

EuroHold Bulgaria

Company presentation

October 2008

FINANCIAL SERVICES | INSURANCE | CAR DEALERSHIP | MANUFACTURING



Everybody has a story, we have a vision

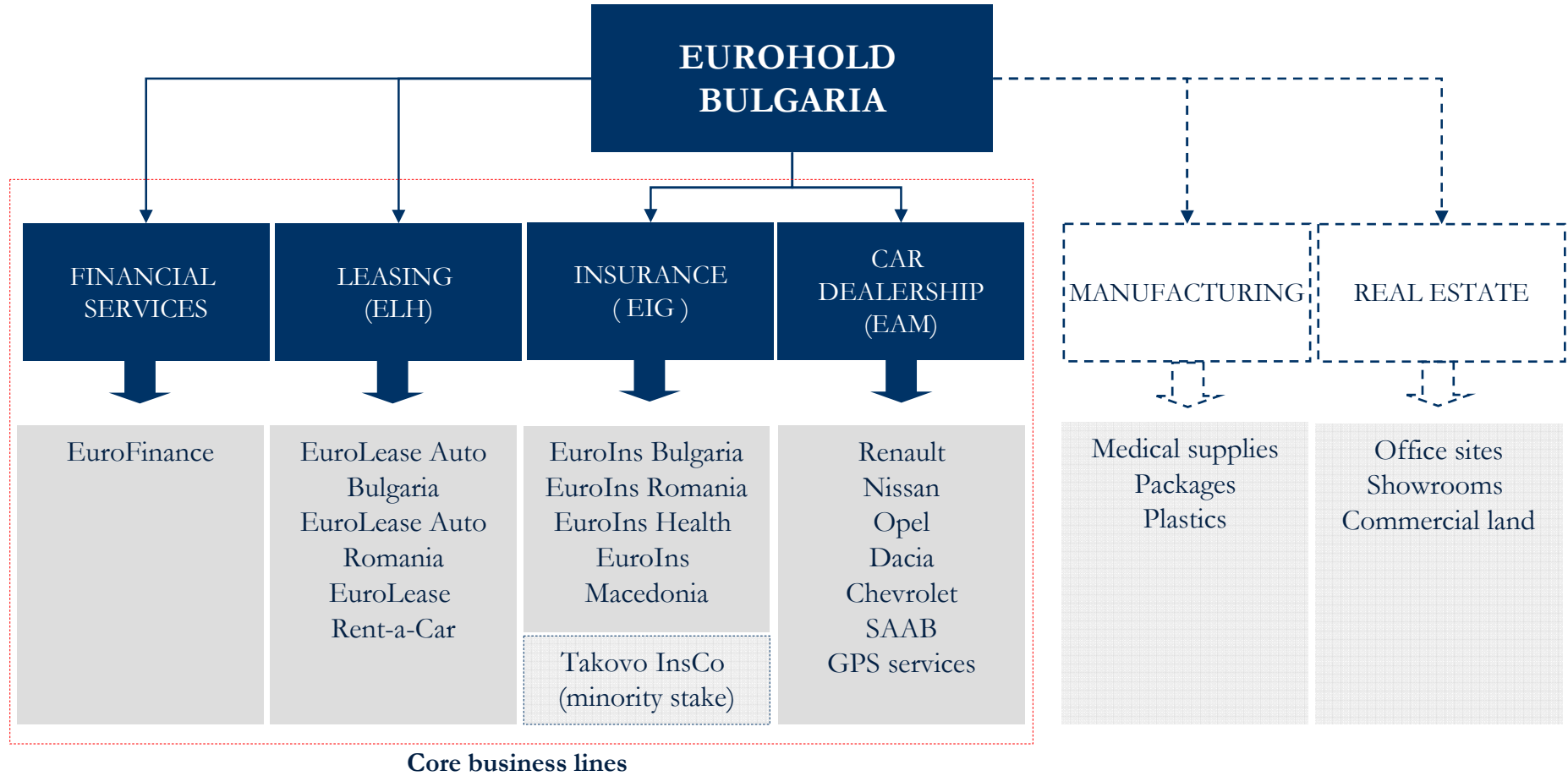


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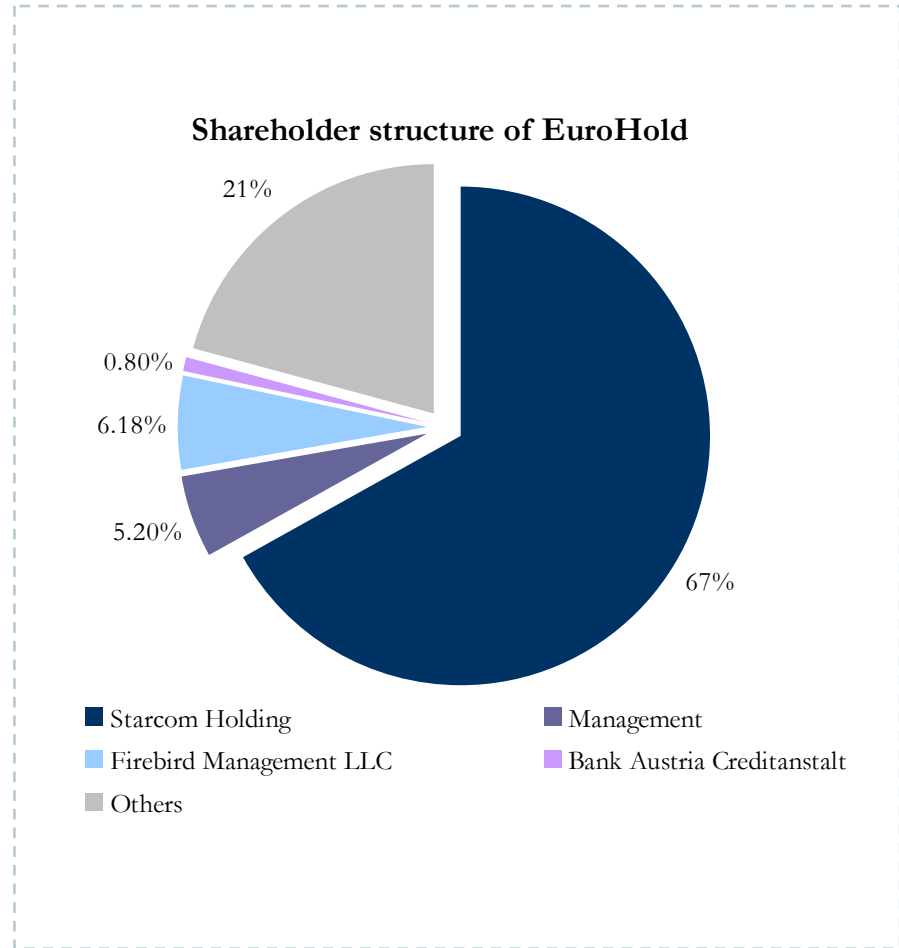
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Shareholder structure





