

KEY STOCKS FOR THE WEEK 30/07—03/08

- Sanitas**, Lithuanian based manufacturer of pharmaceuticals, has updated its **sales**, **EBITDA** and net **profit** targets for 2007 to **LTL 350.2M**, **LTL 105.8M**, and **LTL 34.3M** respectively. While we consider Sanitas' H1 result to be better than anticipated, full year forecasts are seen as well **below** market **expectations**, putting the price multiples well above its average peer level. We hence see an immediate risk for a strong downward price adjustment to reflect the change.
- Apranga**, Lithuanian based apparel retail chain, is to announce its July revenue on Wednesday. We expect the figure to reach at least **LTL 33.5M** in order to satisfy investor expectations, given the recent surge in company's share price.
- Express Grupp**, Estonia's media group, is to announce its H1 result this week. We expect a sales figure of ca **EEK 280M** to produce an **EBITDA** of at least **EEK 41M**, well on target given the share's current market cap and the multiples it is trading at. An adjustment to the stock price is expected in case the margin proves to be significantly different than expected.

BALTIC MARKET EVENTS FOR THE WEEK 30/07—03/08

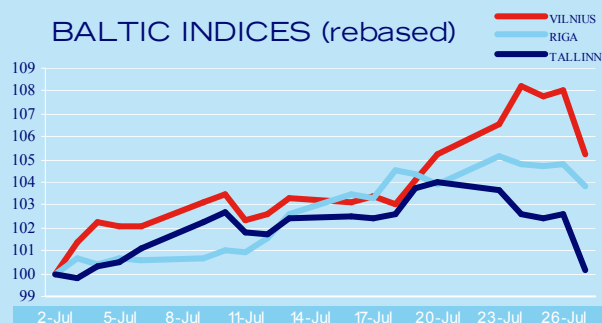
Riga Stock Exchange	Tallinn Stock Exchange	Vilnius Stock Exchange
30 July		Utenos Trikotazas - H1 result
31 July		Invalda Financial Sector - H1 result Lietuvos Energija - H1 result Linus - H1 result Rytu Skirstomieji Tinklai - H1 result
1 August		Apranga - July turnover
2 August		
3 August	Express Grupp - H1 result	

LAST WEEK IN THE BALTIC STOCK MARKETS

INDICES REACH RECORD HEIGHTS...

	OMX RIGA INDEX	OMX TALLINN INDEX	OMX VILNIUS INDEX
Last Price	724.1	954.3	557.1
Market Cap (€ mln)	2,020.0	5,372.9	3,955.9
52-Week High Price	737.6	1086.4	574.4
52-Week Low Price	587.8	622.3	360.6
1-Week Return	-0.1%	-3.8%	0.0%
1-Month Return	4.8%	0.7%	4.5%
Year to Date	10.5%	11.4%	13.1%
1-Year Return	20.0%	52.9%	43.2%
% of Index Cap*	86.0%	98.3%	75.3%
P/E*	11.6	15.3	16.0
P/BV*	1.2	3.6	1.8

* - 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	1.36	-4.9%	14,539,078
Tallinna Vesi	14.60	0.3%	5,873,889
Merko Ehitus	25.50	-0.4%	5,490,682
Arco Vara	2.03	-10.2%	3,650,494
Eesti Ehitus	6.01	-3.1%	3,012,046
Ukio Bankas	4.97	-2.4%	2,844,134
Olympic Entertainment Group	5.98	-6.6%	2,392,003
Panevezio Statybos Trestas	18.30	-4.7%	2,159,374
Baltika	6.80	-12.8%	2,139,002
TEO LT	2.51	-1.6%	1,947,324

Movement of the Baltic Markets

Number of Winners	16
Number of Unchanged	1
Number of Losers	32

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

	Last Price	% Change	Volume €
Lifosa	47.05	27.1%	656,147
PTA Grupp	5.43	-19.6%	1,281,206

Last Week's Stocks to Watch

	Last Price	% Change	Outlook *
Sanitas	33.00	11.9%	↑
Invalda	18.83	11.4%	↑
Vilniaus Baldai	19.85	5.0%	↑
Baltika	6.80	-12.8%	↓
PTA Grupp	5.43	-19.6%	↓

*based on last week's report

...ONLY TO HIT THE BOTTOM HARDER

Lifosa, Lithuanian fertilizer manufacturer, has announced to have increased its year-on-year **H1** profit by **4.4** times to **LTL 49.2M**, on sales increase of **+8%**. The news saw some very strong reaction by the investors, with share price appreciating by **+27.06%** during the week.

Sanitas, Lithuanian based manufacturer of pharmaceuticals, has announced its H1 **EBITDA** to be **LTL 59M**, besting our expectations by more than **+7%**. Better than expected result anticipation boosted share prices of both Sanitas and its parent company Invalda by **+11.86%** and **+11.42%** respectively.

Vilniaus Baldai, Lithuanian furniture manufacturer, has announced its **EBITDA** to be **LTL 8M** for the first half the year (**+20% yoy**), with the bottom line improving to **LTL 0.7M**. The result being significantly better than anticipated, share price reflected the favourable result by ending up **+5.03%** more expensive than the week before.

Baltika, Estonian apparel retailer, has announced its H1 result on Tuesday, where despite continuing high sales growth the company disclosed a huge setback in operating margins, down at 7.5%. Significantly lower than expected, the news drew inves-

tors out of the position, with share price seeing a downturn of **-12.82%** during the week.

