

Chimimport AD
Interim consolidated financial statements
30 June 2007



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Interim consolidated balance sheet

	Note	30.6.2007 BGN'000s	31.12.2006 BGN'000s
Assets			
Non-current			
Property, plant and equipment	4	245 495	201 454
Investment property		11 092	10 545
Goodwill		11 462	11 403
Intangible assets		6 613	6 910
Equity accounted investments in associates		24 875	26 445
Long-term financial assets		648 553	479 185
Long-term receivables from related parties		94	94
Deferred tax assets		708	412
		948 892	736 448
Current			
Inventories		40 923	27 061
Short-term financial assets		297 173	358 971
Receivables from related parties		40 856	6 210
Trade receivables		63 098	74 032
Other receivables		78 561	62 210
Cash and cash equivalents		387 275	366 548
		907 886	895 032
Total assets		1 856 778	1 631 470

Prepared by: 

Date: 29.08.2007 r.

Executive director: 

Interim consolidated balance sheet

	Note	30.6.2007 BGN'000s	31.12.2006 BGN'000s
Equity			
Equity attributable to shareholders of Chimimport AD			
Share capital		130 000	130 000
Share premium		2 822	3 199
Other reserves		32 925	32 925
Retained earnings		124 788	70 617
Net profit for the period		60 361	53 330
		350 896	290 071
Minority interest		74 127	61 033
Total equity		425 023	351 104
Specialized reserves		48 107	38 122
Liabilities			
Non-current			
Payables to secured parties		53 040	40 061
Long-term financial liabilities		427 427	337 667
		27 255	7 760
Long-term payables to related parties			
Other non - current liabilities		15 641	1 024
Deferred tax liabilities		1 824	1 349
		525 187	387 861
Current			
Short-term financial liabilities		730 359	771 569
Payables to related parties		12 440	1 037
Trade and other liabilities		115 662	81 777
		858 461	854 383
Total liabilities		1 383 648	1 242 244
Total equity and liabilities		1 856 778	1 631 470

Prepared by: _____

Date: 29.08.2007 r.

Executive
director: _____

Interim consolidated income statement

	Note	30.6.2007 BGN'000s	30.6.2006 BGN'000s
Income from non-financial activities		147 932	67 563
Expenses on non-financial activities		(127 043)	(60 504)
Net result from non-financial activities		20 889	7 059
Insurance income		86 026	54 985
Insurance expenses		(82 288)	(49 359)
Net insurance result		3 738	5 626
Interest income		40 363	28 387
Interest expense		(19 205)	(13 827)
Net interest income		21 158	14 560
Gains from transactions with financial instruments		86 858	6 851
Losses from transactions with financial instruments		(25 365)	(5 270)
Net result from transactions with financial instruments		61 493	1 581
Administrative costs		(49 292)	(30 685)
Income from subsidiaries		1 899	-
Result from equity accounted associates		(275)	43
Other financial income, net		12 229	9 854
Allocation to secured individuals		(3 942)	(953)
Result for the period before tax		67 897	7 085
Tax expense, net		(3 008)	(2 072)
Net result for the period		64 889	5 013
Attributable to minority interest		4 528	2 050
Attributable to shareholders of Chimimport AD		60 361	2 963

	30.06.2007 BGN	30.06.2006 BGN
Earnings per share	0.46	0.03

Prepared by: 

Date: 29.08.2007 r.

Executive director: 

Interim consolidated statement of cash flows

	30.06.07 BGN'000s	30.06.06 BGN'000s
Cash flows from operating activities		
Proceeds from short-term loans	135 719	91 115
Payments for short-term loans	(133 337)	(80 739)
Purchase of short-term financial assets	18 758	7 696
Proceeds from sale of short-term financial assets	(22 210)	(29 015)
Cash receipts from customers	161 793	60 378
Cash paid to suppliers	(107 692)	(69 957)
Cash receipts from secured persons	11 147	5 404
Cash paid to secured persons	(1 212)	(703)
Cash paid to employees and social security institutions	(13 257)	(4 403)
Net cash outflow related to foreign exchange gains and losses	146	324
Cash receipts from banking operations	147 992	115 916
Cash paid for banking operations	(136 035)	(118 847)
Cash receipts from insurance operations	34 295	23 321
Cash paid for insurance operations	(35 032)	(18 378)
Taxes paid	(4 472)	(1 114)
Other proceeds for operating activities	478	333
Other payments for operating activities	(50)	(316)
Net cash used in operating activities	57 031	(18 985)
Cash flows from investing activities		
Proceeds from business combinations	863	-
Payments for business combinations	(255)	-
Sale of property, plant and equipment	41 205	214
Purchase of property, plant and equipment	(40 230)	(4 639)
Purchase of investments in subsidiaries and associates	(31 950)	(12 569)
Sale of investment property	568	-
Purchase of investment property	(2 351)	-
Interest income	74	15
Net cash used in investing activities	(32 076)	(16 979)
Cash flows from financing activities		
Proceeds from issuing of shares	-	2 082
Proceeds from loans received or repaid	-	9 827
Payments for loans repaid or granted	(2 499)	(6 656)
Interest paid	(596)	(889)
Discharge of finance lease liabilities	(1 133)	-
Net cash flows from financing activities	(4 228)	4 364
Net increase/(decrease) of cash and cash equivalents	20 727	(31 600)
Cash and cash equivalents at the beginning of the period	366 548	259 270
Cash and cash equivalents at the end of the period	387 275	227 670

