



Equity Market
Poland

Morning Comments

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Index	Close	Change	Index	Close	Change	Index	Close	Change
DJIA	12 695.9	+0.52%	FTSE 100	5 945.0	-0.52%	Copper (LME)	8 730.0	+0.34%
S&P 500	1 348.7	+0.49%	WIG20	2 829.8	-0.95%	Crude Oil (Brent)	112.7	+0.11%
NASDAQ	2 863.0	+0.63%	BUX	23 366.9	-1.10%	USD/PLN	2.74	-0.44%
DAX	7 444.0	-0.68%	PX 50	1 259.7	-0.66%	EUR/PLN	3.91	-0.06%
CAC 40	4 023.3	-0.86%	PLBonds10	6.09	+0.30%	EUR/USD	1.42	+0.38%

Company & Sector Information

Lotos

Sell - 18/01/11

Target price: PLN 28.4

Bid selection postponed

The Treasury will make the decision on the investors' bids for Lotos on 10 June rather than 13 May as originally scheduled, due to the need to make a detailed analysis of the offers with respect to financing structure and measures aimed at strengthening the Company's access to commodities. The number of bids submitted has not been disclosed. **We reiterate that political considerations make it very unlikely that Lotos will be sold to a Russian company. Therefore, we do not expect full privatization to happen.** (K. Kliszcz)

Agora

Accumulate - 03/01/11

Target price: PLN 28.9

Dividend recommendation

The Management will recommend a dividend payout of PLN 0.50 per share. **The proposed record date is 15 July, and payout is set for 3 August. The proposed payout is in line with market expectations (the lower limit on dividends as per the Company's policy).** (P. Grzybowski)

Centrum Klima

Buy - 31/03/11

Target price: PLN 17.3

CEO interview

In an interview for *Parkiet*, CEO Perendyk said that Centrum Klima was planning to spend PLN 45m on the construction of a new plant adjacent to the existing production facility in Wieruchów. In this new plant, the Company will manufacture an innovative, very high-margin product (we have not been told what product this will be, however). According to the CEO, the project will be financed with cash and an investment loan. Centrum Klima is aiming at a net margin of 10% this year. **The information that the new project will be financed with an investment loan is good news as far as the stock price is concerned, because it means a share offering will not be necessary. Our estimates for this year foresee a net margin of 9.0%; the Management's higher target implies additional value over our fundamental analysis. We reiterate our buy rating for Centrum Klima.** (J. Szkopek)

Hydrobudowa Polska PBG

Hold - 28/03/11

Target price: PLN 180.9

OHL suspends negotiations with PBG

OHL announced that its negotiations with PBG regarding the acquisition of Hydrobudowa Polska and Aprivia for a total price of PLN 506m have been suspended by mutual agreement due to a decline in the value of construction companies and Hydrobudowa in recent months. Both sides expressed a willingness to resume negotiations once the Hydrobudowa has regained a value similar to the one taken into consideration at the beginning of the original talks, when Hydrobudowa was trading around PLN 3.3 a share (compared to PLN 2.1 now). **The suspension of the acquisition talks is disappointing news. We reckon that OHL is concerned about Hydrobudowa's order backlog and earnings prospects. Moreover, the Polish company reports a huge difference between the amounts of its accounts receivable and payable (PLN 444m, there is a risk that a portion of this amount is covered by provisions). The fact that OHL will not resume talks until Hydrobudowa's price returns to the pre-negotiations level (which was over 50% higher than today) does not bode well for the deal. Further, investors may question the credibility of Hydrobudowa's new guidance now that the acquisition has been shelved. For PBG, the suspension of the negotiations has the following implications:** - no 1 billion zloty boost to its consolidated net cash position; - heightened risks related to road and stadium construction contracts; - on the upside, its 2011 revenues and net earnings can potentially exceed targets provided that Hydrobudowa meets its targets (resulting in better P/E and EV/EBIDTA ratios); - however, even with stronger 2011 results, PBG's future growth prospects are dimmer without the sale (due to an expected slowdown in road infrastructure development in Poland, and the fact that the planned international partnership with OHL may not pan out). **All told, the net impact of the failed acquisition talks on PBG is negative.** (M. Stokłosa)

CEO on the suspension of negotiations with OHL

CEO Wiśniewski said OHL proposed to settle the payment for Hydrobudowa in installments, so that the price of the stock has the time to go up. PBG rejected this approach, however. The current plans for Hydrobudowa's future foresee cost savings attained through such measures as, inter alia, merger with KWG and Metorex and outsourcing. Detailed cost-cutting plans have not been released, however. For the time being, PBG is not planning to revise its earnings targets for 2011, because: a) it is by no means certain that the transaction with OHL will not happen in late Q3 or early Q4, b) PBG is currently conducting a tender offer for Energomontaż shares. **It seems rational for PBG to have rejected OHL's proposal: OHL would be the majority shareholder in Hydrobudowa and would exercise control over its accounting policy.** (M. Stokłosa)

2011 earnings guidance, order backlogs

Hydrobudowa published its earnings targets for 2011, which foresee revenues of PLN 1.6bn and a net profit of PLN 50m. At the moment, PBG's order backlog amounts to PLN 5bn (including PLN 2.6bn in contracts for 2011), and Hydrobudowa's to PLN 2.2bn (including PLN 1.3bn in contracts for 2011). **Hydrobudowa's targets imply an attractive 2011 P/E of 8.7. However, it is hard to assess earnings structure. PBG's earnings for 2010 and Hydrobudowa's earnings for Q1 2011 contained multiple positive one-offs. The order backlogs are in line with our expectations.** (M. Stokłosa)

PLN 38.8m awarded in arbitration

In its earnings report for Q1 2011, Hydrobudowa announced that a court of arbitration awarded it PLN 38.8m from the city of Wrocław for work conducted on the expansion of the sewage system in the Ołtaszyn district. **Good news. The development will have a positive impact on Hydrobudowa's cash flows (PLN 38.8m, or 8.9% of its market cap). No impact on earnings.** (M. Stokłosa)

Hydrobudowa to lead A4 motorway consortium

Hydrobudowa announced in its earnings report for Q1 2011 that it had signed an appendix to the agreement establishing the consortium responsible for the Krzyż - Dębica Pustynia stretch of the A4 motorway, pursuant to which it would replace SIAC as the leader of the consortium. **The total value of the contract is ca. PLN 1.4bn. It is very likely that following the signing of the appendix, the value of the work attributable to PBG will go up from the original 50%. We do not know what the increase in the volume of the work will be. Still, an increase in the value of the order backlog is quite likely (making this a potentially positive piece of news).** (M. Stokłosa)

Unibep

Buy - 05/04/10

Target price: PLN 9.3

EUR 83m contract (PLN 324m) will go forward

Unibep announced that its EUR 83m (PLN 324m, 44% of revenues forecasted for 2011) contract for the construction of Hotel Vnukovo in Russia would go forward following the signing of a loan agreement between the investor and a consortium of banks. The contract is guaranteed by KUKI. **Very good news. The contract is Unibep's in its entirety.** (M. Stokłosa)

GTC

Accumulate - 03/02/11

Target price: PLN 24.03

Investment plans

GTC purchased approximately four hectares of land at an unspecified location in the Warsaw district of Białoleka for an undisclosed amount. The zoning plans allow for the construction of a shopping center at the location, but the Company is not committed to a specific development option yet. It is also considering other projects in Warsaw, including ones executed as joint ventures with land owners. By the end of 2011, GTC would like to sign 2-3 agreements of this type. In some cases, negotiations are ongoing. **Within Central Europe, Warsaw is still a positive exception in the commercial space segment. The high prevalence of pre-let agreements is prompting GTC to accelerate office building construction in Warsaw. Joint-venture agreements make it possible to launch new projects quickly, because they are more likely to involve projects for which building permit proceedings have already been started. Launching construction quickly could lead to high margins, because the supply of new office space in Warsaw is unlikely to exceed demand over the next two years.** (P. Zybala)

Quarter Earnings

Getin Holding

Reduce - 06/05/11

Target price: PLN 12.7

PLN 89m net profit much below expectations

Getin Holding reported Q1'11 net profit of PLN 89m (-41% q/q, -20% y/y), which was 34% below our forecasts (PLN 135m) and 21% below market consensus (PLN 113m). The source of this disappointment was a plunge in fee income and higher than expected provisions.

- Getin Holding's balance sheet continues to grow at a very fast rate. Loans increased by 5% q/q (thanks to strong expansion in corporate loans and leasing, by 17% q/q each, and in mortgages, by 5% q/q), and deposits by 7% q/q (thanks to a 29% increase in the deposits of government agencies and a 6% increase in retail deposits). In consequence, the loans / deposits ratio improved by 185bps q/q to 90.4%.

- Although interest income increased considerably, by 4% q/q to PLN 360m, interest margin narrowed down by 12bps q/q to 2.98% because the decline in the margin on interest-bearing assets (-52bps q/q to 3.7%) exceeded the increase in the margin on interest-bearing liabilities (+38bps q/q to -1.1%). In our opinion, the decline in the return on assets could stem from a combination of two factors: 1) strong mortgage lending, because mortgages generate a margin that is lower than the average margin on the loan portfolio, and/or 2) delayed translation of growth in market interest rates into interest income growth.
- Fee income was disappointing and declined by 19% q/q (or PLN 38m) to PLN 152m. In our opinion, this was not just a seasonal drop, but also a reflection of a shift in the Group's product mix. Because eliminations in fee income increased by PLN 27m q/q, we assume that Getin Noble Bank was once again selling mostly the products of TU Europa (following an interlude in Q4'10). Fee income from banking services declined by just PLN 5m q/q.
- Net income from insurance activities increased by 2% q/q to PLN 155m after PLN 3m worth of insurance reserves were released. Premiums were flat vs. the preceding quarter.
- Operating expenses were kept in check at PLN 270m (no growth vs. Q4'10). With revenues falling by 8% q/q and total expenses flat, the cost / income ratio increased by 350bps to 41.6%.
- Provisions exceeded our forecasts (+5% q/q to PLN 235m), which entails a cost of risk of 265bps (-4bps q/q). The source of the high provisions were mortgages, where provisions increased by ca. PLN 10m q/q leading to a cost of risk of 150bps (+5bps q/q). Provisions for corporate and car loans also increased (by ca. PLN 5m in both cases), but this was offset by declining provisions for consumer loans (by ca. PLN 9m q/q).
- The share of NPLs increased by 28bps q/q to 10.4% due to a deterioration in car loans (+107bps q/q to 17.3%) and mortgages (+46bps q/q to 5.1%). On the other hand, the NPL ratio for corporate loans improved (-203bps q/q to 10.5%) thanks to strong new lending. The ratio of provisions to NPLs declined by 67bps to 69.6%.
- The capital adequacy ratio deteriorated by 4bps q/q to 9.8%.

Getin Holding also announced that it will report the sale of shares in Open Finance in its earnings for Q2 2011. In consequence, it will recognize a PLN 646m gain for shareholders (PLN 627m net profit contribution and a PLN 19m reduction in minority profits). Beginning with Q2 2011, Getin Holding will consolidate a 45.78% stake in Open Finance under the equity method.

