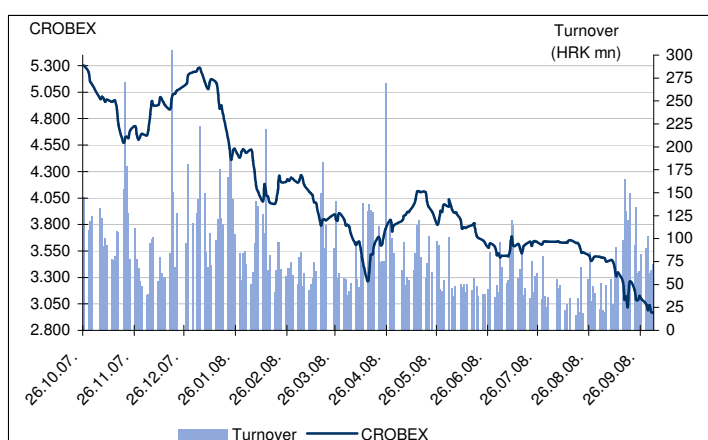




Highlights:

- The CROBEX slipped 0.3% on a turnover of HRK 67mn
- Dalekovod secures new contract worth EUR 7mn
- MOL collects more than 20% stake in INA
- New brands acquired by Podravka
- T-HT bonus shares allocated



Crobex

Last close	2.967,0
Previous close	2.975,9
Turnover, mn (HRK/EUR)	72,3 10,2
Net change - % Change	-8,9 -0,30%
Performance YTD (HRK/EUR)	-43,4% -41,6%

Market comment:

The Croatian equity market finished 0.3% in red territory, as INA shares prevented a more severe CROBEX drop. Turnover remained almost unchanged compared to the previous day and amounted to HRK 67mn. The most traded stock was HT, which slipped 1.52% on the back of expectations of additional shares coming to the market. Shares of INA witnessed lower liquidity (only HRK 1.7mn), but increased volatility, and traded in a range of -5.7% to +3.88%. Apart from INA, which closed at its highest traded price on Friday, other gains among higher turnovers were seen in shares of Ericsson Nikola Tesla, IGH and Dalekovod, which went up 1.67%, 0.6% and 0.68%, respectively. The majority of the most liquid stocks on Friday witnessed poor performances; the biggest losers of the day were Uljanik plovodba, Viadukt and Tisak, which lost 2.82%, 4.10% and 4.4%, respectively.

Market outlook:

Even though the U.S. financial sector bailout plan was approved, negative movements of future contracts on key world equity indices point to rising concerns over the World economy. Shares of HT might be in the focus due to additional bonus shares on the market.

Contacts:

Institutional sales desk	Research
phone: +385 62 37 2840	phone: +385 62 37 2825
fax: +385 62 37 2802	fax: +385 62 37 2801
esz-trading@erstebank.com	esz-research@erstebank.com

Retail sales desk - Zagreb	Retail sales desk - Rijeka
phone: +385 62 37 2841	phone: +385 62 37 2842
fax: +385 62 37 2802	fax: +385 62 37 2804
esz-zagreb@erstebank.com	esz-rijeka@erstebank.com

Top 10 turnovers

Stock	Turnover (HRK)	Clos. pr.	%chng.
HT-R-A	11.626.611,86	253,00	-1,52%
ATPL-R-A	10.374.879,44	1.851,00	-1,07%
ERNT-R-A	7.074.573,32	1.830,00	1,67%
PODR-R-A	6.967.679,10	335,89	-1,21%
ADRS-P-A	6.346.215,87	303,20	-2,19%
KOEI-R-A	5.000.000,00	block	\
IGH-R-A	3.952.897,17	8.350,00	0,60%
INGR-R-A	2.169.540,26	158,00	-0,93%
INA-R-A	1.706.614,10	2.649,00	3,88%
ULPL-R-A	1.430.929,73	1.380,00	-2,82%

Top 5 Winners

Stock	%chng.	Turnover (HRK)	Clos. pr.
INA-R-A	3,88%	1.706.614,10	2.649,00
KRAS-R-A	2,00%	347.463,89	433,48
DDJH-R-A	1,94%	272.924,98	98,89
MGMA-R-A	1,86%	129.234,88	107,00
HUPZ-R-A	1,84%	286.531,16	2.215,00

Top 5 Losers

Stock	%chng.	Turnover (HRK)	Clos. pr.
JDBA-R-A	-11,24%	324.523,44	3.000,00
TKPR-R-A	-8,33%	181.500,00	1.100,00
MMTZ-R-A	-6,90%	160.101,00	27.000,00
ZVZD-R-A	-5,56%	129.411,00	6.800,00
PTKM-R-A	-4,44%	234.024,61	215,00

