



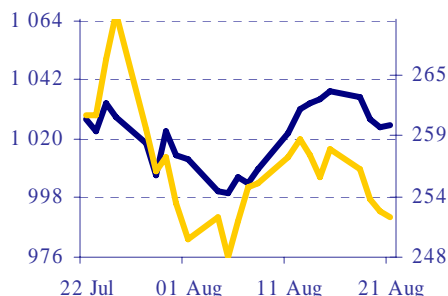
18 – 22 AUGUST 2008

MARKET WRAP-UP

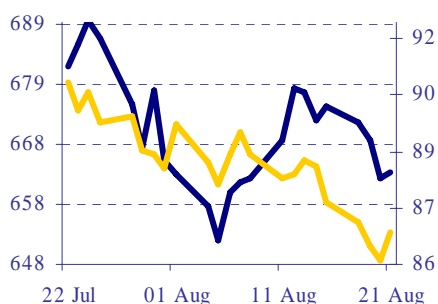
Poor liquidity last week forced SOFIX (1025.54 points, -1.2% WoW), BG40 (252.34 points, -2.20% WoW) and BGTR30 (664.14 points, -1.6% WoW) to slip down, while BGREIT remained unchanged at 87.57 points. The consolidated financial reports of Doverie Obedinen Holding (5DOV, BGN 6.76, +18.20% WoW) pushed the issue to the week gainers place, as a lot of buyers appeared without finding adequate supply at current market levels. Currently, we continue to believe that the market will fluctuate in a tied price range with a quite low liquidity, due to the holiday season and the awaiting of the H1 2008 consolidated reports releases.

NEWS HIGHLIGHTS

- **Fitch** confirmed Bulgaria's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'BBB' and 'BBB+', respectively, both with Negative Outlooks.
- **Kremikovtzi [4KW]:** The government plans to reclaim on Sep 8th a state aid of over BGN 430m to the steelmaker. Combined with the outstanding payments to various state-owned suppliers, the total claim could reach BGN 900m. Separately, the bondholders filed an appeal against the court decision rendering void the collateral of the company's €25m bond issue.
- **Unemployment** was 5.96% in July, down 0.1% MoM and 1.28% YoY.
- A new legislation on **consumer loans** will remove penalties in the case of early repayments, in line with an EU directive.
- A total of 4 300 new **building permits** were issued in Q2 in Bulgaria, up 20% QoQ, but down 7% YoY.
- The number of passengers at **Sofia airport** grew 17% YoY in July. London was the top destination with 41 000 passengers.
- A Dutch-registered SPV of **Chimimport [6C4]** placed privately a €65m exchangeable bond maturing in seven years with a 7% fixed interest. The amount payable at maturity (August 22, 2015) would be 118.9% of the face value. Chimimport has the right to issue an additional €15m of bonds.
- A subsidiary of **Chimimport [6C4]** is to be elected as a new member of **Neochim's [3NB]** board of directors at an extraordinary general shareholders' meeting on September 26.
- As of July 31st, **Agro Finance REIT [6AG]** investment portfolio reached 8 736 hectares of agricultural land, up 32.2% YtD. The average acquisition price (all costs included) was BGN 2 453.70 per hectare.
- The **local REITs investing in arable land** have accumulated 71k ha in their portfolios, shows the latest data. The three biggest, Elana Agricultural Land Opportunity Fund [4EC], Advance Terrafund [6A6] and Agrofinance [6AG], own 86% of the total land portfolio with 28k ha, 24k ha and 8.7k ha, respectively.
- **Monbat [5MB]** management approved a 115k shares buyback.
- Trade in **Arco Towers REIT [5SV]** rights to start on Aug 25th. The company offers 130k shares at an issue price of BGN 113.



— SOFIX (left) — BG40 (right)



— BGTR30 (left) — BGREIT (right)

Change	SOFIX	BG40	BGTR30	BGREIT
1-wk	-1.2%	-2.2%	-1.6%	0.0%
3-mo	-18.1%	-27.6%	-21.4%	-8.8%
YtD	-41.0%	-51.1%	-38.8%	-16.4%
12-mo	-33.9%	-37.2%	-33.6%	-12.4%

Top Gainers*

Doverie-Obedinen Holding [5DOV]	18.2%
Billboard [5BP]	8.0%
Kapitan Diado Nikola [3KN]	4.2%