We see these earnings as disappointing, especially because of the decline in fee income and the failure to make a considerable improvement to provisions. **(I. Rokicka)**

Overview of quarterly earnings

(PLN m)	1Q11	4Q10	Q/Q	1Q10	Y/Y	1Q11F	Difference
Interest income	360	347	4%	288	25%	352	2%
Fee income	152	189	-19%	114	34%	190	-20%
Trading income	186	184	1%	153	22%	180	3%
Banking income	699	720	-3%	555	26%	722	-3%
Other net operating income	-50	-13	295%	-2	2075%	-40	26%
Total income	648	707	-8%	552	17%	682	-5%
Payroll expenses	-111	-122	-9%	-81	37%	-120	-7%
D&A expenses	-18	-18	4%	-15	25%	-19	-2%
Other administrative expenses	-140	-130	8%	-107	31%	-140	0%
Total costs	-270	-270	0%	-203	33%	-279	-3%
Operating income before provisions	379	438	-14%	346	9%	403	-6%
Provisions	-235	-223	5%	-282	-17%	-220	7%
Equity in profits/losses of associates	0	0	+/-	-1	n.m.	0	n.m.
Pre-tax profit	144	215	-33%	64	126%	183	-21%
Tax	-30	-39	-23%	56	n.m.	-35	-14%
Minority interests	-25	-26	-3%	-10	160%	-13	96%
Net profit	89	150	-41%	110	-20%	135	-34%
Net loans	36 174	34 540	5%	27 106	33%	35 194	3%
Total assets	49 829	46 854	6%	38 119	31%	48 358	3%
Deposits	40 034	37 459	7%	31 104	29%	38 827	3%
Equity	4 472	4 433	1%	3 936	14%	4 568	-2%

Source: Getin Holding, PAP, BRE Bank Securities

ZA Puławy

Hold - 04/02/11

Target price: PLN 106.1

ZAP reports stellar Q1 profits even without ERU

ZA Puławy reported record profits for fiscal Q3 2010/11, well ahead of our forecasts and analysts' consensus. Even after adjustment for proceeds from emission reduction units (ERU) and certificates of origin (which amounted to PLN 53.1m vs. PLN 25m forecasted), EBIT came well ahead of our PLN 115m estimate at PLN 186m. Such stellar profits were achieved on stronger-than-expected revenues generated from fertilizer sales (PLN 47m higher than predicted), as well as chemicals sales (PLN 33m higher). The performance of the fertilizer segment was supported by an 8% y/y increase in ammonium nitrate volumes paired with a reduction in UAN sales, while higher chemical sales were facilitated by a 19% y/y increase in capacity utilization on melamine lines. Moreover, ZAP recognized PLN 5m lower-than-expected costs related to taxes and charges and PLN 10m lower "other expenses" which include mainly maintenance costs. After financial income of PLN 4.9m (we expected PLN 4m), the Q3 '10/11 bottom line came in at PLN 198m.

Operating cash flows amounted to PLN 202m (the working capital was a negative amount, due probably to an increase in receivables, partly from ERU), but CAPEX was low in the period (PLN 24.5m, adding to a three-quarter total of PLN 143m, lower than the company's estimate of PLN 331m; that said, the high cash flow can also come from deferred payments rather than postponed investment). As a result, ZAP recognized PLN 246m net cash. Going forward, ZAP's earnings outlook depends on gas prices and fertilizer trends which will be shaped by grain prices after the H2 harvest on the northern hemisphere, nevertheless, we will be revising our FY2010/11 forecasts for the company upwards. One information disclosed in the Q1 report with possibly negative implications is a possible reduction by 15% of the contract prices of melamine following elimination of technical problems by new capacities in Qatar and Trinidad which are ready to increase supply. (K. Kliszczy)

Reported vs. forecasted Q1 2011 results

(PLN m)	3Q10/11	3Q09/10	change	3Q10/11F	actuals vs. forecasts	consensus	actuals vs. consensus	1-3Q10/11	1-3Q09/10	differ.
Revenue	897.6	600.4	50%	789.9	14%	771.0	16.4%	1 994.7	2 055.9	-3.0%
EBITDA	266.1	62.0	329%	161.1	65%	160.1	-	276.2	24.9	-
EBITDA margin	29.6%	10.3%	-	9.1%	-	20.8%	-	9.5%	4.0%	-
EBIT	239.5	42.7	461%	140.2	71%	122.3	95.9%	209.2	-29.7	-
Pre-tax profit	244.4	48.4	405%	144.2	69%	-	-	221.3	48.4	357.6%
Net profit	197.9	38.6	413%	115.4	71%	100.8	96.3%	176.4	38.5	358.2%

Source: ZAP, F - forecasts by BRE Bank Securities, Consensus estimates by PAP

Agora

Accumulate - 03/01/11

Target price: PLN 28.9

Q1 2011 results

Agora reported an in-line Q1 2011 EBIT and a weaker-than-expected net profit which was a result of higher-than-forecasted tax (PLN 2.4m vs. PLN 1.8m) and contributions by Helios which led to PLN 1.0m minority interests (we expected PLN 0.2m). Helios was the highlight of the first-quarter report, generating an EBIT of PLN 8.0m just for the first three months compared to PLN 9.3m generated last year over the first six months in spite of big-budget movies. The Online segment did well with a PLN 3.0m EBITDA, contrasted by the performance of the Press segment which reported a 13.9% drop in revenues (we expected a 10.4% decrease) and a 38.1% drop in EBITDA (from PLN 45.7m in Q1 2010 to PLN 28.3m in Q1 2011).

The consolidated advertising revenue fell 0.9% y/y, more than our forecasted 0.6%. On the cost side, payroll expenses increased slightly more than expected (PLN 77.3m vs. PLN 75.0m), but this was offset by lower entertainment and advertising expenses (PLN 26.1m vs. PLN 28.0m). After all this, the Q1 2011 EBIT amounted to PLN 10.2m (we expected PLN 10.9m), and net profit came in at PLN 6.1m (vs. PLN 7.7m forecasted).

Summing up, we have a neutral view on Agora's Q1 performance. The higher first-quarter tax means lower charges in the following quarters (a reversal of last year's situation when a deferred tax asset recognized in Q1 was reversed in subsequent quarters). The dismal performance of the press segment was offset by a better-than-expected performance of the cinema segment. Note that Agora's Q1 2011 ad revenue growth rate was only 1.8 ppt weaker than achieved by TVN. (P. Grzybowski)

Reported vs. forecasted Q1 2011 results

(PLN m)	1Q2011	1Q2010	change	1Q2011F	difference	consensus	difference
Revenue	295.8	248.1	19.2%	295.6	0.1%	296.0	-0.1%
EBITDA	32.2	36.5	-11.8%	33.4	-3.6%	32.9	-2.1%
margin	10.9%	14.7%	--	11.3%	-	11.1%	-
EBIT	10.2	16.7	-38.9%	10.9	-6.5%	10.2	0.0%
Pre-tax profit	9.5	18.8	-49.5%	9.7	-2.2%	-	-
Net profit	6.1	21.7	-71.9%	7.7	-20.4%	6.9	-11.6%

Source: Agora, F - forecasts by BRE Bank Securities

Boryszew

Accumulate – 07/04/11

Target price: PLN 1.2

Boryszew reports in-line Q1 2011 results

At PLN 2021.6m, Boryszew's Q1 2011 revenue exceeded our estimate by 4.5%. Impexmetal generated 4.7% higher-than-expected revenues in the period on 2.8% lower sales volumes. Aluminum wire rod manufacturer NPA Skawina generated strong, 21.4% higher-than-forecasted sales (volume was 26.2% higher) thanks to high copper prices which drove material substitutions. Maflow, the auto parts producer, generated 7.1% lower than expected sales of PLN 157.1m. Sales at other Boryszew companies (Elana, Elana Energetyka, Elana PET, Torlen, Boryszew ERG, Elimer, Nylonbor) amounted to an estimated PLN 87.3m, 3.3% more than forecasted. A consolidated EBIT of PLN 48.4m exceeded our estimate by 1.4%, thanks to better-than-expected figures reported by Impexmetal (+23.9% vs. our estimate) and NPA Skawina (EBIT at PLN 4.1m vs. PLN 1.1m forecasted). The EBIT of the automotive segment fell short of our PLN 8.2m estimate at PLN 4.4m, as did the EBIT of other Boryszew companies (PLN 2.3m vs. PLN 8.4m). Other operating income was boosted by a gain from Elana Energetyka's CO2 certificates which we estimate at PLN 2.7m. Financial operations in the first quarter generated a PLN 2.5m FX gain and a PLN 0.5m derivatives gain. The Q1 2011 pre-tax profit was 10.6% higher than predicted at PLN 42.2m, while net profit missed our PLN 22.8m estimate at PLN 18.7m. Boryszew's better-than-expected operating profit was owed mainly to Impexmetal, mainly the copper-processing operations which are accounted for using the full method and therefore do not contribute to the consolidated bottom line but do add to minority interests. Note also that discontinued operations generated a net loss of PLN 0.7m for the shareholders of the parent. Boryszew's first-quarter revenue represents 24.9% of our full-year forecast, with the ratios at 20.3% for EBIT and 14.1% for net profit. Considering that Impexmetal expects lower sales volumes in the copper segment in the coming quarters, the resulting weaker profits will offset the impacts of these companies on net profit and EBIT. We have a neutral view on Boryszew's first-quarter performance, and we stand by our full-year forecasts and positive rating for the company. (J. Szkopek)

Reported vs. forecasted Q1 2011 results

(PLN m)	1Q2011F	change	1Q2011	change	1Q2010	change	2011F	2010	change
Revenue	977.7	4.5%	1 021.6	52.1%	671.8	45.5%	4 110.0	3 133.8	31.2%
EBITDA	71.8	2.2%	73.4	48.7%	49.4	45.4%	334.4	272.0	22.9%
margin	7.3%	-	7.2%	-	7.3%	-	8.1%	8.7%	-
EBIT	47.7	1.4%	48.4	64.0%	29.5	61.7%	238.2	192.3	23.9%
Pre-tax profit	38.1	10.6%	42.2	86.5%	22.6	68.7%	201.0	151.6	32.6%
Net profit	22.8	-17.9%	18.7	122.7%	8.4	171.1%	132.4	90.4	46.5%

Source: Boryszew, F - forecasts BRE Bank Securities

Hydrobudowa Polska Q1 2011 results of PBG, Hydrobudowa

PBG

Hold - 28/03/11

Target price: PLN 180.9

On lower-than-expected revenue, PBG achieved a higher gross margin of 11.6% (we expected 10.7%). General expenses were lower than expected (PLN 34.6m) at PLN 26.9m, resulting in a stronger sales profit. All in all PBG's Q1 figures were higher than estimated, but we have a neutral view on the quarter's performance (low Q1 2010 base, relatively low gross margin compared to our full-year forecast of 14%, profitability in gas&oil engineering at 18.5%, cash flows at a negative PLN 195.0m).

Reported vs. forecasted Q1 2011 results

(PLN m)	1Q 2011	1Q 2011F	difference	Consensus	difference	1Q 2010	change
Revenue	477.6	521.1	-8.3%	514.8	-7.2%	469.0	1.8%
Gross profit	55.3	55.8	-0.9%	-	-	48.7	13.6%
%	11.6%	10.7%	-	-	-	10.4%	-
EBIT	33.5	31.0	8.0%	33.6	-0.4%	23.9	39.9%
%	7.0%	6.0%	-	-	-	5.1%	-
Pre-tax profit	30.3	22.1	37.2%	-	-	22.8	33.0%
Net profit	24.1	16.5	45.8%	20.8	15.8%	17.8	35.5%
%	5.0%	3.2%	-	4.0%	-	3.8%	-

Source: PBG, F - forecasts by BRE Bank Securities, Consensus estimates by PAP

Other operating income fell short of expectations (PLN 5.1m vs. PLN 9.8m), resulting in an EBIT which was only 8% higher than our estimate and in line with consensus. Financial income will amounted to PLN 8.9m (we expected PLN 3.1m) thanks to a sale by Hydrobudowa 9 of a real-estate project for PLN 4m. Minority interests amounted to PLN 1.4m (we expected PLN 0.2m).

The large negative cash flow was probably "owed" to Aprivia (which spent contract advances). The consolidated cash flow was PLN -195m, PBG's standalone cash flow was PLN -55.6m, and Hydrobudowa's cash flow was PLN -23m.

