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Dear Ladies and Gentlemen,

For more than 66 years Chimimport Plc is one of the most successful Bulgarian companies. Once started as a foreign trade enterprise specialized primarily in the trade with chemical products, today Chimimport Plc is distinguished as a major holding company, that consolidates over 68 successful in their scope of business subsidiaries. These companies are capturing leading and reputable positions amongst all their competitors in the respective sectors of the Bulgarian economy that they are specialized in: banking, insurance and pension insurance; aviation, river and sea transportation; exploration, extraction, processing and trading with petroleum and petroleum products and natural gas; origination, processing and trading with grain and oilseeds, production and trade with vegetable oils and biofuels. Each one of the over 6 600 employees of Chimimport Group contributes for the successful integration of the Bulgarian business standards with the strong and fundamental European ones. The last years proved to be successful for the affirmation of the company as one of the leading listed companies on the Bulgarian Stock Exchange - Sofia JSC, and our perception is that this position clearly reflects our proper investment planning and professional devotion and efforts of company's management.

As a public company, Chimimport strives to maintain a very high standard of corporate governance within both the parent company and its subsidiaries, including via guaranteeing equal treatment and protection of the rights of all shareholders. Chimimport also discloses all information relevant to present and potential investors on a regular basis.

Our key goals and objectives for the upcoming years remain persistent – increase the growth rate of the company; strengthen the positions of the subsidiaries falling under company's investment portfolio as market leaders not only on the domestic but also on the international markets; continuously improve the efficiency of the manufacturing companies through investment in new technologies and products; continuously improve and strengthen the image of Chimimport and its assets.

From the Management Board of Chimimport Plc

Chimimport today

Chimimport is a company, founded back in 1947 and now possessing 66 years old history and traditions.	
Share capital	EUR 122. 53 million
Equity (consolidated)	EUR 746.71 million
Assets (consolidated)	EUR 3,066.76 million
Net profit (consolidated)	EUR 58.78 million
Executive directors	Ivo Kamenov Marin Mitev
Major Shareholder	The Management of the company, which is represented by Chimimport Invest – possessing 75.32% (directly and through related parties)
Distinctive minority shareholders of Chimimport are various, highly respected international companies and institutions such as:	<p>CACEIS Bank Deutschland Gmbh - Germany Eurobank Ergasias - Greece Eurobank Bulgaria - Bulgaria The Bank of New York Mellon - USA Eaton Vance Emerging Markets Funds - USA Russell Institutional Funds - USA Palmer Capital Emerging Europe Equity Fund - Netherlands The Royal Bank of Scotland - UK Danske Invest Eastern Europe Convergence- Luxembourg Blackrock Frontier Markets Fund - USA Eurizon Easy Fund - Luxembourg Raiffeisen Bank International - Austria Erste Bank - Austria DSK Rodina Pension Funds - Bulgaria (LF) Equity - Emerging Europe Fund - Luxembourg Barclays Capital Securities Limited - UK</p> <p>Over 300 legal entities and over 3600 private individuals</p>

History

The beginning

Based on a report of the Minister of Commerce and Victuals issued on March 24th, 1947, at its meeting held on April 4th, 1947, the Council of Ministers establishes (with Resolution No.7 – Protocol No.50) a state-owned commercial enterprise, named Chimimport with prime objective – the import of chemical products.

The evolution

1947 - Import of basic chemicals, artificial fertilizers, solutions for plant protection;

1949 - Begins the import of medicaments, medical specialties and instruments;

1950 - The exporting activities of the company begin – herbs, essential oils and raw materials from cultivated plants;

1959 - SCE Chimimport merges with SCE Bulgarian Rose. The export of rose oil begins;

1963 - The first re-export deal in company's history takes place – selling calculated soda from Belgium to Japan;

1969 - Chimimport has in its nomenclature structure approved 70 export positions and 41 import stock groups;

1977 - ECE Chimimport is established as a result of the merger between SCE Chimimport, ECE Neftochim and ECE Lesoimpex. Company's prime field of expertise and scope of business is import, export and re-export of chemicals, chemical raw materials, natural gas, petroleum, petroleum chemical products, cellulose and paper;

1981 - The export product list consists of over 125 different positions;

1985 - The company reaches its highest ever turnover in history - \$ 8.5 billion;

1989 - On July 21st a Constitutive Memorandum was signed, and on October 19th, a legitimate General Meeting was held for all Chimimport JSC's shareholders;

1990 - On the grounds of Order No.56, Resolution No.1 dated January 24th, 1990, company case No2655/1989 a joint-stock company named Chimimport was established with equity of EUR 5.11 million;

1992 - On September 22nd the Shareholders' General Meeting votes in favor of increasing the capital of Chimimport to EUR 26.14 million through a non-cash contribution by the state of Bulgaria;

1993 - The state of Bulgaria transfers the shareholding of over 40 commercial and manufacturing enterprises in the possession of newly established company called Consolid Commerce. Company's capital is increased to EUR 26.42 million;

- 1994** - On October 5th the Privatization Agency signs a contract with the company's management team at the time united under Chimimport Invest JSC for the sale of 58.7% of the capital of Chimimport;
- 1995** - After finalizing the deal of selling preferred shares, the shareholders' capital of the company is apportioned as following: Chimimport – 63.01%; private individuals – 15.70%; Consolid Commerce Ltd – 20.05%; other legal entities – 1.26%;
- 1997** - Chimimport is re-registered under Art. 277 of the Commerce Law as a holding company;
- 2000** - The first stage from the restructuring process of Chimimport is finalized – establishing subsidiaries based on the former commercial departments;
- 2001** - Chimimport Plc acquires 23% of the share capital of Central Cooperative Bank Plc through the Bulgarian Stock Exchange and consequently establishes a management consortium together with one of the main shareholders – the Central Cooperative Union;
- 2002** - By tender procedure Chimimport Plc acquired an additional 32.77% of the share capital of Central Cooperative Bank Plc. The portion represents the shares of the state owned Bank Consolidation Company JSC; Through the Privatization Deals Agency the company acquired 91.92% from the share capital of Armeec Insurance JSC; Obtained the majority share capital of pension fund CCB-Sila PIJSC from the Czech financial group Newton; Through CCB, the group of Chimimport Plc takes over the companies of three banks that have been declared in insolvency: Dobrudzha Commercial Bank JSC, Credit Bank JSC and Bank for Agricultural Credit JSC;
- 2003** - Balkan Hemus Group JSC (currently Bulgarian Airways Group JSC) was established with the purpose of unifying the future participation of the group in the airline industry; Successful participation with positive outcome in the privatization process of Hemus Air JSC and Oil and Gas Exploration and Production JSC;
- 2004** - Chimimport Plc establishes a sub-holding company called CCB Group Assets Management JSC (currently CCB Group JSC) with main purpose to consolidate the group's assets and interests in the banking, insurance and pension insurance sectors. Furthermore it acquired the shares of Central Cooperative Union in Central Cooperative Bank: 23.45% of the Bank's share capital.
- 2005** - The company establishes two sub-holding structures – Bulgarian Shipping Company JSC for river and marine transport and Chimimport Group JSC for commercial and production activities; Chimimport's share capital increases to EUR 30.68 million; Chimimport acquired 49.28% of the third in terms of assets and market share pension insurance company in Bulgaria – Pension Insurance Company Saglasie JSC. Nearly 50% of the shares have been sold in 2013 with realization of significant income return; Chimimport Group acquired through Central Cooperative Bank, the filed for insolvency Capital Bank and Crystal Bank.
- 2006** - Chimimport's share capital increases by EUR 30.13 million, amounting to EUR 60.8 million; Chimimport Plc acquired 99.13% of the share capital of Bulgarian River Shipping (70% of which by privatization procedure); Consequently the company successfully merged Chimimport Bimas and its subsidiaries VTC JSC and Mayak JSC into Bulgarian River Shipping; Chimimport's subsidiary Lesport successfully closes a

thirty-year contract for concession of Lesport port terminal, which is part of the port for public transport with national importance for Varna city; Through Port Balchik JSC, Chimimport Group has obtained a 25-year concession over port terminal Balchik – a distinguished territorial zone of Varna port for public transportation with national importance;

Chimimport performs an increase of capital from EUR 60.8 million to EUR 66.5 million by Initial Public Offering of 11.08 million shares with nominal value of EUR 0.51 and issue price of EUR 2.05. As a result and on the grounds of Art.110, paragraph 2 of the Public Offering of Securities Act, Chimimport Plc officially becomes a Public Listed Company. The company shares are registered for trade on the official market, segment B, of the Bulgarian Stock Exchange - Sofia JSC on October 30th, 2006.

Chimimport Group has successfully performed licensing procedures on two joint-stock special purpose investment companies (CCB Real Estate Fund SPIC and Capital Management SPIC, with scope of business in securitization of real estates and securitization of receivables, respectively).

2007 - The Financial Supervision Commission issues a license to the CCB Assets Management Ltd – an assets management company;

Chimimport Plc acquired 51.81% of the share capital of Ship Machine Building JSC, Varna;

On the grounds of a resolution, issued by the Board of Directors of Bulgarian Stock Exchange - Sofia JSC, Chimimport Plc is included in the main market index SOFIX and as of February 26th, 2007 the company is included in the market index BG 40.

Central Cooperative Bank Plc acquired the insolvent enterprise International Bank for Commerce and Development;

Chimimport won the tender procedure for privatization of the national air carrier Bulgaria Air JSC, acquiring 99.99% of its share capital. The Bulgarian state keeps one golden share;

The major shareholder of Chimimport Plc – Chimimport Invest acquired 84.60% of the share capital of pension insurance Company Lukoil Garant - Bulgaria JSC with the purpose for later integration of the company into Chimimport's structure.

The Management Board of Chimimport Plc, issues a resolution to increase the company's capital from EUR 66.47 million to EUR 76.69 million. The capital increase, executed according to the conditions set forth in the law on Public Offering of Securities, is successfully accomplished. New 19,999,984 shares with nominal value of EUR 0.51 and issue value of EUR 5.62 were registered and paid. Based on the closure procedure for increase of capital the company has raised EUR 112.48 million.

Bulgarian Airways Group JSC concluded an agreement concerning the establishment of a joint-venture with Lufthansa Technik AG. The company is functioning as a Limited Liability Company with main scope of business maintenance, repair and painting of aircraft fleets.

On November 26th, 2007 the project aiming to consolidate the grain business of Chimimport Plc was successfully finalized. By merging 8 companies: Slanchevi Lachi Bulgaria JSC, Sofia (a public company in the sense of the law for Public Offering of Securities), Zarneni Hrani Trade JSC, Sofia, Back International JSC, Sofia, Zarneni Hrani – Valchi Dol JSC, Zarneni Hrani Balchik Ltd, Zora JSC Ruse, Prima Agrochim Ltd, Dobrich and Chimimport Agrochemicals Ltd, Sofia a new company called Zarneni Hrani Bulgaria Plc was established, acting as their legal successor in title. The issue of shares, issued by Zarneni Hrani Bulgaria, was registered for trading on the Bulgarian Stock Exchange - Sofia JSC in December, amounting to over EUR 87.32 million distributed in 170,785,600 shares with nominal value of EUR 0.51 each.

The life insurance company CCB Life Ltd and health insurance company CCB Health Ltd (later sold in 2013) were established and licensed by the Financial Supervision Commission.

- 2008** - During the first quarter of 2008, Central Cooperative Bank Plc concluded the procedure for acquisition of the majority block of shares of the Macedonian bank Silex Bank JSC – later renamed to CCB Skopje JSC. After obtaining an authorization from the Commission for Protection of Competition, Chimimport acquired 100% of the share capital of BM Star – a company owning 40% of the share capital of the concessionaire of Varna and Bourgas civil airports – Fraport Twin Star Airport Management JSC. Chimimport successfully placed an issue of secured convertible bonds with value of EUR 65 million with a 7-year term to maturity, convertible for issued regular shares of Chimimport Plc, traded on the Bulgarian Stock Exchange - Sofia. The bonds are issued by Chimimport Holland B.V., solely owned by Chimimport Plc, established and registered in Holland. The net revenues from the emission were granted as a loan from Chimimport Holland to Chimimport Plc, as the latter used them for financing its expansion through realization of strategic mergers and acquisitions and for general corporative goals. The group of Chimimport, through its subsidiary – Bulgarian Aviation Group JSC, started a large-scale joint project with the Republic of Tatarstan for reconstruction and expansion of the Kazan Airport; Bulgaria Air JSC concluded a contractual deal with the national air carrier of the Republic of Tatarstan for lending part of its fleet on operative lease to Tatarstan Airlines;
- 2009** - Bulgarian Aviation Group JSC completed the procedure for acquisition of sole participation in the capital of Air Ban airline carrier; Zarneni Hrani Bulgaria Plc acquired 100% of the capital of Goliama Dobrudzhanska Melnitsa Ltd – the third largest mill in Bulgaria; The major shareholder of Chimimport Plc – Chimimport Invest JSC has acquired, via trade offers, the majority share holdings of Assenova Krepost Plc and Holding Assenova Krepost Plc. The capital increase procedure of Chimimport Plc from EUR 76.69 million to EUR 122.71 million was successfully completed by issuing new 89,646,283 preferred dematerialized, non-voting shares with 9% fixed dividend, guaranteed equity share, convertible into ordinary shares with nominal value EUR 0.51 each and issue price of EUR 1.14. As a result of the increase EUR 101.75 million additional funds have been raised; The national air carrier, Bulgaria Air JSC, acquires 45% of the local market leader in the reservation services – Amadeus Bulgaria Ltd (part of Amadeus IT Group).
- 2010** - The merger process of pension insurance company Lukoil Garant-Bulgaria JSC into CCB-Sila PIJSC has been successfully completed. All pension funds managed by Lukoil Garant-Bulgaria JSC have been transferred into the respective funds managed by CCB Sila PIJSC. Following a tender offer to the shareholders of Macedonian Stater Bank, Central Cooperative Bank Plc has acquired 93.72% of the share capital of the Macedonian bank located in Kumanovo. The subsidiary company Oil and Gas Exploration and Production JSC acquired 100% of the share capital of Chimoil BG Ltd and subsequently started the construction and development of a gas-station chain branded as Chimoil. The parental company, Chimimport Invest, acquired 85% of the M Kar Ltd share capital, which is the authorized agent of BMW Company for Plovdiv, Stara Zagora and Haskovo. Chimimport Invest acquired approximately 10% of the share capital of Texim JSC.

- 2011** - On January 3rd the process of consolidation of the Macedonian commercial banks owned by the group was officially finalized through the merger of Stater Bank JSC Kumanovo and Central Cooperative Bank JSC Skopje;
- Companies belonging to Chimimport Group obtain associated participation in the business-oriented television channel Bulgaria On Air (TV Bulgaria On Air);
- On March 15th, 2011 Bulgarian River Shipping Plc and Navigation Maritime Bulgare JSC establish a joint company called Varnaferry Ltd with scope of business ferryboat shipment along the direct railway-ferry route "Varna - Caucasus";
- Procedures for capital increase of Assenova Krepost Plc and Holding Assenova Krepost JSC were planned and executed successfully – through public offering of new shares. The authorized capital of the two companies increased considerably as the accumulated funds amount to EUR 5.11 million and EUR 6.41 million respectively;
- Bulgarian Airways Group finalized the establishment of two international projects in the Russian Federation;
- Constitutive documents are officially signed for the establishment of the joint companies ZAO TAT AVIA, liable for the implementation of a large-scale project for reconstruction and development of Kazan International Airport, as well as for establishment of ZAO TAT AERO – a managing company involved with the development of OAO – Airlines Tatarstan;
- Bulgarian Airways Group JSC increased with 4.9% its voting right and direct participation in the equity of the associated company Lufthansa Technik Sofia Ltd – to the total of 24,9%;
- Companies belonging to the Group – Chimsnab JSC, David 202 JSC, Myth 2003 SPLLC and Sofgeoexploration SPLLC are involved in the process of transformation through merger in to the equity of the receiving company – Chimsnab Bulgaria JSC. Subsequently the Group sold a large portion of its participation in the newly-established company;
- The Group participates with EUR 22.82 million in the capital increase of Central Cooperative Bank Plc;
- After obtaining the necessary approval by the Commodity Exchange Commission, the Group acquired 75% of the share capital of Plovdiv Commodity Exchange JSC;
- On December 2011 Fraport Twin Star Airport Management JSC started the construction and realization to the turnkey of new international passenger terminals at Varna Airport and Bourgas Airport. Besides this undertaking which is officially completed by 2013, Fraport Twin Star Airport Management JSC started the implementation of several major infrastructural projects at Bourgas Airport – a new building for administration headquarters, a new cargo terminal and a fire station.
- 2012** - On January 10th the Group transferred portion of its interests' equivalent to 10% from the capital of VTS JSC, and by doing so decreased its participation in the company's equity to 41%;
- On February 29th Airport Services SPLLC (owning 40% of the capital of Fraport Twin Star Airport Management JSC) was merged into the sole owner of the company Molet SPJSC, as the name of the latter has been changed to Airport Services – Bulgaria SPJSC;
- On March 4th took place the inauguration and the official opening ceremony of the fully renovated runway at Varna airport. The capital expenditure that was required and practically provided for the planning and execution of the project for rehabilitation, executed by Fraport Twin Star Airport Management JSC, amounts to nearly EUR 20 million;

The subsidiaries of the Group – Fertilizers Trade Ltd, Silico 07 Ltd and Chimtrans Ltd were terminated by liquidation. The amount of investments in the above companies is recovered through liquidation proceeds; The Group obtained the control over the company Texim Trading JSC by purchasing shares representing 66.67% of its equity and the rights aloud. As a result of the capital increase of the company held at the end of 2012, the Group increased its shareholding in Texim Trading JSC to 88.32%;

In October 2012 was finalized a process of transformation by merging Holding Assenova Krepost Plc in Assenova Krepost Plc. The Group acquired control over the new company as it become part of the sub-holding company within Chimimport's boundaries consolidating participations in Production and Trade sector. On the account of its majority shareholding in Assenova Krepost Plc the Group acquired control of Asela JSC and AK Plastic Ltd companies;

On November 2nd was registered the newly established company – Port Invest Ltd with primary scope of business concessions and implementation of the accompanying investment program of Port Terminal Lom. The Group exercises control over the newly established company through its subsidiary Bulgarian River Shipping Plc;

In 2012, the Group acquired control over Petrohan Trade JSC through the purchase of shares of the company as a result of which held 100% of its equity and the rights aloud. Through the acquisition of a majority stake in Petrohan Trade JSC the Group also ensured control over 82.37% of the share capital and the rights aloud in Besa Tour JSC. The stakes in the above mentioned companies were sold in 2013;

Adhering to the strategy that the company had adopted earlier for disengagement from all non-operational assets, in December 2012 Bulgaria Air JSC sold 100% of the possessed share capital of its subsidiary Bulgaria Air OOO, Russia;

At the end of 2012, the Group acquired 16,425,981 ordinary shares with voting rights from the capital of TatInvestBank JSC, based in Kazan, Russia, by doing which acquired controlling interest of the bank's capital.

After this acquisition the Group has a holding of 59.47% of the capital of TatInvestBank JSC, of which 55.92% through Central Cooperative Bank Plc;

2013 - Bulgarian Airways Group acquired 42.50% of the capital of Alpha Airport Services – a joint venture for airport catering with Alpha Flight Group, Great Britain and Lufthansa Services Europe/Africa, Germany; On August 15th was held the official opening of the new passenger terminal at Varna Airport. The new facility can boast with 3 times larger passenger service area than the old one, whereas the overall investment of Fraport Twin Star Airport Management in the terminal and adjoining infrastructure is more than EUR 37.5 million;

The new passenger terminal of Bourgas Airport will be officially opened and commissioned by the end of the third quarter of 2013. The facility itself is fully completed as the only outstanding deliverables of the project that are currently in progress are the final tests of the security systems and the equipment intended for passengers and cargo servicing.

The Group acquired 49% from its investment in Swissport Bulgaria. The company has signed agreements for sale of a substantial part of its stake in POK Saglasie.

2014 - Chimimport has acquired control over IC OAO Itil Armeec, with headquarters in Kazan, Republic of Tatarstan through purchase of shares from Armeec Insurance JSC, owner of 100% (recomputed to 96.34%) from the shares and the voting rights of IC OAO Itil Armeec.

The Group has acquired 88,90% from the shares and the voting rights of Technoimpex 98 merged in its subsidiary Technoimpex, with headquarters in Sofia, Bulgaria.

Supervisory Board

Chimimport Invest JSC

Chairman of the Supervisory Board

CCB Group JSC

Member of the Supervisory Board

Mariana Bajdarova

Independent Member of the Supervisory Board

Management Board

Tsvetan Botev

Chairman of the Management Board

Alexander Kerezov

Deputy Chairman of the Management Board

Ivo Kamenov

Executive Director and member of the Management Board

Marin Mitev

Executive Director and member of the Management Board

Nikola Mishev

Member of the Management Board

Miroljub Ivanov

Member of the Management Board

Chimimport Plc is represented by the Executive Directors Ivo Kamenov and Marin Mitev together and individually.

Chimimport Plc

For its more than 66-year existence Chimimport Plc has gone from successful foreign trade enterprise, specialized in the trade with chemical products, into a large-scale holding company that unites nearly 70 subsidiaries and associated companies operating in various sectors of the Bulgarian economy. The main scope of business of Chimimport Plc is acquiring share participations, establishment, re-structuring and management of subsidiaries, as well as providing financing to companies, in which it participates.

The priority investments of the Group of Chimimport Plc are concentrated in the following sectors:

- Banking, finance, insurance and pension insurance;
- Oil and Gas Exploration and Production;
- Production and trade of petroleum and chemical products;
- Capacity building in the field of oil refining industry, production of biofuels and rubber;
- Production of vegetable oils, buying, processing and trade with of grain foods;
- Aviation transportation and ground-based activities for service and repair of aircrafts and aircraft engines;
- River and maritime transport and port infrastructure;
- Securitization of real estate and receivables;
- Commercial representation and intermediation;
- Commission, logistics and warehousing operations;

In the last 5 years, due to the global financial and economic crisis, the net result of the Group's operations is amended as follows: EUR 67.61 million for 2010, EUR 57.10 million for 2011, EUR 53.33 million for 2012, and EUR 44.42 million for 2013.

On consolidated basis the equity of Chimimport Plc has increased from EUR 497.7 million at the end of 2009 to EUR 506.7 million at the end of 2010, EUR 612.2 million at the end of 2011, EUR 632.4 million at the end of 2012. On December 31st, 2013 the equity of the Group amounts to EUR 665.72 million.

Significant value of the Group's assets – by December 31st, 2013 Chimimport Group's assets have book value amounting to EUR 3,376 million (EUR 3,064 million at the end of 2012, EUR 2,745 million at the end of 2011, EUR 2,332 million at the end of 2010 and EUR 1,803 million at the end of 2009).

At the present stage the main advantages of Chimimport are as follows:

- Excellent knowledge of the economic and political conditions and realities in Bulgaria, the needs and specificities of the customers and excellent positions in strategic sectors of the economy of the country;
- Proven Management team – the Group has a highly motivated team of managers, with a vision for the growth of the company, with excellent skills and experience in the management, acquisition and restructuring of companies in both favorable and adverse market environment;

Main strategy and business model

The main strategy and investment policy of Chimimport Plc are focused to position the Group as a major partner in service of the traditional and regional commercial streams. In particular this approach motivated the Group's entry in sectors such as transport, agriculture, financial operations and real estate.

The financial sector is another area where the Group strives to offer the full range of services to its customers. The financial group within the structure of Chimimport Plc currently includes a universal commercial bank, which has traditionally good positions in agricultural lending, general and life insurance companies, pension insurance company, assets management company (mutual funds), as well as two companies with special investment purposes (for securitization of real estate and receivables). The business model of the Group is build for the purpose of implementing the above-defined development strategy based on the maintenance and expansion of the Group's leading role in the sectors identified as important for the Bulgarian economy. Some of the more specific objectives defined by the management of Chimimport Plc are:

- Maintain high growth rates of the assets and own capital of the Group, which is associated with the provision of a stable long-term investment return to the shareholders;
- Affirmation of Chimimport Plc as a holding company with a strong presence in the Bulgarian economy and Central and Eastern Europe;
- Maintaining a leadership position among the Bulgarian public companies and improving the international prominence of the Group.

Transport is an important sector for the Group. Geographically, Bulgaria is located on a crossroad between Europe, Asia and the Middle East as five of the ten trans-European corridors pass through the country. Chimimport develops air, river and marine transport, as in all three cases is aiming to the full range of activities, not just pure transport (i.e. including the management of airports and ports, repair and maintenance of vehicles, cargoes, servicing agency and others).

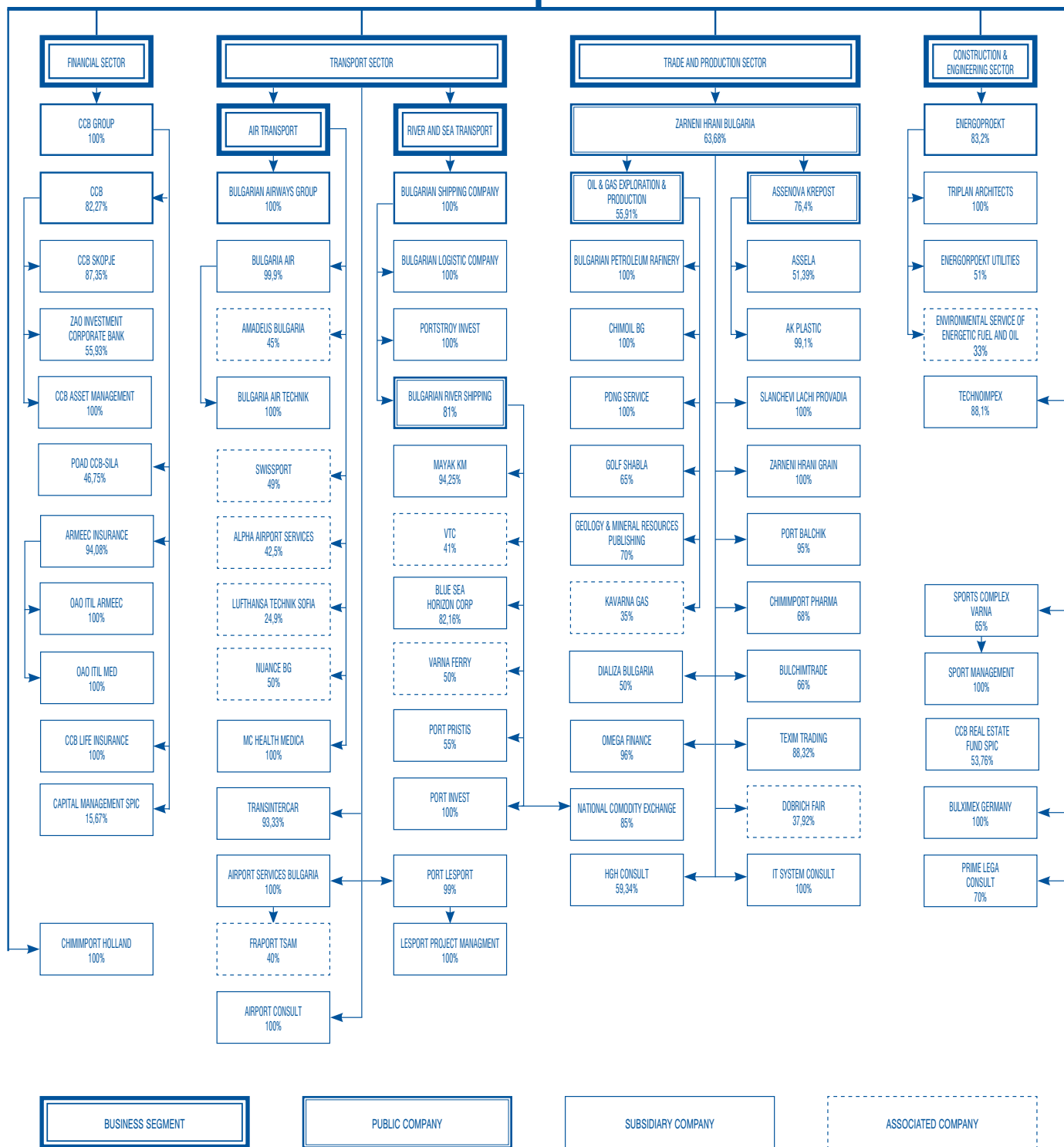
Agriculture is another important economic sector for the Group – Chimimport Plc targets to position its business in such a way as that to ensure the fullest benefit of the traditional advantages of the country as a producer of agricultural products and on the other hand to utilize the key geographic location, allowing the Group to play the role of mediator between Europe and traditional countries producing agricultural production like Russia, Ukraine, Kazakhstan and others. Similar to the transport sector, in agriculture, Chimimport Plc aims to encompass the full spectrum of business – in this case, focusing one hand on the buying, trading, logistics, storage of grain and oilseeds where actively seeks and exploits the relations and synergies with other businesses (transportation, finance, etc.). On the other hand Chimimport Plc invests in agriculture-related industries – companies of the group are major players in the industry for the production of vegetable oils, covering all activities from the purchase of raw materials to processing them into finished products (vegetable oils, including for consumption and biodiesel).

The development of the company and its investment plans in the short and mid-term are structured in two main directions – consolidate and optimize the achieved positions and penetration of new markets.



The main building of Chimimport, Sofia

CHIMIMPORT PLC







FINANCIAL SECTOR

CCB Group JSC

Historically, the company CCB Group JSC is established with resolution issued by the Sofia City Court upon the merger of two companies in existing, since 1998 company Newton Financial Management BG Ltd. As of the end of 2002, the new company is called CCB Group Asset Management JSC, which operates under the name until September 25th, 2008, when it was renamed to CCB Group JSC.

