Tuesday, July 22, 2014 | periodical publication

Quarterly Earnings Forecast: Q2 2014

Equity Market

Financial Sector
We expect 4.3% q/q and 5.1% y/y growth in the combined Q2 2014 net profit of the banks in our coverage, supported by the consolidation of Nordea assets by PKO BP as well as stronger interest and fee income observed across the board. It is worth noting the strong momentum in the sector's trading income, expected to soar 37% from Q1. The second quarter may prove a record earnings season for Bank Millennium, ING, and Kruk.

Gas & Oil
We anticipate a strong Q2 showing from PGNiG led by a favorable spread between the wholesale sales tariff and gas costs. Refiners are not likely to post growth from Q2 2013 given weaker market fundamentals, but they may beat the benchmark.

Power Utilities
The core Q2 profits of power utilities will show downward pressure from falling electricity prices and lower trade margins, but the reported EBITDA will post year-on-year growth driven by one-time gains (PPA compensation, reversals of CO2 charges).

Telecoms, Media, IT
ABC Data is set to report strong growth in Q2 2014. Cyfrowy Polsat will be more successful than TVN in monetizing the rising TV advertising expenditures observed in the period. Asseco Poland and Agora both are expected to report weak quarterly results, and Orange Polska will achieve stable y/y EBITDA.

Resources
Low prices of commodities suggest a weak Q2 earnings season in coal mining (with JSW expected to post a huge net loss), as well as in copper (KGHM).

Industrials
We expect to see year-on-year growth at 30 out of the 49 companies we track in Q2 2014, marking a decline from 33 improving results in Q1 but representing an increase from 19 reporting forward momentum in Q2 2013. The companies that we believe have the most potential to post upside surprise in Q2 include Amica, Apator, Boryszew, BSC Drukarnia, Cognor, Elemental, Ferro, Forte, Grajewo, Kęty, Kopex, Kruszwica, Pozbud, and Relpol.

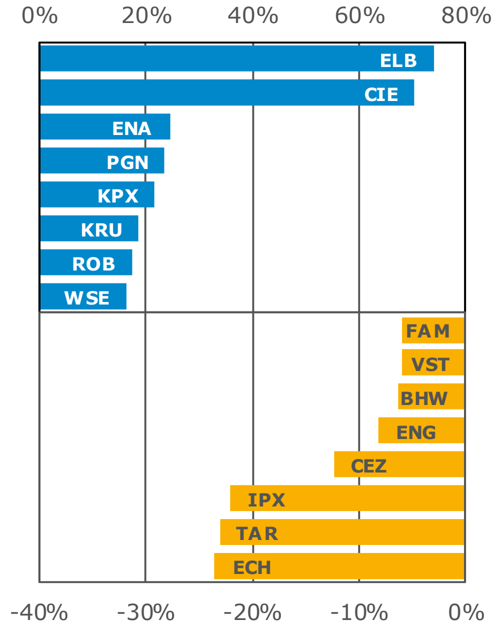
Construction
Q2 results are expected to show upward momentum across the whole construction sector, with the strongest growth anticipated at Elektrobudowa and Erbud and more modest improvement occurring at Budimex and Unibep.

Property Developers
We anticipate a stellar Q2 report from Robyg while Dom Development will post weak but in-line quarterly results. Growth achieved by commercial developers will be less than impressive.

Other
Work Service is set to report 209% y/y growth in Q2 net profit driven by acquisitions.

WIG	51,229
Average 2014E P/E	13.5
Average 2015E P/E	11.8
ADTV (3M)	PLN 730m

EPS growth for selected companies*



*calculated for: Q3'13-Q2'14 / Q2'13-Q1'14

Analysts:

Michał Marczak
+48 22 438 24 01
michal.marczak@mdm.pl

Kamil Kliszcz
+48 22 438 24 02
kamil.kliszcz@mdm.pl

Michał Konarski
+48 22 438 24 05
michal.konarski@mdm.pl

Jakub Szkopek
+48 22 438 24 03
jakub.szkopek@mdm.pl

Paweł Szpigiel
+48 22 438 24 06
pawel.szpigiel@mdm.pl

Piotr Zybała
+48 22 438 24 04
piotr.zybala@mdm.pl

Contents

Banks

Banks **BZ WBK**	Hold							
Analyst: Michał Konarski	Current price Target price		PLN 361.80 PLN 344.95		FY14E P/E FY15E P/E	16.1 14.7	FY14E P/BV FY15E P/BV	2.4 2.2
(PLN m)	**Q2'14E**	**Q1'14**	**Q2'13**	**Q/Q**	**Y/Y**	**2014E**	**2013**	**change**
Net interest income	882.5	867.8	800.0	1.7%	10.3%	3,896.4	3,276.6	18.9%
Net fee income	444.1	441.9	443.2	0.5%	0.2%	1,844.0	1,778.6	3.7%
Total income	1,499.5	1,442.4	1,444.8	4.0%	3.8%	6,455.0	6,089.8	6.0%
Operating expenses	-699.2	-698.5	-731.7	0.1%	-4.4%	-2,891.9	-2,826.9	2.3%
Operating income*	789.0	733.2	711.0	7.6%	11.0%	3,526.8	3,227.7	9.3%
Provisions	181.4	162.0	196.9	12.0%	-7.8%	772.8	729.3	6.0%
Pre-tax income	607.6	571.2	514.1	6.4%	18.2%	2,754.0	2,498.4	10.2%
Net income	480.6	449.5	419.5	6.9%	14.6%	2,136.8	1,982.3	7.8%

*before provisioning

BZW eyes flat fee income, high costs in Q2

BZ WBK's 2014 first-half earnings announcement is scheduled for July 31st. Our quarterly net profit estimate for the Bank is PLN 480.6m after a 6.9% increase from Q1 and a 14.6% increase from Q2'13 supported by about PLN 60m in dividends received from Aviva. We anticipate a 1.7% q/q rise in interest income combined with contraction by 5bps in the net interest margin. Fee income is expected to remain flat at PLN 444m. Costs as well will remain steady at an estimated PLN 699m, boosted by high expenditures on post-merger IT integration. Finally, Q2 cost of risk will rebound to a projected 98bps from the low level of 74bps posted in Q1.

Banks **Getin Noble Bank**	Hold							
Analyst: Michał Konarski	Current price Target price		PLN 2.99 PLN 2.95		FY14E P/E FY15E P/E	14.6 12.4	FY14E P/BV FY15E P/BV	1.5 1.4
(PLN m)	**Q2'14E**	**Q1'14**	**Q2'13**	**Q/Q**	**Y/Y**	**2014E**	**2013**	**change**
Net interest income	385.1	363.7	322.1	5.9%	19.6%	1,536.5	1,297.8	18.4%
Net fee income	116.2	112.8	93.9	3.0%	23.8%	461.5	419.2	10.1%
Total income	524.3	499.8	473.9	4.9%	10.6%	2,091.9	1,887.4	10.8%
Operating expenses	237.0	234.7	217.0	1.0%	9.2%	942.2	880.1	7.1%
Operating income*	287.2	265.1	256.9	8.3%	11.8%	1,149.7	1,007.4	14.1%
Provisions	158.7	157.1	143.1	1.0%	10.9%	649.7	624.4	4.0%
Pre-tax income	128.5	108.0	113.8	19.0%	13.0%	500.0	382.9	30.6%
Net income	141.4	130.1	100.0	8.8%	41.4%	541.1	399.7	35.4%

*before provisioning

GNB sees further NIM expansion in Q2

Getin Noble Bank is scheduled to report 2014 first-half earnings on August 29th. We estimate the Bank's Q2 net profit at PLN 141.4m after a year-on-year increase of 41.4% and quarter-on-quarter growth of 8.8%. Like in the quarter before, Q2 profits will receive a boost of ca. PLN 36m from tax benefits earned on leasing operations. Total income will show relatively strong quarter-on-quarter growth of 5.2%. Net interest margin (over average assets) is expected to expand by 4bps to 2.26% thanks to lower costs of deposits, resulting in 5.9% growth in interest income. Fee income will show 3.0% q/q growth at an estimated PLN 116m driven by higher account fees and improved card fees. Operating costs remain Getin's strength, falling by an estimated 1.0% q/q and reducing the cost-income ratio to 45.2% in Q2 from 47% in Q1'14. Loan-loss reserves are expected to edge up 1.0% to PLN 159m (with cost of risk at 120bps).

Banks Handlowy	Hold							
Analyst: Michał Konarski	Current price Target price	PLN 110.00 PLN 103.37		FY14E P/E FY15E P/E	17.0 14.8		FY14E P/BV FY15E P/BV	2.0 2.0
(PLN m)	**Q2'14E**	**Q1'14**	**Q2'13**	**Q/Q**	**Y/Y**	**2014E**	**2013**	**change**
Net interest income	300.4	293.1	310.5	2.5%	-3.3%	1,178.6	1,242.2	-5.1%
Net fee income	160.8	157.0	165.1	2.4%	-2.6%	611.4	642.3	-4.8%
Total income	638.4	620.7	678.7	2.9%	-5.9%	2,368.7	2,546.1	-7.0%
Operating expenses	325.8	314.4	331.0	3.6%	-1.6%	1,239.7	1,364.6	-9.2%
Operating income*	312.7	306.2	347.7	2.1%	-10.1%	1,072.8	1,181.4	-9.2%
Provisions	9.5	-2.4	-29.2	n.m.	n.m.	27.4	-36.2	n.m.
Pre-tax income	303.1	308.6	376.9	-1.8%	-19.6%	1,045.4	1,217.6	-14.1%
Net income	245.5	247.7	300.3	-0.9%	-18.2%	847.3	970.9	-12.7%

*before provisioning

Handlowy eyes strong trading income in Q2

Bank Handlowy is scheduled to report first-quarter earnings on August 1st. Our quarterly net profit estimate for the Bank is PLN 245.5m after a year-on-year drop of 18.2% and a quarter-on-quarter decline of 0.9%. For the second quarter straight, profits in Q2 will be supported by trading income projected at PLN 175.5m (+5.0% q/q). We expect Handlowy to report strong total income for the quarter with net interest income rising 2.5% q/q on expanding volumes of consumer loans and fee income up 2.4% q/q supported by brokerage and card fees. At the same time, the growth in high-margin lending entails higher reserves which we estimate at PLN 10m (with cost of risk at 23bps). Finally, operating expenses after a sharp, 16.4% q/q fall recorded in Q1 will rebound 3.6% in Q2 2014.

Banks ING BSK	Accumulate							
Analyst: Michał Konarski	Current price Target price	PLN 128.50 PLN 144.12		FY14E P/E FY15E P/E	16.1 12.9		FY14E P/BV FY15E P/BV	1.9 1.7
(PLN m)	**Q2'14E**	**Q1'14**	**Q2'13**	**Q/Q**	**Y/Y**	**2014E**	**2013**	**change**
Net interest income	571.6	567.9	495.3	0.6%	15.4%	2,269.0	2,042.6	11.1%
Net fee income	273.3	276.1	259.9	-1.0%	5.2%	1,038.6	998.2	4.1%
Total income	881.3	872.6	794.9	1.0%	10.9%	3,430.0	3,256.4	5.3%
Operating expenses	464.1	471.2	464.9	-1.5%	-0.2%	1,866.1	1,833.3	1.8%
Operating income*	417.2	401.4	329.3	3.9%	26.7%	1,564.0	1,422.0	10.0%
Provisions	81.6	84.1	69.1	-3.0%	18.1%	337.6	267.2	26.3%
Pre-tax income	335.6	317.3	260.2	5.8%	29.0%	1,226.4	1,154.8	6.2%
Net income	279.7	254.6	216.9	9.9%	28.9%	1,035.3	961.5	7.7%

*before provisioning

ING set for another strong quarter in Q2

ING Bank Śląski is scheduled to report second-quarter earnings on August 6th. At an estimated PLN 279.7m, the quarterly net profit will show quarter-on-quarter growth of 9.9% and a year-on-year surge of 28.9%. Compared to the first quarter, total income will be stable as a 0.6% rise in interest income will offset a 1.0% decline in fee income. The net interest margin (over average assets) will show a decrease of 6bps at an estimated 2.47% as ING runs out of margin-generating potential on deposits. Operating expenses after a strong seasonal q/q increase of 7.3% are expected to retreat 1.5% in Q2 to a level similar to that posted in Q2 2013. Cost of risk should improve slightly to an estimated 57bps from 60bps in Q1.

Banks Millennium	Accumulate							
Analyst: Michał Konarski	Current price Target price		PLN 7.84 PLN 8.46		FY14E P/E FY15E P/E	14.5 12.8	FY14E P/BV FY15E P/BV	1.7 1.5

(PLN m)	Q2'14E	Q1'14	Q2'13	Q/Q	Y/Y	2014E	2013	change
Net interest income	353.1	355.3	296.8	-0.6%	19.0%	1,411.6	1,220.1	15.7%
Net fee income	157.0	155.5	157.6	1.0%	-0.3%	597.4	588.7	1.5%
Total income	574.7	575.0	521.8	0.0%	10.1%	2,272.8	2,080.1	9.3%
Operating expenses	277.5	274.8	280.3	1.0%	-1.0%	1,110.4	1,089.6	1.9%
Operating income*	275.4	269.1	229.8	2.4%	19.9%	1,087.1	916.8	18.6%
Provisions	65.7	65.7	61.5	0.0%	6.8%	266.7	234.1	13.9%
Pre-tax income	209.7	203.4	168.3	3.1%	24.6%	820.5	682.7	20.2%
Net income	169.9	156.4	134.2	8.6%	26.6%	654.2	535.8	22.1%

*before provisioning

Millennium eyes record profit in Q2

Millennium is scheduled to report second-quarter earnings on July 28th. At an estimated PLN 169.9m, we expect that the quarterly net profit will show year-on-year growth of 26.6% and a quarter-on-quarter increase of 8.6% supported by a 2.2% reduction in total costs. Total income is expected to be stable after small, 0.6% q/q tightening in net interest income offset by a 1.0% rise in fee income. The net interest margin (over average assets) will show a decrease of 5bps at an estimated 2.42% as Millennium runs out of margin-generating potential on deposits. Cost of risk should remain steady at 59bps in Q2 on consistent quality of assets.

