

The Zagreb Stock Exchange Annual Report 2007



ZAGREBAČKA BURZA  
THE ZAGREB STOCK EXCHANGE

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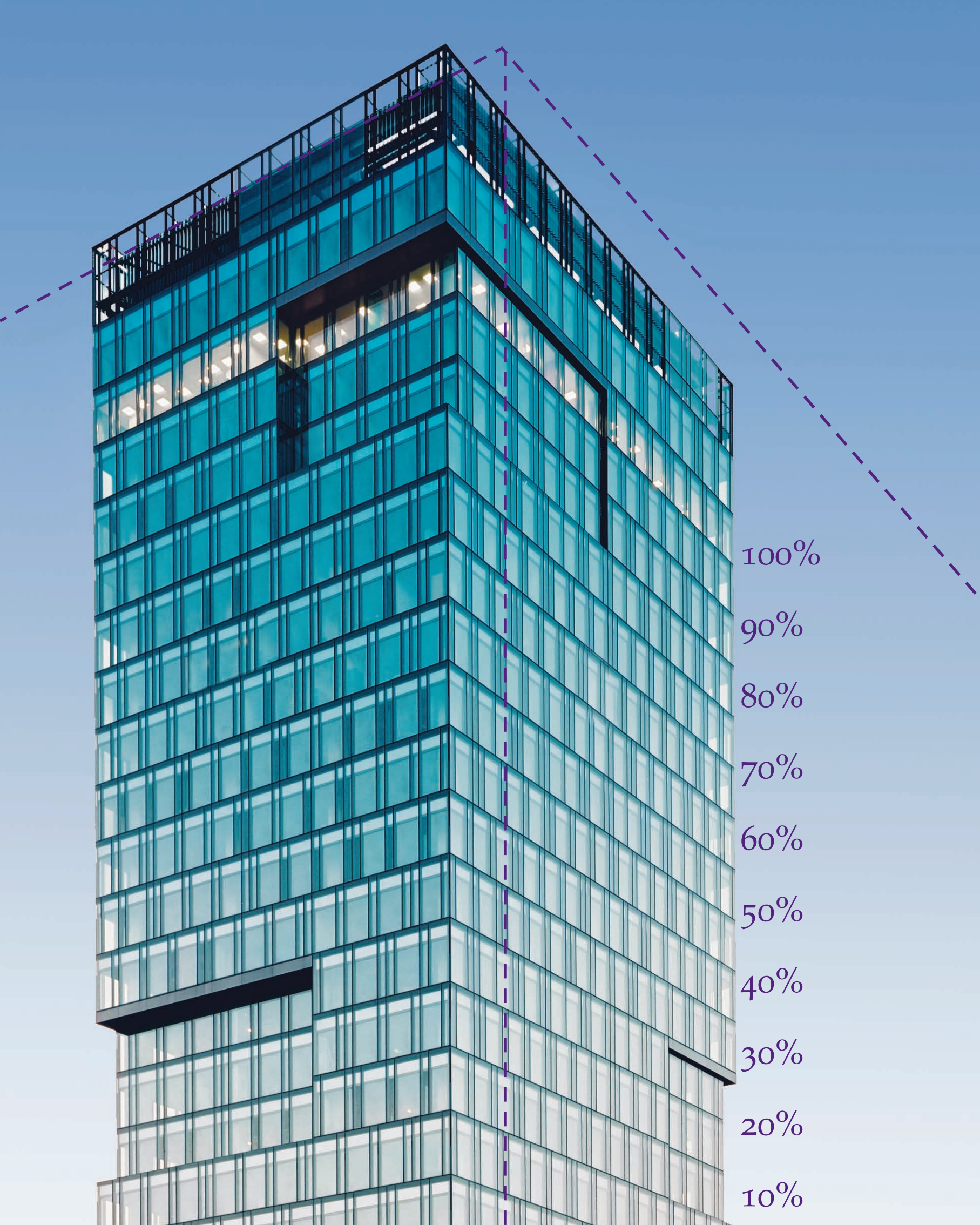
The Zagreb Stock Exchange Annual Report 2007

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1.

Introduction



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## 1.1

## Management Board Report

At the end of 2006, we gave three promises which we fulfilled in 2007. They concerned vital infrastructure projects that lay the foundations of a future development of the Zagreb Stock Exchange and the Croatian capital market.



ROBERTO MOTUŠIĆ  
Chairman of the Management Board



MELITA MARČETA  
Member of the Management Board

Firstly, we moved the Exchange to new functional premises. It was essential to creating physical conditions for regular and safe system operations as well as for any rational improvements. Then, we set into motion the second major project – a consolidation of the Croatian capital market, by merging the Zagreb and the Varaždin Stock Exchanges. Having two quasi-competing markets in our small environment weakened our position in the regional context considerably, creating negative competition and sending mixed signals to investors. The consolidation process was neither easy nor simple; both from the organizational and the technological point of view. Two trading systems needed to be merged and all brokerage companies brought together while fighting individual interests for the sake of further development of the market as a whole in order to reach a much needed synergy. I believe we accomplished this task very successfully. That this is truly so is best reflected by the fact that the market is finally unified, with no ambiguities as to the relevant market price or the source of credible trading statistics, turnover, prices or corporate news. Also, the absence of any doubt about what exactly is meant by «the Exchange» is another good sign of our accomplishment. The third and the most demanding task that might steer the course of the Croatian capital market in the long run cannot be read from statistics. It involved the introduction of a new, up to date OMX trading platform of the Zagreb Stock Exchange to replace the trading systems

that were previously in use. That project fully occupied both our own and the OMX team's efforts for almost nine months. Such a major infrastructure undertaking will have no short-term impact on stock prices but rather represents the basis of a technological advance, enabling greater trading security and very simple upgrades with the addition of new instruments and new technologies.

The new Zagreb Stock Exchange trading platform, the X-Stream Trader Workstation, is a product of OMX Group which has provided technological solutions to more than 60 exchanges in 50 countries worldwide. The Zagreb Stock Exchange is currently implementing a disaster recovery centre to ensure that trading can continue without interruptions even in case of failure of the primary location at the Exchange premises. This is a new requirement for financial institutions that will enable the Zagreb Stock Exchange to obtain the ISO standard.

These three projects were implemented in exceptionally demanding trading environment on the Croatian capital market during a highly successful year, marked by a series of public offerings and new listings on the Zagreb Stock Exchange. These events are very good not only for the Exchange but for the country's entire capital market. Some of the benefits are measurable while others affect its development over a longer horizon. The IPO success has done more to attract and educate retail investors than any other move in our market history. This is immeasurable and represents a major leap in the quality of shareholder culture. From the purely market point of view, a number of new issues listed in the top tier helps investors diversify their portfolios by investing in fast-growing companies. On the other hand, supply has also grown in terms of size and quality, and that is something sought by both local and foreign companies. The public offerings of INA and HT shares drew the attention of global investors to Croatia and the promotional impact of their interest is hard to calculate. Following several such successful investment stories, Croatia is gaining a profile of a good country to invest in while also positioning itself on

the global investment map. Previously uninterested investors, who did not see further than Vienna, Budapest or Bucharest in the entire region, are now also making enquiries about it. All this together is contributing to a better market liquidity while ensuring the status of a regional leader to the Zagreb Stock Exchange, enabling its easier integration with other exchanges in the region and the development of new services.

As a leader among the exchanges and the markets of south-eastern Europe that emerged from former Yugoslavia, we shall strive to blaze the path to all current trends and solutions to raise the quality of their services and open new business opportunities.

Among the exchanges in former-Yugoslav countries that also include the Ljubljana, Belgrade, Sarajevo and the Macedonian Stock Exchange, the Zagreb Stock Exchange accounts for 39% of the total regional trade in stocks and more than 52% of the regional market capitalization.\*

Its market capitalization in 2007 also topped that in Romania as well as the market capitalization of the Sofia and the OMX Baltic stock exchanges (Vilnius, Tallinn and Riga together). However, Bucharest and Sofia turnovers were statistically still ahead.

All these events and circumstances had a favourable impact on financial results too so the Zagreb Stock Exchange total 2007 income rose 82% compared to a year earlier. Due to a range of infrastructure investments (primarily the move of

the Exchange head office and the cost of implementing the new trading system) total expenditures grew 113%. Nevertheless, the exchange recorded an almost 55% profit growth over a year earlier, its profit before taxation reaching 17,087,000 kuna in 2007.

With a successful year behind us, turbulence at the start of 2008 and unfavourable global trends represent a challenge. Long-term goals and the vision of development of the Zagreb Stock Exchange remain unchanged: integration into the European system of exchanges as the regional leader, further development of cash and derivatives markets and strengthening the exchange influence on the social and economic development of the country.

\*sources: official statistics of the Federation of Euro-Asian Stock Exchanges ([www.feas.org](http://www.feas.org)), Ljubljana Stock Exchange and publicly available Zagreb Stock Exchange data.

## 1.2

## Supervisory Board Chairman's Statement



ZORAN KOŠČAK  
Chairman of the Supervisory Board

A very successful year on the Zagreb Stock Exchange is behind us. We are exceptionally pleased with infrastructure changes, trading growth and the financial results that have been achieved. Looking at dynamics, this was the first and the most important step in further market consolidation and development. However, our vision goes beyond these excellent annual results and exceeds the current scope of the Croatian capital market. Over the past few years, the Zagreb Stock Exchange has gradually but surely gained the profile of the central point of the Croatian financial industry and a leading regional exchange. We expect major qualitative and quantitative advances in the medium term. Despite the current unfavourable global financial situation we do not renounce our ambitious plans for further development. The expected legislative changes to introduce new types of market stabilizers and investment tools, facilitate the access to market to any interested party and expand the supply of instruments, while also raising transparency standards and the requirements of information quality for the corporate candidates seeking a listing in the prime market is bound to make the Zagreb Stock Exchange and the Croatian capital market even more competitive and attractive to investors.

