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Dear Ladies and Gentlemen,

For more than 63 years Chimimport JSC is one of the most successful Bulgarian companies. Founded back in 1947 as a foreign trade company specialized in commerce with chemical products, today Chimimport is a major holding company, with more than 60 successful subsidiaries. They are market leaders and reputable partners in several important sectors of the Bulgarian economy: 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 of the over 6,000 employees within Chimimport Group contributes to the successful joining of Bulgarian business to the European standards. The last years have strengthened the company as one of the main listed companies on the BSE - Sofia JSC, a result we hope reflects our careful investment planning and efforts in developing the businesses of the group.

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 over the next years remain unchanged – we will aim to increase the growth rate of the company; to strengthen the positions of our subsidiaries as market leaders on the domestic market and grow them into regional players; we will continue to boost the efficiency of the industrial companies through investment in new technology and products; and we will aim to further strengthen the image of Chimimport.

From the Management Board of Chimimport JSC

Chimimport today

Chimimport is a company with 64 years of traditions, established in 1947.

Share capital EUR 117.74 mln

Total equity EUR 677.10 mln

Assets (consolidated) EUR 2,343.98 mln

Net profit (consolidated) EUR 76.32 mln

Executive Directors Ivo Kamenov
Marin Mitev

Major Shareholder The company management presented by Chimimport Invest – 76,32% (incl. indirectly through related parties)

The following shareholders are respected international companies and institutions:

The following shareholders are respected international companies and institutions:

Artio International Equity Fund - USA
CACEIS Bank Deutschland GmbH – Germany (Trustee)
Dias Investment Company - Greece
Scandinavien Enskilda Banken - Sweden
EFG Eurobank Ergasias - Greece
Unicredit Bank - Austria
Finasta AB FMI - Lithuania
MEI-Roemenie en Bulgarije Fonds – The Netherlands
Eaton Vance Funds – USA
The Royal Bank of Scotland – UK
EFG Eurobank Clients – Greece
Julius Baer Multistock – Black Sea Fund - Luxemburg
The Bank of New York Mellon - USA
Danske Invest – Trans Balkan - Luxemburg
Investbank - Bulgaria
Raiffeisen Zentralbank Osterreich – Austria
Blackrock Frontier Markets Fund - USA
AB SEB Bankas – Lithuania
Pireos Bank – Bulgaria
Eurobank EFG – Bulgaria
ING (L) Invest Balkan - Luxemburg
(LF) Equity Emerging Europe Fund – Luxemburg
DSK Rodina Pension funds - Bulgaria
ING Pension funds – Bulgaria
Erste Bank - Austria
Stichting Shell Pension Fonds - The Netherlands
Standart Investment Contractual Funds – Bulgaria

Over 300 judicial entities and over 3600 physical entities.

History

The beginning

On the grounds of a report, issued by the Minister of Commerce and Food dated March, 24, 1947, the Board of Ministers on their meeting held on April, 04, 1947, with Resolution No. 7 – Protocol No. 50, establishes the State Commercial Enterprise under the name Chimimport for import of chemical products.

The development

1947 - Importing basic chemicals, artificial fertilizers, pest protection preparations;

1949 - Starts importing medicaments, medical specialties and instruments;

1950 - Starts exporting activities – herbs, etheric oils and cultivated plant inputs;

1959 - SCE Chimimport merges with SCE Bulgarian Rose. Starts exporting rose oil;

1963 - Executes the first re-export deal – selling calcium soda from Belgium to Japan;

1969 - The nomenclature of Chimimport approves 70 export positions and 41 import stock groups;

1977 - SCE Chimimport, ECE Neftochim and ECE Lesoimpex merge to establish ECE Chimimport, which executes import, export and re-export of chemicals, chemical inputs, natural gas, petroleum, petroleum chemical products, cellulose and paper;

1981 - The export product list includes more than 125 positions;

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

1989 - On July, 21 a Foundation Contract was signed, and on October, 19, a General Assembly was held for all Chimimport JSC shareholders.

1990 - On the grounds of Order No. 56 Resolution No. 1 dated January, 24, 1990, company case No 2655/1989 Joint-stock Company named Chimimport was established with own capital to the amount of EUR 5.11 mln;

1992 - On September, 22, the General Assembly of shareholders increases the capital of Chimimport to EUR 26.14 mln through a non-cash contribution by the state of Bulgaria;

1993 - The state of Bulgaria transfers the shareholding participation of over 40 commercial and production enterprises to the newly established company Consolidcommerce. The company's capital was increased to EUR 26.42 mln;

1994 - On October 5th, the Privatization Agency signs a contract with the company's managerial team, united in Chimimport Invest JSC for the selling of 58.7% of the capital of Chimimport;

- 1995 - After concluding the sell of preferential shares, the shareholders capital of the company is distributed as follows: Chimimport Invest – 63.01%; physical entities – 15.70%; Consolid Commerce Ltd – 20.05%; other legal entities – 1.26%;
- 1997 - Chimimport is preregistered under Art. 277 of the Commerce Act as a holding company;
- 2000 - Completion of the first stage of restructuring of Chimimport – registering subsidiaries on the grounds of effective commercial directorates;
- 2001 - 23% of the capital of Central Cooperative Bank Plc was acquired at the BSE - Sofia JSC and a consortium for the Bank's management was established together with the other main shareholder - the Central Cooperative Union;
- 2002 - Chimimport acquires from Bank Consolidation Company JSC the state share (32,77%) from the capital of Central Cooperative Bank Plc; through the Privatization Deals Agency acquires 91,92% from the capital of Armeec Insurance JSC and the control over CCB Sila Pension Fund JSC from the Czech financial group Newton;
- Through CCB Chimimport acquires the companies of three banks, declared their bankruptcy: Dobrudzha Commercial Bank JSC, Credit Bank JSC and Bank for agricultural credit JSC;
- 2003 - Balkan Hemus Group Plc (now Bulgarian Aviation Group Plc) was established with the purpose of unifying the future participations of the group in the airline industry.
- Successful participation in the privatization of Hemus Air Ltd. and Oil and Gas Exploration and Production JSC;
- 2004 - Chimimport establishes a financial group, uniting its participation in the bank activities, insurance and pension insurance in the capital of CCB Group Assets Management Ltd. (currently CCB Group Ltd.);
- Acquired shares of Central Cooperative Union in CCB (Central Cooperative Bank): 23.45% of Bank's shares;
- 2005 - Established sub-holding structures: Bulgarian Shipping Company HIC for fluvial and maritime transport, and Chimimport Group HIC for commercial and production activities;
- Chimimport's share capital increased to EUR 30.13 mln;
- Chimimport acquires 49.28% of the third in assets and market share Pension Insurance Company in Bulgaria – Pension Insurance Company Saglasie JSC;
- Chimimport Group acquired Capital Bank and Crystal Bank as filed for insolvency through CCB;
- 2006 - Chimimport's share capital increased by EUR 30.13 mln, amounting to EUR 60.8 mln;

Chimimport acquired 99.13% of Bulgarian River Shipping's assets (70% of which by privatization procedure); Accomplished merging of Chimimport Bimas into Bulgarian River Shipping's capital simultaneously with merging company's majority packages deriving from VTC AD and Mayak AD;

Chimimport's subsidiary Lesport in its role of concessionaire stipulates a thirty-year contract for concession of Lesport port terminal, which is part of Varna port for public transport of national importance;

Through Port Balchik JSC, Chimimport Group has gained a 25-year concession over Port Terminal Balchik: a territorial distinguished zone of Varna port for public transportation of national importance;

Chimimport acquired a status of public company on the grounds of Art.110, para.2 of the Public Offering of Securities Act on 29.09.2006, when the Sofia City Court entered in the Commercial Register an increase of the company capital, executed through initial public offering of 11,083,914 shares. The company shares are registered for trade on the official market, segment B of the BSE - Sofia JSC 30.10.2006.

Chimimport Group has accomplished the licensing procedures on two joint-stock special purpose investment companies (JSSPIC), e.g. CCB Real Estate Fund, and Capital Management, being experts respectively in securitization of real estates, and securitization of receivables ;

2007 - The Financial Supervision Commission issues a license to the CCB Assets Management Ltd management company.

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

On the grounds of a resolution, issued by the Board of Directors of BSE - Sofia JSC Chimimport was listed in the main bourse index SOFIX, and since 26.02.2007 the company was included in the base of the bourse index BG 40.

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

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

The major shareholder of Chimimport – Chimimport Invest acquires 84.60% of the capital of the Pension Insurance Company Lukoil Garant - Bulgaria JSC with the purpose of later transfer of this stock participation to Chimimport or any of its subsidiaries.

On a Chimimport Managerial Board meeting, a resolution was made for increasing the capital from EUR 66.47 mln to EUR 76.69 mln The capital increase, executed according to the conditions set forth in the law on Public Offering of Securities, is accomplished successfully, as a result new 19,999,984 shares with nominal value of EUR 0.51 and issue value of EUR 5.62 were registered and paid. As a result of the closure of the subscription list of the capital increase, the company raised EUR 112.48 mln.

Bulgarian Aviation Group Ltd concluded an agreement concerning the establishment of a joint venture with Lufthansa Technik AG. The company is functioning as a Limited Liability Company and its activities are the maintenance, repair and painting of aerial devices.

The project, aiming at consolidation the grain business of the Group has been concluded on November 26, 2007. By merging 8 companies: Slanchevi Lachi Bulgaria JSC, Sofia (a public company in the sense of the law on Public Offering of Securities), 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 Ltd, Sofia the new company Zarneni hrani Bulgaria JSC was established, which was their universal legal successor.

The issue of shares, issued by Zarneni hrani Bulgaria, was registered for trading on BSE - Sofia JSC (Bulgarian Stock Exchange) in December, amounting to over EUR 87.32 mln distributed in 170,785,600 shares with nominal value of EUR 0.51 each.

Increasing the capital of CB CCB Plc from EUR 37.20 mln to EUR 42.52 mln, by means of issuing 10,394,313 ordinary book-entry shares with a right to vote, with a nominal value of EUR 0.51 each.

The end of 2007, the Life Insurance Company CCB Life Ltd and Health Insurance Company CCB Health Ltd were established and licensed by the Financial Supervision Commission;

2008 - In the first quarter of 2008, Central Cooperative Bank Plc concluded the operation for acquiring the major package of shares in the Macedonian bank Silex Bank JSC - Skopje, Macedonia.

After obtaining an autorisation from the Commission for Protection of Competition, Chimimport acquired 100% of the share capital of BM Star (currently Airport Services Ltd) – the company, owning 40% of the capital of the civil airports concessionaire in Varna and Bourgas – Fraport Twin Star Airport Management JSC.

Chimimport successfully placed an issue of secured convertible bonds at a value of EUR 65 mln with a 7-year term to maturity, convertible for already issued regular Chimimport shares, traded on the BSE - Sofia. The bonds are issued by Chimimport Holland B.V., a subsidiary of Chimimport, entirely owned by the latter, established and registered in Holland. The net revenues from the emission were granted as a loan from Chimimport Holland to Chimimport, as the latter shall use them for financing its expansion through realizing strategic acquisitions and for general corporative purposes.

The group of Chimimport, through its subsidiary - Bulgarian Aviation Group Ltd, started a large-scale joint venture together with the Republic of Tatarstan for implementation of reconstruction and expansion of the Kazan Airport;

Bulgaria Air JSC reached at contractual agreements with the national air carrier of the Republic of Tatarstan to set up operative leasing on airplanes owned by the company, which shall serve the Tatarstan airlines;

2009 – Bulgarian Aviation Group Ltd completed the procedure for acquisition of sole-owner participation in the

capital of Air Ban airline carrier;

Zarneni hrani Bulgaria acquired 100% of the capital of Goliama Dobrudzhanska Melnitsa Ltd - the third biggest mill in Bulgaria;

The major shareholder of Chimimport – Chimimport Invest JSC acquired following trade offers majority stock holdings of Assenova krepost JSC and Holding Assenova krepost JSC.

The capital increase procedure of Chimimport stock from EUR 76.69 mln to EUR 122.71 mln successfully completed by issuing new 89,646,283 preferred non-materialized, non-voting shares, and 9% fixed dividend, guaranteed equity share, convertible into ordinary shares of face value EUR 0.51 each, and issue value of EUR 1.14. As a result of this increase a cash resource amounting to EUR 101.75 mln was collected;

The national air carrier, Bulgaria Air JSC, acquired 45% of the company leader on the Bulgarian reservation services market - Amadeus Bulgaria Ltd (a subsidiary of the Spanish Amadeus IT Group);

2010 – In the beginning of the year the merger by acquisition of the Lukoil Garant-Bulgaria JSC Pension Insurance Company into CCB Sila Pension Insurance Company was completed, and as a result of that, all pension funds under management of Lukoil Garant-Bulgaria JSC Pension Insurance Company, merged into the respective fund types managed by CCB Sila Pension Insurance Company.

Central Cooperative Bank, following tender offer to the rest of the shareholders, acquired 93,72% of the capital of the Macedonian Stater Banka JSC, Kumanovo;

The subsidiary company Oil and Gas Exploration and Production JSC acquired 100% of the share capital of a company, which builds and develops a gas-station chain branded as Chimoil.

The parental company, Chimimport Invest, acquired 85% of the M Kar Ltd's stock, which is the authorized agent of BWM automobile company for Plovdiv, Stara Zagora and Haskovo.

Chimimport Invest acquired about 10% of the stock of Private Entrepreneurial Bank Texim JSC;

2011 – In the beginning of 2011 was completed the unite of the Macedonian trade banks, owned by the group - through the flow of Stater Bank JSC Kumanovo into Central Cooperative Bank JSC Skopje;

Chimimport and Central Cooperative Bank receive approval by the Commodity Exchange Commission to acquire 75% of the share capital of Plovdiv Commodity Exchange JSC;

Companies belonging to the Chimimport Group become associates of the business-oriented television channel Bulgaria On Air.

The procedures for the capital increase of Assenova krepost JSC and Holding Assenova krepost JSC were leaded successfully – through public offering of new shares. The authorized capital of the companies increased repeatedly, the accumulated funds amount to EUR 5.11 mln and 6.41 mln respectively.

Stater Banka JSC, Kumanovo has merged into of "Central Cooperative Bank Skopje" JSC.

Supervisory Board

Chimimport invest JSC

Chairman of the Supervisory Board

CCB Group Ltd

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

Mirolyub Ivanov

Member of the Management Board

Chimimport JSC is represented by the Executive directors Ivo Kamenov and Marin Mitev together and individually.

Chimimport JSC

For its near 64 years of existence, Chimimport turned itself from a successful foreign trade enterprise, specialized in trade with chemical products into a large-scale holding company, which unites over 60 subsidiaries and associated companies, which execute activities in various fields of the Bulgarian economy. The main sphere of activity of Chimimport 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 are concentrated in the following fields:

- Financial sector, including banking services, insurance, pension insurance, securitization of real estates;
- Petroleum and gas extraction, production and trade with petroleum and chemical products and petroleum processing industry;
- Production of vegetable oils; purchasing, processing and trade with grain foods; Bio-fuel production;
- Aviation transport, land activities for plane servicing and repair;
- River and sea transport, port infrastructure.
- Trade representation and agency;
- Commission, logistics and warehousing activity.

Over the last three years, despite the world-wide financial and economic crisis, Chimimport preserved its stable rate of asset increase and financial results implemented.



The net result from the company operation on an individual basis increased from EUR 43.97 mln, achieved in 2008, to EUR 46.24 mln for 2009 and EUR 46.95 mln for 2010.

On a consolidated basis, the net result from the operation increased from EUR 72.40 mln for 2008 to EUR 73.62 mln for 2009 and EUR 76.96 mln for 2010.

The equity of Chimimport on an individual basis increased from EUR 425.29 mln as of 31.12.2009 to 472.28 as of 31.12.2010. At the end of 2008 the own stock of the company amounted to EUR 318.94 mln.

On a consolidated basis, the equity of the company increased from EUR 358,11 mln at the end of 2008 to EUR 597.57 mln at the end of 2009. As of 31.12.2010 the equity of the Chimimport Group amounted to EUR 677.09 mln.

Currently, the main advantages of Chimimport are:

- Knowing the conditions in Bulgaria and having achieved good positions within the national economy;

Knowing the economic and political conditions and facts in the country, as well as the needs and specific peculiarities of the clientele, are the reasons for the growth of Chimimport and the achieved good positions in strategic fields of the Bulgarian economy.

- A proven managerial team;

Chimimport has a highly motivated managerial team, who has a vision about the Group's growth, have proven their knowledge and experience in management, acquisition and re-structuring of companies, both in favorable and unfavorable market conditions.

Significant value of the Group's assets on December, 31, 2010 on an individual basis amount to EUR 657.28 mln (EUR 588.64 mln at the end of 2009 and EUR 518.96 mln at the end of 2008). On a consolidated basis, the assets of Chimimport amount to EUR 2,349.39 mln on 31.12.2010 compared to EUR 1,815.09 mln at the end of 2009, EUR 1,633.07 mln at the end of 2008 and EUR 1,404.52 mln at the end of 2007.

The Directors of Chimimport believe that the acquired assets are a necessary basis for growth and long-term development of the Group, since the larger part of them represent a strategic advantage – the creation of a similar type of assets currently is either practically impossible or would require a vast amount of investments.



The main building of Chimimport, Sofia

Main strategy and business model

The main strategy and logic behind the Group's investments is its positioning as a significant partner in servicing the commercial flows, which are traditional for the country and the region. In particular, this motivates the Group's entry in sectors such as transport, agriculture, financial operations and tourism/real estates.

Transport is an important sector for the Group – geographically, Bulgaria is located on a crossroad between Europe and Asia/The Middle East, since five of the ten trans-European transport corridors pass through the country. Chimimport develops air transport, river transport and sea transport, as in all three cases it aims at covering the entire spectrum of activities and not just purely transportation (i. e. including the airport and sea port management, repair and technical servicing of transport vehicles, servicing loads, agency, etc.).

Agriculture is another important economic sector for the Group – Chimimport aims at positioning its business in a way, which provides – on the one hand - full use of the traditional advantages of the country as a producer of agricultural products and on the other hand – use the key geographic location, which allows playing the role of an intermediary between Europe and the traditional agriculture producing countries, such as Russia, Ukraine, Kazakhstan, etc.

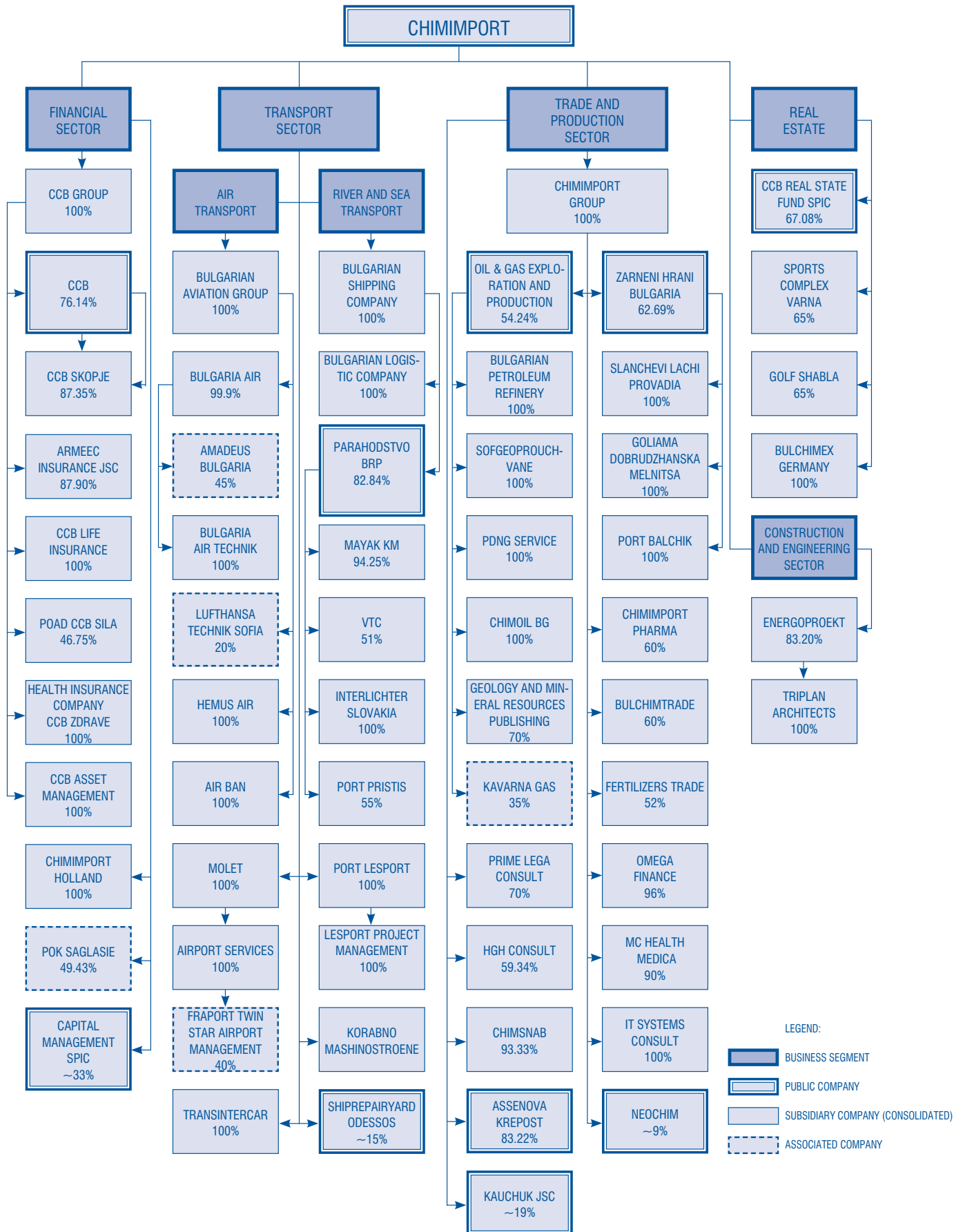
Just like in the transport sector, in the agriculture, Chimimport aims at encompassing the full spectrum of business – in this case – focusing on one hand on purchasing, trading, logistics, storage of grain and oil-providing seeds, and still actively seeking and exploiting the relations and synergies with other businesses (transport, financing, etc.) On the other hand, Chimimport invests actively in the productions, related to agriculture – Group companies are major players in the field of vegetable oil production, incl. all activities – from purchasing the seeds to their processing to end products (vegetable oils, incl. for consumption and biodiesel, where the Group is a leading national producer).

Financial services are another field, where the Group aims at offering the entire spectrum of services to their clients. The financial group within Chimimport currently includes a universal commercial bank (which has traditionally good positions in agricultural crediting), general, life and health insurance companies, pension insurance companies, management company (mutual funds), as well as two companies with a special investment purpose (for securitization of real estates and securisation of receivables).

