

Industrial Holding Bulgaria PLC

Consolidated interim Financial Statements

For the period ended 30 September 2005

INDUSTRIAL HOLDING BULGARIA
CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated income statements

<i>In thousands of BGN</i>	Note	For 9 months period ended 30 September	
		2005 г.	2004 г.
Revenue	1	51,258	32,080
Other operating revenue	2	<u>13,655</u>	<u>1,887</u>
		64,913	33,967
Increase (Decrease) in WIP		6,126	1,703
Cost of materials		(23,925)	(16,261)
Personnel expenses	3	(14,945)	(8,323)
Hired services		(11,552)	(4,106)
Depreciation and amortization		(2,378)	(1,237)
Carrying amount of assets sold		(6,295)	(276)
Other expenses	4	<u>(1,558)</u>	<u>(550)</u>
Profit/(loss) from operations		54,527	29,050
Net financing income/(expenses)	5	<u>6,571</u>	<u>(690)</u>
Income from associates	6	<u>(323)</u>	<u>-</u>
Profit/(loss) before tax		16,634	4,227
Income tax income/(expense)		<u>(1,411)</u>	<u>(682)</u>
Profit/(loss) after tax		15,223	3,545
Including Minority interest		2,276	260
Net profit / (loss) for the group		12,947	3,285
Basic earnings per share (BGN)		0,616	0,156

The applications are an integral part of these financial statements

Daneta Zheleva
Executive Director

Toshka Vassileva
Chief accountant

INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

Consolidated balance sheet

<i>In thousands of BGN</i>	Note	30 September 2005	31 December 2004
Non – current assets			
Property, plant and equipment	7	58,011	42,422
Intangible assets	8	194	202
Goodwill		5,452	(2,060)
Investments in associates	9	6,200	11,029
Other investments	10	2,076	1,662
Long-term receivables	11	1,137	1,282
Investment properties		49	
Total non-current assets		<u>73,119</u>	<u>54,537</u>
Current assets			
Inventories	12	19,445	11,225
Trade and other receivables	13	12,639	4,126
Cash and cash equivalents		30,786	8,103
Total current assets		<u>62,870</u>	<u>23,454</u>
Total assets		<u>135,989</u>	<u>77,991</u>
Equity			
Equity and reserves			
Issued capital	14	21,003	21,003
Reserves		13,761	11,897
Retained earnings (net)		28,993	14,417
Total equity		<u>63,757</u>	<u>47,317</u>
Minority interest		21,150	6,293
Non-current liabilities			
Long-term payables	15(a)	6,691	7,308
Trade and other payables		166	137
Deferred tax liabilities		1,549	1,541
Provisions	17	1,489	1,378
Total non-current liabilities		<u>9,895</u>	<u>10,364</u>
Current liabilities			
Interest-bearing bank loans	15(6)	3,315	2,990
Other payables	16	37,597	10,854
Provisions	17	275	173
Total current liabilities		<u>41,187</u>	<u>14,017</u>
Total equity and liabilities		<u>135,989</u>	<u>77,991</u>

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INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

Statement of cash flows

	<u>For 9 months period ended 30 September</u>	
<i>In thousands of BGN</i>	2005 г.	2004 г.
Operating activities		
Proceeds from customers	78,690	34,261
Payments to suppliers	(42,658)	(25,176)
Payments for salaries	(14,666)	(6,750)
Taxes paid / reintegrated / net	(1,187)	(224)
Interests received / paid	73	(42)
Foreign currency exchange rate gains / losses	526	(150)
Other payments / proceeds	1,077	192
<i>Net cash flows from operating activities</i>	<u>21,855</u>	<u>2,495</u>
Investing activities		
Acquisition of property, plant and equipment	5,158	(4,318)
Acquisition of investments	(10,245)	(7,399)
Proceeds from sale of investments	386	996
Proceeds from sale of financial activities held for trading	6,447	-
Dividends received	36	12
Other proceeds/ payments	0	36
<i>Net cash flows from investing activities</i>	<u>1,782</u>	<u>(10,673)</u>
Financing activities		
Proceeds from loans and debt issuing	1,621	10,185
Loans repaid	(2,219)	(1,161)
Dividends paid	(181)	-
Repayment of interests, fees and loan commission	(964)	(292)
Other proceeds/ payments	(365)	37
<i>Net cash flows from financing activities</i>	<u>(2,108)</u>	<u>8,598</u>
Increase/(decrease) in cash and cash equivalents	21,529	420
Cash and cash equivalents at 1 January	9,257	5,393
Cash and cash equivalents at 30 September	<u>30,786</u>	<u>5,779</u>

