fidentiis EQUITIES

INDEPENDENCE OF IDEAS

INSIDE ITALY

13 May 2011

Switchboard
+39 02 36705200
Dealing Desk
+39 02 92880200

		1 week	1 month	YTD	Turnover (€m)	Mkt Cap(€bn)
FTSEMIB Index	22031,16	-1,64%	-1,50%	9,21%	3.290.444	253.753
FTSE Italy MIDCAP	25057,42	-1,50%	-1,99%	3,91%	181.694	27.936

DJ Stoxx 600	2653,45	€10 yr Bond (%)	3,13	€/$	1,43
DJIA	12630,03	US$10 yr Bond (%)	3,16	€/£	0,87
Nasdaq	2393,08	Bond Spread (bps)		OIL	125,81
DAX	4288,92	Italy	148,03	GOLD	1501,10
CAC40	4058,08			VIX	16,95

ITALY

	Best
Mediobanca Banca	2,58%
Lottomatica S.P.A	1,85%
Finmeccanica S.P.	1,72%
	Worst
Pirelli & C. S.P.	-1,32%
Saipem S.P.A.	-1,26%
Azimut Holding S.	-1,25%
High Volume %3m avg	
Eni S.P.A.	272,9%
Tod's S.P.A.	173,4%
Ubi Banca	157,2%

STOXX 600

	Best
Bourbon	5,17%
Coca-Cola Helleni	4,71%
A.P. Moller-Maers	4,42%
	Worst
Kloeckner & Co. S	-7,74%
Fonciere Des Regi	-5,29%
Itv Plc	-5,27%
High Volume %3m avg	
Valiant Holding A	1001,3%
Deutsche Boerse A	578,8%
Eni S.P.A.	272,9%

ACTION POINT: CAMPARI - GROWING FASTER

- **With another strong quarter Campari confirms itself as the fastest growing company in the European Spirits sector at the moment, as it did in the last year.**
- **We revised our estimates, increasing our 2011 top line organic growth from +5.6% to 6.7% and EPS by 2.3%**
- **We increase our valuation range from €5.1-5.2 to €5.6-5.8, reiterating a Buy recommendation.**

YESTERDAY'S CLOSING COMMENT

European stocks fell, sending the benchmark Stoxx Europe 600 Index down for the first time in three days, led by a selloff in metal and oil producers as commodities extended yesterday's rout. BHP Billiton Ltd. and Rio Tinto Group each lost more than 1% after copper slumped to a five-month low on Wednesday. Insurers declined as companies from Allianz SE to Aegon NA reported earnings. Thales SA dropped 2.7% on a report that the company may make a cash contribution as part of an asset swap with Safran SA. The Stoxx 600 retreated 0.8% to 281.53 at the 17:30 close in Milan for the biggest drop in a week.

TODAY'S MARKET COMMENT

FONDIARIA: Consob ruling on UCG rescue plan today, press reiterated the possibility of a possible takeover bid, Co willing to sell IMPREGILO stake

GENERALI: to approve Q1 figures today

UNICREDIT: Offering EUR150mln to settle the Cirio litigations, figures well above exp thx the trading line (€700m) 52% better than consensus, NII -2.5% Q/Q

BMPS: Net EUR140.3mln better, Co willing to launch right issue asap

MEDIOLANUM: Mr. Doris confirmed Banca Esperia no more strategic

AZIMUT: Net EUR26mln +8.9%, BoD approved 20% of early repayment of the 2016 bond to start in July, total cash out of EUR17.7mln.

RCS: Announced controlling chain rationalization

TELECOM IT: Bough 71% stake in store network 4GH for EUR8.5mln, 200 shops

TISCALI: Q1 revenues flat, Nel loss of EUR6.4mln. Net debt EUR202mln

CIR: Watch Out GdF recurrent rumors of interest for SORGENIA assets

SARAS: Milan Court closed the IPO investigations on possible frode, Co confirmed Q1 back into profits.

A2A: Sees 2011 figures in line with 2010, METROWEB disposal in couple of months

MARR: Signed a new JV in the centre of Italy with Nizzi Group

FIGS DUE TODAY: ATLANTIA-B POPOLARE-BUZZI-DIASORIN-GENERALI-INTESA-IREN-ITALMOBILIARE-LANDI-TERNA

Research

Andrea Balloni
Giorgio Iannella
Fabrizio Bernardi
Paolo Longinotti
Enrico Bartoli

Sales

Gianluca Codagnone
Giovanni Musarra
Marie Fedotov
Luca Rubini

Sales Trading/Trading

Neil O'Connor

ACTION POINT

Campari (CPR.MI) **BUY**

Campari - Growing Faster

Last (€)	4,96
Valuation Range (€)	5.6-5.8
Mkt Cap (€m)	2881,8
Free Float	34,6%
Av Daily Vol (m sh.)	1,88
YTD	1,85%

	2011E	2012E
P/E (x)	16,5	14,6
EV/EBITDA (x)	11,5	10,0
Div. Yield	1,4%	1,4%
EV/IC (x)	1,8	1,7
ROIC	10,5%	11,4%
FCF Yield	5,2%	6,0%
Debt/Equity	39,2%	25,1%

