1 September 2010

BRE Bank Securities

Equity Market
Poland

Morning Comments

Institutional Sales and Research:
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Index	Close	Change	Index	Close	Change	Index	Close	Change
DJIA	10 014.7	+0.05%	FTSE 100	5 225.2	+0.45%	Copper (LME)	7 440.0	-0.25%
S&P 500	1 049.3	+0.04%	WIG20	2 431.1	+0.71%	Crude Oil (Brent)	74.3	-1.60%
NASDAQ	2 114.0	-0.28%	BUX	22 561.5	+2.70%	USD/PLN	3.16	+0.07%
DAX	5 925.2	+0.22%	PX 50	1 141.1	-1.18%	EUR/PLN	4.00	+0.18%
CAC 40	3 487.0	-0.58%	PLBonds10	5.43	+0.26%	EUR/USD	1.27	+0.13%

Company & Sector Information

Banks

Loan quality deteriorated faster in July than in June

Yesterday, the NBP published loan quality statistics for the banking industry in July 2010. The share of impaired loans increased by 21bps m/m, to 8.7% of the total, due to a sharp deterioration in the quality of retail loans, by 22bps to 6.9% m/m. In the corporate segment, the share of impaired loans increased again after an improvement in June, this time by 18bps m/m to 12.4% (though the main reason for this development was a 1.0% m/m reduction in total loans; impaired loans as such increased by 0.5% m/m only). In the retail segment, the main problem are still consumer loans, where the proportion of impaired loans deteriorated by 43bps m/m to 16.2%. Mortgages still look very good relative to total loans. That said, impaired loans accelerated in this case as well and increased by 7bps to 1.7% of the total. CHF-denominated loans are still performing better than zloty loans (+4bps m/m to 1.2% and +8bps m/m to 2.6%, respectively). **July loan quality data surprised us somewhat on the downside. Given the June reading, we did not expect the quality of corporate loans to deteriorate further. In addition, we expected the impairment rate of consumer loans to slow down significantly in H2 vs. H1. The data for July have failed to support such a scenario. (I. Rokicka)**

Government to unveil details of bank tax proposals within two weeks

Prime Minister Donald Tusk said yesterday that the government was considering the introduction of a special tax on banks. Detailed proposals will be revealed within two weeks. According to newspapers, the solutions are to follow the British model.
Under the model proposed in the UK, the taxable base is defined as total assets minus equity (Tier 1) and retail deposits. In 2011, the tax rate will be 0.04% for assets maturing within one year and 0.02% for assets with longer maturity. Since 2012, the rates will go up to 0.07% and 0.035%, respectively. The British solution favors banks with strong retail deposits, and also takes into account equity and return on assets.
Using the principles of taxable base calculation from the British model, and assuming that the tax rate will be 0.7% across the board, we have established that the additional tax could

Theoretical tax on adjusted assts, impact on earnings

(PLN m)	Adjusted assets (2009)*	Theoretical tax	Pct. of profits (2011)	Pct. of profits (2012)	Pct. of market cap
PKO BP	48 493	34	0.8	0.7	0.1
Pekao	68 261	48	1.5	1.3	0.1
Getin Holding	5 967	4	0.7	0.5	0.1
BZ WBK	22 504	16	1.4	1.2	0.1
Millennium	21 487	15	3.4	2.3	0.3
Handlowy	25 097	18	2.2	2.0	0.2
ING BSK	24 959	17	2.1	1.8	0.2
Kredyt Bank	22 280	16	4.8	4.5	0.4
Total	**239 049**	**167**	**1.5**	**1.2**	**0.1**
Banking industry	**576 221**	**403**			**-**

Source: Banks, KNF, Bloomberg, BRE Bank Securities
** adjusted assets = total assets minus equity (Tier 1) minus retail deposits.*
*** value of equity adjusted for share offering registered in 1Q10*

figure to 1.5% of the profits of the eight banks we cover on average in 2011, and 1.2% in 2012. The banks that would suffer the least are Getin Holding (with average decline in profits by 0.6% in 2011-2012), PKO BP (0.8%) and BZ WBK (1.3%); on the opposite end of the scale, we have Kredyt Bank (4.6%), Millennium (2.9%) and Bank Handlowy (2.1%).
In our opinion, if the bank tax is based in the model described above, it will have a neutral impact on profitability and therefore stock prices. On the other hand, should the government want to boost budget revenue by more than the PLN 400m this mechanism should yield, the additional tax would become a burden on the profits and valuations of small and not very profitable banks such as Kredyt Bank and Millennium. (I. Rokicka)

BZ WBK
Hold – 07/04/10
Target price: PLN 200.5
PKO BP
Hold – 17/03/10
Target price: PLN 40.1

Treasury to lobby for PKO BP in Dublin
Parkiet reports that Deputy Minister of the Treasury, Mr. Krzysztof Walenciak, is traveling to Dublin tomorrow to lobby for PKO BP's bid for AIB's stake in BZ WBK. **Once more we see that PKO BP has open governmental support in the race for BZ WBK. (I. Rokicka)**

Pekao
Hold – 05/03/10
Target price: PLN 172.8

CEO formally approved
The Financial Supervision Authority approved yesterday Ms. Alicja Kornasiewicz as the CEO of Pekao. Ms. Kornasiewicz has been acting in this capacity since February 2010. **(I. Rokicka)**

PGE
Buy - 30/03/10
Target price: PLN 27.9

Share capital increase approved
Yesterday, a court approved a PLN 1.4bn share capital increase at PGE through the issue of 139.693 million shares in connection with the ongoing asset consolidation and minority buyout efforts. **According to the most recent declarations on the part of PGE, the share offering will eventually reduce minority interest in subsidiaries by PLN 3.4bn, which, given the value the shares to be issued have at today's price of the stock (PLN 3.2m) makes the process more advantageous for PGE's current shareholders. At the end of H1'10, minority interest stood at PLN 7.3bn, having declined vs. December 2009 due to the subsidiaries' dividend plans. Trading in the newly issued shares will start in the second half of October. (K. Kliszcz)**

PGNiG
Buy - 14/06/10
Target price: PLN 4.24

Loan secured by Norwegian deposits
PGNiG Norway, PGNiG's 100% subsidiary, signed a USD 400m loan agreement with a syndicate of seven banks headed by Credit Agricole. The loan is a reserve-based loan, and the main collateral are PGNiG Norway's Skarv deposits. According to newspapers, the banks have valued them at USD 764m. The CEO of PGNiG Noeway, Mr. Cyryl Fedorowicz, has recently said that revenue from the field should figure to USD 300m in 2012. So far, the Company has invested USD 660m in the project. **The loan testifies to the quality of PGNiG's Norwegian assets (as a reminder, 2P reserves attributable to PGNiG figure to 60m boe). In our last report, we have decided to take full account of the project in our earnings forecasts (previously, our valuation only factored in CAPEX hitherto incurred). According to our estimates, PGNiG Norway's 2012 revenue should figure to USD 340m (in line with what its CEO is saying), with EBIT at USD 276m and net profit at USD 60m (due to the high tax rate). Let us also point out that the Norwegian tax system will allow PGNiG to recover 78% of outlays on unsuccessful drilling efforts. We reiterate our opinion that the market consensus fails to account for the value of PGNiG's Norwegian assets. (K. Kliszcz)**

PKN Orlen
Hold – 08/04/10
Target price: PLN 40.2

Conclusions re Mazeikiu Nafta coming in September
CEO Jacek Krawiec said that in September the advisor picked by Orlen is going to present information on investors who might be interested in the purchase of Mazeikiu N. On this basis, the Management will form the first conclusions with regard to the Lithuanian investment. **(K. Kliszcz)**

Astarta
Sell – 11/05/10
Target price: PLN 45.83
Kernel
Accumulate – 19/08/10
Target price: PLN 68.65

Ukraine cuts grain yield forecasts
Ukraine's Ministry of Agriculture has cut this year's grain yield forecast from 42 Mt to 40.5 Mt, while claiming that the lower yield will not endanger access to food in the country and will allow for continued exports. Earlier, the Agriculture Minister said that Ukraine could export some 15 Mt of grain in 2010. **Kernel's Management have already declared that export volumes will decline in 2010, which will be partially offset by higher margins on grain sales. Astarta will offset a reduction in grain production with its higher price. Another piece of news concerning a decline in crop yield should not have a major impact on the price of Astarta's and Kernel's stock. (J. Szkopek)**

Budimex
Sell – 04/08/10
Target price: PLN 78.3

PLN 6.8m fine
Budmiex agreed to pay a PLN 6.8m penalty for a delay in the construction of the Ergo Arena sports venue in the Tri-City. **In our opinion, Budimex may already have created a provision for this. The agreement with the investor may in fact have resulted in a reduction of this provision. We do not know whether the PLN 6.8m fine has already been factored into H1'10 earnings, but it seems likely. (M. Stokłosa)**

Centrum Klima
Accumulate – 04/08/10
Target price: PLN 14.65

Earnings improved by several dozen percent Y/Y in August?
The CEO of Centrum Klima said that despite the move to Wieruchów, there had been no earnings breakdown in August. In fact, an increase by a dozen or so percent is expected relative to August 2009. Note that the Company interrupted production for nearly three weeks during the move. As for potential takeovers, Centrum Klima is carrying out a due diligence study at one company and has finished negotiations with another. Due to the delays in the construction of the new plant, CK decided to reduce the contractor's remuneration by PLN 0.7m (in accordance with the contract). **We find it hard to imagine that output increased by several dozen percent Y/Y in the month when the Company moved from one plant to another, especially given the length of the stoppage. This piece of news needs to be confirmed. In our opinion, CK may have been selling its stockpiles on occasion of the move, which, in turn, may have boosted its sales. (M. Stokłosa)**

Erbud
Accumulate – 05/07/10
Target price: PLN 54.6

New contract opportunities
In the CEO's estimate, the Company's revenue in H2 2010 should figure to some PLN 600m, which could put FY revenue above PLN 1.1m (our forecast: PLN 1.2bn). Erbud submitted best bids for eight projects totaling PLN 450m. Within a few weeks, it should sign agreements for a total of ca. PLN 250m, including for the expansion of the Modlin airport near Warsaw, the construction of a road leading to the Budomierz border crossing and railroad bridges for PKP PLK. Acting in consortia, the Company won the tenders for bypasses around Lubin and Rawa Mazowiecka. Other orders include a swimming pool in Lesko, a hospital in Kraków and a sports and entertainment hall in Szczecin. In the Management's estimate, at the end of the year the order backlog will be no less than PLN 1.1bn. Upside potential for revenue can be mostly found in building and road construction and power engineering. At the moment, Erbud has two contracts for work inside power plants (PLN 35m total, one example is the construction of the foundations of a desulfurization installation at the Siekierki power plant). In road construction, Erbud has orders for a total of PLN 88.8m. In the following months, we will see whether it can exceed PLN 200m by the end of the year. The situation has deteriorated in Erbud's foreign markets, and no improvement is in sight. Contracts are increasingly difficult to obtain. The CEO has reiterated that keeping net margin at 4-5% is the Company's strategic goal. **The information concerning new contract opportunities is good news. We believe road construction contracts already won or about to be obtained may generate a revenue of over PLN 200m in this segment in 2011 (2010: ca. PLN 90m). We reiterate our positive recommendation, and we would like to point out the highly profitable contracts the Company has in its order backlog (e.g. border crossing in Budomierz) and the discount vs. peers on P/E. (M. Stokłosa)**

Mostostal Warszawa
Hold – 02/08/10
Target price: PLN 68.6

PLN 156.4m contract
Mostostal Warszawa signed an agreement with the General Directorate for National Roads and Motorways for the expansion of national road no. 8. The net value of the contract is PLN 156.4m (6% of revenue forecasted for 2010). **Slightly positive news. The Company did announce before that it had submitted the lowest bid, but the contract is quite big. (M. Stokłosa)**

Polimex Mostostal
Reduce - 30/07/10
Target price: PLN 4.27

Polimex wins PLN 39.8m tender
Polimex Mostostal won a tender for the construction of a science and technology park in Puławy. The fee offered is PLN 39.8m, representing 0.9% of revenue expected in 2010. The timeline of the contract is 14 months. **The contract is so small that this piece of news is neutral. (M. Stokłosa)**

J.W. Construction
Hold – 09/07/10
Target price: PLN 16.4

Merger plan announced
J.W. Construction announced the plan of a merger with subsidiaries Interlokum, Project 55, Construction Invest and Stadnina Mazowiecka. **All are wholly owned. No impact on stock performance. (M. Stokłosa)**

Polnord
Buy - 02/06/10
Target price: PLN 51.6

800 apartments as the sales target for 2010
Polnord has confirmed that it is aiming to sell 800 apartments in 2010, and 1400 in 2011. In H1'10, there were 338 sales and 66 cancellations (186 and 38, respectively, in Q2'10). The Company is wrapping up the construction of its first office building in Wilanów (Warsaw), and is planning to build two more. At the moment, the offer includes 15 housing projects with a total of 2000 apartments. **These sales targets appear realistic. Until now, potential buyers were only moderately interested in homes at an early stage of construction, located outside Warsaw. As work progresses, sales should improve considerably. (M. Stokłosa)**

Quarter Earnings

Comarch
Reduce - 03/08/10
Target price: PLN 79.5

Q2 ahead of expectations
Comarch reported better-than-expected earnings for Q2 2010, partly thanks to lower goodwill impairment charges (PLN 5.5m vs. PLN 9.9m forecasted), recognized at standalone subsidiary level rather than against consolidated profits. As a result, minority losses were higher than predicted.

