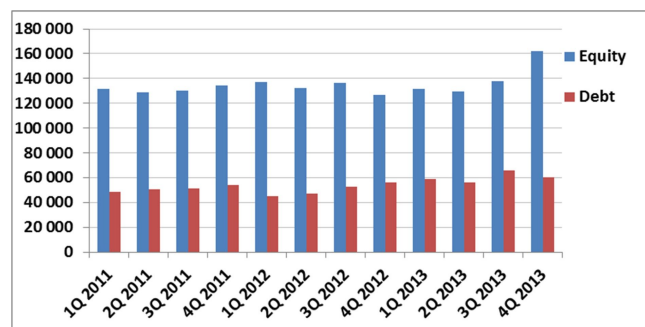
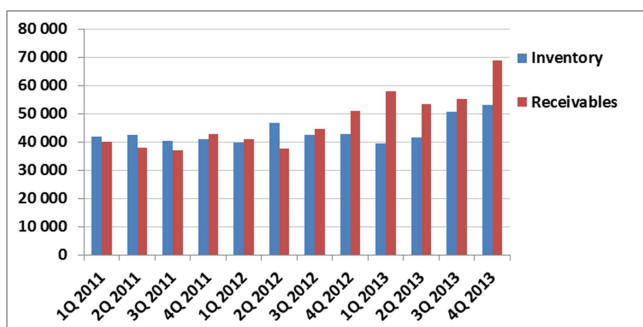
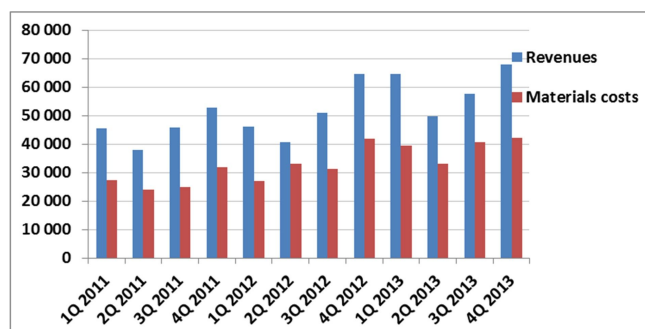
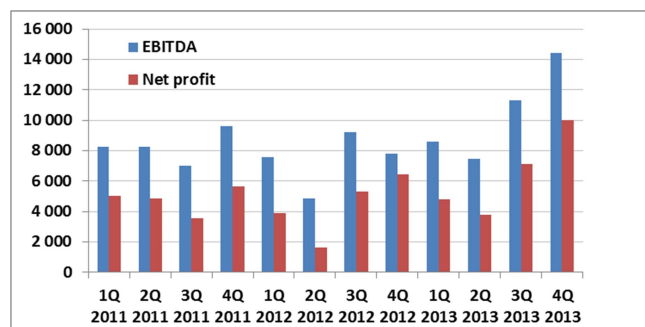


- The net profit of Monbat (**5MB**) during the last quarter of 2013 posted significant increase on both - yearly and quarterly basis. Moreover, this is the best historical profit of the company.
- Improved profitability came from lower cost pressure and rising scale of production. However, the price of lead is at low levels, which made the profitability of recycling business lower than historical averages. This is the main reason to expect better EBITDA margins in the next three years due to global economic growth and lead price increase.
- As seasonal factors are strong due to the bigger demand of car batteries before year-end, results on quarterly basis are

much better than yearly revenues growth.

- Accumulated profits of Monbat improved the debt-to-equity ratio. The company is currently accomplishing its investment program with subsidies from EU funds.
- Inventories and receivables are rising faster than revenues. This is not related to losses from international deliveries. The company reported 8% increase of revenues in January and stable profit margins.
- Recently, the majority owner Prista Oil Holding transferred 20.76% of the capital of Monbat to Prista Holdco Cooperatief, registered in Netherlands. The second deal was made at the end of February.

| | 4Q 2013 | q-o-q | y-o-y |
|-------------------|---------|---------|---------|
| Revenues | 67 760 | 17.58% | 4.96% |
| Costs, incl. | 55 848 | 14.53% | -6.08% |
| depreciation | 2 554 | -8.06% | -2.85% |
| Interest expenses | 773 | 11.38% | 34.43% |
| EBITDA | 14 438 | 27.92% | 85.46% |
| EBIT | 11 884 | 39.66% | 130.5% |
| Net profit | 10 006 | 40.95% | 55.8% |
| Assets | 247 574 | 7.33% | 16.47% |
| Long-term assets | 116 356 | 0.50% | 2.38% |
| Inventories | 52 943 | 4.60% | 23.52% |
| Receivables | 68 835 | 24.71% | 34.73% |
| Cash | 7 674 | 5.95% | 192.23% |
| Equity | 162 106 | 17.51% | 28.12% |
| Long-term loans | 10 813 | -2.07% | -0.8% |
| Short-term loans | 49 234 | -10.27% | 7.97% |



