

Index	Value 31.03.2009	Monthly change	12 m change
SOFIX	278.28	5.13%	-78.91%
BG 40	87.18	1.44%	-75.78%
BG TR 30	208.86	8.11%	-76.55%
BG REIT	40.17	0.27%	-58.81%

SOFIX

Company	Price 27.02.2008	Price 31.03.2008	%Change
ALB (6AB)	16.88	15.00	-11.14%
ELARG (4EC)	0.60	0.62	3.67%
ENM (E4A)	6.76	6.85	1.33%
EURINS (5IC)	1.75	1.52	-13.14%
IHLBL (4ID)	1.18	1.40	18.64%
KAO (6K1)	2.22	2.42	9.01%
MCH (5MH)	2.99	2.75	-8.03%
MONBAT(5MB)	3.54	3.57	0.99%
NEOH (3NB)	22.20	24.75	11.48%
OTZK (5OTZ)	5.97	8.99	50.57%
ORGH (5ORG)	53.60	53.04	-1.05%
SFARM (3JR)	1.84	1.81	-1.63%
ELTOS (SL9)	1.84	1.20	-34.78%
BACB (5BN)	7.65	8.40	9.74%
CORP (6C9)	75.00	65.00	-13.34%
FIB (5F4)	1.14	1.65	44.23%
CCB (4CF)	0.84	0.88	4.54%
TOPL (3TV)	3.85	3.84	-0.26%
CHIM (6C4)	1.20	1.65	37.50%
HDPAT (6H2)	2.24	2.10	-6.25%

Summary

- ☞ March was the best month for the Bulgarian Stock Exchange – Sofia (BSE) since May 2008 as all official indices ended on positive territory.
- ☞ Market capitalization expanded by 5.66% to BGN 9.783bn, but the decline since February 2008 reached 62.14%.
- ☞ World's major stock markets recovered from February's lows, backed by the new plans of the Federal Reserve to stimulate the economy.
- ☞ The National Statistical Institute (NSI) reported slight CPI inflation in February, but producer prices, measured through the Producer Price Index (PPI) fell by 3.1% y/y.

Indices

- ☞ All of the BSE indices ended March on positive territory, but were outperformed by the benchmarks in Romania and Russia.
- ☞ SOFIX gained 5.13% in March and is 78.91% below the levels from March 2008.
- ☞ BG 40 was 1.44% up and BG TR 30 rose by 8.11%. Both indices are almost 76% below the year-ago levels, compared to 80% in March.
- ☞ BG REIT advanced modestly by 0.27% in March. The specialized index for real estate companies is still the best performing BSE index for the last twelve months.
- ☞ The Romanian benchmark BET gained 25.28% in March and RTSI in Russia rose by 28.02%. This was the second monthly advance of the Russian market after the 1.78% growth in February.
- ☞ NASDAQ Composite was the best performing index of the world's majors, up by 10.94% in March. DJIA rose by 7.73% and the German DAX gained 6.27%.

World markets

- ☞ The Federal Reserve kept key interest rate unchanged and announced a new plan to buy back treasury bonds for USD 1trln.
- ☞ Reports that AIG will distribute USD165mn in bonuses for its management met the negative reactions of the US society. The company received more than USD 170bn as a federal rescue.
- ☞ Crude oil inched above USD 50 per barrel, but in the end of March made a retreat. Gold prices settled below USD 1000 per ounce and ended the month at USD 919.
- ☞ The European Central Bank (ECB) slashed interest rates by 50 basis points to 1.50% after holding the rates unchanged on the meetings in January and February. Bank of England also cut key interest rates by a half percent.