However, the recurring results remain ahead of our estimates, with EBIT at PLN 2.2m vis-à-vis our expected operating loss of PLN 1.4m. Revenues amounted to PLN 174.4m (we expected PLN 148.7m), and the gross margin was good at 22.2%. At PLN 33.4m, general expenses slightly exceeded our forecast. Start-up losses were not as big as thought (PLN 2.6m vs. PLN 3.0m expected).

All in all, Comarch surprised on the upside with its second-quarter performance, however, the surprise was not as big as to warrant major upward revisions in full-year forecasts. **(P. Grzybowski)**

Reported vs. forecasted Q2 2010 results

(PLN m)	2Q 2010	2Q 2009	change	2Q 2010F	actuals vs. forecasts	consensus	actuals vs. consensus	2010F	2009	change
Revenues	174.4	163.7	6.5%	148.7	17.2%	153.0	14.0%	701.4	729.4	-3.8%
EBITDA	9.4	2.2	323.4%	0.2	4496.5%			50.9	56.2	-9.5%
EBITDA margin	*5.42%*	*1.36%*	-	*0.14%*				*7.25%*	*7.70%*	-
EBIT	-2.3	-12.8	-	-11.3	-	-6.8	-	11.3	14.3	-21.1%
Pre-tax income	-1.8	-11.7	-	-10.1	-			15.7	18.4	-14.9%
Net income	5.4	-3.1	-	-8.7	-	-4.4	-	20.9	32.3	-35.3%

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

Cersanit
Hold - 04/06/10
Target price: PLN 13.43

Q2 profits boosted by one-time financial gains

Cersanit's Q2 2010 revenues exceeded our estimate by 2.3%, and showed a year-on-year increase by 7.6%. Sales of ceramic tiles were 0.7% higher than expected (+5.8% y/y), and sales of sanitary ceramics beat our estimate by 24.7% (after a 32.8% y/y surge). In turn, "other" sales missed our forecast by 21.7% and displayed a 25.1% drop vs. Q2 2009. A 12.2% lower-than-predicted operating profit was caused by a 12.9% y/y increase in administrative expenses (which soared 17.6% y/y) and a 21.8% increase in selling expenses (a 33.3% y/y surge). Gross margins expanded 2 ppts in ceramic tiles and 4.6 ppts in ceramic sanitaryware, but shrunk 5.5 ppts vs. Q209 in the "other" segment. Further, Cersanit's Q2 2010 results were supported by one-time events including positive exchange differences which, at PLN 26.1m, proved PLN 17.0m higher than we expected, and other gains totaling PLN 23.1m. All told, the second-quarter bottom-line profit came an impressive 232.9% ahead of expectations (the tax burden in the period was lower than predicted at PLN 3.0m vs. PLN 5.4m). However, it must be noted that Cersanit's recurring profits after adjustments for one-offs were actually weaker than expected because of negative jaws (sales, which increased 7.6% y/y, were significantly outpaced by selling costs (+33.3%) and administrative expenses (+17.6%). It is also worth noting the continuing downtrend in quarterly "other" sales (a 26.3% y/y drop in Q1, followed by a 21.7% plunge in Q2) paired with gross margin expansion (+4.6 ppts in 2Q10), which occurs parallel to a sales uptrend (+13.9% y/y in Q1, +32.8% in Q2) paired with margin shrinkage (-5.5 ppts in Q2) in ceramic sanitaryware. Since Cersanit's 2010 first-half EBIT and EBITDA figures came considerably short of fulfilling our estimates, we will probably lower our full-year forecasts for these two values. **(J. Szkopek)**

Reported vs. forecasted Q2 2010 results

(PLN m)	2Q10F	differ.	2Q10	change	2Q09	2010F	2009	change	consensus	change
Revenues	388.6	2.3%	397.5	7.6%	369.3	1 506.9	1 415.2	6.5%	387.5	2.6%
EBITDA	79.3	-12.4%	69.4	-12.1%	79.0	323.3	284.7	13.5%	78.2	-11.2%
EBITDA margin	*20.4%*	-	*17.5%*	-	*21.4%*	*21.5%*	*20.1%*	-	*20.2%*	-
EBIT	50.3	-12.2%	44.2	-7.9%	48.0	207.1	168.1	23.2%	48.4	-8.7%
Pre-tax income	21.1	161.2%	55.1	3514.5%	1.5	178.3	-8.1	-	-	-
Net income	15.7	232.9%	52.1	-3818.4%	-1.4	150.9	-8.1	-	14.3	264.3%

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

Famur
Hold - 28/05/10
Target price: PLN 2.03

Famur reports stronger Q2 sales and margins

Famur's Q2 2010 sales exceeded our estimate by 8.2% and increased 24.6% relative to Q2 2009. Sales of underground mining equipment beat our forecast by 29.0% (+22.6% y/y), and sales of other mining equipment came 9.8% ahead (-7.2% y/y). Sales of lifting and loading equipment fell 30.6% short of expectations (-54.6% y/y), casting sales were 7.9% higher (+8.6% y/y), and other sales were 4.8% ahead (+125.5% y/y). The EBIT figure topped our estimate by a whopping 70.9%, driven by strong gross margins generated by the mining machinery segment (+4.8 ppts) and the "other" segment (+9.7 ppts. These two segments contributed PLN 10.6m and PLN 4.3m to the EBIT surplus relative to our forecast. The strong margins from "other" operations came as a big surprise considering that these operations are mostly sales of coal received as consideration for KHW bonds. At PLN 5.1m, the Q2 selling expenses exceeded our PLN 1.65m estimate by a staggering 207%. Administrative expenses were 5.8% higher.

Financial expenses amounted to PLN 4.8m vs. PLN 5.4m forecasted. All told, the second-quarter bottom-line profit came an impressive 130.9% ahead of expectations. Summing up, the strong sales and gross margin (43.8%) generated by the mining equipment segment were definitely the highlight of Famur's Q2 2010 results (this was owed to three mechanized-roof orders captured in Q1). The low point was the continuing contraction in the revenues of the segment of lifting and loading equipment, which showed a 54.6% y/y drop. Famur's latest acquisition Zamet (whose earnings were consolidated for about 1.5 months) did not contribute much to the quarter's results, probably due to a sales slowdown. The quality of Famur's Q2 results was much better than in the preceding quarter, when the bottom line was inflated by dividends received from non-consolidated subsidiaries. We expect the contracts acquired in Q1 2010 to continue driving the revenues of the mining equipment segment in the third quarter, although margins will probably be lower. **(J. Szkopek)**

Reported vs. forecasted Q2 2010 results

(PLN m)	2Q10F	differ.	2Q10	change	2Q09	2010F	2009	change
Revenues	169.6	8.2%	183.6	24.6%	147.3	625.6	695.1	-10.0%
EBITDA	24.3	57.1%	38.1	11.7%	34.1	99.7	133.6	-25.4%
margin	*14.3%*	-	*20.8%*	-	*23.2%*	*15.9%*	*19.2%*	-
EBIT	15.8	70.9%	27.0	6.3%	25.4	66.5	100.8	-34.1%
Pre-tax income	10.3	114.8%	22.2	-28.1%	30.9	71.7	77.9	-7.9%
Net income	7.5	130.9%	17.4	-14.5%	20.3	57.2	58.0	-1.4%

Source: Famur; F - forecasts by BRE Bank Securities

Kopex
Hold - 28/05/10
Target price: PLN 18.46

SG&A expenses affect Q2 EBIT

Kopex's Q2 2010 revenues missed our estimate by just 1.3%. Sales of mining services came 2.9% ahead of our forecast (+17.4% y/y), sales of mining equipment fell 5.5% short (-31.2y y/r), sales of open-pit mining equipment beat our forecast by 61.6% (-2.9% y/y), sales of electrical and electronic equipment were 2.7% higher (-18.0% y/y), electricity sales were 1.1% lower (-44.4% y/y), coal sales were 1.7% higher (+401.0% y/y), and casting sales fell 25.5% short of expectations (+11.9% y/y). On in-line revenues, Kopex reported a 54.0% lower-than-expected EBIT which was affected by 33.9% higher-than-expected selling expenses and a 23.9% y/y increase in administrative expenses. Financial expenses were lower than forecasted thanks to divestment proceeds (PLN 1.8m) and revaluation gains (PLN 2.6m), as well as positive exchange differences in the amount of PLN 6.9m. All told, the bottom-line profit beat our estimate by 24.9%. Kopex's 2010 first-half selling expenses and administrative expenses were 63.4% and 10.8% respectively higher than in the same period a year ago. While the soaring selling costs can be partly explained with settlements of international contracts, the pace of the administrative expenses is well ahead of all expectations. It is worth noting the 60% year-on-year expansion in the revenues generated by the segment of open-pit mining machinery, and the PLN 56m wheel-excavator order that the company received yesterday and that ensures a continuation of the upward trend in the segment's revenues going forward. In the segment of underground mining equipment, Kopex managed to maintain the gross margin at 18.3% in Q2 in spite of fewer international orders The gross margins reported by the segments of electronic and electrical equipment (45.2%) and castings (13.3%) were also surprisingly high. Summing up, Kopex failed to impress with its second-quarter performance. Going forward, we expect the company's earnings to be supported by recovering demand from international miners, and intensified work on a PLN 180.5m shaft-digging contract for JSW after weather-induced delays in the second quarter. **(J. Szkopek)**

Reported vs. forecasted Q2 2010 results

(PLN m)	2Q10F	differ.	2Q10	change	2Q09	2010F	2009	change
Revenues	491.8	-1.3%	485.3	-6.2%	517.1	2 448.7	2 313.4	-10.0%
EBITDA	47.0	-31.1%	32.4	-47.7%	61.9	232.2	217.1	-25.4%
margin	*9.6%*		*6.7%*		*12.0%*	*9.5%*	*9.4%*	
EBIT	26.5	-54.0%	12.2	-72.4%	44.2	143.8	145.3	-34.1%
Pre-tax income	19.3	-0.9%	19.1	-28.4%	26.7	108.1	109.7	-7.9%
Net income	16.2	-25.7%	12.0	-24.9%	16.0	80.6	87.2	-1.4%

Source: Kopex; F - forecasts by BRE Bank Securities

Emperia Holding
Hold - 09/03/10
Target price: PLN 81.6

Emperia reported better-than-expected Q2 results

Emperia's 2010 second-quarter EBIT came in at PLN 27.7m, 12% ahead of our estimate. The better-than-expected operating profit was owed mainly to the segment of distribution whose revenues slightly missed our estimate (showing a 1% y/y decline instead of a 2% increase), but whose EBITDA margin exceeded our 2.5% forecast at 2.8% (EBIT was PLN 3.1m higher), thanks probably to higher-than-expected mid-year supplier bonuses (we thought that a higher portion of these benefits was recognized in Q1 profits). In the retail segment, EBITDA missed our PLN 13.5m forecast at PLN 9.5m, and margins were negatively affected by a seasonal sales slowdown. However, it must be noted that the segment's EBITDA still showed year-on-year growth (the Q1 and Q2 EBITDA figures were PLN 16.1m and PLN 9.5m respectively vs. PLN 9.8m and PLN 6.4m respectively in the same quarters of 2009). The weaker results of the retail segment were offset by the “other” segment where EBIT came in at PLN 4.1m (an increase from PLN 3.4m in Q1) vs. our estimate of PLN 1m, in spite of a lack of one-time property gains. Financial expenses were lower than forecasted, and net profit beat our estimate by 26%.

