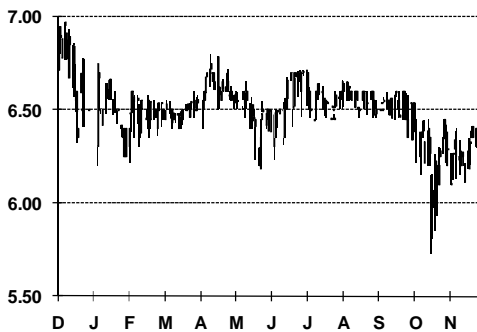


EV/EBITDA	10.54	P/E	16.58
RoA	7.56%	P/S	1.57
RoE	11.50%	P/B	1.91

Stock Price of Monbat



- The consolidated 9M 2010 financial report of Monbat (5MB) showed BGN 11.3 million net profit, which is 8.29% lower on yearly basis. However, the quarterly result is 47% below the 3Q 2009. The difference between the financial report and the Management's forecasts for BGN 17 million profit posted at the end of August, is due to the effects of consolidation. This will remain until the end of 2010, when the production and recycling will be divided.
- The sales of the company added 50% y-o-y for the first nine months of the year. Revenues for the quarter are near the 3Q 2008 levels and were supported by the rising lead price on the international markets. As compared to the third quarter of 2009 sales improved by 32%.
- The lead price increased during the third quarter to 1 799 euro per ton. At the beginning of September the company put in exploitation the factory in Serbia. The forecasts are the factory to recycle 15 000 – 16 000 tones lead and lead alloys per year, which will be realized mainly on international markets and for production of batteries in Bulgaria. Currently, the share of recycled lead used in the total production is 57% and of the recycled polypropylene is 100%. The Management expectations are the consumption of recycled lead in the group to decrease to 47% at the end of 2010 when the recycling plant in Romania will also be operational.
- The total costs increased 60% y-o-y to BGN 95.9 million, mainly due to the rising material costs. This is the reason for the lower profit margin.
- The company is exporting most of its production and main markets were Germany (23% of exports) and France (12.23%). Monbat increased its sales to Great Britain and Turkey.
- The bank loans of the company stayed almost flat as compared to the end of 2009 and the cash is BGN 4.8 million.
- As of September 30, 2010 Monbat bought back 1.5 million own shares. The main shareholder Prista Oil owns 68.51% of the company's capital.
- Monbat lost the insignificant 1.8% since the beginning of the year. Trading volumes remained thin even compared to the current low activity on the market. The valuation ratios did not improved after the third quarter report.

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
Tsvetoslav Tsachev
Tamara Becheva

Phone:
+359 2 810 00 23
+359 2 810 07 23

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

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