

17 February 2009

## Coping and hoping

### Recommendations

		Price*	Mkt.cap*	P/E* (x)		EV/EBITDA* (x)		Fair Value	Upside
		(local)	(€ m)	2008F	2009F	2008F	2009F	(local)	(%)
Agora	Hold (→)	13.70	157.9	18.2	10.8	4.0	3.5	14.68	7.1%
Cinema City	Hold (→)	17.00	187.9	10.5	8.8	6.6	5.9	18.06	6.2%
Cyfrowy Polsat	Hold (↓)	14.90	838.2	14.9	13.3	11.5	9.7	16.17	8.5%
CME**	Buy (→)	8.77	288.6	-7.6	9.3	4.3	5.7	14.50	65.3%
TVN	Buy (→)	9.25	672.0	8.8	8.8	6.2	6.3	12.29	32.9%

Source: KBC Securities

\*\*price in US\$

\*Priced at close of business 16/02/2009

The economic outlook has deteriorated significantly since our last CEE media report (end-November 2008). The prospects of a significant slowdown in Poland, a mild recession in the Czech Republic and a drastic downturn in Ukraine, among others, weigh markedly on the growth scenarios of players in the highly cyclical media sector. In addition, currencies have weakened across the region, adding to a dip in reported margins. We now expect stagnation or a mild recession in the advertising sectors of most CEE countries, rather than just a slowdown. However, with CEE media stocks (excluding Cyfrowy Polsat) down 30% year-to-date, underperforming the FTSE 350 Media Index down 4.7%, we believe a negative scenario has already been priced-in.

### Rating update

- **Poor sentiment for the media sector likely to hold:** With macro forecasts still on a downtrend, the backdrop for consumption has become less supportive. Given the high correlation of media with economic growth, sentiment towards stocks dependent on advertising is unlikely to improve over the short term. However, we believe that the sector should avoid a major recession, due to a much more resilient advertisers mix and low ad spending per capita compared to developed markets.
- **Focus on management guidance rather than 4Q08 results:** In general, we do not expect the 4Q08 results to bring any significant price-moving elements: the market's attention is more likely to be on company guidance for 2009. TVN and CME are also expected to announce advertising bookings for the peak spring season, while Agora's management is expected to present its view on the entire ad market.
- **TVN and CME offer best value:** TVN and CME have suffered the most in recent weeks, with prices pushed to multi-year lows and the stocks trading at unprecedented discounts to Western peers, implying little chance of a future earnings rebound. Particular concerns include goodwill writedowns (CME), as well as a possible funding squeeze (CME) or share overhang (TVN). We see less risk at TVN due to the firm's internet exposure, absence of Ukrainian operations, profit distribution and the superior position of its main channel. CME's tangible earnings are expected to suffer the most in 2009, with an expected decline of 61% y/y.
- **Cyfrowy Polsat offers lowest risk:** We still see Cyfrowy Polsat's business as resilient to the slowdown. We like the stock as a non-advertising play and the safest bet during the market turmoil, even though the earnings growth profile has deteriorated (2009F EPS growth now at 12% versus 24% previously). The DTH market initially appeared to have great potential although the competition is now tougher than ever.
- **Poor outlook for Agora priced-in:** We expect the print segment to experience the deepest recession, with little chance of a long-term rebound as advertisers shift their budgets to electronic media. We view positively the management's recent reaction to the downturn and believe the worst has been priced-in. We forecast net earnings growth at a strong 57% y/y in 2009, although this should stem from non-recurring items.

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Refer to important disclosures, disclaimers and analyst certifications at the end of the body of this research.

