

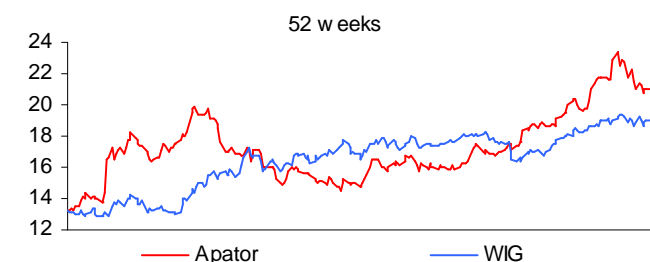
Company Report – Other Utility Services – Poland – May 6, 2010

Apator

 from Accumulate to Reduce

Piotr Lopaciuk, +48 22 330 62 52 piotr.lopaciuk@erstegroup.com

PLN mn	2009	2010e	2011e	2012e
Net sales	367.6	386.6	415.9	445.5
EBITDA	66.1	65.6	70.0	75.2
EBIT	50.9	50.5	54.7	59.7
Net result after min.	30.0	40.0	41.8	46.5
EPS (PLN)	0.85	1.14	1.19	1.32
CEPS (PLN)	1.28	1.57	1.63	1.76
BVPS (PLN)	5.02	5.66	5.99	6.42
Div./share (PLN)	0.50	0.85	0.89	0.99
EV/EBITDA (x)	9.2	11.7	11.1	10.2
P/E (x)	18.7	18.4	17.6	15.8
P/CE (x)	12.5	13.3	12.9	11.9
Dividend Yield	3.2%	4.1%	4.3%	4.7%



Performance	12M	6M	3M	1M
in PLN	58.5%	39.5%	19.5%	-3.6%
in EUR	73.0%	48.3%	21.6%	-7.4%

Share price (PLN)	20.92	Reuters	APOR.WA	Free float	75.5%
Number of shares (mn)	35.1	Bloomberg	APT PW	Shareholders	Apator Mining (18.8%)
Market capitalization (PLN mn / EUR mn)	735 / 184	Div. Ex-date	25/06/09		Mr. Mariusz Lewnicki (5.7%)
Enterprise value (PLN mn / EUR mn)	769 / 192	Target price	20.0	Homepage:	www.apator.com.pl

All systems ready. Business: stable. Valuation: high.

- Since our last report, the stock price of Apator has increased by 45%. This fact significantly changes our view on the company, which we had regarded as an attractively valued defensive stock. At the current ratios, we would prefer a more cyclical stock. We therefore downgrade our recommendation to Reduce and set our target price at PLN 20.0 per share..
- The 2009 results were burdened by FX option losses of PLN 9mn (on the pre-tax level). This year, this effect should be reversed – we expect PLN 4mn in FX gains. Despite these extraordinary profits, we believe that the task of fulfilling the FY10 forecast (assuming PLN 400mn in sales and net profit of PLN 40mn) will not be easy.
- The profitability of Apator should be hindered by the strengthening PLN (we expect export sales to significantly exceed 30% of total sales this year) and increasing cost of materials (copper is 30% more expensive y/y). With the expected recovery in Poland, these problems may be magnified, as Apator is also quite vulnerable to a wage increase (labor costs exceed 30% of total costs).
- Despite the quite stable demand side for Apator's business, there are some significant options for growth for the company. The potential upside could be generated by e.g. success in attaining a greater share in foreign markets. Announcements on the implementation in Poland of remote-read energy meter systems (unfortunately with no deadlines or details) give hope for the development of the segment in the future. In our opinion, this is too little to justify a positive recommendation at the moment.

Investment story

Changes in valuation

Since our last report, we have made several changes to our valuation, which increased the target price from PLN 16 to PLN 20. We have slightly increased our EPS forecast (by 6% for 2010, flat in 2011), due to the quite decent results expected for 1Q10. The risk-free rate has decreased from 6.2% to 5.6%. Additionally, according to the company, the most probable scenario for the 18.8% stake of own shares is now redemption. Earlier, we assumed the sale of these shares, which lowered the value of the stake by the amount due in tax. We also assigned a value of PLN 20mn to the real estate project that could be undertaken in Poznan and/or Torun.