CCB Group JSC is a sub-holding company within the structure of Chimimport Plc, which unites the interests and participation of the holding in the financial sector, including the development and implementation of strategic program for growth of the companies in the sector, according to the long-term goals of Chimimport Plc in the field of financial services.

The company carries out strategic control over the activities of its subsidiaries and assists the process of their long-term funding.

In addition, CCB Group JSC supports its subsidiaries and other companies from the holding structure by providing them with a wide range of consulting services related to financial and capital markets, including methodological support for implementation of major projects, negotiations with foreign investors, public listing of companies, mergers and acquisitions, restructuring, sale of companies and others. Currently, the financial sector of Chimimport Plc includes a number of companies with a well-established name and presence in their respective segments, namely: Banking services (Central Cooperative Bank Plc and its subsidiaries CCB Skopje and TatInvestBank), Insurance and Reinsurance (Armeec Insurance JSC and CCB Life JSC), Pension Insurance Fund (CCB-Sila PIJSC), Mutual Funds (CCB Assets Management) and securitization of receivables and real estate (CCB Real Estate Fund SPIC and Capital Management SPIC). A part of the above-mentioned companies were constituted by CCB Group JSC during 2006 and 2007 with the purpose to achieve full range of financial products and services offered by the holding. After their creation these companies developed sustainable operations and established a comprehensive presence on the market.



Main office of CCB Group

Central Cooperative Bank Plc

Central Cooperative Bank (hereafter CCB or the Bank) was registered by a decision of Sofia City Court on March 28th, 1991. The Bank founders are the Central Cooperative Union, regional cooperative unions and more than 1,100 cooperative organizations.

Shareholders

As per December 31st, 2013 the share capital amounts to EUR 182,183 thousand. Capital adequacy was 14.99%, which is above than the requirements pursuant to Ordinance No.8 of the Bulgarian National Bank (BNB) for capital adequacy of banks.

Shareholders of CCB at December 31st, 2012	Share (%)
CCB Group JSC, Sofia	68.56
Chimimport Plc	9.90
Other minority participation	21.54
Total	100.00

As per December 31st, 2013 the shareholders of CCB are 5,630 private individuals and 1,200 legal entities.

The Bank's shares are traded on the Bulgarian Stock Exchange since March 4th, 1999. Over the past 14 years the shareholding structure of CCB has changed significantly three times – in June 1999 when Bulbank sold its share of 35% to the State Fund Agriculture; in June 2001, when the share of Fund Agriculture, passed initially through Bank Consolidation Company, was purchased by Chimimport Plc and at the end of 2004, when the shares of Central Cooperative Union were acquired by Chimimport Plc through CCB Group JSC.

The last procedure to increase the company's capital from EUR 42,516,523 to EUR 57,855,279 by issuing 30,000,000 ordinary dematerialized voting shares with nominal value of EUR 0.51 and issue price EUR 0.77 was conducted at the end of 2011. As a result of the subscription 30 million shares were successfully subscribed and paid, as a consequence of which the capital raising account of CCB gained the amount of nearly EUR 23 million.

CCB is a universal commercial bank licensed to conduct all types of banking operations in the country and abroad. Moreover, the Bank performs activities as an investment intermediary and is certified, by the Bulgarian National Bank, as primary dealer of government securities. The Bank is a leader in serving the agricultural sector in Bulgaria, as the future aim is focused to hold the leading positions, expanding the scope and volume of its operations with agricultural producers countrywide. At the same time, the Bank develops with priority its retail banking and card payments business, by offering competitive products and services to individuals, SME's and corporate customers from other sectors of the economy.

CCB reaches its clients through headquarter in Sofia and a well-developed branch network of 271 locations in Republic of Bulgaria, 1 branch in Nicosia, Republic of Cyprus, one office in the financial centre of Europe – London, and the branch networks of the subsidiary banks in the Republic of Macedonia - CCB Skopje JSC and in Republic of Tatarstan – TatInvestBank. As per December 31st, 2013 the total number of the employees in the Bank is 2,042 people.



Main office, Sofia

Central Cooperative Bank performs its international business through a large correspondent network of more than 490 institutions worldwide. The Bank maintains 19 nostro accounts in all major foreign currencies. CCB has been licensed by MasterCard Inc. to issue and acquire international debit and credit cards – Eurocard/MasterCard and Maestro and is a full member of VISA International and offers the whole range of Visa cards. The Bank is also an agent of Western Union international system for fast money transfers. From July 1993 CCB is a member of the European Association of Cooperative Banks with a head-office in Brussels and since September 2004 – a member of the International Cooperative Banking Association, where more than 55 institutions from 40 countries have memberships.

CCB has the status of a public company and from March 1999, its shares are admitted for trading on the Bulgarian Stock Exchange - Sofia. Currently, the Bank's shares are traded on the official market - Standard segment of BSE and are included in two stock indexes – SOFIX and BG40.

Market position

According to the statistical data published by the Bulgarian National Bank for 2013, CCB holds the 8th position in terms of book value of assets out of 31 banks and foreign bank branches in the sector.

Acquisitions

Following the CCB's acquisition by Chimimport Plc, the Bank took active part in purchasing credit institutions being declared insolvent in the latter part of 90's. After Chimimport Plc acquired the control over CCB in 2003, the Bank's growth accelerated: its assets and net profit increased significantly, the whole product range was changed and CCB penetrated in totally new segments. CCB has acquired 6 commercial banks in Bulgaria that have been declared insolvent: Bank for Agricultural Credit, Credit Bank, Dobrudzha Bank, Capitalbank, Cristalbank and International Bank for Commerce and Development.

In the first quarter of 2008 Central Cooperative Bank Plc acquired 75.51% of the share capital of its first subsidiary - the Macedonian bank Silexbank JSC, Skopje. After the company's capital increase in September 2008, the share of CCB in the credit institution comprised 82.57% of the voting shares. In October 2008, the name of Silexbank JSC changed into Central Cooperative Bank JSC Skopje. Following the re-purchase of the own shares in December 2009 the share of the parent bank reached 82.63%. CCB intends to use Central Cooperative Bank Skopje as a basis to penetrate the market in Macedonia, employing its successful strategy and experience gained in Bulgaria.

On March 16th, 2010, CCB on basis of its tender offer acquired the majority shares amounting to 93.72% of the capital of another Macedonian bank, in particular, the Stater Banka JSC, Kumanovo.

At the beginning of 2011 both subsidiary banks at the Macedonian market merged into one unified credit institution - CCB Skopje JSC, with CCB owning 87.35% of the share capital.

In 2012, the Bank acquired 55.93% of the share capital of ZAO AKB „Tatinvestbank“ city of Kazan, Republic of Tatarstan, Russian Federation, by which received controlling interest in the subsidiary's equity. Before the acquisition the Bank holds ordinary shares aloud, as later in the year, the Bank acquired additional ordinary shares aloud the capital of the subsidiary. In 2013, the Bank has acquired additional shares of ZAO AKB „Tatinvestbank“ g. Kazan, Republic of Tatarstan, Russian Federation, with the result that on 31 December 2013. „Central Cooperative Bank“ Sofia owns 56.20% of the share capital of the subsidiary.

Retail banking

• Card products

In 2013 CCB further strengthened its positions as one of the biggest issuers of credit and debit cards in the country. The Bank issues international credit cards MasterCard and Visa, platinum credit card Visa Platinum, prepaid virtual cards Visa, prepaid GIFT cards MasterCard and Visa, international debit cards Maestro and Visa Electron, as well as local credit and debit cards. In 2013 the bank launched few new card products:

Contactless Debit MasterCard

In the end of 2013 the bank successfully launched the issuing of the prestigious Debit MasterCard PayPass. It is a debit card but of higher status than Maestro and Visa Electron. CCB is amongst the first banks in Bulgaria that offer contactless cards to its customers. Thanks to the new technology for contactless payments, the cards can be used to execute payments in a very fast manner, through easy and convenient contactless transaction only by bringing the card close to the POS terminal. The card can be used to carry all other regular banking transactions at an ATM or POS terminal, payments at various merchants and the Internet, just as it is done with a regular MasterCard.

Besides the new contactless technology, the card comes with many other advantages that are well received by the customers. Major advantage of the cars is the lack of transaction charges for payments at merchants in the country and abroad. By its characteristics the Debit MasterCard PayPass is rather similar to a credit card- can be used for hotel bookings, rent-a-car, as well as executing various payments that are not usually permitted for the common debit cards. The card is accepted everywhere where payments with a credit MasterCard are allowed.

International contactless credit cards MasterCard

In the last quarter of 2013 CCB launched the issuing of contactless credit cards MasterCard. The cards are based on the new contactless technology and are enabling their owners to execute extremely fast and secure contactless payments with merchants.



CCB office, Ivan Vazov Branch, Sofia

In connection with the launch of the new card the bank conducted a large-scale advertising campaign under the slogan "Be surprisingly fast with a contactless credit card MasterCard PayPass from CCB". The campaign included television, radio advertising, posters, billboards, advertising in the subway and on the Internet.

At the launch of the card, CCB offered promotional conditions to its clients- an interest free period until March 31, 2014. The interest free period was also the focus of the advertising campaign. Thanks to carried advertising and the extremely favorable promotional conditions the level of clients' interest turned out to be very high making the card quite popular amongst them.

Accepting payments with contactless debit and credit cards

In 2013 CCB obtained a license by the international card organizations Visa and MasterCard allowing the bank to accept payments with contactless debit and credit cards on its POS terminals. CCB began upgrading the functionalities of its POS terminals with the merchants thus enabling the accepting of contactless payments. Throughout this process the bank managed to upgrade the POS terminals of one of the most important merchants that it works with – the mobile operator Mtel. The upgrading process is still ongoing aiming at broadening the merchants' network.

Contactless cobranded Debit MasterCard with Mtel

In December 2013 CCB launched one more new contactless card – cobranded Debit MasterCard CCB-Mtel. Besides the advantages of the regular contactless Debit MasterCard, the owners of this cobranded card experience additional bonuses:

- Present by Mtel – reward DataPrima card with 400 MB free of charge internet for the first 10 000 owners of cobranded cards;
- Participation in the CCB Club loyalty program of CCB;
- Preferential conditions for the service Subscription for periodical payments.

International debit and credit cards EMOTION

From March 2013 CCB launched the issuing of debit and credit cards EMOTION. With these cards the clients apply for a card with the option to pick its design from a gallery. CCB is the second bank in Bulgaria which offers such a service to its clients. The cards bear the same functionalities like any other bank card as the only difference is the option allowing the choice of its design. The credit cards EMOTION combine all favorable financial conditions that go along with the standard credit cards MasterCard or Visa with beautiful designs suitable for everyone's taste and preferences.

A special web page www.ccb-emotion.bg was developed allowing the clients to get acquainted with the product and to apply directly for their debit or credit card with the respective design. Over 60 design options are available, distributed in different categories enabling the clients to pick the one which corresponds to their life style.

The official launch of the cards is accompanied by an advertising campaign including radio, posters and billboards, different internet sites, including banners in Facebook and the forum of BMW. Special catalogues are distributed in all branches of the bank from which the clients can easily pick the design they like.

Market positions and statistics

In 2013 CCB affirmed its good market positions with regard to the issuance of bank cards, whereas the total number of issued Bank cards as per December 31st, 2013 amounts to 689,677 cards. There is an increase in the number of the issued credit cards Visa from 12,731 to 14,366 cards.

CCB managed to keep good market shares with respect to the development of its network of ATMs and POS terminals. The number of the virtual POS terminals in 2012 reached 264. At the end of 2013 the total number of ATMs of CCB is 410. The total number of POS terminals of CCB by the end of 2013 is 2,906, including the POS terminals in the bank salons. The number of virtual POS terminals in 2013 reached 302.

A breakdown of the market share of CCB in the cards segment as per 31st December 2013 is presented in the table below:

Cards	% for CCB of the total for the country
Visa credit cards	4.55%
MasterCard credit cards	5.67%
MasterCard debit cards	14.82%
Visa Electron debit cards	8.23%
Maestro debit cards	13.18%



Central Cooperative Bank office, Tleys Tower, 69 Makarios Avenue Str, Nicosia, Cyprus



Central Cooperative Bank office, Sofia

A breakdown of the market share of CCB for the terminals as per the end of 2013 is presented in the table below:

ATMs and POS terminals	CCB	Total for BORIKA-BANKSERVICE	% for CCB
ATMs	410	2 866	14.30%
POS terminals	3 208	40 341	7.95%

The total number of issued international credit cards at the end of December 2013 is 34,168 cards, from which 14,366 are MasterCard cards and 19 802 VISA cards.

In 2013 CCB launched the offering of various new services connected to the bank cards – Credit Limit Plus, E-Secure and Mobb.

Credit Limit Plus

On 12th March 2013 was launched a new service to the clients of CCB called Credit Limit Plus. The features of the service allow the amount available in the card account of the cardholder to be added to its credit limit. The service is designed for the owners of credit card Favorite – MasterCard or Visa, including the cobranded cards Visa CCB-Bulgaria Air; Market credit card and credit card CCB-Office 1 Superstore. The new service enables the card holder to execute payments the amount of which exceeds the size of the granted credit limit – it is enough only to have the amount deposited in the account that goes with the card. The service allows for quick increase of the card availability – upon deposition of funds, the cash availability of the card is reflected within 2 hours and not at the next working day which is the case with the typical cards.

E-Secure

Since March 2013 CCB offers the service for secure payments in internet called E-Secure. By registering for the service E-Secure the clients receive higher level of security when executing payments with bank cards in Internet. By entering an additional password upon purchasing in Internet clients receive higher level of security on their online payments.

Registration and usage of the service are absolutely free of charge for the clients. They have the freedom to choose to register their cards by themselves or visit a bank's branch and request registration for the service. The service is provided in joint collaboration between the bank and the card organizations Visa and MasterCard, as both organizations have their own name for it – MasterCard SecureCode for MasterCard and Verified by Visa or VbV for Visa. The service is applicable for all debit and credit cards of CCB, including the prepaid and virtual cards.

Mobb

Since October 2013 CCB launched a new service called Mobb. Mobb is a platform for secure mobile payments, operated by BORIKA-BANKSERVICE JSC. The service enables the clients of CCB to use their debit and credit cards through their mobile devices. After registration for the service, the clients can use their mobile devices for payments with merchants and in internet, for money transfers and etc. by using the availability in their bank cards. Additional advantage comes with the option for the clients to block and unblock their cards by themselves as well as to run various statistical enquiries.

The cards that are registered in the Mobb application look the same way as their corresponding physical cards – easing the clients to pick the cards that they prefer more easily. The security features come from the fact that the card related data is not stored in the mobile device. Mobb supports all mobile platforms launched since 2004.

Promotions for CCB cardholders with Visa, Visa Electron, Maestro and MasterCard cards

In 2013 CCB once again launched a large-scale campaign together with the card organizations Visa and MasterCard, directed at stimulating the payments with cards, issued by the Bank, at traders in the country. Holders of the international cards of the CCB had the opportunity to participate in promotions with attractive prizes and extra incentives. In the period 1st October– 31st December, 2013 CCB, jointly with MasterCard, conducted a campaign to promote payments with MasterCard and Maestro cards issued by CCB, with traders in the country and prizes for customers.

This year also were held two national campaigns of Visa Bulgaria to promote the payments with Visa cards. The clients, who used their Visa and Visa Electron cards for purchases in the country during campaign periods, automatically participated in lotteries with big awards. In 2014 CCB will once again participate in the campaigns, organized jointly with Visa and MasterCard and will continue encouraging its customers to use more often the cards issued by the Bank upon shopping.

CCB Bonus program

CCB continued developing the CCB Bonus program, which gives the cardholders the opportunity to shop with rebates at prestigious trade shops. This program is an important advantage for the clients when choosing their bank, not only for credit, but also for debit cards. Since May 2013 we have a mobile version of the program, which gives the clients the opportunity to view the catalogue via smart phones, tablets and other mobile devices. In 2013 the number of the partners in CCB Bonus is above 180, with more than 730 trade shops.

CCB Club loyalty program

In 2013 the CCB Club loyalty program continued developing dynamically, whereas during this period the program partners increased from five to twelve. The new participants in the CCB Club program are:

- Happy Bar&Grill restaurants chain – 5% rebate, 24 restaurants
- COOP trade chain – 3% rebate, 56 shops
- Sport Depot sports shop – 5% rebate, 13 shops
- Grand Optics & Joy Optics chains – 20% rebate, 31 optics
- Aron furniture chain – 3% rebate, 10 shops
- Frant men fashion shop – 10% rebate, 11 shops
- Hush Puppies shoe shop – 5% rebate, 5 shops

The remaining partners in the CCB Club program also continue contributing to the program's popularity. Bulgaria Air offers an attractive rebate of 5% on the price of the airplane tickets to its clients, to which another 3% is added upon payment with the cobranded CCB – Bulgaria Air credit card. Important for clients is the preference that comes with the additional free luggage on every flight operated by Bulgaria Air.

Armeec Insurance provides a possibility for calculation of bonus points under the program, in combination with the use of various other rebates for insurance products and services.

Lukoil, due to the nature of its business model, provides the greatest frequency of the bonus points, for which contributes the considerable rebate percentage for fuels – 3% upon payment of petrol or diesel and 2 % rebate upon payment of gas.

Mobiltel is the only partner, who provides rebates to the clients not only upon current purchases, but for payments to the mobile operator, effected in the previous years.

In July 2013 the bus transportation companies ETAP-Address and Group Plus increased twice the amount of the rebate, granted to the program clients from 5% to 10%.

In 2013 the conditions for participation in the CCB Club loyalty program, were optimized. New opportunities for discounts and rebates were brought at the disposal of the clients of CCB. Since December 2013 they can order the cobranded CCB – Mtel debit card and as holders of this card, to receive rebates in the form of points under its CCB Club card.

In 2013 the number of the clients, registered in the loyalty program, reached 337 thousand people, and the bonus sales exceeded BGN 20 036 thousand. In the third and fourth quarter of 2013 the greatest values of bonus sales since the program start was achieved.

Company module of CCB Club

Since the mid June 2013 rebates under CCB Club can be experienced not only by individuals, but also by legal entities. A company oriented module of the program was successfully developed and deployed, which made possible the issuing of club cards to employees of companies that are clients of the Bank. Under this program the corporate clients enjoy rebates when purchasing products and services from Bulgaria Air and Lukoil. On program's webpage there is a designated section for the company module of CCB Club.

CCB has an exceptionally big contribution for the development of the loyalty program, as every person, who enrolls into the program, is mandatory an existing or a new client of the Bank. CCB provides a wide range of bank products to its clients to choose from thus being entitled of receiving discounts by the partners participating in the CCB Club program. The program stimulates the simultaneous development of credit and savings products of CCB. Thanks to the client benefits from their membership in CCB Club the bank secures an additional leverage over the rest of the commercial banks in Bulgaria.

Consumer and mortgage loans

During last year lending to individuals continued to be a main priority for CCB, whereas the Bank focused on the clients, who were evaluated as more reliable and bearing considerably lower credit risk than the average. The distinct units at the Bank continued to work actively for the conclusion of loans with the employers – big private, state-owned and municipal companies for the payment of salaries to their employees on accounts with CCB. These employees are offered preferential conditions with respect to the interest conditions and fees. Along with the preferential conditions, which the Bank offers to the employees of the companies – partners, CCB has developed credit products with special conditions for the employees of popular and stable companies, with whom there is no necessarily a signed contract for the transfer of salaries.

In 2013 the negative trend in the growth of consumer and mortgage loans in the banking sector as a whole continued. It is just in the last quarter of the year when some slight upturn in this segment can be noticed since 2010 until this moment.

The main reason for the stagnation in this segment is the decreased demand for credit products by individuals, which led to:

- A fierce fight for clients in 2013 and a decrease in the interest rates, associated with the retail loans.
- A process of reallocation on the market of retail products, whereas the credit institutions attack with offers for refinancing the clients of competitive banks.

In 2013 the main task for the bank was preserving and increasing the portfolio of consumer loans. Periodically during the year we updated the conditions for the loans to individuals and we launched new products on the market. An analysis of the activity of CCB during last year indicates the following:

- An increase of the sales activity during 2013 compared to 2012 by 39.47% in consumer loans.
- A sharp increase in the sales of mortgage loans by 200.52% in 2013 compared to 2012.
- For the first time since 2008 there is compensation of the depreciation payments (repayments) on an annual basis.

In 2013 continued the centralized processing of all applications for consumer loans coming from all bank's branches by the "Consumer lending" department (Credit center) within "Retail banking" division. Throughout the year over 16'000 incoming applications have been reviewed, about 75% of them were approved and 25% were rejected. Statistics prove that since the launch of loan centralization the percentage of reviewed loans that fall under over 90 days overdue at the end of 31.01.2014 come to be only 0.11%.

Along with the sharp reduction of the risk and all other adjoining benefits derived by the loan centralization (excluding the possibility for taking subjective decisions, the short decision-taking time, deploying the sales channels, etc.), of a great importance comes to be the fact that with the abolishment of this responsibility the efforts of the employees at the offices of the Bank are now directed entirely at attracting more clients and realizing more sales, which subsequently reflects on the amount and the quality of the retail loans portfolio. In the first month of 2013 to the centralized processing was added the review and administration of overdrafts' applications.

Due to its importance for attracting new borrowers and upgrading the loyal clients' database, during 2013 CCB continued to offer to its clients the possibility to apply for commodity loans enabling them purchase various goods with Bank's partner merchants. At 31.12.2013 the number of merchants offering goods and services with commodity loans from the Bank numbered about 960 with about 2'300 trade sites. The processing of the applications, received from the commercial partners of CCB from the whole country, continues to be performed by employees at the head-office.

In 2013 the Bank continued working towards deploying various alternative channels for distribution of its products and services. In this aspect the Bank concluded agreements for collaboration with Credit Center, Posoka. Com and commercial chain COOP of CCU, thus reaching over 200 additional sites for offering Bank's products and services. Since September 2013 the stations of the Bulgarian Posts are offering consumer loans by the Bank. The employees of the Bulgarian Posts were trained by Bank's specialists and by the end of 2013 the Bank realized 358 consumer loans for the amount of BGN 217 thousand through this particular channel.

During the year we made a number of improvements and updates of the parameters and the conditions under the credit products, intended for individuals:

Consumer loans

- In May the Bank launched promotional campaign connected to the fees for lending loans with the objective to refinance customers' exposures with other commercial banks.
- Also in May the Bank decreased its interest rates for newly granted "Trust" loans in EUR. Also, the clients, who fall in the target group for the "Trust" loan, had the opportunity to withdraw a loan for a greater amount without a guarantor.
- In June the Bank undertook a main revision of the conditions for consumer loans, offered to clients, which derived to the decision for a promotional decrease in the interest rates for loans, granted till the end of the year, increasing the maximum amount of the standard consumer loan "Trust" loan and a waiver of some of the loan fees.
- Again in June a new credit product was launched on the market – "Fast pensioner's loan "Heat" for amounts up to BGN 800 and a repayment term up to 10 months. The loan is granted without a guarantor and this relief, in combination with the advantageous financial indicators, is the main reason to be very well accepted by the clients.

- In the middle of September, the Management Board of the Bank approved a new credit product "Fast consumer loan Comfort". The Comfort loan is for amounts up to BGN 3000, a maximum term of 3 years with a response by Bank's loan administration within 3 hours after submitting the application and relevant documentation. The fast procedure and the fact that the loan is granted without a guarantor made it preferred by clients, who need a small amount for a short term.
- As a result of an analysis that has been conducted by the Bank over market environment and its competitors' lending conditions and with the objective of sustaining its positions on the consumer lending market and the ambition to increase its portfolio of credit products for individuals, in October 2013 the Bank once again updated the parameters of the products for individuals.

Mortgage loans

- In the beginning of the year the Bank prolonged the promotional conditions for the mortgage loans "Home for you" – the loan is extended for the purchase of a residential home and finishing works, as well as for refinancing mortgage loans, granted by other banks for the purchase of a home. With the aim of attracting new clients, the loans continued to be offered at decreased interest rate for transactions in euro, and without a fee for submitting an application. To the clients, who request a loan with the purpose of refinancing in the promotional period, the Bank also offers the cobranded Visa CCB-Bulgaria Air credit card with a prolonged grace period.
- In May the Bank improved further the conditions for solvent and financially educated clients – the additional package "Attraction" was added to "Home for you" product targeted at clients with a gross income over BGN 1200. The package brings to the clients low fixed interest for the first year of the loan and also competitively low interest for the remaining period, promotional fees and a possibility to receive a credit card with a six-month interest free period.
- In November, with the aim of responding better to the demand on the market, the Bank changed the maximum term of the loans "Home for you" from 25 to 30 years.
- Also in November the Bank introduced promotional conditions in the fees for early repayment – clients can repay the loan before the maturity date without owing any fee, if they do it with their own funds and by payment of a minimum fee, if the loan is refinanced by a loan from another bank.
- Also in November the Bank introduced the practice to issue a certificate for a preliminary approval of a mortgage loan to clients, who apply for a loan at CCB. The purpose of the preliminary approval is the borrower to be officially informed that he/she complies with the conditions for mortgage lending with respect to his/her income and the ability to service his/her credit liability to a certain amount. The decision for issuing a certificate for a preliminary approval of a mortgage loan is within the competences of the director of the branch that the client applies at and is based on an analysis of client's income and its juxtaposition to the actual rules and requirements that go along with the respective mortgage product, including promotional conditions and preferences.
- In July 2013 a mortgage loan was launched on the market for current needs with the commercial name "Corporate mortgage loan". The loan is intended for individuals with proven income, which they receive in their capacity of workers under an employment contract or a freelance profession. The loan is granted for current needs – repair, furnishing, covering personal expenses, etc. The maximum amount is BGN 100 thousand or the equivalent amount in EUR, and the maximum term is – up to 20 years.

In the middle of the year the Bank made efforts to activate the lending to SMEs. The retail sales included the sales to companies (conditionally called "micro-companies"). In this regard the Bank changed the procedure, upon which loan transactions are approved and renegotiated up to BGN 60 000 for clients – legal entities with net income from sales up to BGN 1,5 million, offered by the branches on the territory of the city of Sofia.

At the beginning of the year the Bank underwent a thorough analysis of all of its 49 branches and their activities with respect to retail banking. The main conclusion from the analysis was that the Bank may improve its sales capacity with certain changes in the organization of the branch network. The following main problems were identified:

- The Front Office employees are engaged mainly with various bank operations and allocate insufficient time for promoting or executing sales or if they do so it is only in the case of basic products. Sales are addressed mainly upon explicit inquiry by the client and in rare cases the Bank employee is the proactive side.
- Retail loan officers are performing rather "back office" functions – work on the reviewing of the loan transactions, prepare the loan contracts for signature by the clients, take care of the management of the loan portfolio of the branch and almost do not participate actively in the sales of the credit products.
- The branch employees were not trained to perform sales and are not engaged directly in the pursuit of the sales targets.
- The branch directors have managerial functions (engaged with administrative and staff business, corporate lending, an analysis of the operations at the branch, cash revisions, etc.), which hinder them to engage actively with the sales, directed at individuals.
- The bonus system does not envision any personal contribution by the employees with respect to the performance of the business plan for sales of the respective branch, which on its part does not offer a high level of motivation and a desire for more successful sales.

With the aim of correcting the above specified problems, the Bank initiated a change in the organizational structure of its branch network into a sale-oriented structure. The change includes defining new sales points, as well as new positions with the respective responsibilities and functions. The following new positions were introduced:

- Regional manager "Sales and Control"
- Chief expert "Sales and Control"
- Expert "Sales and Control"
- Expert "Servicing and Sales"

The main purpose of such a segregation of duties and responsibilities is to provide for quicker servicing of clients, who approach the Bank for financial operations only, because some of the employees are specialized mainly in this type of activities. At the same time sufficient time is allocated for the remaining clients, who need to be introduced to the competitive advantages of Bank's products.

Main advantages and benefits for the Bank derived from the change in the structure:

- Building up a sales network of determined employees, engaged directly with the sale of the products of the Bank – employees, who bear personal responsibility and whose remuneration depends directly on the results, achieved in the performance of the set goals;

- Improve the qualifications and skills of the specified employees via regular trainings in sales skills, which is directly related to their efficiency, increase in the portfolio and its quality;
- Connecting the sales results to a particular individual with clear responsibilities and possibilities for precision of the bonuses and employees' stimulations, which leads to strengthening of their personal motivation.

The introduction of the new commercial model started with the branches on the territory of the city of Sofia, in the regions Plovdiv, Pernik, Bourgas and Stara Zagora. In 2014 the Bank will continue the deployment of the new commercially oriented structure in the branches in the North Western and Varna region.

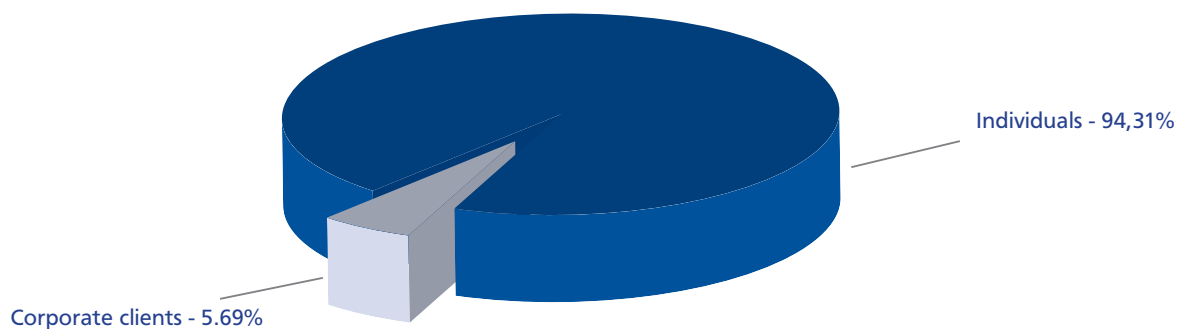
In March, April and May 2013 the Bank carried out twenty trainings of groups comprising of 18 people each – about 350 employees. The main objective of the training was the building up of sales and behavioral skills with the employees at the Bank branches. Due to the lack of such undertakings until recently, the employees prove to be rather unsecure in their communication with the clients. Dealing with this issue will continue persuasively in 2014 as well.