PTA Grupp, Estonian apparel retailer, has concluded its public offer of new shares and started trading on the Warsaw Stock Exchange on Monday last week, at a reference price of **PLN 19.81 (EUR 5.25)**. As expected, share price in OMX Tallinn has decreased by **-19.56%** from **EUR 6.75** to a more reasonable **EUR 5.43** to accommodate the difference.

Company	Market Capital	Share Price (quoted currency)		YTD	P/E	P/B	EV/EBITDA
	Free Float (€ mln)	2007.07.23	2007.07.27				
Consumer Discretionary							
Apranga	96.3	19.80	19.83	50.2%	34.2	9.9	18.3
Baltika	114.7	7.80	6.80	-8.1%	23.6	7.1	19.6
Express Grupp	37.5	5.95	5.85	-0.8%	14.7	6.3	14.7
Norma	30.2	4.65	4.92	-3.7%	10.9	1.1	2.9
Olympic Entertainment Gro	581.1	6.40	5.98	34.5%	40.0	7.2	23.1
PTA Grupp*	79.0	6.75	5.43	38.2%	34.1	8.2	25.4
Snaige	17.3	9.32	8.70	-28.1%	-	2.2	24.0
Starman	19.5	5.01	5.00	13.6%	22.4	4.8	11.7
Tallinna Kaubamaja	123.4	9.21	9.17	-0.1%	18.3	4.4	14.7
Vilniaus Baldai	7.1	18.90	19.85	9.7%	-	2.8	21.7
Consumer Staples							
Kalev	23.1	1.18	1.11	-30.2%	-	1.2	24.7
Latvijas Balzams	5.7	4.39	4.35	-1.8%	10.3	1.1	8.6
Pieno Zvaigzdes	47.7	4.93	5.10	-5.6%	14.5	2.1	6.4
Rokiskio Suris	39.3	61.70	62.00	12.7%	19.2	1.3	6.5
Saku Olletehas	32.0	15.98	15.91	17.0%	19.8	9.9	8.8
Zemaitijos Pienas	13.4	20.99	20.65	-18.2%	7.8	1.4	4.1
Energy							
Klaipėdos Nafta	31.4	1.08	1.09	-5.2%	48.3	0.9	12.9
Latvijas Gaze	18.3	10.60	10.55	2.2%	19.8	1.4	10.5
Latvijas Kugnieciba	121.0	1.36	1.32	23.4%	7.8	1.2	6.5
Lietuvos Dujos	32.3	3.75	3.69	-3.1%	19.9	0.9	10.7
Lietuvos Elektrine	9.0	6.00	6.00	33.6%	-	0.9	15.0
Ventspils Nafta	59.3	2.83	2.85	21.3%	25.6	1.0	118.0
Financials & Real Estate							
Arco Vara	89.3	2.26	2.03	-16.5%	5.8	1.8	7.8
Invalda	64.1	16.90	18.83	50.9%	10.1	2.3	13.3
Siaulių Bankas	113.2	4.07	3.96	1.5%	15.4	2.6	-
Snoras	19.1	5.69	5.36	7.2%	15.5	3.4	-
Ukio Bankas	151.1	5.09	4.97	27.1%	11.9	2.5	-
Healthcare & Pharmaceuticals							
Grindeks	42.5	7.60	7.70	6.9%	11.2	2.2	8.2
Olainfarm	11.0	3.06	3.00	22.4%	31.9	2.9	12.2
Sanitas	164.0	29.50	33.00	142.6%	-	2.9	24.8
Industrials							
Eesti Ehitus	64.5	6.20	6.01	13.7%	16.3	6.2	13.4
Harju Elekter	33.8	3.60	3.53	-14.9%	22.8	1.8	17.6
Lietuvos Juru Laivininkyste	10.3	0.61	0.62	0.0%	58.0	0.5	6.3
Merko Ehitus	128.0	25.60	25.50	29.8%	11.2	4.2	10.0
Panevezio Statybos Trestas	40.6	19.20	18.30	21.2%	17.6	6.0	12.0
Rigas Kugu Buvetava	7.7	0.91	0.88	-5.4%	86.3	0.8	11.4
Tallink Grupp	520.4	1.43	1.36	6.4%	8.8	1.7	14.4
IT & Telecommunications							
Eesti Telekom	195.9	8.13	8.10	-3.6%	12.5	5.3	7.5
SAF Tehnika	5.1	5.05	5.00	-58.3%	10.3	1.7	7.6
TEO LT	200.8	2.55	2.51	-9.1%	13.7	2.0	4.9
Vilniaus Vingis	8.7	5.65	5.77	-1.4%	2.7	0.7	-
Materials							
Grigiskės	14.5	2.65	2.70	-8.5%	20.3	1.5	7.3
Liepājas Metalurģs	8.2	2.87	2.85	16.3%	4.5	0.7	-
Lifosa	11.8	37.03	47.05	119.9%	27.2	1.9	12.5
Utilities							
City Service	22.2	16.30	16.01	23.6%	36.9	9.0	33.6
Lietuvos Energija	37.4	5.40	5.30	34.5%	-	1.7	20.1
Rytu Skirstomieji Tinklai	47.5	3.98	3.95	5.3%	-	1.0	10.1
Tallinna Vesi	87.3	14.55	14.60	-2.7%	18.2	4.2	12.9
Vakaru Skirstomieji Tinklai	20.6	710.00	739.00	68.0%	-	1.9	8.9
Average	74.7			12.8%	21.0	3.1	15.6
* Values adjusted to include Silvano Fashion Group							

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