Own shares stake

Subsidiary Apator Mining owns an 18.8% stake in the Apator group. According to recent feedback from the company, the most likely scenario now is the redemption of these shares. Earlier, we assumed the sale of these shares, which lowered the value of the stake by the amount due in tax. We estimate the value of the stake at over PLN 130mn (PLN 3.8 per share) and show this value as non-operating assets in the DCF. The earlier assumption of offering the stake for sale would lower the value of the stake by over 16%. After the recent feedback from the company, we assume either the redemption of the stake or the utilization of these shares in a potential acquisition (not planned and less likely). In both cases, there is no tax burden.

Real estates for sale

The company has two quite attractive pieces of real estate in Poznan and Torun. To unearth their value, the company would have to execute the complicated logistics operation of moving its production capacities. The whole process is not easy to forecast, but with the expected recovery of the real estate market, its execution is increasingly probable. We adjust our model to reflect the rough/conservative average expected value that could be generated by the real estate maneuvers. According to our assumptions, this increases the value of non-core business assets by PLN 20mn (slightly over PLN 0.5 per share).

Core business – stable as always

We see no major changes in the expected core business performance. The company is experiencing the first signs of recovery, especially in foreign markets. On the other hand, negative trends are reappearing in the macro environment. The strengthening PLN in the longer run will be an increasing burden for Apator. The growth in the prices of copper and brass in PLN should amount to about 30% in 2010, which transfers into a cost increase of about PLN 5mn. In mid term, we expect some pressure to reappear on employment costs (Apator is very vulnerable to this factor, as this position exceeds a 30% share in total costs). The potential implementation of remote-read meter systems in Poland is rather a long-term story, which we reflect in the expected strong dynamics of sales of energy meters in 2011-13.

Valuation

We employed a DCF valuation tool to estimate the fair value of the company. The DCF is based on our forecasts for 2010-14. We used a discount rate based on WACC and a terminal value based on perpetuity. The DCF led us to a fair value of PLN 20.0 per share, which in our opinion reflects the value of the firm in a proper way. We downgrade our recommendation from Accumulate to Reduce, indicating that valuation of Apator is quite demanding. We take into consideration that it is rather a defensive stock, while at this moment of the cycle we would rather prefer a more cyclical company. The peer comparison shows that Apator shares are traded with a slight premium to the peers (EV based ratios).

Our estimates are based on the following:

- We assume the redemption of the own share stake or utilization of the stake in a potential (but not planned or assumed) acquisition. This would allow the company to avoid the tax burden. We estimate the value of the stake at slightly over PLN 130mn.
- We assume that an average expected value of PLN 20mn could be realized from the real estate projects in Poznan and/or Torun.
- We assume that the restructuring of subsidiary PoWoGaz will continue.
- We assume the average growth of wages at 5% in 2010-14e.
- We assume the copper price in USD remaining at the current level.
- We assume the average EUR/PLN at the level of 3.9 in 2010 and 3.8 in 2011-14.
- The risk-free rate is set at 5.6%, equity premium at 6% (and 5.7% in perpetuity), debt premium at 2.5% and beta at 1.0 in the forecasted period.

