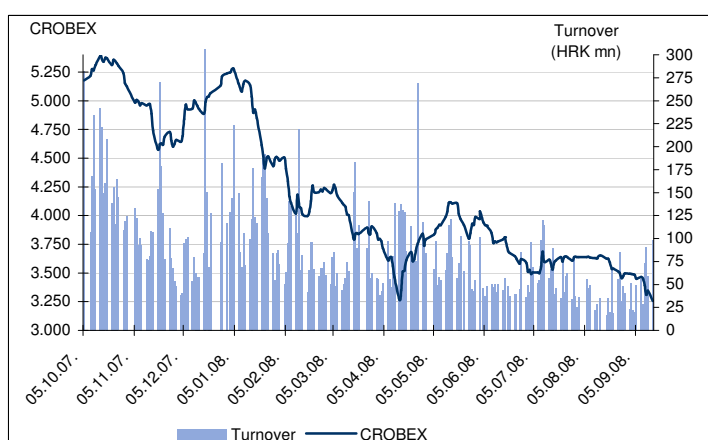




## Highlights:

- Severe losses on the market, the CROBEX dropped 2.7% to its lowest in 2008
- INA - Management board supports MOL's offer
- Konzum holds 30% of retail market in Croatia
- Badel 1862 sued by an institutional shareholder
- Elektropromet - Major shareholder lost voting right due to delay in obligatory public offer



## Top 10 turnovers

Stock	Turnover (HRK)	Clos. pr.	%chng.
ATPL-R-A	18.589.027,20	2.029,00	-6,50%
INA-R-A	13.957.100,30	2.853,08	-0,76%
HT-R-A	12.604.730,56	268,99	-1,22%
IGH-R-A	9.143.455,63	8.454,02	-3,55%
ADRS-P-A	6.037.500,00	block	\
ZABA-R-A	6.037.500,00	block	\
ERNT-R-A	5.130.000,00	block	\
PRFC-R-A	2.829.636,00	40,00	5,26%
INGR-R-A	2.675.817,63	169,00	-7,14%
ADRS-P-A	2.533.750,29	350,06	-2,76%

## Top 5 Winners

Stock	%chng.	Turnover (HRK)	Clos. pr.
VART-R-1	23,96%	197.172,67	150,00
PRFC-R-A	5,26%	2.829.636,00	40,00
ZTNJ-R-A	0,59%	282.430,94	841,66
MLNR-R-A	0,44%	654.892,59	1.352,90
PBZ-R-A	0,13%	120.298,00	756,00

## Top 5 Losers

Stock	%chng.	Turnover (HRK)	Clos. pr.
MMTZ-R-A	-15,13%	347.016,02	28.008,02
AUHR-R-A	-15,00%	136.002,00	34.000,00
TNPL-R-A	-9,50%	219.123,10	2.800,00
BLKL-R-A	-9,09%	425.070,00	90,00
LRH-R-A	-8,00%	528.998,45	2.300,01

## Crobex

Last close	3.255,5
Previous close	3.346,3
Turnover, mn (HRK/EUR)	98,1 13,8
Net change - % Change	-90,9 -2,72%
Performance YTD (HRK/EUR)	-37,9% -36,0%

## Market comment:

The Croatian equity market witnessed severe losses on Monday, similarly to world equity markets, impacted by negative news from the financial sector. The market recorded increased liquidity, totaling HRK 80mn in regular turnover, most in the last 2 months, and additional HRK 17.2mn in block transactions with tobacco/tourism company Adris (HRK 6mn), ICT company Ericsson Nikola Tesla (HRK 5mn) and Zagrebacka banka (HRK 6mn). The CROBEX dropped 2.7% and closed at 3,255 points, a lowest level in 2008. Negative sentiment is best reflected in the fact that there were only three winners among 30 most liquid stocks. Heaviest losses among high turnovers were posted by construction companies Tehnika (-7.7%) and Ingra (-7.1%), as well as frozen foods producer Ledo (-6.1%). Shipping company Atlantska plovodba, the most liquid stock on Monday, plunged 6.5%.

## Market outlook:

Negative movements could continue on the Croatian equity market, as yesterday's bad news could be the main market driver again on Tuesday.

