

**INDUSTRIAL HOLDING BULGARIA**  
**INDUSTRY: DIVERSIFIED HOLDINGS**
**THE TURNAROUND**

THE SALE OF ASSETS IMPROVED THE HOLDING'S FINANCIAL PERFORMANCE DURING THE FOURTH QUARTER OF 2014. NEVERTHELESS, IT REPORTED AN INCREASE OF PROFITABILITY THAT CAN BE ATTRIBUTED TO THE DECLINE OF COSTS. THE EXPECTED ECONOMIC GROWTH IN EU SHOULD FURTHER STRENGTHEN THE HOLDING'S EXPORT OF MACHINES IN 2015. OUR CONSERVATIVE EXPECTATIONS FOR THE QUARTER WERE EXCEEDED.

**21% Y-O-Y DECLINE OF REVENUES DURING 2014**

The decline of revenues of Industrial Holding Bulgaria in 2014 was mainly due to the extraordinary item from the one-time income from unused rights for capital increase at the amount of BGN 18.3 m. In addition, the Holding's sales were pressured down from the lower freight rates in the shipping sector, while the manufacturing segment registered lower demand on foreign markets. The good news came from the improved profitability as lower fuel costs beat the decline of freight rates. The Holding reported BGN 9.3 m profit during the fourth quarter, of which BGN 4.5 m from the sale of a ship.

**SHIPPING SECTOR REMAIN ON FOCUS IN 2015**

As revenues from chartering services represent 56% of total, the Holding depends heavily on the market conjunction in the sector and the freight rates. Baltic Dry Index, the gauge of shipping rates, fell to multi-year lows. Although DBI stabilized in February, it remains two times lower than the average during 2014. Factors for low freight rates are numerous. On one hand is the solid decline of fuel prices that evaporated up to one third of operating costs of shipping companies. On the other, it don't provide the initiative for companies to scrap old ships and to optimize costs with more efficient transportation. Therefore, prospects for increase of revenues to the BGN 100 m mark are not present today. Considering the dollar appreciation, the value of ships increased further since our previous report and should exceed substantially the market cap of the Holding.

**The new convertible bond issue**

The new issue has 3 years to maturity and 5% coupon. It is convertible in ordinary shares at the price of BGN 1.00, which is lower than the latest quotes. The issue provide a low-risk investment opportunity as it includes the long-term prospects for stock appreciation due to improvement of profitability and the benefits on sales from the global economic growth.

**VALUATION:** Our one year price target is BGN 1.16 per share which corresponds to the current market price. The valuation is based on a DCF model that assumes a moderate growth of revenue and a return to a net profit. The latter did happened but revenues will be under pressure in 2015. Therefore, the stock appreciation would require positive surprise in financials.

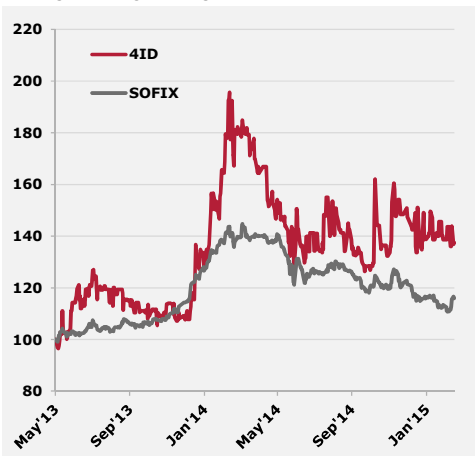
**RESULTS ANALYSIS**

**PREVIOUS RATING: HOLD**  
**ONE YEAR PRICE TARGET: BGN 1.16**  
 (JANUARY 7, 2015)  
**CURRENT PRICE: BGN 1.08**

**EXCHANGE RATES**  
**EUR/BGN (FIXED): 1.95583**  
**USD/BGN: 1.7230**

**MARKET DATA**

Shares Outstanding: **67.0m**  
 Share Capital: **BGN 67.0m**  
 Free-float: **36.63%**  
 Treasury Shares **1.43%**  
 Market Cap.: **BGN 72.8m**  
 Avg. Daily Vol.: **BGN 20,000**  
 52 Weeks Range: **BGN 0.83-1.55**  
 BSE Ticker **4ID**  
 Bloomberg **4ID BU**

