

FY2011 RESULTS

BUY (Unchanged)

Target: € 1.8 (Unchanged)

Risk: High

STOCK DATA

	Ord
Price €	1.0
Bloomberg code	FKR IM
Market Cap. (€ mn) **	298
Free Float	75%
Shares Out. (mn)	291.4
52-week range	0.67 - 1.64
Daily Volumes (mn)	1.88

PERFORMANCE

	1M	3M	12M
Absolute	4.7%	17.8%	-36.2%
Rel. to FTSE all shares	9.6%	13.0%	-11.1%

MAIN METRICS

	2011	2012E	2013E
REVENUES	249	275	288
EBITDA	142	157	169
NET INCOME	19	21	24
Adj. EPS - € cents	10.6	7.1	8.4
DPS ord - € cents	1.9	2.1	2.9

FKR

	2011	2012E	2013E
P/E adj	nm	14.4 x	12.2 x
EV/EBITDA rep	8.1 x	7.2 x	6.4 x

REMUNERATION

	2011	2012E	2013E
Div. Yield ord	1.9%	2.1%	2.9%
FCF yield	-30.3%	11.4%	17.9%

INDEBTEDNESS

	2011	2012E	2013E
Net fin position	-827	-795	-747
Debt/EBITDA	5.8 x	5.1 x	4.4 x
Interests cov	3.3 x	3.5 x	3.8 x

PRICE ORD LAST 365 DAYS



ANALYSTS

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STRONG NUMBERS AND STRATEGY TARGETS

Falck Renewables reported well above expectations FY numbers (Ebitda at +50% YoY and NI at 104x YoY) and strategic guidelines for the 2012-2014 period. Expected growth in the coming years is in the region of +10% in terms of Ebitda through 2014 (vs 8% exp) with visible projects already under construction or authorised. We reiterate our BUY call. We believe the upcoming approval of new regulatory framework will basically provide confirmation of incentives for existing assets (a strong catalyst for the group).

■ FY 2011 much better than expected thanks to a good operating performance

- Sales at 248 €mn (+35% YoY) vs 235 € mn exp.
- Ebitda at 142 € mn (+50% YoY) vs 133 € mn exp.
- Net income at 19 €mn (63x YoY) vs 4 € mn exp.
- NFP (excl. derivatives) at 765 €mn vs 800 €mn exp.

Installed capacity reached 684 MW (+37% YoY) and generation amounted to 1,560 GWh (+36% YoY) thanks to the strong performance of the new plants, particularly the new Geopower parks (the biggest in Italy), which reported around 50 GWh of production in December (or 15% of the expected yearly generation in just 1 month). **We consequently believe numbers are excellent, showing the quality of the underlying assets and the good delivery of the company during the whole of 2011** (installations ahead of schedule and better production).

■ Strong growth expected again for the coming years (10% EBITDA CAGR through 2014)

Fkr also provided an update on the strategy for 2012-2014. Management forecast a +10% EBITDA CAGR thanks to the full contribution of the plants installed in 2011 and the construction of another 266 MW of capacity in the period. Targets are still well above our expectations:

- **2012: Ebitda at >155 € mn (we are at 157 € mn)** with around 70 MW of additional capacity expected at year-end;
- **2014: Ebitda at 190 €mn (vs 177 € mn exp)**, 950 MW of installed capacity (vs 796MW) and NFP -990 € mn vs -716 (due to higher capacity);
- **2015 (assuming no capacity growth): Ebitda at 210 € mn (vs 179 € mn).**

We remain more cautious than guidance (by policy we don't include pipeline development), confirming 2012-2015 estimates. **Nonetheless, our +8% EBITDA CAGR is highly visible considering that we account only for assets already under construction (47 MW) or authorised (65 MW).**