Following the policy of the Bank for a change in the way of work aiming at deployment and direct stimulation of the sales skills, the executive directors of the Bank issued in July 2013 an Order, by the powers of which they approved and streamlined the system of providing bonuses for the sale of retail products by the branch employees. The new bonus system has a closer connection between the achieved results and the actual size of the bonuses. The expectations are that the better and fair stimulation, where the personal contribution of each employee is taken into consideration to the business of the Bank, will increase the sales initiatives and activities and will lead to an increase in Bank's portfolio.

Client structure

A considerable contribution for the success and the established market positions of the Bank belongs to its clients. For this reason CCB Plc attracted more clients, especially individuals, households, SMEs. The Bank portfolio is entirely subordinated to the needs and desires of clients. Efforts have been concentrated on offering competitive and attractive products.

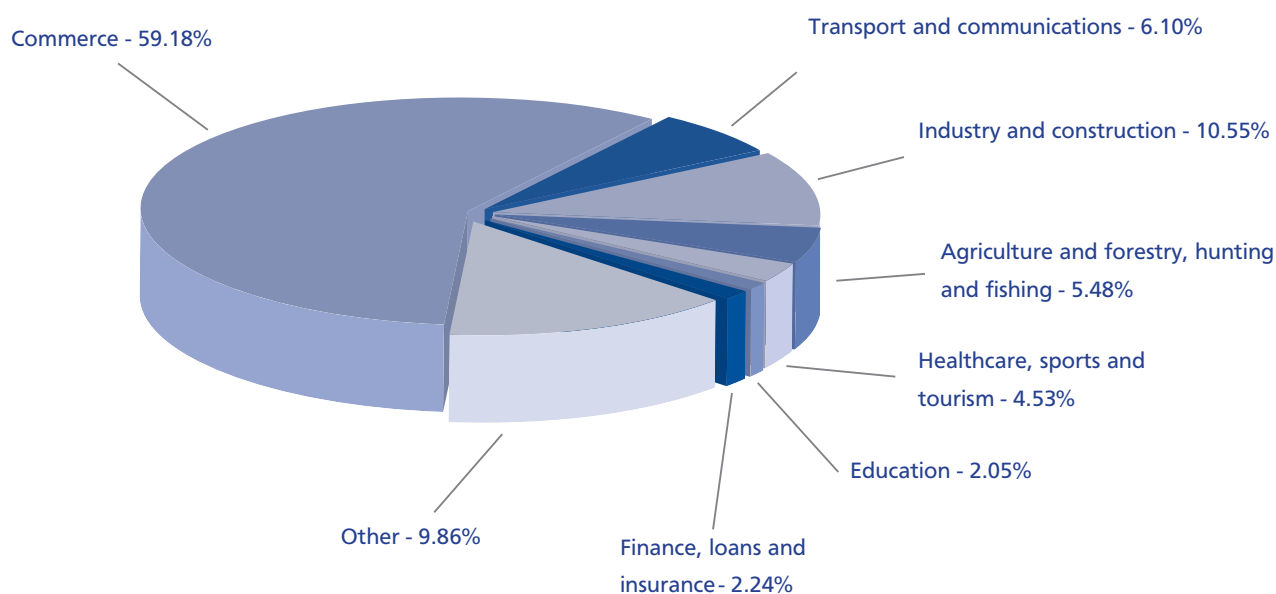
Table "Breakdown of clients as at 31.12.2013"



Sector	31.12.2013	31.12.2012
Individuals and sole proprietors	1,390,771	1,314,229
Commerce	49,641	46,691
Transport and communications	5,119	4,910
Industry and construction	8,846	8,437
Agriculture and forestry, hunting and fishing	4,600	4,438
Finance, loans and insurance	1,875	1,806
Education	1,722	1,576
Healthcare, sports and tourism	3,803	3,414
Other	8,273	7,637

The number of Bank's clients increased again and reached 1 474 650 at the end of 2013. In comparison to the previous year the increase is 5.85%, mainly in the individual clients. The number of individuals has increased by 76 542 or by 5.82 % compared to 2012. The positive tendency of growth is present in the last several years, because CCB Plc strives to prosper and strengthen its positions in the highly competitive for the Bulgarian market "Retail banking" segment. There is also growth in the SME lending.

Table „Branch structure of clients Legal entities“



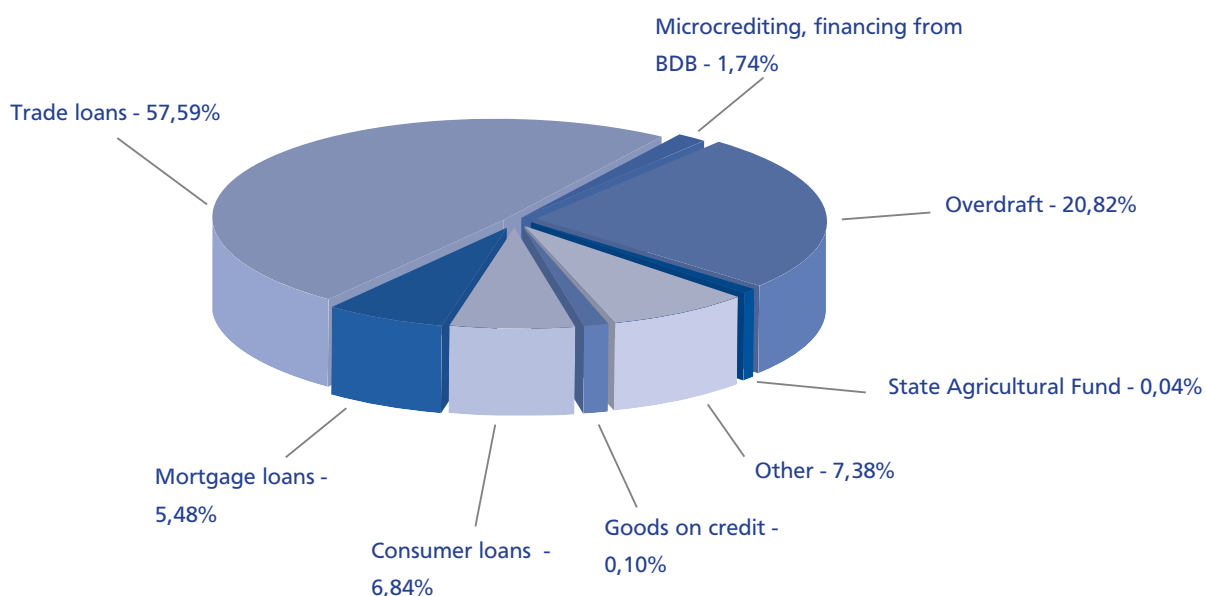
Crediting

Crediting constitutes a major share of Bank's business. During 2013 the loans account for 47.31 % of total assets. In the breakdown of the loans according to types there is a change, whereas the major share belongs to trade loans. Trade loans are 57.65 % of the total amount of the granted loans, whereas in 2012 their share was 50%. The overdraft decreases its percentage share in total assets from 25.82% in 2012 to 20.84%. It includes allowed overdraft of individuals and legal entities, as well as overdraft secured by a mortgage.

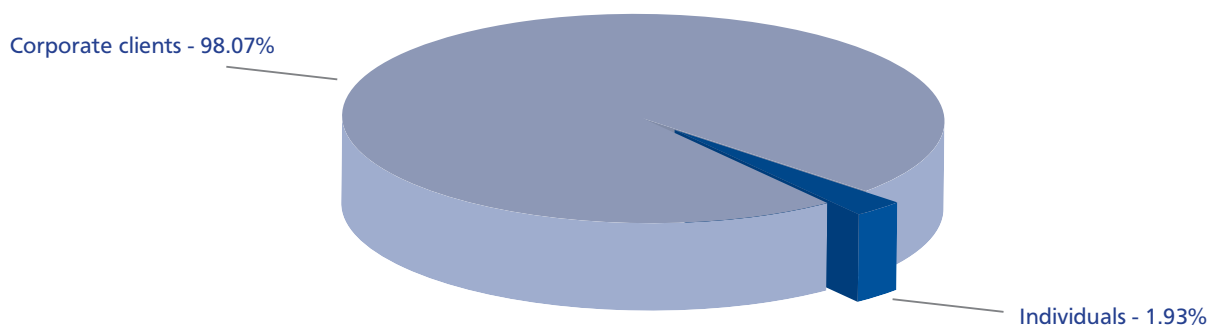
The consumer and mortgage loans decrease in comparison with the previous year and amount to 6.85% and 5.49% respectively of the total loan portfolio. The Bank offers attractive products in the field of consumer lending and crediting small and medium-sized companies.

The breakdown of loans for individuals and corporate loans according to the number and amount of advanced loans may be seen in the following graphs:

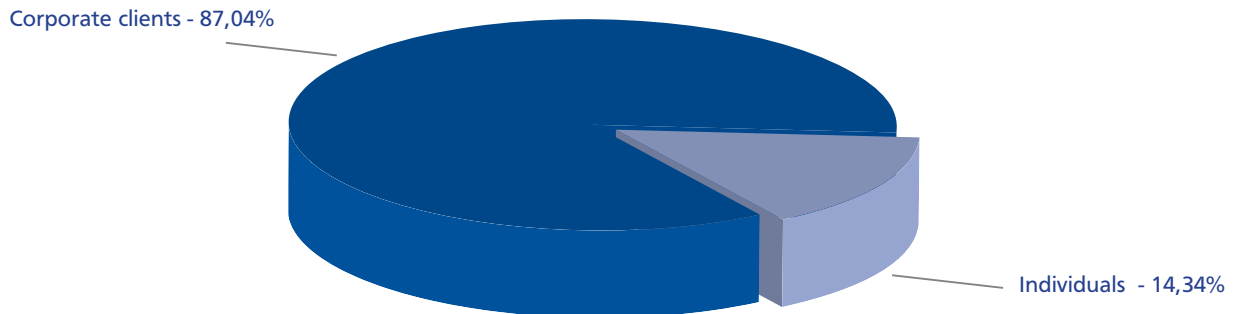
Breakdown of loans according to type



Breakdown of the loans according to the number of granted loans



Breakdown of the loans according to the loan amount



The Bank in the future

Central Cooperative Bank Plc has always strived to increase the number of its clients via maintaining an optimum level of risk and excellent financial results.

The Bank future goals include:

- New products and services for individuals;
- Maintaining the achieved results and market share in the card business, ATMs and POS terminals;
- Profiting from our existing broad branch network;
- Collaboration with leading financial institutions from EU, the USA and Asia;
- Preserving the quality of the loan portfolio and total deposits;
- Adequate monitoring and management of the client, credit and market risk;
- Keeping its place among the 10 biggest and efficient Bulgarian banks;
- Good liquidity and increasing the amount of total assets;
- Training and qualifying the personnel;

In 2014 the Bank will further develop its relationships with foreign financial institutions, keep its place of a well-developed retail bank and continue proving itself in front of its counterparties and competitors.

In this way and with its good reputation, market positions and broad branch network, CCB Plc will be able to satisfy the ever-increasing requirements of its clients.



CCB office, Shumen

Central Cooperative Bank JSC Skopje

General review

Silex Bank JSC Skopje was found on December 5th, 1999. In September 2001, Agricultural Bank JSC Skopje was merged into Silex Bank JSC Skopje. By the end of 2007, Central Cooperative Bank Plc Sofia purchased 35,000 shares, thus acquiring 15.40% of the capital of Silex Bank JSC Skopje. Under the Law for acquisition of Joint-Stock Companies, on February 28th, 2008 CCB Sofia purchased an additional 136,658 shares and became the majority shareholder with a relative share of 75.51% from Silex Bank JSC Skopje's capital. By the end of 2008, Silex Bank JSC Skopje changed its name to Central Cooperative Bank JSC Skopje.

After the realization of private tender offer for 93,038 shares, CCB Sofia increased its share in the capital of Central Cooperative Bank JSC Skopje, and by December 2009 its share amounted to 82.63%.

On April 6th, 2010, CCB Sofia purchased 93.72% from the capital of Stater Bank JSC, Kumanovo. Stater Bank JSC Kumanovo is the successor of Communal Bank of Kumanovo district, which was established in 1955. From 1966 the bank operated as Commercial Bank Kumanovo, while from 1968 as Commercial Investment Bank Kumanovo. Few years later, the bank became a branch of Stopanska Banka Skopje, and later it was transformed to Stopanska Banka Osnovna Banka Kumanovo.

On January 31st, 1990 the management decided to establish Stopanska Banka JSC Skopje, where Stopanska Banka Osnovna Banka Kumanovo became the chief branch of Stopanska Banka JSC Skopje.

With the reorganization of the banking system in Macedonia, on June 14th, 1995, Stopanska Banka JSC Skopje Chief Branch Kumanovo was reorganized into Commercial Investment Bank JSC Kumanovo (CIB), by transferring the capital deposits of the founders of Stopanska Banka JSC Skopje, Chief Branch Kumanovo, into Commercial Investment Bank JSC, Kumanovo.

On the July 1st, 2008, Commercial Investment Bank JSC Kumanovo changed its name into Stater Bank JSC Kumanovo, due to its full privatization by Milestone Ltd from Iceland, which acquired 312,647 shares or 92.18% from the bank shares.

In April 2010 Central Cooperative Bank Plc Sofia, Bulgaria, became the majority owner of Stater Bank JSC Kumanovo. On the January 3rd, 2011, Stater Bank JSC Kumanovo merged into Central Cooperative Bank JSC Skopje.

CCB JSC Skopje is a public company with shares traded on the Macedonian Stock Exchange, Skopje – unofficial market. By December 31st, 2012 the bank has assets in the total amount of EUR 110.43 million.

Shareholders

By December 31st, 2012 the share capital of CCB JSC Skopje amounts to EUR 22.73 million, divided into 553,087 ordinary shares. The nominal value of each share is EUR 41.21.

The major shareholder of CCB JSC Skopje is Central Cooperative Bank Plc, Sofia – 483,121 shares or 87.35% of the Bank's capital.



CCB office, Skopje

Activity

CCB JSC Skopje owns a full banking license, issued by the National Bank of the Republic of Macedonia, to perform all types of banking operations:

- Providing loans to private individuals and legal entities;
- Attracting deposits in national and foreign currency;
- Settlement of payments on the territory of the Republic of Macedonia and abroad;
- Carrying out transactions in foreign currency;
- Issuing of letters of credit and guarantees;
- Issuing of debit and credit cards;
- Payments of salaries to employees of corporate clients;
- Trading of securities and others.

The bank operates through its 3 branches and 20 offices (points of sales and services) on the territory of the Republic of Macedonia – in Skopje, Kumanovo, Ohrid, Kratovo, Probistip, Stip, Resen, Tetovo, Gevgelija, Veles, Bitola, Strumica, Kriva Palanka, Kavadarci, Rosoman.

Central Cooperative Bank JSC Skopje has developed international correspondent relations with many banks around the world through the SWIFT network and has direct correspondent relations with six banks in the world.

Market position

In accordance with the classification of the National Bank, the banks in Macedonia are divided into three groups in terms of size and assets – large (assets exceeding 20 billion Denars), medium-sized (assets ranging between 5 and 20 billion Denars) and small (assets below 5 billion Denars). At the end of 2012, CCB JSC Skopje falls into the second group of banks with assets of 6.8 billion Denars.

Card payments

Central Cooperative Bank JSC Skopje issues local, Visa and MasterCard bank cards. The local bank cards, which are offered to the clients, include debit cards – Classic Card and credit cards – Star Card for private individuals, and Business Card for corporate customers. The cards can be used only on the territory of the Republic of Macedonia, for ATM and bank saloon cash withdraws and for making payments at merchants.

On February 3rd, 2012, the Bank received a license for membership (Principal Member) at MasterCard Worldwide and as of November 2012 issues Maestro debit cards and MasterCard Standard credit cards for individuals and MasterCard Business for corporate clients. These cards can be used anywhere in the world, where the sign of MasterCard is recognized, for withdraw of cash from ATM and bank saloons and making payment at merchants. As of October 4th, 2010 and according to the license of VISA International, CCB JSC Skopje is an Affiliate Member in VISA Int'l with sponsor bank – Halkbank JSC Skopje.

The bank issues debit cards Visa Electron and credit cards Visa Revolving for individuals, as well as Visa Business Card, both debit and credit cards for corporate customers.

As per December 31st, 2012 the bank has 22 ATMs installed and 28 POS terminals. In 2012, the bank reported an increase in the issued debit and credit cards. At December 31st, 2012 the number of cards is as follows:

Debit Cards – Classic Card	2,080
Debit Cards – Visa Electron	10,696
Debit Cards – Maestro	445
Credit Cards – Star Card	676
Credit Cards – Business Card	15
Credit Cards – Visa Classic	777
Credit Cards – Visa Business	29
Credit Cards – MasterCard Standard	66
Credit Cards – MasterCard Business	3

Perspectives and development

The main objectives of the Bank for the future are aimed at:

- To ensure maximum security of the customers and depositors of the Bank;
- Development of new niches, products and distribution channels in banking field;
- Expansion of the branch network and increase of market share;
- Attracting new customers from SME segment, private individuals and households;
- Optimization of the correspondent network with target for quick and secure payments;
- High and secure quality of the assets;

- High capital adequacy;
- Effective control over the expenditures;
- Maintaining a optimal balance between profitability and liquidity;
- Maintaining a significant volume of profitable assets;
- Establishment of significant depositor base with optimal client and maturity structure;
- Achieving high returns on equity in the long term;
- Achieving of high net income from the activities and high return on assets.

ZAO Investment Corporate Bank, Kazan, Russia

ZAO Investment Corporate Bank, Kazan, was found on March 29th, 2009 on the basis of the Vahitovsky Branch of the State Bank of USSR, registered by the Central Bank of RSFSR. By March 2014 the bank was named ZAO AKB Tatinvestbank.

ZAO Investment Corporate Bank is an independent, universal financial organization and offers a wide range of services to its customers. The bank has a high business reputation on the market for banking services and offers distinguished quality of service, has stable customer base with solid trust.

ZAO Investment Corporate Bank is a member of the following organizations:

- The Association of banks in Russia;
- The Banking Association of Tatarstan;
- The National Clearing Organization ZAO National Settlement Depository.

From May 2nd, 2012 ZAO Investment Corporate Bank holds license No.1732, issued by the Central Bank of the Russian Federation, for the following types of banking operations:

- Opening and maintenance of bank accounts for legal entities and private individuals;
- Attracting of financial resources in deposits from individuals and companies;
- Deposit of attracted financial resources in deposits from individuals and companies on their own behalf and at their own expense;
- Money transfers on behalf of legal entities, including banks-correspondents;
- Money transfers initiated by private individuals;
- Collection of cash resource, securities, payment orders and other documents and offering of pay-desk services for corporate customers and individuals;
- Purchase and sale of currency in cash and non-cash form;
- Issuing of bank guarantees;
- Cash desk money transfers.

ZAO Investment Corporate Bank is a professional participant in the securities market and has a license to perform the activity - issued by the Federal Commission on Securities Market of Russia, without a limitation in the term of validity:

- Brokerage activities;
- Depository operations;
- Proposals set-up;
- Administration of securities.

Key priority of the bank is financing of corporate customers and private individuals.

In addition to the corporate and consumer lending, the bank carries out active operations for investment of the available resources in highly liquid securities, interbank loans (mainly short-term interbank loans to banks in the Republic of Tatarstan) and deposits in the Central Bank of the Russian Federation.

As a major source of funding the bank uses the customer's raised funds: settlement and deposit accounts of legal entities, as well as deposit and current accounts of individuals.

The bank provides the following services:

- Cash flow management and remote service of legal entities;
- Operations with bank cards (transfer of salary through bank cards, VISA cards for individuals, installment of POS terminals in commercial points and other services);
- External economic customer service activities – legal entities (foreign exchange, currency control, consultancy and other services);
- Collection and cash delivery to corporate clients and other banks;
- Retail banking (through the system of money transfer „Fast Mail“, „Contact“, „Migom“, „Moneygram“, „Golden Crown“), accepting payments and other services for individuals.



TatInvestBank, Kazan, Russia

To date ZAO Investment Corporate Bank serves more than 5,000 customers – companies and soil traders, and more than 40,000 private individuals.

The customer service is carried out in the bank's headquarters in Kazan and in 8 branches – 7 of them are in Kazan and 1 in Zelenodolsk, Tatarstan.

The average number of bank employees is 201 people.

New opportunities for development of ZAO Investment Corporate Bank have appeared with the entry of the new shareholder – Central Cooperative Bank Plc, Sofia, which during May 2012 acquired 100% of the capital raise of ZAO Investment Corporate Bank, amounting to 150 million rubles (\$5 million).

The shareholding capital of ZAO Investment Corporate Bank is 293.7 million rubles (\$9.8 million), where the majority shareholder is Central Cooperative Bank Plc, Sofia.

Main shareholders of ZAO Investment Corporate Bank are:

Central Cooperative Bank Plc, Sofia	164 979 050	56,2	16 497 905
Almaz Production Cooperative	28 739 000	9,785	2 873 900
Finist Enterprise	28 288 180	9,631	2 828 818
Urals Transport Company	28 275 210	9,627	2 827 521
Energoproekt	27 938 300	9,513	2 793 830
Chimimport Invest JSC, Sofia	10 425 370	3,550	1 042 537
Owners of less than 1% of the shares	5 054 890	1,965	505 489
All	293'700'000	100,000	29 370'000

According to the rating of INTERFAX-100, ZAO Investment Corporate Bank ranks 549th among the banks in Russia (798 banks) in terms of its balance sheet, 500th in terms of capital and 404th in retained earnings.

For 2013, among the 45 credit organizations operating in the Republic of Tatarstan, ZAO Investment Corporate Bank ranks 28th in term of the size of the raised resources, 24th in term of deposits for corporate customers and 28th in term of deposits for private individuals.

In addition, based on the volume of lending to legal entities for 2013, the bank ranks on 32nd place among credit institutions operating in the banking sector of the Republic of Tatarstan and in term of the size of lending to individuals at 37th place.

ZAO Investment Corporate Bank issues the following banking cards:

- VISA
- Master Card

By December 31st, 2013 the bank has 3,458 issued cards that are active.



Main operative indicators of ZAO Investment Corporate Bank

Assets	2,352,6	2,080,0
Own capital	402,4	415,8
Shareholding capital	321,2	321,2
Received resources	1,950,2	1,664,2
Credit liabilities/Net	1,107,5	1,331,1
Profit	48,2	13,2

Perspectives and development:

- Branch network development and market share increase;
- Increase of the offered range of products and services;
- Increase of the range of the offered services and products;
- Increase of the share of loans to individuals and SMEs in the credit portfolio of the bank;
- Attracting new customers;
- Establishment of efficient internal processes and implementation leading banking technologies;
- Development of the card business, by expansion of the customers database and increase of the number of installed ATMs and POS;
- Introduction and consequent migration to EMV card chip technology;
- Optimization of internal processes by implementation of a unified information system;
- Standardization of the processes with those of Central Cooperative Bank Plc, Sofia.

Armeec Insurance JSC

About the company

Brief history

April 1996

Armeec Insurance JSC was established in the structure of the Ministry of Defense pursuant to court decision for company registration No.6148 issued by Sofia City Court.

June 1998

Armeec Insurance JSC was licensed to carry out insurance activities in the field of general insurance pursuant to License No.7, issued by the National Insurance Council.

July 2002

Chimimport Plc acquires 91.92% of the company's share capital. The Ministry of Defense and the trade companies from its structure retained 8.08% of the company's capital.

October 2007

The Bulgarian Credit Rating Agency (BCRA) awarded the first credit rating certificate to Armeec Insurance JSC.

April 2008

Armeec Insurance JSC sent notification to the Financial Supervision Commission of its intention to provide insurance services on the territory of the European Union.

July 2011

Armeec Insurance JSC becomes the first company in Bulgaria, which owns the naming rights of the sports and entertainment facility Arena Armeec Sofia through a general sponsorship agreement.

December 2012

The company ranked first place on the Bulgarian general insurance market with a market share of 12.8%.

Shareholders

As of 31 December 2013 the paid-up capital of Armeec JSC was EUR 16,882 thousand.

Major shareholders of Armeec Insurance JSC are, as follows:

CCB Group JSC	303 913	92.04
Niko Commerce LTD	7,146	2.16
Chimimport Invest JSC	6,920	2.10
Chimimport JCS	6,455	1.95
and other minority shareholders	5756	1.75



Office of Armeec in Varna

Management

Armeec Insurance JSC has a two-tier management system consisting of Supervisory Board and Management Board.

Supervisory Board

Chairman: Chimimport Plc, represented by Nikola Mishev

Members: Prof. Nansen Alfred Behar

Central Cooperative Bank Plc, represented by Georgi Konstantinov, Sava Stoinov and Tihomir Atanasov

Management Board

Chairman: Rumen Georgiev

Members: Valentin Dimov, Alexander Kerezov, Tsvetanka Krumova

The company is represented by the Executive Directors Rumen Georgiev and Tsvetanka Krumova.

Insurance business

Armeec JSC is licensed to perform insurance activities on the territory of Bulgaria and the European Union. It is a non-life insurance company, which is licensed to perform insurance activities in all lines of general insurance – motor, property, aviation, marine, rail vehicles insurance, construction, crop and livestock, tourist and personal insurances, insurance of liabilities, financial and commercial risks insurance.

The company operates through 54 agencies and over 60 representative offices around the country. The distribution of the insurance products is also carried out by more than 350 insurance brokers and 960 insurance agents.

Reinsurance program

The company reinsures some of the risks in order to control its exposure to losses and protect its capital resources. The reinsurance contracts of Armeec Jsc cover the main types of insurance and comply with the general conditions and underwriting rules approved by the company. Traditionally Armeec JSC places its reinsurance program with large international brokers such as Aon-Benfield, Willis and others, based in London, UK.

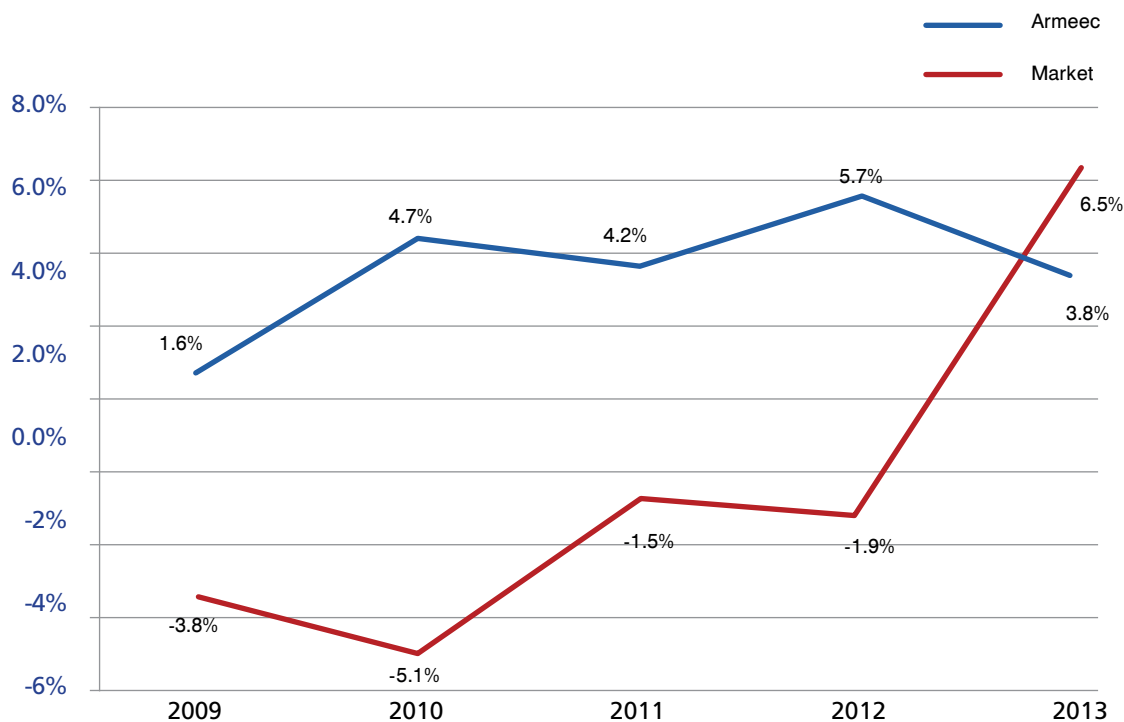
Armeec JSC has established business relations with reinsurance companies of the highest class, namely Swiss Re; MS Frontier Re Limited; Hannover Re, Germany; Partner Re, Lloyd's of London etc.

Membership and Credit Rating

Armeec JSC is a member of a number of Bulgarian and international organizations, such as: Association of Bulgarian Insurers, National Bureau of Bulgarian Motor Insurers, Bulgarian Chamber of Commerce and Industry, Sofia Chamber of Commerce and Industry, Bulgarian-Russian Chamber of Commerce and Industry, Bulgarian National Insurance Nuclear Pool.

In October 2013 the Bulgarian Credit Rating Agency (BCRA) confirmed the long-term rating of Armeec JSC iBBB (stable perspective), short-term rating A-3.

Growth in the premium income of both the non-life insurance market and Armeec Insurance JSC for the period 2009-2013



In 2013 the recession in the economy of the Eurozone continued and GDP of the Eurozone marked a decline by 0.4 percent compared with a decline of 0.7 percent in 2012. The gradual improvement in external conjuncture, and especially during the second half of 2013, contributed for strengthening the economic activity in Bulgaria. The pace of GDP growth in real terms accelerated to 0.9 percent (0.6 percent in 2012). The gross added value in the economy accelerated its growth and in real terms it posted an increase by 1.1 percent on a year-to-year basis.