*Source: Monbat; '000 BGN

Financial Data

| Statement of Income (in '000 BGN) | 2010 | 2011 | 2012 | 2013 |
|--|-------------|-------------|-------------|-------------|
| Sales | 160 994 | 182 078 | 202 068 | 239 700 |
| Production expenses | 125 420 | 134 173 | 158 441 | 182 819 |
| Personnel expenses | 11 971 | 14 656 | 13 996 | 14 448 |
| Net income from financial activities | (99) | (116) | (775) | (1 274) |
| Other revenues and expenses | 0 | 8 | 569 | 641 |
| EBITDA | 23 504 | 33 141 | 29 425 | 41 800 |
| Depreciation | 6 111 | 8 718 | 10 323 | 10 579 |
| EBIT | 17 393 | 24 423 | 19 102 | 31 221 |
| Interest expense | 2 279 | 2 841 | 2 549 | 2 695 |
| Pretax income | 15 114 | 21 582 | 16 553 | 28 526 |
| Taxes | 2 484 | 2 529 | 1 846 | 3 516 |
| After-tax income | 12 630 | 19 053 | 14 707 | 25 010 |
| Minority interest | (152) | (103) | 0 | 0 |
| Net income | 12 782 | 19 156 | 17 307 | 25 010 |
| Earnings per share in BGN | 0.34 | 0.52 | 0.48 | 0.64 |

| Balance Sheet (in '000 BGN) | 2010 | 2011 | 2012 | 2013 |
|------------------------------------|-------------|-------------|-------------|-------------|
| Total Assets | 199 717 | 213 441 | 212 565 | 247 574 |
| Equity subscriptions receivable | 0 | 0 | 0 | 0 |
| Fixed assets | 114 187 | 125 569 | 115 744 | 117 873 |
| Tangible fixed assets | 110 739 | 121 918 | 113 650 | 116 356 |
| Financial investments | 8 | 8 | 8 | 8 |
| Current assets | 85 530 | 87 872 | 96 821 | 129 701 |
| Inventory | 42 624 | 40 836 | 42 861 | 52 943 |
| Receivables | 40 972 | 42 735 | 51 090 | 68 835 |
| Financial assets | 0 | 0 | 0 | 0 |
| Cash and cash equivalents | 1 634 | 4 108 | 2 626 | 7 674 |
| Total liabilities + equity | 199 717 | 213 441 | 212 565 | 247 574 |
| Equity | 126 426 | 135 063 | 126 524 | 162 106 |
| Registered capital | 37 326 | 36 858 | 36 377 | 39 000 |
| Capital funds | 78 196 | 83 187 | 74 353 | 90 802 |
| Earnings | 10 904 | 15 018 | 15 794 | 32 304 |
| Liabilities | 73 291 | 78 378 | 86 041 | 85 468 |
| Long-term payables | 4 747 | 18 181 | 6 640 | 5 368 |
| Long-term bank loans | 17 647 | 13 461 | 10 895 | 10 813 |
| Short-term bank debt | 28 104 | 40 286 | 45 599 | 49 234 |
| Short-term payables | 19 869 | 16 504 | 22 184 | 19 761 |
| Other liabilities | 266 | 670 | 996 | 1 246 |
| Working capital | 37 557 | 31 082 | 29 038 | 60 706 |

| | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| Number of shares: | 37 325 585 | 37 095 139 | 36 370 264 | 39 000 000 |
| Price in BGN - period end: | 6.30 | 5.25 | 4.69 | 9.10 |
| Market cap in BGN - period end: | 235 151 186 | 194 749 480 | 170 576 538 | 354 900 000 |