- With another strong quarter Campari confirms itself as the fastest growing company in the European Spirits sector at the moment, as it did in the last year.
- Campari, reported very strong 1Q11 results, above our and consensus estimates, thanks to almost all its main brands gathering momentum, with Aperol accelerating to an astonishing +57%.
- Revenues increased by 14.9% to €268.4m vs our €256m and consensus €254m.
- Top line organic growth was 10.5% vs our +6.2%, despite a very tough comparison base (1Q10 came at +14.5%). Spirits division reported a like for like of +10.5% and wines registered a strong +29.8%. Soft drinks were still weak at -7% due to late Easter.
- EBITDA and EBIT grew by 11% organically, to €69.4m and €61.6m in vs our estimates of €65m and €57.4m respectively. A stronger than expected gross margin (58.2% vs 57.3%), increasing 100bps YoY, more than offset the 17% increase in A&P and +15% in SG&A.
- In terms of guidance, management stated to expect Campari's key growth drivers to continue delivering positive performances and they remain optimistic about full year prospects.
- We revised our estimates, increasing our 2011 top line organic growth from +5.6% to 6.7% and EPS by 2.3%.
- On our new numbers, the stock trades at an EV/EBITDA of 10.7x, a P/E of 16.9x and a FCF yield of 5.1% on 2011.
- Compared to its main peers, Campari trades at a 20% discount on EV/EBITDA and EV/EBIT and 10% on P/E.
- In the first calendar quarter of 2011, Diageo and Pernod organic growth was +7% and +5% respectively, with Campari growing faster again.
- We, thus, believe the stock should be rerated accordingly.
- As our DCF now points to €5.7 per share, we increase our valuation range from €5.1-5.2 to €5.6-5.8, reiterating a Buy recommendation.

COMPANY NEWS - LARGE CAP

Atlantia (ATL-IT) — BUY

Moderate Ebitda growth is expected in 1Q11 despite a slight YoY decline in traffic

Last (€)	16,54
Valuation Range (€)	19.4-20.6
Mkt Cap (€m)	9924
Free Float	45,7%
Av Daily Vol (m sh.)	2,39
YTD	8,32%

	2011E	2012E
P/E (x)	11,9	12,1
EV/EBITDA (x)	8,1	7,9
Div. Yield	4,8%	5,0%
EV/IC (x)	1,2	1,1
ROIC	7,6%	7,8%
FCF Yield	11,2%	0,7%
Debt/Equity	131,2%	129,8%

Atlantia is reporting today its 1Q11 results.

and Fidentiis says...

We estimate: revenues €860m (+5.5% YoY), Ebitda €494m (+1.9% YoY), Ebit €355m (+0.7% YoY), net profit €122m (+0.7% YoY), net debt €9.7bn (€9.65bn at end 2010). YoY variations are already net of the deconsolidation of Strada dei Parchi.

According to our estimates Ebitda growth in 1Q was mainly driven by the +1.9% YoY tariff increase allowed in 2011 and by an improvement in the traffic mix.

We forecast that traffic on Atlantia's network posted a -0.6% YoY decline in 1Q11. This is due to a tough comparison for light traffic (-2.0% YoY) which in 1Q10 was particularly strong and benefited from the fact that Easter was at the very beginning of April in 2010. We expect that YoY comparison for light traffic will improve over the next few quarters and we confirm our estimate of +0.2% YoY variation for the FY11. On the other hand we forecast a strong +4.2% YoY growth for heavy traffic in 1Q11 which we expect will determine a +0.5% traffic-mix benefit on Atlantia's average toll revenue in Italy.

Analyst: *Enrico Bartoli* ***Tel:*** *+39 02 36 705 203* ***Email:*** *eb@fidentiis.com*

Buzzi (BZU-IT) — Hold

1Q'11 preview, results out today

Last (€)	10,26
Valuation Range (€)	9.2-9.6
Mkt Cap (€m)	1.686
Free Float	43,3%
Av Daily Vol (m sh.)	1,42
YTD	20,14%

	2011E	2012E
P/E (x)	30,1	15,1
EV/EBITDA (x)	6,6	5,4
Div. Yield	0,7%	1,4%
EV/IC (x)	0,6	0,5
ROIC	3,5%	4,8%
FCF Yield	7,5%	11,4%
Debt/Equity	38,7%	31,3%

Buzzi will report today 1Q'11 results. Dyckerhoff has already released 10 days ago. We forecast:

- Sales at €571m, 24% higher vs 1Q'10. Consensus expectations are set at €546m
- EBITDA at €33m vs €14m reported in 1Q'10. Consensus at €36m.
- EBIT at €-22m from €-40m reported in 1Q'10. Consensus at €-18m.
- Net loss at €30m, in line with Consensus, improving from €53m of 1Q'10.

No conference call has been scheduled. Buzzi is currently trading at 6.0x and 18x on '12 EV/EBITDA and PE.

Analyst: *Andrea Balloni* ***Tel:*** *+39 02 36 705 206* ***Email:*** *ab@fidentiis.com*

Diasorin (DIA-IT) — Buy

1Q preview. Results out today

			2011E	2012E
		P/E (x)	16,2	13,7
Last (€)	34,95	EV/EBITDA (x)	8,5	7,1
Valuation Range (€)	35.1-38.8	Div. Yield	1,2%	1,4%
Mkt Cap (€m)	1.912	EV/IC (x)	5,1	4,5
Free Float	47,2%	ROIC	39,9%	43,6%
Av Daily Vol (m sh.)	0,25	FCF Yield	4,8%	6,3%
YTD	8,51%	Debt/Equity	-25,7%	-38,3%

Diasorin will report today 1Q'11 results.
We expect:

- Sales at €115m, increasing 32.2% vs 1Q'10. Consensus is set at €112m
- EBITDA at €46.5m vs €36m reported in 1Q'10. Consensus is set at €47m
- EBIT at €40m vs €32m reported in 1Q'10. Consensus is set at €42m
- Net profit at €25.5m vs €19.5m of 1Q'10. Consensus is set at €26.3m

Conf. call at 15.00
Diasorin is trading at 8.5x and 16.1x on '11E EV/EBITDA and PE.

