

Interim Activity Report
Interim Condensed Consolidated Financial
Statements

CHIMIMPORT AD

30 June 2014



Contents

	Page
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8

Interim condensed consolidated statement of financial position

	Notes	30.06.2014 BGN'000	31.12.2013 BGN'000	30.06.2013 BGN'000
Assets				
Non-current assets				
Property, plant and equipment	8	435 874	430 341	506 168
Investment property		237 529	248 368	145 811
Investments accounted for using the equity method	6	134 887	131 321	128 976
Goodwill		42 438	37 766	39 416
Other intangible assets		78 763	64 681	71 895
Long-term financial assets	9	1 845 084	1 676 397	1 546 825
Long-term related party receivables	17	16 926	8 815	14 939
Deferred tax assets		6 431	5 221	3 409
Non-current assets		2 797 932	2 602 910	2 457 439
Current assets				
Inventories		33 506	37 155	35 935
Short-term financial assets	10	2 117 963	2 063 906	1 862 605
Related party receivables	17	276 847	277 805	263 746
Trade receivables		147 927	121 048	194 936
Tax receivables		3 117	4 346	1 371
Other receivables		212 398	112 111	168 211
Reinsurance assets		16 435	20 330	14 555
Cash and cash equivalents		1 240 872	1 317 412	1 134 047
Current assets		4 049 065	3 954 113	3 675 406
Assets classified as held for sale	11	43 615	45 184	44 040
Total assets		6 890 612	6 602 207	6 176 885

Prepared by:

/A. Kerczov/

Date: 28 August 2014



Executive director:

/I. Kamenov/

Interim condensed consolidated statement of financial position (continued)

	Notes	30.06.2014 BGN'000	31.12.2013 BGN'000	31.03.2013 BGN'000
Equity and liabilities				
Equity				
Share capital	12	227 663	228 183	229 240
Share premium		219 252	219 929	220 086
Other reserves		101 442	91 001	92 484
Retained earnings		731 621	676 036	691 659
Profit for the period		56 301	86 892	60 727
Equity attributed to the shareholders of parent company		1 336 279	1 302 041	1 294 196
Non-controlling interests		236 496	235 990	231 884
Total equity		1 572 775	1 538 031	1 526 080
Specialized reserves		236 066	208 829	181 244
Liabilities				
Non-current liabilities				
Long-term financial liabilities	13	1 083 859	1 018 502	971 920
Payables to secured persons		745 150	659 806	590 570
Long-term trade payables		12 857	16 043	19 687
Long-term related party payables	17	2 371	4 123	5 402
Finance lease liabilities		8 013	10 394	12 979
Pension and other employee obligations		1 982	2 254	1 985
Other liabilities		2 596	1 288	4 744
Provisions		466	466	438
Deferred tax liabilities		29 913	31 547	26 699
Non-current liabilities		1 887 207	1 744 423	1 634 424
Current liabilities				
Short-term financial liabilities	13	2 908 298	2 836 163	2 577 742
Trade payables		131 924	123 212	97 809
Short-term related party payables	17	20 102	33 634	11 288
Finance lease liabilities		5 168	5 068	5 227
Pension and other employee obligations		11 472	12 828	12 756
Tax liabilities		10 757	9 518	9 567
Other liabilities		106 843	90 501	120 748
Current liabilities		3 194 564	3 110 924	2 835 137
Total liabilities		5 081 771	4 855 347	4 469 561
Total equity, reserves and liabilities		6 890 612	6 602 207	6 176 885

Prepared by: _____
/A. Kerezov/

Date: 28 August 2014



Executive director: _____
/I. Kamenov/

Interim condensed consolidated statement of comprehensive income

Notes	6 months to 30.06.2014 BGN'000	3 months to 30.06.2014 BGN'000	6 months to 30.06.2013 BGN'000	3 months to 30.06.2013 BGN'000
Income from non-financial activities	241 721	131 862	242 085	132 480
Expenses for non-financial activities	(206 060)	(121 001)	(203 523)	(113 926)
Change in fair value of investment property	-	(12)	(397)	(349)
Gain on sale of non-current assets	7 712	5 843	6 765	696
Net result from non-financial activities	43 373	16 692	44 930	18 901
Insurance income	354 175	63 854	275 911	45 574
Insurance expense	(345 883)	(61 835)	(266 618)	(39 364)
Net insurance result	8 292	2 019	9 293	6 210
Interest income	126 063	69 554	114 308	56 263
Interest expense	(72 129)	(39 841)	(65 516)	(32 714)
Net interest income	53 934	29 713	48 792	23 549
Gains from transactions with financial instruments	259 668	134 489	213 579	120 533
Losses from transactions with financial instruments	(212 018)	(113 367)	(183 486)	(98 546)
Net result from transactions with financial instruments	47 650	21 122	30 093	21 987
Administrative expenses	(85 076)	(43 687)	(78 869)	(35 072)
Gains from purchases	-	-	3 178	1 556
Share of profit from equity accounted investments	5 608	3 719	7 114	5 542
Other financial income	25 032	18 375	21 817	4 087
Allocation of income to secured persons	(32 160)	(14 323)	(11 370)	(7 003)
Profit before tax	66 653	33 630	74 978	39 757
Tax expense	14 (5 198)	(2 465)	(5 980)	(3 806)
Net profit for the period	61 455	31 165	68 998	35 951
Other comprehensive income				
Gains from financial assets	(420)	(420)	1 883	232
Other changes	-	-	(1 179)	(208)
Total comprehensive income	61 035	30 745	69 702	35 975
Profit for the year attributable to:				
the shareholders of Chimimport AD	56 301	30 388	60 727	31 885
non-controlling interests	5 154	777	8 271	4 066
Total comprehensive income attributable to:				
the shareholders of Chimimport AD	55 898	29 985	61 431	31 909
non-controlling interests	5 137	760	8 271	4 066
Basic earnings per share in BGN	0.39	0.21	0.42	0.22
Diluted earnings per share in BGN	0.25	0.11	0.28	0.15

Prepared by: _____

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Date: 29 August 2014




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Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2014	228 183	219 929	91 001	762 928	1 302 041	235 990	1 538 031
(Decrease)/increase in share capital and reserves resulting from purchase of treasury shares by subsidiaries	(520)	(677)	-	-	(1 197)	-	(1 197)
Business combinations	-	-	(2 228)	(18 235)	(20 463)	(4 631)	(25 094)
Transactions with owners	(520)	(677)	(2 228)	(18 235)	(21 660)	(4 631)	(26 291)
Profit for the period, ended at 31 March 2014	-	-	-	56 301	56 301	5 154	61 455
Other comprehensive income							
Gains from financial assets	-	-	(403)	-	(403)	(17)	(420)
Total comprehensive income for the period	-	-	(403)	56 301	55 898	5 137	61 035
Transfer of retained earnings to other reserves	-	-	13 072	(13 072)	-	-	-
Balance at 31 March 2014	227 663	219 252	101 442	787 922	1 336 279	236 496	1 572 775

