Dom Maklerski

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Quarterly Earnings Forecast: Q1 2015

Equity Market

Financial Sector
The 2015 first-quarter results of Polish banks were under pressure from low interest rates, reduced interchange fees, and raised annual contributions to the Bank Guarantee Fund (BFG). In some cases (GNB, BZ WBK) the pressure will be mitigated by one-time gains and proceeds earned on proprietary trading. Elsewhere in the financial sector we anticipate improvement in the quarterly results of the debt collector Kruk and the vehicle leasing company PCM, and we expect strong growth in the investment income of the insurer PZU.

Gas & Oil
European refiners are set for a strong Q1 2015 earnings season thanks to record margins though at first glance the quarterly profits may be skewed by inventory losses. At PGNiG stronger profits on trade and distribution will mitigate the impact of low crude prices.

Power Producers
We expect strong Q1 earnings from Energa and PGE though in the latter case some of the year-on-year growth will be achieved thanks to base effects. For CEZ and Tauron we anticipate shrinking EBITDA.

Telecoms, Media, IT
We expect a good first-quarter announcement from Agora thanks to strong sales of cinema tickets, and we anticipate a slight improvement from TVN led by a rebound in TV advertising spend. At Asseco Poland Q1 profits were under pressure from a slowdown experienced by the parent company. At telecoms and Cyfrowy Polsat we predict first-quarter profits will reflect downward price pressures.

Industrials
Of the 48 industrial companies tracked by us we expect 31% to report year-on-year growth in their earnings results for Q1 2015, with 27% reporting a slowdown and most (42%) experiencing flat growth relative to a high year-ago base. We see the most potential for upside surprises in Amica, BSC Drukarnia, Cognor, Feerum, Impexmetal, Kruszwica, Mercor, and Vistal, and we expect disappointing Q1 reports from AC SA, Kopex, PKM Duda, Patentus, PGO, Radpol, Ropczyce, and Zamet.

Construction
We expect strong Q1 2015 earnings growth from Unibep and Elektrobudowa. Budimex is set to report a slowdown relative to a high year-ago base, and Erbud had a weak first-quarter earnings season overall.

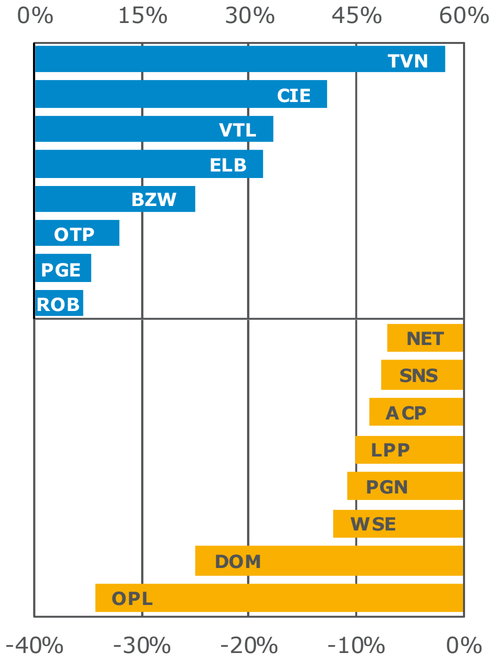
Property Developers
The Q1 2015 profits of commercial developers were under pressure from a depreciation in the EUR/PLN exchange rate. Not taking into account currency effects we expect the strongest Q1 showing from Capital Park. As for residential developers Dom Development will report weak profits after few closings made in Q1, while Robyg should report improvement.

Retail
The Q1 2015 results of the footwear retailer CCC will reflect an unfavorable sales mix, while the profits of the fashion retailer LPP will be affected by extended clearance sales and unfavorable FX trends. Both companies experienced downward pressure on gross margins from USDPLN appreciation in the period.

Other
We anticipate a drop in the Q1 EBIT of Work Service led by a surge in SG&A.

WIG	56,226
Average 2015E P/E	14.9
Average 2016E P/E	12.5
ADTV (3M)	PLN 812m

EPS growth at selected companies*



*calculated for: Q2'14-Q1'15 / Q1'14-Q4'14

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Table of Contents

Banks

Banks **BZ WBK**	Reduce							
Analyst: Michał Konarski	Current price Target price	PLN 378.55 PLN 310.36		FY15E P/E FY16E P/E	20.0 16.2		FY15E P/BV FY16E P/BV	2.1 2.0
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Net interest income	1,038.2	1,071.0	867.8	-3.1%	19.6%	3,868.8	3,996.8	-3.2%
Net fee income	467.2	471.9	441.9	-1.0%	5.7%	1,931.5	1,847.8	4.5%
Total income	2,273.0	1,844.0	1,442.4	23.3%	57.6%	6,578.2	6,579.0	0.0%
Operating expenses	-825.4	-833.8	-698.5	-1.0%	18.2%	-3,065.8	-3,027.5	1.3%
Operating income*	1,423.9	986.5	733.2	44.3%	94.2%	3,414.2	3,475.2	-1.8%
Provisions	273.2	284.6	162.0	-4.0%	68.7%	862.7	836.6	3.1%
Pre-tax income	1,150.7	701.9	571.2	63.9%	101.5%	2,551.5	2,638.7	-3.3%
Net income	880.4	445.2	449.5	97.7%	95.9%	1,871.1	1,914.7	-2.3%

*before provisioning

Q1 profits boosted by one-time divestment gain

BZ WBK is scheduled to report Q1 2015 earnings on April 28th. Our quarterly net profit estimate for the Bank is PLN 880m after a 98% surge from the quarter before and a 96% increase from the same period in 2014 driven by a one-time pre-tax gain of PLN 570m from a partial divestment of the insurance unit Aviva. On an adjusted basis the first-quarter bottom-line profit will show q/q and y/y contraction of respective 6.0% and 6.8%. In the wake of interest rate cuts in Poland in October 2014 and March 2015 BZ WBK's net interest income for Q1 2015 will show 3.1% contraction from the previous quarter, with NIM (over average assets) falling by 15bps. After lower proceeds realized on available-for-sale-securities the quarterly trading income will post a q/q drop of 30%. Offset by synergies, the costs of post-merger integration, costs related to Aviva, and contributions into the Bank Guarantee Fund, combined, will be 1% lower than in Q4 2014. Finally we expect BZ WBK to have reduced risk reserves by 4.0% q/q in Q1 2015, with cost of risk (too average loans) remaining stable at 119bps.

Banks **Getin Noble Bank**	Buy							
Analyst: Michał Konarski	Current price Target price	PLN 1.72 PLN 2.26		FY15E P/E FY16E P/E	16.2 9.4		FY15E P/BV FY16E P/BV	0.8 0.8
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Net interest income	285.5	322.8	363.7	-11.6%	-21.5%	1,333.4	1,430.5	-6.8%
Net fee income	98.9	103.1	121.7	-4.0%	-18.7%	462.0	437.0	5.7%
Total income	503.9	442.1	499.8	14.0%	0.8%	1,882.7	1,956.3	-3.8%
Operating expenses	-248.1	-223.6	-234.7	11.0%	5.7%	-969.5	-923.0	5.0%
Operating income*	255.7	218.5	265.1	17.0%	-3.5%	913.2	1,033.3	-11.6%
Provisions	147.1	188.6	157.1	-22.0%	-6.4%	654.3	733.0	-10.7%
Pre-tax income	108.6	29.9	108.0	263.7%	0.5%	258.9	300.2	-13.8%
Net income	111.5	14.4	130.1	674.8%	-14.2%	281.8	360.0	-21.7%

*before provisioning

Q1 supported by one-offs

Getin Noble Bank is scheduled to report Q1 earnings on May 15th. We estimate the quarterly net profit at PLN 111.5m, representing 7 times the figure posted in the quarter before but showing a year-on-year decrease of 14.2%. Like in the previous quarter the Bank's profits in Q1 2015 were under strong pressure from low interest rates combined with charges related to AQR and the zloty's depreciation relative to the Swiss franc. Unlike in Q4 2014, however, this time this pressure was offset by a one-time gain of approximately PLN 100m provided by Getin Leasing (loss of control and a value adjustment) combined with a tax benefit of some PLN 20m and a reversal of risk reserves after the sale of a large NPL portfolio. Q1 net interest income is expected to show a 11.6% q/q drop to PLN 285.4m, with the net interest margin (over average assets) decreasing by 25bps. Due to low interest rates the quarterly fee income, especially income from investment fees, will be 4% lower than in the previous quarter. Operating expenses, led by Bank Guarantee Fund contributions, will increase 11% in the quarter. For risk reserves we predict a 22% q/q reduction to PLN 147.1m assuming a neutral net effect of one-time events.

Banks Handlowy	Reduce							
Analyst: Michał Konarski	Current price Target price	PLN 111.40 PLN 95.35		FY15E P/E FY16E P/E	17.6 17.1		FY15E P/BV FY16E P/BV	2.0 2.0
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Net interest income	254.9	264.6	293.1	-3.7%	-13.0%	1,086.1	1,163.9	-6.7%
Net fee income	147.4	150.4	157.0	-2.0%	-6.1%	612.7	618.9	-1.0%
Total income	560.1	574.0	620.7	-2.4%	-9.8%	2,349.3	2,423.8	-3.1%
Operating expenses	-304.4	-327.3	-314.4	-7.0%	-3.2%	-1,241.6	-1,273.9	-2.5%
Operating income*	255.7	246.6	306.2	3.7%	-16.5%	1,048.5	1,149.9	-8.8%
Provisions	2.4	-12.0	-2.4	n.m.	n.m.	31.0	-17.8	n.m.
Pre-tax income	253.3	258.7	308.6	-2.1%	-17.9%	1,017.5	1,167.7	-12.9%
Net income	204.9	205.0	247.7	-0.1%	-17.3%	824.9	947.3	-12.9%

*before provisioning

BHW sees Q1 growth thanks to trading income

Bank Handlowy is scheduled to report Q1 earnings on May 6th. We estimate the quarterly net profit at PLN 204.9m, representing flat growth from the quarter before but showing a year-on-year decrease of 17.3%. For another quarter in a row, profits in Q1 2015 will be supported by high trading income projected at PLN 153m (-1% q/q). Total income is set to show q/q contraction led by a 3.7% decline in net interest income due to reduced interest rates and a 2.0% contraction in fee income due to cut interchange fees. NIM (over average assets) is expected to have decreased by 10bps to 2.01% in Q1. We estimate Handlowy's Q1 loan-loss reserves at PLN 2.4m, with asset quality maintained high. Operating costs are expected to be 7.0% lower in Q1 than in the quarter before.

Banks ING BSK	Hold							
Analyst: Michał Konarski	Current price Target price	PLN 142.90 PLN 135.20		FY15E P/E FY16E P/E	17.3 14.7		FY15E P/BV FY16E P/BV	2.0 1.8
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Net interest income	577.4	583.2	567.9	-1.0%	1.7%	2,413.0	2,330.2	3.6%
Net fee income	246.4	248.9	276.1	-1.0%	-10.8%	992.0	1,062.9	-6.7%
Total income	877.5	866.0	872.6	1.3%	0.6%	3,673.6	3,532.5	4.0%
Operating expenses	-503.2	-488.5	-471.2	3.0%	6.8%	-2,026.4	-1,929.7	5.0%
Operating income*	374.3	377.5	401.4	-0.8%	-6.7%	1,647.2	1,602.8	2.8%
Provisions	84.2	85.1	84.1	-1.0%	0.2%	321.2	267.7	20.0%
Pre-tax income	290.1	292.4	317.3	-0.8%	-8.6%	1,326.0	1,335.1	-0.7%
Net income	235.1	230.8	254.6	1.8%	-7.7%	1,073.7	1,040.7	3.2%

*before provisioning

Q1 core income under mild pressure

ING Bank Śląski is scheduled to report Q1 earnings on May 7th. We expect net profit to come in at PLN 25.1m after falling 9.4% year-on-year and rising 1.8% quarter on quarter. Total income is likely to post contraction of 1% relative to the previous quarter due to reduced interchange fees and interest rates. Thanks to low sensitivity to changes in market interest rates, NIM in Q1 is expected to show only a small, 8bp q/q decline to 2.30%. Trading income in the quarter will be boosted by proceeds from available-for-sale securities, rising 75% from the previous quarter. We anticipate a 3% increase in operating costs in Q1 driven by raised contributions to the Bank Guarantee Fund, and we expect to see a small, 1.0% q/q reduction in risk reserves.

Banks **Millennium**	**Buy**							
Analyst: Michał Konarski	Current price Target price		PLN 7.28 PLN 8.36	FY15E P/E FY16E P/E	15.4 12.1		FY15E P/BV FY16E P/BV	1.5 1.4
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Net interest income	344.6	348.6	355.3	-1.1%	-3.0%	1,382.1	1,454.1	-5.0%
Net fee income	146.5	142.2	155.5	3.0%	-5.8%	624.6	611.7	2.1%
Total income	558.5	557.5	575.0	0.2%	-2.9%	2,254.5	2,308.4	-2.3%
Operating expenses	-287.4	-279.1	-274.8	3.0%	4.6%	-1,155.6	-1,111.4	4.0%
Operating income*	252.7	261.7	269.1	-3.5%	-6.1%	995.1	1,104.2	-9.9%
Provisions	72.9	64.0	65.7	14.0%	11.0%	289.3	265.5	9.0%
Pre-tax income	179.7	197.7	203.4	-9.1%	-11.6%	705.8	838.7	-15.8%
Net income	145.3	157.7	156.4	-7.8%	-7.1%	571.7	650.9	-12.2%

*before provisioning

Millennium raises risk reserves in Q1

Millennium is scheduled to report Q1 2015 earnings on April 27th. At an estimated PLN 145.3m, the quarterly net profit is expected to show a year-on-year decline of 7.1% and a quarter-on-quarter drop of 7.8% led by an increase in risk reserves to reflect the appreciation in the Swiss franc after its decoupling from the euro peg. Net interest income is likely to show a small, 1.1% q/q decrease to PLN 344.6m as the brunt of the impact of the October 2014 interest rate cuts was taken in Q4 2014 and the aftermath of the March 2015 cuts on Q1 results was mitigated by reductions in deposit interest rates. By the same token Q1 NIM will only show a small contraction by an estimated 7bps, however in Q2 we expect stronger shrinkage following the March rate cut. Net interest income decreased in the course of the first quarter but this was offset by an increase in fee income supported by higher lending volumes, fund inflows, and insurance fees. Costs in Q1 will have increased by some 3.4% driven by raised contributions into the Bank Guarantee Fund. The CHF-driven expansion in risk reserves is estimated at 14.0% q/q and 11.0% y/y, resulting in a higher cost of risk (to average loans) which at a projected 63bps will still be much lower than the market average.