Prepared by: _____
Date: 29.08.2007 r.

Executive director: _____

Interim consolidated statement of changes in equity

All amounts presented in BGN'000s	Share Capital	Unpaid capital	Premium reserve	Additional paid-in capital	Other reserves	Retained earnings	Minority Interest	Total Equity
Balance as at 1 January 2006	60 000	(2 082)	-	58 916	8 699	69 928	40 540	236 001
Installments for increase in share capital	58 916	2 082	-	(58 916)	-	-	-	2 082
Net result for the period	-	-	-	-	-	2 963	2 050	5 013
Donations granted	-	-	-	-	(133)	-	-	(133)
Other changes in equity	-	-	-	-	(1 570)	1 288	1 593	1 311
Balance as at 30 June 2006	118 916	-	-	-	6 996	74 179	44 183	244 274
Balance 01 January 2007	130 000	-	32 925	-	3 199	123 947	61 033	351 104
Net result for the period	-	-	-	-	-	60 361	4 528	64 889
Business combinations	-	-	-	-	-	-	9 050	9 050
Other changes in equity	-	-	-	-	(377)	841	(484)	(20)
Balance as at 30 June 2007	130 000	-	32 925	-	2 822	185 149	74 127	425 023

Prepared by: _____

Date: 29.08.2007 r.

Executive director: _____

Selected explanatory notes to interim financial statements

1 General information

CHIMIMPORT AD was registered as a joint-stock company at Sofia city court on 24 January 1990.

The Company is engaged in the following business activities:

- Import, export, re-export and other commercial transactions with oil and other chemical products;
- Commission, forwarding and warehousing transactions;
- Commercial agency and brokerage;
- Sale of manufactured goods;
- Acquisition, management and trade of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Tourist services.

The address of the Company's registered office is 2, St. Karadja Str., Sofia, Bulgaria.

The financial statements for the period ended 30 June 2007 were approved by the Managing Board on 29 August 2007.

2 Basis for preparation of the interim financial statements

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Company as at 31 December 2006.

Interim financial statements are presented in BGN, which is also the functional currency of the Company.

The main accounting policies of the Company have remained unchanged from those set out in the annual financial statements of the Company as at 31 December 2006.

3 Segment reporting

For the reporting on segments the divisions of the Group are as follows:

- Production
- Trade
- Transport
- Insurance
- Banking
- Finance
- Pension funds

All inter-segment transfers are priced and carried out at market price and condition basis

Business segments 30.6.2007	Production		Trade		Transport		Insurance		Banking		Finance		Pension Fund		Consolidation		Group	
	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s
Income from non-financial activities	53 016	13 646	78 775	-	-	-	-	6 060	3 296	45	-	-	6 225	147 932	(127 043)	20 889		
Expenses on non-financial activities	(48 654)	(12 912)	(71 702)	-	-	-	-	6 060	3 296	45	-	-	(681)	(127 043)	20 889			
Net result from non-financial activities	4 362	734	7 073	-	-	-	-	6 060	3 296	45	-	-	(681)	20 889	20 889			
Insurance income	-	-	-	87 440	-	-	-	-	-	-	-	-	(1 414)	86 026	(82 288)			
Insurance expenses	-	(5)	(26)	(82 387)	-	-	-	-	-	-	-	-	130	(82 288)				
Net insurance result	-	(5)	(26)	5 053	-	-	-	-	-	-	-	-	(1 284)	3 738	3 738			
Interest income	20	24	4	30	41 528	9	123	41 528	9	123	123	123	(1 375)	40 363	(19 205)			
Interest expense	(1 091)	(1 230)	(1 234)	(73)	(15 915)	(934)	-	(15 915)	(934)	-	-	-	1 272	(19 205)				
Net interest income	(1 071)	(1 206)	(1 230)	(43)	25 613	(925)	123	25 613	(925)	123	123	123	(103)	21 158	21 158			
Gains from transactions with financial instruments	2	12 132	33	14 429	10 712	49 168	19 377	10 712	49 168	19 377	19 377	19 377	(18 995)	86 858	(25 365)			
Losses from transactions with financial instruments	(10)	-	-	(4 673)	(4 511)	(6 588)	(16 160)	(4 511)	(6 588)	(16 160)	(16 160)	(16 160)	6 577	(25 365)				
Net result from transactions with financial instruments	(8)	12 132	33	9 756	6 201	42 580	3 217	6 201	42 580	3 217	3 217	(12 418)	61 493	61 493				
Administrative costs	-	-	-	(7 363)	(39 747)	(3 897)	(699)	(39 747)	(3 897)	(699)	(699)	(699)	2 414	(49 292)				
Income from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	1 899	1 899				
Result from equity accounted associates	32	(168)	(768)	(37)	12 338	197	917	12 338	197	917	917	(282)	12 229					
Other financial income, net	-	-	-	-	-	-	-	-	-	-	-	(275)	(275)					
Allocation to secured individuals	-	-	-	-	-	-	(3 942)	-	-	(3 942)	(3 942)	-	(3 942)					
Result for the period before tax	3 315	11 487	5 082	7 366	10 465	41 251	(339)	10 465	41 251	(339)	(339)	(10 730)	67 897	67 897				
Tax expense, net	(725)	(45)	(451)	(737)	(1 047)	(3)	-	(1 047)	(3)	-	-	-	(3 008)					
Net result for the period	2 590	11 442	4 631	6 629	9 418	41 248	(339)	9 418	41 248	(339)	(339)	(10 730)	64 889	64 889				

