

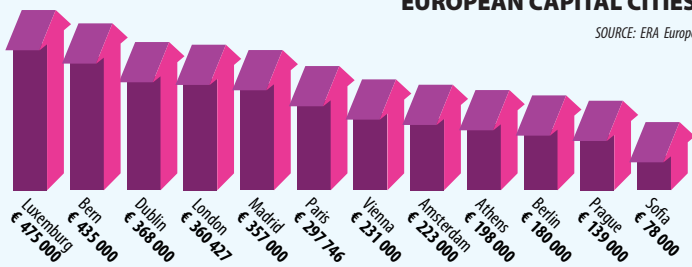
# BulMar General Report

monthly economic digest of Moore Stephens BulMar

year 06 / July 2007

## AVERAGE PRICE FOR A 100 sq.m. PROPERTY IN TWELVE OF THE EUROPEAN CAPITAL CITIES

SOURCE: ERA Europe



## financial audit

www.msbulmar.com

(02) 8-12-06

## MOORE STEPHENS BULMAR

огюм • счемовогство • данъци • консултации

www.msbulmar.com

(02) 8-12-06

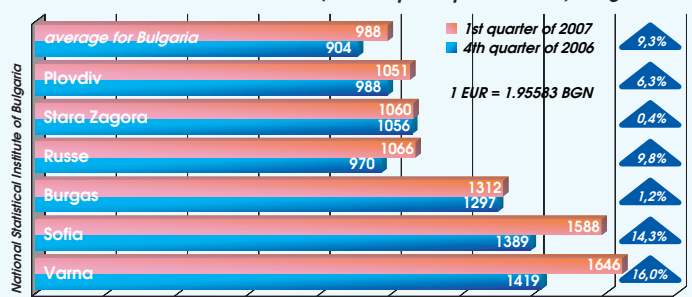
### External balance of goods and services

year	1st quarter		2nd quarter		3rd quarter		4th quarter	
	% of GDP	thousand BGN	% of GDP	thousand BGN	% of GDP	thousand BGN	% of GDP	thousand BGN
2006	-24.3	-2 422 959	-16.3	-1 897 639	-8.5	-1 173 494	-27.9	-3 826 250
2005	-16.0	-1 432 030	-16.7	-1 683 167	-7.4	-887 161	-24.6	-2 924 114
2004	-15.6	-1 051 700	-14.9	-1 158 100	-8.1	366 600	-11.5	-2 079 600
2003	-10.8	-787 999	-13.9	-1 113 376	0.7	61 951	-19.6	-1 889 100
2002	-9.7	-668 392	-10.2	-764 005	3.7	334 748	-18.3	-1 625 781

