

Interim Activity Report
Interim Condensed Consolidated Financial
Statements

CHIMIMPORT AD

31 March 2017



Contents

	Page
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	8
Notes to the interim condensed consolidated financial statements	9

Interim condensed consolidated statement of financial position

	Notes	31.03.2017	31.12.2016	31.03.2016
		BGN'000	BGN'000	BGN'000
Assets				
Non-current assets				
Property, plant and equipment	7	445 080	450 202	468 185
Investment property		350 174	337 574	302 732
Investments accounted for using the equity method	5	31 679	30 475	27 824
Goodwill		33 042	33 042	33 317
Other intangible assets		169 503	172 032	189 944
Long-term financial assets	8	2 464 059	2 452 621	2 314 817
Long-term related party receivables	15	4 514	8 747	11 590
Other long-term receivables		1 890	1 890	4 094
Deferred tax assets		3 489	5 009	5 244
Non-current assets		3 503 430	3 491 592	3 357 747
Current assets				
Inventories		48 713	47 434	46 421
Short-term financial assets	9	2 404 064	2 423 363	2 428 787
Related party receivables	15	73 117	65 143	221 433
Trade receivables		85 910	90 204	110 544
Tax receivables		5 364	1 380	2 178
Other receivables		192 274	166 660	185 542
Receivables from insurance and reinsurance contracts		42 337	47 373	59 929
Reinsurance assets		72 387	76 829	80 986
Cash and cash equivalents		1 880 349	1 767 126	1 443 731
Current assets		4 804 515	4 685 512	4 579 551
Assets classified as held for sale		6 892	7 384	3 648
Total assets		8 314 837	8 184 488	7 940 946

Prepared by:


/A. Kerezov/



Executive director:


/I. Kamenov/

Date: 30 May 2017

The accompanying notes on pages from 9 to 25 form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position (continued)

	Notes	31.03.2017 BGN'000	31.12.2016 BGN'000	31.03.2016 BGN'000
Equity and liabilities				
Equity				
Share capital	10	227 053	226 914	224 562
Share premium		246 921	246 838	218 350
Other reserves		114 852	85 174	75 699
Retained earnings		758 454	731 056	757 373
Profit for the period		26 667	52 008	20 961
Equity attributed to the shareholders of parent company		1 373 947	1 341 990	1 296 945
Non-controlling interests		264 312	261 170	240 688
Total equity		1 638 259	1 603 160	1 537 633
Specialized reserves		269 673	276 016	287 713
Liabilities				
Non-current liabilities				
Long-term financial liabilities	11	1 185 809	1 124 021	1 172 677
Payables to secured persons		1 089 872	1 057 762	960 711
Long-term trade payables		35 964	36 490	43 357
Long-term related party payables	15	4 392	4 493	3 969
Finance lease liabilities		3 340	3 582	4 485
Pension and other employee obligations		2 497	2 766	4 368
Other liabilities		1 899	1 856	5 243
Provisions		598	598	598
Deferred tax liabilities		22 753	30 626	27 246
Non-current liabilities		2 347 124	2 262 194	2 222 654
Current liabilities				
Short-term financial liabilities	11	3 815 083	3 785 564	3 628 923
Trade payables		126 268	115 966	126 303
Short-term related party payables	15	19 259	17 692	15 027
Finance lease liabilities		1 188	1 355	1 831
Liabilities to insurance and reinsurance contracts		22 515	25 719	40 166
Pension and other employee obligations		10 960	13 107	9 597
Tax liabilities		7 091	12 071	7 104
Other liabilities		57 417	71 644	63 995
Current liabilities		4 059 781	4 043 118	3 892 946
Total liabilities		6 406 905	6 305 312	6 115 600
Total equity, reserves and liabilities		8 314 837	8 184 488	7 940 946

Prepared by:

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Executive director:

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Date: 30 May 2017

Interim condensed consolidated statement of comprehensive income

	Notes	
	31.03.2017	31.03.2016
	BGN'000	BGN'000
Income from non-financial activities	91 328	112 650
Expenses for non-financial activities	(81 295)	(94 482)
Change in fair value of investment property	722	477
Gain on sale of non-current assets	(883)	(218)
Net result from non-financial activities	9 872	18 427
Insurance income	397 274	431 104
Insurance expense	(390 940)	(418 053)
Net insurance result	6 334	13 051
Interest income	50 242	53 088
Interest expense	(12 125)	(18 614)
Net interest income	38 117	34 474
Gains from transactions with financial instruments	141 076	130 286
Losses from transactions with financial instruments	(114 511)	(112 517)
Net result from transactions with financial instruments	26 565	17 769
Administrative expenses	(53 271)	(61 611)
Share of profit from equity accounted investments	1 212	799
Other financial income	8 943	5 970
Allocation of income to secured persons	(12 694)	(5 758)
Profit before tax	25 078	23 121
Tax expense	12 3 723	(714)
Net profit for the period	28 801	22 407
Other comprehensive income		
Revaluation of obligations under defined benefit plans, net	-	-
Gains from financial assets	3 255	(190)
Total comprehensive income	32 056	22 217
Profit for the year attributable to:		
the shareholders of Chimimport AD	26 667	20 961
non-controlling interests	2 134	1 446
Total comprehensive income attributable to:		
the shareholders of Chimimport AD	28 880	20 612
non-controlling interests	3 176	1 605
Basic earnings per share in BGN	13 0,12	0,15
Diluted earnings per share in BGN	13 -	0,10

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Date: 30 May 2017

Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2017	226 914	246 838	85 174	783 064	1 341 990	261 170	1 603 160
Increase/Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	139	83	-	-	222	-	222
Business combinations			5 656	(2 801)	2 855	(34)	2 821
Transactions with owners	139	83	5 656	(2 801)	2 855	(34)	3 043
Profit for the period, ended at 31 March 2017	-	-	-	26 667	26 667	2 134	28 801
Other comprehensive income	-	-	2 213	-	2 213	1 042	3 255
Total comprehensive income for the period	-	-	2 213	26 667	28 880	3 176	32 056
Transfer of retained earnings to other reserves	-	-	21 809	(21 809)	-	-	-
Balance at 31 March 2017	227 053	246 921	114 852	785 121	1 373 947	264 312	1 638 259

Prepared by:


/A. Kerezov/

Date: 30 May 2017



Executive director:


/I. Kamenov/

Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2016	225 092	218 469	71 581	762 910	1 278 052	239 083	1 517 135
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	1 822	28 369	-	-	30 191	-	30 191
Business combinations	-	-	(1 936)	(19 059)	(20 995)	8 459	(12 536)
Dividends	-	-	-	(7 258)	(7 258)	(2 343)	(9 601)
Transactions with owners	1 822	28 369	(1 936)	(26 317)	1 938	6 116	8 054
Profit for the year	-	-	-	52 008	52 008	13 876	65 884
Other comprehensive income	-	-	9 992	-	9 992	2 095	12 087
Total comprehensive income for the year	-	-	9 992	52 008	62 000	15 971	77 971
Transfer of retained earnings to other reserves	-	-	5 537	(5 537)	-	-	-
Balance at 31 December 2016	226 914	246 838	85 174	783 064	1 341 990	261 170	1 603 160

Prepared by:


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Date: 30 May 2017



Executive director:


/I. Kamenov/

Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000

	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2016	225 092	218 469	71 581	762 910	1 278 052	239 083	1 517 135
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	(530)	(119)	-	-	(649)	-	(649)
Business combinations	-	-	(1 070)	-	(1 070)	-	(1 070)
Transactions with owners	(530)	(119)	(1 070)	-	(1 719)	-	(1 719)
Profit for the year	-	-	-	20 961	20 961	1 446	22 407
Other comprehensive income	-	-	(349)	-	(349)	159	(190)
Total comprehensive income for the year	-	-	(349)	20 961	20 612	1 605	22 217
Transfer of retained earnings to other reserves	-	-	5 537	(5 537)	-	-	-
Balance at 31 March 2016	224 562	218 350	75 699	778 334	1 296 945	240 688	1 537 633

Prepared by:



/A. Kerezov/

Date: 30 May 2017



Executive director:



/I. Kamenov/

Interim condensed consolidated statement of cash flows

	31.03.2017	31.03.2016
	BGN'000	BGN'000
Proceeds from short-term loans	2 454	24 918
Payments for short-term loans	(8 284)	(22 699)
Proceeds from sale of short-term financial assets	115 198	148 581
Purchase of short-term financial assets	(155 109)	(158 350)
Cash receipt from customers	95 672	108 595
Cash paid to suppliers	(84 063)	(93 489)
Proceeds from secured persons	33 218	34 266
Payments to secured persons	(11 084)	(8 250)
Payments to employees and social security institutions	(23 267)	(27 240)
Cash receipts from banking operations	9 601 963	9 478 559
Cash paid for banking operations	(9 515 644)	(9 411 500)
Cash receipts from insurance operations	45 038	53 482
Cash paid for insurance operations	(38 082)	(59 181)
Income taxes paid	(2 067)	(1 217)
Other cash inflows/(outflows)	(1 194)	1 124
Net cash flow from operating activities	54 749	67 599
Investing activities		
Dividends received	528	1 947
Sale of property, plant and equipment	210	178
Purchase of property, plant and equipment	(1 481)	(5 849)
Sale of of intangible assets	-	1
Purchase of intangible assets	(2)	(1 298)
Sale of investment property	241	68
Purchase of investment property	(1 469)	(142)
Sale of non-current financial assets	123 052	190 353
Purchase of non-current financial assets	(79 571)	(32 739)
Interest payments received	18 040	19 209
Proceeds from loans granted	15 385	555
Payments for loans granted	(3 153)	(4 159)
Other cash outflows	(1 558)	(1 387)
Net cash flow from investing activities	70 222	166 737
Financing activities		
Purchase of own shares	222	(689)
Proceeds from loans received	5 518	27 125
Payments for loans received	(14 154)	(35 775)
Interest paid	(1 808)	(2 564)
Payments for finance leases	(414)	(410)
Other cash(outflows) inflows	(775)	(6 462)
Net cash flow from financing activities	(11 411)	(18 775)
Net change in cash and cash equivalents	113 560	215 561
Cash and cash equivalents, beginning of year	1 767 126	1 229 113
Exchange profit on cash and cash equivalents	(337)	(943)
Cash and cash equivalents, end of the period	1 880 349	1 443 731

Prepared by:

/A. Kerezov/



Executive director:

/I. Kamenov/

Date: 30 May 2017

The accompanying notes on pages from 9 to 25 form an integral part of the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1. Nature of operations

Chimimport AD was registered as a joint-stock company at Sofia city court on 24 January 1990. The address of the Company's registered office is 2 St. Karadja Str., Sofia, Bulgaria. The Company is registered on the Bulgarian Stock Exchange – Sofia on 30 October 2006. Chimimport AD (The Group) includes the parent company and all subsidiaries.

The Group is engaged in the following business activities:

- Acquisition, management and sale of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Bank services, finance, insurance and pension insurance;
- Securitization of real estate and receivables;
- Extraction of oil and natural gas;
- Construction of output capacity in the area of oil-processing industry, production of biodiesel and production of rubber items;
- Production and trading with oil and chemical products;
- Production of vegetable oil, purchasing, processing and trading with grain foods;
- Aviation transport and ground activities on servicing and repairing of aircrafts and aircraft engines;
- River and sea transport and port infrastructure;
- Commercial agency and brokerage;
- Commission, forwarding and warehouse activity.

2. Basis for the preparation of the interim condensed financial statements

These interim condensed consolidated financial statements as of 31 March 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU). Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 "Consolidated Financial Statements".

Elements of the interim consolidated financial statement of the Group are in the currency of the primary economic environment in which the Group companies carry out their activities ("functional currency"). The interim consolidated financial statements are presented in BGN, which is the functional currency of the parent-company. This is the functional currency of the parent company and subsidiaries, exception from the subsidiaries operating in the Netherlands, Germany, and Slovakia, whose functional currency is the euro, the subsidiaries operating in Macedonia, whose functional currency is the Macedonian denar and subsidiaries operating in Russia, whose functional currency is the Russian ruble. The currency of the Group is the BGN.

The interim condensed consolidated financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN'000) unless otherwise stated.

The interim condensed consolidated financial statements are prepared under the going concern principle.

3. Accounting policies and significant changes during the period

3.1. Accounting policy

These interim condensed consolidated financial statements (the interim consolidated financial statements) have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended 31 December 2016.

3.2. New and revised standards that are effective for annual periods beginning on or after 1 January 2017.

These financial statements were prepared in accordance with the accounting policy of the Group and no new standards, amendments or interpretations to IFRS were issued which are obligatory to be applied in the annual period beginning on 1 January 2017.

3.3. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2017 and have not been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement, but no approximate amount related to the expected effects can be evaluated.

