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REFERENCE FRAMEWORK  
2007 – 2013



OP "Development of  
the Competitiveness  
of the Bulgarian  
Economy" 2007-2013



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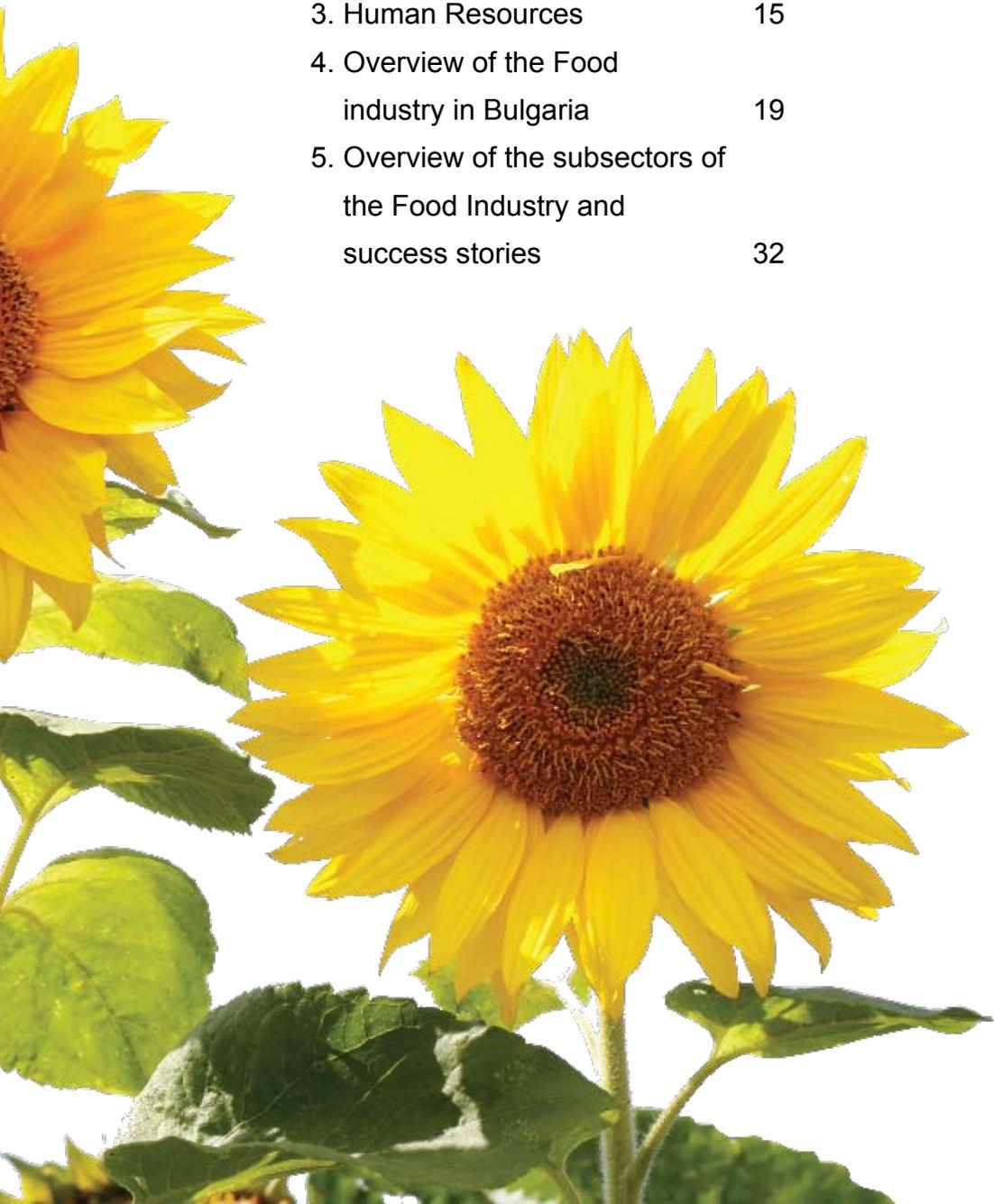


# FOOD INDUSTRY IN BULGARIA



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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.

## ... 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
- More than 50 industrial zones and logistics centres
- Bulgaria has a well developed and constantly improving infrastructure: 6 highways, 230 railway stations, 4 international airports, 4 ports on the Danube, and 2 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 billion; 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
- **European Union** - Bulgaria offers the lowest cost access to a market of 500 million people
- **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

## Bulgaria: Summary Statistics

Population:	<b>7.4 million</b>
Labour force:	4.6 million
Urban Population:	73%
Capital:	<b>Sofia</b>
Time zone:	EET (UTC+2)
Summer (DST):	EEST (UTC+3)
Total area:	110 879 sq. km
Land area:	108 489 sq. km
Water area:	2 390 sq. km
Climate:	temperate
Languages:	
Bulgarian (official)	85.2%
Turkish	9.1%
Roma	4.2%
English, German, Russian, French:	widely spoken
Religions:	
Christian Orthodox	76%
Muslim	10%
Other	14%
Currency:	Lev (BGN)
Fixed exchange rate:	<b>€1 = BGN 1.95583</b>
Corporate income tax:	<b>10%</b>
Personal income tax:	<b>10%</b>
VAT (standard):	<b>20%</b>
Government type:	Parliamentary Democracy
Supreme legislative power:	Unicameral 240-seat National Assembly
Executive state body:	Council of Ministers, head: Prime Minister

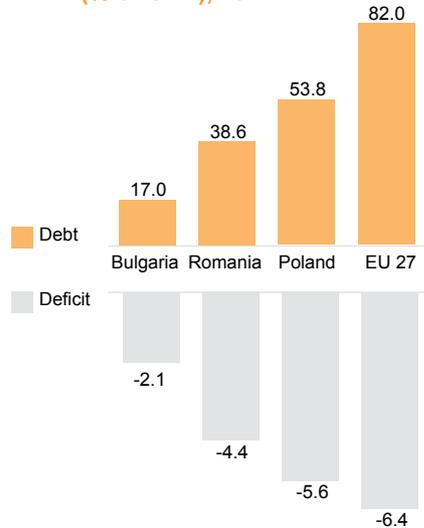
**EU member** since 2007  
**NATO member** since 2004  
**WTO member** since 1996

## Bulgaria enjoys exemplary macroeconomic indicators

2011 Economic Snapshot:	
GDP (€ bln):	38.5
Exports (€ bln):	25.6
Net FDI (% of GDP):	3.5
GDP growth (2012F, %):	1.7
Unemployment (%):	10.4
Inflation rate (%):	3.4
Government deficit (% of GDP):	2.1
Government debt (% of GDP):	17.0
Current account balance (% of GDP):	0.9
Long-term credit ratings:	
Moody's:	Baa2 stable
S&P:	BBB stable
Fitch:	BBB stable

