



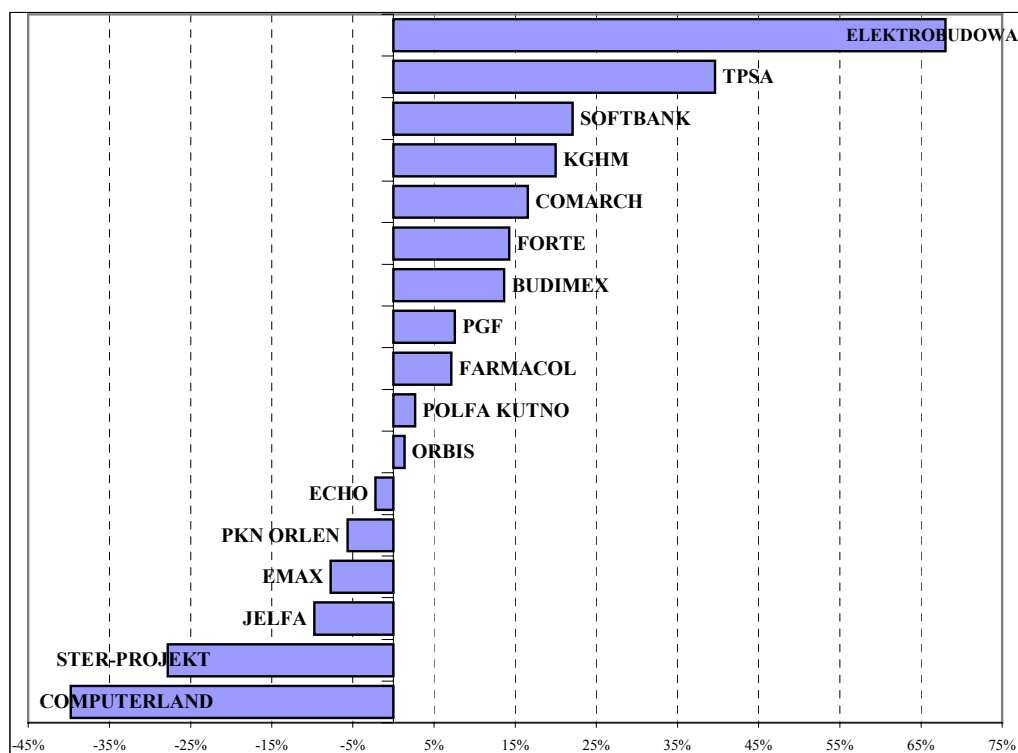
# Forecasts of Quarterly Results

## I Quarter 2004

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Prospective dynamics of EPS for selected stock exchange-listed companies (2Q'03-1Q'04 / 1Q'03-4Q'03)



### Analysts:

Tomasz Mazurczak  
Investment Advisor  
[Tomasz.Mazurczak@breinvest.com.pl](mailto:Tomasz.Mazurczak@breinvest.com.pl)  
tel. (22) 697-47-35

Hanna Kędziora  
[Hanna.Kedziora@breinvest.com.pl](mailto:Hanna.Kedziora@breinvest.com.pl)  
tel. (22) 697-47-37

Michał Marczak  
[Michal.Marczak@breinvest.com.pl](mailto:Michal.Marczak@breinvest.com.pl)  
tel. (22) 697-47-38

Andrzej Powierża  
Investment Advisor  
[Andrzej.Powierza@breinvest.com.pl](mailto:Andrzej.Powierza@breinvest.com.pl)  
tel. (22) 697-47-41

Witold Samborski  
Securities Broker  
[Witold.Samborski@breinvest.com.pl](mailto:Witold.Samborski@breinvest.com.pl)  
tel. (22) 697-47-36

Przemysław Smoliński  
[Przemyslaw.Smolinski@breinvest.com.pl](mailto:Przemyslaw.Smolinski@breinvest.com.pl)  
tel. (22) 697-49-64

Dorota Puchlew  
[Dorota.Puchlew@breinvest.com.pl](mailto:Dorota.Puchlew@breinvest.com.pl)  
tel. (22) 697-47-41

Dom Inwestycyjny BRE  
Banku S.A.  
ul. Wspólna 47/49  
00-950 Warszawa  
skr. pocztowa 21  
tel. (22) 697 47 41  
fax. (22) 697 47 43

[www.brebrokers.com.pl](http://www.brebrokers.com.pl)

Increasing pressure to reduce revenues in fixed-line telephony appeared in 1Q, which questions the reality of TPSA's management board forecast for this year concerning revenue growth (3-5%). However, we do expect a decided improvement in the net result in relation to the analogous period of the previous year. The 1Q 2003 result is encumbered with a loss on exchange differences amounting to PLN 538 mn.

