CENTROBANCA
Gruppo UBI Banca

ITWAY

Initiation of coverage — **Hold**

18 June 2010 — **MARKET PRICE: EUR3.37 TARGET PRICE: EUR3.41**

Data

Shares Outstanding (m):	4.4
Market Cap. (EURm):	14.9
Enterprise Value (EURm):	32.5
Free Float (%):	47.2%
Av. Daily Trad. Vol. (m):	0.006
Main Shareholde:	Mr Farina 19.4%
Reuters/Bloomberg:	ITWY.MI ITW IM
52-Week Range	3.3 4.9

Performance

	1m	3m	12m
Absolute	-4.5%	-5.3%	-8.9%
Rel. to FTSE IT	-7.7%	4.8%	-14.8%

Financials

	Sept09	Sept10E	Sept11E
Revenues (EURm)	104.2	113.5	117.8
EBITDA (EURm)	1.5	2.4	3.5
Net Profit (EURm)	-1.3	0.1	0.9
EPS (EUR)	-0.283	0.028	0.213
CFPS (EUR)	-0.111	0.300	0.462
BVPS (EUR)	3.055	3.084	3.283
DPS (EUR)	0.000	0.014	0.107

Ratios

	Sept09	Sept10E	Sept11E
EBITDA margin	1.4%	2.1%	3.0%
ROI	1.6%	3.7%	7.6%
ROAE	nm	0.9%	6.7%
Debt/Equity	1.4	1.2	1.1
Debt/EBITDA	13.2	7.0	4.7

Valuation

	Sept09	Sept10E	Sept11E
P/E (x)	nm	nm	15.8
P/CF (x)	nm	11.3	7.3
P/BV (x)	1.1	1.1	1.0
Dividend Yield	0.0%	0.4%	3.2%
EV/Sales (x)	0.3	0.3	0.3
EV/EBITDA (x)	23.9	13.5	9.2
EV/CE (x)	1.1	1.1	1.0

Source: Centrobanca estimates

Exposed to weak IT markets

We initiate coverage of Itway with a Hold rating and a target price of EUR3.41 per share. Itway is a leading company in the supply and licensing (distribution) of technologies mainly for security, e-commerce, server based computing and virtualization. The company has also a business unit which provides e-business solutions and system integration services. Our neutral view is based on the fact that Itway despite having built i) strong relationships with top vendors of value added products and ii) a leading presence in the Mediterranean area (France, Portugal, Spain, Greece and Turkey) suffers i) from the weakness of the European IT market and ii) from structurally low margins and thus low FCF generation. Last but not least, the valuation at EV/CE10E of 1.0 already discounts a ROCE in line with the WACC going forward.

> Despite a decline in all European IT markets where Itway is present, its total sales in 1H2009/10 rose 8.8% to EUR62.8 million. The continuous efforts to update the offer with new product lines for overall security, desktop management and virtualization are paying off. That said, Itway's profitability worsened in 1H2009/10 (EBITDA fell 15.8% YoY to EUR0.97 million): severe price pressure is affecting the distribution business, offsetting the company's determined efforts to adjust its cost base (labour cost and other operating costs decreased 11.4% YoY).

> Although the IT markets served by Itway are not expected to recover in 2010, we expect an 8.9% increase in total sales in 2009/2010, in line with the performance of the first semester. At the profitability level Itway should benefit from cost savings realized during 1H2009/10: we expect an EBITDA margin of 2.1%, up 70 bps compared to FY2008/09.

> We have valued Itway using two methods: a six-year DCF model with terminal value and a peer group comparison based on estimated P/BV ratios for the years 2010, 2011 and 2012. Because of the differences in size and sales mix between Itway and its peer group, we have attributed a weighting of just 30% to the peer group comparison. As a result, we get a target price of EUR3.41 per share. We underline that the Enterprise business unit has a longer cash conversion cycle compared to the VAD business unit and as a consequence has a negative impact on Itway's NFP lowering the equity valuation of the company.