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INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

Consolidated statement of changes in equity

For 9 months period ended 30 September 2005

<i>In thousands of BGN</i>	Share capital	Additional and legal reserves	Revaluation reserves	Retained earnings	Total
Balance at 1 January 2004	21,003	4,852	6,558	6,866	39,279
Recognized gain for the current period	-	-	-	7,662	7,662
Revaluation surplus of assets written off	-	-	-	-1	-
Allocation of the profit for 2003 for reserves	-	223	-	(223)	-
Transfer of reserves related to discontinuing operations	-	-	(149)	149	-
Change of tax rate	-	-	447	-	447
Other movements	-	(11)	(23)	(37)	(71)
Balance at 31 December 2004	21,003	4,915	6,982	14,417	47,317
Minority interest					6,293
Balance at 1 January 2005	21,003	4,915	6,982	14,417	47,317
Recognized gain for the current period	-	-	-	12,947	12,947
Dividends written off from the profit for 1997	-	1,323	-	-	1,323
Allocation of the profit for 2004 for reserves	-	490	-	(490)	-
Allocation of dividends	-	-	-	(103)	(103)
Change in the accounting policy	-	-	-	2,921	2,921
Other movements	-	56	(5)	(699)	(648)
Balance at 30 September 2005	21,003	6,784	6,977	27,456	63,757
Minority interest					21,150

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INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

Significant accounting policies

Industrial Holding Bulgaria PLC (referred to as “the Company”) is a public limited company domiciled in Bulgaria. The consolidated financial statements of the Company for the period ended 30 September 2005 comprise the financial statements of the Company and its subsidiaries (together referred to as the “Group”).

The operations of the Group include production and trading of heavy machinery, shipbuilding and transport, construction, maintenance and repair and other services.

During the current year the Group acquired control over Bulyard AD, a company that owns 75% of the capital of Bulyard Shipbuilding Industry AD, with main activities shipbuilding, construction of all kind of vessels, repair and reconstruction of ships, purchasing and selling of ships and other vessels under construction and in a finished state.

(a) Statement of compliance

The consolidated financial statements for the period ended 30 September 2005 have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are interim and unaudited. The operation of IFRS 3 has been applied changes in accounting policy in respect of accounting of goodwill as a result of business combinations. From the beginning of 2005 the goodwill is presented as intangible assets and is testing for depreciation. Negative goodwill is being recognized in the income statement as revenue.

(b) Basis of preparation

These interim financial statements towards 30 September 2005 are consolidated. The financial statements are represented in Bulgarian lev (BGN), rounded to the nearest thousand. Historical cost has been used as a basis for preparation of the financial statements with the exception of property, plant and equipment which are presented at a revaluated amount reduced with the accumulated depreciation and impairment losses. The accounting policies have been consistently applied by Group enterprises and are consistent with those used in the previous year.

(c) Comparative information

When the presentation or classification of items in the financial statements was amended, comparative information have been reclassified, to ensure comparability with the current period.

These financial statements have to be read in accordance with the Group’s financial statements for the year ended 31 December 2004.

INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

(d) Basis of consolidation

Subsidiaries

Subsidiaries are the enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are the enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associates, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligation in respect of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Parent interest in the enterprise. Unrealized gains arising from transactions with associates are eliminated against the investment in associates. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(e) Acquisition and sale of subsidiaries

Acquisition

During the first quarter of 2005 the Group acquired additional 12.24% from the capital of ZMM Sliven PLC as its participation reached 92.89%. The Group purchased 4.04% from the capital of its subsidiary ZMM Nova Zagora PLC and the Group's share reached 91.10%. The Company purchased 5.03% of the capital of Mashstroy PLC town of Troyan and its participation was increased to 80.81%. The shares in these Companies were purchased as a result of tender offering.

IHB PLC increased its participation in Dockyard - Port Bourgas to 91.70% by acquiring additional 356 shares. In August 2005 the subsidiary ZMM Bulgaria Holding AD acquired 34% from the capital of Leirmash AD through purchasing 884 nos. of shares, and the Group's control reached to 100%

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Notes to the Consolidated Interim Financial Statements

During the first quarter of 2005, the Company established a joint-stock company Dunav River Navigation, with capital amounting to BGN 50 thousand. The company was established on purpose of taking participation in privatization process of Bulgarian River Navigation, but subsequently the intention of the Managing Board was revised and during the third quarter, the Company was sold.

In February Electromachinery Holding AD sold to Industrial Holding Bulgaria PLC its 2 762 183 nos. of shares, representing 11.5% of the Bulyard AD's capital. In April 2005 Industrial Holding Bulgaria became the majority owner of Bulyard AD through purchasing 3 602 847 nos. of shares /15%/ of the capital of Bulyard AD from Dockyard Odesos. The registered capital of Bulyard AD is BGN 24 019 thousand, distributed in 24 018 980 ordinary shares with one vote per share and with a per value of BGN 1. 12 406 247 nos. of shares or 51.5% from the capital of Bulyard AD are in possession of the Group. Bulyard AD owns 75% of Bulyard Shipbuilding Industry AD, Varna. The Companies are included in this consolidated financial statement.

Sales

During the reporting period the Holding sold 76 038 shares from the capital of Maritime Holding AD (29% of the company's capital). The Holding sold its subsidiary Build 2000 EOOD with capital BGN 5 thousand which didn't implement any activities.

INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

1. Revenue

<i>In BGN thousand</i>	2005	2004
	30	30
	September	September
Sale of production	36,838	25,111
Incl. shipbuilding	7,327	-
Sale of services	14,406	6,941
Incl. ship repair	8,160	2,178
Sale of goods	14	28
	<u>64,913</u>	<u>33,967</u>

2. Other operating income

<i>In BGN thousand</i>	2005	2004
	30	30
	September	September
Amortization of negative goodwill, net	-	359
Revenues from rent, sale of materials, property, plant and equipment	13,655	1,528
	<u>13,655</u>	<u>1,887</u>
	<u><u>13,655</u></u>	<u><u>1,887</u></u>

Other operating income is from sale of property, plant and equipment. During the current period the Group sold the property in Shkorpilovtzi resort, acquired in 2004 by its subsidiary KLVK AD with a carrying amount of BGN 3, 430 thousand and sale price BGN 6,895 thousand /including sale's expenses/; land, building and equipment, workshop Apriltzi, ownership of Mashstroy PLC with a carrying amount BGN 285 thousand and sale price BGN 469 thousand; land, building and equipment, located in the area of Bulyard Shipbuilding Industry AD with a carrying amount BGN 1 815 thousand and sale price BGN 3 785 thousand.

3. Personnel expenses

<i>In BGN thousand</i>	2005	2004
	30	30
	September	September
Wages and Salaries	11,107	6,128
Compulsory social security contributions	<u>3,838</u>	<u>2,195</u>
	<u>14,945</u>	<u>8,323</u>
Incl. Bulyard Shipbuilding Industry AD	5,876	-

INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

The average staff number for the Group, as at the nine months period of the year 2005 is 2 620 (2004: 1 817 employees). The increase comes from including into the Group the company - Bulyard Shipbuilding Industry with average staff number as at the period under review - 800 employees.