We expect good results from both Comarch and Softbank in 1Q 2004, while the results of Computerland, Emax and Ster-Projekt are expected to be weaker than those reported one year ago. The expected results of IT companies are weak relative to our optimistic expectations for the sector during the entire year. This is partly due to the fact that we are comparing them with 1Q 2003 results, which were exceptionally good for several IT firms.

According to our estimates, Budimex and Elektrobudowa will see an improvement in results for the first quarter. Echo's results will be similar to those noted last year. Significant movement in the construction sector is not expected until 2005, but construction companies should note an increase in the level of orders this year.

1Q may not be a good quarter for pharmaceutical manufacturers who are noting a seasonal decline in sales. However, due to the considerable interest in the shares of Polfa and Jelfa from potential sector investors, the influence of poor results on stock prices should be marginal.



## FORECASTS OF QUARTERLY RESULTS

## PHARMACEUTICALS

The value of sales on the pharmaceutical market in the first quarter of this year was similar to that noted last year. At present, forecast calling for an approximate 10% growth in the market appear unrealistic. We believe growth in the area of 5-6% is more likely. However, sales, which are currently sluggish due to changes in refund lists introduced at the end of 2003, could pick up at the end of this year

The first quarter of the year is usually better for pharmaceutical distributors than for manufacturers. This is due to the fact that at the end of the year distributors sell greater volumes of products employing higher rebates and bonus, while in 1Q they sell out accumulated inventories.

We expect both PGF and Farmacol to note an improvement in sales revenues relative to the first quarter of the previous year, while we forecast a somewhat higher dynamic for PGF, which is consolidating Cefarm Kraków (not applicable in 1Q 2003). We expect very good net results for both companies (PLN 15 mn for PGF and PLN 12 mn for Farmacol). We have also decided to present year-end forecasts for both companies.

On the other hand, the performance of pharmaceutical manufacturers is weaker, particularly in relation to 4Q 2003. Polfa's revenues will grow due to the sales of Ceclor and Furaginum, which were not present in the company's portfolio at the beginning of 2003. Jelfa, however, could note a slight drop in revenues. Profits of both companies are unimpressive (Polfa – PLN 1.4 mn, Jelfa – PLN 2 mn), while with Jelfa this profit results in part from obtaining revenues from the valuation of financial instruments. These results are weak, but in line with budgets. Our forecasts for year-end results remain unchanged for both companies and are presented below.

**PGF (Accumulate)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	922.8	882.8	4.5%	3 947.3	3 568.7	10.6%
Operating profit	21.9	19.3	13.3%	73.4	73.4	0.0%
Gross profit (loss)	19.9	16.0	24.0%	63.7	64.7	-1.6%
Net profit (loss)	15.0	12.2	23.3%	50.0	36.8	35.8%

**Farmacol (Accumulate)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	717.9	697.0	3.0%	3 209.1	2 717.8	18.1%
Operating profit	16.4	14.7	11.6%	69.9	58.6	19.2%
Gross profit (loss)	16.1	13.7	17.4%	71.3	60.8	17.2%
Net profit (loss)	12.2	9.3	31.3%	53.2	39.1	36.0%

**Polfa Kutno (Accumulate)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	43.0	33.6	28.0%	280.0	245.1	14.2%
Operating profit	3.0	2.5	18.1%	52.0	47.7	9.0%
Gross profit (loss)	1.7	1.1	59.6%	49.0	41.9	16.9%
Net profit (loss)	1.4	0.6	131.4%	39.7	30.5	30.0%

**Jelfa (Hold)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	50.6	52.6	-3.8%	271.0	253.6	6.8%
Operating profit	2.9	6.3	-53.6%	14.6	30.2	-51.7%
Gross profit (loss)	2.4	5.3	-53.8%	12.8	29.5	-56.5%
Net profit (loss)	2.0	4.1	-52.0%	10.4	21.7	-52.0%

**MEDIA****Agora (Reduce)**

(PLN mn)	1Q 2004	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	212.9	198.6	7.2%	882.7	853.5	3.4%
Operating profit	4.1	4.6	-10.2%	19.7	17.3	13.6%
Gross profit (loss)	0.8	-2.9	-125.8%	4.9	-5.0	-198.5%
Net profit (loss)	0.1	-4.8	-101.1%	1.4	2.1	-33.9%

*Consolidated data*

In the first quarter of this year we expect a more than 7% growth in the company's consolidated revenues. This growth will be the result of our expectation of an improvement in the situation on the outdoor and radio advertising markets. In these segments, we expect the company's revenues to grow 19% and 31% respectively. Such significant growth is due not only to the growth of the advertising market, but also to restructuring activities within the framework of the mentioned segments (optimisation of media, centralised sales of broadcast time). In the case of Gazeta Wyborcza, we expect revenues from classified ads to grow 3%. In our opinion, the first quarter of the year will not have a significant influence on reducing Gazeta's position on the advertising market. Fakt's high level of readership in February and March will not translate into advertising contracts until 2Q and 3Q.

