

Chimimport AD
Interim consolidated financial statements
31 December 2006



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Interim consolidated balance sheet

	Note	31.12.2006 BGN'000s	31.12.2005 BGN'000s
Assets			
Non-current			
Property, plant and equipment	4	196 082	123 340
Investment property		10 545	9 304
Goodwill		11 477	11 904
Intangible assets		6 889	5 639
Equity accounted investments in associates		15 159	25 660
Long-term financial assets		497 365	390 134
Long-term receivables from related parties		58 833	-
Deferred tax assets		425	475
		796 775	566 456
Current			
Inventories		28 411	21 951
Short-term financial assets		356 442	231 184
Receivables from related parties		14 549	5 566
Trade receivables		70 024	23 254
Other receivables		53 400	39 431
Cash and cash equivalents		366 211	230 213
		889 037	551 599
Total assets		1 685 812	1 118 055

Prepared by: _____
Date: 28 February 2007

Manager: _____

Interim consolidated balance sheet

	Note	31.12.2006 BGN'000s	31.12.2005 BGN'000s
Equity			
Equity attributable to shareholders of Chimimport AD			
Share capital	5	130 000	60 000
Unpaid capital		-	(2 082)
Additional paid-in capital		-	58 916
Premium reserve		4 333	8 699
Other reserves		33 252	
Retained earnings		69 928	42 172
Net profit for the period		47 675	27 756
		285 188	195 461
Minority interest		46 481	40 540
Total equity		331 669	236 001
Specialized reserves		41 151	22 944
Liabilities			
Non-current			
Payables to secured parties		40 061	24 525
Long-term financial liabilities		340 975	25 527
Long-term payables to related parties		10 708	-
Other non - current liabilities		1 408	5 534
Deferred tax liabilities		1 458	1 825
		394 610	57 411
Current			
Short-term financial liabilities		779 717	737 737
Payables to related parties		1 199	1 945
Trade and other liabilities		137 466	62 017
		918 382	801 699
Total liabilities		1 312 992	859 110
Total equity and liabilities		1 685 812	1 118 055

Prepared by: _____
Date: 28 February 2007

Manager: _____

Interim consolidated income statement

	Note	31.12.2006 BGN'000s	31.12.2005 BGN'000s
Income from non-financial activities		260 543	176 893
Expenses on non-financial activities		(230 535)	(165 149)
Net result from non-financial activities		30 008	11 744
Insurance income		86 515	62 998
Insurance expenses		(78 906)	(53 298)
Net insurance result		7 609	9 700
Interest income		67 482	52 475
Interest expense		(33 263)	(26 289)
Net interest income		34 219	26 186
Gains from transactions with financial instruments		71 317	39 799
Losses from transactions with financial instruments		(34 744)	(19 573)
Net result from transactions with financial instruments		36 573	20 226
Administrative costs		(77 188)	(55 926)
Income from subsidiaries		11 477	1 919
Result from equity accounted associates		111	562
Other financial income, net		23 426	20 054
Allocation to secured individuals		(5 204)	(1 435)
Result for the period before tax		61 031	33 030
Tax expense, net		(5 908)	(3 022)
Net result for the period		55 123	30 008
Attributable to minority interest		7 448	2 252
Attributable to shareholders of Chimimport AD		47 675	27 756
		31.12.2006	31.12.05
		BGN	BGN
Earnings per share		0.45	0.60

The selected notes from page 7 to page 16 are an integral part from the interim consolidated financial statements.

