

<b>„Global Conculting” EOOD</b>	<b>Diana Alieva, lead financial analyst</b> d.alieva@bcra-bg.com
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CREDIT RATING	Initial Rating 09.2004	Update 05.2005	Update 09.2006	Update 08.2007	Update 10.2008	Update 05.2009	Update 18.10.2010
<i>Long-term rating :</i>	<b>BB+</b>	<b>BBB</b>	<b>BBB</b>	<b>BBB</b>	<b>BBB+</b>	<b>BBB+</b>	<b>BBB+</b>
<i>Outlook :</i>	<b>stable</b>	<b>stable</b>	<b>negative</b>	<b>stable</b>	<b>stable</b>	<b>stable</b>	<b>stable</b>
<i>Short-term rating:</i>	<b>B</b>	<b>A-3</b>	<b>A-3</b>	<b>A-3</b>	<b>A-2</b>	<b>A-2</b>	<b>A-2</b>

*Bulgarian Credit Rating Agency is the only Bulgarian agency, included in the list of the Financial Supervision Committee, as its ratings are acknowledged equally with the ratings of the international agencies Moody's, Standard & Poor's and Fitch. In 2004 BCRA adapted corporate credit rating methodology of ICRA (An associate of Moody's Investors Service). The rating scale of BCRA coincides with the rating scale of Standard & Poor's.*

BCRA AD retains a long-term credit rating BBB+, (outlook: stable) and short-term rating A-2 to Global Consulting EOOD. The officially adopted by BCRA methodology of corporate credit rating is used ([http://www.bcra-bg.com/files/method\\_8.pdf](http://www.bcra-bg.com/files/method_8.pdf)).

To elaborate the credit report and award the credit rating BCRA uses information from the rated company, NSI, BCRA's database, consultants and other sources of public information.

The economic crisis commenced at the end of 2008, reflected not so distinctively on the activity of the participants in the Sector of information technologies (IT), as well as with the other economic sectors. About 130 software companies operate at the IT market in Bulgaria. The total turnover of the companies in the software industry decreased by 27 % on yearly basis in 2009. The state which plays significant role at the market of software and hardware market has concluded by 64% less contracts for software delivery, compared to 2008. It wasn't observed the staff to be cut down though it has been crisis; the number of the employees increased by about 8% in 2009. The distribution rate of information and communication technologies continues growing up slowly (ICT) among the households and enterprises. BCRA estimates the risk level resulting from the state and structure of the Sector in which the rated company operates as being moderate.

During the update period of credit rating the risk from shareholding structure and participations of Global Consulting EOOD and its owner are retained relatively low.

The main directions of the company remain the sale of software and hardware decisions and connected services to the delivery – installation, introduction, training, realization of professional consultations, guaranty and non-guaranty maintenance in the field of the information technologies. During the update period own software applications were elaborated and introduced. The lack of significant investments in intangible assets in 2009 and as of the middle of 2010 determines downturn in their balance value mainly in line of collected expense of amortization. BCRA estimates the risk resulting from operating activity of the company is relatively low.

In 2009 the turnover of the clients of the company decreased by about 30% on yearly basis; the concentration of the portfolio is retained at the same level of 2008. During the first half-year of 2010 the decline of the turnover of the rated company continued. The Ministry of finance held the biggest share in 2009 whereas „BT Bulgaria” EOOD held the biggest share as of the middle of 2010. Significant part of the clients of the company is financial institutions. The receivables from clients decreased during the analyzed period, and their collection period was shortened. BCRA estimates the risk from clients as being moderate.

In 2009 and as of the middle of 2010 no significant changes have occurred in the structure of suppliers of Global Consulting EOOD. The turnover decreased against 2008 by 30% on yearly basis. In 2009 leading supplier is Relational technology AD; as of the half year it is Solitron SD. The liabilities to suppliers decreased by 80% during the analyzed period and presented an insignificant share of the year turnover of the rated company. BCRA estimates the risk from suppliers as being relatively low. BCRA estimates the risk from external factors as being moderate.

During the update period the analyzed company was awarded with a certificate from the European software institute „IT Mark Premium”. Rules of Information Security Management system were prepared, which along with the policies,

procedures and instructions have been released in a trial operation since 21.05.2010. No change in the risk factors characterizing the company management. *BCRA retains its fair appraisal for the company management and estimates the risk from the management is low.*

In 2009 the net incomes from sales registered downturn of 25% compared to the previous year. During the first half-year of 2010 the decline increased by 50% on yearly basis. The decline is in line of the goods sales; the incomes from services during the first half-year of 2010 increased their share to 80% in the structure of the net incomes. At the end of 2009 the Net financial result decrease by 38% compared to the previous year. The expenses on economic elements registered decline of ~13% on yearly basis, mainly in line of the expenses of hired services.

The profitability registered slight decrease compared the previous year, due to the anticipating downturn in the Net Financial Result against the decrease of the incomes. The company liquidity increased during the update period. In 2009 the short-term liabilities decrease by 64% compared to 2008. As of the middle of 2010 the company didn't possess long-term liabilities. Currently the leverage shall be defined as insignificant, whereas the solvency is high. The collection period of receivables and redemption period of liabilities decrease respectively to 25 days and 7 days.

The Cash flow from main activity registered downturn of 16 % on yearly basis in 2009. The company didn't realize cash flows from investment activity; the Net Cash Flow on yearly basis also registered decline during the observed period.

The issued forecast by BCRA for period (2010-2012) shows the company will realize Positive Net Financial Result and will be characterized with very fair financial state in short-term and middle-term aspect.

*Main financial indicators:*

Indicator (BGN thousand)	2009	2008	2007
Assets	5 103	4 679	4 594
Sales incomes	5 869	8 688	6 863
Net Financial Result	1 156	1 886	1 902
Net Profitability	19.79%	24.05%	27.97%
Equity Profitability	24.63%	50.05%	61.99%
Leverage	0.08	0.18	0.32
Current Liquidity	16.59	5.37	2.39
Quick Liquidity	13.83	4.03	1.30
Net Cash Flow	770	1 411	1 480