The creation of reserves for employee severance packages (approximately PLN 7 mn) will be a factor that has a negative influence on the company's 1Q results.

**TELECOMMUNICATIONS****TPSA (Hold)**

(PLN mn)	1Q 2004	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	4 559.5	4 480.8	1.8%	18 409.0	18 288.0	0.7%
Operating profit	925.6	935.8	-1.1%	3 429.0	3 029.0	13.2%
Gross profit (loss)	605.6	156.8	286.2%	2 511.0	1 478.0	69.9%
Net profit (loss)	490.5	121.8	302.7%	1 873.0	960.0	95.1%

*Consolidated data*

In terms of sales revenues, we do not expect 1Q 2004 to bring a reversal of current trends. In connection with shrinking market share and lower calling prices, we expect a 10% decline in revenues from fixed-line calls. The company will be negatively impacted by the decline in telecom traffic due to the increased number of clients (approximately 300 thous.), who in 4Q decided to take advantage of Tele2's services. According to assurances of the company, this process slowed down in February and March. Lower fixed-line telephony revenues will be amortised due to mobile telephony, which should achieve an approximate 25% dynamics of revenue growth according to our forecast (e.g., due to the low base in 1Q 2003). In the second half of the year we expect a significant slowdown in Centertel's dynamics of revenue growth (below 12%). The first quarter of 2004 should also bring a decided improvement in the case of sales of broadband access to the Internet (ADSL). After overcoming numerous technical problems limiting sales, we expect the number of Neostrada users to grow at the end of March to 204 thous. (i.e., 70 thous. more than at the end of 2003).

For TPSA, the first quarter of the year is usually characterised by a high EBITDA margin. In 1Q 2003 this margin was 45%. In connection with the increasing competition in fixed-line and mobile telephony, we expect the margin to be 43.5% in 1Q 2004, which gives an EBIT result of PLN 926 mn, including amortisation.

The gross and net result, almost three-times higher in relation to the analogous period of the previous year, results from lower financial costs. The 1Q 2003 result is encumbered with a loss on exchange differences of PLN 538 mn. In the initial months of this year zloty fluctuations relative to the EUR and USD were much smaller than a year ago, which in combination with a more than 90% level of hedging against the exchange risk practically eliminates the impact of the exchange rate differences on the company's results.



## BRE Bank Securities

### Netia (Hold)

(PLN mn)	1Q 2004	1Q 2003	Dynamics	2004F*	2003	Dynamics
Sales revenues	209.0	161.3	29.6%	772.7	704.5	9.7%
Operating profit	-5.0	-25.5	-80.4%	35.5	-840.1	-104.2%
Gross profit (loss)	-3.5	-80.0	-95.6%	35.2	-728.8	-104.8%
Net profit (loss)	-3.5	-80.3	-95.6%	25.7	-729.1	-103.5%

\* forecast does not include the takeover of El-Net  
Consolidated data

Since February of this year Netia has consolidated the results of El-Net. The company, which was acquired in January 2003, will have an important influence on the dynamics of revenue growth shown in the quarterly report. The forecast presented above is based on our estimates concerning the quarterly results of El-Net, which have not been published (lack of reference to historical data). Our estimate of an almost 30% growth in revenues is also due to including the results of TDC Internet in consolidation (since 2Q 2003). It should be pointed out that the influence of El-Net's consolidation involves only the first two months of the quarter.

On the level of the operating result, we expect the company to generate an EBITDA of PLN 62 mn, which implies a margin of 29% (i.e., analogous to that achieved in 1Q of the previous year). We also expect effects of synergy connected with the acquisition of El-Net and a reduction in operating costs to appear in the second half of the year. Results from 1Q 2004 could be encumbered with extraordinary costs connected with the transaction involving the acquisition of El-Net. Moreover, the considerable unpredictability of the company's consolidated results is due to possible accounting changes (among others, reducing asset amortisation rates).

