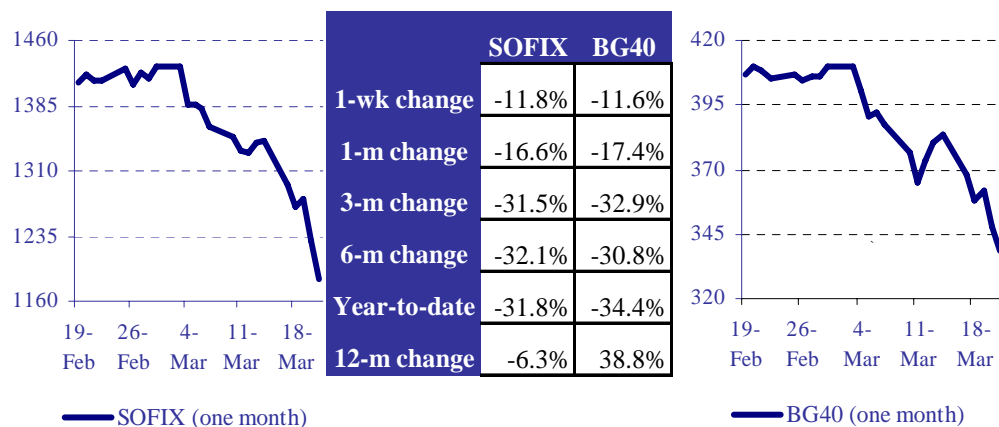




**MARKET WRAP-UP**

Liquid companies suffered the most last week as aggressive sales drove First Investment Bank (FIB) 18.6% WoW down to BGN 7.52 with weekly turnover of 305k shares and Chimimport (CHIM) 18.1% WoW down to BGN 8.38 with 275k shares weekly turnover. SOFIX decreased to 1 185 bps (-11.8% WoW) dropping below its 52 weeks low while BG40 lost 11.6% and closed at 338.71 bps. The absence of financial data and the negative influence coming from the foreign markets continued the sell pressure on BSE thus pushing the prices of most of the companies to their 12 months bottom. Now we believe that sell pressure on our domestic market will continue until stabilization of the foreign markets.



Period	Week 12
Weekly volume (No of securities)	16 534 079
Weekly turnover (BGN)	64 451 629
Average weekly turnover YTD (BGN)	74 393 464

Top Gainers*	
Kremikovtsi [KREM]	3.4%
Sparky Eltos [ELTOS]	0.4%
Bulgartabac Holding [BTH]	0.1%
Top Losers *	
First Investment Bank [FIB]	-18.6%
Chimimport [CHIM]	-18.1%
Doverie-Obedinen Holding [DOVUHL]	-17.7%

\* from our list of selected stocks. Changes based on avg. prices. For companies included, see table on p.3

**NEWS HIGHLIGHTS**

- **2007 GDP** preliminary assessment was €8.9bn, with real growth at 6.2%.
- **Current account gap** reached €725.6m in January, up 15.4% MoM and up 13.4% YoY, accounting already for 2.2% of the projected GDP for 2008. **FDI in Jan 2008** doubled YoY to €42m, covering only 33% of the deficit.
- **FDI figures for 2006 and 2007** were revised significantly up to €6bn and €6.1bn respectively, from the previous estimates of €4.4bn and €5.7bn.
- **2007 unemployment rate** was 6.9%, down 2.1% YoY. In Feb, unemployment was 7.26%, down 0.12% MoM and down 2.22% YoY.
- KBC increased its stake in **Economic and Investment Bank [BRIB]** to over 76% after the tender offer.
- **Sopharma [SFARM]** received anti-trust approval for the acquisition of a controlling stake in Serbian peer Ivancic&Sons.
- **DOM-Zdrave**, an insurer, would offer 470k new shares with €0.51 par value and €1.5 issue value each.

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# FIRST FINANCIAL BROKERAGE HOUSE

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## NEWS IN THE SPOTLIGHT

### Monbat [MONBAT]

**2007 audited unconsolidated profit of BGN 17.4m; 2008-2009 planned investments total BGN 64.2m**

Monbat presented its annual unconsolidated report, which does not show any changes from the preliminary figures. 2007 audited unconsolidated revenues stood at BGN 144m, 83% YoY increase. EBITDA was reported at BGN 24.9m in 2007, 70% YoY growth. Net profit was BGN 17.4m compared to BGN 7.6m in 2006.

