



Equity Market
Poland

Morning Comments

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Index	Close	Change	Index	Close	Change	Index	Close	Change
DJIA	11 780.9	-3.20%	FTSE 100	5 460.4	-1.92%	Copper (LME)	7 625.0	-2.24%
S&P 500	1 229.1	-3.67%	WIG20	2 315.7	-3.40%	Crude Oil (Brent)	112.2	-2.65%
NASDAQ	2 621.7	-3.88%	BUX	16 195.6	-2.86%	USD/PLN	3.23	+2.10%
DAX	5 829.5	-2.21%	PX 50	904.2	-0.54%	EUR/PLN	4.39	+0.80%
CAC 40	3 075.2	-2.17%	PLBonds10	5.78	+0.87%	EUR/USD	1.36	-1.28%

Company & Sector Information

Fertilizers

Grain demand on the rise according to USDA

The US Department of Agriculture has again raised its 2011/12 wheat inventory forecast from 202.4mt to 202.6mt in yesterday's report, contrary to expectations of a cut to 202mt. The corn stock estimate has been raised to 121.6mt from 123.2mt, less than the expected 122.75mt. **Surprisingly, the USDA also raised its demand projections for wheat by 2.4mt. The Agency expects the combined corn and wheat consumption to increase 3.1% in the 2011/12 season even after an increase in demand by just 1.6% recorded in the 2010/11 season when the macroeconomic environment was much more favorable and demand for biofuel was higher. If these projections are accurate, prices will remain at current levels, suggesting another good year for fertilizer producers. That said, next year's outlook for the industry is dampened by expected hikes in natural gas prices.** (K. Kliszcz)

Fuels

US oil stocks drop

The US oil inventories decreased by 1.4 million barrels last week on 3.7% lower imports. At the same time, there was a decrease in demand from refiners which cut capacity utilization rates from 85.3% to 82.6%. Fuel demand remained steady (with gasoline demand rising 1.8%, and demand for middle distillates edging down 0.2%), resulting in reduced inventories (-2MMBbl for gasoline and -6MMBbl for middle distillates). **Calculated on monthly trailing averages, demand was down 5.6% for gasoline (vs. -4% previously), and up 3.9% for middle distillates (vs. +6.6% previously). The strong drop in inventories, particularly diesel stocks, was a seasonal effect and a result of disruptions in Asian supplies. In the current macro environment and at current oil price levels, we would not expect a structural improvement in the refining market.** (K. Kliszcz)

Telecoms

Polkomtel sales finalized

The former owners of Polkomtel have received payments for their stakes (news in line with expectations and without impact on KGHM, PKN, PGE stocks). Polkomtel's new CEO (at least for the next three months) is Zygmunt Solorz-Żak. **Mr. Solorz-Żak is planning major changes at Polkomtel, the most important of which is its integration with Cyfrowy Polsat and access to LTE frequencies and infrastructure. In our opinion, the change of ownership means increased competition in the Polish mobile market next year. Centertel and PTC, who do not have access to LTE technology, are poised to lose market share. This is bad but expected news for TPSA.** (M. Marczak)

TPSA

Rating confidential
Until 10/11/11 ***

DPTG scores a point in TPSA dispute

A court in Australia dismissed TPSA's appeal against an unfavorable ruling by an arbitration court in Vienna (awarding PLN 1.6bn compensation to DPTG). **Score one for DPTG. After a series of wins by TPSA, it looked like the two companies may reach a settlement. The Australian court ruling may make DPTG's stance tougher. A few days ago, the Danish company raised its claim by another PLN 165m. The case is bound to drag on for months, dampening investor sentiment toward TPSA. Our valuation model factors in a PLN 2.2bn payment to DPTG. The Danes are expecting nearly PLN 3bn.** (M. Marczak)

KGHM

Buy - 12/08/11
Target price: PLN 191.4

KGHM posts stellar Q3 2011 results

KGHM reported much better-than-expected standalone Q3 results. On a revenue of PLN 5.2bn, the company achieved EBIT of PLN 3.7bn and net profit of PLN 3.2bn (we expected only PLN 1.7bn). The bottom line was boosted by PLN 1.3bn hedging gains (we expected PLN 0.3bn). Aside from

one-time events, the quarterly earnings were supported by an increase from 140kt to 148kt in copper sales. Silver sales were down 10 tons compared to Q3'10 at 281 tons. The unit cost of production increased from PLN 13.2k/t in Q2 to PLN 14k/t in Q3 due to higher costs of scrap and, to a lesser extent, external services. Even adjusted for the hedging gains, the Q3 2011 results are impressive. We stand by our buy rating for KGHM. (M. Marczak)

Elektrotim

Good 2011 and 2012 outlook

Elektrotim expects a very good 2011 and at least as good 2012. Q4 2011 sales will grow at the steady y/y rates recorded in previous quarters. Elektrotim's order backlog is worth about PLN 168.5m. It is going to expend in the future. **Elektrotim is hoping to report record profits for 2011 with the help of one-time gains. Assuming that 2011 net profit is PLN 10.4m, the company is trading at P/E = 8.2. The company is expected to have PLN 30m net cash by the end of the year. It is an attractive investment. It may pay generous dividends from 2011 earnings (yield: 5-10%).** (M. Stokłosa)

PBG

Buy - 11/08/11

Target price: PLN 151.0

Loan extension

PBG's and subsidiaries extended the term of a credit facility with ING Bank Śląski until 13 December 2011. **The extension is probably to give PBG time to prepare estimates of Rafako's earnings. News without impact on stock performance.** (M. Stokłosa)

PBG

Buy - 11/08/11

Target price: PLN 151.0

Rafako

Accumulate - 05/07/11

Target price: PLN 12.8

Rafako price lowered by PLN 80m

Based on due diligence findings, PBG and Elektrim agreed to lower the price of a 50.69% stake in Rafako from PLN 540m to PLN 460m, i.e. by PLN 80m (6.4% of PBG's market cap). The payment will be made in three installments by 5 January 2012. **Good news for PBG. As for Rafako, the lower price may or may not suggest some risks unveiled through the due diligence process.** (M. Stokłosa)

Robyg

Buy - 03/11/11

Target price: PLN 1.84

Robyg signs first lease for Wilanów Office Center

Robyg signed a ten-year lease (renewable for two five-year periods) with the supermarket operator ALMA Market S.A. for spaces in the Wilanów Office Center complex whose construction is scheduled to start next year. **Good news.** (P. Zybala)

Quarterly Earnings

Getin Holding

Hold - 05/09/11

Target price: PLN 9.3

Getin Holding reports better-than-expected Q3 net income thanks to one-time gains

At PLN 94m, Getin Holding's Q3 2011 net income displayed a 76% surge relative to Q3 2010 and an 87% drop from the quarter before. The adjusted bottom-line figure was 76% higher than a year ago and 4% lower than in the preceding quarter. The reported figure was 13% higher than our PLN 83m estimate and 6% higher than the PLN 88m consensus estimate. The main profit drivers in the period included strong fee income and trading income, partly offset by other operating losses and provisions.

Interest income rose only 4% Q/Q to PLN 437m (in line) in spite of higher volumes (loans increased 9% Q/Q thanks mainly to revaluations, and deposits expanded 11%). The interest margin shrunk by 17bps to 3.04% due to upward pressure on financing costs and lower bond margins. Fee income showed strong quarter-on-quarter growth by 22% to PLN 167m (we have yet to learn how). Trading income was even more impressive, soaring from PLN 52m in Q2 to PLN 94m in Q3 (+81% Q/Q) on financial instrument valuation gains, we are guessing swaps (due to rising prices) which were not disclosed under hedge accounting. The net insurance income increased 4% Q/Q to PLN 167m thanks to faster 6% expansion in premiums.

Operating expenses were in line after a 7% Q/Q decrease owed to lower D&A. The cost/income ratio was 26.1%.

At PLN 377m, loan-loss provisions were up 15% Q/Q, more than forecasted. The quarterly cost of risk amounted to 359bps after a 16bps Q/Q increase. Such a strong increase was driven by mortgage loans where provisions surged 25% Q/Q to PLN 256m (68% of total quarterly charge-offs), and cost of risk increased 44bps to 333bps. The overall NPL/loans ratio increased 22bps to 11.1% (including by +68bps to 6.8% in mortgages). The ratio of provisions to NPL improved by 34bps to 66.7% thanks to the higher mortgage provisions (+3.4ppts to 50.0%).

The standalone solvency ratio of Getin Noble Bank improved by 35bps to 10.2%. At the same time, the bank's standalone Tier-1 ratio decreased by 22bps to 9.6%.

Summing up, while higher than expected, Getin Holding's Q3 2011 earnings were owed largely to one-time gains. Moreover, we are concerned about the bank's mortgage portfolio situation.

(I. Rokicka)

Reported vs. forecasted Q3 2011 results

(PLN m)	3Q11	2Q11	Q/Q	3Q10	Y/Y	3Q11F	Differ.
Interest income	437	421	4%	322	36%	432	1%
Fee income	167	137	22%	138	21%	141	19%
Net trading and insurance income	260	210	24%	148	76%	208	25%
Income from banking operations	865	768	13%	608	42%	780	11%
Other net operating income/expenses	-41	754	+/-	-34	21%	18	n.m.
Total income	824	1 522	-46%	575	43%	798	3%
Payroll expenses	-135	-128	6%	-98	38%	-125	8%
D&A expenses	-11	-47	-76%	-16	-33%	-20	-45%
Other administrative expenses	-151	-146	4%	-115	31%	-150	1%
Total costs	-298	-321	-7%	-230	29%	-295	1%
Operating income before provisions	526	1 201	-56%	344	53%	503	5%
Provisions	-377	-328	15%	-260	45%	-357	6%
Equity in profits/losses of associates	7	-3	+/-	-3	n.m.	0	n.m.
Pre-tax profit	156	870	-82%	81	93%	146	7%
Tax	-40	-68	-41%	-19	114%	-31	29%
Minority interests	-23	-70	-67%	-9	150%	-27	-15%
Net profit	94	732	-87%	53	76%	88	6%
Net loans	43 816	40 149	9%	31 776	38%	43 361	1%
Total assets	60 138	55 013	9%	42 483	42%	60 660	-1%
Deposits	47 833	43 159	11%	34 735	38%	47 906	0%
Equity	5 554	5 358	4%	4 112	35%	5 446	2%

Source: Getin Holding, F - forecasts by BRE Bank Securities

Agora

Buy - 14/09/11

Target price: PLN 19.0

Agora cuts ad market forecast again

Agora reported weaker-than-expected earnings results for Q3 2011, moreover, it lowered its expectations as to advertising market growth from 3-5% to 2-4%, revised the expected slowdown in the newspaper market from 7-9% to 9-12%, and raised the expected shrinkage in the magazine market from 1-3% to 4-6%.

Newspapers and magazines were the main reason behind the weak Q3 results. The EBITDA of the newspaper segment fell from PLN 37.1m in Q3'10 to PLN 25.8m (i.e. by 30.5%), and the EBITDA of the newspaper segment dropped from PLN 4.4m to PLN 2.9m (-34.1% y/y). In the radio segment, a 31.1% y/y surge in ad revenues was accompanied by EBITDA shrinkage from PLN 1.0m to PLN 0.3m. This deterioration was not compensated for by the other segments. The cinema segment improved EBITDA from PLN -0.1m to PLN 7.5m, the online segment saw growth from PLN 2.1m to PLN 2.8m, and the outdoor segment increased EBITDA from PLN 3.7m to PLN 5.5m.

The consolidated advertising revenues exceeded expectations by rising 2.9% rather than declining 0.1%, thanks mainly to radio.

Agora incurred financial expenses of PLN 0.3m in Q3 in spite of a high cash position; we expected a PLN 0.4m gain.

The only highlight of Agora's third-quarter performance was a strong operating cash flow which amounted to PLN 51.3m vs. PLN 36.2m in Q3 2010, resulting in a PLN 97.1m net cash position achieved despite a dividend payout.

