

# SeeNews

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## Industry Report

### Water transport

### 2015

### BULGARIA

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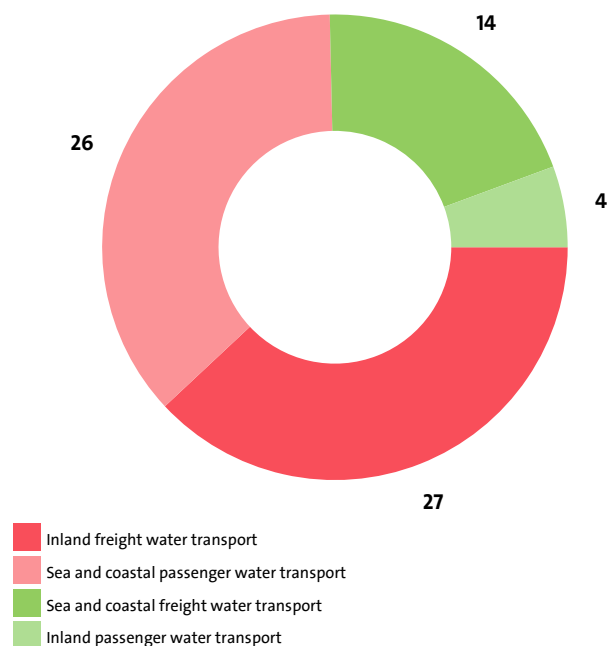
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## I. KEY INDICATORS

- The Water transport industry in Bulgaria was represented by 71 companies at the end of 2015, compared to 59 in the previous year and 57 in 2013.
- The industry's net profit amounted to BGN 41,562,000 in 2015.
- The industry's total revenue was BGN 245,678,000 in 2015, down by 1.47% compared to the previous year.
- The combined costs of the companies in the Water transport industry reached BGN 200,498,000 in 2015, up by 12.24% year-on-year.
- The industry's total revenue makes up 0.3% to the country's Gross domestic product (GDP) in 2015, compared to 0.32% for 2014 and 0.36% in 2013.
- A total of 1,397 people were employed in the Water transport industry in 2015, compared to 1,567 in 2014 and 2,354 in 2013.
- Most of the companies in the industry are based in Ruse, followed by Varna and Sofia.

## II. INTRODUCTION

In 2015 the companies in the Water transport industry numbered 71, distributed in 4 sectors.



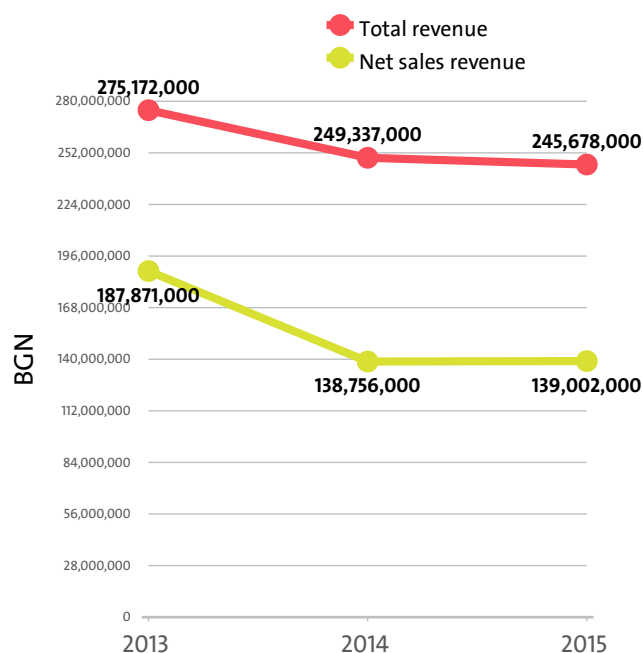
In 2014 there were a total of 59 companies operating in the industry. In 2013 their number totalled 57.

NUMBER OF COMPANIES IN WATER TRANSPORT INDUSTRY BY SECTORS

| SECTOR                                    | 2015 | 2014 | 2013 |
|---|------|------|------|
| INLAND FREIGHT WATER TRANSPORT            | 27   | 27   | 26   |
| SEA AND COASTAL PASSENGER WATER TRANSPORT | 26   | 15   | 17   |
| SEA AND COASTAL FREIGHT WATER TRANSPORT   | 14   | 12   | 13   |
| INLAND PASSENGER WATER TRANSPORT          | 4    | 5    | 1    |

## III. REVENUES

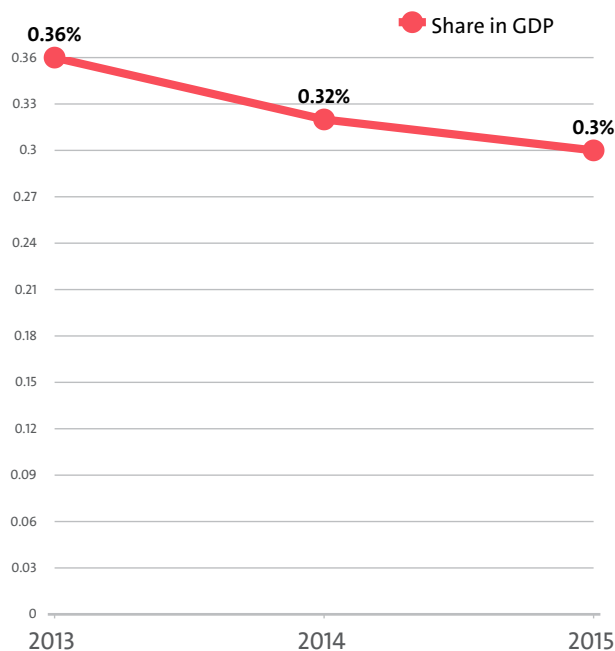
The total revenue in the industry was BGN 245,678,000 in 2015, BGN 249,337,000 in 2014 and 275,172,000 in 2013.



The companies in the Water transport market of Bulgaria earned combined net sales revenues of BGN 139,002,000 in 2015.

In annual terms, sales marked a rise of 0.18% compared to 2014. In comparison to 2013 they dropped by 26.01%. In 2014 sales dropped by 26.14% year-on-year.

The Water transport industry total revenue make up 0.3% to the country's GDP in 2015, compared to 0.32% for 2014 and 0.36% in 2013.



In 2015 the Water transport industry contributed to GDP BGN 226,252,000 in Gross value added (GVA) accounting for 0.15% of the total for the country's economy.

In the previous year, the industry's GVA amounted BGN 231,468,000, accounting for 0.16% of the total for the country in 2014. In 2013 the GVA of the Water transport was BGN 222,038,000, or 0.16% of the GVA for the country's economy.