**PRICE PERFORMANCE**


in kBGN, excl. ratios	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014
REVENUES	26,363	23,248	31,129	20,400	22,011	23,431	31,073
EBITDA	10,162	5,858	3,302	3,492	3,348	4,660	13,928
EBIT	6,918	2,588	(180)	(919)	(9)	1,331	10,586
NET PROFIT	4,987	971	(2,247)	(919)	(652)	177	9,270
EQUITY	241,216	243,615	254,175	253,307	252,171	247,680	250,403
ROE	16.13%	15.25%	7.08%	1.13%	-1.14%	-1.45%	3.14%
ROA	40.80%	43.83%	20.36%	3.93%	-3.67%	-4.18%	7.68%
EBITDA MARGIN	41.45%	41.68%	31.53%	22.56%	16.53%	15.26%	26.24%
NET PROFIT MARGIN	25.79%	25.11%	14.01%	2.76%	-2.94%	-3.75%	8.13%
EPS	0.08	0.02	-0.04	-0.01	-0.01	0.00	0.12
DEBT/EQUITY	0.56	0.54	0.49	0.48	0.47	0.49	0.48
P/E	1.56	1.63	3.25	24.36	-25.42	-19.34	9.78
P/B	0.25	0.25	0.23	0.27	0.29	0.28	0.31
EV/EBITDA	3.02	3.01	4.52	8.21	11.73	12.76	7.54

## ANALYST'S COMMENT

There is no doubt among investors that the past two years were difficult for Industrial Holding Bulgaria and the shipping sector on general. The global challenges in front of the sector minimized the positive factors like the growth of volumes in international trade. However, a new trend emerged in the middle of 2014 that had its implication on financial results of all shipping companies during the fourth quarter. The decline of oil price was substantial. As bunker fuels represents two-third of costs, all companies including Industrial Holding Bulgaria should benefit from it. The consolidated report of the Holding improved, thus suggesting a turnaround in profitability. The net profit for the quarter totaled BGN 9.3 m, which was the best result since the beginning of 2013. Moreover, it put an end to the 5 quarters in a row of low or negative profits. Part of the quarterly profit /BGN 4.5 m/ was a result of the sale of the ship Marciana in December 2014. Thus adjusted to the one-time items the total profit for 2014 was BGN 3.37 m, while the fourth quarter's result was BGN 4.76 m.

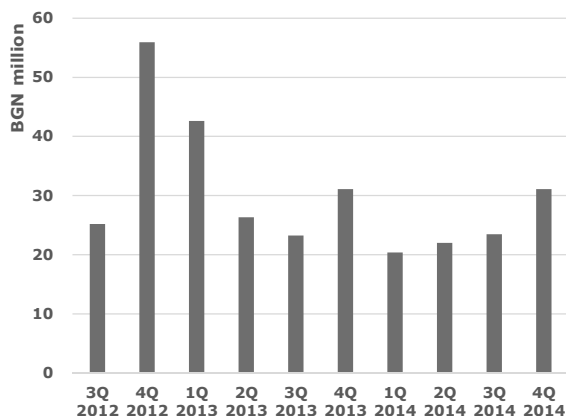
The Holding announced a decline of revenues from chartering due to the lower freight rates and switching to rent contracts for part of the ships. Rates are very low and will remain subdued as the decline of fuel prices decreased the ship recycling. The manufacturing of lathes has been hurt by the lower demand in Russia and Ukraine, whereas the devaluation of the Turkish lira has negative impact on the sales.