Analyst: *Andrea Balloni* ***Tel:*** *+39 02 36 705 206* ***Email:*** *ab@fidentiis.com*

Enel (ENEL IM) — Buy

Solid 1Q Ebitda despite lower power generation margins. Likely upward pressure on consensus' net profit estimates

			2010E	2011E
		P/E (x)	8,5	8,4
Last (€)	3,93	EV/EBITDA (x)	6,1	5,9
Valuation Range (€)	4.2-4.6	Div. Yield	6,9%	7,1%
Mkt Cap (€m)	36954	EV/IC (x)	0,9	0,9
Free Float	69,0%	ROIC	10,0%	10,0%
Av Daily Vol (m sh.)	44,17	FCF Yield	-2,0%	2,6%
YTD	26,74%	Debt/Equity	94,0%	89,0%

Enel reported its 1Q10 results: Ebitda €4,399m (-1.8% YoY), Ebit €3,036m (-3.0% YoY), net profit €1,201m (+14.4% YoY), net debt €45,5bn (€44.9bn at end 2010).

and Fidentiis says...

Enel's 1Q11 results were slightly head of consensus' estimates at Ebitda level (€4,399m versus €4,291m estimate) and +18% higher at net profit level (€1,201m versus 1,021m estimate).

Enel's Ebitda posted just a slight reduction versus 1Q10 despite lower power generation margins both in Italy and in Spain mainly due to lower hydro production. This negative effect was partially offset by higher electricity supply margins in Italy, a +36% YoY increase in Ebitda from Russia and a strong contribution from the Network divisions thanks to higher connection fees.

The positive surprise at net profit level is due to lower than expected DD&As, financial interests and tax rate also thanks to the lack in the quarter of negative one-offs that had negatively impacted 1Q10.

The increase in net debt in the quarter is mainly due to the seasonal increase in working capital in 1Q. This effect is expected to be reabsorbed over the coming quarters and the company confirmed its €44bn net debt target for end 2011.

As a whole we judge positively Enel's results and we suspect that the better than expected items below Ebit will determine an upward revision of consensus estimates for 2011 net profit and consequently for 2011 dividend.

Analyst: *Enrico Bartoli* ***Tel:*** *+39 02 36 705 203* ***Email:*** *eb@fidentiis.com*

Exor (EXO-IT) — Buy

No major news from the quarterly release

Last (€)	24,94
Valuation Range (€)	29.4-30.3
Mkt Cap (€m)	4.979
Free Float	47,3%
Av Daily Vol (m sh.)	0,89
YTD	1,05%

	2010E	2011E
P/E (x)	n.m.	n.m.
EV/EBITDA (x)	n.m.	n.m.
Div. Yield	n.m.	n.m.
EV/IC (x)	n.m.	n.m.
ROIC	n.m.	n.m.
FCF Yield	n.m.	n.m.
Debt/Equity	n.m.	n.m.

There are no major news from today's release about 1Q'11 results.

Main points to highlight:

- Net cash position improved from €43m to €99m, with no material impact on the NAV
- Over the last two months, Exor underwrote €90m of Almacantar capital increase, with a partial cash out at €47m
- No major news about Alpitour disposal.
- BOD approved the shares buy-back program which will last till October '12 concerning a maximum amount of €50m

Exor NAV is at €9.5bn, Holding discount implied in current market cap at 38.6%. Buy rating unchanged, valuation range at €29.4-30.3

Analyst: *Andrea Balloni* ***Tel:*** *+39 02 36 705 206* ***Email:*** *ab@fidentiis.com*

Impregilo (IPG-IT) — BUY

New €245m injunction REJECTED

Last (€)	2,30
Valuation Range (€)	3.7-4.1
Mkt Cap (€m)	923
Free Float	65,0%
Av Daily Vol (m sh.)	3,32
YTD	8,62%

	2011E	2012E
P/E (x)	12,8	12,1
EV/EBITDA (x)	5,5	4,7
Div. Yield	1,3%	1,7%
EV/IC (x)	1,1	1,1
ROIC	8,5%	9,1%
FCF Yield	-18,7%	3,4%
Debt/Equity	43,3%	39,5%

According to today's statement, the Naples court has rejected the new €245m injunction requested last year by the Naples prosecutors.

And Fidentiis says...

This is another step which brings Impregilo near to the end of the Fibe Campania saga, involving Acerra WTE plants and all the related lawsuits. Next step will be the cancellation of the impoundment regarding €115m receivables.

Impregilo construction division, based on our STUB analysis, is currently trading at -0.8x on EV/EBIT.

Based on a sum of the part, Impregilo valuation is in the range of €4.1/share (€1.7bn equity valuation): we started from a 5.2x EV/EBIT valuation for the construction division (EV at €657m assuming an EBIT at €127m), adding Ecorodovias stake (€1bn equity valuation) and the other minor assets and liabilities, including the disposal of the Acerra plant.

Analyst: *Andrea Balloni* ***Tel:*** *+39 02 36 705 206* ***Email:*** *ab@fidentiis.com*

Parmalat (PLT-IT) HOLD

Weak 1Q. Consob green light to Lactalis expected today

Last (€)	2,64
Valuation Range (€)	2.5-2.6
Mkt Cap (€m)	4581,4
Free Float	80,9%
Av Daily Vol (m sh.)	25,25
YTD	28,59%

	2011E	2012E
P/E (x)	24,0	22,0
EV/EBITDA (x)	8,1	7,5
Div. Yield	1,9%	0,0%
EV/IC (x)	1,5	1,4
ROIC	9,0%	9,5%
FCF Yield	3,8%	4,5%
Debt/Equity	-42,3%	-44,3%

Parmalat reported 1Q11 results below our estimates:

- Revenues increased by 8.9%, coming at €1.03 m vs our € 1.02bn and consensus €1.03bn. Organic growth was +3.2% vs our +2% estimate.
- EBITDA was €70.2m vs our € 81m, declining 10.8% YoY. Margin declined by 150bps to 6.8%.

This decrease is due in part to operating factors, such as the increase in the price of raw milk, particularly in Italy and Australia, not fully compensated by list price. Moreover, two external factors, i.e., the floods in Queensland and the damages caused by a fire at the Centrale del Latte di Roma last August.
According to the company, the combined negative impact of both those events was about €5m, bringing the restated EBITDA to €74.8m, declining 4.8% YoY.

