**CHIMIMPORT AD**

**Interim Financial Statements**

**30 June 2008**



Contents

|  |  |
| --- | --- |
|  | Page |
|  |  |
|  |  |
|  |  |
| **Interim Balance Sheet** | **2** |
| **Interim Income Statement** | **5** |
| **Interim Statement of Cash Flows (direct method)** | **7** |
| **Interim Statement of Changes in Equity** | **8** |
| **Notes to the Interim Financial Statements** | **9** |

# Interim Balance Sheet

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Notes** | **30 June** | **31 December** | **30 June** |
|  |  | **2008** | **2007** | **2007** |
|  |  | **BGN’000** | **BGN’000** | **BGN’000** |
|  |  |  |  |  |
| Assets |  |  |  |  |
| Non-current assets |  |  |  |  |
| Property, plant and equipment | 4 | 28 964 | 21 838 | 19 101 |
| Investment property |  | 1 130 | 1 170 | 1 214 |
| Investments in subsidiaries |  | 388 693 | 340 387 | 185 909 |
| Investments in associates |  | 45 670 | 18 767 | 18 052 |
| Intangible assets | 5 | 123 | 247 | 371 |
| Long-term financial assets |  | 1 245 | 19 510 | 17 699 |
| Long-term receivables due from related parties |  | 81 052 | 72 465 | - |
| Long-term receivables |  | 13 495 | 23 168 | 12 674 |
|  |  | **560 372** | **497 552** | **255 020** |
|  |  |  |  |  |
| Current assets |  |  |  |  |
| Inventories |  | 143 | 155 | 296 |
| Short-term receivables due from related parties |  | 34 476 | 22 741 | 63 472 |
| Short-term financial assets |  | 5 394 | 11 742 | 2 517 |
| Advance payments for purchase of financial instruments |  | - | 61 289 | - |
| Loans granted |  | 113 062 | 76 191 | 5 107 |
| Trade receivables |  | 3 460 | 4 179 | 2 824 |
| Other receivables |  | 24 028 | 11 283 | 16 104 |
| Cash and cash equivalents |  | 85 653 | 92 845 | 30 455 |
|  |  | **266 216** | **280 425** | **120 775** |
|  |  |  |  |  |
|  |  |  |  |  |
| Total assets |  | **826 588** | **777 977** | **375 795** |
|  |  |  |  |  |

|  |  |
| --- | --- |
| **Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Executive director:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |  |
|  |  |
|  |  |

# Interim Balance Sheet

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Notes** | **30 June** | **31 December** | **30 June** |
|  |  | **2008** | **2007** | **2007** |
|  |  | **BGN’000** | **BGN’000** | **BGN’000** |
|  |  |  |  |  |
| Equity |  |  |  |  |
| Share capital | 6 | 150 000 | 150 000 | 130 000 |
| Share premium |  | 232 343 | 232 343 | 32 925 |
| Other reserves |  | 6 735 | 6 834 | 7 119 |
| Retained earnings |  | 148 708 | 66 225 | 65 945 |
| Net profit for the period |  | 43 346 | 82 483 | 41 307 |
| **Total equity** |  | **581 132** | **537 885** | **277 296** |
|  |  |  |  |  |
| Liabilities |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Long-term trade liabilities |  | - | 864 | 2 470 |
| Long-term bank loans | 7 | - | - | 1 788 |
| Finance lease liabilities |  | 2 699 | 3 745 | 5 772 |
| Long-term payables due to related parties |  | 177 295 | 178 597 | 27 235 |
| Deferred tax liabilities |  | - | - | 539 |
|  |  | **179 994** | **183 206** | **37 804** |
|  |  |  |  |  |
| Current liabilities |  |  |  |  |
| Short-term payables due to related parties |  | 40 752 | 12 405 | 35 548 |
| Short-term bank loans | 7 | 3 636 | 24 680 | 9 137 |
| Loans received | 7 | 4 332 | 4 962 | - |
| Trade payables |  | 7 846 | 8 367 | 3 102 |
| Finance lease liabilities |  | 1 488 | 1 620 | 2 477 |
| Tax liabilities |  | 1 948 | 567 | 6 |
| Payables to employees and social security institutions |  | 61 | 58 | 554 |
| Other liabilities |  | 5 399 | 4 227 | 9 871 |
|  |  | **65 462** | **56 886** | **60 695** |
|  |  |  |  |  |
| Total liabilities |  | **245 456** | **240 092** | **98 499** |
|  |  |  |  |  |
| Total equity and liabilities |  | **826 588** | **777 977** | **375 795** |

|  |  |
| --- | --- |
| **Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Executive director:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |  |

