



Stock Price of Chimimport



- The quarterly profit of Chimimport was slightly changed from the levels of the last three years. This is due to the broad portfolio of assets in the structure of Chimimport but also was supported by the usually large financial profits from operations with securities.
- Production and transportation sectors posted better profits in 2009, respectively 15% and 12.5%. The financial sector also contributed to the consolidated result, despite the decline of financial profits from operations with securities. The difference in the latter exceeded BGN 60 million in 2009 or 26%.
- The holding's revenues declined 31% during the quarter on yearly basis. However, the change for the total 2009 was only 12% due to the much better first half of the year. The transportation and the production companies have been hurt the hardest. Both segments lost 29%. The air transport was under the negative influence of the lower number of flights and falling charges. The declining international trade with raw materials and agricultural production contributed for the smaller revenues of the transportation sector. Lower fuel costs improved the profitability ratio of the segment along with the rising dollar.
- The financial sector was the source of growth for the revenues. The insurance business of Chimimport posted 25% increase in terms of premium growth to BGN 280 million, whereas the net interest income gained 7%. Revenues from interest jumped significantly as rates began the year at very high levels. Interest paid to deposits was also high. The consolidated profit last year was less influenced by the operations with securities as compared to 2008.
- The price of common shares of Chimimport jumped in November and managed to establish a new trading range. Chimimport is still trading at the lowest multiples among Bulgarian blue chips but the market ignoring the attractive P/B and P/E ratios due to the share of profits with securities.

Disclaimer

Analyst Certification: The research analyst(s) certifies that: (1) all of the views expressed in this document accurately reflect his or her personal views about any and all of the subject securities or issuers; (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this document.

Financial Interest: ELANA Trading may trade or own shares of the analyzed companies. The research analyst(s) is not holding shares of the analyzed companies, unless otherwise noted.

Regulatory Authority: Financial Supervisory Commission, *Shar Planina* Street 33, 1303 Sofia, Bulgaria

Information Disclosure: All reasonable care has been taken to ensure the facts stated are accurate and opinions given are fair and reasonable. Our recommendations are based on information available to the public that we consider to be reliable but for the completeness and accuracy of which we assume no liability. Neither ELANA Trading, nor its directors, officers or employees shall in any way be responsible for its contents. The views expressed may differ from the views of other firm departments or representatives. Additional information is available upon request. Unless otherwise noted, sources for all information in charts and tables are ELANA Trading's calculations.

Risks for Investors: Information in this document should not be regarded as an offer to buy or sell any financial instruments. The investment possibilities discussed in this document may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. In particular, the risks associated with an investment in the securities or the financial instruments under discussion are not explained in its entirety. The prices or values of the securities may go down as well as up and can fluctuate and fall against the investor. The securities or investments may cause the investor to lose the amount invested. Past performance is not a guide to future performance. Changes in exchange rates may have an adverse effect on the value, price or income of the securities or investments.

Valuation Methods: Company valuations are based on the following methods: multiple-based (P/E, P/B, EV/EBITDA), historical valuation approaches, peer comparisons, discount models (DCF, DDM) or asset-based evaluation methods. Valuation models are dependent on macroeconomic factors, including interest rates, foreign exchange rates, prices of raw materials, and any expectations about the economy, the market sentiment. The valuation is based on expectations that might change rapidly and without notice, depending on developments specific to individual industries and countries. Recommendations and target prices derived from the models might therefore change accordingly. The application of models depends on forecasts of a range of economic variables, thus there is a range of reasonable variations within models. Any valuation is dependent upon inputs that are based on the subjective opinion of the analysts carrying out this valuation.

Recommendations: Analyst(s) recommendations are based on the specific factors for the company, sector, country and global developments, as compared to market indices. Recommendations and opinions reflect ELANA Trading's expectations over the 12-month period following publication from the perspective of long-only investment clients. ELANA Trading reserves the right to express different or contrary recommendations and opinions for different timescales or for other types of investment client. Except as otherwise noted, expected performance over next 12 months vary for different recommendations for Bulgarian stocks as follows:

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.

Copyrights: The copyrights of ELANA Trading analyses belong to the Research Department of the brokerage and their content cannot be used for commercial purposes. Replication and redistribution of ELANA Trading analyses content is expressly prohibited without the prior written consent of the appointed contacts listed below.

For more information about the current recommendations, please visit ELANA Trading web page: http://www.elana.net/analysis/reports/bul_f_pazar_7/LIST_Recommendations.pdf

For more information, please contact:

Research analyst	Phone:	E-mail:	Internet:
Tsvetoslav Tsachev	+ 359 2 810 00 23	tsachev@elana.net	www.elana.net
Tamara Becheva	+ 359 2 810 07 23	becheva@elana.net	www.elana.net