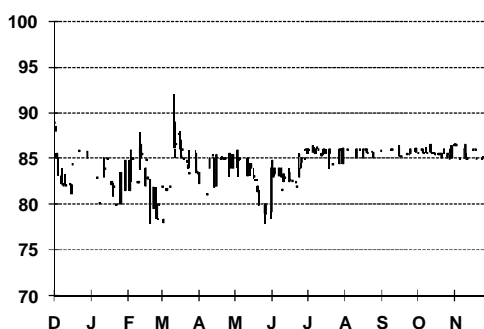


EV/EBITDA	12.54	P/E	97.59
RoA	0.44%	P/S	0.42
RoE	0.77%	P/B	0.75

Stock Price of Orgachim



- Orgachim posted mixed results for the third quarter. The profit fell compared to the seasonally strong period but the revenues increased as compared to the same quarter of the last year. Aggregated data from the beginning of 2010 showed larger improvement of the profit before tax but this was due to the loss in 1Q 2009. The mixed results are not suggesting strongly that Orgachim is recovering from the severe recession in construction business and the associated double-digit decline of demand.

- The export during the third quarter gained 32% on yearly basis, whereas domestic sells contracted 4%. However, the large growth of domestic sales in Q2 was temporarily factor and the recent data are more consistent to the expected slow recovery of construction.

- Total sales from the beginning of 2010 exceeded 77.5 million, whereas the reported profit jumped 140% to BGN 2.27 million or BGN 4.51 per share. Costs of materials increased but all other expenses contracted including depreciation.

- Orgachim increased significantly its current liabilities to BGN 31 million as compared to BGN 12.7 million at the end-2009. The bulk of the change came from larger payables to suppliers, whereas the level of short-term bank loans increased at the expense of long term loans.

- Inventories and receivables also rose. This could be attributed to the rising revenues from very depressed levels to the seasonally strong figures for the third quarter. In fact, the working capital of Orgachim decreased to 4% of sales for the last 12 months.

- Price-to-earnings ratio is well above the reasonable figure due to the losses for Q4 of 2009 and the first quarter of 2010. The profitability of Orgachim should improve steadily during the next several years as the company will be able to pass the pressure of rising costs on prices of its products when demand recovers. For now it is a success that Orgachim manages to maintain stable revenues.

- The stock price is very stable since June when news for the possible delisting shook the market.

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, please contact:

Research analyst
Tsvetoslav Tsachev
Tamara Becheva

Phone:
+359 2 810 00 23
+359 2 810 00 27

E-mail:
tsachev@elana.net
becheva@elana.net

Internet:
www.elana.net
www.elana.net