Project “Promoting the advantages of investing in Bulgaria” BG 161PO003-4.1.01-0001-C0001, with beneficiary InvestBulgaria Agency, has been implemented with the financial support of the European Union through the European Fund for Regional Development and the national budget of the Republic of Bulgaria.
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INTRODUCTION
Bulgaria provides an end-to-end solution to developing the Food & Agri sector...

- Unique natural conditions for the cultivation of a wide variety of crops, fruits, and vegetables
- 50% of the country’s territory is farming land
- Ecologically clean and fertile soils
- Very high quality of organic products (ban on GMOs)
- Established local producers and a strong tradition in the sector
- Long-standing distribution channels in the former Eastern Bloc
- The EU acquis on food has been transposed into Bulgarian legislation
- Very high health and environmental protection standards make Bulgarian food products fully prepared to meet even the highest and most complex consumer requirements.
- Major foreign investments by multinational companies account for a large - even dominant - market share in several key sectors such as confectionery, dairy products, and food & beverage.
- The growing demand for new and local food and beverages in Western Europe and beyond will boost the demand for traditional Bulgarian products.

Bulgaria was the first among former Communist countries where Coca-Cola established a production plant back in 1965. Coca-Cola companies officially set foot in Bulgaria in 1992.
Introduction

... thanks to its well-established infrastructure....

- Direct access to the fastest-growing and largest market in Europe: over 122 million people
- Strategically located to provide routes to Europe, Russia, CIS, the Middle East, and North Africa
- 5 Pan-European corridors cross the country, linking Northern Europe with the Middle East and North Africa
- Expected accession to the Schengen Area in 2012
- Fifty industrial zones and logistics centres
- Bulgaria has a well developed and constantly improving infrastructure: 6 highways, 230 railway stations, 5 international airports, 7 ports on the Danube, and 6 seaports on the Black Sea.
- The logistics network is better developed than most Balkan countries
- 68 bilateral agreements on avoidance of double taxation

Bulgaria was the world’s largest producer and exporter of lavender oil in 2011
...highly qualified and affordable human resources ...

- A well-developed educational network of colleges, universities, and high schools
- A number of public and private research & analysis centres, more than 10,000 researchers
- Workforce available throughout the country at some of the most competitive prices in Europe
- Bulgarian research institutes and universities work together with companies in the sector to create a skilled workforce

...and specialized government incentives and EU funding...

- The Rural Development Operational Programme has the largest budget in Bulgaria: €3,279 billion. (EU: €2,642 bn.; national co-financing: € 637 million)
- The Programme has the highest level of fund absorption in the country: around 20%
- In 2011, the Bulgarian agricultural sector will receive over € 562 million in direct financing under the operational programmes, which means a 10% increase over the previous year
- At present there are 15 active financing schemes covering various industry sub-sectors which are at farmers’ disposal

The Greeks inherited the art of wine-making from ancient Thracian tribes inhabiting the lands of what is today’s Bulgaria
OVERVIEW OF BULGARIA
Bulgaria is strategically located and offers political stability and low cost of doing business.

Bulgaria is strategically located and provides access to the following markets:

- **South-East Europe** – a high-potential market with a population of 122 million people
- **The European Union** - Bulgaria offers the lowest cost for access to a market worth an estimated 800 million Euro
- **Russia/CIS, Middle East and North Africa**

Bulgaria offers a combination of political and macroeconomic stability and many incentives for doing business:

- Stable parliamentary democracy - member of the EU, NATO and the World Trade Organization
- The Bulgarian currency is pegged to the Euro under a Currency Board
- The lowest tax rates and some of the lowest labour costs in the EU, backed by specific incentives for investors in the country
- EU funding - more than 10 billion Euro from EU funds in the next few years
<table>
<thead>
<tr>
<th><strong>Overview of Bulgaria</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bulgaria: Summary Statistics</strong></td>
</tr>
<tr>
<td><strong>Population:</strong></td>
</tr>
<tr>
<td><strong>Labour force:</strong></td>
</tr>
<tr>
<td><strong>Urban Population:</strong></td>
</tr>
<tr>
<td><strong>Capital:</strong></td>
</tr>
<tr>
<td><strong>Time zone:</strong></td>
</tr>
<tr>
<td><strong>Summer (DST):</strong></td>
</tr>
<tr>
<td><strong>Total area:</strong></td>
</tr>
<tr>
<td><strong>Land area:</strong></td>
</tr>
<tr>
<td><strong>Water area:</strong></td>
</tr>
<tr>
<td><strong>Climate:</strong></td>
</tr>
<tr>
<td><strong>Languages:</strong></td>
</tr>
<tr>
<td>Bulgarian (official)</td>
</tr>
<tr>
<td>Turkish</td>
</tr>
<tr>
<td>Roma</td>
</tr>
<tr>
<td>English, German, Russian, French:</td>
</tr>
<tr>
<td><strong>Religions:</strong></td>
</tr>
<tr>
<td>Christian Orthodox</td>
</tr>
<tr>
<td>Muslim</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Currency:</strong></td>
</tr>
<tr>
<td><strong>Fixed exchange rate:</strong></td>
</tr>
<tr>
<td><strong>Corporate income tax:</strong></td>
</tr>
<tr>
<td><strong>Personal income tax:</strong></td>
</tr>
<tr>
<td><strong>VAT (standard):</strong></td>
</tr>
<tr>
<td><strong>Government type:</strong></td>
</tr>
<tr>
<td><strong>Supreme legislative power:</strong></td>
</tr>
<tr>
<td><strong>Executive state body:</strong></td>
</tr>
</tbody>
</table>

**EU member since 2007**
**NATO member since 2004**
**WTO member since 1996**

Source: Bulgarian National Bank, National Statistical Institute
Bulgaria enjoys exemplary macroeconomic indicators

<table>
<thead>
<tr>
<th>2011 Economic Snapshot:</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (€ in bln):</td>
</tr>
<tr>
<td>Exports (€ in bln):</td>
</tr>
<tr>
<td>Net FDI (% of GDP):</td>
</tr>
<tr>
<td>GDP growth (2012F, %):</td>
</tr>
<tr>
<td>Unemployment (%):</td>
</tr>
<tr>
<td>Inflation rate (%):</td>
</tr>
<tr>
<td>Government deficit (% of GDP):</td>
</tr>
<tr>
<td>Government debt (% of GDP):</td>
</tr>
<tr>
<td>Current account balance (% of GDP):</td>
</tr>
<tr>
<td>Long-term credit ratings:</td>
</tr>
<tr>
<td>Moody’s:</td>
</tr>
<tr>
<td>S&amp;P:</td>
</tr>
<tr>
<td>Fitch:</td>
</tr>
</tbody>
</table>

Source: Bulgarian National Bank, Eurostat, sovereign rating companies’ websites

» The Bulgarian economy reported sustained growth of over 6% for the period 2000-2008
» The economy stabilized in 2010, with real GDP growth of 0.2% which is projected to rise to 2.8% in 2012
» **Bulgaria is the country with the second-lowest debt in the EU: 16.3% of GDP**
» Currency stability resulting from the currency board introduced in 1997 - the Bulgarian Lev is pegged to the Euro at 1.95583
» In 2010, Bulgaria reported the second lowest debt to GDP ratio in the EU27

Bulgaria is the only European country whose credit rating was increased by Moody’s
Overview of Bulgaria

GDP Breakdown

- Industry 32%
- Services 63%
- Agriculture 5%

Exports Breakdown

- Consumer goods 25%
- Other raw materials 20%
- Machines and equipment 17%
- Food 8%
- Oil products and electricity 14%
- Metals 16%
Overview of Bulgaria

Bulgaria offers a unique lifestyle experience within easy reach of Sofia...