Prepared by: 
/A. Kerezov/
Date: 29 August 2014




Executive director: 
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Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000

	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2013	229 388	220 012	80 175	707 425	1 237 000	224 012	1 461 012
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	(1 205)	(83)	-	-	(1 288)	-	(1 288)
Business combinations	-	-	(8 539)	(10 979)	(19 518)	(987)	(20 505)
Transactions with owners	(1 205)	(83)	(8 539)	(10 979)	(20 806)	(987)	(21 793)
Profit for the year	-	-	-	86 892	86 892	12 965	99 857
Other comprehensive income	-	-	352	-	352	-	352
Total comprehensive income for the year	-	-	352	86 892	87 244	12 965	100 209
Transfer of retained earnings to other reserves	-	-	19 013	(19 013)	-	-	-
Share on changes in the investments accounted on the equity method	-	-	-	(1 389)	(1 389)	-	(1 389)
Other changes	-	-	-	(8)	(8)	-	(8)
Balance at 31 December 2013	228 183	219 929	91 001	762 928	1 302 041	235 990	1 538 031

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Date: 29 August 2014



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Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2013	229 388	220 012	80 175	707 425	1 237 000	224 012	1 461 012
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	(148)	74	-	-	(74)	-	(74)
Business combinations	-	-	(1 148)	(3 006)	(4 154)	(399)	(4 553)
Transactions with owners	(148)	74	(1 148)	(3 006)	(4 228)	(399)	(4 627)
Profit for the period, ended at 30 June 2013	-	-	-	60 727	60 727	8 271	68 998
Other comprehensive income							
Share of other comprehensive income of associates	-	-	-	(1 179)	(1 179)	-	(1 179)
Gains from financial assets	-	-	1 883	-	1 883	-	1 883
Total comprehensive income for the period	-	-	1 883	59 548	61 431	8 271	69 702
Other changes	-	-	-	(7)	(7)	-	(7)
Transfer of retained earnings to other reserves	-	-	11 574	(11 574)	-	-	-
Balance at 30 June 2013	229 240	220 086	92 484	752 386	1 294 196	231 884	1 526 080

Prepared by: _____

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Date: 29 August 2014



Executive director: _____

/I. Kamenov/

Interim condensed consolidated statement of cash flows

	30.06.2014	30.06.2013
	BGN'000	BGN'000
Proceeds from short-term loans	140 426	58 976
Payments for short-term loans	(136 728)	(47 702)
Proceeds from sale of short-term financial assets	343 390	346 880
Purchase of short-term financial assets	(314 778)	(375 187)
Cash receipt from customers	257 747	239 195
Cash paid to suppliers	(210 249)	(205 980)
Proceeds from secured persons	68 126	53 319
Payments to secured persons	(9 003)	(9 847)
Payments to employees and social security institutions	(54 015)	(43 855)
Cash receipts from banking operations	26 491 320	22 910 316
Cash paid for banking operations	(26 627 497)	(22 936 243)
Cash receipts from insurance operations	106 246	79 054
Cash paid for insurance operations	(83 533)	(76 495)
Income taxes paid	(2 481)	(3 628)
Other cash outflows	1 795	(7 503)
Net cash flow from operating activities	(29 234)	(18 700)
Investing activities		
Net payments for acquisition of subsidiaries	8 595	9 854
Dividends received	4 307	3 569
Sale of property, plant and equipment	87	27 202
Purchase of property, plant and equipment	(21 618)	(34 393)
Sale of intangible assets	2 000	-
Purchase of intangible assets	(454)	(24)
Sale of investment property	73	9 480
Purchase of investment property	(7 501)	(304)
Sale of non-current financial assets	136 314	171 472
Purchase of non-current financial assets	(144 649)	(181 535)
Interest payments received	27 540	30 403
Proceeds from loans granted	11 982	9 642
Payments for loans granted	(5 786)	(52 173)
Other cash (outflows)/inflows	(14 393)	(600)
Net cash flow from investing activities	(3 503)	(7 407)
Financing activities		
Proceeds from loans received	66 288	102 180
Payments for loans received	(91 790)	(136 652)
Interest paid	(11 719)	(10 986)
Payments for finance leases	(2 446)	(2 740)
Other cash outflows	(3 322)	(4 266)
Net cash flow from financing activities	(42 989)	(52 464)
Exchange profit/(losses) on cash and cash equivalents	(814)	598
Cash and cash equivalents, beginning of year	1 317 412	1 212 020
Net change in cash and cash equivalents	(76 540)	(77 973)
Cash and cash equivalents, end of the period	1 240 872	1 134 047

Prepared by: _____

/A. Kerezov/

Date: 29 August 2014



Executive director: _____

/I. Kamenov/

Notes to the interim condensed consolidated financial statements

1. Nature of operations

Chimimport AD was registered as a joint-stock company at Sofia city court on 24 January 1990. The address of the Company's registered office is 2 St. Karadja Str., Sofia, Bulgaria. The Company is registered on the Bulgarian Stock Exchange – Sofia on 30 October 2006. Chimimport AD (The Group) includes the parent company and all subsidiaries.

The Group is engaged in the following business activities:

- Acquisition, management and sale of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Bank services, finance, insurance and pension insurance;
- Securitization of real estate and receivables;
- Extraction of oil and natural gas;
- Construction of output capacity in the area of oil-processing industry, production of biodiesel and production of rubber items;
- Production and trading with oil and chemical products;
- Production of vegetable oil, purchasing, 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 port infrastructure;
- Commercial agency and brokerage;
- Commission, forwarding and warehouse activity.

2. Basis for the preparation of the interim condensed financial statements

These interim condensed consolidated financial statements as of 30 June 2014 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU). Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 "Consolidated Financial Statements".

The interim condensed consolidated financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN'000) unless otherwise stated.

The interim condensed consolidated financial statements are prepared under the going concern principle..

3. Accounting policies and significant changes during the period

3.1. Overall considerations and adoption of new standards, amendments and interpretations to existing standards that are effective for the year beginning 1 January 2014

These interim condensed consolidated financial statements (the interim consolidated financial statements) have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended 31 December 2013 except for the adoption of the following new standards, amendments and interpretations to existing standards, which are mandatory for the first time for the financial year beginning 1 January 2014:

IFRS 10 “Consolidated Financial Statements” effective from 1 January 2014, adopted by the EU on 11 December 2012

IFRS 10 “Consolidated Financial Statements” introduces a new, principle-based definition of control which will apply to all investees to determine the scope of consolidation. Management’s provisional analysis is that IFRS 10 will not change the classification (as subsidiaries or otherwise) of any of the existing investees at 31 March 2014 and the previous periods.

