercial Register the items to be included in the agenda and the proposed decisions. The shareholders submit to the Financial Supervision Commission and to the Company no later than the following working day after the announcement of the items in the Commercial Register the materials under Article 223a, para. 4 of CA.

The shareholders have the right to raise issues during the General Assembly.

The shareholders have the right to authorize any natural person or legal person to participate and vote at the General Assembly on their behalf, pursuant to the following rules, also announced at the web site of the Company www.bulgariaholding.com:

1. A proxy or shareholder may also be a member of the Management or Supervisory Board of the Company if the principal has explicitly indicated the manner of voting under each of the items of the agenda.
2. The proxy has the same rights to speak and raise issues at the General Assembly as the respective represented shareholder.



3. The proxy is obliged to exercise the voting right in compliance with the instructions (directions) of the principal, contained in the power of attorney.

In case that the proxy deviates from the instructions provided in the respective power of attorney, the votes under these shares for the respective vote are considered void.

4. The proxy may represent more than one shareholder at the General Assembly of the Company.

In this case the proxy may vote differently under the shares held by the separate shareholders represented by the proxy.

5. The power of attorney for representation of a shareholder at the General Assembly of the Shareholders has to be executed in writing, with the signature of the principal certified by a notary public, and needs to refer to the specific General Assembly, to be explicit and to indicate:

a/ the full data of the shareholder – principal and of the proxy;

b/ the number of shares referred to by the power of attorney;

c/ the agenda for the items raised for discussion;

d/ the proposals for decisions for each of the items of the agenda;

e/ the manner of voting under each of the items, or if such is not supplied, an explicit clause that the proxy has the right to discretion whether to vote and in what manner;

f/ date, place and signature.

6. The notification for authorization may also be submitted electronically.

In this case the Company has to be informed at the following e-mail: ir@bulgariaholding.com through a notice signed with a universal electronic signature (in the sense of the Law on Electronic Documents and Electronic Signatures /LEDES/) of the shareholder – principal (for natural persons) or the lawful representative of the shareholder – principal (legal persons).

The principal encloses with the electronic notice for authorization scanned originals of: the power of attorney certified by a notary public drafted following the template approved by the Company, a current registration certificate issued no sooner than 3 months prior to the date of the General Assembly, and in case that the same are in a foreign language, they are presented together with a certified translation in the Bulgarian language pursuant to the existing Bulgarian legislation (Regulation on legalizations, certifications and translations of documents and other papers), and all electronic images of the documents have to be signed with the universal electronic signature of the shareholder – principal (for natural persons) or of the lawful representative of the shareholder – principal (for legal persons).

7. A template of the power of attorney for representation of a shareholder in the General Assembly is provided to the shareholders together with the materials regarding the General Assembly of the Shareholders.

8. All powers of attorney together with the enclosed documents have to be received at the following address: 47 Vassil Levski Blvd., Sofia or at the following electronic address: ir@bulgariaholding.com within 2 working days prior to the date of the General Assembly - 19.06.2009 and 22.06.2009, but no later than 16:00h on 22.06.2009.

9. When the power of attorney has been issued in a foreign language it is submitted to the Company together with a certified translation in the Bulgarian language pursuant to the existing Bulgarian legislation (Regulation on legalizations, certifications and translations of documents and other papers).

10. The withdrawal of a representation, for which the Company has to be duly notified, has to be made following the procedure envisaged by law.



11. The re-authorization with rights under the power of attorney, as well as a power of attorney issued in violation of the above rules is null and void.

12. Voting by correspondence or with electronic means is not permitted.

The registration of shareholders starts at 09.00h on 23.06.2009 at the place where the General Assembly of the Shareholders is to be held.

13. In order to register and participate in the General Assembly shareholders – natural persons have to present an identity document. The representatives, when lawful representatives of shareholders – legal persons have to present an identity document and a copy of the current registration certificate certified by a power of attorney issued no sooner than 3 months prior to the date of the General Assembly, and in case the same are in a foreign language, they are presented, together with a certified translation in the Bulgarian language pursuant to the existing Bulgarian legislation (Regulation on legalizations, certifications and translations of documents and other papers).

In case of lack of quorum, pursuant to Article 227, para. 3 of CA the General Assembly will be held on 08.07.2009 at 10.00h at the same place and following the same agenda, and it is legally independent of the capital represented therein. Pursuant to Article 115b, para. 1 of LPOS only persons entered as shareholders as of 09.06.2009 have the right to take part and vote at this session of the General Assembly. No items under Article 223a of CA may be included in the agenda of the new session.

[Materials under Item 1](#)(doc, 355KB)

[Materials under Item1](#)(doc, 650KB)

[Materials under Item 2](#)(doc, 94KB)

[Materials under Items 3 and 4](#)(pdf, 2MB)

[Materials under Items 3 and 4](#)(PDF, 2MB)

[Template of Power of Attorney](#)(doc, 82KB)

Decisions and protocol from the General Assembly of the Shareholders of IHB from 23 June 2009
25/06/2009 - 16:17:00 h

DECISIONS

of the General Assembly of the Shareholders of Industrial Holding Bulgaria Plc.

held on 23.06.2009, Bulgarian Chamber of Commerce, 16-20 Alabin Str., Sofia

Under Item 1 of the agenda:

Activity Report of the Company for 2008. Consolidated Activity Report of the Company for 2008

Decision: Accepts Activity Report of the Company for 2008. Consolidated Activity Report of the Company for 2008.

Under Item 2 of the agenda:

Activity Report of the Investor Relations Director for 2008.

Not subject to a decision



Under Item 3 of the agenda:

Report of the registered auditor on the audit of the Annual Financial Statements of the Company for 2008.

Report of the registered auditor on the audit of the Consolidated Financial Statements of the Company for 2008.

Decision: Accepts the Report of the registered auditor on the audit of the Annual Financial Statements of the Company for 2008 and the Report of the registered auditor on the audit of the Consolidated Financial Statements of the Company for 2008. .

Under Item 4 of the agenda:

Approval of the Annual Financial Statements of the Company for 2008 and the Consolidated Annual Financial Statements of the Company for 2008.

Decision: approves the Annual Financial Statements of the Company for 2008 and the Consolidated Annual Financial Statements of the Company for 2008.

Under Item 5 of the agenda:

Adoption of a decision regarding the distribution of the profit of the Company for 2008.

Decision: The profit of the Company for 2008, amounting to a total of BGN 8,390,495 /eight million, three hundred and ninety thousand, four hundred and ninety-five, remains as undistributed profit.

Under Item 6 of the agenda:

Release from liability of the members of the Management Board and the Supervisory Board regarding their activities in 2008.

Decision: Releases from liability regarding their activities in 2008:

As members of the Supervisory Board:

Snezhana Ilieva Hristova,

Konstantin Kuzmov Zografov

DZH AD, represented by Elena Petrova Kircheva.

as members of the Management Board:

Bozhidar Vassilev Zlatev,

Daneta Angelova Zheleva,

Borislav Emilov Gavrilov,

Boyko Nikolov Noev.

Under Item 7 of the agenda:

Determining the remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009.

Decision: determines the monthly remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009 to the same amount as for.

Under Item 8 of the agenda:

Renewal of the mandates of members of the Supervisory Board of the Company.

Decision: Elects for a new 5-year mandate as members of the Supervisory Board Mrs. Snezhana Ilieva Hristova and DZH AD, Sofia, BULSTAT code: 130020928, represented by Mrs. Elena Petkova Kircheva

Under Item 9 of the agenda:



Amendments to the Statutes of the Company.

