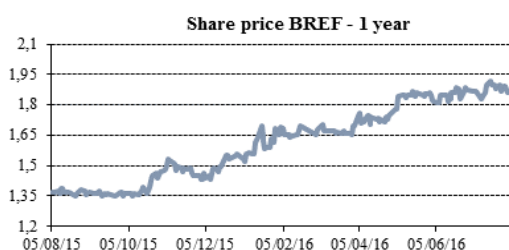


Shares Information

Price (BGN)	1.865
52 weeks Price Change	33.98%
52 weeks Price Range	1.35 – 1.919
Market Cap (BGN)	37 579 750
Market Cap (EUR)	19 214 221
Shares Outstanding	20 150 000
Free Float	80.46%
P/E	19.78
P/S	5.66
P/BV	0.55
EV/EBITDA	19.85
Net Profit Margin (ttm)	28.25%
ROA	2.57%
ROE	2.80%

Source: BSE, SIS calculations



Source: BSE

Shareholder structure

NN Universal Pension Fund	6.76%
DSK Rodina UPF	6.75%
SEB SICAV 1	6.03%
Free float	80.46%

Source: Company report Q2 2016

Revenues soar in first half of 2016 as BREF sells investment properties

➔ Total revenues of BREF reached BGN 4.19m in the first half of 2016 marking an increase of 79% on annual basis. The surge is driven by increase in revenues from sales of assets in the second quarter of the year as the company sold land plots in Sofia and Veliko Tarnovo and an apartment in its residential project in Borovets resort. With regard to this, BREF reported income in the amount of BGN 2.08m compared to just BGN 0.26m posted a year ago. Rental income also went up, albeit modestly, by 2.7% YoY to BGN 2.04m.

➔ The company also reported total expenses in the amount of BGN 3.48m, a two-fold increase on annual basis. The jump, however, is largely due to the book value of assets sold in 2016 (BGN 2.27m), reported as a cost item. The company also posted BGN 0.506m of remuneration expenses for the management company and direct property-related operating costs in the amount of BGN 0.48m, rising by 5.5% on annual basis.

➔ BREF achieved net income for the first half of 2016 in the amount of BGN 0.7m, down from BGN 0.81m reported in H1 2015.

➔ Balance sheet remains strong as investment properties (BGN 60.9m) accounted for 80% of total assets. With the implementation of the fund's latest project – the construction of a multifunctional building in Kampanite area, the cost of acquisition of investment properties reached BGN 11.08m, up from BGN 5.48m at the end of 2015.

➔ In June BREF announced that it has entered into agreement with a leading BPO company to lease out 6 216 sq. m. of its new building in Kampanite area for a term of 5 years. With this contract, the total leased area reached 67.9%.

Income statement (BGN '000)	HI '14	HI '15	HI '16
Sales	1 372	2 248	4 118
Other revenues	7	17	32
Operating expenses	1 110	1 426	3 391
Depreciation	2	2	2
EBIT	267	837	757
Financial income	436	73	36
Financial expenses	144	99	91
EBT	559	811	702
Taxes	0	0	0
Net income	559	811	702

Ratios	HI '14	HI '15	HI '16
Current ratio	6,50	3,76	1,01
Debt to Assets	0,08	0,06	0,11
Debt to Equity	0,09	0,06	0,12
Interest coverage	1,92	9,20	9,12
Operating margin	19,36%	36,95%	18,24%
Net margin	40,54%	35,81%	16,92%

Balance sheet (BGN '000)	HI '14	HI '15	HI '16
Cash	19 977	7 592	2 562
Inventory	2 368	1 577	1 468
Receivables	602	85	741
Prepaid expenses	10	24	40
Current assets	22 957	9 278	4 811
PP&E	1	1 092	11 081
Investment properties	54 639	60 594	59 436
Other	0	707	1
Non-current assets	54 640	62 393	70 518
Total assets	77 597	71 671	75 329
Short term liabilities to banks	1 741	1 838	1 479
Payables to suppliers	180	422	519
Provisions	1 448	0	1 608
Other	162	206	1 179
Current liabilities	3 531	2 466	4 785
Bank loans	2 773	953	3 350
Other non-current liabilities	237	646	0
Non-current liabilities	3 010	1 599	3 350
Share capital	60 450	60 450	60 450
Total equity	71 056	67 606	67 898

Source: Company report Q2 2016

ANNUAL RESULTS

Balance sheet (BGN '000)	2013	2014	2015
Cash	25 569	8 272	3 510
Inventory	2 367	1 618	1 521
Receivables	288	93	217
Prepaid expenses	9	22	20
Current assets	28 233	10 005	5 268
PP&E	3	1	0
Investment properties	49 711	61 026	66 635
Blocked cash	-	704	704
Intangible assets	-	4	2
Non-current assets	49 714	61 735	67 341
Total assets	77 947	71 740	72 609
Short term liabilities to banks	13	1 790	1 886
Payables to suppliers	195	566	1 874
Provisions	1 448	-	1 608
Other	1 828	-	45
Current liabilities	3 484	2 356	5 413
Bank loans	3 646	1 877	-
Other non-current liabilities	320	712	-
Non-current liabilities	3 966	2 589	0
Share capital	60 450	60 450	60 450
Total equity	70 497	66 795	67 196

Income statement (BGN '000)	2013	2014	2015
Sales	2 151	3 113	4 243
Other revenues	170	90	508
COGS	1 967	7 152	2 664
Depreciation	4	2	3
EBIT	350	-3 951	2 084
Financial income	1 698	532	127
Financial expenses	363	283	202
EBT	1 685	-3 702	2 009
Taxes	0	0	0
Net income	1 685	-3 702	2 009

Source: BREF audited annual financial statements

DIVIDEND HISTORY

Dividend payment	2009	2010	2011	2012	2013	2014	2015*
Gross dividend per share (BGN)	0.039291	0.039604	0.212917	0.06481	0.02396	0.00	0.0798
Yield	12.28%	5.66%	29.21%	10.75%	4.36%	0.00%	4.48%

*Calculated on the basis of provisions set aside for payment of dividends. The ultimate decision on the profit distribution will be made on the annual shareholders meeting.

Disclaimers and Required Disclosures

The research and the recommendations in this report have been prepared and reviewed by:

Mihaela Ranchinska Equity Analyst <i>ranchinska@sis.bg</i>	Ivaylo Tomov Executive Director <i>tomov@sis.bg</i>
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Sofia International Securities

1000 Sofia
140, Georgi S. Rakovski Str, fl. 4
Tel.: + 359 2 988 63 40
Fax: + 359 2 937 98 70