Interim Condensed Financial Statements

Chimimport AD

30 June 2012

Contents

Interim condensed statement of financial position

	Notes	30.06.2012 BGN'000	31.12.2011 BGN'000	30.06.2011 BGN'000
Assets				
Non – current assets				
Property, plant and equipment	4	15 907	15 908	19 023
Investment property		31 409	31 409	10 063
Investment in subsidiaries		647 703	647 699	587 847
Investment in associates		16 773	16 773	16 773
Intangible assets		-	-	3
Long – term financial assets		108	108	19 605
Long – term related party receivables		89 927	90 136	93 104
Long – term receivables		92 679	92 115	164 169
Deferred tax assets		19	19	24
		894 525	**894 167**	**910 611**
Current assets				
Inventories		371	378	382
Short – term financial assets		51 097	56 440	75 120
Loans granted		143 198	112 796	38 447
Trade receivables		85 835	67 794	81 257
Short – term related party receivables		193 637	164 335	139 910
Tax receivables		133	116	116
Other receivables		5 133	4 889	5 420
Cash and cash equivalents		94 061	106 114	100 597
		573 465	**512 862**	**441 249**
Total assets		**1 467 990**	**1 407 029**	**1 351 860**

Prepared by: ______________
/A.Kerezov/

Date: 30 July 2012

Executive Director: ______________
/I. Kamenov/

The accompanying notes on pages 6 to 20 form an integral part of the financial statements.

Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	30.06.2012 BGN'000	31.12.2011 BGN'000	30.06.2011 BGN'000
Equity				
Share capital	5	239 646	239 646	239 646
Share premium		260 615	260 615	260 599
Other reserves		59 851	59 853	59 855
Retained earnings		461 689	368 562	368 562
Net profit for the period		48 838	93 127	48 262
Total equity		**1 070 639**	**1 021 803**	**976 924**
Liabilities				
Non – current liabilities				
Long – term dividend liabilities		57 843	56 245	67 127
Long – term bank and other loans	6	19 806	27 711	6 343
Long – term related party payables		157 116	1 364	130 247
Long - term financial lease liabilities		38	45	-
Pension and other employee obligations		66	66	50
Deferred tax liabilities		5 579	6 084	5 608
		240 448	**91 515**	**209 375**
Current liabilities				
Short – term dividend liabilities		19 381	16 770	19 660
Short – term bank loans	6	3 000	3 000	2 920
Other short – term borrowings	6	26 031	19 926	29 646
Trade payables		15 484	16 614	14 996
Financial lease liabilities		16	16	71
Pension and other party payables		110	112	109
Short – term related party payables		84 981	232 926	91 128
Tax liabilities		4 722	1 585	3 729
Other liabilities		3 178	2 762	3 302
		156 903	**293 711**	**165 561**
Total liabilities		**397 351**	**385 226**	**374 936**
Total equity and liabilities		**1 467 990**	**1 407 029**	**1 351 860**

Prepared by: ______________
/A.Kerezov/

Executive Director: ______________
/I. Kamenov/

Date: 30 July 2012

Interim condensed statement of comprehensive income

	Notes	6 months to 30.6.2012 BGN'000	3 months to 30.6.2012 BGN'000	6 months to 30.6.2011 BGN'000	3 months to 30.6.2011 BGN'000
Gains from transactions with financial instruments		20 290	6	24 091	5 452
Losses from transactions with financial instruments		(33)	(33)	(74)	(71)
Net profit from transactions with financial instruments		**20 257**	**(27)**	**24 017**	**5 381**
Interest income		27 728	18 155	20 586	10 520
Interest expense		(15 414)	(8 181)	(14 726)	(7 088)
Net profit from interest		**12 314**	**9 974**	**5 860**	**3 432**
Gains from foreign exchange differences		1 365	922	82	19
Losses from foreign exchange differences		(1 364)	(906)	(138)	(46)
Net loss from foreign exchange differences		**1**	**16**	**(56)**	**(27)**
Other financial expenses		(26)	(5)	(23)	(10)
Other financial expenses		**(26)**	**(5)**	**(23)**	**(10)**
Operating revenue		22 373	21 698	24 470	23 322
Operating expenses		(3 469)	(1 263)	(2 930)	(1 836)
Result from operating activities		**18 904**	**20 435**	**21 540**	**21 486**
Profit for the period before tax		**51 450**	**30 393**	**51 338**	**30 262**
Tax expense	7	(2 612)	(2 568)	(3 076)	(2 833)
Net profit for the period		**48 838**	**27 825**	**48 262**	**27 429**
Total comprehensive income		**48 838**	**27 825**	**48 262**	**27 429**
Earnings per share in BGN	8	**0.3237**	**0.1847**	**0.3198**	**0.1818**
Diluted earnings per share in BGN	8	**0.2196**	**0.1246**	**0.2210**	**0.124**