<b>Media</b>		<b>Current price</b>	PLN 13.70*	<b>Hold</b>
<b>Poland</b>		<b>Fair value</b>	PLN 14.68	<b>Rating maintained</b>
<b>Performance over</b>	<b>1M</b> <b>3M</b> <b>12M</b>	<b>FY/e 31.12., PLN m</b>	<b>2007A</b> <b>2008F</b> <b>2009F</b> <b>2010F</b>	
<b>Absolute %</b>	-17.4% -21.1% -73.0%	<b>Sales</b>	1,272.3 1,277.7 1,279.4 1,289.3	
<b>Rel. WIG20 %</b>	0.3% -9.5% -39.0%	<b>EBITDA</b>	198.6 165.6 166.9 167.7	
<b>12m Hi/Lo</b>	17.3 / 11.9	<b>EBIT</b>	120.3 83.5 83.3 82.7	
<b>Reuters</b>	AGOD.WA	<b>Net profit</b>	100.3 41.5 65.0 66.7	
<b>Bloomberg</b>	AGO PW	<b>EPS (PLN)</b>	1.82 0.75 1.27 1.30	
<b>Market cap € m</b>	157.9m	<b>P/E (x)</b>	7.5 18.2 10.8 10.5	
<b>Next corporate event</b>		<b>DPS (PLN)</b>	1.50 0.50 0.50 0.80	
4Q08 figures on 19 February		<b>Yield (%)</b>	10.9% 3.6% 3.6% 5.8%	
<b>€/ PLN</b>	4.77	<b>EV/EBITDA (x)</b>	2.5 4.0 3.5 3.1	

*Source: Company data, KBC Securities estimates*

**We have revised our 2008-2010 forecasts for Agora downwards to reflect a more severe downturn than previously expected in print advertising, a weaker outlook for other advertising segments, and recent restructuring moves by the firm's management. We have cut our net earnings estimates by 39.8% to PLN 41.5m (-58.6% y/y) for 2008, 11.9% to PLN 65.0m (+56.7% y/y) for 2009 and 14.2% to PLN 66.7m (+2.7% y/y) for 2010. We have cut our fair value by 15% to PLN 14.68 per share, which implies 7% upside. We maintain our Hold rating on the stock.**

\*Priced at COB 16/02/09

### Hold maintained

- **Victim of advertising market slowdown:** With the pace of the shift to electronic media lagging market trends, Agora is particularly exposed to the downturn in advertising. We expect Agora's advertising revenues to fall roughly 1% y/y in 2009 followed by a modest 2.5% y/y rebound in 2010. While the TV ad segment is expected to recover along with the economy, the long-term outlook for print remains bleak, with falling circulation and advertisers moving their budgets elsewhere.
- **New management reacts to the downturn:** Agora's new management reacted swiftly to the rapidly deteriorating business outlook by increasing the copy price of Gazeta Wyborcza (in line with our expectations), announcing a 7.5% staff cut and introducing ad price hikes at Gazeta that were larger than in previous years. The firm aims to leverage Gazeta's 40% market share in the hope that advertisers will shift to the most effective print media. However, we still expect Gazeta to lose some market share, due to its exposure to the most cyclical segments, namely automotive, job recruitment and real estate.
- **Earnings growth on non-recurrent items in 2009:** We forecast Agora's net earnings to show 57% y/y growth in 2009, in line with the consensus estimate. However, growth will stem mostly from non-recurrent items, including a low base related to a goodwill writedown and a restructuring charge in 2008 and a lower charge for the stock option plan this year, related to Agora's stock price performance.
- **Dividends and buyback:** With modest capital expenditure requirements, in the absence of further acquisitions, and a large cash position, we forecast DPS at Agora to grow from PLN 0.5 for 2008 to PLN 0.8 for 2010, with a rise in the payout to above 60%. In the coming months, Agora will also spend PLN 19m on a share buyback, enough to buy 2-3% of capital, which should be supportive for the stock price.
- **Weak outlook priced-in:** Agora's stock has fallen some 70% in the past year, vastly underperforming the WIG20 index. Thus we see only limited potential for further losses. Agora trades on a 2009F EV/EBITDA of 3.5x, putting the firm at an unprecedented double-digit discount to western peers.

