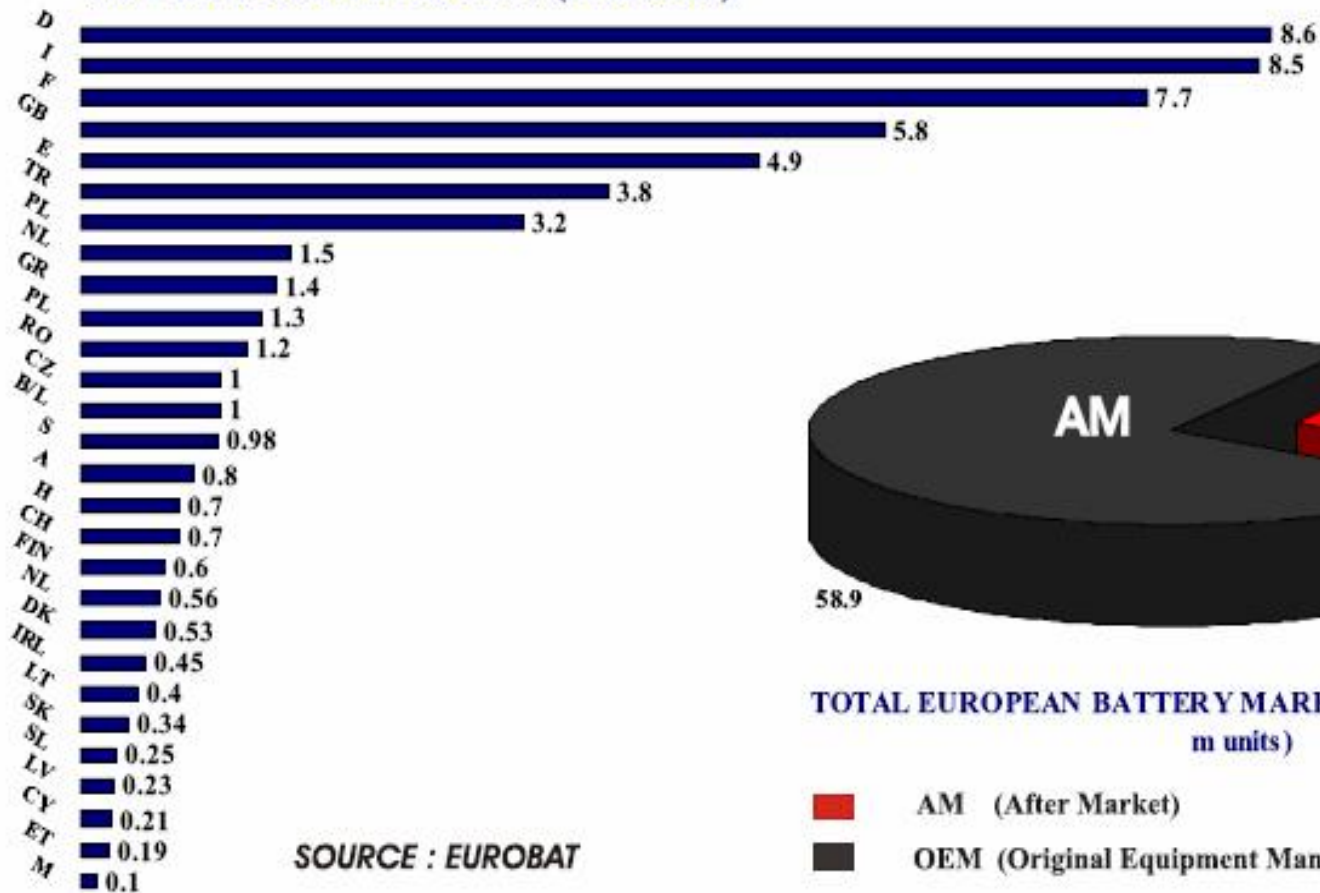


**MONBAT**®

***THE SOURCE OF POWER***®

**PRESENTATION  
NOVEMBER 2008**

**AM BY COUNTRIES 2007 (in m units)**



SOURCE : EUROBAT



**TOTAL EUROPEAN BATTERY MARKET 2007 (OEM + AM) (in m units)**

■ AM (After Market)  
■ OEM (Original Equipment Manufacturer)

# MONBAT®

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### CORPORATE PROFILE



Monbat is a fast developing company, manufacturing accumulator batteries for various applications. Its products have been sold on the international market for more than 50 years.