PBG's Q1 2011 results by business segment

(PLN m)	Revenue	Gross profit	Margin %
Gas&Oil Engineering	144.9	26.8	18.5%
Hydroengineering	71.1	15.2	21.4%
General Construction	134.0	10.1	7.6%
Roads	123.1	1.9	1.5%
Other	4.5	1.3	29.0%
Total	477.6	55.3	11.6%

Source: PBG, BRE Bank Securities

As for Hydrobudowa, its lower-than-forecasted gross margin (5.9% reported vs. 6.7% estimated) was more than offset by lower SG&A expenses (PLN 10.8m vs. PLN 15.1m). A sales profit of PLN 5.6m topped our PLN 3.5m estimate. Other operating income amounted to PLN 2.7m (we expected PLN 4.2m), and other financial income was PLN 1.8m (we expected PLN 3.1m expenses). Summing up, we have a positive view on Hydrobudowa's Q1 2011 results, especially the strong gross profit. **(M. Stokłosa)**

Hydrobudowa's reported vs. forecasted Q1 2011 results

(PLN m)	1Q 2011	1Q 2011F	difference	1Q 2010	CHANGE
Revenue	277.2	280.0	-1.0%	322.7	-14.1%
Gross profit	16.4	18.6	-11.7%	24.9	-34.1%
%	5.9%	6.7%	-	7.7%	--
EBIT	8.3	7.7	7.2%	11.6	-28.7%
%	3.0%	2.8%	-	3.6%	—
Pre-tax profit	10.1	4.6	118.0%	11.4	-11.5%
Net profit	8.8	3.8	133.0%	8.9	-1.6%
%	3.2%	1.3%	-	2.8%	-

Source: Hydrobudowa Polska, BRE Bank Securities

Q1 2011 results by business segment

(PLN M)	Revenue	Gross profit	Margin %
Gas&Oil Engineering	2.7	0.0	-0.2%
Hydroengineering	59.4	9.3	15.6%
General Construction	117.5	3.0	2.6%
Roads	86.1	4.1	4.7%
Other	11.6	0.1	0.8%
Total	277.2	16.4	5.9%

Source: Hydrobudowa Polska, BRE Bank Securities

Polimex Mostostal

Accumulate - 03/03/11
Target price: PLN 4.03

Q1 2011 results

Polimex reported weak first-quarter results, with the gross margin at 9.8% vs. 10.7% forecasted, leading to a lower-than-expected profit on sales which was weighed down by a PLN 7.7m increase in contract and warranty provisions. Polimex did not provide a segmental breakdown of its Q1 operating profit. Cash flow was a negative PLN 325.2m. Polimex reported its 2011 order pipeline at PLN 3bn and the 2012 backlog at PLN 2.7bn, which compares to PLN 3.3bn and PLN 2.3bn respectively shown in the FY2010 financial statements (the question being whether there are contract delays and if the latest backlog data includes Q1 2011 revenues)

Reported vs. forecasted Q1 2011 results

(PLN m)	1Q 2011	1Q 2011F	difference	Consensus	difference	1Q 2010	change
Revenue	879.7	917.5	-4.1%	870.7	1.0%	771.8	14.0%
Gross profit	86.0	98.2	-12.4%	-	-	85.2	1.0%
%	9.8%	10.7%	-	-	-	11.0%	-
EBIT	30.0	38.7	-22.5%	33.3	-9.9%	31.9	-5.9%
%	3.4%	4.2%	-	-	-	4.1%	-
Pre-tax profit	20.3	24.1	-15.7%	-	-	21.7	-6.2%
Net profit	12.5	19.2	-35.1%	17.4	-28.4%	16.8	-26.0%
%	1.4%	2.1%	-	-	-	2.2%	-

Source: Polimex, F - forecasts by BRE Bank Securities, Consensus estimates by PAP

SG&A expenses were PLN 57m (we expected PLN 57.6m). Other net operating income was PLN 1m (we expected PLN -1.9m), other net financial expenses of PLN 10.1m (we expected PLN 14.6m). The effective tax rate was unusually high at 37% (we expected 19%), leading to a total tax charge of PLN 7.6m. **(M. Stokłosa)**

More News

4Fun Media	4Fun Media predicts ad revenue growth in coming quarters.
AB	AB is planning to build a logistics center by 2015 for an estimated PLN 80m.
Aplisens	Measuring device producer Aplisens expects 10-15% growth in orders in Q2, and slower earnings growth.
Asseco SSE	Asseco South Eastern Europe has accumulated a 2011 order backlog of EUR 70.6m, which is 17% more than a year ago. Q2 orders alone are estimated at EUR 21.4m. The company is cautiously optimistic about this year's earnings growth.
Bomi	Bomi's consolidated Q1 2011 sales (ex services) amounted to PLN 332m after a 4.4% y/y increase. Retail revenues were down 3.5% y/y to PLN 179m, and wholesale and franchise revenues were up 17.5% to PLN 186m.
Cinema City	Cinema City has leased cinema space in Lublin.
GPW	Stock index revisions set for 17 June: WIG 20 no change. mWIG40: Optimus, CEDC, and Ciech replacing Kogeneracja, Stalprodukt, and Polnord. sWIG80 joined by Bank BPH, Kogeneracja, Stalprodukt, Polnord, and Open Finance, replacing Optimus, Ciech, Stalexport, Neuca, and BBI Zeneris NFI.
Ferro	Ferro wants to keep growing annual revenues at a rate of 30%, and achieve synergies on the acquisition of Novaservis. Ferro is hoping to see pro-forma revenue growth in 2011 following the Novaservis merger.
Impel	Impel is aiming for over PLN 1.5bn revenue through acquisitions estimated at PLN 30 to 50 million.
Infovide-Matrix	Infovide-Matrix's order backlog at 31 March was PLN 81.8m, 4% more than a year earlier, and included mostly orders from the telecom industry, banks, and public administration. Infovide-Matrix expects to grow service revenues in the long term.
JSW, Coal mining	JSW has filed its prospectus yesterday.

Insider Trading and Fund Activity

Magellan	Magellan repurchased 500 treasury shares for an avg. PLN 42.50 a share on 11 May.
Maximus	CEO purchased 350,000 shares for PLN 0.30 a share on 11 May.
Urlopy.PI	Fon SA sold 157,000 shares at PLN 0.22 a share on 11 May.



Corporate Action Calendar

Friday /13.05.11/

AGORA	Consolidated 1Q 2011 report.
ASSECO POLAND	Consolidated 1Q 2011 report.
ASSECO POLAND	First day ex dividend (PLN 1.80/share).
EUROCASH	Consolidated 1Q 2011 report.
GETIN	Consolidated 1Q 2011 report.
KGHM	Consolidated 1Q 2011 report.
POLIMEX MOSTOSTAL	Consolidated 1Q 2011 report.
TRAKCJA POLSKA	Consolidated 1Q 2011 report.
ULMA CP	Consolidated 1Q 2011 report.
UNIBEP	Consolidated 1Q 2011 report.
ZA PULAWY	Consolidated 3Q 2010/2011 report.

Monday /16.05.11/

AB	Consolidated 3Q 2010/2011 report.
ACTION	Consolidated 1Q 2011 report.
BBI DEVELOPMENT	Consolidated 1Q 2011 report.
CERSANIT	Consolidated 1Q 2011 report.
CIECH	Consolidated 1Q 2011 report.
COMARCH	Consolidated 1Q 2011 report.
CYFROWY POLSAT	Consolidated 1Q 2011 report.
ECHO INVESTMNET	Consolidated 1Q 2011 report.
ELEKTROBUDOWA	Consolidated 1Q 2011 report.
EMPERIA	Consolidated 1Q 2011 report.
ENEA	Consolidated 1Q 2011 report.
ERBUD	Consolidated 1Q 2011 report.
FAMUR	Consolidated 1Q 2011 report.
KERNEL	FQ3 2011 report.
KOPEX	Consolidated 1Q 2011 report.
MOSTOSTAL WAR.	Consolidated 1Q 2011 report.
PBG	Consolidated 1Q 2011 report.
PGE	Consolidated 1Q 2011 report.
POLIMEX MOSTOSTAL	Consolidated 1Q 2011 report.
POLNORD	Consolidated 1Q 2011 report.
RAFAKO	Consolidated 1Q 2011 report.
VISTULA	Consolidated 1Q 2011 report.
ZUE	Consolidated 1Q 2011 report.

Tuesday /17.05.11/

ASSECO POLAND	Dividend record date (PLN 1.80/share).
CENTRUM KLIMA	AGM; agenda includes PLN 0.45/share dividend vote.

Thursday /19.05.11/

PEKAO	First day ex dividend (PLN 6.80/share).
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Economic Calendar

Friday /13.05.11/

Time	Region	Report	Period	Forecast	Previous
7:30	France	GDP	1Q	0.6% q/q; 1.8% y/y	0.4% q/q; 1.5% y/y
8:00	Germany	GDP	1Q	0.9% q/q; 4.2% y/y	0.4% q/q; 4.0% y/y
8:45	France	Nonfarm payrolls change	1Q		0.2% q/q
11:00	EU	GDP	1Q	0.6% q/q; 2.2% y/y	0.3% q/q; 2.0% y/y
14:00	Poland	CPI	April	0.5% m/m; 4.5% y/y	0.9% m/m; 4.3% y/y
14:00	Poland	M3 money supply	April	-1.7% m/m	3.1% m/m; 10.8% y/y
14:30	USA	Core CPI	April	0.2% m/m	0.1% m/m; 1.2% y/y
14:30	USA	CPI	April	0.4% m/m	0.5% m/m; 2.7% y/y
14:30	USA	Core PPI	April		0.3% m/m
16:00	USA	NAHB housing market index	May		16
Quarterly earnings announcement from Credit Agricole before US market open.					

Monday /16.05.11/

Time	Region	Report	Period	Forecast	Previous
1:50	Japan	Corporate price index	April		0.6% m/m; 2.0% y/y
11:00	EU	Core CPI	April		1.3% y/y
11:00	EU	CPI	April		1.4% m/m; 2.7% y/y
11:00	EU	Exports	March		135.7bn
11:00	EU	Imports	March		137.1bn
11:00	EU	Trade balance	March		-1.5bn
14:00	Poland	Capital account balance	March		1.4bn
14:00	Poland	Current account balance	March		-0.68bn
14:00	Poland	Financial account balance	March		3.86bn
14:30	USA	Empire State Manufacturing Survey	May		21.7
15:00	USA	Net long-term TIC flows	March		26.9bn
15:00	USA	Net TIC flows	March		97.7bn

Tuesday /17.05.11/

Time	Region	Report	Period	Forecast	Previous
10:30	UK	Core CPI	April		3.2% y/y
10:30	UK	CPI	April		0.3% m/m; 4.0% y/y
10:30	UK	House prices	March		0.7% y/y
10:30	UK	RPI	April		0.5% m/m; 5.3% y/y
11:00	Germany	ZEW current situation	May		87.1
11:00	EU	ZEW current situation	May		5.6
11:00	Germany	ZEW economic sentiment	May		7.6
11:00	EU	ZEW economic sentiment	May		19.7
14:30	USA	Building permits	April		594,000
14:30	USA	Housing starts	April		549,000
15:15	USA	Capacity utilization	March		77.4% y/y
15:15	USA	Industrial production	March		0.8% m/m; 5.9% y/y
Quarterly earnings announcements from Vodafone, Home Depot, Wal-Mart before US market open.					
Quarterly earnings announcement from Dell after US market close.					

Wednesday /18.05.11/

Time	Region	Report	Period	Forecast	Previous
10:30	UK	Unemployment rate	March		7.8%
11:00	EU	Construction orders	March		-0.7% m/m; 3.5% y/y
Quarterly earnings announcement from Target before US market open.					
Quarterly earnings announcement from Hewlett-Packard after US market close.					

