

Annual Activity Report of Chimimport AD, Sofia for 2008

This Annual Activity Report presents comments and analysis of the financial reports and other substantial information regarding the financial statement and results from the activity for the period 1 January - 31 December 2008.

It has been prepared in accordance with Article 33, Paragraph 1 from the Accountancy Act; Article 100n, Paragraph 7 from the Public Offering of Securities Act and Appendix No10 to Article 32, Paragraph 1, Section 2, Article 35, Paragraph 1, Section 2, Article 41, Paragraph 1, Section 2.

Chimimport AD is a public joint-stock company with a registered office at 2 Stefan Karadja Str., Sofia, Bulgaria.

The Company has the following managing bodies: General Meeting of the Shareholders, Supervisory Board and Managing Board.

The members of the Supervisory Board are:

1. Chimimport Invest AD, represented by Marin Velikov Mitev;
2. CCB Group EAD, represented by Miroljub Panchev Ivanov;
3. Mariana Angelova Bazhdarova;

The members of the Managing Board are:

1. Alexander Dimitrov Kerezov
2. Ivo Kamenov Georgiev
3. Marin Velikov Mitev
4. Nicola Peev Mishev
5. Miroljub Panchev Ivanov
6. Tzvetan Tzankov Botev

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

The shares of the company are listed on the Bulgarian Stock Exchange – Sofia AD.

Share capital: The Company's share capital is at the amount of 149 999 984,00 BGN.

Number of shares issued: 149 999 984 registered shares, with a par value of 1 BGN.

The Company's main business activity is:

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, finances, insurance and social security;
- Securitization of real estate and receivables;
- Extraction of oil and natural gas;
- Creation of facilities in the area of oil industry, production of bio fuel and production of rubber products;
- Production and trading with oil and chemical products;
- Production of vegetable oil, purchase, processing and trade with grain foods;
- Aviation transport and ground activities on servicing and repairing of aircrafts and aircraft engines;
- River and sea transportation and port infrastructure;
- Commercial agency and brokerage;
- Commission, forwarding and warehousing services;

1. Information regarding the value and the quantity of the general categories of goods, products and/or provided services including their contribution to the issuer's revenue from sales in general and the changes occurred in the current year.

Due to the specific character of the issuer's business activity - holding activity, the majority of the Company's revenue includes not only the operating revenue, but also financial revenue, which is formed by gains from transactions with financial instruments, interest income and dividends received. The operating income consists of revenue from investments, services and sale of non-current assets.

Percentage ratio of the operating revenue

	2008	2007
	BGN'000	BGN'000
Total revenue from sales	64 336	8 203
% revenue from sale of goods	0.07%	2.18%
% revenue from sale of services	1.86%	20.86%
% income from investment property	55.76%	76.96%
% other operating income	0.24%	0.00%
% gain from sale of non-current asset	42.07%	0.00%

2. Information regarding the income, distributed in separate activity categories, internal and external markets, as well as information on the rendering of services, reflecting the degree of dependency for each customer. In case the percentage of any of the customers exceeds 10 percent of the sales revenue or expenses, information should be provided for each person individually, the client's contribution to sale or purchases and its relationship with the issuer.

2.1 Financial indicators

The Company closed the financial year of 2008 with total revenue amounting to BGN 111 406 thousand. The total revenue for 2008 has increased with 17.32% compared to BGN 94 959 thousand in 2007.

Operating expenses for the year amount to BGN 25 395 thousand, which is an increase of BGN 12 822 thousand in comparison with the previous period i.e. increase with 101.98%.

The financial result for the year ended 2008 considered as earnings before taxes amounts to BGN 92 480 thousand and earnings after taxes amount to BGN 86 011 thousand. There is a positive growth of BGN 3 528 thousand (4.28 % increase) in the financial result compared to the profit for 2007.