At the end of 2013 twelve health insurance companies were granted licences for general insurance business as a result of the legislative amendments enacted in August 2012. One reinsurer was licensed as well. The data of FSC showed that at the end of 2013 insurance mediation was carried out through 376 insurance brokers and 28,989 insurance agents.



Armeec office, Sofia

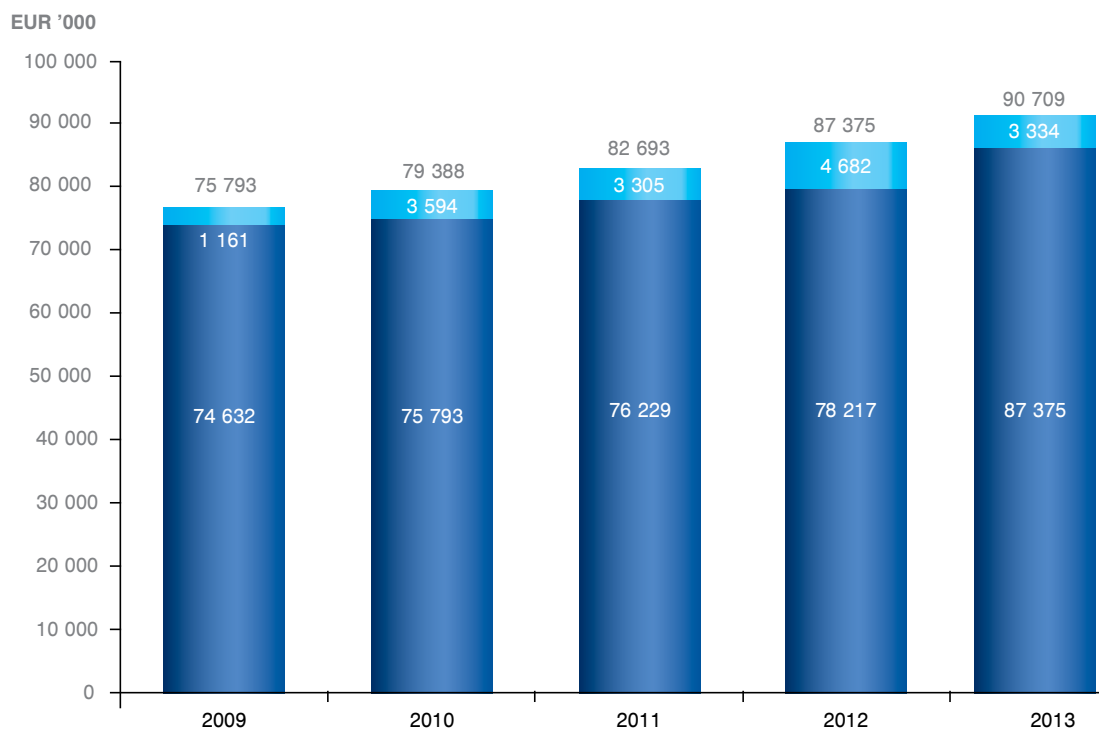
Premium Income of Bulgarian Non-life Insurance Companies in the Year 2013

	COMPANY	Premium income (tousand EUR)
1	Lev Ins	93,088
2	Armeec	90,709
3	Bulstrad Vienna Insurance Group	88,284
4	DZI General Insurance	72,379
5	Allianz Bulgaria	65,567
6	Euroins	60,804
7	Bul Ins	54,535
8	Uniqa Insurance	39,334
9	Victoria	35,180
10	Generali Insurance	28,283
11	OZK – Insurance	26,884
12	Energia	25,386
13	HDI Insurance	13,168
14	Interamerican Bulgaria	10,009
15	Health Insurance Company Bulgaria AD	3,371
16	UHIF Doverie Insurance AD	3,165
17	Groupama Insurance	3,040
18	BEIA	3,018
	TOTAL	727,810

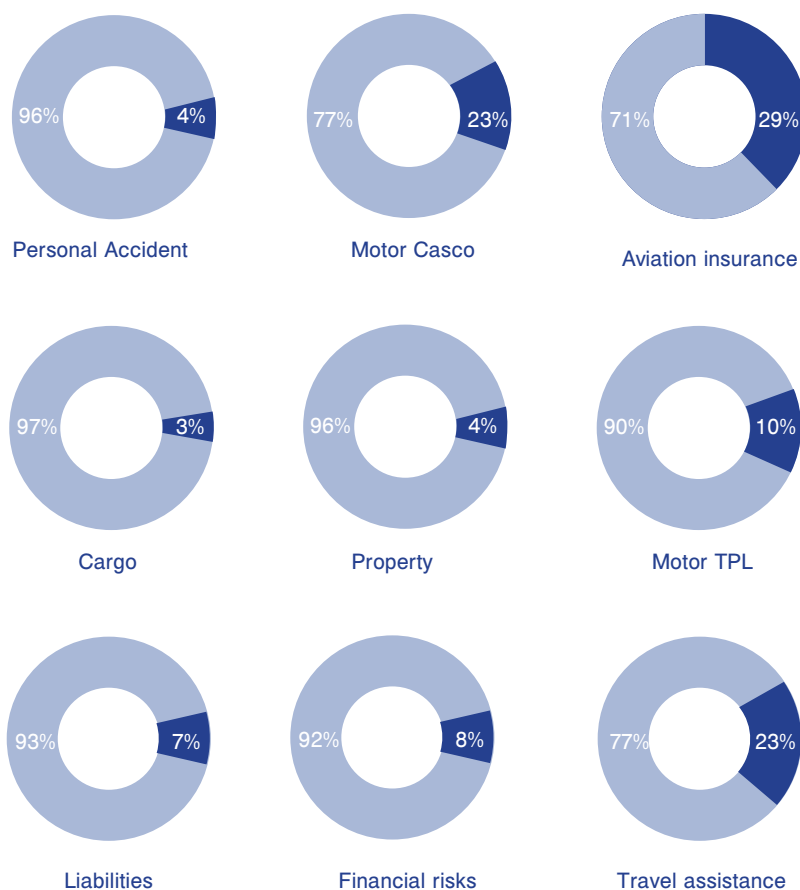
At the end of 2013 the Bulgarian insurance market was dominated by the general insurance business with a share of 82.7 percent.

The gross premium income earned by the general insurance companies in the end of 2013 amounted to EUR 729 million or a 6.5 percent growth on an annual basis. At the end of 2013 the premium income earned by the general insurance companies, net of premiums written by the re-licensed health insurance companies, amounted to EUR 713 million, or a 4.2 percent growth as compared to 2012, when the premium income written by general insurance amounted to EUR 685 million or a decline by 1.9 percent on an annual basis.

Premium income of Armeec Insurance JSC for the period 2009-2013 (EUR'000)



Market share of Armeec Insurance JSC by major business lines as of 31.12.2013



In 2013 Armeec Insurance JSC generated premium income amounting to EUR 90,709 thousand and with a growth of 4 percent over the previous year ranked second in the non-life insurance market with a market share of 12.5 percent.

The company's premium income registered a growth for an eleventh consecutive year. The company reported very good results in Motor insurance and Travel Assistance Abroad insurance.

In 2013 Armeec Insurance JSC was the most successful motor insurer in the country. Against the background of the decline in Motor Casco insurance registered by most Bulgarian insurers, the company reported a growth of 9.8 percent and with a premium income of EUR 48 million ranked first in the voluntary motor insurance.

Regarding the compulsory Motor Third Party Liability insurance, Armeec Insurance JSC recorded a sustainable growth of 6.8 percent as compared to 2012 and ranked fourth in the market with a premium income amounting to EUR 28.7 million and a market share of 9.7 percent.

Armeec Insurance JSC is a leader in terms of premium income for 2013 generated by Travel Assistance insurance as well, with premium income exceeding 1.53 million and a market share of 23 percent.

With respect to Guarantee insurance, the company achieved an 18 percent growth and ranked first in the market. With regard to the other lines of business, Armeec Insurance JSC strengthened its positions and scored a growth respectively in property insurances – 0,4 percent, Cargo and Carrier's Liability insurance – 6,7 percent, and Marine Hull Insurance – 24,6 percent.

Overview of Activities

The year 2013 was another challenging year and a year of turbulent social processes, which consisted in giving a new meaning to the politics not only with regard to the economy as a whole, but also to the insurance market in particular. Over the last year the market had seen for the first time a positive growth in premiums collected after several years of decline. The issues relating to the low coverage of the compulsory motor insurance are still in the focus of insurers' attention; the changes in tariffs aiming at reflecting the new limits of indemnity approved a year earlier continued. In 2013 the drop in Motor Casco insurance was noticeable and was attributable primarily to the out-of-date car park and very limited sales of new automobiles.

Regardless of the fact that in 2013 the economy followed the turbulent social processes, at the year-end the insurance sector reported a growth for the first time after several years. The year 2013 was a successful one for Armeec Insurance JSC, during which the company managed to strengthen its positions. With a premium income amounting to EUR 90,709 thousand and a market share of 12.5 percent, the company ranked second among the non-life insurance companies in Bulgaria.

The motor insurance business had the most significant contribution to this result. Armeec Insurance JSC reaffirmed its position as a leading auto insurer thanks to its most competitive conditions, quality of service and proper communication with clients that helped the company to gain their confidence. The tariffs were optimised with the aim to improve the quality of the portfolio.

New technological solutions are an important factor for achieving high quality and efficiency of the company operations. In 2013 the successful integration with the brokerage system, which had commenced in the previous year, continued, and a new web application was introduced for sale of Motor Casco insurance policies.

Recognition of the excellent performance of the company is the award "Insurer offering the best products in Motor insurance 2013". The prize "Insurer of the Year" was awarded for a third consecutive year by the Bulgarian

Association of Insurance Brokers in partnership with the Bulgarian Association of Victims in Car Accidents. Since the beginning of the competition Armeec Insurance JSC had been constantly ranked among the awarded insurers.

Following the growth in property insurance policies registered in 2012 and in view of the continued discussions on the introduction of catastrophic pool, Armeec Insurance JSC commenced the optimisation of the General Terms and Conditions and the Tariffs of some of the property insurances – „Protected Home insurance“ and „Protected Family insurance“. The work on a number of projects relating to the introduction of innovative methods in property insurance began. It is expected that these projects will be completed in 2014.

A new insurance product – Employer’s Financial Stability insurance – was developed by the company during the year.

In 2013 Armeec Insurance JSC was included in SEE Top 100 ranking for the third consecutive year. Thanks to its good performance results the company ranked twentieth among the top insurance companies in Southeast Europe and is the best performing Bulgarian insurance company.

The social responsibility projects of Armeec Insurance JSC continued in 2013 as well. The year was earmarked for strengthening and reaffirming the projects in progress. The work on the project “Let us bring back the Saker Falcon in Bulgaria”, which commenced in 2012 as a joint initiative with the Environmental Federation Green Balkans, continued. At the Wildlife Rescue Centre in Stara Zagora a new incubator premises was opened, entirely financed with project funds, and the first Saker Falcons incubated in the centre were released. These early achievements, in view of the short period of existence of the project, gave hope that the ultimate goal, namely to preserve the unique natural heritage and biodiversity of Bulgaria, is achievable.

Over the year, Armeec continued the company’s long-standing tradition of supporting various sports initiatives:

- For a third consecutive year, Armeec Insurance JSC insured the participants in the National Tournament Ariana Amateur League;
- The partnership with the most successful Bulgarian motorcyclist Martin Choy continued in 2013 as well. Thanks to the support of Armeec the biker won the titles for 2013 in the Bulgarian Championship and the East European Championship and ranked second in Alpe Adria European Championship;

In 2013 a very successful partnership was formed with the alpinist from the town of Sliven – Atanas Skatov MD. Armeec became part of his project for climbing the seven highest mountain peaks on the continent. In 2013 Skatov climbed the highest mountain peaks in Africa – the Uhuru Peak and in Europe – the Elbrus Peak. At the end of the year, the preparation for climbing the highest peak in the South America – the Aconcagua Peak commenced. The expedition is planned to start in the beginning of 2014.

In 2013 the development and management of the Naming rights held over the Multifunctional Sports Hall Arena Armeec Sofia continued. Throughout the year, live communication with public in the Hall was improved significantly, through the organisation of a great number of promotional activities. An office premises within the building was repaired and reconstructed. In parallel, due to the strong interest of the facilitators of various events, the work on the General Terms and Conditions and the offering of Event Cancellation insurance commenced. The sponsorship of Arena Armeec Sofia provides a unique opportunity both for simultaneous multichannel user communication and promotion of the company image, which improves the brand recognition and increases its independent value, making it a part of the company’s assets.

Future Development

The future development of Armeec Insurance JSC is directed towards strengthening the company's position as a leader in the insurance market through improved operational performance, greater efficiency through the introduction of new technology and information systems, and staff training.

Aiming at achieving better customer satisfaction in a short-term perspective, a totally renovated corporate website is to be presented in 2014. The activities relating to the introduction of alternative methods for sale via Internet or telephone are to be broadened.

The optimisation of the product portfolio and its adaptation to the market needs by offering accurate, flexible and innovative policy conditions at competitive prices is planned to continue in 2014 as well.

In 2014 will be completed the acquisition process of 100 per cent of the capital of an insurance company in the Russian Federation – OAO SC „Itil“.

The company will continue to develop its branch network, taking into account the economic characterises of the regions; it will promote the direct sales and will improve the efficiency of its work with brokers with the aim to attract new business. The company envisages to create regional operations and to actively participate in the social and cultural life of local communities.

Implementation of joint projects and partnership with the companies from Chimimport Holding will ensure greater synergies and competitive advantages in the future operations of Armeec Insurance JSC.

CCB Life Insurance Company

CCB Life JSC offers highly competitive life insurance products, ensuring financial indemnity against accident and disease risks. The company was established in 2007 and it is part of Chimimport Plc.

The main goal of CCB Life JSC is to provide first class customer services and effective insurance protection through wide range of insurance products. These include:

- Individual risk life policy;
- Multiple risk life policy;
- Borrower's life insurance policy;
- Individual savings insurance policy, with a savings element and different options for additional risk coverage;
- Multiple savings life insurance policy;
- Obligatory labor safety policy.

Through the development and implementation of specific projects, the company aims to satisfy the individual needs of its customers. Since its establishment, CCB Life JSC seeks to attract its customers and partners with professionalism, integrity and quality of service.

The company performs its operations in Bulgaria through the developed branch network of Armeec Insurance JSC and leading insurance brokers. Highly successful is the partnership between CCB Life JSC and Central Cooperative Bank Plc regarding the sales of risk insurance "Life" and borrower's insurance "Life".



CCB-Sila Pension Insurance JSC

CCB-Sila PIJSC was established in February 1994. The company is the first player on the market for additional pension insurance in the country. With over twenty years of tradition in the additional pension insurance, CCB-Sila PIJSC has established itself as a secure and reliable partner in the field of pension insurance.

CCB-Sila PIJSC manages three licensed funds for additional pension insurance, which operate on the capital covering principle:

- Universal pension fund CCB-Sila;
- Professional pension fund CCB-Sila;
- Voluntary pension fund CCB-Sila.

In late 2002, the group of Chimimport Plc acquired the majority shares in the Pension Insurance Company. Up to that moment the number of persons being insured in CCB-Sila PIJSC Pension Funds is 57,284, which is 3.17% of the market share in terms of insured persons, while the managed assets amount to EUR 3.12 million, which is 1.84% of the market share under this index.

At the beginning of 2010 acquisition through merger of Lukoil Garant - Bulgaria JSC Pension Insurance Company into CCB-Sila PIJSC was performed together with the funds managed by the company. This transformation along with the long-term experience of both companies, and the developed branch network of Central Cooperative Bank Plc, increased the opportunity for even more quality service to the insured persons and better management of the funds.

The outcome of the long-term presence at the pension insurance market is presented by the following data:

- As per December 31st, 2012 the managed pension funds already insure 382,086 persons, which represents a growth of 3.06% compared to the end of 2011, and 9.34% of the market share by number of insured persons;



PIJSC CCB Sila office

- In 2012 a growth in the amount of net assets of the funds for additional pension insurance is noted – from EUR 217 million at the beginning, to EUR 276 million at the end of the year. This represents an increase by EUR 59 million or 27.18%, compared to 24.26% for the entire insurance market. By this indicator, the company increases its market share from 9.28% at the end of 2011 to 9.50% at the end of 2012.

Source: Data is from the website of FSC (www.fsc.bg). Those results are not indicative of future results.

Award

In 2011 CCB-Sila PIJSC was awarded as the company with the most dynamic development for 2010.

Additional Information

Corporative customers who insure their workers and employees for a supplementary voluntary pension with installments on the part of the employer:

Lukoil – Bulgaria JSC

Central Cooperative Bank Plc

Lukoma Ltd

Duropack Trakia Papir S.A. (JSC.)

Lukoil Energy and Gas Ltd

SGS Bulgaria Ltd

Lukoil Neftochim Bourgas JSC

Balkani Ltd

Agriculture and Investment Bank JSC

National Academy of Music “Prof. Pancho Vladigerov”

BMV Ltd

Lukoil Aviation Bulgaria Ltd

Neftochimtrade Ltd

Energoproekt Ltd

Lukoil Technology Services Ltd

Calcit JSC

Increase of the basic parameters of voluntary pension fund CCB-Sila PIJSC for 2012, compared to 2011:

- Growth of the net assets by 11.87%, whereas the reported growth of net assets of all VPFs is 9.86%;
- Growth of the average balance for one insured person by 12.84%, at reported growth for all VPFs by 10.65%;
- Growth of the average amount of the monthly installments by 2.05%, at reported decrease for all VPFs by 5.64%.

Nominal average geometric return over 10 years (January 1st, 2003 – December 21st, 2012):

- Universal Pension Fund CCB-Sila: 5.81%
- Professional Pension Fund CCB-Sila: 5.69%
- Voluntary Pension Fund CCB-Sila: 4.50%

The period accounts the economic crisis and the consequences experienced by the financial sector.

Customer Service

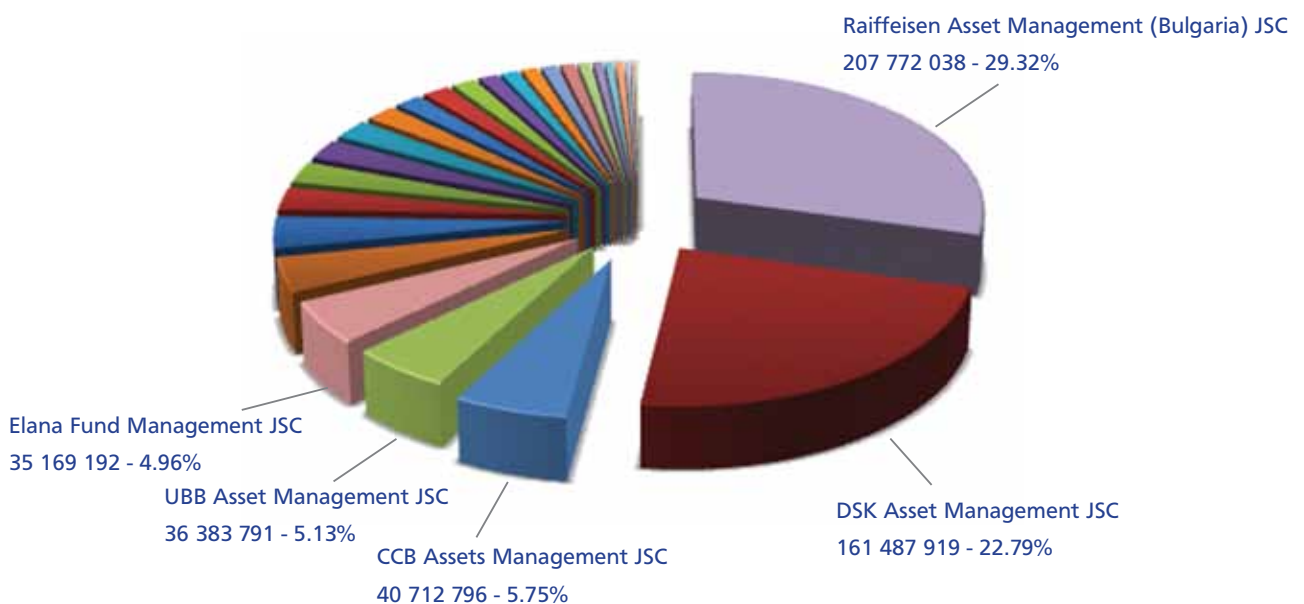
- The customer service is conducted through the branch network of Central Cooperative Bank Plc, which cover the whole country;
- Each client receives a personal password by which the individual account can be checked on www.ccb-sila.com;
- The insured person may refer all questions of interest, including movement of funds, with Customer Care Service at 0900 32 333.

CCB Assets Management JSC

Chimimport Plc owns 100% of the share capital of CCB Assets Management JSC through its subsidiary Central Cooperative Bank Plc, which during the fourth quarter of 2011 acquired 500,000 dematerialized, ordinary and registered shares with right to vote, having nominal value of EUR 0.51 each.

CCB Assets Management is one of the leading asset management companies in Bulgaria whose investment products are developed and managed by a team of experts with solid experience in the financial markets. According to the size of the managed assets CCB Assets Management JSC holds the third place in the ranking of the asset management companies – members of the Bulgarian Association of Asset Management Companies (BAAMC), having market share of 5.68%. As of December 31st, 2013 the assets managed by the company amount to EUR 20.81 million.

Top 5 of the asset management companies, members of BAAMC, according to market share as of June 30th, 2013:



Scope of Activity

CCB Assets Management JSC was established as a management company on November 22nd, 2006. Since the beginning of June 2007 the company is managing three mutual funds with different risk profile:

- **CCB Leader Mutual Fund**

CCB Leader is a fund suitable for investors with an aggressive investment strategy seeking higher income for their savings while taking moderate to high risk.

Investments are made primarily in shares accepted for trading on regulated markets in Bulgaria and abroad. The fund can invest also in debt financial instruments and money market instruments mainly with the purpose of maintaining liquidity in times of market disruptions.

As of December 31st, 2013 CCB Leader is one of the largest mutual funds investing in shares in assets under management to mutual funds with an aggressive investment strategy managed by companies that are members of the BAAMC.

- **CCB Active Mutual Fund**

CCB Active is suitable for investors with a balanced investment strategy, seeking stable income and moderate growth of their savings while taking moderate risk.

The investment policy of the fund envisages realization of capital gains from shares and dividend earnings, as well as current income from debt securities, instruments of the money market and other financial instruments.

As of December 31st, 2013 CCB Active is the largest mixed-balanced fund for assets management compared to the mutual funds with balanced investment strategy, managed by companies that are members of the BAAMC.

- **CCB Garant Mutual Fund**

CCB Garant is suitable for investors with a conservative investment strategy, seeking stable income for their savings while taking low risk.

Subject to investments are primarily high-quality bonds, other debt securities and money market instruments, accepted for trading on regulated markets in Bulgaria and abroad.

The main goal of CCB Garant is to preserve the value of the shareholders' investments and also to ensure stable increase while taking minimal risk.

As of December 31st, 2013 CCB Garant is the leader in profitability for the last 12 months compared to the mutual funds in obligations, managed by companies that are members of the BAAMC.

Detailed information on the mutual funds managed by CCB Assets Management can be found in the Prospectus and the Document with key information for the investors that can be accessed on the company's website: www.ccbam.bg.

Distribution

The mutual funds managed by CCB Assets Management are offered in the offices of Central Cooperative Bank Plc, indicated in the Prospectus for the respective fund, on the basis of a signed distribution contract.

Strategy and Goals

The mission of CCB Assets Management is oriented towards continuing the development of the company as one of the leaders in the financial sector through deployment of a policy corresponding to the best industry standards and international standards.

The main goals of the management company are:

- Preservation and increase of the investment the managed by CCB Assets Management funds and realization of higher profit while taking the respective risk depending on the fund's profile;
- Ensuring liquidity of the investments;
- Increasing the growth rate of the managed funds by raising the general level of social knowledge about the financial products and services.

Capital Management SPIC

Capital Management is a special purpose investment company for securitization of receivables. The company was founded in October 2005 and in January 2006 was licensed by the Financial Supervision Commission for performing activities with special investment purpose.

The Group controls the voting rights in the General Assembly of Capital Management through its subsidiary Armeec Insurance JSC (15.67%), and by the pension funds managed by the CCB-Sila PIJSC, and mutual funds managed by CCB Assets management JSC.

The scope of activity of Capital Management SPIC comprises of attraction of funds through issuance of securities and investing collected financial resources in receivables (securitization of receivables), sale and purchase of receivables, as well as other commercial activities, directly connected with the sale and purchase and/or securitization of receivables.

The company structures its investment portfolio by investing in various types of receivables, payable by subjects within different branches of the economy, and situated in different regions of Bulgaria. A large portion of the portfolio of Capital Management SPIC is formed by bank credit receivables, the rights for which have been acquired by means of cession contracts, signed with Bulgarian commercial banks. The rest of the receivables, which the company securitizes, have occurred on basis of inter-company loans as well as on basis of receivables related to leasing contracts.

For the large-scale deployment of its activity, Capital Management SPIC counts on attraction of own stock by means of public emissions of new shares, and on applying a flexible approach when signing the cession contracts, and namely – the contracts for purchase of receivables concluded by the company are contracted on basis of small amount of available resource as at the moment of signing, allowing the debts to the cedants to be served within the funds collected by the ceded debtors. Furthermore, the cession contracts provide the option for the obligations towards the cedants to be settled not only by the monetary resource but also with deduction of liquid and exigible receivables towards the cedant.

To assert its positions in the branch and for achieving of profitability from the investment input Capital Management SPIC counts on its experience and the reputation of the servicing company Finance Consulting JSC, which, having operated on the market of receivables for a decade now, has at its disposal highly qualified specialists with the professional knowledge and experience needed.

Depository bank of Capital Management SPIC is Unicredit Bulbank JCS.





TRANSPORT SECTOR

Bulgarian Airways Group JSC

The investments of Chimimport Plc in the aviation industry are mainly realized through Bulgarian Airways Group JSC, which was established in 2003 under the name of Bulgarian Aviation Group. The company is sole property of Chimimport Plc and established with the aim of acquisition, through its subsidiary Hemus Hold, of 51% of the share capital of Hemus Air JSC.

At the beginning of 2004 Hemus Hold Ltd won a tender and became the owner of the aircraft maintenance base of Sofia airport. At the end of 2004 the merger of Hemus Hold Ltd into Hemus Air JSC was completed and Bulgarian Airways Group JSC acquired full control over the airline company.

At the beginning of 2007 Bulgarian Airways Group JSC won the tender for the privatization of the national air carrier Bulgarian Air JSC. The company has participation also in the airline company Air Ban and Lufthansa Technik Sofia Ltd. In 2011 Bulgarian Airways Group JSC expanded its collaboration with Lufthansa Technik Sofia by expansion of its hangar base, respectively, its capacity to conduct base technical service of the airplanes Boeing and Airbus.

Projects in Russia

In the spring of 2011 Bulgarian Airways Group JSC finalized the creation of two international projects within the Russian Federation. Joint-venture establishment documents have been signed for TAT AVIA JSC, for realization of a large-scale project for reconstruction and development of the international airport at Kazan, namely: construction of new terminal 1A, which capacity is increased to 2.5 million passengers per year and the official opening was on December 12th, 2012. The company TAT AERO JSC was established in Russia for the implementation of the project for restructuring, modernization and development Tatarstan airlines. The project ended successfully in January 2012, followed by a process for the transfer of ownership back to the local State, which was finalized in December 2012.

The policy of Bulgarian Airways Group JSC is orientated towards development of the existing airline companies Bulgaria Air and Hemus Air, establishment of joint-venture companies involving local and foreign companies, active participation in concession of airports (the Chimimport Group controls 40% of the share capital of Fraport Twin Star Airport Management – concessionaire of the international airports in Bourgas and Varna for a period of 35 years) and provision of complex service to current and future customers. A large-scale investment program is in power, along with the restructuring of the aviation business within the holding.



International Airport Kazan

Bulgaria Air JSC

Bulgaria Air is a joint-stock company and Bulgaria's national carrier. Until February 14th, 2007, its sole owner was the state represented by the Ministry of Transport and afterwards the company became private. The owner of its share capital is Bulgarian Airways Group, while one of the shares with order N°1 (golden share) remains property of the Bulgarian state.

The capital of the company amounts to EUR 61.36 million – 120 000 shares with a face value of EUR 511.3 per each.

The air company is a member of the International Air Transport Association (IATA) and the industry payment systems IATA Clearing House and BSP.



Bulgaria Air JSC carries out the following main activities:

- Scheduled domestic and international flights from Sofia, Varna and Bourgas to 27 destinations in Europe and the Middle East, as well as charter and business flights to more than 100 destinations. Bulgaria Air operates scheduled flights to the capitals or major cities in Russia, Germany, Britain, Switzerland, Spain, France, Italy, the Czech Republic, Austria, the Netherlands, Belgium, Greece, Israel, Lebanon and Cyprus. The company has signed code-share agreements with airline companies such as Aeroflot, Air France, Alitalia, Iberia, Cyprus Airways, Czech Airlines, LOT, Olympic Air, Tarom and KLM. Together with its partners Bulgaria Air offers to its customers the opportunity to travel to more than 400 cities in Europe, Asia, Africa and North America;

- Charter flights – the company’s airplanes are rented throughout the year by large tour operators for transport of tourists to various destinations in Europe, the Middle East and North Africa. Furthermore the company conducts ad-hoc charter flights – single flights for corporate and private clients; flights with AVRO RJ70 – a state of the art aircraft for business flights – the plane is produced and specially modified in the UK in accordance with the highest possible international standards. A number of celebrities from the music and film industry, as well as different world-renowned people, have already been convinced in its advantages;
- Aircraft leasing – the company offers “wet” and “dry” lease of aircrafts to various airlines in Europe and the Middle East;
- Transport of cargo and mail – the company works with all registered forwarding companies on the Bulgarian market and with selected partners from the foreign markets;
- Board Sales – the carrier offers the onboard service called Sky Shop – sale of different items during flights within the EU or duty-free sales on flights to destinations outside the EU boundaries. Shopping onboard the Bulgaria Air’s airplanes is convenient and attractive for the passengers and the price does not include any duties when travelling to certain destinations /DF/, the items have been carefully selected and with guaranteed origin. Passengers can choose from different categories of products suitable for special gifts or for everyday use. Sky Shop offers a special service – passengers can request a particular item in advance and be sure that the item will be delivered onboard of the aircraft and kept especially for them.