Prepared by: ______________
/A.Kerezov/

Date: 30 July 2012

ХИМИМПОРТ АД СОФИЯ

Executive Director: ______________
/I. Kamenov/

Interim condensed statement of changes in equity

All amounts are presented in BGN '000	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2012	**239 646**	**260 615**	**59 853**	**461 689**	**1 021 803**
Net profit for the period, ending at 30 June 2012	-	-	-	48 838	48 838
Total comprehensive income	**-**	**-**	**-**	48 838	**48 838**
Other changes in equity	-	-	(2)	-	(2)
Balance at 30 June 2012	**239 646**	**260 615**	**59 851**	**510 527**	**1 070 639**

Prepared by: ____________
/A.Kerezov/

Date: 30 July 2012

Executive Director: ____________
/I. Kamenov/

Interim condensed statement of changes in equity (continued)

All amounts are presented in BGN '000	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Adjusted balance at 1 January 2011	**239 646**	**260 599**	**6 477**	**421 940**	**928 662**
Net profit for the period, ending at 30 June 2011	-	-	-	48 262	48 262
Total comprehensive income	-	-	-	48 262	**48 262**
Transfer of retained earnings to other reserves	-	-	53 378	(53 378)	-
Balance at 30 June 2011	**239 646**	**260 599**	**59 855**	**416 824**	**976 924**

Prepared by: ____________
/A.Kerezov/

Date: 30 July 2012

Executive Director: ____________
/I. Kamenov/

ХИМИМПОРТ АД СОФИЯ

The accompanying notes on pages 6 to 20 form an integral part of the financial statements.

Interim condensed statement of cash flows

	Note	30.06.2012 BGN '000	30.06.2011 BGN '000
Operating activities			
Proceeds from short-term loans		55 984	83 017
Payments for short-term loans		(59 150)	(82 455)
Proceeds from sale of short-term financial assets		5 428	1 207
Purchase of short-term financial assets		(274)	(654)
Receipts from customers		16 289	4 231
Payments to suppliers		(4 713)	(2 877)
Interest received		12 330	14 066
Interest paid		(8 394)	(4 330)
Cash paid to employees and social security institutions		(759)	(919)
Taxes paid		(62)	(278)
Other (payments)/proceeds		(4 777)	15 496
Net cash flow from operating activities		**11 902**	**26 504**
Investing activities			
Purchase of property, plant and equipment		(27)	-
Acquisition of subsidiaries and associates		-	(20 501)
Dividends received		614	-
Repayments of long-term loans granted		5 401	8 854
Long-term loans granted		(38 202)	(6 012)
Net cash flow from investing activities		**(32 214)**	**(17 659)**
Financing activities			
Long-term loans received		32 483	3 037
Payments for long-term and bank loans received		(20 961)	(9 940)
Interest paid		(3 568)	(2 201)
Discharge of finance lease liability		(5)	(1 015)
Net cash flow from financing activities		**7 949**	**(10 119)**
Net change in cash and cash equivalents		(12 363)	(1 274)
Cash and cash equivalents, beginning of period		**106 114**	**101 883**
Exchange gains/(losses) from cash and cash equivalents		310	(12)
Cash and cash equivalents, end of period		**94 061**	**100 597**

Prepared by: ______________________
/A.Kerezov/
Date: 30 July 2012

Executive Director: ______________________
/I. Kamenov/

ХИМИМПОРТ АД СОФИЯ

Notes to the 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.

The Company 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.

The Company has a two-tier management structure consisting of a Supervisory Board and a Managing Board.

The members of the Supervisory Board are as follows:
Chimimport Invest AD
CCB Group EAD
Mariana Bazhdarova

The members of the Managing Board are as follows:
Alexander Kerezov
Ivo Kamenov
Marin Mitev
Nikola Mishev
Miroliub Ivanov
Tzvetan Botev

The Company is represented by its executive directors Ivo Kamenov and Marin Mitev, together and separately.

