

PRODUCT COORDINATOR: Pawel Puchalski, CFA +48 22 586 80 95, [pawel.puchalski@bzwbk.pl](mailto:pawel.puchalski@bzwbk.pl)

Main indices	Close	%	Exchange rates	Close	%	Daily turnover (single counted)	PLNm	US\$m	
WIG index	42,924.60	-0.64	PLN/USD	4.1123	0.3	All shares	658.1	160.0	
WIG30 index	1,918.84	-0.91	PLN/EUR	4.4597	0.2	WIG30 components	571.9	139.1	
Commodities	Close	%	Utilities	Close	%	Reference rates	Close	%	
Copper (US\$/t)	4,417	-0.59	ARA steam coal (US\$/MT)	38.65	-1.90	WIBOR3M	1.700	0.00	
Brent (US\$/bbl)	30.50	-5.22	PL 1Y electricity (PLN/MWh)	155.00	-0.96	EURIBOR3M	-0.158	-1.94	
Best performers	Close	%	Worst performers	Close	%	Most active	Close	PLNm	USDm
HAWE	0.55	3.8	BYTOM SA	2.47	-4.3	PKN ORLEN	64.94	74.9	18.2
COMARCH	108.00	3.6	CORMAY	1.67	-4.0	KGHM	56.10	74.4	18.1
EUROCASH	49.54	3.2	STALPROD	224.00	-3.4	PZU	31.43	61.9	15.0
INTERCARS	235.00	3.1	COLIAN HOLDING S	3.57	-3.3	EUROCASH	49.54	60.9	14.8
POLENERGIA	24.00	2.9	BOGDANKA	32.00	-3.2	PKOBP	23.10	44.7	10.9

### MACRO NEWS WATCH

Country	Event	Time CET	Period	Survey	Prior
US	New Home Sales	16:00	Dec	500k	490k
US	New Home Sales MoM	16:00	Dec	2.00%	4.30%
US	FOMC Rate Decision (Lower Bound)	20:00	Jan 27	0.25%	0.25%
US	FOMC Rate Decision (Upper Bound)	20:00	Jan 27	0.50%	0.50%

### KEY STORIES OF THE DAY

<b>POLITICS / CIECH (Buy, TP PLN100) / NETIA (Hold, TP PLN5.71)</b>	<p><b>Poland will seek to renationalize Ciech and TK Telekom – Polityka weekly</b>                      Polityka weekly (citing an unnamed source in the Treasury Ministry) suggests that Poland will seek to renationalize Ciech (WSE-listed company), TK Telekom (recently purchased by WSE-listed Netia) and PKP Energetyka (minor utility player acquired by independent entity). No details were mentioned, but Polityka wrote that renationalization could begin this June.  <b>Comment:</b> Major surprise. This announcement may weaken the market sentiment to these companies.  <b>Pawel Puchalski, CFA +48 22 586 8095</b></p>
<b>LPP (Buy, TP PLN9,211)</b>	<p><b>LPP plans double digit growth y/y of sales in 2016; strong USD remains a key challenge</b>                      Interview with CFO:</p> <ul style="list-style-type: none"> <li>LPP assumes selling space growth by 13-15% y/y in 2016; CAPEX at PLN400mn. Sales is likely to growth faster than space on the back of positive LfL,</li> <li>Basically, LPP plans to have flat gross margin y/y, however strong USD (above PLN4.0) is affecting gross margin, which might come in lower y/y. LPP is not planning price increases so as to push weak PLN through into customers.</li> <li>2016's main challenges are weak demand, promotional market, weak PLN against USD and EUR,</li> <li>SG&amp;A/sqm should increase y/y mainly due to pressure on wages in 2016. Following previous year's notable cut of OPEX/sqm, there is little room for further cuts.</li> <li>4Q15 was favorable period for the company,</li> <li>LPP plans to pay DPS, however it is too early for any details.</li> </ul> <p><b>Comment:</b> Having assumed 1) 15% y/y growth of selling space, 2) 2% y/y growth of revenues/avg. sqm, 3) gross margin at 53% (-40bps y/y), 4) 2.5% growth of SG&amp;A/avg. sqm and 5) PLN26mn of retail revenue tax, LPP is likely to earn PLN419mn of net profit (+6% y/y on adj. by FX losses basis), EBITDA of PLN787mn (+10% y/y) on sales of PLN6,073mn (+18% y/y) in 2016E. This implies PE16 at 23x and EV/EBITDA at 13x, which still offers premium vs. LPP's historical valuation (PE at 20x and EV/EBITDA at 12x).  <b>Tomasz Sokolowski +48 22 586 82 36</b></p>

## WIG30 &amp; CEE MAJORS

<b>ALIOR</b> (Buy, TP PLN87)	<b>Acquires SKOK (credit and savings union) Wyszynskiego...</b> .... with assets equivalent to 0.3% of the Alior group and a deposit book of PLN 175mn. SKOK Wyszynskiego had a negative equity level of PLN 49mn and a negative capital adequacy ratio of 44.2% at the end of November 2015. The union also suffered a PLN 12mn loss in the January-November 2015 period and a PLN 31mn loss from the previous years. Alior will formally take over the bank on March 1.
<b>CCC</b> (Buy, TP PLN194)	<b>CCC estimates retail revenue tax burden at PLN17-19m per annum</b> <b>Comment:</b> In line with our estimates at PLN19mn. In longer term, it will have a far lower impact on profitability given options to raise prices. <b>Tomasz Sokolowski +48 22 586 82 36</b>
<b>LOTOS</b> (Hold, TP PLN32.0)	<b>Possible changes on the CEO and in the management board - press</b> Lotos will likely change its CEO as well as other management board members, Dziennik Gazeta Prawna speculates ahead of the Wednesday EGM on supervisory board reshuffle. According to daily Olechnowicz has both supporters and opponents in the new governing party. In the lower house public finance committee head Andrzej Jaworski opinion, the CEO of Lotos should be replaced on account of the failed investment in the Norwegian YME. Daily repeated that governing party PiS has already once tried to oust Olechnowicz back in 2007, reportedly due to his skepticism over a potential merger bigger rival PKN, but the supervisory board opposed.
<b>LPP</b> (Buy, TP PLN9,211)	<b>LPP estimates retail revenue tax burden at PLN35-40m per annum</b> <b>Comment:</b> In line with our estimates at PLN38mn. In our view, retail revenue tax will hit profits in the short run (1H16). In longer term, it will have a far lower impact on profitability given options to raise prices. <b>Tomasz Sokolowski +48 22 586 82 36</b>
<b>PGNiG</b> (Sell, TP PLN5.77)	<b>PGNiG Termika is the most likely to take over JSW's power unit SEJ - Parkiet</b>
<b>PKO BP</b> (Buy, TP PLN31)	<b>No growth in fees &amp; commissions expected in 2016...</b> ..the bank commented to media allegations that it raised fees ahead of the introduction of banking tax. Bank officials also commented that fees increases are seasonal, were planned in Dec'15, are aimed at adjusting the bank's prices to competition and finally are promoting the use of electronic channels.

## SMALL AND MID CAPS

<b>BOGDANKA</b> (Sell, TP PLN16.30)	<b>EGM on Feb 23th to decide on changes in Supervisory Board</b>
<b>EMPERIA</b> (Buy, TP PLN84.6)	<b>Sales in 4Q15 amounted to PLN541mn (+8% y/y); LfL at 1.4%</b> Stokrotka had 327 stores as of 4Q15.
<b>GRAJEWO</b> (U/R)	<b>Moody's granted company B1 rating with positive perspective</b> Moody's expects that company would benefit from supportive market environment both in Poland and Germany in at least next two years. Additionally, group's financials should be supported by synergies from recent integration of Core East and Core West.
<b>JSW</b> (Sell, TP PLN8.50)	<b>Company may go bankrupt if shareholders do not accept debt cuts – Parkiet</b> According to Parkiet daily and its unnamed source, JSW bondholders will get an ultimatum – if these fail to cut the company's debt or convert it into shares, JSW may go bankrupt. <b>Comment:</b> This news does not come unexpected, as JSW has been producing net cash losses for several quarters and macro fails to support the company's financials. It's clear negative message, although we see limited room for share price declines, as in short term JSW will be supported with assets' disposals (heat&power plant, minority stakes in coke plants).
<b>KREDYT INKASO</b> (N/R) <b>BEST</b> (N/R)	<b>Best still plans to merge with Kredyt Inkaso...</b> ...Best officials told media.
<b>VOTUM</b> (Buy, TP PLN25.8)	<b>Plans to buy office building for PLN10.5-12mn</b> The building should be purchased partly with a loan and cash. <b>Comment:</b> Potential savings from the transaction should be at around PLN0.3mn per year. Additionally, Votum will be hedged against the euro. <b>Andrzej Bieniek +48 22 586 8521</b>

<b>HERKULES (N/R)</b>	<p><b>Management targets doubling of 2014 net profit in 2015</b> Key take-aways from interview with CEO:</p> <ul style="list-style-type: none"> <li>• Company benefited from good market conditions last year, which positively affected sales and margins. CEO does not expect the market slowdown in 2016;</li> <li>• CEO stated that 2015 net profit might be replicated in 2016, whereas the 'GSMR' contract (PLN500mn, 5 years, company is sure to participate in high part in this contract) may generate some 2016 upside;</li> <li>• Following 2-years dispute, company managed to take the control over Budopol, which increase equipment by almost 30% (72 units). Company hopes for rising utilization (underutilized so far);</li> <li>• Viatron which is constructing wind farms may have troubles to look for business in Poland, but company hopes for foreign expansion;</li> <li>• Strong EUR/PLN is favorable for wind farm contracts Herkules, low crude oil price is also supportive.</li> <li>• Dividend in 2016 should be paid.</li> </ul> <p><b>Comment:</b> Bullish outlook presented by the CEO. In 2014 company earned PLN9.4mn, so in 2015 it may deliver c. PLN19mn net profit. It would be much more than originally targeted by the management. Company is trading at 9.0x P/E taking into account 2015 profit estimates. Also outlook for 2016 look more optimistic (than originally), as the company does not exclude profits improvement (flattish profit targeted originally), which could (if any) put P/E ratio into even more attractive territory.</p> <p><b>Adrian Kyrz, +48 22 586 81 59</b></p>
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## SECTOR NEWS

