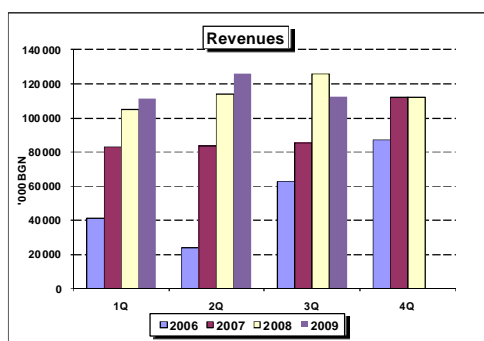
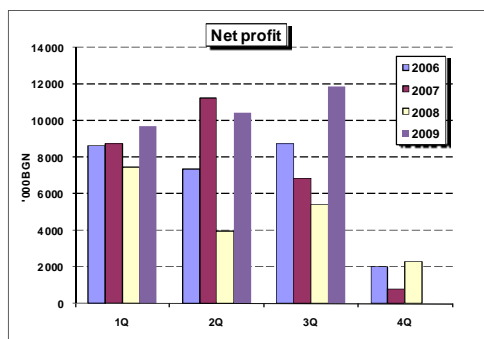
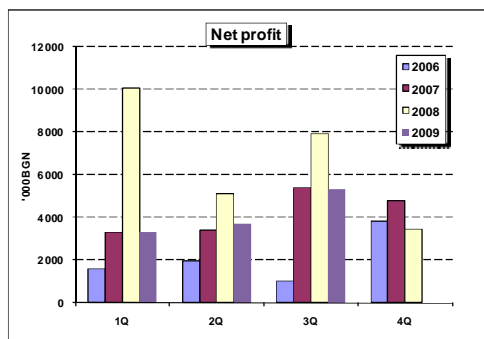


Sopharma



- The consolidated report for the first nine months of Sopharma improved the valuation ratios of the pharmaceutical company as it showed further increase of the profit. This was the best quarterly profit for the last four years. Moreover, the comparison to the nine months of the previous year showed that the profit margins are improving steadily.
- Total revenues increased 1.6% since the beginning of the year. However, the third quarter revenues were 10% lower as compared to the second quarter. The domestic market contributed for 75% of the revenues and posted 3% increase since the beginning of 2009. The new markets of Sopharma are growing faster but they have only small contribution to the total growth.
- The improved profitability was due to the cost-cutting measures. Sopharma managed to pay part of its debts and decreased its total loans by 9% since the beginning of 2009. Important factor for the improved debt level is the lower inventory turnover.
- The subsidiary Sopharma Trading that is the distributor of pharmaceutical products for the domestic market announced recently 2% increase of the revenues for 2009.

Monbat



- The car batteries producer Monbat benefited from the rising prices of lead and lead alloys. The company managed to improve its profitability on quarterly basis. The results of Monbat resemble 2007 by level of revenues and the quarterly profit margins.
- The consolidated report also showed that the pace of decline in revenues is weakening. The quarterly sales hit the bottom in 2Q and the next two quarters will close most of the gap to the year-ago results.
- However, the main problem for the stock price is the still rising multiples after each quarterly report. The P/E ratio increased to 17 after calculated through the last four quarters. Moreover the comparison to the very bad fourth quarter of 2008 will not support the market bias even if results are improving faster.
- The current assets of Monbat are rising but mainly due to the increase of stockpiled materials and receivables. The company's bank loans grew by BGN 3.2 million during the last quarter. The increase is much higher and worrisome when comparing to the end-2008. Bank loans soared more than BGN 10.5 million or by one third despite the parallel rise of profits and the cash of the company.

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