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

These interim condensed financial statements as of 30 June 2012 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information and disclosures required in annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2011, 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).

The interim condensed 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 Company also prepares interim condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and approved by EU. Investments in subsidiaries are accounted for and disclosed in accordance with IAS 27 "Consolidated and Separate Financial Statements".

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

3. Accounting policies and significant changes during the period

3.1. Overall considerations and adoption of new standards, amendments and interpretations to existing standards that are effective for the year beginning 1 January 2012

These interim condensed financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2011 except for the adoption of the following new standards, amendments and interpretations to existing standards, which are mandatory for the first time for the financial year beginning 1 January 2012 and are relevant to the Company:

- IFRS 7 "Financial Instruments: Disclosures" – Derecognition, effective from 1 July 2011, adopted by the EU on 23 November 2011;

Significant effects on current, prior or future periods arising from the first-time adoption of these new requirements in respect of presentation, recognition and measurement are described as follows:

IFRS 7 "Financial Instruments: Disclosures" – Derecognition, effective from 1 July 2011, adopted by the EU on 23 November 2011
The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial asset.

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

The following new standards, amendments and interpretations to existing standards have been issued, but are not effective for the financial year beginning 1 January 2012 and have not been early adopted:

IFRS 1 "First-time Adoption of International Financial Reporting Standards" (amended) – Government Loans, effective from 1 January 2013, not yet adopted by the EU

This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.

IFRS 7 "Financial Instruments: Disclosures" – Offsetting Financial Assets and Financial Liabilities, effective from 1 January 2013, not yet adopted by the EU

The new disclosures focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

IFRS 9 "Financial Instruments" effective from 1 January 2015, not yet adopted by the EU

IFRS 9 "Financial instruments" represents the first milestone in the comprehensive IASB project to replace IAS 39 "Financial instruments: Recognition and measurement" by the end of 2010. It replaces multiple measurement categories in IAS 39 with a single principle-based approach to classification. IFRS 9 requires all financial assets to be measured at either amortised cost or full fair value. Amortised cost provides decision-useful information for financial assets that are held primarily to collect cash flows that represent the payment of principal and interest. For all other financial assets, including those held for trading, fair value represents the most relevant measurement basis. IFRS 9 eliminates the need for multiple impairment models; such that only one impairment model for financial assets carried at amortised cost will be required.

IFRS 10 "Consolidated Financial Statements" effective from 1 January 2013, not yet adopted by the EU

IFRS 10 "Consolidated Financial Statements" introduces a new, principle-based definition of control which will apply to all investees to determine the scope of consolidation.

IFRS 11 "Joint Arrangements" effective from 1 January 2013, not yet adopted by the EU

IFRS 11 "Joint Arrangements" supersedes IAS 31 "Interests in Joint Ventures". It replaces IAS 31's three categories of 'jointly controlled entities', 'jointly controlled operations' and 'jointly controlled assets' with two new categories - 'joint operations' and 'joint ventures'. The option of using proportionate consolidation for joint ventures that was previously included in IAS 31 has been eliminated (equity accounting is now required for all joint ventures).

IFRS 12 "Disclosure of Interests in Other Entities" effective from 1 January 2013, not yet adopted by the EU

IFRS 12 "Disclosure of Interests in Other Entities" is a new standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other unconsolidated structured entities.

IFRS 13 "Fair Value Measurement" effective from 1 January 2013, not yet adopted by the EU

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Standard clarifies that fair value is based on a transaction taking place in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. The principal market is the market with the greatest volume and level of activity for the asset or liability.

IAS 1 "Financial Statement Presentation" – Other Comprehensive Income, effective from 1 July 2012, not yet adopted by the EU

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled such as revaluation gains on property, plant and equipment will be presented separately from items that may be recycled in the future, such as deferred gains and losses on cash flow hedges. Entities that choose to present other comprehensive income items before tax will be required to show the amount of tax related to the two groups separately.

The title used by IAS 1 for the statement of comprehensive income has changed to 'statement of profit or loss and other comprehensive income'. However IAS 1 still permits entities to use other titles. Early adoption is permitted and full retrospective application is required.