Banks Pekao	Hold							
Analyst: Michał Konarski	Current price Target price		PLN 177.00 PLN 173.34		FY14E P/E FY15E P/E	17.4 15.1	FY14E P/BV FY15E P/BV	2.0 2.0

(PLN m)	Q2'14E	Q1'14	Q2'13	Q/Q	Y/Y	2014E	2013	change
Net interest income	1,127.0	1,130.1	1,081.2	-0.3%	0.0%	4,575.6	4,443.9	3.0%
Net fee income	520.0	512.9	528.4	1.4%	-1.6%	2,103.0	2,131.7	-1.3%
Total income	1,822.4	1,770.8	1,915.7	2.9%	-4.9%	7,354.0	7,475.6	-1.6%
Operating expenses	-871.9	-858.6	-883.1	1.5%	-1.3%	-3,502.6	-3,443.7	1.7%
Operating income*	950.4	912.2	1,032.6	4.2%	-8.0%	3,851.4	4,031.9	-4.5%
Provisions	-151.9	-147.5	-156.1	3.0%	-2.7%	-614.3	-658.4	-6.7%
Pre-tax income	798.5	764.7	876.5	4.4%	-8.9%	3,237.1	3,373.5	-4.0%
Discontinued ops.	0.0	0.0	8.8	n.m.	n.m.	0.0	17.5	n.m.
Net income	659.9	634.2	730.5	4.1%	-9.7%	2,675.8	2,784.8	-3.9%

*before provisioning

Pekao set for Q2 improvement

Pekao is scheduled to report second-quarter earnings on August 5th. At an estimated PLN 659.9m, the quarterly net profit is expected to show a quarter-on-quarter increase of 4.1%, but it will be 9.7% lower than in the same period in 2013. On a flat net interest margin of 2.91%, net interest income will show q/q contraction of 0.3%. After a weak first quarter, fee income in Q2 will show only slight improvement of 1.4% on low fees from cards and capital market transactions. At the same time, thanks to bond trading proceeds, trading income is expected to show a q/q boost of 50%. We anticipate a 1.5% rise in total costs relative to Q1 but compared to Q2 2013 costs are expected to show continued reductions at 1.3%. Cost of risk in Q2 is expected to remain steady at 53bps.

Banks PKO BP	Buy							
Analyst: Michał Konarski	Current price Target price	PLN 38.29 PLN 43.20		FY14E P/E FY15E P/E	14.7 11.8		FY14E P/BV FY15E P/BV	1.7 1.6

(PLN m)	Q2'14E	Q1'14	Q2'13	Q/Q	Y/Y	2014E	2013	change
Net interest income	1,898.4	1,739.8	1,627.9	9.1%	16.6%	7,456.4	6,722.0	10.9%
Net fee income	797.1	705.4	716.9	13.0%	11.2%	3,157.6	3,005.8	5.1%
Total income	2,969.9	2,621.7	2,612.1	13.3%	13.7%	11,614.8	11,178.1	3.9%
Operating expenses	-1,373.4	-1,125.8	-1,105.8	22.0%	24.2%	-5,255.6	-4,622.5	13.7%
Operating income*	1,460.5	1,422.4	1,372.2	2.7%	6.4%	5,878.6	6,084.3	-3.4%
Provisions	454.8	413.5	418.9	10.0%	8.6%	1,842.0	2,037.9	-9.6%
Pre-tax income	1,005.7	1,009.0	953.2	-0.3%	5.5%	4,036.6	4,046.4	-0.2%
Net income	812.6	802.6	752.8	1.2%	7.9%	3,266.0	3,229.8	1.1%

*before provisioning

The first quarter with Nordea

PKO BP is scheduled to report 2014 first-half earnings on September 1st. At an estimated PLN 812.6m, the Q1 net profit for will show a quarter-on-quarter rise of 1.2% and year-on-year growth of 7.9% supported by the consolidation of the profits of Nordea. The new subsidiary is expected to put downward pressure on the quarterly net interest margin which will show a decline by 20bps relative to Q1. At the same time, net interest income should expand 9.1% q/q and 16.6% y/y. After a 13.4% q/q drop in Q1, fee income in Q2 will rebound by an estimated 8.3% or 13.0% including Nordea. Weak trading income as well will show a strong 80% rebound to PLN 123m from a weak first quarter. Operating expenses are expected to show a 22% increase from a low Q1 base driven by the integration of Nordea. PKO BP is set to incur the bulk of the total costs budgeted for 2014 in the second half of the year. Cost of risk in Q2 is expected to be 107bps vs. 106bps in Q1.

Insurance

Insurance PZU	Hold							
Analyst: Michał Konarski	Current price Target price	PLN 437.50 PLN 425.00		FY14E P/E FY15E P/E	13.8 13.6		FY14E P/BV FY15E P/BV	3.0 3.0

(PLN m)	Q2'14E	Q1'14	Q2'13	Q/Q	Y/Y	2014E	2013	change
Gross premium written, incl.:	4,003.2	4,354.0	4,069.3	-8.1%	-1.6%	17,712.4	16,480.0	7.5%
Non-life insurance	1,991.6	2,141.5	2,043.5	-7.0%	-2.5%	9,056.2	8,656.6	4.6%
Life insurance	2,011.6	2,212.5	2,025.8	-9.1%	-0.7%	8,656.2	7,823.4	10.6%
Net claims incurred	-2,771.5	-2,664.2	-2,728.7	4.0%	1.6%	-12,750.3	-11,161.2	14.2%
Costs	-842.3	-841.7	-807.1	0.1%	4.4%	-3,650.0	-3,422.4	6.7%
Technical profit	391.2	483.9	533.7	-19.2%	-26.7%	1,013.3	1,665.1	-39.1%
Investment gains/losses	610.1	535.2	540.3	14.0%	12.9%	2,385.7	2,488.1	-4.1%
Pre-tax profit	974.4	979.6	1,055.2	-0.5%	-7.7%	3,428.2	4,120.7	-16.8%
Net profit	789.2	760.4	837.3	3.8%	-5.7%	2,745.6	3,293.7	-16.6%

Investment income set for Q2 improvement

At an estimated PLN 789.2m, the 2014 second-quarter net profit of PZU is expected to show a quarter-on-quarter increase of 3.8%, but it will be 5.7% lower than in the same period in 2013. The growth relative to the first quarter will be driven by a 14.0% increase to PLN 610m in net interest income. At a projected PLN 4,003m, the gross written premium will show a 1.6% decline from Q2 2013 led by a 2.5% drop in non-life GWP in the wake of a price war going on in the Polish insurance industry combined with 0.7% contraction in life GWP. Net claims in Q2 are expected to show an increase of 4% from Q1 when parts of Poland were affected by floods. Finally, total costs in Q2 will expand by an estimated 4% y/y led by acquisitions.

Financial Services

Financial Services **Kruk**	**Buy**							
Analyst: Michał Konarski	Current price Target price	PLN 89.80 PLN 113.29		FY14E P/E FY15E P/E	10.8 10.0		FY14E P/BV FY15E P/BV	2.7 2.2
(PLN m)	**Q2'14E**	**Q1'14**	**Q2'13**	**Q/Q**	**Y/Y**	**2014E**	**2013**	**change**
Total revenue	150.3	120.1	103.0	25.1%	45.9%	513.8	405.6	26.7%
Purchased debt	138.5	109.1	92.2	26.9%	50.2%	465.7	355.7	30.9%
Collection services	9.2	8.0	8.4	15.0%	9.5%	36.4	39.9	-8.8%
Direct and indirect costs	59.7	50.7	43.8	17.8%	36.3%	227.8	182.8	24.6%
Indirect margin	90.6	69.4	59.2	30.5%	53.0%	286.0	222.9	28.3%
Operating profit	69.4	51.8	42.1	34.0%	64.8%	195.9	152.9	28.1%
Pre-tax profit	54.6	39.1	30.3	39.6%	80.2%	144.9	98.5	47.1%
Net profit	53.0	40.0	30.9	32.5%	71.5%	140.6	97.8	43.8%

Q2 profits boosted by one-offs

Kruk is scheduled to report second-quarter earnings on September 1st. At a projected PLN 53.0m, the quarterly net profit is expected to show year-on-year expansion of 71.2% and quarter-on-quarter growth of 32.4% supported by one-time gains totaling PLN 18.7m earned on divestment of accounts receivable and upward adjustments for a falling risk-free rate. Kruk spent PLN 44m in Q2 on debt portfolios in Poland and abroad with a total nominal value of PLN 657m. We anticipate 15.0% q/q and 9.3% y/y growth in revenue from outsourced debt collection. Operating expenses in Q2 are expected to be 20.8% higher than in Q1 due to an expired option program and a 20% increase in financing costs.

Gas & Oil, Chemicals

Chemicals **Ciech**	Accumulate								
Analyst: Kamil Kliszcz	Current price Target price		PLN 35.03 PLN 35.87		FY14E P/E FY15E P/E	16.6 14.3	FY14E EV/EBITDA FY15E EV/EBITDA		6.3 6.0

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	821.9	889.1	-8%	1,666.9	1,882.5	-11%	3,362.4	3,501.0	-4%
EBITDA	124.8	93.3	34%	242.7	225.6	-	515.2	356.3	45%
Margin	15.2%	10.5%	-	14.6%	12%	-	15.3%	10.2%	-
EBIT	74.7	40.9	83%	142.4	120.7	18%	296.1	139.7	112%
Pre-tax profit	36.1	16.9	113%	62.7	52.4	-	164.3	-6.2	-
Net profit	21.6	15.2	43%	28.1	61.9	-55%	133.1	49.4	169%

Ciech eyes q/q EBIT growth in Q2

Cieh is expected to report year-on-year and quarter-on-quarter EBIT growth in Q2 2014 owed in no small part to base effects. In the Soda Segment, core EBIT will be flat relative to Q1 on stable contract prices and steady sales volumes. EBIT in the Organic Segment may show a more noticeable seasonal slowdown (falling to PLN 17m from PLN 28m in Q1) as the peak buying period for crop protection chemicals ended sooner than usual this year. In Silicates and Glass, we anticipate EBIT expansion to PLN 5.1m from PLN 2.6m driven by seasonality combined with an increase in prices of sulfur. Moving on, financing activity in Q2 is expected to result in interest expenses combined with costs of a call premium estimated at just under PLN 5m. The rate at which Ciech pays taxes tends to vary from quarter to quarter, and to be safe we assume a higher effective tax rate in Q2 resulting in less robust growth in the quarterly net profit.

Gas & Oil **Lotos**	Hold								
Analyst: Kamil Kliszcz	Current price Target price		PLN 37.50 PLN 38.60		FY14E P/E FY15E P/E	8.4 7.8	FY14E EV/EBITDA FY15E EV/EBITDA		5.9 5.3

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	7,326.9	6,118.8	20%	14,503.9	13,296.2	9%	31,273.0	28,597.3	9%
EBITDA	365.7	60.0	510%	597.3	203.3	194%	1,846.0	802.6	130%
Margin	5.0%	1.0%	-	4.1%	1.5%	-	5.9%	2.8%	-
EBIT	168.0	-100.8	-	185.4	-126.4	-	1,152.8	146.5	-
Pre-tax profit	114.3	-172.3	-	93.3	-392.6	-	933.0	-62.0	-
Net profit	92.6	-126.1	-	60.2	-273.4	-	582.6	39.4	-

Q2 results boosted by base effects

From a Q2 2013 base (PLN -136m) affected by costs of refinery maintenance, Lotos's adjusted LIFO-based EBIT in Q2 despite weaker diesel margins is expected to increase to PLN 66m, supported by better volumes. We anticipate negligible FX effects and we estimate the quarterly inventory valuation gains at PLN 27m. In Upstream, we expect similar volumes in Poland and Lithuania and taking into account a month-long downtime on the Heimdal oilrig we estimate the segmental Q2 EBIT at PLN 49m vs. PLN 122m in Q2 2013 when EBIT received a one-time boost of PLN 70m from charge reversals. In addition, we expect Ciech to recognize PLN 12m in intercompany gains stemming from recognition of deferred margin on sales of Rozewie crude. EBIT in Retail will be at break even level. In light of a lack of FX volatility in Q2, the main component of financing activity in the period will be net interest expenses. All told, the Q2 2014 net profit should exceed PLN 92m.

Dom Maklerski

Gas & Oil **MOL**	**Buy**			
Analyst: Kamil Kliszcz	Current price Target price	HUF 11,680 HUF 15,652	FY14E P/E 8.1 FY15E P/E 6.2	FY14E EV/EBITDA 3.8 FY15E EV/EBITDA 3.1

(HUF bn)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	1,230.3	1,320.0	-7%	2,367.6	2,627.5	-10%	5,723.0	5,401.1	6%
EBITDA	98.9	95.1	4%	213.1	231.8	-8%	568.2	520.4	9%
Margin	8.0%	7.2%	-	9.0%	8.8%	-	9.9%	9.6%	-
EBIT	21.8	16.8	30%	68.2	76.6	-11%	236.8	-18.7	-
Pre-tax profit	13.8	3.9	250%	45.2	61.9	-27%	218.9	-50.4	-
Net profit	10.4	17.2	-40%	31.2	46.7	-33%	149.0	27.1	-

INA sees slowdown in Upstream

MOL is expected to report a decrease in Q2 2014 LIFO EBITDA to HUF 98bn from HUF 112bn a year ago. The most severe deterioration in profitability will be booked by Upstream which experienced lower volumes (projects sold in Russia were only partly offset by assets acquired on the North Sea), hikes in Croatian exploration fees, and falling sales prices of natural gas (HUF 6+ billion in total). Moreover, despite increasing output, MOL is not likely to recognize any profits on operations in Kurdistan due to the tense political situation in Iran and a lack of final agreement concerning PSA. In Downstream, CCS-based EBITDA as well will show contraction to HUF 30bn from HUF 42bn in Q2 2013 on weaker refining margins. For Gas Midstream, we project EBIT at HUF 10bn (vs. HUF 8.5bn last year) driven by a lack of gas trade losses in Croatia (as losses on regulated sales have been sort of moved to upstream). Financing activity in Q2 will reflect mostly interest expenses as FX markets in the period remained stable.

Gas & Oil **PGNiG**	**Hold**			
Analyst: Kamil Kliszcz	Current price Target price	PLN 5.22 PLN 5.22	FY14E P/E 9.9 FY15E P/E 11.7	FY14E EV/EBITDA 5.2 FY15E EV/EBITDA 5.8

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	7,074.5	6,535.0	8%	16,611.5	16,790.0	-1%	31,224.8	32,120.0	-3%
EBITDA	1,887.7	1,360.0	39%	4,068.7	3,336.0	22%	6,755.6	5,612.0	20%
Margin	26.7%	20.8%	-	24.5%	19.9%	-	21.6%	17.5%	-
EBIT	1,269.7	747.0	70%	2,827.7	2,174.0	30%	4,291.9	3,149.0	36%
Pre-tax profit	1,184.3	619.0	91%	2,704.3	1,899.0	42%	4,079.3	2,709.0	51%
Net profit	829.0	352.0	136%	2,010.0	1,425.0	41%	3,110.4	1,918.0	62%

Strong margins on regulated sales

We expect a good second-quarter showing from PGNiG driven by strong margins achieved on sales of imported gas. An unchanged price tariff combined with falling gas costs (with price of Yamal gas expected to be 10% lower in Q2 than in Q1 after taking into account exchange-based contracts, and Skarv gas going down in price after intersegmental shifts) will drive Trade EBIT up to PLN 300-plus million despite an increasing share in the sales mix of gas imported from the east (take-or-pay arrangements). In E&P, on increased sales volumes (moved from Q1) and higher sales prices EBIT will show quarter-on-quarter growth to PLN 987m. The other segments will make seasonally low contributions to consolidated Q2 EBIT (Distribution PLN +27m, Heat PLN -35m). In financing activity, we expect to see interest expenses and FX losses on a dollar loan extended to Norwegian operations (ca. PLN 15m). We assume conservatively a Q2 effective tax rate of 30% to reflect the greater contribution of the Skarv project. Even so, PGNiG's net profit for Q2 2014 should be double the figure reported in Q2 2013.