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

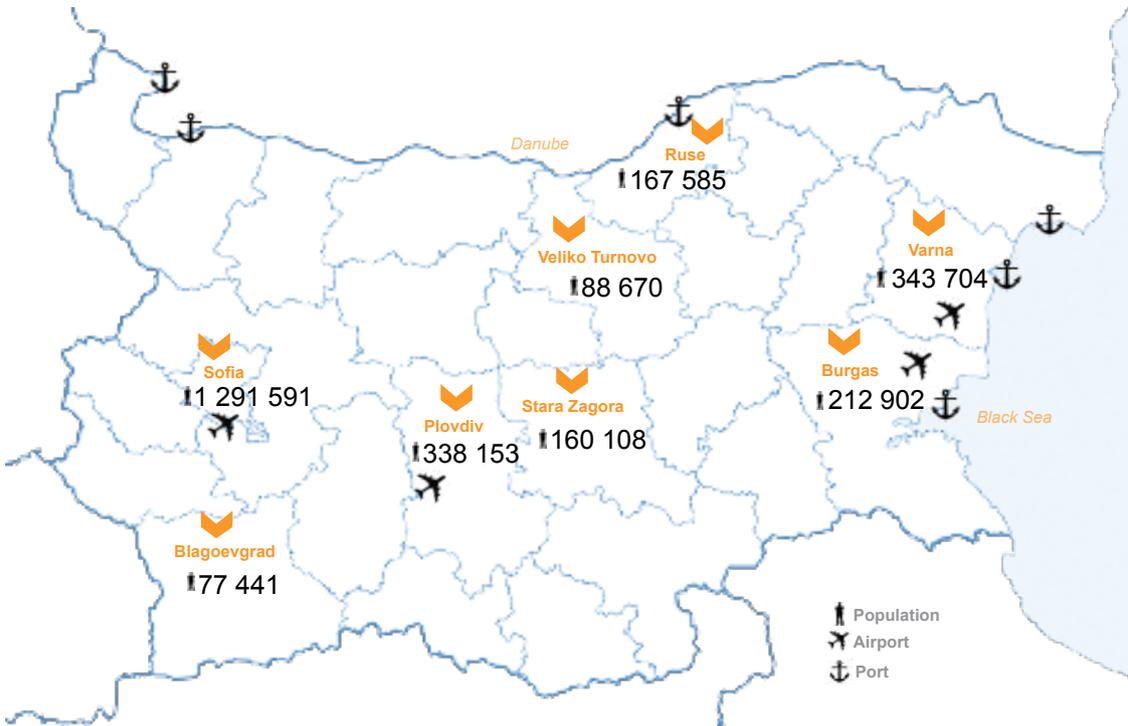
Government debt and government deficit in Bulgaria, Romania, Poland and EU 27 (% of GDP), 2011



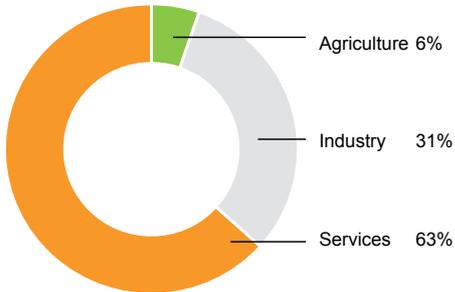
- The Bulgarian economy reported sustained growth of over 6% for the period 2000-2008
- The economy stabilized in 2011, with real GDP growth of 1.7% which is projected to rise to 2.8% in 2012
- The budget deficit in Bulgaria is one of the lowest in Europe 2011 - 2.1%
- Currency stability resulting from the currency board introduced in 1997 - the Bulgarian Lev is pegged to the Euro at 1.95583
- Bulgaria has the second lowest government debt of GDP in the EU27 in 2011



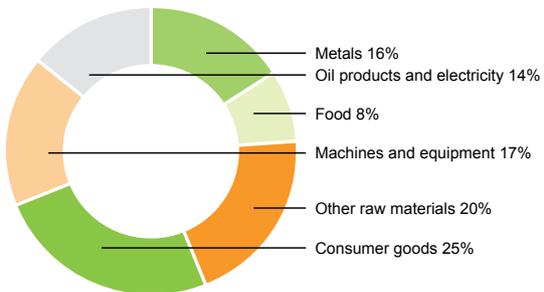
Bulgaria is the only European country with an increased credit rating by Moody's since the beginning of 2010.



## GDP Breakdown



## Exports Breakdown



## 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



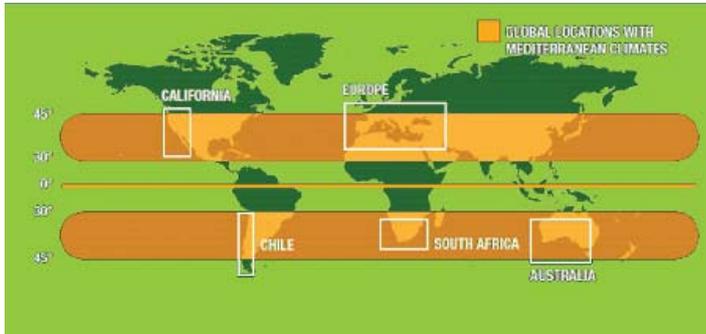
- ...Thracian and Roman ruins and artifacts,
- ...Medieval fortresses and historical artifacts
- ...monasteries and temples dating back as far as 4th century AD
- ...picturesque villages from the period of the Bulgarian National Revival