IFRS 11 “Joint Arrangements” effective from 1 January 2014, adopted by the EU on 11 December 2012

IFRS 11 “Joint Arrangements” supersedes IAS 31 “Interests in Joint Ventures”. It replaces IAS 31’s three categories of ‘jointly controlled entities’, ‘jointly controlled operations’ and ‘jointly controlled assets’ with two new categories - ‘joint operations’ and ‘joint ventures’. The option of using proportionate consolidation for joint ventures that was previously included in IAS 31 has been eliminated (equity accounting is now required for all joint ventures). There is no material impact on the Group’s net assets or profits.

IFRS 12 “Disclosure of Interests in Other Entities” effective from 1 January 2014, adopted by the EU on 11 December 2012

IFRS 12 “Disclosure of Interests in Other Entities” is a new standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other unconsolidated structured entities.

IFRS 10, 11, 12 – Transition Guidance, effective from 1 January 2013, adopted by the EU on 16 April 2013

The guidance confirms that the entity is not required to apply IFRS 10 retrospectively in certain circumstances and provides additional transition relief in IFRSs 10, 11, 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Further, it provides additional relief by removing the requirement to present comparatives for the disclosures related to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied.

IAS 27 “Separate Financial Statements” (Revised) effective from 1 January 2014, adopted by the EU on 11 December 2012

IAS 27 “Separate Financial Statements” (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged.

IFRS 10, IFRS 11, IAS 27 (amendments) – Investment Entities, effective from 1 January 2014, adopted by the EU on 21 November 2013

The amendments define the term ‘investment entity’, provide supporting guidance and require investment entities to measure investments in the form of controlling interests in another entity at fair value through profit or loss.

IAS 28 “Investments in Associates and Joint Ventures” (Revised) effective from 1 January 2014, adopted by the EU adopted by the EU on 11 December 2012

IAS 28 “Investments in Associates and Joint Ventures” (Revised) continues to prescribe the mechanics of equity accounting. Changes to its scope have however been made as a result of the publication of IFRS 11 “Joint Arrangements”.

IAS 32 “Financial Instruments: Presentation” (amended) effective from 1 January 2014, adopted by the EU on 13 December 2012

The amendment clarifies that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy.

IAS 36 “Impairment of assets” (amended) effective from 1 January 2014, adopted by the EU on 20 December 2013

The amendment requires the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. It should be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted provided the entity has already adopted IFRS 13.

IAS 39 “Financial Instruments: Recognition and Measurement” (amended) effective from 1 January 2014, adopted by the EU on 20 December 2013

The amendments to IAS 39 allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

IFRIC 21 “Levies” effective from 1 January 2014, adopted by the EU in June 2014

IFRIC 21 considers how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. IFRIC 21 also clarifies that an entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period.

3.2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

The following new standards, amendments and interpretations to existing standards have been issued but are not yet effective, and have been not adopted early by the Group:

IFRS 9 “Financial Instruments” effective from 1 January 2015, not yet adopted by the EU

IFRS 9 “Financial instruments” represents the first milestone in the comprehensive IASB project to replace IAS 39 “Financial instruments: Recognition and measurement”. It replaces multiple measurement categories in IAS 39 with a single principle-based approach to classification. IFRS 9 requires all financial assets to be measured at either amortised cost or full fair value. Amortised cost provides decision-useful information for financial assets that are held primarily to collect cash flows that represent the payment of principal and interest. For all other financial assets, including those held for trading, fair value represents the most relevant measurement basis. IFRS 9 eliminates the need for multiple impairment models; such that only one impairment model for financial assets carried at amortised cost will be required. Chapters dealing with impairment methodology and hedge accounting are still being developed. The management does not expect to implement IFRS 9 until all of its chapters have been published and they can comprehensively assess the impact of all changes.

IFRS 9 “Financial Instruments” (amended) – Hedge accounting, effective from 1 January 2018, not yet adopted by the EU

These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

IFRS 11 “Joint Arrangements” (amended) – Acquisition of an Interest in a Joint Operation, effective from 1 January 2016, not yet adopted by the EU

This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

IFRS 14 “Regulatory deferral accounts” effective from 1 January 2016, not yet adopted by the EU

IFRS 14, ‘Regulatory deferral accounts’ permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

IAS 16 “Property, plant and equipment” and IAS 38 “Intangible Assets” (amended), effective from 1 January 2016, not yet adopted by the EU

In this amendment the IASB has clarified that the use of revenuebased methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 19 “Employee Benefits” (amended) – Employee Contributions, effective from 1 July 2014, not yet adopted by the EU

The amendments to IAS 19:

- clarify the requirements of IAS 19 relating to contributions from employees or third parties
- introduce a practical expedient such that contributions that are independent of the number of years of service may be treated as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements to IFRSs 2012 effective from 1 July 2014, not yet adopted by the EU

These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:

- IFRS 2, ‘Share-based payment’
- IFRS 3, ‘Business Combinations’
- IFRS 8, ‘Operating segments’
- IFRS 13, ‘Fair value measurement’
- IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’
- Consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’, and
- IAS 39, ‘Financial instruments – Recognition and measurement’.

Annual Improvements to IFRSs 2013 effective from 1 July 2014, not yet adopted by the EU

The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards:

- IFRS 1, ‘First time adoption’
- IFRS 3, ‘Business combinations’
- IFRS 13, ‘Fair value measurement’ and
- IAS 40, ‘Investment property’.

3.3. Estimates

When preparing the interim condensed consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2013r.

3.4. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual financial statements as at 31 December 2013. There have been no changes in the risk management policies since year end.

4. Significant events and transactions during the reporting period

In general the Group condition is stable, in spite the current economic environment and has enough capital and liquidity to proceed with its operational activities and debt.

5. Changes in controlling interests in subsidiaries

5.1. Acquisition of IC OAO Itil Armeec

In 2014, the Group has acquired control over IC OAO Itil Armeec, with headquarters in Kazan, Russia through purchase of shares from the majority shareholder part of the Group, owner of 100% (recomputed to 96.34%) from the shares and the voting rights of IC OAO Itil Armeec.