Decision: Adopts the following amendments to the Statutes of the Company:

1/ in Article 2a the phrase „the court of registration; the number of registration» shall be replaced with the phrase «Unified identity code»;

2/ in Article 7, para. 5 the phrase «with a guaranteed share in the corporate property upon liquidation» shall be deleted;

3/ in Article 12, para.10 the phrase «or» in front of the phrase «provided that» shall be deleted, and after it the phrase «by the General Assembly of the shareholders or with a decision of the Management Board following the procedure set forth in Article 196, para.3 of the Commerce Act» shall be supplemented;

4/ the following amendments shall be made to Article 12a

- in Article 1 the phrase «as of the entry of this amendment in the Statutes in the Commercial Register» shall be replaced with «as of 25.07.2008»; the phrase «registered» shall be replaced with «entered»; the phrase «par value of» shall be deleted; the phrase «ordinary» shall be replaced by «dematerialized registered»;

- in para.2 in front of the phrase «the privilege» the word «respectively» shall be added;

5/ in Article 15, para.2 after the phrase «the General Assembly of the shareholders " the phrase „or of the Management Board following the procedure set forth in Article 12a of the Statutes" shall be added;

6/ in Article 17, para.2 the phrase „these shareholders who have acquired their shares within a period no later than 14 /fourteen / days» shall be replaced with the phrase «the persons entered in the registers of Central Depository as shareholders 14 days», and the second sentence shall be deleted;

7/ in Article 20, para. 3 the phrase «in one central daily newspaper» shall be replaced by the phrase «announced following the procedure provided for by law»;

8/ in Article 23 the following amendments shall be made:

- in para.2, at the end, the phrase „and the Company " shall be added;

- in para. 3, at the end, the phrase „following the requirements of the existing legislation " shall be added;

- a new para. 6 shall be added as follows:

„/6/ The rules for voting through proxy, the templates used for voting of the power of attorney as well as the manners through which the Company shall be informed about executed authorizations via the Internet shall be determined by the Management Board and announced at the web site of the Company ";

9/ in Article 24 the following amendments shall be made:

- para. 2 shall be deleted;

- the present para.3 shall become para. 2, and the following amendments shall be made to it: the phrase „and paragraph 2" shall be deleted and a new sentence, «No items under Article 223a of the Commerce Act may be included in the agenda of the new session» shall be added at the end;



10/ in Article 27, para.2 shall be amended as follows:

«/2/ The decisions regarding amendments and supplements to the Statutes and termination of the Company shall enter into force after their entry into the Commercial Register. Capital increase or reduction, transformation of the Company, election and release of members of the Management Board and the Supervisory Board and appointment of liquidators shall come into force as of their entry into the Commercial Register.»

11/ in Article 36 the following amendments shall be made:

- in para. 3, item 1 the phrase «with the care of a diligent merchant» shall be replaced with the phrase «with due care»;
- in Article 8 the phrase «in court» shall be deleted;

12/ in Article 36a, para. 2, letter «d» the phrase «the deputy chairman heading Supervision of Investment Activities Division» shall be replaced with the phrase «the Financial Supervision Commission»;

13/ in Article 38 the following amendments shall be made:

- in para. 3 the word «court» shall be replaced by «an official according to registration at the Registry Agency»;
- para.6 shall be deleted and the present para. 7 shall become para. 6.

14/ in Article 41 the following amendments shall be made:

- para. 1 shall be amended as follows:

„/1/ Right to dividend shall be granted to persons entered into the Central Depository as shareholders on the 14th day after the day of the General Assembly where the annual financial statements has been adopted and a decision for distribution of the profit has been made.»

- in para. 2 the phrase „following the procedure envisaged by law " shall be added at the end.

15/ in paragraph 2 the phrase «and with a decision of the General Assembly held on 23.06.2009» shall be added at the end.

Under Item 10 of the agenda:

Selection of a registered auditor of the Company for 2009.

Decision: Selects KPMG Bulgaria OOD as a registered auditor of the Company for 2009.

Under Item 11 of the agenda:

Miscellaneous.

No decisions have been adopted.

[PROTOCOL from the RAGAS of IHB 23 June 2009](#)(pdf, 572KB)

II. Description of major risks and uncertainties faced by the Company for the remained of the year

IHB is able to cover all of its liabilities. The key financial commitments of the Company are related to investment projects of its subsidiaries.



.....

In respect of receivables, the companies form relevant provisions when uncertainty as to their collectability exists.

Bulyard Shipbuilding Industry has signed contracts in USD and has payables under supply contracts in JPY. Contracts have been signed to hedge the credit risk

IHB has no payables on loans from banks or other financial institutions. IHB has liabilities to bondholders related to the 2008 issue of convertible bonds with maturity date 29 October 2011. Such liabilities due in 2009 represent interest payments, as to which IHB has no difficulty. The first interest payment was made on 29.04.2009.

The guarantees that IHB has provided for liabilities of subsidiaries are secured. At this stage, there is no risk of failure in performance of the commitments by the subsidiaries, secured by the guarantees issued.

The global financial and economic crisis has affected the business of most companies, including the business of the companies in IHB Plc. The possibility for a material decrease of the economic growth and recession for certain economic regions and states is high and will affect the market and export conditions. The impact of the crisis is clearly reflected in the flop of the global capital market and in particular the Bulgarian Stock Exchange. The banking and financial aspects of the crisis are represented through the limited and more difficult granting of loans at more unfavorable terms. This creates prerequisites for IHB to continue its business in a more complex and hard to predict business environment with clearly defined particularities for the individual companies in the Group. At the same time this is related to project optimization and update of the plans and schedules for their implementation. Meanwhile the identification of the threats and risks in the separate sectors has allowed the management of IHB to undertake preventive measures and in each of the subsidiaries anti-crisis programs have been developed oriented towards personnel optimization, cost cuts and reviews of the efficiency of production and technological connections in the Group.

In November 2008 the management of IHB Plc. prepared a crisis action plan under the hypothesis for reduction of the production orders in 2009 in some of the companies. The companies in the machine building sector, in view of their specialization in the manufacture of produce oriented towards export, are facing an extreme restriction of investment costs worldwide. From the end of 2008 to the middle of 2009 the machine building companies, with the exception of Elprom ZEM, registered a 58% drop of orders, respectively production. Measures were undertaken to cut costs and optimize production. The number of personnel was reduced by 43% for the period from November 2008 to June 2009. According to the management of ZMM Bulgaria Holding the recovery of the machine building sector from the crisis may begin at the middle of 2010 at the earliest. For this reason the profit of ZMM Bulgaria Holding for 2008 amounting to BGN 5,111 thousand is envisaged to not be distributed as dividend and to remain undistributed. The is also the reason for the considerable drop of the revenues from dividends for IHB as of the end of the second quarter of 2009 – BGN 743 thousand as compared to BGN 4,742 thousand for the second quarter of 2008. Additional corporate resources for the companies in ZMM Bulgaria Holding may be released through the possibilities for internal optimization and redirection of production and technological tasks among the companies in the Group. The potential positive effect of centralized marketing, unification of products, supply management and distribution of orders and sales is also to be factored in.



Elprom ZEM has signed contracts for orders currently in the process of execution and with a lengthier term of execution, thus no negative impact for the crisis on its business is expected.

The market and economic environment in ship building and ship repairs is characterized with volatility and negative trends, but at the same time this affords opportunities related to price cuts for raw and other materials and better access to qualified personnel. Bulyard Shipbuilding Industry has signed contracts for orders currently in the process of execution and with a lengthier term of execution. The risk of a change in the price of the signed ship building contracts and/or their cancellation exists, but regarding ships with a term of delivery up to 2010 inclusive, it is estimated as relatively low.

Nevertheless, Bulyard Shipbuilding Industry has executed personnel optimization and reduced working time for the administrative personnel –330 staff at 7-hour working day for a period of 3 months starting 19 May 2009.

The current reduction of the cargo traffic worldwide also affects dockyard activities. The first indications of deterioration of the dockyards market in the IHB Group were noted in March 2009 for Dockyard Port Bourgas and December for Odesos PMB. The business trends depend on the economic environment as a whole. Since the main cargo for both docks in 2008 were metals and corn, in 2009 the results will depend mainly on the corn crops due to the fact that the metals market has registered a decrease of more than 90% as compared to 2008.

