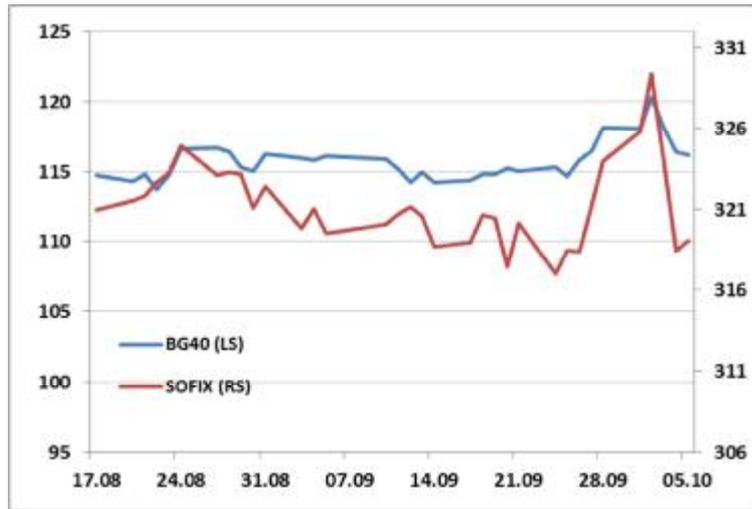
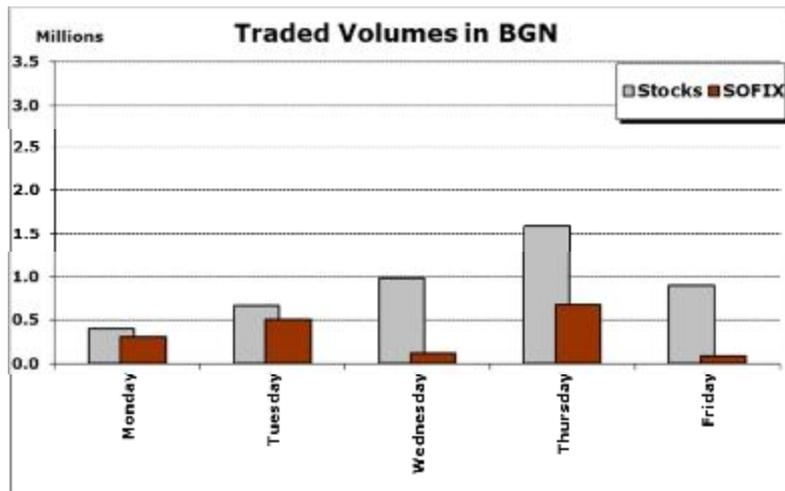


Market Trend



The main indices declined as the investors were focused on the electricity distribution companies' privatization. The sale of the 33% Government stake in both companies was successful – the majority owner bought most of the shares. The most probable scenario is a tender offer after several months. Probably, in short-term the liquidity will fall, the price spread will rise and the position will stay flat.

Trading Activity



The overall trading remained thin and the total BSE volume hardly reached BGN 1 million. Bulgaria Real Estate Fund REIT (5BU) was subject of several large package transactions during the week and set up large part of the total volume. Investors remained cautious and institutional participants are still the leading side.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	2.00	-0.10%	2.00	2.01
Bulgartabac Holding	63.50	-2.96%	61.11	68.28
Corporate Commercial Bank	77.20	-4.10%	76.20	79.99
Central Cooperative Bank	0.55	0.00%	0.55	0.56
Chimimport	0.67	4.21%	0.65	0.66
Neochim	28.50	-4.97%	28.50	29.00
M+S Hydraulic	6.57	2.61%	6.45	6.57
Eurohold Bulgaria	0.89	-3.26%	0.89	0.91
First Investment Bank	1.59	1.53%	1.59	1.60
Industrial Holding Bulgaria	0.74	0.00%	0.74	0.74
Kaolin	2.67	2.69%	2.65	2.67
Monbat	4.72	-3.65%	4.84	4.85
Sopharma	2.36	-1.67%	2.35	2.36
Stara Planina Hold	2.22	-1.55%	2.22	2.25
Bulgaria Real Estate Fund REIT	0.52	-4.91%	0.54	0.55

Bulgartabac Holding (57B) stepped back as on Tuesday the tobacco holding soared to BGN 74.9 per share and supported the main index. The investors locked in profit and the position declined as of the end of the week. Chimimport (6C4) was on the other side and finished the week on the upside. The banking sector closed mixed. The newly included in SOFIX – Corporate Commercial Bank (6C9) declined in low volumes. However, the position remained stable during the market weakness.

News

- **05 October 2012:** In September 2012, Monbat (5MB) has bought back 73 362 own shares at an average price of BGN 4.895 per share. The total number of own shares held as at September 30 2012 has been 2 629 660 shares at an average price of BGN 5.92 per share.
- **02 October 2012:** Petrol (5PET) has appointed a GMS on November 09, 2012 under the following agenda: authorisation of the Management Board and of the Executive Director of Petrol AD to effect transactions under Art. 114 (1) of the POSA; amendments to the Statute of the company. In the absence of a quorum, the GMS will be held on November 30, 2012 under the same agenda. The voting right will be entitled to all shareholders registered in the Central Depository 14 days before the GMS i.e. by October 26, 2012.
- **05 October 2012:** For September 2012, Sopharma (3JR) has attained its sales when compared to the same month in the preceding year, including a 9% decrease in the domestic market sales and a 4% increase in the export sales. The proceeds from sales for the nine months increased by 2%, including a 10% reduction on the domestic market and a 7% increase in the export sales when compared to the same period of the preceding year.
- **05 October 2012:** ELARG Agricultural Land Opportunity Fund REIT (4EC) increased its preliminary prognosis for the price of the liquidation to above BGN 2.50 per share.

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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.

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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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