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<b>Media</b>		<b>Current price</b>	PLN 17.00*	<b>Hold</b>
<b>Poland</b>		<b>Fair value</b>	PLN 18.06	Rating maintained
<b>Performance over</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>	
<b>Absolute %</b>	10.0%	15.0%	-42.0%	
<b>Rel. WIG20 %</b>	34.0%	32.0%	29.0%	
<b>12m Hi/Lo</b>	29.7 / 12.66			
<b>Reuters</b>	CCiy.WA			
<b>Bloomberg</b>	CCI.PW			
<b>Market cap € m</b>	187.9m			
<b>Next corporate event</b>				
4Q08 figures on 13.03.2009				
<b>PLN / €</b>	4.77			

FY/e 31.12., EUR m	2007A	2008F	2009F	2010F
<b>Sales</b>	161.3	188.2	196.3	223.6
<b>EBITDA</b>	34.6	41.7	46.8	44.8
<b>EBIT</b>	19.2	22.2	26.5	23.2
<b>Net profit</b>	16.6	17.9	21.4	18.1
<b>EPS (EUR)</b>	0.33	0.35	0.42	0.36
<b>P/E (x)</b>	11.3	10.5	8.8	10.4
<b>DPS (EUR)</b>	0.00	0.00	0.00	0.00
<b>Yield (%)</b>	0.0	0.0	0.0	0.0
<b>EV/EBITDA (x)</b>	6.7	6.6	5.9	6.3

Source: Company data, KBC Securities estimates

The depreciation of CEE currencies has prompted a revision of our 2009-2010 forecasts for Cinema City (CCI), which reports in euro. However, we reiterate our view that the cinema business is unlikely to be materially affected by the economic crisis. We have revised our net earnings estimates up 4.5% to € 17.9m (+7.6% y/y) for 2008 but down 2.0% to € 214m (+19.7% y/y) for 2009 and 2.7% to € 18.1m (-15.4% y/y) for 2010. We have cut our valuation by 11% in euro terms. However, this has been more than offset by the significant weakening of the PLN versus the euro in recent weeks. As a result, our fair value has risen 8% to PLN 18.06 per share, which implies 6% upside. We reiterate our Hold rating.

\*Priced at COB 16/02/09

### Hold maintained

- **Cinema operations resilient to the slowdown:** Past experience in both Western Europe and the USA indicates that cinema audience swings are correlated more with the attractiveness of the film offer than macroeconomic indicators pointing to the relative resilience of the cinema business to recession. Despite slower economic growth throughout the region we continue to assume a flat like-for-like cinema performance.
- **Earnings in 2009 negatively affected by currency:** We forecast CCI's net earnings to grow 20% y/y to € 21.4m in 2009 (7% ahead of consensus), but driven almost entirely by an expected € 10m profit on the disposal of a stake in Mall of Plovdiv. We expect EBIT on theatre operations to fall 3.4% y/y on the back of local currency weakness, causing the average ticket price to drop 13% y/y in euro terms.
- **Expected delays in cinema roll-out:** We expect CCI to publish updated guidance regarding the pipeline of cinema openings. We expect turbulence on the real estate markets, especially in Romania and Bulgaria, to delay cinema roll-out. Taking a conservative stance, we forecast 278 new screens in the period 2009-2011 versus the management's guidance of 416 (provided in November).
- **Exposed to risk of own real estate projects:** Cinema City acts as a property developer in three real estate projects in Bulgaria of which two (Ruse and Stara Zagora) lack secured financing, according to the most recent information. Real estate operations are expected to account for 33% of total EBIT in 2008, 43% in 2009 and 17% in 2010. The most advanced project, Mall of Plovdiv, which is scheduled to open in March, is 100% leased and we expect CCI to dispose of it in 2Q09.
- **Premium warranted:** On a 2009F EV/EBITDA of 5.9x, the stock trades at a 15% premium to the median of Western peers. However, we believe the premium is justified by the strong outlook for cinema operations, despite the company's real estate exposure and the risks involved.

