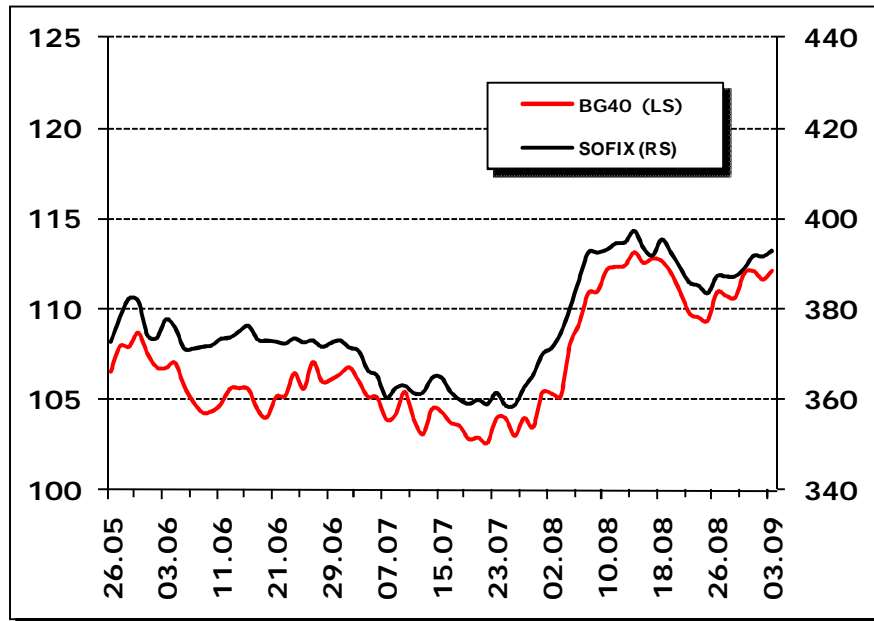
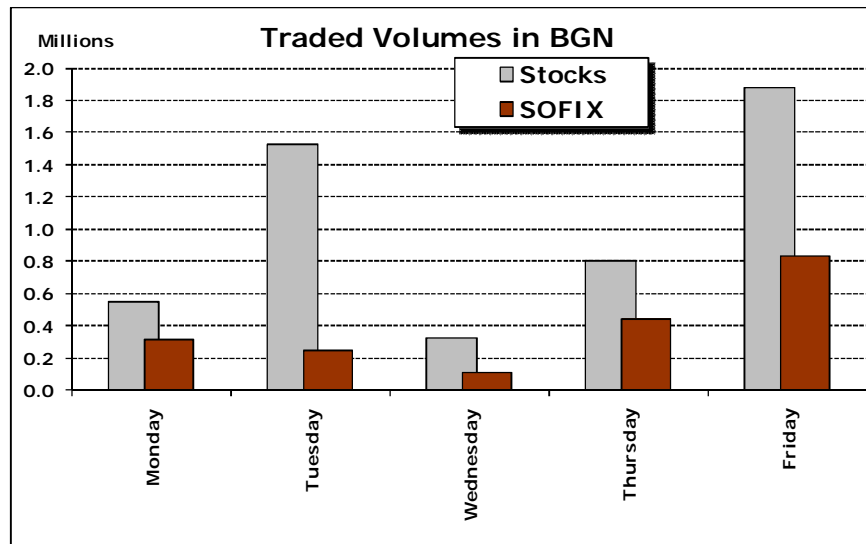


Market Trend



The main indices stepped up on weekly basis and SOFIX neared the key level of 400 points again. The market began the week on the flat line but the positive moods predominated and the indices closed on the upside. The investors' activity remained subdued. Even the end of the month couldn't move the investors. The consolidated financial results for the first half of the year didn't have any influence on the positions.

Trading Activity



The investors' activity remained thin. The overall volumes improved due to large package transactions, mainly with Chimimport's shares. The institutional investors were the leading participants.

**SOFIX**

Stock	Last Price	Weekly Change	Bid	Ask
Albena	70.00	2.94%	67.00	70.00
Bulgarian-American Credit Bank	11.20	2.95%	10.60	11.90
Central Cooperative Bank	1.20	0.00%	1.20	1.23
Chimimport	2.46	1.86%	2.43	2.46
Corporate Commercial Bank	63.99	8.46%	61.00	63.90
ELARG	0.57	-1.72%	0.57	0.61
Enemona	7.09	3.07%	6.92	7.09
Eurohold Bulgaria	0.88	-0.90%	0.88	0.90
First Investment Bank	1.97	2.23%	1.93	1.99
Holding Roads	1.46	-0.61%	1.46	1.48
Industrial Holding Bulgaria	1.36	-0.73%	1.36	1.39
Kaolin	4.40	7.29%	4.26	4.49
Lead and Zink Complex	11.60	0.87%	11.12	11.62
M+S Hydraulic	4.70	-2.08%	4.70	4.88
Monbat	6.50	-0.61%	6.46	6.50
Neochim	23.00	-1.29%	22.85	24.18
Orgachim	85.90	0.94%	85.11	86.35
Sopharma	3.94	-0.25%	3.94	3.94
Sparky Eltos	1.45	-2.09%	1.43	1.46
Trace Group Hold	50.00	0.00%	49.88	50.70

The SOFIX's components closed in different directions but the main index managed to improve by 1.5% on weekly basis. Kaolin (6K1) outperformed and closed the week on its May levels. The positive financial results support the position but in extremely low volumes. Sopharma (3JR) announced 14% sales growth in August on yearly basis. The export increased by 20% y-o-y, whereas the domestic sales stayed unchanged. The export set up 74% of the total revenues during the month. Albena (6AB) managed to reverse to BGN 70.00 per share and to sustain the higher levels despite the low activity.

**News**

- **31 August 2010:** In August 2010, Monbat (5MB) has bought back 17 690 company's own shares at the average price of BGN 6.59 per share. By August 31, 2010, the total number of own shares held by the company is 1.5 million shares at the average price of BGN 6.13 per share.
- **31 August 2010:** Trace Group Hold (T57) signed contracts within the framework of Operational Programme "Regional Development" 2007 - 2013 at a value of BGN 21.6 million. On August 30, 2010, Trace Group Hold and Road Infrastructure Agency signed public procurement contracts for the rehabilitation of roads in the following regions - Kardzhali and Haskovo region: The contract is to the amount of BGN 14.7 million for a period of 7 months; Plovdiv region: the contract is to the amount of BGN 6.9 million for a period of 5 months.
- **01 September 2010:** On 01 September 2010 in Serbia was officially opened the state-of-the-art plant in the region for recycling of used lead-acid batteries, Monbat. The company belongs to the economic group of Monbat (5MB). The investments in the plant to the amount of over EUR 12 million have been made within approximately 3 years.
- **01 September 2010:** Mauve Clover Ltd., UK has notified Kaolin (6K1) of the transfer through an exchange of 159 526 shares i.e. of 0.64% of Kaolin's capital dated August 19, 2010 (settlement date). As a result of the change, Mauve Clover holds now 2 392 898 shares i.e. 9.57% of Kaolin's capital directly. Mauve Clover exercises directly its voting right at the GM of the company and not through controlled entities.
- **02 September 2010:** The management of Kaolin (6K1) has officially informed about the end of the exchange of shares of Kaolin for shares of Solarpro Holding. Throughout the period of exchange are replaced 1 330 002 shares of Kaolin representing 5.32% of the capital of the company. The maximum possible amount of exchange was 1 562 500 shares of Kaolin according to the terms set which means that 85.12% of the company's shareholders have exchanged their shares for

shares of Solarpro Holding. In exchange, 34 580 052 shares of Solarpro Holding have been allocated representing 73.95% of Solarpro Holding capital. The subsidiary of Kaolin, Solar Ventures, still owns 5 420 159 shares of Solarpro Holding i.e. 11.59% of its capital.

**Upcoming Events**

- **8 September 2010:** National Statistic Institute will announce the revised GDP for the 2Q 2010.
- **9 September 2010:** National Statistic Institute will announce the revised export and import data for June 2010.
- **9 September 2010:** On Wednesday will be announce the export and import data for July.
- **10 September 2010:** National Statistic Institute will announce the data for the construction, manufacturing and trade.

**Macro-economy**

- By preliminary data, 1 million Bulgarian residents travelled to the country or abroad in the second quarter of 2010. A person of 15 years and over spent BGN 157.7 for its private domestic trip on the average and 477.6 BGN abroad.
- Producer Price Index on Domestic Market in July 2010 rose by 2.3% comparing to the previous month, while compared to the same month of 2009 the domestic prices grew by 9.0%. Total Producer Price Index in Industry increased by 0.6% compared to the previous month, compared to the same month of 2009 the prices rose by 10.2%.
- The production of solid fuels in June 2010 compared to May 2010 increases by 27.2% and electricity – by 19.2%. Decrease is reported for the production of unleaded motor gasoline – by 7.6%, transport diesel – by 15.5% and natural gas – by 1.5%. There is no change in the production of liquefied petroleum gases.
- According to the preliminary data of the National Statistical Institute, in the second quarter of 2010 the newly built residential buildings were 576 and compared to the respectively quarter of 2009 decreased by 20.0%. The newly built dwellings in them decreased by 34.7% and their number was 4 119.

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<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.

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