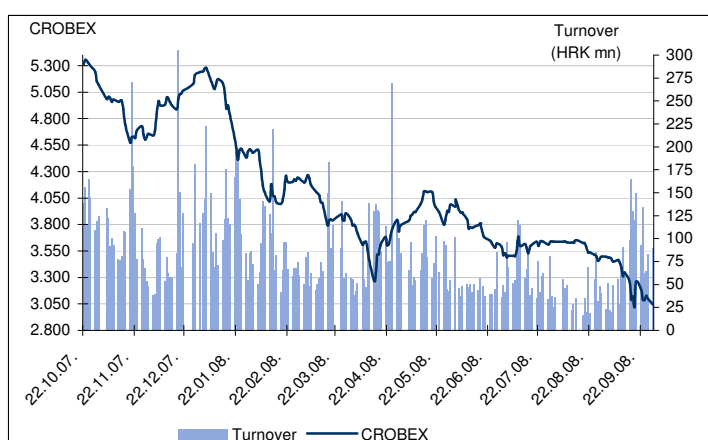




Highlights:

- Further negative movements, the CROBEX fell 1.8%
- Around 241,000 T-HT shareholders to receive bonus shares – press
- New panamax delivered to Atlantska plovidba in China
- DD Dakovic announces tender for DD Montaza
- Industrogradnja signs new deal worth EUR 10mn



Crobex

| | |
|---------------------------|---------------|
| Last close | 3.044,3 |
| Previous close | 3.100,2 |
| Turnover, mn (HRK/EUR) | 89,9 12,6 |
| Net change - % Change | -55,9 -1,80% |
| Performance YTD (HRK/EUR) | -41,9% -40,2% |

Market comment:

The Croatian equity market witnessed mostly negative movements at the beginning of the new week, reflecting the global concern over the deepening credit crisis, now intensified in Europe as well. The CROBEX fell 1.8% to 3,044 points, the second lowest level in 2008, while the market recorded almost HRK 80mn in total regular turnover, with an additional HRK 10mn in a block transaction made with shares of Zagrebacka banka. The majority of the most liquid stocks closed in red territory on Monday. The biggest drop among high turnovers was posted by supermarket chain Konzum, which plunged 8.5%, followed by tobacco/tourism company Adris (-4.3%). Shipping company Atlantska plovidba and construction company Ingra also performed poorly, each losing 3.3%. Chemical company Petrokemija and energy company EIG were among the rare winners within the high-turnover camp, gaining 1.3% and 2.3%, respectively.

Top 10 turnovers

| Stock | Turnover (HRK) | Clos. pr. | %chng. |
|----------|----------------|-----------|--------|
| INA-R-A | 15.462.628,07 | 2.772,00 | -0,36% |
| ZABA-R-A | 10.050.000,00 | block | \ |
| ADRS-P-A | 7.851.798,96 | 312,00 | -4,27% |
| ATPL-R-A | 7.268.635,63 | 1.860,00 | -3,33% |
| HT-R-A | 6.378.299,78 | 259,75 | -1,12% |
| INGR-R-A | 2.686.359,53 | 159,12 | -3,26% |
| PTKM-R-A | 1.758.725,83 | 219,00 | 1,33% |
| EIG-R-A | 1.637.506,98 | 44,00 | 2,33% |
| ERNT-R-A | 1.403.594,65 | 1.825,01 | -2,54% |
| IGH-R-A | 1.232.871,82 | 8.207,00 | -2,51% |

Top 5 Winners

| Stock | %chng. | Turnover (HRK) | Clos. pr. |
|----------|--------|----------------|-----------|
| RIVP-R-A | 10,80% | 458.990,99 | 400,00 |
| JDBA-R-A | 7,38% | 133.099,93 | 3.650,00 |
| INDG-R-A | 3,28% | 142.369,90 | 1.069,99 |
| PODR-R-A | 2,62% | 417.154,36 | 346,85 |
| ZABA-R-A | 2,56% | 553.719,97 | 339,99 |

Top 5 Losers

| Stock | %chng. | Turnover (HRK) | Clos. pr. |
|----------|--------|----------------|-----------|
| KNZM-R-A | -8,53% | 761.087,18 | 192,00 |
| DDJH-R-A | -5,99% | 253.772,86 | 94,01 |
| LKPC-R-A | -5,69% | 192.402,04 | 2.452,02 |
| PBZ-R-A | -4,81% | 331.670,95 | 733,00 |
| ADRS-P-A | -4,27% | 7.851.798,96 | 312,00 |

Market outlook:

The Croatian equity market is expected to witness negative movements, as a reaction to collapse of the bailout plan of financial sector in USA.

