

## KEY STOCKS FOR THE WEEK 21/05—25/05

- Estonian construction company **Merko Ehitus** announced to have increased its **Q1** sales by **+86.3%** to **EUR 64.9M**, and earned a profit of **EUR 5.8M**, a **+158.2%** increase. The unexpectedly good result is likely to improve the share price in the short term.
- Sanitas**, Lithuanian producer of pharmaceuticals, will announce its April's financial result on Friday. Investor interest is expected to remain high meanwhile, with share price benefiting further. An **EBITDA** figure of **LTŁ 9.2M** should be considered according to expectations. Better than expected result can also lead to **Sanitas'** parent company **Invalda** share benefiting as well (currently, **Sanitas** accounts for **32.2%** of **Invalda's** capitalization).
- Olympic Entertainment Group**, Estonian based operator of casinos, is expected to suffer a downgrade by investors after announcing disappointing **Q1** results. While revenues increased by **+32%** year-on-year, margins succumbed to the pressure of fast expansion with **EBITDA** down at **19%** versus **30.1%** for **2005**.

## BALTIC MARKET EVENTS FOR THE WEEK 21/05—25/05

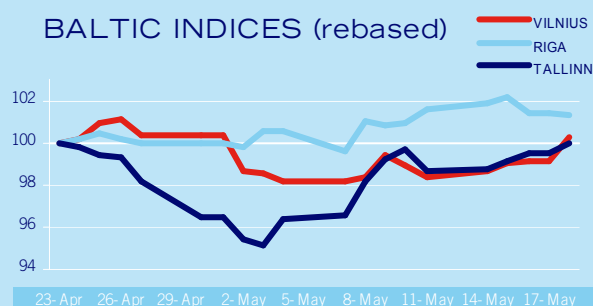
	Riga Stock Exchange	Tallinn Stock Exchange	Vilnius Stock Exchange
<b>21 May</b>		Starman - Q1 report	
<b>22 May</b>			
<b>23 May</b>	Latvijas Balzams - dividend payment		Vilniaus Baldai - April result
<b>24 May</b>	Liepajas Metalurgs - 1Q preliminary result Latvijas Kugnieciba - 1Q preliminary result	Eesti Ehitus - ex-dividend date Norma - ex-dividend date	Sanitas - April result
<b>25 May</b>			

## LAST WEEK IN THE BALTIC STOCK MARKETS

### SPRING COMES LATE TO THE EQUITY MARKETS...

	OMX RIGA	OMX TALLINN	OMX VILNIUS
	INDEX	INDEX	INDEX
Last Price	671.7	922.6	491.7
Market Cap (€ mln)	1,700.0	4,941.6	3,207.7
52-Week High Price	730.7	1086.4	532.1
52-Week Low Price	552.4	587.9	360.6
1-Week Return	-0.2%	1.3%	1.9%
1-Month Return	2.0%	-0.4%	-1.0%
Year to Date	2.5%	7.7%	-0.2%
1-Year Return	11.2%	40.4%	19.7%
P/E*	15.4	15.3	21.0
P/BV*	1.2	3.3	1.3

\* - 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	1.33	2.3%	11,892,876
Grindeks	7.97	-4.8%	1,949,625
Tallinna Vesi	15.16	0.7%	1,666,051
Eesti Telekom	8.45	-0.8%	1,537,161
Tallinna Kaubamaja	8.65	4.2%	1,134,807
TEO LT	2.33	0.4%	985,320
Olympic Entertainment Group	5.75	-1.4%	968,386
Ukio Bankas	4.17	-1.2%	891,974
Panevezio Statybos Trestas	16.80	5.0%	666,619
Klaipedos Nafta	1.11	2.8%	645,589

Movement of the Baltic Markets

Number of Winners	24
Number of Unchanged	6
Number of Losers	16

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

	Last Price	% Change	Volume €
Snaige	11.29	12.9%	226,571
SAF Tehnika	7.20	-5.1%	10,242

Last Week's Stocks to Watch

	Last Price	% Change	Outlook*
Tallinna Kaubamaja	8.65	4.2%	↑
Merko Ehitus	21.67	-1.1%	↓
Snoras	4.62	-2.7%	↓

\*based on last week's report

## ...WHILE EARLY SUMMER IS LOOMING

### M&As are back on stage

A combined **60%** block of shares of **Snaige**, Lithuanian manufacturer of refrigerators, is rumoured to have been put on sale for a potential strategic investor, Slovenia's **Gorenje** being the most likely one. Having been stagnant for the rest of the week, the share jumped by **+12.9%** upon the news issue on Friday.

Lithuania's manufacturer of fertilizers, **Lifosa**, has announced that its April sales reached **LTL 77.2M**, a **+19.8%** increase. The stock price picked up the news and closed **+7.9%** higher than the week before.

Lithuanian construction company **Panevezio Statybos Trestas** has seen its share price appreciate by **+5%** last week, after a triplet of favourable news was released to the public. The company has been selected to build **LTL 86M** worth of arena in Panevezys, has netted a Q1 profit of **LTL 3.2M** (vs. **LTL - 0.2M** in **2006**) on the revenue of **LTL 127.3M**, a **+278%** increase year-on-year. Additional to better than expected results, the shareholders have approved the dividend of **LTL 0.17 (1% yield, compared to 0% in 2005) for 2006**.

**Sanitas**, Lithuanian producer of pharmaceuticals, climbed yet another **+10.7%** last week, fuelled by increased investor confidence after company's announcement of its April sales being **LTL 29.1M**, a **+532%** increase year-on-year, or **+49.2%** after adjusting for acquisition of Poland's **Jelfa**.