IAS 12 "Income Taxes" – Deferred Tax, effective from 1 January 2012, not yet adopted by the EU

Currently IAS 12 "Income Taxes" requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 "Investment Property". Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21 "Income taxes- recovery of revalued non-depreciable assets", would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

IAS 19 "Employee Benefits" effective from 1 January 2013, not yet adopted by the EU

These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. 'Actuarial gains and losses' are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income'. Remeasurements recognised in other comprehensive income will not be recycled through profit or loss in subsequent periods. The amendments should be applied retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'.

IAS 27 "Separate Financial Statements" (Revised) effective from 1 January 2013, not yet adopted by the EU

IAS 27 "Separate Financial Statements" (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged.

IAS 28 "Investments in Associates and Joint Ventures" (Revised) effective from 1 January 2013, not yet adopted by the EU

IAS 28 "Investments in Associates and Joint Ventures" (Revised) continues to prescribe the mechanics of equity accounting. Changes to its scope have however been made as a result of the publication of IFRS 11"Joint Arrangements".

IAS 32 "Financial Instruments: Presentation" (amended) effective from 1 January 2014, not yet adopted by the EU

The amendment clarifies that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy.

IFRIC 20 "Stripping costs in the production phase of a surface mine" effective from 1 January 2013, not yet adopted by the EU

IFRIC 20 sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.

Annual Improvements to IFRSs 2011 effective from 1 January 2013, not yet adopted by the EU

-IFRS 1 amendments clarify that a first-time adopter of IFRS may apply IFRS 1 more than once under certain circumstances. An entity can choose to adopt IAS 23 from its date of transition or from an earlier date.

-IAS 1 amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet. When an entity produces an additional balance sheet as required by IAS 8, the balance sheet should be as at the date of the beginning of the preceding period – that is, the opening position. No notes are required to support this balance sheet. When management provides additional comparative information voluntarily – for example, statement of profit and loss, balance sheet – it should present the supporting notes to these additional statements.

-IAS 16 amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment if they are used for more than one period.

-IAS 32 amendment clarifies that the treatment of income tax relating to distributions and transaction costs is in accordance with IAS 12. So, income tax related to distributions is recognized in the income statement, and income tax related to the costs of equity transactions is recognized in equity.

-IAS 34 amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

4. Property, plant and equipment

Property, plant and equipment of the Company comprise land, buildings, machines and equipment, vehicles, assets in process of acquisition and other assets. The carrying amount can be analyzed as follows:

As at 30 June 2012

	Land	Buildings	Machines and equipment	Vehicles	Other	Assets in process of acquisition	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount							
Balance at 1 January 2012	8 178	26	131	254	1 321	6 370	16 280
Additions	-	-	27	-	-	-	27
Balance as at 30 June 2012	**8 178**	**26**	**158**	**254**	**1 321**	**6 370**	**16 307**
Depreciation							
Balance at 1 January 2012	-	(17)	(118)	(184)	(53)	-	(372)
Depreciation	-	(1)	(9)	(11)	(7)	-	(28)
Balance at 30 June 2012	**-**	**(18)**	**(127)**	**(195)**	**(60)**	**-**	**(400)**
Carrying amount as at 30 June 2012	**8 178**	**8**	**31**	**59**	**1 261**	**6 370**	**15 907**

- As at 31 December 2011

	Land	Buildings	Machines and equipment	Aircrafts	Vehicles	Other	Assets in process of acquisition	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount								
Balance at 1 January 2011	8 178	26	118	8 787	167	171	6 231	23 678
Additions	-	-	13	-	91	1 150	139	1 393
Disposals	-	-	-	(8 787)	(4)	-	-	(8 791)
Balance as at 31 December 2011	8 178	26	131	-	254	1 321	6 370	16 280
Depreciation								
Balance at 1 January 2011	-	(16)	(111)	(3 954)	(167)	(41)	-	(4 289)
Disposals	-	-	-	4 832	4	-	-	4 836
Depreciation	-	(1)	(7)	(878)	(21)	(12)	-	(919)
Balance at 31 December 2011	-	(17)	(118)	-	(184)	(53)	-	(372)
Carrying amount as at 31 December 2011	**8 178**	**9**	**13**	**-**	**70**	**1 268**	**6 370**	**15 908**

- As at to 30 June 2011

	Land	Buildings	Machines and equipment	Aircrafts	Vehicles	Other	Assets in process of acquisition	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount								
Balance at 1 January 2011	8 178	26	118	8 787	167	171	6 231	**23 678**
Additions	-	-	9	-	90	-	-	99
Disposals	-	-	-	-	(4)	-	-	(4)
Balance at 30 June 2011	**8 178**	**26**	**127**	**8 787**	**253**	**171**	**6 231**	**23 773**
Depreciation								
Balance at 1 January 2011	-	(16)	(111)	(3 954)	(167)	(41)	-	**(4 289)**
Disposals	-	-	-	-	4	-		4
Depreciation	-	(7)	(3)	(446)	(3)	(6)	-	(465)
Balance at 30 June 2011	**-**	**(23)**	**(114)**	**(4 400)**	**(166)**	**(47)**	**-**	**(4 750)**
Carrying amount as at 30 June 2011	**8 178**	**3**	**13**	**4 387**	**87**	**124**	**6 231**	**19 023**

5. Share capital

The share capital of the Company as at 30 June 2012 consists of 150 875 596 ordinary shares with a par value of BGN 1 and 88 770 671 preferred shares with a par value of BGN 1. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota. The preferred shares do not entitle voting rights. They give the owner the right to a cumulative guaranteed dividend and to a guaranteed liquidation quota of the Company's estate.

	Number of Shares as at 30.06.2012 BGN'000	Number of Shares as at 30.06.2011 BGN'000
Shares issued and fully paid:		
- beginning of the year	239 646 267	239 646 267
- decrease in preferred shares due to conversion of preferred shares	-	(16 787)
- increase in ordinary shares due to conversion of preferred shares	-	16 787
Shares issued and fully paid at the end of the period	**239 646 267**	**239 646 267**
Shares of Chimimport AD, acquired by its subsidiaries		
CCB Group EAD	(2 097 005)	(4 395 005)
ZAD Armeec AD	(463 100)	(463 100)
POAD CCB Sila	(255 070)	(255 070)
CCB AD	(60 000)	(54 500)

On 12 June 2009 the Company issued mandatory convertible preferred shares with 9% guaranteed fixed annual dividend and guaranteed liquidation quota. 89 646 283 preferred shares are issued and paid with issue value amounting to BGN 2.22 each, representing 99.61% of the offered shares. The accumulated during the public offering capital amounts to BGN 199 014 748.26. The obligatory conversion of the shares occurs at the end of the seventh year after the registration of the capital increase in the Trade register.

The accumulated on 12 June 2009 funds above the nominal value of the share capital amounting to BGN 109 369 thousand are allocated as follows:

- BGN 27 622 thousand – share premium
- BGN 8 348 thousand – short-term dividend liabilities
- BGN 70 008 thousand – long-term dividend liabilities
- BGN 3 391thousand – share issue expenses
-

The dividend liabilities and share premium, as a result of the conversion of 858 825 preference shares into ordinary shares, are allocated as follows:

- BGN 28 238 thousand – share premium
- BGN 19 318 thousand – short-term dividend liabilities
- BGN 57 843 thousand – long-term dividend liabilities

The major shareholder Chimimport Invest AD has fulfilled the undertaken obligation and inscribed preferred shares corresponding to rights. More than 51% of the new shares are inscribed by local investors including 32% by institutions.

The list of the principal shareholders, holding ordinary shares, is as follows:

	As at 30.06.2012	**As at 30.06.2012**	**As at 30.06.2011**	**As at 30.06.2011**
	Number of shares	**%**	**Number of shares**	**%**
Chimimport Invest AD	108 688 269	72.04%	108 688 269	72.04%
Other legal entities and private individuals	42 187 327	27.96%	42 187 327	27.96%
	150 875 596	**100.00%**	**150 875 596**	**100.00%**

The list of principle shareholders, holding more than 10% of the total shares (ordinary shares and preferred shares) of the Company's capital is presented as follows:

	As at 30.06.2012	**As at 30.06.2012**	**As at 30.06.2011**	**As at 30.06.2011**
	Number of shares /common stock and preferred shares/	**%**	**Number of shares /common stock and preferred shares/**	**%**
Chimimport Invest AD	179 730 551	75.00%	180 123 551	75.16%
Other legal entities and private individuals	59 915 716	25.00%	59 522 716	24.84%
	239 646 267	**100.00%**	**239 646 267**	**100.00%**

