

KEY STOCKS FOR THE WEEK 09/07—13/07

- **Vilniaus Baldai**, Lithuanian furniture manufacturer, has announced June revenue of **LTŁ 14.1M**, a nearly **+60%** increase year-on-year, and improving the 6-month revenue growth figure to **+41%**. The better than anticipated revenue growth is expected to help the company beat its profit estimates and, concurrently, its share price.
- **Olympic Entertainment Group**, has, in line with its previously announced expansion strategy, signed an agreement to acquire one of Ukraine's largest casino operators **Eldorado** for **EUR 9.2M**. We expect the news to fuel investor interest in the stock, resulting in positive price development during the week.
- **Siauliu Bankas** has announced an H1 profit of **LTŁ 20.5M**, which we estimate to significantly (at least **+25%**) higher than forecasted. The share price is expected to see upward adjustment during the week. Additionally, we expect the whole Lithuanian banking sector shares (**Ukio Bankas**, **Bankas Snoras**) to benefit, due to their close correlation in besting expected results.
- **Sanitas**, Lithuanian based manufacturer of pharmaceuticals, has announced June sales of **LTŁ 33.5M**, a **+68.1%** yearly improvement. To be noted is the fact that this is the first directly comparable month since **Jelfa's** acquisition last year, and high revenue growth figures have already triggered the management to call for a sales and profitability target review. We expect the news to increase investor confidence in the stock and help the share retain or even improve on its recently achieved price increase.
- Lithuanian energy sector shares, especially those of **Lietuvos Energija** and **Vakaru Skirstomieji Tinklai**, are expected to suffer a setback, as lack of news regarding their upcoming merger and the construction of nuclear plant is expected to end the recent speculative upward push of their prices. Due to otherwise low liquidity, this could lead to a sizeable downward correction.

BALTIC MARKET EVENTS FOR THE WEEK 09/07—13/07

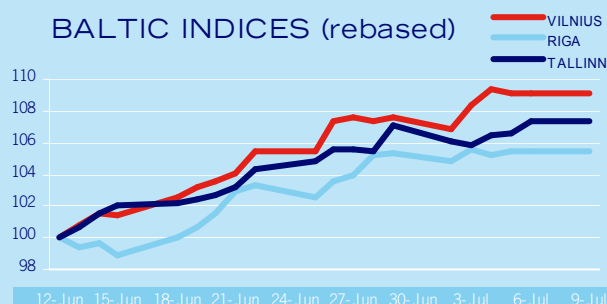
Riga Stock Exchange	Tallinn Stock Exchange	Vilnius Stock Exchange
09 July		Siauliu Bankas - H1 result
10 July		
11 July		
12 July		
13 July		Ukio Bankas - H1 result

LAST WEEK IN THE BALTIC STOCK MARKETS

INVESTORS SPEND THEIR HOLIDAYS IN THE MARKET...

	OMX RIGA	OMX TALLINN	OMX VILNIUS
	INDEX	INDEX	INDEX
Last Price	701.6	963.5	540.3
Market Cap (€ mln)	1,941.5	5,236.6	3,638.6
52-Week High Price	730.7	1086.4	542.7
52-Week Low Price	572.3	614.2	360.6
1-Week Return	0.0%	0.0%	0.0%
1-Month Return	5.7%	7.0%	8.2%
Year to Date	7.0%	12.5%	9.7%
1-Year Return	20.1%	54.4%	38.9%
% of Index Cap*	86.6%	97.9%	78.9%
P/E*	11.2	14.9	16.7
P/BV*	1.2	3.3	1.7

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



Ten Most Traded Shares by Weekly Volume

	Last Price	% Change	Volume €
Tallink Grupp	1.39	-3.5%	17,875,533
PTA Grupp	6.22	7.2%	9,047,821
Arco Vara	2.19	-3.5%	7,784,060
Olympic Entertainment Group	6.05	0.8%	6,347,237
Ukio Bankas	4.88	6.1%	3,964,291
Baltika	7.96	1.5%	3,256,383
Eesti Telekom	7.97	-1.6%	3,108,825
Siauliu Bankas	4.04	8.6%	3,001,815
TEO LT	2.41	3.0%	2,973,807
Tallinna Kaubamaja	9.06	-0.4%	2,687,687

Movement of the Baltic Markets

Number of Winners	24
Number of Unchanged	2
Number of Losers	23

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

	Last Price	% Change	Volume €
Vakaru Skirstomieji Tinklai	798.00	28.7%	464,790
SAF Tehnika	5.30	-10.9%	25,622

AS RAINY SUMMER CALLS FOR SHARE PRICE BOOM

City Service, Lithuania's leader in facility management services, has announced acquisition of **Namu Prieziuros Centras**, expanding its core business portfolio. The company has also signed an agreement with Lithuania's leading restaurant operator **Cilija** for servicing its entire Lithuanian network consisting of 43 objects. The deal also leaves room for further expansion in Cilija's international network. The share price closed **+8.9%** during the week.

Panevezio Statybos Trestas, Lithuanian based construction company, has closed an **LTL 170M** subcontracting deal with BIG (Baltic Investment Group). The news triggered a **+5.12%** share price increase during the week.

Lithuanian banking sector shares, **Ukio Bankas**, **Siauliu Bankas**, and **Bankas Snoras**, have seen their share prices rise during the week, in anticipation of good sector results due for announcement shortly. Share prices rose **+6.09**, **+8.6%**, and **+4.09%** accordingly.