Company Report – Apator

Valuation comparison

	P/E			EV/EBIT			EV/EBITDA		
	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e
Nedap	16.4	11.7		12.9	9.5		8.0	6.6	
Radiall SA	high	71.2		74.9	22.4		10.3	7.7	
Schaffner Holding AG	15.9	9.7	7.8	13	7.9	6.3	9.1	6.1	5.0
Neways Electronics	16.7	8.6		13.7	8.5		8.6	5.9	
Itron	24.9	20.7	16.6	20.3	15.0	10.9	13.5	11.3	9.3
Vaisala Oyj	22.6	17.5	13.7	13.9	10.4	7.8	10.0	8.0	6.5
Phoenix Mecano AG	13.7	11.6	10.4	10.5	8.9	7.8	7.1	6.2	5.5
Median total	16.5	11.6	12.1	13.3	9.2	7.8	8.9	6.4	6.0
Apator	20.5	15.4	14.7	10.1	9.3	8.5	7.8	7.3	6.8
<i>Premium/discount</i>	<i>24%</i>	<i>32%</i>	<i>22%</i>	<i>-24%</i>	<i>2%</i>	<i>9%</i>	<i>-12%</i>	<i>14%</i>	<i>13%</i>
Implied value	18.8	13.9	16.0	22.1	17.3	16.3	19.5	15.7	15.8

Source: Factset, Erste Group Research

*EV adjusted for the value of own shares stake

Company Report – Apator

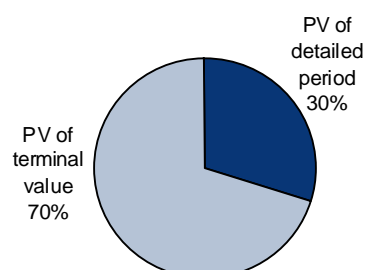
WACC calculation

	2010e	2011e	2012e	2013e	2014e	2015e (TV)
Risk free rate	5.6%	5.6%	5.6%	5.6%	5.6%	5.0%
Equity risk premium	6.0%	6.0%	6.0%	6.0%	6.0%	5.7%
Beta	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	11.6%	11.6%	11.6%	11.6%	11.6%	10.7%
Cost of debt	8.1%	8.1%	8.1%	8.1%	8.1%	7.5%
Effective tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
After-tax cost of debt	6.6%	6.6%	6.6%	6.6%	6.6%	6.1%
Equity weight	85%	83%	86%	89%	88%	85%
WACC	10.8%	10.7%	10.9%	11.0%	11.0%	10.0%

DCF valuation

(PLN mn)	2010e	2011e	2012e	2013e	2014e	2015e (TV)
<i>Sales growth</i>	8.5%	7.6%	7.1%	4.8%	4.8%	1.5%
EBIT	50.5	54.7	59.7	61.6	64.7	65.6
<i>EBIT margin</i>	13.1%	13.1%	13.4%	13.2%	13.2%	13.2%
<i>Tax rate</i>	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Taxes on EBIT	-9.6	-10.4	-11.3	-11.7	-12.3	-12.5
NOPLAT	40.9	44.3	48.4	49.9	52.4	53.2
+ Depreciation	15.1	15.3	15.4	15.6	15.7	15.7
<i>Capital expenditures / Depreciation</i>	108.3%	107.2%	106.2%	105.9%	105.1%	100.0%
+/- Change in working capital	-2.0	-7.3	-7.3	-5.5	-5.7	-1.8
<i>Chg. working capital / chg. Sales</i>	-6.4%	-24.7%	-24.8%	-25.8%	-25.2%	-25.2%
- Capital expenditures	-16.4	-16.4	-16.4	-16.5	-16.5	-16.5
Free cash flow to the firm	37.690	35.912	40.087	43.449	45.904	50.56
<i>Terminal value growth</i>						1.5%
Terminal value						602.5
Discounted free cash flow - Dec 31 2009	34.010	29.266	29.461	28.760	27.381	354.1
Enterprise value - Dec 31 2009	503.0					
Minorities	0.0					
Non-operating assets	153.3					
Net debt	49.0					
Other adjustments	0.0					
Equity value - Dec 31 2009	607.3					
Number of shares outstanding (mn)	35.1					
Cost of equity	11.6%					
12M target price per share (PLN)	20.0					
Current share price (PLN)	20.9					
<i>Up/Downside</i>	-4.2%					

Enterprise value breakdown



Source: Erste Group Research, Factset

Sensitivity (per share)

