

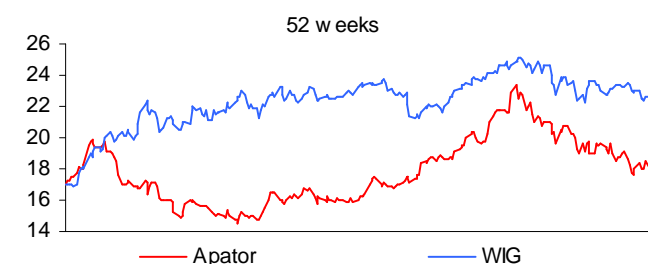
## Company Report – Other Utility Services – Poland – July 7, 2010

# Apator

 from Reduce to Accumulate

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	445.9
EBITDA	66.1	65.6	70.8	77.3
EBIT	50.9	50.5	55.5	61.9
Net result after min.	30.0	52.8	42.9	48.5
EPS (PLN)	0.85	1.50	1.22	1.38
CEPS (PLN)	1.28	1.93	1.66	1.82
BVPS (PLN)	5.02	6.02	6.11	6.58
Div./share (PLN)	0.50	1.13	0.92	1.04
EV/EBITDA (x)	9.2	9.9	9.4	8.5
P/E (x)	18.7	11.9	14.7	13.0
P/CE (x)	12.5	9.3	10.8	9.8
Dividend Yield	3.2%	6.3%	5.1%	5.8%



Performance	12M	6M	3M	1M
in PLN	3.3%	9.9%	-17.4%	-8.9%
in EUR	9.4%	9.2%	-22.9%	-7.3%

Share price (PLN)	17.91	Reuters	APOR.WA	Free float	81.2%
Number of shares (mn)	35.1	Bloomberg	APT PW	Shareholders	Apator Mining (15.6%)
Market capitalization (PLN mn / EUR mn)	629 / 153	Div. Ex-date	05/07/10		Mr. Mariusz Lewnicki (5.7%)
Enterprise value (PLN mn / EUR mn)	650 / 158	Target price	20.3	Homepage:	www.apator.com.pl

## Optimizing the business

- Since our last report on Apator, in which we had a Reduce recommendation, the stock price has fallen by about 15%, significantly underperforming vs the WIG index. We do not expect anything to significantly alter the valuation of this quite defensive and stable stock. For this reason, we only slightly increase our target price (from PLN 20 to PLN 20.3) and upgrade our recommendation to Accumulate due to recent price reduction.
- The recent weakness in the domestic currency is basically good for Apator as the company generates almost 30% of sales from exports. Additionally, the group faces competition from importers. However, in the short run (2010), this effect will be neutral due to the full hedging (remnants of the toxic FX options converted into ordinary FX hedging).
- The company recently sold a stake of 1mn of own shares (out of total own shares of 6.6mn). This action will boost the group's results by about PLN 17mn at financial net level in 2Q 2010. The fate of the remaining shares is still undecided. We treat them as assets for sale, but we do not deduct the potential tax due, as we assume these shares will be redeemed at some point.
- The cash acquired from the sale of the stake could be used to carry out investments thus freeing up the value hidden in the real estate held by the group. The group wants to move its production facility from the city of Torun to the nearby special economic zone, which would offer tax relief. In this case, the attractive real estate in Torun could be sold. In the subsequent years, production facilities from other regions could be also moved (Poznan and Swidnica). However, the plan is not yet definite – we assume that the net value of the real estate (which could be cashed in without risking the continuity of the business) amounts to about PLN 25mn (PLN 0.7 per share).

