27 January 2012

BRE Bank Securities

Equity Market

Poland

Morning Comments

Institutional Sales and Research:
M. Marczak (22 6974738) I. Rokicka (22 6974737) K. Kliszcz (22 6974706)
P. Grzybowski (22 6974717) M. Stokłosa (22 6974741) J. Szkopek (22 697 47 40)
G. Borowska (22 6974736) P. Zybała (22 697 47 01)

Index	Close	Change	Index	Close	Change	Index	Close	Change
DJIA	12 734.6	-0.18%	FTSE 100	5 795.2	+1.26%	Copper (LME)	8 590.0	+2.46%
S&P 500	1 318.4	-0.57%	WIG20	2 305.6	+2.33%	Crude Oil (Brent)	110.3	+0.44%
NASDAQ	2 805.3	-0.46%	BUX	19 141.3	+2.57%	USD/PLN	3.23	-0.43%
DAX	6 539.9	+1.84%	PX 50	978.1	+3.42%	EUR/PLN	4.24	-0.43%
CAC 40	3 363.2	+1.53%	PLBonds10	5.62	-1.58%	EUR/USD	1.31	+0.02%

Company & Sector Information

PZU
Accumulate – 23/01/12
Target price: PLN 345.0

PZU reaffirms interest in acquisitions, says is not looking for a bank opportunity in Poland
PZU's CEO reaffirmed the Company's interest in acquiring foreign investors and stressed that it was not interested in acquiring a majority stake in a Polish bank, although it did not rule out financial support for an investor wishing to do just that. **No impact on stock performance as this is in line with the CEO's earlier declarations. (I. Rokicka)**

PGNiG
Reduce - 16/01/12
Target price: PLN 3.69

Tariff hike coming soon?
Deputy Chair of the energy regulator URE said yesterday that work on new tariff decision was ongoing and coming soon. **As a reminder, our baseline scenario, which implies a 2012 net income below PLN 1bn (vs. PLN 2.3bn consensus) factored in a 10% hike coming into force on 1 January with the USD/PLN exchange rate at an average level of 3.34. The USD/PLN exchange now stands at 3.23, but the new tariff will not come into force until 10 February at the earliest (14 days must elapse), which means that the Trade & Storage segment will be incurring much higher losses in the first half of the quarter than we have assumed. If the hike comes into force now, the key question is how far-reaching it is going to be. In order for PGNiG to meet consensus expectations, it would have to approach 20%, or 15% if the USD/PLN rate goes down further to 3.05. We believe the regulator's decision can hardly be expected to be a positive surprise. (K. Kliszcz)**

Action
Hold - 23/01/12
Target price: PLN 18.1

Standalone revenues shoot up 64% in Q4'11
The Company announced that its standalone revenues for Q4 had increased by 64.0% to PLN 1.012bn. **We did expect very strong sales in Q4, but we are still surprised by this achievement. We expect excellent earnings in Q4'11 and positive reactions from investors. (P. Grzybowski)**

Asseco Poland
Buy - 27/05/11
Target price: PLN 65.0

Asseco wins contract bid
A PLN 159.9m bid by Asseco Poland and Kamsoft for the 'e-healthcare' contract was awarded 73pts, beating Sygnity's PLN 163.68m bid (70.36pts). **As we expected, the 2% price gap and Asseco's long experience in contracts for healthcare provision tipped the scales. Good news for Asseco Poland, but the fact that bidding procedures in big public contracts have accelerated is good news for the entire industry. (P. Grzybowski)**

Sygnity
Buy - 23/01/12
Target price: PLN 20.8

Strong order backlog
Asseco Poland's order backlog for 2012 currently exceeds PLN 200m, i.e. is a dozen or so percent bigger than last year at this time. The Management has reiterated the PLN 650-700m revenue target and 5-7% EBIT margin target. **A strong order backlog makes it very likely that the earnings guidance targets will be met. Another opportunity for the Company are major e-Government contracts. (P. Grzybowski)**

Stock options for 2011 could still be awarded?
According to CEO Norbert Biedrzycki, it is still possible that Management stock options for 2011 will be awarded. **This would entail an excellent showing for Q4, because the program is conditional on PLN 10m net profit in 2011 (i.e. ca. PLN 8.5m in Q4). (P. Grzybowski)**

KGHM
Buy - 23/01/12
Target price: PLN 151.5

At least PLN 15 per share in dividends
Treasury Minister Budzianowski expects KGHM to allocate no less than PLN 3bn to dividends (PLN 15 per share). **We reiterate our view that KGHM will most likely not buy Quadra (on 20 February, Quadra's shareholders will reject KGHM's bid), the Treasury will block an increase in price (it has already blocked the share buyback), KGHM will have PLN 12bn cash on its account and dividends will be increased to no less than PLN 6bn or PLN 30 per share. (M. Marczak)**

CEDC
Hold - 23/01/12
Target price: PLN 13.8

Output shrinks in Russia
According to Rosstat, CEDC's vodka output in Russia declined by 14.6% y/y in 2011, but the Company remained the market's leader (141.3m liters). The overall decline in vodka production in Russia was by 9.5% y/y. What impacted the market in 2011 were the prolonged license renewal processes. **No impact on stock performance. In our forecasts, we assumed that LWB would produce 143.5m liters of vodka in Russia. (G. Borowska)**

Famur
Buy - 28/11/11
Target price: PLN 3.2
Kopex
Accumulate – 23/01/12
Target price: PLN 22.5

Minister of the Economy does not want dividends from coal mining companies
In his yesterday's interview for PAP, the Minister of the Economy Waldemar Pawlak said that he did not want coal mining companies other than JSW to pay dividends from last year's profits. Mr. Pawlak would prefer them to spend money on investments. Usually, Kompania Węglowa and KHW, which are fully controlled by the Treasury, pay 15% of their profits to the national budget. **If last year's profits are to be retained by two out of top three coal producers, mining machinery manufacturers are set to benefit, including Bumech (FY12 P/E = 7.8 FY12 EV/EBITDA = 5.4), Famur (FY12 P/E = 12.1, FY12 EV/EBITDA = 5.7), Fasing (FY12 P/E = 4.8, FY12 EV/EBITDA = 3.5), Kopex (FY12 P/E = 12.2, FY12 EV/EBITDA = 6.8) and Patentus (FY12 P/E = 8.6, FY12 EV/EBITDA = 6.5). We reiterate our positive ratings for mining machinery producers. (J. Szkopek)**

Construction

Deadline for bids for Kozienice PP contract postponed by 6 weeks
The deadline for bids for the construction of a new unit at Kozienice power plant (PLN 5.6bn) has been shifted from 9 March to 25 April at the request of the bidders. Likewise, the deadline for bids for a new gas-fired unit at Tauron's Katowice PP has also been postponed from 27 January to 20 February. **News without impact on valuation. We expect that Alstom/PBG and Hitachi/Polimex will bid for the Kozienice unit, and that Covec will not. (M. Stokłosa)**

Budimex
Accumulate – 23/01/12
Target price: PLN 87.3

Budimex may offer 12% dividend yield
Budimex's CEO says he sees no reason why the company should not pay out even 100% of its 2011 income as dividends. What is more, the standalone profit for last year was higher than the consolidated bottom line thanks to dividends received from subsidiaries. An official dividend recommendation by the Management Board will be put forth by early March. **A 100% payout ratio calculated for the consolidated 2011 profit would imply a dividend yield of 12.2%. The yield increases for the standalone profit. We do not make standalone earnings estimates for Budimex, but we know that the standalone profit for Q3 2011 was PLN 21m higher than the consolidated profit. (M. Stokłosa)**

Real-estate plans
Budimex's residential real estate portfolio consists of 850 flats of which the company wants to sell 700 in 2012. Also this year, Budimex is planning to start at least three new housing projects with 600 flats. The prospects for the residential business are uncertain at the moment according to the CEO. **The 2012 sales target of 700 dwellings represents a reduction from an earlier estimate of 1000 units. (M. Stokłosa)**

2011 results
Budimex's contract profits in Q4 2011 were depressed by rising costs of transportation, aggregate, asphalt, and steel. The annual net profit for 2011 will be slightly lower than in 2010, and cash will be reduced relative to the previous year because of dividends and the acquisition of PNI. **News in line with expectations. Our 2011 net cash estimate for Budimex is PLN 1.3 billion. (M.S tokłosa)**

Budimex ventures into infrastructure operation
Budimex is setting up a new company called FB Serwis as a way of counteracting the slowdown in orders for construction services. The company's stake in FB Serwis will be less than 50%, with the remaining interest held by its owner Ferrovial. The new unit will grow through organic development as well as acquisitions (it has already targeted businesses generating more than PLN 100m in revenues). Its focus will be on capturing orders in waste treatment, building management, and road maintenance, as well as public-private projects. **Ferrovial is moving increasingly away from construction and into infrastructure operation (including airports, roads, municipal waste treatment plants), and one may wonder whether Budimex really still fits its business profile. The success of the operatorship venture will depend on the prices and costs of its services. (M. Stokłosa)**

Order backlog, market outlook

Budimex's PLN 8bn order backlog includes about PLN 1.2bn contracts captured by the recently acquired PNI. The company says it expects the National Road Authority GDDKiA to award no more than PLN 2.8bn new contracts this year (compared to PLN 11bn in 2011). Railroad contract opportunities are estimated at PLN 5bn. The market for building construction services is expected to shrink 10%. Budimex expects to report flat revenues in 2013. The company is planning to appeal a recent court ruling awarding it PLN 22m in damages from GDDKiA because it feels the compensation should be higher at PLN 43m. **Our own projections with respect to this year's outlook for the construction market assume PLN 5-7bn road infrastructure contract awards in H2 2012 and PLN 2.5bn railroad contracts. (M. Stokłosa)**

Polimex Mostostal
Buy - 26/01/12
Target price: PLN 2.01

How still prices can affect Polimex's profits from the Opole power plant project

Polimex fulfills orders for steel structures within several weeks, so it is able to factor any movements in steel prices into the prices of its products in real time. For the purposes of the Opole project, which has a more distant delivery schedule, the company calculated its steel budget based on a price range which guarantees ample margins even if steel costs soar. Moreover, the provisions of the contract allow for its renegotiation if prices of materials exceed a certain threshold. **The fact that Polimex put in place measures that hedge its profits against rising steel costs is welcome information. The increase in steel prices observed in Poland was caused by high demand from the construction industry (which is set to decline in 2012) and high EUR/PLN and USD/PLN exchange rates. In the last few days, the zloty has been trading upward. Globally, steel prices are not growing (CRUspi Global Index is down 3.8% y/y, up 2.9% m/m, and 13.8% below its March 2011 level). A stronger zloty will benefit steel frame producers and companies using steel as feedstock (e.g. Elektrobudowa, Elektrotim). Building construction does not require much steel (its costs account for 3-5% of total contract costs; a 5% increase in steel prices entails a 0.2% contraction in margin). (M. Stokłosa)**

Emperia

Emperia extends bidding period for retail operations

To allow more time for new prospective buyers, Emperia may extend the bidding period beyond Q1 2012. The company is considering other proposals than a 100% acquisition for cash. **The new bidders have emerged after Emperia sold its distribution arm Tradis, thus minimizing investment risks. (G. Borowska)**

Gino Rossi

Gino Rossi mulls sale of Simple

Gino Rossi is thinking about selling its apparel brand Simple as one of the solutions to its debt problems. Simple is a guarantor for Gino Rossi's loans, and it has pledged its stock to one of the banks as collateral, so its sale could be problematic. Gino Rossi is going to collect bids for Simple even is its shareholders approve a stock issue as another solution. The preparation of the two transactions will take 4 to 5 months, so the final decision as to how financing is to be raised will be made in June. **Simple enjoys sound financial health, but right now is not the best time to be considering its sale after a weak 2011 and ahead of a challenging 2012 (exchange rates are affecting margins). (G. Borowska)**

More News

4Studio

4Studio, a company providing comprehensive e-marketing services, will make its NewConnect debut on 31 January (5m A-stock shares and 621,820 B-stock shares).