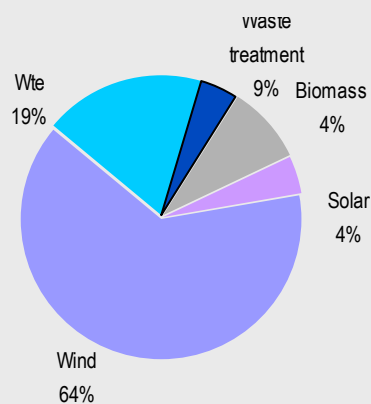
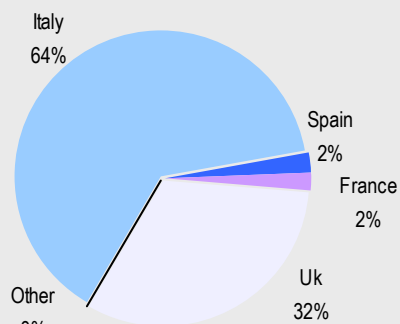
■ Confirming valuation and recommendation. BUY – tgt 1.8 €

We confirm our BUY and tgt of 1.8 € per share. We believe:

1. Fkr will post attractive growth rates with Ebitda +8% and NI +15% through 2014, backed by a visible increase in installed capacity. Our estimates are conservative (no pipeline) and could consequently be subject to improvement (considering good delivery in previous years);
2. We expect the new regulations for renewables to provide confirmation of incentives for existing assets, which would be a catalyst for the group (we have no growth beyond 2013 in Italy);
3. Valuation is now attractive at 12x PE and 6.4x EV/Ebitda in 2013, backed by visible growth (mainly full contribution from 2011 assets) and good diversification (considering the company's presence in Italy, Spain, France and UK).

BUSINESS DESCRIPTION

Falck Renewables SpA develops, designs, constructs and manages energy production plants in the renewable segment. The expertise of Falck Renewables SpA covers the entire life cycle of a project, from preliminary activities (pre-feasibility and feasibility studies, technical/economic evaluation, optimum design of the plant, and financial plan) and executions (preparation of the contract technical specifications and contractual documents, negotiation and assignment of contracts, construction supervision), through to operation and maintenance and energy portfolio management activities. The group is active in wind, photovoltaic, vegetable biomass, urban and special waste treatment and is present in Italy, UK, Spain & France.

