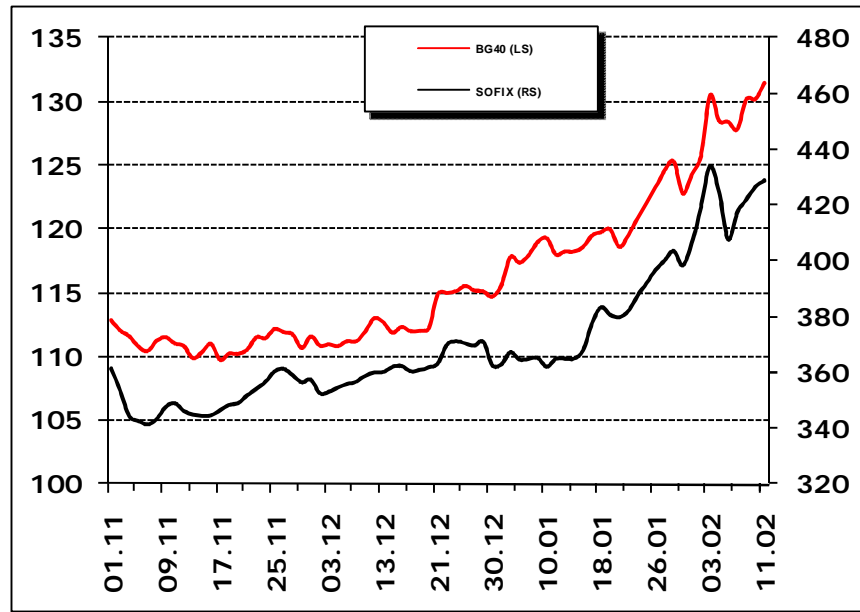


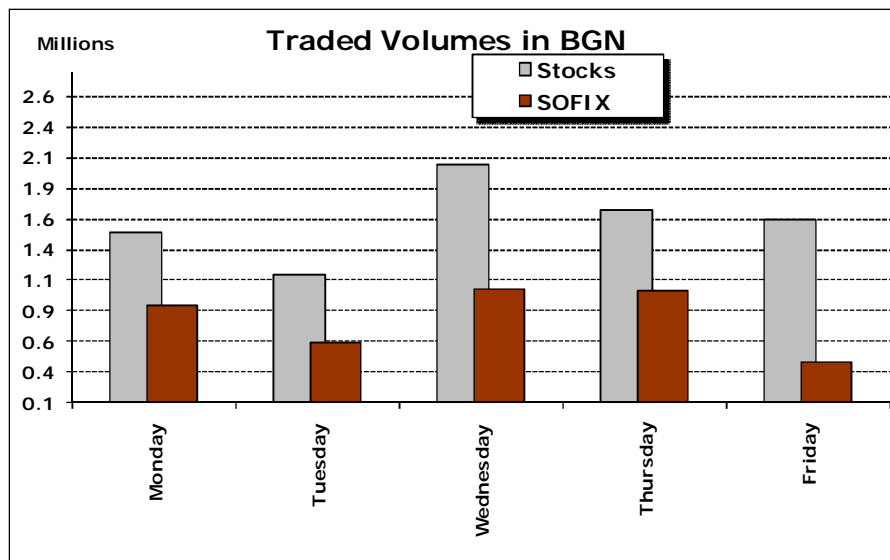
Market Trend



The market closed on the upside as the positivism still persist. The main indices improved under the broad-based interest. The week begun with some profit taking but the buyers came back and supported the most of the positions.

There is no news behind the recent investors' enthusiasm. We consider the green color to remain, although in tight range. Only several companies lag behind the overall increase due to the weak 2010 financial results and the higher supply of shares. The banking sector will keep attention.

Trading Activity



The overall volumes remained higher and despite the several block deals, the activity also improved. The liquid positions were the most attractive but some of the low-liquid companies also attracted attention.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Advance Terrafund REIT	1.27	0.00%	1.26	1.27
Albena	55.40	0.73%	55.50	56.90
Bulgarian-American Credit Bank	9.35	1.64%	9.35	9.50
Central Cooperative Bank	1.67	6.10%	1.65	1.67
Chimimport	3.30	3.90%	3.30	3.34
Doverie United Holding	3.50	-5.38%	3.44	3.59
Enemona	6.95	1.02%	6.81	6.89
Eurohold Bulgaria	0.88	1.74%	0.87	0.88
First Investment Bank	3.21	3.55%	3.16	3.21
Industrial Holding Bulgaria	1.12	1.36%	1.10	1.12
Kaolin	5.35	-2.07%	5.25	5.35
Monbat	7.00	6.37%	6.85	7.00
Sopharma	4.12	-0.89%	4.14	4.16
Stara Planina Hold	3.65	-6.41%	3.63	3.67
Zyrneni Hrani Bulgaria	0.72	0.70%	0.70	0.72

Only several SOFIX's components declined on weekly basis. Stara Planina Hold (5SR) and Doverie United Holdong (5DOV) underperformed. The Financial Supervision Commission approved the prospectus for admission to trading on a regulated market in the European Union the shares of Monbat (5MB). Subject of trading will be all shares issued by the company - 39 000 0000. The news didn't influence the trading with the position. The good weekly performance was mostly due to the lag behind the recent market increase. The banking sector remained on positive.

News

- **08 February 2011:** The Board of Directors of Yuri Gagarin (4PX) adopted a decision on February 07, 2011 for the purchase of a modern technological line for production of triple filter cigarettes from "International Tobacco Machinery", the Netherlands. The total investment amounts EUR 2.95 million and will be financed through a bank credit contract and through own funds. The planned investments in 2011 surmount BGN 12 million mainly for the purchase of machines and equipment for printing and filter production
- **08 February 2011:** The Central Depository announced the conversion of 248 359 Chimimport's preferred shares (6C4P) with no voting right into 248 359 common shares of Chimimport (6C4). As a result of the conversion, the total amount of common shares of Chimimport (6C4) for the period August 01 – December 31 2010 is 150 858 809 and the total amount of preference shares of Class B (6C4P) under is 88 787 458. The total amount of shares issued by the company (239 646 267) and the capital of the company in the amount of BGN 239 646 267 have not changed as a result of the conversion.
- **08 February 2011:** First Investment Bank (5F4) acquired 100% of Balkan Financial Services. Balkan Financial Services is a company providing consultancy services on the implementation of financial information systems and software development.
- **09 February 2011:** The National Railway Infrastructure Company signed on February 08 2011 with GCF-SK-13-TRACE Railinfra Consortium JSCo. a public procurement contract for Rehabilitation of the railway infrastructure in sections of the railway line Plovdiv - Burgas on lots 1, 2 and 3. The contracted value for the three lots amounts to BGN 380 million in total.
- **10 February 2011:** The Financial Supervision Commission approved the prospectus for admission to trading on a regulated market in the European Union the shares of Monbat (5MB). Subject of trading will be all shares issued by the company - 39 000 0000.

**Macro-
economy**

- In 2010 the Bulgarian exports to third countries increased by 48.5% compared to the previous year and amounted to BGN 11.9 billion while the imports increased by 17.1% and reached to BGN 15.5 billion.
- According to the preliminary data of the National Statistical Institute, in the fourth quarter of 2010 the newly built residential buildings were 671 and compared to the respectively quarter of 2009 decreased by 27.0%. The newly built dwellings in them decreased by 29.6% and their number was 4 125.
- In the period January - November 2010 the Bulgarian exports to the EU increased by 23.8% compared to the corresponding period of the previous year and amounted to BGN 17 billion while the imports increased by 9.9% and amounted to BGN 19.9 billion. In November 2010 the exports to the EU increased by 27% compared to the corresponding month of the previous year and reached to BGN 1.7 billion while the imports increased by 36.9% and amounted to BGN 2.3 billion.
- The preliminary data showed that the Industrial Production Index, seasonally adjusted decreased by 1.0% in December 2010 as compared to November 2010. The working day adjusted Industrial Production Index rose by 5.2% as compared to the same month of 2009.

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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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