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	1,69%	700,0	13.352,3	1.878,8	14,3	1,6	3,0	-	-	1,6%	11,7%	-62,6%	-37,8%	-24,9%	-16,0%
ZABA-R-A	banking	3,50%	304,0	19.470,7	2.739,8	13,7	1,6	3,3	-	-	1,8%	12,0%	-49,8%	-35,7%	-20,1%	-13,1%
DIOK-R-A	chemical	0,64%	374,0	1.511,7	212,7	neg	2,1	0,6	neg	108,6	neg	neg	-15,0%	-20,8%	-17,3%	-8,6%
PTKM-R-A	chemical	1,11%	215,0	718,3	101,1	6,2	0,7	0,3	7,4	3,9	7,0%	11,8%	-21,6%	-11,2%	-6,5%	-9,3%
DLKV-R-A	construction	4,10%	736,0	1.688,2	237,6	20,9	3,0	0,9	18,6	14,2	4,9%	15,6%	-46,9%	-23,7%	-8,0%	-9,1%
HDEL-R-A	construction	0,60%	567,0	353,7	49,8	22,6	1,7	0,4	20,9	13,2	1,8%	7,7%	-69,3%	-47,6%	-23,7%	-19,0%
IGH-R-A	construction	4,87%	8.350,0	1.324,1	186,3	22,6	3,6	1,7	20,1	13,2	5,4%	17,1%	-32,7%	-18,5%	-8,2%	-10,8%
INGR-R-A	construction	3,37%	158,0	1.185,0	166,7	14,7	1,8	1,4	22,2	21,0	6,1%	14,5%	-55,4%	-33,3%	-25,9%	-19,8%
THNK-R-A	construction	1,75%	3.205,0	607,2	85,4	9,2	1,2	0,4	12,3	9,6	4,3%	11,9%	-68,3%	-46,6%	-37,2%	-23,7%
VDKT-R-A	construction	1,03%	958,0	441,2	62,1	109,8	2,1	0,2	49,0	11,6	0,4%	1,9%	-72,6%	-52,1%	-34,0%	-14,6%
KOEI-R-A	engineering	2,28%	510,0	1.311,8	184,6	13,2	1,0	0,5	24,8	12,5	3,4%	8,3%	-59,2%	-26,3%	-17,7%	-15,8%
DDJH-R-A	engineering	0,69%	98,9	320,1	45,0	28,9	0,8	0,4	34,6	13,2	1,4%	3,0%	-49,4%	-37,6%	-14,5%	-7,2%
LEDO-R-A	food/beverage	1,71%	7.800,0	1.717,3	241,6	25,3	3,3	1,6	22,6	16,1	7,4%	14,0%	-40,5%	-40,0%	-28,6%	-15,2%
PODR-R-A	food/beverage	4,21%	335,9	1.820,5	256,2	94,2	0,9	0,5	31,1	11,9	0,5%	1,0%	-36,1%	-13,4%	-11,4%	-8,0%
ERNT-R-A	ICT	4,57%	1.830,0	2.436,9	342,9	11,1	2,2	1,3	14,8	9,7	12,8%	17,1%	-49,2%	-31,8%	-13,7%	-12,6%
HT-R-A	telecom	15,33%	253,0	20.717,8	2.915,2	9,1	1,7	2,3	6,1	3,9	15,3%	18,3%	-33,4%	-19,7%	-6,0%	-10,0%
INA-R-A	oil	15,47%	2.649,0	26.490,0	3.727,4	19,3	1,9	0,9	26,1	12,3	5,6%	10,0%	-5,6%	22,4%	1,5%	-7,0%
BLSC-R-A	paper/cardboard	2,27%	676,0	787,1	110,8	21,8	1,5	0,6	30,4	10,6	2,3%	7,3%	-21,4%	-24,2%	-15,5%	-13,6%
KNZM-R-A	retailer	1,07%	195,0	4.427,1	622,9	20,6	4,7	0,4	15,5	12,2	4,0%	25,0%	-37,1%	-46,2%	-41,9%	-9,8%
ATGR-R-A	distribution	2,00%	590,0	1.457,3	205,1	21,7	2,2	0,8	15,1	11,2	5,2%	13,0%	-25,0%	-25,1%	-18,2%	-16,3%
LKPC-R-A	sea port	0,91%	2.372,0	528,0	74,3	22,9	2,9	3,1	15,9	12,5	10,4%	13,9%	-56,9%	-32,2%	-24,4%	-18,2%
ATPL-R-A	shipping	10,13%	1.851,0	2.583,1	363,5	4,4	2,0	1,6	5,3	4,4	22,1%	55,9%	-38,3%	-24,4%	-19,5%	-19,5%
JDPL-R-A	shipping	0,71%	338,0	553,2	77,8	9,9	0,4	1,4	5,3	2,5	3,8%	4,9%	-45,9%	-44,2%	-34,6%	-19,5%
TNPL-R-A	shipping	1,22%	2.448,0	1.533,4	215,8	6,9	0,8	1,4	6,9	4,5	7,5%	12,8%	-62,5%	-42,5%	-30,7%	-23,5%
ULPL-R-A	shipping	3,15%	1.380,0	800,4	112,6	4,7	1,3	2,4	10,9	7,5	11,1%	30,2%	-68,9%	-36,7%	-35,8%	-27,4%
VIRO-R-A	sugar	1,38%	710,0	984,5	138,5	19,3	2,1	1,3	21,2	16,0	5,9%	10,4%	-48,6%	-34,6%	-20,7%	-11,4%
ADRS-P-A	tobacco/tourism	9,12%	303,2	6.864,9	966,0	10,4	1,2	2,1	7,7	6,1	9,7%	12,0%	-44,0%	-22,3%	-16,9%	-18,6%
KORF-R-A	tourism	1,13%	72,5	588,2	82,8	neg	0,4	0,8	neg	15,4	neg	neg	-64,9%	-34,2%	-22,5%	-16,7%