Banks **Pekao**	**Reduce**							
Analyst: Michał Konarski	Current price Target price		PLN 192.30 PLN 166.96	FY15E P/E FY16E P/E	19.7 17.0		FY15E P/BV FY16E P/BV	2.2 2.2
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Net interest income	1,017.6	1,057.4	1,130.1	-3.8%	-0.1%	4,402.2	4,461.3	-1.3%
Net fee income	474.7	499.7	512.9	-5.0%	-7.5%	2,078.9	2,043.7	1.7%
Total income	1,767.6	1,826.3	1,770.8	-3.2%	-0.2%	7,136.2	7,284.9	-2.0%
Operating expenses	-895.9	-844.4	-858.6	6.1%	4.3%	-3,514.0	-3,428.8	2.5%
Operating income*	871.7	981.9	912.2	-11.2%	-4.4%	3,622.3	3,856.1	-6.1%
Provisions	134.5	135.2	147.5	-0.5%	-8.8%	531.1	559.6	-5.1%
Pre-tax income	737.1	846.7	764.7	-12.9%	-3.6%	3,091.2	3,296.5	-6.2%
Net income	610.0	691.0	634.2	-11.7%	-3.8%	2 ,562.5	2,714.7	-5.6%

*before provisioning

Low interest rates, higher charges, affect Q1 profit

Pekao is scheduled to report Q1 earnings on May 12th. At an estimated PLN 610.0m, the quarterly net profit is expected to show a year-on-year decline of 3.8% and a quarter-on-quarter drop of 11.7%. Core income is expected to have fallen 9.2% from Q1 2014 and 4.2% from Q4 2014 led by two interest rate cuts in October 2014 and March 2015 combined with reduced interchange fees. After contraction by 28bps in Q4 2014 we anticipate that NIM in Q1 2015 fell by a further 15bps to 2.4%, resulting in a q/q decrease in net interest income of 3.8%. As a way of mitigating the impact of low interest rates and reduced interchange fees we expect Pekao to have realized gains on available-for-sale securities in Q1, resulting in a 1.0% q/q rise to PLN 264m in the quarterly trading income. Due to hiked contributions into the Bank Guarantee Fund the first-quarter costs are likely to show increases of 6.1% q/q and 4.3% y/y. Risk reserves and cost of risk as of 31 March will not have changed relative to 31 December 2014 (with CoR at 46bps).

Banks **PKO BP**	**Buy**							
Analyst: Michał Konarski	Current price Target price		PLN 36.28 PLN 38.59	FY15E P/E FY16E P/E	16.7 12.1		FY15E P/BV FY16E P/BV	1.6 1.4

(PLN m)	Q1'15E	Q4'14	Q1'14	Q/Q	Y/Y	2015E	2014	change
Net interest income	1,742.4	1,865.4	1,739.8	-6.6%	0.1%	7,053.7	7,522.9	-6.2%
Net fee income	696.2	717.7	705.4	-3.0%	-1.3%	2,923.4	2,933.5	-0.3%
Total income	2,738.0	2,855.8	2,621.7	-4.1%	4.4%	11,053.8	11,494.8	-3.8%
Operating expenses	-1,399.1	-1,439.4	-1,125.8	-2.8%	24.3%	-5,373.7	-5,245.1	2.5%
Operating income*	1,238.9	1,317.4	1,422.4	-6.0%	-12.9%	5,377.8	5,901.4	-8.9%
Provisions	447.8	452.3	413.5	-1.0%	8.3%	2,096.1	1,898.7	10.4%
Pre-tax income	791.1	865.1	1,009.0	-8.5%	-21.6%	3,281.7	4,002.8	-18.0%
Net income	651.7	722.6	802.6	-9.8%	-18.8%	2,716.3	3,254.1	-16.5%

*before provisioning

PKO sees considerable profit shrinkage in Q1

PKO BP is scheduled to report Q1 earnings on May 11th. At an estimated PLN 651.7m, we expect the quarterly net profit will show a year-on-year drop of 18.8% and quarter-on-quarter contraction of 9.8% driven by October 2014 and March 2015 reductions in interest rates. We estimate the resulting contraction in net interest income at 6.6%m with NIM (over average assets) showing a strong, 25bp drop relative to the previous quarter. Further, in the wake of interchange fee cuts combined with seasonal factors the quarterly fee income will have decreased by 3.0% from Q4 2014. After a seasonal q/q decrease, despite raised contributions into the Bank Guarantee fund, costs in Q1 will be 2.8% lower than in the quarter before. Risk reserves for Q1 are expected to decrease by 1.0%, resulting in a decline in cost of risk to 94bps from 97bps in Q4 2014.

Banks **Komercni Banka**	**Reduce**							
Analyst: Michał Konarski	Current price Target price		CZK 5,485 CZK 4,549	FY15E P/E FY16E P/E	16.6 15.9		FY15E P/BV FY16E P/BV	2.1 2.1

(CZK m)	Q1'15E	Q4'14	Q1'14	Q/Q	Y/Y	2015E	2014	change
Net interest income	5,147.5	5,414.0	5,279.0	-4.9%	-2.5%	21,642.1	21,423.0	1.0%
Net fee income	1,651.9	1,703.0	1,690.0	-3.0%	-2.3%	6,591.8	6,751.0	-2.4%
Total income	7,479.3	7,810.0	7,566.0	-4.2%	-1.1%	30,669.5	30,676.0	0.0%
Operating expenses	-3,131.5	-3,454.0	-3,124.0	-9.3%	0.2%	-13,068.8	-13,033.0	0.3%
Operating income*	4,347.9	4,356.0	4,441.0	-0.2%	-2.1%	17,600.7	17,642.0	-0.2%
Provisions	232.1	211.0	518.0	10.0%	-55.2%	-1,602.0	-1,296.0	23.6%
Pre-tax income	4,164.9	4,048.0	3,843.0	2.9%	8.4%	15,752.3	16,031.0	-1.7%
Net income	3,342.1	3,331.0	3,081.0	0.3%	8.5%	12,467.7	12,985.0	-4.0%

*before provisioning

Pressures continue to weigh on Q1 profits

Komerčni Banka is scheduled to report Q1 earnings on May 6th. The comparability of the first-quarter financial statements relative to past periods will be affected by the deconsolidation as of January 2015 of the so-called "transformation fund" (managing government-funded supplementary retirement savings) which is expected to have resulted in a decrease in net interest income combined with an increase in fee income and an elimination of the retirement claims line from the P&L. On a comparable basis we expect the Q1 net income to come in at CZK 3,342m (flat q/q, +8.5% y/y). Total income is likely to decrease 4.5% under pressure from low interest rates affecting net interest income. Fee income will post a seasonal increase. The net interest margin (over average assets) is expected to contract by a projected 3bps relative to the comparable NIM for Q4 2014. After a seasonal upturn in the previous quarter costs in Q1 2015 should show a decrease of 9.3% q/q (+0.2% y/y). Cost of risk (to average loans) will remain low at 18bps, and risk reserves will have increased by 10% from the previous quarter.

Banks **OTP Bank**	**Hold**							
Analyst: Michał Konarski	Current price Target price	HUF 5,767 HUF 4,048		FY15E P/E FY16E P/E	13.2 10.9		FY15E P/BV FY16E P/BV	1.0 0.9

(HUF bn)	Q1'15E	Q4'14	Q1'14	Q/Q	Y/Y	2015E	2014	change
Net interest income	143.2	156.7	162.2	-8.7%	-11.7%	551.0	635.3	-13.3%
Net fee income	42.1	44.5	42.0	-5.4%	0.1%	162.6	169.6	-4.1%
Total income	45.8	39.3	47.8	16.4%	-4.2%	215.1	193.3	11.3%
Operating expenses	96.3	106.5	102.0	-9.5%	-5.6%	390.4	411.5	-5.1%
Operating income*	92.6	89.6	107.9	3.4%	-14.2%	375.7	417.1	-9.9%
Provisions	66.1	77.3	68.9	-14.5%	-4.2%	215.2	274.7	-21.7%
Pre-tax income	26.5	12.3	39.0	115.4%	-31.9%	160.5	142.3	12.8%
Net income	-6.0	11.0	6.0	n.m.	n.m.	110.0	-102.0	n.m.

*before provisioning

OTP eyes weak Q1 results in Russia and Ukraine

OTP Bank is scheduled to report Q1 earnings on May 15th. We expect the Bank to report a net loss of HUF 6.0bn for the quarter after a net profit of HUF 6.0bn generated in the same period in 2014 and HUF 11.0bn posted in the previous quarter. The factors weighing on the Q1 bottom line include the recognition all at once of the whole of the Hungarian banking tax (HUF 28.7m), combined increased charges related to the Ukrainian business, expected to report a Q1 net loss of HUF 12.2bn vs. a net profit of HUF 21.1bn in the quarter before, and a net loss incurred in Russia (HUF -9.8bn vs. HUF 1.8bn in Q4'14). The losses in both cases will result from significant charge-offs against risk reserves, in Russia underpinned by a 29% q/q fall in net interest income led by low interest rates and a weakened ruble. Otherwise OTP is expected to have had a profitable first quarter in all other geographic markets, with the operations in Bulgaria achieving a quarterly net profit of a record HUF 14.3bn. On a consolidated basis we expect to see quarter-on-quarter shrinkage of 8.7% in net interest income and 5.4% in fee income in Q1 combined with a 14.5% decrease in risk reserves and a 9.5% reduction in operating costs.

Insurance

Insurance **PZU**	Hold							
Analyst: Michał Konarski	Current price Target price	PLN 489.35 PLN 425.00		FY15E P/E FY16E P/E	15.3 -		FY15E P/BV FY16E P/BV	3.2 -
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Gross premium written. incl.:	4,699.7	4,475.9	4,354.0	5.0%	7.9%	16,884.6	16,480.0	2.5%
Non-life insurance	2,617.7	2,493.0	2,377.7	5.0%	10.1%	9,123.8	8,656.6	5.4%
Life insurance	2,082.0	1,982.8	1,976.3	5.0%	5.3%	7,984.6	7,823.4	2.1%
Net claims incurred	-2,981.1	-3,129.8	-2,664.2	-4.7%	11.9%	-11,541.7	-11,161.2	3.4%
Costs	-932.2	-1,045.3	-841.7	-10.8%	10.8%	-3,674.7	-3,422.4	7.4%
Technical profit	468.2	111.3	483.9	320.6%	-3.2%	1,212.9	1,665.1	-27.2%
Investment gains/losses	781.3	570.3	535.2	37.0%	46.0%	2,733.5	2,514.6	8.7%
Pre-tax profit	1,103.3	471.2	979.6	134.1%	12.6%	3,691.7	4,120.5	-10.4%
Net profit	893.7	403.9	760.4	121.3%	17.5%	2,967.5	3,293.5	-9.9%

PZU generates strong investment income in Q1

We estimate PZU's 2015 first-quarter net profit at PLN 893.7m, representing an increase of 121% from the previous quarter and 17.5% from the same period last year (note than year-on-year comparability is affected by acquisitions made in 2014). The strong q/q growth in net income will be owed to a 37% surge to PLN 781m in investment income. Gross written premiums will be 5.0% higher than in Q4 2014 at an estimated PLN 4,700m, with GWP rising 5% both in the life and the non-life business thanks to acquisitions. Q1 net claims are expected to show a 5% decline q/q and a 12% increase y/y. Total costs in the period will have fallen 10.8% from the previous quarter but relative to Q1 2014 they will have increased 10.8% driven among others by post-merger consolidation.

Financial Services

Financial Services **Kruk**	Accumulate							
Analyst: Michał Konarski	Current price Target price	PLN 151.25 PLN 143.10		FY15E P/E FY16E P/E	14.7 12.5		FY15E P/BV FY16E P/BV	3.4 2.7
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Total revenue	123.6	120.4	120.1	3%	3%	553.3	487.9	13%
Purchased debt	111.9	108.7	109.1	3%	3%	502.7	442.4	14%
Collection services	7.8	7.8	8.0	0%	-2%	35.5	31.7	12%
Direct and indirect costs	46.4	52.3	50.7	-11%	-8%	215.7	194.0	11%
Indirect margin	77.2	68.1	69.4	13%	11%	337.6	293.9	15%
Operating profit	51.8	42.1	51.8	23%	0%	237.0	208.2	14%
Pre-tax profit	38.4	28.4	39.1	35%	-2%	179.7	152.8	18%
Net profit	38.2	25.7	40.0	49%	-4%	174.3	151.8	15%

Kruk sees growth in Q1

Kruk is scheduled to report Q1 earnings on May 10th. At a projected PLN 38.2m, the quarterly net profit is expected to show a year-on-year decline of 4.4% but relative to the quarter before it will show growth of an estimated 49% driven by a 14.5% increase in gross profit provided by purchased debt portfolios, supported by valuation gains. Operating costs for the first quarter are expected to show only a small decrease of 3.0% due to continuing international expansion and the introduction of a new stock option plan. Kruk spent a total of PLN 43.9m on debt portfolios in Poland and abroad in Q1 2015, much less than the PLN 269m spent in the same period last year. The nominal value of the portfolios was PLN 511m, implying an average price of 8.6%. Collections on existing portfolios amounted to PLN 187.3m in Q1 vs. PLN 153.8m in Q1 2014.

Financial Services **Prime Car Management**	Buy							
Analyst: Michał Konarski	Current price Target price	PLN 45.50 PLN 65.00		FY15E P/E FY16E P/E	10.6 10.3		FY15E P/BV FY16E P/BV	1.1 1.1
(PLN m)	**Q1'15E**	**Q4'14**	**Q1'14**	**Q/Q**	**Y/Y**	**2015E**	**2014**	**change**
Revenue from leases	37.9	37.3	39.9	1.7%	-5.0%	149.7	155.3	-3.6
Revenue from commissions	51.5	49.4	52.6	4.2%	-2.1%	210.4	201.5	4.4
Interest revenue	8.5	8.8	9.4	-3.1%	-9.3%	36.5	36.2	0.8
Total revenue	138.4	133.7	139.5	3.5%	-0.8%	555.9	552.1	0.7
Costs of repairs and servicing	42.3	41.8	39.6	1.3%	6.9%	171.0	164.2	4.2
Total costs	122.5	121.3	120.3	1.0%	1.8%	490.6	476.2	3.0
Selling costs of post-lease items	2.5	3.1	2.1	-20.7%	17.7%	9.9	9.8	1.6
Net profit	12.5	9.6	15.1	29.3%	-17.4%	51.3	62.6	-18.2

PCM sees q/q growth in Q1

PCM (Grupa Masterlease) is scheduled to report Q1 earnings on May 15th. At a projected PLN 12.5m, the quarterly net profit is expected to show year-on-year contraction of 17% and quarter-on-quarter growth of 29.3%. Relative to Q4 2014 a 3.5% rise in revenues will be accompanied by a 1.0% rise in costs. Leasing revenue for Q1 will show continuing downward pressure, especially when it comes to interest revenue expected to show a q/q decline of 3.1%. We anticipate a year-on-year decrease from PLN 9m to PLN 6m in the quarterly service margin and a drop from PLN 2.3m to PLN 1.8m in the insurance margin. In re-marketing income we expect to see quarter-on-quarter contraction to PLN 2.5m from PLN 3.14m.