EBITDA COMPOSITION - 2011**GEOGRAPHICAL EXPOSURE - 2011**

MAIN FIGURES € mn	2010 PF	2011	2012E	2013E	2014E	2015E
REVENUES	185	249	275	288	299	303
Growth	0%	35%	11%	5%	4%	1%
EBITDA	95	142	157	169	177	179
Growth	0%	50%	11%	8%	5%	1%
Adj EBITDA (Incl JV)	95	142	157	169	177	179
Growth	0%	50%	11%	8%	5%	1%
EBIT	49	79	93	102	108	107
Growth	-14%	63%	17%	10%	6%	-1%
PBT	14	37	48	58	64	65
Growth	-52%	169%	28%	21%	11%	2%
NET INCOME	0	19	21	24	29	29
Growth	-98%	6273%	10%	17%	18%	2%
Adj. NET INCOME	0	31	21	24	29	29
Growth	-98%	10373%	-33%	17%	18%	2%
MARGIN	2010 PF	2011	2012E	2013E	2014E	2015E
Ebitda Margin	51.2%	57.0%	57.0%	58.6%	59.3%	58.9%
Ebitda adj Margin	51.2%	57.0%	57.0%	58.6%	59.3%	58.9%
Ebit margin	26.3%	31.9%	33.8%	35.5%	36.2%	35.2%
Pbt margin	7.5%	15.0%	17.4%	20.0%	21.4%	21.5%
Ni rep margin	0.2%	7.6%	7.5%	8.4%	9.6%	9.6%
Ni adj margin	0.2%	12.5%	7.5%	8.4%	9.6%	9.6%
SHARE DATA	2010 PF	2011	2012E	2013E	2014E	2015E
EPS - € cents	0.2	6.5	7.1	8.4	9.8	10.0
Growth	-	nm	nm	17%	18%	2%
Adj. EPS - € cents	0.2	10.6	7.1	8.4	9.8	10.0
Growth	-	nm	nm	17%	18%	2%
DPS ord - € cents	1.2	1.9	2.1	2.9	3.9	0.0
BVPS - €	2.0	1.5	1.6	1.6	na	na
VARIOUS - € mn	2010 PF	2011	2012E	2013E	2014E	2015E
Oper capital employed	1,063	1,314	1,305	1,285	1,284	1,217
FCF	-154	-90	34	53	37	103
Capital expenditures	-200	-308	-54	-44	-65	-1
Working capital	20	62	60	60	60	60
INDEBTNESS - €mn	2010 PF	2011	2012E	2013E	2014E	2015E
Net fin position	-730	-827	-795	-747	-716	-621
D/E	2.28 x	1.86 x	1.73 x	1.56 x	na	na
Debt/EBITDA	7.7 x	5.8 x	5.1 x	4.4 x	4.0 x	3.5 x
Interests cov	2.6 x	3.3 x	3.5 x	3.8 x	4.0 x	4.3 x
MARKET RATIOS	2010 PF	2011	2012E	2013E	2014E	2015E
P/E ord	nm	15.8 x	14.4 x	12.2 x	10.4 x	10.2 x
P/E ord Adj	nm	9.6 x	14.4 x	12.2 x	10.4 x	10.2 x
PBV	1.1 x	0.7 x	0.6 x	0.6 x	0.6 x	0.6 x
P/CF	12.2 x	5.0 x	5.0 x	4.6 x	4.2 x	4.1 x
EV FIGURES	2010 PF	2011	2012E	2013E	2014E	2015E
EV/Sales rep	5.9 x	4.6 x	4.1 x	3.8 x	3.5 x	3.2 x
EV/EBITDA rep	11.5 x	8.1 x	7.2 x	6.4 x	6.0 x	5.5 x
EV/EBIT	22.5 x	14.5 x	12.1 x	10.6 x	9.8 x	9.1 x
EV/CE	1.0 x	0.9 x	0.9 x	0.8 x	0.8 x	0.8 x
REMUNERATION	2010 PF	2011	2012E	2013E	2014E	2015E
Div. Yield ord	0.6%	1.9%	2.1%	2.9%	3.8%	0.0%
FCF yield	-44.0%	-30.3%	11.4%	17.9%	12.6%	34.8%
ROE	0.1%	4.2%	4.5%	5.1%	5.7%	5.7%
ROCE	3.0%	3.9%	4.6%	5.2%	5.5%	5.7%

Source: EQUITA SIM estimates and company data

WELL ABOVE EXPECTATIONS

Falck Renew reported very good FY2011 results, well above expectations across the board. The operating performance was, in fact, boosted by higher generation at the new plants during the last part of the year (Ebitda +50% YoY):

- Revenues up +35% to 248.6 € mn vs 235 € mn expected;
- Ebitda up +50% to 141.7 € mn vs 133 € mn expected;
- Reported net Income up +18.5 € mn at 18.8 € mn vs 6 € mn expected;
- Adjusted net income up +29.6 € mn at 32 € mn vs 19 € mn expected;
- Net financial position (excl. derivatives) at -765 € mn vs -800 € mn expected;
- NFP (incl. derivatives) at -826 € mn vs -850 € mn expected.

The difference compared to our estimates is mainly due to the higher contribution of the new parks, in more detail, the Geopower plants (the biggest park in Italy with 138 MW) produced around 50 GWh of electricity in December (or 15% of annual production just in one month).

In the following table is a summary of reported results for FY 2011.

FKR: FY2011 Results & Expectations						
Results	FY2010 PF	EXPECTED			REPORTED	
		FY2011 E	YoY%	FY2011 REP	YoY%	
Installed capacity - MW	498.0	684.0	37%	684.0	37%	
Total production - GWh	1147.0	1465.0	28%	1560.0	36%	
Revenues - € mn	184.6	235.0	27%	248.6	35%	
Ebitda - € mn	94.6	133.0	41%	141.7	50%	
Ebit - € mn	48.5	65.0	34%	79.2	63%	
Net income reported - € mn	0.3	4.0	1251%	18.9	6273%	
Net income adjusted - € mn	0.3	19.0	6319%	31.019	10379%	
Nfp (ex derivatives) - € mn	-705.1	-800	nm	-765	nm	
Nfp (incl derivatives) - € mn	-728.4	-860	nm	-826	nm	