Industrial Holding Bulgaria has new convertible bond issue. The maximum value of bonds is BGN 50 m. The issue should be considered a success if the Company manages to attract at least BGN 30 m. The rights to buy bonds are currently traded on the stock market and the auction for the unused rights is set on March 26<sup>th</sup>. The purpose of the new bonds is to cover the payment for BGN 30 m on the current issue that matures on April and to invest in subsidiaries.

The bonds are interesting with their conversion into ordinary shares. The new issue has 3 years to maturity and 5% coupon. The current one was 2-year with 6.5% coupon. Both issues can be converted to ordinary shares at a price of BGN 1.00. The stock price of the Holding exceeds the conversion price by 5 to 10%, which make it reasonable for investors to convert their bonds into ordinary shares. As the conversion price is very close to the current quotes, investors might prefer to buy new bonds and to prolong the regular coupon payments and to maintain their conversion option for the next three years.

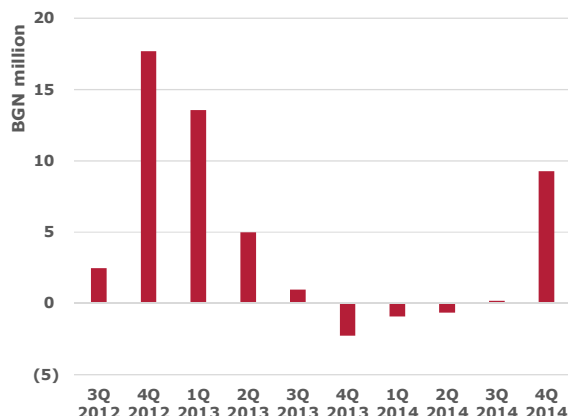
We consider the stock undervalued in terms of its assets, while we have moderately positive expectations for its financial performance. Therefore, we recommend to investors to acquire rights and buy convertible bonds that represent a long-term opportunity from the fast developing Bulgarian market, while having low risk.

## QUARTERLY REVENUE



Source: Company data

## QUARTERLY PROFIT



Source: Company data

## QUARTERLY DATA (UNAUDITED)

Income Statement ('000 BGN)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
<b>Revenue</b>	<b>25,190</b>	<b>55,902</b>	<b>42,615</b>	<b>26,363</b>	<b>23,248</b>	<b>31,129</b>	<b>20,400</b>	<b>22,011</b>	<b>23,431</b>	<b>31,073</b>
Operating Expenses	23,843	39,067	24,438	21,996	21,827	32,361	20,043	20,987	20,727	26,104
Change in Inventories	(4,245)	30,129	(1,370)	(182)	(2,690)	993	(1,797)	(727)	(1,067)	787
Cost of Material	10,536	(16,541)	8,645	8,047	8,087	8,254	8,204	7,677	7,044	8,164
Cost of Labor	5,846	4,858	5,510	5,567	5,550	6,036	5,382	5,364	5,425	5,956
Cost of External Services	5,178	7,168	5,001	5,127	5,504	5,497	4,012	4,731	5,128	6,059
Depreciation and Amortization	2,559	5,490	3,208	3,244	3,270	3,482	3,359	3,357	3,329	3,342
Net Book Value of Assets Sold	325	(632)	298	1,112	(682)	(462)	97	33	260	190
Other Costs	(4,245)	30,129	(1,370)	(182)	(2,690)	993	(1,797)	(727)	(1,067)	787
<b>Operating Income</b>	<b>3,766</b>	<b>20,663</b>	<b>16,359</b>	<b>6,918</b>	<b>2,588</b>	<b>(180)</b>	<b>133</b>	<b>(9)</b>	<b>1,331</b>	<b>10,586</b>
Interest Expense	1,735	1,917	1,772	1,764	1,634	1,803	1,533	1,465	1,519	1,691
<b>NET INCOME</b>	<b>2,478</b>	<b>17,678</b>	<b>13,565</b>	<b>4,987</b>	<b>971</b>	<b>(2,247)</b>	<b>(919)</b>	<b>(652)</b>	<b>177</b>	<b>9,270</b>