#### GVA BY SECTORS

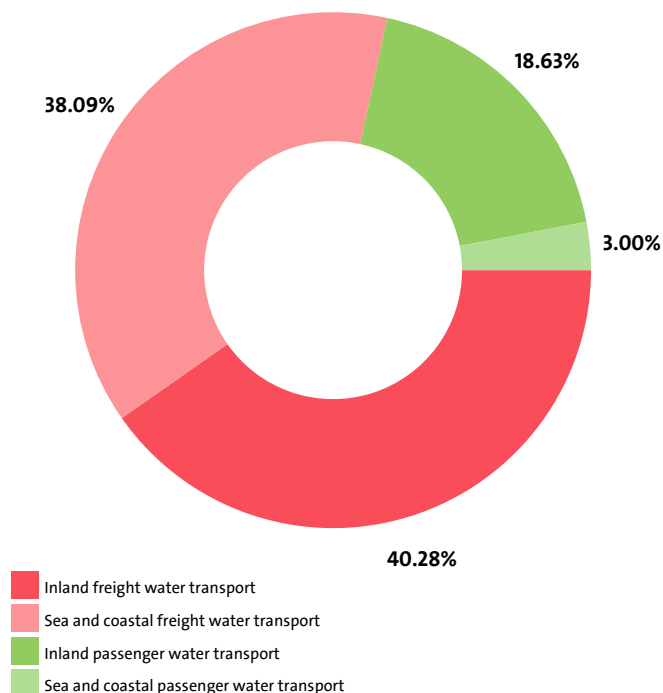
| RANK | SECTOR                                    | BGN         | SHARE OF THE COUNTRY'S GVA (%) |
|------|---|-------------|--------------------------------|
| 1    | SEA AND COASTAL FREIGHT WATER TRANSPORT   | 144,476,000 | 0.09                           |
| 2    | INLAND FREIGHT WATER TRANSPORT            | 53,299,000  | 0.03                           |
| 3    | INLAND PASSENGER WATER TRANSPORT          | 24,959,000  | 0.02                           |
| 4    | SEA AND COASTAL PASSENGER WATER TRANSPORT | 3,518,000   | 0.00                           |

We expect, based on the trend in the last three years, the total revenue of the Water transport industry to change at a compound annual growth rate (CAGR) of -5.51% in 2016.

#### NET SALES REVENUE BY SECTORS

| RANK | SECTOR                                    | NET SALES REVENUE (BGN) |
|------|---|-------------------------|
| 1    | INLAND FREIGHT WATER TRANSPORT            | 55,991,000              |
| 2    | SEA AND COASTAL FREIGHT WATER TRANSPORT   | 52,946,000              |
| 3    | INLAND PASSENGER WATER TRANSPORT          | 25,897,000              |
| 4    | SEA AND COASTAL PASSENGER WATER TRANSPORT | 4,168,000               |

#### INDUSTRY'S NET SALES REVENUE STRUCTURE BY SECTORS



The highest growth, of 24.75%, was recorded by Sea and coastal passenger water transport, while Inland passenger water transport registered the sharpest decline, of 13.80%.

#### TOP COMPANIES' REVENUE BY SECTORS

| SEGMENT  | COMPANY                                     | TOTAL REVENUE (BGN) | NET SALES REVENUE (BGN) |
|--|---|---------------------|-------------------------|
| <b>SEA AND COASTAL PASSENGER WATER TRANSPORT</b> |   |                     |                         |
|  | PB MANAGEMENT OOD                           | 2,282,000           | 2,282,000               |
|  | BELFERI OOD                                 | 1,183,000           | 1,169,000               |
|  | ALFAMARINA OOD                              | 306,000             | 274,000                 |
| <b>SEA AND COASTAL FREIGHT WATER TRANSPORT</b>   |   |                     |                         |
|  | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 122,153,000         | 29,447,000              |
|  | VARNAFERRY OOD                              | 9,803,000           | 7,905,000               |
|  | BON MARINE INTERNATIONAL AD                 | 6,936,000           | 6,740,000               |
| <b>INLAND PASSENGER WATER TRANSPORT</b>          |   |                     |                         |
|  | DUNAV TURS AD                               | 10,120,000          | 6,361,000               |
|  | TURISTICHESKA KOMANIYA DUNAV OOD            | 7,942,000           | 7,744,000               |
|  | DUNAVSKO RECHNO PLAVANE OOD                 | 6,643,000           | 6,512,000               |
| <b>INLAND FREIGHT WATER TRANSPORT</b>            |   |                     |                         |
|  | PARAHODSTVO BALGARSKO RECHNO PLAVANE AD     | 19,790,000          | 16,211,000              |
|  | RUBISHIPS TRANSPORT OOD                     | 12,353,000          | 12,280,000              |
|  | RUBISHIPS OOD                               | 10,800,000          | 10,766,000              |

The top 10 companies in terms of total revenue in Water transport accounted for 86.25% of the industry's total in 2015, 88.69% in 2014 and 93.14% in 2013.

### TOP 10 COMPANIES BY TOTAL AND NET SALES REVENUE IN THE INDUSTRY

| RANK | COMPANY                                     | TOTAL REVENUE (BGN) | NET SALE REVENUE (BGN) |
|------|---|---------------------|------------------------|
| 1    | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 122,153,000         | 29,447,000             |
| 2    | PARAHODSTVO BALGARSKO RECHNO PLAVANE AD     | 19,790,000          | 16,211,000             |
| 3    | RUBISHIPS TRANSPORT OOD                     | 12,353,000          | 12,280,000             |
| 4    | RUBISHIPS OOD                               | 10,800,000          | 10,766,000             |
| 5    | DUNAV TURS AD                               | 10,120,000          | 6,361,000              |
| 6    | VARNAFERRY OOD                              | 9,803,000           | 7,905,000              |
| 7    | TURISTICHESKA KOMPANIYA DUNAV OOD           | 7,942,000           | 7,744,000              |
| 8    | BON MARINE INTERNATIONAL AD                 | 6,936,000           | 6,740,000              |
| 9    | DUNAVSKO RECHNO PLAVANE OOD                 | 6,643,000           | 6,512,000              |
| 10   | KORABNA KOMPANIYA DUNAV OOD                 | 5,352,000           | 5,280,000              |

The total revenues of the top 10 companies in the Water transport were 0.26% of GDP in 2015, compared to 0.28% for 2014 and 0.33% in 2013.

The top 10 by assets in the Water transport field made up BGN 86,781,000, or 62.43% of the total net sales revenue.

