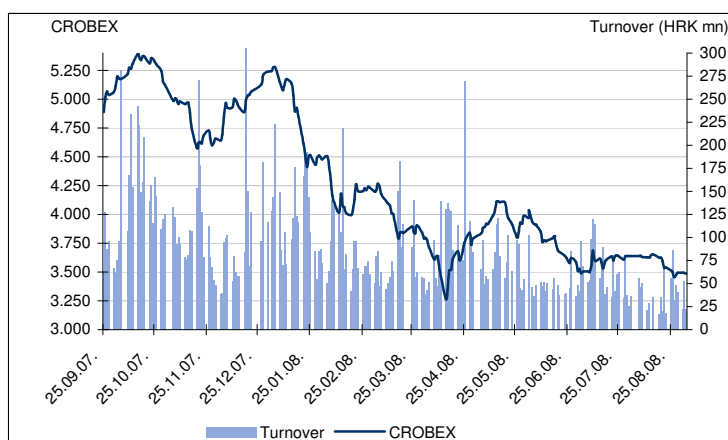




Highlights:

- The market stagnates on poor turnovers, the CROBEX declined 0.1%
- Ingra to take EUR 48mn loan for completion of Arena Zagreb
- Konzum lowered prices of 22 products by 12-15% on average
- Viro plans to produce more than 60,000 tons of white sugar in 2008
- Magma – CEO and supervisory board president release shares



Crobex

Last close	3.487,1
Previous close	3.490,7
Turnover, mn (HRK/EUR)	21,8 3,0
Net change - % Change	-3,6 -0,10%
Performance YTD (HRK/EUR)	-33,4% -31,8%

Market comment:

Sideways trading and poor liquidity levels were the two main characteristics of the Croatian equity market on Wednesday. The market totaled only HRK 21mn in regular turnover, least in 2 weeks, with only 5 stocks recording more than HRK 1mn in turnover. The CROBEX spent the entire day in the red territory, but did not witness major movements and closed with a slight decline of 0.1% to 3,487 points. Strongest gain among high turnovers was recorded by holding company SN Holding, probably on speculations that judicial proceedings in the case over ownership of tourism company Liburnia Riviera Hoteli would result in SN Holding's favor. On the other hand, construction company Viadukt recorded the most significant loss among high turnovers, dropping 4.2%. Solid performance was seen by shipping company Uljanik plovodba, which gained 2.6%, while Zagrebacka banka lost 2.8% and fell to its lowest level after the stock split in May.

Top 10 turnovers

Stock	Turnover (HRK)	Clos. pr.	%chng.
INA-R-A	5.048.352,16	2.820,03	0,64%
HT-R-A	2.603.250,54	283,50	-0,18%
DIOK-R-A	2.289.049,64	500,00	0,40%
ADRS-P-A	1.701.172,34	377,00	-0,26%
ATPL-R-A	1.662.029,91	2.386,65	-0,64%
ULPL-R-A	837.764,50	1.938,99	2,59%
IGH-R-A	828.349,65	9.285,00	0,04%
ZABA-R-A	736.073,20	350,00	-2,78%
ATGR-R-A	637.990,98	709,99	0,71%
DLKV-R-A	584.906,96	820,00	-0,12%

Top 5 Winners

Stock	%chng.	Turnover (HRK)	Clos. pr.
AUHR-R-A	20,00%	120.999,00	41.999,00
FRNK-R-A	10,13%	149.999,00	1.499,99
SNHO-R-A	9,99%	259.036,47	220,00
MMTZ-R-A	8,76%	221.952,01	32.900,00
DDJH-R-A	4,21%	152.968,98	107,11

Top 5 Losers

Stock	%chng.	Turnover (HRK)	Clos. pr.
TNPL-R-A	-4,34%	155.848,49	3.152,00
VDKT-R-A	-4,17%	211.826,59	1.150,00
THNK-R-A	-3,29%	120.911,21	4.347,00
ZABA-R-A	-2,78%	736.073,20	350,00
TISK-R-A	-1,03%	230.204,96	673,02

Market outlook:

The Croatian equity market could continue to focus on INA, as the public speculates the offer price could be improved either by MOL itself or by potential competitors.

