9 April 2010

Update

BRE Bank Securities

Others

Poland

Current price	**PLN 73.40**
Target price	**PLN 67.30**
Market cap	PLN 3.65bn
Free float	PLN 593m
Avg daily trading volume (3M)	PLN 1.32m

Shareholder Structure

Framondi	66.00%
ING NN Polska OFE	10.01%
AVIVA OFE	7.31%
Others	16.61%

Sector Outlook

The paper industry is a cyclical one. Currently, it is being helped by the revival in manufacturing and the depreciation of the EUR vs. the USD. That said, the increase in paper prices is being offset by the quick rise in waste paper prices.

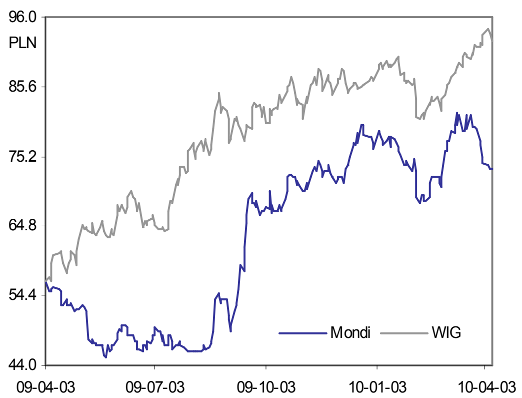
Company Profile

Mondi manufactures paper used to produce corrugated cardboard and paper bags. The company generates the bulk of its sales from kraftliner (45%) and fluting (29%). Geographically, Mondi generates 70% of revenues from exports to such countries as Italy, Germany, UK, France, and Benelux countries.

Important Dates

07.05 - Q1 2010 report

Mondi vs. WIG



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Mondi

CELA.WA; MSC.PW

Reduce

(Downgraded)

Waste Paper Problems

The current price discounts positive scenarios, including further increase in European paper prices (a very likely development) and increased output and sales of paper produced by the new machine launched in H2 2009. Since we made our previous forecasts, however, there have been certain unfavorable developments: the zloty has appreciated more than we expected, and, more importantly, the price of waste paper – the Company's core feedstock – has risen dramatically, especially after production capacity in waste-paper-based manufacturing expanded across the region. We expect that this development will lead to a long-term deterioration in margins. As a result, we have decided to reduce our EBITDA margin forecast in the following quarters. On our forecasts for FY 2010, the Company is trading at a P/E of 18.8 and EV/EBITDA of 10.4. We are downgrading our rating from hold to reduce with a target price of PLN 67.3 per share.

Paper and Waste Paper Prices

The revival observed in European manufacturing and the depreciation of the euro vs. the USD have facilitated further growth in the price of paper used in the production of corrugated cardboard (CCM). In March, the average price of kraftliner was 9.5% higher than in Q4 2009, with testliner gaining 10% and fluting 12%. However, this positive effect is being offset by the appreciation of the zloty vs. the euro (+6.8% y/y). Given the recent considerable expansion in testliner and fluting production capacity across the region (Poland, Hungary and Germany), the demand for and the price of waste paper (OCC) has been rising dramatically, to EUR 102.5/t in March (+41% y/y). During the past year, the spread between the price of testiliner and old corrugated cardboard declined from EUR 360/t to EUR 259/t. In 2009, Świecie bought 551 kt of OCC; in 2010, it will need over 800 kt. In 2006, a total of 1 Mt of this feedstock was processed in Poland, which clearly illustrates how shallow the local recycling market is.

Positive Impact of MP7

After the launch of the new paper machine MP7 in September, the Company produced 109 kt of testliner and flutig. In 2010, the output should increase to 420-440 kt, which will increase Company-wide production to 1.3 Mt (+35% y/y). In addition to economies of scale, and the fact that MP7 is one of the most cost-effective paper machines in Europe, the Company's profits will be boosted by tax cuts on account of production in a special economic zone (-PLN 220m) and an increase in renewable energy production in the new biomass-fueled boiler.