Dom Maklerski

Gas & Oil, Chemicals

Chemicals **Ciech**	**Reduce**								
Analyst: Kamil Kliszcz	Current price Target price		PLN 56.38 PLN 46.90		FY15E P/E FY16E P/E	17.5 13.0	FY15E EV/EBITDA FY16E EV/EBITDA		7.1 6.6
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	830.8	845.0	-2%	3,133.8	3,243.9	-3%	3,272.6	3,133.8	4%
EBITDA	184.1	117.9	56%	574.9	524.8	10%	613.5	574.9	7%
Margin	22.16%	13.95%	-	18.34%	16.18%	-	18.75%	18.34%	-
EBIT	126.4	67.7	87%	364.1	320.3	14%	387.6	364.1	6%
Pre-tax profit	93.4	26.6	251%	210.0	153.0	37%	281.2	210.0	34%
Net profit	75.6	6.4	-	170.1	167.1	2%	227.7	170.1	34%

Q1 profits supported by higher soda prices, lower costs

Ciech is expected to have raised soda prices by 8-10% in Q1 2015, resulting in year-on-year growth by an estimated PLN 40m in the quarterly EBITDA of the Soda Segment. Also supporting the improvement were lower costs of coal and gas fuel. Sales volumes are not likely to have increased yet in Q1 despite capacity building projects due to the new plant launch schedule and falling demand for light soda ash. All told we expect the EBITDA in the Soda Segment to come in at PLN 150m vs. PLN 100m in Q1 2014. In the Organic segment EBITDA is likely to show year-on-year growth as well, but the improvement will be owed mainly to base effects as higher margins achieved in the first quarter on plant protection agents will be offset by lower margins on resins. We estimate the Organic segment's EBITDA at PLN 36m vs. PLN 26.5m last year. In Silicates we anticipate flat y/y EBITDA. On a consolidated basis we assume steady SG&A expenses and financing costs (including slightly higher quarterly FX losses on euro receivables), and we expect the effective tax rate to be the statutory 19%.

Gas & Oil **Lotos**	**Hold**								
Analyst: Kamil Kliszcz	Current price Target price		PLN 30.40 PLN 26.80		FY15E P/E FY16E P/E	16.9 8.6	FY15E EV/EBITDA FY16E EV/EBITDA		8.0 6.1
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	5,386.7	7,177.0	-25%	20,129.2	28,501.9	-29%	21,853.5	20,129.2	9%
EBITDA	313.6	231.6	35%	1,419.3	-584.1	-	1,804.2	1,419.3	27%
Margin	5.82%	3.23%	-	7.05%	-2.05%	-	8.26%	7.05%	-
EBIT	106.4	17.3	-	610.5	-1,393.0	-	957.3	610.5	57%
Pre-tax profit	-163.8	-21.1	-	416.8	-2,123.7	-	810.4	416.8	94%
Net profit	-132.7	-32.4	-	331.6	-1,466.3	-	651.3	331.6	96%

Strong fundamentals drive EBIT growth

Lotos took full advantage of favorable refinery fundamentals in Q1 2015, with record benchmark margins and a strong dollar driving the quarterly Downstream LIFO-based EBITDA to PLN 273m. We believe the figure would be higher if it were not for FX losses estimated at PLN 42m and negative LIFO effects approximating PLN 56m recognized despite falling crude oil prices due to the partial reversal of the downward NRV adjustments booked in Q4 2014. In Upstream we anticipate steady volumes in Poland, Lithuania, and Norway (production on the Norwegian shelf is mostly natural gas), however the oil price slump will cause the segment's core EBITDA to fall to PLN 78m from PLN 118m in Q1 2014. Retail EBITDA is expected to show a small y/y expansion to PLN 18.6m. After all this Lotos's Q1 2015 consolidated LIFO-based EBITDA should come in at PLN 370m. After financing losses of PLN 270m including interest expenses, FX losses on a dollar loan (PLN 105m), and losses on USD/PLN hedging positions (PLN 112m), the bottom line will show a net loss.

Gas & Oil **MOL**	Accumulate								
Analyst: Kamil Kliszcz	Current price Target price		PLN 197,20 PLN 174,00		FY15E P/E FY16E P/E	16.9 12.4		FY15E EV/EBITDA FY16E EV/EBITDA	5.5 4.8
(mld HUF)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	917.5	1,120.9	-18%	3,457.1	4,869.4	-29%	3,553.7	3,457.1	3%
EBITDA	77.7	114.2	-32%	483.5	409.0	18%	549.8	483.5	14%
Margin	8.47%	10.19%	-	13.98%	8.40%	-	0.00%	13.98%	-
EBIT	4.2	46.4	-	194.4	40.9	-	249.7	194.4	-
Pre-tax profit	-21.5	31.4	-	165.9	-43.9	-	208.3	165.9	-
Net profit	-17.4	20.8	-	91.1	4.8	-	124.6	91.1	-

Crack spreads offset oil price slump

MOL is expected to report adjusted Q1 2015 LIFO-based EBITDA of HUF 118bn compared to HUF 104bn posted in Q1 2014 and HUF 146bn generated in Q4 2014. The year-on-year growth achieved despite falling crude prices will be owed to much more favorable refinery fundamentals and a lack of plant closure costs, with the LIFO-based EBITDA in Downstream expected to reach HUF 42bn vs. HUF 16.8bn in the same period last year. On a reported basis the EBITDA result will be lower due to inventory adjustment losses estimated at HUF 40bn. In the Petrochemical segment as well EBITDA is expected to show year-on-year growth from HUF 5.4bn to HUF 13.6bn – an amount similar to the figure posted the quarter before, maintained thanks to a lack of plant downtime. In Upstream the oil slump will have lowered the Q1 EBITDA to an estimated HUF 56bn in 2015 from HUF 78bn in 2014 (the low prices should be slightly offset by higher volumes rising to 104 mboe/d from 99.2 mboe/d). In Gas-Midstream we anticipate a positive Q1 2015 EBITDA figure of HUF 15bn vs. a loss of HUF 6bn the year before thanks to a lack of losses on regulated gas sales in Croatia. We expect MOL to recognize FX losses on the HUF's depreciation vs. the USD in the financing activity for Q1, resulting in a quarterly net loss.

Gas & Oil **PGNiG**	Hold								
Analyst: Kamil Kliszcz	Current price Target price		PLN 6.15 PLN 5.24		FY15E P/E FY16E P/E	13.3 14.0		FY15E EV/EBITDA FY16E EV/EBITDA	6.1 6.2
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	12,637.1	9,537.0	33%	34,874.7	34,304.0	2%	33,716.7	34,874.7	-3%
EBITDA	2,023.9	2,181.0	-7%	6,323.4	6,345.0	0%	6,160.9	6,323.4	-3%
Margin	16.02%	22.87%	-	18.13%	18.50%	-	18.27%	18.13%	-
EBIT	1,354.9	1,558.0	-13%	3,631.1	3,843.0	-6%	3,377.9	3,631.1	-7%
Pre-tax profit	1,168.9	1,520.0	-23%	3,301.9	3,626.0	-9%	3,187.1	3,301.9	-3%
Net profit	876.6	1,181.0	-26%	2,734.4	2,823.0	-3%	2,590.3	2,734.4	-5%

PGNiG sees solid first quarter despite Qatargas contract loss

We expect to see a charge of about PLN 200m in PGNiG's Q1 2015 financial statements stemming from a loss on the spread between the spot price of LNG and the contractual price agreed with the Qatari supplier Qatargas. However, thanks to a favorable gas purchase mix (with ca. 0.7bcm of Russian gas replaced with German imports) combined with hedging gains and liquidated damages received from Gazprom, the quarterly EBITDA in the Trade segment should show growth to PLN 210m from PLN 228m in the same period last year. In the E&P segment on falling prices of oil and gas (partly offset by higher sales volumes) we anticipate EBITDA contraction to PLN 0.87bn from PLN 1.1bn in Q1 2014. Despite a 3% decline in distribution volumes EBITDA in the Distribution segment should show a y/y rise from PLN 625m to PLN 694m thanks to a lack of balancing costs (vs. PLN -103m in Q1 2014) and an adjustment in the volumes reflected in the tariff. In the Generation segment EBITDA as well will show y/y growth from PLN 216m to PLN 252m thanks to lower coal prices and higher electricity prices. As for costs we anticipate a PLN 186m loss on financing activity in Q1 incurred on FX adjustments to the dollar loan of PGNiG Norway, and our effective tax rate projection is 25%.

Dom Maklerski

Gas & Oil **PKN Orlen**	**Hold**								
Analyst: Kamil Kliszcz	Current price Target price		PLN 63.50 PLN 55.50		FY15E P/E FY16E P/E	10.3 10.8	FY15E EV/EBITDA FY16E EV/EBITDA		6.6 6.7
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	19,967.4	24,119.0	-17%	81,323.0	106,832.0	-24%	87,801.7	81,323.0	8%
EBITDA	850.7	776.0	10%	5,678.6	-2,720.0	-	5,571.9	5,678.6	-2%
Margin	4.26%	3.22%	-	6.98%	-2.55%	-	6.35%	6.98%	-
EBIT	365.7	254.0	44%	3,692.3	-4,711.0	-	3,394.7	3,692.3	-8%
Pre-tax profit	207.8	154.0	35%	3,405.0	-6,246.0	-	3,232.9	3,405.0	-5%
Net profit	156.6	64.0	145%	2,635.8	-5,811.0	-	2,522.6	2,635.8	-4%

PKN sees strong Q1 in Downstream

PKN's Downstream EBIT in Q1 will be weighed down by downward inventory adjustments expected to exceed PLN 625m. Judging solely by the strong drop in zloty oil prices observed in the period the inventory charges should have been higher, however in Q4 2014 LIFO effects were reinforced by an NRV adjustment. The adjusted Downstream LIFO-based EBITDA will approximate PLN 0.9bn (the highest level since Q2 2012) and it could have been even higher had it not been for downtime at Orlen Lietuva. The reported EBITDA figure may also show a boost (not included in our estimates) from a gain on the acquisition of a 32% stake in Ceska Rafinerska. The Retail segment experienced downward margin pressure in Q1 however this should be more than offset with strong sales volumes (supported by favorable weather and low fuel prices). Accordingly Retail EBITDA is expected to come in at PLN 241m vs. PLN 234m (including a PLN 11m one-off) in Q1 2014. In Petrochemicals we anticipate a year-on-year slowdown in profits due to lower benchmark margins, especially on monomers, combined with lower sales volumes as customers opted to draw on existing stocks in light of falling prices. As a result LIFO-based EBITDA including Anwil is expected to reach PLN 506m in Q1 2015 vs. PLN 547m in the same period a year ago. The reported EBITDA will be additionally weighed down by negative LIFO effects in the estimated amount of PLN 62m. In Upstream on higher volumes we anticipate an EBIT loss of PLN 28m led by falling crude prices. We estimate that PKN Orlen incurred a loss of PLN 158m on financing activity in Q1 including interest expenses and FX losses on crude payables and euro-denominated receivables EUR (PLN -400m), partly offset by FX gains on euro-denominated debt (PLN 288m).

Petrochemicals **Polwax**	**Buy**								
Analyst: Kamil Kliszcz	Current price Target price		PLN 19.12 PLN 24.20		FY15E P/E FY16E P/E	8.3 8.1	FY15E EV/EBITDA FY16E EV/EBITDA		7.2 6.7
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	46.3	-	-	257.2	258.2	0%	260.0	257.2	1%
EBITDA	5.8	-	-	32.7	30.8	-	33.7	32.7	3%
Margin	12.6%	-	-	12.7%	11.9%	-	0.0%	12.7%	-
EBIT	5.0	-	-	29.9	27.7	8%	30.8	29.9	3%
Pre-tax profit	5.0	-	-	29.1	27.8	5%	30.0	29.1	3%
Net profit	4.1	-	-	23.6	21.4	10%	24.3	23.6	3%

Usual seasonality shapes Q1 results

Polwax did not release a financial report for the first quarter of 2014, hence the empty column in the table above. For Q1 2015, we expect the earnings results to reflect the usual seasonal slowdown which has no bearing on the earnings outlook for the whole year. In keeping with the seasonal patterns the sales revenue for the first quarter is not likely to contribute more than 20% to the expected annual topline. The beginning of 2015 was probably somewhat challenging for Polwax given the fall in petrochemicals prices observed in the period which prompted customers to hold off purchases in anticipation of matching sales price adjustments, however by mid-February the situation will have normalized following a rebound in oil prices. With a lack of support from one-offs, we expect to see a slightly lower EBITDA margin in Q1 2015 than achieved in H1 2014 thanks to one-time gains totaling PLN 1.1m, however on an adjusted basis the first-quarter margin this year should actually be higher given the increasing sales by Polwax of high-margin products dedicated to the manufacturing industry. After neutral effects of financing activity we expect the Q1 net profit to come in at PLN 4.1m, representing 17% of our annual forecast. Note that our estimates do not take into account any possible gains or losses related to recent acquisitions.

Chemicals **Synthos**	**Buy**								
Analyst: Jakub Szkopek	Current price Target price		PLN 4.90 PLN 5.20		FY15E P/E FY16E P/E	14.6 11.9	FY15E EV/EBITDA FY16E EV/EBITDA		9.9 8.8
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	975.8	1 279.6	-23.7%	4,737.6	4,618.8	2.6%	5,601.9	4,737.6	18.2%
EBITDA	148.7	158.0	-5.9%	722.1	635.8	13.6%	722.0	722.1	0.0%
Margin	15.2%	12.3%		15.2%			12.9%	15.2%	
EBIT	106.8	120.8	-11.6%	562.7	479.6	17.3%	668.4	562.7	18.8%
Pre-tax profit	98.9	121.3	-18.4%	516.4	427.1	20.9%	617.0	516.4	19.5%
Net profit	80.6	108.1	-25.4%	417.9	356.9	17.1%	517.0	417.9	23.7%

Q1 profits slow on base effects

Synthos is expected to have increased the volume of synthetic rubber sales by 2.8% y/y in Q1 2015, however sales of styrene derivatives are likely to show contraction of 2.9% from Q1 2014. On higher volumes due to lower prices which fell 15.8% in the case of rubber and in case of styrene derivatives posted drops of 34.3% for EPS, 27.8% for HIP, and 30.4% for GPPS, we anticipate revenue shrinkage by respective 19.4% and 31.4%. Despite a wider butadiene-to-oil pricing spread (1.64x vs. 1.55x in Q1'14) synthetic rubber margins in Q1 were probably kept low by contractual price formulas. As a result per-ton EBITDA in the segment is projected at PLN 0.89 in Q1 2015 vs. PLN 0.93 in Q1 2014 and PLN 1.39 in Q4 2014. In styrene derivatives per-ton EBITDA is estimated at PLN 0.33 vs. PLN 0.77 in Q1 2014 and PLN 0.23 in Q4 2014. Our Q1 2015 consolidated EBITDA estimate for Sytnhos assumes a year-on-year drop of 5.9%, with net profit at ca. PLN 80.6m falling 25.4% from Q1 2014. Summing up as well as a high year-ago base in styrene derivatives the financial results for Q1 2015 were affected by rubber margins below market averages.