The 2009 trends for maritime transportation are inconsistent. The state of the freight market depends on various factors – quantity of new ships offered, quantity of old ships to be scrapped and mainly the state of the global economy. From the start of 2009 to the present the market has been volatile – periods of increases of freight levels followed by periods of decreases of these levels. As a whole for this period the levels have marked an increase of about 2.5 times. The Baltic Dry Index reached from 772 points at the start of 2009 to 1839 points on 27 April 2009, with peaks for the period at 2298 points. June 2009 saw the launch of the maritime transportation business of the IHB Plc. Group, with the first newly-built ship – Emona, sailing under a charter contract signed for a period of 6 months with the option for extension with a further 4-month period.

Dounav Tours does not expect a material impact on its business in 2009 due to the fact that it has signed contracts for charter of its ships for 2009. However, any further deterioration of the economic situation could have a negative impact on the cruise business.

With the current situation of the stock markets and the impossibility for recovery of share prices in the next 3 years, the announced conversion price of BGN 8.33 for conversion of the bonds issued by IHB Plc. in 2008, with maturity on 29.10.2011, may prove to be too high.

III. Information on signed large deals between related parties

For the period of the first quarter of 2009 there were no large deals between IHB Plc. and related parties, with the exception of contracts for financing of subsidiaries.

INTERNAL INFORMATION regarding the events of the previous quarter.

In the first quarter of 2009 IHB Plc. disclosed the following internal information:



12/01/2009 - 12:23:00 h

Industrial Holding Bulgaria Plc. received notifications by shareholders regarding disclose of share participation in the capital of Industrial Holding Bulgaria Plc. as follows: From Central Cooperative Bank AD, Sofia which transferred 2,343,000 shares, representing 5.35% of the capital of Industrial Holding Bulgaria Plc. and as a result of the sale of these shares the Bank holds no more shares of the company.

From General Stock Investment EOOD, Sofia, which acquired 2,343,000 shares and after their acquisition holds 2,343,000 representing 5.35% of the capital of Industrial Holding Bulgaria Plc.

30/01/2009 - 17:00:00 h

On 30 January 2009 IHB submitted its unconsolidated statement for the fourth quarter of 2008 to the public, the Financial Supervision Commission and Bulgarian Stock Exchange - Sofia. [4Q 2008 Statement](#)

01/02/2009 - 13:43:00 h

Industrial Holding Bulgaria Plc. was notified by shareholder General Stock Investment EOOD regarding disclose of share participation in the capital of Industrial Holding Bulgaria Plc. as follows: General Stock Investment EOOD, Sofia transferred 1,171,500 shares representing 2.675% of the capital of Industrial Holding Bulgaria Plc. The transfer was registered in Central Depository AD on 21.01.2009, as the result of a sale.

04/02/2009 - 18:08:00 h

IHB submitted to the Financial Supervision Commission, the Bulgarian Stock Exchange and the public a Report on compliance with the terms and conditions of the debenture loan issue of corporate convertible bonds ISIN BG2100024087 issued by Industrial Holding Bulgaria Plc. as of 31.12.2008.

Report (doc, 84KB)

17/02/2009 - 19:28:00 h

With Decision 20090217124730 the Commercial Register to the Registry Agency entered the following changes in the circumstances of Industrial Holding Bulgaria AD:

Deletes Angel Stoyanov Katsarov as a member of the Management Board, Executive Director and representative of the company due to death;

Enters in his place as a member of the Management Board Mr. George Yanchev Momchilov;

Enters Daneta Angelova Zhelevav as Chief Executive Officer;

Enters Mr. George Yanchev Momchilov as Executive Director;

The company is represented by Daneta Angelova Zheleva and. George Yanchev Momchilov, separately and jointly.

04/03/2009 - 18:34:00 h



IHB submitted to the Financial Supervision Commission, the Bulgarian Stock Exchange and the public a preliminary Report on compliance with the terms and conditions of the debenture loan issue of corporate convertible bonds ISIN BG2100024087 issued by Industrial Holding Bulgaria Plc. as of 31.12.2008.

[Report](#) (doc, 101KB)

04/03/2009 - 13:40:00 h

On 4 March IHB submitted its consolidated statements for the fourth quarter of 2008 to the public, the Financial Supervision Commission and Bulgarian Stock Exchange - Sofia.

[4Q 2008 Consolidated Statement](#)

20/03/2009 - 19:00:00 h

INVITATION

for an extraordinary General Assembly of the Shareholders of Industrial Holding Bulgaria Plc.

The Management Board of Industrial Holding Bulgaria Plc., Sofia, pursuant to Article 223, para.1 of CA, in relation to Article 20, para. 1 of the Statutes, convenes an extraordinary General Assembly of the Shareholders of Industrial Holding Bulgaria Plc. on 07.05.2009 at 10.00h at the seat of the Company – 16-20 Alabin Str., the building of the Bulgarian Chamber of Commerce, Sofia, 1st floor conference hall, with the following agenda and draft decisions:

1. Selection of an Audit Committee pursuant to the Independence Financial Audit Act.

Draft decision:

1. The General Assembly of the shareholders, pursuant to 40f, para.2 of the Independent Financial Audit Act determines the number of the members of the Audit Committee to three members;
2. The General Assembly of the shareholders determines the composition and mandate of the Audit Committee as follows: members of the Audit Committee with a mandate of 3 years: Snezhana Ilieva Hristova, Maxim Stanev Sirakov and Boryana Vladimirova Dimova;
3. The General Assembly of the shareholders determines the remuneration of the members of the Audit Committee.

2. Authorization of the Management Board for conclusion of a transaction within the scope of application of Article 114 of the Law on the Public Offering of Securities.

Draft decision:

1. The General Assembly of the shareholders of Industrial Holding Bulgaria Plc., pursuant to the justification report of the Management Board, drafted pursuant to Article 114a of LPOS accepts/does not accept a decision to authorize the Management Board to conclude the following deal, within the scope of application of Article 114 of LPOS: provision of corporate security in the form of surety for Bulyard Shipbuilding Industry EAD, Varna under Contract for Bank Loan under the provision for undertaking of credit obligations in the form of bank guarantees and documented letters of credit between Bulyard Shipbuilding Industry EAD, Varna and Unicredit Bulbank AD, Sofia, pursuant to the following key parameters: objective: a/ credit undertakings in the form of three bank guarantees for reimbursement of advance payments due under the conditions of the construction contract for ship with construction number 103 and all annexes to it, concluded between Bulyard Shipbuilding Industry EAD, Varna and Diler Shipping and Trading Inc, Turkey, with beneficiary of the bank guarantees Diler Shipping and Trading Inc, Turkey; b/ amount of the credit limit: up to USD 27589060; c/



term for issuance of the bank guarantees: by 03.10.2011. Against the provision of corporate security Bulyard Shipbuilding Industry EAD, Varna will pay to the Company a remuneration amounting to 1% annually on the actual amount of the provided corporate guarantee. In order to secure the corporate guarantee Bulyard Shipbuilding Industry EAD, Varna will provide to the Company acceptable material collateral – contractual mortgages on real estate with a total value of no less than 120% /one hundred and twenty percent / of the value of the provided corporate guarantee.

2. The Management Board is entitled to negotiate independently all remaining parameters of the deal under Item 1 above within the framework of the above-mentioned material terms.