> We believe that the main risks are i) renewed economic slowdown, which would reduce the IT spending of corporate clients ii) further volatility in the USD/EUR exchange rate and iii) deterioration in the NWC of the Enterprise business unit.

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Key Financials

(EURm)	Sept2009	Sept2010E	Sept2011E	Sept2012E
Revenues	104.2	113.5	117.8	120.4
EBITDA	1.5	2.4	3.5	4.3
EBIT	0.5	1.2	2.4	3.3
NOPAT	0.3	0.9	1.7	2.4
Free Cash Flow	-9.5	2.6	0.3	2.3
Net Capital Employed	33.0	30.5	31.1	30.3
Shareholders' Equity	13.5	13.6	14.5	15.6
Net Financial Position	19.5	16.9	16.6	14.7

Source: Company data, Centrobanca estimates

Key Profitability Drivers

	Sept2009	Sept2010E	Sept2011E	Sept2012E
Capital Turnover	3.1	3.6	3.7	3.9
Financial Leverage	2.4	2.2	2.1	1.9
Net Profit Margin	nm	0.1%	0.8%	1.3%
NOPAT Margin	0.3%	0.8%	1.5%	2.0%
Free Cash Flow Margin	nm	2.3%	0.3%	1.9%
ROAE	-8.7%	0.9%	6.7%	10.3%
ROI	1.6%	3.7%	7.6%	10.5%
ROCE	1.2%	2.7%	5.5%	7.6%

Source: Company data, Centrobanca estimates

Key Valuation Ratios

	Sept2009	Sept2010E	Sept2011E	Sept2012E
P/E (x)	0.0	119.9	15.8	9.6
P/BV (x)	1.1	1.1	1.0	1.0
P/CF (x)	-30.3	11.3	7.3	5.8
Dividend Yield (%)	0.0%	0.4%	3.2%	5.2%
EV/Sales (x)	0.3	0.3	0.3	0.3
EV/EBITDA (x)	23.9	13.5	9.2	7.1
EV/EBIT (x)	73.9	27.1	13.4	9.2
EV/CE (x)	1.1	1.1	1.0	1.0

Source: Company data, Centrobanca estimates

Key Value Drivers

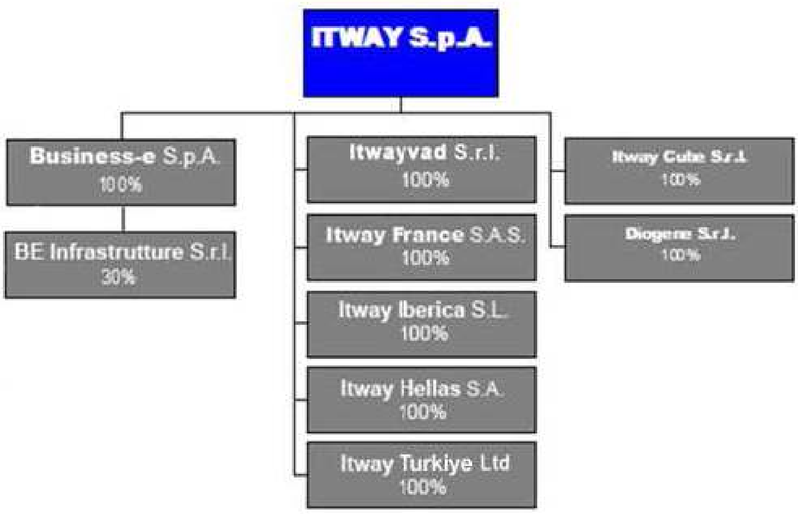
	Sept2009	Sept2010E	Sept2011E	Sept2012E
Payout	-0.0%	50.0%	50.0%	50.0%
Cost of Equity	9.3%	9.3%	9.3%	9.3%
WACC	5.9%	6.2%	6.3%	6.5%
EP Spread	-18.0%	-8.4%	-2.6%	1.0%
EVA Spread	-4.8%	-3.4%	-0.6%	1.2%

