

ALFA BULGARIA AD
DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

ALFA BULGARIA AD
DOCUMENT CONCERNING THE OFFER OF SHARES
Part II of the Prospectus

ISSUER	ALFA BULGARIA AD
TYPE OF OFFERED SHARES	ORDINARY, DEMATERIALIZED, NOMINAL, FREELY TRANSFERABLE, VOTING
NUMBER OF OFFERED SHARES	50 000 (FIFTY THOUSAND) SHARES
NOMINAL VALUE	1 (ONE) BGN
TOTAL COST FOR THE PUBLIC OFFERING	9360 (NINE THOUSAND THREE HUNDRED AND SIXTY) BGN
NET INCOMES FROM THE PUBLIC OFFERING	NO NET INCOMES OF THE PUBLIC OFFERING ARE ENVISAGES

THE INVESTMENT INTERMEDIARY OF THIS EMISSION IS: BETA CORP AD, Investment Intermediary, with headquarters and registered address at 1, Bulgaria Square, floor 4, Triaditza District, Sofia1414.

INITIAL/FINAL OFFERING DATE: TRANSACTIONS IN SHARES ON THE STOCK EXCHANGE ARE PERFORMABLE AFTER THE SHARES ARE REGISTERED FOR TRADING ON BULGARIAN STOCK EXCHANGE - SOFIA AD ON A DATE, DETERMINED BY THE BOARD OF DIRECTORS OF THE STOCK EXCHANGE. THE OFFERING IS NOT LIMITED IN TIME.

THIS DOCUMENT FOR OFFERING OF SECURITIES CONTAINS THE WHOLE INFORMATION THAT IS NECESSARY TO MAKE AN INVESTMENT DECISION, INCLUDING THE MAJOR RISKS, RELATED TO THE SHARES OF THIS EMISSION. IT IS IN INVESTORS' INTEREST TO HAVE THIS DOCUMENT AS WELL AS THE DOCUMENT OF REGISTRATION READ PRIOR TO MAKING ANY INVESTMENT DECISION.

THIS DOCUMENT FOR THE OFFER OF SHARES WAS APPROVED BY THE FINANCIAL SUPERVISION COMMISSION, WHICH DOES NOT MEAN THAT THE COMMISSION APPROVED OR DISPROVED INVESTING IN THE SECURITIES OF THE OFFER, NEITHER BEING LIABLE FOR THE AUTHENTICITY OF THE INFORMATION HEREIN CONTAINED.

INVESTING IN THE SHARES OF THIS OFFER IS ASSOCIATED WITH PARTICULAR RISKS, DESCRIBED IN DETAILS IN SECTION „RISK FACTORS" ON PAGES 10 -13 HEREUNDER.

1 October 2009

ALFA BULGARIA AD

DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

THE MEMBERS OF THE BOARD OF DIRECTORS OF ALFA BULGARIA AD, AS WELL AS BETA CORP AD, GUGUSHEV & PARTNERS EOOD, BEING AUTHORIZED TO PREPARE THE PROSPECTUS, THE INVESTMENT INTERMEDIARY AND THE LEGAL CONSULTANT, RESPECTIVELY, ARE JOINTLY AND SEVERALLY LIABLE FOR DAMAGES, CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THE DOCUMENT FOR THE OFFERED SECURITIES. ACCORDING TO ART. 34, PARA 2 OF THE ACCOUNTANCY ACT, THE AUTHORS OF THE ANNUAL FINANCIAL REPORTS ARE JOINTLY AND SEVERALLY LIABLE, TOGETHER WITH THE PERSONS REFERRED TO IN THE PREVIOUS SENTENCE, FOR DAMAGES, CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THE FINANCIAL REPORTS OF THE ISSUER, PREPARED BY THEM, AND THE REGISTERED AUDITOR IS LIABLE FOR DAMAGES, CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THE FINANCIAL REPORTS AUDITED BY HIM/HER.

THE PERSONS UNDER ART. 34, PARA 2 OF THE ACCOUNTANCY ACT ARE JOINTLY AND SEVERALLY LIABLE, TOGETHER WITH THE PERSONS REFERRED TO IN THE PREVIOUS SENTENCES FOR DAMAGES, CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THE FINANCIAL REPORTS OF THE COMPANY, AND THE AUDITORS IS LIABLE FOR DAMAGES, CAUSED BY THE FINANCIAL REPORTS, AUDITED BY HIM/HER.

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THE PROSPECTUS FOR LISTING OF THE SHARES OF ALFA BULGARIA AD CONSISTS OF 3 DOCUMENTS:

- 1) DOCUMENT OF REGISTRATION;**
- 2) DOCUMENT ON THE SECURITIES;**
- 3) SUMMARY OF THE PROSPECTUS;**

The document of registration contains important information about **ALFA BULGARIA AD** and the document on the securities contains information for the securities whose listing on the Bulgarian Stock Exchange (shares) is applied for, which information is determinant as regards an investment decision.

THE DOCUMENT OF REGISTRATION, THE DOCUMENT ON THE SECURITIES AND THE SUMMARY OF PROSPECTUS, AS WELL AS ANY ADDITIONAL INFORMATION ARE AVAILABLE TO THE INVESTORS ON EVERY WORKING DAY AT THE REGISTERED ADDRESS OF THE ISSUER:

130, Georgi Sava Rakovski Str., fl. 1, ap.4, Sredetz District, Sredetz District

CONTACT PERSON: Evgeni Ivanov Naydenov

tel. +359 (02) 815 75 10

fax: +359 (02) 981 69 64

E-MAIL: office@alphabulgaria.com

OR AT THE ADDRESS OF THE AUTHORIZED INVESTMENT INTERMEDIARY - BETA CORP AD, Investment Intermediary:

1, Bulgaria Square, floor 4, Sofia 1414, Triaditza District

CONTACT PERSON: Tihomir Ivanov Kaundjiev

tel. +359 (02) 986-66-83

fax: +359 (02) 986-55-66

E-MAIL: investmentbanking@beta-corp.com

THE ABOVE DOCUMENTS, COMPRISING IN AGGREGATE A PROSPECTUS FOR LISTING ON A REGULATED MARKET OF SECURITIES (SHARES), ARE ALSO AVAILABLE THROUGH THE BULGARIAN STOCK EXCHANGE, AFTER THE SHARES OF ALFA BULGARIA AD ARE LISTED ON THE STOCK EXCHANGE.

ALFA BULGARIA AD HEREBY WARNS THE INVESTORS THAT INVESTING IN SECURITIES ENTAILS PARTICULAR RISKS. THE RISK FACTORS THAT ARE SPECIFIC FOR THE COMPANY'S BUSINESS ARE DESCRIBED IN DETAILS IN ITEM 1 OF SECTION IV „RISK FACTORS” OF THE DOCUMENT OF REGISTRATION.

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DEFINITIONS AND ABBREVIATIONS USED IN THIS DOCUMENT

Issuer, the Company – ALFA BULGARIA AD;

Shares – shares comprising the capital of ALFA BULGARIA AD;

POSA – Public Offering of Securities Act;

CA – Commercial Act;

MFIA – Markets in Financial Instruments Act;

CITA – Corporate Income Tax Act;

IITA – Individual Income Tax Act;

FSC – Financial Supervision Commission;

The Deputy Chairperson in Charge – a deputy chairperson, head of Investment Activity Supervision Directorate of the Financial Supervision Commission;

The Central Depository – Central Depository AD;

The Bulgarian Stock Exchange – Bulgarian Stock Exchange - Sofia AD;

BoD – Board of Directors;

GAS – General Assembly of Shareholders;

ALFA BULGARIA AD
DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

I. RESPONSIBLE OFFICIALS

1. INFORMATION ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS AND THE AUDITORS OF THE COMPANY

ALFA BULGARIA AD, hereinafter referred to as the Company or the Issuer, is a joint stock Company with a single-level management system.

The members of the Board of Directors are:

1. EVGENI IVANOV NAYDENOV, National ID 7907191861, holder of ID card No 626179086, issued on 23.09.2009 by the Ministry of Interior - Sofia, permanently residing in the Republic of Bulgaria, Sofia, 13, Universitetska Str., fl. 1, ap. 2, correspondence address in the Republic of Bulgaria: 130, Georgi Sava Rakovski Str., fl. 1, ap.4, Sredetz District, Sredetz District – **Executive Director**.

2. STEFAN MARKOV GUGUSHEV, National ID 7912276789, holder of ID card No 188458445, issued on 19.01.2005 by the Ministry of Interior - Sofia, permanently residing in the Republic of Bulgaria, Sofia, 33, Geo Milev Str., entr. A, fl.3, ap.6, correspondence address in the Republic of Bulgaria: 130, Georgi Sava Rakovski Str., fl. 1, ap.4, Sredetz District, Sredetz District – **Chairperson of the Board of Directors**

3. ELENA NENOVA NENOVA, National ID 7901319092, holder of ID card No 625791048, issued on 07.05.2009 by the Ministry of Interior - Sofia, permanently residing in the Republic of Bulgaria, Sofia, Lyulin 7 residential complex, bl.775, fl.6, ap.23, correspondence address in the Republic of Bulgaria: 130, Georgi Sava Rakovski Str., fl. 1, ap.4, Sredetz District, Sredetz District – **Deputy Chairperson of the Board of Directors**;

ALFA BULGARIA AD is represented by **EVGENI IVANOV NAYDENOV**, **Executive Director**, National ID 7907191861, holder of ID card No 626179086, issued on 23.09.2009 by the Ministry of Interior-Sofia. The Company has not appointed a procurator or another commercial proxy.

2. INFORMATION ABOUT INVESTMENT INTERMEDIARIES AND LEGAL CONSULTANTS

2.1. INVESTMENT INTERMEDIARY

BETA CORP AD, Unified ID code 831659946, with headquarters and registered address at 1, Bulgaria Square, floor 4, Triaditza District, Sofia 1414, tel. +359 (02) 986-66-83, fax +359 (02) 986-55-66;

2.2. LEGAL CONSULTANTS

The legal consultant of **ALFA BULGARIA AD** for the present emission is **GUGUSHEV & PARTNERS EOOD**, Unified ID code 175177085, with headquarters and registered address at 130, Georgi Sava Rakovski Str., fl. 1, ap.4, Sredetz District, Sofia 1000, tel. +359 (02) 8157510, fax +359 (02) 9816964.

3. AUDITOR

The interim financial report of the Company by 30.09.2009 is audited by **PROFIT-MARIA VAKLINOVA - SOLE PROPRIETOR**, represented by Maria Stefanova Vaklinova, member of the Institute of Chartered Accountants, holding diploma No 0353/96, with headquarters and registered address in Bulgaria, Haskovo Region, Dimitrovgrad municipality, Dimitrovgrad 6400, E.Stanev Str., bl.10, entr. A, ap.5;

4. DECLARATION BY THE PERSONS, RESPONSIBLE FOR DRAWING UP THE DOCUMENT ON THE SECURITIES

BETA CORP AD, investment intermediary (with headquarters and registered address at 1, Bulgaria Square, floor 4, Triaditza District, Sofia 1414) and **Gugushev & Partners EOOD** (with headquarters and registered address at 130, Georgi Sava Rakovski Str., fl. 1, ap.4, Sredetz District) were assigned to draw up the document on the securities. The following employees and assistants of the above companies are responsible for drawing up of the document on the securities:

Tihomir Ivanov Kaundjiev – investment consultant with Investment Banking Department of Beta Corp AD - Investment Intermediary

Georgi Ivanov Bulgarski – investment consultant with Investment Banking Department of Beta Corp AD - Investment Intermediary

Kostadinka Yordanova Deleva –consultant, attorney-at-law in Gugushev & Partners EOOD

BY THE SIGNATURES LAID DOWN ON THE LAST PAGE OF THIS DOCUMENT, THE ABOVEMENTIONED PERSONS DECLARE THAT UNDER **ITEM 1 PARA 2 OF THE REGULATION OR ART. 81, PARA 5 OF POSA:**

(1) THEY PREPARED THE RELEVANT PART OF THIS DOCUMENT ON THE SECURITIES WITH THE DUE CARE; AND

(2) TO THE BEST OF THEIR KNOWLEDGE, THE DATA CONTAINED IN THE PARTS HEREIN, PREPARED BY THEM, ARE NOT UNTRUE, MISLEADING OR INCOMPLETE, AND THE INFORMATION CONTAINED IN THE PARTS UNDER THEIR RESPECTIVE RESPONSIBILITY CORRESPONDS TO THE FACTS AND CONTAINS NO

OMISSION WHICH IS LIKELY TO AFFECT ITS MEANING.

