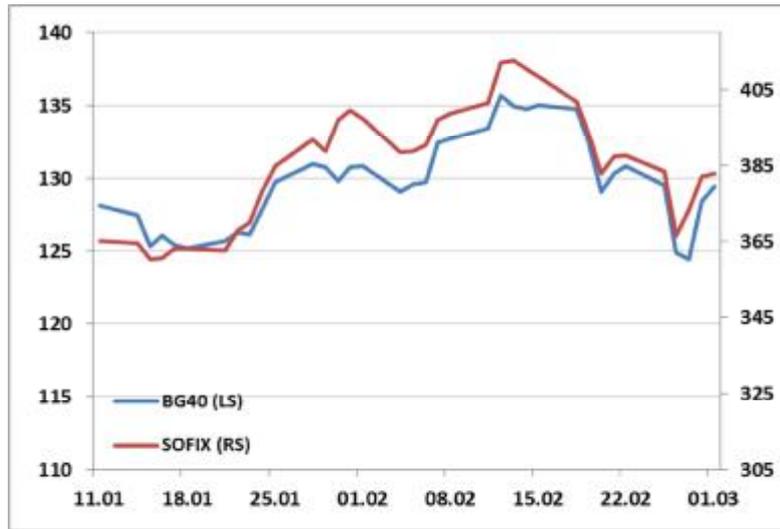
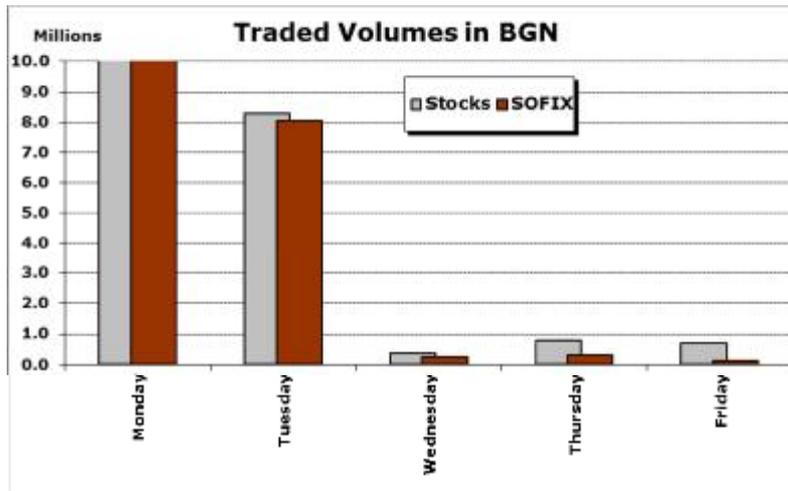


Market Trend



The market began the week with solid decrease as most of SOFIX's components declined, led by Bulgartabac Holding (57B). The lack of buyers additionally pushed down the stock exchange and the main index fall below 380 points for short. However, the decline was short-lived and BSE reversed at the end of the week. SOFIX lost 1.25% on weekly basis and BG40 decreased by 1.07%. We expect the picture to remain the same next week and the most positions to swing between positive and negative territory in low volumes.

Trading Activity



The overall volumes remained thin with the exception of some block deals. On Monday, 4.2% of Corporate Commercial Bank's (6C9) capital changed hands at BGN 83.50 per share, followed by another deal for 1.5% of the capital at BGN 84.05 per share on Tuesday.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.44	1.50%	2.42	2.45
Bulgartabac Holding	83.70	-11.89%	90.00	99.50
Corporate Commercial Bank	88.25	6.00%	83.00	88.25
Central Cooperative Bank	0.89	4.09%	0.89	0.90
Chimimport	1.40	2.19%	1.39	1.40
Neochim	25.80	-2.64%	25.20	26.50
M+S Hydraulic	6.85	-2.14%	6.62	6.90
Eurohold Bulgaria	0.97	-0.41%	0.92	0.97
First Investment Bank	1.90	0.00%	1.81	1.89
Industrial Holding Bulgaria	0.79	-1.88%	0.77	0.82
Kaolin	3.57	-3.51%	3.57	3.69
Monbat	6.07	3.23%	5.87	6.14
Sopharma	2.18	1.40%	2.15	2.18
Stara Planina Hold	2.45	-3.76%	2.48	2.59
Bulgaria Real Estate Fund REIT	0.57	-1.04%	0.57	0.59

The most of SOFIX's components reversed and erased part of the losses from the beginning of the week. Bulgartabac Holding (57B) solidly declined and the last deal with the holding was on Tuesday. The consolidated 2012 report of the holding showed BGN 88.77 million net profit and 31% sales increase on yearly basis. The positive financial results are due to the increase export and improved production process, the Management announced.