<b>BANKS</b>	<p><b>CEOs summoned to the Parliament to explain F&amp;C hikes</b> MPs argue that the recent fee increases were aimed at offsetting the banking tax. According to the bill banks (and insurers) an introduction of the banking tax cannot be a cause for a change in terms of services rendered to customers.</p>
<b>BANKS</b>	<p><b>Spreading FX conversion losses over time not straightforward...</b> ..opined the Committee on Accounting Standards. Changes to the President's draft of the FX conversion bill would be required to make it possible, the Committee commented, wrote Rzeczpospolita/Parkiet. The Committee consists of representatives of the Ministry of Finance and the State Treasury, the Central Bank and KNF as well as representatives of auditors.</p>
<b>TELECOMS</b>	<p><b>T-Mobile removed from its base possibly 3.2-3.5mn unused SIM-cards – Parkiet daily</b> The move resulted in a 2.8mn decline in the number of all SIM cards in Poland to 56.2mn, according to CSO data. Orange Polska increased its share in the SIM card market to 28%, T-Mobile reduced its market share (in terms of SIM cards) to some 22%, while the share of P4 and Polkomtel increased to some 25% and 24%.</p>
<b>UTILITIES</b>	<p><b>Polish thermal coal extraction up 3% y/y, lignite extraction down 6% in Dec15</b> Altogether 4Q15 thermal coal production was up 5.7% y/y, and lignite production was down 5.2% y/y. <b>Comment:</b> Thermal coal is replacing lignite in the Polish generation mix, as ailing thermal coal mines in the upper Silesia need high volumes to maintain liquidity. Nevertheless, strong decline in lignite production (and implied lignite electricity production) should trigger weak conventional generation results in PGE and ZE PAK. Negative for 4Q15E results outlook for both companies. <b>Paweł Puchalski, CFA +48 22 586 80 95</b></p>
<b>UTILITIES</b>	<p><b>New Ostroleka unit is a must, off-shore windfarms will receive regulatory support</b> Key takeaways from interview with Mr. Tchorzewski, Minister of Energy:</p> <ul style="list-style-type: none"> <li>• Energa's Ostroleka thermal coal-fuelled unit is a must;</li> <li>• Construction of new thermal coal-fired unit represents a priority for Poland;</li> <li>• Mr. Tchorzewski sees little gain in merging small power players;</li> <li>• Energy Minister sees biogas healthily expanding from nil, some additional support to these possible;</li> <li>• He believes that off-shore wind farms should kick off, he expects these to substantially contribute to Poland's total renewables' pool.</li> </ul>

## OTHER COMPANY NEWS

<b>BRASTER</b>	Started 4 <sup>th</sup> part of joint project with Warsaw University of Technology to develop advanced medical application.
<b>FASING</b>	Signed agreement for multiple deliveries of mine tools to Bogdanka mine worth PLN11.77mn.
<b>HYPERION</b>	Supervisory Board appointed Mr. Mariusz Stecki as new member and vice-chairman of Management Board.
<b>LARK</b>	Company plans to make a reversed stock split.

## OTHER COMPANY TRANSACTIONS

<b>FERRUM</b>	ArcelorMittal Global Holding acquired indirectly 447.7k shares and increased its shares and votes in the company from 21.59% to 23.41%.
<b>HYDROTOR</b>	Insider purchased 545 shares at average price of PLN34.77 per share.
<b>MENNICA POLSKA</b>	Purchased 17.8k of own shares at average price of PLN14 per share.
<b>MUZA</b>	Purchased 1.84k of own shares at average price of PLN2.63 per share
<b>SMT</b>	Purchased 200 of own shares at average price of PLN13.22 per share
<b>SYGNITY</b>	Purchased 22k of own shares at average price of PLN8.49 per share.

## RECENT GSMs

<b>BUMECH</b>	Shareholders voted for increase in share capital through private placement of new shares.
<b>CNT</b>	GSM suspended until 15 <sup>th</sup> February.

## RESULTS REVIEW

<b>BZ WBK (N/R)</b>	<b>Dariusz Gorski</b>	<b>Andrzej Bieniek</b>
<b>4Q earnings top market expectations</b>	<b>+48 22 586 8100</b>	<b>+48 22 534 8521</b>

## BZ WBK: quarterly results in brief

PLNmn	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	y/y	q/q	4Q15 cons.*
NII	868	905	1,153	1,071	1,050	1,032	1,090	1,136	6%	4%	1,119
F&C	442	451	483	472	459	502	483	494	5%	2%	492
<u>Core revenues</u>	<u>1,310</u>	<u>1,356</u>	<u>1,636</u>	<u>1,543</u>	<u>1,509</u>	<u>1,534</u>	<u>1,573</u>	<u>1,631</u>	6%	4%	<u>1,611</u>
Other income	122	167	92	277	843	182	89	65	-77%	-27%	71
Total revenues	1,432	1,523	1,727	1,820	2,353	1,717	1,662	1,695	-7%	2%	1,683
Total costs	-699	-716	-780	-834	-808	-809	-799	-1,048	26%	31%	1,042
Operating profit	733	808	948	987	1,544	907	862	647	-34%	-25%	641
Provisions	-162	-174	-216	-285	-191	-162	-201	-256	-10%	28%	-254
Net profit	449	504	516	445	1,036	542	473	277	-38%	-41%	255
Loans (incl. leasing)	73,323	74,711	88,666	89,636	91,879	94,159	96,175	94,931	6%	-1%	
Loans yoy	4%	3%	22%	26%	25%	26%	8%	6%			
Deposits	80,114	77,777	93,023	94,982	92,477	93,732	95,602	101,865			
IEA	97,757	109,544	118,677	119,778	120,955	122,601	125,037	126,820			
L/D	92%	96%	95%	94%	99%	100%	101%	93%			
Loans/assets	63%	66%	65%	64%	67%	68%	68%	68%			
NIM (IEA, bps)**	355	331	389	358	347	337	349	358			
NIM (assets)	318	330	388	323	316	312	325	331			
NIM (IEA, trailing)	354	347	358	361	360	357	347	348			
Income yield	525	555	581	550	708	519	496	494			
C/I	48.8	47.0	45.1	45.8	34.4	47.1	48.1	61.8			
NPL ratio	7.5%	7.5%	8.0%	8.4%	8.3%	8.1%	8.1%	7.3%			
Cost of risk (bps)	89	93	104	126	83	69	83	211			
Cost of risk trailing (bps)	96	91	95	104	102	96	90	86			

Source: Company data, DM BZ WBK, \*consensus by PAP

## RESULTS PREVIEW

Millennium (Buy, TP PLN 5.8)

Dariusz Gorski Andrzej Bieniek

4Q earnings likely to come under pressure from large negative one-offs

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Millennium is set to report its 4Q15 results on Monday coming. We expect earnings to more than halve q/q due to significant negative one-offs – participation in the bailout of bankrupt SK Wolomin (PLN 103mn), contribution to the Distressed Mortgage Fund (PLN 18mn) and, finally, a provision against a negative ruling by the antimonopoly regulator (PLN 12mn). Adjusted, earnings would top PLN 180mn, on our estimates and would be the highest on record. Operating performance should have been strong in the quarter, with core revenues remaining in an uptrend (up 5% y/y) due to the expected increase in NII and improvement of the NIM (233bp from 218bp in 3Q15). We expect the cost of risk to be 49bp, with trailing 4Q cost of risk at 53bp (gross loan, net loans: 55bp). Our earnings expectations are significantly above current consensus (PAP: PLN 58.1mn). We expect full year earnings at PLN 569mn, below our earlier estimate of PLN 578mn, but as the deviation is marginal from the target price perspective (Millennium will not pay a dividend from its 2015E earnings) we keep our TP intact at PLN 5.8/share

## Millennium: quarterly results in brief

## Millennium

PLNm	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15E	y/y	q/q	4Q15E cons
NII	355	376	374	349	333	333	349	364	4%	4%	357
F&C	155	163	151	142	157	147	152	146	3%	-4%	147
Other income	33	29	38	50	56	63	40	-86	-271%	-313%	n/a
Revenues	544	568	563	541	546	544	541	424	-22%	-22%	n/a
Operating costs	-275	-280	-278	-279	-274	-271	-266	-269	-4%	1%	n/a
Operating profit	269	288	285	262	271	272	275	155	-41%	-44%	n/a
Provisions	-66	-74	-62	-64	-68	-59	-69	-56	-12%	-18%	-65
Net profit	156	164	173	158	163	165	166	75	-52%	-55%	58

Source: Company data, DM BZ WBK estimate, consensus by PAP

## RESULTS PREVIEW

PKN ORLEN (HOLD, TP PLN72.0/sh)

Tomasz Kasowicz

Good quarter despite asset revaluations

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In general we expect PKN to deliver strong clean earnings in 4Q15, supported by a decent refining contribution and pretty solid earnings in the retail business. We expect clean EBITDA LIFO of PLN1.83bn vs. PLN1.26bn in 4Q14. Our earnings estimates include substantial non-cash one-off items: (1) upstream asset write-offs of PLN400mn, and (2) a LIFO effect of PLN1.1bn. PKN should therefore report EBITDA of PLN303mn and an operating loss of PLN166mn. We also expect negative net financial results of PLN221mn, resulting in a net loss of PLN350mn. We should see negative FCF, mainly due to the acquisitions of Kicking Horse and FX Energy, totaling PLN1.5bn.

## PKN: 4Q15 results preview

PLNm	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15E
Revenues	27 472	28 311	30 392	27 678	24 119	28 651	29 160	24 902	20 005	24 776	23 468	20 252
<b>EBITDA LIFO</b>	<b>932</b>	<b>837</b>	<b>797</b>	<b>605</b>	<b>953</b>	<b>-4 146</b>	<b>2 117</b>	<b>959</b>	<b>1 899</b>	<b>2 458</b>	<b>1 959</b>	<b>1 428</b>
EBITDA	879	398	1 159	67	776	-4 293	1 461	-664	1 662	2 627	1 625	303
<b>EBIT LIFO</b>	<b>394</b>	<b>302</b>	<b>255</b>	<b>49</b>	<b>431</b>	<b>-4 670</b>	<b>1 657</b>	<b>444</b>	<b>1 447</b>	<b>1 994</b>	<b>1 490</b>	<b>959</b>
<b>Downstream</b>	<b>524</b>	<b>197</b>	<b>16</b>	<b>38</b>	<b>433</b>	<b>-4 772</b>	<b>1 456</b>	<b>624</b>	<b>1 431</b>	<b>2 389</b>	<b>1 231</b>	<b>1 319</b>
refining	35	-150	-185	-192	47	-4 890	1 035	99	949	1 547	573	1 028
petrochemicals	489	347	201	230	386	118	421	528	482	842	658	291
generation	0	-1	-1	0	0	-1	0	-3	0	0	0	0
<b>Retail</b>	<b>37</b>	<b>282</b>	<b>361</b>	<b>235</b>	<b>144</b>	<b>272</b>	<b>352</b>	<b>317</b>	<b>192</b>	<b>253</b>	<b>452</b>	<b>269</b>
<b>Upstream</b>	<b>-6</b>	<b>-4</b>	<b>-10</b>	<b>-18</b>	<b>14</b>	<b>-1</b>	<b>15</b>	<b>-320</b>	<b>-20</b>	<b>-455</b>	<b>-26</b>	<b>-442</b>
<b>Others</b>	<b>-161</b>	<b>-173</b>	<b>-112</b>	<b>-206</b>	<b>-160</b>	<b>-169</b>	<b>-166</b>	<b>-177</b>	<b>-156</b>	<b>-193</b>	<b>-167</b>	<b>-186</b>
EBIT	341	-137	617	-489	254	-4 817	1 001	-1 179	1 210	2 163	1 156	-166
Net profit	149	-207	655	-421	64	-5 197	615	-1 216	756	1 367	795	-350