Interim Income Statement

for the period ended 30 June 2008

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **30 June 2008** | **30 June 2008** |
|  |  | **BGN’000** | **BGN’000** |
|  |  |  |  |
| Gains from transactions with financial instruments |  | 36 121 | 49 168 |
| Losses from transactions with financial instruments |  | (1 109) | (6 588) |
| **Net profit from transactions with financial instruments** |  | **35 012** | **42 580** |
|  |  |  |  |
| Interest income |  | 10 582 | 7 |
| Interest expense |  | (2 132) | (933) |
| **Net profit/ (loss) from interest** |  | **8 450** | **(926)** |
|  |  |  |  |
| Gains from foreign exchange differences |  | 578 | 279 |
| Losses from foreign exchange differences |  | (16) | (5) |
| **Net profit from foreign exchange differences** |  | **562** | **274** |
|  |  |  |  |
| Other financial income/ (losses), net |  | **592** | **(75)** |
|  |  |  |  |
| Operating income |  | 3 883 | 2 982 |
| Operating expenses |  | (3 325) | (3 528) |
| **Operating result** |  | **558** | **(546)** |
|  |  |  |  |
| **Profit for the period before tax** |  | **45 174** | **41 307** |
|  |  |  |  |
| Tax expense, net | 8 | (1 828) | - |
| **Net profit for the period** |  | **43 346** | **41 307** |
|  |  |  |  |
|  |  | **30 June 2008** | **30 June 2007** |
|  |  | **BGN** | **BGN** |
| **Earnings per share** | 9 | **0.29** | **0.32** |

|  |  |
| --- | --- |
| **Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Executive director:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |  |
|  |  |

Interim Statement of Cash Flows

for the period ended 30 June 2008

|  |  |  |
| --- | --- | --- |
|  | **30 June 2008** | **30 June 2007** |
|  | **BGN’000** | **BGN’000** |
| **Cash flow from operating activities** |  |  |
| Proceeds form short-term loans | 33 781 | 39 738 |
| Payments for short-term loans | (24 332) | (46 560) |
| Proceeds from sale of short-term financial assets | 37 717 | 49 |
| Receipts from customers | 4 493 | 6 882 |
| Payments to suppliers | (6 760) | (2 950) |
| Interest receipts | - | 7 |
| Payments to employees and social security institutions | (385) | (278) |
| Taxes paid | (454) | (1 926) |
| Other cash flows from operating activities | - | (2) |
| **Net cash flows from operating activities** | **44 060** | **(5 040)** |
| **Investment activities** |  |  |
| Purchase of non-current assets | (8 260) | (25 016) |
| Proceeds from sale of non-current financial assets | 16 326 | 41 195 |
| Purchase of investments in subsidiaries and associates | (27 636) | (31 950) |
| Long-term loans granted | (9 022) | - |
| **Net cash flows from investing activities** | **(28 592)** | **(15 771)** |
| **Financing activities** |  |  |
| Long-term loans received | 18 497 | 38 991 |
| Repayments of long-term and bank loans received | (39 682) | (12 401) |
| Discharge of finance lease liabilities | (1 178) | (1 133) |
| Interest paid | (860) | (589) |
| **Net cash flows from financing activities** | **(23 223)** | **24 868** |
| Gains from foreign exchange differences | 563 | 6 |
| **Cash and cash equivalents, beginning of period** | **92 845** | **26 392** |
| Net (decrease)/ increase of cash and cash equivalents | (7 192) | 4 063 |
| **Cash and cash equivalents, end of period** | **85 653** | **30 455** |

|  |  |
| --- | --- |
| **Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Executive director:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |  |