...vibrant cities with many art galleries, festivals, concerts, museums
...emerging world-class golf courses
...beautiful coastline with white and golden sand beaches
...numerous spa resorts
...ski resorts including the 2012 World Cup host town of Bansko
...hiking and adventure sports in the beautiful Rila, Pirin, Rhodopes and Balkan mountains
...fine cuisine and boutique wineries

...and boasts some of Europe’s greatest historical treasures

...Thracian and Roman ruins and artifacts,
...Medieval fortresses and historical artifacts
...monasteries and temples dating back as far as 4th century AD

Sofia is among the oldest capital cities in Europe and the only city besides Jerusalem with an Orthodox church, a Catholic cathedral, a mosque and a synagogue within a square kilometer.
Given her small size, Bulgaria has a surprisingly diverse climate.

- Temperate climate (2,000 to 2,400 hours of sunshine per year) with four defined seasons
- The average annual temperature is 10.5 °C
- Annual average temperature in the lowlands of Northern Bulgaria: 11-12 °C, and in the South - up to 14 °C
- Average annual values of precipitation in the plains: 500-800 mm, and the mountains - 1,000 mm - 1,400 mm
- Dense river network of 540 rivers and 400 lakes
- Bulgaria ranks second in Europe in terms of existing, developed and certified mineral water springs
- Large diversity of soils: over 15 types of soil, with 42 sub-types
OVERVIEW OF THE FOOD AND AGRICULTURE SECTOR IN BULGARIA
Bulgaria has strong traditions in the food sector

Thracians were one of three major tribes responsible for the genetic beginnings of today’s Bulgarians. They discovered a new method of milk fermentation with lactobacilli isolated from green plants.

Franz Milde, helped by a group of enterprising residents of Shumen, started one of the oldest breweries in Bulgaria: Shumensko Pivo.

During Ottoman rule, farming was the primary livelihood for the predominantly rural population of Bulgaria.

Ernest Solvay, the famous founder of the Belgian industrial conglomerate Solvay, established the first Bulgarian sugar factory in Sofia.

The Kamenitza brewery, established by three Swiss entrepreneurs in 1881, won a gold medal at the prestigious Exposition internationale de boissons fermentes hygiéniques in Brussels.
Overview of the Bulgarian Food and Agriculture Sector

Bulgaria became the world’s first tomato exporting countries in Europe, reaching 220,000 tonnes per year.

Bulgaria ranked among the first tomato exporting countries in Europe, reaching 220,000 tonnes per year.

In 1990, Bulgaria was the world’s largest exporter of rose oil used for the perfume industry.

Bulgaria became the world’s second largest exporter of bottled wines.

Bulgaria became the first country in the former Communist bloc to produce Coca-Cola.
Bulgaria has long-standing traditions in the food sector

Overview of the Food & Agri sector in Bulgaria

90% of organic food grown in Bulgaria is exported to industrialised countries

The Coca-Cola Company officially “set foot” in Bulgaria in 1992

The Coca-Cola Company

The Razgrad factory Tsarevitchni Produktni Ltd. was acquired by the Belgian group Amylum

AMYLUM GROUP

The largest international food producers entered the Bulgarian market: Kraft Foods and Nestle S.A. Since then, both companies have invested heavily in the country’s economy.

Danone entered the Bulgarian market through the acquisition of the state-owned company Serdica. Since then, Danone has invested more than € 50 million in the country.

Danone
Overview of the Food & Agri sector in Bulgaria

The exports of milk, yoghurt, and cheese, including Feta cheese, from Bulgaria has increased by 30% compared with the previous year. Bulgarian milk and dairy products are known around the world for their health-promoting qualities.

The equity investment company Advent International acquired a significant share in Devin, a leading Bulgarian bottled mineral water company.

The international company Carlsberg entered the Bulgarian brewery market by acquiring Shumensko Pivo.

Unilever acquired the Bulgarian ice-cream company Darko, which is the second largest after Nestle.

Unilever

2002

2008

2009

2011

Carlsberg

Bulgaria
The food&beverage industry is boosted by the rapidly developing farming sector

- In 2010, the total value added for agriculture was 5.2% of Bulgarian GDP and 6% (€ 1,876 million in 2010) of the total value added in the national economy. Value added for the sector (10.9%) is the fastest growing in the country’s entire economy.

- In 2010, the Agri sector was the only one to register growth in each quarter.

- In 2010, Bulgaria’s agricultural trade balance was positive: US$ 994 million, compared with US$ 385 million in 2009. The sector accounted for 17% of Bulgaria’s total exports and 10% of the country’s total imports.

- The export of Bulgarian agricultural produce reached US $ 3.468 billion, which, compared with the US $ 2.795 billion for the preceding year, meant a 24% growth.

- About 72% of Bulgarian exports of agricultural produce went to the EU, while Russia, Ukraine, Turkey, and the Arab countries recovered their former position as major export markets.

Bulgaria is among the first eight EU Member States in terms of average growth of profitability in agriculture. In 2010, the average profitability from agriculture in Bulgaria increased by 23% compared to 12.3% for EU-27.

Source: Agricultural Report 2011
Excellent natural conditions for a wide variety of crops

The largest share in total revenues for 2010 belongs to the following crop-growing sectors:

- Grain: 19.6% (€ 755 million)
- Technical crops: 15.8% (€593 million)
- Fodder crops: 5.9% (€ 228 million)
- Vegetables: 5% (€ 191 million)

Livestock breeding accounts for 16.7% (€ 640 million) of the total revenue from farming produce, while animal products manufactured account for 14.2% (€ 544 million) of the total revenue.

Structure of gross output valued in agriculture (2010)

Key crops cultivated in Bulgaria (2009)

<table>
<thead>
<tr>
<th>Arable area</th>
<th>in ha (2009)</th>
<th>In % of arable land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>1,254,151</td>
<td>24.9%</td>
</tr>
<tr>
<td>Sunflower</td>
<td>687,209</td>
<td>13.7%</td>
</tr>
<tr>
<td>Maize</td>
<td>303,881</td>
<td>6.0%</td>
</tr>
<tr>
<td>Barley</td>
<td>264,689</td>
<td>5.3%</td>
</tr>
<tr>
<td>Fallow</td>
<td>196,336</td>
<td>3.9%</td>
</tr>
<tr>
<td>Technical and oil-bearing crops</td>
<td>115,013</td>
<td>2.3%</td>
</tr>
<tr>
<td>Areas under pulses</td>
<td>94,226</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other technical crops</td>
<td>60,629</td>
<td>1.2%</td>
</tr>
<tr>
<td>Oats</td>
<td>28,894</td>
<td>0.6%</td>
</tr>
<tr>
<td>Fresh vegetables</td>
<td>28,715</td>
<td>0.6%</td>
</tr>
<tr>
<td>Tobacco</td>
<td>27,865</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Between 2003 and 2010, Bulgaria reported the largest growth in the use of agricultural land EU-wide.

Source: Agricultural Report 2010
Bulgaria: a world-class food producer

- In 2010, the share of agriculture was 5.2% of Bulgarian GDP. Value added for the sector, reported at 10.9% over the previous year, was the highest in the whole economy.
- Production was carried out by about 5,500 companies, with almost half of them located in the South-Central and South-West region.
- The beverage manufacturing sector covers about 4% of industrial production in the country and creates approximately 4% of the added value in industry.
- These products are the result of the activity of 1,700 companies distributed relatively evenly in the six planning regions.

