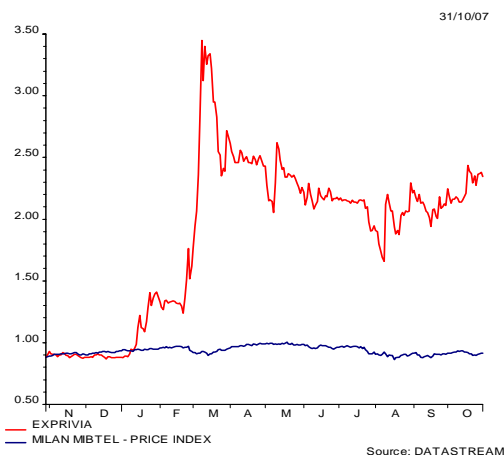


Company update
EXPRIVIA
SELL
Market price (ord): EUR 2.38*

* data as at 29.10.2007



Company key data	2006A	2007E	2008E	2009E
Revenue (EUR M)	47.0	56.7	99.6	107.1
EBITDA (EUR M)	5.6	7.8	14.7	16.3
EBIT (EUR M)	3.4	5.7	11.6	13.1
Net income (EUR M)	1.1	2.5	6.1	6.8
Dividend ord. (EUR)	0.00	0.00	0.00	0.00
EPS (EUR)	0.03	0.07	0.16	0.18
EV/EBITDA (x)	23.3	15.2	8.1	7.3
P/E (x)	102.5	35.8	14.8	13.4

A: actual, data taken from 2006 financial statements and Intesa Sanpaolo Equity Research calculations
E: expected, Intesa Sanpaolo Equity Research estimates

See Pages 10 to 12 for Analyst Certification and Full Disclosures
Company data *

No. of shares (M)	33.9
Market price (EUR)	2.38
Target price (EUR)	1.45
Target upside (%)	-38.6
Previous target (EUR)	NA

Market data

Market Cap. (EUR M)	80.7
Free float (%)	43.0
12m Hi/Lo (EUR)	3.450/0.866
Average volume ('000)	812

Other info

Sector	IT & Technology
Reuters code	XPR.MI
Bloomberg code	XPR IM
Mibtel index	31,276

Performance (%)	Abs	Rel.
1 month	11.2	10.5
3 months	23.0	22.7
12 months	166.1	157.7

31 October 2007
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* data as at 29.10.2007

Growth Priced Despite Acquisitions

- External growth.** Following the acquisition of Wel.Network, the group continued to grow with the acquisition of Svimservice, a company specialised in SW and IT services for the healthcare segment. The acquisition price is EUR 22M plus an earn-out of EUR 4M. Svimservice had revenue of EUR 19.8M and EBITDA of EUR 4.4M in 2006. In our view, this acquisition is positive for the possible synergies with Exprivia's healthcare division and the cross-selling opportunities.

- Targets reached.** Thanks to the acquisitions of Wel.Network and Svimservice, the group reached its external growth target. We highlight that Exprivia' business plan entailed reaching revenue of EUR 100M in 2008, of which EUR 40M was to come from acquisitions. According to our estimates, the two acquired companies should contribute approx EUR 44M to next year's top-line, thus allowing the group to meet its target.

- Financial structure.** The two acquisitions should be partly financed via a capital increase (EUR 7.4M) and partly by debt (EUR 24M). The group obtained a bridging loan, which should be partly re-financed by a mid-term credit line and an additional of capital increase tranche next year. The financial structure, that we expect to be highly leveraged at year-end (D/E ratio at 96%), should therefore return to a more sustainable level.

- Valuation.** The positive impact of the two acquisitions and the positive growth prospects are already fully priced in our view. The stock is trading at a premium of almost 40% over its peers on 2008E and 2009E EV/EBITDA multiples. The premium on P/E is lower (5% on 2008E and 7% on 2009E respectively) thanks to Exprivia's lower tax-rate vs. the sector average. However, we highlight that this lower tax burden derives from the use of losses carried forward which, according to our forecast, should be fully exploited by 2009E. Using both a multiple comparison and a DCF model, we reached a target price of 1.45/share. **We therefore rate the stock a SELL.**

- Key Risks.** We believe our estimates to be fairly conservative, especially on possible synergies and cost savings from the integration of the recently acquired companies. Should the integration process be more successful, the group's profitability could be higher than expected with a positive impact on our valuation.