Advadis

A court in Katowice ruled that the 9 January ruling on bankruptcy open to arrangements became binding on 25 January.

Barlinek

Barlinek and Barlinek Inwestycje Sp. z o.o. signed on 18 January an appendix to their loan agreement with RBS Bank, pursuant to which the Bank has granted them a PLN 100,000 loan repayable by 10 February 2012 and a PLN 80m loan repayable by 13 July 2012.

CD Projekt Red

CD Projekt Red is planning to launch the sales of The Witcher 2 for Xbox 360 on 17 April following consultations with global publishers.

ED Invest

ED Invest is planning to sign 200 home construction agreements in FY 2012 vs. 82 in FY 2011. ED Invest, which signed 82 home-construction agreements last year, expects to sign at least 200 in 2012. Starting with 2013, growth will be steady, with ca. 10% y/y increases in revenues and margins above a dozen or so percent.

ED Invest does not rule out the construction of homes within the 'Bulwary Saskie' hotel and service center project.

Grajewo

Grajewo expects further earnings improvement in 2012. The Company is planning to sustain last year's growth this year.
A consortium of banks has offered Grajewo EUR 110m worth of loans; details will be arranged now. Grajewo hopes that the new MDF factory in Russia will be launched in 2013.

KGHM

Minister of the Treasury Mikołaj Budzanowski said no changes were being planned to the Management Boards of KGHM and other state-controlled companies.

Lena Lighting

Lena Lighting might pay a dividend from 2011 profits at PLN 0.10 per share or more.

The Company hopes to see a major increase in net profit in 2012. Its strategy foresees increased investment outlays and further organic growth.

MCI

MCI wants to control a majority stake in Frisco.pl.

Miraculum

On 25 January, Miraculum signed a letter of intent with Grzegorz Kosyl concerning the merger of Miraculum's marketing and logistics division and Mr. Kosyl's sales business Multicolor Distribution. Talks should be finalized by the end of May.

Skotan

The Polish Agency for Industrial Development is recommending a EU subsidy for Skotan's wave absorber project (PLN 28.7m or 74.5% of the total cost of qualified R&D expenses).

TPSA

The decision to rebrand TPSA's fixed services to Orange has not been taken yet. Once it is, several months will be needed to effect the rebranding.

Insider Trading and Fund Activity

ABC Data

ABC Data bought 41,328 treasury shares at PLN 2.44 per share.

Alchemia

Alchemia bought 17,947 treasury shares at PLN 5.1 per share.

Centrum Klima

Centrum Klima bought 255 treasury shares at PLN 9.84 per share.

Ferrum

Ferrum bought 9,146 treasury shares at PLN 9.37 per share.

Gwarant

Supernowa IDM Fund reduced equity interest from 53.41% to 49.98%.

HMSG

Bartłomiej Matusiak increased equity interest to 7.73%.

Kredyt Bank

PPIM reduced equity interests to 4.29% from 5.63%.

Marvipol

Marvipol bought 4580 treasury shares at PLN 9.37 per share.

Corporate Action Calendar

Friday /27.01.12/	
GTC	EGM.
Tuesday /31.01.12/	
MILLENNIUM	Preliminary 2011 results.
ZA PUŁAWY	Dividend record day (PLN 3.66/share)

Economic Calendar

Friday /27.01.12/

Time	Region	Report	Period	Forecast	Previous
0:30	Japan	Tokyo Area Core CPI	January	-0.4% y/y	-0.3% y/y
0:30	Japan	Tokyo Area CPI	January	-0.45% y/y	-0.4% y/y
0:30	Japan	Core CPI	December	-0.2% y/y	-0.3% m/m; -0.2% y/y
0:30	Japan	CPI	December	-0.27% y/y	-0.5% y/y
0:30	Japan	Retail sales	December		-2.1% m/m; -2.3% y/y
8:00	Germany	Import price index	December		0.4% m/m; 6.0% y/y
10:00	EU	M3 money supply	December	2.25% y/y	2.0% y/y
10:00	Poland	Unemployment rate	December		12.1%
14:30	USA	GDP Deflator	4Q		2.6% q/q
14:30	USA	GDP	4Q	2.88% q/q	1.8% q/q; 1.5% y/y
14:30	USA	PCE	4Q	3.05% q/q	1.7% q/q; 2.0% y/y
14:30	USA	Core PCE	4Q		1.6% y/y
15:55	USA	University of Michigan Consumer Sentiment Index	January		69.9

Monday /30.01.12/

Time	Region	Report	Period	Forecast	Previous
11:00	EU	Business climate indicator	January		-0.31
11:00	EU	Consumer confidence index	January		-21.1
11:00	EU	Economic confidence index	January		93.3
11:00	EU	Industrial confidence index	January		-7.1
11:00	EU	Services confidence index	January		-2.1
14:30	USA	PCE Deflator core	December		0.1% m/m; 1.7% y/y
14:30	USA	PCE Deflator	December		0.0% m/m; 2.5% y/y
14:30	USA	Personal income	December		0.1% m/m
14:30	USA	Personal spending	December		0.1% m/m

Tuesday /31.01.12/

Time	Region	Report	Period	Forecast	Previous
0:15	Japan	PMI Manufacturing	January		50.2
0:30	Japan	Household spending	December		-3.2% y/y
0:30	Japan	Unemployment rate	December		4.5%
8:45	France	Consumer spending	December		-0.1% m/m; -2.1% y/y
8:45	France	PPI	December		0.3% m/m; 4.8% y/y
10:30	UK	M4 money supply	December		-0.6% m/m; -2.6% y/y
10:30	UK	Mortgage approvals	December		52,850
11:00	EU	Unemployment rate	December		10,3%
16:00	USA	Conference Board Consumer Confidence Index	January		64.5

Wednesday /01.02.12/

Time	Region	Report	Period	Forecast	Previous
9:00	Poland	PMI Manufacturing	January		48.8
9:50	France	PMI Manufacturing	January		48.9
9:55	Germany	PMI Manufacturing	January		48.4
10:00	EU	PMI Manufacturing	January		46.9
10:30	UK	PMI Manufacturing	January		49.6
14:15	USA	ADP Employment Report	January		325,000
16:00	USA	Construction spending	December		1.2%
16:00	USA	ISM Manufacturing	January		53.9

Thursday /02.02.12/

Time	Region	Report	Period	Forecast	Previous
11:00	EU	PPI	December		0.2% m/m; 5.3% y/y
14:30	USA	Nonfarm productivity	4Q		2.3% m/m; 0.9% y/y
14:30	USA	Unit labor cost	4Q		-2.5% m/m; 0.4% y/y

