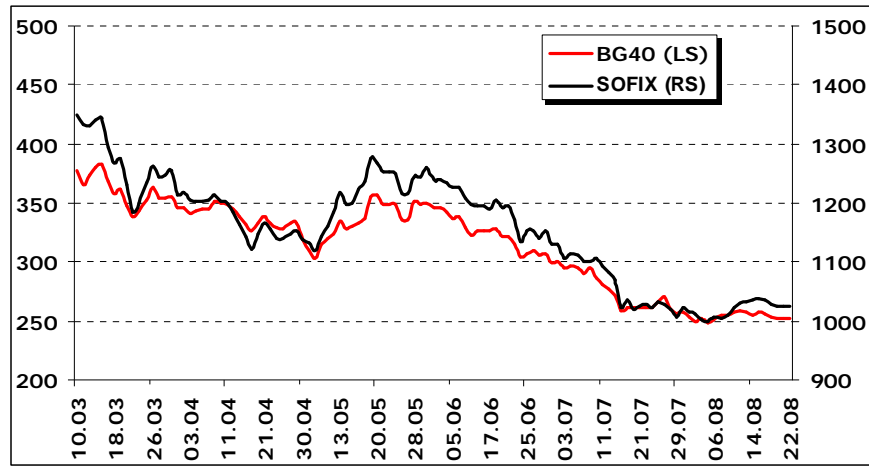
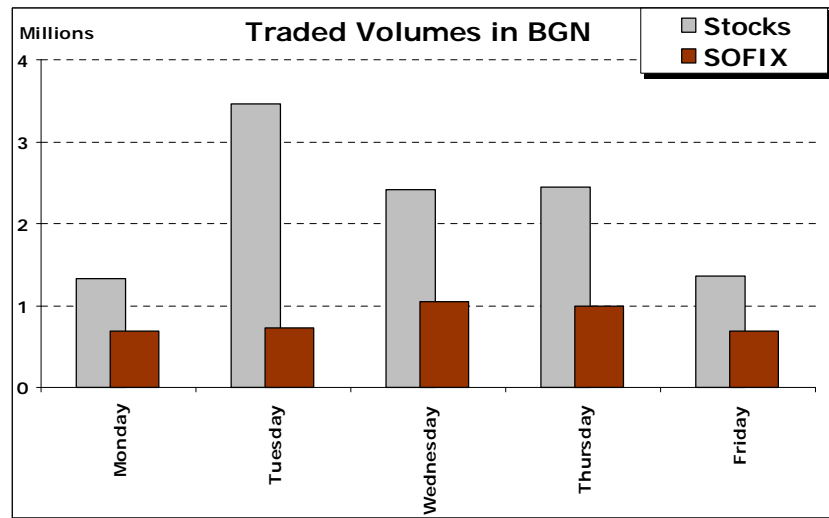


Market Trend



BSE edged lower last week and the main indexes closed in the red, despite the waving between positive and negative territory during the week. SOFIX lost 1.2% on weekly basis, whereas BG40 finished 2.2% down. Investors maintained cautious stance and only several position attracted market's attention. The end of the month is approaching and we expect some positive performance for several blue chips this week. It is not unusual to see those positions gaining moderately before a final end-month jump. The situation remained the same – thin volumes and trading in the range. The market is still waiting a catalyst for gains.