(PLN m)	2008	2009	2010F	2011F	2012F
Revenues	1 406.3	1 360.8	1 799.9	1 986.1	2 030.9
EBITDA	305.5	217.9	413.5	493.3	526.9
EBITDA margin	*21.7%*	*16.0%*	*23.0%*	*24.8%*	*25.9%*
EBIT	194.7	99.6	242.2	323.0	360.1
Net profit	141.2	71.4	195.7	279.0	318.2
DPS	0.0	0.0	0.0	5.1	7.3
P/E	26.0	51.4	18.8	13.2	11.5
P/CE	14.6	19.3	10.0	8.2	7.6
P/BV	3.4	3.1	2.7	2.6	2.7
EV/EBITDA	13.0	19.9	10.4	8.6	8.0
DYield	0.0%	0.0%	0.0%	6.9%	9.9%

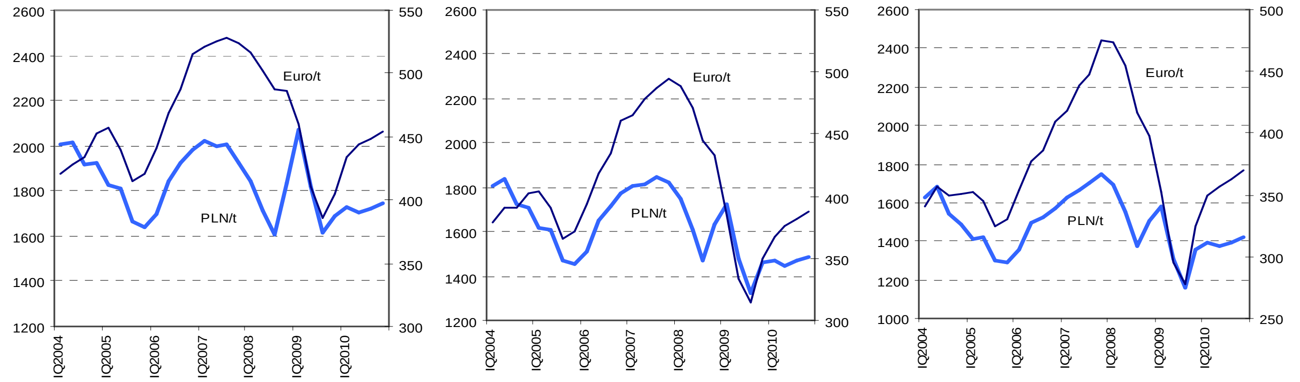
Rising Containerboard Prices Outpaced by Waste Paper

European paper prices

European prices of corrugated cardboard materials (CCM) continued on an upward trend in March, with kraftliner gaining 1.8%, testliner increasing 5.1%, and fluting up 5.4% vs. February. However, a 2% appreciation of the zloty against the euro partly offset the positive effects of the price trends. In the first quarter of 2010, the average zloty price of kraftliner recorded a 2.2% quarter-on-quarter increase, prices of testliner were 2.8% higher, and prices of fluting moved up 3.9%. The rally is fueled by two main factors:

- a recovery in the manufacturing industry, in particular in countries like Germany,
- an appreciation of the US dollar versus the euro, which has reduced imports from the dollar zone (Brazil, USA).

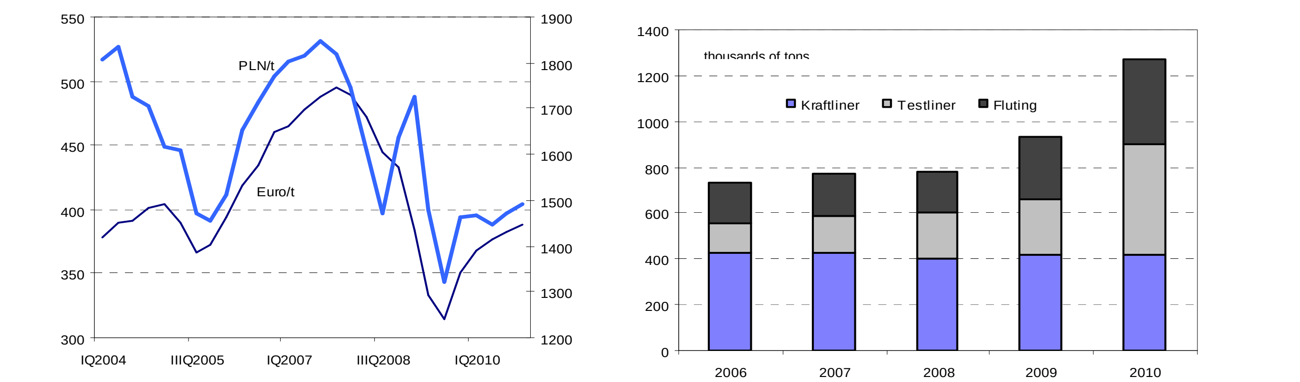
European CCM prices: kraftliner (left), testliner (middle), fluting (right) (incl. our 2010 forecasts)