Source: Company data, Centrobanca estimates

Company profile

- Itway, which has its headquarters in Ravenna, is a leading company in the supply and licensing of technologies for e-business solutions (security, e-commerce, served based computing, virtualization). The offer is supported by training and support services.
- The company is composed of two operating business units: "Value Added Distributor" (VAD) distributes complex software combined with consultancy and training services, accounting for ca. 85% of total sales; "Enterprise" provides solutions and software for e-business (customer relationship management, wireless application, datawarehouse), accounting for ca. 15% of total sales.
- We emphasise that the main vendors (suppliers) in the IT market are US based and for that reason prices are expressed in USD. Since Itway's sales are mainly (>90%) recorded in EUR, historically the company's gross margin increases when the USD strengthens against the EUR because the company has a stable distribution (intermediation) margin which translated in EUR is equal to an higher gross profit.
- In 2008/09, Itway had total sales of EUR104.2 million, down 6.9% YoY and EBITDA of EUR1.5 million, equal to a margin of 1.4%. The company invoices ca. 60% of its sales in Italy, the remaining 40% being made in European countries (France, Portugal, Spain, Greece). A new subsidiary has been operating in Turkey since 2008.
- Itway was listed on the Milan Stock Exchange at a price of EUR15 per share in July 2001. The major shareholder is Andrea Farina, founder and CEO of the company, who still has a 19.4% shareholding. Other significant shareholders are Cesare Valenti with an 8.2% stake and Ingegneria Biomedica with a 7.1% stake. The free float represents 57.4% of total shares.

Figure 1: ITWAY – Group structure



Source: Company data

A short company history

- 1996: Itway is founded.
- 2000: Business-e is established.
- 2001: The company's shares are listed on the Italian Stock Exchange.
- 2004: Launch of operations in Spain and Portugal.
- 2005: Launch of operations in France.
- 2008: New subsidiary in Turkey.
- 2009: Set up of Virtualization, a new business unit.

Figure 2. ITWAY – S.W.O.T. analysis

Strengths	Weaknesses
- Strong relationship with top vendors - Proven business model	- Exposure to weak EU countries - Structurally low margins
Opportunities	**Threats**
- USD strengthening over the EUR - Sector consolidation	- IT markets stagnation - NWC deterioration at the Enterprise business unit

Source: Centrobanca

Recent Developments

- Itway's sales in 1H2009/10 rose 8.8% YoY to EUR62.76 million, despite a decline in all of the European IT markets in which the company operates. Having fallen 8.1% YoY in 2009 to EUR18.7 billion, the Italian IT market fell a further 2.9% in the first quarter of 2010 according to Assinform.
- By business unit, the VAD business reported an increase in sales (10.8% YoY) equally split between the first and the second quarter driven by strong demand in Italy, France and Turkey only partially offset by weak performances in Portugal and Spain. The continuous efforts by Itway to update its offer with new product lines are paying off.
- The Enterprise business reported flat sales (-0.5% YoY): budget cuts by its main clients in the second quarter totally offset the gain of the first quarter.
- Itway's profitability, despite the increase in sales, deteriorated during the first semester of 2009/10 mainly due to a lower gross margin. Severe price pressure is affecting the IT market, especially the distribution business.
- Despite the company's efforts to adjust its cost base (labour costs and other recurring operating costs decreased 11.4% YoY) EBITDA declined 15.8% YoY to EUR0.97 million also impacted by EUR0.34 million of extraordinary costs booked during the semester. EBIT fell 33.5% YoY to EUR0.47 million impacted by higher D&A compared to 1H2008/09.
- The net result was negative for EUR0.32 million compared to –EUR0.24 million in 1H2008/09 after lower interest expenses (as a result of lower interest rates) and slightly higher taxes.
- The NFP improved by EUR3.1 million in the semester compared to FY2008/09 when net debt was EUR19.4 million, due to positive NWC management (higher trade payables reflects better payment terms recently negotiated with the main suppliers), reduced investment and no dividend payout.