Power Utilities

Utilities CEZ	Reduce								
Analyst: Kamil Kliszcz	Current price Target price		PLN 95.50 PLN 84.00		FY15E P/E FY16E P/E	14.6 18.6		FY15E EV/EBITDA FY16E EV/EBITDA	8.3 9.1
(CZK m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	50,312.1	53,157.0	-5%	210,528.1	200,657.0	5%	215,404.2	210,528.1	2%
EBITDA	19,647.7	21,237.0	-7%	64,250.1	64,651.0	-1%	58,344.0	64,250.1	-9%
Margin	39.05%	39.95%	-	30.52%	32.22%	-	0.00%	30.52%	-
EBIT	12,602.7	14,374.0	-12%	35,709.3	36,946.0	-3%	30,323.7	35,709.3	-15%
Pre-tax profit	10,549.4	12,405.0	-15%	30,535.5	28,656.0	7%	24,063.1	30,535.5	-21%
Net profit	8,334.1	9,912.0	-16%	24,161.5	22,403.0	8%	19,040.2	24,161.5	-21%

Falling power prices curb Q1 growth

We expect CEZ to report year-on-year contraction in Q1 2015 led by a fall in the effective sales prices of electric power by an estimated EUR 5/MWh. The Company is poised for a profit rebound in the second half of the year thanks to positive base effects and higher generation volumes driven by capacity additions at two power plants. In the meantime EBITDA in the Power Production segment is likely to show a drop to CZK 11.1bn in Q1 2015 from CZK 13.1bn in Q1 2014, with the lower revenue partly offset by cost savings (set to reach a total of CZK 1.8bn this year). In Distribution and Sale EBITDA is expected to be flat at the year-ago level of CZK 5.6bn as small downward WACC adjustments will have been offset by higher volumes. Mining EBITDA may show small year-on-year contraction due to lower prices. After FX losses on Turkish operations (TRY depreciation vs. USD) recognized in financing activity, the Q1 net profit may show a drop of 16% from Q1 2014.

Utilities Enea	Accumulate								
Analyst: Kamil Kliszcz	Current price Target price		PLN 16.54 PLN 18.00		FY15E P/E FY16E P/E	9.3 9.9		FY15E EV/EBITDA FY16E EV/EBITDA	5.6 6.4
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	2,557.7	2,373.7	8%	9,917.4	9,855.4	1%	10,218.5	9,917.4	3%
EBITDA	474.8	461.5	3%	1,801.1	1,914.9	-6%	1,817.9	1,801.1	1%
Margin	18.56%	19.44%	-	18.16%	19.43%	-	17.79%	18.16%	-
EBIT	270.2	266.7	1%	1,090.8	1,186.5	-8%	1,093.9	1,090.8	0%
Pre-tax profit	255.2	268.9	-5%	973.5	1,143.1	-15%	909.8	973.5	-7%
Net profit	206.7	208.2	-1%	788.6	908.3	-13%	736.9	788.6	-7%

Q1 affected by one-time charges

Enea is expected to report similar profit figures for Q1 2015 as in the same period last year, but the segmental contributions will be different this time. In Generation we anticipate y/y EBITDA growth to PLN 151m from PLN 124m driven by higher sales prices and falling costs of coal (slightly offset by one-time proceeds on green certificates). In Distribution EBITDA is likely to be steady at PLN 296m as an increase in volumes will be offset by reductions in WACC and returns on RAB. In Retail we expect EBITDA to show a y/y drop to PLN 41m from PLN 58m, due mainly to higher costs of COO retirement which should be partly offset by lower margin pressure and higher volumes. Financing activity in Q1 2015 is expected to produce a loss of PLN 15m, much smaller than in the quarter before when Enea booked extra costs related to bond cancellation and discount unwinding. All told the first-quarter net profit should be similar to the one posted in Q1 2014.

Utilities **Energa**	Hold								
Analyst: Kamil Kliszcz	Current price Target price		PLN 26.15 PLN 23.40		FY15E P/E FY16E P/E	12.3 17.4	FY15E EV/EBITDA FY16E EV/EBITDA		6.5 7.6
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	2,828.0	2,748.0	3%	10,627.5	10,590.6	0%	10,673.7	10,627.5	0%
EBITDA	662.2	643.2	3%	2,315.0	2,307.0	0%	2,059.7	2,315.0	-11%
Margin	23.42%	23.41%	-	21.78%	21.78%	-	19.30%	21.78%	-
EBIT	442.2	435.1	2%	1,405.0	1,446.2	-3%	1,113.4	1,405.0	-21%
Pre-tax profit	396.2	393.7	1%	1,090.0	1,248.1	-13%	767.4	1,090.0	-30%
Net profit	320.2	312.1	3%	882.9	982.1	-10%	621.6	882.9	-30%

Energa sees growth in Distribution in Q1

Energa is expected to experience small growth in its Q1 2015 results compared to the same period last year driven by the business of Distribution where despite lower WACC and returns on RAB EBITDA will have increased from PLN 410m to PLN 494m on higher volumes, better cost-income balance, and reduced operating expenses. In Generation we anticipate year-on-year EBITDA contraction to PLN 155m from PLN 184m due to lower prices of green certificates and a lack of one-time gains on sales of surplus COOs. In the Trade segment EBITDA is likely to show a y/y drop from PLN 50m to an estimated PLN 24m due to higher costs incurred by Enea in its capacity as supplier of last resort, boosted by a high power output produced by wind farms, combined with higher costs of COO retirement. After the usual financing activity and the statutory tax rate Energa's net profit for Q1 2015 is likely to show a slight decline from the same period in 2014.

Utilities **PGE**	Hold								
Analyst: Kamil Kliszcz	Current price Target price		PLN 21.43 PLN 20.10		FY15E P/E FY16E P/E	12.3 13.5	FY15E EV/EBITDA FY16E EV/EBITDA		6.3 7.1
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	7,416.4	6,929.0	7%	27,975.9	28,137.0	-1%	28,464.9	27,975.9	2%
EBITDA	2,145.3	1,714.0	25%	7,326.0	8,184.0	-10%	7,300.1	7,326.0	0%
Margin	28.93%	24.74%	-	26.19%	29.09%	-	25.65%	26.19%	-
EBIT	1,362.3	975.0	40%	4,264.5	5,096.0	-16%	4,144.9	4,264.5	-3%
Pre-tax profit	1,330.3	982.0	35%	4,030.3	4,613.0	-13%	3,670.5	4,030.3	-9%
Net profit	1,077.5	789.0	37%	3,259.4	3,638.0	-10%	2,968.0	3,259.4	-9%

PGE eyes Q1 growth on higher prices and base effects

The Q1 2014 comparable base for PGE's 2015 first-quarter results was weighed down by one-time reserves for a voluntary employee turnover program (PLN 154m) and delayed carbon allowances (PLN 136m). This year we do not expect to see equally major one-time charges, moreover we expect to see positive effects of higher sales prices of electrical power (+PLN 10/MWh) combined with a slightly higher output from coal-fired power plants. As a result we predict that EBITDA in the Generation segment will show a year-on-year increase from PLN 0.8bn to PLN 1.2bn (including PPA compensation estimated at PLN 125m this year vs. PLN 131m last year). In the Renewables segment a higher wind power output will be more than offset by lower prices of green certificates, and as a consequence the segmental EBITDA will post a small decline to PLN 100m in Q1 2015 from PLN 110m in Q1 2014. Distribution EBITDA is expected to be stable at PLN 600m. In Wholesale we predict small contraction in operating profit led by a downtrend in market electricity prices, and on the other hand we anticipate improvement in Retail, resulting in a joint sales EBITDA of PLN 150m vs. PLN 167m in Q1 2014. After the usual financing activity and tax rate we expect PGE's Q1 2015 net profit will approximate PLN 1.1bn.

Dom Maklerski

Utilities Tauron	Buy								
Analyst: Kamil Kliszcz	Current price Target price		PLN 4.94 PLN 6.10		FY15E P/E FY16E P/E	8.4 8.4		FY15E EV/EBITDA FY16E EV/EBITDA	5.2 5.5

(PLN m)	Q1'15E	Q1'14	change	2015E	2014	change	2016E	2015E	change
Revenue	5,007.0	4,887.3	2%	18,875.3	18,440.8	2%	19,468.9	18,875.3	3%
EBITDA	938.3	1,088.2	-14%	3,575.6	3,627.0	-1%	3,814.1	3,575.6	7%
Margin	18.74%	22.27%	-	18.94%	19.67%	-	19.59%	18.94%	-
EBIT	509.7	632.4	-19%	1,675.0	1,830.1	-8%	1,859.8	1,675.0	11%
Pre-tax profit	429.7	557.6	-23%	1,272.5	1,498.2	-15%	1,277.9	1,272.5	0%
Net profit	343.8	395.9	-13%	1,030.7	1,180.9	-13%	1,035.1	1,030.7	0%

Tauron sees y/y slowdown due to base effects

Tauron's financial results for Q1 2015 will show contraction from the same period in 2014 led mainly by unfavorable base effects impacting the profits of the Trade segment. The new requirement to retire yellow and red certificates of origin is expected to result in a charge of PLN 70m against trade profits this year, and this will be underpinned by downward pressure on margins which will be only partly offset by lower retirement costs of green certificates. After all this Trade EBITDA will approximate PLN 150m vs. PLN 238m in Q1 2014. In Distribution we anticipate steady y/y Q1 EBITDA of PLN 558m as savings and higher assets will have offset reduced WACC and return on RAB. In Generation on lower revenues from the operating reserve offset by higher sales prices, thanks to low costs of electricity purchased at the low spot prices observed in the period, EBITDA is set to show a year-on-year increase from PLN 67.5m to PLN 80m. Mining EBITDA will show an operating loss of an estimated PLN 13m (vs. a profit of PLN 20m in Q1 2014) resulting from falling coal prices. In the Heat segment EBITDA will have fallen to PLN 80m from PLN 129m in the same period last year following the deconsolidation of the EC Nowa plant. After the usual financing activity the Q1 2015 net profit is expected to be just under PLN 344m.

Telecommunications

Telecommunications **Netia**	Hold								
Analyst: Paweł Szpigiel	Current price Target price		PLN 5.80 PLN 5.80		FY15E P/E FY16E P/E	101.0 64.6		FY15E EV/EBITDA FY16E EV/EBITDA	5.2 5.4
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	394.1	434.4	-9.3%	1,562.3	1,674.0	-6.7%	1,512.0	1,562.3	-3.2%
EBITDA	110.4	126.0	-12.4%	421.8	738.7	-42.9%	397.3	421.8	-5.8%
Margin	28.0%	29.0%	-	27.0%	44.1%	-	26.3%	27.0%	-
EBIT	4.7	20.7	-77.5%	41.6	157.4	-73.5%	55.6	41.6	33.4%
Pre-tax profit	-1.3	16.1	-108.3%	24.7	126.4	-80.5%	38.6	24.7	56.4%
Net profit	-1.3	11.0	-112.2%	20.0	174.8	-88.6%	31.3	20.0	56.4%

Revenue erosion continues in Q1

Netia's earnings results for Q1 2015 will be affected by the same negative trends as shaped the profits for the previous quarters. Compared to Q1 2014, on-network monthly voice ARPU is expected to fall 13% to PLN 33.6 while leased-line voice ARPU will be flat at PLN 43.1. The subscriber base is expected to contract by 11% to 1.29 million led by nearly 36 thousand lost leased lines. Wholesale user churn (LLU, bitstream access) will also drive the continuing erosion expected in overall data revenues, and the quarterly data ARPU at an estimated PLN 55.5 will show a small decline from the previous quarter. The falling Q1 revenues are likely to be offset by savings as Netia will have reduced quarterly COGS by a projected PLN 278m (over 5% y/y) and cut SG&A by an estimated PLN 9m. All told our Q1 2015 EBITDA estimate is PLN 110m (PLN 114m on an adjusted basis), with the bottom line after financing costs of ca. PLN 6.0m expected to show a net loss of PLN 1.3m.

Telecommunications **Orange Polska**	Hold								
Analyst: Paweł Szpigiel	Current price Target price		PLN 10.42 PLN 8.40		FY15E P/E FY16E P/E	49.1 54.1		FY15E EV/EBITDA FY16E EV/EBITDA	5.1 5.5
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	2,930.0	2,995.0	-2.2%	11,681.9	12,212.0	-4.3%	11,512.8	11,681.9	-1.4%
EBITDA	960.8	951.0	1.0%	3,575.0	4,076.0	-12.3%	3,378.5	3,575.0	-5.5%
Margin	32.8%	31.8%	-	30.6%	33.4%	-	29.3%	30.6%	-
EBIT	190.8	391.0	-51.2%	721.4	986.0	-26.8%	689.5	721.4	-4.4%
Pre-tax profit	107.8	272.0	-60.4%	343.9	581.0	-40.8%	311.9	343.9	-9.3%
Net profit	87.3	271.0	-67.8%	278.5	535.0	-47.9%	252.7	278.5	-9.3%

Orange sees 8% EBITDA contraction due to competitive pressures in B2B

We expect Orange Polska to report 5% year-on-year contraction to PLN 1,365m in Q1 2015 mobile revenue led by a decrease from PLN 28.2 to PLN 25.3 in retail ARPU, partly offset by a slightly higher subscriber base. In fixed line we anticipate stronger revenue erosion at an annual rate of 8.4% due to a combination of the following: (1) the loss of 85 thousand POTS and ISDN lines accompanied by a decrease in retail voice ARPU to PLN 39.8, and (2) falling sales of corporate data services and wholesale services due to strong competitive pressure observed in the B2B market. After all this the consolidated Q1 revenue will show a 2% decline from the same period in 2014 at a projected PLN 2,930m. After flat y/y costs and payroll savings of PLN 82m the quarterly EBITDA should come in at PLN 961m. On an adjusted basis (depending on whether the payroll savings are treated as a one-time gain) EBITDA will figure to a less-than-impressive PLN 879m, marking a y/y drop of 8%, with the EBITDA margin at 30% (vs. 31.8% in Q1'14). Our Q1 net profit estimate is PLN 87m.

Media

Media **Agora**	Hold								
Analyst: Paweł Szpigiel	Current price Target price		PLN 11.49 PLN 8.20		FY15E P/E FY16E P/E	- -		FY15E EV/EBITDA FY16E EV/EBITDA	8.4 8.4
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	267.1	254.0	5.1%	1,094.8	1,102.4	-0.7%	1,127.0	1,094.8	2.9%
EBITDA	21.1	14.2	48.0%	79.0	77.7	1.6%	81.2	79.0	2.8%
Margin	0.0%	5.6%	-	7.2%	7.1%	-	7.2%	7.2%	-
EBIT	-3.0	-9.6	-68.4%	-12.1	-18.3	-34.0%	-7.7	-12.1	-36.2%
Pre-tax profit	-2.2	-9.8	-77.8%	-15.8	-17.9	-11.8%	-12.1	-15.8	-23.4%
Net profit	-2.2	-9.6	-77.4%	-17.9	-11.0	62.4%	-14.8	-17.9	-17.4%

Agora sees acceleration in Q1 on adspend rebound and strong movie ticket sales

We expect Agora to report 5.1% y/y sales growth in Q1 2015. By operating segment revenue in Press at an estimated PLN 66.7m will show continuing contraction at an annual rate of 3.6% (assuming daily paid circulation of the *Gazeta Wyborcza* daily at 198,000 copies). In the Cinema & Books segment we anticipate strong revenue growth led by high cinema attendance (with ticket sales in the period reaching ca. 2.7 million) combined with a higher average ticket price and concession spend per ticket. In the Internet segment sales are likely to show improvement as well thanks to a rebound in advertising expenses and an expanded advertising space. In EBIT we expect Agora to report an operating loss of PLN 3.0m as the growth generated by the Cinema segment will be offset by the falling profits of the Press segment. EBIT from Internet operations as well may show continuing year-on-year deterioration despite the adspend rebound.

