

## KEY STOCKS FOR THE WEEK 14/05—18/05

- Estonian construction company **Merko Ehitus** stock is not expected to sustain the price level achieved last week, after what seems to have been a major fund entry forced the share price up by **+9.7%**, and more than **8%** (a third of free float) of company's share capital changed hands in a series of block trades. Speculative pressure is expected to result in a corrective trend.
- **Bankas Snoras** share price is expected to continue a downward trend throughout the period of new and cheaper share issue distribution, as investors eligible for the purchase are expected to raise capital by selling their more expensive shares at market price. We hence see a favourable opportunity to seize artificial downward pressure for those looking to enter the position at a lower price point.
- **Tallinna Kaubamaja**, Estonian's store operator is releasing its Q1 results today. It is expected that an **EBITDA** figure of **EEK 80M** or more should result in a positive reaction from the investors, driving the price up of already relatively cheap stock.

## BALTIC MARKET EVENTS FOR THE WEEK 14/05—18/05

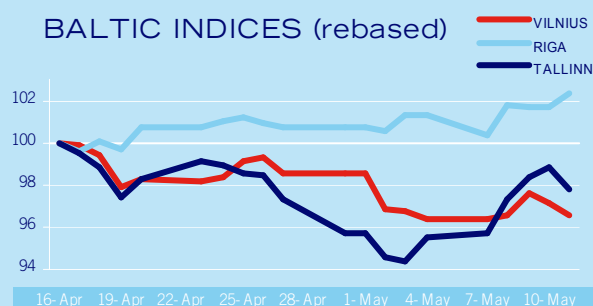
Riga Stock Exchange	Tallinn Stock Exchange	Vilnius Stock Exchange
14 May	Tallinna Kaubamaja - Q1 interim report	
15 May		Lifosa - April Sales revenue
16 May		
17 May		
18 May		Apranga - 2006 audited results

## LAST WEEK IN THE BALTIC STOCK MARKETS

### PEACEFUL WEEK BOOSTS INVESTOR CONFIDENCE

	OMX RIGA	OMX TALLINN	OMX VILNIUS
	INDEX	INDEX	INDEX
Last Price	673.2	910.7	482.6
Market Cap (€ mln)	1,660.1	148.8	57.4
52-Week High Price	730.7	1086.4	532.1
52-Week Low Price	552.4	587.9	360.6
1-Week Return	1.0%	2.4%	0.3%
1-Month Return	1.6%	-3.7%	-3.9%
Year to Date	2.7%	6.4%	-2.0%
1-Year Return	10.4%	37.2%	16.1%
P/E*	17.5	15.1	21.0
P/BV*	1.4	3.2	1.4

\* - adjusted to include only the most liquid stocks (as listed on page 3)



Ten Most Traded Shares by Weekly Volume

	Last Price	% Change	Volume €
Merko Ehitus	21.93	9.7%	32,305,925
Tallink Grupp	1.31	3.1%	10,001,520
Harju Elekter	3.60	-4.5%	8,264,011
Eesti Telekom	8.42	0.8%	5,172,080
TEO LT	2.32	1.8%	3,534,636
Olympic Entertainment Group	5.69	3.5%	3,479,742
Tallinna Vesi	15.07	-0.5%	1,273,094
Ukio Bankas	4.18	2.0%	1,196,661
Tallinna Kaubamaja	8.20	-0.8%	1,194,115
Grindeks	8.30	4.9%	1,021,852

Movement of the Baltic Markets

Number of Winners	30
Number of Unchanged	6
Number of Losers	10

Largest Winner and Largest Loser (Weekly Volume Exceeding EUR10,000)

	Last Price	% Change	Volume €
Liepajas Metalurgs	2.54	12.4%	128,660
Norma	5.08	-5.9%	17,693

Estonia's producer of electronics and telecommunications equipment **Harju Elekter** share price has been on a downturn last week after the company announced a Q1 net profit decrease of **-41%**, down to **EEK 8.1M**, on **+22.4%** improvement in sales, up to **EEK 151.6M**.

**Sanitas**, Lithuanian producer of pharmaceuticals, announced that its 4-month sales have bested the expectations and reached LTL 106.2M. Investors reacted positively to the long awaited news of improving financial performance, after months of continuous problems have been plaguing the company. Share price appreciated **+4.8%** since the start of the week.

## AS FUNDS SEND TURN-OVER THROUGH THE ROOF

Peace and prosperity move to the stock markets, as results finally start to matter

As expected, peaceful celebration of 9th of May in Estonia has resulted in investor regaining trust of the markets, while big funds' activity brought several positions to what could be their peak turnover figures for the year.

Investors also seem to have started appreciating the underlying fundamental value of companies' performance, as strong news and results finally seem to have the correct impact on share price. The tendency is seen as one of the symptoms for diminishing corrective pressures that have been driving the markets as of late.

**Rokiskio Suris**, Lithuanian producer of dairy goods has announced it acquired a 50% stake in dairy procurement firm "Pieno Upes", following its strategic goal to increase company's vertical integration. Together with the news of 4-month revenue figure hitting an expected **LTL 191.5M**, **+24.6%** growth year-on-year, investors took active interest in the stock, driving the price up by **+7.1%**.

