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Dear Ladies and Gentlemen,

For the past 62 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 70 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 and vegetable oils and biofuels. Each of the over 6,000 employees with in "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 listed 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 Managing Board of "Chimimport" JSC

“Chimimport” today

“Chimimport” is a company with 62 years of traditions

Shareholders' equity

Assets (consolidated)

Net profit (consolidated)

Executive Directors

Major Shareholder

The following shareholders are respected international companies and institutions:

Established in 1947.

EUR 358.1 mln

EUR 1,632.9 mln

EUR 72.4 mln

Ivo Kamenov
Marin Mitev

The company management presented by
“Chimimport Invest” JSC – 76.85%

Artio International Equity Fund - USA

Eurobank Ergasias - Greece

Scandinavien Enskilda Bank - Sweden

Unicredit Bank - Austria

Bayerische Hypo- und Vereinsbank Bank - Germany

Investbank - Bulgaria

Dias Investment Company - Greece

MEI funds for Bulgaria and Romania - The Netherlands

Eurobank EFG - Bulgaria/Greece

DSK contractual funds - Bulgaria

HVB - Greece

(LF) Equity Emerging Europe Fund - Luxembourg

Raiffaisen Centralbank - Austria

Raiffaisen contractual funds - Bulgaria

ABN Amro Bank London - Great Britain

Julius Baer Institutional - International USA

Danske investment funds - Luxembourg/Denmark

Bank of New York - Belgium

Elana Contractual Funds - Bulgaria

DSK Rodina Pension funds - Bulgaria

ING Pension funds - Bulgaria

Allianz Pension funds - Bulgaria

Erste Bank - Austria

ING - Luxembourg



Over 350 judicial entities and over 4300 physical entities.

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, 5, 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” EOOD – 20.05%; other legal entities – 1.26%;

1997 - “Chimimport” is pre-registered under Art. 277 of the Commerce Act as a holding company;

2000 - Completion of the first stage of re-structuring 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 Central Cooperative Union;
- 2002 - "Chimimport" acquires from "Bank Consolidation Company" JSC the state share from the capital of "Central Cooperative Bank" Plc, through the Privatization Deals Agency the share of DZI JSC in the capital of "Armeec" Insurance JSC and the control over "CCB - Sila" Pension Fund JSC from the Czech financial group Newton;
- 2003 - Successful participation in the privatization of "Hemus Air" EAD 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" EAD (currently "CCB Group" EAD);
- 2005 - Completion of the second stage of re-structuring of the participations of "Chimimport", through establishing sub-holding structures – "Balkan Hemus Group" EAD (currently, "Bulgarian Aviation Group" EAD) for aviation transport and "Chimimport Group" EAD for commercial activity; "Chimimport" acquires 49.28% of the third in assets and market share Pension Insurance Company in Bulgaria – Pension Insurance Company "Saglasie" JSC;
- 2006 - "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" acquired 99.13% of the capital of "Bulgarian River Shipping" JSC;
- 2007 - The Financial Supervision Commission issues a license to the "CCB Assets Management" EAD management company.
- 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.
- "Chimimport" won the tender for privatisation of the national aviation transporter "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 Public Offering of Securities Act, 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" EAD concluded an agreement concerning the establishment of a joint venture with "Lufthansa Technik AG".
- The project, aiming at consolidation the grain business of the Group has been concluded. By merging 8 companies: "Slanchevi Lachi Bulgaria" JSC, Sofia (a public company in the sense of the Public Offering of Securities Act), "Zarneni Hrani Trade" JSC, Sofia, "Back International" JSC, Sofia, "Zarneni Hrani – Valchi

Dol" JSC Sofia, "Zarneni Hrani Balchik" EAD Sofia, "Zora" JSC Ruse, Prima agrochim EOOD, Dobrich and "Chimimport" agrochemicals" EOOD, 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" EAD and Health Insurance Company "Health Insurance Company CCB" EAD were established and licensed by the Financial Supervision Commission;

2008 - During 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 a license from the Competition Protection Commission, "Chimimport" acquired 100% of the capital of "BM Star" EOOD – 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.

"Zarneni Hrani Bulgaria" JSC acquired 100% of the capital of "Goliama Dobrudzhanska Melnitsa" EOOD – the third largest mill in Bulgaria. The main activity of the company is aimed at purchasing and processing of wheat with bread-baking qualities.

Supervision Board

“Chimimport invest” JSC

Represented by Ivo Kamenov – member of the Supervisory Board

“CCB Group” EAD

Represented by Marin Mitev – member of the Supervisory Board

Mariana Bajdarova

Member of the Supervisory Board

Management Board

Tsvetan Botev

Chairman of the Managing Board

Alexander Kerezov

Deputy chairman of the Managing Board

Ivo Kamenov

Executive director and member of the Managing Board

Marin Mitev

Executive director and member of the Managing Board

Nikola Mishev

Member of the Managing Board

Mirolyub Ivanov

Member of the Managing Board

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

“Chimimport” JSC

For its 62 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 70 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.

The net result from the activity of “Chimimport” on individual basis increases from EUR 14.93 mln for the year 2006 to EUR 42.18 mln for 2007. For the year 2008, the net individual result from the company’s activity amounts to EUR 43.97 mln.

On a consolidated base, the net result from the company’s activity increases from EUR 31.08 mln for the year 2006 to EUR 69.68 mln for 2007. For the year 2008, the net consolidated result from the activity of “Chimimport” amounts to EUR 72.4 mln.



The company's own capital on an individual basis increases from EUR 275 mln for the year 2007 to EUR 318.9 mln. For 2008 on a consolidated base, the company shareholders' equity increases from EUR 321.9 mln at the end of 2007 to EUR 358.1 mln at the end of 2008.

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 pre-structuring of companies, both in favorable and unfavorable market conditions.

- Significant value of the Group's assets

On December, 31, 2008, the Group's assets amount to EUR 1,633 mln (EUR 1,404.5 mln at the end of 2007 and EUR 834.4 mln at the end of 2006). 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 investment.

On December, 31, 2008, on an individual basis, the Group's assets amount to EUR 518.7 mln, compared to EUR 397.8 mln one year before that.

On a consolidated basis, the assets of "Chimimport" amount to EUR 1,672.9 mln on 31.12.2008 compared to EUR 1,404.4 mln at the end of 2007 and EUR 833.9 mln at the end of 2006.

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.

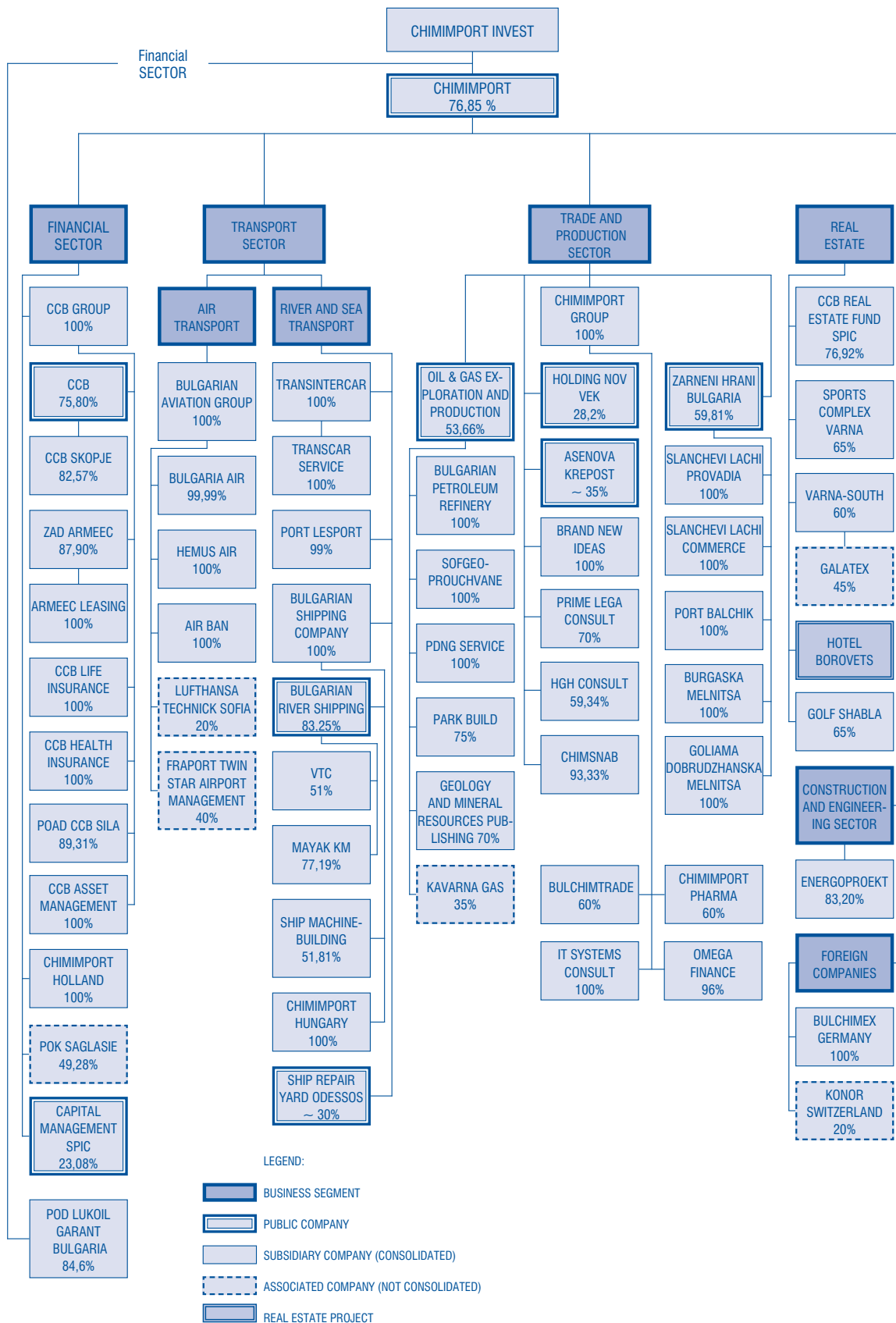
Just like in the transport sector, in the agriculture, "Chimimport" aims at encompassing the full spectrum of business – in this case – focusing on one hand on purchasing, trading, logistics, storage of grain and oil-providing seeds, and still actively seeking and exploiting the relations and synergies 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 bio-diesel, 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).

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 structures in two main directions – confirming and optimizing the positions already achieved and entering on new markets.



"CCB Group" EAD

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" EOOD, 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"), insurance and re-insurance ("Armeec" Insurance Joint - Stock Company, "CCB Life", "Health Insurance company CCB"), pension fund management (Pension Insurance Joint-stock Company "CCB - Sila", the associated Pension Insurance Company "Saglasie" and the company, prepared for merger with Pension Insurance Joint-stock Company "CCB - Sila" – Pension Insurance Company "Lukoil Garant - Bulgaria", owned by "Chimimport Invest"), mutual fund and portfolio management ("CCB Assets Management") two companies with a special investment purpose ("Capital Management" SPIC for loans securitization and "CCB Real Estate Fund" SPIC for real estates securitization), etc. A part of the above-mentioned companies ("CCB Real Estate Fund" SPIC, "CCB Life" and "Health insurance company CCB") were established before 2007 in order to start the increase of the financial products, offered by the holding. In 2008 these companies actually started their activity and defended their position on the market.



"CCB Group" head office

“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

At the beginning of 2002 the share of the state “Bank Consolidation company” JSC in “CCB” of 32.77% was acquired on a tender by “Chimimport”, which became the main shareholder in the bank. During 2004 through “CCB Group Assets Management” (consequently renamed “CCB Group”) “Chimimport” acquires the Central Cooperative Union’s shares in the Bank as well.

Central Cooperative Bank’s registered capital is EUR 42.52 mln. As of December 31, 2008 “Chimimport” owns directly and indirectly through related parties the total of 75.80% 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, 2008,% participation
Total “Chimimport” (direct and indirect participation)	75.80
“Chimimport” (direct participation)	2.88
“CCB Group”	68.20
Joint stock Insurance Company “Armeec ”	4.44
Pension Insurance Joint-stock Company “CCB - Sila”	0.27
“BAYERISCHE HYPO UND VEREINSBANK” AG - Germany	7.81
Pension funds of “Saglasie” Pension Insurance Company	2.40
“Unicredit Bank” - Austria	1.61
“Artio International Equity Fund” - USA	1.54
“Kyriakos Savvas Petridis” - Greece	1.20
“Hansapank” - Estonia	1.09
Other minority shareholders	8.50
Total “Chimimport”	100.0

“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.



Head-office "CCB"

"CCB" reaches its customers through a well-developed branch network consisting of 52 branches and 214 offices, covering the country's territory. As of December 31, 2008 the total number of the employees in the Bank is 1,812 people. During the month of December 2005 the Bank was granted a license by Cyprus Central Bank to open its first foreign branch in Nikosia. The branch, together with the air companies from the Group "Hemus Air" and "Bulgaria Air", offers the full range of banking services to the customers, and all "Bulgaria Air" and "Hemus Air" products as well. Since 2008 "CCB" owns a subsidiary – "Central Cooperative Bank" - Skopje. "CCB" plans to use "CCB" - Skopje in order to penetrate the Macedonian market, applying its successful Bulgarian strategy and experience.

"Central Cooperative Bank" performs its international business through a large correspondent network of more than 360 banks worldwide. The Bank maintains 22 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

In accordance with the published by the Bulgarian National Bank statistical data for 2008 the Bank reserves its strong positions among the other banks in the country; after several mergers in the banking sector, of a total of 30 banks and branches of foreign banks "CCB" is placed eighth in terms of deposits from non- financial institutions and advanced consumer loans and holds 11th place in terms of total assets.

Commercial banks in Bulgaria as of December 31, 2008		
Nº	Bank	Assets (EUR mln)
I group		
1	Unicredit Bulbank	5,631.81
2	DSK Bank	4,432.53
3	United Bulgarian Bank	3,960.37
4	Raiffeisenbank (Bulgaria)	3,517.79
5	Eurobank EFG Bulgaria	2,780.34
II group		
6	First Investment Bank	2,176.13
7	Piraeus Bank Bulgaria	2,117.89
8	Societe Generale Expressbank	1,284.82
9	Corporate Commercial Bank	1,076.72
10	Economic and Investment Bank	942.85
11	Central Cooperative Bank	850.44
12	Allianz Bank Bulgaria	832.28
13	Commercial bank MKB Unionbank	784.95
14	Commercial bank Investbank	571.69
15	Procredit Bank (Bulgaria)	514.12
16	Municipal Bank	508.94
17	Bulgarian – American Credit Bank	418.26
18	International Asset Bank	290.81
19	Emporiki Bank Bulgaria	240.51
20	Bulgarian Development Bank	220.24
21	Tokuda Bank	174.13
22	"D" Commerce Bank	150.87
23	NLB West - East Bank	111.64
24	Teximbank	26.33

Commercial banks in Bulgaria as of December 31, 2008

III group		
25	Alpha Bank – Sofia branch	1,096.54
26	BNP Paribas S.A. – Sofia branch	381.14
27	ING Bank H.B. – Sofia branch	244.67
28	City Bank H.A. – Sofia branch	197.72
29	TG Ziraat Bankasi – Sofia branch	24.58
30	Bank Leumi Romania S.A. – Sofia branch	4.61

Source: Bulgarian National Bank



"Central Cooperative Bank", Frityof Nansen Blvd.

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 Creditanshalt (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.

	Banking sector assets in EUR mln	Banking sector growth	CCB Assets in EUR	CCB growth
2006	21.57	28.44%	578	39.92%
2007	30.21	40.04%	801	38.55%
2008	35.57	17.72%	850	6.13%
Average growth		28.73%		28.20%

Acquisitions

During the recent years "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. On February 28, 2008 "Central Cooperative Bank" acquired 171,658 shares of "Silex Bank Skopje" JSC (renamed presently to "Central Cooperative Bank" - Skopje), representing 78.60% of the voting shares. As of December 31, 2008 "CCB" owns 84.95% of the voting shares. The Bank has a license issued by the National Bank of the Republic of Macedonia for performing all types of banking activities.



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



"CCB" office interior

Retail banking

During 2008 "Central Cooperative Bank" continued to increase the share of the financial products and services for individuals in its portfolio. The emphasis was once again placed on the balancing between the already established products and new products and services development in the sphere of the consumer lending and credit cards.

The consumer lending was a priority during 2008 in the "CCB" credit business. In this segment the Bank achieved a growth of more than 45% per annum, which significantly exceeds the average rate of 28.49% for the Bulgarian banks. As a result of the successfully performed policy in the field of the consumer lending CCB's market share increased from 2.49% to 2.81%.

At the end of the year "CCB" updated its terms and conditions for the consumer loans, having considered the new market trends in global, regional and national scale. The changes made in the terms, the maximum amount and the interest conditions of the loans correspond to the expectations for provision and guaranteeing the long-term sustainability and high level of reliability of the Bank's credit portfolio.