Monbat's production facilities are located in the Bulgarian towns of Montana and Dobrich. Monbat has its own recycling plant for batteries and lead scrap in Montana and is constructing two new recycling facilities in Serbia and Romania.

### MONBAT SUBSIDIARIES

**Monbat DOO Serbia**

100 % subsidiary

**Start Jsc, Sofia**

91.11 % of voting shares

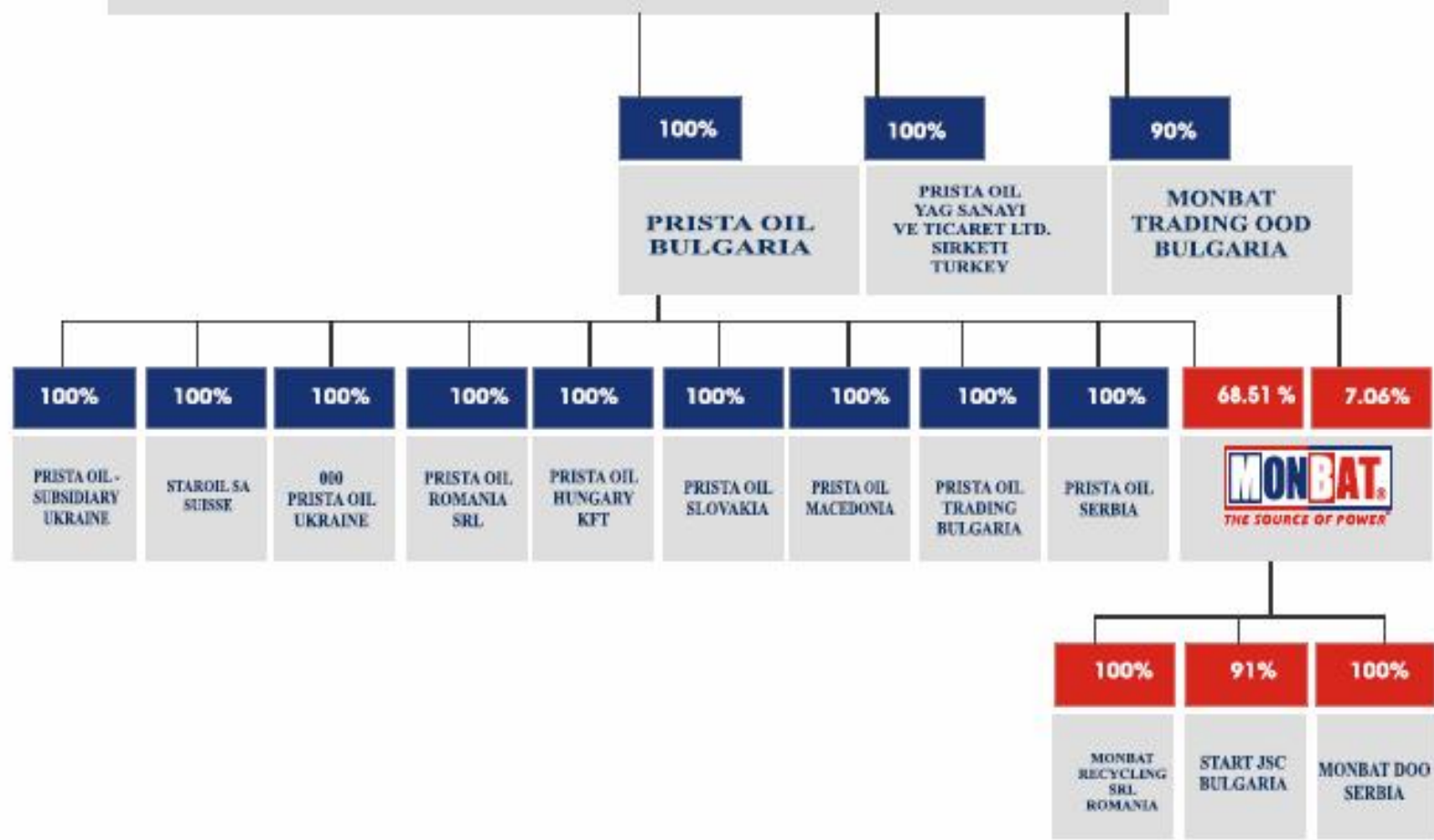
**SC Monbat Recycling SRL, Romania**

100 % subsidiary



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**PRISTA OIL GROUP B.V. NETHERLANDS**



