

CHIMIMPORT AD
Interim consolidated financial statements
30 September 2008



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Interim consolidated balance sheet

	Notes	30.9.2008 BGN'000	31.12.2007 BGN'000	30.9.2007 BGN'000
Assets				
Non – current				
Property, plant and equipment	Error! Reference source not found.	495 130	434 285	280 677
Investment property		24 839	18 136	11 048
Investment in associates		119 338	26 272	24 848
Goodwill		17 962	10 822	11 393
Other intangible assets	Error! Reference source not found.	63 668	50 069	6 558
Long- term financial assets		845 998	674 587	758 439
Long-term receivables due from related parties outside the Group		10 027	1 000	1 116
Deferred tax assets		2 120	1930	707
		1 579 082	1 217 101	1 094 786
Current				
Inventories		81 602	71 872	44 596
Non-current assets held for sale		1 993	-	-
Short-term financial assets		596 670	438 884	218 164
Short-term receivables due from related parties outside the Group		41 191	35 522	45 730
Trade receivables		131 662	126 977	84 213
Other receivables		161 582	107 619	109 161
Cash and cash equivalents		553 260	748 869	637 769
		1 567 960	1 529 743	1 139 633
Total assets		3 147 042	2 746 844	2 234 419

Prepared by: _____

Executive Director: _____

Date: 30 November 2008

Interim consolidated balance sheet

	Notes	30.9.2008 BGN'000	31.12.2007 BGN'000	30.9.2007 BGN'000
Equity				
Equity attributable to the shareholders of Chimimport AD				
Share capital	Error! Reference source not found.	150 000	150 000	130 000
Share premium		232 343	232 343	32 925
Other reserves		3 578	3 678	2 898
Retained earnings		237 878	124 587	124 788
Net profit for the year		93 579	119 110	89 167
		717 378	629 718	379 778
Minority interest		184 841	179 877	81 912
Total equity		902 219	809 595	461 690
Specialized reserves		92 850	59 608	49 828
Liabilities				
Non-current				
Long-term financial liabilities	Error! Reference source not found.	680 935	915 864	517 965
Liabilities to secured persons		81 842	70 722	65 103
Long-term liabilities due to related parties outside the Group		158 775	146 709	79 045
Provision for pension		1 276	1 152	-
Other long-term liabilities		3 377	16 957	7 765
Deferred tax liabilities		12 101	11 274	1 804
		938 306	1 162 678	671 682
Current				
Short-term financial liabilities	Error! Reference source not found.	1 015 053	518 613	855 799
Short-term liabilities to related parties outside the Group		1 734	1 292	85 359
Tax liabilities		9 449	12 157	8 115
Provision for pension		326	-	-
Trade and other		187 105	182 901	101 946

	1 213 667	714 963	1 051 219
Total liabilities	2 151 973	1 877 641	1 722 901
Total equity and liabilities	3 147 042	2 746 844	2 234 419

Prepared by: _____

Executive Director: _____

Date: 30 November 2008

**Interim consolidated income statement
for the period ended 30 November 2008**

	Notes	30.9.2008 BGN'000	30.9.2007 BGN'000
Income from non-financial activities		558 243	233 601
Expenses on non-financial activities		(517 094)	(197 117)
Net profit from non-financial activities		41 149	36 484
Insurance income		173 323	107 311
Insurance expenses		(170 975)	(99 538)
Net insurance profit		2 348	7 773
Interest income		92 124	63 867
Interest expenses		(40 614)	(29 452)
Net interest income		51 510	34 415
Gains from transactions with financial instruments		127 538	122 411
Losses from transactions with financial instruments		(94 359)	(37 382)
Net profit from transactions with financial instruments		33 179	85 029
Administrative expenses		(98 716)	(76 109)
Negative goodwill		27 920	3 799
Gain/(Loss) from investments in associates		9 545	(303)
Other financial income		33 043	19 527
Allocation to secured persons		10 457	(9 934)
Profit for the period before tax		110 435	100 681
Tax expense	Error! Reference source not found.	(6 570)	(6 232)
Net profit for the period		103 865	94 449
Attributable to minority interest		10 286	5 282
Attributable to the shareholders of Chimimport AD		93 579	89 167
		30.9.2008 BGN	30.9.2007 BGN
Earnings per share	Error! Reference source not found.	0.62	0.69
Prepared by: _____		Executive Director: _____	