Business segments	Production		Trade Transport		Insurance		Banking		Finance		Pension Consolidation Fund		Group
	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	
Segment assets	150 694	115 258	222 693	222 693	98 065	1 218 237	531 615	62 959	(542 743)	1 856 778			
Consolidated total assets	150 694	115 258	222 693	222 693	98 065	1 218 237	531 615	62 959	(542 743)	1 856 778			
Specialized reserves	-	-	-	-	47 263	-	-	844	-	-	48 107		
Segment liabilities	81 167	54 871	118 149	118 149	10 627	1 092 565	102 084	53 389	(129 204)	1 383 648			
Consolidated total liabilities	81 167	54 871	118 149	118 149	10 627	1 092 565	102 084	53 389	(129 204)	1 383 648			

Business segments	Production		Trade		Transport		Insurance		Banking		Finance		Pension Consolidation		Group
	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	
Income from non-financial activities	21 701	12 151	30 364	-	-	1 643	4 602	-	-	-	-	-	-	67 563	
Expenses on non-financial activities	(19 208)	(11 049)	(32 863)	-	-	-	-	-	-	-	-	-	-	(2 616)	
Net result from non-financial activities	2 493	1 102	(2 499)	-	-	1 643	4 602	-	-	-	-	-	-	(282)	7 059
Insurance income	-	-	-	56 070	-	-	-	-	-	-	-	-	-	(1 085)	54 985
Insurance expenses	-	(5)	-	(49 461)	-	-	-	-	-	-	-	-	-	107	(49 359)
Net insurance result	-	(5)	-	6 609	-	-	-	-	-	-	-	-	-	(978)	5 626
Interest income	65	-	1	134	187	28 358	187	113	113	113	113	113	113	(471)	28 387
Interest expense	(882)	(177)	(656)	(25)	(484)	(12 074)	(484)	-	-	-	-	-	-	471	(13 827)
Net interest income	(817)	(177)	(655)	109	(297)	16 284	(297)	113	113	113	113	113	113	-	14 560
Gains from transactions with financial instruments	75	-	7	6 639	72	2 157	72	4 917	4 917	4 917	4 917	4 917	4 917	(7 016)	6 851
Losses from transactions with financial instruments	(16)	-	-	(525)	(5)	(1 281)	(5)	(3 443)	(3 443)	(3 443)	(3 443)	(3 443)	(3 443)	-	(5 270)
Net result from transactions with financial instruments	59	-	7	6 114	67	876	67	1 474	1 474	1 474	1 474	1 474	1 474	(7 016)	1 581
Net result from transactions with financial instruments	-	-	-	(5 619)	(2 148)	(25 518)	(2 148)	(394)	(394)	(394)	(394)	(394)	(394)	2 994	(30 685)
Administrative costs	-	-	-	-	-	-	-	-	-	-	-	-	-	43	43
Result from equity accounted associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial income, net	(211)	(60)	106	(41)	(50)	9 664	(50)	503	503	503	503	503	503	(57)	9 854
Allocation to secured individuals	-	-	-	-	-	-	-	(953)	(953)	(953)	(953)	(953)	(953)	-	(953)
Result for the period before tax	1 524	860	(3 041)	7 172	2 174	2 949	2 174	743	743	743	743	743	743	(5 296)	7 085
Tax expense, net	(439)	(84)	(31)	(1 075)	(1)	(442)	(1)	-	-	-	-	-	-	-	(2 072)
Net result for the period	1 085	776	(3 072)	6 097	2 173	2 507	2 173	743	743	743	743	743	743	(5 296)	5 013