Source: FOEX, BRE Bank Securities

The launch of the new MP7 machine has changed the pattern of Mondi's sales by increasing the share of recycled linerboard (testliner, fluting). In 2009, the company produced 417 thousand tons of kraftliner (+4.4% y/y), 245KT of testliner (+19.5% y/y), and 275KT of fluting (+53% y/y). The MP7 was commissioned in September of last year, followed by a period of trials aimed at reaching the desired quality, and now that the machine is working at full capacity, the production shift is going to accelerate. The MP7 made 1000 tons of recycled linerboard per day in the fourth quarter of 2009, and it is expected to increase daily output to 1,250 tons by mid-year, making for a full-year output of 450 thousand tons (the target capacity is 470KT). In all, we expect Mondi to produce a combined 850KT of testliner and fluting in 2010 (marking a 64% surge vs. 2009), representing 67% of the total CCM output. Kraftliner's share in the output is expected to decrease to 33% from 45% in 2009. Since the per-ton price of testliner and fluting is lower than kraftliner's, this will bring down the average weighted price of Mondi's sales (see chart below).

CCM prices (Mondi's product mix: kraftliner-45%, testliner-26%, fluting-29%) and output breakdown



Source: FOEX, BRE Bank Securities, Mondi Świecie

The changed production patterns entail a change in the composition of feedstock (testliner and fluting are made from recycled paper). Mondi bought 401KT of waste paper in 2008, rising to 551KT in 2009, mainly from Polish suppliers. We estimate that its waste-paper needs this year will approximate 880KT, which may raise problems considering that Poland is one of Europe's recycling laggards (only 1.02MMT of waste paper were recovered here in 2006). This means that the company has to search for feedstock in international markets, together with other producers.

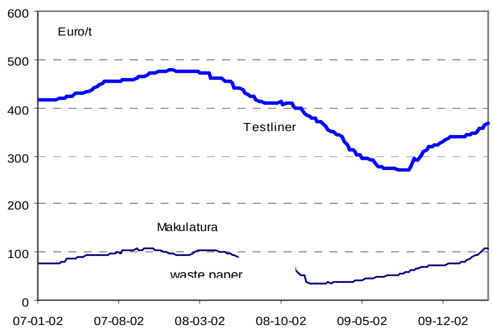
Recycled paper and cardboard usage in Europe (2006)

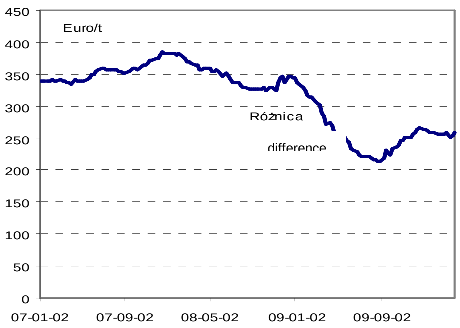
Country	thousands of tons	Country	thousands of tons
Austria	2 384	Norway	474
Belgium	1 136	**Poland**	**1 021**
Czech Republic	456	Portugal	340
Finland	734	Slovakia	197
France	6 050	Spain	5 371
Germany	15 244	Sweden	2 037
Hungary	419	Switzerland	959
Italy	5 578	United Kingdom	4 172
Netherlands	2 346	Total CEPI	48 916

Source: Przegląd papierniczy

Mondi is not the only one affected by feedstock problems. After the launch of new paper capacity in the CEPI area (Poland, Hungary, and Germany – close to the Polish border), waste paper prices skyrocketed at a rate that well surpassed the prices of finished paper products. In the first quarter, the average price of OCC surged 25% versus the previous quarter, reaching EUR 91/T (by now, the price is EUR 109/T, marking a year-on-year increase by a staggering 180%). The consequence are tighter margins which contracted to EUR 259 from EUR 360 a ton for testliner.

Mondi's margins





Source: BRE Bank Securities

In light of soaring feedstock prices, we revised downward our operating-margin forecasts for Mondi, while leaving revenue forecasts intact. Moreover, we raised our assumptions with respect to 2010 year-on-year growth in waste-paper prices from 5% to 25%. This year's EBITDA margin will be considerably boosted by increased production and scale effects. In spite of fast-increasing waste paper costs, we predict that Mondi's overall per-ton production costs will decrease by 7% in 2010 vs. 2009.

