Trevi Finanziaria

MEDIOBANCA SECURITIES

12 September 2011 | **Capital Goods** | **Change in Estimates**

Price: € 7.47 **Target price: € 9.35** **Outperform**

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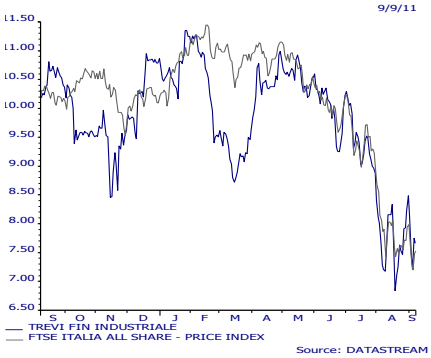
	2009	2010	2011E	2012E	2013E
EPS Adj. (€)	1.28	0.72	0.66	0.74	0.84
DPS (€)	0.12	0.13	0.13	0.13	0.13
BVPS (€)	4.72	5.53	6.06	6.67	7.38
EV/Ebitda (x)	5.5	8.2	5.9	5.7	5.1
P/E adj (x)	6.9	15.7	11.3	10.1	8.9
Div.Yield (%)	1.4	1.1	1.7	1.7	1.7
OpFCF Yield (%)	<0	9.7	8.0	8.9	11.4

Source: Mediobanca Securities



Market Data	
Market Cap (€m)	478
Shares Out. (m)	64
Main Shareholder	Trevisani Family (55.9%)
Free Float (%)	48%
52 week range (€)	11.34-6.83
Rel Perf vs FTSE Italia All Share (%)	
-1m	6.6%
-3m	1.9%
-12m	2.6%
21dd Avg. Vol. ('000)	281
Reuters/Bloomberg	TFI.MI / TFI IM

Well equipped to fight a difficult scenario

Drillmec – the lifeline protecting the backlog

In a scenario dominated by fears of recession/a double dip for mature economies, the recent contracts awarded to Trevi's drilling unit (in Mexico, Russia, Eastern Europe, Turkey and China) bear witness to management efforts to fight what we see as a likely slowdown in the overall civil infrastructure business by speeding up the development of the drilling business. Management is now reaping the rewards of its 10 years' experience in the drilling business. Drillmec is now one of the top three land oil/gas rig suppliers (10% of the approximately 3,000 existing land rigs in the world come from its factory, of which some 100 are hydraulic rigs), with a solid reputation on the market thanks to its successful execution of challenging contracts (e.g. the two rigs for Saipem in Kashagan). Management is now exploiting this track record, developing new areas and leveraging on a wider range of rigs (both conventional and the HH series), coupled with further improvements in performance. Big new names have been added recently (i.e. Pemex) and the recent contracts awarded show the company's growth potential.

Civil works: focus on few rich tenders to preserve margins

On the other side, we are factoring-in a slowdown of intake in the core business of ground engineering. Here the strategy is to focus on a few profitable tenders in order to preserve profitability (as the recent contract for the Copenhagen metro ring suggests). In the end, we see the group's backlog remaining stable overall, as a result of more contracts in the drilling business offsetting the drop in civil works contracts.

Stable backlog = stable net profit in 2012E Y/Y

We forecast stable profits in 2012E Y/Y. Higher financial charges and tax rate lead us to adjust our 2012E EPS downwards by 17%.

Outperform rating confirmed. TP lowered to €9.35 (from 12.0)

Our outperform rating is confirmed. TFI is one of the few companies in our capital goods coverage showing a continued stream of orders YTD. The main risks to the stock performance lie in 1) the lower investor appetite for small/mid cap companies given the current equity market conditions; 2) the potential overhang from the likely conversion of the convertible bond. Our SOP valuation, pointing to a TP of €9.35 (from €12.0), reflects 1) the above-mentioned cut in estimates; 2) some €20m cash-out related to the conversion of the convertible bond expiring on 30 November (see page 9 for details).

