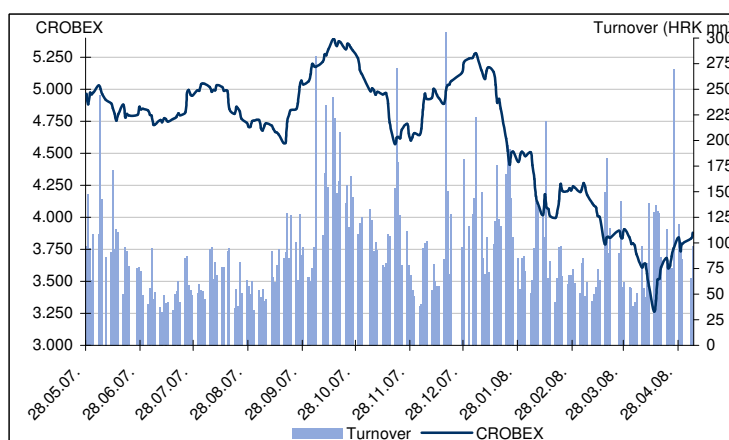




Highlights:

- **The CROBEX advances 1.1% to a highest level in the last five weeks**
- **Ericsson Nikola Tesla signs new deals worth HRK 47mn in total**
- **Croatia osiguranje – Premium income advanced 9.4% y/y in 1Q08**
- **Tehnika wins deal on building handball center in Zagreb worth HRK 270mn**
- **Badel 1862 – Strong sales growth in 1Q08, bottom line barely positive**



Crobex

Last close	3.879,4	
Previous close	3.836,1	
Turnover, mn (HRK/EUR)	96,7	13,3
Net change - % Change	43,3	1,1%
Performance YTD (HRK/EUR)	-26,0%	-25,3%

Market comment:

The Croatian equity market had another positive day on Tuesday, accompanied by a slight increase in market liquidity. Although mixed performances were seen among the most liquid stocks, the CROBEX advanced 1.1%, gaining for the third day in a row, and closed at 3,879.4 points, the highest level in the last five weeks. Blue chip stocks performed well on Tuesday. Oil company INA advanced 4.1% to its highest level in almost two months, while T-Hrvatski Telekom and tobacco/tourism company Adris gained 2.9% and 1.6%, respectively. Weak performances among high turnovers were seen by food company Zvijezda (-5.1%), construction company Tehnika (-3.9%) and shipping company Jadroplov (-3%). Atlantska plovodba, the most liquid stock on Tuesday, declined 1%.

Top 10 turnovers

Stock	Turnover (HRK)	Clos. pr.	%chng.
HMAM-R-A	24.981.095,00	\	\
ATPL-R-A	9.075.816,91	2.777,00	-1,02%
HT-R-A	8.720.183,34	281,14	2,90%
INGR-R-A	6.797.398,39	36.500,00	1,71%
IGH-R-A	6.546.289,88	11.101,00	-0,96%
ADRS-P-A	5.908.463,51	413,50	1,60%
DLKV-R-A	3.704.765,88	1.090,00	-0,23%
INA-R-A	3.136.110,31	2.251,00	4,12%
ERNT-R-A	2.169.867,82	2.750,00	1,30%
KOEI-R-A	2.109.192,77	813,70	1,33%

Top 5 Winners

Stock	%chng.	Turnover (HRK)	Clos. pr.
HMAM-R-A	17,13%	102.496,26	212,00
MMBA-R-A	9,00%	118.701,00	1.199,00
RIVP-R-A	8,74%	159.353,29	560,00
SNBA-R-A	8,33%	226.365,00	260,00
DIOK-R-A	5,56%	538.884,75	475,00

Top 5 Losers

Stock	%chng.	Turnover (HRK)	Clos. pr.
IMZV-R-A	-18,45%	139.258,21	420,00
ZVZD-R-A	-5,10%	998.110,12	10.420,00
VART-R-1	-5,00%	179.765,40	180,50
LRH-R-A	-4,13%	536.804,65	2.970,01
ISTT-R-A	-3,98%	394.157,85	431,11

Market outlook:

Sideways trading could be seen on the Croatian equity market on Wednesday. Further announcements on 1Q08 financial results are expected to be the biggest price movers.

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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	1,91%	1.140,0	21.745,2	2.996,0	19,0	2,6	4,2	-	-	1,8%	14,2%	-40,3%	-38,7%	-20,8%	2,2%
SNBA-R-A	banking	0,67%	260,0	238,9	32,9	24,3	1,6	2,9	-	-	1,0%	6,9%	-46,1%	-44,7%	-29,0%	8,4%
ZABA-R-A	banking	0,19%	493,0	1.652,6	227,7	1,3	0,1	0,3	-	-	1,6%	10,8%	-95,9%	-95,6%	-95,3%	-94,2%
PTKM-R-A	chemical	0,84%	245,0	818,6	112,8	10,5	0,8	0,4	11,4	5,2	5,2%	8,1%	-15,5%	-18,3%	-9,3%	0,0%
DLKV-R-A	construction	3,66%	1.090,0	2.500,3	344,5	31,6	4,7	1,5	28,3	20,8	5,2%	15,7%	-2,7%	-30,4%	-21,1%	19,8%
HDEL-R-A	construction	0,77%	1.050,0	655,1	90,3	52,6	3,6	0,7	72,8	30,6	1,8%	6,8%	15,1%	-48,1%	-33,6%	4,5%
IGH-R-A	construction	4,64%	11.101,0	1.760,4	242,5	31,3	5,4	2,7	32,2	18,5	5,4%	16,6%	85,0%	-21,8%	-18,8%	12,1%
INGR-R-A	construction	4,01%	36.500,0	1.825,0	251,4	24,3	3,0	2,4	36,4	34,9	5,7%	12,4%	18,5%	-35,4%	-13,5%	7,4%
THNK-R-A	construction	2,39%	6.150,0	1.165,2	160,5	21,1	2,2	1,0	23,6	18,1	4,3%	12,3%	-27,7%	-48,1%	-31,7%	11,8%
VDKT-R-A	construction	1,99%	2.452,5	752,9	103,7	neg	4,6	0,6	neg	67,4	neg	neg	-10,3%	-37,1%	-21,4%	25,1%
KOEI-R-A	electrical	2,45%	813,7	2.092,9	288,4	25,2	1,7	0,8	38,9	18,8	3,9%	9,7%	-20,3%	-33,3%	-16,7%	25,0%
LEDO-R-A	food/beverage	2,19%	13.600,0	2.994,3	412,6	39,9	6,5	2,9	34,5	25,4	-0,6%	-1,2%	123,0%	-23,2%	-28,2%	13,1%
PODR-R-A	food/beverage	3,81%	400,0	2.168,0	298,7	118,2	1,1	0,6	35,1	12,7	0,5%	1,0%	-33,3%	-21,6%	-12,1%	0,0%
ERNT-R-A	ICT	5,37%	2.750,0	3.662,0	504,6	19,5	2,8	2,0	22,6	14,3	10,9%	14,1%	-29,5%	-17,9%	-6,0%	1,9%
CROS-R-A	insurance	2,59%	11.500,0	3.537,4	487,4	28,1	1,7	-	-	-	1,5%	7,4%	-37,2%	-36,5%	-26,3%	-11,9%
INA-R-A	oil	15,53%	2.251,0	22.510,0	3.101,4	25,8	1,7	0,9	27,7	12,1	3,7%	6,6%	-30,7%	-14,1%	-6,2%	3,3%
BLSC-R-A	paper/cardboard	2,15%	900,0	1.047,9	144,4	31,1	2,1	0,9	38,0	12,8	2,4%	7,6%	8,4%	5,9%	-10,0%	0,0%
MGMA-R-A	retailer	1,04%	209,0	1.018,5	140,3	146,5	5,1	1,2	55,4	23,1	1,1%	3,4%	0,0%	0,0%	-25,1%	-1,4%
LKRI-R-A	sea port	1,28%	582,0	1.752,9	241,5	225,3	25,1	8,6	168,8	96,5	3,0%	11,2%	53,1%	-27,3%	-19,2%	2,5%
LKPC-R-A	sea port	1,01%	3.872,0	862,0	118,8	43,2	5,2	5,6	30,7	23,4	8,8%	12,0%	58,0%	-28,8%	-6,5%	10,7%
ATPL-R-A	shipping	8,52%	2.777,0	0,2	0,0	14,8	4,0	2,8	13,1	9,5	11,0%	30,4%	73,6%	-23,1%	-2,9%	20,7%
JDPL-R-A	shipping	0,91%	635,0	1.039,3	143,2	12,0	0,7	2,9	9,4	5,8	6,2%	7,8%	33,7%	-20,8%	-3,8%	12,0%
TNPL-R-A	shipping	1,50%	4.545,0	2.846,9	392,2	13,1	1,7	3,0	12,0	7,7	7,6%	13,1%	-12,1%	-39,8%	-19,6%	1,7%
ULPL-R-A	shipping	1,87%	2.130,0	852,0	117,4	3,3	2,0	2,1	5,1	4,4	23,1%	62,4%	-17,1%	-40,8%	-32,2%	-0,2%
VIRO-R-A	sugar	1,38%	971,5	1.347,2	185,6	17,4	2,7	1,7	29,8	22,3	8,2%	15,7%	-21,0%	-35,2%	-32,5%	-0,2%
ADRS-P-A	tobacco/tourism	8,22%	413,5	2.805,2	386,5	12,3	1,5	3,0	10,5	8,1	9,8%	12,8%	-26,2%	-19,7%	-8,7%	7,4%
ARNT-R-A	tourism	0,00%	375,0	818,4	112,8	neg	1,1	4,5	76,9	19,9	neg	neg	-29,0%	-27,2%	-8,8%	24,2%
HUPZ-R-A	tourism	1,38%	2.289,0	1.175,0	161,9	26,6	2,3	4,1	17,6	8,5	4,7%	10,2%	-8,4%	-4,9%	-14,7%	-0,5%
KORF-R-A	tourism	1,32%	123,0	997,9	137,5	14,4	0,6	1,4	neg	18,3	2,6%	4,7%	-47,3%	-34,2%	-47,3%	-47,3%
RIVP-R-A	tourism	0,00%	560,0	2.046,0	281,9	85,8	1,5	3,7	74,3	19,4	1,1%	1,7%	-21,8%	-8,9%	-9,7%	8,7%

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

Corporate news:

Ericsson Nikola Tesla signs new deals worth HRK 47mn in total

(Hold, current price: HRK 2,750, target price HRK 2,817)

ICT company Ericsson Nikola Tesla announced on Tuesday that it signed several new deals worth HRK 47mn in total. On the domestic market, the company signed deals with telecom operators VIPnet and T-Hrvatski Telekom on transmission optical systems and radio access network, worth HRK 39mn. Ericsson also signed an HRK 8mn deal in the Russian market with operator BaykalWestCom on the delivery of management systems for mobile telephony. *Davor Špoljar +385 62 372 825*

Croatia osiguranje – Premium income advanced 9.4% y/y in 1Q08

Insurer Croatia osiguranje released an announcement on its 1Q08 financial results on Tuesday, according to which the company increased its total premium income by 9.4% y/y to HRK 1,009mn. Most of the premium income was generated in the non-life insurance segment (HRK 926mn), while the life insurance segment contributed HRK 83.3mn. The company recorded HRK 26.2mn in net profit, representing 8.7% y/y growth. Croatia osiguranje remained the biggest insurer in Croatia, holding a 39.8% market share, which increased by 0.8% in 1Q08.

Tehnika wins deal on building handball center in Zagreb worth HRK 270mn

Construction company Tehnika won a tender on the construction of a handball center with 5,500 seats in Zagreb, according to reports in the Croatian press. Total value of the deal is estimated to HRK 270mn. The construction should start shortly after all documentation is prepared.

Badel 1862 – Strong sales growth in 1Q08, bottom line barely positive

Beverage company Badel 1862 announced its 1Q08 financial results on Tuesday. The company recorded 28% y/y growth in sales to HRK 79.7%, with domestic sales surging 35% y/y and foreign sales advancing 11% y/y. Operating costs grew slower than sales, which improved operating result of the company. However, sales growth did not reflect on the bottom line result, which was barely positive, due to increased financial and extraordinary costs.

Nexe grupa – Cement factory to be built in Russia

Croatian cement producer announced its intention to build a cement factory in Russia. This strategic move was explained by shortage of cement in the Russian market, which will come into focus in particular during upcoming investment cycle in road infrastructure and construction of residential objects. Construction of the new factory depends most on possibility of finding adequate location and securing necessary licenses and concessions. Just to mention, Nexe grupa recorded HRK 1.43bn sales in year 2007 (around 12% y/y growth), 75% of which was generated on the domestic market.

Tisak –Opening of new multimedia shops starts next week

Croatian retailer announced that ten new multimedia shops will be opened next week. Apart from usual products like tobacco, magazines and journals, some additional products like books and multimedia will be offered.

Tankerska plovidba holds 28.44% stake in Viktor Lenac

Shipping company Tankerska plovidba announced on Tuesday that it gained 3,529,782 shares of shipbuilding company Viktor Lenac, representing a 28.44% stake in equity, upon completion of the bankruptcy process of the shipyard.

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