All these changes represent a professional challenge not only for the Management Board but also for all exchange members and shareholders. In view of the successful completion of all the projects to date, we are confident about our ready and efficient response to future challenges as well.

### 1.3

## The Supervisory Board

The Supervisory Board is composed of nine members, of which one discharges the duty of the Chairman of the Supervisory Board, and one discharges the duty of the Vice-Chairman of the Supervisory Board.

The shareholder assembly elects the Supervisory Board for a term of four years.

The Supervisory Board elected at the Annual General Meeting on May 30, 2006:

**Mr Zoran Koščak**

Chairman

**Mr Nenad Pavletić**

Vice-Chairman

**Mr Ratko Bajakić**

**Ms Ljiljana Blažev**

**Mr Marin Hrešić**

**Mr Tomislav Kalafatić**

**Mr Marko Lesić**

**Mr Draženko Pavlinić**

**Mr Ivan Sladonja**

2.

Zagreb Stock  
Exchange  
in the Regional  
Context



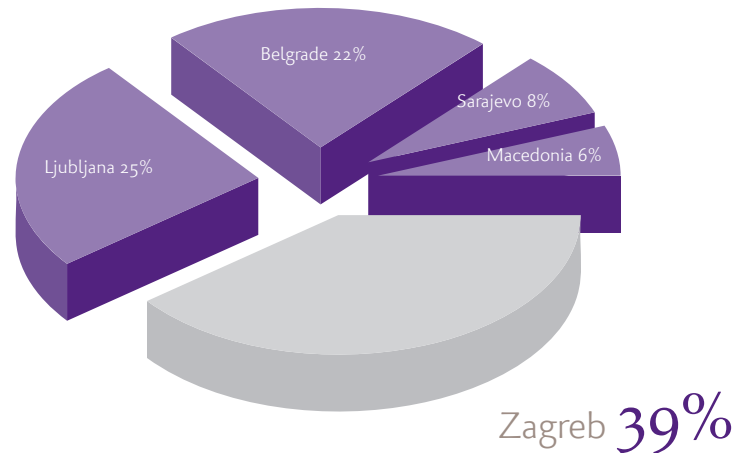
Starting from 1991 until today, the Zagreb Stock Exchange has developed into a modern, functional central point of securities trading in the Republic of Croatia.

In addition to the state-of-the-art new trading platform implemented toward the end of 2007, we are working continually on the development of new products and services and on a systematic education of local capital market participants by organizing traditional annual international conferences and specialized workshops for Exchange members.

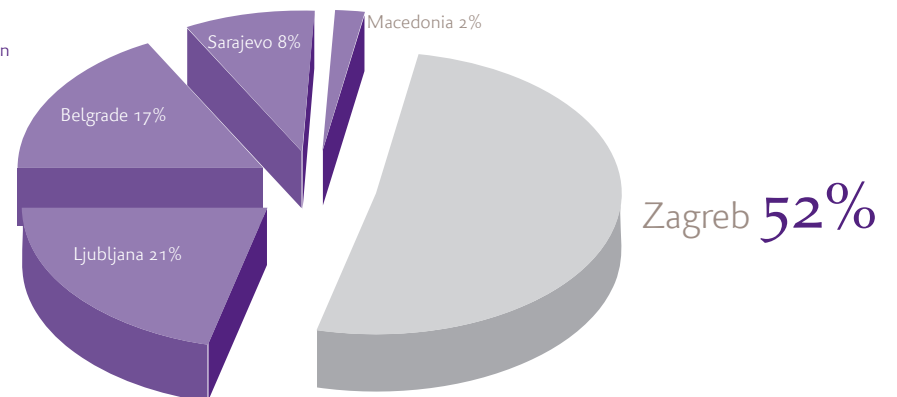
As the local capital market and the entire financial industry has grown and developed, we have occupied an increasingly important position in the former Yugoslav region.

Charts show the current share of the Zagreb Stock Exchange in regional turnover and market capitalization in 2006 and 2007.

Shares in Regional Turnover in 2007



Shares in Regional Market Capitalization in 2007

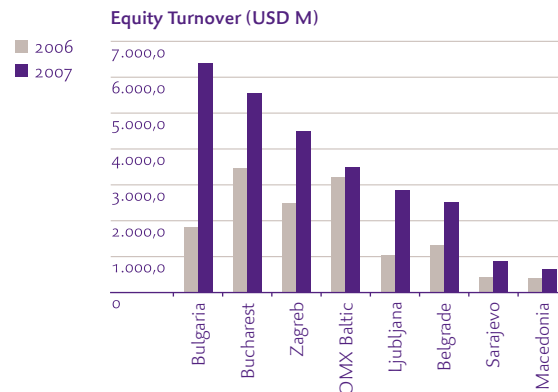
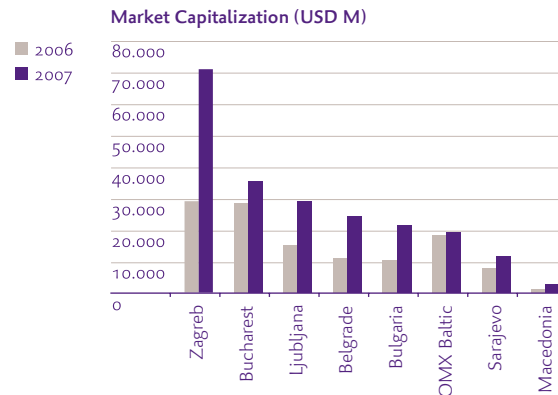


Cooperation with regional exchanges intensified in the course of 2007. This is particularly so as regards three major markets (Slovenia, Croatia, Serbia) on a project of a common blue chip index, designed in cooperation with Dow Jones.

Apart from its immediate region, the Zagreb Stock Exchange turnover and capitalization also compares well with other developing markets in this part of Central and Eastern Europe and in the Baltic region.

Exchanges and the Federation of Euro-Asian Stock Exchanges.

On the regional level, the Zagreb Stock Exchange is a co-signatory of a partnership agreement with the Ljubljana, Belgrade and Macedonian Stock Exchange.



The international activity of the Zagreb Stock Exchange is primarily channelled through the Federation of European Stock



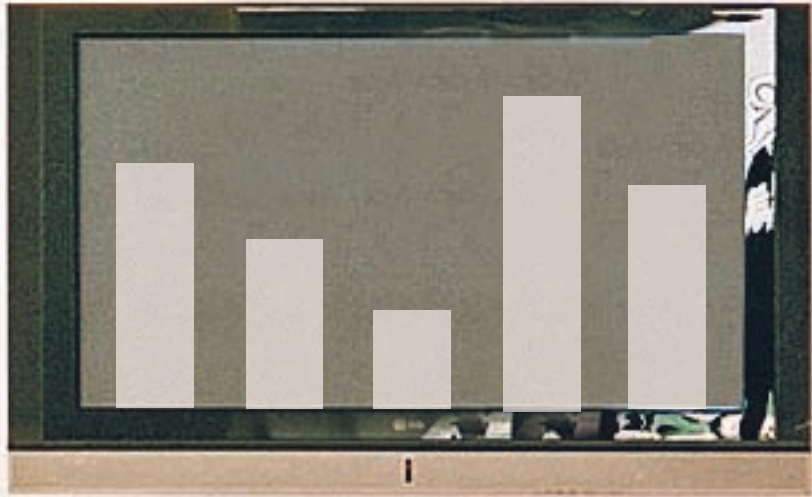
## 3. Initial Public Offerings

### 3.1 Croatia

	COMPANY	OFFERING VALUE (HRK M)
1	HT d.d.	7.052.6
2	Atlantic Grupa d.d.	716.2
3	Ingra d.d.	350.0
4	Magma d.d.	290.4
5	Optima telekom d.d.	241.2
6	Fima Proprius d.d.	200.3
7	Veterina d.d.	184.5
	<b>TOTAL</b>	<b>9.035.1</b>

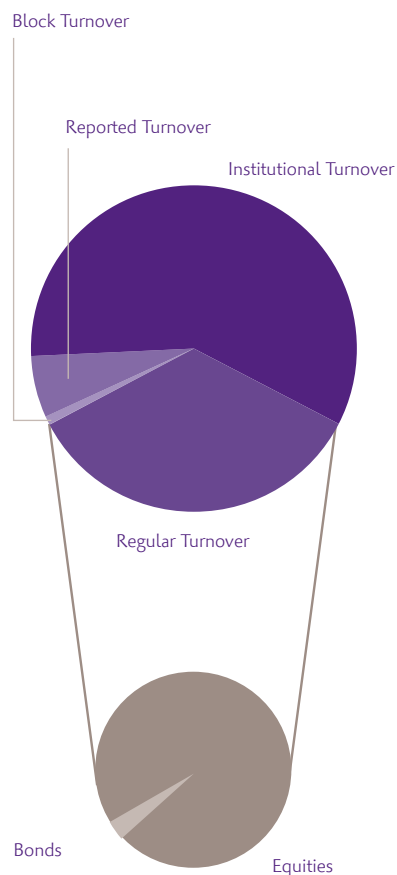
### 3.2 Comparison with Other Exchanges

EXCHANGE	COMPANY IPO'S 2007	OFFERING VALUE (€ M)
Luxembourg Stock Exchange	13	1.295
Swiss Exchange	10	1.975
Irish Stock Exchange	10	1.678
<b>Zagreb Stock Exchange</b>	<b>7</b>	<b>1.233</b>
Vienna Stock Exchange	6	1.427
Athens Exchange	3	479