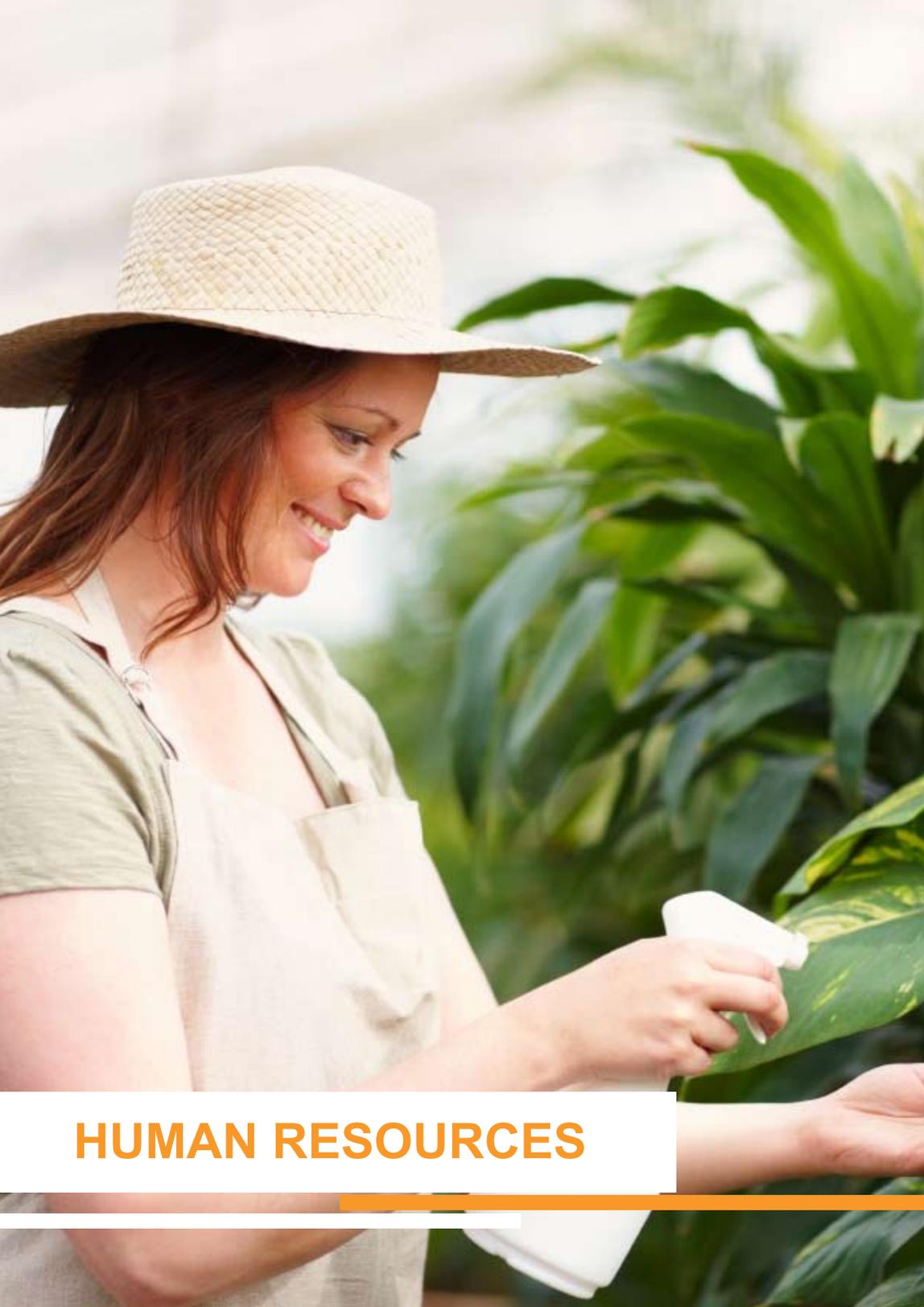
Sofia is among the oldest capital cities in Europe and the only city besides Jerusalem with an Orthodox church, a Catholic cathedral, a mosque and a synagogue within a square kilometer.

# Given her small size, Bulgaria has a surprisingly diverse climate

Mediterranean areas in the world



- 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



# HUMAN RESOURCES



### Agrarian University of Plovdiv

- 2 700 students
- Faculties of Agronomy, Viticulture and Horticulture, Plant protection and Agroecology, Economics and Languages
- Departments of Farming and Herbiology, 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 - Stara Zagora

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



### University of Forestry - Sofia

- 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 - Plovdiv

- 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

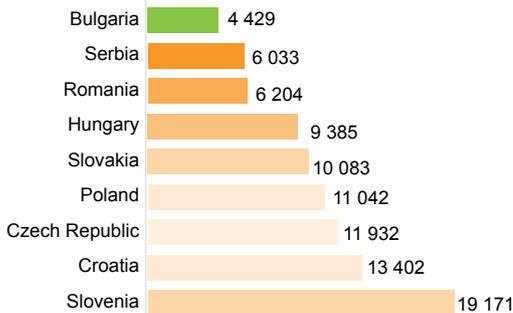
- 18 000 students
- Faculties of Electronic Engineering and Technologies, Electrical Engineering, Energy, Power Engineering, Computer Systems, Telecommunications, Machine-building, Transport, Applied Mathematics and Informatics
- There are three faculties where subjects are taught in a foreign language training - Faculty of German Engineering Education and Industrial Management, English Language Faculty of Engineering, and French Language Faculty of Electrical Engineering



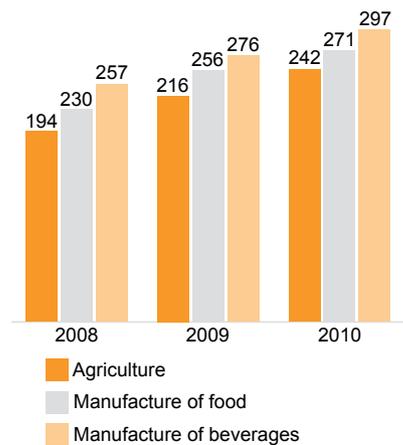
## Labour costs in the sector and the economy as a whole are extremely competitive

- 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

Annual country average wage in 2011, (€)



Monthly wages, (€)



- 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



# OVERVIEW OF THE FOOD INDUSTRY 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.

~ 500 BC

14-19 century



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



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

1882

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

1898

1893



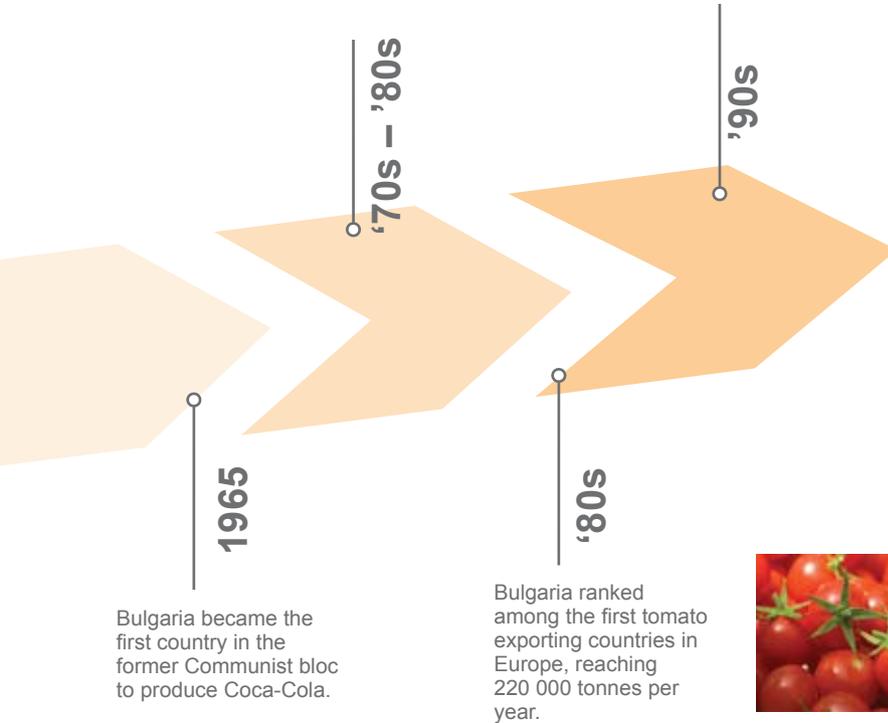
The Kamenitza brewery, established by three Swiss entrepreneurs in 1881, won a gold medal at the prestigious Exposition internationale de boissons fermentes hygiéniques in Brussels.