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Ticker	Sector	Weight		Market capitalization			Key financial ratios				Price performance over time					
		Crobex	Price HRK	HRKmn	EURmn	P/E	P/B	P/S	EV/EBIT	EV/EBITDA	RoA	RoE	12M	6M	3M	1M
PBZ-R-A	banking	1,94%	846,0	16.137,3	2.258,6	17,2	1,9	3,6	-	-	1,6%	11,7%	-55,9%	-35,4%	-32,3%	-13,3%
SNBA-R-A	banking	0,75%	188,0	172,8	24,2	16,9	1,1	2,0	-	-	1,0%	6,8%	-56,8%	-43,0%	-11,3%	-1,1%
ZABA-R-A	banking	3,70%	350,0	22.416,9	3.137,5	15,8	1,8	3,8	-	-	1,8%	12,0%	-37,9%	-33,5%	-23,6%	-8,4%
PTKM-R-A	chemical	0,80%	239,0	798,5	111,8	6,9	0,8	0,3	8,1	4,3	7,0%	11,8%	-11,0%	-9,9%	-2,0%	-7,9%
DLKV-R-A	construction	3,33%	820,0	1.880,9	263,3	23,3	3,4	1,0	20,1	15,3	4,9%	15,6%	-33,9%	-35,2%	-25,1%	-4,4%
HDEL-R-A	construction	0,86%	731,1	456,1	63,8	29,2	2,2	0,5	24,6	15,5	1,8%	7,7%	-54,6%	-45,4%	-26,8%	-3,9%
IGH-R-A	construction	4,29%	9.285,0	1.472,4	206,1	25,2	4,0	1,9	21,7	14,2	5,4%	17,1%	-20,0%	-22,9%	-18,3%	-3,7%
INGR-R-A	construction	3,83%	201,0	1.507,5	211,0	18,7	2,2	1,8	26,1	24,7	6,1%	14,5%	-34,5%	-27,0%	-16,3%	-6,2%
THNK-R-A	construction	2,36%	4.347,0	823,6	115,3	12,5	1,6	0,6	15,6	12,2	4,3%	11,9%	-58,2%	-47,0%	-27,6%	-13,0%
VDKT-R-A	construction	1,85%	1.150,0	529,6	74,1	131,8	2,5	0,3	54,8	12,9	0,4%	1,9%	-64,5%	-58,9%	-56,3%	-17,9%
KOEI-R-A	electrical	2,20%	612,0	1.574,2	220,3	15,8	1,3	0,6	28,3	14,3	3,4%	8,3%	-46,3%	-30,6%	-24,1%	-5,0%
LEDO-R-A	food/beverage	1,96%	9.660,0	2.126,8	297,7	31,3	4,1	1,9	27,5	19,7	7,4%	14,0%	-14,5%	-34,7%	-28,4%	-12,2%
PODR-R-A	food/beverage	3,69%	367,4	1.991,0	278,7	103,0	1,0	0,5	32,8	12,6	0,5%	1,0%	-29,4%	-7,0%	-12,5%	0,7%
ERNT-R-A	ICT	5,17%	2.095,0	2.789,8	390,5	12,7	2,6	1,5	17,1	11,2	12,8%	17,1%	-37,5%	-21,1%	-12,0%	-1,6%
HT-R-A	telecom	14,48%	283,5	23.215,4	3.249,2	9,7	1,8	2,6	7,0	4,6	15,6%	18,6%	0,0%	-13,6%	-3,7%	0,2%
CROS-R-A	insurance	2,96%	8.501,0	2.614,9	366,0	32,2	1,5	-	-	-	0,9%	4,3%	-52,8%	-39,3%	-27,9%	-12,4%
INA-R-A	oil	14,80%	2.820,0	28.200,3	3.946,9	20,6	2,0	1,0	27,5	12,9	5,6%	10,0%	5,8%	21,4%	1,8%	-4,5%
BLSC-R-A	paper/cardboard	2,08%	782,0	910,5	127,4	25,2	1,8	0,7	32,9	11,5	2,3%	7,3%	-6,9%	-14,1%	-13,6%	-3,5%
MGMA-R-A	retailer	1,10%	135,1	658,5	92,2	neg	4,0	0,7	-	38,9	neg	neg	-55,4%	-46,0%	-31,3%	-22,5%
ATGR-R-A	distribution	1,69%	710,0	1.753,7	245,4	26,1	2,6	0,9	17,4	13,1	4,6%	10,5%	-19,2%	-12,9%	-2,2%	0,7%
LKRI-R-A	sea port	1,27%	415,0	1.249,9	174,9	201,3	3,4	4,9	120,7	58,8	1,4%	2,5%	-44,7%	-41,5%	-28,1%	-1,0%
LKPC-R-A	sea port	0,87%	2.950,0	656,7	91,9	28,4	3,6	3,9	20,0	15,7	10,4%	13,9%	-16,9%	-24,4%	-24,4%	-7,2%
ATPL-R-A	shipping	6,73%	2.386,7	3.330,6	466,2	5,7	2,5	2,0	6,5	5,4	22,1%	55,9%	-6,4%	-11,3%	-15,7%	-2,2%
JDPL-R-A	shipping	0,80%	438,1	717,0	100,4	12,9	0,5	1,8	7,1	3,3	3,8%	4,9%	-14,1%	-31,4%	-30,0%	-11,6%
TNPL-R-A	shipping	1,51%	3.152,0	1.974,4	276,3	8,8	1,1	1,8	8,3	5,5	7,5%	12,8%	-46,6%	-39,4%	-27,4%	-7,3%
ULPL-R-A	shipping	2,93%	1.939,0	1.124,6	157,4	6,5	1,8	3,4	13,6	9,3	11,1%	30,2%	-50,3%	-47,2%	-7,7%	-2,3%
VIRO-R-A	sugar	1,69%	803,0	1.113,5	155,8	21,9	2,4	1,4	23,7	17,8	5,9%	10,4%	-35,2%	-40,5%	-30,8%	-7,3%
ADRS-P-A	tobacco/tourism	7,70%	377,0	7.487,7	1.048,0	11,2	1,3	2,3	8,4	6,6	9,7%	12,0%	-28,6%	-11,3%	-11,3%	-3,3%
HUPZ-R-A	tourism	1,47%	2.399,0	1.188,9	166,4	25,0	2,3	3,3	18,0	8,7	4,2%	9,2%	6,6%	-6,3%	1,7%	13,2%
KORF-R-A	tourism	1,18%	90,0	730,2	102,2	neg	0,5	1,0	neg	17,1	neg	neg	-55,0%	-30,8%	-24,5%	-5,8%