The written documents related to the agenda of the event are at the disposal of the shareholders as of the date of announcement of the invitation in the Commercial Register, at address: 47 Vassil Levski Blvd., every working day between 09:00 h and 12:00h and from 14:00h to 17:00 h and upon request they will be provided free of charge, and also at the web site of the company - www.bulgariaholding.com. The registration of the shareholders commences at 09:00h on 07.05.2009 at the place where the General Assembly of the shareholders will be held. Pursuant to Article 115, para.2 of LPOS we would like to inform you that the Company has issued 43,756,118 dematerialized registered shares with voting rights in the General Assembly and all shareholders meeting the provisions under the previous sentence have the right to take part in the general assembly. The shareholders – legal persons – are represented by their lawful representatives whose identification is confirmed through submission of a certificate for current registration and identity document. The representatives of the shareholders – legal persons identify themselves through the submission of a written, explicit, power of attorney certified by a notary public issued for this General Assembly of the Shareholders by the lawful representative of the shareholder and meeting the requirements of the specific regulation; current registration certificate and identity document of the authorized person. The shareholders – natural persons identify themselves with the issuance of an identity document and written, explicit power of attorney certified by a notary public issued for this General Assembly of the Shareholders and meeting all requirements of the specific regulation. All shareholders are invited to participate personally or through representatives authorized by them. In case of lack of quorum pursuant to Article 227, para.3 of the Commerce Act this General Assembly of the Shareholders will take place on 22.05.2009, at 10:00 h at the same place and under the same agenda. Every representative of a shareholder or shareholders in the General Assembly of the Shareholders shall inform the Company about this fact 1 day prior to the day of the General Assembly of the Shareholders. Re-authorization with the rights under issued powers of attorneys and representation issued in violation of LPOS is null and void.

[Materials](#)

30/03/2009 - 17:20:00 h

On 30 March 2009 IHB submitted its unconsolidated statements for 2008 to the public, the Financial Supervision Commission and Bulgarian Stock Exchange - Sofia.

[2008 Annual Report](#)

30/03/2009 - 18:00:00 h

Information under Article 82b of the Law on the Public Offering of Shares /LPOS/ about Industrial Holding Bulgaria Plc. for the period 01.01.2008 - 31.12.2008.



[Information under Article 82b LPOS](#)

27/04/2009 - 18:11:00 h

On 29.04.2009 there will be an interest payment under an issue of convertible bonds issued by Industrial Holding Bulgaria Plc., issue with ISIN code BG2100024087 and stock market code 4IDC. Holders of bonds entered as such in the book kept by Central Depository AD as of 24.04.2009 are entitled to such interest payments. The interest rate is 8%.

30/04/2009 - 17:55:00 h

On 30 April 2009 submitted its unconsolidated statements for the first quarter of 2009 to the public, the Financial Supervision Commission and Bulgarian Stock Exchange - Sofia.

[1Q 2009 Financial Statements](#) (doc, 815KB)

[Interim Activity Report 1Q2009](#)(doc, 205KB)

[FSC Templates](#)(xls, 651KB)

[Declaration D. Zheleva](#) (doc, 37KB)

[Declaration T. Vassileva](#) (doc, 30KB)

[Declaration B. Hristova](#) (doc, 36KB)

30/04/2009 - 20:04:00 h

On 30 April 2009 IHB submitted its unconsolidated annual statements for 2008 to the public, the Financial Supervision Commission and Bulgarian Stock Exchange - Sofia.

[Consolidated Activity Report for 2008](#)

[Audited Unconsolidated Financial Statements](#)(PDF, 2MB)

[Consolidated Activity Report](#)(doc, 650KB)

[FSC Templates](#)(xls, 310KB)

30/04/2009 - 18:00:00 h

IHB submitted to the Financial Supervision Commission, the Bulgarian Stock Exchange and the public a final Report on compliance with the terms and conditions of the debenture loan issue of corporate convertible bonds ISIN BG2100024087 issued by Industrial Holding Bulgaria Plc. as of 31.12.2008

[Report on compliance with the terms and conditions of the debenture loan issue corporate convertible bonds](#)(doc, 103KB)

11/05/2009 - 17:30:00 h

DECISIONS

at an extraordinary General Assembly of the Shareholders of Industrial Holding Bulgaria Plc.

held on 07.05.2009, Bulgarian Chamber of Commerce, 16-20 Alabin Str., Sofia

[Under Item 1 of the agenda: Selection of an Audit Committee pursuant to the Independent Financial Audit Act.](#)

[Decision:](#) Determines the number of members of the Audit Committee to three members.



Determines the composition and mandate of the Audit Committee as follows: The following are elected members of the Audit Committee with a mandate of three years: Snezhana Ilieva Hristova, Id No: 5004276655, Maxim Stanev Sirakov, Id No: 5206046704 and Boryana Vladimirova Dimova, Id No: 5504156956.

Determines a monthly remuneration of BGN 500 /five hundred/ for the members of the Audit Committee Under Item 2 of the agenda: Authorization of the Management Board for the conclusion of a deal within the scope of application of Article 114 of LPOS.

Decision: Pursuant to the justification report of the Management Board drafted pursuant to Article 114a, para 1 of LPOS authorizes the Management Board to conclude the following deal within the scope of application of Article 114 of LPOS:

Provision of corporate security by Industrial Holding Bulgaria Plc. in the form of surety for Bulyard Shipbuilding Industry EAD, Varna under Contract for Bank Loan under the provision for undertaking of credit obligations in the form of bank guarantees and documented letters of credit between Bulyard Shipbuilding Industry EAD, Varna and Unicredit Bulbank AD, Sofia, pursuant to the following key parameters:

a/ Objective: credit undertakings in the form of three bank guarantees for reimbursement of advance payments due under the conditions of the construction contract for ship with construction number 103 and all annexes to it, concluded between Bulyard Shipbuilding Industry EAD, Varna and Diler Shipping and Trading Inc, Turkey Tersane Caddesi Dilerhan № 96, Persembe Pazari, Karakoy, Istanbul, Turkey, with beneficiary of the bank guarantees Diler Shipping and Trading Inc, Turkey;

b/ Amount of the credit limit: up to USD 27,589,060 /twenty-seven million, five hundred and eighty-nine thousand and sixty US dollars /;

c/ term of issuance of the bank guarantees: by 03.10.2011.

Against the provision of corporate security Bulyard Shipbuilding Industry EAD, Varna will pay to Industrial Holding Bulgaria Plc. a remuneration amounting to 1% annually on the actual amount of the provided corporate guarantee. Bulyard Shipbuilding Industry EAD, Varna will provide acceptable material collateral – contractual mortgages on real estate with a total value of no less than 120% /one hundred and twenty percent/ of the value of the provided corporate guarantee.

2. The Management Board has the right to negotiate independently all other parameters of the deal under Item 1 above within the framework of the indicated material terms and conditions.

[PROTOCOL from EGAS of IHB from 7 May 2009](#)(DOC, 111KB)

21/05/2009 - 10:51:00 h

INVITATION

TO THE SHAREHOLDERS OF INDUSTRIAL HOLDING BULGARIA PLC

The Supervisory Board of INDUSTRIAL HOLDING BULGARIA PLC /hereinafter referred to as the Company/, with seat and management address in the city of Sofia, UIC: 121631219, with its decision from 18.05.2009 convenes a regular annual General Assembly of the shareholders of the Company on 23.06.2009



from 10:00 h to be held at 16-20 Alabin Str., Sofia, the building of the Bulgarian Chamber of Commerce, 1st floor conference hall, with the following agenda and the following draft decisions:

1. Report on the activity of the Company for 2008. Consolidated Activity Report of the Company for 2008

Draft decisions: the General Assembly of the shareholders accepts the Activity Report of the Company and the Consolidated Activity Report of the Company for 2008.

2. Report on the activity of the Investor Relations Director in 2008.

3. Report of the registered auditor on the audit of the Annual Financial Statements of the Company for 2008. Report of the registered auditor on the audit of the Consolidated Financial Statements of the Company for 2008.

Draft decision: the General Assembly of the shareholders accepts the Report of the registered auditor for the audit of the Annual Financial Statements and the Report on the audit of the Consolidated Annual Financial Report of the Company for 2008.

4. Approval of the Annual Financial Statements of the Company for 2008 and of the Consolidated Financial Statements of the Company for 2008.

Draft decision: the General Assembly of the shareholders approves the Annual Financial Statements and the Consolidated Annual Financial Statements of the Company for 2008.

5. Adoption of a decision for distribution of the profit of the Company for 2008.

Draft decision: the General Assembly of the shareholders adopts a decision for distribution of the profit of the Company for 2008, the whole said profit amounting to BGN 8,390,495 /eight million, three hundred and ninety thousand, four hundred and ninety-five/ as undistributed profit of the Company.

6. Releases from liability the members of the Management Board and the Supervisory Board regarding their activities in 2008.