**Tallinna Kaubamaja**, Estonian store operator, has announced **Q1** revenue of **EUR 82.3M** and an **EBITDA** figure of **EUR 5.1M**, increases of **48.1%** and **150.8%** respectively. Better than expected results attracted investor interest, as share price climbed by **+4.2%** during the week.

COMPANY	MARKET CAPITAL FREE FLOAT (€ mln)	SHARE PRICE (quoted currency)		YTD	P/E	P/B	EV/EBITDA
		2007.05.11	2007.05.18				
<b>Consumer Discretionary</b>							
Apranga	47.9	17.40	17.50	32.6%	35.4	9.3	19.1
Baltika	104.0	23.67	23.30	5.0%	25.9	7.2	18.6
Norma	19.5	5.25	5.11	0.0%	12.3	1.2	3.6
Olympic Entertainment Group	223.8	5.83	5.75	29.4%	34.9	3.3	9.2
PTA Grupp*	58.7	4.60	4.65	18.3%		1.0	5.7
Snaige	15.2	10.00	11.29	-6.7%		2.5	14.8
Starman	20.5	4.65	4.67	6.1%	21.7	4.7	11.2
Tallinna Kaubamaja	65.4	8.30	8.65	-5.8%	19.8	4.4	15.4
Vilniaus Baldai	5.4	18.40	18.40	1.7%		2.3	10.6
<b>Consumer Staples</b>							
Kalev	7.3	1.15	1.18	-25.8%		1.6	20.5
Latvijas Balzams	5.3	4.10	4.10	-7.4%	12.7	1.0	12.0
Pieno Zvaigzdes	28.4	4.70	4.71	-12.8%	13.2	2.1	6.0
Rokiskio Suris	19.4	60.00	60.00	9.1%	9.8	1.4	6.3
Saku Olleتهas	25.7	15.45	16.04	17.9%	17.0	4.6	9.5
Zemaitijos Pienas	12.3	21.15	20.80	-17.6%	6.4	1.4	3.8
<b>Energy</b>							
Klaipedos Nafta	32.3	1.08	1.11	-3.5%	20.5	1.0	7.0
Latvijas Gaze	16.0	10.13	10.00	-3.1%	15.9	1.8	9.1
Latvijas Kugnieciba	31.4	1.11	1.11	3.7%	11.6	1.0	6.4
Lietuvos Dujos	30.7	3.55	3.57	-6.3%	31.5	0.9	11.4
Lietuvos Elektrine	7.1	4.55	4.80	6.9%	27.4	0.7	14.0
Ventspils Nafta	51.6	2.74	2.75	17.0%	38.7	0.9	33.7
<b>Financials</b>							
Invalda	77.1	14.15	14.56	16.7%	12.1	1.2	18.0
Siauli Bankas	77.9	3.51	3.44	-11.8%	33.5	1.9	
Snoras	8.8	4.75	4.62	-7.6%	7.8	1.6	
Ukio Bankas	82.7	4.22	4.17	6.7%	19.7	1.8	
<b>Healthcare &amp; Pharmaceuticals</b>							
Grindeks	40.9	8.37	7.97	10.7%	12.2	2.4	8.7
Olainfarm	11.0	3.04	3.00	22.4%	37.6	2.9	12.4
Sanitas	54.2	17.25	19.10	40.4%		2.0	
<b>Industrials</b>							
Eesti Ehitus	55.9	12.69	12.95	22.5%	17.7	4.9	10.6
Harju Elekter	27.5	3.65	3.57	-14.0%	19.8	1.5	15.9
Lietuvos Juru Laivininkyste	7.8	0.58	0.59	-4.8%	7.2	0.5	3.2
Merko Ehitus	81.1	21.90	21.67	10.3%	10.3	3.7	8.7
Panevezio Statybos Trestas	25.0	16.00	16.80	11.3%	23.7	5.3	18.9
Rigas Kugu Buvetava	7.3	0.86	0.87	-6.5%	18.7	0.7	7.8
Tallink Grupp	241.5	1.30	1.33	4.1%	9.1	1.5	15.5
<b>Information Technology &amp; Telecommunications</b>							
Eesti Telekom	106.0	8.52	8.45	0.6%	13.8	4.4	8.1
SAF Tehnika	2.3	7.59	7.20	-40.0%	12.9	2.4	8.5
TEO LT	163.0	2.32	2.33	-15.6%	13.9	1.6	3.9
Vilniaus Vingis	7.3	6.00	6.00	2.6%		1.6	
<b>Materials</b>							
Grigiskes	10.7	2.40	2.40	-18.6%	10.8	1.5	6.1
Liepajas Metalurgs	7.4	2.55	2.44	-0.4%	4.4	0.6	2.3
Lifosa	7.1	25.95	28.00	30.8%	12.1	1.5	8.3
<b>Utilities</b>							
Lietuvos Energija	24.1	3.57	3.54	-10.2%		1.1	12.3
Rytu Skirstomieji Tinklai	40.6	3.30	3.40	-9.3%		0.9	9.7
Tallinna Vesi	44.1	15.06	15.16	1.0%	19.1	4.1	13.5
Vakaru Skirstomieji Tinklai	14.5	460.00	465.00	5.7%	27.3	1.2	6.6
<b>Average</b>	44.64			2.3%	18.4	2.3	10.9

\* Values adjusted to include Silvano Fashion Group

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