## INFORMATION TECHNOLOGY

### Comarch (Reduce)

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	43.0	36.3	18%	300.0	258.0	16%
Operating profit	3.0	2.2	36%	15.6	15.1	3%
Gross profit (loss)	2.0	2.3	-13%	15.9	12.1	31%
Net profit (loss)	1.5	0.6	150%	14.2	10.9	30%

Consolidated data excluding Interia

### Comarch

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	43.0	36.3	18%	300.0	258.0	16%
Operating profit	3.0	2.2	36%	15.6	15.1	3%
Gross profit (loss)	2.0	2.3	-13%	15.9	12.1	31%
Net profit (loss)	1.5	0.2	874%	13.2	9.2	43%

Consolidated data including Interia

We expect Comarch's 1Q sales to be higher than those noted one year ago as well as profits to be higher. Comarch is increasing its share in the domestic market of management support software as well as effectively developing export sales. Interia's losses are declining (according to the company's initial estimates, the market of internet advertising grew 40% in 1Q), and the profit-generating Comarch CDN has been fully consolidated by Comarch since 1Q 2004 (against 60% one year ago).

Comarch's unconsolidated results in 1Q 2004 could be lower than those noted last year due to the lack of extraordinary events in 2004 generating a net profit, such as those that occurred in 2003 (e.g., the release of a reserve for the loss in value of Interia's shares), which provided an additional PLN 1.2 mn to unconsolidated net profit in 1Q 2003.

On the other hand, the result of CDN, whose sales have grown respectfully in recent quarters, improved. Interia, noting a growth in Internet advertising and e-commerce should also obtain a smaller loss than that reported last year. A very positive phenomenon is Interia obtaining the exclusive right to conduct a pilot venture in Poland in the field of e-commerce: the sale of album by the rock group Perfect on the Internet before it was available on CD in February. Interia wants to develop this type of activity.

**ComputerLand (Reduce)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	105.0	92.4	14%	550.0	522.3	5%
Operating profit	-0.6	1.2		24.6	27.3	-10%
Gross profit (loss)	-2.6	2.2		16.6	19.0	-13%
Net profit (loss)	-2.6	2.2		10.5	12.1	-13%

*Unconsolidated data*

We expect Computerland to note an improvement in sales and a decline in extraordinary profits in 1Q 2004. The high level of orders at the beginning of the year probably translated into higher sales, but we believe that the average gross margin achieved by the company for the year will be somewhat lower than in 2003 due to the lack of large, high-margin contracts with banks. We assume a growth in sales for the first quarter, but gross margins will be levels forecast by us for the entire year.

**Emax (Hold)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	30.0	34.3	-13%	257.0	223.0	15%
Operating profit	0.3	2.5	-88%	28.0	24.8	13%
Gross profit (loss)	-1.2	0.6		24.0	17.3	39%
Net profit (loss)	-1.2	-0.4		18.5	10.5	76%

*Consolidated data*

The absence in 1Q 2004 of a large contract from the previous year, the realisation of which extended to the subsequent year, as occurred last year, is the basis for our forecast of Emax's results. We expect lower sales and lower profits, also due to the lower share of services in the company's sales.

Despite our forecast of unimpressive results in 1Q, we are not changing the end-year forecast for Emax. The first quarter has not been a particularly good quarter for the company in previous years, with the exception of 2003.

**Prokom (Hold)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	250.0	218.0	15%	1135.0	872.3	30%
Operating profit	21.0	18.4	14%	163.4	95.9	70%
Gross profit (loss)	21.0	24.3	-14%	189.7	118.0	61%
Net profit (loss)	15.0	18.2	-18%	153.7	107.3	43%

*Unconsolidated data excluding a PLN 105 mn reserve for Prokom Internet in 2003*

We forecast an improvement in Prokom's unconsolidated results on the level of sales and operating profit as well as a worsening with respect to gross and net profit. Prokom had a good portfolio at the beginning of the year, which should be reflected in 1Q sales. For purposes of simplification, we assume that the level of gross margins and administrative costs is the same as that expected for the entire year.

**Softbank (Sell)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	100.0	99.5	1%	482.0	345.0	40%
Operating profit	4.8	0.4	1100%	18.1	13.0	39%
Gross profit (loss)	2.8	2.7	4%	11.2	12.2	-8%
Net profit (loss)	2.5	1.1	127%	11.2	4.1	173%

*Consolidated data*

We expect Softbank's results for 1Q to be significantly better than one year ago. Profits should improve with the level of sales remaining unchanged due to a considerable improvement in the structure of the company's sales (in 1Q 2003, a low-margin contract for the delivery of equipment to the Agency for the Restructuring and Modernisation of Agriculture had a large share in sales). In 2004, equipment did not have such a large share and therefore we expect higher average margins.



## BRE Bank Securities

While according to our estimates the operating results should be better than one year ago, pre-tax profit will be practically the same as that noted in 2003. The reason is the absence of a factor in 2004 that would have an equally positive impact on gross profit as last year's release of a reserve for the option of president Lesz (providing a PLN 3.9 mn pre-tax profit in 1Q 2003).