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



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



Bulgaria became the first country in the former Communist bloc to produce Coca-Cola.

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



# Bulgaria has long-standing traditions in the food sector



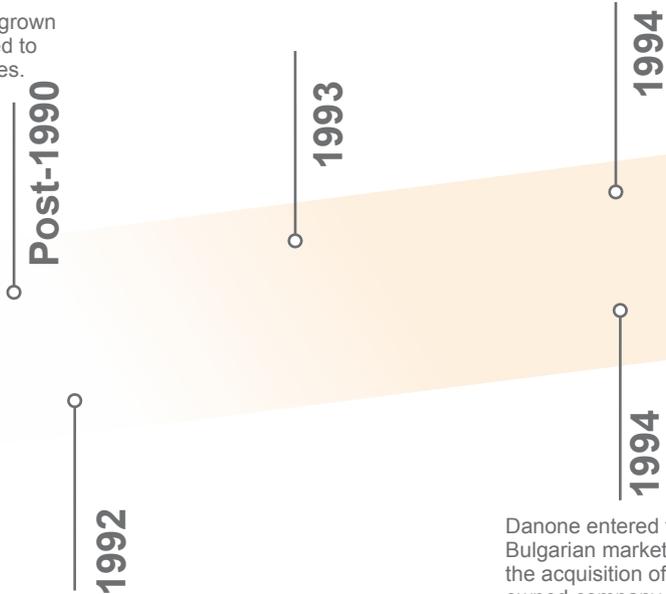
90% of organic food grown in Bulgaria is exported to industrialised countries.



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



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.



The Coca-Cola Company officially "set foot" in Bulgaria in 1992.

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.

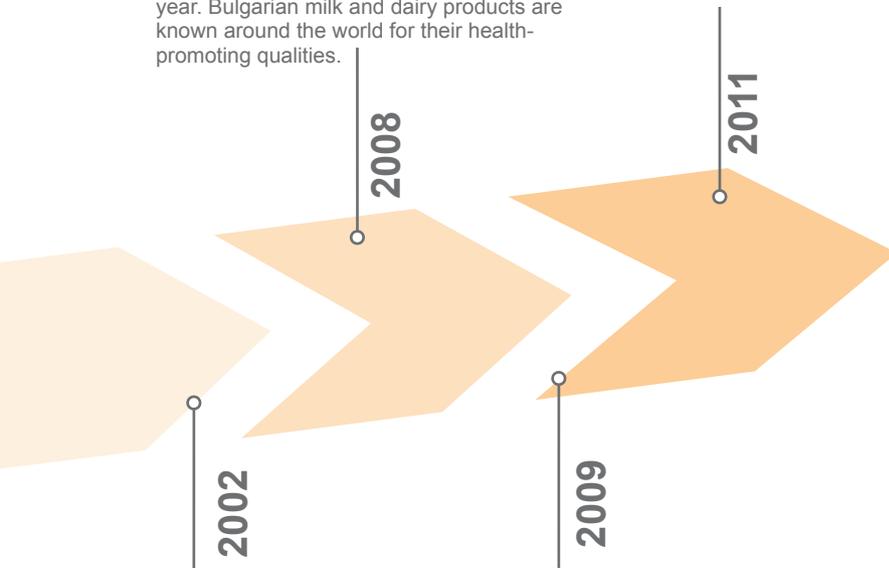




The exports of milk, yoghurt, and cheese, including Feta cheese, from Bulgaria has increased by 30% compared with the previous year. Bulgarian milk and dairy products are known around the world for their health-promoting qualities.



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



2002

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



2009

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

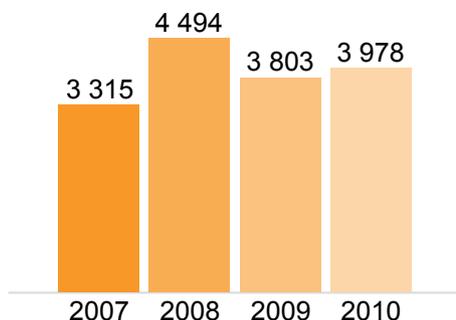


2011

## 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

**Value of gross output in agriculture, 2007, 2008, 2009 and 2010, (€ mln)**



- In 2010, the Agri sector was the only one to register growth in each quarter
- In 2010, Bulgaria's agricultural trade balance was positive: \$ 994 million, compared with \$ 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 \$ 3 468 billion, which, compared with the \$ 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

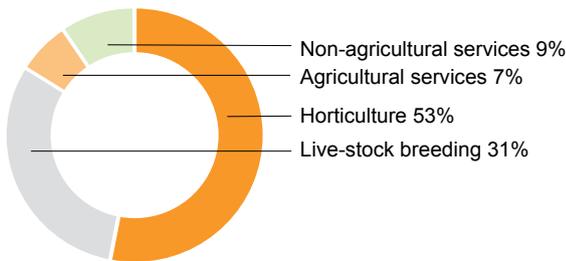


Bulgaria is among the first eight EU Member States in terms of average growth of profitability in agriculture. In 2010, the average profitability from agriculture in Bulgaria increased by 23% compared to 12.3% for EU-27.

## 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)

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



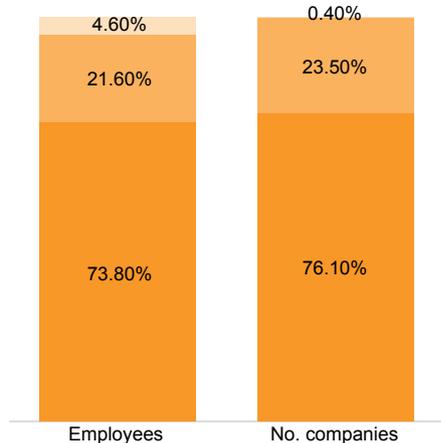
Between 2003 and 2010, Bulgaria reported the largest growth in the use of agricultural land EU-wide.

