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Agency**

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THE PRIVATISATION OF

**NAVIGATION MARITIME BULGARE EAD
VARNA**

(THE BULGARIAN MARITIME SHIPPING COMPANY)



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THE TRANSACTION

The Privatisation Agency of the Republic of Bulgaria is starting a procedure for the sale of 7,631,460 shares (accounting for 70% stake) of Navigation Maritime Bulgare EAD (Navibulgar or the Company).

Navibulgar is 100% state-owned, with the Ministry of Transport being the principal. Since 15 October 2003, Navibulgar is a public company, but its shares are not traded on the stock exchange.

The purpose of privatising Navibulgar is to increase its competitiveness through investing in the improvement of the fleet, its management and for the attraction of reliable shippers.

NAVIBULGAR'S PRINCIPAL ACTIVITIES

The services offered by Navibulgari include:

- tramp (dry bulk) shipping;
- liner (container) shipping,
- specialised shipping of general and liquid cargos;
- intermodal door-to-door transport;
- forwarding and intermediate activities;
- agents' servicing, bunkering and inland haulage in Bulgarian ports.



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KEY INVESTMENT CONSIDERATIONS

Navibulgar is a leader on the shipping market in Bulgaria and in the Black Sea and East Mediterranean region. The Company achieved this position by being:

the biggest ship owner in Bulgaria and one of the largest in the Black Sea and Mediterranean region

Navibulgar has a fleet of 72 vessels (over 1.3 mln dwt), consisting of bulk carriers, container vessels, tankers, and general cargo ships. The diversified portfolio of types of vessels and vessels' capacity range allows the Company to provide great variety of options for freight shipping, catching larger scope of opportunities in all freight market segments. This underpins a sustainable revenue flow for the Company.

a company with more than a century old history and experience in the shipping industry.

Navibulgar is the successor of Bulgaria's maritime heritage, which enjoys more than a century old tradition. Over this period, the Company has successfully asserted its presence in the international sea waters, equating its name to high-standard, top-quality service. This tradition and the internationally renowned name have combined into developing and maintaining long-lasting relationships with clients and partners.



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KEY INVESTMENT CONSIDERATIONS (CONT'D)

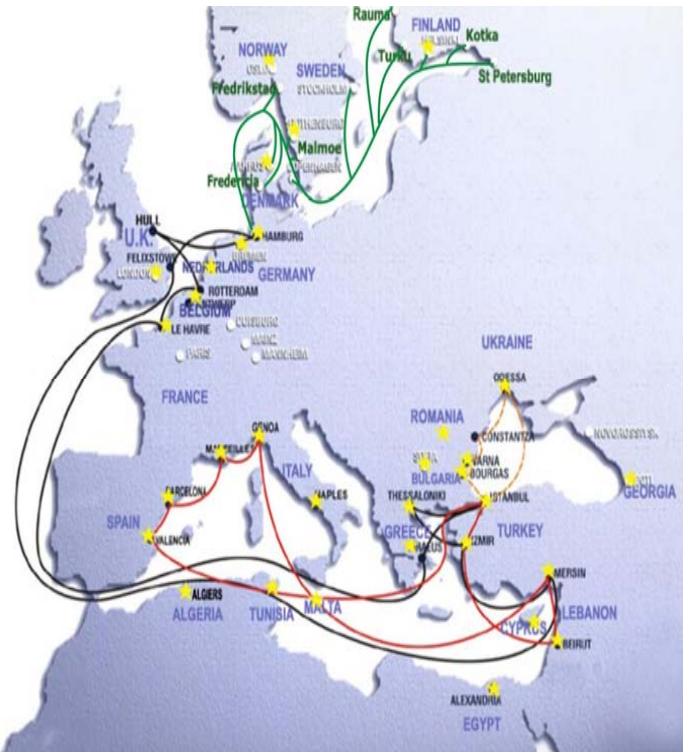
the owner of the BULCON trade name

The container fleet of Navibulgar has been operating under the trade name of Bulcon since 1983. A well-recognised trade name among agents and partners, Bulcon acts as a guarantee for good quality, flexible and efficiently scheduled maritime container service. Currently Bulcon operates three services, which are inter-linked at Istanbul port. These include:

- Continental service, linking North West continent and the UK with the East Mediterranean region and the Black Sea;
- Intramed service, linking Mediterranean and Black Sea;
- Balkan Express services, operating in the Black Sea region.

7 of the 12 Bulcon vessels operate on the three services.

Leveraging on its trade name, the container shipping service of Navibulgar managed to preserve its strategic position in the segments it serves, and currently is ranked among the top players in Bulgaria-Northwest Continent trade.