Airbus A319-112



Airbus A320-214

Bulgaria Air distributes its products on the Bulgarian market via tourist agencies and tour operators, through the branch network of Central Cooperative Bank Plc, the airline's Call Center, own sales offices and via its web site www.air.bg

The company works with more than 160 tourist agencies and tour operators in the country. The revenue on the Bulgarian market realized through agencies, amounts to more than EUR 80 million. The annual revenue from direct sales through its own offices, the Call Center and online channel amounts to EUR 34 million.

The market share on the Bulgarian market, which the company holds is 29%, whereas in terms of tickets sold it is 33%.

The main objective of the company is to retain the existing market share and to improve the indicators for transported passengers and the average income rate per passenger.

The ground handling agent of Bulgaria Air is Swissport Bulgaria.

The maintenance, support and technical checks of the air fleet are performed by Lufthansa Technik – Sofia.

Bulgaria Air employs 428 people, including 78 pilots and 131 cabin crew. The company has representative offices in London, Moscow, Brussels and Zurich.



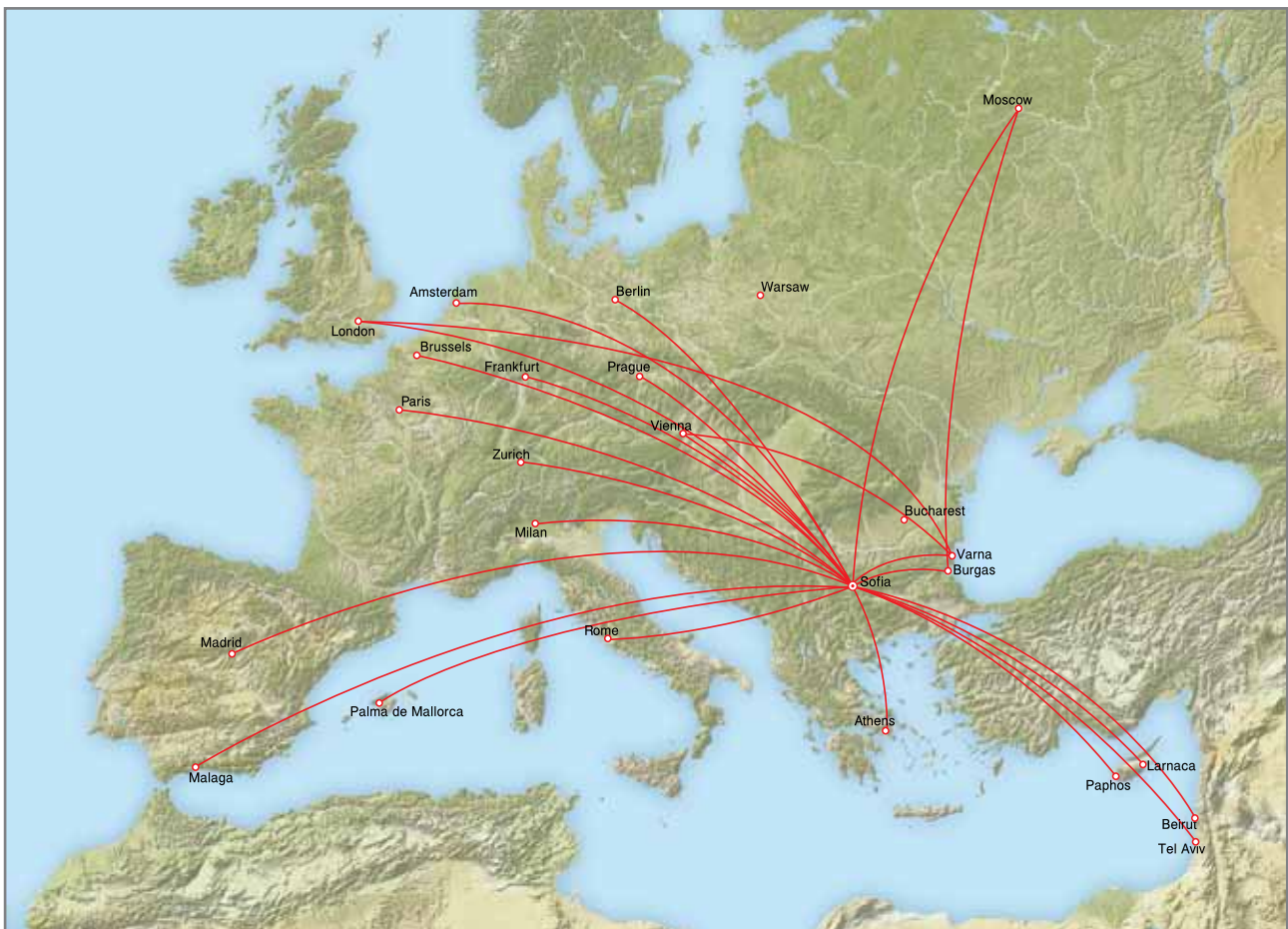
Embraer E190-100

Bulgaria Air fulfilled its ambitious program for expansion and optimization of the business and operations. The company invested in fleet modernization and last generation technologies for more efficient management of commercial activities. The main objective was significant improvement in the quality of the transport service and the introduction of highest standards of service in economy and business class. The customers were offered the full range of products and services that other carriers offer, with comparable quality but better price. The main part of the investments are directed towards renewal of the existing air fleet with new from "Airbus" and "Embraer", which in 2012 completed the fleet of the national carrier with 4 brand new, especially manufactured E-190 aircrafts. This allowed the company to reach better efficiency and to generally improve the quality of service.

In addition to the lighter fuselage, this is the aircraft with least harmful emissions, which directly reduces fuel cost, landing and over-flight taxes. The innovative construction offers more space and comfort to the passengers. The optimum dimensions and characteristics allow the national carrier to develop new destinations and to increase the flights' frequencies.

The company performs its internal operation with modern systems, such as Revenue Management system AirMax (product of Sabre), Amadeus reservation system, modern online sale platform and state of the art system for scheduling, operations and crew planning of Lufthansa Systems.

In place is a management strategy for fast-paced expansion of the commercial activity and penetration of new markets through increase of the flight network, higher frequency of operations and attraction of new customers by means of exclusive offers for direct and transfer flights, depending on the specifics of each particular market.



The Destinations of Bulgaria Air



Embraer E190-100





The main building of Bulgaria Air

United fleet of Bulgaria Air and Hemus Air:

Manufacturer	Type of aircraft	Operated by	MSN	Registration Mark	Configuration
Airbus	A319-100	Bulgaria Air	3564	LZ-FBA	8C/132Y
Airbus	A319-100	Bulgaria Air	3309	LZ-FBB	8C/132Y
Airbus	A320-214	Bulgaria Air	2540	LZ-FBC	180Y
Airbus	A320-214	Bulgaria Air	2596	LZ-FBD	180Y
Airbus	A320-200	Bulgaria Air	3780	LZ-FBE	180Y
Airbus	A319-100	Bulgaria Air	3028	LZ-FBF	8C/126Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000492	LZ-SOF	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000496	LZ-VAR	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000551	LZ-BUR	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000584	LZ-PLO	8C/100Y

Hemus Air JSC

Hemus Air JSC is founded in 1987 as a division of BGA Balkan. In 1989 Hemus Air JSC is differentiated as a separate company for specialized aviation services. As a result of a successful privatization in 2003, Chimimport Plc acquired 100% of the share capital of the company.

After the privatization of Bulgaria Air, Hemus Air was smoothly merged in the company in compliance with the adopted management strategy for unification of both airlines. All activities related to scheduled flights and charter flights were transferred to Bulgaria Air. Hemus Air JSC has a share capital of EUR 13.08 million, distributed in 25,586,530 registered dematerialized shares with a net value of EUR 0.51 each.

Presently the airline carries out the following main activities:

- Leasing of aircrafts – Hemus Air JSC offers its airplanes on “wet” leasing to other airlines, mainly in Europe and the Middle East;



Embraer E190-100

**Airbus A320-214**

FBC, FBD, FBE

**Airbus A319-112**

FBA, FBB

Airbus A319-111

FBF

**Embraer E190-100**

LZ-SOF, LZ-VAR, LZ-BUR, LZ-PLO

- Cargo transport –Hemus Air JSC holds a license for cargo transport;
- Maintenance and repair services – engines, hydraulic systems, electrical components and systems and gliders.

The maintenance and repair of the aircrafts is conducted in own technical base of the company at Sofia Airport, which was acquired at a tender in the beginning of 2004 and consists of two hangars with 4 airplane parking places for different types of aircrafts, part of which are rented to other airlines.

Hemus Air JSC employs 238 people, including 69 pilots and 66 cabin crew members.

Bulgaria Air
National Carrier www.air.bg



Central
Cooperative
Bank
Our clients feel important



Here you can choose and pay your ticket to anywhere in the world – with Bulgaria Air and partners!



Lufthansa Technik Sofia Ltd

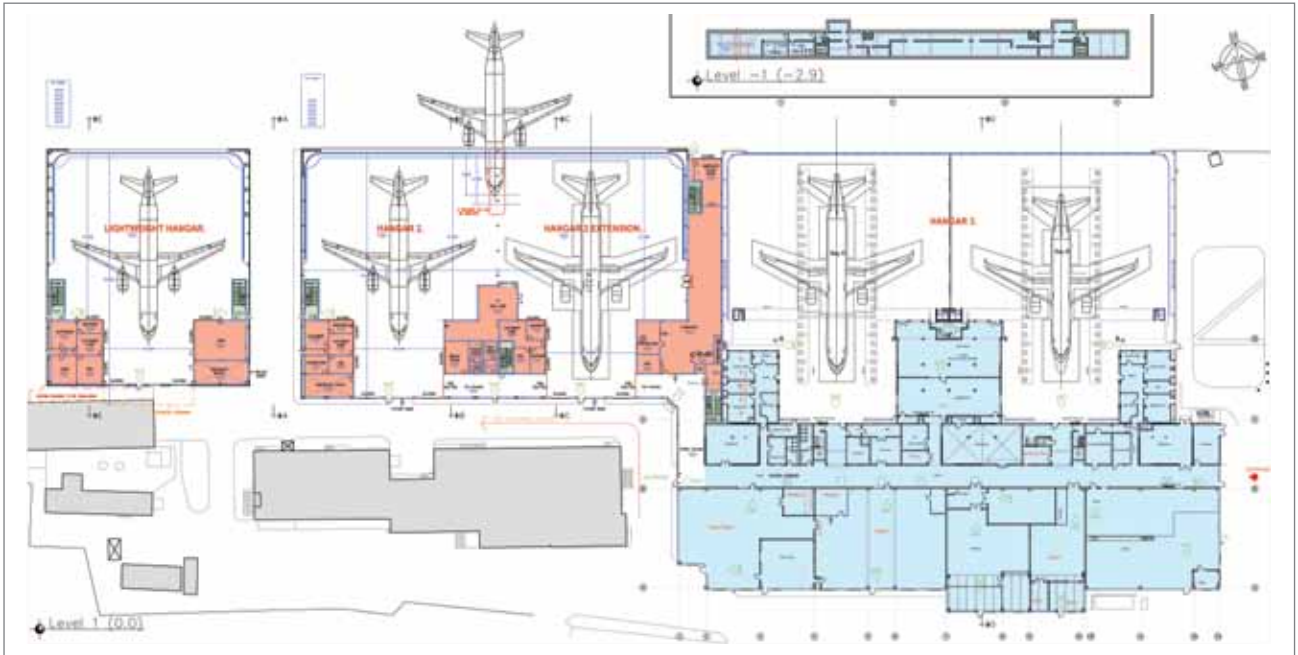
Lufthansa Technik Sofia was established in late 2007 as a joint venture between Lufthansa Technik AG (75.1%) and Bulgarian Airways Group (24.9%).

Lufthansa Technik Sofia is providing Aircraft Base&Line Maintenance Services. It operates 5 bays. In two docks aircraft can be painted on the spot without being pulled into a special painting hangar. The technical capabilities cover Airbus 320 family and Boeing 737 Classic and New generation narrow body aircraft types. Since June 2013 Lufthansa Technik Sofia is certified for Line Maintenance of Embraer E-series.

Situated in South Eastern Europe, the geographical location of the facility in Bulgaria is perfect for servicing customers from the whole Europe, Middle East and Africa. The company made name for its high quality, speed and very professional work.



The hangar of Lufthansa Technik Sofia



Lufthansa Technik Sofia - the project for expansion in 2012



Hangar of Lufthansa Technik Sofia Ltd



Amadeus Bulgaria Ltd

On September 11th, 2009 the national air carrier Bulgaria Air JSC acquired 45% of Amadeus Bulgaria Ltd. The company is subsidiary of the Spanish Amadeus IT Group SA, established in 1987 by Air France, Iberia, Lufthansa and SAS – and for more than two decades it assists information and travelling agencies and service providers.

Amadeus Bulgaria Ltd is leader on the Bulgarian market for booking services, working with more than 320 tourist agencies. The company distributes the wide range of products of its parent company, which is a world leader in provision of information and options for booking of any type of service, related to travelling – flight tickets for the flights of 436 airline companies, for 87,095 hotels, for 29 rent-a-car companies with more than 36,000 offices worldwide, ferry-boats, cruises, railway companies and many others. As of January 31st, 2011, a total of 713 airline companies publish their flight schedules in the system.

Operating the most exhaustive travelling data base in the world, Amadeus is the leading company for information technologies, servicing the world travel and tourist industry. It is the supplier of extensive information, options for booking and modern technologies for the travel industry.

As an international company, Amadeus develops its activity within 195 countries. The strong presence, both at the international and at the local market is a result of company's unique approach when working with partners.

Amadeus has at its disposal an extensive range of products and services. It includes centralized data base, systems for booking, as well as powerful IT solutions for the tourism business. In line with the introduction of the new technologies, Amadeus makes active investments in new developments focusing on strategic partnerships. Amadeus dedicates large resources in building up of systems for e-commerce, thus providing its clients with additional opportunities.

Amadeus Bulgaria Ltd was launched in February 1999, offering the products of Amadeus, along with training and assistance to its clients in order to meet the specific needs of the Bulgarian travel agencies.

Amadeus Bulgaria Ltd offers to the Bulgarian travel agencies and the tourist business an extensive range, both offline and online information solutions, divided into the following groups: Distribution&Content, Sales&Electronic Commerce, Business Management and Services&Consultations.

The Bulgarian team of specialists in the field of the tourist business provides comprehensive assistance and consultations through the Help Desk services, as well as a wide range of opportunities for training with experienced consultants at the offices of Amadeus in Sofia.

The products' reliability makes Amadeus a unique player at the market of global distribution systems, which ensures the access to the system for its users 24 hours a day, 365 days a year.

Fraport Twin Star Airport Management JSC

Fraport Twin Star Airport Management JSC is a German-Bulgarian concessionaire of the two Black Sea Airports Varna and Bourgas. 60% is held by global airport operator Fraport AG and 40% by Airport Services Bulgaria, part of Bulgarian Airways Group. The company was awarded in 2006 with a 35 years concession for managing, developing and modernizing Bourgas Airport and Varna Airport.



At both airports the company handles more than 3,8 million passengers and 30,000 flights for more than 70 Bulgarian and international airline companies, servicing charter and regular flights to over 150 destinations in Europe, Asia and Africa.

In 2013, Fraport Twin Star Airport Management JSC inaugurated two new modern passenger terminals at Varna Airport and Bourgas Airport. The construction of the two new terminals is of utmost importance for the development of the two Black Sea coast cities and the tourism industry in the region. The new facilities offer spacious areas for arriving and departing passengers, modern passenger and baggage processing systems, attractive commercial zones, as well as comfortable open spaces. The terminals, work of world renowned designers, combine contemporary style with traditional elements of Bulgarian architecture and nature, and aim to keep the holiday mood of the passengers throughout their whole stay at the airport. To date, Fraport Twin Star Airport Management JSC invested more than EUR 160 million in the development and upgrading of the two airports.



Varna Airport



Varna Airport

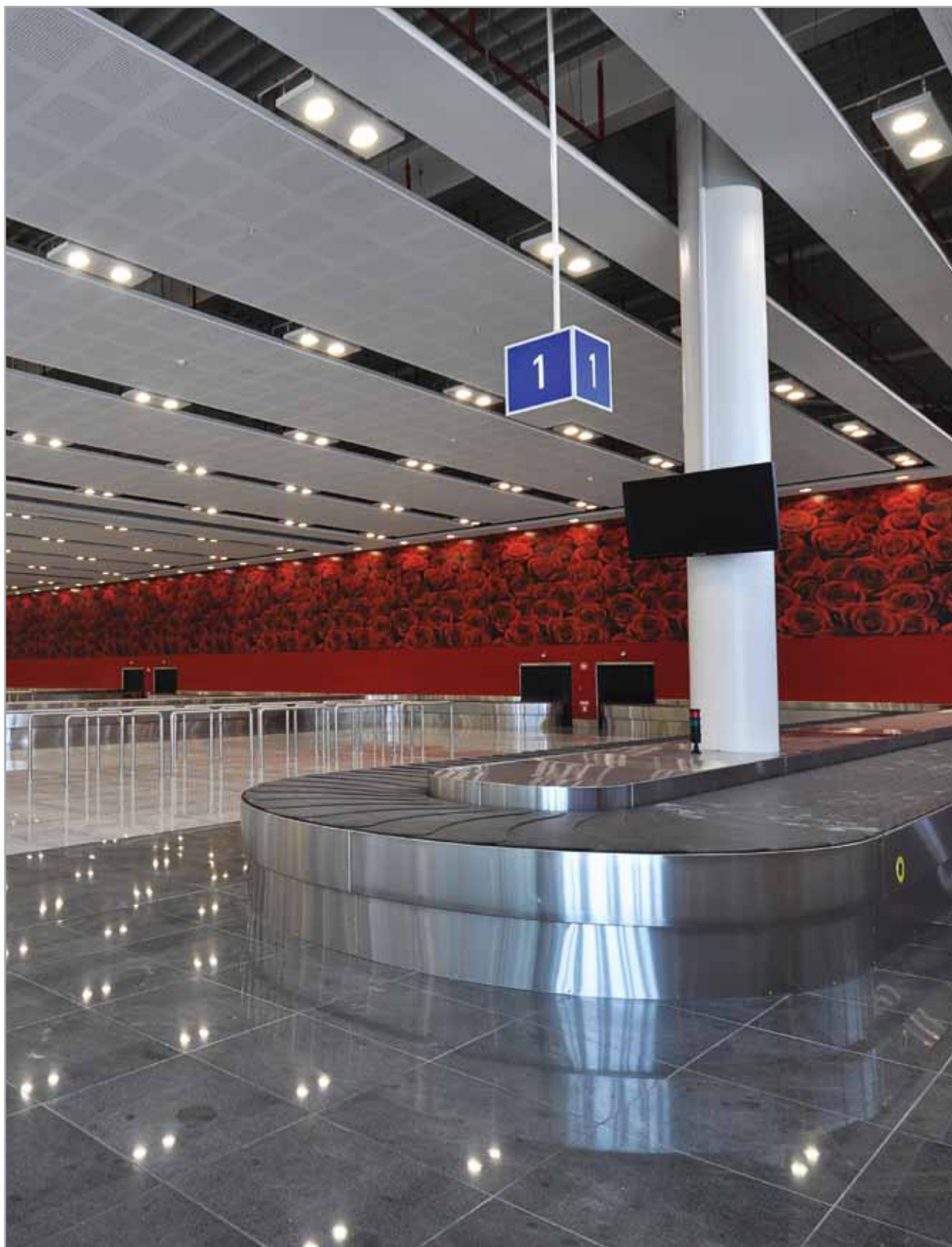


Burgas Airport

The investments of Fraport Twin Star Airport Management JSC, brought several awards for the company and for Bourgas and Varna Airports:

- "Investor of the Year 2013"
- "Biggest Investment in Tourism 2013"
- "Building of the Year 2013", in the category Urban - Transport Infrastructure
- "Biggest Investor in Tourism 2013"
- "Event of the Year – Varna New Passenger Terminal Opening 2013"
- "Most significant event – Varna 2012 - Rehabilitation of Varna Airport Runway"





Burgas Airport

Nuance BG Ltd

Nuance BG Ltd is a joint venture between Nuance Group (50%) and Bulgarian Airways Group JSC (50%). Nuance BG Ltd will offer perfumes and cosmetics, liquor, tobacco, confectionery, local food and beverages, toys, sunglasses, leather goods and handbags, watches and jewelry at the airports in Varna and Bourgas, starting its operations in June 2013. The joint company will employ over 120 people and will serves more than three million passengers traveling each year.

As a leading travel retailer, Nuance Group serves 343 sites, 59 sites in 17 countries worldwide. In addition to its rich portfolio of duty free shops, designer boutiques and concept stores, the Group also provides its services in-flight, practicing wholesale and distribution business in support of the travel retail sector. Headquartered in Zurich, Nuance Group employs nearly 4,700 people worldwide.



Nuance BG

Transintercar Ltd

Transintercar Ltd is a transport company within the structure of Chimimport Plc, which develops automotive transport, providing the link between sea and river ports and terminals, the factories and grain bases. The company provides inter-holding and external customers with the full range of ground transport services.

One main activities of the company is carrying out transportation services with own fleet of automotive compositions – 39 modern tractors Mercedes Axor, including 30 semi-trailers for grain carriage and 9 cisterns for carrying of petrol products and biodiesel.

Other main activity of Transintercar is renting of more than 150 vehicles under operational leasing to companies from the Chimimport Group and to external ones.



Automobile Distribution

In 2010 Chimimport Plc invested in the car sector and acquired the dealership of BMW for Southwest Bulgaria – the company M Car. A year later the holding acquired four more dealerships among which the dealerships of BMW for Northeast and Northwest Bulgaria Varna Cars and Via Intercar, the dealership of Toyota for the region of Pleven and that of Mazda for the region of Varna. Chimimport's strategy is to continue to expand its business operations in the automotive sector by acquiring new dealerships, expanding the scope of business of the current ones and improving the level of service.



M Car Ltd – authorized representative of BMW for Southeast Bulgaria

M Car is an authorized representative of BMW for Southeast Bulgaria. The company was registered in 2001, and from the very beginning of its work it imposed dynamic development pace and deservedly occupies the leading position in premium segment of car sales.

The high professionalism, flexible and innovative company policy that are set and developed as attitude towards the customers, lead to high performance indicators in regards to customers' satisfaction and subsequently to increase of the customers data base outside the boundaries of Southeast Bulgaria.

The scope of business of M Cars includes sales of new and used BMW vehicles and aftermarket service of BMW and MINI. Each year M Cars team goes through a series of professional trainings, which leads to constant improvement of the qualifications and provide the opportunity to respond adequately to the needs of the market as well as individual needs.

The car complex is situated over an area of 2,203 sq.m, has modern service base equipment covering the high corporative standards of BMW brand and a showroom, occupying a separate area of 448 sq.m. M Car has 55 qualified employees, while the company structure is entirely in conformity with the management practices of the BMW concern and conforms to the work principles for high effectiveness imposed by the company.



ViA Intercar Ltd – authorized representative of BMW for Northwest Bulgaria

ViA Intercar is a company established in 1997. Initially the company's business involved sales of original spare parts and repair work for BMW, ROVER and LAND ROVER brands. In 2004 ViA Intercar became an authorized representative of the BMW brand for Northwester Bulgaria. The company's main business is selling vehicles, original spare parts and accessories for the BMW brand, as well as aftermarket service. In 2008 ViA Intercar opened a new showroom in Pleven and a service centre corresponding to all requirements and standards of the BMW brand.



TOYOTA

ViA Intercar 2007 Ltd – authorized representative of Toyota for Pleven region

The company started its operations after the opening of a new automotive complex in 2007. In the period between 1997 and 2007 ViA Intercar 2007 sells vehicles, spare parts and offered the full range of repair services. In late 2004 the company signed a contract with Toyota Balkans and became an authorized representative of Toyota vehicles.

For the construction and equipment of the new Toyota complex an investment of over EUR 0.77 million has been made. The complex is situated over an area of 1,155 sq.m and offers sales of new Toyota vehicles, sales of spare parts, consumables and accessories, servicing and repair – vehicles mechanics, tinsmith and paint service and sales for used Toyota cars. The car repair shop is equipped with state-of-the-art facilities for diagnosis and repair.

ViA Intercar 2007 performs its business in accordance with the requirements of Toyota Balkans, meeting all requirements and standards of the brand and satisfying the expectations of its clients.



Varna Cars Ltd – authorized representative of BMW for Northeast Bulgaria

Varna Cars started its business during the second half of 2002 when the company signed a contract for dealing rights for sale of vehicles, spare parts and warranty and post-warranty repair and maintenance services of the BMW brand for Northeast.

In the end of 2006 Varna Cars signed a new contract for dealership directly with BMW AG, Germany. In October the same year the company signed a new contract for repair service of vehicles with MINI brand. Presently the company offers the full range of service and maintenance of the BMW and MINI brands.

In the beginning of 2009 a showroom of 700 sq.m was constructed for presentation and sale of used cars under the program "BMW Premium Selection".

Varna Cars was declared as best dealer of BMW Bulgaria for sales of new vehicles and aftermarket maintenance for 2011.



Express Car Ltd – authorized representative of Mazda for Varna region

In 1999 Express Car signed a dealer contract with Summit Motors Bulgaria Ltd and became an authorized representative of Mazda for Northeast Bulgaria.

In 2003 a new showroom was open in the centre of Varna. After accomplishing good results, among which is the prize for best Mazda dealer for three consecutive years, in 2008 the company opened a new sale and repair centre corresponding to all requirements and standards of the Japanese manufacturer. The new complex has showroom of 379 sq.m and a service area of 364 sq.m.

Bulgarian Shipping Company JSC

Chimimport's investments in the river and marine transport industry are realized through its subsidiary Bulgarian Shipping Company, 100% owned by Chimimport Plc.

Bulgarian Shipping Company JSC was established in 2006 with the purpose to consolidate the interest of Chimimport Plc in the river and marine transport.

Bulgarian Shipping Company, being a parent-company, has an effective control over its subsidiaries Bulgarian River Shipping Plc, where the company owns 82.84% of the shares (directly or via affiliates), Bulgarian Logistic Company – 100%, and since 2011 – 100% of the capital of Portstroy Invest.

Through Bulgarian River Shipping, the Bulgarian Shipping Company holds the majority share capital in the following companies:

Subsidiaries:

- Mayak KM JSC – 94.25%;
- Interlichter Slovakia Ltd – 100%;
- Port Invest Ltd – 100%;
- Port Pristis Ltd – 55%;
- Blue Sea Horizon Corp – 100%.



Associates:

- VTC JSC – 41%.

Jointly controlled:

- Varnaferry Ltd – 50%.

The company effectively participates in the management of:

- Ship Repair Yard Odessos Plc – member of the Board of;
- Port Lesport JSC – subsidiary of Chimimport – 99%;
- Lesport Project Management Ltd – subsidiary of Port Lesport – 100%;
- Danube Investment Company Ltd – subsidiary of Chimimport – 100%;
- Port Balchik JSC – subsidiary of Zarneni Hrani Bulgaria – 95%.

Bulgarian Shipping Company JSC has direct ownership of 5% of the share capital of Port Balchik JSC.

The future plans of the Bulgarian Shipping Company include acquisition of shares in ports, ship-building and ship-repairing companies, construction of new port terminals, purchase and management of vessels for river and sea, as well as improvement of the transport streams from/to Russia and the region. The plans further target the construction of port terminal on the territory of Chimimport Bimas in Ruse – Eastern industrial zone.



Bulgarian River Shipping Plc

Bulgarian River Shipping Plc is the unrivalled leader among the Bulgarian companies, dealing with river navigation, with its scope of activity and fleet exceeding several times the ones of its closest competitors sailing under Bulgaria flag.

The company was established in March 1935 under the title Bulgarian Coastal Shipping. In May 1940 it was transformed into the independent Bulgarian River Shipping with headquarters in the town of Ruse. Since January 2004 the company is public and currently its shares are traded on the Official Market of Equities – segment B of BSE – Sofia JSC.

Chimimport Plc through Bulgarian Shipping Company and other subsidiaries owns 82.10% of the shares of Bulgarian River Shipping Plc.

As per June 30th, 2013 the share capital of the company amounts to BGN 35 708 674 and its shares are owned by more than 500 shareholders – legal entities and private individuals.

As per June 30th, 2014 Bulgarian River Shipping has its own fleet, comprising of:

Self-propelled vessels:

- 20 Push boats with horse power between 1540 – 2700 hp;
- 1 Tug boat;
- 2 Assistance boats;
- 2 Maneuver boats;
- 1 ferryboat platform for transport of passengers and vehicles;
- 1 Passenger ship for 200 passengers.

Non self-propelled fleet:

- 14 Crew barges with carrying capacity up to 1000 tons;
- 3 Tankers;
- **70 barges, comprising of:**
 - > 33 with hatches:
 - 8 Type CE-2000 – with load capacity of 2000 t;
 - 17 Type CE-1700 – with load capacity between 1500 – 1700 t;
 - 3 Types 917/915 – with load capacity of 1500 t;
 - 5 Type CB – with load capacity of 2100 t;
 - 3 Barges to the self propelled boats with maximum load capacity 1100 t;
 - > 36 open type barges with maximum load capacity between 1500 – 2200 t;
- 20 pontoons.



