

Index	Value 27.02.2009	Monthly change	12 m change
SOFIX	264.71	-7.70%	-81.48%
BG 40	85.94	-5.65%	-79.04%
BG TR 30	193.19	-4.45%	-78.82%
BG REIT	40.06	-1.18%	-60.38%

SOFIX

Company	Price 31.01.2008	Price 27.02.2008	%Change
ALB (6AB)	19.98	16.88	-15.52%
ELARG (4EC)	0.60	0.60	0.00%
ENM (E4A)	7.06	6.76	-4.25%
EURINS (5IC)	1.73	1.75	1.16%
IHLBL (4ID)	1.18	1.18	0.00%
KAO (6K1)	2.25	2.22	-1.33%
MCH (5MH)	3.82	2.99	-21.73%
MONBAT(5MB)	4.40	3.54	-19.66%
NEOH (3NB)	29.33	22.20	-24.30%
OTZK (5OTZ)	6.27	5.97	-4.78%
ORGH (5ORG)	67.74	53.60	-20.87%
SFARM (3JR)	2.10	1.84	-12.38%
ELTOS (SL9)	1.32	1.84	39.39%
BACB (5BN)	8.50	7.65	-10.00%
CORP (6C9)	71.40	75.03	5.05%
FIB (5F4)	1.09	1.14	4.95%
CCB (4CF)	0.85	0.84	-1.53%
TOPL (3TV)	4.19	3.85	-8.11%
CHIM (6C4)	1.37	1.20	-12.41%
HDPAT (6H2)	1.96	2.24	14.29%

Summary

- ☞ Bulgarian Stock Exchange – Sofia (BSE) was faintly affected by the negative consolidated financial statements for the last quarter of 2008. Trading volumes were low and the official indices moved in a range.
- ☞ Market capitalization shrank by 19.21% to BGN 9.256bn. The decline since February 2008 is by 64%.
- ☞ US markets were seriously hit by the news for deteriorating economy and weak corporate earnings. DJIA marked the steepest monthly decline since the blue chip index was introduced in 1896.
- ☞ After the National Statistical Institute (NSI) reported deflation in November and December, the consumer price index went up in January and reached 0.8%.

Indices

- ☞ All of the BSE indices ended February on negative territory, but the main losers were the markets in Eastern Europe, particularly in Serbia and Ukraine.
- ☞ Sofix lost 7.70% in February and is 81.48% below the levels from February 2008.
- ☞ BG 40 was 5.65% down and BG TR 30 lost 4.45%. Both indices are almost 80% below the year-ago levels.
- ☞ BG REIT was the best performer among all BSE indices with a decline of 1.18% in February. The specialized index for real estate companies is 60% below the year-ago period.
- ☞ The Ukrainian PFTS lost 23% in February and the Serbian Belex 15 22%. On the other side, RTS in Russia climbed by 1.78%.
- ☞ DJIA marked its biggest monthly decline ever, falling by 11.72%. The major loser in Europe was the German DAX, down by 11.39%.

World markets

- ☞ The Federal Deposit Insurance Corporation (FDIC) closed the based in Oregon Silver Falls Bank with assets estimated at USD 131.4mn. Since the beginning of 2009 the US regulator has closed 14 US banks.
- ☞ Gold price reached USD 1000 per ounce and marked its largest increase for the last year. In the end of the month crude prices breached the USD 40 per barrel benchmark and ended the month at USD 44.30.
- ☞ The European Central Bank kept interest rates unchanged at 2.00% on its meeting in the beginning of the month. Bank of England slashed key interest rate by 50 basis points to 1.00%. The Federal Reserve didn't hold meetings in February. EUR/USD traded in the range 1.25 – 1.30.

Eastern European Markets

Index	Value 27.02.2009	Monthly change	12 months Change
Croatia CROBEX	1 379.29	-17.99%	-67.48%
Macedonia MIB-10	1 931.90	-13.67%	-72.62%
Romania BET	1 899.14	-15.71%	-74.92%
Serbia BELEX 15	420.73	-21.65%	-79.86%
Montenegro NEX 20	446.86	-15.64%	-69.02%
Ukraine PFTS	211.47	-22.99%	-80.81%
Turkey ISE 100	24 026.59	-7.36%	-46.34%
Russia RTSI	544.58	1.78%	-74.02%
Morgan Stanley MSCI EM	91.97	-6.30%	-73.75%

World Markets

Index	Value 27.02.2009	Monthly change	12 months Change
USA DJIA	7 062.93	-11.72%	-42.42%
USA S&P 500	735.09	-10.99%	-44.76%
USA NASDAQ	1 377.84	-6.68%	-40.91%
Japan Nikkei 225	7 568.42	-5.32%	-44.36%
Germany DAX	3 843.74	-11.39%	-43.04%
UK FTSE 100	3 830.10	-7.70%	-34.91%
France CAC 40	2 702.48	-9.13%	-43.59%

Banking Sector

Bank	Price 27.02.2009	P/E	P/B
FIB (5F4)	1.15	2.47	0.35
CORP(6C9)	75.22	10.60	1.99
BACB(5BN)	7.65	1.79	0.51
CCB (4CF)	0.83	3.06	0.29

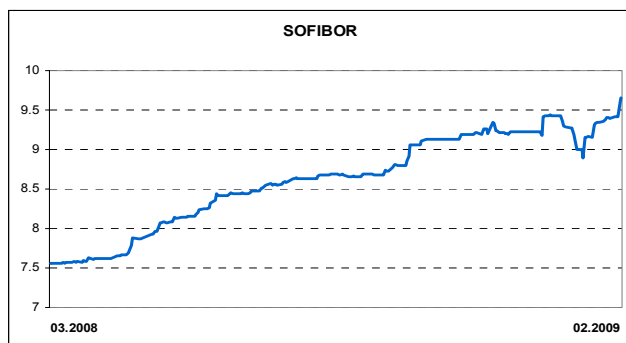
Corporate news

- ↪ February 2009 was the deadline for public companies to release their consolidated financial statements for Q4 2008.
- ↪ Monbat, Bulgaria's largest producer of car batteries, reported sales of BGN 163.981mn in 2008, or 16% higher than in 2007. Financial revenue increased from BGN 0.312mn to BGN 1.285mn. Operating expenses grew by 10.39%, or from BGN 122.159mn to BGN 135.339mn. Net income was 57.21% higher and reached BGN 26.546mn. The company expects 54% decline of Q1 net profit. Net sales in January alone fell to BGN 9.74mn, which represents a 49.72% year on year decline. The total net sales revenue comprised the following components: BGN 8.88mn sales of output; BGN 33,000 product sales; BGN 109mn service sales and BGN 0.718 other sales. Company's management contributed the poor results in January to both lower sales and product prices.
- ↪ The diversified group Chimimport reported 41.54% increase of sales to BGN 736mn. Financial revenues reached BGN 4.242bn and financial expenses BGN 4.012bn. Net profit reached BGN 127.7mn (annual increase of 7.2%). Asset base expanded by 19% to BGN 3.272bn.
- ↪ Eurohold Bulgaria, another diversified group, reported 89% decline of 2008 net profit to BGN 4.449mn. Total revenues grew to BGN 413.227mn from BGN 368.181mn a year ago. Expenses jumped from BGN 273.709mn to BGN 404.624mn. Positive results from operations with financial assets shrank from BGN 95.398mn to BGN 48.430mn and expenses grew from BGN 3.693mn to BGN 17.107mn.
- ↪ The holiday operator Albena announced 47.11% decline of annual net profit to BGN 11.301mn. Total revenues decreased slightly from BGN 128mn to BGN 126.3mn, but total expenses grew by 13.46% to BGN 111.861mn. Assets expanded from BGN 485mn to BGN 523.5mn.
- ↪ Total revenues of Industrial Holding Bulgaria increased slightly by 2% to BGN 173mn. Expenses grew from BGN 155mn to BGN 157mn. Net income is 9.78% higher: BGN 13.684mn. Cash and cash equivalents declined from BGN 86.256mn to BGN 80.571mn.
- ↪ Consolidated sales of the construction company Roads Holding grew by 25% in 2008 to BGN 185.4mn. The growth for the fourth quarter is by 45% to BGN 82.4mn. Net profit fell by 52.68% to BGN 8.6mn.
- ↪ The net profit of Corporate Commercial Bank reached BGN 4.85mn in January. Interest income amounts to BGN 11.55mn and interest expenses to BGN 6.45mn. In the end of January Bulgarian Acquisition Company representing investors from Oman bought 1.8mn shares, or 30% of the bank.
- ↪ Bulgarian American Credit Bank reported consolidated net profit of BGN 54mn in the end of 2008 compared to profit of BGN 53.1mn a year ago. Net interest revenues increased by BGN 11.3mn to BGN 79.8mn.

Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
Benchmark Fund 5	-2.57%	-0.15%
Varchev Balanced	-3.04%	0.33%
TBI Treasury	-8.59%	-2.80%
Invest Classic	-13.58%	-2.61%
Varchev High Yield	-14.42%	-0.14%
Advance IPO	-18.01%	-2.84%
Sentinel	-25.99%	-3.94%
FIB Classic	-27.82%	-4.21%
Raiffeisen	-29.33%	-4.66%
Somony Strategy	-30.81%	-6.90%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
Elana Money Market	7.14%	0.77%
Raiffeisen Money Market	5.67%	0.93%
Raiffeisen Bonds Fund	4.67%	0.52%
DSK Standard	4.66%	1.16%
Sentinel Money Market	4.32%	0.65%
TBI Eurobond	3.54%	-0.87%
Elana Eurofund	2.98%	0.78%
KD Bonds	-0.26%	-0.05%
CCB Garant	-0.27%	0.95%
Elana USD Fund	-0.60%	-0.52%



Mutual funds

The net assets of mutual funds increased by 3.35% for the period January 15 – February 13 and totaled BGN 322.96mn, reported the online media Investor.bg. It is the first monthly growth since May 2008. DSK Balance is the largest fund in view of assets (BGN 18.18mn), followed by DSK Growth (BGN 15.43mn) and Elana Money Market (BGN 15.27mn).

Benchmark Fund 5 (-2.57%) got ahead of Varchev Balanced Fund (-3.04%) in the ranking for yield in the last twelve months among the high and balanced risk funds. TBI Treasury (-7.46%) still holds the third position.

Elana Money Market (7.06%) kept its leading position among the conservative funds. Two funds managed by Raiffeisen rank second and third - Raiffeisen Money Market (5.67%) and Raiffeisen Bonds Fund (4.67%) .

Macroeconomics

The National Statistical Institute (NSI) reported CPI inflation of 0.8% in January 2008. Year – to date inflation stood at 7.1%, down from 7.8% in December. In November and December the national statistics reported deflation of 0.1% and 0.2% respectively.

The Producer Price Index (PPI) in January was 1.0% down since December. Compared to January 2007 there is an increase of 2.2%.

Bulgaria's gross external debt decreased in December after a steady growth in the previous 11 months of 2008. Gross debt stood at EUR 36.648bn, the Bulgarian National Bank (BNB) reported. The decrease since November is by EUR 616mn. Gross external debt stood at 108.4% of the projected GDP for 2008 (EUR 36.659mn).

Foreign direct investments (FDA) increased by EUR 227.5mn in December. Preliminary data showed that total FDA for 2008 reached 5.43bn and covered 65.6% of the current account deficit. In the end of November the ratio FDA/current account deficit stood at 69.6%.

In the end of December the FOB trade deficit reached EUR 8.83bn. According to BNB's data, exports and imports increased by 13.0% and 15.8% respectively on annual basis. Exports reached EUR 15.272bn and imports EUR 24.105bn.

Unemployment rate in Q4 2008 stood at 5.0%, or 1.1% below the year-ago period. The number of unemployed persons was 177 700, or 37 600 less than in Q4 2007, NSI reported.

In February the business climate in Bulgaria continued to deteriorate. The total business climate indicator dropped by 3.3 percentage points and fell below the long-term moving average. The sentiment is declining in all sectors except construction.

After a plunge in January the 12-month SOFIBOR reached new record levels last month. SOFIBOR reference rate is an index of the quotes for unsecured BGN deposits offered in the Bulgarian interbank market. In the end of February SOFIBOR stood at 9.651%.

DISCLAIMER:

This report is prepared by Focal Point Investments under an agreement with FairPlay Properties REIT and is property of FairPlay Properties REIT. Unauthorized distribution is prohibited.

This report is for informational purposes only and does not represent a recommendation to buy or sell securities. The material is based on publicly available information.

This report has no regard to the individual investment objectives, financial situation or particular needs of any specific recipient and should not be relied upon as authoritative, or taken in substitution for the exercise of judgment by any receiver. Each recipient should consider the appropriateness of any investment decision having regard to their own circumstances, the full range of information available and appropriate professional advice, and should consult their advisors to make sure all involved risks are fully understood.

The information and opinions in this report constitute judgment as of the date that this report was compiled from sources believed to be reliable, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. Opinions expressed herein are subject to change without notice. This report is not intended to be a complete statement or summary of the securities, markets or developments mentioned in this report.