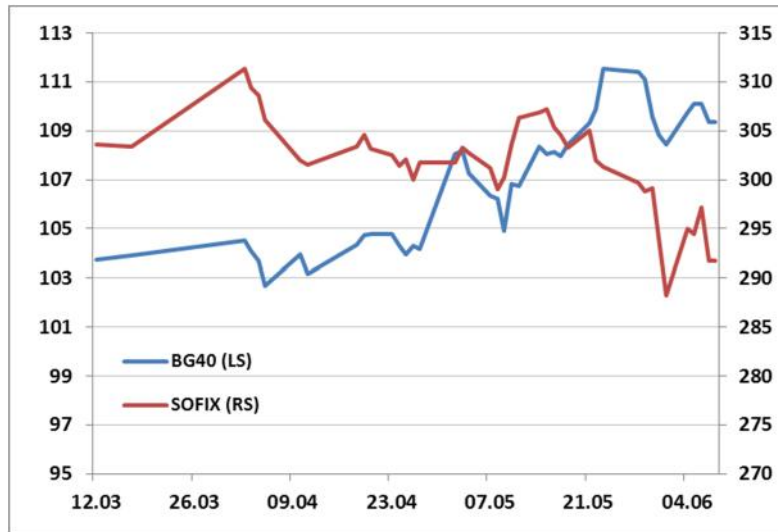
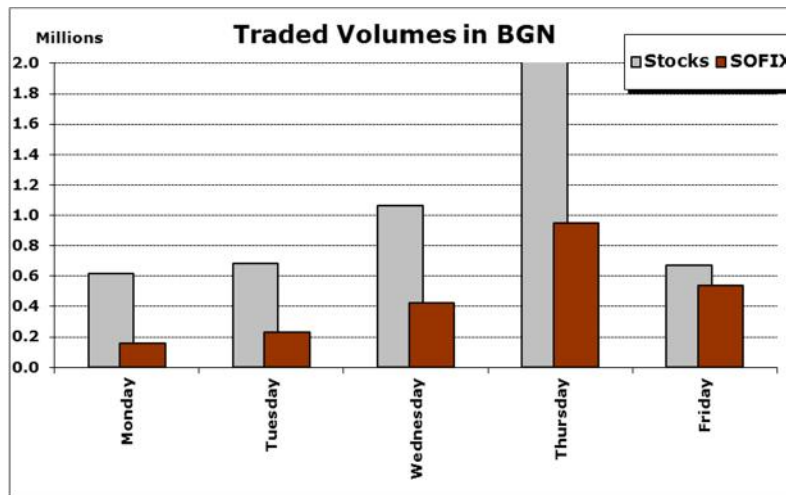


**Market Trend**



SOFIX closed on positive this week but is still under the key level of 300 points. The activity remained thin and the lack of interest toward the liquid positions weights on the index. The connection between the announced corporate results and the market reaction is very weak. The slowdown in quarterly reports was already priced in. The 1Q 2012 financial results are making investors very defensive and even the attractive valuation of Bulgarian stocks cannot improve the market bias. Export-oriented companies are losing ground as growth rates are deteriorating. Some of them are even shrinking in terms of sales, profits or both. The expectations are negative when concerning financial results – a new step on the downside is probable. In 2008 and 2009 Bulgarian economy contracted with some lag to the global crisis, whereas many companies reported very successful financial year.

**Trading Activity**



The shares of Mekom (MKX) boosted the overall volumes on Thursday. 39% of company's capital surprisingly changed hands to the total amount of BGN 2.26 million. The seller was the majority owner and the buyers – clients of Expat Capital and Expat Asset Management. The Management of Expat will disclose more specific information in short term, the company announced.

**WEEKLY BULLETIN**

08 June 2012

**SOFIX**

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.64	3.48%	1.64	1.65
Bulgartabac Holding	44.63	1.17%	44.53	47.90
ELARG Opportunity Fund REIT	1.88	1.46%	1.86	1.88
Central Cooperative Bank	0.64	0.00%	0.64	0.64
Chimimport	1.03	-1.90%	1.03	1.05
Neochim	27.01	-4.89%	27.90	28.00
M+S Hydraulic	6.65	2.77%	6.65	6.87
Eurohold Bulgaria	1.00	0.00%	1.00	1.01
First Investment Bank	1.55	3.07%	1.50	1.55
Industrial Holding Bulgaria	0.62	1.64%	0.62	0.64
Kaolin	2.00	-0.05%	1.96	2.04
Monbat	4.30	6.15%	4.11	4.30
Sopharma	2.30	1.32%	2.27	2.30
Stara Planina Hold	2.10	1.84%	2.10	2.11
Bulgaria Real Estate Fund REIT	0.71	-3.41%	0.71	0.71

Advance Terrafund REIT (6A6) remained among the most traded positions this week. The REIT company erased all its recent losses and is on the upside again, supported by consistent buying interest. The rest of SOFIX's components continued to be mostly on the background. Chimimport (6C4) got new bottom of BGN 1.03 per share. The lack of investors weights on the position and on the entire market as well. Even the consolidated reports couldn't change the picture.

**News**

- **05 June 2012:** Yuri Gagarin (4PX) submitted information on the proceeds from sales of Yuri Gagarin's produce for May 2012.
- **05 June 2012:** Sopharma AD (3JR) announced its financial results for May 2012.
- **07 June 2012:** The Board of Directors of Sopharma (3JR) informs that from May 31 2012 to June 6 2012 the company bought 900 own shares representing 0.00068% of its capital, to the total value of BGN 2 066.20 on the Bulgarian Stock Exchange. The average price per share was BGN 2.296. The total number of the bought back shares after these transactions is 3 118 963, representing 2.363% of the Sopharma's capital.
- **07 June 2012:** The Supervisory Board of Bulgarian American Credit Bank (5BN), at its session dated June 06, 2012, adopted a decision to re-elect for a new 5-year mandate all members of the Management Board of BACB.
- **07 June 2012:** The majority owner of EVN Electrosnabdiavane (1EV) issued a tender offer to minority shareholders and is planning to delist the company. The Austrian company is already owner of 99% of shares. It offered a price of BGN 357.01 per share or 80% above the last price.

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**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:

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

For more information, please contact:

Research analyst  
Tsvetoslav Tsachev  
Tamara Becheva

Phone:  
+359 2 810 00 23  
+359 2 810 00 27

E-mail:  
[tsachev@elana.net](mailto:tsachev@elana.net)  
[becheva@elana.net](mailto:becheva@elana.net)

Internet:  
[www.elana.net](http://www.elana.net)  
[www.elana.net](http://www.elana.net)