### Scope of activity

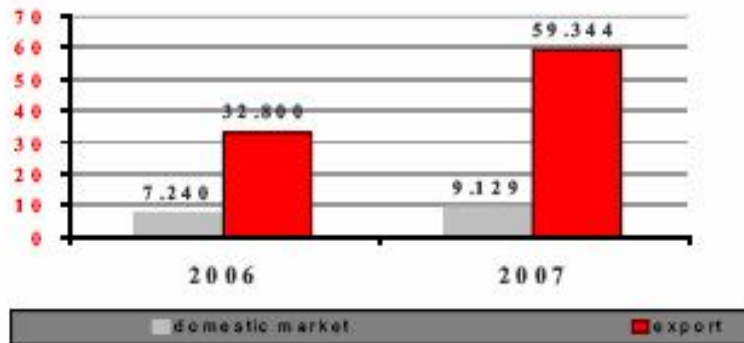
Production and sales of lead - acid starter and stationary batteries and recycling of lead scrap.

**Monbat produces several types of lead - acid batteries:**

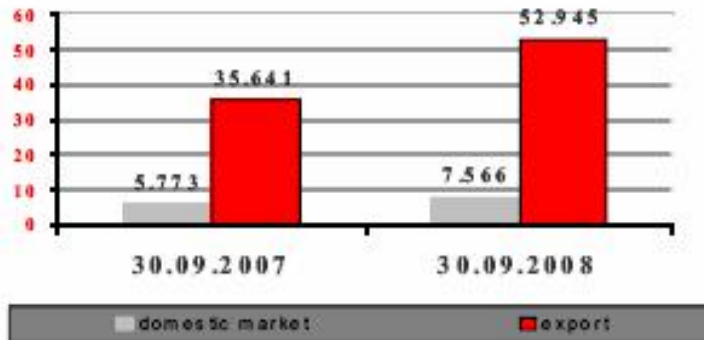
- **STARTER BATTERIES**
- **STATIONARY BATTERIES FOR TELECOM APPLICATION**
- **SEMI-TRACTION BATTERIES**
- **SPECIALIZED BATTERIES - ARMY POWER RANGE**
- **LOCOMOTIVE BATTERIES**



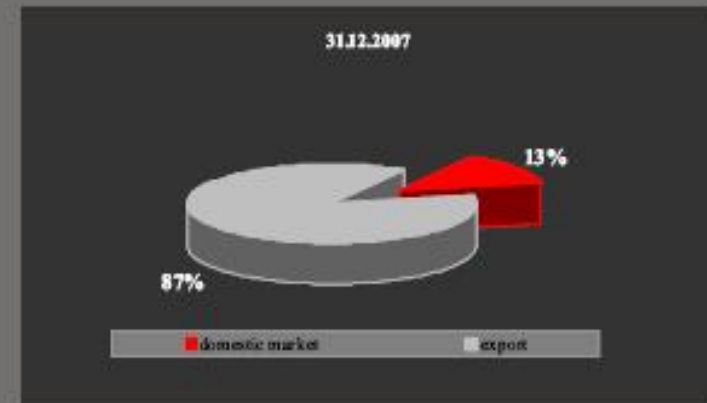
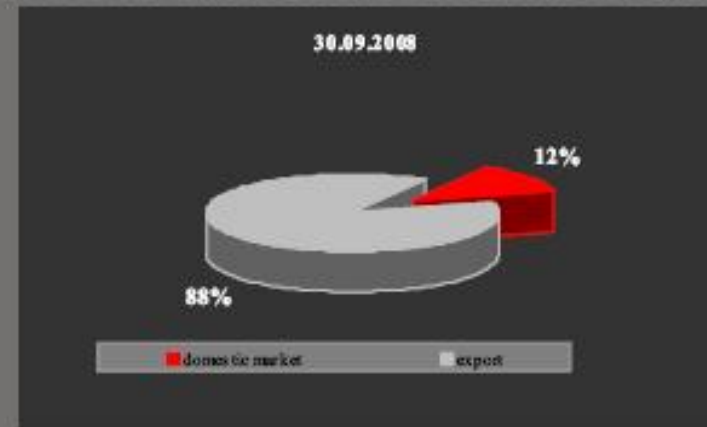
Sales of batteries ( EUR, in millions )  
As of 31.12.2006 and 31.12.2007