Figure 2. Itway – 2Q09/10 and 1H09/10 results

(EURm)	2Q09/10	2Q08/09	1H09/10	1H08/09
Sales	**26.59**	**25.46**	**62.76**	**57.69**
change YoY (%)	4.4%		8.8%	
EBITDA	**0.02**	**0.26**	**0.97**	**1.16**
EBITDA margin (%)	0.1%	1.0%	1.6%	2.0%
EBIT	**-0.22**	**0.03**	**0.47**	**0.70**
EBIT margin (%)	nm	0.1%	0.7%	1.2%
Pre-tax profit	**-0.48**	**-0.36**	**-0.03**	**-0.03**
Net profit			**-0.32**	**-0.24**
Net Working Capital			**12.67**	**16.77***
Net Financial Position/(cash)			**16.35**	**19.46***

Source: Company data ** = FY08/09*

Figure 3. Itway – 1H09/10 results by business unit

(EURm)	1H09/10	1H08/09	1H09/10	1H08/09
	VAD		Enterprise	
Sales	**52.37**	**47.26**	**10.39**	**10.43**
change YoY (%)	10.8%		-0.5%	
EBITDA	**0.85**	**1.05**	**0.12**	**0.11**
EBITDA margin (%)	1.6%	2.2%	1.2%	1.0%
EBIT	**0.47**	**0.74**	**-0.01**	**-0.03**
EBIT margin (%)	0.9%	1.6%	nm	nm
Pre-tax profit	**0.09**	**0.21**	**-0.12**	**-0.24**
Pre-tax margin (%)	0.2%	0.4%	nm	nm
Net profit	**-0.14**	**0.03**	**-0.18**	**-0.27**
Net margin (%)	nm	0.1%	nm	nm

Source: Company data

Financial Projections

- The Italian IT market is not expected to recover in the short term: Assinform expects a 3.1% YoY decrease in 2010, split over different industries (capital goods, telecoms and media, banks). SMEs are sustaining the demand while Public Administration IT budgets are being cut dramatically.
- Looking at Europe, the countries in which Itway operates are expected to report declines in their IT markets but to a lesser extent than in Italy. The Turkish IT market should perform particularly well.
- Despite the scenario described above, we expect Itway's total sales to increase by 8.9% YoY in 2009/2010, basically in line with the performance of the first semester. Within the VAD business, the products recently added to the portfolio belong to high growth segment such as security, desktop management and virtualization (Itway signed an important agreement with Microsoft to market its entire virtualization product line) and allows the company to consolidate its market shares also in contracting markets. Client concentration levels in the business increase the risk of disappointment.
- We expect a gradual increase in sales in 2010/11 (+3.8% YoY) and 2011/12 (+2.2% YoY) but visibility remains very low.
- Itway's profitability should benefit from the costs savings realized during 1H2009/10: we expect an EBITDA margin of 2.1%, up 70 bps compared to FY2008/09. In the second semester non-recurring costs are expected to be lower than in 1H2009/10.
- In 2010/11 and 2011/12 margins should continue to recover towards the company's historical average levels: the average EBITDA margin was close to 4% in the period 2001-2008/09.
- We expect Itway to generate a net profit of EUR0.1 million in 2009/10, EUR0.9 million in 2010/11 and EUR1.6 million in 2011/12, due to lower financial charges. The positive net results should allow the company to recommence dividend payments.
- We expect the NFP to improve in the period from EUR19.5 in 2008/09 to EUR14.7 in 2011/12 bringing the gearing back to a sustainable 1.0x.
- Itway's business model does not require high capex (<1% of sales) and consequently it generates positive FCF (on average EUR2.4 million in the next three fiscal years in our estimates). The ratio of NWC to sales should improve as Itway's clients seems to have easier access to funding and the company benefits from longer payment terms just negotiated with the main vendors.