Source: Company data and EQUITA SIM estimates

As regards adjusted and reported net income, the difference between the 2 numbers is mainly caused by one-off items (non-cash) relating to the PEA deconsolidation and provisions (PEA is one of the 4 companies in Sicily for which Fkr has a pending legal dispute against the Sicilian authorities for the cancellation of WTE projects. PEA is already in liquidation and FKR owns around 23%) Fkr has reported that the 12 € mn impact registered in the P&L for 2011 is already the total impact: fully deconsolidated as well as 100% of credit write off and proportional debit provisioning (hence no additional impact expected this year).

Debt is showing good progress, moving from 7.7x D/Ebitda at the end of 2010 to 5.8x D/Ebitda at the end of 2011. Considering that:

- NFP at the end of 2011 included 43.8 € mn of investments which refers to not producing assets;
- 2011 Ebitda included only a partial contribution from Geopower.

We estimate like-for-like D/Ebitda would be in the region of 4.5x/4.8x.

Finally, considering that 86.5% of debt is non-recourse project financing with lengthy maturities and that 77.3% is hedged, we believe the group NFP actually looks sound (group has a 95 € mn liquidity position) despite the high gearing.

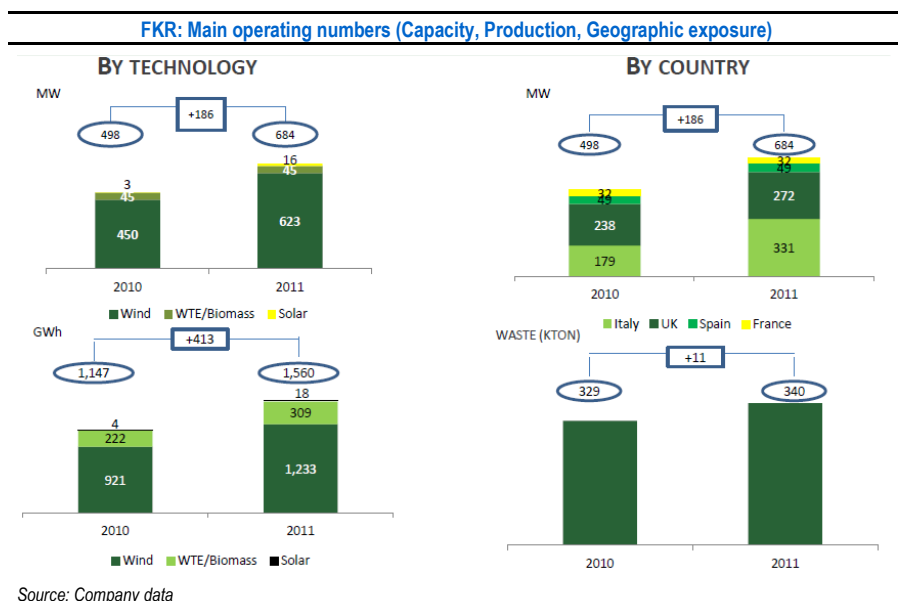
Overall, numbers are therefore very positive, in our view, much better than estimates and the guidance provided by the group. Results highlight the good delivery and process management of the group during 2011 (constantly ahead of schedule with installations and with better generation performance).

“DELIVERY” AND “VISIBILITY” THE KEYS TO GROWTH

As expected, one of the main characteristics of Falck Renewables is the significant growth of installed capacity, driven by visible projects that are already approved/under construction. **The group made good progress during the whole of 2011, with all plants going on stream ahead of schedule and contributing more than expected in terms of productivity.**

Falck Renew moved from 498 MW installed capacity at the end of 2010 to 684 MW installed at the end of FY 2011 (+37%, or 186 MW).

In the following table is a summary of the evolution of installed capacity and generation, as well as country exposure at the end of 2011.



As highlighted above, delivered installations were above expectations and explain most of the significant improvement in operating profitability during the year (+50% Ebitda and 104x Net income vs 2010).

We also find that visibility on growth in the next few years is extremely high for Falck Renewables. In more detail, we expect the group to increase capacity in the coming years by around 112MW, of which 47 MW under construction and 65MW fully authorised.

