

**Chimimport AD**  
**Interim financial statements**  
**31 December 2007**



## Contents

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

## Interim balance sheet

	Notes	31 December 2007 '000 BGN	31 December 2006 '000 BGN
<b>Assets</b>			
<b>Non-current</b>			
Property, plant and equipment	Error! Reference source not found.	21 840	20 074
Intangible assets		247	495
Investment property		1 170	1 253
Investments in subsidiaries		341 222	151 995
Investments in associates		18 767	27 935
Long-term financial assets		18 536	30 072
Long-term receivables from related parties		81 452	-
Long-term receivables		14 292	11 691
		<b>497 526</b>	<b>243 515</b>
<b>Current</b>			
Inventories		155	302
Receivables from related parties		12 997	17 492
Short-term financial assets		9 077	1 864
Advances paid for purchase of financial instruments		64 703	-
Loans granted		84 608	11 348
Trade receivables		2 242	4 315
Court receivables		145	145
Other receivables		10 815	8 282
Cash and cash equivalents		95 961	26 392
		<b>280 703</b>	<b>70 140</b>
<b>Total assets</b>		<b>778 229</b>	<b>313 655</b>

Prepared by: 

Data: 30 January 2008

Executive  
director: 

## Interim balance sheet

	Notes	31 December 2007 '000 BGN	31 December 2006 '000 BGN
<b>Equity</b>			
Share capital	Error! Reference source not found.	150 000	130 000
Premium reserve		232 343	32 925
Other reserves		7 114	7 125
Retained earnings		65 945	36 709
Net profit for the period		83 344	29 236
<b>Total equity</b>		<b>538 746</b>	<b>235 995</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Long-term bank loans		98	1 723
Long-term trade payables		3 043	8 502
Long-term payables to related parties		88 904	7 760
Other long-term payables		4 000	-
Deferred tax liability		539	539
		<b>96 584</b>	<b>18 524</b>
<b>Current</b>			
Short-term payables to related parties		102 117	21 860
Short-term bank loans		24 104	10 339
Trade payables		11 485	7 773
Tax payables		665	1 895
Payables to employees and social security institutions		542	524
Other payables		3 986	16 745
		<b>142 899</b>	<b>59 136</b>
<b>Total liabilities</b>		<b>239 483</b>	<b>77 660</b>
<b>Total equity and liabilities</b>		<b>778 229</b>	<b>313 655</b>

Prepared by: 

Date: 30 January 2008

Executive  
director: 

## Interim Income Statement

Notes	31 December 2007 '000 BGN	31 December 2006 '000 BGN
Gains from transactions with financial instruments	83 952	18 375
Losses from transactions with financial instruments	(6 588)	(111)
<b>Net result from transactions with financial instruments</b>	<b>77 364</b>	<b>18 264</b>
Interest income	8 019	3 663
Interest expenses	(2 883)	(3 116)
<b>Interest expenses, net</b>	<b>5 136</b>	<b>547</b>
Gains from foreign exchange differences	1 024	1 315
Losses from foreign exchange differences	(21)	(97)
<b>Net result from foreign exchange differences</b>	<b>1 003</b>	<b>1 218</b>
Other financial income/(expenses), net	(231)	19
Operating income	8 203	15 552
Operating expenses	(7 467)	(4 760)
<b>Operating result</b>	<b>736</b>	<b>10 792</b>
<b>Result for the period before tax</b>	<b>84 008</b>	<b>30 840</b>
Tax expenses, net	(664)	(1 604)
<b>Net result for the period</b>	<b>83 344</b>	<b>29 236</b>

	31 December 2007 BGN	31 December 2006 BGN
Earnings per share	0	0,62
		0,28

Prepared by: 

Data: 30 January 2008

Executive director: 



