

21 August

	20-Aug/				17-Aug/ close	1D	% change			Turnover		Avg. Daily Turnover (\$ mil.)
	open	high	low	close			1W	1M	1Y	shares	\$ mil.	
PX	1,696.3	1,715.2	1,690.2	1,691.0	1,688.1	0.2%	-5.2%	-8.8%	18.2%	--	253.4	
CME	1,705	1,720	1,665	1,697	1,669.0	1.7%	-7.1%	-16.7%	31.9%	67,692	5.3	
Telefonica 02 CR	575.6	582.6	568.8	581.1	572.1	1.6%	0.0%	-1.7%	24.1%	473,274	12.7	
ČEZ	1,048.0	1,058.0	1,011.2	1,047.0	1,038.0	0.9%	-5.7%	-5.5%	27.7%	1,262,074	61.5	
ECM	1,593.0	1,628.0	1,559.0	1,562.00	1,589.0	-1.7%	-7.9%	-13.4%	#N/A	36,529	2.7	
Erste Bank	1,422	1,441	1,390	1,419	1,425	-0.4%	-7.0%	-11.1%	8.6%	420,864	27.8	
Komerční banka	3,824	3,892	3,720	3,729	3,801	-1.9%	-7.0%	-10.6%	11.0%	232,862	41.2	
Orco Pr. Group	2,806	2,860	2,778	2,816	2,814	0.1%	-5.4%	-11.2%	14.8%	47,768	6.3	
PEGAS	708	730	696	713	704	1.3%	-8.8%	-14.2%	#N/A	141,156	4.7	
Philip Morris CR	8,990	9,200	8,950	9,055	8,991	0.7%	-2.4%	-13.3%	-17.3%	6,287	2.6	
Unipetrol	275.7	281.1	264.5	271.5	274.3	-1.0%	-5.5%	-12.1%	30.0%	1,087,825	13.9	
Zentiva	1,192	1,202	1,157	1,176	1,183.0	-0.6%	-4.4%	-17.4%	1.2%	300,335	16.5	

NEWS & COMMENTS

Bulgaria to sell minority stakes in distribution companies

Bulgarian government is reportedly considering a sale of its remaining 33% stake in regional electricity distribution companies. It is not clear, if it will offer stakes to majority owners first (CIA).

CEZ holds majority stake in three distribution companies, but given the current situation (low price tariffs set by regulator, decline electricity consumption in 1H07, unpaid receivables) we do not see it as hot topic for now. Jakub Zidon +420 224 995 340

Parliament to discuss taxes on loose tobacco

A dispute is expected in parliament today over the size of a tax increase for loose tobacco. The CR's tax of Kč 905/kg already meets the EU requirement, but the coalition proposes to raise the tax to Kč 1,280/kg. This would raise the cost of the cheapest packet of rolling tobacco from Kč 60 to at least Kč 80 (Pravo).

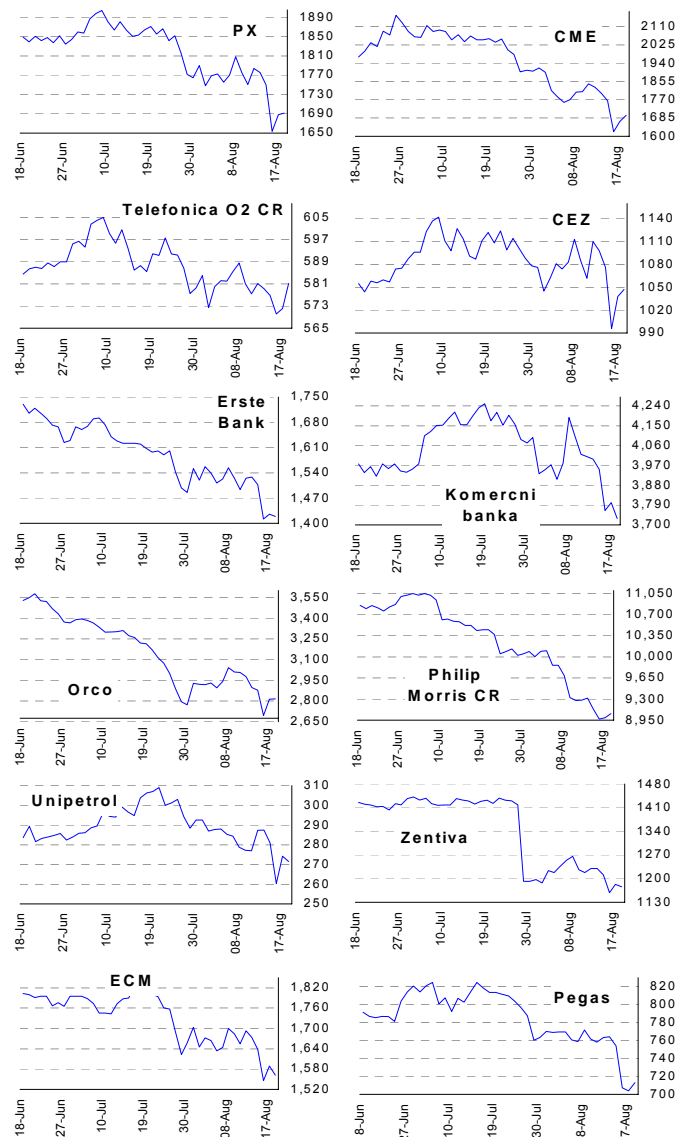
This is long term dispute where Philip Morris argues taxes on loose tobacco – it biggest threat – are low compared with other tobacco products. If this tax increase would pass, it would be positive for PMCR thanks to lower competitiveness of loose tobacco compared to its cigarettes. Petr Bartek +420 224 995 227

Parliament to vote on tax reform today

Parliament is to vote on tax reform package at 2 p.m. today. The corporate tax is proposed to gradually fall to 19% from 24%, but at higher base for calculation. Personal tax is proposed at flat 15% for 2008 and 12.5% for 2009 (also at higher base). We expect the package will pass; overall impact on corporate tax burden should be limited. Petr Bartek +420 224 995 227

UPCOMING EVENTS

PX INDEX & EQUITIES



Stock	Recommend	Price Target	12M Target	Date
CME	Accumulate	--	USD 97.8	07/Jan. 31
Telefonica 02 CR	Hold	--	CZK 620	07/Jul. 31
CEZ	Hold	--	CZK 1,045	07/Jun 8
Komerční banka	Accumulate	--	CZK 4,400	07/May 5
Orco	Hold	--	CZK 3,690	07/Mar 28
Unipetrol	Under revision	--	u.revision	u.revision
Zentiva	Under revision	--	u.revision	u.revision
Philip Morris CR	Reduce	--	CZK 9,655	07/Jun 12
Pegas	Hold	--	CZK 849	07/Jul 3
ECM	Accumulate	--	CZK 2,160	07/June 14

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