Card transactions

During 2008 "CCB" preserved its high market share in the ATM devices in the country and as of the year end owns 13.16% of the total number of ATM terminals installed in the network of the national card operator BORIKA. The high growth in increasing the number of the POS terminals installed at commercial sites also continued, whereas for one year CCB's share increased from 5.39% to 7.68% of the total number POS terminals installed, serviced by BORIKA.

During 2006 "CCB" became the first bank in Bulgaria that commenced the issuance of MasterCard chip cards and the second bank, issuing Visa chip cards. During 2008 the number of the debit cards issued by the Bank reached 721 841, which represents an increase of 16.36% compared to the previous year. The share of the "CCB" international debit cards Maestro is 11.66% of the total number cards issued in the country. The said share for Visa Electron cards is 13.62%. A growth in the number of credit cards was repeatedly achieved, whereas the most impressive is the growth rate of 71.68% for MasterCard cards.



The total number of the "CCB" credit cards reached 52,961. The predominant part of CCB's credit cards are issued under the modern chip technology, which guarantees the customers a higher level of security and speed of the card transactions, and additional functional capabilities as well. The realized during 2008 project for co-branded credit card Visa "CCB" – "Bulgaria Air" supports the increase of the number of credit cards in 2009. The card combines perfect financial conditions for the customers, having different additional bonuses, provided by the national carrier "Bulgaria Air".

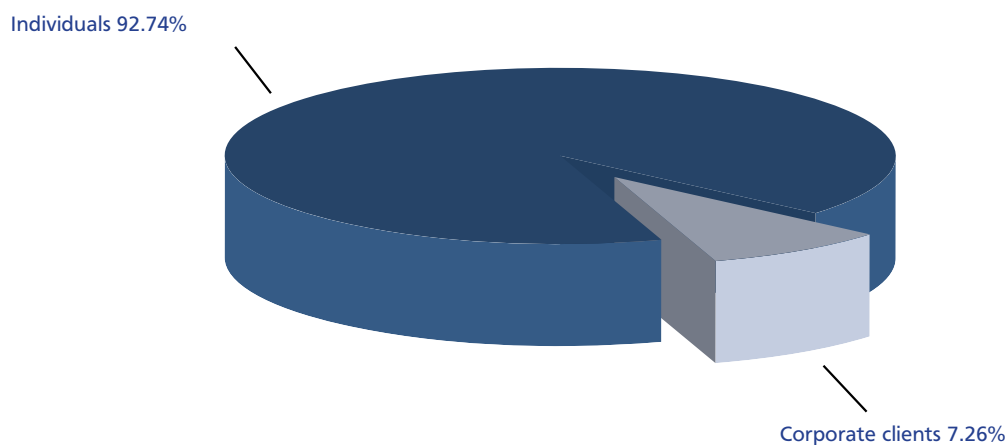
Clients

As of December 31, 2008 the Bank's clients reached 1,022,008, compared to 881,318 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 "CCB" clients

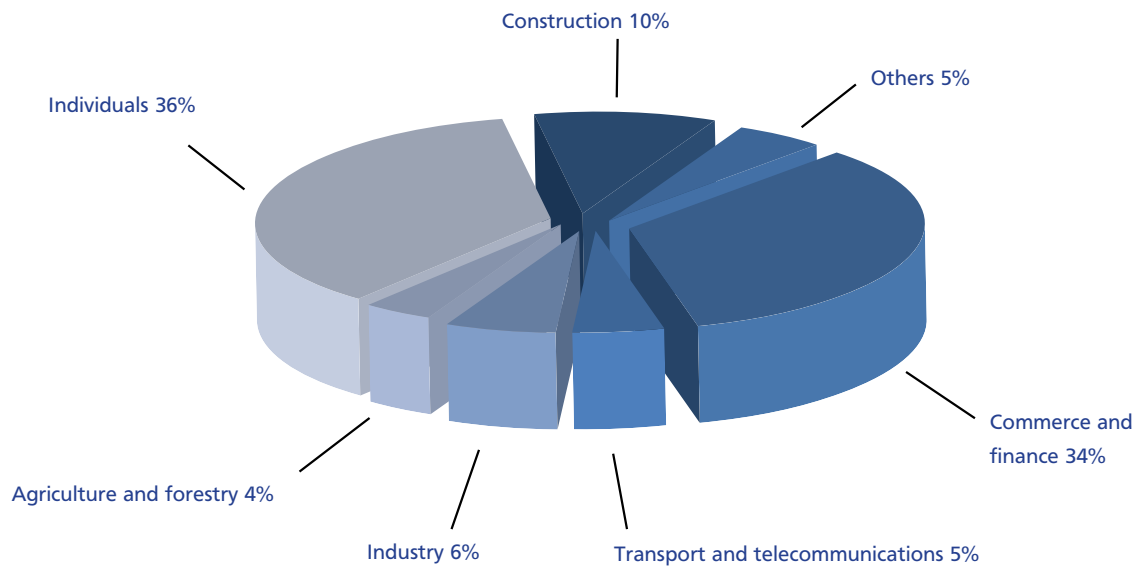
Sector	December 2007	December 2008
Individuals and Sole Proprietors	813,832	947,783
Commerce	30,822	34,765
Transport and telecommunications	3,645	4,134
Industry and construction	5,799	6,531
Agriculture and forestry	3,585	3,879
Finance, credit and insurances	16,208	15,938
Science and education	0,761	0,993
Healthcare, sport and tourism	1,721	1,994
Others	4,945	5,991
Total	881,318	1,022,008

Clients' structure as of December 31, 2008

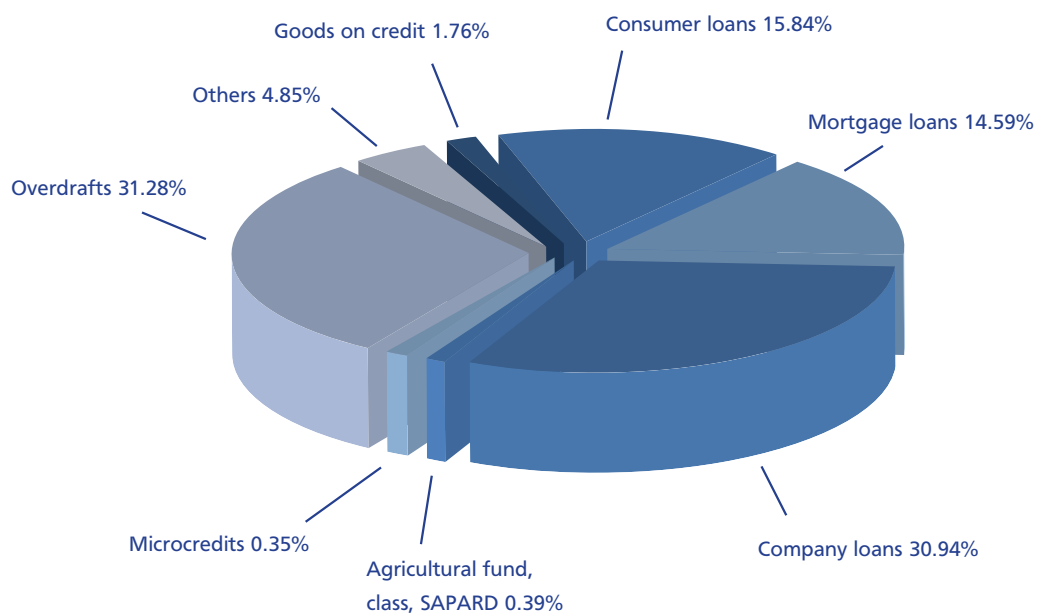


Crediting

Distribution of loans (volume) by branches as of December 31, 2008



Distribution of loans (volume) by types as of 31.12.2008



Basic financial information about "CCB".

Indicators (EUR mln) as of 31 December

	2006	2007	2008
Total assets (book value)	588.78	801.13	850.84
Shareholders' equity	59.64	108.06	116.83
Share capital	37.20	42.52	42.52
Attracted funds	506.46	689.57	726.74
Loans (cost)	283.31	345.21	495.95
Total revenue	38.03	49.19	57.41
Net profit	6.14	10.27	11.07
Earnings per share (EUR)	0.12	0.14	0.13

Source: "Chimimport"



"CCB" Office, Varna, 8th Primorski Polk Str.

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 to the different requirements of customers;
- Joining SEPA and using the changes in international payment operations to our benefit;
- 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.



"CCB" office interior

"Central Cooperative Bank Skopje" JSC

General review

"Silex Bank" JSC - Skopje was founded on 05.12.1992. It was registered in the Court of the city of Skopje on 02.06.1993. During the month of September 2001 "Silex Bank" - Skopje merged with the "Agricultural Bank" JSC - Skopje.

On 28.02.2008 "Central Cooperative Bank" - Sofia purchased 78.60% of the capital of "Silex Bank" - Skopje. At the General Meeting of the Shareholders of the Bank held on 16.10.2008 the latter was renamed to "Central Cooperative Bank" - Skopje. The amendment was entered into the Central register of the Republic of Macedonia on 10.12.2008.

"CCB Skopje" was incorporated for an indefinite term. The head-office of the Bank is the Republic of Macedonia, city of Skopje.

"CCB Skopje" is a public company, whose shares are traded at the Macedonian exchange JSC Skopje – unofficial market.

Shareholders

In 2008 the shareholders' structure of "CCB Skopje" was substantially changed. As at 31.12.2007 the share capital of "CCB Skopje", amounted to EUR 0.01 mln, allocated into 227,313 nos. of shares - 8,925 nos. of privileged and 218,388 ordinary shares. The shares are with a face value of EUR 43.46 each.

At the General Meeting of the Shareholders of "CCB Skopje", held on 20.06.2008, a resolution was passed for the increase of the capital of the Bank. The parameters of the new issue are: 92,038 nos. of shares with the face value of EUR 43.46 and issue value of EUR 43.46. "CCB Sofia" is the main shareholder in "CCB Skopje" and after the increase of the capital in September 2008 it possessed 82.57% of the Bank capital.

"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 8 offices/sales of services outlets/ on the territory of the Republic of Macedonia – in the towns of Kumanovo, Kratovo, Probishtip, Shtip, Resen and Veles.

"CCB Skopje" maintains correspondent relationships with 18 banks from Europe and North America.

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 year 2008 “CCB Skopje” fell in the third group of banks, with assets respectively 1.9 billion Denars.

Card payments

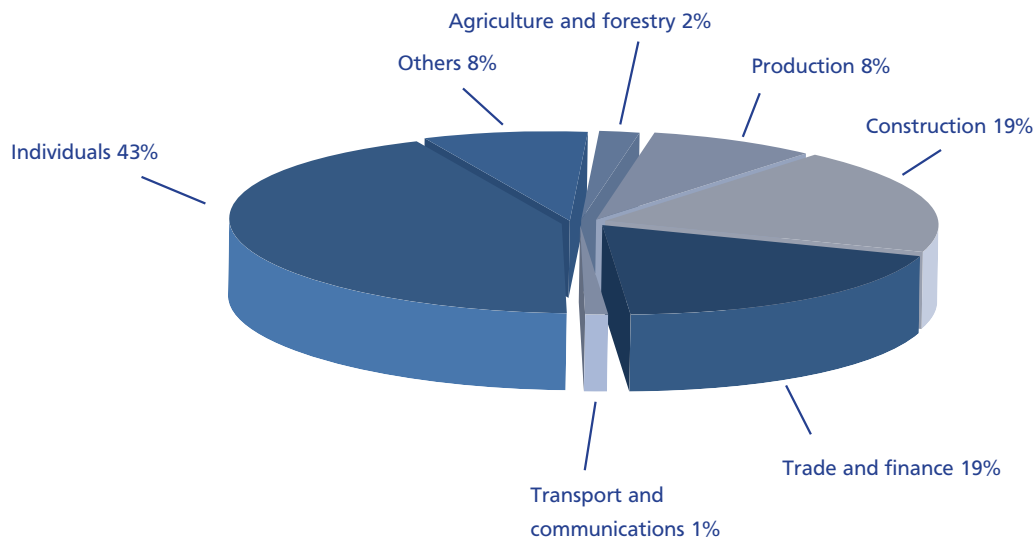
“CCB Skopje” offered to its clients Classic Card – debit card and Star Card – credit card. The cards are used on the territory of the Republic of Macedonia and allow their holders to pay at the shops as well as to withdraw cash at ATM devices and POS terminals.

As at 31.12.2008 the total number of issued debit cards was 1,471, which represents growth by 84% in relation to 2007. For this kind of cards there is a possibility for granting overdraft.

At the end of 2008 the credit cards issued by the Bank Star Card added up to 291. A growth of 37% was rendered on an annual basis.

Crediting

Allocation of credits per branches



Main financial information

Indicators (EUR mln)	2007	2008
Total assets (book value)	23.63	30.13
Shareholders' equity	9.29	13.33
Share capital	9.81	13.76
Attracted funds	14.22	16.64
Loans (cost)	5.65	4.83
Total revenues	1.39	1.63
Net profit/loss	(0.14)	0.09

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

Through "CCB Group" since July 2002 "Chimimport" has controlled insurance joint-stock company "Armeec". The insurance company was incorporated on 9 April 1996 with main shareholders the Ministry of Defense and trading companies from the system of the Ministry of Defense. "Armeec" is with a capital of EUR 7.68 mln and with a scope of business insurance and re-insurance and management of the funds, collected from the insurance and re-insurance.

In July 2005 "Armeec" received from the Financial Supervision Commission for a permit for the implementation of re-insurance activities. In November 2007 the Bulgarian Credit Rating Agency (BCRA) jointly with the International Credit Rating Agency (ICRA), a member of Moody's Investors Service, increased the long-term rating of the company for capacity for payment of claims from BB+ to BBB- on the basis of the financial state and the investment activities of "Armeec". In December 2008 BCRA confirmed the long-term rating for payment of claims of Insurance Joint-Stock Company "Armeec" iBBB- (perspective: stable) and the short-term rating A-3 on the basis of the continuing positive tendency in the development of the company.

In April 2008 "Armeec" informed the Financial Supervision Commission about its intention to implement activities on the territory of the European Union under the conditions of free offer of services.

Shareholders

In July 2002 "Chimimport" acquired 91.92% of the capital of "Armeec".

As at 31 March 2009 "Chimimport" possesses directly and through related persons 87.90% of the capital of "Armeec".

Products

The Company offers all the general insurance products divided into the following classes of business:

- Automobile insurance – insurance policies "Civil liability of the motorists and border insurance", "Green card", "Casco of motorcar vehicles", "Casco extended guarantee", "Accident of passengers in public transport";
- Property insurance – insurance policiess "Protected home", "Protected family", "Protected property", "Industrial fire";
- Technical insurance—insurance policies "Electronic equipment", "Failure of machines", "Suspension of production";
- Insurance policies, designated for construction entrepreneurs – insurance policies "All risks of the entrepreneur", "Construction and assembly works", "Professional liability of the participants in the design and the construction";
- Agricultural insurance – insurance policies "Crops", "Animals, birds and beehives", "Perennial plants";



"Armeec" head office, Varna

- Tourist and personal Insurance - individual and group insurance policies: "Accident and medical expenses", "Accident and sickness", "Labour accident", "Student's accident", "Sportsmen's accident", "Medical insurance for foreigners in Bulgaria", "Assistance upon traveling abroad";
- Liability insurance - insurance policies "General third party liability for juridical bodies", including "Product liability", "Third party liability of individuals", "Employers' liability", professional responsibilities: insurance of professional responsibility of lawyers, notaries, expert accountants and financial auditors, tour operators, insurance brokers and insurance agents, medical personnel, hotel and restaurant entrepreneurs, receivers in bankruptcy, bailiffs, teachers and educational personnel and others, liability responsibility, related to certain activities like design and construction, certification, licensing and control, possession and use of firearms and others;
- Insurance of financial and trade risks – insurance of credits, insurance of leasing contracts, insurance of guarantees, insurance of different financial losses;
- Transport insurance – insurance of cargoes during transport – "Cargo", "Carrier's liability for road cargoes", insurance policy "Forwarding agent's liability", insurance policy "Money during trips";
- Naval insurance – insurance policies "Casco of vessels", "Third party liability, related to the possession and usage of vessels", insurance of small vessels – complex insurance "Casco and third party liability, related to the possession and usage of small vessels";
- Aviation insurance – insurance policies "Casco of aircrafts", "Third party liability, related to the possession and usage of aircrafts", "Liability of owners and operators of airports- Ariel".

The company also offers other insurance products, providing specific insurance coverage.

Reinsurance program

In order to guarantee the security of its clients "Armeec" has a stable and adequate reinsurance program, based on several types of reinsurance contracts – combined quota- excedent, several excess contracts, two catastrophic and a series of proportional facultative – mostly aviation.

Traditionally "Armeec" delivers its reinsurance program through such big and world renown reinsurance brokers as Aon, Marsh, Willis and others based in London, Great Britain.

The reinsurance companies, which "Armeec" works with, are of the highest class and namely: Mitsui Sumitomo Reinsurance Ltd, Japan; Hannover Re - Germany; Munich Re - Germany and others.

As a result from the accepted by the company strategy for implementation and introduction of new insurance coverings during the last few years "Armeec" developed a few new products:

- Insurance "Casco prolonged guarantee", which is offered from the mid 2007. The familiar to the European market insurance coverage has been developed in cooperation with a leading international company and provides insurance protection for mechanical and electrical accidents of personal and cargo vehicles up to 3.5 tons;
- New systems, introduced in 2008, providing preferences for the company's clients "Bonus – loyal client" and "Preferential client";
- Insurance "Liability of managers and officials", developed in the mid 2008. The policy covers the personal responsibility of the insured person in relation to the enterprise, in which the same is manager, director, control officer and a member of the management board;

- Insurance "Loss of flight license of a professional pilot";
- Insurance "Accident of the seats in aircrafts";
- Rescue expenses;
- Insurance "Trip cancellation", developed in 2008. Under the policy provisions the company covers all non-reimbursable expenses and executed payments (for example, prepaid reservations, plane tickets and others) in relation to planned trips, which are cancelled due to objective reasons.

As a result from the successful development during the last years the company is defined as the most dynamically developing company on the non-bank financial market.

The premium income per employee has risen by more than three times for the last 5 years, from EUR 0.07 mln in 2004 it reached EUR 0.34 mln in 2008.

In 2008, with a growth of 62% for a consecutive year "Armeec" significantly outstripped the growth of the general insurance market, which according to prognosticated data is 20.9% for 2008. The company realized premium income of EUR 74.6 mln as of 31.12.2008, as it added over EUR 28 mln to the recorded premium income for 2007.

The market share of the company for 2008 is 9.53% in comparison with 7.15% in the end of 2007. For comparison, at the end of 2003 the market share of "Armeec" is 3.10% with realized premium income of EUR 9.2 mln.

At the core of the company success lays the developed and strictly observed long-term strategy for development.

EUR mln	2004	2005	2006	2007	2008
Insurance market					
Premium income	375	470	542	649	783
Growth	23.94%	25.36%	15.33%	19.66%	20.80%
"Armeec" Insurance JSC					
Premium income	14	23	30	47	75
Premium income by employee (EUR mln)	0.074	0.089	0.093	0.127	0.176
Growth	50.32%	62.45%	29.37%	56.72%	60.89%
Market share	3.76%	4.87%	5.46%	7.15%	9.53%

Insurance company	2005		2006		2007		2008	
	Premium income	Market share	Premium income	Market share	Premium income	Market share	Premium income	Market share
	EUR mln	(%)	EUR mln	(%)	EUR mln	(%)	EUR mln	(%)
IRASC Bulstrad	71.50	15.21	75.74	13.98	90.79	14.00	113.48	14.48%
IRASC Allianz Bulgaria JSC	67.87	14.44	72.03	13.30	76.28	11.76	84.38	10.77%
DZI general Insurance JSC	95.24	20.26	95.45	17.62	95.47	14.72	103.36	13.19%
IC Bul IIins JSC	58.45	12.44	63.93	11.80	74.94	11.55	79.25	10.11%
IC Lev Ins JSC	28.18	6.00	34.26	6.32	51.99	8.02	81.07	10.35%
Armeec	22.88	4.87	29.60	5.46	46.39	7.15	74.63	9.53%
IC Uniqua JSC	28.00	5.96	33.95	4.27	44.85	6.92	49.07	6.26%
Generali Insurance JSC	15.52	3.30	30.90	5.70	33.19	5.12	31.90	4.07%
IC EuroIns JSC	20.62	4.39	26.84	4.95	34.04	5.25	42.10	5.37%
IC Balgarski imoti JSC	8.93	1.90	15.23	2.81	26.01	4.01	26.69	3.41%
Insurance JSC Victoria JSC	7.42	1.58	10.76	1.99	15.81	2.44	22.56	2.88%
AIG Bulgaria IR JSC	6.38	1.36	8.50	1.57	8.91	1.37	9.31	1.19%
HDI IASC	4.21	0.90	5.13	0.95	7.08	1.09	9.64	1.23%

The main components of this strategy determine events and activities, aimed at establishing long-term relations with clients and partners, pursuing proactive policy towards personnel and socially responsible policy towards society.

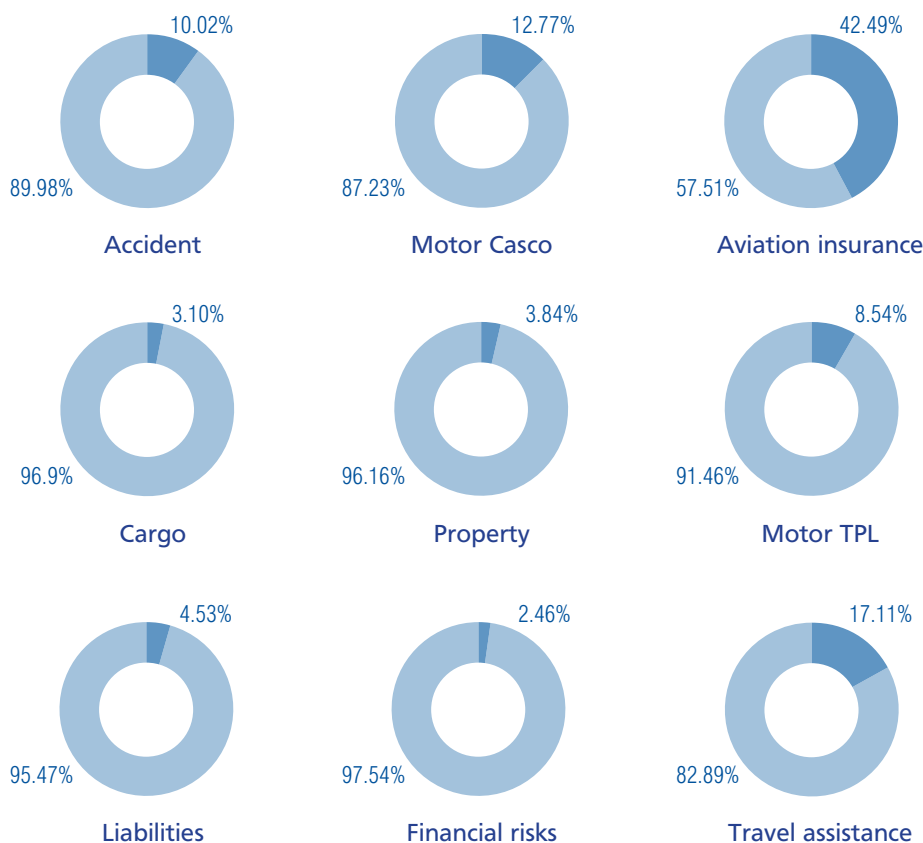
As of today the positions of "Armeec" are defined by the unquestionable leadership in the market of aviation insurance with a market share of 42.5% and premium, amounting to EUR 3.2 mln as well as the good results in the sector of "Vehicle casco", where the market share of the company is 13% and the premium income is EUR 46 mln.

The company continues to be one of the leaders on the marker for insurance policies "Accident" and "Travel assistance".

The increasing share of property insurance in the company's portfolio is also considered as success. Regardless of the small growth of the market in this business, "Armeec" succeeded to add more than EUR 1.5 mln to its property portfolio in 2008, reaching a growth of 60% at market growth of less than 8%.

According to the remaining types of business, such as "civil liability", "financial risks" and "cargo", the company keeps its positions, realizing growths, equal or exceeding the market growths.

Market share of Insurance "Armeec" Joint - Stock Company by major business types as of 31 December 2008



■ Market share of JSC "Armeec"

■ Market share of the rest 19 general insurance companies.

Branch network

At the end of March 2008 the company is present in more than 80 towns through 56 agencies and 45 representations, the number of staff is 500 people. In the company's office and through the insurance representatives working for the company, policies for all general insurance products may be concluded.

The distribution of the insurance products is performed by more than 4,000 agents and 220 brokers on the territory of the whole country. The distribution strategy of the company includes joint projects with "Central Cooperative Bank", "Bulgaria Air" and the pension companies in the group of "Chimimport". The integration projects aim at providing complex servicing of the insurance interest of the clients, management of the relations with the existing clients of the enterprises and gaining new ones.

Basic Financial Information

(EUR mln)	2006	2007	2008
Assets	40.99	59.77	72.05
Own capital	18.37	24.74	16.18
Insurance reserve	20.54	32.16	54.07
Gross premium income	29.60	46.39	74.63
Premium income after reinsurance	26.64	41.58	68.70
Technical result	-1.68	0.60	0.163
Net profit	8.83	7.62	0.99
Damages (%)	52%	46%	50%

Perspectives and development

The goals in front of the company in the long term, are preservation of the market share as the growth realized by the company must be equal to or greater than the growth of the general insurance market.

The realization of the above set goals will be by:

- Product development – further development of existing products and development of new ones compliant with the requirements of the insurance protection of present and future clients;
- Execution of marketing campaigns, aiming at:
 - Image advertisement;
 - Product advertisement (keeping the market positions at the automotive insurance and attraction of client for Property insurance);
- Introduction of new technological solutions for the users of insurance services;
- Staff training – trade abilities and professional education;
- Intermediaries training – sales techniques and product training;
- Improvement of procedures, related to the servicing and administration of the insurance compensations;
- Opening of new points of sale;
- Cross sales with companies from “Chimimport” holding, operating in the Finance sector.



"Armeec" office, Sofia

Insurance Single Member Stock Company "CCB Life"

ISMSC "CCB Life" performs activity with subject "Life insurance" and has the respective license, issued by the Financial Supervision Commission by decision №1333-LI from 31.10.2007.

The company was entered in the Companies Register of Sofia City Court with Decision dated 19.11.2007.

With the establishment of the life insurance company, "Chimimport" in cooperation with the French insurance company AG2R Prevoyance, complements its range of products and services in the field of financial services for its subsidiaries.

Types of insurances, which the company has the right to offer:

- Insurance policy "Life" and rent;
- Marriage and children's insurance;
- Additional insurance;
- Insurance "Accident".

Products, which the company offers as of 01.04.2009:

- Individual savings insurance policy "Life";
- Group savings insurance policy "Life";
- Individual risk insurance policy "Life";
- Group risk insurance policy "Life";
- Insurance policy "Life" of a borrower;
- Insurance policy "Accident";
- Insurance policy "Labour accident";
- Additional insurance policy.

ISMSC "CCB Life" has the ambition to take a proper place on the insurance market in the condition of strong dynamics and highly competitive business medium. Relying on highly qualified and motivated personnel, as well as on the broad potential for development of the life insurance market in Bulgaria, the company will strive to establish and promote the brand ISMSC "CCB Life" and to reach a worthy market share.

ISMSC "CCB Life" will rely on cooperation with its partners:

- Insurance JSC "Armeec" – through its stable positions on the Bulgarian insurance market;
- "Central Cooperative Bank" – in relation to bank insurance;
- The companies from the holding group – in relation to servicing their insurance necessities;
- Leading insurance brokers in the country.

At the beginning of 2009 ISMSC "CCB Life" received the prize Financial product of the year – 2008 within the international exhibition "Banks Investments Money", held in Plovdiv. The company was appraised in category "Life insurance" for its product "Interest+". Personally the Minister of finance Plamen Oresharski, under whose patronage the event was held, bestowed the insurance company the prize.

"Interest+" is a combined financial-insurance product, developed especially for corporate clients. By it ISMSC "CCB Life" proves its innovative approach within its product policy. The major goal of the company is to offer flexible insurance solutions, which can be adapted according to the individual necessities of each client.

“Health Insurance Company CCB” EAD

“Health Insurance company CCB” holds license N° 1332-HIC for performance of activity for voluntary health insurance by means of offering health insurance packages, issued by the Financial Supervision Commission on 19.11.2007.

Types of health insurance packages of “Health Insurance company CCB”:

- Improving the health and preventing diseases - includes preliminary and targeted prophylactic examination made by specialists, who ascertain the health condition of the insured person and help for the timely diagnostics of a probable disease. Tests for targeted prophylactic examinations, complex prophylactic examination of children and students, immunization against virus diseases (flu), screening with a questionnaire and promotion of health;
- Out-of-hospital medical assistance – includes a preliminary examination made by a doctor, an initial examination upon looking for medical assistance, a secondary examination, advice and consultations, a visit and observation at the home of a sick person, a dispensary observation according to medical parameters, clinic and laboratory tests according to medical tests, clinic and instrumental tests according to medical parameters, volume manipulations for controlling the health problem and recovering after a disease;
- Hospital medical assistance – includes a preliminary examination made by a doctor, hospitalization in all types of stationary wards, of hospital institutions, checking-in and accommodating of a patient in a room with three or more beds, a test and appointment of a treatment, visitations and observation, consultation with specialists, manipulations according to medical parameters determined in Ordinance N°13 of the MH (Ministry of Health) dated 28.06.1996, SG, issue 16/16.07.1996, clinic and laboratory tests, clinic and instrumental tests, surgical operations with small and medium complexity, rehabilitation and sanatorium treatment in hospital institutions for continuous treatment;
- Additional health goods and services - including nurse care, intensive nurse care, excrements control, assistance for patients with a heavy physical disability, nurse expertise made by an expert, (in accordance with the requirements of administrative authorities), transport of a patient and food as desired;
- Reimbursement of expenses – provides an opportunity to reimburse expenses made by insured persons for buying drugs and bandages, following medical parameters, assisting treatments following medical parameters and transport of a patient following medical indications.

Within the process of planning the future development of the company there lays the mission for guaranteeing quality service of the clients of “Health Insurance company CCB” and establishment of mutual trust amongst clients of the company and the servicing teams. The main goal that the management pursues is to provide the insured persons with professional medical services of high quality, which comply entirely with the European standards by means of an established network on the territory of the entire country.

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".

As of the end of 2008 the company employed 40 people on full-time basis. The Marketing department has 4 regional directors, 52 regional representatives and 683 insurance mediators in the entire country. The clients of PIJC "CCB - Sila" are serviced also by the branch network of "Central Cooperative Bank".

As of 31.12.2008 there were a total of 180,965 persons insured in the pension funds managed by PIJC "CCB - Sila", which represents a market share of 4.97% according to the number of insured persons. The increase in comparison to the end of 2007 is 19,314 insured persons or an increase of 11.95%.





The net assets of the funds for additional pension insurance, managed by PIJC "CCB - Sila" as of 31.12.2008 amount to EUR 42.33 mln, which represents a market share of 3.59% according to the value of net assets. The increase in comparison to the end of 2007 is EUR 5.81 mln, or that makes an increase of 15.9%, with a fall of 1.1% of the net assets of all funds, managed by the ten pension insurance companies, licensed at the end of the year 2008.

Perspective and development

The main goals that the management has for the development of the company are: speeding up the rate of increasing net assets within the funds managed by PIJC "CCB - Sila", increasing the market share according to the number of insured persons and according to amount of managed assets, increasing the awareness and popularity of the "CCB - Sila" brand.

In 2009 it is expected that PIC "Lukoil Garant - Bulgaria" and the funds for additional pension insurance that it manages will merge with PIJC "CCB - Sila" and the respective funds. This will rapidly increase the revenues coming from the main business, the operating profit and profitability of the company. The merger will double the market share of PIJC "CCB - Sila" and will increase the competitiveness of the company. At the same time, this will lead to an increase in the quality of servicing offered to the insured persons and the establishment of higher standards when working with partners and clients of PIJC "CCB - Sila".

Pension Insurance Company "Lukoil Garant – Bulgaria" JSC

Pension Insurance Company "Lukoil Garant - Bulgaria" was established on 26.07.2000. In March 2007 the company "Chimimport Invest", a majority shareholder of "Chimimport" acquired 84.6% of the company capital.

PIC "Lukoil Garant - Bulgaria" manages three funds for additional pension insurance:

- Universal pension fund (UPF) "Lukoil Garant - Bulgaria";
- Occupational pension fund (OPF) "Lukoil Garant - Bulgaria";
- Voluntary pension fund (VPF) "Lukoil Garant - Bulgaria".

As of 31.12.2008 the book value of the assets of the pension funds managed by PIC "Lukoil Garant - Bulgaria" amounts to EUR 60.62 mln, whereas according to this indicator the market share of PIC "Lukoil Garant - Bulgaria" amounts to 5.15% of the total book value of the assets, managed by pension insurance companies.

As of the same date, the number of insured persons in the pension funds managed by PIC "Lukoil Garant - Bulgaria" amounts to 163,130, of which UPF – 114,378, OPF – 14,221 and VPF - 34,531. According to this indicator, the market share of PIC "Lukoil Garant - Bulgaria" amounts to 4.47% of the total number of insured persons in the country.

As of 31.12.2008 the net value of the assets within the pension funds managed by the company reached the amount of EUR 60.62 mln, of which UPF – EUR 30.73 mln, OPF – EUR 13.19 mln and VPF – EUR 16.69 mln.



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 3.58 mln, distributed in 700,000 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").

At present the company employs over 102 employees and over 3,000 insurance intermediaries throughout the entire country. The clients of PIC "Saglasie" are serviced at 44 offices on the territory of the entire country, and their number is planned to grow to 60 regional offices by 2010.



According to preliminary data of the Financial Supervision Commission as of 31.12.2008 the pension funds managed by PIC "Saglasie" have 434,007 insured persons (a market share of 11.91%), out of which UPF – 361,470, OPF – 36,224 and VPF – 36,313. The number of insured persons has grown by 29,156 in comparison to 31.12.2007.

The book assets of the pension funds, managed by PIC "Saglasie" as of 31.12.2008 amount to EUR 129.93 mln, and the net assets within the managed funds amount to EUR 129.38 mln (a market share of 11.03%).

Perspectives and development

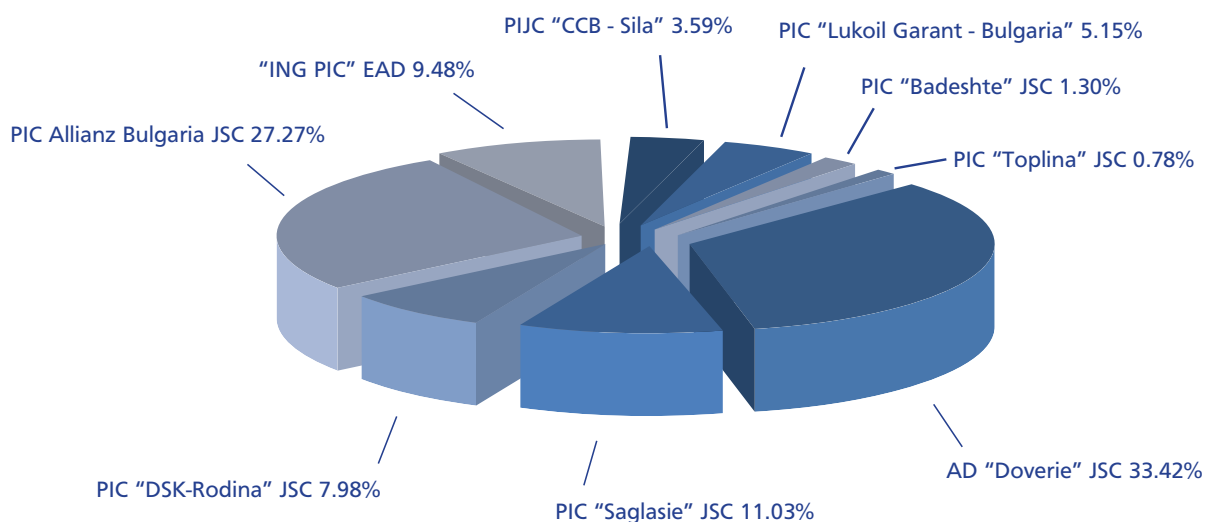
The team of PIC "Saglasie" takes part in the development of amendments in the Social Security Code, and once they are adopted, they will provide new opportunities for long-term investment of pension assets. One of the amendments is the introduction of a "multi-fund" system with investment portfolios differentiated according to the level of risk. This amendment will enable the clients of the voluntary funds to select the level of risk when investing their funds in a portfolio with high-level, balanced and low-level of risk. In relation to the forthcoming amendments, the company has introduced new software for assets management.



"PIC Saglasie" Varna Headquarters

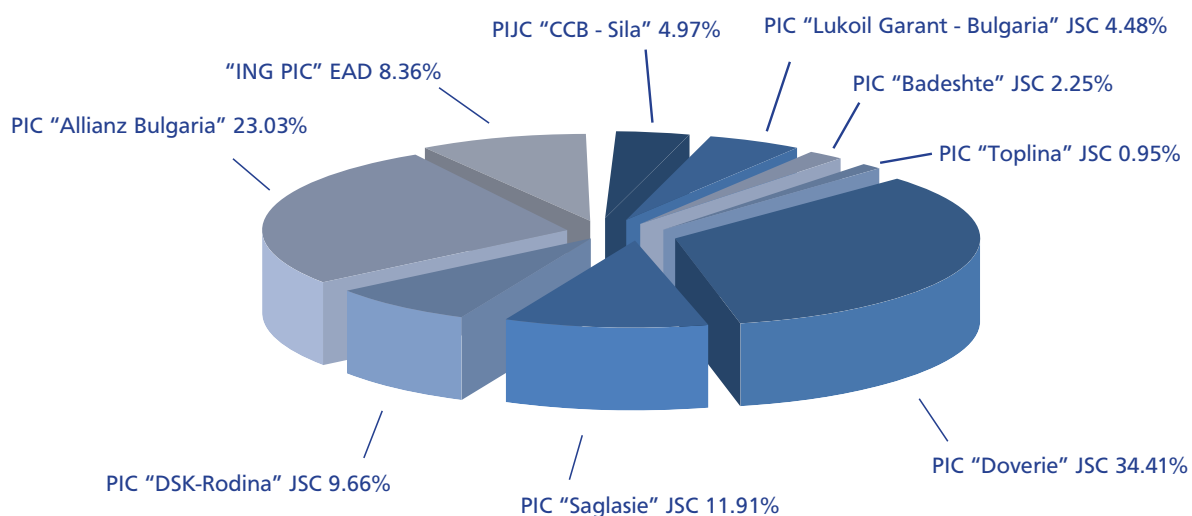
As of 31.12.2008 the market share according to the size of net assets within the pension funds managed by PIC "Saglasie" is 11.67%, for PIJC "CCB - Sila" the number is 3.59% and for PIC "Lukoil Garant - Bulgaria" JSC the number is 5.15%.

Market share of pension insurance companies according to size of net assets within the pension funds managed by them as of 31.12.2008.



As of the same date, the market share of the pension insurance companies according to the number of insured persons in the pension funds managed by them is as follows: PIC "Saglasie" - 11.91%, PIJC "CCB - Sila" - 4.97% and PIC "Lukoil Garant - Bulgaria" - 4.47%.

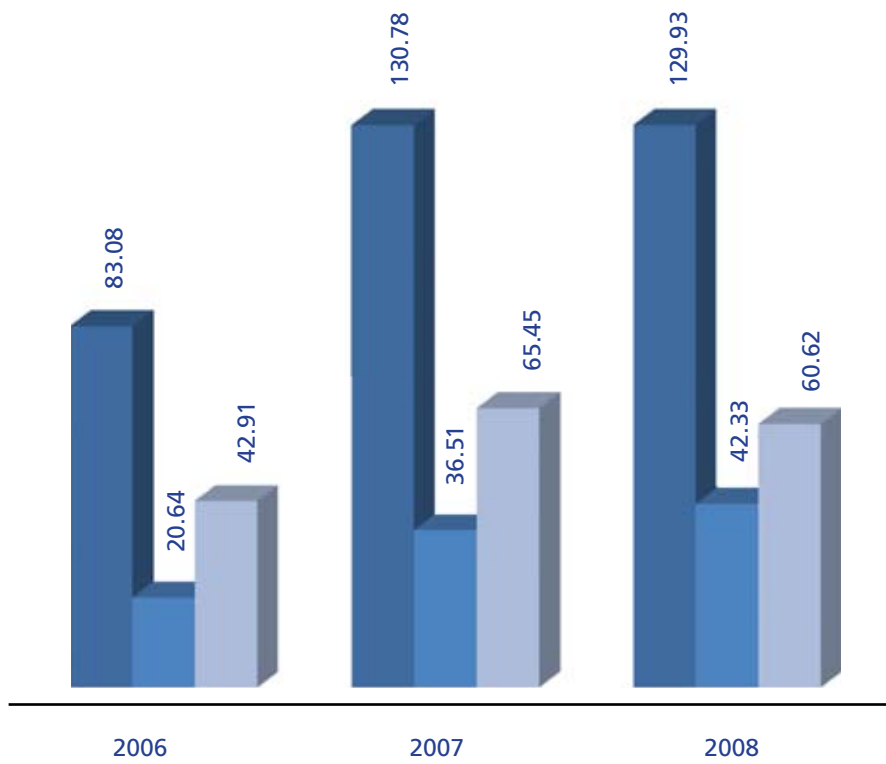
Market share of pension insurance companies according to the number of insured persons in the pension funds managed by them as of 31.12.2008.



The development of the net value of the assets of the funds managed by the pension insurance companies is shown on the graph below. The world financial crisis and its impact on the stock exchange markets have influenced the value of the net assets of the pension funds in 2008.

- PIC "Saglasie"
- PIJC "CCB - Sila"
- PIC "Lukoil Garant - Bulgaria"

(EUR mln)



Managing Company "CCB Asset Management" EAD

Through its subsidiary "CCB Assets Management", "Chimimport" possesses 500,000 shares, each of EUR 0.51, which represent 100% of the capital of "CCB Assets 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 assets 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.

MC "CCB Asset Management" has a license, issued by the Financial Supervision Commission in January 2007. 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;

In 2008 MC "CCB Assets Management" started also management of an individual portfolio in accordance with a contract signed with the client.

The depositary bank of the contractual funds of MC "CCB Assets 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 at 31.12.2008 the assets managed by MC "CCB Assets Management" amount to EUR 8.72 mln, whereas at the end of the first quarter of 2009 they come up to EUR 16.87 mln.

“Capital Management” SPIC

“Capital Management” is a joint-stock company with special investment objective for securization 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 objective.

“Chimimport” has 23.08% of the capital of “Capital Management” through its subsidiary Insurance Joint-Stock Company “Armeec”.

The core business of “Capital Management” covers raising funds via the issuance of securities and investment of the raised funds in receivables (securization of receivables), sale and purchase of receivables, as well as other trade activities directly relating to the sale and purchase and/ or securization of receivables.

The company structures its portfolio of receivables by investing in different types of receivables, due from entities from various branches of the economy, located in different regions of Bulgaria, aiming at decreasing the nonsystematic risk of the investment portfolio. To fund its investments the company plans to use own capital as well as attracted capital such as bank loans and/ or debt securities.

The company is public and is traded on the market of companies with special investment objectives, organized by the “BSE - Sofia” JSC. “Capital Management” is registered with capital of EUR 0.26 mln, which after the compulsory initial increase reached an amount of EUR 0.33 mln. The capital is distributed in 650,000 registered, book-entry, ordinary, freely convertible shares with a face value of EUR 0.51.

As at 31.03.2009 “Capital Management” is in a process of capital increase through an initial public offering of 180,154 ordinary, book-entry, registered shares with a face value of EUR 1 and an issue value of EUR 26.54 per share. As a result of the increase, it is expected that the share capital of the company will reach EUR 424,451 whereas the shareholders’ equity of the company will come up to EUR 7.30 mln.

To find its place on the market and to realize profitability of the investments, the company relies on the experience and authority of “Finance Consulting” EAD, which services it, and which having been operating on the market of receivables for a decade now has the specialists (layers and economists) with the required knowledge and experience.

Depository bank of “Capital Management” is “Unicredit Bulbank” JSC.

Market Position

With a market share of 57.13% and assets of EUR 24.11 mln (as at 31 December 2008), “Capital Management” takes the first place among the ninth (9) licensed joint-stock companies with special investment objective, specialized in securitization of receivables licensed by the Financial Supervision Commission. The table below shows their shareholders’ equity, the assets accumulated and the market share.

As to 31 December 2008 the revenues from the activities of “Capital Management” amount to EUR 6.62 mln, increasing by 32.51% compared to the end of 2007. In 2008 the net result of the company’s activities increased up to EUR 3.14 mln, whereas in 2007 it was EUR 2.96 mln.

Company	Registered capital (in EUR mln)	Shareholders' equity (in EUR mln)	Total assets (in EUR mln)	Market share
"Capital Management" SPIC	0.33	2.16	24.10	57.13%
"Transinvestment" SPIC	0.33	0.50	7.84	18.57%
"Enegetics and Energy Saving Fund" SPIC	0.50	0.90	6.66	15.78%
"Alfa Credit" SPIC	0.66	1.52	1.55	3.68%
"Hyundai Finance" (in process of liquidation) SPIC	0.33	0.49	0.49	1.17%
"Ulpina" SPIC	0.33	0.47	0.47	1.12%
"Capital Direct -1" SPIC	0.33	0.35	0.40	0.95%
"Lev Invest" SPIC	0.33	0.36	0.36	0.85%
"HypoCapital" SPIC	0.33	0.32	0.32	0.76%
TOTAL	3.49	7.07	42.19	100.00%



"Capital Management" head office

"Bulgarian Aviation Group" EAD

Overview

The investments of "Chimimport" in the aviation industry are mainly realized through "Bulgarian Aviation Group", previously named "Balkan Hemus Group" EAD. "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" EOOD 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 "Bulgaria Air". "Bulgarian Aviation Group" has also participation in "Air Ban" air company and "Lufthansa Technique Sofia".

The policy of "Bulgarian Aviation Group" is focused on the development of the existing air companies "Bulgaria Air" and "Hemus Air", establishment of joint companies with local and foreign companies, active participation in the concessing the airports of the Republic of Bulgaria and provision of complex services to the existing and potential clients. A large scale investment program is under way, as well as a restructuring of the aviation business within "Chimimport". Presently the capital of "Bulgarian Aviation Group" amounts to EUR 15.8 mln.



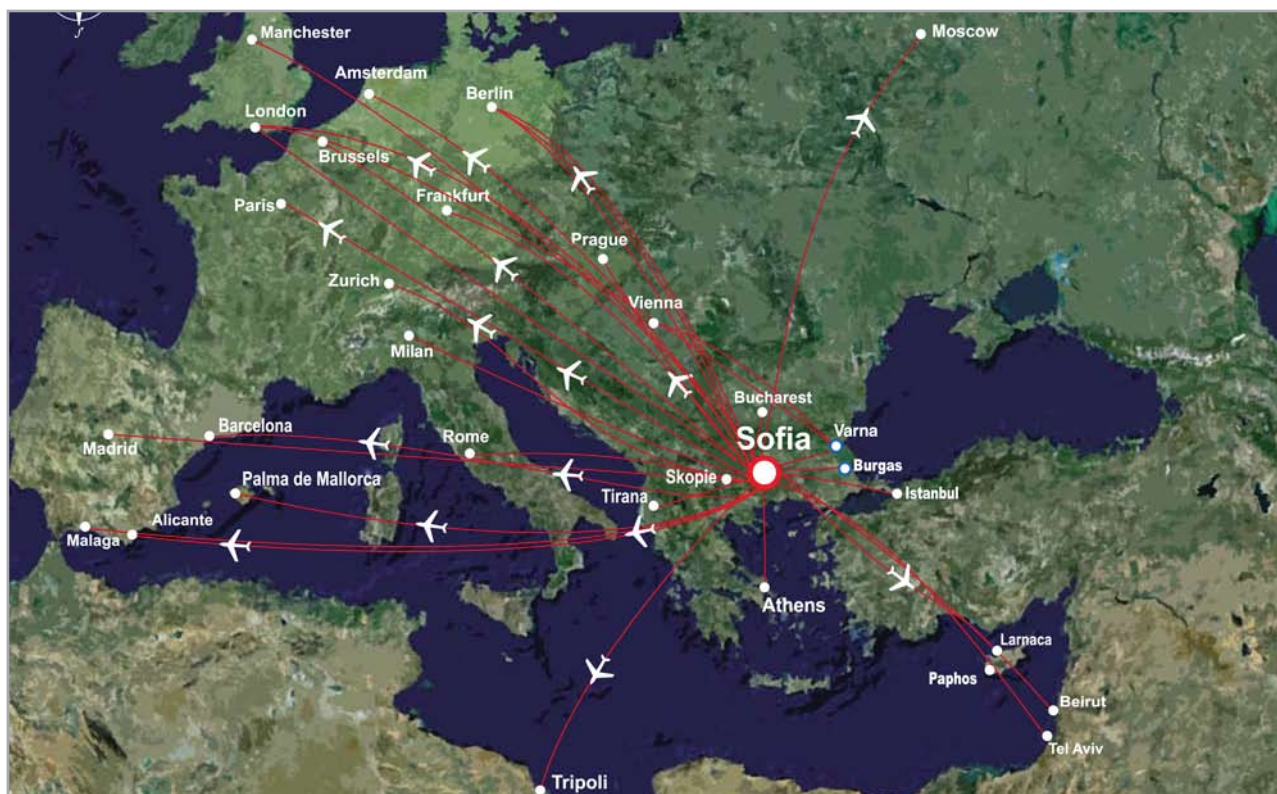
“Bulgaria Air” JSC

At the beginning of February 2007 “Chimimport” acquires 99.99% of the national air carrier of the Republic of Bulgaria - “Bulgaria Air”, the Ministry of Transport and Communication keeping 1 golden share.

The capital of the company amounts to 30,160 shares with a face value of EUR 551.3 per each.

“Bulgaria Air” air company carries out the following main activities:

- Regular international lines: the regular international flights include more than 30 destinations in Europe, the Middle East and North Africa;
- Internal flights to Varna and Bourgas;
- 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;
- 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” air company 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 52 mln. The annual turnover of direct sales through own offices in the country and online sales come up to more than EUR 11 mln.

The market share of the turnover on the Bulgarian market, which the company holds is 30.8%, whereas in terms of tickets sold it is 39.9%.

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.



Airbus A319-112



Airbus A320-214



Boeing 737 500



Boeing 737 300

"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 910 people, including 84 pilots and 154 cabin staff. Together with "Hemus Air" the company has representative offices in Athens, Beirut, Brussels, Bucharest, Larnaka, London, Moscow, Paris, Rome, Tirana, Tripoli, Frankfurt, Zurich.

"Bulgaria Air" air company 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. On 27 June 2008 the first newly manufactured airplane Airbus A319 was delivered, till March 2009 another two airplanes Airbus A319 were received and three airplanes Airbus A320. At the same time "Bulgaria Air" purchases two of the leased airplanes Boeing 737, thus significantly

improving the ratio own/ rented airplanes in its fleet. "Bulgaria Air" has already introduced or is in the final stages of the introduction of the modern Revenue Management system (AirMax of SABRE), reservation system of Amadeus, modern online sales platform through the website of "Bulgaria Air", as well as a software for planning the crews and maintenance of "Lufthansa Technik".

A management strategy for enlarging the trade activities with accelerated rates and launching on new markets through enlarging the network of flights, increasing the frequencies, attracting new clients by beneficial offers for direct and transfer flights, depending on the specifics of each particular market is in place.

"Hemus Air" EAD

"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.

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.



AVRO 146-RJ70



Bae 146-200



ATP 42 - 300

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 326 people, including 96 pilots and 88 cabin staff. Together with "Bulgaria Air" the company has representative offices in Athens, Beirut, Brussels, Bucharest, Larnaka, London, Moscow, Paris, Rome, Tirana, Tripoli, Frankfurt, Zurich.

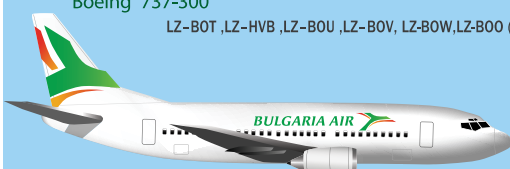
Basic financial information

	Bulgaria Air		Hemus Air		Total	
	2006	2007	2006	2007	2006	2007
Financial data in EUR mln						
Income	129.74	123.43	52.52	55.74	n.a	n.a
Operational expenses	124.25	109.70	45.63	40.76	n.a	n.a
Including fuel	41.23	32.52	13.32	12.26	n.a	n.a
EBITDAR	5.48	13.73	6.90	14.98	n.a	n.a
Airplane rental	19.98	18.52	4.48	13.10	n.a	n.a
EBITDA	(14.50)	(4.79)	2.41	1.88	n.a	n.a
EBIT	(14.69)	(4.92)	1.01	0.70	n.a	n.a
Profit	(14.58)	(5.14)	0.10	0.05	n.a	n.a
Basic indicators						
Transported passengers domestic lines	-	71,493	55,155	18,154	55,155	89,647
Transported passengers international lines	609,413	719,737	143,178	86,566	752,591	806,303
Number of flights	3,990	5,298	2,028	1,012	6,018	6,787
Regular routes	33	29	13	10	46	39
Available armchair – kilometers /ASK/	2,332,177	2,233,485	534,474	495,350	2,866,651	2,728,835
Block hours	22,840	26,066	7,337	3,596	30,177	29,662
Sectors flown over	7,980	10,596	4,056	2,024	12,036	12,620
Loading (RPK/ASK)	65.4%	64.4%	62.7%	88.1%	64.9%	63.1%
Average number of passengers per flight	153	149	98	103	134	142
Passengers – statistics						
Passengers on regular lines	609,413	791,230	198,333	104,720	807,746	895,950
Passengers on charter flights	149,537	48,241	190,892	269,364	340,429	317,605
Total number of transported passengers	758,950	839,471	389,225	374,084	1,148,175	1,213,555
RPK ('000) on international regular lines	1,161,105	1,326,180	164,192	88,233	1,325,297	1,414,413
RPK/ASK; international regular lines	65.4%	63.4%	62.1%	73.8%	n.a	63.1%
Average revenue international regular lines	248	245	185	187	n.a	n.a
						273
						0.165
						67,350
						67,515
						0,275
						n.a
						273
						118,543
						869,439
						6,787
						40
						2,455,190
						30,897
						13,574
						65.4%
						146
						234
						65.9%
						n.a
						n.a
						987,982
						332,256
						1,320,238
						1,508,134
						65.9%
						n.a

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	B737-500	Bulgaria Air	26704	LZ-BOP	112Y
	B737-500	Bulgaria Air	26687	LZ-BOQ	131Y
	B737-300	Bulgaria Air	26852	LZ-BOO	148Y
	B737-300	Bulgaria Air	23717	LZ-BOU	148Y
	B737-300	Bulgaria Air	23833	LZ-BOV	148Y
	B737-300	Bulgaria Air	24834	LZ-HVB	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 (48 Y)
	ATR-42-300	Bulgaria Air	151	LZ-ATR	46 (48 Y)
British	BAe 146-200	Hemus Air	E2072	LZ-HBA	90 (4C/ 86Y)
Aerospace	BAe 146-200	Hemus Air	E2073	LZ-HBB	86(12C/ 74 Y)
	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 (111 Y)
	BAe 146-300	Hemus Air	E3159	LZ-HBF	110 (110 Y)
	BAe 146-300	Hemus Air	E3146	LZ-HBG	110(110 Y)
	BAe 146-200	Hemus Air	E2103	LZ-HBZ	97(97 Y)
	Avro 146-RJ70	Bulgaria Air	E1258	LZ-TIM	26 (26C)

Boeing 737-300
LZ-BOT, LZ-HVB, LZ-BOU, LZ-BOV, LZ-BOW, LZ-BOO (148)



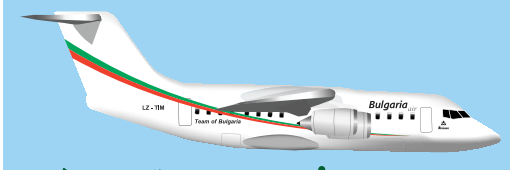
815	4230	28,88	148	62822	32,3
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Boeing 737-500
LZ-BOR (112), LZ-BOP (112),
LZ-BOQ (131), LZ-BOY (123)




795	2923	28,88	131	55566	29,8
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Avro 146-RJ70




720	3075	26,21	70-82	43091	26,20
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BAe 146-200 LZ-HBA, LZ-HBB




700	2300	26,34	90	42184	28,55
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BAe 146-200 LZ-HBC



700	2300	26,34	88	42184	28,55
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BAe 146-300 LZ-HBG




700	2300	26,34	110	43091	30,99
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Airbus A319-112 LZ-FBA, LZ-FBB, LZ-FBF




840	6800	34,1	156	75500	33,84
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Airbus A320-214 LZ-FBC, LZ-FBE, LZ-FBD




0,78 M / 440kt	5556	34,1	180	71500	37,57
0,78 M / 440kt	5556	34,1	168	77000	37,57

BAe 146-200 LZ-HBZ




700	2300	26,34	97	43091	28,55
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BAe 146-300 LZ-HBE




700	2300	26,34	111	43091	30,99
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BAe 146-300 LZ-HBD




700	2300	26,34	97	43091	30,99
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BAe 146-300 LZ-HBF



700	2300	26,34	110	43091	30,99
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ATR 42-300 LZ-ATS (48), LZ-ATR (46)



450	1500	24,5	48	16900	22,67
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“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, a single AS 365 Dauphin and a Piper Seneca II.

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.

In accordance with a contract concluded with the Military Medical Academy, “Air Ban” holds 24-hour shifts with two medical teams of doctors, specialized in providing emergency medical assistance and trained for working during flight.

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 24-hour 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” LTD

“Lufthansa Technik Sofia” is a joint venture between “Bulgarian Aviation Group” (20%) and “Lufthansa Technik AG” (80%) with main business: maintenance, repair and painting of aircrafts with priority on the execution of heavy construction structural shapes of airplanes (6 C/SI (D) – Check) with work load, exceeding 6,000 man-hours. The company is the fifth platform in Europe for major servicing and maintenance of narrow fuselage aircrafts of the global leader in this sphere – “Lufthansa Technik”. The structure in Bulgaria is ideal for servicing of customers from Europe, Middle East, as well as from North Africa, as its location in the country provides excellent basis for strong competitive ratio price/performance.

The registered capital of the company is EUR 5.01 mln. Besides the registered capital investments amounting to EUR 20 mln, from which EUR 7 mln in technologies and dock equipment, are foreseen.

The activity is carried out under the technological supervision and the trade mark of “Lufthansa Technik” at Sofia airport in Hangar No.3, property of “Hemus Air”. The hangar has been reconstructed and refurbished in accordance with Lufthansa’s standards and is EASA certified. The joint venture services aircrafts type Boeing 737 and Airbus A320 family, last generation aircrafts included. In case of full load up to 22 overhauls (6 C/SI (D) could be carried out annually and in long-term perspective linear and basic servicing of aircrafts Airbus A330 and A340 is foreseen.

For the five months since the activity started “Lufthansa Technik Sofia” completed major overhaul and handed over two aircrafts (Airbus A321 and A320 of) Lufthansa) and on 1 April 2009 with the arrival of Airbus A320 of Ural Airlines the second line for basic servicing of aircrafts Boeing B737 and Airbus A320 has been put into operation. Additional maintenance and painting of aircrafts of “Lufthansa City Line”, “Bulgaria Air”, “Wizz Air”, “Sky Europe”, “Anadolu Jet” as well as of the leasing company GEC AS have been carried out.

Upon reaching the optimal capacity over 360 qualified experts will work in the company.



“Lufthansa Technik Sofia”

“Fraport Twin Star Airport Management” JSC

The company is the largest airport operator and operator of land servicing in Bulgaria.

In 2006 “Fraport Twin Star Airport Management” won a competition of the Bulgarian government for a concession of the civil airports for public use in Bourgas and Varna. In compliance with the concession agreement, “Fraport Twin Star Airport Management” is the operator of the international airports of Bourgas and Varna for a period of 35 years.

The main activity of the company is related to the exploitation, maintenance, development and expansion of the civil airports in Bourgas and Varna, terrestrial servicing of aircrafts, passengers and luggage, servicing of cargos and mail and any activities and services, related to the exploitation and operation of airports, free duty-free trade, foreign exchange, management of retail objects etc.

“Fraport Twin Star Airport Management” is certified for all its activities in the head-office, Airport Bourgas and Airport Varna according to EN ISO 9001-2000 standard by TUV Austria.

Description of the company's activity

“Fraport Twin Star Airport Management” services more than 100 Bulgarian and foreign airlines, executing charter and regular flights from the airports in Bourgas and Varna to over 50 countries in Europe, Asia and Africa. The largest share of the flights in both airports belongs to the airlines: “Bulgaria Air”, “Bulgaria Air Charter”, “Air Via”, “First Choice”, “B H Air”, “Hemus Air”, “Austrian Airlines”, “Malev”.

In 2008 the following volumes of serviced aircrafts (MOV) and passengers (PAX) were reported:

- Varna Airport – 15,129 movements of aircrafts and 1,438,066 passengers and the largest number of travelers have been reported from Germany – 342,350 (PAX) and Russia – 236,859 (PAX);
- Bourgas Airport – 16,952 movements of aircrafts and 1,925,637 passengers and the largest number of travelers have been reported from Germany – 342,350 (PAX) and Great Britain – 372,026 (PAX).

“Fraport Twin Star Airport Management” is leader on the market for land servicing of the Black Sea coast. As competitors in regard to the regular traffic the airports in Istanbul, Constantza, Bucharest and Sofia could be determined.

The airports, operated by “Fraport Twin Star Airport Management”, are located in regions with extremely favorable climate and aero navigation conditions and those are in close vicinity to the fastest developing tourist market in Bulgaria. The two airports comprise high potential catchment area – 22.37% of the gross national product, 20% of the foreign investments in Bulgaria, 72% of the number of beds in the country. The airports in Bourgas and Varna are located at a 1-hour distance from a population of 2 mln persons. The strategic geographic location – at 2 hours from Central Europe, Central Russia and the Middle East, proximity to Trans European corridors Nos. 8 and 9 and the two largest harbors of Bulgaria make them an attractive partner for customers and partners from East and West.

In recent years a trend for increasing the number of regular flights, executed by low cost airlines during the summer season, is observed. For example: In the summer of 2008 the airports in Varna and Bourgas serviced

Profile of Varna and Bourgas airports

	Varna	Bourgas
Area	2,551,475m ²	2,254,533m ²
Passengers/year	1,450,192 in 2008 (-2.9%)	1,936,853 in 2008 (-0.6%)
Loads/year	104 tons in 2008 (+128%)	1,465 tons in 2008 (-29%)
Movements of aircraft	15,129 in 2008 (+1.1%)	16,952 in 2008 (+5.2%)
Take-offs/Touch-downs per day in peak periods	~132	79-87
Check-in counters	18	22
Runway (number and length)	1 x 2,500m	1 x 2,500m
Remarks	In the summer of 2009 the construction of a new terminal starts	In the summer of 2009 the construction of a new terminal starts

regular flights to 24 European destinations of the following low cost airlines: Sterling Airlines, Norwegian Air Shuttle, Air Berlin, German Wings, Wizz Air, Sky Europe, Central Wings, Aer Lingus, which carry out flights to Denmark, Norway, Germany, Austria, Poland, Czech Republic, Slovakia and Ireland.

Primary for the two airports is the international charter traffic, which is carried out mainly by the countries from the European Union. Leaders from the EU are the passengers from Germany and Great Britain and outside the



Varna Airport

EU – those from Russia and Israel. At Varna Airport the internal market also has a considerable share of the total number of serviced passengers, taking fifth position.

Regarding the commercial activities “Fraport Twin Star Airport Management” works with internationally acknowledged partners as Heinemann, Costa Coffee UK, McDonald’s Bulgaria, the Italian Raffy Ice Cream, International Currency Exchange Plc as well as with Bulgarian companies, specialized in the exploitation of other commercial activities – exploitation of cafes, parking places, provision of luggage packaging services etc. For 2008 the share of the revenue from non-aviation activities reached 13% from the total revenues or EUR 5.51 mln.

On the territory of the two airports in Bourgas and Varna large-scale companies, such as the three mobile operators in Bulgaria – Mobiltel, Globul and Vivatel, as well as many real estate agencies with properties all over the Black Sea coast and in the interior of the country advertise their activities.

For 2008 the company has a turnover of EUR 40.65 mln and the net profit of the company for the year amounts to EUR 8.27 mln.

EUR mln	2007	2008
Equity	10.9	19.2
EBITDA	12.9	13.9
Profit after taxation	8.6	8.3
Revenue	41.6	40.6
Engaged personnel	1,604	1,218

Perspectives and development

In the future “Fraport Twin Star Airport Management” will continue to focus its efforts on improvement of the quality of service and provision of better conditions for its customers – airlines and passengers through investments in improvement and modernization of the existing infrastructure, supply of new equipment and installations, modernization of the systems, personnel trainings.

In the next 5 years the company will invest more than EUR 114 mln in construction of new modern terminal buildings at both airports in compliance with the high global standards, expansion of the platform and supply of new equipment and installations, whereas for 2009 EUR 20.5 mln for the investments projects of Varna Airport and EUR 32.5 mln for Bourgas Airport have been planned. The new passenger terminals will considerably increase the capacity of the airports and will offer all necessary conveniences to passengers and users.



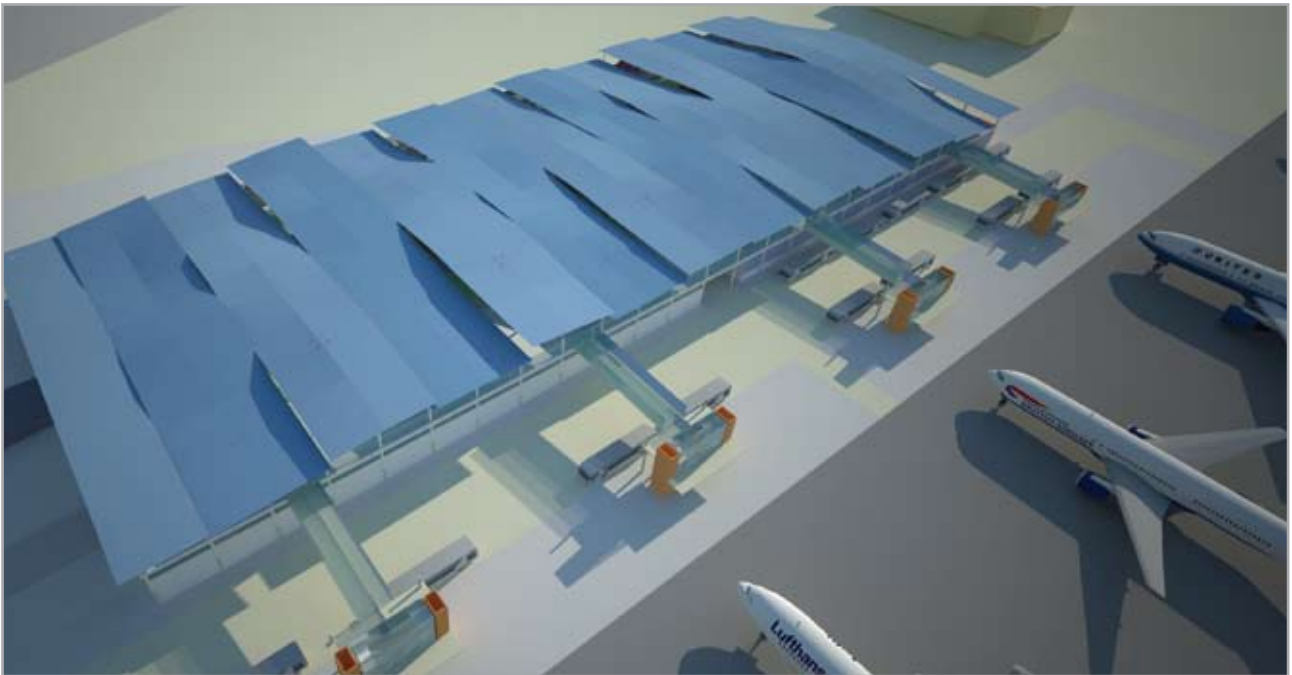
Varna Airport - Now



Projects of Varna Airport



Bourgas Airport - Now



Projects of Bourgas Airport

With regard to the activity of land servicing, the entry of a second operator in land servicing at Bourgas Airport (upon reaching over 2 mln serviced passengers per year) is expected. In regard to the commercial activities on the territory of both airports, the construction of the new terminals and the expansion of the commercial areas is a prerequisite for attracting trade marks of international importance and with high quality of the offered services, which will increase the revenues of the company from non-aviation activities.

“Bulgarian Shipping Company” EAD

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.

The registered capital amounting to EUR 0.52 mln is divided in 20,000 is divided into 20,000 book-entry registered shares with nominal value of EUR 51.13 each.

In its capacity of a parent company “Bulgarian Shipping Company” executes effective control over its 2 subsidiaries:

- “Bulgarian River Shipping” – 79.01% share.
Through “Bulgarian River Shipping”, “Bulgarian Shipping Company” participates also in the capital of the following companies

“VTC” - 51%

“Mayak - KM” - 75%

- “Ship Machine-Building” – 51.81% share.

“Bulgarian Shipping Company” participates in the operative management of:

Ship Repair Yard “Odessos” - 30%

“Lesport”, a subsidiary of “Chimimport” - 99%

“Port Balchik” a subsidiary of Zarneni Hrani Bulgaria - 75%

“Bulgarian Shipping Company” directly participates with 25% in the capital of “Port Balchik”.

The plans for the future of “Bulgarian Shipping Company” include acquisition of shares in ports, in shipbuilding and ship-repairing companies, construction of new harbor terminals, purchase and management of vessels “river-sea”, as well as improvement of the transport flows from/to Russia and the region. Imminent is the construction of a harbor terminal on the territory of “Chimimport Bimas” EOOD in the town of Ruse – East Industrial Zone.



“Bulgarian River Shipping” JSC

“Bulgarian River Shipping” is the undisputable leader among the Bulgarian companies engaged in river shipping and the volume of the activity and the fleet of the company exceed in times those of the 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 Stock Exchange – segment B” of “BSE – Sofia” JSC.

In December 2005 by means of a deal on the “BSE - Sofia” “Chimimport” acquired 29.13% of the capital 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 82.10% of the capital of “Bulgarian River Shipping”.

On December 8th, 2006 at a extraordinary general shareholders’ meeting a decision was taken for an increase of its capital from EUR 0.46 mln to EUR 0.59 mln. The consequent decision for an increase of capital was taken at the regular general meeting of the shareholders, held on May 22nd, 2007, at which the company’s capital was increased from EUR 0.59 mln to EUR 14.8 mln.

“Bulgarian River Shipping” has its own fleet comprising of:

- Self-powered boats – thrusters – 18 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 – 44 pieces; tankers – 6 pieces; crewless sections – 62 pieces; pontoons – 17 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 cargos, draft non-hazardous cargos and fuels and cargos with large overall dimensions and concentrated cargos;
- Container transport between Constantza and Belgrade;
- Ferryboat transport between Vidin and Calafat;
- Ro-Ro transport Ruse – Reni – Ruse and Passau – Vidin – Passau;
- Agency of Bulgarian and foreign ships in all Bulgarian ports;
- Forwarding activity, chartering of river and sea ships;
- Organization of combined transport: river – railway transport – sea;
- Cruises in the Bulgarian section of Danube River by passenger boats.

Through “Bulgarian River Shipping” “Chimimport” has undertaken the obligation to invest in “Bulgarian River Shipping” EUR 25 mln during the period 2007 – 2011. As of December 31st, 2007 EUR 12.38 mln have been absorbed and the investments for 2008 amount to EUR 2.84 mln and the same are to be approved by the Agency for Post Privatization Control after presentation of a report.



Reloading of heavy cargos in Constantza

The main goal of the investment program is the increase in the tonnage of “Bulgarian River Shipping” and renewal of the ship fleet of “Bulgarian River Shipping” – 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 Viena towards Germany). Special attention is paid to the construction of new vessels.

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 “Europa-II”). The construction of two of these barges was completed in the last quarter of 2008 and they are now successfully put into exploitation. Moreover, at the beginning of 2009 two more barges were launched. At the moment we are researching and planning the construction of self-propelled river vessels. The investment program of “Bulgarian River Shipping” envisages also the building of a logistical center 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. The intentions of the Group are the above-listed infrastructural sites to be built and operational by 2010.

“Bulgarian River Shipping” maintains:

- The only at the moment regular container line in Lower Danube between the ports Belgrade and Constantza. 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 Somovit, 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 vessels.

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

The number of the employed persons in the company is 599, from whom 439 ship personnel and 159 – coastal employees.

Main financial results

“Bulgarian River Shipping” ends its production activity for 2008 with a reported result of 1.43 mln tons loads, as the transported amounts exceed by 0.0436 mln tons (increase 3.2%) the value for 2007. The revenues from the sale of the transport services reach EUR 23.30 mln and have a positive growth by 24.2% in relation to compared values for 2007. The total expenditures are EUR 21.50 mln and their increase is 19.4% compared to the previous period. The financial result of the company for 2008 is a profit before taxation to the amount of EUR 2.46 mln as a growth with 37.6% has been achieved. The profit for the reported period of this year after taxation is EUR 2.20 mln.

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.



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

EUR mln consolidated	2006.	2007	2008
Sales revenues	17.02	23.22	29.09
Cost of goods sold	15.93	20.48	24.67
Depreciation and amortization	0.38	1.01	1.22
Net profit	1.49	2.37	3.84
Non-current assets	21.36	22.15	28.64
Current assets	3.63	4.77	6.84
Assets	24.99	26.91	35.47
Shareholders' equity and reserves	17.85	19.77	22.95
Minority participation	0.58	0.78	1.43
Non-current liabilities	3.16	3.20	2.84
Current liabilities	3.40	3.17	8.25
Financial debt	3.05	3.09	7.40
Long-term	2.63	2.35	1.97
obligations under the loan obtained by fin. institutions	1.25	0.87	0.49
obligations under the debenture loan	-	-	-
payables to related companies	1.39	1.48	1.48
Short-term	0.42	0.74	5.44
obligations under the loan obtained by fin. institutions	-	-	-
payables to related companies	0.03	0.35	5.05
Current part by the non-current liabilities	0.39	0.39	0.39
Cash flow from operating activity	1.91	2.44	3.94
Cash flow by investments activity	(1.82)	(1.53)	(2.44)
Incl. CAPEX	(2.03)	(1.56)	(2.44)
Cash flow by financial activity	(0.07)	(0.53)	(0.60)
Amendments to cash during the period	0.02	0.39	0.91
Cash at the end of the period	0.57	0.95	1.86
RoaE	12.6%	12.6%	18.0%
RoaA	8.8%	9.1%	12.3%
Profit margin	8.8%	10.2%	13.2%
Debt/Capital and reserves	17.1%	15.6%	32.3%
Equity/Assets	71.5%	73.4%	64.7%

The company activity is orientated in 3 main directions:

- Eastern – a half of the company activity is directed to this relation, whereas mainly (95%) import of raw materials from Ukraine and Russia to Bulgaria are transported;
- Western – forms 20% of the company activity and includes shipments between Bulgaria and the rest Danube countries in Central and Western Europe;
- Between third countries – forms 30% 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 then 200 small and big companies from Bulgaria and Europe.



The administration building of "Bulgarian River Shipping", Ruse

"VTC" JSC

"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 – Gernan, Tuzla – Istanbul;
- Maximum length – 18.28 m;
- Width – 6.70 m;
- Wade – 3.20 m;
- Gross tonnage – 65;
- Net tonnage – 20;



Sanmar tugboats



Tugs Sanmar

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

The market of the tugboats services in the ports of Varna and Balchik is served by "VTC", "Port Fleet 99" LTD and "Parahodstvo BMF" EAD.

"VTC" possesses the newest, modern and effective tugboats, working in Varna and Balchik. Due to the its policy of loyalty, correctness and precession in the work with clients, the company has won recognition as a trusty partner and leader on the tugboat services market with a 45% share.

The main clients of "VTC" are the leading companies in maritime trade in Varna:

"Agropolichim" JSC, "Bon Marin" JSC, "Bulyard Shipconstucting Indusrty" JSC, "Vesem" LTD, "SCW Odessos" JSC, "Overseas Comers Company Limited" LTD, "Sea Partner Shipping" LTD, "Unimasters Pi Em EI" LTD.

The investments made for acquiring the tugboats, with which "VTC" carries out its main activity are in the amount of EUR 2.2 mln.

In order to strengthen its leading position, as well as to answer of the requirements of the extended tugboat services market the company intends to invest about EUR 1 mln for buying one more tugboat.

"Mayak – KM" JSC

"Mayak - KM" is a subsidiary of the "Bulgarian River Shipping", founded in 1968. The business activity is production of the deck cranes, cranes for steel-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.

The main client of the company during the last 5 years is Rolls Royce, together with two companies, included in its structure – Rexrot and Polartechnic. In 2008 the company won the trust of the new client – Fluidhaus, Finland.

In 2009 the company expects orders by the Germany industrial Group Thyssen Krup.

The income from the company activity in 2007 are EUR 2.36 mln, and in 2008 – EUR 2.74 mln. The realised profit in 2007 is EUR 0.56 mln, in 2008 – EUR 0.54 mln.

In 2008 a new contract with Rolls Royce was signed secured work for company in the next three years.

In the Global Economic Crisis of 2009 there are orders by the main client of the company - Rolls Royce in the amount of EUR 1.53 mln. It is expected the sales revenues will reach EUR 2.05 mln, to keep the main body of highly- skilled workers and specialists and to realise the planned investments program.

“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 75000 tons of steel constructions have been supplied.

Clients:

Among the active company clients at the moment are: “Bulgarian River Shipping”, “Boulyard Korabostroitelna Industriya”, 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” OOD, Varna, “Steel Industry” JSC, town of Pernik, “Mayak - KM”, city of Bourgas, Balkan Steel LLC, USA.

Profile steel material:

“Unimat” EOOD, 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 2008 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 an EOOD, EAD, and presently it is a public joint-stock, as the issue of shares, which are issued by Ship Repair Yard "Odessos" has been registered for trade on the official Stock Exchange, 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 95% 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 capital of Ship Repair Yard "Odessos" is EUR 0.30 mln and is distributed in 586,642 book-entry registered shares with a voting right, each with a nominal value of EUR 0.51 and has not been changed since the establishment of the company.

"Chimimport" participates in the management of Ship Repair Yard "Odessos" through the "Bulgarian Shipping Company", which was elected as a member of the Board of Directors of the company with a decision of the General Assembly on 12.01.2007.

The planned in 2009 exploitation of a new 20,000 ton floating dock, which is built at the order of Ship Repair Yard "Odessos" is important for the future development of the company, representing the biggest investment of the dockyard from 1985 to present.



Floating dock

“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.

“Port Lesport” has a Certificate of Exploitation validity No 1/12.10.2007 for the work with general, loose and ro-ro cargoes and plant nutrition tap cargoes.

“Port Lesport” covers the requirements of the European quality standard ISO 9001:2000 for port activities, including stiftador operations, storage and other associated processing of the cargoes.

There is a technical and organizational possibility for maintenance and repair of Port machines in the Port area. A customs office No 2006 was established on the harbour area, as well as a boundary control pass point and an office of NSRZ, which offer a complete service for imported, exported and transit cargoes.



“Port Lesport”, Varna

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.

The Minister of Transport and the Minister of Regional Development and Amelioration approved the general plan for the development of “Port Lesport”, which was designed with the help of the world famous Dutch consulting and engineering company Royal Haskoning, on 8 February 2008. The purpose of this partnership is an optimization, consolidation and expansion of the already offered port services in the north region of the Black Sea.

A major development and deployment of the Port is about to begin: creation of two independent terminals for processing of wheat and processing of liquid cargo, by acquisition of new areas in the Varna lake.

The new wheat terminal will be built in the south part of the port. This complex facility is planned to have granaries with a total volume of 61,000 tons and a full set of additional modern equipment for acceptance and subsequent loading of ships.



“Port Lesport”, Varna



"Port Lesport", Varna

The oil terminal, oil-related products and liquid oils will be situated on a newly-built platform, situated in the aquatic area of the Varna lake.

For the first ten years of the concession period the planned investments exceed EUR 48.57 mln.

"Port Lesport" is approved for co-financing according to TEN-T Trans European Transport Network. The project completely matches the requirements for a substantial increase in the capacity of the port activities in servicing the internal needs and those of EU.

The company guarantees control to protect the environment from pollution: a report on the impact on the environment and a report – evaluation of the compatibility for the impact of the investment proposal over the local habitat of birds in the protected area according to Natura - 2000.

With respect to the improvement of exploitation validity of the terminal, increasing the effectiveness of the cargo loading/unloading, increasing the cargo work, and according to the concession contract from the moment of the concession contract coming into force, the company has invested a total sum of EUR 4 mln, including the purchase of loading and port equipment.

For the period from 30 May to 31 December 2006 "Port Lesport" processed a total of 282,000 tons of cargo. In 2007, it processed 178 ships and 395,114 tons of cargo, and in 2008. – 177 ships and 434,243 tons of cargo.

The gross revenue from the activity in 2006 is EUR 1.09 mln, EUR 1.78 mln for 2007 and EUR 2.28 mln have been designed 2008.

“Port Balchik” JSC

Company “Port Balchik” has a main business the performing of Port services of loading, unloading, arranging, storing, repackaging of different types of cargo, interport (terminal) transport of cargo and mail in the ports for public transport, maritime technical services that require the usage of port territory and/or port equipment – supplying ships with water, telephone and electricity, berthing.

Since 25.05.2006 “Port Balchik” is a concessionaire of “Port Terminal Balchik” – a territorial distinct area fromof the public transport port of national significance Varna. This marks the beginning of the company’s development as one of the port operators in Bulgaria – the ports Burgas, Varna, Varna Zapad, Maintaining Sea Water Cleanness – which are also the main competitors of the company.

The geographic location of the company plays a crucial role for structuring the processed cargo – Dobrudja is one of the areas with the highest grain yield. It is mainly preferred by companies, whose facilities are located in this area. Some of the main customers of “Port Balchik” are “Papas Olio” JSC, “Dominion Grain Bulgaria” JSC, “Kaliakra” JSC, etc.

During the concession period the company will strive towards reconstruction, modernization and new construction of infrastructural sites in port terminal Balchik. Or generally speaking – to align it in accordance with the highest standards of an European port and with the best international practice. By signing the concession contract an investment program has been adopted for performance by the concessionaire “Port Balchik”. The cost of the investments to be performed for the entire duration of the contact i.e. 25 years is to the amount of EUR 1.78 mln. A major part of the funds for realizing the investment program the company will provide from the performance of Port activity. It is possible that differences may occur between the prices foreseen in the program and the actual market prices of the investments. In this case their realization will be financed by additional funds with a management decision.

Under the concession contract “Port Balchik” is bound with achieving a proposed prognosis cargo turnover, which for the first ten years is an average of 201,510 tons. The following factors have an impact for reaching it:

- The proximity of Balchik to Dobrudja grain producing areas, which makes the terminal preferred by the grain exporters in the region;
- A flexible price policy – a direct negotiation with clients and providing attractive working conditions for them;
- Dependency of the grain production on weather conditions.



"Port Balçık"

“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” – Sofia is the only Bulgarian company, performing the full scope of activities on surveying, researching, development and exploitation of petrol and gas deposits, 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” EOOD 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.

- “Bulchimtrade” – the company is registered on 17.11.2008. The company was established 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 petrol and gas deposits, as well as the processing of raw petrol to final products for the market.

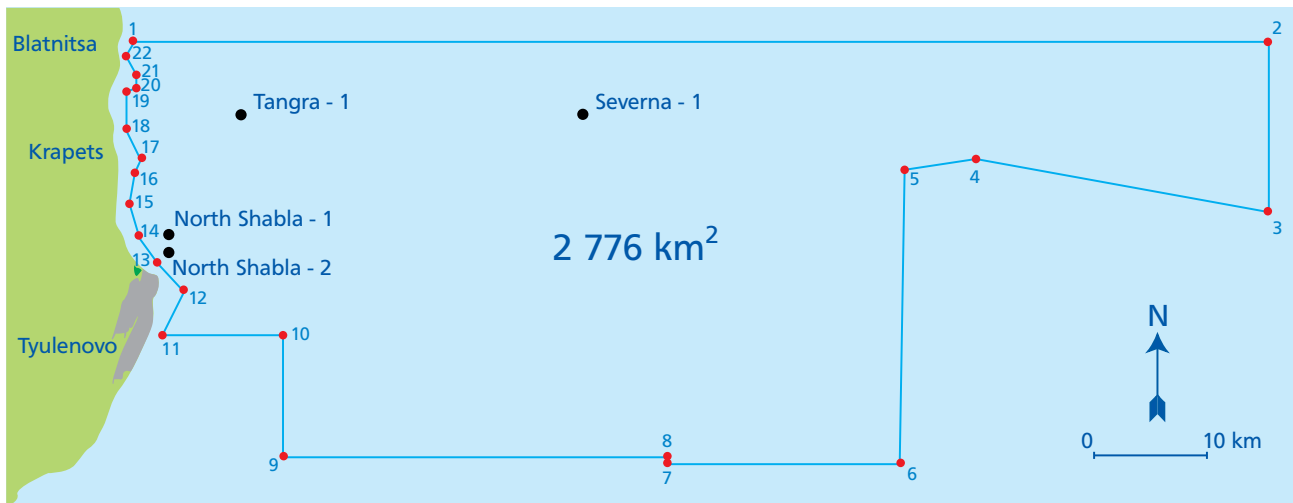
“Oil and Gas Exploration and Production” was established in 1991. The company is the legal successor of the main geological research, research and development and production companies and facilities that initiated the beginning of the Bulgarian petrol extracting industry with petrol deposit Tyulenovo, 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 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” (Exchange Code 401). “Chimimport” possesses directly and through related parties 53.66% from the capital.

“Oil and Gas Exploration and Production” through its research 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.



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



The main activity of "Oil and Gas Exploration and Production" includes:

- Survey, research, extraction and realization of raw petrol and natural gas;
- Survey, research and exploitation of deposits of thermal, mineral waters and underground waters for drinking, household and industrial purposes;
- Survey and research of deposits of geothermal energy;
- Drilling of surveying, researching and exploiting drills for petrol and gas, underground waters and geothermal energy;
- R&D and engineering activity in the country and abroad;
- Specific service and external commercial operations;
- Processing of petrol and condensate;
- Service geological and geophysical activity in surveying and researching fossils in the country and abroad;
- Designing, production and service activity in the area of geology and geophysics;
- Construction of petrol pipes, gas pipes and installation of equipment for high pressure work.

"Oil and Gas Exploration and Production" is a concessionaire under 12 concession contracts for the extraction of raw petrol and/or natural gas. The company extracts raw petrol and natural gas at the following deposits: "Tyulenovo", "Dolni Dabnik", "Dolni Lukovit", "Dolni Lukovit – Zapad", "Staroseltsi", "Gorni Dabnik", "Bardarski Geran", "Selanovtsi", "Balgarevo", "Marinov Geran", "Butan – Yug" and "Durankulak". The activities on survey, research and assessment of new petrol and gas deposits is done by the company in accordance with the Law on Underground Treasures. Since the end of 2005 "Oil and Gas Exploration and Production" is the holder of the rights on a license issued by the Council of Ministers for survey and research of petrol and gas in Block "Shabla", which is located in the northern part of the Bulgarian Black Sea Shelf.

From the beginning of December 2008, after participating and winning a tender procedure under the Law on Underground Treasures "Oil and Gas Exploration and Production" is in possession of the rights for survey and research of petrol and natural gas in Block 1-4 Kavarna (414 sq. km.), located on the territory of Dobrich district.

After its acquisition by "Chimimport" in 2004 "Oil and Gas Exploration and Production" began the realization of a large scale investment program for the renewal of the specialized geophysical and drilling equipment, repair of the exploitation equipment, improving the labour conditions, implementing modern information systems for resource planning and management. The main purpose of the program is improving the efficiency, the financial results and adapting the activity to a more dynamic market and business environment in a national and international aspect. Modern seismic equipment was purchased in 2004 – SYSTEM FOUR of the American Company INPUT OUTPUT. In the autumn of 2007 an integrated resource planning system was implemented in the company – DMERP of the Bulgarian company DATAMAX. The company purchased at the end of 2008 the most modern drilling equipment AS IDEAL RIG for petrol operations on land of the world-famous American company NATIONAL OILWELL VARCO.



IDEAL - 1500 Drill Rig

In 2004 "Oil and Gas Exploration and Production" established three new companies:

"Geophysical Research" EOOD, "Bulgarian Drilling Company" EOOD and "Bulgarian Petrol Refinery" EOOD, 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" EOOD, "Geophysical Research" EOOD, "Petro Gas Antika" EOOD and "PDNG Oil" EAD into "Oil and Gas Exploration and Production". The merging procedure ended in March 2009. In 2009 the activity of the merged companies will be performed by "Oil and Gas Exploration and Production".

"Oil and Gas Exploration and Production" owns a major interest in the following companies: "Bulgarian Petrol Refinery" EOOD (100% participation), " Sofgeoprouchvane" EOOD (100% participation); "PDNG-Service" (100% participation); Publishing House "Geology and Mineral Resources" OOD (70% participation); "Golf Shabla" (65% participation). The company owns also 35% of the gas distribution company "Kavarna Gas" JSC.

"Oil and Gas Exploration and Production" owns 100% of the capital of the "Bulgarian Petrol Refinery" EOOD. The company is an established producer of petrol products, made from the processing of petrol and condensate like solvents for the varnish and dyeing 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 a licensed testing laboratory for analysis of petrol, diluents, fuels and petrol 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.

Since the middle of 2004 "Oil and Gas Exploration and Production" is the owner of 100% of the capital of "Sofgeoprouchvane" EOOD after a Privatization Sale Contract, concluded with the Privatization Agency. "Sofgeoprouchvane" EOOD was established in 1991 and is specialized in the performance of geophysical, geological, engineering, geological, hydro-geological and technical and economic surveys, drafting and performing of survey and research activities for hard fossils, geothermal waters and household and industrial waters.



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“Oil and Gas Exploration and Production” is the sole owner of the company “PDNG-Service” EOOD, 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” EAD, 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 petrol 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 survey, research, development and putting in operation of new deposits of raw petrol 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.

EUR mln, consolidated	2006	2007	2008
Sales Income	17.04	18.72	24.35
Cost of goods sold	14.03	15.17	20.89
Depreciation and amortisation	1.20	1.03	1.15
Net Profit	2.65	3.02	3.73
Non-current Assets	11.58	14.03	16.00
Current Assets	27.83	25.21	27.75
Assets	39.41	39.24	43.75
Shareholders' equity and Reserves	21.92	25.17	28.86
Minority Participation	0.20	1.95	1.31
Non-current Liabilities	0.60	0.55	1.60
Current Liabilities	16.69	11.57	11.47
Financial Debt	0.48	0.44	0.17
Long-term	-	-	-
liabilities for loans, received from financial institutions	-	-	-
liabilities under debenture loans	-	-	-
liabilities to related companies	-	-	-
Short-term	0.48	0.44	0.16
liabilities for loans, received from financial institutions	-	-	-
liabilities to related companies	0.32	0.30	0.05
current part from the non-current liabilities	0.16	0.14	0.11
Cash flows from operative activity	0.74	(1.07)	3.47
Cash flows from investment activity	0.52	0.94	(3.64)
incl. CAPEX	(0.60)	(0.85)	(3.60)
Cash flows from financial activity	(0.32)	(0.72)	0.46
Changes of the cash funds during the period	0.93	(0.85)	0.29
Funds at the end of the period	1.66	0.81	1.10
RoaE	12.8%	12.8%	13.8%
RoaA	7.3%	7.7%	9.0%
Profit Rate	15.5%	16.1%	15.3%
Debt/Capital and reserves	2.2%	1.7%	0.6%
Shareholders' equity / Assets	55.6%	64.1%	66.0%

"Zarneni Hrani Bulgaria" JSC

General Review

"Zarneni Hrani Bulgaria" is one of the leaders on the Bulgarian market in purchasing, storing and trading with grain and oil seeds; in the production and sales of plant oils, including bottled sunflower oil; the production and trade with biodiesel (the biggest and most modern factory in the country at present). With the acquisition at the beginning of 2009 of "Goliama Dobrudjanska Melnitsa" EOOD, "Zarneni Hrani Bulgaria" successfully entered in another important sub-branch related to the main business of the company.

"Zarneni Hrani Bulgaria" is a joint-stock company, established on 26 November 2007 through the merging of the following 8 companies: "Slanchevi Lachi Bulgaria", Sofia (a public company under the Public Offering of Securities Act), "Zarneni Hrani Trade" JSC, "Bek International Sofia" JSC - Sofia, "Zarneni Hrani – Valchi Dol" JSC - Sofia, "Zarneni Hrani Balchik" EAD - Sofia, "Zora" JSC - Ruse, "Prima Agrochim" EOOD - Dobrich and "Chimimport Agrochemicals" EOOD - Sofia. As a result of the merger all assets and liabilities of the merged companies have been transferred to the newly established company "Zarneni Hrani Bulgaria", which is their universal successor, by which a unifying of the agricultural business of "Chimimport" and a vertically integrated business model have been achieved that covers all stages from the producer to the end consumer.

The capital of "Zarneni Hrani Bulgaria" is EUR 87.32 mln distributed in 170,785,600 ordinary shares with voting rights and a nominal value of EUR 0.5, distributed among the shareholders including the previous owners of the merging companies. Since the merging company "Slanchevi Lachi Bulgaria" was a public company as at the date of merging according to the provisions of the Public Offering of Securities Act, "Zarneni Hrani Bulgaria" is also a



Food Oil Producing Plant, Provadia



"Zarneni Hrani Bulgaria", Dobrich

public company. The shares of the company are registered for trading at the "BSE - Sofia" JSC. The book assets of "Zarneni Hrani Bulgaria" as at 31 December 2008 are to the amount of EUR 169.57 mln and the number of employees is 314.

The main business directions in the activity of "Zarneni Hrani Bulgaria" are:

- Purchase and trade, including import and export of grain crops (wheat, barley, maize), oil seeds (sunflower, rapeseed);
- Providing services for the storage of grain and oil seeds;
- Production and trade with plant oils (sunflower oil);
- Processing of wheat with baking qualities;
- Production and trade with biodiesel, including services for certifying the quality of biofuels in own certified laboratory;
- Distribution of fertilizers, plant protection chemicals, seeds and fuels.

The production made from refined oils has the trade mark "Slanchevi Lachi", registered in the state register of trade marks, maintained by the Patent Office of the Republic of Bulgaria. After years of absence from the trade network, the trade mark "Slanchevi Lachi" started with a new vision (a label and a bottle) in January 2005.

During 2005 – 2006 "Zarneni Hrani Bulgaria" (through the then separately existing "Slanchevi Lachi Bulgaria") was certified in accordance with the standards for Quality Management Systems: ISO9001:2000 EN and NASSR.

The company performs the production activity of refined oils in an oil refinery in the town of Provadia, where in integrated installations the company has a capacity to encompass the entire production cycle from pressing the seeds to bottling the ready production. "Zarneni Hrani Bulgaria" is the second largest producer and distributor of bottled oil in the country, its production is sold in major trade chains in the country (Kaufland, supermarkets CBA, Fantastico, Piccadilly, Familia, etc.).

A part of the available infrastructure in the town of Provadia was used by the company (through its subsidiary "Slanchevi Lachi Provadia") as a basis for the construction of the presently most modern installation for production of biodiesel in the country. The factory, built by the world leader the Italian company Ballestra based on modern technology, has an yearly capacity of 100,000 tons. It can be fed with different types of raw materials for more capabilities for arbitrage between the prices of raw materials and ready production. There are storage facilities at the factory with capacity of 6,000 cubic meters for the storage of biodiesel and 2,000 cubic meters for the storage of neutral plant oil at a total value of EUR 15 mln. The quality of the biodiesel is controlled by its own certified laboratory.

In relation with its commercial activity with agricultural production, the company owns and operates with seventeen 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.



Biodiesel facility

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, the town of Byala and the town of Polski Trambesh and have a total volume of 700,000 tons grain.

The commercial activity of the company is represented in sales of own production (raw, refined and bottled sunflower oils and sunflower groats) – wholesale and retail, for the domestic market and for export. For selling bottled refined oils a distribution network has been established in the entire country, as well as for the trade of



Biodiesel facility

grain cultures for export. The main distribution channels of the production of "Zarneni Hrani Bulgaria" are the trade chains and regional distributors (Kaufland, supermarkets CBA, Fantastico, Piccadilly, Familia, et.).

On 30 January 2009 "Zarneni Hrani Bulgaria" acquired 100% from the capital of "Goliama Dobrudjanska Melnitsa" EOOD, 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;
- Expertise in processing oil-bearing seeds;
- Geographic and production balance in the performance of the activity;
- Integrated operational model (purchase, storage, processing and sales of crops);
- A proven managerial team;
- A considerable material basis, including difficult to replicate assets (a network of grain stores, the biodiesel factory, etc.);
- Belonging to the economic group of "Chimimport", which allows the exploitation of synergies with the various other companies: transport ("Transintercar", "Bulgarian River Shipping", "Port Balchik", etc.), crediting ("CCB") and insurances ("Armeec"), trade with fertilizers, etc.

Investments and Development

As at 31 December 2008 "Zarneni Hrani Bulgaria" has made the following capital and investment expenses:

	2007 (in EUR mln)	2008 (in EUR mln)
Purchased tangible and intangible fixed assets	0.01	3.31
Costs for acquiring tangible fixed assets	0.47	5.37
Advances for supplying tangible fixed assets	0.52	-
Total	0.99	8.68

As a result of the investments made in the company the production facilities have been renewed to a considerable rate. The condition of the main equipment of the company, in terms of age, is better than the average for the oil-extracting industry in the country.

The main objectives, which the company strives to achieve in short term, are related to:

- Increasing the team, performing the purchase of grain in all regions of the country;
- Implementing a loan program for the farmers, related to the providing of packages for raising oil-bearing cultures (incl. know-how, seeds, chemicals, fertilizers, fuels, insurances, as well as the establishment of a team of agricultural experts, working together with the producers). The program will be performed together with "Central Cooperative Bank" and "Armeec";
- Establishing an optimal logistic model that includes modernizing of the silos;
- Utilizing the Ruse-Danube-Konstantza 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.

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". The data concerning 2006 is based on a consolidated proforma financial report (covering the merging companies prior to the merge) and the one concerning 2007 has been extracted from the audited consolidated financial report for "Zarneni Hrani Bulgaria" for 2007. The data for 2008 is extracted from the unaudited interim consolidated report of the company as at 31 December 2008.

Indicator	2006	2007	2008
		(in EUR mln)	
Assets	139.52	171.92	169.57
Fixed Tangible Assets	40.58	94.77	102.82
Current Assets	41.45	72.31	55.85
Inventory	6.50	18.88	12.24
Short-term Investments	-	4.20	8.21
Cash	1.80	3.25	1.89
Share Capital	10.59	87.32	87.32
Shareholders' equity	85.66	93.76	97.89
Short-term Liabilities	26.66	50.41	34.59
Sales Revenue	61.22	18.52	90.28
Total Revenue	61.22	22.45	98.26
Gross Profit	12.60	6.65	4.52
Net Profit	12.50	5.92	3.97

Note: The data for 2006 is taken from proforma consolidated reports before the merging. The date for 2007 covers only the period after the legal merger – from November 26, 2007. The data for 2008 is taken from the audited annual report of the company.



“Transintercar” EOOD

“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 – 40 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 250 vehicles under operational leasing to companies from the “Chimimport Group” and to external companies.



"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 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

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

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

"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.

“Energoproekt” JSC

“Energoproekt” is a company with over 60 years of history. On 29 May 1948 by Decision of the Sofia City Court the company was introduced into State Company Register under number 118.

Company main business : research and development science, geological research, commercial and engineering activity both in the country and abroad in the field of energetics, production of conventional and non-conventional energetic sources, processing, transport and effective use of electrical and thermal energy, energetic equipment, complex automation.

The areas of activities of “Energoproekt” are:

- Energetic systems planning, researches, prognoses and expert assessments, projects management and constructions;
- Design of thermo-electric power plants and Diesel –generator stations, heating plants, district heating networks and networks for supply of natural gas;
- Nuclear technologies and facilities, systems for protection against radiation and control, processing and storage of radioactive waste, nuclear fuel storage;
- Ecological pollution control;
- Consultancy services in the field of energy technologies: energy strategy research, national policies research, energy use and storage, management of energy efficiency programmes.

One of the main objectives of the company is high quality service that provide adequate solutions to customers’ problems.

All energy projects in the country (from the smallest water or heating station to the big hydro-electric power stations, heating stations, NEP Kozloduy and electricity distributing network,) have been designed by “Energoproekt”. The company took part and takes part in the rehabilitation and modernization of the energy sites that have to be in accordance with modern efficiency criteria, reliability and environmental protection. During this period “Energoproekt” strengthened its position as a basic institute for scientific activity, progress and design in the energy field.

“Energoproekt” is the basic consultant/designer in the planning and realization of group projects.

The company is a partner of the main western energy companies. It maintains relationships with the academia via mutual participation in the development of scientific-applied topics, including in connection with international programs.

The basic precondition for the development of “Energoproekt” is the Bulgarian membership in the European Union that leads to:

- Improving business climate in the country;
- Increasing the investments in all economic sectors;
- Necessity to meet European quality norms and standards for the manufactured production.

Another precondition for the development of "Energoproekt" is to preserve and train its own human resource. Due to the people who work in the company and who are highly experienced in design, analyses, realization, management and can implement sites in the energy sector, industry and ecology, "Energoproekt" would achieve this objective.

"Energoproekt" Head office



"Assenova Krepost" JSC

"Assenova Krepost" was established in 1964 with the following seat: Bulgaria, 4230 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.

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,



"Assenova Krepot"

Norway, England, Greece etc; of packaging and foils for agriculture in Macedonia and Serbia. The production of "Assenova Krepot" 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 confectioing 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.



“Bulchimtrade” OOD

“Bulchimtrade” was registered on 17.11.2008 with partners: “Chimimport Group”, having 60% from the capital and 15 partners – individuals. Bulchimtrade’s capital is EUR 0.1 mln.

The company was established, aiming to concentrate and optimize the activities of the subsidiaries “Chimimport”, trade companies “Rubber trade”, “ Orgachim Trading 2008”, “Chimoil Trade” and “Chimtrans”.

The company activity has been organized in 4 departments:

- Rubber trade;
- Orgachim Trading 2008;
- Oil Trade;
- Chimtrans.

For the period of its operation, the company performs mainly trading activities. Bulchimtrade’s “Rubber trade” department trades mainly different types of tires from the brands Apollo Acelere, Quantum, Apollo Hawkz, Eskimo, Winter Sport, Winter Grip, Snowmaster, Dunlop and other rubber products; “Orgachim Trade” department trades different types of self -adhesive envelopes, pharmaceutical, veterinarian and chemical products, including plastics – Makrolon and Novodur, chemicals – zinc phosphate, “Oil trade” department trades with fuels, oil and petrochemical products on the country’s territory, “Chimtrans” department works in the sphere of transport and forwarding activities.

“Bulchimtrade” will continue to perform mainly trading activities, as the company’s basic priority will be to increase sales, to occupy new markets and to increase the entire business.

“Chimimport Pharma” JSC

“Chimimport Pharma” was 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.

Almost all hospitals in the country are company’s clients. “Chimimport Pharma” is a partner of the Ministry of Healthcare in delivery of blood coagulating factors.

“Chimimport Pharma” has a large store facilities and own transport at its disposal, which provides fast deliveries to healthcare institutions throughout the country. The company has been certified under ISO 9001:2000 since 2006.

“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.

Chimimport Pharma’s objective is to offer high technology medicine products to its clients, manufactured by leading producers, aiming to increase the quality of medicine services in Bulgaria.

Accounting House "HGH Consult" OOD

"Chimimport" possess 59% of the capital of "HGH Consult".

The company main business is: accounting services of "Chimimport" and its subsidiaries, as well as outside customers.

The company prepares budgets, analyses and prognoses for the Holding needs. Also it carries out complete control over financial flows from companies of the group.

The company prepares tax plans and carries out tax defense for "Chimimport" and its subsidiaries.

"Prime Lega Consult" OOD

"Prime Lega Consult" was founded in 2002 with main business: law consultancy services, management, finance, investment, privatization, intellectual property, contracts and trade relationships activities analyses.

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".

At the end of 2008 in connection with the restructuring of the business activities of "Chimimport", "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", "Lukoil Garant - Bulgaria", "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.

"Brand New Ideas" EOOD

"Brand New Ideas" was founded in 2003 as a marketing communication s agency. The combination of offered services allows the company to take up and to fulfill complete campaigns, concerning the creation, promotion and confirmation of a positive image of brands and products, uniting the by joining strong sides of particular marketing communications channels to meet the set targets.

"Brand New Ideas" is engaged to brand the make of "Chimimport", products and services offered by the companies –part and not part of the holding. Amidst the company customers are: "Central Cooperative Bank" Plc, "Armeec", "Bulgaria Air", "Oil and Gas Exploration and Production", "Zarneni Hrani Bulgaria", "Markeli", Resort complex "St. St. Konstantin and Elena", Hotel "Astera", Hotel "Azalya", PIJC "CCB - Sila", "Saglasie", "CCB Life", "Health Insurance Company CCB", TV "M SAT", Newspaper "Cherno more", "Alpha radio", Hotel "Pliska", Hotel "Elbrus".

"Brand New Ideas" offers its customers the following services:

- strategic planning;
- constructive solutions;
- design;
- media planning and purchasing services;
- advertising campaigns realization;
- public relations.

“CCB Real Estate Fund” SPIC

“CCB Real Estate Fund” SPIC is a company with a special investment purpose – securitisation of real estates. It was established on 26.10.2005 and carries out its activity on the basis of the licence, issued by the Financial Supervision Commission, Decision 15-DSIC from 16.01.2006.

The company capital is distributed in 650,000 shares with a nominal value of BGN EUR 0.51 each. Main shareholders are “CCB Group” (42.96%) and “Armeec” (23.08%). Since 31.01.2007 the shares of “CCB Real Estate Fund” SPIC are public and now they are listed in the “Market for special investment purpose companies” organized by the “BSE - Sofia”.

The subject of the activity of “CCB Real Estate Fund” SPIC covers investment of funds, raised through issue of securities, in real estates (real estates securitisation), through purchase of property rights and other real rights, constructions and reconstructions with the purpose of offering for administration, loan, rent, leasing and/or their sale.

During the last three years the company intends to realize a profit from the purchase and sale of real estates, the purpose of which is to achieve initial higher profitability. To finance its investments, the company uses its own capital and plans to attract funds through bank credits or debt securities.

The development of the construction businesses and real estate trade in Bulgaria during the last 15 years in Bulgaria lead to the appearance in this sphere of a great number of Bulgarian and foreign companies, including other SPVs for real estate securitisation. One of the reasons for “CCB Real Estate Fund” SPIC to diversify its real estate portfolio, investing not only in residential, administrative and commercial buildings, but also in industrial and agricultural lands, is the participation of a significant number of competitors in offering sites for sale or offering for rent and the risk of the market prices and respectively the return on invested funds to decrease.

“CCB Real Estate Fund” SPIC realizes its investment programme via the servicing company “CCB Group”.

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

As at 31.03.2009 “CCB Real Estate Fund” SPIC is in a procedure to increase its capital from EUR 0.33 mln to EUR 0.55 mln by initial public offering of 427,193 new ordinary shares with a nominal value of EUR 0.55 and an issue value of EUR 29 each. After the raising of the necessary capital the company will increase significantly its real estates portfolio, focusing on offering estates for rent with the aim of providing current revenues and current income to the shareholders.

In medium-term "Chimimport" carries out an investment plan aimed the development of the projects related to the real estates property of the Group. This is a branch for which serious basis have been laid during the last years and own resources in considerable size were invested. The group "Chimimport" will use the crisis time to develops and brings to process of construction as the already started projects so and projects planed for beginning.

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.
- 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;
- 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 rstate in Varna with 1,000,000 sq. m. total floorage;
- Hotel 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 posses network with a full national cover, i.e. will be one of the big parties at the transport-logistics services market which is expended to be attractive in long term because of variety oportune factors – from fundamental like exceptionally geographical location of Bulgaria, to political on national and European level.



Grant Thornton Ltd.
 26, Cherni vrah Blvd., 1421 Sofia
 4, Paraskeva Nikolau Str., 9000 Varna
 T (+3592) 987 28 79, (+35952) 69 55 44
 F (+3592) 980 48 24, (+35952) 69 55 33
 E office@gtbulgaria.com
 W www.gtbulgaria.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Chimimport AD, which comprise the consolidated balance sheet as of 31 December 2008, the consolidated income statement, consolidated statement of changes in equity and cash flow 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 EU and the national legislation. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

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 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by EU and the national legislation.

Report on other legal and regulatory requirements – Annual Activity Report for the year ended 31 December 2008.

We have reviewed the annual activity report for the year ended 31 December 2008 of Chimimport AD, which is not part of the consolidated financial statements. The historical financial information in the management's report, prepared by the management, complies in its main aspects with the financial information, presented in the financial statements for the year ended 31 December 2008, 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.

Auditing Company



Grant Thornton Ltd.

Registered Auditor



Mariy Apostolov

30 April 2009
Bulgaria, Sofia

Consolidated financial statements 2008

Consolidated balance sheet

	2007 (in EUR mln)	2008 (in EUR mln)
Assets		
Non-current assets		
Property, plant and equipment	222.05	277.93
Investment property	9.27	10.28
Investment in associates	13.43	70.47
Goodwill	5.53	19.19
Other intangible assets	25.60	58.21
Long-term financial assets	340.31	475.84
Long-term receivables from related parties	0.51	3.01
Deferred tax assets	0.99	1.59
Non-current assets	617.69	916.53
Current assets		
Inventories	36.75	31.13
Short-term financial assets	224.40	237.96
Short-term receivables from related parties	22.77	17.08
Trade receivables	64.92	92.62
Tax receivables	3.26	5.25
Other receivables	51.77	64.42
Cash and cash equivalents	382.89	265.58
Current assets	786.75	714.05
Non-current assets classified as held for sale	-	2.30
Total assets	1,404.44	1,632.88

Prepared by:



Executive director:



Certifies by:



Grant Thornton Ltd



Consolidated balance sheet

	2007 (in EUR mln)	2008 (in EUR mln)
Equity		
Equity attributable to the shareholders of "Chimimport" AD		
Share capital	76.69	73.70
Premium reserve	118.80	98.67
Other reserves	1.88	(4.64)
Retained earnings	63.70	124.64
Net profit for the year	60.90	65.76
	321.97	358.12
Minority interest	91.97	96.43
Total equity	413.94	454.56
Specialized reserves	30.48	49.95
Liabilities		
Non-current liabilities		
Long-term financial liabilities	468.27	330.40
Payables to secured persons	36.16	42.21
Long-term payables to related parties	75.01	86.08
Other non-current liabilities	1.09	0.70
Finance lease liabilities	7.58	4.66
Deferred tax liabilities	5.76	8.48
Pension provisions	0.59	0.96
Non-current liabilities	594.47	473.49
Current liabilities		
Short-term financial liabilities	264.93	534.46
Trade payables	61.38	53.53
Short-term payables to related parties	0.66	20.22

Finance lease liabilities	2.33	2.81
Tax liabilities	6.22	7.88
Payables to employees and social security institutions	6.31	7.85
Pension provisions – short-term portion	0.28	0.20
Other payables	23.45	27.94
Current liabilities	365.55	654.88
Total liabilities	960.02	1,128.36
Total equity and liabilities	1,404.44	1,632.88

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Consolidated income statement

	2007 (in EUR mln)	2008 (in EUR mln)
Income from non-financial activities		
Expenses on non-financial activities	261.15	369.39
Net result from non-financial activities	(241.17)	(334.29)
Insurance income	69.30	110.12
Insurance expenses	(63.29)	(104.29)
Net insurance result	6.00	5.83
Interest income	47.87	64.81
Interest expenses	(21.10)	(33.51)
Net interest income	26.77	31.31
Gains from transactions with financial instruments	101.19	64.81
Losses from transactions with financial instruments	(35.04)	(33.51)
Net result from transactions with financial instruments	66.15	64.81
Administrative expenses	(55.03)	(80.65)
Negative goodwill	2.25	15.02
Result from investments in associates	(0.10)	5.07
Other financial income	10.87	19.06
Gain/(loss) from sale on non-current assets	(0.72)	6.97
Allocation of income to secured persons	(4.02)	8.65
Profit before tax	72.15	77.68
Tax expense	(2.47)	(5.30)
Net profit for the period	69.68	72.38
Attributable to minority interest	8.78	6.61
Attributable to the shareholders of "Chimimport" AD	60.90	65.76
	2007	2008
Earnings per share (EUR)	0.46	0.44

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Consolidated statement of changes in equity

All amounts presented in EUR mln	Share capital	Premium reserve	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2008	76.69	118.80	1.88	124.60	91.97	413.94
Donations granted	-	-	(0.05)	-	-	(0.05)
Decrease in reserves for financial assets	-	-	(6.47)	-	-	(6.47)
Changes in retained earnings	-	-	-	0.04	-	0.04
Net income/ (expense), recognized directly in equity	-	-	(6.52)	0.04	-	(6.48)
Net profit for the year	-	-	-	65.76	6.61	72.38
Total income and expense, recognized in 2008	-	-	(6.52)	65.80	6.61	65.89
Minority interest from business combinations	-	-	-	-	(2.15)	(2.15)
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	(3.00)	(20.13)	-	-	-	(23.13)
Balance as 31 December 2008	73.70	98.67	(4.64)	190.40	96.43	454.56

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Consolidated statement of changes in equity

All amounts presented in EUR mln	Share capital	Premium reserve	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2007	66.47	16.83	1.64	63.37	31.21	179.52
Donations granted	-	-	(0.01)	-	-	(0.01)
Increase in reserves and retained earnings	-	-	0.25	0.33	-	0.58
Net income/ (expense), recognized directly in equity	-	-	0.24	0.33	-	0.57
Net profit for the year	-	-	-	60.90	8.78	69.68
Total income and expense, recognized in 2007	-	-	0.24	61.23	8.78	70.26
Subsequent public offering	10.23	101.96	-	-	-	112.19
Minority interest from business combinations	-	-	-	-	51.98	51.98
Balance as 31 December 2007	76.69	118.80	1.88	124.60	91.97	413.94

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Executive director:



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Consolidated cash flow statement

	2007 (in EUR mln)	2008 (in EUR mln)
Operating activities		
Proceeds from short-term loans	91.94	70.10
Payments for short-term loans	(54.62)	(72.17)
Proceeds from sale of short-term financial assets	68.31	129.84
Purchase of short-term financial assets	(134.02)	(163.67)
Cash receipt from customers	239.97	455.76
Cash paid to suppliers	(189.13)	(405.82)
Proceeds from secured persons	13.81	18.00
Payments to secured persons	(1.70)	(2.62)
Payments to employees and social security institutions	(34.39)	(48.23)
Cash receipts from banking operations	9,986.61	13,870.91
Cash paid for banking operations	(9,841.73)	(13,976.11)
Cash receipts from insurance operations	41.52	64.97
Cash paid for insurance operations	(39.01)	(52.11)
Income taxes paid	(1.58)	(5.12)
Other cash inflow/ (outflow)	(29.75)	3.15
Net cash flow from operating activities	116.22	(113.15)
Investing activities		
Net (payments for)/ proceeds from business combinations	41.74	(49.65)
Sale of property, plant and equipment	31.49	1.76
Purchase of property, plant and equipment	(88.85)	(54.16)
Purchase of intangible assets	(0.05)	(3.68)
Purchase of investment property	(1.36)	(0.54)
Sale of associates	-	0.13
Sale of non-current financial assets	20.95	85.20

Purchase of non-current financial assets	(10.78)	(138.70)
Interest payments received	4.43	5.78
Proceeds from loans granted	37.46	97.96
Payments for loans granted	-	(95.38)
Other cash inflow/ (outflow)	(1.38)	1.80
Net cash flow from investing activities	(49.89)	(149.48)
Financing activities		
Proceeds from issuing of share capital	112.19	-
Purchase of treasury shares	-	(22.43)
Proceeds from loans received	62.00	274.92
Payments for loans received	(37.15)	(79.17)
Interest paid	(1.84)	(7.50)
Payments for finance leases	(1.53)	(3.39)
Other cash outflows	(15.05)	(16.23)
Net cash flow from financing activities	118.61	146.21
Effects of exchange rate changes on cash and cash equivalents	10.54	(0.89)
Cash and cash equivalents, beginning of year	187.41	382.89
Net (decrease)/ increase in cash and cash equivalents	195.48	117.31
Cash and cash equivalents, end of year	382.89	265.58

Prepared by:



Executive director:



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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.