The total cost of acquisition amounts to BGN 12 126 thousand and is allocated to the acquired assets and liabilities of the Company in 2014. The fair value recognized for each class of the acquiree's assets and liabilities are as follows:

	Recognized value as at the date of acquisition
	BGN '000
Property, plant and equipment	961
Financial Assets	14 172
Other assets	3 708
Cash and cash equivalent	8 840
Payables	(19 938)
Net value of the assets	7 743
Non-controlling interest	(289)
Fair value of identifiable net assets acquired by the Group	7 454
Total consideration	12 126
Fair value of identifiable net assets acquired by the Group	(7 454)
Goodwill/ (profit)	4 672

	BGN'000
Consideration transferred, cash paid	(12 126)
Amount of acquired cash and cash equivalents	8 840
Net cash inflow on acquisition	(3 286)

As a result of the acquisition, goodwill is recognized at the amount of BGN 4 842 thousand

5.2. Acquisition of Technoimpex AD

In 2014, the Group has acquired control over Technoimpex 98 AD merged in its subsidiary Technoimpex AD, with headquarters in Sofia, Bulgaria through purchase of shares from the majority shareholder,-owner of 88,90% from the shares and the voting rights of Technoimpex AD.

The total cost of acquisition amounts to BGN 480 thousand is allocated to the acquired assets and liabilities of the Company in 2014. The fair value recognized for each class of the acquiree's assets and liabilities are as follows:

	Recognized value as at the date of acquisition
	BGN '000
Investments	233
Investment property	459
Financial assets	1 220
Other assets	27
Payables	(2 371)
Net value of the assets	(432)
Non-controlling interest	(48)
Fair value of identifiable net assets acquired by the Group	(480)
	BGN '000
Total consideration	480
Fair value of identifiable net assets acquired by the Group	(480)
Net Goodwill	-
	BGN '000
Consideration transferred, cash paid	(480)
Amount of acquired cash and cash equivalents	-
Net cash inflow on acquisition	(480)

No goodwill or gain has been recognized as a result of the acquisition.

5.3. Acquisition of non controlling share in Oil and Gas Exploration and Production AD

In 2014 the Group acquired additional equity amounting to 1.54% in its subsidiary Oil and gas exploration and production AD in the amount to TBGN 4 991 thereby increasing its controlling interest to 30.82% (consolidated)%.

The carrying value of the net assets of the subsidiary Oil and gas exploration and production AD recognized at the acquisition date of the financial statements amounted to TBGN 1 622. The Group recognized a decrease in non-controlling interest amounting to TBGN 1 622 and a decrease in retained earnings in the amount of BGN (3 369) thousand

	BGN'000
Total consideration transferred	(4 991)
Additional acquired share in net assets of the company Oil and gas exploration and production AD	1 622
Decrease in retained earnings	(3 369)



6. Investments accounted for using equity method

6.1. Investments in associates

The Group owns shares in the share capital of the following associated companies:

Name	30.06.2014 BGN'000	Share %	31.12.2013 BGN'000	Share %	30.06.2013 BGN'000	Share %
Fraport TSAM AD	112 526	40,00%	107 726	40,00%	101 033	40,00%
Lufthansa Technik Sofia OOD	7 772	24,90%	7 971	24,90%	6 837	24,90%
VTC AD	3 476	41,00%	3 886	41,00%	2 568	41,00%
Amadeus Bulgaria OOD	3 711	45,00%	3 762	45,00%	3 737	45,00%
Alpha Airport Services OOD	2 728	42,50%	3 468	42,50%	2 744	42,50%
Swissport Bulgaria	1 614	49,00%	1 565	49,00%	-	-
Dobrich fair AD	1 435	37,92%	1 320	37,92%	1 214	37,92%
Kavarna Gas OOD	585	35,00%	583	35,00%	597	35,00%
PIC Saglasie Co.Ltd.	-	-	-	-	9 246	24,45%
	133 847		130 281		127 976	

Investments in associates are presented in the interim condensed consolidated financial statements of the Group using the equity method. Associates have a reporting date as at 30 June 2014.

6.2. Investments in joint ventures

The Group holds shares in the capital of these joint ventures:

Name	30.06.2014 '000 лв.	Участие %	31.12.2013 '000 лв.	Участие %	30.06.2013 '000 лв.	Участие %
Nuance BG AD	727	50,00%	727	50,00%	1 000	50,00%
Varna ferry OOD	313	50,00%	313	50,00%	-	50,00%
	1 040		1 040		1 000	

7. Segment reporting

The management responsible for making the business decisions determines the business segments on the grounds of the types of activities, the main products and services rendered by the Group. The activities of the Group are analyzed as a whole of business segments that may vary depending on the nature and development of a certain segment by considering the influence of the risk factors, cash flows, products and market requirements.

Each business segment is managed separately as long as it requires different technologies and resources or marketing approaches. The adoption of IFRS 8 had no influence on the identification of the main business segments of the Group in comparison with those determined in the last consolidated financial statements.

According to IFRS 8 the profits reported by segments are based on the information used for the needs of the internal management reporting and is regularly reviewed from those responsible for the business decisions.

According to IFRS 8 the Group applies the same evaluation policy as in the last consolidated financial statements.

The operating segments of the Group are as follows:

- Production, trade and services
- Finance sector
- Transport sector
- Real estate sector
- Construction and engineering sector

Information about the operating segments of the Group is summarized as follows:



Operating segments 30 June 2014	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	49 832	17 049	171 331	129	3 380	-	241 721
Change in fair value of investment property	-	-	-	-	-	-	-
Gain from sale of non-current assets	1 099	45	818	-	-	5 750	7 712
Inter-segment income from non-financial activities	15 500	1 874	2 187	-	360	(19 921)	-
Total income from non-financial activities	66 431	18 968	174 336	129	3 740	(14 171)	249 433
Result from non-financial activities	10 794	18 968	9 107	(32)	(427)	4 963	43 373
Insurance income from external customers	-	354 175	-	-	-	-	354 175
Result from insurance	-	8 029	-	-	-	263	8 292
Interest income	4 855	130 642	1 417	216	128	(11 195)	126 063
Interest expenses	(5 771)	(76 636)	(9 563)	(10)	(344)	20 195	(72 129)
Result from interest	(916)	54 006	(8 146)	206	(216)	9 000	53 934
Gains from transactions with financial instruments	1 708	260 273	2 791	-	15	(5 119)	259 668
Result from transactions with financial instruments	1 377	48 586	2 791	-	15	(5 119)	47 650
Administrative expenses	(3 755)	(82 263)	(4 931)	-	-	5 873	(85 076)
Share of profit from equity accounted investments	13	-	5 595	-	-	-	5 608
Other financial income/ expense	(341)	29 301	(432)	-	(25)	(3 471)	25 032
Profit for allocating insurance batches	-	(32 160)	-	-	-	-	(32 160)
Profit for the period before tax	7 172	44 467	3 984	174	(653)	11 509	66 653
Tax expenses	(792)	(4 352)	(59)	-	-	5	(5 198)
Net profit for the period	6 380	40 115	3 925	174	(653)	11 514	61 455