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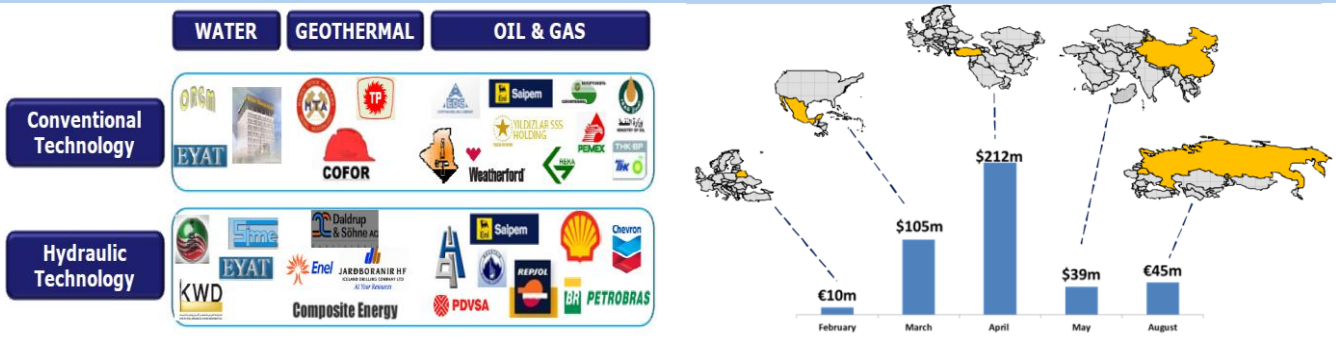
Drillmec – the lifeline protecting the backlog

Looking at the recent stream of orders, it is evident that Drillmec is changing gear. The new contracts signed in Belarus (€10m order to provide one conventional rig), Mexico (Pemex: USD105m order to provide 3 conventional rigs), Turkey (USD212m contract for 11 conventional rigs), China (USD39m contract for 25 hydraulic rigs, plus the option for an additional 125 hydraulic rigs) and Russia/Eastern Europe (€45m contract for 5 conventional and hydraulic rigs) represent a turning point in terms of geographical expansion and new market penetration.

The client base of Drillmec and Petreven (the subsidiary providing the drilling service) now includes all the big names of the oil industry, after 10 years' effort to be accepted as a reliable partner.

Starting from an established relationship with Repsol YPF in Argentina, Petrobras in Brazil and PDVSA in Venezuela, the last couple of years have seen Saipem, Shell, Chevron and lastly Pemex join the client portfolio.

Drillmec's client base and new market penetration



Source: Company presentation, Mediobanca Securities

Almost half of the current group backlog is now coming from the drilling business (33% from Drillmec and 15% from Petreven).

The key point to emerge from the recent talks we had with management is that the development of the "soft" backlog is encouraging. We refer to likely contracts that are in the pipeline:

- Pemex – contracts worth some €100 million to provide both conventional and hydraulic rigs, following the international tender launched by Pemex. Note that Drillmec is now one of the most reliable names among hydraulic rig producers;
- A major US oil company – 1 HH 200 rig under negotiation and additional customised hydraulic rigs;
- The renewal of Petreven's drilling service contracts with the Argentinean/Spanish company Repsol YPF (around USD120m) and Ecopetrol of Colombia (USD20m).

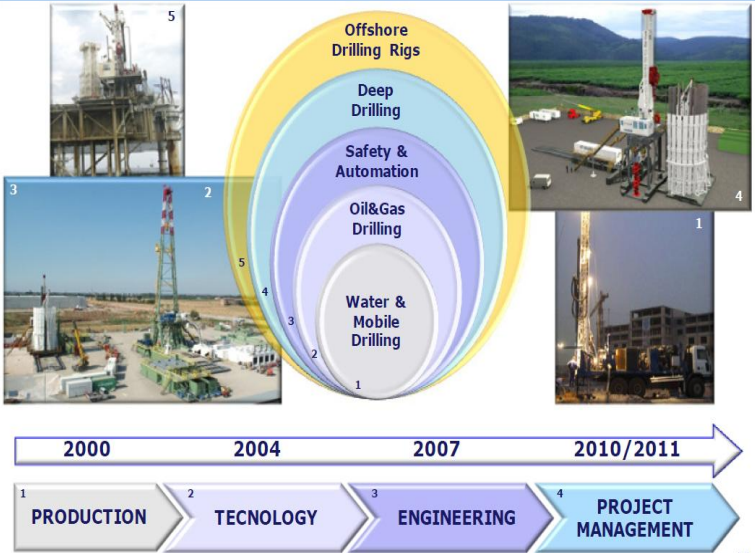
Why is Drillmec now at a turning point? There are three main reasons:

1. The broader client base already mentioned. The relationships established with Pemex and other leading oil companies should boost Drillmec's intake;
2. Geographical expansion. In particular, Eastern Europe and Russia have an estimated 700 overwhelmingly "ancient" rigs (40 to 50 years old) operating there. This compares to the approximately 4,300 Baker Hughes estimate worldwide ex-Russia and China;

3. The US market has historically been very conservative and very closed to non-US operators, for several reasons: a nationalistic attitude, a lack of confidence and the historical leadership of US drilling companies/manufactures. In this scenario, TFI's Houston-based subsidiary is now fully up and running and accepted as a US operator. In addition, the company is able to suggest tailor-made/customised solutions, a distinctive factor that the US operators are not able to offer given their standardised approach.

The next frontier is represented by the jump in the offshore world. Here, Pemex might again provide a means of penetrating the market. The "hundred million dollar" tender from Pemex mentioned above includes two offshore platforms and rigs to be installed for shallow waters, which are the segment that Drillmec is looking at.

Drillec's growth history and next phase



Source: Company presentation, Mediobanca Securities

In the end, the drilling business is entering a new phase, with genuine opportunities to change the size of the company. The charts below highlight both Drillmec's and Petreven's distinctive features and evolution.

Drillmec's distinctive features and Petreven's evolution

Source: Company presentation, Mediobanca Securities

Civil works: market slowdown addressed by focusing on a few rich tenders

The flipside of the coin is represented by the ground engineering business. Here the issue is the likely slowdown in tenders following what we see as a likely scenario of recession/double dip for mature economies.

Although management is quite optimistic on new awards and does not expect any cancellations or delays of tenders, nor any cancellations of existing or "shadow" group backlog projects, our take is that mature economies will face a material slowdown of investments in new infrastructure works.

Looking at the group's backlog breakdown, we note that almost 40% comes from Italy, Europe and the US. We believe it will be difficult for the company to replace this in the short term.

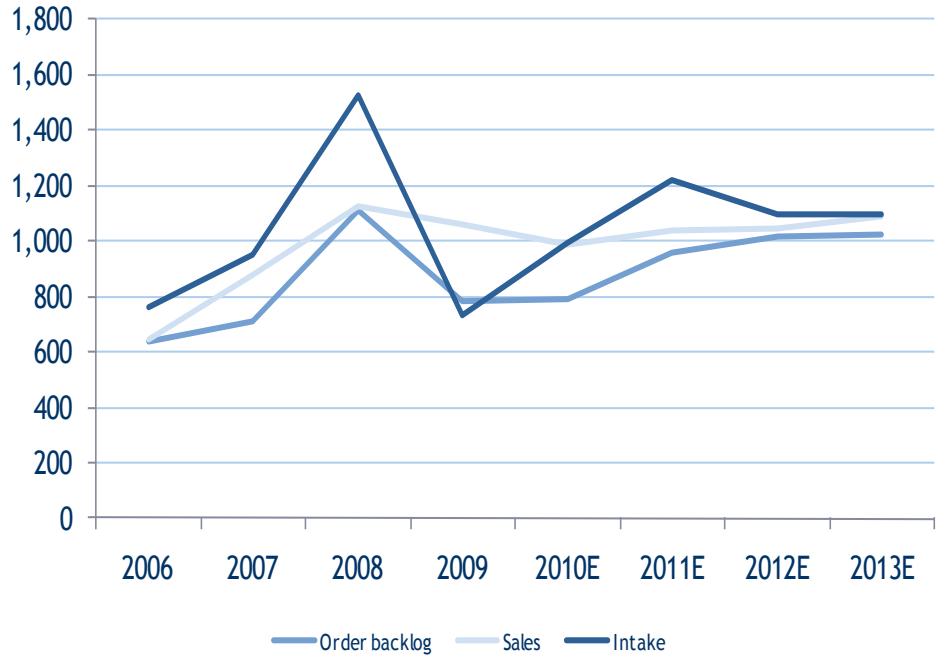
A key issue might be the announced USD447bn plan that would boost spending on infrastructure. In particular, the focus on infrastructures might lead to additional resources for the US Corp of Engineers, the state-owned division devoted to the allocation of funds for civil works that includes dam rehabilitation, i.e. TFI's main market. If this is the case, the already planned projects to rehabilitate 20 dams (of which 5 need urgent repairs) might eventually be given the go ahead.

