

KEY STOCKS FOR THE WEEK 03/09—07/09

- **Rokiskio Suris**, Lithuanian dairy supplier, has placed an official bid to buy back up to **6%** of its shares (ca 17% of float), paying **LTL 65** per share. Given the current market price of **LTL 69**, stock price is expected to adjust downwards and possibly touch the price floor in the mid term.
- **Olympic Entertainment Group**, Estonia based operator of casinos, hotels, and bars, has announced opening of two re-branded and refurbished slot machine casinos in Tallinn, previously part of casino chain acquired by Olympic. Although not particularly strong piece of news in itself, we expect it to be enough of a trigger for news scarce markets, as lack of direction is expected to be eased by encouraging news from across the Atlantic.
- **Arco Vara**, Estonia based real estate developer, has announced its H1 results last week. At **EUR 31.2M**, a **+110%** increase in revenue and **+470% y/y** improvement in net profit (at **EUR 14.5M**), we see the result as besting investor expectations, and, given investor scaring tendencies in US real estate markets, providing much needed boost in confidence for the company. We expect short term pricing to reflect the good news.
- **Apranga**, Lithuania based apparel retailer, is to announce its August revenue today. We expect a figure of **LTL 48M**, or improvement of **+62% y/y** to be a good guide for investor expectations. In case of significant variations from the target figure, respective short term price adjustment is unavoidable.

BALTIC MARKET EVENTS FOR THE WEEK 03/09—07/09

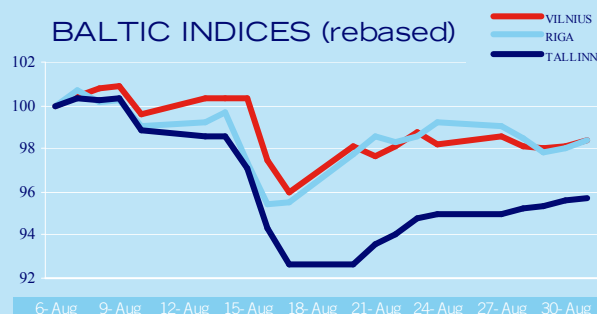
| Riga Stock Exchange | Tallinn Stock Exchange | Vilnius Stock Exchange |
|---------------------|------------------------|--------------------------------|
| 3 September | | Apranga - August sales |
| 4 September | | |
| 5 September | | |
| 6 September | | Rokiskio Suris - August sales |
| 7 September | | Vilniaus Baldai - August sales |

LAST WEEK IN THE BALTIC STOCK MARKETS

SUMMER ENDS ON THE NEUTRAL NOTE...

| | OMX RIGA INDEX | OMX TALLINN INDEX | OMX VILNIUS INDEX |
|--------------------|----------------|-------------------|-------------------|
| Last Price | 724.5 | 908.0 | 546.2 |
| Market Cap (€ mln) | 1,991.7 | 4,984.0 | 3,845.7 |
| 52-Week High Price | 742.6 | 1086.4 | 574.4 |
| 52-Week Low Price | 594.7 | 659.6 | 387.3 |
| 1-Week Return | -0.9% | 0.7% | 0.2% |
| 1-Month Return | -1.3% | -5.9% | -2.7% |
| Year to Date | 10.5% | 6.0% | 10.9% |
| 1-Year Return | 20.4% | 36.6% | 40.1% |
| % of Index Cap* | 86.5% | 96.9% | 82.6% |
| P/E* | 11.3 | 13.8 | 18.5 |
| P/BV* | 1.2 | 3.2 | 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 € |
|----------------------------|------------|----------|-----------|
| Ukio Bankas | 4.85 | 0.0% | 9,993,551 |
| Tallink Grupp | 1.30 | -0.8% | 6,685,435 |
| Klaipėdos Nafta | 1.08 | 0.0% | 4,380,306 |
| Lifosa | 60.49 | 11.0% | 3,912,239 |
| TEO LT | 2.40 | 1.3% | 3,896,808 |
| Panevezio Statybos Trestas | 19.58 | 2.0% | 2,605,633 |
| Baltika | 6.80 | 1.8% | 2,500,438 |
| Silvano Fasion Group | 5.43 | 14.6% | 2,158,929 |
| Merko Ehitus | 21.49 | 0.9% | 1,839,399 |
| Invalida | 18.24 | -3.0% | 1,524,829 |