4. Other operating expenses

<i>In thousands of BGN</i>	2005	2004
	30	30
	September	September
Carrying amount of materials, assets and goods sold	6,295	276
Other expenses	1,558	550
	<u>7,853</u>	<u>826</u>

5. Net financing income / expenses

<i>In thousands of BGN</i>	2005	2004
	30	September
	September	
Interest expense	(361)	(528)
Interest income	207	89
Net foreign exchange gain /loss/	(15)	(198)
Net profit /loss/ from investments	7,080	67
Other financial profit /loss/ net	(177)	(120)
	<u>6,734</u>	<u>(690)</u>

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Notes to the Consolidated Interim Financial Statements

6. Share of profit / loss of Associates	2005	2004
Dunav Tours AD	(352)	-
Chimremontstroy AD	29	-

Income tax

Current income tax expenses has been calculated using a rate of 15% for 2005 and are arithmetic sum of the income tax of each company in the group, as according to Bulgarian legislation each company is reporting for itself.

7. Property, plant and equipment

	Lands and buildings	Plant and equipment	Other fixed assets	Assets under constructio n	Total
<i>In BGN thousand</i>					
Balance at 1 January 2005	33,366	12,003	2,293	1,218	48,880
Acquisitions through business combinations	6,554	14,393	222	76	21,245
Additions	492	755	246	3,117	4,610
Disposals	(5,330)	(488)	(142)	(819)	(6,779)
Balance at 30 September 2005	<u>35,082</u>	<u>26,663</u>	<u>2,619</u>	<u>3,592</u>	<u>67,956</u>

Depreciation and impairment losses

Balance at 1 January 2005	1,609	3,671	1,178	-	6,458
Acquisitions through business combinations	89	1,259	20	-	1,368
Depreciation charge for the period	508	1,538	274	-	2,320
Depreciation for assets written off	(27)	(103)	(71)	-	(201)
Balance at 30 September 2005	<u>2,179</u>	<u>6,365</u>	<u>1,401</u>	<u>-</u>	<u>9,945</u>

Carrying amount

At 1 January 2005	<u>31,757</u>	<u>8,332</u>	<u>1,115</u>	<u>1,218</u>	<u>42,422</u>
At 30 September 2005	<u>32,903</u>	<u>20,298</u>	<u>1,218</u>	<u>3,592</u>	<u>58,011</u>

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Notes to the Consolidated Interim Financial Statements

8. Intangible assets

Intangible assets are at the amount of BGN 194 thousand. The depreciation charge for the intangible assets for the period ended 30 September 2005 amount to BGN 56 thousand. Due to the fact that the intangible assets owned by the Group are an immaterial part, no detailed note has been prepared on their movement during the period.

The positive goodwill is arising from acquisition of shares in ZMM Bulgarian Holding and the acquisitions made in Bulyard Shipbuilding Industry AD. From the beginning of reported period the accounting of amortization of reputation is discontinued. The reputation will be observed for impairment at the end of each period under review.

9. Investment in associates

The Group possesses the following investments in associates

	Country	Ownership
Dunav Tours AD	Bulgaria	48,40%
Chimremontstroy AD	Bulgaria	25,86%
Odesoss PMB AD	Bulgaria	30,00%

The Group's share in the capital of Dunav Tours AD was increased by 2.97% through acquiring 14 373 nos. of shares.

In March 2005 the management of IHB passed a resolution for taking participation in Odesos PMB AD, Varna, with activities rendering of port services and associated activities from / to vessels and land transport motor vehicles and capital of 5 280 000 nos. of shares. The share of the Group's participation in the capital of the Company is 30%.

10. Other investments

<i>In thousand of BGN</i>	% Ownership	2005 30 September	% Ownersh ip	2004 31 December
Elpo AD	17,99%	121	17,99%	121
Dockyard Odesos AD, Varna	-	-	17,05%	1,100
Other	-	10	-	12
Transbalkan Oil Pipeline Bulgaria AD	14,29%	429	14,29%	429
Bulgartabac Holding	0,64%	1,516		
		<u>2,076</u>		<u>1,662</u>

All the 100 thousand nos. of shares from the capital of KRZ Odesos in possession of the Group were sold during the first quarter of 2005 at a weighted average price per share BGN 78.80.