## Company Report – Apator

- Own shares** After the recent sale of 1mn shares, the stake of own shares decreased from 18.8% to 15.6%. Since the shares sold were booked in the balance sheet at very low value, almost the entire value of the transaction would boost 2Q 2010 financial line (by PLN 17mn). The fate of the remaining shares is still uncertain. We treat this stake as an asset for sale – we estimate its value at PLN 107mn (PLN 3.05 per share) and show this value as non-operating assets in the DCF. We do not deduct the potential tax due as, in our opinion, the most probable scenario is a redemption of the stake or the utilization of these shares in a potential acquisition (less likely). In either case, there is no tax burden.
- Real estate for sale** The company owns two 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 likely. The plan is to invest in the new production facility in the special economic zone (offering tax relief) near the city of Torun. First, the production facility in Torun would be moved (2H 2011) allowing the sale of the real estate in Torun (with a value of about PLN 30mn). In the subsequent years, Apator could move its production facilities from Swidnica and Poznan. Initially the venture is likely to be more or less cash neutral, but then thanks to economies of scale and tax relief some significant value could be generated. We do not illustrate Apator's exact plans regarding the real estate (as it is not 100% certain for now) in our model, but only assume that the value of about PLN 25mn (PLN 0.7 per share) could be generated in the process (previously we had assumed PLN 20mn).
- 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. The recent weakness of PLN will be positive for Apator in the longer run. The increase 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 medium 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 more of a long-term story, which we reflect in the expected strong dynamics for energy meter sales in 2011-13.
- Buy-back program** On the last AGM the shareholders of Apator decided about the buy-back program. The company would be ready to buy up to 2.8% stake for up to PLN 18 per share (total value of PLN 18mn). The program would last till May 2011. The whole realization of the program is in our opinion improbable.
- Valuation** We employed a DCF valuation tool to estimate the fair value of the company. Our DCF is based on our forecasts for 2011-14. 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 20.3 per share, which in our opinion accurately reflects the value of the company. The peer comparison shows that Apator shares are traded in line with peers.
- 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 PLN 107mn.
  - We assume that an average expected additional value of PLN 25mn could be generated from the real estate project.
  - We assume that the restructuring of the PoWoGaz subsidiary will continue.
  - We assume the average growth of wages at 5% in 2010-14e.
  - We assume the copper price in USD remaining at current levels.
  - We assume the average EUR/PLN at the level of 4.0 in 2010 and 3.8 in 2011-14.
  - The risk-free rate is set at 5.8%, 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

### Peers

	P/E		EV/EBIT*			EV/EBITDA*			
	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	
Nedap	12.8	11.1		10.0	8.8		6.6	6.0	
Radiall SA	high	69.1		high	high		10.0	7.5	
Schaffner Holding AG	15.6	11.2	9.5	11	8.1	6.8	7.9	6.2	5.4
Neways Electronics	14.2	7.4		12.3	7.5		7.7	5.2	
Itron	18.4	15.6	13.6	15.8	11.8	9.5	10.5	8.6	7.4
Vaisala Oyj	27.8	16.2	13.0	20.0	10.3	8.0	13.4	8.7	7.1
Phoenix Mecano AG	13.7	11.6	10.6	10.4	8.8	7.8	7.1	6.2	5.5
<b>Median total</b>	<b>16.5</b>	<b>11.6</b>	<b>12.1</b>	<b>13.3</b>	<b>9.2</b>	<b>7.8</b>	<b>8.9</b>	<b>6.4</b>	<b>6.0</b>
<b>Apator*</b>	<b>11.9</b>	<b>14.7</b>	<b>13.0</b>	<b>10.2</b>	<b>9.3</b>	<b>8.3</b>	<b>7.8</b>	<b>7.3</b>	<b>6.6</b>
<i>Premium/discount</i>	-28%	26%	7%	-24%	1%	6%	-12%	13%	11%
<b>Implied value</b>	<b>24.9</b>	<b>14.2</b>	<b>16.7</b>	<b>22.4</b>	<b>17.8</b>	<b>17.1</b>	<b>19.8</b>	<b>16.2</b>	<b>16.5</b>

Source: Factset, Erste Group Research

\*EV adjusted for the value of own shares stake

## Company Report – Apator

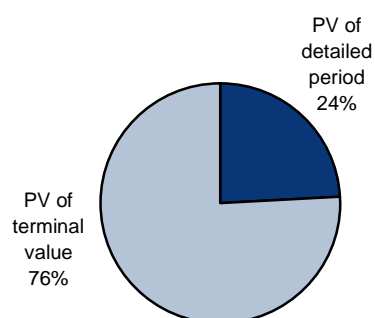
### WACC calculation

	2010e	2011e	2012e	2013e	2014e	2015e (TV)
Risk free rate	5.8%	5.8%	5.8%	5.8%	5.8%	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
<b>Cost of equity</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>10.7%</b>
Cost of debt	8.3%	8.3%	8.3%	8.3%	8.3%	7.5%
Effective tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
<b>After-tax cost of debt</b>	<b>6.7%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>6.1%</b>
Equity weight	90%	85%	89%	92%	91%	85%
<b>WACC</b>	<b>11.1%</b>	<b>10.9%</b>	<b>11.1%</b>	<b>11.2%</b>	<b>11.2%</b>	<b>10.0%</b>