TFI's strategy to fight this scenario is to focus on a few profitable tenders in order to preserve profitability, as the recent contract for the Copenhagen metro ring suggests. The Copenhagen contract is worth approx. €90m, and Trevi refused to touch anything connected with the materials and commodities. In other words, management could have taken an order worth a lot more, but chose to keep only the profitable part, reducing the WC commitment as well.

In the end, we see the group's backlog remaining stable overall, as a result of more contracts in the drilling business offsetting the drop in civil works contracts.

The following charts highlight our turnover, backlog and intake assumptions at group level and by business division.

Trevi group – sales, backlog and intake historical trend and 2011E-2013E assumptions



Source: Company data, Mediobanca Securities

Trevi group – backlog and intake historical figures and 2011E-2012E assumptions by business division

	2006	2007	2008	2009	2010	2011E	2012E
Soilmec	9.0%	12.0%	6.0%	4.0%	7.0%	0.9%	-12.3%
Petreven	25.0%	16.0%	10.0%	12.0%	20.0%	7.0%	10.4%
Drillmec	25.0%	23.0%	27.0%	26.0%	13.0%	37.4%	59.1%
Trevi	41.0%	49.0%	57.0%	58.0%	60.0%	54.6%	42.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Order backlog	**637.0**	**709.3**	**1109.0**	**780.3**	**788.4**	**961.0**	**1014.9**
Soilmec	57.3	85.1	66.5	31.2	55.2	8.6	-125.1
Petreven	159.3	113.5	110.9	93.6	157.7	67.7	105.4
Drillmec	159.3	163.1	299.4	202.9	102.5	359.7	599.4
Trevi	261.2	347.6	632.1	452.6	473.0	525.0	435.1
Intake	**762.9**	**951.5**	**1528.7**	**729.7**	**998.3**	**1220.0**	**1100.0**
Soilmec	179.9	308.7	300.7	152.1	226.3	200.0	100.0
Petreven	124.8	0.8	62.3	48.1	144.0	70.0	150.0
Drillmec	149.4	198.0	425.1	213.9	188.0	500.0	600.0
Trevi	308.8	444.0	740.6	315.6	440.0	450.0	250.0

Source: Company data, Mediobanca Securities

Stable backlog = Stable profits in 2012E Y/Y

On the back of our intake and backlog assumptions, we forecast stable profits in 2012E Y/Y.

We are cutting our 2011E EPS estimate by 27% as a result of an 8.5% drop in EBITDA (higher labour costs) and higher financial charges and tax rate (35.5% vs. 33% previously expected). In detail:

- Labour costs, up by 15.4% in 1H Y/Y, reflect an increase in salaries in South America that should be recovered in the mid to long term thanks to adjustments of the daily rates in the drilling business;
- The higher tax rate reflects a different mix in profits, with a higher share of earnings coming from South America. According to the management, it should be back to a normalised level (33%) in 2012 thanks to the rebalancing of profits.

These issues have a knock-on effect on 2012, leading us to adjust our 2012E EPS downwards by 17%.

Note that an appreciation in the USD/EUR exchange rate would produce better results due to translation effects.