Top Losers *

M+S Hydraulic [5MH]	-9.7%
Toplivo AD [3TV]	-6.5%
Central Cooperative Bank [4CF]	-6.2%

* from our list of selected stocks (see last page)

Turnover statistics

Week 34

Weekly volume (shares)	19 727 444
Avg. weekly volume YtD	11 872 947
Weekly turnover (BGN)	14 641 085
Avg. weekly turnover YtD	56 260 021

Source: Bulgarian Stock Exchange

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FIXED INCOME AND MACRO DATA

Most recent macro data	
BGN/EUR Exchange rate	1.95583
Inflation (HICP, YoY July)	14.4%
Inflation (HICP, cumulative 2008)	7.2%
GDP Growth (YoY Q2 2008)	6.3%
Unemployment (July 2008)	5.9%
Public External Debt/GDP (June '08)	9.6%
FDI Jan-June '08 (EUR)	2.1bn
C/A Deficit/GDP (Jan-June '08)	-11.5%

Source: BNB; NSI; National Employment Agency

Type	Coupon	Maturity	Currency	Yield (%)
Treasuries	3.75%	16-Feb-10	BGN	NA
Treasuries	4.75%	11-Feb-11	BGN	NA
Treasuries	5.20%	04-Feb-14	BGN	NA
Eurobonds	8.25%	15-Jan-15	USD	NA
Sofibor		Overnight (ON)	BGN	5.33
Sofibor		3-month	BGN	7.31
Sofibor		12-month	BGN	8.68
Base Interest Rate			BGN	5.25

Source: BNB; UBB

NEWS IN THE SPOTLIGHT
Bulgarian Stock Exchange
BSE Replaces 7 Companies in the BGTR30 Index

The board of directors of BSE-Sofia decided to change the companies participating in the BGTR30 equally-weighted index, created on 3 September 2007 with a base level of 1 000 points. The change will be effective as of 23 September 2008.

Companies removed from BGTR30:	New companies in BGTR30:
Holding Varna [5V2]	Holding Roads [6H2]
M+S Hydraulic [5MH]	Enemona [E4A]
Petrol [5PET]	Zarneni Hrani Bulgaria [T43]
Plovdiv Yuri Gagarin BT [4PX]	Moststroy [5MY]
Polimeri [51P],	Lead and Zinc Complex [5OTZ]
Central Cooperative Bank [4CF]	Sparky Eltos [SL9]
Bulgaria Real Estate REIT [5BU]	Trace Group Hold [T57]

Source: Profit.bg

FINANCIAL RESULTS
Doverie United Holding [5DOV]

Doverie United Holding net income grows 8.1% YoY in H1 2008... [\(more\)](#)

Billboard [5BP]

Strong top-line growth and improved net profitability in H1 ... [\(more\)](#)

Stara Planina Hold [5SR]

Stara Planina Hold net income in H1 down 10% YoY... [\(more\)](#)


SELECTED STOCKS INDICATORS
All figures in BGN (BGN/EUR rate fixed at 1.95583)

