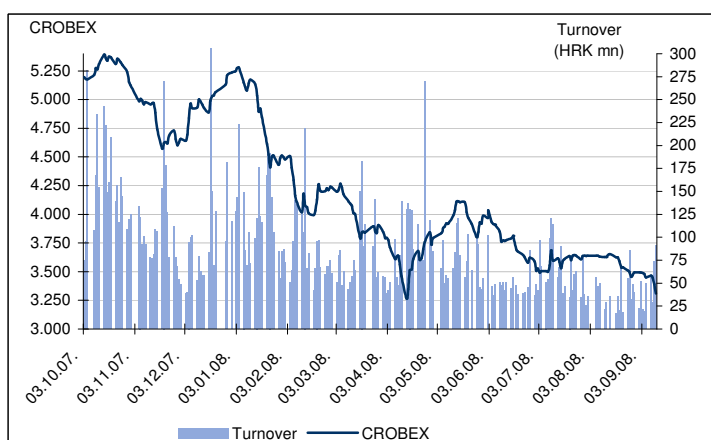




Highlights:

- The CROBEX dropped 2.4% to the second lowest closing in 2008
- Government to propose total smoking prohibition
- RIZ – Odasiljaci delivers transmitter to BBC
- HRK 16 dividend per share for shareholders of Zvecevo
- Vindija to open new poultry farm today



Crobex

Last close	3.310,2
Previous close	3.391,4
Turnover, mn (HRK/EUR)	91,0 12,7
Net change - % Change	-81,1 -2,39%
Performance YTD (HRK/EUR)	-36,8% -35,1%

Market comment:

Strong pessimism overtook investors on the Croatian equity market, stirring a sell-off and causing severe losses on the market - even heavier losses than the day before, accompanied by an increase in market liquidity. The market recorded a total of HRK 79mn in regular turnover, with an additional HRK 12mn in block transactions. The negative sentiment is best reflected in the fact that there were only four winners among the 50 most liquid stocks. Although it sank even lower intraday, the CROBEX dropped 2.4% to 3,310 points, the second lowest closing in 2008. The biggest losses among high turnovers were posted by shipping company Jadroplov, which plummeted 11.1% to its lowest level in 18 months, and construction company Tehnika (-6.7%), which dropped to its lowest level in more than two years, as was the case for ICT company Ericsson Nikola Tesla (-5.3%). Poor performances were also seen by retail company Magma (-4.4%, a new all-time low), civil engineering company IGH (-4.1%, its lowest in five months) and tobacco/tourism company Adris (-4%).

Market outlook:

The Croatian equity market could witness further slight negative movements on Friday, due to still predominant pessimism on the market.

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Top 10 turnovers

Stock	Turnover (HRK)	Clos. pr.	%chng.
INA-R-A	13.198.521,87	2.811,00	-0,50%
HT-R-A	12.409.833,47	272,00	-1,98%
ADRS-P-A	9.045.471,41	361,00	-3,99%
ATPL-R-A	7.456.708,82	2.125,00	-3,41%
ADRS-P-A	7.140.000,00	block	\
KOEI-R-A	5.015.000,00	block	\
DLKV-R-A	4.016.463,90	802,00	-1,23%
IGH-R-A	3.293.323,77	8.723,00	-4,14%
ERNT-R-A	2.629.829,44	1.913,00	-5,30%
PODR-R-A	2.139.788,66	364,48	0,06%

Top 5 Winners

Stock	%chng.	Turnover (HRK)	Clos. pr.
VDKT-R-A	5,81%	823.050,34	1.111,00
SNHO-R-A	4,11%	117.306,86	200,00
ADPL-R-A	1,74%	673.319,75	87,00
PTKM-R-A	1,26%	715.947,27	240,00
PODR-R-A	0,06%	2.139.788,66	364,48

Top 5 Losers

Stock	%chng.	Turnover (HRK)	Clos. pr.
SNBA-R-A	-11,70%	170.649,42	166,00
JDPL-R-A	-11,06%	395.246,63	362,00
MDKA-R-A	-7,66%	205.050,00	10.250,00
PBZ-R-A	-7,43%	241.135,03	760,01
BLJE-R-A	-6,84%	192.154,49	177,00

