

KEY STOCKS FOR THE WEEK 18/06—22/06

- **Invalda**, Lithuanian investment conglomerate, announced plans to acquire a stake in high growth **IT business**. We expect the news to attract investor attention to the stock and result in positive short term movement, even before any specifics are disclosed.
- **Arco Vara**, Estonian real estate operator and developer, has successfully finished its **IPO**, with demand for the shares outnumbering supply by **110%**. Being the third largest Estonian IPO, we estimate this to be a very good result, and expect the company's shares to reflect this already in the opening price.
- **Lifosa**, Lithuanian supplier of mineral fertilisers, has announced May revenue of **LTL 47.8M**, an **-8.7%** decrease year-on-year. We evaluate the figure to be somewhat below expectations, and expect the share price to adjust accordingly during the week.
- **Sanitas**, Lithuanian based manufacturer of pharmaceuticals, is expected to announce its May result on Thursday. An **EBITDA** of **LTL 43M** is the minimum target figure for the result to be considered according to expectations, especially seen in the light of recent steep share price appreciation.

BALTIC MARKET EVENTS FOR THE WEEK 18/06—22/06

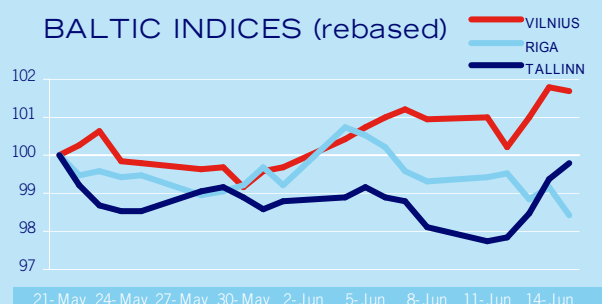
	Riga Stock Exchange	Tallinn Stock Exchange	Vilnius Stock Exchange
18 June	Olainfarm - new issue start of trading		
19 June			
20 June			
21 June		Arco Vara - expected start of trading	Sanitas - May result
22 June			Vilniaus Baldai - May result

LAST WEEK IN THE BALTIC STOCK MARKETS

THIRD IPO IN THREE WEEKS...

	OMX RIGA	OMX TALLINN	OMX VILNIUS
	INDEX	INDEX	INDEX
Last Price	657.9	915.8	502.5
Market Cap (€ mln)	1,849.3	4,800.8	3,325.5
52-Week High Price	730.7	1086.4	532.1
52-Week Low Price	552.4	587.9	360.6
1-Week Return	-0.9%	1.7%	0.7%
1-Month Return	-2.8%	0.1%	3.5%
Year to Date	0.4%	7.0%	2.0%
1-Year Return	18.9%	55.4%	35.7%
% of Index Cap*	87.3%	98.2%	83.5%
P/E*	12.2	14.4	16.1
P/BV*	1.1	3.1	0.9

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



Ten Most Traded Shares by Weekly Volume

	Last Price	% Change	Volume €
PTA Grupp	5.40	9.1%	3,308,579
Merko Ehitus	22.73	-1.2%	2,481,829
Tallink Grupp	1.33	0.8%	2,165,208
Olympic Entertainment Group	5.22	6.1%	1,609,808
Ukio Bankas	4.36	4.6%	1,143,291
Rokiskio Suris	60.00	0.0%	951,855
Tallinna Kaubamaja	8.20	3.7%	916,224
Panevezio Statybos Trestas	16.60	0.3%	836,815
City Service	13.50	-4.0%	823,108
Express Grupp	5.95	1.5%	368,152

Movement of the Baltic Markets

Number of Winners	24
Number of Unchanged	5
Number of Losers	19

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

	Last Price	% Change	Volume €
Lietuvos Energija	4.05	11.0%	95,848
SAF Tehnika	6.03	-7.2%	34,302

Last Week's Stocks to Watch

	Last Price	% Change	Outlook*
Ukio Bankas	4.36	4.6%	↑
City Service	13.50	-4.0%	↓

* based on last week's report

...IN A SLEEPY MARKET

City Service, Lithuania's leader in facility management services, has followed a downward trend last week, after markets started to settle following much attention attracting IPO, with speculative short-term profiteering driving the price down by **-4%**, as anticipated.

Ukio Bankas has announced to have earned a **Q1** profit of **LTL 28.4M**, significantly higher than expected. The announcement was rewarded by investor interest, pushing the price up by **+4.6%** during the week.

Olympic Entertainment Group, Estonian operator of largest casino chain in the Baltics, has announced a change of Chief Financial Officer. The announcement was greeted by very positive investor reaction, with share price up **+6.1%** on weekly basis.

Tallinna Kaubamaja, Estonia's operator of department stores, has extended its automotive dealership business to Latvia and Lithuania last week, with construction works on actual premises starting immediately. The news helped attract investor interest from respective countries, with share price appreciating **+3.7%** during the week.

COMPANY	MARKET CAPITAL FREE FLOAT (€ mln)	SHARE PRICE (quoted currency)		YTD	P/E	P/B	EV/EBITDA
		2007.06.11	2007.06.15				
Consumer Discretionary							
Apranga	83.9	17.10	17.25	30.7%	29.8	8.6	16.0
Baltika	117.5	7.75	7.99	8.0%	24.2	7.3	20.0
Express Grupp	37.5	5.86	5.95	0.8%	14.7	6.3	14.7
Norma	30.6	4.60	4.70	-8.0%	11.0	1.1	2.9
Olympic Entertainment Group	474.0	4.92	5.22	17.4%	32.7	5.8	18.5
PTA Grupp*	63.2	4.95	5.40	37.4%	27.3	6.5	20.4
Snaige	19.3	10.40	10.40	-14.1%	-	2.5	26.2
Starman	18.6	4.79	4.78	8.6%	21.4	4.6	11.2
Tallinna Kaubamaja	109.9	7.91	8.20	-10.7%	16.3	4.0	13.2
Vilniaus Baldai	6.8	18.00	18.05	-0.3%	-	2.7	21.1
Consumer Staples							
Kalev	22.5	1.12	1.15	-27.7%	-	1.2	24.4
Latvijas Balzams	5.5	4.34	4.26	-3.8%	10.0	1.0	8.5
Pieno Zvaigzdes	48.4	4.84	5.00	-7.4%	14.7	2.1	6.5
Rokiskio Suris	38.2	60.00	60.00	9.1%	18.7	1.3	6.3
Saku Olletheas	30.7	15.45	15.36	12.9%	19.0	9.5	8.4
Zemaitijos Pienas	13.3	20.95	20.80	-17.6%	7.8	1.4	4.0
Energy							
Klaipėdos Nafta	31.7	1.09	1.09	-5.2%	48.7	0.9	13.0
Latvijas Gaze	17.7	10.11	10.24	-0.8%	19.2	1.3	10.2
Latvijas Kugniecība	98.9	1.11	1.11	3.7%	6.1	0.9	5.3
Lietuvos Dujos	31.1	3.65	3.61	-5.2%	19.1	0.9	10.3
Lietuvos Elektrinė	8.3	5.00	5.50	22.5%	-	0.8	13.7
Ventspils Nafta	52.4	2.66	2.50	6.4%	22.7	0.9	106.0
Financials							
Invalda	55.6	14.60	14.65	17.4%	8.8	2.0	12.2
Siaulių Bankas	97.9	3.57	3.52	-9.7%	17.8	2.3	-
Snoras	17.8	5.15	5.31	6.2%	1.2	3.2	-
Ukio Bankas	129.4	4.17	4.36	11.5%	16.0	2.1	-
Healthcare & Pharmaceuticals							
Grindeks	40.1	7.35	7.15	-0.7%	10.5	2.1	7.7
Olainfarm	10.3	3.09	2.87	17.1%	29.9	2.7	11.5
Sanitas	120.1	19.99	21.60	58.8%	-	2.1	19.8
Industrials							
Eesti Ehitus	66.8	6.50	6.42	21.5%	16.9	6.4	13.8
Harju Elekter	32.8	3.58	3.49	-15.9%	22.1	1.7	17.1
Lietuvos Juru Laivininkystė	10.1	0.61	0.60	-3.2%	57.0	0.5	6.2
Merko Ehitus	113.7	23.00	22.73	15.7%	9.9	3.8	8.9
Panevezio Statybos Trestas	35.1	16.55	16.60	9.9%	15.2	5.1	10.5
Rigas Kugu Buvetava	7.1	0.83	0.84	-9.7%	79.7	0.7	10.7
Tallink Grupp	484.0	1.32	1.33	4.1%	8.2	1.5	13.9
Information Technology & Telecommunications							
Eesti Telekom	210.1	7.93	7.96	-5.2%	12.4	3.8	7.0
SAF Tehnika	6.1	6.50	6.03	-49.8%	12.3	2.0	9.0
TEO LT	196.6	2.33	2.30	-16.7%	12.9	1.6	3.8
Vilniaus Vingis	8.6	5.51	5.61	-4.1%	2.7	0.7	-
Materials							
Grigiskės	14.0	2.50	2.56	-13.2%	19.6	1.5	7.1
Liepājas Metalurģs	7.2	2.52	2.51	2.4%	3.9	0.7	-
Lifosa	9.7	29.00	30.38	42.0%	22.3	1.6	10.2
Utilities							
City Service	18.7	12.95	14.06	8.6%	30.5	7.4	27.8
Lietuvos Energija	28.0	3.65	4.05	2.8%	-	1.3	15.2
Rytų Skirstomieji Tinklai	40.7	3.42	3.41	-9.1%	-	0.9	8.7
Tallinna Vesi	87.0	14.50	14.50	-3.4%	18.3	3.6	12.9
Vakaru Skirstomieji Tinklai	14.5	510.00	500.00	13.6%	-	1.3	6.5
Average	67.1			3.1%	19.8	2.8	14.5

* Values adjusted to include Silvano Fashion Group

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