State of the food&beverage industry in 2010

- Manufacturing of food products: 4.60% employees, 21.60% no. companies
- Manufacturing of beverages: 73.80% employees, 76.10% no. companies
- Manufacturing of tobacco products: 23.50% no. companies

The sector is highly fragmented and dominated by small and medium-sized enterprises.

The Food&Agri sector in Bulgaria attracted some of the biggest international companies such as Danone, Coca-Cola, Kraft Foods and others.

Source: A.T. Kearney, Amadeus
Bulgaria: a Country Naturally Open to the World

The contribution of the sector to the country’s external trade is quite significant: 8.5% of total exports and 9.1% of total imports for the national economy.

Exports of major agricultural products and foodstuffs (2010)

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Quantity (tonnes)</th>
<th>Value (dollars US)</th>
<th>Share of total agricultural exports in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat and meslin</td>
<td>2 293 122</td>
<td>448 664 740</td>
<td>12.95</td>
</tr>
<tr>
<td>Sunflower seeds, whether or not broken</td>
<td>579 661</td>
<td>337 456 862</td>
<td>9.74</td>
</tr>
<tr>
<td>Rape or colza seeds, whether or not broken</td>
<td>531 680</td>
<td>221 227 968</td>
<td>6.39</td>
</tr>
<tr>
<td>Unmanufactured tobacco</td>
<td>40 392</td>
<td>194 525 890</td>
<td>5.62</td>
</tr>
<tr>
<td>Cigars, cigarillos and cigarettes</td>
<td>13 338</td>
<td>167 331 715</td>
<td>4.83</td>
</tr>
<tr>
<td>Bread and bakery products</td>
<td>60 813</td>
<td>167 089 917</td>
<td>4.82</td>
</tr>
<tr>
<td>Maize</td>
<td>650 566</td>
<td>162 337 759</td>
<td>4.69</td>
</tr>
<tr>
<td>Sugar</td>
<td>139 488</td>
<td>106 853 387</td>
<td>3.09</td>
</tr>
<tr>
<td>Meat and offal</td>
<td>45 660</td>
<td>158 978 304</td>
<td>4.59</td>
</tr>
<tr>
<td>Sunflower-seed, safflower or cottonseed oil</td>
<td>98 408</td>
<td>103 358 256</td>
<td>2.98</td>
</tr>
<tr>
<td>Barley</td>
<td>483 867</td>
<td>76 612 502</td>
<td>2.21</td>
</tr>
<tr>
<td>Cheese and curd</td>
<td>23 104</td>
<td>75 067 948</td>
<td>2.17</td>
</tr>
<tr>
<td>Fruit incl.preserved</td>
<td>31 693</td>
<td>97 255 317</td>
<td>1.34</td>
</tr>
<tr>
<td>Wine from fresh grapes</td>
<td>50 588</td>
<td>63 328 831</td>
<td>1.83</td>
</tr>
<tr>
<td>Chocolate and other cocoa products</td>
<td>14 936</td>
<td>63 104 680</td>
<td>1.82</td>
</tr>
</tbody>
</table>

Key Bulgarian Export Partners

Source: Agricultural Report 2010, Ministry of Economy, Energy and Tourism
Agrarian University of Plovdiv
- 2 700 students;
- Faculties of Agronomy, Viticulture and Horticulture, Plant Protection and Agroecology, Economics and Languages
- Departments of Farming and Herbology, Animal Science, Crop Science, Plant Genetics and Breeding, Botany and Agrometeorology, Agrochemistry and Soil Science, Plant Physiology and Biochemistry, Fruit Growing, Agricultural Machinery, Melioration with Geodesy, Phytopathology etc.

Trakia University
- 5 000 students;
- Faculties in Agriculture and Veterinary Medicine
- Majors in Agronomy, Agrarian Engineering, Zoo engineering, Ecology, Fisheries and Agriculture

University of Forestry
- 2 900 students;
- Faculties of Agricultural Sciences and Veterinary Medicine
- Degrees in Forestry, Plant Protection, Breeding and Seed Production of Agricultural Crops, Veterinary Medicine
University of Food Technology
- 2,000 students;
- Faculties of Technology, Engineering, Economics, Language Studies, Physical Education and Sports;
- Departments of Chemistry and Physical Chemistry, Organic Chemistry and Microbiology, Biochemistry and Molecular Biology, Wine and Beer Technology, Grain and Feed Technology; Bakery and Confectionery Production; Technology of milk and dairy products; Conservation and Chilling; Economy of the Food Industry, Biotechnology and others.

Agricultural College Plovdiv
- 6,000 students;
- Subjects in Agricultural Technology (farming), technology in Horticulture and Wine Production, Economics of Tourism, Alternative Tourism, Agrarian Economics.

Technical University - Sofia
- 18,000 students
- There are three faculties where subjects are taught in a foreign language training - Faculty of German Engineering Education and Industrial Management, English Language Faculty of Engineering, and French Language Faculty of Electrical Engineering.
Labour costs in the sector and the economy as a whole are extremely competitive

- The country provides sufficient workforce both for the Agri sector and for the Food & Beverage industry.
- There are skilled engineers, technicians and biotechnologists at very acceptable levels of labour costs.
- Very good overall quality/cost ratio of the workforce.

The level of wages in the Agriculture sector is among the lowest in the country. The average monthly wage is estimated at about BGN 450.

The level of wages in the Food & Beverage sector is close to the country’s average wage. The average monthly wages vary between BGN 500 and BGN 600.

The level of wages not only in the industry but also the economy as a whole is among the most competitive in the EU.

In the near future, wages are expected to remain low.

Source: Eurostat, Manpower, NSI
Concentration of sub-sectors

**North-West Region:**
- Persons employed in the sector: 7,202
- 3.5% of all persons employed for the region
- 9.9% of people employed in the sector
- Number of companies: 483 (11.0%)

**North-Central region:**
- Persons employed in the sector: 11,383
- 4.4% of all persons employed for the region
- 14.1% of people employed in the sector
- Number of companies: 589 (13.0%)

**South-West region:**
- Persons employed in the sector: 23,724
- 2.3% of all persons employed for the region
- 29.5% of people employed in the sector
- Number of companies: 1,091 (24.0%)

**South Central Region:**
- Persons employed in the sector: 16,649
- 3.8% of all persons employed for the region
- 20.7% of people employed in the sector
- Number of companies: 969 (22.0%)
Overview of the Bulgarian food and agriculture sector

**North-East region:**
- Persons employed in the sector: 10 229
- 3.3% of all persons employed for the region
- 12.7% of people employed in the sector
- Number of companies: 549 (12.0%)

**South-East region:**
- Persons employed in the sector: 11 360
- 3.4% of all persons employed for the region
- 14.1% of people employed in the sector
- Number of companies: 695 (15.9%)
High-quality farming land

Although farming land use in Bulgaria covers only 5,490,513 hectares, it provides farmers with more opportunities than other countries in Central and Northern Europe.

The high quality of farmland, in combination with the favourable climatic conditions in the country, allows for the cultivation of a wide variety of crops.

In 2009, the share of agricultural land was 49.5% of the country’s territory.

Arable land includes areas used for rotation crops, included in rotation of temporary grass with wheat and pulses. In 2009, these areas occupied 3,122,516 hectares and accounted for 62.1% of arable farmland.

Source: Agricultural Report 2010; Elana Agricultural Land Fund
Resources for the sector

The prices of farming land in Bulgaria are among the lowest in Europe.