(P. Grzybowski)

Reported vs. forecasted Q3 2011 results

(PLN m)	3Q2011	3Q2010	change	3Q2011F	differ.	2011F	2010	change
Revenue	283.6	246.6	15.0%	283.7	0.0%	1 237.4	1 116.7	10.8%
EBITDA	30.3	34.5	-12.2%	34.9	-13.1%	164.7	167.3	-1.5%
margin	10.7%	14.0%	-	12.3%		13.3%	15.0%	-11.2%
EBIT	7.9	13.8	-42.8%	9.7	-18.4%	76.9	84.9	-9.4%
Pre-tax profit	7.5	14.5	-48.3%	10.3	-27.0%	72.6	87.9	-17.4%
Net profit	5.4	12.0	-55.0%	8.3	-34.8%	57.3	71.9	-20.4%

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

TVN

Reduce - 06/09/11

Target price: PLN 12.25

TVN posts in-line Q3 results

TVN reported in-line Q3 2011 EBIT and a slightly higher-than-expected net loss resulting from higher losses on debt revaluations (PLN 336.9m vs. PLN 324.0m forecasted) and a lower tax asset (PLN 18.4m vs. PLN 67.2m forecasted).

The consolidated advertising revenue amounted to PLN 280.1m (+3.8% y/y), compared to our PLN

285.2m estimate. By segment, the DTH 'n' platform posted an in-line decrease in EBITDA from PLN 7.4m in Q3 2010 to PLN 4.9m in Q3 2011. The online segment saw EBITDA growth from PLN 14.5m to PLN 21.2m. In the TV segment, EBITDA showed an unexpected increase from PLN 96.7m to PLN 100.6m (we forecasted a PLN 3.0m drop). Unfortunately, this improvement was offset by an increase in negative intercompany eliminations from PLN 17.2m to PLN 19.2m. It is hard to say whether the growing EBITDA of the TV segment was owed to a winning competitive position, or to factors related to the accounting policy.

Summing up, we have a neutral view on TVN's third-quarter performance. That said, we think the quarter lengthened the distance to achieving the full-year EBITDA target of PLN 670m.

(P. Grzybowski)

Reported vs. forecasted Q3 2011 results

(PLN m)	3Q2011	3Q2010	change	3Q2011F	differ.	2011F	2010	change
Revenue	566.0	533.8	6.0%	569.2	-0.6%	2 664.5	2 490.7	7.0%
EBITDA	107.0	100.8	6.1%	107.8	-0.8%	677.0	610.7	10.9%
margin	18.9%	18.9%	-	18.9%	-	25.4%	24.5%	-
EBIT	40.1	43.6	-8.0%	41.8	-4.0%	415.1	363.8	14.1%
Pre-tax profit	-375.6	75.3	-599.1%	-353.6	6.2%	71.0	118.3	-40.0%
Net profit	-357.2	61.0	-686.0%	-286.5	24.7%	41.9	42.8	-2.0%

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

Sygnity

Rating confidential
Until 10/11/11 ***

Ahead of expectations

Sygnity reported better-than-expected Q3 results in spite of increased employee bonus allowances which amounted to PLN 4.7m (we estimated the combined bonus and stock option allowances at PLN 4.0m). The quarterly net profit was supported by a PLN 3.2m tax asset. In turn, EBIT was helped by continued decrease in D&A expenses from PLN 4.0m in Q3 to PLN 3.1m in Q3.

Sales proved much stronger than predicted at PLN 129.2m, beating our PLN 114.9m estimate and the PLN 115.5m consensus. The gross margin amounted to an impressive 20.2% vs. 16.9% forecasted. Accordingly, there was an increase in SG&A expenses from PLN 15.7m in Q2 to PLN 24.6m in Q3, more than our expected PLN 20.1m (the difference was probably partly due to our lower allowance estimates and partly to a high gross profit). Other operating expenses were in line at PLN 0.3m vs. PLN 0.2m, and EBIT came in at PLN 1.4m.

Financing expenses were PLN 0.7m (vs. PLN 1.0m forecasted) after continued decline.

Q3 2011 net debt stood at just PLN 11.0m, which is impressive given that Sygnity repurchased 2.5% of its treasury stock during the period. The Q3 2011 operating cash flow was PLN 10.8m vs. PLN -3.7m a year earlier.

Finally, Sygnity announced that its order backlog had exceeded PLN 500m, suggesting that 2011 revenue may exceed last year's PLN 524m figure. We believe Sygnity can easily achieve our EBIT forecast for the year, although EBITDA may be under pressure from decreasing amortization. An annual profit of PLN 10m is becoming increasingly probable. (P. Grzybowski)

Reported vs. forecasted Q3 2011 results

(PLN m)	3Q2011	3Q2010	change	3Q2011F	differ.	Consensus	differ.	2011F	2010	change
Revenue	129.2	122.2	5.7%	114.9	12.5%	115.5	11.9%	552.0	524.0	5.3%
EBITDA	4.4	-2.2	-302.7%	3.1	45.1%	3.0	48.1%	37.2	-7.5	-596.2%
margin	3.4%	-1.8%	-	2.7%		2.6%		6.7%	-1.4%	-
EBIT	1.4	-8.5	-116.1%	-1.0	-238.0%	-0.7	-294.7%	16.7	-34.3	-148.6%
Pre-tax profit	0.6	-11.7	-105.0%	-2.0	-129.5%			7.4	-43.8	-116.9%
Net profit	1.3	-12.4	-110.3%	0.2	501.8%	0.1	1178.0%	3.8	-42.8	-108.9%

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

Polimex Mostostal

Buy - 11/08/11

Target price: PLN 2.59

Weak Q3 2011 results

Polimex reported an in-line Q3 2011 net profit helped by one-time events. The gross margin was only 4.6% (vs. 6.9% in Q2). We suspect production saw improvement in the third quarter, while other segment saw deterioration (with losses incurred in construction and roads & railroads). EBIT came in at PLN 14.8m, but it would have been a loss had it not been for FX gains and financial instrument revaluations (PLN 25.7m). Cash flow was a negative PLN 42.6m (we expected zero cash flow). For an unclear reason, SG&A expenses unexpectedly showed a q/q drop by PLN 5.9m to PLN 40.8m (we are guessing this may have been an effect of stock option allowance reversals and savings achieved on subsidiary integration).

Reported vs. forecasted Q3 2011 results

(PLN m)	3Q 2011	3Q 2011F	differ.	3Q 2011C	differ.	3Q 2010	change
Revenue	1 362.0	1 241.6	9.7%	1 251.0	8.9%	1 172.5	16.2%
Gross profit	63.3	93.7	-32.5%	-	-	104.8	-39.6%
%	4.6%	7.6%	-	-	-	8.9%	-
EBIT	14.8	35.8	-58.6%	33.2	-55.3%	46.4	-68.1%
%	1.1%	2.9%	-	2.7%	-	4.0%	-
Pre-tax profit	21.9	18.9	15.9%	-	-	28.7	-23.9%
Net profit	15.0	15.3	-1.8%	13.3	12.7%	17.3	-13.4%
%	1.1%	1.2%	-	1.1%	-	1.5%	-

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

Q3 2011 results by operating segment (PLN m)

Segment	Q3 2011	H1 2011
Production	179.4	325.4
Roads & Railroads	485.3	563.2
Construction	296.2	423.9
Power Engineering	269.6	532.6
Chemical Plant Engineering	107.6	226.5
Other	23.8	34.2
Eliminations		
Total	1362.0	2105.9

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

Polimex has a much better outlook for Q4 2011 and 2012, provided by:

- reversals of some of the undisclosed provisions recognized in Q3 2011 in connection with Libyan contracts (Polimex says Libya will use its USD 172bn foreign reserves to rebuild itself)
- expected improvement in road contract fees assuming the road authority grants Polimex's claims (the budgets were lowered in Q2 and Q3 2011)
- a successful production business
- a 2012 order backlog which is already worth PLN 4.1bn and rising.

We believe Polimex can achieve our 2011 full-year earnings estimate of Pln 65-75m.

(M. Stokłosa)

Order backlog by year (PLN bn)

	2011	2012	2013	2013+	Total
Signed contracts	1.2	4.1	2.0	1.1	8.4
Contracts about to be signed	0.0	0.1	0.2		0.3

Source: Polimex Mostostal

Rafako

Accumulate - 05/07/11

Target price: PLN 12.8

Rafako wows in Q3

Rafako reported phenomenal results for the third quarter of 2011, with net profit at a stellar PLN 31.3m. The highlights included: a) a strong gross margin (16.6% vs. 9.2% forecasted) achieved on core operations (there was an increase in contract provisions by PLN 10.2m in the period); b) exceptionally strong OCF of PLN 192.1m; c) a net cash position of PLN 450.9m as of 30 September (Rafako's market cap is PLN 603.4m).

We believe Rafako owes the stellar results to a conservative accounting policy and recognition of full contract profits only after completion.

The strong Q3 performance may lead to upward revisions to full-year estimates. The company is currently trading at P/E 10.9, and it has tremendous growth potential. International engineering companies are priced at 2011 P/E ~15. Cash estimates will probably be revised upward, although we are not sure that the company can maintain the PLN 450.9m balance in Q4.

Reported vs. forecasted Q3 2011 results

(PLN m)	3Q 2011	3Q 2011F	differ.	2011C	differ.	3Q 2011	change
Revenue	313.0	322.5	-2.9%	280.0	11.8%	286.2	9.4%
Gross profit	52.0	29.7	75.2%	-	-	43.9	18.4%
%	16.6%	9.2%	-	-	-	15.3%	-
EBIT	31.6	7.8	302.7%	18.0	75.4%	8.8	258.6%
%	10.1%	2.4%	-	6.4%	-	3.1%	-
Pre-tax profit	39.6	16.5	140.1%	-	-	12.5	216.1%
Net profit	31.3	13.1	138.3%	14.0	123.4%	9.8	219.2%
%	10.0%	4.1%	-	5.0%	-	3.4%	-

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

Other Q3 2011 results included:

- SG&A expenses of PLN 20.8m (we forecasted PLN 20.7m)
 - other operating income of PLN 0.4m
 - other financial income of PLN 8.1m (incl. PLN 3.7m interest, PLN 2.3m FX and valuation gains, PLN 2.2m from securities sales)
 - good performance of subsidiaries FPM and Palserwis (minority interests at PLN 0.65m).
- (M. Stokłosa)

Q3 2011 changes in provisions (PLN m)

Provisions	Q3 2011	Q2 2011	change
Building contract losses	2.5	2.4	0.0
Employee benefits	21.8	21.8	0.0
Paid vacation	2.5	3.6	-1.1
Warranty repairs	7.8	6.0	1.8
Delays	95.2	85.0	10.2
Bonuses	15.2	11.9	3.2

Source: Rafako, F - forecasts by BRE Bank Securities

J.W. Construction

Hold - 03/11/11

Target price: PLN 7.6

Lower margin offset by lower financial expenses

On in-line revenue (PLN 71.5m vs. PLN 70.7m forecasted), JWC generated a gross profit of PLN 19.2m. The gross margin contracted versus the 30% recorded in H1 2011. SG&A expenses were reduced more than expected, by 10.2% q/q (flat on y/y basis). Property revaluation gains were PLN 2.7m higher than forecasted (PLN 7.7m vs. PLN 5.0m). Other operating expenses amounted to PLN 2.1m. EBIT fell 11% short of our estimate and 17% short of consensus at PLN 10.2m. What surprised is was that, on slightly higher debt, financing costs decreased 18.5% q/q to PLN 8.2m, and financing gains were high at PLN 4.2m vs. PLN 1.6m in Q2 2011. As a result, JWC posted quarterly financial expenses of PLN 4.0m in Q3 vs. figures ranging between PLN 8.0m and PLN 9.9m in the four preceding quarters. We do not think such low financial expenses are sustainable in the long term, so we have a neutral view on JWC's Q3 2011 results despite a higher-than-expected net profit (PLN 5.3m reported vs. PLN 1.3m forecasted). (P. Zybala)

Reported vs. forecasted Q3 2011 results

(PLN m)	Q3 2011	Q3 2011F	differ.	Consensus	differ.	Q3 2010	change
Revenues	71.5	70.7	1.1%	72.4	-1.2%	216.3	-66.9%
Gross profit	19.2	21.9	-12.3%	-	-	68.0	-71.8%
Margin %	26.8%	30.9%	-	-	-	31.5%	-
EBIT	10.2	11.5	-11.2%	12.3	-16.8%	54.6	-81.3%
Margin %	14.3%	16.3%	-	17.0%	-	25.2%	-
Pre-tax profit	6.2	1.6	286.9%	-	-	44.7	-86.0%
Margin %	8.7%	2.3%	-	-	-	20.7%	-
Net profit	5.3	1.3	305.5%	2.8	89.4%	35.8	-85.2%
Margin %	7.4%	1.8%	-	3.9%	-	16.6%	-

Source: J.W. Construction, F - forecasts by BRE Bank Securities; Consensus estimates by PAP

