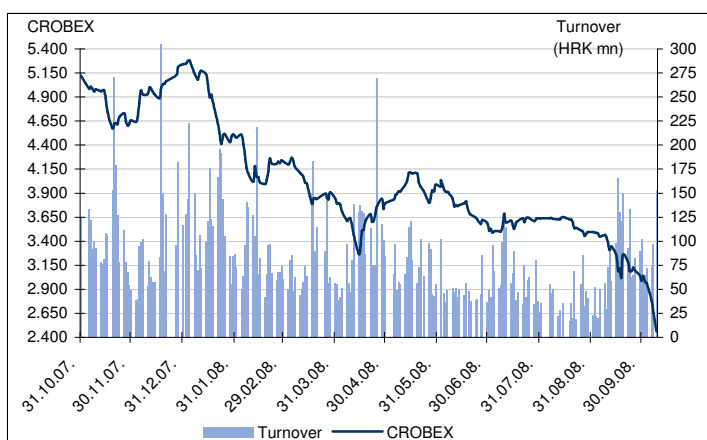




## Highlights:

- The CROBEX plunged 7.6%, the most in more than five years
- MOL will not sell INA refineries or gas business
- IMF expects 7% inflation for Croatia in 2008
- Atlantska plovdba acquires 4,000 own shares



## Crobex

Last close	2.460,6
Previous close	2.662,7
Turnover, mn (HRK/EUR)	152,8      21,5
Net change      % Change	-202,1      -7,59%
Performance YTD (HRK/EUR)	-53,0%      -51,7%

## Market comment:

A new wave of utter pessimism struck the Croatian equity market on Thursday, resulting in enormous losses. The market witnessed a panic sell-off, with HRK 152mn in total regular turnover, the most in the last eight months. The CROBEX plunged 7.6%, the most in more than five years, to 2,460 points, a level last seen in May 2006. The great majority of stocks traded on the market suffered severe losses, with only one winner among the 50 most liquid stocks. The average and median loss of the 50 top turnovers amounted to a stunning -9% and -8%, respectively, with 18 stocks recording double-digit drops. Brewery Zagrebacka pivovara fell 17%, construction company Viadukt dropped 15.1% and shipping company Jadroplov lost 15%, just to name a few losers among the high turnovers. The only winner among the top 50 turnovers was – surprisingly – Zagrebacka banka, which gained 2%, although it was suspended during the day, due to an excessive decline.

## Market outlook:

As foreign markets continue to record price decreases we do not expect that Croatian market will move in different direction.

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## Top 10 turnovers

Stock	Turnover (HRK)	Clos. pr.	%chng.
HT-R-A	29.286.275,36	228,00	-5,00%
PODR-R-A	14.681.209,75	322,00	0,00%
ERNT-R-A	12.621.228,16	1.539,99	-7,29%
ATPL-R-A	11.075.990,20	1.390,00	-12,58%
ADRS-P-A	9.113.656,65	256,10	-8,53%
ATGR-R-A	8.105.272,00	478,50	-7,96%
IGH-R-A	7.367.984,28	6.819,99	-9,67%
BLSC-R-A	6.180.196,85	575,00	-14,18%
DLKV-R-A	4.460.339,75	605,00	-8,33%
KOEI-R-A	3.717.779,06	411,00	-9,87%

## Top 5 Winners

Stock	%chng.	Turnover (HRK)	Clos. pr.
JDBA-R-A	7,33%	92.636,30	2.898,00
VERN-R-A	5,25%	171.381,25	80,00
PLVA-R-A	3,90%	89.378,99	800,00
ZABA-R-A	2,00%	2.931.664,60	255,00
TUHO-R-A	0,59%	158.241,84	860,01

## Top 5 Losers

Stock	%chng.	Turnover (HRK)	Clos. pr.
ZVZD-R-A	-18,70%	132.308,10	5.000,01
JNAF-R-A	-18,17%	170.728,99	1.963,00
HDEL-R-A	-17,18%	355.760,84	426,52
ZAPI-R-A	-17,14%	1.105.400,00	2.900,00
HMAM-R-A	-16,68%	1.663.474,90	100,00