Gas & Oil
PKN Orlen
Buy

Analyst: Kamil Kliszcz	Current price	PLN 42.77	FY14E P/E	9.6	FY14E EV/EBITDA	5.5
	Target price	PLN 50.86	FY15E P/E	8.4	FY15E EV/EBITDA	4.9

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	28,813.6	28,311.4	2%	52,932.6	55,783.3	-5%	112,543.9	113,853.0	-1%
EBITDA	1,055.0	398.0	165%	1,831.0	1,277.0	43%	4,948.3	2,503.0	98%
Margin	3.7%	1.4%	-	3.5%	2.3%	-	4.4%	2.2%	-
EBIT	533.0	-137.0	-	787.0	204.0	286%	2,653.2	333.0	-
Pre-tax profit	470.9	-264.2	-	624.9	-147.9	-	2,405.8	178.0	-
Net profit	381.4	-206.9	-	445.4	-57.6	-	1,904.3	176.0	-

LIFO EBIT flat at year-ago level

We estimate the Q2 inventory gain adding to PKN's second-quarter EBIT at PLN 105m. In Refining, the adjusted LIFO EBIT is expected to come close to break even at PLN 33m vs. an EBIT loss of PLN 6m booked in Q2 last year. The steady year-on-year results despite a worsened blended margin (-PLN 5/Bbl) and more maintenance downtime will be owed to improved economic conditions in Poland. As a result, Refining EBITDA is expected to exceed the benchmark. In the Retail segment, EBIT should also remain stable at the year-ago level of PLN 285m despite downward pressure on gasoline margins and thanks to higher sales volumes and profits on non-fuel sales. In Petrochemicals, EBIT is not likely to match last year's result despite higher margins achieved on olefins and polyolefins and the decrease from PLN 323m in Q2'13 to an estimated PLN 275m (incl. Anwil and BOP) will be due to maintenance downtime on PX/PTA, lower margins on PTA, and weaker profits on fertilizer sales. For Upstream, we anticipate slight quarter-on-quarter EBIT expansion to about PLN 20m thanks to partial consolidation of Birchill. We anticipate financing losses of PLN 62m at PKN Orlen in Q2, resulting in bottom-line profit at an estimated PLN 381m. Our estimates do not factor in any one-time events, but the actual results may include asset impairment charges if PKN revises its medium-term macroeconomic assumptions.

Power Utilities

Utilities CEZ	Reduce								
Analyst: Kamil Kliszcz	Current price Target price		PLN 86.50 PLN 76.00		FY14E P/E FY15E P/E	10.6 12.5		FY14E EV/EBITDA FY15E EV/EBITDA	6.9 7.4

(CZK m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	48,459.6	53,126.0	-9%	101,616.6	113,006.0	-10%	196,961.2	217,273.0	-9%
EBITDA	17,196.7	20,955.0	-18%	38,433.7	49,251.0	-22%	70,461.7	73,699.0	-4%
Margin	35.5%	39.4%	-	37.8%	43.6%	-	35.8%	33.9%	-
EBIT	10,334.7	13,847.0	-25%	24,708.7	35,144.0	-30%	42,415.2	45,755.0	-7%
Pre-tax profit	9,024.7	12,979.0	-30%	21,429.7	34,528.0	-38%	36,927.5	44,440.0	-17%
Net profit	7,310.0	10,785.0	-32%	17,222.0	28,592.0	-40%	29,219.2	35,885.0	-19%

Q2 results shaped by Q1 trends

CEZ is expected to achieve a ca. EUR 7/t lower effective sales price this year, but the price downturn expected in the first half of 2014 will be stronger as a result of the approach used to account for hedges in 2013 (prices realized in H2 2013 were lower than in H1). As a result, EBIT in the segment of Power Production and Trading will decrease to an estimated CZK 5.2bn from CZK 7.9bn last year. CEZ's nuclear power output in Q2 2014 was the same as in Q2 2013, but Romanian wind farms experienced a slowdown. In Distribution, quarterly EBIT may be slightly lower than last year's CZK 4.6bn at an estimated CZK 4.1bn due to reduced tariffs in Bulgaria and lesser effects of tariff adjustments in the Czech Republic. In Mining, we anticipate EBIT contraction from CZK 0.7bn to CZK 0.6bn on lower coal sales. CEZ's financing losses for Q2 2014 will consist mainly of interest expenses. The expiration of a call option on MOL shares means a lack of mark-to-market losses in Q2 which will be recognized against equity. After all this, the first-quarter net profit may show a year-on-year drop by nearly one-third. Our estimates do not factor in a potential settlement with Albania which could add CZK 3bn to Q2 EBIT.

Utilities Enea	Accumulate								
Analyst: Kamil Kliszcz	Current price Target price		PLN 14.97 PLN 17.93		FY14E P/E FY15E P/E	8.6 10.0		FY14E EV/EBITDA FY15E EV/EBITDA	4.1 5.2

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	2,409.9	2,215.3	9%	4,783.6	4,595.6	4%	8,850.3	9,150.5	-3%
EBITDA	532.9	369.8	44%	994.4	919.7	8%	1,810.5	1,658.8	9%
Margin	22.1%	16.7%	-	20.8%	20.0%	-	20.5%	18.1%	-
EBIT	368.5	178.5	106%	635.2	533.8	19%	1,032.0	897.0	15%
Pre-tax profit	367.0	184.5	99%	635.9	555.5	14%	989.7	945.2	5%
Net profit	297.2	143.9	107%	505.4	439.9	15%	772.0	715.4	8%

Q2 profits boosted by PPA compensation

Enea is expected to report strong year-on-year earnings growth in Q2 which, however, will be owed to PLN 200m in compensation received under terminated power purchase agreements. In Production, the quarterly PPA-adjusted EBIT will show much improvement from the Q2 2013 EBIT loss of PLN 11.9m at PLN +15m. However, taking into account the year-ago one-time charges in excess of PLN 80m, actually the Q2 2014 EBIT result will be lower after being weighed down by falling electricity prices and lower and less efficient production (one 500 MW plant was shut down for maintenance for the whole three months, and another 500 MW unit had 1.5-month downtime). Distribution EBIT will be flat at PLN 130m, and Trade EBIT will fall to a projected PLN 44m from PLN 75.9m last year on higher costs of carbon allowances. Q2 2014 general expenses will be at the same level as previous quarterly averages, and financing activity will produce zero gains due to a decreasing net cash reserve. After all this, Enea is expected to double its Q2 net profit relative to Q2 2013.

Utilities **Energa**	Hold								
Analyst: Kamil Kliszcz	Current price Target price		PLN 21.01 PLN 19.90		FY14E P/E FY15E P/E	11.3 13.2		FY14E EV/EBITDA FY15E EV/EBITDA	5.5 5.5

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	2,651.4	2,855.7	-7%	5,399.4	5,789.5	-7%	11,153.0	11,429.2	-2%
EBITDA	609.0	655.8	-7%	1,262.8	1,127.8	12%	2,225.6	1,965.5	13%
Margin	22.97%	22.96%	-	23.39%	19.48%	-	19.95%	17.20%	-
EBIT	401.0	468.3	-14%	846.7	750.7	13%	1,388.5	1,194.8	16%
Pre-tax profit	346.0	459.0	-25%	750.3	702.1	7%	1,077.0	1,022.4	5%
Net profit	280.2	353.3	-21%	599.9	545.6	10%	816.6	764.0	7%

Profits remain strong in Generation

Despite falling electricity prices, Energa's Generation segment is expected to post strong y/y EBIT thanks to benefits provided by the operating reserve, improved profitability of cogeneration, and sales of green certificates at higher-than-book prices. We estimate the quarterly EBIT at PLN 140m, marking only small contraction from the first quarter. In Distribution, we anticipate EBIT contraction to PLN 216m from PLN 258m last year led by reduced WACC and slightly higher costs. Trade EBIT will decline to PLN 50m from PLN 70+m in Q2'13 due to additional redemption of certificates of origin. Unlike in previous quarters, however, the whole of the trade margin this time is expected to be attributed to the Trade segment rather than being allocated to intercompany eliminations. Taking into account interest expenses, the Q2 net profit is expected to show year-on-year shrinkage of ca. 21%.

Utilities **PGE**	Reduce								
Analyst: Kamil Kliszcz	Current price Target price		PLN 20.38 PLN 18.90		FY14E P/E FY15E P/E	9.9 11.8		FY14E EV/EBITDA FY15E EV/EBITDA	4.6 5.8

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	6,181.7	7,283.1	-15%	13,110.7	15,100.8	-13%	27,151.6	30,144.9	-10%
EBITDA	2,674.8	2,362.1	13%	4,388.8	4,643.8	-5%	7,832.6	8,017.8	-2%
Margin	43.3%	32.4%	-	33.5%	30.8%	-	28.9%	26.6%	-
EBIT	1,935.8	1,619.4	20%	2,910.8	3,167.3	-8%	4,863.2	5,060.4	-4%
Pre-tax profit	1,937.8	1,588.1	22%	2,919.8	3,116.3	-6%	4,759.3	5,059.2	-6%
Net profit	1,569.6	1,283.9	22%	2,358.6	2,511.2	-6%	3,849.1	4,118.5	-7%

Q2 receives big boost from one-offs

PGE is set to report strong year-on-year growth in Q2 driven by reversals of carbon allowance provisions (ca. PLN 880m including Q1 charges) and PPA compensation (PLN 160m). In the Generation segment, EBIT is expected to reach PLN 1.4bn including ca. PLN 120m PPA compensation, but it would have been higher had it not been for a considerable drop in the power output of lignite-fired plants (failures, downtime). Distribution EBIT will show flat growth from Q2 2013 at PLN 340m as lower costs will be offset by reduced WACC. In Wholesale and Retail, we anticipate quarter-on-quarter contraction in EBIT to respective PLN 140m and PLN -35m led by higher costs of certificates of origin and margin pressure. In Renewables, EBIT will be similar to the Q1 figure at PLN 50m. After a neutral impact of financing activity, Q2 net profit should show 20% growth relative to Q2 2013.

Utilities **Tauron**	**Buy**					
Analyst: Kamil Kliszcz	Current price Target price	PLN 5.03 PLN 6.40	FY14E P/E FY15E P/E	8.4 9.5	FY14E EV/EBITDA FY15E EV/EBITDA	4.4 5.2

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	4,213.3	4,541.9	-7%	9,100.5	9,704.9	-6%	18,034.7	19,131.1	-6%
EBITDA	862.2	831.0	4%	1,950.4	2,051.8	-5%	3,549.8	3,661.5	-3%
Margin	20.5%	18.3%	-	21.4%	21.1%	-	19.7%	19.1%	-
EBIT	420.4	399.8	5%	1,052.8	1,188.2	-11%	1,680.3	1,934.1	-13%
Pre-tax profit	345.9	348.5	-1%	903.5	1,084.5	-17%	1,298.6	1,683.6	-23%
Net profit	280.2	289.6	-3%	676.1	847.9	-20%	1,051.9	1,308.3	-20%

Tauron sees flat Q2 growth from low year-ago base

Tauron is expected to report flat y/y growth in Q2 2014 thanks mainly to a low year-ago base depressed by one-time charges. On an adjusted basis, we would see profit contraction relative to last year due to lower margins in Trade (with EBIT at PLN 132m vs. PLN 239m in Q2 2013) caused by higher COO costs combined with less favorable inter-segment price settlements with Distribution. On falling volumes and prices, EBIT in Mining is expected to show an operating loss of PLN 15m (vs. PLN +38m last year), and the EBIT loss in Generation will widen to PLN 71m from PLN 24m (adj.) despite operating reserve proceeds and high prices, especially at peak demand. Distribution EBIT will remain steady despite reduced WACC at PLN 350m thanks to cost cuts and more favorable settlements with Trade. We do not expect major surprises in the other segments except maybe Customer Service where margin should adjust downwards after soaring in Q1. Financing activity in Q2 will produce similar results as in Q1.

Telecommunications

Telecommunications **Netia**	Hold								
Analyst: Paweł Szpigiel	Current price Target price		PLN 5.51 PLN 5.60		FY14E P/E FY15E P/E	37.8 41.6	FY14E EV/EBITDA FY15E EV/EBITDA		4.4 4.8
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	425.6	477.5	-10.9%	860.0	968.2	-11.2%	1,720.0	1,623.4	5.9%
EBITDA	122.6	138.6	-11.6%	248.6	277.2	-10.3%	483.4	532.8	-9.3%
Margin	28.8%	29.0%	-	57.8%	57.3%	-	28.1%	32.8%	-
EBIT	18.6	26.4	-29.6%	39.3	53.7	-26.8%	80.0	92.8	-13.7%
Pre-tax profit	14.0	18.5	-24.2%	30.1	38.4	-21.6%	62.6	64.4	-2.8%
Net profit	11.4	8.6	32.2%	22.4	21.7	3.2%	50.7	46.3	9.6%

Negative trends continue in Q2

Netia's earnings results in Q2 2014 will be affected by the same negative trends as the Q1 profits. Compared to Q2 2013, on-network voice ARPU is expected to fall 12% to PLN 37.5 while leased-line voice ARPU will be flat. The voice subscriber base is expected to contract 2.3% to 1.42 million led by leased line losses. In broadband, we anticipate slight year-on-year erosion in revenue on 1% smaller subscriber base, with ARPU at PLN 55.7 showing slight improvement from Q1. The weaker sales will be offset by a 17% reduction to PLN 76m in selling expenses. We estimate Netia's Q2 2014 EBITDA at PLN 122.6m (PLN 128.1m on an adjusted basis), and we expect net profit to show y/y growth of 32% at PLN 11.4m.

Telecommunications **Orange Polska**	Sell								
Analyst: Paweł Szpigiel	Current price Target price		PLN 9.59 PLN 8.10		FY14E P/E FY15E P/E	33.3 69.2	FY14E EV/EBITDA FY15E EV/EBITDA		4.7 5.0
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	3,029.9	3,261.0	-7.1%	6,024.9	6,513.0	-7.5%	12,298.0	12,923.0	-4.8%
EBITDA	975.9	990.0	-1.4%	2,116.9	2,023.0	4.6%	3,977.8	3,904.0	1.9%
Margin	32.2%	30.4%	-	70.30%	62.20%	-	32.3%	30.2%	-
EBIT	235.9	209.0	12.9%	626.9	447.0	40.2%	999.2	788.0	26.8%
Pre-tax profit	127.3	101.0	26.0%	399.3	205.0	94.8%	465.9	310.0	50.3%
Net profit	103.1	69.0	49.4%	374.1	148.0	152.8%	377.4	294.0	28.4%

Stable y/y EBITDA, stronger q/q momentum

By operating segment, we expect further contraction to PLN 29.1 (-6.5% y/y) in retail ARPU and a 27% drop to PLN 3.7 in wholesale ARPU in the Mobile segment. Like in previous quarters, Orange Poland should report an increase in the number of post-paid users by an estimated 140 thousand to 7.5 million, with the pre-paid subscriber base remaining stable relative to the first quarter. We estimate the overall Q2 mobile revenue at PLN 1,493m (-6.1% y/y). In fixed voice, we anticipate a decrease in revenue to PLN 1,400m led by a 6.1% drop to PLN 41.5 in retail ARPU as broadband ARPU will have remained steady at PLN 60.5. Further, Orange is likely to post quarterly fixed voice subscriber losses of ca. 100,000, with broadband defections much fewer at 10,000. As for costs, excluding D&A, we estimate Orange's Q2 costs at PLN 2,054m (-9.6% y/y) after reductions in payroll and selling expenses. The costs of interoperator billing will be additionally mitigated by reduced MTR rates. Consolidated Q2 EBITDA is estimated at PLN 976m (-1.4% y/y), with EBITDA margin increasing to 32.2% from 30.4% in Q2 2013. After D&A expenses of PLN 750m and financing costs of PLN 109m (reduced through refinancing of bonds matured in May), the second-quarter net profit after tax at 19% will come in at about PLN 103m. Note that Orange Poland changed its approach to accounting for sales of handsets by switching from recognizing the revenues in equal amounts in each month of the subscription period to recognizing the total revenue upon execution of the subscription agreement. This change is not factored into our second-quarter estimates.