In 2010, the average selling price of land was between €1,530 and €1,590 per hectare, according to the Bulgarian Association of Agricultural Land Owners.

In 2010, land lease prices were in the range of €112-138 per hectare, depending on the region. One exception is the Dobrudja region, where prices for land lease are traditionally higher: €205 - 307 per hectare.

Land lease prices are tied to the amount of subsidies received by farmers, the average lease price being approximately equal to the subsidies received by farmers for declared arable land.

OVERVIEW OF SUBSECTORS IN THE FOOD & AGRI SECTOR
Overview of subsectors in the Food & Agri Sector

Excellent quality of raw materials

- The canning industry is one of the oldest, most important and promising sectors of the food & beverage industry in Bulgaria. The sector generates about 6% of the total production and provides employment to approximately 9% of the workforce in this sector.
- The Bulgarian canning industry is traditionally export-oriented.
- Over the past several years, Bulgaria exported a total of between 58 and 67 thousand tonnes of canned food.
- In 2009, the value of exported processed foodstuffs was 1.36 billion dollars, which is 7% of the total national exports.

Processed fruit and vegetables in 2010 (in thousand tonnes)

<table>
<thead>
<tr>
<th></th>
<th>Fruits</th>
<th>Vegetables</th>
<th>Mixed</th>
<th>Mushrooms</th>
<th>Potatoes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged</td>
<td>na</td>
<td>0.59</td>
<td>na</td>
<td>0.35</td>
<td>0.05</td>
</tr>
<tr>
<td>Frozen</td>
<td>9.89</td>
<td>12.03</td>
<td>na</td>
<td>0.15</td>
<td>0.14</td>
</tr>
<tr>
<td>Dried</td>
<td>0.49</td>
<td>0.38</td>
<td>na</td>
<td>0.07</td>
<td>na</td>
</tr>
<tr>
<td>Pickles</td>
<td>na</td>
<td>1.34</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Preserved</td>
<td>11.35</td>
<td>40.33</td>
<td>0.05</td>
<td>0.98</td>
<td>na</td>
</tr>
<tr>
<td>Juices</td>
<td>12.56</td>
<td>13.78</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Other</td>
<td>12.88</td>
<td>0.75</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Total</td>
<td>47.17</td>
<td>69.2</td>
<td>0.05</td>
<td>1.55</td>
<td>0.19</td>
</tr>
</tbody>
</table>

Under communism, Bulgaria was the main exporter of fresh and processed fruits and vegetables for the Eastern Bloc.

Source: Ministry of Agriculture and Food
Overview of subsectors in the Food & Agri Sector

**Processed Fruit and Vegetables. The Natural Choice**

- In 2010, the number of companies processing fruits and vegetables was 139, with 92 of them processing fruit, and 96 companies involved in processing vegetables.
- During the same period, 56.3 thousand tons of fruit were processed, with 49% purchased directly from local producers.
- Fruits with the largest share in the processing sector are apples (32%), cherries (28%), plums (10%), and peaches (7%).

### Processed Fruit in Thousand Tonnes

<table>
<thead>
<tr>
<th>Fruit</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apples</td>
<td>11.0</td>
<td></td>
<td>14.1</td>
</tr>
<tr>
<td>Cherries</td>
<td>10.0</td>
<td>10.2</td>
<td>15.9</td>
</tr>
<tr>
<td>Peaches</td>
<td>3.6</td>
<td>3.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Pears</td>
<td>7.1</td>
<td></td>
<td>6.8</td>
</tr>
<tr>
<td>Sour cherries</td>
<td>2.3</td>
<td>2.3</td>
<td>2</td>
</tr>
</tbody>
</table>

### Processed Vegetables in Thousand Tonnes

<table>
<thead>
<tr>
<th>Vegetable</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peppers</td>
<td>18.5</td>
<td>25.8</td>
<td>32.9</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>8.4</td>
<td>15.4</td>
<td>21.9</td>
</tr>
<tr>
<td>Potatoes</td>
<td>0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aubergine</td>
<td>4.7</td>
<td>5.6</td>
<td>4.4</td>
</tr>
<tr>
<td>Green peas</td>
<td>6.7</td>
<td>6.7</td>
<td>5.9</td>
</tr>
</tbody>
</table>

- In 2010, 62.4 thousand tonnes of vegetables were processed, of which 77% were purchased directly from local producers.
- Vegetables with the largest share in processing are peppers (30%), tomatoes (25%), green peas (9%), and aubergine (8%).

Bulgarian canned fruits and vegetables are still popular in ex-communist countries because of their high quality.

Source: Ministry of Agriculture and Food
Konex-Tiva Ltd

Established: 1995
Location: Village of Orizovo, Stara Zagora District
Employees: 215
Products: canned vegetables and fruit

- The company’s range includes more than 100 products with various taste and packaging.
- The products are manufactured under the supervision of Kastruh Division of the Orthodox Union, The Union of Orthodox Jewish Congregations of America.
- Konex-Tiva was the first Bulgarian company in the canning industry to be certified under ISO 9002 in 1999. Today the company is approved under the new ISO 22000 standards by TUV Rheinland and has introduced a system of control of food safety under IFS requirements.
- Konex-Tiva brands: Sofra, Sofra Gourmet, Aurora, Aurora Dietar
- Konex-Tiva invested in establishing and maintaining long-standing business relationships with constant clients from around the world.
- Main markets: U.S.A., Canada, Europe, Israel, Bulgaria

3rd Place in 2010 for Konex-Tiva as the employer hiring the largest number of unemployed persons from underprivileged groups.
The company manufactures over 500 products.
It manages its own full production cycle.
The Deroni Company owns four factories equipped with the best and state-of-the-art plant and equipment.
Deroni relies on skilled teams of specialists and technical staff with 30 years of experience, as well as young experts following the newest European trends,

The company exports its products to over 15 countries all over the world (Belgium, Great Britain, Germany, Greece, Israel, Spain, Macedonia, Cyprus, Romania, Russia, the U.S.A., Croatia etc.)
It also makes Private label products for leading international retail chains and foreign companies
It has representative offices in 12 countries

Deroni holds certificates for:
ISO 9001: 2008 – a system of quality management;
ISO 22 000: 2005 - management system for quality and food safety
IFS certificate – an international standard for food

The Deroni brands received the prestigious Superbrand award for Bulgaria in 2009 and 2010, and many other awards.
Philicon-97 Ltd

Established: 1974  
Location: Plovdiv  
Employees: 270  
Products: tomato sauce, tomato concentrates, marinated vegetables and salad, compote or preserves

- The Company Philicon 97 Ltd has its own registered brands: PHILICON and FRESH
- The company has established market positions in countries such as the U.S.A., Great Britain, France, Poland, Romania, Sweden, China, Japan, and West Africa.
- Philicon-97 covers all EU and international standards, with constant control and monitoring of the entire manufacturing process.
- Awards: Gold Star for Quality from the World Quality Support Committee in Madrid
- Gold medals from the Plovdiv International Fair

Philicon 97 produces unique rose juice and rose jam

In 2011, started a joint venture with Devin Ltd to develop the Fresh brand and market it in Bulgaria and Romania

Philicon-97 Ltd also produces the Milky Fresh drink using UHT (Ultra High Temperature technology which is considered most effective for to preserve the taste, texture and nutritional qualities of milk. Its products are now well known and familiar in the markets of North and West Africa.
Bee Honey

- Much of the country’s topography is favourable to bee-keeping.
- In 2009, bee farms numbered 29,244. The sector is characterised by a large number of small producers, while the number of professional beekeepers, looking after more than 150 swarms of bees, is relatively low: 336 in 2009.
- In 2010, the number of bee swarms in Bulgaria was about 560,000, and the quantity of honey extracted was 9,529 tonnes.
- Bulgaria exported a record-high quantity of honey: between: 7,200 and 7,700 tonnes, or about 70% of the entire volume produced.