- EBIT came at €58.7m, benefiting from €15m nonrecurring items mainly due to a €3.5m litigation settlement and €9m reversal of provision linked to South African operations.
- Net income stood at €50m vs our €40m.

Parmalat absorbed €45m of free cash flow in the Q, mainly due to working capital, bringing net cash position to €1.39bn, below our estimates of €1.43bn.

Having already taken into account the external factors mentioned above, management confirmed the last February's guidance of €4.4bn revenues and €385m EBITDA at constant currency.

As far as main countries are concerned:

- Italy: experienced +1% organic growth and an EBITDA decline of 24% due to higher raw milk costs, not entirely matched by list price increases, and the damages caused by the fire at Centrale del Latte di Roma. Management expects the situation to improve from 2Q.
- Canada: organic growth was -1.4%, but EBITDA increased 15.4%, thanks to a lower raw milk's costs and a different phasing of advertising investments.
- Australia: organic top line growth was positive by 4.3%, with EBITDA margin collapsing to 1.7%. This decrease, which was expected by the company, was caused by pressure on sales prices, the impact of the Queensland floods, the delayed effect of last year's increase in milk prices in the Victoria region and a substantial increase in advertising.
-

- Africa: Sales declined by 1.3% at constant currency in South Africa. African area EBITDA margin increased by 130bps, thanks to lower raw milk price.
- Central and South America: this region improved its profitability YoY from 4.4% to 8.6%, thanks to Venezuela benefiting from the higher coverage of fixed costs provided by the increase in sales volumes and the impact of an effective handling of sales price and production cost dynamics.

In the 1Q11 report the company indicated a potential contingent liability relate to Canada in case of change of control.

In 2004, Parmalat Canada signed a loan agreement with a change of control clause, pursuant to which a former lender would be paid an amount equal to 10% of Parmalat Canada's equity value in the event of a change of control.

The foregoing agreement terminates on 9 July 2011, unless an arrangement is undertaken before 9 July 2011 to cause a change of control and such arrangement is formally consummated before 9 July 2012, in which case the term of the agreement would be extended so as to allow the former lender to receive its payment accordingly.

Parmalat Canada's book value is €204m in the group's balance sheet.

In the call, questions were focused on the Lactalis deal and management stated that they are not currently exploring other alternatives to Lactalis' offer, as, for the Italian law, they are subject to passivity rule.

Management stated to wait for the offer prospectus and Goldman Sachs' fairness opinion before commenting the Lactalis' offer.

This disappointing quarter put some downside pressure to our €391m EBITDA for this year, that for the moment we are leaving unchanged.

Today, should arrive the Consob greenlight to the Lactalis' offer and the prospectus pubblications. Lactalis will then have 5 days to start the tender offer.

An extraordinary Parmalat BoD meeting will take place the next May 17, likely to express an opinion on the Lactalis' offer.

We however don't consider likely Lactalis to revise the bid price to €2.8.

Analyst: *Paolo Longinotti* ***Tel:*** *+39 02 36705 204* ***Email:*** *pl@fidentiis.com*

B.ca Popolare Milano (PMI-IT) N.R.

New business plan: 2013E ROTE below the cost of equity?

BPMilano (not rated) unveiled yesterday the key points of the new business plan that the Group should disclose by the end of July following the monstre €1.2bn rights issue needed to face Basel III.

In short, BPM forecasts €300m of net profit in 2013.

and Fidentiis says...

A €300m bottom line in 2013 should translate into a ROTE of around 7%, so by far below the cost of equity of the bank.

This said, we wonder who is going to underwrite the rights issue.

Analyst: *Fabrizio Bernardi* ***Tel:*** *+390236705208* ***Email:*** *fb@fidentiis.com*

Prysmian (PRY-IT) BUY

Q1 results and FY guidance in line, prices still weak

Last (€)	15,90
Valuation Range (€)	19-20
Mkt Cap (€m)	3355
Free Float	100%
Av Daily Vol (m sh.)	2,547
YTD	24,71%

	2011E	2012E
P/E (x)	14,6	11,4
EV/EBITDA (x)	12,6	11,4
Div. Yield	1,4%	1,8%
EV/IC (x)	2,0	1,9
ROIC	13,2%	17,1%
FCF Yield	-31,6%	9,4%
Debt/Equity	133,6%	81,0%

Q1-11 showed a sound growth in volumes, compared to bottoming Q1-10, while margins suffered from raw materials hyper-inflation/volatility, allowing only partial pass-through on the backdrop of overall unsaturated capacity. Prysmian margin worsened while Draka improved, but still lower.

FY-11 guidance has been set at €530-580m adj. EBITDA €555m midpoint vs €543m consensus. Draka, consolidated for ten months, is to bring €140-145m.

Group's Q1 results:

- Revenues from €969m to €1,490 (+14% organic) vs our est. of €1,370m (+9%).
- EBITDA adj. from Q1-10 €75m to €101m (margin from 7.7% to 6.8%) in line with our est. of €100m.
- EBIT from €50m to €47m vs our est. of €64m.
- Net profit from €23m to €13m vs our est. of €26m (after €23m extraordinary losses, €20m on metal derivatives).
- Net debt from Dec-10 €459m to €1.46bn vs our est. of some €1.5bn.

NOTE OUT THIS MORNING

Analyst: *Giorgio Iannella* ***Tel:*** *+39 02 367 052 05* ***Email:*** *gi@fidentiis.com*

Terna (TRN-IT) BUY

Solid growth expected in 1Q11 driven by RAB increase

Last (€)	3,39
Valuation Range (€)	3.73-3.78
Mkt Cap (€m)	7
Free Float	64,8%
Av Daily Vol (m sh.)	8,96
YTD	7,2%

	2011E	2012E
P/E (x)	15,4	16,1
EV/EBITDA (x)	10,3	10,5
Div. Yield	6,2%	6,2%
EV/IC (x)	1,5	1,5
ROIC	6,6%	6,1%
FCF Yield	-2,6%	-3,0%
Debt/Equity	191,8%	211,4%

Terna is reporting today its 1Q11 results.