Thursday /19.05.11/

Time	Region	Report	Period	Forecast	Previous
1:50	Japan	GDP	1Q		-0.3% q/q; -1.3% y/y
6:30	Japan	Capacity utilization	March		2.9% y/y
6:30	Japan	Industrial production	March		1.8% m/m; 2.9% y/y
10:30	UK	Retail sales	April		0.2% m/m; 1.3% y/y
10:30	UK	Retail sales ex autos	April		0.2% m/m; 0.9% y/y
12:00	UK	CBI order survey	May		-11
16:00	USA	Richmond Fed index	May		18.5
16:00	USA	Existing home sales	April		5.1m
16:00	USA	Leading indicators	April		0.4%

Current recommendations of BRE Bank Securities S.A.

Company	Recommendation	Date issued	Price on report date	Target price	Current price	Upside / Downside	P/E 2011	P/E 2012	EV/EBITDA 2011	EV/EBITDA 2012
Banks										
GETIN	Reduce	2011-05-06	14.13	12.70	13.51	-6.0%	14.9	11.5		
HANDLOWY	Hold	2011-01-18	93.00	94.00	95.30	-1.4%	13.8	11.7		
ING BSK	Confidential until	2011-05-13	-	-	860.00	-	-	-		
KREDYT BANK	Accumulate	2011-01-18	15.44	17.40	17.20	1.2%	14.1	10.6		
MILLENNIUM	Reduce	2011-03-03	5.59	5.10	5.46	-6.6%	14.8	11.0		
PEKAO	Hold	2011-03-03	164.00	155.00	172.10	-9.9%	14.7	13.1		
PKO BP	Buy	2011-04-13	45.90	53.00	43.35	22.3%	12.6	10.2		
Insurance										
PZU	Accumulate	2010-12-13	360.50	390.00	385.00	1.3%	13.3	12.2		
Fuels, chemicals										
CIECH	Hold	2011-04-08	29.20	30.10	25.70	17.1%	26.3	11.9	5.0	4.5
LOTOS	Sell	2011-01-18	38.49	28.40	45.39	-37.4%	11.7	6.3	6.6	5.4
PGNiG	Buy	2010-12-03	3.61	4.40	4.10	7.3%	14.0	11.6	6.9	5.3
PKN ORLEN	Sell	2011-03-16	50.00	41.60	51.90	-19.8%	12.8	12.0	7.0	6.8
POLICE	Sell	2011-04-07	12.80	9.70	13.77	-29.6%	11.9	21.4	7.4	9.5
ZA PULAWY	Hold	2011-02-04	114.00	106.10	123.00	-13.7%	12.4	12.2	7.0	6.7
Power Utilities										
CEZ	Hold	2010-11-29	124.50	129.50	154.10	-16.0%	11.2	10.2	7.9	7.5
ENEA	Hold	2011-03-03	22.10	21.43	18.58	15.3%	12.1	10.8	4.9	5.3
PGE	Accumulate	2011-05-06	23.64	26.73	24.11	10.9%	11.9	10.7	6.1	6.1
TAURON	Buy	2010-09-13	5.56	8.87	6.28	41.2%	12.0	10.3	4.6	4.4
Telecommunications										
NETIA	Hold	2011-01-18	5.15	5.40	5.28	2.3%	18.8	14.8	4.3	3.9
TPSA	Hold	2011-04-05	17.75	17.60	18.08	-2.7%	18.8	17.3	5.0	4.9
Media										
AGORA	Accumulate	2011-01-03	26.10	28.90	24.30	18.9%	18.2	14.4	6.0	5.1
CINEMA CITY	Accumulate	2011-03-03	36.06	42.90	38.99	10.0%	14.5	11.2	8.0	6.5
CYFROWY POLSAT	Hold	2010-12-17	17.30	15.30	16.70	-8.4%	15.6	15.4	9.8	9.0
TVN	Hold	2011-04-05	18.40	18.10	16.75	8.1%	20.4	14.5	10.6	8.4
IT										
AB	Accumulate	2011-01-18	25.42	27.60	24.80	11.3%	7.9	9.0	6.5	6.8
ACTION	Accumulate	2011-01-18	16.65	18.16	19.30	-5.9%	10.3	8.9	7.4	6.5
ASBIS	Accumulate	2011-01-18	3.80	4.32	3.29	31.3%	8.6	5.3	5.4	4.1
ASSECO POLAND	Buy	2010-08-31	55.00	65.30	51.65	26.4%	10.5	9.8	5.9	5.3
COMARCH	Hold	2011-01-18	88.95	88.00	93.25	-5.6%	17.2	14.7	7.4	6.3
SYGNITY	Accumulate	2011-03-11	19.50	22.00	22.61	-2.7%	45.8	13.5	7.3	5.6
Mining & Metals										
KGHM	Hold	2011-03-24	179.20	188.50	180.20	4.6%	5.8	9.6	3.9	6.1
LW BOGDANKA	Accumulate	2011-03-22	127.80	138.60	108.40	27.9%	13.3	9.1	6.6	4.6
Manufacturers										
ASTARTA	Sell	2011-01-18	101.00	63.6	68.00	-6.5%	7.3	14.0	1.0	1.4
BORYSZEW	Accumulate	2011-04-07	1.05	1.2	1.04	15.4%	17.7	13.9	9.4	7.5
CENTRUM KLIMA	Buy	2011-03-31	13.91	17.3	15.05	15.0%	12.8	10.4	8.3	6.8
CERSANIT	Reduce	2011-05-02	12.27	10.7	11.48	-6.8%	21.6	15.8	10.8	8.8
FAMUR	Sell	2011-01-18	2.85	2.3	3.55	-35.2%	22.8	18.3	10.9	9.3
IMPEXMETAL	Buy	2011-03-18	4.67	5.9	5.12	15.2%	11.4	9.5	7.4	6.1
KERNEL	Accumulate	2011-02-28	79.25	87.8	71.25	23.2%	9.6	9.2	7.2	6.1
KĘTY	Hold	2011-05-02	131.20	135.0	126.00	7.1%	12.1	11.0	7.1	6.5
KOPEX	Reduce	2011-01-18	17.40	15.9	18.98	-16.2%	17.1	15.0	8.2	7.4
MONDI	Accumulate	2011-03-31	80.45	88.7	86.20	2.9%	10.7	11.3	7.4	7.9
Construction										
BUDIMEX	Reduce	2011-05-06	106.80	98.20	103.00	-4.7%	11.7	11.2	7.9	7.8
ELEKTROBUDOWA	Accumulate	2011-03-03	158.00	178.60	164.50	8.6%	13.8	12.4	9.0	7.8
ERBUD	Accumulate	2011-04-29	37.51	42.60	32.96	29.2%	13.8	9.0	7.7	5.1
MOSTOSTAL WAR.	Buy	2011-02-11	48.20	59.90	37.70	58.9%	13.0	9.6	5.2	4.0
PBG	Hold	2011-03-28	181.80	180.90	146.00	23.9%	10.0	10.6	6.2	6.5
POLIMEX MOSTOSTAL	Accumulate	2011-03-03	3.71	4.03	3.09	30.4%	11.3	8.7	6.5	5.6
RAFAKO	Accumulate	2011-02-01	11.60	13.40	11.60	15.5%	14.3	13.2	8.0	7.3
TRAKCJA POLSKA	Hold	2011-02-22	3.80	3.70	3.34	10.8%	10.7	9.1	7.0	6.0
ULMA CP	Hold	2011-03-03	83.20	85.90	87.00	-1.3%	13.7	18.9	4.6	5.0
UNIBEP	Buy	2011-04-05	7.66	9.30	6.85	35.8%	11.6	6.1	8.6	4.5
ZUE	Buy	2010-11-24	14.50	19.30	12.50	54.4%	9.5	9.1	4.9	4.0
Property Developers										
BBi DEVELOPMENT	Buy	2011-03-08	0.44	0.53	0.43	23.3%	22.5	6.9	30.4	10.5
DOM DEVELOPMENT	Buy	2011-01-07	41.49	54.40	47.00	15.7%	14.0	8.9	12.9	6.8
ECHO	Buy	2011-04-05	4.94	6.17	5.07	21.7%	10.8	5.2	10.6	7.3
GTC	Accumulate	2011-02-03	20.92	24.03	20.10	19.6%	7.6	5.2	9.7	7.5
J.W.C.	Hold	2011-05-06	15.45	16.30	15.30	6.5%	8.6	11.2	7.6	10.7
PA NOVA	Buy	2011-01-07	30.89	40.40	30.59	32.1%	14.6	12.3	14.9	13.3
POLNORD	Buy	2011-01-07	32.20	43.50	30.67	41.8%	11.5	6.8	15.1	8.5
ROBYG	Buy	2011-01-07	1.86	2.59	2.05	26.3%	14.8	5.3	16.8	5.0
Retail/Wholesale										
EUROCASH	Buy	2011-02-04	30.50	37.40	31.20	19.9%	22.8	17.2	12.4	9.9
LPP	Accumulate	2010-12-03	2 140.00	2 300.00	2 251.00	2.2%	18.1	15.3	10.3	9.0
NG2	Accumulate	2011-02-23	59.55	63.00	58.95	6.9%	15.4	12.8	10.9	8.9
VISTULA	Hold	2011-03-03	2.10	2.10	1.97	6.6%	21.2	10.5	9.0	7.0

CEE bank valuations /12.05.2011/

	Price	P/E			ROE			P/BV			D/Y		
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH BANKS													
BZ WBK	226.0	17.0	15.6	12.2	16%	15%	17%	2.5	2.3	2.0	1.8%	3.5%	2.6%
Getin	13.5	22.9	14.9	11.5	10%	14%	16%	2.2	2.0	1.7	0.0%	0.0%	0.0%
Handlowy	95.3	16.5	13.8	11.7	12%	13%	15%	1.9	1.8	1.7	4.0%	6.0%	5.1%
ING BSK	860.0	14.9	12.4	10.9	14%	15%	16%	2.0	1.8	1.6	0.0%	1.7%	3.2%
Kredyt Bank	17.2	25.1	14.1	10.6	7%	11%	13%	1.7	1.5	1.3	0.0%	2.2%	0.0%
Millenium	5.5	19.8	14.8	11.0	9%	11%	13%	1.6	1.5	1.4	0.0%	1.8%	2.7%
Pekao	172.1	17.9	14.7	13.1	13%	15%	16%	2.2	2.1	2.1	1.7%	4.0%	5.8%
PKO BP	43.4	16.8	12.6	10.2	15%	19%	20%	2.5	2.2	2.0	4.4%	2.4%	4.0%
Median		17.4	14.4	11.3	13%	14%	16%	2.1	1.9	1.7	0.8%	2.3%	3.0%
INVESTORS IN POLISH BANKS													
AIB	0.2	-	-	17.1	-	0%	3%	0.5	0.6	0.6	0.0%	0.0%	0.0%
BCP	0.6	10.8	11.2	8.6	4%	5%	6%	0.5	0.5	0.5	3.4%	2.7%	3.6%
Citigroup	42.4	108.2	101.7	79.4	8%	7%	9%	7.5	6.9	6.5	0.0%	0.0%	0.4%
Commerzbank	4.1	3.8	7.3	3.9	13%	7%	12%	0.5	0.5	0.5	0.0%	0.2%	1.2%
ING	8.8	8.4	6.1	5.6	10%	13%	12%	0.8	0.8	0.7	0.0%	0.6%	3.7%
KBC	28.6	6.1	5.8	5.3	15%	16%	15%	0.9	0.9	0.8	2.7%	3.0%	3.3%
UCI	1.6	19.8	10.1	7.2	2%	5%	6%	0.5	0.5	0.5	1.8%	3.0%	4.3%
Median		9.6	8.7	7.2	9%	7%	9%	0.5	0.6	0.6	0.0%	0.6%	3.3%
FOREIGN BANKS													
BEP	4.0	9.4	12.2	9.2	6%	6%	7%	0.7	0.7	0.6	5.5%	4.5%	5.7%
Deutsche Bank	43.0	7.9	7.4	6.4	7%	11%	11%	0.8	0.8	0.7	1.8%	2.3%	2.9%
Erste Bank	34.5	15.1	10.5	7.9	8%	10%	12%	1.1	1.0	0.9	1.8%	2.2%	2.7%
Komerční B.	4180.0	12.2	11.3	10.4	18%	18%	18%	2.1	2.0	1.8	4.9%	6.0%	6.4%
OTP	6239.0	13.5	9.9	7.5	10%	12%	15%	1.3	1.2	1.0	1.9%	3.8%	5.3%
Santander	8.2	8.3	7.8	6.6	12%	12%	13%	0.9	0.9	0.8	7.0%	7.2%	7.7%
Türkiye Garanti B.	7.5	9.6	10.1	8.8	22%	18%	17%	2.0	1.7	1.5	1.8%	2.4%	3.0%
Türkiye Halk B.	12.6	7.9	8.2	7.5	30%	23%	21%	2.2	1.8	1.5	2.7%	3.2%	3.8%
Sberbank	3.4	13.6	7.8	6.8	18%	25%	24%	2.3	1.8	1.5	0.7%	1.5%	2.0%
VTB Bank	5.9	17.1	11.3	8.5	10.7%	14.8%	16.7%	1.7	1.5	1.3	0.9%	1.4%	1.8%
Median		10.9	10.0	7.7	11%	14%	16%	1.5	1.3	1.2	1.8%	2.8%	3.4%