Draft decision: the General Assembly of the shareholders releases from liability for their activities in 2008:

As members of the Supervisory Board:

Snezhana Ilieva Hristova,

Konstantin Kuzmov Zografov

DZH AD, represented by Elena Petrova Kircheva.

as members of the Management Board:

Bozhidar Vassilev Zlatev,

Daneta Angelova Zheleva,

Borislav Emilov Gavrilov,

Boyko Nikolov Noev.

7. Determination of the remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009.

Draft decision: the General Assembly of the shareholders determines the monthly remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009 to the same amount as for 2008.

8. Renewal of the mandates of members of the Supervisory Board of the Company.



Draft decision: the General Assembly of the shareholders elects for a new 5-year mandate as members of the Supervisory Board Mrs. Snezhana Ilieva Hristova and DZH AD, Sofia, BULSTAT code:130020928, represented by Mrs. Elena Petrova Kircheva.

9. Amendments to the Statutes of the Company.

Draft decision: the General Assembly of the shareholders adopts the following amendments to the Statutes of the Company:

1/ in Article 2a the phrase „the court of registration; the number of registration» shall be replaced with the phrase «Unified identity code»;

2/ in Article 7, para. 5 the phrase «with a guaranteed share in the corporate property upon liquidation» shall be deleted;

3/ in Article 12, para.10 the phrase «or» in front of the phrase «provided that» shall be deleted, and after it the phrase «by the General Assembly of the shareholders or with a decision of the Management Board following the procedure set forth in Article 196, para.3 of the Commerce Act» shall be supplemented;

4/ the following amendments shall be made to Article 12a

- in Article 1 the phrase «as of the entry of this amendment in the Statutes in the Commercial Register» shall be replaced with «as of 25.07.2008»; the phrase «registered» shall be replaced with «entered»; the phrase «par value of» shall be deleted; the phrase «ordinary» shall be replaced by «dematerialized registered»;

- in para.2 in front of the phrase «the privilege» the word «respectively» shall be added;

5/ in Article15, para.2 after the phrase «the General Assembly of the shareholders " the phrase „or of the Management Board following the procedure set forth in Article 12a of the Statutes" shall be added;

6/ in Article 17, para.2 the phrase „these shareholders who have acquired their shares within a period no later than 14 /fourteen / days» shall be replaced with the phrase «the persons entered in the registers of Central Depository as shareholders 14 days», and the second sentence shall be deleted;

7/ in Article 20, para. 3 the phrase «in one central daily newspaper» shall be replaced by the phrase «announced following the procedure provided for by law»;

8/ in Article 23 the following amendments shall be made:

- in para.2, at the end, the phrase „and the Company " shall be added;

- in para. 3, at the end, the phrase „following the requirements of the existing legislation " shall be added;

- a new para. 6 shall be added as follows:

„/6/ The rules for voting through proxy, the templates used for voting of the power of attorney as well as the manners through which the Company shall be informed about executed authorizations via the Internet shall be determined by the Management Board and announced at the web site of the Company ";

9/ in Article 24 the following amendments shall be made:

- para. 2 shall be deleted;

- the present para.3 shall become para. 2, and the following amendments shall be made to it: the phrase „and paragraph 2" shall be deleted and a new sentence, «No items under Article 223a of the Commerce Act may be included in the agenda of the new session» shall be added at the end;

10/ in Article 27, para.2 shall be amended as follows:

«/2/ The decisions regarding amendments and supplements to the Statutes and termination of the Company shall enter into force after their entry into the Commercial Register. Capital increase or reduction, transformation of the Company, election and release of members of the Management Board and the



Supervisory Board and appointment of liquidators shall come into force as of their entry into the Commercial Register."

11/ in Article 36 the following amendments shall be made:

- in para. 3, item 1 the phrase «with the care of a diligent merchant» shall be replaced with the phrase «with due care»;

- in Article 8 the phrase «in court» shall be deleted;

12/ in Article 36a, para. 2, letter «d» the phrase «the deputy chairman heading Supervision of Investment Activities Division» shall be replaced with the phrase «the Financial Supervision Commission»;

13/ in Article 38 the following amendments shall be made:

- in para. 3 the word «court» shall be replaced by «an official according to registration at the Registry Agency»;

- para.6 shall be deleted and the present para. 7 shall become para. 6.

14/ in Article 41 the following amendments shall be made:

- para. 1 shall be amended as follows:

„1/ Right to dividend shall be granted to persons entered into the Central Depository as shareholders on the 14th day after the day of the General Assembly where the annual financial statements has been adopted and a decision for distribution of the profit has been made.»

- in para. 2 the phrase „following the procedure envisaged by law " shall be added at the end.

15/ in paragraph 2 the phrase «and with a decision of the General Assembly held on 23.06.2009» shall be added at the end.

10. Selection of a registered auditor of the Company for 2009.

Draft decision:

11. Miscellaneous.

All shareholders or persons authorized by them to participate in the General Assembly are invited to take part. Right to participate and vote at the General Assembly is granted only to persons entered in the registers of Central Depository AD as shareholders 14 days prior to the date of the General Assembly, i.e. prior to 09.06.2009.

As of the date of the decision of convention of the General Assembly of the shareholders - 18.05.2009 – the total number of voting shares in the capital of the Company is 43,756,118.

This invitation, together with the written materials related to the agenda of the General Assembly of the shareholders, is published at the web site of the Company - www.bulgariaholding.com for the period from the announcement of the invitation in the Commercial Register to the end of the General Assembly of the Shareholders.

The written materials under 224 of the Commerce Act /CA/ are at the disposal of the shareholders also at address: 46 Vassil Levski Blvd., Sofia, every working day from 15:00 h to 17:00 h, as of the date of announcement of the invitation in the Commercial Register. The materials are provided to the shareholders



.....

against an identity document, and to proxies of the shareholders – against submission of an explicit written power of attorney the original of which remains in the archive of the Company.

Persons holding together or separately at least 5 percent of the capital of the Company may request the inclusion of items and propose decisions on already included items in the agenda of the General Assembly following the procedure of Article 223a of CA, for which purpose no later than 15 days prior to the opening of the General Assembly they are to submit for announcement in the Commercial Register the items to be included in the agenda and the proposed decisions. The shareholders submit to the Financial Supervision Commission and to the Company no later than the following working day after the announcement of the items in the Commercial Register the materials under Article 223a, para. 4 of CA.

The shareholders have the right to raise issues during the General Assembly.

The shareholders have the right to authorize any natural person or legal person to participate and vote at the General Assembly on their behalf, pursuant to the following rules, also announced at the web site of the Company www.bulgariaholding.com:

1. A proxy or shareholder may also be a member of the Management or Supervisory Board of the Company if the principal has explicitly indicated the manner of voting under each of the items of the agenda.
2. The proxy has the same rights to speak and raise issues at the General Assembly as the respective represented shareholder.
3. The proxy is obliged to exercise the voting right in compliance with the instructions (directions) of the principal, contained in the power of attorney.

In case that the proxy deviates from the instructions provided in the respective power of attorney, the votes under these shares for the respective vote are considered void.

4. The proxy may represent more than one shareholder at the General Assembly of the Company.

In this case the proxy may vote differently under the shares held by the separate shareholders represented by the proxy.

5. The power of attorney for representation of a shareholder at the General Assembly of the Shareholders has to be executed in writing, with the signature of the principal certified by a notary public, and needs to refer to the specific General Assembly, to be explicit and to indicate:

a/ the full data of the shareholder – principal and of the proxy;

b/ the number of shares referred to by the power of attorney;

c/ the agenda for the items raised for discussion;

d/ the proposals for decisions for each of the items of the agenda;

e/ the manner of voting under each of the items, or if such is not supplied, an explicit clause that the proxy has the right to discretion whether to vote and in what manner;

f/ date, place and signature.