Reloading of heavy cargos in Constantza

Bulgarian River Shipping offers to its customers a wide range of services, covering large part of the needs of the companies, using river transport. The company is profiled in:

- Transport of bulk and general cargo, draft non-hazardous cargos and fuels, wide-span and concentrated loads;
- Container transport between Constantza and Belgrade;
- Ferryboat transport between Vidin and Calafat;
- Agency of Bulgarian and foreign ships in all Bulgarian ports;
- Forwarding activity, chartering of river and sea ships;
- Organization of combined transport: river – railway transport – sea;

Bulgarian River Shipping maintains:

- Own agency offices in the Ruse, Lom, Vidin and Svishtov ports, providing services to the Bulgarian River Shipping vessels as well to other ship-owners;
- Representative offices in the port Budapest dealing with agency and chartering of own and other vessels.

Bulgarian River Shipping has its own port facility in Ruse for making repair-mechanical activities.

Through Bulgarian Shipping Company, Chimimport Plc has undertaken the engagement to invest in Bulgarian River Shipping EUR 25 million for the period 2007 – 2011.

The main objective of the investment program is the increase in the tonnage of Bulgarian River Shipping and renewal of the vessels fleet of the company – replacement of engines with new ones, manufacture of Caterpillar; performance of constructive changes in some of the pushers in order to allow them to move freely at the upper part of the Danube river. The full reconstruction and replacement of the engines of 6 of the push-boats is already complete and the results from their operation are highly satisfactory, expressed in efficient fuel consumption and minimum environmental pollution.

According to the investment program particular attention is made to the construction of new vessels, as well as to the increase of the fleet through purchase of vessels from ship-owners.

As of 2008, in accordance with a contract signed with Ship Machine Building – Varna, the construction of 6 closed dry-load barges started (2,000 tons dry-cargo river barge of Europe-II type). The first 2 barges were launched in 2008, and by the end of 2009 the manufacturing of the other 4 barges was completed and they were put into operation. At present, these are the newest barges sailing under the Bulgarian flag.



Push boat Georgi Izmirliiev type with power 1 740 hp container transport on the line Constantza - Belgrade

At the beginning of 2010, according to its investment program Bulgarian River Shipping Plc has increased its fleet by:

- 10 river vessels, including 3 self-propelled vessels with 3 barges, 2 non self-propelled river barges and 2 push-boats. The acquisition is the result of the contract signed between Ship Machine Building and Bulgarian River Shipping, which increased the fleet of the company by additional 9,400 t of cargo capacity and 6,600 horse-powers;
- 4 non self-propelled river barges and 1 push boat, purchased by East River Shipping Ltd – Ruse.

As a result from the two deals the fleet of the company increased by a total of 17,000 t of cargo capacity and 7,500 horse-powers.

The investment program of Bulgarian River Shipping also envisages the building of a logistical centre with capacity of over 25,000 sq.m, base for storage and trade of petroleum products with capacity of over 10,000 tons and grain silo with capacity of 2,780 cubic meters on a territory of 185 decares, property of Bulgarian River Shipping in the town of Ruse - East industrial zone, right next to the Danube river.

In October 2010 the Ministry of Transport, Information Technology and Communications signed a contract with Bulgarian River Shipping Plc for concession on port terminal Vidin – North and port terminal Ferryboat complex Vidin and part of the port for public transport with national significance - Vidin. The contract's term is 30 years.



Port Lom

The port terminals Vidin – North and Ferryboat complex Vidin form the territory and operational water area of Vidin – North, namely from km 792.800 to 793.600 of the river mileage Danube.

Port terminal Vidin – North has an area of 120 decares, features railways sidings and established road connection with national route E70. The open storage area of the terminal reaches 10 000 sq.m, it is also built covered warehouse with a total built-up of 4 000 sq.m. On the territory of the terminal is established and operates a warehouse under customs procedures. Port terminal Vidin – North has four berths - two for grain processing multipurpose.

Port terminal Vidin – North is certified for handling of general cargo (containers, metals, machinery, equipment, oversized and heavy cargoes, etc.), bulk cargo (grain foods, inert materials, timber, coals, and others), non-hazardous liquid cargoes (vegetable and animal oils, liquid chemical products and preparations and others.), supply of the vessels with electricity and communications, marine bunkering (fuel, lubricants, water and others), provision of sea-technical services, food supply and other products.

Major share of the handled cargo of the port has the bulk cargo, of which leading with highest volumes are the agricultural products, followed by gypsum, coals, technical wood and others.

Bulgarian River Shipping JSC as a concessionaire of port terminal Vidin – North and Ferryboat Complex Vidin holds a certified by Germanischer Lloyd Certification GmbH quality management under ISO 9001:2008, covering the activities commercial sailing on inner water routes of Europe and the concomitant activities and operations of river ports.

Port Vidin – North is a rapidly developing modern port with well established infrastructure. The port terminals are equipped with the necessary equipment, modern technologies and qualified personnel provision of full cycle of port services – cargo processing, wagons and automotive from cargo acceptance, storage in open or closed storage areas expedition to end recipients.

Bulgarian River Shipping is a partner of Port Pristis Ltd, Rousse and hold 55% from the share capital of the company.

Port Pristis Ltd is established in September 2010. The major scope of business is provision in services with commercial character in the port areas.

In November 2010, Port Pristis Ltd has won a competition for port operator and concluded a contract with the Municipality of Rousse for port services in the port for public transport with regional importance Pristis – Rousse. Port Pristis fall within the scope of the central costal area of Rousse city and is situated on an area of 32 618 sq.m on the right bank of Danube river between km 493.800 and km 495.500 on the river mileage.

After enforcement of the contract for provision of access for performance of port services in the port for public transport with regional significance Pristis – Rousse, by the end of 2013, the number of the ships that have visited the port exceeds 3500. The number of serviced passengers exceeds 77 000.

As of May 2013, though its subsidiary, Bulgarian River Shipping JSC added another port to its concession portfolio – a contract was signed for concession of port Lom for 35 years period. Port terminal Lom is the second largest Bulgarian river port with area of 371 129 sq.m. The port is connected with national railway network and the national road network. It has 13 berths, 9 of which are around the inner firth and 4 on the open Danube. Located on the territory of the port are 117 921 sq.m of open storage areas and 8 343 sq.m closed storages. 17 pier portal cranes, different in types and logistics mechanization (19 pieces) and the engineering infrastructure suffice the port services for processing of general and bulk cargo, including grain products, typical for a universal port type.

Port terminal Lom is certified for handling of general cargo, including metals, machinery, equipment, oversized and heavy cargo and bulk cargo, including grain products, inert materials, coals, non-hazardous bulk cargo, containers, mooring services and supply of ships. For efficient performance of the concession activities, Port

Terminal Lom, Port Invest Ltd. has certification for implemented system for management of the environment in accordance with the international standard ISO 14001:2004, implemented system for quality management in accordance with the international standard ISO 9001:2008, implemented system safety and health standards of working environment in accordance with the international standard BS OHSAS 18001:2007.

For the semi-annual period of 2013 Port Terminal Lom has processed over 300 000 t of cargo, where the major share is for grain products, mineral fertilizers and coals.

In May 2013, Bulgarian River Shipping signed one more contract with the Ministry of Transportation, Information Technologies and Communications for concession of Port Terminal Nikopol. The contract is for 35 years. The terminal provides services for Ro-Ro ships and passengers and in particular for the ferryboat line Nikopol – Turno Mangurele. Apart from this service, Bulgarian River Shipping together with the Municipality of Nikopol serves passenger boats visiting the port with national significance of Nikopol city.

With the conclusion of these four contracts the company enriched its main activity with more services – those of port operator, offering handling and port services to passengers and cargo ships.

Since December 2006 the company is certified by Germanischer Lloyd in quality management system ISO 9001 – 2000.

At the end of 2013 the company employs 395 people.

Major Financial Indicator

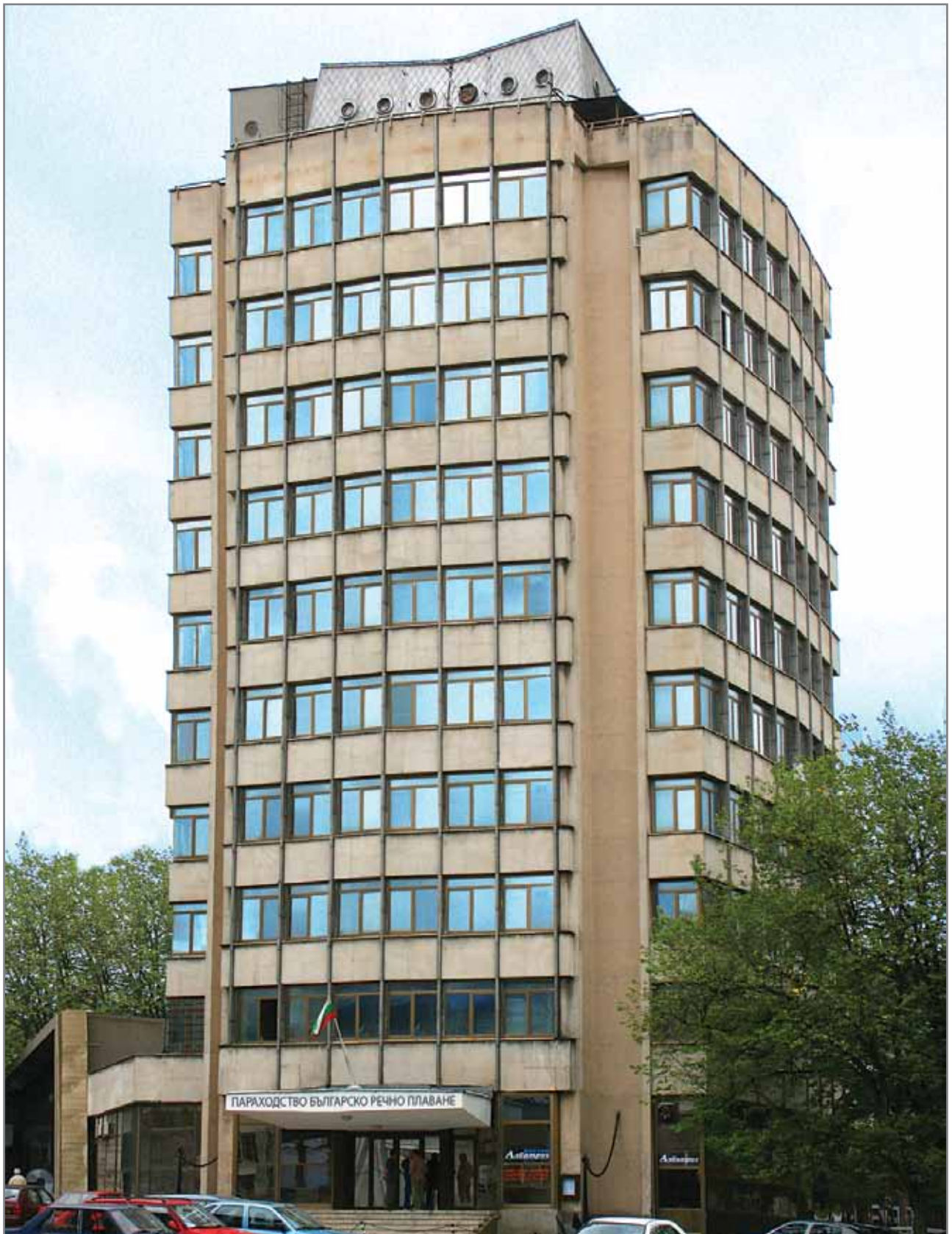
Bulgarian River Shipping Plc ends its business activity for 2013 with accounted results of 792,7 thousand tons of transported cargo. The performed cargo operations on Danube River for the EU Countries amount to 68.2% from the total volume and for non-EU countries.

Realized operating income of EUR 12 667 thousand and incurred operating expenses of EUR 11 921.

The financial result (audited) of the company for 2013 is 696 thousands after tax.



Ferry ship Varna, designed for the line Varna - Port Caucasus



The administration building of Bulgarian River Shipping in Ruse

VTC JSC

VTC JSC is a subsidiary of Bulgarian River Shipping, established in 2005. Company's capital amounts to EUR 0.56 million.

Bulgarian River Shipping owns 41% from the equity of the company.

VTC JSC has a main scope of business of maritime and navigation services, tugboat activity, including port service towage, vessels tow or pushing, agency, vessels chartering and freight, vessels operations and ship-handling, bunker, shipping and complex transportation activities in the country and abroad, representation of domestic and foreign private individuals and legal entities, consultations and expertise in the field of the maritime transport, calculation of ship freight, management of all kinds of business activities, as well as performance of any other type of services that might be related to the shipping industry.

VTC JSC carries out its major activities /towage and mooring/ in all ports under the jurisdiction of Varna Maritime Administration Agency: port of Varna East, Petrol, Odessos Ship Repair Yard, Shipbuilding Industry Bulyard, Marine Antipollution Enterprise, Port Odessos PBM, Lesport, MTG Dolphin, TEPP Varna, TEREM – Flotski Arsenal, Port Varna West and Balchik. The main subject of towage and mooring also includes ship piloting in and out, mooring and unmooring, shifting between quays, as well as transport of passengers, provisions and equipment from/to ships on roadstead.

During the last two years, the company has extended its main operations to include also planned sea tow services between Varna and Bourgas, as well as between Varna and Constantza.



Sanmar tugboats



Tugs Sanmar

The company owns three tugboats: CAHMAP XII, CAHMAP XIII and CAHMAP XIV, used for carrying company's main operations. The tugboats have the following technical characteristics:

- Year of construction – 2003;
- Place of construction – Gemsan, Tuzla – Istanbul;
- Maximum length – 18.28 m;
- Width – 6.70 m;
- Wade – 3.20 m;
- Engines – CATERPILLAR 2x746kW (2x1014BHP);
- Bollard Pull - 27 t.

Clients and partners of the company are the leading companies in the naval branch such as Agropolychim JSC, Agrotrade Ltd, Bon Marine Shipping Agency Ltd, Bulyard Shipbuilding Industry JSC, Vesem Ltd, Ship Repair Yard Odessos Plc, Overseas Comers Company Limited Ltd, Sea Partner Shipping Ltd, Sea Partner Shipping Ltd.

VTC JSC is a leader on the market of tugging services in ports Varna and Balchik with market share of approximately 39%. In 2013 the company has serviced over 1100 ships and generated revenue amounting to EUR 2.73 million, registering a growth of 19% in comparison to the results from 2012. The net profit of VTC JSC for 2013 after taxes has grown with 25% compared to last year's performance and amounts to EUR 756,712.

Mayak-KM JSC

Mayak-KM JSC is a subsidiary of Bulgarian River Shipping. It was established in April 1968 in the industrial zone of Novi Pazar at about 70 km west from city of Varna, close to Hemus highway.

The company is transformed into a public limited company in 1996 and since 2006 is a subsidiary of Bulgarian River Shipping.

The company is allocated over area of 90 decares, 15 of which are close production area.

The main production activity is carried out in housing with dimensions 96x130 meters, as well in a preparatory facility with dimensions 48x60 meters.

The factory is designed and built for machine engineering and metal constructions for the ship building industry and the energy sector.

Manufacturing capacity

- Digital machines for gas and plasma cutting of sheets with dimensions 2,5 m x 8 m and thickness up to 100 mm;
- Guillotine for cutting of metal sheets up to 20 mm of thickness;
- Press up to 2 000 t;
- Folding presses with pressure up to 200 t;
- Folding machine for metal sheets up to 25 mm of thickness;
- Stamping with table dimensions 1 000 x 5 400 mm;
- Carousel lathe with a run plate of 2 200 mm;
- Drilling CNC machines;
- The assembly shops are equipped with cranes with capacity up to 12,5 t, welding equipment by „ESAB“, ovens for thermal treatment of the welded constructions, radial and columnar drilling machines, stands and welding equipment, hydraulic density testing area;
- Blasting area to a Sa 2,5 stage;
- Painting area.

In 2014 in the company are working 115 employees, 17 of which are with managerial positions. They are very seasoned with a long-time experience and knowledge. The welders are with renewed welding permits, as part of them hold the LR welding certificates.

The 2013 production for foreign markets generates revenue as following:

- Rolls-Royce – EUR 1,88 million;
- Polarteknik – EUR 126,289;
- Fluid House – EUR 46,016;

- Tingstd – EUR 15,340;
- PMC GROUP AB Sweden – EUR 15,850;
- Kumera – EUR 4,090.

The 2012 production for foreign markets generates revenue as following:

- Rolls-Royce – EUR 1,37 million;
- Polarteknik – EUR 244,910;
- Fluid House – EUR 112,484;
- Tingstd – EUR 30,680;
- Kumera – EUR 3,070.

Besides the deliveries for Rolls-Royce, the company has produces the following articles of major significance:

- Grapples for portal and industrial machinery;
- Metal constructions for the new grain terminal of Port Balchik JSC;
- Emergency staircases for public buildings;
- Metal constructions for reconstruction of river vessels.

In 2013 the company generates revenue not only by its primary scope of business, but also by providing various services – mainly equipment repair, as well as by selling scrap metals and other materials.

Revenue by type of service for 2011:

- Sale of export goods – EUR 1,41 million;
- Sale of goods on local market – EUR 747,510;
- Other revenue – EUR 55,740;
- Financial income – EUR 76,700.

Revenue by type of service for 2012:

- Sale of export goods – EUR 1,85 million;
- Sale of goods on local market – EUR 99,200;
- Other revenue – EUR 85,900;
- Financial income – EUR 62,380.

Revenue by type of service for 2013:

- Sale of export goods – EUR 2,10 million;
- Sale of goods on local market – EUR 35,800;
- Other revenue – EUR 205,030;
- Financial income – EUR 76,185.

The company is certified under ISO: 9001:2000 and has a certificate from the State Agency for Metrological and Technical Surveillance for operations with high risk cargo facilities.

Port Lesport JSC

Port Lesport JSC, Varna, was registered in March 2005. The company has a share capital of EUR 7.67 million, divided in 4000 shares with nominal value of EUR 1,917 each and 99% of the shares are owned by Chimimport Plc and 1% by Chimimport Invest JSC.

A thirty-year contract for concession of Lesport port terminal (Port Lesport JSC), part from the port for public transport with national importance Port Varna is in force since May 30th, 2006. The contract is between Republic of Bulgaria, represented the Minister of Transport – concession granter and Port Lesport JSC – concessionaire.

General features of the Port

Port Lesport JSC is situated on the north side of the Varna lake. It is at about 8 km from the entry lighthouse St. Nikolay Chudotvorec. Because of its location, the Port is protected from winds and tides and is accessible throughout the entire year. The Port has a connection to the national railway structure through Ezerovo railway station and to the national road infrastructure through the exit of the Sofia - Varna motorway.

The total area of the port is 124 decares. The Port has three berths with a length of 450 m and draft of 9 m. Six covered warehouses with a total built-in area of 2,175 sq. m are constructed on the area of the Port. The open warehouse area is over 24,000 sq. m.



The company is in possession of 5 Kirovets port cranes with hoisting capacity of 10 tons each, big Abus portal crane with hoisting capacity of 10 tons, and 2 modern Sennebogen diesel cranes with hoisting capacity of 10 tons each.

The company owns modern lifting equipment and loaders – Svetrak and Volvo brand, which handle the bulk cargo.

Port Lesport JSC holds a Certificate of fitness for handling general, bulk, ro-ro cargo and vegetable liquid cargo. Port Lesport JSC meets the requirements of European Quality Standard ISO: 9001:2000 for port activities, including stevedore operations, keeping, storing and other parallel cargo processing. The certificate is issued by SGS United Kingdom Ltd.

Port Lesport JSC meets the requirements for port facility compliance according to International ship and port facility code (ISPS Code). The port operates in compliance with the approved security plan. The port area provides technical and structural resources for maintenance and repair of all its facilities and equipment. Within the port area are located BG Lesport 2006 customs, Check-point and NAPP (National Agency for Plant Protection) providing complete servicing of import-export and transit cargoes.

Company activity

Port Lesport JSC renders a whole range of port services, which represent its main activity and obligations according to the concession contract:

- Acceptance, storage and forwarding of cargo;
- Reloading cargo from ships, wagons and trucks;
- Internal port transport;
- Reinforcing, dismantling and weighing of cargo;
- Other services, connected to the processing and servicing of ships.

On the market, the port gained itself a reputation of reliable partner to the exporters of grain, timber, soda and scrap and to importers of black metal and aluminum.

Since February 8th, 2008 there is a General plan for development of Port Lesport JSC in place. It has been developed using the experience of the internationally recognized Dutch consulting and engineering company Royal Haskoning. The General plan includes port's development and expansion of a large scale, construction of two independent terminals for grain and liquid processing by incorporating new areas of Lake Varna. The grain terminal will be constructed in the south part of the port. This complex facility is planned to have grain depot with total storage capacity of over 70,000 tons and full set of modern equipment being able to store and consequently upload on ships with up to 60,000 DWT. The estimated annual capacity of this grain terminal is over 2 million tons. The oil, petroleum, biodiesel and vegetative oils terminal will be located on newly established area along the water area of Varna lake and will have 2 million tons annual capacity.

The planned investments for the full period of the concession amount to EUR 66 million.

In October 2013 started execution of program for improvement of the working conditions in Port Lesport JSC in compliance with the standards and requirements of the legislation for safety and health of work conditions.

The main target of the program is to improve the work conditions in the company by introduction of innovative and adaptive organizational work forms as well as achievement of health and safety work conditions, improvement of the performance and efficiency of the employed personnel and the competitiveness of the company by reducing the risk of accidents, incidents and damage to health in the work environment.



Port Lesport JSC

Currently Port Lesport JSC has made investments amounting to EUR 7,25 million and has paid concession royalties amounting to EUR 7,9 million.

The company has invested funds in the rehabilitation of public property and acquisition of new loading equipment.

The realized ship and cargo volume for Port Lesport JSC after taking control of the terminal is as follows:

- For the period from May 2006 till December 2006 – 138 ships and 282 000 tons of cargo;
- For 2007 – 178 ships and 395 114 tons of cargo;
- For 2008 – 177 ships and 434 243 tons of cargo;
- For 2009 – 239 ships and 656 130 tons of cargo;
- For 2010 – 252 ships and 635 892 tons of cargo;
- For 2011 – 214 ships and 611 128 tons of cargo;
- For 2012 – 237 ships and 693 117 tons of cargo;
- For 2013 – 265 ships and 1 004 370 tons of cargo.

In 2013 in the port terminal Lesport 1 004 370 tons of cargo are processed, which represents an increase of 44.9% compared to the previous year, representing the highest annual cargo volume, realized since the establishment of the port terminal.

The gross operating income of Port Lesport JSC is as follows:

- For financial 2006 – EUR 1,09 million;
- For financial 2007 – EUR 1,77 million;
- For financial 2008 – EUR 2,28 million;
- For financial 2009 – EUR 2,90 million;
- For financial 2010 – EUR 2,67 million;
- For financial 2011 – EUR 2,78 million;
- For financial 2012 – EUR 3,03 million;
- For financial 2013 – EUR 3,96 million.

Lesport Project Management Ltd

Lesport Project Management Ltd is 100% owned by Port Lesport JSC and is established to support Port Lesport JSC in the design and implementation of the program to expand Lesport terminal in accordance to the commitment of the parent company in front of the Ministry of Transport, Information Technologies and Communications under the concession contract from 2005.



Designing the extension of Lesport terminal



Port Lesport JSC, Varna

Ship Machine-Building JSC

Ship Machine-Building was established in 1962 by the merger of small companies specialized in the production of naval products and services. For a short time the company established itself as leader in the production of ship equipment in Bulgaria.

The primary scope of business of the company embraces the following:

- Production of ship equipment: hatch covers, stern and side ramps, deck mechanisms, ship doors, ladders, etc;
- Building and repairing of ships;
- Design and production of standard and unique steel constructions: bridges, radio and TV towers, etc;
- Construction of tugged floating facilities on armored concrete corpses: car parks, hotels, hospitals, etc.

Ship Machine-Building is the only company in Bulgaria specialized in the production of hatch covers, stern and side ramps for Ro-Ro vessels and other massive ship equipment. Since its establishment until now, Ship Machine-Building has been supplying over 230 sets of hatch covers to its Bulgarian and foreign clients.

The company has build great experience in the construction of tugged floating facilities on armored concrete bodies and the production of steel constructions – over 350 floating machines (mainly from ‘workshop’ type) and over 85,000 tons of steel constructions have been supplied.



Port Lesport JSC

Clients

Some of company's active clients are: Technoimportexport JSC, Escana JSC, the OMA Group through its subsidiaries in Italy and Romania, Bon Marine International JSC, Port Varna EAD and others.

Ship Machine-Building JSC is a traditional supplier of specialized naval equipment for some of the leaders in the global ship- building, such as: MacGREGOR Ou, Finland, TTS Ships Equipment AB, Sweden and etc.

One of the largest ship-building projects of the company is related to the building of six 2000 t river barges ordered by the Bulgaria River Shipping JSC.

Suppliers of basic materials

- Steel sheets: Intercom Group Ltd (Varna), Steel Industry JSC (Pernik), Mayak - KM (Bourgas);
- Profile steel material: Unimat Ltd (Varna), G. Baglietto Naval Steel SAS (Italy).

In recent years, the company's activities are oriented mainly towards production of steel structures for infrastructure purposes. A number of projects have been executed, as the most significant among which are: fabrication and installation of the steel structures of the new passenger terminals of Varna and Bourgas airports; setting-up structures for the new production line of a cement plant in Italy; manufacturing structure components for an exhibition center in Russia, a launching facility at an Egyptian shipyard- property of the Ministry of Defense and many others. It is anticipated that these activities will preserve company's leading positions.

Considering the positive trends in the ship-building sector it is anticipated that the volumes of equipment build under long-term contracts with leading ship-building companies will increase.

In the last years the company implemented a strategic investment program, with investments totaling to EUR 1 million. Program's primary objective is an increase in the capacity of the company, by:

- Purchase/production of new specialized equipment;
- Upgrade/repair of existing production facilities;
- Purchase of new machines in order to increase productivity.

As a result of the implementation of the investment strategic program the company has created several conditions for active ship building of vessels with maximum length of 95 m and maximum weight of 1,200 tons.

Ship Repair Yard Odessos Plc

Ship Repair Yard Odessos Plc has existed as an autonomous enterprise since 1964 and at a later stage becomes a unit of SO Water Transport subjected to the Ministry of Transport. After 1991 the company was gradually transformed into Ltd, JSC, and at present it is a public joint-stock company. The shares issued by Ship Repair Yard Odessos are quoted on the Official Market of equities, segment B of Bulgarian Stock Exchange - Sofia JSC.

The main activity of the company is the repair of ships and the associated internal and external economic mediating activities in the country and abroad, investment and engineering activities, research and development, training and qualification of personnel.

The company is specialized in the execution of high-quality docking, current, emergency and restorative repairs of all kinds of cargo, passenger, auxiliary ships, tankers and container carriers. The factory captures approximately 40% market share from the ship repairing business in Varna region.

Forty five ships in total were repaired in the yard in 2012. Forty two of these ships were foreign and three were operated by Bulgarian companies. The portion of foreign ships repaired by the company steadily increases and from 88% in 2011 in 2012 it reaches 98.3% which is generated mainly by clients from Western Europe (Netherlands, Germany, Sweden and Greece), USA, Thailand, Ukraine and others. Recent data reveals that the relative share of foreign ships' repair work remains high which is an eloquent evidence of the international



authority and position of the company. Ship Repair Yard Odessos Plc steadily maintains its contacts and business partnerships with its clients - internationally known and positioned shipping companies.

The company generates revenue not only from its primary scope of business and related activities but also from other services and manufacturing, from sale of oxygen and nitrogen to external clients; from sale of technological scrap; from materials sale; from the sale of fixed assets that have served their time and time has come to be written off company's books; from rents and others.

Essential for the development of the company proved to be the commissioning of the new floating dock in the second half of 2010. This launch increased significantly company's ability to accept requests for repairs of larger vessels which was a precondition for higher revenues. Unfortunately, the globally spread financial and economical crisis hinders the company from deploying the optimal potential of the floating dock, however expectations reveal that once the crisis begins to fade away the freight market will sweep to better days and demand for ship repairs will bloom again.

The share capital of Ship Repair Yard Odessos Plc is EUR 0.30 million and it is allotted in 586,642 dematerialized registered shares, with nominal value of EUR 0.51 each, and it has not been changed since the company's establishment.

Chimimport Plc takes part in the management of Ship Repair Yard Odessos Plc through the Bulgarian Shipping Company, appointed as a Member of the Board of Directors of the company by a decision of the General Meeting from January 12th, 2007.



Odessos Plc, Varna





TRADE AND PRODUCTION SECTOR

Zarneni Hrani Bulgaria Plc

Zarneni Hrani Bulgaria Plc is one of Bulgaria's market leaders when it comes to purchase, storage and trade with grains and oilseeds, manufacturing and distribution of vegetable oils. Zarneni Hrani Bulgaria Plc managed to ensure its successful breakthrough and solidify its positions in the economy sector by opening the largest, state of the art manufacturing plant for biodiesel.

Zarneni Hrani Bulgaria Plc is a joint-stock company, established in November 26th, 2007 as a result of the merger of 8 companies: Slanchevi Lachi Bulgaria JSC, Sofia (a public company in line with the provisions of the Public Offering of Securities Act), Zarneni hrani Trade JSC, Sofia, Back International JSC, Sofia, Zarneni hrani – Valchi Dol JSC Sofia, Zarneni hrani Balchik Ltd Sofia, Zora JSC Ruse, Prima agrochim Ltd, Dobrich and Chimimport Agrochemicals, Sofia. All assets and liabilities of the merging companies were legitimately inherited by the new company Zarneni Hrani Bulgaria Plc in its capacity of their universal successor. The vertically integrated business model applied in Zarneni Hrani Bulgaria Plc that successfully provides the means for ensuring the overall operational process from production to reaching the end-user, including transportation and harbor operations contributes to the successful integration of Chimimport Plc's agricultural business.