5. THE PERSONS UNDER ITEM 4 ABOVE, THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY, THE PERSONS UNDER ART. 34, PARA 2 OF THE ACCOUNTANCY ACT AND THE REGISTERED AUDITOR, HEREBY DECLARE TO BE JOINTLY AND SEVERALLY LIABLE FOR DAMAGES CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THE DOCUMENT ON THE SECURITIES AND IN THE FINANCIAL REPORTS, DRAWN UP AND AUDITED BY THEM, RESPECTIVELY

THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY (DESCRIBED IN DETAILS IN SECTION I, ITEM 1 ABOVE) AND THE PERSONS RESPONSIBLE FOR DRAWING UP THIS DOCUMENT (DESCRIBED IN DETAILS IN SECTION I, ITEM 4 ABOVE) SHALL BE JOINTLY AND SEVERALLY LIABLE FOR DAMAGES, CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THIS DOCUMENT. THE PERSON UNDER ART. 34, PARA 2 OF THE ACCOUNTANCY ACT, NAMELY GUGUSHEV FINANCE AND ACCOUNTING EOOD, REPRESENTED AND MANAGED BY DIMKA IVANOVA KANCHEVA – CHIEF ACCOUNTANT OF THE ISSUER, SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE PERSONS UNDER THE FIRST SENTENCE, FOR DAMAGES, CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THE FINANCIAL REPORTS OF THE ISSUER. THE REGISTERED AUDITOR, NAMELY PROFIT-MARIA VAKLINOVA, SOLE PROPRIETOR SHALL BE LIABLE FOR DAMAGES, CAUSED BY ANY UNTRUE, MISLEADING OR INCOMPLETE DATA CONTAINED IN THE FINANCIAL REPORTS AUDITED BY IT.

ALFA BULGARIA AD
DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

II. RISK FACTORS

INVESTING IN THE SECURITIES OF **ALFA BULGARIA AD** IS ASSOCIATED WITH RISKS OF DIFFERENT TYPE AND IMPACT LEVEL. THE INDICATED RISK FACTORS SHOULD BE CAREFULLY REVIEWED AND ASSESSED BY POTENTIAL INVESTORS PRIOR TO MAKING THEIR INVESTMENT DECISIONS.

1. RISK FACTORS TYPICAL FOR THE SHARES, SUBJECT TO THE PUBLIC OFFERING

RISK OF INVESTING IN SECURITIES IS ASSOCIATED WITH UNCERTAINTY AND IMPOSSIBILITY TO MAKE A PRECISE FORECAST AS REGARDS THE FUTURE EFFECTS AND IMPACT ON THE EXPECTED RETURN OF INVESTMENT. THE MAJOR RISK AND UNCERTAINTY THE SHAREHOLDERS OF **ALFA BULGARIA AD** MIGHT FACE IS THE LIKELIHOOD OF THE INVESTMENT THEY MADE IN THE COMPANY'S SHARES TO BE UNABLE TO KEEP ITS VALUE AND TO BE UNABLE TO GENERATE THE EXPECTED RETURN BECAUSE OF DOWNFALLS IN THE SHARE PRICE OR LACK OF OTHER INCOMES (DIVIDENDS) ASSOCIATED WITH THE SHARES.

UNDER THE GLOBAL FINANCIAL CRISIS CONDITIONS, THE POTENTIAL RISK OF INVESTMENT IN THE ISSUER'S SHARES NEVER GAINING RETURN AND EVEN CREATING CONSIDERABLE LOSSES IS INCREASING BECAUSE OF THE APPARENT CONSIDERABLE UNDERESTIMATION OF SECURITIES, TRADED ON STOCK EXCHANGES, AS WELL AS BECAUSE OF THE TRADED VOLUMES BEING CONTRACTED, WHICH IS ASSOCIATED WITH AN INCREASED LIQUIDITY RISK FOR SECURITIES.

THE GLOBAL FINANCIAL CRISIS IS AN EXTERNAL MACROECONOMIC FACTOR OUTSIDE THE ISSUER'S CONTROL FOR THE ISSUER IS UNABLE TO APPLY ANY SPECIFIC MEASURES OR DOWNSIZE THE NEGATIVE OUTPUTS.

ALFA BULGARIA AD HEREBY INFORMS POTENTIAL INVESTORS THAT INVESTING IN SHARES ENTAILS PARTICULAR RISKS. INVESTORS SHOULD CAREFULLY READ AND CONSIDER THE RISKS ASSOCIATED WITH INVESTING IN SHARES OF THIS EMISSION PRIOR TO MAKING ANY INVESTMENT DECISION.

A) PRICE RISK

CHANGES IN THE PRICE OF THE SHARES OF **ALFA BULGARIA AD** CAN BE A RESULT FROM BOTH THE FUNDAMENTAL STATE OF AFFAIRS OF THE COMPANY – CURRENT AND EXPECTED BUSINESS AND FINANCIAL RESULTS, NET VALUE OF ASSETS, POSITIVE GOODWILL ETC, AND FROM THE ECONOMIC AND MARKET CONDITIONS IN BULGARIA AND, TO A CERTAIN EXTENT, FROM THE MARKET AND ECONOMIC CONDITIONS IN THE OTHER CENTRAL AND EASTERN EUROPEAN COUNTRIES, AS WELL AS IN THE OTHER EMERGING MARKETS IN GENERAL. SHAREHOLDERS HAVE TO BE AWARE OF POTENTIAL EVENTS ABLE TO PROVOKE ABRUPT FLUCTUATIONS IN THE SHARE MARKET PRICES, ALREADY EXPERIENCED BY THE BULGARIAN AND THE INTERNATIONAL FINANCIAL MARKETS, AS WELL AS THAT SUCH FLUCTUATIONS CAN HAVE A NEGATIVE IMPACT ON THE SHARES OF **ALFA BULGARIA AD**.

AFTER THE SHARES OF **ALFA BULGARIA AD** ARE REGISTERED FOR TRADING ON THE BULGARIAN STOCK EXCHANGE, THE PRESENT SHAREHOLDERS DO NOT ASSUME ANY OBLIGATION TO SELL ANY OF THE EXISTING SHARES. INVESTORS MAY EXPERIENCE PRICE RISK AFTER HAVING PARTICIPATED IN A SUBSEQUENT INCREASE OF THE COMPANY'S CAPITAL.

AFTER THE COMPANY'S SHARES START BEING TRADED ON BULGARIAN STOCK EXCHANGE - SOFIA AD, THEIR MARKET VALUE WILL BE DEPENDENT UPON THE DEMAND AND SUPPLY, AND THE SHARE PRICE MAY GO UP OR DOWN. SUCH PRICE „FLUCTUATIONS” MAY RESULT IN A SITUATION WHERE A GIVEN STOCK COULD COSTS, AT A TIME, MUCH LESS THAN IT HAS VALUED BEFORE. SUCH PRICE DYNAMICS ARE VERY TYPICAL FOR THE ORDINARY SHARES MARKET, THE STOCK PRICES OF WHICH CAN SUFFER ABRUPT FLUCTUATIONS FOLLOWING INFORMATION PUBLICLY ANNOUNCED FOR THE FINANCIAL RESULTS OF THE COMPANY, CHANGES IN THE LEGISLATION AND OTHER CONSIDERABLE EVENTS.

FOR THERE BEING NO MARKET OF THE SHARES OF **ALFA BULGARIA AD SO FAR**, INVESTORS IN THE COMPANY'S SHARES MIGHT ENCOUNTER THE RISK (UNCERTAINTY) TO HAVE AN ACTIVE STOCK MARKET FOR THE COMPANY'S SHARES CREATED AND DEVELOPED AFTER THE SHARES ARE LISTED ON THE BULGARIAN STOCK EXCHANGE. IN CASE THE COMPANY'S SHARES HAVING NO MARKET CREATED AND ACTIVE, THE MARKET PRICE AND LIQUIDITY OF THE SHARES OF **ALFA BULGARIA AD** MIGHT TAKE A NEGATIVE TREND FOR INVESTORS.

THE COMPANY DOES NOT GUARANTEE TO INVESTORS THAT THE PRICE OF ITS SHARES WILL REMAIN STEADY AND/OR WILL INCREASE IN THE FUTURE. NEITHER **ALFA BULGARIA AD** NOR ANY OF THE PRESENT SHAREHOLDERS OF THE COMPANY INTEND TO REDEEM THE COMPANY'S SHARES IN ORDER TO KEEP AND/OR INCREASE THE MARKET PRICE OF THE COMPANY'S SHARES AFTER LISTED ON THE BULGARIAN STOCK EXCHANGE – SOFIA AD.

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B) LIQUIDITY RISK.

THE OCCURRENCE OF LIQUIDITY RISK AS REGARDS THE TRADE IN THE SHARES OF **ALFA BULGARIA AD** IS ASSOCIATED WITH THE ABSENCE OF SUFFICIENT DEMAND FOR THE COMPANY'S SHARES OVER A PARTICULAR PERIOD/S, AND DIFFICULTIES IN SELLING OR PURCHASING SUCH SHARES, RESPECTIVELY, SO AS TO PREVENT LOSSES OR GAIN PROFITS. INVESTORS SHOULD BE AWARE THAT THE BULGARIAN STOCK EXCHANGE IS CONSIDERABLY SMALLER AND LESS LIQUID THAN THE MARKETS IN THE COUNTRIES OF WELL-DEVELOPED MARKET ECONOMY. THEREFORE, SHAREHOLDERS OF **ALFA BULGARIA AD** ARE NOT GUARANTEED THAT THE TRADING IN THE COMPANY'S SHARES ON THE BULGARIAN STOCK EXCHANGE WILL SECURE ACTIVE TRADING AND SUFFICIENT LIQUIDITY.

THE LIQUIDITY OF THE SHARES WILL BE DETERMINED BY:

- AVAILABILITY OF SUFFICIENT NUMBER OF INTERESTED SELLERS AND BUYERS ON THE MARKET;
- AVAILABILITY OF SUFFICIENT NUMBER OF SHARES IN CIRCULATION;
- AVAILABILITY OF ACCEPTABLE DIFFERENCE (SPREAD) BETWEEN "BUY" AND "SELL" PRICES;

THE LIQUIDITY RISK ASSOCIATED WITH THE SHARES WILL BE DEPENDENT ON:

- DEVELOPMENT OF THE MARKET OF SECURITIES IN TERMS OF VOLUME AND VARIETY OF INSTRUMENTS IN OFFER;
- THE FINANCIAL SITUATION OF THE ISSUER ETC;

C) RISK OF MAJORITY SHAREHOLDER CHANGING ITS INTERESTS.

MAJORITY SHAREHOLDER OF THE CAPITAL OF **ALFA BULGARIA AD** AT PRESENT AND AFTER THE COMPLETION OF THE PROCESS OF LISTING OF THE SHARES TO TRADING ON A REGULATED MARKET IS **M AND S PROJECTS EOOD, UNIFIED ID CODE 131431850**, HOLDING 99,998 PERCENT OF THE COMPANY'S SHARES.