Emperia’s second-quarter operating cash flows were a negative PLN 11.8m. Combined with a PLN 28m CAPEX (after spending just PLN 58m on capital investment in H1, the company lowered its full-year CAPEX budget from PLN 200m to PLN 160m), this led to an increase in net debt to PLN 345m. All in all, Emperia had a good second quarter, although, given that the company’s accumulated six-month EBITDA and net-profit figures account for just 43% of our full-year forecasts, it seems that it will have to try harder in the second half of the year. **(K. Kliszcz)**

Reported vs. forecasted Q2 2010 results

(PLN m)	2Q 2010	2Q 2009	change	2Q 2010F	actuals vs. forecasts	consensus	actuals vs. consensus	2010F	2009	change
Revenues	1 437.9	1 397.9	3%	1 455.7	-1%	1 458.8	-1%	6 051.6	5 543.7	9%
EBITDA	44.8	60.0	-25%	42.6	5%	42.3	6%	187.2	174.2	7%
EBITDA margin	*3.1%*	*4.3%*	-	*2.92%*	-	*2.9%*	-	*3.1%*	*3.1%*	-
EBIT	27.7	44.0	-37%	24.9	12%	24.8	12%	112.5	110.7	2%
Pre-tax income	24.0	34.5	-30%	20.4	18%	-	-	95.2	89.6	6%
Net income	20.0	29.0	-31%	15.9	26%	16.1	24%	77.1	68.2	13%

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

More News

ABC Data

ABC Data promises to “at least” deliver on its earnings guidance.
ABC Data has finished a due audit of a foreign IT distributor.
ABC Data hopes to generate EUR 20m from Lithuanian sales in 2011.

ABM Solid

ABM Solid is going to spend PLN 39.2m on capital investment in H2. In H1, the company generated revenues of PLN 150.6m, an EBIT of PLN 1.5m, and a net loss of PLN 0.4m.

Agora

Agora signed agreements concerning acquisition of 84.44% interests in CF Helios for EUR 26.2m, and a conditional acquisition of a further 12.36% stake.
Helios plans to open seven new movie theaters by the end of 2013.

Alchemia

Alchemia generated a net profit of PLN 7.64m in H1 2010 after a 70.9% y/y drop. EBIT amounted to PLN 9.71m vs. PLN 35.50m in H209. Consolidated sales totaled PLN 304.67m vs. PLN 327.65m a year earlier.

Alterco

Alterco posted a H1 2010 net loss of PLN 3.67m, marking a 26.3% y/y improvement. The EBIT loss amounted to PLN 2.75m vs. PLN 2.56m in H109. Consolidated sales totaled PLN 6.65m vs. PLN 0.40m a year earlier.

Amica

Amica generated a net profit of PLN 1.43m in H1 2010 compared to a loss seen in the same period a year ago. EBIT amounted to PLN 2.70m vs. PLN 2.57m in H209, Consolidated sales totaled PLN 583.77m vs. PLN 558.75m a year earlier.

Apator

Apator reported a Q2 2010 net profit of PLN 13.9m, on sales of PLN 91.59m, EBIT came in at PLN 7.36m and EBITDA was PLN 11.1m.

Arctic Paper

Q2 2010 results

	actuals	PAP consensus	difference
revenues	592.99m	609.0m	-4%
EBIT	- 22.25m	-19.1m	16%
net profit	0.0	-7.3m	-

Azoty Tarnów

Q2 2010 results

	actuals	PAP consensus	difference
revenues	381.0m	347.8m	9.6%
EBIT	16.0m	19.5m	-18.0%
net profit	15.4m	15.4m	0.0%

Bioton

Q2 2010 results

	actuals	PAP consensus	difference
revenues	70.8m	79.1m	- 10%
EBIT	-4.4m	21.6m	-
net profit	45.6m	18.5m	+146%

Bogdanka

LW Bogdanka plans to purchase a new coal plow tentatively scheduled for a launch in 2012.

LW Bogdanka is negotiating future coal supplies to Kulczyk Holding's planned Belarusian power plant.

After a good H1 2010, LWB expects a continuing improvement in 2010 and 2011, with next year's output as high as 7MT. The company is set to release an official guidance in late September.

Bomi

Bomi finalized a 100% acquisition of Centrum Dystrybucja, expected to improve the profitability of the distribution segment by 25% annually.

Centrum Klima

Centrum Klima could exceed its 2010 sales forecast of PLN 78.2m.

Ciech

Ciech's Management Board wants to call a special general meeting this year to discuss ways of raising capital.

Ciech is going to decide by October whether it wants to sell Fosfory Gdańskie.

Cinema City

Cinema City, the exclusive operator of IMAX cinemas in CEE region, wants to extend its license into Israel.

City Interactive

City Interactive generated a H1 2010 net profit of PLN 10.5m vs. PLN 0.34m a year earlier. EBIT came in at PLN 11.8m vs. a PLN 0.53m operating loss in H1 2009, and sales increased to PLN 28.88m from PLN 17.85m.

City Interactive sold 500,000 copies of its 'Sniper' game.

Comarch

Comarch's order backlog was worth PLN 486.5m at 30 June. International orders increased by 12.7%, and orders for proprietary solutions increased by 4.2%.

DSS

2011 earnings forecasts: net profit at PLN 46.9m, EBIT at PLN 74.3m, EBITDA at PLN 104.5m, sales at PLN 515m.

Echo

Q2 2010 results

	actuals	PAP consensus	difference
revenues	117.9m	99.1m	+19%
EBIT	202.3m	208.5m	-3%
net profit	27.2m	39.2m	-31%

Emperia

Emperia Holding reduced 2010 CAPEX from PLN 200m to PLN 160m.

Farmacol

Q2 2010 results

	actuals	PAP consensus	difference
revenue	1297m	1264m	+2.6%
EBIT	20.3m	21.3m	-4.7%
net profit	17.6m	17.2m	+2.3 %

Gino Rossi

Gino Rossi generated a net profit of PLN 0.7m in H1 2010 vs. a PLN 6m loss a year earlier. The company reiterated a FY2010 net-profit target at PLN 5.7m on sales of PLN 176.88m.

Harper

Harper posted a PLN 8.60m net profit in H1 2010 after a 20.8% y/y increase. EBIT amounted to PLN 12.47m vs. PLN 11.64m in H209, Consolidated sales totaled PLN 97.52m vs. PLN 78.65m a year earlier.

Makarony Polskie

Makarony Polskie expects a 40% increase in 2011 revenues relative to 2009. In H2 2010, profits will be affected by an increase by PLN 0.20-0.25 in the production costs of one pasta pack.

Multimedia Polska

Q2 2010 results

	actuals	PAP consensus	difference
revenues	138m	139.3m	-0.7%
EBIT	34.8m	28.7m	+21%
net profit	15.8m	17.2m	-8.1%

Nepentes

Nepentes posted a PLN 8.35m net profit in H1 2010 after a 24.7% y/y drop. EBIT amounted to PLN 10.52m vs. PLN 12.31m in H209, Consolidated sales totaled PLN 64.53m vs. PLN 65.04m a year earlier.

Neuca

Neuca hopes to earn PLN 80m from sales of storage spaces.

Paged

Paged is set to announce revised 2010 earnings targets in late September.

PGF

Q2 2020 results

	actuals	PAP consensus	difference
revenues	1408m	1388m	+1.4%
EBIT	29.5m	22.4m	+32%
net profit	19.2m	11.3m	+70%

Północ Nieruch.

Północ Nieruchomości expects a PLN 0.52m net profit in 2010.

Próchnik

Próchnik's H1 2010 net loss of PLN 4.28m marks a 108.3% improvement relative to H1 2009. The EBIT loss amounted to PLN 3.53m vs. PLN 1.85m in H109. Consolidated sales totaled PLN 14.18m vs. PLN 15.67m a year earlier.

Qumak-Sekom

Qumak-Sekom expects a flat year-on-year net profit in 2010.

Qumak-Sekom posted a net profit of PLN 3.9m in H1 2010 vs. PLN 5.4m a year earlier. EBIT fell to PLN 4.46m from PLN 5.9m, and sales increased to PLN 114m from PLN 106m in H109. The company's current backlog of PLN 350m includes PLN 90m-worth of orders scheduled for delivery in 2011.

Stalprodukt

Q2 2010 results

	actuals	PAP consensus	difference
revenues	473.6m	443.3m	6.8%
EBIT	84.9m	77.3m	9.8%
net profit	71.9m	63.0m	14.1%

Sygnity

Sygnity expects to finish H2 2010 in the red in spite of a Q3 loss. The company hopes to reduce 2010 costs by PLN 6m, and by a further PLN 30m in 2011.

Synthos

Q2 2010 results

	actuals	PAP consensus	difference
revenues	966m	857m	+13%
EBIT	145m	100m	+45%
net profit	111m	63.9m	+74%

Trakcja Polska

Trakcja Polska received a PLN 47.9m order from PNUIK for railroad track modernization.

Vistula

Q2 2010 results

	actuals	PAP consensus	difference
revenues	87.1m	87.4m	- 0.3%
EBIT	7.87m	8.1m	- 2.8%
net profit	1.05m	1.4m	- 25%

Warimpex Warimpex hopes to generate sales of EUR 100m in 2010.

Warimpex plans to start construction of an office building and at least one hotel by the end of 2010.

Wojas Wojas expects sales of PLN 114m and a pre-tax profit of PLN 3.3m in 2010.

Wojas generated a net profit of PLN 0.68m in H1 2010 compared to a net loss in the same period a year ago. EBIT amounted to PLN 1.35m vs. a PLN 1.32m operating loss in H209. Consolidated sales totaled PLN 51.00m vs. PLN 36.92m a year earlier.

Zelmer Zelmer is eyeing double-digit sales growth in 2010, and a net profit of over PLN 30m.

Insider Trading and Fund Activity

Oneray Investment Tadeusz Dykiel reduced voting interests to 1.56% from 6.56%.

Ruch Chorzów A Supervisory Board member purchased 59,900 shares for PLN 1.50 a share.

Corporate Action Calendar

Wednesday /01.09.10/	
KOMPUTRONIK	EGM, agenda includes vote on a private E stock placement.
POLIMEX MOSTOSTAL	Dividend record date (PLN 0.04).
Thursday /02.09.10/	
ZEG	Last day of tenders in an offer by ZZM SA for 33,636 ZEG shares.
Friday /03.09.10/	
UNIMA 2000	Dividend payment, gross DY = PLN 0.19.
Monday /06.09.10/	
GRUPA ZUE	Maximum issue price announcement.
MULTIMEDIA POLSKA	EGM to authorize Management Board to carry out repurchase of 7.7 million treasury shares at PLN 9.70 apiece.
Tuesday /07.09.10/	
PKO BP	Proposed dividend record date (PLN 0.8 / share).