Forecast assumptions

(PLN m)	2006	2007	2008	2009	2010F	2011F	2012F
Revenue	**1 444.0**	**1 518.7**	**1 406.3**	**1 360.8**	**1 799.9**	**1 986.1**	**2 030.9**
change	*12.6%*	*5.2%*	*-7.4%*	*-3.2%*	*32.3%*	*10.3%*	*2.3%*
CCM	1 444	1 519	1 406	1 361	1 653	1 837	1 879
Other	99	124	115	127	146	149	152
Avg. paper prices (EUR/T)	415.6	435.1	441.2	296.2	331.1	358.7	366.6
change	*10.4%*	*4.7%*	*1.4%*	*-32.9%*	*11.8%*	*8.3%*	*2.2%*
Avg. paper prices (PLN/T)	1 640.8	1 649.5	1 551.1	1 281.5	1 272.9	1 378.8	1 409.3
change	8.8%	0.5%	-6.0%	-17.4%	-0.7%	8.3%	2.2%
Avg. annual EUR/PLN exchange rate	3.95	3.79	3.52	4.33	3.84	3.84	3.84
Sales volumes (thousands of tons)	819.4	845.3	832.6	962.5	1 299.0	1 332.1	1 332.9
change	2.5%	3.2%	-1.5%	15.6%	35.0%	2.6%	0.1%
Unit costs (ex D&A)	947.2	1 053.9	1 030.1	929.0	856.2	904.0	909.4
change	*3.4%*	*11.3%*	*-2.3%*	*-9.8%*	*-7.8%*	*5.6%*	*0.6%*

Source: BRE Bank Securities

Other earnings drivers

Mondi has about 121KT left in 2009 CO_2 emission credits, which it will sell this year, adding about PLN 7m to pre-tax profit.

Moreover, operations in a Special Economic Zone make the company eligible for tax breaks of up to PLN 234m, of which it has used PLN 10.6m so far.

Finally, the launch of a new biomass boiler in Q4 2009 is going to increase future revenues generated from renewable energy sales by ca. PLN 25-30m.

Valuation

DCF analysis and multiples comparison produced a per-share value estimate of PLN 62.3 for Mondi, suggesting a nine-month target price of PLN 67.3 a share. Factors that contributed to the increase in valuation included a roll-forward of the DCF horizon and a lower risk-free rate.

(PLN)	Weight	Valuation
Relative valuation	40%	61.7
DCF analysis	60%	62.8
Valuation		62.3
9M Target Valuation)		**67.3**

		EV/EBITDA			EV/SALES			P/E		
(PLN)		2009	2010F	2011F	2009	2010F	2011F	2009	2010F	2011F
Implied value per share		25	59	57	73	72	65	35	72	86
Year weight		20%	40%	40%	20%	40%	40%	20%	40%	40%
Premium/discount		0%	0%	0%	0%	0%	0%	0%	0%	0%
Multiple weight			45%			10%			45%	
Valuation	**61.7**		51.2			69.8			70.4	

