

16.07.2007

CROATIA

ADRIS

Tobacco & tourism
ADRS-P-A

P_{16/07/07}: HRK 560.00
M.CAP.: HRK 3,833.0 million*
* preferred shares only

- Based on the current valuation calculations of Adris grupa, we believe that the preferred shares have a significant upside potential;
- Consolidation of production facilities to one location, Kanfanar, Istria, which will bring about efficiencies and cost savings;
- Company will invest approximately EUR 291 million into their tourism segment between 2005 and 2009.

SLATINSKA BANKA

Banking
SNBA-R-A

P_{16/07/07}: HRK 476.00
M.CAP.: HRK 433.75 million

- The bank has reported good financial results for 1Q2007: net profits totaled HRK 2.9 million, an increase of 497% as compared to 1Q2006;
- ROA: 1.73%; ROE: 11.99%
- Rumors in the market that the bank will be sold to a strategic investor.

SERBIA

TIGAR a.d PIROT

Tyre and rubber
production
TIGR

P/E 53.49
P/B 1.47
P/S 7.20
MCAp 48.60 mn

- The First company on Listing A;
- Company reported net profit EUR 0.66 mn for the first quarter 2007
- Tigar AD Invested EUR 2.5 mn in 2006
- Shareholders Assembly held on June 12th 2007 made the decision on dividend payment. The right to dividend has all shareholders who were registered at the Central Registry on the day Shareholders Assembly was held. Funds for dividend payment reach RSD 43.4 mn.

BAMBI BANAT a.d. Confectionery industry

BMBI

P/E 38.72
P/B 2.62
P/S 2.62
MCAp 116.16mn EUR

- On the shareholders assembly that was held on June 26, 2007 it was decided that the total amount of RSD 50,472,720.00 or 20.7% of the 2006 profit will be paid to shareholders through dividends, which means that the shareholders have the right on dividend in the gross amount of RSD 120.00 per share. The cut off date is March 29, 2007.
- Bambi's sales revenues reached EUR 15 mil in Q1 2007, 40% increase compared to the same period of 2006.
- In 2006, the total revenues of Bambi - Banat was at RSD 3.5 billion and the total profit was at RSD 244 million. Last year, the company's capital was increased by RSD 700 million, at the amount of RSD 3.6 billion. The total assets was approximately RSD 4.8 billion. Bambi - Banat has five plants with more than 1,000 employees, 50 employees in the distribution centers in Nis, Novi Sad, Sabac, Zemun and distribution center Crvena zvezda as well. The company is also planning to invest in new buildings in Pozarevac and Branicevo, where Bambi - Banat already has production plants.

SOJAPROTEIN BEČAJ a.d. Soybean production SJPT

P/E 25.99
P/B 3.23
P/S 1.34
M.Cap 211.42 mnEUR

- Sojaprotein will be traded on Belex's A listing. The company, which is majority owned by Victoria group, submitted the request to Security and Exchange Commission (SEC) for registration of 308,000 companies' shares from the recent capital increase, in order for the company to be listed on the A listing. Next week, it is expected that the Belgrade Stock Exchange receives the companies' request for trading on the Belex's A listing.
- Sojaprotein announced 1Q 2007 revenues of RSD 2.7 billion (EUR 34 mln) and RSD 169 mln profit (EUR 2.03 mln), what presents 25% of the Y 2006 profit level.

ROMANIA

TURBOMECHANICA S.A. Machinery, Engineering TBM

P/E 17.33
P/B 2.51
P/S 2.46
P_{13/07/07} 0.7400 RON
M.CAP 273.387.432 RON

- Recommendation: HOLD;
- It is specialized in producing jet-engines;
- It sold a 49% stake in Turbomechanica Combustor Products and a series of assets, due to its current strategy of focusing on its main activity (aeronautics industry);
- It posted the Q1 2007 results: the net profit reached RON 0.53 mn., 59.66% lower compared to Q1 2006, the revenues amounted to RON 20.10 bn., 13.89% lower.

CONDMAG BRASOV Pipeline manufacturer COMI

P/E 84.73
P/B 12.42
P/S 3.63
P_{11/07/07} 2.3300 RON
M.CAP 402.615.882 RON

- Recommendation: HOLD;
- It is specialized in construction of water, gas, crude oil pipelines;
- It will be transferred from the Rasdaq market (traded on the 3rd tier) on BSE (it will be traded on the 2nd tier);
- In Q107 it posted net profit of RON 0.13 mn., 81.66% lower y/y, while the revenues reached RON 18.40 mn., 30.78% lower than in Q12006. For the first five months it reported a 4.7% lower turnover to RON 38.29 mn. and a net profit of RON 2.14 mn., 7 times higher y/y;
- For 2007 it estimated a 26% higher revenues to RON 140 mn. and a 245% higher net profit to RON 8.30 mn.

TRANSELECTRICA S.A. Utilities Electrical&Gas TEL

P/E 12.13
P/B 1.54
P/S 1.30
P_{13/07/07} 46.5000 RON
M.CAP 3.408.596.103 RON

- Recommendation: HOLD;
- It is the national power grid company;
- On Monday the Ministry of Economy and Finance allocated the first TEL shareholder certificates to 700 former building owners, which couldn't be compensated in kind for the prejudices brought by the communist regime;
- It posted the Q1 2007 results: the net profit reached RON 42.3 mn., 54.58% lower y/y, while the turnover reached RON 562.37 mn., 26.72% higher.