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										
GET BANK	Hold	2012-01-23	1.56	1.55	1.70	-8.8%	4.3	14.1		
HANDLOWY	Hold	2012-01-19	73.95	72.00	73.10	-1.5%	13.6	13.1		
ING BSK	Hold	2012-01-19	80.70	80.00	82.00	-2.4%	12.0	12.4		
KREDYT BANK	Reduce	2012-01-19	9.61	9.10	10.40	-12.5%	8.7	12.5		
MILLENNIUM	Reduce	2012-01-19	3.82	3.30	4.16	-20.7%	10.9	13.5		
PEKAO	Reduce	2012-01-19	145.90	135.00	156.80	-13.9%	14.3	15.0		
PKO BP	Accumulate	2012-01-19	32.89	35.00	34.95	0.1%	11.7	12.9		
Insurance										
PZU	Accumulate	2012-01-23	327.00	345.00	335.00	3.0%	12.0	12.3		
Financial services										
KRUK	Buy	2011-06-22	39.70	53.00	42.65	24.3%	11.2	9.6		
Fuels, chemicals										
CIECH	Buy	2012-01-16	17.35	21.50	19.36	11.1%	73.5	14.2	5.5	5.1
LOTOS	Hold	2012-01-16	21.80	21.60	26.04	-17.1%	4.7	8.0	6.0	8.1
PGNiG	Reduce	2012-01-16	4.04	3.69	3.74	-1.3%	17.2	22.8	8.8	7.6
PKN ORLEN	Hold	2011-11-17	39.25	39.00	37.00	5.4%	3.9	13.2	3.8	6.2
POLICE	Hold	2012-01-16	9.62	10.00	10.47	-4.5%	3.3	10.3	3.1	5.9
ZA PUŁAWY	Hold	2011-09-26	85.00	89.20	92.00	-3.0%	9.9	9.7	5.4	5.1
Power Utilities										
CEZ	Reduce	2012-01-05	140.00	124.90	128.00	-2.4%	10.7	9.3	7.0	6.6
ENEA	Accumulate	2011-11-04	17.77	21.24	18.05	17.7%	10.6	9.0	3.6	3.6
PGE	Accumulate	2012-01-02	20.70	23.07	20.46	12.8%	6.5	8.6	4.5	4.5
TAURON	Buy	2012-01-02	5.35	7.44	5.27	41.2%	7.2	6.8	4.3	4.0
Telecommunications										
NETIA	Hold	2012-01-23	5.66	5.70	5.70	0.0%	20.3	16.0	4.8	4.3
TPSA	Hold	2012-01-23	17.90	17.40	17.69	-1.6%	12.2	19.7	4.3	5.0
Media										
AGORA	Buy	2012-01-23	10.66	15.30	11.44	33.7%	10.2	11.4	2.9	2.8
CINEMA CITY	Buy	2011-10-21	26.80	33.50	31.50	6.3%	17.1	13.1	8.3	6.7
CYFROWY POLSAT	Hold	2011-10-13	15.35	14.80	13.20	12.1%	14.2	11.5	9.7	7.6
TVN	Hold	2011-12-05	10.13	10.30	10.75	-4.2%	-	12.9	9.8	8.2
IT										
AB	Accumulate	2012-01-23	20.20	22.50	21.48	4.7%	8.9	7.7	7.0	6.4
ACTION	Hold	2012-01-23	19.89	18.10	20.09	-9.9%	8.7	9.5	6.4	6.5
ASBIS	Buy	2012-01-23	2.05	2.47	2.05	20.5%	18.8	6.0	5.7	4.4
ASSECO POLAND	Buy	2011-05-27	49.60	65.00	47.78	36.0%	9.5	8.8	5.7	5.3
COMARCH	Reduce	2011-10-13	50.25	45.90	60.80	-24.5%	24.6	15.3	9.8	6.8
SYGNITY	Buy	2012-01-23	18.59	20.80	18.75	10.9%	58.5	12.6	6.1	4.8
Mining & Metals										
JSW	Buy	2012-01-23	99.00	127.00	99.15	28.1%	6.7	5.0	2.9	2.0
KGHM	Buy	2012-01-23	129.90	151.50	131.90	14.9%	2.4	7.7	1.5	2.8
LW BOGDANKA	Buy	2012-01-23	109.90	132.00	121.50	8.6%	26.3	12.0	11.5	6.0
Manufacturers										
ASTARTA	Hold	2011-12-29	51.50	53.9	56.65	-4.9%	2.8	3.8	3.6	4.4
BORYSZEW	Hold	2012-01-04	0.67	0.65	0.74	-12.2%	13.1	18.4	7.9	8.8
CEDC	Hold	2012-01-23	13.10	13.8	12.81	7.7%	3.6	3.5	7.4	6.4
CENTRUM KLIMA	Buy	2011-11-15	9.65	15.0	10.20	47.1%	9.9	8.6	6.5	5.5
FAMUR	Buy	2011-11-28	2.50	3.2	3.06	4.6%	14.6	12.1	6.2	5.7
IMPEXMETAL	Buy	2012-01-19	3.46	5.7	3.80	50.0%	7.5	9.5	5.8	6.2
KERNEL	Reduce	2012-01-10	71.00	61.1	67.65	-9.7%	6.4	5.6	5.3	4.3
KĘTY	Buy	2011-11-07	101.00	136.7	104.00	31.4%	9.2	8.6	5.7	5.5
KOPEX	Accumulate	2012-01-23	21.30	22.5	23.30	-3.4%	12.6	12.2	8.3	6.8
MONDI	Buy	2012-01-23	58.30	77.0	61.30	25.6%	7.4	9.0	5.1	6.2
ROVESE	Buy	2011-12-29	4.02	6.0	5.30	13.2%	18.2	12.7	8.0	6.7
Construction										
BUDIMEX	Accumulate	2012-01-23	79.00	87.30	80.00	9.1%	8.6	8.5	4.1	4.7
ELEKTROBUDOWA	Accumulate	2012-01-26	97.80	112.40	101.90	10.3%	12.2	10.5	6.5	6.3
ERBUD	Buy	2012-01-26	17.25	24.00	18.45	30.1%	-	6.8	-	4.3
MOSTOSTAL WAR.	Buy	2012-01-26	18.72	27.20	19.50	39.5%	20.9	8.4	6.5	2.9
PBG	Hold	2012-01-26	76.90	78.50	80.50	-2.5%	5.8	5.4	8.1	5.8
POLIMEX MOSTOSTAL	Buy	2012-01-26	1.69	2.01	1.73	16.2%	11.5	7.6	5.8	4.9
RAFAKO	Buy	2012-01-23	7.63	11.00	8.07	36.3%	8.1	9.2	3.3	3.1
TRAKCJA TILTRA	Suspended	2011-12-19	1.10	-	1.22	-	-	-	-	-
ULMA CP	Accumulate	2012-01-23	60.70	69.30	60.60	14.4%	9.3	10.0	3.4	3.5
UNIBEP	Buy	2012-01-23	6.04	7.00	6.26	11.8%	10.9	5.2	8.6	5.1
ZUE	Buy	2012-01-26	7.33	9.20	7.37	24.8%	7.8	7.3	4.6	3.7
Property Developers										
BBI DEVELOPMENT	Hold	2012-01-23	0.32	0.34	0.31	9.7%	16.2	5.0	25.5	9.3
DOM DEVELOPMENT	Hold	2012-01-23	29.50	31.40	31.60	-0.6%	10.7	9.0	9.8	7.9
ECHO	Buy	2012-01-24	3.75	4.70	3.85	22.1%	8.2	3.9	9.2	6.5
GTC	Hold	2012-01-24	9.00	9.40	10.15	-7.4%	4.7	3.0	8.4	6.9
J.W.C.	Reduce	2012-01-23	7.15	6.10	7.65	-20.3%	16.1	12.8	14.0	13.6
PA NOVA	Buy	2012-01-23	19.23	25.80	19.45	32.6%	11.1	10.9	10.8	13.7
POLNORD	Hold	2012-01-23	15.10	15.70	17.13	-8.3%	6.6	5.6	11.2	14.4
ROBYG	Accumulate	2012-01-23	1.22	1.43	1.27	12.6%	38.3	4.4	63.3	5.7
Retail\Wholesale										
EUROCASH	Buy	2012-01-20	29.40	37.40	29.89	25.1%	30.1	23.9	16.0	13.4
LPP	Buy	2012-01-23	2 017.50	2 300.00	2 050.00	12.2%	16.2	13.7	9.9	8.5
NFI EMF	Hold	2011-12-29	8.34	8.80	9.30	-5.4%	14.4	18.6	6.7	6.1
NG2	Buy	2011-12-29	46.50	54.00	51.00	5.9%	15.0	13.6	11.2	9.8
VISTULA	Hold	2011-11-21	0.86	0.90	1.12	-19.6%	-	18.2	9.6	8.1

CEE bank valuations /26.01.2012/

	Price	P/E 2010	P/E 2011	P/E 2012	ROE 2010	ROE 2011	ROE 2012	P/BV 2010	P/BV 2011	P/BV 2012	D/Y 2010	D/Y 2011	D/Y 2012
POLISH BANKS													
Get Bank	1.70	9.1	4.3	14.1	14%	24%	6%	1.2	0.9	0.9	0.0%	0.0%	0.0%
Handlowy	73.1	12.7	13.6	13.1	12%	11%	11%	1.5	1.5	1.4	5.2%	7.8%	3.7%
ING BSK	82.0	14.2	12.0	12.4	14%	15%	13%	1.9	1.7	1.5	0.0%	1.8%	0.8%
Kredyt Bank	10.4	15.2	8.7	12.5	7%	11%	7%	1.0	0.9	0.9	0.0%	3.6%	0.0%
Millenium	4.2	14.8	10.9	13.5	9%	11%	8%	1.2	1.1	1.0	0.0%	2.4%	0.0%
Pekao	156.8	16.3	14.3	15.0	13%	14%	12%	2.0	1.9	1.8	1.8%	4.3%	3.5%
PKO BP	35.0	13.6	11.7	12.9	15%	17%	14%	2.0	1.9	1.8	5.4%	5.7%	4.3%
Median		**14.2**	**11.7**	**13.1**	**13%**	**14%**	**11%**	**1.5**	**1.5**	**1.4**	**0.0%**	**3.6%**	**0.8%**
INVESTORS IN POLISH BANKS													
AIB	0.1	-	-	-	-	-	-	0.2	0.1	0.1	0.0%	0.0%	0.0%
BCP	0.1	2.8	7.0	6.1	4%	3%	3%	0.1	0.1	0.2	13.6%	2.9%	2.9%
Citigroup	30.4	7.7	7.8	7.0	8%	7%	7%	0.5	0.5	0.5	0.0%	0.1%	1.1%
Commerzbank	1.9	2.2	13.9	6.5	13%	3%	6%	0.3	0.4	0.4	0.0%	0.0%	0.8%
ING	7.1	6.8	5.0	5.3	10%	13%	11%	0.7	0.6	0.6	0.0%	0.0%	3.1%
KBC	15.4	3.3	4.6	3.3	15%	8%	14%	0.5	0.5	0.5	5.0%	2.3%	3.8%
UCI	3.8	4.6	-	3.6	2%	-	4%	0.1	0.1	0.1	7.9%	0.2%	7.1%
Median		**3.9**	**7.0**	**5.7**	**9%**	**7%**	**7%**	**0.3**	**0.4**	**0.4**	**0.0%**	**0.1%**	**2.9%**
FOREIGN BANKS													
BEP	3.4	8.2	11.7	12.3	6%	6%	5%	0.6	0.6	0.6	6.4%	5.0%	4.8%
Deutsche Bank	33.2	6.3	6.8	6.4	7%	9%	9%	0.6	0.6	0.6	2.2%	2.3%	2.4%
Erste Bank	17.3	7.4	40.7	7.4	8%	-	8%	0.5	0.6	0.6	3.6%	0.0%	2.5%
Komercni B.	3710.0	10.9	12.3	10.7	18%	15%	17%	1.9	1.8	1.7	5.5%	5.8%	6.7%
OTP	4119.0	8.9	9.7	7.7	10%	9%	11%	0.8	0.8	0.7	2.9%	2.7%	4.4%
Santander	6.2	6.3	7.2	7.0	12%	10%	11%	0.7	0.7	0.7	9.4%	9.5%	9.2%
Turkiye Garanti B.	6.6	8.5	9.0	8.7	22%	18%	16%	1.7	1.5	1.3	2.0%	2.1%	2.1%
Turkiye Halk B.	11.6	7.3	7.3	7.2	30%	25%	21%	2.0	1.7	1.4	2.9%	2.8%	3.1%
Sbierbank	3.0	12.8	6.4	6.6	18%	27%	22%	2.1	1.6	1.3	0.7%	2.2%	2.5%
VTB Bank	4.7	14.8	7.7	7.8	10.7%	15.2%	13.5%	1.4	1.1	1.0	1.0%	1.2%	1.3%
Median		**8.3**	**8.3**	**7.5**	**11%**	**15%**	**12%**	**1.1**	**1.0**	**0.9**	**2.9%**	**2.5%**	**2.8%**