Robyg

Buy - 03/11/11

Target price: PLN 1.84

Q3 2011 below expectations

Robyg's Q3 2011 results deteriorated relative to Q2 2011. The main reason was a smaller housing inventory which at 30 June included only 77 units. These last units are offered at considerable discounts, as reflected in the Q3 2011 margin of 15% (we expected 17.8%). Margins shrunk on all of Robyg's residential projects. A q/q increase was recorded only on a construction contract. SG&A increased 21% q/q, other operating income was zero (we expected PLN 0.2m expenses), and

valuation gains amounted to PLN 5.3m (we expected PLN 5.0m). Financial expenses increased in line with predictions to PLN 4.6m (FX/ losses and loan interest rates) from PLN 1.6m in Q2. Financial gains were PLN 0.5m higher than in the quarter before (interest income) at PLN 2.2m. All told, due to lower profit margins and higher costs, Robyg's Q3 2011 bottom line was a PLN 1.1m loss contrary to expectations of a small profit. (P. Zybała)

Q3 margins and profits by project

Project	Actuals			Forecasts		
	Revenue	Gross profit	Margin %	Revenue	Gross profit	Margin %
NRKM	6.0	0.8	14.1%	7.1	1.3	18.2%
Osiedle Zdrowa	4.2	0.8	18.9%	3.0	0.5	16.4%
City Apartments	4.6	0.4	8.3%	7.0	1.1	15.8%
Lawendowe Wzgórza	2.7	0.6	20.5%	2.2	0.7	31.0%
Słoneczna Morena	4.8	0.8	17.4%	3.9	0.8	21.0%
Osiedle Kameralne (construction contract)	2.6	0.3	12.1%	2.6	0.2	8.0%
Total	25.0	3.7	15.0%	25.8	4.6	17.8%

Source: Robyg, forecasts by BRE Bank Securities

Reported vs. forecasted Q3 2011 results

(PLN m)	Q3 2011	Q3 2011F	differ.	Q3 2010	change
Revenue	25.3	25.8	-2.2%	50.7	-50.1%
Gross profit	3.4	4.6	-27.0%	11.8	-71.4%
Margin %	13.3%	17.8%	-	23.2%	-
EBIT	1.7	3.3	-48.8%	8.0	-79.1%
Margin %	6.6%	12.6%	-	15.8%	-
Pre-tax profit	-0.8	0.5	-	7.8	-
Margin %	-3.1%	1.8%	-	15.3%	-
Net profit	-1.1	0.3	-	4.6	-
Margin %	-4.5%	1.1%	-	9.1%	-

Source: Robyg, F - forecasts by BRE Bank Securities

Eurocash

Rating confidential
Until 10/11/11 ***

Eurocash posts in-line Q3 2011 results, strong cash flows

Eurocash's Q3 2011 results came in line with expectations, with sales 0.8% higher and EBITDA and net profit 2.4% and 2.9% higher than our estimates. There was a 24.1% increase in sales vs. Q3 2010, driven by the acquisition of Premium Distributors (August 2010) and Polcater (March 2011), as well as stronger generated by Cash&Carry stores (+21% y/y), Delikatesy Centrum stores (+20.5% y/y), and KDWT (12.4% y/y). The 45.5% y/y sales growth reported by Premium Distributors was owed to a lower year-ago base when the company's earnings was consolidated for only two months. Cash&Carry and Delikatesy Centrum chains generated LFLF sales growth by 14.99% and 7.9% respectively (and 11.07% and 8.2% on a YTD basis). Q3 2011 EBITDA increased 14.1% y/y to PLN 65.64m, the EBITDA margin narrowed by 0.21ppt, due probably to sales support efforts at Cash&Carry and Delikatesy Centrum. Financing expenses were PLN 6.5m (vs. PLN 2.7m forecasted), incurred on debt service related to acquisitions. the effective tax rate was lower than in Q3 2010. The Q3 2011 net profit was 8.2% higher than a year earlier at PLN 36.52m. The quarterly cash flow was a positive PLN 13.17m vs. negative CF of PLN 25.9m generated a year earlier. OCF totaled PLN 99.2m (over 5 times more than in Q3 2010), provided mainly by changes in working capital (a PLN 79.5m q/q drop in inventories). Cash flow from financing activities was a negative PLN 77.6m after PLN 18.6m debt payments and PLN 50.7m dividend. Net debt at 30 September was lower than in Q2 at PLN 143.6m. Summing up, Eurocash's Q3 2010 results were in line with expectations except for stronger-than-expected operating cash flow. (G. Borowska)

Reported vs. forecasted Q3 2011 results

(PLN m)	Y/Y change			Our forecasts		Consensus	
	3Q2011	3Q2010	change	3Q2011F	differ.	3Q2011C	differ.
Revenue	2 716.6	2 189.2	24.1%	2 694.0	0.8%	2 677.0	1.5%
EBITDA	65.6	57.5	14.1%	64.1	2.4%	66.0	-0.5%
Margin %	2.42%	2.63%	-	2.38%	-	2.47%	-
EBIT	47.7	41.5	14.9%	46.4	2.8%	49.3	-3.3%
Pre-tax profit	40.8	38.6	5.6%	40.7	0.1%	-	-
Net profit	36.5	33.8	8.2%	35.5	2.9%	37.9	-3.7%

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

Sales by segment

(PLN m)	3Q2011	3Q2010	change
Cash&Carry	1 065.3	880.2	21.0%
Delikatesy Centrum	349.7	290.3	20.5%
KDWT	740.9	659.3	12.4%
Eurocash Dystrybucja	113.9	108.7	4.8%
Premium Distributors	510.4	350.9	-
Other	80.6	22.5	258.5%
Eliminations	-144.1	-122.6	-
Total	2 716.6	2 189.2	24.1%

Sales network

(stores at end of period)	3Q2011	3Q2010	change
Cash&Carry	130.0	124.0	4.8%
ABC	4 390.0	3 864.0	13.6%
Delikatesy Centrum	605.0	523.0	15.7%

Cash flows

(PLN m)	3Q2011	3Q2010	change
Operating cash flow		18.7	430.0%
Cash flow from investing activities	-8.4	-346.5	-97.6%
Cash flow from financing activities	-77.6	301.9	-125.7%
Total cash flow	13.2	-25.9	-150.9%
Cash	219.7	161.5	36.1%

Source: Eurocash

More News

Amrest	The Financial Supervision Authority approved Amrest's prospectus for 1,048,000 class "7" shares and 1,223,590 class 8 shares.
Bomi	Bomi generated sales revenue of PLN 303m in Q3, 2.9% less than a year earlier. Retail sales fell 12.3% to PLN 156m, distribution and franchise was up 7.1% to PLN 174m.
Calatrava Capital	Q3 2011 net profit was PLN 6.99m on PLN 1.6m revenue compared to Q3 2010 net profit of PLN 17.5m on PLN 11.66m revenue.
CEZ	CEZ's net profit for 9M 2011 is CZK 26.4bn, down 34.2% y/y. The company reiterated its 2011 guidance. 9M 2011 EBITDA was down 6.9% to CZK 62.4bn, and EBIT fell 12.7% to CZK 43.5bn.
Comarch	Comarch landed a PLN 8.5m software development contract.
DGA	DGA is planning a buyback and expects better results in Q4.
Market	Following quarterly revisions, after the 16 December 2011 trading session, the composition of the WIG 20 index will remain unchanged, but new additions to the mWIG40 index will be Azoty Tarnów, Cormay, Inter Cars, and Midas.
WSE	WSE is planning to fund the 80.33% TGE acquisition through a bond issue on the Catalyst market in excess of PLN 180m.
Impel	Impel expects steady 2012 earnings, plans small acquisitions. The company hopes its division will be finalized by January 2012, and Vantage Development will be floated on WSE early next year.
Impexmetal	Impexmetal expects sales volume growth in 2012. In 2-3, the company may make investment allowing to save electricity. Impexmetal hopes to launch new capacity at the HAK aluminum mill, increasing the annual capacity by 5-6kt.
Infovide-Matrix	Infovide-Matrix's 2011 order backlog including completed orders is currently PLN 119.2m, PLN 2.4m more than in the same period in 2010. Infovide-Matrix may sell subsidiary one2tribe next year. The company is looking for acquisition targets.

Intercars	Q3 results Actual Consensus differ. ----- net profit 34.3 30.5 12% EBIT 49.2 46.6 6% revenue 728.2 754.3 -3%
LPP	LPP is working on a new brand set for launch in spring 2013. LPP will spend up to PLN 120m on new stores in 2012.
Makarony Polskie	Makarony Polskie will post a profit in Q4, but 2011 will end in the red.
Media	The Polish ad market increased 4.3% in 9M 2011.
Midas	Zygmunt Solorz-Żak announced changes at Polkomtel, says it may be merged with Aero2 and Midas.
Netia	Netia completed a buyback program, purchasing 9,775,000 shares (2.5% of votes) for PLN 49.5m (PLN 5.07 a share on average).
Neuca	Q3 2011 revenue amounted to PLN 1.48bn, with net profit at PLN 9.4m. EBIT was PLN 15.8m. The company reiterated its 2011 guidance.
Partex	Partex slashed 2011 bottom-line target from PLN 1.2m profit to PLN 800,000 loss. Revenue is estimated at PLN 7m, reduced from PLN 10m.
Pekaes	Pekaes's Management recommend payment of dividends from 2011 earnings.
Ronson	Ronson Europe estimates Q4 2011 revenue at PLN 45m, to be achieved on 50 residential units. The fourth quarter will be the best in terms of sales and margins.
Telecoms	PTC expects market growth between 0% and 2% in 2011 and 2012, says its own growth will be faster than Plus and Orange.
Telecoms, Hawe	Polska Telefonia Cyfrowa says a new four-year strategy will be finalized by the end of the year. One objective would be development of a fiber optic network for state-of-the-art TV services. PTC may make acquisitions only if they bring in infrastructure.
TMS Brokers	Nabbe Investments is requesting investors to tender 3,354,032 shares of TMS Brokers representing 95% of votes at PLN 56 a share.

Insider Trading and Fund Activity

Alchemia	Alchemia repurchased 9786 treasury shares for an avg. PLN 5.40 a share.
Gant	Gant repurchased 2700 treasury shares for an avg. PLN 7.58 a share.
Mediatel	Pekao OFE reduced equity interests to 4.57% from 5.04%.



Corporate Action Calendar

Thursday /10.11.11/

AGORA	Q3 2011 report.
ASSECO POLAND	Q3 2011 report.
ASTARTA	Q3 2011 report.
CIECH	Q3 2011 report.
ENEA	EGM re: appointment of employee representative to the Supervisory Board.
EUROCASH	Q3 2011 report.
GTC	Q3 2011 report.
KGHM	Q3 2011 report.
KREDYT BANK	Q3 2011 report.
NG2	Q3 2011 report.
PGNiG	Q3 2011 report.
POLIMEX MOSTOSTAL	Q3 2011 report.
ROBYG	Q3 2011 report.
TVN	Q3 2011 report.

Monday /14.11.11/

ABPL	1Q1 2012 report.
BBi DEVELOPMENT	Q3 2011 report.
CERSANIT	Q3 2011 report.
COMARCH	Q3 2011 report.
CYFROWY POLSAT	Q3 2011 report.
ECHO INVESTMNENT	Q3 2011 report.
ELEKTROBUDOWA	Q3 2011 report.
ENEA	Q3 2011 report.
ERBUD	Q3 2011 report.
FAMUR	Q3 2011 report.
JSW	Q3 2011 report.
KERNEL	1Q 2011/2012 report.
KOPEX	Q3 2011 report.
MOSTOSTAL WAR.	Q3 2011 report.
PBG	Q3 2011 report.
PEKAO	Q3 2011 report.
PGE	Q3 2011 report.
POLNORD	Q3 2011 report.
TRAKCJA POLSKA	Q3 2011 report.
ULMA CP	Q3 2011 report.
VISTULA	Q3 2011 report.
ZA PUŁAWY	1Q 2011/2012 report.
ZCH POLICE	Q3 2011 report.
ZUE	Q3 2011 report.

Tuesday /15.11.11/

CINEMA CITY	Q3 2011 report.
TVN	EGM re: Carve-out and transfer of Sales and Marketing operations to subsidiary Highgate Capital Investments.
UNIBEP	Q3 2011 report.