Essential oils

- For centuries, Bulgaria has been growing the most valuable oil-bearing rose from the Rosa Damascena variety.
- Bulgaria is the second biggest producer of rose oil in the world.
- Bulgaria is also the world’s largest producer of lavender oil.

Bulgaria was the biggest producer of lavender oil for 2011 and one of the top three producers of rose oil.
For millennia, yoghurt has been Bulgarians’ staple food. This unique product was first discovered by Thracian tribes living on the land of today’s Bulgaria.

The beginning of industrial production was back in 1960, at the dairy plant Serdica - Sofia, where the machine pasteurization of milk was first introduced.

The recent economic recovery and Bulgaria’s EU accession opened new investment opportunities for the Bulgarian dairy sector - both in traditional dairy segments and in currently developing modern segments.

The large increase in sales for new milk products provides major opportunities for investment in the dairy segment.

Bulgaria is among the top 15 producers of buffalo and sheep milk in the world.

Basic dairy products manufactured in Bulgaria, 2008 – 2010
(milk, ‘000,000 l; yogurt and cheese, ‘000 t)
Overview of the Food and Agriculture sector in Bulgaria

Bulgaria holds a unique secret to anti-ageing ...

More than 13 centuries ago, the tribes arriving to settle on these lands discovered a "miracle cure" to hold back ageing. The recipe for health and longevity has been handed down from generation to generation: the preparation of yoghurt.

For decades now, historians have been finding proof that this unique product was part of traditional healing methods.

It started with the Russian microbiologist and Nobel laureate Ilya Mechnikov who carried out a thorough study of the influence of Bulgarian yoghurt on the human body at the Louis Pasteur Institute in Paris.

He found that ageing starts as a result of harmful bacteria in human intestines which produce toxic substances and cause atherosclerosis.

He went on to establish that one of the lactobacilli bacteria in Bulgarian yoghurt targeted and neutralized the harmful substances. Mechnikov used his findings to explain the longevity of Bulgarians whose daily diet included yoghurt.

Meanwhile in 1905 Bulgarian scientist Stamen Grigorov discovered that the acidification of Bulgarian yoghurt is due to one rod-shaped and one coccus bacterium.

One year later, the German scientist Lafar confirmed the discovery, and in 1908 Loersen and Coen discovered Lacto bacterium Bulgaricum - the Bulgarian lactic bacteria.
Danone Serdika

Established: 1995
Location: Sofia
Employees: 250-500
Products: production of fresh dairy products

- Danone is the world’s largest yoghurt producer
- Danone Serdika is an undisputed leader in the Bulgarian market of fresh dairy products
- The company’s portfolio includes five brands with over 50 high-quality products
- Investments made over the years exceed BGN 100 million

The company has won numerous awards, including Gold Star for Quality by the World Quality Support Committee in Madrid and gold medals from the International Plovdiv Fair.

Danone Serdika has a well-developed distribution network both within Bulgaria and the Greek and Adriatic markets.

A new machine was commissioned in 2010, introducing the next-generation Tetra technology. Danone Serdika is the only company in Bulgaria to manufacture products in Tetra Top format.

Danone Serdika was the first company in Bulgaria to hold an accredited International Certificate of Food Safety.
LB Bulgaricum

Established: 1965/1991  
Location: Sofia  
Employees: 200  
Products: production and export of dairy starter cultures and technologies

LB Bulgaricum is a technology leader in the dairy industry in Bulgaria.

The company is a leader in the export of know-how, technology and starter cultures for Bulgarian yoghurt and dairy products; LB Bulgaricum holds top positions in the export of Feta cheese and kashkaval.

The company operates two production plants: in Sofia and Vidin, and a modern Research and Development Centre which developed a new generation of starter cultures and healthy food formulas over the past 10 years. The R&D Centre maintains a unique collection of over 900 lactic acid bacteria and more than 100 different combinations of starter cultures.

LB Bulgaricum holds:
- 11 patents for Bulgarian dairy products
- 45 trademarks registered in Bulgaria
- A corporate trademark registered in 26 countries
- 6 designations of origin

... For 30 years, the company’s starter cultures and technologies have been used to produce yoghurt under Bulgarian license in Japan, Germany, Switzerland, the Netherlands, Cyprus, Finland, the Philippines, France, and Austria.
High-quality raw material for the meat-processing industry

Poultry breeding has a major share in livestock breeding in Bulgaria. In 2010, about 49% of total meat production came from the poultry sector.

Number of farms and types of animals in agricultural farms (2010)

<table>
<thead>
<tr>
<th>Types of animals</th>
<th>Livestock farms</th>
<th>Number of animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bovine cattle</td>
<td>95 570</td>
<td>578 840</td>
</tr>
<tr>
<td>Buffalo</td>
<td>1 030</td>
<td>10 100</td>
</tr>
<tr>
<td>Equine</td>
<td>92 940</td>
<td>112 800</td>
</tr>
<tr>
<td>Goats</td>
<td>84 640</td>
<td>390 810</td>
</tr>
<tr>
<td>Sheep</td>
<td>91 860</td>
<td>1 418 480</td>
</tr>
<tr>
<td>Pigs</td>
<td>82 400</td>
<td>658 780</td>
</tr>
<tr>
<td>Poultry</td>
<td>185 650</td>
<td>17 494 550</td>
</tr>
<tr>
<td>Rabbits</td>
<td>24 970</td>
<td>297 200</td>
</tr>
<tr>
<td>Bee swarms</td>
<td>23 970</td>
<td>588 590</td>
</tr>
</tbody>
</table>

Bulgaria is among the world’s top 10 producers of goose, donkey, and rabbit meat.

Source: Annual Agrarian Report, 2010
Meat industry in Bulgaria

- Bulgaria has a long tradition in livestock breeding and meat processing
- Local producers use some unique recipes for salami, flat sausage (soudjuk) and other meat products. At present, the country holds the protected geographical indication for an authentic product: the flat sausage from Gorna Oryahovitsa (Gornooryahovski sudjuk), and is in the process of receiving the EU protected geographical indication for 7 more meat products.

- Modern processing plants enable local producers to comply with the strictest international and national sanitary requirements
- The meat processing industry features 65 plants processing red meat, 30 white-meat slaughterhouses, 283 meat processing plants and meat factories for automated meat cutting, or a total of 378 companies in the industry
- In 2010, meat production in Bulgaria was as follows:
  - The total production of bovine meat was 19 610 tonnes
  - The production of sheep meat was 13 320 tonnes
  - The production of goat meat amounted to 3 699 tonnes
  - Pork meat production was 70 471 tonnes
  - The total production of poultry meat in the country was 106 915 tonnes

Bulgaria is one of the largest producers of foie gras (goose liver) in Europe
Bella Bulgaria is the biggest food producer in the country, and occupies a leading position in the meat processing market.

- The company owns 5 meat processing factories.
- Since November 2004, the entire production cycle is certified under the HACCP system.
- Direct deliveries are made to 10,000 points.
- Bella Bulgaria successfully operates in the Romanian market, too; the company has established its own marketing units.
- The company exports its products to over 20 countries on four continents: Turkey, Slovenia, Moldova, Belgium, the Netherlands, Malta, Italy, Spain, Switzerland, Dubai, Lebanon, the U.S.A., Australia, Great Britain, Greece, and others.