6. Financial liabilities

Borrowings include financial liabilities as follows:

	Current			Non - current		
	30 June 2012 BGN'000	31 December 2011 BGN'000	30 June 2011 BGN'000	30 June 2012 BGN'000	31 December 2011 BGN'000	30 June 2011 BGN'000
Financial liabilities measured at amortized cost:						
Bank loans	3 000	3 000	2 920	19 558	19 558	-
Other borrowings	26 031	19 926	29 646	248	8 153	6 343
Total carrying amount	**29 031**	**22 926**	**32 566**	**19 806**	**27 711**	**6 343**

6.1. Borrowings, measured at amortized cost, other than borrowings from banking activities

Changes in borrowings other than borrowings from banking activities during the period are presented as follows:

	BGN'000
For the period ended 30 June 2012	
Opening balance 1 January 2012	50 637
Received during the period	116 513
Repaid during the period	(118 313)
Closing balance 30 June 2012	**48 837**
For the period ended 30 June 2011	
Opening balance 1 January 2011	54 548
Received during the period	99 078
Repaid during the period	(114 717)
Closing balance 30 June 2011	**38 909**

7. Income tax expenses

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 2012 is 10 % (the estimated annual tax rate for the six months ended 31 December 2011 was 10 %).

8. Earnings per share

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 is:

	30 June 2012	30 June 2011
Profit attributable to the shareholders (BGN)	48 838 000	48 262 000
Weighted average number of outstanding shares	150 875 596	150 890 187
Basic earnings per share (BGN per share)	**0.3237**	**0.3198**

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

	30 June 2012	30 June 2011
Net profit in BGN, adjusted with dividend expenses	52 626 100	52 965 516
Weighted average number of shares	239 646 267	239 666 267
Diluted earnings per share (BGN per share)	**0.2196**	**0.2210**

9. Related parties transactions

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled through bank transfer.

9.1. Transactions with owners

	30.06.2012 BGN'000	30.06.2011 BGN'000
Sale of services, interest income and other income		
Chimimport Invest AD - owner	5 508	7 045

9.2. Transactions with subsidiaries and associates

	30.06.2012 BGN'000	30.06.2011 BGN'000
- sales of goods		
Bulchimtrade OOD	10	4
	10	**4**
sale of services, rental income and interest income		
CCB Group EAD	2 003	1 932
CCB AD	1 338	966
Bulgarian Shipping Company EAD	1 219	1 157
Trans Intercar EOOD	426	413
Bulgarian Airways Group EAD	330	330
Energoproekt AD	291	268
Port Balchik AD	60	60
Konor OOD	45	41
Chimimport Group EAD	14	-
PDNG AD	15	10
Chimceltex OOD	3	3
Bulgarian River Shipping AD	3	3
POAD CCB	3	-
Hemus Air AD	-	663
Rabur Trade OOD		3
Other	2	681
	5 752	**6 530**

Purchases	**30.06.2012 BGN '000**	**30.06.2011 BGN '000**
- purchase of services, goods and interest income(subsidiaries		
Chimimport Holland	6 669	6 475
Omega Finance OOD	1 119	631
CCB AD	759	160
Zarneni Hrani Bulgaria AD	336	-
HGH Consult OOD	141	142
PDNG AD	135	145
Port Lesport AD	134	134
Trans Intercar EOOD	133	243
ZEAD CCB Life	103	123

ZAD Armeec	91	22
Prime Lega Consult OOD	63	-
Bulgarska Petrolna Rafineriya OOD	57	57
Plovdivska Stokova Borsa AD	48	-
ZOK CCB	43	23
Other	-	37
	9 831	**8 192**

9.3. Transactions with key management personnel

Key management personnel of the Company include members of the Managing board and Supervisory board. Key management personnel remuneration consists of salaries and bonuses as follows:

	30 June 2012 BGN'000	30 June 2011 BGN'000
Short-term employee benefits:		
Salaries, including bonuses	486	646
Social security costs	10	14
Company car allowance	5	5
Total short-term employee benefits	**501**	**665**

10. Post-reporting date events

No significant events have occurred between the reporting date and the date of authorization.

11. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 30 June 2012 (including comparatives) were approved for issue by the managing board on 30 July 2012.