The Group's business model is made in order to achieve the above-mentioned development strategy. It is based on maintaining and expanding the leading role of the Group in the sectors, identified as important for the Bulgarian economy. Some of the more specific aims, defined by the Chimimport management include:

- Maintaining high rates of growth of assets and profit of the Group, which is related to stable long-term return to shareholders;
- Establishing Chimimport as a holding with a serious presence in the economy of Bulgaria, Central and Eastern Europe;
- Keeping a leader's position among public companies in Bulgaria and improving the international recognition of the Group for the purpose of financing by the world capital markets.

The Company's development and its investment plans in the short and mid-term plan are structured in two main directions – confirming and optimizing the positions already achieved and entering on new markets.



LEGEND:

- BUSINESS SEGMENT
- PUBLIC COMPANY
- SUBSIDIARY COMPANY (CONSOLIDATED)
- ASSOCIATED COMPANY





FINANCIAL SECTOR

CCB Group Ltd

Historically, the company CCB Group is established with resolution issued by the Sofia City Court upon the merger of two companies in the company existing since 1998 Newton Financial Management BG Ltd, as in the end of 2002, the new company is named CCB Group Assets Management, under which name, it performs economic activity until September 25, 2008, when it is renamed to CCB Group.

CCB Group is a company within the structure of Chimimport, which has the main purpose of optimizing the holding's assets in the financial sphere, incl. developing and realizing a strategic program for development of the companies in the financial sector, according to the long-term aims of the holding in the field of financial services.

The company facilitates and coordinates the subsidiaries' activities. In addition, the company helps its subsidiaries and other holding companies by providing a wide spectrum of consultant services in activities related to financial and capital markets, incl. long-term financing, negotiations with foreign investors, methodological help in realizing significant projects, Stock Exchange listing of companies, acquisition and selling of companies, etc.

Currently, the financial sector of Chimimport includes a number of companies with well-established name and

presence in their corresponding sector, incl. in the field of banking services (Central Cooperative Bank and its subsidiary CCB Skopije), insurance and re-insurance and voluntary health insurance (Armeec Insurance Joint Stock Company, CCB Life, Health Insurance Company CCB Zdrave), pension fund management (Pension Insurance Joint-stock Company CCB - Sila and the associated Pension Insurance Company Saglasie), mutual fund and portfolio management (CCB Assets Management), a company CCB Real Estate Fund SPIC for real estates securitization (CCB Real Estate Fund SPIC), etc. A part of the above-mentioned companies (CCB Real Estate Fund SPIC, CCB Life and Health Insurance Company CCB Zdrave) were established in 2006 and 2007 in order to start the increase of the financial products, offered by the holding. In next years these companies actually started their activity and defended their position on the market.



Central Cooperative Bank Plc

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

Shareholders

In 2001 the group of Chimimport acquired 23% of Central Cooperative Bank JSC capital through Bulgarian Stock Exchange, and established a bank management consortium with another main shareholder, the Central Cooperative Union. In early 2002 Chimimport became Bank's main shareholder with the acquisition of further 32.77% of CCB's share capital, which represented the share of the state owned Bank Consolidation Company JSC in this credit institution. In 2004 through CCB Group Assets Management (currently renamed CCB Group Ltd.), Chimimport acquired the shares (23.45%) of the another main CCB's shareholder, i.e. the Central Cooperative Union.

Central Cooperative Bank's registered capital is EUR 42.52 mln. As of December 31, 2010 Chimimport owns directly and indirectly through related parties the total of 76.14% of Central Cooperative Bank's capital. The main Bank's shareholders are indicated in the following table.

Central Cooperative Bank's main shareholders	As of December 31, 2010,% participation
Total Chimimport JSC (direct and indirect participation)	76.14%
Chimimport JSC (direct participation)	2.88%
CCB Group Ltd	68.20%
Joint stock Insurance Company Armeec	4.55%
Pension Insurance Joint-stock Company CCB Sila	0.51%
Pension funds of Saglasie Pension Insurance Company	2.47%
CACEIS Bank Deutschland GmbH	2.44%
Artio International Equity Fund - USA	1.54%
Other minority shareholders	17.41%
Total Chimimport	100%

CCB is a universal commercial bank licensed to perform any and all bank 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 servicing the agricultural sector in Bulgaria, as its goal in the future shall be maintaining its leader's positions, expanding the scope and the volume of its operations with the agricultural producers countrywide. In the meantime CCB develops the retail banking and the cards transactions with priority, offering competitive products and services to individuals, and to SMEs and corporate clients from other economy's branches as well.

CCB reached its clients through the central office in Sofia and a well-developed branch network of 50 branches and 208 offices in Republic of Bulgaria, 1 branch in Nicosia, Republic of Cyprus, office at the financial centre of Europe – London, central office and branch network of the subsidiary bank in the Republic of Macedonia - CCB Skopje JSC. As of December 31, 2010 the total number of the employees in the Bank is 2,108 people.



Main office

Central Cooperative Bank performs its international business through a large correspondent network of more than 360 banks worldwide. The Bank maintains 23 nostro accounts in all basic foreign currencies. CCB has been licensed by MasterCard Inc. to issue and accepts international debit and credit cards – Eurocard/MasterCard and Maestro, as well as is a full member of VISA International and offers the full range of Visa cards. The Bank is also an agent of the Western Union international system for fast money transfer. Since July 1993 CCB is an associated member of European Association of Cooperative Banks with a head-office in Brussels (since January 01, 2007 after the accession of Bulgaria in the European Union the Bank is a full member), and since September 2004 – a member of the International Cooperative Banking Association, where members are more than 55 institutions from 40 countries.

CCB's legal status is a public company and since March 1999 its shares are traded at the BSE - Sofia. Currently the Bank's shares are traded at an official market segment B of BSE - Sofia and are included in two Stock Exchange Indexes – SOFIX u BG40.

Market position

According to 2010 statistical data as published by the Bulgarian National Bank, CCB is moving up and holds the 10th position in terms of assets balance rate out of 30 banks and foreign bank branches in banking sector. CCB is seeded 8th in terms of attracted deposits from non-financial institutions, 9th place in terms of advanced consumer loans (incl. foreign bank branches operating in Bulgarian banking sector).

Commercial banks in Bulgaria as of December 31, 2010

Nº	Bank	Assets (EUR mln)
I group		
1	Unicredit Bulbank	5,765.14
2	DSK Bank	4,378.34
3	United Bulgarian Bank	3,814.71
4	Raifeizenbank (Bulgaria)	3,355.17
5	Eurobank EFG Bulgaria	3,225.87
II group		
6	First Investment Bank	2,527.81
7	Bank Pireos Bulgaria	2,084.59
8	Societe Generale Expressbank	1,494.03
9	Corporative Commercial Bank	1,380.20
10	Central Cooperative Bank	1,168.34
11	Economic and Investment Bank	956.81
12	Commercial bank MKB Unionbank	885.87
13	Allianz Bank Bulgaria	841.19
14	Bulgarian Development Bank	704.18
15	Commercial bank Investbank	614.56
16	Procredit Bank (Bulgaria)	590.43
17	Municipal Bank	509.81
18	Bulgarian – American Credit Bank	377.15
19	International Asset Bank	318.31
20	Emporiki Bank Bulgaria	285.86
21	Commercial Bank	245.14
22	Tokuda Bank	210.79
23	NLB Bank West - East	101.11
24	Taksimbank	40.46
III group		
25	Alpha Bank – branch Sofia	1,032.91
26	BNP Paribas S.A. – branch Sofia	245.81
27	ING Bank H.B. – branch Sofia	263.86
28	City Bank H.A. – branch Sofia	253.39
29	TG Ziraat Bankasi – branch Sofia	21.43
30	Regional Investment Bank - Bulgaria	2.07

Source: *Bulgarian National Bank*



CCB office, Sofia, Ivan Vazov Sq.

After Chimimport acquired the control over CCB in 2002, 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.

In 2010 CCB keeps increasing its assets. As seen in the following table CCB assets' growth is exceeding the Bulgarian banking system assets growth for the period 2009 – 2010.

	Banking sector assets in EUR mln	Banking sector growth	CCB Assets in EUR mln	CCB growth
2006	21,573	28.44%	578	39.92%
2007	30,213	40.04%	801	38.55%
2008	35,566	17.72%	851	6.19%
2009	36,234	1.88%	940	10.52%
2010	37,694	4.03%	1,168	24.23%
Average growth		18.42%		23.88%

Following its acquisition by Chimimport, CCB was repeatedly financed by increasing its assets and public offering of new shares. In late 2004, the bank capital increased from EUR 8.27 mln to EUR 16.53 mln. In 2005, CCB's capital was incremented by 50% to reach the amount of EUR 24.80 mln by the end of that year. In June 2006, a GMS's decision of further 50% capital increase follows up, and as a result the joint-stock assets increased to EUR 37.20 mln. The latest CCB's capital increase was effected in 2007, where the total of fixed assets reached its current amount of EUR 42.52 mln.

Over the last few years, the Bank has been approached by a number of investors and funds, such as CAIB, Deka Investment, Diolkos, DWS Investments, Egnatia Mutual Funds, Gustavia, NBGI, Petercam, Robur, Trigon Capital, Global New Europe Fund Portfolio Investments SA, etc. In early 2007, Bank Austria Creditanstalt (member of UniCredit Group) acquired 7,215,303 of CCB's shares, whereas its total share reached 10.60% of the assets. This strong interest is mainly credited to the good development curve of the bank over the last few years and the advantages of Bulgaria's membership in EU.

Acquisitions

Following the CCB's acquisition by Chimimport, the Bank took active part in purchasing credit institutions being declared insolvent in the latter part of 90s. After Chimimport 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.

In 2008 CCB keeps increasing its assets. As seen in the following table CCB assets' growth is similar to the one of the Bulgarian banking system for the period 2006 – 2008. During the recent years the Bank was visited by a large number investors and funds: CAIB, Deka Investment, Diolkos, DWS Investments, Egnatia Mutual Funds, Gustavia, NBGI, Petercam, Robur, Trigon Capital, Global New Europe Fund Portfolio Investments SA and others. At the beginning of 2007 Bank Austria Creditanstalt (a part of UniCredit Group) acquired 7,215,303 of the CCB's shares, thus its share reached 10.60% of the capital. The huge interest was mostly driven by the Bank's upward development during the recent years and the advantages brought by the Bulgarian membership in the EU. 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 JSC acquired 75,51% of the share capital of its first subsidiary - the Macedonian bank Silexbank JSC, Skopje. Upon the company capital increase in September 2008, the share of



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



CCB office interior

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 parental bank reached 82.63%. CCB intends to use CCB Skopje as a basis to penetrate the market in Macedonia, employing its successful strategy and experience gained in Bulgaria.

On 16 March 2010, CCB, on basis of its tender offer, acquired the majority share amounting to 93.72% of the stock of another Macedonian bank, and 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 stock.

Retail banking

In 2010 the crisis and the deteriorated economic environment continued to render their substantial impact and increased the risk for the financial institutions related to their retail credit activities. The economic conditions, which take place in the country at the moment, render their decisive effects upon the policy for crediting of physical persons provided by the banks in Bulgaria. The dip of the market share of CCB JSC in the sphere of credit creation from 2.55% to 2.40% is due precisely to the more restrictive and heightened criteria for lending of consumer credits over the past year. Despite this, CCB JSC kept providing the clients who met the heightened

requirements of the bank, some particularly competitive products in the sphere of the consumer credit creation.

Aiming at preservation of the good positions of the bank at the market of the consumer credit creation and the strive of the bank to preserve its credit portfolio, in April 2010 a new product of low interest between 9.95% and 10.95% was provided to the bank customers. Through this new product, the bank aims to preserve its current good customers and to attract new, solvent and loyal clients. Dnes credit targets the highly educated and highly qualified customers, who have stable and good income and permanent employment. The credit is provided for officials on an employment contract and for customers of the so-called liberal professions /lawyers, notaries, architects, etc./, who meet the bank's conditions. In case of approval for a Dnes credit the customers shall also receive automatic approval for Visa CCB-Bulgaria Air international credit card.

Over the past year the students in need of crediting preserved their interest to the Student credit offered without state financial support by CCB JSC. This credit is provided for payment of their term fees and for covering of their current needs for the period of their education. The bank successfully collaborated with other companies – intermediaries, which organizes student brigades and internships abroad. CCB JSC continued to finance both students leaving abroad to work and the ones, who have selected to continue their education abroad.

Card payments

The total number of the cards issued by the bank as of 31.12.2010 exceeds 730,000. In 2010, CCB JSC preserved its high market share at the ATM devices in the country and as at the end of the year it owns 12.16% of the total number of installed ATM terminals operating within the network of the national card operator BORICA. The growth trend of the number of installed POS terminals in commercial premises was also preserved, and for one year the share of CCB JSC increased from 9.32% to 9.96% of the total number of installed POS terminals, serviced by BORICA.

The bank preserved its good position regarding the issued Visa Electron cards, and the share of the cards of CCB JSC of this type compared to the total number of Visa Electron cards for the country is 9.89% as at the end of the third quarter of 2010. As at the end of the same period the share of the Visa credit cards of the bank reached 5.42%, which is a notable increase compared to 4.77% as at the end of 2009.

CCB started issuance of new card product in 2010. The bank offered its customers extremely favourable terms for issuance of pre-paid virtual Visa cards. The card can be charged at the office of the bank and through the Internet. It is unique for the Bulgarian market that the virtual card can be issued in just 15 minutes and can be received without visiting the bank. This product is entirely intended for shopping through the Internet, offering extremely high level of security and protection to the customers.

The process of conversion of the international credit Visa and MasterCard cards issued by the



bank from cards with only a magnetic stripe to cards with a chip and magnetic stripe was completed in 2010. This process comprised the vast majority of the debit cards Maestro and Visa Electron offered by CCB.

CCB continued to develop the CCB Bonus program initiated in 2009. In 2010, the bank expanded the scope of the program, whereby discounts for the large number of the commercial partners of CCB JSC are also available when shopping not only by credit card, but also by debit card issued by the bank. The number of the partners in CCB Bonus was also increased to more than 180 running around 840 commercial sites.

Loyalty program

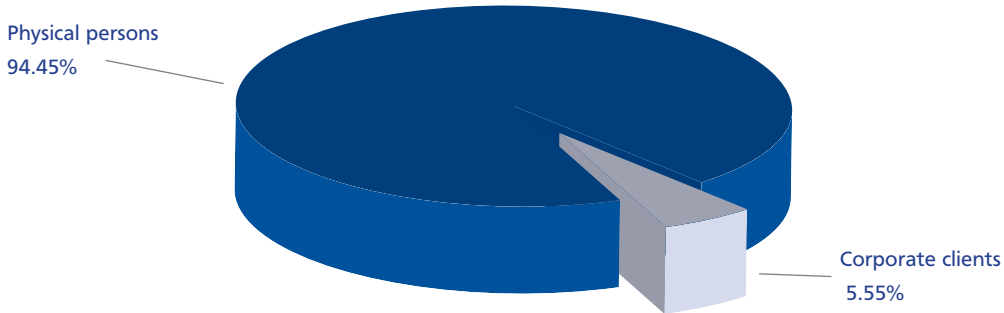
In 2010, the bank attracted not only Bulgaria Air JSC and Armeec Insurance JSC, but also Mobitel Ltd and Lukoil Bulgaria Ltd as partners in the loyalty program - CCB Club. The program shall start in 2011, and it shall offer the clients of CCB JSC and its partners preferential terms for shopping at the tradesmen. The program's main objective is provision of the long-term loyalty of the clients, motivating their choice regarding the partners within the program. In the course of 2011 joining to the CCB Club of other companies, leaders in their branches is planned. Through the program for loyalty, CCB JSC shall have additional competitive advantage compared to the other banks in Bulgaria on basis of the benefits provided for its clients by the CCB Club's membership.

Clients

As of December 31, 2010 the Bank's clients reached 1,226,783, compared to 1,123,000 for the previous year. During the last years CCB continued its efforts and engagements for providing services to all client groups in the Republic of Bulgaria – households, small and medium-sized enterprises, corporate clients and state and municipal institutions and agencies. The Bank is an active participant in the European and governmental programs, designated for financing and co-financing the municipalities, the medium and small-sized enterprises and the agricultural manufacturers.

Number of Central Cooperative Bank's clients

Sector	December 2006	December 2007	December 2008	December 2009	December 2010
Physical persons and Sole Proprietorships	681,254	813,868	947,817	1,058,561	1,158,715
Commerce	26,317	30,823	34,764	38,505	42,817
Transport and telecommunications	3,006	3,645	4,136	4,307	4,492
Industry and construction	4,941	5,797	6,534	7,006	5,011
Agricultural and forest economy	3,222	3,582	3,879	4,047	4,155
Finance, credit and insurances	16,427	16,177	15,902	1,521	1,144
Science and education	624	761	993	1,091	483
Healthcare, sport and tourism	1,400	1,720	1,994	2,268	1,492
Others	3,861	4,945	5,989	5,694	8,474
Total	741,052	881,318	1,022,008	1,123,000	1,226,783

Clients' structure as of December 31, 2010**Crediting****Credits' distribution (volume) by branches as of December 31, 2010**

Construction	6%
Others	14%
Commerce and finance	36%
Transport and telecommunications	6%
Industry	4%
Agricultural and forest economy	3%
Physical Persons	31%

Distribution of credits (volume) by types as of 31.12.2010

Private loans	13.94%
Mortgage loans	13.32%
Company credit	37.34%
Agriculture fund, class, SAPARD	0.09%
Microcredits	0.19%
Overdrafts	32.03%
Others	2.46%
Goods on credit	0.63%

Basic financial information about CCB

Indicators (EUR mln) as of 31 December 2010	2008	2009	2010
Total Assets (Book Value)	850.84	940.49	1 168.29
Total equity	116.83	128.54	140.08
Share capital	42.52	42.52	42.52
Total Liabilities	734.01	811.95	1 027.70
Granted loans and advances (net)	500.97	586.92	610.53
Total income	57.41	63.15	61.63
Net profit	11.06	11.30	11.45
Shareholders' equity (Eur)	0.13	0.14	0.14

Source: Central Cooperative Bank Plc, non-consolidated audited reports

Perspectives and development

The direct challenges for the development of CCB are related to the global financial crisis and its effect on the economy of the country.

The goals of the Bank for the future are:

- Offering of a rich set of products and services;
- Increasing the share of loans to individuals, small and medium-sized enterprises, sole traders and freelancers, mostly the agricultural producers, within the credit portfolio of the Bank;
- Taking advantage of the already established wide network of branches;
- Defending the strong position on the Bulgarian bank market by means of a good market share, new products, loyal clients and an excellent image;
- Keeping the already established position in the field of retail banking and creation of new strategies according



CCB office, Shumen

to the different requirements of customers;

- Keeping the structure of the deposit base with a priority for funding non-financial institutions;
- Recruitment and training of young and ambitious professionals;
- Increasing the total assets and positioning amongst the first banks in Bulgaria;
- Active participation in European and governmental programs, intended for funding and co-funding of municipalities and small and medium enterprises and agricultural producers.

Central Cooperative Bank Skopje JSC

General review

Silex Bank JSC Skopje was founded on December 5th 1992. In September 2001 Agricultural Bank JSC Skopje merged with Silex Bank JSC Skopje. In late 2007, the Central Cooperative Bank JSC Sofia purchased 35,000 stakes and acquires 15.40% relative share in Silex Bank JSC Skopje. Pursuant to JSC Acquisition Act, the Central Cooperative Bank JSC Sofia purchased further 136,658 stakes, and on February 28th 2008 became owner of 181,658 stakes, or major shareholder with relative share of 75.51% in the assets of Silex Bank JSC Skopje. In late 2008, Silex Bank JSC Skopje was renamed to Central Cooperative Bank JSC Skopje.

Following a private tender offer amounting to 93,038 shares, the relative share in the stock of Central Cooperative Bank JSC Skopje increased and as of December 2009 the relative share of Central Cooperative Bank JSC Sofia amounted to 82.63%.

On 06.04.2010 Central Cooperative Bank JSC Sofia bought 93.72% of the capital of Stater Bank JSC Kumanovo.

Stater Banka JSC Kumanovo is the successor of Kumunalna Banka of the Kumanovo district, established in 1955. Since 1966 the bank has operated as Komercijalna Banka Kumanovo, and since 1968 – as Komercijalno Investiciona Banka Kumanovo. Several years later the bank became branch of Stopanska Banka Skopje and consequently is transformed into Stopanska Banka Osnovna Banka Kumanovo.

On 31 January 1990 a decision for establishment of Stopanska Banka JSC Skopje was taken by virtue of which Stopanska Banka Osnovna banka Kumanovo became the main branch of Stopanska Banka JSC Skopje.

Due to the transformation of the banking system in Macedonia, the main branch Kumanovo of Stopanska Banka JSC Skopje was transformed on 14.06.1995 into Komercijalno Investiciona Banka JSC Kumanovo (KIB) by means of transferring of the stock deposits of the founders of Stopanska Banka JSC Skopje, main branch Kumanovo into Komercijalno investiciona Banka JSC Kumanovo.

On 01.07.2008 Komercijalno investiciona Banka JSC Kumanovo changed its name into Stater bank JSC Kumanovo. and it was fully privatized by means of buying out of 312,647 shares, 92.18% of the shares of the bank respectively, by Milestone Ltd, Iceland.

In April 2010 Central Cooperative Bank JSC Sofia, Republic of Bulgaria, became the dominating owner of Stater Bank JSC Kumanovo.

On 03.01.2011 Stater Bank JSC Kumanovo merged into Central Cooperative Bank JSC Skopje, and the relative share of Central Cooperative Bank JSC Sofia into the share capital of Central Cooperative Bank JSC Skopje amounts to 87.35%.

CCB JSC Skopje is a public company, which shares are traded at the Macedonian Exchange JSC Skopje – non-official market. As of 31.12.2010 the bank had at its disposal assets totaling EUR 65.96 mln, and its own equity amounts to EUR 23 mln.

Shareholders

As at 31.12.2010 the share capital of CCB Skopje amounted to EUR 22.7 mln allocated into 553,087 ordinary shares. The shares are with a face value of EUR 41.21 each.

CCB Skopje has a full licence issued by the National Bank of the Republic of Macedonia for the performance of all kinds of bank activities:

- Granting loans to natural and juridical persons;
- Attracting deposits in national and foreign currency;
- Effecting payments on the territory of the Republic of Macedonia and beyond it;
- Conducting transactions in foreign currency;
- Issuance of letters of credit and guarantees;
- Issuance of debit and credit cards;
- Payment of work salaries to employees of corporate clients;
- Trade with securities. etc.

The Bank carries out its activities through a head-office in the city of Skopje and 19 offices / sales of services outlets/ on the territory of the Republic of Macedonia – in the towns of Kumanovo, Kratovo, Probishtip, Shtip, Resen, Veles, Rosoman, Tabanovtsi, Kavadarci, Strumitsa, Bitolja and Kriva Palanka.

Central Cooperative Bank JSC Skopje enjoys extended international correspondent relations with numerous banks around the world via SWIFT network, and maintains direct correspondent relations with seven banks worldwide.