Sales of batteries ( EUR, in millions )  
As of 30.09.2007 and 30.09.2008



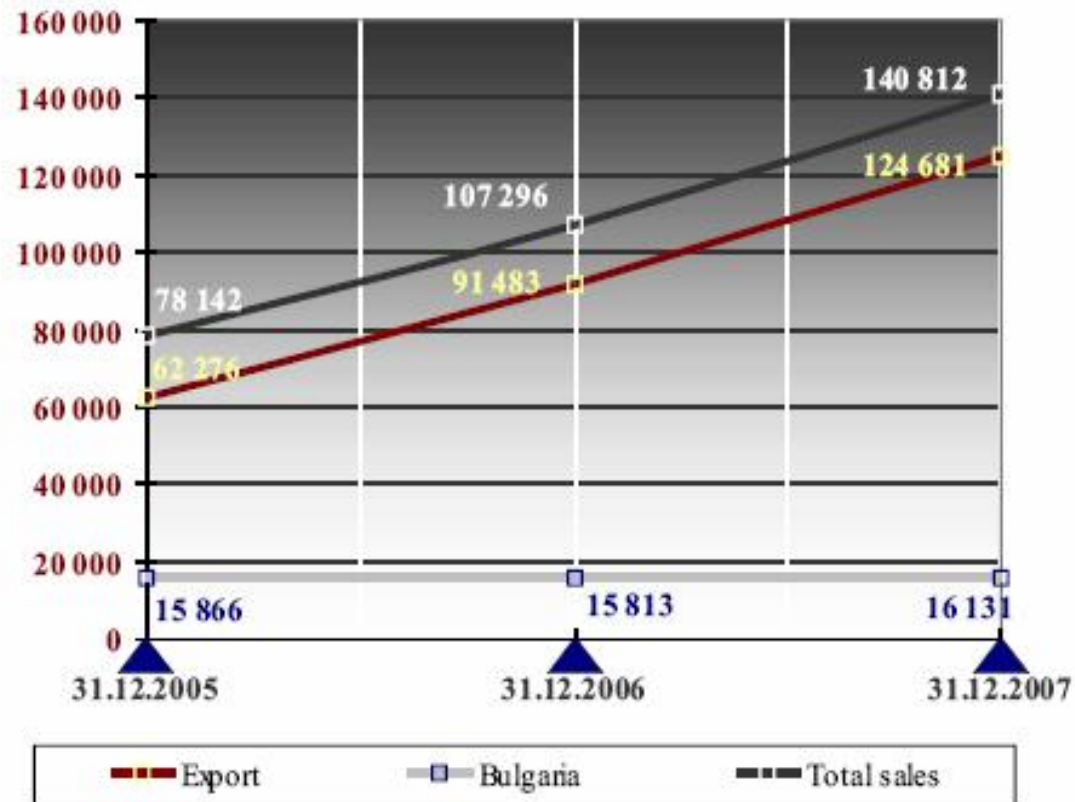
SALES BREAKDOWN, EXPORT vs DOMESTIC



**BREAKDOWN OF EXPORT SALES BY COUNTRY**

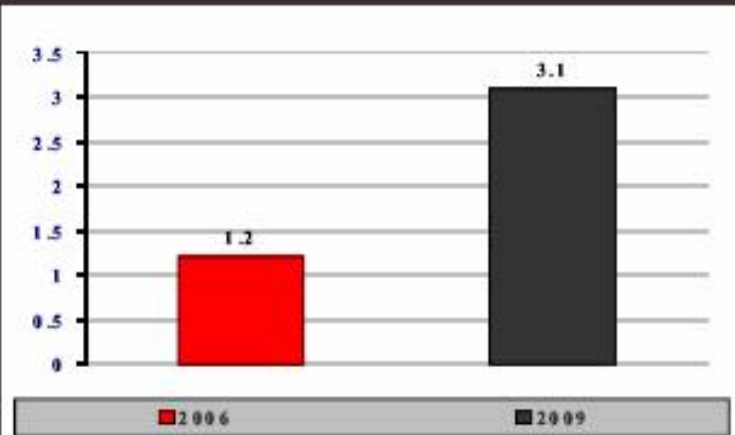
Country	31.12.2007		30.09.2008	
	Export (EUR, in millions)	%	Export (EUR, in millions)	%
Germany	15.34	25.85	12.87	23.50
Other	6.44	10.84	5.74	10.50
Italy	6.23	10.49	5.33	9.70
Holland	4.56	7.69	2.13	3.90
Romania	3.45	5.81	3.07	5.60
Great Britain	3.29	5.54	3.33	6.10
Czech Republic	3.18	5.35	1.06	1.90
Poland	2.99	5.04	4.17	7.60
Belgium	2.84	4.79	2.53	4.60
Greece	2.44	4.12	2.42	4.40
France	1.56	2.62	1.63	3.00
Finland	1.29	2.18	0.76	1.40
Serbia	1.17	1.97	2.13	3.90
Slovakia	0.88	1.49	1.74	3.20
Latvia	0.75	1.27	1.31	2.40
Hungary	0.57	0.95	1.22	2.20
South Africa	0.02	0.04	1.08	2.00
Nigeria	0.27	0.45	0.90	1.60
Norway	1.06	1.79	0.69	1.25