Trading Activity



The volumes remained low as well as the number of deals. Almost 60% of the total turnover on Tuesday was from trading with REITs and especially PARK REIT (4PK). Two deals for totally 1.6 m shares of 4PK were done and boosted the company's turnover. Buyers gradually renewed the bid orders but maintained cautious and placed the orders below the current market prices. Liquid positions kept the market's attention but the low trading volumes are a clear sign that investors are reluctant to buy at the moment.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	68.5	-2.14%	65.10	68.00
Bulgarian-American Credit Bank	57.756	10.40%	56.30	58.00
Central Cooperative Bank	3.606	-6.17%	3.58	3.60
Chimimport	8.477	-2.07%	8.44	8.50
Corporate Commercial Bank	90.69	0.07%	89.70	91.30
Elana Opportunity Land Fund	1.944	2.32%	1.91	1.95
Euro Ins	7.106	-0.80%	7.09	7.18
First Investment Bank	5.807	-1.21%	5.81	5.85
Holding Roads	17.253	-0.16%	17.25	17.60
Industrial Holding Bulgaria	5.969	-1.00%	5.95	6.00
Kaolin	7.211	-4.89%	7.20	7.35
Lead and Zink Complex	28.308	-0.58%	28.00	28.60
M+S Hydraulic	6.45	-7.01%	6.46	6.65
Monbat	11.501	4.36%	11.40	11.50
Neochim	82.875	0.86%	82.70	83.90
Orgachim	174	-2.80%	172.00	177.00
Sopharma	4.494	-0.93%	4.47	4.47
Sparky Eltos	8.198	-0.55%	8.00	8.10
Toplivo	15.421	-2.55%	15.40	15.50

Bulgarian American Credit Bank (5BN) outperformed on weekly basis and added 10% to its average price as compared to the previous week. Corporate Commercial Bank (6C9) announced BGN 23 m net profit as of July, after the market close on Friday. The net profit for the month amounted BGN 3 m. Deposits amounted BGN 1.6 billion. Recently, 6C9 submitted a request for transfer of its issue from the Unofficial Market of the BSE to Segment B of the Official Market. The bank closed the week almost unchanged. After the weak 1H financial report Kaolin (6K1) was under pressure and lost almost 5% on weekly basis. The net profit improved on quarterly basis to BGN 5.7 m, but declined y-o-y. The sales increased by almost 22% as compared to the same period last year to BGN 66.7 m.

News

- **15 August 2008:** Orgachim (5ORG) concluded deals at the total value of EUR 591 126 according to the frame contract with Polycolor –Bucharest.
- **18 August 2008:** Kaolin (6K1) reported a 20 % revenues growth compared to the same period of the previous year. During the first six months of 2008 the company posted consolidated sales of BGN 67 m as compared to BGN 54 m for the same period of 2007.
- **18 August 2008:** BSE-Sofia has received an application from Eurobank EFG Bulgaria to be registered as a market maker of the issue of Devin (6D3).
- **18 August 2008:** Chimimport (6C4) announced that it has successfully priced and placed EUR 65 m seven-year secured bonds exchangeable for its ordinary shares listed on the BSE.
- **21 August 2008:** Commercial Register registered the capital increase of Billboard (5BP) from BGN 7.5 m to BGN 15 m.
- **21 August 2008:** Doverie United Holding (5DOV) has submitted its 1H 2008 consolidated report.

**Upcoming
Events**

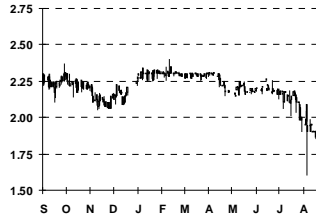
- **25 August 2008:** On Monday will begin the trading with rights of Arco Towers REIT (5SV), issued as part of the second capital raise of the company. The REIT plans to hike its capital from to BGN 780 000 through issuing 650 000 rights. Five rights give opportunity for the subscription of one new share.
- **25 August 2008:** Astera Cosmetics (AC2) will start its dividend payment. The company will distribute BGN 0.825 gross dividend per share.
- **27 August 2008:** The last day for trading with rights of Advance Terrafund REIT (6A6). The company plans to raise its capital to BGN 110.14 m through issuing of 66.084 m shares with BGN 1.90 issue value. The REIT has also issued totally 44.056 m rights. The rights and the shares were issued at a ratio of 1:1.5.

**Macro-
economy**

- The Bulgarian Employment Agency announced that the unemployment rate in Bulgaria was 5.95% in July. Totally 220 879 people are registered as unemployed, which is just 210 less than in June 2007.