News

- **25 February 2013:** CEZ Distribution Bulgaria (3CZ) hereby notifies, as follows:
 1. On February 22 2013 the Company received an extract of Decision dated February 19 2013 of the State Energy and Water Regulatory Commission (respectively "the Decision" and "SEWRC");
 2. According to the operative provisions of the Decision, to the point SEWRC:
 - (a) Starts a procedure to revoke the license as issued to the company for the activity "distribution of electric energy" ("the License");
 - (b) Sets up a 7-day period, within which the Company must submit a written statement on the reason for opening of the License revocation procedure; and
 - (c) Appoints on April 16 2013 an open session of SEWRC with regard to the License revocation.
 3. Currently, the management of the company finds that there are no reasons for revocation of the License and even no reasons for opening of such revocation procedure.
- **26 February 2013:** In January, 2013 the companies in the economic group of Monbat (5MB) generated consolidated net sales of BGN 24.8 million which represents a 101% growth as compared to the consolidated net sales in January, 2012. The consolidated profit before taxes of the companies in the economic group for January, 2013 is BGN 2.9 million which represents a profit growth by 951% compared to January 2012. In January 2013 the companies in the economic group of Monbat have reached EBITDA of BGN 4 million or 189% up compared to the achieved in January, 2012.
- **04 March 2013:** In January 2013 Sopharma Trading (SO5) realised sales of goods to the amount of BGN 42.5 million and thus attaining a 17% growth of the sales in 2013 when compared to 2012. The Company's pre-tax profit has amounted to BGN 751 000 in January 2013, which represents a 26% growth when compared to the same period of 2012. Based on data provided by IMS, the market share (as value) of Sopharma Trading on the market of pharmaceutical products is 21.8%.

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Financial Interest: ELANA Trading may trade or own shares of the analyzed companies. The research analyst(s) is not holding shares of the analyzed companies, unless otherwise noted.

Regulatory Authority: Financial Supervisory Commission, *Shar Planina* Street 33, 1303 Sofia, Bulgaria

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The prices or values of the securities may go down as well as up and can fluctuate and fall against the investor. The securities or investments may cause the investor to lose the amount invested. Past performance is not a guide to future performance. Changes in exchange rates may have an adverse effect on the value, price or income of the securities or investments.

Valuation Methods: Company valuations are based on the following methods: multiple-based (P/E, P/B, EV/EBITDA), historical valuation approaches, peer comparisons, discount models (DCF, DDM) or asset-based evaluation methods. Valuation models are dependent on macroeconomic factors, including interest rates, foreign exchange rates, prices of raw materials, and any expectations about the economy, the market sentiment. The valuation is based on expectations that might change rapidly and without notice, depending on developments specific to individual industries and countries. Recommendations and target prices derived from the models might therefore change accordingly. The application of models depends on forecasts of a range of economic variables, thus there is a range of reasonable variations within models. Any valuation is dependent upon inputs that are based on the subjective opinion of the analysts carrying out this valuation.

Recommendations: Analyst(s) recommendations are based on the specific factors for the company, sector, country and global developments, as compared to market indices. Recommendations and opinions reflect ELANA Trading's expectations over the 12-month period following publication from the perspective of long-only investment clients. ELANA Trading reserves the right to express different or contrary recommendations and opinions for different timescales or for other types of investment client. Except as otherwise noted, expected performance over next 12 months vary for different recommendations for Bulgarian stocks as follows:

Outperform	More than 5% higher as compared to SOFIX and BG40 performance
Market Perform	Market performance, +/-5% as compared to SOFIX and BG40
Underperform	More than 5% lower as compared to SOFIX and BG40 performance

Frequency of Recommendations: No schedule of recommendations is available. The frequency of recommendations depends on specific factors to individual companies and the opinion of the analyst(s) for the necessity of minor or major changes.

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