- **In 2012 we forecast additional 32 MW** of wind assets (22 MW in Italy and 10 MW in France);
- **In 2013 we forecast additional 35 MW** in the UK at Nutberry (15MW) and Kingsburn (20 MW), both expected to be completed in the 1H of the year;
- **In 2014 we expect additional 45MW**, which are fully authorised (Spaldington Airfield and West Browncastle). We underline that both these plants are actually expected by the group at the end of 2013. We, however, are taking a more cautious approach, moving them to 2014.

We are not assuming anything other than the fully authorised assets and those under construction, taking a more conservative approach than the company's guidance, which points to 272 MW in the period, also including part of the pipeline development.

In the following table is a summary of the expected capacity evolution for the coming years.

CAPACITY EVOLUTION - MW

	2010	2011	2012	2013	2014	Additions Equita - MW	Additions Strategy - MW	MW 2014 - STRATEGY
Wind	446	623	655	690	735	112	232	855
Wte	31	31	31	31	31	0	30	61
Biomass	14	14	14	14	14	0	0	14
Solar	3	16	16	16	16	0	10	26
Total - MW	494	684	716	751	796	112	272	956
Growth - MW	-	-	32	35	45	112		
Under construction: Petralia (1H 2012)			22					
Under construction: Ty-Ru (2H 2012)			10					
Under Construction: Nutberry (1H 2013)				15		47		
Fully authorized: Kingsburb (1H)				20				
Fully authorized: Spaldington Airfield (1Q 2014)					15			
Fully authorized: West Browncastle (1Q 2014)					30	65		

Source: Company data and EQUITA SIM estimates

We believe that visibility on the above-described pipeline is very high. We underline that Fkr has not missed a single target in terms of installation in the last few years (the group has always been ahead of schedule). We prefer to maintain a more cautious approach to pipeline development (not included in our estimates), but acknowledge that this could be a source of additional profits in the coming years.

GOOD STRATEGY INDICATIONS, above expectations again

The targets from the strategy plan are also much better than expected. Management has given a more realistic outlook (than in the old plan) which doesn't include additional growth in Italy (with the exception of any eventual repowering) in light of the poor regulatory framework (and the uncertainties around allowed returns).

In 2012:

1. Ebitda is indicated above 155 € mn (we are at 157 € mn), with additional 70 MW to be completed by the end of the year (we have just 32MW);

In 2014:

1. Capacity is expected at 950 MW vs 796MW estimate;
2. Sales at 340 € mn vs 299 € mn;
3. Ebitda at 190 €mn vs 177 € mn;
4. Debt at -990 € mn vs -760 €mn (the difference is due to the higher MW target assumed by Fkr).

In 2015 (assuming investments are stopped):

1. Sales at 375 € mn vs 303 €mn;
2. Ebitda at 210 €mn vs 178 €mn expected.

In the following table is a summary of the strategic targets provided by Falck Renewables and a comparison to our estimates.

FKR: Strategic guideline						
YEARS	2012		2014		2015	
	Falck	Equita	Falck	Equita	Falck	Equita
Strategy targets						
Wind Petralia - MW	22	22	22	22	22	22
Wind Ty-Ru - MW	10	10	10	10	10	10
Wind: Repowering of existing Italy - MW	20	-	20	-	20	-
Wind: Nutberry - MW	-	-	15	15	15	15
Wind: Kingsburb - MW	-	-	20	20	20	20
Wind: Spaldington Airfield (1Q 2014) - MW	-	-	15	15	15	15
Wind: West Browncastle (1Q 2014) - MW	-	-	30	30	30	30
Wte/Biomass - MW	-	-	30	-	30	-
Solar - MW	11	-	11	-	11	-
Wind Pipeline - MW	-	-	93	-	93	-
Additional capacity - MW	63	32	266	112	266	112
Installed capacity - MW	747	716	950	796	950	796
Sales - € mn	na	275	340	299	375	303
Ebitda - €mn	>155	157	190	177	210	179
Nfp (incl derivative)- € mn	na	-833	-990	-758	na	-663

Source: Company data and EQUITA SIM estimates

As you can easily see, we believe our estimates are highly conservative. As regards the existing Wind repowering in Italy in particular (around 20 MW), we underline that this is due purely to authorisation procedures. Assets are in fact already in existence but are not currently running at full capacity because the original authorisation was for a lower peak capacity. The issue of correct authorisation for installed capacity could create a buffer for additional growth.