Trevi group – new and old 2011E – 2013E estimates

	2011E	2011E	Est. ch.	2012E	2012E	Est. ch.	2013E	2013E	Est. ch.
	New est.	Old est.		New est.	Old est.		New est.	Old est.	
Backlog	**961.0**	**923.3**	**4.1%**	**1,014.9**	**897.7**	**13.1%**	**1,026.9**	**843.6**	**21.7%**
Intake	1211.9	1211.9	**0.0%**	1100.0	1050.0	**4.8%**	1100.0	1000.0	**10.0%**
Sales	**1,039.3**	**1,077.0**	**-3.5%**	**1,046.1**	**1,075.6**	**-2.7%**	**1,088.0**	**1,054.1**	**3.2%**
Other revenues	20.0	(10.7)		20.0	(10.7)		0.0	0.0	
Work done	**1,059.3**	**1,066.2**	**-0.7%**	**1,066.1**	**1,064.9**	**0.1%**	**1,088.0**	**1,054.1**	**3.2%**
EBITDA	**144.6**	**158.0**	**-8.5%**	**146.7**	**154.3**	**-4.9%**	**157.4**	**147.6**	**6.7%**
EBITDA margin	13.9%	14.7%		14.0%	14.3%		14.5%	14.0%	
D&A	(54.5)	(54.5)		(56.2)	(56.2)		(57.3)	(55.6)	
Other provisions	0.0	0.0		0.0	0.0		0.0	0.0	
EBIT	**90.1**	**103.4**	-12.9%	**90.6**	**98.1**	-7.7%	**100.1**	**92.0**	8.8%
EBIT margin	8.7%	9.6%		8.7%	9.1%		9.2%	8.7%	
Forex	(4.5)	0.0		0.0	0.0		0.0	0.0	
Net fin. charges	(17.0)	(13.9)		(17.0)	(13.9)		(17.0)	(13.9)	
Pre-tax profit	**68.6**	**89.6**	**-23.4%**	**73.6**	**84.3**	**-12.7%**	**83.1**	**78.1**	**6.4%**
Taxes	(24.4)	(29.6)		(24.3)	(25.3)		(27.4)	(23.4)	
Tax rate	35.5%	33.0%		33.0%	30.0%		33.0%	30.0%	
Minorities	(2.0)	(2.0)		(2.0)	(2.0)		(2.0)	(2.0)	
Net profit	**42.2**	**58.0**	**-27.2%**	**47.3**	**57.0**	**-17.0%**	**53.7**	**52.7**	**1.9%**

Source: Mediobanca Securities

We finally highlight our assumptions by business division, assuming a 10% drop in turnover in the ground engineering business (Trevi), offset by a 5% increase of the drilling business (Drillmec and Petreven). As far as profitability is concerned, overall we maintain the same margin as expected for this year.

Soilmec (the mechanical division for the ground engineering business) represents the real question mark. Given its high cyclicality, the top line and profitability would be badly affected in the event of a heavy downturn in the cycle (as happened in 2009 and, to some extent, in 2010).

Trevi group – historical figures and 2011E – 2012E assumptions by business division

