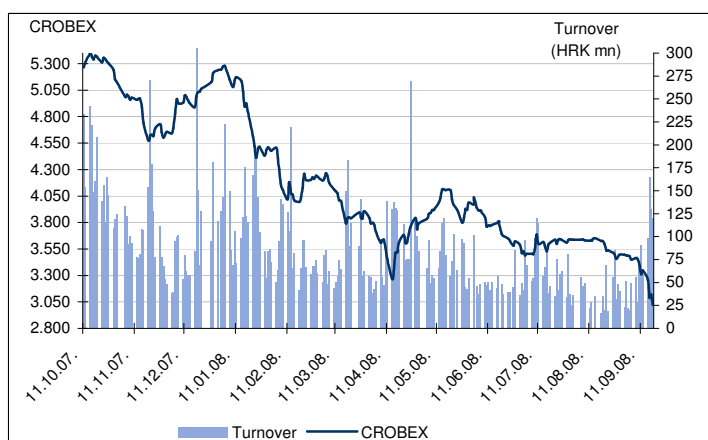




## Highlights:

- The market suffered severe losses, the CROBEX plunged 3.2%
- Adris interested in HUP Zagreb – press
- Viro won the tender for acquiring stake in Sladorana
- Tender for DD Montaza to be launched next week
- Revision of CROBEX from September 22



## Crobex

Last close	3.020,7
Previous close	3.119,3
Turnover, mn (HRK/EUR)	120,5 16,9
Net change - % Change	-98,6 -3,16%
Performance YTD (HRK/EUR)	-42,3% -40,6%

## Market comment:

As it seems, slight recovery seen on the Croatian equity market on Wednesday was just a short term thing, as the market suffered severe losses again on Thursday. The sell off continued on relatively high levels of liquidity, with the market totaling HRK 109mn in regular turnover and additional HRK 11mn in a block transaction made with shares of Atlantska plovidba. The CROBEX plunged 3.2% to 3,020 points, a lowest level in more than 2 years, sinking intraday even 4.5%. Losses were seen among majority of traded stocks, with only 1 winner among 30 most liquid stocks. Sugar producer IPK Kandit dropped 9.4%, most among high turnovers, after it lost the battle with its peer Viro over acquiring controlling stake in sugar refiner Sladorana. However, even Viro performed badly and lost 5.9%. Poor performances were also seen in the construction sector, particularly by Dalekovod (-5.5%) and Ingra (-5.3%), as well as by distribution company Atlantic Grupa (-5.6%) and engineering company Koncar elektroindustrija (-5.2%). The only winner among 30 most liquid stocks was confectionery producer Kras, which gained 1.2%.

## Market outlook:

Positive movements on the world equity markets could induce stabilization of the Croatian equity market on Friday.

## 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	21.220.696,33	250,00	-3,29%
INA-R-A	17.284.908,82	2.805,00	-0,71%
ATPL-R-A	11.100.000,00	block	\
INGR-R-A	9.539.259,40	142,01	-5,33%
ATPL-R-A	8.755.280,54	1.915,00	-1,79%
IGH-R-A	5.281.352,62	7.748,00	-3,09%
ERNT-R-A	4.951.947,74	1.785,02	-2,99%
ADRS-P-A	4.091.971,16	320,00	-4,19%
MLNR-R-A	3.851.108,83	1.340,00	-0,09%
ATGR-R-A	3.380.997,91	639,98	-5,61%

## Top 5 Winners

Stock	%chng.	Turnover (HRK)	Clos. pr.
INDG-R-A	5,41%	174.846,91	1.085,75
TNSA-R-A	3,88%	118.625,96	5.484,70
KRAS-R-A	1,16%	560.391,86	435,00
ADRS-R-A	1,02%	219.084,97	494,99
FNVC-R-A	0,80%	167.160,10	377,00

## Top 5 Losers

Stock	%chng.	Turnover (HRK)	Clos. pr.
JDOS-R-A	-13,17%	204.900,68	2.900,00
LPLH-R-A	-11,34%	104.710,56	250,02
KBZ-R-A	-10,64%	135.706,28	126,00
MMTZ-R-A	-10,54%	127.092,05	25.050,01
IPKK-R-A	-9,40%	1.350.260,24	453,00