Interim consolidated statement of cash flows

	Note	31.12.2006 BGN'000s	31.12.2005 BGN'000s
Cash flows from operating activities			
Cash receipts from customers		274 309	226 564
Cash paid to suppliers		(237 487)	(212 114)
Cash receipts from secured persons		12 725	8 342
Cash paid to secured persons		(3 242)	(490)
Cash paid to employees and social security institutions		(21 814)	(12 395)
Net cash outflow related to foreign exchange gains and losses		1 526	(162)
Cash receipts from banking operations		11 945 090	7 951 980
Cash paid for banking operations		(11 775 778)	(7 832 882)
Cash receipts from insurance operations		52 940	37 580
Cash paid for insurance operations		(40 242)	(37 230)
Income tax paid		(2 096)	(2 521)
Other cash inflow from operating activities		166 081	183 402
Other cash outflow for operating activities		(170 989)	(177 074)
Net cash flows from operating activities		201 023	133 000
Cash flows from investing activities			
Proceeds from business combinations		1 705	-
Payment for business combinations		(67 837)	(13 848)
Sale of property, plant and equipment		4 727	2 919
Purchase of property, plant and equipment		(56 748)	(28 965)
Proceeds from financial instruments		246 357	58 942
Payment for financial instruments		(293 297)	(198 401)
Sale of investment property		-	38 283
Purchase of investment property		(350)	(46 046)
Interest income		132	4 389
Other cash inflow from investing activities		4 569	948
Other cash outflow for investing activities		(1 013)	(1 001)
Net cash flows from investing activities		(161 755)	(182 780)
Cash flows from financing activities			
Proceeds from issuing of shares		95 128	23 347
Proceeds from loans received or repaid		140 746	59 692
Payments for loans repaid or granted		(95 851)	(52 958)
Interest paid		(10 480)	(2 677)
Other cash inflow from financing activities		107 630	155 898
Other cash outflow for financing activities		(140 443)	(162 579)
Net cash flows from financing activities		96 730	20 723
Net increase/(decrease) of cash and cash equivalents		135 998	(29 057)
Cash and cash equivalents at the beginning of the period		230 213	259 270
Cash and cash equivalents at the end of the period		366 211	230 213

The selected notes from page 7 to page 16 are an integral part from the interim consolidated financial statements.

Interim consolidated statement of changes in equity

Equity attributable to equity holders of Chimimport AD

All amounts presented in BGN'000s	Share Capital	Unpaid capital	Premium reserve	Additional paid-in capital	Other reserves	Retained earnings	Minority Interest	Total Equity
Balance 01 January 2005	20 000	-	-	37 916	7 612	43 351	26 591	135 470
Increase in the share capital	40 000	(2 082)		(37 916)				2
Installments for increase in share capital				58 916				58 916
Business combinations						27 756	2 252	30 008
Net result for the period							11 697	11 697
Increase in reserves					1 179	(1 179)		-
Other changes in equity					(92)			(92)
Balance 31 December 2005	60 000	(2 082)	-	58 916	8 699	69 928	40 540	236 001
Balance 01 January 2006	60 000	(2 082)	-	58 916	8 699	69 928	40 540	236 001
Increase in the share capital	58 916	2 082		(58 916)				2 082
IPO shares	11 084		33 252					44 336
Net result for the period						47 675	7 448	55 123
Other changes in equity					(4 366)		(1 507)	(5 873)
Balance 31 December 2006	130 000	-	33 252	-	4 333	117 603	46 481	331 669

The selected notes from page 7 to page 16 are an integral part from the interim consolidated financial statements.

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 Company is engaged in the following business activities:

- Production – extraction and processing of oil and other oil products; vegetable oil;
- Trade – with chemical products, fuel, vegetable oils, cereals, etc.
- Transport – Transport of passengers and cargo, transport services and forwarding
- Bank activity and services;
- Insurance services;
- Pension funds and services;
- Marketing and advertising.

The address of the Company's registered office is 2, St. Karadja Str., Sofia, Bulgaria.

The interim consolidated financial statements for the period ended 31 December 2006 were approved by the Managing Board on 28 February 2006.

2 Basis for preparation of the interim consolidated financial statements

This brief interim consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group as at 31 December 2005.

Interim consolidated financial statements are presented in BGN, which is also the functional currency of the Group.

