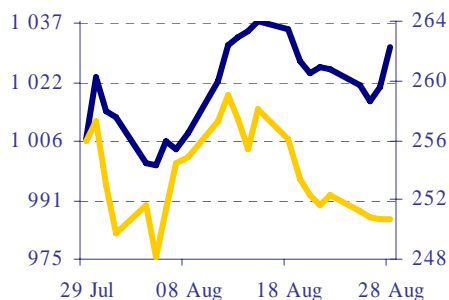
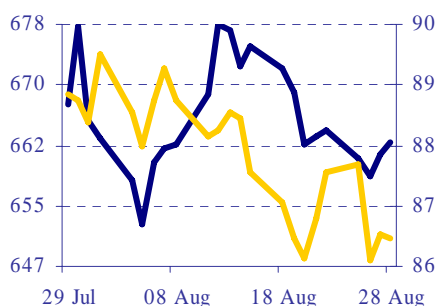




25 – 29 AUGUST 2008



— SOFIX (left) — BG40 (right)



— BGTR30 (left) — BG REIT (right)

Change	SOFIX	BG40	BGTR30	BGREIT
1-wk	0.2%	-0.4%	0.0%	-1.2%
3-mo	-17.4%	-27.9%	-20.5%	-10.9%
YtD	-40.8%	-51.4%	-38.8%	-17.4%
12-mo	-35.5%	-39.5%	-33.6%	-13.5%

Top Gainers*

Alcomet [6AM]	8.6%
Toplivo AD [3TV]	6.6%
Monbat [5MB]	6.3%

Top Losers *

Bulgartabac Holding [57B]	-19.4%
Biovet [53B]	-9.5%
Synergon Holding [6S7]	-6.2%

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

Turnover statistics	Week 35
Weekly volume (shares)	24 608 067
Avg. weekly volume YtD	12 236 808
Weekly turnover (BGN)	73 857 834
Avg. weekly turnover YTD (BGN)	56 762 816

Source: Bulgarian Stock Exchange

MARKET WRAP-UP

The last week of August ended without big fluctuations. The releases of the H1 consolidated reports on Thursday and Friday supported the current market levels. Except for BGREIT which lost altitude to 86.51 points (-1.2%) due to the sell pressure on the REIT sector, all other indices closed unchanged: SOFIX 1027.99 points (+0.2%), BG40 251.24 points (-0.4%), BGTR30 664.45 points (no change). The summer lethargy continued reflecting the poor liquidity, although some of the companies attracted investors: Alcomet (6AM) jumped by 8.6% to BGN 6.20 and Monbat (5MB) increased to BGN 12.021 (+6.3%). The latter has been supported by the buy-back operation which started 2 weeks ago.

NEWS HIGHLIGHTS

- **Gross external debt** added EUR 3.8bn in H1 2008 to EUR 31.9bn, or 97.2% of GDP. Private borrowing rose EUR 3.9bn over the period, to EUR 28bn, while public external debt decreased by EUR 155m to EUR 3.9bn. **Net external debt** increased by EUR 2.8bn to 13.9bn or 42.3% of GDP.
- The average **hotel occupancy rate** decreased to a record low of 27% in H1 2008, down 5% vs. H1 2005, caused by surplus of resort beds. The average booking was BGN 38 per night.
- **Bulgarian Real Estate Fund [5BU, ex-BREF]** cancelled the sale of its project Kambanite, consisting of a business center and a parking lot with a total area of 16.8 sq. m. The preliminary sale price was set at EUR 20.9m excluding VAT.
- Putstroy EAD, a subsidiary of **Holding Roads [6H2]** signed a BGN 1.3m contract for street repairs with Lovech municipality. In July, the same subsidiary signed two more contracts for road repairs worth BGN 150k and BGN 4.4m, respectively.
- **Trace Group Hold [T57]**, together with two other companies, signed a contract worth BGN 142m with the Ministry of Transportation for the second extension of Sofia Subway.
- **Sopharma [3JR]** increased its stake in the Ukrainian OAO Vitamini to 99.07% vs. 79.01% before.
- **Holding Varna [5V2]** plans to increase its share capital from BGN 2.1m to BGN 5.2m and raise more than BGN 68m on the market by issuing 3.1m new shares with nominal value BGN 1 and issuing price of BGN 22.
- **Central Cooperative Bank [4CF]** extraordinary shareholders' meeting on Oct 10th will vote to authorize capital raises of up to BGN 30m over a period of 5 years.
- **Alu Plast**, a manufacturer of PVC and aluminium windows and doors, plans an IPO in order to double the capacity and broaden the operations to Romania and Greece.

