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Message from the Management Board



Ladies and gentlemen,

During its 60-year existence “Chimipmort” PLC changed from a successful foreign trade enterprise specializing in the trade of chemical products into an important holding company, which consolidates over 44 leading companies, operating in different economic sectors: banking, insurance and pension insurance; aviation, river and maritime transport; production and trading with petroleum products and natural gas; production, processing and trade with grain and oilseed oils. At present over 4000 employees are occupied in the enterprises of “Chimimport” PLC, who actively contribute to its recognition as a stable and highly responsible company both in social and economic aspect, as well as its successful development in the course of the Bulgarian business adaptation to the high European standards.

After completing the two stages of re-structuring of “Chimimport” PLC and the companies within the framework of the structure and in the context of the annually improving financial and economic results and growing popularity, the company was registered as a public company, the shares of which are placed for sale on the official stock market – segment “B” of the Bulgarian Stock Exchange – Sofia PLC. The achievement of such high results was made possible because of the correct planning of the investments and the efforts of the management team.

Our activity as a public company shall be directed to establishing an effectively functioning model of corporative management, guaranteeing equal attitude and protection of rights of all shareholders; transparency and access to correct information, required by the present shareholders, interested persons and the potential future investors; clear regulated responsibility of the corporative management.

The objectives of “Chimimport” PLC for the years to come are clear – consolidating the positions of the company and the strategic companies from the investment portfolio of the Bulgarian and international market; increasing the effectiveness of the production enterprises through introducing new technologies and products; enhancing the general growth rates; raising the company reputation and assets.

*By the Management Board of “Chimimport” PLC*





## The beginning

After the report of the Minister of Trade and Food Supplies dated 24th March 1947, the Council of Ministers on their meeting dated 4th April 1947 with Ordinance № 7 – Protocol № 50, it.5 established the State Trade Company under the name of “Chimimport” with main activity import of chemical products.

## Development

- 1947** Import of basic chemicals, artificial fertilizers, plant protection products;
- 1949** Import of medicals, medical specialities and instruments was started;
- 1950** Export activities started – herbs, essential oils and cultivated plant raw materials;
- 1959** State Trading Company (STC) „Chimimport” merged with State Trading-Production Company (STPC) “Bulgarian Rose”. The export of rose oil was started;
- 1963** The first re-export transaction was accomplished – sale of soda ash from Belgium to Japan;
- 1969** Chimimport’s nomenclature included 70 affirmed positions for export and 41 stock groups for import;
- 1977** STC “Chimimport”, Foreign Trade Enterprise “Neftochim” and Foreign Trade Company “Lesoimpex” merged to form the new Foreign Trade Organization “Chimimport”, which dealt with export and re-export of chemicals, chemical raw materials, natural gas, oil, petrochemicals, pulp and paper;
- 1981** The export list of goods included more than 125 positions;
- 1985** The merchandise trading of the enterprise reached its peak – 8.5 billion US dollars;
- 1989** Articles of Incorporation were signed on 21 July, and the General Assembly of the Shareholders of “Chimimport” was held on 19 October;
- 1990** Based on Decree No: 56 by a Resolution № 1, dated 24 January 1990 under company case № 2655/1989 a Joint-Stock Company “Chimimport” was registered with association capital amounting to BGN 10 million;
- 1992** On 22 September the General Assembly of the Shareholders increased the capital of “Chimimport” PLC to BGN 51 118 080 by non-monetary payment made by the Bulgarian State;
- 1993** the Bulgarian State transferred the shares of more than 40 trading and production enterprises into the newly established company “Consolid commerce”. The capital of the company was increased to become BGN 51 668 080;
- 1994** on 5 October the Privatization Agency signed an agreement with the management team of the company, united in “Chimimport Invest” PLC for the sale of 58,7% of the capital of “Chimimport” PLC;
- 1995** upon finalizing the sale of the preferred stocks, the shareholders’ equity of the company was distributed as follows: “Chimimport Invest” PLC – 63,004%; physical persons – 15,696%; “Consolid Commerce” Ltd – 20,045%; other legal entities – 1,255%;
- 1997** “Chimimport” Plc was pre-registered under art. 277 of the Commercial Act as a holding;
- 2000** The first stage of “Chimimport” PLC restructuring was completed – registration of subsidiary companies based on the existing commercial departments;
- 2001** 23% of the capital of “Central Cooperative Bank” PLC was acquired on the Bulgarian Stock Exchange and the “Central Cooperative Union” was established in order to manage the bank activities;

- 2002** "Chimimport" PLC acquired from the "Banking Consolidation Company" the state share in the capital of "Central Cooperative Bank" PLC; with the mediation of the Privatisation Agency it acquired the share of DZI in the capital of Insurance Company "Armeec" and the control over PIJSC "CCB Sila" from the Czech financial group "Nuton";
- 2003** Successfully participated in the privatization of "Hemus Air" JSC and " Oil and Gas Exploration and Production" PLC;
- 2004** "Chimimport" PLC established a financial group by merging its shares in the bank sector, insurance and pension insurance sectors into the capital of "CCB Group Assets Management" JSC";
- 2005** The second stage of "Chimimport" Plc restructuring was completed by establishing holding structures – "Balkan Hemus Group" JSC for the aviation transport and "Chimimport Group" JSC for the commercial activities;
- 2006** On 29 September 2006 "Chimimport" PLC gained the statute of a public company pursuant to art.110, para.2 of the Public Offering of Securities Act, when Sofia City Court entered in the Commercial Register the increase in the company capital, accomplished by initial public offering of 11 083 914 shares. Company shares were registered for sale on the public stock market, segment "B" of Bulgarian Stock Exchange on 30 October 2006. "Chimimport" PLC acquired 99,13% of the capital of "Bulgarian River Shipping" PLC.
- 2007** Since 2 February 2007 based on the decision of Management Board of "Bulgarian Stock Exchange – Sofia" PLC "Chimimport" PLC has been participating in the base of the main stock index SOFIX, and since 26 February 2007 the company has been in the base of the stock index BG 40. The company acquired through privatization tender bidding the national aviation company "Bulgarian Air" JSC.

#### Trade Partners of the Companies in the Group

BAe Systems – Great Britain, Honeywell - Great Britain, Boeing - GTA, SABENA Technics, DUNLOP Aviation service, Global Maintenance, Bio Rad - France, Omnimpex S.A. - Rumania, Rompetrol - Rumania, Hur Kimya A.S. - Turkey, Unifert - Lebanon, Transanonia - Switzerland, Impex Barter - Spain, Bayer International S.A. - Switzerland, Kela Laboratoria N.V. - Belgium, Severgazprom - Russia, Chemapol Asia - Singapore, Nidera B.V. - Holland, DesMet - Italy, Rodemco Ltd. - Israeli, Daruma GmbH - Germany, Input/Output - USA, Omniquest International - Holland, "Interchem Energy" - Switzerland, "Prokop Eng." - Czech Republic, NPP Kozloduy, Agropolychim JSC – Devnya, Central Cooperative Union, Bulgargas JSC, Lukoil Bulgaria JSC, Anschuts Bulgaria LTD, OMV Bulgaria, Magazini 3,4,5; Mega Marini; SANI; Askent; SBA, Eurofert JSC, Actavis JSC, Solvey Pharma JSC, Toplivo JSC, Interlihter, Varna Municipality, Kavarna Municipality, Knezha Municipality, Pleven Municipality, Shabla Municipality and many more.

#### Servicing Commercial Banks

Deutsche Bank AG, Drezdner Bank AG, Ost-West Handelsbank AG, Bayerische Hypo und Vereinsbank AG, LBBW AG, Australian and New Zeland Banking Group Limited, DSK Bank JSC, UniCredit Group (Bulbank JSC, Hebrosbank JSC), Central Cooperative Bank JSC, Bulgarian Post Bank JSC, Bulgarian-American Credit Bank JSC, etc.



#### Supervisory Board

Nikola Damyanov

*Chairman of the Supervisory Board*

„Chimimport Invest“ PLC

*Represented by Ivo Kamenov – Member of the Supervisory Board*

„CCB Group Assets Management“ JSC

*Represented by Marin Mitev – Member of the Supervisory Board*

#### Management Board

Tsvetan Botev

*Chairman of the Management Board*

Aleksander Kerezov

*Deputy Chairman of the Management Board*

Ivo Kamenov

*Executive Director and Member of the Management Board*

Marin Mitev

*Executive Director and Member of the Management Board*

Nikola Mishev

*Member of the Management Board*

„Chimimport“ Plc is represented by the Executive Directors Ivo Kamenov and Marin Mitev, acting together or separately

As of 31 December 2006, the shareholders of "Chimimport" PLC include 2 657 physical persons and legal entities. The face value of a share of the company equals to BGN 1. The shares of the company are ordinary, dematerialized, registered and transferable.

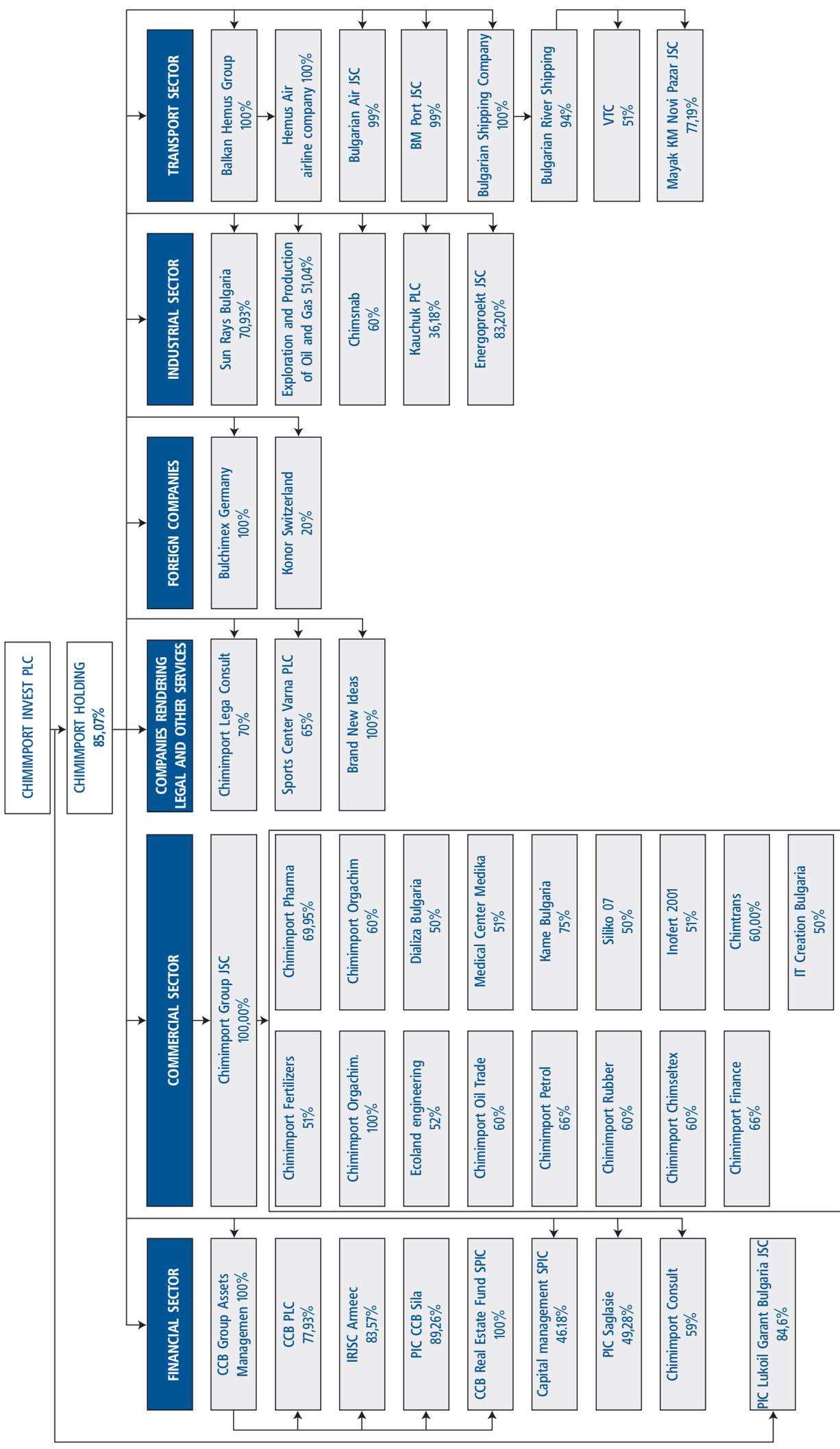
	2006	2005
<b>Number of the shares - issued</b>		
- at the beginning of the year	60 000 000	20 000 000
- during the year	70 000 000	40 000 000
<b>Number of shares as of 31 December - issued</b>	<b>130 000 000</b>	<b>60 000 000</b>
- issued during the year – not paid		- (2 082 375)
<b>Number of shares as of 31 December – issued and paid</b>	<b>130 000 000</b>	<b>57 917 625</b>

The list of the shareholders of the Company is as follows:

	2006	2006	2005	2005
	Number of shares	%	Number of shares	%
Chimimport Invest PLC	112 586 647	86.61%	58 878 298	98.13%
EFG Eurobank Clients PLC	937 453	0.72%	-	-
Raiffeisen Central Bank - Austria	721 111	0.55%	-	-
Raiffeisen – Contract Funds	142 000	0.11%	-	-
"Consolid Commerce" Ltd	704 276	0.54%	704 276	1.17%
DSK – funds (OTP Group)	608 061	0.47%	-	-
Invest Bank JSC	468 180	0.36%	-	-
Bank Austria Creditanstalt	446 424	0.34%	-	-
Danske Fund Eastern Europe- Luxemburg	398 624	0.31%	-	-
Bank KOPER – Slovenia	353 126	0.27%	-	-
Advance Invest JSC	348 796	0.27%	-	-
Alfa Trust Andromeda - Greece	322 235	0.25%	-	-
Elana – Contract Funds	308 931	0.24%	-	-
MEI – Rumania and Bulgaria Funds	266 400	0.20%	-	-
Standard Investment – Contract Funds	245 882	0.19%	-	-
I&G – Pension Funds	244 912	0.19%	-	-
Hansapank Clients	147 490	0.11%	-	-
Scandinavian Enskilda Banken	128 640	0.10%	-	-
Erste Bank Austria	58 472	0.04%	-	-
Other legal entities	3 865 784	2.97%	41 888	0.07%
Other physical persons	6 696 556	5.15%	375 538	0.63%
	<b>130 000 000</b>	<b>100.00%</b>	<b>60 000 000</b>	<b>100.00%</b>

# Organizational Chart







*Chimimport head-office  
Sofia*

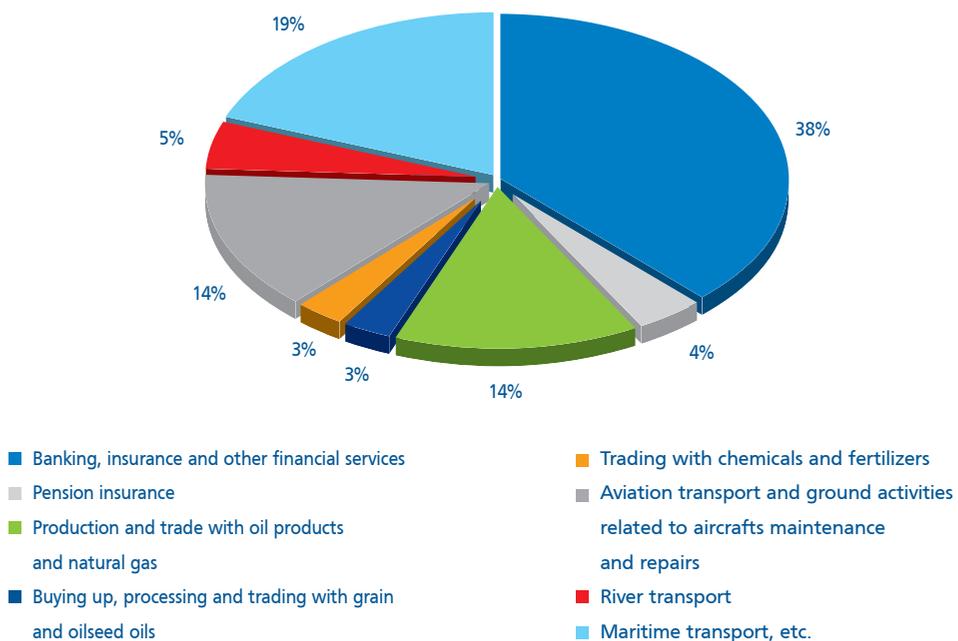


The main scope of activities of "Chimimport" PLC includes the acquisition of shares, restructuring and management of subsidiaries belonging to the portfolio of companies, establishment of new subsidiary companies, capital investments and financing other enterprises where "Chimimport" Plc is a shareholder.

The main investments of "Chimimport" PLC are concentrated in the following fields:

- Banking, finance and insurance
- Pension insurance
- Securitization of real estates and takings
- Production of oil and gas
- Construction of production equipment in the field of oil-processing industry, production of bio-fuels and caoutchouc products
- Production and trading with petroleum and chemical products
- Production of oilseed oils, buying up, processing and trading with grain
- Aviation transport and ground activities related to aircrafts maintenance and repairs
- River transport
- Maritime transport
- Port infrastructure

Chart, showing the branch distribution of the net assets of the subsidiary companies belonging to "Chimimport" PLC:





The financial services sector represent a strategic investment sector of "Chimimport" PLC activity. Through their subsidiary company „CCB Group Assets Management" JSC (100%) as of the date of drawing up the document "Chimimport" PLC owns 68.20% of the capital of the "Central Cooperative Bank" PLC, 83.57% of IRJSC "Armeec", 89.26% of PIC "CCB-Sila" PLC, 53,84% of "CCB Real Estate Fund" SIPC and 53,84% of "Capital Management" SIPC. "Chimimport" PLC also owns directly 49,28% of PIC "Saglasie", which is the third largest pension insurance company in the country in terms of assets and market share. At the end of the year 2006 "CCB Assets Management" LTD Management Company was established, which was granted a license for the management of 4 contract funds by the Financial Supervision Commission. At the beginning of 2007 "Chimimport" PLC successfully acquired 84.60% of the capital of PIC "Lukoil Garant - Bulgaria" JSC and by the end of 2007 the pension-insurance company will be included in the structure of "Chimimport" PLC. Also by the end of 2007 life-insurance and health-insurance companies are to be established and to start to operate.



*CCB Group Assets Management  
head-office Sofia*

### „CCB Group Assets Management" JSC

„CCB Group Assets Management" JSC was established in 2002 with the main objective of optimizing the management of the assets of the holding company in the financial sector. The company has also the task to exercise strategic control over its subsidiaries; assisting the process of their long-term financing, negotiating with foreign investors, as well as rendering methodological assistance in the accomplishment of significant projects. The short-term goals of the company in accordance with the strategy of "Chimimport" PLC concern the establishment and management of a life-insurance company and a health-insurance company by the end of 2007.

### “Central Cooperative Bank” Plc

“Central Cooperative Bank” Plc was registered (by a resolution of Sofia City Court) on 28 March 1991. Founders of the Bank were the Central Cooperative Union, the regional cooperative unions and more than 1100 cooperative organizations. Since July 1993 “Central Cooperative Bank” Plc has been an associated member of the European Association of Cooperative Banks with head office in BRussels.

At the beginning of 2002 “Chimimport” Plc acquired through tender bidding the share participation of the “Bank Consolidation Company” JSC, amounting to 32.77% and became the main shareholder of “Central Cooperative Bank” Plc. In 2004, via “CCB Group Assets Management” JSC, “Chimimport” Plc acquired the shares of the Central Cooperative Union. The following consolidation of “Central Cooperative Bank” PLC, IRJSC “Armeec” and PIC “CCB-Sila” adequately corresponds to the present requirements for establishing a new type financial mediation, aiming at maximal approach to the specific needs of the clients.

As of 31 December 2006 the share capital of the bank amounts to BGN 72 761 thousand, and the equity – to BGN 116 640 thousand. As of the end of March 2007 “Chimimport” PLC holds directly or through connected persons 77.67% (5% directly and 72.66% through “CCB Group Assets Management” and other connected persons) of the capital of “Central Cooperative Bank” PLC.



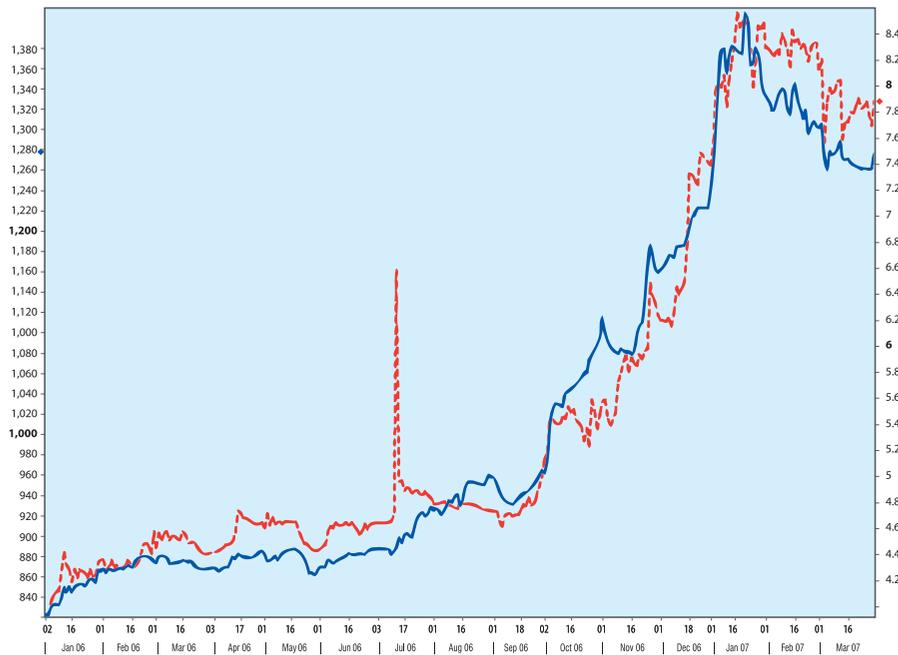
Central Cooperative Bank,  
Central Office, Sofia



Central Cooperative Bank,  
Chimimport Branch, Sofia

Shareholders of "CCB" PLC as of March 2007	Share (%)
"CCB Group Assets Management" JSC	68.20
Bank Austria Creditanstalt AG	10.17
"Chimimport" PLC	5.00
IRJSC "Armeec"	4.42
Hansapank Clients	4.26
Raiffeisen Zentralbank Osterreich AG	0.78
UPF Saglasie	0.76
PPF Saglasie	0.51
Other minority shareholders	5.90
<b>Total</b>	<b>100.00</b>

After "Chimimport" PLC acquired control over the bank in 2003, its growth was essentially accelerated – the balance figures, the net profit and profitability were sharply increased, the entire product list of the bank was changed and the bank entered completely new market segments. These facts influenced the price of the shares which was increased approximately 20 times for the period, noting the three times, when the capital of the bank was increased for the period from 2004 to 2006. The shares of the Bank are traded on the official market segment "B" of the "Bulgarian Stock Exchange – Sofia" JSC and are included in both stock indexes SOFIX and BG40.



