

Chimimport AD
Interim financial statements
30 June 2007

Grant Thornton 



Contents

| | Page |
|--|------|
| Interim balance sheet | 2 |
| Interim income statement | 4 |
| Interim cash flow statement | 5 |
| Interim statement of changes in equity | 6 |
| Selected explanatory notes to the interim financial statements | 7 |

Interim balance sheet

| | Notes | 31 June 2007 '000 BGN | 31 December 2006 '000 BGN |
|----------------------------------|---|-----------------------------|---------------------------------|
| Assets | | | |
| Non-current | | | |
| Property, plant and equipment | Error! Reference source not found. | 19 101 | 20 074 |
| Intangible assets | | 371 | 495 |
| Investment property | | 1 214 | 1 253 |
| Investments in subsidiaries | | 185 909 | 151 995 |
| Investments in associates | | 18 052 | 27 935 |
| Long-term financial assets | | 17 699 | 30 072 |
| Long-term receivables | | 12 674 | 11 691 |
| | | 255 020 | 243 515 |
| Current | | | |
| Inventories | | 296 | 302 |
| Receivables from related parties | | 63 472 | 17 492 |
| Short-term financial assets | | 2 517 | 1 864 |
| Loans granted | | 5 107 | 11 348 |
| Trade receivables | | 2 824 | 4 315 |
| Court receivables | | 145 | 145 |
| Other receivables | | 15 959 | 8 282 |
| Cash and cash equivalents | | 30 455 | 26 392 |
| | | 120 775 | 70 140 |
| Total assets | | 375 795 | 313 655 |

Prepared by: _____

Data: 26 July 2007 r.



Executive
director: _____

The notes on pages 7 to 10 are an integral part of the financial statements

Interim balance sheet

| | Notes | 31 June 2007 '000 BGN | 31 December 2006 '000 BGN |
|---|---|-----------------------------|---------------------------------|
| Equity | | | |
| Share capital | Error! Reference source not found. | 130 000 | 130 000 |
| Premium reserve | | 32 925 | 32 925 |
| Other reserves | | 7 119 | 7 125 |
| Retained earnings | | 65 945 | 36 709 |
| Net profit for the period | | 41 307 | 29 236 |
| Total equity | | 277 296 | 235 995 |
| Liabilities | | | |
| Non-current | | | |
| Long-term bank loans | | 1 788 | 1 723 |
| Long-term trade payables | | 8 242 | 8 502 |
| Long-term payables to related parties | | 27 235 | 7 760 |
| Other long-term payables | | 539 | 539 |
| | | 37 804 | 18 524 |
| Current | | | |
| Short-term payables to related parties | | 35 548 | 21 860 |
| Short-term bank loans | | 9 137 | 10 339 |
| Trade payables | | 5 579 | 7 773 |
| Tax payables | | 6 | 1 895 |
| Payables to employees and social security institutions | | 554 | 524 |
| Other payables | | 9 871 | 16 745 |
| | | 60 695 | 59 136 |
| Total liabilities | | 98 499 | 77 660 |
| Total equity and liabilities | | 375 795 | 313 655 |

Prepared by: _____

Data: 26 July 2007 r.



Executive
director: _____

The notes on pages 7 to 10 are an integral part of the financial statements

Interim Income Statement

| | Notes | 30 June 2007 '000 BGN | 30 June 2006 '000 BGN |
|--|-------|-----------------------------|-----------------------------|
| Gains from transactions with financial instruments | | 49 168 | 71 |
| Losses from transactions with financial instruments | | (6 588) | (5) |
| Net result from transactions with financial instruments | | 42 580 | 66 |
| Interest income | | 7 | 187 |
| Interest expenses | | (933) | (484) |
| Interest expenses, net | | (926) | (297) |
| Gains from foreign exchange differences | | 279 | - |
| Losses from foreign exchange differences | | (5) | (4) |
| Net result from foreign exchange differences | | 274 | (4) |
| Other financial income/(expenses), net | | (75) | (46) |
| Operating income | | 2 982 | 4 369 |
| Operating expenses | | (3 528) | (1 747) |
| Operating result | | (546) | 2 622 |
| Result for the period before tax | | 41 307 | 2 341 |
| Tax expenses, net | | - | (341) |
| Net result for the period | | 41 307 | 2 000 |

| | 30 June 2007 BGN | 30 June 2006 BGN |
|---------------------------|------------------------|------------------------|
| Earnings per share | 0.32 | 0.02 |

Prepared by: _____

Data: 26 July 2007 г.



Error!
Reference
source not
found.

Executive
director: _____

Interim cash flow statement

| Notes | 30 June 2007 '000 BGN | 30 June 2006 '000 BGN |
|---|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Proceeds from short-term loans | 70 052 | 49 207 |
| Payments for short-term loans | (47 785) | (28 973) |
| Purchase of short-term financial assets | 1 161 | 4 617 |
| Proceeds from sale of short-term financial assets | (1 112) | (5 391) |
| Cash receipts from customers | 6 882 | 2 316 |
| Cash paid to suppliers | (2 950) | (1 204) |
| Gains/(losses) from foreign exchange differences | 6 | (4) |
| Interest income | 7 | - |
| Cash paid to employees and social security institutions | (278) | (94) |
| Taxes paid | (1 926) | (145) |
| Other payments for operating activities | (50) | (57) |
| Other proceeds from operating activities | 48 | 63 |
| Net cash used in operating activities | 24 055 | 20 335 |
| Investing activities | | |
| Purchase of non-current assets | (25 016) | (172) |
| Proceeds from sale of non-current assets | 41 195 | 214 |
| Purchase of investments in subsidiaries and associates | (31 950) | (12 569) |
| Net cash used in investing activities | (15 771) | (12 527) |
| Financing activities | | |
| Payments for bank loans received | (2 499) | (6 656) |
| Discharge of finance lease liabilities | (1 133) | - |
| Interest paid | (589) | (185) |
| Other payments for financing activities | - | (184) |
| Other proceeds from financing activities | - | 182 |
| Net cash used in financing activities | (4 221) | (6 843) |
| Cash and cash equivalents at beginning of period | 26 392 | 3 607 |
| Net increase in cash and cash equivalents | 4 063 | 965 |
| Cash and cash equivalents at end of period | 30 455 | 4 572 |

Prepared by: _____

Data: 26 July 2007 r.