Economic Calendar

Thursday /10.11.11/

Time	Region	Report	Period	Forecast	Previous
0:50	Japan	M3 money supply	September		2.3% y/y
4:00	China	Industrial production	October	13.45% y/y	13.8% y/y
4:00	China	Retail sales	October	17.8% y/y	17.7% y/y
7:00	Japan	Consumer Confidence Index	October	39.0	38.6
7:30	France	CPI harmonized	October		0.6% m/m; 2.4% y/y
7:30	France	CPI	October	0.15% m/m; 2.35% y/y	-0.1% m/m; 2.2% y/y
8:00	Germany	CPI harmonized	October		0.2% m/m; 2.9% y/y
8:00	Germany	CPI	October	0.0% m/m; 2.5% y/y	0.1% m/m; 2.6% y/y
8:00	Germany	Wholesale price index	October		0.3% m/m; 5.7% y/y
8:45	France	Industrial production	September	-1.5% m/m; 3.2% y/y	0.5% m/m; 3.5% y/y
8:45	France	Manufacturing production	September		0.7% m/m; 4.2% y/y
13:00	UK	Interest rate		0.5%	0.5%
14:30	USA	Exports	October		0.4% m/m; 9.5% y/y
14:30	USA	Exports	September		177.61bn
14:30	USA	Imports	September		223.22bn
14:30	USA	Import price index	October	-0.15% m/m; 11.8% y/y	0.3% m/m; 13.4% y/y
14:30	USA	Trade balance	September	-45.6bn	-45.61bn
20:00	USA	Government budget	October		-64.6bn

Friday /11.11.11/

Time	Region	Report	Period	Forecast	Previous
1:50	Japan	Corporate goods price index	October	-0.5% m/m; 1.05% y/y	-0.1% m/m; 2.5% y/y
10:30	UK	Core PPI input	October		0.8% m/m; 13.3% y/y
10:30	UK	Core PPI output	October	0.15% m/m; 3.65% y/y	0.3% m/m; 3.8% y/y
10:30	UK	PPI input	October	0.0% m/m; 14.8% y/y	1.7% m/m; 17.5% y/y
10:30	UK	PPI output	October	0.17% m/m; 5.9% y/y	0.3% m/m; 6.3% y/y
15:55	USA	University of Michigan Consumer Confidence Index	November	62.75	60.9
	Poland	WSE closed for a national holiday			

Monday /14.11.11/

Time	Region	Report	Period	Forecast	Previous
8:45	France	Capital account balance	September		0.1bn
8:45	France	Current account balance	September		-2.9bn
8:45	France	Exports	September		37.42bn
8:45	France	Financial account balance	September		25.3bn
8:45	France	Imports	September		42.39bn
8:45	France	Trade balance	September		-4.97bn
11:00	EU	Industrial production	September		1.2% m/m; 5.3% y/y
14:00	Poland	M3 money supply	October		1.62% m/m; 10.13% y/y

Tuesday /15.11.11/

Time	Region	Report	Period	Forecast	Previous
8:00	Germany	GDP	3Q		0.1% q/q; 2.8% y/y
10:30	UK	Core CPI	October		3.7% y/y
10:30	UK	CPI	October		0.7% m/m; 5.2% y/y
10:30	UK	House prices	September		-1.3% y/y
10:30	UK	RPI	October		0.8% m/m; 5.6% y/y
11:00	EU	Exports	September		137.8bn
11:00	EU	GDP	3Q		0.2% q/q; 1.6% y/y
11:00	EU	Imports	September		141.2bn
11:00	EU	Trade balance	September		-3.4bn
11:00	Germany	ZEW current situation	November		38.4
11:00	EU	ZEW current situation	November		-31.7
11:00	Germany	ZEW economic sentiment	November		-48.3
11:00	EU	ZEW economic sentiment	November		-51.2
14:00	Poland	Capital account balance	September		0.39bn
14:00	Poland	CPI	October		0.1% m/m; 3.9% y/y
14:00	Poland	Current account balance	September		-1.73bn
14:00	Poland	Financial account balance	September		0.85bn
14:30	USA	Empire State Manufacturing index	November		-8.48
14:30	USA	Core PPI	October		0.2% m/m
14:30	USA	PPI	October		0.8% m/m; 6.9% y/y
14:30	USA	Retail sales	October		1.1% m/m; 7.9% y/y
14:30	USA	Retail sales less autos	October		0.6% m/m; 7.0% y/y
16:00	USA	Business inventories	September		0.5% m/m; 10.5% y/y
		Quarterly earnings announcements from Home Depot, Vivendi, Wal-Mart before US market open.			
		Quarterly earnings announcement from Dell after US market close			

Wednesday /16.11.11/

Time	Region	Report	Period	Forecast	Previous
10:30	UK	Unemployment rate	September		8.1%
11:00	EU	Core CPI	October		1.6% y/y
11:00	EU	CPI	October		0.8% m/m; 3.0% y/y
14:30	USA	Core CPI	October		0.1% m/m; 2.0% y/y
14:30	USA	CPI	October		0.3% m/m; 3.9% y/y
15:00	USA	TIC net long-term flows	September		57.9bn
15:00	USA	TIC net flows	September		89.6bn
15:15	USA	Capacity utilization	October		77.4% m/m
15:15	USA	Industrial production	October		0.2% m/m; 3.2% y/y
		Quarterly earnings announcement from Target before US market open.			

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	Hold	2011-09-05	8.65	9.30	7.70	20.8%	5.7	8.8		
HANDLOWY	Hold	2011-10-06	69.45	72.00	67.20	7.1%	13.0	12.1		
ING BSK	Buy	2011-09-05	731.50	900.00	775.00	16.1%	11.2	10.2		
KREDYT BANK	Confidential until	2011-11-10	-	-	12.73	-	-	-		
MILLENNIUM	Hold	2011-09-05	4.49	4.80	4.10	17.1%	10.6	9.7		
PEKAO	Confidential until	2011-11-10	-	-	140.20	-	-	-		
PKO BP	Buy	2011-09-05	34.54	41.00	33.85	21.1%	10.9	10.3		
Insurance										
PZU	Hold	2011-06-03	391.00	364.00	321.00	13.4%	11.1	10.2		
Financial services										
KRUK	Buy	2011-06-22	39.70	53.00	42.00	26.2%	11.2	9.7		
Fuels, chemicals										
CIECH	Buy	2011-07-21	19.90	27.70	13.50	105.2%	55.4	6.8	4.3	3.5
LOTOS	Confidential until	2011-11-16	-	-	28.00	-	-	-	-	-
PGNiG	Hold	2011-09-06	4.00	4.29	4.05	5.9%	16.7	10.7	9.7	5.3
PKN ORLEN	Accumulate	2011-08-22	34.81	41.60	39.95	4.1%	7.7	10.4	5.0	6.2
POLICE	Reduce	2011-09-06	11.20	9.70	11.11	-12.7%	9.6	17.3	6.2	7.9
ZA PULAWY	Hold	2011-09-26	85.00	89.20	90.80	-1.8%	9.8	9.6	5.3	5.0
Power Utilities										
CEZ	Hold	2011-09-06	131.00	134.70	126.00	6.9%	9.0	8.6	6.6	6.3
ENEA	Confidential until	2011-11-10	-	-	18.33	-	-	-	-	-
PGE	Buy	2011-09-06	19.01	27.09	19.36	39.9%	9.0	8.0	4.9	4.7
TAURON	Buy	2011-05-17	6.33	9.09	5.28	72.2%	7.4	6.8	3.4	3.4
Telecommunications										
NETIA	Hold	2011-01-18	5.15	5.40	5.21	3.6%	18.6	14.6	4.3	3.8
TPSA	Confidential until	2011-11-10	-	-	17.54	-	-	-	-	-
Media										
AGORA	Buy	2011-09-14	13.48	19.00	15.19	25.1%	13.5	15.2	4.0	4.0
CINEMA CITY	Buy	2011-10-21	26.80	33.50	28.60	17.1%	15.0	11.5	7.3	5.9
CYFROWY POLSAT	Hold	2011-10-13	15.35	14.80	14.48	2.2%	15.6	12.6	10.3	8.1
TVN	Reduce	2011-09-06	13.09	12.20	11.80	3.4%	96.3	12.0	9.4	7.9
IT										
AB	Buy	2011-10-19	17.70	21.90	19.00	15.3%	7.8	6.8	6.4	5.8
ACTION	Accumulate	2011-10-19	15.00	16.00	17.80	-10.1%	8.5	8.4	6.2	5.9
ASBIS	Buy	2011-08-17	1.72	2.16	1.26	71.4%	11.6	3.7	4.8	3.7
ASSECO POLAND	Buy	2011-05-27	49.60	65.00	47.50	36.8%	9.5	8.7	5.7	5.2
COMARCH	Reduce	2011-10-13	50.25	45.90	50.60	-9.3%	20.5	12.7	8.0	5.5
SYGNITY	Confidential until	2011-11-10	-	-	18.29	-	-	-	-	-
Mining & Metals										
JSW	Buy	2011-08-11	86.00	119.00	89.50	33.0%	6.1	4.5	2.5	1.7
KGHM	Buy	2011-08-12	161.90	191.40	160.20	19.5%	4.3	7.3	2.8	4.4
LW BOGDANKA	Buy	2011-09-09	111.00	131.00	113.00	15.9%	25.2	9.6	10.9	4.9
Manufacturers										
ASTARTA	Hold	2011-10-06	65.70	63.6	62.55	1.7%	5.8	11.0	1.1	1.5
BORYSZEW	Confidential until	2011-11-10	-	-	0.89	-	-	-	-	-
CEDC	Buy	2011-07-21	29.10	36.8	10.10	264.4%	2.9	2.8	7.1	6.2
CENTRUM KLIMA	Buy	2011-07-05	14.60	16.9	9.71	74.0%	8.3	6.7	5.4	4.4
CERSANIT	Buy	2011-10-06	4.52	7.3	4.58	59.4%	20.4	9.0	6.5	5.6
FAMUR	Accumulate	2011-08-18	2.89	3.2	2.55	25.5%	12.0	10.0	6.2	5.1
IMPEXMETAL	Buy	2011-07-29	4.76	6.3	3.75	68.0%	7.3	6.8	5.5	4.8
KERNEL	Buy	2011-08-04	71.20	87.8	65.55	33.9%	7.2	7.7	6.3	5.1
KĘTY	Confidential until	2011-11-14	-	-	98.50	-	-	-	-	-
KOPEX	Buy	2011-09-06	18.20	22.5	17.80	26.4%	12.4	9.1	7.1	5.4
MONDI	Confidential until	2011-11-10	-	-	64.10	-	-	-	-	-
Construction										
BUDIMEX	Buy	2011-10-25	75.05	90.10	75.00	20.1%	8.1	8.0	3.7	4.4
ELEKTROBUDOWA	Buy	2011-10-06	100.00	163.10	98.00	66.4%	9.4	8.3	5.4	4.5
ERBUD	Buy	2011-08-18	17.37	29.80	18.90	57.7%	-	7.0	-	4.5
MOSTOSTAL WAR.	Buy	2011-09-08	20.15	43.70	25.00	74.8%	23.7	10.7	8.1	4.0
PBG	Buy	2011-08-11	101.90	151.00	85.80	76.0%	6.2	5.7	8.3	6.0
POLIMEX MOSTOSTAL	Buy	2011-08-11	1.88	2.59	1.49	73.8%	9.9	6.6	5.3	4.5
RAFAKO	Accumulate	2011-07-05	12.51	12.80	8.67	47.6%	10.7	9.9	5.3	4.7
TRAKCJA TILTRA	Buy	2011-05-20	2.71	3.50	1.66	110.8%	5.3	4.9	4.7	4.0
ULMA CP	Buy	2011-08-04	68.60	91.40	61.50	48.6%	9.5	10.2	3.4	3.6
UNIBEP	Buy	2011-05-20	6.56	9.78	5.63	73.7%	9.8	4.7	8.0	4.8
ZUE	Buy	2011-07-05	9.95	13.20	7.90	67.1%	8.3	7.9	4.9	4.0
Property Developers										
BBi DEVELOPMENT	Buy	2011-03-08	0.44	0.53	0.31	71.0%	16.2	5.0	25.5	9.3
DOM DEVELOPMENT	Buy	2011-11-03	29.40	36.40	32.55	11.8%	11.1	9.3	10.0	8.1
ECHO	Buy	2011-04-05	4.94	6.17	3.50	76.3%	7.5	3.6	8.8	6.3
GTC	Buy	2011-05-27	19.25	23.36	10.11	131.1%	4.6	2.9	8.3	6.8
J.W.C.	Hold	2011-11-03	7.29	7.60	7.15	6.3%	15.1	11.9	13.7	13.3
PA NOVA	Buy	2011-05-17	30.76	37.40	20.00	87.0%	11.4	11.2	11.0	13.9
POLNORD	Buy	2011-11-03	14.43	20.40	15.00	36.0%	5.8	4.9	10.6	13.7
ROBYG	Buy	2011-11-03	1.15	1.84	1.19	54.6%	35.9	4.1	61.5	5.5
Retail/Wholesale										
EUROCASH	Confidential until	2011-11-10	-	-	26.30	-	-	-	-	-
LPP	Confidential until	2011-11-10	-	-	2 139.00	-	-	-	-	-
NFI EMF	Hold	2011-05-27	18.20	19.00	9.40	102.1%	11.2	8.9	5.6	4.7
NG2	Buy	2011-08-04	49.96	64.50	45.00	43.3%	12.0	10.0	8.2	6.8
VISTULA	Hold	2011-03-03	2.10	2.10	0.91	130.8%	9.8	4.8	6.6	5.2