“Central Cooperative Bank” PLC still holds its positions of a dynamically-progressing bank among the top ten commercial banks after several merges in the sector.



Central Cooperative Bank, Office “Fridtjof Nansen” Sofia

Distribution of the banks according to their balance assets as of 31.12.2006 in  
thousand BGN

N°	First Group	Assets as of 31.12.2006	Changes 31.12.2006 31.12.2005
1	Unicredit Group (Bulbank, HVB Bank Biochim and Hebros Bank)*	8 046.3	23.55%
2	DSK Bank	6 060.4	35.63%
3	United Bulgarian Bank	3 960.7	24.72%
4	Raiffeisenbank (Bulgaria)	3 906.2	39.16%
5	First Investment Bank	3 155.0	25.05%
6	Bulgarian Postbank	2 870.2	69.13%
7	Piraeus Bank Bulgaria**	1 572.5	191.43%
8	Economic and Investment Bank	1 378.5	16.81%
9	S.G. Expressbank	1 249.4	15.17%
<b>10</b>	<b>Central Cooperative Bank PLC</b>	<b>1 131.7</b>	<b>39.88%</b>
<b>Second Group</b>			
11	DZI Bank	1 037.6	1.98%
12	Corporate Commercial Bank	1 005.6	91.95%
13	Commercial Bank Allianz Bulgaria	945.3	33.29%
14	Procredit Bank (Bulgaria)	652.9	15.90%
15	Municipality Bank	644.1	38.57%
16	MKB Unionbank	604.4	27.48%
17	Commercial Bank Investbank	530.7	65.69%
18	BNP - Paribas	469.8	29.72%
19	Bulgarian-American Credit Bank	458.9	20.39%
20	International Assets Bank	387.8	41.90%
21	Commercial Bank	199.2	134.07%
22	NLB West-East Bank	146.8	36.83%
23	Tokuda Bank	146.4	76.59%
24	Emporiki Bank – Bulgaria	116.2	30.43%
25	Encouragement Bank	112.4	18.76%
26	Teximbank	45.3	-3.41%

\* Unicredit Group will integrate its three subsidiary banks in Bulgaria by the end of the first quarter of 2007.

\*\* The rapid growth is due to the merge between Piraeus Bank and Eurobank

Traditionally, "Central Cooperative Bank" Plc holds leading positions in rendering of services for the companies from the agricultural sector and the related production activities. Along with that, being a typical universal bank, it performs many banking activities. During the last years the Bank enlarged its products list by introducing new loan products and services in the field of consumer lending.

For the last three years "Central Cooperative Bank" PLC has acquired control over 5 commercial banks, which were declared insolvent – Bank for Agricultural Credit, Credit Bank, Dobrudzha Bank, Capitalbank and Crystalbank. The high profitableness in encashment of the overdue debts, achieved at present, is a prerequisite that "Central Cooperative Bank" PLC participated and came first in the tender bidding for the purchase of the International Bank for Commerce and Development.

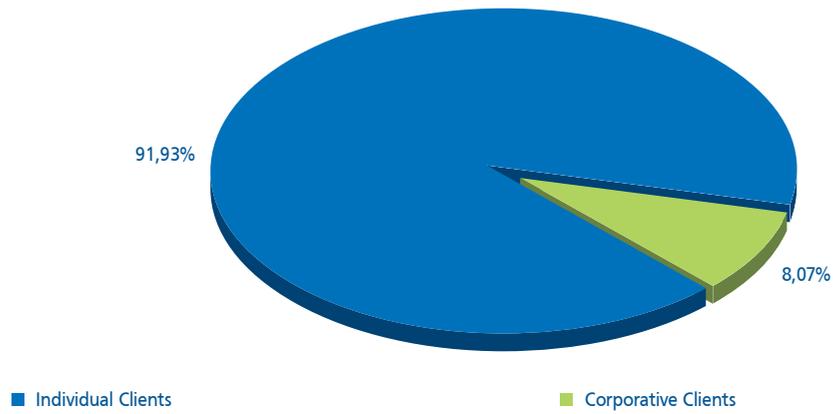
According to the established policy of "Central Cooperative Bank" PLC the clients are the most important factor for the successful development of the bank and strengthening of its market positions.

As of 31.12.2006 the number of the clients is 741 052, including 681 254 individual clients. The increase of the number since the beginning of the year is over 22.77%.



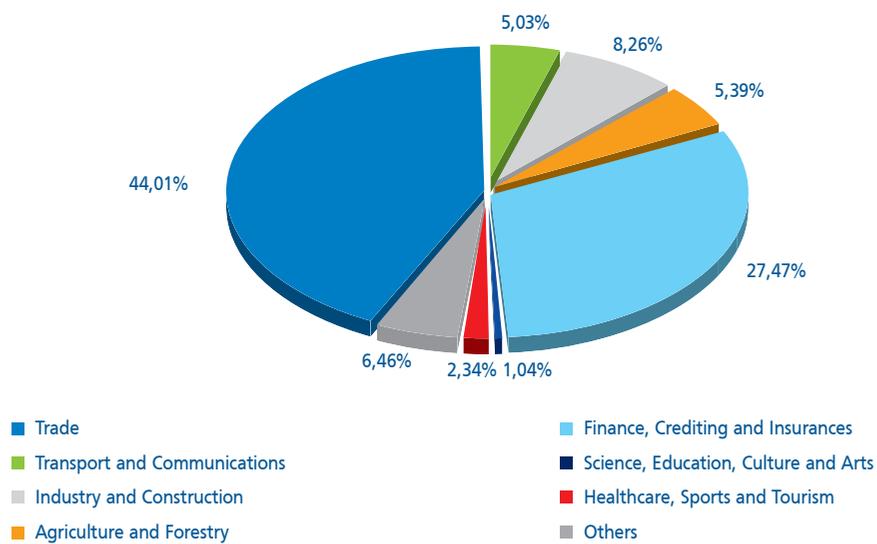
The most significant and basic increase was achieved for the clients-individuals, the number of which has grown with 130 973 or 23.80% in 2006. This is due to the ambition of the bank to develop in the highly competitive retail banking segment. For the third subsequent year the bank has successfully being operating in this specific segment creating and offering more and more new, highly attractive products and services, intended in particular for individual clients and households, as well as for small- and medium-sized enterprises.

Chart, showing the structure of the clients of the Bank as of 31 December 2006



Sector	December 2006	December 2005	December 2004
Physical persons and Sole Traders	681.254	550.281	391.224
Trading	26.317	22.734	19.766
Transport and Communications	3.006	2.524	2.317
Industry and Construction	4.941	4.233	3.593
Agriculture and Forestry	3.222	2.760	2.472
Finance, Crediting and Insurances	16.427	16.603	17.180
Science and Education	624	409	290
Healthcare, Sports and Tourism	1.400	1.091	585
Others	3.861	2.973	2.316
<b>Total</b>	<b>741.052</b>	<b>603.608</b>	<b>439.743</b>

Chart, showing the branch structure of the clients – legal entities as of 31 December 2006



Since the beginning of 2003 “Central Cooperative Bank” PLC has opened 12 new branches and 76 representative offices, and as of 31.12.2006 the operating branches amount to 45 with 175 representative offices. As of the same date the number of the employed persons in the bank is 1 347 employees.

In 2006 the Bank increased its market share and already holds 11% of the total number of installed ATM terminals within the network of the national card operator BORIKA, which is an increase with more than 2%.

In 2006 the number of the debit cards issued by the Bank increased by 43%, and in this way it reached 522 769 issued Maestro and Visa Electron cards.

Thus, the market share of CCB in the total number of issued cards, operated by the national card operator BORIKA, increased from 9.75% at the end of 2005 to 15.92% at the end of 2006, whereas the share in international debit Maestro cards reached 24.81% (in comparison to 20.22% at the end of the previous year), and the share in Visa Electron cards – 36.49%. The number of Maestro cards issued by CCB as of 31.12.2006 was 389 919, and that of Visa Electron cards – 132 850.



*Central Cooperative Bank,  
The branch in Nikosia, Cyprus,  
Tleys Tower, Makarios Avenue 69.*

On May 27th, 2005 the bank became a full-right member of Visa International and at the beginning of 2006 started offering the full range of Visa cards. The Bank has been a member of Mastercard International since 2002, and at the beginning of 2003 it started issuing debit and credit cards, bearing the logo of Mastercard. In October 2006 "Central Cooperative Bank" PLC became the second bank in Bulgaria, which issues Visa chip cards and in November 2006 it was the first bank in the country to start issuing Mastercard chip cards.

"Central Cooperative Bank" PLC has been the first bank in Bulgaria to offer to its clients at the same time chip MasterCard and Visa chip cards.

During the past year a total of 3 898 347 payments have passed via "CCB" PLC BISERA system, at the total amount of BGN 4 898 million. The market share in the total number of inter-bank payments is 3.80% and in the total amount of the inter-bank payment 3.25%.

In December 2005 "Central Cooperative Bank" PLC obtained permission from the Central Bank of Cyprus to open its first foreign branch in Nikosia. There (together with "Bulgaria Air" JSC and "Hemus Air" JSC) the Bank offers full range of bank services for the clients, as well as all products of the airlines "Hemus Air" JSC and "Bulgarian Air" JSC.

At the beginning of 2003 the Bank gradually started to introduce the centralized information system, providing services based on the modern bank information technologies. By the middle of the year it had been implemented in all divisions of the bank. The most recent RISK platform of IBM and the database management system Oracle 9i were used for the realization of the project. The automated information system allowed "Central Cooperative Bank" PLC to adopt new attractive products and services, the clients were granted access to their accounts in each branch and office of the bank, as well as the opportunity to carry out inter-bank payments in BGN and foreign currency immediately. Using this system the management units obtain reliable and immediate information regarding all on-going processes in the bank, which optimizes the taking of management decisions.



*Central Cooperative Bank  
Vitosha Office  
Sofia*

### Main Financial Indicators

Indicators / thousand BGN/	2006	2005	2004	2003
Total Assets (balance value)	1,131,987	809,023	555,827	356,274
Equity	116,640	80,928	58,412	37,247
Share Capital	72,761	48,507	32,338	16,170
Capital Base	100,255	71,015	50,284	35,112
Deposited funds	990,552	709,307	475,618	287,660
Credits (reported value)	554,112	357,949	242,195	168,422
Total Revenues	74,380	55,154	36,413	27,690
Net Profit	12,013	6,387	5,643	3,818
Income per share (BGN)	0,23	0.20	0.34	0.24
Actual number of personnel	1347	1111	931	777
Number of branches	45	39	38	34
Number of representative offices and outsourced working places	175	140	109	98

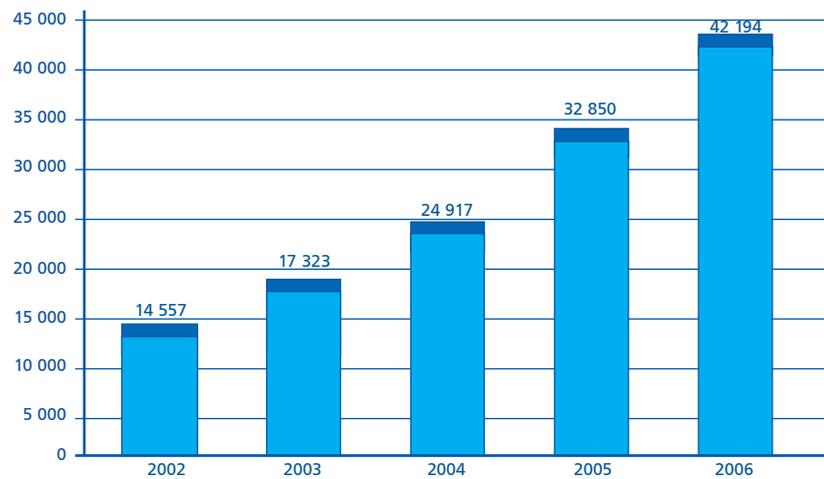
Shares	2006	2005	2004
Number of shares	72		
	760	48 507 186	32 338 128
	779		128
Number of shareholders		5 311	5 313
Market capitalization (thousand BGN)	515		
	146	267 275	101 865
Price of one share	BGN	BGN	BGN
Maximum price	7,30	7.89	3.65
Minimum price	4,05	3.14	1.74
Last weighted average price	7,08	5.51	3.15
Weight average price	5,43	5.64	2.96
Traded shares volume (thousands)	8 085	5 797	9 167

Resources	Number in 2006	Number in 2005	Number in 2004
Number of clients	741 052	603 608	439 743
Foreign Correspondents	365	363	347
Nostro Accounts	20	19	18

Striving to provide maximally adequate response to the continually growing requirements of its clients, the Bank implements a number of new products and services, which contributes for the constant increase in the number of the clients and its generally ascending development.

As of the end of 2006 the balance figure of "Central Cooperative Bank" PLC reached BGN 1,13 billion, and the growth rate since the beginning of the year has retained its previous tendency. As shown in the following two tables "Central Cooperative Bank" PLC gets ahead the growth in the bank system in Bulgaria by over 43% for the period 2003-2006.

Chart, showing the assets of the bank system (in million BGN)



	Bank sector Assets in million BGN	Bank sector growth	CCB Assets in million BGN	CCB growth
2002	14 557		262	
2003	17 323	19,00%	356	35,51%
2004	24 917	43,84%	555	56,01%
2005	32 850	31,84%	809	45,55%
2006	42 194	28,44%	1 131	39,92%
Average growth		30,78%		44,25%



Central Cooperative Bank  
Chernomorets Office  
Varna



*Central Cooperative Bank  
Varna Branch*

One of the main objectives of the bank was to be rated among the first group of bank institutions, which was achieved at the end of 2006. The increase of the balance figure and the requirements for capital adequacy were the base for the repeated increase in the capital after its acquisition in 2002.

## MG "CCB Group Assets Management" JSC

Through its subsidiary company "CCB Group Assets Management" JSC, "Chimimport" PLC holds 500 000 shares with nominal value BGN1 each, representing 100% of the stock capital of "CCB Assets Management" JSC, which was established as a Management Company on 22.11.2006 and entered in the Commercial Register at Sofia City Court under company case № 1413 dated 05.02.2007.

The company holds a license granted by the Financial Supervision Commission, № 24-УД dated 18.01.2007 for carrying out activity as a management company, namely:

- management of the activity of collective investment schemes and of close-end investment companies, including:
- investment management;
- administering of the shares and stocks, including legal and accountancy services regarding the assets management, enquiries for investor information, assets assessment and calculation of the price of shares or stocks, control concerning the observing of the legal requirements, keeping the book of the shareholders, dividend distribution and other payments, issuance, sale and buying-in of shares and stocks, contract fulfillment, reporting;
- marketing services;
- management, in compliance with the agreement with the client, on the base of individual portfolio, including such of an institutional investor, consisting of securities chosen as appropriate, without orders of the clients;
- rendering investment consultations regarding securities;

MG "CCB Group Assets Management" JSC is to obtain a permit by the Financial Supervision Commission concerning constituting and management of three contract funds:

1. **Contract Fund "CCB Leader"** – aggressive type contract fund implementing the following investment strategy:
  - a. keeping and increasing the value of the investments of the shareholders through realizing maximal revenue at taking moderate to high risk;
  - b. insuring the liquidity of the investments in shares of the Fund.
2. **Contract Fund "CCB Active"** – balanced type contract fund implementing the investment strategy:
  - a. keeping and increasing the value of the investments of the shareholders through realizing maximal revenue at taking moderate risk;
  - b. insuring the liquidity of the investments in shares of the Fund.
3. **Contract Fund "CCB Guarantor"** – conservative type contract fund implementing the investment strategy:
  - a. keeping and increasing the value of the investments of the shareholders through realizing maximal revenue at taking minimal risk;
  - b. insuring the liquidity of the investments in shares of the Fund.

Bank Depositor of MG "CCB Group Assets Management" JSC is "Bulgarian Post Bank" JSC.

MG "CCB Group Assets Management" JSC has concluded an agreement with "Central Cooperative Bank" PLC regarding distribution of shares of the contract funds and intends to lead the contract funds to the top positions in the sector through combing the offering of their products with bank, life-insurance and pension insurance products and through

investment in highly profitable assets, corresponding to the risk profile of each contract fund.

By the end of 2007 MG "CCB Group Assets Management" JSC plans to establish a low-risk contract fund in US Dollars.



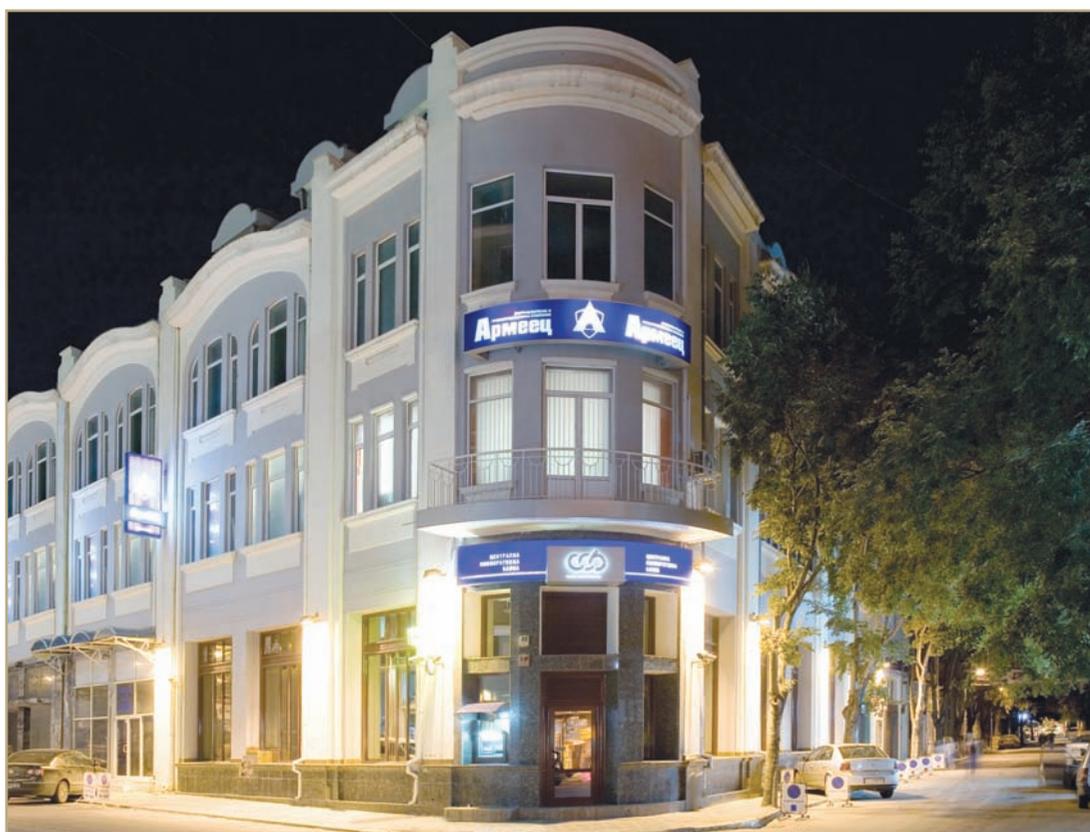
*Armeec  
the central office in Sofia*

### Insurance and Reinsurance Joint-Stock Company "Armeec"

IRJSC "Armeec" was established on 9 April 1996 with main shareholders the Ministry of Defense and trade companies within the system of the Ministry of Defense. The capital of the company is BGN 15 019 000.

In July 2002 "Chimimport" PLC acquired 91.92% of the capital of IRJSC "Armeec". The Ministry of Defense and the trade companies within its system retained share participation of 8.08%.

Soon after its privatization, IRJSC "Armeec" has turned into one of the most dynamically developing insurance companies, holding about 6% of the local insurance market at present.



*Armeec  
the central office in Varna*



The main scope of activity of IRJSC "Armeec" is insuring and reinsuring as well as managing the funds raised through insurance and reinsurance activities.

IRJSC "Armeec" provides the following insurance and reinsurance products, included in its license:

1. Accident Insurance;
2. Land Vehicles Insurance not including rail vehicles;
3. Vessels Insurance;
4. Cargo During Transportation Insurance;
5. Fire and Calamities Insurance;
6. Property Damages Insurance;
7. "Third Party" Insurance, concerning the possession and use of vehicles;
8. "General Third Party" Insurance;
9. "Assistance for Travelling" Insurance;
10. Aircrafts Insurance;
11. "Third Party" Insurance, concerning the possession and use of aircrafts;
12. Loans Insurance;
13. Health Insurance;
14. Rail Vehicles Insurance;
15. "Third Party" Insurance, concerning the possession and use of vessels;
16. Insurance of Guarantees;
17. Other Financial Losses Insurance;
18. Legal Expenses Insurance (Legal Protection).

IRJSC "Armeec" can be defined as the most actively and rapidly growing company on the Bulgarian insurance market at the conditions of extremely competitive market. As of the end of 2006 there were 36 insurance companies operating in Bulgaria. Not only did IRJSC "Armeec" managed not to lose market share during the past year, but also it generated 12,19% growth in its market share up to 5.49 for year 2006. In 2006 the Company was granted by the Financial Supervision Commission a license for full reinsurance.