*All financial ratios presented in the table above are calculated based on one-year trailing financial reports

Corporate news:

Ingra to take EUR 48mn loan for completion of Arena Zagreb

Construction company Ingra will take a EUR 48mn loan in order to complete construction of sports hall Arena Zagreb, according to Croatian daily Poslovni dnevnik. Since Ingra should deliver the object in 3 months, it needs funds to close financing of its operations. Although Ingra's financing has been supported by Hungarian CIB Bank ZRT so far, the funds will now be borrowed from Austrian BKS Bank. Company CEO Igor Oppenheim said that CIB Bank was unable to ensure funds for Ingra, so the company was forced to find another bank. Recently, Ingra issued a HRK 100mn commercial paper, which helped the company to continue construction on Arena Zagreb until new loan was obtained, Mr. Oppenheim said.

Konzum lowered prices of 22 products by 12-15% on average

Konzum, the biggest Croatian retailer, announced on Wednesday that it decided to lower prices of 22 consumer goods offered in its shops, namely coffee, milk, sugar, flour, pasta, detergents etc., by 12-15% on average, according to company CEO Darko Knez. This price decrease was arranged in cooperation with Konzum's suppliers, such as Podravka, Franck, Vindija, Dukat, Viro and others, which came as a response to the government's appeals and efforts to restrain inflation. Konzum plans to widen this action to a total of 200 products by the end of year, which will cost them approximately HRK 50mn, Mr. Knez said.

Viro plans to produce more than 60,000 tons of white sugar in 2008

Sugar factory Viro, the biggest Croatian producer of sugar, announced on Wednesday that it began this year's campaign of sugar beet processing. The company plans to process more than 500,000 tons of sugar beet and to produce more than 60,000 tons of white sugar, which is 13% more than in 2007. Current and future investments in the company should result in capacity increase to 275,000 tons of sugar annually, accompanied by 30% reduction in energy usage, according to company CEO Mr. Zeljko Zadro.

Magma – CEO and supervisory board president release shares

Retail company Magma announced yesterday that Mr. Goranko Fizulic, company CEO, and Mrs. Biserka Fizulic, president of the supervisory board, the two biggest shareholders of Magma, together holding more than 60% stake, each released 44,060 company shares, while East European Food Fund released 13,094 company shares. All these shares, a total of 101,214 were transferred to Templeton Strategic Emerging Markets Fund II LDC, based on the agreement on fiduciary deposit signed between the parties in April 2007, before Magma was listed on the Zagreb Stock Exchange. Templeton now holds a total of 169,140 Magma shares, representing a 3.47% stake in the company's equity.

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