The changes relate to the following standards provided below:

- IAS 7 "Statement of Cash Flows" (amended) effective from 1 January 2017, not yet adopted by the EU
- IAS 12 "Income Taxes" (amended) effective from 1 January 2017, not yet adopted by the EU
- IFRS 2 "Share Based Payments" (amended) effective from 1 January 2018, not yet adopted by the EU
- IFRS 4 "Insurance contracts" (amended) effective from 1 January 2018, not yet adopted by the EU
- IFRS 9 "Financial Instruments" effective from 1 January 2018, adopted by the EU
- IFRS 9 "Financial Instruments" (amended) – Hedge accounting, effective from 1 January 2018, not yet adopted by the EU
- IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures" (amended), effective date to be determined, not yet adopted by the EU
- IFRS 14 "Regulatory deferral accounts" effective from 1 January 2016, not yet adopted by the EU
- IFRS 15 "Revenue from Contracts with Customers" effective from 1 January 2018, adopted by the EU
- IFRS 16 "Leases" effective from 1 January 2019, not yet adopted by the EU
- IAS 40 "Investment property" (amended) - Transfers of Investment Property effective from 1 January 2018, not yet adopted by the EU
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" effective from 1 January 2018, not yet adopted by the EU

3.4. Annual Improvements to IFRS Standards 2014-2016 Cycle

3.5. Estimates

When preparing the interim condensed consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2016.

3.6. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual financial statements as at 31 December 2016. There have been no changes in the risk management policies since year end.

4. Significant events and transactions during the reporting period

In general the Group condition is stable, in spite the current economic environment and has enough capital and liquidity to proceed with its operational activities and debt.

5. Investments accounted for using equity method

5.1. Investments in associates

The Group owns shares in the share capital of the following associated companies:

Name	31.03.2017 BGN'000	Share %	31.12.2016 BGN'000	Share %	31.03.2016 BGN'000	Share %
Lufthansa Technik Sofia OOD	7 211	24.90%	6 777	24.90%	5 960	24.90%
VTC AD	3 121	41.00%	3 214	41.00%	2 633	41.00%
Amadeus Bulgaria OOD	3 268	45.00%	3 182	45.00%	3 343	45.00%
Silver Wings Bulgaria Ltd.	5 159	42.50%	4 817	42.50%	4 123	42.50%
Swissport Bulgaria	5 638	49.00%	4 959	49.00%	4 470	49.00%
Dobrich fair AD	745	39.98%	745	39.98%	759	39.98%
Kavarna Gas OOD	503	35.00%	464	35.00%	493	35.00%
	<u>25 645</u>		<u>24 158</u>		<u>21 781</u>	

Investments in associates are presented in the interim condensed consolidated financial statements of the Group using the equity method. Associates have a reporting date as at 31 March 2017.



5.2. Investments in joint ventures

The Group holds shares in the capital of these joint ventures:

Name	31.03.2017 BGN '000	Share %	31.12.2016 BGN '000	Share %	31.03.2016 BGN '000	Share %
Nuance BG AD	1 027	50.00%	1 310	50.00%	1 036	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%	5 007	50.00%
	6 034		6 317		6 043	

6. Segment reporting

The management responsible for making the business decisions determines the business segments on the grounds of the types of activities, the main products and services rendered by the Group. The activities of the Group are analyzed as a whole of business segments that may vary depending on the nature and development of a certain segment by considering the influence of the risk factors, cash flows, products and market requirements.

Each business segment is managed separately as long as it requires different technologies and resources or marketing approaches. The adoption of IFRS 8 had no influence on the identification of the main business segments of the Group in comparison with those determined in the last consolidated financial statements.

According to IFRS 8 the profits reported by segments are based on the information used for the needs of the internal management reporting and is regularly reviewed from those responsible for the business decisions.

According to IFRS 8 the Group applies the same evaluation policy as in the last consolidated financial statements.

The operating segments of the Group are as follows:

- Production, trade and services
- Finance sector
- Transport sector
- Real estate sector
- Construction and engineering sector

Information about the operating segments of the Group is summarized as follows:



Operating segments 31 March 2017	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	23 359	4 301	61 966	162	1 540	-	91 328
Change in fair value of investment property	-	-	-	-	-	722	722
Gain from sale of non-current assets	(2)	-	(881)	-	-	-	(883)
Inter-segment income from non-financial activities	2 293	576	585	-	298	(3 752)	-
Total income from non-financial activities	25 650	4 877	61 670	162	1 838	(3 030)	91 167
Result from non-financial activities	3 125	4 877	(426)	(140)	(88)	2 524	9 872
Insurance income from external customers	-	397 274	-	-	-	-	397 274
Inter-segment insurance income	-	794	-	-	-	(794)	-
Total insurance income	-	398 068	-	-	-	(794)	397 274
Result from insurance	-	6 896	-	-	-	(562)	6 334
Interest income	1 634	51 468	155	169	6	(3 190)	50 242
Interest expenses	(1 973)	(11 499)	(1 686)	(7)	(150)	3 190	(12 125)
Result from interest	(339)	39 969	(1 531)	162	(144)	-	38 117
Gains from transactions with financial instruments	1 307	140 686	335	-	-	(1 252)	141 076
Total Gains from transactions with financial instruments	1 307	140 686	335	-	-	(1 252)	141 076
Result from transactions with financial instruments	1 307	24 460	335	-	-	463	26 565
Administrative expenses	(2 010)	(50 574)	(2 294)	-	-	1 607	(53 271)
Net result from equity accounted investments in associates	39	-	1 173	-	-	-	1 212
Other financial income/ expense	(165)	12 806	(71)	-	(11)	(3 616)	8 943
Profit for allocating insurance batches	-	(12 694)	-	-	-	-	(12 694)
Profit for the period before tax	1 957	25 740	(2 814)	22	(243)	416	25 078
Tax expenses	(199)	3 930	-	(8)	-	-	3 723
Net profit for the period	1 758	29 670	(2 814)	14	(243)	416	28 801



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31 March 2017	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	728 744	8 693 122	896 874	76 860	17 869	(2 130 311)	8 283 158
Equity accounted investments in associates	4 027	-	23 351	-	2	4 299	31 679
Total consolidated assets	732 771	8 693 122	920 225	76 860	17 871	(2 126 012)	8 314 837
Specialized reserves	-	269 673	-	-	-	-	269 673
Liabilities of the segment	267 288	6 356 649	389 198	6 667	11 836	(624 733)	6 406 905
Total consolidated liabilities	267 288	6 356 649	389 198	6 667	11 836	(624 733)	6 406 905
Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
31 December 2016	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	705 220	8 573 450	883 660	76 606	24 320	(2 109 243)	8 154 013
Equity accounted investments in associates	4 027	10	23 351	-	-	3 087	30 475
Total consolidated assets	709 247	8 573 460	907 011	76 606	24 320	(2 106 156)	8 184 488
Specialized reserves	-	276 016	-	-	-	-	276 016
Liabilities of the segment	244 985	6 262 283	371 992	6 426	18 042	(598 416)	6 305 312
Total consolidated liabilities	244 985	6 262 283	371 992	6 426	18 042	(598 416)	6 305 312



Operating segments 31 March 2016	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	33 596	7 653	66 275	87	3 685	1 354	112 650
Change in fair value of investment property	-	-	-	-	-	477	477
Gain from sale of non-current assets	(27)	20	(211)	-	-	-	(218)
Inter-segment income from non-financial activities	1 804	156	2 136	-	309	(4 405)	-
Total income from non-financial activities	35 373	7 829	68 200	87	3 994	(2 574)	112 909
Result from non-financial activities	4 224	7 829	5 078	(300)	167	1 429	18 427
Insurance income from external customers	-	431 104	-	-	-	-	431 104
Inter-segment insurance income	-	1 491	-	-	-	(1 491)	-
Total insurance income	-	432 595	-	-	-	(1 491)	431 104
Result from insurance	-	14 342	-	-	-	(1 291)	13 051
Interest income	1 140	54 767	190	63	28	(3 100)	53 088
Interest expenses	(1 994)	(16 564)	(3 016)	(8)	(132)	3 100	(18 614)
Result from interest	(854)	38 203	(2 826)	55	(104)	-	34 474
Gains from transactions with financial instruments	-	131 945	-	-	-	(1 659)	130 286
Result from transactions with financial instruments	-	15 837	(2)	-	-	1 934	17 769
Administrative expenses	(1 470)	(59 580)	(2 303)	-	-	1 742	(61 611)
Net result from equity accounted investments in associates	48	-	751	-	-	-	799
Other financial income/ expense	(52)	10 366	(755)	-	(9)	(3 580)	5 970
Profit for allocating insurance batches	-	(5 758)	-	-	-	-	(5 758)
Profit for the period before tax	1 896	21 239	(57)	(245)	54	234	23 121
Tax expenses	(273)	(435)	(6)	-	-	-	(714)
Net profit for the period	1 623	20 804	(63)	(245)	54	234	22 407