CEE bank valuations /09.11.2011/

	Price	P/E			ROE			P/BV			D/Y		
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH BANKS													
Getin	7.7	13.0	5.7	8.8	10%	20%	11%	1.2	1.0	0.9	0.0%	0.0%	0.0%
Handlowy	67.2	11.6	13.0	12.1	12%	10%	11%	1.4	1.4	1.4	5.6%	8.5%	7.7%
ING BSK	775.0	13.4	11.2	10.2	14%	15%	15%	1.8	1.6	1.4	0.0%	1.9%	3.6%
Kredyt Bank	12.7	18.6	8.8	9.9	7%	13%	11%	1.2	1.1	1.0	0.0%	2.9%	0.0%
Millenium	4.1	14.5	10.6	9.7	9%	11%	11%	1.2	1.1	1.1	0.0%	2.4%	3.8%
Pekao	140.2	14.6	12.9	12.3	13%	14%	14%	1.8	1.7	1.7	2.1%	4.9%	5.8%
PKO BP	33.9	13.2	10.9	10.3	15%	18%	17%	2.0	1.9	1.7	5.6%	5.8%	4.6%
Median		13.4	10.9	10.2	12%	14%	11%	1.4	1.4	1.4	0.0%	2.9%	3.8%
INVESTORS IN POLISH BANKS													
AIB	0.1	-	-	79.0	-	-	-	0.2	0.2	0.2	0.0%	0.0%	0.0%
BCP	0.1	2.2	4.1	3.2	4%	3%	4%	0.1	0.1	0.1	17.3%	6.4%	4.5%
Citigroup	28.9	7.4	7.6	6.2	8%	6%	7%	0.5	0.5	0.4	0.0%	0.1%	1.1%
Commerzbank	1.5	1.7	4.4	3.4	13%	9%	11%	0.2	0.3	0.3	0.0%	0.0%	4.7%
ING	5.5	5.3	3.6	3.8	10%	14%	12%	0.5	0.5	0.4	0.0%	0.0%	5.7%
KBC	13.1	2.8	2.7	2.5	15%	15%	15%	0.4	0.4	0.4	5.9%	5.9%	6.2%
UCI	0.8	9.1	5.9	4.6	2%	4%	4%	0.2	0.2	0.2	4.0%	5.0%	6.2%
Median		4.1	4.3	3.8	9%	8%	9%	0.2	0.3	0.3	0.0%	0.1%	4.7%
FOREIGN BANKS													
BEP	3.0	7.2	9.7	9.0	6%	6%	6%	0.5	0.5	0.5	7.3%	5.6%	5.9%
Deutsche Bank	26.9	5.1	5.4	4.8	7%	10%	10%	0.5	0.5	0.5	2.8%	3.1%	3.7%
Erste Bank	14.6	6.2	24.1	4.8	8%	2%	9%	0.5	0.5	0.4	4.3%	2.6%	5.0%
Komercni B.	3249.0	9.6	10.0	9.0	18%	16%	17%	1.6	1.6	1.5	6.2%	7.3%	8.1%
OTP	2990.0	6.5	6.1	4.7	10%	10%	12%	0.6	0.6	0.5	4.0%	4.5%	7.7%
Santander	5.6	5.7	6.2	5.8	12%	10%	11%	0.6	0.6	0.6	10.4%	10.5%	10.5%
Türkiye Garanti B.	6.4	8.3	8.8	8.2	22%	18%	17%	1.7	1.5	1.3	2.1%	2.2%	2.7%
Türkiye Halk B.	11.3	7.1	7.2	6.7	30%	24%	22%	1.9	1.6	1.4	3.0%	3.0%	3.7%
Sberbank	2.6	11.4	6.5	5.6	18%	25%	24%	1.9	1.5	1.2	0.8%	1.8%	2.4%
VTB Bank	4.7	15.1	10.0	7.5	10.7%	14.8%	16.7%	1.5	1.3	1.1	1.0%	1.5%	2.0%
Median		7.2	8.0	6.2	11%	13%	14%	1.1	1.0	0.9	3.5%	3.1%	4.3%

Insurance company valuations /09.11.2011/


	Price	P/E			ROE			P/BV			D/Y		
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES													
PZU	321.0	11.4	11.1	10.2	20%	19%	19%	2.2	2.0	1.8	49.4%	8.1%	5.4%
FOREIGN COMPANIES													
Vienna Insurance G.	28.3	9.4	8.6	7.9	9%	10%	10%	0.8	0.8	0.8	3.5%	3.9%	4.3%
Uniqa	10.4	21.2	37.7	12.4	5%	3%	9%	1.0	1.1	1.0	3.3%	1.3%	3.3%
Aegon	3.1	3.7	5.8	4.8	10%	6%	7%	0.3	0.4	0.3	0.0%	3.2%	7.0%
Allianz	71.7	6.4	7.0	5.9	12%	10%	12%	0.7	0.7	0.7	6.3%	6.3%	6.9%
Aviva	3.1	5.0	5.7	5.2	16%	11%	13%	0.7	0.7	0.7	8.3%	8.7%	9.2%
AXA	10.1	6.4	4.9	4.9	8%	11%	11%	0.5	0.5	0.5	6.8%	7.4%	8.3%
Baloise	68.5	7.4	8.2	6.7	11%	10%	11%	0.8	0.8	0.7	6.8%	6.6%	6.8%
Generali	54.5	7.7	7.2	6.9	9%	10%	10%	0.7	0.7	0.7	4.8%	7.0%	7.3%
Helvetia	297.5	7.7	7.5	6.8	11%	11%	11%	0.8	0.8	0.7	5.2%	5.7%	6.0%
Mapfre	2.5	8.1	7.7	7.4	14%	14%	13%	1.1	1.1	1.0	6.1%	6.3%	6.6%
RSA Insurance	1.1	9.8	7.5	7.1	12%	15%	15%	1.0	1.0	0.9	8.1%	8.8%	9.2%
Zurich Financial	196.6	7.8	7.4	6.5	12%	11%	13%	0.9	0.9	0.9	8.6%	9.5%	9.9%
Median		7.7	7.4	6.8	11%	11%	11%	0.8	0.8	0.7	6.2%	6.5%	7.0%

Fuels producer valuations /09.11.2011/


	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	28.0	6.6	5.9	5.9	0.5	0.3	0.3	5.4	4.4	8.9	7%	6%	5%	0.0%	0.0%	0.0%
PKN Orlen	40.0	5.0	5.0	6.2	0.3	0.3	0.3	7.2	7.7	10.4	7%	5%	5%	0.0%	0.0%	5.4%
MOL	15695.0	5.6	4.6	4.3	0.7	0.6	0.6	8.6	6.3	5.9	13%	13%	14%	3.2%	4.3%	5.4%
OMV	24.4	3.3	3.2	2.8	0.6	0.4	0.4	6.1	6.5	5.9	18%	13%	15%	4.2%	4.2%	4.5%
Hellenic Petroleum	6.4	8.7	8.7	6.6	0.5	0.4	0.4	10.9	10.0	6.9	6%	5%	6%	6.2%	6.9%	7.3%
Tupras	41.5	6.9	6.0	5.8	0.4	0.2	0.2	12.2	10.6	9.6	5%	4%	4%	6.3%	7.3%	7.7%
Unipetrol	173.0	6.0	6.2	5.6	0.4	0.3	0.3	26.0	22.4	17.8	6%	5%	5%	0.3%	1.3%	2.7%
Median		6.0	5.9	5.8	0.5	0.3	0.3	8.6	7.7	8.9	7%	5%	5%	3.2%	4.2%	5.4%
GAS COMPANIES																
PGNiG	4.1	5.6	9.7	5.3	1.2	1.3	1.1	9.7	16.7	10.7	21%	14%	21%	0.6%	3.0%	2.4%
Gazprom	185.6	4.1	2.9	2.9	1.6	1.2	1.1	4.9	3.3	3.6	40%	40%	39%	1.4%	2.8%	2.7%
GDF Suez	20.1	5.8	5.2	4.8	1.0	1.0	0.9	10.2	10.7	9.7	18%	18%	19%	7.6%	7.8%	8.1%
Gas Natural SDG	12.8	7.0	6.8	6.6	1.7	1.6	1.5	9.9	10.3	9.4	25%	23%	23%	6.3%	6.4%	6.9%
Median		5.7	6.0	5.1	1.4	1.2	1.1	9.8	10.5	9.5	23%	21%	22%	3.8%	4.7%	4.8%

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


Power Utilities company valuations /09.11.2011/

	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	126.0	6.1	6.6	6.3	2.7	2.9	2.8	8.3	9.0	8.6	45%	43%	45%	7.2%	6.9%	6.1%
ENEA	18.3	3.9	3.7	3.7	0.7	0.6	0.6	12.7	10.8	9.1	17%	16%	17%	2.1%	2.2%	2.6%
PGE	19.4	5.4	4.9	4.7	1.8	1.3	1.5	12.0	9.0	8.0	33%	27%	33%	4.4%	3.4%	5.5%
TAURON	5.3	3.5	3.4	3.4	0.6	0.5	0.5	10.8	7.4	6.8	18%	15%	16%	0.1%	2.8%	4.0%
E.ON	16.3	5.0	7.1	6.1	0.8	0.7	0.7	6.1	13.6	9.8	16%	10%	11%	9.2%	6.1%	6.7%
EDF	20.6	4.9	5.4	5.0	1.3	1.3	1.2	11.1	11.3	9.6	26%	23%	24%	5.6%	5.7%	6.0%
Endesa	16.2	5.0	5.2	5.1	1.4	1.2	1.2	7.6	7.9	7.6	28%	23%	23%	6.6%	6.5%	6.6%
ENEL SpA	3.2	5.2	5.1	5.0	1.3	1.2	1.2	6.9	6.8	6.6	25%	24%	24%	8.6%	8.9%	9.1%
Fortum	17.3	8.8	8.0	8.2	3.6	3.4	3.3	10.8	11.0	10.6	41%	42%	40%	5.8%	6.0%	5.9%
Iberdrola	4.8	7.7	7.2	6.7	2.1	1.8	1.8	9.4	9.5	9.0	28%	25%	26%	6.8%	6.9%	7.3%
RWE AG	28.1	3.5	4.2	4.0	0.7	0.7	0.7	4.0	6.5	6.4	19%	16%	17%	12.5%	7.9%	7.9%
Median		5.0	5.2	5.0	1.3	1.2	1.2	9.4	9.0	8.6	26%	23%	24%	6.6%	6.1%	6.1%