6. The notification for authorization may also be submitted electronically.

In this case the Company has to be informed at the following e-mail: ir@bulgariaholding.com through a notice signed with a universal electronic signature (in the sense of the Law on Electronic Documents and



Electronic Signatures /LEDES/) of the shareholder – principal (for natural persons) or the lawful representative of the shareholder – principal (legal persons).

The principal encloses with the electronic notice for authorization scanned originals of: the power of attorney certified by a notary public drafted following the template approved by the Company, a current registration certificate issued no sooner than 3 months prior to the date of the General Assembly, and in case that the same are in a foreign language, they are presented together with a certified translation in the Bulgarian language pursuant to the existing Bulgarian legislation (Regulation on legalizations, certifications and translations of documents and other papers), and all electronic images of the documents have to be signed with the universal electronic signature of the shareholder – principal (for natural persons) or of the lawful representative of the shareholder – principal (for legal persons).

7. A template of the power of attorney for representation of a shareholder in the General Assembly is provided to the shareholders together with the materials regarding the General Assembly of the Shareholders.

8. All powers of attorney together with the enclosed documents have to be received at the following address: 47 Vassil Levski Blvd., Sofia or at the following electronic address: ir@bulgariaholding.com within 2 working days prior to the date of the General Assembly - 19.06.2009 and 22.06.2009, but no later than 16:00h on 22.06.2009.

9. When the power of attorney has been issued in a foreign language it is submitted to the Company together with a certified translation in the Bulgarian language pursuant to the existing Bulgarian legislation (Regulation on legalizations, certifications and translations of documents and other papers).

10. The withdrawal of a representation, for which the Company has to be duly notified, has to be made following the procedure envisaged by law.

11. The re-authorization with rights under the power of attorney, as well as a power of attorney issued in violation of the above rules is null and void.

12. Voting by correspondence or with electronic means is not permitted.

The registration of shareholders starts at 09.00h on 23.06.2009 at the place where the General Assembly of the Shareholders is to be held.

13. In order to register and participate in the General Assembly shareholders – natural persons have to present an identity document. The representatives, when lawful representatives of shareholders – legal persons have to present an identity document and a copy of the current registration certificate certified by a power of attorney issued no sooner than 3 months prior to the date of the General Assembly, and in case the same are in a foreign language, they are presented, together with a certified translation in the Bulgarian language pursuant to the existing Bulgarian legislation (Regulation on legalizations, certifications and translations of documents and other papers).

In case of lack of quorum pursuant to Article 227, para. 3 of CA the General Assembly will be held on 08.07.2009 at 10.00h at the same place and following the same agenda, and it is legally independent of the capital represented therein. Pursuant to Article 115b, para. 1 of LPOS only persons entered as shareholders as of 09.06.2009 have the right to take part and vote at this session of the General Assembly. No items under Article 223a of CA may be included in the agenda of the new session.

[Materials under Item 1](#)(doc, 355KB)

[Materials under Item1](#)(doc, 650KB)



[Materials under Item 2](#)(doc, 94KB)

[Materials under Items 3 and 4](#)(pdf, 2MB)

[Materials under Items 3 and 4](#)(PDF, 2MB)

[Template of Power of Attorney](#)(doc, 82KB)

29/05/2009 - 18:24:00 h

IHB published the consolidated report for the first quarter of 2009

On 29 May 2009 IHB submitted its consolidated report for the first quarter of 2009 to the public, the Financial Supervision and Bulgarian Stock Exchange - Sofia.

[Financial statements 1Q2009 consolidated](#)(doc, 1MB)

[Interim activity report 1Q2009 consolidated](#)(doc, 316KB)

[FSC templates 1Q2009 consolidated](#)(xls, 309KB)

30/05/2009 - 16:15:00 h

BSI handed the new ship Emona over to IHB

On 30 May 2009 Bulyard Shipbuilding Industry AD, a subsidiary of Industrial Holding Bulgaria Plc., officially handed the new ship Emona over to the ship owner Emona Ltd., a subsidiary in the Group of Industrial Holding Bulgaria Plc. The tonnage of the ship is 9,800 DWT, it is a multipurpose ship with unlimited navigation region.

23/06/2009 - 18:07:00 h

Decision of the General Assembly of the Shareholders on the distribution of the profit of IHB for 2008.

On 23.06.2009 the regular annual General Assembly of the Shareholders of Industrial Holding Bulgaria Plc. /the Company/ was held, with agenda entered into the Commercial Register under number N 20090520192516 and published on one central daily newspaper – *Dnevnik* – on 22.05.2009.

Pursuant to Article 115б, paragraph 2 of the Law on the Public Offering of Shares we would like to inform you that under Item 1 of the agenda the regular annual General Assembly of the Shareholders adopted a decision for the profit of the Company for 2008, amounting to BGN 8,390,495 /eight million three hundred and ninety four hundred and ninety-five / to be distributed as undistributed profit of the Company.

Decisions and Protocol from the General Assembly of the Shareholders of IHB from 23 June 2009

25/06/2009 - 16:17:00 h

DECISIONS

of the General Assembly of the Shareholders of Industrial Holding Bulgaria Plc

held on 23.06.2009, Bulgarian Chamber of Commerce, 16-20 Alabin Str., Sofia

Under Item 1 of the agenda:

Activity Report of the Company for 2008. Consolidated Activity Report of the Company for 2008

Decision: Accepts Activity Report of the Company for 2008. Consolidated Activity Report of the Company for 2008.



Under Item 2 of the agenda:

Activity Report of the Investor Relations Director for 2008.

Not subject to a decision

Under Item 3 of the agenda:

Report of the registered auditor on the audit of the Annual Financial Statements of the Company for 2008.

Report of the registered auditor on the audit of the Consolidated Financial Statements of the Company for 2008.

Decision: Accepts the Report of the registered auditor on the audit of the Annual Financial Statements of the Company for 2008 and the Report of the registered auditor on the audit of the Consolidated Financial Statements of the Company for 2008. .

Under Item 4 of the agenda:

Approval of the Annual Financial Statements of the Company for 2008 and the Consolidated Annual Financial Statements of the Company for 2008.

Decision: approves the Annual Financial Statements of the Company for 2008 and the Consolidated Annual Financial Statements of the Company for 2008.

Under Item 5 of the agenda:

Adoption of a decision regarding the distribution of the profit of the Company for 2008.

Decision: The profit of the Company for 2008, amounting to a total of BGN 8,390,495 /eight million, three hundred and ninety thousand, four hundred and ninety-five, remains as undistributed profit.

Under Item 6 of the agenda:

Release from liability of the members of the Management Board and the Supervisory Board regarding their activities in 2008.

Decision: Releases from liability regarding their activities in 2008:

As members of the Supervisory Board:

Snezhana Ilieva Hristova,

Konstantin Kuzmov Zografov

DZH AD, represented by Elena Petrova Kircheva.

as members of the Management Board:

Bozhidar Vassilev Zlatev,

Daneta Angelova Zheleva,

Borislav Emilov Gavrilov,

Boyko Nikolov Noev.

Under Item 7 of the agenda:

Determining the remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009.

Decision: determines the monthly remuneration of the members of the Supervisory Board and the Management Board of the Company for 2009 to the same amount as for.

Under Item 8 of the agenda:

Renewal of the mandates of members of the Supervisory Board of the Company.

Decision: Elects for a new 5-year mandate as members of the Supervisory Board Mrs. Snezhana Ilieva Hristova and DZH AD, Sofia, BULSTAT code: 130020928, represented by Mrs. Elena Petkova Kircheva



Under Item 9 of the agenda:

Amendments to the Statutes of the Company.