Key events 2006/2008

Q4 2006

- ➔ EuroHold Bulgaria was created as a result of the merger between Starcom Holding and EuroHold

Q1 2007

- ➔ SPO of EuroHold in the amount of €4.5 MM
- ➔ EuroHold acquires Cargoexpress, dealer of Chevrolet and Opel
- ➔ EuroHold raises €11.5 MM through an SPO
- ➔ Firebird Management LLC acquires 6% of EuroHold

Q2 2007

- ➔ EuroIns makes two public offerings in the total amount of €4.1 MM
- ➔ EuroHold places more shares in the amount of €21.5 MM. As a result the company's own capital reaches €52 MM

Q3 2007

- ➔ EuroHold acquires Asitrans Asigurari and Asitrans Leasing in Romania

Q4 2007

- ➔ EuroHold acquires 49.82% of Plastchim-T
- ➔ SPO of Etropal in the amount of €4.4 MM
- ➔ EIG is created

Q1 2008

- ➔ EIG acquires 83.25% of Macopsed Osigoruvanje (Macedonia)





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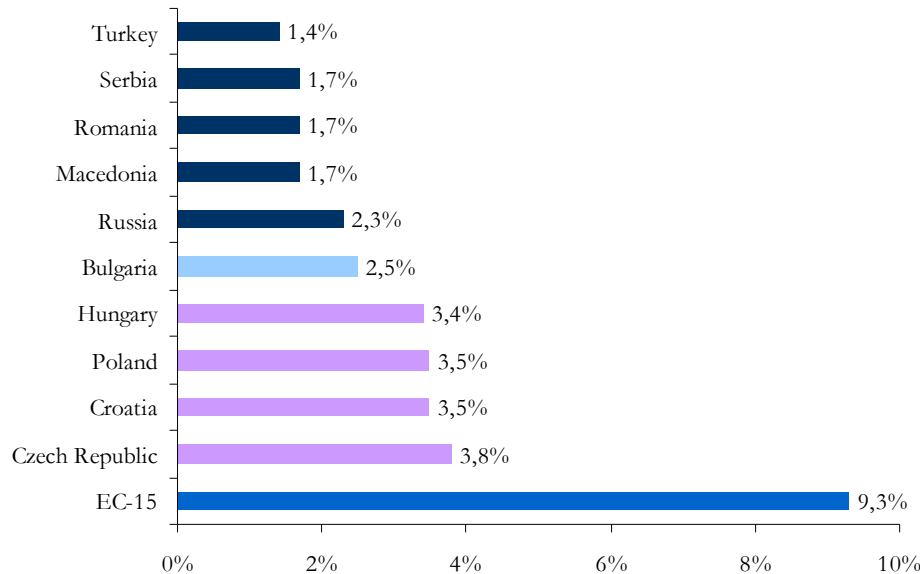
EIG: Structure and goals

GOAL: ACQUISITION OF COMPANIES IN COUNTRIES WITH ROBUST ECONOMIC GROWTH AND LOW INSURANCE PENETRATION RATES

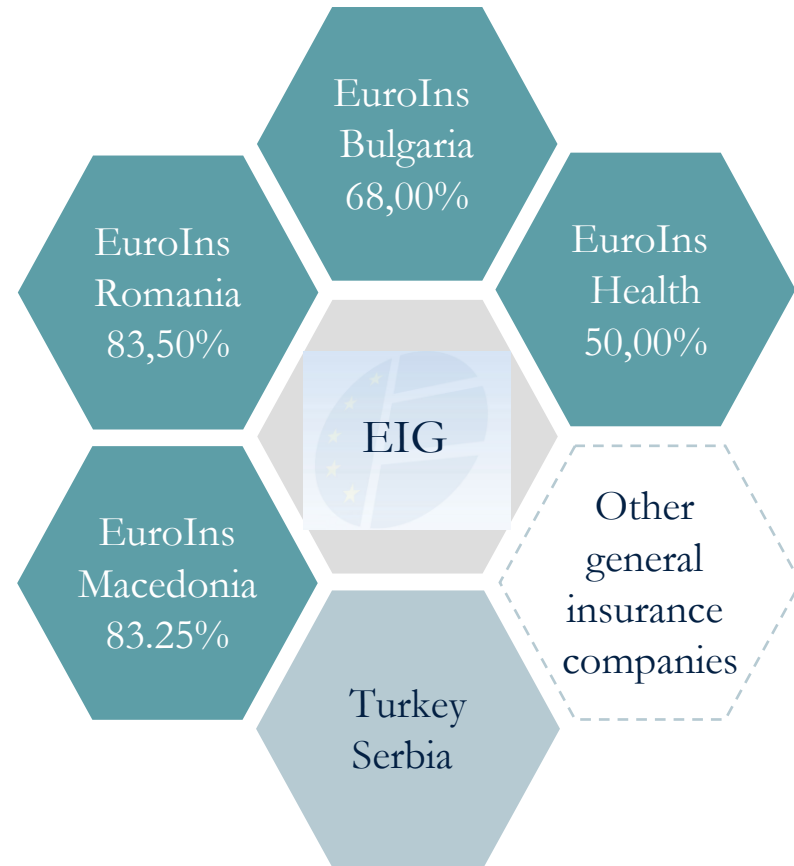
EIG targets general insurance companies from the following countries from the region:

- Turkey
- Serbia
- Ukraine
- Russia

Insurance penetration as % of GDP, 2006



Source: *Benfield Group Limited



EIG: EuroIns Bulgaria

8TH LARGEST GENERAL INSURER

- 8th largest insurance company in Bulgaria (based on '07 Premium)
- 5.2% market share for 2007
- 24% average market share growth over the last 5 years
- 7% expected market share by 2010

GROWTH

- 20% net income growth for 2007 and 238% for the last 5 years
- 25% GWP growth for 2007 and 186% for the last 5 years

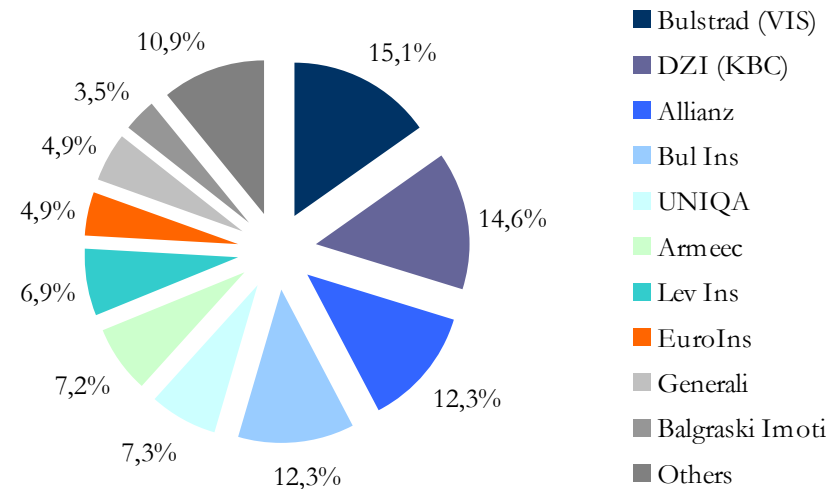
REVENUE BREAKDOWN

- Casco: €4.6 MM increase in premiums or 44% growth for 2007
- 44% share of Casco and 34% share of MTPL in GWP for 2007

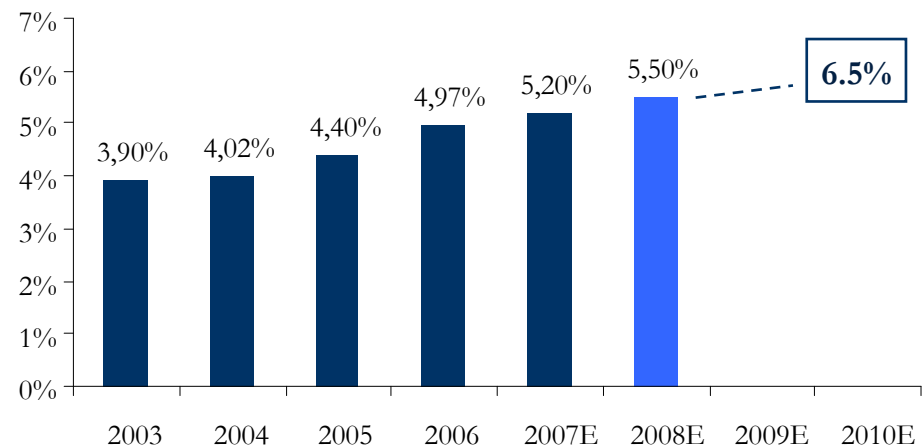
STOCK EXCHANGE POSITION

- 22nd most liquid company on the Bulgarian Stock Exchange for 2007
- €60 MM market cap
- Part of SOFIX index since 09/2007
- "Best corporate governance 2007" award

General insurance market, November 2007



Market share growth





EIG: EuroIns Romania

STABLE MARKET POSITION

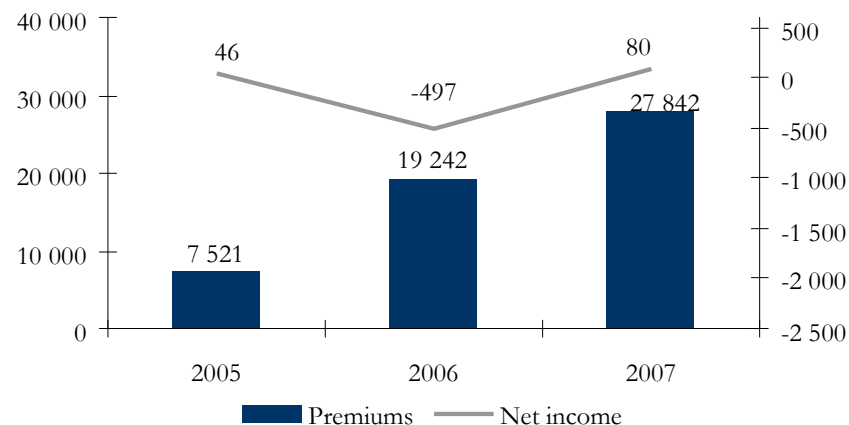
1.7%
MARKET SHARE

52%
GWP GROWTH

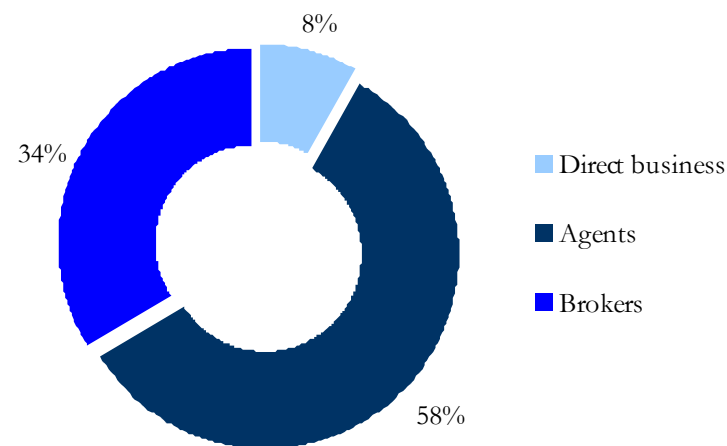
€42.5 MM
FORECASTED REVENUES FOR 2008

- Gross written premium of €27.8 MM and net income of €80 th. for 2007
- GWP growth of 140% for 2006 r. and 52% for 2007
- Forecasted premium revenue for 2008 – €42.5 MM
- 72% of the premium revenues generated by auto related insurance products
- Over 100 regional offices and more than 5 500 agents
- Implementation of common risk management system
- Accomplished better financial and operating results

Written premiums and net income (in EUR th.)



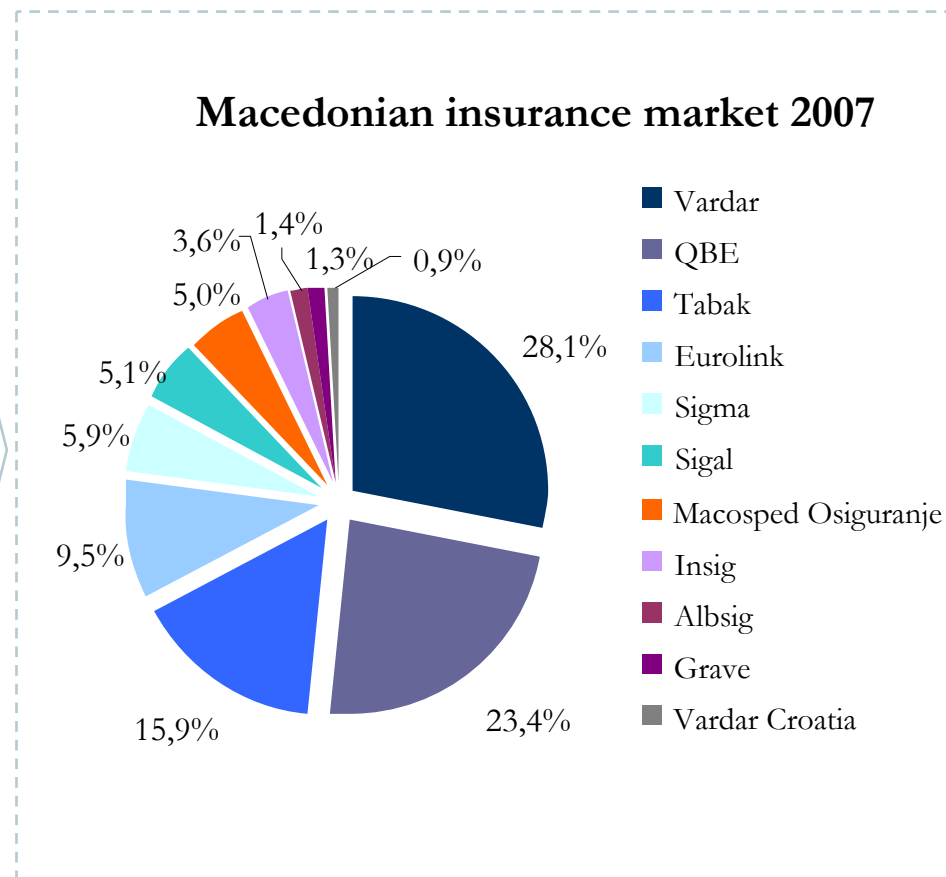
Distribution channels





EIG: EuroIns Macedonia (former Macosped)

7TH LARGEST INSURANCE COMPANY	<ul style="list-style-type: none"> ▪ €4.5 MM GWP ▪ Expected 25% insurance market growth for the coming years
5.0% MARKET SHARE	<ul style="list-style-type: none"> ▪ €0.6 MM net income ▪ National network of 9 branches
€4.5 MM GWP	<ul style="list-style-type: none"> ▪ 57% share of MTPL and Casco ▪ 19% share of Property insurance ▪ 10% share of Accidents
25 % EXCPECTED MARKET GROWTH	<ul style="list-style-type: none"> ▪ €90 MM market size ▪ 97% share of general insurance in the total amount of generated premiums for 2007





EIG: EuroIns Health

HIGH POTENTIAL IN THE HEALTH ASSURANCE SECTOR IN BULGARIA

■ The company

- Established in November 2004
- 9th largest health assurance company
- Licensed to offer various health assurance products tailored to the specific needs of the customer:
 - Healthcare network including more than 260 health care centers in the country
 - Opportunity for selecting private hospitals for hospital and pre-hospital help
 - Over 6,500 assured persons for 2007

■ Health assurance sector trends

- Total premiums for the market in the amount of € 13 MM
- Financed mainly through state healthcare fund
- Radical change is expected in the sector. Liberalization of the market
- Expected market for 2009 in the amount of € 300 MM

Indicators	2005	2006	2007	2008E
Number of assured people	748	3 200	6 500	80 000
Growth		327,8%	103,1%	1130,8%



Financial services: EuroFinance

EUROFINANCE IS A LEADING FINANCIAL INTERMEDIARY OFFERING BROKERAGE AND ADVISORY SERVICES DOMESTICALLY AND ABROAD SINCE 1994

**€280 MM
UNDER ACTIVE
MANAGEMENT**

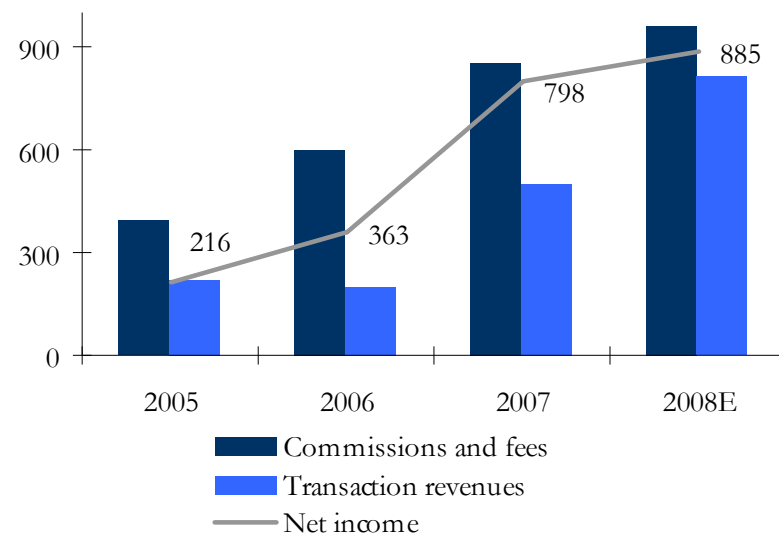
**32 000
CLIENTS**

**25 THOUSAND
TRANSACTIONS
ON THE BSE**

**€139 MM
DEAL VOLUME**

- 2007 achievements:
 - 7 public offerings in the amount of €35 MM
 - 5 bond issues totalling €21 MM
 - 4 advisory projects including sell-side advisory and restructuring
 - Project “Bulgartabac” – sell-side advisory for four of the Holding’s entities
 - Extended sell-side advisory projects for the rest of the tobacco factories
- 32 000 clients:
 - 30 230 physical clients
 - 1 544 corporate clients
 - 226 banking and non-banking financial institutions

Net revenues and profit (in EUR th.)



**Key financial indicators
(in EUR th.)**

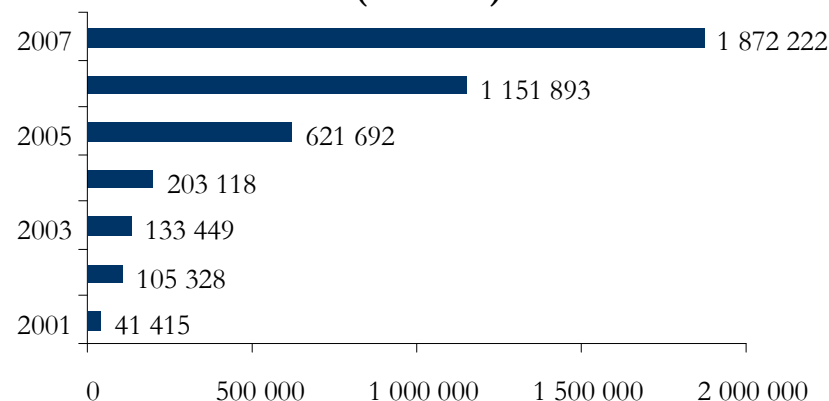
	2005	2006	2007
Assets under management	33 442	65 417	281 052
Net income	216	363	798
Own capital	1 182	1 333	8 258
Investors capital	767	767	7 212
ROE	18,7%	28,9%	16,6%



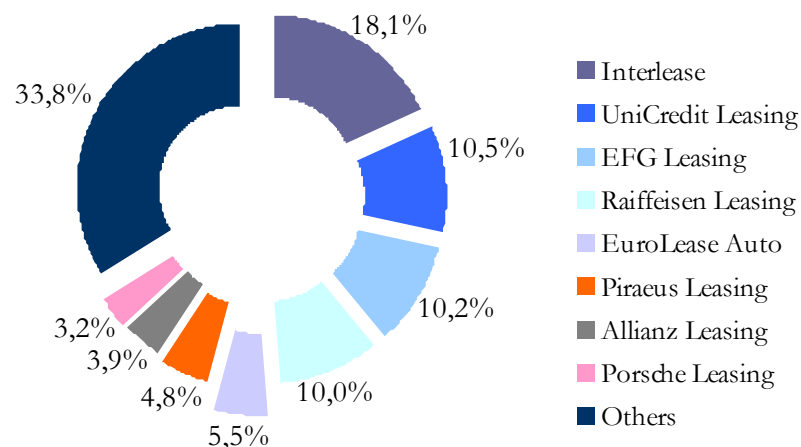
- Currently, EuroLease Holding owns leasing companies in Bulgaria, Romania and Macedonia
- 100 companies operate on the Bulgarian leasing market, as 22 companies occupy 90% of the market
- The annual growth of net leasing receivables in Bulgaria is around 30%, reaching €1.1 billion at the end of 2006 and €1.87 billion as of YE 2007
- 9 out of 10 cars in Bulgaria are sold through lease financing
- More than 55 000 brand new commercial vehicles sold in Bulgaria for 2007 – growth of 21% vs. 2006
- Leasing of cars and commercial vehicles represents 62% of the whole leasing market in Bulgaria, reaching €1.16 billion at the end of December 2007

Source: Bulgarian Leasing Association

Bulgaria - net leasing receivables 2001-2007
(EUR th.)



Financial leasing of cars and commercial vehicles, new business 2007

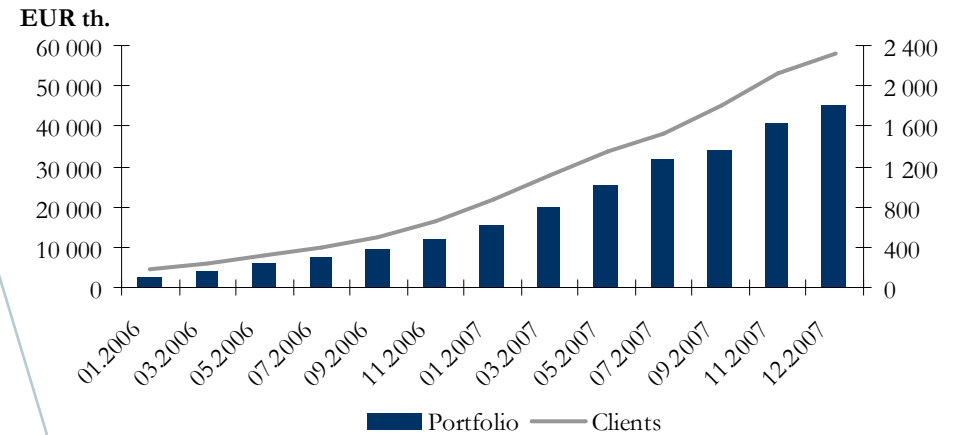




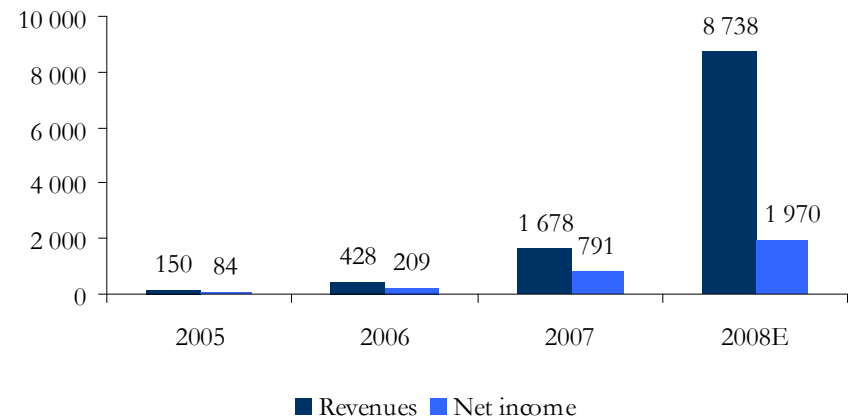
EuroLease Holding: EuroLease Auto Bulgaria

€44.5 MM	<ul style="list-style-type: none"> Net leasing receivables of €44.5 MM as of YE 2007, forecasted to reach € 100 MM till the end of 2008
€5-7 MM	<ul style="list-style-type: none"> Monthly growth capacity of the leasing portfolio, 85% of which is leasing of new cars
5.5%	<ul style="list-style-type: none"> Share in the newly generated financial leasing of brand new cars
SYNERGIES	<ul style="list-style-type: none"> Realization of operational and financial synergies with the auto dealers and insurance companies of EuroHold
EUROLEASE RENT-A-CAR	<ul style="list-style-type: none"> Large client sourcing through EuroLease Rent-a-Car – exclusive franchisee of Budget Car Rental

EuroLease Auto monthly growth of leasing portfolio last 24 months



Revenues and net income (in EUR th.)



- This division was founded in 2005 in Bulgaria
- 3 full-scale showrooms – 2 in Sofia and 1 in Varna
- Opening of 3 new showrooms is planned in Sofia, Veliko Tarnovo and Stara Zagora till the end of 2008
- One of the biggest national distributors of the cars of Renault/ Nissan and GM
- Main operations concentrated in Sofia and Varna
- Expected average annual growth of the market of 25% till 2010
- Main dealers in the structure of EuroHold are:



■ Scandinavia Motors – exclusive dealer of SAAB for Bulgaria



■ Nissan Sofia – authorized dealer of Nissan, 60% of the sales in the country



■ Cargo Express– authorized importer of Opel and Chevrolet for Bulgaria



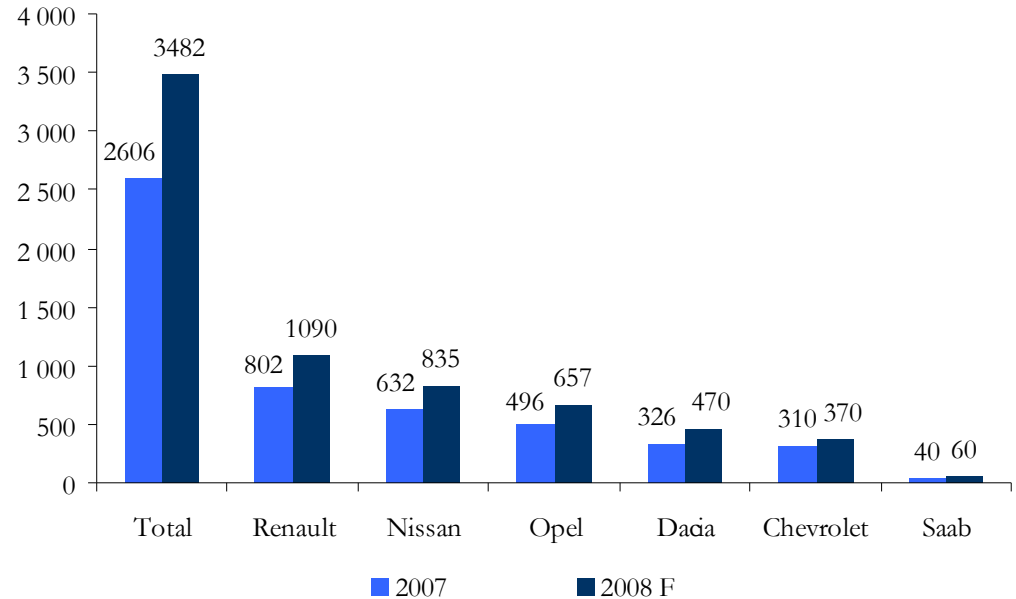
■ Espace Auto – authorized dealer of Dacia and Renault, the largest dealer of Renault in the country

- GPS Control – GPS applications for control, protection and logistics of automobiles

AUTO SALES MARKET IN BULGARIA*

- 52 009 newly sold vehicles for 2007
- 21% growth compared to 2006

EuroHold - new cars sold



*Source: Bulgarian Leasing Association



Etropal

- Etropal is a leading highly specialized company in the medical equipment sector, main supplier of medical accessories to Bulgarian hospitals
- The company is public, with a free float of 35.12%
- The company offers wide range of medical supplies:
 - hollow fiber dialyzers
 - transfusion/dialysis systems
 - femoral implants
 - chemo – dialysis – the sole manufacturer in Southeastern Europe
- Exports account for 42% of the sales of the company, with the following main clients :
 - LCH, Gyneas, Laboderm and Covidien (ex.Tyco)

Plastchim-T

- Plastchim-T is a leading plastic packaging manufacturer
- Revenues of €26 MM for 2007
- Products: containers, sewn and bottom bags, BOPP films
- Manufacturing sites in Varna and Tervel
- 100% of the products are recyclable
- Planned investments in the amount of €15 MM by 2010

Formoplast

- Formoplast is a regional leader in plastic matrices manufacturing
- €1.6 MM revenues for 2007
- Products: large-scaled plastic moulds, household products, own plastic products
- The products are sold on three continents- Europe, Asia and Africa
- Large manufacturing capacity



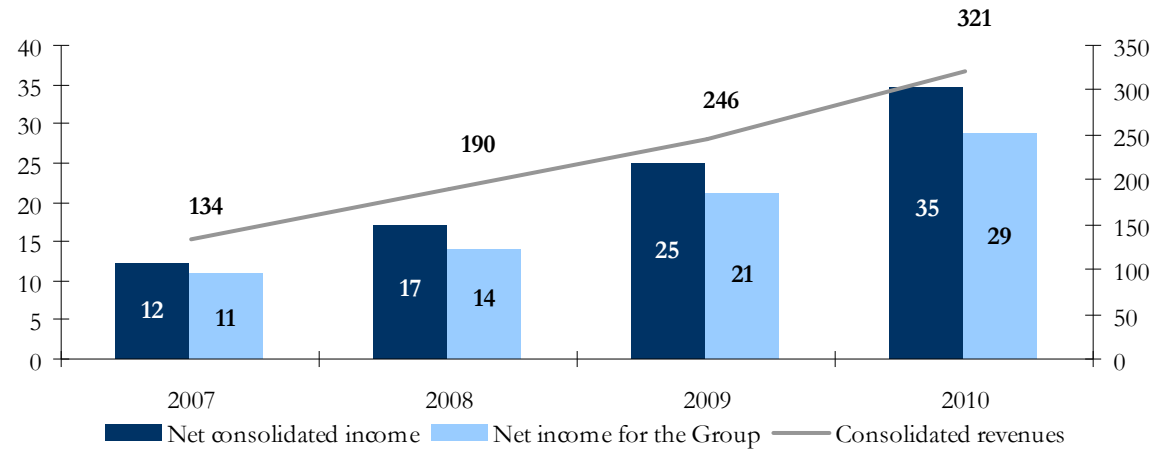
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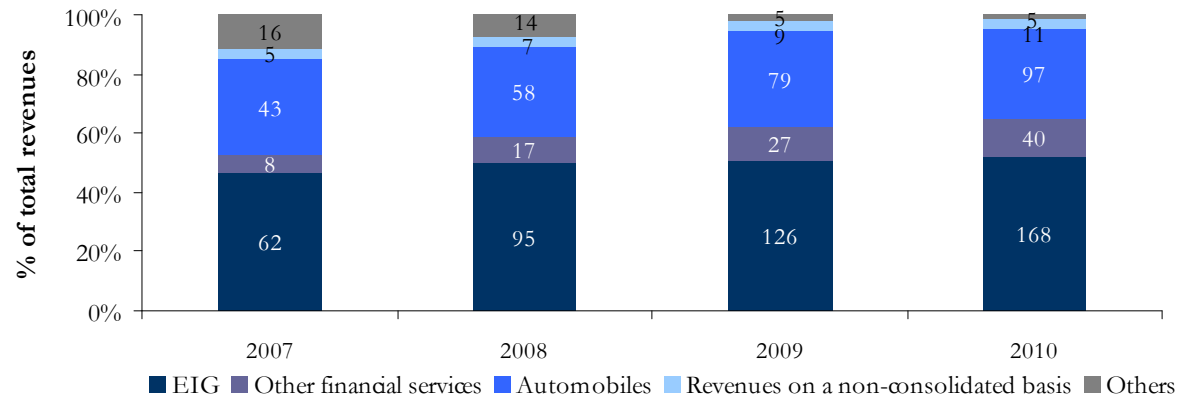
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Consolidated results and forecasts (in EUR MM)