The main accounting policies of the Group have remained unchanged from those set out in the annual financial statements of the Group as at 31 December 2005.

3 Segment reporting

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

- Production
- Trade
- Transport
- Insurance
- Banking
- Finance
- Pension funds

All inter-segment transfers are priced and carried out at market price and condition basis.

Income and expenses of the Group for the period from 1 January 2006 to 31 December 2006 presented by segments are as follows:

Business segments 31 December 2006	Production	Trade	Transport	Insurance	Banking	Finance	Pension Fund	Consolidation	Group
	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
Income from non-financial activities	86 100	29 617	136 155	-	2 561	16 223	14	(10 127)	260 543
Expenses on non-financial activities	(79 094)	(28 824)	(131 070)	-	-	-	-	8 453	(230 535)
Net result from non-financial activities	7 006	793	5 085	-	2 561	16 223	14	(1 674)	30 008
Insurance income	-	-	-	88 830	-	-	-	(2 315)	86 515
Insurance expenses	-	(6)	-	(79 002)	-	-	-	102	(78 906)
Net result from insurance	-	(6)	-	9 828	-	-	-	(2 213)	7 609
Interest income	783	611	9	23	63 822	3 670	205	(1 641)	67 482
Interest expense	(2 687)	(640)	(2 182)	(39)	(26 224)	(3 132)	-	1 641	(33 263)
Net interest income	(1 904)	(29)	(2 173)	(16)	37 598	538	205	-	34 219
Gains from transactions with financial instruments	2 085	-	9	28 738	16 225	18 375	32 994	(27 109)	71 317
Losses from transactions with financial instruments	(16)	-	-	(4 478)	(6 006)	(111)	(23 569)	(564)	(34 744)
Net result from transactions with financial instruments	2 069	-	9	24 260	10 219	18 264	9 425	(27 673)	36 573
Administration costs	-	-	-	(13 734)	(61 446)	(6 170)	(1 037)	5 199	(77 188)
Other financial income/(expense)	(545)	(149)	(366)	(92)	23 843	1 351	1 045	9 936	35 023
Result from equity accounted associates	-	-	(9)	-	-	-	(6 034)	830	(5 213)
Result for the period before tax	6 626	609	2 546	20 246	12 775	30 206	3 618	(15 595)	61 031
Tax expense, net	(909)	(171)	14	(2 000)	(762)	(1 851)	-	(229)	(5 908)
Net result for the period	5 717	438	2 560	18 246	12 013	28 355	3 618	(15 824)	55 123

Business segments 31 December 2006	Production	Trade	Transport	Insurance	Banking	Finance	Pension Fund	Consolidation	Group
	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
Segment assets	161 160	66 674	148 296	81 274	1 131 987	510 372	49 856	(463 807)	1 685 812
Consolidated total assets	161 160	66 674	148 296	81 274	1 131 987	510 372	49 856	(463 807)	1 685 812
Segment liabilities	100 365	21 560	46 731	47 048	1 015 347	152 430	40 492	(69 830)	1 354 143
Consolidated total liabilities	100 365	21 560	46 731	47 048	1 015 347	152 430	40 492	(69 830)	1 354 143