## 4. Trading Statistics



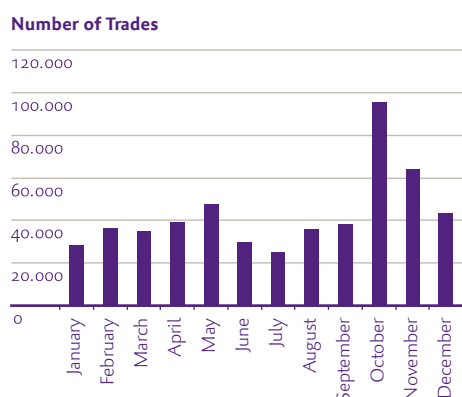


Turnover and Market Capitalization in millions of HRK		2006	2007	% change
Regular turnover	Equities	14.002.843.510	22.000.747.040	57,1
	Bonds	614.039.735	758.511.252	23,5
	Certificates	95.859.922	49.272.754	-48,6
	Commercial notes	5.554.200	2.146.510	-61,4
Block turnover		0	495.755.012	-
Reported turnover		4.947.245.148	4.129.608.776	-16,5
Institutional turnover		29.390.455.654	39.051.896.877	32,9
<b>Total turnover</b>		<b>49.055.998.168</b>	<b>66.487.938.222</b>	<b>35,5</b>
Regular volume	Equities	36.263.215	33.424.582	-7,8
	Bonds	318.564.317	592.079.154	85,9
	Certificates	125.329.182	34.720.072	-72,3
	Commercial notes	5.800.000	2.200.000	-62,1
Block volume		0	362.515	-
Reported volume		2.786.650.000	2.145.970.872	-23,0
Institutional volume		16.273.430.236	24.611.136.829	51,2
<b>Total volume</b>		<b>19.546.036.950</b>	<b>27.419.894.024</b>	<b>40,3</b>
CROBEX®		3.209,5	5.239,0	63,2
CROBIS®		101,06	96,48	-4,5
Total number of trades		262.561	519.240	97,8
Number of securities traded		371	376	1,3
Number of trading days		250	247	-1,2
<b>Market capitalization</b>	Equities	197.714,0	352.238,3	78,2
	Bonds	40.011,3	41.696,2	4,2
	Total	237.725,3	393.934,5	65,7
<b>Number of listed shares</b>	Official market	8	14	75,0
	ZIF Market	0	9	-
	JDD Market	132	248	87,9
	Parallel Market	62	112	80,6
<b>Daily average</b>	Turnover	196.223.993	269.181.936	37,2
	Volume	78.184.148	111.011.717	42,0
	Number of trades	1.050	2.102	100,2

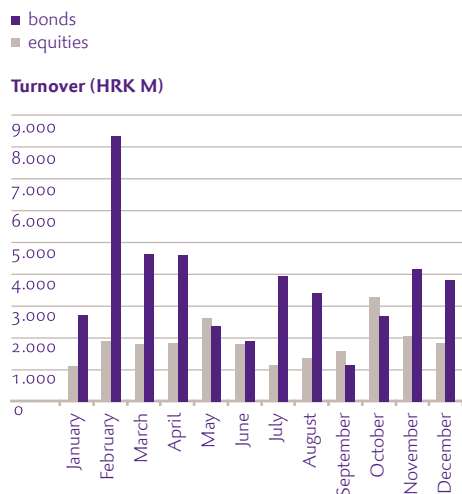
## 4.1

## Monthly Trading Overview

PICTURE 1: Monthly Number of Trades



PICTURE 2: Monthly Turnover



(Market Capitalization in millions of HRK)

MONTH	NUMBER OF TRADES		VOLUME		Number of Securities Traded	Market Capitalization
	Total	Average Daily	Total	Average Daily		
January	28,344	1.288	1,751,526,974	79,614,862	275	275,994,2
February	36,337	1.817	7,094,900,669	354,745,033	261	289,035,3
March	35,295	1.604	3,740,997,923	170,045,360	263	307,029,2
April	39,418	2.075	3,872,106,861	203,795,098	306	342,209,0
May	47,613	2.164	1,342,559,210	61,025,419	271	363,491,0
June	29,790	1.655	938,151,613	52,119,534	261	355,345,7
July	24,968	1.135	2,682,236,742	121,919,852	253	360,931,8
August	36,078	1.640	2,220,898,409	100,949,928	258	350,573,3
September	38,395	1.920	576,154,166	28,807,708	254	358,171,7
October	95,607	4.346	1,189,163,519	54,052,887	270	397,160,5
November	63,772	3.189	1,702,322,291	85,116,115	259	328,921,9
December	43,623	2.424	308,875,647	17,159,758	258	352,238,3
<b>TOTAL</b>	<b>519,240</b>	<b>2.102</b>	<b>27,419,894,024</b>	<b>111,011,717</b>	<b>376</b>	

(Turnover in millions of HRK)

MONTH	EQUITIES		BONDS		OTHER SECURITIES		Total Turnover
	Turnover	%	Turnover	%	Turnover	%	
January	1,140,0	29,5	2,728,1	70,5	0,7	0,0	3,868,7
February	1,901,2	18,5	8,385,8	81,5	3,3	0,0	10,290,3
March	1,820,3	28,2	4,627,0	71,7	5,6	0,1	6,452,9
April	1,835,8	28,3	4,606,4	71,1	35,2	0,5	6,477,3
May	2,635,6	52,4	2,380,6	47,3	12,3	0,2	5,028,5
June	1,814,8	48,6	1,915,1	51,3	6,7	0,2	3,736,6
July	1,145,3	22,4	3,962,2	77,4	11,8	0,2	5,119,4
August	1,378,0	28,7	3,418,5	71,3	11,8	0,0	4,796,5
September	1,608,6	57,9	1,168,8	42,1	0,0	0,0	2,777,4
October	3,277,9	54,8	2,699,6	45,2	0,0	0,0	5,977,5
November	2,080,7	33,3	4,165,7	66,7	1,9	0,0	6,248,2
December	1,858,5	32,5	3,833,1	67,1	23,1	0,4	5,714,7
<b>TOTAL</b>	<b>22,496,5</b>	<b>33,8</b>	<b>43,890,8</b>	<b>66,0</b>	<b>100,6</b>	<b>0,2</b>	<b>66,487,9</b>

## 4.2

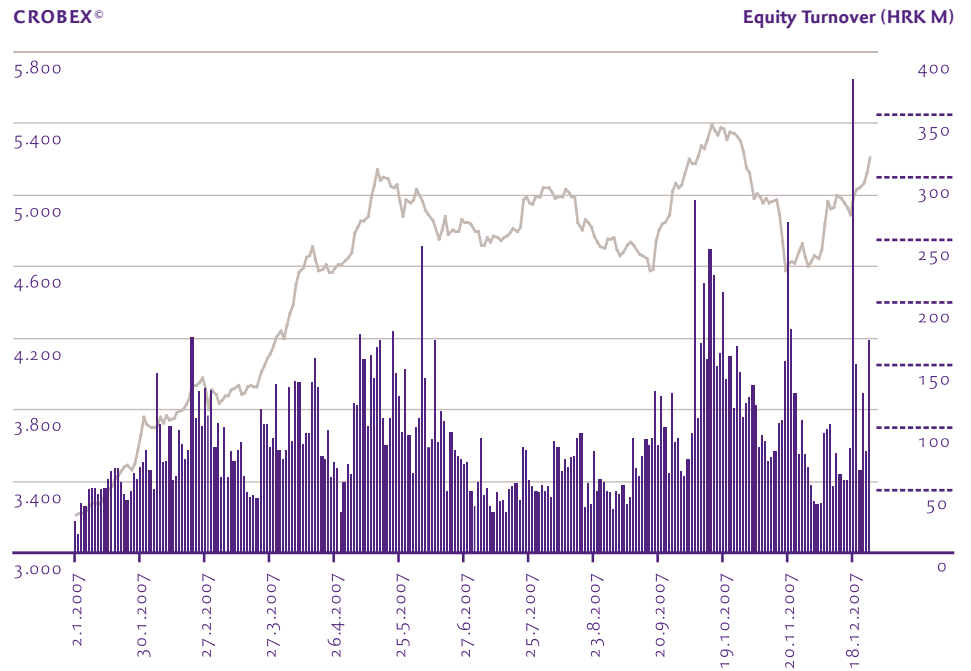
### Crobex®

CROBEX® is the official share index of the Zagreb Stock Exchange. It serves as the main indicator of Croatian capital market developments as well as a reference for local and international investors.

It is published by Reuters, Bloomberg and Telekurs, Thomson Financial, Internet Securities and Exchange Data International Ltd.

In the course of 2007, CROBEX® rose 63%.