Our year-end forecast for Softbank will require an adjustment following the decision of the Ministry of Interior and Administration concerning limiting this year's budget for the Central Register of Vehicles and Drivers (CEPiK) and concerning delays in building the IT network for the needs of the CEPiK system. As a result, our forecast of Softbank generating PLN 110 mn from CEPiK and projects connected with it now seems unrealistic.

### **Ster-Projekt (Accumulate)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	75.0	119.3	-37%	477.5	328.2	45%
Operating profit	-1.0	3.3		21.5	10.4	107%
Gross profit (loss)	-1.5	2.3		23.7	10.0	137%
Net profit (loss)	-1.5	0.9		19.2	8.8	118%

*Consolidated data*

We estimate that Ster-Projekt will generate lower results in 1Q 2004 than those reported the previous year, in virtually every item from sales to net profit. The reason is the absence of a high-margin contract in 1Q 2004, such as the contract in 1Q 2003 for building a data processing centre for TPSA. A second contract, for building a subsequent centre for TPSA, was to be signed at the end of 2003, but has still yet to be signed. According to press speculation Ster-Projekt has already been selected by TPSA as the contractor and the contract should be signed no later than mid-May, but its realisation will be delayed. The signing of a contract to build a system for the police, financed by PZU, has also been delayed and as a result a smaller than previously expected portion of this contract was booked in 1Q.

Primarily for these reasons, we expect Ster-Projekt to show seasonality of sales and profits in 2004 similar to that shown in previous years (excluding 2003) – with losses for the first three quarters and a profit in 4Q.

The management board of Ster-Projekt proposed a change in the principles of the incentive programme for the management board and key personnel to the General Meeting of Shareholders. The change consists in replacing the condition of awarding the president and other people shares issued for PLN 1.0 each (growth in consolidated operating profit), with the condition that Ster-Projekt acquires control over another IT firm (DRQ) – a condition already met. Therefore, the option, which was not utilised in 2003, is carried over to 2004. In our opinion, the proposed method of changing the incentive programme (replacing a condition that was not met in 2003 with a condition that has already been met) contravenes the goal of the incentive programme, which should consist in motivating individuals covered by it to undertake activities that are favourable for shareholders, and in particular increasing the company's market value. In its proposed form, this programme essentially means unconditionally awarding shares for a low price.

## **CONSTRUCTION**

### **Budimex (Accumulate)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	370.0	399.7	-7%	2200.0	2146.9	2%
Operating profit	-2.3	-7.5		25.0	-15.3	
Gross profit (loss)	-6.0	-15.2		25.0	-10.5	
Net profit (loss)	-10.0	-16.4		10.0	-38.3	

*Consolidated data excluding profit from the sale of the office building*

In terms of sales, we expect the first quarter of 2004 to be weaker for Budimex than the first quarter of 2003. The Budimex Group began 2004 with a smaller order portfolio than it had at the beginning of 2003 and, according to CSO data, the Polish market of construction-assembly services shrank 4.3% in the first quarter. The company continues to consider the situation on the construction-assembly market difficult, similar to the situation in 2003.



## BRE Bank Securities

In our opinion, Budimex's losses in 1Q should be smaller than one year ago due to reduced operating costs as well as the increased level of cash, particularly after the sale of the office building. Despite the ordinary-appearing first quarter we remain optimistic regarding changes in Budimex's situation in 2004. The company is participating in road construction tenders (its bids were the lowest in tenders for 2 of 5 sections of the A2 expressway), receiving a considerable number of job offers, and the order portfolio following 1Q increased to more than PLN 2.1 bn. Construction on the terminal at Okęcie has begun and Budimex expects tenders to begin shortly for the roads and rail line that will connect the new airport terminal in Warsaw with the city centre.

### Echo (Suspended)

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	65.0	63.0	3%	320.0	312.2	2%
Operating profit	16.3	16.4	-1%	80.0	77.8	3%
Gross profit (loss)	8.8	11.1	-21%	50.0	43.2	16%
Net profit (loss)	6.8	7.4	-8%	39.0	28.4	37%

*Consolidated data*

On the level of sales, we expect Echo's results to be slightly better than those noted one year ago. Revenue from leasing commercial and office space increased, according to the company's initial estimates, while sales of apartments remained flat in relation to one year ago. We expect operating profit will remain virtually unchanged and gross and net profit will be somewhat lower than one year ago due to Echo's increased level of debt following the completion of a major investment in Szczecin.