		Terminal value EBIT margin				
		12.2%	12.7%	13.2%	13.7%	14.2%
WACC	9.0%	20.5	21.1	21.6	22.1	22.7
	9.5%	19.8	20.3	20.8	21.3	21.8
	10.0%	19.1	19.6	20.0	20.5	21.0
	10.5%	18.5	19.0	19.4	19.8	20.3
	11.0%	18.0	18.4	18.8	19.2	19.6
		Terminal value growth				
		0.5%	1.0%	1.5%	2.0%	2.5%
WACC	9.0%	20.0	20.8	21.6	22.5	23.6
	9.5%	19.4	20.0	20.8	21.6	22.5
	10.0%	18.8	19.4	20.0	20.8	21.6
	10.5%	18.3	18.8	19.4	20.0	20.8
	11.0%	17.8	18.3	18.8	19.4	20.0

Company Report – Apator

Income Statement	2007	2008	2009	2010e	2011e	2012e
(IAS, PLN mn, 31/12)	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	31/12/2012
Net sales	311.35	356.19	367.65	386.60	415.94	445.53
Cost of goods sold	-213.42	-237.93	-239.54	-255.83	-273.92	-292.23
Gross profit	97.93	118.26	128.11	130.77	142.02	153.30
SG&A	-56.89	-70.05	-78.69	-80.82	-87.37	-93.58
Other operating revenues	1.78	8.30	1.48	0.55	0.00	0.00
Other operating expenses	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA	55.62	70.46	66.12	65.64	69.95	75.16
Depreciation/amortization	-12.81	-13.94	-15.23	-15.14	-15.30	-15.44
EBIT	42.82	56.51	50.89	50.50	54.65	59.72
Financial result	0.62	-27.48	-11.51	0.77	-2.02	-2.36
Extraordinary result	0.00	0.00	0.00	0.00	0.00	0.00
EBT	43.44	29.03	39.39	51.27	52.64	57.36
Income taxes	-8.77	-5.97	-8.11	-9.74	-10.00	-10.90
Result from discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00
Minorities and cost of hybrid capital	-0.02	-1.73	-1.25	-1.54	-0.84	0.00
Net result after minorities	34.66	21.33	30.03	39.99	41.79	46.46
Balance Sheet	2007	2008	2009	2010e	2011e	2012e
(IAS, PLN mn, 31/12)						
Intangible assets	2.90	41.89	44.08	44.05	55.04	55.02
Tangible assets	72.15	101.87	97.46	98.80	99.91	100.88
Financial assets	8.79	15.30	11.60	11.60	11.60	11.60
Total fixed assets	83.83	159.05	153.13	154.45	166.55	167.51
Inventories	38.41	53.24	54.35	57.45	61.51	65.62
Receivables and other current assets	60.56	76.45	71.40	77.74	83.64	89.59
Other assets	1.50	2.95	3.47	3.47	3.47	3.47
Cash and cash equivalents	11.32	20.60	15.37	5.80	6.24	6.68
Total current assets	111.78	153.24	144.59	144.46	154.86	165.37
TOTAL ASSETS	195.61	312.29	297.72	298.91	321.41	332.87
Shareholders' equity	154.35	161.46	176.28	198.55	210.35	225.47
Minorities	0.08	2.42	3.88	3.88	3.88	3.88
Hybrid capital and other reserves	0.00	0.00	0.00	0.00	0.00	0.00
Pension and other LT personnel accruals	0.00	0.00	0.00	0.00	0.00	0.00
LT provisions	9.41	18.06	17.70	17.70	17.70	17.70
Interest-bearing LT debts	0.02	40.85	27.31	16.33	19.77	16.74
Other LT liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Total long-term liabilities	0.02	40.85	27.31	16.33	19.77	16.74
Interest-bearing ST debts	5.15	50.11	37.05	20.03	24.25	20.53
Other ST liabilities	26.61	39.40	35.51	42.41	45.47	48.56
Total short-term liabilities	31.75	89.19	72.55	62.43	69.70	69.08
TOTAL LIAB. , EQUITY	195.61	312.29	297.72	298.91	321.41	332.87
Cash Flow Statement	2007	2008	2009	2010e	2011e	2012e
(IAS, PLN mn, 31/12)						
Cash flow from operating activities	33.16	53.02	34.58	51.77	52.20	57.29
Cash flow from investing activities	-8.92	-81.86	-19.87	-16.40	-27.40	-16.40
Cash flow from financing activities	-22.90	38.12	-19.93	-44.94	-24.36	-40.45
CHANGE IN CASH , CASH EQU.	1.34	9.28	-5.23	-9.57	0.44	0.44
Margins & Ratios	2007	2008	2009	2010e	2011e	2012e
Sales growth	7.8%	14.4%	3.2%	5.2%	7.6%	7.1%
EBITDA margin	17.9%	19.8%	18.0%	17.0%	16.8%	16.9%
EBIT margin	13.8%	15.9%	13.8%	13.1%	13.1%	13.4%
Net profit margin	11.1%	6.5%	8.5%	10.7%	10.3%	10.4%
ROE	23.6%	13.5%	17.8%	21.3%	20.4%	21.3%
ROCE	22.3%	21.9%	16.2%	16.4%	17.0%	17.7%
Equity ratio	78.9%	52.5%	60.5%	67.7%	66.7%	68.9%
Net debt	-6.1	70.4	49.0	30.6	37.8	30.6
Working capital	78.5	61.1	68.6	78.6	81.7	92.8
Capital employed	157.7	252.3	246.8	250.7	269.7	277.6
Inventory turnover	5.6	5.2	4.5	4.6	4.6	4.6