Insurance company valuations /26.01.2012/

	Price	P/E 2010	P/E 2011	P/E 2012	ROE 2010	ROE 2011	ROE 2012	P/BV 2010	P/BV 2011	P/BV 2012	D/Y 2010	D/Y 2011	D/Y 2012
POLISH COMPANIES													
PZU	335.0	11.9	12.0	12.3	20%	19%	18%	2.3	2.2	2.2	47.3%	7.8%	7.5%
FOREIGN COMPANIES													
Vienna Insurance G.	34.2	11.3	10.7	9.8	9%	10%	9%	1.0	1.0	0.9	2.9%	3.2%	3.6%
Uniqa	11.2	22.9	-	11.6	5%	-	12%	1.1	1.4	1.4	3.1%	0.3%	3.5%
Aegon	3.7	4.5	8.4	6.4	10%	4%	6%	0.4	0.4	0.4	0.0%	2.8%	5.5%
Allianz	85.5	7.6	10.7	7.4	12%	8%	11%	0.9	0.9	0.8	5.3%	5.0%	5.5%
Aviva	3.6	5.8	7.1	6.2	16%	12%	13%	0.9	0.8	0.8	7.1%	7.5%	7.9%
AXA	12.1	7.7	6.1	6.1	8%	11%	11%	0.6	0.6	0.6	5.6%	5.9%	6.6%
Baloise	71.6	7.8	17.8	7.6	11%	6%	11%	0.8	0.8	0.8	6.5%	6.1%	6.5%
Generali	54.1	7.6	7.1	6.9	9%	9%	10%	0.7	0.7	0.7	4.8%	7.1%	7.3%
Helvetia	308.5	7.9	8.8	7.3	11%	10%	11%	0.8	0.8	0.8	5.0%	5.4%	5.7%
Mapfre	2.6	8.4	8.2	7.6	14%	14%	14%	1.1	1.1	1.0	5.9%	6.0%	6.3%
RSA Insurance	1.1	9.9	7.6	7.3	12%	15%	14%	1.0	1.0	1.0	8.0%	8.7%	9.1%
Zurich Financial	229.8	9.1	8.5	7.9	12%	12%	12%	1.1	1.1	1.0	7.4%	7.8%	7.9%
Median		**7.8**	**8.4**	**7.3**	**11%**	**10%**	**11%**	**0.9**	**0.9**	**0.8**	**5.5%**	**6.0%**	**6.4%**

Fuel producer valuations /26.01.2012/

	Price	EV/EBITDA 2010	EV/EBITDA 2011	EV/EBITDA 2012	EV/S 2010	EV/S 2011	EV/S 2012	P/E 2010	P/E 2011	P/E 2012	EBITDA margin 2010	EBITDA margin 2011	EBITDA margin 2012	D/Y 2010	D/Y 2011	D/Y 2012
OIL COMPANIES																
Lotos	26.0	6.4	6.0	8.1	0.5	0.4	0.3	5.0	4.7	8.0	7%	6%	4%	0.0%	0.0%	0.0%
PKN Orlen	37.0	4.7	3.8	6.2	0.3	0.2	0.2	6.7	3.9	13.2	7%	6%	4%	0.0%	0.0%	7.9%
MOL	19000.0	6.2	5.2	4.8	0.8	0.6	0.7	10.5	7.8	7.5	13%	12%	14%	2.6%	3.6%	4.5%
OMV	26.2	3.7	3.6	3.2	0.6	0.5	0.5	6.6	7.7	6.6	18%	13%	15%	3.9%	3.9%	4.1%
Hellenic Petroleum	6.1	8.5	9.4	6.8	0.5	0.4	0.4	10.4	11.0	7.0	6%	5%	5%	6.5%	7.3%	7.7%
Tupras	39.0	6.5	4.7	5.2	0.3	0.2	0.2	11.5	9.1	8.6	5%	5%	4%	6.7%	8.2%	8.6%
Unipetrol	172.0	6.0	7.3	5.9	0.4	0.3	0.3	25.9	37.5	19.2	6%	4%	6%	0.4%	1.0%	2.3%
Median		**6.2**	**5.2**	**5.9**	**0.5**	**0.4**	**0.3**	**10.4**	**7.8**	**8.0**	**7%**	**6%**	**5%**	**2.6%**	**3.6%**	**4.5%**
GAS COMPAPNIES																
PGNiG	3.7	5.2	8.8	7.6	1.1	1.1	1.1	9.0	17.2	22.8	21%	12%	15%	0.6%	3.2%	2.3%
Gazprom	185.0	4.0	2.8	3.0	1.6	1.2	1.1	4.9	3.3	3.6	40%	41%	38%	1.4%	3.1%	3.5%
GDF Suez	21.0	6.1	5.5	5.1	1.1	1.0	1.0	10.8	12.7	11.5	18%	18%	19%	7.3%	7.3%	7.5%
Gas Natural SDG	12.5	7.1	7.0	6.7	1.8	1.6	1.6	9.7	10.0	9.2	25%	23%	23%	6.4%	6.5%	7.0%
Median		**5.7**	**6.3**	**5.9**	**1.4**	**1.1**	**1.1**	**9.3**	**11.3**	**10.3**	**23%**	**21%**	**21%**	**3.9%**	**4.9%**	**5.2%**

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

Power utilities valuations /26.01.2012/

		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	128.0	6.2	7.0	6.6	2.8	2.9	2.8	8.7	10.7	9.3	45%	41%	42%	6.9%	6.6%	5.6%
ENEA	18.1	3.8	3.6	3.6	0.7	0.6	0.6	12.5	10.6	9.0	17%	16%	17%	2.1%	2.3%	2.7%
PGE	20.5	5.7	4.5	4.5	1.9	1.2	1.3	12.7	6.5	8.6	33%	28%	28%	4.1%	3.2%	7.7%
TAURON	5.3	3.5	4.3	4.0	0.6	0.6	0.6	10.8	7.2	6.8	18%	14%	14%	0.1%	2.8%	4.2%
E.ON	16.4	5.0	7.2	6.2	0.8	0.7	0.7	6.1	13.2	9.9	16%	10%	11%	9.1%	6.1%	6.6%
EDF	17.7	4.7	5.2	4.8	1.2	1.2	1.1	9.5	9.7	8.5	26%	23%	24%	6.5%	6.6%	6.9%
Endesa	15.2	5.0	5.2	5.0	1.4	1.2	1.1	7.2	7.5	7.3	28%	23%	23%	7.0%	6.7%	6.9%
ENEL SpA	3.1	5.4	5.3	5.3	1.3	1.2	1.2	6.9	7.1	6.9	25%	23%	23%	8.7%	8.4%	8.7%
Fortum	16.8	8.6	7.9	8.2	3.5	3.3	3.2	10.5	10.9	10.6	41%	42%	40%	6.0%	6.1%	6.0%
Iberdrola	4.6	7.8	7.4	6.9	2.1	1.9	1.8	9.0	9.2	8.7	28%	25%	26%	7.1%	7.2%	7.5%
RWE AG	28.5	3.7	4.5	4.1	0.7	0.7	0.7	4.1	6.7	6.7	19%	16%	17%	12.3%	7.4%	7.5%
Median		**5.0**	**5.2**	**5.0**	**1.3**	**1.2**	**1.1**	**9.0**	**9.2**	**8.6**	**26%**	**23%**	**23%**	**6.9%**	**6.6%**	**6.9%**

Fertilizer producer and chemical company valuations /26.01.2012/

		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
FERTILIZER PRODUCERS																
POLICE	10.5	12.8	3.1	5.9	0.5	0.4	0.4	28.6	3.3	10.3	4%	12%	6%	0.0%	0.0%	0.0%
ZA Puławy	92.0	3.9	5.4	5.1	0.6	0.5	0.5	5.9	9.9	9.7	15%	10%	10%	1.1%	5.1%	5.0%
Acron	42.4	9.2	4.2	4.9	2.0	1.4	1.4	12.7	5.5	6.9	22%	32%	28%	1.9%	7.6%	3.3%
Agrium	61.3	7.5	4.1	4.1	1.0	0.7	0.6	12.7	6.5	6.6	14%	16%	16%	0.2%	0.2%	0.4%
DSM	40.1	3.5	3.6	3.6	1.4	1.4	1.4	35.0	32.6	32.1	41%	40%	40%	2.0%	2.1%	2.2%
K+S	37.4	8.3	6.4	6.0	1.6	1.5	1.4	16.8	10.7	9.8	19%	23%	24%	2.4%	3.9%	4.3%
Silvinit	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	7.3	-	10.2	6.9	-	6.7	4.8	-	15.5	10.8	-	66%	69%	-	3.6%	6.2%
Yara	249.2	7.7	5.2	5.8	1.3	1.0	1.0	11.8	7.1	7.8	16%	20%	18%	2.4%	2.6%	2.8%
Median		**8.0**	**5.2**	**5.8**	**1.3**	**1.4**	**1.4**	**14.7**	**9.9**	**9.8**	**18%**	**23%**	**24%**	**1.6%**	**2.6%**	**2.8%**
CHEMICAL COMPANIES																
Ciech	19.4	5.3	5.5	5.1	0.5	0.5	0.5	26.5	-	14.2	10%	8%	10%	0.0%	0.0%	0.0%
Akzo Nobel	41.3	5.8	6.2	6.1	0.8	0.7	0.7	12.4	13.6	12.9	14%	12%	12%	3.5%	3.5%	3.6%
BASF	60.0	6.2	6.0	6.4	1.1	1.0	1.0	10.9	9.4	10.9	18%	16%	16%	3.5%	3.9%	4.0%
Croda	19.4	12.6	10.5	10.0	2.9	2.7	2.6	21.3	16.4	15.4	23%	25%	26%	1.8%	2.7%	3.0%
Dow Chemical	33.4	8.3	7.4	7.3	1.1	1.0	1.0	17.9	12.7	11.9	14%	14%	13%	1.8%	2.7%	3.0%
Rhodia	31.6	4.9	4.4	4.4	0.8	0.7	0.7	11.9	9.2	9.0	17%	16%	16%	1.3%	2.0%	2.1%
Sisecam	3.6	6.3	4.9	4.7	1.5	1.2	1.2	13.8	8.7	8.9	23%	25%	24%	1.0%	1.5%	2.3%
Soda Sanayii	3.3	7.4	4.7	5.0	1.3	1.1	1.0	12.5	6.3	7.7	18%	23%	20%	-	3.3%	4.7%
Solvay	77.8	4.4	3.4	2.4	0.6	0.5	0.4	24.8	15.8	11.7	14%	16%	15%	3.9%	3.7%	3.9%
Tata Chemicals	326.3	7.4	7.2	5.9	1.4	1.2	1.0	11.6	11.2	9.6	19%	17%	18%	2.6%	2.8%	3.2%
Tessenderlo Chemie	25.3	5.4	4.9	4.7	0.4	0.4	0.4	33.1	11.4	10.7	8%	9%	9%	5.0%	5.3%	5.3%
Wacker Chemie	65.7	2.9	3.0	3.5	0.7	0.7	0.7	6.5	7.0	10.4	25%	23%	20%	3.5%	4.4%	3.6%
Median		**6.0**	**5.2**	**5.1**	**1.0**	**0.8**	**0.9**	**13.1**	**11.2**	**10.8**	**18%**	**16%**	**16%**	**2.6%**	**3.0%**	**3.4%**