Source: Company data, DM BZ WBK estimates

## COMPARATIVE ANALYSIS

Sector / Company	Ticker	Price		P/E(x)			EV / EBITDA(x)*			
				2015E	2016E	2017E	2015E	2016E	2017E	
<b>Banks</b>				<b>Sector median (#20: 10F/10D)*</b>	<b>11.5</b>	<b>10.4</b>	<b>9.2</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>
PKO BP	PKO	23.10	Company Indicator:	<b>13.0</b>	<b>10.4</b>	<b>10.7</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	
			Company premium(+)/discount(-):	12.5%	-0.3%	16.1%	5.1%	11.6%	13.5%	
PEKAO	PEO	129.05		<b>18.5</b>	<b>19.2</b>	<b>17.6</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	
				60.6%	83.9%	90.5%	65.7%	82.8%	96.6%	
MBANK	MBK	288.35		<b>10.6</b>	<b>12.0</b>	<b>10.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	
				-7.9%	14.6%	9.7%	6.9%	12.4%	10.6%	
HANDLOWY	BHW	69.41		<b>18.4</b>	<b>22.1</b>	<b>19.2</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	
				59.3%	111.7%	108.1%	47.4%	65.2%	78.1%	
ING BSK	ING	105.00		<b>15.4</b>	<b>17.2</b>	<b>14.5</b>	<b>1.6</b>	<b>1.5</b>	<b>1.4</b>	
				33.3%	64.5%	57.2%	45.1%	52.5%	58.4%	
MILLENNIUM	MIL	4.74		<b>11.6</b>	<b>11.1</b>	<b>9.3</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	
				0.3%	6.1%	0.7%	-0.1%	0.6%	-0.8%	
ALIOR BANK	ALR	55.42		<b>20.0</b>	<b>15.8</b>	<b>12.7</b>	<b>1.7</b>	<b>1.5</b>	<b>1.4</b>	
				73.3%	51.5%	37.7%	59.3%	59.5%	55.5%	
GETIN NOBLE BANK	GNB	0.43		<b>35.3</b>	<b>14.6</b>	<b>13.7</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	
				205.8%	40.1%	48.0%	-58.8%	-55.9%	-53.4%	
<b>Oil</b>				<b>Sector median (#23: 21F/2D)</b>	<b>11.3</b>	<b>14.0</b>	<b>10.7</b>	<b>4.7</b>	<b>5.1</b>	<b>4.6</b>
LOTOS	LTS	26.74	Company Indicator:	<b>5.4</b>	<b>6.5</b>	<b>8.9</b>	<b>4.6</b>	<b>5.3</b>	<b>5.9</b>	
			Company premium(+)/discount(-):	-51.9%	-53.2%	-16.8%	-0.8%	3.6%	28.8%	
PKN ORLEN	PKN	64.94		<b>6.2</b>	<b>7.2</b>	<b>8.0</b>	<b>4.0</b>	<b>4.6</b>	<b>4.7</b>	
				-45.4%	-48.5%	-25.2%	-13.9%	-10.3%	0.8%	
MOL	MOL	13,795		<b>16.2</b>	<b>8.3</b>	<b>7.6</b>	<b>5.2</b>	<b>4.6</b>	<b>4.3</b>	
				43.5%	-40.9%	-28.8%	10.9%	-10.4%	-7.7%	
OMV	OMV	23.00		<b>10.2</b>	<b>7.6</b>	<b>7.7</b>	<b>5.9</b>	<b>5.0</b>	<b>4.9</b>	
				-9.4%	-45.7%	-27.9%	27.1%	-2.1%	5.4%	
<b>Gas</b>				<b>Sector median (#9: 9F/0D)</b>	<b>13.5</b>	<b>13.5</b>	<b>13.1</b>	<b>7.2</b>	<b>7.1</b>	<b>7.0</b>
PGNiG	PGN	4.69	Company Indicator:	<b>9.1</b>	<b>9.3</b>	<b>9.1</b>	<b>4.0</b>	<b>4.2</b>	<b>3.9</b>	
			Company premium(+)/discount(-):	-32.1%	-31.5%	-30.9%	-44.9%	-40.9%	-44.0%	
<b>Energy</b>				<b>Sector median (#22: 19F/3D)</b>	<b>12.0</b>	<b>12.3</b>	<b>11.8</b>	<b>6.3</b>	<b>6.8</b>	<b>6.7</b>
PGE	PGE	13.15	Company Indicator:	<b>n.a.</b>	<b>8.4</b>	<b>10.1</b>	<b>4.4</b>	<b>6.3</b>	<b>7.4</b>	
			Company premium(+)/discount(-):	n.a.	-31.8%	-14.9%	-29.9%	-7.9%	9.3%	
ENERGA	ENG	13.35		<b>6.0</b>	<b>10.6</b>	<b>10.1</b>	<b>4.4</b>	<b>6.1</b>	<b>6.2</b>	
				-50.0%	-13.8%	-14.6%	-30.2%	-10.9%	-8.3%	
TAURON	TPE	2.69		<b>1,145.7</b>	<b>7.3</b>	<b>7.3</b>	<b>4.4</b>	<b>6.4</b>	<b>6.7</b>	
				9423.6%	-41.1%	-38.4%	-30.2%	-6.4%	-0.1%	
CEZ	CEZ	382.40		<b>6.8</b>	<b>7.0</b>	<b>6.9</b>	<b>5.6</b>	<b>5.6</b>	<b>5.5</b>	
				-43.7%	-43.2%	-41.1%	-10.1%	-17.2%	-17.9%	
ENEA	ENA	11.35		<b>4.7</b>	<b>7.7</b>	<b>8.3</b>	<b>6.1</b>	<b>6.6</b>	<b>6.9</b>	
				-60.8%	-37.8%	-29.7%	-2.8%	-2.9%	2.8%	
ZE PAK	ZEP	8.17		<b>16.2</b>	<b>n.a.</b>	<b>2.8</b>	<b>4.9</b>	<b>6.0</b>	<b>4.0</b>	
				35.1%	n.a.	-76.5%	-22.5%	-12.3%	-40.0%	
PEP	PEP	24.00	<b>Sector median (#20: 20F/0D)</b>	<b>19.5</b>	<b>14.4</b>	<b>10.4</b>	<b>9.4</b>	<b>7.8</b>	<b>7.2</b>	
			Company Indicator:	<b>15.0</b>	<b>14.2</b>	<b>18.9</b>	<b>7.0</b>	<b>9.5</b>	<b>12.8</b>	
			Company premium(+)/discount(-):	-23.3%	-1.1%	80.7%	-25.2%	22.7%	78.5%	
<b>Metals &amp; Mining</b>				<b>Sector median (#13: 13F/0D)</b>	<b>12.6</b>	<b>25.1</b>	<b>9.7</b>	<b>7.3</b>	<b>6.7</b>	<b>5.6</b>
KGHM	KGH	56.10	Company Indicator:	<b>3.6</b>	<b>3.7</b>	<b>3.9</b>	<b>3.0</b>	<b>3.7</b>	<b>3.4</b>	
			Company premium(+)/discount(-):	-71.2%	-85.1%	-59.8%	-58.4%	-44.9%	-40.0%	
JSW	JSW	9.30	<b>Sector median (#30: 30F/0D)</b>	<b>21.8</b>	<b>11.4</b>	<b>11.4</b>	<b>6.3</b>	<b>6.9</b>	<b>5.8</b>	
			Company Indicator:	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>6.4</b>	<b>4.8</b>	<b>4.8</b>	
			Company premium(+)/discount(-):	n.a.	n.a.	n.a.	0.9%	-30.0%	-16.0%	
BOGDANKA	LWB	32.00		<b>4.7</b>	<b>7.3</b>	<b>10.4</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>	
				-78.2%	-36.2%	-9.0%	-62.4%	-63.9%	-56.4%	

Source: Bloomberg, Company ratios based on BZ WBK Brokerage estimates. \*for banks P/BV, \*\*(#number of peers: number of Foreign / Domestic)



## COMPARATIVE ANALYSIS

Sector / Company	Ticker	Price		P/E(x)			EV / EBITDA(x)*			
				2015E	2016E	2017E	2015E	2016E	2017E	
<b>Telco</b>				<b>Sector median (#23: 21F/2D)</b>	<b>16.1</b>	<b>14.6</b>	<b>14.9</b>	<b>7.0</b>	<b>6.3</b>	<b>5.9</b>
NETIA	NET	5.45	Company Indicator: Company premium(+)/discount(-):	51.8 221.8%	29.2 100.6%	48.7 227.2%	4.2 -40.6%	4.0 -36.8%	4.2 -27.8%	
ORANGE POLSKA	OPL	6.05		17.7 10.2%	89.2 512.2%	n.a. n.a.	4.1 -40.9%	4.2 -33.6%	4.1 -29.5%	
<b>Construction</b>				<b>Sector median (#6: 0F/6D)**</b>	<b>12.4</b>	<b>17.4</b>	<b>14.2</b>	<b>7.4</b>	<b>7.2</b>	<b>6.6</b>
BUDIMEX	BDX	185.25	Company Indicator: Company premium(+)/discount(-):	22.6 82.1%	18.6 6.8%	17.0 19.6%	9.5 28.2%	8.0 10.1%	6.9 5.5%	
TRAKCJA	TRK	12.35		12.6 1.6%	12.5 -28.5%	11.7 -18.0%	8.4 13.2%	7.7 6.5%	7.0 6.8%	
ERBUD	ERB	22.75		11.0 -11.2%	9.6 -45.0%	10.0 -29.6%	4.0 -46.2%	6.3 -13.1%	5.0 -24.5%	
<b>ATREM</b>				<b>Sector median (#16: 12F/4D)**</b>	<b>16.5</b>	<b>14.3</b>	<b>13.4</b>	<b>8.2</b>	<b>7.5</b>	<b>7.1</b>
ATREM	ATR	3.88	Company Indicator: Company premium(+)/discount(-):	21.0 26.8%	9.8 -31.4%	5.1 -61.8%	5.4 -34.3%	3.5 -53.0%	1.9 -73.0%	
TESGAS	TSG	3.05		9.1 -45.0%	5.8 -59.6%	5.2 -60.9%	1.9 -76.3%	0.8 -89.0%	0.3 -96.4%	
<b>Chemicals</b>				<b>Sector median (#35: 30F/5D)</b>	<b>12.7</b>	<b>12.0</b>	<b>10.2</b>	<b>7.2</b>	<b>6.6</b>	<b>6.1</b>
POLICE	PCE	24.65	Company Indicator: Company premium(+)/discount(-):	19.4 52.5%	15.5 29.4%	13.6 34.1%	9.3 29.9%	8.0 22.1%	7.3 20.2%	
PULAWY	ZAP	250.00		16.7 31.5%	16.2 35.1%	13.7 34.6%	9.0 24.4%	8.7 32.1%	7.5 23.2%	
SYNTHOS	SNS	3.85		12.1 -5.1%	10.8 -10.0%	10.5 3.5%	8.5 18.3%	8.0 20.7%	7.9 29.6%	
TARNOW	ATT	97.53		28.5 124.2%	20.7 72.4%	16.8 65.2%	9.8 36.0%	8.0 21.1%	6.8 12.1%	
<b>CIECH</b>				<b>Sector median (#10: 6F/4D)</b>	<b>12.5</b>	<b>12.2</b>	<b>10.7</b>	<b>7.0</b>	<b>6.9</b>	<b>6.3</b>
CIECH	CIE	82.30	Company Indicator: Company premium(+)/discount(-):	16.0 27.8%	9.1 -25.9%	9.2 -14.1%	7.4 6.1%	6.0 -13.2%	5.8 -7.8%	
<b>Agriculture</b>				<b>Sector median (#16: 16F/0D)</b>	<b>10.2</b>	<b>8.8</b>	<b>6.3</b>	<b>7.0</b>	<b>6.6</b>	<b>5.5</b>
OVOSTAR	OVO	90.00		9.1 -11.4%	8.4 -5.1%	6.6 3.9%	8.2 16.8%	7.4 12.9%	5.8 4.5%	
<b>Media</b>				<b>Sector median (#5: 38F/1D)</b>	<b>17.2</b>	<b>14.5</b>	<b>12.9</b>	<b>7.4</b>	<b>7.1</b>	<b>7.0</b>
CYFROWY POLSAT	CPS	21.00	Company Indicator: Company premium(+)/discount(-):	10.1 -41.5%	11.9 -18.0%	11.6 -10.0%	6.5 -11.4%	6.3 -11.6%	5.8 -17.3%	
<b>TVN</b>				<b>Sector median (#10: 10F/0D)</b>	<b>17.5</b>	<b>15.8</b>	<b>14.7</b>	<b>9.6</b>	<b>9.2</b>	<b>7.7</b>
TVN	TVN	#ND!	Company Indicator: Company premium(+)/discount(-):	#ND! n.a.	#ND! n.a.	#ND! n.a.	#ND! n.a.	#ND! n.a.	#ND! n.a.	