<b>Balance Sheet ('000 BGN)</b>	<b>Q3 2012</b>	<b>Q4 2012</b>	<b>Q1 2013</b>	<b>Q2 2013</b>	<b>Q3 2013</b>	<b>Q4 2013</b>	<b>Q1 2014</b>	<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Q4 2014</b>
Cash & Near Cash Items	4,414	5,210	6,090	6,980	5,783	5,210	1,870	2,647	3,180	4,676
Accounts & Notes Receivable	18,424	5,693	12,075	6,251	5,648	5,693	5,892	6,859	7,203	29,181
Inventories	47,159	18,903	22,133	20,456	20,904	18,903	18,890	19,372	21,282	19,514
<b>Total Current Assets</b>	<b>73,080</b>	<b>31,631</b>	<b>42,064</b>	<b>35,291</b>	<b>33,177</b>	<b>31,631</b>	<b>29,298</b>	<b>30,753</b>	<b>33,568</b>	<b>55,218</b>
Net Fixed Assets	342,902	376,258	366,958	367,322	366,116	376,258	374,461	373,624	372,408	380,106
Other Long-Term Assets	17,234	17,199	16,097	15,535	15,423	17,199	16,867	16,473	16,161	24,683
<b>Total Long-Term Assets</b>	<b>360,136</b>	<b>393,457</b>	<b>383,055</b>	<b>382,857</b>	<b>381,539</b>	<b>393,457</b>	<b>391,328</b>	<b>390,097</b>	<b>388,569</b>	<b>404,789</b>
<b>Total Assets</b>	<b>433,216</b>	<b>425,088</b>	<b>425,119</b>	<b>418,148</b>	<b>414,716</b>	<b>425,088</b>	<b>420,626</b>	<b>420,850</b>	<b>422,137</b>	<b>460,007</b>
Accounts Payable	22,557	8,648	32,961	11,395	9,961	8,648	8,512	12,130	14,757	36,642
Short-Term Borrowings	67,840	58,663	87,729	61,270	59,561	58,663	58,190	87,549	91,605	92,369
Other Short-Term Liabilities	20,772	1,953	3,454	2,250	1,638	1,953	1,921	1,990	2,288	2,364
<b>Total Current Liabilities</b>	<b>111,169</b>	<b>69,264</b>	<b>124,144</b>	<b>74,915</b>	<b>71,160</b>	<b>69,264</b>	<b>68,623</b>	<b>101,669</b>	<b>108,650</b>	<b>131,375</b>
Long-Term Borrowings	71,446	65,972	43,139	73,115	71,176	65,972	63,069	30,438	29,965	26,944
Other Long-Term Liabilities	10,402	16,369	6,675	14,265	14,257	16,369	17,203	19,201	19,135	31,633
<b>Total Long-Term Liabilities</b>	<b>81,848</b>	<b>82,341</b>	<b>49,814</b>	<b>87,380</b>	<b>85,433</b>	<b>82,341</b>	<b>80,272</b>	<b>49,639</b>	<b>49,100</b>	<b>58,577</b>
<b>Total Liabilities</b>	<b>193,017</b>	<b>151,605</b>	<b>173,958</b>	<b>162,295</b>	<b>156,593</b>	<b>151,605</b>	<b>148,895</b>	<b>151,308</b>	<b>157,750</b>	<b>189,952</b>
<b>Total Equity</b>	<b>228,202</b>	<b>254,175</b>	<b>236,516</b>	<b>241,216</b>	<b>243,615</b>	<b>254,175</b>	<b>253,307</b>	<b>252,171</b>	<b>247,680</b>	<b>250,403</b>
<b>Total Liabilities &amp; Equity</b>	<b>433,216</b>	<b>425,088</b>	<b>425,119</b>	<b>418,148</b>	<b>414,716</b>	<b>425,088</b>	<b>420,626</b>	<b>420,850</b>	<b>422,137</b>	<b>460,007</b>
<b>Cash Flow Statement ('000 BGN)</b>	<b>Q3 2012</b>	<b>Q4 2012</b>	<b>Q1 2013</b>	<b>Q2 2013</b>	<b>Q3 2013</b>	<b>Q4 2013</b>	<b>Q1 2014</b>	<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Q4 2014</b>
Cash From Operations	12,543	15,126	1,634	5,557	7,481	15,126	2,645	6,218	11,038	16,681
Cash From Investing Activities	(10,279)	2,030	1,250	4,967	4,717	2,030	(9)	(719)	(2,031)	(3,675)
Cash from Financing Activities	(8,925)	(20,896)	(5,767)	(12,509)	(15,385)	(20,896)	(5,448)	(8,094)	(11,071)	(13,579)
<b>Net Changes in Cash</b>	<b>(6,661)</b>	<b>(3,740)</b>	<b>(2,883)</b>	<b>(1,985)</b>	<b>(3,187)</b>	<b>(3,740)</b>	<b>(2,812)</b>	<b>(2,595)</b>	<b>(2,064)</b>	<b>(573)</b>
<b>End-of-period cash</b>	<b>4,414</b>	<b>5,249</b>	<b>6,106</b>	<b>7,004</b>	<b>5,802</b>	<b>5,249</b>	<b>2,437</b>	<b>2,654</b>	<b>3,185</b>	<b>4,676</b>