Insurance company valuations /12.05.2011/


	Price	P/E			ROE			P/BV			D/Y		
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES													
PZU	385.0	13.6	13.3	12.2	20%	19%	19%	2.6	2.4	2.2	41.2%	3.1%	4.5%
FOREIGN COMPANIES													
Vienna Insurance G.	40.3	13.4	11.8	10.7	9%	10%	10%	1.2	1.1	1.1	2.5%	2.7%	3.1%
Uniqa	15.2	19.5	13.8	18.0	9%	12%	8%	1.5	1.4	1.3	2.3%	2.4%	2.5%
Aegon	5.1	6.1	7.8	6.9	10%	7%	8%	0.5	0.6	0.5	0.0%	2.1%	4.3%
Allianz	100.3	8.9	8.4	7.6	12%	12%	12%	1.0	0.9	0.9	4.5%	4.9%	5.3%
Aviva	4.4	7.1	7.7	7.1	16%	13%	14%	1.1	0.9	0.8	5.8%	6.1%	6.5%
AXA	14.8	9.4	7.2	6.8	8%	10%	10%	0.7	0.7	0.6	4.6%	5.2%	5.8%
Baloise	92.3	10.0	9.5	8.6	11%	11%	11%	1.0	1.0	0.9	5.0%	5.1%	5.2%
Generali	89.1	12.5	11.3	10.3	9%	9%	14%	1.2	1.0	1.0	2.9%	3.6%	3.8%
Helvetia	387.0	10.0	9.2	8.8	11%	11%	11%	1.0	1.0	0.9	4.0%	4.4%	4.7%
Mapfre	2.8	9.1	8.5	8.1	14%	14%	14%	1.2	1.2	1.1	5.5%	5.8%	6.1%
RSA Insurance	1.4	12.7	9.4	8.8	12%	15%	16%	1.3	1.3	1.2	6.3%	6.6%	7.0%
Zurich Financial	231.9	9.2	8.1	7.4	12%	13%	13%	1.1	1.0	1.0	7.3%	7.9%	8.2%
Median		9.7	8.9	8.3	11%	11%	12%	1.1	1.0	0.9	4.6%	5.0%	5.2%

Fuels producer valuations /12.05.2011/


	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
OIL COMPANIES																
Lotos	45.4	10.3	6.6	5.4	0.6	0.5	0.4	9.1	11.7	6.3	6%	7%	8%	0.0%	0.0%	0.0%
PKN Orlen	51.9	5.9	7.0	6.8	0.4	0.3	0.3	9.4	12.8	12.0	7%	5%	5%	0.0%	2.2%	1.7%
MOL	23090.0	7.0	5.6	5.2	0.9	0.8	0.8	12.7	8.7	8.1	13%	14%	15%	2.2%	2.7%	3.9%
OMV	30.0	3.7	3.1	2.9	0.7	0.5	0.5	7.5	6.3	5.7	18%	16%	16%	3.4%	3.8%	4.0%
Hellenic Petroleum	7.1	9.1	8.5	6.6	0.6	0.5	0.4	12.1	10.5	7.1	6%	6%	7%	5.6%	6.0%	7.1%
Tupras	46.4	7.8	7.4	6.9	0.4	0.3	0.3	13.7	11.2	11.0	5%	4%	4%	5.6%	6.5%	7.2%
Unipetrol	182.1	6.3	6.1	5.8	0.4	0.3	0.3	27.4	22.3	17.6	6%	6%	6%	0.3%	1.7%	3.7%
Median		7.0	6.6	5.8	0.6	0.5	0.4	12.1	11.2	8.1	6%	6%	7%	2.2%	2.7%	3.9%
GAS COMPANIES																
PGNiG	4.1	5.7	6.9	5.3	1.2	1.2	1.1	9.9	14.0	11.6	21%	18%	21%	2.0%	3.2%	2.9%
Gazprom	201.5	4.3	3.8	3.4	1.7	1.5	1.4	5.4	4.6	4.1	40%	40%	40%	1.3%	2.0%	2.5%
GDF Suez	26.0	6.7	5.8	5.4	1.2	1.1	1.0	13.3	12.5	11.4	18%	19%	19%	5.9%	6.1%	6.4%
Gas Natural SDG	13.4	7.1	7.1	6.8	1.8	1.6	1.5	10.4	10.7	9.7	25%	23%	23%	5.9%	6.0%	6.6%
Median		6.2	6.3	5.3	1.5	1.4	1.2	10.1	11.6	10.5	23%	21%	22%	3.9%	4.6%	4.6%

Source: BRE Bank Securities for Polish companies, IBES/Bloomberg for foreign companies


Power Utilities company valuations /12.05.2011/

	EV/EBITDA				EV/S			P/E		EBITDA margin			D/Y			
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
	ENERGY COMPANIES															
CEZ	154.1	7.4	7.9	7.5	3.3	3.4	3.3	10.8	11.2	10.2	45%	43%	43%	5.6%	5.4%	5.0%
ENEA	18.6	4.4	4.9	5.3	0.8	0.9	1.0	13.2	12.1	10.8	17%	18%	19%	2.0%	4.0%	3.3%
PGE	24.1	6.7	6.1	6.1	2.2	2.2	2.3	15.1	11.9	10.7	33%	36%	37%	2.9%	3.5%	4.2%
TAURON	6.3	4.1	4.6	4.4	0.7	0.9	0.9	12.8	12.0	10.3	18%	19%	20%	0.0%	2.5%	2.5%
E.ON	20.9	5.7	6.9	6.4	0.9	0.9	0.8	7.8	11.1	10.0	16%	13%	13%	7.1%	6.2%	6.3%
EDF	28.7	5.8	6.3	5.9	1.5	1.5	1.5	15.4	16.1	13.6	26%	24%	25%	4.0%	4.1%	4.4%
Endesa	23.7	6.1	6.3	6.1	1.7	1.5	1.5	11.1	11.6	10.8	28%	25%	24%	4.5%	4.4%	4.7%
ENEL SpA	4.7	6.1	6.0	5.8	1.5	1.4	1.4	10.3	9.8	9.4	25%	24%	24%	5.8%	6.1%	6.4%
Fortum	22.5	10.6	10.2	9.6	4.4	4.1	3.9	14.0	13.6	13.3	41%	40%	40%	4.4%	4.6%	4.7%
Iberdrola	6.2	8.7	8.3	7.7	2.4	2.2	2.1	12.1	12.2	11.3	28%	27%	27%	5.3%	5.4%	5.7%
RWE AG	43.2	4.4	4.9	4.7	0.8	0.8	0.8	6.2	8.7	8.4	19%	17%	17%	8.1%	6.4%	6.4%
Median		6.1	6.3	6.1	1.5	1.5	1.5	12.1	11.9	10.7	26%	24%	24%	4.5%	4.6%	4.7%

Fertilizer producers and chemical company valuations /12.05.2011/


	Price	EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
		FERTILIZER PRODUCERS														
POLICE	13.8	15.9	7.4	9.5	0.6	0.5	0.5	37.6	11.9	21.4	4%	7%	6%	0.0%	0.0%	0.0%
ZA Pulawy	123.0	9.8	7.0	6.7	0.9	0.9	0.8	18.0	12.4	12.2	10%	12%	12%	0.8%	2.8%	4.0%
Acron	43.8	8.9	6.8	7.1	1.9	1.7	1.5	12.1	8.5	9.9	22%	24%	21%	2.0%	2.7%	1.4%
Agrium	56.3	6.9	4.6	4.5	0.9	0.8	0.7	12.0	7.6	7.3	14%	16%	16%	0.2%	0.2%	0.2%
DSM	46.3	4.0	4.1	4.1	1.7	1.8	1.8	40.4	37.5	35.5	41%	43%	43%	1.7%	1.8%	1.9%
K+S	52.5	11.3	8.3	7.3	2.1	1.9	1.8	23.6	14.4	12.0	19%	23%	25%	1.7%	3.0%	3.5%
Silv init	28230.0	10.1	8.4	7.4	6.1	5.4	4.8	17.1	12.3	11.0	60%	65%	65%	1.2%	1.3%	1.5%
Uralkali	8.8	20.3	10.8	6.7	10.2	6.1	4.4	28.8	20.5	12.3	50%	57%	65%	1.6%	6.7%	12.8%
Yara	290.6	8.9	7.3	7.3	1.4	1.2	1.2	13.7	9.9	10.1	16%	17%	16%	2.1%	2.2%	2.4%
Median		9.8	7.3	7.1	1.7	1.7	1.5	18.0	12.3	12.0	19%	23%	21%	1.6%	2.2%	1.9%
CHEMICAL COMPANIES																
Ciech	25.7	5.7	5.0	4.5	0.6	0.5	0.5	35.2	26.3	11.9	10%	10%	11%	0.0%	0.0%	0.0%
Akzo Nobel	51.6	7.0	6.5	6.0	1.0	0.9	0.8	15.5	13.2	11.8	14%	13%	14%	2.8%	3.0%	3.3%
BASF	64.1	6.6	6.0	5.6	1.2	1.1	1.0	11.7	10.6	9.9	18%	18%	18%	3.3%	3.7%	3.9%
Croda	18.7	12.3	10.8	9.9	2.8	2.5	2.4	20.5	17.0	15.4	23%	24%	24%	1.8%	2.3%	2.5%
Dow Chemical	38.9	9.0	7.6	6.9	1.2	1.1	1.1	20.9	14.6	11.6	14%	15%	16%	1.5%	1.9%	2.0%
Rhodia	31.6	4.9	4.7	4.5	0.8	0.8	0.7	12.0	10.4	9.7	17%	16%	16%	1.3%	2.0%	2.2%
Sisecam	4.1	6.4	5.5	5.0	1.5	1.3	1.2	13.9	11.7	10.1	23%	24%	24%	1.0%	2.1%	3.4%
Soda Sanay ii	2.9	6.5	5.8	5.4	1.2	1.1	0.9	10.9	10.7	9.0	18%	18%	17%	-	4.2%	4.5%
Solvay	105.1	6.8	5.9	5.4	0.9	0.9	0.8	33.5	25.3	23.2	14%	15%	15%	2.9%	2.7%	2.9%
Tata Chemicals	373.0	8.1	7.8	6.9	1.5	1.3	1.2	13.2	13.3	11.1	19%	17%	18%	2.2%	2.4%	2.4%
Tessenderlo Chemie	29.4	6.0	4.8	4.3	0.4	0.4	0.4	38.6	15.1	12.0	8%	9%	9%	4.3%	4.2%	4.3%
Wacker Chemie	167.4	7.4	6.5	5.7	1.9	1.7	1.5	16.6	14.2	12.0	25%	26%	27%	1.4%	2.1%	2.4%
Median		6.7	6.0	5.5	1.2	1.1	1.0	16.0	13.8	11.7	18%	17%	17%	1.8%	2.3%	2.7%