Contents

EXTERNAL GROWTH	3
<i>External growth targets reached.....</i>	<i>3</i>
<i>Financials</i>	<i>3</i>
<i>Strategic rationale.....</i>	<i>3</i>
EARNINGS REVISION.....	4
RECENT RESULTS.....	4
<i>Change in estimates.....</i>	<i>4</i>
VALUATION	5
DCF MODEL.....	5
PEER COMPARISON	7
FINANCIALS	8

External Growth

On 3 August 2007 the group announced an agreement for the acquisition of Wel.Network (see our note "Growth, finally" of 8 August 2007). We highlight that Wel.Network specialises in IT services for SAP applications and in the sale of third-party SW products. The company has 160 employees and in 2006 had sales of EUR 21.7M, EBITDA of EUR 1.8M and net profit of approx. EUR 0.4M. The total price of the acquisition amounts to EUR 9.5M of which EUR 7.125M is to be paid in cash and the remaining EUR 2.375M in newly-issued Exprivia shares.

A few days later the group announced another acquisition for 100% of Svimservice, an IT company specialised in SW and systems for the Public Administration (PA) and healthcare sectors. Svimservice supplies the regional IT system for the management of the whole healthcare sector (ie, pharmaceutical expenses) for the Puglia Region, representing approx. 50% of the company's revenue. The other 50% comes from other local PA bodies (20% of sales) and other entities in the healthcare segment (ie, hospitals). In 2006 Svimservice, which employs 330 people, posted revenue of EUR 19.8M, EBITDA of EUR 4.39M, EBIT of EUR 3.8M and net profit of EUR 1.5M. Net debt at end-2006 was EUR 0.36M.

The acquisition price is EUR 22M, of which EUR 17M in cash and EUR 5M in newly-issued Exprivia shares. In addition, Exprivia will pay an additional EUR 4M, if Svimservice reaches a determined EBITDA target in 2007. Of this possible EUR 4M earn-out, EUR 3M should be paid cash and EUR 1M in shares.

External growth targets reached

We highlight that the group's business plan to 2008 entails reaching revenue of EUR 100M, of which EUR 40M from acquisitions. Thanks to the recent deals the external growth target has been surpassed, and according to our estimates in 2008E the two companies should contribute for sales of approx. EUR 44M. Despite this, the group did not rule out the possibility of continued external growth: by targeting small companies in specific niche market segments, in order to complete its product and service offering.

Financials

In order to finance the two acquisitions, Exprivia prepared the following financial plan. In addition to the EUR 7.4M capital increase (EUR 2.4M for the Wel.Network and EUR 5M for Svimservice) to be completed by year-end, the group should obtain a 12 month bridging loan of EUR 28M, which should then be refinanced and partly substituted with a mid-term debt and a new capital increase, in an as yet undefined mix. Exprivia's major shareholder, Abaco Innovazione, has already stated that it will subscribe to its share of this potential capital increase. This further operation should allow a rebalancing of the group's financial structure, which following the recent deals, should be highly leveraged at year-end.

Strategic rationale

We believe the two acquisitions have different strategic rationales. In our opinion, Wel.Network should mainly add critical mass, increasing the market presence and visibility of the group in the segment of SAP installation services. However, we believe synergies will be modest, as these services are sold mainly on a man hour basis, thus with limited economies of scale. In addition, Wel.Network revenue includes the re-sale of third party products, which has structurally lower margins vs. the sale of services. However, we believe that the biggest benefit from the acquisition of Svimservice could come from the cross-selling opportunities. Exprivia already has a significant presence in the healthcare segment (12% of 2006 revenue), with a focus on SW products for digital imaging and in the PA sector (27% of 2006 revenue).