## COMPANY OVERVIEW

### COMPANY PROFILE

The largest industrial holding on the Bulgarian stock exchange and one of the biggest conglomerates in the country. It is owner and the operator of five ships with total capacity of 162,000 dwt. Chartering services represent 56% of total revenues, a substantial increase from the 21% level in 2010. The Holding is the owner of the largest shipyard in Bulgaria but the negative market conjuncture forced it to cease shipbuilding operations and to use its assets only for repair.

Industrial Holding Bulgaria has long lasting traditions in construction of lathes, electric motors and hydro generators for water power plants. Subsidiaries are owned through ZMM Bulgaria Holding, established in 2001. Major markets are Germany, Italy, USA, Russia and Turkey, Middle and Far East, Central and South America. Major clients are Linde, Siemens, Thyssen Krupp, Bosch, Fiat and Man. The segment generated 30% of revenues in 2014. The production of generators reported an increase of orders and the Holding managed to enter new markets.

### FUNDAMENTAL STORY

The challenging market conditions in all sectors of the Holding resulted to a lag in its financial performance during the global recovery since 2009. Freight rates are low but the steep decline of oil price decreases fuel costs of chartering companies. The positive effect on profits, however, is limited by the competition and the free capacity. The profitability of Industrial Holding Bulgaria improved during the fourth quarter of 2014, despite the lower revenues of the main segments. We expect growth of margins to continue in near future.

The Holding sold one of its smallest ships in December. The profit from the deal and the appreciation of US dollar suggest that the value of assets substantially exceeds the market capitalization of Industrial Holding Bulgaria. The liquidation of assets, however, is not on the agenda. The new convertible bond issue would provide additional funds for investments and is attractive long-term option for exposure in the Company.