<b>Media</b>		<b>Current price</b>	PLN 14.90*	<b>Hold</b>		
<b>Poland</b>		<b>Fair value</b>	PLN 16.17	<b>Rating downgraded</b>		
<b>Performance over</b>	<b>1M</b>	<b>3M</b>	<b>IPO</b>			
<b>Absolute %</b>	6.0%	9.0%	19%			
<b>Rel. WIG20 %</b>	26%	22%	147%			
<b>12m Hi/Lo</b>	15.51 / 12.0					
<b>Reuters</b>	CPSM.WA					
<b>Bloomberg</b>	CPS PW					
<b>Market cap € m</b>	838.2m					
<b>Next corporate event</b>						
4Q08 figures on	26.02.2009					
<b>PLN / €</b>	4.77					
	<b>FY/e 31.12.,</b>	<b>PLN m</b>	<b>2007A</b>	<b>2008F</b>	<b>2009F</b>	<b>2010F</b>
<b>Sales</b>			796.7	1,152.5	1,399.7	1,678.4
<b>EBITDA</b>			165.9	343.4	391.0	547.1
<b>EBIT</b>			145.1	319.3	361.8	508.9
<b>Net profit</b>			113.4	268.6	300.9	417.9
<b>EPS (PLN)</b>			0.42	1.00	1.12	1.55
<b>P/E (x)</b>			35.2	14.9	13.3	9.6
<b>DPS (PLN)</b>			0.00	0.14	0.55	0.67
<b>Yield (%)</b>			0.0%	0.9%	3.7%	4.5%
<b>EV/EBITDA (x)</b>			24.5	11.5	9.7	6.5

Source: Company data, KBC Securities estimates

We continue to view Cyfrowy Polsat's business model as resilient to the economic slowdown, as pay-TV is unlikely to be cut from household budgets. However, while we expect higher revenues to be generated by growing subscriptions, the weaker Polish currency has prompted an upward revision of forecast costs. Overall, we have revised our net earnings estimates up 7.7% to PLN 268.6m (+137% y/y) for 2008, down 2.8% to PLN 300.9m (+12.0% y/y) for 2009, and up 1.4% to PLN 417.9m (+38.9% y/y) for 2010. Our fair value estimate was cut by 3% to PLN 16.17 per share, implying 8.5% upside, after a long period of outperformance. We downgrade our rating from Buy to Hold.

\*Priced at COB 16/02/09

### Rating downgraded to Hold

- **Greater market potential...**: Net subscriber additions on Poland's direct-to-home (DTH) market amounted to more than 1.2m in 2008, which was markedly above expectations, suggesting that this segment of pay-TV has greater potential than previously expected. We believe a further 1.3m households could become subscribers over the next few years, with 650,000 new additions arriving in 2009 (up from 420,000 in 2008).
- **...but more aggressive competition**: While we continue to see Cyfrowy Polsat as a winner on the Polish DTH market, taking 40-50% of new net additions, the competition has never been tougher, with two other players fishing for Cyfrowy Polsat's customers by offering new products and discounts. The necessity of more aggressive and longer promotions may lower Cyfrowy Polsat's APRU growth and increase churn. We believe the latter could become a problem if the company fails to launch a separate offer for existing customers.
- **Adverse currency movements weigh on 2009 earnings growth**: With around 50% of operating expenses denominated in foreign currencies and all revenues denominated in PLN, even with partial hedging the outlook for 2009 earnings is weaker. An upward revision of our 2008 estimates and a cut in our 2009 estimates has halved our forecast 2009 EPS growth to 12% from the previous 24%. Our 2009 net earnings forecast stands at PLN 300.9m, or 5% below the market consensus.
- **Strong outlook for 4Q08**: We forecast stronger net customer acquisition to be achieved with lower than previously expected marketing outlays in 4Q08. This outlook has prompted us to revise our full-year 2008 estimates upwards. We forecast net profit at PLN 41.5m for 4Q08, up from a loss of PLN 8.9m in 4Q07. Our estimate is above the consensus forecast of PLN 37.8m (according to PAP).
- **Premium warranted**: The price of Cyfrowy Polsat's stock has appreciated 10% year-to-date, outperforming the WIG20 index by 38%. On a 2009F P/E of 13.3x Cyfrowy Polsat now trades at a 22% premium to foreign digital platforms and CATV operators. Although we still like company's business model, we view the current stock price as close to the fair value.