CONFIRMING OUR BUY RECOMMENDATION

We are confirming our BUY recommendation (as well as target and estimates for the 2012-2014 period. We in fact believe that:

- Expected growth for the coming years is significant and with high visibility. We envisage an 8% EBITDA CAGR and 15% improvement in net income, simply by considering the authorised assets and those under construction.** Implied growth based on company guidance is 10% at Ebitda level.
- Future growth will come from the development of the UK business, more visible from a regulatory framework point of view, and ensuring further balancing of the international business.**
- At the moment, the government is not** envisaging any cuts in the returns on existing assets. Incentive cuts are expected for new plants (which are not included in Fkr's valuation). As a consequence, we believe that approval of the framework as anticipated in the latest draft document (last week) would be a very positive catalyst for Falck Renewables.
- The stock is trading at 12x PE and 6.4x EV/EBITDA as measured in 2013, very interesting multiples considering the growth profile of the group. The high debt level is typical of the renewables industry and the 5.3x D/Ebitda in 2012 is entirely composed of non-recourse project financing with lengthy maturities (13 years) and interesting costs (6%). We find this type of debt to be less risky than lower traditional corporate financing.**
- The legal proceedings will take some years. Fkr is involved in a 100 € mn legal dispute (just for damages) with the Region of Sicily (already accounted for on the debt side). Any positive outcome to the procedure could result in significant upside for the group (each 10 € mn recognised = 3.3% of mkt cap);
- We believe 2012 will be another year of delivery for the group, which will help to crystallise the undervaluation.

VALUATION			
	CAPACITY	VALUATION	Implied multiples
Wind assets	735 MW	1,231Ev/Ebitda 2012	9.0 x
Waste To Energy plants	31 MW	114Ev/Ebitda 2012	7.2 x
Biomass plants	14 MW	42Ev/Ebitda 2012	5.6 x
Waste treatment business	168 Kt	16Ev/Ebitda 2012	5.1 x
Solar assets	16 MW	56Ev/Ebitda 2012	7.7 x
Holding costs	-	-85Ev/Ebitda 2012	nm
CORE BUSINESS VALUATION	-	1,375Ev/Ebitda 2012	8.8 x
Other operating assets	-	10Book Value	
Financial assets	-	2Book Value	
Nfp end of 2010	-	0nm	
Nfp end of 2011	-	-826End of 2011	
Minorities	-	-14Book Value	
Provisions	-	-11Book Value	
EQUITY VALUE	-	536implied PE 2012	25.9 x
Capital increase	-	0	
EQUITY VALUE	-	536	
shares out	-	291	
TARGET PRICE	-	1.8	

Source: EQUITA SIM estimates

MARKET RATIOS						
	2010	2011	2012	2013	2014	2015
P/E	1186.9 x	nm	14.4 x	12.2 x	10.4 x	10.2 x
P/E adj	1186.9 x	nm	14.4 x	12.2 x	10.4 x	10.2 x
PBV	1.1 x	0.6 x	0.6 x	0.6 x	0.6 x	0.6 x
P/CF	12.2 x	5.0 x	5.0 x	4.6 x	4.2 x	4.1 x

Source: EQUITA SIM estimates

EV FIGURES						
	2010	2011	2012	2013	2014	2015
EV/Sales rep	5.9 x	4.6 x	4.2 x	3.9 x	3.7 x	3.3 x
EV/EBITDA rep	11.5 x	8.1 x	7.4 x	6.6 x	6.2 x	5.7 x
EV/EBITDA adj (Incl JV)	11.5 x	8.1 x	7.4 x	6.6 x	6.2 x	5.7 x
EV/CE	1.0 x	0.9 x	0.9 x	0.8 x	0.8 x	0.8 x