### Elektrobudowa (Accumulate)

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	47.0	40.5	16%	260.0	228.8	14%
Operating profit	-1.0	-3.2		8.6	8.0	8%
Gross profit (loss)	-2.0	-4.1		7.3	5.0	46%
Net profit (loss)	-2.0	-4.1		5.2	3.1	68%

*Non-consolidated data*

We expect Elektrobudowa's 1Q 2004 results to be an improvement over results noted in 1Q 2003. The company should generate higher sales than those reported one year ago (the order portfolio at the beginning of the year was record high), while operating costs in 2004 will be lower than last year. Therefore, we expect the company's losses to decline.

## OTHER COMPANIES

### Forte (Buy)

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	86.4	79.3	9.0%	477.5	348.4	37.1%
Operating profit	5.8	4.7	23.4%	29.7	25.3	17.4%
Gross profit (loss)	5.0	2.7	83.5%	27.9	19.4	44.1%
Net profit (loss)	4.0	1.5	165.0%	22.7	12.6	80.6%

Furniture manufacturers characteristically note low sales in 1Q in comparison with excellent results generated in the final quarter of the year. Nevertheless, due to the somewhat better situation on the domestic market (which remains relatively weak in relation to Western European markets) as well as a higher EUR exchange rate in comparison to 1Q 2003, sales are growing in the Group as is Forte's profitability, due to expanding production capacity and restructuring. We expect Forte Group's sales revenues to be approximately 9% higher in relation to the analogous period of the previous year. Forte will note higher dynamics on lower levels of the profit and loss account. Net profit should total about PLN 4 mn, corresponding to a 165% dynamic of growth. Our full-year forecast (PLN 22.7 mn) includes the consolidation of Furnel, which should begin in May.



## BRE Bank Securities

### Hoop (Accumulate)

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	70.0	58.8	19%	429.6	351.6	22%
Operating profit	-1.4	2.1		24.3	20.0	22%
Gross profit (loss)	-4.4	0.7		12.0	3.4	249%
Net profit (loss)	-4.4	1.1		11.4	5.0	128%

*Consolidated data excluding Megapak*

We expect Hoop's results in 1Q to be worse than those noted last year. Following the first two months of the year, the company announced a substantial 20% growth in sales, but simultaneously stated at that time that margins were lower than last year. Therefore, we believe Hoop's revenues in 1Q grew, but profits fell. The influence of Megapak's consolidation, beginning in 1Q, on consolidated results is not known to us. Due to the lack of confirmed information concerning Megapak's historical results, we have not included the company in our forecast. The 1Q report should at least partly explain what impact Megapak will have on results.

AC Nielsen data concerning the Polish beverage market following the first two months of the year is not very optimistic for Hoop. In comparison with 4Q 2003, Hoop's share in the market of carbonated beverages (the most important for the company) improved (from approximately 8.7% in 4Q to about 9.0% in January and February). The company's share on the Polish market of non-carbonated beverages slipped somewhat from approximately 16.6% in 4Q 2003 to about 16.0% in the first two months of 2004. In addition, Hoop's share in the market of mineral waters was slightly lower in January and February relative to the previous quarter (5.8% against 6.6%). In the latter case, a slow decline in Hoop's market share has been clearly visible since the company ended an intensive advertising campaign in the fall of 2003.

### KGHM

(PLN mn)	1Q 2004	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	1 442.3	1 125.7	28.1%	6 552.0	4 740.8	38.2%
Operating profit	274.8	91.5	200.3%	1 798.0	357.9	402.3%
Gross profit (loss)	276.7	170.0	62.8%	1 246.0	569.3	118.9%
Net profit (loss)	217.5	135.3	60.8%	1 004.0	411.6	144.0%

*Non-consolidated data*

The average price of copper in 1Q 2004 was 2 700 USD/t, and silver 236 USD/kg, or respectively 31% (+630 USD/t) and 26% more than in 4Q 2003 and 61% and 43% higher than in 1Q 2003. These factors are largely the reason for the company's dynamic growth in sales and EBIT. We expect the production cost of copper per unit to fall to PLN 5 740 per tonne (i.e., 4.6% less than in the analogous period of the previous year). Such a strong reduction in the cost per unit largely results from the high prices of silver used to calculate it, and not from restructuring activities.

The change in the methodology of booking transactions hedging the price of the metal and connected with its actual delivery will be an important factor influencing the presentation of the company's results. To date, the company has shown realised losses or profits on these transactions in the items financial costs and financial revenues. The change in methodology consists in transferring the result on hedging transactions from the company's financial activity to revenues. In other words, KGHM will not book the actual price received for the metal in sales revenues, but the price reduced or increased by the influence of the hedging transaction connected with the delivery of the metal. This will translate into lower revenues and result on operating activity, but have no influence on the net result.

