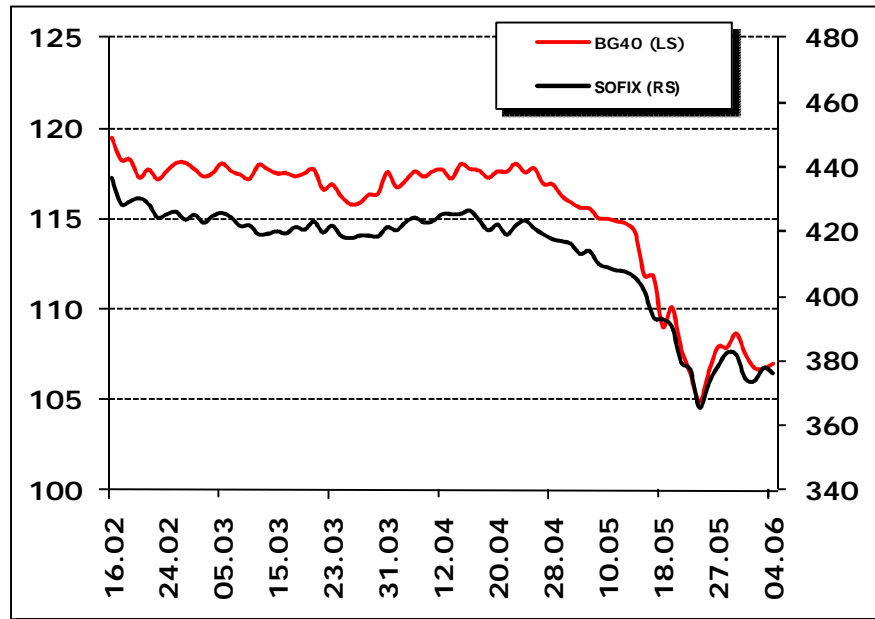


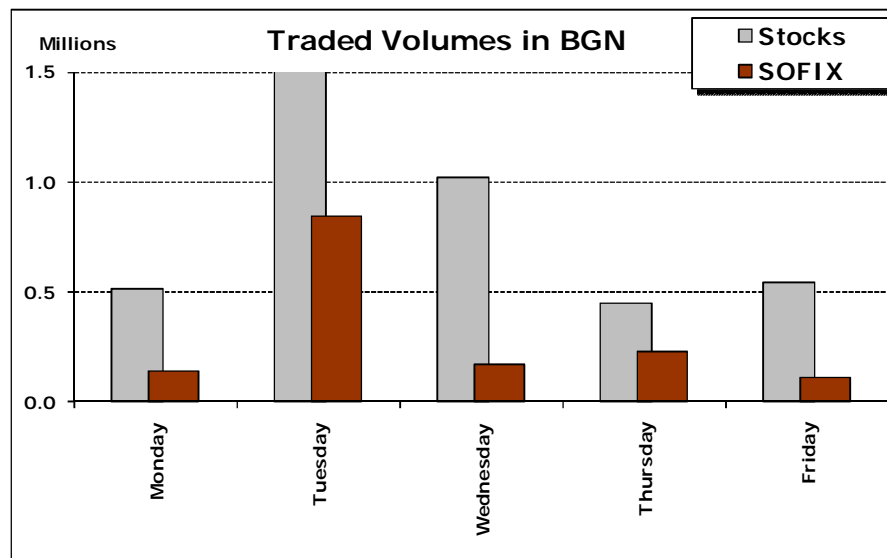
Market Trend



SOFIX closed on the downside on weekly basis, despite that indices tried to reverse at the end of the week. The level of 370 points provides support so far but it could be easily breached due to the low level of demand at current prices.

We don't consider that in short term the picture will change. The international markets will continue to be factor for the BSE's direction and every modest restructuring of the portfolios will weight due to the low liquidity. The foreign investors are still aside of the market as the worries about problems in Europe persist.

Trading Activity



The investors' activity was near zero temperature and the overall volumes remained below BGN 1 million. On Tuesday, block deal with Velgraf Asset Management (VX) contributed to the overall volumes by BGN 3 million. The daily volumes were almost equally separate between liquid positions but the lack of investors pushed down the market with insignificant volumes.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	49.98	2.00%	49.02	50.50
Bulgarian-American Credit Bank	10.5	-12.51%	10.49	10.70
Central Cooperative Bank	1.215	0.50%	1.21	1.22
Chimimport	2.092	-4.65%	2.09	2.11
Corporate Commercial Bank	59.5	-0.83%	59.53	61.75
Elana Opportunity Land Fund	.55	-1.79%	0.55	0.60
Enemona	8.05	-1.83%	7.77	8.05
Eurohold Bulgaria	1.023	-5.37%	1.02	1.06
First Investment Bank	2.09	-2.84%	2.06	2.11
Holding Roads	1.54	-9.68%	1.54	1.58
Industrial Holding Bulgaria	1.36	-1.45%	1.32	1.37
Kaolin	4.39	-3.50%	4.30	4.52
Lead and Zink Complex	11.301	-1.73%	11.12	11.59
M+S Hydraulic	4.7	6.82%	4.31	4.70
Monbat	6.498	-0.03%	6.33	6.49
Neochim	25.6	0.32%	25.00	25.50
Orgachim	84	5.00%	84.00	84.79
Sopharma	3.801	1.09%	3.80	3.85
Sparky Eltos	1.77	2.49%	1.70	1.77
Trace Group Hold	50.8	-3.24%	50.00	51.95

Most of the SOFIX's components declined, led by Bulgarian-American Credit Bank (5BN). The rumors are that an institutional investor is selling its stake in the bank and pushed down the price as the bid orders are thin. Infrastructure companies remained under pressure as well as Chimimport (6C4). Orgachim (5ORG) outperformed the market, probably supported by the news for the new tender offer at BGN 86.00 toward the minority shareholders. However, the Financial Supervision Commission is still not approve the offer.

News

- **31 May 2010:** Petrol (5PET) appointed a GMS on June, 26. Voting right will have all shareholders, registered in the Central Depository by June, 15.
- **31 May 2010:** Central Cooperative Bank (4CF) appointed a GMS on June, 30. Voting right will have all shareholders, registered in the Central Depository by June, 16.
- **01 June 2010:** Industrial Holding Bulgaria (4ID) announced that the recent capital increase was successful as 99.6% of the offered shares were subscribed.
- **01 June 2010:** In May 2010, Monbat (5MB) has bought back 67 049 company's own shares at the average price of BGN 6.52 per share. The total number of the own shares held by the company as at May 31, 2010 is 1 330 179 shares at the average price of BGN 6.10 per share.
- **03 June 2010:** In May 2010, Sopharma (3JR) realized a 31% sales growth compared to the same month last year.
- **04 June 2010:** Sparky Eltos (SL9) appointed a GMS on July, 21. Voting right will have all shareholders, registered in the Central Depository by July, 07.

Upcoming Events

- **09 June 2010:** National Statistic Institute will announce the April's export and import data.
- **10 June 2010:** National Statistic Institute will announce the data about the industry, construction and trade.

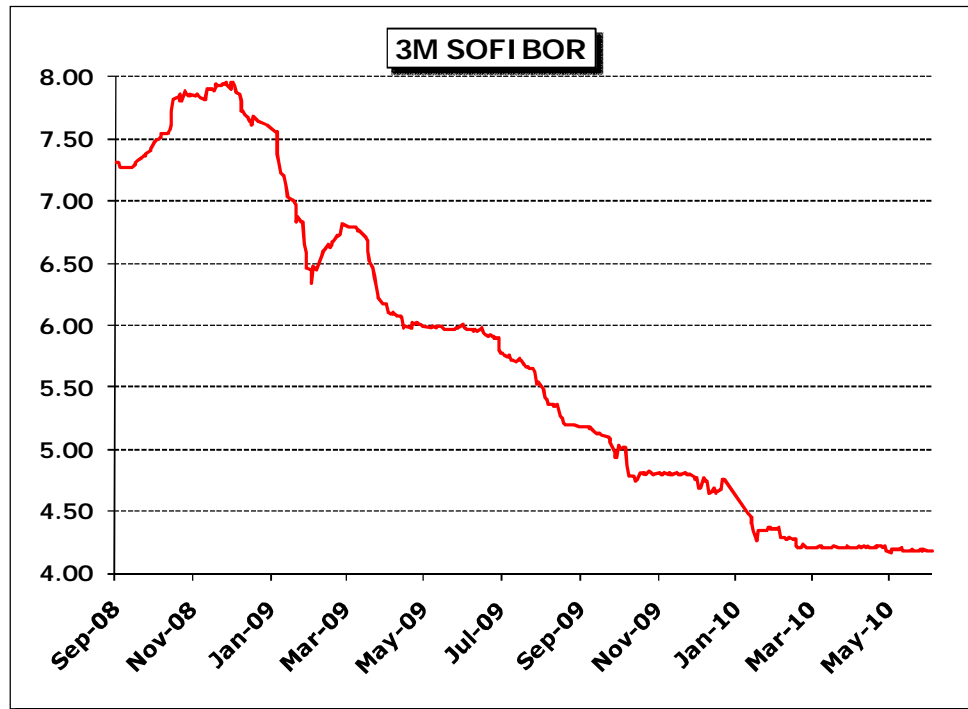
Macro-economy

- The production of solid fuels in March 2010 compared to February 2010 decreased by 15.3% and electricity – by 1.4%. There is no change in the production of natural gas compared to the previous month. The deliveries of liquefied petroleum gas in March 2010 compared to February 2010 increase by 100%, unleaded motor gasoline – by 71%, transport diesel – by 56.8%, natural gas – by 4.2%. The deliveries of solid fuels decrease by 17.5% and electricity – by 1.0%.
- According to preliminary data during the 1Q of 2010 compared to the 1Q 2009 is observed a drop at goods carriages in transport as all. The goods carried decreased

by 15.6% and the transport performance in tonne kilometres by 21.5%. Over the previous quarter of 2009 also is registered a decrease for the goods carried, as well for the transport performance by 26.6% and 46.9%.

- In the first quarter of 2010, by preliminary data, 853.7 thousand Bulgarian residents travelled to the country or abroad.
- According to the preliminary data of the National Statistical Institute, in the first quarter of 2010 the newly built residential buildings were 512 and compared to the respectively quarter of 2009 decreased by 19.0%. The newly built dwellings in them decreased by 26.9% and their number was 3 201.

Bond Market



Source: Bloomberg

Interbank interest rates remained unchanged last week despite the demand of higher interest rates on the government bond auction two weeks ago. They are confirming the stability of the domestic banking system but we expect further increase of NPLs.

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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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