

KEY STOCKS FOR THE WEEK 09/04—13/04

- **TEO LT**, Lithuania's incumbent telecommunications company, has announced the closing of a deal with "Mikrovisatos TV" to start broadcast of DVB-T service from the 1st of July 2007. This ends months of uncertainty for TEO LT and its already built DVB-T network. Demand should be further supported by investors trying to profit from the company's dividend, yielding 9.2% before the ex-dividend date of 19th of April.
- **Ukio Bankas** is set to release its Q1 results during week 15, which

could make the stock an interesting target once again. Due to the fact that company's shares refused to obey the market laws and drop in price due to dividend payments and dilution, it seems that market places high expectations for the company (namely, an almost +15% premium). In order to justify the current P/E ratio, we expect the results to be at least 15% above expectations, resulting in Q1 profit of at least LTL 17.65M, which corresponds to an annual profit of LTL 70.6M.

BALTIC MARKET EVENTS FOR THE WEEK 09/04—13/04

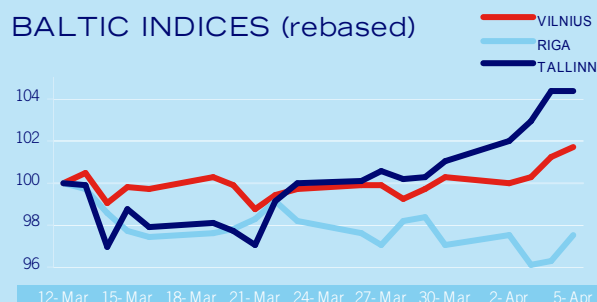
Riga Stock Exchange	Tallinn Stock Exchange	Vilnius Stock Exchange
9 Apr		
10 Apr		Ukio Bankas - Q1 results Sanitas - Q1 sales
11 Apr		Rytu Skirstomieji Tinklai - Audited results for 2006
12 Apr		Lifosa - Audited results for 2006
13 Apr		

LAST WEEK IN THE BALTIC STOCK MARKETS

MARKETS TURN BULLISH AGAIN...

	OMX RIGA	OMX TALLINN	OMX VILNIUS
	INDEX	INDEX	INDEX
Last Price	665.3	926.4	500.5
Market Cap (€ mln)	1,617.3	4,706.3	5,491.6
52-Week High Price	730.7	1086.4	532.1
52-Week Low Price	552.4	587.9	360.6
1-Week Return	0.5%	3.2%	1.4%
1-Month Return	-2.7%	11.2%	4.0%
Year to Date	1.5%	8.2%	1.6%
1-Year Return	7.4%	39.6%	13.8%
P/E*	17.3	14.8	22.6
P/BV*	1.3	3.2	1.5

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



Ten Most Traded Shares by Weekly Volume

	Last Price	% Change	Volume €
Olympic Entertainment Group	11.55	11.3%	4,348,494
Tallink Grupp	1.28	-2.3%	4,296,387
Ukio Bankas	4.31	2.6%	2,737,621
Eesti Telekom	8.30	0.6%	2,205,423
TEO LT	2.82	0.7%	1,587,319
Apranga	17.75	9.2%	1,547,798
Siauliu Bankas	3.67	-0.3%	1,357,331
Tallinna Kaubamaja	8.91	12.8%	1,175,813
PTA Grupp	4.40	3.3%	1,166,990
Merko Ehitus	22.76	4.8%	963,568

Movement of the Baltic Markets

Number of Winners	29
Number of Unchanged	4
Number of Losers	13

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

	Last Price	% Change	Volume €
Tallinna Kaubamaja	8.91	12.8%	1,175,813
SAF Tehnika	8.00	-9.0%	22,127

Last Week's Stocks to Watch

	Last Price	% Change	Outlook*
Ventspils Nafta	2.58	5.3%	↑
Latvijas Kugnieciba	1.11	0.0%	↑
Lietuvos Elektrine	5.19	0.2%	↑
Ukio Bankas	4.31	2.6%	↓

*based on last week's report

Olympic Entertainment Group's shares have enjoyed a rise of 11.3% on weekly basis, after the company announced its intent to split shares 2 for 1, as well as proposing a dividend of EUR 0.13 per share (1.11% yield). This is also likely to indicate a still strong and continuing reaction to company's aggressive expansion plans announced earlier.

...AS TURNOVER TURNS OVER

Result driven valuation is back to business

Operator of apparel retail chain **Apranga** has released figures of its Q1 revenue last week, besting its own expectations by LTL 10M to a total figure of LTL 91.8M, up by 58.6% year-on-year. The company looks to be firmly en route to achieve its goal of LTL 415M turnover in 2007, and LTL 1000M by the end of 2010. Together with the news that the company will be opening a total of 9 new shops in Lithuania's 2nd biggest shopping mall due to be opened on the 10th of April, the share price enjoyed steady growth throughout the week, closing +9.2% higher.