Source: Bloomberg, Company ratios based on BZ WBK Brokerage estimates. \*for banks P/BV, \*\*(#number of peers: number of Foreign / Domestic)

## COMPARATIVE ANALYSIS

Sector / Company	Ticker	Price		P/E(x)			EV / EBITDA(x)*		
				2015E	2016E	2017E	2015E	2016E	2017E
<b>Health Care</b>									
			<b>Sector median (#12: 11F/1D)</b>	<b>19.8</b>	<b>19.8</b>	<b>19.8</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>
MEDICALGORITHMICS	MDG	215.00	Company Indicator:	<b>26.9</b>	<b>20.0</b>	<b>16.2</b>	<b>21.5</b>	<b>15.7</b>	<b>12.4</b>
			Company premium(+)/discount(-):	74.6%	48.1%	12.8%	136.9%	70.6%	112.2%
			<b>Sector median (#6: 5F/1D)</b>	<b>15.4</b>	<b>13.5</b>	<b>14.4</b>	<b>9.1</b>	<b>9.2</b>	<b>5.8</b>
SYNEKTIK	SNT	17.87	Company Indicator:	<b>53.4</b>	<b>24.4</b>	<b>22.2</b>	<b>16.9</b>	<b>10.1</b>	<b>8.7</b>
			Company premium(+)/discount(-):	246.8%	80.3%	54.3%	85.5%	10.1%	49.0%
			<b>Sector median (#6: 5F/1D)</b>	<b>25.9</b>	<b>17.4</b>	<b>15.4</b>	<b>12.0</b>	<b>10.2</b>	<b>8.3</b>
VOXEL	VOX	21.94	Company Indicator:	<b>34.2</b>	<b>29.5</b>	<b>23.8</b>	<b>19.0</b>	<b>9.9</b>	<b>8.8</b>
			Company premium(+)/discount(-):	122.1%	118.5%	65.9%	109.3%	7.6%	50.3%
<b>Video Games</b>									
			<b>Sector median (#28: 28F/0D)</b>	<b>18.9</b>	<b>16.9</b>	<b>14.8</b>	<b>10.7</b>	<b>9.3</b>	<b>8.6</b>
CD PROJEKT	CDR	23.04	Company Indicator:	<b>6.3</b>	<b>22.0</b>	<b>55.7</b>	<b>4.3</b>	<b>14.9</b>	<b>42.7</b>
			Company premium(+)/discount(-):	-66.6%	30.1%	277.1%	-59.8%	59.7%	396.8%
CI GAMES	CIG	20.30	Company Indicator:	<b>n.a.</b>	<b>4.1</b>	<b>8.0</b>	<b>21.9</b>	<b>1.5</b>	<b>2.9</b>
			Company premium(+)/discount(-):	n.a.	-75.8%	-45.8%	104.1%	-83.5%	-66.6%
<b>IT</b>									
			<b>Sector median (#13: 7F/6D)</b>	<b>17.9</b>	<b>17.9</b>	<b>17.9</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
ASSECO BS	ABS	13.98	Company Indicator:	<b>14.5</b>	<b>14.3</b>	<b>13.8</b>	<b>8.2</b>	<b>8.2</b>	<b>7.9</b>
			Company premium(+)/discount(-):	3.3%	-7.0%	8.2%	7.4%	4.2%	10.2%
			<b>Sector median (#13: 7F/6D)</b>	<b>17.9</b>	<b>17.9</b>	<b>17.9</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
ASSECO POLAND	ACP	56.35	Company Indicator:	<b>14.3</b>	<b>13.3</b>	<b>13.1</b>	<b>4.4</b>	<b>4.1</b>	<b>3.9</b>
			Company premium(+)/discount(-):	2.5%	-13.2%	2.6%	-42.5%	-47.2%	-45.4%
			<b>Sector median (#13: 7F/6D)</b>	<b>17.9</b>	<b>17.9</b>	<b>17.9</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
ASSECO SE	ASE	8.61	Company Indicator:	<b>10.5</b>	<b>9.8</b>	<b>9.3</b>	<b>4.9</b>	<b>4.5</b>	<b>4.2</b>
			Company premium(+)/discount(-):	-25.0%	-36.0%	-26.9%	-35.8%	-42.1%	-40.7%
<b>IT Distribution</b>									
			<b>Sector median (#7: 5F/2D)</b>	<b>11.1</b>	<b>9.7</b>	<b>8.9</b>	<b>6.3</b>	<b>5.6</b>	<b>4.9</b>
AB	ABE	31.77	Company Indicator:	<b>7.5</b>	<b>7.5</b>	<b>6.7</b>	<b>7.4</b>	<b>6.9</b>	<b>6.0</b>
			Company premium(+)/discount(-):	-32.4%	-22.6%	-24.3%	17.3%	23.0%	21.9%
ABC DATA	ABC	3.07	Company Indicator:	<b>7.1</b>	<b>7.5</b>	<b>7.1</b>	<b>6.6</b>	<b>6.9</b>	<b>6.7</b>
			Company premium(+)/discount(-):	-35.7%	-23.1%	-20.4%	4.5%	23.0%	36.2%
ACTION	ACT	24.85	Company Indicator:	<b>7.1</b>	<b>6.5</b>	<b>5.9</b>	<b>6.7</b>	<b>6.1</b>	<b>5.5</b>
			Company premium(+)/discount(-):	-36.1%	-33.4%	-33.4%	5.4%	8.4%	11.3%
<b>Pharma Distribution</b>									
			<b>Sector median (#8: 5F/3D)</b>	<b>15.7</b>	<b>13.0</b>	<b>12.0</b>	<b>7.4</b>	<b>6.1</b>	<b>5.2</b>
FARMACOL	FCL	52.00	Company Indicator:	<b>11.0</b>	<b>10.4</b>	<b>10.6</b>	<b>5.6</b>	<b>4.8</b>	<b>4.6</b>
			Company premium(+)/discount(-):	-29.6%	-20.0%	-11.1%	-23.4%	-21.3%	-10.7%
NEUCA	NEU	321.90	Company Indicator:	<b>15.9</b>	<b>14.3</b>	<b>13.3</b>	<b>11.6</b>	<b>10.1</b>	<b>9.1</b>
			Company premium(+)/discount(-):	1.9%	10.0%	11.3%	58.3%	65.2%	76.2%
PELION	PEL	53.00	Company Indicator:	<b>14.9</b>	<b>8.3</b>	<b>8.1</b>	<b>10.8</b>	<b>7.4</b>	<b>6.8</b>
			Company premium(+)/discount(-):	-4.9%	-36.3%	-32.3%	47.2%	20.9%	32.1%
<b>FMCG Distribution</b>									
			<b>Sector median (#21: 18F/3D)**</b>	<b>18.6</b>	<b>16.4</b>	<b>14.9</b>	<b>8.0</b>	<b>7.9</b>	<b>7.5</b>
EUROCASH	EUR	49.54	Company Indicator:	<b>25.4</b>	<b>25.8</b>	<b>23.5</b>	<b>14.7</b>	<b>13.9</b>	<b>12.6</b>
			Company premium(+)/discount(-):	36.4%	57.3%	57.3%	83.7%	75.9%	68.2%
EMPERIA	EMP	61.38	Company Indicator:	<b>26.9</b>	<b>25.8</b>	<b>25.4</b>	<b>8.0</b>	<b>7.1</b>	<b>6.5</b>
			Company premium(+)/discount(-):	44.5%	57.1%	70.0%	0.2%	-10.5%	-13.8%
AMBRA	AMB	6.92	Company Indicator:	<b>8.8</b>	<b>8.2</b>	<b>7.9</b>	<b>5.6</b>	<b>5.4</b>	<b>5.1</b>
			Company premium(+)/discount(-):	-52.9%	-50.3%	-47.1%	-30.0%	-31.9%	-31.5%
<b>Developers</b>									
			<b>Sector median (#6: 0F/6D)**</b>	<b>29.4</b>	<b>11.0</b>	<b>8.0</b>	<b>27.9</b>	<b>13.7</b>	<b>10.1</b>
DOM DEVELOPMENT	DOM	49.3	Company Indicator:	<b>15.5</b>	<b>14.3</b>	<b>10.4</b>	<b>13.1</b>	<b>12.4</b>	<b>8.9</b>
			Company premium(+)/discount(-):	-47.2%	29.8%	29.7%	-53.2%	-9.5%	-11.4%
RONSON	RON	1.3	Company Indicator:	<b>n.a.</b>	<b>16.1</b>	<b>7.6</b>	<b>n.a.</b>	<b>38.9</b>	<b>21.7</b>
			Company premium(+)/discount(-):	n.a.	45.6%	-5.2%	n.a.	183.7%	116.2%
<b>Real Estate</b>									
			<b>Sector median (#6: 0F/6D)**</b>	<b>18.5</b>	<b>17.1</b>	<b>14.5</b>	<b>23.3</b>	<b>21.5</b>	<b>21.0</b>
ECHO INVESTMENT	ECH	6.93	Company Indicator:	<b>30.6</b>	<b>22.3</b>	<b>31.7</b>	<b>30.7</b>	<b>19.7</b>	<b>21.8</b>
			Company premium(+)/discount(-):	65.4%	30.3%	118.3%	31.7%	-8.2%	3.8%
PHN	PHN	18.00	Company Indicator:	<b>27.6</b>	<b>30.5</b>	<b>31.4</b>	<b>24.5</b>	<b>21.8</b>	<b>21.9</b>
			Company premium(+)/discount(-):	49.5%	78.3%	116.1%	4.9%	1.5%	4.3%
<b>Retail</b>									
			<b>Sector median (#12: 12F/0D)**</b>	<b>16.5</b>	<b>16.1</b>	<b>14.2</b>	<b>8.2</b>	<b>7.8</b>	<b>7.1</b>
BYTOM	BTM	2.47	Company Indicator:	<b>12.3</b>	<b>10.8</b>	<b>9.1</b>	<b>9.5</b>	<b>7.4</b>	<b>6.2</b>
			Company premium(+)/discount(-):	-25.3%	-33.1%	-35.9%	15.9%	-4.8%	-12.4%
CCC	CCC	117.00	Company Indicator:	<b>18.2</b>	<b>15.7</b>	<b>14.1</b>	<b>12.7</b>	<b>11.1</b>	<b>10.0</b>
			Company premium(+)/discount(-):	10.2%	-2.1%	-0.7%	54.7%	41.9%	39.7%
LPP	LPP	5,350.00	Company Indicator:	<b>22.4</b>	<b>14.2</b>	<b>11.6</b>	<b>12.7</b>	<b>8.8</b>	<b>7.1</b>
			Company premium(+)/discount(-):	35.4%	-11.5%	-18.5%	54.6%	13.1%	-0.2%
MONNARI	MON	11.95	Company Indicator:	<b>6.3</b>	<b>9.4</b>	<b>8.8</b>	<b>5.7</b>	<b>4.3</b>	<b>3.8</b>
			Company premium(+)/discount(-):	-62.0%	-41.2%	-38.2%	-30.6%	-44.6%	-46.7%