Earnings Revision

Recent results

In our opinion, 1H07 results were mixed: on the negative side we highlight the poor organic growth, with value of production basically flat at EUR 23.3M. This was due to a balance between a decline in the Industry & Telecom and PA & Utilities segments (-5.9% yoy and -2.5% yoy respectively), more than offset by a revenue increase in the Bank & Finance and Healthcare sectors (9% yoy and 6.1% yoy respectively). On the positive side we highlight that:

- The company finally reversed the negative top-line trend. The value of production grew by 3.4% in 2Q07 vs. a decline of 4.2% in 1Q07;
- Profitability continued to improve: EBITDA reached EUR 2.8M in 1H07, up by 7.5% from 1H06, with an EBITDA margin at 11.9% from 11.1% in 1H06. EBIT jumped by 14.8% to EUR 1.9M, boosted by lower D&A.

Net profit increased by 31% to EUR 0.6M. On the balance sheet side, net debt improved to EUR 15.4M from EUR 16.7M at end-06, thanks to a positive cash generation of EUR 1.3M in 1H07 (vs. a cash absorption of EUR 3.8M in 1H06).

Table 1: Exprivia – Interim results

EUR M	2Q06	2Q07	yoy %	1H06	1H07	yoy %
Value of production	11.79	12.19	3.4	23.39	23.30	-0.4
Operating costs	-3.14	-3.11	-0.7	-6.47	-5.75	-11.0
Cost of personnel	-7.12	-7.43	4.4	-14.34	-14.77	3.0
EBITDA	1.53	1.64	7.1	2.58	2.78	7.5
EBITDA Margin (%)	13.0	13.4		11.1	11.9	
D&A	-0.48	-0.45	-6.8	-0.94	-0.88	-5.5
EBIT	1.05	1.19	13.4	1.65	1.89	14.8
EBIT Margin (%)	8.9	9.8		7.0	8.1	
Financial items	-0.29	-0.40	36.0	-0.53	-0.63	18.0
Pre-tax income	0.76	0.79	4.8	1.12	1.27	13.3
Taxes	-0.29	-0.33	12.3	-0.63	-0.63	-0.7
Minorities	-0.01	-0.02	100.0	0.00	0.00	-60.7
Net profit	0.46	0.45	-1.8	0.49	0.64	31.1

Source: Company data

Change in estimates

We revised our estimates, incorporating the impact of the acquisition of Svimservice. The impact should be very modest on 2007E as the acquisition should only be consolidated from November. On 2008E and 2009E we simply added the impact of Svimservice to our previous estimates, as shown in the following table.

Table 2: Exprivia – Sales and EBITDA breakdown

EUR M	2007E	2008E	2009E
Exprivia revenue	49.73	55.37	59.92
Wel.Network	3.67	24.20	26.14
Svimservice	3.33	20.00	21.00
Total revenue	56.73	99.57	107.06
Exprivia EBITDA	6.73	8.17	9.15
Wel.Network EBITDA	0.30	2.00	2.23
Svimservice EBITDA	0.74	4.50	4.87
Consolidated EBITDA	7.76	14.67	16.25

E: expected, Intesa Sanpaolo Equity Research estimates

In addition, we increased our D&A estimates by approx. EUR 0.6M annually and our interest costs by approx. EUR 1M annually, thus factoring the additional debt for the acquisition and assuming a 6% cost of debt. Lastly, we changed our 2009E tax rate forecast. According to our calculations, the increase in the pre-tax profit generated by the acquisitions should allow the group to exploit its carry forward taxes (approx. EUR 21-22M in 2006) earlier than previously estimated. While 2008E should fully benefit from a lower tax-rate, we estimate that 2009E will only partially benefit from this tax shield. The group should return to pay a full tax-rate from 2010E.

Valuation

We based our valuation on a mix between a discounted cash flow model and a multiples comparison. In addition we based our valuation on the fully diluted number of shares, including the shares to be issued by year-end for the two recent acquisitions and in 2008E for the earn-out clause related to the acquisition of Svimservice. In addition the major shareholder, Abaco Innovazione, decided to convert some reserves into share capital, with an additional issue of 4.1M shares. We did not consider the effects of a possible further capital increase to which the company may resort to re-finance the bridge loan.