DCF Valuation Model

(PLN m)	2009	2010F	2011F	2012F	2013F	2014F	2015F	2016F	2017F	2018F	TV
Revenue	**1 360.8**	**1 799.9**	**1 986.1**	**2 030.9**	**1 998.1**	**1 966.2**	**2 004.6**	**2 063.1**	**2 105.3**	**2 149.4**	
change	*-3.2%*	*32.3%*	*10.3%*	*2.3%*	*-1.6%*	*-1.6%*	*2.0%*	*2.9%*	*2.0%*	*2.1%*	
EBITDA	**217.9**	**413.5**	**493.3**	**526.9**	**536.5**	**522.4**	**534.7**	**555.2**	**569.5**	**585.0**	
EBITDA margin	*16.0%*	*23.0%*	*24.8%*	*25.9%*	*26.9%*	*26.6%*	*26.7%*	*26.9%*	*27.1%*	*27.2%*	
D&A expenses	118.3	171.3	170.3	166.7	163.5	160.3	157.2	155.3	153.8	152.4	
EBIT	**99.6**	**242.2**	**323.0**	**360.1**	**373.1**	**362.1**	**377.5**	**399.8**	**415.8**	**432.6**	
EBIT margin	*7.3%*	*13.5%*	*16.3%*	*17.7%*	*18.7%*	*18.4%*	*18.8%*	*19.4%*	*19.7%*	*20.1%*	
Tax rate on EBIT	4.3	15.4	14.7	14.4	14.4	68.8	71.7	76.0	79.0	82.2	
NOPLAT	**95.3**	**226.8**	**308.3**	**345.7**	**358.7**	**293.3**	**305.8**	**323.9**	**336.8**	**350.4**	**357.4**
CAPEX	-554.9	-241.2	-99.3	-101.5	-99.9	-98.3	-120.3	-123.8	-126.3	-152.4	-152.4
Working capital	-12.3	-90.6	-27.7	-11.7	-3.0	3.7	-5.5	-7.9	-5.7	-6.0	-6.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0
FCF	**-353.5**	**66.3**	**351.5**	**399.2**	**419.3**	**359.0**	**337.2**	**347.5**	**358.5**	**344.4**	**351.3**
WACC	*9.7%*	*9.7%*	*9.8%*	*9.8%*	*9.9%*	*9.7%*	*9.8%*	*9.8%*	*9.8%*	*9.7%*	*9.8%*
discount factor	*100.0%*	*91.2%*	*83.0%*	*75.6%*	*68.8%*	*62.7%*	*57.1%*	*52.0%*	*47.4%*	*43.2%*	*43.2%*
PV FCF	-353.5	60.4	291.8	301.6	288.4	225.1	192.6	180.8	169.9	148.7	1 957.0
WACC	***9.7%***	***9.7%***	***9.8%***	***9.8%***	***9.9%***	***9.7%***	***9.8%***	***9.8%***	***9.8%***	***9.7%***	***9.8%***
Cost of debt	*6.2%*	*6.2%*	*6.2%*	*6.2%*	*6.2%*	*6.2%*	*6.2%*	*6.2%*	*6.2%*	*6.2%*	*6.1%*
Risk-free rate	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.6%*
Risk premium	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
Effective tax rate	*4.3%*	*6.4%*	*4.5%*	*4.0%*	*3.9%*	*19.0%*	*19.0%*	*19.0%*	*19.0%*	*19.0%*	*19.0%*
Net debt / EV	*21.6%*	*20.4%*	*18.3%*	*18.0%*	*17.7%*	*17.5%*	*16.7%*	*16.2%*	*16.0%*	*16.7%*	*15.0%*
Cost of Equity	*10.7%*	*10.7%*	*10.7%*	*10.7%*	*10.7%*	*10.7%*	*10.7%*	*10.7%*	*10.7%*	*10.7%*	*10.6%*
Risk premium	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

FCF growth after the forecast horizon	*2.0%*
Terminal value	4 531.9
Present value of the terminal value (PV TV)	1 957.0
Present value of FCF in the forecast horizon	1 859.3
Enterprise value (EV)	3 816.3
Net debt	676.9
Other non-operating assets	0.0
Minority interests	0.0
Enterprise value	3 139.4
Number of shares (millions)	50.0
Equity value per share (PLN)	**62.8**
Cost of equity (9M)	*8.0%*
Target Price	**67.8**
EV/EBITDA('10) for the target price	9.8
P/E('10) for the target price	17.3
TV to EV	49%

Sensitivity Analysis

	FCF growth in perpetuity				
	-1.0%	**0.0%**	**2.0%**	**4.0%**	**5.0%**
WACC +1.0ppt	49.5	51.9	58.4	68.6	76.4
WACC +0.5ppt	52.6	55.4	62.8	75.0	84.6
WACC	56.0	59.2	**67.8**	82.5	94.5
WACC -0.5ppt	59.8	63.4	73.5	91.5	106.8
WACC -01.0ppt	63.9	68.0	80.1	102.3	122.2