Ticker	Company Name	Average (Friday)	WoW%, avg	WoW%, close	YTD change %	Weekly Turnover	Market cap	PE (TTM)	PS (TTM)	PB (MRQ)	Dividend Yield
A72	Agria Group Holding	8.11	-4.0%	-4.0%	-10%	69 128	55 148 000	13.7	0.8	1.5	0.0%
6AB	Albena AD	68.5	-2.1%	-2.1%	-42%	13 154	292 709 131	14.3	2.7	1.0	0.7%
6AM	Alcomet	5 351	-4.3%	0.2%	-68%	171 420	96 066 284	45.1	0.4	1.4	0.0%
6A6	Advance Terrafund	1 861	-1.5%	-2.1%	-8%	397 225	81 988 324	3.6	3.1	1.0	0.0%
5BN	Bulgarian American Credit Bank	57 756	-2.8%	-1.1%	-27%	461 875	729 153 617	12.3	8.5	4.3	2.6%
53B	Biovet	8.3	3.8%	3.8%	-51%	10 571	56 302 037	284.4	0.5	1.0	0.0%
55B	Blagoevgrad BT	73	2.8%	2.8%	-19%	28 521	197 291 698	21.7	1.0	1.0	6.8%
5BP	Billboard	5 646	8.0%	9.9%	55%	36 460	84 690 000	12.2	2.4	3.6	0.0%
5BU	Real Estate Fund Bulgaria	1.5	0.0%	0.0%	-28%	188 513	90 675 000	2.5	2.0	0.8	1.7%
57B	Bulgartabac Holding	30	0.0%	0.0%	-3%	-	221 016 660	n.m.	0.6	0.7	2.7%
4CF	Central Cooperative Bank	3 606	-6.2%	-6.4%	-66%	166 251	299 857 262	16.1	2.8	1.4	0.0%
6C4	Chimimport	8.477	-2.6%	-3.0%	-45%	1 017 012	1 271 549 864	9.1	1.1	1.9	0.0%
6C9	Corporate Commercial Bank	90.69	-0.3%	0.3%	-6%	252 644	544 140 000	16.8	8.1	3.1	0.0%
5DOV	Doverie-Obedinen Holding	6 735	18.2%	18.6%	-53%	355 383	94 331 036	8.3	0.5	0.7	0.0%
4EC	Elana Agricultural Land Opportunity Fund	1 944	2.3%	2.6%	-12%	193 890	116 087 680	2.6	2.0	0.9	0.0%
SL9	Sparky Eltos	8 198	-0.1%	-0.1%	-50%	27 661	137 196 153	10.8	1.5	1.4	0.0%
E4A	Enemona	17.1	-2.7%	-2.7%	2%	136 868	204 064 560	12.2	1.9	2.6	0.0%
4EH	Eurohold Bulgaria	4.801	-1.0%	-1.0%	-30%	177 961	300 051 150	2.4	1.0	1.5	0.0%
5IC	EuroIns Insurance AD	7 106	-1.3%	-1.4%	-57%	132 869	71 059 943	20.9	0.9	3.4	0.0%
5F4	First Investment Bank	5 807	0.1%	0.2%	-50%	921 176	638 770 000	11.4	3.0	1.8	0.0%
4F6	Fazerles	131 191	-4.9%	-3.6%	-58%	18 837	67 563 365	12.2	2.2	3.3	0.8%
6H2	Holding Roads	17.253	0.0%	0.0%	-13%	14 633	529 184 016	37.0	3.5	10.3	0.0%
4ID	Industrial Holding Bulgaria	5.969	-1.3%	-0.8%	-47%	45 782	261 183 939	13.4	1.1	1.4	0.0%
6K1	Kaolin	7 211	-5.1%	-5.9%	-59%	143 899	180 275 000	16.1	1.4	1.6	4.2%
3KN	Kapitan Diado Nikola	40	4.2%	4.2%	-79%	1 053	14 761 240	143.3	0.3	0.5	0.0%
5MH	M+S Hydraulic	6 45	-9.7%	-9.7%	-53%	32 635	83 968 680	17.9	1.0	2.4	1.4%
5MB+	Monbat	11 501	3.8%	3.8%	-25%	680 267	448 539 000	17.7	2.4	4.5	1.6%
3NB	Neochim	82 875	2.1%	2.2%	8%	41 810	219 979 919	6.4	0.9	1.9	0.6%
5ODE	Shiprepair Yard Odessos	235	0.0%	0.0%	-24%	3 585	137 860 870	16.1	3.0	2.6	0.9%
5ORG	Orgachim	174	-4.9%	-4.9%	-73%	97 209	87 489 810	25.3	0.6	1.2	0.0%
5OTZ	Lead and Zinc Complex	28 308	-1.0%	-2.1%	-69%	270 109	238 155 204	166.2	1.2	3.4	0.0%
5PET	Petrol	9.269	-2.4%	-4.7%	76%	22 060	1 012 634 542	n.m.	0.7	10.6	0.0%
6S7	Synergon Holding	6.844	-0.1%	-2.2%	-53%	236 608	125 647 963	10.7	0.3	0.5	1.2%
3JR	Sophama	4.494	-0.6%	-1.1%	-50%	73 437	593 208 000	20.6	1.5	2.5	1.1%
3TV	Toplivo AD	15 421	-6.5%	-6.3%	-47%	84 802	83 532 920	9.5	0.3	0.6	0.0%

Note: Figures based on Q1 2008 TTM consolidated results; PS ratio for banks (BACB, BRIB, FIB, CORP and CCB) based on total operating income, PS on EuroIns Insurance (BSE ticker: EURINS) - based on gross premium income, PS on Chimimport includes both financial and non-financial revenues

* Figures are based on unconsolidated data; Dividend Yield in blue based on 2006 DPS.

Figures in bold are calculated based on H1 2008 TTM consolidated results.



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