PLEASE REFER TO THE TEXT AT THE END OF THIS REPORT FOR OUR DISCLAIMER AND ALL RELEVANT DISCLOSURE

**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 (July '08)	11.9%
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	n.a.
Treasuries	4.75%	11-Feb-11	BGN	n.a.
Treasuries	5.20%	04-Feb-14	BGN	n.a.
Eurobonds	8.25%	15-Jan-15	USD	n.a.
Sofibor		Overnight (ON)	BGN	5.37
Sofibor		3-month	BGN	7.31
Sofibor		12-month	BGN	8.69
Base Interest Rate			BGN	5.25

Source: BNB; UBB

NEWS IN THE SPOTLIGHT**Industrial Holding Bulgaria [4ID] FSC approved the convertible bond prospectus of IHLBL**

On 28 August 2008, the Financial Supervision Commission (FSC) approved the Prospectus of Industrial Holding Bulgaria (IHB) for the placement of convertible bonds through rights where each current share (current number of shares: 43 756 118) gives one right to its holder and 200 rights are needed to acquire one bond. The total value of the issue is BGN 21 878 000 distributed in 218 780 dematerialised, freely transferable, interest-bearing, unsecured bonds, each with a nominal and issue value of BGN 100. They have a 3-year maturity and will give an annual fixed interest of 8% paid out semi-annually.

The bondholders will have the option to convert their bonds into shares at maturity, as well as at the fourth interest payment (at the end of the second year) at a conversion ratio valid at the time of conversion. The initial conversion ratio is set at 12 new shares for each bond, which makes for a conversion price per new share of BGN 8.(33). If at any time from the issue of the bond till its maturity IHB decides to raise capital via new shares or to distribute stock dividend, the conversion ratio will have to be adjusted accordingly.

The bond will be utilized by the Group to finance projects of its maritime business, namely the construction of ships in Bulyard Shipbuilding Industry for its future shipping line of business, and the expansion of the port terminal at Dockyard Port Bourgas.