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	1,94%	760,0	14.497,0	2.031,9	15,5	1,7	3,3	-	-	1,6%	11,7%	-59,5%	-41,4%	-38,6%	-20,8%
SNBA-R-A	banking	0,75%	166,0	152,5	21,4	14,9	1,0	1,8	-	-	1,0%	6,8%	-64,3%	-48,2%	-17,0%	-9,8%
ZABA-R-A	banking	3,70%	340,0	21.777,7	3.052,4	15,4	1,8	3,7	-	-	1,8%	12,0%	-37,0%	-34,7%	-19,4%	-12,4%
PTKM-R-A	chemical	0,80%	240,0	801,9	112,4	6,9	0,8	0,3	8,1	4,3	7,0%	11,8%	-14,3%	-9,4%	5,3%	-5,5%
DLKV-R-A	construction	3,33%	802,0	1.839,6	257,8	22,8	3,3	0,9	19,8	15,1	4,9%	15,6%	-34,3%	-31,5%	-18,5%	-3,6%
HDEL-R-A	construction	0,86%	640,0	399,3	56,0	25,5	1,9	0,4	22,5	14,2	1,8%	7,7%	-58,6%	-50,8%	-33,3%	-19,7%
IGH-R-A	construction	4,29%	8.723,0	1.383,3	193,9	23,6	3,7	1,8	20,7	13,6	5,4%	17,1%	-25,0%	-23,6%	-18,5%	-11,4%
INGR-R-A	construction	3,83%	184,9	1.386,8	194,4	17,2	2,1	1,7	24,6	23,3	6,1%	14,5%	-38,6%	-26,4%	-21,0%	-14,8%
THNK-R-A	construction	2,36%	3.732,0	707,1	99,1	10,8	1,4	0,5	13,8	10,8	4,3%	11,9%	-63,8%	-45,1%	-33,4%	-23,8%
VDKT-R-A	construction	1,85%	1.111,0	511,6	71,7	127,3	2,5	0,3	53,6	12,7	0,4%	1,9%	-63,0%	-57,9%	-42,3%	-21,8%
KOEI-R-A	electrical	2,20%	575,0	1.479,0	207,3	14,8	1,2	0,5	27,0	13,6	3,4%	8,3%	-48,2%	-32,4%	-22,4%	-12,7%
LEDO-R-A	food/beverage	1,96%	8.200,0	1.805,4	253,0	26,6	3,5	1,6	23,7	16,9	7,4%	14,0%	-25,5%	-39,3%	-32,2%	-25,1%
PODR-R-A	food/beverage	3,69%	364,5	1.975,5	276,9	102,2	1,0	0,5	32,7	12,5	0,5%	1,0%	-30,6%	-11,1%	-9,3%	-0,1%
ERNT-R-A	ICT	5,17%	1.913,0	2.547,4	357,1	11,6	2,3	1,3	15,5	10,1	12,8%	17,1%	-42,5%	-29,1%	-18,6%	-13,0%
HT-R-A	telecom	14,48%	272,0	22.273,7	3.121,9	6,7	9,8	1,8	4,3	151,2	25,4%	15,3%	-28,4%	-18,3%	-2,0%	-4,1%
CROS-R-A	insurance	2,96%	8.100,0	2.491,5	349,2	30,6	1,4	-	-	-	0,9%	4,3%	-54,5%	-42,6%	-29,6%	-12,4%
INA-R-A	oil	14,80%	2.811,0	28.110,0	3.939,9	20,5	2,0	1,0	27,5	12,9	5,6%	10,0%	6,8%	22,2%	11,9%	-3,1%
BLSC-R-A	paper/cardboard	2,08%	775,0	902,3	126,5	24,9	1,8	0,7	32,8	11,5	2,3%	7,3%	-7,2%	-15,3%	-12,4%	-8,6%
MGMA-R-A	retailer	1,10%	110,0	536,2	75,1	neg	3,2	0,6	-	34,2	neg	neg	-64,0%	-56,5%	-41,5%	-31,3%
ATGR-R-A	distribution	1,69%	703,0	1.736,4	243,4	25,8	2,6	0,9	17,3	13,0	4,6%	10,5%	-18,7%	-12,8%	-2,1%	-2,8%
LKRI-R-A	sea port	1,27%	340,0	1.024,0	143,5	164,9	2,8	4,0	101,1	49,3	1,4%	2,5%	-52,1%	-50,0%	-35,9%	-19,0%
LKPC-R-A	sea port	0,87%	2.700,0	601,1	84,2	26,0	3,3	3,6	18,2	14,3	10,4%	13,9%	-25,0%	-29,5%	-26,0%	-14,3%
ATPL-R-A	shipping	6,73%	2.125,0	2.965,5	415,6	5,1	2,2	1,8	5,9	4,9	22,1%	55,9%	-21,3%	-20,0%	-21,0%	-13,2%
JDPL-R-A	shipping	0,80%	362,0	592,5	83,0	10,6	0,4	1,5	5,8	2,7	3,8%	4,9%	-28,3%	-42,6%	-38,7%	-26,9%
TNPL-R-A	shipping	1,51%	3.000,0	1.879,2	263,4	8,4	1,0	1,8	8,0	5,3	7,5%	12,8%	-48,3%	-42,3%	-25,5%	-13,5%
ULPL-R-A	shipping	2,93%	1.800,0	1.044,0	146,3	6,1	1,6	3,2	12,9	8,8	11,1%	30,2%	-54,4%	-50,3%	-18,2%	-5,3%
VIRO-R-A	sugar	1,69%	748,0	1.037,2	145,4	20,4	2,2	1,3	22,2	16,7	5,9%	10,4%	-40,8%	-46,3%	-27,0%	-11,6%
ADRS-P-A	tobacco/tourism	7,70%	361,0	7.257,0	1.017,2	11,0	1,3	2,2	8,2	6,5	9,7%	12,0%	-31,9%	-13,0%	-7,7%	-8,6%
HUPZ-R-A	tourism	1,47%	2.275,0	1.127,5	158,0	23,7	2,1	3,2	17,1	8,3	4,2%	9,2%	0,2%	-15,7%	1,1%	4,7%
KORF-R-A	tourism	1,18%	80,0	649,1	91,0	neg	0,4	0,9	neg	16,1	neg	neg	-59,4%	-37,1%	-24,5%	-15,0%