Market position

In conformity with the grouping, made by the National Bank, the banks in Macedonia are distributed in three groups in conformity with the amounts of the assets – big (with assets of over 15 billion Denars), medium-sized (with assets between 4.5 and 15 billion Denars) and small (with assets under 4.5 billion Denars). At the end of 2010 CCB JSC Skopje falls within the third group of banks, with assets of 4.1 billions of Denars.

Card payments

Central Cooperative Bank JSC Skopje issues Visa and local bank cards. As products of the local bank cards, the clients are offered debit – Classic Card and credit – Star Card for physical persons and Business Card - credit cards for legal entities. The cards are to be used only on the territory of Republic of Macedonia, for cash withdrawals at ATMs and bank counters and for shopping.

As of 31.12.2010 the number of issued debit cards amounts to 2,674, which represents growth of 22% compared to the previous year. For the same period 373 credit cards were issued, which represents growth of 14%. The credit cards issued to legal entities in 2010 are 19.

According to the license granted by Visa International dated 04.10.2010 CCB JSC Skopje is an Affiliate Member at Visa Int`l, with bank sponsor - Export and Credit Bank Inc.

The bank issues Visa Electron debit cards and Visa Revolving credit cards for physical persons, as well as debit and Business Card credit cards for legal entities, which can be used everywhere in the world, where Visa logo is present for cash withdrawals at ATMs and bank counters and for shopping.

Together with obtaining of the license and the merger of Stater Bank JSC Kumanovo into CCB JSC Skopje, on 03.01.2011 was done the transfer of the BIN codes of Stater Bank to CCB JSC Skopje and at the same time the issued cards were transferred to CCB JSC Skopje.

The total number of issued Bank cards as at 31.01.2011 is as follows:

Local cards	
Debit Cards – Clasic Card	6,596
Credit Cards – Star Card	1,103
Credit Cards – Business Card	19
Visa Cards	
Debit Cards – Visa Electron	2,756
Credit Cards – Visa Revolving	404
Credit Cards – Visa Business Debit	5

Basic financial information

Indicators (EUR mln)	2008	2009	2010
Total Assets (Book Value)	30.13	26.42	65.92
Total equity	13.33	13.47	22.91
Share capital	13.76	13.15	22.73
Attracted funds	16.64	12.71	40.57
Credits (reported value)	4.83	4.95	17.52
Net profit	0.09	0.09	0.11

Perspectives and development

The main objectives of the Bank in the future are directed at:

- Guaranteeing maximal security of the clients and the depositors of the Bank;
- Development of new niches products and channels for distribution in the field of bank activities;
- Expansion of the branch network and the market share;
- Attraction of new clients from the segments of SME, individuals and households;
- Optimization of the correspondence network, aimed at effecting as quickly as possible the STP payment;
- Maintenance of high and secure quality of the assets;
- Maintenance of high capital sustainability;
- Effective control over the expenditures;
- Maintenance of an optimal balance between profitability and liquidity;
- Maintenance of a significant volume of income-generating assets;
- Building up of a significant deposit base with optimal clients' and maturity structure;
- Attainment of high return on share capital in the long term;
- Attainment of high net income from the activities and high return on assets.

Armeec Insurance Joint - Stock Company

General review

Armeec Insurance Joint-Stock Company was founded on 9 April 1996 with main shareholders - the Ministry of Defense and other commercial companies of its system. The company has subject of activity - insurance and re-insurance and management of the funds collected from the activity.

In July 2002 Armeec Insurance JSC through CCB Group became part of Chimimport Holding, which acquired 91,92% of the stock of the company.

Armeec Insurance JSC obtained license for re-insurance on 6 July 2005. On 9 April 2008 the company received permission by the Financial Supervision Commission for implementation of the activity on the territory of the European Union.

Shareholders

As of 31 December 2010 the deposited capital of Armeec Insurance JSC is EUR 7,679.09 mln. As at this date Chimimport JSC has direct shareholder participation in the capital of the company amounting to 4.298% and indirectly it owns 88.21% of it.

Main shareholders of Armeec Insurance JSC as of 31 December 2010

Company	Number of shares	%
CCB Group Ltd	125,562	83.60
Niko Commerce Ltd	7,146	4.76
Chimimport Invest JSC	6,920	4.61
Chimimport JCS	6,455	4.30
and other minority shareholders		

General information

Armeec Insurance JSC is a general insurance company, licensed to perform insurance activities on the territory of Bulgaria and the European Union. The company offers all types of insurance products and services in the sphere of the general insurance – vehicle insurance, property insurance, technical insurances, insurances, designed for construction entrepreneurs, agricultural insurances, tourist and personal insurances, liability insurance, insurances of financial and commercial risks, transport insurance, naval insurance, aviation insurance. The company also offers other insurance products, providing specific insurance coverage, as well as options for combination into package policies.

Armeec Insurance JSC has at its disposal branch network of 52 agencies and more than 40 representations, which develop their activity on the territory of the entire country. The distribution of the insurance products is implemented by more than 276 brokers and more than 1,500 agents.

Armeec Insurance JSC is member of the Bulgarian and international professional and commercial organizations – Association of the Bulgarian Insurers, National Bureau of the Bulgarian Vehicle 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.



Armeec head office, Varna

Re-insurance program

The insurances of Armeec Insurance JSC are guaranteed by stable and adequate re-insurance program, based on several types of re-insurance contracts – combined quota- excedent, several excess contracts, two catastrophic and a series of proportional facultatives.

Traditionally Armeec Insurance JSC delivers its re-insurance program through such big and world renowned re-insurance brokers as Aon-Benfield, Willis and others, based in London, Great Britain.

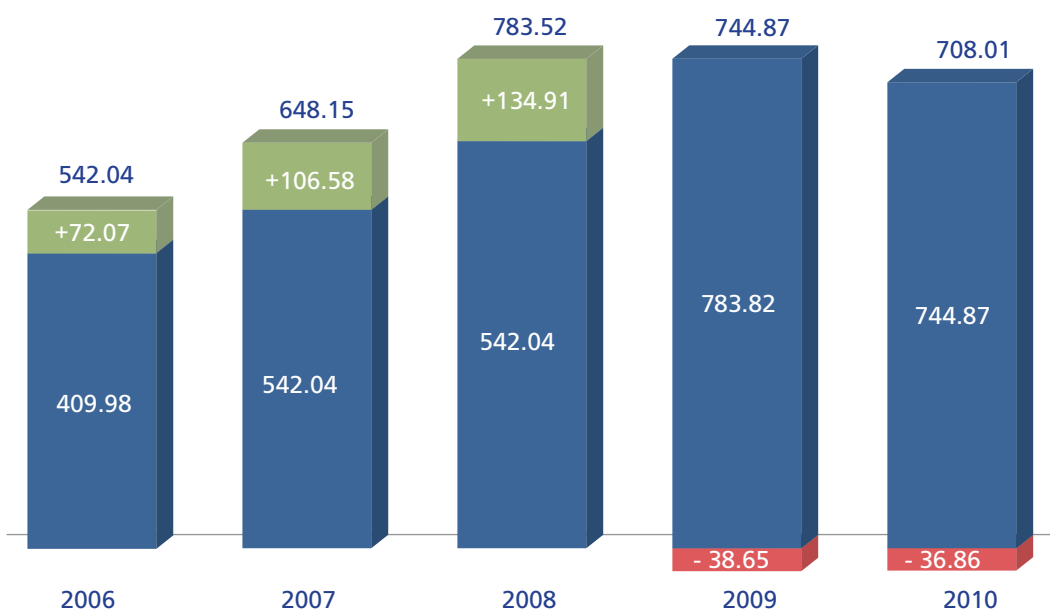
The re-insurance companies, which Armeec Insurance JSC works with, are of the highest class and namely: Mitsui Sumitomo Reinsurance Ltd, Japan; Hannover Re, Germany; Munich Re, Germany, etc.

Market environment and positions of Armeec Insurance JSC

In 2010, the effects of the world financial crisis are felt more distinctly in the Bulgarian economy and as a result the insurance market keeps its shrinkage. The crisis in the real economy and the low spending capacity of the population render their negative effects on the sector. Amongst the main factors, affecting the reduced demand of insurance products, are the weaker business activity, the reduced consumption of the households, the drop in the sales of both new and used cars, reduction in the purchases with lease-sale products, the limited credit provision by the banks.

However, no state support was required for the Bulgarian insurer in order to ensure its financial stability unlike many other countries. It is claimed that the customer's confidence in the insurer's activity was preserved.

Premium Income of the Non-Life Insurance Market for the Period 2006 – 2010 (EUR mln)

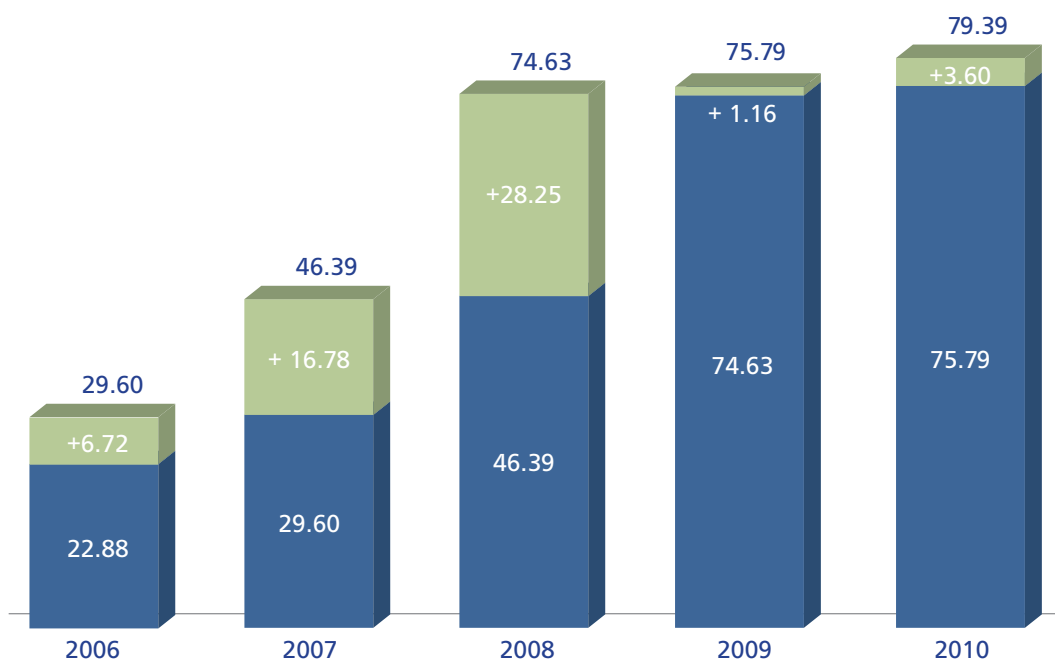


By data of the Financial Supervision Commission the gross premium income for 2010, realized from the general insurance companies in Bulgaria, amounts to EUR 707.99 mln, which represents a dip of 5.1% on an annual basis, compared to the income of EUR 7,447.95 mln and a dip of 4.9% for the previous year.

Traditionally, the vehicle policies are the main driving power of the market in 2010. The largest share in the general insurance occupied the Auto-Casco comprehensive insurance and Third Party Liability, which generated 36.1% and 35.2% of the premiums, respectively.

The good news for the sector is that the ratio of the claims brought up related to the general insurance are reduced by 1.6% on an annual basis and amount to EUR 383.17 mln.

Premium Income of Armeec Jsc for the Period 2006 – 2010 (EUR mln)

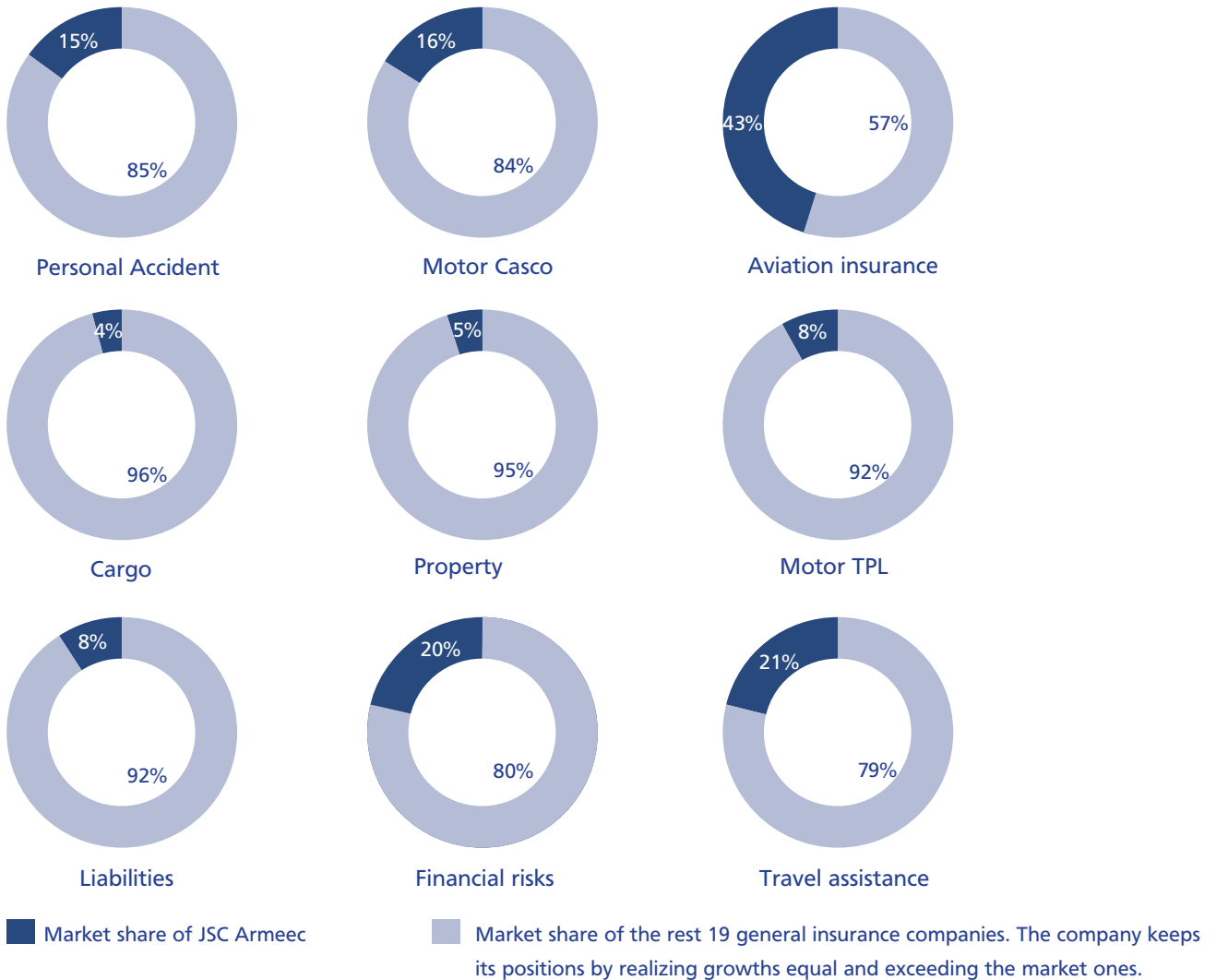


Armeec Insurance JSC realized premium income of near EUR 80 mln as of 31.12.2010, which represents growth of 5% compared to the previous year.

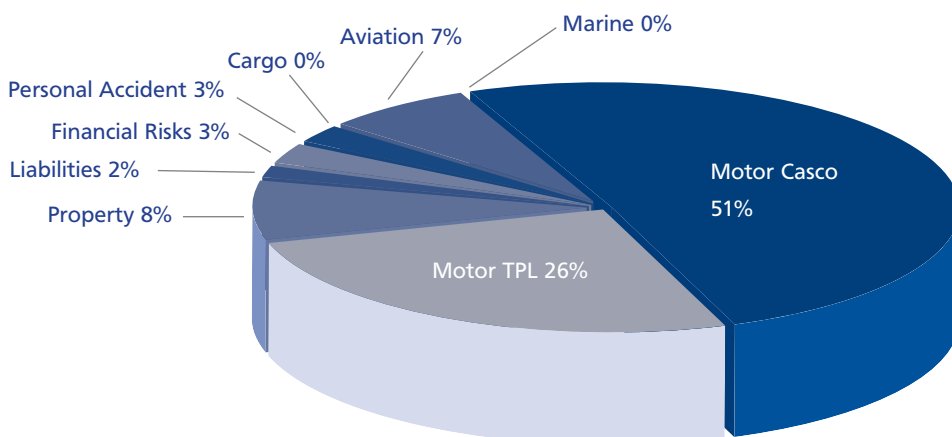
As of 31 December 2010 the market share of the company is 11.23% compared to 10.18% at the end of 2009. Armeec Insurance JSC firmly occupies the third place at the general insurance market over the year, which is due to the permanent good results in most types of business and mostly in the automobile insurance, accident insurance, financial risks and liabilities.

In 2010, the most significant for the portfolio of the company are the vehicle insurances – at the end of November 2010 the comprehensive insurance Auto-Casco has relative share of 51%, insurance Third Party Liability of the motorists - 26%, followed by the property and aviation insurance – by 7,6% and 6.6% respectively and insurances Accident with 3.4% share in the portfolio of the company.

Market share of Armeec Insurance JSC by major business types as of 31 December 2010



Premium Income of Armeec Jsc by Line of Business as of 30 December 2010

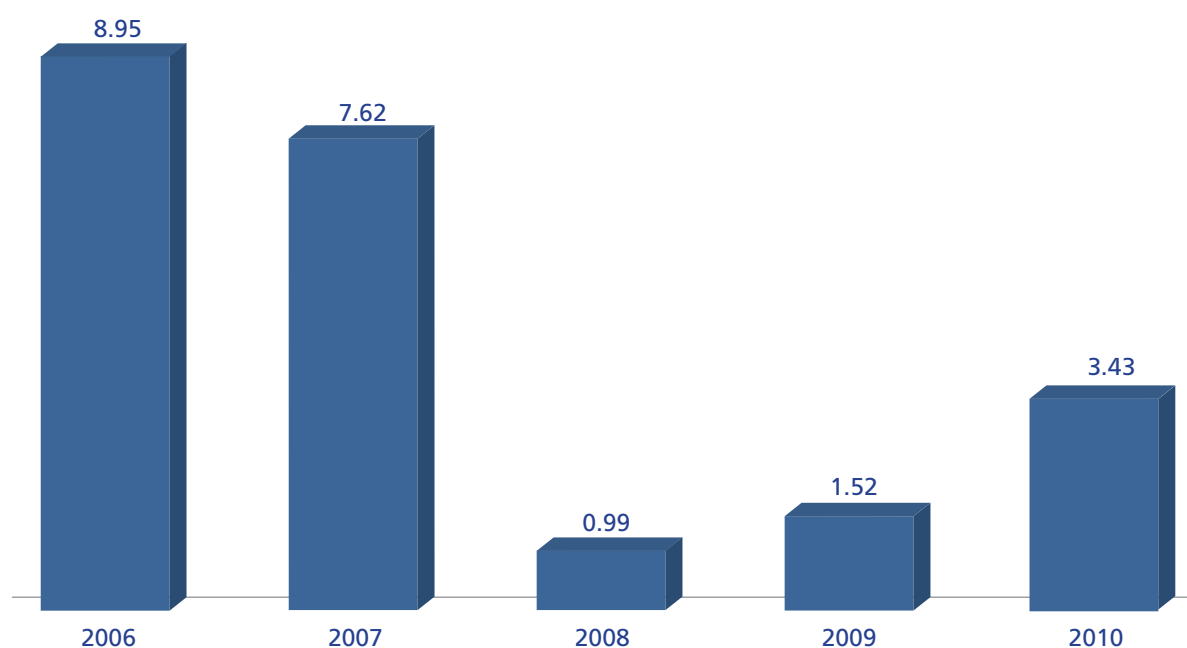


Basic Financial Information

Indicators	2005	2006	2007	2008	2009	2010
Gross income (EUR mln)	22.88	29.60	46.39	74.63	75.79	79.38
Market share (%)	4.87%	5.46%	7.15%	9.53%	10.18%	11%
Annual growth of the gross income (%)	62.45%	29.37%	56.72%	60.90%	1.56%	5%
Annual growth in the market of insurance (%)	25.36%	15.33%	19.66%	20.80%	-4.93%	-5.10%
Profit (EUR mln)	3.84	10.20	7.73	0.82	191	3.54
Net profit (EUR mln)	3.42	8.95	7.62	0.99	1.52	3.43
Assets (EUR mln)	22.37	41.35	60.32	72.05	79.83	89.89
Equity (EUR mln)	8.17	17.12	24.74	16.18	17.98	21.03
Share capital (EUR mln)	4.39	7.68	7.68	7.68	7.68	7.68
Income after reinsurance (EUR mln)	20.24	26.64	41.58	68.71	67.71	71.26
Technical results (EUR mln)	1.97	- 1.68	0.60	0.16	0.73	0.31
Damages (%)	33%	52%	46%	50%	53%	49%

Notice: The data for 2010 are in advance.

Net Profit for the Period 2006 – 2010 (EUR mln)



Overview of the activity in 2010

In 2010 the company continued its work related to improvement of the customer service and better accessibility to the services through using of the branch and distribution network of the company, improvement of the technological processes and finding of new, better solutions for optimization of the general work with the clients.

In this respect, an important role plays the fact that over the year the fully renovated Internet site of the company was launched, which significantly facilitated the access of the clients to information about the product range of Armeec and the options and services offered.

With a view of the market situation and aiming at offering of the most diverse possible coverage for its customers, in 2010 Armeec Insurance JSC continued creation of new and flexible products and packages of mutually complementing products. The package product Armeec Summer was presented, providing protection during the summer months against risk situations, related to life, health, car and home. During the active tourist season Armeec introduced new automobile product Solidarity, under which customers that have concluded Third Party Liability insurance in the company, receive one-month certificate Green card, needed when travelling abroad.

Since August 2010 the comprehensive insurance Auto-Casco of Armeec for light-weight vehicles with total weight up to 3,5 t. includes free-of-charge coverage Assistance upon traveling abroad, which provides 24h technical assistance in case of a road traffic accident or breakdown occurred with the car on the territory of the member-countries of the Green card agreement.

Novelty within the product Rescue cost of Armeec is that apart from the standard risks, the company offers coverage for the mountain rescue services for the persons practicing free-ride and extreme skiing and snowboarding, too; and convenience for the lovers of mountain sports the insurance can be signed even by sending an SMS.

At the beginning of 2010 Armeec Insurance JSC received license for insurance of railway vehicles and expanded its product portfolio by this completely new segment.

In 2010 Armeec Insurance JSC was partner and sponsor of number of local and national initiatives. The company became part of the national campaign To the school on foot, the purpose of which is to reduce the incidents with pedestrian children through improvement of the culture of traffic and developing responsibility and discipline about the young people. The initiative was a joint venture of Armeec, Foundation Pedestrians, the Ministry of education, youth and science, the Centre of the education and training companies, the Bulgarian forum of the business leaders, the Sofia Municipality and the Traffic Police.