## Interim cash flow statement

	31 декември 2007 '000 лв	31 декември 2006 '000 лв
<b>Cash flows from operating activities</b>		
Proceeds from short-term loans	132 410	128 561
Payments for short-term loans	(224 449)	(122 405)
Purchase of short-term financial assets	(65 855)	(3 779)
Proceeds from sale of short-term financial assets	1 161	1 740
Cash receipts from customers	8 122	6 102
Cash paid to suppliers	(5 577)	(1 897)
Gains/(losses) from foreign exchange differences	19	1 339
Interest income	92	1 885
Cash paid to employees and social security institutions	(655)	(227)
Taxes paid	(1 977)	(197)
Other payments for operating activities	-	(123)
Other proceeds from operating activities	-	1 594
<b>Net cash used in operating activities</b>	<b>(156 709)</b>	<b>12 593</b>
<b>Investing activities</b>		
Purchase of non-current assets	(25 873)	(3 909)
Proceeds from sale of non-current assets	61 722	2 626
Purchase of investments in subsidiaries and associates	(91 769)	(23 761)
<b>Net cash used in investing activities</b>	<b>(55 920)</b>	<b>(25 044)</b>
<b>Financing activities</b>		
Proceeds from issuing of shares	220 018	46 418
Proceeds from bank and other loans received or repaid	77 814	23 821
Payments for bank loans received	(10 939)	(32 042)
Discharge of finance lease liabilities	(3 001)	(1 475)
Interest paid	(1 676)	(8 796)
Other payments for financing activities	(18)	(204)
Other proceeds from financing activities	-	538
<b>Net cash used in financing activities</b>	<b>282 198</b>	<b>28 260</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>26 392</b>	<b>10 583</b>
Net increase in cash and cash equivalents	69 569	15 809
<b>Cash and cash equivalents at end of period</b>	<b>95 961</b>	<b>26 392</b>

Prepared by: \_\_\_\_\_

Data: 30 January 2008

Executive  
director: \_\_\_\_\_

## Interim statement of changes in equity

All amounts presented in BGN'000s	Share capital	Unpaid capital	Additional paid-in capital	Premium reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2006	60 000	(2 082)	58 916	-	7 596	36 708	161 138
Installments for increase in share capital	58 916	2 082	(58 916)	-	-	-	2 082
IPO	11 084	-	-	32 925	-	-	44 009
Net result for the period	-	-	-	-	-	29 236	29 236
Donations granted	-	-	-	-	(470)	-	(470)
Other changes in equity	-	-	-	-	(1)	1	-
<b>Balance as at 31 December 2006</b>	<b>130 000</b>	<b>-</b>	<b>-</b>	<b>32 925</b>	<b>7 125</b>	<b>65 945</b>	<b>235 995</b>

All amounts presented in BGN'000s	Share capital	Premium reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2007	130 000	32 925	7 125	65 945	235 995
IPO	20 000	199 418	-	-	219 418
Net result for the period	-	-	-	83 344	83 344
Donations granted	-	-	(11)	-	(11)
<b>Balance as at 31 December 2007</b>	<b>150 000</b>	<b>232 343</b>	<b>7 114</b>	<b>149 289</b>	<b>538 746</b>

Prepared by: \_\_\_\_\_

Data: 30 January 2008

Executive director: \_\_\_\_\_

## Selected explanatory notes to interim financial statements

### 1 General information

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

The Company is engaged in the following business activities:

- Acquisition, management and trade of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Banking, finance, insurance, pension and health insurance;
- Securitization of real estate and receivables;
- Extraction of petrol and gas;
- Building of capacity and facilities in the area of oil refining industry, production of bio fuels and materials from rubber;
- Production and trade with petroleum and chemical products;
- Buying up, processing and trading with grain and oilseed oils;
- Aviation transport and ground activities related to aircrafts maintenance and repairs
- River and maritime transport and port infrastructure;
- Commercial agency and brokerage;
- Commission, forwarding and warehousing transactions;

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

The financial statements for the period ended 31 December 2007 were approved by the Managing Board on 30 January 2008.