Source: Bloomberg, Company ratios based on BZ WBK Brokerage estimates. \*for banks P/BV, \*\*(#number of peers: number of Foreign / Domestic)



## COMPARATIVE ANALYSIS

Sector / Company	Ticker	Price		P/E(x)			EV / EBITDA(x)*		
				2015E	2016E	2017E	2015E	2016E	2017E
<b>Wood &amp; Paper</b>									
			<b>Sector median (#17: 11F/6D)</b>	<b>13.2</b>	<b>12.6</b>	<b>10.3</b>	<b>7.5</b>	<b>6.3</b>	<b>5.6</b>
FORTE	FTE	49.27	Company Indicator:	14.1	12.7	12.3	10.0	9.0	8.5
			Company premium(+)/discount(-):	6.6%	0.6%	19.1%	32.9%	44.6%	52.3%
			<b>Sector median (#17: 11F/6D)</b>	<b>13.2</b>	<b>12.6</b>	<b>10.3</b>	<b>7.5</b>	<b>6.3</b>	<b>5.6</b>
GRAJEW	GRJ	23.64	Company Indicator:	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
			Company premium(+)/discount(-):	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
			<b>Sector median (#17: 11F/6D)</b>	<b>13.2</b>	<b>12.6</b>	<b>10.3</b>	<b>7.5</b>	<b>6.3</b>	<b>5.6</b>
PAGED	PGD	50.00	Company Indicator:	10.5	9.3	8.5	7.1	6.2	5.5
			Company premium(+)/discount(-):	-20.8%	-26.6%	-17.7%	-5.8%	-1.0%	-2.4%
<b>Industrials</b>									
			<b>Sector median (#6: 4F/2D)</b>	<b>20.6</b>	<b>20.6</b>	<b>20.6</b>	<b>8.9</b>	<b>8.9</b>	<b>8.9</b>
ALUMETAL	AML	49.43	Company Indicator:	9.9	10.8	9.2	7.9	8.1	6.7
			Company premium(+)/discount(-):	-28.9%	-29.3%	-28.2%	2.5%	2.9%	-5.9%
			<b>Sector median (#6: 5F/1D)</b>	<b>15.2</b>	<b>15.2</b>	<b>15.2</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>
AMICA	AMC	162.90	Company Indicator:	12.8	11.2	10.8	8.2	7.3	7.0
			Company premium(+)/discount(-):	-8.9%	-27.2%	-15.1%	6.7%	-6.5%	-2.1%
			<b>Sector median (#6: 5F/1D)</b>	<b>19.8</b>	<b>19.8</b>	<b>19.8</b>	<b>8.9</b>	<b>8.9</b>	<b>8.9</b>
APATOR	APT	27.50	Company Indicator:	11.5	11.0	10.7	8.2	7.4	7.0
			Company premium(+)/discount(-):	-18.0%	-28.4%	-16.2%	6.4%	-5.1%	-2.1%
			<b>Sector median (#6: 5F/1D)</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>
ELEMENTAL	EMT	3.71	Company Indicator:	13.4	9.2	8.8	9.7	6.8	6.4
			Company premium(+)/discount(-):	-4.3%	-39.9%	-30.8%	26.0%	-12.9%	-10.7%
			<b>Sector median (#14: 14F/0D)</b>	<b>14.0</b>	<b>15.3</b>	<b>12.8</b>	<b>7.7</b>	<b>7.8</b>	<b>7.1</b>
KETY	KTY	275.90	Company Indicator:	12.9	12.6	12.7	8.9	9.1	8.0
			Company premium(+)/discount(-):	-8.1%	-17.8%	-0.7%	16.5%	16.4%	12.7%
			<b>Sector median (#6: 5F/1D)</b>	<b>16.7</b>	<b>16.7</b>	<b>16.7</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>
WIELTON	WLT	6.38	Company Indicator:	15.0	13.8	7.0	9.0	6.8	6.7
			Company premium(+)/discount(-):	7.1%	-10.0%	-44.9%	17.8%	-12.8%	-6.0%
			<b>Sector median (#10: 6F/4D)</b>	<b>24.5</b>	<b>15.7</b>	<b>14.0</b>	<b>9.0</b>	<b>7.0</b>	<b>5.9</b>
POZBUD	POZ	4.44	Company Indicator:	7.4	8.8	9.5	6.6	7.9	8.2
			Company premium(+)/discount(-):	-69.7%	-44.1%	-32.3%	-26.5%	12.7%	39.6%
			<b>Sector median (#7: 7F/4D)</b>	<b>13.7</b>	<b>11.6</b>	<b>9.2</b>	<b>6.8</b>	<b>6.1</b>	<b>5.3</b>
PKP CARGO	PKP	49.00	Company Indicator:	8.6	10.6	8.1	4.1	4.0	3.6
			Company premium(+)/discount(-):	-37.3%	-8.9%	-12.1%	-38.9%	-34.1%	-31.2%
<b>Financial services</b>									
			<b>Sector median (#11: 9F/2D)</b>	<b>14.8</b>	<b>12.4</b>	<b>11.6</b>	<b>8.9</b>	<b>8.4</b>	<b>8.0</b>
EUCO	EUC	39.98	Company Indicator:	9.1	7.6	6.9	6.8	5.7	4.6
			Company premium(+)/discount(-):	-38.8%	-38.5%	-41.1%	-23.7%	-33.1%	-41.8%
			<b>Sector median (#11: 9F/2D)</b>	<b>10.4</b>	<b>7.8</b>	<b>6.5</b>	<b>8.6</b>	<b>7.0</b>	<b>6.3</b>
VOTUM	VOT	13.50	Company Indicator:	10.4	7.8	6.5	8.6	7.0	6.3
			Company premium(+)/discount(-):	-29.6%	-37.2%	-44.6%	-3.6%	-17.3%	-21.3%
			<b>Sector median (#1: 1F/0D)</b>	<b>17.8</b>	<b>16.2</b>	<b>14.5</b>	<b>12.5</b>	<b>11.2</b>	<b>10.1</b>
IPF*	IPF	0.00	Company Indicator:	28.5	22.9	19.0	8.3	7.2	5.8
			Company premium(+)/discount(-):	60.5%	41.2%	30.3%	-33.5%	-35.9%	-42.9%
			<b>Sector median (#16: 6F/0D)</b>	<b>7.5</b>	<b>6.4</b>	<b>5.8</b>	<b>10.1</b>	<b>8.5</b>	<b>8.0</b>
KRUK	KRU	161.90	Company Indicator:	22.0	15.5	12.7	10.2	7.6	6.4
			Company premium(+)/discount(-):	194.4%	140.0%	118.7%	0.4%	-10.2%	-19.6%
			<b>Sector median (#8: 8F/0D)</b>	<b>15.0</b>	<b>14.5</b>	<b>12.9</b>	<b>11.1</b>	<b>10.1</b>	<b>8.5</b>
OPEN FINANCE	OPF	2.95	Company Indicator:	5.8	5.6	5.4	6.3	5.8	5.1
			Company premium(+)/discount(-):	-61.2%	-61.3%	-58.2%	-43.7%	-43.1%	-40.5%
			<b>Sector median (#20: 10F/10D)</b>	<b>11.5</b>	<b>10.4</b>	<b>9.2</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
MAGELLAN	MAG	64.19	Company Indicator:	7.9	7.1	6.0	28.4	29.3	28.3
			Company premium(+)/discount(-):	-31.6%	-32.4%	-34.6%	n.a.	n.a.	n.a.
<b>Other</b>									
			<b>Sector median (#5: 5F/0D)</b>	<b>15.8</b>	<b>13.6</b>	<b>13.4</b>	<b>7.3</b>	<b>6.6</b>	<b>6.5</b>
INTEGER.PL	ITG	75.56	Company Indicator:	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
			Company premium(+)/discount(-):	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Bloomberg, Company ratios based on BZ WBK Brokerage estimates. \*for banks and IPF P/BV, \*\*(#number of peers: number of Foreign / Domestic)