Lead by the belief that anyone can help to improve the road traffic safety, the company took part in the campaign of the Traffic Policies Vacation! Let's safe the life of children on the road! with the brochure Advices for a safe travel, and at the beginning of the new study year in collaboration with the newspaper 24 hours the company issued the booklet Protect me, I am student!.

In June Armeec Insurance JSC was the official insurer of the exhibition TopGear Auto Show - Sofia 2010, where the latest in the world of the automobiles was presented and attracting the interest of the multiple automobile fans. The company provided the insurance coverage for the automobiles at the exhibition, and at the stand of the company the visitors could sign an insurance policy and receive professional insurance consultation.

Traditionally Armeec Insurance JSC sponsors the Bulgarian Karate Kyokushin Federation and with the assistance of

the company in 2010 the competitors of this sport presented themselves with dignity at the Third open European Championship in Karate Kyokushin-kan in Varna, as well as at other international events.

Taking into account the stable positions of the company, in August 2010 the Bulgarian credit rating agency (BCRA) confirmed the long-term rating of the capacity of Armeec Insurance JSC to cover claims, of iBBB (perspective stable), and short-term rating ia-3.



Armeec office, Stara Zagora

Future development

The future development of the insurance market, and in particular, of Armeec Insurance JSC, is directly connected with improving of the macro-economic environment and overcoming of the negative effects of the crisis, which shall be prerequisite for higher pace of its development.

Factors, which affect the activity of the sector during the year are the newly-introduced 2% tax upon the insurance premiums, as well as the recent provisions of the state regulator, aiming at increasing of the financial stability of the companies and the correct accounting for the risk, and hence, achieving of fair price for the insurance Third Party Liability.

The operation of Armeec Insurance JSC over the year is directed towards preservation of the market positions and achieving of positive financial result through quality and high professionalism in the customer service; development of flexible packages of products for provision of complex care for the insured persons; improvement of the procedures, concerning settlement of damages; expansion and improvement of the network of insurance agents all over the country.

The expectations of the company are for positive effect from the introduction over the year of the electronic policy and the system bonus-malus, using uniform approach and uniform source of information for all companies.

In 2011 the participation in the joint initiatives and development of joint projects with the companies from Chimimport Holding will continue aiming at increasing of their total flexibility, stability and recognition.

Within the competitive market environment the philosophy of the company is based on the recognized need of innovation, demand and supply of the best solutions, as well as the quick and timely adaptation to the changeable requirements of the clients.



Armeec office, Sofia

Insurance Single Member Stock Company CCB Life

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

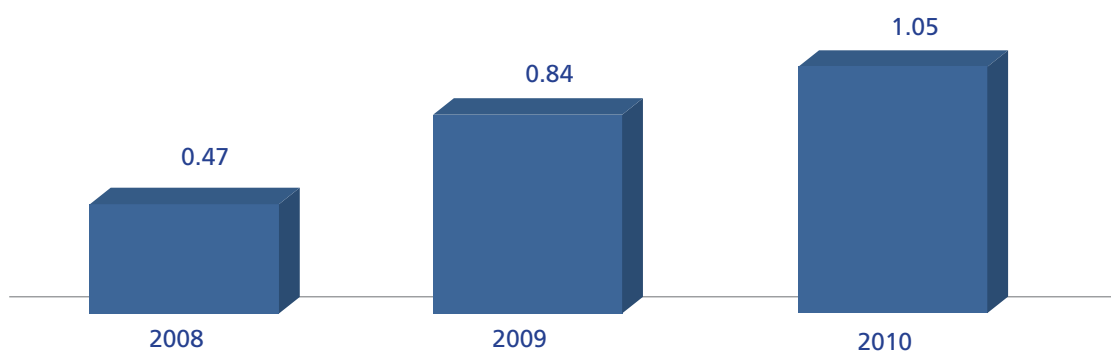
The main goal of CCB Life ISMSC is to provide first class customer services and effective insurance protection through wide range of insurance products. These include:

- Individual risk life policy;
- Multiple risk life policy;
- Borrower's life insurance policy;
- Individual savings insurance policy;
- Multiple savings life insurance policy;
- Combined policy with saving component and risk coverage;
- Labor safety obligatory policy.

The company aims at satisfying the individual needs of its clients by developing and effecting specific projects. Lufthansa Technik Sofia LTD, National Revenue Agency, State Enterprise Air Traffic Control, Bulgaria Air JSC, Hemus Air , National Construction Control Office, General Labor Inspectorate, Metropolitien , AES Maritsa Iztok 1 Services , Trace Build and many others rely on CCB Life ISMSC's team.

Since its foundation in late 2007 until now CCB Life ISMSC marks a stable premium income growth. The company carries out its activities countrywide through the expanded branch network of Armeec Insurance JSC and leading insurance brokers. CCB Life ISMSC enjoys extremely fruitful cooperation with Central Cooperative Bank JSC with respect to risk life insurance, and borrower's life insurance.

Growth of the gross income for 2008 - 2010 (EUR mln)



Pension Insurance Joint - Stock Company CCB Sila

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

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

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

In late 2002, the group of Chimimport acquires the majority share in The Pension Insurance Company. Up to that moment the number of persons being insured in CCB Sila 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 6.12 mln, 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 CCB JSC, increase the possibilities for a more quality service provided to the insured persons and better management of the means within the managed funds.



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

- As of 31.12.2010, within the managed by Pension Insurance JSC CCB Sila pension funds 362,443 persons are insured, which represents growth of 0.76% compared to the end of 2009, and 9.33% of the market share by the number of insured persons;
- Growth in the amount of net assets of the funds for additional pension insurance managed by the company can be noted in 2010 – from EUR 143.97 mln at the beginning, to EUR 180.90 mln at the end of the year. This represents an increase by EUR 36.93 mln or 25.65%, compared to 26.34% for the entire insurance market. By this indicator, the company preserves its market position of 8.87% as at the end of 2010.

Perspectives and development

The main goals for the development of the company set by its management after the acquisition are: increasing of the growth rate of the net assets in the funds, managed by Pension Insurance JSC CCB Sila, increasing of the market share by insured persons and by managed assets, increasing the recognisability and popularity of the brand CCB Sila, along with achieving income rate greater than the average for the market.



PIJC CCB Sila office, Sofia

Health Insurance Company CCB Zdrave Ltd

CCB Zdrave Health Insurance Company is licensed by Financial Supervision Commission with License No. 1332-HIC of November 19th 2007 having voluntary health insurance as subject of its business activity.

In attempt to render quality client services, CCB Zdrave HIC is contracting leading national medical institutions providing health services and products.

The existing information system ensures safe-keeping of data being collected throughout the insurance process.

All services offered by CCB Zdrave HIC guarantee quick and adequate access to health service providers for early diagnostics and therapy. This enables adequate treatment of eventual diseases and reduces the risk of their chronicisation. The temporary or permanent work ability loss and inability risks are restricted.

Content of health service packages

- Health improvement and disease prevention package includes: preventive medical check-ups; clinical laboratory and clinical instrumental tests; preventive examinations and tests for diseases of public health importance; immunization against virus diseases (influenza); health screening questionnaire. The number of physicians, their qualifications, as well as the examination number and type are all conforming the provisions of Regulation 3/2008 related to labor conditions. All preventive examinations are duly carried out in medical institution contracted by CCB Zdrave HIC.
- Non hospital health care package includes: primary our-of-hospital examinations by specialists and practitioners; secondary examinations, advices and references, including consulting qualified physicians by the phone; clinical laboratory tests, such as hematological, biochemical, haemostatic, enzymic, cytological and microbiological examinations to the extend of enabling the diagnosis and treatment of the health problem; clinical instrumental tests, such as top qualified functional examinations, diagnostic imaging (radiography, scanner, NMR, scintigraphy) to the extend of enabling the diagnosis and treatment of the health problem; therapy and systematic medical surveillance, i.e. medication and physiotherapy; treatment and procedures for controlling the disease and post-recovery; preparing the patient for his hospitalization in foresettled medical institution.
- Hospital medical assistance package includes: diagnostics and therapy of insured persons in clinics and departments of multifunctional and specialized hospitals for active treatment; hospitalization in relevant hospital sections; hospitalization in three (or more) bed rooms; examination and appointed treatment; consulting specialists from other sections, and other medical institutions; clinical laboratory tests to the extend of enabling the health problem diagnosis, surveillance and treatment depending on the section purpose; clinical instrumental tests and top qualified activities to the extend of enabling the health problem diagnosis and treatment; treatments to the extend of enabling the diagnosis and therapy until the patient is discharged; hospital treatment up to 25 days per year, including seven days in Anesthesiology Reanimation and Intensive Care Sector; low, intermediate and high complexity surgical interventions; recovery and sanatorium treatment in medical institutions for post-treatment and continuous therapy according to the medical indications: up to 14 days within the year limit; hormonal treatment; physiotherapy.
- Additional health services and products package includes: full range of medical and non medical services and auxiliary activities related to extra medical care for hospitalized patients by specialized medical staff, i.e. medical nurses and therapists in order to speed up the recovery process; medical expertise; ground and/or air transport and selected nutrition.
- Expenditure reimbursement package offers the option of reimbursing any expenses paid by insured persons for medicines, supports and dressings upon prescription.
- Dental care package includes: examinations, x-ray, anesthesia, dental therapeutic and surgical treatment. Invoice expenses are reimbursed following the dental services.

The plans of prospective development of the company include the mission of ensuring quality services and achieving mutual reliance between customers and operating teams. The company has stipulated contracts with over 260 state owned and private institutions throughout the country. The insured persons have the option of enjoying free medical assistance in respected hospitals, university and national centers, against individual health insurance card issued by the company. The territorial range allows providing the medical assistance in any place of the country.

Managing Company CCB Asset Management Ltd

Through its subsidiary CCB Asset Management, Chimimport possesses 500,000 shares, each of EUR 0.51, which represent 100% of the capital of CCB Asset Management, which has been established as a Managing Company on 22.11.2006 and was listed in the Companies Register of the Sofia City Court under company deed N°1413 on 05.02.2007.

The Company possesses a licence N° 24-UD of 18.01.2007 issued by the Financial Supervision Commission for performing activities of a managing company, namely: management of the activities of the collective investment schemes and of the investment companies of a closed type, including:

- Management of investments;
- Administration of the stakes or shares, including legal and accounting services relating to Asset management, requests for information by investors, assets assessment and calculation of the prices of the stakes or shares, control on compliance with the legislative requirements, keeping the book of stakeholders or shareholders, distribution of dividends and other payments, issuance, sale and re-purchase of stakes or shares, fulfillment of contracts, book-keeping;
- Marketing services;
- Management of an individual portfolio in accordance with a contract signed with the client, including a portfolio of a institutional investor, involving securities at own discretion without special orders by the client;
- Provision of investment consultations related to securities.

Since the beginning of June 2007 the company has been managing three contractual funds with a different risk profile:

- Contractual Fund CCB Lider – an aggressive type of contractual fund with an investment strategy of maintaining and improvement of the value of investments of the stakeholders through realization of a maximum income by taking medium to high risk, upon ensuring liquidity of the investments in stakes of the fund;
- Contractual Fund CCB Activ – a balanced type of contractual fund with an investment strategy of maintaining and improvement of the value of investments of the stakeholders through realization of a maximum income by taking medium risk and ensuring liquidity of the investments in stakes of the fund;
- Contractual Fund CCB Garant – a conservative type of contracted fund with an investment strategy of maintaining and improvement of the value of investments of the stakeholders through realization of a maximum income by taking minimum risk and ensuring liquidity of the investments in stakes of the fund.

The depositary bank of the contractual funds of MC CCB Asset Management is Eurobank EFG Bulgaria JSC. The Management Company has signed a contract with Central Cooperative Bank for distribution of stakes in the contractual funds.

As of 31.12.2010, the net assets managed by Managing Company CCB Asset Management Ltd amount to EUR 16.45 mln by the size of the managed net assets, Managing Company CCB Asset Management Ltd takes the fourth place in the ranking of the Bulgarian managing companies with market share of 7.6%.

Pension Insurance Company Saglasie JSC

In September 2005 Chimimport acquired 49.28% of the third largest pension insurance company in the country, according to the value of assets and market share, namely the Pension Insurance Company Saglasie.

The company was registered in 1995 and holds license №2 from the State Agency for Insurance Supervision (now Financial Supervision Commission), giving the right to perform the activity of additional pension insurance.

The registered share capital of the PIC Saglasie amounts to EUR 5.37 mln, distributed in 1,050,000 book-entry registered voting shares, with a nominal value of EUR 5.11 each.

PIC Saglasie marks continuous development in its operations. The company is one of the first joint-stock companies on the market of additional pension insurance in the country. It has over fourteen years of tradition in additional pension insurance and has an image of a reliable and secure partner in the field of pension insurance.

PIC Saglasie manages three funds, which operate on the basis of a capital principle:

- Universal pension fund Saglasie (UPF Saglasie);
- Occupational pension fund Saglasie (OPV Saglasie);
- Voluntary pension fund Saglasie (VPF Saglasie).

By the end of 2010 the company has 115 employees and over 4,000 insurance agents countrywide. Clients of Pension Insurance Company Saglasie JSC are assisted in 51 offices.

The net amount of assets under Saglasie JSC management increased over three times after 2005. The market share of the pension insurance company in terms of net assets in the managed funds increased from 9.83% in the end of 2005 to 11.76% by December 31 2010. The market share in terms of insured person number in managed funds grew up to 12.44% in the end of 2010 against 11.27% by December 31 2005. *

** This information is based on data provided by Financial Supervision Commission (www.fsc.bg). These data do not refer to prospective results.*



Perspectives and development

Saglasie JSC team took the necessary actions to introduce the multifund system with differential investment portfolios depending on the risk level, once the relevant legal base is achieved. This system will provide new options for long-term investments of pension assets.

In its prospective activity the company will focus on the growing risk management rate with investing the fund assets in additional pension insurance Saglasie.

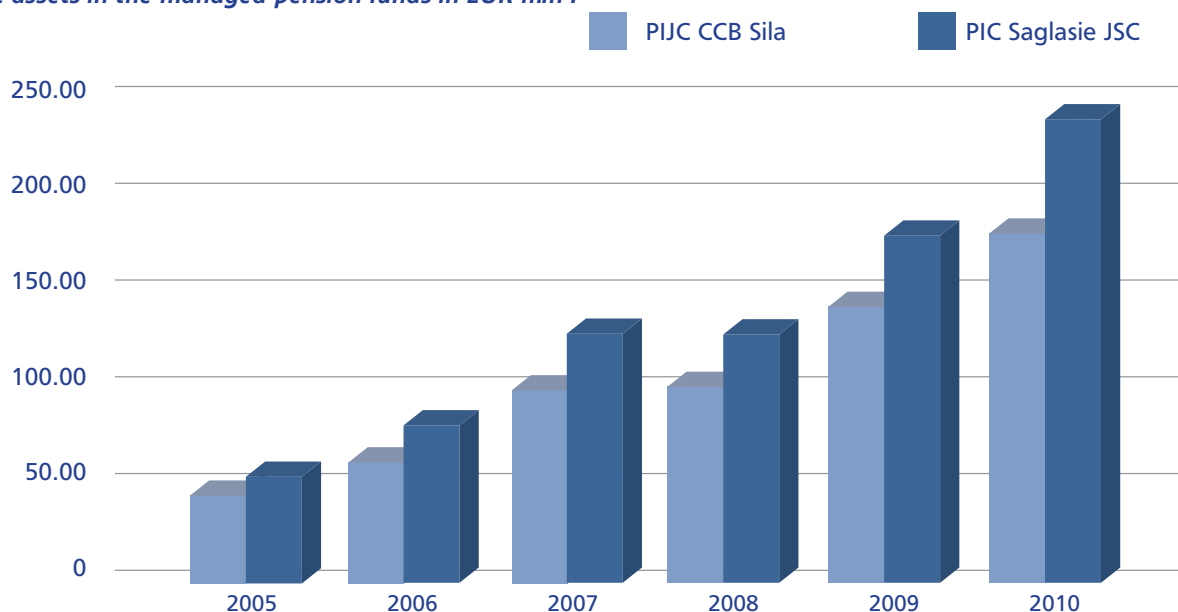
The market share of the funds managed by the company is expected to grow with attracting more newly insured persons and insured persons from other pension funds by expanding the sale streams and increasing the number of regional agencies.



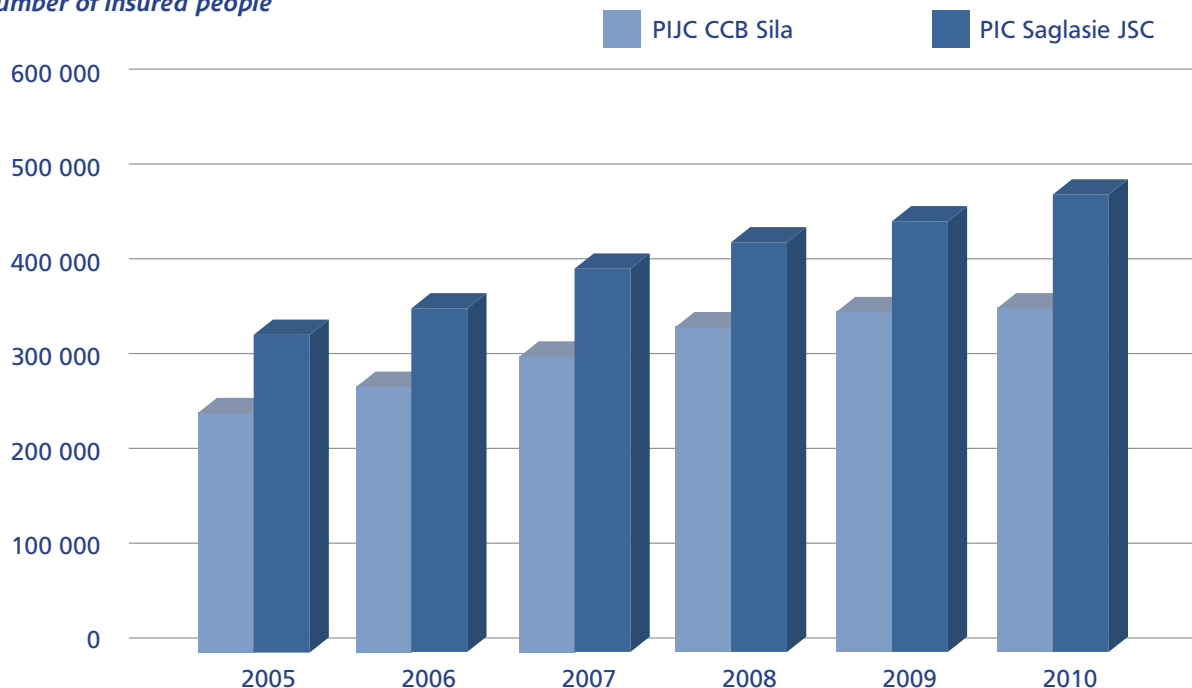
PIC Saglasie Sofia Headquarters

The net amount change of fund assets managed by the pension insurance companies, where Chimimport has shares is illustrated in the below graphic. The global financial slump reflected on the development of fund markets in 2008 and has influenced the amount of pension fund net assets.

Net assets in the managed pension funds in EUR mln :



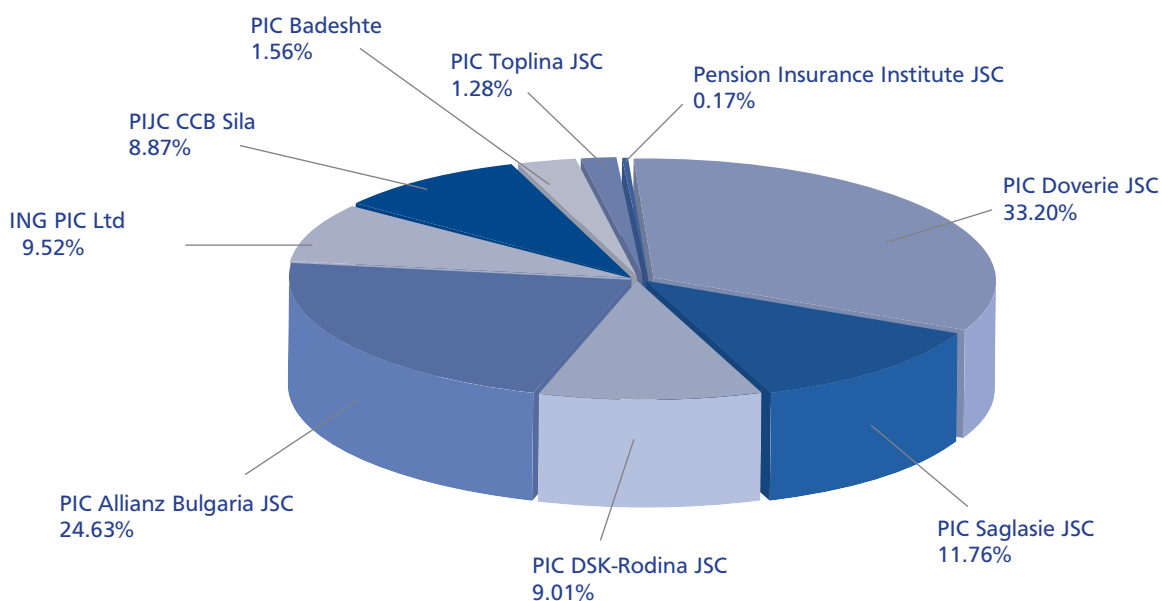
Number of insured people



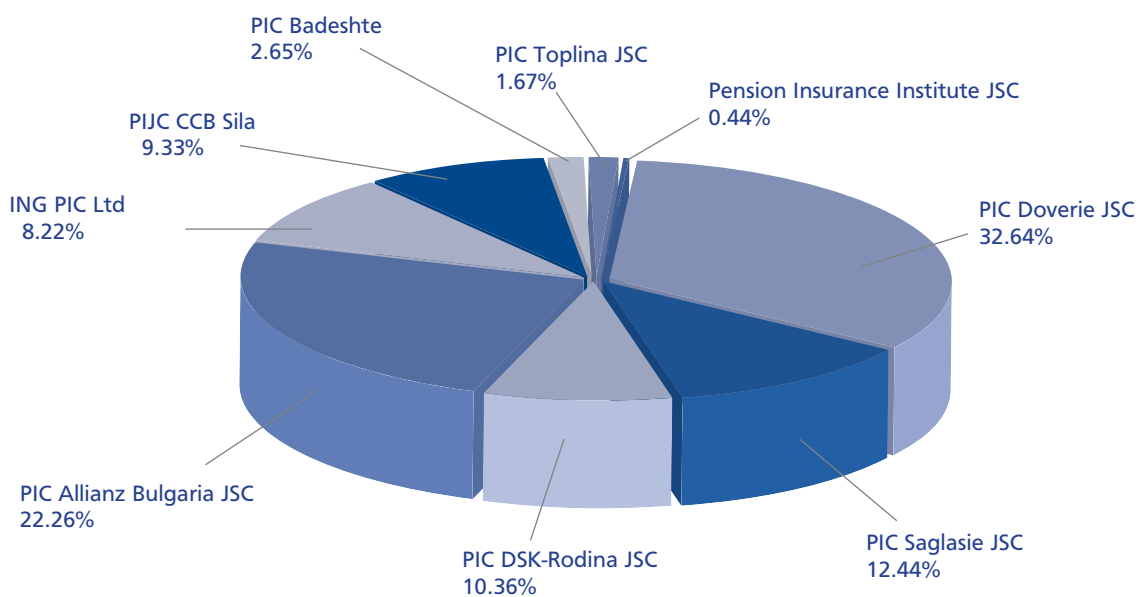
** The data is from The Financial Supervision Commission (www.fsc.bg). The data has not any connection by necessity with results in the future.*

The data for PIJC CCB Sila are compiled with the ones from PIC Lukoil Garant JSC after the transformation in January 2010.