Economic Calendar

Wednesday /01.09.10/

Time	Region	Report	Period	Forecast	Previous
9:00	Poland	PMI Manufacturing	August		52.1
10:00	EU	PMI Manufacturing	August	55	56,7
13:00	USA	Mortgage loan applications	27 August		4,9%
14:15	USA	ADP National Employment Report	August	22,000	42,000
16:00	USA	Construction spending	July	-0.3%	0.1%
16:00	USA	ISM Manufacturing	August	53.6	55.5
16:30	USA	Zapasy ropy Crude	27 August		358.3m

Thursday /02.09.10/

Time	Region	Report	Period	Forecast	Previous
11:00	EU	GDP	2Q	1% q/q	0.2% q/q; 0.6% y/y
11:00	EU	PPI	July	0.2% m/m	0.3% m/m; 3% y/y
13:45	EU	Interest rate		1%	1%
14:30	USA	Continuing jobless claims	21 August		4456,000
14:30	USA	Initial jobless claims	28 August	479 tys.	473,000
14:30	USA	Non-farm productivity	2Q	-1.9% q/q	2.8% q/q; 6.1% y/y
14:30	USA	Unit labor costs	2Q	1.5% q/q	-1.3% q/q; -4.2% y/y
16:00	USA	Factory orders	July	0.5% m/m	-1.2% m/m
16:00	USA	Pending home sales	July	-1.5%	-2.57%
16:30	USA	Natural gas inventories	27 August		3052bn

Friday /03.09.10/

Time	Region	Report	Period	Forecast	Previous
10:00	EU	PMI Services	August	55.6	55.8
11:00	EU	Retail sales	July		0% m/m; 0.4% y/y
14:30	USA	Average hourly earnings	August		19.04
14:30	USA	Average workweek hours	August		33.5
14:30	USA	Manufacturing payrolls change	August		36,000 m/m
14:30	USA	Nonfarm payrolls	August		-131,000 m/m
14:30	USA	Unemployment rate	August		9.5%
16:00	USA	ISM Non-Manufacturing	August		54.3

Monday /06.09.10/

Time	Region	Report	Period	Forecast	Previous
	USA	Labor Day			

Tuesday /07.09.10/

Time	Region	Report	Period	Forecast	Previous
	Poland	FCY reserves	August		93.15bn

Current recommendations of BRE Bank Securities S.A.

Company	Recommendation	Target price	Current price	Date issued	Price on report date	P/E 2010
AB	Accumulate	18.80	19.30	2010-05-06	16.90	11.3
ACTION	Hold	18.49	16.99	2010-08-04	18.47	10.9
AGORA	Accumulate	25.80	24.95	2010-08-27	24,30	18.9
ASBIS	Hold	4.69	3.88	2010-05-10	4.65	9.0
ASSECO POLAND	Buy	65.30	55.15	2010-08-31	55,00	10.6
ASTARTA	Sell	45.83	69.00	2010-05-11	57.50	5.6
BUDIMEX	Sell	78.30	91.00	2010-08-04	98.20	12.5
BZWBK	Hold	200.50	187.90	2010-04-07	216.50	13.8
CENTRUM KLIMA	Accumulate	14.65	14.55	2010-08-04	13.58	15.5
CERSANIT	Hold	13.43	14.76	2010-06-04	14.00	17.4
CEZ	Hold	131.87	131.70	2010-03-03	133.90	9.3
CIECH	Buy	34.50	27.95	2010-08-23	28.27	8.9
CINEMA CITY	Hold	39.90	42.10	2010-07-16	39.00	18.8
COMARCH	Reduce	79.50	75.00	2010-08-03	86.35	28.9
CYFROWY POLSAT	Hold	16.03	14.17	2010-08-04	14.94	12.5
DOM DEVELOPMENT	Accumulate	50.10	46.40	2010-07-05	44.80	42.5
ELEKTROBUDOWA	Hold	169.20	178.70	2010-03-12	171.00	17.3
EMPERIA HOLDING	Hold	81.60	83.60	2010-03-09	77.50	16.4
ENEA	Buy	21.24	20.01	2010-06-02	18.17	13.5
ERBUD	Accumulate	54.60	47.90	2010-07-05	50.00	11.7
EUROCASH	Reduce	18.60	22.49	2010-05-06	20.61	24.2
FAMUR	Hold	2.03	2.08	2010-05-28	2.00	17.5
GETIN	Hold	10.34	9.60	2010-05-06	10.19	12.6
GTC	Hold	23.90	22.74	2010-05-28	23.80	6.8
HANDLOWY	Buy	87.10	77.90	2010-06-02	75.00	16.1
ING BSK	Suspended		807.50	2010-08-04	821.00	15.5
J.W. CONSTRUCTION	Hold	16.40	16.00	2010-07-09	16.10	5.3
KERNEL	Accumulate	68.65	61.70	2010-08-19	63.20	8.7
KĘTY	Accumulate	115.38	106.00	2010-08-23	105,50	12.0
KGHM	Hold	96.10	106.90	2010-05-27	93.70	6.2
KOMPUTRONIK	Hold	11.56	10.20	2009-12-08	11.39	11.1
KOPEX	Hold	18.46	17.74	2010-05-28	18.90	16.4
KREDYT BANK	Hold	15.30	14.47	2010-04-07	14.60	30.5
LOTOS	Sell	26.50	29.81	2010-08-04	33.15	9.9
LW BOGDANKA	Hold	80.70	83.70	2010-08-04	79.15	15.3
MILLENNIUM	Suspended		4.42	2010-08-04	4.68	18.2
MONDI	Hold	71.10	75.70	2010-08-13	73,70	17.7
MOSTOSTAL WARSZAWA	Hold	68.60	63.00	2010-08-02	67.50	15.8
NETIA	Accumulate	5.30	4.80	2010-08-10	4.86	24.9
PBG	Reduce	194.00	227.00	2010-06-02	213.40	15.1
PEKAO	Hold	172.80	153.70	2010-03-05	165.50	15.2
PGE	Buy	27.90	22.85	2010-03-30	23.00	12.6
PGNiG	Buy	4.24	3.52	2010-06-14	3.45	12.3
PKN ORLEN	Hold	40.20	38.89	2010-04-08	39.40	10.7
PKO BP	Hold	40.10	38.10	2010-03-17	39.07	15.4
POLICE	Hold	5.50	5.69	2010-06-02	5.39	12.1
POLIMEX MOSTOSTAL	Reduce	4.27	4.42	2010-07-30	4.74	14.9
POLNORD	Buy	51.60	36.10	2010-06-02	37.70	23.3
PZU	Suspended		377.60	2010-08-04	399.00	14.4
RAFAKO	Hold	14.00	12.89	2010-08-04	13.85	17.5
SYGNITY	Buy	18.20	13.41	2010-03-02	12.57	
TAURON	Buy	8.42	5.37	2010-08-16	5.10	11.9
TELEKOMUNIKACJA POLSKA	Accumulate	18.20	17.14	2010-07-29	15.55	17.5
TRAKCJA POLSKA	Hold	4.16	4.40	2010-05-06	4.14	16.8
TVN	Reduce	16.69	17.18	2010-08-04	18.70	20.4
ULMA CONSTRUCCION POLSKA	Accumulate	82.20	70.50	2010-07-05	73.00	14.9
UNIBEP	Accumulate	9.00	8.47	2010-05-14	7.90	14.7
ZA PUŁAWY	Hold	72.05	76.50	2010-01-06	80.90	17.7

CEE bank valuations /31.08.2010/

	Price	P/E 2009	P/E 2010	P/E 2011	ROE 2009	ROE 2010	ROE 2011	P/BV 2009	P/BV 2010	P/BV 2011	D/Y 2009	D/Y 2010	D/Y 2011
POLISH BANKS													
BZ WBK	187.9	15.5	13.8	10.8	16%	16%	18%	2.3	2.1	1.8	0.0%	2.1%	2.4%
Getin	9.6	24.8	12.6	10.1	7%	13%	14%	1.8	1.6	1.4	0.0%	0.0%	0.0%
Handlow y	77.9	20.2	16.1	11.7	9%	10%	13%	1.6	1.6	1.5	0.0%	4.8%	5.0%
ING BSK	807.5	17.7	15.5	11.4	13%	13%	15%	2.2	1.9	1.6	0.0%	0.0%	0.0%
Kredyt Bank	14.5	113.7	30.5	8.9	1%	5%	15%	1.5	1.4	1.2	0.0%	0.0%	0.0%
Millenium	4.4	2508.9	18.2	10.2	0%	9%	12%	1.3	1.3	1.2	0.0%	0.0%	0.0%
Pekao	153.7	16.7	15.2	12.8	14%	14%	16%	2.2	2.1	2.0	0.0%	1.9%	5.3%
PKO BP	38.1	20.7	15.4	11.0	13%	15%	18%	2.3	2.1	1.9	2.6%	2.1%	3.3%
Median		**20.4**	**15.4**	**10.9**	**11%**	**13%**	**15%**	**2.0**	**1.7**	**1.6**	**0.0%**	**0.9%**	**1.2%**
INVESTORS IN POLISH BANKS													
AIB	0.8	-	-	-	-	-	-	0.1	0.2	0.2	0.0%	0.0%	0.0%
BCP	0.6	16.2	9.4	7.0	4%	6%	8%	0.5	0.6	0.5	3.7%	4.6%	6.3%
Citigroup	3.7	-	12.0	8.5	-	6%	8%	0.7	0.7	0.6	0.3%	0.1%	0.6%
Commerzbank	6.3	-	-	12.5	-	-	6%	0.5	0.7	0.6	0.0%	0.0%	0.2%
ING	7.0	26.2	7.4	5.7	1%	10%	11%	0.8	0.6	0.6	0.1%	0.3%	2.1%
KBC	32.8	-	8.2	6.9	-	15%	15%	1.0	0.9	0.8	0.0%	2.3%	3.4%
UCI	1.9	18.9	15.8	7.9	3%	4%	7%	0.6	0.6	0.5	1.3%	2.5%	4.9%
Median		**18.9**	**9.4**	**7.5**	**3%**	**6%**	**8%**	**0.6**	**0.6**	**0.6**	**0.1%**	**0.3%**	**2.1%**
FOREIGN BANKS													
BEP	4.7	8.4	10.6	8.1	10%	7%	9%	0.8	0.8	0.7	5.8%	4.8%	6.1%
Deutsche Bank	49.8	7.3	7.4	6.3	13%	12%	12%	0.9	0.8	0.7	1.8%	2.0%	3.4%
Erste Bank	28.6	11.3	12.1	8.1	9%	8%	10%	1.0	0.9	0.8	1.7%	2.1%	2.6%
Komercni B.	3770.0	13.2	12.3	10.9	17%	17%	18%	2.2	2.0	1.9	4.3%	4.9%	5.7%
OTP	4790.0	9.0	8.4	6.1	13%	12%	15%	1.1	1.0	0.9	1.0%	3.1%	5.3%
Santander	9.2	8.7	8.6	7.3	14%	13%	15%	1.1	1.1	1.0	6.0%	6.2%	7.0%
Turkiye Garanti B.	7.4	11.3	9.4	8.4	24%	23%	21%	2.5	2.0	1.7	1.2%	2.0%	2.6%
Turkiye Halk B.	12.4	9.9	8.9	8.0	31%	28%	25%	2.8	2.2	1.8	3.3%	3.4%	4.0%
Sbierbank	2.5	93.1	12.3	7.5	2%	16%	23%	2.2	1.9	1.5	0.2%	0.8%	1.7%
VTB Bank	5.2	-	40.0	12.5	-	2.4%	12.3%	1.6	1.5	1.4	0.3%	0.4%	1.3%
Median		**9.9**	**10.0**	**8.1**	**13%**	**13%**	**15%**	**1.3**	**1.3**	**1.2**	**1.8%**	**2.6%**	**3.7%**

Insurance company valuations /31.08.2010/

	Price	P/E 2009	P/E 2010	P/E 2011	ROE 2009	ROE 2010	ROE 2011	P/BV 2009	P/BV 2010	P/BV 2011	D/Y 2009	D/Y 2010	D/Y 2011
POLISH COMPANIES													
PZU	377.6	8.7	14.4	12.1	25%	20%	21%	2.9	2.6	2.3	-	2.9%	3.1%
FOREIGN COMPANIES													
Vienna Insurance G.	37.2	13.5	12.2	10.6	9%	9%	10%	1.1	1.1	1.0	3.0%	2.8%	3.2%
Uniqa	13.6	29.5	12.9	10.4	4%	7%	9%	1.4	1.3	1.2	2.0%	2.7%	3.1%
Aegon	4.0	-	8.4	5.9	0%	8%	9%	0.6	0.5	0.5	0.1%	0.9%	3.8%
Allianz	80.9	8.1	7.4	6.8	12%	12%	12%	0.9	0.8	0.8	4.8%	5.5%	6.0%
Aviva	3.8	6.7	6.6	5.6	13%	15%	17%	0.9	1.1	0.9	6.4%	6.9%	7.4%
AXA	12.3	8.2	6.6	5.8	9%	10%	10%	0.7	0.6	0.5	4.1%	6.1%	7.1%
Baloise	82.2	8.9	8.2	7.5	12%	11%	11%	0.9	0.9	0.8	5.4%	5.6%	5.9%
Generali	94.0	16.9	13.7	12.3	8%	8%	9%	1.3	1.3	1.1	2.8%	2.8%	3.0%
Helvetia	332.0	9.6	8.2	7.6	11%	12%	12%	1.0	0.9	0.8	4.2%	4.5%	4.8%
Mapfre	2.3	7.0	7.4	7.0	17%	14%	14%	1.1	1.0	0.9	6.6%	6.6%	6.9%
RSA Insurance	1.2	9.5	9.3	8.7	12%	14%	14%	1.2	1.2	1.1	6.6%	7.0%	7.3%
Zurich Financial	226.4	9.8	8.0	7.4	13%	14%	14%	1.2	1.1	1.0	5.3%	6.8%	7.1%
Median		**9.5**	**8.2**	**7.5**	**12%**	**11%**	**12%**	**1.0**	**1.0**	**0.9**	**4.5%**	**5.6%**	**6.0%**

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

Fuels producer valuations /31.08.2010/

		EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
	Price	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
						OIL COMPANIES										
Lotos	29.8	12.8	12.6	7.9	0.6	0.6	0.5	4.4	9.9	6.7	5%	5%	6%	0.0%	0.0%	0.0%
PKN Orlen	38.9	8.1	7.4	6.6	0.4	0.4	0.4	12.7	10.7	11.1	5%	5%	6%	0.0%	0.0%	1.9%
MOL	21000.0	9.9	7.1	6.1	1.3	1.0	0.8	24.3	11.9	8.9	13%	13%	14%	1.5%	2.2%	3.2%
OMV	25.4	4.5	3.3	2.9	0.7	0.6	0.5	10.5	6.9	5.6	14%	17%	17%	3.4%	3.9%	4.3%
Hellenic Petroleum	5.9	7.4	7.3	6.4	0.5	0.4	0.4	8.8	9.8	7.8	7%	6%	6%	7.5%	7.5%	7.9%
Tupras	34.3	7.3	6.6	5.8	0.4	0.3	0.3	11.1	9.9	9.1	5%	5%	5%	7.4%	8.2%	8.5%
Unipetrol	224.2	14.5	8.9	7.1	0.7	0.5	0.5	-	55.6	22.6	5%	6%	7%	0.0%	3.2%	4.3%
Median		**8.1**	**7.3**	**6.4**	**0.6**	**0.5**	**0.5**	**10.8**	**9.9**	**8.9**	**5%**	**6%**	**6%**	**1.5%**	**3.2%**	**4.3%**
						GAS COMAPNIES										
PGNiG	3.5	7.6	6.4	6.4	1.1	1.1	1.2	17.3	12.3	13.0	15%	18%	18%	0.7%	2.3%	3.2%
Gazprom	157.5	4.7	3.7	3.2	1.6	1.4	1.2	5.5	4.5	3.8	34%	39%	38%	1.4%	1.7%	2.0%
GDF Suez	24.4	6.5	6.2	5.7	1.1	1.1	1.1	12.2	12.1	10.8	17%	18%	19%	6.2%	6.3%	6.6%
Gas Natural SDG	11.9	7.9	7.0	6.7	1.9	1.8	1.7	8.4	8.2	7.7	24%	25%	25%	6.5%	7.0%	7.6%
Median		**7.1**	**6.3**	**6.0**	**1.4**	**1.3**	**1.2**	**10.3**	**10.2**	**9.3**	**21%**	**21%**	**22%**	**3.8%**	**4.3%**	**4.9%**

Power Utilities company valuations /31.08.2010/

		EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
	Price	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
						ENERGY COMPANIES										
CEZ	131.7	6.3	6.8	7.1	2.9	3.1	3.2	8.5	9.3	9.4	46%	46%	45%	6.1%	6.7%	6.1%
ENEA	20.0	6.9	4.8	5.5	1.1	0.9	1.0	17.2	13.5	13.5	16%	18%	18%	2.3%	2.9%	3.7%
PGE	22.9	6.0	6.2	6.3	2.2	2.2	2.2	11.7	12.6	12.0	37%	35%	36%	3.1%	3.3%	4.0%
TAURON	5.4	4.4	4.4	4.4	0.8	0.8	0.8	11.4	11.9	11.4	19%	18%	19%	0.7%	0.0%	1.7%
E.ON	22.2	6.1	6.0	5.8	1.0	1.0	0.9	7.6	8.0	7.8	16%	16%	16%	6.8%	6.9%	7.0%
EDF	31.4	6.4	5.9	5.5	1.6	1.5	1.5	15.4	14.7	12.6	25%	26%	27%	3.8%	3.7%	4.1%
Endesa	18.3	5.7	5.8	5.8	1.8	1.7	1.7	7.5	8.6	8.6	32%	30%	29%	7.5%	6.1%	6.1%
ENEL SpA	3.8	6.4	6.2	6.1	1.6	1.5	1.5	7.5	8.4	8.3	25%	25%	24%	7.2%	7.1%	7.2%
Fortum	18.0	9.3	9.1	9.2	4.0	3.8	3.8	12.2	11.9	12.3	43%	42%	41%	5.2%	5.5%	5.5%
Iberdrola	5.6	8.7	8.2	7.7	2.3	2.3	2.2	10.8	10.8	10.2	27%	28%	29%	5.8%	5.9%	6.0%
RWE AG	51.7	4.8	4.3	4.1	0.9	0.8	0.8	8.2	7.4	7.4	18%	19%	19%	6.8%	7.1%	7.3%
Median		**6.3**	**6.0**	**5.8**	**1.6**	**1.5**	**1.5**	**10.8**	**10.8**	**10.2**	**25%**	**26%**	**27%**	**5.8%**	**5.9%**	**6.0%**

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

Fertilizer producers and chemical company valuations /31.08.2010/

	Price	EV/EBITDA 2009	EV/EBITDA 2010	EV/EBITDA 2011	EV/S 2009	EV/S 2010	EV/S 2011	P/E 2009	P/E 2010	P/E 2011	EBITDA margin 2009	EBITDA margin 2010	EBITDA margin 2011	D/Y 2009	D/Y 2010	D/Y 2011
FERTILIZER PRODUCERS																
POLICE	5.7	-	5.9	3.7	0.3	0.4	0.3	-	12.1	4.9	-	6%	8%	0.0%	0.0%	0.0%
ZA Puławy	76.5	15.2	7.4	3.4	0.6	0.6	0.5	54.0	17.7	6.4	4%	8%	14%	13.3%	1.2%	1.4%
Acron	28.8	8.3	6.2	5.7	1.8	1.5	1.3	9.9	7.8	7.7	22%	24%	23%	1.8%	2.7%	3.8%
Agrium	54.8	11.8	7.6	6.4	1.1	1.0	1.0	22.4	11.9	9.5	9%	14%	15%	0.2%	0.2%	0.2%
DSM	32.8	3.6	3.4	3.4	1.4	1.4	1.4	35.9	29.2	27.5	38%	40%	40%	2.1%	2.4%	2.6%
K+S	41.3	21.0	9.6	7.4	2.4	1.8	1.7	-	18.3	12.5	12%	19%	23%	0.7%	2.3%	3.4%
Silvinit	19900.0	7.4	7.2	5.4	5.1	4.4	3.4	11.5	11.2	7.9	68%	61%	64%	1.6%	1.2%	2.1%
Uralkali	4.3	16.1	11.0	8.2	8.5	6.0	4.8	26.3	7.4	5.3	53%	55%	59%	1.2%	2.8%	5.3%
Yara	253.5	17.4	8.9	8.9	1.4	1.3	1.2	30.8	14.0	12.3	8%	15%	14%	1.7%	2.1%	2.3%
Median		**13.5**	**7.4**	**5.7**	**1.4**	**1.4**	**1.3**	**26.3**	**12.1**	**7.9**	**17%**	**19%**	**23%**	**1.6%**	**2.1%**	**2.3%**
CHEMICAL COMPANIES																
Ciech	28.0	6.4	6.0	4.7	0.6	0.6	0.5	-	8.9	8.5	10%	10%	11%	0.0%	0.0%	0.0%
Akzo Nobel	41.7	6.9	6.4	5.9	0.9	0.9	0.8	16.2	13.4	11.5	13%	14%	14%	3.2%	3.6%	4.0%
BASF	41.6	7.2	5.3	5.0	1.0	0.9	0.9	20.0	11.5	10.2	14%	17%	17%	3.7%	4.6%	4.9%
Croda	12.8	13.6	11.0	10.3	2.3	2.1	2.0	25.4	17.9	16.5	17%	20%	20%	1.6%	2.0%	2.1%
Dow Chemical	24.4	9.4	6.9	6.0	1.1	0.9	0.9	47.3	14.5	9.4	12%	14%	15%	3.6%	3.2%	3.2%
Rhodia	14.8	6.2	3.9	3.7	0.7	0.6	0.6	-	9.1	7.0	11%	15%	15%	0.1%	1.9%	2.5%
Sisecam	2.3	6.6	5.5	4.8	1.3	1.1	1.0	19.3	12.5	8.5	19%	21%	22%	0.0%	0.9%	1.8%
Soda Sanayii	1.7	5.5	6.2	4.4	1.1	1.0	0.8	8.6	7.1	4.2	20%	16%	18%	-	5.7%	7.6%
Solvay	71.5	6.7	9.8	8.9	1.0	1.2	1.2	12.2	23.2	17.8	14%	13%	14%	3.7%	3.6%	3.8%
Tata Chemicals	395.4	7.0	8.1	7.7	1.1	1.5	1.5	12.8	14.0	12.5	16%	19%	19%	2.2%	2.1%	2.1%
Tessenderlo Chemie	22.3	15.5	5.7	4.5	0.5	0.4	0.4	-	25.8	10.9	3%	7%	9%	5.4%	5.6%	5.8%
Wacker Chemie	119.7	10.4	6.4	5.6	1.8	1.5	1.4	35.1	15.7	13.0	17%	24%	25%	1.0%	1.6%	1.9%
Median		**6.9**	**6.3**	**5.3**	**1.1**	**1.0**	**0.9**	**19.3**	**13.7**	**10.5**	**14%**	**16%**	**16%**	**2.2%**	**2.7%**	**2.8%**