Monbat has earmarked BGN 64.2m to increase the production capacity and the competitiveness of its Montana and Dobrich plants and to complete the batteries recycling facilities in Serbia and Romania. Over 61% of the amount will be spent in 2008 and another BGN 25m in 2009. Up to BGN 16m of the necessary funding will be borrowed from banks. The remaining BGN 48.2m will come from company funds, lease financing and a possible bond issuance. The company management plans no capital raises in 2008 or 2009, unless a rival company in South-Eastern Europe is acquired. *Source: FFBH; Dnevnik*

### Bulgarian Real Estate Fund [BREF]

**A €17.5m sale of office building project**

BREF signed a preliminary sale agreement for the office and commercial building located in G. M. Dimitrov Blvd., which is still under construction. The building is planned to have 10 floors with offices and a 2-level underground parking area, with a total built-up area of 12 988 sq. m. The sale price was €17.5m, or €1347 per sq. m., paid by Bridgecorp Seven, a subsidiary of Bridgecorp AD. The sale will be paid in installments based on the level of completion. The target date for the conclusion of the project is the beginning of next year. *Source: FFBH*

### Bulgartabac Holding [BTH]

**Factories in Plovdiv and Stara Zagora to be privatized on BSE, strategic investors needed for the plants in Sofia and Blagoevgrad**

The cigarette factories in Plovdiv and Stara Zagora are about to be privatized through BSE. Their workers will receive severance payment of 1.8 monthly salaries for each year in employment, said the Minister of Economy and Energetics Petar Dimitrov.

The two other Bulgartabac companies – in Sofia and Blagoevgrad, are still looking for strategic investors. Meetings with the four big players in the sector have been arranged. *Source: Investor.bg; Profit.bg*

## FIXED INCOME AND MACRO DATA

*NB: Quotes are only indicative*

Type	Coupon	Maturity	Currency	Yield (%)	Spread Over Treasuries (bps)	Bid (% of par)	Offer (% of par)
Eurobonds	7.50%	Jan-13	EUR	NA	NA	NA	NA
Eurobonds	8.25%	Jan-15	USD	5.10	225	117.25	118.00

### Most recent macro data

BGN/EUR Exchange rate	1.95583
Inflation (MoM February)	1.1%
Inflation (cumulative 2008)	2.5%
Base interest rate	4.83%
LEONIA reference rate	4.85%
GDP Growth (Y/Y 2007)	6.2%
Unemployment (Feb 2008)	7.26%
Public Foreign Debt/GDP (end-Dec)	15.6%
Foreign Direct Investment Jan '08 (EUR)	242m

### SOFIBOR for Fri, 21 Mar

Maturity	Rate
Overnight (ON)	4.97
One week (SW)	5.31
1-month	6.38
3-month	6.68
12-month	7.58