The Company's financial indicators for 2008 are as follows:

Main financial indicators

	BGN'000	BGN'000	Increase/ (decrease)
Total revenue	111 406,00	94 959,00	17,32%
Operating expenses	(7 303,00)	(5 978,00)	22,16%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	104 103,00	88 981,00	16,99%
EBITDA / Sales Revenue (%)	93,44%	93,70%	
Earnings before interest and tax (EBIT)	101 503,00	86 379,00	17,51%
EBIT / Sales Revenue (%)	91,11%	90,96%	
Profit before taxes	92 480,00	82 386,00	12,25%
Net profit	86 011,00	82 483,00	4,28%
Cash flow (profit + depreciation)	88 611,00	85 085,00	4,14%
Current assets	375 434,00	280 425,00	33,88%
Current liabilities	96 235,00	56 886,00	69,17%
Working capital	279 199,00	223 539,00	24,90%
Non current capital	918 228,00	721 091,00	27,34%
Cash to current liabilities ratio	1,06	1,63	(35,08%)

2.2. Revenue and expenses structure

The revenue structure for 2008 amounting to BGN 111 406 thousand includes: gains from transactions with financial instruments – 32.40%, gains from sale of non-current assets – 24.30% interest income, gains from foreign exchange differences and other gains(net) – 9.99% and revenue from rents and services – 33.31%.

General revenue structure (changes compared to the previous period)

Gains from transactions with financial instruments			
	2008	2007	Increase/ (Decrease)
	BGN'000	BGN'000	(%)
Gains from transactions with financial instruments	36 099	78 303	(53.90%)
	36 099	78 303	(53.90%)
Interest income related to:			
- loans granted	18 469	7 045	162.16%
- bank deposits	81	239	(66.11%)
Interest income	18 550	7 284	154.67%
Operating revenue			
Revenue from sale of goods	46	179	(74.30%)
Revenue from sale of services	1 195	1 711	(30.16%)
Income from investment properties	35 871	6 313	468.21%
Other operating income	156	-	
	37 268	8 203	354.32%
Revenue from sale of non-current assets	27 068	-	-
Net carrying amount of sale of non-current assets	(8 354)	-	-
	18 714	-	-

General expenses structure (changes compared to the previous period)

	2008 BGN'000	2007 BGN'000	Increase/ (Decrease) %
Losses from transactions with financial instruments			
	2008 BGN'000	2007 BGN'000	
Losses from transactions with financial instruments	1 109	-	0.00%
	1 109	-	0.00%

Interest expense, related to:

- bank loans	736	941	(21.79%)
- finance leases	442	418	5.74%
- loans received	7 845	2 634	197.84%
Interest expense	9 023	3 993	125.97%

Net carrying amount of sale of non-current assets

(8 354)	-	-
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Operating expenses

	2008 BGN'000	2007 BGN'000	
Cost of goods sold	37	152	(75.66%)
Cost of materials	48	39	23.08%
Hired services expenses	2 887	4 087	(29.36%)
Depreciation and amortization	2 600	2 602	(0.08%)
Employee benefits expenses	819	631	29.79%
Other expenses	1 788	519	244.51%
	8 179	8 030	1.86%

The Company's operating expenses during 2008 amounting to BGN 8 179 thousand, which is an increase of 1.86% compared to 2007.

2.3. Post balance sheet events

The following significant events have occurred during the period 1 January 2009 – 31 March 2009:

On 14 March 2009 the Company reported its separate and consolidated financial statements for the fourth quarter of 2008 in English, as well as the Minutes from the General Meeting of the Shareholders, held on 11 March 2009.

On 04 March 2009 the Consolidated financial statements for the fourth quarter of 2008 were reported.

The separate financial statements for the fourth quarter of 2008 were reported on 30 January 2009.

On 28 January 2009 the Company sold shares of Holding Nov Vek AD.

On 23 January 2009 the Company has submitted an invitation for gathering of the Extraordinary General Meeting of the Shareholders and materials for the General Meeting of the Shareholders, which will be held on 11.03.2009 from 12:00 in Sofia 1080, 2 St. Karadja str., following the agenda:

1. Changes in the articles of association of the Company
2. Changes in the Supervisory board of the Company
3. Nomination of an Audit Committee

2.4. Important Research and Development

The Company did not appoint or perform any important research and development activities during 2008.