### TOP 10 BY TOTAL ASSETS IN THE INDUSTRY

| RANK | COMPANY                                     | BGN         |
|------|---|-------------|
| 1    | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 780,010,000 |
| 2    | PARAHODSTVO BALGARSKO RECHNO PLAVANE AD     | 88,415,000  |
| 3    | FERIBOTEN KOMPLEKS AD                       | 40,676,000  |
| 4    | DUNAV TURS AD                               | 28,457,000  |
| 5    | DUNAVSKO RECHNO PLAVANE OOD                 | 20,159,000  |
| 6    | VARNAFERRY OOD                              | 17,522,000  |
| 7    | ALEKSANDROV OOD                             | 16,291,000  |
| 8    | TURISTICHESKA KOMPANIYA DUNAV OOD           | 12,405,000  |
| 9    | BULMARKET SHIPPING OOD                      | 10,984,000  |
| 10   | KORABNA KOMPANIYA DUNAV OOD                 | 9,032,000   |

### TOP 10 COMPANIES WITH HIGHEST ANNUAL GROWTH IN OPERATING REVENUE IN WATER TRANSPORT

| RANK | COMPANY                           | Y/Y GROWTH |
|------|-----------------------------------|------------|
| 1    | CAMICA SHIPPING AND TRADING OOD   | 462.50%    |
| 2    | DONAU STAR BG OOD                 | 266.37%    |
| 3    | IYSTARN SARVISAS END TREYDING OOD | 169.84%    |
| 4    | DZHOUKAR SOFIYA OOD               | 168.42%    |
| 5    | VARNAFERRY OOD                    | 157.52%    |
| 6    | IMPERIYA - 777 OOD                | 141.82%    |
| 7    | DUNAVKONTAKT OOD                  | 136.60%    |
| 8    | JUROPA OOD                        | 135.01%    |
| 9    | VALTEKA OOD                       | 86.10%     |
| 10   | FERIBOTEN KOMPLEKS AD             | 62.22%     |

### TOP 10 COMPANIES BY TOTAL REVENUE IN THE MARKET SEA AND COASTAL PASSENGER WATER TRANSPORT WERE:

| COMPANY                                       | BGN       |
|---|-----------|
| PB MANAGEMENT OOD                             | 2,282,000 |
| BELFERI OOD                                   | 1,183,000 |
| ALFAMARINA OOD                                | 306,000   |
| BULGARIA FAST FERRY OOD                       | 235,000   |
| PARADAYZ-TRANS OOD                            | 105,000   |
| ET KONTI - KRASIMIR ANDONOV                   | 48,000    |
| BLAK SEA FISHING AND TOURISM OOD (BSF& T OOD) | 38,000    |
| HOLIDAY 117 OOD                               | 16,000    |

|               |        |
|---------------|--------|
| MIGI BIG OOD  | 14,000 |
| GLARUS 63 OOD | 11,000 |

The 10 largest companies in terms of total revenue in sector Water transport earned total revenue of BGN 4,238,000 and accounted for 1.73% of the industry's total revenue.

### TOP 10 COMPANIES BY TOTAL REVENUE IN THE FIELD SEA AND COASTAL FREIGHT WATER TRANSPORT WERE:

| COMPANY                                     | BGN         |
|---|-------------|
| NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 122,153,000 |
| VARNAFERRY OOD                              | 9,803,000   |
| BON MARINE INTERNATIONAL AD                 | 6,936,000   |
| BULMARKET SHIPPING OOD                      | 4,471,000   |
| CHRISMARE MC OOD                            | 1,683,000   |
| IYSTARN SARVISAS END TREYDING OOD           | 1,646,000   |
| INTER LINK - BULGARIA I RUMANIYA OOD        | 638,000     |
| DUNAVKONTAKT OOD                            | 460,000     |
| ALEKS SHIPS OOD                             | 167,000     |
| HUDSON SHIPPING LINES OOD                   | 85,000      |

The 10 largest companies in terms of total revenue in sector Water transport earned total revenue of BGN 148,042,000 and accounted for 60.26% of the industry's total revenue.

### TOP COMPANIES BY TOTAL REVENUE IN THE FIELD INLAND PASSENGER WATER TRANSPORT WERE:

| COMPANY                           | BGN        |
|-----------------------------------|------------|
| DUNAV TURS AD                     | 10,120,000 |
| TURISTICHESKA KOMPANIYA DUNAV OOD | 7,942,000  |
| DUNAVSKO RECHNO PLAVANE OOD       | 6,643,000  |
| KORABNA KOMPANIYA DUNAV OOD       | 5,352,000  |

The largest companies in terms of total revenue in sector Water transport earned total revenue of BGN 30,057,000 and accounted for 12.23% of the industry's total revenue.

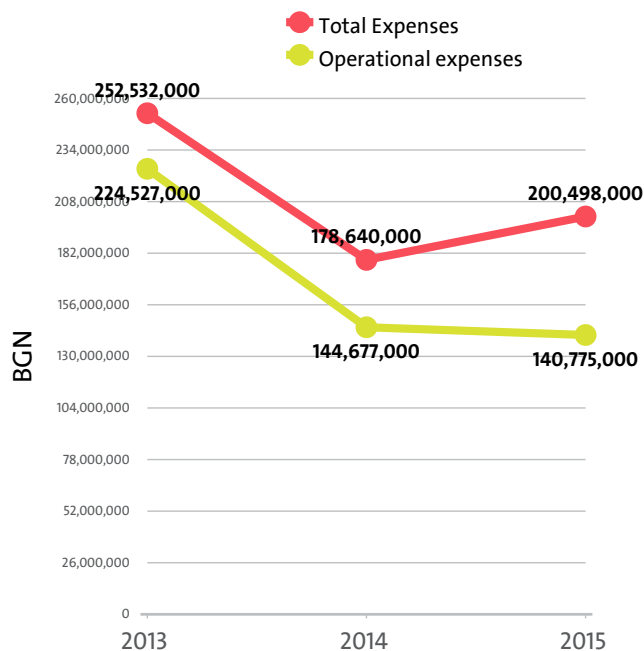
### TOP 10 COMPANIES BY TOTAL REVENUE IN THE MARKET INLAND FREIGHT WATER TRANSPORT WERE:

| COMPANY                                 | BGN        |
|---|------------|
| PARAHODSTVO BALGARSKO RECHNO PLAVANE AD | 19,790,000 |
| RUBISHIPS TRANSPORT OOD                 | 12,353,000 |
| RUBISHIPS OOD                           | 10,800,000 |
| DONAU STAR BG OOD                       | 3,748,000  |
| FERIBOTEN KOMPLEKS AD                   | 3,253,000  |
| CONEV SCHIFFFAHRT OOD                   | 2,724,000  |
| SKM SHIPPING OOD                        | 2,574,000  |
| INTERCOM SHIPPING OOD                   | 2,300,000  |
| DOMARIN OOD                             | 2,070,000  |
| JUROPA OOD                              | 839,000    |

The 10 largest companies in terms of total revenue in sector Water transport earned total revenue of BGN 60,451,000 and accounted for 24.61% of the industry's total revenue.

## IV. EXPENSES

The combined costs of the companies in the Water transport industry reached BGN 200,498,000 in 2015.



In annual terms, total expenses increased by 12.24% compared to 2014 and decreased by 20.60% in comparison to 2013.