### News

- The Bulgarian economy grew a real 6.2% year-on-year from January to March, Bulgaria's first three months as an European Union member, up from 5.7% in the last quarter of 2006.
- Bulgaria's huge current account gap grew by almost 50% through April on an annual basis, while foreign direct investment stayed unchanged.
- The European Commission (EC) will continue to monitor Bulgaria's performance on all 6 red-flag areas in the sphere of justice and internal order because it has failed to find sufficient evidence showing any significant progress on any of them.
- Bulgaria's financial regulator continues to receive notifications from insurance companies and brokers interested in setting foot on the local market.
- The minimum monthly pay will be negotiated between the employers, the trade unions and the government from '08 if the new rules proposed by the social policy ministry are approved.
- Flat tax and wedding the size of retirement pensions to the average contributory income were among the most radical changes to the current social and economic policy discussed at the extraordinary congress of the ruling socialist BSP.
- In defiance of all reform and streamlining policies, the number of people on the government payroll has almost doubled in the past 2 years.
- The domestic credit growth was within striking distance of the 40% mark in April, an uptrend that started gathering momentum in the first three months of the year after the expiry of a raft of lending restrictions.
- The airport in the city of Varna, on the Black Sea, has doubled its passenger traffic capacity with the launch of a new terminal.
- Bulgaria's general insurance companies pocketed premiums of 305.7 mln levs in the first quarter of 2007, up 12.6% year-on-year.
- Bulgaria's Transcard Financial Services, the issuer of the Transcard credit cards, has been certified by MasterCard Worldwide to issue cards carrying the logo of the international credit card organisation.
- Gazprom will study a Greek proposal to build a gas pipeline alongside the Burgas-Alexandroupolis oil pipeline.
- Austria's Austrotherm will build a factory for thermal insulation panels in Aitos, a city in North-eastern Bulgaria.
- Sopharma, the Bulgarian pharmaceuticals company, has increased its stake in syringe maker Momina Krepost by 10.29% to 17.32%.
- Bulgarian water bottling company Devin is contemplating a listing on the local stock exchange.
- The nation's financial watchdog has approved changes to the Bulgarian Stock Exchange rules, authorising the bourse to cancel trades resulting from incontestable broker errors.
- U.S. company Bunge Monday confirmed it will close its Dobrich-based vegetable oil refinery Kaliakra AD.
- Plovdiv-based Highway Logistic Center EOOD Monday won a public auction for the assets of bankrupt refinery Nova Plama. The buyer drove up the guide price by some 2 mln levs to 44,400 levs.
- Local company Ekopile said it has started the construction of a poultry slaughterhouse and a poultry processing plant near the village of Ignatievo, in the coastal Varna area.
- Riofisa SA, a leading Spanish real estate company, said it expects to secure all necessary construction permits and commence work on its mixed-use development in Sofia.
- Italy's Enel, CEZ of the Czech Republic, Germany's RWE and E.ON, France's EDF, Switzerland's Aare-Tessin AG fuer Elektrizitaet and Elektrizitaets-Gesellschaft Laufenburg AG, Spain's Endesa, Belgium's Electrabel and local company Cumerio Med are bidding for a 49% stake in Electropower Company Belene, the operator and owner of the future NPP.
- Local company Unitemp said it has invested 10 mln levs in an up-to-date slaughterhouse in Plovdiv.
- Budget carrier SkyEurope said it will launch flights from Bulgarian Black Sea town Burgas to Krakow, Prague, Bratislava and Budapest.
- Bulgaria Buy to Let, the local property investment company, said will invest an undisclosed amount in two villa communities near Sofia.
- Kardjali-based lead and zinc company OCK said it plans to double lead output to 20,000 tons in 2007.
- German discount retailer Penny Market, part of the Rewe Group, will open a hypermarket in Svilengrad, Southern Bulgaria.
- Household and industrial electricity tariffs will be revised upwards by 5% from July instead of the 1-2% adjustment promised by the Bulgaria power regulator.
- Local cable operator Eurocom Cable, owned by Hungary-based Warburg Pincus company FiberNet, said it began in early June transmitting a package of 82 digital TV channels to subscribers in Plovdiv, Bulgaria's second biggest city.

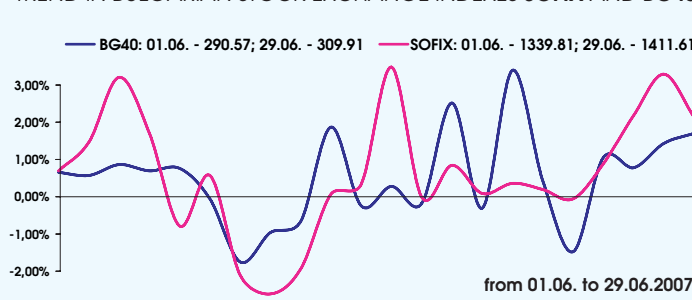
### PROPERTY PRICES IN BULGARIA (in BGN per square meter) growth %



### Foreign government debt for the last 15 months

mil. euro	mm/yyyy	mil. euro	mm/yyyy	mil. euro	mm/yyyy
3 528.8	04.2007	4 215.2	11.2006	4 304.3	06.2006
3 799.2	03.2007	4 134.3	10.2006	4 327.1	05.2006
3 833.5	02.2007	4 274.3	09.2006	4 360.8	04.2006
4 148.2	01.2007	4 284.4	08.2006	4 420.6	03.2006
4 269.6	12.2006	4 304.6	07.2006	4 473.3	02.2006

### TREND IN BULGARIAN STOCK EXCHANGE INDEXES SOFIX AND BG40



### Domestic government debt for the last 15 months

mil. euro	mm/yyyy	mil. euro	mm/yyyy	mil. euro	mm/yyyy
1 515.7	04.2007	1 511.8	11.2006	1 545.9	06.2006
1 507.6	03.2007	1 510.4	10.2006	1 536.1	05.2006
1 473.1	02.2007	1 532.1	09.2006	1 516.3	04.2006
1 492.7	01.2007	1 523.4	08.2006	1 514.3	03.2006
1 511.3	12.2006	1 524.5	07.2006	1 486.2	02.2006

### FOREIGN CURRENCIES EXCHANGE RATES AGAINST THE BULGARIAN LEV (BGN) - 01.06. - 29.06.2007

1 EUR = 1,95583 BGN /fixed/