Revenue breakdown by division (in EUR MM)





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PUBLIC COMPANY

- **EuroHold Bulgaria is one of the leading public companies in the country**

- *The second largest holding company in Bulgaria by market capitalization*
- *Acclaimed to be among the pioneering organizations to promote good and transparent corporate governance practices*
- *In 2007, EuroHold Bulgaria received “The most liquid share” award by the Bulgarian Stock Exchange*

REGULATORY SUPERVISION

- **Being a public company, EuroHold Bulgaria is closely regulated and supervised**

- *The company regularly reports to and is regulated by the Financial Supervision Commission, the Bulgarian Stock Exchange, and Central Depository*
- *EuroFinance, part of EuroHold, is a leading brokerage services provider and is also licensed and regulated by the Financial Supervision Commission.*



TRANSPARENCY

- **Transparency is at the core of EuroHold's business model**

- *The company aspires to be among the leading organizations to promote transparent corporate practices in Bulgaria.*
- *EIG has already received regulatory approval to market its products in all EU member countries based on the First Motor Insurance Directive (72/166/EEC) and the First Council Directive 73/239/EEC, which is another proof of EuroHold compliance with all requirements of EU regulatory bodies and practices of corporate transparency*
- *External audit of accounting procedures, policies and financial statements is conducted yearly by international audit companies*

CORPORATE GOVERNANCE

- **EuroHold and EIG apply the world's best practices in corporate governance to protect the interests of all stakeholders involved**

- *The company has built its business model around core principles such as rights and equitable treatment of shareholders, key role and responsibility of the supervisory board, integrity and ethical behavior, disclosure and transparency*
- *Transparency is assured via monitoring by independent directors in the Supervisory Board, existence of Audit and Remuneration committee*
- *In 2006, EuroHold received the "The Best Corporate Management" award by the Bulgarian Investors Association*



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EUROHOLD WILL FOCUS ON DEVELOPING AS A REGIONAL NON-BANKING FINANCIAL SERVICES GROUP

GENERAL INSURANCE

■ Goals:

- Market share of at least 5% in 6 to 10 countries in the region
- Establishment of EIG as one of the leading insurance brands in the SEE region
- One of 7 largest insurance companies in all countries of presence

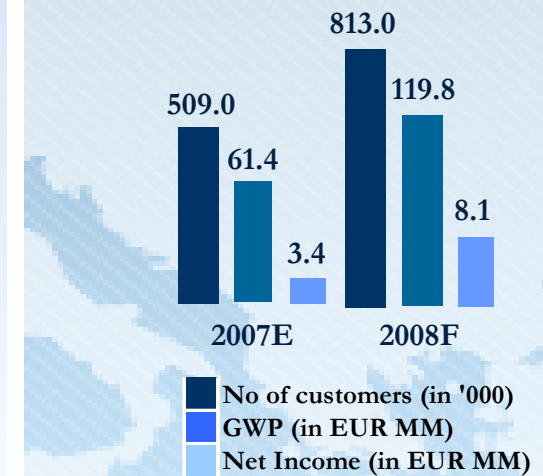
■ Strategy

- Market entrance through acquisition of general insurance companies
- Common policy in all EIG companies in the areas of:
 - Marketing
 - Branding
 - Asset management
 - Risk management
 - Reinsurance
 - IT system



Strategy: The Balkans and Europe

- **EIG has an aggressive regional expansion strategy:**
 - 5% market share in the region
 - To rank in the Top 7 in each market
 - One of the most respected regional insurance brands
 - One of the largest insurance groups in the region
 - Further acquisitions and outstanding organic growth
 - More than 1 million customers by the end of 2009
- **EIG plans to enter the EU member states' markets:**
 - Project "EUROPE" – immediate launch
 - EuroIns has already received a Letter of Confirmation from ALL EU member states
 - In March 2008, EIG started operations in Spain