Market share of the insurance companies in the country, listed according to the premium income:

Insurance Companies	2004 /BGN/		2005 /BGN/		2006 /BGN/		Variation in %	
	Premium	market	Premium	market	Premium	market	Premium	market
	income	share	income	share	income	share	income	share
"State Insurance Institute – General Insurance" PLC	124,488,045	16.98%	186,264,552	20.26%	186 679 337	17,62%	0,22%	-13,03%
"Bulstrad" IRPLC	105,352,515	14.37%	139,847,624	15.21%	148 141 666	13,98%	5,93%	-8,07
"Allianz Bulgaria" IRJSC	111,791,026	15.25%	132,737,208	14.44%	140 884 891	13,30%	6,14%	-7,92%
Insurance Company "BUL INS" JSC	100,722,063	13.74%	114,325,554	12.44%	125 043 823	11,80%	9,38%	-5,13%
Insurance House "Lev Ins" JSC	40,419,337	5.51%	55,108,941	6.00%	67 011 120	6,32%	21,60%	5,41%
"Insurance and Reinsurance Company Vitosha" JSC	40,523,983	5.53%	54,757,640	5.96%	66 400 309	6,27%	21,26%	5,15%
Insurance House "Orel" JSC	49 407 065	6,74%	30 355 986	3,30%	60 439 692	5,70%	99,10%	72,86%
IRJSC „Armeec“	27,544,967	3.76%	44,745,668	4.87%	57 888 798	5,46%	29,37%	12,19%
"Euro Ins" Plc	29,471,854	4.02%	40,327,421	4.39%	52 487 574	4,95%	30,15%	12,85%
Insurance Company "Energy" Insurance House "Bulgarian Properties" JSC	39 929 121	5,45%	47 018 086	5,12%	46 543 556	4,39%	-1,01%	-14,20%
Insurance Company "Victoria"	11,766,880	1.60%	17,467,208	1.90%	29 788 599	2,81%	70,54%	47,97%
"AIG Bulgaria" JSC	7,898,613	1.08%	14,503,634	1.58%	21 040 448	1,99%	45,07%	25,69%
QBE International	12,121,782	1.65%	12,470,857	1.36%	16 619 730	1,57%	33,27%	15,34%
"HDI" Insurance Company	4 812 481	0.66%	5 659 449	0,62%	10 754 319	1,02%	90,02%	63,71%
"InterAmerican" Bulgaria	6 596 795	0.90%	8 233 660	0.90%	10 041 499	0,95%	21,96%	5,30%
"Municipal Insurance Company"	4,590 715	0.63%	6,069,069	0.66%	8,318,143	0,79%	37,06%	18,95%
DSK Guarantee	4,089,010	0.56%	4,597,536	0.50%	7,293,700	0,69%	58,64%	37,68%
BAEZ – Bulgarian Export Insurance Agency	-	-	679,831	0.07%	2,380 247	0,22%	250,12%	220,93%
"UBB-AIG Insurance and Reinsurance Company" JSC	1,095,000	0.15%	2,824,000	0.31%	1,761,759	0,17%	-37,61%	-46,36%
	-	-	-	-	-	-	-	-

\*Source: Financial Supervision Commission

IRJSC "Armeec" provides a wide range of insurance products, namely:

- Accident Insurance – various individual and group life insurance products meant for certain target groups (for example military men, sportsmen, students, hotel guests, sports facilities users, etc.), labor accident, accident in a vehicle, tourist insurance, etc.;
- Automobile Casco Insurance;
- Third party liability insurance policy for the vehicles on the territory of Bulgaria and abroad ("Green card");
- Aircrafts Insurance;
- Vessels Insurance;
- Cargo Transportation Insurance (including subscription contracts, transportation of money and valuables);
- Industrial Fire Insurance;
- Protected Property Insurance;
- "Protected Home" Insurance;

- Electronic Devices Insurance;
- "Protected Family" Insurance;
- Insurance product related to agriculture: agricultural crops, animals, poultry, bee hives, perennial plants;
- Construction and assembly works upon building sites;
- All entrepreneur risks;
- Forwarder liabilities upon cargo transportation by vehicle;
- Professional liability Insurance (lawyers, notary publics, chartered accountants and financial auditors, medical staff, teachers/tutors, insurance brokers, persons, exercising construction supervision, private bailiffs, trustees and etc.);
- Other liabilities Insurance: employer liability, third party liability of military men, general third party liability – for enterprises, third party liability for nuclear damages, liability, connected with possession and use of firearms, tour operator liability, airplane tickets sale liability, and etc.;
- Loans Insurance;
- Leasing Insurance;
- Guarantees Insurance;
- Other Financial Losses Insurance;
- Medical Insurance upon traveling abroad with assistance provided; medical insurance for foreigners in Bulgaria, accident and medical treatment services for abroad;
- Assistance insurance for traveling abroad.

Protected Home Insurance" received the award "Financial Product of 2005" Prize on the international exhibition "Banks, Investments, Money".

In June 2006 IRJSC "Armeec" was rated class BB+ by the Bulgarian Credit Rating Agency (BCRA) together with the International Credit Rating Agency (ICRA) – a member of Moody's Investors Service for the ability of IRJSC „Armeec" to repay claims. BCRA is the only Bulgarian agency, licensed by the Financial Supervision Commission.

Relative share of the basic insurance products in the insurance portfolio of IRJSC "Armeec" listed according to the amount of premium income from direct insurance premium for the period from 2004 – 2006 in thousand BGN:

	2006		2005		2004	
	Premium income	relative share %	Premium income	relative share %	Premium income	relative share %
Vehicle insurance	30,705	53,04%	22 994	51.39	13 390	48.61
Third party liabilities for vehicles	13,822	23,88%	7 847	17.54	4 786	17.38
Fire and calamities	3,340	5,77%	3 814	8.52	2 260	8.20
Property damages	612	1,06%	1 186	2.65	492	1.80
Property damages	2,308	3,99%	1 702	3.8	2 347	8.52
Loans and leasing	676	1,17%	1 355	3.03	1 637	5,94
General third party liability	878	1,52%	663	1.48	299	1.09
Third party liabilities for aircrafts	1,932	3,34%	2 714	6.07	720	2.61
Travel assistance	1,363	2,35%	629	1.41	293	1.06
Casco of aircrafts	1,755	3,03%	1 465	3.27	342	1.24
Cargo during transportation	338	0,58%	272	0.61	851	3.09
Casco of vessels	154	0,27%	104	0.23	128	0.46
	57 888	100	44 745	100.00	27 545	100.00

During the past 2006 IRJSC "Armeec" occupied the leading position in the following sectors of insurance products on the Bulgarian insurance market:

- First position in aircrafts insurances
- Third position in accident insurances
- Fifth Position in vehicle insurance.

IRJSC "Armeec" uses the following reinsurance programs: proportionate, loss exceeding, accidental and facultative. The reinsurance companies, rendering reinsurance protection of the company through Proportionate and Disproportionate reinsurance contracts are: Mitsui Sumitomo Reinsurance Ltd – Japan; Hannover Re – Germany, Alliance International Reinsurance Company Ltd – Cyprus; Polskie Towarzystwo reasekuracyjne SA – Poland; Triglav Re – Slovenia, Pozavarovalnica Sava, Slovenia and etc. About 60% of the total reinsurance program involves AA rated companies, and more than 90% of the reinsurance companies that are included in IRJSC "Armeec" program have an investment grade, which predetermines a favorable loan portfolio of the reinsurance companies IRJSC "Armeec" works with.

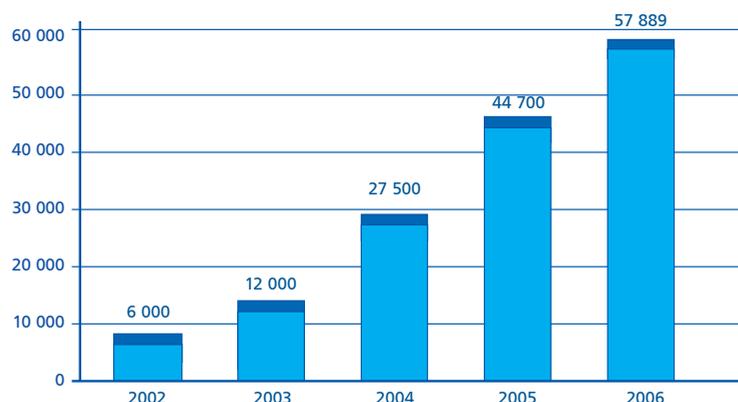
#### Main Financial Indicators of IRJSC „Armeec“

Indicator	2006	2005	2004	2003
Assets	80 178	43,744	26,410	11,855
Fixed Capital	35 925	15,981	9,284	4,179
Total Revenues	96 593	69,783	41,452	20,614
EBITDA	19 945	7,895	7,353	1,830
Net Profit	17 261	6,697	5,106	550

The revenues from insurance premiums of IRJSC "Armeec" have been showing a considerable stable growth rate for the last five consecutive years as the average growth rate for the examined period is over 80%. A particular delay in the growth can be seen, owing to the extremely competitive conditions of the local insurance market, including the participation of worldwide names as Allianz, Generali, KBC and others:

2002 – 6 000 thousand BGN      2004 – 27 500 thousand BGN      2006 – 57 889 thousand BGN  
 2003 – 12 000 thousand BGN      2005 – 44 700 thousand BGN

Chart showing the revenues of IRJSC "Armeec" /in thousand BGN/



In the preceding 2006 the biggest growth premium income was indicated for the travel assistance insurance, followed by vehicle insurances, third party liabilities for vehicles and accident insurance. In absolute figures, the biggest growth is in vehicle insurance with BGN 7 711 thousand and third party liabilities for vehicles with growth of BGN 5 975 thousand compared to year 2005. The total income from direct insurance in 2006 amounts to BGN 83 733 thousand.

	2006	2005	2004
Insurance premium income	57 889	44 745	27 545
Income from dismissed insurance reserves	21 997	14 162	7 055
Incomes from regressions	1 697	716	358
Other insurance incomes	2 150	1 603	93
<b>Total incomes</b>	<b>83 733</b>	<b>61 226</b>	<b>35 051</b>

The number of the employees of IRJSC "Armeec" amounts to 275, 124 of which are the officers in the Central Head Office. The company operates through a developed branch network in 48 towns, including 42 agencies, 31 representative offices and over 6000 agents. A network of reliable services throughout the country has been developed (at present 63, by the end of the year 8 more).

The increased premium income and the low damage quota on the leading insurances within the insurance portfolio of IRJSC "Armeec" have been achieved by implementing proper price policy, conformable to the risk of each particular insurance type. The main objective of the company is to increase its market share in all types of insurances, protecting its clients and partners interests through reasonable price policy, flexible systems of offering and competent management. Based on the indicated financial results for the last five fiscal years and on the expectations for the development of the company activity and the insurance market this year, for year 2007 IRJSC "Armeec" is expected to exceed the current figures of the premium incomes, thus reaching BGN 60-65 million, at market share within 6%-7%.

New products have been introduced on the insurance market, in view of the changing conditions regarding the execution of the economic activity of the business units and of the clients' requirements. In the context of these changes, the company holds relatively conservative product structure and strives for retaining and enlarging its market share by products, which traditionally form the base of the premium income of the company. The new products development is relevant to changes in the legislation (introduction of obligatory insurances, mainly regarding the professional liabilities), as well as offering of additional coverage and services related to the existing products.

The processes of the vertical integration in the financial sector are taking in more and more companies, aiming at increase of the sales through offering of package products, corresponding to completely satisfying the demands of the clients. At present there are several types of bank-insurance products on the insurance market, as well as combined products, intended for leasing companies and their number is yet to grow. IRJSC "Armeec" has plans for enlarging its common operation with 'Central Cooperative Bank' PLC with regard to servicing the insurance needs of the bank clients, as well as the bank itself, using the network of the bank branches and offices for sale of insurance products and developing common offices, offering combined bank-insurance products and bank-

assurance. The perspective for the development of IRJSC "Armeec" is in the entire synergetic effect of the participation of its main shareholder in companies belonging to different sectors of the economic activity.

Another aim of the company is to expand its cooperation with the other leading Bulgarian banks and leasing companies. IRJSC "Armeec" is still the main insurance agent of the Bulgarian army.

#### Life-insurance company (forthcoming establishment by the end of year 2007)

Establishing the life-insurance company in cooperation with the French insurance company AG2R Průvoyance, "Chimimport" PLC will be able to supplement its products and services scale in the field of the financial services of its subsidiaries.

AG2R Průvoyance is part of AG2R, the first inter-professional group intended for additional public and pension insurance of the employees and pensioners in France, consisting of various institutions, such as the fund for additional pension insurance ARRCO, AGIRC, public insurance institutions, members of CTIP, insurance companies – general insurance and life-insurance companies, companies, dealing with portfolio management (investment companies), mutual assistance associations and travel agencies.

The new life-insurance company will offer different insurance products, based on the following insurance types, according to Annex 1 of the Insurance Code:

- "Life" insurance with coverage of the risks of "Death" or "Reaching a particular age", or "Reaching a particular age or earlier death".
- Insurance for obtaining a pension or rent, including saving part and one-time or periodical payments, owed after at least one year following the premium payment or the first partial installment.
- Marriage and children insurances.
- Additional insurances, providing insurance coverage including death resulting from an accident; permanent lost or temporary reduced working capacity, resulting from an accident; permanent lost or temporary reduced working capacity, resulting from an ailment; temporary reduced working capacity, resulting from an accident; temporary reduced working capacity, resulting from an ailment; unemployment; hospitalization; serious ailments; medical costs.
- "Accident" Insurances (including production accidents and professional ailments).

Combining AG2R Průvoyance experience in life-insurance, the positions on the Bulgarian insurance market and the well developed agent and branch network of IRJSC "Armeec", as well as the ascending development of "Central Cooperative Bank" PLC, the new company shall work out and supplement the synergetic approach of the group, providing the clients with complete servicing through highly professional bank-insurance and other common products and services, related to the financial sector.



**Pension Insurance Joint-Stock Company "CCB - SILA"**

Through its subsidiary company "CCB Group Assets Management" JSC, "Chimimport" PLC holds 89.26% of the capital of the Pension Insurance Joint-Stock Company "CCB - SILA".

PENSION INSURANCE JOINT-STOCK COMPANY "CCB - SILA" is the first pension insurance company established in Bulgaria, which was registered on 23.02.1994. The company was granted a license for pension insurance activities under Resolution № 8, issued by State Agency of Insurance Supervision (Financial Supervision Commission at present), entitling the company to carry out activities, related to the additional pension insurance.

In November 2002 "Chimimport" PLC acquired control over the pension insurance joint-stock company "Nuton – Sila", later renamed as PIJSC "CCB-SILA".

The shareholder's capital of PIJSC "CCB-SILA" is BGN 5 550 000, divided into 550 000 ordinary shares with a nominal value of BGN 10.



Structure of the ownership of PIJSC "CCB-SILA" as of 31.03.2007:

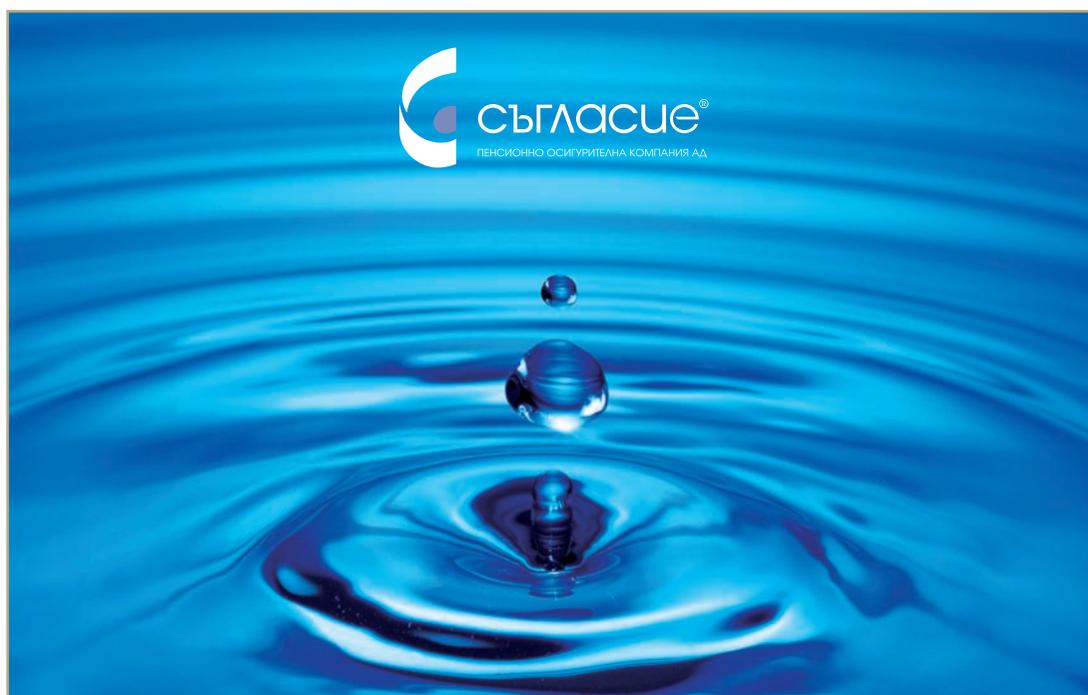
Shareholder	Number of shares	%
"CCB Group Assets Management" JSC	490 916	89,257
"Central Cooperative Bank" PLC	54 701	9,946
Trade Union of the Bulgarian Teachers	2 645	0,481
"Metal-Electro "National Federation	500	0,091
Naba International JSC	460	0,084
Yalta Youth Cooperation	283	0,051
"Armeec" Leasing JSC	274	0,050
Teximbank	110	0,020
Physical person	50	0,009
SOGSDP Federation	22	0,004
BCC – General Machine Building	22	0,004
Independent Construction Trade Unions Federation	14	0,003
Pensioners Federation	3	0,001
<b>Total</b>	<b>550 000</b>	<b>100</b>

### “Pension Insurance Company Saglasie” JSC

In September 2005 “Chimimport” acquired 49.28% of the capital of Pension Insurance Company “Saglasie” JSC, which is the third largest pension insurance company in the country in terms of assets and market share.

The company was registered in 1995 and has a license № 2, issued by State Agency of Insurance Supervision (Financial Supervision Commission at present), entitling the company to carry out activities, related to the additional pension insurance.

The registered shareholder’s capital of Pension Insurance Company “Saglasie” JSC is BGN 7 000 000 divided into 700 000 dematerialized personal shares with a voting right having nominal value of BGN 10 each.



Structure of the ownership of PIC “Saglasie” JSC as of 31.03.2007:

Shareholder	Number of shares	%
“Chimimport” PLC	344 990	49,284
Bulgarian Industrial Association	144 199	20,600
„Finance Consulting” JSC	101 500	14,500
Unicredit Bulbank	30 000	4,286
„Holding New Century” Plc	69 000	9,857
“Holding Center” Plc	4 420	0,631
Military Holding Plc	525	0,075
Petroleum Trading Company JSC	3 800	0,543
Air Via JSC	400	0,057
Interact JSC	210	0,030
5 Physical persons	956	0,137
<b>Total</b>	<b>700 000</b>	<b>100,000</b>



#### “Pension Insurance Company Lukoil Garant - Bulgaria” JSC

In March 2007 “Chimimport Invest” PLC, majority owner of “Chimimport” PLC acquired 84.60% of the capital of Pension Insurance Company “Lukoil Garant - Bulgaria” JSC.

The company was registered on 26 July 2000 in the city of Sofia and in the same year it was granted a license № 9, issued by State Agency of Insurance Supervision (Financial Supervision Commission at present), entitling the company to carry out activities, related to the additional pension insurance.

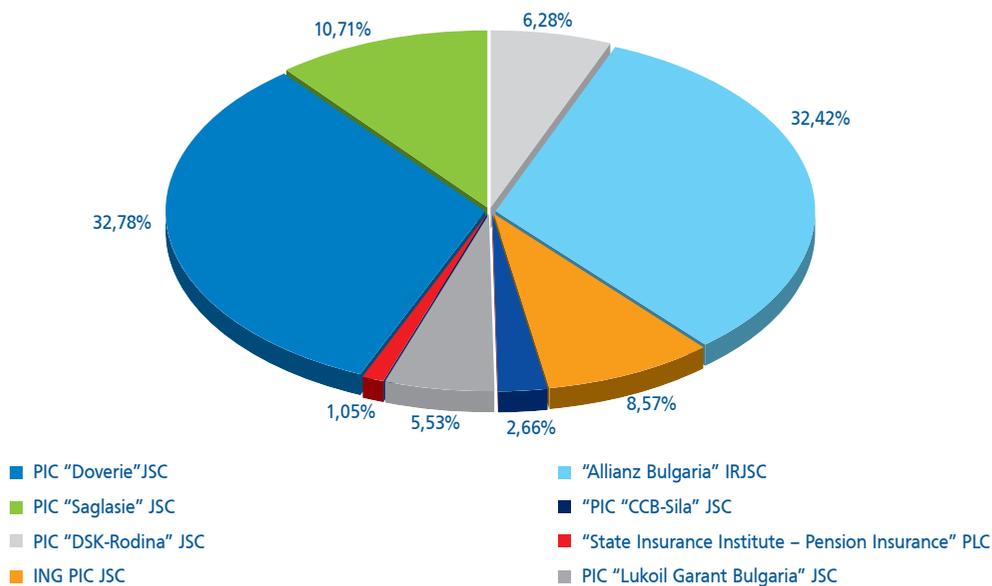
The registered shareholder’s capital of Pension Insurance Company “Lukoil Garant - Bulgaria” JSC is BGN 5 000 000 divided into 5 000 dematerialized personal shares with nominal value of BGN 1 000 each.

#### Structure of the ownership of PIC “Lukoil Garant - Bulgaria” JSC as of 31.03.2007:

Shareholder	Number of shares	%
“Chimimport Invest” PLC	4 230	84,60
Lukoil Bulgaria JSC	150	3,00
Lukoil Neftochim Burgas JSC	150	3,00
International Asset Bank PLC	470	9,40
<b>Total</b>	<b>5 000</b>	<b>100,00</b>

As of 31.12.2006 the market share according to the size of the net assets of the pension funds, managed by PIC “Saglasie” amounts to 10.71%, by PIC “CCB-Sila” is 2.66% and by PIC “Lukoil Garant Bulgaria” – 5.53%.