European national telecom operator valuations /26.01.2012/

		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																
Netia	5.7	5.2	4.8	4.3	1.2	1.1	1.0	36.3	20.3	16.0	23%	24%	24%	0.0%	3.4%	4.9%
TPSA	17.7	6.0	4.3	5.0	1.8	1.8	1.9	-	12.2	19.7	30%	42%	38%	8.5%	11.9%	8.5%
Median		**5.6**	**4.5**	**4.7**	**1.5**	**1.5**	**1.5**	**36.3**	**16.2**	**17.8**	**27%**	**33%**	**31%**	**4.2%**	**7.6%**	**6.7%**
MID CAPS																
Belgacom	23.8	4.4	5.1	5.2	1.5	1.5	1.5	9.7	10.0	10.4	33%	30%	29%	9.2%	9.2%	9.2%
Cesky Telecom	380.0	4.8	5.6	6.2	2.2	2.3	2.4	11.9	15.2	14.6	45%	41%	38%	10.4%	9.8%	9.3%
Hellenic Telekom	3.1	3.4	3.8	3.9	1.2	1.3	1.3	4.4	5.6	5.1	34%	33%	34%	5.1%	4.8%	6.3%
Matav	549.0	4.6	4.9	4.8	1.6	1.7	1.7	11.4	11.9	11.4	35%	34%	35%	10.3%	9.2%	9.5%
Portugal Telecom	4.0	3.9	2.6	2.4	1.5	0.9	0.8	9.6	7.2	7.1	39%	36%	35%	15.7%	22.4%	16.6%
Telecom Austria	9.0	4.5	4.9	5.1	1.6	1.7	1.7	12.8	20.6	16.6	35%	34%	33%	8.3%	7.3%	7.3%
Median		**4.5**	**4.9**	**5.0**	**1.6**	**1.6**	**1.6**	**10.6**	**10.9**	**10.9**	**35%**	**34%**	**35%**	**10%**	**9%**	**9%**
BIG CAPS																
BT	2.1	4.8	4.5	4.4	1.3	1.3	1.3	14.4	10.3	9.3	26%	29%	31%	3.3%	3.6%	4.0%
DT	8.9	4.4	4.8	4.9	1.4	1.5	1.5	11.2	11.9	12.2	31%	31%	31%	8.1%	7.9%	8.0%
FT	11.5	4.2	4.3	4.4	1.4	1.4	1.4	6.2	7.4	7.7	34%	33%	33%	12.2%	12.2%	12.2%
KPN	8.2	4.3	4.5	4.6	1.8	1.8	1.8	7.2	6.7	6.6	41%	40%	40%	9.8%	10.4%	11.0%
Swisscom	362.3	5.9	6.0	6.1	2.3	2.4	2.4	10.0	9.8	9.8	39%	40%	40%	6.1%	6.1%	6.4%
TELEFONICA	13.4	4.7	5.8	5.4	2.0	2.0	1.9	7.7	9.2	8.5	43%	34%	36%	10.5%	12.0%	9.7%
TeliaSonera	45.4	6.7	6.7	6.4	2.3	2.4	2.3	9.8	10.4	9.6	35%	35%	36%	5.5%	6.2%	6.7%
TI	0.8	4.5	4.2	4.2	1.9	1.7	1.7	6.5	6.3	6.4	42%	41%	41%	7.1%	8.5%	9.6%
Median		**4.6**	**4.7**	**4.7**	**1.8**	**1.8**	**1.8**	**8.7**	**9.5**	**8.9**	**37%**	**35%**	**36%**	**7.6%**	**8.2%**	**8.8%**

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

IT company valuations /26.01.2012/

	Price	EV/EBITDA 2010	2011	2012	EV/S 2010	2011	2012	P/E 2010	2011	2012	EBITDA margin 2010	2011	2012	D/Y 2010	2011	2012
POLISH COMPANIES																
AB	21.5	7.3	7.0	6.4	0.1	0.1	0.1	6.7	8.9	7.7	2%	2%	2%	1.5%	1.1%	1.3%
ACTION	20.1	9.0	6.4	6.5	0.2	0.2	0.2	13.2	8.7	9.5	2%	3%	2%	4.1%	2.1%	2.3%
ASBIS	2.1	6.2	5.7	4.4	0.1	0.1	0.1	37.1	18.8	6.0	1%	1%	1%	0.0%	0.0%	0.0%
ASSECO POLAND	47.8	6.6	5.7	5.3	1.4	1.0	0.9	8.9	9.5	8.8	21%	18%	17%	3.1%	3.8%	3.4%
COMARCH	60.8	6.2	9.8	6.8	0.5	0.6	0.5	11.2	24.6	15.3	8%	6%	8%	0.0%	0.0%	0.0%
KOMPUTRONIK	7.2	7.3	5.2	4.1	0.1	0.1	0.1	18.9	10.1	6.8	2%	2%	2%	0.0%	0.0%	2.0%
SYGNITY	18.8	-	6.1	4.8	0.4	0.4	0.3	-	58.5	12.6	-	7%	7%	0.0%	0.0%	0.0%
Median		**6.9**	**6.1**	**5.3**	**0.2**	**0.2**	**0.2**	**12.2**	**10.1**	**8.8**	**2%**	**3%**	**2%**	**0.0%**	**0.0%**	**1.3%**
FOREIGN COMPANIES																
Accenture	56.9	10.7	9.2	8.3	1.7	1.4	1.3	21.7	16.8	15.0	16%	15%	16%	1.7%	1.6%	2.3%
Atos Origin	38.4	6.4	4.8	3.8	0.7	0.5	0.4	14.2	12.1	10.0	10%	10%	10%	0.4%	1.5%	1.8%
CapGemini	28.0	4.7	3.9	3.8	0.4	0.4	0.3	13.4	11.9	11.1	9%	9%	9%	3.2%	3.6%	3.9%
IBM	191.0	10.2	9.3	8.7	2.4	2.3	2.2	16.7	14.3	12.9	24%	24%	25%	1.3%	1.5%	1.6%
Indra Sistemas	10.7	6.3	6.3	6.1	0.8	0.7	0.7	8.4	9.3	9.4	12%	12%	11%	6.1%	6.2%	6.2%
LogicaCMG	0.8	4.6	5.3	5.0	0.4	0.4	0.4	6.6	8.5	7.4	9%	7%	8%	5.0%	5.6%	5.7%
Microsoft	29.5	8.0	6.9	6.5	3.4	3.0	2.8	14.3	11.4	10.7	42%	43%	43%	1.8%	1.9%	2.6%
Oracle	28.3	11.1	8.0	7.8	5.2	3.9	3.8	17.5	12.9	12.1	47%	49%	48%	0.7%	0.6%	0.8%
SAP	45.4	13.9	11.2	10.7	4.6	4.0	3.7	20.8	16.4	15.1	33%	36%	35%	1.3%	1.6%	1.7%
TietoEnator	11.9	5.6	4.8	4.7	0.6	0.5	0.5	10.2	10.8	10.2	10%	11%	11%	4.4%	5.6%	5.7%
Median		**7.2**	**6.6**	**6.3**	**1.2**	**1.1**	**1.0**	**14.3**	**12.0**	**10.9**	**14%**	**14%**	**14%**	**1.8%**	**1.8%**	**2.5%**

Media company valuations /26.01.2012/

	Price	EV/EBITDA 2010	2011	2012	EV/S 2010	2011	2012	P/E 2010	2011	2012	EBITDA margin 2010	2011	2012	D/Y 2010	2011	2012
POLISH COMPANIES																
AGORA	11.4	3.1	2.9	2.8	0.5	0.4	0.3	8.1	10.2	11.4	15%	13%	12%	4.4%	4.4%	4.4%
CYFROWY POLSAT	13.2	14.6	9.7	7.6	4.0	2.8	2.3	13.7	14.2	11.5	27%	29%	30%	4.3%	0.0%	3.5%
TVN	10.8	9.8	9.8	8.2	2.4	2.4	2.1	-	-	12.9	25%	24%	26%	2.9%	0.0%	-
DAILY																
Arnolgo Mondadori	1.4	4.8	5.1	5.3	0.4	0.4	0.4	6.7	7.1	7.9	9%	9%	8%	11.7%	11.2%	11.3%
Axel Springer	36.7	7.3	6.4	6.3	1.3	1.2	1.2	12.0	12.3	12.2	18%	19%	18%	4.3%	4.6%	4.7%
Daily Mail	4.4	7.0	7.5	7.3	1.3	1.3	1.3	9.4	9.4	9.2	19%	18%	18%	3.5%	3.8%	4.1%
Gruppo Editorial	1.1	4.1	3.7	3.8	0.7	0.7	0.7	8.5	7.6	7.5	17%	18%	18%	6.6%	7.5%	7.8%
Mcclatchy	2.5	5.6	6.5	6.9	1.5	1.7	1.7	4.0	4.5	6.1	27%	26%	25%	0.0%	0.0%	0.0%
Naspers	383.0	23.4	20.7	21.4	5.6	4.9	4.2	27.3	21.8	21.0	24%	24%	20%	0.6%	0.8%	0.9%
New York Times	8.0	4.4	4.8	4.8	0.7	0.7	0.7	11.6	12.9	12.1	16%	15%	15%	0.0%	0.0%	0.0%
Promotora de Inform	0.8	6.8	8.1	7.0	1.3	1.5	1.5	2.1	11.0	8.9	20%	18%	21%	0.0%	0.0%	0.0%
SPIR Comm	24.3	5.9	5.8	3.8	0.2	0.2	0.2	-	-	21.3	4%	4%	6%	0.0%	0.0%	0.4%
Trinity Mirror	0.5	1.7	2.0	2.0	0.3	0.4	0.4	1.8	1.8	1.9	20%	18%	18%	1.3%	1.3%	3.8%
Mediana		**5.7**	**6.1**	**5.8**	**1.0**	**1.0**	**0.9**	**8.5**	**9.4**	**9.1**	**18%**	**18%**	**18%**	**1.0%**	**1.0%**	**2.3%**
TV																
Antena 3 Televis	4.9	7.6	9.1	10.0	1.5	1.5	1.5	9.6	11.2	12.3	20%	16%	15%	8.2%	7.5%	6.6%
CETV	135.2	14.4	9.4	7.8	2.1	1.8	1.7	-	-	-	15%	19%	21%	0.0%	0.0%	0.0%
Gestevision Telecinco	4.4	8.2	9.5	11.0	2.1	1.7	1.7	7.3	11.1	12.7	26%	18%	16%	8.3%	8.1%	7.5%
ITV PLC	0.8	7.9	7.1	6.9	1.6	1.6	1.6	14.3	10.9	10.5	20%	22%	23%	0.5%	1.8%	3.0%
M6-Metropole Tel	13.1	4.3	4.4	4.5	0.9	1.0	1.0	11.0	10.8	11.2	21%	22%	21%	7.2%	7.7%	7.6%
Mediaset SPA	2.3	5.0	4.1	4.1	1.2	1.2	1.2	6.1	8.7	9.3	23%	28%	28%	14.4%	10.5%	10.0%
RTL Group	73.0	8.9	8.3	8.5	1.9	1.9	1.9	17.4	15.8	15.4	22%	22%	22%	6.1%	6.9%	7.4%
TF1-TV Francaise	8.8	6.1	5.3	5.5	0.7	0.7	0.7	14.2	10.4	10.7	12%	14%	13%	5.3%	7.1%	7.0%
Mediana		**7.8**	**7.7**	**7.3**	**1.6**	**1.5**	**1.5**	**11.0**	**10.9**	**11.2**	**21%**	**20%**	**21%**	**6.7%**	**7.3%**	**7.2%**
PAY TV																
BSkyB PLC	6.7	11.1	9.5	8.3	2.2	2.0	1.9	22.1	16.8	13.7	20%	22%	23%	2.8%	3.2%	3.7%
Canal Plus	4.3	3.1	3.0	3.0	0.2	0.1	0.1	13.3	12.5	12.1	5%	5%	5%	6.4%	6.8%	6.8%
Cogeco	47.8	6.4	5.8	5.3	2.5	2.4	2.2	19.6	14.1	10.0	39%	41%	42%	1.2%	1.5%	2.1%
Comcast	26.3	6.7	5.3	5.0	2.6	1.7	1.6	20.9	17.3	14.1	39%	32%	32%	1.4%	1.7%	1.8%
Liberty Global	45.7	8.0	7.0	6.6	3.6	3.2	3.0	-	-	26.6	45%	46%	45%	0.0%	0.0%	0.0%
Multimedia	9.1	5.5	5.2	5.0	2.8	2.7	2.6	13.3	12.1	11.0	51%	52%	52%	-	-	-
Shaw Communications	19.7	7.3	6.1	5.7	3.3	2.6	2.4	15.2	12.7	11.7	46%	43%	43%	4.4%	4.6%	4.8%
Mediana		**6.7**	**5.8**	**5.3**	**2.6**	**2.4**	**2.2**	**17.4**	**13.4**	**12.1**	**39%**	**41%**	**42%**	**2.1%**	**2.4%**	**2.9%**