Source: Company data, Erste Group estimates

Contacts

Group Research

Head of Group Research

Friedrich Mostböck, CEFA +43 (0)5 0100 - 11902

CEE Equity Research

Co-Head: Günther Artner, CFA +43 (0)5 0100 - 11523

Co-Head: Henning Eßkuchen +43 (0)5 0100 - 19634

Günter Hohberger (Banks) +43 (0)5 0100 - 17354

Franz Hörl, CFA (Steel, Construction) +43 (0)5 0100 - 18506

Gernot Jany, CFA (Banks, Real Estate) +43 (0)5 0100 - 11903

Daniel Lion, CIIA (IT) +43 (0)5 0100 - 17420

Christoph Schultes, CIIA (Insurance, Utility) +43 (0)5 0100 - 16314

Thomas Unger, CFA (Oil&Gas) +43 (0)5 0100 - 17344

Vera Sutedja, CFA (Telecom) +43 (0)5 0100 - 11905

Vladimira Urbankova, MBA (Pharma) +43 (0)5 0100 - 17343

Gerald Walek, CFA (Machinery) +43 (0)5 0100 - 16360

International Equities

Hans Engel (Market strategist) +43 (0)5 0100 - 19835

Stephan Lingnau (Europe) +43 (0)5 0100 - 16574

Ronald Stöferle (Asia) +43 (0)5 0100 - 11723

Macro/Fixed Income Research

Head: Gudrun Egger, CEFA (Euroland) +43 (0)5 0100 - 11909

Alihan Karadagoglu (Corporates) +43 (0)5 0100 - 19633

Peter Kaufmann (Corporates) +43 (0)5 0100 - 11183

Rainer Singer (US) +43 (0)5 0100 - 11185

Elena Statelov, CIIA (Corporates) +43 (0)5 0100 - 19641

Mildred Hager (SW, Japan) +43 (0)5 0100 - 17331

Macro/Fixed Income Research CEE

Co-Head CEE: Juraj Kotian (Macro/FI) +43 (0)5 0100 - 17357

Co-Head CEE: Rainer Singer (Macro/FI) +43 (0)5 0100 - 11185

Editor Research CEE

Brett Aarons +420 233 005 904

Research Croatia/Serbia

Head: Mladen Dodig +381 11 22 00 866

Damir Cukman (Equity) +385 62 37 2812

Alen Kovac (Fixed income) +385 62 37 1383

Davor Spoljar (Equity) +385 62 37 2825

Research Czech Republic

Head: David Navrátil (Fixed income) +420 224 995 439

Petr Bartek (Equity) +420 224 995 227

Vaclav Kminek (Media) +420 224 995 289

Jana Krajcova (Fixed income) +420 224 995 232

Radim Kramule (Oil&Gas) +420 224 995 213

Martin Lobotka (Fixed income) +420 224 995 192

Lubos Mokras (Fixed income) +420 224 995 456

Research Hungary

Head: József Miró (Equity) +361 235-5131

Bernadett Papp (Equity) +361 235-5135

Gergely Gabler (Equity) +361 253-5133

Zoltan Arokszállasi (Fixed income) +361 373-2830

Research Poland

Head: Artur Iwanski (Equity) +48 22 330 6253

Magda Zabieglik (Equity) +48 22 330 6250

Tomasz Kasowicz (Equity) +48 22 330 6251

Piotr Lopaciuk (Equity) +48 22 330 6252

Marek Czachor (Equity) +48 22 330 6254