Interim Statement for Changes in Equity

for the period ended 30 June 2008

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| All amounts are in BGN ‘000 | **Share capital** | **Premium reserves** | **Other reserves** | **Retained earnings** | **Total equity** |
|  |  |  |  |  |  |
| **Balance as at 1 January 2007** | **130 000** | **32 925** | **7 125** | **65 945** | **235 995** |
|  |  |  |  |  |  |
| Donations granted | - | - | (6) | - | **(6)** |
| Net income/(expense) recognized directly in equity as at 30 June 2007 | - | - | (6) | - | **(6)** |
|  |  |  |  |  |  |
| Net profit for the period | - | - | - | 41 307 | **41 307** |
| **Total recognized income and expenses as at 30 June 2007** | **-** | **-** | **(6)** | **41 307** | **41 301** |
|  |  |  |  |  |  |
| **Balance as at 30 June 2007** | **130 000** | **32 925** | **7 119** | **107 252** | **277 296** |

|  |  |
| --- | --- |
| **Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Executive director:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |  |
|  |  |

Interim Statement for Changes in Equity

for the period ended 30 June 2008

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| All amounts are in BGN ‘000 | **Share capital** | **Premium reserves** | **Other reserves** | **Retained earnings** | **Total equity** |
|  |  |  |  |  |  |
| **Balance as at 1 January 2008** | **150 000** | **232 343** | **6 834** | **148 708** | **537 885** |
|  |  |  |  |  |  |
| Donations granted | - | - | (99) | - | **(99)** |
| Net income/(expense) recognized directly in equity as at 30 June 2008 | - | - | (99) | - | **(99)** |
|  |  |  |  |  |  |
| Net profit for the period | - | - | - | 43 346 | **43 346** |
| **Total recognized income and expenses as at 30 June 2008** | **-** | **-** | **(99)** | **43 346** | **43 247** |
|  |  |  |  |  |  |
| **Balance as at 30 June 2008** | **150 000** | **232 343** | **6 735** | **192 054** | **581 132** |

|  |  |
| --- | --- |
| **Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Executive director:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |  |
|  |  |

Notes to the Interim Financial Statements

# 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 financial statements as at 30 June 2008 is approved and accepted by the Managing Board on 30 July 2008.

# Basis for preparation of the consolidated financial statements

This condensed interim 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 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 Company for the year ended 31 December 2007.

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

# 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 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 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 Company:

* IFRIC 11 “IFRS 2 – Group and treasury share transactions”.
* IFRIC 12 “Service concession arrangements”.
* 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 Company’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 Company, 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 Company.
* 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 Company. The Company 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 Company, as the Company 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. The Company has not signed and does not intend to sign real estate construction agreements.
* IFRIC 16 “Hedges of a net investment in a foreign operation”, effective for annual periods beginning on or after 1 October 2008. The Company does not apply hedging of investments in foreign operations.

# Property, plant and equipment

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Land** | **Buildings** | **Machinery** | **Aircraft** | **Vehicles** | **Other** | **Assets in process of acquisition** | **Total** |
|  | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Gross carrying amount | 401 | 654 | 1 049 | 22 042 | 179 | 607 | 161 | 25 093 |
| Accumulated depreciation | - | (141) | (1 009) | (4 193) | (179) | (470) | - | (5 992) |
| **Carrying amount 30 June 2007** | **401** | **513** | **40** | **17 849** | **-** | **137** | **161** | **19 101** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Gross carrying amount | 401 | 654 | 1 057 | 22 042 | 179 | 607 | 4 023 | 28 963 |
| Accumulated depreciation | - | (148) | (1 021) | (5 295) | (179) | (482) | - | (7 125) |
| **Carrying amount 1 January 2008** | **401** | **506** | **36** | **16 747** | **-** | **125** | **4 023** | **21 838** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Gross carrying amount | 8 581 | 654 | 1 063 | 22 042 | 179 | 614 | 4 091 | 37 224 |
| Accumulated depreciation | - | (160) | (1 031) | (6 397) | (179) | (493) | - | (8 260) |
| **Carrying amount 30 June 2008** | **8 581** | **494** | **32** | **15 645** | **-** | **121** | **4 091** | **28 964** |

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Land** | **Buildings** | **Machinery** | **Aircraft** | **Vehicles** | **Other** | **Assets in process of acquisition** | **Total** |
|
| **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Carrying amount as at 1 January 2007** | **401** | **528** | **45** | **18 951** | **-** | **149** | **-** | **20 074** |
| Additions |  |  |  |  |  |  |  |  |
| - separately acquired | - | - | 2 | - | - | - | 161 | 163 |
| Depreciation | - | (15) | (7) | (1 102) | - | (12) | - | (1 136) |
| **Carrying amount as at 30 June**  **2007** | **401** | **513** | **40** | **17 849** | **-** | **137** | **161** | **19 101** |
|  |  |  |  |  |  |  |  |  |
| **Carrying amount as at 1 January 2008** | **401** | **506** | **36** | **16747** | **-** | **125** | **4 023** | **21 838** |
| Additions |  |  |  |  |  |  |  |  |
| - separately acquired | 8 180 | - | 6 | - | - | 7 | 68 | 8 261 |
| Depreciation |  | (12) | (10) | (1 102) | - | (11) | - | (1 135) |
| **Carrying amount as at 30 June**  **2008** | **8 581** | **494** | **32** | **15 645** | **-** | **121** | **4 091** | **28 964** |