**IMPACT
DEVELOPER&CONTRAC
TOR S.A. BUCURESTI**
Real estate
IMP

P/E 54.46
P/B 6.64
P/S 7.65
P_{01/06/07} 1.1000 RON
M.CAP 1.100.000.000 RON

- Recommendation: HOLD;
- It is 36%-owned by foreign investment funds, from which over 5% owned by Julius Baer and East Capital each;
- It was approved the share capital increase by EUR 79 mn., in order to buy a 400,000 sqm land lot and to develop some real estate projects in Bucharest and Cluj. A number of 235 mn. shares will be issued for RON 1.05/share;
- For 2007 it estimated a gross profit of RON 92.9 mn, 3.8 times higher than in 2006, total revenues of RON 290 mn, 2 times higher.

BANCA TRANSILVANIA
Banking
TLV

P/E 43.35
P/B 5.15
P/S 3.60
P_{13/07/07} 0.8800 RON
M.CAP 5.377.274.507 RON

- Recommendation: HOLD;
- It is ranked 5th by assets (RON 8.98 bn.);
- The share capital increase of TLV was 98.52% subscribed;
- In Q1 2007 it posted a net profit of RON 31.25 mn., 14.22% higher and total assets of RON 8.98 bn., 70.71% higher compared to the similar period last year.

SARAJEVO (BIH)

PIF BIG
Investment fund

Average daily volume in
last 2 months: 140.000 Euro

- BUY UNDER 23;
- Good portfolio structure;
- About 90% discount to NAV.

**JP ELEKTROPRIVREDA
BIH SARAJEVO**
Energetic company

Average daily volume in
last 2 months: 160.000 Euro

- BUY UNDER 160;
- Biggest company in BIH, has several hydroelectric power plants and steam power stations and also several mines;
- Expected increase of price of electric power;
- Government is a majority holder.

**FABRIKA DUHANA
SARAJEVO**
Tobacco company

Average daily volume in
last 2 months: 70.000 Euro

- BUY UNDER 370;
- Expected sale of government stake in 2007;
- Good operating results.

**ENERGOINVEST
SARAJEVO**
Construction company

Average daily volume in
last 2 months: 80.000 Euro

- BUY UNDER 32;
- Biggest construction company on Balkan market;
- Good operating results and several contracts signed in 2007;
- Expected management buyout (MBO) in 2007.

PIF PREVENT Investment fund

Average daily volume in
last 2 months: 50.000 Euro

- BUY AT 35;
- Good portfolio structure;
- About 90% discount to NAV.

PIF FORTUNA Investment fund

Average daily volume in
last 2 months: 30.000 Euro

- BUY AT 17;
- Good portfolio structure;
- About 95% discount to NAV.

PIF NAPRIJED Investment fund

Average daily volume in
last 2 months: 30.000 Euro

- BUY 16;
- Good portfolio structure;
- About 90% discount to NAV.

BANJALUKA (RS)

PIF BLB-PROFIT Investment fund

Average daily volume in
last 2 months: 35.000 Euro

- BUY AT 30;
- Good structure of portfolio;
- Biggest stake in portfolio have hydroelectric power plants and power station;
- Large discount to NAV.

PIF EUROINVESTMENT Investment fund

Average daily volume in
last 2 months: 110.000 Euro

- BUY AT 72;
- Good structure of portfolio;
- Large discount to NAV;
- Highest stake in portfolio have power stations and hydroelectric power plants.

PIF ZEPTER FOND Investment fund

Average daily volume in
last 2 months: 45.000 Euro

- BUY AT 25;
- Good structure of portfolio;
- Has 5% stake in Telekom Srpske;
- The biggest investment fund in Banjaluka.

TERMOELEKTRARNA UGLJEVIK Power station

Average daily volume in
last 2 months: 25.000 Euro

- HOLD;
- Good potential;
- Undervalued compared to power station Gačko;
- Expected foreign investment in power station.

HIDROELEKTRARNE NA TREBIŠNJICI Hydroelectric power plant

Average daily volume in
last 2 months: 20.000 Euro

PIF KRISTAL INVEST Investment fund

Average daily volume in
last 2 months: 35.000 Euro

- HOLD;
- Good potential;
- Undervalued compared to other hydroelectric power plants;
- Expected increase in electricity production.

- BUY AT 26;
- Good portfolio structure;
- Large discount to NAV.

Contact

Janez Uranič
ILIRIKA borzno posredniška hiša d.d.
Tel.: 01 300 23 46
e-mail: janez.uranic@ilirika.si

Disclaimer

Ilirika borzno posredniška hiša Plc. is an authorized member of the Ljubljana Stock Exchange and is controlled by the Securities Market Agency of the Republic of Slovenia. This report has no regard to the individual investment objectives, financial situation or particular needs of any specific recipient and should not be relied upon as authoritative, or taken in substitution for the exercise of judgment by any receiver. Each recipient should consider the appropriateness of any investment decision having regard to their own circumstances, the full range of information available and appropriate professional advice, and should consult their advisors to make sure all involved risks are fully understood. The information and opinions in this report constitute judgment as at the date of this report, have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Opinions expressed herein are subject to change without notice. This report is not intended to be a complete statement or summary of the securities, markets or developments mentioned in this report. Any forecasts or price targets shown for companies discussed in this report may not be achieved due to multiple risk factors including, without limitation, market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by Ilirika, or by other sources relied upon in the report, were inapposite. Ilirika accepts no liability whatsoever for any loss or damage arising from any use of this report or its contents. The recipient should presume that Ilirika, or persons or entities associated with it, or any of its clients, own or have a position in any securities or investments mentioned in this study, which position may change at any time. Ilirika or its Affiliates may buy, sell or offer to buy or sell, such securities or any related investments as principal or agent on the open market or trade as market makers in the securities mentioned herein. Ilirika is under no obligation to update or keep current the information contain herein.