In the forecast for 1Q, we assumed that the loss on hedging transactions will total PLN 200 mn, which will lower the operating result. Our full-year forecast employs the old methodology. Following the publication of quarterly results we will make the appropriate adjustments.

**Orbis**

(PLN mn)	1Q 2004	1Q 2003	Dynamics	2004F*	2003	Dynamics
Sales revenues	169.0	149.0	13.4%	804.0	819.0	-1.8%
Operating profit	-7.0	-14.0	-	52.7	53.8	-2.0%
Gross profit (loss)	-10.0	-12.2	-	50.6	67.4	-24.9%
Net profit (loss)	-10.0	-10.6	-	42.2	45.2	-6.7%

\* excluding Hekon hotels

Consolidated data

The consolidated results of Orbis for the first quarter of the year will include the result achieved by the Hekon hotels, resulting in the Group's dynamic of revenue growth increasing more than 13%. In 1Q, we expect that, due to economic recovery and the growing number of tourists from the EU (mainly from Germany), and despite stronger competition, Orbis' sold roomnights will grow 3% in relation to 1Q 2003, when they totalled 269 thous. We also assume the Hekon hotels will add an additional 52 thous. sold roomnights. Increasing competition, particularly in Warsaw and Kraków, will continue to exert a negative influence on prices of rooms. Considering the positive influence of a strong Euro (with respect to incoming tourists, average euro price = 4.78 vs. 4.19 in 1Q 2003) on revenues, we assume that ADR will remain on the level noted in 1Q 2003, which means that in EUR it will fall 12%.

The company's strong point to date in published results has been the rate at which it has lowered operating costs, achieved mainly through reducing employment. This influence will also be felt in 1Q 2004, which should result in a smaller loss on the operating level than the loss noted in 1Q 2003. Increased financial costs resulting from the debt incurred by the company in order to finance the Hekon takeover will have a negative influence on the company's net result.

**PKN Orlen (Accumulate)**

(PLN mn)	1Q 2004F	1Q 2003	Dynamics	2004F	2003	Dynamics
Sales revenues	8 615	6 980	23.4%	34 299	33 721	1.7%
Operating profit	442	599	-26.1%	1 087	1 366	-20.4%
Gross profit (loss)	377	513	-26.5%	1 091	1 313	-16.9%
Net profit (loss)	306	367	-16.6%	879	1 069	-17.7%

On the level of sales, we expect the PKN Orlen group to note a dynamic exceeding 20%, resulting from the consolidation of activity conducted in Germany during the entire quarter. Nevertheless, we expect losses to be noted on lower levels, which is connected with the fact that in 1Q 2003 the difference in the valuation of the contribution transferred to Basell Orlen Polyolefins Sp. z o.o., amounting to PLN 112 mn and booked in other operating revenues, had a positive influence on the concern's results. We included the dividend from Polkomtel, which was higher than last year (PLN 68 mn versus PLN 46 mn), in results. A net profit exceeding PLN 300 mn should be considered an excellent result. Following the publication of official results by the concern we will consider adjusting our full-year forecast.



Publication dates for 1Q and 1H 2004 reports

Company	Publication date of 1Q non-consolidated report	Publication date of 1Q consolidated report	Publication date of 1H report
7 BULLS		17.05.04	28.10.04
AGORA		13.05.04	30.09.04
AMICA	04.05.04	14.05.04	29.10.04
BUDIMEX		13.05.04	30.09.04
CERSANIT		17.05.04	
COMARCH	05.05.04	17.05.04	29.10.04
COMPUTERLAND		17.05.04	30.09.04
CSS	14.05.04	14.05.04	30.09.04
DĘBICA	30.04.04		30.09.04
ECHO INVESTMENT		14.05.04	29.10.04
ELEKTRIM	05.05.04	17.05.04	29.10.04
FARMACOL	17.05.04	17.05.03	29.10.04
GETIN	05.05.04		30.09.04
GROCLIN	13.05.04	13.05.04	23.09.04
GRUPA ONET	17.05.04	17.05.04	16.08.04
HOOP		14.05.04	30.09.04
IMPEXMETAL	10.05.04	10.05.04	30.09.04
IRENA	05.05.04	17.05.04	29.10.04
JELFA	05.05.04		30.09.04
KGHM	05.05.04	17.05.04	20.10.04
KĘTY		22.04.04	
KRUSZWICA	05.05.04		28.09.04
LENTEX		11.05.04	24.09.04
LPP	17.05.04	17.05.04	30.09.04
MENNICA	05.05.04	14.05.04	29.10.04
MOSTOSTAL ZABRZE	14.05.04	14.05.04	29.10.04
MPEC WROCLAW	05.05.04		
NETIA	13.05.04	13.05.04	13.08.04
OPTIMUS	17.05.04	17.05.04	14.10.04
ORBIS	27.04.04	17.05.04	29.10.04
ORFE		14.05.04	30.09.04
PGF	17.05.04	17.05.04	30.09.04
PKN ORLEN	14.05.04	14.05.04	30.09.04
POLFA KUTNO	05.05.04		
POLIFARB CW		14.05.04	30.09.04
PROKOM		13.05.04	30.09.04
PROSPER		17.05.04	02.11.04
RAFAKO	28.04.04	30.04.04	31.08.04
SOFTBANK		11.05.04	17.09.04
STER PROJEKT	05.05.04	17.05.04	02.11.04
STOMIL OLSZTYN	30.04.04		30.09.04
ŚWIECIE	20.04.04		21.09.04
TPSA		14.05.04	30.08.04
TRAS TYCHY	05.05.04	14.05.04	29.10.04
ŻYWIEC	14.05.04	14.05.04	08.09.04