	2009		2010		2011E		2012E	
Foundation works (Trevi)	495.2	9.3%	419.5	-15.3%	377.6	-10.0%	339.8	-10.0%
EBITDA	109.1	43.1%	69.9	-35.9%	62.3	-10.9%	57.8	-7.3%
EBITDA margin	22.0%		16.7%		16.5%		17.0%	
Drilling services (Petreven)	65.4	0.8%	80.0	22.4%	96.0	20.0%	112.3	17.0%
EBITDA	14.5	2.2%	17.6	21.3%	21.1	20.0%	24.7	17.0%
EBITDA margin	22.2%		22.0%		22.0%		22.0%	
Foundation equipment (Soilmec)	187.4	-41.3%	202.3	8.0%	222.6	10.0%	233.7	5.0%
EBITDA	17.8	-54.1%	17.3	-3.0%	20.0	16.0%	21.0	5.0%
EBITDA margin	9.5%		8.5%		9.0%		9.0%	
Drilling equipment (Drillmec)	310.5	7.5%	288.4	-7.1%	343.2	19.0%	360.3	5.0%
EBITDA	40.4	-6.0%	32.7	-19.1%	41.2	26.1%	43.2	5.0%
EBITDA margin	13.0%		11.3%		12.0%		12.0%	
Infragroup turnover	-22.6		-37.3		0.0		0.0	
Total sales	**1035.8**	**-3.1%**	**952.9**	**-8.0%**	**1039.3**	**9.1%**	**1046.1**	**0.7%**
Inventories and others	**59.5**		**-10.7**		**20.0**		**20.0**	
Turnover	**1095.3**		**942.2**		**1059.3**		**1066.1**	
Group's EBITDA	**181.8**	**7.9%**	**137.4**	**-24.4%**	**144.6**	**5.2%**	**146.7**	**1.5%**
EBITDA margin	**17.5%**		**14.4%**		**13.9%**		**14.0%**	

**Note that the historical indications of margins are our assumptions, given the fact that the company does not provide these figures*

Source: Company data, Mediobanca Securities

Cash flow – options to keep working capital under control

The expected material commitment in the Drilling division would imply a similar commitment in terms of working capital, given the lack of pre-payments from clients in several cases (e.g. Pemex). Although in these cases the contracts are guaranteed by letters of credit, an option that management is trying to implement is to suggest to clients that they finance the project using buyer's credit provided by SACE, the Italian state-owned company involved in credit insurance. This would mean no working capital requirements.

Our cash-flow assumptions do not include this option, foreseeing a cash-burn in the second half of the year, on the back of some €35m additional capex and working capital requirements. These would drive debt back to around €380m by year-end (it was €334m as of June, with significant cash flow generation of €72m vs. March), or operating cash flow generation of €23m for the full year.

Assuming that clients accept the option mentioned above, the estimated net debt figure at year-end would be some €50m/€60m lower.

Trevi group – cash flow and net debt assumptions

	2009	2010	2011E	2012E	2013E
Net profit and minorities	84.2	4□.7	44.2	49.3	55.7
Non cash items	64.4	52.9	54.7	56.4	57.5
Cash flow	**148.7**	**98.6**	**98.9**	**105.7**	**113.2**
Change in net working capital	-165.4	13.2	-6.2	-2.7	-16.3
Capex	-76.2	-41.2	-70.0	-70.0	-50.0
Free operating cash flow	**-93.0**	**70.7**	**22.7**	**33.0**	**46.8**
Net debt*	**443.8**	**396.0**	**381.8**	**358.4**	**321.3**
Net debt/EBITDA	**2.4x**	**2.9x**	**2.6x**	**2.4x**	**2.0x**
Gearing	**1.5x**	**1.1x**	**1.0x**	**0.8x**	**0.7x**

**Not including the proceeds from the capital increase related to the convertible bond*

Source: Company data, Mediobanca Securities

With a net debt/EBITDA ratio of 2.6x by year-end and a gearing of 1.0x, the group is totally free to support the growth strategy in the Drilling business.

The convertible bond – risk of overhang

The €70m convertible bond will expire on 30 November. The strike price is €11.30 per share. TFI has already approved the issue of 6.15m new shares, i.e. around 10% of the existing shares. TFI can force the conversion at the strike price, but it has to pay the difference between the strike and the average price of the shares of an undisclosed period before 30 November to the bondholders.

While the company has credit lines in excess to redeem the bond, the intention of the ownership seems to force the conversion. At current prices, it would mean a capital increase of approximately€46.5m and a cash-out of some €23.5m.

The conversion would immediately determine an overhang risk of 10% of the existing shares, in our view.

Valuation – SOP trimmed to €9.35

We are updating our SOP based on 2011 figures, that includes the conversion of the €70m convertible bond (our new number of shares is fully diluted), as well as the net proceeds, i.e. some €50m.