Media

Media **Agora**	Hold								
Analyst: Paweł Szpigiel	Current price Target price		PLN 8.19 PLN 9.50		FY14E P/E FY15E P/E	204.7 -		FY14E EV/EBITDA FY15E EV/EBITDA	4.4 4.3

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	260.6	271.9	-4.2%	514.6	533.7	-3.6%	1,104.4	1,073.9	2.8%
EBITDA	20.5	28.2	-27.2%	34.7	53.2	-34.8%	96.5	89.6	7.6%
Margin	7.9%	10.4%	-	13.50%	19.90%	-	8.7%	8.3%	-
EBIT	-3.1	4.3	-171.5%	-12.7	4.0	-417.5%	3.6	7.4	-51.9%
Pre-tax profit	-3.1	2.0	-255.6%	-12.9	0.9	-1,533.3%	2.5	4.9	-48.1%
Net profit	-2.1	1.3	-263.6%	-11.7	-0.2	5,750.0%	2.0	0.5	345.2%

Agora sees EBIT loss again in Q2

Agora's revenue in Q2 2014 is expected to show a 4.2% y/y decrease to PLN 260.6m. After a small, 3.9% reduction in operating expenses, taking into account PLN 15.7m intercompany eliminations, EBIT will be an operating loss of an estimated PLN 3.1m. In the Newspaper segment, we anticipate a small decrease in sales revenue (as the price of *Wyborcza* surged over 15% while its sales fell) and 18.5% shrinkage in advertising revenue. In the Cinema segment, ticket revenue is expected to be 6.4% lower than last year at PLN 24.8m despite the addition of 14 new screens. Combined with high operating costs, the Q2 EBIT of the Helios cinema chain will show an operating loss. The improvement in operating profits projected in the other segments (Websites, Radio, OOH Advertising) will not be enough to offset the losses in Print Media and Cinemas. At PLN 20.5m, the consolidated Q2 2014 EBITDA is expected to be 27% lower than in the same period last year.

Media **Cyfrowy Polsat**	Accumulate								
Analyst: Paweł Szpigiel	Current price Target price		PLN 23.35 PLN 23.84		FY14E P/E FY15E P/E	23.1 16.7		FY14E EV/EBITDA FY15E EV/EBITDA	10.7 6.2

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	1,739.7	735.9	136.4%	2,462.5	1,433.0	71.8%	6,163.3	2,910.8	111.7%
EBITDA	708.3	257.3	175.3%	989.7	502.6	96.9%	2,363.7	1,046.3	125.9%
Margin	40.7%	35.0%	-	79.60%	70.20%	-	38.4%	35.9%	-
EBIT	399.8	195.0	105.0%	618.7	379.6	63.0%	1,265.9	789.9	60.3%
Pre-tax profit	110.6	107.8	2.6%	233.2	218.1	6.9%	749.2	604.1	24.0%
Net profit	98.8	80.7	22.4%	197	175.8	12.1%	646.6	525.4	23.1%

EBITDA grows 12% at old CPS, falls 6% at Polkomtel

We expect a good second-quarter showing from the "old" Cyfrowy Polsat before the merger with Polkomtel. We anticipate 6.4% expansion to PLN 783m in revenue driven by higher sales of cable services to retail customers, estimated at PLN 475m, and we project 18.3% y/y growth to PLN 268m in advertising and sponsorship revenue (owed to strong viewership and consolidation of TV4 and TV6). Q2 2014 costs are estimated at PLN 560m after a year-on-year increase of PLN 17.5m driven by higher expenses incurred on in-house and licensed content and on amortization of sports broadcasting rights. The quarterly EBITDA at CPS will come in at PLN 287.5m. At Polkomtel, we expect to see a 6% revenue drop due to lower sales of pre-paid plans and reduced MTR rates. Q2 EBITDA is estimated at PLN 709m (-6% y/y). On a consolidated basis, Cyfrowy is expected to report Q2 2014 EBIT of PLN 400m. After financing costs of PLN 289m (incl. ca. 59% of Polkomtel's net costs) and PLN 160m one-time events (payment-in-kind notes at Polkomtel, debt refinancing by the old Cyfrowy), the quarterly net profit should come in at PLN 99m.

Media TVN	Accumulate								
Analyst: Paweł Szpigiel	Current price Target price		PLN 14.30 PLN 17.90		FY14E P/E FY15E P/E	14.2 12.8		FY14E EV/EBITDA FY15E EV/EBITDA	11.1 10.2
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	453.5	440.5	3.0%	805.3	783.6	2.8%	1 618.6	1 554.6	4.1%
EBITDA	187.9	157.4	19.4%	283.7	255.4	11.1%	601.6	372.4	61.6%
Margin	41.4%	35.7%	-	68.60%	64.30%	-	37.2%	24.0%	-
EBIT	170.9	137.3	24.5%	249.6	213.9	16.7%	529.7	297.2	78.3%
Pre-tax profit	132.0	-39.6	-	134.3	-105.6	-227.2%	387.8	-269.8	-243.8%
Net profit	108.9	-29.9	-	120.0	-73.7	-262.8%	333.1	-206.9	-261.0%

EBITDA flat on weak viewership

We estimate that TV advertising expenditures in Q2 2014 were about 6% higher than in the same period last year. TVN's ad revenue will have grown less given weak viewership numbers with the average share in the 16-49yo prime time demo at 21.91% in Q2'14 vs. 23.75% in Q2 last year. The contraction was partly due to World Cup broadcasts by rival TVP, but April and May viewership as well was 1.3-1.4ppts lower than in Q2 2013. We estimate the quarterly advertising revenue at PLN 317m (+2.5% y/y), and we expect a 10% increase to PLN 53m in sponsorship revenue. A 2.5% increase in costs will be driven by higher expenditure on in-house content. Second-quarter EBITDA adjusted for profits of associates will come in at a projected PLN 174m (+1.7% y/y). Adding profits of associates estimated at PLN 14m, reported EBITDA will approximate PLN 188m. After net financing costs (including FX effects) of PLN 39m, pre-tax profit is expected to amount to PLN 132m and net profit will come in at ca. PLN 109m.

IT

IT **ABC Data**	**Buy**								
Analyst: Paweł Szpigiel	Current price Target price		PLN 4.22 PLN 5.35		FY14E P/E FY15E P/E	7.8 7.1	FY14E EV/EBITDA FY15E EV/EBITDA		7.4 6.7
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	1,337.2	1,096.0	22.0%	2,506.6	2,185.2	14.7%	5,816.0	4,822.5	20.6%
EBITDA	22.6	15.4	46.6%	35.3	32.3	9.3%	96.7	79.6	21.5%
Margin	1.7%	1.4%	-	2.80%	2.90%	-	1.7%	1.6%	-
EBIT	21.5	14.4	50.0%	33.7	30.7	9.8%	93.3	77.2	20.9%
Pre-tax profit	18.3	13.4	35.9%	27.6	27.0	2.2%	91.4	68.0	34.4%
Net profit	14.8	14.3	3.3%	21.6	25.3	-14.6%	67.8	59.2	14.6%

Q2 EBIT soars 50% y/y

ABC Data expects strong results in Q2 2014, and its sales update for the first two months of the quarter put revenue at PLN 859m, marking over-22% growth from the same period last year. We assume sales went equally well in June, making for a total Q2 revenue of an estimated PLN 1,337.2m (+22% y/y). Gross margin is expected tighten slightly to 4.62% from 4.72% in Q2'13. After flat SG&A and zero gains from other operating activity, EBIT will approximate PLN 21.5m, representing 50.0% growth from last year. On strong sales, we expect an increase in net financing costs to PLN 3.3m, and at 19% effective tax rate the Q2 net profit will come in at PLN 14.8m.

IT **Asseco Poland**	**Accumulate**								
Analyst: Paweł Szpigiel	Current price Target price		PLN 39.80 PLN 45.60		FY14E P/E FY15E P/E	9.5 9.9	FY14E EV/EBITDA FY15E EV/EBITDA		6.0 5.9
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	1,469.4	1,438.9	2.1%	2,919.7	2,784.4	4.9%	6,060.2	5,898.1	2.7%
EBITDA	212.2	227.5	-6.7%	424.2	459.0	-7.6%	885.3	875.0	1.2%
Margin	14.4%	15.8%	-	29.0%	33.0%	-	14.6%	14.8%	-
EBIT	147.1	160.8	-8.5%	294.0	328.4	-10.5%	624.1	610.5	2.2%
Pre-tax profit	140.1	153.9	-9.0%	306.2	309.8	-1.2%	621.7	752.0	-17.3%
Net profit	74.1	87.6	-15.5%	171.4	180.0	-4.8%	348.8	393.9	-11.4%

Poland still drags on profits

We expect 2.1% revenue growth to PLN 1,469m and EBIT shrinkage by 8.5% to PLN 147m in Q2 2014, led mainly by the weak performance of the parent company whose operating profit is expected to drop nearly 20% due to lower margins generated on public contracts. EBIT from Israeli operations will be steady at PLN 43.8m. Note that Asseco Solutions AG is now part of the Asseco CE segment. After net financing costs of PLN 7m, tax of PLN 24m, and non-controlling interests of PLN 43m, the second-quarter net profit is expected to be 16% lower than in Q2 2013 at PLN 74.1m.

Resources

Coal **JSW**	Hold								
Analyst: Michał Marczak	Current price Target price		PLN 43.10 PLN 55.00		FY14E P/E FY15E P/E	- -	FY14E EV/EBITDA FY15E EV/EBITDA		4.9 4.1
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	1,628.5	1,932.9	-15.7%	3,292.2	4,112.0	-19.9%	6,815.5	7,632.2	-10.7%
EBITDA	148.7	351.1	-57.7%	359.0	841.9	-57.4%	798.8	1,382.1	-42.2%
Margin	9.1%	18.2%	-	10.9%	20.5%	-	11.7%	18.1%	-
EBIT	-163.3	204.2	-	-253.5	258.6	-	-430.7	201.9	-
Pre-tax profit	-185.3	30.8	-	-300.2	215.1	-	-534.0	109.7	-
Net profit	-185.3	27.5	-	-273.8	172.9	-	-415.3	77.3	-

Another quarter of heavy losses

The hard coking coal price benchmarks set by BHP Billiton and Anglo American fell by $23 to just $120 a ton in Q2 2014. However, the effective sales prices achieved in the period by JSW are expected to be much higher at $135/t owing to a geographic premium (as European prices fell less than Asian prices) and allowances made by customers which, we assume, managed to be convinced by the Company once again to lend a hand by paying above the benchmark and getting back the difference once coking coal prices have recovered. As for sales, we expect to see a rebound in Q2 after a weak Q1 to 1.3 million tons of coking coal, 0.8mmt of thermal coal, and 0.95mmt of coke. The bottom line is generally expected by the market to be a big net loss. JSW is set to discuss the details of the operational potential of the recently acquired Knurów-Szczygłowice mine during the Q2 conference call. Given the level of debt and negative operating cash flow, what is of most interest to investors is how much JSW intends to invest in the mine, and what kind of synergies and earnings it is capable of delivering in the future (we believe the mine is currently a loss-making operation).

Metals **KGHM**	Buy								
Analyst: Michał Marczak	Current price Target price		PLN 128.65 PLN 144.00		FY14E P/E FY15E P/E	10.1 8.8	FY14E EV/EBITDA FY15E EV/EBITDA		5.2 4.5
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	3,967.9	4,397.0	-9.8%	7,767.9	9,503.0	-18.3%	21,593.3	24,110.0	-10.4%
EBITDA	989.3	1,127.0	-12.2%	2,177.9	2,809.0	-22.5%	5,637.2	5,952.0	-5.3%
Margin	24.9%	25.6%	-	28.0%	29.6%	-	26.1%	24.7%	-
EBIT	783.7	918.0	-14.6%	1,501.7	2,391.0	-37.2%	3,730.1	4,372.0	-14.7%
Pre-tax profit	774.7	908.0	-14.7%	1,486.7	2,346.0	-36.6%	3,557.5	4,235.0	-16.0%
Net profit	555.3	666.0	-16.6%	1,062.3	1,725.0	-38.4%	2,548.9	3,033.0	-16.0%

KGHM sees stable profits in Q1

The Q2 2014 results of KGHM were shaped by volatile market conditions with the average LME copper price (3M: $6,764/t) settling only 3.9% lower than in Q1 after floating in the range of $6,670 to $7,173/t. This makes it hard to quantify the hedging gains for the period, but we assume they will approximate PLN 80m. The trends shaping the markets for KGHM's other resources were more favorable in Q2, with silver appreciating $10 to an average $664/kg and gold trading virtually flat at the level seen in Q1. Moreover, an upturn in the prices of less critical metals: nickel (+26% q/q) and molybdenum (+35% q/q) will drive a rebound from a weak Q1 in the Q2 profits of KGHM International. We estimate the quarterly standalone sales of KGHM at 145,000 tons of copper and 290 tons of silver. The unit cost of production will have amounted to PLN 17,000/t.

Dom Maklerski

Coal **LW Bogdanka**	Hold								
Analyst: Michał Marczak	Current price Target price		PLN 112.30 PLN 136.90		FY14E P/E FY15E P/E	12.9 10.3		FY14E EV/EBITDA FY15E EV/EBITDA	6.0 5.1
(PLN m)	**Q2’14E**	**Q2’13**	**change**	**H1’14E**	**H1’13**	**change**	**2014E**	**2013**	**change**
Revenue	454.8	448.1	1.5%	936.3	878.9	6.5%	2,017.0	1,899.8	6.2%
EBITDA	164.3	178.3	-7.9%	338.0	348.7	-3.1%	743.2	754.9	-1.5%
Margin	36.1%	39.8%	-	36.1%	39.7%		36.8%	39.7%	-
EBIT	76.3	100.7	-24.2%	162.3	188.2	-13.8%	381.9	424.8	-10.1%
Pre-tax profit	69.6	94.5	-26.4%	148.8	182.0	-18.2%	366.8	413.7	-11.3%
Net profit	55.7	72.1	-22.8%	118.3	142.0	-16.7%	297.1	329.7	-9.9%

Consensus set for revision after another weak quarter

Bogdanka reported having produced 2.0 million tons of coal in Q2 2014, with the sales volume at 2.1mmt. The Company did not disclose the amount of per-ton revenue (we assume PLN 205/t, the same as in Q1), or the average per-ton cost (which we also optimistically assume will remain flat q/q despite lower volumes) incurred in the period, nor did it share insight on one-time events affecting profits. The one non-recurring event which will definitely put a dent in the quarterly income is a reduced risk-free rate which will hike up the actuarial cost of future benefits (a one-time cost of PLN 3.0m). All in all, we think Bogdanka's second-quarter showing may disappoint investors and prompt a downward revision from the current PLN 340m to ca. PLN 300m to the current FY2014 net profit consensus.