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%	679,0	12.951,8	1.822,2	13,8	1,5	2,9	-	-	1,6%	11,7%	-63,3%	-45,2%	-40,2%	-24,6%
SNBA-R-A	banking	0,75%	150,0	137,8	19,4	13,5	0,9	1,6	-	-	1,0%	6,8%	-67,0%	-51,6%	-25,0%	-21,1%
ZABA-R-A	banking	3,70%	325,0	20.815,7	2.928,6	14,7	1,7	3,5	-	-	1,8%	12,0%	-40,3%	-34,7%	-22,6%	-14,0%
PTKM-R-A	chemical	0,80%	220,0	735,0	103,4	6,4	0,7	0,3	7,5	4,0	7,0%	11,8%	-18,5%	-12,0%	-6,0%	-8,8%
DLKV-R-A	construction	3,33%	665,0	1.525,4	214,6	18,9	2,7	0,8	17,3	13,2	4,9%	15,6%	-45,4%	-39,5%	-33,1%	-19,9%
HDEL-R-A	construction	0,86%	520,0	324,4	45,6	20,8	1,6	0,3	19,8	12,5	1,8%	7,7%	-67,5%	-53,2%	-44,7%	-31,7%
IGH-R-A	construction	4,29%	7.748,0	1.228,7	172,9	21,0	3,3	1,6	19,1	12,5	5,4%	17,1%	-29,6%	-28,9%	-29,0%	-18,4%
INGR-R-A	construction	3,83%	142,0	1.065,1	149,8	13,2	1,6	1,3	20,7	19,6	6,1%	14,5%	-52,8%	-42,4%	-42,9%	-32,7%
THNK-R-A	construction	2,36%	2.900,0	549,4	77,3	8,4	1,0	0,4	11,4	8,9	4,3%	11,9%	-71,3%	-56,7%	-49,1%	-38,5%
VDKT-R-A	construction	1,85%	1.000,0	460,5	64,8	114,6	2,2	0,2	50,3	11,9	0,4%	1,9%	-66,7%	-60,0%	-46,3%	-20,0%
KOEI-R-A	electrical	2,20%	507,0	1.304,1	183,5	13,1	1,0	0,5	24,7	12,4	3,4%	8,3%	-54,0%	-36,5%	-32,0%	-21,0%
LEDO-R-A	food/beverage	1,96%	7.070,0	1.556,6	219,0	22,9	3,0	1,4	20,7	14,8	7,4%	14,0%	-35,7%	-40,5%	-43,0%	-34,6%
PODR-R-A	food/beverage	3,69%	350,0	1.897,0	266,9	98,2	1,0	0,5	31,9	12,2	0,5%	1,0%	-32,7%	-14,2%	-10,3%	-5,4%
ERNT-R-A	ICT	5,17%	1.785,0	2.377,0	334,4	10,9	2,2	1,3	14,4	9,4	12,8%	17,1%	-44,6%	-31,6%	-21,4%	-20,7%
HT-R-A	telecom	14,48%	250,0	20.472,1	2.880,2	9,0	1,7	2,3	6,0	3,8	15,3%	18,3%	-34,2%	-22,4%	-12,0%	-11,9%
CROS-R-A	insurance	2,96%	6.000,0	1.845,6	259,7	22,7	1,0	-	-	-	0,9%	4,3%	-66,2%	-56,2%	-44,5%	-36,8%
INA-R-A	oil	14,80%	2.805,0	23.434,4	3.297,0	20,5	2,0	1,0	27,4	12,9	5,6%	10,0%	7,4%	26,1%	7,6%	2,0%
BLSC-R-A	paper/cardboard	2,08%	700,0	815,0	114,7	22,5	1,6	0,6	30,9	10,8	2,3%	7,3%	-14,7%	-21,3%	-21,0%	-15,2%
MGMA-R-A	retailer	1,10%	99,0	482,5	67,9	neg	2,9	0,5	-	32,1	neg	neg	-67,9%	-61,9%	-49,4%	-30,3%
ATGR-R-A	distribution	1,69%	640,0	1.580,7	222,4	23,5	2,4	0,9	16,2	12,0	5,2%	13,0%	-27,3%	-20,8%	-15,1%	-11,1%
LKRI-R-A	sea port	1,27%	298,0	897,5	126,3	144,5	2,4	3,5	90,2	43,9	1,4%	2,5%	-60,5%	-51,2%	-39,2%	-26,4%
LKPC-R-A	sea port	0,87%	2.395,0	533,2	75,0	23,1	3,0	3,2	16,1	12,6	10,4%	13,9%	-38,3%	-33,5%	-32,6%	-22,8%
ATPL-R-A	shipping	6,73%	1.915,0	2.672,4	376,0	4,6	2,0	1,6	5,5	4,5	22,1%	55,9%	-24,9%	-18,0%	-29,5%	-20,2%
JDPL-R-A	shipping	0,80%	318,0	520,5	73,2	9,3	0,4	1,3	5,0	2,4	3,8%	4,9%	-37,3%	-46,1%	-45,3%	-32,9%
TNPL-R-A	shipping	1,51%	2.572,0	1.611,1	226,7	7,2	0,9	1,5	7,1	4,7	7,5%	12,8%	-55,7%	-46,4%	-37,7%	-22,1%
ULPL-R-A	shipping	2,93%	1.549,0	898,4	126,4	5,2	1,4	2,7	11,7	8,0	11,1%	30,2%	-61,2%	-54,4%	-32,7%	-16,7%
VIRO-R-A	sugar	1,69%	658,0	912,4	128,4	17,9	1,9	1,2	19,9	14,9	5,9%	10,4%	-47,0%	-49,8%	-36,1%	-20,8%
ADRS-P-A	tobacco/tourism	7,70%	320,0	6.978,9	981,9	10,6	1,2	2,1	7,9	6,2	9,7%	12,0%	-38,3%	-20,0%	-19,4%	-15,1%
HUPZ-R-A	tourism	1,47%	2.000,0	991,2	139,5	20,9	1,9	2,8	15,2	7,4	4,2%	9,2%	-4,8%	-23,1%	-13,0%	-7,7%
KORF-R-A	tourism	1,18%	68,0	551,7	77,6	neg	0,4	0,8	neg	14,9	neg	neg	-64,2%	-42,9%	-37,0%	-26,9%