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
30 June 2014	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	782 827	7 339 732	823 883	48 802	17 832	(2 257 351)	6 755 725
Investments accounted for using the equity method	4 907	360	20 147	-	4	109 469	134 887
Total consolidated assets	787 734	7 340 092	844 030	48 802	17 836	(2 147 882)	6 890 612
Specialized reserves	-	236 066	-	-	-	-	236 066
Liabilities of the segment	338 513	5 169 886	399 636	1 303	14 971	(842 538)	5 081 771
Total consolidated liabilities	338 513	5 169 886	399 636	1 303	14 971	(842 538)	5 081 771

Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31 December 2013	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	832 173	7 130 404	808 453	46 561	17 747	(2 364 452)	6 470 886
Investments accounted for using the equity method	4 667	-	16 346	-	22	110 286	131 321
Total consolidated assets	836 840	7 130 404	824 799	46 561	17 769	(2 254 166)	6 602 207
Specialized reserves	-	208 829	-	-	-	-	208 829
Liabilities of the segment	394 721	5 020 915	373 321	235	14 222	(948 067)	4 855 347
Total consolidated liabilities	394 721	5 020 915	373 321	235	14 222	(948 067)	4 855 347



- as at 30.06.2013

Operating segments 30 June 2013	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	51 330	16 552	173 598	113	492	-	242 085
Change in fair value of investment property	213	(610)	-	-	-	-	(397)
Gain from sale of non-current assets	68	3	694	-	-	6 000	6 765
Inter-segment income from non-financial activities	17 726	1 794	1 968	-	210	(21 698)	-
Total income from non-financial activities	69 337	17 739	176 260	113	702	(15 698)	248 453
Result from non-financial activities	10 631	17 739	10 067	52	(119)	6 560	44 930
Insurance income from external customers	-	275 911	-	-	-	-	275 911
Inter-segment insurance income	-	3 209	-	-	-	(3 209)	-
Total insurance income	-	279 120	-	-	-	(3 209)	275 911
Result from insurance	-	12 304	-	-	-	(3 011)	9 293
Interest income	3 775	124 939	3 257	212	72	(17 947)	114 308
Interest expenses	(6 028)	(68 518)	(8 586)	-	(331)	17 947	(65 516)
Result from interest	(2 253)	56 421	(5 329)	212	(259)	-	48 792
Gains from transactions with financial instruments	9 385	207 565	2 008	-	-	(2 201)	216 757
Inter - segment gains from transactions with financial instruments	-	4 446	-	-	-	(4 446)	-
Total gains from transactions with financial instruments	9 385	212 011	2 008	-	-	(6 647)	216 757
Result from transactions with financial instruments	9 384	28 207	2 007	-	-	(6 327)	33 271
Administrative expenses	(3 304)	(78 494)	(5 280)	(144)	(339)	8 692	(78 869)
Share of profit from equity accounted investments	16	741	6 357	-	-	-	7 114
Other financial income/ expense	(343)	27 723	(1 151)	(1)	(27)	(4 384)	21 817
Profit for allocating insurance batches	-	(11 370)	-	-	-	-	(11 370)
Profit for the period before tax	14 131	53 271	6 671	119	(744)	1 530	74 978
Tax expense	(1 569)	(4 360)	(37)	(21)	-	7	(5 980)
Net profit for the year	12 562	48 911	6 634	98	(744)	1 537	68 998



Operating segments 30 June 2013	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	745 288	6 596 762	816 664	46 251	16 336	(2 173 392)	6 047 909
Investments accounted for using the equity method	4 667	8 317	15 046	-	2	100 944	128 976
Total consolidated assets	749 955	6 605 079	831 710	46 251	16 338	(2 072 448)	6 176 885
Specialized reserves	-	181 244	-	-	-	-	181 244
Liabilities of the segment	310 533	4 536 126	380 454	55	13 620	(771 227)	4 469 561
Total consolidated liabilities	310 533	4 536 126	380 454	55	13 620	(771 227)	4 469 561



8. Property, plant and equipment

Property, plant and equipment of the Group include land, buildings, plant and equipment, vehicles, repairs of rented fixed assets, assets in process of acquisition, etc. Their carrying amount can be analyzed as follows:

	Land	Buildin g	Machines	Equipment and spare parts	Vehicles	Repairs	Others	Advances and assets in process of acquisition	Total
	BGN'000	BGN'00 0	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2014	62 561	92 347	107 546	144 270	125 231	27 940	56 538	72 659	689 092
Additions:									
- through business combinations	8	1 434	333	-	13 940	-	416	-	16 131
- separately acquired	-	214	3 265	1 174	1 890	320	296	35 395	42 554
Disposals									
- separately disposed	(5)	(268)	(7 453)	(326)	(10 892)	-	(77)	(20 396)	(39 417)
- through business combinations	-	-	-	-	(151)	-	-	-	(151)
Balance at 30 June 2014	62 564	93 727	103 691	145 118	130 018	28 260	57 173	87 658	708 209
Depreciation									
Balance at 1 January 2014	-	(22 544)	(84 945)	(36 900)	(58 715)	(26 551)	(29 096)	-	(258 751)
Business combinations	-	(889)	(332)	-	(8 180)	-	(372)	-	(9 773)
Disposals	-	1 438	3 760	74	2 980	-	22	-	8 274
Depreciation	-	(1 380)	(4 052)	(2 132)	(2 658)	(1 202)	(661)	-	(12 085)
Balance at 31 March 2014	-	(23 375)	(85 569)	(38 958)	(66 573)	(27 753)	(30 107)	-	(272 335)
Carrying amount at 31 March 2014	62 564	70 352	18 122	106 160	63 445	507	27 066	87 658	435 874