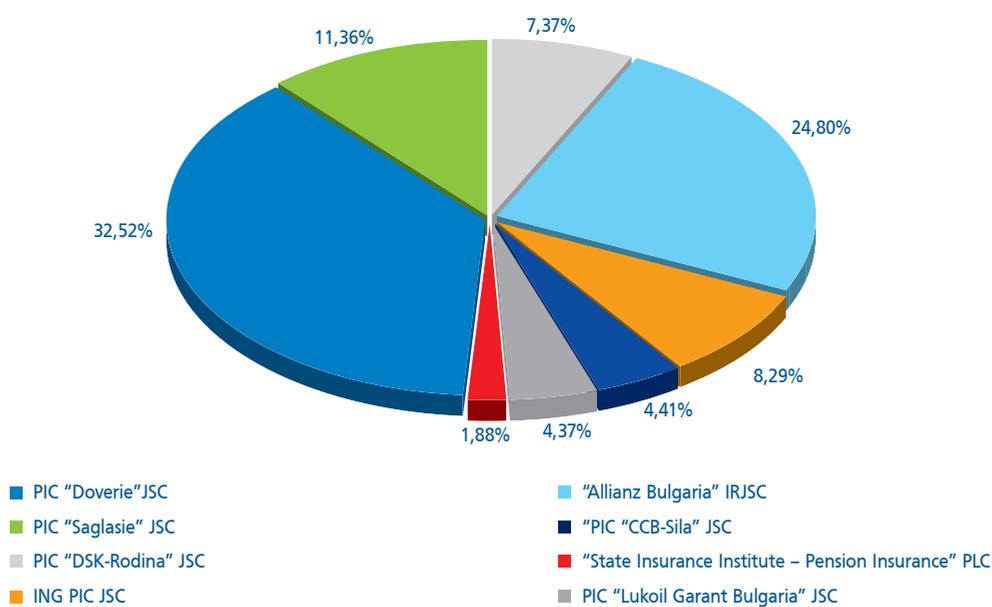
Chart, showing the market share of the pension insurance companies, according to the size of the net assets of the pension funds, managed by them as of 31.12.2005



\*Source: Financial Supervision Commission

As of the same date the market share according to the number of the people insured in the pension funds, managed respectively by PIC "Saglasie" amounts to 11.36%, by PIC "CCB-Sila" is 4.41% and by PIC "Lukoil Garant Bulgaria" – 4.37%.

Chart, showing the market share of the pension insurance companies, according to the number of the people insured in the pension funds, managed by them as of 31.12.2005



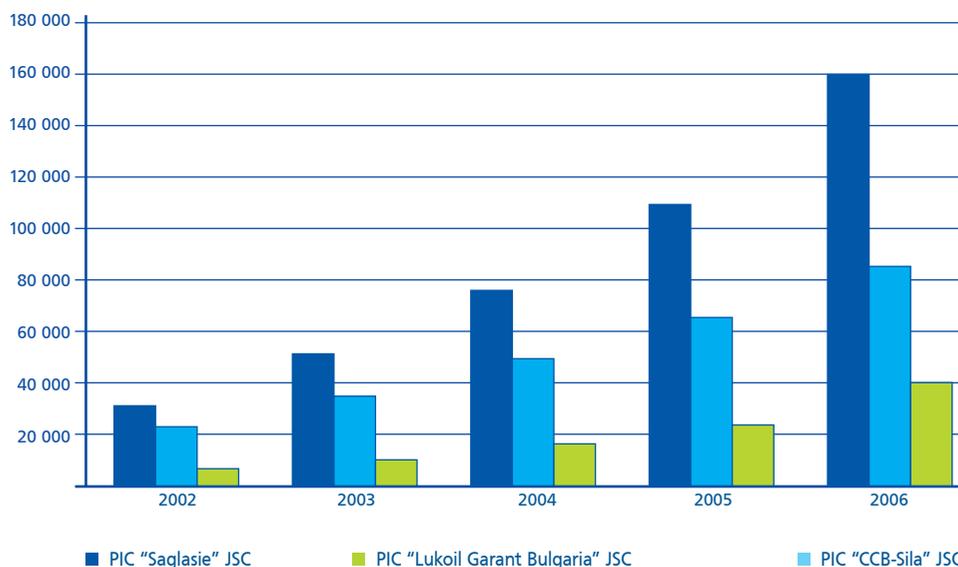
\*Source: Financial Supervision Commission

In 2006 PIC "Saglasie" JSC and PIC "CCB-Sila" JSC succeeded to increase its market share as per the size of the net assets and as per the number of the ensured people, as well as to generate profit.

	UPF				PPF				VPF						
	2004	2005	% variation	2006 % variation	2004	2005	% variation	2006 % variation	2004	2005	% variation	2006 % variation			
<b>Market share according to size of the net assets</b>															
PIJSC "Saglasie"	11.65%	11.58%	-0.07%	12.16%	0.58%	17.00%	17.58%	0.58%	18.89%	1.31%	3.66%	3.30%	-0.36%	3.44%	0.14%
PIJSC "CCB-Sila"	3.01%	3.24%	0.23%	3.69%	0.45%	1.81%	1.83%	0.02%	2.11%	0.28%	1.44%	1.34%	-0.10%	1.54%	0.20%
PIJSC "Lukoil Garant Bulgaria"	3.50%	3.66%	0.16%	3.79%	0.13%	6.50%	6.69%	0.19%	6.71%	0.02%	8.39%	7.70%	-0.69%	7.27%	-0.43%
<b>Market share according to number of insured people</b>															
PIJSC "Saglasie"	11.68%	12.07%	0.39%	12.15%	0.08%	17.19%	17.42%	0.23%	17.48%	0.06%	5.99%	5.94%	-0.05%	5.87%	-0.07%
PIJSC "CCB-Sila"	4.31%	4.47%	0.16%	4.66%	0.19%	3.95%	4.24%	0.29%	4.51%	0.27%	3.18%	3.18%	0.00%	3.28%	0.10%
PIJSC "Lukoil Garant Bulgaria"	3.77%	3.84%	0.07%	3.94%	0.10%	5.98%	5.98%	0.00%	6.31%	0.33%	5.89%	5.59%	-0.30%	5.57%	-0.02%

The positive trends in the position of the managed pension funds are quite clearly expressed by the alteration of the managed assets market share, as regarding this indicator, the most essential influence belongs to the transfer of accumulated funds from and to PIC "Saglasie" JSC and PIC "CCB-Sila" JSC of the ensured persons and attracting new clients.

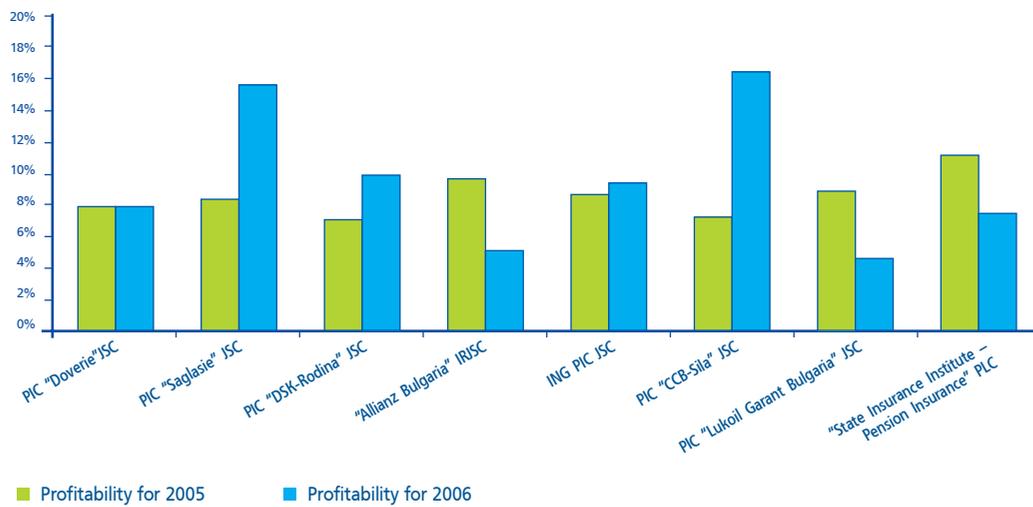
Chart, showing the size of the net assets of PIC "Saglasie" JSC, PIC "CCB-Sila" JSC and PIC "Lukoil Garant Bulgaria" JSC for the period from 31.12.2002 to 31.12.2006 /thousand BGN/



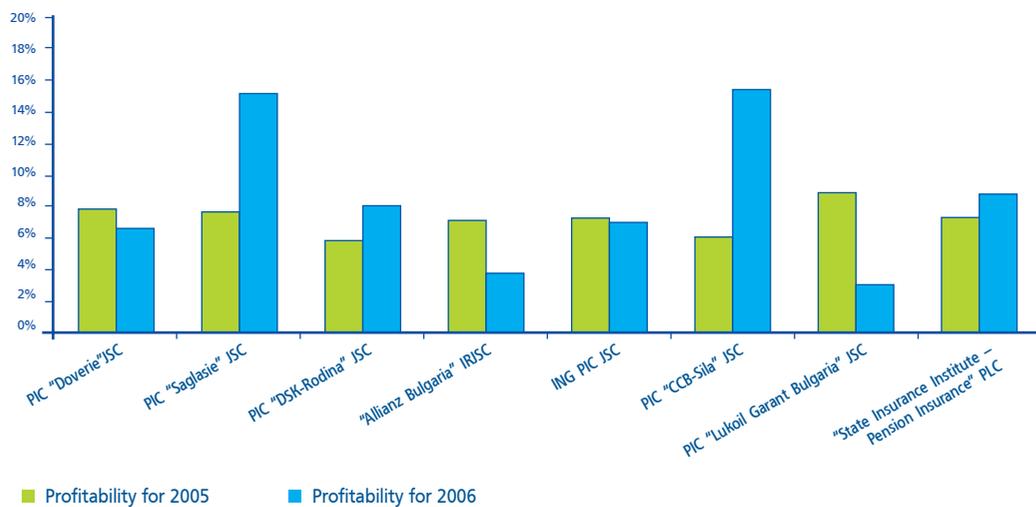
In 2006 PIJSC "Saglasie" made profit of BGN 241 thousand, and PIC "CCB-Sila" JSC made profit to the amount of BGN 3 629 thousand. The allocated reserves for guaranteeing the minimal profitability of the obligatory funds reached the amount of BGN 1 474 thousand for PIJSC "Saglasie" and BGN 325 thousand for PIC "CCB-Sila" JSC.

Both companies succeeded to gain good profitability for each of the three funds for additional pension insurance, managed by them.

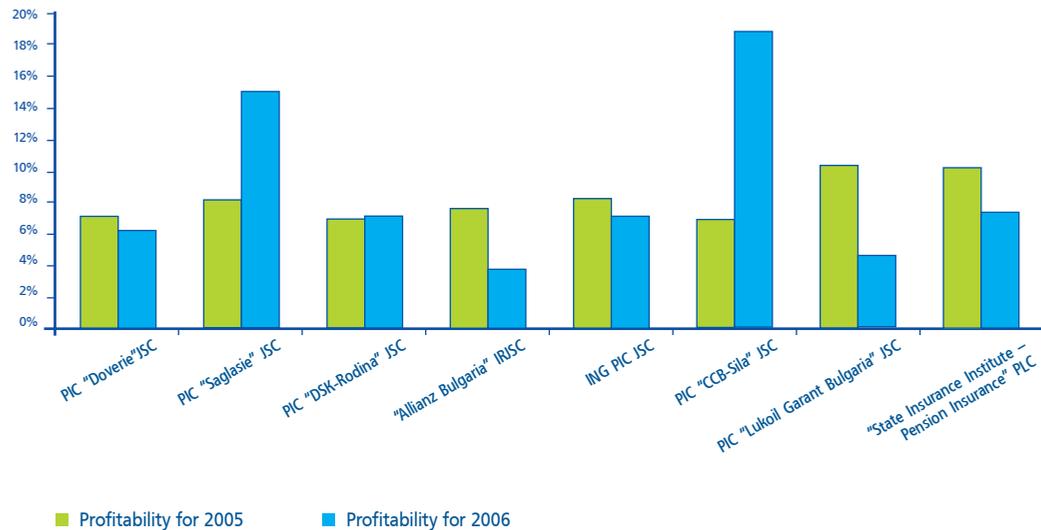
Chart, showing the profitability of the voluntary pension funds.



Chart, showing the profitability of the professional pension funds



Chart, showing the profitability of the universal pension funds.



■ Profitability for 2005      ■ Profitability for 2006  
 \*Source: Financial Supervision Commission  
 \*The achieved profitability does not have any relation to the future results

As of the end of March 2007, PIC "CCB-Sila" JSC employs 30 persons on permanent employment contracts and 573 insurance agents on freelance contracts. PIC "Saglasie" JSC employs 82 persons on permanent employment contracts and the network of insurance agents comprises of 2 959 persons. PIC "Lukoil Garant Bulgaria" JSC employs 37 persons on permanent employment contracts.

The expected development of the pension insurance companies till the end of the current year is that the assets, managed by PIC "Saglasie" JSC will reach BGN 240 million, including BGN 76 million in PPF, BGN 143 million in UPF and BGN 21 million in VPF; those of PIC "CCB-Sila" JSC are expected to reach BGN 64 million, including BGN 10 million in VPF, BGN 9 million in PPF and BGN 45 million in UPF. At the end of the year the expected net assets of PIC "Lukoil Garant Bulgaria" JSC are to the amount of BGN 106 million, including BGN 26 million in PPF, BGN 42 million in UPF and BGN 38 million in VPF.

By the end of 2007 the number of the insured persons is foreseen to grow and reach 400 000 in PIC "Saglasie" JSC, 160 000 in PIC "CCB-Sila" JSC, as the increase of the market share, based on the number of the insured persons to become respectively 11,60% and 4,50%. The prognosis for PIC "Lukoil Garant Bulgaria" JSC is that it will keep the number of the insured persons to the level of 155 000.

The main objective for the management of the pension insurance funds is to reach profitability higher than the average market one regarding each particular fund.

### “CCB Real Estate Fund” SIPC

Through its subsidiary companies “CCB Group Assets Management” JSC (53,84%), CCB PLC (23,08%) and IRJSC “Armeec” (23,08%) “Chimimport” PLC holds 650 000 shares with nominal value of BGN 1 each, representing 100% of the capital of “CCB Real Estate Fund” SIPC. “CCB Real Estate Fund” SIPC is a joint-stock company with special investment purpose for securitization of real property. The company was established on 26 October 2005 and registered in the Commercial Register on 8 November 2006. The company has a license from the Financial Supervision Commission to perform activities as a company with special investment purpose.

“CCB Real Estate Fund” SIPC invests in real property, ensuring income in the form of rent payments and other current payments, and in purchasing, construction and/or renovation of real properties with the purpose of their subsequent sale or exploitation. With a view to financing its investments, the company will use its own equity, as well as attracted funds in the form of bank credits or debt securities, and the total sum of the involved funds is expected to be about BGN 5 million.

The main purpose regarding the company’s investment activity is directed towards increasing the market value of its assets and increasing the amount of the dividends, payable to the shareholders, while preserving and increasing the value of its equity. In details, the investment purposes of the company are as follows:

- To preserve and increase the market value of the shares, issued by the Company;
- To generate profit from the growth in the value of the real properties through their sale or increase in their value;
- To ensure the shareholders current income in the form of money dividend;
- To ensure liquidity of the shareholders’ investments via the registration of the company’s shares for trading on a regulated stock exchange market.

The Depository Bank of the company is “HVB Bank Biochim” JSC. The investment intermediary servicing the initial increase of the capital is “Central Cooperative Bank” Plc.

“CCB Real Estate Fund” SIPC has signed a contract with a servicing company - “CCB Group Assets Management” JSC, regarding servicing of the real estates (exploitation, maintenance, management and implementation of improvement), book keeping, as well as rendering consultations and analyses regarding the investments management and documents preparation concerned with financing of its activity.

### “Capital Management” SIPC

Through its subsidiary companies “CCB Group Assets Management” JSC (53,84%), CCB PLC (23,08%) and IRJSC “Armeec” (23,08%) “Chimimport” PLC holds 650 000 shares with nominal value of BGN 1 each, representing 100% of the capital of “Capital Management” SIPC. “Capital Management” SIPC is a company with a special investment purpose of securitization of receivables. The company was established on 24 October 2005 and was registered in the Commercial Register of Sofia City Court on 8 November 2005, and since 16 January 2006 the company has had a license from the Financial Supervision Commission to perform activities as a company with special investment purpose.

Capital Management” SIPC invests in receivables, ensuring income representing the difference between their purchasing and their selling price (or their nominal value), as well as in receivables, ensuring recurrent payments. The company may diversify the portfolio of receivables through investing in different types of receivables, due by persons in different branches of economy, located in different regions of the Republic of Bulgaria, with the purpose to decrease the excursive risk of the investment portfolio.

The investment policy of “Capital Management” SIPC does not provide limitations regarding the type of receivables for securitization. The company may invest in secured and unsecured receivables, all kinds of receivables, including future receivables, due from local individuals and/or legal entities as a result of civil and commercial transactions, as well as receivables from ordering securities (demand notes, bill of exchange, etc.) denominated in BGN or foreign currency; the company may also acquire any new receivables for securitization.

The Depositary bank of “Capital Management” SIPC is “HVB Bank Biochim” JSC. The investment intermediary servicing the initial increase of the capital in September 2006 is “Central Cooperative Bank” Plc.





*Aircraft BAE 146 - 300*

Transport sector is of strategic importance in the development of "Chimimport" PLC . 20% of the net assets of the Holding are allocated there.

- In the past 2006 "Chimimport" PLC signed a contract with the Privatization Agency and was appointed as a participant, won the contest for sale of 626 783 shares, representing 70% of the share capital of "Bulgarian River Shipping" PLC – town of Ruse.
- A few months later "Balkan Hemus Group" JSC successfully accomplished the privatization process of "Bulgarian Air" JSC, and the Bulgarian state preserved 1 gold stock.



*Aircraft Boeing 737 - 548*

### “Balkan Hemus Group” JSC

The investments of “Chimimport” PLC in this sector are conducted through “Balkan Hemus Group” JSC – sole owner of “Hemus Air” JSC – the biggest Bulgarian private airline company.

The company was established in 2003 as a sole property of “Chimimport” PLC with share capital of BGN 100 000 and purpose of acquiring 51% of the share capital of “Hemus Air” JSC through its subsidiary company “Hemus Hold” LTD.

At the beginning of 2004 “Hemus Hold” LTD acquired through tender bidding the Aviation Technical Base of Sofia Airport, and at the end of 2004 “Balkan Hemus Group” JSC successfully accomplished the bundling of “Hemus Hold” LTD into “Hemus Air” JSC, acquiring the sole control over the aviation company.

At present the company capital amounts to BGN 23 568 thousand.

Company’s policy is directed towards development of the existing aviation company, establishing joint companies with local and foreign companies, active participation in the concession of the airports in the Republic of Bulgaria, as well as rendering complex servicing of current and future clients.

The company was among the admitted participants in the privatization of the national air company “Bulgarian Air” JSC and acquired it through tender bidding in the beginning of 2007. A large scale investment program is to be accomplished, as well as the consolidation of the aviation business within “Chimimport” PLC.



*Balkan Hemus Group  
Sofia Airport*

## "Bulgaria Air" JSC

### Shareholders structure as of 30.03.2007

The capital of the company is to the amount of 30 160 shares with face value of BGN 1000. "Balkan Hemus Group" JSC holds 30 159 shares of them and the Ministry of Transport and Communications of the Republic of Bulgaria holds 1 gold stock.

### Fixed capital, number of shares, nominal as of 30.03.2007

Fixed capital – BGN 30 160 thousand

Number of shares – 30 160 with face value of BGN 1000 each

### Information regarding important events in 2006

In 2006 the activity of the airline company "Bulgaria Air" JSC continued to develop successfully. New regular international scheduled flights were opened and the aircraft fleet was enlarged.

In 2006 the airline company passed successfully the procedures on certifying under IOSA (IATA Operation Safety Audit). This is the consecutive proof that "Bulgaria Air" JSC meets the high international standards in the aviation sector.

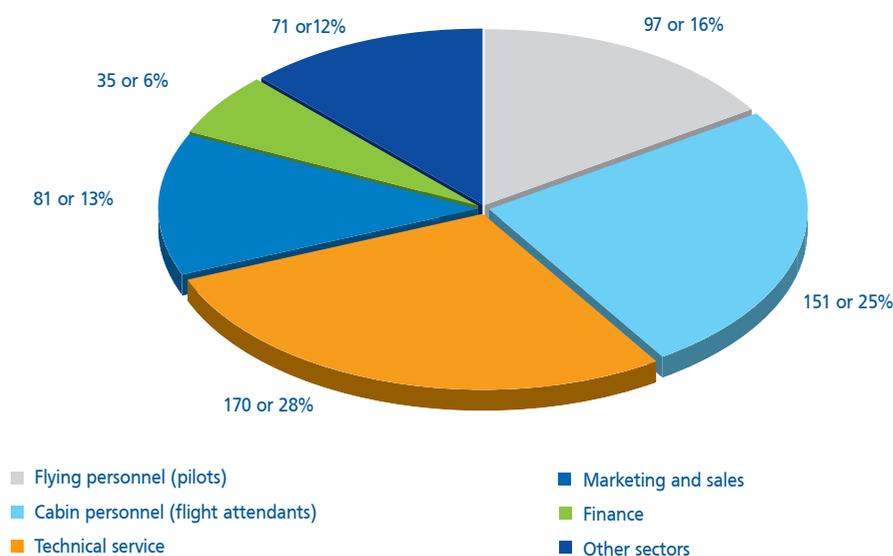


*Aircraft Boeing 737 - 548*

Indicators	Unit of measurement	2004 Report	2005 Report	2004/2005 %	2006 Report	2005/2006 %
<b>Scheduled flights</b>						
- number of flights	number	2 470	3 256	75.86	3 990	81.60
- number of carried passengers	number	365 434	517 200	70.66	609 413	84.87
- revenues	thousand EUR	48 270	68 296	70.68	79 160	86.28
- block hours		13 449	18 178	73.99	22 840	79.59
<b>Charter flights</b>						
- number of flights	number	767	941	81.51	1 413	66.60
- revenues	thousand EUR	17 548	23 279	75.38	38 724	60.12
- block hours		4 182	5 383	77.69	7 524	71.54
Total flights – charter and scheduled	number	3 237	4 197	77.13	5 403	77.68
Number of carried passengers - charter and scheduled	number	545 104	740 187	73.64	949 842	77.93
Total block hours		17 631	23 561	74.83	30 364	77.60
<b>Revenues from leasing and other revenues</b>						
other revenues	thousand EUR	8 349	8 550	97.65	11 852	72.14
Total revenues from charter and scheduled flights, etc.	thousand EUR	65 818	91 575	71.87	884	77.68
<b>Available fleet</b>						
Boeing 737	number	6	9	66.67	10	90.00

The number of the persons, employed on employment contract as of 30.03.2007 – 605

Chart, showing the persons, employed on employment contract in Airline Company "Bulgarian Air" JSC as of 30.03.2007 (total 650)





*Aircraft "Boeing 737 - 5487"7*

**The expected development for 2007, including the expected increase in the size of the managed assets, sales and market share.**

Expected sales for 2007 – BGN 296 000 thousand

Rated development of the expected sales for 2007 compared to 2006 – 18%.