Strategy: Regional expansion

PHASE I

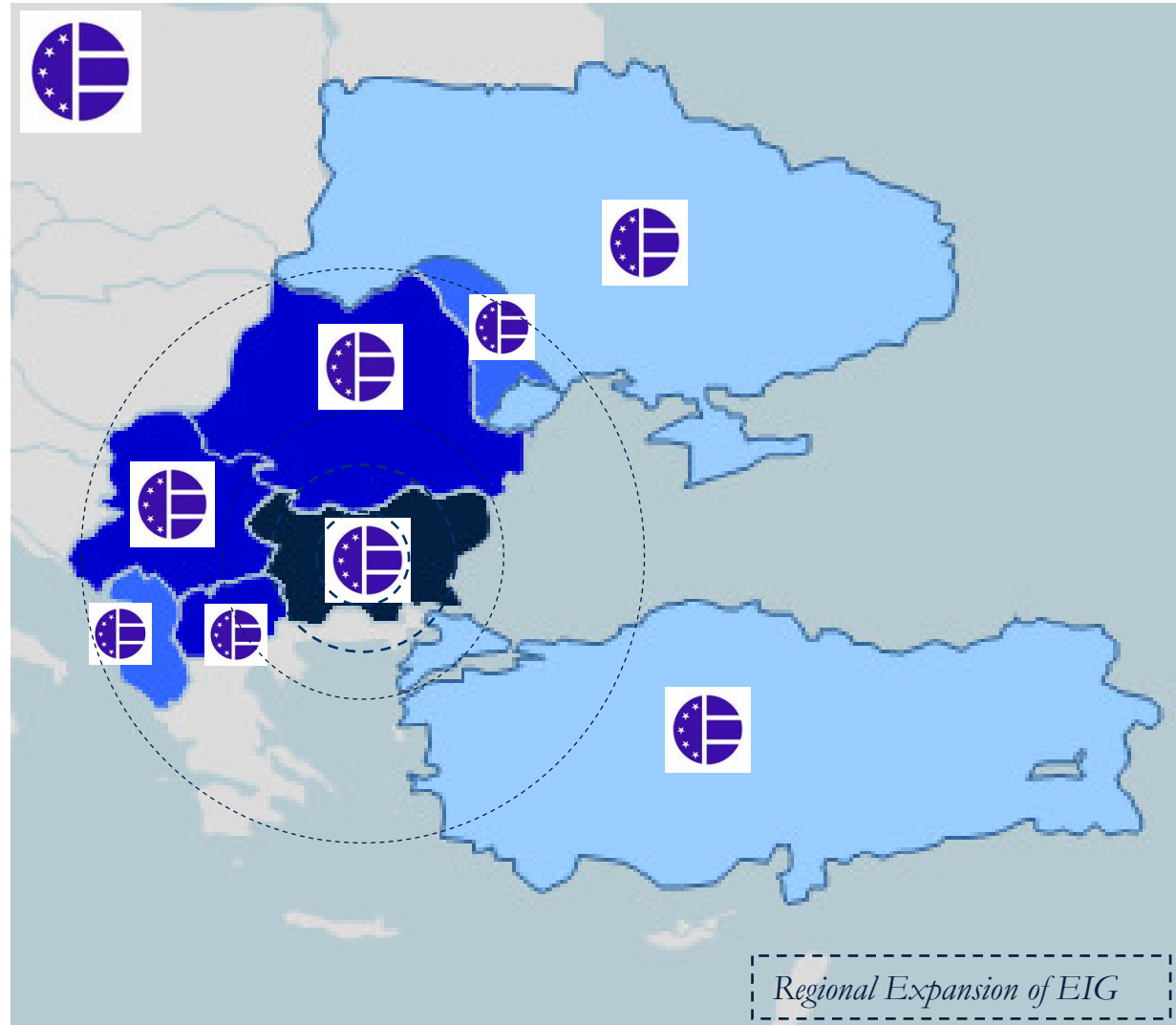
- EIG owns the 11th largest insurance company in Romania
- Recently acquired the 6th largest insurer in Macedonia
- Advanced stage of acquisition of a large insurance company from the region

PHASE II

- EIG is already screening several targets in Turkey and Serbia

PHASE III

- Growing in size, the Holding shall target other insurance markets like Ukraine and Russia





LEASING

■ Goal

- Leasing portfolio of € 600 MM in 5 years
- Achieving of optimal synergies between leasing and insurance operations

■ Strategy

- Acquisition or establishment of leasing companies in all countries of EIG operations
- Centralized financing efforts for all companies:
 - Long-term international financing
 - Lower cost of capital
- Integration of insurance and leasing business operations in each country



**PRIVATE AND
INVESTMENT
BANKING**

■ **Goals**

- Transform EuroFinance into a regional platform for private and investment banking services
- Assets under management in the amount of € 870 MM

■ **Strategy**

- Centralized insurance reserves management
- Development of investment banking services for large corporate clients
- M&A advisory



AUTO DIVISION

■ **Goals**

- Operations in all EIG markets
- Integration with leasing and insurance operations
- Annual sales of automobiles reaching 12 000 units within 5 years

■ **Strategy**

- Strategic partnership with major auto dealers
- Integration of car sales with leasing and insurance operations
- Establishment of new sales channels for leasing and insurance products



GOAL:EUROHOLD PLANS TO SELL/RESTRUCTURE ITS MANUFACTURING PORTFOLIO AND REAL ESTATE HOLDINGS IN THE NEXT 5 YEARS

**MANUFACTURING
AND REAL ESTATE**

- Manufacturing division
 - Financial and organizational restructuring
 - Selection of optimal sales alternative

- Real estate
 - Development of commercial and office real estate projects
 - Realization of large-scale office projects
 - Sell-leaseback



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Unique regional presence and expertise

Global Finance is a leading private equity firm with € 850 million under management, raised from leading national and international institutional investors. Since creation Global Finance has raised eight funds and invested in more than 60 companies in Central, Eastern and South-Eastern Europe.

Global Finance key facts:

- *Founded in 1991, pioneering the private equity in South-Eastern Europe*
- *€ 850 MM under management*
- *Local offices in Belgrade, Sofia and Bucharest*
- *Access to international capital markets*
- *Funds raised from leading international and regional institutional investors*
- *Investments in 60 companies from the region*
- *True regional expertise and know-how*
- *Unparalleled management experience*
- *Commitment to capital appreciation for all stakeholders*





EuroLease Auto financing transaction

In September 2008, EuroLease Auto Bulgaria secured financing in the amount of €195 MM through asset-backed warehousing and securitization of leasing receivables. The deal is the first of its kind in Bulgaria and South-east Europe. The financing is provided by Deutsche Bank

- The newly secured financing will reduce the cost of borrowing for the company and substantially increase its net interest margin
- The financing is priced at 250 bps over 1-month EURIBOR. Upon securitization of the warehouse facility in about 18 months, the effective cost of funding will drop to 180 bps over 1-month EURIBOR, falling to 170 bps in subsequent years
- The transaction is a securitization of leasing receivables
- This transaction will ensure:
 - Long-term business horizon for EuroLease Auto
 - Access to reasonably priced international financing
 - Optimization of internal process and cost-containment
 - Robust growth of leasing portfolio and substantial improvement of profitability
 - Market share enhancement and solid long-term development



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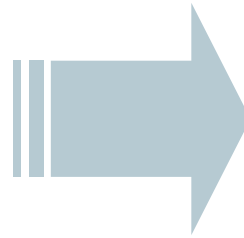
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Medium-term outlook of EuroHold*

750

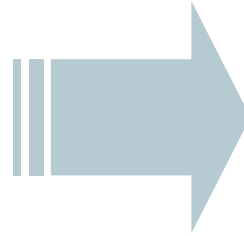
**CONSOLIDATED
REVENUES (in € MM)**



- Insurance business of EIG
 - 500 MM Gross Written Premium
 - 8 markets in SEE
 - 5% regional market share
 - 2 million customers

600

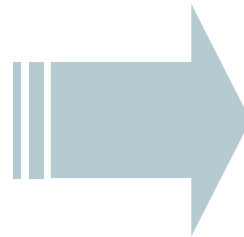
**LEASING PORTFOLIO
(in € MM)**



- New lines of financing
- Organic growth in several markets
- Acquisition and development of leasing companies
- 12 thousand cars sold per annum

850

**ASSETS UNDER
MANAGEMENT
(in € MM)**



- Involved in large investment banking projects
- Management of the investment portfolios of 8 insurance companies

*Goals for the next 3 to 5 years



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