Business segments 31 December 2005	Production	Trade	Transport	Insurance	Banking	Finance	Pension Fund	Consolidation	Group
	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
Income from non-financial activities	55 160	39 858	65 824	17	3 016	17 465	-	(4 447)	176 893
Expenses on non-financial activities	(53 041)	(41 945)	(63 570)	-	-	(12 397)	-	5 804	(165 149)
Net result from non-financial activities	2 119	(2 087)	2 254	17	3 016	5 068	-	1 357	11 744
Insurance income	-	-	-	64 605	-	-	-	(1 607)	62 998
Insurance expenses	(86)	(22)	(1 159)	(53 282)	-	(1)	(2)	1 254	(53 298)
Net result from insurance	(86)	(22)	(1 159)	11 323	-	(1)	(2)	(353)	9 700
Interest income	880	345	101	399	47 779	4 512	174	(1 715)	52 475
Interest expense	(1 562)	(651)	(1 156)	(47)	(18 235)	(6 371)	-	1 733	(26 289)
Net interest income	(682)	(306)	(1 055)	352	29 544	(1 859)	174	18	26 186
Gains from transactions with financial instruments	210	-	-	9 247	4 831	28 945	7 167	(10 601)	39 799
Losses from transactions with financial instruments	(30)	-	-	(4 880)	(3 388)	(7 367)	(3 908)	-	(19 573)
Net result from transactions with financial instruments	180	-	-	4 367	1 443	21 578	3 259	(10 601)	20 226
Administration costs	-	-	-	(8 454)	(47 602)	(714)	(1 406)	2 250	(55 926)
Other financial income/(expense)	(264)	(18)	(116)	(85)	20 933	(1 047)	764	2 368	22 535
Result from equity accounted associates	-	-	-	-	-	-	(1 435)	-	(1 435)
Result for the period before tax	1 267	(2 433)	(76)	7 520	7 334	23 025	1 354	(4 961)	33 030
Tax expense, net	(861)	249	(33)	(823)	(947)	(607)	-	-	(3 022)
Net result for the period	406	(2 184)	(109)	6 697	6 387	22 418	1 354	(4 961)	30 008

Business segments	Production	Trade	Transport	Insurance	Banking	Finance	Pension Fund	Consolidation	Group
31 December 2005	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
Segment assets	102 184	59 416	82 734	43 744	809 023	337 592	30 315	(346 953)	1 118 055
Consolidated total assets	102 184	59 416	82 734	43 744	809 023	337 592	30 315	(346 953)	1 118 055
Segment liabilities	48 741	22 482	20 099	27 763	728 095	74 987	24 867	(64 980)	882 054
Consolidated total liabilities	48 741	22 482	20 099	27 763	728 095	74 987	24 867	(64 980)	882 054

4 Property, plant and equipment

	Land	Buildings	Machines	Technical equipment	Vehicles	Other	Assets in process of acquisition	Total
	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
At 1 January 2005								
Cost	9 168	43 196	22 040	16 335	10 607	31 177	24227	156 750
Accumulated depreciation	-	(8 944)	(12 867)	(7 408)	(5 060)	(29 030)	-	(63 309)
Net book amount	9 168	34 252	9 173	8 927	5 547	2 147	24 227	93 441
Year ended 31 December 2005								
Opening net book amount	9 168	34 252	9 173	8 927	5 547	2 147	24 227	93 441
Business combinations - cost	505	-	14	-	-	11	-	530
Business combinations – depreciation	-	-	-6	-	-	-5	-	(11)
Additions	14 158	6 455	13 114	22 593	3 934	303	13 601	74 158
Disposals – cost	(251)	(2 521)	(3 670)	(1 554)	(1 284)	(11 098)	(27 906)	(48 284)
Disposals – depreciation	-	773	1 636	447	837	9 507	229	13 429
Depreciation charge	-	(1 855)	(2 910)	(3 574)	(1 416)	(168)	-	(9 923)
Closing net book amount	23 580	37 104	17 351	26 839	7 618	697	10 151	123 340
As at 31 December 2005								
Cost	23 580	47 130	31 498	37 374	13 257	20 393	9 922	183 154
Accumulated depreciation	-	(10 026)	(14 147)	(10 535)	(5 639)	(19 696)	229	(59 814)
Net book amount	23 580	37 104	17 351	26 839	7 618	697	10 151	123 340