## 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
- Manufacturing of beverages
- Manufacturing of tobacco products



- 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.

## 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)

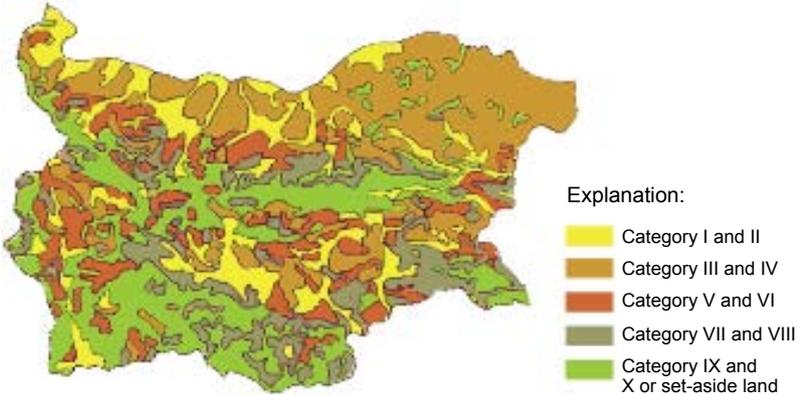
Product Name	Quantity (tonnes)	Value (US \$)	Share of total agricultural exports in %
Wheat and meslin	2 293 122	448 664 740	12.95
Sunflower seeds, whether or not broken	579 661	337 456 862	9.74
Rape or colza seeds, whether or not broken	531 680	221 227 968	6.39
Unmanufactured tobacco	40 392	194 525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

### Key Bulgarian Export Partners



## High-quality farming land

### Classification of farming land

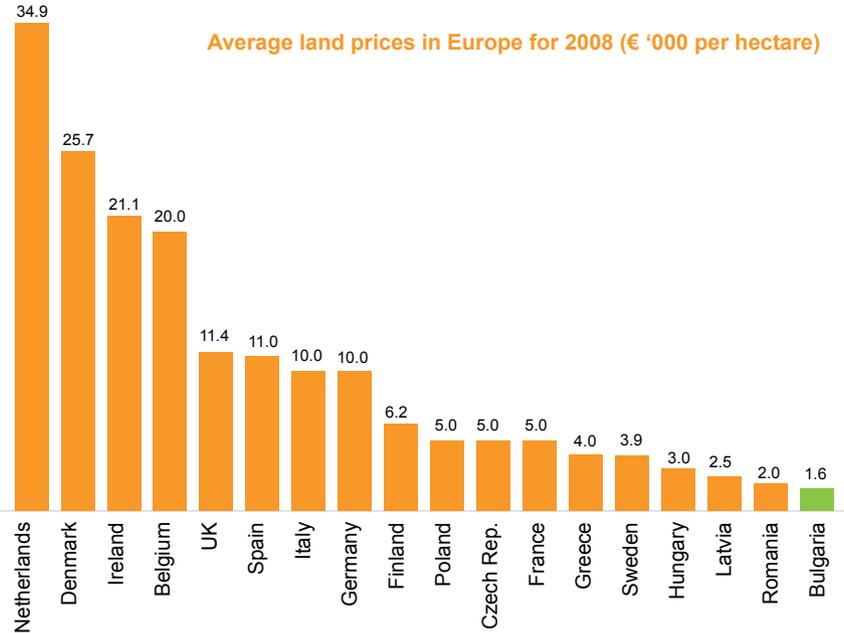


- Although farming land use in Bulgaria covers only 5 490 513 hectares, it provides farmers with more opportunities than other countries in Central and Northern Europe
- The high quality of farmland, in combination with the favourable climatic conditions in the country, allows for the cultivation of 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

### Land use (2009)



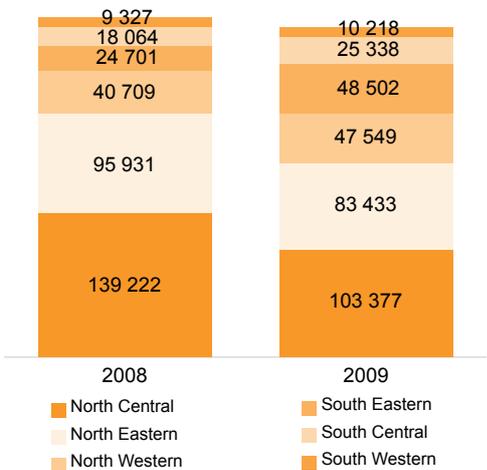
## Resources for the sector



- 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

Rental price by region, (€ / ha per year)



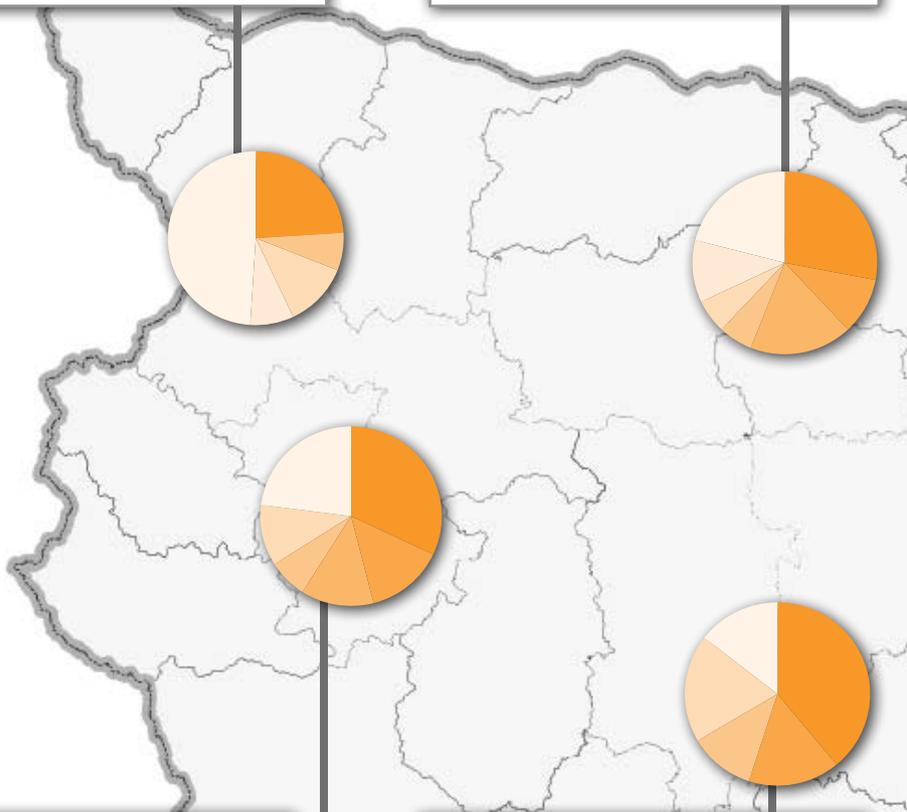
## Concentration of sub-sectors

### 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

### 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



### South-West region:

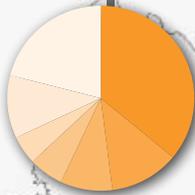
- Persons employed in the sector: 23 724.
- 2.3 % of all persons employed for the region
- 29.5% of people employed in the sector
- Number of companies: 1 091