3. Information regarding concluded significant transactions or such of a significant importance for the activity of the issuer

On 18 August 2008 Chimimport AD announced that, with the approval of the Supervisory Board, successfully priced and issued secured exchangeable bonds, for the aggregate principal amount of EUR 65 million with 7-year maturity, exchangeable for ordinary shares of Chimimport AD, traded on the Bulgarian Stock Exchange – Sofia (“The Exchangeable Bonds” or “Bonds”). Chimimport AD may decide, on its own judgment, to issue a tranche of further bonds in an aggregate principal amount of up to a maximum of EUR 15 million, under the conditions set in determining the price (as it is described below).

The bonds are issued by Chimimport Holland B.V. (“the Issuer”), incorporated and registered in the Netherlands, which is a subsidiary of Chimimport AD, in which Chimimport AD has a 100% ownership of the share capital, The Net Proceeds from the issue are placed as deposit of the Issuer to Chimimport AD, which will use the loan for financing of its expansion through the realization of its strategic acquisitions and for corporate purposes.

In favor of the Bond holders collateral of 11.6 million ordinary shares of Chimimport will be pledged. These ordinary shares are owned by its major owner Chimimport Invest AD and all of them will be blocked. When the option of exchanging the bonds for shares can be exercised, Chimimport Invest can provide money instead of shares, aiming to decrease the effect of equity dilution.

Chimimport is the first Bulgarian entity, which issues bonds, pledged with capital, outside Bulgaria. The exchangeable bonds provide an opportunity for Chimimport to enter the European capital markets and to increase the number of its shareholders. Another objective of the transaction is to ensure Chimimport with flexibility and diversification of financing, which is more favorable than the alternative sources of financing.

The bonds are issued at par value (100%) and if they are not exchanged, bought back or cancelled before maturity, they will be redeemed on 22 August 2015 at the price of 118.9% of the principal, including the accumulated interest. The bonds are with attached coupons bearing a fixed annual interest rate amounting to 7%. The initial exchange price is at the amount BGN 10.984, which represents a 30% premium over the reference price, set on the basis of the weighted average price for the last 5 days before and including the date of setting the price. The bond holders have the right after the second and the fourth year from date of issue to call for an earlier redemption of the bonds, priced at their accreted principal amount plus accumulated interest. In addition, the Issuer has the right to redeem all the bonds, traded after 22 August 2011, in case that the shares of Chimimport are traded at a price equal or above 130% of the exchange price at that moment. The bonds are traded since 22 August 2008.

UniCredit Market & Investment Banking (through Bayerische Hypo- und Vereinsbank) is the sole bookrunner of the issuance.

The full text of the message can be found on the following web site: <http://www.x3news.com>

4. Information regarding the transactions between the issuer and its related parties in 2008, the proposals for concluding such transactions, as well as transactions not related to the main activity, including the amount of the transactions, the relationship between the parties and any other information, needed for valuation of the impact on the financial statement of the issuer

The related parties of the Company include: the parent company, its subsidiaries, the key management personnel and other parties, described below.

Unless otherwise stated, none of the transactions with related parties incorporate special terms and conditions and no guarantee was given or received.

Transactions with the parent company

	2008	2007
	BGN'000	BGN'000
<i>- sale of financial instruments</i>		
Chimimport Invest AD – owner	26 000	-

Transactions with subsidiaries and associates

	2008	2007
	BGN'000	BGN'000
Sales		
<i>- sale of good</i>		
Chimimport Rubber OOD	34	48
Chimimport Oil Trade OOD	-	3
	34	51
<i>- revenue from sale of non-current assets</i>		
Bulgarian Aviation Group EAD	15 568	-
Bulgarian Shipping Company EAD	-	4 850
ZAD Armeec AD	-	3 602
CCB AD	-	-
	-	8 452

- sale of services, rent revenue and interest revenue

Hemus Air EAD	4 085	4 893
Brand New Ideas EOOD	2 829	1 683
Bulgarian Aviation Group EAD	2 545	-
Bulgarian Shipping Company EAD	1 801	135
Chimsnab AD	390	-
Holding Nov Vek AD	274	-
POAD CCB Sila	94	97
Omega Finance OOD	83	1
Rubber Trade OOD	22	17
Fertilizers Trade OOD	14	16
Oil and Gas Exploration and Production Plc.	13	13
Chimoil Trade OOD	12	10
Orgachim Trade OOD	12	12
Chimtrans OOD	10	10
Chimtseltex OOD	10	4
Port Balchik	6	-
Asen Nikolov 1 AD	5	-
SK Chimimport Consult OOD	-	32
Chimimport Lega Consult OOD	-	5
Parahodstvo BRP AD	-	4

Purchases

- purchases of services, goods and interests (associated)

Holding Varna AD	170	66
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- purchases of services, goods and interests (subsidiaries)

Chimimport Holland B.V.	4 336	-
ZAD Armeec AD	569	258
Zarneni Hrani Bulgaria AD	566	76
Hemus Air EAD	382	-
Port Lesport AD	306	176
SK Chimimport Consult OOD	306	239
CCB Life EAD	292	-
Sport Complex Varna	170	308
CCB Group EAD	157	93
Oil and Gas Exploration and Production Plc.	190	155
Trans Intercar EOOD	61	158

Prime Lega Consult OOD	60	74
Bulgaria Air AD	32	-
ZOK CCB	36	-
Brand New Ideas EOOD	20	84
Chimimport Systems OOD	19	19
Chimsnab AD	16	16
Geofizichni Izsledvaniya	8	14
Chimimport Rubber OOD	2	6
Chimimport Orgachim OOD	-	16

Compensations paid to the members of Supervisory and Managing Boards and the key management personnel as of 31.12.2008

Transactions with key management personnel

	2008	2007
	BGN'000	BGN'000
Short-term compensations		
- wages	168	144
- social security costs	14	13
- company car allowance	26	20
	208	177

5. Information regarding unusual events and indices for the issuer that have a significant influence on its activity and realized income and expenses; valuation of this influence on the financial results for the current year.

No unusual events for the issuer that might have a significant impact on its activities occurred in 2008.

6. Information regarding off-balance transactions

As at 31 December 2008 the Company is a party to an active contract from 20 December 2004 for bank guarantees with DSK bank. The contract specifies the limit of the guarantee to be BGN 1 million.



7. Information regarding shares of the issuer, its major investments both domestic and foreign (securities, financial instruments, intangible assets and real estate), as well as investments in securities other than its economic entity and the sources / methods of funding.

• **Investment in subsidiaries**

The Company has the following investments in subsidiaries:

Name of subsidiary	2008	share	2007	share
	BGN'000	%	BGN'000	%
CCB Group EAD	160 270	100.00%	160 270	100.00%
Zarneni Hrani Bulgaria AD	96 057	57.78%	96 058	57.78%
Molet AD	27 626	100.00%	-	-
Bulgarian Aviation Group EAD	25 039	100.00%	23 568	100.00%
Sport Complex Varna AD	22 474	65.00%	22 474	65.00%
CCB AD	20 477	2.89%	19 196	2.64%
Port Lesport AD	14 880	99.00%	14 880	99.00%
Oil and Gas Exploration and Production Plc.	12 744	52.70%	12 744	52.70%
Bulchimex OOD	2 500	100.00%	2 500	100.00%
Trans Intercar EOOD	2 095	100.00%	2 095	100.00%
Bulgarian Shipping Company EAD	2 000	100.00%	2 000	100.00%
Energoproekt AD	1 664	83.20%	1 664	83.20%
Chimimport Holland EAD	1 294	100.00%	-	0.00%
Chimsnab AD	1 011	93.33%	1 011	93.33%
Chimimport Group EAD	998	100.00%	998	100.00%
Asen Nikolov 1 AD	200	10.00%	200	0.00%
HGH Consult Co. Ltd.	111	59.00%	111	59.00%
Brand New Ideas EOOD	5	100.00%	5	100.00%
Anitas 2003 EOOD	5	100.00%	5	100.00%
Prime Lega Consult OOD	4	70.00%	4	70.00%
	391 454		359 783	

The subsidiaries are registered in the Republic of Bulgaria and are included in the financial statements of the Company at cost.