- as at 31 December 2013

	Land	Building	Machines	Equipment and spare parts	Vehicles	Repairs	Others	Advances and assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2013	85 245	96 540	96 083	162 936	125 952	27 099	55 226	81 057	730 138
Additions:									
- separately acquired	8 521	36 444	17 926	1 818	2 805	991	1 470	77 990	147 965
Disposals									
- separately disposed	(436)	(13 324)	(2 784)	(743)	(3 369)	(150)	(150)	(76 532)	(97 488)
- reclassified to investment property	(30 763)	(27 147)	(3 640)	(19 665)	-	-	-	(9 856)	(91 071)
- through business combination	(6)	(504)	(39)	(76)	(157)	-	(8)	-	(790)
- assets held for sale (or in disposal group)	-	338	-	-	-	-	-	-	338
Balance at 31 December 2013	62 561	92 347	107 546	144 270	125 231	27 940	56 538	72 659	689 092
Depreciation									
Balance at 1 January 2013	-	(28 084)	(78 991)	(35 039)	(55 526)	(24 189)	(27 851)	-	(249 680)
Disposals assets held for sale	-	69	-	-	-	-	-	-	69
Disposal reclassified to investment property	-	2 760	1 630	1 994	-	-	-	-	6 384
Disposals	-	4 110	1 116	482	3 108	150	73	-	9 039
Depreciation	-	(1 399)	(8 700)	(4 337)	(6 297)	(2 512)	(1 318)	-	(24 563)
Balance at 31 December 2013	-	(22 544)	(84 945)	(36 900)	(58 715)	(26 551)	(29 096)	-	(258 751)
Carrying amount at 31 December 2013	62 561	69 803	22 601	107 370	66 516	1 389	27 442	72 659	430 341



- as at 30 June 2013

	Land	Building	Machines	Equipment and spare parts	Vehicles	Repairs	Others	Advances and assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2013	85 245	96 540	96 083	162 936	125 952	27 099	55 226	81 057	730 138
Additions:									
- through business combinations	5 373	-	-	-	-	-	-	-	5 373
- separately acquired	6 692	22 269	8 391	429	1 585	15	620	45 965	85 966
Disposals									
- through business combinations	-	-	-	-	(5)	-	(2)	-	(7)
- separately disposed	-	(227)	(1 487)	(5)	(921)	-	(24)	(50 064)	(52 728)
Balance at 30 June 2013	97 310	118 582	102 987	163 360	126 611	27 114	55 820	76 958	768 742
Depreciation									
Balance at 1 January 2013	-	(28 084)	(78 991)	(35 039)	(55 526)	(24 189)	(27 851)	-	(249 680)
Disposals	-	1	471	5	744	-	22	-	1 243
Depreciation	-	(1 895)	(4 394)	(2 337)	(3 327)	(1 340)	(844)	-	(14 137)
Balance at 30 June 2013	-	(29 978)	(82 914)	(37 371)	(58 109)	(25 529)	(28 673)	-	(262 574)
Carrying amount at 30 June 2013	97 310	88 604	20 073	125 989	68 502	1 585	27 147	76 958	506 168



9. Long-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	30.06.2014	31.12.2013	30.06.2013
	BGN '000	BGN '000	BGN '000
Financial assets at fair value through profit or loss	104 867	4 694	3 284
Held-to-maturity financial assets	157 982	146 777	67 027
Loans and receivables	1 309 020	1 261 442	1 264 187
Available-for-sale financial assets	289 621	280 867	229 738
	1 861 490	1 693 780	1 564 236
Impairment	(16 406)	(17 383)	(17 411)
	1 845 084	1 676 397	1 546 825

10. Short-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	30.06.2014	31.12.2013	30.06.2013
	BGN '000	BGN '000	BGN '000
Financial assets at fair value through profit or loss	968 564	860 544	805 522
Held-to-maturity financial assets	175 107	216 458	246 726
Loans and receivables	887 804	919 463	767 288
Held for sale financial assets	46 212	27 033	13 264
Receivables on insurance and reinsurance contracts	55 935	56 985	49 351
	2 133 622	2 080 483	1 882 151
Impairment	(15 659)	(16 577)	(19 546)
	2 117 963	2 063 906	1 862 605

11. Non-current assets, classified as held-for-sale

The carrying amount of the assets classified as held-for-sale can be presented as follows:

	30.06.2014	31.12.2013	30.06.2013
	BGN '000	BGN '000	BGN '000
Non-current assets			
Property, plant and equipment	43 615	44 576	44 040
Investment property	-	608	-
Assets, classified as held-for-sale	43 615	45 184	44 040

12. Share capital

The share capital of Chimimport AD as at 30 June 2014 consists of 150 875 596 (31.12.2013: 150 875 596) ordinary shares with a par value of BGN 1 per share and 88 770 671 (31.12.2013: 88 770 671) preferred shares with a par value of BGN 1, including 6 503 475 (31.12.2013: 6 197 175) ordinary shares and 5 480 402 (31.12.2013: 5 265 899) preferred shares, acquired by companies of Chimimport Group. The ordinary shares of Chimimport AD are registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota. The preferred shares do not entitle voting rights. They give the owner the right to a cumulative guaranteed dividend and to a guaranteed liquidation quota of the Group's estate.

Shares issued and fully paid:	30.06.2014	31.12.2013	30.06.2013
- beginning of the year	228 183 193	229 388 143	229 388 143
- treasury shares /ordinary and preferred/, acquired by subsidiaries during the year	(520 803)	(1 204 950)	(148 400)
Shares issued and fully paid as at period end	227 662 390	228 183 193	229 239 743

On 12 June 2009 Chimimport AD issued mandatory convertible preferred shares with 9% guaranteed fixed annual dividend and guaranteed liquidation quota. 89 646 283 preferred shares are issued and paid with issue value amounting to BGN 2.22 each, representing 99.61% of the offered shares. The accumulated capital during the public offering amounts to BGN 199 015 thousand. The obligatory conversion of the shares occurs at the end of the seventh year after the registration of the capital increase in the Trade register.

The accumulated funds above the nominal value of the share capital amounting to BGN 105 082 thousand are allocated as follows:

- BGN 27 622 thousand – share premium
- BGN (943) thousand – reduction of share premium due to treasury shares acquired by subsidiaries
- BGN 8 348 thousand – current dividend payables
- BGN (634) thousand – reduction of current dividend payables due to treasury shares acquired by subsidiaries
- BGN 70 008 thousand – non-current dividend payables
- BGN (2 710) thousand – reduction of non-current dividend payables due to treasury shares acquired by subsidiaries
- BGN 3 391 thousand – share issue expenses



Dividend payables and share premium, resulting from the conversion of 858 825 preferred shares and the acquisition of 402 833 shares of the Group by subsidiaries, are allocated as follows:

- BGN 28 271 thousand – share premium
- BGN (1 745) thousand – reduction of share premium due to treasury shares acquired by subsidiaries
- BGN 33 593 thousand – current dividend payables
- BGN (2 555) thousand – reduction of current dividend payables due to treasury shares acquired by subsidiaries
- BGN 21 005 thousand – non-current dividend payables
- BGN (1 597) thousand – reduction of non-current dividend payables due to treasury shares acquired by subsidiaries

The list of the principal shareholders, holding ordinary shares of the Group, is as follows:

	30.06.2014	30.06.2014	31.12.2013	31.12.2013	30.06.2013	30.06.2013
	Number of ordinary shares	%	Number of ordinary shares	%	Number of ordinary shares	%
Chimimport Invest AD	111 539 365	73.93%	111 539 365	73.93%	111 769 615	74.08%
Other legal entities and private individuals	39 336 231	26.07%	39 336 231	26.07%	39 105 981	25.92%
	150 875 596	100.00%	150 875 596	100.00%	150 875 596	100.00%

**Shares of the Group,
acquired by subsidiaries**

CCB Group AD	(5 160 005)	3.42%	(5 160 005)	3.42%	(5 160 005)	3.42%
ZAD Armeec	(745 400)	0.49%	(463 100)	0.31%	(463 100)	0.31%
CCB AD	(115 000)	0.08%	(91 000)	0.06%	(89 000)	0.06%
POAD CCB Sila	(483 070)	0.32%	(483 070)	0.32%	(255 070)	0.17%
	(6 503 475)	4.31%	(6 197 175)	4.11%	(5 967 175)	3.96%
Net number of shares	144 372 121		144 678 421		144 908 421	



The list of principle shareholders, holding shares (ordinary shares and preferred shares) of the capital of Chimimport AD is presented as follows:

	30.06.2014	30.06.2014	31.12.2013	31.12.2013	30.06.2013	30.06.2013
	Number of shares /ordinary and preferred/	%	Number of shares /ordinary and preferred/	%	Number of shares /ordinary and preferred/	%
Chimimport Invest AD	182 480 887	76.15%	182 480 887	76.15%	179 409 837	74.86%
Other legal entities and private individuals	57 165 380	23.85%	57 165 380	23.85%	60 236 430	25.14%
	239 646 267	100.00%	239 646 267	100.00%	239 646 267	100.00%
Shares of the Group, acquired by subsidiaries						
CCB Group AD	(5 160 005)	2.15%	(5 160 005)	2.15%	(5 160 005)	2.15%
ZAD Armeec	(3 745 400)	1.56%	(3 463 100)	1.45%	(3 463 100)	1.45%
CCB AD	(138 000)	0.06%	(120 000)	0.05%	(114 900)	0.05%
POAD CCB Sila	(2 940 472)	1.23%	(2 719 969)	1.13%	(1 668 519)	0.70%
	(11 983 877)	5.00%	(11 463 074)	4.78%	(10 406 524)	4.35%
Net number of shares	227 662 390		228 183 193		229 239 743	

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2013 and 2014 amounts to 5% and the tax is deducted from the gross amount of dividends.

13. Borrowings

Borrowings include financial liabilities as follows:

	Current			Non-current		
	30.06.2014 BGN'000	31.12.2013 BGN'000	30.06.2013 BGN'000	30.06.2014 BGN'000	31.12.2013 BGN'000	30.06.2013 BGN'000
Financial liabilities measured at amortized cost:						
Liabilities to depositors	2 641 872	2 633 684	2 287 817	765 286	712 690	698 673
Liabilities for dividends	31 038	15 544	18 001	19 408	32 303	44 764
Bonds and debenture loan	538	4 625	3 720	176 095	169 789	148 183
Bank loans	59 753	59 344	68 728	105 564	95 287	67 153
Other borrowings	59 147	57 636	37 846	17 506	7 813	13 147
Insurance contract liabilities	17 430	15 639	14 187	-	-	-
Derivatives, held-for- trading	10 415	10 860	6 937	-	-	-
Deposits from banks	66 845	22 722	116 828	-	620	-
Cession liabilities	21 260	16 109	4 176	-	-	-
Liabilities under repurchase agreements	-	-	19 502	-	-	-
Total carrying amount	2 908 298	2 836 163	2 577 742	1 083 859	1 018 502	971 920

13.1. Borrowings, measured at amortized cost, other than borrowings from banking activities

Changes in borrowings other than borrowings from banking activities during the period are presented as follows:

	BGN'000
For the period ended 30 June 2014	
Opening balance 1 January 2014	424 739
Received during the period	74 259
Repaid during the period	(65 894)
Closing balance 30 June 2014	433 104
For the period ended 31 December 2013	
Opening balance 1 January 2013	453 682
Received during the period	107 754
Repaid during the period	(136 697)
Closing balance 31 December 2013	424 739

For the period ended 30 June 2013

Opening balance 1 January 2013	453 682
Received during the period	59 985
Repaid during the period	(97 034)
Closing balance 30 June 2013	416 633

During the period the Group of Chimimport received borrowings amounting to a total of TBGN 74 259 under short-term loans for cash at interest rates between 8% - 11%

14. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2014 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2013 was 10%).

15. Earnings per shares

Basic earnings per share have been calculated using the profit attributed to shareholders of the parent company as the numerator.

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

	30 June 2014	30 June 2013
Profit attributable to the shareholders (BGN)	56 024 000	60 727 000
Weighted average number of outstanding shares	144 646 279	144 916 927
Basic earnings per share (BGN per share)	0.387	0.4190

The weighted average number of shares /ordinary and preferred/, used in calculating the diluted basic earnings per share, as well as the net profit, adjusted with dividend expense, attributable to shareholders, is as follows:

	30 June 2014	30 June 2013
Net profit, attributable to shareholders, adjusted with dividend expense (BGN)	57 108 500	64 353 973
Weighted average number of shares	228 146 942	229 354 173
Diluted earnings per share (BGN per share)	0.250	0.2806

16. Related party transactions

The Group's related parties include its owners, associates and key management personnel.

16.1. Transaction with owners

Sale of goods and services, interest income and other income	30.06.2014	30.06.2013
	BGN'000	BGN'000
<i>- interest income</i>		
Invest Capital AD	4 292	12 040
<i>- sale of services</i>		
Invest Capital AD	3	-
Purchase of services, interest expense and other expenses		
<i>- purchase of services</i>		
Invest Capital AD	(15)	-
<i>- interest expense</i>		
Invest Capital AD	(36)	-

16.2. Transaction with associates and other related parties under common control

Sale of goods and services, interest income and other income	30.06.2014	30.06.2013
	BGN'000	BGN'000
<i>- sale of finished goods</i>		
Kavarna Gas OOD	558	635
Chimsnab Trade OOD	229	277
<i>- sale of goods</i>		
Fraport TSAM AD	468	553
Aviation Company Hemus Air EAD	138	-
VTC AD	120	144
Varna Cars OOD	7	-
M Car OOD	6	-
<i>- sale of services</i>		
Lufthansa Technik Sofia OOD	861	1 412