In 2012 a Transformation Agreement was signed under the terms of which Chimimport Group JSC was merged with Zarneni Hrani Bulgaria Plc, and as a result the latter became the universal legal successor of the assets and liabilities of the company that has been transformed.



Provardia Oil Mills

As a result of the merger that took place in 2012, as of December 31st, 2013 the following companies exist within the framework of the group:

Oil and Gas Exploration and Production Plc – primary scope of business is the search, exploration and realization of crude oil and natural gas fields, search and exploration of fields with thermal, mineralized and groundwater for drinking, households' and industrial purposes, detection and exploration of fields of geothermal energy, drilling for petrol and gas, groundwater and geothermal energy, as well as all types of servicing activities and operations having relations to company's primary scope of business.

Assenova Krepost Plc – primary scope of business is the production and trade with polymer packaging and materials, distribution activities, trade, import and export, tourism, management, marketing, entrepreneurship; representation, intermediation, services, acquisitions, appraisal and disposition of ownership in Bulgarian and foreign companies; investments in shares of other issuers; other deals directly related to the herein listed activities.

Slanchevi Lachi Provadia JSC – specialized in the production and trade with biodiesel, trade with vegetable oils, buy out and storage grain and oil seeds, processing, extraction and storage of oilseeds, processing and extraction of vegetable, edible and technical oils, schrot and husk.

Port Balchik JSC – primary scope of business is harbor operations, loading and unloading, arranging storage, repacking of different types of cargo, inter-terminal cargo and mail transport in public transport harbors /in case of harbor concession/ and various additional activities.



Provadia Oil Mills

Zarneni Hrani Grain Ltd – primary scope of business is trade with grain and grain derivatives on domestic and international markets, trade with agricultural products, and purchase of goods with primary objective of trading them locally or abroad in original, treated or refined form.

IT Systems Consult Ltd – primary scope of business is web-design, graphical design, development, implementation and maintenance of software programs and products, development, implementation and maintenance of computer networks and webhosting.

Petrochim Trade JSC – primary scope of business is import, export, re-export and other commercial operations with petrol, chemical and petrochemical products.

Medical Center Health Medica Ltd – primary scope of business is medical and preventive, specialized paramedical activities and resort science, commercial transactions related to medical activities and patients care, training of medical graduates and continuous qualification.

Chimimport Pharma JSC – primary scope of business is the import, export, distribution, production and wholesale and retail trade with medical drugs, medicines, medical devices and equipment, medical supplies, sanitary materials and herbal supplements.

Omega Finance Ltd – primary scope of business is accounting services, financial advice, wholesale trade and portfolio management advices.

Chimzelteks Ltd – primary scope of business is import and export, re-export and other commercial operations with chemical products, cellulose and related products, raw materials for the textile industry.

Bulchimtrade Ltd – primary scope of business is local and international commercial activities with pharmaceutical substances, veterinarian products, chemicals, reagents, gases, varnishes and paints, pigments, tinctures, artificial fibers, oil, fuels, petrochemicals; export-export, exchange, barter, compensatory and other deals.

Orgachim Trading Ltd – primary scope of business is local and international commercial activities with pharmaceutical substances, veterinarian products, chemicals, reagents, gases, varnishes and paints, pigments, tinctures, artificial fibers, chemical and other types of goods.

Rubber Trade Ltd – primary scope of business is foreign and domestic trade, exchanges, barter, compensational and other types of deals.

Texim Trading JSC – primary scope of business is trade with goods and services, import and export, constructions services, transportation and tourism, financial and taxation advice.

Dialysis Bulgaria Ltd – primary scope of business is medical treatment, rehabilitation and observation of patients with chronic insufficiencies in dialysis centers.

Chimoil Trade Ltd – primary scope of business is the commercial activity locally and abroad with fuels, chemical products and raw materials.

In 2013 with a contract for sale of shares between Zarneni Hrani Bulgaria Plc and Petrol Commercial Company Ltd are sold 50,000 shares representing 100% of the capital of Petrohan Trade EAD.

On August 23rd, 2013 in the Commercial Register is registered the transfer of shares of medical center Health Medica Ltd the shares were transferred to Bulgaria Airways Group.

The initial capital of Zarneni Hrani Bulgaria Plc is EUR 87.32 million, allocated in 170,785,600 ordinary (voting) shares of nominal value each. After transformation, the capital of the acquiring company Zarneni Hrani Bulgaria Plc is raised to EUR 100.04 million by emitting 24,874,687 new, ordinary shares with one voting right each and EUR 0.51 nominal value.



Biodiesel facility



Refinery

Zarneni Hrani Bulgaria Plc is a public joint-stock company within the meaning of Art.110 of the Public Offering of Securities Act dated, in compliance with decision of the Financial Supervision Commission from November 11th, 2007.

The main business branches covered by the activities of Zarneni Hrani Bulgaria Plc are:

- Buying out and trading with, including importing and exporting of grain crops (wheat, barley, maize);
- Oilseeds (sunflower, colza);
- Oilseeds and grain storage services;
- Processing bakery wheat;
- Production and trading biodiesel, incl. services in certifying the biofuel quality in its own accredited laboratory;
- Logistics- transportation and harbor operations.

The refined oils are manufactured in the oil manufacturing plant in Provadia, where the company's integrated installations provide the means for ensuring the required capacity for covering the entire production cycle from seeds milling to oil bottling.

The oil manufacturing plant in Provadia is equipped with entirely integrated technological system for vegetable oil manufacturing, and it is registered under N° 03030001 as a manufacturing facility for production of oils with vegetable origin.

The plant is certified and fully compliant with the standards and quality control requirement of ISO 9001:2008 and ISO 22000:2006.

The refined oils produced by the plant bear Slanchevi Lachi reserved trademark, which is registered with the Brand Register supported by the Patent Office of Republic of Bulgaria.

The plant is equipped with automated production chain for oil refining with capacity of 100 tons/24 h of edible oils and 300 tons/24 h neutralized oils for industrial use. The equipment is provided by the Italian company De Smet Ballestra Oil.

A new automated bottling line was purchased and installed in 2008 with capacity of 6000 - 1 l volume bottles/hour. The equipment was provided by Intercaps, UK.

Due to the growing volumes and need of vegetable oils, and in terms of its own investment goals, the company started a program for modernization in the Oil Extracting Production Unit. The new equipment will have the capacity of 600 tons/24 h for oil seeds and 500 tons/24 h for rape seeds.

Part of the existing infrastructure in the town of Provadia has been used by the company (through its subsidiary, Slanchevi Lachi Provadia JSC) as a foundation for development of the most advanced, state of the art biodiesel installation in the country. The plant, built by the leading international company De Smet Ballestra Oil from Italy has annual capacity of 100 000 tons, and it is able to process different raw materials in order to provide good equation between prices of raw material and the final production. The manufacturing process is environmentally friendly – with only glycerin waste, about 80% pure, with large industrial application. The processing is fully automated. The plant is provided with storage facilities of 6 000 m³ for biofuel storage and 2 000 m³ for neutralized vegetable oil storage, both for a total of EUR 15 million. The biodiesel is sold on the neighboring external markets.

The plant is equipped with the following storage capacities:

- Reservoirs for storage of refined oil with overall volume capacity of 2300 tons;
- Reservoirs for storage of crude sunflower oil with overall volume capacity of 5400 tons;
- Sunflower silo with volume capacity of 25 000 tons.

The quality of the production manufactured by the plant is consistently monitored by company's own laboratory, accredited in compliance with BDS EN ISO/IEC 17025:2006, for oilseeds, vegetable oils, oilseeds residual products and biodiesel.

In relation with its commercial activities with agricultural production, the company owns and operates with 16 grain stores – no doubt, the largest network in the country, representing around 35% of the licensed and 17% from the total capacity of the country. The grain stores are located in the village of Krushari, the village of Kardam, the village of Karapelit, the town of Tervel, the town of Nova Kamena, the town of Dobrich, the village of Dolno Tserovene, the village of Gen. Kolevo, the village of Kaynardzha, the town of Dve Mogili, the town of Balchik, the town of Valchi Dol, the town of Straldzha, the city of Bourgas, the town of Strazhitsa and the town of Byala, and have a total volume of 700,000 tons of grain.



Biodiesel facility

Zarneni Hrani Bulgaria Plc's major competitive advantages are:

- leading position on the grain market in Bulgaria;
- leading biofuel manufacturer in the country;
- good reputation among international partners (Nidera, Cargill, Louis Dreyfus, Bunge, etc.);
- close contact with farmers;
- integrated operative model (purchase, storage, processing, sale and distribution);
- access to transport corridors and developed export operations, implemented through its subsidiary Port Balchik JSC, Zarneni Hrani Bulgaria Plc owns 95% of its capital;
- considerable equipment (the network of silos, the biodiesel plant, etc.);
- part of Chimimport Group allowing exploiting synergies with other companies: transport (Transintercar, Bulgarian River Shipping), credits (Central Cooperative Bank Plc) and insurances (Armeec Insurance JSC), Fertilizer Trade, etc.

Major goals

The company major short term goals are related to:

- Extension of the existing loan program for the farmers, related to the providing of packages for raising oil-bearing cultures (seeds, chemicals, fertilizers, fuels, insurances). The program is performed together with Central Cooperative Bank JSC and Armeec Insurance JSC;
- Establishing an optimal logistic model that includes modernizing of the silos;
- Utilizing the Ruse-Danube-Konstantsa corridor together with Bulgarian River Shipping for the transport of production and cargo, related to the company's activity.
- In the a mid-term Zarneni Hrani Bulgaria Plc will continue to analyze the possibilities for acquisition of other companies in the area or in related areas and the opportunities for entering the agricultural production as an element of the strategy for a higher supplies security.

Oil and Gas Exploration and Production Plc

Oil and Gas Exploration and Production Plc is the only Bulgarian company, performing the full scope of activities of survey, research, development and exploitation of oil and gas fields, as well as the processing of crude oil to final products for the market.

Oil and Gas Exploration and Production Plc was established in 1991. The company is the legal successor of the main geological, research and production companies and facilities that initiated the beginning of the Bulgarian oil industry with oil field Tyulenovo, discovered in 1951 in the area of the town of Shabla. The experts from Oil and Gas Exploration and Production Plc have many years of proven experience and achieved results both on the territory of Bulgaria and in performing petrol projects in Libya (Bulgarian petrol concessions NC-100 Gadames and NC-101 Morzuk), Syria, Iraq, etc.

The registered capital of Oil and Gas Exploration and Production Plc is to the amount of EUR 6.25 million. Since September 2002 the company is public and at present its shares have been accepted for trading on the Official Market of BSE - Sofia. Chimimport possesses directly and through related parties 55.62% from the capital.

Oil and Gas Exploration and Production Plc through its exploration and production units and subsidiaries performs a wide range of specialized activities and services in all stages of the searching, oil and gas exploration and production, the research and exploitation of underground and mineral waters and geothermal energy.



Refinery

The main subject of Oil and Gas Exploration and Production Plc includes:

- prospecting, survey, extraction and sale of crude oil and natural gas;
- prospecting, survey and operating of thermal, mineral and underground waters for drinking, domestic and industrial purposes;
- prospecting and survey of geothermal energy fields;
- trial and operating boring for oil, gas, underground waters and geothermal energy;
- scientific researches and engineering activities within the country and abroad.

The special general assembly of the shareholders of OGEP that was held on the March 23rd, 2012, decided to supplement the subject matter of the company with the operations related to: "Self-Protection of the Property of the Company". The supplementation is with the purpose to meet the requirements for self-protection license under the Private Security Activities Act.

- specific maintenance and foreign trade operations;
- processing of oil and condensate;
- geological and geophysical maintenance activities in the sphere of searching and exploring for mineral deposits in Bulgaria and abroad;
- planning, production and maintenance activities in the sphere of geology and geophysics;
- construction of oil and gas pipes and installing of facilities for work under pressure.

Oil and Gas Exploration and Production Plc is a concessionaire under 12 contracts for crude oil and/or gas extractions. The company extracts crude oil and natural gas from the following fields: Tiulenovo, Dolni Dabnick, Dolni Lukovit, Dolni Lukovit West, Staroseltsi, Gorni Dabnick, Bardarski geran, Selanovtsi, Balgarevo, Marinov geran, Butan South and Durankulak. The activities related to prospecting, survey and assessment of new oil and gas fields are carried out under the order and conditions of Mineral Resources Act.

By June 1st, 2013 Oil and Gas Exploration and Production Plc holds the right of oil and gas prospecting and survey in three blocks (e.g. Block 1-4 Kavarna, Block 1-12 Knezha and Block 1-17 Ovcha Mogila) of total surface over 2,000 sq. km, located on the territory of Bulgaria.

After its acquisition by Chimimport Plc in 2004 Oil and Gas Exploration and Production Plc launched the implementation of wide range investment program for renovations in the specific geophysical equipment, operational facilities repair, improved work conditions, implementation of modern information systems for resource planning and management. This program's main goal is to improve the performance and financial results, to adapt the activities to the intensifying market and business environment both nationwide and abroad. In 2004 the company purchased the ultimate seismic equipment System Four manufactured by the American Input Output company.

In the autumn of 2007 the company introduced integrated resource planning system DMERP designed by the Bulgarian company DataMax JSC. Since late 2010 the company brought into operation newly purchased modern top class cyber-drilling equipment, which ensures high performance and technical safety in tracing deep prospecting, assessment and operational oil probing.

On the June 5th, 2012, Oil and Gas Exploration and Production Plc completed successfully the procedure for certification under ISO 9001:2008, by receiving a certificate from TUF Rheinland InterCert Kft., thus competing the last stage from project No.BG161PO003-2-1-08-0621-C0001 "Meeting internationally recognized standards." The project was based on contracted agreement between Oil and Gas Exploration and Production Plc and the Bulgarian Small and Medium Enterprises Promotion Agency concerning granting of financial aid No.DCM- 02210/01.06.2011 under Operational IDEAL - 1500 Drill Rig Program Development of the Competitiveness of the Bulgarian Economy 2007-2013.

Oil and Gas Exploration and Production Plc owns a major interest in the following companies: Bulgarian Petroleum Refinery Ltd (100% participation), Chimoil BG Ltd (100% participation), Sofgeoprouchvane Ltd (100% participation); PDNG-Service (100% participation); Geology and Mineral Resources Ltd Publisher (70% participation); Golf Shabla (65% participation). The company owns also 35% of the gas distribution company Kavarna Gas JSC.

The company is an established producer of petroleum products, made from the processing of crude oil and condensate like solvents for the varnish and dyeing industry, diluents, lightning kerosene, leadless car petrol, diesel engine fuels, industrial petrol, fuel for burning in stationary fuel installations, ship fuels, boiler fuels.



IDEAL - 1500 Drill Rig

The company owns a chemical laboratory, which is an accredited research laboratory for analysis of petrol, diluents, fuels and petroleum products in accordance with the requirements of Bulgarian State Standards ISO 9001, ISO 17025.

The company is a licensed warehouse keeper for the production and storage of energy products under the Excises and Tax Warehouses Law, whereas the tax warehouse is located in the village of Disevitsa, Pleven municipality.

Oil and Gas Exploration and Production is the sole owner of the company PDNG-Service Ltd, established in 2006, which performs the external and internal trade activity in the area of supplying specialized equipment, spare parts and materials for the needs of surveying, oil and gas exploration and production.

The main partners of Oil and Gas Exploration and Production are Bulgargas Holding Ltd, Pleven Municipality, Kavarna Municipality, Dolni Dabnik Municipality, Knezha Municipality and Shabla Municipality. The company maintains and develops good business relations with leading companies and suppliers in the oil industry from EU, USA, the Russian Federation and Ukraine.

A chief investment priority of Oil and Gas Exploration and Production is the realization of projects for prospecting, exploration research, development and putting into operation of new fields of crude oil and/or natural gas on the territory of the country and in the continental shelf and the exclusive economic area of Bulgaria in the Black Sea.



New generation seismic vibrators I/O AHV - IV 362 for 2 - D u 3 - D seismic research

Chimoil BG Ltd

Chimoil BG Ltd is a subsidiary company of Oil and Gas Exploration and Production Plc. The main activity of the company includes the following directions:

- Filling stations management;
- Distribution and trading of energy products for outside company`s filling stations;
- Wholesale distribution and trading of energy products for oil depots, as well as for the industry;
- Development of filling stations network under the trade mark of Chimoil.

The company exists in the Bulgarian energy market for three years as in the present operates five filling stations under the trade mark of Chimoil. Three of the stations are situated in the area of Dobrich city while the others are based on the territory of Pavlikeni and Sofia cities.

Because of limited number of filling stations and also the high competition level in the energy products market, currently the company`s team emphasize of energy products with the possible highest level of quality, offered on the Bulgarian market and good complementary goods and services. Considering the above mentioned the company`s team main goal is to reach a high customers satisfaction level using the company`s supplied goods and services.

Short terms company`s plans are connected with supporting of the distribution and trading with energy products, as well as supporting of the Chimoil trade mark by operating the excising owns filling stations.

Middle and longs terms the company`s goals are developing filling stations network under Chimoil brand and constructing and reconstructing of oil depots, located in the main economic centers of the country.

Last but not least, by reason of increasing demand of the energy product – methane (natural gas), the company`s middle terms includes the distribution and trade with ecological product CNG (compressed natural gas).



Chimoil BG Ltd filling stations

Accounting House HGH Consult Ltd

The main subject of HGH Consult Accounting House is providing accounting services, labor and legal services, tax consulting and economic analysis. Chimimport Plc holds 59.34% of HGH Consult capital.

The company mission is to provide Chimimport Plc and its holding subsidiaries, as well as its external clients with professional and quality accounting services combined with prompt solutions, enabling the client to follow his enterprise in real time.

HGH Consult has qualified auditors, whose ambition is to see the company working in the highest management standards.

The company draws up the holding's budgets, analyses and drafts, and executes overall control on the financial flows in all holding companies.

The company draws up the taxation plans and provides tax protection to Chimimport Plc and its subsidiaries.

Prime Lega Consult Ltd

During the last decade Chimimport realized an investment program of a large scale to acquire shares and stakes in companies, part of which are branches of structural significance to the Bulgarian economy, requiring special legal knowledge.

In 2002, in the performance of this ambitious program, the management of Chimimport transformed the existing Legal Department into the legal company Chimimport Lega Consult with primary scope of business in the area of legal consultancy, management, finance, investment, privatization, intellectual property, contracts and commercial relationships.

At the end of 2008 Chimimport Lega Consult was renamed to Prime Lega Consult.

The combination between long years of experience in the classical legal branches and the accumulation of practical knowledge in the relatively new for the Bulgarian law stock-exchange and other financial operations, as well as the good language skills of the lawyers working in the company (English, French, Arabic and Russian) allows Prime Lega Consult to assist not only the typical business of Central Cooperative Bank Plc, Armeec Insurance JSC, Saglasie, CCB - Sila, Oil and Gas Exploration and Production, Bulgaria Air, Hemus Air and other subsidiaries of Chimimport, but also to provide legal services to local and foreign business entities outside the boundaries of the Chimimport.

Assenova Krepost Plc

Assenova Krepost Plc was established in 1964 and the company has nearly 50 years of proven experience in the production of flexible polymer packaging – transport and consumer packaging and films for agriculture and construction and more than 20 years of traditions in production of textile bags and flexible containers of polymer materials, with very well-developed infrastructure, production capacities and experience.

From technological point of view, Assenova Krepost Plc completes the full production cycle from sourcing polymers to final products, applying successfully the following processes:

- Extrusion of single and multilayered films of different composition and properties – barrier, protective, UV stabilized etc.;
- Extrusion, spreading and reinforcing; dry and wet laminating;
- Multi-coloured flexoprint;
- Various confectioning and complete items.

The production of polymer materials consists primarily of the following main products:

- Consumer packaging;
- Transport packaging;
- Films and packaging for agriculture.

The main products are:

- Textile containers with application in stores, transport of goods in bulk: mineral fertilizers, cement, polymers, etc.;
- Textile bags – for packing of chemical products and construction materials, thermo-shrink films for palletizing in chemical, glass and food industry;
- Polyethylene films – a wide range of products for agriculture and green houses;
- Polypropylene packing strip;
- Biaxially-oriented polyethylene film – packaging for the food industry;
- Combined packaging and multilayered packaging for sausages;
- Stretch film and polypropylene cast film.

Assenova Krepost Plc has been certified under ISO 9001-2000 and has an approval certificate №206081 issued by Lloyd Register, which is a guarantee for well-organized quality control of products. The company production is well-known on the domestic and international market. The main clients in the country and abroad are:

- Mineral fertilizers plants in Bulgaria (Agropolichim - Devnya, Neochim - Dimitrovgrad);
- Agricultural associations and co-operations, companies from the food industry (tobacco industry, meat processing factories, sugar plants etc.);
- On foreign markets – companies for production and trading with mineral fertilizers in Russia, France, Norway, England, Greece, etc.; of packaging and foils for agriculture in Macedonia and Serbia.

The production of Assenova Krepost has approximately the following market share of production in the country;

- For textile bags and flexible containers (big bags) – over 54%;
- For foil packaging for agriculture – over 35%;
- For BOPP films – over 25%;
- For packing for sausages – over 32%;
- For packing strip for agriculture – over 40%.

Company development

Throughout the last 5-6 years the company has made significant investments in enriching the production range and technological facilities improvement. In the weaved production's domain the company installed new equipment for weaving of bags, spreading of textile goods, updated technology for confectioning of textile ventilated bags for chemical industry and construction; considerable portion from the equipment for packing strips was refurbished as well.

In the field of foil production the company created new capacity for production of multilayered packaging for sausages and significantly increased and modernized its production for confectioning and multi-colored flex print of polymer film packaging. The total volume of investments in the company for the last 6-7 years exceeds EUR 11 million.

The company has carried out serious research and development studies and introduced some eminent improvements in the polymer foils' domain:

- New production capacity for stretch and polypropylene cast films has been put into operation;
- Introduction of new automated confectioning machinery for food industry packaging was made.

Market research for new extrusion machines for production of multi-layered foils for packaging and technical applications with high efficiency and lower energy consumption is carried out. Also an expansion of the production capacity of multi-layer art print and the associated auxiliary activities has been made. This innovative approach contributes ensuring company's priority objectives such as enhancing its competitive advantage, securing the adequate supply of modern polymeric products for satisfying the demand of new market niches, optimization of production costs and steady progress to a waist-free production process.

On August 31st, 2013 the company signed a contract for gratuitous help with the Ministry of Economy Energetic and Tourism. In 2013 are held tender procedures for selection of equipment vendors and a contractor of construction works. Contracts have been signed with the winning candidates. Advance payments to the equipment suppliers have been executed and construction works within the premises of the company were initiated. In 2014 the project will be finished and gratuitous help will be received.





Assenova Krepost

Kauchuk Plc

Kauchuk Plc is the biggest producer of rubber products in Bulgaria. It was established in 1930 as Bulgarian-Belgian company, and in 1981 a new factory deployed onto an area of 313,730 sq. m was commissioned.

Kauchuk Plc manufactures conveyor belts, rubber hoses, reclaimed rubber and a wide range of technical rubber products.

The annual production of the company amounts to 600,000 linear meters of conveyor belt, 5,000,000 linear meters of rubber hoses, and 1,000 tons of reclaimed rubber.

The main equipment is supplied by leading European companies, such as Zimpelkamp, Zell, Herbert, Trueter, Hofmann – Germany, Frency Show – UK, and the laboratory equipment for testing the finished production – by Zwick – Germany, Sartorius – Switzerland and Monsanto – USA.

The equipment provides means for production of conveyor belts of 500 to 2500 mm width, and up to 25 mm thicknesses, with textile base and metal-cord fabric, 'fleximat' type.

The product list includes also belts with smooth and chevron surface for general and specific purpose which is abrasion-resistant, flame-retardant, heat-resistant, oil-resistant, anti-static and cold-resistant. They are produced for the energetic, mining and metallurgical industries.

Kauchuk Plc produces rubber hoses of internal diameter of 6 mm to 250 mm – for water; air; gas pressure; saturated vapors; hot water; oil, mineral oils; petrol, kerosene and gasoil; acids and bases; powder and abrasive materials; food products, operating under pressure and vacuum.

Rubber sheets, rubber linings for drums, rich assortment of ship deflectors (dampers), large assortment of rubber wheels, rings, rollers, tires for agricultural cultivators and other rubber products are only a small part from company's product portfolio.

Kauchuk Plc offers also design and manufacture of instrumental equipment for production of custom-made rubber, rubber-textile and rubber-metallic technical components.

60% of the company's production is meant for export to countries such as Italy, Germany, UK, Spain, Ukraine, Russia, Norway, the Netherlands, Belgium, Finland, Denmark, Greece, Turkey, Macedonia, the USA, Egypt, Syria, Lebanon, UAE, Morocco, etc.

Kauchuk Plc was certified by Lloyd`s Register in 1999, certificate ISO 9001:2000 EN, and re-certified in 2002, 2005 and 2008 for the same standard.

Port Balchik JSC

Port Balchik JSC was constituted in July 2005. The company capital is EUR 1.02 million.

Since May 25th, 2006 Port Balchik JSC is a concessionaire of Balchik Port Terminal – territorially detached zone from a public transportation harbor of national value and importance Varna. The contract is concluded between Republic of Bulgaria represented by the Minister of Transport, Information Technologies and Communications as a concession grantor, and Port Balchik JSC as a concessionaire. The terms of the contract are valid and in effect for 25 years.



General Information

Port Terminal Balchik is located in the northern Black Sea aquatory across the eponymous town and within its zoning plan.

Port Terminal Balchik is of national importance and is part of Varna port complex. The complex was introduced into operation back in 1969. The terminal is ranked the third largest among all Bulgarian Black Sea ports. It was build following the single protection mole (known as Balchishki mole). The total area is 11,338 sq. m. It has 164 meter quay wall, fitted with two 10 tons portal cranes. The port terminal is able to house up to two small ships (5,000-6,000 tons) with admissible draft of 8 m. The port terminal has 4,000 sq. m open air storage area. Its territory includes check-point, customs office, phytomedical control, etc. Cargoes from and to the port are shipped by motor transport. The port terminal is designed to operate import and export cargoes.

In pursuance of the concession contract Port Balchik JSC had constructed a complex for storing, transportation, and loading loose cargoes (grain) in Balchik port terminal with capacity of 2,000 tons. The complex consists of two silos each with lifting capacity of 1,000 tons, built of galvanized flat steel rings, and following dimensions: diameter 11.45 m; cylinder height incl. the cover 15.84 m and capacity of 1,385 sq. m total capacity of 2,770 sq. m. The silos are provided with all necessary features to store the grain, while the grain parameters are controlled by a relevant control system, and the adjustment is effected by grain ventilation system being installed on each silo. The overall silos cleaning after emptying is carried out by sweeping auger with capacity of 80t/h, mounted on each silo.

The constructor of the silos complex is a world leader in this type of equipment, i.e. Cimbria Unigrain A/S from Denmark, while the building contractor is Stimex JSC.

The operation of the silos complex is carried out in several technological methods:

- Ship loading from the silo, where the grain is loaded on board by transporter system, elevator, conveyors and ship loader; In this method the performance capacity is 300 t/h;
- Silo loading from grain carrier, where the grain is dumped on the ramp, and by transporter system, bucket elevators is conveyed to fill up the silos. The capacity of this method is 150 t/h; Ramp dimensions: 11 m length and 3 m width with the possibility of servicing lorries with side and rear unload;
- Loading ship from grain carrier, where the grain is dumped on the ramp, and by transporter system, elevator, conveyors, and ship loader is loaded on board. The capacity of this method is 150 t/h;
- Loading grain carriers from silo, where the grain is conveyed to be loaded on carriers by transportation system and bucket elevators. The capacity of this method is 150 t/h.

The silos complex is fitted with special equipment, known as the ship loader, which is unique of its kind in Bulgaria in terms of loading loose cargoes (grain) on board. It is self-propelled facility able to move parallel to the quay wall in order to load the ship as planned. With the lowering, lifting and turning features of the loading pipe head to 3600, and turning the whole facility to 300 leftwards and rightwards while in static position during the loading process, it is able to fill out all ship's holds.

The complex's operation is monitored by a system of gauges, and is carried out and managed by automated computer system. The grain quantity being loaded aboard, and the instant loading capacity of the complex is measured by electronic belt scales.

The total cost of this constructed complex amounts to EUR 1.55 million.

Port Balchik JSC is a holder of:

- Operating Capability Certificate No.277 for processing of general, loose and vegetative liquid cargoes, and mail, valid until May 21st, 2015;
- Compliance Certificate for meeting the requirements of ISO 9001:2008 for port activities and cargo processing, issued by SGS United Kingdom Ltd;
- Compliance Certificate for port facility under the ISPS Code, valid until April 2013, and approved security plan.



Port Terminal Balchik

Company activity

The primary scope of business of Port Balchik JSC is providing port services of loading, unloading, arranging, storing, repacking of various cargo types, inter-terminal transport of cargoes and mail within ports of public transport, maritime technical services necessitating the use of the port territory and/or port facilities, i.e. supplying ships with water, phone line and power, tugging.

Company development

For the concession period Port Balchik JSC is aiming to bring the port terminal in compliance with the highest standards of European ports, and in accordance of the good international practice, by reconstruction, upgrade and construction of new infrastructural sites within the terminal territory.

By signing the concession contract, Port Balchik JSC agreed to carry out an investment program. The investment amount for the whole concession period is EUR 1.77 million, and by the first ten years of the concession period the investment is expected to reach EUR 1.45 million.

The total investment that has been made in accordance with approved investment programs from the beginning of the concession period until December 31st, 2011 amounts to EUR 2.23 million.