Fertilizer producers and chemical company valuations /09.11.2011/


	FERTILIZER PRODUCERS															
	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
POLICE	11.1	13.4	6.2	7.9	0.5	0.4	0.4	30.4	9.6	17.3	4%	7%	6%	0.0%	0.0%	0.0%
ZA Pulawy	90.8	3.8	5.3	5.0	0.6	0.5	0.5	5.9	9.8	9.6	15%	10%	10%	1.1%	5.1%	5.1%
Acron	40.6	9.1	4.9	5.2	2.0	1.4	1.4	12.3	6.1	7.3	22%	30%	26%	1.9%	4.2%	2.9%
Agrium	57.3	7.0	3.8	3.7	1.0	0.6	0.6	11.8	6.2	6.1	14%	17%	17%	0.2%	0.2%	0.2%
DSM	36.3	3.6	3.8	3.8	1.5	1.5	1.5	31.7	29.4	28.6	41%	40%	40%	2.2%	2.3%	2.5%
K+S	44.5	9.7	7.1	6.3	1.8	1.7	1.6	20.0	11.9	10.1	19%	24%	26%	2.1%	3.5%	4.1%
Silv init	28230.0	10.1	8.2	7.4	6.1	5.1	4.6	17.1	12.6	11.2	60%	62%	63%	1.2%	1.4%	1.5%
Uralkali	7.7	-	6.0	4.9	-	5.0	3.6	-	20.1	11.7	-	83%	72%	-	3.3%	5.7%
Yara	260.8	8.1	5.7	6.3	1.3	1.1	1.1	12.3	7.4	8.0	16%	19%	17%	2.3%	2.4%	2.7%
Median		8.6	5.7	5.2	1.4	1.4	1.4	14.7	9.8	10.1	18%	24%	26%	1.6%	2.4%	2.7%
CHEMICAL COMPANIES																
Ciech	13.5	4.8	4.3	3.5	0.5	0.4	0.4	18.5	55.4	6.8	10%	9%	10%	0.0%	0.0%	0.0%
Akzo Nobel	35.8	5.1	5.3	5.2	0.7	0.6	0.6	10.8	11.3	10.9	14%	12%	12%	4.0%	4.1%	4.3%
BASF	50.0	5.4	5.2	5.3	1.0	0.8	0.8	9.1	8.0	8.6	18%	16%	16%	4.3%	4.8%	4.9%
Croda	17.1	11.3	9.5	9.0	2.6	2.4	2.3	18.7	14.4	13.6	23%	25%	26%	2.0%	3.1%	3.3%
Dow Chemical	27.2	7.2	6.2	6.1	1.0	0.9	0.8	14.6	9.7	8.9	14%	14%	14%	2.2%	3.3%	3.8%
Rhodia	31.6	4.9	4.5	4.5	0.8	0.7	0.7	11.9	9.3	9.2	17%	16%	16%	1.3%	2.0%	2.2%
Sisecam	3.2	5.4	4.3	4.0	1.3	1.1	1.0	12.5	8.7	8.3	23%	25%	24%	1.1%	1.5%	2.6%
Soda Sanay ii	3.3	7.4	5.2	5.7	1.3	1.1	1.1	12.5	7.3	9.2	18%	22%	19%	-	2.5%	4.8%
Solvay	68.7	3.6	2.6	1.9	0.5	0.4	0.3	21.9	12.8	9.0	14%	16%	15%	4.4%	4.0%	4.3%
Tata Chemicals	331.9	7.5	7.3	6.2	1.4	1.2	1.1	11.8	11.4	10.2	19%	17%	18%	2.5%	2.7%	2.9%
Tessenderlo Chemie	20.5	4.6	4.0	3.8	0.3	0.4	0.4	26.9	9.0	8.5	8%	9%	10%	6.2%	6.3%	6.4%
Wacker Chemie	70.0	3.1	2.9	2.8	0.8	0.7	0.7	6.9	6.5	6.3	25%	25%	24%	3.3%	4.6%	4.8%
Median		5.3	4.8	4.8	0.9	0.8	0.8	12.5	9.5	9.0	18%	16%	16%	2.5%	3.2%	4.0%

European national operator valuations /09.11.2011/


	TELECOM COMPANIES															
	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	5.2	4.7	4.3	3.8	1.1	1.0	0.9	33.1	18.6	14.6	23%	24%	24%	0.0%	3.7%	5.4%
TPSA	17.5	5.9	4.2	5.0	1.8	1.8	1.9	-	12.1	19.5	30%	42%	38%	8.6%	12.0%	8.6%
Median		5.3	4.3	4.4	1.4	1.4	1.4	33.1	15.3	17.1	27%	33%	31%	4.3%	7.8%	7.0%
MID CAPS																
Belgacom	22.8	4.2	4.8	5.0	1.4	1.4	1.4	9.3	9.7	10.0	33%	29%	29%	9.6%	9.5%	9.5%
Cesky Telecom	393.9	5.0	5.8	6.0	2.3	2.4	2.4	12.3	15.3	14.9	45%	41%	41%	10.0%	9.1%	9.1%
Hellenic Telekom	3.4	3.6	4.1	4.1	1.2	1.4	1.4	4.8	6.2	5.9	34%	33%	34%	4.6%	4.5%	5.8%
Matav	500.0	4.4	4.6	4.6	1.5	1.6	1.6	10.4	11.2	10.6	35%	34%	35%	11.3%	10.1%	10.5%
Portugal Telecom	4.9	5.1	3.3	3.0	2.0	1.2	1.1	11.7	8.4	7.9	39%	36%	35%	12.9%	19.1%	13.6%
Telecom Austria	8.1	4.3	4.6	4.8	1.5	1.6	1.6	11.5	19.9	14.1	35%	34%	33%	9.2%	9.3%	9.3%
Median		4.4	4.6	4.7	1.5	1.5	1.5	11.0	10.5	10.3	35%	34%	34%	10%	9%	9%
BIG CAPS																
BT	1.9	4.5	4.2	4.2	1.2	1.2	1.3	13.2	9.4	8.5	26%	29%	30%	3.6%	3.9%	4.4%
DT	8.8	4.5	4.9	5.5	1.4	1.5	1.8	11.1	12.8	12.2	31%	30%	32%	8.1%	8.0%	8.0%
FT	12.4	4.3	4.5	4.6	1.5	1.5	1.5	6.7	7.9	8.0	34%	33%	33%	11.3%	11.3%	11.4%
KPN	9.4	4.8	5.0	5.1	2.0	2.0	2.0	8.2	7.6	7.4	41%	40%	40%	8.5%	9.0%	9.5%
Swisscom	347.9	5.8	5.9	5.9	2.2	2.3	2.3	9.6	9.4	9.4	39%	40%	40%	6.3%	6.4%	6.7%
TELEFONICA	13.9	4.6	5.4	5.1	2.0	1.9	1.9	8.0	8.5	8.2	43%	35%	37%	10.1%	11.4%	12.6%
TeliaSonera	43.3	6.6	6.7	6.4	2.3	2.4	2.3	9.4	9.9	9.1	35%	35%	36%	5.8%	6.4%	6.9%
TI	0.8	4.3	4.1	4.1	1.8	1.7	1.7	6.8	6.6	6.6	42%	41%	41%	6.8%	8.1%	9.2%
Median		4.5	4.9	5.1	1.9	1.8	1.8	8.8	9.0	8.4	37%	35%	36%	7.4%	8.1%	8.6%

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


IT company valuations /09.11.2011/

	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	19.0	6.7	6.4	5.8	0.1	0.1	0.1	5.9	7.8	6.8	2%	2%	2%	1.7%	1.3%	1.5%
ACTION	17.8	8.1	6.2	5.9	0.2	0.2	0.1	11.7	8.5	8.4	2%	2%	2%	4.6%	2.3%	2.4%
ASBIS	1.3	5.1	4.8	3.7	0.0	0.0	0.0	22.8	11.6	3.7	1%	1%	1%	0.0%	0.0%	0.0%
ASSECO POLAND	47.5	6.5	5.7	5.2	1.4	1.0	0.9	8.9	9.5	8.7	21%	18%	17%	3.1%	3.8%	3.4%
COMARCH	50.6	4.9	8.0	5.5	0.4	0.5	0.4	9.3	20.5	12.7	8%	6%	8%	0.0%	0.0%	0.0%
KOMPUTRONIK	5.2	6.1	4.3	3.3	0.1	0.1	0.1	13.7	7.3	4.9	2%	2%	2%	0.0%	0.0%	2.7%
SYGNITY	18.3	-	6.0	4.7	0.4	0.4	0.3	-	57.1	12.3	-	7%	7%	0.0%	0.0%	0.0%
Median		6.3	6.0	5.2	0.2	0.2	0.1	10.5	9.5	8.4	2%	2%	2%	0.0%	0.0%	1.5%
FOREIGN COMPANIES																
Accenture	56.7	10.6	9.1	8.2	1.7	1.4	1.3	21.6	16.8	14.9	16%	15%	16%	1.8%	1.6%	2.2%
Atos Origin	34.4	4.9	3.7	2.9	0.5	0.4	0.3	12.7	10.9	8.9	10%	10%	10%	0.5%	1.6%	1.9%
CapGemini	27.6	4.6	3.9	3.6	0.4	0.4	0.3	13.2	11.6	10.3	9%	9%	9%	3.2%	3.8%	4.2%
IBM	182.2	10.3	9.3	8.8	2.4	2.3	2.2	15.9	13.7	12.3	24%	24%	25%	1.3%	1.5%	1.6%
Indra Sistemas	11.7	6.9	6.9	6.6	0.9	0.8	0.8	9.1	9.9	9.7	12%	12%	12%	5.6%	5.8%	5.9%
LogicaCMG	0.8	4.6	4.6	4.2	0.4	0.4	0.4	6.5	6.6	6.0	9%	8%	9%	5.1%	5.8%	6.6%
Microsoft	26.2	7.0	6.1	5.8	3.0	2.6	2.5	12.7	10.2	9.2	42%	43%	43%	2.0%	2.2%	2.5%
Oracle	31.6	12.5	9.0	8.3	5.8	4.4	4.1	19.5	14.4	13.1	47%	49%	49%	0.6%	0.6%	0.7%
SAP	43.4	13.3	11.1	10.3	4.4	3.9	3.6	19.9	16.3	14.6	33%	35%	35%	1.3%	1.6%	1.7%
TietoEnator	11.7	5.5	5.0	4.7	0.5	0.5	0.5	10.0	11.7	10.5	10%	10%	11%	4.5%	5.3%	5.7%
Median		7.0	6.5	6.2	1.3	1.1	1.0	12.9	11.6	10.4	14%	14%	14%	1.9%	1.9%	2.4%

Media company valuations /09.11.2011/


																
	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	15.2	4.2	4.0	4.0	0.6	0.5	0.5	10.8	13.5	15.2	15%	13%	12%	3.3%	3.3%	3.3%
CYFROWY POLSAT	14.5	15.4	10.3	8.1	4.2	3.0	2.5	15.0	15.6	12.6	27%	29%	30%	3.9%	0.0%	3.2%
TVN	11.8	10.4	9.4	7.9	2.5	2.4	2.1	-	-	12.0	25%	25%	27%	2.6%	0.0%	0.3%
DAILY																
Arnolgo Mondadori	1.4	4.9	4.8	4.7	0.5	0.5	0.4	6.8	6.2	5.8	9%	9%	10%	11.5%	13.2%	13.2%
Axel Springer	32.6	2.1	1.8	1.8	0.4	0.3	0.3	10.6	11.2	10.9	18%	18%	19%	4.8%	5.0%	5.2%
Daily Mail	4.1	6.6	7.0	6.8	1.2	1.2	1.2	8.7	8.6	8.4	19%	18%	18%	3.7%	4.2%	4.4%
Gruppo Editorial	1.2	4.4	4.1	3.9	0.7	0.7	0.7	9.3	8.3	7.9	17%	18%	18%	6.1%	7.7%	8.2%
Mcclatchy	1.3	5.3	5.9	6.5	1.5	1.6	1.6	2.0	2.7	4.0	27%	27%	25%	0.0%	0.0%	0.0%
Naspers	369.1	22.4	19.9	19.1	5.4	4.7	4.1	26.3	21.0	19.3	24%	24%	21%	0.7%	0.8%	0.9%
New York Times	6.9	4.0	4.4	4.4	0.6	0.7	0.7	10.0	11.5	10.5	16%	15%	15%	0.0%	0.0%	0.0%
Promotora de Inform	0.7	5.8	6.6	5.6	1.1	1.3	1.2	1.9	7.3	5.0	20%	19%	22%	0.0%	0.0%	0.0%
SPIR Comm	24.4	5.9	5.4	3.6	0.2	0.2	0.2	-	-	13.2	4%	4%	6%	0.0%	0.0%	0.8%
Trinity Mirror	0.5	1.8	2.0	2.1	0.3	0.4	0.4	1.8	2.0	2.0	20%	17%	17%	1.3%	1.3%	4.2%
Mediana		5.1	5.1	4.5	0.7	0.7	0.7	8.7	8.3	8.1	18%	18%	18%	1.0%	1.0%	2.5%
TV																
Antena 3 Televis	4.1	6.5	7.5	7.8	1.3	1.3	1.3	8.0	9.0	9.1	20%	17%	16%	9.7%	9.2%	8.8%
CETV	188.8	16.3	10.4	8.1	2.4	2.0	1.9	-	-	41.3	15%	20%	23%	0.0%	0.0%	0.0%
Gestevision Telecinco	4.4	6.8	7.6	7.8	1.7	1.4	1.4	7.3	10.8	11.0	26%	19%	18%	8.3%	8.3%	8.8%
ITV PLC	0.6	6.7	6.0	5.8	1.4	1.3	1.3	11.8	9.2	8.6	20%	22%	23%	0.6%	2.2%	3.5%
M6-Metropole Tel	11.6	3.8	3.8	3.9	0.8	0.8	0.8	9.7	9.4	9.6	21%	22%	21%	8.1%	8.8%	8.9%
Mediaset SPA	2.2	4.3	3.4	3.4	1.0	1.0	1.0	6.0	7.8	8.0	23%	29%	29%	14.8%	12.6%	12.1%
RTL Group	74.6	9.2	8.5	8.4	2.0	1.9	1.9	17.7	15.9	15.2	22%	22%	22%	6.0%	6.8%	7.3%
TF1-TV Francaise	9.0	6.3	4.9	4.9	0.8	0.7	0.7	14.5	9.2	9.2	12%	15%	15%	5.1%	7.4%	7.7%
Mediana		6.6	6.8	6.8	1.3	1.3	1.3	9.7	9.2	9.4	21%	21%	22%	7.1%	7.9%	8.2%
PAY TV																
BSkyB PLC	7.3	12.0	10.2	9.0	2.4	2.2	2.1	23.9	18.2	15.0	20%	22%	23%	2.6%	2.9%	3.4%
Canal Plus	4.4	3.2	3.2	3.1	0.2	0.2	0.1	13.6	12.8	12.4	5%	5%	5%	6.2%	6.7%	6.7%
Cogeco	48.9	6.5	5.9	5.6	2.6	2.4	2.3	20.1	15.5	10.5	39%	41%	41%	1.1%	1.4%	1.7%
Comcast	21.6	6.0	4.7	4.4	2.3	1.5	1.4	17.2	13.6	11.3	39%	33%	32%	1.8%	2.1%	2.2%
Liberty Global	40.1	8.0	6.8	6.4	3.6	3.1	3.0	-	31.2	22.8	45%	46%	46%	0.0%	0.0%	0.0%
Multimedia	9.1	6.9	6.6	6.3	3.5	3.4	3.3	13.3	12.1	11.0	51%	52%	52%	-	-	-
Shaw Communications	19.9	7.3	6.1	5.7	3.3	2.6	2.4	15.4	13.2	11.6	46%	43%	43%	4.4%	4.6%	4.7%
Mediana		6.9	6.1	5.7	2.6	2.4	2.3	16.3	13.6	11.6	39%	41%	41%	2.2%	2.5%	2.8%