## BZ WBK COVERAGE

Company	Tick	Recommendation	Portfolio weight	Price (PLN)	Target Price	Upside to TP	Mkt Cap (PLNmm)	Free Float (%)	2015E	P/E(x) 2015E	2017E	2015E	EV / EBITDA(x)*	2016E	2017E
AB	ABE	BUY	Overweight	31.77	49.00	54.2%	514	88	7.5	7.5	6.7	7.4	6.9	6.0	6.0
ABC DATA	ABC	HOLD	-	3.07	3.50	14.0%	385	37	7.1	7.5	7.1	6.6	6.9	6.7	6.7
ACTION	ACT	BUY	-	24.85	44.60	79.5%	421	54	7.1	6.5	5.9	6.7	6.1	5.5	5.5
ALIOR BANK	ALR	BUY	Overweight	55.42	87.00	57.0%	4,029	74	20.0	15.8	12.7	1.7	1.5	1.4	1.4
ALUMETAL	AML	HOLD	-	49.43	58.60	18.6%	753	56	9.9	10.8	9.2	7.9	8.1	6.7	6.7
AMBRA	AMB	BUY	Overweight	6.92	13.70	98.0%	174	38	8.8	8.2	7.9	5.6	5.4	5.1	5.1
AMICA	AMC	BUY	-	162.90	200.00	22.8%	1,267	100	12.8	11.2	10.8	8.2	7.3	7.0	7.0
APATOR	APT	HOLD	-	27.50	36.50	32.7%	910	73	11.5	11.0	10.7	8.2	7.4	7.0	7.0
ASSECO BS	ABS	BUY	Overweight	13.98	17.50	25.2%	467	48	14.5	14.3	13.8	8.2	8.2	7.9	7.9
ASSECO POLAND	ACP	BUY	Overweight	56.35	65.50	16.2%	4,677	90	14.3	13.3	13.1	4.4	4.1	3.9	3.9
ASSECO SEE	ASE	BUY	-	8.61	12.10	40.5%	447	33	10.5	9.8	9.3	4.9	4.5	4.2	4.2
ATREM	ATR	BUY	-	3.88	7.10	83.0%	36	87	21.0	9.8	5.1	5.4	3.5	1.9	1.9
BANK BPH	BPH	BUY	-	29.47	44.80	52.0%	2,259	13	80.6	60.3	43.7	0.5	0.5	0.5	0.5
BENEFIT SYSTEMS	BFT	BUY	Overweight	396.70	500.00	26.0%	1,014	42	21.22	18.21	14.72	14.17	12.42	10.59	10.59
BOGDANKA	LWB	SELL	Underweight	32.00	16.20	-49.4%	1,088	34	4.7	7.3	10.4	2.4	2.5	2.5	2.5
BOS BANK	BOS	HOLD	-	14.40	24.40	69.4%	329	43	5.5	5.8	5.2	0.3	0.3	0.3	0.3
BUDIMEX	BDX	HOLD	-	185.25	223.00	20.4%	4,729	41	22.6	18.6	17.0	9.5	8.0	6.9	6.9
BYTOM	BTM	BUY	Overweight	2.47	4.10	66.0%	176	85	12.3	10.8	9.1	9.5	7.4	6.2	6.2
CCC	CCC	BUY	Overweight	117.00	193.70	65.6%	4,493	49	18.2	15.7	14.1	12.7	11.1	10.0	10.0
CD PROJEKT	CDR	HOLD	-	23.04	29.00	25.9%	2,188	67	6.3	22.0	55.7	4.3	14.9	42.7	42.7
CEZ	CEZ	SELL	-	382.40	502.00	31.3%	205,727	29	6.8	7.0	6.9	5.6	5.6	5.5	5.5
CI GAMES	CIG	BUY	-	20.30	29.90	47.3%	282	54	n.a.	4.1	8.0	21.9	1.5	2.9	2.9
CIECH	CIE	BUY	-	82.30	100.00	21.5%	4,337	48	16.0	9.1	9.2	7.4	6.0	5.8	5.8
CYFROWY POLSAT	CPS	BUY	Overweight	21.00	32.00	52.4%	13,430	47	10.1	11.9	11.6	6.5	6.3	5.8	5.8
DOM DEVELOPMENT	DOM	HOLD	-	49.32	51.40	4.2%	1,222	27	15.5	14.3	10.4	13.1	12.4	8.9	8.9
ECHO INVESTMENT	ECH	HOLD	-	6.93	7.10	2.5%	2,860	54	30.6	22.3	31.7	30.7	19.7	21.8	21.8
ELEMENTAL HOLDING	EMT	BUY	-	3.71	5.40	45.6%	632	33	13.4	9.2	8.8	9.7	6.8	6.4	6.4
EMPERIA	EMP	BUY	-	61.38	84.60	37.8%	813	83	26.9	25.8	25.4	8.0	7.1	6.5	6.5
ENEA	ENA	SELL	Neutral	11.35	12.03	6.0%	5,010	48	4.7	7.7	8.3	6.1	6.6	6.9	6.9
ENERGA	ENG	HOLD	Underweight	13.35	17.51	31.2%	5,528	75	6.0	10.6	10.1	4.4	6.1	6.2	6.2
ERBUD	ERB	BUY	-	22.75	35.70	56.9%	291	54	11.0	9.6	10.0	4.0	6.3	5.0	5.0
EUCO	EUC	BUY	Overweight	39.98	70.00	75.1%	224	38	9.1	7.6	6.9	6.8	5.7	4.6	4.6
EUROCASH	EUR	HOLD	Underweight	49.54	39.80	-19.7%	6,878	55	25.4	25.8	23.5	14.7	13.9	12.6	12.6
FARMACOL	FCL	BUY	-	52.00	69.60	33.8%	1,217	52	11.0	10.4	10.6	5.6	4.8	4.6	4.6
FORTE	FTE	HOLD	-	49.27	59.80	21.4%	1,178	68	14.1	12.7	12.3	10.0	9.0	8.5	8.5
GETIN NOBLE BANK	GNB	SELL	-	0.43	0.47	9.3%	1,140	44	35.3	14.6	13.7	0.4	0.4	0.4	0.4
GINO ROSSI	GRI	BUY	-	1.90	4.50	136.8%	95	87	8.1	7.7	12.2	5.1	4.7	5.5	5.5
GRAJEWO	GRJ	UNDER REVIEW	-	23.64	n.a.	n.a.	1,580	35	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GRUPA AZOTY	ATT	SELL	Neutral	97.53	52.50	-46.2%	9,675	47	28.5	20.7	16.8	9.8	8.0	6.8	6.8
HANDLOWY	BHW	SELL	Overweight	69.41	67.00	-3.5%	9,069	25	18.4	22.1	19.2	1.6	1.6	1.6	1.6
INGBSK	ING	BUY	Overweight	105.00	139.00	32.4%	13,661	25	15.4	17.2	14.5	1.6	1.5	1.4	1.4
INTEGR.PL	ITG	UNDER REVIEW	-	75.56	n.a.	n.a.	587	65	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IPF*	IPF	HOLD	-	0.00	26.50	n.a.	546	95	28.5	22.9	19.0	8.3	7.2	5.8	5.8
JSW	JSW	SELL	Underweight	9.30	8.50	-8.6%	1,092	45	n.a.	n.a.	n.a.	6.4	4.8	4.8	4.8
KETY	KTY	HOLD	-	275.90	340.00	23.2%	2,655	100	12.9	12.6	12.7	8.9	9.1	8.0	8.0
KGHM	KGH	SELL	Underweight	56.10	96.00	71.1%	11,220	68	3.6	3.7	3.9	3.0	3.7	3.4	3.4
KRUK	KRU	HOLD	-	161.90	85.20	-47.4%	2,817	87	22.0	15.5	12.7	10.2	7.6	6.4	6.4
LOTOS	LTS	HOLD	Overweight	26.74	32.00	19.7%	4,944	47	5.4	6.5	8.9	4.6	5.3	5.9	5.9
LPP	LPP	BUY	Underweight	5,350.00	9,211.42	72.2%	9,818	86	22.4	14.2	11.6	12.7	8.8	7.1	7.1
MAGELLAN	MAG	BUY	-	64.19	84.20	31.2%	431	94	7.9	7.1	6.0	28.4	29.3	28.3	28.3
MBANK	MBK	BUY	Underweight	288.35	346.00	20.0%	12,179	30	10.6	12.0	10.1	1.1	1.1	1.0	1.0
MEDICALGORITHMICS	MDG	BUY	Overweight	215.00	285.00	32.6%	743	74	26.9	20.0	16.2	21.5	15.7	12.4	12.4
MIDAS	MDS	BUY	-	0.69	0.82	18.8%	1,021	34	n.a.	n.a.	n.a.	n.a.	114.0	19.4	19.4
MILLENNIUM	MIL	BUY	-	4.7	5.8	22.4%	5,750	49	11.57	11.09	9.29	1.07	0.97	0.88	0.88
MOL	MOL	BUY	-	13,795.00	15,180.00	10.0%	1,441,840	48	16.2	8.3	7.6	5.2	4.6	4.3	4.3
MONNARI	MON	BUY	Overweight	11.95	27.80	132.6%	365	56	6.3	9.4	8.8	5.7	4.3	3.8	3.8
MW TRADE	MWT	BUY	-	15.56	22.00	41.4%	130	49	6.4	5.7	267.0	30.7	28.6	27.7	27.7
NETIA	NET	HOLD	-	5.45	5.71	4.8%	1,898	77	51.75	29.25	48.74	4.16	3.96	4.24	4.24
NEUCA	NEU	BUY	Overweight	321.90	403.00	25.2%	1,447	39	15.9	14.3	13.3	11.6	10.1	9.1	9.1
OMV	OMV	BUY	-	23.00	26.10	13.5%	7,526	43	10.2	7.6	7.7	5.9	5.0	4.9	4.9
OPEN FINANCE	OPF	BUY	-	2.95	5.90	100.0%	160	46	5.8	5.6	5.4	6.3	5.8	5.1	5.1
ORANGE POLSKA	OPL	SELL	Underweight	6.05	6.40	5.8%	7,940	49	17.7	89.2	n.a.	4.1	4.2	4.1	4.1
QVOSTAR UNION	OVO	SELL	-	90.00	62.00	-31.1%	540	29	9.1	8.4	6.6	8.2	7.4	5.8	5.8
PAGED	PGD	BUY	-	50.00	68.30	36.6%	775	17	10.5	9.3	8.5	7.1	6.2	5.5	5.5
PCM	PCM	BUY	-	33.74	52.50	55.6%	402	100	10.0	8.5	7.6	10.0	8.8	7.8	7.8
PEKAES	PEK	HOLD	-	12.97	14.30	10.3%	396	37	18.5	19.5	17.5	8.7	7.9	6.7	6.7
PEKAO	PEO	BUY	Overweight	129.05	156.00	20.9%	33,872	50	18.5	19.2	17.6	1.8	1.8	1.7	1.7
PELION	PEL	HOLD	-	53.00	88.00	66.0%	591	87	14.9	8.3	8.1	10.8	7.4	6.8	6.8
POLENERGIA	PEP	BUY	-	24.00	36.20	50.8%	1,091	34	15.0	14.2	18.9	7.0	9.5	12.8	12.8
PGE	PGE	SELL	Neutral	13.15	11.54	-12.2%	24,587	42	n.a.	8.4	10.1	4.4	6.3	7.4	7.4
PGNIG	PGN	SELL	Underweight	4.69	5.77	23.0%	27,671	28	9.1	9.3	9.1	4.0	4.2	3.9	3.9
PHN	PHN	BUY	Overweight	18.00	27.80	54.4%	841	30	27.6	30.5	31.4	24.5	21.8	21.9	21.9
PKN ORLEN	PKN	HOLD	Overweight	64.94	72.00	10.9%	27,775	72	6.2	7.2	8.0	4.0	4.6	4.7	4.7
PKO BP	PKO	BUY	Underweight	23.10	31.00	34.2%	28,875	69	13.0	10.4	10.7	1.1	1.1	1.0	1.0
PKP CARGO	PKP	BUY	Overweight	49.00	75.90	54.9%	2,195	67	8.6	10.6	8.1	4.1	4.0	3.6	3.6
POLICE	PCE	SELL	-	24.65	16.30	-33.9%	1,849	20	19.4	15.5	13.6	9.3	8.0	7.3	7.3
POZBUD	POZ	BUY	-	4.44	7.20	62.2%	119	93	7.4	8.8	9.5	6.6	7.9	8.2	8.2
PRESCO	PRE	SELL	-	5.45	2.10	-61.5%	107	100	21.3	17.5	16.4	13.4	12.2	12.8	12.8
PULAWY	ZAP	BUY	-	250.00	211.00	-15.6%	4,779	4	16.7	16.2	13.7	9.0	8.7	7.5	7.5
RONSON	RON	HOLD	-	1.34	1.41	5.2%	365	20	n.a.	16.1	7.6	n.a.	38.9	21.7	21.7
SERINUS ENERGY	SEN	SUSPENDED	-	1.56	n.a.	n.a.	123	40	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SKARBIEC	SKH	BUY	-	27.00	56.00	107.4%	184	21	6.9	6.3	6.1	6.8	6.6	6.5	6.5
SYNEKTIK	SNT	BUY	-	17.87	23.80	33.2%	152	67	53.4	24.4	22.2	16.9	10.1	8.7	8.7
SYNTHOS	SNS	SELL	Overweight	3.85	4.50	16.9%	5,095	37	12.1	10.8	10.5	8.5	8.0	7.9	7.9
TAURON	TPE	HOLD	Neutral	2.69	3.49	29.7%	4,714	60	1145.7	7.3	7.3	4.4	6.4	6.7	6.7
TEGAS	TSG	BUY	-	3.05	7.40	142.6%	35	97	9.1	5.8	5.2	1.9	0.8	0.3	0.3
TRAKCJA	TRK	BUY	Overweight	12.35	14.00	13.4%	635	62	12.6	12.5	11.7	8.4	7.7	7.0	7.0
UNIBEP	UNI	BUY	-	9.38	12.50	33.3%	329	40	15.7	15.5	10.5	8.4	10.7	6.6	6.6
UNIWHEELS	UNW	BUY	-	123.00	144.00	17.1%	1,525	39	8.9	11.0	11.0	6.7	7.6	7.4	7.4
VOTUM	VOT	BUY	-	13.50	25.80	91.1%	162	24	10.4	7.8	6.5	8.6	7.0	6.3	