64 100 numbers of shares from the capital of Bulgartabac Holding PLC were purchased through Bulgarian Stock Exchange and subsequently 17 312 shares from them were sold.

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Notes to the Consolidated Interim Financial Statements

11. Long term receivables	30.09.2005	31.12.2004
<i>In thousand of BGN</i>		
For the shares of Chimremontstroy AD	469	626
For the shares of MAK AD - Gabrovo	280	280
Deferred tax assets	5	
Other long term receivables	383	376
	<u>1,137</u>	<u>1,282</u>

12. Inventories	30.09.2005	31.12.2004
<i>In thousand of BGN</i>		
Raw materials and consumables	7,598	4,278
Work in progress	9,715	4,959
Finished goods	2,101	1,955
Merchandise	31	33
	<u>19,445</u>	<u>11,225</u>

The growth of work in progress is due to Bulyard Shipbuilding Industry AD participating with BGN 4.037 thousand in the total amount.

13. Trade and other receivables	30.09.2005	31.12.2004
<i>In thousand of BGN</i>		
Trade receivables	10,929	2,983
Related parties receivables	53	84
Court receivables	304	43
Taxes receivables	1,037	576
Other receivables	263	402
Prepayments and deferred expenses	53	38
	<u>12,639</u>	<u>4,126</u>

INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

14. Issued capital

The issued capital is stated at nominal value as per court registration. At 30 September 2005 the authorized issued capital comprises 21 003 235 ordinary shares with a par value of BGN 1.

15(a) (b) Interest-bearing loans and borrowings

<i>In thousand of BGN</i>	30.09.2005	31.12.2004
Non-current liabilities		
<i>Secured bank loans</i>		
Augusta Mebel AD	24	64
Leiarmash AD	421	496
ZMM Sliven PLC	1,016	283
Industrial Holding Bulgaria PLC	-	1,244
	<hr/>	<hr/>
	1,461	2,087
Debenture loan		
Industrial Holding Bulgaria PLC	<hr/>	<hr/>
	5230	5221
Current liabilities		
<i>Current portion of secured bank loans</i>		
<i>Secured bank loans</i>		
ZMM Sliven PLC	288	719
Augusta Mebel AD	175	173
Industrial Holding Bulgaria PLC	1,725	1,150
Leiarmash AD	100	100
Mashstroy PLC	952	665
Elprom ZEM PLC	75	75
Bulgarian Register of Shipping AD	-	108
	<hr/>	<hr/>
	3,315	2,990

INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

Bank loans are secured as follows:

Mashstroy PLC – bank loans are secured with mortgage of machines with total amount of BGN 883 thousand and mortgage of land and buildings of workshop Oreshaka at the amount of BGN 880 thousand, and mortgage of machines at the amount of 324 BGN thousand;

ZMM Sliven PLC – bank loans are secured with mortgage of machines at the amount of BGN 2 954 thousand, and finished goods at the amount of BGN 171 thousand;

Augusta Mebel AD – mortgage of machines at the amount of BGN 200 thousand;

Leirmash AD – mortgage of property, plant and equipment at the amount of BGN 735 thousand

Industrial Holding Bulgaria – bank loan is secured with mortgage of the whole company Dockyard Port - Bourgas AD

Other long term liabilities at the amount of BGN 137 thousand represent long term liabilities to the State Reserve and war time reserve and are due during the years 2005 and 2006 from the subsidiary Elprom ZEM PLC.