The total operating expenses of the companies in the Water transport industry were BGN 140,775,000 in 2015.

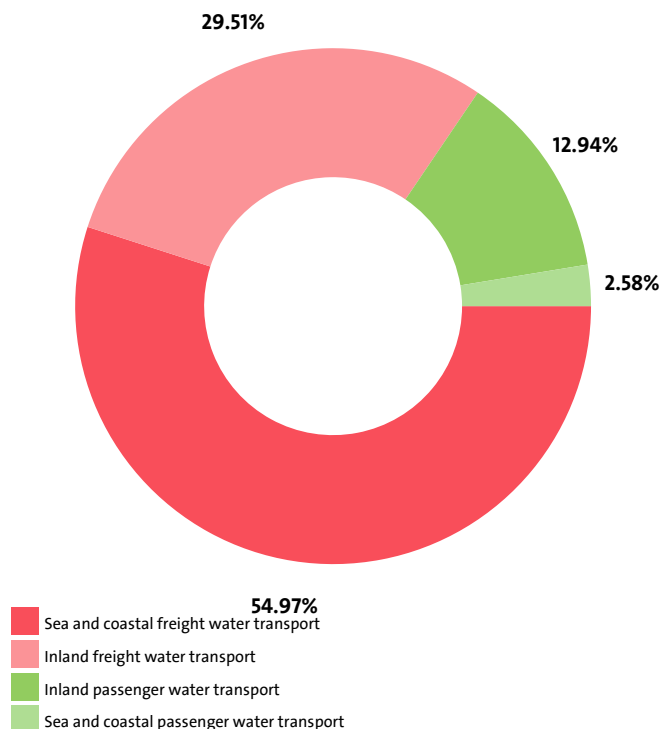
Operating costs dropped by 2.70% compared with the previous year and went down by 37.30% when compared to 2013.

We expect, based on the trend in the last three years, the total costs of the Water transport industry to change at a compound annual growth rate (CAGR) of -10.90% in 2016.

#### TOTAL COSTS BY SECTORS

| RANK | SECTOR                                    | TOTAL COSTS (BGN) |
|------|---|-------------------|
| 1    | SEA AND COASTAL FREIGHT WATER TRANSPORT   | 110,214,000       |
| 2    | INLAND FREIGHT WATER TRANSPORT            | 59,174,000        |
| 3    | INLAND PASSENGER WATER TRANSPORT          | 25,939,000        |
| 4    | SEA AND COASTAL PASSENGER WATER TRANSPORT | 5,171,000         |

INDUSTRY'S TOTAL COSTS STRUCTURE BY SECTORS

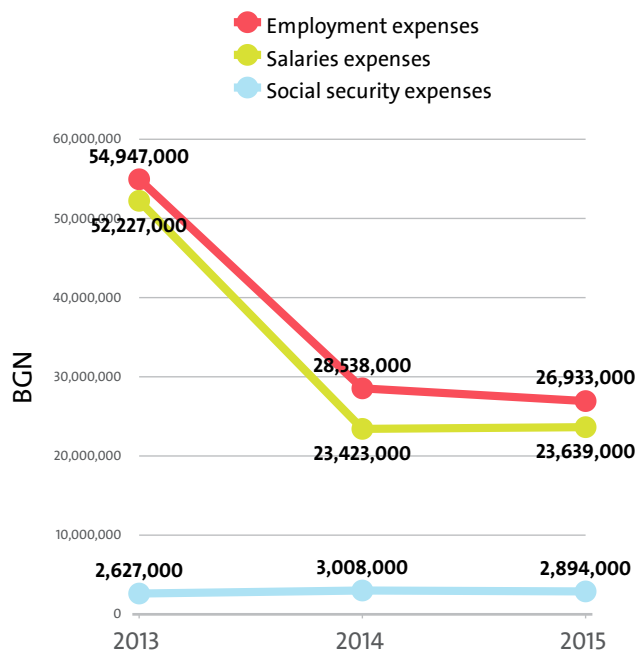


Sea and coastal freight water transport marked the highest annual increase in total expenses, of 23.04%, while total expenses fell the most, by 4.76%, for Inland passenger water transport.

In terms of operating expenses, the highest growth, of 4.16%, was recorded by the Inland freight water transport sector. The sharpest decline was posted by Sea and coastal freight water transport - 8.16%.

The biggest spenders in the industry, with costs of over 10% of industry's costs, numbered 5, including Navigation Maritime Bulgare (NAVIBULGAR) AD, RUBISHIPS TRANSPORT OOD, PARAHODSTVO BALGARSKO RECHNO PLAVANE AD, VARNAFERRY OOD, RUBISHIPS OOD. The medium spenders, or those in the 5% and 10% range count 6 and include DUNAVSKO RECHNO PLAVANE OOD, BON MARINE INTERNATIONAL AD, DUNAV TURS AD, KORABNA KOMPANIYA DUNAV OOD, TURISTICESKA KOMPANIYA DUNAV OOD. Below 5% threshold are 60 companies, including EMI TRANS - 777 OOD, IYST LAYN SHIP MENIDZHMENT AD, SUPER DELFIN EOOD, ET KONTI - KRASIMIR ANDONOV, ET YEM-53-DIMITAR NAUMOV.

Employment expenses in the Water transport industry decreased by 5.62% on the year to BGN 26,933,000 in 2015.



The highest growth in labour costs, of 57.40%, was registered by Sea and coastal passenger water transport, while Sea and coastal freight water transport marked the sharpest fall, of 12.26%.

The monthly costs per employee in the Water transport industry averaged BGN 1,607 in 2015, BGN 1,518 in 2014 and BGN 1,945 in 2013.

The monthly social security costs per employee in the industry averaged BGN 173 in 2015, versus BGN 160 in 2014 and BGN 93 in 2013.

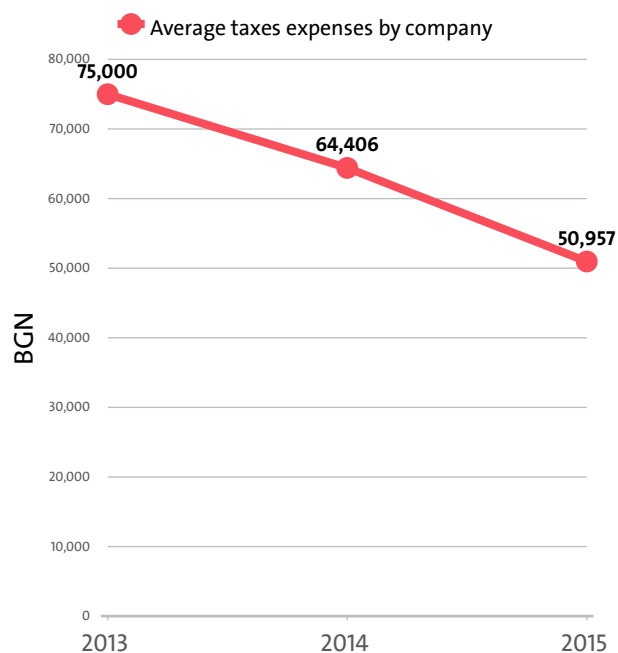
#### EMPLOYMENT EXPENSES IN WATER TRANSPORT BY SECTORS IN 2015