Media **Cyfrowy Polsat**	Reduce								
Analyst: Paweł Szpigiel	Current price Target price		PLN 25.10 PLN 21.80		FY15E P/E FY16E P/E	20.0 16.3		FY15E EV/EBITDA FY16E EV/EBITDA	7.5 6.9
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	2,395.0	722.8	231.4%	9,756.5	7,409.9	31.7%	10,006.8	9,756.5	2.6%
EBITDA	936.4	281.4	232.8%	3,562.5	2,738.3	30.1%	3,668.2	3,562.5	3.0%
Margin	39.1%	38.9%	-	36.5%	37.0%	-	36.7%	36.5%	-
EBIT	466.4	218.9	113.1%	1,761.4	1,442.4	22.1%	2,027.2	1,761.4	15.1%
Pre-tax profit	191.4	112.6	70.1%	960.7	314.2	205.8%	1,192.1	960.7	24.1%
Net profit	172.3	98.2	75.5%	804.1	292.5	174.9%	985.7	804.1	22.6%

Cyfrowy sees continuing EBITDA shrinkage in Q1

Cyfrowy Polsat's financial statements for Q1 2015 will not be comparable to the financials for Q1 2014 due to the consolidation of Polkomtel started in May 2014. On a pro-forma basis we expect to see 2% y/y growth to PLN 2,395m in the quarterly revenue as a result of a 6% drop to PLN 1,176m in retail revenue led by lower ARPU, offset by stronger wholesale revenue and higher sales of TV and mobile devices (also driving EBITDA). Costs are likely to have increased to PLN 1,475m from PLN 1,342m in Q1 2014 driven among others by COGS and interoperator billing (we assume Orange used 45 million GB of data purchased from Midas in Q1). We project the Q1 2015 EBITDA at PLN 936m after a 7% decline from the year-ago pro-forma result. We expect Orange to reclassify PLN 40m in sales bonuses from costs to the balance sheet. After D&A expenses of an estimated PLN 470m and financing costs of ca. PLN 275m we expect the Q1 pre-tax profit to come in at PLN 191m, with the bottom-line profit approximating PLN 172m.

Media
TVN
Accumulate

Analyst: Paweł Szpigiel	Current price	PLN 16.80	FY15E P/E	14.6
	Target price	PLN 19.00	FY16E P/E	15.0
			FY15E EV/EBITDA	12.6
			FY16E EV/EBITDA	11.8

(PLN m)	Q1'15E	Q1'14	change	2015E	2014	change	2016E	2015E	change
Revenue	368.1	351.8	4.6%	1,692.8	1,593.8	6.2%	1,740.5	1,692.8	2.8%
EBITDA	97.3	95.8	1.6%	599.5	548.8	9.2%	624.3	599.5	4.1%
Margin	26.4%	27.2%	-	35.4%	34.4%	-	35.9%	35.4%	-
EBIT	79.3	78.7	0.8%	530.7	477.3	11.2%	555.9	530.7	4.7%
Pre-tax profit	123.0	2.3	5295.2%	468.9	197.1	137.9%	454.1	468.9	
Net profit	120.0	11.1	977.7%	388.9	189.4	105.4%	376.9	388.9	-3.1%

TVN sees slight EBITDA growth in Q1

According to our calculations Polish TV advertising expenditures in Q1 2015 were 4% higher than in the same period in 2014. Relative to this the quarterly advertising revenue of TVN is expected to show slightly higher growth of 4.6% at PLN 368m. Total costs in Q1 are projected at PLN 304m including PLN 108m spent on in-house content development, PLN 10m incurred on the sale of shares, and PLN 47m payroll costs. After equity in income of associates of an estimated PLN 15m and PLN 44m net financing costs (including a PLN 96m gain on euro debt value adjustments) TVN's net profit for Q1 2015 should come in at PLN 123.0m (with net profit after minority interests totaling PLN 120.0m). As for EBITDA we expect that adjusted for nC+ and Onet and for one-time transaction costs it will approximate PLN 92.3m, marking unremarkable y/y growth of 6%.

Dom Maklerski

IT

IT **Asseco Poland**	**Hold**								
Analyst: Paweł Szpigiel	Current price Target price		PLN 61.02 PLN 59.00		FY15E P/E FY16E P/E	14.7 14.6		FY15E EV/EBITDA FY16E EV/EBITDA	7.7 7.5

(PLN m)	Q1'15E	Q1'14	change	2015E	2014	change	2016E	2015E	change
Revenue	1,581.4	1,413.9	11.8%	6,443.6	6,231.9	3.4%	6,664.9	6,443.6	3.4%
EBITDA	210.8	210.2	0.3%	918.3	905.1	1.5%	926.6	918.3	0.9%
Margin	13.3%	14.9%	-	14.3%	14.5%	-	13.9%	14.3%	-
EBIT	142.7	145.1	-1.7%	656.2	636.7	3.1%	667.4	656.2	1.7%
Pre-tax profit	115.6	164.4	-29.7%	633.5	648.1	-2.2%	644.2	633.5	1.7%
Net profit	65.4	96.9	-32.5%	345.6	358.4	-3.6%	348.0	345.6	0.7%

Parent's weak Q1 sales weigh on net profit

Asseco expects to achieve strong EBIT growth in Q1 2015 driven by services provided to the national social insurance institution ZUS. On a standalone basis we expect to see downward pressure on the parent company's revenues from sales to the public sector combined with unfavorable base effects for revenues from sales to the power and telecommunications industries (in Q1 2014 Asseco completed a number of major orders for these customers), resulting in a drop in the standalone Q1 revenue to an estimated PLN 51m. As for subsidiary operations we anticipate higher sales and profits at Formula Systems (in zloty terms supported by the dollar's appreciation vs. the zloty), improved profitability at ASEE, revenue contraction in Western Europe, and losses at R-Style Softlab due to a depreciation of the ruble vs. PLN. After all this we expect flat year-on-year growth in the consolidated Q1 2015 EBITDA and we estimate the quarterly net profit at PLN 65.4m, marking a 5% decline from the year-ago bottom-line figure even after it is adjusted for a PLN 28.1m one-time gain.

Resources

Coal **JSW**	**Hold**								
Analyst: Michał Marczak	Current price Target price		PLN 16.45 PLN 27.00		FY15E P/E FY16E P/E	- -		FY15E EV/EBITDA FY16E EV/EBITDA	4.8 2.5
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	1,882.4	1,663.7	13.1%	8,064.5	6,814.9	18.3%	8,733.4	8,064.5	8.3%
EBITDA	180.5	210.3	-14.2%	718.4	521.2	37.8%	1,387.4	718.4	93.1%
Margin	9.6%	12.6%		8.9%	7.6%		15.9%	8.9%	
EBIT	-169.5	-90.2	87.9%	-604.9	-774.8	-21.9%	76.3	-604.9	-112.6%
Pre-tax profit	-191.5	-114.9	66.7%	-769.1	-882.2	-12.8%	-95.1	-769.1	-87.6%
Net profit	-157.0	-88.5	77.4%	-598.1	-1 079.2	-44.6%	-73.9	-598.1	-87.6%

JSW posts decent Q1 compared to what's to come

JSW experienced relatively favorable market conditions in Q1 2015 compared to the challenges faced in the rest of the year. The Asian coking coal benchmark in Q1 averaged $117 (-1.7% q/q), and thanks to the zloty's depreciation relative to the dollar the effective per-ton zloty sales price in the period at PLN 435 was higher than the quarter-before price of PLN 400 (the per-ton revenue may have declined slightly quarter on quarter as JSW was not able to pass the FX variations onto the end customers). This quarter, the price benchmark for coking coal has decreased to $110/t, and the current spot price below $90 USD/t suggest a further drop in the delivery price for Q3. Including the premium on 3M contracts vs. spot ($12/t) the effective sales price for JSW in Q3 2015 could be as low as PLN 390/t. Going back to Q1 the profits for the period will be weighed down by costs and losses, estimated at PLN 100m, incurred in the wake of the February worker strike. We do not expect to see any inventory charges in the period. All in all more than the actual Q1 results investors are looking forward to learning the new Management's outlook for the rest of the year, including restructuring plans.

Metals **KGHM**	**Buy**								
Analyst: Michał Marczak	Current price Target price		PLN 117.00 PLN 127.00		FY15E P/E FY16E P/E	10.0 9.4		FY15E EV/EBITDA FY16E EV/EBITDA	5.5 5.3
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	4,045.2	3,800.0	6.5%	23,666.8	20,492.0	15.5%	24,064.2	23,666.8	1.7%
EBITDA	973.1	924.0	5.3%	5,539.0	5,311.0	4.3%	5,735.4	5,539.0	3.5%
Margin	24.1%	24.3%		23.4%	25.9%		23.8%	23.4%	
EBIT	768.7	718.0	7.1%	3,642.1	3,676.0	-0.9%	3,741.1	3,642.1	2.7%
Pre-tax profit	759.7	712.0	6.7%	3,329.5	3,098.0	7.5%	3,419.7	3,329.5	2.7%
Net profit	547.9	507.0	8.1%	2,341.8	2,450.0	-4.4%	2,479.5	2,341.8	5.9%

Q1 profits supported by weak zloty

Copper prices averaged $5,805/t in Q1 2015 after a drop of a whopping 14.2% from the previous quarter. The average price of silver in the period fell 12.1% to $544/kg. For KGHM, however, the dollar price slump was largely offset by a 10% depreciation in the zloty which made for a Q1 average per-ton sales price of ca. PLN 21,600 vs. PLN 22,840 in Q4 2014. We expect KGHM to report Q1 standalone sales volumes at 142,000 tons of copper and 280 tons of silver. The unit cost of production averaged PLN 18,050/t according to our estimates. On a consolidated basis we expect the former Quadra mines to report a net loss of PLN 25m in Q1 with EBITDA at a projected PLN 180m.

Coal **LW Bogdanka**	**Buy**								
Analyst: Michał Marczak	Current price Target price		PLN 84.20 PLN 121.50		FY15E P/E FY16E P/E	11.7 10.8		FY15E EV/EBITDA FY16E EV/EBITDA	5.0 4.8

(PLN m)	Q1'15E	Q1'14	change	2015E	2014	change	2016E	2015E	change
Revenue	440.2	481.5	-8.6%	2,016.9	2,013.6	0.2%	2,288.5	2,016.9	13.5%
EBITDA	186.7	173.7	7.5%	706.3	750.0	-5.8%	743.6	706.3	5.3%
Margin	42.4%	36.1%		35.0%	37.2%		32.5%	35.0%	
EBIT	74.7	86.0	-13.0%	318.6	362.3	-12.1%	344.6	318.6	8.1%
Pre-tax profit	68.7	79.2	-13.2%	301.9	345.9	-12.7%	327.8	301.9	8.6%
Net profit	55.7	62.6	-11.1%	244.5	272.4	-10.2%	265.5	244.5	8.6%

LWB faces tough market conditions in Q1

LW Bogdanka produced 1.99 million tons of coal in Q1 2015, representing a drop of 11% from the same period in 2014 and a shrinkage of 22% from the previous quarter. At the same time, the Company had to scale back sales volumes to an estimated 1.95mmt in the face of an oversupply in the market. We assume that revenue generated per ton of coal averaged PLN 208 in Q1 2015 after a 2.3% decline from the quarter before as on a reduced sales volume Bogdanka tried to keep prices at a reasonable level. The unit cost of production for Q1 is estimated at PLN 182.000/t. We do not expect to see any major one-offs in the quarterly P&L. Bogdanka is expected to make a dividend announcement as part of the Q1 2014 report, and we assume it will offer DPS of PLN 4 (DY: 4.7%).

Industrials

Industrials **Elemental**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 3.65 PLN 4.00		FY15E P/E FY16E P/E	14.9 13.8	FY15E EV/EBITDA FY16E EV/EBITDA		9.7 8.1
(mln UAH)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	212.7	173.5	22.5%	1 310.9	772.3	69.7%	1,313.0	1,310.9	0.2%
EBITDA	13.6	11.1	22.7%	63.9	41.2	55.1%	72.7	63.9	13.7%
Margin	6.4%	6.4%		4.9%	5.3%		5.5%	4.9%	
EBIT	11.3	10.2	11.5%	54.9	34.9	57.2%	63.5	54.9	15.9%
Pre-tax profit	10.5	9.6	9.2%	51.6	32.2	60.2%	60.9	51.6	17.9%
Net profit	9.2	9.2	-0.2%	39.0	31.1	25.3%	42.1	39.0	7.7%

Acquisitions boost Q1 profit

According to our estimates Elemental generated sales volumes in Q1 2015 25% higher at 45,400 tons than in the same period last year, driven by the full consolidation for the first time of the sales generated by the recent acquisitions EMP Recycling and Metal Holding, supported by the Turkish acquisition Evciler consolidated for just one month. Compared to Q1 2014 the revenues achieved in Q1 2015 were supported by increases in metal prices which in zlotys amounted to 0.9% for copper, 28.5% for aluminum, 5.7% for lead, 25.4% for zinc, 26.5% for chromium, and 20.0% for nickel (only the price of tin posted a y/y decline of 0.5%). However, the positive price shifts will be partly offset by a shift in the sales mix in favor of less valuable metals. Further we expect Elemental to post 22.7% y/y EBITDA growth in Q1, and we predict that the net profit for the period will remain stable at the year-ago level of ca. PLN 9.2m (after minority interests estimated at PLN 0.8m, represented by the minority shareholders of EMP, Metal Holding, and Evciler).

Machinery **Famur**	Buy								
Analyst: Jakub Szkopek	Current price Target price		PLN 2.83 PLN 4.00		FY15E P/E FY16E P/E	9.1 8.6	FY15E EV/EBITDA FY16E EV/EBITDA		4.1 3.8
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	203.5	174.7	16.5%	938.0	708.8	32.3%	978.5	938.0	4.3%
EBITDA	73.0	70.8	3.1%	313.2	275.9	13.5%	318.5	313.2	1.7%
Margin	35.9%	40.5%		33.4%	38.9%		32.6%	33.4%	
EBIT	34.9	32.4	7.5%	184.6	121.9	51.4%	196.0	184.6	6.2%
Pre-tax profit	38.2	35.9	6.5%	188.0	113.3	66.0%	198.5	188.0	5.6%
Net profit	30.9	29.0	6.6%	149.8	100.3	49.4%	160.8	149.8	7.3%

Famur sees Q1 growth thanks to foreign contracts

We expect 16.5% y/y revenue growth from Famur in Q1 2015 driven by a 100.1% surge in sales of longwall systems led by deliveries to customers from Kazakhstan and Russia. In turn, the completion earlier of international contracts will result in a 31.7% year-on-year drop in the quarterly revenue from transportation systems. The segment where the Company is expected to have experienced the most severe revenue shrinkage (-45.8% y/y) in Q1 2015 are gallery systems where falling margins were accompanied by downtime at the mines of a major customer, the coal miner JSW. On higher revenue, we anticipate a 17.9% y/y decrease in Famur's gross profit for Q1 2015 due to lower contract margins. Compared to the Q1 2014 comparable base, weighed down by one-time restructuring charges of PLN 20m we expect neutral effects of other operating activity in Q1 2015. After a gain estimated at PLN 4.0m on foreign-currency hedging operations (a forward contract to sell euros worth PLN 97.6m) Famur's Q1 2015 EBITDA and net profit results are likely to show year-on-year growth of respective 3.1% and 6.6%. A dividend announcement as part of the Q1 earnings report may provide upside surprise from the point of view of investors.