Income Statement

(PLN m)	2007	2008	2009	2010F	2011F	2012F	2013F
Revenue	**1 518.7**	**1 406.3**	**1 360.8**	**1 799.9**	**1 986.1**	**2 030.9**	**1 998.1**
change	*5.2%*	*-7.4%*	*-3.2%*	*32.3%*	*10.3%*	*2.3%*	*-1.6%*
COGS	**984.9**	**968.5**	**1 012.5**	**1 283.5**	**1 374.6**	**1 378.9**	**1 335.6**
SG&A expenses	90.4	99.8	83.5	85.2	89.6	90.6	89.9
Selling costs	150.1	143.7	165.4	192.0	202.0	204.2	202.6
Other net operating income	2.5	0.4	0.1	3.0	3.0	3.0	3.0
EBIT	**295.7**	**194.7**	**99.6**	**242.2**	**323.0**	**360.1**	**373.1**
change	*-9.4%*	*-34.1%*	*-48.8%*	*143.1%*	*33.4%*	*11.5%*	*3.6%*
EBIT margin	*19.5%*	*13.8%*	*7.3%*	*13.5%*	*16.3%*	*17.7%*	*18.7%*
Profit/loss on financial activity	8.1	-20.1	-25.0	-33.1	-30.6	-28.6	-28.1
Extraordinary gains/losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	1.0	2.0	3.0
Pre-tax income	**303.8**	**174.6**	**74.6**	**209.0**	**292.4**	**331.5**	**345.0**
Tax	-57.6	-33.5	-3.2	-13.3	-13.3	-13.3	-13.3
Minority interests	0.0	0.0	0.0	0.0	1.0	2.0	3.0
Net income	**246.2**	**141.2**	**71.4**	**195.7**	**279.0**	**318.2**	**331.7**
change	*-8.8%*	*-42.7%*	*-49.4%*	*174.1%*	*42.6%*	*14.0%*	*4.2%*
margin	*16.2%*	*10.0%*	*5.2%*	*10.9%*	*14.0%*	*15.7%*	*16.6%*
D&A expenses	104.3	110.8	118.3	171.3	170.3	166.7	163.5
EBITDA	**400.0**	**305.5**	**217.9**	**413.5**	**493.3**	**526.9**	**536.5**
change	*-7.9%*	*-23.6%*	*-28.7%*	*89.7%*	*19.3%*	*6.8%*	*1.8%*
EBITDA margin	*26.3%*	*21.7%*	*16.0%*	*23.0%*	*24.8%*	*25.9%*	*26.9%*
Shares at year-end (millions)	50.0	50.0	50.0	50.0	50.0	50.0	51.0
EPS	4.9	2.8	1.4	3.9	5.6	6.4	6.6
CEPS	0.1	0.1	0.1	0.1	0.2	0.2	0.2
ROAE	*24.8%*	*13.8%*	*6.3%*	*15.3%*	*20.0%*	*23.0%*	*24.8%*
ROAA	*18.1%*	*8.7%*	*3.4%*	*8.3%*	*11.3%*	*13.2%*	*14.2%*

Balance Sheet

(PLN m)	2007	2008	2009	2010F	2011F	2012F	2013F
ASSETS	**1 367.1**	**1 881.4**	**2 279.7**	**2 462.1**	**2 459.1**	**2 365.7**	**2 303.5**
Fixed assets	**891.6**	**1 476.2**	**1 839.1**	**1 909.3**	**1 838.5**	**1 773.5**	**1 710.1**
Intangible assets	7.5	5.9	5.1	5.1	5.1	5.1	5.1
Property, plant and equipment	868.8	1 445.3	1 821.2	1 891.1	1 820.1	1 755.0	1 691.4
Long-term receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term investments	4.8	2.8	2.1	2.1	2.1	2.1	2.1
Long-term prepayments	10.6	22.1	10.7	10.9	11.1	11.3	11.5
Current assets	**475.4**	**405.2**	**440.6**	**552.9**	**620.6**	**592.2**	**593.4**
Inventories	129.4	140.7	174.4	200.0	220.7	225.7	222.0
Short-term receivables	283.9	228.5	234.6	310.5	342.6	350.3	344.7
Short-term investments	62.1	15.3	30.5	41.4	56.2	15.1	25.6
Short-term prepayments	0.0	20.7	1.0	1.0	1.0	1.0	1.1