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KEY INVESTMENT CONSIDERATIONS (CONT'D)

a niche market operator in the container shipping

Navibulgar is the major player in the Black Sea and East Mediterranean region. Its container service ensures the connection along the east-west North Mediterranean axis. Operating in this niche market soothes the world freight market fluctuations impact on the Company's performance.

The Company also owns a vehicle fleet of 34 trucks used in the provision of multi-modal door-to-door service. This provides a fast, flexible and reliable sea and land transportation of containerised cargos.



Five of the container vessels of the Company currently operate on time-charter. They are employed as feeder vessels in the Mediterranean-Black Sea region. Operating in this niche market as well, increases the flexibility of Navibulgar's container fleet and takes advantage of the high revenue opportunities prevailing in this trade recently.

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KEY INVESTMENT CONSIDERATIONS (CONT'D)



the national flagship carrier

Navibulgar represents Bulgaria in various international industry organisations, like BIMCO, BINSAs, the Club 9000 Association, and used to be a member of the Bulgarian Delegation on IMO meetings. Navibulgar stands as the name for the Bulgarian maritime identity. Currently above 80% of the Company vessels sail under the Bulgarian national flag.

the owner and manager of a well-developed network of agents and brokers

Navibulgar maintains a well-operating network of subsidiaries and representative offices in Bulgaria and the major shipping centres along the Continental and the UK coast through its full-fledged UK-based subsidiary Balkan and Black Sea Shipping company (BBSS).



BBSS brokers and agents are responsible for the majority of the agency networking of Navibulgar and Bulcon, in particular and the bookings of their respective allocated slots. They are located close to the clients, along the trajectory of the Continental and Intramed services:

- Hamburg, Germany
- Antwerpen, Belgium
- Istanbul, Turkey
- Piraeus, Greece
- Thessaloniki, Greece
- London the UK
- Barcelona, Spain

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KEY INVESTMENT CONSIDERATIONS (CONT'D)

the partner and shipper of a loyal customer base

Navibulgar has established strong relationships with some of the world well-known charterers, which form a traditionally loyal customer base of the Company. The established practice of time-chartering of the majority of its vessels secures better sustainability of revenue streams in times of cyclical downturns.

Additionally, the diversity of vessels types and sizes covers a broad range of customers to better meet their transportation needs.

the employer of over 4,300 highly qualified staff (both crew and on-shore)

The majority of Navibulgar's employees are directly involved in the Company shipping operations. Improvement of their professional qualification has always been among the Company's top priorities. Navibulgar has a tradition and commitment in professionally developing its crew in the Bulgarian Maritime Training Centre. The latter was established 30 years ago with the sole purpose of providing post-graduate and professional qualifications to the national carrier crew.



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FLEET



Navibulgar operates 72 ocean-going vessels (above 1.3 mln dwt), including 44 bulk carriers, 12 container carriers, 6 tankers, and 8 general cargo ships. The diversity of the vessels allows the Company to cushion against freight market fluctuations. Additionally, having more than one vessel from a family type provides the flexibility to efficiently substitute vessels in timely servicing of clients.

Recently Navibulgar undertook a programme for renewal and modernisation of its fleet. It is currently expanding its fleet with one brand new bulk carrier of 42,600 dwt that will be starting operations in June 2007, shortly to be followed by another 20,000-dwt bulk carrier and a third one still under construction. In February 2007, Navibulgar disposed of a 35-year old bulk carrier with 25,000 dwt. The fleet restructuring and investment process is still ongoing, working for the increase of the Company's competitiveness.

Committed to considerable and continuous vessel repair and maintenance programme, Navibulgar successfully manages and expands the exploitation life of its fleet to comply with the necessary international maritime requirements and meet clients' needs.

The ships of Navibulgar are in compliance with SOLAS and all requirements of the US Coast Guard and Panama Canal, Suez Canal and ST Lawrence Seaway Authorities. The Company obtained ISM Code / ISO 9001, as well as ISPS Code certification of the management and all the fleet.