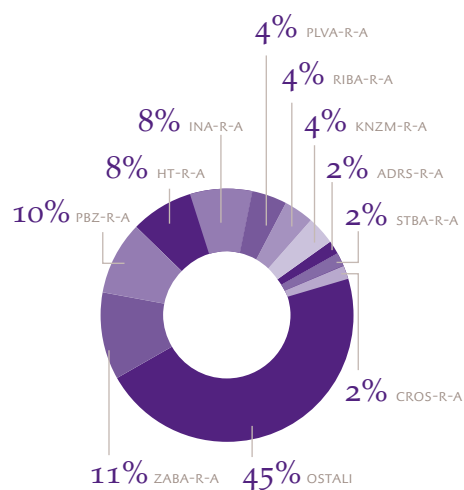
PICTURE 3: CROBEX® and Equity Turnover



## 4.3

## Top Stocks by Market Capitalization

	Symbol	Company	Market Capitalization (HRK M)	Percentage of Market Cap. (%)	Cumulative Percentage (%)
1	ZABA-R-A	Zagrebačka banka d.d.	38.717,8	11,0	11,0
2	PBZ-R-A	PBZ d.d.	33.762,3	9,6	20,6
3	HT-R-A	HT d.d.	28.886,2	8,2	28,8
4	INA-R-A	Ina d.d.	27.860,0	7,9	36,7
5	PLVA-R-A	Pliva d.d.	15.803,8	4,5	41,2
6	RIBA-R-A	Erste&Steiermärkische Bank d. d.	13.463,3	3,8	45,1
7	KNZM-R-A	Konzum d.d.	12.612,7	3,6	48,6
8	ADRS-R-A	Adris grupa d. d.	6.346,6	1,8	50,4
9	STBA-R-A	Société Générale - Splitska banka d.d.	6.334,5	1,8	52,2
10	CROS-R-A	Croatia osiguranje d.d.	5.444,5	1,5	53,8
11	ATPL-R-A	Atlantska plovidba d.d.	4.808,8	1,4	55,2
12	HPB-R-A	HPB d.d.	4.731,4	1,3	56,5
13	ERNT-R-A	Ericsson Nikola Tesla d.d.	4.554,2	1,3	57,8
14	TNPL-R-A	Tankerska plovidba d.d.	4.447,3	1,3	59,1
15	CRAL-R-A	Croatia airlines d.d.	4.062,5	1,2	60,2
16	ADRS-P-A	Adris grupa d. d.	3.934,8	1,1	61,3
17	LEDO-R-A	Ledo d.d.	3.919,0	1,1	62,5
18	DLKV-R-A	Dalekovod d.d.	3.899,3	1,1	63,6
19	JNAF-R-A	Janaf d.d.	3.810,8	1,1	64,6
20	TISK-R-A	Tisak d.d.	3.412,8	1,0	65,6
		Others	121.425,7	34,5	
<b>TOTAL</b>			<b>352.238,3</b>		

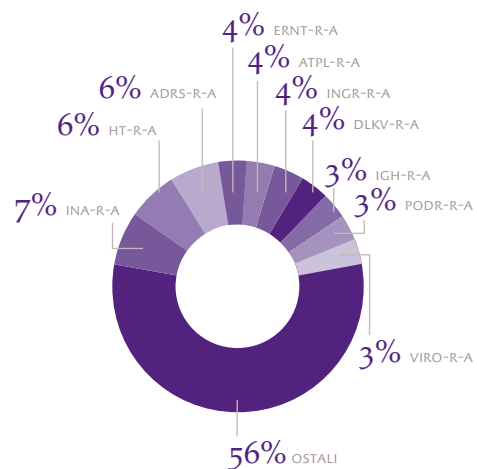




## 4.4

## Most Active Stocks by Turnover

	Symbol	Company	Turnover		Cumulative
			(HRK)	Percentage (%)	Percentage (%)
1	INA-R-A	Ina d.d.	1.554.651.335	6,9	6,9
2	HT-R-A	HT d.d.	1.443.802.297	6,4	13,3
3	ADRS-P-A	Adris grupa d. d.	1.301.032.750	5,8	19,1
4	ERNT-R-A	Ericsson Nikola Tesla d.d.	947.444.575	4,2	23,3
5	ATPL-R-A	Atlantska plovidba d.d.	845.784.112	3,8	27,1
6	INGR-R-A	Ingra d.d.	836.124.483	3,7	30,8
7	DLKV-R-A	Dalekovod d.d.	831.192.316	3,7	34,5
8	IGH-R-A	Institut građevinarstva Hrvatske d.d.	758.465.116	3,4	37,9
9	PODR-R-A	Podravka d.d.	707.456.299	3,1	41,0
10	VIRO-R-A	Viro tvornica šećera d.d.	621.114.812	2,8	43,8
11	ZABA-R-A	Zagrebačka banka d.d.	530.886.271	2,4	46,1
12	IPKK-R-A	IPK Kandit d.d.	423.534.376	1,9	48,0
13	KOEI-R-A	Končar - elektroindustrija d.d.	387.737.192	1,7	49,7
14	JDPL-R-A	Jadroplov d.d.	337.621.477	1,5	51,2
15	JDOS-R-A	Jadransko osiguranje d.d.	323.739.485	1,4	52,7
16	THNK-R-A	Tehnika d.d.	321.706.611	1,4	54,1
17	HDEL-R-A	Hidroelekta niskogradnja d.d.	312.219.326	1,4	55,5
18	DDJH-R-A	Đuro Đaković holding d.d.	310.241.335	1,4	56,9
19	LEDO-R-A	Ledo d.d.	301.825.497	1,3	58,2
20	PBZ-R-A	PBZ d.d.	288.892.836	1,3	59,5
		Others	9.111.029.550	40,5	
TOTAL			22.496.502.052		



## 4.5

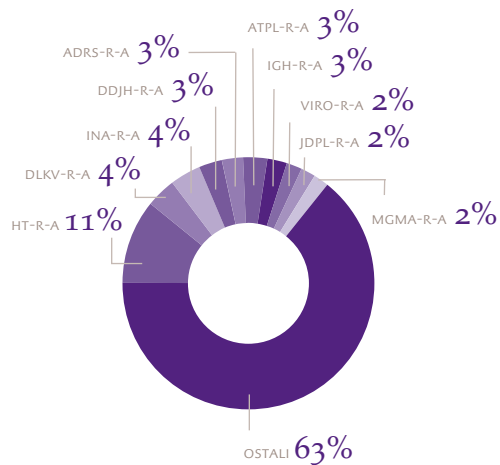
Stocks with the Largest  
Turnover Velocity

	Symbol	Company	Turnover (HRK)	Market Capitalization (HRK)	Turnover Velocity (%)
1	MIV-R-A	MIV d.d.	202.642.268	180.211.645	112,4
2	SNBA-R-A	Slatinska banka d.d.	250.192.550	390.563.100	64,1
3	TNSA-R-A	Transadria d.d.	133.533.633	214.138.485	62,4
4	IPKK-R-A	IPK Kandit d.d.	423.534.376	850.914.195	49,8
5	MLNR-R-A	Mlinar d.d.	138.331.960	305.815.085	45,2
6	PRFC-R-A	Proficio d.d.	107.079.633	239.861.260	44,6
7	DDJH-R-A	Đuro Đaković holding d.d.	310.241.335	715.392.028	43,4
8	JDOS-R-A	Jadransko osiguranje d.d.	323.739.485	887.501.250	36,5
9	IGH-R-A	Institut građevinarstva Hrvatske d.d.	752.601.616	2.240.733.814	33,6
10	ADRS-P-A	Adris grupa d. d.	1.291.057.750	3.934.778.000	32,8
11	JDPL-R-A	Jadroplov d.d.	337.621.477	1.227.521.867	27,5
12	HDEL-R-A	Hidroelekta niskogradnja d.d.	312.219.326	1.144.821.635	27,3
13	INGR-R-A	Ingra d.d.	728.617.483	2.700.000.000	27,0
14	ULPL-R-A	Uljanik Plovidba d. d.	243.869.057	942.300.000	25,9
15	PODR-R-A	Podravka d.d.	707.456.299	2.764.201.530	25,6
16	BD62-R-A	Badel 1862 d.d.	147.696.638	639.290.100	23,1
17	VIRO-R-A	Viro tvornica šećera d.d.	507.064.812	2.253.333.875	22,5
18	BLSC-R-A	Belišće d.d.	214.868.356	993.158.136	21,6
19	DLKV-R-A	Dalekovod d.d.	814.842.316	3.899.251.019	20,9
20	PTKM-R-A	Petrokemija d.d.	205.435.113	985.429.048	20,8

## 4.6

Stocks with the Largest  
Number of Trades

	Symbol	Company	Number of Trades	Percentage (%)	Cumulative Percentage (%)
1	HT-R-A	HT d.d.	56.042	10,9	10,9
2	DLKV-R-A	Dalekovod d.d.	19.642	3,8	14,7
3	INA-R-A	Ina d.d.	19.417	3,8	18,5
4	DDJH-R-A	Đuro Đaković holding d.d.	16.535	3,2	21,7
5	ADRS-P-A	Adris grupa d. d.	14.740	2,9	24,6
6	ATPL-R-A	Atlantska plovidba d.d.	14.343	2,8	27,4
7	IGH-R-A	Institut građevinarstva Hrvatske d.d.	13.454	2,6	30,0
8	VIRO-R-A	Viro tvornica šećera d.d.	10.020	1,9	31,9
9	JDPL-R-A	Jadroplov d.d.	9.944	1,9	33,9
10	MGMA-R-A	Magma d.d.	9.486	1,8	35,7
11	HDEL-R-A	Hidroelekta niskogradnja d.d.	9.365	1,8	37,5
12	KOEI-R-A	Končar - elektroindustrija d.d.	8.794	1,7	39,2
13	BLJE-R-A	Belje d.d. Darda	8.662	1,7	40,9
14	ERNT-R-A	Ericsson Nikola Tesla d.d.	8.546	1,7	42,6
15	PODR-R-A	Podravka d.d.	8.488	1,7	44,2
16	LKRI-R-A	Luka Rijeka d.d.	8.091	1,6	45,8
17	PTKM-R-A	Petrokemija d.d.	7.480	1,5	47,3
18	DIOK-R-A	Dioki d.d.	6.784	1,3	48,6
19	SNBA-R-A	Slatinska banka d.d.	6.703	1,3	49,9
20	PBZ-R-A	PBZ d.d.	6.529	1,3	51,2
		Others	251.143	48,8	100,0
<b>TOTAL</b>			<b>514.208</b>		