Agricultural Producers **Kernel**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 37.73 PLN 31.00		FY15E P/E FY16E P/E	8.9 7.1	FY15E EV/EBITDA FY16E EV/EBITDA		5.3 4.7
(USD m)	**3Q15E**	**3Q14**	**różnica**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	594.3	675.0	-11.9%	1,880.5	2,393.3	-21.4%	1,987.5	1,880.5	5.7%
EBITDA	77.1	30.0	157.0%	266.8	223.0	19.6%	284.5	266.8	6.6%
Margin	13.0%	4.4%		14.2%	9.3%		14.3%	14.2%	
EBIT	55.9	9.6	481.7%	173.6	128.7	34.9%	194.2	173.6	11.9%
Pre-tax profit	-37.3	-37.0	-	96.8	-90.4	-	122.1	96.8	26.1%
Net profit	-35.5	-25.1	-	91.0	-98.3	-	113.5	91.0	24.8%

Kernel sees volume contraction in Q3

According to the operations update for the three months ended 31 March 2015 (the third quarter of fiscal 2015) bulk sales of sunflower oil in the period were down 6% y/y to 249,200 tons while sales of bottled oil were up 5% to 23,800 tons. At the same time grain sales rose 2% to 1,331.7kt and export terminals throughput posted an 18% increase to 1,222.0kt. The volume of sunflower seeds crushed in the period was 1% lower than in the same period last year.

Based on the volume data we estimate Kernel's revenue for Q3 FY2015 at $594.3m (-11.9% y/y) and we expect the quarterly EBITDA to approximate $77.1m after a y/y surge of 157%. By operating segment we anticipate 5% EBITDA growth in bulk oil led by margin expansion due to FX effects, and in the crops segment we project EBITDA improvement to a positive $16.0m from a negative $21.5m a year ago thanks to a weakened hryvnia. At the same time EBITDA in bottled oil is likely to retreat by 16% from a high year-ago base, EBITDA in the grain segment will show a drop of 72% due to lower margins and a lack of VAT refunds, and EBITDA from grain storage will be 83% lower than in Q3 FY2014 due to a weak hryvnia. Kernel's pre-tax profit for Q1 2015 is expected to show a loss of $37.3m (similar to the year-ago pre-tax loss of $37.0m) led by the hryvnia depreciation. The fall in the UAH vs. USD is also going to result in a loss on revaluation of receivable export VAT, and we estimate the overall FX effects in the third quarter at $76.2m. The quarterly bottom line is expected to show a net loss of $35.5m, marking deterioration from the year-ago net loss of $25.1m.

Machinery **Kopex**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 9.99 PLN 11.40		FY15E P/E FY16E P/E	13.7 12.5	FY15E EV/EBITDA FY16E EV/EBITDA		4.7 4.5
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	328.9	377.3	-12.8%	1,351.5	1,430.5	-5.5%	1,384.1	1,351.5	2.4%
EBITDA	61.6	72.2	-14.7%	247.5	291.7	-15.2%	248.0	247.5	0.2%
Margin	18.7%	19.1%		18.3%	20.4%		17.9%	18.3%	
EBIT	23.7	34.9	-32.3%	106.8	139.9	-23.7%	111.5	106.8	4.4%
Pre-tax profit	27.4	35.1	-21.9%	85.1	134.5	-36.8%	91.0	85.1	7.0%
Net profit	21.8	25.9	-15.7%	67.4	105.9	-36.4%	72.2	67.4	7.1%

Kopex sees Q1 revenue contraction due to base effects and shrinking backlog

Kopex's revenue for Q1 2015 will be under strong downward pressure from a shrinking order backlog which at the end of 2014 was much lower than the year before after decreases in order values totaling 32.6% in mining equipment, 26.6% in electrical and electronic equipment, and 14.8% in mining services. Due to the falling demand we estimate that compared to Q1 2014 Kopex will report revenue erosion at a rate of 32.4% in electrical and electronic equipment, 21.9% in underground mining equipment, and 0.4% in mining services. Consequently we anticipate a 14.7% drop in the quarterly EBITDA and a y/y contraction in the EBITDA margin to 18.7% from 19.1%. The gross profit is expected to have fallen 22.3% year over year, with the most severe slowdown at 35.9% experienced in the segment of mining equipment. On a positive note, Kopex's profits for Q1 2015 will be supported by the zloty's 4% appreciation versus the euro through currency hedges in the amount of $2.6m and EUR 66.1m as of 31 December 2014, expected to generate a value adjustment gain of PLN 10.2m. In spite of the one-time boost the first-quarter net profit is likely to show year-on-year shrinkage of 15.7%. We project that Kopex's net debt as of 31 March 2015 was PLN 350m (1.2x 12M EBITDA).

Food Producers **Tarczyński**	Hold								
Analyst: Jakub Szkopek	Current price Target price		PLN 13.90 PLN 15.00		FY15E P/E FY16E P/E	10.9 10.3	FY15E EV/EBITDA FY16E EV/EBITDA		6.6 6.2
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	111.8	108.9	2.7%	540.5	494.4	9.3%	592.0	540.5	9.5%
EBITDA	10.0	9.9	1.1%	42.4	41.8	1.4%	43.5	42.4	2.7%
Margin	9.0%	9.1%		7.8%	8.5%		7.8%	7.8%	
EBIT	4.8	4.8	0.5%	23.3	21.6	7.8%	25.1	23.3	7.6%
Pre-tax profit	3.1	3.4	-8.0%	17.8	15.0	19.1%	18.9	17.8	5.9%
Net profit	2.5	2.6	-4.5%	14.4	11.7	23.6%	15.3	14.4	5.9%

Tarczyński sees margin rebound in Q1

We expect Tarczyński to report a 3.5% increase to 5,900 tons in sales of processed meats in Q1 2015 relative to the same period last year thanks to an earlier timing of the Easter shopping period. At the same time the average sales price remained stable in Q1 2015 at an ca. PLN 18.8/kg after price reductions led by lower costs of raw meat combined with a higher share in the sales mix of premium deli meats. The prices of fresh pig meat at an average EUR 1.38/kg in Q1 were 9.8% than the year before (with the zloty price down 9.6% year on year to PLN 5.80), and this should be reflected in a 12.9% increase in Tarczyński's gross profit for the quarter. The profit per kilogram of processed meat sales will have approximated PLN 5.1 in Q1 2015 vs. PLN 6.1 in Q4 2014 and PLN 4.7 in Q1 2014. Tarczyński began its marketing campaign earlier this year, resulting in an increase in advertising expenses to a projected PLN 1.5m in Q1 2015 vs. PLN 0.3m spent in Q1 2014. By scaling back meat stockpiling for the summer season by two-thirds in 2015, we believe the Company will report lower negative cash flow from operations in Q1 2015 than in the same period last year.

Manufacturers **Vistal**	Buy								
Analyst: Jakub Szkopek	Current price Target price		PLN 12.27 PLN 16.40		FY15E P/E FY16E P/E	9.9 7.3	FY15E EV/EBITDA FY16E EV/EBITDA		7.7 6.4
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	88.3	71.4	23.7%	334.2	322.4	3.7%	355.4	334.2	6.3%
EBITDA	8.2	9.3	-11.9%	41.4	39.6	4.6%	46.4	41.4	12.0%
Margin	9.2%	13.0%		12.4%	12.3%		13.0%	12.4%	
EBIT	4.9	6.1	-20.5%	25.7	27.1	-5.3%	30.7	25.7	19.4%
Pre-tax profit	9.2	5.2	76.7%	19.5	16.3	19.5%	25.1	19.5	28.8%
Net profit	7.4	3.3	122.3%	17.2	12.3	40.4%	23.4	17.2	36.0%

Vistal sees sales growth combined with margin contraction in Q1

At PLN 245.9m Vistal's order backlog as of 31 December 2014 was 11% higher than the year before and 13.5% higher than at the end of September after a 33% drop in the course of the quarter in orders for Polish infrastructure combined with a 175% surge in orders for construction services, a 51.6% increase in marine & offshore orders, and a 4.9% rise in infrastructure orders from abroad. Moreover the value of pending bids on foreign infrastructure contracts in the period soared by 415.0%. On the growing backlog, we expect Vistal to report 64.0% year-on-year growth in infrastructure sales and a 125.6% surge in sales of building structures in Q1 2015, combined with 40.5% contraction in revenue from marine & offshore solutions. On higher sales, we anticipate gross margin contraction of 4.9% to PLN 13.7m on the year after low-margin infrastructure sales replaced high-margin marine & offshore structures in the Q1 sales mi. Consequently the Q1 2015 EBITDA at PLN 8.2m is expected to show a year-on-year decrease of 11.9%. Thanks to the zloty's appreciation vis-a-vis the euro we predict that Vistal will recognize a value adjustment gain of PLN 3.5m in Q1 on euro-denominated loans worth PLN 85.5m. After all this the net profit for Q1 2015 is set to be more than double the amount posted in Q1 2014 at an estimated PLN 7.4m. Our net debt estimate for Vistal as of 31 March 2015 is PLN 170m (4.4x 12M EBITDA).

Construction

Construction **Budimex**	Hold								
Analyst: Piotr Zybała	Current price Target price		PLN 167.55 PLN 162.70		FY15E P/E FY16E P/E	22.8 15.3	FY15E EV/EBITDA FY16E EV/EBITDA		11.2 8.2
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	826.9	834.0	-0.9%	4,953.2	4,949.9	0.1%	5,927.5	4,953.2	19.7%
EBITDA	42.5	58.6	-27.4%	245.9	270.3	-9.1%	363.6	245.9	47.9%
Margin	5.1%	7.0%	-	5.0%	5.5%	-	6.1%	5.0%	-
EBIT	37.2	52.5	-29.2%	223.6	247.3	-9.6%	341.6	223.6	52.8%
Pre-tax profit	39.9	54.4	-26.6%	231.3	242.6	-4.7%	345.9	231.3	49.6%
Net profit	32.3	42.8	-24.4%	187.3	192.0	-2.4%	280.2	187.3	49.6%

Q1 profits come off steep year-ago base

The first quarter is seasonally the slowest in the construction industry, and this will be reflected in the Q1 2015 results of Budimex, expected to show contraction relative to Q4 2014 as well as to the high year-ago comparable base. In Q1 2014 Budimex closed nearly 400 homes while in Q1 2015 closings were much lower at 109. Secondly the Q1 2014 gross margin of 10% was not likely to be sustained in the long term. Our first-quarter estimates for Budimex are PLN 827m revenue, PLN 37m operating profit, and PLN 32m net profit (marking a 20% drop from Q1 2014). We stand by our FY2015 full-year net earnings estimate of PLN 187m for Budimex, and we anticipate revenue growth this year at a moderate pace thanks to an increasing backlog of building orders even as infrastructure orders to date remain few and far between.

Construction **Elektrobudowa**	Accumulate								
Analyst: Piotr Zybała	Current price Target price		PLN 119.50 PLN 112.90		FY15E P/E FY16E P/E	15.3 13.7	FY15E EV/EBITDA FY16E EV/EBITDA		9.4 8.8
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	242.7	184.4	31.6%	1,351.7	1,108.3	22.0%	1,385.9	1,351.7	2.5%
EBITDA	12.1	2.6	362.7%	68.4	49.3	38.8%	72.3	68.4	5.6%
Margin	5.0%	1.4%	-	5.1%	4.4%	-	5.2%	5.1%	-
EBIT	8.8	-0.6	-	55.1	35.7	54.1%	58.5	55.1	6.2%
Pre-tax profit	7.0	-1.7	-	47.7	33.5	42.2%	53.3	47.7	11.8%
Net profit	5.5	-3.2	-	37.2	27.3	36.1%	41.5	37.2	11.8%

Q1 profits take off from low year-ago base

Thanks to more advanced progress on major power engineering contracts Elektrobudowa is expected to report revenue growth in Q1 2015 relative to the year-ago base. As for profitability we expect solid margins on services provided to the power industry and we anticipate a y/y narrowing of the huge negative margins posted in the industrial engineering segment which were responsible for the quarterly loss reported for Q1 2014. Elektrobudowa's cash position should remain stable throughout 2015. Assuming the Q1 2015 net profit achieves our PLN 5.5m estimate after a y/y increase by PLN 8.7m this will create room for an upward adjustment to our 2015 annual net profit forecast of PLN 37.2m (+PLN 9.9m y/y).

Construction **Erbud**	**Hold**								
Analyst: Piotr Zybała	Current price Target price		PLN 33.14 PLN 34.50		FY15E P/E FY16E P/E	15.2 13.1	FY15E EV/EBITDA FY16E EV/EBITDA		7.7 6.9
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	290.9	283.6	2.6%	1,642.1	1,693.8	-3.1%	1,694.9	1,642.1	3.2%
EBITDA	5.0	7.6	-34.1%	54.8	52.7	4.0%	59.8	54.8	9.1%
Margin	1.7%	2.7%	-	3.3%	3.1%	-	3.5%	3.3%	-
EBIT	2.7	6.1	-55.5%	46.7	43.8	6.7%	51.5	46.7	10.3%
Pre-tax profit	1.3	3.3	-59.1%	38.2	36.5	4.6%	44.1	38.2	15.6%
Net profit	1.0	1.3	-24.7%	27.9	27.2	2.6%	32.2	27.9	15.6%

A weak start into 2015

We anticipate a disappointing first-quarter showing from Erbud with the revenue in the period expected to be lower than in Q1 2014 despite an overall higher backlog accumulated for 2015. A year-on-year contraction from a high base is also likely occur in the gross margin achieved on building construction. As a result Q1 2015 EBIT is set to be 55% lower than in Q1 2014 at an estimated PLN 2.7m. The slowdown in bottom-line profit should be less pronounced thanks to financing gains stemming from an improved cash position combined with lower tax, resulting in a Q1 2015 net profit of PLN 1.0m. The first quarter is seasonally the slowest for Erbud, and is therefore not indicative of the earnings outlook for the whole year, however the announcement is not going to provide many reasons to increase positions in ERB.