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

## Corporate news:

### **Adris interested in HUP Zagreb – press**

According to Croatian daily Poslovni dnevnik, claiming information from unnamed sources, tobacco/tourism company Adris is interested in acquiring hotelier HUP Zagreb, the biggest hotel company in Zagreb. Adris is negotiating with majority owner of HUP Zagreb Mr. Anđelko Leko on buying its 51% stake in the company, for which Mr. Leko asks around EUR 200mn (or HRK 5,768 per share, which is much more than the current share price of HRK 2,000), Poslovni dnevnik said, adding that Adris already conducted a due diligence during summer months. However, Mr. Leko said in a statement that this is not true and that HUP Zagreb is not for sale.

Adris was already put in the context of acquiring HUP Zagreb several years ago, but the transaction was never carried through. A few months ago, media speculated that hotelier Adriatic Luxury Hotels could take over HUP Zagreb, but also this transaction was never made. HUP Zagreb is an attractive takeover target in the hospitality sector, due to its strong position in Zagreb, where it owns 7 hotels and also holds a solid potential in Dubrovnik area, where it owns 2 hotel complexes that need reconstruction.

### **Viro won the tender for acquiring stake in Sladorana**

Croatian Privatization Fund decided on its Thursday session that sugar factory Viro is the best bidder for acquiring 38% ownership stake in sugar refiner Sladorana. Viro offered HRK 119mn for the stake and additional investments in the company worth HRK 168mn in total.

### **Tender for DD Montaza to be launched next week**

Documentation for privatization of construction company Duro Dakovic Montaza through a public tender is almost finalized, so the tender for the sale of 50% plus one share of the company will be launched next week, according to Croatian daily Business.hr, citing Mr. Zdravko Stipetic, CEO of Duro Dakovic Holding, majority owner of DD Montaza, adding that the sale process could be finished within 3-4 months. Mr. Stipetic also said that some of the conditions for potential buyers will be to keep all 1,300 workers and to develop a 5 year investment plan for the company.

### **Revision of CROBEX from September 22**

A few changes will be made to the Croatian index CROBEX, starting September 22. Three stocks will enter the CROBEX, while five will be removed. Shares of Duro Dakovic holding, Dioki and Konzum will be added. On the other side, shares of HUP Zagreb will be removed, due to the condition of minimal trading days, while Luka Rijeka and Magma did not fulfill the criterion for minimum turnover above 0.5% of the total market turnover. Among the removed stocks there is also Croatia osiguranje, which failed to meet both conditions on the number of trading days and turnover, while Slatinska banka, along with the mentioned terms, also failed in terms of minimum market capitalization.

### **Zitnjak and Mlinar – Management's opinion on public offer delivered to ZSE**

Management of two companies that are currently subject of a takeover bid by Agrokor, Mlinar and Zitnjak, delivered their opinions on the public offer to the Zagreb Stock Exchange (ZSE). Price offered by Agrokor they consider as a fair value for which they did not have any objection. Apart from management, employee unions as well supported this offer and are compliant with the management.

### **CEO of AD Plastik acquired 1,178 shares**

According to Croatian press, CEO of the Croatian plastic producer AD Plastik acquired additional 1,178 shares of the company on the September 16. After this acquisition Mr Boban holds 66,428 shares or 1.58% stake in the company.

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