

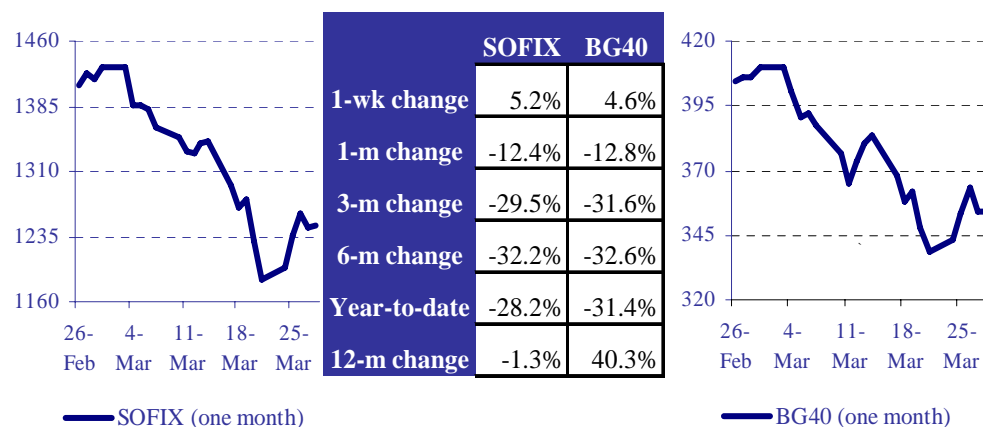


24 – 28 MARCH 2008

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MARKET WRAP-UP

The market slightly recovered last week as SOFIX added 5.2% to 1 246.97 bps while BG40 advanced by 4.6% to 354.32 bps. Released 2007 audited unconsolidated reports pushed some of the stocks prices up but buying enthusiasm came mainly from positive news from Europe and USA. It is important to note that the liquidity remained low and we believe the market is still mainly driven by small retail investors. Now we will keep an eye on the forthcoming Q1-2008 financial results which are to be released till the end of April as we strongly believe that despite the overall negative situation on world capital markets positive financial reports will support BSE-Sofia.



Period	Week 13
Weekly volume (No of securities)	13 497 618
Weekly turnover (BGN)	59 667 468
Average weekly turnover YTD (BGN)	73 260 695

Top Gainers*	
Sparky Eltos [ELTOS]	21.4%
Alcomet [ALUM]	16.7%
Kapitan Diado Nikola [KDN]	16.5%
Top Losers *	
Holding Roads [HDPAT]	-2.7%
Biovet [BIOV]	-2.2%
Bulgartabac Holding [BTH]	-0.4%

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

NEWS HIGHLIGHTS

- Net external debt for Jan 2008 was €1.4bn, 34.8% of GDP and up 3.5% MoM.
- Bulgarian GDP per capita was € 800 in 2007, 6x lower than the EU average.
- Natural gas price will be hiked 13.25% to €11 per 1,000 m³ (VAT excluded).
- BTC [BTC] announced a €6.2 investment plan focused on mobile and ADSL.
- Doverie Obedinen Holding [DOVUHL] acquired for an undisclosed amount a 90% stake in Medico 21, the third largest health insurance fund.
- Lukoil and Hellenic Petroleum Group showed interest in acquiring gas stations from Petrol [PET] and Tempo Petrol.
- Drujba Glassworks [DRUPL] approved a stock dividend raising the capital from BGN 6.7m to BGN 53.5m.
- Fairplay Properties [FPP] will distribute €1.1 cash dividend for 2007.
- REIT Black Sea Investments [BSEA] capital raise prospectus was approved. The company issues 14.3m shares at par and issue value of €0.51.
- Bioiasis, a medical products distributor, prospectus was approved.
- Mel Invest [ALOFMI] rights for the capital increase will trade Mar 27-Apr 9.