# Intangible assets

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Property rights** | **Trade marks** | **Software licenses** | **Total** |
|  | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** |
|  |  |  |  |  |
|  |  |  |  |  |
| Gross carrying amount | 981 | 1 | 47 | 1 029 |
| Accumulated amortization | (614) | - | (44) | (658) |
| **Carrying amount as at 30 June 2007** | **367** | **1** | **3** | **371** |
|  |  |  |  |  |
|  |  |  |  |  |
| Gross carrying amount | 978 | 1 | 51 | 1 030 |
| Accumulated amortization | (733) | (1) | (49) | (783) |
| **Carrying amount as at 1 January 2008** | **245** | **-** | **2** | **247** |
|  |  |  |  |  |
|  |  |  |  |  |
| Gross carrying amount | 978 | 1 | 51 | 1 030 |
| Accumulated amortization | (856) | (1) | (50) | (907) |
| **Carrying amount as at 30 June 2008** | **122** | **-** | **1** | **123** |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Property rights** | **Trade marks** | **Software licenses** | **Total** |
|  | **BGN’000** | **BGN’000** | **BGN’000** | **BGN’000** |
|  |  |  |  |  |
| **Carrying amount as at 1 January 2007** | 490 | 1 | 4 | 495 |
| Additions |  |  |  |  |
| – separately acquired | - | - | 1 | 1 |
| Amortization | (123) |  | (2) | (125) |
| **Carrying amount as at 30 June 2007** | **367** | **1** | **3** | **371** |
|  |  |  |  |  |
| **Carrying amount as at 1 January 2008** | **245** | **-** | **2** | **247** |
| Amortization | (123) | - | (1) | (124) |
| **Carrying amount as at 30 June 2008** | **122** | **-** | **1** | **123** |

# 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 June** | **31 December** |
|  | **2008** | **2007** |
|  | **BGN ‘000** | **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 as at 30 June | 149 999 984 | 149 999 984 |

The list of the principal shareholders is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **30 June** | **30 June** | **31 December** | **31 December** |
|  | **2008** | **2008** | **2007** | **2007** |
|  | **Number of shares** | **%** | **Number of shares** | **%** |
|  |  |  |  |  |
|  |  |  |  |  |
| Chimimport Invest AD | 114 616 084 | 76.41% | 114 808 367 | 76.54% |
| Julias Bear Investment management LLS – USA | 11 884 353 | 7.92% | 11 278 610 | 7.52% |
| Other legal entities and individuals | 23 499 547 | 15.67% | 23 913 007 | 15.94% |
|  |  | 100 |  | 100 |

# Loans

|  |  |  |  |
| --- | --- | --- | --- |
|  | **30 June** | **31 December** | **30 June** |
|  | **2008** | **2007** | **2007** |
|  | **BGN ‘000** | **BGN ‘000** | **BGN ‘000** |
|  |  |  |  |
| Long-term bank loans | - | - | 1 788 |
| Short-term bank and other loans | 7 968 | 29 642 | 9 137 |
|  | **7 968** | **29 642** | **10 925** |

Changes in loans during the period are presented as follows:

|  |  |
| --- | --- |
|  | **BGN ‘000** |
|  |  |
| **For the period ended 30 June 2007** |  |
| Opening balance 1 January 2007 | 12 062 |
| Received during the period | 4 081 |
| Repaid during the period | (5 218) |
| **Closing balance 30 June 2007** | **10 925** |
| **For the period ended 30 June 2008** |  |
| Opening balance 1 January 2008 | 29 642 |
| Received during the period | - |
| Repaid during the period | (21 674) |
| **Closing balance 30 June 2008** | **7 968** |

The Company has not received any new loans during the period, ended 30 June 2008.

# 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.

# Earnings per share

The basic earnings per share have been calculated using the net results attributable to shareholders of the Company as the numerator.