European national operator valuations /31.08.2010/

	Price	EV/EBITDA 2009	EV/EBITDA 2010	EV/EBITDA 2011	EV/S 2009	EV/S 2010	EV/S 2011	P/E 2009	P/E 2010	P/E 2011	EBITDA margin 2009	EBITDA margin 2010	EBITDA margin 2011	D/Y 2009	D/Y 2010	D/Y 2011
POLISH COMPANIES																
Netia	4.8	5.2	4.4	3.9	1.1	1.0	0.9	21.1	24.9	17.1	21%	23%	24%	0.0%	0.0%	4.0%
TPSA	17.1	4.3	4.7	4.6	1.6	1.7	1.8	17.9	17.5	16.2	38%	37%	38%	8.8%	8.8%	8.8%
Median		**4.8**	**4.5**	**4.3**	**1.4**	**1.4**	**1.3**	**19.5**	**21.2**	**16.7**	**29%**	**30%**	**31%**	**4.4%**	**4.4%**	**6.4%**
MID CAPS																
Belgacom	28.1	5.8	5.4	5.9	1.9	1.7	1.8	10.9	11.0	11.4	32%	32%	30%	7.4%	7.8%	7.8%
Cesky Telecom	438.9	5.2	5.6	5.6	2.3	2.4	2.4	12.6	13.0	12.4	44%	43%	43%	10.5%	9.0%	8.9%
Hellenic Telekom	5.4	3.6	3.9	3.9	1.3	1.4	1.4	5.3	6.1	5.6	36%	35%	35%	13.0%	10.1%	10.9%
Matav	688.0	4.3	4.5	4.6	1.7	1.8	1.8	8.9	9.6	9.8	39%	39%	39%	10.8%	10.8%	10.8%
Portugal Telecom	9.2	6.1	5.8	5.6	2.2	2.1	2.0	15.1	14.9	13.1	36%	35%	36%	6.2%	6.3%	6.3%
Telecom Austria	10.1	4.5	4.9	4.9	1.6	1.7	1.7	12.6	15.0	13.2	37%	35%	35%	7.4%	7.4%	7.4%
Median		**4.8**	**5.1**	**5.2**	**1.8**	**1.8**	**1.8**	**11.7**	**12.0**	**11.9**	**36%**	**35%**	**36%**	**9%**	**8%**	**8%**
BIG CAPS																
BT	1.3	4.4	3.8	3.8	1.0	1.0	1.0	9.5	9.0	8.4	22%	27%	27%	6.1%	5.2%	5.6%
DT	10.4	4.5	4.6	4.7	1.4	1.5	1.5	15.6	14.4	13.9	32%	32%	32%	7.5%	6.9%	7.0%
FT	16.0	4.7	5.0	5.0	1.6	1.7	1.7	9.5	9.2	8.9	33%	35%	35%	8.8%	8.7%	8.7%
KPN	11.4	5.7	5.5	5.4	2.2	2.2	2.2	12.5	10.2	9.6	38%	40%	40%	6.1%	7.0%	7.5%
Swisscom	394.8	6.3	6.5	6.5	2.5	2.5	2.5	10.5	11.0	10.7	40%	38%	39%	5.7%	5.9%	6.1%
TELEFONICA	17.5	5.6	5.7	5.6	2.2	2.2	2.2	10.2	9.8	9.3	40%	39%	39%	6.6%	8.0%	8.9%
TeliaSonera	53.2	8.2	7.7	7.5	2.7	2.7	2.6	12.2	11.5	10.9	33%	35%	35%	4.0%	4.8%	5.1%
TI	1.1	5.0	5.0	5.0	2.1	2.1	2.1	10.5	9.4	8.9	41%	41%	42%	4.9%	5.2%	5.8%
Median		**5.3**	**5.3**	**5.2**	**2.1**	**2.1**	**2.1**	**10.5**	**10.0**	**9.5**	**36%**	**37%**	**37%**	**6.1%**	**6.4%**	**6.5%**

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

IT company valuations /31.08.2010/

	Price	EV/EBITDA 2009	EV/EBITDA 2010	EV/EBITDA 2011	EV/S 2009	EV/S 2010	EV/S 2011	P/E 2009	P/E 2010	P/E 2011	EBITDA margin 2009	EBITDA margin 2010	EBITDA margin 2011	D/Y 2009	D/Y 2010	D/Y 2011
POLISH COMPANIES																
AB	19.3	7.4	7.8	7.1	0.1	0.1	0.1	10.1	11.3	10.2	2%	2%	2%	0.0%	0.0%	0.0%
ACTION	17.0	6.4	7.9	6.8	0.1	0.2	0.2	9.4	10.9	8.8	2%	2%	2%	8.1%	2.1%	1.8%
ASBIS	3.9	13.8	5.1	4.1	0.1	0.1	0.1	-	9.0	6.0	0%	1%	1%	0.0%	0.0%	0.0%
ASSECO POLAND	55.2	7.3	6.9	6.3	1.5	1.4	1.2	11.5	10.6	11.2	21%	20%	20%	2.5%	2.8%	2.7%
COMARCH	75.0	9.0	10.2	5.8	0.7	0.7	0.6	18.5	28.9	13.8	8%	7%	11%	0.0%	0.0%	0.0%
KOMPUTRONIK	10.2	12.2	7.8	5.4	0.1	0.1	0.1	38.8	11.1	7.2	1%	2%	2%	0.0%	0.0%	0.0%
SYGNITY	13.4	-	9.0	4.9	0.3	0.3	0.3	-	-	-	-	3%	5%	0.0%	0.0%	0.0%
Median		**8.2**	**7.8**	**5.8**	**0.1**	**0.2**	**0.2**	**11.5**	**11.0**	**9.5**	**2%**	**2%**	**2%**	**0.0%**	**0.0%**	**0.0%**
FOREIGN COMPANIES																
Accenture	36.6	6.9	6.8	6.4	1.1	1.1	1.0	13.8	13.8	12.2	15%	15%	15%	1.3%	2.6%	2.2%
Atos Origin	30.5	5.0	4.7	4.2	0.5	0.5	0.5	14.0	11.6	9.4	9%	10%	11%	0.3%	0.6%	0.9%
CapGemini	33.4	6.0	6.3	5.2	0.5	0.5	0.5	16.9	18.0	13.1	8%	8%	10%	2.4%	2.5%	3.0%
IBM	123.1	7.6	7.1	6.7	1.8	1.7	1.7	12.5	10.9	10.0	24%	24%	25%	1.7%	1.9%	2.0%
Indra Sistemas	13.2	7.2	7.1	6.6	0.9	0.9	0.9	10.9	10.7	10.0	13%	13%	14%	4.9%	5.1%	5.5%
LogicaCMG	1.1	7.3	6.3	5.9	0.6	0.6	0.6	10.1	9.0	8.3	8%	9%	9%	2.8%	3.1%	3.4%
Microsoft	23.5	7.5	6.8	6.2	2.9	2.9	2.6	13.9	11.4	10.1	39%	42%	42%	2.1%	2.2%	1.9%
Oracle	21.8	9.6	8.2	7.2	4.6	3.9	3.1	15.4	13.5	11.5	48%	48%	43%	0.1%	0.9%	1.0%
SAP	34.4	12.8	11.0	9.9	3.9	3.7	3.4	20.2	17.0	15.1	30%	33%	34%	1.4%	1.7%	1.9%
TietoEnator	13.0	6.3	5.5	4.8	0.6	0.6	0.6	12.2	10.4	8.9	9%	11%	12%	3.3%	4.5%	5.4%
Median		**7.2**	**6.8**	**6.3**	**1.0**	**1.0**	**0.9**	**13.8**	**11.5**	**10.0**	**14%**	**14%**	**15%**	**1.9%**	**2.4%**	**2.1%**

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

Media company valuations /31.08.2010/

		EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
	Price	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
							POLISH COMPANIES									
AGORA	25.0	8.1	6.7	6.6	1.0	1.0	0.9	33.2	18.9	19.8	12%	15%	14%	0.0%	2.0%	2.7%
CYFROWY POLSAT	14.2	11.4	8.4	7.2	2.9	2.5	2.4	16.0	12.5	11.2	26%	30%	33%	5.3%	4.1%	5.3%
TVN	17.2	9.7	12.1	9.9	3.6	3.2	2.9	13.9	20.4	16.2	37%	27%	29%	4.5%	1.8%	1.5%
							DAILY									
Arnolgo Mondadori	2.2	9.5	6.8	5.8	0.7	0.7	0.7	13.6	9.8	7.6	7%	10%	11%	2.4%	7.7%	9.3%
Axel Springer	92.0	9.5	8.2	7.1	1.3	1.2	1.2	11.3	13.3	11.2	14%	15%	16%	4.7%	4.9%	5.3%
Daily Mail	4.5	8.9	8.0	7.3	1.3	1.4	1.4	12.5	11.0	9.5	15%	18%	19%	3.3%	3.3%	3.5%
Gruppo Editorial	1.5	9.6	5.6	4.8	1.0	1.0	1.0	47.6	11.5	8.7	10%	18%	20%	0.0%	3.9%	5.8%
Mcclatchy	2.7	6.0	5.6	5.7	1.4	1.5	1.5	8.4	4.5	4.8	24%	28%	27%	3.4%	-	-
Naspers	297.8	20.2	18.3	14.8	4.8	4.4	3.8	28.2	21.3	16.1	24%	24%	26%	0.7%	0.8%	1.1%
New York Times	7.2	3.3	2.7	2.7	0.4	0.4	0.4	33.7	10.0	9.8	13%	16%	16%	0.0%	-	-
Promotora de Inform	1.6	7.8	7.5	6.8	1.5	1.5	1.5	5.3	4.1	3.1	19%	20%	22%	0.8%	0.8%	0.7%
SPIR Comm	18.2	22.0	10.2	6.9	0.4	0.5	0.4	-	-	39.9	2%	4%	6%	19.8%	-	-
Trinity Mirror	1.1	4.7	4.2	3.9	0.8	0.8	0.8	6.4	4.7	4.2	18%	19%	20%	0.0%	0.5%	2.1%
Mediana		**9.2**	**7.1**	**6.3**	**1.2**	**1.1**	**1.1**	**12.5**	**10.0**	**9.1**	**14%**	**18%**	**19%**	**1.6%**	**3.3%**	**3.5%**
							TV									
Antena 3 Televis	5.4	19.4	9.2	7.5	1.9	1.7	1.6	26.4	11.1	8.8	10%	19%	22%	3.2%	6.6%	8.0%
CETV	415.0	33.0	12.9	9.1	3.1	2.7	2.4	-	-	25.0	9%	21%	26%	0.0%	0.0%	0.0%
Gestevision Telecinco	8.0	18.5	11.2	7.0	3.2	2.4	2.0	28.4	16.2	10.8	17%	21%	28%	3.6%	4.8%	7.6%
ITV PLC	0.6	13.7	8.7	6.9	1.6	1.5	1.4	43.1	16.5	11.0	11%	17%	20%	0.0%	0.2%	1.1%
M6-Metropole Tel	16.5	7.8	7.2	6.8	1.5	1.4	1.4	16.3	15.4	14.0	20%	20%	21%	5.7%	5.1%	5.4%
Mediaset SPA	4.9	6.2	5.5	5.0	2.0	1.8	1.6	19.5	14.4	12.0	32%	32%	32%	5.0%	5.8%	6.7%
RTL Group	62.4	11.7	10.1	9.1	1.8	1.7	1.7	23.6	17.1	15.3	15%	17%	19%	3.6%	4.7%	5.4%
TF1-TV Francaise	11.7	13.7	12.5	8.6	1.2	1.1	1.1	32.9	25.9	14.8	9%	9%	12%	2.3%	3.4%	4.3%
Mediana		**13.7**	**9.6**	**7.2**	**1.9**	**1.7**	**1.6**	**26.4**	**16.2**	**13.0**	**13%**	**19%**	**21%**	**3.4%**	**4.7%**	**5.4%**
							PAY TV									
BSkyB PLC	7.1	13.1	12.1	10.4	2.7	2.4	2.2	27.0	23.4	18.6	20%	20%	22%	2.5%	2.7%	2.9%
Canal Plus	5.4	5.2	5.1	5.0	0.2	0.2	0.2	14.8	15.4	15.0	5%	5%	4%	4.7%	4.9%	5.0%
Cogeco	35.8	5.6	5.6	5.2	2.3	2.2	2.1	16.5	15.4	13.1	41%	39%	40%	1.3%	1.6%	1.7%
Comcast	17.1	5.6	5.3	5.2	2.1	2.1	2.0	14.5	13.8	12.1	39%	39%	39%	1.6%	2.2%	2.4%
Liberty Global	27.6	6.1	6.9	6.7	2.7	3.0	3.0	-	-	34.4	43%	43%	45%	0.0%	0.0%	0.0%
Multimedia	9.7	6.6	6.1	5.7	3.2	3.0	2.8	22.9	18.2	15.1	49%	50%	50%	0.0%	3.0%	4.1%
Shaw Communications	20.6	7.8	7.0	6.5	3.6	3.2	2.9	16.6	15.8	14.0	46%	46%	44%	4.0%	4.2%	4.4%
Mediana		**6.1**	**6.1**	**5.7**	**2.7**	**2.4**	**2.2**	**16.6**	**15.6**	**15.0**	**41%**	**39%**	**40%**	**1.6%**	**2.7%**	**2.9%**