The cargo turnover from Port Balchik JSC from the concession beginning is:

- Between May 25th and December 31st, 2006 – 50 ships and 139,058 tons of cargo;
- Between January 1st and December 31st, 2007 – 67 ships and 201,667 tons of cargo;
- Between January 1st and December 31st, 2008 – 60 ships and 191,530 tons of cargo;
- Between January 1st and December 31st, 2009 - 69 ships and 228,848 tons of cargo;
- Between January 1st and December 31st, 2010 – 48 ships and 168,641 tons of cargo;
- Between January 1st and December 31st, 2011 – 44 ships and 143,335 tons of cargo;
- Between January 1st and December 31st, 2012 – 62 ships and 261,479 tons of cargo;
- Between January 1st and December 31st, 2013 – 98 ships and 409,115 tons of cargo.

Gross income from Port Balchik JSC activities:

- 2006 financial period – EUR 0.43 million;
- 2007 financial period – EUR 0.62 million;
- 2008 financial period – EUR 0.60 million;
- 2009 financial period – EUR 0.69 million;
- 2010 financial period – EUR 0.53 million;
- 2011 financial period – EUR 0.42 million;
- 2012 financial period – EUR 0.79 million;
- 2013 financial period – EUR 1.24 million.

Chimimport Pharma JSC

Chimimport Pharma JSC was established in 2003 as Chimimport subsidiary. The company is licensed by the Bulgarian Drug Agency to distribute pharmaceutical products and medical consumables, as well as to import drugs that are not registered in the country.

Clients of Chimimport Pharma JSC are all university as well as many general and private hospitals in the country. The company is partner of the National health insurance fund by supplying life-saving drugs for patients with rare illnesses. Chimimport Pharma JSC has its own distribution network which allows swift deliveries of supplies for all medical institutions on the territory of the country.

Chimimport Pharma is the exclusive representative and distributor of Octapharma AG – Sweden, Kedrion S.p.A – Italy, Grifols Therapeutics Inc. and others. Apart from that, the company is long-timed partner with various national and foreign pharmaceutical manufacturers such as Actavis, Sopharma Trading JSC, Unipharma JSC, Bayer–Schering, Pfizer, Pharmaswiss, Accord and others.

Since 2006 Chimimport Pharma JSC is certified by SGS under ISO 9001:2000 for quality management, and since 2009 has been recertified by the system of quality management ISO 9001:2008. Since 2011 the company is certified according to the standards of good distribution practices in the WHO standards in the wholesale of medicinal products.

Thanks to its impeccable commercial reputation, attributable to the prompt and correct compliance with all its commercial commitments, today Chimimport Pharma JSC has established itself as highly reliable and preferred partner to an even larger circle of partners and clients.

Bulchimtrade Ltd

Bulchimtrade Ltd was established on November 11th, 2008 with the primary objective of concentrating and optimizing the activities of the subsidiary to Chimimport Group companies Rubber Trade, Orgachim Trading 2008, Chimoil Trade, and Chimtrans.

Company's partners are Chimimport Group, holding 60% of the capital, as well as 15 private individuals.

For the period of its existence the company realized primarily trade activities structured in four departments:

- Rubber Trade – trading mainly with various tire brands and models such Apollo Acelere, Quantum, Apollo Hawkz, Eskimo, Winter Sport, Winter Grip, Snowmaster, Dunlop as well as other rubber products;
- Orgachim Trade – trading with various types of self-adhesive envelopes, veterinary and chemical products, including Macrolon and Novodur plastics, chemicals e.g. zinc sulphate;
- Oil Trade – trading with fuels, oil and petroleum products;
- Chimtrans – transport and forwarding/logistics.

Bulchimtrade Ltd will continue with its prime trading activities, whereas company's targeted objective are sales increase, penetration of new markets and overall development of company's business.

Neochim Plc

Neochim Plc is a successor of the former Chemical factory situated in Dimitrovgrad. The company started manufacturing on November 5th, 1951. Initially the production was mainly nitrogen and phosphorous fertilizers. On a later stage several expansions, reconstructions and renovations took place and a new complex for production of ammonia, nitric acid and ammonium nitrate was put into operations.

Chimimport Group participates in the management of Neochim Plc with the ownership of nearly 9% of its capital. The products of Neochim Plc are vital for the development of Zarneni Hrani Bulgaria Plc as well as for the clients of Chimimport Plc.

Main business

Production and trading with mineral fertilizers, inorganic and organic chemical products.

Structure of production facilities

Production facilities are structurally grouped in:

- Complex for nitrogen fertilizers;
- Organic production;
- Repairs and maintenance;
- Railway station;
- Infrastructure.

Capacities

The operating installations for the main products allow the production of the following:

Ammonia	450,000 t/year
Nitric acid	480,000 t/year
Ammonium nitrate	710,000 t/year
Sodium nitrate	9,300 t/year
Sodium nitrite	9,300 t/year
Formalin	30,000 t/year
Carbamide - phormaldehyde resins	20,800 t/year
Ammonium bicarbonate	6,000 t/year

Neochim Plc is the only manufacturer in Bulgaria of formalin, carbamide-phormaldehyde resins, sodium nitrate, sodium nitrite, ammonium bicarbonate, liquid sulphur dioxide, dinitrogen oxide, polyethylene oxide, glass-filled thermoplastics, etc.





REAL ESTATE

The real estate segment is one of priority interest for Chimimport Plc and because of that over the last few years was laid serious foundation and significant funding was done.

Chimimport has used the period of economic crisis to develop and launch the construction of existing and new projects related to the group's real estate properties.

Real estate projects

Present

- Real estates with non-production purposes are allocated in the companies from financial and real estate sectors of the Group;
- Sports centre Varna (Stage I): construction of a stadium with 35,000 seats capacity by project of GMP International (the stadium in Cologne, Germany), 80,000 sq. m total floorage; with additional equipment (for professional and amateur sport, restaurants, shops, etc.), with floor area 6,000 sq. m; the planned investment is for EUR 80 million.
Varna sports complex – for sale to Chernomorec sport club. The construction of the sports complex is frozen at phase 1 and phase 2, until the end of the economic crisis. There is no financial burden. The revenue that is generated from using the facility covers the maintenance cost;
- Constructing a network of industrial-logistics centers with national cover on the basis of the already operating centers: at present Chimimport possess with industrial-logistics centers in Sofia (two centers, 52,500 sq. m), in Bourgas (84,200 sq. m), in Plovdiv (21,800 sq. m) and in Rousse (161,000 sq. m, including port on Danube river).

Upcoming projects – in planning process, administrative and other procedures

- Sports centre Varna (Stage II): constructing of additional 120,000 sq. m of offices, shops and homes, 5-stars hotel - the construction of the sports complex is frozen at phase 1 and phase 2, until the end of the economic crisis;
- Sports centre Mladost (Varna): Chimimport has a concession contract for 35 + 15 years; building of track-and-field track with 5,000 viewers capacity; shopping centre, hotel and offices;
- Project Varna – South: building of shopping centre with 120,000 sq. m total floorage and completely new housing estate in Varna with 1,000,000 sq. m total floorage;
- Complex Borovets: 19,000 sq. m lot, 33,000 sq. m total floorage – for sell after building (build-and-sell project);
- Golf Shabla (project of Par Fair): 1,265,000 sq. m lot; EUR 80 million planned investment;
- Expansion of the industrial-logistics centers network: creation of five new industrial-logistics centers in Varna, Dobrich, Montana, Pleven and Vidin, as the relevant lots are already property of the Group companies. As a result Chimimport Plc will own a network with a full national coverage, i.e. will be one of the big players on the transport-logistics services market which is expected to be attractive in long term due to variety of opportunities – from fundamental like the exceptional geographical location of Bulgaria, to political at national as well as at European level.

CCB Real Estate Fund SPIC

CCB Real Estate Fund SPIC is a joint-stock company of special investment purpose for real estate securitization. The company was established on October 26th, 2005 and carries out its activity under the license issued by the Financial Supervision Commission with Decision n. 15–DSIC from January 16th, 2006.

Company's equity is allocated in 1,007,193 shares with nominal value of EUR 0.51 per share. By December 31st, 2012 major shareholders of CCB Real Estate Fund SPIC are CCB Group with 42.40%, and Armeec Insurance Company with 11.37 %. Since January 31st, 2007 the shares of CCB Real Estate Fund SPIC are quoted publicly and currently they are registered for trade on the market of companies with special investment purpose, set up by Bulgarian Stock Exchange – Sofia JSC.

The scope of business of CCB Real Estate Fund SPIC covers investment of funds raised by public emission of securities in real estate through purchase of ownership and other property rights over the given estate, building construction and improvements with an objective of assigning their management, renting, leasing, and/or sale.

CCB Real Estate Fund SPIC uses mainly its own funds for financing investments, however in the event of an attractive investment opportunity the company is in the position to easily raise funds through bank loan or securities emission.

In the last few years the construction business and deals with real estates in Bulgaria were functioning under the conditions and constraints of global financial and economical crisis. The participation of considerable number of competitors in the process of offering properties for sale or renting derived to consistent fall in market prices and return on investment in the sector.

In order to reduce the influence of market conjuncture over company's business and performance CCB Real Estate Fund SPIC tries to diversify its real estate portfolio by investing not only in residential, office and commercial buildings, but also in industrial sites and agricultural lands.

The development of construction business and the real estate trade in Bulgaria over the last 15 years opened this sector for numerous Bulgarian and foreign companies, including other joint-stock companies for real estate securitization. The participation of considerable number of competitors in the process of offering properties for sale or renting, as well as the risk of market price lowering and the investments return is one of the reasons CCB Real Estate Fund SPIC to try to diversify its real estate portfolio by investing not only in residential, office and commercial buildings, but also in industrial sites and agricultural lands.

CCB Real Estate Fund SPIC is carrying its investments program through its servicing company CCB Group JSC.

The depository bank of CCB Real Estate Fund SPIC is UniCredit Bulbank JSC.





ENGINEERING SECTOR

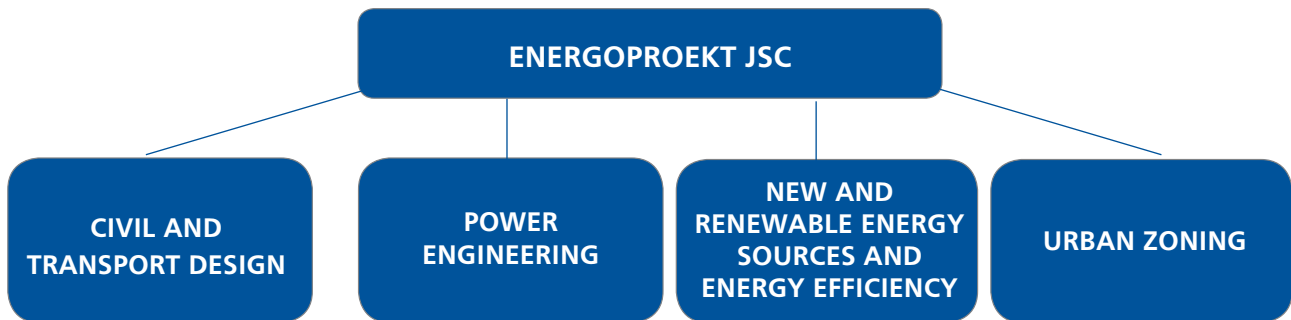
Energoproekt JSC

Energoproekt JSC is a company with over 60 years of history and experience. The company is established in 1948 and throughout the years manages to establish and distinguish itself as an institute for scientific studies and researches, progress and projections in the energy sector. All energy related project in Bulgaria from the smallest hydroelectric plant to the largest ones, heating plants, Kozloduy Nuclear Power Plant and the national electrical grid are planned and designed by Energoproekt JSC.

Energoproekt JSC becomes fully owned by Chimimport Invest in June 2006. In the company structure of Chimimport Invest, Energoproekt JSC is distinguished as a major consultant and proficient expert in planning and design within the structure of Chimimport Plc. The company maintains effective and valuable relationships with various leading engineering companies from the Netherlands, Germany, Russia, Canada, France, Spain and other countries.

The main services that Energoproekt JSC offers are as following:

- Design of civil and transportation construction projects – administrative and living building, airports and port terminals;
- Construction management;
- Preliminary project researches and specifications;
- Financial-economical assessment and business plans;
- Management of energy efficiency program;
- Management of renewable energy portfolio;
- Design of renewable energy sources, additional water systems and waste water purification facilities;
- Design in the field of domestic, industrial and hazardous waste purification;
- Environmental pollution control;
- Environmental assessment and research;
- Consultant services on energy technologies, development of energy strategies and policies;
- Design of national projects for energy production, water and thermal power stations, nuclear, thermal and water power stations, power systems and electrical networks;
- Design of water reservoirs and hydro-constructions, water power stations, pumping accumulator stations, small water power stations and water supply systems;
- Assessment and selection of energy sites;
- Design of high voltage lines, city networks, substations and automated control systems;
- Design of thermal and diesel power stations, heating stations, gas supply and regional heating networks;
- Design of substations.



Main streams in Energoproekt JSC's scope of business are as following:

- Civil and transport design;
- Power engineering;
- New renewable energy sources;
- Urban zoning and planning.



Important projects that have been implemented in company's main streams of business are as following:

- **Transport design**

Energoproekt JSC offers engineering and consulting services in the field of civil and transportation engineering – airports for service of civil aviation aircrafts, military airports and related facilities (hangars and hangar facilities, airport terminals, runways for take-off and landing), sea and river ports and related infrastructure. The main projects executed by Energoproekt JSC in the field of transportation design are: 3AF31015 - Working project for rehabilitation and expansion of a runway; 3AF31015 - Provision of ground location for strategic and tactical transportation aircrafts; 3AF31017 – Provision of cargo terminal for Bezmer airbase from package CP5A0062; Provision of operative capabilities to the seven new nations – financed by NATO program for security (NSIP); Pre-project and project preparation and management for reconstruction and expansion of the International airport of Kazan – Terminal 1A and 1B, Republic of Tatarstan; Project for differentiation between „Schengen“ and „non-Schengen“ zones at Bourgas Airport; Reconstruction of 1A Hangar for aircrafts' maintenance and repairs (C-check and D-check) for the needs of Lufthansa Technik Sofia; Project for a new Hangar 2 at Sofia Airport for the needs of Lufthansa Technik Sofia; Design in working phase for project – New international passenger terminal at Varna Airport; Design in working phase for project New international passenger terminal at Bourgas Airport; Working project for shifting of sewer collector to Varna Airport; Project for Vertical marking of the airfields at Varna and Bourgas Airports; Project for Reconstruction and expansion of Lesport Port Terminal, Varna; General plan for development of Vidin-North Port Terminal.

- **Civil engineering**

This domain includes administrative and office buildings, tall and short buildings, industrial complexes and the associated infrastructure.

The implemented projects in this area include: Project for design and reconstruction of the administrative building of holding Chimimport JSC, Sofia. Project for reconstruction of the administrative building of Bulgaria Air JSC, Sofia; Project for reconstruction of the building – Armeec Tower, Sofia; Project for reconstruction of administrative building of “Bulgarian cultural and financial center”, Moscow city; Project for reconstruction of hotel Pliska, Sofia; Project for reconstruction of six stories building in city of Montana; Building of Oil and Gas Exploration and Production reconstruction; Design of drinking water supply at RADIANA site.

In its efforts to meet the market needs, Energoproekt performs geodesic and geology activities. Projects performed in this domain are: Detailed design for a sustainable consolidation of the ground foundations of two-storey service building, built on the site of the SP RAW - Novi Han; Design of retaining wall with the objective to permanently strengthen an embankment construction, built on the site of the SP RAW - Novi Han, Implementation of geodetic monitoring activities on displacements and deformations of objects and structures in the area of SP RAW - Novi Han.

In the field hydro-technical equipment Energoproekt is developing a project for ender and over water frost intake water tower at water electricity station of Passarel, assigned after successful participation in tender procedure of NEK JSC – Dams and Cascades.



The scope of business of Energoproekt JSC includes also the assessment and subsequent issuing of technical passports for residential and administrative buildings. The following projects are brought to life in this domain: "Study and investigation of residential building for assessment and identification of technical characteristics required as per Art. 169, par. 1, items 1-5, par. 2 and 3 of the Spatial Development Act and issuance of technical passport in congruence with Art. 176a from the same Act for implementation of the project BG161PO001/1.2-01/2011 „Support for energy efficiency in residential buildings under Operational Program „Regional Development 2007-2013“ for the cities of Kardzhali, Pazardzhik, Plovdiv, Smolyan, Haskovo, Velingrad, Karlovo, Panagjurishte with assignor the Ministry of Regional development and public works; Study and investigation necessary for the issuance of technical passport for hotel "Geologist" in Sts. Constantine and Elena resort in Varna.

Energoproekt JSC is licensed as an energy auditor – with license N°00336/02.05.2012 the company is commissioned to assess the energy efficiency (EE) of the Agency for Sustainable Energy. The company prepares energy efficiency projects and reports for efficiency compliance. In this regard, the team of Energoproekt JSC has developed two projects for EE warehouses, and technical-training center at „Kozloduy“ Nuclear Power Plant. Contracts are performed on the basis of successful tenders.

- **New renewable sources of electricity**

Energoproekt JSC consults local and foreign investors in projects in the areas of low-carbon and zero-carbon technologies, engineering services, logistics and regulatory imposed matters and issues. The experience of the experts is in the development and management of projects in the sector – wind, photovoltaic installations, biomass installations, combined energy production, hydropower, biogas plants installations, and waste management. Under analysis are the options for development and are prepared pre-investment feasibility studies for terrains in: Uglen, Devetaki, Pordim, Montana, Lesicheri, Pavlikeni, Svoboda, Haskovo, Stambolovo, Chirpan, Levski, Slatina.

In the field of renewable wind energy systems, Energoproekt JSC prepares conceptual projects for design of Wind Power Farms (WPF) in General Toshevo Municipality, Dobrich Region, with a total installed capacity of 300 MW and WPF in Shabla Municipality, General Toshevo and Kavarna, Dobrich Region, with a total installed capacity of 196 MW.

ENERGETICS: The main projects in the sphere of energy that have been completed by Energoproekt JSC during the last years are: Drafting of preliminary design in two versions for "Method for dry removal of ashes and slag from Blocks B4-6 of Thermal Power Plant Varna"; Design in phases concept, as well as technical assistance for constructing and bringing into exploitation of turbo-generator No.3 in Thermal Power Plant Svilozha JSC; Working project for "New GRU 10.5-6.3 kV" and Working project for „Switchyard 110kV" of „Turbine N°3 in TPP „Svilozha" JSC; Reconstruction of installation for oil production - preliminary draft, technical, and working project, Slanchevi Luchi Provadia JSC; Technical project for a new power supply of Varna Airport.

- **Urban zoning**

The urban zoning includes experts, architects and engineers, performing activities that are related with the elaboration of outlying plans and designs, as well as research and consulting in the sphere of urban planning and zoning. For many sites the process of planning is preceded by the completion of various spatial procedures required for changing the designation of the land and transition it into regulated property, by designing a plan for building or changing the current regulation plan. The experts of Energoproekt also make an assessment of the investment possibilities, where they bring forward the optimal indices for each particular case. The department is dealing with urban planning problems and tasks concerning properties in or outside of the limits of the urbanized territories, as well as with seeking of opportunities for realization of the investments intentions for a particular property.

INDEPENDENT
AUDITOR'S REPORT
ANNUAL CONSOLIDATED
FINANCIAL STATEMENTS

Consolidated statement of financial position as at 31 December

	31.12.2012	31.12.2013
	EUR mln.	EUR mln.
Assets		
Non-current assets		
Property, plant and equipment	245.65	220.03
Investment property	74.68	126.99
Investments accounted for using the equity method	65.70	67.14
Goodwill	20.15	19.31
Other intangible assets	36.16	33.07
Long-term financial assets	731.46	857.13
Long-term related party receivables	7.61	4.51
Deferred tax assets	2.57	2.67
Non-current assets	1 183.98	1 330.85
Current assets		
Inventories	18.92	19.00
Short-term financial assets	918.13	1 024.58
Related party receivables	122.25	142.04
Trade receivables	83.64	92.57
Tax receivables	1.45	2.22
Other receivables	69.60	57.32
Reinsurance assets	8.92	10.39
Cash and cash equivalents	619.70	673.58
Current assets	1 842.61	2 021.70
Non-current assets, classified as held for sale	37.24	23.10
Total assets	3 063.83	3 375.65

Prepared by:

/A. Kerezov/

Date: 26 April 2014

Executive director:

/I. Kamenov/

Audited according to the auditor's
report dated 30 April 2014:

The image shows two blue circular auditor seals for Grant Thornton Ltd. and two handwritten signatures in blue ink. One signature is positioned above the left seal, and the other is positioned above the right seal.

Consolidated statement of financial position as at 31 December (continued)

	31.12.2012	31.12.2013
	EUR mln.	EUR mln.
Equity and liabilities		
Equity		
Share capital	117.28	116.67
Share premium	112.49	112.45
Other reserves	40.99	46.53
Retained earnings	308.37	345.65
Profit for the year	53.33	44.43
Equity attributed to the shareholders of parent company	632.46	665.73
Non-controlling interests	114.54	120.66
Total equity	747.00	786.66
Specialized reserves	92.96	106.77
Liabilities		
Non-current liabilities		
Long-term financial liabilities	508.55	520.75
Payables to insured individuals	276.07	337.35
Long-term trade payables	10.91	8.20
Long-term related party payables	2.12	2.11
Finance lease liabilities	7.91	5.31
Pension and other employee obligations	1.03	1.15
Other long-term liabilities	1.67	0.66
Other provisions	0.22	0.24
Deferred tax liabilities	14.60	16.13
Non-current liabilities	823.08	891.90
Current liabilities		
Short-term financial liabilities	1 266.12	1 450.11
Trade payables	56.19	63.00
Short-term related party payables	18.90	17.20
Finance lease liabilities	2.77	2.59
Pension and other employee obligations	6.61	6.56
Tax liabilities	4.48	4.87
Other liabilities	45.72	46.26
Current liabilities	1 400.79	1 590.59
Non-current liabilities held for sale		
Total liabilities	2 223.87	2 482.49
Total equity, reserves and liabilities	3 063.83	3 375.65

Prepared by:

/A. Kerezov/

Date: 26 April 2014

Executive director:

/I. Kamenov/

Audited according to the auditor's
report dated 30 April 2014:

Grant Thornton Ltd

Consolidated statement of comprehensive income for the year ended 31 December

	31.12.2012	31.12.2013
	EUR mln.	EUR mln.
Income from non-financial activities	248.11	265.78
Expenses for non-financial activities	-247.08	-232.89
Change in fair value of investment property	4.05	7.80
Gain on sale of non-current assets	12.42	3.66
Net result from non-financial activities	17.50	44.35
Insurance income	180.45	198.10
Insurance expense	-173.25	-187.12
Net insurance result	7.20	10.98
Interest income	119.93	120.21
Interest expense	-81.35	-72.66
Net interest income	38.58	47.55
Gains from transactions with financial instruments and investments	189.67	214.41
Losses from transactions with financial instruments and investments	-102.44	-177.28
Net result from transactions with financial instruments and investments	87.23	37.13
Administrative expenses	-97.35	-108.58
Gains from acquisitions	0.18	0.37
Share of profit from equity accounted investments	6.09	7.08
Other financial income	26.53	33.55
Allocation of income to secured persons	-21.55	-16.63
Profit before tax	64.41	55.80
Tax expense	-5.52	-4.74
Net profit for the period	58.89	51.06
Other comprehensive income:		
Components not reclassified in the profit or loss		
Remeasurements of defined benefit liability	0.12	-0.01
Income tax relating to components that are not reclassified to profit or loss	-0.01	-
Components reclassified in the profit or loss		
Revaluation of financial assets	2.33	0.21
Income tax relating to components reclassified to profit or loss	-0.23	-0.02
Total comprehensive income	61.10	51.24
Profit for the year attributable to:		
the shareholders of Chimimport AD	53.33	44.43
non-controlling interests	5.56	6.63
Total comprehensive income attributable to:		
the shareholders of Chimimport AD	55.14	44.64
non-controlling interests	5.96	6.60
Basic earnings per share in EUR	0.37	0.30
Diluted earnings per share in EUR	0.25	0.20

Prepared by:

/A. Kerezov/

Date: 26 April 2014

Executive director:

/I. Kamenov/

Audited according to the auditor's
report dated 30 April 2014:



Consolidated statement of changes in equity for the year ended 31 December

All amounts are presented in EUR mln.	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Adjusted balance at 1 January 2013	117.28	112.49	40.99	361.70	632.46	114.54	747.00
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	-0.61	-0.04	-	-	-0.65	-	-0.65
Business combinations	-	-	-4.36	-5.61	-9.97	-0.51	-10.48
Transactions with owners	-0.61	-0.04	-4.36	-5.61	-10.62	-0.51	-11.13
Profit for the year ending 31 December 2013	-	-	-	44.43	44.43	6.63	51.06
Other comprehensive income	-	-	0.18	-	0.18	-	0.18
Total comprehensive income for the year	-	-	0.18	44.43	44.61	6.63	51.24
Transfer of retained earnings to other reserves	-	-	9.72	-9.72	-	-	-
Share on changes in the investments accounted on the equity method	-	-	-	-0.72	-0.72	-	-0.72
Other changes	-	-	-	-	-	-	-
Balance at 31 December 2013	116.67	112.45	46.53	390.08	665.73	120.66	786.39

Prepared by:

/A. Kerezov/

Date: 26 April 2014

Executive director:

/I. Kamenov/

Audited according to the auditor's report dated 30 April 2014:

The image shows the signatures and official stamps of the Executive Director and the Auditor. The Executive Director's signature is in blue ink, accompanied by a circular stamp of Chimimport AD. The Auditor's signature is also in blue ink, accompanied by a circular stamp of Grant Thornton Ltd.

Consolidated statement of changes in equity for the year ended 31 December

All amounts are presented in EUR mln.	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Adjusted balance at 1 January 2012	117.77	115.37	36.26	342.81	612.21	110.87	723.08
Effect of changes in accounting policy	-	-	0.23	-0.14	0.09	-	0.09
Adjusted balance at 1 January 2012	117.77	115.37	36.49	342.67	612.30	110.87	723.17
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	-0.49	-2.88	-	-	-3.37	-	-3.37
Business combinations	-	-	-6.94	-24.64	-31.58	-2.30	-33.88
Transactions with owners	-0.49	-2.88	-6.94	-24.64	-34.95	-2.30	-37.25
Profit for the year ending 31 December 2012	-	-	-	53.33	53.33	5.56	58.89
Other comprehensive income	-	-	1.78	-	1.78	0.41	2.19
Total comprehensive income for the year	-	-	1.78	53.33	55.11	5.97	61.08
Transfer of retained earnings to other reserves	-	-	9.66	-9.66	-	-	-
Other changes	-	-	-	-	-	-	-
Balance at 31 December 2012	117.28	112.49	40.99	361.70	632.46	114.54	747.00

Prepared by:

/A. Kerezov/

Date: 26 April 2014

Executive director:

/I. Kamenov/

Audited according to the auditor's report dated 30 April 2014:

Consolidated statement of cash flows for the year ended 31 December

	31.12.2012	31.12.2013
	EUR mln.	EUR mln.
Proceeds from short-term loans	50.06	124.70
Payments for short-term loans	-56.01	-111.89
Proceeds from sale of short-term financial assets	321.35	167.82
Purchase of short-term financial assets	-324.40	-168.40
Cash receipt from customers	307.00	272.96
Cash paid to suppliers	-278.18	-249.62
Proceeds from secured persons	48.82	60.15
Payments to secured persons	-6.92	-10.31
Payments to employees and social security institutions	-55.85	-52.62
Cash receipts from banking operations	22 690.05	25 644.82
Cash paid for banking operations	-22 594.79	-25 580.85
Cash receipts from insurance operations	83.39	86.13
Cash paid for insurance operations	-46.83	-62.48
Income taxes paid	-3.86	-4.01
Other cash outflows. net	-15.31	-16.54
Net cash flow from operating activities	118.52	99.86
Investing activities		
Net payments for acquisition of subsidiaries	2.27	0.96
Dividends received	3.06	2.13
Sale of property, plant and equipment	4.73	17.06
Purchase of property, plant and equipment	-18.40	-26.34
Purchase of intangible assets	-0.59	-1.15
Sale of investment property	-	0.07
Purchase of investment property	-1.62	-0.71
Sale of non-current financial assets	250.00	245.22
Purchase of non-current financial assets	-272.90	-307.54
Interest payments received	22.38	27.68
Proceeds from loans granted	65.35	17.38
Payments for loans granted	-77.84	-38.96
Other cash outflows. net	-9.84	4.19
Net cash flow from investing activities	-33.40	-60.01
Financing activities		
Dividends paid on preference shares	-1.50	-2.11
Sale of treasury shares	0.03	-0.62
Proceeds from loans received	112.41	98.41
Payments for loans received	-85.97	-59.64
Interest paid	-9.96	-7.96
Payments for finance leases	-2.53	-2.77
Other cash inflows/(outflows)	-0.29	-7.57
Net cash flow from financing activities	12.19	17.74
Net change in cash and cash equivalents	97.31	57.59
Cash and cash equivalents in the beginning of the year	522.38	619.70
Exchange gains/(losses) on cash and cash equivalents	0.01	-3.71
Cash and cash equivalents at the end of the year	619.70	673.58

Prepared by:

/A. Kerezov/

Date: 26 April 2014

Executive director:

/I. Kamenov/

Audited according to the auditor's
report dated 30 April 2014:

Grant Thornton Ltd

The goals of Chimimport Invest for the next years remain unchanged – increasing the growth rates for the company; strengthening the positions of the companies from the investment portfolio as leaders in their market sectors - not only on the Bulgarian market, but also the international market; increasing the efficiency of manufacturing factories by means of a continuous introduction of new technologies and products; improving the reputation and assets of the company.