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AUDITED FY 07 FINANCIAL RESULTS

Odessos Shiprepair Yard [ODES] **Tax expenses included, no surprises**
 The audited FY 2007 financial results of Odessos Shiprepair Yard [ODES] showed sales of BGN 41.6m (up 16.5% YoY) and a net profit of BGN 7.9m (up 21% YoY). Corporate tax expenses were omitted in the preliminary results and the auditors' correction led to a decrease of the net profit from BGN 8.9m to BGN 8m. *Source: FFBH*

Monbat [MONBAT] **Feb sales at BGN 20m, stock and cash dividends**
 Monbat booked revenues of BGN 20m in Feb 08, up 135% YoY. Net income for Feb 08 reached BGN 3.5m while YTD it stood at BGN 7.4m, up 235% YoY. The company plans both a stock dividend (raising the capital from BGN 19.5m to BGN 39m) and a cash dividend of 20% of FY 07 profit of BGN 17.4m. *Source: Profit.bg*

INVESTMENT PLANS AND FORECASTS

Enemona [ENM] **Three investment projects worth BGN 143m**
 Enemona will invest c.BGN 100m in the construction of a 50MW cogeneration plan fuelled by agricultural waste. Additionally the company will invest BGN 43m for a pellet factory, a heating plant, a logistics centre and a business park, all in the municipality of Lom. *Source: Pari*

Sopharma [SFARM] **Sopharma to invest €3m in Serbian plant**
 Sopharma will invest €3m in a new pharmaceutical facility in Serbia, the BSE announced. The facility is planned to start operating by 2009. Furthermore, SFARM has purchased 90% of the shares of Belgrade-based drug maker Ivancic&Sons, which manufactures 21 products. *Source: Pari*

Elhim Iskra [ELHIM] **Elhim Iskra forecasts net profit of BGN 2.5m for 2008**
 In 2008 ELHIM projects to book net profit of BGN 2.5m, revenues of BGN 43.3m (23% higher compared to 2007), and to make investments of BGN 1.9m (financed with own funds). *Source: Investor.bg, FFBH*

NEWS IN THE SPOTLIGHT

Financial news **Major banks start raising loan rates**
 Major banks in Bulgaria have started raising their interest rates for existing and new loans. UBB raised the retail rates (consumer and mortgage) by 50bp and Eurobank by 25bp. As a comparison, Euribor 3mo added 80bp YoY to the current 4.731%. *Source: Dnevnik, FFBH*

Kremikovtzi [KREM] **Lakshmi Mittal ready to pay the bond nominal value**
 Indian billionaire Lakshmi Mittal is the only candidate buyer for Kremikovtzi who is ready to settle in full with the holders of KREM collateralised bonds. The nominal value of the paper is €25m but payment in full should total 101% or €28.25m in case of an ownership changeover. *Source: Dnevnik*

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	5.15	212	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	4.87%
GDP Growth (Y/Y 2007)	6.2%
Unemployment (Feb 2008)	7.26%
Public External Debt/GDP (Jan '08)	12.4%
Foreign Direct Investment Jan '08 (EUR)	242m

SOFIBOR for Fri, 28 Mar	
Maturity	Rate
Overnight (ON)	4.99
One week (SW)	5.34
1-month	6.40
3-month	6.73
12-month	7.63