Mining company valuations /09.11.2011/


	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	160.2	4.7	2.8	4.4	1.8	1.4	1.7	7.0	4.3	7.3	39%	51%	39%	1.9%	9.2%	6.2%
FOREIGN COMPANIES																
Anglo Amer.	23.5	3.6	2.9	2.6	1.4	1.2	1.1	5.9	4.3	3.8	40%	42%	42%	2.3%	3.2%	3.7%
BHP Billiton	19.7	4.6	3.0	2.7	2.2	1.6	1.4	8.4	4.7	4.3	48%	53%	54%	4.4%	4.9%	5.5%
Freeport-MCMOR	38.8	2.1	1.9	1.8	1.1	0.9	0.9	8.7	7.4	7.1	52%	49%	49%	1.9%	4.0%	3.1%
Rio Tinto	34.8	3.0	2.5	2.4	1.4	1.2	1.1	4.9	3.8	3.7	46%	47%	46%	2.8%	3.5%	3.8%
Southern Peru	31.3	9.2	6.5	5.8	5.2	3.9	3.6	16.8	11.0	10.1	57%	59%	62%	5.1%	7.1%	6.5%
Median		3.6	2.9	2.6	1.4	1.2	1.1	8.4	4.7	4.3	48%	49%	49%	2.8%	4.0%	3.8%

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


Construction company valuations /09.11.2011/

	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	75.0	0.2	3.7	4.4	0.0	0.2	0.2	7.2	8.1	8.0	8%	6%	5%	9.1%	12.1%	8.7%
Elektrobudowa	98.0	6.5	5.4	4.5	0.5	0.4	0.4	10.3	9.4	8.3	8%	8%	8%	3.6%	3.2%	3.6%
Erbud	18.9	4.8	-	4.5	0.1	0.2	0.2	19.6	-	7.0	3%	-	4%	2.6%	1.3%	0.0%
Mostostal Warszawa	25.0	1.7	8.1	4.0	0.1	0.2	0.1	8.0	23.7	10.7	5%	2%	4%	7.2%	2.2%	1.3%
PBG	85.8	6.4	8.3	6.0	0.7	0.9	0.5	5.5	6.2	5.7	12%	10%	8%	1.6%	1.6%	1.6%
Polimex Mostostal	1.5	4.0	5.3	4.5	0.3	0.3	0.3	6.3	9.9	6.6	7%	5%	6%	2.6%	0.0%	0.0%
Rafako	8.7	5.7	5.3	4.7	0.3	0.3	0.3	13.8	10.7	9.9	6%	5%	5%	3.5%	0.0%	0.0%
Trakcja Tiltr	1.7	1.0	4.7	4.0	0.1	0.4	0.3	8.2	5.3	4.9	11%	8%	7%	0.0%	0.0%	0.0%
Ulma Construccoon	61.5	5.1	3.4	3.6	2.5	1.7	1.7	31.6	9.5	10.2	48%	50%	46%	0.0%	0.0%	0.0%
Unibep	5.6	5.7	8.0	4.8	0.3	0.3	0.4	8.4	9.8	4.7	5%	4%	7%	1.8%	0.0%	0.0%
ZUE	7.9	6.0	4.9	4.0	0.5	0.4	0.3	10.3	8.3	7.9	8%	8%	8%	0.9%	0.0%	0.0%
Median		5.1	5.3	4.5	0.3	0.3	0.3	8.3	9.5	7.5	8%	6%	6%	2.6%	0.6%	0.0%
FOREIGN COMPANIES																
AMEC	9.1	8.4	7.2	6.2	0.8	0.7	0.6	15.4	13.2	11.4	9%	10%	10%	2.2%	3.3%	3.7%
BILFINGER	65.9	10.1	9.4	9.0	0.6	0.6	0.6	11.8	10.9	12.3	6%	6%	7%	3.6%	4.4%	4.2%
EIFFAGE	22.1	8.6	8.2	7.7	1.2	1.2	1.1	8.3	8.3	7.0	14%	14%	15%	5.5%	5.5%	5.6%
HOCHTIEF	49.2	4.1	4.8	3.2	0.3	0.2	0.2	14.8	-	10.4	6%	5%	7%	3.4%	3.3%	5.4%
NCC	113.0	5.8	5.8	4.5	0.3	0.3	0.2	10.0	10.0	7.5	5%	4%	5%	5.6%	8.6%	9.2%
SKANSKA	102.3	5.6	4.6	6.0	0.3	0.3	0.3	12.0	8.8	12.5	5%	7%	5%	5.7%	6.3%	6.1%
STRABAG	22.5	4.0	3.7	3.7	0.2	0.2	0.2	14.8	13.1	12.6	5%	5%	5%	2.3%	2.8%	2.9%
Median		5.8	5.8	6.0	0.3	0.3	0.3	12.0	10.4	11.4	6%	6%	7%	3.6%	4.4%	5.4%


Property Developers company valuations /09.11.2011/

	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	0.3	9.0	25.5	9.3	0.7	0.7	0.6	13.6	16.2	5.0	42%	24%	46%	0.0%	0.0%	0.0%
Dom Development	32.6	13.7	10.0	8.1	1.0	1.0	0.9	19.8	11.1	9.3	12%	16%	14%	2.5%	2.7%	5.4%
Echo Investment	3.5	18.6	8.8	6.3	0.8	0.7	0.6	10.0	7.5	3.6	40%	92%	113%	0.0%	0.0%	0.0%
GTC	10.1	15.6	8.3	6.8	0.5	0.4	0.4	12.0	4.6	2.9	66%	127%	159%	0.0%	0.0%	0.0%
J.W. Construction	7.2	5.9	13.7	13.3	0.8	0.8	0.7	4.2	15.1	11.9	25%	22%	26%	0.0%	0.0%	0.0%
PA Nova	20.0	9.9	11.0	13.9	0.8	0.8	0.7	9.9	11.4	11.2	19%	18%	19%	0.0%	0.0%	0.0%
Polnord	15.0	20.9	10.6	13.7	0.3	0.3	0.3	6.5	5.8	4.9	28%	31%	22%	5.7%	2.1%	3.5%
Robyg	1.2	14.0	61.5	5.5	0.8	0.8	0.7	9.7	35.9	4.1	17%	9%	25%	0.0%	5.9%	1.1%
Median		13.8	10.8	8.7	0.8	0.8	0.6	10.0	11.2	4.9	27%	23%	26%	0%	0%	0%
FOREIGN COMPANIES																
CA IMMO INTERNATIONAL	5.6	32.8	29.1	23.7	0.5	0.6	0.6	-	19.3	9.1	43%	45%	48%	0.0%	1.8%	3.8%
CITYCON	2.5	18.7	16.7	15.7	0.7	0.7	0.7	14.1	13.3	12.4	55%	56%	56%	5.2%	5.5%	5.4%
CORIO	34.4	17.5	16.4	15.3	0.8	0.8	0.8	12.1	11.9	11.4	78%	84%	83%	7.7%	8.0%	8.1%
DEUTSCHE EUROSHOP	26.1	20.0	15.4	14.5	1.1	1.0	1.0	18.7	20.4	16.1	87%	88%	86%	4.2%	4.3%	4.6%
ECHO INVESTMENT	3.5	12.2	7.1	10.2	0.8	0.8	0.7	9.6	5.6	7.7	69%	106%	59%	0.0%	0.0%	0.0%
HAMMERSON	3.9	19.4	19.1	18.7	1.0	0.8	0.7	20.1	19.9	19.3	80%	78%	78%	4.0%	4.2%	4.3%
KLEPIERRE	23.0	16.7	16.2	15.6	1.1	0.9	1.0	14.7	12.7	12.4	84%	83%	83%	5.5%	6.0%	6.2%
SPARKASSEN IMMO	4.2	19.8	16.5	15.9	0.6	0.6	0.6	58.1	19.9	14.5	47%	46%	47%	0.0%	3.1%	3.5%
UNIBAIL-RODAMCO	134.9	19.3	18.6	18.1	1.0	1.1	1.0	15.0	15.1	14.3	84%	85%	85%	6.0%	6.0%	6.2%
Median		19.3	16.5	15.7	0.8	0.8	0.7	14.9	15.1	12.4	78%	83%	78%	4.2%	4.3%	4.6%

Machinery manufacturer valuations /09.11.2011/

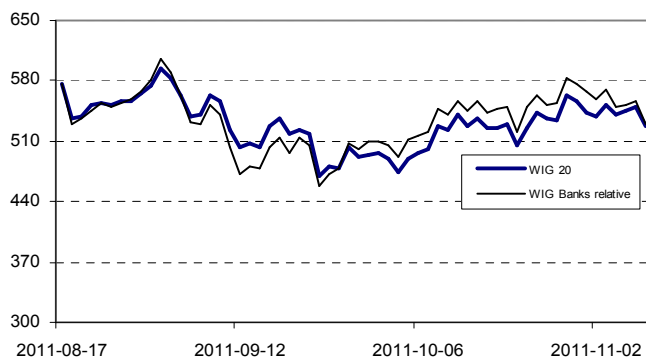
	Table 1: Selected financial ratios															
	Price	EV/EBITDA			EV/S			P/E		EBITDA margin			D/Y			
		2010	2011	2012	2010	2011	2012	2010	2011	2010	2011	2012	2010	2011	2012	
POLISH COMPANIES																
FAMUR	2.6	10.4	6.2	5.1	1.9	1.8	1.5	16.7	12.0	10.0	18%	29%	30%	0.0%	4.7%	0.0%
KOPEX	17.8	9.9	7.1	5.4	0.8	0.7	0.8	39.8	12.4	9.1	8%	10%	14%	0.0%	0.0%	0.0%
Median		10.2	6.6	5.3	1.3	1.3	1.2	28.3	12.2	9.5	13%	20%	22%	0.0%	2.4%	0.0%
FOREIGN COMPANIES																
Atlas Copco	135.6	10.6	8.9	8.6	2.5	2.2	2.1	16.6	13.3	12.7	24%	25%	24%	3.2%	3.6%	3.9%
Bucyrus	92.0	12.9	10.2	9.0	2.4	2.0	1.8	23.4	17.5	14.2	19%	19%	20%	0.1%	0.1%	0.1%
Emeco	1.0	5.1	4.2	3.6	2.1	1.9	1.7	15.1	10.8	8.8	41%	46%	46%	1.5%	7.6%	5.8%
Industrea	1.2	-	-	-	-	-	-	8.4	8.3	6.6	-	-	-	2.8%	2.8%	4.7%
Joy Global	83.6	11.5	8.3	6.7	2.5	1.9	1.6	20.0	14.1	11.6	21%	23%	23%	0.8%	0.8%	0.9%
Sandvik	84.4	8.2	7.3	7.0	1.6	1.4	1.3	15.2	11.7	11.1	19%	18%	19%	3.3%	4.2%	4.7%
Median		10.6	8.3	7.0	2.4	1.9	1.7	15.9	12.5	11.4	21%	23%	23%	2.1%	3.2%	4.3%

