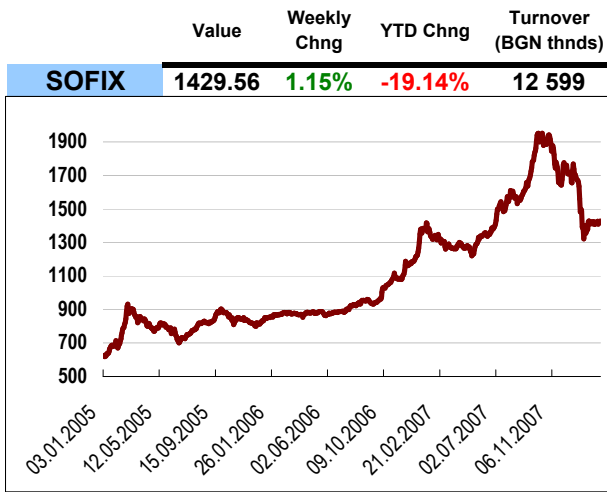


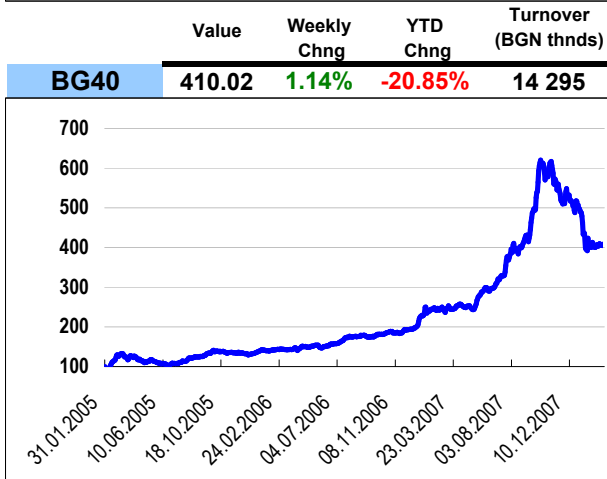
**Market Trends**

**Commentary**

**Consolidated reports in the spotlight**



The release of the preliminary consolidated financial reports for 2007 could not revitalize the trade on the BSE and the narrow index SOFIX registered a modest growth of 1.15% for the week. Similar to the non-consolidated reports, posted at the end of January, the favourable effects of positive results on the quotes were a rare case or very short-lived, which comes to no surprise given the current conditions on the market. The red colour continued to dominate with more than half of the BG 40 components finishing the week on negative territory.



A kind of an exception was the case with one of the newest companies on the BSE - Billboard [BOARD] which released a very strong 2007 consolidated report - the prinhouse's net profit reached BGN 5.2 mln. against BGN 2.2 mln. expected by the management and nearly 200 % higher compared to 2006. As a result the shares of Billboard ended the week at BGN 9.21 or 7 % higher from the close price a week ago, and 26 % above its issue price from the IPO, held in December 2007.

The Financial Supervision Commission approved the IPO prospectus of Investbank at the beginning of the week. The bank has the intention to increase its capital with 10 mln shares, up to BGN 80 mln. The price range of is set at BGN 5.90 - BGN 7.20 per share, which in case of a successful IPO, corresponds to a minimal market capitalization of BGN 472 mln. Investbank is one of the few banks with a Bulgarian owner, as 70.1 % of the shares are owned by Festa Holding AD.

**Market Statistics**

Segment	Volume (BGN)	Deals
Trading in Equities	24 577 336.22	8456
Weekly Chng	-19.99%	18.45%
Trading in Corp. Bonds	1 257 148.88	15
Weekly Chng	-70.70%	-50.00%
Block Trading, Equities	4 879 531.88	186
Weekly Chng	-49.46%	-5.10%
<b>Market Capitalization:</b>	<b>BGN 25.84 bln / EUR 13.21* bln</b>	

With a decision of the Financial Supervision Commission the prospectus of another potential public company - the meat-processing company Mekom was changed in the part setting the minimum number of shares to be subscribed so that the IPO is considered successful. That number is decreased from 10 mln. to 2.5 mln., i.e 23.4 % of the offered quantity. The IPO was supposed to take place on January 23, 2008 but was postponed by 44 days, i.e to March 7, due to the unfavorable market conditions. The minimum issue price is set at BGN 2.2 per share which corresponds to BGN 23.5 mln. market cap.

\* The Bulgarian Lev is pegged to the Euro at BGN 1.95583 per EUR 1.00.