	Land	Buildings	Machines	Technical equipment	Vehicles	Other	Assets in process of acquisition	Total
	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
Year ended 31 December 2006								
Opening net book amount	23 580	37 104	17 351	26 839	7 618	697	10 151	123 340
Business combinations – cost	190	1 650	401	182	44 929	275	2 363	49 990
Business combinations – depreciation	-	(265)	(310)	(58)	(10 703)	(200)	-	(11 536)
Additions	6 238	11 030	8 288	15 109	5 228	1 486	34 726	82 105
Disposals – cost	(1 340)	(966)	(2 505)	(229)	(3 759)	(43)	(30 231)	(39 073)
Disposals – depreciation	-	4	2 021	220	1 453	21	-	3 719
Depreciation charge	-	(1 548)	(5 092)	(3 322)	(2 286)	(215)	-	(12 463)
Closing net book amount	28 668	47 009	20 154	38 741	42 480	2 021	17 009	196 082
As at 31 December 2006								
Cost	28 668	58 844	37 682	52 436	59 655	22 111	16 780	276 176
Accumulated depreciation	-	(11 835)	(17 528)	(13 695)	(17 175)	(20 090)	229	(80 094)
Net book amount	28 668	47 009	20 154	38 741	42 480	2 021	17 009	196 082

5 Share capital

On 15 February 2006 the General Meeting of the Shareholders took the decision to increase the share capital from BGN 60 000 000 to BGN 118 916 086 and to start the procedure for transforming the company into a public company. The increase of the share capital came in force with court decision No 24 dated 10 April 2006, issued by Sofia City Court. At the General Meeting of the Shareholders on 31 March 2006 a decision to increase the share capital from BGN 118 916 086 to BGN 130 000 000 was taken. Therefore, 11 083 914 new ordinary dematerialized shares have been issued, each with par value of BGN 1 and issue price of BGN 4. The increase of the share capital has been performed by public offering of the shares. The Prospectus for the public offering has been approved by the Financial Supervision Commission with decision № 618-E dated 9 August 2006. The increase of the share capital came in force with court decision № 25 dated 29 September 2006, issued by Sofia City Court.

6 Acquisition of 76.81 per cent of the share capital of „Parahodstvo Bulgarsko rechno plavane” Plc

During the third quarter of 2006 the Group has acquired 70.00 per cent of the share capital of „Parahodstvo Bulgarsko rechno plavane” Plc

The price of acquiring is to the amount of BGN 22 000 thousand .

On Nov.20th, 2006 with a Decision No 1121- Pd the Financial Supervision Commission, in connection with an application, submitted with Entr. No ПГ-05-1114/11 dated Oct.30th,2006 from "PBRP" Plc Ad- Rouse for merger of "Chimimport Bimas" Ltd. , approved the following: Agreement for transformation of the company, Report of the Management Board of the accepting company, Report of the manager of the company to be merged, the Reports under Art. 262m and 262f from the Commercial Act of the assigned independent appraisers.

With Decision No5, dated Dec. 27th,2006 the transformation of "Chimimport Bimas" Ltd. through merger into “PBRP” Plc became effective.

The price of the newly acquired 6.81% shares through the above cited merger, according to the market valuation, is BGN 5 988 thousand.

A negative goodwill to the amount of BGN 9 024 thousand is admitted as a result of the acquisitions based on the market valuation of "PBRP" Plc.

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 by the weighted average number of ordinary shares.

The weighted average number of shares used for the calculation of the basic earnings per share as well as net profit, attributable to shareholders is as follows:

	31.12.2006	31.12.2005
	BGN	BGN
Profit attributable to shareholders of Chimimport AD	47 675 000	27 756 000

Weighted average number of ordinary shares in issue	105 434 430	46 424 658
Basic earning per share (BGN per share)	0,4522	0,5979

7 Post balance sheet events

On Jan. 4th, 2007 "BHG" EAD, sole proprietorship of "Him" AD, signed a Contract for purchase of 30 159 shares, representing 99.99% from the capital of the Airline company "Bulgaria Air" EAD. On Feb. 14th, 2007 the shares were transferred to " BHG" EAD.