Table 3: Exprivia – Fully diluted number of shares

EUR M	
Capital increase for Wel.Network (EURM)	2.38
Price (EUR)	2.2
New shares	1.1
Capital increase for Svimservice (EUR M)	6.0
Price (EUR)	2.1
New shares	2.8
Conversion of reserves into share capital (EUR M)	6.0
Price (EUR)	1.5
New shares	4.1
Total new shares to be issued	8.0
Current no of shares	33.9
New number of shares	41.9

Source: company data

We set a target price of EUR 1.45/share, corresponding to the average between our DCF-based valuation and the multiple-based valuation. We therefore rate the stock a **SELL**.

Table 4: Exprivia – Valuation

EUR	
DCF valuation	1.61
Multiple valuation	1.30
Target price	1.45

Source: Intesa Sanpaolo Equity Research estimates

DCF model

Following our estimates revisions, we updated our DCF model. Our model is based on our explicit forecasts to 2009E and on the following mid-term assumption to 2015E:

- Sales growth to gradually decline to 2% in 2015E, a level that we assume as perpetuity;
- EBITDA margin to remain substantially stable at approx. 15%-15.5% of sales, in line with the last year of our explicit forecast.

The table below summarises our DCF model.

Table 5: Exprivia - DCF model (2008E-15E)

EUR M	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Revenues	99.57	107.06	114.13	120.62	126.36	131.21	135.05	137.75
yoy %	75.5	7.5	6.6	5.7	4.8	3.8	2.9	2.0
EBITDA	14.67	16.25	17.39	18.44	19.38	20.20	20.86	21.35
EBITDA margin (%)	14.7	15.2	15.2	15.3	15.3	15.4	15.4	15.5
Taxes on EBIT	-3.01	-4.24	-8.42	-9.00	-9.53	-9.98	-10.35	-10.63
Provision	0.61	0.64	0.51	0.39	0.26	0.13	0.0	0.0
Change in NWC	-0.33	-1.66	-0.95	-1.10	-0.98	-0.83	-0.65	-0.46
Capex	-5.75	-1.82	-1.87	-1.93	-1.99	-2.05	-2.11	-2.15
Operating cash flow	6.18	9.18	6.67	6.79	7.15	7.47	7.75	8.11

E: expected, Intesa Sanpaolo Equity Research estimates

We maintained the WACC at 8.3%, based on a 35% gearing and a 1.5x beta. Our estimated gearing for 2007E should be much higher (approx. 50%). However, the group should re-balance its financial structure in 2008, when the bridge loan should be substituted by a new mid-term credit line and a capital increase. We therefore assumed the group would return to a financial structure similar to that, which it had prior to the recent acquisitions. Our model points to a value of EUR 1.61/share.

Table 6: Exprivia – DCF valuation

Key Assumptions (%)		DCF valuation (EUR M)	
2007E-15E CAGR of revenue	12.7	Perpetuity Growth rate (%)	2.0
2007E-15E CAGR of EBITDA	15.7	Terminal value	128.8
2015E EBITDA margin	15.0	PV of terminal value	62.8
WACC calculation	(%)	PV of cash flows	41.9
Risk-free rate	4.6	EV	104.7
Equity risk premium	4.0	NFP 2007E	-36.8
Beta (x)	1.5	Minorities	-0.6
Cost of equity	10.6	Equity Value	67.3
Cost of debt after tax	4.0	N of shares (M)	41.9
Debt/(Debt+Equity)	35.0	Value per share (EUR)	1.61
WACC	8.3	Vs. current price (%)	-32.1

Source: Intesa Sanpaolo Equity Research estimates

Table 7: Exprivia – DCF valuation sensitivity

EUR Discount rate (%)	Growth rate to perpetuity (%)						
	0.5	1.0	1.5	2.0	2.5	3.0	3.5
6.3	2.11	2.30	2.52	2.79	3.13	3.57	4.18
6.8	1.79	2.01	2.19	2.40	2.66	2.99	3.41
7.3	1.59	1.78	1.92	2.08	2.29	2.53	2.85
7.8	1.42	1.57	1.69	1.82	1.98	2.18	2.42
8.3	1.26	1.40	1.50	1.61	1.74	1.89	2.07
8.8	1.13	1.25	1.33	1.42	1.53	1.65	1.80
9.3	1.01	1.12	1.18	1.26	1.35	1.45	1.57
9.8	0.91	1.00	1.06	1.12	1.20	1.28	1.38
10.3	0.82	0.90	0.94	1.00	1.06	1.13	1.21

Source: Intesa Sanpaolo Equity Research estimates

Peer comparison

We compared Exprivia multiples with those of the two most similar companies, Engineering and Reply. We excluded 2007E multiples and only used 2008E and 2009E, when the impact of the recent acquisitions should be fully visible on Exprivia's figures. The comparison shows that Exprivia is trading at a significant premium over its peers on all the EV multiples, but the premium is lower on P/E multiples.

