

**PRESENTATION OF INSIDE INFORMATION
REGARDING FACTS AND CIRCUMSTANCES WHICH HAVE OCCURRED DURING THE
SECOND QUARTER OF 2011 /01 April 2011 – 30 June 2011/
IN RESPECT OF BULGARTABAC-HOLDING AD IN COMPLIANCE WITH APPENDIX No 9
OF ORDINANCE No 2 OF 17 SEPTEMBER 2003 ON THE PROSPECTUSES**

No	Circumstances under Appendix No 9 to Art. 28, para.2 of Ordinance No 2 of 17 September 2003	Information
1.1.	Change of the persons, exercising control over the company	No such circumstances have occurred during the period under review.
1.2.	Change in the members of the management and the control bodies of the company and reasons for the change; changes in the way of representation; appointment or discharge of procurator	No such circumstances have occurred during the period under review.
1.3.	Amendments and/or supplements to the company's Articles of Association	No such circumstances have occurred during the period under review.
1.4.	Decision for transformation of the company and implementation of the transformation; structural changes in the company	No such circumstances have occurred during the period under review.
1.5.	Initiation of a liquidation procedure and all main stages, related to such procedure	No such circumstances have occurred during the period under review.
1.6.	Initiation of a bankruptcy procedure for the company or its subsidiary and all substantial stages, connected with the procedure	No such circumstances have occurred during the period under review.
1.7.	Acquisition, granting for use or disposition of assets of big value according Art. 114 para 1 item 1 of POSA	At the regular General Meeting of Shareholders of the Company held on 23 June 2011 the following decision was approved: "The General Meeting approves the transactions carried out under Art. 114, para. 4 of POSA, which are disclosed in detail in the substantiated report, as follows: - Annex 47 of 01 February 2010 to the Trademark License Agreement No 005-L of 01 January 1995 regarding royalties for sales of tobacco products in the domestic market in the amount of BGN 4 672 797.00, VAT excluded; - Annex 48 of 14 June 2010 to Trademark License Agreement No 005-L of 01 January 1995 regarding royalties for sales of tobacco products in the domestic market in the amount of BGN 2 302 938.00, VAT excluded; - Annex 2 of 19 May 2010 to the Contract No 133-II of 03 July 2000 on the trade representation remunerations upon sales under intra-Community supplies and supplies to third countries (export) of

		<p>tobacco products and cut tobacco manufactured by Blagoevgrad-BT AD in the amount of BGN 4 031 102.31, VAT excluded;</p> <p>- Contract No 347 – DP of 15 November 2010 on the sale of tobaccos owned by BTH AD in the amount of BGN 2 230 000.00, VAT excluded;</p> <p>- Contract No 353 – DP of 15 November 2010 on the sale of tobaccos owned by BTH AD in the amount of BGN 470 000.00, VAT excluded.”</p>
1.8.	Decision for conclusion, termination and rescission of a contract for a joint venture.	No such circumstances have occurred during the period under review.
1.9.	(repealed – SG, iss. 82 in 2007)	
1.10.	Change of the auditors of the company and reasons for the change	At the regular General Meeting of Shareholders of the Company held on 23 June 2011 the specialized audit firm „HLB Bulgaria” OOD, was appointed to audit and certify the separate annual financial statements for 2011 of Bulgartabac-Holding AD, Sofia, and of the consolidated financial statements of Bulgartabac Group for 2011. The same auditor conducted the audit and certified the separate annual financial statements for 2010 of Bulgartabac-Holding AD and of the consolidated financial statements of Bulgartabac Group for 2010.
1.11.	Announcement of the profit of the company	<p>During the period under review /01 April 2011 - 30 June 2011/ the following notifications about the Company’s profits were presented to FSC, BSE and the public:</p> <p>- The net profit of Bulgartabac-Holding AD at 31 March 2011 in the amount of BGN 1,319 thousand was reported in the interim financial statements of the Company as of 31 March 2011 (ref. No INC_NUM 10-05-9289 FORM_ID: 89806 dd. 26 April 2011 of FSC, ref.No 3139/26.04.11 of BSE, publications in Extri News on 26 April 2011);</p> <p>- The net profit of Bulgartabac Group at 31 March 2011 in the amount of BGN 2,167 thousand, incl. attributable to the owners of the parent company’s equity – BGN 1,938 thousand and to non-controlling interest - BGN 229 thousand, was reported in the quarterly non-consolidated financial statements of the Group as of 31 March 2011 (ref. No INC_NUM 10-05-12476 FORM_ID: 93471 dd. 30 May 2011 of FSC, ref. No 4477/30.05.2011 of BSE, publications in Extri News on 30 May 2011);</p> <p>- The net profit of Bulgartabac Group at 31 December 2010 in the amount of BGN 18,991 thousand, incl. attributable to the owners of the parent company’s equity – BGN 16,100 thousand and to non-controlling interest - BGN 2,891</p>