Latvian press announced that manufacturer of digital radio transmission equipment, **SAF Tehnika**, is dangerously losing market share and is expected to turn in a loss for the year 2007. The company has already taken action by attempting to cut costs at the expense of reduced compensation for the management and other personnel by 30% and 15% respectively. This didn't improve the so far poor company's share performance, however, suffering a further setback of -9% during the course of the week.

COMPANY	MARKET CAPITAL FREE FLOAT (€ mln)	SHARE PRICE (quoted currency)		YTD	P/E	P/B	EV/EBITDA
		2007.04.02	2007.04.05				
Consumer Discretionary							
Apranga	48.6	16.25	17.75	34.5%	34.7	10.0	21.6
Baltika	115.6	25.50	25.90	16.7%	27.9	8.0	20.6
Norma	20.2	5.22	5.30	3.7%	12.8	1.3	3.8
Olympic Entertainment Group	178.9	10.38	11.55	29.9%	35.1	6.6	20.5
PTA Grupp*	55.5	4.26	4.40	12.0%	13.6	0.9	5.3
Snaige	14.8	11.30	11.35	-6.2%		2.5	14.8
Starman	21.7	4.75	4.95	12.5%	23.0	5.0	11.8
Tallinna Kaubamaja	67.3	7.90	8.91	-2.9%	20.3	4.6	15.8
Vilniaus Baldai	5.4	18.00	18.48	2.1%	104.5	2.3	10.6
Consumer Staples							
Kalev	8.4	1.35	1.36	-14.5%		1.9	22.4
Latvijas Balzams	5.3	4.12	4.09	-7.7%	12.7	1.0	11.9
Pieno Zvaigzdes	30.8	5.05	5.11	-5.4%	14.3	2.3	6.7
Rokiskio Suris	22.1	60.40	60.00	9.1%	10.0	1.4	1.6
Saku Olletehas	27.6	16.80	17.25	26.8%	18.3	5.0	10.3
Zemaitijos Pienas	11.1	23.95	24.48	-3.1%	7.5	1.7	4.3
Energy							
Klaipedos Nafta	32.0	1.15	1.10	-4.3%	20.4	0.9	
Latvijas Gaze	22.2	10.39	10.15	-1.6%	16.1	1.8	
Latvijas Kugnieciba	31.4	1.11	1.11	3.7%	11.6	1.0	6.4
Lietuvos Dujos	30.9	3.61	3.60	-5.5%	31.7	0.9	
Lietuvos Elektrine	7.7	5.18	5.19	15.6%	29.7	0.7	
Ventspils Nafta	48.4	2.45	2.58	9.8%	36.3	0.8	31.5
Financials							
Invalda	63.8	12.66	13.00	4.2%	10.8	1.0	
Siauli Bankas	38.4	3.68	3.67	-5.9%	19.7	2.1	
Snoras	17.7	5.00	5.09	1.8%	8.6	1.7	
Ukio Bankas	85.4	4.20	4.31	10.2%	16.5	1.8	
Healthcare & Pharmaceuticals							
Grindeks	43.9	7.99	8.55	18.8%	13.1	2.6	9.4
Olainfarm	10.7	2.89	2.93	19.6%	36.7	2.8	12.1
Sanitas	45.4	15.61	16.00	17.6%	75.5	1.7	78.2
Industrials							
Eesti Ehitus	54.2	12.05	12.55	18.7%	13.1	4.7	
Harju Elekter	29.6	3.79	3.84	-7.5%	21.3	1.6	17.0
Lietuvos Juru Laivininkyste	7.8	0.60	0.59	-4.8%	7.2	0.5	3.2
Merko Ehitus	85.2	21.71	22.76	15.8%	10.8	3.9	9.1
Panevezio Statybos Trestas	24.9	16.85	16.74	10.9%	23.6	5.3	18.9
Rigas Kugu Buvetava	7.4	0.88	0.88	-5.4%	18.9	0.7	7.9
Tallink Grupp	232.4	1.31	1.28	0.2%	8.8	1.5	15.2
Information Technology & Telecommunications							
Eesti Telekom	104.1	8.25	8.30	-1.2%	13.6	4.4	8.0
SAF Tehnika	2.6	8.79	8.00	-33.3%	14.7	2.7	9.5
TEO LT	206.9	2.80	2.82	2.2%	16.8	2.0	5.0
Vilniaus Vingis	7.3	6.00	6.00	2.6%		1.6	
Materials							
Grigiskes	11.7	2.65	2.62	-11.2%	11.8	1.6	6.5
Liepajas Metalurgs	6.7	2.30	2.20	-10.2%	3.9	0.6	2.1
Lifosa	7.6	28.80	30.15	40.9%	13.0	1.7	
Utilities							
Lietuvos Energija	27.6	3.99	4.05	2.8%	93.7	1.3	
Rytu Skirstomieji Tinklai	44.5	3.60	3.73	-0.5%	56.9	1.0	9.3
Tallinna Vesi	48.8	17.19	16.80	11.9%	21.2	4.6	14.7
Vakaru Skirstomieji Tinklai	15.3	490.00	490.00	11.4%	28.8	1.3	6.9
Average				5.1%	24.2	2.5	13.3

* Values adjusted to include Silvano Fashion Group

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