## STOCK PERFORMANCE

Companv	Sector	Price Performance (%)				Relative Performance to WIG20			
		Dav	1Month	3Month	YTD	1Month	3Month	YTD	
	<b>WIG30</b>	-0.9	-8.9	-18.8	-7.8				
ALIOR BANK	Banks	-1.7	-15.5	-33.5	-16.7	-7.3	-18.0	-9.6	
ASSECO POLAND	IT	-0.7	1.0	0.9	-0.8	10.8	24.3	7.6	
BOGDANKA	Mining	-3.2	-5.3	-42.2	-3.6	3.9	-28.8	4.6	
BORYSZEW	Industrials	-1.8	-9.2	-15.0	-8.1	-0.4	4.8	-0.3	
BZ WBK	Banks	-0.6	-16.1	-25.3	-16.4	-7.9	-8.0	-9.3	
CCC	Retail sales	-1.7	-14.6	-34.0	-15.6	-6.3	-18.6	-8.4	
CYFROWY POLSAT	Media	-0.1	-5.8	-17.0	0.6	3.4	2.3	9.1	
ENEA	Utilities	-0.4	-1.0	-13.4	0.4	8.7	6.7	9.0	
ENERGA	Utilities	0.9	4.2	-21.3	5.6	14.3	-3.1	14.6	
EUROCASH	Retail sales	3.2	-3.4	-3.3	2.1	5.9	19.1	10.8	
GRUPA AZOTY	Chemicals	-2.2	-1.5	3.2	-2.0	8.1	27.2	6.4	
GTC	Construction	-0.9	-3.5	0.0	-3.5	5.9	23.2	4.7	
HANDLOWY	Banks	-1.5	-3.7	-16.4	-3.5	5.7	3.0	4.8	
ING BSK	Banks	0.0	-13.2	-16.2	-10.4	-4.8	3.2	-2.7	
JSW	Mining	-1.6	-13.2	-29.6	-12.7	-4.8	-13.3	-5.2	
KERNEL	Agriculture	0.0	-7.2	-18.7	-11.0	1.8	0.1	-3.4	
KGHM	Metals and Mining	1.6	-10.7	-41.6	-11.6	-2.0	-28.0	-4.1	
LOTOS	Oil and Gas	-0.3	-3.3	-7.5	-1.0	6.1	14.0	7.5	
LPP	Retail sales	1.1	-5.9	-29.6	-3.7	3.2	-13.3	4.5	
MBANK	Banks	0.8	-11.8	-22.1	-8.2	-3.2	-4.0	-0.4	
PEKAO	Banks	-0.2	-11.5	-16.8	-10.1	-2.9	2.5	-2.4	
PGE	Utilities	-1.9	-1.8	-8.0	2.8	7.7	13.3	11.6	
PGNIG	Gas	-2.9	-12.3	-31.3	-8.8	-3.8	-15.4	-1.0	
PKN ORLEN	Oil and Gas	-1.4	-3.6	0.3	-4.3	5.8	23.6	3.9	
PKO BP	Banks	-1.2	-14.9	-21.6	-15.5	-6.7	-3.4	-8.3	
PKP Cargo	Industrials	-2.0	-23.2	-26.0	-28.4	-15.7	-8.8	-22.3	
PZU	Insurance	-2.7	-8.0	-17.0	-7.6	1.0	2.3	0.2	
SYNTHOS	Chemicals	0.0	-1.5	1.0	1.0	8.0	24.5	9.6	
TAURON	Utilities	-2.2	-9.7	-14.9	-6.6	-1.0	4.9	1.4	
ORANGE POLSKA	Telecoms	-1.8	-10.2	-14.9	-7.8	-1.5	4.8	0.1	
	<b>WIG40</b>	-0.1	-6.9	-12.0	-7.6				
	<b>WIG80</b>	-0.2	-4.0	-8.9	-6.9				
AB	IT	-0.1	-3.7	-12.1	-4.0	5.6	8.3	4.1	
ABC DATA	IT	0.0	-1.0	-3.8	-2.5	8.6	18.6	5.8	
ACE	Industrials	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
ACTION	IT	-1.2	-4.4	0.6	-15.8	4.9	23.9	-8.6	
ALUMETAL	Industrials	-0.1	3.2	-4.8	-2.7	13.2	17.3	5.6	
AMBRA	FMCG	-1.0	-3.9	-15.4	-4.0	5.4	4.2	4.1	
AMICA	Industrials	-1.3	-5.6	-3.4	-6.4	3.6	19.0	1.6	
APATOR	Industrials	-1.5	-13.5	-12.1	-16.2	-5.1	8.2	-9.0	
ASSECO BS	IT	-1.5	-8.4	-10.4	-9.8	0.5	10.4	-2.1	
ASSECO SEE	IT	-0.6	-12.1	-14.8	-12.1	-3.6	5.0	-4.7	
ATREM	Construction	-0.5	-0.3	-19.2	1.6	9.4	-0.4	10.2	
BANK BPH	Banks	-1.5	3.8	-19.0	-4.3	13.8	-0.2	3.9	
BENEFIT SYSTEMS	Services	0.4	-6.7	-8.6	-9.8	2.4	12.6	-2.2	
BOS BANK	Banks	0.0	-18.2	-35.8	-15.7	-10.3	-20.9	-8.6	
BUDIMEX	Construction	-0.1	-5.0	-15.0	-4.5	4.3	4.7	3.6	
BYTOM	Retail	-4.3	-14.8	-22.3	-16.0	-6.6	-4.3	-8.8	
CD PROJEKT	Entertainment	2.2	-0.5	-14.6	4.0	9.2	5.2	12.9	
CEZ	Utilities	0.3	-9.8	-19.7	-13.9	-4.5	-11.6	-7.8	
CI GAMES	Entertainment	0.4	-2.4	-15.4	-1.9	7.1	4.2	6.5	
CIECH	Chemicals	0.4	-4.9	11.4	-4.3	4.4	37.2	3.8	
DOM DEVELOPMENT	Developers	-0.8	-1.8	-6.9	-10.3	7.8	14.6	-2.7	
ECHO INVESTMENT	Real estate	1.9	-1.0	-0.3	0.4	8.6	22.8	9.0	
ELEMENTAL HOLDING	Industrials	1.9	-8.8	-13.7	-13.7	0.0	6.3	-6.4	
EMPERIA	Retail sales	-1.0	-8.4	-12.3	-10.3	0.5	8.0	-2.6	
ERBUD	Construction	-1.5	-16.1	-30.9	-17.8	-7.9	-14.8	-10.8	
EUCO	Financials	-1.3	-15.1	-22.4	-10.2	-6.9	-4.3	-2.5	
FARMACOL	Pharmaceuticals	-1.6	2.9	-17.1	-3.7	12.9	2.2	4.5	
FORTE	Industrials	1.0	-10.7	-11.8	-7.7	-2.1	8.7	0.1	
GETIN NOBLE BANK	Banks	-2.3	-25.9	-49.4	-28.3	-18.7	-37.7	-22.2	
GINO ROSSI	Retail	-0.5	-9.5	-23.7	-9.1	-0.7	-6.0	-1.4	
GRAJEWO	Industrials	-1.5	-9.8	-2.6	-11.3	-1.0	20.0	-3.7	
HAWE	Telecoms	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
INTEGER.PL	Postal services	-0.6	-6.7	-38.6	-9.0	2.4	-24.3	-1.2	
IPF	Financials	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
KETY	Industrials	-0.7	-8.0	4.1	-11.9	0.9	28.3	-4.4	
KRUK	Financials	0.9	-6.1	-11.6	-7.0	3.0	9.0	1.0	
MAGELLAN	Financials	-0.5	12.6	7.9	12.6	23.6	32.9	22.2	
MEDICALGORITHMICS	Health Care	-0.2	-0.6	-6.4	-2.9	9.1	15.4	5.3	
MIDAS	Telecoms	0.0	11.3	13.1	6.2	22.1	39.3	15.2	
MILLENNIUM	Banks	-0.2	-14.6	-24.2	-14.7	-6.3	-6.6	-7.5	
MOL	Oil and Gas	0.5	-1.2	4.3	-3.2	-1.1	-2.0	-1.6	
MONNARI	Retail	0.8	-6.6	-26.0	-5.8	2.4	-8.8	2.2	
MW TRADE	Financials	-0.3	10.5	-6.7	6.9	21.2	15.0	16.0	
NETIA	Telecoms	1.3	2.6	-3.4	0.9	12.6	19.0	9.5	
NEUCA	Pharmaceuticals	-0.6	-7.9	-5.9	-10.6	1.0	16.0	-2.9	
OMV	Oil and Gas	1.3	-13.1	-9.3	-12.0	-3.3	3.6	-2.3	
OPEN FINANCE	Financials	-1.0	10.5	-28.0	-1.7	21.2	-11.4	6.7	
OVOSTAR UNION	Agriculture	0.0	2.9	0.5	-0.6	12.8	23.9	7.9	
PAGED	Industrials	-0.9	-6.9	-5.1	-2.9	2.2	16.9	5.3	
PCM	Financials	0.7	-11.2	-21.0	-10.0	-2.6	-2.7	-2.4	
PEKAES	Transport	-2.0	-3.9	2.1	-3.2	5.5	25.8	5.0	
PELION	Pharmaceuticals	0.0	2.9	-12.8	-2.4	12.9	7.5	5.9	
PEP	Energy	-0.2	-8.6	-26.0	-7.5	0.2	-8.8	0.4	
POLICE	Chemicals	0.0	-7.3	2.7	-10.4	1.7	26.5	-2.7	
POZBUD	Construction materials	-0.2	-8.6	-26.0	-7.5	0.2	-8.8	0.4	
PRESCO	Financials	0.9	-13.5	3.0	-8.7	-5.1	26.9	-0.9	
PULAWY	Chemicals	-2.4	3.7	45.3	-2.0	13.8	79.1	6.4	
RONSON	Developers	0.0	0.8	-2.2	-2.2	10.5	20.5	6.1	
SERINUS	Oil and Gas	2.0	24.8	-23.5	2.0	36.9	-5.8	10.6	
SYGNITY	IT	-3.8	23.5	-12.9	21.1	35.4	7.3	31.4	
SYNEKTIK	Health Care	-0.1	0.7	11.7	-0.7	10.5	37.6	7.7	
TESGAS	Construction	0.0	-6.2	-18.9	-5.9	3.0	-0.1	2.1	
TRAKCJA	Construction	2.5	-3.1	19.9	-2.4	6.3	47.7	5.9	
UNIBEP	Construction	-1.3	-10.8	-11.8	-13.1	-2.2	8.7	-5.8	
UNIWHEELS	Industrials	2.2	4.7	3.5	n.a.	14.8	27.5	n.a.	
VOTUM	Financials	-2.9	-8.8	-19.1	-8.8	0.1	-0.3	-1.0	
VOXEL	Health Care	0.0	5.0	29.1	5.0	15.2	59.0	13.9	
WIELTON	Industrials	-1.5	-13.2	-14.4	-11.4	-4.8	5.5	-3.8	
WOJAS	Retail	3.7	-8.4	-26.9	-10.6	0.5	-10.0	-3.0	
WORK SERVICE	Services	-1.7	-3.0	-16.8	-10.9	6.4	2.5	-3.3	
ZE PAK	Utilities	-1.0	-8.7	-33.9	-9.2	0.1	-18.6	-1.5	