The airline company puts efforts in retaining its market share despite the accelerated entering of low-cost air companies into the market.

A contract was signed, according to which Lufthansa Consulting AG shall be the strategic consultant and partner of the airline company during the optimization and consolidation of the airline companies.

**Forthcoming events in 2007**

In 2007 a process is starting, concerning the entire restructuring of the airline companies, owned by the holding and their consolidation within the following two years.

The expansion of the activity of the airline is going on. Amounts are invested in the renovation of the aviation technical base of "Bulgaria Air" JSC. Offers by leading worldwide producers of flying machines are actively examined with purpose of buying new equipment and machines.

Registration of a joint company with Lufthansa Technik AG is to be done, regarding carrying out the heavy service works on the aircrafts, as well as their more-effective exploitation.

The main purpose for the current year is defending the present market share, as well as reaching 2 - million person - flow.

### "Hemus Air" JSC

"Hemus Air" JSC was established in 1987 as a division of the former Bulgarian Airline Company "Balkan". In 1989 it was separated as an independent unit "DSAS I (Department for special aviation services)". As a result of the successful privatization of "Hemus Air" in 2003 "Chimimport" PLC acquired 100% of the capital of the company.

The capital of "Hemus Air" JSC is BGN 25 586 530, divided in 25 586 530 personal dematerialized shares with a nominal value of BGN 1 each.



*Aircraft BAE 146 - 200*

The main activities of "Hemus Air" JSC are as follows:

- Maintaining regular international airlines: international scheduled flights include the following destinations: Athens, Beirut, Bucharest, Koln, Berlin, Dubai, Larnaca, Oslo, Pristine, Tripoli, Vienna and London. The company has representative offices in almost all cities, where scheduled flights are performed. Domestic regular flights are operated to Varna and Burgas.
- Maintaining charter flights: Aircraft of the company are annually chartered by major tourist companies to fly their clients to different destinations. Charter flights are operated non-stop for incoming and outgoing tourism to different cities in Europe, Middle East and North Africa. "Hemus Air" JSC offers "Ad-hoc" charters to its corporate clients.
- Aircraft to lease: "Hemus Air" JSC offers its aircraft on wet lease to other airline companies in Europe and the Middle East.
- Cargo: "Hemus Air" JSC was granted an official permit for cargo transportation. The company provides air transportation of cargo and goods to all scheduled destinations.
- Providing maintenance and repair services in the company's own aviation technical base:
  - Engines – testing and current repairs;
  - Hydraulic systems – testing and current repairs;

- Electronic parts and systems – testing and current repairs;
- Gliders – current repairs.



*Aviation Technical Base  
of Sofia Airport*

"Hemus Air" JSC started its operations in 1987 with one aircraft type IAK 40. Different types of aircraft have been used during the years – IAK 40, TU 134, TU 154 and L 410. In 2004 after the company was acquired by "Chimimport" PLC, an investment program for renovation and increase of the fleet was initiated. In 2006 "Hemus Air" JSC accomplished the first stage of the modernization process and the old aircraft were replaced with modern machines. At present, the airline company disposes of three types of aircraft:

- ATR 42 – for short distances – domestic and regional flights;
- BAE 146 – for short and average -length distances within Europe and Middle East;
- Boeing 737 – for average -length distances – West Europe and Persian Gulf.

In 2006 the spring program was carried on using:

- 2 aircraft ATR – 42
- 7 aircraft BAE 142/143
- 2 aircraft B373-300

The increase in the number of the aircraft compared to 2005 is with 4 aircraft BAE 143 and 1 B737-300.

Two aircraft B737-300 are planned in the program for 2007.

The technical capabilities of the aircraft used by the company allow effective operations both on short-distance flights in the country and the region, and average- and long-distance flights in Europe and the Middle East. The aircraft of the company are equipped with all contemporary safety and security systems.

The maintenance and the technical service of all aircraft takes place at the company's own maintenance base at Sofia Airport, which was acquired through tender bidding at the beginning of 2004 and consists of three airsheds with six aircraft positions for different types of crafts, as some of them are leased to other airline companies.

"Hemus Air" JSC is a licensed agent for airport ground handling services.

## Main indicators

Indicators	Unit of measurement	2004 Report	2005 Report	2004/2005 %	2006 Report	2005/2006 %
<b>Scheduled flights</b>						
- number of flights	number	1 384	1 536	111	1 924	25
- number of carried passengers	number	111 016	136 383	123	184 744	35
- revenues	thousand EUR	9 331	12 331	132	17 741	42
- block hours		4 098	4 917	120	6 581	34
<b>Charter flights</b>						
- number of flights	number	708	798	113	1 019	28
- revenues	thousand EUR	12 359	14 699	119	20467	39
- block hours		2 952	3 603	122	5 092	41
Total flights – charter and scheduled	number	2 092	2 334	112	2 943	26
Number of carried passengers - charter and scheduled	number	252 259	286 693	114	373 247	30
Total block hours		7 050	8 520	121	11 673	37
Revenues from leasing and other revenues	thousand EUR	2 188	5 330	244	11 575	117
Total revenues from charter and scheduled flights, etc.	thousand EUR	23 878	32 360	136	49 513	53
Available fleet						
	B 737	0	1		2	
	BAe 146	3	3		7	
	ATR 142	2	2		2	
	TU 154	2	1		0	
	TU 134	2	1		0	
	Iak 40	7	4		0	
	L 410	1	1		0	
	Total	15	10		11	



Hemus Air  
Varna



The airline company is a member of the International Association of Air Transport and the International Clearing Payment System. "Hemus Air" JSC have established long-term partnership relations with the leading companies on the Bulgarian and international tourist market.

The advantages of the company are the well developed network of representative offices, properly structured fleet and the professional skills of the personnel.

354 people are employed by the company, including 47 pilots and 88 cabin staff.

The company has representative offices in Athens, Beirut, Bucharest, Dubai, Larnaca, London, Tirana and Tripoli and general agents in Berlin, Dubai, Koln, Nikosia and Oslo.

"Hemus Air" JSC is undergoing a process of restructuring and performing an ambitious program aiming at enlarging its activity, including increasing the number of destinations and flights frequency. At the same time the main purpose also engages improvement of the quality of the transportation service at prices favourable for the clients. In this way "Hemus Air" JSC is striving to offer to its clients maximally rich choice of the whole spectrum of services, offered by air companies.

Apart from the modernization of the fleet, the strategy for development of the air company foresees expanding of the trade activity at accelerated rates and entering new markets.

- Regular international airlines

In 2006 "Hemus Air" JSC worked on 14 destinations – regular international airlines. There are two new scheduled flights for "Hemus Air" JSC since the beginning of the year – Berlin and London, which were started in the spring of 2006. Two new destinations – Madrid and BRussels are expected to be opened in 2007. In this way the regular airlines of "Hemus Air" JSC will reach the number of 16. In 2007 "Hemus Air" JSC plans to increase the number of the destinations on the regular international airlines – with 5 more in direction of Rome, Paris, Amsterdam, Barcelona and Milan.

- Domestic regular flights

In 2006 "Hemus Air" JSC increased the frequency of the flights to Varna in order to meet the growing passenger flow to three flights per day. In 2007 a regular airline to

Burgas operating daily was initiated.

- Charter flights

In 2006 "Hemus Air" JSC overfulfilled its charter flights program by approximately 100 flights over the planned 930 to 1019 flights.

Contracts for charter chains were signed concerning the new destinations for 2006: Finland, Holland, Portugal, Rumania, Moldova, Lithuania, Latvia and Estonia. In 2007 the charter flights are to be increased to 1269 or by 25% compared to 2006. Charter chains are being contracted to new destinations in Germany, France, Sweden, Denmark, Russia and etc.

The company disposes of maintenance base for recurrent and operative service of the aircraft.

The buildings of the company consists of three airsheds and 31 subsidiary buildings with total area of over 23 000 s.m.

Airshed № 1 disposes of two positions for servicing of BAe 146/ ATR-42.

Airshed № 2 disposes of one position for servicing of B – 737, and Airshed № 3 has three positions for servicing of B – 737. Laboratories for repair and maintenance of different aircraft units, chemical laboratory, workshop for repair of tyres and brake systems are situated in the subsidiary premises.



*Hemus Air  
Boeing 737 - 400*

### “Bulgarian Ship Company” LTD

The investments of “Chimimport” PLC in the sector are implemented through its subsidiary company “Bulgarian Ship Company” JSC (100%). “Bulgarian Ship Company” LTD was established in 2006 with the purpose of consolidating the participation of the holding in river and maritime transport. After bringing to end the forthcoming transformations of the property ownership, “Bulgarian Ship Company” LTD shall successfully manage the investments of “Chimimport” PLC in “Bulgarian River Shipping” PLC – Ruse, in “Chimimport Bimas” LTD, in “VTC” JSC and other companies within the sector.

From the provided EUR 25 million investments in “Bulgarian River Shipping” PLC for the next five years, which are to be directed mainly towards renovation of the fleet of the company, EUR10,2 million has already been utilized.

Construction of port terminal on the territory of “Chimimport Bimas” in the town of Ruse – East Industrial Area is to be started.

The future plans of “Bulgarian Ship Company” LTD involve acquisition of shares of ports and construction of new terminals, acquisition of shares in ship-building and ship-repairing companies, purchase and management of sea vessels.



*Lesport Varna*

## “Bulgarian River Shipping” PLC

Through “Bulgarian Ship Company” LTD and other subsidiary companies, “Chimimport” PLC holds 99.13% of the share capital of “Bulgarian River Shipping” PLC. In December 2005, through a transaction executed on the Bulgarian Stock Exchange “Chimimport” PLC acquired 29.13% of the share capital of the company. In 2006 through tender bidding, organized by the Privatization Agency for sale of the majority share, “Chimimport” PLC purchased the state share of 70%.

“Bulgarian River Shipping” PLC, Ruse was established in March 1935 under the name “Coastal River Navigation”. In May 1940 the company was transformed into the independent company “Bulgarian River Shipping” PLC with registered seat in Ruse. The company is a public company and since January 2004 its shares have been traded on the “Bulgarian Stock Exchange - Sofia” JSC. On 8 December 2006 at an extraordinary general assembly of the shareholders, a decision was taken for increase of the capital from BGN 895 404 to BGN 1 158 347, distributed in 1 158 347 personal dematerialized shares by means of issuance of new 262 943 shares with face value of BGN 1.



*The administration building of  
Bulgarian River Shipping PLC  
Ruse*

On the Meeting of the Management Board of "Bulgarian River Shipping" PLC – Ruse dated 29.03.2007 a decision was taken, regarding summoning the General Assembly of Shareholders in order to vote for the resolution for increase of the company capital from BGN 1 158 347 to BGN 28,958,675 by means of issuance of 27,800,328 new ordinary shares with face value of BGN1 on account of the company own funds.

"Bulgarian River Shipping" PLC disposes with own fleet, which consists of:

I. Self-propelling ships:

1. Pushboats

- a) power 3150 hp – 3 it.
- b) power 3 000 hp – 3 it.
- c) power 1 740 hp – 8 it.
- d) power 900 hp – 1 it.
- e) power 600 hp – 2 it.  
(maneuvering)

2. Tugboats with power of 1600 hp – 2 it.

3. "Bdin" ferryboat platform for transportation of passengers and vehicles

4. Passenger ships for short entertainment trips – 1 it. for 200 passengers.

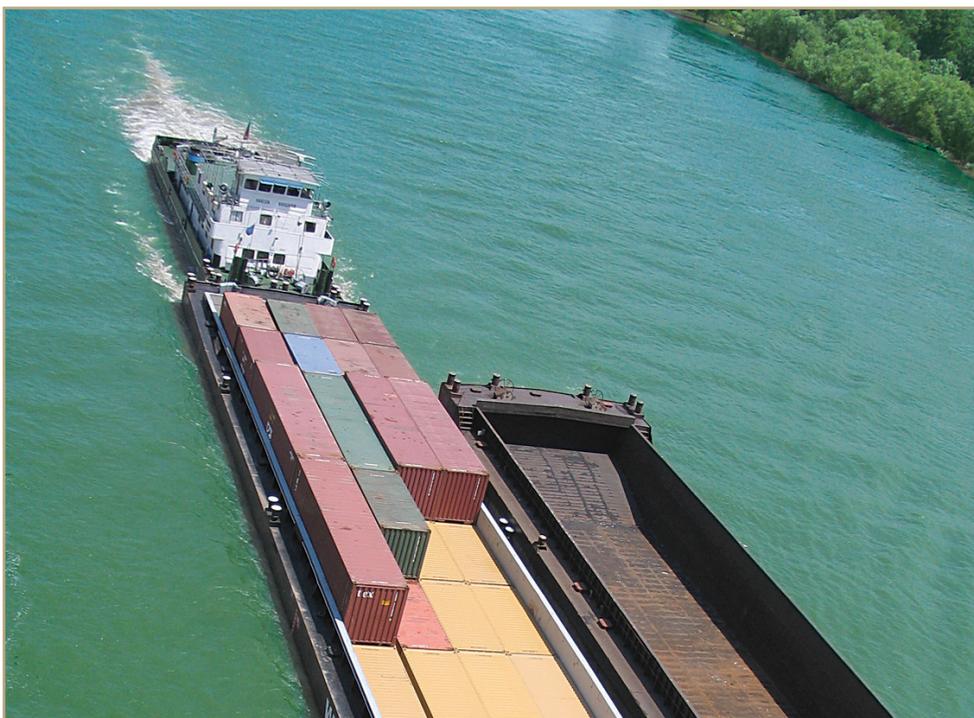
II. Non-Propelled Fleet:

1. Crewed.

- a) Barges with lifting capacity of 1000 t – 36 it.
- b) Barges with lifting capacity of 1500 t – 11 it.
- c) Wine barges – 5 it.
- d) Tankers with lifting capacity of 970 t – 8 it.
- e) Tankers with lifting capacity of 1350 t – 2 it.



*pushboat Georgi Izmirliev  
type with power 1 740 hp, transportation  
of heavy and large - dimensioned cargos*



*pushboat Georgi Izmirliev  
type with power 1 740 hp  
container transportation on the line  
Constanta- Belgrade*

## 2. Unmanned

### a) Open-top barges of types

- SA type with lifting capacity of 1600 t – 15 it.
- SB type with lifting capacity of 2200 t – 28 it.
- Lighters with lifting capacity of 1000 t – 1 it.
- Ro-Ro sections (for lorry transportation) – 4 it.
- Specialized barges for 270 vehicles – 1 it.

### b) Sections with hatch covering

- with lifting capacity of 1700 t – 7 it.
- with lifting capacity of 1800 t – 1 it.
- with lifting capacity of 2000 t – 2 it.

### c) pontoons – 14 it.

“Bulgarian River Shipping” PLC offers its clients a wide range of services, covering most of the requirements of the companies demanding river shipping. The company is specialized in and provides the following transport services:

- Transportation of bulk and general cargo;
- Liquid non-hazardous cargoes and fuels;
- Oversized and concentrated cargoes;
- Container line between Constanta and Belgrade;
- Regular Ferryboat transportation between Vidin– Calafat;
- Regular Ro-Ro lines: Ruse– Reni – Ruse and Passau – Vidin – Passau;
- Agency services for Bulgarian and foreign vessels in all Bulgarian ports;
- Forwarding services, chartering of river and sea vessels;
- Organization of transshipment: river – railway – sea;
- Cruises along the Bulgarian part of the Danube River with passenger ships.

“Bulgarian River Shipping” PLC disposes of its own port base in the town of Ruse for carrying out repair and maintenance activities. On Nikopol Port it acts as port operator and



*reloading of heavy cargos in  
Konstanta*

services the arriving and departing passenger ships.

The Company has representative offices not only in all Bulgarian ports on the Danube, but also in Regensburg (Germany), Vienna (Austria), Budapest (Hungary), Belgrade (Serbia).

The Company employs 743 persons, 600 of which are on board the ships and 100 – riverside officers.

“Bulgarian River Shipping” PLC ended its production activities for 2005 with a result of 1,632.4 thousand tons of transported cargo and net revenue from sales amounting to BGN 31,670 thousand. The increase compared to the previous year is more than 27%.

The financial result for 2005 is a profit to the amount of BGN 1,719 thousand, exceeding four times the result for the previous year.



*Motor Ship Nayden Kirov*

### Main Financial Indicators

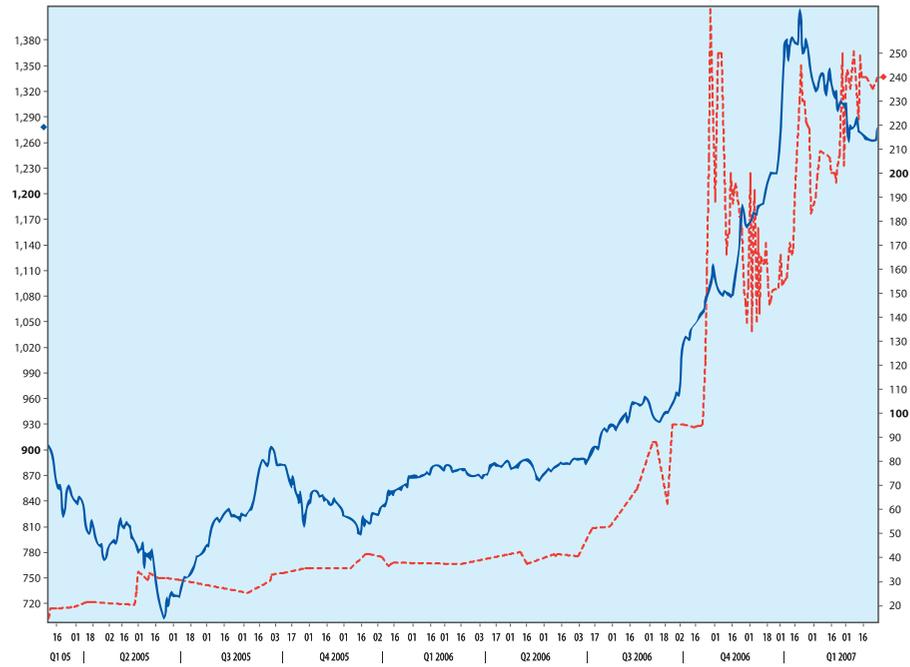
Indicator	2006	% variation	2005	% variation	2004
Assets	43 949	154,66	17,258	9,07	15,823
Tangible Fixed Assets	36 968	213,50	11,792	-11,83	12,012
Short-term Assets	5 458	0,20	5,447	43,72	3,790
Stock	1 463	56,47	935	15,01	813
Short-term Investments	3,265	-2,27	3,341	69,77	1,968
Funds	730	-33,03	1,090	15,71	942
Fixed Capital	1,158	29,39	895	0,00	895
Equity	34,679	201,29	11,510	15,99	9,923
Short-term Liabilities	5,215	25,21	4,165	-0,38	4,181
Net Revenues from Sales	33,283	5,09	31,670	27,33	24,872
Total Revenues	33,976	6,08	32,028	27,47	25,126
Total Expenditures	31,470	3,83	30,309	25,86	24,082
Gross Profit	2,506	45,78	1,719	430,56	324
EBITDA	3,324	36,51	2,435	140,14	1,014
<b>Net Profit</b>	<b>2,506</b>	<b>45,78</b>	<b>1,719</b>	<b>430,56</b>	<b>324</b>

The Company ended its production activities for 2006 with a result of 1477.1 thousand tons of transported cargo and net revenue from the activity amounting to BGN 33,976 thousand. The growth of the revenues is 6.1% compared to the previous year and 11.1 % compared to the business plan for 2006. The total expenditures for the activity are BGN 31,470 thousand and their growth is 3.8% compared to the base period.

The financial result for 2006 is a profit to the amount of BGN 2,506 thousand, exceeding the result for the previous year by 45.8%.

### Dynamic of the main financial indicators and the share capital for 2004-2006

Financial Indicator	2006	% variation	2005	% variation	2004
Revenues from the main activity	33,976	6,08	32,028	27,60	25,101
Profit/loss from the activity	2,506	45,78	1,719	430,56	324
Net profit/loss from the activity	2,506	45,78	1,719	430,56	324
Sum of the assets	43,949	154,66	17,258	9,07	15,823
Net assets	34,679	201,29	11,510	15,99	9,923
Share capital	1,158	29,39	895	-	895
Number of shares	1,158	29,37	895 404	-	895 404
	347				
Weighed average number of shares	898 286	0,32	895,404	-	895 404
<b>Basic earnings per share in BGN</b>	<b>2,79</b>	<b>45,33</b>	<b>1,9198</b>	<b>962,45</b>	<b>0,180695</b>



*Ship Georgi Mamarchev  
with ro-ro section*

The Danube market is strictly distributed between the river shipping companies in Central and Western Europe, operating mainly between Budapest and Kelheim, while the East-European companies (in Romania, Bulgaria, Ukraine) control the navigation in along the lower parts of the river. "Bulgarian River Shipping" PLC controls approximately 40 % of the

freights flow along the Danube from and to Bulgaria. The company offers competitive rates of the charges, better service and more qualitative vessels in comparison with its competitors and strives to tighten the tonnages in both directions in order to compensate the preferential channel fees, granted to the advantage of the competitive companies.