<b>Media</b>		<b>Current price</b>	US\$ 8.77 *		<b>Buy</b>			
<b>Czech Republic</b>		<b>Fair value</b>	US\$ 14.50		<b>Rating maintained</b>			
<b>Performance over</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>	<b>FY/e 31.12., (US\$ m)</b>	<b>2007A</b>	<b>2008F</b>	<b>2009F</b>	<b>2010F</b>
<b>Absolute %</b>	-46.6%	-31.8%	-90.7%	<b>Sales</b>	840.0	1,023.7	842.8	900.1
<b>Rel. MSCI %</b>	-44.5%	-26.8%	-68.8%	<b>EBITDA</b>	264.3	300.6	210.5	258.2
<b>12m Hi/Lo</b>	107.0 / 8.2			<b>EBIT</b>	206.0	208.4	107.5	148.1
<b>Reuters</b>	CETV.O			<b>Net profit</b>	88.6	-48.6	39.9	68.3
<b>Bloomberg</b>	CETV US			<b>EPS (US\$)</b>	2.07	-1.15	0.94	1.61
<b>Market cap US\$ m</b>	376.4m			<b>P/E (x)</b>	4.2	-7.6	9.3	5.4
<b>Next corporate event</b>				<b>DPS (US\$)</b>	0.0	0.0	0.0	0.0
4Q08 figures on 25.02.2009				<b>Yield (%)</b>	0.0%	0.0%	0.0%	0.0%
<b>CZK / US\$</b>	22.27			<b>EV/EBITDA (x)</b>	3.1	4.3	5.7	4.8

Source: Company data, KBC Securities estimates

We have revised our 2009-2010 forecasts for CME to reflect several factors, including the gloomier economic outlook which will weigh on CEE TV ad markets, a more adverse currency impact which will add to the dip in reported revenues and margin, and the lower cost of debt. We have cut our estimates for the company's tangible net earnings by 6.1% to US\$ 101.3m (+14.5% y/y) for 2008, 11.3% to US\$ 39.9m (-60.7% y/y) for 2009 and 27.8% to US\$ 68.3m (+71.3% y/y) for 2010. We have cut our fair value estimate, based on SOTP, DCF and DDM models, by 48% to US\$ 14.5 per share, which nevertheless implies 65% upside. We maintain our Buy rating on the stock.

\*Priced at COB 13/02/09

### Buy maintained

- **Goodwill writedown likely, but economically irrelevant:** With more than US\$ 1bn of goodwill on CME's books, including US\$ 220m for Ukraine, we believe some writedown may be necessary in the current environment. We forecast a US\$ 150m writedown for 4Q08: this may look ugly but as a non-cash item with no impact on operating ratios or debt covenants it is economically irrelevant.
- **Weathering the slowdown:** We forecast CME to show almost no local currency revenue growth in 2009, which translates into an 18% reported sales decline. However, we believe the core markets will prove relatively resilient, with the company benefiting from the leading market positions of its channels, cost savings on programming and limited capital expenditures on maintenance. More than 80% of the firm's operating costs are denominated in local currencies.
- **Liquidity not in danger:** CME has bond issues amounting to more than US\$ 1bn, but none mature before 2012. While we expect CME to breach the gross debt/EBITDA covenant in 2009, we do not expect the firm to have to incur any new debt. If such a need arises, however, under the covenants the company can still raise debt from revolving facilities and mortgages.
- **Not much room left for further downgrades:** After the recent series of downgrades, we believe analysts' expectations have been adjusted for the downturn and an adverse currency scenario. Our net earnings forecasts are now 35%-20% below consensus for 2009-2010 (versus 70%-46% respectively three months ago). Along with the consensus, we expect a rebound in 2010 on the back of the gradual recovery of the ad markets and a more favourable currency outlook. For Ukraine and Bulgaria, we only expect EBITDA to breakeven in 2011.
- **Undervalued:** CME currently trades at a 2009 EV/EBITDA of 5.7x, which represents a 25% discount to Western peers. In our view, this reflects a very pessimistic scenario that CME will not manage the crisis and does not have any rebound potential.