Market share of pension insurance companies according to size of net assets within the pension funds managed by them as of 31.12.2010*



Market share of the pension insurance companies according to the number of insured persons in the pension funds managed by them as of 31.12.2010*



* The data is from The Financial Supervision Commission (www.fsc.bg). The data has not any connection by necessity with results in the future.

Capital Management SPIC

Capital Management is a joint-stock company with special investment objective 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 of a company with a special investment purpose.

Chimimport JSC controls 33.25% of the votes in the General Assembly of the Shareholders of Special Purpose Investment Company Capital Management through its subsidiary – Armeec Insurance JSC (19.59%), as well as through the pension funds, managed by Pension Insurance JSC CCB Sila and the contractual funds, managed by CCB Asset Management Ltd.

The subject of activity of Capital Management SPIC comprises attraction of funds through issuance of securities and investing of the cash resource collected in receivables (securitization of receivables), sale-purchase of receivables, along with implementation of other commercial activities, directly connected with the sale-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 Republic of Bulgaria. A large portion of the portfolio of Capital Management SPIC is formed by bank credits 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.

As of 31 December 2010, seven joint-stock companies with special investment purpose were licensed by the Financial Supervision Commission, which specialize in securitization of receivables. As of the same date, the total sum of the assets of Capital Management SPIC reached EUR 27.87 mln, which strengthened the statute of the company as an indisputable leader at the market for public securitization of receivables with market share of 60.89%.

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 of 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 cedents to be served within the funds collected by the ceded debtors. Furthermore, the cession contracts provide the option for the obligations towards the cedents to be settled not only by the monetary resource but also with deduction of liquid and exigible receivables towards the cedent.

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 at the market of receivables for a decade now, has at its disposal extremely qualified specialists with the professional knowledge and experience needed.

Depository bank of Capital Management SPIC is Unicredit Bulbank JCS.

Bulgaria Air
National Carrier www.air.bg



National Carrier



TRANSPORT SECTOR

Bulgarian Aviation Group

The investments of Chimimport in the aviation industry are mainly realized through Bulgarian Aviation Group, previously named Balkan Hemus Group Ltd.

Bulgarian Aviation Group is established in 2003 as a sole property of Chimimport with the aim of acquisition through its subsidiary Hemus Hold of 51% of the capital of Hemus Air. At the beginning of 2004 Hemus Hold won a tender and became the owner of aviotechnical base of Sofia airport, and at the end of 2004 the incorporation of Hemus Hold Ltd into Hemus Air was completed, Bulgarian Aviation Group acquiring sole control over the air company.

At the beginning of 2007 Bulgarian Aviation Group won the tender for the privatization of the national air carrier Bulgarian Air JSC. Bulgarian Aviation Group participates in the airline company Air Ban and Lufthansa Technik Sofia Ltd, as well. In 2011 Bulgarian Aviation Group plans to expand its collaboration with Lufthansa Technik Sofia by expansion of its hangar base, respectively, its capacity for performance of base technical service of the airplanes Boeing and Airbus.

In March 2011 Bulgarian Aviation Group plans to finalize the creation of two international projects within the Russian Federation. At the beginning of the spring, the establishment documents will be signed of the joint-venture companies - Closed JSC TAT AVIA, implementing the large-scale project for reconstruction and development of the International airport in Kazan, along with the documents related to establishment of Closed JSC TAT AERO – managing company, committed with the development of Open JSC – airline company Tatarstan. Regional centre for technical service of Boeing and Airbus airplanes will be constructed in the city of Kazan, and to this end, in 2011 will begin the construction of an own hangar for the airline company with two parking places within the first stage.

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

Bulgaria Air JSC

Bulgaria Air is a joint stock company and Bulgaria's national carrier. Until February 14 2007, its sole owner was the state represented by the Ministry of Transport. On February 14 2007 the company became private. The owner of its capital is Bulgarian Aviation Group, while one of the shares with progressive number 1 remains property of Bulgarian state.

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

Bulgaria Air air company carries out the following main activities:

- Regular international flights from Varna and Sofia include 28 destinations in Europe and the Middle East, also charter and business flights to more than 100 destinations. Together with its partners Bulgaria Air offers flights to more than 400 cities in Europe, Asia, Africa and North America;
- Charter air lines: The airplanes of the company are rented throughout the year by big tour operators for transport of tourists to various destinations in Europe, the Middle East and North Africa. Ad-hoc charter flights are also undertaken – single charter flights for corporate and private clients;



The Destinations of Bulgaria Air

- Leasing of airplanes: airplanes on wet leasing are offered to other air companies in Europe and the Middle East;
- Transport of cargo and mail: the air company works with all registered forwarding companies on the Bulgarian market and with some selected partners from the foreign markets;
- Board sales: the company offers on board the planes Sky shop service – sale of various items at flights within the EU and duty free sales in case of flights to destinations outside EU.

The air company is a member of the International Air Transport Association (IATA) and the International Clearing Payment System /BSP/.

Bulgaria Air distributes its product on the Bulgarian market via the tourist agencies and tour operators, as well as through its own sales offices (including Internet sales via its website: www.air.bg).

The air company works with more than 200 tourist agencies and tour operators in the country. The turnover on the Bulgarian market realized through the agencies, amounts to more than EUR 30 mln. The annual turnover of direct sales through own offices in the country and online sales come up to near EUR 13 mln.

The market share of the turnover on the Bulgarian market, which the company holds is 22.8%, whereas in terms of tickets sold it is 37.2%.



Airbus A319-112



Airbus A320-214

The main objective of the company is maintaining of the existing market share as well as improvement of the parameters in terms of transported passengers and the average income rate per passenger.

Bulgaria Air is a licensed agent of airport land service. The maintenance and the technical service of all airplanes is carried out in the own air technical base of the company at Sofia Airport.

Bulgaria Air employs 801 people, including 108 pilots and 143 cabin staff. Together with Hemus Air the company has representative offices in Athens, Brussels, Larnaka, London, Moscow, Paris, Rome, Tripoli, Frankfurt, Zurich.

Bulgaria Air is undertaking an ambitious program for expansion and optimization of its activities. Investments are made in modernization of the planes and cutting-edge technologies for more efficient management of the trade activities. The main objective is significant improvement of the quality of the offered transport service and introduction of higher standards of the services both in economy and business classes. In this way the purpose is to offer the client an optimal choice of a complete scale of services, offered by the other air carriers with comparable quality but at a better price. The main part of the investments is focused on replacement of the existing planes with new aviation equipment from Airbus concern, which allows longer destination flights, better efficiency and as a whole a better service.

The airline company has signed Code - share contracts with airline companies such as: Aerosvit, Alitalia, Austrian Airlines, Air France, Aeroflot, Iberia CSA, Lot, Malev and Tarom.

Currently, Bulgaria Air has at its disposal six airplanes type Airbus. In the same time, Bulgaria Air purchased two of the previously leased airplanes type Boeing 737, which considerably improved the ratio own/leased airplanes within its fleet. The company introduced modern Revenue Management system (AirMax of SABRE), the booking system of Amadeus, a modern platform for online sales through the web site of Bulgaria Air, along with a software for crew planning and maintenance planning for Lufthansa Technik.

Management strategy for fast-paced expansion of the commercial activity and penetration at new markets through expansion of the flight network, increasing of the frequencies of operation and attraction of new clients by means of bargain offers for direct and transfer flights, depending on the specifics of each particular market, is currently operating.

In August 2010 Bulgaria Air entered the next in the series of strategic partnerships. Silver Wings Ltd is a joint venture for aviation catering between Bulgaria Air (90%) and LSG Sky Chefs (10%, subsidiary of Deutsche Lufthansa AG).

Silver Wings Ltd was established as a clear message for change of the vision of the aviation catering and creation of a new product involving high quality and internationally recognized standards of operation.

Both partners have vast experience in the public catering business - LSG Sky Chefs is the biggest supplier of domestic flight services, and the Bulgarian partner holds strong positions in the restaurant sector at the local market, which have also been demonstrated by the commencement of the preparation for construction of three hotels in Varna, Burgas and Sofia, which will be part of the hotel chain branded under the trade mark of Bulgaria Air.

The new company shall be managed in full compliance with the internationally recognized standards of LSG Sky Chefs.

Financial data in EUR mln
Bulgaria Air

	2008	2009	2010
<i>Income</i>	171.54	154.08	173.40
Operational expenses	154.98	122.79	137.01
Including fuel	60.77	29.10	39.32
EBITDAR	16.56	31.30	36.39
Airplane rental	13.44	24.15	29.83
EBITDA	3.12	7.15	6.56
Profit	1.32	1.23	0.08
Net Profit	(0.03)	0.87	0.08

Basic indicators

Transported passengers domestic lines	118,543	119,103	131,291
Transported passengers international lines	869,274	695,607	712,084
Number of flights	6,781	5,466	5,441
Regular routes	39	37	32
Available armchair – kilometers /ASK/	2,300,740	2,238,111	2,210,778
Block hours	30,865	24,056	24,521
Sectors flown over	13,562	11,093	11,066
Loading (RPK/ASK)	65.0%	57.9%	60.1%
Average number of passengers per flight	146	149	155
Average income of passenger (EUR)		105.8	104.8

Passengers – statistics

Passengers on regular lines	987,817	814,710	843,375
Passengers on charter flights	264,906	268,720	254,219
Total number of transported passengers	1,252,723	1,083,430	1,097,594
RPK ('000) on international regular lines	1,507,859	1,294,938	1,329,278
RPK/ASK; international regular lines	65.9%	57.9%	60.1%
Average revenue international regular lines	234	207	205

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Hemus Air

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

After the privatization of Bulgaria Air, Hemus Air gradually incorporated with it in compliance with the adopted management strategy of the united air companies, whereas all the activities related to regular international lines and charter transport are transferred to Bulgaria Air. Hemus Air has a capital of EUR 13.08 mln, distributed in 25,586,530 registered book-entry with a face value of EUR 0.51 each.



Boeing 737 500



AVRO 146 - RJ70

Presently the air company carries out the following main activities:

- Renting of airplanes: Hemus Air offers its airplanes on wet leasing to other air companies, mainly in Europe and the Middle East;
- Cargo transport: Hemus Air has a permission for cargo transport;
- Maintenance and repair of: engines, hydraulic systems, electronic components and systems, planners.

The maintenance and the technical service of the airplanes is done in the own air technical base of the company at Sofia Airport, which was purchased at a tender at the beginning of 2004 and consists of two sheds with 4 airplane parking places for different types of airplanes, part of which are rented to other air companies.

The air company is a member of the International Air Transport Association /IATA/ and the International Clearing Payment System /BSP/.

Hemus Air employs 238 people, including 69 pilots and 66 cabin staff. Together with Bulgaria Air the company has representative offices in Athens, Brussels, Larnaka, London, Moscow, Paris, Rome, Tripoli, Frankfurt, Zurich.

United fleet of Bulgaria Air and Hemus Air:

Manufacturer	Type of aircraft	Operated by	Reg. number	Reg. sign	Configuration
Airbus	A319	Bulgaria Air	3564	LZ-FBA	12B/132Y
	A319	Bulgaria Air	3309	LZ-FBB	12B/132Y
	A319	Bulgaria Air	3028	LZ-FBF	12B/126Y
	A320	Bulgaria Air	2540	LZ-FBC	180Y
	A320	Bulgaria Air	2596	LZ-FBD	180Y
	A320	Bulgaria Air	3780	LZ-FBE	12B/156Y
Boeing	B737-300	Bulgaria Air	23717	LZ-BOU	148Y
	B737-300	Bulgaria Air	23833	LZ-BOV	148Y
	B737-300	Bulgaria Air	23834	LZ-BOW	148Y
	B737-500	Bulgaria Air	24785	VQ-BBN	12B/96Y
	B737-500	Bulgaria Air	25165	VQ-BBO	12B/86Y
	B737-500	Bulgaria Air	24665	VQ-BAP	142Y
ATP	ATR-42-300	Bulgaria Air	130	LZ-ATS	48(48Y)
	ATR-42-300	Bulgaria Air	151	LZ-ATR	46(48Y)
British Aerospace	BAe 146-200	Bulgaria Air	E2073	LZ-HBB	86(12C/74Y)
	BAe 146-200	Hemus Air	E2093	LZ-HBC	88(88Y)
	BAe 146-300	Hemus Air	E3141	LZ-HBD	97(97Y)
	BAe 146-300	Hemus Air	E3131	LZ-HBE	111(111Y)
	BAe 146-300	Hemus Air	E3159	LZ-HBF	110(110Y)
	BAe 146-300	Hemus Air	E3146	LZ-HBG	110(110Y)
	BAe 146-200	Bulgaria Air	E2103	LZ-HBZ	97(97Y)
Avro 146-RJ70	Hemus Air	E1258	LZ-TIM	26(26C)	



Airbus A320-214

FBC, FBD, FBE



Airbus A319-112

FBA, FBB

Airbus A319-111

FBF



Boeing 737-500

LZ-BOR, LZ-BOP, LZ-BOQ, LZ-BOY

Boeing 737-300

LZ-BOT, LZ-HVB, LZ-BOU, LZ-BOV, LZ-BOW, LZ-BOO



BAe 146-300

LZ-HBE, LZ-HBD, LZ-HBF, LZ-HBG

BAe 146-200

LZ-HBB, LZ-HBC, LZ-HBZ



ATR 42-300

LZ-ATS, LZ-ATR

Amadeus Bulgaria Ltd

On 11.09.2009 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 at the Bulgarian market for booking services, working with more than 320 tourist agencies. The company distributes the wide range of products of its parental company, which is 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, in 87,095 hotels, for 29 rent-a-car companies with more than 36,000 offices worldwide, ferry-boats, cruises, railway companies and many other. As of 31 January 2011, a total of 713 airline companies publish their flight timetable 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 an 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 the unique approach of the company 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 tourist 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 electronic 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 for its clients 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 sphere 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 unique at the market of the global distribution systems, which ensures the access to the system for its users 24 hours a day, 365 days a year.

Air Ban Ltd

At the end of the year 2008 Bulgarian Aviation Group acquired the entire capital of the company, specialized in implementation of air transport with helicopters, provision of assistance in cases of road accidents, air picture shooting and business flights.

Air Ban was established in 1993 for the purpose of offering a new type of services - special and charter air transport with helicopters and airplanes. The company holds a License for an aviation operator in accordance with the Civil Aviation Act of Republic of Bulgaria and Ordinance 24 of the Ministry of transport and has the right to implement specialized aviation works and commercial air transport.

Air Ban is licensed to perform the following specialized aviation activities:

- Patrolling and surveillance from the air;
- Transport of passengers, cargos and postage;
- Flights for medical emergency assistance;
- Search and rescue operations;
- Transport of organs for transplantation;
- Transport of cargos with external suspension;
- Sightseeing from the air, observation and photo shooting;
- Other types of flights.

In its practice so far, Air Ban has been working in cooperation with some of the leaders in the field of air medical flights the Swiss company REGA and the German ADAC. At the moment the technical servicing of the helicopters is performed in accordance with a contract with ADAC.

Air Ban has two helicopters of its own, type Eurocopter BO-105, based in Sofia and Varna, and a single AS 365 Dauphin.

The helicopters are equipped with powerful gas turbine engines, which allow the performing of flights over dry land and water. Thanks to their compact sizes, they can take off and land using extremely small platforms in densely populated city areas, as well as perform flights at heights up to 6,000 meters.

For medical flights the helicopters are equipped with special life-support medical equipment and depending on the necessity, they may have one or two stretchers. The seats for medical personnel are located in such a way that during the flight they can perform the necessary manipulations.

When intended for passengers, the helicopters have comfort seats, revealing good visibility to the ground.

In addition to its own aircrafts, in accordance with concluded contracts, the air company operates also with helicopters type Mi 8 and Ka 32, as well as airplanes of the type L 410, Yak 40, An 24, Tu 134, Tu 154 and Falcon 2000, which may be used for provision of emergencies in the case of heavy weather or when there is a large number of patients.

For special transport of VIP passengers in the country and abroad, the company offers helicopters AS 365 Dauphin, Mi 8, airplanes Tu 154 and Falcon 2000, equipped with everything necessary for a wonderful trip.

The aircompany employs extremely experienced pilots, capable of coping with any situation. The flight training of the pilots, as well as their long years of testing are performed by the partners of the company in Germany - ADAC.

Air Ban has an operational center, which supports daily operation of dispatchers, certified for this activity by Ministry of Transport and Telecommunications (MTT). The center has full aero-navigational information, thus easing the performance of flights, and also has state-of-the-art communication equipment, which allows the control of flights and maintenance of a constant communication with RWD, MTT, as well as the airports on the territory of Republic of Bulgaria and abroad.



AS 365 Dauphin

Lufthansa Technik Sofia State-of-the-art aircraft overhauls in Eastern Europe

Founded in the late summer of 2007 and opened in October 2008, Lufthansa Technik Sofia (LTSF) is a joint venture company between Lufthansa Technik AG (80%) and the Bulgarian Aviation Group (20%). The Bulgarian company specializes in the maintenance, repair and overhaul (MRO) of narrowbody aircraft in the Airbus A320 family and the Boeing 737 series (Classic and Next Generation). Lufthansa Technik Sofia is thus the fifth base in the Lufthansa Technik Group to specialize in the overhaul of short-and medium-or aircraft in Europe, after Lufthansa Technik's maintenance center in Berlin, Shannon Aerospace in Ireland, Lufthansa Technik Malta and Lufthansa Technik Budapest.

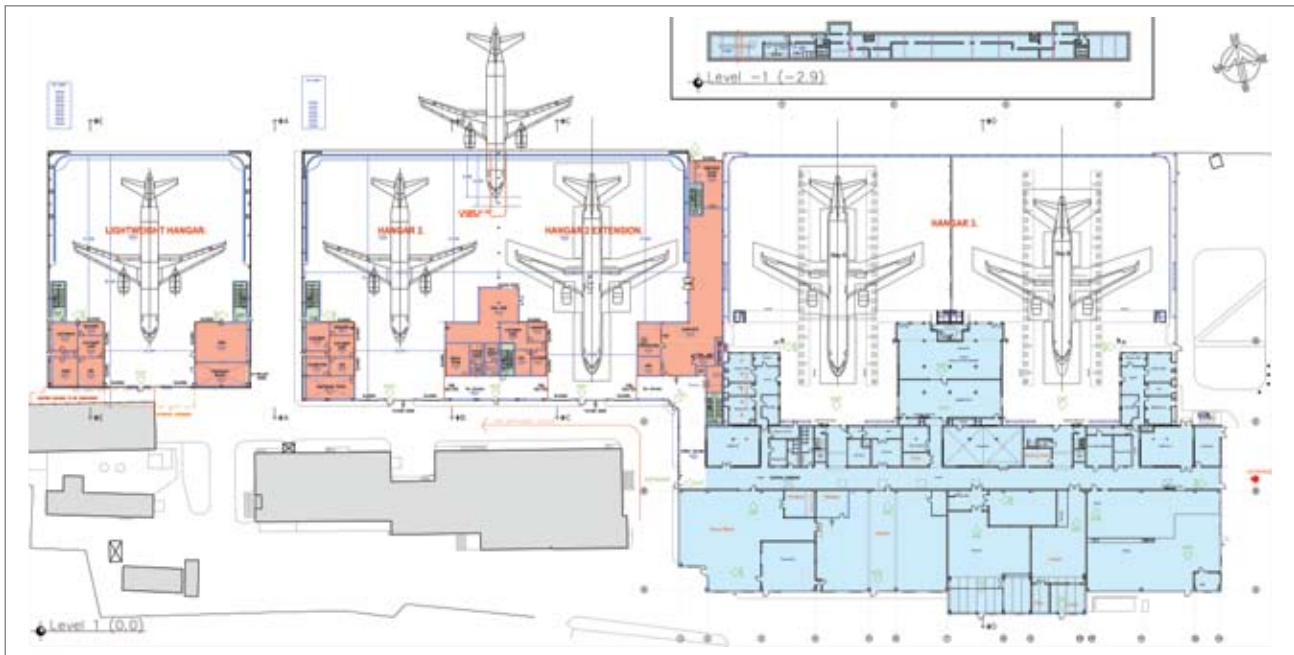
330 highly qualified staff work for the German-Bulgarian joint venture in a site that extends over a total area of 12,500 square meters. The modernized 6,000 square meters hangar can handle up to 24 overhaul checks (IL- and D-checks) per year, along with other maintenance work on narrowbody aircraft. Thanks to the use of state-of-the-art technologies it is even possible to paint aircraft in the hangar while overhaul work is being conducted in parallel. This saves valuable time that would otherwise be taken up with repositioning the aircraft in a separate paint shop. Lufthansa Technik Sofia is EASA Part 145-approved, the same approval under which the parent company, Lufthansa Technik also operates – another indication of the high standards of quality that are maintained within the company.

Within the first year after commissioning in October 2008, maintenance and overhaul work was carried out in Sofia on over 15 Airbus A319, A320, A321 and Boeing 737 aircraft. Lufthansa Technik Sofia's customers already include international airlines from West and East Europe and the USA.

With the foundation of Lufthansa Technik Sofia, another highly efficient company in the global MRO network of Lufthansa Technik AG has established itself on the market, offering excellent quality on competitive terms. This has been possible thanks to a combination of short layovers and a supply of mechanics and engineers who have received an excellent training from the local Civil Aviation Training Center in consultation with Lufthansa Technik. Here the staff of Lufthansa Technik Sofia benefit both from Bulgarian Aviation Group's long experience and the training expertise of Lufthansa Technik.

Hangar of Lufthansa Technik Sofia Ltd





Lufthansa Technik Sofia Ltd - Expansion plan 2012

Thanks to the geographic location of Lufthansa Technik Sofia on the south-eastern edge of Europe, the facilities are well equipped to meet the future needs of the market in the region. On current forecasts, demand for maintenance services specifically for the Airbus A320 and the Boeing 737 is expected to rise steadily over the coming years. Not only are the existing fleets of the low-cost carriers of Europe, the Middle East and North Africa continuing to grow, but at the same time many East European airlines are upgrading their fleets to Western aircraft types.