COMPANY	MARKET CAPITAL FREE FLOAT (€ mln)	SHARE PRICE (quoted currency)		YTD	P/E	P/B	EV/EBITDA
		2007.07.02	2007.07.06				
Consumer Discretionary							
Apranga	89.5	17.10	18.39	39.3%	31.7	9.2	17.1
Baltika	117.0	7.84	7.96	7.6%	24.1	7.2	20.0
Express Grupp	36.7	5.90	5.82	-1.4%	14.4	6.2	14.4
Norma	30.2	4.71	4.65	-9.0%	10.9	1.1	2.9
Olympic Entertainment Group	549.3	6.00	6.05	36.1%	37.9	6.8	21.7
PTA Grupp*	72.8	5.80	6.22	58.3%	31.4	7.5	23.5
Snaige	17.8	10.25	9.60	-20.7%	-	2.3	24.5
Starman	19.5	5.01	5.00	13.6%	22.4	4.8	11.7
Tallinna Kaubamaja	121.4	9.10	9.06	-1.3%	18.0	4.4	14.5
Vilniaus Baldai	6.9	18.05	18.30	1.1%	-	2.7	21.3
Consumer Staples							
Kalev	22.7	1.18	1.16	-27.0%	-	1.2	24.5
Latvijas Balzams	5.8	4.50	4.47	0.9%	10.5	1.1	8.7
Pieno Zvaigzdes	46.4	4.90	4.80	-11.1%	14.1	2.1	6.3
Rokiskio Suris	38.5	60.01	60.50	10.0%	18.8	1.3	6.4
Saku Olletehas	32.4	16.14	16.20	19.1%	20.1	10.0	8.9
Zemaitijos Pienas	13.4	22.60	21.00	-16.8%	7.8	1.4	4.1
Energy							
Klaipedos Nafta	30.6	1.09	1.05	-8.7%	47.0	0.9	12.5
Latvijas Gaze	18.1	10.50	10.50	1.7%	19.7	1.3	10.4
Latvijas Kugnieciba	113.1	1.25	1.27	18.7%	7.1	1.1	6.0
Lietuvos Dujos	30.9	3.56	3.59	-5.8%	19.0	0.9	10.2
Lietuvos Elektrine	8.4	5.69	5.60	24.7%	-	0.8	14.0
Ventspils Nafta	56.0	2.68	2.67	13.6%	24.2	1.0	112.2
Financials & Real Estate							
Arco Vara	86.5	2.27	2.19	-9.9%	5.6	1.8	7.7
Invalda	61.3	16.40	16.17	29.6%	9.7	2.2	12.9
Siauliu Bankas	112.3	3.72	4.04	3.6%	20.4	2.6	-
Snoras	18.8	5.38	5.60	12.0%	18.0	3.4	-
Ukio Bankas	144.9	4.60	4.88	24.8%	17.9	2.4	-
Healthcare & Pharmaceuticals							
Grindeks	41.4	7.49	7.40	2.8%	10.9	2.1	8.0
Olainfarm	11.1	3.01	3.08	25.7%	32.1	2.9	12.2
Sanitas	157.9	29.40	28.40	108.8%	-	2.8	24.1
Industrials							
Eesti Ehitus	64.0	6.00	6.15	16.4%	16.2	6.2	13.3
Harju Elekter	33.7	3.55	3.58	-13.7%	22.6	1.8	17.5
Lietuvos Juru Laivininkyste	10.0	0.59	0.59	-4.8%	56.1	0.5	6.1
Merko Ehitus	124.4	23.50	24.88	26.6%	10.8	4.1	9.7
Panevezio Statybos Trestas	37.7	16.98	17.85	18.2%	16.4	5.5	11.2
Rigas Kugu Buvetava	7.6	0.86	0.90	-3.2%	85.4	0.7	11.3
Tallink Grupp	505.8	1.44	1.39	8.8%	8.5	1.6	14.2
IT & Telecommunications							
Eesti Telekom	210.4	8.10	7.97	-5.1%	12.4	3.8	7.0
SAF Tehnika	5.3	5.95	5.30	-55.8%	10.8	1.7	8.0
TEO LT	206.0	2.34	2.41	-12.7%	13.5	1.6	4.1
Vilniaus Vingis	9.2	6.09	6.00	2.6%	2.8	0.8	-
Materials							
Grigiskes	14.0	2.61	2.55	-13.6%	19.5	1.5	7.1
Liepajas Metalurgs	8.0	2.92	2.78	13.5%	4.4	0.7	-
Lifosa	11.8	32.88	37.17	73.7%	27.3	2.0	12.6
Utilities							
City Service	9.0	15.05	16.39	26.6%	37.1	9.0	33.7
Lietuvos Energija	38.0	5.40	5.49	39.3%	-	1.7	20.5
Rytu Skirstomieji Tinklai	47.4	4.01	3.97	5.9%	-	1.0	10.1
Tallinna Vesi	84.0	13.25	14.00	-6.7%	17.6	3.5	12.5
Vakaru Skirstomieji Tinklai	23.1	620.00	798.00	81.4%	-	2.1	10.0
Average	72.7			11.0%	20.9	3.0	15.2
* Values adjusted to include Silvano Fashion Group							

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