Figure 4. Itway – 2008/09 - 2011/12 key consolidated B&S figures

(EURm)	FY08/09	FY09/10E	FY10/11E	FY11/12E
Net working capital	16.2	13.6	14.1	13.2
Net fixed assets	17.5	17.6	17.7	17.8
Total Net Assets	**33.7**	**31.3**	**31.9**	**31.1**
ML term funds	-0.7	-0.7	-0.7	-0.7
Capital Employed	**33.0**	**30.5**	**31.1**	**30.4**
Shareholder's funds	**13.5**	**13.6**	**14.5**	**15.6**
Net financial position	**19.5**	**16.9**	**16.6**	**14.7**
Gearing	1.4	1.2	1.1	0.9
Leverage	13.2	7.0	4.7	3.4

Source: Company data, Centrobanca estimates

Figure 5. Itway – 2008/09 - 2011/12 key consolidated P&L figures

(EURm)	FY08/09	FY09/10E	FY10/11E	FY11/12E	CAGR 08/09-11/12E
Sales	**104.2**	**113.5**	**117.8**	**120.4**	**4.9%**
change (%)	-6.9%	8.9%	3.8%	2.2%	
EBITDA	**1.5**	**2.4**	**3.5**	**4.3**	**43.0%**
EBITDA margin (%)	1.4%	2.1%	3.0%	3.6%	
EBIT	**0.5**	**1.2**	**2.4**	**3.3**	**90.8%**
EBIT margin (%)	0.5%	1.1%	2.0%	2.7%	
Pre-tax profit	**-0.8**	**0.3**	**1.6**	**2.6**	**nm**
Pre tax margin (%)	nm	0.3%	1.4%	2.1%	
Net profit	**-1.3**	**0.1**	**0.9**	**1.6**	**nm**
Net margin (%)	nm	0.1%	0.8%	1.3%	

Source: Company data, Centrobanca estimates

Valuation

- We have valued Itway using two methodologies: a six-year DCF with terminal value and a peer group comparison.
- The peer group is comprised of five companies: Esprinet, Tech Data, Ingram Micro, Arrow Electronics and Also Holding, active in the distribution of technology products, both hardware and software.
- Applying average multiples based on estimated P/BV for the years 2010, 2011 and 2012 (we did not consider EV multiples due to the significant differences in size and sales mix) generates a valuation for Itway of EUR3.44 per share, in line the valuation given by our DCF model based on a WACC of 7.5%, which points to EUR3.40 per share. The implied EV/EBITDA at Terminal Value would be 6.7x.
- For the reasons above mentioned we have attributed only a marginal weighting (30%) to the peer group comparison. As a result we get a target price of EUR3.41 per share.
- We underline that the Enterprise business unit has a longer cash conversion cycle compared to the VAD business unit and as a consequence has a negative impact on Itway's NFP, lowering the equity valuation of the company.

Figure 6. Itway - Target price

	Equity value (EURm)	per share (EUR)	Weight
Multiple analysis	**15.2**	**3.44**	**30%**
DCF	**15.0**	**3.40**	**70%**
Target price		**3.41**	

Source: Centrobanca estimates

Figure 7 Itway - DCF fair value estimate

Our Terminal Value represents 65% of Itway's EV.

(A) Discounted free cash flow 2009/10-2014/15 (EURm)	**11.2**
FCF terminal year (EURm)	2.2
WACC (beta 0.9x)	7.5%
Terminal growth	1.0%
Terminal Value (EURm)	33.8
(B) Discounted terminal value (EURm)	**21.1**
(A+B) Operating activities Value (EURm)	**32.3**
Net Debt FY08/09 (EURm)	-16.5
Minorities (EURm)	0.0
Pension Fund FY08/09 (EURm)	-0.7
Equity Value (EURm)	**15.0**
Number of shares (million)	4.4
Value per share (EUR)	**3.40**

Source: Centrobanca estimates

Figure 8 Itway - Sensitivity analysis

A 50 bps increase in WACC implies a 15% reduction in our fair value.

g / WACC	-0.50%	0.00%	0.50%	**1.00%**	1.50%	2.00%	2.50%
6.0%	3.7	4.2	4.7	5.3	6.0	6.9	8.1
6.5%	3.2	3.5	3.9	4.4	5.0	5.7	6.6
7.0%	2.7	3.0	3.3	3.7	4.2	4.8	5.4
7.5%	2.3	2.5	2.8	**3.40**	3.5	4.0	4.5
8.0%	1.9	2.1	2.4	2.6	2.96	3.3	3.8
8.5%	1.6	1.8	2.0	2.2	2.5	2.8	3.1
9.0%	1.3	1.5	1.6	1.8	2.1	2.3	2.6

Source: Centrobanca estimates

Figure 9 Itway- Cash Flow projections

We expect the sales CAGR09/10-11/15E to be 2.2% and the free cash flow generation to be on average EUR2.3 million.