Bella Bulgaria: Investor of the year 2011 ...

...In 2011, the holding invested BGN 1.2 million. Investments since 2000 amount to over BGN 10 million.

Bella exports its products to markets with a population of 500 000 000.
Ameta is the largest supplier of chilled chicken meat in Bulgaria.

The company is one of the largest companies in the Food & Beverage sector and a leader in the production of chicken meat.

Its share amounts to approximately 30% of the industrial production of broiler chickens in Bulgaria.

Ameta is a first-class poultry complex and has all the physical resources needed to ensure its economic growth.

Ameta sells its key products under the trade mark “Ludogorsko Pile”.

The company is a regular supplier to customers in Greece and Romania, and also exports its products to the Netherlands, France, Germany, and Britain.

Ameta exercises complete control over all separate processes: from purchasing fresh grain to turning it into fresh, nutritious and tasty chicken products.
Gradus

Established: 1992
Location: Sofia
Employees: 1100
Products: processing of poultry meat

- The largest producer of poultry meat in the Bulgarian market
- The company has its own feed mill, hatchery, breeding flock farm, a broiler fattening farm, and a poultry meat processing plant, thus closing the complete production cycle

- The Gradus feed mill produces over 80,000 tons of feed each year.
- The annual production of parent flock farms in Yambol and Rousse is 42,000,000 hatching eggs.
- Over 20 million broilers leave the Gradus broiler fattening farms in Rousse, Chirpan, Yambol, Nova Zagora, and Haskovo.
- The company’s portfolio contains 150 products, including chilled, frozen and ready-for-use products

- Gradus operates the largest hatchery in the country: over 36,000,000 day-old chicks per year
- The Gradus processing plant has the capacity to process 8,000 birds per hour /40,000 tonnes of chicken meat/ per year
Overview of the Food and Agriculture sector in Bulgaria

Sugar and Confectionery Sector

- Sales of confectionery products have increased significantly in recent years.
- The confectionery sector is characterized by long traditions and excellent quality of products.
- In recent years, the sector attracted significant foreign investment from companies such as Nestle and Kraft Foods which established their own production capacity in the country.
- In 2010, confectionery sales were estimated at 41 million tonnes, or EUR 421 million.
- Sugar is one of the country’s main export products. Bulgaria exports about 140,000 tonnes per year.
- The sector is expected to achieve significant growth in the future of about 45% by 2015.

Sales of sugar and confectionery products, 2007 - 2010 (total sales in € million)

Kit Kat chocolate bars for all of South-Eastern Europe are produced in Bulgaria

Source: Datamonitor, 2011
Zaharni Zavodi

Established: 1912
Location: Gorna Oryahovitsa
Employees: 800
Products: production of sugar, confectionery and ethyl alcohol

Zaharni Zavodi is the largest food-manufacturing complex in Bulgaria
The Zaharni Zavodi group includes: sugar & confectionery producing plants, ethyl alcohol production facilities, a print house, a TPP, and a repair plant

In 2006, the sugar factory was separated as an independent company under the name Zahar EAD.

To meet the increased demand for industrial steam and electric energy, in 1960 the company built its own thermal power plant.

1970 saw the opening of a plant specialising in the production of packaging from paper, cardboard, polyethylene, polypropylene, aluminium foil and other materials

Sladeya Sugar won the Gold Medal for Quality from the International Plovdiv Fair in 2003 and 2004

Zaharni Zavodi is a market leader in the sales of hard candy and Turkish delight in the Bulgarian market.

The consolidated annual turnover of Zaharni Zavodi AD and its subsidiary companies in 2010 was EUR 54.4 million.
Nestle Bulgaria AD

Established: 1939  
Location: Sofia  
Employees: 1,100  
Products: Chocolate and confectionery products

In 1994, NESTLÉ purchased the biggest manufacturer of chocolate and confectionery SHZI Sofia.

Nestle Bulgaria is one of the largest strategic investors in the Bulgarian food industry.

The product range of Nestle Bulgaria includes: baby food, culinary products, chocolate, desserts, chocolate and pastry biscuits, dairy products, cereals, pet food etc.

Nestle is the first food producer to partner with the Fair Labor Association - FLA.

The company’s sales in 2010 increased by 2%, reaching BGN 260 million.

Between 1994 and now, the company has invested over BGN 80 million fixed assets and training programmes for its employees.

Some varieties of the Kit Kat chocolate bar products are made entirely in Bulgaria and exported to various countries around the world.
Kraft Foods Bulgaria

Established: 1924
Location: Svoge
Employees: 600
Product: chocolate products and packaged coffee

In 1993, Kraft Foods entered the Bulgarian market after buying the chocolate factory in the town Svoge.

Kraft Foods Bulgaria is a subsidiary of Kraft Foods Inc., the second largest company worldwide in the food industry. The company is a leader in the production of coffee and chocolate in Bulgaria.

Nova Brazilia is the undisputed leader in the Bulgarian market for packaged coffee. Every second packet of coffee sold in Bulgaria is Nova Brazilia.

The company owns well-known and favourite brands such as Nova Brazilia, Jacobs, Milka, Tobleron Suchard, Svoge.

Approximately 25% of Kraft Foods Svoge products are intended for export, the main destinations being Romania, the former Yugoslav republics, Turkey, and North America.

The annual production capacity in the mix of products manufactured by the Svoge factory is about 12,000 tonnes.
Bread and Farinaceous Products

- The market for farinaceous products in Bulgaria is quite fragmented
- 60% of the products for this sector comes out of small and medium-sized companies
- The sector is expected to consolidate in the near future
- The sector has a strong export orientation

Bakery products 2008 - 2010

<table>
<thead>
<tr>
<th>Farinaceous products (tonnes)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacture of rusks and other preserved pastry goods and cakes</td>
<td>10 918</td>
<td>10 263</td>
<td>10 354</td>
</tr>
<tr>
<td>Export of rusks and other preserved pastry goods and cakes</td>
<td>8 478</td>
<td>9 513</td>
<td>11 276</td>
</tr>
<tr>
<td>Manufacture of biscuits</td>
<td>73 236</td>
<td>79 473</td>
<td>80 636</td>
</tr>
<tr>
<td>Export of biscuits</td>
<td>22 208</td>
<td>25 363</td>
<td>30 914</td>
</tr>
<tr>
<td>Manufacture of bread products</td>
<td>485 766</td>
<td>473 959</td>
<td>475 597</td>
</tr>
<tr>
<td>Export of bread products</td>
<td>20 338</td>
<td>18 295</td>
<td>21 272</td>
</tr>
</tbody>
</table>

In 2010 wheat areas occupied 62.4% of total land under cereals

Production of cereals, 2009 - 2010

<table>
<thead>
<tr>
<th>Crop</th>
<th>Arable area (ha)</th>
<th>Average yield (tonnes/ha)</th>
<th>Production (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>1 247 718</td>
<td>1 131 565</td>
<td>3.19</td>
</tr>
<tr>
<td>Rye</td>
<td>9 953</td>
<td>10 795</td>
<td>1.90</td>
</tr>
<tr>
<td>Triticale</td>
<td>5 958</td>
<td>11 010</td>
<td>2.89</td>
</tr>
<tr>
<td>Barley</td>
<td>258 499</td>
<td>245 328</td>
<td>3.32</td>
</tr>
<tr>
<td>Oats</td>
<td>19 996</td>
<td>24 353</td>
<td>1.54</td>
</tr>
<tr>
<td>Maize for grain</td>
<td>274 229</td>
<td>327 525</td>
<td>4.71</td>
</tr>
<tr>
<td>Rice</td>
<td>8 312</td>
<td>11 975</td>
<td>5.23</td>
</tr>
</tbody>
</table>

The region of Dobrudja (Northeastern Bulgaria) is known as the “Granary of the Balkans”

Source: Annual Agrarian Report, 2010, Business Monitor
Chipita Bulgaria SA

Established: 1995
Location: Sofia
Employees: 700
Products: production and sales of croissants

- Chipita Bulgaria is part of Chipita S.A. - a Greek company with strong presence in 35 countries.
- The company has invested €45 million in our country for the past 10 years;
- Chipita Bulgaria holds 75% of the market in croissants and packaged snack food in Bulgaria.
- Brands: croissants, rolls and pastry 7DAYS, Bake Rolls and others.