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

|  |  |  |
| --- | --- | --- |
|  | **30 June** | **30 June** |
|  | **2008** | **2007** |
|  | **BGN** | **BGN** |
|  |  |  |
| Net profit attributable to equity holders of the Company | 43 346 000 | 41 307 000 |
|  |  |  |
| Weighted average number of ordinary shares in issue | 149 999 984 | 130 000 000 |
|  |  |  |
| Basic earnings per share (BGN per share) | 0.2890 | 0.3177 |

# 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.

## Transactions with subsidiaries and associates

|  |  |  |
| --- | --- | --- |
|  | **30 June**  **2008** | **31 December 2007** |
|  | **BGN‘000** | **BGN ‘000** |
| **Sales** |  |  |
| *- Revenues from sales of goods* |  |  |
| Chimimport Rubber OOD | 5 | 48 |
| Chimimport Oil Trade OOD | - | 3 |
|  | 5 | **51** |
| - *Revenues from sales of non-current assets* |  |  |
| POK Saglasie AD |  | **-** |
|  |  |  |
| *- Revenues from transactions with financial instruments* |  |  |
| Bulgarian Shipping Company EOOD | - | 4 850 |
| ZPAD Armeec | - | 3 602 |
|  | - | **8 452** |
|  |  |  |
| *- Revenues from services and rent* |  |  |
| Hemus Air AD | 2 244 | 4 893 |
| Chimsnab AD | 1 000 | - |
| Brand New Ideas EOOD | 270 | 1 683 |
| CCB AD | 156 | 505 |
| SK Chimimport Consult OOD | 15 | 32 |
| POAD CCB Sila | 10 | 97 |
| Chimimport Fertilizers OOD | 7 | 16 |
| Chimimport Rubber OOD | 6 | 17 |
| PDNG AD | 6 | 13 |
| Chimimport Orgachim OOD | 6 | 12 |
| Chimtrans OOD | 6 | 10 |
| Chimimport Lega Consult OOD | 6 | 5 |
| Chimimport Oil Trade OOD | 3 | 10 |
| Parahodstvo BRP AD | 3 | 4 |
| Chimimport Chimtseltex OOD | 3 | 4 |
| Bulgarian Shipping Company EAD | - | 135 |
| Chimimport Finance AD | - | 1 |
|  | **3 741** | **7 437** |
|  |  |  |
| **Purchase of services** |  |  |
|  |  |  |
| *- purchase of services* |  |  |
| SK Chimimport Consult OOD | 90 | 239 |
| Trans Interkar EOOD | 23 | 158 |
| Chimimport Lega Consult OOD | 21 | 74 |
| ZPAD Armeec | 18 | - |
| Brand New Ideas EOOD | 13 | 84 |
| IT Creation OOD | 6 | 19 |
| Chimsnab AD | 1 | 16 |
| Chimimport Orgachim OOD | - | 16 |
| Chimimport Rubber OOD | - | 6 |
|  | **172** | **612** |

## Transactions with key management personnel

## Key management personnel remuneration includes the following expenses:

|  |  |  |
| --- | --- | --- |
|  | **30 June**  **2008** | **31 December 2007** |
|  | **BGN‘000** | **BGN‘000** |
|  |  |  |
| **Short-term remuneration** |  |  |
| - salaries | 100 | 144 |
| - social security costs | 11 | 13 |
| - company car allowance | 7 | 20 |
|  | **118** | **177** |

# Post balance sheet events

A General meeting of the shareholders of Chimimport AD was held on 24 July 2008 under the following agenda:

- Activity report for 2007 by the Managing bodies of the Company;

- Acceptance of the Annual financial statements of the Company for 2007;

- Auditor’s report for 2007;

- Statement of the Director with regards to the investors;

- Election of a certified auditor;

- Relief of the members of the Managing bodies from responsibility for their activity in 2007;

- Amendments in the Articles of Association of the Company: In a period of 5 /five/ years, starting from the registration of this amendment in the Articles of Association in the Trade registry, on the basis of Art.196, line.1 of the Commercial Act, the Managing Board has the right to take decisions to increase the share capital of the Company to the total nominal amount of BGN 200 million by issue of new ordinary and preference shares;

- Resolution for distribution of the result for the year;

The complete text of the protocol from the General meeting of the shareholders can be found in the following website address: [http://www.x3news.com](http://www.x3news.com/).