Construction **Unibep**	**Hold**								
Analyst: Piotr Zybała	Current price Target price		PLN 10.13 PLN 10.40		FY15E P/E FY16E P/E	14.6 11.4	FY15E EV/EBITDA FY16E EV/EBITDA		8.9 7.1
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	253.4	201.3	25.9%	1,253.1	1,079.7	16.1%	1,357.7	1,253.1	8.3%
EBITDA	6.7	4.4	51.4%	41.2	32.1	28.5%	51.5	41.2	25.0%
Margin	2.6%	2.2%	-	3.3%	3.0%	-	3.8%	3.3%	-
EBIT	5.1	2.7	85.3%	34.6	25.1	37.6%	44.8	34.6	29.5%
Pre-tax profit	5.3	5.0	5.1%	32.0	27.6	16.1%	41.9	32.0	30.9%
Net profit	4.0	2.9	41.0%	24.3	19.8	22.8%	31.1	24.3	28.0%

Unibep sees improvement in Q1

Unibep is set to report strong growth in Q1 2015 results compared to the same period last year thanks to a rebound in the margins generated by the segments of modular houses and real-estate development. In the core segment of building construction we anticipate 20% revenue growth accompanied by a profit decline from the high year-ago base boosted by a major contract from Belarus. On a consolidated basis the gross profit for the first quarter is expected to remain at a stable year-on-year level, but EBIT should be considerably higher assuming a lack of negative one-time events. Thanks to a strong cash position combined with gains on adjustments to Norwegian contract hedges we expect Unibep to recognize a small financing gain for Q1 2015. Our expectation as to the quarterly net profit is that it will show year-on-year growth of about 40% at an estimated PLN 4.0m.

Property Developers

Property Developers **Capital Park**	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 4.67 PLN 6.70		FY15E P/E FY16E P/E	29.9 18.2		FY15E P/BV FY16E P/BV	0.5 0.5
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	18.8	10.3	81.9%	73.6	54.8	34.3%	126.6	73.6	71.9%
Gross profit	14.1	7.6	84.6%	54.5	41.5	31.3%	94.9	54.5	74.2%
Margin	75.0%	73.9%	-	74.0%	75.7%	-	75.0%	74.0%	-
EBIT e. revaluations	8.0	1.1	640.8%	39.1	25.8	51.6%	82.9	39.1	111.8%
Revaluations	-64.0	7.4	-	-4.4	-61.0	-	-19.8	-4.4	-
EBIT	-56.0	8.5	-	34.8	-35.2	-	63.0	34.8	81.4%
Pre-tax profit	-45.7	4.0	-	29.1	-64.4	-	46.3	29.1	59.3%
Net profit	-31.8	4.4	-	16.5	-61.5	-	27.6	16.5	67.6%

After currency effects Q1 profit shows strong growth on the year

The Q1 2015 profits of Polish commercial real-estate developers will reflect the negative effects of an over-4% depreciation in the EUR/PLN exchange rate in the period compared to an 0.6% gain recorded in the same quarter in 2014. In case of Capital Park the resulting quarterly loss on investment property value adjustments is estimated at PLN 61m, accompanied by a gain of roughly PLN 16m on adjustments to foreign-currency loans. Adjusted for currency effects the Q1 financial results of Capital Park are expected to show considerable improvement on the same period last year, with core EBIT increasing from PLN 2.8m to PLN 9.5m and net profit rising from PLN 1.1m to PLN 4.0m. The growth in operating profit was owed mainly to the completion last year of the first building in the Eurocentrum office complex in Warsaw accompanied by increasing occupancy rates in other commercial properties. Capital Park is poised for a sharp upturn in profits toward the end of the year after the completion in Q3 of the Royal Wilanów office building.

Property Developers **Dom Development**	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 48.00 PLN 57.90		FY15E P/E FY16E P/E	15.8 12.5		FY15E P/BV FY16E P/BV	1.4 1.3
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	71.2	198.7	-64.1%	823.8	784.3	5.0%	875.3	823.8	6.3%
Gross profit	16.7	32.6	-48.9%	187.6	152.0	23.4%	214.0	187.6	14.1%
Margin	23.4%	16.4%	-	22.8%	19.4%	-	24.4%	22.8%	-
EBIT e. revaluations	-5.6	8.9	-	95.3	69.0	38.1%	119.1	95.3	24.9%
Revaluations	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
EBIT	-5.6	8.9	-	95.3	69.0	38.1%	119.1	95.3	24.9%
Pre-tax profit	-5.7	11.7	-	92.7	69.4	33.6%	118.0	92.7	27.2%
Net profit	-4.6	9.3	-	75.1	55.7	34.8%	95.5	75.1	27.2%

DOM starts 2015 with a first-quarter loss

Looking at its modest inventory of homes available for sale at the beginning of the year we expect Dom Development to report a net loss for the first quarter of 2015. The Developer did not complete any ongoing real-estate projects in Q1, and it settled a total of 190 homes in the period, resulting in a revenue projected at PLN 71m and a gross profit estimated at PLN 17m (with the gross margin at 23.4%). With administrative expenses at some PLN 21-22m this would make for an operating loss of PLN 6m. With financing activity having negligible effects on profits thanks to low debt, the Q1 bottom-line result is expected to be a net loss of PLN 4.6m (in line with a February warning issued by the Company). Dom Development's profits are likely to show uneven distribution between reporting periods this year, with the first half ending with a net loss and the fourth quarter delivering 90% of the annual net profit.

Property Developers Echo Investment	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 6.71 PLN 8.00		FY15E P/E FY16E P/E	20.4 12.4		FY15E P/BV FY16E P/BV	0.8 0.8
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	130.4	111.8	16.6%	610.9	579.3	5.5%	778.7	610.9	27.5%
Gross profit	76.7	66.0	16.3%	325.5	322.1	1.1%	383.2	325.5	17.7%
Margin	58.8%	59.0%	-	53.3%	55.6%	-	49.2%	53.3%	-
EBIT e. revaluations	56.7	45.3	25.4%	247.5	216.5	14.3%	302.7	247.5	22.3%
Revaluations	-146.5	444.9	-	-37.7	453.9	-	58.2	-37.7	-
EBIT	-89.8	490.1	-	209.9	670.3	-68.7%	360.9	209.9	72.0%
Pre-tax profit	-45.1	444.6	-	150.9	449.1	-66.4%	247.5	150.9	64.0%
Net profit	-40.3	408.5	-	135.8	406.7	-66.6%	222.8	135.8	64.0%

Q1 profits affected by EUR/PLN depreciation

With the euro losing over 4% of its value vis-a-vis the zloty in Q1 2015 Echo's profits for the period came under pressure from value adjustments which on an investment property portfolio worth nearly PLN 1 billion may have approximated PLN 165m. The upside of the currency fluctuations will be gains of some PLN 20m recognized on value adjustments to work in progress and approximately PLN 75m earned on FX loan adjustments. Last year in Q1 Echo marked-to-market its investment property portfolio, resulting in one-time valuation effects of nearly PLN 450m. Adjusted for the value adjustments we expect to see 25% y/y growth in Echo's Q1 EBIT (driven by higher revenues and profits in the commercial and the residential segments), with pre-tax profit at PLN 24m showing a surge of 140% compared to Q1 2014. The reported quarterly bottom line loss is set to shoe a net loss of ca. PLN 40m. Summing up investors should keep in mind the one-time FX effects when assessing Echo's financial performance in the first-quarter.

Property Developers GTC	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 5.84 PLN 6.60		FY15E P/E FY16E P/E	20.4 9.7		FY15E P/BV FY16E P/BV	1.0 0.9
(EUR m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	29.5	31.0	-4.7%	115.4	124.3	-7.2%	114.0	115.4	-1.2%
Gross profit	20.1	19.9	1.2%	80.2	81.1	-1.1%	81.3	80.2	1.3%
Margin	68.1%	64.1%	-	69.5%	65.3%	-	71.3%	69.5%	-
EBIT e. revaluations & SOP*	15.3	15.6	-2.1%	65.9	67.5	-2.4%	66.5	65.9	0.9%
Revaluations	0.0	-2.0	-	7.8	-194.4	-	35.3	7.8	350.0%
EBIT	15.3	14.9	2.9%	73.7	-124.3	-	101.7	73.7	38.1%
Pre-tax profit	2.8	3.0	-7.0%	26.1	-194.5	-	59.2	26.1	127.1%
Net profit	2.5	-1.1	-	25.2	-183.8	-	53.1	25.2	111.1%

*SOP – Stock Option Plan

Stable rental income, minor value adjustments

We do not anticipate major surprises in GTC's Q1 2015 results. Rental income is likely to remain steady at the same level as posted in the same period a year ago as the next office building sale is set for later in the year. The overall financials of the commercial segment should show slight improvement over the year, while the scaling-back of residential development will put a 5% dent in the consolidated revenue for the quarter. Adjusted for valuation effects we estimate GTC's Q1 2015 EBIT at EUR 15.3m (-2% y/y). After the huge impairment recognized in the quarter before we do not expect any major value adjustments on the property portfolio in Q1. All told we have a EUR 2.5m estimate for GTC's net profit for Q1 2015 after a slight improvement from the same period last year.

Property Developers **Robyg**	Buy								
Analyst: Piotr Zybała	Current price Target price		PLN 2.43 PLN 2.95		FY15E P/E FY16E P/E	14.1 9.4		FY15E P/BV FY16E P/BV	1.4 1.3

(PLN m)	Q1'15E	Q1'14	change	2015E	2014	change	2016E	2015E	change
Revenue	67.4	137.7	-51.1%	410.1	409.3	0.2%	474.3	410.1	15.7%
Gross profit	12.3	23.9	-48.3%	73.7	73.0	1.0%	99.4	73.7	34.8%
Margin	18.3%	17.3%	-	18.0%	17.8%	-	20.9%	18.0%	-
EBIT e. revaluations	9.6	18.6	-48.6%	65.7	51.2	28.3%	91.1	65.7	38.7%
Revaluations	0.0	0.0	-	0.0	9.3	-100.0%	0.0	0.0	-
EBIT	9.6	18.6	-48.6%	65.7	60.5	8.6%	91.1	65.7	38.7%
Pre-tax profit	7.1	15.9	-55.5%	57.2	52.0	9.9%	83.4	57.2	45.8%
Net profit	11.0	8.1	35.7%	45.2	42.3	6.8%	67.5	45.2	49.5%

Q1 profit boosted by lower tax

Robyg was the sales leader in the residential sector in Q1 2015 with sales amounting to 534 homes, representing 26% of our full-year forecast. The number of homes closed in the period was smaller than in the quarter before (at 350 vs. 411), however it was enough to make for a decent profit. Of the total we are guessing only 150 of the homes settled in Q1 were in Robyg's wholly-owned developments, resulting in a year-on-year revenue shrinkage of 51% to PLN 67m. The revenue from sales of JV homes is estimated at PLN 7.6m vs. PLN 4.8m in Q1 2014. Assuming no major one-time gains or losses we predict Robyg's Q1 2015 EBIT will come in at PLN 10m, and we estimate the pre-tax profit at PLN 7m, marking a drop of 56% from the same period in 2014. Regardless, our net profit expectation is that it will show a year-on-year surge of 36% to PLN 11m owed to two factors. The first are tax effects, including a non-recurring high effective tax rate charged in Q1 2014 and a deferred tax asset in excess of PLN 5m expected to be recognized in Q1 2015. Secondly Robyg is not likely to report minority interests this year as high as the year-ago first-quarter amount of PLN 1.7m. The one-time positive tax effects will elevate Robyg's profit for Q1 from an otherwise unimpressive level. We expect the Company will achieve the bulk of its 2015 annual earnings in the fourth quarter.

Retail

Retail CCC	Sell								
Analyst: Piotr Bogusz	Current price Target price		PLN 191.00 PLN 158.00		FY15E P/E FY16E P/E	21.8 18.0	FY15E EV/EBITDA FY16E EV/EBITDA		20.9 16.8
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	430.5	359.7	20%	2,537.2	2,011.9	26%	3,111.0	2,537.2	23%
EBITDA	-5.6	15.8	-	375.5	297.9	26%	461.8	375.5	23%
Margin	-1.3%	4.4%	-	14.8%	14.8%	-	14.8%	14.8%	-
EBIT	-17.9	5.0	-	326.2	247.3	32%	405.9	326.2	24%
Pre-tax profit	-24.5	2.2	-	291.4	228.9	27%	378.0	291.4	30%
Net profit	-27.0	0.4	-	241.9	422.8	-43%	313.8	241.9	30%

CCC eyes gross margin contraction in Q1

CCC generated revenue growth of 19.7% to PLN 430.5m in Q1 2015 relative to the same period in 2014, and with the sales area in the period expanded by about 24.5% this implies a y/y decrease of 4.1% in average sales per square meter. For gross margin we anticipate a 2.3ppt decrease to 50% led by higher merchandise costs (due to a stronger dollar) combined with a lower share of high-margin March sales in the Q1 total. We expect CCC to report a y/y increase of 4.2% in SG&A per square meter driven by store expansion in Germany, and we project that total Q1 SG&A at an estimated PLN 231m will show an increase of 30.3% from Q1 2014. After other operating expenses of PLN 2.2m the first-quarter EBIT is likely to show an operating loss of PLN 17.9m (vs. PLN 5m reported in Q1 2014 thanks to unseasonably high March sales). With financing activity expected to generate a loss of PLN 6.6m, after tax of an estimated PLN 2.5m, the Q1 bottom line will be a net loss of PLN 24.5m (vs. PLN 0.4m in Q1 2014). A first-quarter loss is consistent with the seasonal variations shaping CCC's annual earnings, however the gross margin contraction expected in the period is likely to meet with a negative reaction from the market.

Retail LPP	Sell								
Analyst: Piotr Bogusz	Current price Target price		PLN 7,351 PLN 6,400		FY15E P/E FY16E P/E	33.2 25.3	FY15E EV/EBITDA FY16E EV/EBITDA		18.3 14.6
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	1,003.0	945.0	6.1%	5,448.6	4,769.3	14%	6,251.5	5,448.6	15%
EBITDA	42.8	91.4	-53%	752.0	802.8	-6%	932.6	752.0	24%
Margin	4.3%	9.7%	-	13.8%	16.8%	-	14.9%	13.8%	-
EBIT	-9.3	48.4	-	531.1	609.1	-13%	659.6	531.1	24%
Pre-tax profit	-55.8	-12.4	-	497.3	459.2	8%	649.0	497.3	30%
Net profit	-63.3	-14.9	-	401.0	481.9	-17%	526.2	401.0	31%

LPP sees continuing slowdown in Q1

We expect a weak 2015 first-quarter showing from LPP due to slow revenue growth and falling gross margins. Despite tight SG&A management the quarterly EBIT is set to be an operating loss of PLN 9.3m, with the bottom-line loss worsening to a projected PLN 63.3m, underpinned by unfavorable FX trends. Falling sales in Russia and Ukraine, combined with the decreasing productivity of Polish stores, resulted in a sales growth deceleration in Q1 2015 to an annual rate of 6.1% at PLN 1,003m. With the retail area in the period increased by 23% the quarterly sales per square meter were 13.8% lower than in Q1 2014. Based on monthly sales reports we anticipate gross margin contraction of 4.3% to 52.6% in Q1 led by higher merchandise costs (due to a stronger dollar) and extended price markdowns designed to help clear the inventory. On a positive note we expect CCC to have reduced per-square-meter SG&A by some 10% in Q1 2015 thanks to lower RUB costs and rental prices. Total first-quarter SG&A are estimated at PLN 530.4m. After other operating expenses (mainly stocktaking losses) of PLN 6.2m LPP will report an EBIT loss (for the first time since Q1 2009) of PLN 9.3m for Q1 2015. The net loss after PLN 40m FX losses, PLN 6.5m debt service costs, and PLN 7m tax will come in at PLN 63.3m. We expect the second quarter of 2015 to be equally slow at LPP due to continuing downward pressure on gross margin as the Company continues clearance sales of surplus inventory items.