Mining company valuations /26.01.2012/

	Price	EV/EBITDA 2010	2011	2012	EV/S 2010	2011	2012	P/E 2010	2011	2012	EBITDA margin 2010	2011	2012	D/Y 2010	2011	2012
POLISH COMPANIES																
KGHM	131.9	3.8	1.5	2.8	1.5	0.8	1.1	5.8	2.4	7.7	39%	57%	40%	11.2%	11.2%	15.2%
FOREIGN COMPANIES																
Anglo Amer.	27.4	4.2	3.5	3.2	1.7	1.4	1.3	6.9	5.3	4.7	40%	41%	41%	1.9%	2.7%	3.1%
BHP Billiton	22.0	5.0	3.2	3.0	2.4	1.7	1.6	9.4	5.3	5.3	48%	53%	53%	3.9%	4.4%	5.0%
Freeport-MCMOR	46.5	4.8	4.6	4.6	2.5	2.2	2.2	10.5	9.6	9.7	52%	49%	48%	1.6%	3.2%	2.7%
Rio Tinto	38.9	3.3	3.0	3.0	1.5	1.4	1.3	5.5	4.7	4.6	46%	45%	44%	2.5%	3.1%	3.3%
Southern Peru	36.0	10.5	7.8	7.3	6.0	4.4	4.3	19.3	13.0	12.7	57%	57%	59%	4.5%	6.0%	5.1%
Median		**4.8**	**3.5**	**3.2**	**2.4**	**1.7**	**1.6**	**9.4**	**5.3**	**5.3**	**48%**	**49%**	**48%**	**2.5%**	**3.2%**	**3.3%**

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

Construction company valuations /26.01.2012/

	Price	EV/EBITDA 2010	EV/EBITDA 2011	EV/EBITDA 2012	EV/S 2010	EV/S 2011	EV/S 2012	P/E 2010	P/E 2011	P/E 2012	EBITDA margin 2010	EBITDA margin 2011	EBITDA margin 2012	D/Y 2010	D/Y 2011	D/Y 2012
POLISH COMPANIES																
Budimex	80.0	0.6	4.1	4.7	0.0	0.3	0.3	7.6	8.6	8.5	8%	6%	5%	8.5%	11.3%	5.8%
Elektrobudowa	101.9	6.8	6.5	6.3	0.6	0.5	0.4	10.7	12.2	10.5	8%	7%	7%	3.4%	5.9%	2.9%
Erbud	18.5	4.6	-	4.3	0.1	0.2	0.2	19.2	-	6.8	3%	-	4%	2.7%	1.3%	0.0%
Mostostal Warszawa	19.5	0.8	6.5	2.9	0.0	0.1	0.1	6.2	20.9	8.4	5%	2%	3%	9.2%	2.8%	1.4%
PBG	80.5	6.1	8.1	5.8	0.7	0.8	0.5	5.1	5.8	5.4	12%	10%	8%	1.7%	1.7%	1.7%
Polimex Mostostal	1.7	4.3	5.8	4.9	0.3	0.3	0.3	7.3	11.5	7.6	7%	5%	6%	2.3%	0.0%	0.0%
Rafako	8.1	5.1	3.3	3.1	0.3	0.3	0.2	12.9	8.1	9.2	6%	8%	7%	3.7%	7.1%	0.0%
Trakcja Tiltra	1.2	-	4.2	3.4	-	0.3	0.2	6.0	3.9	3.6	-	8%	7%	0.0%	0.0%	0.0%
Ulma Construccion	60.6	5.0	3.4	3.5	2.4	1.7	1.6	31.1	9.3	10.0	48%	50%	46%	0.0%	0.0%	0.0%
Unibep	6.3	6.3	8.6	5.1	0.3	0.4	0.4	9.4	10.9	5.2	5%	4%	7%	1.6%	0.0%	0.0%
ZUE	7.4	5.7	4.6	3.7	0.5	0.3	0.3	9.6	7.8	7.3	8%	8%	8%	1.0%	0.0%	0.0%
Median		**5.1**	**5.8**	**4.5**	**0.3**	**0.3**	**0.3**	**8.5**	**9.3**	**8.0**	**7%**	**7%**	**7%**	**2.5%**	**1.5%**	**0.0%**
FOREIGN COMPANIES																
AMEC	10.4	10.0	8.5	7.5	0.9	0.8	0.7	17.5	15.4	13.3	9%	10%	10%	1.9%	2.8%	3.2%
BILFINGER	70.3	10.4	9.9	9.5	0.6	0.6	0.6	12.6	14.2	13.1	6%	6%	7%	3.4%	4.2%	3.8%
EIFFAGE	23.7	8.4	8.0	7.6	1.2	1.1	1.1	8.9	9.3	8.2	14%	14%	15%	5.1%	5.1%	5.1%
HOCHTIEF	50.9	4.7	5.8	3.8	0.3	0.3	0.3	15.3	-	12.2	6%	4%	7%	3.3%	3.0%	5.3%
NCC	138.3	7.0	7.3	5.6	0.3	0.3	0.3	12.3	13.3	9.6	5%	4%	5%	4.6%	6.7%	7.4%
SKANSKA	119.5	6.7	7.3	7.4	0.4	0.4	0.4	14.1	12.1	14.9	5%	5%	5%	4.9%	5.1%	5.2%
STRABAG	22.7	4.0	3.7	3.7	0.2	0.2	0.2	14.9	13.2	12.7	5%	5%	5%	2.3%	2.8%	2.9%
Median		**7.0**	**7.3**	**7.4**	**0.4**	**0.4**	**0.4**	**14.1**	**13.3**	**12.7**	**6%**	**5%**	**7%**	**3.4%**	**4.2%**	**5.1%**

Property developer valuations /26.01.2012/

	Price	EV/EBITDA 2010	EV/EBITDA 2011	EV/EBITDA 2012	P/BV 2010	P/BV 2011	P/BV 2012	P/E 2010	P/E 2011	P/E 2012	EBITDA margin 2010	EBITDA margin 2011	EBITDA margin 2012	D/Y 2010	D/Y 2011	D/Y 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	31.6	13.3	9.8	7.9	1.0	0.9	0.9	19.2	10.7	9.0	12%	16%	14%	2.5%	2.8%	5.6%
Echo Investment	3.9	19.5	9.2	6.5	0.9	0.8	0.7	11.0	8.2	3.9	40%	92%	113%	0.0%	0.0%	0.0%
GTC	10.2	15.8	8.4	6.9	0.5	0.5	0.4	12.5	4.7	3.0	66%	127%	159%	0.0%	0.0%	0.0%
J.W. Construction	7.7	6.0	14.0	13.6	0.9	0.8	0.8	4.5	16.1	12.8	25%	22%	26%	0.0%	0.0%	0.0%
PA Nova	19.5	9.7	10.8	13.7	0.8	0.8	0.7	9.6	11.1	10.9	19%	18%	19%	0.0%	0.0%	0.0%
Polnord	17.1	21.8	11.2	14.4	0.3	0.3	0.3	7.4	6.6	5.6	28%	31%	22%	5.0%	1.9%	3.0%
Robyg	1.3	14.4	63.3	5.7	0.8	0.8	0.7	10.3	38.3	4.4	17%	9%	25%	0.0%	5.5%	1.0%
Median		**13.9**	**11.0**	**8.6**	**0.8**	**0.8**	**0.7**	**10.7**	**10.9**	**5.3**	**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	19.5	17.5	16.4	0.7	0.7	0.7	13.9	13.2	12.6	55%	55%	57%	5.2%	5.5%	5.6%
CORIO	37.1	18.3	17.4	16.5	0.8	0.8	0.8	13.0	12.7	12.1	78%	83%	82%	7.1%	7.4%	7.5%
DEUTSCHE EUROSHOP	26.0	21.2	16.3	14.8	1.1	1.0	1.0	18.6	19.1	17.0	87%	87%	87%	4.2%	4.3%	4.5%
ECHO INVESTMENT	3.9	12.8	7.7	15.5	0.9	0.9	0.8	10.6	7.3	11.3	69%	114%	46%	0.0%	0.0%	0.0%
HAMMERSON	3.9	19.4	19.0	18.5	1.0	0.8	0.8	20.0	20.0	19.4	80%	77%	77%	4.1%	4.2%	4.3%
KLEPIERRE	23.6	16.9	16.2	15.6	1.1	0.9	1.0	15.1	12.5	12.8	84%	85%	85%	5.3%	5.8%	6.0%
SPARKASSEN IMMO	4.4	19.8	15.8	15.3	0.6	0.6	0.6	59.6	18.5	15.0	47%	48%	48%	0.0%	3.1%	3.4%
UNIBAIL-RODAMCO	147.0	20.5	19.8	19.1	1.1	1.2	1.1	16.3	16.4	15.7	84%	84%	85%	5.5%	5.5%	5.7%
Median		**19.5**	**17.4**	**16.4**	**0.9**	**0.8**	**0.8**	**15.7**	**16.4**	**12.8**	**78%**	**83%**	**77%**	**4.2%**	**4.3%**	**4.5%**