	EV	EV/ Sales	EV/ EBITD¤	2011E Sales	2011E EBITDA	EBITDA margin
Ground engineering divisions (Trevi and Soilmec)	441.3	0.7¤	5.4x	600.2	82.3	13.7%
Drilling service (Petreven)	140.7	1.4x	6.7x	96.0	21.1	22.0%
Drilling equipment (Drillmec)	406.1	1.2x	9.9x	343.2	41.2	12.0%
Total	**988.0**	**0.95x**	**6.8x**	**1039.3**	**144.6**	**13.9%**
2011E NFP	(381.8)					
2011E NFP adjusted by the convertible bond*	(331.8)					
Equity Value (SOP)	**656.2**					
Outstanding shares	64,000					
Outstanding shares (fully diluted)	70,150					
Target price	**9.35**					

**Net proceeds*

Source: Mediobanca Securities

Mosul – the never ending story

We consciously dedicated the last section to Mosul. It seems to have become a never ending story, but we hope (and not only we...) that will be a reality in the near future. Management described how a ceremony was held in Baghdad a few months ago, when the bids were read aloud. Hence the fact that Trevi knows its offer to repair the dam was the "best" economically. Now the decision is in the hand of the cabinet/Prime Minister level, but no one knows when it and if it will be taken.

It would be reasonable to expect a decision by year-end. We note that if it were awarded now, it would take at least 3-4 months for the down-payment to arrive (10% out of €2.0bn), after which design work would start, meaning little will happen on the ground before 4Q 2012.

We tried to quantify the cash flow generation from the execution of the contract, starting from the following assumptions:

- Total amount of the contract: €2.0bn;
- Duration of the execution: 6 years;
- Capex: €130m;
- EBITDA margin: 22.5%;
- Tax-rate: 10%. Even if it should be a tax-free contract, we are assuming a 10% tax-rate to include the transfer of profits from the Iraqi subsidiary to higher level of the group's chain;
- WACC: 8.0%.

We quantify the contribution of the Mosul project in €3.1 per share that would be added to our target price (assuming no problems of execution, i.e. penalties for delays, profitability in line with what assumed, etc.).

The cash flow calculation is highlighted below (€217m cumulated cash flows divided by 70.15m fully diluted shares).

Mosul – profitability assumptions

	2013E	2014E	2015E	2016E	2017E	2018E
Revenues	333.3	333.3	333.3	333.3	333.3	333.3
EBITDA	75.0	75.0	75.0	75.0	75.0	75.0
EBITDA margin	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%
D&A	-21.7	-21.7	-21.7	-21.7	-21.7	-21.7
EBIT	53.3	53.3	53.3	53.3	53.3	53.3
Financial charges	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0
Taxes (assuming 10% tax-rate)	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8
Net profit	43.5	43.5	43.5	43.5	43.5	43.5

Source: Mediobanca Securities

Mosul – cash flow assumptions

	2013E	2014E	2015E	2016E	2017E	2018E
WACC	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Discount factor	1.00	0.93	0.86	0.79	0.74	0.68
Disc. operating cash flows	43.5	40.3	37.3	34.5	32.0	29.6
Cumulated discounted cash flows	**43.5**	**83.8**	**121.1**	**155.6**	**187.6**	**217.2**

Source: Mediobanca Securities

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Trevi Finanziaria

MEDIOBANCA SECURITIES

Price: € 7.47 **Target price: € 9.35** **Outperform**

Profit & Loss account (€ m)	2009	2010	2011E	2012E	2013E
Turnover	1,095	942	1,059	1,066	1,088
Turnover growth %	-8.9	-14.0	12.4	0.6	2.0
EBITDA	182	13¤	145	147	157
EBITDA margin (%)	16.6	14.6	13.7	13.8	14.5
EBITDA growth (%)	9.3	-24.5	5.4	1.5	7.3
Depreciа¤ion & Amortization	-64	-53	-55	-56	-57
EBIT	117	84	90	91	100
EBIT margin (%)	10.7	8.9	8.5	8.5	9.2
EBIT growth (%)	-8.0	-28.2	6.9	0.5	10.5
Net Fin.Income (charges)	-17	-14	-17	-17	-17
Non-Operating Items	5	0	-5	0	0
Extraordinary Items	0	0	0	0	0
Pre-tax Profit	105	70	69	74	83
Tax	-20	-25	-24	-24	-27
Tax rate (%)	19.5	34.9	35.5	33.0	33.0
Minorities	-2	1	-2	-2	-2
Net Profit	82	46	42	47	54
Net Profit growth (%)	10.0	-43.6	-8.9	12.0	13.5
Adjusted Net Profit	82	46	42	47	54
Adj. Net Profit growth (%)	10.0	-43.6	-8.9	12.0	13.5