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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 | 1,69% | 733,0 | 13.981,8 | 1.962,9 | 14,9 | 1,6 | 3,2 | - | - | 1,6% | 11,7% | -61,1% | -37,3% | -24,1% | -15,7% |
| ZABA-R-A | banking | 3,50% | 340,0 | 21.775,8 | 3.057,1 | 15,4 | 1,8 | 3,7 | - | - | 1,8% | 12,0% | -42,8% | -28,1% | -15,0% | -8,1% |
| DIOK-R-A | chemical | 0,64% | 360,0 | 1.455,1 | 204,3 | neg | 2,0 | 0,6 | neg | 105,7 | neg | neg | -12,4% | -29,3% | -25,0% | -25,0% |
| PTKM-R-A | chemical | 1,11% | 219,0 | 731,7 | 102,7 | 6,3 | 0,7 | 0,3 | 7,5 | 4,0 | 7,0% | 11,8% | -17,7% | -8,8% | -0,5% | -8,8% |
| DLKV-R-A | construction | 4,10% | 728,0 | 1.669,9 | 234,4 | 20,7 | 3,0 | 0,9 | 18,4 | 14,1 | 4,9% | 15,6% | -44,8% | -25,7% | -16,3% | -11,8% |
| HDEL-R-A | construction | 0,60% | 576,2 | 359,5 | 50,5 | 23,0 | 1,7 | 0,4 | 21,1 | 13,3 | 1,8% | 7,7% | -65,1% | -49,0% | -28,0% | -26,0% |
| IGH-R-A | construction | 4,87% | 8.207,0 | 1.301,5 | 182,7 | 22,2 | 3,5 | 1,7 | 19,9 | 13,0 | 5,4% | 17,1% | -30,2% | -20,7% | -17,7% | -11,5% |
| INGR-R-A | construction | 3,37% | 159,1 | 1.193,4 | 167,5 | 14,8 | 1,8 | 1,4 | 22,3 | 21,1 | 6,1% | 14,5% | -53,6% | -36,0% | -27,5% | -21,2% |
| THNK-R-A | construction | 1,75% | 3.270,0 | 619,5 | 87,0 | 9,4 | 1,2 | 0,4 | 12,5 | 9,7 | 4,3% | 11,9% | -66,8% | -47,7% | -40,5% | -27,7% |
| VDKT-R-A | construction | 1,03% | 1.000,0 | 460,5 | 64,6 | 114,6 | 2,2 | 0,2 | 50,3 | 11,9 | 0,4% | 1,9% | -69,4% | -52,4% | -40,8% | -11,2% |
| KOEI-R-A | engineering | 2,28% | 523,0 | 1.345,3 | 188,9 | 13,5 | 1,1 | 0,5 | 25,2 | 12,7 | 3,4% | 8,3% | -56,0% | -27,9% | -22,5% | -16,6% |
| DDJH-R-A | engineering | 0,69% | 94,0 | 304,3 | 42,7 | 27,5 | 0,8 | 0,4 | 33,4 | 12,8 | 1,4% | 3,0% | -55,7% | -40,9% | -23,9% | -12,1% |
| LEDO-R-A | food/beverage | 1,71% | 7.813,0 | 1.720,2 | 241,5 | 25,3 | 3,3 | 1,6 | 22,6 | 16,2 | 7,4% | 14,0% | -34,9% | -39,9% | -30,9% | -21,6% |
| PODR-R-A | food/beverage | 4,21% | 346,9 | 1.879,9 | 263,9 | 97,3 | 1,0 | 0,5 | 31,7 | 12,2 | 0,5% | 1,0% | -33,3% | -13,3% | -10,6% | -5,0% |
| ERNT-R-A | ICT | 4,57% | 1.825,0 | 2.430,3 | 341,2 | 11,1 | 2,2 | 1,3 | 14,8 | 9,6 | 12,8% | 17,1% | -46,3% | -32,4% | -16,2% | -11,9% |
| HT-R-A | telecom | 15,33% | 259,8 | 21.270,5 | 2.986,2 | 9,4 | 1,7 | 2,4 | 6,3 | 4,0 | 15,3% | 18,3% | -31,6% | -18,5% | -4,9% | -7,9% |
| INA-R-A | oil | 15,47% | 2.772,0 | 27.720,0 | 3.891,6 | 20,2 | 2,0 | 1,0 | 27,1 | 12,8 | 5,6% | 10,0% | -2,2% | 24,0% | 7,4% | -0,6% |
| BLSC-R-A | paper/cardboard | 2,27% | 700,0 | 815,0 | 114,4 | 22,5 | 1,6 | 0,6 | 30,9 | 10,8 | 2,3% | 7,3% | -16,5% | -20,5% | -17,6% | -12,5% |
| KNZM-R-A | retailer | 1,07% | 192,0 | 4.358,9 | 612,0 | 20,3 | 4,6 | 0,4 | 15,3 | 12,1 | 4,0% | 25,0% | -37,1% | -46,2% | -41,9% | -9,8% |
| ATGR-R-A | distribution | 2,00% | 608,0 | 1.501,8 | 210,8 | 22,3 | 2,3 | 0,8 | 15,5 | 11,5 | 5,2% | 13,0% | -23,3% | -22,1% | -16,7% | -13,8% |
| LKPC-R-A | sea port | 0,91% | 2.452,0 | 545,9 | 76,6 | 23,6 | 3,0 | 3,2 | 16,5 | 12,9 | 10,4% | 13,9% | -51,4% | -27,9% | -25,7% | -18,8% |
| ATPL-R-A | shipping | 10,13% | 1.860,0 | 2.595,7 | 364,4 | 4,4 | 2,0 | 1,6 | 5,3 | 4,4 | 22,1% | 55,9% | -31,4% | -18,1% | -27,0% | -22,5% |
| JDPL-R-A | shipping | 0,71% | 330,0 | 540,1 | 75,8 | 9,7 | 0,4 | 1,3 | 5,2 | 2,5 | 3,8% | 4,9% | -43,4% | -42,2% | -41,6% | -25,8% |
| TNPL-R-A | shipping | 1,22% | 2.600,0 | 1.628,6 | 228,6 | 7,3 | 0,9 | 1,5 | 7,2 | 4,7 | 7,5% | 12,8% | -57,4% | -41,6% | -30,7% | -22,0% |
| ULPL-R-A | shipping | 3,15% | 1.508,0 | 874,6 | 122,8 | 5,1 | 1,4 | 2,7 | 11,5 | 7,9 | 11,1% | 30,2% | -65,7% | -36,5% | -31,8% | -20,6% |
| VIRO-R-A | sugar | 1,38% | 752,0 | 1.042,8 | 146,4 | 20,5 | 2,2 | 1,3 | 22,3 | 16,8 | 5,9% | 10,4% | -41,3% | -37,3% | -20,8% | -7,4% |
| ADRS-P-A | tobacco/tourism | 9,12% | 312,0 | 6.924,6 | 972,1 | 10,5 | 1,2 | 2,1 | 7,8 | 6,2 | 9,7% | 12,0% | -40,9% | -19,0% | -15,4% | -16,2% |
| KORF-R-A | tourism | 1,13% | 73,3 | 594,7 | 83,5 | neg | 0,4 | 0,8 | neg | 15,4 | neg | neg | -62,2% | -35,7% | -28,8% | -19,5% |