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## 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 Vol.	Market cap	PE (TTM)	PS (TTM)	PB (MRQ)	Dividend Yield
ALB	Albena AD	87.37	-5.1%	-8.1%	-26%	27 366	373 343 019	17.9	3.6	1.3	0.57%
ALBHL	Albena Invest Holding	15.52	-6.7%	-5.2%	-23%	3 398	85 360 000	8.5	5.4	0.6	1.29%
ALUM	Alcomet	9.34	-13.8%	-14.6%	-45%	4 541	167 680 637	42.2	0.7	2.5	0.00%
BACB	Bulgarian American Credit Bank	67.16	-7.0%	-7.3%	-16%	5 143	847 876 531	16.0	11.1	5.4	1.12%
BIOV	Biovet	12.70	-3.6%	0.0%	-25%	9 573	86 148 901	2393.0	0.8	1.5	0.00%
BLABT	Blagoevgrad BT	84.92	-4.6%	-5.2%	-6%	1 253	229 507 000	6.1	1.0	1.0	1.72%
BRIB	Economic and Investment Bank	110.34	0.0%	0.0%	-1%	153	769 296 659	18.6	9.1	3.8	0.00%
BTH	Bulgartabac Holding	30.10	0.1%	-11.5%	-3%	27	221 753 382	n.m.	0.6	0.6	8.74%
CCB	Central Cooperative Bank	5.45	-17.4%	-19.3%	-49%	51 790	453 195 251	19.7	4.2	2.1	0.00%
CHIM	Chimimport	8.38	-18.1%	-17.3%	-46%	275 328	1 256 999 866	9.3	2.1	2.0	0.00%
CORP	Corporate Commercial Bank	81.92	-9.1%	-9.9%	-15%	23 492	491 520 000	19.8	8.7	3.1	0.00%
DOVUHL	Doverie-Obedinen Holding	10.25	-17.7%	-17.9%	-28%	35 212	134 785 942	11.5	0.7	1.1	0.00%
ELARG	Elana Agricultural Land Opportunity Fund	2.30	0.0%	0.8%	5%	133 365	137 346 536	2.9	2.6	1.1	0.00%
ELTOS	Sparky Eltos	11.34	0.4%	5.3%	-31%	27 829	189 778 529	17.4	2.2	2.0	4.85%
EUBG	Eurohold Bulgaria	5.03	-9.2%	-6.4%	-26%	202 227	314 363 109	3.6	1.1	1.9	0.00%
EURINS	EuroIns Insurance AD	9.54	-5.2%	-3.3%	-43%	33 207	95 399 924	17.9	1.4	4.5	1.78%
FIB	First Investment Bank	7.52	-18.6%	-19.7%	-35%	304 810	827 200 000	15.9	4.2	2.5	0.00%
FZLES	Fazerles	173.90	-12.9%	-12.7%	-44%	1 245	89 558 500	14.8	2.8	5.0	0.37%
IHLBL	Industrial Holding Bulgaria	7.22	-6.8%	-7.8%	-36%	93 085	315 923 612	14.2	1.0	2.1	0.00%
KAO	Kaolin	12.83	-8.5%	-9.3%	-26%	82 902	320 750 000	16.6	2.6	2.8	0.00%
KDN	Kapitan Diado Nikola	86.46	-11.3%	-7.7%	-55%	265	31 906 420	90.1	0.6	1.0	0.00%
KREM*	Kremikovtsi	17.58	3.4%	-2.6%	-15%	762	325 538 441	n.m.	0.2	0.4	0.00%
MCH	M+S Hydraulic	9.40	-6.0%	-6.0%	-32%	22 282	122 372 960	28.6	1.6	3.6	0.85%
MONBAT	Monbat	25.00	-9.1%	-11.2%	-18%	88 906	487 500 000	28.9	3.5	5.6	0.00%
NEOH	Neochim	50.81	-7.9%	-8.4%	-34%	10 055	134 867 930	41.6	0.7	1.8	0.39%
ODES	Shiprepair Yard Odessos	245.72	-10.0%	-9.1%	-21%	2 715	144 149 672	16.1	3.5	2.8	5.09%
ORGH	Orgachim	400.93	-10.1%	-11.9%	-38%	2 105	201 593 618	39.3	1.6	3.0	0.00%
OTZK	Lead and Zinc Complex	57.58	-14.8%	-19.5%	-37%	16 015	484 420 540	20.7	2.0	6.3	0.00%
PET	Petrol	3.81	-12.8%	-11.5%	-28%	166 923	416 240 976	n.m.	0.3	2.9	2.02%
PETHL	Synergon Holding	8.64	-15.0%	-15.8%	-41%	145 596	158 620 455	13.0	0.4	0.6	0.84%
SFARM	Sopharma	6.10	-12.7%	-12.1%	-32%	130 493	805 200 000	25.4	2.2	3.6	1.64%
TOPL	Toplivo AD	19.20	-9.3%	-9.5%	-34%	59 305	104 003 117	18.7	0.4	1.1	0.00%
<i>Compensatory instruments</i>											
GKZ	Housing Compensatory notes	0.4300	-2.3%	-2.3%	-2.6%	58 968	20 592 955	-	-	-	-
KZ	Compensatory notes	0.4301	0.0%	0.0%	-4.5%	269 136	64 029 568	-	-	-	-
PKB	Compensatory bills	0.4321	-1.3%	0.7%	2.6%	412 948	156 283 696	-	-	-	-

Note: Figures based on FY 2007 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

\* ratios calculated on unconsolidated financial data

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