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31 March 2016	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	693 026	8 586 926	863 575	69 107	20 750	(2 320 262)	7 913 122
Equity accounted investments in associates	4 207	10	23 178	-	2	427	27 824
Total consolidated assets	697 233	8 586 936	886 753	69 107	20 752	(2 319 835)	7 940 946
Specialized reserves	-	287 713	-	-	-		287 713
Liabilities of the segment	231 931	6 248 758	342 544	5 743	16 152	(729 528)	6 115 600
Total consolidated liabilities	231 931	6 248 758	342 544	5 743	16 152	(729 528)	6 115 600



7. Property, plant and equipment

Property, plant and equipment of the Group include land, buildings, plant and equipment, vehicles, repairs of rented fixed assets, assets in process of acquisition, etc. presented in the consolidated interim financial statements as at March 31, 2016. Their carrying amount can be analyzed as follows:

	Land	Building	Machines	Equipment and spare parts	Vehicles	Repairs	Others	Advances and assets in process of acquisition	Total
	BGN' 000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2017	52 651	124 769	176 066	84 989	128 159	23 487	73 462	60 258	723 841
Additions:									-
- separately acquired	9	8 859	3 680	356	636	702	7	2 496	16 745
Disposals									
- separately disposed	-	-	(36)	(27)	(2 416)	-	(24)	(13 513)	(16 016)
Balance at 31 March 2017	52 660	133 628	179 710	85 318	126 379	24 189	73 445	49 241	724 570
Depreciation									
Balance at 1 January 2017	-	(21 921)	(109 076)	(32 332)	(52 122)	(22 621)	(35 567)	-	(273 639)
Depreciation	-	(874)	(2 612)	(438)	(841)	(384)	(702)	-	(5 851)
Balance at 31 March 2017	-	(22 795)	(111 688)	(32 770)	(52 963)	(23 005)	(36 269)	-	(279 490)
Carrying amount at 31 March 2017	52 660	110 833	68 022	52 548	73 416	1 184	37 176	49 241	445 080

- as at 31 December 2016

	Land	Building	Machines	Equipmen t	Vehicles	Repairs	Others	Assets in process of acquisition	Total
	BGN'00 0	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2016	60 243	93 717	179 443	82 107	132 098	22 140	71 577	84 723	726 048
Additions:									
- separately acquired	3 114	38 295	1 802	3 086	5 200	1 035	52	22 697	75 281
- reclassified	-	-	200	-	1	390	2 508	-	3 099
Disposals									
- separately disposed	(10 701)	(6 409)	(5 279)	(204)	(8 947)	(78)	(336)	(39 795)	(71 749)
- business combinations	(5)	(834)	(100)	-	(193)	-	(339)	-	(1 471)
- reclassified	-	-	-	-	-	-	-	(7 367)	(7 367)
Balance at 31 December 2016	52 651	124 769	176 066	84 989	128 159	23 487	73 462	60 258	723 841
Depreciation									
Balance at 1 January 2016	-	(19 068)	(104 706)	(29 338)	(50 426)	(20 848)	(33 215)	-	(257 601)
Business combinations	-	635	425		137		91		1 288
Disposals depreciation - reclassified	-	269	3 072	13	4 214	78	337		7 983
Depreciation	-	(3 757)	(7 867)	(3 007)	(6 047)	(1 851)	(2 780)	-	(25 309)
Balance at 31 December 2016	-	(21 921)	(109 076)	(32 332)	(52 122)	(22 621)	(35 567)	-	(273 639)
Carrying amount at 31 December 2016	52 651	102 848	66 990	52 657	76 037	866	37 895	60 258	450 202

- as at 31 March 2016

	Land	Building	Machines	Equipment	Vehicles	Repairs	Others	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2016	60 243	93 717	179 443	82 107	132 098	22 140	71 577	84 723	726 048
Additions:									
- separately acquired	5	229	271	980	1 274	1 379	51	7 330	11 519
- reclassified	-	-	-	-	-	-	-	(1 880)	(1 880)
Disposals									
- separately disposed	-	(4)	(3)	(2 249)	(83)	-	(3)	(1 240)	(3 582)
Balance at 31 March 2016	60 248	93 942	179 711	80 838	133 289	23 519	71 625	88 933	732 105
Depreciation									
Balance at 1 January 2016	-	(19 068)	(104 706)	(29 338)	(50 426)	(20 848)	(33 215)	-	(257 601)
Disposals depreciation - reclassified	-	2	1	1 679	83	-	2	-	1 767
Depreciation	-	(2 381)	(988)	(2 105)	(1 528)	(458)	(626)	-	(8 086)
Balance at 31 March 2016	-	(21 447)	(105 693)	(29 764)	(51 871)	(21 306)	(33 839)	-	(263 920)
Carrying amount at 31 March 2016	60 248	72 495	74 018	51 074	81 418	2 213	37 786	88 933	468 185