Movement of the Baltic Markets

| | |
|---------------------|----|
| Number of Winners | 23 |
| Number of Unchanged | 9 |
| Number of Losers | 17 |

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

| | Last Price | % Change | Volume € |
|----------------------|------------|----------|-----------|
| Silvano Fasion Group | 5.43 | 14.6% | 2,158,929 |
| Grigiskės | 2.50 | -7.1% | 19,310 |

Last Week's Stocks to Watch

| | Last Price | % Change | Outlook * |
|-----------------------------|------------|----------|-----------|
| Invalida | 18.24 | -3.0% | ↓ |
| Lietuvos Juru Laivininkystė | 0.60 | -1.6% | ↓ |

*based on last week's report

...PLACING HIGH HOPES ON THE HUNTING SEASON

Liepājas Metalurģis, Latvian cast steel manufacturer, has seen an expected drop (**-7.1%**) in its share price last week, after spectacular performance the week before, attributable to excellent performance during H1. The price peak and liquidity increase in the position have been of temporary nature, and are likely to further diminish as speculators realize their short-term gains.

Silvano Fashion Group (previously known as **PTA Grupp**), Estonian apparel manufacturer and retailer, has announced to have increased net sales to **EUR 49.8M** (a **12.8-fold** increase **y/y**), and net profit to **EUR 7.2M** (**35-fold** improvement **y/y**). Although these are of little value compared to the year before, prior to the merger, **q/q** figures, at admirable **+12%** and **+136%** respectively, offer more insight into the reasons for share price push upwards by **+14.6%**.