Chipita Bulgaria conquered the market with the new croissant it recently started producing. The “Double” croissants are part of the newest flavours which captivated croissant lovers, and Chipita’s the trademark.

The company owns well-known and favourite brands such as Nova Brazilia, Jacobs, Milka, Tobleron Suchard, Svoge

New Millennium Award for 2001.

Chipita Bulgaria factories hold certificates from the American Institute of Baking and other certificates required by European partners.
Wine making has long traditions in Bulgaria

- In 2009, vineyards in Bulgaria occupied 101,434 hectares, with an average yield of 4,944 kg/ha (5,240 kg/ha for red grapes, 4,424 kg/ha for white varieties, and 5,315 kg/ha for table grapes).
- Bulgaria has more than 220 industrial wineries with a total capacity of 710 million litres.
- In 2009, the country produced 281,302 tonnes of grapes (93.6% wine grapes and 6.4% table grapes).

Approximately 245,425 tonnes of grapes harvested in 2009 were processed into wine and other derivatives of grapes, while 35,877 tonnes were intended for direct consumption.

In 2009, 1,397,396 hectolitres of wine were produced.

Bulgarians inherited their wine-making skills from the ancient Thracians, who, along with the god of wine Dionysus, also worshiped the growing of grapes and the making - and drinking - of wine.

Source: Agricultural Report 2010
... and Bulgaria is one of the largest exporters of wine in the world

- Bulgaria traditionally exports about 80-90% of the wine produced
- More than 80% of exported wine is bottled
- Wine exports increased by 50% in the first quarter of 2010 over the same period of 2009

Bulgaria now ranks among the 20 largest wine exporters in the world

Major foreign trade partners to which Bulgaria exports wine are the countries of Central and Eastern Europe such as Russia, Poland, Slovakia, and Belarus. In recent years, Bulgarian wines also entered new markets such as Germany, UK, the USA and others.

In the 70s and 80s of the last century, Bulgaria was the second biggest exporter of bottled wine in the world, bettered only by France.

Source: Agricultural Report 2010
Almost the whole territory of Bulgaria is suitable for the production of wine, with five distinct wine-growing regions established in the country.

Bulgaria produces a variety of wines, including some which are unique to the country.

<table>
<thead>
<tr>
<th>Location</th>
<th>Aroma</th>
<th>Color</th>
<th>Sugar levels</th>
<th>Acidity level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pamid</td>
<td>Fruity, light, rustic</td>
<td>black, for production of red light table wines</td>
<td>18 – 24%</td>
<td>4-5g/dm3</td>
</tr>
<tr>
<td>Mavrud</td>
<td>Pleasant aroma of wild berries and spice</td>
<td>Red, for the production of dark ruby full-bodied red wines</td>
<td>17 – 23%</td>
<td>6.1 to 10.7 g/dm3</td>
</tr>
<tr>
<td>Rubin</td>
<td>The full-bodied taste of Nebbiolo and the spicy peppery aroma of Syrah</td>
<td>“Bluish-black colour, for production of high-quality dessert and table wines”</td>
<td>23 - 34%</td>
<td></td>
</tr>
<tr>
<td>Broad Leaved Vine of Melnik</td>
<td>“Intensive aroma dominated by the fruity taste of cherry, with sufficient body and typical spicy tang”</td>
<td>Purple, for production of strong red wines with cherry colour</td>
<td>20 - 24%</td>
<td>6-8 g/dm3</td>
</tr>
<tr>
<td>Gamza</td>
<td>“Earthy, light red wines with strong tanin and fruity flavour”</td>
<td>Dark bluish-black, for production of light ruby-coloured wines</td>
<td>19 - 22%</td>
<td></td>
</tr>
<tr>
<td>Dimyat</td>
<td>These grapes are juicy, tasty and fresh, with vanilla after-taste</td>
<td>Green, for production of white table wines and a high-quality component for brandy/rakiya</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misket</td>
<td>“Harmonious taste and pleasant Misket aroma, dry, with trace of apricot, wild strawberries and honey”</td>
<td>“Pinkish-red to violet, for the production of table wines със straw yellow colour”</td>
<td>18 - 21%</td>
<td>5.4-6g/dm3</td>
</tr>
</tbody>
</table>

Source: Interviews with Company management
Domaine Boyar

Established: 1991
Location: Sofia, London
Employees: 290
Products: manufacturers and exporters of Bulgarian wine

- Many years of experience, generations of talented oenologists, precise laboratory work combined with the use of most modern production techniques.
- In the period of economic transition, Domaine Boyar became one of the largest and most prestigious manufacturers and exporters of Bulgarian wines in Europe, North America, Africa, and Asia.
- The company’s diverse portfolio includes over 120 products of various types and styles of assortments.
- In 2010, the Santa Anna Ventures investment company purchased 100% of the company’s stock.

Domaine Boyar and Sinite Skali are the only Bulgarian wines to make it to the prestigious British ranking “Top 50” of AC Nielsen.

Domaine Boyar cellars:
- Sinite Skali Winery, Sliven
- Korten Cellar
- Shumen Winery

Every year, Domaine Boyar wines win prestigious awards from national and international competitions.

Domaine Boyar is one of the largest exporters of Bulgarian wine in the world, with 80% of its produce exported to world markets. The company’s main markets are the UK, Benelux, Russia, Canada, the USA, and Scandinavian countries.
Edoardo Miroglio Winery

Established: 2002
Location: Elenovo, Nova Zagora
Employees: 130
Products manufacturing of high-quality red wines in boutique series and limited quantities.

- The winery released its first production in October 2005.
- At present, over 220 hectares of vineyards of elite French and Bulgarian grape varieties have been planted.
- Some of the varieties cultivated by Edoardo Miroglio wine cellar are: Cabernet Sauvignon, Merlot, Syrah, Cabernet Franc, Pinot Noir, Chardonnay, Muscat Ottonel, Gewurztraminer, Sauvignon Blanc, Mavrud, Rubin, and Melnik 55.
- The annual production capacity of Edoardo Miroglio Wine Cellar is approximately 1 million litres of wine.

So far, almost 22 million euros have been invested in Edoardo Miroglio Wine Cellar.

The three major brands sold in the Bulgarian and export markets are:

- EDOARDO MIROGLIO
- SANT’ILIA
- SAINT ILIA ESTATE

At the 8th edition of Mondial du Rose® in France EDOARDO MIROGLIO wine cellar was awarded Silver Medal for: Spiral Rose 2010.
The production of bottled water and soft drinks is well developed in Bulgaria; the country boasts many high-quality manufacturers in this sector.