Decision: Adopts the following amendments to the Statutes of the Company:

1/ in Article 2a the phrase „the court of registration; the number of registration» shall be replaced with the phrase «Unified identity code»;

2/ in Article 7, para. 5 the phrase «with a guaranteed share in the corporate property upon liquidation» shall be deleted;

3/ in Article 12, para.10 the phrase «or» in front of the phrase «provided that» shall be deleted, and after it the phrase «by the General Assembly of the shareholders or with a decision of the Management Board following the procedure set forth in Article 196, para.3 of the Commerce Act» shall be supplemented;

4/ the following amendments shall be made to Article 12a

- in Article 1 the phrase «as of the entry of this amendment in the Statutes in the Commercial Register» shall be replaced with «as of 25.07.2008»; the phrase «registered» shall be replaced with «entered»; the phrase «par value of» shall be deleted; the phrase «ordinary» shall be replaced by «dematerialized registered»;

- in para.2 in front of the phrase «the privilege» the word «respectively» shall be added;

5/ in Article15, para.2 after the phrase «the General Assembly of the shareholders " the phrase „or of the Management Board following the procedure set forth in Article 12a of the Statutes" shall be added;

6/ in Article 17, para.2 the phrase „these shareholders who have acquired their shares within a period no later than 14 /fourteen / days» shall be replaced with the phrase «the persons entered in the registers of Central Depository as shareholders 14 days», and the second sentence shall be deleted;

7/ in Article 20, para. 3 the phrase «in one central daily newspaper» shall be replaced by the phrase «announced following the procedure provided for by law»;

8/ in Article 23 the following amendments shall be made:

- in para.2, at the end, the phrase „and the Company " shall be added;

- in para. 3, at the end, the phrase „following the requirements of the existing legislation " shall be added;

- a new para. 6 shall be added as follows:

„/6/ The rules for voting through proxy, the templates used for voting of the power of attorney as well as the manners through which the Company shall be informed about executed authorizations via the Internet shall be determined by the Management Board and announced at the web site of the Company ";

9/ in Article 24 the following amendments shall be made:

- para. 2 shall be deleted;

- the present para.3 shall become para. 2, and the following amendments shall be made to it: the phrase „and paragraph 2" shall be deleted and a new sentence, «No items under Article 223a of the Commerce Act may be included in the agenda of the new session» shall be added at the end;

10/ in Article 27, para.2 shall be amended as follows:

«/2/ The decisions regarding amendments and supplements to the Statutes and termination of the Company shall enter into force after their entry into the Commercial Register. Capital increase or reduction, transformation of the Company, election and release of members of the Management Board and the Supervisory Board and appointment of liquidators shall come into force as of their entry into the Commercial Register."

11/ in Article 36 the following amendments shall be made:



- in para. 3, item 1 the phrase «with the care of a diligent merchant» shall be replaced with the phrase «with due care»;
- in Article 8 the phrase «in court» shall be deleted;
- 12/ in Article 36a, para. 2, letter «d» the phrase «the deputy chairman heading Supervision of Investment Activities Division» shall be replaced with the phrase «the Financial Supervision Commission»;
- 13/ in Article 38 the following amendments shall be made:
 - in para. 3 the word «court» shall be replaced by «an official according to registration at the Registry Agency»;
 - para.6 shall be deleted and the present para. 7 shall become para. 6.
- 14/ in Article 41 the following amendments shall be made:
 - para. 1 shall be amended as follows:

„/1/ Right to dividend shall be granted to persons entered into the Central Depository as shareholders on the 14th day after the day of the General Assembly where the annual financial statements has been adopted and a decision for distribution of the profit has been made.»
 - in para. 2 the phrase „following the procedure envisaged by law " shall be added at the end.
- 15/ in paragraph 2 the phrase «and with a decision of the General Assembly held on 23.06.20090» shall be added at the end.

Under Item 10 of the agenda:

Selection of a registered auditor of the Company for 2009.

Decision: Selects KPMG Bulgaria OOD as a registered auditor of the Company for 2009.

Under Item 11 of the agenda:

Miscellaneous.

No decisions have been adopted.

[PROTOCOL from the RAGAS of IHB 23 June 2009\(pdf, 572KB\)](#)

30/06/2009 - 11:03:00 h

Amendments to the Statutes of IHB were entered into the Commercial Register

With decision 20090629145037 amendments to the Statutes of Industrial Holding Bulgaria Plc. were entered into the Commercial Register, adopted with a decision of the General Assembly of the Shareholders on 23.06.2009.

[Updated Statutes\(PDF, 647KB\)](#)

30/06/2009 - 11:00:00 h

A decision for renewal of the mandate of members of the Supervisory Board of IHB was entered into the Commercial Register

With decision 20090627161656 a decision of the General Assembly of the Shareholders of Industrial Holding Bulgaria Plc. for renewal of the mandate of members of the Supervisory Board of the Company was entered into the Commercial Register as follows: Elects for a new 5-year mandate as members of the Supervisory Board Mrs. Snezhana Ilieva Hristova and DZH AD, Sofia, BULSTAT code: 130020928, represented by Mrs. Elena Petkova Kircheva.



ADDITIONAL INFORMATION

1. Information about changes in the accounting policy for the accounting period,

There were no changes in the accounting policy of IHB Plc. for the respective period.

2. Information about changes in the Group of Industrial Holding Bulgaria Plc.

In the first and second quarter of 2009 there were no changes in the Group of IHB Plc.

3. Information about the results from organizational changes in IHB Plc. /restructuring, sale of companies from the economic group, in-kind contributions by the company, lease of property, long-term investments, termination of activity /

In the first and second quarter of 2009 no organizational changes took place in the Group of Industrial Holding Bulgaria Plc.

4. Opinion of the management body regarding the potential for realization of published projections for the results from the current financial year taking into consideration the results from the current quarter and information on the factors and events to affect the achievement of at least the minimal projections in the following quarter

The Management Board of IHB Plc. has not published projections for the results in 2009.

5. Information about persons holding directly or indirectly at least 5 percent of the votes in the general assembly as of the end of the respective quarters and changes in the votes held by the persons for the period as of the end of the previous period

As of 30.06.2009 IHB has information about the following shareholders with over 5 percent of the voting shares, as follows:

5.1. Venside Enterprise Limited

Seat: Limassol, the Republic of Cyprus

Management address: office 607, fl. 6, bl. B, Limassol Center, 2 Riga Ferrow Str.,
Republic of Cyprus

Number of voting shares and their percentage of the votes in the general assembly of the shareholders of the company:

As of 30.06.2009: 13,472,245 shares representing 30.79 % of the votes held directly



As of 31.12.2008: 13,472,245 shares representing 30.79 % of the votes held directly

5.2. Bulls AD

Seat: Kostinbrod

Management address: 7 P. Evtimi Str.

Number of voting shares and their percentage of the votes in the general assembly of the shareholders of the company:

As of 30.06.2009: 5,863,673 shares representing 13.40 % of the votes held directly

As of 31.12.2008: 5,863,211 shares representing 13.22 % of the votes held directly

5.3. DZH AD

Seat: Sofia

Management address: 17B Vtora Str., Simeonovo

Number of voting shares and their percentage of the votes in the general assembly of the shareholders of the company:

As of 30.06.2009: holding directly 2,440,655 shares representing 5.58% of the votes

As of 31.12.2008: holding directly 2,440,655 shares representing 5.58% of the votes

5.4. Daneta Angelova Zheleva

Number of voting shares and their percentage of the votes in the general assembly of the shareholders of the company:

:

As of 30.06.2009: holding directly 26,386 shares representing 0.06% of the votes and through related parties a total of 2,467,249 shares representing 5.64% of the votes

As of 31.12.2008: holding directly 26,386 shares representing 0.06% of the votes and through related parties a total of 2,467,249 shares representing 5.64% of the votes

5.5. Dimitar Georgiev Zhelev

Number of voting shares and their percentage of the votes in the general assembly of the shareholders of the company:



:

As of 30.06.2009: holding directly 208 shares representing 0.0005% of the votes and through related parties a total of 2,467,249 shares representing 5.64% of the votes

As of 31.12.2008: holding directly 208 shares representing 0.0005% of the votes and through related parties a total of 2,467,249 shares representing 5.64% of the votes

6. Data about shares held by the management and controlling bodies of the issuer as of the end of the respective quarter, as well as the changes for the period from the end of the previous quarter for each person separately

Information about IHB Plc. shares held by members of the Supervisory Board and the Management Board

As of 30 June 2009:

	Acquired in 1Q 2009г.	Transferred in 1Q 2009г.	Number of shares held directly	Number of shares held through related parties	Total directly and through related parties	% number of votes in GAS directly and through related parties
Members of the Supervisory Board						
DZH AD	0	0	2 440 655	0	2 440 655	5.58%
Snezhana Hristova	0	0	1 605	33 140	34 745	0.079%
Konstantin Zografov	0	0	582	208	790	0.002%
Members of the Management Board						
Bozhidar Danev	0	0	208	0	208	0.0006%
Daneta Zheleva	0	0	26 386	2 440 863	2 467 249	5.64%
George Momchilov	0	0	75	0	0	0.005%
Borislav Gavrilov	0	0	208	624	832	0.002%
Boyko Noev	0	0	0	0		0

7. Information on unresolved court, administrative or arbitration proceedings related to liabilities or receivables amounting at least 10 percent of the equity of the issuer; of the total value of the liabilities or receivables of the issuer under all proceedings exceeds 10 percent of its equity, information about each proceeding separately is to be provided



No such proceedings.