### 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

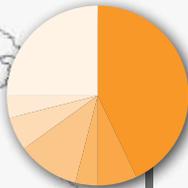
**North-East region:**

- 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



**Explanation:**

- Production of bread and bakery products
- Production of milk and dairy products
- Production of chocolate and sugar confectionery
- Canned and processed fruit and vegetables
- Meat processing & production
- Production of vegetable and animal oils
- Other



**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



**OVERVIEW OF THE SUBSEC-  
TORS OF THE FOOD INDUSTRY  
AND SUCCESS STORIES**

## 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



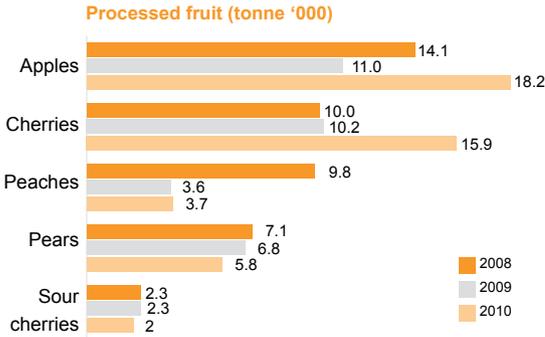
Processed fruit and vegetables in 2010 , (tonne '000)

	Fruits	Vegetables	Mixed	Mushrooms	Potatoes
Packaged	n/a	0.59	n/a	0.35	0.05
Frozen	9.89	12.03	n/a	0.15	0.14
Dried	0.49	0.38	n/a	0.07	n/a
Pickles	n/a	1.34	n/a	n/a	n/a
Preserved	11.35	40.33	0.05	0.98	n/a
Juices	12.56	13.78	n/a	n/a	n/a
Other	12.88	0.75	n/a	n/a	n/a
Total	47.17	69.2	0.05	1.55	0.19

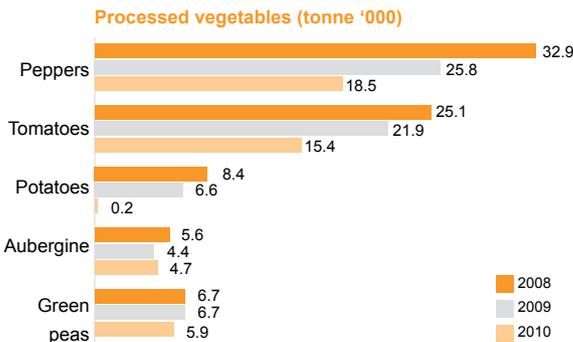


Under communism, Bulgaria was the main exporter of fresh and processed fruits and vegetables for the Eastern Bloc.

## 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%)



- 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.

## 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
- 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.

## Deroni



**Established:** 1991

**Location:** Haskovo

**Employees:** 102

**Products:** food producer

- 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



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**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

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 Philicon 97 produces unique rose juice and rose jam.  
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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

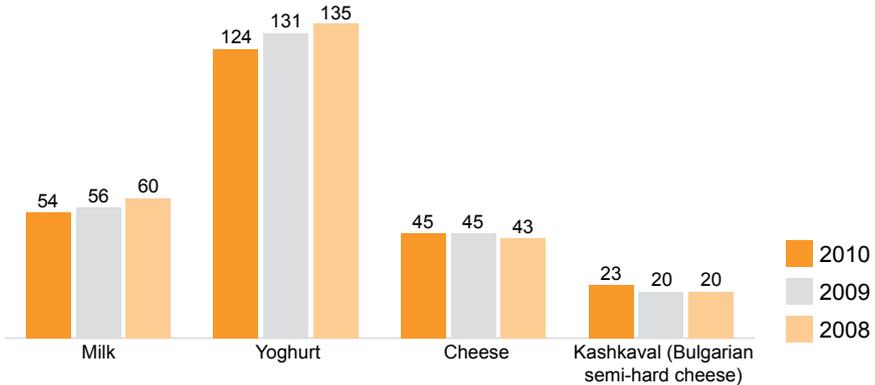


Bulgaria was the biggest producer of lavender oil for 2011 and one of the top three producers of rose oil.

## Dairy products. Tradition and Innovation.

- 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

**Basic dairy products manufactured in Bulgaria, 2008 – 2010**  
 (milk, '000 000 l; yogurt and cheese, '000 t)



- 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.

## 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.

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

**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:

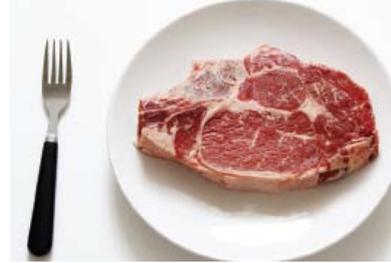
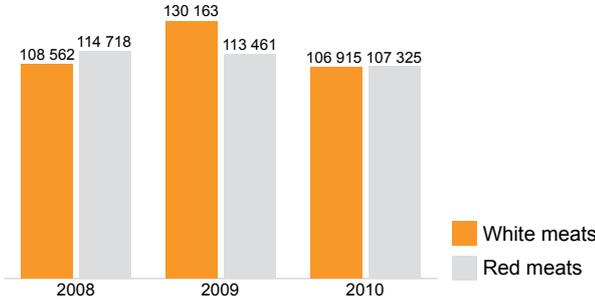
- 11 patents for Bulgarian dairy products
- 45 trademarks registered in Bulgaria
- a corporate trademark registered in 26 countries
- 6 designations of origin



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

Production of red and white meats 2008-2010, (tonne)



- 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)

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



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

## 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 soudjuk), 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

**Established:** 1992  
**Location:** Plovdiv  
**Employees:** 4 000  
 Products Meat processing company



- 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 Holding

**Established:** 1995

**Location:** Razgrad

**Employees:** 1 000

Products chicken meat products



- 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:** 1 100

**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
- Gradus has all the necessary quality certification: HACCP, QS, ISO