European national operator valuations /12.05.2011/


	Global Telecom Market Overview - Q3 2023															
	Price	EV/EBITDA			EV/S			P/E		EBITDA margin			D/Y			
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES																
Netia	5.3	4.8	4.3	3.9	1.1	1.0	0.9	33.6	18.8	14.8	23%	24%	24%	0.0%	3.7%	5.3%
TPSA	18.1	6.1	5.0	4.9	1.8	1.9	1.9	-	18.8	17.3	30%	37%	38%	8.3%	8.3%	8.3%
Median		5.4	4.7	4.4	1.5	1.4	1.4	33.6	18.8	16.1	27%	31%	31%	4.1%	6.0%	6.8%
MID CAPS																
Belgacom	25.5	4.6	5.2	5.3	1.5	1.5	1.5	10.4	10.7	10.8	33%	30%	29%	8.5%	8.5%	8.5%
Cesky Telecom	415.0	5.4	5.8	5.9	2.4	2.5	2.5	13.1	14.3	13.5	44%	42%	42%	9.5%	8.6%	8.6%
Hellenic Telekom	7.0	4.5	4.7	4.7	1.5	1.6	1.6	9.9	10.2	9.2	34%	34%	35%	2.3%	3.2%	4.3%
Matav	542.0	4.6	4.7	4.8	1.6	1.6	1.7	11.3	11.5	11.6	35%	35%	35%	10.4%	9.4%	9.7%
Portugal Telecom	8.7	7.4	5.2	4.8	2.9	1.9	1.7	20.8	13.2	11.8	39%	37%	37%	7.2%	8.5%	7.6%
Telecom Austria	10.2	4.9	5.1	5.0	1.7	1.7	1.7	14.4	18.4	14.1	35%	34%	34%	7.4%	7.5%	7.3%
Median		4.7	5.1	4.9	1.7	1.7	1.7	12.2	12.4	11.7	35%	35%	35%	8%	9%	8%
BIG CAPS																
BT	2.0	4.7	4.4	4.3	1.2	1.3	1.3	13.8	10.1	9.3	26%	29%	29%	3.5%	3.7%	4.2%
DT	11.3	5.0	5.2	5.4	1.6	1.6	1.7	14.3	14.8	14.1	31%	31%	32%	6.3%	6.2%	6.3%
FT	15.7	4.9	5.0	5.0	1.7	1.7	1.7	8.5	9.2	9.2	34%	33%	33%	8.9%	9.0%	9.0%
KPN	10.5	5.1	5.2	5.2	2.1	2.3	2.2	9.1	8.5	8.0	41%	43%	43%	7.6%	8.2%	8.5%
Swisscom	397.5	6.3	6.3	6.3	2.5	2.5	2.5	11.0	10.7	10.4	39%	39%	39%	5.5%	5.7%	6.0%
TELEFONICA	17.0	5.1	5.6	5.5	2.2	2.1	2.1	9.7	9.2	8.9	44%	37%	37%	8.3%	9.4%	10.3%
TeliaSonera	49.5	7.4	7.4	7.1	2.6	2.6	2.5	10.7	10.5	9.9	35%	35%	36%	5.1%	5.7%	6.1%
TI	1.0	4.6	4.3	4.3	1.9	1.8	1.8	8.2	7.8	7.5	42%	42%	41%	5.6%	6.4%	7.3%
Median		5.1	5.2	5.3	2.0	1.9	1.9	10.2	9.6	9.3	37%	36%	37%	6.0%	6.3%	6.8%

Source: BRE Bank Securities for Polish companies, IBES/Bloomberg for foreign companies


IT company valuations /12.05.2011/

	EV/EBITDA				EV/S				P/E		EBITDA margin			D/Y		
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES																
AB	24.8	7.9	6.5	6.8	0.2	0.2	0.1	10.9	7.9	9.0	2%	2%	2%	0.0%	0.0%	0.0%
ACTION	19.3	8.3	7.4	6.5	0.2	0.2	0.2	12.6	10.3	8.9	2%	2%	2%	4.2%	2.9%	3.9%
ASBIS	3.3	7.7	5.4	4.1	0.1	0.1	0.1	-	8.6	5.3	1%	1%	2%	0.0%	0.0%	0.0%
ASSECO POLAND	51.7	6.1	5.9	5.3	1.3	1.2	1.0	9.7	10.5	9.8	21%	20%	19%	3.0%	2.9%	3.1%
COMARCH	93.3	10.3	7.4	6.3	0.9	0.8	0.7	17.3	17.2	14.7	8%	11%	11%	0.0%	0.0%	2.0%
KOMPUTRONIK	8.4	8.0	5.7	4.5	0.1	0.1	0.1	22.1	11.8	7.9	2%	2%	2%	0.0%	0.0%	1.7%
SYGNITY	22.6	-	7.3	5.6	0.6	0.5	0.4	-	45.8	13.5	-	7%	7%	0.0%	0.0%	2.2%
Median		8.0	6.5	5.6	0.2	0.2	0.2	12.6	10.5	9.0	2%	2%	2%	0.0%	0.0%	2.0%
FOREIGN COMPANIES																
Accenture	56.6	10.6	10.3	9.3	1.7	1.4	1.3	21.5	17.6	15.5	16%	14%	14%	1.8%	1.4%	1.7%
Atos Origin	42.1	5.9	4.7	3.7	0.6	0.5	0.4	15.5	13.0	10.4	10%	10%	10%	0.4%	1.3%	1.5%
CapGemini	41.3	7.5	6.2	5.5	0.6	0.6	0.6	19.7	16.3	13.8	9%	9%	10%	2.2%	2.6%	2.9%
IBM	172.2	9.7	8.8	8.4	2.3	2.2	2.1	15.0	13.1	11.8	24%	25%	25%	1.4%	1.6%	1.7%
Indra Sistemas	15.5	8.8	8.7	8.2	1.1	1.1	1.0	12.1	12.9	12.1	12%	12%	12%	4.2%	4.4%	4.7%
LogicaCMG	1.4	7.7	7.2	6.7	0.7	0.7	0.6	11.8	10.9	9.8	9%	9%	10%	2.8%	3.3%	3.8%
Microsoft	25.3	6.7	5.8	5.5	2.9	2.5	2.4	12.3	9.9	9.2	42%	44%	43%	2.1%	2.5%	2.6%
Oracle	35.7	14.1	10.5	9.5	6.6	5.0	4.6	22.1	16.4	15.0	47%	47%	48%	0.6%	0.5%	0.5%
SAP	44.6	13.7	11.5	10.3	4.5	4.0	3.6	20.5	16.6	14.8	33%	35%	36%	1.3%	1.6%	1.7%
TietoEnator	12.9	6.0	5.3	4.8	0.6	0.6	0.6	11.1	10.7	9.5	10%	11%	11%	4.0%	5.3%	5.6%
Median		8.3	8.0	7.5	1.4	1.3	1.2	15.3	13.0	12.0	14%	13%	13%	1.9%	2.0%	2.1%

Media company valuations /12.05.2011/


	Price	EV/EBITDA			EV/S			P/E		EBITDA margin			D/Y			
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES																
AGORA	24.3	7.0	6.0	5.1	1.1	0.9	0.8	17.2	18.2	14.4	15%	15%	15%	2.1%	2.7%	2.8%
CYFROWY POLSAT	16.7	10.9	9.8	9.0	3.0	2.9	2.7	17.3	15.6	15.4	27%	29%	30%	3.4%	4.0%	4.2%
TVN	16.8	13.4	10.6	8.4	3.3	2.9	2.5	-	20.4	14.5	24%	27%	30%	1.9%	0.0%	1.5%
DAILY																
Arnolgo Mondadori	2.8	7.5	7.0	6.4	0.7	0.7	0.7	13.6	11.4	9.7	9%	10%	11%	5.8%	6.9%	8.0%
Axel Springer	110.5	7.0	6.3	5.8	1.3	1.2	1.1	12.0	12.3	11.1	18%	18%	19%	4.3%	4.6%	4.9%
Daily Mail	5.0	7.5	7.4	7.0	1.4	1.4	1.3	10.6	9.6	8.8	19%	19%	19%	3.1%	3.4%	3.7%
Gruppo Editorial	2.0	6.6	5.9	5.2	1.1	1.1	1.1	15.4	12.6	10.7	17%	18%	20%	3.7%	4.9%	5.8%
Mcclatchy	2.9	5.7	6.5	7.4	1.6	1.7	1.7	4.7	8.7	13.2	27%	26%	23%	0.0%	0.0%	0.0%
Naspers	384.9	23.4	20.5	17.0	5.6	4.9	4.3	27.5	21.2	17.1	24%	24%	25%	0.6%	0.8%	1.0%
New York Times	7.7	4.3	4.8	4.7	0.7	0.7	0.7	11.1	15.3	11.4	16%	14%	15%	0.0%	0.0%	0.0%
Promotora de Inform	1.9	7.5	7.1	6.2	1.5	1.6	1.5	5.0	10.2	6.2	20%	22%	24%	0.0%	0.0%	0.2%
SPIR Comm	39.9	10.2	7.0	5.2	0.4	0.4	0.4	-	30.7	16.2	4%	6%	8%	0.0%	0.0%	0.0%
Trinity Mirror	0.5	1.8	2.0	2.0	0.4	0.4	0.4	1.9	2.1	2.1	20%	18%	18%	1.2%	1.0%	3.8%
Mediana		7.2	6.7	6.0	1.2	1.1	1.1	11.1	11.8	10.9	18%	18%	19%	0.9%	0.9%	2.4%
TV																
Antena 3 Televis	5.7	8.7	7.6	6.8	1.7	1.6	1.5	11.2	9.4	8.5	20%	21%	23%	7.0%	8.4%	9.5%
CETV	386.9	24.1	15.4	11.2	3.5	3.1	2.8	-	-	-	15%	20%	25%	0.0%	0.0%	0.0%
Gestevision Telecinco	6.7	10.2	7.2	5.9	2.6	1.9	1.7	11.1	10.8	8.9	26%	26%	30%	5.6%	8.2%	10.3%
ITV PLC	0.7	7.4	6.2	5.6	1.5	1.5	1.4	13.2	9.8	8.5	20%	24%	25%	0.6%	3.2%	4.3%
M6-Metropole Tel	16.9	6.0	5.7	5.6	1.3	1.2	1.2	14.2	13.2	12.7	21%	22%	21%	5.6%	6.2%	6.5%
Mediaset SPA	4.3	6.8	4.4	4.0	1.6	1.4	1.4	11.5	11.2	9.9	23%	33%	34%	7.6%	8.4%	9.0%
RTL Group	68.3	8.4	7.5	7.1	1.8	1.7	1.7	16.2	13.9	13.0	22%	23%	23%	6.6%	6.3%	6.5%
TF1-TV Francaise	12.5	8.7	6.7	6.0	1.1	1.0	1.0	20.2	12.9	11.3	12%	15%	17%	3.7%	5.4%	6.0%
Mediana		8.5	6.9	5.9	1.6	1.5	1.5	13.2	11.2	9.9	21%	22%	24%	5.6%	6.2%	6.5%
PAY TV																
BSkyB PLC	8.4	13.7	11.6	10.1	2.7	2.5	2.4	27.6	21.1	17.5	20%	22%	23%	2.2%	2.5%	2.8%
Canal Plus	5.6	5.0	4.9	4.8	0.2	0.2	0.2	17.4	16.4	15.9	5%	5%	5%	4.8%	5.2%	5.2%
Cogeco	45.9	6.2	5.7	5.4	2.4	2.3	2.2	18.9	15.7	13.6	39%	40%	40%	1.2%	1.5%	1.9%
Comcast	25.4	6.7	5.6	5.3	2.6	1.8	1.7	20.2	16.7	14.2	39%	32%	31%	1.5%	1.7%	1.8%
Liberty Global	46.0	8.3	7.4	6.9	3.7	3.4	3.2	-	36.8	20.0	45%	46%	46%	0.0%	0.0%	0.0%
Multimedia	9.5	7.1	6.8	6.6	3.7	3.5	3.4	14.0	13.5	11.6	51%	52%	52%	-	-	-
Shaw Communications	20.8	7.5	6.4	6.0	3.4	2.7	2.5	16.1	14.6	13.0	46%	42%	41%	4.2%	4.4%	4.5%
Mediana		7.1	6.4	6.0	2.7	2.5	2.4	18.1	16.4	14.2	39%	40%	40%	1.9%	2.1%	2.4%

