

23.07.2007

CROATIA

ADRS

Tobacco & tourism
ADRS-P-A

P_{23/07/07}: HRK 576.99
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_{23/07/07}: HRK 480.00
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 54.63
P/B 1.50
P/S 7.35
M.Cap 49.82 mn EUR

- Buy at 2.300 RSD
- 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 37.88
P/B 2.56
P/S 2.57
M.Cap 114.06 mn EUR

- Buy at 21.500 RSD
- 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.

**FIDELINKA AD
SUBOTICA a.d.**
Flour products
FIDL

P/E 345.53
P/B 2.46
P/S 1.98
M.Cap 60.38 mnEUR

- Sell at 3.648 RSD
- Fidelinka is leader in its category. Last year company obtained HACCP certificate.
- During 2006 Fidelinka modernized processing line, introduced new technologies and standards, expanded productions capacity and created new visual identity. Sales have been increased by 50% in 2006. Fidelinka focused on new projects and final products. Undergoing project is development of sales stores network in Belgrade and Subotica. It has been also planned to be invested near EUR 20 mil in new bacon factory.

ROMANIA

BIOFARN S.A.
Pharmaceuticals
BIO

P/E 39.37
P/B 6.83
P/S 8.67
P_{20/07/07} 0.8700 RON
M.CAP 510.585.541 RON

- Recommendation: SELL at RON 0.8700/share;
- It 13.78-% owned by SIF5, 10.59% by SIF2 and 10% by SIF1 and it produces calcium, digestives, cold and flu liquids, soft gelatine capsules;
- It posted the Q1 2007 results: the net profit reached RON 04.24 mn., 5.94% higher compared to Q1 2006, the revenues amounted to RON 14.98 bn., 3.75% lower;
- It will increase the share capital with RON 11.7 mn and every shareholder will receive 0.25 new free share for every share already held.

CONDMAG BRASOV
Pipeline manufacturer
COMI

P/E 79.27
P/B 11.62
P/S 3.39
P_{20/07/07} 2.1800 RON
M.CAP 376.696.405 RON

- Recommendation: SELL at MKT;
- It is specialized in construction of water, gas, crude oil pipelines;
- It was transferred from the Rasdaq market (traded on the 3rd tier) on BSE (it will be traded on the 2nd tier) on Tuesday;
- 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 26% higher revenue to RON 140 mn. and a 245% higher net profit to RON 8.30 mn.

PETROM S.A.
Energy sources
SNP

P/E 18.73
P/B 2.63
P/S 2.49
P_{20/07/07} 0.5900 RON
M.CAP 33.420.023.918 RON

- Recommendation: HOLD;
- It is currently 51%-owned by OMV, 20.64% by AVAS and 20.11% by the Property Fund;
- It posted the Q1 2007 results: the net profit reached RON 381.20 mn., 56.71% lower compared to Q1 2006, the revenues amounted to RON 3.06 bn., 13.71% lower;
- For 2007 estimated a net profit of EUR 497 mn., 24% lower compared to 2006 and a turnover of EUR 3.1 bn., 16% lower.

SSIF BROKER CLUJ S.A.

Financial services

BRK

P/E 14.23
P/B 5.21
P/S 11.91
P_{20/07/07} 4.2900 RON
M.CAP 468.558.416 RON

- Recommendation: BUY at MKT;
- It is the only brokerage company listed on BSE;
- For the first semester of 2007 it posted a gross profit of RON 24.22 mn., 250% higher compared to the similar period last year and represents 78.67% from the estimated in 2007. The net asset value reached RON 105.41 mn.

SIF MUNTENIA S.A.

Financial services

SIF4

P/E 45.14
P/B 1.80
P/S 31.04
P_{20/07/07} 3.0200 RON
M.CAP 2.437.250.275 RON

- Recommendation: HOLD;
- It is a close-end fund with stakes at 270 companies;
- In H107 it posted a gross profit of EUR 12.5 mn. and represents half of the estimated gross profit on 2007, while the net asset value reached EUR 626 mn., 50% 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

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