Sweden	1.02	1.72	0.69	1.25

## BATTERY SALES in Ah' 000



## FORECAST

**INCREASING CAPACITY FROM 1.2 MILLION BATTERIES IN 2006 TO 3.1 MILLION BY JULY 2009**







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**IN 2008 MONBAT LAUNCHED A LARGE SCALE INVESTMENT PROGRAM**

Planned investment totals EUR 32.8 million - EUR 20.04 million in 2008 and EUR 12.78 million in 2009

- INCREASE OF PRODUCTION CAPACITY FOR STARTER BATTERIES
- 100% INCREASE OF TELECOM BATTERIES PRODUCTION
- LAUNCH PRODUCTION OF TRACTION BATTERIES
- MODERNIZATION OF THE PRODUCTION LINES IN MONBAT AND START JSC
- DECREASE OF COST PER UNIT

Increasing capacity from 1.2 million starter batteries in 2006 to 3.1 million by July, 2009

Capacity of 200 000 pieces by the end of 2008

Set up a new company in Dobrich

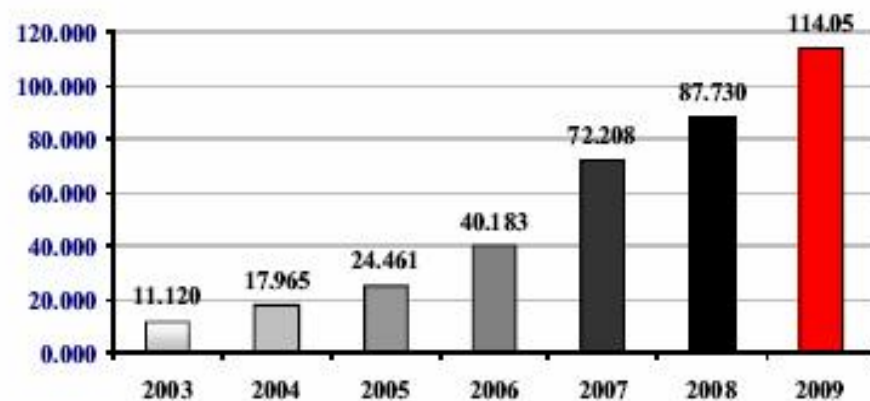
Replacement of old machinery and increasing capacity formation