Bianka Madej (Equity) +48 22 330 6260

Research Romania

Head: Lucian Claudiu Anghel +40 21 312 6773

Mihai Caruntu (Equity) +40 21 311 27 54

Dumitru Dulgheru (Fixed income) +40 21 312 6773 1028

Cristian Mladin (Fixed income) +40 21312 6773 1028

Eugen Sinca (Fixed income) +40 21312 6773 1028

Raluca Ungureanu (Equity) +40 21311 2754

Research Slovakia

Head: Juraj Barta, CFA (Fixed income) +421 2 4862 4166

Michal Musak (Fixed income) +421 2 4862 4512

Maria Valachyova (Fixed income) +421 2 4862 4185

Research Ukraine

Head: Victor Stefanyshyn (Fixed Income) +38 044 593 - 1784

Svitlana Bazilevich (Equity) +38 044 593 - 9286

Maryan Zablotskyy (Fixed income) +38 044 593 – 9188

Research Turkey

Head: Erkin Sahinoz (Fixed Income) +90 212 371 2540

Ali Cakiroglu (Fixed Income) +90 212 371 2536

Sadrettin Bagci (Equity) +90 212 371 2537

Can Oztoprak (Equity) +90 212 371 2539

Group Institutional & Retail Sales

Institutional Equity Sales Vienna

Head: Brigitte Zeitlberger-Schmid +43 (0)5 0100 - 83123

Cash Equity Sales

Hind Al Jassani +43 (0)5 0100 - 83111

Werner Fuerst +43 (0)5 0100 - 83121

Josef Kerekes +43 (0)5 0100 - 83125

Cormac Lyden +43 (0)5 0100 - 83127

Neil Owen +43 (0)5 0100 - 83114

Stefan Raidl +43 (0)5 0100 - 83113

Simone Rentschler +43 (0)5 0100 - 83124

Derivative Sales

Christian Luig +43 (0)5 0100 - 83181

Manuel Kessler +43 (0)5 0100 - 83182

Sabine Kircher +43 (0)5 0100 - 83161

Christian Klukovich +43 (0)5 0100 - 83162

Armin Pflingstl +43 (0)5 0100 - 83171

Roman Rafeiner +43 (0)5 0100 - 83172

Institutional Equity Sales London

Head: Michal Rizek +44 20 7623 - 4154

Dieter Benesch +44 20 7623 - 4154

Tatyana Dachyshyn +44 20 7623 - 4154

Declan Wooloughan +44 20 7623 - 4154

Institutional Equity Sales Croatia

Zeljka Kajkut (Equity) +38 562 37 28 11

Damir Eror (Equity) +38 562 37 28 13

Institutional Sales Czech Republic

Michal Brezna (Equity) +420 224 995-523

Ondrej Cech (Fixed income) +420 224 995-577

Michal Rizek +420 224 995-53

Jiri Smehlik (Equity) +420 224 995-510

Pavel Zdichynec (Fixed income) +420 224 995-590

Institutional Sales Hungary

Gregor Glatzer (Equity) +361 235-5144

Krisztián Kandik (Equity) +361 235-5140

Istvan Kovacs (Fixed income) +361 235-5846

Institutional Equity Sales Poland

Head: Andrzej Tabor +4822 330 62 03

Pawel Czuprynski (Equity) +4822 330 62 12

Lukasz Mitan (Equity) +4822 330 62 13

Jacek Kryszinski (Equity) +4822 330 62 18