BEING THE PRINCIPAL SHAREHOLDER, **M AND S PROJECTS EOOD** IS IN POSITION TO EXERT A CONSIDERABLE AND DEFINITIVE IMPACT ON MOST OF THE ISSUES THAT REQUIRE APPROVAL OF THE GENERAL ASSEMBLY OF SHAREHOLDERS OF THE COMPANY, SUCH AS AMENDMENTS TO THE ARTICLES OF INCORPORATION, APPOINTMENT AND DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS, APPROVAL OF IMPORTANT TRANSACTIONS FOR THE COMPANY, ALLOTMENT OF DIVIDENDS ETC. INVESTORS IN THE SHARES OF **ALFA BULGARIA AD** MIGHT FACE THE RISK OF THE PRINCIPAL SHAREHOLDER CHANGING ITS INTERESTS, WHICH COULD LEAD TO AN UNFAVOURABLE TURN AS REGARDS BOTH THE COMPANY'S BUSINESS AND THE INTERESTS OF MINORITY SHAREHOLDERS.

D) INFLATION RISK

INFLATION RISK FOR THE SHAREHOLDERS OF **ALFA BULGARIA AD** WOULD OCCUR IF THE INCOMES FROM THE SHARES (RISE IN PRICE AND/OR RECEIVED DIVIDENDS) ARE LOWER THAN THE INFLATION FOR THE INVESTMENT PERIOD. INFLATION PROCESSES REDUCE THE PROFITABILITY FOR INVESTORS IN REAL TERMS.

ALTHOUGH, IN A LONG-TERM BACKWARDS, PROFITABILITY OF SHARES HAS CONSIDERABLY GOT AHEAD OF THE INFLATION PROCESSES IN BULGARIA AND IN OTHER COUNTRIES WITH DEVELOPED MARKET ECONOMY, THERE IS NO GUARANTEE FOR THE INVESTORS IN SHARES OF **ALFA BULGARIA AD** THAT THE INVESTMENT THEY ARE MAKING IN THE COMPANY'S SHARES WILL SERVE AS A PRACTICAL ANTI-INFLATION PROTECTION.

E) INCREASE OF CAPITAL

INVESTORS IN SHARES OF **ALFA BULGARIA AD** SHOULD HAVE IN MIND THAT THE COMPANY IS GOING TO INCREASE ITS CAPITAL IN THE FUTURE IN ORDER TO ACHIEVE ITS INVESTMENT AND STRATEGIC GOALS. PRESENTLY, THE BOARD OF DIRECTORS OF **ALFA BULGARIA AD** INTENDS TO PROPOSE A CAPITAL INCREASE OF UP TO 50 000 000 (FIFTY MILLION) BGN AT THE BEGINNING OF 2010, TO BE REALIZED ONE-OFF OR PARTIALLY, ACCORDING TO THE NEEDS OF FUNDING OVER TIME. SUCH AN INCREASE WILL BE FUELED BY FUNDS OF THE PRESENT SHAREHOLDERS OF THE COMPANY.

ANY ADDITIONAL FINANCING OF **ALFA BULGARIA AD** IN THE FORM OF A CAPITAL INCREASE BY EMITTING NEW SHARES, MAY HAVE AN „INSIPID” EFFECT FOR THE COMPANY'S SHAREHOLDERS WHILE THE USE OF ALTERNATIVE FUNDING IN THE FORM OF A LOAN MAY REDUCE THE PROFITABILITY OF THE COMPANY'S BUSINESS, AND TO RESULT IN LIMITATIONS OF FUTURE FUNDING.

F) CURRENCY RISK FOR INVESTORS

THIS EMISSION IS DENOMINATED IN BGN. CURRENCY RISK OF INVESTMENT MIGHT FACE INVESTORS, WHOSE MONEY IS AVAILABLE IN USD OR ANOTHER CURRENCY, DIFFERENT FROM BGN AND EURO, BECAUSE OF THE CONTINUOUS FLUCTUATIONS IN THE EXCHANGE RATES. INVESTORS WHO ARE

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TAKING A CURRENCY RISK IN PURCHASING SHARES FROM THIS EMISSION WOULD EXPERIENCE AN INCREASE OR DECREASE OF THE EFFECTIVE PROFITABILITY OF INVESTMENT FOLLOWING AN INCREASE OR DECREASE OF BGN/EURO RATE COMPARED TO THE CURRENCY OF THE INVESTOR'S MONEY.

CURRENCY RISK ASSOCIATED WITH THE INVESTMENT IS REDUCIBLE THROUGH MINIMIZING (HEDGING) CURRENCY INSTRUMENTS. STABILITY AND HIGH CONFIDENCE IN CREDIBILITY OF THE CURRENCY BOARD IN THE COUNTRY, AS WELL AS THE DOMINANT POSITIONS OF THE EURO ON THE INTERNATIONAL CURRENCY MARKETS REDUCE CURRENCY RISK LEVELS TO THE MINIMUM.

G) LACK OF GUARANTEE OF THE ANNUAL DIVIDENDS BEING PAID

THE FINANCIAL RESULT OF THE COMPANY IS DEPENDENT UPON MANY FACTORS, INCLUDING THE SKILLS AND PROFESSIONALISM OF THE MANAGEMENT TEAM, THE DEVELOPMENTS OF THE MARKET ON WHICH THE COMPANY IS OPERATING, THE ECONOMIC DEVELOPMENT OF THE COUNTRY AND THE REGION ETC. THE INTENTION OF THE COMPANY'S MANAGEMENT BY THE DATE OF THIS DOCUMENT IS TO REINVEST ALL THE PROFITS INTO THE COMPANY'S BUSINESS.

2. RISK FACTORS, DESCRIBED IN THE DOCUMENT OF REGISTRATION

SPECIFIC RISKS ASSOCIATED WITH THE MAIN COMPANY'S BUSINESS, AS WELL AS GENERAL RISKS, THAT COULD IMPACT ON ITS BUSINESS ARE DESCRIBED IN DETAILS ON **PAGES 11 – 18** OF THE DOCUMENT OF REGISTRATION, SECTION IV (RISK FACTORS).

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III. KEY INFORMATION

1. CURRENT CAPITAL

By the act of signature laid down on the last page of this Document, Evgeni Ivanov Naydenov – Executive Director of the Issuer, declares that the current capital is sufficient to meet the present needs of the Company.

2. CAPITALIZATION AND INDEBTEDNESS

The table below contains information about the capitalization and the indebtedness of the Issuer by 30.09.2009.

Capitalization and indebtedness	<u>30.09.2009</u>
Registered capital	50
Reserves	0
Financial result of past years	0
Currency financial result	(1)
Equity capital:	49
Indebtedness	0
Long-term amounts payable, incl.	0
Short-term amounts payable, incl.	0
- On-going liabilities	0
Liabilities:	0

** The amounts are expressed in thousands of BGN*

The above financial information is based on the audited interim financial reports of the Company by 30.09.2009.

The Issuer is a newly established Company, registered in the Trade Register on 09.09.2009. Presently, the Company has not started its main business yet. For the period from its establishment until 30.09.2009 the Company has made no expenses, except the establishment costs at the amount of less than 1000 (one thousand) BGN. For the said period, the capitalization of the Company is within the amount of the capital of 50 000 BGN, which is completely paid up.

The Company has no liabilities for the indicated period. Up to now, the Issuer does not use borrowed capital to finance its business and, respectively, has no unsecured, guaranteed or other kind of indebtedness.

3. PARTICIPATION OF INDIVIDUALS AND LEGAL ENTITIES IN THE EMISSION/OFFERING

None of the experts or the consultants who prepared this document, holds and intends to acquire considerable participation in the capital of the Issuer, neither has a significant interest - directly or indirectly, or is in commercial relations with the Issuer.

4. REASONS FOR LISTING AND SCHEDULED USE OF THE COLLECTED CAPITAL

The listing on a regulated market of the shares of ALFA BULGARIA AD does not aim at seeking additional capital and presents no initial public offering in its content.

The Prospectus for listing of the shares of ALFA BULGARIA AD on a regulated market aims at registering the Issuer's shares for secondary trading on the „unofficial market” of the Bulgarian Stock Exchange. The listing of the Issuer's shares to trading on a regulated market is a part of the Company's development strategy.

The purpose is to start informing the investment community of the business and the development prospects of the Company, to make the Company more popular in the community as a whole and thus to make seeking additional capital from a broad circle of investors in the future easier. Risk, associated with emerging companies, will disappear when the investment community takes the Company's development on track from its establishment to the time when fresh resources will be needed.

The Company does not expect incomes because of the public offering.

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After the shares are registered for trading on the Bulgarian Stock Exchange, at the end of 2009 the Board of Directors of the Company will propose to the GA to decide to increase the capital up to 50 000 000 (fifty million) BGN, in an one-off operation or in portions, according to the funding needs over time.

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IV. INFORMATION FOR SECURITIES TO BE LISTED

1. TYPE AND CLASS OF SECURITIES

All the shares issued by the Company will be registered for trading on the Bulgarian Stock Exchange and will be available for a secondary trading on the stock exchange.

All 50 000 shares, issued by the Company are of par value of 1 (one) BGN each and belong to only one class: ordinary, nominal, dematerialized, freely transferable, incorporating equal rights for the shareholders, namely voting right, right to a dividend and of dissolution quota, proportionally to the par value.

ISIN code of the emission of shares of ALFA BULGARIA AD: BG1100038097

2. LEGISLATION APPLICABLE TO THE EMISSION OF SECURITIES. APPLICABLE LAW

Securities to be listed on a regulated market are emitted according to the legislation of the Republic of Bulgaria. The applicable legislation as regards the listing of the shares on a regulated market, consists of the following:

- Commercial Act;
- Public Offering of Securities Act;
- Markets in Financial Instruments Act;
- Combating Financial Instrument Misuse Act;
- Regulation No 38 on the requirements to the activity of investment intermediaries;
- Regulation No 2 of the Financial Supervision Commission on the prospectuses in public offering of securities and listing of securities on a regulated market and for disclosure of information of public companies and other issuers of securities (SG issue 90 of 2003 rev. SG issue 82 of 12.10.2007);
- Regulation No 39 of 2007 on the disclosure of a share participation in a public company;
- Regulation No 22 of 29.07.2005 on the terms and conditions of registration and deregistration of public companies, other issuers of securities and securities emissions in the register of the Financial Supervision Commission;
- Regulation No 8 of 12.11.2003 on the Central Depository of Securities;
- Regulation No 809/2004 of the EU Commission;
- Corporate Income Tax Act;
- Individual Income Tax Act;
- Currency Act.

The Regulation of Bulgarian Stock Exchange - Sofia AD and the Regulation of Central Depository AD are also relevant to trading in securities on a regulated market;

The basic legal acts applicable to the Company's shares are POSA and CA. CA contains general provisions about the joint stock companies while POSA contains special provisions about public companies.

The provisions of Section I of Chapter XI of POSA and of Regulation No 39 (promulgated in SG issue 103 of 07.12.2007 on the disclosure of share participation in a public company) provide for the requirements for disclosure of a considerable participation in the Company.

The transactions the Company makes in its own shares are regulated in Art. 111, para 5-9 of POSA and in the Commercial Act.

The regulation of the tender offers is contained in Chapter XI, Section II - Art. 148 g – 157e of POSA, in Regulation No 41 of 11.06.2008 on the requirements to the content of the price justification of shares of a public company, including to the application of assessment methods in the cases of reorganization, joint enterprises agreements and tender offer, as well as in Regulation No 13 of 22.12.2003 on tender offer for purchase and exchange of shares.