According to the press the Italian goverment has frozed any possible project for a merger between Terna and Snam Rete Gas

and Fidentiis says...

We expect a 5% YoY growth at Ebitda level mainly driven by a 5% increase in grid-fee revenues. Operating costs are expected to remain flat YoY thanks the company's efficiency measures. Stated net profit is forecast to increase by 55% YoY thanks to the accounting in the quarter of the second part of the capital gain from the disposal of SunTerGrid (the first €147m were accounted in 4Q10). We expect a 2% growth at restated net profit level (Ebitda growth is expected to more than offset higher DD&As and financial interests).

Our estimates are: revenues €382m (+4.6% YoY), Ebitda €287m (+4.9% YoY), Ebit €198m (+4.4% YoY), net profit €167m (+55.5% YoY), restated net profit €110m (+2.3% YoY). Net debt is expected at €4,570m down versus €4,722m at end 2010 thanks to the cash-in from the disposal of SunTerGrid.

The freeze of a project for the merger between Terna and Snam Rete Gas by the government is, in our view, good news for the stock. In our opinion rumors of such a project (that we have always considered unlikely in the short term) has penalized the stock performance in the past months and investors are likely to focus more on the stock's fundamental value over the coming months.

Analyst: *Enrico Bartoli* ***Tel:*** *+39 02 36 705 203* ***Email:*** *eb@fidentiis.com*

Unicredit (UCG-IT) SELL

1Q11 better than expected but poor quality is visible

			2012E	2013E
		P/E (x)	11,0	8,7
Last (€)	1,65	**Adj P/E**	11,0	8,2
Valuation Range (€)	1.4-1.6	**P/BV**	0,48	0,47
Mkt Cap (€m)	35.725,1	**Adj P/BV**	0,83	0,80
Free Float	65,7%	**ROE**	4,4%	5,4%
Av Daily Vol (m sh.)	406,34	**ROAdjE**	6,0%	7,0%
YTD	6,33%	**Div. Yield**	4,3%	5,5%

UCG 1Q11 came out at €810m 23% better than our forecasts (660m) and 32% better than consensus (614m): with NII (-2.5% q-q) and net fees (+1% q-q) aligned to consensus the reason of the beat in estimates is the trading line (€700m) 52% better than consensus and 26% better than Fidentiis thanks to a very good trend of "Fixed Income and currencies". We were roughly expecting this outcome (we expected €555m of trading profits vs. €460m of the average consensus) but we also highlighted the likely poor quality of UCG numbers in 1Q11.

That said the top line is growing but for reasons that are not recurring.

Costs were just 1% better than consensus, (FTE -1,330 or -0.8% yoy) which led to a 1Q11 GOP of €3bn, 10% better than the street.

Below the operating line provisions (LLPs and for risk and charges) are roughly aligned to forecasts. In terms of asset quality bad loans reached the monster number of €69bn (some 2x UCG's t-NAV €32bn as at 1Q11) with gross NPLs up 2% (!) q-q even if their coverage is up 1pp to 59% and other bad loans coverage decreasing from 26.3% to 25.9%. Bad loans coverage was 44.7% (from 43.9%) which means that UCG's t-NAV is offset by uncovered bad loans.

On the positive side UCG's CT1r reached 9.06% thanks to a -2.4% cut in RWA (€444bn). The real bet on UCG is here: management is cutting RWA to avoid a rights issue due to Basel III issues and the SIFI buffer, but this is impacting in terms of recurring revenues in our view..see NII that is coming down (-2.5 q-q) despite rates are growing.which is ver atypical for an Italian bank that is expected to be largely sight-funded

and Fidentiis says...

UCG is trading very close to the high-end of our valuation range (€1.4-1.6/s) so the stock might bounce back a little thanks to the good news on CT1r; however, the real issue on UCG is still pending: we need to see recurring revenues in presence of a growing capital base to upgrade the stock otherwise UCG is a SELL or a long-term relative underperformer.

Analyst: *Fabrizio Bernardi* ***Tel:*** *+390236705208* ***Email:*** *fb@fidentiis.com*

COMPANY NEWS - SMALL CAP

Autostrada To-Mi (AT-IT) BUY

Stronger than expected Ebitda growth in 1Q11

Last (€)	11,15
Valuation Range (€)	14.1-14.6
Mkt Cap (€m)	981
Free Float	81,4%
Av Daily Vol (m sh.)	0,08
YTD	10,95%

	2011E	2012E
P/E (x)	7,7	6,7
EV/EBITDA (x)	5,3	5,1
Div. Yield	3,6%	4,2%
EV/IC (x)	0,9	0,9
ROIC	7,0%	7,2%
FCF Yield	-9,0%	-21,7%
Debt/Equity	104,6%	120,6%

Autostrada Torino-Milano reported its 1Q11 results: revenues €232m (+13.3% YoY), Ebitda €130m (+17.6% YoY), net debt €1,551m (€1,604m at end 2010).
Sias' traffic was up 0.6% YoY mainly driven by heavy traffic (+3.73% YoY).

and Fidentiis says...

Autostrada To-Mi reported a stronger than expected Ebitda growth in 1Q11, and confirmed its high-growth low-risk profile. Revenues were in line with our estimates (€232m, +13.3% YoY versus estimate €229m) while Ebitda grew by +18% YoY and was significantly better than our forecast (€130m versus estimate €123m). Net debt was in line with expectations.