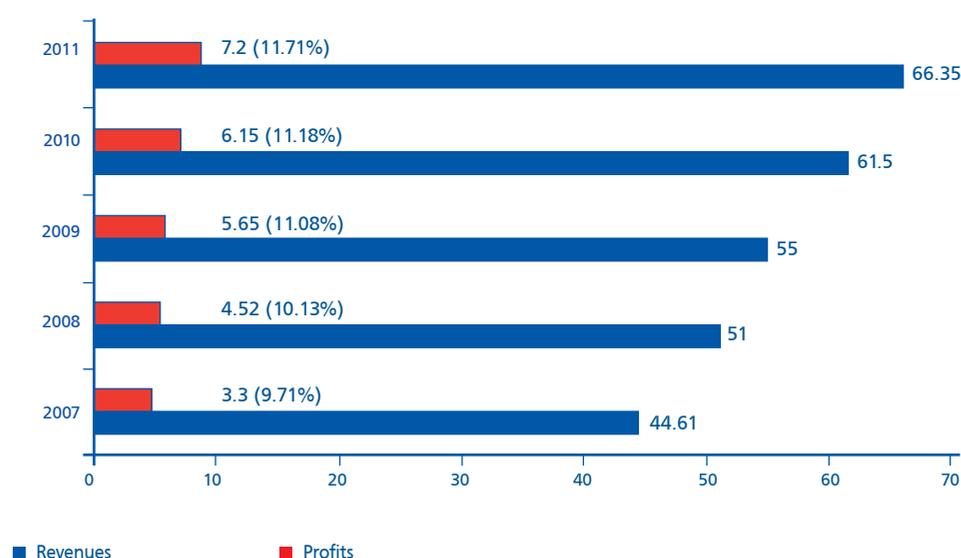
In the last few years the trend of a shortage of tonnage, compared to the offered cargo for transportation on the Danube River was confirmed. There is a lack of tonnage both for the bulk cargo – raw materials and grain, and for the general cargo. In accordance with the forecasts of the European Commission the freights flow along the Danube River will increase with more than 30% by the end of 2010. It will pose the question of the construction of new vessels, which is forthcoming for Bulgaria, as well as of the redistribution of the freights between the different shipping companies.

„Chimimport“ PLC has undertaken an engagement to invest in “Bulgarian River Shipping” PLC EUR 25 million in the next five years, EUR 10,2 million of which has already been utilized by the as of the date of drawing up the document. The investments will be used mainly for renovation of the fleet of the shipping company - renewing the vessels engines, production of a “Caterpillar”, performance of constructive changes in some of the pushboats, to allow them free movement in the upper part of the Danube river – from Budapest and Vienna to Germany, as well as for construction of new vessels as the main purpose is to preserve the tonnage capacity of “Bulgarian River Shipping” PLC.

The investment program of the company for the period 2007-2011 provides for construction of a logistic center with capacity of over 25 000 sq.m., storage and sale base for oil products trading with capacity of over 10 000 tons and grain elevator with capacity of 2 780 m3 on a territory of 161 decares owned by “Bulgarian River Shipping” PLC in the town of Ruse – East Industrial Area, in the immediate vicinity of the Danube River. The above mentioned infrastructure sites are to be constructed and put into operation by 2010.

The expected profits of “Bulgarian River Shipping” PLC for the period 2007-2011 are presented on consolidated base, taking into consideration the financial results and prognosis for “VTC” JSC Varna and “Mayak KM” JSC Novi Pazar. “Bulgarian River Shipping” PLC holds respectively 51% and 77.19% of the capital of these companies.

A chart showing the relation between Revenues / Profits (in BGN million)



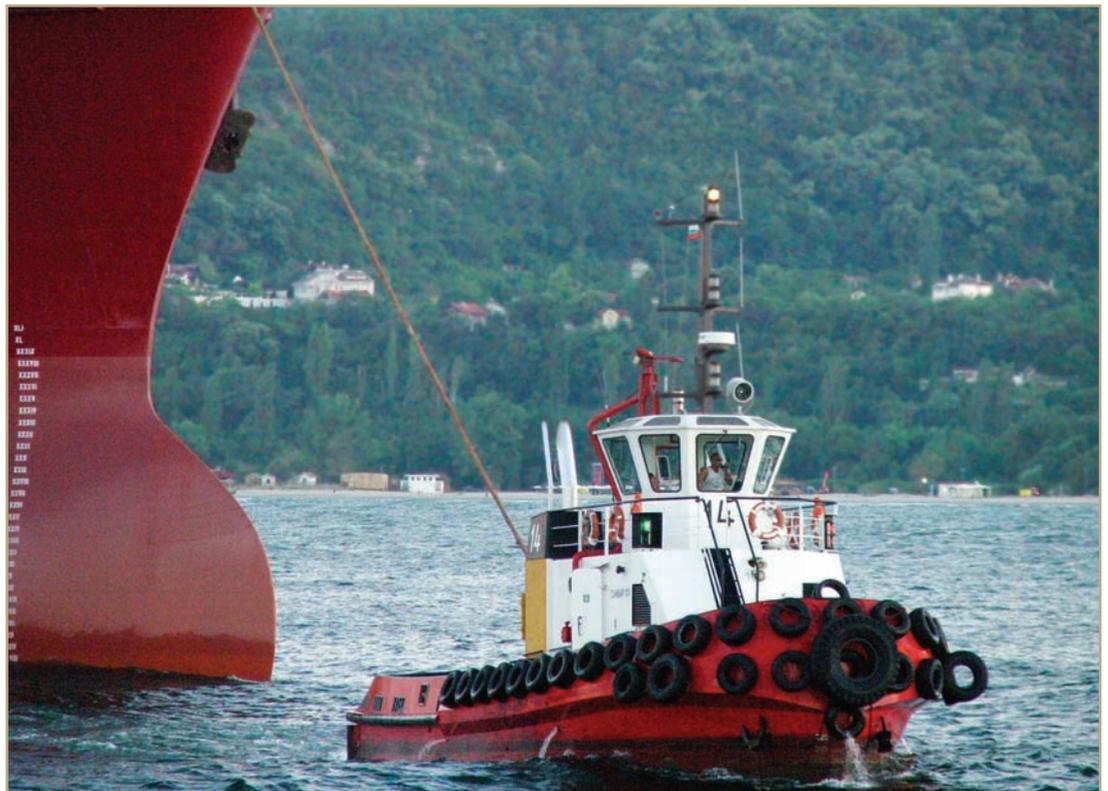
### “VTC” JSC

Through “VTC” JSC “Chimimport” PLC in partnership with other legal entities and physical persons operates on the market of towage services in the ports of Varna and Balchik.

“VTC” JSC, Varna was established in October 2005. The registered capital to the amount of BGN 1 100 000 is divided into 11 000 shares with face value of BGN 100 each. The main scope of activity of the company is providing towage services in the ports “Varna-East”, “Varna-West”, “Lesport”, which cover the whole Varna region and also the port of Balchik. The towage services include maneuvering of incoming and outgoing ships, tying and untying, changing docking places, as well as transportation of goods from and to ships in the sea.

For these purposes the company has purchased three tugboats– „SANMAR XII”, „SANMAR XIII” and „SANMAR XIV” with the following technical specifications:

- Type: tugboat
- Construction date: 2003
- Place of construction: Shipyard Gemsan, Tuzla – Istanbul
- Maximum length: 18.28 m
- Width : 6.70 m
- Depth: 2.91 m
- Gross tonnage : 65
- Net tonnage : 20
- Engine: CATERPILLAR 2 x 746Kw (2 x 1014BHP) – year 2003.



*SANMAR tugboat*



*SANMAR tugboats*

### Main Financial Indicators

Indicator	2006	2005	2004
Assets	4181	4710	-
Tangible Fixed Assets	3770	4163	-
Short-term Assets	411	547	-
Stock	61	19	-
Short-term Investments	145	260	-
Funds	194	260	-
Fixed Capital	1100	1,100	-
Equity	1615	1268	-
Short-term Liabilities	749	1248	-
Net Revenues from Sales	2047	482	-
Total Revenues	2076	515	-
Total Expenditures	1669	318	-
Gross Profit	407	197	-
EBITDA	624	205	-
Net Profit	347	168	-

In 2006 the Company generated revenues to the amount of BGN 2 076 thousand and net profit to the amount of BGN 347 thousand.

At present towage services in Varna ports are provided by "Port Fleet 99" Varna (successor of the state company offering towage services) and "Navigation Maritime Bulgaria". Unlike its competitors, "VTC" JSC disposes with brand new contemporary tugboats, the exploitation of which requires fewer expenses. The company provides services to approximately 45% of the ships, as company has the potential to overtake even greater market share.

In 2007 aiming at increasing of the market share and more effective and quality servicing of its clients, "VTC" JSC intends to increase its fleet and purchase one more tugboat.

### "BM Port" JSC

"BM Port" JSC was registered at Varna District Court and entered in the Commercial Companies Register as № 34, volume/page 401/146 under company case № 770/2005 by resolution № 1638 dated 15.03.2005.

The company's capital is BGN 4 million, divided into 4 000 personal shares with face value of BGN 1 000 each. "Chimimport" PLC holds 99% of the shares and 1% of them is owned by "Chimimport Invest" PLC.

On 30.05.2006 a 30-year contract came into force regarding the concession of the port terminal Lesport, which is a part of public transportation port of national significance. The contract was concluded between the Republic of Bulgaria, represented by the Ministry of Transport – concedent and "BM Port" JSC – port operator and concessioner. On this date all employees of the state operator "Lesoport" JSC became employees of "BM Port" JSC.

During the past year a contract was signed concerning the strategic partnership with the world-famous Dutch consulting and engineering company Royal Haskoning, which has been operating for more than 130 years in construction and management of large scale infrastructure, power and industrial projects. The purpose of this partnership is optimization, consolidation and expansion of the offered services in the context of the port operation on the North Black Sea Coast, where the strategic interests of "BM Port" JSC are directed.

On the territory of the port terminal "Lesport" "BM Port" JSC carries out the whole spectrum of port services, which represents the main activity of the company and the obligations under the concession contract, namely:

- Receiving, storage and expedition of cargos;
- Reloading of freights from ships, coaches and lorries;
- Stevedoring and tally;
- Internal port transportation;
- Securing, unpacking and weighing of freights;
- Other services, connected to the ship handling and servicing.

The Company provides high quality and efficiency upon reloading process and holds the clear orientation towards determining and fulfilling client demands.

The Company provides guaranteed control regarding environmental pollution prevention.

Lesport Customs post and border police offices are located in the port area, which provides more efficient and quality services for the clients.

With a view to improving the exploitation suitability of the terminal, increasing the effectiveness of loading-unloading operations, increasing of the freight turnover and fulfilling the concession contract since the date of enacting the concession contract in

2006 and 2007 the company has made the following investments:

- Supply of reloading auxiliary equipment
- Purchase and change of the office equipment needed for the operation
- Repair and improvement in the labour conditions (premises, buildings, storage rooms) of the public state property
- Other investments in the operation
- Purchase of assets (from Lesport JSC) needed for the operation
- Port equipment
- General plan preparation

At present the total amount of the investments is BGN 5 million and the total amount for 2006 and 2007 will reach BGN 6 million.

For the period 30.05 to 31.12.2006, freights of 282 thousand tons were processed in Lesport Port. Together with freight turnover of the state operator "Lesport" JSC a total amount of 456 thousand tons of freight were handled, which is an absolute record in the history of the port.

#### Freight turnover / load consignments below 10 000 metric tons

Port	2006/30.05-31.12/ Thousand tons	Share %
PCHMV	53	9,28
Lesport	282	49,39
Varna East	226	39,58
Odesos PBM	10	1,75
<b>Total</b>	<b>571</b>	<b>100,00</b>

#### Freight turnover / load consignments, not requiring storage

Port	2006/30.05-31.12/ Thousand tons	Share %
PCHMV /except white cement in slings/	48	11,88
Lesport /except scrap and freezer/	242	59,90
Varna East	104	25,74
Odesos PBM	10	2,48
<b>Total</b>	<b>404</b>	<b>100,00</b>

Freight turnover / total regional traffic

Port	2006 /30.05-31.12/ Thousand tons	Share %
PCHMV	53	1,37
Lesport	282	7,26
Varna West	2,620	67,49
Varna East	917	23,62
Odesos PBM	10	0,26
<b>Total</b>	<b>3,882</b>	<b>100,00</b>

Structure and dynamic of the main freight flows through Lesport Varna Port  
for 2006 and prognosis for 2007

Type of the freight	2006 /30.05-31.12/ Real value	2007 /as per the concession contract/
Grain in bulk	78 203	104 000
Groats, bran – in bulk	4 878	13 000
Timber – in bulk	43 759	66 000
Metallurgical slags	7 539	14 000
Coals	4 456	5 000
Vegetable Oil	6 253	5 000
Oil product	0	0
Hardboard - packets	6 254	13 000
Fertilizers, including urea, SAN, nitric fertilizers, monoammonium sulphat	12 167	15 000
Glass and glass products	8 890	15 000
Feldspar	2 430	6 000
Aerated concrete bricks - pallets	5 609	6 000
Washing Powder – pallets and big-bags	4 755	7 000
Others	2 773	3 000
Ferrous Metals	9 591	23 000
Non-ferrous Metals	35 267	70 000
Metal Scrap	35 352	41 000
Sea-salt	13 581	0
<b>Total</b>	<b>281 757</b>	<b>406 000</b>

The passed year 2006 confirmed the appropriately chosen approach and policy of the company towards the market of port services at the conditions of the existing organization and equipment.

A record was achieved in the field of handling freights, which indicates the assessment of the users of the offered services.

According to ROYAL HASKONING the port has reached the capacity of its potentialities with occupation of over 75% of the wharf front.

The port equipment, which was put into operation, the purchased catching equipment, the reorganization and optimization of the operation led to higher norms of handling, more-qualitative servicing of the clients and more processed freights.

The strict control and the possibility for immediate reaction upon change of some of the indicator are characteristic of the company's cashflows management. It is combined with the policy of increasing the remuneration of each employee, directly corresponding to the achieved monthly economic results.



*Lesport Varna*

This sector occupies 17% of the net assets of the subsidiary companies of the holding. The main subsectors, in which they are concentrated, include production and trading with petroleum products, production of oilseed oils and buying up, processing and trading with grain.



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

“Chimimport” PLC holds directly and through connected persons 67.80% of the share capital of the only one of this type company for production of raw petrol gas in Bulgaria – “Oil and Gas Exploration and Production” Plc.



*Petroleum gathering equipment  
(petroleum gathering post)  
at Bardarski Geran oil field*

### “Oil and Gas Exploration and Production” Plc

“Oil and Gas Exploration and Production” Plc is the only Bulgarian company carrying out the complete complex of activities, related to search, research, drilling on, developing and exploitation of oil and gas fields, as well as extracting crude oil to the final market products.

“Oil and Gas Exploration and Production” Plc was established in 1991 by an Order of the Council of Ministers, as a successor of the main geological exploration, scientific research and production enterprises and sites, laid the beginning of the Bulgarian Petroleum Production Industry when in 1951 the oil field in the village of Tyulenovo was found.

The specialists of “Oil and Gas Exploration and Production” Plc possess proved experience of many years and achieved results not only on the territory of Bulgaria, but also upon executing petroleum sites in Libya (Bulgarian oil concessions NC-100 “Gadames” and NC-101 “Morzuk”), Syria, Iran, Irak, Russia and etc.

The scope of activity of “Oil and Gas Exploration and Production” Plc includes:

- research, exploration and realization of crude oil and natural gas;
- research and exploitation of fields of thermal, mineralized water or underground water for drink, domestic or industrial needs;
- research and exploitation of fields of geothermal energy;
- drilling of prospecting, exploratory and operational drill-holes for oil and gas, underground waters and geothermal energy;
- scientific research and engineering in Bulgaria and abroad;



*Drilling equipment of  
prospecting drill-boles  
for oil and gas P-4 Karpachevo*

- specific service and foreign trade operations;
- processing of oil and condensate;
- geological and geophysical service activity upon research and exploration in the country and abroad;
- production and service activity in the field of geology and the geophysics;
- construction of oil pipelines, gas pipelines, installation of pressure equipment.



*Prospecting drill-hole  
with deep pump for production  
P-9 Selanovtsi*

At present "Oil and Gas Exploration and Production" Plc is a concessionaire under twelve concession contracts for extraction of crude oil and/or natural gas and is a principal of five permits for research and exploration of oil and gas. In 2006 the company extracted oil and gas under the concluded concession contracts with the Ministry of Energy and Energy Resources at the following fields: Tyulenovo, Dolni Dabnik, Dolni Lukovit, Dolni Lukovit-Zapad, Staroseltsi, Gorni Dabnik, Bardarski geran, Selanovtsi, Balgarevo, Marinov geran, Butan-yug, Durankulak. The company performs research, exploration and evaluation of the new oil and gas fields on the basis of the following contracts: Contract for research and exploration of oil and gas in Block 1-1 Pleven, Contract for research and exploration in Block 1-2 Novachene, Contract for research and exploration in Block Lovech, Contract for research and exploration in Block Vratsa – Zapad and Contract for research and exploration in Block "Shabla" situated on the north part of the Bulgarian black sea shelf.



The company's capital amounts to BGN 873 433, divided into 873 433 ordinary, dematerialized shares with nominal value of BGN 1.00 each. During the period August-October 2003 "Chimimport" PLC acquired through privatization transactions on the Bulgarian Stock Exchange 85% of the capital of "Oil and Gas Exploration and Production" Plc.

On 21.08.2006 the General Assembly of the Company took a decision to increase the share capital from BGN 873 433 to BGN 12 228 062 by means of issuance of new 11 354 629 personal dematerialized shares with nominal value of BGN 1.00 each. At present shareholders of the company are:

Shareholder	Number of shares	% of the capital
"Chimimport" PLC	6,358,415	52,00
„Inter Rubber Chemi" Ltd	2,686,600	21,97
Universal Pension Fund „Saglasie"	501,650	4,10
Professional Pension Fund „Saglasie"	361,528	2,96
IRJSC "Armeec"	280,241	2,29
Other legal entities and physical persons	2,039,628	16,68
	<b>12,228,062</b>	<b>100,00</b>

“Oil and Gas Exploration and Production” Plc has no competition on the domestic market since it is the only Bulgarian company extracting crude oil. In 2004 after its acquisition by “Chimimport” PLC, the company started implementing of a big investment program for renovating of the specialized geophysical and drilling equipment, repair of the exploitation equipment, improvement of labour conditions, introducing of new information systems for planning and managing the resources. The main purpose of the program is to improve the effectiveness, financial results and the adaptation of the activity to the more dynamic market and business environment in national and international scale. With a view to improve the quality of the offered services, in 2004 the activity of “Oil and Gas Exploration and Production” Plc was restructured – three new limited liability companies (“Geophysical Researches” Ltd, “Bulgarian Drilling Company” Ltd and “Bulgarian Oil Refinery” Ltd) were established, where “Oil and Gas Exploration and Production” Plc is the sole capital owner.

#### “Geophysical Researches” Ltd

The company performs engineering-geological, hydro-geological, geotechnical, geophysical, geological and drilling research, projects, consultations and investigations, seismic evaluations, design, prospecting, research and evaluation of the underground resources, investigation works and evaluation of the underground water resources, mineral waters, fossil fuels (oil and gas), investigation, evaluation and engineering activities for the needs of mineral and petroleum industry, mouthing and underground magazinging, laboratory analysis and tests, related to the underground resources and underground waters, geological-ecological and hydro-geological evaluations and reassessment of the reserves of mineral resources, underground waters and fossil fuels, service geophysical maintenance of prospecting-investigating activity within the country and abroad, computer processing of geological, geophysical and cartographic information, evaluation and prognosis of environmental processes, related to soil and water pollution, environmental impact assessment and review of environmental impacts, old pollutions assessment and evaluation of the damages on the relief and landscape, specialized foreign trade and engineering activity in the field of geological-geophysical research regarding the demands of mineral and petroleum industry.

“Geophysical Researches” Ltd operates with contemporary equipment for obtaining seismic data, which was purchased by the American company “Input/Output” Ltd. I/O. System Four is a new generation seismic station with high level of effectiveness at works rendering the opportunity for performing both 2D and 3D seismic tests.

#### “Bulgarian Drilling Company” Ltd

The scope of activity of “Bulgarian Drilling Company” Ltd includes: drilling and repair in the country and abroad of prospecting, research and exploitation drills for oil and gas, underground waters and geothermal power, all types of maintenance activity and specific service operations, related to the main subject of activity. At present the company is undergoing a process of investigation and negotiations for purchasing and introducing into practice of a new drilling equipment for drill-holes 4 000 m deep.

### “Bulgarian Oil Refinery” Ltd

The company is established producer of petroleum products, obtained through processing of oil and condensate, such as detergents for varnish and dyes industry, solvents, lighting kerosene, unleaded automobile petrol, diesel engine fuel, industrial diesel oil, fuel for combustion in stationary installations, ship fuel, boiler fuel.

The company disposes of its own chemical laboratory, which is an authorized testing laboratory for analysis of oil, solvents, fuels and petroleum products in accordance with the requirements of BSS, EN ISO 9001, ISO 17025.

“Oil and Gas Exploration and Production” Plc is the owner of “Bulgarian Oil Company” (BOCO) – Libya, which is a holder of the Bulgarian rights and Operator under the concluded in 1980 “Agreement for joint research and exploration of oil” with the National Oil Corporation of Libya. At present the company is in the process of negotiations with Libyan party for determining the possibilities for continuation of the activity in the petroleum fields, investigated by BOCO on the territory of Libya.

“Oil and Gas Exploration and Production” Plc is the owner of the following companies too:

### Sofgeoresearch” Ltd

On 02.07.2004 the Privatization Agency and “Oil and Gas Exploration and Production” Plc concluded a contract for privatization sale of 500 shares, representing 100% of the capital of Sofgeoresearch” Ltd, city of Sofia. The company performs activity in the field of seismic data processing, interpretation of seismic, geological and geophysical data, preparation of geological programs (projects) for prospecting drills; research, evaluation drills servicing; geological control through the geoservice laboratory, including exercising supervision on projects; drawing up technical-economical reports; hydro-geological information processing and projects regarding prospecting of geothermal waters and waters for industrial and domestic purposes and other activities.

### “Sofgeolin” LTD

The company specializes in prospecting and research of all types of ore and non-metalliferous minerals and underground waters; laying on, furnishing, repair and exploitation of drilling and shaft wells; engineering-geological and geophysical tests.