The consumption of soft drinks per capita is still relatively low compared with other countries in Western and even Central Europe.

The largest industry representatives are local companies with established brands and available in major retail chains and small grocery stores.

More than 250 deposits of mineral water (France - 64, Spain - 89)

The capacity of the deposits is between 0.5 and 63 l/sec. The total capacity exceeds 3 100 litres/sec.

Depth - 400-1500 m

Temperature - 13°C to 102°C

44 brands of water are currently marketed

The share of mineral water is 27.5% of the soft drinks market.
Beer…

- Long tradition: the first brewery opened in Bulgaria in 1882
- Three of the leading international manufacturers from the industry are present in the Bulgarian market
- The sector employs about 10,000 people
- In 2010, investments in the sector amounted to € 23 million
- In 2010, 5.7 million hectolitres were produced
- 51 000 hectolitres were exported in 2009

### Overview of the Food & Agri Sector

<table>
<thead>
<tr>
<th></th>
<th>Barley</th>
<th>Hops</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Areas harvested (ha)</td>
<td>258 499</td>
<td>245 328</td>
</tr>
<tr>
<td>Average yield (tonnes/ha)</td>
<td>3.32</td>
<td>3.40</td>
</tr>
<tr>
<td>Production (tonnes)</td>
<td>858 679</td>
<td>833 271</td>
</tr>
</tbody>
</table>

### Sales of beer, 2007 – 2010 (million litres and million euro)
Coca-Cola Hellenic Bottling Company Bulgaria

Established: 1965  
Location: Sofia  
Employees: 1300  
Products: Production and bottling of non-alcoholic drinks

- Coca-Cola entered the Bulgarian market in 1965 and it became the first country in the former Socialist Bloc to manufacture this soft drink in a joint venture with the local company Texim.
- In 1992, Coca-Cola Hellenic Bottling Company Bulgaria acquired the factory.
- The company is the largest soft drink producer in the country.
- The company's portfolio includes: Coca Cola, Coca-Cola Light, Fanta, Sprite, Cappy, Schweppes, Bankya, Nestea.
- In Bulgaria, Coca-Cola operates three bottling plants: Kostinbrod, Targovishte, and Bankya.

In the autumn of 2011, Sofia was chosen from among 14 European cities, including some capitals, for a major investment of group Coca-Cola Hellenic – the opening of the United Center for Human Resource and Financial Services.
Devin AD

Established: 1992  
Location: Devin  
Employees: 500  
Products: bottling and trade in mineral water, spring water and carbonated & non-carbonated soft drinks

➤ The largest bottled water company in Bulgaria
➤ Devin AD holds a concession contract to use the water from for springs “3” and “5” in the region of Devin, in the Rhodope Mountains, from which the mineral water Devin is extracted and bottled.
➤ DEVIN water is bottled under very stringent quality requirements which are monitored and reported daily by the company’s laboratory and comply with international standards and procedures.

The DEVIN mineral water springs from a depth of 700 metres at a temperature of 44° C in an ecologically clean region in the Rhodope Mountains.

➤ In 2008, Devin overhauled its bottling plant and increased its capacity to reach 45 thousand bottles per hour.
➤ In 2010, Advent Water, part of the investor company Advent International, acquired 97.9 % of the company.

Devin and Philicon entered into a long-term contract, effective since March 2011, according to which Devin AD will be responsible for the development of the brand Fresh and its marketing in Bulgaria and Romania.

➤ In August 2007, Devin AD increased its capital and became a public company with shares freely traded on the Bulgarian Stock Exchange.

In 2010, Devin AD won the award for Innovation in the Non-Alcoholic Industry
Carlsberg Bulgaria

**Established:** 1882  
**Location:** Shumen  
**Employees:** 600  
**Products:** production of beer

- Carlsberg Bulgaria is the successor of one of the oldest breweries in Bulgaria - Shumensko Pivo, which it acquired in 2002.  
- The company is the fastest-growing beer company in the country.  
- In September 2004, Shumensko Pivo and Pirinsko Pivo pooled their resources and assets under the name of Carlsberg Bulgaria.  
- Carlsberg Bulgaria is the only beer company in the country which continued its growth in 2010 and the first two months of 2011. It's a leader in the Bulgarian beer market.

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Carlsberg Group sells in more than 150 markets, and manufactures in 75 breweries, including two breweries in Shumen and Blagoevgrad. The company owns breweries in 25 countries around the world.

The Carlsberg brands sold in Bulgaria include Shumensko, Pirinsko, Tuborg, Carlsberg, Holsten, Budweiser Budvar, Battery, Somersby...

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Carlsberg Group is:
- №1 in Western Europe
- №1 in Eastern Europe
- №5 worldwide.
Kamenitza entered the brewing industry in Bulgaria in 1881.

Kamenitza holds more than 16 prestigious awards.

Kamenitza regained its leading position in the Bulgarian beer market, its market share reaching 31.3% in September 2011, according to AC Nielsen.

Own brands:
- Kamenitza - Astika – Burgasko
- Brands under license:
- Beck’s - Staropramen - Stella Artois

Kamenitza made substantial investments in the breweries in Plovdiv and Haskovo. The total value of investment in 2011 amounted to BGN 18 million, part of the BGN 68 million invested over the past four years. In 2012, the company plans to invest nearly BGN 14 million.

In 2004, Kamenitza AD started production of the only Bulgarian non-alcoholic beer, which to this day remains unmatched in the beer market in Bulgaria. This is Kamenitza 0%.
Zagorka AD is the successor of an old brewery tradition with over 100 years of history which began with the first brewery established in Stara Zagora in 1902.

The company has established itself as a leader in the industry, an attractive employer and a collective image of Bulgarians’ favourite beer.

In recent years, the production and sales of Zagorka AD have been constantly increasing, and the company climbed several times to top position in the beer market.


In 1998, Zagorka AD became the first company in the food and beverage industry and the first brewery in Central and Eastern Europe to be certified under the international standard ISO 9002.

Since the privatisation of the brewery in 1994, Zagorka AD has invested over € 110 million in the modernization and expansion of production facilities, making Zagorka the most modern brewery in Bulgaria.

Zagorka brand products are exported to the USA, Greece, Britain, Spain, Portugal and others.
Organic farming. In harmony with nature.

- About 90% of the land in Bulgaria is suitable for organic farming
- Bulgaria banned the production of GMO products
- In recent years, there has been a trend of significant growth both in the supply and the demand for organic food and organic products in Bulgaria
- The range of organic products in the domestic market has increased from 1,400 to over 2,600 products during the past year

The combination of suitable agro-ecological conditions, adequate legal framework, technical skills and commitment to sustainable development makes Bulgaria a reliable manufacturer of various products suitable for even the most demanding markets.

- Organic products produced in Bulgaria include dairy products, honey, herbs and tea, fresh and canned vegetables, spices, nuts
- More than 90% of domestic production is exported to Germany, Switzerland, France, and the Netherlands
- Bulgaria needs to ensure that by 2013 not less than 3% of food sold in the country will be organically grown
- According to the organization Organic Europe, in 2004 certified organic production in Bulgaria uses only about 12,000 hectares. According to restrictions imposed in early 2007 by the Common Agricultural Policy of the European Union, this figure should increase significantly.

In 2010, the number of organic farms in Bulgaria increased by 75%
Project “Promoting the advantages of investing in Bulgaria”
BG 161PO003-4.1.01-0001-C0001, with beneficiary InvestBulgaria Agency, has been implemented with the financial support of the European Union through the European Fund for Regional Development and the national budget of the Republic of Bulgaria.