| RANK | SECTOR                                    | EMPLOYMENT EXPENSES (BGN) | AVERAGE EXPENSES PER EMPLOYEE (BGN) |
|------|---|---------------------------|-------------------------------------|
| 1    | SEA AND COASTAL FREIGHT WATER TRANSPORT   | 14,440,000                | 30,336                              |
| 2    | INLAND FREIGHT WATER TRANSPORT            | 7,209,000                 | 12,850                              |
| 3    | SEA AND COASTAL PASSENGER WATER TRANSPORT | 2,808,000                 | 20,647                              |
| 4    | INLAND PASSENGER WATER TRANSPORT          | 2,476,000                 | 11,054                              |

#### THE TOP 10 COMPANIES BY AVERAGE MONTHLY COSTS PER EMPLOYEE IN THE INDUSTRY

| RANK | COMPANY                                     | BGN   |
|------|---|-------|
| 1    | BULGARIA FAST FERRY OOD                     | 6,167 |
| 2    | CONEV SCHIFFFAHRT OOD                       | 6,042 |
| 3    | BON MARINE INTERNATIONAL AD                 | 3,269 |
| 4    | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 2,703 |
| 5    | PB MANAGEMENT OOD                           | 2,306 |
| 6    | VARNAFERRY OOD                              | 2,036 |
| 7    | HUDSON SHIPPING LINES OOD                   | 1,875 |
| 8    | BULMARKET SHIPPING OOD                      | 1,704 |
| 9    | FERIBOTEN KOMPLEKS AD                       | 1,566 |
| 10   | DONAU STAR BG OOD                           | 1,364 |

The industry's tax expenses stood at BGN 3,618,000 in 2015. In 2014 it paid taxes of BGN 3,800,000. In 2013 the industry paid BGN 4,275,000 in taxes.

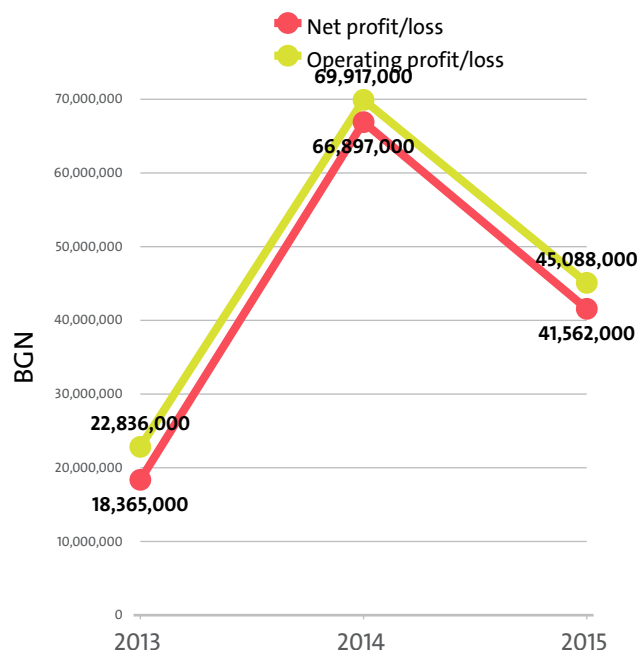


#### EXPENSES ON TAXES BY SECTORS

| RANK | SECTOR                                    | BGN       | Y/Y CHANGE |
|------|---|-----------|------------|
| 1    | SEA AND COASTAL FREIGHT WATER TRANSPORT   | 3,228,000 | 11.97%     |
| 2    | INLAND FREIGHT WATER TRANSPORT            | 221,000   | -57.98%    |
| 3    | INLAND PASSENGER WATER TRANSPORT          | 169,000   | -54.08%    |
| 4    | SEA AND COASTAL PASSENGER WATER TRANSPORT | 0         | -100.00%   |

## V. PROFITABILITY

The industry's net profit amounted to BGN 41,562,000 in 2015, compared to a net profit of BGN 66,897,000 in 2014 and a net profit of BGN 18,365,000 in 2013.



### TOP 10 COMPANIES BY HIGHEST NET PROFIT IN WATER TRANSPORT

| RANK | COMPANY                                     | BGN        |
|------|---|------------|
| 1    | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 36,908,000 |
| 2    | DUNAV TURS AD                               | 2,522,000  |
| 3    | BON MARINE INTERNATIONAL AD                 | 2,168,000  |
| 4    | PARAHODSTVO BALGARSKO RECHNO PLAVANE AD     | 1,819,000  |
| 5    | RUBISHIPS OOD                               | 881,000    |
| 6    | KORABNA KOMPANIYA DUNAV OOD                 | 735,000    |
| 7    | CONEV SCHIFFFAHRT OOD                       | 666,000    |
| 8    | IYSTARN SARVISAS END TREYDING OOD           | 540,000    |
| 9    | TURISTICESKA KOMPANIYA DUNAV OOD            | 409,000    |
| 10   | RUBISHIPS TRANSPORT OOD                     | 393,000    |

### TOP COMPANIES BY HIGHEST NET LOSS IN WATER TRANSPORT

| RANK | COMPANY                | BGN       |
|------|------------------------|-----------|
| 1    | VARNAFERRY OOD         | 3,302,000 |
| 2    | BULMARKET SHIPPING OOD | 1,659,000 |
| 3    | ALFAMARINA OOD         | 592,000   |
| 4    | SKM SHIPPING OOD       | 479,000   |
| 5    | FERIBOTEN KOMPLEKS AD  | 242,000   |

The combined operating earnings of the companies in the Water transport sector went down by 35.51% y/y to BGN 45,088,000 in 2015.