## 4.7

## Financial Ratios

(Price, EPS and dividend in HRK)

Symbol	Price 2007	EPS	P/E	Dividend for 2006	Dividend Yield
ATGR-R-A	877,01	16,7	52,5	0,00	0,0%
CROS-P-A	16.000,00	-	-	112,00	0,7%
CROS-R-A	17.700,00	506,6	34,9	112,00	0,6%
HT-R-A	352,75	27,0	13,0	2,53	0,7%
INA-R-A	2.786,00	55,2	50,5	13,08	0,5%
INGR-R-A	54.000,00	1.311,2	41,2	250,00	0,5%
ISTT-R-A	450,00	8,3	54,3	4,56	1,0%
MDKA-R-A	19.000,00	139,4	136,3	0,00	0,0%
MGMA-R-A	302,10	2,8	109,1	1,30	0,4%
PLVA-R-A	850,00	-24,2	-35,1	0,00	0,0%
PODR-R-A	510,00	7,7	65,9	5,00	1,0%
VART-R-1	238,00	-2,0	-118,1	0,00	0,0%
VERN-R-A	104,79	2,1	49,6	0,00	0,0%
VIRO-R-A	1.625,00	96,0	16,9	12,00	0,7%

## 4.8

## Best Performing Stocks

	Symbol	Company	Turnover (HRK)	Price 2006	Price 2007	% Change
1	INGR-R-A	Ingra d.d.	728.617.483	11.351,01	54.000,00	375,7
2	LEDO-R-A	Ledo d.d.	287.224.497	4.201,01	17.800,00	323,7
3	ATPL-R-A	Atlantska plovodba d.d.	819.384.112	902,00	3.529,99	291,4
4	HDEL-R-A	Hidroelekta niskogradnja d.d.	312.219.326	491,05	1.835,00	273,7
5	IGH-R-A	Institut građevinarstva Hrvatske d.d.	752.601.616	3.999,99	14.129,99	253,3
6	TISK-R-A	Tisak d.d.	179.054.710	408,02	1.430,00	250,5
7	LKRI-R-A	Luka Rijeka d.d.	191.554.141	269,99	880,98	226,3
8	VDKT-R-A	Viadukt d.d.	246.244.780	1.249,50	3.925,00	214,1
9	LKPC-R-A	Luka Ploče d.d.	204.888.303	1.810,00	5.599,00	209,3
10	JDPL-R-A	Jadroplov d.d.	337.621.477	291,00	750,01	157,7
11	DIOK-R-A	Dioki d.d.	107.751.412	248,00	625,00	152,0
12	VIRO-R-A	Viro tvornica šećera d.d.	507.064.812	646,00	1.625,00	151,5
13	MLNR-R-A	Mlinar d.d.	138.331.960	627,00	1.565,00	149,6
14	THNK-R-A	Tehnika d.d.	296.226.611	4.851,00	11.500,00	137,1
15	DLKV-R-A	Dalekovod d.d.	814.842.316	802,01	1.699,90	112,0

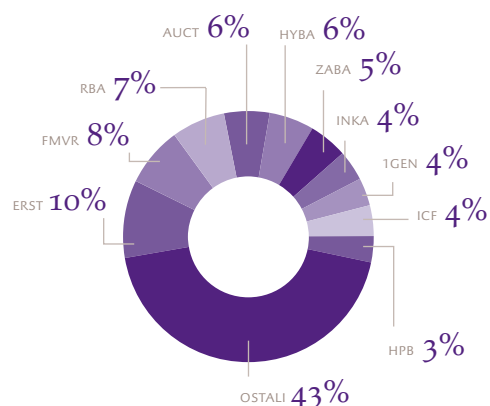
## 4.9

## Underperforming Stocks

	Symbol	Company	Turnover (HRK)	Price 2006	Price 2007	% Change
1	JDOS-R-A	Jadransko osiguranje d.d.	323.739.485	9.000,00	7.100,01	-21,1
2	MGMA-R-A	Magma d.d.	195.453.801	339,00	302,10	-10,9
3	HT-R-A	HT d.d.	1.443.802.297	380,00	352,75	-7,2
4	ADRS-R-A	Adris grupa d. d.	144.708.578	700,00	660,01	-5,7
5	PRFC-R-A	Proficio d.d.	107.079.633	64,50	61,30	-5,0

## 4.10

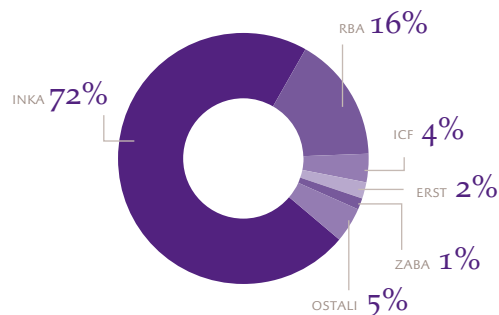
## Members by Equity Turnover



Rank	Member	Equity Turnover (HRK)	Percentage (%)
1	Erste vrijednosni papiri d.o.o.	4.466.968.781	9,9
2	Fima vrijednosnice d.o.o.	3.514.668.575	7,8
3	Raiffeisenbank Austria d.d.	3.128.337.400	7,0
4	Auctor d.o.o.	2.635.259.222	5,9
5	Hypo Alpe-Adria-Bank d.d.	2.610.523.076	5,8
6	Zagrebačka banka d.d.	2.246.553.150	5,0
7	Interkapital vrijednosni papiri d.o.o.	1.783.384.655	4,0
8	Prva Generacija d.o.o.	1.658.541.433	3,7
9	I.C.F. d.o.o.	1.646.257.346	3,7
10	Hrvatska poštanska banka d.d.	1.538.211.738	3,4
11	Privredna banka Zagreb d.d.	1.536.358.262	3,4
12	HITA vrijednosnice d.d.	1.445.098.511	3,2
13	Abacus brokeri d.d.	1.327.603.068	3,0
14	Centar banka d.d.	1.087.356.038	2,4
15	InterFinance d.o.o.	1.080.879.842	2,4
16	Volksbank d.d.	1.078.133.339	2,4
17	TO ONE brokeri d.o.o.	1.013.668.690	2,3
18	Ilirika vrijednosni papiri d.o.o.	956.401.412	2,1
19	KD upravljanje imovinom d.o.o.	917.548.018	2,0
20	Fintrade d.o.o.	905.185.423	2,0
	Others	8.416.066.125	18,7
	<b>TOTAL</b>	<b>44.993.004.105</b>	

## 4.11

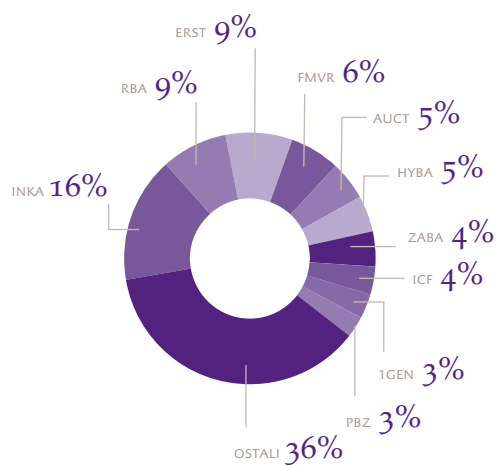
## Members by Bond Turnover



Rank	Member	Bond Turnover (HRK)	Percentage (%)
1	Interkapital vrijednosni papiri d.o.o.	7.129.439.413	72,2
2	Raiffeisenbank Austria d.d.	1.596.733.071	16,2
3	I.C.F. d.o.o.	359.873.737	3,6
4	Erste vrijednosni papiri d.o.o.	225.406.081	2,3
5	Zagrebačka banka d.d.	113.268.383	1,1
6	Privredna banka Zagreb d.d.	94.305.848	1,0
7	InterFinance d.o.o.	78.559.562	0,8
8	TO ONE brokeri d.o.o.	66.160.122	0,7
9	Société Générale - Splitska banka d.d.	65.234.324	0,7
10	Volksbank d.d.	30.854.000	0,3
	Others	114.951.025	1,2
	<b>TOTAL</b>	<b>9.874.785.564</b>	

