



- The non-consolidated report for the third quarter was not a big surprise for Albena. Revenues declined 12.2% as compared to the same quarter of 2008 but profit for the period was almost unchanged. However, the large difference for the accumulated results from the beginning of 2008 came from the sell of assets during the second quarter. Albena sold its stake in the public listed Albena Invest Holding and acquired a small air transportation company. The net profit for the nine months was BGN 40.68 million. After adjustment to the one-time items, the net profit should fall the levels of 2008 or BGN 23 million.

- Albena disclosed that the main reason for the declining revenues came from foreign markets, whereas Bulgarian tourists and on-line sales posted growth. The number of tourists was 12% lower on yearly basis. The company managed to compensate the larger decline at the beginning of the year with lower prices and flexible offers. The decline of tourists during the first months of the year was 20%, which had very negative impact on the stock price.

- The company implemented broad measures of cost-cutting to prevent the negative effect of the shrinking revenues. Labor costs were down 25%. Amortization costs are rising due to the newly acquired assets but the lower EURIBOR decreased the interest payments. Long-term debt-to-equity at the end of the reporting period was 0.33.

- Shares of Albena reacted positively to the relatively stable quarterly profit. As we mentioned above, the negative expectations were already priced in to the extreme. The price per share remained close to the highs and the overall market weakness had insignificant impact on the stock.

Stock Price of Albena



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| | |
|-----------------------|---------------------------------------------------------------|
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| Market Perform | Market performance, +/-5% as compared to SOFIX and BG40 |
| Underperform | More than 5% lower as compared to SOFIX and BG40 performance |

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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