		thousand, was reported in the audited annual consolidated financial statements of the Group as of 31 December 2010 (ref.No INC_NUM 10-05-10037 FORM_ID: 90671 dd. 02 May 2011 of FSC, ref. No 3503/29.04.2011 of BSE, publications in Extri News on 29 April 2011).
1.12.	Material losses and the reasons thereof	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review
1.13.	Unforeseeable or unforeseen circumstance of extraordinary nature, as a result of which the company or its subsidiary has suffered damages, amounting to three or more percent of the company's equity	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review
1.14.	Public disclosure of a modified auditor's report	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review
1.15.	Decision of the general meeting about the dividend's type and amount, as well as on the conditions and the order for its payment	<p>1. By a letter ref. No INC_NUM 10-05-14583 FORM_ID: 95742 dd. 23 June 2011 of FSC, ref. No 5132/23.06.11 of BSE, publications in Extri News on 23 June 2011 and ref. No 02-2011-4952/24.06.2011 of the Central Depository, a notification was made of the resolutions passed by the regular General Meeting of Shareholders of Bulgartabac-Holding AD held on 23 June 2011 regarding the distribution of dividends for the shareholders /Art.115c, para.2 of POSA/.</p> <p>2. The exact amount of dividends is as follows: Total amount of dividend – BGN 52,983,360.41; Gross amount of dividend per share – BGN 7.191769219; Net amount of dividend per share – BGN 6.832180758; Date at which the shareholder's structure of Bulgartabac-Holding AD was determined in accordance with the provisions of Art.115c, para.1 of POSA – 07 June 2011 inclusive. Information about the terms and conditions and the procedure for payment of dividends to the shareholders is to be presented.</p> <p>3. Notification for suspending the payment of dividends for 2005 to the shareholders of Bulgartabac-Holding AD due to expiry of the five-year period of limitation of receivables pursuant to Art. 110 of the Obligations and Contracts Act as of 29 June 2011. (ref. No INC_NUM 10-05-14756 FORM_ID: 95923 dd. 27. June 2011 of FSC, ref. No 5179/27.06.11 of BSE, publications in Extri News on 27 June 2011)</p>

1.16.	Occurrence of liability, which is essential for the company or for its subsidiary, including each non fulfilment or increase of the liability	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review
1.17.	Arising of receivable, which is essential for the company, with indication of its due date	No such circumstances have occurred during the period under review.
1.18.	Liquidity problems and measures for financial support	No such circumstances have occurred during the period under review.
1.19.	Increase or decrease of the share capital	No such circumstances have occurred during the period under review.
1.20.	Confirmation of negotiations for acquisition of the company	No such circumstances have occurred during the period under review.
1.21.	Conclusion or fulfilment of essential contracts, which are not related to the company's ordinary activity	No such circumstances have occurred during the period under review.
1.22.	Position of the management body in connection with the tender offer made.	No such circumstances have occurred during the period under review.
1.23.	Termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenue of the company for the last three years	No such circumstances have occurred during the period under review.
1.24.	Introduction of new products and developments on the market	No such circumstances have occurred during the period under review.
1.25.	Big orders (amounting to over 10 percent of the average revenue of the company for the last three years)	No such circumstances have occurred during the period under review.
1.26.	Development and/or change in the amount of the orders and the use of the production capacity	No such circumstances have occurred during the period under review.
1.27.	Termination of the sales of a given product, forming significant part of the revenues of the company	No such circumstances have occurred during the period under review.
1.28.	Purchase of patent	No such circumstances have occurred during the period under review.
1.29.	Obtaining, suspension of the use, withdrawal of authorization to pursue business (license)	No such circumstances have occurred during the period under review.
1.30.	Initiation or termination of legal or arbitration proceedings, relating to liabilities or receivables of the company or its subsidiary, with price of the claim at least 10 percent of the company's equity	At 31 March 2011 Bulgartabac-Holding AD was a party to a trial where the amount of the claim exceeds 10 per cent of the company's equity at 31 December 2010, namely: Case No 10-4261 – Appellate Court, New York city, USA. Bulgartabac-Holding AD as a claimant Republic of Iraq, the State Tobacco Group, the Central Bank of Iraq, and Rafidan bank as defendants. The case was initiated at an appeal of Bulgartabac-Holding AD against the decision of the court of first instance. Amount of the claim – USD 29,772,383.99.
1.31.	Purchase, sale or established pledge on shareholdings in commercial companies by the issuer or its subsidiary	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review

1.32.	Prepared forecast by the issuer about its financial results or of its economic group, if a decision has been taken the forecast to be disclosed to the public	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review
1.33.	Awarding or change of rating made by order of the issuer	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review
1.34.	Other circumstances, which the company considers that could be of importance for the investors at taking a decision to acquire, to sell or continue to own publicly offered securities	No such circumstances have occurred in respect of Bulgartabac-Holding AD during the period under review

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 of Bulgartabac-Holding AD