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

Corporate news:

Around 241,000 T-HT shareholders to receive bonus shares – press

According to Croatian daily Poslovni dnevnik, claiming information from the Central Depository Agency, approximately 241,000 out of 300,000 current shareholders of T-Hrvatski Telekom (T-HT) will receive company's bonus shares. Bonus shares will be allocated to all shareholders of T-HT who acquired their shares in the IPO and have not changed the ownership status of these shares for one year, with October 4 set as the record date. Shareholders will receive one additional share for every 10 already owned, which means that almost 1.5 million shares could be allocated on October 6.

New panamax delivered to Atlantska plovidba in China

Shipping company Atlantska plovidba announced yesterday that its new panamax bulk carrier was delivered to the company. A double-hulled vessel of 80,300 DWT carrying capacity was built in the Chinese shipyard JES. However, the vessel will be kept in the shipyard for another 30 days, in order to finalize additional work, as agreed by the two sides.

DD Dakovic announces tender for DD Montaza

Duro Dakovic Holding, a majority owner of construction services company Duro Dakovic Montaza, announced a public tender for privatization of the company. The Holding is offering a 50% plus one share in DD Montaza at a minimum price of HRK 63.3mn, equaling HRK 500 per share. Some of the conditions that DD Holding set forth include keeping all company employees within the next three years, developing an investment plan for the period 2009-13 and keeping the company headquarters and business at its current location in Slavonski Brod, eastern Croatia. The deadline for submitting offers was set for December 16, 2008, at 12 o'clock. Offers will be opened the same day, while the best bidder should be chosen no later than January 23, 2009. Mr. Zdravko Stipetic, CEO of DD holding, said that he expects at least two bidders for DD Montaza. Media speculate that German company Bilfinger Berger and Croatian company Institut gradevinarstva Hrvatske are among potential bidders.

Industrogradnja signs new deal worth EUR 10mn

Construction company Industrogradnja announced on Monday that it signed a new contract on construction of two residential-business objects in Zagreb. Realization of these projects should commence by the end of year. The total value of the contracts amounts to EUR 10mn. The company added that management expects to fulfill its sales plan for 2008, but with a somewhat modified sales structure, as well as the plan for 2009.

INA lowers oil prices

Oil company INA lowered the prices of its fuels. The company has set a new price list for the period starting September 30, according to which prices of INA's diesel fuels will be on average 1.65% lower (Eurodiesel at HRK 8.72 per liter, down 1.36%, and Diesel at HRK 8.55 per liter, down 1.95%). The price of heating oil decreased 2.6% to HRK 5.99 per liter. The biggest price decrease was seen in Super 95 and Super Plus 98, which went down 3.33% and 3.55%, respectively.

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