Date: 30 November 2008

**Interim consolidated cash flow statement
for the period ended 30 September 2008**

	30.9.2008 BGN'000	30.9.2007 BGN'000
Operating activities		
Cash receipts from short-term loans	97 143	85 955
Cash paid for short-term loans	(101 829)	(99 100)
Proceeds from sale of current financial instruments	155 009	147 014
Payments for current financial instruments	(180 424)	(140 572)
Cash receipts from customers	466 958	236 379
Cash paid to suppliers	(581 585)	(180 167)
Cash receipts from secured persons	26 315	17 587
Cash paid to secured persons	(5 249)	(1 867)
Cash paid to employees and social security institutions	(67 965)	(20 641)
Cash receipts from banking operations	18 290 097	12 033 653
Cash paid for banking operations	(18 424 823)	(11 815 348)
Cash receipts from insurance operations	84 539	50 924
Cash paid for insurance operations	(69 145)	(58 796)
Income taxes paid	(7 700)	(5 686)
Other cash (inflows from)/outflows for operating activities	153 538	(52)
Net cash flows from operating activities	(165 121)	249 283
Investing activities		
Net payments for business combinations	(41 533)	1 114
Proceeds from sale of property, plant and equipment	2 913	57 896
Payments for purchase of property, plant and equipment	(59 917)	(90 084)
Payments for purchase of investment property	(147)	(2 663)
Proceeds from sale of investments in associates	16 326	-
Proceeds from sale of non-current financial instruments	119 172	57 839
Payments for non-current financial instruments	(174 909)	(6 158)
Interest payments received	3 804	186
(Payments for)/Proceeds from long-term loans granted	(80 085)	10 228
Other cash outflows for investing activities	15 852	(12 135)
Net cash flows from investing activities	(198 524)	16 223
Financing activities		
Proceeds from loans received	320 369	101 397
Payments for loans received	(134 279)	(88 042)
Interest paid	(9 300)	(5 835)
Payments for finance lease	(6 384)	(2 147)
Other cash inflows, (outflows) for financing activities	(2 606)	140
Net cash flows from financial activities	167 800	5 513
Profit from foreign exchange differences	236	202
Cash and cash equivalents at the beginning of the period	748 869	366 548
Net (decrease)/ increase of cash and cash equivalents for the period	(195 609)	271 221
Cash and cash equivalents at the end of the period	553 260	637 769

Prepared by: _____

Executive Director: _____

Date: 30 November 2008

**Interim consolidated statement of changes in equity
for the period ended 30 November 2008**

All amounts presented in BGN'000	Share capital	Share premium	Other reserves	Retained earnings	Minority interest	Total equity
Balance 1 January 2007	130 000	32 925	3 199	123 947	61 033	351 104
Charity denotations	-	-	(16)	-	-	(16)
Increase, (Decrease) in reserves and retained earnings	-	-	(285)	841	603	1 159
Net income/(expense) recognized directly in equity as at 30 September 2007	-	-	(301)	841	603	1 143
Net profit for period	-	-	-	89 167	5 282	94 449
Total recognized income and expense as at 30 September 2007	-	-	(301)	90 008	5 885	95 592
Minority interest arising on business combinations	-	-	-	-	14 994	14 994
Balance as at 30 September 2007	130 000	32 925	2 898	213 955	81 912	461 690
Balance 1 January 2008	150 000	232 343	3 678	243 697	179 877	809 595
Charity donations	-	-	(100)	-	-	(100)
Decrease in reserves and retained earnings	-	-	-	(5 819)	-	(5 819)
Net income/(expense) recognized directly in equity as at 30 September 2008	-	-	(100)	(5 819)	-	(5 919)
Net profit for the period	-	-	-	93 579	10 286	103 865
Total recognized income and expense as at 30 September 2008	-	-	(100)	87 760	10 286	97 946
Minority interest arising on business combinations	-	-	-	-	(5 322)	(5 322)
Balance as at 30 September 2008	150 000	232 343	3 578	331 457	184 841	902 219