#### 4.12 Members by Total Turnover

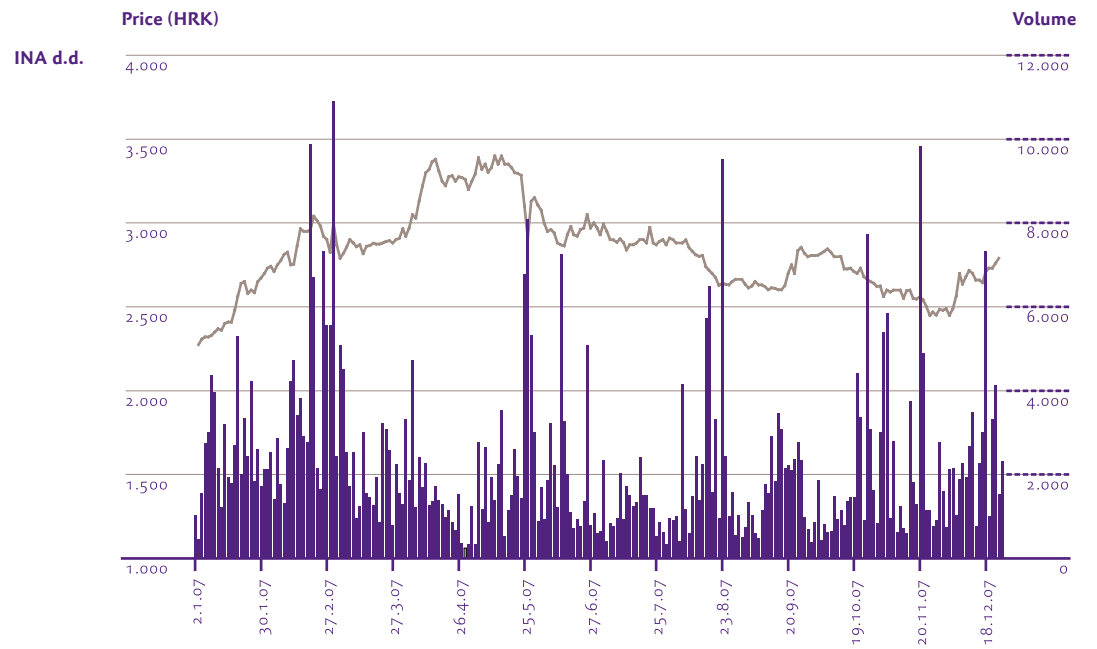
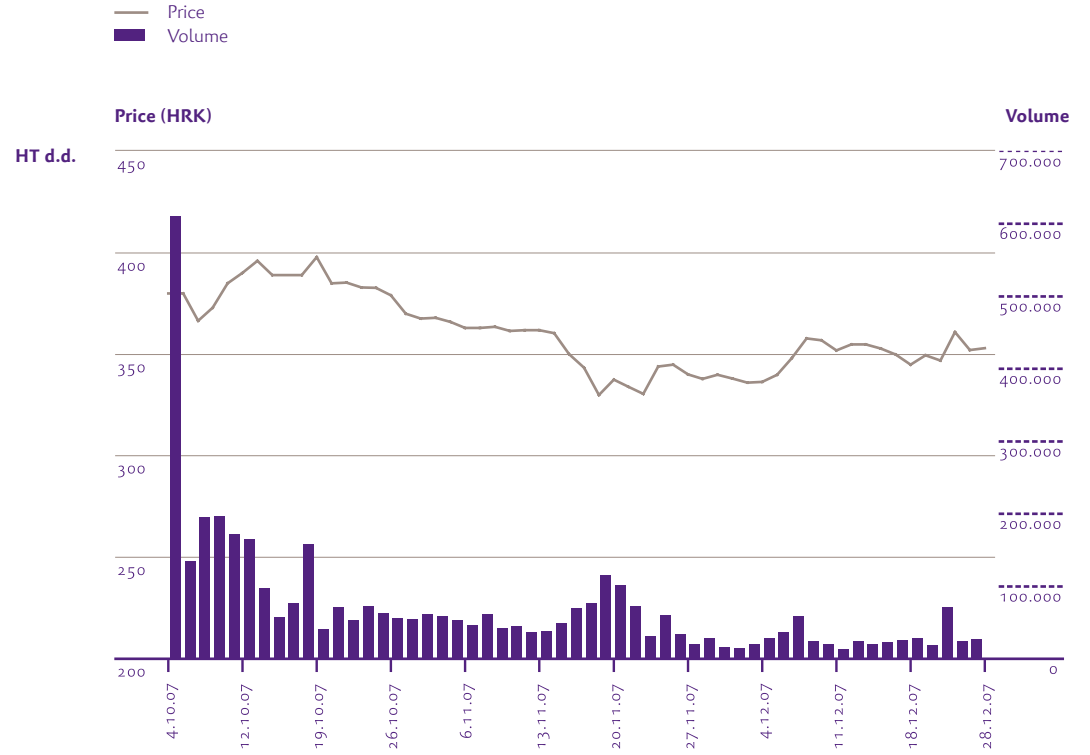
Rank	Member	Turnover (HRK)	Percentage (%)
1	Interkapital vrijednosni papiri d.o.o.	8.912.824.069	16,2
2	Raiffeisenbank Austria d.d.	4.725.070.471	8,6
3	Erste vrijednosni papiri d.o.o.	4.692.374.862	8,6
4	Fima vrijednosnice d.o.o.	3.526.641.922	6,4
5	Auctor d.o.o.	2.641.721.401	4,8
6	Hypo Alpe-Adria-Bank d.d.	2.637.192.719	4,8
7	Zagrebačka banka d.d.	2.359.821.533	4,3
8	I.C.F. d.o.o.	2.006.131.083	3,7
9	Prva Generacija d.o.o	1.658.576.754	3,0
10	Privredna banka Zagreb d.d.	1.630.664.109	3,0
11	Hrvatska poštanska banka d.d.	1.556.292.378	2,8
12	HITA vrijednosnice d.d.	1.447.743.782	2,6
13	Abacus brokeri d.d.	1.328.963.516	2,4
14	InterFinance d.o.o.	1.159.439.404	2,1
15	Volksbank d.d.	1.108.987.339	2,0
16	Centar banka d.d.	1.087.362.466	2,0
17	TO ONE brokeri d.o.o	1.079.828.811	2,0
18	Ilirika vrijednosni papiri d.o.o.	958.975.089	1,7
19	KD upravljanje imovinom d.o.o.	919.683.548	1,7
20	Fintrade d.o.o.	907.278.816	1,7
	Others	8.522.215.596	15,5
	<b>TOTAL</b>	<b>54.867.789.669</b>	



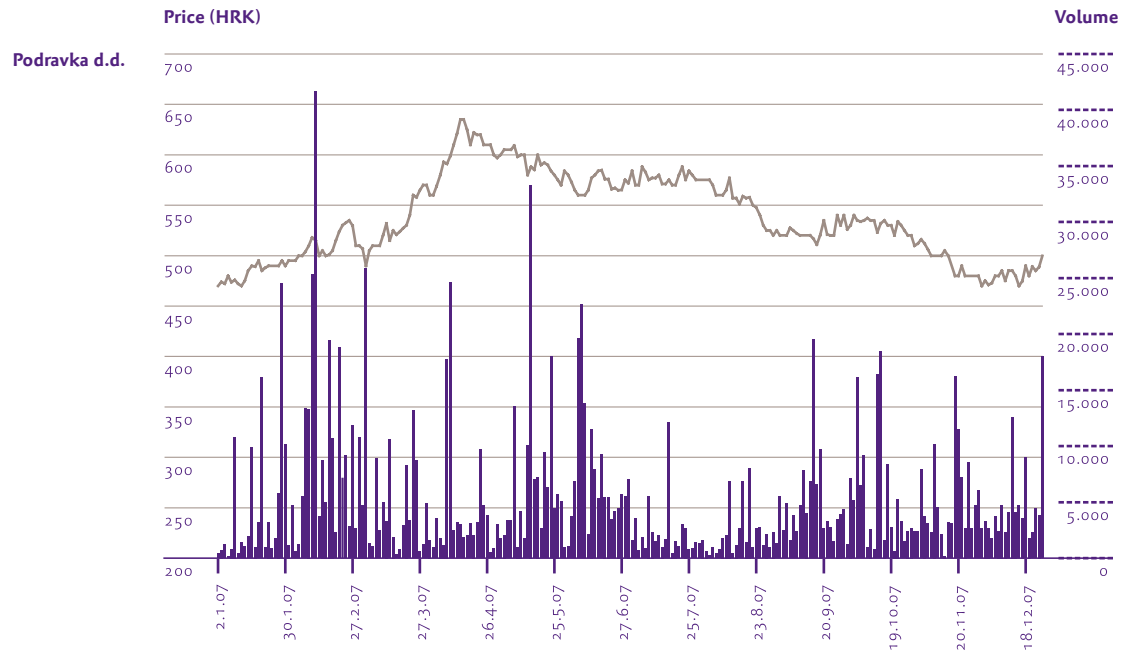
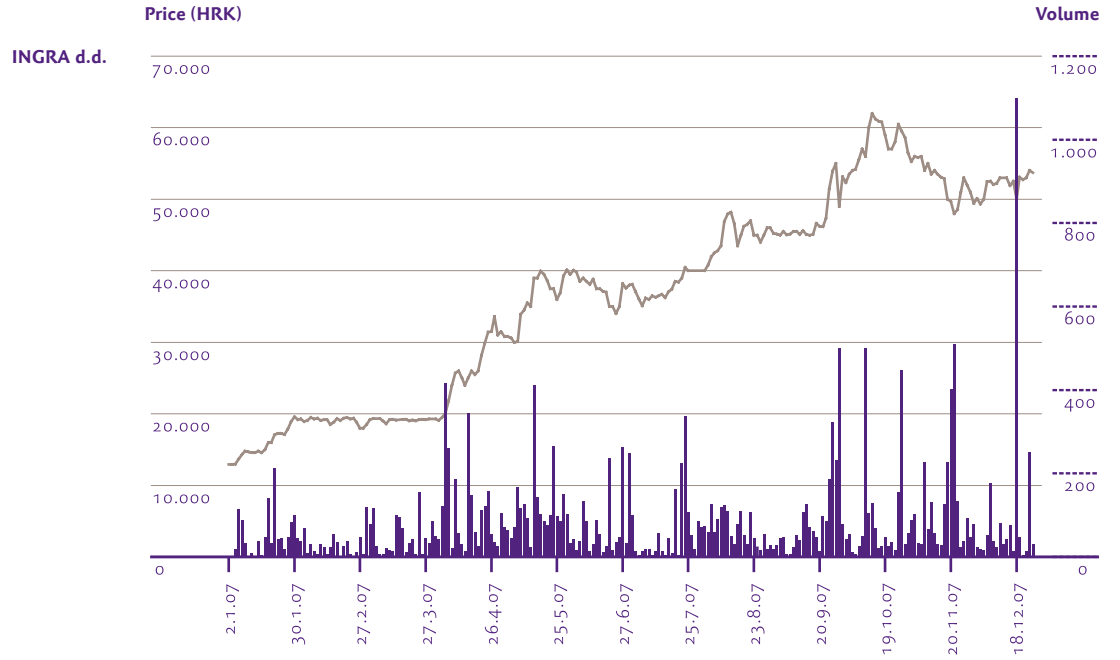
5.  
Prices and  
Volumes for  
the Most Active  
Stocks





