

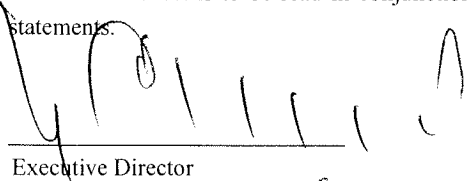
## Balance sheet

For the year ended 31 December 2007

In BGN thousands

	Note	31 December 2007	31 December 2006
<b>Assets</b>			
Property, plant and equipment	13	10,686	411
Intangible assets	14	7,050	4,540
Prepayments and deferred expenses	18	73	
Deferred tax assets	15	113	
<b>Total non-current assets</b>		<u>17,922</u>	<u>4,951</u>
Inventories	16	2,355	85
Trade and other receivables	17	3,050	314
Prepayments and deferred expenses	18	833	53
Cash and cash equivalents	19	1,179	1,035
<b>Total current assets</b>		<u>7,417</u>	<u>1,487</u>
<b>Total assets</b>		<u>25,339</u>	<u>6,438</u>
<b>Equity</b>			
Issued capital	20	8,804	8,804
Additional capital		-	-
Reserves	20	41	41
Retained earnings	20	(12,196)	(3,025)
<b>Total equity</b>		<u>(3,351)</u>	<u>5,820</u>
<b>Liabilities</b>			
Loans and borrowings	22	19,877	58
Retirement benefits		-	-
Provisions		-	-
<b>Total non-current liabilities</b>		<u>19,877</u>	<u>58</u>
Loans and borrowings	22	3,172	101
Trade and other payables	21	5,641	459
Income tax		-	-
<b>Total current liabilities</b>		<u>8,813</u>	<u>560</u>
<b>Total liabilities</b>		<u>28,690</u>	<u>618</u>
<b>Total equity and liabilities</b>		<u>25,339</u>	<u>6,438</u>

The Balance sheet is to be read in conjunction with the notes set on pages 12 to 22 and forming part of the financial statements.

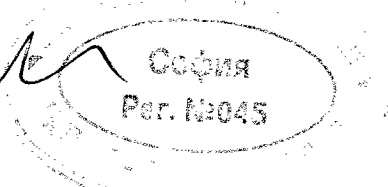

  
Executive Director

...  
Manager

KPMG Bulgaria OOD  
37, Frditiyf Nansen Street  
Sofia 1142


  
Chief Accountant

...  
Registered Auditor



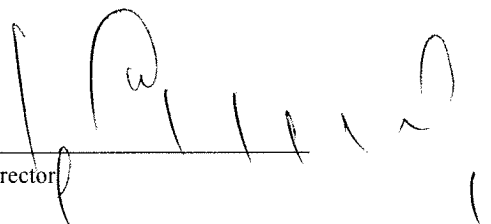
Income statement

For the year ended 31 December 2007

<i>In thousands of BGN</i>	Note	2007	2006
<b>Revenue</b>	6	<u>220</u>	<u>129</u>
Cost of sales		(398)	-
Materials and consumables	7	(372)	(96)
Services	8	(3,224)	(893)
Expenses for Staff	9	(3,002)	(1,008)
Depreciations	10	(1,668)	(560)
Other expenses		<u>(277)</u>	<u>(319)</u>
<b>Results from operating activities</b>		<u>(8,721)</u>	<u>(2,747)</u>
<b>Net finance expense</b>	11	<u>(563)</u>	<u>(15)</u>
<b>Loss before income tax</b>		<u>(9,284)</u>	<u>(2,762)</u>
Income tax expense	15	<u>113</u>	
<b>Loss for the year</b>		<u><u>(9,171)</u></u>	<u><u>(2,762)</u></u>

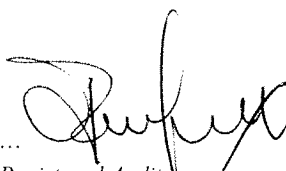
The Income statement is to be read in conjunction with the notes set on pages 12 to 22 and forming part of the financial statements.

The financial statements were approved by the Executive Director of Max Telecom OOD on 30 March 2008.