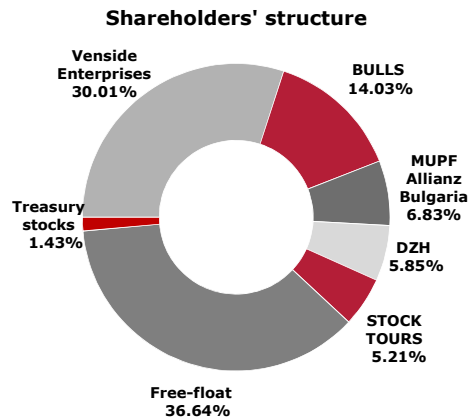
### STRENGTHS AND OPPORTUNITIES

- Diversified holding with activities and assets in areas that should benefit from global growth of industrial production and trade
- The decline of oil price has a positive effect on the profitability of shipping companies
- The value of ships exceeds the market capitalization of the Holding, while additional assets in manufacturing and shipbuilding make the stock cheap
- Transformation from shipbuilding to ship repair due to the global oversupply of ships, while the Company maintains its capability to return to the core operations

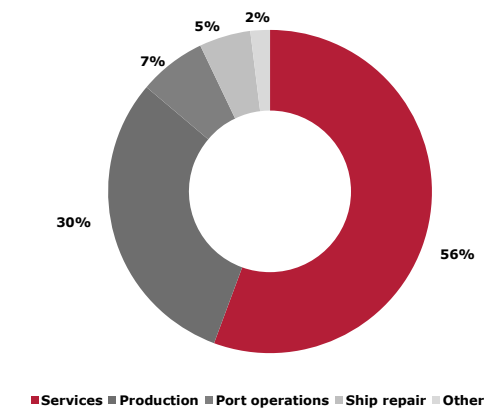
### WEAKNESSES AND THREADS

- The oversupply of ships pressures down freight rates to record lows
- Decrease of demand from foreign markets, including Turkey, due to slowdown of economies or foreign currencies fluctuations

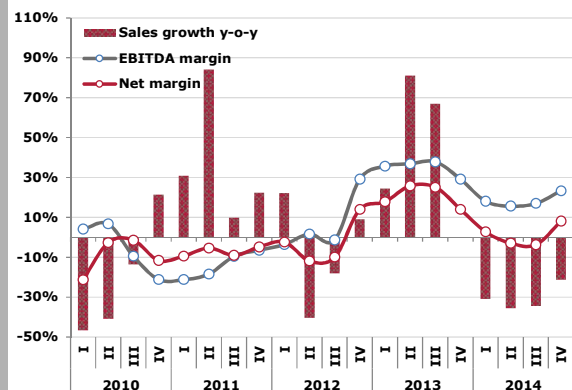
### SHAREHOLDERS' STRUCTURE



### SALES BREAKDOWN IN 2014



### MARGINS



Source: Company data; 12 months trailing data

### PRICE TRIGGERS

- Further improvement of profitability due to lower costs and increase of revenues in manufacturing segment
- Favorable conditions on the Bulgarian Stock Exchange and expansion of multiples