Executive director: _____

The notes on pages 7 to 10 are an integral part of the financial statements

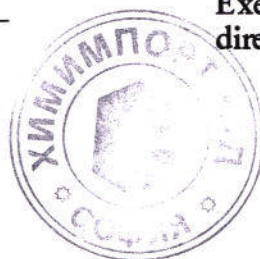
Interim statement of changes in equity

| All amounts presented in BGN'000s | Share capital | Unpaid capital | Additional paid-in capital | Other reserves | Retained earnings | Total equity |
|--|----------------|----------------|----------------------------|----------------|-------------------|----------------|
| Balance as at 1 January 2006 | 60 000 | (2 082) | 58 916 | 7 596 | 36 708 | 161 138 |
| Installments for increase in share capital | 58 916 | 2 082 | (58 916) | - | - | 2 082 |
| Net result for the period | - | - | - | - | 2 000 | 2 000 |
| Donations granted | - | - | - | (133) | - | (133) |
| Other changes in equity | - | - | - | (1) | 1 | - |
| Balance as at 30 June 2006 | 118 916 | - | - | 7 462 | 38 709 | 165 087 |

| All amounts presented in BGN'000s | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
|-----------------------------------|----------------|---------------|----------------|-------------------|----------------|
| Balance 01 January 2007 | 130 000 | 32 925 | 7 125 | 65 945 | 235 995 |
| Net result for the period | - | - | - | 41 307 | 41 307 |
| Other changes in equity | - | - | (6) | - | (6) |
| Balance as at 30 June 2007 | 130 000 | 32 925 | 7 119 | 107 252 | 277 296 |

Prepared by: _____

Data: 26 July 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 26 July 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 Property, plant and equipment

| | Land | Buildings | Machinery | Aircraft | Vehicles | Other fixed assets | Assets in process of acquisition | Total |
|------------------------------------|------------|------------|-----------|---------------|----------|--------------------|----------------------------------|---------------|
| | BGN'000s | BGN'000s | BGN'000s | BGN'000s | BGN'000s | BGN'000s | BGN'000s | BGN'000s |
| At 1 January 2006 | 200 | 654 | 1 030 | 13 255 | 193 | 606 | 100 | 16 038 |
| Cost | - | (100) | (962) | (1 326) | (192) | (433) | - | (3 013) |
| Accumulated depreciation | 200 | 554 | 68 | 11 929 | 1 | 173 | 100 | 13 025 |
| Net book amount | | | | | | | | |
| Year ended 31 December 2006 | | | | | | | | |
| Opening net book amount | 200 | 554 | 68 | 11 929 | 1 | 173 | 100 | 13 025 |
| Additions | 401 | - | 28 | 8 787 | - | 1 | 11 392 | 20 609 |
| Disposals | (200) | - | (11) | - | (14) | - | (11 492) | (11 717) |
| Decrease in depreciation | - | - | 11 | - | 15 | - | - | 26 |
| Depreciation charge | - | (26) | (51) | (1 765) | (2) | (25) | - | (1 869) |
| Closing net book amount | 401 | 528 | 45 | 18 951 | - | 149 | - | 20 074 |
| At 31 December 2006 | | | | | | | | |
| Cost or valuation | 401 | 654 | 1 047 | 22 042 | 179 | 607 | - | 24 930 |
| Accumulated depreciation | - | (126) | (1 002) | (3 091) | (179) | (458) | - | (4 856) |
| Net book amount | 401 | 528 | 45 | 18 951 | - | 149 | - | 20 074 |

| | | | | | | | | | |
|--------------------------------|------------|------------|-----------|---------------|----------|------------|------------|---------------|--|
| Year ended 30 June 2007 | | | | | | | | | |
| Opening net book amount | 401 | 528 | 45 | 18 951 | - | 149 | - | 20 074 | |
| Additions | | | 2 | | | | 161 | 163 | |
| Depreciation charge | | (15) | (7) | (1 102) | - | (12) | | (1 136) | |
| Closing net book amount | 401 | 513 | 40 | 17 849 | - | 137 | 161 | 19 101 | |
| At 30 June 2007 | | | | | | | | | |
| Cost or valuation | 401 | 654 | 1 049 | 22 042 | 179 | 607 | 161 | 25 093 | |
| Accumulated depreciation | - | (141) | (1 009) | (4 193) | (179) | (470) | - | (5 992) | |
| Net book amount | 401 | 513 | 40 | 17 849 | - | 137 | 161 | 19 101 | |

4 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.

5 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.

The weighted average number of outstanding shares used for basic earnings per share as well as profits attributable to shareholders is as follows

| | 30 June 2007 | 30 June 2006 |
|---|-----------------|-----------------|
| Net result for the period in BGN | 41 307 000 | 2 000 000 |
| Weighted average number of ordinary shares in issue | 130 000 000 | 86 512 239 |
| Basic earning per share (BGN per share) | 0,3177 | 0,0231 |