Industrials

Manufacturers **Alchemia**	**Sell**								
Analyst: Jakub Szkopek	Current price Target price		PLN 4.97 PLN 3.30		FY14E P/E FY15E P/E	41.5 25.9	FY14E EV/EBITDA FY15E EV/EBITDA		15.3 12.5
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	259.7	240.8	7.9%	511.2	511.1	0.0%	997.5	991.4	0.6%
EBITDA	14.2	7.8	83.0%	24.2	20.8	15.9%	70.7	48.9	44.5%
Margin	5.5%	3.2%	-	4.7%	4.1%	-	7.1%	4.9%	-
EBIT	4.2	-1.8	-	4.0	1.8	128.6%	35.7	9.9	261.2%
Pre-tax profit	2.8	-2.8	-	2.6	-0.4	-756.7%	29.6	4.6	549.1%
Net profit	2.2	-4.2	-	-0.6	-2.4	-74.4%	24.0	0.6	3,726.6%

No signs of turnaround in pipe business

We expect Alchemia to report a 14.9% y/y increase in sales of seamless steel tubes in Q2 2014 driven by base effects rather than stronger demand: Q2 2013 sales were the lowest since the acquisition of Rurexpol and Walcownia Rur Andrzej. Sales in the other segments will show expansion in the single digits amounting to 5% in case of forgings and 3% in case of forged-rolled rings. The consolidated EBITDA margins will come in at around 5.5%, and taking into account cost of debt this will result in a bottom line at break-even level. Alchemia is expected to achieve 51% of our 2014 full-year sales forecast and 34% of expected annual EBITDA in H1 2014. The net profit for the period will hover around zero.

Food Producers **Astarta**	**Hold**								
Analyst: Jakub Szkopek	Current price Target price		PLN 40.00 PLN 48.50		FY14E P/E FY15E P/E	12.3 4.4	FY14E EV/EBITDA FY15E EV/EBITDA		4.6 4.2
(UAH m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	1,286.4	862.3	49.2%	2,372.9	1,757.4	35.0%	4,956.3	4,008.9	23.6%
EBITDA	477.4	568.4	-16.0%	927.3	818.0	13.4%	1 549.5	670.4	131.1%
Margin	37.1%	65.9%	-	39.1%	46.5%	-	29.2%	16.7%	-
EBIT	385.4	499.7	-22.9%	743.6	680.2	9.3%	1,236.8	376.6	228.4%
Pre-tax profit	56.2	439.2	-87.2%	-478.3	560.3	-185.4%	324.5	232.0	39.9%
Net profit	54.2	435.1	-87.5%	-489.5	558.8	-187.6%	309.7	244.0	26.9%

Astarta to post high Q2 gross profit

We estimate that Astarta sold 79,500 tons of sugar (-30.5% y/y), 38,000 tons of grains (+8.9% y/y), and 25,000 tons of milk (+7.4% y/y), in Q2 2014. The newly-launched soybean crushing business is expected to generate sales volumes of 12,000 tons of oil and 44,000 tons of meal. Compared to Q2 2013, second-quarter operating profits will be higher thanks to an 83.6% surge in prices of sugar, with changes in crop prices producing a flat effect (wheat +12.3%, sunflower seeds -4.2%, corn +3.4%). We estimate the consolidated revenue at UAH 1.3 billion (+49.2% y/y), and we believe the higher sugar prices and the new soybean plant will drive gross profit up by 75% relative to last year. Gains from revaluation of biological assets will be much lower in Q2 2014 at UAH 126.1m than in Q2 2013 when they amounted to UAH 600m. The reasons include lower gains in the grain segment and valuation losses on dairy cattle (due to a 15% drop in milk prices in the course of the quarter). Moreover, Astarta will recognize FX losses estimated at UAH 258m as a result of the hryvnia's depreciation versus the dollar and the euro (by 7.9% and 6.7% respectively). Net debt as of 30 June is expected to be UAH 3.5bn (~4.7-4.8x 12M EBITDA).

Manufacturers **Boryszew**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 5.30 PLN 5.20		FY14E P/E FY15E P/E	13.4 11.8		FY14E EV/EBITDA FY15E EV/EBITDA	8.5 7.7
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	1,407.1	1,230.4	14.4%	2,635.7	2,442.2	7.9%	5,101.7	4,881.1	4.5%
EBITDA	73.9	47.2	56.5%	133.6	101.7	31.3%	294.3	254.4	15.7%
Margin	5.3%	4.5%	-	5.1%	4.2%	-	5.8%	5.2%	-
EBIT	47.9	19.3	148.1%	81.8	47.6	71.8%	171.8	127.0	35.3%
Pre-tax profit	39.9	4.7	740.3%	63.2	25.0	153.1%	129.9	105.7	22.9%
Net profit	23.0	-5.3	-	34.0	25.5	33.1%	87.2	43.9	98.7%

Automotive posts y/y rebound in Q2

Boryszew is expected to post a 14.4% y/y increase in Q2 2014 revenue driven by 10.4% higher sales generated by Impexmetal, 15% higher sales of automotive parts (achieved on base effects and stronger auto sales in Europe), and 3% growth in sales of chemicals. As for operating profits, EBIT in Automotive will expand to an estimated PLN 17.6m from PLN 1.1m in Q2 last year on higher sales and completed restructuring of Maflow; BAP restructuring will result in PLN 4m charges. Impexmetal should post EBIT growth of 5.5%. Relative to a low year-ago base, the consolidated Q2 2014 EBITDA will soar 56.5% and the bottom line will be a net profit of PLN 23.0m vs. a net loss of PLN 5.3m booked in Q2'13. Net debt as of 30 June is projected at PLN 900m or 3.8 times 12-month EBITDA. Boryszew is expected to achieve 52% of our FY2014 annual sales forecast, 46% of expected EBITDA, and 39% of the net profit estimate, in H1. The Q2 results may reflect one-time gains on acquisition of TPC (negative goodwill).

Machinery **Famur**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 3.68 PLN 3.60		FY14E P/E FY15E P/E	26.4 13.6		FY14E EV/EBITDA FY15E EV/EBITDA	8.4 5.9
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	179.0	318.2	-43.7%	353.7	648.2	-45.4%	934.7	1,176.4	-20.5%
EBITDA	87.3	107.5	-18.8%	158.1	211.8	-25.4%	228.4	384.7	-40.6%
Margin	48.7%	33.8%	-	44.7%	32.7%	-	24.4%	32.7%	-
EBIT	48.9	66.9	-26.9%	81.3	128.1	-36.5%	86.8	224.6	-61.4%
Pre-tax profit	50.2	66.3	-24.2%	86.1	126.2	-31.8%	85.2	240.8	-64.6%
Net profit	40.7	52.0	-21.7%	69.7	97.0	-28.2%	67.0	207.6	-67.7%

Weak demand weighs on Q2 profits despite restructuring effects

Famur is expected to report 43.7% y/y shrinkage (and a 2.5% q/q rise) in its Q2 2014 revenue led by fewer bookings for new equipment as aftermarket orders remained stable. By segment, we anticipate a 62.5% drop in sales of longwall systems (+5.0% q/q) and a 35.0% fall (+3.0% q/q) in sales of transportation systems, with sales of gallery systems up 8.0% y/y (-2% q/q). Second-quarter profits will be supported by the positive effects of the merger between Fazos and Remag (expected to generate annual savings of at least PLN 20m). On much weaker revenue, the gross margin in Q2 2014 may be higher than in the same period in 2013. However, among others due to losses on valuation of FX hedges estimated at PLN 0.3m, the quarterly profits are expected to show double-digit contraction relative to Q2 2013.

Metals **Impexmetal**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 2.25 PLN 3.40		FY14E P/E FY15E P/E	8.3 7.3	FY14E EV/EBITDA FY15E EV/EBITDA		6.7 5.9
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	766.6	694.1	10.4%	1,410.8	1,380.0	2.2%	2,668.3	2,728.7	-2.2%
EBITDA	33.6	33.4	0.6%	59.8	68.9	-13.2%	128.8	131.0	-1.7%
Margin	4.4%	4.8%	-	4.2%	5.0%	-	4.8%	4.8%	-
EBIT	20.5	19.4	5.5%	34.1	40.8	-16.4%	72.6	78.8	-7.9%
Pre-tax profit	21.8	24.5	-10.9%	34.3	47.3	-27.6%	64.0	83.5	-23.4%
Net profit	18.6	25.6	-27.5%	26.9	43.3	-37.9%	54.2	82.1	-34.0%

High aluminum premiums weigh on EBITDA of HAK

Relative to Q2 2013, we expect Impexmetal to post a 5.3% drop to 18,000 tons in sales of aluminum products as the new rolling mill was still not to full capacity by the end of June. Further, sales of copper products will decrease 10.1% to 11,700 tons while sales of zinc and lead will show y/y growth of 19.5% at 22,500 tons thanks to base effects and higher exports. Due to a surge of 15.4% in the average aluminum supplier premium, the Q2 EBIT of the HAK aluminum smelter is expected to fall 31.3% y/y. On the upside, EBIT in the zinc and lead segment will be a PLN 3.1m profit vs. an operating loss of PLN 0.5m booked in Q2 2013. The consolidated EBITDA will be stable, and total EBIT will expand slightly from Q2 last year. In Q2 2013, Impexmetal recognized a subsidy which provided a one-time boost of PLN 14m to the net profit for the period. Q2 2014 financing activity will include FX gains of PLN 3m on non-ferrous metal price hedges after copper and aluminum price increases observed in the quarter. Impexmetal is expected to achieve 53% of our FY2014 annual sales forecast, 46% of expected EBITDA, and 49% of the net profit estimate, in H1.

Food Producers **Kernel**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 29.50 PLN 32.50		FY14E P/E FY15E P/E	- 4.6	FY14E EV/EBITDA FY15E EV/EBITDA		7.0 3.9
(USD m)	**Q4'14E**	**Q4'13**	**change**	**2014E**	**2013**	**change**	**2015F**	**2014E**	**change**
Revenue	607.9	724.7	-16.1%	2 421.3	2796.8	-13.4%	2190.8	2 421.3	-9.5%
EBITDA	69.9	74.0	-5.6%	161.0	290.7	-44.6%	352.2	161.0	118.8%
Margin	11.5%	10.2%	-	13.6%	10.4%	-	16.1%	6.6%	-
EBIT	49.7	57.4	-13.4%	67.7	200.9	-66.3%	252.5	67.7	273.0%
Pre-tax profit	29.7	47.5	-37.6%	-46.4	120.7	-	178.2	-46.4	-
Net profit	28.2	38.6	-27.1%	-39.9	111.3	-	165.7	-39.9	-

EBITDA posts flat growth in Q2

In the fourth quarter of fiscal 2014 (calendar Q2), Kernel sold 713.9kt of grains (-9.7% y/y), 298.3kt of bulk sunflower oil (+2.8% y/y), and 19.0kt of bottled sunflower oil (-20.9%), with grain exports totaling 841.2kt (+35.7% y/y). The sales figures imply a quarterly revenue of $607.9m, down 16.1% from Q4 FY2013. By operating segment, revenue from bulk oil sales will have dropped 10.6% year on year and revenue from grain exports fell 23.2% on lower prices, with bottled oil revenue down 38.4% on lower prices of oil and depreciation of US dollar prices. Consequently, we estimate the quarterly EBITDA at $69.9m (-5.6% y/y), with segmental EBITDA up 61.9% in bulk oil and 16.8% in bottled oil thanks to stronger margins, and grain trade EBITDA rising to $6.4m from a $5.6m loss posted in Q4'FY13. The hryvnia's depreciation versus the dollar will have put a $13.5m dent in the consolidated EBITDA. In the crops segment, Q2 EBITDA is expected to be low at $2m vs. $57.8m booked last year due to falling prices. After all this, Kernel's Q2 FY2014 net profit will come in at an estimated $28.2m after falling 27.1% year on year. Our FY2014 full-year EBITDA estimate is $161m.

Machinery **Kęty**	**Hold**								
Analyst: Jakub Szkopek	Current price Target price		PLN 219.00 PLN 226.80		FY14E P/E FY15E P/E	12.6 11.9		FY14E EV/EBITDA FY15E EV/EBITDA	7.8 7.3
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	436.8	379.6	15.1%	849.7	714.0	19.0%	1,773.5	1,593.8	11.3%
EBITDA	80.1	53.0	51.1%	148.0	98.1	50.8%	292.0	225.9	29.3%
Margin	18.3%	14.0%	-	17.4%	13.7%	-	16.5%	14.2%	-
EBIT	59.8	33.1	80.8%	108.2	58.7	84.4%	208.3	144.9	43.8%
Pre-tax profit	55.3	30.3	82.4%	95.6	52.1	83.5%	197.9	134.1	47.6%
Net profit	49.8	42.9	16.2%	80.6	59.9	34.6%	163.3	153.5	6.4%

Strong Q2 growth prompts upward guidance revisions

Kęty reported 14% y/y revenue growth to an estimated PLN 430-440m in Q2 2014 with EBIT expected to show an 80% year-on-year surge to PLN 60m and EBITDA up 51% from Q2 last year. The Company estimates the quarterly net profit at PLN 49m (+14% y/y). To reflect the strong second-quarter earnings figures, Kęty intends to revisit its full-year guidance and present the conclusions in the financial report for the first half of 2014 scheduled for publication on 7 August 2014. Our expectation is that the Company will raise the FY2014 EBITDA target by 17% to PLN 292m and adjust the net profit target upwards by 29% to PLN 163m. Assuming we are right, this would imply that Kęty will have delivered 51% of the EBITDA guidance and 49% of the net profit guidance in the first half of 2014. Kęty's net debt as of 30 June 2014 will be approximately PLN 180m vs. PLN 174.2m at 31 March.

Machinery **Kopex**	**Buy**								
Analyst: Jakub Szkopek	Current price Target price		PLN 11.21 PLN 14.50		FY14E P/E FY15E P/E	12.4 9.7		FY14E EV/EBITDA FY15E EV/EBITDA	5.6 5.2
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	355.0	324.1	9.6%	732.3	711.7	2.9%	1,413.4	1,395.1	1.3%
EBITDA	67.7	39.1	73.4%	139.9	21.0	565.2%	216.9	235.6	-8.0%
Margin	19.1%	12.1%	-	19.1%	3.0%	-	15.3%	16.9%	-
EBIT	30.7	2.6	-	65.7	21.0	212.1%	97.7	91.2	7.1%
Pre-tax profit	24.9	-1.3	-	60.0	13.8	336.2%	84.4	80.5	4.8%
Net profit	20.3	2.4	-	46.2	12.1	282.0%	67.2	67.2	0.0%

Argentina once again contributes to quarterly profits

We estimate the Q2 2014 revenue of Kopex at PLN 355.0m after 9.6% growth from last year driven by a 64.5% surge in sales of underground mining equipment (thanks to delivery of another part of an order acquired in Argentina), and a 12.0% increase in sales of mining services led by strong demand. Sales of electrical and electronic equipment are expected to be 50.4% lower than in Q2 2013 due to weak demand in Russia. The Argentina contract will drive the consolidated quarterly gross profit up by 66.8% from Q2 last year, and EBITDA at PLN 67.7m will show y/y growth of 73.4%, supported by base effects. We project that Kopex's net debt as of 30 June will approximate PLN 0.4bn or 1.4x 12M EBITDA. Based on our Q2 estimates, we expect Kopex to deliver 51.8% o four annual sales forecast and 64.5% of expected EBITDA in H1 2014.