### OPERATING PROFIT/LOSS BY SECTORS (BGN)

| SECTOR                                    | 2015       | 2014       | 2013       |
|---|------------|------------|------------|
| SEA AND COASTAL FREIGHT WATER TRANSPORT   | 37,859,000 | 59,847,000 | 16,580,000 |
| INLAND PASSENGER WATER TRANSPORT          | 4,118,000  | 6,711,000  | 2,000      |
| INLAND FREIGHT WATER TRANSPORT            | 4,018,000  | 3,527,000  | 7,097,000  |
| SEA AND COASTAL PASSENGER WATER TRANSPORT | -907,000   | -168,000   | -843,000   |

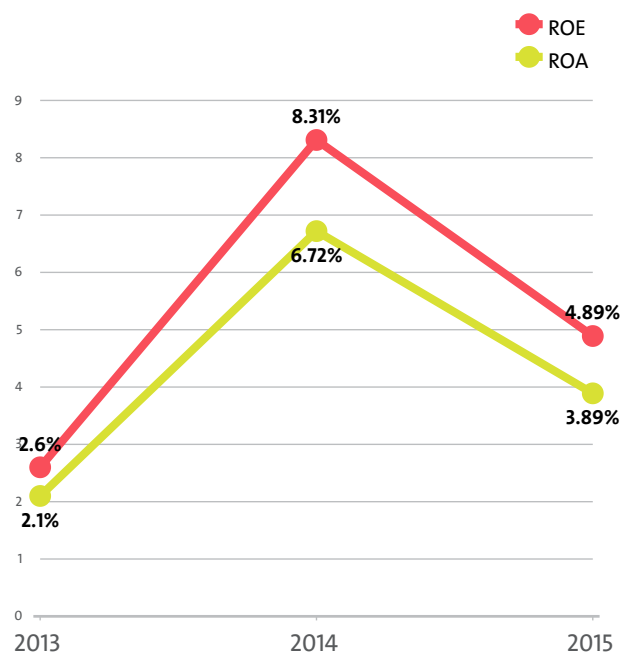
The profit margin for the Water transport industry stood at 30.76% in 2015, while in 2014 it amounted to 47.10% and 10.28% in 2013.

### PROFIT MARGIN BY SECTORS

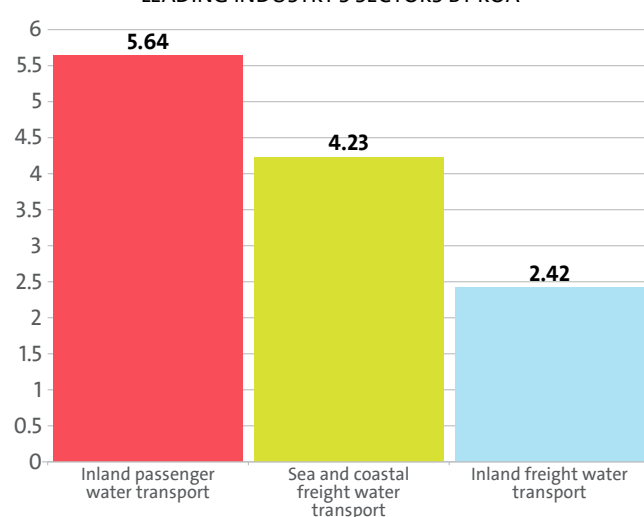
| RANK | SECTOR                                    | PROFIT MARGIN |
|------|---|---------------|
| 1    | SEA AND COASTAL FREIGHT WATER TRANSPORT   | 69.89%        |
| 2    | INLAND PASSENGER WATER TRANSPORT          | 15.16%        |
| 3    | INLAND FREIGHT WATER TRANSPORT            | 6.59%         |
| 4    | SEA AND COASTAL PASSENGER WATER TRANSPORT | -21.28%       |

The Water transport industry's return on equity (ROE) is 4.89% compared to 8.31% in 2014 and 2.60% in 2013.

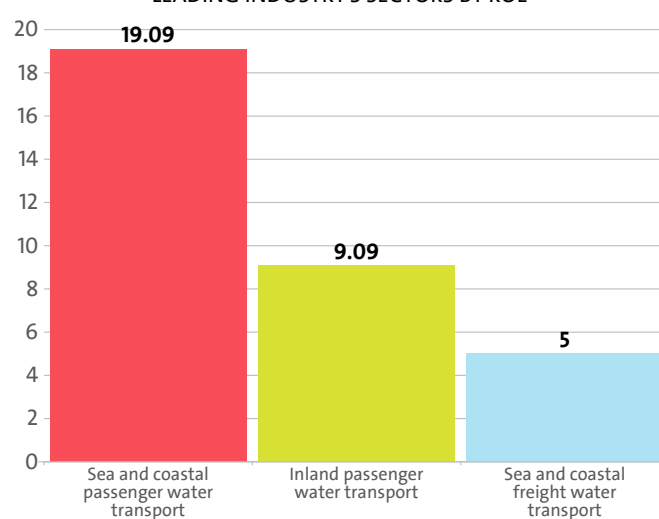
The Water transport's return on assets (ROA) was 3.89%, while in 2014 it amounted to 6.72% and 2.10% in 2013.



### LEADING INDUSTRY'S SECTORS BY ROA



### LEADING INDUSTRY'S SECTORS BY ROE





#### TOP 10 COMPANIES BY HIGHEST AVERAGE NET PROFIT PER EMPLOYEE IN WATER TRANSPORT

| RANK | COMPANY                                     | BGN     | COMPANY HEADQUARTERS (CITY) |
|------|---|---------|-----------------------------|
| 1    | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 115,699 | VARNA                       |
| 2    | CONEV SCHIFFFAHRT OOD                       | 66,600  | RUSE                        |
| 3    | CAMICA SHIPPING AND TRADING OOD             | 61,000  | VIDIN                       |
| 4    | BON MARINE INTERNATIONAL AD                 | 44,245  | VARNA                       |
| 5    | ET KONTI - KRASIMIR ANDONOV                 | 39,000  | PRIMORSKO                   |
| 6    | KORABNA KOMPANIYA DUNAV OOD                 | 28,269  | RUSE                        |
| 7    | DONAU STAR BG OOD                           | 26,818  | RUSE                        |
| 8    | DUNAV TURS AD                               | 24,970  | RUSE                        |
| 9    | ALEKS SHIPS OOD                             | 19,500  | VARNA                       |
| 10   | ILANI OOD                                   | 19,000  | VIDIN                       |

About 40.00% of the 10 leading companies in terms of net profit per employee are located in RUSE, while 30.00% are VARNABASED and 20.00% are headquartered in VIDIN.

The average net sales revenue per employee in the Water transport industry amounted to BGN 99,500 in 2015, up by 12.37% compared to 2014 and up by 24.67% compared to 2013.

The industry's average operating revenue per employee increased by 10.78% year-on-year in 2015 to BGN 104,930. It grew by 11.25% compared to 2013.

The Water transport sector generated an average BGN 175,861 in total revenue per employee. In 2014 and 2013 the figure was BGN 159,117 and BGN 116,896, respectively.

The average total revenue per company in the Water transport industry dropped to BGN 3,460,254 in 2015 from BGN 4,226,051 in 2014. The 2013 value was BGN 4,827,579.

A company in the Water transport field made on average a net sales revenue of BGN 1,957,775 in 2015, compared to BGN 2,351,797 in 2014 and BGN 3,295,982 in 2013.

The Water transport industry made 0.06% of the overall sales country-wide.

Operating profit per employee for the industry as a whole was BGN 32,275 in 2015. For comparison in 2014 it amounted to BGN 44,618 and BGN 44,618 in 2013.