The terms and conditions for deregistration of the Company from the register of public companies and other issuers of securities under Art. 30, para 1, item 3 of the Financial Supervision Commission Act, are regulated in Art. 119 of POSA and Regulation No 22 of 29.07.2005 on the terms and conditions of registration and deregistration of public companies, other issuers of securities and securities emissions in the register of the Financial Supervision Commission.

3. FORM OF SECURITIES

The shares to be listed on a regulated market are ordinary, nominal, dematerialized shares, granting its holder the right of one vote at the General Assembly of shareholders of the Company – Issuer. The book of shareholders of **ALFA BULGARIA AD** is kept by Central Depository AD (the Central Depository), with address at 10, Tri Ushi Str., floor 4, Sofia.

4. CURRENCY OF EMISSION

The currency of this emission of shares is BGN.

5. DESCRIPTION OF RIGHTS INCORPORATED IN THE SECURITIES, INCLUDING RESTRICTIONS AND PROCEDURE TO PUT SUCH RIGHTS IN EFFECT:

According to Art. 6 of the Articles of Incorporation, the Company's capital is divided into 50 000 (fifty thousand) ordinary dematerialized nominal voting shares of 1 (one) BGN par value each.

The Company's shares are freely transferable and incorporate equal rights for their holders. The Articles of Incorporation do not allow issuing bearer shares, neither preferred shares, incorporating the right of more than one vote at the General Assembly of the Company, a guaranteed dividend or additional dissolution quota. After subscribing for dematerialized nominal voting shares, shareholders receive nominal certificates (depository receipts) by Central Depository AD.

Each share incorporates the right of one vote at GAS, the right to a dividend and of dissolution quota, proportionally to the share par value. The Articles of Incorporation of ALFA **BULGARIA AD** provide for no restriction as regards the exercise of the rights incorporated in the shares. The rights incorporated in the shares, are not and cannot be limited by any rights granted to another class of securities, neither by any provision of any contract or another document. According to the provision of Art. 17, para 1 of the Articles of Incorporation, the shares are freely transferable between shareholders and third parties. The transfer of the Company's shares takes effect as of the date of registration of the transaction into the register of Central Depository AD.

5.1. RIGHT TO A DIVIDEND

Each ordinary share incorporates the right to a dividend, proportionally to its par value. **ALFA BULGARIA AD** allocates dividends under the terms and conditions, provided for in the Commercial Act, the Public Offering of Securities Act and the Articles of Incorporation of the Company.

In conformity to the provision of Art. 115c of POSA the right to a dividend is on the shareholders entered as such into the registers of the Central Depository on the 14th day after the day of the GAS, on which the annual financial report is approved and a decision is passed to distribute profits. The Central Depository provides the Company with a list of shareholders by the abovementioned date. The presence of the person on this list is a sufficient condition for this person to receive a dividend, after proving identity.

The Company shall immediately notify the Financial Supervision Commission, the Central Depository and the regulated market of any decision of the general assembly concerning the type and amount of the dividend, as well as the terms and conditions for payment of such dividend, including at least one financial authority, through which the payments are to be effected. After receiving the notification referred to in the previous sentence, the regulated market, on which the shares are traded, immediately announces the last date on which transactions in such shares will be accepted. As a result of this, the transferee of the shares is entitled to receive the dividend pertaining to such shares, as voted by the general assembly.

The Issuer shall secure paying the dividend voted by the GAS within three months as of the date of the GAS. Any persons entitled to a dividend, who fails to claim the dividend within the three-month period, will be able to exercise this right within the five-year prescription period after which the right will be barred and the outstanding dividends will be retained in the Company.

The Articles of Incorporation of ALFA **BULGARIA AD** does not provide for any restrictions as regards the distribution of dividends, as well as procedures for non-present holders to receive their dividends. The Company takes the expenses associated with paying the dividends.

5.2. VOTING RIGHT

The General Assembly consists of shareholders with voting right, each share incorporates the right of 1 (one) vote in the GAS of the Company. The voting right is exercisable by the persons, entered into the registers of the Central Depository as shareholders 14 days before the date of the general assembly. The Central Depository shall provide the Company with lists of shareholders, referred to in the previous sentence, and of foreign persons under Art. 136, para 1 of POSA upon the request of the person, authorized to manage and represent the Company.

Shareholders in a public company have the right to authorize any individual or legal entity to attend and vote at the general assembly on their behalf, including members of the Board of Directors of the Company, if the shareholder has explicitly indicated what the vote should be under each item of the agenda. Shareholders and proxies shall prove identity and presence by signature.

The requirements to the form and content of the power of attorney are introduced in Art. 116, para 1 of POSA. The written power of attorney for representation of a shareholder in the general assembly of shareholders of a public company shall be specific for each general assembly, shall be explicit and shall contain at least the following:

- 1) information for the shareholder and the proxy;
- 2) the number of the shares, covered by the power of attorney;
- 3) agenda and items for discussion;
- 4) draft resolution on every item of the agenda;
- 5) what to be voted on each item on the agenda, if applicable;
- 6) date and signature.

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If the power of attorney does not indicate how to vote on the individual items of the agenda, it shall contain an indication of the proxy being in position to cast the vote as he/she might consider appropriate. Reauthorization of another proxy with the rights incorporated in the power of attorney, as well as the power of attorney, issued contrary to the provisions of Art. 116, para 1 of POSA, shall be void.

The proxy has the same rights to express an opinion and to ask the general assembly questions, like the shareholder he/she represents. The proxy shall exercise the voting right in accordance with the instructions of the shareholder, contained in the power of attorney. The proxy is allowed to represent more than one shareholder in the general assembly of the public company. In such case, the proxy may vote differently under the various shares of the individual shareholders, he/she represents.

The public company should prepare a sample of the written power of attorney to be made available on a hard copy or electronically, if applicable, together with the materials for the general assembly or upon a request after the assembly is convened. According to Art. 115, para 6 of POSA the Company shall submit to the Financial Supervision Commission and shall publish on its website the sample power of attorney forms for appointment of a proxy or for voting by correspondence, if applicable. If it appears to be technically impossible to publish such sample forms, the Company shall indicate on its website how the sample forms are obtainable on a hard copy. In the latter case, if the shareholder so requests, the Company sends the sample forms by post on its own account.

The authorization can be completed electronically. The public company shall secure at least one method to obtaining powers of attorney electronically. The Company shall publish on its website the terms and conditions for receiving powers of attorney electronically.

The Articles of Incorporation of the public company may provide for additional requirements as regards authorization, presenting the power of attorney to the Company and instructing the shareholder on how to vote. Such requirements could be necessary to identify the shareholders and the proxy or to secure a check option of the content of the instructions and whether they are, as far as it is in line with achieving these goals.

5.3. RIGHT TO A DISSOLUTION QUOTA

Every ordinary share incorporates the right to a dissolution quota, proportionally to its par value. This right is conditional – it occurs and becomes exercisable only (and to the extent) after the dissolution procedure of the Company is completed, all creditors' claims are satisfied and there has left assets to be distributed between the shareholders and up to the size of such assets.

The right to a dissolution quota pertains only to the shareholders registered as such into the registers of the Central Depository by the time of dissolution of the Company.

5.4. ADDITIONAL RIGHTS GRANTED TO SHARES:

- right of every shareholder to acquire shares in a potential increase of capital, proportional to the participation of this shareholder into the capital before increased;
- right to participate in the management, through deciding on matters within the competence of GAS;
- right of information, including the right to get informed in advance of the materials as per the announced agenda of GAS and to freely receive such materials upon request.

The Articles of Incorporation of ALFA **BULGARIA AD** provides that, based on a decision of the General Assembly of shareholders, the Company is able to issue shares, incorporating special rights and preferences which are admissible according to the effective legislation. The Company is not entitled to issue preferred non-voting shares, incorporating more than one vote or the right to an additional dissolution quota. The Company may issue preferred non-voting shares. The preferred shares are taken into consideration in determining the par value of the capital. The preferred non-voting shares cannot exceed more than 50 per cent of the total number of the Company's shares. Any decision for elimination or limitation of the preferences pertaining to shares shall require the consent of the preferred shareholders of the same class, which are called to a separate assembly. The assembly is regular if at least 50 per cent of the preferred shares are present. The decision is taken by majority of votes constituting three - fourths of shares represented at the assembly. The provision of Art. 15 of the Articles of Incorporation of the Company governs the convocation and the procedure of the assembly of the preferred shareholders.

5.5. RIGHTS OF MINORITY SHAREHOLDERS:

A) Shareholders holding together or individually not less than 5% (five percent) of the Company's capital are entitled to:

- In cases the managing bodies of the Company are imitating and this is jeopardizing to the Company's interests, to file lawsuits on behalf of the Company against third parties. The Company will be summoned as a party in the lawsuit;
- to claim before the District Court as per the Company's headquarters a compensation for damages incurred by the Company as a result of actions or omissions of the members of the Board of Directors and of the Company's procurator;

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- to request the General Assembly or the District Court to appoint controllers to examine the entire accounting records of the Company and to come up with a report of findings;
 - to request the District Court to convene a general assembly or to authorize a representative of them to convene a general assembly according to an agenda set out by them;
 - To request inclusion of items on the agenda and to propose decisions on items on the agenda of the general assembly according to the procedure set out in Art. 223a of the Commercial Act;
 - if the Company has entered into a joint enterprise agreement, the shareholders, holding together or individually at least 5% (five percent) of the Company's capital are entitled to claim before the District Court as per the Company's headquarter a compensation for damages incurred by the Company as a result of actions or omissions by the persons that are managing the joint enterprise;
- B) Shareholders who have been holding shares, representing at least 5% (five percent) of the Company's capital, for more than three months, are entitled:
- To request the Board of Directors to convene a general assembly. If, within one month as of the date of the request, the latter is not satisfied, or if the General Assembly is not held within three months as of the date of the request, the District Court as per the Company's headquarters convenes the general assembly or authorizes the shareholders, who have made the request, or a representative of them, to convene the assembly.

5.6. TERMS AND CONDITIONS OF REDEMPTION

The Company may redeem its own shares based on a decision of the General Assembly of shareholders, taken by a simple majority of votes of the represented shares and in compliance with the legal provisions and procedures. Over a calendar year, the Company may acquire more than three per cent of its own voting shares when the capital is decreased through invalidation of shares and redemption, only under the terms and conditions of a tender offer under Art. 149b of POSA.

Otherwise, the decision of the general assembly shall indicate:

- 1) the minimal number of redeemable shares;
- 2) the terms and conditions under which the board of directors effects the redemption within a definite period to be no longer than 5 years;
- 3) the lowest and the highest redemption price;

The capital of the public company cannot be decreased through compulsory invalidation of shares.

The redemption is governed by the provisions of Art.111, para 5-9 of POSA and the relevant provisions of the Commercial Act.

The public company shall notify the Financial Supervision Commission of the number of its own shares to be redeemed within the 3% limit and the investment intermediary, which is in charge with the order. The notice shall be extended not later than the end of the working day before the redemption day. The Financial Supervision Commission makes such information public through the register of public companies and other issuers of securities, kept by it.

When a public company acquires or transfers its own shares directly or through another person, acting on his/her own name, but of the company's account, the company shall disclose information about the number of votes, related to such shares, under the terms and according to the procedure set out in Art.100ти 100ф of POSA immediately, but not later than 4 working days as of the acquisition or the transfer, when the number of such votes reaches, exceeds or drops below 5 or 10 per cent of the votes. Voting rights are calculated based on the total number of shares incorporating the right to vote.

The decision for redemption shall be registered in the Trade Register.

5.7. TERMS AND CONDITIONS OF CONVERSION

Presently, **ALFA BULGARIA AD** has not issued convertible bonds. The Articles of Incorporation of the Company allows such convertible bonds to be issued in compliance with the provisions of the Commercial Act.