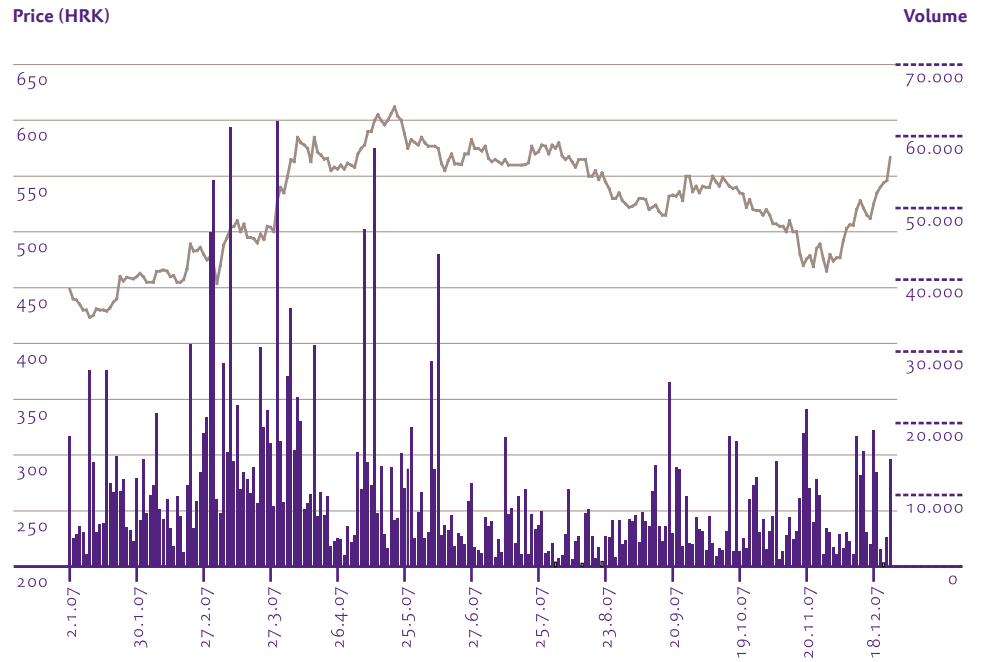


— Price  
 ■ Volume

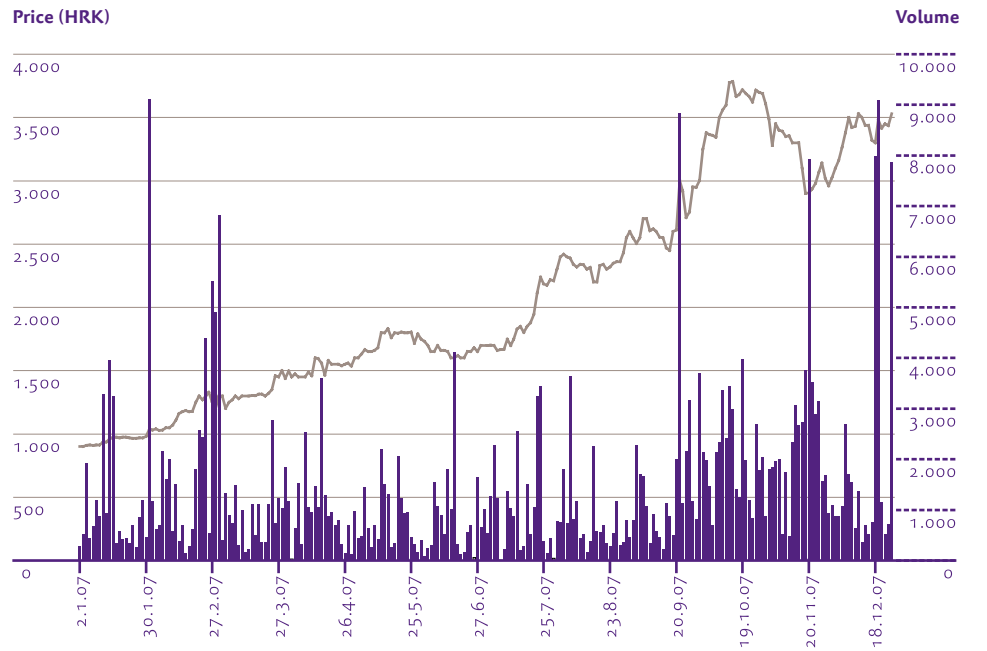


— Price  
 ■ Volume

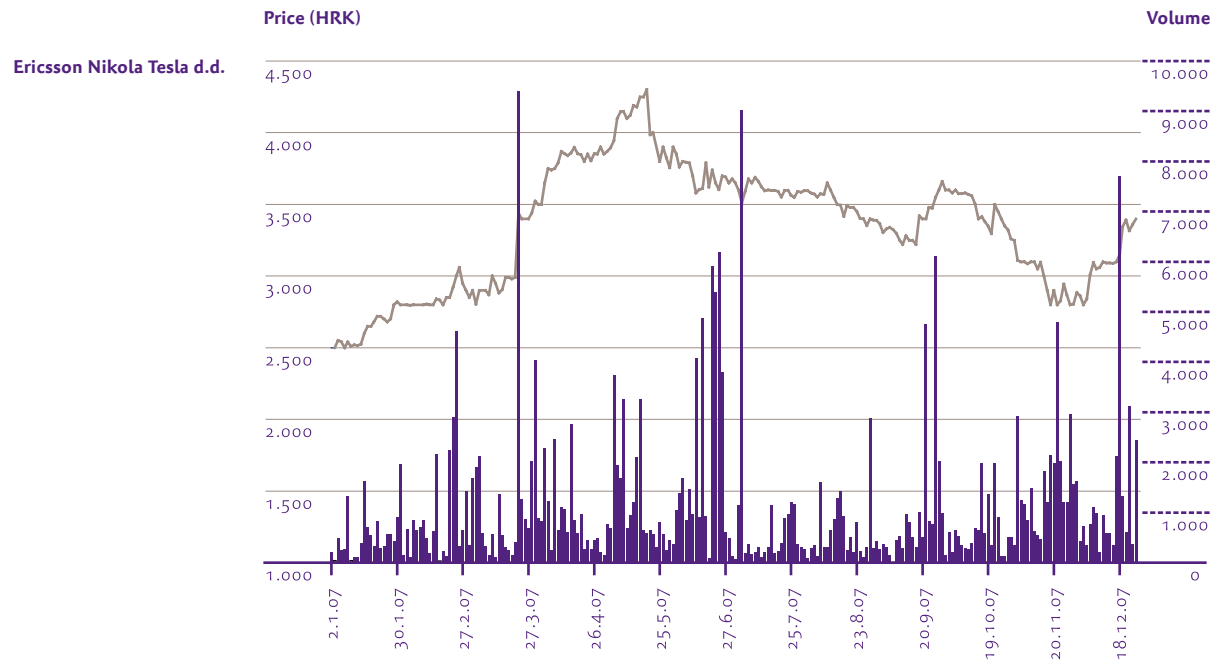
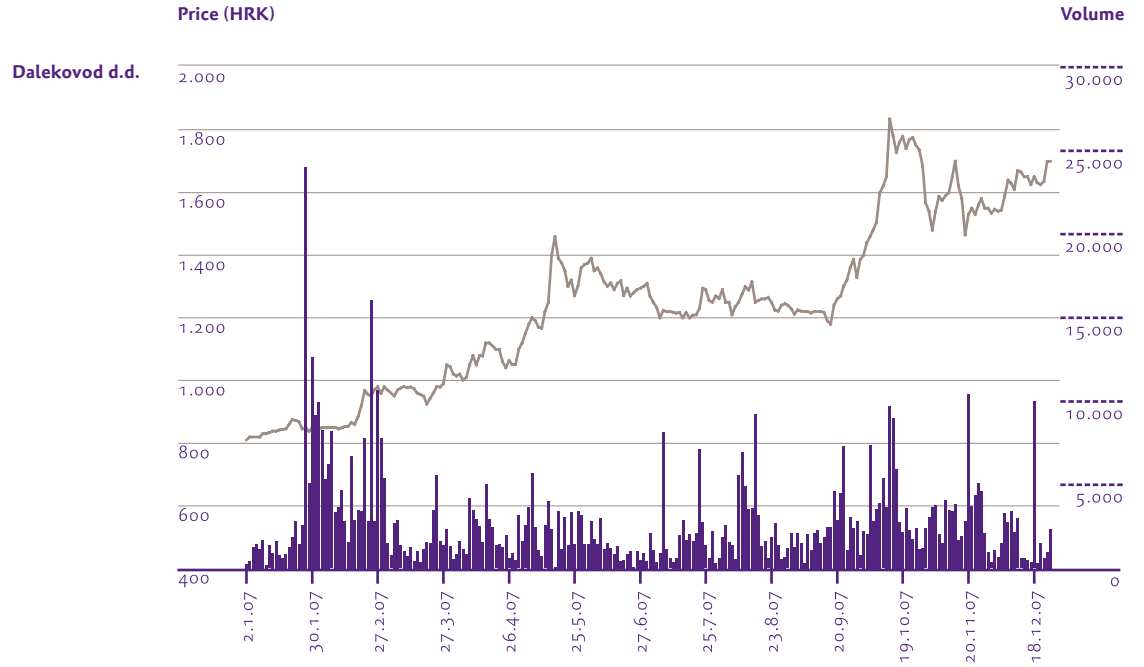
**Adris grupa d.d., preferred stocks**



