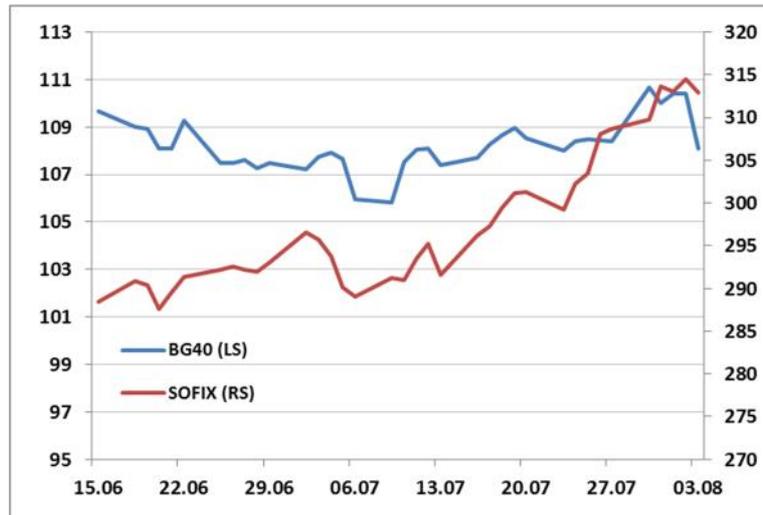
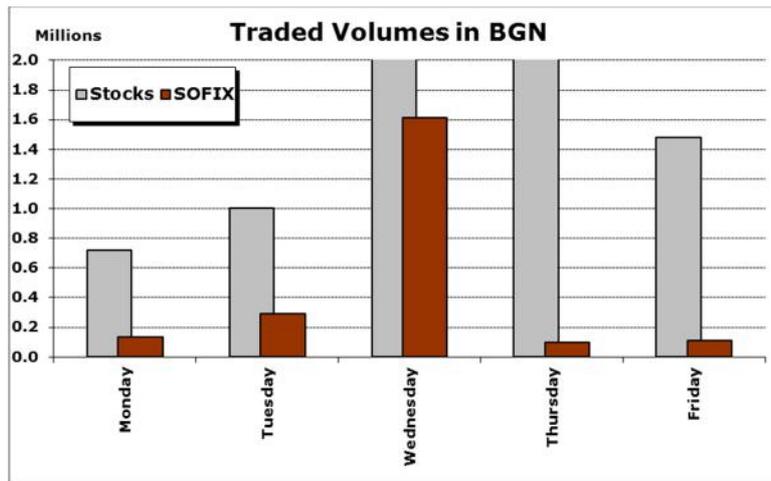


Market Trend



SOFIX increased on weekly basis, despite the weakness on Friday. The main index almost erased the loss since the beginning of the year and is 3% down as compared to the last session for 2011. The unconsolidated reports remained unnoticed. The main indices increased in July as well and SOFIX closed above 310 points. The market bias improved and the buyers predominated. Nothing general was change during the month. The number of deals increased as compare to June.

Trading Activity



The overall volumes remained around the usual level of BGN 1 million. Blocks of Bulgaria Real Estate Fund REIT (5BU) boosted the volumes on Wednesday. 4% of REIT's capital changed hands in two deals. On Thursday large deals with Sofia BT (3JR) boosted the turnover. The most probable seller is British American Tobacco but there is no official information so far.

SOFIX

SOFIX's Components				
Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.99	5.18%	1.96	1.99
Bulgartabac Holding	50.00	7.53%	47.50	50.80
ELARG Opportunity Fund REIT	1.96	0.51%	1.96	1.97
Central Cooperative Bank	0.64	-5.74%	0.64	0.68
Chimimport	0.90	2.16%	0.89	0.90
Neochim	27.50	-1.08%	27.50	28.48
M+S Hydraulic	6.60	5.10%	6.20	6.70
Eurohold Bulgaria	0.97	1.58%	0.93	0.96
First Investment Bank	1.60	3.09%	1.56	1.60
Industrial Holding Bulgaria	0.71	-10.42%	0.71	0.79
Kaolin	2.28	8.94%	2.15	2.28
Monbat	4.90	1.01%	4.70	4.90
Sopharma	2.30	-2.95%	2.29	2.30
Stara Planina Hold	2.10	0.48%	2.10	2.15
Bulgaria Real Estate Fund REIT	0.54	0.19%	0.53	0.54

SOFIX's components closed mixed. Industrial Holding Bulgaria (4ID) underperformed. On the other side was Kaolin (6K1) followed by Bulgartabac Holding (57B). The tobacco companies were in the investors' focus during the last week. Block deals with Blagoevgrad BT on Tuesday was followed by deal for 8.6% of Sofia BT's capital on Thursday. The banks in the index closed in different directions. Central Cooperative Bank (4CF) stepped back again, while First Investment Bank (5F4) managed to retain its current level.

News

- 31 July 2012:** Bulgarian-American Credit Bank (5BN) has published preliminary financial statements on a consolidated and individual basis as at June 30, 2012 along with the respective interim reports on the company's activity and a letter addressed to the shareholders. Based on unaudited data as at March 31, 2012, BACB has reported the following financial results for the first three months of 2012:
 - Net loss on non-consolidated basis: BGN 5 931 thousand;
 - Net loss on consolidated basis: BGN 6 354 thousand.
- 31 July 2012:** The net financial result of Kaolin (6K1) for the first half of 2012 has reached BGN 5.8 million and practically retain the same level as the last year. The operating incomes for the period decreased by 7.7% compared to the first six months of 2011. The main reason for the drop in the sales proceeds is the sharp decrease of the sales of sulphur-cleaning installation limestones and the continuing fall of the turnover of construction materials. In the meantime the basic markets of the company - ceramics and glass, have kept their stable pace of development. The sales in the paper industry have registered a substantial increase.
- 31 July 2012:** In the July 2012, Monbat (5MB) bought back 64 215 own shares at an average price of BGN 4.81 per share. The total number of own shares held as at 31 July 2012 has been 2 497 644 shares at an average price of BGN 5.98 per share.
- 03 August 2012:** The Board of Directors of Sopharma (3JR) notified that from July 26 2012 up to and including August 01 2012 the company has bought back 10 615 own shares, representing 0.008% of the share capital of the company, at the total value of BGN 24 752.28. The average price per share has been BGN 2.32. After this transaction, the total number of shares bought-back has reached 3 157 832 shares, representing 2.392% of the share capital of the company.

Disclaimer

Analyst Certification: The research analyst(s) certifies that: (1) all of the views expressed in this document accurately reflect his or her personal views about any and all of the subject securities or issuers; (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this document.

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

Information Disclosure: All reasonable care has been taken to ensure the facts stated are accurate and opinions given are fair and reasonable. Our recommendations are based on information available to the public that we consider to be reliable but for the completeness and accuracy of which we assume no liability. Neither ELANA Trading, nor its directors, officers or employees shall in any way be responsible for its contents. The views expressed may differ from the views of other firm departments or representatives. Additional information is available upon request. Unless otherwise noted, sources for all information in charts and tables are ELANA Trading's calculations.

Risks for Investors: Information in this document should not be regarded as an offer to buy or sell any financial instruments. The investment possibilities discussed in this document may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. In particular, the risks associated with an investment in the securities or the financial instruments under discussion are not explained in its entirety.

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.

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
becheva@elana.net

Internet:
www.elana.net
www.elana.net