Sias' toll revenues (net of ANAS' tariffs which are a pass-through for Sias) posted a sound +10.4% YoY increase thanks to the high tariff increases included in the new concession agreements, traffic increase, and a better traffic mix. The better than expected Ebitda growth is determined by lower costs only a portion of which will be recovered over the next quarters (due to a different seasonality in maintenance costs). Should this trend be confirmed over the coming quarters we see some upward pressure on our FY11 Ebitda estimate.

Traffic figures in 1Q11 confirmed the positive trend of heavy traffic (+3.7% YoY) thanks to the recovery of commercial activity between Northern and Southern Europe.

We confirm our BUY recommendation on Autostrada To-Mi. The company offers the highest and most visible Ebitda and EPS growth within the European motorway sector combined with the lowest multiples

Analyst: *Enrico Bartoli* ***Tel:*** *+39 02 36 705 203* ***Email:*** *eb@fidentiis.com*

Danieli & C. (DAN-IT) BUY

Q1 in line, orders better than exp.

Last (€)	22,50
Valuation Range (€)	29-31
Mkt Cap (€m)	1365
Free Float	34,8%
Av Daily Vol (m sh.)	0,137
YTD	-6,05%

	2011E	2012E
P/E (x)	8,5	8,1
EV/EBITDA (x)	1,0	1,0
Div. Yield	1,3%	1,4%
EV/IC (x)	1,1	0,6
ROIC	11,5%	11,0%
FCF Yield	1,4%	5,0%
Debt/Equity	-76,3%	-71,5%

Danieli reported Q3 results yesterday, all in all in line with our expectations:

- Orders €637m (-10% yoy), 0.9x book-to-bill vs our est. of €530m (-25%)
- Backlog €3,370m, from €3,479m at Dec-10 vs our est. of €3,290m
- Revenues €746m (+22%) vs our est. of €720m (+18%)
- EBITDA €78m (margin -5.1pp yoy to 10.4%) vs our est. of €79m

- EBIT €80m (margin -1.9pp to 10.7%) vs our est. of €54m
- EBITDA and EBIT evolution reflected some provision release (to the tune of €6m)
- Net profit from €82m to €44m vs our est. of €41m
- Net cash at €749m vs our est. of some €800m

and Fidentiis says...

The expected drop in orders at the end of FY-10/11 (-17% from €3bn to €2.5m) reflects the long-wave effect of the economic slowdown on new investments in steel production capacity projected to restart growing next year, with group's orders up to €3.1bn in FY-11/12e (+24%).

However in Q3 orders held up quite well, down only 10% vs our est. of -25%.
Our estimates on the EBITDA (€310m) should be achieved this year, while bottom line (€202m) is mostly a matter of provisioning policies.

Our valuation call, reinforced by the expected newsflow on big contracts in Brazil and Vietnam, is reiterated: BUY both ord and sav (sav>ord).

Analyst: *Giorgio Iannella* ***Tel:*** *+39 02 367 052 05* ***Email:*** *gi@fidentiis.com*

Gemina (GEM-IT) BUY

Q1 out and weak, no news on tariffs

Last (€)	0,68
Valuation Range (€)	0.86-0.90
Mkt Cap (€m)	1018
Free Float	20,5%
Av Daily Vol (m sh.)	2,708
YTD	27,85%

	2011E	2012E
P/E (x)	-34,0	7,6
EV/EBITDA (x)	10,1	6,2
Div. Yield	0,0%	0,0%
EV/IC (x)	0,8	0,8
ROIC	4,6%	6,6%
FCF Yield	n.m.	n.m.
Debt/Equity	97,5%	92,2%

Gemina released Q1 results yesterday (AdR was out on 9 May).

Quite a poor performance, with the operating profit plunging and the bottom line in a deeper red:

- Passengers had been already released, up 3.4% yoy to 8.6m.
- Movements on the contrary were down 0.4%, penalized by North Africa unrests and Japan earthquake/tsunami.
- Sales +2.3% to €130m (+1.7% aviation and +2.9% non-aviation).
- EBITDA -4.7% to €50m, EBIT -26% to €12m.
- Net losses up from €9m to €12.5m.
- Operating CF a notch up from €24m to €25m.
- Net debt from Dec-10 €1.34bn to €1.31bn.
- Investments (only maintenance) amounted to €16m, vs €26m in Q1-10.

AdR 95.8% Gemina, concessionaire for Rome's airport system (unlisted):

- Revenues were just flattish at €130m (+0.4% yoy, +1.8% aviation and -0.9% non-aviation).
- EBITDA was €54m (-2.9%) and EBIT €22m (-12.5%), both declining in terms of % margins.
- Net debt stood at €1,225m, €15m less than at Dec-10.
- Investments totaled €15m, vs €25m in Q1-10.

and Fidentiis says...

Much more relevant than the weak set of results are the negotiations on tariffs with ENAC. A poor FY-11 clearly cannot be of any help, the only catalyst here are the tariffs.

The press release does not comment on it, apart from the laconic negotiations go on.

Negotiations were expected to come to a positive conclusion within last April bringing the long-awaited, vital tariff increase the company needs to restructure the €1.34bn debt and finance the €0.9bn capex plan to 2011-15.

We were assuming a €7/passenger increase, translating into some €150m additional sales/EBITDA in the first year 2012e (i.e. 24% and 57% jump vs. the pre-increase estimated levels).

BUY rating is based on the scenario of a positive outcome on tariffs. Wait and see it's the usual refrain here.

Analyst: *Giorgio Iannella* ***Tel:*** *+39 02 367 052 05* ***Email:*** *gi@fidentiis.com*

Landi Renzo (LR-IT) HOLD

1Q'11 out today

Last (€)	2,39
Valuation Range (€)	2.5-2.7
Mkt Cap (€m)	266
Free Float	41,0%
Av Daily Vol (m sh.)	0,56
YTD	-20%

	2011E	2012E
P/E (x)	14,0	10,9
EV/EBITDA (x)	6,9	5,7
Div. Yield	2,1%	2,9%
EV/IC (x)	1,4	1,4
ROIC	9,5%	11,2%
FCF Yield	6,8%	8,6%
Debt/Equity	34,1%	22,2%

We expect Landi to report a weak 1Q'11.