Eastern European Markets

Index	Value 31.03.2009	Monthly change	12 months Change
Croatia CROBEX	1 431.24	3.77%	-64.09%
Macedonia MIB-10	1 905.64	-1.36%	-71.20%
Romania BET	2 379.23	25.28%	-72.56%
Serbia BELEX 15	380.83	-9.48%	-75.52%
Montenegro NEX 20	411.73	-7.86%	-63.23%
Ukraine PFTS	224.60	6.21%	-77.96%
Turkey ISE 100	25 603.68	6.56%	-37.62%
Russia RTSI	697.16	28.02%	-73.49%
Morgan Stanley MSCI EM	109.56	19.13%	-73.28%

World Markets

Index	Value 31.03.2009	Monthly change	12 months Change
USA DJIA	7 608.92	7.73%	-42.40%
USA S&P 500	797.87	8.54%	-44.43%
USA NASDAQ	1 528.59	10.94%	-39.54%
Japan Nikkei 225	8 109.53	7.15%	-39.58%
Germany DAX	4 084.76	6.27%	-41.18%
UK FTSE 100	3 926.14	2.51%	-32.83%
France CAC 40	2 807.34	3.88%	-42.59%

Banking Sector

Bank	Price 31.03.2009	P/E	P/B
FIB (5F4)	1.65	3.80	0.51
CORP(6C9)	65.00	8.71	1.64
BACB(5BN)	8.39	2.01	1.57
CCB (4CF)	0.88	3.55	0.33

Corporate news

- ↪ The producer of car batteries Elhim Iskra expects 57% decline of sales revenue for Q1 2009 to BGN 4.3mn. Earnings before taxes are estimated at BGN 0.1mn compared to BGN 1.16mn a year ago. The company plans to invest BGN 1mn in 2009.
- ↪ Elhim's local rival Monbat reported sales of BGN 9.66mn in February, or 51.65% less than in February 2008. EBT fell by 48.68% to BGN 1.811mn. Monbats' management contributed the poor results to the lower demand for car batteries and the growing competition in the sector.
- ↪ The audited net profit of the chemical group Polimeri for 2008 is almost 50% below the non-audited value. Net profit for the previous year was revised to BGN 0.452mn compared to non-audited net profit of BGN 0.973mn.
- ↪ The manufacturer of electric trucks Balkancar Record announced plans to sell 310 machines in 2009, or 17% less than in 2008. Due to the tough market conditions in the first two months of the current year the company has produced only a half of the output for the comparable period of 2008. In 2008 Balkancar Record reported sales of BGN 13.5mn and net loss of BGN 2.8mn.
- ↪ Shareholders of Fairplay Properties REIT decided to distribute BGN 7 257 298, 10 of the profit from the previous year as dividend. The net financial result of the Fund for 2008 reached BGN 13.744mn. and the profit for distribution exceeded BGN 7.765mn. 93, 5% of the profit will be distributed as dividend at the amount of BGN 0,13 per share. Through the previous year the Company finalized 173 agreements for sale of apartments for total BGN 35.361mn and concluded new agreements for 205 apartments with total value BGN 44.5mn. The General meeting empowered the Board of the Directors to purchase two office buildings – "Hill Tower Business Center" and "FPI – Business Center" in implementing the strategy of the Company to increase the share of the investment properties in its portfolio and gradually to converse itself into a classical REIT. These properties are with prime location and are completely leased with guaranteed agreements. Their prices are EUR 17 mln. and EUR 10 mln respectively. The shareholders elected the first Audit Committee with 4 years mandate, with a representative of the minority shareholders.
- ↪ Fairplay Properties REIT announced its first forecast for the present year. It has conservative bias due to the current economic conditions. According to the forecast, the Company expects to realize BGN 2mn profit for distribution in 2009.
- ↪ On March 25 a total of 3.58mn shares of Corporate Commercial Bank changed hands, constituting for 30% of bank's capital. The total value of the transactions reached BGN 325mn. On the same date BSE posted its fifth biggest daily turnover – BGN 329.4mn.