**YEARLY DATA**

<b>STATEMENT OF INCOME (IN '000 BGN)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>SALES</b>	<b>113,148</b>	<b>94,034</b>	<b>123,424</b>	<b>97,109</b>
OPERATING EXPENSES	129,349	103,269	100,622	87,861
CHANGE IN INVENTORIES	(2,316)	(23,046)	(3,249)	(2,804)
COST OF MATERIAL	62,957	58,886	33,033	31,089
COST OF LABOUR	23,971	23,998	22,663	22,127
COST OF EXTERNAL SERVICES	25,747	21,406	21,129	19,930
DEPRECIATION AND AMORTIZATION	8,876	10,689	13,204	13,387
NET BOOK VALUE OF ASSETS SOLD	866	5,662	266	580
OTHER COSTS	9,248	5,674	13,576	3,552
<b>OPERATING INCOME</b>	<b>(16,201)</b>	<b>(9,235)</b>	<b>22,802</b>	<b>9,248</b>
INTEREST EXPENSE	4,980	6,802	6,973	6,208
FOREIGN EXCHANGE LOSSES (GAINS)	7,813	(3,300)	(3,329)	3,334
NET NON-OPERATING LOSSES (GAINS)	(4,409)	(1,598)	518	(6,127)
<b>PRETAX INCOME</b>	<b>(18,977)</b>	<b>(11,027)</b>	<b>18,784</b>	<b>5,833</b>
INCOME TAX EXPENSE	(1,224)	1,814	2,963	804
<b>INCOME BEFORE XO ITEMS</b>	<b>(17,753)</b>	<b>(12,841)</b>	<b>15,821</b>	<b>5,029</b>
EXTRAORDINARY LOSS NET OF TAX	0	0	0	0
MINORITY INTEREST	(12,266)	(7,030)	(1,455)	(2,847)
<b>NET INCOME</b>	<b>(5,487)</b>	<b>(5,811)</b>	<b>17,276</b>	<b>7,876</b>
<b>EARNINGS PER SHARE IN BGN</b>	<b>(0.08)</b>	<b>(0.09)</b>	<b>0.25</b>	<b>0.12</b>
<b>BALANCE SHEET (IN '000 BGN)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
CASH AND NEAR CASH ITEMS	11,075	8,494	5,210	4,676
SHORT-TERM INVESTMENTS	0	969	1,426	1,247
ACCOUNTS AND NOTES RECEIVABLE	7,976	7,202	5,693	29,181
INVENTORIES	67,023	24,086	18,903	19,514
OTHER CURRENT ASSETS	2,992	779	399	600
<b>TOTAL CURRENT ASSETS</b>	<b>89,066</b>	<b>41,530</b>	<b>31,631</b>	<b>55,218</b>
LT INVESTMENTS AND LT RECEIVABLES	25,056	6,802	3,115	1,063
NET FIXED ASSETS	321,091	371,234	376,258	380,106
OTHER LONG-TERM ASSETS	10,899	13,323	14,084	23,620
<b>TOTAL LONG-TERM ASSETS</b>	<b>357,046</b>	<b>391,359</b>	<b>393,457</b>	<b>404,789</b>
<b>TOTAL ASSETS</b>	<b>446,112</b>	<b>432,889</b>	<b>425,088</b>	<b>460,007</b>
ACCOUNTS PAYABLE	24,316	32,953	8,648	36,642
SHORT-TERM BORROWINGS	23,413	88,598	58,663	92,369
OTHER SHORT-TERM LIABILITIES	21,320	21,862	1,953	2,364
<b>TOTAL CURRENT LIABILITIES</b>	<b>69,049</b>	<b>143,413</b>	<b>69,264</b>	<b>131,375</b>
LONG-TERM BORROWINGS	127,993	43,684	65,972	26,944
OTHER LONG-TERM LIABILITIES	6,862	6,796	16,369	31,633
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>134,855</b>	<b>50,480</b>	<b>82,341</b>	<b>58,577</b>
<b>TOTAL LIABILITIES</b>	<b>203,904</b>	<b>193,893</b>	<b>151,605</b>	<b>189,952</b>
TOTAL PREFERRED EQUITY	0	0	0	0
MINORITY INTEREST	13,673	16,094	19,308	19,652
SHARE CAPITAL & APIC	67,978	67,978	67,207	67,202
RETAINED EARNINGS & OTHER EQUITY	160,557	154,924	186,968	183,201
<b>TOTAL EQUITY</b>	<b>228,535</b>	<b>222,902</b>	<b>254,175</b>	<b>250,403</b>
<b>WORKING CAPITAL</b>	<b>8,942</b>	<b>(110,377)</b>	<b>(42,843)</b>	<b>(80,833)</b>
<b>NUMBER OF SHARES:</b>	67,978,543	67,978,543	67,978,543	67,005,277
<b>PRICE IN BGN - PERIOD END:</b>	0.60	0.70	0.84	1.08
<b>MARKET CAP IN '000 BGN - PERIOD END:</b>	40,787	47,585	57,034	72,366