Table 8: Exprivia - Peer comparison

(x)	Price	Mkt cap.	EV/sales		EV/EBITDA		EV/EBIT		P/E	
	EUR	EUR M	2008E	2009E	2008E	2009E	2008E	2009E	2008E	2009E
Reply	24.5	222.2	0.75	0.68	5.4	4.9	5.9	5.4	13.6	12.3
Engineering	34.8	435.4	0.94	0.88	6.2	5.7	7.3	6.6	14.4	12.5
Avg. peer group			0.84	0.78	5.8	5.3	6.6	6.0	14.0	12.4
Exprivia	2.38	80.7	1.19	1.10	8.1	7.3	10.2	9.0	14.8	13.4
Premium			40%	41%	40%	38%	54%	50%	6%	8%

Source: JCF and *Intesa Sanpaolo Equity Research estimates

However, we believe the multiples comparison is distorted by Exprivia's lower tax rate, which is not structural but related to the use of some carry forward losses. We therefore believe that the group should trade at a discount on P/E multiples, as the groups higher bottom-line profitability should reduce as soon as the tax shield is fully exploited (between 200E and 2010E, according to our estimates).

We valued Exprivia using the peer average EV/EBITDA multiples, adding to the enterprise value of the tax shield (33% of the estimated carry forward losses at end-2006). Similarly, we applied the peer P/E multiples to Exprivia's normalised net profits (ie, assuming a full tax rate) and then summing back the value of the tax savings. This method returns a value of EUR 1.30 per share.

Table 9: Exprivia – Sales and EBITDA breakdown

(x)	EV/EBITDA		P/E	
	2008	2009	2008	2009
Reply	5.4	4.9	13.6	12.3
Engineering	6.2	5.7	14.4	12.5
Average	5.8	5.3	14.0	12.4
Exprivia EBITDA	14.7	16.3		
Exprivia normalised net profit			3.08	4.11
Exprivia EV	84.5	85.5		
NFP 2007E	-36.8	-36.8		
Minorities	-0.6	-0.6		
Tax shield	7.1	7.1	7.1	7.1
Exprivia equity value	54.3	55.3	50.3	58.0
Value per share (EUR)	1.30	1.32	1.20	1.38
Average	1.30			

Source: Intesa Sanpaolo Equity Research estimates

Financials

Table 10: Exprivia – Income statement

EUR M	2004A	2005A	2006A	2007E	2008E	2009E
Total revenue	23.11	42.96	47.03	56.73	99.57	107.06
Cost for services	-7.93	-13.06	-9.22	-10.80	-18.71	-20.48
Cost for raw material	-2.35	-2.17	-2.71	-2.27	-3.98	-4.28
Others	-1.47	-1.54	-1.79	-1.80	-3.00	-3.07
Cost of personnel	-11.34	-22.43	-27.76	-34.10	-59.21	-62.97
Non recurring costs	0.00	-1.20	0.00	0.00	0.00	0.00
EBITDA	0.02	2.55	5.55	7.76	14.67	16.25
<i>EBITDA margin (%)</i>	<i>0.1</i>	<i>5.9</i>	<i>11.8</i>	<i>13.7</i>	<i>14.7</i>	<i>15.2</i>
Depreciation & Amortisation	-4.50	-2.18	-2.01	-1.95	-2.60	-2.62
Writedowns & Provisions	-0.57	-1.00	-0.12	-0.10	-0.50	-0.50
EBIT	-5.05	-0.62	3.42	5.71	11.56	13.14
<i>EBIT margin (%)</i>	<i>-21.8</i>	<i>-1.4</i>	<i>7.3</i>	<i>10.1</i>	<i>11.6</i>	<i>12.3</i>
Financial items	-1.26	-1.11	-1.07	-1.45	-2.40	-2.10
Equity investment adjustments	-0.05	0.00	0.00	0.00	0.00	0.00
Pre-tax income	-8.24	-1.74	2.36	4.26	9.16	11.04
Taxes	0.33	-0.95	-1.24	-1.69	-3.01	-4.24
Minorities	-0.04	-0.03	-0.02	-0.05	-0.05	-0.05
Net income	-7.95	-2.71	1.09	2.52	6.11	6.75