6. DECISIONS, PERMITS AND APPROVALS REQUISITE TO HAVING THE SHARES LISTED ON A REGULATED MARKET

On 16.09.2009, an extraordinary General Assembly of the shareholders of **ALFA BULGARIA AD** passed the following decisions:

- to change the type of the Company's shares from ordinary, materialized, nominal, voting, of 1 (one) BGN par value each, into ordinary, dematerialized nominal, voting, of 1 (one) BGN par value each, and to amend the Articles of Incorporation in correspondence with the change in shares;
- The Company to become publicly traded according to POSA, conditional on and after the Financial Supervision Commission approves the Prospectus for listing of the Company's shares on a regulated market and after the Company is registered into the register of the public companies, kept by the Financial Supervision Commission, as well as to register the Company's shares for trading on Bulgarian Stock Exchange - Sofia AD;

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- to adopt new Articles of Incorporation of the Company, to enter into force after the Financial Supervision Commission approves the Prospectus for listing of the Company's shares on a regulated market, the registration and publication of the Articles of Incorporation of the Company in the Trade Register are completed;
- to assign on and authorize the Board of Directors of the Company to undertake all and any legal and practical actions to put the decision incorporated in the present minutes in effect, as well as to undertake any other decision so as to have the Company's shares listed on a regulated market and the Company to become publicly traded according to POSA, **including but not limited to:** to determine all the terms and conditions in relation to the listing of the Company's shares on a regulated market, to approve and submit for approval by the Financial Supervision Commission the Prospectus for listing of the Company's shares on a regulated market, to publish a notification of the Company's shares being listed on a regulated market and the Prospectus after approved by the Financial Supervision Commission; to register the shares into Central Depository AD; to submit an application for registering the Company as a public company into the register of public companies kept by the Financial Supervision Commission, to register the Company's shares for trading on Bulgarian Stock Exchange - Sofia AD; to sign and submit all and any documents as regards the above;
- to instruct the Executive Director of the Company – Evgeni Ivanov Naydenov, to undertake any legal and practical actions, required in order to put in effect the decisions incorporated in the present minutes, including but not limited to apply for registration and/or publication before the competent authorities of all the circumstances subject to registration and/or promulgation according to the effective legislation, to verify the current Articles of Incorporation of the Company, to sign, submit and receive all and any documents related to the above;

7. IN RESPECT TO NEW EMISSIONS - EXPECTED DATE OF THE EMISSION OF SECURITIES

In order to secure funding for the business of the Issuer, at the beginning of 2010 the Board of Directors of the Company intends to initiate a capital increase of the Company up to 50 000 000 (fifty million) BGN, as a one-off action or in portions, according to the needs of funding over time. Such increase will be completely covered by the funds of the new shareholders of the Company-Issuer.

8. RESTRICTIONS AS REGARDS THE FREE TRANSFERABILITY OF SECURITIES

According to the Articles of Incorporation of **ALFA BULGARIA AD**, adopted by the general assembly of shareholders, held on 16.09.2009, conditioned upon the Company becoming publicly traded, all shares of the Company's capital will form one share class of ordinary, nominal, dematerialized, freely transferable, voting shares. The Articles of Incorporation provides for no limitations as regards the exercise of the rights incorporated in the shares. Shares can be freely transferred between the shareholders and third parties, in compliance with the provision of the Bulgarian legislation. The transfer of shares takes effect as of the registration in Central Depository AD.

After the Prospectus for listing of the shares of ALFA BULGARIA AD is approved, the shares will be register into the register kept by the Financial Supervision Commission, then will be registered for trading on the Bulgarian Stock Exchange. All the shares issued by the Company will be traded on the Bulgarian Stock Exchange.

After the registration for trading on the Bulgarian Stock Exchange is completed, sale and purchases of the shares will be made as on a regulated market (the Bulgarian Stock Exchange) or multilateral system for trading through an investment intermediary, as well as outside the regulated market. The investment intermediary that made the transactions has to comply with the requirements to make the information public and the applicable procedure for this to happen, according to Art. 38, para 4 – 6 of the Markets in Financial Instruments Act (MFIA). The transfer of shares takes effect as of the registration in Central Depository AD.

In order to buy or sell shares on a regulated market (the Bulgarian Stock Exchange), investors need to submit „buy” or „sell” orders to the investment intermediary, whose clients they are. After a transaction is done on a regulated market, the investment intermediary undertakes the required actions to register the transaction in the Central Depository. After the settlement is completed (the transaction is effected), the shares are transferred from the seller's account to the buyer's one.

The transfer of shares outside the regulated market is effected on the basis of a prior securities sale contract directly between the parties. In such a case, the parties to the transaction, in order to proceed the transfer of shares in the Central Depository, shall submit information and documents to a licensed investment intermediary, who is acting as a registration agent. The investment intermediary registers (announces) the transaction to the Bulgarian Stock Exchange as a transaction made outside the regulated market and undertakes the required actions to register the transaction in the Central Depository and its settlement. Likewise, against through an investment intermediary, acting as a registration agent, shares are transferred in case of donations and inheritance.

The transfer of shares takes effect as of the registration in Central Depository AD.

According to Regulation No 38 on the requirements to the activity of investment intermediaries, investment intermediaries are not entitled to execute an order for sale of shares, if the shares are not available on the client's account or are blocked in the depository authority, as well as if they are pledged or under distraint. Therefore, shareholders, who hold pledged or distrained shares or whose shares are otherwise blocked, will not be able to sell

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such shares until recovered.

Transactions in the Company's shares are carried out under the procedure and conditions set out in the Public Offering of Securities Act, the Markets in Financial Instruments Act, Regulation No 38 on the requirements to the activity of investment intermediaries and other regulations for the implementation of POSA and MFIA, the Regulation of the Bulgarian Stock Exchange and the Operational Rules of the Central Depository. For more information regarding the transfer of the shares please refer to the contact persons, indicated at the end of this Document for Offer of Securities, as well as to any investment intermediary.

9. INFORMATION ABOUT PROPOSALS FOR MANDATORY ACQUISITION, MERGER AND/OR RULES OF COMPULSORY REDEMPTION OR SALE OF SECURITIES

Presently, no proposals are made for mandatory acquisition/merger or rules of compulsory redemption and sale as regards the shares, emitted by **ALFA BULGARIA AD**.

10. PROPOSALS BY THIRD PARTIES FOR PUBLIC PURCHASING OF THE CONTROL PACKAGE OF THE SHARE CAPITAL OF THE ISSUER, MADE DURING THE PAST AND THE CURRENT FINANCIAL YEAR – TERMS AND CONDITIONS FOR EXCHANGE

Presently, the Company is not approached with any proposals by third parties to publicly purchase the control package of the share capital.

11. INFORMATION ABOUT WITHHOLDING TAXES ACCORDING TO THE APPLICABLE LEGISLATION IN THE COUNTRY AND ISSUER'S RESPONSIBILITY TO WITHHOLD SUCH TAXES

Income from shares may take the form of a capital profit or a dividend. The capital profit is obtained by a positive difference between the sale and the purchase price of the shares. A dividend is obtainable based on a decision of the competent body of the Company to distribute a part or the whole of the positive financial result for the respective period between its shareholders.

11.1. INCOMES FROM DIVIDENDS

The dividends distributed by **ALFA BULGARIA AD** are taxable under the procedure set out in the provisions of the Corporate Income Tax Act (for legal entities) and IITA (for individuals). According to Art. 12, para 1 of the Corporate Income Tax Act, the profit and the income of foreign legal entities, obtained from business through a place of business in the country or from disposition of property of such place of business, shall be considered originating from the country. Pursuant to Art.12, para 2 of the Corporate Income Tax Act, incomes from financial assets, issued by local legal entities, the state and the municipalities originate from the country. Pursuant to Art.12, para 4 of the Corporate Income Tax Act incomes from dividends and dissolution quotas from participation in local legal entities are considered originating from the country.

A) Legal Entities

- **Local legal entities** – According to the Corporate Income Tax Act, income from dividend is not taxable. According to the provision of Art. 27, para 1, item 1 of the Corporate Income Tax Act incomes resulting from distribution of dividends by local legal entities and by foreign persons, who are local persons for tax purposes of an EU member state, or of another state of the European Economic Area Agreement are not acknowledged for tax purposes. Therefore, the income the Company distributes in favour of local legal entities, shall not be included in the accounting result for tax purposes;
- **Foreign legal entities** – according to Art. 194 of the Corporate Income Tax Act withholding tax shall be charged on dividends and dissolution quota, distributed by local legal entities in favour of foreign legal entities, except the cases when the dividends are gained by a foreign legal entity through a place of business in the country;
- According to Art. 194 of the Corporate Income Tax Act incomes from dividends gained by local legal entities, which are not businesses, including municipalities, are also subject to withholding tax;
- the tax is final and is withheld by local legal entities, which distribute dividends or dissolution quotas;
- dividends and dissolution quota are not subject to withholding tax if distributed in favour of:
 - a) a local legal entity, taking a part in the Company's capital as a representative of the state;
 - b) a trust fund;
 - c) a foreign legal entity, which is deemed a local person for taxation purposes of EU member state, or another state that is a party to the European Economic Area Agreement.

The tax rate on such incomes according to Art. 200, para 1 of the Corporate Income Tax Act is fixed at 5 %.

B) Individuals

- **Local and foreign individuals** – according to Art. 38, para 1 of IITA incomes from dividends and dissolution quotas paid up in favour of local or foreign individuals from a source in Bulgaria shall be subject to a final tax;
- The final tax on incomes from dividends is determined based on the gross amount, fixed in the decision for

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distribution of the dividend; the final tax on incomes from dissolution quotas is determined based on the positive difference between the value of the dissolution quota and the acquisition price of the share in the Company, supported by documentary evidence;

- The tax rate on such revenues according to Art. 46, para 3 of IITA is fixed at 5%.

11.2. CAPITAL PROFIT

Incomes from transactions in securities (capital profit gains) are taxable in compliance with the provision of Corporate Income Tax Act (for legal entities) and IITA (for individuals).

According to Art. 196 of the Corporate Income Tax Act in connection with § 1, item 21 of the supplementary provisions of the Corporate Income Tax Act withholding tax is not charged on incomes from dispositions in financial instruments, as follows:

- a) Transactions in stakes in collective investment schemes, shares and rights, made on a regulated market in the sense of Art. 73 of the Markets in Financial Instruments Act; "rights" for the purposes of sentence one shall mean securities incorporating the right to subscribe for a certain number of shares in relation to a decision for a capital increase;
- b) made under the terms and according to the procedure set out in a redemption of collective investment schemes, listed for public offering domestically or in another EU member state, or in a state that is a party to the European Economic Area Agreement;
- c) Made under the terms and according to the procedure set out in a tender offer under Chapter eleven, section II of the Public Offering of Securities Act, or analogical transactions in another EU member state, or in a state, that is a party to the European Economic Area Agreement.

A) Legal Entities

- **Local legal entities** – according to Art. 44 of the Corporate Income Tax Act, when financial instruments are disposed of on a regulated Bulgarian stock market, for the purposes of taxable financial result determination, the accounting financial result of local legal entities is reduced with the profit from the disposition of the financial instruments, determined as a positive difference between the sale price and the documentarily proved acquisition price of these financial instruments, and is increased with the loss from the disposition of the financial instruments, determined as a negative difference between the sale price and the documentary proved acquisition price of these financial instruments. Incomes of local legal entities, gained in transactions in the Company's shares, when made on a regulated stock market, are not taxable;
- **Foreign legal entities** – according to Art. 195 of the Corporate Income Tax Act incomes of foreign legal entities originating from the country, as referred to in Art. 12, paras 2, 3, 5 and 8, which are not obtained through a place of business in the country, shall be subject to withholding tax, which is final. According to Art. 196, incomes from disposition of financial instruments in the sense of § 1, item 21 of the Supplementary Provisions of the Corporate Income Tax Act, which are traded on a regulated market are not subject to withholding tax. The tax basis on which the withholding tax is determined for incomes of foreign persons gained through disposition of financial assets, is the positive difference between the sale price and the documentarily proved acquisition price thereof.
- The tax rate on such incomes according to Art. 200, para 2 of the Corporate Income Tax Act is fixed at 10%.