8. Long-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	31.03.2017	31.12.2016	31.03.2016
	BGN '000	BGN '000	BGN '000
Financial assets at fair value through profit or loss	9 092	13 184	6 856
Held-to-maturity financial assets	-	-	477 489
Loans and receivables	1 974 938	1 980 609	1 676 261
Available-for-sale financial assets	549 343	525 167	199 701
	2 533 373	2 518 960	2 360 307
Impairment	(69 314)	(66 339)	(45 490)
	2 464 059	2 452 621	2 314 817

9. Short-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	31.03.2017	31.12.2016	31.03.2016
	BGN '000	BGN '000	BGN '000
Financial assets at fair value through profit or loss	1 397 949	1 332 561	1 243 771
Held-to-maturity financial assets	36 247	30 188	116 044
Loans and receivables	854 792	942 034	1 024 966
Held for sale financial assets	146 222	148 916	74 397
	2 435 210	2 453 699	2 459 178
Impairment	(31 146)	(30 336)	(30 391)
	2 404 064	2 423 363	2 428 787

10. Share capital

The share capital of Chimimport as at 31 March 2017 consists of 239 646 267 ordinary shares with a par value of BGN 1, including 12 732 039 ordinary shares acquired by companies of Chimimport Group. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

Shares issued and fully paid:	31.03.2017	31.12.2016	31.03.2016
- beginning of the year	226 914 228	225 092 055	225 092 055
- treasury shares /ordinary and preferred/ acquired by subsidiaries during the year	138 720	1 822 173	(530 200)
Shares issued and fully paid as at period end	227 052 948	226 914 228	224 561 855

All privilege shares, issued on 12 June 2009, were converted into ordinary shares on 15 June 2016, as per the Memorandum:

The list of principle shareholders, holding shares /ordinary and preferred/ of the capital of Chimimport AD is presented as follows:

	31.03.2017	31.03.2017	31.12.2016	31.12.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
	Number of ordinary shares	%	Number of ordinary shares	%	Number of ordinary shares	%	Number of preferred shares	%
Invest Capital AD	174 847 247	72.96%	175 002 247	73.03%	111 185 365	73,69%	65 015 282	73,24%
Other legal entities and private individuals	64 799 020	27.04%	64 643 773	26.97%	39 690 231	26,31%	23 755 389	26,76%
	239 646 267	100.00%	239 646 267	100.00%	150 875 596	100,00%	88 770 671	100,00%

Shares of the Group, acquired by subsidiaries

CCB Group AD	(1 296 605)	0,78%	(1 863 605)	0,78%	(5 160 005)	3,42%	-	-
ZAD Armeec	(3 236 507)	1,34%	(3 211 507)	1,34%	(745 400)	0,49%	(3 000 000)	3,38%
CCB AD	(188 100)	0,08%	(192 620)	0,08%	(121 100)	0,08%	(67 000)	0,08%
POAD CCB Sila	(7 872 107)	3,11%	(7 464 307)	3,11%	(763 676)	0,51%	(5 227 231)	5,89%
	(12 593 319)	5,31%	(12 732 039)	5,31%	(6 790 181)	4,50%	(8 294 231)	9,34%
Net number of shares	227 052 948		226 914 228		144 085 415		80 476 440	

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2015 and 2016 amounts to 5% and the tax is deducted from the gross amount of dividends.



11. Borrowings

Borrowings include financial liabilities as follows:

	Current			Non-current		
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.12.2016	31.03.2016
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Financial liabilities measured at amortized cost:						
Liabilities to depositors	3 663 845	3 633 088	3 474 332	1 061 395	998 430	901 466
Liabilities for dividends	6 763	6 506	14 733	-	-	7 142
Bonds and debenture loan	2 770	2 895	2 873	36 568	34 587	162 333
Bank loans	66 205	67 239	64 368	79 532	83 278	92 558
Other borrowings	31 224	31 268	37 643	4 108	3 520	766
Derivatives, held-for-trading	-	209	1 345	-	-	-
Deposits from banks	8 448	8 359	5 612	-	-	-
Cession liabilities	18 419	18 591	14 616	4 206	4 206	8 412
Liabilities under repurchase agreements	17 409	17 409	13 401	-	-	-
Total carrying amount	3 815 083	3 785 564	3 628 923	1 185 809	1 124 021	1 172 677

During the period the Group of Chimimport received borrowings other than borrowings from banking activities under long-term and short-term loans agreements for cash at interest rates between 3% - 8%

12. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2017 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2016 was 10%).