### DCF valuation

(PLN mn)	2010e	2011e	2012e	2013e	2014e	2015e (TV)
<i>Sales growth</i>	8.5%	7.6%	7.2%	4.9%	4.9%	1.5%
EBIT	50.5	55.5	61.9	65.0	69.4	70.4
<i>EBIT margin</i>	13.1%	13.3%	13.9%	13.9%	14.1%	14.1%
<i>Tax rate</i>	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Taxes on EBIT	-9.6	-10.5	-11.8	-12.3	-13.2	-13.4
<b>NOPLAT</b>	<b>40.9</b>	<b>44.9</b>	<b>50.1</b>	<b>52.6</b>	<b>56.2</b>	<b>57.1</b>
+ 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	-6.3	-6.3	-5.4	-5.5	-1.8
<i>Chg. working capital / chg. Sales</i>	-6.4%	-21.5%	-21.0%	-24.7%	-24.1%	-24.1%
- Capital expenditures	-16.4	-16.4	-16.4	-16.5	-16.5	-16.5
<b>Free cash flow to the firm</b>	<b>37.690</b>	<b>37.512</b>	<b>42.872</b>	<b>46.354</b>	<b>49.875</b>	<b>54.43</b>
<i>Terminal value growth</i>						1.5%
Terminal value						653.6
Discounted free cash flow - Dec 31 2010	0.000	33.833	34.815	33.841	32.746	422.6
<b>Enterprise value - Dec 31 2010</b>	<b>557.8</b>					
Minorities	0.0					
Non-operating assets	132.5					
Net debt	17.0					
Other adjustments	0.0					
<b>Equity value - Dec 31 2010</b>	<b>673.4</b>					
Number of shares outstanding (mn)	35.1					
Cost of equity	11.6%					
<b>12M target price per share (PLN)</b>	<b>20.3</b>					
Current share price (PLN)	17.9					
<i>Up/Downside</i>	13.4%					

### Enterprise value breakdown



### Sensitivity (per share)

		Terminal value EBIT margin				
		13.1%	13.6%	14.1%	14.6%	15.1%
WACC	9.0%	20.9	21.5	22.0	22.5	23.1
	9.5%	20.1	20.6	21.1	21.6	22.1
	10.0%	19.3	19.8	20.3	20.8	21.2
	10.5%	18.7	19.1	19.6	20.0	20.5
	11.0%	18.1	18.5	18.9	19.4	19.8
		Terminal value growth				
		0.5%	1.0%	1.5%	2.0%	2.5%
WACC	9.0%	20.3	21.1	22.0	23.0	24.2
	9.5%	19.6	20.3	21.1	22.0	23.0
	10.0%	18.9	19.6	20.3	21.1	22.0
	10.5%	18.4	18.9	19.6	20.3	21.1
	11.0%	17.9	18.4	18.9	19.6	20.3

## Company Report – Apator

<b>Income Statement</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011e</b>	<b>2012e</b>
(IAS, PLN mn, 31/12)	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	31/12/2012
<b>Net sales</b>	<b>311.35</b>	<b>356.19</b>	<b>367.65</b>	<b>386.60</b>	<b>415.94</b>	<b>445.94</b>
Cost of goods sold	-213.42	-237.93	-239.54	-255.83	-273.10	-290.36
<b>Gross profit</b>	<b>97.93</b>	<b>118.26</b>	<b>128.11</b>	<b>130.77</b>	<b>142.84</b>	<b>155.57</b>
SG&A	-56.89	-70.05	-78.69	-80.82	-87.37	-93.67
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
<b>EBITDA</b>	<b>55.62</b>	<b>70.46</b>	<b>66.12</b>	<b>65.64</b>	<b>70.78</b>	<b>77.35</b>
Depreciation/amortization	-12.81	-13.94	-15.23	-15.14	-15.30	-15.44
<b>EBIT</b>	<b>42.82</b>	<b>56.51</b>	<b>50.89</b>	<b>50.50</b>	<b>55.48</b>	<b>61.91</b>
Financial result	0.62	-27.48	-11.51	17.18	-1.47	-2.01
Extraordinary result	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBT</b>	<b>43.44</b>	<b>29.03</b>	<b>39.39</b>	<b>67.68</b>	<b>54.00</b>	<b>59.90</b>
Income taxes	-8.77	-5.97	-8.11	-12.86	-10.26	-11.38
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	-2.03	-0.86	0.00
<b>Net result after minorities</b>	<b>34.66</b>	<b>21.33</b>	<b>30.03</b>	<b>52.79</b>	<b>42.88</b>	<b>48.52</b>
<b>Balance Sheet</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011e</b>	<b>2012e</b>
(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
<b>Total fixed assets</b>	<b>83.83</b>	<b>159.05</b>	<b>153.13</b>	<b>154.45</b>	<b>166.55</b>	<b>167.51</b>
Inventories	38.41	53.24	54.35	57.45	61.33	65.20
Receivables and other current assets	60.56	76.45	71.40	77.74	82.81	87.89
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	6.69
<b>Total current assets</b>	<b>111.78</b>	<b>153.24</b>	<b>144.59</b>	<b>144.46</b>	<b>153.84</b>	<b>163.25</b>
<b>TOTAL ASSETS</b>	<b>195.61</b>	<b>312.29</b>	<b>297.72</b>	<b>298.91</b>	<b>320.39</b>	<b>330.76</b>
<b>Shareholders'equity</b>	<b>154.35</b>	<b>161.46</b>	<b>176.28</b>	<b>211.35</b>	<b>214.64</b>	<b>231.00</b>
<b>Minorities</b>	<b>0.08</b>	<b>2.42</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>
<b>Hybrid capital and other reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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	10.58	17.43	13.40
Other LT liabilities	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total long-term liabilities</b>	<b>0.02</b>	<b>40.85</b>	<b>27.31</b>	<b>10.58</b>	<b>17.43</b>	<b>13.40</b>
Interest-bearing ST debts	5.15	50.11	37.05	12.98	21.38	16.44
Other ST liabilities	26.61	39.40	35.51	42.41	45.37	48.35
<b>Total short-term liabilities</b>	<b>31.75</b>	<b>89.19</b>	<b>72.55</b>	<b>55.38</b>	<b>66.74</b>	<b>64.77</b>
<b>TOTAL LIAB. , EQUITY</b>	<b>195.61</b>	<b>312.29</b>	<b>297.72</b>	<b>298.91</b>	<b>320.39</b>	<b>330.76</b>
<b>Cash Flow Statement</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011e</b>	<b>2012e</b>
(IAS, PLN mn, 31/12)						
Cash flow from operating activities	33.16	53.02	34.58	48.16	53.66	59.99
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	-41.33	-25.82	-43.14
<b>CHANGE IN CASH , CASH EQU.</b>	<b>1.34</b>	<b>9.28</b>	<b>-5.23</b>	<b>-9.57</b>	<b>0.44</b>	<b>0.45</b>
<b>Margins &amp; Ratios</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011e</b>	<b>2012e</b>
Sales growth	7.8%	14.4%	3.2%	5.2%	7.6%	7.2%
EBITDA margin	17.9%	19.8%	18.0%	17.0%	17.0%	17.3%
EBIT margin	13.8%	15.9%	13.8%	13.1%	13.3%	13.9%
Net profit margin	11.1%	6.5%	8.5%	14.2%	10.5%	10.9%
ROE	23.6%	13.5%	17.8%	27.2%	20.1%	21.8%
ROCE	22.3%	21.9%	16.2%	16.4%	17.3%	18.4%
Equity ratio	78.9%	52.5%	60.5%	72.0%	68.2%	71.0%
Net debt	-6.1	70.4	49.0	17.8	32.6	23.2
Working capital	78.5	61.1	68.6	85.6	83.6	95.0
Capital employed	157.7	252.3	246.8	250.7	268.8	275.7
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