B) Individuals

- **Local individuals** - according to Art. 13, para 1, item 3 of IITA incomes from disposition of financial instruments in the sense of § 1, item 11 of the Supplementary Provisions IITA, that are traded on a regulated market are not subject to withholding tax. Disposition of financial instruments in the sense of IITA means the following transactions:
 - a) In stakes of collective investment schemes, shares and rights, made on a regulated market in the sense of Art. 73 of the Markets in Financial Instruments Act; for the purposes of sentence one, rights mean securities incorporating the right to subscribe for a certain number of shares in connection with a decision for increase of capital;
 - b) made under the terms and conditions and according to the procedure set out in redemption of collective investment schemes, listed for public offering domestically or in another EU member state, or in a state that is a party to the European Economic Area Agreement;
 - c) Made under the terms and conditions and according to the procedure set out in a tender offer under Chapter eleven, section II of the Public Offering of Securities Act, or similar transactions in another EU member state, or in a state, that is a party to the European Economic Area Agreement.
- According to Art. 13, para 1, item 4 of IITA, profits distributed as new stakes and shares or another source of equity capital in commercial companies, as well as distributed profits or another source of equity capital in the form of an increase of par value of existing stakes and shares, are not taxable either;
- **foreign individuals** – according to Art. 37, para 1, item 12 of IITA, final tax is charged on incomes from sale, exchange and another paid transfer of shares, stakes, compensatory instruments, investment stocks and other

financial assets, when originating from the country, charged/paid in favour of foreign individuals, if not obtained through a determined place in the country;

- According to Art. 37, para 7 of IITA, final tax is not charged on incomes from sale, exchange and other kind of paid transfer of shares, stakes, compensatory instruments, investment stocks and other financial assets, when charged/paid in favour of foreign individuals established for taxation purposes in an EU member state or in another state of the European Economic Area;
- The rate of the final tax according to Art. 46, para 1 of IITA is fixed at 10%.

11.3. CURRENCY LEGISLATION

The Currency Act and the associated by-laws, effective at the time when the present document was drawn up, govern transactions and payments between local and foreign persons, transborder transfers and payments, as well as import and export of BGN and foreign currency.

The currency control is performed on the basis of the Currency Act and Regulation No 10/16.12.2003 on the export and import of BGN and foreign currency in kind, precious metals and precious stones and products made with and out of them and on the organization of the customs registers under Art. 10a of the Currency Act and through the direct application of Regulation (EO)1889/2005 concerning export and import of cash. The regulation provides for the legal regime of foreign persons investing in shares.

According to the provision of Regulation 1889/2005 (introduced also by Regulation No 10 of 16.12.2003), local and foreign individuals are able to import and export unlimited quantities of BGN and foreign currency in cash, in compliance with the requirements set out in the above regulations, namely:

- for imports and exports of amounts higher than 10,000 Euro or equivalent in foreign currency in cash, the individual shall declare the amount before the customs authorities, indicating the owner of money and the receiver, to whom money is addressed, the value and kind, origin and purpose, as well as the means of transport and the itinerary;
- For exports of amounts, exceeding 25,000 BGN or equivalent in foreign currency in cash, local and foreign individuals shall present to the customs authorities a certificate by the respective territorial division of the National Revenue Office certifying that no outstanding obligations are present. Such a declaration is not required for foreign persons, who export cash not exceeding the amount of imported cash, declared before the Bulgarian customs authorities at their last entry in the Republic of Bulgaria;
- Bank transfers and payments abroad are effected only after the reason of transfer is declared before the respective commercial bank. Anyone who makes a transfer or payment in currency to outside Bulgaria, the value of which exceeds 25 000 BGN, shall submit to the bank information and documents indicated in Regulation No 28 on the information, collected by the banks in transborder transfers and payments;
- foreign person, who want to effect a transfer to outside Bulgaria, the equivalent of which exceeds 25,000 BGN, and which is deemed to be an income from foreign investment realized in the country or from discontinuation of such an investment, shall submit to the bank documents, certifying that the investment has been made, discontinued, respectively, and all due taxes have been paid – a requirement of Regulation No 28 on the information collected by the banks in transborder transfers and payments;

11.4. INDICATION OF WHETHER THE ISSUER TAKES THE RESPONSIBILITY TO WITHHOLD THE WITHHOLDING TAX

ALFA BULGARIA AD takes the responsibility to withhold the respective withholding taxes.

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V. TERMS AND CONDITIONS OF THE OFFERING

1. CONDITIONS, STATISTICAL DATA ABOUT THE OFFERING, EXPECTED SCHEDULE AND ACTIONS TO BE TAKEN IN THE COURSE OF APPLICATION FOR THE OFFERING

1.1. TERMS AND CONDITIONS OF THE OFFERING

The application for listing on a regulated market of securities is based on the decision made by the extraordinary GAS, held on 16.09.2009

After the present Prospectus is approved and the emission of shares is entered into the register of the Financial Supervision Commission, the authorized investment intermediary – BETA CORP AD, will submit an application to the Bulgarian Stock Exchange for listing of all shares issued by **ALFA BULGARIA AD** for trading on the stock exchange. The trading will be allowed as of the date indicated by the Board of Directors of the Bulgarian Stock Exchange, after the emission of the Company's shares is registered.

The registration of the shares for trading on the stock exchange allows the shareholders of **ALFA BULGARIA AD** to offer any shares held by them for sale on the stock exchange, through a licensed investment intermediary. All the same, the shareholders and the investors will be able to buy on the stock exchange, through a licensed investment intermediary, the Company's shares, which are offered for sale (see also Information about the offered shares – Procedure for transfer of shares”).

Investors and shareholders, interested in buying and selling shares of **ALFA BULGARIA AD** are encouraged to refer to a licensed investment intermediary of their choice.

1.2. TOTAL VOLUME OF THE EMISSION/OFFERING, DIFFERENTIATION BETWEEN THE SECURITIES OFFERED FOR SALE AND FOR UNDERWRITING - CONDITIONS AND PARTICULARITIES

For all 50 000 (fifty thousand) ordinary, nominal, dematerialized shares of par value of 1 (one) BGN each, issued by the Company by the date of the present document, will be sought listing on the Bulgarian Stock Exchange.

None of the shareholders of **ALFA BULGARIA AD** has assumed the obligation neither has announced to be willing to sell or offer for sale on the stock exchange a certain number of the Company's shares, at a particular moment.

The particular number of shares to be offered for trading on the stock exchange, as well as the time when the shares will be offered for trading depends on their holders' discretion.

Furthermore, the Company is unable to guarantee sufficient investors' demand and an active and liquid stock exchange market for its shares.

1.3. THE PERIOD, INCLUDING ANY POTENTIAL CHANGES, IN WHICH THE OFFERING WILL BE OPENED AND APPLICATION PROCESS

With the act of approval of this Prospectus, the Financial Supervision Commission will enter the shares of the capital of **ALFA BULGARIA AD**, into the register it keeps under Art. 30, para 1, item 3 of FSCA, in order to list the shares on a regulated market, and will enter **ALFA BULGARIA AD** into the register of the public companies, respectively

The initial date on which shares will start being traded on a regulated market is determined by the Board of Directors of the Bulgarian Stock Exchange, after having received the application for the listing of the shares of **ALFA BULGARIA AD** for trading on an unofficial market. As of the starting date, set out according to the procedure under the previous sentence, anyone, who holds Company's shares will be able to sell its shares, and every investor will be able to submit "buy" orders to the Bulgarian Stock Exchange, through a licensed investment intermediary. Trading in the shares of **ALFA BULGARIA AD** is not limited in time (final date).

Investors submit orders for transactions in the Company's shares in person, through their legal representatives or through a special authorized proxy supplied with a notarized power of attorney. Orders for transactions in the Company's shares on a regulated market can be submitted but to a licensed investment intermediary. Transactions in the Company's shares on a regulated market are made based on a contract in writing with the licensed investment intermediary and submitted orders containing the legally determined requisites.

When a contract is made and orders are submitted by a client, its legal representative or a proxy produces proves identity before an official of the investment intermediary through an ID document and the following documents:

- As regards legal entities – an original or a notarized copy of a certificate of current status of the registration of the legal entities in the Trade Register or translated and formalized documents of registration for foreign legal entities, which contain the name of the legal entities, the date of issue, the state and place of registration, address of the legal entities, names of authorized representatives; for Bulgarian legal entities, this documents shall be also verified by the legal representative and submitted together with a copy of the ID card of the Company's representative.
- When an order is submitted through a proxy, an specific notarized power of attorney shall be present for sale and purchase or sale of financial instruments.

As regards the way clients prove identity before an investment intermediary, it should be noted that, the different investment intermediaries might require other documents in compliance of their own rules. When

accepting the order for transactions in financial instruments, the investment intermediary controls if they are submitted in compliance with the regulative requirements. In case the control referred to in the previous sentence finds the set requirements are complied with, the investment intermediary executes the orders by entering them for execution in the trading system of the Bulgarian Stock Exchange.

There are various types of transaction orders (purchase or sale) for shares.

From practical point of view, the differentiation of the orders, namely limit, market and market to limit, is the most important one for investors.

According to the Operational rules of the Bulgarian Stock Exchange - Sofia AD, Part IV „Trading Rules“:

- „Limit orders“ instruct the broker to buy or sell a particular quantity of financial instruments at a marginal price fixed by investors;
- „Market orders“ instruct the broker to buy or sell a particular quantity of financial instruments at the best price prevailing at the exchange market when entered into the trading system of the stock exchange. Market orders are executed at a price determined by the existing counter orders where investors determine either the total value of the order in BGN or the quantity of financial instruments to be sold or purchased;
- „Market to limit orders“ is market orders, which are satisfied at the price of the best counter limit order. If no such price is available at the moment of entry or only counter market orders are active, the „market to limit“ order is excluded from the system of the stock exchange.

Information about prices and volume of transactions in shares of ALFA **BULGARIA AD**, made on the stock exchange, about prices and volume of demand and supply of the shares and other investment information is available for shareholders and investors through the licensed investment intermediaries. Such information is also obtainable through the Bulletin of the Bulgarian Stock Exchange, the website of the Bulgarian Stock Exchange (www.bse-sofia.bg), through specialized electronic addresses for financial and investment information, the financial press and similar sources.

1.4. CIRCUMSTANCES UNDER WHICH THE LISTING ON A REGULATED MARKET CAN BE CANCELLED OR TEMPORARILY SUSPENDED AND DEROGATION CONDITIONS AFTER TRANSACTIONS ARE PUT IN EFFECT

The Company will become publicly traded based on the decision taken by the extraordinary GAS, held on 16.09.2009.

After the shares of the Company's capital are entered into the registers of the Financial Supervision Commission, they will be requested listing on the Bulgarian Stock Exchange. The shares will not be listed on a regulated market if the Financial Supervision Commission decides to decline the present Prospectus, as well as if the BoD of the Bulgarian Stock Exchange refuses to list the shares on the unofficial market.

After the date of listing on the Bulgarian Stock Exchange, trading can be cancelled or suspended in compliance with the regulations and under the terms and conditions set out in POSA, MFIA, CFIMA and the Regulation of the Bulgarian Stock Exchange.