In February 2008 Chimimport AD has acquired 100 % of the share capital of Molet AD.

The Company has made additional payment in the share capital of Bulgarian Aviation Group amounting to BGN 1 475 thousand.

As at 31 December 2008 the share of the Company in the share capital of CCB AD is reclassified from long-term financial assets to investments in subsidiaries, due to the fact that there is an indirect controlling interest over the company.



On 22 July 2008 Chimimport AD acquired 180 shares, each at the amount of EUR 100, which represent 100% of the share capital of Similan Holding OOD, Holland. The company was renamed to Chimimport Holland B.V. In September 2008 the share capital of the company was increased.

- **Investment in associates**

The Company has the following investments in associates:

Name of associates	2008	share	2007	share
	BGN'000	%	BGN'000	%
Holding Varna AD	34 905	21.27%	-	-
PIC Saglasie Co.LTD	15 028	49.28%	15 028	49.28%
Holding Nov vek AD	9 695	28.20%	-	0.00%
Electroterm AD	715	38.07%	715	38.07%
Konor OOD	5	20.00%	5	20.00%
Kauchuk AD	-	-	1 967	28.07%
Capital Management SIPC	-	-	526	23.08%
CCB Real Estate Fund SIPC	-	-	526	23.08%
	60 348		18 767	

- **Financial assets as available-for-sale are:**

	Country	2008	share	2007	share
		BGN'000	%	BGN'000	%
AKB Tatinvest bank	Russia, Kazan	1 136	5.01%	-	-
Chimimport Hungary KKFT	Hungary	82	48.00%	-	-
Plovdivska Stokova Borsa AD	Bulgaria	88	0.00%	88	0.00%
BZOK Zakrila AD	Bulgaria	10	5.00%	10	5.00%
Oksimoron 2003 OOD	Bulgaria	5	47.00%	5	47.00%
Gasinvest AD	Bulgaria	8	8.00%	8	8.00%
Inofert OOD	Bulgaria	2	20.00%	2	20.00%
Unicredit Bulbank AD	Bulgaria	1	0.00%	1	0.00%
		1 332		114	

The Company has acquired 718 236 shares with a nominal value of 10 rubles, representing 5,01% from the share capital of Tatinvestbank – Kazan, Republic of Tatarstan.

During 2008 the Company has registered a limited liability company Chimimport Hungary Kereshkedelmi Korlatolt Feleliosegu Tarshoshag, Hungary. As at 31December 2008 Chimimport AD owns 48% from its share capital.



Long-term financial assets are classified as financial instruments held for sale and are carried at cost as its fair value cannot be measured reliably.

As at 31 December 2008 there are no financial assets held for sale pledged as collateral.

- **Short-term financial assets**

As at 31 December 2007 there are no short-term financial assets pledged as collateral.

	Country	2008 BGN'000	share %	2007 BGN'000	share %
PFK Chernomorec AD	Bulgaria	4 700	91.67%	4 700	91.67%
Neochim AD	Bulgaria	0	2.38%	3 607	2.38%
Olovno Cinkov Complex AD	Bulgaria	-	0.28%	2 746	0.28%
David 202 AD	Bulgaria	519	99.79%	519	99.79%
MIT 2003 EOOD	Bulgaria	161	100.00%	161	100.00%
Zarneni hrani Varna OOD	Bulgaria	3	60.00%	3	60.00%
Zarneni hrani Plovdiv OOD	Bulgaria	3	51.00%	3	51.00%
Bulgarian government securities		3	-	3	-
		5 389		11 742	

Short-term financial assets are classified as financial instruments available for sale. They are mostly carried at cost, because their fair value cannot be measured reliably. Bulgarian government securities are carried at fair value.

As at 31 December 2008 there are no short-term financial assets pledged as collateral.

8. Information regarding loan agreements signed by the issuer, the subsidiaries, and the mother company in the capacity of borrowers.

Long term payables to

- *owners*

Chimimport Invest AD	168 353	146 709
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- *subsidiaries*

Chimimport Holland	124 086	-
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Sport Complex Varna AD	-	12 928
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Bulgaria Air EAD	-	10 000
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Port Lesport AD	-	8 279
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Chimsnab AD	-	681
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Short-term payables to

- *owners*

Chimimport Invest AD	582	582
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Including interest payables	582	582
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- *subsidiaries*

Port Lesport AD	7 003	192
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CCB AD	5 181	3 712
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Chimimport Holland EAD	3 278	-
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Oil and Gas Exploration and Production Plc.	2 765	-
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Sport Complex Varna AD	2 697	308
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CCB Life AD	2 226	-
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ZAD Armeec AD	725	-
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ZOK CCB AD	636	-
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Omega Finance OOD	480	-
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Bulgaria Air EAD	347	259
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CCB Group EAD	157	6 422
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HGH Consult Co. LTD	112	227
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Others, below BGN 100 thousand	110	703
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Including trade payables	271	413
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Including interest payables	5 743	1 424
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- *associates*

Holding Varna AD	32 045	-
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Holding Nov Vek AD	334	-
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Others, below BGN 100 thousand	-	-
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Including trade payables	-	-
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Including interest payables	338	-
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9. Information regarding loan agreements signed by the issuer, the subsidiaries, and the mother company in the capacity of lenders.

	2008	2007
	BGN'000	BGN'000
Long-term receivables from:		
- <i>subsidiaries</i>		
Bulgarian Aviation Group EAD	90 304	48 009
CCB Group EAD	38 631	-
Bulgarian Shipping Company EAD	28 699	23 456
- <i>associates</i>		
Holding Nov Vek AD	-	9 004
PIC Saglasie Co. LTD.	-	1 000
Short-term receivables from:		
- <i>subsidiaries</i>		
Bulgarian Aviation Group EAD	22 196	2 696
Trans Intercar EOOD	13 622	9 005
Bulgarian Shipping Company EAD	3 528	1 739
ZAD Armeec AD	3 420	1 872
Bulchimex EOOD	1 469	1 095
Hemus Air EAD	1 408	1 292
CCB Group EAD	1 074	-
Brand New Ideas EOOD	652	350
Energoproect AD	550	626
Rubber Trade OOD	306	265
Chimceltex OOD	255	245
Chimimport Group EAD	108	246
Chimoil Trade OOD	116	105
Chimsnab AD	22	164
Oil and Gas Exploration and Production Plc.	-	521
Omega Finance OOD	-	187
Zarneni hrani Bulgaria AD	-	114
Other, below BGN 100 thousand	261	264
Including trade receivables	16 920	2 167
Including interest receivables	14 895	5 949

- *associates*

Holding Varna AD	1	1 692
Holding Nov Vek AD	7 365	578
Konor OOD	822	1 016
PIC Saglasie Co. LTD	739	939
Including trade receivables	-	200
Including interest receivables	1 139	-

10. Information regarding the use of funds from additional shares issued during the accounting period

During the accounting period, the Company has not increased its share capital.

11. Analysis of the relationship between the financial result in the financial statements and the previously published forecasted results

In 2008 the Company has not published any forecasts of the financial result for the year. All publicly announced targets and objectives were accomplished.

12. Analysis and valuation of the financial resources management policy, including the ability to meet debt payments, possible threats and precautions that have been taken or are to be taken by the issuer for their avoidance.

The Company successfully manages its financial resources and regularly pays its liabilities.

13. Valuation of the opportunity of realization of investment objectives, indicating the available amounts and possible changes in the financing structure of the activity.

The Company will realize its investing objectives through debt and equity.

14. Information regarding changes that occurred during the accounting period in the basic management principles of the issuer and its economic group.

During the accounting period no changes took place in the issuer's basic management principles.

15. Information regarding changes in the Managing and the Supervisory boards during the accounting period.

During the accounting period there are no changes in the members and number of managing personnel in the Managing and the Supervisory Boards of the Company.

16. Information regarding the issuer's shares owned by the members of the Managing and Supervisory Boards.

According to a reference from the Central Depository issued as at 31 December 2008, the members of the Managing and Supervisory Board own the following number of shares:

Members of the Supervisory Board

	Name	Number of shares	% of share capital
1.	Chimimport Invest AD	114 616 084	76.41%
2.	Julius Baer Investment Management LLC – USA	11 573 251	7.72%

Members of the Managing Board

	Name	Number of shares	% of share capital
1.	Alexander Dimitrov Kerezov	95 000	0.06
2.	Ivo Kamenov Georgiev	309 925	0.21
3.	Marin Velikov Mitev	309 924	0.21
4.	Nikola Peev Mishev	36 464	0.024
5.	Miroliub Panchev Ivanov	55 666	0.037

The issuer has not presented neither options for its shares, nor privileges to the members of the Managing Board.

17. Information regarding the Company's agreements (including post balance sheet period), that may cause changes in the relative number of the shares and bonds, owned by the current shareholders and bondholders.

The Company is not aware of any agreements that may cause changes in the relative number of the shares and bonds, owned by the current shareholders.

18. Information regarding pending suits, administrative or arbitration proceedings, relating to issuer's liabilities or receivables amounting to a minimum of 10% from the owner's equity. If the total amount of the liabilities or the receivables from all pending suits and proceedings exceed 10% of the owner's equity, the information is presented individually for each case.

The Company has not registered any pending suits, administrative or arbitration proceedings, receivables or liabilities that together or apart exceed 10% of the owner's equity.

Information regarding the Program for Applying the Internationally Recognized Corporative Governance Standards through the article 100n from Public Offering of Securities Act.

On 18 January 2008, Chimimport AD officially declared to the Bulgarian Stock Exchange to follow the National Code for Corporate Governance. In accordance with the followed message from the Financial Supervision Commission, the requirement of article 100n, paragraph 4, section 3 from Public offering of Securities Act for preparing of Program for applying internationally recognized Corporate Governance Standards as part of the annual financial report for the Company's activities will be considered as fulfilled, if the Company recognizes to follow the National Code for Corporate Governance. Therefore, the information regarding the Program for Applying Internationally Recognized Corporate Governance Standards are not applied.

Changes in the Company's share prices

According to information from the Bulgarian Stock Exchange – Sofia, the share prices during the twelve month period in 2008 are as follows:

Opening price :14.90 BGN on 03 January 2008
Closing price : 2.08 BGN on 22 December 2008

Information on appendix N 11:

1. Capital structure

The share capital of the Company consists of 149 999 984 ordinary, registered, in book-entry form, voting shares with nominal value of 1 BGN per share.

As at 31 December 2008 the capital is owned by 367 legal entities and 4 342 individuals, both of foreign and Bulgarian origin.

The Company has not issued any shares, that are not permitted for trading on the regulated market in the Republic of Bulgaria and abroad.

According to its **articles of association**, the Company cannot issue preferred shares, entitled with more than one vote, except under the terms of article 10, par. 6 from the final provisions of Public Offering of Securities Act, or with additional liquidation quota. Each ordinary share entitles its owner with one vote at the General Meeting of the Shareholders, dividend rights and liquidation quota in case of Company liquidation. The shares are non-split.

2. Limitations on share transfer

Issuing and disposal of in book-entry form shares requires mandatory registration in Central Depository.

3. Information regarding holding more than 5% from the voting right at the General Meeting of the Shareholders.

As at 31 December 2008 the shareholders holding 5% or more from the Company's capital are as follows:

Name	Number of shares	% of the share capital
1. Chimimport Invest AD	114 616 084	76.41%
2. Julius Baer Investment Management LLC – USA	11 573 251	7.72%

The remaining shareholders (legal entities and individuals) possess less than 5% of the share capital.



4. Shareholders with special control rights

There are no shareholders with special control rights.