Prepared by: _____
Date: 30 November 2008

Executive Director: _____

Notes to the Interim Consolidated Financial Statements

1 General Information

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

The main activity of the Company includes as follows:

- Acquisition, management and sale of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Banking services, finance, insurance and life insurance, pension and health insurance;
- Securitization of real estate and receivables;
- Extraction of crude oil and natural gas;
- Construction of output capacity in the area of oil-processing industry, production of biological fuel and production of rubber items;
- Production and trading with oil and chemical products;
- Production of vegetable oil, buyout, processing and trading with grain foods;
- Aviation transport and ground activities on servicing and repairing of aircrafts and aircraft engines;
- River and sea transport and harbor infrastructure;
- Trade representation and agency;
- Commission, forwarding and warehouse activity;

The interim consolidated financial statements as at 30 September 08 are approved and accepted by the Managing Board on 30 November 2008.

2 Basis for preparation of the consolidated financial statements

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, applicable to interim financial statements (IAS 34 Interim financial statements). The interim consolidated financial statements do not contain all information, as required for the preparation of complete annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2007.

Group's interim consolidated financial statements are presented in Bulgarian Leva (BGN), which is also the functional currency of the Group.

3 Accounting policies and changes during the period

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those annual consolidated financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new amendments to standards are mandatory for the first time from the 01 July 2008.

- Amendments in IAS 39 Financial instruments: recognition and measurement and IFRS 7 Financial instruments: disclosures, issued in October. The deterioration of the world's financial markets that has occurred during the third quarter of this year is a possible example of rare circumstances cited in these IFRS amendments and therefore justifies their immediate publication. Today's action enables companies reporting according to IFRSs to use the reclassification amendments, if they so wish, from 1 July 2008.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 and are currently relevant for the Group:

- IFRIC 12 "Service concession arrangements".

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant for the Group:

- IFRIC 11 "IFRS 2 – Group and treasury share transactions".
- IFRIC 14 "IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction".

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted:

- IFRS 8 "Operating segments", effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14, "Segment reporting" and requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed by Group's management.
- IAS 23 (amendment) "Borrowing costs", effective for annual periods beginning on or after 1 January 2009. This amendment is not relevant to the Group, as the borrowing costs do not fulfill the criteria for recognizing interest expenses as a component of the cost of property, plant and equipment assets developed by the Group.
- IFRS 2 (amendment) "Share-based payment", effective for annual periods beginning on or after 1 January 2009. The Company's management does not foresee providing remuneration in the form of compensations with shares or shares purchase options.
- IFRS 3 (amendment) "Business combinations" and consequential amendments to IAS 27 "Consolidated and separate financial statements", IAS 28 "Investments in associates" and IAS 31 "Interests in joint ventures", effective prospectively to business combinations for which the acquisition date is on or after the beginning

of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the Group. The Group has associates.

- IAS 1 (amendment) “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. Management is in the process of developing proforma accounts under the revised disclosure requirements of this standard.
- IAS 32 (amendment) “Financial instruments: presentation” and consequential amendments to IAS 1 “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. This is not relevant to the Group, as the Group does not have any puttable instruments.
- IFRIC 13 “Customer loyalty programmes”, effective for annual periods beginning on or after 1 July 2008. Management does not apply customer loyalty programmes.
- IFRIC 15 “Agreements for the construction of real estate”, effective for annual periods beginning on or after 1 January 2009.
- IFRIC 16 “Hedges of a net investment in a foreign operation”, effective for annual periods beginning on or after 1 October 2008. The Group does not apply hedging of investments in foreign operations.