Lufthansa Technik Sofia Ltd



Fraport Twin Star Airport Management JSC

Fraport Twin Star Airport Management JSC is a consortium between Fraport AG Frankfurt Airport Services Worldwide, Germany holding 60% of the assets, and Airport Services EOOD Sofia, who owns the other 40%.

In late 2006 the company won the international concession tender for the airports of Varna and Bourgas, which are Bulgaria's major Black sea ports. The concession term is 35 years, where this German-Bulgarian consortium following its wide range investment program will operate, develop and expand these two maritime airports.

Fraport Twin Star Airport Management JSC is leading airport operator in the region. As a result of company's investment policy Bourgas and Varna airports are fitted with the latest aircraft servicing equipment and well trained team of professionals. The company is certified for all its activities according to EN ISO 9001:2008 by TUV Nord.

Annually, on both Bourgas and Varna airports the company provides services to over 3 mln passengers and nearly 30,000 flights for over 100 Bulgarian and foreign airline companies, operating charter and schedule flights to over 50 countries in Europe, Asia and Africa.

Over the last few years, beside the increased number of charter destinations, the maritime airports started to operate new year-round schedule flights.



Varna Airport

Each year new airline companies fly to Varna and Bourgas attracted by the favorable conditions and competitive fares offered by the company.

In 2010 Fraport Twin Star Airport Management JSC marked growth of total operated flights and passengers on both airports. Germany, Russia and Great Britain remain its key markets. In pick months, i.e. July and August, Bourgas airport was the busiest Bulgarian airport, operating more that 500,000 passengers monthly. Last year the airport marked 100% growth of operated cargo.

In 2010 the detailed construction plans of both airports were approved, which enabled the start of a long-term investment program of the company.

New passenger terminals have been designed by world known engineers of Halcrow Group, Pascal & Watson, and their Bulgarian partners Savant Elbul EOOD.

Bourgas airport ramps were expanded. The construction of new administrative, cargo and fire station building was launched in Bourgas, the construction site clearance in Varna, the second phase of construction site clearance in Bourgas, as well as activities related to infrastructural backup of new passenger terminals, and significant projects in environment protection.

In late 2010 Fraport Twin Star Airport Management JSC also launched a procedure of appointing contractor for the construction of new airport terminals in both maritime airports, which start is scheduled in 2011.



Bourgas Airport



Varna Airport



Bourgas Airport

Varna and Bourgas airport operator invests exclusively in its personnel training and development and focuses on the service quality. In order to ensure the airport operation, the company relies on experienced experts. Each year over 3,500 employees take part in various forms of professional, language, management, communication and other external and internal training courses.

A Personnel Training Center was established to ensure adequate professional training for the company employees, as well as to provide opportunities for their individual and professional career.

Fraport Twin Star Airport Management JSC operates in various sectors in terms of human resources development and increase further company's social commitment. A summer trainee's program was developed on local basis, as well as an international trainee's program supported by Fraport AG. With its sustainable charity policy the company supports the development of disadvantaged children in both Black sea regions, as well as in other parts of the country in partnership with non-governmental organizations.



Transintercar Ltd

Transintercar is a transport company within Chimimport, which develops car transport, providing the link between sea and river ports and terminals, the factories and grain bases and supplying to the intergroup and external clients the full range of car transport services.

One of the two main activities of the company is the performance of transport services with own fleet of car compositions – 39 modern trailers Mercedes Acxor, incl. 30 semi-trailers for grain carrying and 10 cisterns for carrying of petrol products and biodiesel.

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



Bulgarian Shipping Company Ltd

The Chimimport's investments in the river and sea transport industry are realized through its subsidiary Bulgarian Shipping Company, 100% property of Chimimport.

Bulgarian Shipping Company was established in 2006 with the purpose of consolidation of the participation of Chimimport in the river and sea transport.

In its capacity of a parent company Bulgarian Shipping Company executes effective control over its 2 subsidiaries: Bulgarian River Shipping – 82.84% share (directly and through related parties) and Bulgarian Logistic Company - 100%.

Through Bulgarian River Shipping, the Bulgarian Shipping Company owns majority participation in the stock of the following companies:

- VTC JSC – 51%;
- Mayak KM JSC – 94,25%;
- Interlichter Slovakia Ltd – 100%.



The company participates effectively in the management of:

- Ship Repair Yard Odessos – member of the Board of Directors (the Chimimport Group controls ~15% of the stock of the company);
- Port Lesport – subsidiary of Chimimport – 99%;
- Lesport Project Management – subsidiary of Port Lesport – 100%;
- Chimimport Hungary Ltd – subsidiary of Chimimport – 100%;
- Port Balchik – subsidiary of Zarneni hrani Bulgaria – 95%;

Bulgarian Shipping Company owns direct participation amounting to 5% of the share capital of Port Balchik.

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 river-sea, as well as improvement of the transport streams from/to Russia and the region. Pending is the construction of port terminal on the territory of Chimimport Bimas in Ruse – Eastern industrial zone.



Bulgarian River Shipping Plc

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

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 a seat 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.

In December 2005 by means of a deal on the BSE - Sofia Chimimport acquired 29.13% of the stock of the company. In 2006 after a competition for the sale of the majority share, held by the Privatization Agency, Chimimport bought also the state share amounting to 70%.

Chimimport through Bulgarian Shipping Company and other subsidiaries is the owner of 82.84% of the stock of Bulgarian River Shipping.

The share capital of the company has been increased on several occasions:

- on 8 December 2006 at an extraordinary general assembly of the shareholders of the company decision for increasing of its share capital was taken - from EUR 0.44 mln to EUR 0.60 mln;

- The consequent decision for an increase of share capital was taken at the regular general meeting of the shareholders, held on May 22nd, 2007, at which the share capital of Bulgarian River Shipping was increased from EUR 0.60 mln to EUR 14.81 mln;

- recent increase of the share capital of Bulgarian River Shipping was performed in December 2009, when via public offering of shares, the stock of the River Shipping was increased from EUR 14.81 mln to EUR 18.26 mln. As of end of 2010 shareholders in the company are 582 – legal entities and physical persons.

As of 31.12.2010 Bulgarian River Shipping has its own fleet comprising of:

- Self-powered boats – push boats– 21 pieces; self-powered boats with accessories – 3 pieces; towboats – 2 pieces; auxiliary boats – 3 pieces; ferryboat platform for transport of passengers and vehicles; passenger boat for 243 passengers;
- Non self-powered fleet: crew barges– 28 pieces; tankers – 4 pieces; crewless sections – 76 pieces; pontoons – 20 pieces.

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

- Transport of mass and general cargoes, draft non-hazardous cargoes and fuels and cargoes with large overall dimensions and concentrated cargoes;
- Container transport between Constanta and Belgrade;
- Ferryboat transport between Vidin and Calafat and Nikopol – T. Magurele;
- Ro-Ro transport – Passau – Vidin – Passau;
- Agency of Bulgarian and foreign ships in all Bulgarian ports;
- Forwarding activity, chartering of river and sea ships;



Reloading of heavy cargos in Constantza

- Organization of combined transport: river – railway transport – sea;
- Cruises in the Bulgarian section of Danube River by passenger boats.

Through Bulgarian Shipping Company Chimimport has undertaken the obligation to invest in Bulgarian River Shipping EUR 25 mln for the period 2007 – 2011, out of which as of 31 December 2008 EUR 15.12 mln have been absorbed, and the investments for 2009 amount to EUR 13 mln, and the same are to be approved by the Privatization and Post Privatization Control Agency after presentation of a report.

The main goal of the investment program is the increase in the tonnage of Bulgarian River Shipping and renewal of the ship fleet of the company – replacing old engines with new ones, made by Caterpillar; performing constructive changes in some of the pushers, which allows them to move freely at the upper part of the Danube river (from Budapest and Vienna towards Germany). The full reconstruction and replacement of the engines of 4 of the push-boats is already complete and the results from their operation are extremely good.

Special attention is paid to the construction of new vessels, as well as to the increase of the fleet through purchasing of vessels of other ship owners. Since the beginning of 2008, in accordance with a contract signed with Ship Machine Building – Varna, the construction of 6 closed dry-load barges was started (2,000 tons dry-cargo river barge of the type Europe-II). In 2009 – 2010 the construction of the series of 6 barges was completed and the same were put into operation. At the moment research and planning activities for the construction of self-propelled river vessels are under way.

At the beginning of 2010, implementing its investment program Bulgarian River Shipping JSC increased its fleet by:

- 10 river vessels, including 3 self-powered vessels with 3 barges, 2 non self-powered 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 some additional 9,400 t. of cargo capacity and 6,600 horse-powers;
- 4 non self-powered river barges and 1 push boat, purchased by East River Shipping Ltd – Ruse.

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

The investment program of Bulgarian River Shipping envisages also the building of a logistical centre with a capacity of over 25,000 sq.m., a base for storing and trading with petrol oil products with capacity of over 10,000 tons and grain silo with a capacity of 2,780 cubic meters on a territory of 161 decares, property of Bulgarian River Shipping in the town of Ruse - East industrial zone, immediately next to the Danube river.

In October 2010 the Ministry of transport, information technology and communications signed a contract with Bulgarian River Shipping JSC for concession upon the port terminal Vidin – North and the port terminal Ferryboat complex Vidin, parts of the Port for public transport of national significance - Vidin. The contract's term is 30 years.

In November 2010 Bulgarian River Shipping together with another 3 companies won the competition for port operator for the region of port Ruse. Subject of the contract signed is provision of access for rendering of port services on a territory, comprising the shore-line between km 493.8 and km 495.5 along the Danube River. By virtue of the contract the newly-established company PORT PRISTIS Ltd became operator of 11 ship berths, where port services shall be rendered to passenger and cargo ships.

With the signing of these 2 contracts the company expanded its main activity by more services – the ones of port operator, offering loading-unloading and port services for passenger and cargo ships.



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

Bulgarian River Shipping maintains:

- The only at the moment regular container line in Lower Danube between the ports Belgrade and Constanta. The maximum capacity in one direction is 80 numbers of 40 feet containers or 160 items of 20 feet containers;
- Own agencies in ports Ruse, Lom, Vidin, Svishtov and Sovovit, rendering agency services to the BRS vessels as well to other ship-owners;
- Representative agencies in the ports of Regensburg (Germany), Vienna, Budapest and Beograd, engaging in shipping of own and other vessels.

Bulgarian River Shipping disposes with own port complex in Ruse for carrying out repair-mechanical activities. In port Nikopol the company operates as a port operator and services arriving and departing passenger vessels.

Since December 2006 the company is certified by Germanischer Lloyd according to the Quality Managing System ISO 9001 – 2000.

As at the end of 2010 the number of the employed in the company persons is 554 employees.

Main financial results

Bulgarian River Shipping ends its production activity for 2010 with a reported result of 1,360.6 thousand tonnes of loads transported, including by coastwise relations. The total income of the company on a consolidated base reach EUR 20.64 mln, and the total cost amount to EUR 18.93 mln The financial result upon the taxation for 2010 is a profit amounting to EUR 1.53 mln.

EUR mln (consolidated, audited data)	2006	2007	2008	2009	2010
Sells earnings	17.02	23.22	29.09	30.54	20.35
Expenditures on economic elements	15.93	20.48	24.67	27.57	18.29
Amortization	0.38	1.01	1.22	1.02	0.92
Net profit	1.49	2.37	3.84	2.42	1.53
Non-operating assets	21.36	22.15	28.64	38.40	39.42
Current assets	3.63	4.77	6.84	7.09	8.50
Assets	24.99	26.91	35.47	45.48	47.92
Equity and reserves	17.85	19.77	22.95	33.71	34.88
Minority interests	0.58	0.78	1.43	1.33	1.71
Non-current liabilities	3.16	3.20	2.84	5.83	5.05
Current liabilities	3.40	3.18	8.25	4.60	6.28
Financial debt	3.00	3.09	7.40	2.14	2.06
Long-term	2.63	2.35	1.97	0.90	0.84
obligations under the loan	1.25	0.87	0.49	0.17	0.12
obtained by fin. institutions	-	-	-	-	-
payables to related companies	1.39	1.48	1.48	0.73	0.73

Short-term obligations under the loan obtained by fin. institutions	0.42	0.74	5.44	1.24	1.21
payables to related companies	-	-	-	-	-
Current part by the non-current debts	0.03	0.35	5.05	0.16	0.38
	0.39	0.38	0.38	1.08	0.83
Cash flow from operating activity	1.91	2.44	3.94	1.00	3.27
Cash flow by investments activity	(1.82)	(1.53)	(2.44)	(8.28)	(1.89)
Incl. CAPEX	(2.03)	(1.55)	(2.44)	(12.95)	(1.77)
Cash flow by financial activity	(0.07)	(0.53)	(0.59)	8.16	(0.97)
Amendments to cash during the period	0.02	0.39	0.91	0.87	0.41
Cash at the end of the period	0.56	0.96	1.86	2.74	3.14

At present Bulgarian River Shipping is the biggest Bulgarian carrier on the Danube. The company can hardly be displaced from the top positions in shipping of the mass cargoes, such as coals, ore, coke, grain etc.

The company activity is orientated in 3 main directions:

- Eastern – nearly 30% of the company activity is directed to this relation, whereas mainly import of raw materials from Ukraine and Russia to Bulgaria are transported;
- Western – forms 15% of the company activity and includes shipments between Bulgaria and the rest Danube countries in Central and Western Europe;
- Between third countries – forms 55% of the company activity and includes all shipments between dispatch ports different from the Bulgarian.

As a perspective in the sea transport, the company intends to develop the sea ferry line Varna – port Caucasus (Russia).

Bulgarian River Shipping co-operate successfully with more than 200 small and big companies from Bulgaria and Europe.



The administration building of Bulgarian River Shipping Ruse

VTC JSC

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

VTC has a business activity maritime and navigation services, tugboat activity, including carrying out of the port service towage, vessels tow or pushing, agency, vessels chartering and freight, vessels operating and shiphandler, bunker, shipping and complex transport activity in the country and abroad, representation of the domestic and foreign individuals and legal entities, consultations and expertises in the field of the maritime transport, calculation of the ship freight, management of the all business activity, as well as performance of any other services related to shipping.

VTC has a main business carrying out a tugboat services in all ports in Varna (Varna-East, SRW Odesos, Bulyard, Petrol, PChMV, Lesport, MTG Delfin, TEC Varna, TEREM, Varna-West), as well as in Port Balchik. Carrying out tugboat services includes maneuvers in introducing and taking out of the vessels, vessels tie and untie, vessels moving from one wharf place to the other, as well as shipment of the people, loads and equipment of vessels, located in the sea.

The company possesses three tugboats: CAHMAP XII, CAHMAP XIII and CAHMAP XIV, with which it carries out its main activity. 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;

Sanmar tugboats





Tugs Sanmar

- Engines – CATERPILLAR 2 x 746kW (2 x 1014BHP);
- Bollard Pull - 27 t.

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. Over the last two years the company extended its main activities with scheduled tugging between Varna and Bourgas, as well as between Varna and Constance.

In 2010 VTC realized income amounting to EUR 2.03 mln. The income of the company have grown by 9% compared to the income, realized in 2009.

VTC preserves its position of leader at the market of tugging services in port Varna and port Balchik. 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, SRY Odessos JSC, Overseas Comers Company Limited Ltd, Sea Partner Shipping Ltd, etc. In 2010 VTC serviced more than 850 ships, which visited the ports in Varna and Balchik.

In 2010 the Board of Directors of VTC researched the possibilities for purchasing of towboat and carried out negotiations with leading ship building companies. In 2011 the company planned increase in its fleet by another towboat.

Mayak KM JSC

Mayak KM is subsidiary of Bulgarian River Shipping. It was found in 1968. The subject of activity of the company is production of the deck cranes, cranes for steal-engine room, grabs, fans, cargo winches, small helm machinery, steel structures for shipbuilding and construction, etc.

During the last years it produces components of the hydraulic systems for operating and managing of the sea vessels and floating works.

In 2008 the company produced a series of new-ware including hydraulic incliner and emergency stairs for business buildings. In 2009 the company participated in the construction of terminal for grain processing – Port Balchik, constructing the metal structure of the silo ramp.

In 2010 Mayak KM developed and constructed for Bulgarian River Shipping a medium platform for Ro-Ro barge.

The main client of the company during the last 10 years is Rolls-Royce – Finland. The successful implementation of the orders for Rolls-Royce attracted new clients - Polarteknik, Fluid House and Bosch Rexroth. With Rolls-Royce the company has a signed frame contract until 2011, with an option for extension.

The sales for Rolls-Royce, Polarteknik, Fluid House and Bosch Rexroth constitute around 90% of the total amount of Mayak – KM.

In 2010 was implemented a pilot order for Rolls-Royce Marine AS – Norway, which was approved by the client and in the last quarter of 2010 the first regular orders were implemented.

The income from the activity of the company in 2010 amounts to EUR 1.45 mln, and in 2009 – EUR 2.12 mln. The profit realized in 2010 is EUR 0.15 mln, and in 2009 – EUR 0.25 mln.

Port Lesport JSC

Port Lesport, city of Varna, was registered in March 2005. The company has a capital of EUR 7.67 mln, and 99% of the shares are owned by Chimimport.

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

General features of the Port

Port Lesport is situated on the north side of the Varna lake. It is at about 8 km from the entry lighthouse St. Nikolai Chudotvorec. Because of its location, the Port is protected from wind and tides and is accessible throughout the 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 land area is 124 decares. The Port has three ship spaces with a length of 460 m and maximum wade of 9,40 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 port cranes of Kirovets brand each with hoisting capacity of 10 tons, big Abus portal crane with hoisting capacity of 10 tons, and 2 modern Sennebogen diesel cranes each with hoisting capacity of 10 tons.

The port is in possession of metal platform construction where the inner transport vehicles can unload the exportable grain, and the port cranes can upload the grain on board. The company also owns modern hoisting equipment and bulldozers of Volvo brand to process loose loads.

Port Lesport JSC is holder of Operational Certificate 1/ 12.10.2007 for processing general, loose and ro-ro cargoes, and loose vegetative food cargoes. This certificate is valid till 2012.



Port Lesport, Varna

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 certificate is valid until 2013.

The port area has technical and structural possibilities to maintain and repair all its facilities. 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 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 grain timber, scrap and black metal exporters.

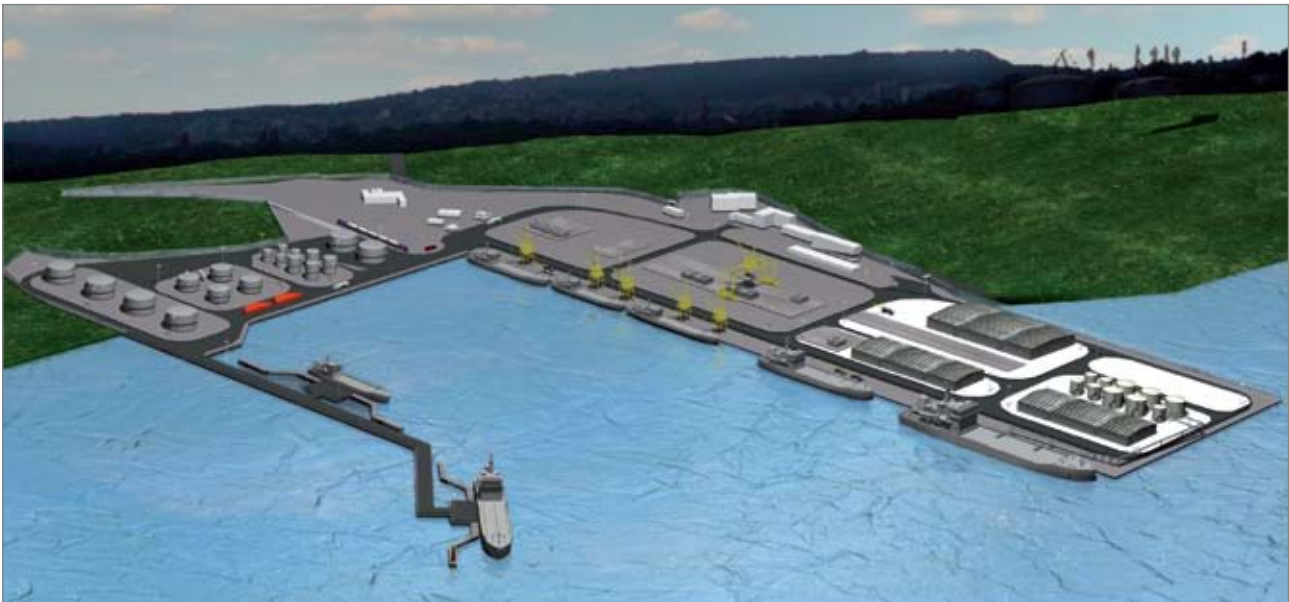
The approved General plan for Port Lesport development is in effect since February 8th 2008, using the experience of world famous Dutch consulting and engineering company Royal Haskoning. The General plan includes wide range port expanding, construction of two independent terminals for grain and liquid processing by incorporating new areas of Varna lake.

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 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 mln tons. The oil, petroleum, biodiesel and vegetative oils terminal will be located on newly established area along Varna lake aquatory.

Over the first ten years of concession period the estimated investments in Port Lesport JSC exceed EUR 50.62 mln, while the total concession period investments amount to EUR 66 mln.

The company ensures control against environmental pollution by developing an environmental impact assessment report and assessment of investment offer compliance and its impact on birds habitat in protected areas under Natura 2000 project.

Resolution for assessment of environmental impact of investment offer for the expanding of Lesport Varna port terminal is in effect since December 28th 2009; the resolution is issued by the Minister of Environment and Water and has 5 year validity. The DDP-ZDP (Detailed Development Plan – Zoning Development Plan) procedure of Lesport terminal is estimated to enter into effect in 2010, followed by the amendment of concession territory by the Council of Ministers.



Designing the extension of Lesport terminal

With the decision of European Communities Commission of June 10th 2009, Port Lesport JSC was approved for financial grant under TEN-T (Trans European Transport Network) program.

The Community funding is for a project of common interest 2008-BG-90300-S - Studies related to the port expansion project for Lesport terminal as part of Varna port regarding implementation of European Standards in Bulgaria. The project meets perfectly the requirements for optimizing the capacity of port activities in satisfying the domestic and EU's needs.

With regard to this project in late 2009 was launched contractual procedure with announced public procurement with subject of Designing the extension of Lesport terminal. The procedure announce was published in the Official Journal of the European Union. Bulgarian-Dutch consortium Energoproject-Royal Haskoning was appointed contractor. The contract is in process of execution and is expected to finish with completed investment project until the end of this year.

In order to optimize the terminal operational capacity, efficiency enhancement of loading operations, turnover and expanding project implementation from the date where the concession contract is in effect, Port Lesport JSC had made the following investments:

- From May 30th 2006 till Dec 31st 2009: EUR 5.44 mln;
- From Jan 1st 2010 till Dec 31st 2010: EUR 0.52 mln.