### “Petro Gas Antika” Ltd

The main activity of the company is concentrated in performing of:

- design of oil and gas drilling;
- oil pipelines;
- gas pipelines;
- well drilling for oil and water;
- repair of oil and gas fields;
- construction of oil, gas and water pipelines.

The company is one of the main trade partners of “Bulgargaz” JSC, city of Sofia, and the most recent assignment is to perform activities on the repair of drillings in the area

of "Chiren" gas storage.

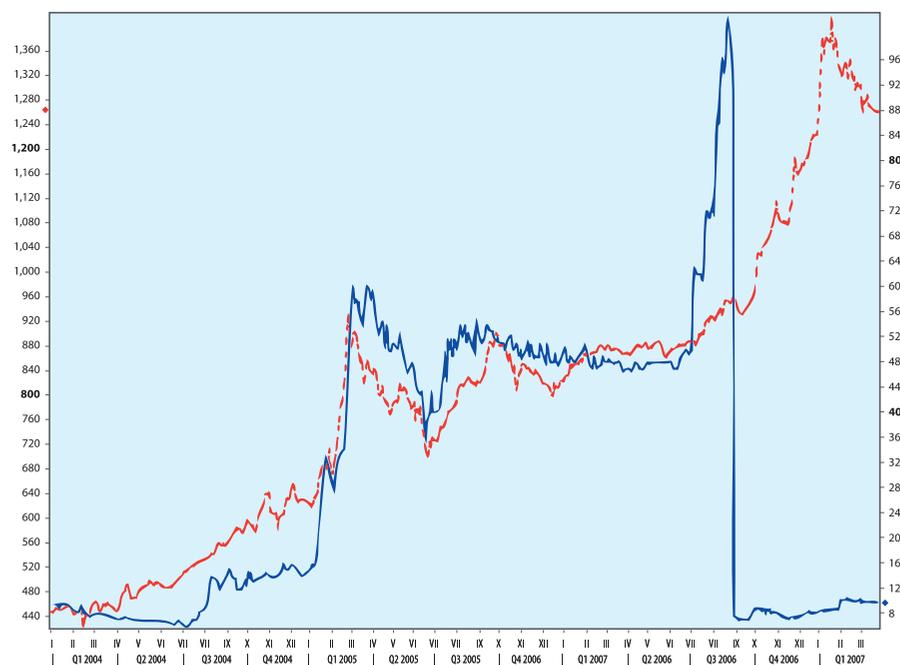
Upon assignment on the part of "Oil and Gas Exploration and Production" Plc the company performs repair of drillings within the active gas and oil fields on the territory of the whole country.

#### Main Financial Indicators of "Oil and Gas Exploration and Production" Plc

Indicator	2006	% variation	2005	% variation	2004
Assets	76 328	21.17%	62 991	45.44%	43 312
Tangible Fixed Assets	21 535	6.05%	20 307	72.25%	11 789
Short-term Assets	53 969	10.70%	48 752	149.15%	19 567
Stock	11 438	117.04%	5 270	-6.38%	5 629
Short-term Investments	41 688	-1.15%	42 171	224.82%	12 983
Funds	843	-35.70%	1 311	37.28%	955
Fixed Capital	1 228	40.66%	873	-	873
Equity	43 419	13.96%	38 101	10.11%	34 604
Short-term Liabilities	31 786	33.59%	23 793	171.18%	8 774
Net Revenues from Sales	33 266	24.30%	26 762	13.27%	23 627
Total Revenues	34 100	20.78%	28 233	17.23%	24 083
Gross Profit	6 092	62.58%	3 747	63.55%	2 291
EBITDA	8 045	45.09%	5 545	40.49%	3 947
Net Profit	5 342	84.78%	2 891	65.39%	1 748

As of 31.07.2006 the number of the employees of "Oil and Gas Exploration and Production" Plc is 392.

"Oil and Gas Exploration and Production" Plc is a public company and its shares are traded on the public market, segment "B" of Bulgarian Stock Exchange – Sofia with market code CAZ.



The main investment priority of "Oil and Gas Exploration and Production" Plc is realization of projects for prospecting, research and evaluation of new fields of oil and gas on land, on continental shelf and the exclusive economic area of Republic of Bulgaria in the Black Sea pursuant to the contracts for prospecting and research, concluded with the state. Within the period 2006-2007 the company is going to plan the accomplishing of exceptionally large prospecting and research activities, including 2D and 3D seismic tests, as well as laying 4 prospecting drillings for oil and gas.

### "Energoproect" JSC

"Energoproect" JSC is a company bearing a history of over 50 years. On 29.05.1948 by a resolution of Sofia City Court, the company was entered in the State Register under № 118.

All power projects in the country, starting from the smallest water or heating station to the big water power stations, heating power stations, Kozloduy Nuclear Power Station, the electrical conducting network, are designed by "Energoproect" JSC. The company has participated and still actively participates in realization of projects for modernization and rehabilitation of power sites, with the purpose of their putting in conformity with the current indicators for effectiveness, reliability and environmental protection.

Within the structure of "Chimimport" PLC "Energoproect" JSC is the basic consultant and designer upon planning and realization of projects of the group, mainly related to usage of restorable power sources, such as biogas, biodiesel, water and geothermal sources.

The company continues to invest in renovation of its technical equipment, computer equipment and buildings and most importantly in personnel qualification.

The company is a partner of the main western companies participating in power sector. It keeps good relations with University circles through joint participation in development of scientific applied topics, including in international programs.

The basic power and heat generating enterprises in the country, the power conducting companies, municipalities, average and small enterprise, investment corporations and many others are among the clients of the company.



*Energoproect JSC  
Sofia*

## Production of oilseed oils, buying up, processing and trading with grain

“Chimimport” PLC is the majority owner of “Sun Rays Bulgaria” Plc (former sunflower oil refinery located in the town of Provadia) as well as of other companies regarding the trade with grain.



*Food Oil Producing Plant  
Provadia*

### “Sun Rays Bulgaria” Plc

The company has a capital of BGN10 000 000, increased and effectively paid in 2006. As of 31.12.2006 the share capital of the company is distributed as follows:

	2006	2006	2005	2005
	Number of shares	%	Number of shares	%
“Chimimport” PLC	7 097	71	3 300	100
Petroleum Trading Company LTD	160	2		
VPF Saglasie	100	1		
PPF Saglasie	80	1		
UPF Saglasie	120	1		
DENIZ 2001 LTD	280	3		
PRIMA CHIM LTD	1 000	10		
DF EUR	200	2		
PIC “CCB-Sila” JSC	663	6		
Central Cooperative Bank PLC	300	3		
	10 000	100	3 300	100

“Sun Rays Bulgaria” Plc produces sunflower oils for alimentary and technical purposes, to be offered on the market on tap or in PET bottles – 0.5 l., 1 l., 2 l., 5 l., 8 l., and 10 l. The company also offers services with materials supplied by the clients: sunflower-seed processing, and crude oil refining. The produced refined oil is with protected trademark and under patent protection for the trademark “Sun Rays” from the Patent Office of the Republic of Bulgaria. After long-term absence from the market the trademark “Sun Rays” has started with new vision /lable and bottle/ since January 2005. For 2005 the market share of bottled oil on the market within the country is 6.8%. The high growth rate of the market share achieved during the last year is a result from the appropriate market policy of “Sun Rays Bulgaria” PLC towards all units of the distribution channels. The united price policy throughout the whole country made it possible that 80% of the abovementioned channels were covered.

In 2005-2006 “Sun Rays Bulgaria” Plc was certified in compliance with the standards for Quality Management Systems: ISO 9001:2000 EN and HHASP. The company performs its production activities in an oil yielding factory in Provadia. The commercial activities of the company include selling of own production (crude, refined and bottled sunflower oil, and sunflower groats) – wholesale and retailing, for the domestic market and for export. The sales of bottled refined oils are implemented through a distribution network nationwide, established also for trade of grain for export. The grain is stored in six grain storage facilities, property of the company in the village of Krushari, the village of Kardam, Karapelit, the town of Tervel, the town of Nova Kamena, and the town of Dobrich, with a total capacity of 274 000 tons of grains.

#### Main competitors and market share

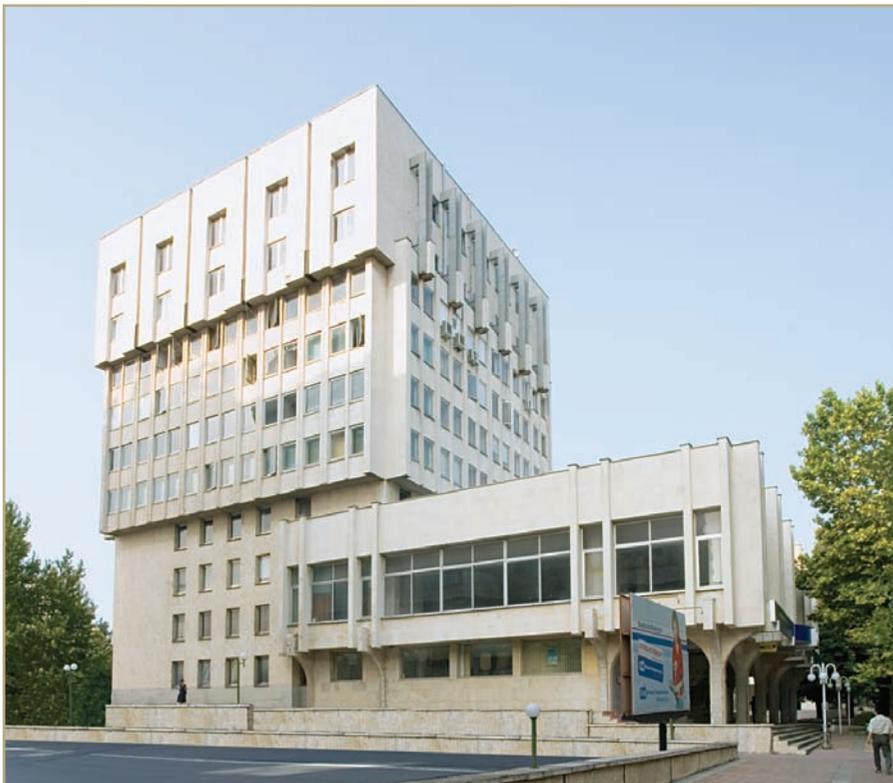
Export of grains		Buying-in oilseeds		Sale of bottled oil	
Zarneni Hrani	11%	Biser Oliva	13%	Kaliakra	17%
Biser Oliva	10%	Kremer Sofia	12%	Papas	8%
Papas Oil	10%	<b>Sun Rays</b>	<b>11%</b>	<b>Sun Rays</b>	<b>5%</b>
<b>Sun Rays</b>	<b>8%</b>	Kaliakra	7%	Class	5%
Korimex	8%	Papas Oil	5%	Biser	5%
Oktopod	7%	Rosa	4%	Rosa	4%
Kremer Sofia	7%	Zvezda	4%	Zvezda	3%
Lui Draifus	7%	Oliva	4%	Pliska	2%
Vita Grain	7%	Oktopod	4%	others	50%
Farin	6%	Kargil	3%		

## Storage capacity potential of "Sun Rays Bulgaria" PLC

N° Site	Storage capacity in tons
1 Oil yielding factory in Provadia	50 000
2 Grain storage facilities in Dobrich	30 000
3 Grain storage facilities in Tervel	45 000
4 Grain storage facilities in Kardam	60 000
5 Grain storage facilities in Karapilit	40 000
6 Grain storage facilities in Krushari	40 000
7 Grain storage facilities in Nova Kamena	9 000
<b>Total storage capacity</b>	<b>274 000</b>

The market share of vegetable oils, produced by "Sun Rays Bulgaria" Plc was estimated to be 5, 88%. For the harvest 2005/2006 "Sun Rays Bulgaria" Plc expected to process 70 000 tons sunflower seeds, to be used for production of 28 340 tons of oil. By the present moment commercial relations have been established with the following corporate clients "Piccadilly" JSC; "Magazini 3,4,5"; "Elemag"; "VP Market Bulgaria"; Pizza "Miss Capriz"; "Mega Marini"; "Sani"; "Askent"; "CBA", etc., and the company is in the process of negotiation with the following chains "Metro Cash and Carry"; "Billa"; "Ramstore"; "Happy"; "HIT", "Burlex".

The number of the employees of "Sun Rays Bulgaria" Plc as of 30.03.2007 is 237.



*Sun Rays Bulgaria  
Dobrich*

Specialized transport  
means in grain sector  
of Chimimport



### Main Financial Indicators

Thousand BGN

Indicator	2006	2005	2004
Assets	24,063	15,036	15,372
Tangible Fixed Assets	24,488	14,857	15,314
Short-term Assets	31,820	12,606	13,649
Stock	9,417	10,291	7,319
Short-term Investments	-	-	-
Funds	974	66	176
Fixed Capital	10,000	3,300	3,300
Equity	16,871	7,337	10,955
Short-term Liabilities	31,180	18,444	17,413
Net Revenues from Sales	49,619	28,739	18,059
Total Revenues	54,071	29,249	18,255
Gross Profit	2,633	-2,573	192
Net Profit	2,474	-2,579	106

During the last fiscal years the revenues from sales are indicating steady significant growth. For 2005 the growth is to the amount of 10680 or 37.16% and for 2006 it is 20 880 or 42.08% growth. The accumulated financial result of the company up to 2005 represents loss to the amount of BGN 455 thousand, which is a result of the serious investments made by the company.

The expected growth of the sales of production and goods, as well as market share:

Thousand BGN

	2007	Growth compared to 2006	2006
Grains	12%	50%	8%
Oilseeds	16%	45%	11%
Bottled oil	11%	120%	5%

Revenues from sales of production for the period of 2005-2007

Name	Unit of measurement	2007		2006		2005	
		Quantity	BGN thousand	Quantity	BGN thousand	Quantity	BGN thousand
Sunflower groats	ton	12 000	1 680	8 359	1 350	1 211	176
Rapeseed groats	ton	4 000	560	4 256	617		
Crude oil	ton	3 500	3 850	6 158	5 805	81	85
Refined oil	ton	8 000	10 000	3 491	4 337	3 788	4 367
Biodiesel	ton	13 000	15 600				
<b>Total</b>		<b>19 607</b>	<b>31 690</b>	<b>22 264</b>	<b>12 109</b>	<b>4 255</b>	<b>4628</b>



Grain storage facilities in Dobrich

Revenues from sales of goods for the period of 2005-2007

Name	Unit of measurement	2007		2006		2005	
		Quantity	BGN thousand	Quantity	BGN thousand	Quantity	BGN thousand
Wheat	ton	100 000	24 000	66 794	13 368	24 863	4 466
Barley	ton	30 000	6 600	4 211	758	10 029	2050
Corn	ton	50 000	12 000				
Sunflower	ton	27 000	12 960	33 837	13 131	25 747	11112
Rapeseed	ton	13 000	5 850	7 262	3 327		
SAN	ton	7 000	2 380	6945	2 078	3 354	916
Others			0		1 581		3 495
<b>Total</b>		<b>227 000</b>	<b>63 790</b>	<b>122 647</b>	<b>34 274</b>	<b>68 937</b>	<b>22 039</b>

During the last two years the company has invested BGN 7,000 thousand for modernization of the technical equipment, the technology and the buildings. As a result of the investments the manufacturing facilities have been modernized to a significant extent. The condition of the basic equipment of the company in terms of age is better than the average level for oil-yielding industry in the country.

“Sun Rays Bulgaria” Plc participates together with “Chimoil” in the construction of a plant for production of biodiesel in Provadiya with capacity of 100 000 tons biodiesel per year and a storehouse with capacity of 6 000 m<sup>3</sup> for biodiesel storing and 2 000 m<sup>3</sup> for storing of neutral vegetable oil – an investment amounting to EUR 15 600 thousand. In this respect, a contract was signed with “Desmet Balestra” Italy with a performance term till the end of 2006. “Desmet Balestra” is a leading company in Europe and worldwide in the field of engineering, production, assembly and putting into operation of equipment in oil yielding industry, as well as of equipment for production of biodiesel fuel.

By 2010 “Sun Rays Bulgaria” Plc will increase its market share and will possess:

- 25% of the market of oilseed (about 250 thousand tons)
- 20% of the market of bottled oil (about 15 thousand tons)
- 10% of the market of grains (about 500 thousand tons)

The main objectives, which the company strives to reach in short-term plan, are connected with:

- Expansion and development of the team carrying out the buying-in procedures throughout the country
- Introducing credit system for farmers, related to the rendering packages for growing oilseeds (including know-how, seeds, preparations, fertilizers, fuel, insurance, as well as establishing a team of agronomists, working together with the producers). The program will be performed together with Central Cooperative Bank PLC and IRJSC “Armeec”.
- Developing of an optimal logistic model, including modernization of the silos, as well as modernization of the automobile fleet. For that purpose the company bought from Mercedes Company 40 specially equipped lorries for transportation of grain and cistern
- Using the corridor Ruse – The Danube – Konstanta for transportation of freights together with “Bulgarian River Shipping” PLC

“Sun Rays Bulgaria” Plc successfully acquired the statute of a public company and listed its shares at the Bulgarian Stock Exchange – Sofia at the end of 2006, but active trading with securities is expected after finishing the consolidation of the company with “Grain Food” JSC, enlarging of the production, storage and trading with grains and the start of the production of biodiesel.





*Chimsnab Sofia*

### “Chimsnab” JSC

“Chimimport” PLC holds 97 000 shares (97%) of the share capital of “Chimsnab” JSC.

Chimsnab” JSC is situated in an attractive business zone of Sofia and disposes with own railway track, and has resources for loading and unloading, and other activities related to handling of load and goods. The company has its own terminal for treatment of liquid chemicals, including their packaging. “Chimsnab” JSC disposes with equipment for production of water dispersion paints, and production line for liquid chemical products (antifreeze, liquid for windscreen wipers, etc.). On the territory of “Chimsnab” JSC are also functioning a repair-station (“Transintercar” –ISO-9001 certified), petrol station, pasta producing factory and other smaller production and packing facilities.

The real estates of the company are approximately 68 decares in “Iliyantsi” district, 22 decares of which - covered storage area -approximately 30 massive buildings, mainly leased by more than 50 firms-tenants. The company disposes with the necessary permits and licenses from the authorized bodies for warehouse and production activities. The plans of the company for the immediate realization include the construction in 2007 of base for storing petrol, methane and gas, which is the process of designing.

### „Sports Center Varna” JSC

„Sports Center Varna” JSC was established on May 26th, 2005. The registered capital of the company is BGN 34 575 000, divided into 34 575 personal shares with a voting right, with nominal value – BGN 1000.

Shareholders of Sports Center Varna” JSC are “Chimimport” Plc and Varna Municipality. “Chimimport” PLC owns 65% ( 22 474 shares) Of the company capital.

Upon its establishment in 2005 „Sports Center Varna” JSC acquired various real properties as an installment in kind to the capital:

- Varna Stadium with an area of 69 300 sq. m. and affiliated building on its territory;
- Terrains with a total area of 54 000 sq. m.;
- Affiliated parking lot for public use with a total area of 18 405 sq.m.;
- Indoor swimming pool, being a building with a built-up area of 3 900 sq. m. consisting of four levels;
- Sports hall with a built-up area of 1 467 sq. m. and land with an area of 4 000 sq. m.;

In 2005 "Sports centre Varna" JSC acquired through tender bidding the sports centre "Korabostroitel", consisting of:

- Regulated Land Property with total area of 51 400 sq.m.;
- Football grounds with area of 24 300 sq.m.;
- Facilities, equipment , installations and infrastructure, affiliated to the property.

The company follows an ambitious investment program including the building up of modern sporting-entertainment facilities on the territory of the city of Varna. For this purpose, the basic preliminary works as cadastral mapping and preparation of a digital cadastre of "Sports Centre Varna", geodesic and geologic surveys of terrain have already been completed. The company plans to reconstruct and modernize the existing sports facilities, to build up new additional sports and hotel facilities and to develop modern sports activity.

„Sports Center Varna" JSC is in the advanced stages of a construction program on the construction of entirely new football stadium according to the FIFA standards, SPA Center, field-and-track path 60 and 100m, tennis courts, recreation centers, swimming pools, and other sports facilities. The competition for designing the sports complex was won by the worldwide famous design company GMP International GmbH. The outlook of the new complex will be similar to a complex of that type in Koln, Germany and it will be in complete harmony with the free spaces in the sea capital.



*Sports Center Varna JSC  
swimming pool*

*Sports Center Varna JSC  
Varna Stadium*



*Future Project  
Sports Center Varna JSC  
drawn up by GMP International GmbH*



### Accounting Company "Chimimport Consult" Ltd

"Chimimport" PLC holds 59% (110 861 shares) of the capital of Accounting Company "Chimimport Consult" Ltd.

The main subject of activity of the Company includes providing accounting services to "Chimimport" PLC and the subsidiary companies of the holding, as well as to internal clients.

The company prepares budgets, analysis and forecasts for the needs of the holding, and carries out an overall control over the financial flows of the companies within the group.

The company prepares the tax plans and maintains tax protection of "Chimimport" PLC and its subsidiary companies.



Central office of  
Brand New Ideas Ltd in Sofia

### "Brand New Ideas" Ltd

"Brand New Ideas" Ltd is a marketing communications agency, established in 2003. The scope of activity of the company includes: commissioning and intermediation activities, commercial representation, commercial-impresario activities, advertising, publishing and distribution activities, organizing and conducting competitions, fashion shows, brands presentations, promotions, press-conferences, conferences and seminars, marketing, consulting, intellectual property transactions.

The registered capital of the company is BGN 5 000, of which "Chimimport" Plc owns 100%.

"Brand New Ideas" Ltd offers the following services to its clients:

- Strategic planning;
- Creative solutions;
- Design;
- Media planning and purchase;
- Carrying out advertising campaigns;
- Public relations.

The combination of provided services enables the company to assume and perform overall campaigns for creating, promoting and strengthening the positive image of brands and products.

The philosophy of "Brand New Ideas" is to engage itself with the overall activities for image establishment of each brand and product by combining the strong sides of the

different marketing communication channels in order to achieve the set goals. At present the main clients of the agency are companies, within the structure of "Chimimport" Plc. The company is engaged with the branding of "Chimimport" Plc, and with the branding of the products and services provided by the companies included in the holding structure. Some of "Brand New Ideas" Ltd clients are:

- "Central Cooperative Bank" PLC;
- Insurance & Reinsurance Joint-Stock Company "Armeec";
- "Hemus Air" JSC;
- "Bulgaria Air";
- "Oil and Gas Exploration and Production" Plc;
- "Sun Rays Bulgaria" Plc;
- "Mlechen pat" JSC;
- "St. St. Konstantin & Elena resort";
- Pension Insurance Fund "CCB Sila" and Pension Insurance Company "Saglasie".