(PLN m)	2007	2008	2009	2010F	2011F	2012F	2013F
LIABILITIES	**1 367.1**	**1 881.5**	**2 279.7**	**2 462.1**	**2 459.1**	**2 365.7**	**2 303.5**
Equity	**981.9**	**1 066.0**	**1 184.5**	**1 380.2**	**1 404.8**	**1 360.2**	**1 310.1**
Share capital	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Supplementary capital	672.6	918.7	1 062.2	1 133.6	1 074.9	991.2	927.5
Undistributed profits	249.3	144.0	72.2	196.6	279.9	319.0	332.5
Long-term liabilities	**0.0**	**196.0**	**674.3**	**650.0**	**550.0**	**500.0**	**500.0**
Debt	0.0	196.0	674.3	650.0	550.0	500.0	500.0
Short-term liabilities	**300.0**	**538.6**	**345.3**	**389.5**	**461.8**	**463.0**	**451.0**
Trade creditors	251.9	428.6	312.3	356.5	380.8	381.0	368.0
Debt	48.1	110.0	33.0	33.0	80.0	80.0	80.0
Other	0.0	0.0	0.0	0.0	1.0	2.0	3.0
Debt	48.1	306.0	707.3	683.0	630.0	580.0	580.0
Net debt	-14.0	290.7	676.9	641.6	573.8	564.9	554.4
(Net debt / Equity)	*-1.4%*	*27.3%*	*57.1%*	*46.5%*	*40.8%*	*41.5%*	*42.3%*
(Net debt / EBITDA)	0.0	1.0	3.1	1.6	1.2	1.1	1.0
BVPS	19.6	21.3	23.7	27.6	28.1	27.2	26.2

Cash Flows

(PLN m)	2007	2008	2009	2010F	2011F	2012F	2013F
Cash flows from Operating Activities	**328.8**	**403.6**	**177.4**	**276.5**	**421.6**	**473.2**	**492.2**
Net income	246.2	141.2	71.4	195.7	279.0	318.2	331.7
D&A expenses	104.3	110.8	118.3	171.3	170.3	166.7	163.5
Working capital	-21.8	151.6	-12.3	-90.6	-27.7	-11.7	-3.0
Cash flows from investing activities	**-81.3**	**-688.8**	**-554.2**	**-241.2**	**-99.3**	**-101.5**	**-99.9**
CAPEX	-81.3	-690.8	-554.9	-241.2	-99.3	-101.5	-99.9
Cash flows from financing activities	**-247.7**	**238.4**	**391.9**	**-24.3**	**-307.4**	**-412.8**	**-381.8**
Debt	-3.6	257.9	401.3	-24.3	-53.0	-50.0	0.0
Dividends/share buy-back	-270.0	0.0	0.0	0.0	-254.4	-362.8	-381.8
Other	25.9	-19.5	-9.4	0.0	0.0	0.0	0.0
Change in cash	**-0.1**	**-46.8**	**15.2**	**10.9**	**14.9**	**-41.1**	**10.5**
Cash at end of period	62.1	15.4	30.5	41.4	56.2	15.1	25.6
DPS (PLN)	5.4	0.0	0.0	0.0	5.1	7.3	7.6
FCF	240.9	-146.1	-353.5	66.3	351.5	399.2	419.3
(CAPEX / Sales)	*5.4%*	*49.1%*	*40.8%*	*13.4%*	*5.0%*	*5.0%*	*5.0%*

Multiples

	2007	2008	2009	2010F	2011F	2012F	2013F
P/E	14.9	26.0	51.4	18.8	13.2	11.5	11.1
P/CE	10.5	14.6	19.3	10.0	8.2	7.6	7.4
P/BV	3.7	3.4	3.1	2.7	2.6	2.7	2.8
P/S	2.4	2.6	2.7	2.0	1.8	1.8	1.8
FCF/EV	*6.6%*	*-3.7%*	*-8.1%*	*1.5%*	*8.3%*	*9.4%*	*0.0%*
EV/EBITDA	9.1	13.0	19.9	10.4	8.6	8.0	7.9
EV/EBIT	12.4	20.3	43.6	17.8	13.1	11.8	11.3
EV/S	2.4	2.8	3.2	2.4	2.1	2.1	2.1
DYield	*7.4%*	*0.0%*	*0.0%*	*0.0%*	*6.9%*	*9.9%*	*10.4%*
Price (PLN)	**73.4**						
Shares at year-end (millions)	50.0	50.0	50.0	50.0	50.0	50.0	51.0
MC (PLN m)	3670.0	3670.0	3670.0	3670.0	3670.0	3670.0	3670.0
Equity attributable to minority shareholders (PLN m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV (PLN m)	3 656.0	3 960.7	4 346.9	4 311.6	4 243.8	4 234.9	4 224.4

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

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Rating	Hold
Rating date	2009-09-03
Price on rating day	51.00
WIG on rating day	35784.36