Effected ship and cargo turnover of Port Lesport JSC since it operates the terminal is as follows:

- May 30th – Dec 31st 2006: 138 ships and 282,000 tons of cargo;
- Jan 1st – Dec 31st 2007: 178 ships and 395,114 tons of cargo, i.e. 40% growth towards 2006;
- Jan 1st – Dec 31st 2008: 177 ships and 434,243 tons of cargo, i.e. 10% growth towards 2007;
- Jan 1st – Dec 31st 2009: 239 ships and 656,130 tons of cargo, i.e. 51% growth towards 2008;
- Jan 1st – Dec 31st 2010: 252 ships and 635,892 tons of cargo, i.e. over 45% growth towards 2006, 2007 and 2008.



Port Lesport

In 2010 here is worked off a record-breaking amount of metal scrap – 99 485 tones, which is 132% more compared to 2009. There is an increase of the amount of the worked off color metal and wooden materials as well, with 64% and 62% compared to the last year respectively.

The gross income from the activity of Port Lesport JSC is as follows:

- For the financial Year 2006 - EUR 1.09 mln;
- For the financial Year 2007 - EUR 1.77 mln;
- For the financial Year 2008 - EUR 2.28 mln;
- For the financial Year 2009 – EUR 2.90 mln;
- For the financial Year 2010 – EUR 2.67 mln.

Lesport Project Management Ltd

Lesport Project Management was created to manage a project of common interest– “Studies related to the port expansion for Lesport as part of Port Varna regarding implementation of European standards in Bulgaria”.

Lesport Project Management is registered in the Commercial register on 7 September 2009 by decision of the Board of Directors of Port Lesport JSC. Sole owner of the stock, which amounts to EUR 10.23 mln, is Port Lesport JSC.

Upon completion of the activities under the above project, the company will assist Port Lesport JSC with the application at the European Commission for the TEN-T program, the stage of building up new infrastructure related to expansion of the Lesport terminal as a part of the Varna port.

The upcoming activities during the next 3 years related to management of the implementation of the Lesport terminal expansion as a part of Varna port, also constitute a part of Port Lesport JSC duties as a concessionaire.

The key activities of Lesport Project Management are as follows:

- launching the implementation of the project “Studies related to the port expansion for Lesport as part of Port Varna regarding implementation of European standards in Bulgaria”;
- direction and technical management of each design phase of the Lesport terminal expansion – conceptual, technical and working design, and management of the design development of the separate sub-sites;
- preparation application documentation for the TEN-T program – a multi-year program;
- direction and management of construction through personnel re-structuring.

Lesport Project Management operates in the field of the specialized consultancy on business management and other kinds of management.

Lesport Project Management was created to provide specialized consultancy services exclusively to Port Lesport JSC and other related companies, pursuant to paragraph 1, item 24 of the Additional Provisions of the Public Procurement Act.

Service Sale Plan – annual turnover from service sale:

- 2010 – Estimated income – EUR 0.08 mln;
- 2011 – Estimated income – EUR 0.15 mln;
- 2012 – Estimated income – EUR 0.17 mln.



Ship Machine-Building JSC

Ship Machine-Building was established in 1962 with the merger of small companies, which produced naval products.

The general activities of the company are:

- 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 armoured concrete bodies: car parks, hotels, hospitals, etc.

Ship Machine-Building is the only company in Bulgaria, which has 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 200 sets of hatch covers to its Bulgarian and foreign clients.

The company has a great experience in the construction of tugged floating facilities on armoured concrete bodies and the production of steel constructions – over 350 floating machines (mainly from 'workshop' type) and over 75,000 tons of steel constructions have been supplied.

Dry dock



Clients

Among the active company clients at the moment are: Bulgarian River Shipping, Boulyard Shipbuilding Industry, SRY Odessos.

Ship Machine-Building is a traditional supplier of specialized naval equipment to some of the leaders in the global ship building, such as: MacGREGOR (FIN) Oyj, Finland, TTS Ships Equipment AB, Sweden, Volharding Shipyards Newbuilding B.V., Netherlands, etc.

Suppliers of basic materials

Steel in sheets: Intercom Group Ltd, Varna, Steel Industry JSC, town of Pernik, Mayak - KM, city of Bourgas, Balkan Steel LLC, USA.

Profile steel material: Unimat Ltd, city of Varna, G. Baglietto Naval Steel SAS, Italy.

The favourable tendency in the development of the Bulgarian ship building and the good market standing of the company in this type of business are the reasons that do not expect a change in the current production of naval equipment (mainly hatch covers), construction of 2,000 ton tugged river barges according to project RPB-020, as well as the construction of vessels related to other projects.

In the last years the company implemented a strategic investment programme, which amounts to a total of EUR 1 mln investments. The programme is directed towards a desired increase in the company capital, 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 programme the company has created several conditions for active ship building of vessels with maximum length of 90 m and maximum weight of 1,200 tons.

Ship Repair Yard Odessos

Ship Repair Yard Odessos has existed as a separate company since 1964 and one year later becomes a unit of SO Water Transport subjected to the Ministry of Transport. After 1991 the company was gradually transformed into Ltd, JSC, and presently it is a public joint-stock, as the shares, which are issued by Ship Repair Yard Odessos has been registered for trade on the Official Market of Equities, segment B of BSE – 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.

Around 90% of the revenue of Ship Repair Yard Odessos are from foreign clients, mainly from western Europe: the Netherlands, Germany, Sweden, Greece, etc, as well as from the USA, Thailand, Ukraine, etc.

The dockyard takes around 40% of the market share in the dockyard sector in the region of the city of Varna.

The data show that the relative share of export in 2010 remained high, while the share of Bulgarian ships of the overall ship repair works decreased. Maintenance of business contacts and partnerships with world-renowned ship companies, which are the traditional clients of SRY Odessos JSC, is continued.

Of extreme importance for the development of the company is the commissioning in the second half of 2010 of the new floating dock with load capacity of 20,000 Tones, which was constructed by demand of SCY Odessos JSC, and is the largest investment of the yard since 1985.

Ship Repair Yard Odessos





Ship Repair Yard Odessos

The new floating dock allows for repair of ships of quite greater displacement /deadweight/, which in the crisis situation at the ship repair market contributed to the achievement of positive performance results in 2010, too.

The share capital of SRY Odessos JSC is EUR 0.30 mln and it is distributed into 586,642 non-materialized registered voting shares, with face value of EUR 0.51 each, and it has not been changed since the company's establishment.

Chimimport JSC takes part in the management of SRY Odessos JSC through the Bulgarian Shipping Company, appointed as a Member of the Board of Directors of the company by a General Assembly Decision on January 12, 2007.





TRADE AND
PRODUCTION SECTOR

Chimimport Group JSC

Chimimport Group is the company in the structure of Chimimport, whose purpose is the realization of the strategic program for the development of the companies from the commercial and production sector, in accordance with the long-term goals of the holding in this area.

Chimimport Group actively supports and coordinates the activity of the subsidiaries mentioned above like: assisting their vertical and horizontal integration and increasing of their competitive advantages; supports the funding of the companies; consults their material and technical development; the establishment and installation of new capacities; the research and positioning on new markets; aids the relation with foreign counterparties and commercial partners.

Companies with proven national significance are included in the Production-Trade Sector of Chimimport:

- Oil and Gas Exploration and Production is the only Bulgarian company, performing the full scope of activities on surveying, researching, development and exploitation of petrol and gas fields, as well as processing raw petrol to final products for the market.
- Zarneni hrani Bulgaria is one of the leaders on the Bulgarian market in buying out, storing and trading with grain and oil seeds; in the production and sales of plant oils, including bottled sunflower oil; the production and trading with biodiesel (the largest and most modern factory in the county at the moment). With the acquisition of Goliama Dobrudzhanska Melnitsa Ltd at the beginning of 2009 Zarneni hrani Bulgaria has successfully expanded its presence in another important sub-branch with the main business of the company.
- Assenova krepost – company established in 1964 with main business the production and trading with polymer packages and materials. The company has over 40 years of experience in the production of flexible polymer packages – transport, consumer, foils for agriculture and construction, and more than 20 years traditions in the production of woven bags and flexible containers from polymer materials with a well-established infrastructure, production capabilities and experience.
- Chimimport Pharma JSC - established in 2003 as a subsidiary of Chimimport. The company activities include representation, import and distribution of medicines and medicine consumables for the needs of hospitals in Bulgaria. Chimimport Pharma is also licensed to import medicines, not registered in Bulgaria. Chimimport Pharma is an exclusive distributor of Talecris Biotherapeutics Inc. USA, Kedion S.p.A, Italy, Octapharma AG, Sweden and delivers the life-saving products, manufactured by these companies. The company is a partner of a number of Bulgarian and foreign pharmaceutical companies, among which – Actavis, Unipharma, Bayer- Schering AG, Abbott, Schering-plough Corp., Wyeth Lederle-Whitehall, Halocarbon Products Corp. etc.
- Bulchimtrade – company registered on 17.11.2008 with the purpose of optimising and concentrating the activity of the subsidiaries of Chimimport - Rubber Trade, Orgachim Trading 2008, Chimoil Trade and Chimtrans.

Oil and Gas Exploration and Production JSC

Oil and Gas Exploration and Production – Sofia 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 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 have many years of proven experience and achieved results both on the territory of Bulgaria and in performing petrol projects in Libia (Bulgarian petrol concessions NC-100 Gadames and NC-101 Morzuk), Siria, Iraq, etc.

The registered capital of Oil and Gas Exploration and Production is to the amount of EUR 6.25 mln. Since September 2002 the company is public and at present its shares have been accepted for trading in Segment B on the Official Market of BSE - Sofia. Chimimport possesses directly and through related parties 54.24% from the capital.

Oil and Gas Exploration and Production 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.



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The main subject of Oil and Gas Exploration and Production JSC 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;
- specific maintenance and foreign trade operations;
- oil and condensed processing;
- service geological and geophysical activity in prospecting and researching of fields in the country and abroad;
- design, production and maintenance activities in geology and geophysics fields;
- construction of oil and gas pipelines, and installation of facilities operating under pressure.

Oil and Gas Exploration and Production JSC 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 March 1st 2011 Oil and Gas Exploration and Production JSC holds the right of oil and gas prospecting and survey in three blocks (e.g. Block 1-4 Kavarna, Block 1-12 Kneja and Block 1-17 Ovcha mogila) of total surface over 2,000 sq. km., located on the territory of Bulgaria, and one block (Shabla) of 2,290 sq. km. in the northern part of Bulgarian Black Sea Shelf.

After its acquisition by Chimimport in 2004 Oil and Gas Exploration and Production JSC 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. Since late 2010 the company brought into operation the newly purchased modern top class cyber-drilling equipment, which ensures high performance and technical safety in tracing deep prospecting, assessment and operational oil probing.



IDEAL - 1500 Drill Rig

EUR mln (consolidated, audited data)	2006	2007	2008	2009	2010
Sells earnings	17.04	18.72	24.13	13.96	13.21
Expenditures on economic elements	14.03	15.18	20.89	12.42	11.12
Amortization	1.21	1.03	1.15	1.21	2.44
Net profit	2.65	3.02	3.73	3.25	3.01
Non-operating assets	11.58	14.03	16.00	27.58	27.37
Current assets	27.83	25.22	27.75	26.42	26.47
Assets	39.41	38.21	43.75	53.84	53.84
Equity and reserves	21.92	25.17	28.86	32.09	35.04
Minority interests	0.20	1.95	1.83	1.85	1.91
Non-current liabilities	0.61	0.55	1.60	10.22	9.52
Current liabilities	16.69	11.57	11.47	9.85	7.39
Financial debt	0.48	0.44	0.16	1.62	4.01
Long-term					
obligations under the loan obtained by fin. institutions	-	-	-	-	-
payables to related companies	-	-	-	-	-
Short-term	0.48	0.44	0.16	1.62	4.01
obligations under the loan obtained by fin. institutions	-	-	-	-	-
payables to related companies	0.32	0.30	0.05	0.16	2.59
Current part by the non-current debts	0.16	0.14	0.11	1.46	1.42
Cash flow from operating activity	0.74	(1.07)	3.43	1.08	2.54
Cash flow by investments activity	0.52	0.94	(3.64)	(0.79)	(1.31)
Incl. CAPEX	(0.59)	(0,15)	(3.48)	(0.37)	(0.67)
Cash flow by financial activity	(0,32)	0,26	0.46	(0,07)	(1.42)
Amendments to cash during the period	0.93	(0.75)	0.29	0.21	(0.19)
Cash at the end of the period	1.66	1.81	1.10	1.31	1.11

In 2004 Oil and Gas Exploration and Production established three new companies: Geophysical Research Ltd, Bulgarian Drilling Company Ltd and Bulgarian Petroleum Refinery Ltd, where Oil and Gas Exploration and Production is the sole owner of the capital.

In 2008 a contract was signed for merging of Bulgarian Drilling Company Ltd, Geophysical Research Ltd, Petro Gas Antika Ltd and PDNG Oil Ltd into Oil and Gas Exploration and Production. The merging procedure ended in March 2009. In 2009 the activity of the merged companies is performed by Oil and Gas Exploration and Production.

Oil and Gas Exploration and Production 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 dying industry, diluents, lightning kerosene, leadless car benzines, diesel engine fuels, industrial petrol, fuel for burning in stationary fuel installations, ship fuels, boiler fuels.

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, expoloration 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.



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Chimoil BG Ltd

Chimoil BG Ltd is subsidiary of Oil and Gas Exploration and Production JSC. The company's main activity comprises the supply, storage and sale of petroleum products at petrol stations and petrol depots.

The company initiated its operations in the second half of 2010, and at the end of 2010 the company had three operating petrol stations – one station in Sofia city, and two stations in Dobrich town. The company is planning on building up a chain of petrol stations, at least 30 stations, which will be situated at good locations in Bulgaria's major urban centres and roads. Chimoil BG Ltd is also planning on building up petrol depots for storage and wholesale of petroleum products in Sofia, and at the main river and sea Bulgarian ports. Constructions of petroleum terminals are planned in the following port cities: Varna, Burgas, Ruse and Vidin.

At the end of 2010, three main petrol depots are in the process of design at a very advanced stage – in Sofia, Varna and Ruse.



Petrol-stations Chimoil BG

Accounting House HGH Consult

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

The company mission is to provide Chimimport 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 employed 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 JSC and its subsidiaries.

Prime Lega Consult

During the last decade Chimimport realized an investment program on 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 main business: law consultancy services, management, finance, investment, privatization, intellectual property, contracts and trade relationships activities analyses.

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

The combination between the long year experience in the classical legal branches and the accumulation of practical knowledge in the new for the Bulgarian law stock-exchange and other financial operations, as well as the good language skills of lawyers (English, French, Arabic and Russian) allows Prime Lega Consult to aid specific activities not only of Bulgarian companies (CCB, Armeec, Saglasie, PIJC CCB - Sila, Oil and Gas Exploration and Production, Bulgaria Air, Hemus Air and other subsidiaries of Chimimport) but also to take legal services of Bulgarian and foreign juridical persons outside the holding.

Assenova krepost JSC

Assenova krepost was established in 1964 with the following seat: Bulgaria, Assenovgrad, 2, Ivan Vazov Str. with main business – manufacturing and trading with polymer packaging and materials.

The company has more than 40 years of 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 facilities and experience.

From technological point of view, Assenova krepost 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.



Assenova krepost

Polymer materials' production comprises 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 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 in 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.);
- In the external 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

During the last 5-6 years the company has made serious investments in production range and technological facilities update. In the field of weaved production the company has installed new equipment for weaving of bags, spreading of textile goods, updated technology for confectioning of textile ventilated bags for chemical industry and construction; significant part of the equipment for packing strip has been refurbished as well.

In the field of foil production the company created new facilities in the field of multilayered packaging for sausages and significantly increased and modernized its production for confectioning and multi-coloured flexoprint of polymer film packaging. The total volume of investments in the company for the last 6-7 years exceeds EUR 22 mln.

The company has carried out serious studies and has made significant renovations in the field of polymer foils:

- New production equipment for stretch film and polypropylene cast film has been put into operation;
- New modern automatic confectioning machines for packaging for the food industry have been delivered.

Investigation for delivery of new extruding machines for production of multi-layered foils for packaging and technical applications with high efficiency and low energy consumption is in progress, as well as expansion of production capacities for multi-layer art print and the associated auxiliary activities. This innovative activity ensures the company's priority objectives for increasing the competitiveness, covering new market niches with updated polymer products, optimization of production costs in the company and guaranteeing of wasteless production.



Kauchuk JSC

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

Kauchuk JSC manufacture conveyor belts, rubber hoses, reclaimed rubber and a wide range of technical rubber products.

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

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

The equipment allows to manufacture 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 intended for the energy production, mining industry and metallurgy.

Kauchuk JSC produce 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 caoutchouc products are only a part of the various production of the company.

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

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

Kauchuk JSC 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.

Zarneni hrani Bulgaria JSC

General Review

Zarneni hrani Bulgaria is the Bulgarian market leader in buying out, storing and trading with grain and oilseeds, and in producing/selling of vegetative oils. With putting into operation of the largest and modern biodiesel plant in Bulgaria, Zarneni hrani Bulgaria became successful operator in this important sub-branch, while through its subsidiary, i.e. Goliama Dobrudzhanska Melnitsa EOOD, the company succeeded in keeping its place in three separate markets, e.g. grain, foods and biofuels.

Zarneni hrani Bulgaria is a joint stock company established on November 26th 2007 by merging the following eight companies: Slanchevi Lachi Bulgaria - Sofia (a public venture under the Public Offering of Securities Act), Zarneni hrani Trade JSC - Sofia, Bek International Sofia JSC, Zarneni hrani Valchi Dol JSC - Sofia, Zarneni hrani Balchik SMSC – Sofia, Zora JSC – Rousse, Prima Agrochim EOOD – Dobrich, and Chimimport Agrochemicals EOOD - Sofia. As a result of this merging all assets and liabilities of the respective companies had shifted in the newly established company, i.e. Zarneni hrani Bulgaria JSC in its role of their universal successor. Following the company's vertically integrated business model, covering all producer-end user phases, including the transport and port activities, Chimimport managed to integrate its agricultural business.

Zarneni hrani capital amounts to EUR 87.32 mln, allocated in 170,785,600 ordinary (voting) shares and EUR 0.51 of nominal value, distributed among the shareholders, including the ex-partners in the merging companies. Since Slanchevi Lachi Bulgaria has been a public venture by the date of merging, then under the provisions of the Law on Public Offering of Securities, the company (Zarneni hrani Bulgaria) also acquired a public status, and its shares are traded on the Bulgarian Stock Exchange - Sofia JSC.

Provadia Oil Mills





Provadia Oil Mills

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

- buying out and trading with, including importing and exporting of grain crops (wheat, barley, maize), oilseeds (sunflower, rape);
- providing services in storing grains and oilseeds;
- processing bakery wheat;
- production and trading biodiesel, incl. services in certifying the biofuel quality in its own accredited laboratory;
- logistics, i.e. transportation and port activity.

Produced refined oils bear Slanchevi Lachi reserved trademark, which is registered with the Brand Register supported by the Patent Office of Republic of Bulgaria. Zarneni hrani Bulgaria JSC is certified under quality management systems ISO 9001:2000 EN and HACCP.

The production of refined oils is set up by the company in Provadia Oil Mills, where the company's integrated installations provide a capacity of covering the whole production cycle, i.e. from seeds milling to oil bottling.

The mills also have mayonnaise and dressings production department with capacity of 500 kg/h; this department is equipped with facilities from Coruna (a company from Denmark). Considering the increasing quantities and demands of vegetative oils, the company is achieving the goals set out in its investment program, and has proceeded to upgrade the oil mills' facilities. The new equipment has annual working capacity of 240,000 tons of oilseeds.

A portion of the existing infrastructure in Provadia is used by the company (via its subsidiary, i.e. Slanchevi Lachi Provadia) as a base for constructing the ultimate biodiesel production plant in this country. The plant was constructed using the latest technology by the world known Ballestra from Italy, and its annual production capacity is 100,000 tons, it can also be fed with various types of materials in order to enable material/production price ratio. The production is environment friendly, since the only waste is 80% pure glycerin, which is widely used in industry, and the refining processes are automated with very little human intervention. The plant also has

storehouses with capacity of 6,000 sq. m. of biodiesel, and further 2,000 sq. m. for storing neutral vegetative oil amounting to EUR 15 mln. Biodiesel quality is controlled by own accredited laboratory, which meets the required components of biodiesel research. Produced biodiesel is marketed in neighbor countries.

In relation with its commercial activity 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 Burgas, the town of Strazhitsa and the town of Byala and have a total volume of 700,000 tons grain.



Biodiesel facility



Biodiesel facility

Goliama dobrudzhanska melnitsa Ltd

Zarneni hrani Bulgaria owns 100% from the capital of Goliama dobrudzhanska melnitsa Ltd, which is the third largest mill in the country and it deals mainly with the purchase and processing of wheat with bakery quality, from which flour Type 500, flour Dobrudja Type 700, type flour 1,150, wheat bran are produced. The premises of the mill consists of a 7-floor monolithic building, an autoloading facility for loose mill production, as well as a railway loading facility for loose cargo and packaged flour, with own rail tracks with a total length of 540 meters. The technical equipment of the mill is under the licence of company Bueller and consists of 18 mill rolls with a total rolling length of 36 meters. The facility has also 6 passage plansichters and 1 control (four-passage) plansichter. The package line has a capacity of 240 tons/24 hours. The grain storage facility has a total capacity of 30 thousand tons and the optimal capacity of the mill is 200 tons/24 hours.

The main competitive advantages of Zarneni hrani Bulgaria are:

- a leading position in the Bulgarian grain business;
- a leading producer of biodiesel in the country;
- a good name among the international partners (Nidera, Kargil, Louis Draifus, Bunge, etc.);
- a close contact with farmers;
- integrated operational model (purchase, storage, refining, and sale of the crop);
- access to transport corridors and development of export run by Port Balchik JSC subsidiary, where Zarneni hrani

Bulgaria JSC holds 95% of the capital;

- wide range of assets (grain depot network, biodiesel plant, etc.);
- part of Chimimport Group, which enables the operation of synergies with the other two companies, i.e. transport (Transintercar, Shipping BPR JSC), financing (CCB JSC) and insurance (Armeec Insurance JSC), fertilizers trade, etc.

Investments and Development

By December 31st 2010 the balance assets of Zarneni hrani Bulgaria JSC amount to EUR 253.86 mln, and its employers number is 313.

By December 31st 2010 Zarneni hrani Bulgaria JSC has effected the following capital investment expenses:

	2008 (in EUR mln)	2009 (in EUR mln)	2010 (in EUR mln)
Purchased tangible fixed and current assets	20.52	0.79	2.07
Costs for acquiring tangible fixed assets	8.46	6.58	1.31
Total	28.98	7.37	3.38

Main financial indicators

In the table below there is some of the most important financial data extracted from the financial reports of Zarneni hrani Bulgaria JSC.