Institutional Equity Sales Slovakia

Head: Dusan Svitek +48 62 56 20

Rado Stopiak (Derivatives) +48 62 56 01

Andrea Slesarova (Client sales) +48 62 56 27

Saving Banks & Sales Retail

Head: Thomas Schaufler +43 (0)5 0100 - 84225

Equity Retail Sales

Head: Kurt Gerhold +43 (0)5 0100 - 84232

Fixed Income & Certificate Sales

Head: Thomas Schaufler +43 (0)5 0100 - 84225

Treasury Domestic Sales

Head: Markus Kaller +43 (0)5 0100 - 84239

Corporate Desk

Head: Leopold Sokolicek +43 (0)5 0100 - 84601

Alexandra Blach +43 (0)5 0100 - 84141

Markus Pistracher +43 (0)5 0100 - 84100

Roman Friesacher +43 (0)5 0100 – 84143

Helmut Kirchner +43 (0)5 0100 – 84144

Christian Skopek +43 (0)5 0100 - 84146

Fixed Income Institutional Desk

Head G7: Thomas Almen +43 (0)5 0100 - 84323

Head Germany: Ingo Lusch +43 (0)5 0100 - 84111

Fixed Income International & High End Sales Vienna

Jaromir Malak/ Zach Carvell +43 (0)5 100 - 84254

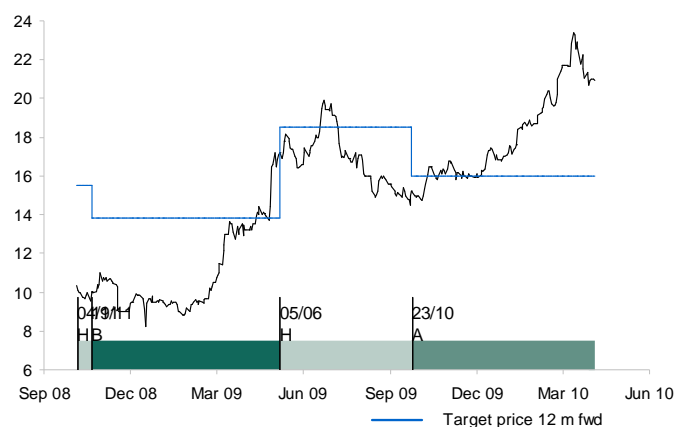
U. Inhofner/ P. Zagan/ C. Mitu +43 (0)5 100 - 84254

Fixed Income International Sales London

Antony Brown +44 20 7623 4159

Company Report – Apator

Apator



Rating history

Date	Rating	Price	Target Price
23. Oct 09	Accumulate	15.20	16.00
05. Jun 09	Hold	17.20	18.50
19. Nov 08	Buy	10.01	13.80
13. Jun 07	Hold	22.20	23.30
10. Mar 06	Accumulate	19.41	23.36
27. Jun 05	Buy	8.73	10.76

Company

Disclosure

Apator

Important Disclosures

General disclosures: All recommendations given by Erste Group Research are independent and based on the latest company, industry and general information publicly available. The best possible care and integrity is used to avoid errors and/or misstatements. No influence on the rating and/or target price is being exerted by either the covered company or other internal Erste Group departments. Each research piece is reviewed by a senior research executive, the rating is agreed upon with an internal rating committee of senior research executives. Erste Group Compliance Rules state that no analyst is allowed to hold a direct ownership position in securities issued by the covered company or derivatives thereof. Analysts are not allowed to involve themselves in any paid activities with the covered companies except as disclosed otherwise. The analyst's compensation is primarily based not on investment banking fees received, but rather on performance and quality of research produced.