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<b>Media</b>		<b>Current price</b>	PLN 9.25*	<b>Buy</b>		
<b>Poland</b>		<b>Fair value</b>	PLN 12.29	Rating maintained		
<b>Performance over</b>	<b>1M</b> <b>3M</b> <b>12M</b>	<b>FY/e 31.12., PLN m</b>	<b>2007A</b>	<b>2008F</b>	<b>2009F</b>	<b>2010F</b>
<b>Absolute %</b>	-24.7% -21.8% -62.3%	<b>Sales</b>	1,554.7	1,903.5	1,985.2	2,079.2
<b>Rel. WIG20 %</b>	-10.6% -12.3% -17.8%	<b>EBITDA</b>	554.1	704.9	678.4	708.1
<b>12m Hi/Lo</b>	24.52 / 9.00	<b>EBIT</b>	482.0	624.8	580.4	597.6
<b>Reuters</b>	TVNN.WA	<b>Net profit</b>	243.3	365.6	333.4	374.3
<b>Bloomberg</b>	TVN PW	<b>EPS (PLN)</b>	0.70	1.06	1.05	1.16
<b>Market cap € m</b>	672.0m	<b>P/E (x)</b>	13.2	8.8	8.8	7.9
<b>Next corporate event</b>		<b>DPS (PLN)</b>	0.37	0.49	0.32	0.41
4Q08 figures on 20 February 2009		<b>Yield (%)</b>	4.0%	5.3%	3.4%	4.5%
<b>PLN / €</b>	4.77	<b>EV/EBITDA (x)</b>	6.5	6.2	6.3	5.8

Source: Company data, KBC Securities estimates

We have revised our 2009-2010 forecasts for TVN after cutting our expectation for Poland's TV advertising market (growth now expected at 0% in 2009, 2% in 2010) as a consequence of the economic slowdown in Poland being more severe than previously expected. However, we still expect TVN's main channel to be a winner in the battle for shrinking advertising budgets. We have cut our estimates for TVN's net earnings by 7.3% to PLN 365.6m (+50.6% y/y) for 2008, 11.7% to PLN 333.4m (-8.8% y/y) for 2009 and 7.5% to PLN 374.3m (+12.3% y/y) for 2010. We have cut our fair value estimate by 25% to PLN 12.29 per share, which nevertheless implies 33% upside. We maintain our Buy rating on the stock.

\*Priced at COB 16/02/09

### Buy maintained

- **The most resilient TV channel:** We have cut our 2009 growth forecast for Poland's TV ad market to zero although we still believe that TVN's main channel will manage to grow its revenues this year. This should be the result of the superior demographics of audience and market share being gained at the expense of public television and thematic channels. The revenues of TVN's thematic channels are expected to grow on the back of licence fees from the fast-growing audience of pay-TV operators, which are denominated in € and US\$.
- **Significant contribution from internet exposure:** Far less uncertainty is attached to the performance of the internet segment during the economic downturn than for any other media segment. This is due to structural factors and the continuous growth in the amount of time users spend with this media. TVN's Onet is the most popular internet portal in Poland: although we forecast Onet's growth dynamics to diminish, it should still show high double-digit growth throughout the slowdown and account for 14% of the firm's total revenues by 2010.
- **ITI not behind the recent share supply:** There was speculation on the market recently that TVN's parent ITI had received a margin call on its debt facilities and was behind the recent big share supply that pushed TVN's stock price down. However, an official statement from ITI said the speculation was completely unfounded. We do not expect ITI to sell any TVN shares on the market in any near future and believe that the current stock price carries an excessive discount related to corporate governance.
- **Buy-back and dividend:** Despite the downgraded earnings forecasts, current low stock price levels may allow TVN to conduct its entire buy-back program and also pay dividends in 2009 without breaching its debt covenant. However, we expect DPS at PLN 0.30 in 2009, down from PLN 0.49 in 2008. Our forecasts imply a gross debt/EBITDA ratio of around 2x, much lower than 5x in the case of regional peer CME.
- **Discount unwarranted:** On a 2009F EV/EBITDA of 6.3x TVN now trades at a double-digit discount to Western European peers, having fallen from a double-digit premium just a few months ago. We do not believe the discount is justified. The stock also trades at a warranted 9% premium to regional peer CME.