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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	91.50	4.7%	7.0%	-23%	2 298	390 991 029	18.8	3.7	1.3	0.55%
ALBHL	Albena Invest Holding	15.80	1.8%	-1.5%	-22%	3 973	86 900 000	8.7	5.5	0.6	1.27%
ALUM	Alcomet	10.90	16.7%	18.2%	-35%	17 267	195 687 253	49.2	0.8	2.9	0.00%
BACB	Bulgarian American Credit Bank	70.42	4.9%	5.9%	-12%	4 585	889 033 135	16.7	11.6	5.7	1.07%
BIOV	Biovet	12.42	-2.2%	-3.9%	-27%	4 526	84 249 555	2340.3	0.8	1.5	0.00%
BLABT	Blagoevgrad BT	88.40	4.1%	7.3%	-2%	76	238 912 138	8.0	1.1	1.1	1.66%
BTH	Bulgartabac Holding	29.99	-0.4%	-0.4%	-3%	20	220 942 988	n.m.	0.6	0.6	8.77%
CCB	Central Cooperative Bank	5.95	9.2%	7.6%	-44%	97 493	494 772 797	21.5	4.6	2.3	0.00%
CHIM	Chimimport	8.60	2.6%	0.3%	-45%	248 670	1 289 999 862	9.6	2.2	2.0	0.00%
CORP	Corporate Commercial Bank	88.04	7.5%	7.3%	-8%	16 434	528 240 000	21.2	9.4	3.4	0.00%
DOVUHL	Doverie-Obedinen Holding	10.60	3.4%	5.9%	-26%	14 897	139 388 389	11.9	0.8	1.1	0.00%
ELARG	Elana Agricultural Land Opportunity Fund	2.30	0.0%	0.1%	5%	71 801	137 346 536	2.9	2.6	1.1	0.00%
ELTOS	Sparky Eltos	13.77	21.4%	14.7%	-16%	47 271	230 445 356	21.1	2.7	2.4	3.99%
EUBG	Eurohold Bulgaria	5.19	3.2%	-0.2%	-24%	132 938	324 362 731	3.7	1.1	1.9	0.00%
EURINS	EuroIns Insurance AD	9.60	0.6%	-0.8%	-43%	42 737	95 999 923	18.0	1.5	4.5	1.77%
FIB	First Investment Bank	8.11	7.8%	7.4%	-30%	167 363	892 100 000	16.8	4.4	2.7	0.00%
FZLES	Fazerles	187.20	7.6%	5.2%	-40%	427	96 408 000	17.8	3.0	5.5	0.35%
HDPAT	Holding Roads	1015.68	-2.7%	0.6%	807%	1 288	438 773 760	24.2	3.0	7.8	0.00%
IHLBL	Industrial Holding Bulgaria	7.76	7.5%	7.9%	-32%	79 726	339 552 248	15.3	1.1	2.2	0.00%
KAO	Kaolin	13.87	8.1%	9.9%	-20%	22 663	346 750 000	17.9	2.8	3.0	0.00%
KDN	Kapitan Diado Nikola	100.70	16.5%	11.1%	-48%	14	37 161 422	105.0	0.7	1.2	0.00%
KREM*	Kremikovtsi	19.97	13.6%	14.2%	-4%	2 270	369 795 374	n.m.	0.3	0.4	0.00%
MCH	M+S Hydraulic	9.63	2.4%	6.0%	-30%	48 121	125 367 192	30.3	1.6	3.8	0.83%
MONBAT	Monbat	26.98	7.9%	9.8%	-12%	64 452	526 110 000	31.2	3.7	6.1	0.00%
NEOH	Neochim	55.80	9.8%	13.7%	-27%	2 098	148 113 176	45.7	0.8	2.0	0.36%
ODES	Shiprepair Yard Odessos	272.40	10.9%	9.1%	-12%	859	159 801 281	20.1	3.8	3.2	4.59%
ORGH	Orgachim	411.91	2.7%	1.3%	-36%	526	207 114 527	30.6	1.7	3.0	0.00%
OTZK	Lead and Zinc Complex	57.48	-0.2%	5.1%	-37%	9 948	483 579 240	35.0	2.0	7.2	0.00%
PET	Petrol	4.40	15.5%	13.8%	-17%	88 432	480 698 240	n.m.	0.3	3.4	1.75%
PETHL	Synergon Holding	9.38	8.6%	9.3%	-36%	145 695	172 206 004	14.1	0.5	0.6	0.77%
SFARM	Sopharma	6.12	0.3%	0.0%	-32%	90 964	807 840 000	25.5	2.2	3.6	1.63%
TOPL	Toplivo AD	20.15	4.9%	3.8%	-31%	25 459	109 149 104	13.1	0.4	0.8	0.00%
<i>Compensatory instruments</i>											
GKZ	Housing Compensatory notes	0.4200	-2.3%	-2.3%	-4.9%	74 937	20 114 049	-	-	-	-
KZ	Compensatory notes	0.4144	-3.7%	-4.6%	-8.0%	167 498	61 692 288	-	-	-	-
PKB	Compensatory bills	0.4156	-3.8%	-4.6%	-1.4%	1 334 763	150 315 908	-	-	-	-

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

Data in bold is calculated on 2007 audited consolidated data

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