Paper manufacturer valuations /09.11.2011/

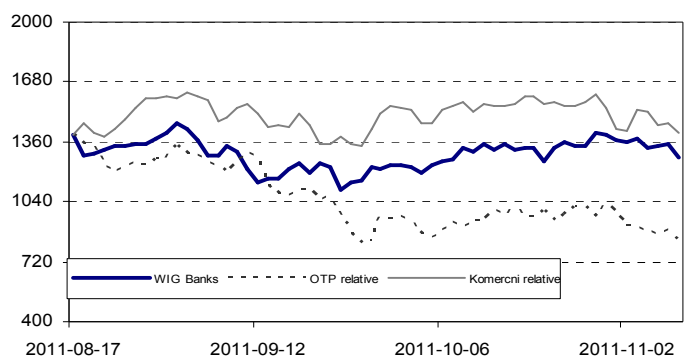
	EV/EBITDA				EV/S			P/E		EBITDA margin			D/Y			
	Price	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
POLISH COMPANIES																
MONDI	64.1	7.6	5.3	6.5	1.6	1.2	1.3	12.9	7.8	9.4	22%	22%	19%	0.0%	0.0%	12.8%
FOREIGN COMPANIES																
Billerund	52.3	3.7	3.5	4.1	0.7	0.6	0.6	7.8	7.3	9.6	18%	18%	15%	5.3%	7.1%	7.0%
Holmen	180.2	8.4	6.5	6.6	1.2	1.1	1.1	20.7	11.8	12.3	15%	17%	17%	3.9%	3.9%	4.2%
INTL Paper	28.1	5.8	5.3	5.1	0.8	0.7	0.7	13.8	9.4	9.1	13%	14%	14%	1.4%	3.5%	3.8%
M-Real	1.4	4.1	5.2	4.4	0.5	0.5	0.5	6.7	10.0	5.9	12%	9%	12%	1.2%	1.9%	3.9%
Norske Skog	4.5	8.1	6.6	5.1	0.5	0.5	0.5	-	-	-	7%	8%	9%	0.0%	0.0%	0.0%
Portucel EMP.	1.8	5.2	4.8	4.9	1.5	1.3	1.3	7.5	6.6	6.9	28%	28%	27%	8.9%	7.8%	8.4%
Stora Enso	6.4	5.8	5.3	5.4	0.7	0.7	0.7	8.7	8.1	8.5	13%	13%	13%	3.9%	3.9%	4.5%
Svenska	91.3	6.5	6.8	6.2	0.9	1.0	0.9	10.4	11.1	9.7	15%	14%	15%	4.4%	4.6%	4.9%
UPM-Kymmene	8.2	5.3	5.2	4.8	0.9	0.8	0.7	8.6	8.4	8.4	16%	15%	15%	5.8%	7.0%	7.0%
Median		5.8	5.3	5.1	0.8	0.7	0.7	8.6	8.9	8.8	15%	14%	15%	3.9%	3.9%	4.5%

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

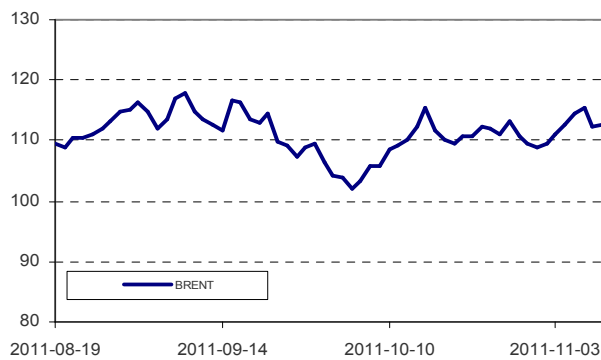
WIG Banks index vs. WIG 20 index (EUR)



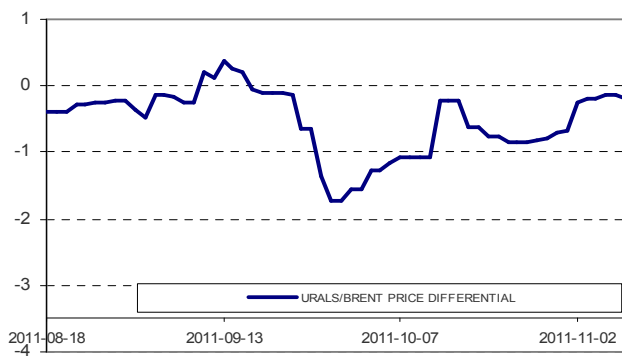
OTP and Komerční's relative performance vs. WIG Banks index (EUR)



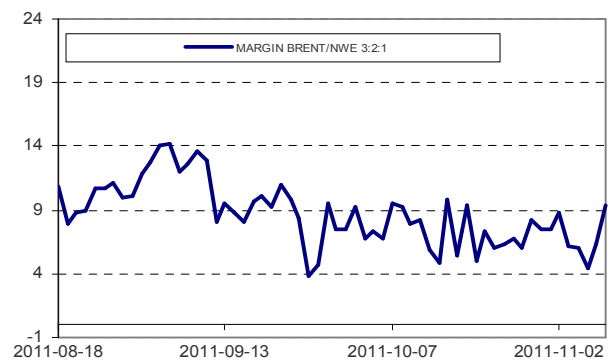
BRENT (USD/bbl)



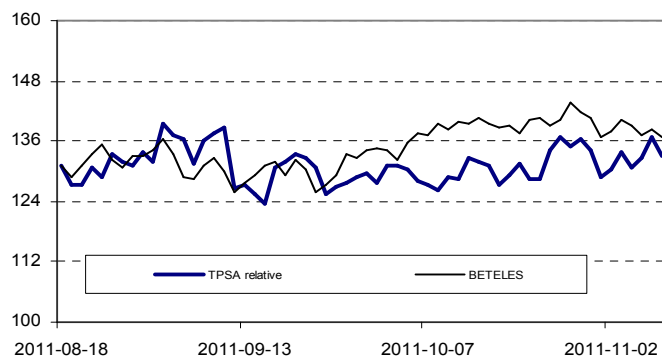
BRENT (USD/bbl)



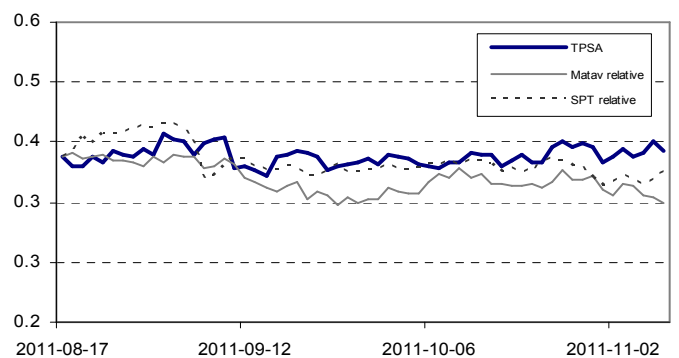
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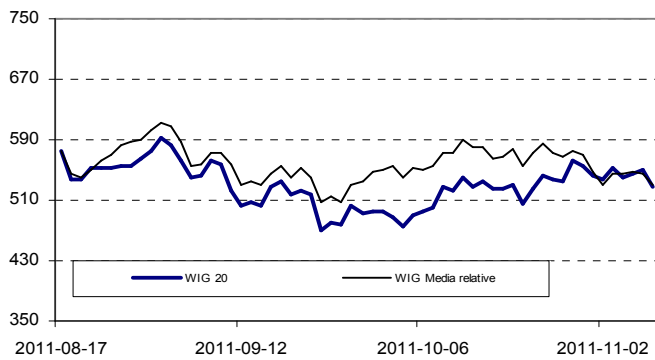
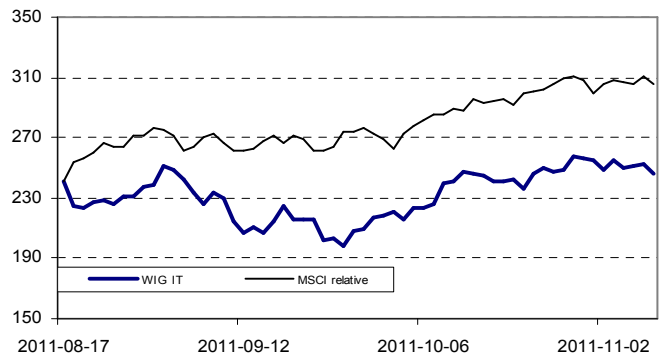
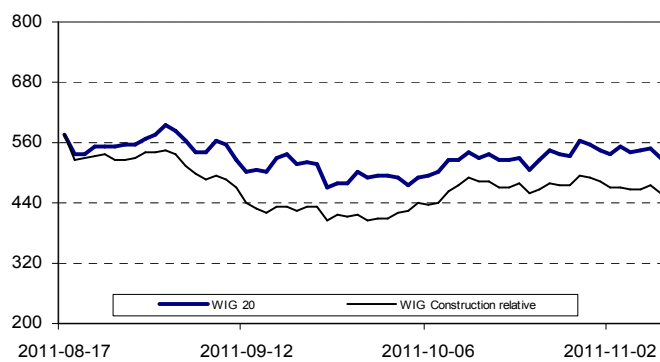
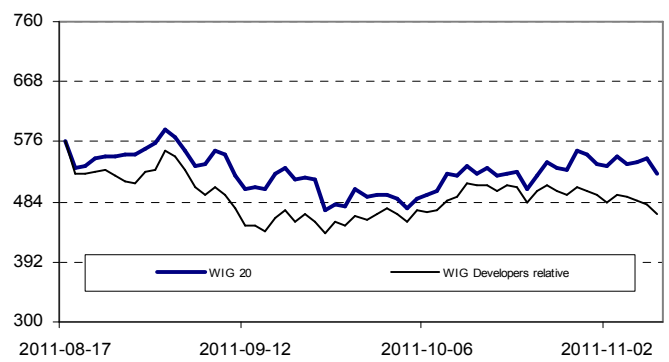
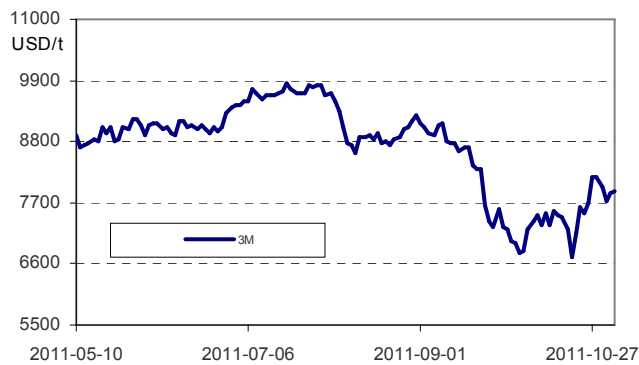
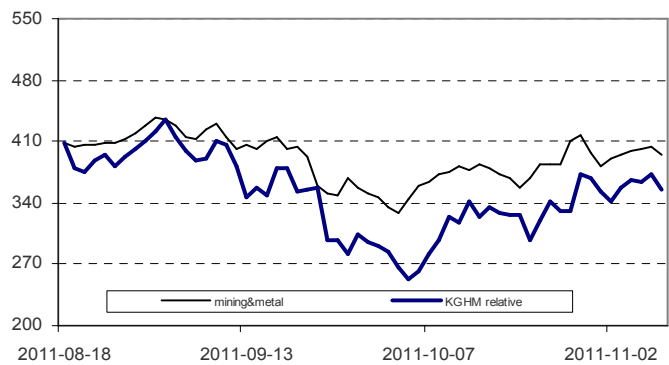
TPSA vs. BETELES - Bloomberg Europe 500 Telecom Services Index (EUR)



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%

Recommendations are updated at least once every nine months.

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