Machinery manufacturer valuations /26.01.2012/

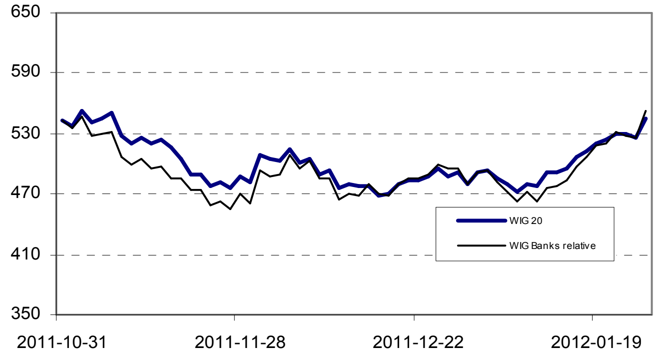
	Price	EV/EBITDA 2010	EV/EBITDA 2011	EV/EBITDA 2012	EV/S 2010	EV/S 2011	EV/S 2012	P/E 2010	P/E 2011	P/E 2012	EBITDA margin 2010	EBITDA margin 2011	EBITDA margin 2012	D/Y 2010	D/Y 2011	D/Y 2012
POLISH COMPANIES																
FAMUR	3.1	12.5	6.2	5.7	2.3	2.0	1.7	20.1	14.6	12.1	18%	32%	30%	0.0%	5.8%	0.0%
KOPEX	23.3	12.4	8.3	6.8	1.0	1.0	1.0	52.1	12.6	12.2	8%	12%	14%	0.0%	0.0%	0.8%
Median		**12.4**	**7.3**	**6.3**	**1.6**	**1.5**	**1.4**	**36.1**	**13.6**	**12.1**	**13%**	**22%**	**22%**	**0.0%**	**2.9%**	**0.4%**
FOREIGN COMPANIES																
Atlas Copco	167.9	13.1	10.7	10.6	3.1	2.7	2.6	20.5	15.9	15.9	24%	25%	24%	2.5%	2.9%	3.1%
Caterpillar	92.0	14.9	9.4	7.6	2.1	1.5	1.3	23.0	13.5	10.2	14%	16%	17%	1.9%	1.9%	2.0%
Emeco	1.0	5.1	4.2	3.7	2.1	1.9	1.7	15.5	11.1	9.0	41%	46%	46%	1.4%	7.4%	5.6%
Industrea	1.1	5.3	4.7	3.8	1.8	1.6	1.3	7.6	7.4	6.1	34%	34%	35%	3.2%	3.2%	4.9%
Joy Global	92.2	13.0	9.4	7.4	2.8	2.1	1.7	22.0	15.5	12.5	21%	23%	23%	0.8%	0.8%	0.8%
Sandvik	100.5	9.5	8.7	8.3	1.8	1.6	1.5	18.1	14.3	14.4	19%	18%	18%	2.7%	3.2%	3.7%
Median		**11.2**	**9.0**	**7.5**	**2.1**	**1.8**	**1.6**	**19.3**	**13.9**	**11.4**	**22%**	**24%**	**24%**	**2.2%**	**3.0%**	**3.4%**

Paper manufacturer valuations /26.01.2012/

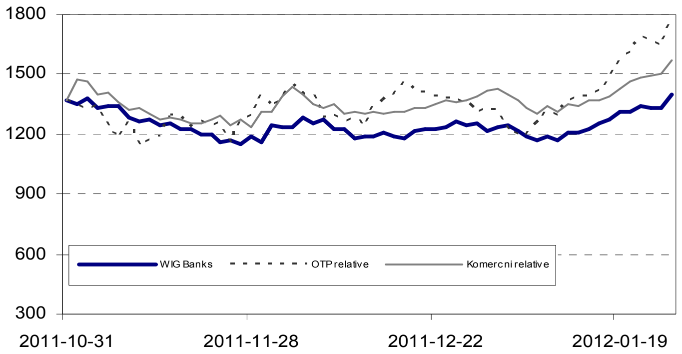
	Price	EV/EBITDA 2010	EV/EBITDA 2011	EV/EBITDA 2012	EV/S 2010	EV/S 2011	EV/S 2012	P/E 2010	P/E 2011	P/E 2012	EBITDA margin 2010	EBITDA margin 2011	EBITDA margin 2012	D/Y 2010	D/Y 2011	D/Y 2012
POLISH COMPANIES																
MONDI	61.3	7.3	5.1	6.2	1.6	1.1	1.2	12.3	7.4	9.0	22%	22%	19%	0.0%	0.0%	13.4%
FOREIGN COMPANIES																
Billerund	61.3	4.3	4.1	5.3	0.8	0.7	0.8	9.2	8.5	12.9	18%	18%	15%	4.5%	5.8%	5.4%
Holmen	204.5	9.2	7.0	7.4	1.4	1.2	1.3	23.5	13.0	14.8	15%	18%	17%	3.4%	-	-
INTL Paper	31.3	6.3	5.7	5.6	0.8	0.8	0.8	15.4	10.1	10.4	13%	14%	14%	1.3%	3.2%	3.4%
M-Real	1.9	4.6	8.9	7.0	0.5	0.6	0.7	8.9	-	15.0	12%	6%	9%	0.9%	0.4%	1.6%
Norske Skog	6.9	8.5	6.9	5.9	0.6	0.5	0.5	-	-	-	7%	8%	9%	0.0%	0.0%	0.0%
Portucel EMP.	1.9	5.3	5.2	5.3	1.5	1.4	1.4	7.9	7.2	7.6	28%	27%	27%	8.5%	7.2%	7.6%
Stora Enso	6.9	6.1	5.8	6.5	0.8	0.7	0.7	9.4	10.8	12.3	13%	12%	11%	3.6%	4.0%	4.2%
Svenska	114.7	7.5	8.0	7.4	1.1	1.1	1.1	13.0	13.7	12.2	15%	14%	15%	3.5%	3.7%	3.9%
UPM-Kymmene	10.2	6.0	6.1	5.9	1.0	0.9	0.8	10.7	11.0	12.3	16%	14%	14%	4.6%	5.5%	5.5%
Median		**6.1**	**6.1**	**5.9**	**0.8**	**0.8**	**0.8**	**10.1**	**10.8**	**12.3**	**15%**	**14%**	**14%**	**3.5%**	**3.8%**	**4.1%**

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

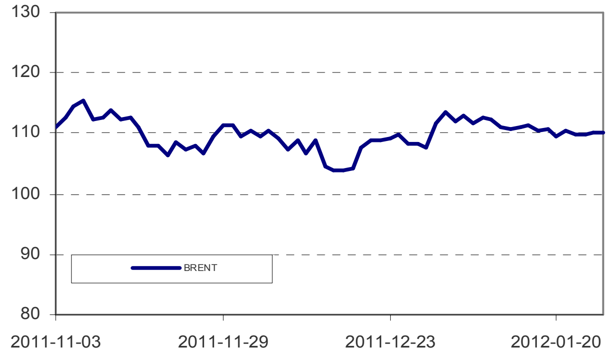
WIG Banks index vs. WIG 20 index (EUR)



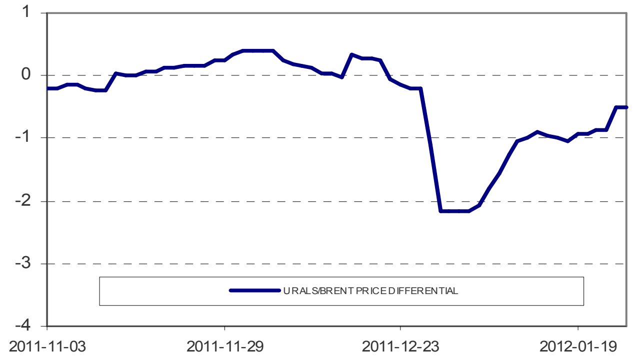
OTP and Komercni's relative performance vs. WIG Banks index (EUR)



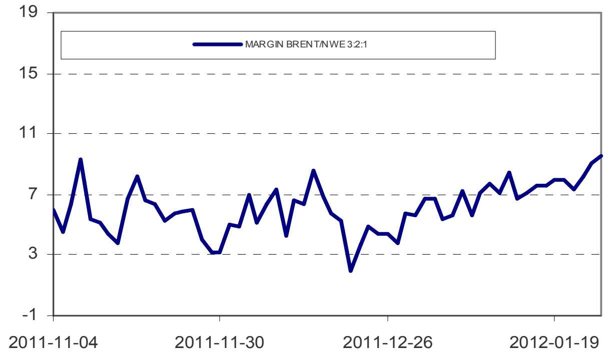
BRENT (USD/bbl)



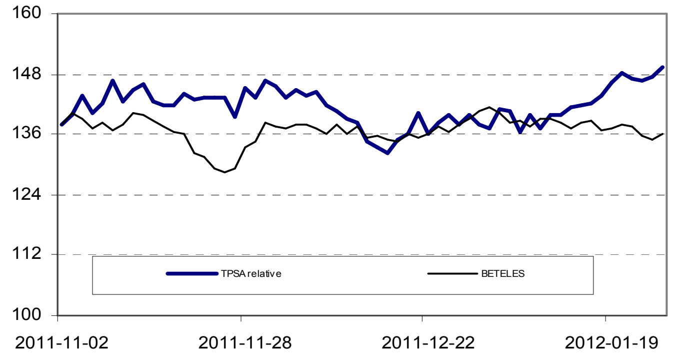
BRENT (USD/bbl)



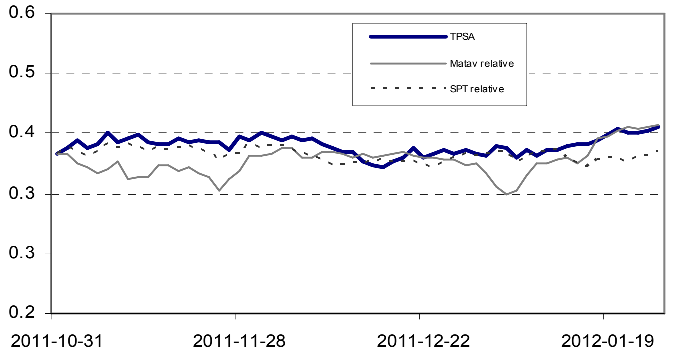
BRENT (USD/bbl)