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%	535,0	10.205,0	1.434,0	10,9	1,2	2,3	-	-	1,6%	11,7%	-73,1%	-47,3%	-45,4%	-34,8%
ZABA-R-A	banking	3,50%	255,0	16.332,3	2.295,1	11,5	1,3	2,8	-	-	1,8%	12,0%	-58,9%	-46,0%	-29,8%	-26,9%
DIOK-R-A	chemical	0,64%	310,0	1.253,0	176,1	neg	1,7	0,5	neg	95,2	neg	neg	-34,0%	-29,5%	-30,3%	-21,5%
PTKM-R-A	chemical	1,11%	197,0	658,2	92,5	5,7	0,6	0,3	6,8	3,6	7,0%	11,8%	-28,9%	-19,6%	-13,6%	-16,9%
DLKV-R-A	construction	4,10%	605,0	1.387,8	195,0	17,2	2,5	0,7	16,2	12,3	4,9%	15,6%	-58,6%	-32,0%	-23,9%	-25,5%
HDEL-R-A	construction	0,60%	426,5	266,1	37,4	17,0	1,3	0,3	17,7	11,2	1,8%	7,7%	-77,2%	-56,5%	-40,8%	-35,4%
IGH-R-A	construction	4,87%	6.820,0	1.081,5	152,0	18,5	2,9	1,4	17,5	11,5	5,4%	17,1%	-44,3%	-27,8%	-24,2%	-25,1%
INGR-R-A	construction	3,37%	126,1	945,5	132,9	11,7	1,4	1,1	19,3	18,2	6,1%	14,5%	-65,0%	-39,2%	-42,7%	-33,3%
THNK-R-A	construction	1,75%	2.620,0	496,4	69,8	7,6	0,9	0,3	10,5	8,2	4,3%	11,9%	-75,7%	-53,2%	-47,6%	-34,5%
VDKT-R-A	construction	1,03%	700,0	322,4	45,3	80,2	1,5	0,2	41,3	9,8	0,4%	1,9%	-80,5%	-61,1%	-52,1%	-33,3%
KOEI-R-A	engineering	2,28%	411,0	1.057,1	148,6	10,6	0,8	0,4	21,3	10,7	3,4%	8,3%	-68,1%	-35,3%	-32,1%	-30,5%
DDJH-R-A	engineering	0,69%	79,0	255,7	35,9	23,1	0,7	0,3	29,7	11,4	1,4%	3,0%	-63,1%	-46,6%	-31,3%	-23,7%
LEDO-R-A	food/beverage	1,71%	5.710,0	1.257,2	176,7	18,5	2,4	1,1	17,1	12,2	7,4%	14,0%	-59,2%	-50,8%	-45,6%	-33,2%
PODR-R-A	food/beverage	4,21%	322,0	1.745,2	245,2	90,3	0,9	0,5	30,3	11,6	0,5%	1,0%	-39,8%	-18,6%	-14,1%	-11,6%
ERNT-R-A	ICT	4,57%	1.540,0	2.050,7	288,2	9,4	1,9	1,1	12,3	8,0	12,8%	17,1%	-57,2%	-43,0%	-23,6%	-26,0%
HT-R-A	telecom	15,33%	228,0	18.670,6	2.623,6	8,2	1,5	2,1	5,3	3,3	15,3%	18,3%	-40,0%	-27,1%	-15,3%	-17,8%
INA-R-A	oil	15,47%	2.179,0	21.790,0	3.062,0	15,9	1,5	0,8	22,3	10,5	5,6%	10,0%	-22,7%	2,3%	-18,7%	-22,9%
BLSC-R-A	paper/cardboard	2,27%	575,0	669,5	94,1	18,5	1,3	0,5	27,9	9,8	2,3%	7,3%	-36,1%	-33,9%	-25,8%	-26,8%
KNZM-R-A	retailer	1,07%	150,1	3.407,2	478,8	15,9	3,6	0,3	13,2	10,4	4,0%	25,0%	-37,1%	-46,2%	-41,9%	-9,8%
ATGR-R-A	distribution	2,00%	478,5	1.181,9	166,1	17,6	1,8	0,7	12,7	9,5	5,2%	13,0%	-40,9%	-36,3%	-34,0%	-32,4%
LKPC-R-A	sea port	0,91%	1.750,0	389,6	54,7	16,9	2,2	2,3	11,5	9,0	10,4%	13,9%	-67,5%	-46,2%	-43,2%	-36,2%
ATPL-R-A	shipping	10,13%	1.390,0	1.939,8	272,6	3,3	1,5	1,2	4,3	3,6	22,1%	55,9%	-58,7%	-37,4%	-40,8%	-36,8%
JDPL-R-A	shipping	0,71%	260,0	425,5	59,8	7,6	0,3	1,0	4,0	1,9	3,8%	4,9%	-61,8%	-52,0%	-49,5%	-36,1%
TNPL-R-A	shipping	1,22%	1.800,0	1.127,5	158,4	5,0	0,6	1,1	5,5	3,6	7,5%	12,8%	-74,3%	-56,1%	-48,7%	-43,8%
ULPL-R-A	shipping	3,15%	1.090,0	632,2	88,8	3,7	1,0	1,9	9,5	6,5	11,1%	30,2%	-68,9%	-45,8%	-48,1%	-41,7%
VIRO-R-A	sugar	1,38%	600,0	832,0	116,9	16,3	1,8	1,1	18,3	13,8	5,9%	10,4%	-59,9%	-33,1%	-33,3%	-21,3%
ADRS-P-A	tobacco/tourism	9,12%	256,1	6.545,4	919,8	9,9	1,2	2,0	7,3	5,8	9,7%	12,0%	-52,6%	-32,4%	-30,8%	-31,9%
KORF-R-A	tourism	1,13%	58,0	470,6	66,1	neg	0,3	0,7	neg	13,9	neg	neg	-71,7%	-45,5%	-37,6%	-31,8%

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

## Corporate news:

### **MOL will not sell INA refineries or gas business**

Representatives of MOL confirmed that they are not going to sell refineries or the gas business operated by Croatian oil company INA. This announcement came as a response to speculation on the domestic financial market. According to MOL, they are going to further expand the gas business and continue to modernize refineries, which is not expected to be finished before 2011.

### **IMF expects 7% inflation for Croatia in 2008**

Analysts at the International Monetary Fund lowered their estimates of growth for Croatia and increased their inflation forecasts. The forecasted economic growth for 2008 is set at 3.8%, instead of 4.3%, while, according to the new scenario, their estimates for 2009 stand at 3.7%. The IMF expects to see inflation of 7% in 2008. Domestic analysts are even more conservative regarding economic growth - they see estimated inflation of 7% as too high and expect to see inflation within a range of 5% to 6%.

### **Atlantska plovidba acquires 4,000 own shares**

Shipping company Atlantska plovidba announced on Thursday that it acquired 4,000 own shares in a block transaction on the Zagreb Stock Exchange on October 6. After this transaction, the company holds 128,070 own shares, representing a 9.18% share in the equity.

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