8. Information about loans granted by the issuer or its subsidiary, guarantees provided or liabilities undertaken, in total to one person or its subsidiary, including related parties, indicating the nature of the relations between the issuer and the person, the amount of the outstanding principal, interest rate, reimbursement deadline, amount of the liability, terms and conditions.

In the first and second quarters of 2009 IHB Plc. granted loans to Privat Engineering AD amounting to EUR 1,811 thousand, USD 198.5 thousand and BGN 1,395 thousand with the purpose of funding the construction of ships 288, 289 and 458, at interest rates respectively: in EUR - 4%, in USD - 1% and in BGN - 4%. The reimbursement deadlines are 2010, 2011, 2012 and 2013 г.

In the second quarter IHB Plc. signed cession contracts with its subsidiary Privat Engineering AD pursuant to which IHB Plc. transferred receivables to Privat Engineering AD which receivables are due and payable to IHB Plc. by Bulyard Shipbuilding Industry AD. The total amount of the receivables under the cession contracts per currency is as follows: BGN 1,440 thousand and USD 460 thousand and EUR 1,857 thousand. The total amount of the ceded receivables has to be reimbursed by Privat Engineering AD by 31.12.2011 at interest rates respectively: EUR - 4%, USD - 1% and BGN – 4%. The ceded receivables are designated for payment of due installments under contracts for constructions of ships 288 and 289. With these amounts the receivables of IHB Plc. from Bulyard Shipbuilding Industry AD are terminated while at the same time receivables from Privat Engineering AD are created.

In the first and second quarter of 2009 Privat Engineering AD, a subsidiary of IHB Plc. made additional contributions in its subsidiaries as follows: Karvuna Ltd. amounting to a total of BGN 98 thousand, Emona Ltd. amounting to a total of BGN 4,765 thousand, and Martsiana amounting to a total of BGN 5,710 thousand. The funds are needed for funding of the construction of the ships for which the companies have signed contracts with Bulyard Shipbuilding Industry AD.

In the first and second quarter of 2009 IHB Plc. granted loans to Bulyard Shipbuilding Industry AD amounting to a total of BGN 20,560 thousand, per which as of 30.06.2009 the outstanding portion amounts to BGN 14,669 thousand at an interest rate of 8-9%.

In the first and second quarter of 2009 IHB Plc. granted a loan to KLVK AD amounting to a total of BGN 20 thousand as working capital at an interest rate of 4%.

In the first and second quarter of 2009 IHB Plc. granted a loan to Augusta Mebel AD amounting to a total of BGN 20 thousand, per which as of 30.06.2009 the principal is BGN 8 thousand as working capital at an interest rate of 9%.

In the first and second quarter of 2009 IHB Plc. granted a loan to Elprom ZEM AD amounting to a total of EUR 50 thousand for working capital at an interest rate of 9%.



In the second quarter of 2009 Privat Engineering AD, a subsidiary of IHB Plc., granted a loan to Dockyard Port Bourgas AD amounting to a total of EUR 50 thousand for working capital at an interest rate of 8%.

In the second quarter of 2009 Privat Engineering AD, a subsidiary of IHB Plc., granted a loan to Bulyard Shipbuilding Industry AD totaling EUR 4 million for working capital at an interest rate of 8%. The maturity of the loan is 08.06.2012.

In the second quarter of 2009 Industrial Holding Bulgaria AD granted a corporate security in the form of surety for Bulyard Shipbuilding Industry EAD, Varna under Contract for Bank Loan under the provision for undertaking of credit obligations in the form of bank guarantees and documented letters of credit between Bulyard Shipbuilding Industry EAD, Varna and Unicredit Bulbank AD, Sofia, pursuant to the following key parameters: objective:

a/ credit undertakings in the form of three bank guarantees for reimbursement of advance payments due under the conditions of the construction contract for ship with construction number 103 and all annexes to it, concluded between Bulyard Shipbuilding Industry EAD, Varna and Diler Shipping and Trading Inc, Turkey, with beneficiary of the bank guarantees Diler Shipping and Trading Inc, Turkey;

b/ amount of the credit limit: up to USD 27,589,060 /twenty-seven million five hundred and eighty-nine thousand and sixty US dollars/;

c/ term for issuance of the bank guarantees: by 03.10.2011.

Against the provision of corporate security Bulyard Shipbuilding Industry EAD, Varna will pay to the Company a remuneration amounting to 1% annually on the actual amount of the provided corporate guarantee. In order to secure the corporate guarantee Bulyard Shipbuilding Industry EAD, Varna will provide to the Company acceptable material collateral – contractual mortgages on real estate with a total value of no less than 120% /one hundred and twenty percent / of the value of the provided corporate guarantee

The deal was signed based on a decision of the General Assembly of the Shareholders of Industrial Holding Bulgaria Plc. held on 07.05. 2009.

In the first quarter of 2009 IHB Plc. provided a security amounting to EUR 635 thousand as pledge of cash of IHB Plc. in order to secure a liability of Bulyard Shipbuilding Industry AD under a futures contract for Japanese yen signed with the purpose of hedging of the currency risk. IHB receives a remuneration amounting to 1% on the amount of the security. The term of the contract is 17.07.2009. As of the date of this report the pledge on this cash has been eliminated.

In the second quarter of 2009 IHB Plc. provided a security amounting to EUR 2 million in the form of pledge on cash of IHB Plc. with beneficiary Allianz Bank Bulgaria AD in order to guarantee liabilities of Bulyard Shipbuilding Industry AD under contract for issuance of bank guarantee with Bulgarian Bank for Development under contract for credit between the latter and Bulyard Shipbuilding Industry AD. The term of validity of the security is by 30.08.2011. IHB receives a remuneration of 1% on the amount of the security.



In the second quarter of 2009 IHB Plc. signed a contract for provision of a security of up to EUR 1.5 million in the form of a pledge of cash of IHB Plc. with beneficiaries – the bank-issuers of bank guarantees and/or letters of credit to guarantee liabilities of Bulyard Shipbuilding Industry AD under contracts for issuance of bank guarantees and/or letters of credits with beneficiaries – suppliers and/or contractors under contracts for supply and/or manufacture signed by Bulyard Shipbuilding Industry AD as a buy, respectively employer. IHB receives a remuneration amounting to 1% on the security. As of 30.06.2009 the amount of the provided security is EUR 1.028 million.

In the second quarter of 2009 IHB Plc. provided a security amounting to EUR 515 thousand in the form of a pledge on cash of IHB Plc. with beneficiary: Allianz Bank Bulgaria AD in order to guarantee a liability of Bulyard Shipbuilding Industry AD under a contract for issuance of a bank guarantee with Mitsubishi Corporation, Japan as beneficiary under a contract between the latter and Bulyard Shipbuilding Industry AD. The term of validity of the security is 01.07.2009. IHB receives a remuneration of 1% on the amount of the security. As of the date of this report the pledge on these funds is eliminated.

Bogomila Hristova
Investor Relations Director

Daneta Zheleva
Executive Director