Other

Other **Work Service**	**Accumulate**								
Analyst: Paweł Szpigiel	Current price Target price		PLN 20.00 PLN 21.90		FY15E P/E FY16E P/E	27.8 18.2		FY15E EV/EBITDA FY16E EV/EBITDA	12.7 9.7
(PLN m)	**Q1'15E**	**Q1'14**	**change**	**2015E**	**2014**	**change**	**2016E**	**2015E**	**change**
Revenue	450.0	345.9	30.1%	2357.4	1739.8	35.5%	2822.0	2357.4	19.7%
EBITDA	17.6	18.0	-1.8%	124.9	98.7	26.6%	166.1	124.9	33.0%
Margin	3.9%	5.2%	-	5.3%	5.7%	-	5.9%	5.3%	-
EBIT	14.5	16.2	-10.4%	112.4	89.1	26.1%	151.4	112.4	34.7%
Pre-tax profit	8.0	15.9	-49.3%	94.4	62.6	50.9%	137.8	94.4	46.0%
Net profit	5.1	11.5	-55.0%	48.5	52.4	-7.4%	74.2	48.5	52.9%

Q1 profits affected by falling margins, high SG&A

Work Service is set to report y/y revenue growth by over 30% to PLN 450m in Q1 2015 thanks to the consolidation of a German subsidiary. At the same time the quarterly gross margin at an estimated 11.0% will show a small, 0.4ppt contraction from the previous quarter led by the depreciation of the ruble. SG&A expenses are expected to increase further to PLN 35.0m in Q1 from PLN 28.9m in Q4 2014 and PLN 22.8m in Q1 2014. EBIT is estimated at PLN 14.5m, and after PLN 6.5m financing costs and tax at an effective rate of 15% the quarterly net profit is expected to come in at PLN 6.8m. With minority interests representing an estimated 25% of the net profit the adjusted bottom line will amount to an estimated PLN 5.1m, marking a y/y drop of 55%.

Earnings Calendar

Company	Q1 2015	H1 2015	Q3 2015
Agora	2015-05-11	2015-08-14	
Asseco	2015-05-13	2015-08-19	
BBI Development	2015-05-15	2015-08-31	2015-11-16
Budimex	2015-04-29	2015-08-28	2015-10-28
BZ WBK	2015-04-28	2015-07-30	2015-10-29
Capital Park	2015-05-14	2015-08-28	2015-11-13
CCC	2015-05-15	2015-08-31	2015-11-13
CEZ	2015-05-12	2015-08-11	2015-11-10
Ciech	2015-05-15	2015-08-31	2015-11-16
Cyfrowy Polsat	2015-05-14	2015-08-26	
Dom Development	2015-04-24	2015-08-26	2015-10-23
Echo Investment	2015-05-14	2015-08-31	2015-11-16
Elektrobudowa	2015-05-15	2015-08-31	2015-11-16
Elektrotim	2015-05-14	2015-08-26	2015-11-13
Elemental	2015-05-15	2015-08-31	2015-11-13
Enea	2015-05-15	2015-08-28	2015-11-12
Energa	2015-05-12	2015-08-12	2015-11-09
Erbud	2015-05-14	2015-08-27	2015-11-16
Erste	2015-05-07	2015-08-07	2015-11-06
Eurocash	2015-05-13	2015-08-21	2015-11-10
Famur	2015-05-15	2015-08-28	2015-11-13
Getin Noble Bank	2015-05-15	2015-08-31	2015-11-16
GTC	2015-05-14	2015-08-20	2015-11-12
Handlowy	2015-05-06	2015-08-28	2015-11-04
Herkules	2015-05-15	2015-08-31	2015-11-16
ING	2015-05-07	2015-08-05	2015-11-04
JSW	2015-05-15	2015-08-27	2015-11-12
JWC	2015-05-14	2015-08-26	2015-11-16
Kernel	2015-05-28	2015-10-30	
Kęty	2015-04-22	2015-08-13	2015-10-22
KGHM	2015-05-14	2015-08-13	2015-11-12
Komercni	2015-05-06	2015-08-05	2015-11-05
Kopex	2015-05-14	2015-08-26	2015-11-12
Kruk	2015-05-15	2015-08-31	2015-11-16
LC Corp	2015-05-15	2015-08-31	2015-11-16
LOTOS	2015-04-29	2015-08-11	2015-10-29
LPP	2015-05-12	2015-08-20	2015-11-10
LW Bogdanka	2015-04-30	2015-08-20	2015-10-29
Millennium	2015-04-27	2015-07-27	2015-10-27
MOL	2015-05-08	2015-08-05	2015-11-06
Netia	2015-05-14	2015-08-06	
Orange	2015-04-27	2015-07-28	
OTP	2015-05-15	2015-08-14	2015-11-13
P.A. Nova	2015-05-06	2015-08-27	2015-11-05
PCM	2015-05-15	2015-08-31	2015-11-16
Pekao	2015-05-12	2015-08-05	2015-11-10
PGE	2015-05-06	2015-08-11	2015-11-09
PGNiG	2015-05-08	2015-08-14	2015-11-06
PKN Orlen	2015-04-23	2015-07-23	2015-10-22
PKO BP	2015-05-11	2015-08-10	2015-11-09
Polnord	2015-05-15	2015-08-31	2015-11-16
Polwax	2015-05-14	2015-08-31	2015-11-16
PZU	2015-05-13	2015-08-26	2015-11-10
RBI	2015-05-21	2015-08-19	2015-11-12
Robyg	2015-05-14	2015-08-20	2015-11-12
Ronson	2015-05-08	2015-08-06	2015-11-05
Synthos	2015-05-15	2015-08-28	2015-11-13
Tarczyński	2015-05-15	2015-08-28	2015-11-06
Tauron	2015-05-14	2015-08-20	2015-11-10
Torpol	2015-05-14	2015-08-27	2015-11-16
Trakcja	2015-05-15	2015-08-31	2015-11-16
TVN	2015-05-14	2015-08-27	
Ulma	2015-05-14	2015-08-27	2015-11-12
Unibep	2015-05-15	2015-08-31	2015-11-13
Vistal	2015-05-15	2015-08-31	2015-11-13
Work Service	2015-05-15	2015-08-31	
ZUE	2015-05-14	2015-08-28	2015-11-13

Source: Companies

Current recommendations by Dom Maklerski mBanku

Company	Recommendation	Date issued	Price on report date	Target price	Current price	Upside / Downside	P/E 2015	P/E 2016	EV/EBITDA 2015	EV/EBITDA 2016
Banks										
BZ WBK	Reduce	2015-01-26	343.15	310.36	378.55	-18.0%	20.0	16.2		
GETIN NOBLE BANK	Buy	2015-01-26	1.80	2.26	1.72	+31.4%	16.2	9.4		
HANDLOWY	Reduce	2015-01-26	108.80	95.35	111.40	-14.4%	17.6	17.1		
ING BSK	Hold	2015-01-26	136.50	135.20	142.90	-5.4%	17.3	14.7		
MILLENNIUM	Buy	2015-04-02	6.64	8.36	7.28	+14.8%	15.4	12.1		
PEKAO	Reduce	2015-01-26	179.00	166.96	192.30	-13.2%	19.7	17.0		
PKO BP	Buy	2015-01-26	33.00	38.59	36.28	+6.4%	16.7	12.1		
KOMERCNI BANKA	Reduce	2014-12-11	4920	4549 CZK	5485	-17.1%	16.6	15.9		
ERSTE BANK	Accumulate	2015-03-06	23.29	25.43 EUR	24.55	+3.6%	13.3	10.9		
RBI	Buy	2015-01-26	10.21	18.27 EUR	15.37	+18.9%	12.9	6.9		
OTP BANK	Hold	2015-03-06	4179	4048 HUF	5787	-30.1%	13.2	10.9		
Insurance										
PZU	Hold	2013-11-06	468.00	425.00	489.35	-13.2%	15.3			
Financial services										
KRUK	Accumulate	2015-03-06	131.70	143.10	151.25	-5.4%	14.7	12.5		
PRIME CAR MANAGEMENT	Buy	2015-03-26	51.98	65.00	45.50	+42.9%	10.6	10.3		
Fuels, chemicals										
CIECH	Reduce	2015-03-06	54.00	46.90	56.38	-16.8%	17.5	13.0	7.1	6.6
LOTOS	Hold	2015-01-08	26.56	26.80	30.40	-11.8%	16.9	8.6	8.0	6.1
MOL	Accumulate	2015-01-08	153.60	174.00	197.20	-11.8%	16.9	12.4	5.5	4.8
PGNiG	Hold	2015-03-30	5.32	5.24	6.15	-14.8%	13.3	14.0	6.1	6.2
PKN ORLEN	Hold	2015-03-06	55.40	55.50	63.50	-12.6%	10.3	10.8	6.6	6.7
POLWAX	Buy	2014-11-06	15.05	24.20	19.12	+26.6%	8.3	8.1	7.2	6.7
SYNTHOS	Buy	2015-01-26	4.07	5.20	4.90	+6.1%	14.6	11.9	9.9	8.8
Power Utilities										
CEZ	Reduce	2015-01-26	88.30	84.00	95.50	-12.0%	14.6	18.6	8.3	9.1
ENEA	Accumulate	2015-01-26	16.96	18.00	16.54	+8.8%	9.3	9.9	5.6	6.4
ENERGA	Hold	2015-01-26	23.30	23.40	26.15	-10.5%	12.3	17.4	6.5	7.6
PGE	Hold	2014-12-05	20.02	20.10	21.43	-6.2%	12.3	13.5	6.3	7.1
TAURON	Buy	2015-01-26	5.01	6.10	4.94	+23.5%	8.4	8.4	5.2	5.5
Telecommunications										
NETIA	Hold	2015-01-26	5.70	5.80	5.80	+0.0%	101.0	64.6	5.2	5.4
ORANGE POLSKA	Hold	2015-01-26	8.20	8.40	10.42	-19.4%	49.1	54.1	5.1	5.5
Media										
AGORA	Hold	2015-01-26	8.35	8.20	11.49	-28.6%	-	-	8.4	8.4
CYFROWY POLSAT	Reduce	2015-01-26	22.90	21.80	25.10	-13.1%	20.0	16.3	7.5	6.9
GLOBAL CITY HOLDINGS	Under Review	2014-05-13	34.30	-	39.65	-	-	-	-	-
TVN	Accumulate	2015-01-26	17.60	19.00	16.80	+13.1%	14.6	15.0	12.6	11.8
IT										
ASSECO POLAND	Hold	2015-04-02	58.68	59.00	61.02	-3.3%	14.7	14.6	7.7	7.5
COMARCH	Suspended	2013-03-11	89.60	-	131.00	-	-	-	-	-
SYGNITY	Suspended	2013-02-05	16.80	-	12.76	-	-	-	-	-
Mining & Metals										
JSW	Hold	2015-01-26	20.40	27.00	16.45	+64.1%	-	-	4.8	2.5
KGHM	Buy	2015-01-26	108.25	127.00	117.00	+8.5%	10.0	9.4	5.5	5.3
LW BOGDANKA	Buy	2015-01-26	99.00	121.50	84.20	+44.3%	11.7	10.8	5.0	4.8
Manufacturers										
ELEMENTAL	Hold	2015-03-06	4.00	4.00	3.65	+9.6%	14.9	13.8	9.7	8.1
FAMUR	Buy	2015-01-26	3.28	4.00	2.83	+41.3%	9.1	8.6	4.1	3.8
KERNEL	Hold	2015-01-26	32.48	31.00	37.73	-17.8%	8.9	7.1	5.3	4.7
KĘTY	Reduce	2015-03-06	319.00	275.80	308.00	-10.5%	14.9	15.1	9.1	9.0
KOPEX	Hold	2015-01-26	10.82	11.40	9.99	+14.1%	13.7	12.5	4.7	4.5
TARCZYŃSKI	Hold	2015-03-06	14.65	15.00	13.90	+7.9%	10.9	10.3	6.6	6.2
VISTAL	Buy	2015-01-26	9.59	16.40	12.27	+33.7%	9.9	7.3	7.7	6.4
Construction										
BUDIMEX	Hold	2015-03-06	167.95	162.70	167.55	-2.9%	22.8	15.3	11.2	8.2
ELEKTROBUDOWA	Accumulate	2015-03-06	111.90	112.90	119.50	-5.5%	15.3	13.7	9.4	8.8
ERBUD	Hold	2015-03-06	33.44	34.50	33.14	+4.1%	15.2	13.1	7.7	6.9
UNIBEP	Hold	2015-03-06	10.25	10.40	10.13	+2.7%	14.6	11.4	8.9	7.1
Property Developers										
CAPITAL PARK	Buy	2014-10-22	4.59	6.70	4.67	+43.5%	29.9	18.2	43.2	27.1
DOM DEVELOPMENT	Buy	2015-01-26	46.70	57.90	48.00	+20.6%	15.8	12.5	12.8	10.1
ECHO	Buy	2014-10-22	6.25	8.00	6.71	+19.2%	20.4	12.4	26.9	17.2
GTC	Buy	2015-04-10	5.64	6.60	5.84	+13.0%	20.4	9.7	16.7	13.3
ROBYG	Buy	2015-01-26	2.16	2.95	2.43	+21.4%	14.1	9.4	12.1	8.2
Retail										
CCC	Sell	2015-03-06	185.55	158.00	191.00	-17.3%	21.8	18.0	20.9	16.8
LPP	Sell	2015-01-26	7716	6400	7351	-12.9%	33.2	25.3	18.3	14.6
Other										
WORK SERVICE	Accumulate	2015-03-06	21.50	21.90	20.00	+9.5%	27.8	18.2	12.7	9.7

Ratings issued in the past month

Company	Rating	Previous Rating	Target Price	Rating Day
ASSECO POLAND	Hold	Accumulate	59,00	2015-04-02
GTC	Buy	Buy	6.60	2015-04-10
MILLENNIUM	Buy	Accumulate	8.36	2015-04-02
PGNiG	Hold	Reduce	5.24	2015-03-30
PRIME CAR MANAGEMENT	Buy	-	65.00	2015-03-26

Ratings Statistics

Rating	All		For Issuers who are clients of Dom Maklerski mBanku	
	Count	Pct. of total	Count	Pct. of total
Sell	2	3.7%	0	0.0%
Reduce	8	14.8%	4	12.9%
Hold	20	37.0%	13	41.9%
Accumulate	7	13.0%	4	12.9%
Buy	17	31.5%	10	32.3%

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

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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.

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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.

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