#### THE TOP BY OPERATIONAL PROFIT PER EMPLOYEE IN WATER TRANSPORT

| RANK | COMPANY                                     | BGN     |
|------|---|---------|
| 1    | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 125,981 |
| 2    | CONEV SCHIFFFAHRT OOD                       | 74,000  |
| 3    | CAMICA SHIPPING AND TRADING OOD             | 68,000  |
| 4    | BON MARINE INTERNATIONAL AD                 | 44,612  |
| 5    | ET KONTI - KRASIMIR ANDONOV                 | 39,000  |

#### TOP 10 COMPANIES WITH HIGHEST CORRELATION OPERATING REVENUE - NUMBER OF EMPLOYEES - EMPLOYMENT EXPENSES\*

| RANK | COMPANY NAME                | CORRELATION (BGN) |
|------|-----------------------------|-------------------|
| 1    | CHRISMARE MC OOD            | 554,000           |
| 2    | DONAU STAR BG OOD           | 324,364           |
| 3    | SKM SHIPPING OOD            | 250,100           |
| 4    | DEIMOS SHIPPING OOD         | 233,500           |
| 5    | DUNAVKONTAKT OOD            | 216,500           |
| 6    | CONEV SCHIFFFAHRT OOD       | 199,800           |
| 7    | KORABNA KOMPANIYA DUNAV OOD | 195,846           |
| 8    | DOMARIN OOD                 | 194,500           |
| 9    | RUBISHIPS TRANSPORT OOD     | 186,825           |
| 10   | DUNAVSKO RECHNO PLAVANE OOD | 166,289           |

\*The correlation is calculated by subtracting the quotient of the operating profit, and the employment expenses to the number of employees.

#### AVERAGE REVENUES PER EMPLOYEE IN WATER TRANSPORT IN 2015

| SECTOR                                    | AVERAGE NET SALES REVENUE (BGN) | AVERAGE OPERATING REVENUE (BGN) | AVERAGE TOTAL REVENUE (BGN) | NUMBER OF EMPLOYEES |
|---|---------------------------------|---------------------------------|-----------------------------|---------------------|
| SEA AND COASTAL PASSENGER WATER TRANSPORT | 30,647                          | 31,346                          | 31,353                      | 136                 |
| SEA AND COASTAL FREIGHT WATER TRANSPORT   | 111,231                         | 113,809                         | 311,143                     | 476                 |
| INLAND PASSENGER WATER TRANSPORT          | 115,612                         | 121,286                         | 134,183                     | 224                 |
| INLAND FREIGHT WATER TRANSPORT            | 99,806                          | 108,704                         | 112,750                     | 561                 |

#### AVERAGE REVENUE PER COMPANY IN WATER TRANSPORT IN 2015

| SECTOR                                    | AVERAGE NET SALES REVENUE (BGN) | AVERAGE OPERATING REVENUE (BGN) | AVERAGE TOTAL REVENUE (BGN) | NUMBER OF COMPANIES |
|---|---------------------------------|---------------------------------|-----------------------------|---------------------|
| SEA AND COASTAL FREIGHT WATER TRANSPORT   | 3,781,857                       | 3,869,500                       | 10,578,857                  | 14                  |
| INLAND PASSENGER WATER TRANSPORT          | 6,474,250                       | 6,792,000                       | 7,514,250                   | 4                   |
| INLAND FREIGHT WATER TRANSPORT            | 2,073,741                       | 2,258,630                       | 2,342,704                   | 27                  |
| SEA AND COASTAL PASSENGER WATER TRANSPORT | 160,308                         | 163,962                         | 164,000                     | 26                  |

The total indebtedness of the companies in the Water transport industry was BGN 215,561,000 versus BGN 186,958,000 a year ago. In 2013 the industry's indebtedness totalled BGN 164,519,000.

#### INDUSTRY'S INDEBTEDNESS BY SECTORS (BGN)

| SECTOR                                    | 2015        | 2014       | 2013       |
|---|-------------|------------|------------|
| SEA AND COASTAL FREIGHT WATER TRANSPORT   | 125,301,000 | 98,427,000 | 87,037,000 |
| INLAND FREIGHT WATER TRANSPORT            | 39,335,000  | 40,966,000 | 46,398,000 |
| SEA AND COASTAL PASSENGER WATER TRANSPORT | 25,687,000  | 23,478,000 | 31,081,000 |
| INLAND PASSENGER WATER TRANSPORT          | 25,238,000  | 24,087,000 | 3,000      |

Debt-to-assets ratio of the companies in the industry is 0.20 in 2015. It was 0.19 in 2014 and 0.19 in 2013.

According to market experts, the greatest impact on the development of the Water transport industry has operating profit / loss. In 2015 it stood at BGN 45,088,000, according to the financial statements of the companies in the industry. In 2014 the figure was BGN 69,917,000 and BGN 22,836,000 in

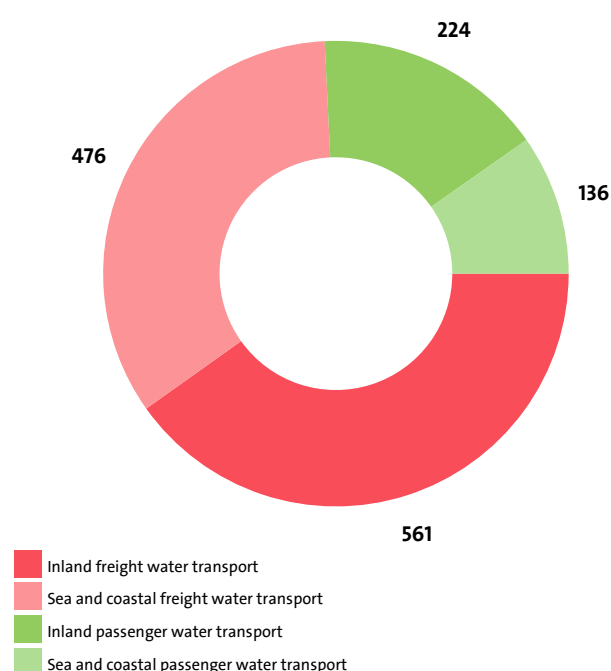
2013.

## VI. EMPLOYMENT

A total of 1,397 people were employed in the Water transport field at the end of 2015, compared to 1,567 in 2014 and 2,354 in 2013.