- Sales at €56m, -40% vs 1Q'10. Consensus at €54m
- EBITDA at €2.7m vs €18m of 1Q'10. Consensus at €3m.
- EBIT at €-1m vs €16m of 1Q'10. Consensus at €-0.6m
- Net loss at €-1m vs €11.6m of 1Q'10. Consensus set at €-1.7m

1Q'11 was impacted by 1) the delayed introduction of the new EURO5 vehicles with gas systems and 2) a difficult comparison base as a consequence of the still in place public incentives during 1Q'10.

No conference call scheduled

Landi is trading at 7.1x and 13.9x on '11 EV/EBITDA and PE.

Analyst: *Andrea Balloni* ***Tel:*** *+39 02 36 705 206* ***Email:*** *ab@fidentiis.com*

Sias (SIS-IT) BUY

Stronger than expected Ebitda growth in 1Q11

Last (€)	8,44
Valuation Range (€)	10.2-10.6
Mkt Cap (€m)	1920
Free Float	18,6%
Av Daily Vol (m sh.)	0,20
YTD	16,74%

	2011E	2012E
P/E (x)	10,7	9,4
EV/EBITDA (x)	6,3	6,0
Div. Yield	4,3%	4,9%
EV/IC (x)	1,0	0,9
ROIC	6,9%	7,0%
FCF Yield	-11,5%	-11,1%
Debt/Equity	108,7%	115,1%

Sias reported its 1Q11 results: revenues €225m (+12.5% YoY), Ebitda €128m (+20% YoY), net debt €1,694m (€1,733m at end 2010).
Traffic was up 0.6% YoY mainly driven by heavy traffic (+3.73% YoY).

and Fidentiis says...

Sias reported a stronger than expected Ebitda growth in 1Q11, and confirmed its high-growth low-risk profile. Revenues were in line with our estimates (€225m, +12.5% YoY versus estimate €224m) while Ebitda grew by +20% YoY and was significantly better than our forecast (€128m versus estimate €120m). Net debt was in line with expectations.

Toll revenues (net of ANAS' tariffs which are a pass-through for Sias) posted a sound +10.4% YoY increase thanks to the high tariff increases included in the new concession agreements, traffic increase and a better traffic mix. The better than expected Ebitda growth is determined by lower costs only a portion of which will be recovered over the next quarters (due to a different seasonality in maintenance costs). Should this trend be confirmed over the coming quarters we see some upward pressure on our FY11 Ebitda estimate.

Traffic figures in 1Q11 confirmed the positive trend of heavy traffic (+3.7% YoY) thanks to the recovery of commercial activity between Northern and Southern Europe.

We confirm our BUY recommendation on Sias. The company offers the highest and most visible Ebitda and EPS growth within the European motorway sector combined with the lowest multiples.

Analyst: *Enrico Bartoli* ***Tel:*** *+39 02 36 705 203* ***Email:*** *eb@fidentiis.com*

Trevi (TFI-IT) BUY

1Q'11 out today.

Last (€)	10,68
Valuation Range (€)	13.5-13.9
Mkt Cap (€m)	666
Free Float	44,8%
Av Daily Vol (m sh.)	0,20
YTD	-0,93%

	2011E	2012E
P/E (x)	11,1	7,7
EV/EBITDA (x)	6,8	5,3
Div. Yield	1,3%	1,3%
EV/IC (x)	1,3	1,2
ROIC	9,4%	12,4%
FCF Yield	5,4%	6,8%
Debt/Equity	87,4%	65,7%

We expect:

- Sales at €219n, decreasing by 7% vs 1Q'10. Consensus set at €215m
- EBITDA at €29m, from €39m of 1Q'10. Consensus set at €28m
- EBIT at €17m from €26m of 1Q'10. Consensus set at €14m.
- Orderbacklog in the range of €1bn, as announced during the last analyst presentation.

Conference call next Monday at 16.00

Trevi is currently trading at 6.9x and 11x on '11E EV/EBITDA and PE.

Analyst: *Andrea Balloni* ***Tel:*** *+39 02 36 705 206* ***Email:*** *ab@fidentiis.com*

Tod's (TOD-IT) HOLD

Ongoing momentum fully priced (note out)

Last (€)	95,00
Valuation Range (€)	96.0-98.0
Mkt Cap (€m)	2907,0
Free Float	31,2%
Av Daily Vol (m sh.)	0,16
YTD	28,55%

	2011E	2012E
P/E (x)	22,5	20,1
EV/EBITDA (x)	14,7	12,3
Div. Yield	2,7%	3,0%
EV/IC (x)	5,4	4,9
ROIC	23,6%	24,8%
FCF Yield	2,9%	4,2%
Debt/Equity	-17,2%	-21,5%

- Tod's reported strong 1Q11 results, above our and consensus estimates.
- Revenues grew by 17.1% (+15.9% at constant exchange rates) to €243.7m vs our €239m, driven by Leather Goods, Retail and Asia.
- EBITDA came at €65.1m, vs our estimated €57.8m, with +330bps in profitability, thanks to a more favorable product and geographical mix positively impacting gross margin.
- EBIT came at €55.9m vs our €49.2m.
- F/W11 orders registered a high single digit increase for Wholesale and a slightly better result for Retail.
- Management stated to be confident to beat consensus' revenue growth, currently at 10.4% and stated that the actual +90bps EBITDA margin implied by the street is feasible, even if challenging. The 1Q EBITDA 300bps increase will fade along the year due to tougher comparisons and some commercial initiatives.
- The current trends see leather goods growing more than shoes, DOS growing faster than wholesale and markets with higher mark ups growing more than others. This things together are benefiting group's profitability.
- We increased our constant currency revenue growth from 10.7% to 13.2%, thanks to a good success of F/W collection and still very good comps in the DOS segment. Our profitability went from +90bps to +110bps YoY. We now foresee an EBITDA margin of 25.5% this year.
- 2011-13 EPS rose by 3% compared to our previous estimates.
- On our new estimates, the stock is trading at an EV/EBITDA of 12.7x, a P/E of 22.8x and a FCF yield of 2.8% on this year's numbers.
- Compared to global luxury peers the company trades at a 10-15% premium on the main metrics, while compared to its historical multiples Tod's trades at a 17% premium to last eight years average, in line with the level experienced in 2004-07 period.
- This strong quarter, and the current positive trends in Leather Goods, DOS and Emerging Markets continue to sustain Tod's earnings momentum and will shelter the current high rating.
- We reiterate our Hold, increasing our valuation range from €87-89 to €96-98.