A: actual, data taken from 2006 financial statements and Intesa Sanpaolo Equity Research calculations
E: expected, Intesa Sanpaolo Equity Research estimates

Table 11: Exprivia – Balance sheet

EUR M	2004A	2005A	2006A	2007E	2008E	2009E
Intangible assets	9.57	29.51	29.25	55.14	58.89	58.62
Tangible assets	0.29	8.11	7.93	10.48	9.89	9.35
Financial assets	0.51	1.41	1.34	1.34	1.34	1.34
Net fixed capital	10.37	39.03	38.52	66.96	70.11	69.32
Net working capital	-0.04	4.54	11.57	16.47	16.80	18.46
Provisions	-2.34	-5.43	-4.78	-8.14	-8.74	-9.39
Net invested capital	7.98	38.14	45.31	75.29	78.17	78.39
Net financial position	-6.76	-10.77	-16.75	-36.79	-32.51	-25.93
Shareholders' equity	1.07	27.23	28.38	38.27	45.38	52.13
Minorities	0.15	0.14	0.18	0.23	0.28	0.33
Net equity	1.22	27.38	28.56	38.50	45.66	52.46

A: actual, data taken from 2006 financial statements and Intesa Sanpaolo Equity Research calculations
E: expected, Intesa Sanpaolo Equity Research estimates

Table 12: Exprivia – Cash flow statement

EUR M	2004A	2005A	2006A	2007E	2008E	2009E
Net income	-7.91	-2.68	1.11	2.57	6.16	6.80
Depreciation & Amortization	4.50	2.18	2.01	1.95	2.60	2.62
Change in net working capital	6.55	3.93	-7.87	-4.90	-0.33	-1.66
Change in provisions	-1.22	3.08	0.39	3.35	0.61	0.64
Operating cash flow	1.92	6.51	-4.35	2.97	9.03	8.40
Capex	-2.23	-33.60	-1.63	-30.39	-5.75	-1.82
Financial acquisitions	-0.15	0.00	-0.13	0.00	0.00	0.00
Free cash flow to firm	-0.46	-27.09	-6.11	-27.42	3.28	6.58
Share capital increase	4.05	22.64	0.00	7.38	1.00	0.00
Dividend payment	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.04	0.44	0.13	0.00	0.00	0.00
Change in NFP	3.63	-4.00	-5.99	-20.04	4.28	6.58
Opening NFP	-10.40	-6.76	-10.77	-16.75	-36.79	-32.51
Closing NFP	-6.76	-10.77	-16.75	-36.79	-32.51	-25.93

A: actual, data taken from 2006 financial statements and Intesa Sanpaolo Equity Research calculations
E: expected, Intesa Sanpaolo Equity Research estimates