Mining company valuations /12.05.2011/


	EV/EBITDA				EV/S				P/E		EBITDA margin			D/Y		
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES																
KGHM	180.2	5.3	3.9	6.1	2.1	1.8	2.2	7.9	5.8	9.6	39%	46%	36%	1.7%	11.1%	5.5%
FOREIGN COMPANIES																
Anglo Amer.	29.4	4.3	3.1	2.9	1.7	1.4	1.3	7.4	4.7	4.3	40%	46%	46%	1.8%	2.9%	3.2%
BHP Billiton	23.6	5.5	3.6	3.0	2.6	1.9	1.7	10.1	5.7	4.9	48%	54%	57%	3.6%	4.0%	4.3%
Freeport-MCMOR	48.7	2.6	2.0	1.9	1.3	1.0	1.0	11.0	8.0	7.7	52%	53%	53%	1.5%	3.3%	2.5%
Rio Tinto	41.1	3.4	2.7	2.7	1.6	1.3	1.3	5.9	4.1	4.2	46%	50%	48%	2.4%	2.9%	3.1%
Southern Peru	34.2	10.1	6.1	5.1	5.7	3.9	3.4	18.4	10.5	8.8	57%	63%	65%	4.7%	6.6%	8.4%
Median		4.3	3.1	2.9	1.7	1.4	1.3	10.1	5.7	4.9	48%	53%	53%	2.4%	3.3%	3.2%

Source: BRE Bank Securities for Polish companies, IBES/Bloomberg for foreign companies


Construction company valuations /12.05.2011/

	EV/EBITDA				EV/S				P/E		EBITDA margin				D/Y		
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	
POLISH COMPANIES																	
Budimex	103.0	2.3	7.9	7.8	0.2	0.5	0.5	9.8	11.7	11.2	8%	6%	7%	6.6%	8.8%	4.3%	
Elektrobudowa	164.5	11.5	9.0	7.8	0.9	0.9	0.8	17.3	13.8	12.4	8%	10%	10%	2.1%	2.2%	2.4%	
Erbud	33.0	10.9	7.7	5.1	0.3	0.3	0.2	34.3	13.8	9.0	3%	3%	5%	1.5%	0.7%	1.5%	
Mostostal Warszawa	37.7	3.8	5.2	4.0	0.2	0.2	0.2	12.1	13.0	9.6	5%	4%	5%	4.7%	4.0%	3.8%	
PBG	146.0	9.1	6.2	6.5	1.1	0.8	0.9	9.3	10.0	10.6	12%	13%	13%	1.0%	2.7%	2.5%	
Polimex Mostostal	3.1	6.4	6.5	5.6	0.5	0.4	0.4	13.1	11.3	8.7	7%	6%	7%	1.3%	0.0%	0.0%	
Rafako	11.6	8.5	8.0	7.3	0.5	0.4	0.4	18.5	14.3	13.2	6%	5%	5%	2.6%	0.0%	0.0%	
Trakcja Polska	3.3	5.9	7.0	6.0	0.7	0.5	0.4	16.4	10.7	9.1	11%	7%	7%	0.0%	0.0%	0.0%	
Ulmia Construcccion	87.0	6.4	4.6	5.0	3.1	2.3	2.4	44.7	13.7	18.9	48%	50%	47%	0.0%	0.0%	0.0%	
Unibep	6.9	6.8	8.6	4.5	0.4	0.3	0.3	10.2	11.6	6.1	5%	4%	6%	0.0%	0.9%	3.3%	
Median		6.6	7.4	5.8	0.5	0.5	0.4	14.7	12.4	10.1	8%	6%	7%	1.4%	0.8%	1.9%	
FOREIGN COMPANIES																	
AMEC	11.8	11.7	10.2	9.0	1.1	1.0	0.9	19.9	17.1	15.0	9%	10%	10%	1.7%	2.2%	2.4%	
BILFINGER	64.8	10.0	9.6	9.0	0.6	0.6	0.6	11.6	10.0	11.9	6%	6%	6%	3.7%	4.6%	4.1%	
EIFFAGE	45.7	9.7	9.2	8.6	1.4	1.3	1.3	17.2	13.7	11.5	14%	14%	15%	2.6%	2.9%	3.2%	
HOCHTIEF	62.0	4.9	5.8	3.8	0.3	0.3	0.3	18.6	22.2	12.4	6%	5%	7%	2.7%	3.3%	4.1%	
NCC	154.1	7.8	6.9	5.9	0.4	0.3	0.3	13.7	12.1	9.8	5%	5%	5%	4.1%	6.3%	6.9%	
SKANSKA	114.8	6.4	4.5	6.6	0.3	0.3	0.3	13.5	13.4	12.9	5%	8%	5%	5.1%	5.3%	5.5%	
STRABAG	22.4	4.0	4.0	3.9	0.2	0.2	0.2	14.7	14.5	14.3	5%	5%	5%	2.3%	2.4%	2.5%	
Median		7.8	6.9	6.6	0.4	0.3	0.3	14.7	13.7	12.4	6%	6%	6%	2.7%	3.3%	4.1%	


Property Developers company valuations /12.05.2011/

	EV/EBITDA				P/BV			P/E			EBITDA margin			D/Y		
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
	POLISH COMPANIES															
BBi Development	0.4	10.7	30.4	10.5	1.0	0.9	0.8	16.6	22.5	6.9	45%	24%	46%	0.0%	0.0%	0.0%
Dom Development	47.0	19.5	12.9	6.8	1.5	1.4	1.2	28.6	14.0	8.9	12%	16%	17%	1.7%	1.0%	4.3%
Echo Investment	5.1	22.5	10.6	7.3	1.1	1.0	0.9	14.5	10.8	5.2	40%	92%	113%	0.0%	0.0%	0.0%
GTC	20.1	20.8	9.7	7.5	1.1	1.0	0.8	26.8	7.6	5.2	66%	131%	142%	0.0%	0.0%	0.0%
J.W. Construction	15.3	7.2	7.6	10.7	1.8	1.4	1.2	9.0	8.6	11.2	25%	29%	39%	0.0%	0.0%	0.0%
PA Nova	30.6	13.7	14.9	13.3	1.3	1.2	1.1	15.1	14.6	12.3	19%	18%	22%	0.0%	0.0%	0.0%
Polnord	30.7	27.7	15.1	8.5	0.6	0.6	0.5	13.2	11.5	6.8	28%	26%	36%	2.8%	0.0%	0.0%
Robyg	2.1	18.5	16.8	5.0	1.0	1.3	1.1	16.6	14.8	5.3	17%	22%	25%	0.0%	2.1%	2.4%
Median		19.0	13.9	8.0	1.1	1.1	1.0	15.9	12.8	6.8	27%	25%	37%	0%	0%	0%
FOREIGN COMPANIES																
CA IMMO INTERNATIONAL	5.6	-	-	-	0.5	-	-	-	-	-	-	-	-	-	-	-
CITYCON	3.3	20.5	18.7	17.6	1.0	1.0	0.9	18.5	15.1	14.2	55%	57%	60%	3.9%	4.1%	4.4%
CORIO	48.0	21.0	19.3	17.7	1.1	1.1	1.0	16.8	15.9	15.0	78%	81%	80%	5.5%	5.7%	5.9%
DEUTSCHE EUROSHP	27.9	20.8	17.4	16.7	1.2	1.1	1.1	20.0	17.2	17.5	87%	87%	86%	3.9%	4.1%	4.3%
ECHO INVESTMENT	5.1	14.7	11.7	8.4	1.2	1.1	1.0	14.0	10.3	7.8	69%	82%	86%	0.0%	0.0%	0.0%
HAMMERSON	4.7	21.5	21.5	21.0	1.2	1.0	0.9	23.9	23.1	22.5	80%	78%	77%	3.4%	3.5%	3.7%
KLEPIERRE	27.7	17.9	17.5	16.7	1.3	1.1	1.1	17.7	18.3	17.3	84%	84%	84%	4.5%	4.9%	5.1%
SPARKASSEN IMMO	5.1	20.6	18.2	16.4	0.7	0.7	0.7	69.6	14.7	9.3	47%	50%	53%	0.0%	4.6%	5.6%
UNIBAIL-RODAMCO	152.0	20.6	20.2	19.5	1.1	1.3	1.1	16.9	17.2	16.4	84%	86%	86%	5.3%	5.3%	5.4%
Median		20.6	18.4	17.2	1.1	1.1	1.0	18.1	16.6	15.7	79%	81%	82%	3.9%	4.4%	4.7%

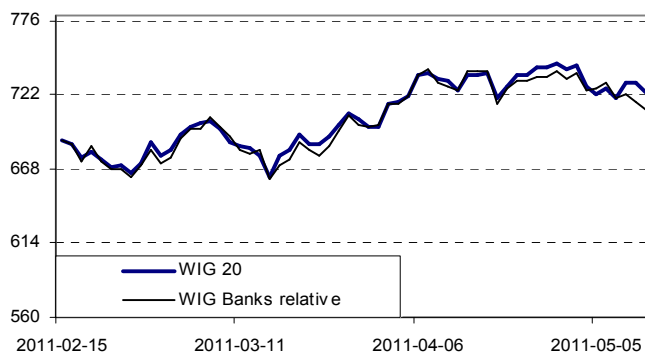
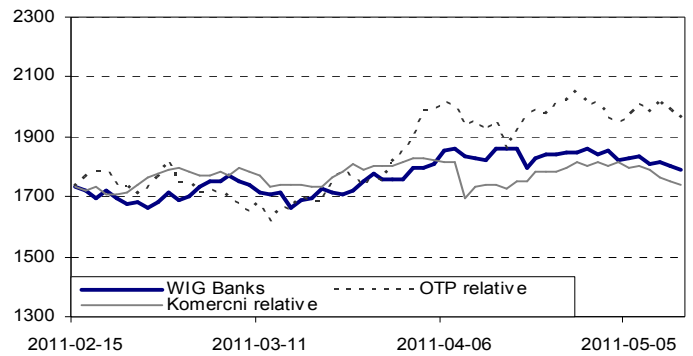
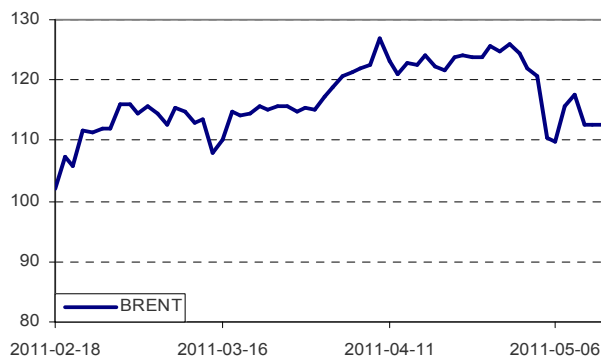
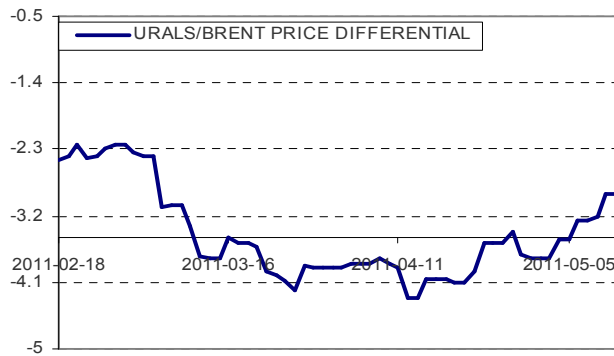
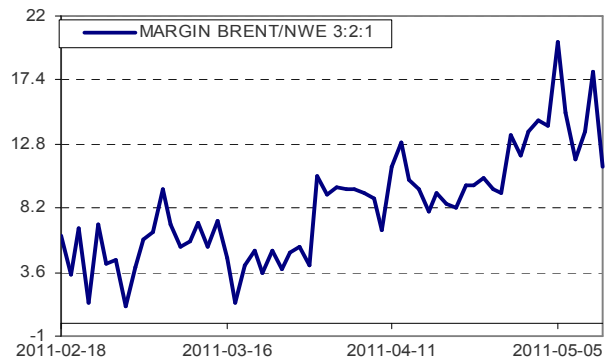
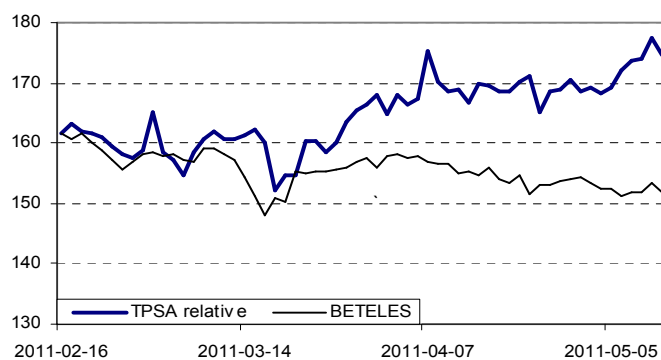
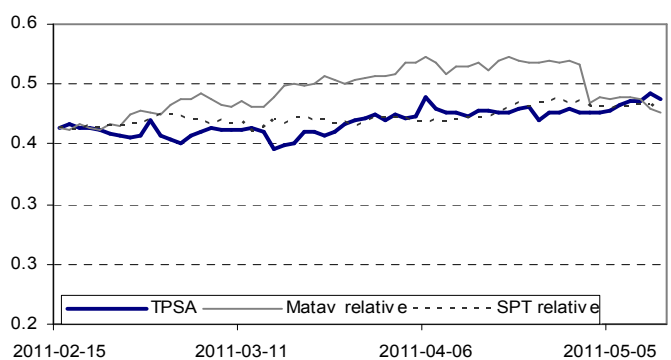
Machinery manufacturer valuations /12.05.2011/