Building Materials **Rovese**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 1.34 PLN 1.22		FY14E P/E FY15E P/E	- 29.8		FY14E EV/EBITDA FY15E EV/EBITDA	8.2 6.8
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	494.3	511.6	-3.4%	883.7	932.9	-5.3%	2,059.5	1,870.5	10.1%
EBITDA	60.1	50.2	19.8%	102.2	85.3	19.9%	214.3	213.9	0.2%
Margin	12.2%	9.8%	-	11.6%	9.1%	-	10.4%	11.4%	-
EBIT	15.7	12.5	25.7%	14.7	4.3	243.6%	42.4	37.4	13.5%
Pre-tax profit	-3.2	-27.6	-	-223.6	-23.9	-	-15.1	-66.2	-
Net profit	-2.6	-29.5	-	-200.4	-22.4	-	-12.2	-64.4	-

Weak Ukraine sales, strong local competition, weigh on Q2 profits

Compared to Q2 2013, Rovese is expected to report sales declines of 2% in ceramic tiles, 5% in ceramic sanitaryware, and 10% in other ceramics, in Q2 2014. The contraction in the period was due to weaker demand from Ukraine and consequently fiercer competition in the local market. With gross margin flat at 31%, after cost of debt, the quarterly net profit will be at break even. The 6.7% depreciation in the hryvnia relative to the euro observed in the second quarter will result in PLN 8.1m FX losses for Rovese. We project that the net debt/12M EBITDA ratio as of 30 June will amount to 3.3x. Rovese is expected to achieve 49% of our FY2014 annual sales forecast and 43% of expected EBITDA in H1.

Food Producers **Tarczyński**	Buy								
Analyst: Jakub Szkopek	Current price Target price		PLN 9.90 PLN 12.20		FY14E P/E FY15E P/E	14.4 11.9		FY14E EV/EBITDA FY15E EV/EBITDA	6.7 5.4
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	131.5	109.7	19.8%	240.3	209.2	14.9%	513.1	448.3	14.5%
EBITDA	6.5	7.3	-9.9%	16.4	16.2	1.8%	36.2	32.9	9.9%
Margin	5.0%	6.6%	-	6.8%	7.7%	-	7.1%	7.3%	-
EBIT	1.5	3.9	-60.5%	6.3	9.6	-33.9%	15.8	17.3	-9.0%
Pre-tax profit	0.1	2.4	-94.4%	3.5	6.6	-46.9%	10.0	11.9	-16.4%
Net profit	0.1	2.1	-94.8%	2.8	5.4	-48.5%	7.8	9.3	-16.2%

Q2 profits depressed by advertising, D&A

We expect sales of processed meats at Tarczyński to show 7% growth in Q2 2014 relative to the same period last year owing to increased sales to big-box stores and the fact that the Easter shopping season this year fell in April. In addition, an increasing share in the sales mix of premium deli meats is expected to drive per-ton revenue by 15.9% year on year. With the upturn in costs of fresh pig meat observed in the course of the second quarter offset by the use of frozen meat stockpiles accumulated in the quarter before, the Q2 gross profit margin may show only small year-on-year contraction of 0.3ppt at 18.6%. Due to marketing expenses totaling PLN 3m (last year most of the advertising spend was incurred in Q1), Tarczyński will post 9.8% contraction to PLN 6.5m in Q2 2014 EBITDA, with net profit for the quarter down to an estimated PLN 0.1m from PLN 2.1 in Q2 2013. EBIT in Q2 will be additionally weighed down by D&A expenses expected to show a 49% y/y surge to PLN 5.0m.

Metals **Vistal**	**Buy**								
Analyst: Jakub Szkopek	Current price Target price		PLN 13.54 PLN 24.30		FY14E P/E FY15E P/E	7.5 5.6		FY14E EV/EBITDA FY15E EV/EBITDA	7.3 5.5

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	77.3	72.5	6.5%	148.7	131.8	12.8%	360.5	283.4	27.2%
EBITDA	10.1	14.0	-28.1%	19.4	17.5	10.7%	49.8	34.2	45.3%
Margin	13.1%	19.3%	-	13.0%	13.3%	-	13.8%	12.1%	-
EBIT	7.0	11.4	-39.0%	13.1	12.3	6.2%	34.4	23.5	46.3%
Pre-tax profit	4.6	7.5	-39.2%	9.8	7.4	32.0%	28.1	15.5	81.5%
Net profit	3.7	5.1	-26.7%	7.1	6.2	14.4%	25.7	20.4	25.8%

Q2 affected by new factory costs

Compared to Q2 2013, Vistal is expected to report a 14.5% increase in sales of bridge structures (the Company is building the "Most Grota" bridge in Warsaw), and 28.0% expansion in sales of marine and offshore structures (achieved after the launch of the new production facility). As a result, with lower sales achieved in the other segments, the consolidated revenue for the quarter will be 6.5% higher than in Q2 2013. As for gross margins, we anticipate expansion to 26.4% from 24.6% last year in the infrastructure segment (Most Grota bridge) and contraction to 13.7% from 38.1% in the marine&offshore segment due to an over-13% surge in D&A expenses combined with base effects (orders delivered in Q2 2013 generated exceptionally high margins), underpinned by a persistent shortage of orders. We estimate that Vistal will achieve 41% of our 2014 annual sales forecast and 39% of expected EBITDA in H1.

Construction

Construction Budimex	Accumulate								
Analyst: Piotr Zybała	Current price Target price		PLN 115.70 PLN 139.95		FY14E P/E FY15E P/E	18.3 14.2	FY14E EV/EBITDA FY15E EV/EBITDA		7.9 6.2
(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	1,158.1	1,234.6	-6.2%	1,992.1	2,087.7	-4.6%	4,529.3	4,749.5	-4.6%
EBITDA	51.6	53.7	-3.9%	110.2	103.5	6.5%	210.4	362.2	-41.9%
Margin	4.5%	4.4%	-	5.5%	5.0%	-	4.6%	7.6%	-
EBIT	46.2	46.0	0.3%	98.7	88.6	11.3%	189.2	333.3	-43.2%
Pre-tax profit	45.5	44.1	3.2%	99.9	87.2	14.5%	198.8	331.3	-40.0%
Net profit	36.8	32.8	12.2%	79.6	67.8	17.4%	161.1	300.5	-46.4%

Budimex eyes y/y growth in Q2

In a June interview, CEO Blocher said he expected Budimex to post year-on-year profit growth and an improved cash position in Q2 2014. The higher profits in our view were driven by stronger margins earned on the construction business, which is also expected to report revenue growth for the first time in many quarters, and slight improvement in the real-estate business. The sale in mid-2013 of the subsidiary Danwood is bound to result in y/y revenue contraction, but the loss should not exceed 6% at PLN 1,158m. Profits in Q2 will be supported by a lack of losses on derivatives and slightly higher financing gains. SG&A expenses are expected to be more or less stable at the year-ago level. All told, we anticipate the quarterly net profit will come in at PLN 36.8m, representing 12% y/y growth from PLN 32.8m. We expect Budimex to report having net cash of ca. PLN 900m as of 30 June even after a PLN 300m dividend payout, compared to PLN 680m booked at the same time last year.

Construction Elektrobudowa	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 74.30 PLN 105.00		FY14E P/E FY15E P/E	14.7 9.6	FY14E EV/EBITDA FY15E EV/EBITDA		6.7 5.5
(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	299.6	216.3	38.5%	484.0	382.8	26.4%	1,212.3	905.6	33.9%
EBITDA	10.6	1.7	535.8%	13.2	9.1	45.9%	52.5	38.7	35.6%
Margin	3.5%	0.8%	-	2.7%	2.4%	-	4.3%	4.3%	-
EBIT	7.3	-1.9	-	6.7	1.9	251.2%	39.4	24.6	60.2%
Pre-tax profit	5.7	-1.6	-	4.0	1.6	144.7%	32.8	25.9	26.6%
Net profit	4.5	-3.0	-	1.2	0.8	48.5%	24.1	17.2	40.0%

Return to growth

Elektrobudowa has been generating losses on industrial engineering operations since Q2 2013, and while we do not expect to see a profit on this business yet in Q2 2014 we do anticipate the loss will be much smaller than last year. Otherwise, we expect increasing revenues in the core segments of services provided to power plants and power distributors driven by major contracts from Tauron and PSE. On a consolidated revenue of PLN 216m (+38% y/y), EBIT in Q2 2014 will come in at an estimated PLN 7.3m vs. an EBIT loss of PLN 1.9m posted in Q2 last year. As a result the bottom line as well will show a net profit of PLN 4.5m, marking improvement from the net loss of PLN 3.0m incurred in Q2 2013. Summing up, Q2'14 is expected to be the first quarter in over a year of improving financial results for Elektrobudowa. After completion of restructuring in the industrial engineering segment planned later this year, we expect continuing growth in the second half of 2014.

Construction **Erbud**	**Buy**								
Analyst: Piotr Zybała	Current price Target price		PLN 24.80 PLN 35.90		FY14E P/E FY15E P/E	12.2 9.9		FY14E EV/EBITDA FY15E EV/EBITDA	4.4 3.6

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	361.4	319.5	13.1%	645.0	525.9	22.6%	1,329.0	1,225.1	8.5%
EBITDA	11.1	8.2	34.9%	18.7	11.9	57.8%	47.3	40.1	18.0%
Margin	3.1%	2.6%	-	2.9%	2.3%	-	3.6%	3.3%	-
EBIT	9.2	5.8	56.7%	15.3	8.2	87.5%	39.3	32.4	21.2%
Pre-tax profit	7.7	4.3	77.2%	11.0	5.2	112.7%	36.3	23.8	52.3%
Net profit	4.4	2.0	122.4%	5.7	2.4	144.5%	25.8	17.5	47.7%

Erbud set for Q2 upswing in profits

Erbud's order backlog as of 31 March 2014 was 16% higher than at the same time last year, suggesting expansion in Q2 revenue at a projected rate of 13% (marking a slight deceleration from Q1) to PLN 361m. By operating segment, we expect to see the strongest sales in engineering and power plant construction based on rising backlogs. Margins are set to widen in Q2 2014 relative to the very weak Q2 2013. All in all, we estimate the quarterly EBIT at PLN 9.2m (+57% y/y), and we expect net profit will amount to PLN 4.4m (+122% y/y). Erbud's outlook for the next six months is even more impressive if we take into account seasonality and the fact that in 2013 the Company generated 87% of the annual profit in the latter half of the year.

Construction **Unibep**	**Buy**								
Analyst: Piotr Zybała	Current price Target price		PLN 7.40 PLN 10.20		FY14E P/E FY15E P/E	11.3 8.8		FY14E EV/EBITDA FY15E EV/EBITDA	7.3 6.1

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	267.1	240.2	11.2%	468.4	435.7	7.5%	1,147.2	920.5	24.6%
EBITDA	8.5	9.0	-5.8%	12.9	14.8	-12.7%	39.6	34.0	16.4%
Margin	3.2%	3.8%	-	2.8%	3.4%	-	3.5%	3.7%	-
EBIT	6.8	7.6	-9.6%	9.6	11.9	-19.6%	34.0	28.1	21.0%
Pre-tax profit	5.7	6.3	-9.3%	10.7	9.6	11.3%	29.7	23.1	28.6%
Net profit	4.4	4.1	7.8%	7.3	6.6	9.9%	22.5	13.6	64.9%

Unibep sees flat growth in Q2

We do not expect any major surprises in Unibep's Q2 2014 report. Revenues should increase 10% from last year on a larger backlog, but the gross margin is expected to narrow from the high, 6.7% level recorded in Q2 2013 which exceeded our expectations and our long-term estimate of 6.5% owing to a Lithuanian contract completed in the period. We do not expect to see any one-time charges in Q2 2014, but we anticipate 9-10% contraction in EBIT and gross profit, with net profit up 8% to PLN 4.4m assuming an effective tax rate of 21%.

Property Developers

Property Developers Capital Park	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 4.45 PLN 8.40		FY14E P/E FY15E P/E	13.5 6.8		FY14E P/BV FY15E P/BV	0.46 0.43

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	10.2	10.1	1.1%	20.6	19.8	3.8%	50.1	38.8	29.0%
Gross profit	7.6	-	-	15.2	-	-	38.9	29.3	32.9%
Margin	74.0%	-	-	74.0%	-	-	77.6%	75.4%	-
EBIT ex. revaluations	3.8	3.3	17.5%	4.9	4.9	0.8%	24.4	16.1	51.2%
Revaluations	0.5	38.0	-98.8%	7.9	60.7	-87.0%	28.9	24.3	19.0%
EBIT	4.3	41.2	-89.5%	12.8	65.6	-80.5%	53.3	40.4	31.8%
Pre-tax profit	1.8	28.6	-93.6%	5.8	42.8	-86.4%	43.6	28.1	55.3%
Net profit	0.1	34.0	-99.7%	4.5	46.3	-90.3%	34.8	25.6	36.2%

CAP sees stable rental income, zero valuation gains, in Q2

We expect flat rental income at Capital Park in Q2 2014 (PLN 10.2m, +1% y/y) as the Eurocentrum office building completed in June is not going to start contributing to income in a noticeable way until Q4. Thanks to proceeds earned on the real-estate income assets fund, EBIT adjusted for revaluation is expected to be 17% higher than in Q2 2013 at an estimated PLN 3.8m. In turn, valuation gains on commercial real estate will show a drop to PLN 0.5m from PLN 38m when they were boosted by an appreciation of 15 groszys in the EUR/PLN exchange rate vs. a slight depreciation in Q2 2014 offset by an upward adjustment to the value of the Eurocentrum building. After financing losses projected at PLN 2.5m (foreign-currency loan revaluation), the Q2 2014 net profit of Capital Park will come in near zero.

Property Developers Dom Development	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 44.50 PLN 57.80		FY14E P/E FY15E P/E	19.3 15.3		FY14E P/BV FY15E P/BV	1.28 1.26

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	159.1	119.9	32.7%	357.7	340.2	5.2%	747.6	676.4	10.5%
Gross profit	26.0	22.7	14.5%	58.6	78.7	-25.6%	158.6	157.1	1.0%
Margin	16.4%	19.0%	-	16.4%	23.1%	-	21.2%	23.2%	-
EBIT ex. revaluations	3.1	1.9	64.0%	11.9	34.9	-65.8%	71.3	73.3	-2.8%
Revaluations	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
EBIT	3.1	1.9	64.0%	11.9	34.9	-65.8%	71.3	73.3	-2.8%
Pre-tax profit	2.3	1.4	66.8%	14.0	34.0	-58.8%	70.7	69.7	1.4%
Net profit	1.9	1.1	79.9%	11.1	27.4	-59.3%	57.1	54.4	4.9%

DOM eyes token profit after flat y/y growth

Dom Development closed 450 homes in Q2 2014, representing an increase of 52% from the same period in 2013, but its net profit for the quarter will show flat growth due to two reasons: First, the flats delivered in the period were cheaper than last year (at an estimated PLN 353,000 vs. PLN 406,000 per flat), resulting in growth of just 33% to PLN 159m in the quarterly revenue. Second, the gross margin on these flats is expected to narrow to 16.4% from 19.0% y/y due to a nearly 50% share in the delivery mix of two low-margin developments. We predict that Dom Development will achieve most of its annual net profit for 2014 in the fourth quarter.