Analyst: *Paolo Longinotti* ***Tel:*** *+39 02 36705 204* ***Email:*** *pl@fidentiis.com*

ECONOMICS

No economic news today

Italy - Macroeconomic Forecasts	2008A	2009A	2010E
GDP	1,2	-5,0	1,1
CPI	4,1	0,8	1,6
Current account deficit (% GDP)	-9,6	-6,4	-2,8
Budget deficit (% GDP)	-3,2	-10,4	-10,5

Europe - Macroeconomic Forecasts	2008A	2009A	2010E
GDP	0,0	-4,2	1,8
CPI	2,6	1,0	1,8
Current account deficit (% GDP)	-11,9	-9,5	-9,7
Budget deficit (% GDP)	-2,6	-6,6	-6,7

Source:

Fidentiis Equities S.V.S.A.

C/ Velázquez 140 • 28006 Madrid • Tel +34 /91 566 24 00 • Fax +34 /91 566 24 50
info@fidentiis.com • www.fidentiis.com
CIF A-83563767
Milan Branch
Piazzale Cadorna 9 • 20123 Milano • Tel +3902 9280200 Fax +3902 36705239
infoit@fidentiis.com • www.fidentiis.com
P. Iva: 06793880962

Information in compliance with the RD 1333/2005 and Consob Regulation no.11971/1999

Analyst Certification
Each research analyst(s) as indicated on the first page of each report, primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security that the research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer(s) or securities.
Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this research report nor to the positive outcome of investment banking transactions.
Neither the research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report, nor his/her/their relatives have any financial interest in the securities of the subject company or are officers or directors of the same.

Disclaimer
This publication has been prepared by Fidentiis Equities, Sociedad de Valores S.A., included the Italian Branch, ("Fidentiis Equities") solely for the information of clients of Fidentiis Equities. This product is not for retail clients. This product is only for Qualified Investors as defined by the RD 1310/2005 and art. 34-ter, Consob Regulation 11971/1999. This product is distributed primarily in electronic form. No part of this document may be reproduced, distributed or published by any person for any purpose without the prior express consent of Fidentiis Equities. Acceptance of this product implies that the relevant recipient is bound by the above mentioned limitations.
This document and its contents do not constitute an offer, invitation or solicitation to purchase, sell or subscribe to any securities or other instruments. The information herein has been obtained from, and any opinions herein are based upon sources believed reliable, but Fidentiis Equities makes no representation as to its accuracy, integrity or completeness. Neither research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report, nor Fidentiis Equities intend to provide an exhaustive analysis of the commercial or financial situation or the growth perspectives of the subject company and the relevant recipient should not rely on this report for such purposes.
The information contained herein is subject to change without notice. The investments and the strategies described in this report may not be suitable for all the recipients; accordingly we invite to consult your personal financial advisor in this respect. Fidentiis Equities and any of its officers or employees may, to the extent permitted by the law, have a position or otherwise be interested in any transactions or investments directly or indirectly in the subject company of this publication.
Neither Fidentiis Equities nor any officer or employee of Fidentiis Equities accepts any liability whatsoever for any direct, indirect or consequential loss arising from any use of this publication or its contents.

Conflict of interests
Neither Fidentiis Equities, nor its affiliates or the respective officers and employees involved in the preparation of this report hold, directly or indirectly, any regular stake in the equity capital or any financial instruments of companies which could be the object of analysis in this publication herein. Neither Fidentiis Equities, nor its affiliates or the respective officers and employees involved in the preparation of this report have a financial interest in or a material conflicting interest with the subject company.
Fidentiis Equities has adopted internal procedures in order to guarantee the independence of the research analysts and has developed and implemented a set of measures to: (i) identify the possibilities of having conflicts of interest, (ii) try to avoid them, and, if necessary, (iii) solve them. It is possible to consult the conflict of interests policy of Fidentiis Equities by clicking on "legal" at www.fidentiis.com. An internal commission is responsible for reviewing and guaranteeing the independence of our opinions. There is a "Restricted list" of equities that we are preparing to publish research on, and the equities included in our daily recommendations. Compliance Department manages the "Restricted list". It is permanently updated and distributed to the staff.
This publication has been reviewed and approved by the "Committee for the independence of the publications of the Research Department". It is in compliance with EEC Directive n. 2004/39/ECand the relevant Spanish and Italian laws and regulations.

Guide to fundamental research
Reports on companies under coverage are published at least once a quarter, to comment on results and important news flow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published nor Fidentiis Equities has entered into any agreement with the subject company with reference to this report.
In its recommendations, Fidentiis uses an "absolute" rating system, which is not related to market performance. Ratings are as follows:
BUY: 12-month valuation is at least 10% higher than the current market price.
HOLD: 12-month valuation is 0%-10% higher than the current market price.
SELL: 12-month valuation is lower than the current market price.
Current market price is the reference price of the day prior to the publication of the report.
Recommendation history and target price trends – www.fidentiis.com/italy/recommendationhistory_italy.asp