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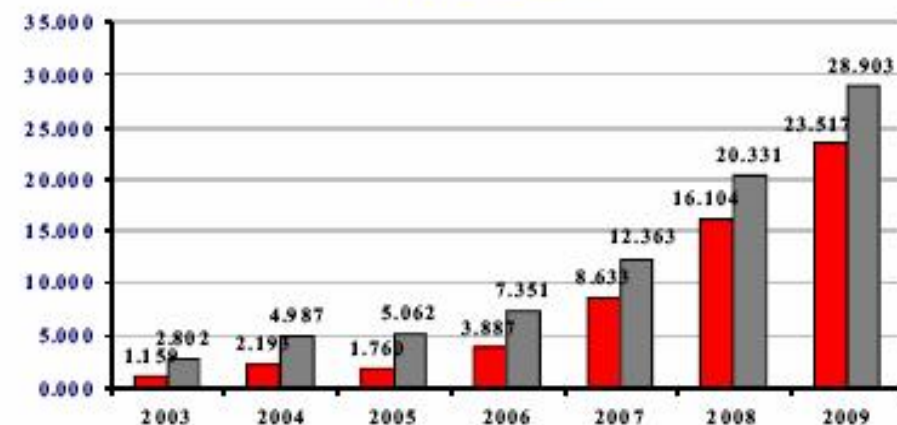
MONBAT GROUP 2008 - 2009  
Consolidated forecast

Net Sales (EUR, in millions)



2003 2004 2005 2006 2007 2008 2009

NET INCOME and EBITDA  
(EUR, in millions)



Net Income EBITDA

Assumptions for lead prices are USD 2500/ton and USD 2000/ton for 2008 and 2009, respectively



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The strategic goal set by the company's management is to increase the competitiveness of MONBAT and be among the three largest battery companies in Europe.

- Large scale investment program in the period 2008 - 2009 over EUR 32.8 million
- Sales up to 184 % by 2009 compared to 2006
- Profit up to 505 % by 2009 compared to 2006
- Increasing EBITDA with 293 % by 2009 compared to 2006
- To reach production capacity of 3.1 million starter batteries per year by July, 2009 compared to 1.2 million batteries in 2006
- 100% increase of telecom batteries production
- Setting up a new company in Dobrich for the production of traction batteries aiming at capacity of 250 000 cells in 2009 and increasing capacity to 750 000 cells over the next two years
- Modernization of the production lines in Monbat and Start JSC - replacement of old machinery and increasing formation capacity



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## INVESTMENTS AND FUTURE GROWTH

### COMPETITIVE ADVANTAGES OF MONBAT :

- Investments in additional recycling capacity expected to improve company's performance
- Investment in plant and equipment to increase production capacity
- Maintaining R&D in co-operation with Bulgarian Academy of Science
- Highly qualified and motivated staff
- Highly experienced and motivated export team expanding the company's international footprint
- Completed environmental investment program

### COMPETITORS OF MONBAT, OPERATING ON EUROPEAN MARKET:

Johnson Control Inc - An USA - based company for automotive design , products and services, the biggest world producer of automotive batteries

EnergySys Inc - the company was founded in USA and is now one of the world's biggest producers of industrial lead - acid (VRLA) batteries

Exide Technologies - the company exports to more than 80 countries and its activity includes production and recycling of lead - acid batteries





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## KEY FINANCIAL INDICATORS

Indicators (in EUR million)	2005	2006	2007	September 2007	September 2008
Sales	24.46	40.18	73.62	43.42	69.11
Net income	1.76	3.89	8.90	6.35	11.90
Shareholders' Equity	14.86	35.79	44.65	42.14	53.67
Long - term debt	9.30	1.67	10.95	8.26	13.12
Current liabilities	4.38	3.77	9.97	5.34	9.72
Long - term assets	11.91	17.11	29.57	25.47	39.75
Current assets	16.63	24.12	36.00	30.28	36.75
Working capital	12.25	20.37	26.02	24.93	27.03
Total debt	13.68	5.44	20.93	13.61	22.84
Total assets	28.54	41.23	65.57	55.75	76.50
Inventory	8.84	10.68	20.39	16.58	19.08
Accounts receivable	6.39	10.27	13.12	11.46	16.97
Accounts payable	4.38	3.77	9.97	5.03	9.72

Indicators	2005	2006	2007	September 2007	September 2008
ROS Return on Sales	7%	10%	12%	15%	17%
ROA Return on Assets	6%	9%	14%	11%	16%
ROE Return on Equity	12%	11%	20%	15%	22%

	2005	2006	2007	September 2007	September 2008
Debt/Assets	48%	13%	32%	24%	30%
Debt/Equity	92%	15%	47%	32%	43%