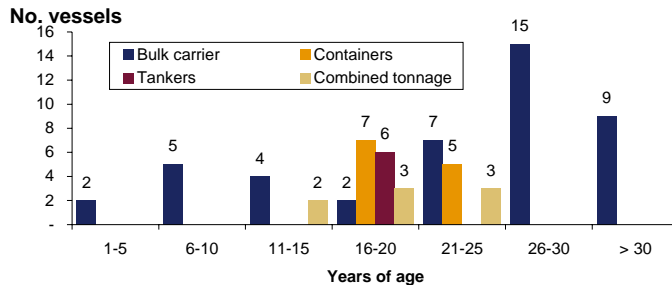
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FLEET (CONT'D)

Age Analysis of Navibulgar's Fleet



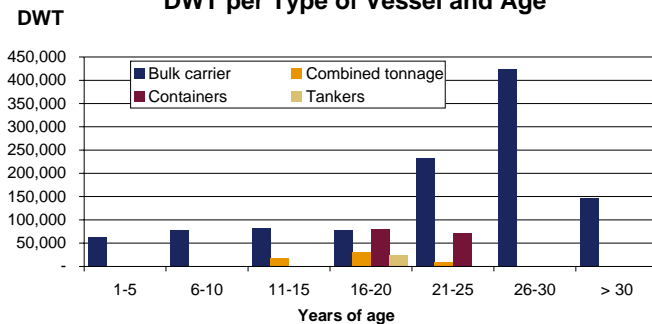
Types of vessels

Bulk carriers are used for transportation of dry bulk cargo, such as grain, sugar, cement, coal, clay, metals and ores and account for 82% of the total capacity of Navibulgar. The majority of tramp ships are under time-charter arrangement.

Container carriers are the second largest group (12% of total capacity), 7 of which serving three container lines operating under the trade name Bulcon, and the other 5 ships being time-chartered to first class charters.

The remaining 6% of Navibulgar's capacity is contributed by the tankers (chemical and product carriers) and combined tonnage (general cargo ships). They are mainly operated by the Company itself.

DWT per Type of Vessel and Age



The two ferry ships are excluded from the analysis above and the charts to the left, as they will not be subject to this privatisation procedure.

Support fleet

Navibulgar offers a complete tug service for all types of vessels, operating 3 tugs which carry out fire fighting, ships supply and salvage activities. The tugs are frequently used for deep sea operations throughout and outside the Black sea region. The barge owned by the Company is used in supplying all types of marine fuel not only to Navibulgar's fleet but to third parties as well.

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BGN '000**	For the period ending*		
	31.Dec.06	31.Dec.05	31.Dec.04
Shipping revenue	393,624	396,821	333,702
Total revenue	401,271	412,575	362,303
EBITDA	91,361	131,586	94,912
Depreciation	69,372	87,726	49,142
Net profit	18,793	40,405	37,511
Net assets	882,825	926,026	543,858
Non-current assets	822,835	875,207	563,233
Total assets	939,425	1,000,908	633,443
Debt	21,927	37,203	46,592
Cash flow from operations	84,486	97,625	43,843
Cash flow from investments	(82,574)	(45,141)	3,318
Other indicators			
Available average dwt (mln)	1.365	1.472	1.451
Number of ocean-going vessels	72	77	76
Personnel (crew & on-shore)	4,448	4,557	4,904

* Source: KPMG audited IFRS FS (stand-alone) and Company information

** BGN is pegged to EUR at BGN/EUR=1.95583/1

KEY DATA

Significant borrowing potential

Over the last 3 years, Navibulgar has been seriously under-gear'd with the financial leverage ratio being 9% in 2004 and falling down to only 2% in 2006. In this context and in view of the significant accumulated deposited cash, there is significant room for cash and debt management optimisation.

Considerable earning potential

Joining the upside of the market, Navibulgar has capitalised on all its assets and advantages in achieving sustainable profitability of its business. Despite the negative influence of the huge increase in bunker prices over the last few years, the Company still managed to provide positive results and good returns to its shareholders.

About 75% of Navibulgar's 2006 revenue is generated in USD with corresponding 50% of USD-based costs. Isolating the negative effect of USD devaluation, the overall performance of the Company is even stronger.

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OTHER

- If you are interested in the process or need some clarifications, please send e-mail or call the persons indicated on the cover page.
- More detailed information for Navibulgar is available on the Company's site, as well as on the site of the Public register of the Financial Supervision Commission (the latter in Bulgarian language available only).
- The privatisation strategy as approved by the Parliament is available on the site of the Privatisation Agency. Please follow the link to review and understand the qualification criteria, as well as other relevant details.
- More specific information for the preliminary stage of the transaction process, its timetable, the qualification criteria for the interested parties, and the content of the indicative bid will be available in the Tender Documentation.

Navibulgar site:

<http://www.navbul.com/>

Financial Supervision Commission site:

http://www3.fsc.bg/ERiK/runner?backId=3&act=DISPLAY&tplId=Tpl_31&docId=2159512&rndrType=ADDITIONAL&drvName=HTML

Privatisation Agency site:

<http://priv.government.bg/apnew/Root/index.php?magic=0.11.3436.5209.2>

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