Dom Maklerski

Property Developers **Echo Investment**	**Buy**								
Analyst: Piotr Zybała	Current price Target price		PLN 6.50 PLN 8.10		FY14E P/E FY15E P/E	15.6 9.9		FY14E P/BV FY15E P/BV	0.92 0.84
(PLN m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	114.0	125.4	-9.1%	225.8	265.8	-15.0%	545.3	528.7	3.1%
Gross profit	68.4	72.4	-5.6%	134.3	148.7	-9.7%	307.2	294.1	4.4%
Margin	60.0%	57.8%	-	59.5%	55.9%	-	56.3%	55.6%	-
EBIT ex. revaluations	50.7	51.4	-1.5%	95.9	110.7	-13.3%	235.6	222.6	5.9%
Revaluations	-2.8	202.7	-	442.1	378.5	16.8%	-34.3	271.2	-
EBIT	47.9	254.1	-81.2%	538.0	489.2	10.0%	201.3	493.8	-59.2%
Pre-tax profit	15.7	152.3	-89.7%	460.3	306.8	50.0%	180.7	312.3	-42.1%
Net profit	13.3	146.0	-90.9%	421.8	302.1	39.6%	171.6	309.1	-44.5%

Echo sees improvement in commercial real estate, slowdown in residential business

The completion in Q1 2014 of three commercial developments: the A4 Business Park (B1) in Katowice, the first building in the "Park Rozwoju" office complex Warsaw, and the "Galeria Amber" shopping center in Kalisz, with a combined gross leasable area of 61,000 square meters, means we can expect higher rental revenue from Echo in Q2 2014. The contributions of these buildings to the period's rental income will be limited given rent-free periods and time needed for all tenants to move in. All in all, we anticipate a 3% rise in revenue and a 6% increase in profit in the commercial segment. By contrast, revenue in the residential segment is set to drop by about two-thirds relative to Q2 2013, with the gross margin as well falling from last year's above-average level of 32%. The profitability of the residential business is poised to remain tight for the next year or so while Echo works on expanding its housing inventory, expected to achieve peak profitability in 2016. All in all, we anticipate a 9% y/y drop to PLN 114m in Echo's consolidated revenue for Q2 2014, with the gross profit down 6% to PLN 68m. After a small loss incurred on value adjustments to investment properties (ca. PLN 10m as a result of the zloty's appreciation versus the euro, partly offset by adjustments to the value of work in progress), and a 10% reduction in financing expenses (in a continuation of the downtrend observed in Q1), we project that the quarterly net profit will come in at PLN 13.3m. Echo's net profit for H1 2014 is expected to be well upwards of PLN 400m, thus exceeding our full-year estimate which we are planning on revising soon.

Property Developers **GTC**	**Accumulate**								
Analyst: Piotr Zybała	Current price Target price		PLN 7.38 PLN 9.20		FY14E P/E FY15E P/E	17.6 5.3		FY14E P/BV FY15E P/BV	0.79 0.69
(EUR m)	**Q2'14E**	**Q2'13**	**change**	**H1'14E**	**H1'13**	**change**	**2014E**	**2013**	**change**
Revenue	30.7	32.5	-5.4%	61.7	65.7	-6.1%	120.3	131.1	-8.2%
Gross profit	19.5	21.0	-7.2%	39.4	42.3	-6.9%	75.8	84.0	-9.8%
Margin	63.6%	64.8%	-	63.9%	64.4%	-	63.0%	64.1%	-
EBIT ex. revaluations	13.5	15.1	-10.7%	30.4	34.2	-11.2%	57.1	68.3	-16.4%
Revaluations	-10.0	-44.5	-	-12.0	-70.0	-	27.9	-189.7	-
EBIT	3.5	-29.3	-	18.4	-35.8	-	85.1	-121.4	-
Pre-tax profit	-11.3	-43.8	-	-8.3	-64.3	-	42.4	-172.6	-
Net profit	-7.6	-42.3	-	-8.7	-65.1	-	35.5	-146.8	-

Stable rental income, possible downward value adjustments

GTC's portfolio of rental properties did not undergo major changes in Q2 2014, and it is expected to generate a revenue of EUR 27.5m and rental income of EUR 19.6m, marking flat q/q growth and y/y contraction of 7-8% resulting from a shopping center sale in late 2013. Income from residential properties should remain around zero. We expect to see downward value adjustments to the tune of EUR 10m to Polish and foreign assets deemed to have limited capacity for achieving better profitability. Further, an adjustment to the value of the stock option plan is expected to add about EUR 2m to the usual quarterly SG&A expenses of ca. EUR 3m. After increased financing costs incurred on closed hedging positions and possible losses of associates, especially losses on properties in Russia and Ukraine estimated at EUR 1.5m, the Q2 bottom line is expected to be a net loss of EUR 7.6m. Robyg will not see a turnaround in profits until it secures building permits for the two shopping centers planned in Warsaw.

Property Developers Robyg	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 2.17 PLN 3.07		FY14E P/E FY15E P/E	22.2 12.6		FY14E P/BV FY15E P/BV	1.34 1.28

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	85.3	119.2	-28.5%	223.0	278.3	-19.9%	369.0	485.9	-24.1%
Gross profit	14.7	20.4	-27.7%	38.6	48.0	-19.6%	65.4	90.5	-27.8%
Margin	17.3%	17.1%	-	17.3%	17.2%	-	17.7%	18.6%	-
EBIT ex. revaluations	13.1	11.1	18.0%	31.7	31.0	2.5%	46.7	52.7	-11.5%
Revaluations	0.0	0.6	-100.0%	0.0	4.0	-100.0%	3.7	4.0	-7.4%
EBIT	13.1	11.7	12.4%	31.7	35.0	-9.2%	50.4	56.7	-11.2%
Pre-tax profit	10.4	9.0	16.4%	26.3	28.6	-7.8%	39.7	44.1	-10.0%
Net profit	7.7	3.3	131.1%	15.8	12.7	24.5%	25.6	26.1	-1.9%

Q2 boosted by JVs

We estimate that Robyg closed about 450 homes in Q2 2014, half of which were in developments built jointly with partners. Robyg does not consolidate joint-venture projects in its financial statements, with the profits recognized as "equity in profits of subsidiaries accounted for under the equity method," between gross profit and operating profit. On the 225 wholly-owned homes closed in Q2, Robyg is expected to generate a gross margin of 18.0% (steady q/q and y/y), gross profit of PLN 13.4m, and revenue of PLN 74m. In addition, the Developer will recognize revenue of an estimated PLN 11m and gross profit of ca. PLN 1.3m on other operations, mainly management of JV projects and office space rental. Further, SG&A expenses in Q2 2014 will show year-on-year expansion of an estimated 7% at PLN 9.4m. EBIT not including JVs will come in at ca. PLN 5.2m. As for the joint ventures, we project they generated a gross margin of nearly 30% in Q2, and we estimate their net profit for the period at PLN 8m, resulting in a consolidated quarterly EBIT of PLN 13.1m (+18% y/y). Robyg will pay PLN 1m higher tax in Q2 2014 stemming from intercompany adjustments to the City Apartments development (under current consolidation rules, taxes on joint venture projects are levied against EBIT), moreover, it will recognize a gain of ca. PLN 1.3m on the minority interests in the development, and all in all its Q2 2014 net profit attributable to the shareholders of the parent will amount to a projected PLN 7.7m, representing year-on-year growth of 130%. Robyg is expected to achieve over 60% of our 2014 full-year net profit estimate in H1. Its outlook for H2 involves a weaker Q3 and a very strong Q4.

Other

Other **Work Service**	Buy								
Analyst: Paweł Szpigiel	Current price Target price		PLN 14.73 PLN 18.63		FY14E P/E FY15E P/E	15.5 11.5	FY14E EV/EBITDA FY15E EV/EBITDA		10.7 8.7

(PLN m)	Q2'14E	Q2'13	change	H1'14E	H1'13	change	2014E	2013	change
Revenue	373.9	221.4	68.8%	719.8	410.1	75.5%	1,681.0	918.4	83.0%
EBITDA	16.8	9.6	75.5%	34.8	19.8	75.8%	98.5	52.8	86.5%
Margin	4.5%	4.3%	-	9.7%	9.7%	-	5.9%	5.7%	-
EBIT	15.2	8.5	79.4%	31.4	17.6	78.4%	91.8	48.0	91.2%
Pre-tax profit	9.6	3.8	152.0%	25.5	10.4	145.2%	75.6	32.9	129.7%
Net profit	7.7	2.5	208.9%	19.2	8.2	134.1%	56.3	26.5	112.5%

Acquisitions drive Q2 profits

We expect Work Service to report 69% revenue growth to PLN 373.9m in Q2 2014 with the three recent acquisitions: Antal International, Work Express, and Prohuman contributing PLN 96.9m and the organic topline expanding 25.1% y/y. EBIT is projected at PLN 15.7m after a year-on-year surge of 56% with PLN 7.1m provided by acquisitions and PLN 8.6m achieved through organic growth. The slow rate of organic expansion witnessed in Q2 was due to gross margin shrinkage to an estimated 10.2% from 10.9% in Q2 last year combined with a sharp increase in SG&A expenses driven by international operations. After PLN 1.0m one-time costs connected with acquisitions, we project Q2 EBIT will come in at PLN 15.2m (+79% y/y). With financing activity expected to result in a PLN 4.6m loss, and with the tax rate projected at 10% (equivalent to the average for the last four quarters), the quarterly net profit should come in at PLN 7.7m (+209% y/y).

Earnings Calendar

Company	H 12014	Q3 2014
ABC DATA	2014-08-26	2014-11-10
AGORA	2014-08-14	2014-11-07
ALCHEMIA	2014-08-29	2014-11-14
ASSECO POLAND	2014-08-27	2014-11-14
ASTARTA	2014-08-18	2014-11-07
BORYSZEW	2014-08-28	2014-11-13
BUDIMEX	2014-08-29	2014-10-29
BZ WBK	2014-07-31	2014-11-04
CAPITAL PARK	2014-08-14	2014-11-14
CEZ	2014-08-12	2014-11-11
CIECH	2014-08-20	2014-11-14
CYFROWY POLSAT	2014-08-28	2014-11-13
DOM DEVELOPMENT	2014-08-21	2014-10-24
ECHO INVESTMENT	2014-08-28	2014-11-13
ELEKTROBUDOWA	2014-08-29	2014-11-14
ENEA	2014-08-27	2014-11-12
ENERGA	2014-08-13	2014-11-07
ERBUD	2014-08-27	2014-11-06
FAMUR	2014-08-29	2014-11-14
GETIN NOBLE BANK	2014-08-29	2014-11-14
GTC	2014-08-21	2014-11-13
HANDLOWY	2014-08-01	2014-11-05
IMPEXMETAL	2014-08-13	2014-11-10
ING BSK	2014-08-06	2014-11-05
JSW	2014-08-07	2014-11-06
KERNEL	2014-10-31	
KĘTY	2014-08-07	2014-10-23
KGHM	2014-08-29	2014-11-14
KOPEX	2014-08-27	2014-11-13
KRUK	2014-09-01	2014-11-14
LOTOS	2014-08-19	2014-10-29
LW BOGDANKA	2014-08-28	2014-11-06
MILLENNIUM	2014-07-28	2014-10-27
MOL	2014-08-01	2014-11-06
NETIA	2014-08-07	2014-11-06
ORANGE POLSKA	2014-07-25	2014-10-22
PEKAO	2014-08-05	2014-11-10
PGE	2014-08-27	2014-11-13
PGNiG	2014-08-14	2014-11-07
PKN ORLEN	2014-07-23	2014-10-22
PKO BP	2014-09-01	2014-11-06
PZU	2014-08-27	2014-11-13
ROBYG	2014-08-21	2014-11-13
ROVESE	2014-09-01	2014-11-14
TARCZYŃSKI	2014-08-08	2014-11-07
TAURON	2014-08-21	2014-11-13
TVN	2014-08-13	2014-11-13
UNIBEP	2014-08-29	2014-11-14
WORK SERVICE	2014-08-29	2014-11-14
VISTAL	2014-09-01	2014-11-14