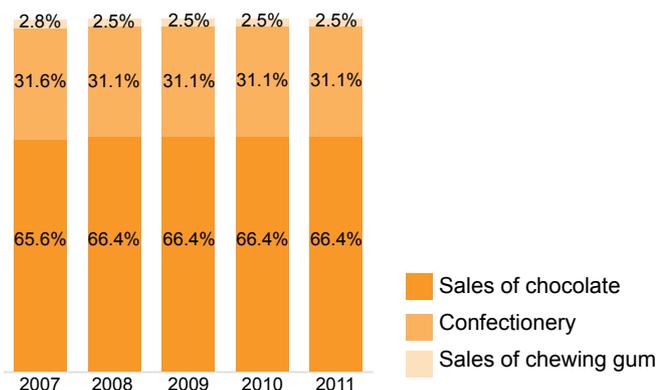
- The Gradus feed mill produces over 80 000 tons of feed each year
- The annual production of parent flock farms in Yambol and Rousse is 42 000 000 hatching eggs
- Over 20 million broilers leave the Gradus broiler fattening farms in Rousse, Chirpan, Yambol, Nova Zagora, and Haskovo
- The company's portfolio 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

## 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 € 421 mln
- 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



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

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

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

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 Nova Brazilia is the undisputed leader in the Bulgarian market for packaged coffee. Every second packet of coffee sold in Bulgaria is Nova Brazilia.  
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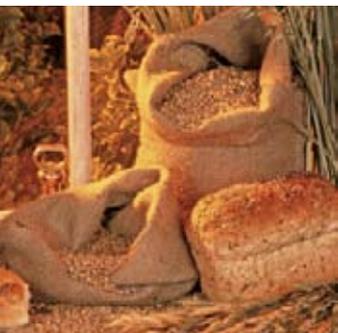
The company owns well-known and favourite brands such as Nova Brazilia, Jacobs, Milka, Tobleron Suchard, Svoge.

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

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

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

### Production of cereals, 2009 - 2010

Crop	Arable area (ha)		Average yield (tonnes/ha)		Production (tonnes)	
	2009	2010	2009	2010	2009	2010
Wheat	1 247 718	1 131 565	3.19	3.62	3 976 852	4 094 597
Rye	9 953	10 795	1.90	1.62	18 858	17 511
Triticale	5 958	11 010	2.89	2.67	17 227	29 443
Barley	258 499	245 328	3.32	3.40	858 679	833 271
Oats	19 996	24 353	1.54	1.73	30 723	42 045
Maize for grain	274 229	327 525	4.71	6.25	1 290 833	2 047 414
Rice	8 312	11 975	5.23	4.80	43 441	57 432



The region of Dobrudja (Northeastern Bulgaria) is known as the "Granary of the Balkans".

## 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

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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.

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New Millennium Award for 2001.

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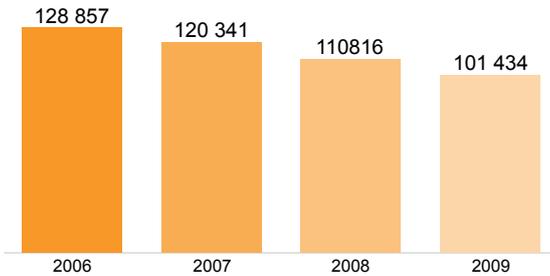


Chipita Bulgaria factories hold certificates from the American Institute of Baking and other certificates required by European partners.

## Wine making has long traditions in Bulgaria

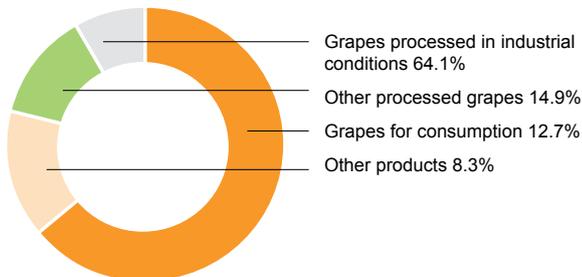
- In 2009, vineyards in Bulgaria occupied 101 434 hectares, with an average yield of 4 944 kg/ha (5 240 kg/ha for red grapes, 4 424 kg/ha for white varieties, and 5 315 kg/ha for table grapes)
- Bulgaria has more than 220 industrial wineries with a total capacity of 710 million litres
- In 2009, the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

Total vineyard area, 2006 - 2009, (ha)



- 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

Distribution of grapes produced (2009)



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

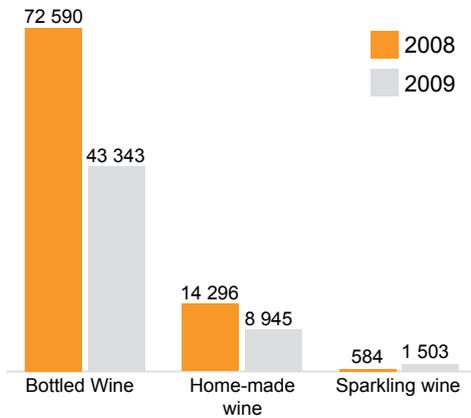


Bulgarians inherited their wine-making skills from the ancient Thracians, who, along with the god of wine Dionysus, also worshiped the growing of grapes and the making - and drinking - of wine.

## ... 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

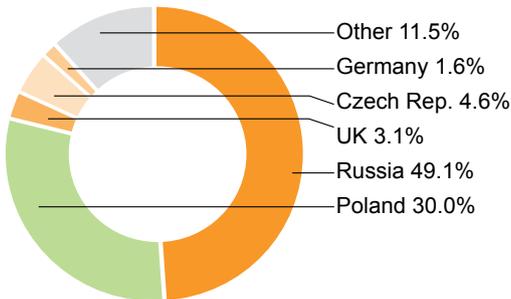
Wine exports, in thousand 2008 - 2009, (l '000)



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



Export of wine by country, 2010 (% of total export)