Balance Sheet (€ m)	2009	2010	2011E	2012E	2013E
Working Capital	413	399	406	408	425
Net Fixed Assets	368	384	400	413	406
Total Capital Employed	781	784	805	822	831
Shareholders' Funds	302	354	388	427	472
Minorities	14	1¤	13	13	13
Provisions	21	21	23	23	24
Net Debt (-) Cash (+)	-444	-396	-382	-358	-321

Cash Flow Model (€ m)	2009	2010	2011E	2012E	2013E
Cash Earnings	149	99	99	106	113
Working Capital Needs	-165	13	-6	-3	-16
Capex (-)	-76	-41	-70	-70	-50
Financial Investments (-)	0	0	0	0	0
Dividends (-)	-8	-8	-8	-8	-8
Other Sources / Uses	-20	-15	0	-¤	-1
Ch. in Net Debt (-) Cash (+)	-121	48	14	23	37

Multiples	2009	2010	2011E	2012E	2013E
P/E Adj.	6.9	15.7	11.3	10.1	8.9
P/CEPS	3.8	7.4	4.8	4.5	4.2
P/BV	1.9	2.0	1.2	1.1	1.0
EV/ Sales	0.9	1.2	0.8	0.8	0.7
EV/EBITDA	5.5	8.2	5.9	5.7	5.1
EV/EBIT	8.6	13.3	9.5	9.2	8.0
EV/Cap. Employed	1.3	1.4	1.1	1.0	1.0
Yield (%)	1.4	1.1	1.7	1.7	1.7
OpFCF Yield (%)	<0	9.7	8.0	8.9	11.4
FCF Yield (%)	<0	9.8	5.7	6.9	9.8

Per Share Da¤a (€)	2009	2010	2011E	2012E	2013E
EPS	1.28	0.72	0.66	0.74	0.84
EPS growth (%)	10.0	-43.6	-8.9	12.0	13.5
EPS Adj.	1.28	0.72	0.66	0.74	0.84
EPS Adj. growth (%)	10.0	-43.6	-8.9	12.0	13.5
CEPS	2.32	1.54	1.55	1.65	1.77
BVPS	4.7	5.5	6.1	6.7	7.4
DPS Ord	¤.12	0.13	0.13	0.13	0.13

Key Figures & Ratios	2009	2010	2011E	2012E	2013E
Avg. N° of Shares (m)	64	64	64	64	64
EoP N° of Shares (m)	64	64	64	64	64
Avg. Market Cap. (€ m)	564	726	478	478	47¤
Adjustments (€m)	0	0	0	0	0
Enterprise Value (€ m)	1,008	1,122	860	837	799
Labour Costs/Turnover	15%	18%	17%	18%	18%
Depr.&Amort./Turnover	6%	6%	5%	5%	5%
Turnover / Op.Costs	1.1	1.1	1.1	1.1	1.1
Gearing (Debt / Equity)	141%	108%	95%	81%	66%
E¤ITDA / Fin. Charges	>10	9.9	8.5	8.6	9.3
Net Debt / EBITDA	2.4	2.9	2.6	2.4	2.0
Cap.Employed/Turnover	71%	83%	76%	77%	76%
Capex / Turnover	7%	4%	7%	7%	5%
Pay out	9%	18%	20%	18%	16%
ROE	27%	13%	11%	11%	11%
ROCE (pre tax)	15%	11%	11%	11%	12%
ROCE (after tax)	12%	7%	7%	7%	8%

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