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

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

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

Carmen Riefler-Kowarsch (Corporates) +43 (0)5 0100 - 19632

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

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

#### 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 Zablotsky (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

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

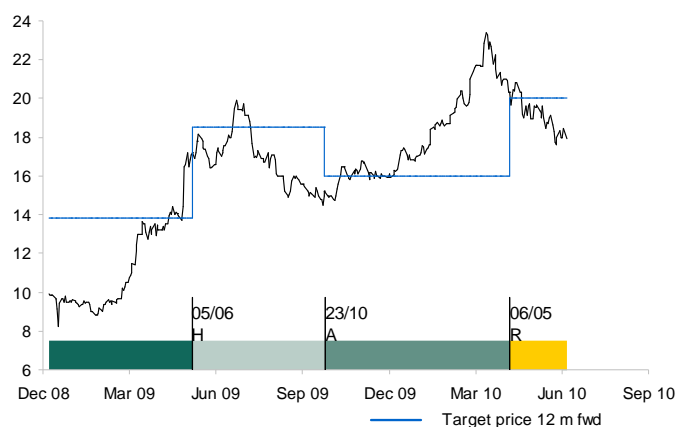
U. Inhofner/ P. Zagan/ C. Mitu +43 (0)5 100 - 84254

#### Fixed Income International Sales London

Antony Brown +44 20 7623 4159

## Company Report – Apator

### Apator



### Rating history

Date	Rating	Price	Target Price
06. May 10	Reduce	20.35	20.00
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**

<b>Buy</b>	> +20% to target price
<b>Accumulate</b>	+10% < target price < +20%
<b>Hold</b>	0% < target price < +10%
<b>Reduce</b>	-10% < target price < 0%
<b>Sell</b>	< -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	37	24.2	9	64.3
Accumulate	38	24.8	2	14.3
Hold	43	28.1	2	14.3
Reduce	15	9.8	1	7.1
Sell	11	7.2	0	0.0
N.R./UND.REV./RESTR.	9	5.9	0	0.0
<b>Total</b>	<b>153</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>

Published by Erste Group Bank AG, Neutorgasse 17, 1010 Vienna, Austria.

Phone +43 (0)5 0100 - ext.

Erste Group Homepage: [www.erstegroup.com](http://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.