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

Construction company valuations /31.08.2010/

	Price	EV/EBITDA 2009	EV/EBITDA 2010	EV/EBITDA 2011	EV/S 2009	EV/S 2010	EV/S 2011	P/E 2009	P/E 2010	P/E 2011	EBITDA margin 2009	EBITDA margin 2010	EBITDA margin 2011	D/Y 2009	D/Y 2010	D/Y 2011
POLISH COMPANIES																
Budimex	91.0	7.3	10.0	10.0	0.5	0.5	0.5	13.4	12.5	14.4	7%	5%	5%	6.4%	7.5%	4.9%
Elektrobudowa	178.7	9.4	11.5	10.4	1.1	1.1	1.0	15.6	17.3	15.5	11%	9%	9%	1.7%	1.9%	2.1%
Erbud	47.9	6.8	8.2	7.7	0.5	0.4	0.4	14.5	11.7	12.0	7%	5%	5%	0.2%	1.1%	1.3%
Mostostal Warszaw	63.0	4.8	8.4	8.3	0.4	0.4	0.4	10.7	15.8	16.5	8%	5%	5%	0.5%	4.7%	3.2%
PBG	227.0	11.7	10.6	10.4	1.5	1.1	0.9	15.4	15.1	14.7	13%	10%	8%	0.0%	1.3%	1.4%
Polimex Mostostal	4.4	7.3	9.0	9.5	0.5	0.6	0.6	13.1	14.9	16.4	7%	7%	6%	0.2%	0.9%	0.0%
Rafako	12.9	9.8	9.6	7.5	0.7	0.6	0.4	23.8	17.5	14.9	7%	7%	5%	0.0%	0.0%	0.0%
Trakcja Polska	4.4	6.5	9.2	9.0	0.8	0.7	0.5	9.8	16.8	17.5	12%	8%	6%	2.3%	0.0%	0.0%
Ulma Construccion	70.5	8.2	4.6	4.0	3.4	2.4	2.0	-	14.9	11.2	41%	51%	51%	0.0%	0.0%	0.0%
Unibep	8.5	9.3	11.0	11.1	0.7	0.5	0.4	16.1	14.7	15.1	8%	4%	4%	1.2%	0.0%	0.7%
Median		**7.7**	**9.4**	**9.2**	**0.7**	**0.6**	**0.5**	**14.5**	**15.0**	**15.0**	**8%**	**7%**	**6%**	**0.4%**	**1.0%**	**1.0%**
FOREIGN COMPANIES																
AMEC	9.2	10.0	9.0	8.0	0.9	0.9	0.8	19.4	17.5	15.3	9%	9%	10%	1.9%	2.1%	2.3%
BILFINGER	47.1	7.9	5.6	5.5	0.3	0.3	0.3	14.8	10.0	9.2	4%	6%	6%	3.8%	5.1%	5.1%
EIFFAGE	36.0	8.5	8.5	8.0	1.2	1.2	1.2	11.7	13.2	10.9	14%	14%	15%	3.2%	3.2%	3.5%
HOCHTIEF	52.3	5.9	5.1	4.7	0.3	0.3	0.3	20.0	15.9	13.8	5%	5%	6%	2.8%	3.1%	3.5%
NCC	121.7	6.7	7.6	6.9	0.3	0.3	0.3	12.2	12.7	11.4	5%	4%	5%	3.2%	4.6%	4.9%
SKANSKA	113.6	6.1	6.8	6.8	0.3	0.3	0.3	13.5	15.1	14.9	5%	5%	5%	4.9%	4.9%	5.1%
STRABAG	16.5	3.8	3.7	3.7	0.2	0.2	0.2	12.0	11.3	11.3	5%	5%	5%	3.2%	3.0%	3.1%
Median		**6.7**	**6.8**	**6.8**	**0.3**	**0.3**	**0.3**	**13.5**	**13.2**	**11.4**	**5%**	**5%**	**6%**	**3.2%**	**3.2%**	**3.5%**

Property Developers company valuations /31.08.2010/

	Price	EV/EBITDA 2009	EV/EBITDA 2010	EV/EBITDA 2011	P/BV 2009	P/BV 2010	P/BV 2011	P/E 2009	P/E 2010	P/E 2011	EBITDA margin 2009	EBITDA margin 2010	EBITDA margin 2011	D/Y 2009	D/Y 2010	D/Y 2011
POLISH COMPANIES																
Dom Development	46.4	12.6	31.0	10.9	1.7	1.5	1.5	14.2	42.5	13.6	16%	9%	18%	1.7%	0.6%	1.8%
GTC	22.7	-	9.2	8.5	4.6	5.2	4.3	-	6.8	7.1	-	142%	166%	0.0%	0.0%	0.0%
J.W. Construction	16.0	9.4	5.4	7.4	2.7	2.1	1.5	8.6	5.3	6.1	21%	30%	47%	0.0%	0.0%	0.0%
Polnord	36.1	13.6	20.3	14.4	0.7	0.7	0.7	12.5	23.3	11.8	48%	15%	32%	0.0%	0.0%	0.0%
Median		**12.6**	**14.7**	**9.7**	**2.2**	**1.8**	**1.5**	**12.5**	**15.0**	**9.4**	**21%**	**22%**	**39%**	**0.0%**	**0.0%**	**0.0%**
FOREIGN COMPANIES																
CA IMMO INTERNATIONAL	5.5	19.7	16.3	13.2	0.4	0.5	0.5	-	-	-	66%	52%	55%	0.0%	0.0%	1.7%
CITYCON	2.7	18.9	17.0	15.9	0.7	0.8	0.8	14.9	12.1	11.4	56%	58%	59%	5.1%	5.2%	5.5%
CORIO	45.3	26.5	18.5	16.4	0.8	1.0	1.0	14.9	15.3	14.9	64%	83%	87%	5.9%	5.9%	6.1%
DEUTSCHE EUROSHOP	23.4	18.6	17.0	16.3	0.9	1.0	1.0	20.2	16.4	14.7	87%	86%	86%	4.5%	4.6%	5.0%
ECHO INVESTMENT	4.6	14.6	15.2	11.6	1.2	1.1	1.1	21.3	16.8	12.1	58%	61%	71%	0.0%	0.0%	0.0%
HAMMERSON	3.6	18.6	19.1	18.4	0.5	0.9	0.8	17.6	16.6	17.4	77%	78%	79%	4.2%	4.4%	4.6%
KLEPIERRE	24.1	21.3	17.4	16.6	0.8	1.2	1.0	16.1	16.6	15.9	71%	85%	86%	5.2%	5.2%	5.3%
SPARKASSEN IMMO	5.2	24.6	17.4	15.3	0.6	0.7	0.7	-	12.6	7.8	53%	50%	50%	0.0%	1.6%	5.1%
UNIBAIL-RODAMCO	148.8	18.8	18.7	17.5	0.9	1.1	1.1	15.9	16.0	15.3	86%	82%	81%	5.4%	5.5%	5.8%
Median		**18.9**	**17.4**	**16.3**	**0.8**	**1.0**	**1.0**	**16.1**	**16.2**	**14.8**	**66%**	**78%**	**79%**	**4.5%**	**4.6%**	**5.1%**

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

Machinery manufacturer valuations /31.08.2010/

		EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
	Price	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
POLISH COMPANIES																
FAMUR	2.1	8.1	9.9	5.7	1.6	1.6	1.5	17.3	17.5	10.3	19%	16%	26%	0.0%	0.0%	0.0%
KOPEX	17.7	8.0	7.3	6.0	0.8	0.7	0.6	15.1	16.4	11.6	9%	9%	10%	0.0%	0.0%	0.0%
Median		**8.1**	**8.6**	**5.9**	**1.2**	**1.1**	**1.1**	**16.2**	**16.9**	**11.0**	**14%**	**13%**	**18%**	**0.0%**	**0.0%**	**0.0%**
FOREIGN COMPANIES																
Atlas Copco	112.4	13.3	11.2	9.5	2.4	2.3	2.1	21.3	16.9	14.0	18%	21%	22%	2.6%	2.9%	3.3%
Bucyrus	57.5	8.9	7.2	5.9	1.8	1.3	1.1	14.5	15.0	11.3	20%	18%	19%	0.2%	0.2%	0.2%
Emeco	0.8	3.7	4.3	3.6	1.4	1.8	1.6	8.5	11.5	8.0	38%	41%	45%	4.4%	2.5%	5.6%
Industrea	0.3	5.2	4.5	3.9	1.7	1.5	1.3	7.2	7.3	5.8	34%	34%	34%	1.7%	3.5%	4.3%
Joy Global	56.7	7.9	10.4	8.5	1.7	2.0	1.7	13.4	18.2	14.5	21%	19%	20%	1.3%	1.2%	1.2%
Sandvik	87.6	34.9	10.1	7.8	1.9	1.7	1.6	-	19.4	12.7	5%	17%	20%	1.8%	2.5%	3.6%
Median		**8.4**	**8.6**	**6.9**	**1.8**	**1.8**	**1.6**	**13.4**	**16.0**	**12.0**	**21%**	**20%**	**21%**	**1.8%**	**2.5%**	**3.5%**

Paper manufacturer valuations /31.08.2010/

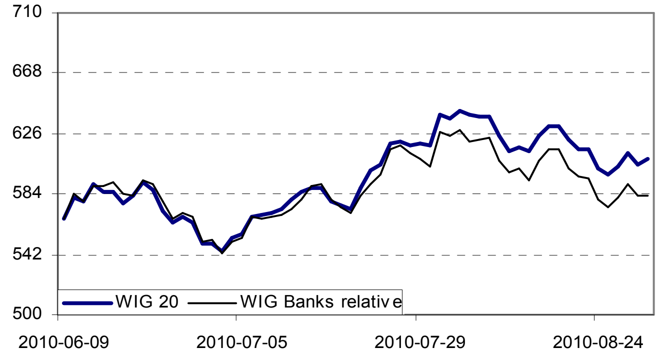
		EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
	Price	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
POLISH COMPANIES																
MONDI	75.7	20.5	10.3	8.2	3.3	2.1	1.9	53.0	17.7	12.3	16%	20%	23%	0.0%	0.0%	5.6%
FOREIGN COMPANIES																
Billerund	42.4	6.7	3.9	4.4	0.7	0.7	0.7	27.4	7.3	8.7	11%	17%	15%	1.3%	4.6%	5.8%
Holmen	206.0	8.3	10.5	8.4	1.3	1.4	1.3	17.2	30.1	18.5	16%	13%	15%	4.4%	3.4%	3.5%
INTL Paper	20.5	5.7	5.4	4.8	0.7	0.7	0.7	23.3	11.5	8.3	13%	13%	14%	1.6%	1.8%	2.2%
M-Real	2.8	66.5	6.7	6.3	0.8	0.8	0.7	-	26.3	13.8	1%	11%	12%	0.0%	0.5%	0.6%
Norske Skog	8.6	5.3	10.8	6.6	0.6	0.7	0.6	-	-	-	11%	6%	10%	0.0%	0.0%	0.0%
Portucel EMP.	2.2	11.4	8.2	7.0	2.3	1.9	1.7	18.2	14.0	11.0	20%	23%	25%	3.5%	4.3%	5.0%
Stora Enso	6.5	10.9	8.3	7.2	0.9	0.9	0.8	40.5	16.2	12.9	9%	11%	12%	2.7%	3.1%	3.2%
Svenska	98.3	7.1	7.2	6.3	1.0	1.0	1.0	12.3	11.9	9.9	14%	14%	15%	3.7%	4.1%	4.4%
UPM-Kymmene	10.8	9.3	7.9	6.7	1.3	1.1	1.1	-	24.2	14.9	13%	14%	16%	3.6%	4.3%	4.5%
Median		**8.3**	**7.9**	**6.6**	**0.9**	**0.9**	**0.8**	**20.7**	**15.1**	**11.9**	**13%**	**13%**	**15%**	**2.7%**	**3.4%**	**3.5%**