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### Important Polish Disclosure

Belgian Banking and Finance Commission is exercising the Supervision over KBC Securities NV Branch in Poland.

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*The definitions of terms applied in the publication:*

EBITDA = EBIT + amortization and depreciation  
EPS = Net profit / No. of shares outstanding

DPS = Dividend per Share

NBV per share = Net Book Value / No. of shares outstanding

EBITDA margin = EBITDA / Revenue

EBIT margin = EBIT / Revenue

CFPS = Cash flow / No. of shares outstanding

Net Financial Debt = Financial debt – Cash equivalents

ROE = Net profit / Average Equity

EV = Market Capitalization + Net Financial Debt

P/E = Stock Price / EPS

P/CF = Stock Price / (Net Profit + amortization and depreciation)

P/BV = Stock Price / NBV per share

P/S = Market Capitalization / Revenue

Gross Dividend Yield = Dividend per share / Stock

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#### List of recommendations concerning Agora shares issued by KBC Securities NV Branch in Poland in the last 12 months

Date of issue	Valuation	Market price	Recommendation
17 February 2009	PLN 14.68	PLN 13.70	Hold
28 November 2008	PLN 17.21	PLN 16.47	Hold
6 June 2008	PLN 43.20	PLN 35.64	Buy
28 February 2008	PLN 45.20	PLN 43.33	Hold
13 November 2007	PLN 48.10	PLN 51.10	Hold

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#### List of recommendations concerning Cinema City shares issued by KBC Securities NV Branch in Poland in the last 12 months

Date of issue	Valuation	Market price	Recommendation
17 February 2009	PLN 18.06	PLN 17.00	Hold
28 November 2008	PLN 16.73	PLN 15.50	Hold
29 January 2008	PLN 36.30	PLN 27.70	Buy

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#### List of recommendations concerning CME shares issued by KBC Securities NV Branch in Poland in the last 12 months

Date of issue	Valuation	Market price	Recommendation
17 February 2009	USD 14.50	USD 8.77	Buy
28 November 2008	USD 27.80	USD 13.30	Buy
31 March 2008	USD 117.0	USD 85.4	Buy

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#### List of recommendations concerning TVN shares issued by KBC Securities NV Branch in Poland in the last 12 months

Date of issue	Valuation	Market price	Recommendation
17 February 2009	PLN 12.29	PLN 9.25	Buy
28 November 2008	PLN 16.28	PLN 12.60	Buy
29 May 2008	PLN 25.4	PLN 18.8	Buy

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#### List of recommendations concerning Cyfrowy Polsat shares issued by KBC Securities NV Branch in Poland in the last 12 months

Date of issue	Valuation	Market price	Recommendation
17 February 2009	PLN 16.17	PLN 14.90	Hold
28 November 2008	PLN 16.72	PLN 14.00	Buy

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*Interpretation of the recommendation:*

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**BUY** – total return is expected to appreciate 10% or more

**HOLD** – total return is expected to be between 10% and –10%

**SELL** – total return is expected to depreciate 10% or more

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During the last quarter KBC Securities NV Branch in Warsaw issued recommendations on 39 companies:

23 BUY	59%
11 HOLD	28%
5 SELL	13%

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