Sale of goods and services, interest income and other income	30.06.2014	30.06.2013
	BGN'000	BGN'000
CCB Lider DF	291	257
CCB Activ DF	231	207
Swissport Bulgaria AD	110	-
M Car OOD	7	-
Balkantours OOD	-	-
CCB Garant DF	12	10
Fraport TSAM AD	-	-
Varna Cars OOD	105	-
Aviation Company Hemus Air EAD	528	-
Kavarna Gas OOD	2	-
VIA Interkar OOD	1	-
VTC AD	36	-
Other	32	50
 <i>- interest income</i>		
Aviation Company Hemus Air EAD	356	297
Niko Comers AD	264	298
Lufthansa Technik Sofia OOD	30	-
VIA Interkar OOD	18	-
Fraport TSAM AD	7	8
Conor – Switzerland	229	-
M Car OOD	2	-
Varnaferri OOD	-	43
Other	-	47
 <i>- other income and sale of non - current assets</i>		
Aviation company Hemus air EAD	2	483
Lufthansa Technik Sofia OOD	-	315
 Purchase of services and interest expense		
	30.06.2014	30.06.2013
	BGN'000	BGN'000
 <i>- purchase of services</i>		
Lufthansa Technik Sofia OOD	(5 203)	(2 832)
Swissport Bulgaria AD	(2 013)	-
Fraport TSAM AD	(1 878)	(2 220)
Alpha Airport Services OOD	(1 573)	-
Aviation Company Hemus Air EAD	(850)	(937)
Varna Cars OOD	(82)	-
VIA Interkar 2007 OOD	(65)	-



Purchase of services and interest expense	30.06.2014	30.06.2013
	BGN'000	BGN'000
M Car OOD	(21)	-
VTC AD	(5)	-
Kavarna Gas OOD	(1)	-
Other	(178)	(5)
<i>- interest expense and other expenses</i>		
Lufthansa Technik Sofia OOD	(100)	-
Dobrich fair AD	(8)	(17)
Swissport Bulgaria AD	(5)	
Niko Comers AD	-	-
VTC AD	(9)	(11)
Invest Capital Assets Managment EAD	(3)	(2)
Amadeus Bulgaria OOD	(3)	-
Other	-	(37)

16.3. Transaction with key management personnel

Key management of the Group includes members of the Managing Board and Supervisory Board. Key management personnel remuneration includes the following expenses:

	30 June 2014	30 June 2013
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	212	2 272
Social security costs	10	10
Group car allowance	-	3
	222	2 285



17. Related party balances

	30.06.2014	31.12.2013	30.06.2013
	BGN'000	BGN'000	BGN'000
Non-current receivables from:			
<i>-owners</i>			
Invest Capital AD	-	2 200	2 123
	-	2 200	2 123
<i>-associated parties</i>			
Lufthansa Technik Sofia OOD	-	2 959	3 042
Varnaferry OOD	2 123	1 993	-
	2 123	4 952	3 042
<i>- other related parties</i>			
Aviation Company Hemus Air EAD	11 728	99	7 961
PFC Chernomore AD	1 564	1 564	-
Other	1 511	-	1 813
	14 803	1 663	9 774
Total	16 926	8 815	14 939
Current receivables from:			
<i>-owners</i>			
Invest Capital AD	109 141	141 649	137 991
Chim Invest Institute - Lichtenstein	26 861	-	-
	136 002	141 649	137 991
<i>- associates</i>			
Lufthansa Technik Sofia OOD	2 421	355	491
Kavarna Gaz OOD	454	629	456
Fraport TSAM AD	103	151	119
VTC AD	-	1	1
PIC Syglasie AD	-	-	2
	2 978	1 136	1 069
<i>- other related parties</i>			
Aviation Company Hemus Air EAD	116 159	115 178	99 922
Conor GmbH	10 129	9 828	9 467
Niko Comers AD	7 264	7 784	8 803
Consortium Energoproekt – Royal Haskoning	1 416	1 415	1 415
Via Intercar OOD	394	364	-
Chimnab Trade OOD	143	37	74
M Car OOD	59	58	1
PFC Chernomore AD	-	143	-
Other	2 303	213	5 004
	137 867	135 020	124 686
Total	276 847	277 805	263 746



	30.06.2014	31.12.2013	30.06.2013
	BGN'000	BGN'000	BGN'000
Non-current payables to:			
<i>-owners</i>			
Invest Capital AD	2	2	51
<i>- associates</i>			
Fraport TSAM AD	961	1 719	3 152
VTC AD	690	1 491	1 147
Nuance BG AD	162	162	162
Amadeus Bulgaria OOD	137	127	147
Lufthansa Technik Sofia OOD	37	1	15
Kavarna Gaz OOD	8	6	28
PIC Syglasie AD	-	-	271
	1 995	3 506	4 922
<i>- other related parties</i>			
M Car OOD	193	164	281
Varna Cars OOD	91	62	-
Chimsnab Trade OOD	32	20	28
Invest Capital Managment EAD	7	3	1
Capital Invest EAD	2	21	21
Aviation Company Hemus Air EAD	1	1	58
Other	48	344	40
	374	615	429
Total	2 371	4 123	5 402
Current payables to:			
<i>-owners</i>			
Invest Capital AD	498	12 593	562
Chiminvest Institute	495	1	494
	993	12 594	1 056
<i>- associates</i>			
Fraport TSAM AD	6 528	7 176	2 233
Lufthansa Technik Sofia OOD	3 237	3 140	811
Dobrich fair AD	1 001	986	968
Alpha Airport services OOD	712	988	-
Nuance BG AD	776	126	338
Amadeus Bulgaria OOD	418	478	389
Swissport Bulgaria AD	441	445	-
VTC AD	299	1 490	826
Kavarna Gaz OOD	-	-	12



	30.06.2014	31.12.2013	30.06.2013
	BGN'000	BGN'000	BGN'000
PIC Syglasie AD, together with PPF, UPF and DPF Syglasie	-	-	1 146
	13 412	14 829	6 723
<i>- other related parties</i>			
Consortium Energoproekt – Royal Haskoning	1 900	1 900	1 902
Nico Commers AD	1 730	1 827	14
Invest Capital Managment EAD	247	242	238
M Car OOD	247	202	273
Varna Cars OOD	86	-	74
Capital Invest EAD	5	8	18
Chimsnab Trade OOD	-	4	-
Aviation Company Hemus Air EAD	-	-	-
Other	1 482	2 028	990
	5 697	6 211	3 509
Total	20 102	33 634	11 288

18. Post - reporting date events

There were no significant events after the reporting period.

19. Autoriazation of the interim condensed financial statements

The interim condensed consolidated financial statements as of 30 June 2014 (including comparatives) were approved for issue by the Managing board on 29 August 2014.