The specificity of the product profiles of the company clients requires development of different marketing strategies for various markets. This allows "Brand New Ideas" Ltd to create a team with professional knowledge in various markets, which will help the agency to become one of the biggest marketing companies on the market.

#### "Chimimport Lega Consult" Ltd

"Chimimport Lega Consult" Ltd was established in 2002 with scope of activity: consulting activity in the field of legal services, management, finance, investments, privatization, intellectual property, contractual and commercial relations analysis, commercial agency and representation of local and foreign individuals and entities, carrying out research and analysis of the statute, property, organization, structure and the general condition of commercial and other legal entities, and preparation of optimization projects.

The registered capital of the company is BGN 5 000. Shareholders in "Chimimport Lega Consult" Ltd are: "Chimimport" Plc – 70% and physical persons – 30%. At present 9 individuals work for the company, 7 persons of which are lawyers with significant experience in the field of corporative, obligation, real rights, tax, administrative, procedure and international civil law, speaking fluently English, French, Arabian and Russian.

The company is specialized in providing a wide range of legal services and consultations to companies within the structure of "Chimimport" Plc, and to other Bulgarian and foreign legal entities, namely:

- establishment and registration of commercial enterprises, consortiums, holdings, branches and commercial representative offices of foreign companies, registration and changes regarding the registration, representation before the respective competent Bulgarian authorities and bodies, acquisition (including through privatization), reorganizing and restructuring of commercial companies, preparation of collective and individual labor contracts and providing consulting services related to social security;
- Preparation of all kinds of commercial and civil contracts and providing court and legal defense in relation to their fulfillment failure, including compulsory

execution within the respective legal proceedings;

- Purchase and sale of real estates, legal defense related to the ownership right and the limited property rights;
- Rendering of consulting services in the field of energy and extraction industry, including preparation of various agreements and documents related to participation in competitions for beneficiaries of permits for research and exploration of ores and minerals, and for assigning concessionaires for extracting ores and minerals; preparing all necessary agreements and documents for participation in public procurements for accompanying activities to the research, exploring and extracting of ores and minerals; preparation of legal analysis on environmental issues, and providing legal statements on industrial projects in regard to their impact on the environment;
- Legal defense against individual administrative acts non-compliant with law, as well as against penalty ordinances, issued under the the Law on administrative violations and punishments; representation before the respective tax authorities and defense against non-compliant with law acts of the tax administration;
- Representation before the national and international courts and courts of arbitration, preparation and participation in a court trial, rendering of legal assistance in the proceedings for recognition and admissibility of the performance of decisions made by foreign courts on the territory of the Republic of Bulgaria.

The rest of the commercial companies, owned by "Chimimport" PLC are mainly inherited from the period before its privatization. The former Directorates of the foreign trade company "Chimimport" PLC are now allocated as separate commercial companies. The participation of "Chimimport" PLC in their capital is consolidated in "Chimimport Group" JSC. The main scope of activities of these companies is trade with chemicals and mineral fertilizers; distribution of pharmaceutical product for human and veterinary medicine; rendering of storage and logistic services and etc.

### „Bulchimex“ Ltd

„Bulchimex“ Ltd was established in 1981 as a limited liability company with share capital of DM 500 thousand. In 1988 the capital was increased to DM 2 500 000. Since 2005 the headquarters of „Bulchimex GMBH“ has been in Frankfurt am Main having a branch in Mulheim am Main.

„Bulchimex GMBH“ was established as a trade company, and its and its main activity is import and sale of Bulgarian chemical products in Germany, export of chemical and other products to Bulgaria, as well as re-export and agency. The import in Germany is provided mainly through barges along the Danube through the storage base in Degendorf. The main goods are fertilizers, synthetic rubber and plastics, in reexporting activity – crude oil, diesel fuel, ammonia nitrate.

The main part of the company activity is still the developing and sustaining the relationship with foreign partners of “Chimimport” PLC. “Bulchimex GMBH” continues to be the leading unit of the structure of the Holding, which initiates contacts and keeps in touch with foreign contractors.

After 2000 the company carried out multiple and significant contacts, related to financing of various projects of “Chimimport” PLC. The main banks, with which “Bulchimex GMBH” is in contact are Ost-West Handelsbank, Hiloferainsbank, Drezdener Bank and Deutsche Bank.

A considerable part of company’s activity is occupied with the real estates deals.

#### Main Financial Indicators

Indicator	2006	2005	2004
Assets	9,035	9,342	9,553
Tangible Fixed Assets	6,756	6,853	6,968
Short-term Assets	2,279	2,489	2,585
Stock	211	351	634
Short-term Investments	792	792	1,845
Funds	11	32	106
Fixed Capital	2,500	2,500	2,500
Equity	2,560	2,546	2,576
Short-term Liabilities	5,221	5,464	5,572
Net Revenues from Sales	11,439	25,075	4,943
Total Revenues	11,461	25,729	4,955
Total expenditures	11,407	25,679	4,846
Gross Profit	54	50	109
Net Profit	19	22	82

In conclusion, we would like to ensure all future shareholders of "Chimimport" PLC, that the subsidiary companies of the Holding will continue their ascending development with the aim of preserving and enlarging the conquered market positions.

In the financial sectors – the expansion of the offered services, by creating of life-insurance and health-insurance companies, establishing mutual funds and developing the companies with special investment purpose.

In transport – modernization and development of "Bulgarian River Shipping" PLC, development of Varna towage company, construction of port terminals on the River Danube and the Black Sea, development of shipbuilding and ship-repairing activity, purchase of sea vessels for loose and liquid freights.

The development of the aviation business and construction of modern and certified air technical maintenance base for performing occasional and heavy repairs of the aircraft, participation in concessions for the airports in Bulgaria.

In production – enlarging the capacity of the petrol refinery near Dolni Dabnik, increasing the oil and natural gas extraction, working out of new fields in the concession areas; raising the production of crude and refined vegetable oils, biodiesel and construction of facilities for production of bioethanol, development of the production equipment for grain processing.

In trade – development of the distribution network for domestic placement and the network of foreign clients for entering new markets. Establishing joint companies with Bulgarian and foreign partners in the fields of common interest.

Development of "Chimimport" PLC and its subsidiary companies through restoring and establishing new branches and representative offices in countries, where we have had developed steady relations or which represent potential market for development.

*By the Management Board of "Chimimport" PLC*

## Interim Consolidated Report

As it is obvious from the table below, based on the interim consolidated report as of 31.12.2006, "Chimimport" PLC registers positive growth in its financial indicators and at the same time keeps the tendency of the previous periods.

"Chimimport" PLC's objectives are to continue its growth by minimum 15% in the future years in the market segment, in which the corresponding division of the holding operates.

Indicator	2006	variation %	2005	variation %	2004
Assets	1 685 812	50.78%	1 118 055	41.01%	792 882
Fixed Assets	224 993	49.81%	150 187	32.10%	113 693
Tangible Fixed Assets	571 782	37.36%	416 269	200.37%	138 584
Short-term Assets	889 037	61.17%	551 599	2.03%	540 605
Stock	28 411	29.43%	21 951	25.16%	17 539
Short-term Investments	356 442	54.18%	231 184	8.88%	212 321
Short-term receivables	137 973	102.16%	68 251	32.59%	51 475
Funds	366 211	59.07%	230 213	-11.21%	259 270
Fixed Capital	130 000	116.67%	60 000	200.00%	20 000
Equity	331 669	40.54%	236 001	74.21%	135 470
Short-term Liabilities	918 382	14.55%	801 699	39.25%	575 727
Net Revenues from Sales	283 969	145.58%	115 632	29.62%	89 206
Total Revenues	520 871	46.85%	354 700	1171.60%	27 894
Total Expenditures	459 840	42.95%	321 670	2012.08%	15 230
Gross Profit	61 031	84.77%	33 030	-4.79%	34 693
EBITDA	53 706	511.89%	8 777	-59.20%	21 514
Net Profit	55 123	83.69%	30 008	-0.93%	30 289

Since 1997 Bulgaria has been under Currency Board System. The Bulgarian Lev was pegged to the Deutsche mark (DEM) and subsequently to the Euro. Currently the exchange rate is fixed by the Bulgarian national bank at €1 = BGN 1.95583.





## Report by the independent auditor

To the Shareholders  
Of "Chimimport" PLC

City of Sofia

## Report Considering the Financial Statements

We audited the enclosed financial reports of "Chimimport" PLC, which include: Balance Sheet as of 31 December 2006 and Statement of the revenues, Statement of the changes in the capital and Statement of the cash flow for the closing year, and the relevant appendixes. In order to gain a complete view on the financial situation, the financial performance and the cash flows of the company, the readers of this report should introduce themselves with the enclosed financial report, drawn up by the management of the company.

### *Responsibility of the management of the company*

The Management body of the company is responsible for drawing up the financial report, truly revealing the financial position, the financial performance and the cash flows of the company, in compliance with the International Financial Reporting Standards (IFRS), accepted by the EU and the national accounting regulations. This responsibility includes:

- Organization and applying internal control, in order to prevent and detect frauds and faults;
- Choice and applying accountancy policies, which correspond to the IFRS and are suitable at the given circumstances
- To make the necessary accountancy estimations, including the considerable presuppositions, on which they are based.

### *Responsibility of the auditor*

Our responsibility includes that, based on the experience we have, to express our opinion on this financial report. We performed the audit in compliance with the International Audit Standards. These standards require that we should plan and perform the audit in such a way, so that we should obtain acceptable, but not absolutely certainty regarding that whether the financial report contains considerable mistakes, due to fraud or not. Each Audit includes:

- Understanding of the company's activity and the operating environment in order to estimate the risks of considerable omissions and faults in the financial report and determine and carry out the further audit procedures, aiming at acting against the risks;
- Receiving evidence, supporting the amounts and statements in the financial report through text or other procedures;

- Estimation of that, to what extent the chosen and applied accountancy policy is suitable;
- Estimation of the reasonability of the considerable presuppositions;
- Evaluation of the general representation of the information in the financial audit and the statements.

In each audit of a financial report, the auditor gains understanding regarding the control within the company as a base for determining the type, time and size of the audit procedures, but not with the purpose to obtain enough information base for expressing opinion, regarding the structure and effectiveness of such internal control.

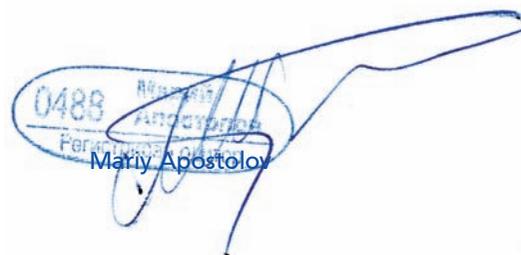
We believe that we have gained enough appropriate information and evidence in order to be able to express our opinion regarding the financial report.

*Our opinion*

According to our opinion, the financial report gives truthful and honest idea for the financial status of the company as pf 31 December 2006 and the financial performance and the cash flows for the closing year at that time, in compliance with the International Financial Reporting Standards (IFRS), accepted by the EU and the national accounting regulations.

Specialized Audit Company

Registered Auditor



Date: 1 March 2007  
City of Sofia

Grant Thornton Ltd.  
54 William Gladstone Str.  
1000 Sofia  
T (02) 987 28 79, 980 64 08  
F (02) 980 48 24  
E office@gtbulgarie.com  
W www.gtbulgarie.com

Member  
of Grant Thornton International

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Balance Sheet

	Note	2006 BGN thousand	2005 BGN thousand
<b>Assets</b>			
<b>Fixed Assets</b>			
Property, machinery, equipment	5	20 074	13 025
Intangible fixed assets	6	495	737
Investment property	7,8.1	1 253	1 331
Investment in subsidiary companies	9	151 995	125 267
Investment in associated enterprises	10	27 935	24 364
Long-term financial assets	11	30 072	8 207
Long-term receivables	12	11 691	6 003
		<b>243 515</b>	<b>178 934</b>
<b>Short-term Assets</b>			
Stock	13	302	1 057
Receivables from related parties	36,1	17 492	11 167
Short-term financial assets	14	1 864	1 691
Rendered loans	15	11 348	23 625
Trade receivables	16	4 315	3 345
Court and adjudicated receivables	17	145	145
Other receivables	18	8 282	4 242
Funds	19	26 392	10 583
		<b>70 140</b>	<b>55 855</b>
<b>Total assets</b>		<b>313 655</b>	<b>234 789</b>

Drawn up by: \_\_\_\_\_

Date: 01 March 2007

Executive Director: \_\_\_\_\_

Certified by: \_\_\_\_\_

0488  
 Регистров одитор  
 Регистров одитор



## Equity

Equity	Note	2006 BGN thousand	2005 BGN thousand
Share capital	20.1	130 000	60 000
Unpaid capital	20.1	-	( 2 082)
Installments for increase in share capital		-	58 916
Premium from emission	20,2	32 925	-
Other reserves	20.3	7 125	7 596
retained earnings		36 709	14 254
Current financial result		29 236	22 454
<b>Total Equity</b>		<b>235 995</b>	<b>161 138</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Long-term bank loans	21	1 723	4 062
Long-term trade liabilities	22,8.2	8 502	7 265
Long-term payables to related parties	36.2	7 760	-
Deferred tax liabilities	23	539	825
		<b>18 524</b>	<b>12 152</b>
<b>Current liabilities</b>			
Short-term payables to related parties	36.3,36.4	21 860	27 131
Short-term bank loans	24	10 339	7 339
Trade Liabilities	25,8.2	7 773	15 786
Tax Liabilities	26	1 895	137
Payables to the personnel and Insurance institutions	27.1,27.2	524	21
Other Liabilities	28	16 745	11 085
		<b>59 136</b>	<b>61 499</b>
<b>Total liabilities</b>		<b>77 660</b>	<b>73 651</b>
<b>Total equity and liabilities</b>		<b>313 655</b>	<b>234 789</b>

Drawn up by: \_\_\_\_\_ Executive Director: \_\_\_\_\_

Date: 01 March 2007

Certified by: \_\_\_\_\_



Statement of the incomes

2005		BGN thousand	BGN thousand
Gains from transactions with financial instruments	29	18375	28 931
Losses from transactions with financial instruments	30	(111)	(7 367)
<b>Net results from transactions with financial instruments</b>		<b>18 264</b>	<b>21 564</b>
Interest Income	31	3 663	4 349
Interest Expense	31	(3 116)	(6 309)
<b>Net interest Income (expense)</b>		<b>547</b>	<b>(1 960)</b>
Gain from change in the currency rate		1 315	2 643
Losses from change in the currency rate		(97)	(3 978)
<b>Net results from change in the currency rate</b>		<b>1 218</b>	<b>(1 335)</b>
Other financial income, net		19	283
Incomes from operating activity	32	15 552	16 896
Expenses from operating activity	33	(4 760)	(12 398)
<b>Net result from operating activity</b>		<b>10 792</b>	<b>4 498</b>
<b>Result for the period before tax</b>		<b>30 840</b>	<b>23 050</b>
Tax expense, net	34	(1 604)	(596)
<b>Net result for the period</b>		<b>29 236</b>	<b>22 454</b>
<b>Earnings per share</b>	<b>35</b>	<b>0.28</b>	<b>0.48</b>

Drawn up by: \_\_\_\_\_

Date: 01 March 2007

Executive Director: \_\_\_\_\_

Certified by: \_\_\_\_\_



## Statement of the cash flows

	Note	2006 BGN thousand	2004 BGN thousand
Cash receipts from short-term loans		128 561	290 476
Payments on short-term loans		(122 405)	(256 229)
Acquisition of short-term financial assets		(3 779)	(17 109)
Cash receipts from sale of short-term financial assets		1 740	11 896
Cash receipts from clients		6 102	19 942
Cash paid to suppliers		(1 897)	(9 138)
Cash flows from changes in the currency rate		1 339	(182)
Cash receipts from interests		1 885	1 217
Cash paid for interests		(2 078)	(52)
Cash paid to the personnel and insurance institutions		(227)	(203)
Cash paid for taxes		(197)	(46)
Other cash flow paid for operative activity		(123)	(316)
Other cash receipts from operating activity		1 594	1 375
<b>Net cash flow from operating activity</b>		<b>10 515</b>	<b>41 631</b>
<b>Cash flow from investing activities</b>			
Acquisition of long-term assets		(3 909)	(172)
Proceedings from sale of long-term assets		214	292
Acquisition of participation in subsidiary companies		23 761	30 717
Other cash flow paid for investing activity	-	(2 030)	
Other cash inflow from investing activity		2 412	4 370
<b>Net cash flow from investing activity</b>		<b>(25 044)</b>	<b>(28 257)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuing of shares		46 418	-
Proceeds from loans		23 821	3 797
Payments for loans		(32 042)	(9 158)
Payments for financial leasing		(1 475)	-
Payments for interests		(6 718)	(1 033)
Other cash flow paid for financing activity		(204)	(369)
Other cash inflow from financing activity		538	365
<b>Net cash flow from financing activity</b>		<b>30 338</b>	<b>(6 398)</b>
<b>Cash at the beginning of the period</b>		<b>10 583</b>	<b>3 607</b>
<b>Net increase of cash</b>		<b>15 809</b>	<b>6 976</b>
<b>Cash at the end of the period</b>	19	<b>26 392</b>	<b>10 583</b>

Drawn up by: \_\_\_\_\_

Date: 01 March 2007

Executive Director: \_\_\_\_\_

Certified by: \_\_\_\_\_

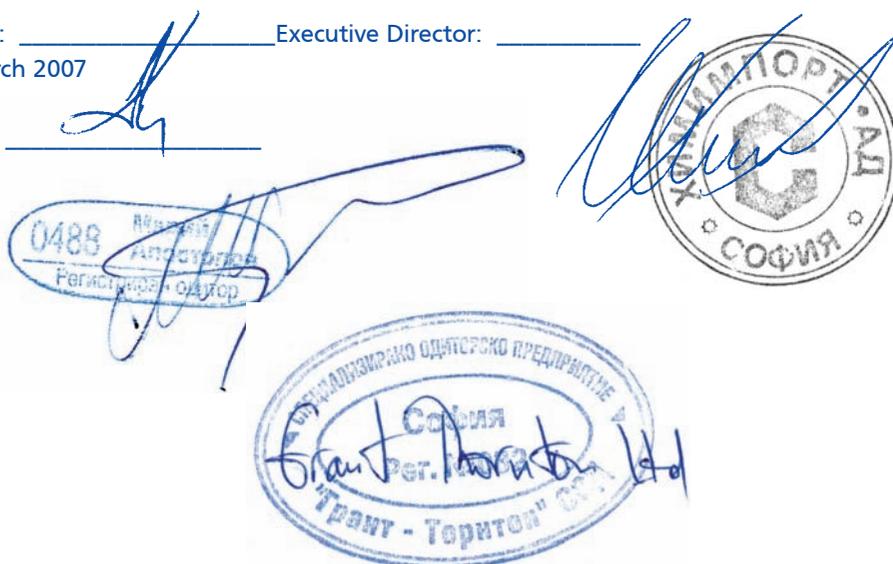
## Statement of change in equity

All amounts in BGN in thousand	Share capital	Unpaid capital	Installments for increase in share capital	Premium from emission	Other reserves	Financial result	Total equity
Balance as of 1 January 2005	20 000	-	37 916	-	7 612	14 303	79 831
Increase in the share capital	40 000	(2 082)	(37 916)	-	-	-	2
Installments for increase in share capital	-	-	58 916	-	-	-	58 916
Net result for the period	-	-	-	-	-	22 454	22 454
Other changes in equity	-	-	-	-	(16)	(49)	(65)
	-	-	-	-	-	-	-
Balance as of 31 December 2005	60 000	(2 082)	58 916	-	7 596	36 708	161 138
Balance as of 1 January 2006	60 000	(2 082)	58 916	-	7 596	36 708	161 138
Installments for increase in share capital	58 916	2 082	(58 916)	-	-	-	2 082
Public emission	11 084	-	-	32 925	-	-	44 009
Net result for the period	-	-	-	-	-	29 236	29 236
Grants	-	-	-	-	(470)	-	(470)
Other changes in equity	-	-	-	-	(1)	1	-
Balance as of 31 December 2006	130 000	-	-	32 925	7 125	65 945	235 995

Drawn up by: \_\_\_\_\_ Executive Director: \_\_\_\_\_

Date: 01 March 2007

Certified by: \_\_\_\_\_



## Interim Consolidated Report

As it is obvious from the table below, based on the interim consolidated report as of 31.12.2006, "Chimimport" PLC registers positive growth in its financial indicators and at the same time keeps the tendency of the previous periods.

"Chimimport" PLC's objectives are to continue its growth by minimum 15% in the future years in the market segment, in which the corresponding division of the holding operates.

Indicator	2006	variation %	2005	variation %	2004
Assets	1 685 812	50.78%	1 118 055	41.01%	792 882
Fixed Assets	224 993	49.81%	150 187	32.10%	113 693
Tangible Fixed Assets	571 782	37.36%	416 269	200.37%	138 584
Short-term Assets	889 037	61.17%	551 599	2.03%	540 605
Stock	28 411	29.43%	21 951	25.16%	17 539
Short-term Investments	356 442	54.18%	231 184	8.88%	212 321
Short-term receivables	137 973	102.16%	68 251	32.59%	51 475
Funds	366 211	59.07%	230 213	-11.21%	259 270
Fixed Capital	130 000	116.67%	60 000	200.00%	20 000
Equity	331 669	40.54%	236 001	74.21%	135 470
Short-term Liabilities	918 382	14.55%	801 699	39.25%	575 727
Net Revenues from Sales	283 969	145.58%	115 632	29.62%	89 206
Total Revenues	520 871	46.85%	354 700	1171.60%	27 894
Total Expenditures	459 840	42.95%	321 670	2012.08%	15 230
Gross Profit	61 031	84.77%	33 030	-4.79%	34 693
EBITDA	53 706	511.89%	8 777	-59.20%	21 514
Net Profit	55 123	83.69%	30 008	-0.93%	30 289