- 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



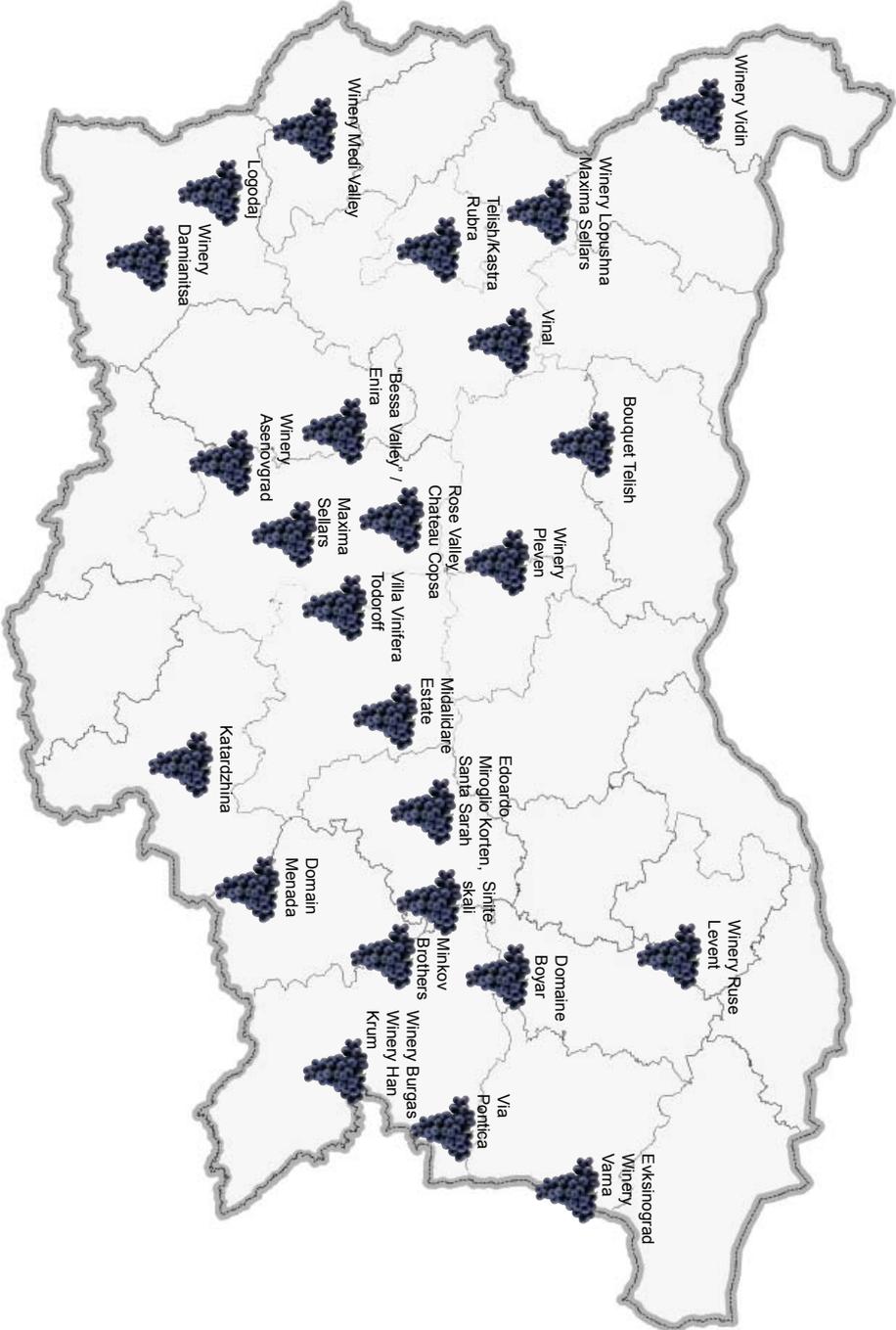
In the 70s and 80s of the last century, Bulgaria was the second biggest exporter of bottled wine in the world, bettered only by France.

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

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



## Domaine Boyar

**Established:** 1991  
**Location:** Sofia  
**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

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

- Sinite Skali Winery, Sliven
- Korten Cellar
- Shumen Winery



-----  
 Every year, Domaine Boyar wines win prestigious awards from national and international competitions.  
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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 euro € 22 mln 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

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 At the 8th edition of Mondial du Rose® in France EDOARDO MIROGLIO wine cellar was awarded Silver Medal for: Spiral Rose 2010.  
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## Water and non-alcoholic drinks...

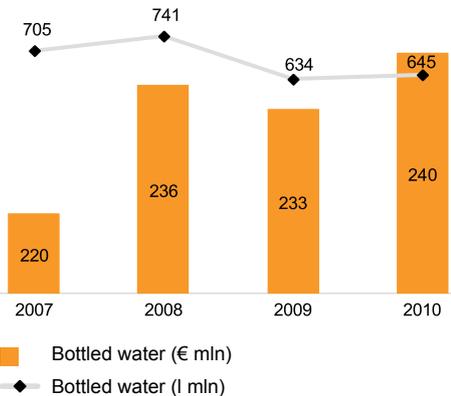


Sales of non-alcoholic drinks, (% of all)



- 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

Sales of bottled water 2007-2010, (l mln and € mln)



- 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 - 400-1 500 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

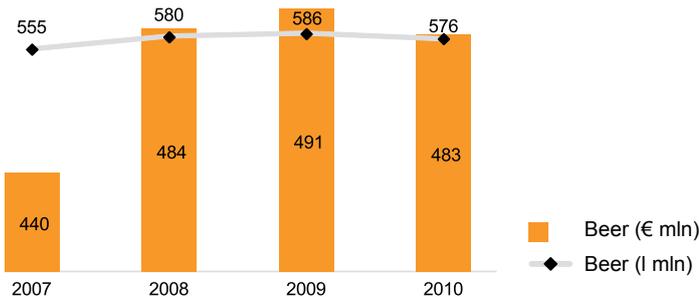
## Beer...

- 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



	Barley		Hops	
	2009	2010	2009	2010
Areas harvested (ha)	258 499	245 328	144	84
Average yield (tonnes/ha)	3.32	3.40	0.89	0.99
Production (tonnes)	858 679	833 271	129	84

### Sales of beer, 2007 – 2010 (l mln and € mln)



## Coca-Cola Hellenic Bottling Company Bulgaria

**Established:** 1965

**Location:** Sofia

**Employees:** 1 300

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



Carlsberg Groups is:

- №1 in Western Europe
- №1 in Eastern Europe
- №5 worldwide.

## Kamenitza AD/InBev

**Established:** 1881

**Location:** Plovdiv

**Employees:** 780

**Products:** production of beer



- Kamenitza entered the brewing industry in Bulgaria in 1881
- Kamenitza holds more than 16 prestigious awards

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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.

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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%.

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## Heineken (Zagorka)

**Established:** 1994  
**Location:** Stara Zagora  
**Employees:** 570  
**Products:** production and bottling of beer



- 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
- Zagorka AD maintains a balanced portfolio of successful brands in all price segments: Zagorka, Ariana, Stolichno, and the corporate brands: Heineken, Amstel, Starobrno and Kaiser

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.



The first beer museum: The World of Zagorka is the first beer museum certified by the Bulgaria Ministry of Culture.

## 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%.

Investing in your future



**EUROPEAN  
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**NATIONAL  
STRATEGIC  
REFERENCE FRAMEWORK  
2007 – 2013**



OP "Development of  
the Competitiveness  
of the Bulgarian  
Economy" 2007-2013



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