| Cash Flow Statement (in '000 BGN) | 2010 | 2011 | 2012 | 2013 |
|---|-------------|-------------|-------------|-------------|
| Net income | 12 782 | 19 156 | 17 307 | 25 010 |
| Depreciation | 6 111 | 8 718 | 10 323 | 10 579 |
| Changes in Working capital | (8 137) | (6 475) | (2 044) | 31 668 |
| Other operating cash flow items | 2 662 | 3 721 | (4 601) | (42 684) |
| Net cash from operating activities | 13 418 | 25 120 | 20 985 | 24 573 |
| Capital expenditures | (15 877) | (19 518) | (7 628) | (12 798) |
| Other investing cash flow items | (2 318) | (3 042) | (5 052) | (18 680) |
| Net cash from investing activities | (18 195) | (22 560) | (12 680) | (31 478) |
| Issuance/ Retirement of Stock, Net | (1 830) | (3 039) | (2 474) | 16 617 |
| Issuance/ Retirement of Debt, Net | 5 458 | 8 637 | (1 786) | 1 538 |
| Dividends paid | (130) | (1 821) | (1 679) | (1 976) |
| Other financing cash flow items | (2 927) | (3 863) | (3 747) | (4 226) |
| Net cash from financing activities | 571 | (86) | (9 686) | 11 953 |
| Net change in cash | (4 206) | 2 474 | (1 381) | 5 048 |
| Beginning-of-period cash | 5 840 | 1 634 | 4 007 | 2 626 |
| End-of-period cash | 1 634 | 4 108 | 2 626 | 7 674 |
| Cash per share | 0.04 | 0.11 | 0.07 | 0.20 |

| Financial and Performance Indicators | 2010 | 2011 | 2012 | 2013 |
|---|-------------|-------------|-------------|-------------|
| Valuation Ratios | | | | |
| Price/Earnings (P/E) | 18.40 | 10.17 | 9.86 | 14.19 |
| Book Value (BV) | 3.39 | 3.64 | 3.48 | 4.16 |
| Price/Book (P/B) | 1.86 | 1.44 | 1.35 | 2.19 |
| Sales Per Share | 4.31 | 4.91 | 5.56 | 6.15 |
| Price/Sales (P/S) | 1.46 | 1.07 | 0.84 | 1.48 |
| Price/Cash per share | 12.45 | 6.99 | 6.17 | 9.97 |
| EV (in BGN) | 279 268 | 244 388 | 224 445 | 407 273 |
| EV/Sales | 1.73 | 1.34 | 1.11 | 1.70 |
| EV/EBITDA | 11.88 | 7.37 | 7.63 | 9.74 |
| EV/EBIT | 16.06 | 10.01 | 11.75 | 13.04 |
| Liquidity | | | | |
| Current ratio | 1.78 | 1.55 | 1.43 | 1.88 |
| Quick ratio | 0.89 | 0.83 | 0.80 | 1.11 |
| Debt Management | | | | |
| Debt to total assets | 0.37 | 0.37 | 0.40 | 0.35 |
| Interest coverage | 7.63 | 8.60 | 7.49 | 11.58 |
| LT Debt/Equity | 0.18 | 0.23 | 0.14 | 0.10 |
| Total Debt/Equity | 0.58 | 0.58 | 0.68 | 0.53 |
| Asset Management | | | | |
| Inventory turnover | 3.78 | 4.46 | 4.71 | 4.53 |
| Days sales outstanding | 92 | 84 | 91 | 103 |
| Fixed asset turnover | 1.41 | 1.45 | 1.75 | 2.03 |
| Total asset turnover | 0.81 | 0.85 | 0.95 | 0.97 |
| Profitability | | | | |
| Profit margin on sales | 7.9% | 10.5% | 8.6% | 10.4% |
| EBITDA margin | 14.6% | 18.2% | 14.6% | 17.4% |
| Basic earning power | 8.7% | 11.4% | 9.0% | 12.6% |
| Return on assets | 6.4% | 9.0% | 8.1% | 10.1% |
| Return on equity | 10.1% | 14.2% | 13.7% | 15.4% |
| Return on investments | 8.6% | 11.5% | 12.0% | 14.0% |
| Dividend Information | | | | |
| Dividend Yield | 2.78% | 3.28% | 4.51% | 13.31% |
| Dividend per share | 0.18 | 0.17 | 0.21 | 1.21 |

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| | |
|-------------|---|
| BUY | More than 5% higher as compared to SOFIX and BG40 performance |
| HOLD | Market performance, +/-5% as compared to SOFIX and BG40 |
| SELL | More than 5% lower as compared to SOFIX and BG40 performance |

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For more information, please contact:

Research analyst
Tsvetoslav Tsachev

Phone:
+359 2 810 00 23

E-mail:
tsachev@elana.net

Internet:
www.elana.net