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

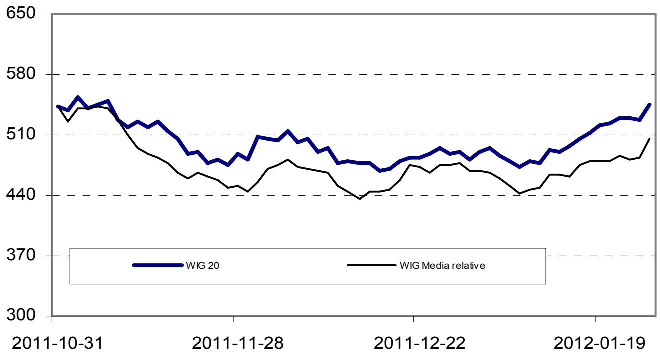


National operator quotations: TPSA, Hungarian Magyar Telecom and Czech SPT (EUR)

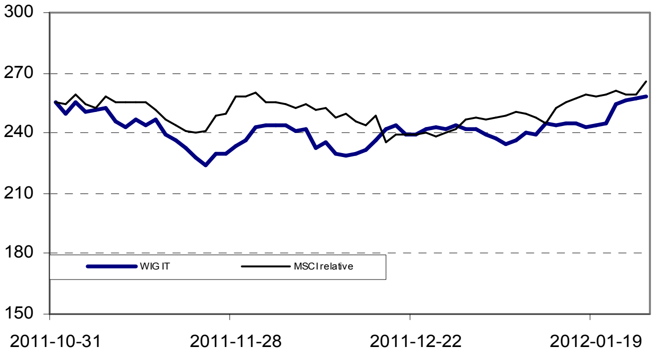


Source: Bloomberg

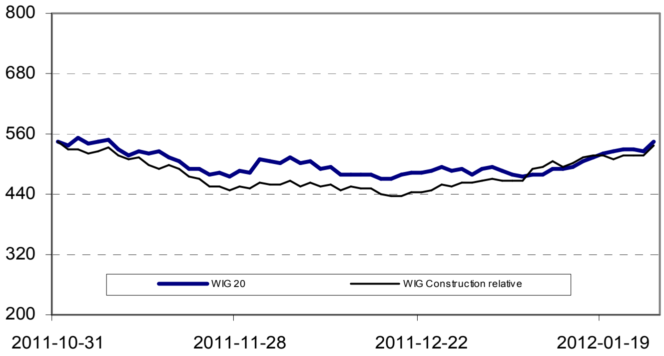
WIG Media index vs. WIG 20 index (EUR)



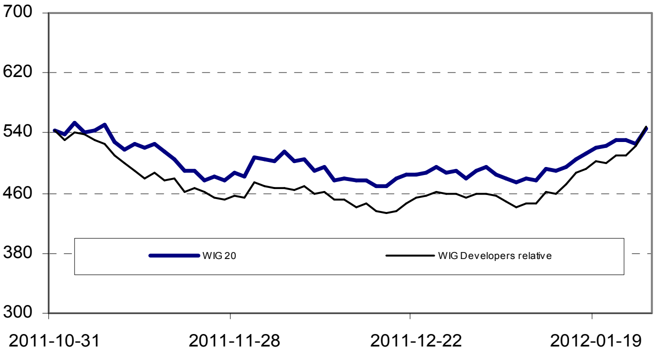
WIG IT index vs. MSCI



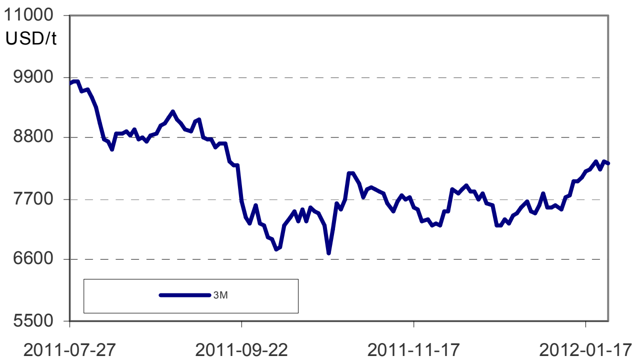
WIG Construction index vs. WIG 20 index (EUR)



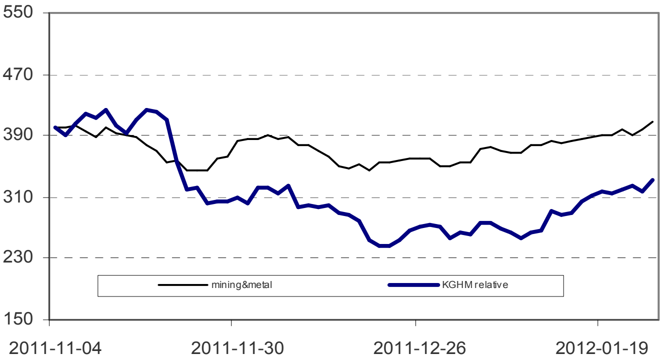
WIG Developers index vs. WIG 20 index (EUR)



Copper price on LME



KGHM vs. mining&metal sector index (USD)



Source: Bloomberg

Michał Marczak tel. (+48 22) 697 47 38
Managing Director
Head of Research
michal.marczak@dibre.com.pl
Strategy, Telco, Mining, Metals

Research Department:

Kamil Kliszcz tel. (+48 22) 697 47 06
kamil.kliszcz@dibre.com.pl
Fuels, Chemicals, Energy

Piotr Grzybowski tel. (+48 22) 697 47 17
piotr.grzybowski@dibre.com.pl
IT, Media

Maciej Stokłosa tel. (+48 22) 697 47 41
maciej.stoklosa@dibre.com.pl
Construction

Jakub Szkopek tel. (+48 22) 697 47 40
jakub.szkopek@dibre.com.pl
Manufacturers

Iza Rokicka tel. (+48 22) 697 47 37
iza.rokicka@dibre.com.pl
Banks

Gabriela Borowska tel. (+48 22) 697 47 36
gabriela.borowska@dibre.com.pl
Retail

Piotr Zybała tel. (+48 22) 697 47 01
piotr.zybala@dibre.com.pl
Real-Estate Developers

Sales and Trading:

Piotr Dudziński tel. (+48 22) 697 48 22
Director
piotr.dudzinski@dibre.com.pl

Marzena Łempicka-Wilim tel. (+48 22) 697 48 95
Deputy Director
marzena.lempicka@dibre.com.pl

Traders:

Emil Onyszczuk tel. (+48 22) 697 49 63
emil.onyszczuk@dibre.com.pl

Michał Jakubowski tel. (+48 22) 697 47 44
michal.jakubowski@dibre.com.pl

Tomasz Jakubiec tel. (+48 22) 697 47 31
tomasz.jakubiec@dibre.com.pl

Michał Stępkowski tel. (+48 22) 697 48 25
michal.stepkowski@dibre.com.pl

Paweł Majewski tel. (+48 22) 697 49 68
pawel.majewski@dibre.com.pl

Foreign Markets Unit:

Adam Prokop tel. (+48 22) 697 48 46
Foreign Markets Manager
adam.prokop@dibre.com.pl

Michał Rożmiej tel. (+48 22) 697 48 64
michal.rozmiej@dibre.com.pl

Jakub Słotkowicz tel. (+48 22) 697 48 64
jakub.slotkowicz@dibre.com.pl

Jacek Wrześniewski tel. (+48 22) 697 49 85
jacek.wrzesniewski@dibre.com.pl

"Private Broker"

Jarosław Banasiak tel. (+48 22) 697 48 70
Director, Active Sales
jaroslaw.banasiak@dibre.com.pl

Dom Inwestycyjny
BRE Banku S.A.
ul. Wspólna 47/49
00-950 Warszawa
www.dibre.com.pl

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

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

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

This document does not constitute an offer or invitation to subscribe for or purchase any financial instruments and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. This document nor any copy hereof is not to be distributed directly or indirectly in the United States, Australia, Canada or Japan.

Recommendations are based on essential data from the entire history of a company being the subject of a recommendation, with particular emphasis on the period since the previous recommendation.

Investing in shares is connected with a number of risks including, but not limited to, the macroeconomic situation of the country, changes in legal regulations as well as changes on commodity markets. Full elimination of these risks is virtually impossible.
BRE Bank Securities S.A. bears no responsibility for investment decisions taken on the basis of the present report or for any damages incurred as a result of investment decisions taken on the basis of the present report.

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

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

Copying or publishing the present report, in full or in part, or disseminating in any way information contained in the present report requires the prior written agreement of BRE Bank Securities S.A. Recommendations are addressed to all Clients of BRE Bank Securities S.A.
The activity of BRE Bank Securities S.A. is subject to the supervision of the Polish Financial Supervision Commission.

BRE Bank Securities S.A. serves as underwriter for the following issuers: Asseco BS, Certyfikaty Skarbiec Nieruchomości, Erbud, Es-System, KRUK, LW Bogdanka, Macrologic, Magellan, Mieszko, Mondi, Neuca, Pemug, Polimex-Mostostal, Robyg, ZUE.
BRE Bank Securities S.A. serves as market maker for the following issuers: Asseco BS, Rubikon Partners NFI, Asseco Poland, Erbud, Es-System, KGHM, KRUK, LW Bogdanka, Macrologic, Magellan, Mieszko, Mondi, Neuca, PA Nova, Pekao, Pemug, PKN Orlen, PKO BP, Polmot Warfama, Robyg, TP SA, TVN, Unibep, Warfama, ZUE.
BRE Bank Securities S.A. receives remuneration from issuers for services rendered to the following companies: AB, Agora, Ambra, Bakalland, Boryszew, BPH, BRE Bank, BZ WBK, Deutsche Bank, DZ Bank Polska, Echo Investment, Elzab, Enea, Energoaparatura, Energomontaż Północ, Erbud, Es-System, Farmacol, Ferrum, Fortis Bank, Getin Holding, GTC, Handlowy, Impexmetal, ING BSK, Intergroclin Auto, Koelner, Kredyt Bank, KRUK, Magellan, Mennica, Mercor, Mieszko, Millennium, Mostostal Warszawa, Nepentes, Netia, Neuca, Odratrans, PA Nova, Pekao, Pemug, PGE, PGNiG, PKO BP, Polimex-Mostostal, Polmos Lublin, Polnord, Prokom Software, PZU, Robyg, Rubikon Partners NFI, Seco Warwick, Sfinks, Sokołów, Sygnity, Techmex, Unibep, ZA Puławy, ZUE.
In the last 12 months BRE Bank Securities S.A. has been an offering agent of the issuer's shares in a public offering for the following companies: Kruk, PA Nova.
Asseco Poland provides IT services to BRE Bank Securities.

Individuals who did not participate in the preparation of recommendations, but had or could have had access to recommendations prior to their publication, are employees of BRE Bank Securities S.A. authorised to access the premises in which recommendations are prepared, other than the analysts mentioned as the authors of the present recommendations.

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