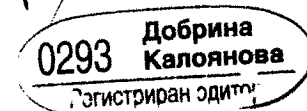
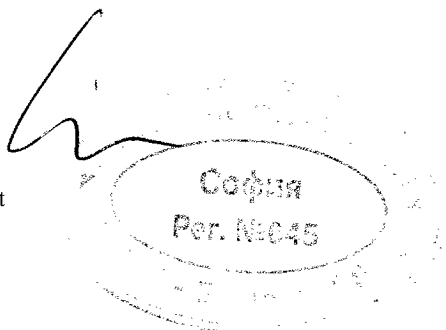
  
\_\_\_\_\_  
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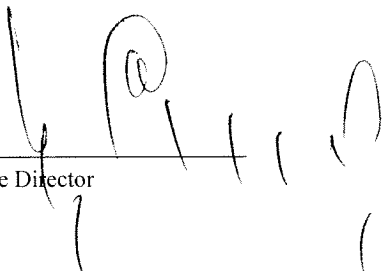



Statement of changes in equity

For the year ended 31 December 2007


<i>In BGN thousands</i>	Note	Registered capital	Additional capital	General reserves	Retained earnings	Total
Balance at 1 January 2006	20	5	-	41	(263)	(217)
Net <del>Loss</del> for the year		-	-	-	(2,762)	(2,762)
Shares issued	20	2,932	-	-	-	2,932
Transformation debt to equity	20	5,867	-	-	-	5,867
Balance at 31 December 2006		8,804	-	41	(3,025)	5,820
Balance at 1 January 2007		8,804	-	41	(3,025)	5,820
Net <del>Loss</del> for the year		-	-	-	(9,171)	(9,171)
Balance at 31 December 2007		8,804	-	41	(12,196)	(3,351)

The Statement of changes in equity is to be read in conjunction with the notes set on pages 12 to 22 and forming part of the financial statements.

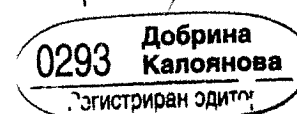
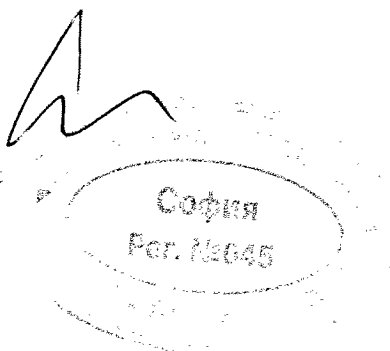
  
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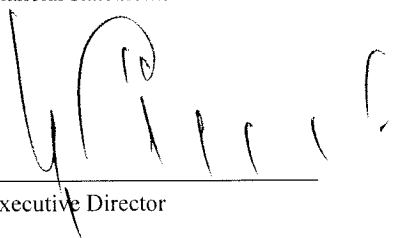
## Statement of cash flows

For the year ended 31 December 2007

In BGN thousands

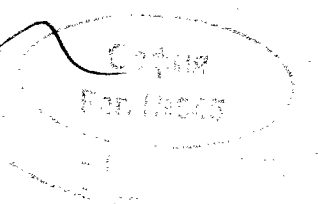
	Note	2007	2006
<b>Operating activities</b>			
Cash receipts from customers		184	171
Cash paid to suppliers		(7,707)	(1,370)
Cash paid to employees		(2,517)	(752)
Other cash flows from operating activities		(18)	(138)
Cash generated from operations		(10,058)	(2,089)
Income tax paid			(41)
<b>Cash flows from operating activities</b>		<u>(10,058)</u>	<u>(2,130)</u>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		(12,952)	(401)
<b>Cash flows from investing activities</b>		<u>(12,952)</u>	<u>(401)</u>
<b>Financing activities</b>			
Proceeds from the issue of share capital			2,932
Proceeds from additional share contributions		1,358	
Proceeds from loans		22,321	195
Interest paid		(698)	
<b>Cash flows from financing activities</b>		<u>22,981</u>	<u>3,127</u>
Net increase/(decrease) in cash and cash equivalents		(29)	596
Cash and cash equivalents at 1 January	19	1,035	440
Effect of exchange rate fluctuations on cash held and cash equivalents		173	(1)
<b>Cash and cash equivalents at 31 December</b>	19	<u>1,179</u>	<u>1,035</u>

The Statement of cash flows is to be read in conjunction with the notes set on pages 12 to 22 and forming part of the financial statements.

  
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