Deferred tax liabilities – deferred tax liabilities are formed as a result of:

- Revaluation reserve formed as a result of the revaluation of property, plant and equipment
- Provision for retirement compensations
- Provision for trade and other receivables

16. Other payables

<i>In thousand of BGN</i>	30.09.2005	31.12.2004
Dividends payables	-	1,346
Trade payables	9,482	5,508
Payables to employees	1,153	645
Social security due	677	291
Payables to the budget	1,915	1,075
Advance payments received	23,132	331
Other	1,238	1,658
	<u>37,597</u>	<u>10,854</u>

The unpaid part of the dividends distributed from the profit for the year 1997 at the amount of BGN 1 323 thousand as at 01.03.2005 is written off and transferred to the company's reserves due to expiration of the term of payment and with a decision of the Management Board. The liabilities as at 30.09.2005 have been increased to the amount of BGN 22109 thousand because of received advance payments from Bulyard Shipbuilding Industry AD for the construction of ships marked with the following numbers 513, 515, 516, 287 и 457.

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Notes to the Consolidated Interim Financial Statements

17. Provision

<i>In thousand of BGN</i>	Warranties	Retirement compensations and law suites, other	Total
Balance at 1 January 2005	173	1,378	1,551
Bulyard Shipbuilding Industry AD	85	154	154
Provision accrued during the year	81	6	6
Reintegrated provision	(64)	(49)	(97)
Balance at 30 September 2005	<u>275</u>	<u>1,489</u>	<u>1,764</u>

Warranties

The provisions for warranties are related mainly to engines sold by Elprom ZEM PLC and ship repairs services performed by Dockyard Port Bourgas AD and Bulyard Shipbuilding Industry AD. The calculations of the provision are based on estimations underlined by historical warranty data associated with similar products and services.

Lawsuits provisions

The Group has accounted a provision at the amount of BGN 856 thousand during the years 2003 and 2004 for liabilities for loan repayments (the principals and interests), in accordance with the Settlement of Non – Performing Loans Act (ZUNK) of its subsidiary Machstroy PLC. The estimated expenses for provisions for lawsuits against Elprom ZEM PLC are at the amount of BGN 150 thousand and are based on detailed information for lawsuits against the Company.

Retirement compensation

The Group has made an estimate valuation of the retirement compensation in accordance with the Labor Code and the Collective Labor Contract. The estimate value of the retirement compensation towards 30.09.2005 is to the amount of BGN 483 thousand and that amount is included in part 17 long - term payables.

INDUSTRIAL HOLDING BULGARIA

Notes to the Consolidated Interim Financial Statements

18. Group Companies

Under the Group's control

Significant subsidiaries

	Note	Country of incorporation	Ownership interest	
			2005	2004
Privatengineering AD		Bulgaria	100,00	100,00
Augusta Mebel AD		Bulgaria	97,86	97,86
Hydropower Bulgaria AD		Bulgaria	67,00	67,00
ZMM Bulgaria Holding AD		Bulgaria	99,998	95,528
ZMM Sliven PLC		Bulgaria	92,89	80,64
ZMM Nova Zagora PLC		Bulgaria	91,10	87,06
Leyarmash AD		Bulgaria	100,00	66,00
Mashstroy PLC		Bulgaria	80,81	78,78
Elprom ZEM PLC		Bulgaria	82,19	82,19
Dockyard Port Bourgas AD		Bulgaria	91,70	91,44
Bulgarian River Navigation AD		Bulgaria	100,00	-
KLVK AD		Bulgaria	100,00	100,00
International Industrial Holding Bulgaria AG		Switzerland	100,00	100,00
Sano Maritime Holding AD		Bulgaria	61,00	90,00
Bulgarian Register of Shipping AD		Bulgaria	61,00	90,00
Bulyard AD		Bulgaria	51,50	25,00
Bulyard Shipbuilding Industry AD		Bulgaria	38,63	18,75

19. Events that occurred after the balance sheet date

In the beginning of October 2005 Industrial Holding Bulgaria refunded entirely its liabilities to Bank DSK on the occasion of granted loan for USD 2 million and balance at 30.09.2005 BGN 1 725 thousand. The subsidiary KLVK AD refunded completely the loan received from Industrial Holding Bulgaria PLC with balance as at 30.09.2005 of BGN 1 328 thousand.