COMPANY	MARKET CAPITAL FREE FLOAT (€ mln)	SHARE PRICE (quoted currency)		YTD	P/E	P/B	EV/EBITDA
		2007.05.10	2007.05.14				
<b>Consumer Discretionary</b>							
Apranga	47.6	17.45	17.40	31.8%	35.2	9.2	19.0
Baltika	105.7	24.29	23.68	6.7%	26.4	7.3	18.9
Norma	19.3	5.40	5.08	-0.6%	12.2	1.2	3.6
Olympic Entertainment Group	221.5	5.50	5.69	28.0%	34.6	3.2	9.1
PTA Grupp*	56.7	4.49	4.49	14.2%	62.1	0.9	5.4
Snaige	13.5	10.00	10.00	-17.4%		2.2	13.5
Starman	20.4	4.56	4.65	5.7%	21.6	4.7	11.1
Tallinna Kaubamaja	62.0	8.27	8.20	-10.7%	18.7	4.2	14.6
Vilniaus Baldai	5.4	18.40	18.40	1.7%	104.1	2.3	10.6
<b>Consumer Staples</b>							
Kalev	7.4	1.21	1.20	-24.5%		1.6	20.7
Latvijas Balzams	5.3	3.94	4.12	-7.0%	12.8	1.0	12.0
Pieno Zvaigzdes	28.6	4.70	4.75	-12.0%	13.3	2.1	6.0
Rokiskio Suris	19.4	56.00	60.00	9.1%	9.8	1.4	6.3
Saku Olleتهas	24.4	14.85	15.25	12.1%	16.1	4.4	9.0
Zemaitijos Pienas	12.5	20.50	21.11	-16.4%	6.5	1.5	3.8
<b>Energy</b>							
Klaipedos Nafta	31.4	1.08	1.08	-6.1%	20.0	0.9	6.9
Latvijas Gaze	16.3	9.92	10.14	-1.7%	16.1	1.8	9.3
Latvijas Kugnieciba	30.9	1.12	1.09	1.9%	11.4	1.0	6.3
Lietuvos Dujos	30.1	3.50	3.50	-8.1%	30.8	0.9	11.2
Lietuvos Elektrine	6.8	4.70	4.55	1.3%	26.0	0.7	13.3
Ventspils Nafta	50.7	2.66	2.70	14.9%	38.0	0.9	33.0
<b>Financials</b>							
Invalda	75.7	14.10	14.30	14.6%	11.8	1.2	17.9
Siauli Bankas	79.0	3.45	3.49	-10.5%	34.0	2.0	159.6
Snoras	9.1	4.74	4.75	-5.0%	8.0	1.6	111.5
Ukio Bankas	82.9	4.10	4.18	6.9%	19.7	1.8	165.1
<b>Healthcare &amp; Pharmaceuticals</b>							
Grindeks	42.6	7.91	8.30	15.3%	12.7	2.5	9.1
Olainfarm	11.1	3.00	3.05	24.5%	38.2	2.9	12.6
Sanitas	48.8	16.41	17.20	26.5%	81.1	1.8	80.9
<b>Industrials</b>							
Eesti Ehitus	54.8	12.25	12.70	20.2%	17.3	4.8	10.4
Harju Elekter	27.7	3.77	3.60	-13.3%	20.0	1.5	16.0
Lietuvos Juru Laivininkyste	7.7	0.56	0.58	-6.5%	7.1	0.5	3.2
Merko Ehitus	82.1	20.00	21.93	11.6%	10.4	3.8	8.8
Panevezio Statybos Trestas	23.8	15.90	16.00	6.0%	22.5	5.0	18.2
Rigas Kugu Buvetava	7.2	0.80	0.86	-7.5%	18.4	0.7	7.7
Tallink Grupp	237.9	1.27	1.31	2.5%	9.0	1.5	15.3
<b>Information Technology &amp; Telecommunications</b>							
Eesti Telekom	105.6	8.35	8.42	0.2%	13.8	4.4	8.1
SAF Tehnika	2.4	7.28	7.50	-37.5%	13.5	2.5	8.9
TEO LT	162.3	2.28	2.32	-15.9%	13.8	1.6	3.8
Vilniaus Vingis	7.3	6.00	6.00	2.6%		1.6	56.1
<b>Materials</b>							
Grigiskes	10.8	2.38	2.42	-18.0%	10.9	1.5	6.1
Liepajas Metalurgs	7.7	2.26	2.54	3.7%	4.6	0.7	2.4
Lifosa	6.6	25.50	26.00	21.5%	11.2	1.4	7.6
<b>Utilities</b>							
Lietuvos Energija	24.3	3.50	3.57	-9.4%	82.6	1.1	12.4
Rytu Skirstomieji Tinklai	39.0	3.44	3.27	-12.8%	49.9	0.9	9.4
Tallinna Vesi	43.8	15.15	15.07	0.4%	19.0	4.1	13.4
Vakaru Skirstomieji Tinklai	14.8	460.00	475.00	8.0%	27.9	1.3	6.7
<b>Average</b>	<b>44.15</b>			<b>1.1%</b>	<b>25.0</b>	<b>2.3</b>	<b>22.1</b>

\* Values adjusted to include Silvano Fashion Group

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