## Department of Institutional Sales and Analysis:

Tomasz Mazurczak tel. (+48 22) 697 47 35  
Director  
[Tomasz.Mazurczak@breinwest.com.pl](mailto:Tomasz.Mazurczak@breinwest.com.pl)  
Strategic analysis

Grzegorz Domagała tel. (+48 22) 697 48 03  
Deputy Director  
[Grzegorz.Domagala@breinwest.com.pl](mailto:Grzegorz.Domagala@breinwest.com.pl)

## Sales:

Michał Skowroński tel. (+48 22) 697 49 68  
[Michal.Skowronski@breinwest.com.pl](mailto:Michal.Skowronski@breinwest.com.pl)  
Emil Onyszczuk tel. (+48 22) 697 49 63  
[Emil.Onyszczuk@breinwest.com.pl](mailto:Emil.Onyszczuk@breinwest.com.pl)  
Marzena Lempicka tel. (+48 22) 697 48 95  
[Marzena.Lempicka@breinwest.com.pl](mailto:Marzena.Lempicka@breinwest.com.pl)  
Grzegorz Stepień tel. (+48 22) 697 48 62  
[Grzegorz.Stepien@breinwest.com.pl](mailto:Grzegorz.Stepien@breinwest.com.pl)  
Tomasz Roguwski tel. (+48 22) 697 48 82  
[Tomasz.Roguwski@breinwest.com.pl](mailto:Tomasz.Roguwski@breinwest.com.pl)

*EV – net debt + market value (EV – economic value)*

*EBIT – Earnings Before Interest and Taxes*

*EBITDA – EBIT + Depreciation and Amortisation*

*PBA – Profit on Banking Activity*

*P/CE – price to earnings with amortisation*

*MC/S – market capitalisation to sales*

*EBIT/EV – operating profit to economic value*

*P/E – (Price/Earnings) – price divided by annual net profit per share*

*ROE – (Return on Equity) – annual net profit divided by average equity*

*P/BV – (Price/Book Value) – price divided by book value per share*

*Net debt – credits + debt papers + interest bearing loans – cash and cash equivalents*

*EBITDA margin – EBITDA/Sales*

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*ACCUMULATE – we expect that the rate of return from an investment in a company's shares will be 5%-15% higher than the WIG*

*HOLD – we expect that the rate of return from an investment in a company's shares will be within +/-5% in relation to the WIG*

*REDUCE – we expect that the rate of return from an investment in a company's shares will be 5%-15% lower than the WIG*

*SELL – we expect that the rate of return from an investment in a company's shares will be at least 15% lower in relation to the WIG*

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*Multiple – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.*

## Analysts:

Hanna Kędziora tel. (+48 22) 697 47 37  
[Hanna.Kedziora@breinwest.com.pl](mailto:Hanna.Kedziora@breinwest.com.pl)  
Chemicals, pharmaceuticals, household appliances, foodstuff industry

Michał Marczak tel. (+48 22) 697 47 38  
[Michal.Marczak@breinwest.com.pl](mailto:Michal.Marczak@breinwest.com.pl)  
Telecommunications, raw materials, metals, media

Andrzej Powierża tel. (+48 22) 697 47 42  
[Andrzej.Powierza@breinwest.com.pl](mailto:Andrzej.Powierza@breinwest.com.pl)  
Banks, insurance, others

Witold Samborski tel. (+48 22) 697 47 36  
[Witold.Samborski@breinwest.com.pl](mailto:Witold.Samborski@breinwest.com.pl)  
IT, construction, others

Przemysław Smoliński tel. (+48 22) 697 49 64  
[Przemyslaw.Smolinski@breinwest.com.pl](mailto:Przemyslaw.Smolinski@breinwest.com.pl)  
Assistant Analyst, technical analysis