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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%	756,0	14.420,5	2.026,2	15,4	1,7	3,2	-	-	1,6%	11,7%	-59,4%	-41,8%	-36,9%	-19,8%
SNBA-R-A	banking	0,75%	170,0	156,2	22,0	15,3	1,0	1,8	-	-	1,0%	6,8%	-64,9%	-43,4%	-15,0%	-12,8%
ZABA-R-A	banking	3,70%	337,0	21.584,3	3.032,8	15,2	1,7	3,7	-	-	1,8%	12,0%	-37,2%	-32,6%	-19,8%	-13,1%
PTKM-R-A	chemical	0,80%	230,0	768,5	108,0	6,6	0,7	0,3	7,8	4,1	7,0%	11,8%	-15,8%	-10,9%	-0,9%	-8,2%
DLKV-R-A	construction	3,33%	763,0	1.750,2	245,9	21,7	3,2	0,9	19,1	14,6	4,9%	15,6%	-37,5%	-33,1%	-23,5%	-10,4%
HDEL-R-A	construction	0,86%	600,0	374,3	52,6	23,9	1,8	0,4	21,6	13,6	1,8%	7,7%	-60,5%	-50,8%	-34,1%	-24,1%
IGH-R-A	construction	4,29%	8.454,0	1.340,6	188,4	22,9	3,6	1,8	20,3	13,3	5,4%	17,1%	-25,5%	-24,7%	-21,5%	-13,9%
INGR-R-A	construction	3,83%	169,0	1.267,5	178,1	15,7	1,9	1,5	23,2	21,9	6,1%	14,5%	-44,3%	-32,4%	-29,2%	-20,7%
THNK-R-A	construction	2,36%	3.415,0	647,0	90,9	9,8	1,2	0,4	12,9	10,1	4,3%	11,9%	-66,6%	-46,5%	-37,8%	-31,5%
VDKT-R-A	construction	1,85%	1.033,0	475,7	66,8	118,4	2,3	0,3	51,3	12,1	0,4%	1,9%	-65,6%	-60,3%	-41,9%	-23,5%
KOEI-R-A	electrical	2,20%	577,0	1.484,2	208,5	14,9	1,2	0,5	27,1	13,6	3,4%	8,3%	-48,4%	-30,5%	-25,0%	-14,5%
LEDO-R-A	food/beverage	1,96%	7.800,0	1.717,3	241,3	25,3	3,3	1,6	22,6	16,1	7,4%	14,0%	-27,8%	-38,5%	-35,0%	-29,4%
PODR-R-A	food/beverage	3,69%	359,5	1.948,3	273,8	100,8	1,0	0,5	32,4	12,4	0,5%	1,0%	-30,9%	-11,5%	-10,1%	-1,2%
ERNT-R-A	ICT	5,17%	1.920,0	2.556,8	359,2	11,7	2,4	1,3	15,6	10,2	12,8%	17,1%	-42,3%	-29,4%	-15,4%	-12,7%
HT-R-A	telecom	14,48%	269,0	22.027,2	3.095,0	9,7	1,8	2,5	6,6	4,2	15,3%	18,3%	-29,2%	-18,1%	-3,9%	-5,6%
CROS-R-A	insurance	2,96%	8.000,0	2.460,8	345,8	30,3	1,4	-	-	-	0,9%	4,3%	-54,9%	-43,3%	-30,4%	-15,8%
INA-R-A	oil	14,80%	2.853,1	28.530,8	4.008,8	20,8	2,0	1,0	27,8	13,1	5,6%	10,0%	8,9%	26,2%	11,9%	0,5%
BLSC-R-A	paper/cardboard	2,08%	760,0	884,9	124,3	24,5	1,7	0,7	32,4	11,4	2,3%	7,3%	-9,0%	-16,3%	-14,1%	-10,6%
MGMA-R-A	retailer	1,10%	102,6	500,1	70,3	neg	3,0	0,5	-	32,8	neg	neg	-66,5%	-59,4%	-45,1%	-32,9%
ATGR-R-A	distribution	1,69%	703,0	1.736,4	244,0	25,8	2,6	0,9	17,3	13,0	4,6%	10,5%	-19,5%	-14,3%	-4,7%	-0,7%
LKRI-R-A	sea port	1,27%	373,7	1.125,5	158,1	181,2	3,0	4,4	109,9	53,5	1,4%	2,5%	-51,5%	-42,0%	-27,4%	-12,1%
LKPC-R-A	sea port	0,87%	2.699,7	601,0	84,4	26,0	3,3	3,6	18,2	14,3	10,4%	13,9%	-29,9%	-28,0%	-26,1%	-15,6%
ATPL-R-A	shipping	6,73%	2.029,0	2.831,5	397,9	4,8	2,1	1,7	5,7	4,7	22,1%	55,9%	-22,6%	-21,2%	-21,2%	-19,4%
JDPL-R-A	shipping	0,80%	384,0	628,5	88,3	11,3	0,4	1,5	6,1	2,9	3,8%	4,9%	-26,2%	-38,1%	-34,9%	-20,0%
TNPL-R-A	shipping	1,51%	2.800,0	1.753,9	246,4	7,9	1,0	1,6	7,6	5,0	7,5%	12,8%	-51,5%	-45,5%	-30,0%	-15,2%
ULPL-R-A	shipping	2,93%	1.712,0	993,0	139,5	5,8	1,6	3,0	12,5	8,5	11,1%	30,2%	-57,2%	-51,8%	-24,6%	-8,9%
VIRO-R-A	sugar	1,69%	718,0	995,6	139,9	19,6	2,1	1,3	21,4	16,1	5,9%	10,4%	-42,6%	-47,6%	-30,0%	-17,3%
ADRS-P-A	tobacco/tourism	7,70%	350,1	7.182,8	1.009,2	10,9	1,3	2,2	8,1	6,5	9,7%	12,0%	-32,7%	-14,0%	-10,9%	-10,7%
HUPZ-R-A	tourism	1,47%	2.275,0	1.127,5	158,4	23,7	2,1	3,2	17,1	8,3	4,2%	9,2%	3,4%	-10,8%	-1,1%	4,8%
KORF-R-A	tourism	1,18%	77,0	624,7	87,8	neg	0,4	0,9	neg	15,8	neg	neg	-60,7%	-37,9%	-29,8%	-18,9%