The public offering of the Company's shares can be cancelled or suspended under the condition and according to the procedure set out in Art. 212, para 1, item 4 of POSA, namely if the Financial Supervision Commission finds that subordinates, employees, persons that are contracted to render management services or enter into transactions on behalf of subordinates, as well as persons, holding 10 or more than 10 per cent of the votes in the general assembly of subordinates, have performed or are performing activity contrary to the provisions of the Public Offering of Securities Act, its associated by-laws, the decisions of the Financial Supervision Commission or the deputy chairperson, as well as if the control activity of the Commission or its deputy chairperson is obstructed or investors' interests are exposed at risk. In such a case, the Commission, the deputy chairperson, respectively, is entitled to impose a compulsory administrative measure to suspend trading for a period of 10 consecutive working days or to definitely stop the sale or transactions in such securities.

The deputy chairperson of the Financial Supervision Commission, who is managing Investment Activity Supervision Directorate, is entitled to impose a compulsory administrative measure and to stop the trading in specific financial instruments under the conditions and according to the procedure set out in Art. 37, para 1, item 2 of the Combating Financial Instruments Misusing Act (CFIMA), namely to prevent or discontinue any administrative infringements under CFIMA such as use or trading in internal information and manipulation of the market in financial instruments, to prevent and eliminate any harmful consequences of such actions, as well as in cases when the Commission or the deputy chairperson is obstructed to perform control, or in case investors' interests are exposed at risk.

According to Art. 91 of MFIA the market operator (the Bulgarian Stock Exchange) is entitled to stop the trading in financial instruments or to expel from trading any financial instruments that are incompliant with the requirements set out in the operational rules of the regulated market, if this will not prejudice investors' interest and the proper functioning of the market. The market operator announces publicly the decision to suspend the trading in financial instruments or to withdraw financial instruments from trading and notifies the Commission. The Commission forwards the information referred to in sentence one above to the competent authorities of the other member states.

The Issuer does not foresee any circumstances, except the legally established ones, under which the listing, trading

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in securities, respectively, can be cancelled or temporarily suspended.

1.5. OPTIONS TO REDUCE THE UNDERWRITING AND REIMBURSEMENT PROCEDURE FOR OVERPAID AMOUNTS

Listing on a regulated market will be requested for all shares of the Company.

After the shares of **ALFA BULGARIA AD** are listed on a regulated market, the volume of supply will depend completely on the supply by the present shareholders.

1.6. THE LOWEST AND/OR THE HIGHEST VALUE APPLIED FOR (NUMBER OR TOTAL AMOUNT)

Price limitations applied to trading on a regulated market are determined in compliance with the rules laid down by the Regulation of the Bulgarian Stock Exchange. Trading price for the Company's shares on an unofficial market is determined upon the volume of supply by the part of the present shareholders and interests of potential investors.

1.7. THE PERIOD, IN WHICH THE APPLICATION FOR OFFERING CAN BE REVOKED, UPON THE CONDITION THAT INVESTORS ARE ALLOWED TO REVOKE ORDERS

The terms and conditions for revoking a purchase/ sale order for shares on a regulated market, are regulated in the Regulation of the Bulgarian Stock Exchange. When securities are traded on a regulated market, every investor may revoke a purchase/ sale order for shares submitted to an investment intermediary, at any time and to the extent of the unexecuted part of the order. The investors shall however take any shares purchased before the order is revoked.

1.8. PROCEDURE AND DEADLINES FOR PAYING FOR SECURITIES AND DELIVERY OF SECURITIES

Secondary trading in the Company's shares will be carried out in compliance with the provisions of the Markets in Financial Instruments Act, Regulation No 38 on the requirements to the activity of investment intermediaries, rules and operational procedures of the Bulgarian Stock Exchange and the Central Depository.

1.8.1. METHOD AND DEADLINE OF PAYMENT

When submitting a purchase order for the shares of **ALFA BULGARIA AD**, after the latter is listed on a unofficial market, and in compliance with Art. 40, para 1 of Regulation No 38 on the requirements to the activity of investment intermediaries, the client has to provide the investment intermediary with money to effect payment under the transaction or otherwise produce evidence to the intermediary for being able to perform his/her obligation to pay. Subscribed shares will be paid for through a bank transfer or in cash. The payment effected is verified by a payment document, which shall contain at least the following information:

- The name/Company of the investor or the name of the investment intermediary, acting on behalf of the investor;
- The total number of purchased shares;
- Other information, as per the applied practices of the individual investment intermediaries.

1.8.2. TRANSFER OF AMOUNTS FOR SOLD SHARES TO THE CLIENT'S (SELLER'S) ACCOUNT

Central Depository AD debits the account of the investment intermediary of the buyer and credits the account of the investment intermediary of the seller, with the amounts due for the purchased shares within the deadline and following the procedure set out in the Regulation of the Central Depository for closing transactions in securities, made on a regulated market.

1.8.3. PROCEDURE FOR RECEIVING CERTIFICATES (DEPOSITORY RECEIPTS)

Upon the request of the holders of shares, Central Depository AD issues a certificate (depository slip) for the securities held by them, through an investment intermediary – member of the Central Depository. The depository slip may be received in person by the shareholder or by a proxy, supplied with a notarized authorization, at the address of the investment intermediary, through which the request is submitted. It should be noted that after the depository slip is available and in order to be able to carry out transactions in shares after the latter are listed on the floor of the Bulgarian Stock Exchange, shares have to be transferred to the client's sub-account kept by the investment intermediary – member of Central Depository AD.

1.9. DESCRIPTION OF THE PROCEDURE AND THE DATE, ON WHICH THE OFFERING RESULTS WILL BE PUBLISHED

Secondary trading is a continuous process to which the publication of results is not applicable.

1.10. PROCEDURE FOR PUTTING IN EFFECT THE RIGHT OF PRIORITY BUYING, TRANSFERABILITY OF RIGHTS UNDER THE UNDERWRITING AND TREATMENT OF UNUSED RIGHTS UNDER THE UNDERWRITING

The shares of **ALFA BULGARIA AD** are listed on a regulated market without any preferences for any investors to purchase shares with priority to other investors.

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2. PLACEMENT PLAN AND ALLOTMENT OF SHARES

2.1. VARIOUS CATEGORIES OF POTENTIAL INVESTORS TO BE OFFERED SECURITIES. ALLOTMENT TRanches AND LISTING ON MARKETS OF TWO OR MORE COUNTRIES

After the Financial Supervision Commission approves the document for the offered securities, along with the other parts of the Prospectus, and the shares of ALFA BULGARIA AD are listed on a regulated market, any investor, on equal footing, will be able to participate in trading in the shares on the unofficial market of the Bulgarian Stock Exchange.

2.2. STATEMENT REGARDING IF THE MAJOR SHAREHOLDERS OR THE MEMBERS OF THE MANAGING, SUPERVISORY OR ADMINISTRATIVE BODIES OF THE ISSUER INTEND TO ACQUIRE SOME OF THE OFFERED SECURITIES OR IF ANOTHER PERSON INTENDS TO ACQUIRE MORE THAN 5 PER CENT OF THE OFFERED SECURITIES, AS FAR AS SUCH INFORMATION IS KNOWN TO THE ISSUER

By the date of the present document, no intentions are known of the majority shareholder, of other shareholders or members of the managing body of the Issuer to acquire the traded securities. No information is available of anybody intending to acquire more than 5 per cent of the securities traded on a regulated market.

2.3. ANNOUNCING PROVISIONAL ALLOTMENT

If the shares of ALFA BULGARIA AD are listed on a regulated market, provisional allotment of shares is impossible. The Company's shares are acquirable also by interested investors based on a transaction made on the Bulgarian Stock Exchange, through a licensed investment intermediary.

2.4. PROCESS OF NOTIFICATION TO APPLICANTS OF ALLOCATED AMOUNT AND INDICATION IF TRADING CAN START BEFORE SUCH NOTIFICATION

After the Company's shares are registered for trading on the Bulgarian Stock Exchange, they will be available on the stock market through any licensed investment intermediary. After the purchase transaction is done on behalf of an investor, the payment for securities will be effected according to the terms and conditions of the chosen investment intermediary and in compliance with the standard procedures for settlement of stock exchange transactions, "Delivery against Payment" type, through the Central Depository. After the transactions are registered into the Bulgarian Stock Exchange and the settlement is completed, the Central Depository verifies the client's sub-account of the investors - buyers with the purchased shares. Certificates for ownership of securities of the Company's capital can be requested from the Central Depository.

2.5. UNDERWRITING IN EXCESS AND "GREENSHOE" OPTION FOR UNDERWRITING IN EXCESS – PRESENCE, SIZE, PERIOD AND CONDITIONS

No arrangements for underwriting, subscription and "greenshoe" option for underwriting in excess are applicable to trading of the shares of this emission on a regulated market.

3. PRICING

3.1. OFFER PRICE

The price at which ALFA BULGARIA AD is going to offer shares at the beginning of trading (the introduction prices at the Bulgarian Stock Exchange) will be equal to the par value and will be 1 /one/ BGN per share.

Any further developments of price of the shares of the present emission will be determined by the market dynamics and the structure of demand and supply of securities, as well as by the assessment the Company will receive by the market players and, respectively, their interest in shares of the capital of ALFA BULGARIA AD. Shareholders and investors are the one to determine the price at which they want to sell or buy the Company's shares. Investment intermediaries that receive buy and sale orders for the shares, will inform shareholders and investors of the types of acceptable orders, price levels of active orders and transactions made, as well as for transaction costs (charges and commission fees). Investors and shareholders shall bear the charges and commission fees for the investment intermediary, a member of the Bulgarian Stock Exchange, settlement bodies, the Bulgarian Stock Exchange - Sofia AD, Central Depository AD, associated with the purchase of the shares of ALFA BULGARIA AD.

3.2. OFFER PRICE ANNOUNCEMENT PROCEDURE

After the securities of the Issuer are registered for trading on a unofficial market of the Bulgarian Stock Exchange, the price at which an investor would buy shares of ALFA BULGARIA AD will be determined by the market dynamics and the structure of demand and supply of securities.

Shareholders and investors are able to obtain information about prices and volume of transactions made on the stock exchange in the shares of ALFA BULGARIA AD, about prices and volume of demand and supply of the shares and other investment information from the licensed investment intermediaries. Such an information is also obtainable from the Bulletin of the Bulgarian Stock Exchange, from the Website of the Bulgarian Stock Exchange (www.bse-sofia.bg), from specialized electronic addresses for financial and investment information, from the financial press and similar sources.

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3.3. RIGHTS OF THE CURRENT SHAREHOLDERS, LIMITATION OR DEROGATION OF SUCH RIGHTS AND CAUSES THEREOF

This Prospectus aims at having the shares of ALFA BULGARIA AD listed on a regulated market. Therefore, the present shareholders are not allowed to profit from rights for buying shares preferentially compared to other investors. The shareholders of ALFA BULGARIA AD can buy the Company's shares on the Bulgarian Stock Exchange at conditions equal to those for other investors.

3.4. CONSIDERABLE DIFFERENCE BETWEEN THE OFFER PRICE OF SECURITIES AND THE PRICE AT WHICH THE MEMBERS OF THE MANAGING AND CONTROLLING BODIES PAID OVER THE PREVIOUS YEAR OR AT WHICH THEY ARE ENTITLED TO ACQUIRE SHARES

There is no difference between the offer price of the shares in the present emission and the price at which the members of the managing and controlling bodies or the top management or related persons have paid for shares of the Issuer.

4. PLACEMENT AND UNDERWRITING

4.1. INFORMATION ABOUT OFFERING COORDINATORS

The application for listing on a regulated market will refer to only the territory of the Republic of Bulgaria. BETA CORP AD, Investment Intermediary, with headquarters and registered address at 1, Bulgaria Square, floor 4, Triaditza District, Sofia 1414, is the investment intermediary, authorized to draw up the Prospectus for listing on a regulated market of the shares of the capital of ALFA BULGARIA AD and to undertake the subsequent registrations of the Company and of this emission of shares with the Financial Supervision Commission and for trading on the Bulgarian Stock Exchange.