<b>CASH FLOW STATEMENT (IN '000 BGN)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
NET INCOME	(5,487)	(5,811)	17,276	7,876
DEPRECIATION & AMORTIZATION	8,876	10,689	13,204	13,387
OTHER NON-CASH ADJUSTMENTS	(20,117)	(103,345)	52,180	(42,572)
CHANGES IN NON-CASH CAPITAL	17,274	119,319	(67,534)	37,990
<b>CASH FROM OPERATIONS</b>	<b>546</b>	<b>20,852</b>	<b>15,126</b>	<b>16,681</b>
DISPOSAL OF FIXED ASSETS	1,117	852	2,670	517
CAPITAL EXPENDITURES	(58,040)	(29,095)	(4,937)	(5,826)
INCREASE IN INVESTMENTS	(1,985)	(1,179)	(222)	0
DECREASE IN INVESTMENTS	3,811	16,366	0	0
OTHER INVESTING ACTIVITIES	8,112	(2,785)	4,416	1,567
<b>CASH FROM INVESTING ACTIVITIES</b>	<b>(46,821)</b>	<b>(15,525)</b>	<b>2,030</b>	<b>(3,675)</b>
DIVIDENDS PAID	(311)	(311)	(376)	(167)
CHANGE IN SHORT-TERM BORROWINGS	2,211	65,185	(29,935)	33,706
CHANGE IN LONG-TERM BORROWINGS	117,055	(84,309)	22,288	(39,028)
INCREASE IN CAPITAL STOCKS	9,987	0	8,320	0
DECREASE IN CAPITAL STOCKS	0	0	(790)	(5)
OTHER FINANCIAL ACTIVITIES	(80,498)	12,022	(20,403)	(8,085)
<b>CASH FROM FINANCING ACTIVITIES</b>	<b>48,444</b>	<b>(7,413)</b>	<b>(20,896)</b>	<b>(13,579)</b>
<b>NET CHANGES IN CASH</b>	<b>2,169</b>	<b>(2,086)</b>	<b>(3,740)</b>	<b>(573)</b>
<b>END-OF-PERIOD CASH</b>	<b>11,075</b>	<b>8,989</b>	<b>5,249</b>	<b>4,676</b>
<b>CASH PER SHARE</b>	<b>0.16</b>	<b>0.13</b>	<b>0.08</b>	<b>0.07</b>

<b>FINANCIAL AND PERFORMANCE INDICATORS</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>VALUATION</b>				
PRICE/EARNINGS (P/E)	(7.43)	(8.19)	3.30	9.19
PRICE/BOOK (P/B)	0.18	0.21	0.22	0.29
PRICE/SALES (P/S)	0.36	0.51	0.46	0.75
EV (IN '000 BGN)	181,118	171,373	176,459	187,003
EV/EBITDA	(24.73)	117.86	4.90	8.26
<b>PROFITABILITY</b>				
RETURN ON COMMON EQUITY	-4.09%	-2.57%	7.24%	3.12%
RETURN ON ASSETS	-2.09%	-1.32%	4.03%	1.78%
RETURN ON INVESTED CAPITAL	-5.79%	-1.34%	5.91%	2.77%
EBITDA MARGIN	-6.47%	1.55%	29.17%	23.31%
OPERATING MARGIN	-14.32%	-9.82%	18.47%	9.52%
NET INCOME MARGIN	-4.85%	-6.18%	14.00%	8.11%
<b>DIVIDEND</b>				
DIVIDEND YIELD				
DIVIDEND PER SHARE				
<b>LIQUIDITY</b>				
CURRENT RATIO	1.29	0.29	0.46	0.42
QUICK RATIO	0.28	0.12	0.18	0.27
<b>CREDIT</b>				
LT DEBT/EQUITY	0.56	0.20	0.26	0.11
TOTAL DEBT/EQUITY	0.66	0.59	0.49	0.48
TOTAL DEBT/TOTAL ASSETS	0.34	0.31	0.29	0.26
EBIT/INTEREST EXPENSE	(3.25)	(1.36)	3.27	1.49

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