Source: FFBH



H1 2008 CONSOLIDATED FINANCIAL RESULTS

<i>Synergon Holding [6S7]</i>	Profitability continued to deteriorate in H1 of 2008 at Synergon Holding... (more)
<i>Energoremont Holding [6EG]</i>	Revenues of Energoremont Holding grow by 7%... (more)
<i>Enemona [E4A]</i>	Enemona shows strong Q2 results ... (more)
<i>Monbat [5MB]</i>	Monbat revenues in the month of July at BGN 12m, up 15.5% YoY ... (more)
<i>Agria Group Holding [A72]</i>	Agria's net income increases 86% YoY to BGN 1.6m ... (more)
<i>Albena [6AB]</i>	Albena's sales jump 53% YoY, net income in Q2 remains negative ... (more)
<i>Holding Roads [6H2]</i>	Holding Roads sales increase 29% YoY in H1, net profit down 70% YoY ... (more)
<i>Trace Group Hold [T57]</i>	Trace Group Hold reports consolidated net loss over H1 ... (more)
<i>Bulgarian River Shipping [5BR]</i>	Bulgarian River Shipping consolidated net profit grows 29% YoY in H1 ... (more)
<i>Corporate Commercial Bank [6C9]</i>	Total loans increased by 8% MoM in July at CORP ... (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	8.15	0.5%	0.5%	-10%	46 373	55 420 000	12.1	0.8	1.4	0.0%
6AB	Albena AD	66.182	-3.4%	-3.6%	-44%	41 561	282 804 025	13.4	2.5	1.0	0.8%
6AM	Alcomet	6.083	8.6%	10.7%	-64%	288 548	109 207 850	51.3	0.5	1.6	0.0%
6A6	Advance Terrafund	1.886	1.9%	2.7%	-7%	228 277	83 089 725	3.6	3.1	1.0	0.0%
5BN	Bulgarian American Credit Bank	58.561	-0.4%	-0.4%	-26%	3 936 840	739 316 521	12.4	8.7	4.4	2.6%
53B	Biovet	7.515	-9.5%	-6.0%	-56%	2 910	50 977 086	257.5	0.5	0.9	0.0%
55B	Blagoevgrad BT	72.5	-0.7%	-0.7%	-19%	3 980	195 940 385	21.5	1.0	1.0	6.9%
5BP	Billboard	5.9	2.6%	2.6%	62%	48 589	88 500 000	12.8	2.5	3.8	0.0%
5BU	Real Estate Fund Bulgaria	1.498	-0.1%	-0.1%	-28%	22 626	90 554 100	2.5	2.0	0.8	1.7%
57B	Bulgartabac Holding	24.17	-19.4%	-20.7%	-22%	21 546	178 065 756	n.m.	0.5	0.6	3.3%
4CF	Central Cooperative Bank	3.607	0.2%	0.6%	-66%	135 163	299 940 417	16.1	2.8	1.4	0.0%
6C4	Chimimport	8.295	-1.7%	-1.7%	-47%	46 383 458	1 244 249 867	8.9	1.1	1.9	0.0%
6C9	Corporate Commercial Bank	91.382	0.1%	-1.4%	-5%	1 811 743	548 292 000	16.9	8.2	3.1	0.0%
5DOV	Doverie-Obedinen Holding	7.097	5.0%	5.0%	-50%	115 895	99 401 242	8.7	0.5	0.7	0.0%
4EC	Eiana Agricultural Land Opportunity Fund	1.855	-4.9%	-3.6%	-16%	49 053	110 772 967	2.5	1.9	0.9	0.0%
SL9	Sparky Eltos	7.973	-2.7%	-3.5%	-51%	24 784	133 430 706	10.5	1.5	1.3	0.0%
E4A	Enemona	17.5	2.3%	2.3%	4%	113 230	208 838 000	11.7	1.9	2.5	0.0%
4EH	Eurohold Bulgaria	4.867	1.4%	2.5%	-29%	83 126	304 175 994	2.5	0.9	1.5	0.0%
5IC	EuroIns Insurance AD	7.188	1.2%	1.4%	-57%	24 875	71 879 942	21.1	0.9	3.4	0.0%
5F4	First Investment Bank	5.855	0.8%	-0.2%	-49%	674 528	644 050 000	11.5	3.0	1.8	0.0%
4F6	Fazerles	129.912	-2.3%	0.0%	-58%	80 081	66 904 680	12.1	2.1	3.2	0.8%
6H2	Holding Roads	17.902	3.8%	3.8%	-12%	79 659	549 090 144	43.9	3.4	9.8	0.0%
4ID	Industrial Holding Bulgaria	6.151	2.5%	1.7%	-46%	402 582	269 147 665	15.7	1.4	1.4	0.0%
6K1	Kaolin	7.227	1.1%	3.5%	-58%	127 453	180 675 000	16.1	1.4	1.6	4.2%
3KN	Kapitan Diado Nikola	38.12	-4.7%	-4.7%	-80%	232	14 067 462	136.6	0.3	0.4	0.0%
5MH	M+S Hydraulic	6.68	3.6%	3.6%	-52%	70 861	86 962 912	18.6	1.1	2.5	1.3%
5MB*	Monbat	12.225	6.3%	4.5%	-20%	700 776	476 775 000	18.8	2.6	4.8	1.5%
3NB	Neochim	82.018	-1.2%	-1.2%	7%	647 211	217 705 134	6.4	0.9	1.9	0.8%
5ODE	Shiprepair Yard Odessos	239.9	2.1%	1.7%	-23%	116 821	140 735 416	16.4	3.1	2.6	0.0%
5ORG	Orgachim	173.88	-0.1%	-1.4%	-73%	54 677	87 429 472	25.3	0.6	1.2	0.0%
5OTZ	Lead and Zinc Complex	28.378	1.4%	-0.9%	-69%	312 718	238 744 114	166.6	1.2	3.4	0.0%
5PET	Petrol	9.121	0.8%	-0.6%	73%	2 892	996 465 602	n.m.	0.7	10.4	0.0%
6S7	Synergion Holding	6.285	-6.2%	-6.5%	-57%	51 513	115 385 366	10.1	0.3	0.4	1.3%
3JR	Sopharna	4.375	-2.1%	-2.7%	-51%	373 445	577 500 000	25.8	1.4	2.4	1.1%
3TV	Toplivo AD	16.47	6.6%	6.6%	-43%	124 022	89 215 174	10.1	0.3	0.7	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 Q1 2008 TTM consolidated results.