4.2. INFORMATION ABOUT ALL PAYMENT AGENTS AND DEPOSITORY AGENTS

A) Depository authority for money in cash.

After the shares of the Issuer are listed on Bulgarian Stock Exchange - Sofia AD, investors will be able to submit orders and make transactions in the Company's shares, through a licensed investment intermediary. The law obliges investment intermediaries to keep amounts in cash of their clients in a depository authority, in the sense of Art. 34, para 3 of the Markets in Financial Instruments Act. The investment intermediary, after having entered into client's relations, informs the clients which is the depository authority to keep the client's cash, given or received in connection with a submitted order for transaction in the Company's shares. Every client who submits a sale order on its own, indicates, upon entering into a contract with the investment intermediary, the bank and the bank account to which the sale price is to be transferred.

B) Depository authority for financial instruments.

Depository authority for the shares of ALFA BULGARIA AD is Central Depository AD, with registered address at 10, Tri Ushi Str., fl. 4, Sofia.

4.3. INFORMATION ABOUT THE PERSONS WHO AGREE TO UNDERWRITE FOR THE EMISSION BASED ON A FIRM COMMITMENT. INFORMATION ABOUT THE PERSONS WHO AGREE TO PLACE THE EMISSION. INFORMATION ABOUT THE TERMS AND CONDITIONS APPLICABLE TO UNDERWRITING AND FOR THE TERMS AND CONDITIONS APPLICABLE TO PLACEMENT.

No persons are authorized to underwrite for or guarantee the shares of ALFA BULGARIA AD, which are to be listed on a regulated market.

4.4. WHEN AND WHETHER A UNDERWRITING AGREEMENT IS TO BE MADE

This document for securities is drawn up in connection with the listing of the shares of ALFA BULGARIA AD. There is no underwriting agreement for the emission to be listed. BETA CORP AD, Investment Intermediary, is not obliged to act as a underwriter for the offered shares.

VI. LISTING AND TRADING ARRANGEMENTS

1. INDICATION IF AN APPLICATION IS TO BE SUBMITTED FOR THE SECURITIES TO BE LISTED ON A REGULATED MARKET. INDICATION OF THE MARKET IN QUESTION

The present Prospectus aims at making **ALFA BULGARIA AD** publicly traded and the Company's shares listed on a regulated market. The Company becomes publicly traded as of the decision of the Financial Supervision Commission to register the emission of shares for trading on a regulated market.

If the Financial Supervision Commission approves this Prospectus for listing of the shares of **ALFA BULGARIA AD**, the Investment Intermediary **BETA CORP AD** will submit an application for registration of the emission of shares on a regulated market. The Board of Directors of the Bulgarian Stock Exchange shall hold a session to decide whether to list the securities on a regulated market.

The indicated date is provisional and determined in line with the legal time periods, set out in the Public Offering of Securities Act, the Regulation of the Bulgarian Stock Exchange and the Regulation of Central Depository AD.

The listing on a regulated market will be requested only for the territory of the Republic of Bulgaria.

The shares of **ALFA BULGARIA AD** may not be listed if the Financial Supervision Commission declines the Prospectus for listing of the Company's shares on a regulated market or Bulgarian Stock Exchange - Sofia AD refuses registration of the shares for trading on an unofficial market.

2. REGULATED OR EQUIVALENT MARKETS, ON WHICH SECURITIES OF THE SAME CLASS HAVE ALREADY BEEN LISTED

By the date of the present document, the shares of **ALFA BULGARIA AD** are not listed on a regulated market. After the Financial Supervision Commission approves the Prospectus for public offering of the Company's shares, **BETA CORP AD**, Investment Intermediary, will submit an application to register the emission on the Bulgarian Stock Exchange.

3. INFORMATION ABOUT PUBLIC OR PRIVATE PLACEMENT OF THE SAME OR ANOTHER CLASS OF SHARES/SECURITIES OF THE ISSUER AT A TIME

There are no shares of the same class, which are underwritten for or placed privately, neither securities of another class for public or private placement.

4. INFORMATION ABOUT PERSONS WHO HAVE UNDERTAKEN A FIRM COMMITMENT TO ACT AS INTERMEDIARIES ON THE SECONDARY MARKET, PROVIDING LIQUIDITY, THROUGH DEMAND AND SUPPLY PRICES

There are no contracts between the Company – Issuer and investment intermediaries to secure liquidity.

5. STABILIZATION

ALFA BULGARIA AD offers the total number of the Company's shares for listing on a regulated market and is unable to exceed the number of the Company's shares, neither has it proposals to undertake actions for price stabilization.

ALFA BULGARIA AD
DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

VII. SELLING HOLDERS OF SECURITIES

1. INFORMATION ABOUT THE OFFERER OF SECURITIES

All the present shares of ALFA **BULGARIA AD** will be offered for trading on a regulated market of securities. The precise number and time of transactions in the Company's shares will depend on shareholders' discretion, investors' interest and the current market values of the Company's shares.

2. NUMBER AND CLASS OF SECURITIES OFFERED BY EACH OFFERER

The present shareholders of ALFA **BULGARIA AD** are as follows: **M AND S PROJECTS EOOD**, Unified ID code **131431850**, with headquarters and registered address at 8, Adriana Budevskva Str., fl. 4, ap. 14, Triaditza District, Sofia 1463, holder of 99,998 per cent of the Company's capital and **MILEN HRISTOV TODOROV**, National ID 7104295800, ID card No 107704241, issued on 27.08.2004 by the Ministry of Interior - Bourgas, residing in Lazur residential complex, bl. 5, entr. 4, fl. 6, ap. 8, Bourgas, holder of 0,002 per cent of the Company's capital.

M AND S PROJECTS EOOD and **MILEN HRISTOV TODOROV** are not members of the Board of Directors of ALFA **BULGARIA AD**.

By the date of this document, the present shareholders of ALFA **BULGARIA AD** have not assumed a firm commitment to sell a part of the existing shares.

3. CAPITAL FREEZE AGREEMENTS

By the date of this document, there are no capital freeze agreements.

ALFA BULGARIA AD
DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

VIII. COSTS MADE BY THE ISSUER OF SECURITIES

The table below shows the main expenses directly related to the listing of the shares of the Company's capital to trading. The expenses related to the general business of the Company or to more than one emission of securities are excluded from the table.

All the expenses listed below are on the Company's account.

The expenses related to the listing of the shares to trading on the Bulgarian Stock Exchange - Sofia AD are presented in the following table :

N o	Charges and Commission Fees	One- off (BGN)	Annua l (BGN)	Total for the first year
1.	Issuance of ISIN by <i>Central Depository AD</i>	72	-	72
2.	Registration of the emission of shares in <i>Central Depository AD</i>	150	-	150
3.	Depository receipts /title accounts/	0	-	0
4.	Charge for the approval of the Prospectus	600	-	600
5.	Annual supervision charge by the Financial Supervision Commission	-	300	300
6.	Issuance of a certificate by the Central Depository for the registration on the Bulgarian Stock Exchange - Sofia AD	60	-	60
7.	Registration of the emission on the Bulgarian Stock Exchange	1 200	-	1200
8.	Remuneration of the investment intermediary	6000	-	6000
9.	Remuneration of the legal consultant	978	-	978
	Total:	9060	300	9360

The above costs amount to 0.1872 BGN per share and are entirely borne by **ALFA BULGARIA AD**. Investors are to take the costs associated with the transactions in shares on a regulated market, including commission fees of the investment intermediary and other charges, outside the intermediary's commission fee (*charges of Bulgarian Stock Exchange - Sofia AD and Central Depository AD*).

IX. SPINNING OUT (REDUCING) THE VALUE OF SHARES

Under the terms of listing of shares on a regulated market, spinning of the ownership of the present shareholders is not applicable, for trading conditions for all investors will be the same and the price of the transactions will depend on the will of market players, who will impart a market value to the Company.

ALFA BULGARIA AD
DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

X. ADDITIONAL INFORMATION

1. INFORMATION ABOUT INDICATED CONSULTANTS

This document for offered shares of ALFA **BULGARIA AD** contains no statement, reports or other expert positions regarding the offered securities, except those of the experts who have drawn up the Prospectus.

2. OTHER AUDITED INFORMATION

This document for securities contains no other information, except the information from the interim audited financial report by 30.09.2009, which information is audited or reviewed by legally appointed auditors.
This document for securities contains no information, supplied by third parties.

3. INFORMATION ABOUT THE EXPERTS WHO PREPARED A REPORT, STATEMENT OR POSITION

This document as well as any other part of the Prospectus of ALFA **BULGARIA AD** contains no statement, reports or positions by experts, therefore, the requirement concerning information about such persons is not applicable.

4. INFORMATION ABOUT THIRD PARTIES

This document for offered securities, as well as the whole Prospectus are not based on any other information, including statements, reports or positions, prepared by third parties, therefore, the requirement concerning information about third parties is not applicable.

5. SOURCES OF ADDITIONAL INFORMATION

This document for share offering, as well as the Document of registration and the Summary, which are parts of the Prospectus for listing on a regulated market of shares of ALFA **BULGARIA AD**, as well as any additional information about **ALFA BULGARIA AD** and about the publicly offered securities are available for the investors through:

ALFA BULGARIA AD

DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

a) Issuer's Office:

Sredetz District, Sredetz District, 130, Georgi Sava Rakovski Str., fl. 1, ap.4

CONTACT PERSON: Evgeni Ivanov Naydenov

TEL. +359 (02) 815 75 10

FAX: +359 (02) 981 69 64

E-MAIL: office@alphabulgaria.com

b) Investment Intermediary's Office:

Beta Corp AD, Investment Intermediary

Address: 1, Bulgaria Square, floor 4, Sofia 1414, Triaditza District

CONTACT PERSON: Tihomir Ivanov Kaundjiev

TEL. +359 (02) 986-66-83

FAX: +359 (02) 986-55-66

E-MAIL: investmentbanking@beta-corp.com

c) Bulgarian Stock Exchange - Sofia AD

SOFIA

10, TRI USHI STR.

TEL: +359 (02) 937 09 34

FAX: +359 (02) 937 09 46

E-MAIL: BSE@BSE-SOFIA.BG

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The present Document for share offering was prepared by:

Tihomir Ivanov Kaundjiev

Investment consultant with Investment Banking Department of Beta Corp, Investment Intermediary

Georgi Ivanov Bulgarski

Investment consultant with Investment Banking Department of Beta Corp, Investment Intermediary

Kostadinka Yordanova Deleva

Consultant, attorney-at-law at GUGUSHEV & PARTNERS EOOD

ALFA BULGARIA AD

DOCUMENT FORMING A PART OF THE PROSPECTUS FOR OFFER OF SHARES

THE UNDERSIGNED, IN THE CAPACITY OF REPRESENTATIVES OF THE COMPANY, INVESTMENT INTERMEDIARY BETA CORP AD, RESPECTIVELY, BY THE ACT OF THIS SIGNATURE LAID DOWN ON 1 OCTOBER 2009, DECLARE THAT THE DOCUMENT ON THE SECURITIES IS COMPLIANT WITH THE PROVISIONS OF THE LAW.

FOR ALFA BULGARIA AD:

EVGENI IVANOV NAYDENOV - EXECUTIVE DIRECTOR

FOR BETA CORP AD, Investment Intermediary:

ATANAS IVANOV BOYCHEV
Chairperson of the Board of Directors

BORISLAV ALEXANDROV POPOV
Deputy Chairperson of the Board of Directors

FOR GUGUSHEV & PARTNERS EOOD:

STEFAN MARKOV GUGUSHEV - MANAGING PARTNER