Mutual Funds

Top 10 mutual funds – yield (high and balanced risk)	Change last 12 months	Change YTD
UBB Premium Shares	32.67%	-22.2%
Varchev Balanced	-0.52%	0.38%
Zagora Finacorp Balanced	-1.30%	0.21%
Benchmark Fund 5	-2.00%	-1.73%
TBI Treasury	-7.45%	-1.97%
Invest Classic	-12.19%	-2.56%
Varchev High Yield	-12.34%	0.204%
Advance IPO	-17.80%	-2.77%
Sentinel	-22.40%	-3.06%
FIB Classic	-24.86%	-3.47%

Top 10 Mutual funds -yield (low risk)	Change last 12 months	Change YTD
Elana Money Market	7.26%	1.50%
Raiffeisen Money Market	5.93%	1.56%
Raiffeisen Bonds Fund	5.21%	1.35%
TBI Eurobond	4.88%	0.95%
Sentinel Money Market	4.28%	0.96%
DSK Standard	4.08%	1.03%
Elana Eurofund	2.62%	0.91%
CCB Garant	-0.10%	1.86%
KD Bonds	-0.13%	-0.07%
Elana USD Fund	-2.00%	-1.73%

Mutual funds

↪ The net assets of mutual funds declined by 3.52% for the period February 13 – March 13 and totaled BGN 311.03mn, reported the online media Investor.bg. In the previous period asset base expanded by 3.35%. DSK Balance is the largest fund in view of assets (BGN 17.85mn), followed by Elana Money Market (BGN 15.08mn) which displaced DSK Growth (BGN 14.75mn).

↪ Benchmark Fund 5 (-2.00%) lost its leading position in the ranking for yield in the last twelve months among the high and balanced risk funds. UBB Premium Shares took the lead with growth of 32.67% in the last twelve months. Second ranked Varchev Balanced Fund (-0.52%) and Zagora Finacorp (-1.30%) held the third position.

↪ Elana Money Market (7.26%) kept its leading position among the conservative funds. As well as in February, two funds managed by Raiffeisen ranked second and third - Raiffeisen Money Market (5.93%) and Raiffeisen Bonds Fund (5.21%) .

Macroeconomics

↪ The National Statistical Institute (NSI) reported CPI inflation of 0.1% in February 2009. Annual inflation stood at 6.0%, down from 7.1% in January. In November and December the national statistics reported deflation of 0.1% and 0.2% respectively, but the tendency of growing consumer prices was resumed in January, when the statistics reported inflation of 0.8%.

↪ The Producer Price Index (PPI) in February was 1.0% below the level from January and 3.1% down since February 2008.

↪ Bulgaria's gross external debt decreased in January after another decline in December 2008. Gross debt stood at EUR 36.438bn, the Bulgarian National Bank (BNB) reported. The decrease since December 2008 is by EUR 291mn. Gross external debt stood at 99.4% of the projected GDP for 2009 (EUR 36.659mn).

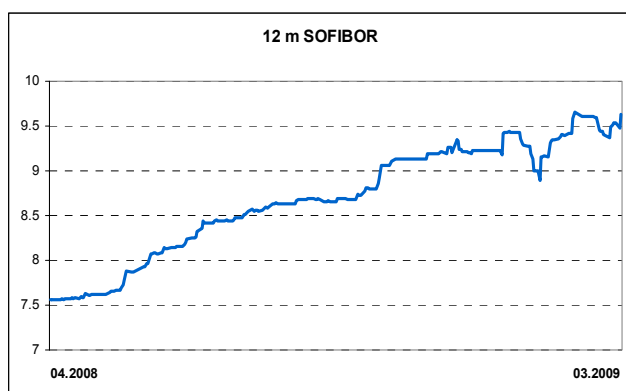
↪ Foreign direct investments (FDA) for January reached EUR 206.2mn. The ratio FDA/current account deficit stood at 46.9%.

↪ In the end of January the FOB trade deficit stood at EUR 339mn. According to BNB's data, exports and imports fell by 27.2% and 33.2% respectively on annual basis. Exports reached EUR 811.8mn and imports EUR 1.151bn.

↪ Unemployment rate for the full year 2008 stood at 5.6%, or 1.3% below the 2007 rate. The number of unemployed persons was 199 700, or 40 500 less than in 2007, NSI reported.

↪ The business climate in Bulgaria rose by 2.8 percentage point in March compared to February, when the indicator dropped by 3.3 points and fell below the long-term moving average. The sentiment was positive in all segments except industry.

↪ The 12-month SOFIBOR hovered around 9 percentage points and reached the record 9.63% in the end of March. 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%.



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