### 2 Basis for preparation of the interim financial statements

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

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

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



Chimimport AD  
Interim financial statements  
31 December 2007

### 3 Property, plant and equipment

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

	Land	Buildings	Machinery	Aircraft	Vehicles	Other fixed assets	Assets in process of acquisition	Total
	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
<b>Net book amount</b>	401	528	45	18 951	-	149	-	20 074
<b>Year ended 31 December 2007</b>								
Opening net book amount	401	528	45	18 951	-	149	-	20 074
Additions	-	2	10	-	-	-	4 023	4 035
Depreciation charge	-	(22)	(19)	(2 204)	-	(24)	-	(2 269)
<b>Closing net book amount</b>	401	508	36	16 747	-	125	4 023	21 840
<b>At 31 December 2007</b>								
Cost or valuation	401	656	1 057	22 042	179	607	4 023	28 965
Accumulated depreciation	-	(148)	(1 021)	(5 295)	(179)	(482)	-	(7 125)
<b>Net book amount</b>	401	508	36	16 747	-	125	4 023	21 840

#### 4 Share capital

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

On June 29th 2007 the Board of managers of the Company, came to a decision, which was confirmed also by the Supervisory council on the same date, that an increase of the funds of “Chimimport” AD from BGN 130 000 000. to BGN 150 000 000. With resolution № 1153-E from August 22nd 2007 FSC confirmed Prospectus for public supply of 20 000 000 ordinary, free, transferable shares with par of BGN 1 and value of issue BGN 11. The public supply was announced on August 22nd 2007 in two newspapers “Dyrjaven vestnik” and “Pari”, the increase of the fund itself began on September 10th 2007

All of the 1,127,176 unrequited rights were bought, on the auction for the unexercised rights from the increase of the fund of “Chimimport” AD which was on October 2nd 2007

On October 17th 2007 was the final date for payment of the acquired rights. The endmost results from the increase of the fund of “Chimimport” AD are as follows:  
Checked and paid - 19 999 984 shares

Acquired sum of money on the account - 219 999 824 with value of issue of BGN 11 per share with par of BGN 1.

With court decision No 28 dated 22 October 2007, issued by Sofia City Court the company increases it's share capital to BGN 149 999 964

#### 5 Earnings per share

The basic earnings per share is determined by dividing the net profit for the period attributable to the equity holders of “Chimimport” AD.

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



	31 December 2007	31 December 2006
Net result for the period in BGN	83 344 000	29 236 000
Weighted average number of ordinary shares in issue	133 890 408	105 434 430
Basic earning per share (BGN per share)	0,6225	0.2773

## 6 Post balance sheet events

From the centralized trade for unexercised rights of Chimimport AD, bought theseo-called rights of Industrialen Holding Bulgaria AD and Holding Nov Vek AD, giving Chimimport AD the right to subscribe as follows: 4 011 337 number of shares from Industrial Holding Bulgaria and 439 107 number of shares for Holding New century

At its meeting held on 28.01.2008/ Record No 3, the Board of Directors of BSE-Sofia has decided the following: With reference to a Decision of the Financial Supervision Commission No 122-E/23.01.2008 about registration of an additional issue of securities with the Public Companies Registry as per Art. 30 (1), item 3 of the FSCA maintained by the FSC, please be informed of the following: Within the terms of Art. 58 in relation to Art. 51 (5) & (6) of the BSE Rules and Regulations, BSE-Sofia has listed the following additional issue of shares on the official Market of Equities, "A" Segment:

- Issuer: Industrial Holding Bulgaria PLC-Sofia /IHLBL/
- ISIN of the issue: BG1100019980
- Amount of the issue before the increase: BGN 26,254,040
- Amount of the increase: BGN 17,502,078
- Total number of shares after the increase: 43,756,118 shares
- Nominal value per share: BGN 1.00
- Type of shares: Common, registered, dematerialised and voting

Securities transactions of the increase will be executable as from 30.01.2008 /Wednesday/.

On 28.01.2008 BSE-Sofia has received an application for registration of an additional issue of shares to trading on the Unofficial Market of Equities, 'B' Segment as follows:

- Issuer: Holding Nov Vek AD-Sofia /HNVEK/
- ISIN: BG1100058988
- Amount of the issue before the increase: BGN 649,620
- Amount of the increase: BGN 907,589
- Volume of the issue after the increase: 1,557,209 shares
- Nominal value per share: BGN 1.00