

9 Mar 2017

REPORTS RELEASED

- **LIVE CHAT:** Top exposure to global e-commerce - BUY

4Q16 RESULTS

- **ALIOR BANK** - reported 4Q16 net income of PLN 369m driven by PLN 508.1m of BPH badwill (vs around PLN 300m expected) and PLN 268.1m of restructuring reserves recognized in 4Q16 - OPINION, POSITIVE as badwill should become CT1 equity, operationally we note high cost of risk and positive contribution of tax

FINANCIALS

- **CHF-MORTGAGES** - Banks could start massive talks with clients on FX loans conversion mid-year. Details of the incentive mechanism will be known in March-April - Adam Glapiński, head of NBP told press - NEGATIVE for FX-banks like GNB, MIL, MBK, PKO, BZW

OIL&GAS

- **PGNIG** – Key points after 4Q16 results

UTILITIES

- **PGE** – Key points after 4Q16 results
- **ENEA** - has completed 93% of work on its Koźmice 1075 MW power block investment.

METALS & MINING

- **PGG** - will pay each employee a one-off bonus of PLN 1,200 gross in late March, in line with earlier management proposal, which was eventually approved by unions.

TMT

- **NETIA** - Netia recommends PLN 0.25 DPS, 5.5% DY. SLIGHTLY NEGATIVE
- **PLAY** - Polish mobile telephony operator Play has entered a PLN 7bn refinancing deal with a consortium of financial institutions. "The senior facilities agreement provide for term loan facilities which will be used to refinance the outstanding debt of the group and a revolving credit facility," the statement reads. The consortium includes Alior Bank, BZ WBK, BNP Paribas S.A., DNB Bank ASA, DNB Bank Polska, PKO BP, TFI PZU SA (on behalf of PZU FIZ AN BIS 2 and PZU SFIO Universum) and Raiffeisen Bank International.
- **ABC DATA** - ABC Data had PLN 290m in consolidated February revenues.
- **MEDIACAP** - Media and advertising firm Mediacap's unit, The Digitals, will buy a 51.1% stake in TalentMedia for PLN 2.8m, Mediacap announced in a market filing.
- **CUBE.ITG** - CUBE.ITG holds PLN 37.9m backlog for 2017 but expects another PLN 100m in new contracts in 2Q17, deputy CEO Arkadiusz Zachwieja said.

CONSUMER STAPLES & DISCRETIONARY

- **GINO ROSSI** – NN Investment Partners reduced stake to 4.88% from 5.12% before.

REAL ESTATE

- **ROBYG** – The company obtained building permit for the 3rd stage of its Stacja Nowy Ursus project in Warsaw, comprising 245 housing units – the firm flagged (in a market filing) mid-Sep last year the scheme has been scheduled for kick-off in 1Q17 (added to offer in Sep 16), we thus expect the news to come as no surprise for the market – NEUTRAL
- **VANTAGE DEVELOPMENT** – The company's FY16A top line and net income came in at PLN 133.3m (up 39.7% y/y) and 25.3m (up 111.1% y/y), respectively, in line with the firm's pre-announced preliminary estimates; EBIT was at PLN 36.8m (up 119.7% y/y) in the period
- **MURAPOL** – The firm's subsidiary concluded preliminary agreement for the purchase of 1.5ha land parcel in Warsaw's Skorosze district for PLN 11m net; the site should allow for the development of c. 290 housing units (or 11k sqm of saleable space); binding agreement has been scheduled for signing by end-Sep 18

CONSTRUCTION

- **ZUE** – reached an order backlog of PLN 332m, but sees backlog boosted by PLN 928m in tenders in which it filed the lowest bids
- **MOSTOSTAL ZABRZE** - may take some PLN 15.8m hit to its 2016 net result due to the risk of impairments tied to the contract with Valmet AB, the company said in a market filing