Specific disclosures:

- (1) Erste Group and/or its affiliates hold(s) an investment in any class of common equity of the covered company of more than 5%.
- (2) Erste Group and/or its affiliates act(s) as market maker or liquidity provider for securities issued by the covered company.
- (3) Within the past year, Erste Group and/or its affiliates have managed or co-managed a public offering for the covered company.
- (4) Erste Group and/or its affiliates have an agreement with the covered company relating to the provision of investment banking services or have received compensation during the past 12 months.
- (5) Erste Group and/or its affiliate(s) have other significant financial interests in relation to the covered company.

Erste Group rating definitions

Buy	> +20% to target price
Accumulate	+10% < target price < +20%
Hold	0% < target price < +10%
Reduce	-10% < target price < 0%
Sell	< -10% to target price

Our target prices are established by determining the fair value of stocks, taking into account additional fundamental factors and news of relevance for the stock price (such as M&A activities, major forthcoming share deals, positive/negative share/sector sentiment, news) and refer to 12 months from now. All recommendations are to be understood relative to our current fundamental valuation of the stock. The recommendation does not indicate any relative performance of the stock vs. a regional or sector benchmark.

Distribution of ratings

Recommendation	Coverage universe		Inv. banking-relationship	
	No.	in %	No.	in %
Buy	31	20.9	7	53.8
Accumulate	31	20.9	2	15.4
Hold	43	29.1	2	15.4
Reduce	20	13.5	2	15.4
Sell	11	7.4	0	0.0
N.R./UND.REV./RESTR.	12	8.1	0	0.0
Total	148	100.0	13	100.0

Published by Erste Group Bank AG, Neutorgasse 17, 1010 Vienna, Austria.
Phone +43 (0)5 0100 - ext.

Erste Group Homepage: www.erstegroup.com On Bloomberg please type: ERBK <GO>.

This research report was prepared by Erste Group Bank AG ("Erste Group") or its affiliate named herein. The report was prepared for Erste Group clients. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. All opinions, forecasts and estimates herein reflect our judgment on the date of this report and are subject to change without notice. The report is not intended to be an offer, or the solicitation of any offer, to buy or sell the securities referred to herein. From time to time, Erste Group or its affiliates or the principals or employees of Erste Group or its affiliates may have a position in the securities referred to herein or hold options, warrants or rights with respect thereto or other securities of such issuers and may make a market or otherwise act as principal in transactions in any of these securities. Erste Group or its affiliates or the principals or employees of Erste Group or its affiliates may from time to time provide investment banking or consulting services to or serve as a director of a company being reported on herein. Further information on the securities referred to herein may be obtained from Erste Group upon request. Past performance is not necessarily indicative for future results and transactions in securities, options or futures can be considered risky. Not all transaction are suitable for every investor. Investors should consult their advisor, to make sure that the planned investment fits into their needs and preferences and that the involved risks are fully understood. This document may not be reproduced, distributed or published without the prior consent of Erste Group. Erste Group Bank AG confirms that it has approved any investment advertisements contained in this material. Erste Group Bank AG is regulated by the Financial Services Authority for the conduct of investment business in the UK.

As required by the Capital Markets Board of Turkey, investment information, comments and recommendations stated here, are not within the scope of investment advisory activity. Investment advisory service is provided in accordance with a contract of engagement on investment advisory concluded between brokerage houses, portfolio management companies, non-deposit banks and clients. Comments and recommendations stated here rely on the individual opinions of the ones providing these comments and recommendations. These opinions may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations.