

KEY STOCKS FOR THE WEEK 26/06—29/06

- **Sanitas**, Lithuanian based manufacturer of pharmaceuticals, is expected to see its share price suffering at least a small correction this week after spectacular performance last week. While mid term fundamentals remain inspiring after the 5-month results announcement last week, we anticipate strong selling pressure due to short term investor profiteering. **Sanitas'** mother company **Invalda** is expected to follow suite.
- **Vilnius Baldai**, Lithuanian manufacturer of furniture, has released its 5-month result on Friday, with an EBITDA, figure of LTL 5.9M. We estimate that the forward EV/EBITDA for the company currently stands at ~9.6, making it a comparatively cheap buy.

BALTIC MARKET EVENTS FOR THE WEEK 26/06—29/06

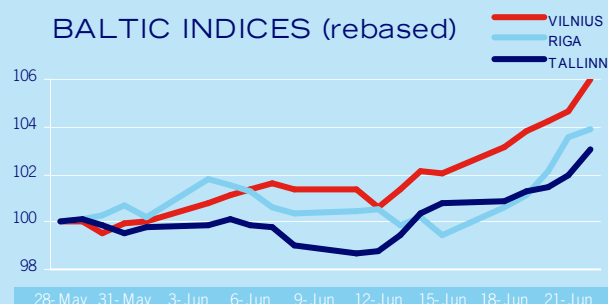
Riga Stock Exchange	Tallinn Stock Exchange	Vilnius Stock Exchange
25 June		
26 June		
27 June	Starman - ex-dividend date	
28 June		
29 June		

LAST WEEK IN THE BALTIC STOCK MARKETS

MARKETS START TO SHOW PROMISE AGAIN...

	OMX RIGA	OMX TALLINN	OMX VILNIUS
	INDEX	INDEX	INDEX
Last Price	687.6	936.9	522.1
Market Cap (€ mln)	1,902.5	4,879.9	3,410.3
52-Week High Price	730.7	1086.4	532.1
52-Week Low Price	557.1	595.1	360.6
1-Week Return	4.5%	2.3%	3.9%
1-Month Return	3.4%	2.9%	5.4%
Year to Date	4.9%	9.4%	6.0%
1-Year Return	22.8%	55.7%	35.7%
% of Index Cap*	84.9%	96.6%	81.4%
P/E*	12.2	14.4	16.1
P/BV*	1.1	3.2	1.6

* - 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	1.32	-0.8%	14,547,679
Eesti Telekom	7.97	0.1%	3,624,729
Olympic Entertainment Group	5.59	7.1%	1,738,036
Sanitas	29.00	34.3%	1,255,017
Invalda	16.54	12.9%	992,359
Apranga	17.80	3.2%	698,318
Latvijas Kugnieciba	1.21	9.0%	649,548
Tallinna Kaubamaja	8.55	4.3%	621,794
Tallinna Vesi	14.50	0.0%	533,885
Siauliu Bankas	3.64	3.4%	446,940

Movement of the Baltic Markets

Number of Winners	39
Number of Unchanged	5
Number of Losers	4

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

	Last Price	% Change	Volume €
Sanitas	29.00	34.3%	1,255,017
Pieno Zvaigzdes	4.90	-2.0%	137,446

Last Week's Stocks to Watch

	Last Price	% Change	Outlook*
Sanitas	29.00	34.3%	↑
Invalda	16.54	12.9%	↑
Lifosa	30.86	1.6%	↓

*based on last week's report

...AS INDICES START THEIR CLIMB FOR 52W HIGHS

Sanitas, Lithuanian based manufacturer of pharmaceuticals, has announced its **5-month EBITDA of LTL 46.2M**, quite beyond our positive expectations. While it would be hard to attribute all of **+34.3%** boost in share price during the week to the results factor alone (even when combined with a healthy consolidated net profit of **LTL 15.5M**), it has undoubtedly served as strong reassuring sign to investors, which was also reflected in record high turnover of the stock.

Meanwhile, **Sanitas'** parent company, Lithuania's investment conglomerate **Invalda**, had its share price display close to exact proportion of theoretical price appreciation of **+12.9%** (Invalda owns 30.71% of Sanitas shares).

Ukio Bankas has announced of entering the venture capital business through establishment of daughter company **"Ukio banko rizikos kapitalo valdymas"**. During the week of the news, share price increased by **6.9%**.

City Service, Lithuanian leader in facility management services, has announced to start offering energetic certification services (a certificate will be obligatory for all buildings in Lithuania from 1st of January 2009). Investors reacted positively to the news, with share price appreciating by **+3.6%**.

COMPANY	MARKET CAPITAL FREE FLOAT (€ mln)	SHARE PRICE (quoted currency)		YTD	P/E	P/B	EV/EBITDA
		2007.06.15	2007.06.19				
Consumer Discretionary							
Apranga	85.4	17.25	17.80	34.8%	30.7	8.9	16.5
Baltika	116.1	7.99	8.07	9.1%	24.5	7.3	20.2
Express Grupp	37.5	5.95	5.95	0.8%	14.7	6.3	14.7
Norma	30.8	4.70	4.71	-7.8%	11.0	1.1	3.0
Olympic Entertainment Group	496.7	5.22	5.59	25.8%	35.0	6.2	19.9
PTA Grupp*	65.5	5.40	5.65	43.8%	28.5	6.8	21.4
Snaige	19.2	10.40	10.26	-15.2%	-	2.5	25.9
Starman	19.2	4.78	4.93	12.0%	22.1	4.7	11.5
Tallinna Kaubamaja	113.0	8.20	8.55	-6.9%	17.0	4.1	13.7
Vilniaus Baldai	7.0	18.05	18.50	2.2%	-	2.7	21.4
Consumer Staples							
Kalev	22.5	1.15	1.13	-28.9%	-	1.1	24.2
Latvijas Balzams	5.7	4.26	4.55	2.7%	10.7	1.1	8.8
Pieno Zvaigzdes	47.4	5.00	4.90	-9.3%	14.4	2.1	6.4
Rokiskio Suris	38.5	60.00	60.01	9.1%	18.7	1.3	6.3
Saku Oletehas	32.5	15.36	16.40	20.6%	20.3	10.2	9.0
Zemaitijos Pienas	13.4	20.80	21.20	-16.0%	7.9	1.4	4.1
Energy							
Klaipedos Nafta	31.4	1.09	1.09	-5.2%	48.7	0.9	13.0
Latvijas Gaze	17.8	10.24	10.35	0.3%	19.4	1.3	10.3
Latvijas Kugnieciba	106.0	1.11	1.21	13.1%	6.7	1.0	5.7
Lietuvos Dujos	31.3	3.61	3.63	-4.7%	19.2	0.9	10.3
Lietuvos Elektrine	8.1	5.50	5.50	22.5%	-	0.8	13.7
Ventspils Nafta	55.1	2.50	2.63	11.9%	23.9	0.9	110.8
Financials							
Invalda	60.2	14.65	16.54	32.5%	9.9	2.2	13.1
Siauli Bankas	100.1	3.52	3.64	-6.7%	18.4	2.4	-
Snoras	18.3	5.31	5.45	9.0%	17.5	3.3	-
Ukio Bankas	133.6	4.36	4.66	19.2%	17.1	2.3	-
Healthcare & Pharmaceuticals							
Grindeks	42.3	7.15	7.41	2.9%	10.9	2.1	8.0
Olainfarm	10.3	2.87	2.90	18.4%	30.2	2.8	11.6
Sanitas	147.9	21.60	29.00	113.2%	-	2.9	24.4
Industrials							
Eesti Ehitus	66.0	6.42	6.50	23.0%	17.1	6.5	14.0
Harju Elekter	33.5	3.49	3.52	-15.2%	22.3	1.7	17.2
Lietuvos Juru Laivininkyste	10.1	0.60	0.61	-1.6%	58.0	0.5	6.3
Merko Ehitus	115.5	22.73	23.71	20.7%	10.3	3.9	9.2
Panevezio Statybos Trestas	35.9	16.60	16.87	11.7%	15.5	5.2	10.7
Rigas Kugu Buvetava	7.4	0.84	0.88	-5.4%	83.5	0.7	11.1
Tallink Grupp	476.7	1.33	1.32	3.3%	8.1	1.5	13.8
Information Technology & Telecommunications							
Eesti Telekom	210.1	7.96	7.97	-5.1%	12.4	3.8	7.0
SAF Tehnika	6.1	6.03	6.05	-49.6%	12.3	2.0	9.0
TEO LT	199.2	2.30	2.33	-15.6%	13.1	1.6	3.9
Vilniaus Vingis	9.2	5.61	5.75	-1.7%	2.7	0.8	-
Materials							
Grigiskes	14.1	2.56	2.58	-12.5%	19.8	1.5	7.2
Liepajas Metalurgs	7.6	2.51	2.65	8.2%	4.2	0.7	-
Lifosa	9.6	30.38	30.86	44.2%	22.7	1.6	10.4
Utilities							
City Service	7.6	13.50	13.99	8.0%	31.6	7.7	28.8
Lietuvos Energija	28.7	4.05	4.22	7.1%	-	1.3	15.9
Rytu Skirstomieji Tinklai	40.6	3.41	3.41	-9.1%	-	0.9	8.7
Tallinna Vesi	86.4	14.50	14.50	-3.4%	18.3	3.6	12.9
Vakaru Skirstomieji Tinklai	14.8	500.00	515.00	17.0%	-	1.3	6.6
Average	68.6			6.8%	20.7	2.9	14.9

* Values adjusted to include Silvano Fashion Group

DISCLAIMER

The relevant research analyst(s), as named on the front page of this report, certify that all views expressed in this report accurately reflects their personal views about the securities and companies named in this report; and no part of the analyst(s)'s compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or views expressed in this report.

The opinions and analysis in this report are based upon the opinions of DnB Nord Bankas and the prevailing market conditions as per date of this report, all of which are subject to change without prior notice. This report does not by any means constitute an offer or a solicitation, nor a recommendation to purchase or sell securities, commodities, currencies or other investments referred to herein. DnB Nord Bankas does not assume any fiduciary responsibility or liability for any consequence, financial or otherwise, arising from any investment or disinvestment decision taken on the basis of this report. The copyright on this report belongs to DnB Nord Bankas. The report may not be reproduced in any form whatsoever without written permission of DnB Nord Bankas. All non-authorized reproduction or use of this report, whether in whole or in part, will be the responsibility of the user and will lead to legal proceedings.

Any forecasts or price targets disclosed for securities and/or companies in this report may not be achieved due to multiple risk factors, including without limitation market volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by DnB Nord Bankas or other sources relied upon in the report were inapposite.