Source: EQUITA SIM estimates

REMUNERATION						
	2010	2011	2012	2013	2014	2015
Div. Yield ord	0.6%	2.5%	2.8%	3.3%	3.8%	0.0%
FCF yield	-44.0%	-30.0%	-1.8%	17.8%	12.9%	35.2%
ROE	0.1%	4.0%	4.3%	4.9%	5.6%	5.5%
ROCE	3.0%	3.8%	4.5%	5.0%	5.3%	5.5%

Source: EQUITA SIM estimates

INDEBTNESS						
	2010	2011	2012	2013	2014	2015
NFP	-730	-826	-833	-788	-758	-663
D/E	2.28	1.77	1.74	1.59	na	na
Debt/EBITDA	7.7 x	5.8 x	5.3 x	4.7 x	4.3 x	3.7 x
Interests cov	2.6 x	3.3 x	3.5 x	3.8 x	4.0 x	4.3 x

Source: EQUITA SIM estimates

P&L	2010 PF	2011	2012E	2013E	2014E	2015E
REVENUES	185	249	275	288	299	303
Growth	0%	35%	11%	5%	4%	1%
Total opex	-90	-107	-118	-119	-122	-125
Growth	0%	19%	10%	1%	2%	2%
Margin	-49%	-43%	-43%	-41%	-41%	-41%
EBITDA	95	142	157	169	177	179
Growth	0%	50%	11%	8%	5%	1%
Margin	51%	57%	57%	59%	59%	59%
Depreciation& amortization	-47	-53	-62	-65	-67	-70
Provisions	-1	-15	-2	-2	-2	-2
Depreciation&provision	-48	-68	-64	-67	-69	-72
EBIT	49	79	93	102	108	107
Growth	-14%	63%	17%	10%	6%	-1%
Margin	26%	32%	34%	36%	36%	35%
Net financial profit/Expenses	-36	-43	-45	-45	-44	-42
Profits/exp from equity inv	na	na	na	na	na	na
Other financial profit/Exp	1	1	0	0	0	0
Total financial expenses	-35	-42	-45	-45	-44	-42
Non recurring pre tax	0	0	0	0	0	0
PBT	14	37	48	58	64	65
Growth	-52%	169%	28%	21%	11%	2%
Taxes	-12	-17	-22	-26	-27	-28
Tax rate	-83%	-47%	-46%	-46%	-42%	-42%
Minority interests	-2	-1	-5	-7	-8	-8
Non recurring post tax	0	0	0	0	0	0
NET INCOME	0	19	21	24	29	29
Growth	-98%	6273%	10%	17%	18%	2%
Margin	0%	8%	8%	8%	10%	10%
Adj. NET INCOME	0	31	21	24	29	29
Growth	-98%	10373%	-33%	17%	18%	2%
Margin	0%	12%	8%	8%	10%	10%

Source: EQUITA SIM estimates and company data

STATEMENT OF RISK

The primary elements that could positively/negatively impact FALCK RENEWABLES stock include:

- Changes in the sector's regulatory framework;
- Changes in the main economic drivers for utility services and power generation (such as oil price, coal price, power generation price, etc)
- Significant increase in interest rates

Negative out come from the legal procedures on the Sicilian business

SENSITIVITY

		Risk free				
		5.10%	5.60%	6.10%	6.60%	7.10%
Cost of debt	5.00%	2.03	1.98	1.92	1.87	1.81
	5.50%	1.95	1.89	1.84	1.78	1.73
	6.00%	1.86	1.81	1.76	1.70	1.65
	6.50%	1.78	1.73	1.68	1.63	1.58
	7.00%	1.70	1.65	1.60	1.55	1.50

INFORMATION PURSUANT TO ARTICLE 69 ET SEQ. OF CONSOB (Italian securities & exchange commission) REGULATION no. 11971/1999

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EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE (OLD ONES IN BRACKETS):

Date	Rec.	Target Price (€)	Risk	Comment
nil				

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	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	41.4%	55.8%
HOLD	50.0%	38.5%
REDUCE	8.6%	5.8%
NOT RATED	0.0%	0.0%