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

Corporate news:

Government to propose total smoking prohibition

The Croatian government has decided to fight smoking and will propose a total smoking prohibition in all public indoor spaces, according to Croatian daily Business.hr, citing Minister of Health Care Darko Milinovic. Milinovic's statement is opposed to the one he made a few days ago, when he said that the government is considering easing its initial proposal for the new law on smoking prohibition. This means that smoking will be prohibited in all educational, medical, social and other public indoor spaces, as well as in working premises. Smoking in cafes will be allowed only on open terraces, while restaurants will need to ensure a separate room for smokers, in which serving food and drinks will not be allowed. The new law should be passed to Parliament in October and become fully effective after six months.

RIZ – Odasiljaci delivers transmitter to BBC

The transmitter producer from Zagreb announced that two 250 kilowatt transmitters have been delivered to BBC. The delivery is a part of a contract worth HRK 3.6mn signed last year. With this delivery, the firm completed its obligation to BBC. Apart from this, the company used this occasion to announce another delivery of a 50 kilowatt transmitter to a client from Hong Kong and its participation in a radio and TV fair in Amsterdam.

HRK 16 dividend per share for shareholders of Zvecevo

The AGM of the Croatian candy producer decided on last year's net profit allocation. Out of HRK 5mn net profit, HRK 112,880 will be put into retained earnings, while HRK 4.92mn will be allocated to shareholders in the form of a dividend. The dividend per share amounts to HRK 16 and represents a yield of 8.3%. The ex-dividend day is August 27.

Vindija to open new poultry farm today

The Croatian food and beverage company announced that a new poultry farm should be opened today near Varazdin. The farm will have a capacity of 130,000 turkeys, equivalent to roughly 2mn kilos of meat. The overall investment in the farm amounted to HRK 15mn, which enabled the implementation of completely computerized production.

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