Indicator (in EUR mln) (consolidated audited data)	2008 (in EUR mln)	2009 (in EUR mln)	2010 (in EUR mln)
Assets	171.60	178.88	253.72
Tangible Fixed Assets	102.86	112.50	98.33
Material Inventory	12.24	2.35	2.17
Capital	1.89	0.75	1.73
Shareholder`s equity	87.32	87.32	87.32
Equity	97.82	101.48	103.71



Refinery

The main objectives, which the company strives to achieve in short term, 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 and Armeec;
- 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 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.

Refinery



Port Balchik JSC

Port Balchik JSC was constituted in July 2005. The company capital is EUR 0.52 mln.

On May 25th 2006 Port Balchik became concessionaire of Balchik Port Terminal, which is a separate territorial zone belonging to Varna public transport port of national importance. The contract is stipulated 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 contract has 25 years validity.

Port General Information

Port Terminal Balchik is located in the northern Black Sea aquatory across the town of the same name within the town zoning plan.

Port Terminal Balchik is of national importance and part of Varna port complex. It has been constructed and put into operation in 1969. The terminal is ranked third among Bulgarian Black Sea ports. It was build up following the single protection mole (aka Balchik mole). The total area is 11,338 sq. m. It has 164 meter quay wall, fitted with two 10 ton portal cranes. The port terminal is able to house up to two small ships (5,000-6,000 tons) with admissible draft is 8 m. The port terminal has 4,000 sq. m. open air store areas. 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.

Port Terminal Balchik



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, aka 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 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 1.90 mln .

Port Balchik JSC is holder of:

- Operating Capability Certificate n. 213 for processing of general, loose and vegetative liquid cargoes, and mail, valid until May 2012;
- 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.

Company activity

The subject 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 1.78 mln, and in the first ten years these investment amount to EUR 1.46 mln.

The investments before December 31st 2010 amount to total EUR 2.21 mln, where:

- between May 25th 2006 and December 31st 2009 they amount to EUR 2.09 mln;
- between January 1st 2010 and December 31st 2010 they amount to EUR 0.12 mln.

The cargo turnover from Port Balchik JSC from the concession start 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.

Gross incomes of Port Balchik JSC activities:

- 2006 financial period – EUR 0.43 mln;
- 2007 financial period – EUR 0.62 mln;
- 2008 financial period – EUR 0.60 mln;
- 2009 financial period – EUR 0.69 mln;
- 2010 financial period – EUR 0.53 mln.



Chimimport Pharma JSC

Chimimport Pharma JSC was established in 2003 as Chimimport subsidiary, and in 2005 the company became part of Chimimport Group sub-holding. The company activities cover representing, import, and distributing of medicines and medical consumables for healthcare institutions of Bulgaria. Also Chimimport Pharma is licensed to import medicines not being registered in this country.

The company has distribution contracts with three out of all four producers on the market of blood products intended for patients suffering from hemophilia, those in need urgent transfusion of blood plasma (mainly the patients in ambulances), for women giving birth, those in need of specific blood product.

Chimimport Pharma is the exclusive distributor of Talecris Biotherapeutics Inc. from USA, Italian Kedrion S.p.A, German Bayer AG; Octapharma AG from Sweden and carries out supplies of lifesaving products from these producers. The company is also partnering to a number of Bulgarian and foreign pharmaceutical producers, such as Actavis, Unipharma, Bayer-Schering AG, Abbott, Scheringplough Corp., Wyeth Lederle-Whitehall, Halocarbon Products Corp., etc.

Due to its high business reputation, impeccable commitment, available necessary licenses, certificates and effected turnover over the last few years, Chimimport Pharma is an ultimately reliable tender under the Public Procurement Act. Just because of this reason, its major partners are nearly all state and public healthcare institutions, as well as the Ministry of Healthcare.

Chimimport Pharma has modern storage facilities and its own transport, which enables the prompt supply to healthcare institutions nationwide. Since 2006 the company is ISO certified for 9001:2000.

Bulchimtrade Ltd

Bulchimtrade OOD was established on November 11th 2008 in order to concentrate and optimize the activities of subsidiaries Chimimport Group , Rubber Trade, Orgachim Trading 2008, Chimoil Trade, and Chimtrans.

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

For the period of its existence the company carries out mainly trade activities structured in four departments:

- Rubber Trade – trading mainly with various tire types of Apollo Acelere, Quantum, Apollo Hawkz, Eskimo, Winter Sport, Winter Grip, Snowmaster, Dunlop brands, 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 shipping business.

Bulchimtrade will carry on mainly trading activities, and the increase of sales, conquering new markets and overall activity expansion as its top priority.

Neochim JSC

History

Neochim is a successor of the Chemical plant in the town of Dimitrovgrad, started its manufacturing activities on November 5th, 1951. Initially nitrogen and phosphorous fertilizers were produced there. Later several expansions, reconstructions and renovations have been performed. New complex for production of ammonia, nitric acid and ammonium nitrate started operation.

Chimimport Group participates in the management of Neochim with the ownership of near 9% of its the capital. The products of Neochim are important for the development of Zarneni hrani Bulgaria and for the clients of Chimimport.

Main business

Production and trading of 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 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 the Chimimport priorities, and over the last few years it laid solid base for the development of this segment, and invested a significant amount of own funding.

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

Real estate projects

Present

- Allocation of the part of the real estates with non-production functions into the companies of the financing structures of the Group;
- Sports centre Varna (Stage I): constructing a stadium with capacity 35,000 persons upon the 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 in amount of EUR 80 mln.

Sports complex Varna - 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 income from using the facility covers the maintenance cost;

- Constructing a network of industrial-logistics centres with national cover on the basis of the already operating centres: at present Chimimport possess with industrial-logistics centres in Sofia (two in number, 52,500 sq. m.), Bourgas (84,200 sq. m.), Plovdiv (21,800 sq. m.) and Ruse (161,000 sq. m., incl. port on Danube river).

Coming projects – in planning process, administrative and other procedures

- Sports centre Varna (Stage II): constructing of additional 120,000 sq. m. 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 capacity 5,000 viewers; shopping centre, hotel and offices;
- Project Varna – south: includes 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; planned investment in amount of EUR 80 mln.;
- Expansion of the industrial-logistics centres network: creation of five new industrial-logistics centres in Varna, Dobrich, Montana, Pleven and Vidin, as the relevant lots are already property of the Group companies. As a result Chimimport will possess network with a full national cover, i.e. will be one of the big parties at the transport-logistics services market which is expected to be attractive in long term because of variety of opportune factors – from fundamental like exceptionally geographical location of Bulgaria, to political on national and 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 16.01.2006.

By December 31st 2010 its major shareholders are CCB Group with 44.00%, and Armeec with 23.08%.

The subject of CCB Real Estate Fund SPIC covers fund investments raised by public emission of securities, into real estate properties and other property rights, building construction and renovations in order to assign their management, renting, leasing, and/or sale.

In securing its investments CCB Real Estate Fund SPIC uses mainly its own funds, however in the event of attractive investment options, the company is able to raise funds under the form of bank credits or securities emission.

CCB Real Estate Fund SPIC was constituted with capital of EUR 0.33 mln which in 2009 was increased to EUR 0.55 mln as a result of public offering of 427,193 new shares with emission value of EUR 29.14 each. After the increase of its capital, the company expanded significantly its real estate property portfolio and diversified its activity by orienting to renting properties in order to ensure current incomes and revenues for its shareholders.

Since January 31 2007 CCB Real Estate Fund SPIC shares are quoted publicly and currently these are registered to be quoted on the Market of companies with special investment purpose, set up by Bulgarian Stock Exchange Sofia JSC.

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 effecting its investments program through its servicing company CCB Group .

The depositary bank of CCB Real Estate Fund SPIC is Unicredit Bulbank JSC.





ENGINEERING SECTOR

Energoproekt JSC

Energoprojekt JSC has over sixty year long history. On May 29th 1948 following the decision of Sofia City Court this company was filed in the State Company Register under n.118.

Energoprojekt JSC is a major consultant within the structure of Chimimport JSC in designing and fulfilling the projects.

The subject of the company is: scientific and research, geological research, trade and engineering activities within the country and abroad in the field of energy production from traditional and non traditional sources, processing, transfer and effective usage of electrical and thermal energy, energy equipment, complex automation, new and renewable energy sources, and energy efficiency, civil and transport design, zoning.

The company main goal is rendering top quality services, which can offer adequate solutions to the customer needs.

Energoprojekt JSC develops its activities in the following branches:

- design of national projects for energy production, water and thermal power stations, nuclear, thermal and water power stations, power systems and electrical networks;
- projecting Bulgarian requirements for protective management facilities, international requirements for safety and the relevant Bulgarian regulations;
- design of purification facilities and storage of radioactive debris;
- technical design of energy facilities, including nuclear facilities, planning, research and study of energy systems, forecast and expert assessment, and construction management;
- design of thermal and diesel power stations, heating stations, gas supply and regional heating networks;
- design of water reservoirs and hydro-constructions, water power stations, pumping accumulator stations, small water power stations and water supply systems;
- design of high voltage lines, city networks, substations and automated control systems;
- technical design and radioactive debris management for national disposal, radioactive protective systems and storage of spent nuclear fuel;
- design of renewable energy sources, additional water systems and waste water purification facilities;
- design in the field of domestic, industrial and hazardous waste purification;
- environment assessment and research;
- environment pollution control;
- consultant services on energy technologies, development of energy strategies and policies;2010
- management of energy efficiency program;
- management of portfolio – renewable energy;
- predesign studies, design and specifications;
- assessment and selection of energy sites;
- consultations during the technology assessment;

- conceptual design of power stations;
- financial and economical assessments and business plans;
- permits and licenses;
- design of substations;
- technical and work projects;
- construction management;
- operation and maintenance.

Main streams of Energoproject JSC activities:

Power engineering

All power engineering projects in this country, from the smallest water or heating station to the greatest water power and thermal power stations, power network, are all designed by Energoproject JSC. The company had participated and is actively participating in implementing upgrading and rehabilitating projects on power establishments in order to bring those in compliance with the modern efficiency rates, reliability and environment protection. Throughout this period Energoproject JSC has established itself as a major institute for scientific work, progress and design in the field of power engineering.

New and renewable energy sources and energy efficiency

One of the main goals in Energoproject JSC to this effect is to provide consultation to local and foreign investors on projects in the fields of low-carbon and carbonfree technologies, engineering services, logistics and zoning issues. The company has experience in developing and managing projects in wind power plants, photovoltaic systems, biomass plants, combined energy production, water energy, biogas plants and waste management.

Civil and transport design

Energoproject JSC is a company with long standing design experience. Over the years of its development and improvement, it had participated in a number of joint-venture projects, both in Bulgaria and abroad. In the field of civil and transport design, the company is a major designer in executing the project named 'Reconstruction and expansion of Lesport Varna port', project named 'Drafting a working project for runway rehabilitation in Varna Airport', and in drafting the project for Hangar 1A construction and Hangar 2 expansion at Sofia Airport.

Urban zoning

This is a new branch in the structure of Energoproject JSC. It includes expert architects and engineers who work on drafting urban schemes and plans, as well as in research and consultant fields of urban planning. The department is working in cooperation with the other branches from the structure of Energoproject JSC. In many construction projects the designing process is preceded by running through procedures of altering the purpose and regulating of the estate, and drafting a construction plan or changing the existing regulation plan for zoning and buildings on the regulated estate properties.

Energoproject JSC implemented a quality management system (QMS), which is part of the common strategy of the company management. The system is developed in compliance with the requirements of BNS ISO 9001:2001 EN, which is the accepted Bulgarian standard based on ISO 9001:2000.

This QMS imposes in Energoproject JSC a policy, which implies client requirements as a major criterion for the quality being achieved.





ACTIVITY REPORT
INDEPENDENT AUDITOR'S REPORT
ANNUAL CONSOLIDATED FINANCIAL
STATEMENTS

31 DECEMBER 2010



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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Chimimport AD
2 Stefan Karadja Str., Sofia

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Chimimport AD as of 31 December 2010, which comprise consolidated statement of financial position as of 31 December 2010, and the consolidated statement of comprehensive income, consolidated changes in equity and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by European Union, and the national legislation and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Chimimport AD as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by European Union and the national legislation.

Report on Other Legal and Regulatory Requirements – Management’s report for the year ended 31 December 2010

We have reviewed the management’s report for the year ended 31 December 2010 of Chimimport AD, which is not part of the consolidated financial statements. The historical financial information in the management’s report complies in its main aspects with the financial information, presented in the consolidated financial statements for the year ended 31 December 2010, prepared in accordance with International Financial Reporting Standards, as adopted by EU and the national legislation. The preparation of the management’s report is responsibility of the management.

Managing partner



Mariy Apostolov

Registered Auditor



Gergana Mihaylova

Auditing Company



Grant Thornton Ltd.

30 April 2011
Bulgaria, Sofia

Consolidated statement of financial position

	31.12.2009 EUR mln	31.12.2010 EUR mln
Assets		
Non – current assets		
Property, plant and equipment	300.56	281.74
	25.60	58.21
Investment property	24.23	25.75
	0.51	3.01
Investments in associates	53.95	52.40
Goodwill	25.18	24.03
Other intangible assets	37.94	42.54
Long-term financial assets	566.94	627.26
Long-term related party receivables	5.81	1.76
Deferred tax assets	1.28	1.51
Non-current assets	1,015.89	1,056.98
Current assets		
Inventories	17.52	16.69
Short-term financial assets	345.50	548.04
Related party receivables	45.06	105.73
Trade receivables	77.71	80.76
Tax receivables	3.74	2.60
Other receivables	82.42	167.38
Cash and cash equivalents	223.84	348.68
Current assets	795.79	1,269.89
Assets classified as held for sale	3.34	17.12
Total assets	1,815.03	2,343.98

Prepared by :



/A. Kerezov/

Executive Director:


/I. Kamenov/

Date: 29 April 2011

Audited according to the
auditor's report dated 30.04.2011:


Grant Thornton Ltd

Consolidated statement of financial position (continued)

Equity and liabilities	31.12.2009	31.12.2010
	EUR mln	EUR mln
Equity		
Equity attributable to the owners of the parent:		
Share capital	117.53	117.47
Share premium	112.48	112.36
Other reserves	-4.65	-1.60
Retained earnings	206.11	269.05
Profit for the year	66.23	68.45
	497.70	565.74
Non-controlling interests	99.88	111.36
Total equity	597.57	677.10
Specialized reserves	54.58	61.34
Liabilities		
Non-current liabilities		
Long – term financial liabilities	314.20	437.31
Payables to secured persons	61.85	180.89
Long-term trade payables	12.43	11.85
Long-term related party payables	-	0.42
Finance lease liabilities	16.82	13.36
Pension and other employee obligations	1.13	1.08
Other liabilities	1.39	1.19
Provisions	0.20	0.20
Deferred tax liabilities	9.59	11.11
Non-current liabilities	417.61	657.42
Current liabilities		
Short-term financial liabilities	644.31	770.12
Trade payables	54.61	119.96
Short-term related party payables	3.81	13.10
Trade payables	5.16	4.51
Short-term related party payables	6.89	6.44
Trade payables	7.04	6.91
Other liabilities	23.45	27.09
Current liabilities	745.26	948.13
Total liabilities	1,162.87	1,605.55
Total equity and liabilities	1,815.03	2,343.98

Prepared by :


 /A. Kerezov/

Executive Director:


 /I. Kamenov/

Date: 29 April 2011

Audited according to the
auditor's report dated 30.04.2011:


Consolidated statement of comprehensive income

	31.12.2009	31.12.2010
	EUR mln	EUR mln
Income from non – financial activities	293.97	325.58
(Loss)/Gain from sale on non – current assets	20.08	-1.20
Expenses for non – financial activities	-272.47	-284.97
Net result from non – financial activities	41.58	39.41
Insurance income	138.41	148.26
Insurance expense	-128.92	-141.10
Net insurance result	9.49	7.15
Interest income	89.60	102.17
Interest expense	-50.90	-57.91
Net interest income	38.70	44.26
Gains from transaction with financial instruments	87.18	153.40
Losses from transactions with financial instruments	-32.93	-91.48
Net result from transactions with financial instruments	54.24	61.91

Prepared by :

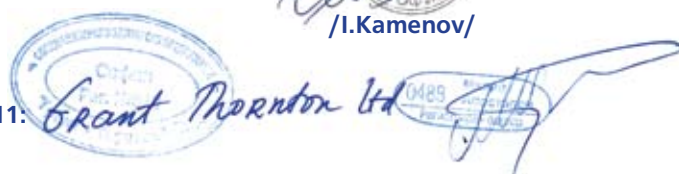

/A. Kerezov/

Executive Director:


/I. Kamenov/

Date: 29 April 2011

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Grant Thornton Ltd

Consolidated statement of comprehensive income (continued)

	31.12.2009	31.12.2010
	EUR mln	EUR mln
Administrative expenses	-81.92	-85.60
Gains from purchases	1.22	3.55
Share of profit from associates	3.31	4.60
Other financial income	17.02	14.86
Allocation of income to secured persons	-3.73	-8.57
Profit before tax	79.92	81.56
Tax expenses	-6.30	-4.61
Profit for the year	73.62	76.96
Other comprehensive income		
Share of other comprehensive income of associates	-1.44	-1.70
Gains from financial assets	0.60	2.85
Total comprehensive income for the year	72.78	78.10
Profit for the year attributable to:		
To shareholders of Chimimport AD	66.23	68.45
Non-controlling interest	7.39	8.51
Total comprehensive income for the year:		
To shareholders of Chimimport AD	65.34	69.57
Non-controlling interest	7.45	8.54
Basic earnings per share (in EUR)	0.4586	0.4722
Diluted earnings per share (in EUR)	0.3029	0.3155

Prepared by :


 /A. Kerezov/

Executive Director:


 /I. Kamenov/

Date: 29 April 2011

Audited according to the
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Consolidated statement of changes in equity

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		
Balance at 1 January 2010	117.53	112.48	-4.65	272.34	497.70	99.88	597.57
Increase in share capital and reserves resulting from sale of treasury shares by subsidiaries	0.07	0.20	-	-	0.26	-	0.26
Decrease in share capital and reserves resulting from sale of treasury shares by subsidiaries	-0.12	-0.32	-	-	-0.44	-	-0.44
Business combinations	-	-	0.23	-1.59	-1.36	2.95	1.59
Transactions with owners	-0.05	-0.12	0.23	-1.59	-1.53	2.95	1.42
Profit for the year	-	-	-	68.45	68.45	8.51	76.96
Other comprehensive income:							
Share of other comprehensive income of associates	-	-	-	-1.70	-1.70	-	-1.70
Gains from financial assets	-	-	2.82	-	2.82	0.03	2.85
Total comprehensive income for the year	-	-	2.82	66.75	69.57	8.54	78.10
Balance at 31 December 2010	117.47	112.36	-1.60	337.50	565.74	111.36	677.10

Prepared by :



/A. Kerezov/

Executive Director:


/I. Kamenov/

Date: 29 April 2011

Audited according to the
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Grant Thornton Ltd

Consolidated statement of changes in equity (continued)

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		
Balance at 1 January 2009	73.70	98.67	-4.64	190.40	358.12	96.43	454.56
Increase in share capital and reserves resulting from sale of treasury shares by subsidiaries	0.11	0.10	-	-	0.21	-	0.21
Decrease in share capital and reserves resulting from sale of treasury shares by subsidiaries	-2.12	-0.67	-	-	-2.79	-	-2.79
Increase in share capital and share premium resulting from issue of preferred shares	45.84	14.38	-	-	60.22	-	60.22
Business combinations	-	-	-0.46	17.15	16.69	-4.01	12.69
Transactions with owners	43.83	13.82	-0.46	17.15	74.34	-4.01	70.33
Profit for the year	-	-	-	66.23	66.23	7.39	73.62
Other comprehensive income:							
Share of other comprehensive income of associates	-	-	-	-1.44	-1.44	0.00	-1.44
Gains from financial instruments	-	-	0.55	-	0.55	0.05	0.60
Total comprehensive income for the year	-	-	0.55	64.79	65.34	7.45	72.78
Donations	-	-	-0.10	-	-0.10	-	-0.10
Balance at 31 December 2009	117.53	112.48	-4.65	272.34	497.70	99.88	597.57

Prepared by :


 /A. Kerezov/

Executive Director:


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Date: 29 April 2011

Audited according to the
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Consolidated statement of cash flows

	31.12.2009	31.12.2010
	EUR mln	EUR mln
Proceeds from short-term loans	60.17	136.78
Payments for short-term loans	-82.78	-99.95
Proceeds from sale of short-term financial assets	110.59	94.90
Purchase of short-term financial assets	-104.72	-115.97
Cash receipt from customers	290.14	338.10
Cash paid to suppliers	-317.69	-286.07
Proceeds from secured persons	19.63	46.17
Payments to secured persons	-2.97	-14.48
Payments to employees and social security institutions	-46.70	-57.32
Cash receipts from banking operations	18,488.60	22,592.72
Cash paid for banking operations	-18,460.63	-22,405.83
Cash receipts from insurance operations	69.90	76.56
Cash paid for insurance operations	-36.98	-39.75
Income taxes paid	-6.19	-4.78
Other cash (outflows)/inflows. net	7.27	-4.78
Net cash flow from operating activities	-12.34	256.30
Investing activities		
Net payments for acquisition of subsidiaries	-2.93	-0.13
Dividends received	-	0.49
Sale of property, plant and equipment	10.87	4.29
Purchase of property, plant and equipment	-33.74	-6.95
Purchase of intangible assets	-1.87	-0.26
Sale of investment property	3.89	0.14
Purchase of investment property	-1.23	-1.20
Proceeds from sale of subsidiaries and sale of equity accounted investments. net of cash	9.44	-0.03
Sale of non-current financial assets	48.71	66.99
Purchase of non-current financial assets	-74.93	-90.23
Interest payments received	7.67	17.40
Proceeds from loans granted	-23.50	-153.53
Payments for loans granted	19.26	54.07
Other cash inflows/(outflows). net	-0.22	6.85
Net cash flow from investing activities	-38.59	-102.10

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Grant Thornton Ltd

Consolidated statement of cash flows (continued)

	31.12.2009 EUR mln	31.12.2010 EUR mln
Financing activities		
Proceeds from issuing of preferred shares	101.75	-
Purchase of treasury shares	-2.04	-
Dividends paid on preference shares	-	-4.35
Purchase of treasury shares by subsidiaries	-4.94	0.52
Proceeds from loans received	92.97	25.62
Payments for loans received	-170.14	-29.54
Interest paid	-8.80	-15.31
Payments for finance leases	-2.62	-5.75
Other cash (outflows)/inflows	3.02	-0.33
Net cash flow from financing activities	9.19	-29.13
Effects of exchange rate changes on cash and cash equivalents	0.00	-0.11
Cash and cash equivalents, beginning of the period	265.58	223.84
Net decrease in cash and cash equivalents	-41.74	124.84
Cash and cash equivalents, end of the period	223.84	348.68

Prepared by :


 /A. Kerezov/

Executive Director:


 /I. Kamenov/

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The goals of Chimimport 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.