| Company | Market Capital | Share Price (quoted currency) | | YTD | P/E | P/B | EV/EBITDA |
|------------------------------|--------------------|-------------------------------|------------|--------|-------|------|-----------|
| | Free Float (€ mln) | 2007.08.27 | 2007.08.31 | | | | |
| Consumer Discretionary | | | | | | | |
| Apranga | 92.9 | 19.05 | 19.08 | 44.5% | 32.8 | 9.5 | 17.6 |
| Baltika | 98.9 | 6.68 | 6.80 | -8.1% | 24.1 | 6.2 | 16.9 |
| Express Grupp | 34.7 | 5.31 | 5.51 | -6.6% | 16.7 | 5.1 | 12.1 |
| Norma | 32.0 | 4.95 | 4.95 | -3.1% | 10.5 | 1.2 | 3.0 |
| Olympic Entertainment Gro | 523.0 | 5.77 | 5.75 | 29.4% | 36.0 | 6.4 | 20.6 |
| Silvano Fashion Group | 63.5 | 4.74 | 5.43 | 38.2% | 41.3 | 0.7 | 11.1 |
| Snaige | 16.1 | 8.70 | 8.70 | -28.1% | - | 2.1 | 22.7 |
| Starman | 19.9 | 5.00 | 5.10 | 15.9% | 22.8 | 4.8 | 11.7 |
| Tallinna Kaubamaja | 119.3 | 8.83 | 8.97 | -2.3% | 16.5 | 4.1 | 13.1 |
| Vilniaus Baldai | 8.0 | 20.00 | 21.40 | 18.2% | - | 2.9 | 22.3 |
| Consumer Staples | | | | | | | |
| Kalev | 22.5 | 1.13 | 1.15 | -27.7% | - | 1.1 | 24.2 |
| Latvijas Balzams | 5.6 | 4.26 | 4.35 | -1.8% | 10.2 | 1.0 | 8.5 |
| Pieno Zvaigzdes | 51.3 | 5.17 | 5.34 | -1.1% | 15.6 | 2.2 | 6.6 |
| Rokiskio Suris | 40.8 | 64.00 | 69.00 | 25.5% | 19.8 | 1.4 | 11.5 |
| Saku Ollethehas | 31.4 | 15.66 | 15.50 | 14.0% | 19.5 | 3.2 | 26.3 |
| Zemaitijos Pienas | 13.7 | 21.21 | 22.07 | -12.6% | 8.0 | 1.4 | 4.1 |
| Energy | | | | | | | |
| Klaipedos Nafta | 31.4 | 1.08 | 1.08 | -6.1% | 48.3 | 0.9 | 12.9 |
| Latvijas Gaze | 16.9 | 9.98 | 9.84 | -4.7% | 18.4 | 1.3 | 9.9 |
| Latvijas Kugnieciba | 122.7 | 1.40 | 1.38 | 29.0% | 4.0 | 1.2 | 6.5 |
| Lietuvos Dujos | 31.2 | 3.62 | 3.63 | -4.7% | 19.2 | 0.9 | 10.3 |
| Lietuvos Elektrine | 10.1 | 6.10 | 6.11 | 36.1% | - | 0.9 | 15.2 |
| Ventspils Nafta | 61.1 | 2.97 | 2.96 | 26.0% | 18.4 | 1.1 | 123.0 |
| Financials & Real Estate | | | | | | | |
| Arco Vara | 75.8 | 1.92 | 1.97 | -18.9% | 4.9 | 1.5 | 7.2 |
| Invalda | 95.8 | 18.80 | 18.24 | 46.2% | 12.8 | 2.5 | 20.5 |
| Siauliu Bankas | 139.4 | 3.83 | 3.89 | -0.3% | 24.2 | 5.7 | - |
| Snoras | 21.2 | 5.20 | 5.21 | 4.2% | 20.0 | 3.0 | - |
| Ukio Bankas | 116.5 | 4.85 | 4.85 | 24.0% | 11.8 | 2.3 | - |
| Healthcare & Pharmaceuticals | | | | | | | |
| Grindeks | 44.7 | 8.05 | 8.02 | 11.4% | 11.8 | 2.2 | 8.5 |
| Olainfarm | 10.8 | 3.03 | 3.00 | 22.4% | 32.0 | 2.9 | 12.1 |
| Sanitas | 176.8 | 32.05 | 31.50 | 131.6% | 28.8 | 2.5 | - |
| Industrials | | | | | | | |
| Eesti Ehitus | 66.7 | 5.60 | 5.60 | 6.0% | 11.0 | 5.0 | 7.1 |
| Harju Elekter | 31.5 | 3.35 | 3.37 | -18.8% | 11.5 | 1.6 | 14.1 |
| Lietuvos Juru Laivininkyste | 10.0 | 0.61 | 0.60 | -3.2% | 56.1 | 0.5 | 6.3 |
| Merko Ehitus | 107.2 | 21.30 | 21.49 | 9.4% | 9.1 | 3.4 | 9.1 |
| Panevezio Statybos Trestas | 45.6 | 19.19 | 19.58 | 29.7% | 7.6 | 5.9 | 12.0 |
| Rigas Kugu Buvetava | 7.3 | 0.88 | 0.87 | -6.5% | 81.6 | 1.0 | 9.9 |
| Tallink Grupp | 499.3 | 1.31 | 1.30 | 1.7% | 9.8 | 1.5 | 13.3 |
| IT & Telecommunications | | | | | | | |
| Eesti Telekom | 186.3 | 7.70 | 7.70 | -8.3% | 11.9 | 3.0 | 13.3 |
| SAF Tehnika | 3.9 | 3.82 | 3.86 | -67.8% | 105.2 | 9.7 | 8.6 |
| TEO LT | 188.2 | 2.37 | 2.40 | -13.0% | 12.9 | 1.9 | 4.5 |
| Vilniaus Vingis | 9.1 | 5.94 | 5.94 | 1.5% | 2.8 | 0.8 | - |
| Materials | | | | | | | |
| Grigiskes | 13.7 | 2.69 | 2.50 | -15.3% | 19.2 | 1.6 | 7.4 |
| Liepajas Metalurgs | 9.7 | 3.62 | 3.37 | 37.6% | 4.0 | 0.9 | - |
| Lifosa | 18.3 | 54.49 | 60.49 | 182.7% | 42.1 | 2.9 | 18.6 |
| Utilities | | | | | | | |
| City Service | 21.7 | 15.85 | 15.70 | 21.2% | 30.0 | 11.5 | 21.4 |
| Lietuvos Energija | 35.5 | 5.20 | 5.10 | 29.4% | - | 1.6 | 19.4 |
| Rytu Skirstomieji Tinklai | 46.4 | 3.90 | 3.90 | 4.0% | - | 1.4 | 6.7 |
| Tallinna Vesi | 83.8 | 14.00 | 14.00 | -6.7% | 17.5 | 4.1 | 12.5 |
| Vakaru Skirstomieji Tinklai | 20.3 | 730.00 | 710.00 | 61.4% | - | 1.9 | 9.2 |
| Average | 72.1 | | | 13.0% | 22.9 | 2.9 | 15.2 |

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