13. Earnings per shares

The basic earnings per share have been calculated using the net results attributable to shareholders of the Company as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders, as at 31 March 2017, is:

	31 March 2017	31 March 2016
Profit attributable to the shareholders (BGN)	26 667 000	20 961 100
Weighted average number of outstanding shares	226 963 551	144 185 261
Basic earnings per share (BGN per share)	0.117	0.145

The weighted average number of shares outstanding ordinary and ordinary and preferred, used for the calculation of basic and diluted earnings per share as well as the net profit decreased by the dividend liabilities attributable to shareholders are as follows:



	As at 31.03.2017	
	Basic earnings per share	Diluted earnings per share
Net profit, attributable to shareholders, adjusted with dividend expense (BGN)	-	21 596 400
Weighted average number of shares	-	225 025 499
Diluted earnings per share (BGN per share)	-	0.096

14. Related party transactions

The Group's related parties include its owners, associates and key management personnel.

14.1. Transaction with owners

	31.03.2017	31.03.2016
	BGN'000	BGN'000
Sale of goods and services, interest income and other income		
- <i>interest income</i>		
Owners	214	477
- sale of services and others		
Owners	2	6
Purchase of goods and services, interest expense and other expense		
- purchase of services		
Owners	-	-
- <i>interest expense</i>		
Owners	-	-

14.2. Transaction with associates and other related parties under common control

	31.03.2017	31.03.2016
	BGN'000	BGN'000
Sale of goods and services, interest income and other income		
- <i>sale of finished goods</i>		
- associated parties	263	289
- other related parties	120	92



Sale of goods and services, interest income and other income	31.03.2017	31.03.2016
	BGN'000	BGN'000
<i>- sale of goods</i>		
- associated parties	94	96
- other related parties	275	332
<i>- sale of services</i>		
- associated parties	1 226	1 703
- other related parties	512	367
<i>- interest income</i>		
- associated parties	-	-
- joint ventures	-	-
- other related parties	536	203
<i>- other income</i>		
- associated parties	23	7
- joint ventures	-	2
- other related parties	-	9
Purchase of services and interest expense	31.03.2017	31.03.2016
	BGN'000	BGN'000
<i>- purchase of services</i>		
- associated parties	(2 947)	(4 000)
- other related parties	(226)	(596)
<i>- interest expense and other expenses</i>		
- associated parties	(7)	(4)
- other related parties joint ventures	(10)	(14)

14.3. Transaction with key management personnel

Key management of the Group includes members of the Managing Board and Supervisory Board. Key management personnel remuneration includes the following expenses:

	31.03.2017	31.03.2016
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(956)	(42)
Social security costs	(19)	(5)
Group car allowance	-	-
Total:	(975)	(47)



15. Related party balances

	31.03.2017	31.12.2016	31.03.2016
	BGN'000	BGN'000	BGN'000
Non-current receivables from:			
-owners	1 089	3 056	4 024
-associated parties	-	2 317	-
-joint- ventures	40	40	38
- other related parties	3 385	3 334	7 528
Total	4 514	8 747	11 590

Current receivables from:

-owners	40 405	37 827	184 503
- associates	3 133	834	1 358
-joint- ventures	889	698	508
- other related parties	28 690	25 784	35 064
Total	73 117	65 143	221 433

	31.03.2017	31.12.2016	31.03.2016
	BGN'000	BGN'000	BGN'000
Non-current payables to:			
-owners	1	10	37
- associates and joint ventures	2 004	2 934	895
-joint- ventures	-	130	94
- other related parties	2 387	1 419	2 943
Total	4 392	4 493	3 969

Current payables to:

-owners	2 538	580	89
- associates	11 408	13 914	9 659
-joint- ventures	-	3	-
- other related parties	5 313	3 195	5 282
Total	19 259	17 692	15 027

16. Post - reporting date events

No significant events occurred after the reporting date.

17. Autorization of the interim condensed financial statements

The interim condensed consolidated financial statements as of 31 March 2017 (including comparatives) were approved for issue by the Managing board on 30 May 2017.