## KEY FINANCIAL INDICATORS

	2005	2006	2007
EBITDA (EUR, in millions)	4.80	7.37	12.47
EBIT (EUR, in millions)	2.47	5.23	10.27
EBITDA margin	19.63%	18.35%	16.94%
EBIT margin	13.02%	13.95%	13.60%
Net Income margin	9.67%	12.09%	13.38%
P/E	n/a	n/a	34.13
P/BV	n/a	n/a	6.78
P/Sales	n/a	n/a	4.11


	September 2007	September 2008
EBITDA (EUR, in millions)	8.14	13.49
EBIT (EUR, in millions)	6.49	12.09
EBITDA margin	18.74%	19.52%
EBIT margin	14.94%	17.49%
Net Income margin	14.63%	17.23%
P/E	44.33	15.13
P/BV	6.77	3.4
P/Sales	6.56	2.65

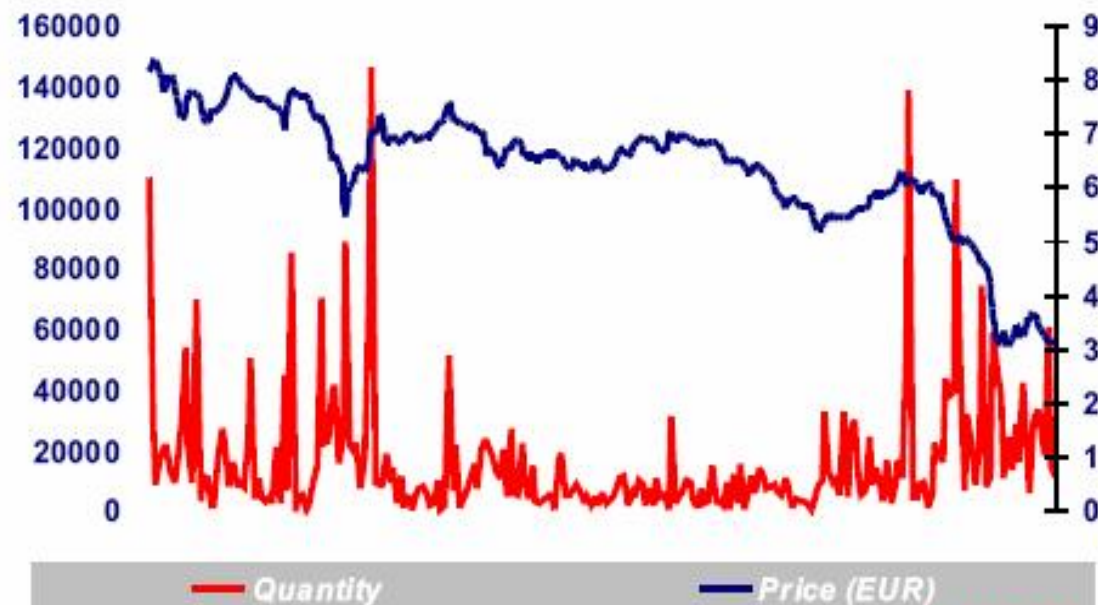


### Bulgarian Stock Exchange - Sofia

Stock Exchange Code: 5MB / MONBAT

Share price movement for the period: October 30th, 2007 - October 30th, 2008

Change in the period  **62%**



Weighted - average price calculated on October 30th, 2008 **EUR 3.14**

Note : On May 28th, 2008 share price was adjusted by a factor of 2 to reflect the capital increase.

Weighted - average price As of October 30th, 2008	<b>EUR 3.14</b>
Market capitalization As of October 30th, 2008	<b>EUR 122.63 million</b>
Free float % (0.70% - 275 060 shares, owned by Monbat as a result of the reverse buying out procedures of company's own shares, are not included)	<b>23.72%</b>
Highest price for the period	<b>EUR 8.56</b>
Lowest price for the period	<b>EUR 2.82</b>
<b>Movement of Sofix Index and Monbat's share price in the period of October 30th, 2007 - October 30th, 2008</b>	

Change in Sofix for the period  **1441.21**





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APPENDIX

## DISCLAIMER

**This presentation contains forward - looking statements that reflect the Company management's views with respect to certain future events .**

**Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.**

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