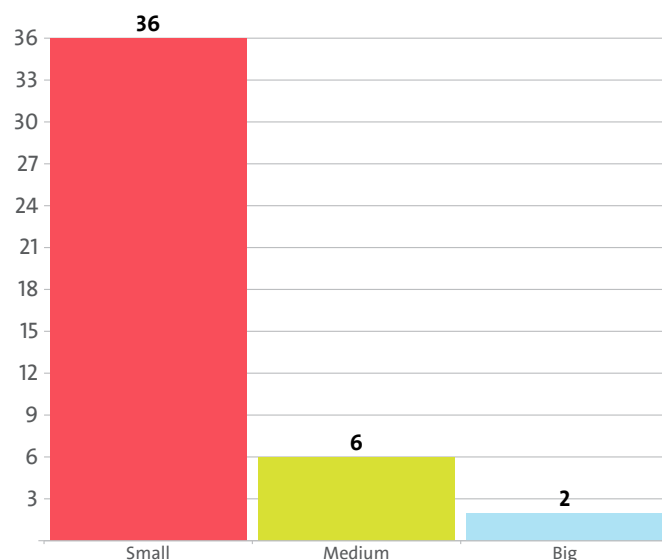
### NUMBER OF EMPLOYEES BY INDUSTRY SECTORS

| SECTOR                                    | NUMBER | SHARE OF INDUSTRY TOTAL |
|---|--------|-------------------------|
| INLAND FREIGHT WATER TRANSPORT            | 561    | 40.16%                  |
| SEA AND COASTAL FREIGHT WATER TRANSPORT   | 476    | 34.07%                  |
| INLAND PASSENGER WATER TRANSPORT          | 224    | 16.03%                  |
| SEA AND COASTAL PASSENGER WATER TRANSPORT | 136    | 9.74%                   |



The analysis on companies' sizes by the number of employees, shows that 36 firms have less than 50 employees\*, 6 have between 50 and 250 employees\* and 2 companies employ more than 250\*.

\* Companies without data in the number of employees at end of the year are not taken into consideration.



The employees of the leading 10 companies in terms of numbers make up 78.95% of the workforce in the industry in 2015.

### TOP 10 FIRMS BY SHARE IN INDUSTRY'S TOTAL NUMBER OF EMPLOYEES

| RANK | COMPANY                                     | NUMBER OF EMPLOYEES | SHARE  |
|------|---|---------------------|--------|
| 1    | NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD | 319                 | 22.83% |
| 2    | PARAHODSTVO BALGARSKO RECHNO PLAVANE AD     | 258                 | 18.47% |
| 3    | DUNAV TURS AD                               | 101                 | 7.23%  |
| 4    | RUBISHIPS OOD                               | 84                  | 6.01%  |
| 5    | PB MANAGEMENT OOD                           | 71                  | 5.08%  |
| 6    | RUBISHIPS TRANSPORT OOD                     | 63                  | 4.51%  |
| 7    | TURISTICHESKA KOMPANIYA DUNAV OOD           | 59                  | 4.22%  |
| 8    | BELFERI OOD                                 | 51                  | 3.65%  |
| 9    | BON MARINE INTERNATIONAL AD                 | 49                  | 3.51%  |
| 10   | VARNAFERRY OOD                              | 48                  | 3.44%  |

The Water transport industry is the 72nd largest employer in the country with 1,397 employees with the largest employer being Retail trade, except of motor vehicles and motorcycles with 218,362 and Libraries, archives, museums and other cultural activities at the bottom with 60 employees.

The Water transport's share in the country's total employment was 0.06% in 2015, 0.08% in 2014 and 0.11% in 2013.

We expect, based on the trend in the last three years, the number of employees of the Water transport industry to change at a compound annual growth rate (CAGR) of -22.96% in 2016.

# The industry is represented by the following companies

|   |
|---|
| EMI TRANS - 777 OOD                           |
| DUNAVSKO RECHNO PLAVANE OOD                   |
| IYST LAYN SHIP MENIDZHMANT AD                 |
| SUPER DELFIN EOOD                             |
| ET KONTI - KRASIMIR ANDONOV                   |
| ET YEM-53-DIMITAR NAUMOV                      |
| DOMARIN OOD                                   |
| AN-SIYA OOD                                   |
| IZTOCHNO RECHNO PARAHODSTVO EOOD              |
| SKM SHIPPING OOD                              |
| MARIYN INZHINERING TEHNOLODZHI EOOD           |
| IPSTAR EOOD                                   |
| ALEKSANDROV OOD                               |
| NAVIGATION MARITIME BULGARE (NAVIBULGAR) AD   |
| RIVAR LINK OOD                                |
| BRIZ 17 EOOD                                  |
| BON MARINE INTERNATIONAL AD                   |
| DONAU STAR BG OOD                             |
| DUNAVKONTAKT OOD                              |
| SIP-SHIPING GRUP EAD                          |
| DUNAV TURS AD                                 |
| RUBISHIPS TRANSPORT OOD                       |
| SLOBUL EOOD                                   |
| DEIMOS SHIPPING OOD                           |
| CONEV SCHIFFFAHRT OOD                         |
| BORI 53 EOOD                                  |
| PARAHODSTVO BALGARSKO RECHNO PLAVANE AD       |
| VALTEKA OOD                                   |
| KORABNA KOMPANIYA DUNAV OOD                   |
| PB MANAGEMENT OOD                             |
| INTERCOM SHIPPING OOD                         |
| CHRISMARE MC OOD                              |
| VIKTORIYA 05 SHIPING EOOD                     |
| YAHT RENT EOOD                                |
| JUROPA OOD                                    |
| ILANI OOD                                     |
| BELFERI OOD                                   |
| KONSOLIDIRANI INVESTITSII AD                  |
| CAMICA SHIPPING AND TRADING OOD               |
| BULGARIA FAST FERRY OOD                       |
| SAUTUEY SHIPING EOOD                          |
| PARADAYZ-TRANS OOD                            |
| VARNAFERRY OOD                                |
| SANSEYL OOD                                   |
| BLAK SEA FISHING AND TOURISM OOD (BSF& T OOD) |
| ALFAMARINA OOD                                |
| INTER LINK - BULGARIA I RUMANIYA OOD          |
| TURISTICESKA KOMPANIYA DUNAV OOD              |
| OVARSIYZ MERITAYM OOD                         |
| SHIPTRANSPORT OOD                             |
| DELI KO EOOD                                  |
| IYSTARN SARVISAS END TREYDING OOD             |
| DZHOUKAR SOFIYA OOD                           |
| GLARUS 63 OOD                                 |
| SODEYSTVIE PLYUS OOD                          |
| SKIPPERLIB EOOD                               |
| RUBISHIPS OOD                                 |

|                            |
|----------------------------|
| FERIBOTEN KOMPLEKS AD      |
| TRAVAL END SEYL EOOD       |
| TAMI EOOD                  |
| BLAGO DI MARE EOOD         |
| HOLLIDAY 117 OOD           |
| ALEKS SHIPS OOD            |
| HUDSON SHIPPING LINES OOD  |
| BULMARKET SHIPPING OOD     |
| IMPERIYA - 777 OOD         |
| AVTOSERV OOD               |
| RKP EOOD                   |
| MIGI BIG OOD               |
| BLU PARADAYS EOOD          |
| NAV TRANS LODZHISTIKS EOOD |

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