

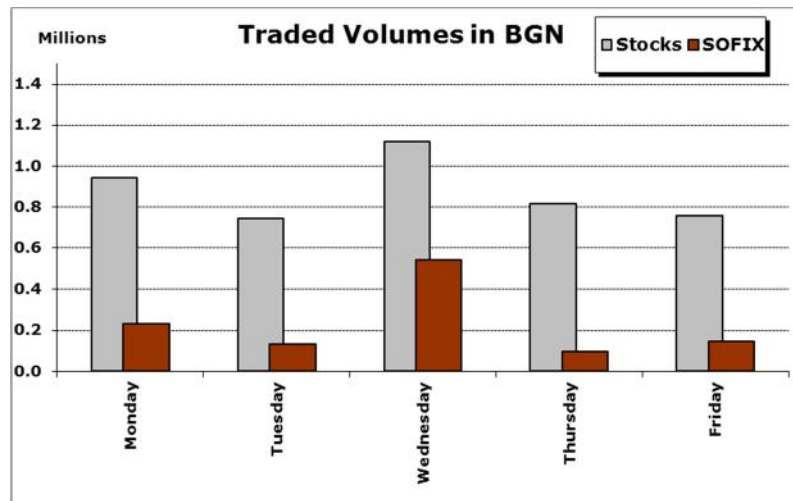
Market Trend



The market continued to stay on positive and the main indices added average 1.4% on weekly basis. SOFIX posted seventh increase in a row on Friday and reached 324.89 points which is the highest level for the year. Since the beginning of the year, the index is already on plus - 0.86%.

The positive bias continued to predominate and the market will remain on positive in short term.

Trading Activity



Registered compensatory vouchers (BLKC) continued to set up the BSE's volumes. The interest toward the position is still high and the price remained near the recent high of BGN 0.83 per share. The Ministry of Agriculture announced that 154 000 acres agricultural land will be offered for sale against Registered Compensation Vouchers. The list of the exact properties will be announced in the local newspapers of the different districts, and after the publication there will be 30-day period in which the willing to participate in the auctions can apply.

Sopharma (3JR) boosted the volumes at the middle of the week. The pharmaceutical company was subject of large block deal on Wednesday.

**SOFIX**

SOFIX's Components				
Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.05	-2.71%	2.02	2.05
Bulgartabac Holding	57.00	3.64%	55.00	59.97
ELARG Opportunity Fund REIT	2.00	-3.52%	2.00	2.00
Central Cooperative Bank	0.61	5.22%	0.60	0.62
Chimimport	0.82	8.62%	0.81	0.82
Neochim	32.80	19.27%	30.00	32.50
M+S Hydraulic	6.90	-2.13%	6.81	6.90
Eurohold Bulgaria	0.94	-1.36%	0.94	0.97
First Investment Bank	1.62	-0.61%	1.62	1.65
Industrial Holding Bulgaria	0.75	1.90%	0.74	0.75
Kaolin	2.46	3.66%	2.40	2.47
Monbat	4.90	0.00%	4.75	4.90
Sopharma	2.45	2.04%	2.42	2.45
Stara Planina Hold	2.25	1.35%	2.25	2.33
Bulgaria Real Estate Fund REIT	0.54	-0.55%	0.54	0.55

Neochim (3NB) outperformed the market on Friday in moderate volumes. The fertilizer producer soared and added 15% on daily basis and 19.3% on weekly basis. There is no official news which to cause the increase. Chimimport (6C4) managed to sustain the level of BGN 0.82 per share. The banking sector closed mixed.

**News**

- 23 August 2012:** The Board of Directors of Sopharma (3JR) has notified that from August 16 2012 to August 22 2012 the company has bought back 11 650 own shares at the total value of BGN 28 325.60 as the average re-purchase price per share has been BGN 2.431. After this transaction, the total number of bought-back shares has reached 3 175 948 shares, representing 2.406% of the capital.
- 23 August 2012:** The Board of Directors of Sopharma (3JR) hereby informs that the company will commence the paying of dividends for 2011 on 31 August 2012 in accordance with a List of Entitled Persons as of July 13 2011, prepared by the Central Depository. The gross dividend, voted on the AGM, amounts to 0.07 BGN per share.
- 24 August 2012:** Bulgarian Telecommunication Company (5BT) has appointed a General Meeting of Shareholders on September 28, 2012 under the following agenda:
  - Amendment to the Credit Lines Contract dated August 09 2007 signed between the Company, NEF Telecom Company B.V.-Holland, NEF Telecom Bulgaria OOD-Sofia (NEF Bulgaria) and a group of financial institutions in their capacity of lenders represented by The Royal Bank of Scotland PLC-Great Britain.
 The voting right will be entitled to all shareholders registered in the Central Depository 14 days before the GMS i.e. by September 14, 2012 (Record Date).
- 24 August 2012:** Yuri Gagarin (4PX) notified a decision of the Board of Directors to terminate by common consent the contract for the purchase of 100 % of the units of company Filstyle-Hungary, Hungary.
- 24 August 2012:** In July 2012 Monbat (5MB) and Monbat Recycling have generated consolidated sales to the amount of BGN 13.3 million, which represents a 19.72% decrease compared to the same period last year. The summarized data for the first seven months of 2012 shows that Monbat and Monbat Recycling generated consolidated sales to the amount of BGN 102.9 million, which represents a 10.75% decrease on yearly basis.

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:

<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)