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

Corporate news:

Dalekovod secures new contract worth EUR 7mn

The consortium of Siemens and Dalekovod signed a new contract with Montenegrin Electric Enterprise worth EUR 13.5mn. The project involves the expansion of three transformers and construction of a cable network. Even though the overall value of the project is EUR 13.5mn, Dalekovod's stake is worth around EUR 7mn. According to the contract, the company committed to install Siemens equipment, to test and start up equipment and a substation and to construct a 110 kilovolt pipeline. Financing of this deal was covered with a loan from KfW bank of Germany.

MOL collects more than 20% stake in INA

INA (Reduce, current price: HRK 2,649.00, target price: HRK 2,550.00)

MOL acquired an additional 21.7% stake (2.17mn shares) in Croatian peer INA in the public offer procedure closed on Friday, boosting its stake to 46.7%, as reported by Reuters, which cited the Croatian clearing house. The official result is expected during this week; only then will it be clarified whether MOL or the Croatian state has more INA shares. The acquired shares cost some EUR 900mn for MOL, which can be paid from the credit line of EUR 2.1bn.

Via the coming transaction with the Croatian government (14-19% stake), MOL will have a clear majority in INA soon. No effect on MOL's share price. Jakub Zidon +420 224 995 340, József Miró +36 1 235 5131, Davor Špoljar +385 62 372 825

New brands acquired by Podravka

Croatian food and beverage company Podravka announced the acquisition of two brands, "Coko" and "Cokolesnik". The contract was signed with Droga Kolinska, a Slovenian company with a strong regional presence. This purchase of cereal flakes brands will widen the already strong Podravka cereal assortment. Financial details of this deal were not disclosed to the public.

T-HT bonus shares allocated

The Central Depository Agency announced that it allocated bonus shares of T-Hrvatski Telekom to all shareholders who had the right to receive bonus shares.

Agrokor loses tender for Duvankomerc, interested in Morava

According to Croatian daily Poslovni dnevnik, Agrokor Group, the biggest food concern in Croatia, lost in a tender for a majority stake in Montenegrin retailer Duvankomerc. Although Agrokor submitted the highest offer (EUR 6.5mn), the tender committee decided to sell Duvankomerc to Serbian company Futura Plus, which offered EUR 2.1mn. Poslovni dnevnik also speculates that Agrokor is interested in acquiring Serbian retail company Morava, formerly the biggest retailer in the country. Agrokor plans to buy shares of Morava from its minority shareholders, who hold 62,912 shares (around a 30% stake) and are ready to sell the shares at EUR 245 per share, Poslovni dnevnik said.

This research report was prepared by Erste Securities Zagreb. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. All opinions, forecasts and estimates herein reflect our judgment on the date of this report and are subject to change without notice. The report is not intended to be an offer, or the solicitation of any offer, to buy or sell the securities referred to herein. From time to time, Erste Securities Zagreb or employees of Erste Securities Zagreb may have a position in the securities referred to herein or hold options, warrants or rights with respect thereto or other securities of such issuers and may make a market or otherwise act as principal in transactions in any of these securities. Erste Securities Zagreb or its employees may from time to time provide investment banking or consulting services to or serve as a director of a company being reported on herein. Further information on the securities referred to herein may be obtained from Erste Securities Zagreb upon request. Past performance is not necessarily indicative for future results and transactions in securities, options or futures can be considered risky. Not all transaction are suitable for every investor. Investors should consult their advisor, to make sure that the planned investment fits into their needs and preferences and that the involved risks are fully understood. This document may not be reproduced, distributed or published without the prior consent of Erste Securities Zagreb. Erste Securities Zagreb confirms that it has approved any investment advertisements contained in this material. Erste Securities Zagreb is regulated by the Financial Services Authority for the conduct of investment business in the Croatia.