Business segments 30.12.2006	Production		Trade Transport		Insurance		Banking		Finance		Pension Consolidation Fund		Group	
	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s
Segment assets	135 740	92 891	147 484	80 127	1 131 987	439 570	49 856	(446 185)	1 631 470					
Consolidated total assets	135 740	92 891	147 484	80 127	1 131 987	439 570	49 856	(446 185)	1 631 470					
Specialized reserves	-	-	-	37 787	-	-	335	-	-	-	-	-	-	38 122
Segment liabilities	74 094	47 636	48 053	8 862	1 015 347	82 065	40 157	(73 970)	1 242 244					
Consolidated total liabilities	74 094	47 636	48 053	8 862	1 015 347	82 065	40 157	(73 970)	1 242 244					

4 Property, plant and equipment

	'000 AB.	'000 AB.	'000 AB.	'000 AB.	'000 AB.	'000 AB.	'000 AB.	'000 AB.	'000 AB.
	Land	Buildings	Machines	Technical equipment	Vehicles	Other	Assets in process of acquisition	Total	
At 1 January 2006									
Cost	23 580	47 130	31 498	37 374	13 257	20 393	9 922	183 154	
Accumulated depreciation	-	(10 026)	(14 147)	(10 535)	(5 639)	(19 696)	229	(59 814)	
Net book amount	23 580	37 104	17 351	26 839	7 618	697	10 151	123 340	
Opening net book amount	23 580	37 104	17 351	26 839	7 618	697	10 151	123 340	
Business combinations - cost	190	1 650	401	182	52 784	275	2 363	57 845	
Business combinations - depreciation	-	(265)	(310)	(58)	(11 301)	(200)	-	(12 134)	
Additions	6 238	11 030	8 406	15 076	2 665	2 778	34 726	80 919	
Disposals - cost	(1 340)	(966)	(2 505)	(229)	(3 759)	(43)	(30 010)	(38 852)	
Disposals - depreciation	-	23	2 021	220	1 587	21	-	3 872	
Depreciation charge	-	(1 551)	(5 120)	(4 369)	(2 340)	(156)	-	(13 536)	
Closing net book amount	28 668	47 025	20 244	37 661	47 254	3 372	17 230	201 454	
As at 31 December 2006									
Cost	28 668	58 844	37 800	52 403	64 947	23 403	17 001	283 066	
Accumulated depreciation	-	(11 819)	(17 556)	(14 742)	(17 693)	(20 031)	229	(81 612)	
Net book amount	28 668	47 025	20 244	37 661	47 254	3 372	17 230	201 454	

5 Share capital

On 15 February 2006 the General Meeting of the Shareholders took the decision to increase the share capital from BGN 60 000 000 to BGN 118 916 086 and to start the procedure for transforming the company into a public company. The increase of the share capital came in force with court decision No 24 dated 10 April 2006, issued by Sofia City Court. At the General Meeting of the Shareholders on 31 March 2006 a decision to increase the share capital from BGN 118 916 086 to BGN 130 000 000 was taken. Therefore, 11 083 914 new ordinary dematerialized shares have been issued, each with par value of BGN 1 and issue price of BGN 4. The increase of the share capital has been performed by public offering of the shares. The Prospectus for the public offering has been approved by the Financial Supervision Commission with decision № 618-E dated 9 August 2006. The increase of the share capital came in force with court decision № 25 dated 29 September 2006, issued by Sofia City Court.

6 Earnings per share

The basic earnings per share is determined by dividing the net profit for the period attributable to the equity holders of Chimimport AD by the weighted average number of ordinary shares.

The weighted average number of shares used for the calculation of the basic earnings per share as well as net profit, attributable to shareholders is as follows:

	30.6.2007 BGN	30.6.2006 BGN
Profit attributable to shareholders of Chimimport AD	60 361 000	2 963 000
Weighted average number of ordinary shares in issue	130 000 000	86 512 200
Basic earning per share (BGN per share)	0,4643	0,0342

7 Post balance sheet events

Whit a Court Decision № 5743 dated 04 July 2007 of Varna District Court, BM Port AD was renamed to "Pristanishte Lesport" AD, was made change of address of registered office and removed the old Board of Directors and nominated new one and was accepted new Articles of Association.

On 16 of August 2007, The Group is entered into an Articles of Partnership with Lufthansa Techniques for establishment of Joint Venture for "D check".

Whit a Decision 1153 - E dated 22 August 2007 of Financial Supervision Commission has confirmed Prospectus for public offering for increase of the share capital of Chimimport AD whit 20 000 000 new ordinary dematerialized shares, each with par value of BGN 1 and issue price of BGN 11.