DISCLAIMER

This report is for the use of the addressees only, for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose, without the prior written consent of FFBH.

This report has no regard to the individual investment objectives, financial situation or particular needs of any specific recipient and should not be relied upon as authoritative, or taken in substitution for the exercise of judgement by any receiver. Each recipient should consider the appropriateness of any investment decision having regard to their own circumstances, the full range of information available and appropriate professional advice, and should consult their advisors to make sure all involved risks are fully understood.

The information and opinions in this report constitute judgement as at the date of this report, have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Opinions expressed herein are subject to change without notice. This report is not intended to be a complete statement or summary of the securities, markets or developments mentioned in this report.

Any forward looking statements shown for companies discussed in this report may not be achieved due to multiple risk factors including, without limitation, market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by FFBH, or by other sources relied upon in the report, were inapposite. FFBH accepts no liability whatsoever for any loss or damage arising from any use of this report or its contents.

The recipient should presume that FFBH, or persons or entities associated with it, or any of its clients, own or have a position in any securities or investments mentioned in this study, which position may change at any time. FFBH or its Affiliates may buy, sell or offer to buy or sell, such securities or any related investments as principal or agent on the open market. FFBH does not act as market maker in the securities mentioned herein.

The analysts certify that their views regarding the companies in this report are independent and that they have not received nor will receive direct or indirect compensation in exchange for publishing specific views in this report. The views have not been derived as a result of an agreement between FFBH and the companies mentioned in this report and they have not been presented to the said companies.

The analysts or persons related to the analysts may hold 5% or more in companies mentioned in this report. The analysts or persons related to the analysts may hold executive positions or positions of control in companies mentioned in this report. None of the companies mentioned in this report hold 5% or more in First Financial Brokerage House.

FFBH provides corporate finance services to companies and may have provided such services to the companies mentioned in this report in the last 12 months. FFBH may provide in the future corporate finance services, or solicit such business, for the issuers of the securities mentioned in this report.

FFBH is under no obligation to update or keep current the information contain herein.

The procedures undertaken by FFBH to avoid conflicts of interest with regard to investment research publications are described at <http://www.ffbh.bg/Disclaimer.aspx?lan=EN&pid=36>.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

INVESTMENTS IN EMERGING MARKETS INVOLVE HIGH RISKS.

THIS REPORT IS PUBLISHED FOR INFORMATION PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS A SOLICITATION OR AN OFFER TO BUY OR SELL ANY SECURITIES OR RELATED FINANCIAL INSTRUMENTS.