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Company	Ticker	Sector	Market cap. (BGN'000)	Price (BGN)	Weekly Chng	YTD Chng	P/E	P/B
Favorit Hold AD	AFH	conglomerates	33 634	14.27	▲ 3.11%	▼ -8.29%	31.08	1.51
Albena AD	ALB	tourism	407 516	95.37	▲ 0.39%	▼ -19.71%	19.58	1.37
Albena - Invest AD	ALBHL	conglomerates	94 930	17.26	▼ -1.54%	▼ -14.72%	8.47	0.74
Alcomet AD	ALUM	metallurgy	208 434	11.61	▼ -4.76%	▼ -31.14%	52.41	3.14
Advance Terrafund REIT	ATERA	real estate	88 112	2.00	▼ -0.50%	▼ -1.48%	neg.	1.50
Bulgarian American Credit Bank	BACB	banking	920 595	72.92	▲ 10.69%	▼ -8.46%	17.33	5.92
Bulgarian Holding Company AD	BHC	conglomerates	40 821	6.20	▲ 2.82%	▼ -5.34%	6.29	0.97
Bulgarian River Shipping	BRP	shipping	179 254	6.19	▼ -2.98%	▼ -36.19%	30.95	4.73
CB Central Cooperative Bank AD	CCB	banking	499 867	6.87	▼ -2.41%	▼ -35.31%	28.11	2.70
Stara planina hold AD	CENHL	conglomerates	132 300	6.30	▲ 2.77%	▼ -17.32%	15.73	2.54
Chimimport AD	CHIM	conglomerates	1 672 500	11.15	▲ 0.18%	▼ -28.11%	13.93	2.64
Chugunoleene	CHUG	metallurgy	17 301	26.99	▼ -3.40%	▼ -17.28%	neg.	1.34
Decotex AD	DEKOT	textile	34 145	2.27	▼ -8.84%	▼ -24.33%	467.73	1.48
Doverie Obedinen Holding AD	DOVUHL	conglomerates	163 718	12.45	▼ -0.08%	▼ -12.75%	13.99	1.32
Elana Agric. Land Opport. REIT	ELARG	real estate	136 155	2.28	▼ -1.30%	▲ 3.64%	2.84	1.04
Sparky Eltos	ELTOS	machinery	182 420	13.03	▼ -2.91%	▼ -20.65%	23.44	2.29
EMKA AD	EMKA	wires & cables	21 524	12.01	▲ 0.08%	▼ -20.62%	21.11	3.61
Eurohold Bulgaria	EUBG	conglomerates	169 994	2.72	▼ -51.17%	▼ -60.12%	2.13	1.00
Insurance Company Euro Ins AD	EURINS	insurance	108 000	10.80	▼ -0.46%	▼ -35.33%	20.25	5.05
First Investment Bank	FIB	banking	1 080 200	9.82	▼ -1.31%	▼ -14.68%	21.58	3.32
Fazerles	FZLES	wood industry	111 266	216.05	▼ -4.82%	▼ -30.32%	18.44	6.17
Severcoop Gumza Holding AD	GAMZA	conglomerates	10 589	3.96	▲ 2.06%	▼ -4.12%	3.67	0.48
Oil & Gas Explor. & Production AD	GAZ	oil & gas expl. & prod.	131 452	10.75	▼ -2.27%	▼ -20.84%	22.88	2.67
Industrial Capital Holding AD	HIKA	conglomerates	66 096	8.50	▼ -0.70%	▼ -15.08%	17.43	2.98
Holding Varna-A AD	HVAR	conglomerates	39 090	39.09	▼ -0.43%	▼ -12.18%	60.23	2.56
Industrial Holding Bulgaria AD	IHLBL	conglomerates	209 507	7.98	▲ 0.63%	▼ -29.63%	17.66	1.38
Kaolin	KAO	minerals	371 250	14.85	- 0.00%	▼ -14.61%	20.47	3.22
M+S Hydraulic AD	MCH	machinery	146 587	11.26	▼ -2.00%	▼ -18.58%	34.31	4.36
Monbat AD	MONBAT	machinery	577 200	29.60	▲ 8.62%	▼ -3.14%	34.18	6.65
Odessos Shiprepair Yard AD	ODES	machinery	176 740	301.09	▲ 7.32%	▼ -2.86%	19.73	3.45
Orgachim AD	ORGH	chemical	244 846	486.95	▲ 0.30%	▼ -24.40%	43.47	3.56
Lead & Zinc Complex	OTZK	metallurgy	586 975	69.77	▼ -0.41%	▼ -23.48%	25.04	7.61
Petrol AD	PET	oil trading	565 915	5.18	▼ -26.63%	▼ -1.89%	38.74	3.05
Synergon Holding AD	PETHL	conglomerates	154 223	10.92	▼ -3.19%	▼ -25.26%	17.49	0.74
Polimeri AD	POLIM	chemical	30 033	5.64	▼ -21.12%	▼ -49.60%	neg.	0.32
Balgarska roza-Sevtopolis AD	SEVTO	pharmaceuticals	27 028	2.24	▼ -0.44%	▼ -26.56%	21.33	1.53
Sopharma AD	SFARM	pharmaceuticals	982 080	7.44	▲ 2.34%	▼ -17.06%	30.96	4.40
TK - Hold AD	TCH	conglomerates	26 175	6.13	▼ -2.23%	▼ -15.91%	5.30	0.84
Toplivo AD	TOPL	trading	115 436	21.31	▼ -3.14%	▼ -26.82%	20.70	1.23
Zaharni Zavodi	ZAHZA	sugar	84 013	10.08	▼ -2.04%	▼ -33.77%	neg.	0.57