	EV/EBITDA				EV/S				P/E		EBITDA margin			D/Y		
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
	POLISH COMPANIES															
FAMUR	3.6	12.1	10.9	9.3	1.9	2.2	2.1	21.4	22.8	18.3	16%	20%	22%	0.0%	0.0%	2.9%
KOPEX	19.0	10.6	8.2	7.4	0.8	0.8	1.0	41.0	17.1	15.0	8%	10%	13%	0.0%	0.0%	3.3%
Median		11.3	9.6	8.4	1.4	1.5	1.5	31.2	19.9	16.6	12%	15%	18%	0.0%	0.0%	3.1%
FOREIGN COMPANIES																
Atlas Copco	164.8	12.8	10.5	9.2	3.0	2.6	2.4	20.2	16.0	14.0	24%	25%	26%	2.6%	2.9%	3.3%
Bucyrus	91.3	12.8	9.8	8.3	2.4	1.9	1.7	23.2	16.7	13.6	19%	20%	20%	0.1%	0.1%	0.1%
Emeco	1.2	5.7	4.6	4.1	2.3	2.1	1.9	18.0	12.0	10.0	41%	46%	46%	1.2%	6.3%	4.5%
Industrea	1.5	-	-	-	-	-	-	10.0	9.8	8.1	-	-	-	2.4%	2.4%	3.3%
Joy Global	88.0	12.2	9.4	8.0	2.6	2.1	1.8	21.0	16.3	13.5	21%	22%	23%	0.8%	0.8%	0.9%
Sandvik	115.7	10.7	8.7	7.4	2.0	1.8	1.6	20.8	14.7	11.8	19%	20%	21%	2.4%	3.3%	4.0%
Median		12.2	9.4	8.0	2.4	2.1	1.8	20.5	15.4	12.7	21%	22%	23%	1.8%	2.6%	3.3%

Paper manufacturer valuations /12.05.2011/

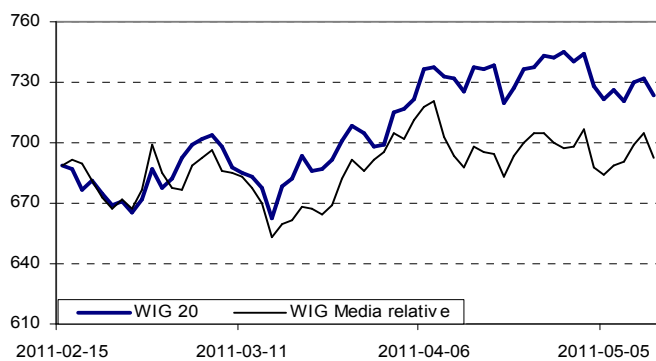
	EV/EBITDA				EV/S				P/E		EBITDA margin			D/Y		
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES																
MONDI	86.2	9.8	7.4	7.9	2.1	1.7	1.7	17.3	10.7	11.3	22%	23%	22%	0.0%	0.0%	9.3%
FOREIGN COMPANIES																
Billerund	68.8	4.8	4.5	4.9	0.9	0.8	0.8	10.3	9.4	10.8	18%	18%	16%	4.0%	5.2%	5.3%
Holmen	227.2	10.0	7.4	7.3	1.5	1.3	1.3	26.1	14.3	13.9	15%	18%	18%	3.1%	4.4%	4.4%
INTL Paper	32.3	6.4	5.7	5.4	0.9	0.8	0.8	15.9	11.5	9.8	13%	14%	15%	1.2%	3.0%	3.3%
M-Real	3.1	5.9	5.2	4.9	0.7	0.6	0.6	14.6	8.8	7.5	12%	13%	13%	0.6%	1.3%	2.1%
Norske Skog	12.9	9.4	5.0	4.5	0.6	0.6	0.5	-	-	69.7	7%	11%	12%	0.0%	0.0%	0.0%
Portucel EMP.	2.5	6.6	5.9	5.9	1.9	1.7	1.7	10.6	8.5	8.6	28%	29%	29%	6.3%	5.6%	6.2%
Stora Enso	8.3	6.9	5.9	5.7	0.9	0.8	0.8	11.3	9.6	9.1	13%	14%	14%	3.0%	3.3%	3.5%
Svenska	95.5	6.6	6.1	5.7	1.0	0.9	0.9	10.8	9.4	8.6	15%	15%	16%	4.2%	4.6%	4.9%
UPM-Kymmene	13.3	7.1	5.7	5.3	1.2	1.0	1.0	13.9	9.8	9.0	16%	18%	19%	3.6%	4.4%	4.6%
Median		6.6	5.7	5.4	0.9	0.8	0.8	12.6	9.5	9.1	15%	15%	16%	3.1%	4.4%	4.4%

Source: BRE Bank Securities for Polish companies, IBES/Bloomberg for foreign companies * polish company

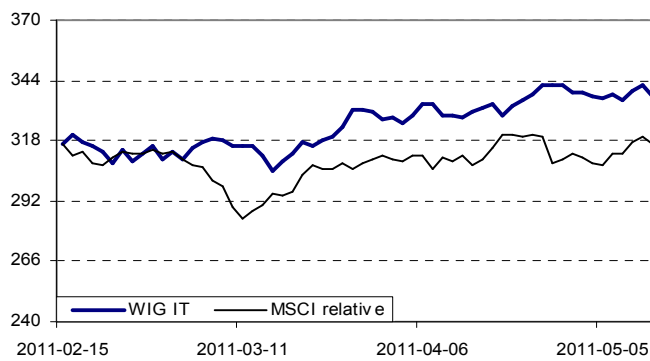
WIG Banks index vs. WIG 20 index (EUR)

OTP and Komerční's relative performance vs. WIG Banks index (EUR)

BRENT (USD/bbl)

BRENT (USD/bbl)

BRENT (USD/bbl)

TPSA vs. BETELES - Bloomberg Europe 500 Telecom Services Index (EUR)

National operator quotations: TPSA, Hungarian Magyar Telecom and Czech SPT (EUR)


Source: Bloomberg

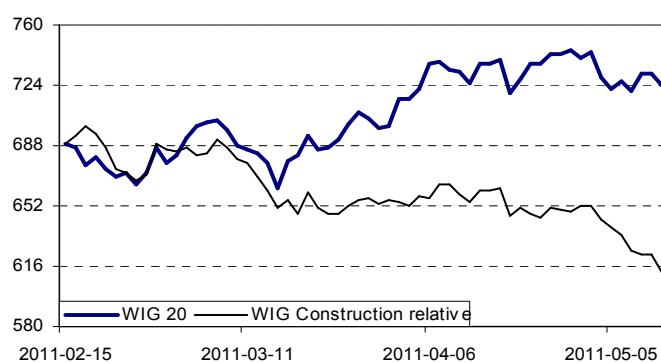
WIG Media index vs. WIG 20 index (EUR)



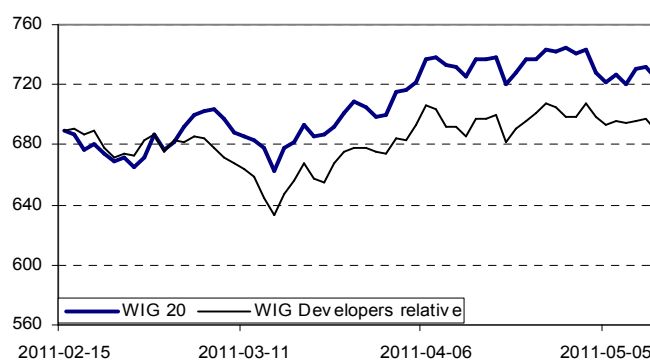
WIG IT index vs. MSCI



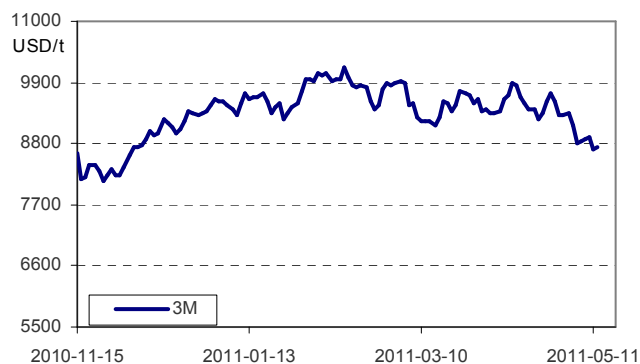
WIG Construction index vs. WIG 20 index (EUR)



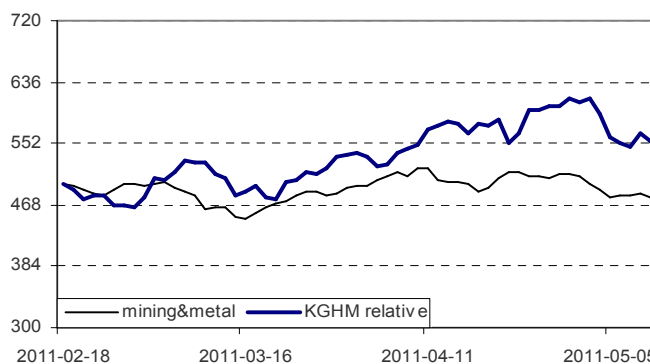
WIG Developers index vs. WIG 20 index (EUR)



Copper price on LME



KGHM vs. mining&metal sector index (USD)



Source: Bloomberg



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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%

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