WEEKLY HIGHLIGHTS

ELARG /4EC/



EURINS /5IC/



KAOLIN /6K1/



M+S Hydraulic /5MH/



ORGACHIM /5ORG/



FINANCIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
First Investment Bank	5F4	5.807	5.859	27105	638 770 000	11.66	1.83
Bulgarian American Credit Bank	5BN	57.756	58	5400	729 153 617	12.28	4.35
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	3.606	3.6	5918	299 857 262	16.79	0.99
Corporate Commercial Bank	6C9	90.69	91	186	544 140 000	16.76	2.89
DZI Insurance & Reinsurance	6D5	122.5	122.5	0.00	472 850 000	n/a	1.62
Bulstrad Insurance & Reinsurance	4BI	148	150	2	292 152 000	296.90	6.45
Insurance Company Euro Ins	5IC	7.106	7.15	516	71 059 943	22.88	3.36
Chimimport	6C4	8.477	8.53	9904	1 271 549 864	9.81	1.92
Eurohold Bulgaria	4EH	4.801	4.823	5609	300 051 150	2.46	1.48

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Monbat	5MB	11.501	11.48	3582	448 539 000	18.97	4.61
Bulgarian River Shipping	5BR	4	4	0	115 834 700	30.91	3.00
Synergon Holding	6S7	6.844	6.65	27363	125 647 963	10.74	0.41
Industrial Holding Bulgaria	4ID	5.969	5.99	1218	261 183 939	20.47	5.97
Stara Planina Hold	5SR	4.3	4.3	1592	90 300 000	11.23	1.65
Odessos	5ODE	235	235	0	137 860 870	15.37	2.57
M+S Hydraulic	5MH	6.45	6.45	0	83 968 680	17.45	2.38
Albena Holding	5ALB	9.138	9.1	130	50 259 000	4.74	0.33
Moststroy	5MY	21.765	21.7	19	24 266 669	3.25	1.89
Doverie United Holding	5DOV	6.735	6.7	2425	88 564 226	7.27	0.65
Emka	57E	3.644	3.602	680	19 591 762	8.51	1.08
Hydraulic Elements & Systems	4HE	16.85	16.995	40	51 094 120	18.18	2.26

BASIC MATERIALS SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Druzha Staklarski Zavodi	4DR	n/a	10	0.00	66 895 620	2.38	0.39
Lead and Zink Complex	5OTZ	28.308	29.14	3658	238 165 395	166.2	3.43
Kaolin	6K1	7.211	7.419	1706	184 250 000	16.43	1.63
Kremikovtzi	4KW	n/a	2.1	0.00	38 886 845	n/a	n/a
Alcomet	6AM	5.351	5.5	7020	96 066 284	54	1.39
Svilosa	3MZ	n/a	3	0.00	95 264 832	n/a	1.95
Orgachim	5ORG	174	174.99	15	87 489 810	48.02	1.20
Neochim	3NB	82.875	83	80	219 979 919	11.19	1.88
Biovet	53B	8.3	7.95	50	56 302 037	284.35	0.97
Fazerles	4F6	131.191	134	11	67 563 365	11.43	3.27
Polimeri	51P	3.3	3.3	550	17 570 893	n/a	0.08
Kauchuk	4KU	n/a	38	0	35 799 458	51.88	1.55

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Albena	6AB	68.5	65	60	292 709 131	13	1.02
Toplivo	3TV	15.421	15.4	475	83 532 920	13.72	0.62
Zlatni Pyasatsi	3ZL	n/a	7.38	0	47 922 598	n/a	0.50
Katex	5KTE	5.378	5.6	328	13 141 896	0.9	0.17
Slanchev Bryag	3JL	n/a	10.899	0	21 338 149	n/a	0.24
Pamporovo	4PN	2.5	2.6	129	10 763 152	n/a	0.47
SS Konstantine And Elena Holding	3NJ	n/a	25	0	57 739 025	28.47	2.87

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Petrol	5PET	9.269	9.3	70	1 012 634 654	n/a	10.60
Oil & Gas Exploration & Production	4O1	n/a	7	0	85 596 434	13.56	1.76

OTHER		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker					P/E	P/B
Bulgarian Telecommunication Company	5BT	n/a	8.5	0.00	3 392 986 870	26.11	2.84
Sopharma	3JR	7.13	7.12	12700	941 160 000	33.2	4.81
Blagoevgrad BT	55B	73	73	53	154 076 708	10.43	0.80

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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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