**Gainers & Losers<sup>o</sup>**

TOP GAINERS			
	Ticker	Sector	Weekly Chng
Elprom Zem	ZEM	machinery	+ 13.11%
Bulgarian American Credit Bank	BACB	banking	+ 10.69%
Monbat	MONBAT	machinery	+ 8.62%
TOP LOSERS			
Serdikom	SERDI	renting of real estate	-39.83%
Petrol	PET	oil trading	-26.63%
Polimeri	POLIM	chemical	-21.12%

Price multiples are calculated on TTM basis, unless stated otherwise;

The Bulgarian Lev is pegged to the Euro at BGN 1.95583 per EUR 1.

<sup>o</sup> Gainers: Among shares with turnover above BGN thnd 50; Losers: Among shares with turnover above BGN thnd 20;

**Bulgarian Stock Market Overview**

Week: February 25 - 29, 2008

**Main Economic Indicators**

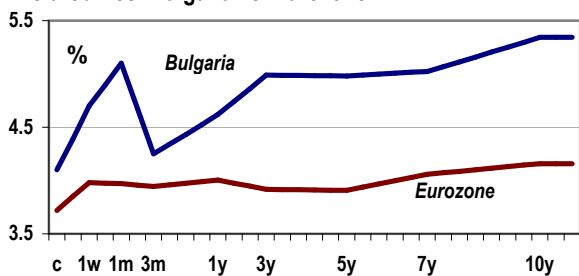
	2004	2005	2006
GDP, in bln EUR	19.57	21.45	25.10
GDP, real growth, %	6.6%	6.2%	6.1%
Inflation, year-average, %	6.2%	5.0%	7.3%
Unemployment, year-average, %	12.0%	10.1%	9.0%
Fiscal Balance, % GDP	1.7%	2.3%	3.7%
Gross Public Debt, % GDP	43.2%	33.4%	25.5%
Current Account, % GDP	-6.7%	-12.2%	-16.3%
Foreign Direct Investment, % GDP	14.0%	14.5%	16.8%

**News of the week**

**Economics**

- In February 2008 the economic climate remains favorable, data by the National Statistics Institute shows. The total business climate indicator rose by 0.9 percentage points above the January level, due to more optimistic estimates of managers in the sectors of construction, real trade and services.
- The Producer Price Index in January 2008 increased by 13.2 % on an annual basis, and by 0.8 % on a monthly basis, announced the National Statistical Institute [NSI].
- Bulgaria's 2007 gross external debt amounts to EUR 27,039.7 million (94.6% of GDP), which is 34.5% higher compared to 2006. BNB announced.

**Yield Curves: Bulgaria vs. Eurozone**



**Politics**

- The Minister of Transport Peter Moutafchiev indicated that Bulgaria has advanced with the infrastructure projects. The construction works on Danube Bridge 2 are expected to commence in April this year and be completed in 2010.
- The official statement of the Finance Ministry after auditing the public procurement procedures at the National Road Infrastructure Fund (NRIF) is that there are no abuses. The audit of the fund was required by the European Commission.

**East European Markets**

Index	Value	Weekly Chng	YTD Chng
Bulgaria SOFIX	1429.56	1.15%	-19.14%
Croatia CROBEX	4 232.27	-0.65%	-19.22%
Macedonia MBI-10	7 056.08	-3.48%	-8.85%
Montenegro NEX20	30 273.16	2.36%	-11.40%
Romania BET-C	5 202.33	1.49%	-21.95%
Russia MICEX10	2 924.44	-3.39%	-12.88%
Serbia BELEXline	3 498.76	-0.69%	-8.67%
Turkey ISE-100	44 776.88	-1.79%	-19.38%
Ukraine PFTS	1 102.08	-2.95%	-6.13%
Morgan Stanley MSCI EE (€)	639.83	-2.27%	-11.81%

**Corporate Sector**

- Polimeri Devnia [POLIM] announced its intentions to make a capital increase through the issuance of 50 mln. new shares. Against every existing share the shareholders shall have one right to subscribe 9.39 new shares. Thus, if all rights are subscribed the capital shall be increased from BGN 5.324 mln. to BGN 55.324 mln. This week the company signed a contract at the value of BGN 2.3 mln. for the delivery of a new installation for synthesis of hydrochloric acid. The facility shall be assembled within 10 months and its production capacity will be 120 ths. tones of hydrochloric acid per year.
- Energoremont Holding [ERH] and the National Railway Infrastructure Company signed a contract at the total value of BGN 10.7 mln. In the execution of the project ERH will engage a sub-contractor who will be entitled to receive 27.7% of the total value of the contract.
- Billboard PLC [BOARD] is going to establish a new subsidiary - Heatset, with BGN 5 ths. capital, divided into 50 stakes with nominal value BGN 100 each. The activities of the company shall include offset printing, digital printing, advertising etc. The aim with which the company is established is implementation of the project for the new printing base in Kostinbrod.