(EURm)	FY09/10E	FY10/11E	FY11/12E	FY12/13E	FY13/14E	FY14/15E	TV
Sales	**113.5**	**117.8**	**120.4**	**122.8**	**125.3**	**127.8**	**129.0**
growth yoy (%)	8.9%	3.8%	2.2%	2.0%	2.0%	2.0%	1.0%
EBIT	**1.2**	**2.4**	**3.3**	**3.7**	**3.8**	**3.8**	**3.5**
ROS %	1.1%	2.0%	2.7%	3.0%	3.0%	3.0%	2.7%
Cash taxes on EBIT	-0.4	-0.8	-1.1	-1.2	-1.2	-1.3	-1.1
NOPAT	**0.8**	**1.6**	**2.2**	**2.5**	**2.5**	**2.6**	**2.3**
D&A	1.2	1.1	1.0	1.0	1.0	1.0	1.0
(Capex)	-1.3	-1.2	-1.1	-1.1	-1.1	-1.1	-1.0
NWC requirements	2.6	-0.5	0.9	-0.3	-0.3	-0.3	-0.1
Free Cash Flow	**3.3**	**1.0**	**3.0**	**2.1**	**2.1**	**2.2**	**2.2**

Implied ratios	FY09/10E	FY10/11E	FY11/12E	FY12/13E	FY13/14E	FY14/15E	TV
Sales/CE	3.6	3.7	3.9	3.9	3.9	4.0	4.0
Capex/D&A	1.1	1.1	1.1	1.1	1.1	1.1	1.0
Capex/Sales	1.1%	1.0%	0.9%	0.9%	0.9%	0.9%	0.8%
Capex/CE	4.2%	3.8%	3.5%	3.5%	3.5%	3.6%	3.2%
NWC/Sales	12.0%	12.0%	11.0%	11.0%	11.0%	11.0%	11.0%

Source: Centrobanca estimates

Figure 10. ITWAY – Main peers (IT distribution business) multiples analysis

	P/BV		
	2010	**2011**	**2012**
Esprinet S.p.A.	1.67	1.48	1.30
Tech Data Corp.	1.04	1.00	0.95
Ingram Micro Inc.	0.98	0.95	0.90
Arrow Electronics Inc.	1.03	0.87	0.77
Also Holding AG	1.27	1.15	1.05
AVERAGE	**1.20**	**1.09**	**0.99**
Itway multiples	1.10	1.04	0.97
Premium/discount	**-8.3%**	**-4.7%**	**-2.3%**
Itway implicit TP	**3.66**	**3.38**	**3.28**
Upside/downside	7.1%	-1.1%	-4.0%

Source: Centrobanca, Factset

Income Statement				
(EURm)	**Sept2009**	**Sept2010E**	**Sept2011E**	**Sept2012E**
Net Revenues	104.2	113.5	117.8	120.4
EBITDA	1.5	2.4	3.5	4.3
EBITDA margin	1.4%	2.1%	3.0%	3.6%
EBIT	0.5	1.2	2.4	3.3
EBIT margin	0.5%	1.1%	2.0%	2.7%
Net financial income /expense	-1.3	-0.9	-0.8	-0.7
Associates & Others	0.0	0.0	0.0	0.0
Profit before taxes	-0.8	0.3	1.6	2.6
Taxes	-0.4	-0.2	-0.7	-1.0
Minorities & discontinued ops	0.0	0.0	0.0	0.0
Net Income	-1.3	0.1	0.9	1.6