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

## Corporate news:

### **INA - Management board supports MOL's offer**

Management board of INA announced on Monday its opinion on the MOL's takeover offer. The board said that the offered price is higher than the required minimum price and, considering the current business environment, acceptable. Considering the offeror's statement regarding future operations of INA, the board identified full compatibility between the offeror's and INA's board intentions, adding that there is the highest level of compatibility between INA's and MOL's intentions regarding strategy. Board members who hold INA shares expressed their intention to sell part of the shares held and to retain a part in their possession.

### **Konzum holds 30% of retail market in Croatia**

Croatian Competition Agency published its most recent research on the Croatian retail market stating that Konzum held its position of the biggest retailer in Croatia. Market share of Konzum slightly weakened in year 2007 compared to 2006, however it still stands at high 30%, with other competitors not reaching even 10% of the market. Konzum remained market leader in 9 counties out of total 21, with city Zagreb and County of Lika-Senj being markets with strongest and safest position and share of 40% and 45%, respectively. Small retailers and chains somewhat improved their position at the expense of the top five leaders, which slightly lowered concentration in the industry. In spite of this, top five retailers (Konzum, Mercator-H, Kaufland, Billa i Plodine) led by Konzum still hold more than 50% of the market.

### **Badel 1862 sued by an institutional shareholder**

Beverages producer Badel 1862 announced on Monday that it received a lawsuit from investment company KD Investments, one of the company's shareholders, demanding nullification of all decisions reached by the AGM held on July 23.

### **Elektropromet - Major shareholder lost voting right due to delay in obligatory public offer**

Croatian Financial Services Supervisory Agency announced that two top shareholders of Elektropromet cannot use their voting right on all acquired shares until they fulfill their obligation regarding public offer for the remaining company's shares. Michael Ljubas and Jadran - Produkt (100% owned by Michael Ljubas) acquired 6,100 additional shares of Elektropromet which passed threshold of 25% and brought obligation to place a public offer for the remaining shares. Obligation to place a public offer came into existence on May 19 while public offer was still not placed.

### **Jadroplov covering losses from previous years, no dividend**

The AGM of the Croatian shipping company is arranged for October 22. Last year's net profit of HRK 86.86mn along with retained earning should be used to cover losses from previous years. One of the items on the agenda is a change in the Statue of the company.

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