5. Control system and voting limitations at the General Meeting of the Shareholders

The share rights are exercised in accordance with the terms and conditions of the Public Offering of Securities Act. The members of the Supervisory and Managing boards cannot represent a stockholder at the General Meeting, in compliance with the Company's articles of association. If the members of the boards are not shareholders, they participate in the General Meeting without a voting right.

There are no additional voting limitations in the articles of association, except those grounded in the Public Offering of Securities Act.

6. Agreements between the shareholders

The Company is not familiar with any agreements between shareholders that may reflect in limitations in share transfer or voting rights.

7. Election and dismissal of the Company managing bodies.

The Company managing bodies are:

- General Meeting of the Shareholders
- Supervisory Board
- Managing Board

The General Meeting elects and dismisses the members of the Supervisory Board and determines their compensation and bonuses.

The members of the Managing Board are elected by the Supervisory Board, which has the right to replace them at any time. One and the same person cannot be a member of the Managing and the Supervisory Board at the same time. The members of the Managing Board may be reelected without any limitations.

Members of the Managing Board of Chimimport AD should meet the requirements of the applicable law:

to be active individuals or legal entities;

as at the moment of the election, the candidate must have clean record, related to crimes against the ownership, the economy, the financial, tax, or social-security systems of the Republic of Bulgaria or abroad, unless he/she has been rehabilitated;

the candidate cannot be a former member of a managing or supervisory body of a discontinued company, that has declared bankruptcy in the last two years prior to the decision for insolvency announcement, if there are any unsatisfied creditors remaining.

Amendments and additions to the articles of association of the Company are approved at the General Meeting of the Shareholders.

8. Authorities of the managing bodies of the Company, including decisions for issuing and redemption of shares

The Managing body of Chimimport AD manages the current activity of the Company and represents it in front of individuals and legal entities in the country and abroad. The Managing Board decides on all matters, which are not under the exclusive competence of the General Meeting of the Shareholders or the Supervisory Board, while abiding the decisions of the General Meeting of the Shareholders and the Supervisory Board, as well as the orders of the articles of association and the applicable legislation. The Managing Board is accountable for its activity to the Supervisory Board and the General Meeting of the Shareholders.

The Managing Board adopts its Activities Regulation, which is approved by the Supervisory Board.

The Managing Board submits a report on its activity to the Supervisory Board at least once for every three months. The chairman of the Supervisory Board must be promptly notified for all circumstances of significant importance for the Company.

The Managing Board presents to the Supervisory Board the annual Financial Statements, the Management's Report, the Auditor's Report, as well as the proposal for profit distribution which will be presented at the General Meeting of the Shareholders.

According to the resolution of the General Meeting of the Shareholders held on 17 September 2007 within a period of 5 (five) year period of entering the amendment in the corporate articles into the Companies Register, the Managing Board is authorized to issue bonds, including exchangeable ones, up to total amount of EUR 100 000 000 (hundred million) or their equivalent in foreign currency. The Managing Board determines the type and parameters of the bonds issued and the terms and conditions for bond issuing. The decisions are made by the Managing Board with the approval of the Supervisory Board

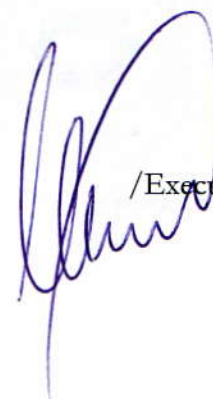
According to the resolution of the General Meeting of the Shareholders held on 17 September 2007 within a period of 5 (five) year period of entering the amendment in the corporate articles into the Companies Register, the Managing Board is authorized to make decisions on the increase of the capital of the Company up to a total nominal amount of BGN 175 000 000 /one hundred seventy five million/ through issuing of common or preferred shares. These decisions are taken by the Managing Board with the approval of the Supervisory Board

9. Significant contracts of the Company

The Company has not entered into any agreements that might cause any actions, change or be terminated as a result of a change in the Company's control.

10. Agreements between the Company and its management bodies

The Company has not entered into any agreements with its managerial bodies and employees, providing compensation in case of a dismissal or a lay off without legal basis or when the termination of the labor contract is relating to tender offerings.



Ivo Kamenov
/Executive Director/