**Atlantska plovidba d.d.**



— Price  
 ■ Volume



## 6. Financial Statements



ZAGREBAČKA BURZA  
THE ZAGREB STOCK EXCHANGE

6.1  
Independent Auditor's Report



**Independent auditors' report to the shareholders of Zagreb Stock Exchange d.d.**

We have audited the accompanying financial statements of Zagreb Stock Exchange d.d. ("the Company"), which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**KPMG Croatia d.o.o. za reviziju**  
Croatian Certified Auditors  
Eurotower, 17th floor  
Ivana Lucica 2a  
10000 Zagreb  
Croatia

28 March 2008

For and on behalf of KPMG Croatia d.o.o. za reviziju:

Ismet Kamal  
Director

Ljubica Orešanin  
Croatian Certified Auditor

## 6.2

## Key Financial Figures

	<b>HRK</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>A INCOME STATEMENT</b>		
Revenue	38.224.876	21.007.282
Expenses	21.138.207	9.945.663
Profit Before Tax	17.086.668	11.061.619
- in % of revenue	44,70	52,66
Income tax	3.613.040	2.308.990
- in % of revenue	9,45	10,99
Net income	13.506.142	8.752.629
- in % of revenue	35,33	41,66
Net income per share	334,24	3.103,77
<b>B BALANCE SHEET</b>		
Total assets	76.697.289	19.823.541
Equity	63.879.801	15.821.607
Liabilities	10.664.743	2.511.068
Number of Shares	40.408	2.820
Book value on 31 December (equity/no. of shares)	1,581	5,610
Total dividend payment	8.752.629	-
Dividend payment per share	4,291	-
Return on assets	17,61	44,15
<b>C OTHER INDICATORS</b>		
Number of employees	24	14
Revenue per employee	1.592.703	1.500.520
<b>TOTAL TURNOVER (M HRK)</b>	<b>60.773</b>	<b>37.814</b>



## 6.3

## Balance Sheet

As at 31 December 2007

	2007	2006
	'000 hrk	'000 hrk
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Equipment	5,495	863
Intangible assets	13,708	1,980
Financial assets available for sale	237	40
Trade and other receivables	395	320
Deferred tax asset	33	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>19,868</b>	<b>3,203</b>
<b>CURRENT ASSETS</b>		
Financial assets at fair value through profit or loss	25,089	14,314
Trade and other receivables	4,040	2,073
Cash and cash equivalents	23,949	205
Deferred expenses	3,752	29
<b>TOTAL CURRENT ASSETS</b>	<b>56,830</b>	<b>16,621</b>
<b>TOTAL ASSETS</b>	<b>76,698</b>	<b>19,824</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Issued share capital	40,408	2,820
Treasury shares	-	(4,397)
Share premium	4,937	-
Legal reserves	141	141
Retained earnings	18,395	17,258
<b>TOTAL EQUITY</b>	<b>63,881</b>	<b>15,822</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	6,576	388
Deferred income and accrued expenses	4,495	1,985
Current income tax liability	1,746	1,629
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,817</b>	<b>4,002</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>76,698</b>	<b>19,824</b>

## 6.4

## Income Statement

For the year ended 31 December 2007

	2007.	2006.
	'000 hrk	'000 hrk
Revenue	31.093	17.867
Other operating income	4.359	2.247
Staff costs	(10.704)	(5.716)
Depreciation and amortisation	(1.510)	(558)
Other operating expenses	(8.350)	(3.556)
Finance income	2.281	781
Finance expense	(82)	(3)
Profit before tax	17.087	11.062
Income tax expense	(3.580)	(2.309)
<b>PROFIT FOR THE PERIOD</b>	<b>13.507</b>	<b>8.753</b>

## 7. Events



25%

## 7.1

## Amalgamation of the Exchanges

A multiply demanding and significant amalgamation of the two exchanges was completed on 16th March, 2007, when the Varaždin Stock Exchange was merged with the Zagreb Stock Exchange. The very first year of business of such a unified exchange already produced a whole series of synergic effects:

\* cost reduction for Exchange members for their fixed quarterly trading fee and a communication line with the exchange,

\* information service users now follow and pay the fee for only one information service,

\* members are able to trade and monitor trade developments according to the rules of only one exchange, with prices formed in a single place, whereas information service users can also monitor price movements, news and other exchange information on a single website.



From a long-term perspective, major savings are enabled by the fact that the need to finance the development of two separate trading systems has been eliminated. The signal sent in the process about the local capital market strengthening is extremely important too, outlining its increased competitiveness and esteem, particularly from the point of view of international investors.

The impact of combined business may be expressed financially by HRK 6,315,000.00 in net assets and liabilities at fair value, acquired by the Zagreb Stock Exchange on the merger date, minus the cost of the new Company share issuance and payment to the shareholders of the Varaždin Stock Exchange in the amount of HRK 5,991.00.

## 7.2

### Conference

Each October, the Zagreb Stock Exchange organizes an international conference as a central annual event at which Croatian, regional and international financial industry participants can meet and exchange ideas.

The 17th Zagreb Stock Exchange annual conference gathered almost 400 participants as well as distinguished local and foreign speakers, who addressed a number of topics that are of interest to capital market players.

At other events held in the course of 2007, the Zagreb Stock Exchange played host to close to 1000 persons.



## 7.3

### Public Offerings

Seven initial public offerings of Croatian company shares, which had received excellent media coverage, provided important momentum to the Zagreb Stock Exchange operations in 2007 and, among other things, contributed to a further improvement of the investment climate in the country.

LIDER PRESS D.O.



LIDER PRESS D.O.



## 7.3

### OMX X-Stream Trading Platform

Year 2007 was marked by a consolidation of the Croatian capital market as the Varaždin Stock Exchange merged with the Zagreb Stock Exchange. These changed circumstances resulted in numerous new securities listings and increased trading volume. Coupled with a natural course of market development and a strong demand by all market participants for fresh financial products, they gave rise to the need to implement a new trading system – one that may satisfy the requirements of the young, but rapidly growing Croatian market.

The new trading platform, delivered by Sweden's exchange technology expert OMX and launched in autumn 2007 after several months of preparations, represents an unprecedented technological enhancement.

Thanks to it, the Zagreb Stock Exchange was able to introduce several other innovations:

- \* Autonomous and fully air-conditioned Data Centre. Technically, it is powered by its own generator with uninterrupted power supply systems.
- \* The central part of the Data Centre consists of 45 servers, ensuring redundancy, high accessibility and scalability of the X-Stream trading platform.
- \* A secondary Data Centre, situated in another (disaster recovery) location and independent from the primary location in Zagreb from the power supply and communication point of view, is currently also being implemented.
- \* Technological prerequisite for securities and derivatives trading.
- \* Support to the design of trading applications (OMX Client API) that are tailored to the needs of individual users.





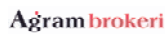
## 8.

# Members of the Zagreb Stock Exchange





ABACUS BROKERI D.D.  
www.abacus-brokeri.hr



AGRAM BROKERI D.D.  
www.agram-brokeri.hr



ANTEA BROKERI D.O.O.  
www.antea-brokeri.hr



APEX VRIJEDNOSNICE D.O.O.  
www.apex-securities.hr



ARGUS VRIJEDNOSNICE D.O.O.  
www.argus-vrijednosnice.hr



AUCTOR D.O.O.  
www.auctor.hr



CBB VRIJEDNOSNICE D.O.O.  
www.cbb-vrijednosnice.hr



CENTAR BANKA D.D.  
www.centarbanka.hr



COMPLETE LINE D.O.O.  
www.comlinebrokers.com



CREDOS D.O.O.  
www.credos.hr



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www.hpb.hr



HYPO-ALPE-ADRIA BANK D.D.  
www.hypo-alpe-adria.hr



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KRENTSCHKER VRIJEDNOSNICE D.O.O.  
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