Mining company valuations /31.08.2010/

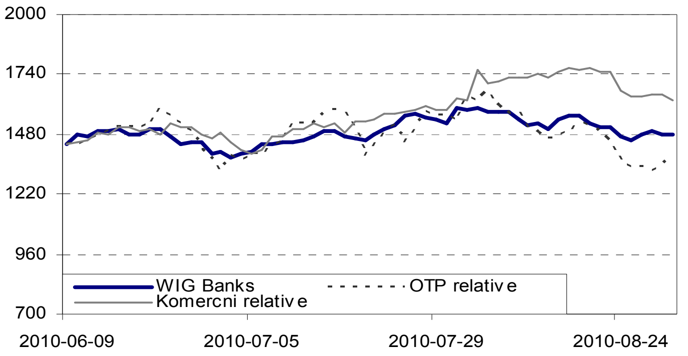
		EV/EBITDA			EV/S			P/E			EBITDA margin			D/Y		
	Price	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
POLISH COMPANIES																
KGHM	106.9	5.6	5.3	6.3	1.8	1.8	1.7	8.4	6.2	10.8	33%	34%	27%	10.9%	2.8%	4.7%
FOREIGN COMPANIES																
Anglo Amer.	23.4	6.6	3.8	3.1	1.9	1.5	1.3	10.8	5.6	4.3	29%	40%	43%	0.3%	1.8%	4.3%
BHP Billiton	18.3	5.0	4.3	2.9	2.2	2.1	1.6	10.3	7.6	4.9	44%	48%	55%	4.3%	4.7%	5.3%
Freeport-MCMOR	72.0	5.2	3.9	3.7	2.5	2.0	1.9	13.4	8.9	8.0	48%	52%	52%	0.1%	1.4%	2.0%
Rio Tinto	33.0	7.0	3.9	3.4	2.2	1.7	1.6	10.1	5.1	4.3	31%	44%	47%	1.7%	3.0%	3.3%
Southern Peru	30.2	14.2	8.3	6.5	7.0	5.0	3.8	28.3	14.1	10.5	49%	59%	60%	1.5%	5.1%	6.2%
Median		**6.6**	**3.9**	**3.4**	**2.2**	**2.0**	**1.6**	**10.8**	**7.6**	**4.9**	**44%**	**48%**	**52%**	**1.5%**	**3.0%**	**4.3%**

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

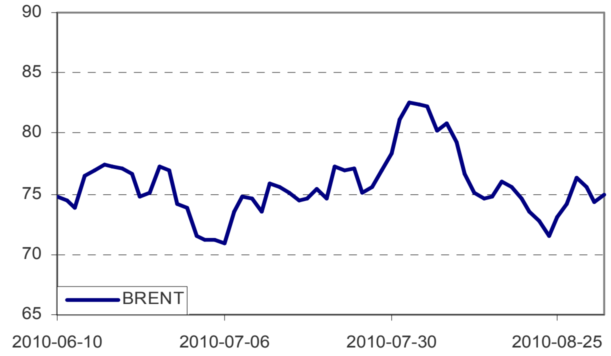
WIG Banks index vs. WIG 20 index (EUR)



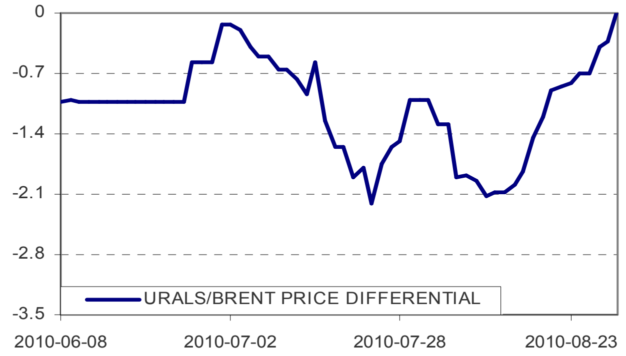
OTP and Komercni's relative performance vs. WIG Banks index (EUR)



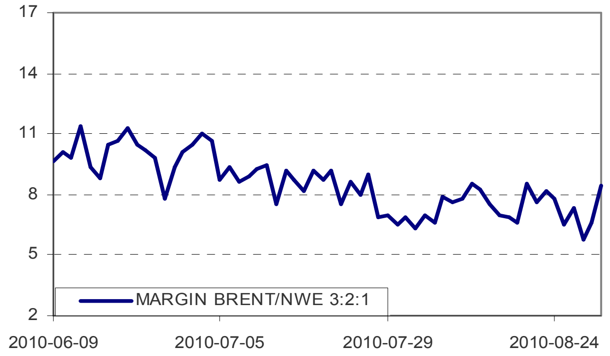
BRENT (USD/bbl)



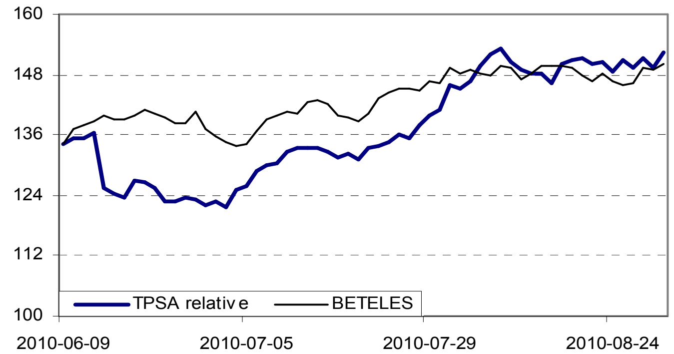
BRENT (USD/bbl)



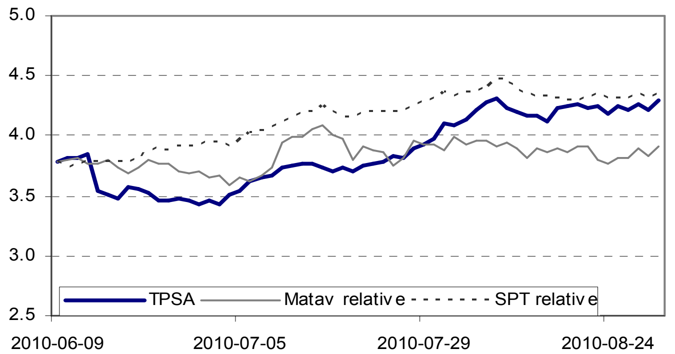
BRENT (USD/bbl)



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

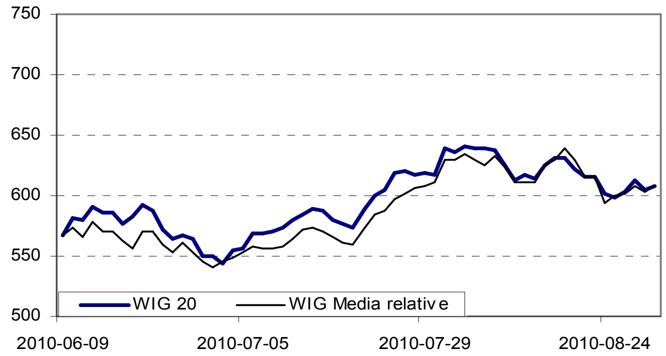


National operator quotations: TPSA, Hungarian Magyar Telecom and Czech SPT (EUR)

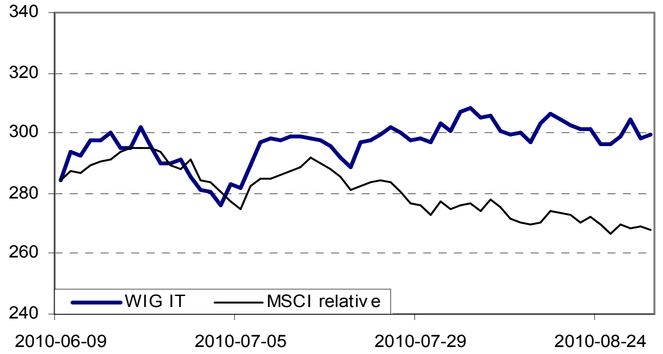


Source: Bloomberg

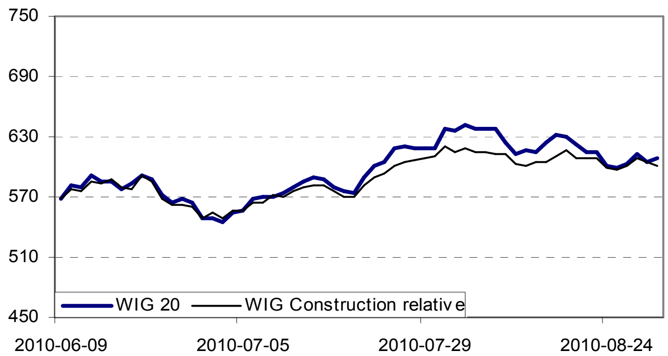
WIG Media index vs. WIG 20 index (EUR)



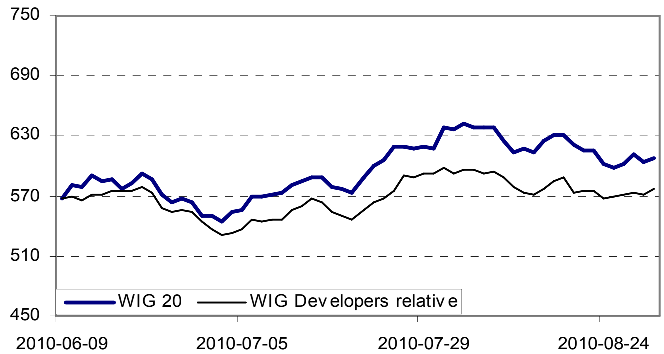
WIG IT index vs. MSCI



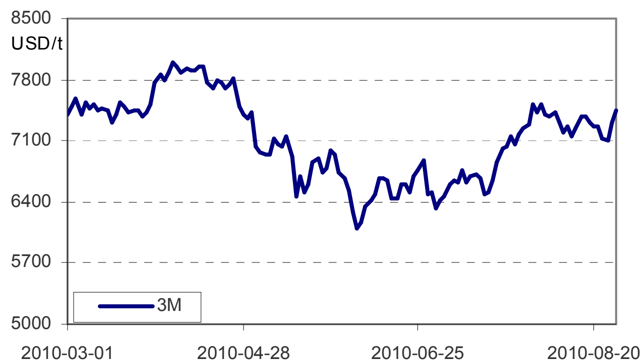
WIG Construction index vs. WIG 20 index (EUR)



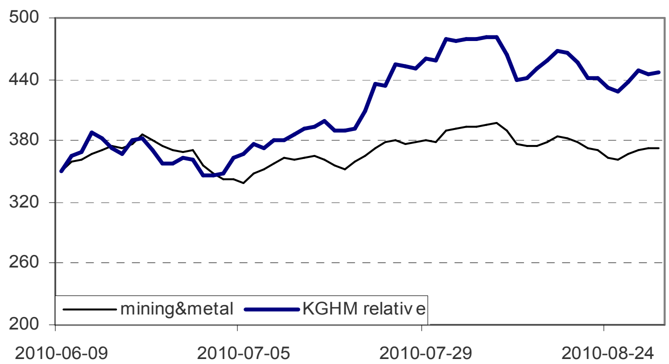
WIG Developers index vs. WIG 20 index (EUR)



Copper price on LME



KGHM vs. mining&metal sector index (USD)



Source: Bloomberg

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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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