Source: Company data, Centrobanca estimates

Balance Sheet				
(EURm)	**Sept2009**	**Sept2010E**	**Sept2011E**	**Sept2012E**
Net working capital	16.2	13.6	14.1	13.2
Net Fixed assets	17.5	17.6	17.7	17.8
M/L term funds	-0.8	-0.8	-0.8	-0.8
Capital employed	33.0	30.5	31.1	30.3
Shareholders' equity	13.5	13.6	14.5	15.6
Minorities	0.0	0.0	0.0	0.0
Shareholders' funds	13.5	13.6	14.5	15.6
Net financial debt/(cash)	19.5	16.9	16.6	14.7

Source: Company data, Centrobanca estimates

Cash Flow Statement				
(EURm)	**Sept2009**	**Sept2010E**	**Sept2011E**	**Sept2012E**
NFP Beginning of Period	-9.4	-19.5	-16.9	-16.6
Group Net Profit	-1.3	0.1	0.9	1.6
Minorities	0.0	0.0	0.0	0.0
D&A	1.0	1.2	1.1	1.0
Change in Funds & TFR	-0.2	0.0	0.0	0.0
Gross Cash Flow	-0.5	1.3	2.0	2.6
Change In Working Capital	-4.4	2.6	-0.5	0.9
Other	0.0	0.0	0.0	0.0
Operating Cash Flow	-4.9	3.9	1.5	3.4
Capex	-4.5	-1.3	-1.2	-1.1
Other Investments	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0
Free Cash Flow	-9.5	2.6	0.3	2.3
Dividends Paid	-0.6	0.0	-0.1	-0.5
Other & Chg in Consolid. Area	0.0	0.0	0.0	0.0
Chg in Net Worth & Capital Incr.	-0.0	0.0	0.0	0.0
Change in NFP	-10.0	2.6	0.3	1.9
NFP End of Period	-19.5	-16.9	-16.6	-14.7

Source: Company data, Centrobanca estimates

Financial Ratios

(%)	Sept2009	Sept2010E	Sept2011E	Sept2012E
Net Margin	nm	0.1%	0.8%	1.3%
ROE	nm	0.9%	6.7%	10.3%
ROIC - after tax	1.2%	2.7%	5.5%	7.6%
Net Fin. Debt/Equity (x)	1.4	1.2	1.1	0.9
Net Fin. Debt/EBITDA (x)	13.2	7.0	4.7	3.4
NOPAT(EURm)	0.3	0.9	1.7	2.4
ROACE	1.2%	2.7%	5.7%	7.8%

Source: Company data, Centrobanca estimates

Per Share Data

(EUR)	Sept2009	Sept2010E	Sept2011E	Sept2012E
EPS	-0.283	0.028	0.213	0.352
DPS	0.000	0.014	0.107	0.176
Op. CFPS	-1.116	0.883	0.345	0.780
Free CFPS	-2.144	0.589	0.074	0.531
BVPS	3.055	3.084	3.283	3.528

Source: Company data, Centrobanca estimates

Stock Market Ratios

(x)	Sept2009	Sept2010E	Sept2011E	Sept2012E
P/E	nm	nm	15.8	9.6
P/OpCFPS	nm	3.8	9.8	4.3
P/Free CFPS	nm	5.7	45.8	6.4
P/BVPS	1.1	1.1	1.0	1.0
Div. Yield (%)	0.0%	0.4%	3.2%	5.2%
Free Cash Flow Yield (%)	nm	17.5%	2.2%	15.7%
EV (EURm)	35.1	32.5	32.2	30.4
EV/Sales	0.3	0.3	0.3	0.3
EV/EBITDA	23.9	13.5	9.2	7.1
EV/EBIT	73.9	27.1	13.4	9.2
EV/Capital Employed	1.1	1.1	1.0	1.0

Source: Company data, Centrobanca estimates

Growth Rates

(%)	Sept2009	Sept2010E	Sept2011E	Sept2012E
Growth Group Net Sales	-6.9%	8.9%	3.8%	2.2%
Growth EBITDA	-64.6%	63.4%	45.8%	22.9%
Growth EBIT	-85.3%	152.6%	100.0%	37.5%
Growth Net Profit	nm	nm	657.8%	65.0%

Source: Company data, Centrobanca estimates

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