4 Segment reporting

For the reporting on segments the divisions of the Group are as follows:

- Production
- Financial Sector
- Transport Sector
- Real Estate
- Constructor and Engineering Sector

Business segments 30 September 2008	Production	Financial Sector	Transport Sector	Real Estate	Construction and Engineering	Consolidation	Group
	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s	BGN '000s
Income from non-financial activities from external clients	200 122	9 503	347 533	146	939	-	558 243
Inter-segment income	54 123	6 817	44 125	-	1 230	(106 295)	-
Total income from non-financial activities	254 245	16 320	391 658	146	2 169	(106 295)	558 243
Net result from non-financial activities	15 504	16 320	18 151	(163)	1 742	(10 405)	41 149
Insurance income from external clients	-	173 323	-	-	-	-	173 323
Inter-segment insurance income	-	5 417	-	-	-	(5 417)	-
Total Insurance income	-	178 740	-	-	-	(5 417)	173 323
Net profit from insurance	-	7 291	-	-	-	(4 943)	2 348
Interest income	2 277	99 295	1 219	63	23	(10 753)	92 124
Interest expense	(6 725)	(34 948)	(9 659)	(18)	(17)	10 753	(40 614)
Net interest income	(4 448)	64 347	(8 440)	45	6	-	51 510
Gains from transactions with financial instruments from external clients	10 907	119 607	-	-	-	(2 975)	127 539
Inter-segment gains from transactions with financial instruments	10	5 911	-	-	-	(5 921)	-
Total gains from transactions with financial instruments	10 917	125 518	-	-	-	(8 896)	127 539
Net profit from transactions with financial instruments	10 812	(1 315)	-	-	-	23 683	33 180
Administrative expenses	(5 497)	(94 767)	(6 115)	(16)	(1 623)	9 302	(98 716)
Negative goodwill	-	-	-	-	-	27 920	27 920
Other financial income/(expense)	(1 007)	37 369	(2 670)	(25)	(1)	(624)	33 042
Result from investments in equity accounted associates	(23)	(163)	9 755	(24)	-	-	9 545
Allocation to secured persons	-	10 457	-	-	-	-	10 457
Profit for the year before tax	15 341	39 539	10 681	(183)	124	44 933	110 435
Tax expenses	(1 708)	(4 157)	(693)	-	(12)	-	(6 570)
Net result for the period	13 633	35 382	9 988	(183)	112	44 933	103 865

Business segments 30 September 2008	Production	Financial Sector	Transport Sector	Real Estate	Construction and Engineering	Consolidation	Group
	BGN	BGN	BGN	BGN	BGN	BGN	BGN
	'000s	'000s	'000s	'000s	'000s	'000s	'000s
Assets of the segment	518 401	3 074 403	515 893	46 898	8 608	(1 136 499)	3 027 704
Investments in equity accounted associates	4 741	45 681	6 983	1 760	-	60 173	119 338
Consolidated total assets	523 142	3 120 084	522 876	48 658	8 608	(1 076 326)	3 147 042
Specialized reserves	-	92 850	-	-	-	-	92 850
Segment liabilities	225 166	1 949 608	373 189	1 576	2 277	(399 843)	2 151 973
Consolidated total liabilities	225 166	1 949 608	373 189	1 576	2 277	(399 843)	2 151 973

Business segments 30 September 20087	Production	Financial Sector	Transport Sector	Real Estate	Construction and Engineering	Consolidation	Group
	BGN	BGN	BGN	BGN	BGN	BGN	BGN
	'000s	'000s	'000s	'000s	'000s	'000s	'000s
Income from non-financial activities from external clients	76 868	6 626	149 767	104	422	(186)	233 601
Inter-segment income	3 759	4 517	1 195	-	37	(9 508)	-
Total Income from non-financial activities	80 627	11 143	150 962	104	459	(9 694)	233 601
Net result from non-financial activities	7 757	11 683	17 116	(127)	(173)	228	36 484
Insurance income from external clients	-	107 311	-	-	-	-	107 311
Inter – segment insurance income	-	3 418	-	-	-	(3 418)	-
Total Insurance income	-	110 729	-	-	-	(3 418)	107 311
Net profit from insurance	-	10 753	-	-	-	(2 980)	7 773
Interest income	349	65 586	14	1	-	(2 083)	63 867
Interest expense	(1 875)	(26 342)	(3 317)	(1)	-	2 083	(29 452)
Net interest income	(1 526)	39 244	(3 303)	-	-	-	34 415
Gains from transactions with financial instruments from external clients	336	121 092	12 132	-	-	(11 149)	122 411
Inter-segment gains from transactions with financial instruments	389	20 983	33	-	-	(21 405)	-
Total gains from transactions with financial instruments	725	142 075	12 165	-	-	(32 554)	122 411
Net profit from transactions with financial instruments	715	98 126	12 165	-	-	(25 977)	85 029
Administrative expenses	(423)	(79 241)	-	-	-	3 555	(76 109)
Negative goodwill	-	-	-	-	-	3 799	3 799
Other financial income/(expense)	(18)	22 265	(1 711)	(1)	-	(1 008)	19 527
Result from investments in equity accounted associates	(3)	(239)	(61)	-	-	-	(303)
Allocation to secured persons	-	(9 934)	-	-	-	-	(9 934)
Profit for the year before tax	6 502	92 657	24 206	(128)	(173)	(22 383)	100 681

Tax expenses	(973)	(3 970)	(1 289)	-	-	-	(6 232)
Net result for the period	5 529	88 687	22 917	(128)	(173)	(22 383)	94 449

Business segments 30 September 2007	Production	Financial Sector	Transport Sector	Real Estate	Construction and Engineering	Consolidation	Group
	BGN	BGN	BGN	BGN	BGN	BGN	BGN
	'000s	'000s	'000s	'000s	'000s	'000s	'000s
Assets of the segment	272 708	2 245 014	318 034	35 638	8 216	(670 039)	2 209 571
Investments in equity accounted associates	1 620	19 419	503	-	-	3 306	24 848
Consolidated total assets	274 328	2 264 433	318 537	35 638	8 216	(666 733)	2 234 419
Specialized reserves	-	49 828	-	-	-	-	49 828
Segment liabilities	105 819	1 585 971	173 682	179	2 195	(144 945)	1 722 901
Consolidated total liabilities	105 819	1 585 971	173 682	179	2 195	(144 945)	1 722 901

5 Property, plant and equipment

	Land	Buildings	Machines	Technical equipment	Transportation vehicles	Other	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Cross carrying amount	37 767	71 023	43 243	54 049	93 208	27 760	51 356	378 406
Accumulated depreciation	-	(14 688)	(22 018)	(16 961)	(23 632)	(20 430)	-	(97 729)
Carrying amount 30 September 2007	37 767	56 335	21 225	37 088	69 576	7 330	51 356	280 677
Cross carrying amount	87 638	122 164	64 784	80 649	85 572	25 180	67 695	533 682
Accumulated depreciation	-	(14 438)	(21 823)	(14 772)	(27 989)	(20 375)	-	(99 397)
Carrying amount 01 January 2008	87 638	107 726	42 961	65 877	57 583	4 805	67 695	434 285
Cross carrying amount	98 493	136 439	61 341	89 315	110 147	28 390	92 535	616 660
Accumulated depreciation	-	(17 804)	(28 096)	(16 385)	(37 041)	(22 204)	-	(121 530)
Carrying amount 30 September 2008	98 493	118 635	33 245	72 930	73 106	6 186	92 535	495 130

The carrying amounts of the property, plant, and equipment presented in the interim consolidated financial statements as at 30 September 2008 are calculated as follows:

	Land	Buildings	Machines	Technical equipment	Transportation vehicles	Other	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
At 1 January 2007								
Opening net book amount	28 668	47 025	20 244	37 661	47 254	3 372	17 230	201 454
Business combinations - cost	4 916	8 419	1 663	1 107	17 041	121	978	34 245
Business combinations – depreciation	-	(1 389)	(531)	(175)	(2 865)	(51)	-	(5 011)
Additions	4 823	3 904	4 160	1 089	19 537	4 274	38 893	76 680
Disposals – cost	(640)	(144)	(380)	(550)	(8 317)	(38)	(5 745)	(15 814)
Disposals – depreciation	-	47	374	512	1 051	33	-	2 017
Depreciation charge	-	(1 527)	(4 305)	(2 556)	(4 125)	(381)	-	(12 894)
Closing net book amount	37 767	56 335	21 225	37 088	69 576	7 330	51 356	280 677
As at 30 September 2007								
Cost	37 767	71 023	43 243	54 049	93 208	27 760	51 356	378 406
Accumulated depreciation	-	(14 688)	(22 018)	(16 961)	(23 632)	(20 430)	-	(97 729)
Net book amount	37 767	56 335	21 225	37 088	69 576	7 330	51 356	280 677

	Land	Buildings	Machines	Technical equipment	Transportation vehicles	Other	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
At 1 January 2008								
Opening net book amount	87 638	107 726	42 961	65 877	57 583	4 805	67 695	434 285
Business combinations - cost	434	10 831	1 338	3 260	5 015	1 916	5 188	27 982
Business combinations – depreciation	-	(793)	(105)	(31)	(1 313)	(485)	-	(2 727)
Additions	10 624	4 670	10 523	6 031	20 324	1 382	71 430	124 984
Reclassification	-	-	(11 503)	-	-	-	(22 338)	(33 841)
Disposals – cost	(203)	(1 226)	(3 801)	(625)	(764)	(88)	(29 440)	(36 147)
Disposals – depreciation	-	228	1 822	376	395	78	-	2 899
Depreciation charge	-	(2 801)	(7 990)	(1 958)	(8 134)	(1 422)	-	(22 305)
Closing net book amount	98 493	118 635	33 245	72 930	73 106	6 186	92 535	495 130
As at 30 September 2008								
Cost	98 493	136 439	61 341	89 315	110 147	28 390	92 535	616 660
Accumulated depreciation	-	(17 804)	(28 096)	(16 385)	(37 041)	(22 204)	-	(121 530)
Net book amount	98 493	118 635	33 245	72 930	73 106	6 186	92 535	495 130

6 Intangible assets

Intangible assets of the Group include acquired software licenses and software. Their carrying amount for the current accounting period can be presented as follows:

	Trade marks	Repairs of rented assets	Licenses and patents	Software products	Internally generated intangible assets	Total	Trade marks
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount	61	8 091	3 623	-	1 281	54	13 110
Accumulated amortization	(38)	(3 004)	(2 466)	-	(992)	(52)	(6 552)
Carrying amount 30 September 2007	23	5 087	1 157	-	289	2	6 558
Gross carrying amount	32 136	23 014	3 613	-	989	52	59 804
Accumulated amortization	(3 235)	(3 333)	(2 438)	-	(677)	(52)	(9 735)
Carrying amount 01 January 2008	28 901	19 681	1 175	-	312	-	50 069
Gross carrying amount	35 227	32 176	4 181	6 569	2 390	52	80 595
Accumulated amortization	(5 658)	(7 229)	(2 846)	(192)	(950)	(52)	(16 927)
Carrying amount 30 September 2008	29 569	24 947	1 335	6 377	1 440	-	63 668

The carrying amounts of the intangible assets, presented in the interim consolidated financial statements as at 30 September 2008 are calculated as follows:

	Trade marks	Repairs of rented assets	Licenses and patents	Software products	Internally generated intangible assets	Total	Trade marks
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Carrying amount as at 1 January 2007	33	4 873	1 547	-	455	2	6 910
Business combinations – cost	-	-	-	-	4	-	4
Business combinations – amortization	-	-	-	-	(4)	-	(4)
Additions	-	1 129	27	-	30	-	1 186
Disposals – cost	-	(13)	-	-	-	-	(13)
Disposals – amortization	-	3	-	-	-	-	3
Amortization charge	(10)	(905)	(417)	-	(196)	-	(1 528)
Carrying amount as at 30 September 2007	23	5 087	1 157	-	289	2	6 558
Carrying amount as at 1 January 2008	28 901	19 681	1 175	-	312	-	50 069
Business combinations – cost	2 468	-	468	6 569	-	-	9 505
Business combinations – amortization	(2 387)	-	-	(192)	-	-	(2 579)
Additions	623	9 758	105	-	1 419	-	11 905
Disposals – cost	-	(596)	(5)	-	(18)	-	(619)
Disposals – amortization	-	9	5	-	17	-	31
Amortization charge	(36)	(3 905)	(413)	-	(290)	-	(4 644)
Carrying amount as at 30 September 2008	29 569	24 947	1 335	6 377	1 440	-	63 668

7 Share capital

The share capital of the Company consists only of 149 999 984 ordinary shares with a par value of BGN 1.00. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Company.

	30 September 2008 BGN '000	31 December 2007 BGN '000
Shares issued and fully paid:		
- beginning of the year	149 999 984	130 000 000
- issued during the year	-	19 999 984
Shares issued and fully paid	149 999 984	149 999 984

The list of the principal shareholders is as follows:

	30 September 2008 Number of shares	30 September 2008 %	31 December 2007 Number of shares	31 December 2007 %
Chimimport Invest AD	114 616 084	76.41%	114 808 367	76.54%
Julias Bear Investment management LLS – USA	11 621 202	7.75%	11 278 610	7.52%
Other legal entities and individuals	23 762 698	15.84%	23 913 007	15.94%
		100.00%		100.00%

8 Loans

	30 September 2008 BGN '000	31 December 2007 BGN '000	30 September 2007 BGN '000
Long-term loans	680 935	915 864	517 965
Short-term loans	1 015 053	518 613	855 799
	1 695 988	1 434 477	1 373 764

Changes in loans during the period are presented as follows:

	BGN '000
For the period ended 30 September 2008	
Opening balance 1 January 2008	1 434 477
Received during the period	695 315
Repaid during the period	(433 804)
Closing balance 30 September 2008	1 695 988

9 Tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2008 is 10% corporate tax.

10 Earnings per share

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

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

	30 September 2008 BGN	30 September 2007 BGN
Net profit attributable to equity holders	93 579 000	89 167 000
Weighted average number of ordinary shares in issue	150 000 000	130 000 000
Basic earnings per share (BGN per share)	0.6239	0.6859

11 Business combinations

11.1 Acquisition of 56.90 % share capital of Silex Bank AD – Macedonia

In 2008 56.90 % of the share capital of Silex Bank AD were acquired. As a result of the acquisition, goodwill amounting to TBGN 7 140 has been recognized.

The acquired business contributed revenues of TBGN 2 801 and net profit of TBGN 266 to the Group for the period from acquisition to 30 September 2008

Придобиването е извършено както следва:

	2008
	BGN '000
Purchase consideration:	
- Purchase price	20 391
Fair value of net assets acquired (see below)	(13 251)
Goodwill	7 140

The fair value of the net assets acquired is different from the book value of the net assets acquired. The fair value adjustments reflect the recognition of intangible assets identified during the initial recognition of the business combination.

The fair value of the acquired net assets is presented as follows:

	Fair value	Book value of the company acquired
	2008	2008
	BGN'000	BGN'000
Cash and cash equivalents	43 128	43 128
Property, plant and equipment	9 282	10 291
Other intangible assets	8 630	1 651
Investment Property	4 006	2 993
Receivables	351	351
Liabilities	(42 109)	(40 531)
Net assets	23 288	17 883
Minority interest	(10 037)	
Net assets acquired	13 251	

12 Related parties transactions

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

12.1 Related parties transactions

Transactions with associated	30.9.2008	30.9.2007
	BGN '000	BGN '000
Sales		
<i>Revenues from sales of production</i>		
Kavarna Gaz OOD	895	988
<i>Revenues from services</i>		
Fraport TSEM AD	207	-
<i>Interest income</i>		
Holding Nov vek AD	449	-
Holding Varna A AD	93	-
Kavarna Gaz OOD	6	-
Fraport TSEM AD	356	-
	2 006	988

Transaction with shareholders	30.9.2008	30.9.2007
	BGN '000	BGN '000
<i>Interest income</i>		
Chimimport Invest AD	1 296	-
<i>Purchase of services</i>		
Chimimport Invest AD	(8)	(13)
	(8)	(13)

12.2 Transactions with key management personnel

Key management personnel remuneration includes the following expenses:

	30 September	31 December
	2008	2007
	BGN'000	BGN'000
Short-term remuneration		
- salaries	142	144
- social security costs	15	13
- company car allowance	16	20

13 Post balance sheet events

On 18 August 2008 Chimimport AD announced that, with the consent of its Supervisory Board, it has successfully priced and placed EUR 65 million seven-year secured bonds exchangeable for its ordinary shares listed on the Bulgarian Stock Exchange (the “Exchangeable Bonds” or the “Bonds”). At the option of Chimimport, the issue size can be further increased by up to EUR 15 million at the terms fixed at pricing (as described below).

The Bonds are issued by Chimimport’s wholly-owned finance subsidiary – Chimimport Holland B.V. (the “Issuer”) incorporated in the Netherlands. The Issuer will on-lend the proceeds of the Bonds to Chimimport which intends to use the net proceeds for financing expansion through strategic acquisitions and for general corporate purposes.

11.6 million existing ordinary shares of Chimimport held by its majority shareholder, Chimimport Invest AD (“Chimimport Invest”), will be secured for the benefit of the Bondholders pursuant to a share pledge and will be blocked from any dealings. Upon exchange, Chimimport Invest will have the option to deliver cash instead of the underlying shares to mitigate dilution.

Chimimport is the first Bulgarian corporate to offer equity-linked bonds outside Bulgaria. The Exchangeable Bonds provide Chimimport with access to the European capital markets and the expansion of its existing investor base. The transaction also aims to provide flexibility and diversity to Chimimport’s funding mix on terms preferential to those proposed by other financing alternatives.

The Bonds are issued at 100% and, unless previously exchanged, redeemed or repurchased and cancelled, will be redeemed on 22nd August 2015 at 118.9% of the principal amount thereof plus accrued interest.

The Bonds carry a fixed 7% annual coupon. The initial exchange price is fixed at BGN 10.984, representing a 30% premium to the reference price established over a 5-day VWAP prior to the pricing date. The Bondholders will have the right to request an early redemption at accreted principal amount plus accrued interest on the 2nd and 4th anniversary of the Bonds. Furthermore, the Issuer will be able to call the outstanding Bonds after 22nd August 2011 if Chimimport’s share price trades at or above 130% of the then prevailing exchange price. The Bonds will be offered for trade on August 22nd.

UniCredit Market & Investment Banking (acting through Bayerische Hypo- und Vereinsbank) is acting as Sole Bookrunner on the transaction.

Under the decision of Sofia City Court, dated 17.11.2008, has been registered a subsidiary of Chimimport AD, namely the trade company Bulchimtrade OOD. The company has a

capital of BGN100 000.00 allocated in 100 shares BGN1 000.00 each. The Group of Chimimport AD owned 60.00%. The company is managed and represented by Cvetan Botev and Nikola Mishev.

Principal activities: trading activity in the country and abroad with, pharmacy substations, vet substances, chemicals, reactive, gazes, paint polish products, pigments, paints, synthetic materials, oil, burning materials, oil-chemical products, barter transaction, compensation and other deals, lease, retail and wholesale of chemical products, light and heavy industry, tires, commission, consignment, and stock activity, marketing, production of industrial products, agency and services of Bulgarian and foreign physical and lawful personal, transportation- forwarding activity in international and internal messages with all types of transportation, keeping the stocks in own and hired warehouses, re loading and other works of port and boarder controls and insurance offers, currier services, complex and specialized services in water transportation.