Source: Companies

Current recommendations by Dom Maklerski mBanku

Company	Recommendation	Date issued	Price on report date	Target price	Current price	Upside / Downside	P/E 2014	P/E 2015	EV/EBITDA 2014	EV/EBITDA 2015
Banks										
BZ WBK	Hold	2014-07-14	348.00	344.95	361.80	-4.7%	16.1	14.7		
GETIN NOBLE BANK	Hold	2014-07-14	3.00	2.95	2.99	-1.3%	14.6	12.4		
HANDLOWY	Hold	2014-07-14	108.00	103.37	110.00	-6.0%	17.0	14.8		
ING BSK	Accumulate	2014-07-14	128.70	144.12	128.50	+12.2%	16.1	12.9		
MILLENNIUM	Accumulate	2014-07-14	7.74	8.46	7.84	+7.9%	14.5	12.8		
PEKAO	Hold	2014-07-14	175.00	173.34	177.00	-2.1%	17.4	15.1		
PKO BP	Buy	2014-07-14	38.20	43.20	38.29	+12.8%	14.7	11.8		
KOMERCNI BANKA	Reduce	2014-01-15	4520.00	4115 CZK	4466.00	-7.9%	13.6	12.7		
ERSTE BANK	Hold	2014-01-15	28.59	29.6 EUR	18.50	+60.0%	9.7	7.2		
RBI	Buy	2014-01-15	26.70	32.1 EUR	22.00	+45.9%	7.6	5.0		
OTP BANK	Hold	2014-01-15	4440.00	4618 HUF	4156.00	+11.1%	7.4	6.4		
Insurance										
PZU	Hold	2013-11-06	468.00	425.00	437.50	-2.9%	13.8	13.6		
Financial services										
KRUK	Buy	2014-06-06	95.49	113.29	89.80	+26.2%	10.8	10.0		
Fuels, chemicals										
CIECH	Accumulate	2014-07-07	34.00	35.87	35.03	+2.4%	16.6	14.3	6.3	6.0
LOTOS	Hold	2014-03-26	36.31	38.60	37.50	+2.9%	8.4	7.8	5.9	5.3
MOL	Buy	2014-03-07	171.20	211.90	154.65	+37.0%	8.1	6.2	3.8	3.1
PGNiG	Hold	2014-07-03	5.11	5.22	5.22	+0.0%	9.9	11.7	5.2	5.8
PKN ORLEN	Buy	2014-02-18	41.45	50.86	42.77	+18.9%	9.6	8.4	5.5	4.9
Power Utilities										
CEZ	Reduce	2014-06-03	88,15	76.00	86.50	-12.1%	10.6	12.5	6.9	7.4
ENEA	Accumulate	2014-06-03	16,07	17.33	14.97	+15.8%	8.6	10.0	4.1	5.2
ENERGA	Hold	2014-06-03	18.85	19.90	21.01	-5.3%	11.3	13.2	5.5	5.5
PGE	Reduce	2014-06-03	21,25	18.90	20.38	-7.3%	9.9	11.8	4.6	5.8
TAURON	Buy	2014-06-03	5,40	6.40	5.03	+27.2%	8.4	9.5	4.4	5.2
Telecommunications										
NETIA	Hold	2014-07-07	5.27	5.60	5.51	+1.6%	37.8	41.6	4.4	4.8
ORANGE POLSKA	Sell	2014-04-22	10.32	8.10	9.59	-15.5%	33.3	69.2	4.7	5.0
Media										
AGORA	Hold	2014-06-06	9.60	9.50	8.19	+16.0%	204.7	-	4.4	4.3
CYFROWY POLSAT	Accumulate	2014-06-06	22.10	23.84	23.35	+2.1%	23.1	16.7	10.7	6.2
GLOBAL CITY HOLDINGS	Under Review	2014-05-13	34.30	-	33.55	-	-	-	-	-
TVN	Accumulate	2014-03-06	16.00	17.90	14.30	+25.2%	14.2	12.8	11.1	10.2
IT										
AB	Suspended	2013-02-05	23.50	-	29.10	-	-	-	-	-
ABC DATA	Buy	2013-11-19	4.52	5.35	4.22	+26.8%	7.8	7.1	7.4	6.7
ACTION	Suspended	2013-02-05	29.70	-	42.60	-	-	-	-	-
ASBIS	Suspended	2013-02-05	3.21	-	2.73	-	-	-	-	-
ASSECO POLAND	Accumulate	2014-07-08	40.75	45.60	39.80	+14.6%	9.5	9.9	6.0	5.9
COMARCH	Suspended	2013-03-11	89.60	-	78.50	-	-	-	-	-
SYGNITY	Suspended	2013-02-05	16.80	-	16.60	-	-	-	-	-
Mining & Metals										
JSW	Hold	2014-01-15	50.73	55.00	43.10	+27.6%	-	-	4.9	4.1
KGHM	Buy	2014-01-15	114.50	144.00	128.65	+11.9%	10.1	8.8	5.2	4.5
LW BOGDANKA	Hold	2014-07-07	116.00	136.90	112.30	+21.9%	12.9	10.3	6.0	5.1
Manufacturers										
ALCHEMIA	Sell	2014-06-12	5.03	3.30	4.97	-33.6%	41.5	25.9	15.3	12.5
ASTARTA	Hold	2014-06-06	47.40	48.60	40.00	+21.5%	12.3	4.4	4.6	4.2
BORYSZEW	Hold	2014-01-15	4.90	5.20	5.30	-1.9%	13.4	11.8	8.5	7.7
FAMUR	Hold	2014-05-07	4.46	3.60	3.68	-2.2%	26.4	13.6	8.4	5.9
IMPEXMETAL	Hold	2014-03-06	3.33	3.40	2.25	+51.1%	8.3	7.3	6.7	5.9
KERNEL	Hold	2014-07-07	32.15	32.50	29.50	+10.2%	103.3	4.6	7.0	3.9
KĘTY	Hold	2014-07-01	226.95	226.80	219.00	+3.6%	12.6	11.9	7.8	7.3
KOPEX	Buy	2014-07-07	10.75	14.50	11.21	+29.3%	12.4	9.7	5.6	5.2
ROVESE	Hold	2014-05-20	1.27	1.22	1.34	-9.0%	-	29.8	8.2	6.8
TARCZYŃSKI	Buy	2014-07-17	10.00	12.20	9.90	+23.2%	14.4	11.9	6.7	5.4
VISTAL	Buy	2014-02-10	16.10	24.30	13.54	+79.5%	7.5	5.6	7.3	5.5
Construction										
BUDIMEX	Accumulate	2014-03-24	132.00	139.95	115.70	+21.0%	18.3	14.2	7.9	6.2
ELEKTROBUDOWA	Buy	2014-05-20	72.50	105.00	74.30	+41.3%	14.7	9.6	6.7	5.5
ERBUD	Buy	2014-03-06	28.23	35.90	24.80	+44.8%	12.2	9.9	4.4	3.6
UNIBEP	Buy	2014-01-21	7.89	10.20	7.40	+37.8%	11.3	8.8	7.3	6.1
Property Developers										
CAPITAL PARK	Buy	2014-01-21	5.27	8.40	4.45	+88.8%	13.5	6.8	24.3	14.1
DOM DEVELOPMENT	Buy	2014-06-23	46.00	57.80	44.50	+29.9%	19.3	15.3	17.5	12.9
ECHO	Buy	2014-01-21	6.23	8.10	6.50	+24.6%	15.6	9.9	25.0	13.0
GTC	Accumulate	2014-06-06	8.00	9.20	7.38	+24.7%	17.6	5.3	15.9	7.7
ROBYG	Buy	2014-06-23	2.35	3.07	2.17	+41.5%	22.2	12.6	15.5	11.7
Other										
WORK SERVICE	Buy	2014-03-31	14.70	18.63	14.73	+26.5%	15.5	11.5	10.7	8.7

Ratings issued in the past month

Company	Rating	Previous Rating	Target Price	Rating Day
ASSECO POLAND	Accumulate	Hold	45.60	2014-07-08
BZ WBK	Hold	Hold	344.95	2014-07-14
CIECH	Accumulate	Buy	35.87	2014-07-07
DOM DEVELOPMENT	Buy	Buy	57.80	2014-06-23
GETIN NOBLE BANK	Hold	Sell	2.95	2014-07-14
HANDLOWY	Hold	Reduce	103.37	2014-07-14
ING BSK	Accumulate	Hold	144.12	2014-07-14
KERNEL	Hold	Accumulate	32.50	2014-07-07
KĘTY	Hold	Hold	226.80	2014-07-01
KOPEX	Buy	Hold	14.50	2014-07-07
LW BOGDANKA	Hold	Accumulate	136.90	2014-07-07
MILLENNIUM	Accumulate	Reduce	8.46	2014-07-14
NETIA	Hold	Suspended	5.60	2014-07-07
PEKAO	Hold	Hold	173.34	2014-07-14
PGNiG	Hold	Hold	5.22	2014-07-03
PKO BP	Buy	Buy	43.20	2014-07-14
ROBYG	Buy	Buy	3.07	2014-06-23
TARCZYŃSKI	Buy	Hold	12.20	2014-07-17

Ratings Statistics

Rating	All		For Issuers who are clients of Dom Maklerski mBanku	
	Count	Ac pct. of total	Count	As pct. of total
Sell	2	3.7%	2	6.5%
Reduce	3	5.6%	1	3.2%
Hold	21	38.9%	12	38.7%
Accumulate	9	16.7%	4	12.9%
Buy	19	35.2%	12	38.7%

List of abbreviations and ratios contained in the report.
EV – net debt + market value (EV – economic value)
EBIT – Earnings Before Interest and Taxes
EBITDA – EBIT + Depreciation and Amortisation
PBA – Profit on Banking Activity
P/CE – price to earnings with amortisation
MC/S – market capitalisation to sales
EBIT/EV – operating profit to economic value
P/E – (Price/Earnings) – price divided by annual net profit per share
ROE – (Return on Equity) – annual net profit divided by average equity
P/BV – (Price/Book Value) – price divided by book value per share
Net debt – credits + debt papers + interest bearing loans – cash and cash equivalents
EBITDA margin – EBITDA/Sales

Recommendations of Dom Maklerski mBanku S.A.:
A recommendation is valid for a period of 6-9 months, unless a subsequent recommendation is issued within this period. Expected returns from individual recommendations are as follows:
BUY – we expect that the rate of return from an investment will be at least 15%
ACCUMULATE – we expect that the rate of return from an investment will range from 5% to 15%
HOLD – we expect that the rate of return from an investment will range from –5% to +5%
REDUCE – we expect that the rate of return from an investment will range from -5% to -15%
SELL – we expect that an investment will bear a loss greater than 15%
Recommendations are updated at least once every nine months.

The present report expresses the knowledge as well as opinions of the authors on day the report was prepared. The opinions and estimates contained herein constitute our best judgment at this date and time, and are subject to change without notice. The present report was prepared with due care and attention, observing principles of methodological correctness and objectivity, on the basis of sources available to the public, which Dom Maklerski mBanku S.A. considers reliable, including information published by issuers, shares of which are subject to recommendations. However, Dom Maklerski mBanku S.A., in no case, guarantees the accuracy and completeness of the report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts.

This document does not constitute an offer or invitation to subscribe for or purchase any financial instruments and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. This document nor any copy hereof is not to be distributed directly or indirectly in the United States, Australia, Canada or Japan.
Recommendations are based on essential data from the entire history of a company being the subject of a recommendation, with particular emphasis on the period since the previous recommendation.

Investing in shares is connected with a number of risks including, but not limited to, the macroeconomic situation of the country, changes in legal regulations as well as changes on commodity markets. Full elimination of these risks is virtually impossible.

Dom Maklerski mBanku S.A. bears no responsibility for investment decisions taken on the basis of the present report or for any damages incurred as a result of investment decisions taken on the basis of the present report.

It is possible that Dom Maklerski mBanku S.A. renders, will render or in the past has rendered services for companies and other entities mentioned in the present report.

Dom Maklerski mBanku S.A. does not rule out offering brokerage services to an issuer of securities being the subject of a recommendation. Information concerning a conflict of interest arising in connection with issuing a recommendation (should such a conflict exist) is located on the final page of this report.

Dom Maklerski mBanku S.A., its shareholders and employees may hold long or short positions in the issuers' shares or other financial instruments related to the issuers' shares. Dom Maklerski mBanku S.A., its affiliates and/or clients may conduct or may have conducted transactions for their own account or for account of another with respect to the financial instruments mentioned in this report or related investments before the recipient has received this report.

Copying or publishing the present report, in full or in part, or disseminating in any way information contained in the present report requires the prior written agreement of Dom Maklerski mBanku S.A. Recommendations are addressed to all Clients of Dom Maklerski mBanku S.A.

The activity of Dom Maklerski mBanku S.A. is subject to the supervision of the Polish Financial Supervision Commission.

Dom Maklerski mBanku S.A. serves as underwriter for the following issuers: Asseco Business Solutions, Bakalland, BOŚ, Capital Park, Energa, Erbud, Es-System, Kruk, Magellan, Mieszko, Neuca, Oponeo, Pemug, Polimex Mostostal, Polna, Solar, Tarczyński, Vistal, ZUE.

Dom Maklerski mBanku S.A. serves as market maker for the following issuers: Asseco Business Solutions, Bakalland, BOŚ, Capital Park, Erbud, Es-System, KGHM, Kruk, LW Bogdanka, Magellan, Mieszko, Neuca, Oponeo, Pekao, PKN Orlen, PKO BP, Polimex Mostostal, Polna, Solar, Tarczyński, Vistal, ZUE.

Dom Maklerski mBanku S.A. receives remuneration from issuers for services rendered to the following companies: AB, Agora, Alior Bank, Alchemia, Ambra, BNP Paribas, Boryszew, BPH, mBank, BZ WBK, Deutsche Bank, Echo Investment, Elzab, Enea, Energoaparatura, Erbud, Erste Bank, Es-System, Farmacol, Ferrum, Getin Holding, Grupa o2, Handlowy, Impexmetal, ING BSK, Intergroclin Auto, Ipopema, Koelner, Kruk, LW Bogdanka, Magellan, Mennica, Mercor, Mieszko, Millennium, Mostostal Warszawa, Netia, Neuca, Odratrans, Oponeo, Orbis, OTP Bank, Paged, PA Nova, Pekao, Pemug, PGE, PGNiG, PKO BP, Polimex-Mostostal, Polnord, Prochem, Projprzem, PZU, Raiffeisen, Robyg, Rubikon Partners NFI, Seco Warwick, Solar, Sygnity, Tarczyński, Techmex, Unibep, Vistal.

In the last 12 months Dom Maklerski mBanku S.A. has been an offering agent of the issuer's shares in a public offering for the following companies: Capital Park, Vistal.

Asseco Poland provides IT services to Dom Maklerski mBanku S.A.

Dom Maklerski mBanku S.A. has a cash service agreement in place with Pekao and a phone subscription agreement in place with Orange Polska S.A. (f. TP S.A.).

Individuals who did not participate in the preparation of recommendations, but had or could have had access to recommendations prior to their publication, are employees of Dom Maklerski mBanku S.A. authorised to access the premises in which recommendations are prepared and/or individuals having to access to recommendations based on their corporate roles, other than the analysts mentioned as the authors of the present recommendations.

Strong and weak points of valuation methods used in recommendations:
DCF – acknowledged as the most methodologically correct method of valuation; it consists in discounting financial flows generated by a company; its weak point is the significant susceptibility to a change of forecast assumptions in the model.
Relative – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.

Michał Marczak
member of the management board
tel. +48 22 438 24 01
michal.marczak@mdm.pl
strategy, resources, metals

Research Department:

Kamil Kliszcz
deputy director
tel. +48 22 438 24 02
kamil.kliszcz@mdm.pl
energy, chemicals, power generation

Michał Konarski
tel. +48 22 438 24 05
michal.konarski@mdm.pl
banks

Jakub Szkopek
tel. +48 22 438 24 03
jakub.szkopek@mdm.pl
industrials

Paweł Szpigiel
tel. +48 22 438 24 06
pawel.szpigiel@mdm.pl
media, IT, telco

Piotr Zybała
tel. +48 22 438 24 04
piotr.zybala@mdm.pl
construction, real-estate development

Sales and Trading:

Piotr Gawron
director
tel. +48 22 697 48 95
piotr.gawron@mdm.pl

Piotr Dudziński
deputy director
tel. +48 22 697 48 22
piotr.dudzinski@mdm.pl

Marzena Łempicka-Wilim
deputy director
tel. +48 22 697 48 95
marzena.lempicka@mdm.pl

Traders:

Krzysztof Bodek
tel. +48 22 697 48 89
krzysztof.bodek@mdm.pl

Michał Jakubowski
tel. +48 22 697 47 44
michal.jakubowski@mdm.pl

Tomasz Jakubiec
tel. +48 22 697 47 31
tomasz.jakubiec@mdm.pl

Szymon Kubka, CFA, PRM
tel. +48 22 697 48 16
szymon.kubka@mdm.pl

Anna Łagowska
tel. +48 22 697 48 25
anna.lagowska@mdm.pl

Paweł Majewski
tel. +48 22 697 49 68
pawel.majewski@mdm.pl

Adam Mizera
tel. +48 22 697 48 76
adam.mizera@mdm.pl

Adam Prokop
tel. +48 22 697 47 90
adam.prokop@mdm.pl

Michał Rożmiej
tel. +48 22 697 49 85
michal.rozmiej@mdm.pl

Head of Foreign Institutional Sales:

Matthias Falkiewicz
tel. +48 22 697 48 47
matthias.falkiewicz@mdm.pl

"Private Broker"

Jarosław Banasiak
director, active sales
tel. +48 22 697 48 70
jaroslaw.banasiak@mdm.pl

Dom Maklerski mBanku S.A.
Research Department
ul. Senatorska 18
00-075 Warszawa
www.mDomMaklerski.pl