Indexes	Last price	1D	1M	YTD
WIG	58,559	0.0%	5.2%	13.1%
WIG20	2,213	0.6%	5.9%	13.6%
mWIG40	4,785	-0.9%	4.0%	13.5%
sWIG80	16,034	-0.9%	4.8%	12.4%
PX	972	0.1%	3.2%	5.5%
BUX	32,547	0.3%	0.5%	1.7%
Daily Turnover	In PLN m	In EUR m		
WIG	1037.0	240.6		
WIG20	591.7	137.3		
mWIG40	186.4	43.2		
sWIG80	216.9	50.3		
WIG20 Top Gainers	Last price	% Chng		
Alior Bank	65.98	4.6%		
Grupa Lotos	51.99	4.1%		
PGNIG	6.32	3.8%		
WIG20 Top Losers	Last price	% Chng		
Asseco Poland	54.06	-2.0%		
PKO BP	32.78	-1.7%		
Orange Polska	4.67	-1.5%		
WIG20 Most Active	Last price	Turnover (in PLN m)		
PZU	36.3	43.3		
KGHM	120.5	94.2		
PKO BP	32.8	74.9		
Foreign Indexes	Last price	1D	1M	YTD
S&P 500	2,363	-0.2%	3.1%	5.5%
DJIA	20,856	-0.3%	4.0%	5.5%
NASDAQ	5,838	0.1%	3.1%	8.4%
DAX	11,967	0.0%	4.0%	4.2%
CAC40	4,960	0.1%	3.8%	2.0%
FTSE	7,335	-0.1%	2.3%	2.7%
RTS	1,508	1.0%	-6.5%	-5.0%
ISE 100	89,485	-1.5%	2.4%	14.5%
NIKKEI	19,254	-0.5%	1.5%	0.7%
SHANGHAI	3,393	-0.1%	3.2%	4.4%
HANG SENG	23,782	0.4%	1.8%	8.1%
Currencies	Last price	1D	1M	YTD
EUR/PLN	4.31	0.1%	0.3%	-2.2%
USD/PLN	4.09	0.4%	2.3%	-2.4%
CHF/PLN	4.03	0.2%	-0.1%	-1.9%
GBP/PLN	4.98	0.2%	-0.1%	-3.5%
EUR/USD	1.05	-0.2%	-1.9%	0.2%
Commodities	Last price	1D	1M	YTD
OIL BRENT	52.5	-4.2%	-5.1%	-5.2%
COPPER	5,765.5	-0.1%	-1.4%	4.2%
GOLD	1,208.3	-0.6%	-2.2%	4.9%
SILVER	17.2	-1.5%	-2.8%	8.3%
Bond yields		2Y*	5Y	10Y
POLAND		2.2	3.1	3.7
CZECH REPUBLIC		-0.5	0.0	0.7
HUNGARY		1.5	2.3	3.5

* 3Y for Hungary's yields

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REPORTS RELEASED

LIVE CHAT

(BUY, FV PLN 83.0)

Top exposure to global e-commerce

We initiate coverage on Live Chat with a BUY rating and a FV at PLN 83 offering 72% upside. In our view, LVC offers many features that make it a very attractive long-term investment story. First, LVC operates in the global live chat market which is seeing structural and organic growth as it is highly correlated to e-commerce. Second, unlike many dotcoms that struggle with business monetization, LVC has built its client base and global market share without harming profitability (70% EBITDA margin, ROE 95% in 16E-18E). Third, LVC is currently working on the next live chat app generation adding AI and marketplace features that should, in our view, at least maintain its current growth pace and LVC's top3 global position. On top, with low capex needs, it should keep a 100% payout ratio implying 1YF/2YF DY at 3.4%/4.3%. We are not discouraged by its high valuation as LVC still trades at 33%/33% & 61%/45% discounts to its closest global peers on 1YF/2YF EV/EBITDA, P/E.

Organically and structurally growing market: Live Chat's market (currently estimated at USD 600-750m by Technavio and LVC) is part of the customer care/contact centre market which is heavily connected to global e-commerce which according to eMarketer should grow by a 19-23% 2016-20 CAGR. Promising growth prospects for the live chat app also come from demography as the new generation of tech-savvy consumers only use the phone as a last resort for queries and prefer customer care via digital channels: internet, web chat social media.

Proven global top-market position: Like many dotcom businesses, the live chat market has low entry barriers with many players (mostly start-ups in a freemium model). However, currently the top5 live chat producers control ca. 75% of the market and even more in terms of budgets spent on live chat solutions. LVC has maintained a top5 global position over the last three years.

Constantly growing client base and very stable ARPU: Despite a very competitive environment with 57 live chat technologies present, LVC has consistently been able to grow monthly client net additions while slightly improving its 12M ARPU, currently at ca. USD 94.

Very profitable and cash generative dotcom: Unlike many dotcoms that focus on a client base but struggle with its monetization, LVC's business model is very successful at gaining a client base and market share and defending ARPU was executed with increasing profitability and is currently one of the highest among dotcoms (71% EBITDA margin, 95% ROE, 6.2% FCF Yield 18E).

Next generation of live chat app to at least maintain current pace: The next live chat generation app (currently under development) should be much more attractive for clients as the use of AI can increase chat effectiveness while various add-ons from the marketplace increase its usability. On the other hand, it should be also beneficial for LVC as AI can persuade more clients to start using live chat technology as a customer care tool while the marketplace tool should generate incremental revenue sharing fees for LVC.

High valuation? Not really when comparing it with closest global peers: On our numbers, LVC trades at a 1YF/2YF EV/EBITDA and P/E of 22.2/17.4x and 29.3x/23.0x which implies 33%/33% and 61%/45% discounts to its closest global peers which either generate over a 3x lower EBITDA margin [TEAM US] or struggle to break-even [LPSN US, ZEN US]

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4Q16 RESULTS

ALIOR BANK (BUY, FV PLN 51)

Reported 4Q16 net income of PLN 369m driven by PLN 508.1m of BPH badwill (vs around PLN 300m expected) and PLN 268.1m of restructuring reserves recognized in 4Q16 - OPINION, POSITIVE as badwill should become CT1 equity, operationally we note high cost of risk and positive contribution of tax

4Q16 was the first quarter of consolidation of BPH, and was affected by material one-offs. Alior has also revised its outlook for 2017E synergies and cost related to BPH acquisitions.

- Alior reported PLN 508.1m gain in 4Q16 in relation to BPH takeover,
- Alior reported PLN 268.1m of restructuring cost in 4Q16
- Alior Bank expects ca. PLN 167m in synergies from core BPH takeover in 2017; ca. PLN 195m in integration costs.
- 4Q16 cost of risk at 248bps
- 4Q16 tax contributed positively to earnings
- All lines affected by 1 quarter of BPH consolidation

OPINION. POSITIVE, because higher than expected badwill will become CT1 equity. Operationally we note high cost of risk and positive contribution of tax. We remind ALIOR will present its strategy on Monday.

ALIOR BANK (PLN m)	4Q15	1Q16	2Q16	3Q16	4Q16	QoQ	YoY	4Q16E	vs E	PAP cons.	vs cons.	2014	2015	2016	YoY
Net Interest Income	397	412	444	491	599	22%	51%	608	-2%	572.8	5%	1,216	1,501	1,946	30%
Fees & commissions	79	87	76	76	92	20%	15%	86	6%	86.0	6%	348	332	331	0%
Trading Income	83	69	83	78	112	43%	36%	90	25%			277	282	342	22%
Other (Net)	12	11	0	3	47	1325%	307%	11	328%			32	52	61	18%
Total Revenue	571	579	603	648	850	31%	49%	795	7%			1,873	2,166	2,681	24%
Operating Expenses	259	277	287	297	706	137%	173%	410	72%	405.0	74%	925	1,042	1,567	50%
Operating Income	312	303	316	351	144	-59%	-54%	385	-63%			948	1,124	1,114	-1%
Net Loan Loss Provisions	195	176	173	199	252	27%	29%	235	7%	215.5	17%	547	672	800	19%
Other (one-off)	-66				508								-66	508	
Pre-tax Profit	51	127	143	152	400	163%	686%	150	166%			401	386	822	113%
Corporate Income Tax	12	26	29	31	-13	-141%	-210%	30	-142%			79	77	73	-5%
Net Income	39	101	114	122	413	239%	948%	120	243%			322	309	749	142%
Minority interests	0	0	0	0	0							-1	-1	0	-70%
Net Attr. Income (reported)	40	101	114	122	413	239%	942%	120	243%			323	310	749	142%
Net Attr. Income (adjusted)	93	101	114	122	413	239%	343%	120	243%			323	363	749	106%
Banking tax ¹		-21	-32	-35	-43	25%		-43	0					-131	
Net Income reported	40	80	82	87	369	325%	833%	77	378%	81	358%	323	310	618	100%
Net Income adjusted	40	80	82	87	79 (TBC)	-10%	98%	77	2%			310	327	327	6%

Balance Sheet

PLN bn	4Q15	1Q16	2Q16	3Q16	4Q16	QoQ	YoY	4Q16E	vs E	2014	2015	2016	YoY
Net client lending	30.9	32.7	34.1	35.1	46.3	3%	19%	45.2	2%	23.6	30.9	46.3	50%
Bonds	4.6	6.4	8.9	5.7	9.8	-36%	30%	6.5	50%	4.1	4.6	9.8	111%
Customer deposits	31.6	33.3	35.5	35.7	47.6	1%	20%	49.3	-3%	24.4	31.6	47.6	51%
Total assets	40.0	42.0	47.0	46.6	61.2	-1%	25%	62.5	-2%	30.2	40.0	61.2	53%
Equity ex minorities	3.5	3.6	5.8	5.9	6.2	1%	69%	6.0	4%	3.0	3.5	6.2	77%

Group Key Ratios	4Q15	1Q16	2Q16	3Q16	4Q16	QoQ	YoY	4Q16E	vs E	2014	2015	2016	YoY
Net Interest Margin	4.33%	4.22%	4.16%	4.35%	5.45%	19 bps	-12 bps	5.54%	-9 bps	4.61%	4.37%	4.69%	32 bps
Cost to Income	45%	48%	48%	46%	83%	-2 bps	-2 bps	52%	31.5 pp	49%	48%	58%	10.3 pp
Cost of risk [bps]	259	221	207	230	248	23 bps	-10 bps	234	14 bps	252	246	207	-39 bps
Loans to deposits ratio	98%	98%	96%	98%	97%	2 bps	-1 bps	92%	5.3 pp	97%	98%	97%	-0.8 pp
CT1 ratio	9.7%	10.6%	17.3%	13.4%	13.4%	-4 bps	3 bps	13.4%	0.0 pp	11.2%	9.7%	13.4%	-1.5 pp
ROE	4.5%	11.3%	6.9%	6.0%	24.5%	-1 bps	-5 bps	5.2%	19.2 pp	12.4%	9.5%	12.7%	3.2 pp

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FINANCIALS

CHF- MORTGAGES

Banks could start massive talks with clients on FX loans conversion mid-year. Details of the incentive mechanism will be known in March-April - Adam Glapiński, head of NBP told press - NEGATIVE for FX-banks like GNB, MIL, MBK, PKO, BZW

Polish central banks believes banks will launch massive talks with their clients over FX loans conversion around mid-year and all regulations regarding conversion should enter into force by end-September, NBP President Adam Glapinski told a news conference.

"I think still in March we will organize a conference... with these parameters which represent full information for banks," Glapinski said, later adding the conference could be held in early April at the latest. Glapinski expects banks "will massively enter talks with borrowers" around mid-year. The banks will not have to enter deals with clients, "may refuse, but will find themselves in a very difficult situation," Glapinski warned. Regulations should enter into force by September. "In September we will have the entire notification from the EU and it will enter into force," he said, explaining that a part of these regulations will have to be notified at the EU level.

The bill on FX spread returns, which is currently in the lower house, should also be adopted, according to Glapinski. "The spread bill is also needed," as a part of FX housing loans contracts contained abusive clauses, he said.

In January, Poland's macroprudential body KSF proposed that Poland should raise risk weights on banks' FX mortgage exposure from 100% currently to 150% as well as introduce a number of other measures aimed at solving the problem of FX mortgages in the banking system.

A working team of NBP, market regulator KNF and the Finance Ministry has been working on the measures to incline banks to convert the loans and was supposed to present its proposals by end-March.

OPINION. Mr Glapiński reiterated his intention of banks being forced to "voluntarily" offer FX-clients clients attractive conversion models. The recent Jan'17 recommendation of Committee Stability Meetings, which were supposed to present more details of the conversion mechanism, were received positively by the market - the measures proposed were of relatively small impact and share prices of CHF-banks started to rally. We do not know what Mr. Glapiński had in mind, but we think this comments should worry investors.

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OIL & GAS

PGNiG (Not Rated)

Key points after 4Q16 results

Key points after 4Q16 results:

- PGNiG - PGNiG is eyeing PLN 5.14bn CAPEX in 2017, including PLN 2.2bn in upstream and PLN 1.6bn in distribution.
- PGNiG wants to stick to sharing up to 50% of annual profit as dividend, as the firm is preparing new investments.
- PGNiG's heat unit PGNiG Termika claims a 30% share in the potential acquisition of the Polish assets of the French utility EDF, CEO Piotr Wozniak told reporters.
- PGNiG expects crude oil and condensate production to be roughly flat in 2017 at 1.3m tons with the upstream segment supported by an increase in natgas and crude prices.
- PGNiG expects the arbitration case against Russian gas giant Gazprom to be concluded in July-August and is confident it can reach a favourable outcome.
- PGNiG is seeking a retail tariff increase and has already submitted a motion to the regulator, deputy CEO Maciej Wozniak said.
- PGNiG expects strong storage operations this year, while the result in trade will be an outcome of favorable weather conditions early on and market deregulation.
- PGNiG is moderately optimistic about the fact that coal group PGG, in which PGNiG invested, recorded a 2016 loss lower by 10% than business plan projections, PGNiG CEO Piotr Wozniak said.

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UTILITIES

PGE (NEUTRAL, FV PLN 10.3)

Key points after 4Q16 results

- PGE expects EBITDA declines in conventional generation and renewables segments in 2017 vs. 2016, growth in the supply segment and stabilization in distribution.
- PGE maintains its dividend policy of paying out 40-50% of profit, depending on CAPEX and debt levels.
- PGE hopes that the transaction of taking over Polish assets of the French utility EDF by a consortium of Polish utilities will be closed "soon," CEO Henryk Baranowski said.
- PGE expects to finalize the sale of its telco unit Exatel by the end of 2Q17.
- PGE expects its investment outlays to remain this year at a level similar to 2016 amount of PLN 8.2bn.
- PGE and other investors to supply capital for state coal group PGG are yet to decide on the details of this capital increase, PGE CEO Henryk Baranowski said.
- PGE will decide on the technology for a new block for its ZEDO power plant by mid-year, CEO Henryk Baranowski said. Options include a dual-fuel, a multi-fuel, an ultra-critical and a coal gasification block.

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TMT

NETIA

(NEUTRAL, FV PLN 4.8)

Netia recommends PLN 0.25 DPS, 5.5% DY. SLIGHTLY NEGATIVE

Netia proposed a PLN 0.25 dividend per share from 2016 profit, unallocated profits and retained earnings, translating into a total payment of ca. PLN 87m. The dividend proposal takes into account Netia's planned and ongoing investments, which "in view of the management are key to generating durable growth of the value of the company for shareholders" as well as the dividends paid in recent years, the filing reads. The PLN 87.1m payment proposed may be adjusted for potential new shares to be issued as well as the shares to be bought back in the ongoing buyback program, the filing indicated. Last year, Netia paid a PLN 0.4 dividend per share.

OPINION: SLIGHTLY NEGATIVE. We expected DPS proposal to be lower than a year ago mostly on the back of Capex increase related with NGA project rollout. However, DPS PLN 0.25 is lower than our forecasts of DPS PLN 0.3 but still implies rather decent DY of 5.5% vs 6.6% what we expected. One has to remember that at 31st Dec'16, reserve capital available for dividends amounted to PLN 151.4m or PLN 0.44/share. We also remind that in the previous years Netia's Management DPS proposal was lifted during AGM. We cannot exclude similar scenario to happen also in 2017 but we flag that upside room for DPS is this year limited due to limited retained capital. If AGM decides to visibly lift DPS, than Netia could pay very low DPS in the coming years.

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Covered Companies

	LCU	Last Recommendation Date	Rating	Fair Value	Potential	Current price	Total Return			Avg daily 3m turnover (LCU m)	Mkt Cap (LCU m)	Avg daily 3m turnover (EUR m)	Mkt Cap (EUR m)	P/E (x)		EV/EBITDA (x)		P/BV (x)		DY(%)	
							1D	1M	YTD					16E	17E	16E	17E	16E	17E		T12M
POLISH BANKS													42,106								
PKO BP	PLN	2016-11-23	NEUTRAL	24.0	-27%	32.8	-1.7%	5.2%	16.5%	79.1	40,975	18.3	9,508	14.0	14.7	n.a.	n.a.	1.2	1.2	0.0	
PEKAO	PLN	2016-11-23	BUY	130.0	-5%	136.5	-1.2%	0.4%	8.5%	141.8	35,827	32.9	8,313	15.7	17.4	n.a.	n.a.	1.5	1.5	6.4	
BZ WBK	PLN	2016-11-23	NEUTRAL	300.0	-17%	360.2	3.5%	6.0%	14.0%	23.1	35,739	5.4	8,293	16.7	16.0	n.a.	n.a.	1.8	1.7	3.6	
MBANK	PLN	2016-11-23	SELL	300.0	-26%	405.9	2.8%	2.5%	21.1%	11.1	17,162	2.6	3,982	14.3	15.8	n.a.	n.a.	1.3	1.2	0.0	
BANK HANDLOWY	PLN	2016-11-23	NEUTRAL	66.0	-17%	79.1	-1.9%	2.6%	3.6%	3.4	10,339	0.8	2,399	19.7	19.3	n.a.	n.a.	1.5	1.5	5.9	
ING BSK	PLN	2016-11-23	NEUTRAL	149.0	-16%	176.9	0.2%	1.3%	9.6%	10.1	23,015	2.3	5,340	19.9	17.8	n.a.	n.a.	2.1	2.0	2.4	
ALIOR BANK	PLN	2016-11-23	BUY	51.0	-23%	66.0	4.6%	6.0%	21.8%	29.7	8,528	6.9	1,979	25.3	37.0	n.a.	n.a.	1.4	1.4	0.0	
BANK MILLENNIUM	PLN	2016-11-23	SELL	4.7	-29%	6.6	-2.6%	10.5%	27.6%	6.5	8,031	1.5	1,863	11.4	13.5	n.a.	n.a.	1.1	1.1	0.0	
GETIN NOBLE BANK	PLN	2016-11-23	NEUTRAL	1.2	-43%	2.1	-2.8%	25.1%	58.3%	6.5	1,846	1.5	428	269.7	14.2	n.a.	n.a.	0.4	0.4	0.0	
													MEDIAN		16.7	16.0			1.4	1.4	0.0
CEE BANKS													14,226								
KOMERCNI BANKA	CZK	2016-11-23	SELL	760.0	-18%	922.0	-0.8%	0.4%	4.2%	128.3	175,225	4.7	6,485	12.8	13.7	n.a.	n.a.	1.6	1.5	6.7	
OTP BANK	HUF	2016-11-23	NEUTRAL	8200.0	-5%	8600.0	-0.6%	-2.7%	2.4%	3700.4	2,408,000	11.9	7,741	10.6	13.1	n.a.	n.a.	1.7	1.5	1.9	
													MEDIAN		11.7	13.4			1.6	1.5	4.3
INSURANCE													7,273								
PZU	PLN	2016-11-11	BUY	32.0	-12%	36.3	0.2%	0.0%	9.3%	70.7	31,346	16.4	7,273	17.3	12.5	n.a.	n.a.	2.0	2.0	5.7	
													MEDIAN		17.3	12.5			2.0	2.0	5.7
FINANCIAL SERVICES													1,541								
GPW	PLN	2016-07-11	NEUTRAL	31.8	-31%	46.1	-0.8%	-0.5%	15.4%	1.7	1,934	0.4	449	17.9	17.8	9.7	9.5	2.6	2.6	5.1	
KRUK	PLN	2017-03-02	NEUTRAL	242.9	5%	231.1	-1.0%	-2.6%	-2.5%	6.7	4,332	1.6	1,005	16.4	16.6	15.8	15.5	3.5	3.0	0.9	
PRIME CAR MANAGEMENT	PLN	2016-07-28	NEUTRAL	32.5	3%	31.5	-1.7%	-5.3%	-4.6%	0.3	375	0.1	87	10.8	11.1	9.5	9.2	0.8	0.8	17.5	
SKARBIEC HOLDING	PLN	2016-11-07	BUY	38.1	26%	30.2	-1.7%	-5.2%	10.1%	0.32	206	0.1	48	9.9	8.8	6.9	6.0	2.3	2.3	10.2	
													MEDIAN		13.6	13.8	9.6	9.4	2.5	2.4	7.7
OIL & GAS													20,539								
LOTOS	PLN	2017-03-08	BUY	64.8	25%	52.0	4.1%	26.2%	35.9%	17.8	9,612	4.1	2,230	9.5	10.0	4.9	5.6	1.1	1.0	0.0	
UTILITIES													8,847								
CEZ	PLN	2016-12-19	SELL	347.5	-23%	449	-0.6%	1.5%	4.4%	146.1	241,611	33.9	56,062	14.5	19.3	5.6	6.5	0.9	0.9	8.9	
PGE	PLN	2016-12-19	NEUTRAL	10.3	-16%	12.2	-0.9%	12.5%	17.1%	31.6	22,886	7.3	5,310	9.6	10.6	4.2	4.9	0.5	0.5	2.0	
TAURON	PLN	2016-12-19	NEUTRAL	2.6	-20%	3.21	-0.9%	13.4%	12.6%	12.2	5,626	2.8	1,305	10.1	5.7	4.5	5.1	0.3	0.3	0.0	
ENEA	PLN	2016-12-19	SELL	8.2	-28%	11.40	-0.6%	14.0%	20.0%	10.4	5,032	2.4	1,168	5.9	6.8	4.4	4.8	0.4	0.4	0.0	
ENERGA	PLN	2016-12-19	SELL	7.8	-30%	11.1	0.3%	14.1%	21.6%	16.9	4,584	3.9	1,064	25.5	10.2	4.7	5.1	0.5	0.5	4.4	
													MEDIAN		9.9	8.5	4.4	5.0	0.5	0.4	1.0
METALS & MINING													5,592								
KGHM	PLN	2016-09-19	NEUTRAL	76.0	-37%	120.5	1.3%	-2.8%	30.3%	124.8	24,100	29.0	5,592	32.3	15.6	7.4	6.2	1.2	1.1	8.3	
JSW	PLN	2016-12-02	SELL	59.6	-18%	72.9	5.3%	6.5%	9.0%	41.2	8,558	9.6	1,986	82.0	3.2	9.0	1.7	2.1	1.2	9.3	
BOGDANKA	PLN	2016-07-26	SELL	38.2	-51%	78.0	-2.1%	14.9%	12.2%	2.0	2,653	0.5	616	19.1	17.2	5.5	5.2	1.2	1.1	10.3	
													MEDIAN		32.3	15.6	7.4	5.2	1.2	1.1	9.3
TMT													7,346								
ORANGE POLSKA	PLN	2017-02-14	SELL	5.0	7%	4.7	-1.5%	-10.2%	-15.2%	18.3	6,129	7.3	1,422	-3.5	-31.4	4.1	4.7	0.6	0.6	5.4	
CYFROWY POLSAT	PLN	2016-12-02	BUY	27.1	14%	23.8	1.4%	0.0%	-3.4%	15.1	15,196	3.5	3,526	15.7	12.5	7.4	7.1	0.6	0.6	0.0	
WIRTUALNA POLSKA	PLN	2016-12-02	BUY	61.4	7%	57.3	-0.4%	0.5%	6.9%	1.1	1,644	0.2	381	26.3	22.6	14.1	12.4	4.1	3.7	0.0	
ASSECO POLAND	PLN	2016-12-02	BUY	60.5	12%	54.1	-2.0%	-4.1%	0.2%	7.5	4,487	1.7	1,041	14.3	13.4	6.4	6.5	0.5	0.5	5.6	
NETIA	PLN	2016-12-02	NEUTRAL	4.8	6%	4.51	-1.1%	-1.1%	-2.0%	0.8	1,571	0.2	365	64.5	-82.0	4.4	5.0	0.8	0.9	8.9	
AGORA	PLN	2016-12-02	BUY	15.5	5%	14.74	-1.7%	4.5%	17.6%	0.5	703	0.1	163	-48.7	-272.6	6.8	6.7	0.6	0.6	5.1	
COMARCH	PLN	2017-03-02	BUY	241.0	7%	225.0	-1.1%	21.7%	29.3%	1.4	1,830	0.3	447	25.3	19.2	10.0	9.1	1.3	1.2	0.0	
													MEDIAN		15.7	12.5	6.8	6.7	0.6	0.6	5.1
CONSUMER STAPLES & DISCRETIONARY													4,798								
LPP	PLN	2016-12-16	SELL	4888	-23%	6350.0	0.3%	20.5%	11.9%	14.3	11,679	3.3	2,710	49.6	34.6	20.4	15.9	5.7	5.1	0.5	
CCC	PLN	2016-12-16	NEUTRAL	189.5	-18%	230.0	1.5%	7.0%	13.0%	14.5	8,999	3.4	2,088	30.0	23.0	23.8	18.0	6.3	5.3	1.0	
													MEDIAN		39.8	28.8	22.1	17.0	6.0	5.2	0.7
REAL ESTATE													2,446								
ECHO	PLN	2017-01-25	SELL	4.9	-14%	5.61	-0.5%	-7.9%	7.9%	0.81	2,315	0.2	537	6.0	12.2	11.9	10.5	1.4	1.5	83.6	
GTC	PLN	2016-11-09	BUY	9.1	11%	8.18	-1.3%	-0.6%	-0.2%	1.48	3,765	0.3	874	5.1	7.5	5.8	6.2	1.1	0.9	0.0	
DOM DEVELOPMENT	PLN	2016-09-27	BUY	65.9	-5%	69.3	0.3%	14.4%	16.1%	0.43	1,723	0.1	400	15.0	11.5	12.1	9.1	1.9	1.8	4.7	
LC CORP	PLN	2016-09-27	NEUTRAL	2.2	5%	2.04	-1.9%	-0.5%	4.1%	0.33	913	0.1	212	7.8	6.2	9.6	9.2	0.7	0.6	8.8	
CAPITAL PARK	PLN	2016-06-09	NEUTRAL	6.8	5%	6.49	2.5%	0.5%	3.0%	0.02	690	0.0	160	35.8	12.7	25.5	16.5	0.7	0.7	0.0	
ROBYG	PLN	2016-09-27	BUY	3.6	13%	3.20	1.3%	9.6%	7.7%	1.98	842	0.5	195	8.7	8.5	10.1	10.0	1.6	1.5	6.3	
RONSON	PLN	2017-03-02	SELL	1.6	-10%	1.8	0.6%	10.4%	12.5%	0.09	295	0.0	69	4.6	14.9	5.2	27.5	0.8	0.8	4.4	
													MEDIAN		7.8	11.5	10.1	10.0	1.1	0.9	4.7
CONSTRUCTION													1,811								
BUDIMEX	PLN	2016-12-14	NEUTRAL	209.0	-16%	249.0	-0.8%	8.4%	25.8%	2.22	6,357	0.5	1,475	19.4	18.4	8.9	8.2	9.2	9.0	3.3	
ELEKTROBUDOWA	PLN	2016-12-14	BUY	120.7	-2%	123.0	0.7%	6.0%	15.5%	0.45	584	0.1	135	10.3	11.0	6.8	6.7	1.4	1.3	3.3	
TRAKCJA PRKil	PLN	2016-12-14	BUY	15.0	-10%	16.78	-2.4%	1.6%	18.5%	2.07	862	0.5	200	15.0	13.7	8.3	7.5	1.1	1.1	2.0	
													MEDIAN		15.0	13.7	8.3	7.5	1.4	1.3	3.3
INDUSTRIALS													2,500								
KETY	PLN	2016-10-17	NEUTRAL	380.1	-7%	409.0	-0.3%	-1.9%	5.4%	2.8	3,876	0.7	962	13.8	17.8	10.8	11.3	2.8	2.7	1.6	
STALPRODUKT	PLN	2016-11-10	BUY	552.4	-9%	608.0	-0.3%	-5.8%	15.8%	1.0	3,393	0.2	682	10.0	10.1	6.2	5.7	1.5	1.3	0.5	
ALUMETAL	PLN	2016-07-26	BUY	66.0	11%	59.30	-1.8%	-4.8%	-3.4%	0.6	912	0.1	212	9.6	8.9	8.1	7.2	2.1	1.9	4.3	
													MEDIAN		13.8	10.1	8.1	7.2	2.1	1.9	0.5
AUTOMOTIVE													1,026								
INTER CARS	PLN	2016-10-21	NEUTRAL	287.5	-8%	312.0	-2.5%	2.2%	12												

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Recommendation	Active as at the End of December 2016						Published During the 12 Months Ending on December 2016					
	Total Haitong Research		Total Investment Banking Clients				Total Haitong Research		Total Investment Banking Clients			
	Count	% of Total	Count	% of IBC	% of Total	Count	% of Total	Count	% of IBC	% of Total		
12 Month Rating:												
Buy	81	38.8%	7	70.0%	3.3%	406	46.1%	33	66.0%	3.7%		
Neutral	81	38.8%	3	30.0%	1.4%	314	35.6%	16	32.0%	1.8%		
Sell	47	22.5%	0	0.0%	0.0%	161	18.3%	1	2.0%	0.1%		
Restricted	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%		
Under Review	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%		
Trading Rating:												
Trading Buy	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%		
Trading Sell	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%		
Total Recommendations	209	100%	10	100%	4.8%	881	100%	50	100%	5.7%		

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