Source: DM BZWBK Research. Bloomberg

# Dom Maklerski BZ WBK

Jana Pawła II Avenue 17  
00-854 Warszawa  
fax. (+48) 22 586 81 09

## Equity Research Department

Dariusz Górski, <i>Director, Equity Research Strategy, Banks, Financials</i>	tel. (+48) 22 586 81 00	dariusz.gorski@bzwbk.pl
Paweł Puchalski, <i>CFA, Head of Equity Research Team Telecommunications, Metals &amp; Mining, Power</i>	tel. (+48) 22 586 80 95	pawel.puchalski@bzwbk.pl
Grzegorz Balcerski, <i>Securities Broker, Investment Adviser Research Associate</i>	tel. (+48) 22 534 16 10	grzegorz.balcerski@bzwbk.pl
Andrzej Bieniek, <i>Securities Broker, Investment Adviser Financials, Banks</i>	tel. (+48) 22 586 85 21	andrzej.bieniek@bzwbk.pl
Tomasz Kasowicz <i>Oil&amp;Gas, Chemicals</i>	tel. (+48) 22 586 81 55	tomasz.kasowicz@bzwbk.pl
Łukasz Kosiarski <i>Media, IT, IT distribution, Video Games, Health Care</i>	tel. (+48) 22 586 82 25	lukasz.kosiarski@bzwbk.pl
Adrian Kyrzczak <i>Construction, Real Estate</i>	tel. (+48) 22 586 81 59	adrian.kyrzczak@bzwbk.pl
Tomasz Sokółowski <i>Pharma, Retail</i>	tel. (+48) 22 586 82 36	tomasz.sokolowski@bzwbk.pl
Michał Sopiela <i>Industrials, TSL, Quantitative Analysis</i>	tel. (+48) 22 586 82 33	michal.sopiel@bzwbk.pl

## Sales & Trading Department

Piotr Żagan, <i>Head</i>	tel. (+48) 22 586 80 84	piotr.zagan@bzwbk.pl
Robert Chudała	tel. (+48) 22 586 85 14	robert.chudala@bzwbk.pl
Alex Kamiński	tel. (+48) 22 586 80 63	alex.kaminski@bzwbk.pl
Marcin Kuciapski, <i>Securities Broker</i>	tel. (+48) 22 586 80 96	marcin.kuciapski@bzwbk.pl
Błażej Leśków, <i>Securities Broker</i>	tel. (+48) 22 586 80 83	blazej.leskow@bzwbk.pl
Michał Stępkowski, <i>Securities Broker</i>	tel. (+48) 22 586 85 15	michal.stepkowski@bzwbk.pl
Michał Szafraniuk, <i>Securities Broker</i>	tel. (+48) 22 586 80 91	michal.szafraniuk@bzwbk.pl
Marek Wardzyński, <i>Securities Broker</i>	tel. (+48) 22 586 80 87	marek.wardzynski@bzwbk.pl
Wojciech Wośko, <i>Securities Broker</i>	tel. (+48) 22 586 80 82	wojciech.wosko@bzwbk.pl

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Explanations of special terminology used:

EBIT - earnings before interest and tax

EBITDA - earnings before interest, taxes, depreciation, and amortization

P/E - price-earnings ratio

EV - enterprise value (market capitalisation plus net debt)

PEG - P/E to growth ratio

EPS - earnings per share

CPI - consumer price index

WACC - weighted average cost of capital

CAGR - cumulative average annual growth

P/CE - price to cash earnings (net profit plus depreciation and amortisation) ratio

NOPAT - net operational profit after taxation

FCF - free cash flows

BV - book value

ROE - return on equity

P/BV - price-book value

Overweight/Underweight/Neutral - means that, according to the authors of this document, the stock price may perform better/worse/neutrally than the WIG20 index in a given month.

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Recommendation definitions:

Buy - indicates a stock's total return to exceed more than 15% over the next twelve months.

Hold - indicates a stock's total return to be in range of 0%-15% over the next twelve months.

Sell - indicates a stock's total return to be less than 0% over the next twelve months.

In preparing this document DM BZ WBK applied at least two of the following valuation methods:

1. discounted cash flows (DCF),
2. comparative,
3. mid-cycle,
4. dividend discount model (DDM),
5. residual income,
6. warranted equity method (WEV),
7. SOTP valuation,
8. liquidation value.

The **discounted cash flows (DCF)** valuation method is based on expected future discounted cash flows. One advantage of the DCF valuation method is that it takes into account all cash streams reaching Issuer and the cost of money over time. Some disadvantages of the DCF valuation method are that a large number of parameters and assumptions need to be estimated; and the valuation is sensitive to changes in those parameters.

The **comparative valuation** method is based on the economic rule of "one price". Some advantages of the comparative valuation method are that the analyst need only estimate a small number of parameters; the valuation is based on current market conditions; the relatively large accessibility of indicators for companies being compared; and that there is an extensive knowledge of the comparative method among investors. Some disadvantages of valuation by the comparative method are the considerable sensitivity of the results of the valuation on the choice of companies to the comparative group; the method can lead to a simplification of the picture of the company which in turn can lead to omitting certain important factors (e.g. growth dynamics, extra-operational assets, corporate governance, the repeatability of results, differences in applied accounting standards); and the uncertainty of the effectiveness of a market valuation of companies being compared.

The **mid-cycle valuation** is based on long-term averages for the two-year forward consensus P/E and EV/EBITDA multiples for the members of the peer group. The methodology is aimed calculating a fair, through the cycle value of cyclical stocks. Among its shortfalls is that at peaks and/or troughs of the cycle, the implied fair value may deviate substantially from the market's value of an analysed stock as well as the methods' reliance on the quality of external data (we use Bloomberg consensus here). Simplicity and average through-cycle value allowing to capture over as well as under-valuation of a given stock are the main advantages of this methodology.

The **dividend discount model (DDM)** valuation is based on the net present value of the future dividends that are expected to be paid out by the company. Some advantages of the DDM valuation method are that it takes into account real cash flows to equity-owners and that the methodology is used in respect to companies with long dividend payout history. Main disadvantage of the DDM valuation method is that dividend payouts are based on a large number of parameters and assumptions, including dividend payout ratio.

The **residual income** method is conceptually close to the discounted cash flows method (DCF) for non-financial stocks, the difference being that it is based on expected residual income (returns over COE) rather than expected future cash flows. One advantage of this valuation method is that it captures the excess of profit potentially available to shareholders and the cost of money over time. Main disadvantage of the valuation method is that a large number of parameters and assumptions need to be estimated; and the valuation is sensitive to changes in those parameters.

The **warranted equity method (WEV)** is based on the formula  $P/BV = (\text{two year forward ROE less sustainable growth rate}) / (\text{Cost of equity less sustainable growth rate})$  which allows estimating a fair value (FV) of a given stock in two years time. Subsequently the FV is discounted back to today. The main advantage of the WEV method is that it is a transparent one and based on relatively short term forecasts, hence substantially reducing the margin of forecasting error. The main disadvantage in our view is that the model is based on the principle that stock price should converge towards its fair value implied by company's ROE and COE.

The **SOTP valuation** - different assets of a company are being valued according to different valuation methods, and the sum of these valuations represents the final valuation of the company. SOTP valuation advantages / disadvantages are identical to advantages and disadvantages of the specific valuation methods used.

The **Liquidation value method** - liquidation value is the estimated amount of money that an asset or company could be quickly sold for, such as if it were to go out of business. Then, the estimated assets value is adjusted for liabilities and liquidation expenses. One advantage of this valuation method is its simplicity. This method does not account for intangible assets as goodwill, which is the main disadvantage.

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