EXPRIVIA	data as at 29.10.2007				31 October 2007	
Sector	<i>IT & Technology</i>			Mkt price (EUR)	Target (EUR)	Rating
Datatype				2.38	1.45	SELL
Reuters code:	XPR.MI					
Values per share (EUR)	2005A	2006A	2007E	2008E	2009E	
No. ordinary shares (M)	33.9	33.9	37.9	37.9	37.9	
No. saving/preferred shares (M)	-	-	-	-	-	
Total no. of shares (M)	33.9	33.9	37.9	37.9	37.9	
EPS	-0.11	0.03	0.07	0.16	0.18	
CEPS	-0.02	0.09	0.12	0.23	0.25	
BVPS	0.81	0.84	1.02	1.20	1.38	
DPS	0.00	0.00	0.00	0.00	0.00	
Payout (%)	0.0	0.0	0.0	0.0	0.0	
Income statement (EUR M)	2005A	2006A	2007E	2008E	2009E	
Total revenue	43.0	47.0	56.7	99.6	107.1	
EBITDA	2.6	5.6	7.8	14.7	16.3	
EBIT	-0.6	3.4	5.7	11.6	13.1	
Pre-tax income	-1.7	2.4	4.3	9.2	11.0	
Net income	-2.7	1.1	2.5	6.1	6.8	
Adj. net income	-2.7	1.1	2.5	6.1	6.8	
Cash flow (EUR M)	2005A	2006A	2007E	2008E	2009E	
Net income before minorities	-2.7	1.1	2.6	6.2	6.8	
Depreciation and amortisation	2.2	2.0	2.0	2.6	2.6	
Change in NWC and provisions	7.0	-7.5	-1.5	0.3	-1.0	
Operating cash flow	6.5	-4.4	3.0	9.0	8.4	
Total capex	-33.6	-1.8	-30.4	-5.8	-1.8	
Free cash flow	-27.1	-6.1	-27.4	3.3	6.6	
Other	0.4	0.1	0.0	0.0	0.0	
Dividend and equity changes	22.6	0.0	7.4	1.0	0.0	
Change in NFP	-4.0	-6.0	-20.0	4.3	6.6	
Balance sheet (EUR M)	2005A	2006A	2007E	2008E	2009E	
Net capital employed	38.1	45.3	75.3	78.2	78.4	
- of which associates	-	-	-	-	-	
Net debt/-cash	10.8	16.8	36.8	32.5	25.9	
Minorities	0.1	0.2	0.2	0.3	0.3	
Shareholders' equity	27.2	28.4	38.3	45.4	52.1	
Market capitalisation	39.4	112.0	80.7	80.7	80.7	
Enterprise value	50.3	129.4	118.1	118.1	118.1	
Stock market ratios (x)	2005A	2006A	2007E	2008E	2009E	
P/E	-10.3	102.5	35.8	14.8	13.4	
P/CE	-52.1	36.1	20.2	10.4	9.6	
P/BV	1.4	3.9	2.3	2.0	1.7	
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	
Free cash flow yield (%)	-22.9	-5.2	-23.2	2.8	5.6	
EV/sales	2.7	2.5	2.1	1.2	1.1	
EV/EBITDA	19.7	23.3	15.2	8.1	7.3	
EV/EBIT	NM	37.8	20.7	10.2	9.0	
EV/FCF	NM	NM	NM	36.0	17.9	
D/EBITDA	4.2	3.0	4.7	2.2	1.6	
D/EBIT	NM	4.9	6.4	2.8	2.0	
Profitability and financial ratios (%)	2005A	2006A	2007E	2008E	2009E	
EBITDA margin	5.9	11.8	13.7	14.7	15.2	
EBIT margin	-1.4	7.3	10.1	11.6	12.3	
Net margin	-6.3	2.3	4.4	6.1	6.3	
ROI	-2.7	8.2	9.5	15.1	16.8	
ROE	-19.0	3.9	7.5	14.5	13.8	
D/E	39.3	58.7	95.6	71.2	49.4	
Growth rates (%)	2005A	2006A	2007E	2008E	2009E	
Sales	85.9	9.5	20.6	75.5	7.5	
EBITDA	NM	117.4	39.8	88.9	10.8	
EBIT	-87.7	NM	66.9	102.6	13.6	
Pre-tax income	-78.9	NM	80.8	115.2	20.4	
Net income	-65.9	NM	130.4	142.6	10.5	
Adj. net income	-64.9	NM	130.4	142.6	10.5	

(*) Note : EV = Mktcap + Net Debt + Minorities * P/BV – Associates A: actual, data taken from the 2004-2006 financial statements and Intesa Sanpaolo Equity Research calculations; E: expected, Intesa Sanpaolo Equity Research estimates

APPENDIX 1

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Historical recommendations and target price

NA	Date	Rating	TP	Mkt Price
	08.08.2007	NA	NA	1.73
	04.04.2007	NA	NA	2.60
	11.10.2006	NA	NA	0.86
	10.05.2006	NA	NA	1.11

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