

TIP

BUY

Price (Eu):

1.83

Target Price (Eu):

2.40

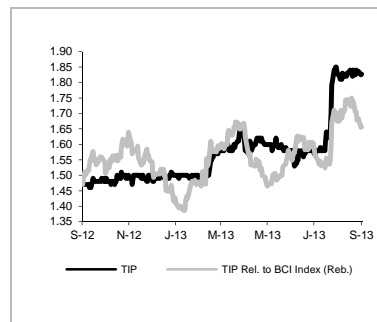
SECTOR: Holdings &amp; RE

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## A Smart Investor On Italian Excellences

- A smart investor...** Tamburi Investment Partners SpA (TP-IT) is an independent investment and merchant bank with a focus on medium-sized businesses. Its target companies are leaders in their field and have promising prospects. Taking an active approach, TIP acquires minority stakes, teaming up with entrepreneurs and top management with the aim of speeding up companies' growth and improving shareholders' returns. It currently oversees over Eu800mn of investments (considering equity stakes and other financial instruments such as bonds), through direct investments and its so-called "club deals". The company's impressive track record includes investments in Interpump, Datalogic and Prysmian, and it has invested almost Eu1.1bn over the last 10 years with an average return on investment in excess of 6%, despite the extraordinary issues suffered by financial markets and the Italian economy over this period.
- ...and an advisor.** Thanks to the capabilities of its team of highly qualified professionals and its strong network of entrepreneurs and professional investors, TIP has been able to place itself among the leading 5-6 dealmakers on the Italian market over the last 10 years. In 2012, the majority of its deals involved foreign clients, spanning from rights issues to mergers, acquisitions and project financing.
- A low risk bet on Italian SMEs.** The company's main strengths are: 1) its active asset management, with TIP distinguishing itself from more static listed Italian holding companies; 2) its constant search for high growth companies; once it has invested, its capable management and strong network of entrepreneurs and investment professionals aim to speed up achievement of business plan goals and thus increase the value of the company over a 3 to 5-year timeframe; 3) its traditional generosity towards shareholders with an average 60% dividend payout and 5% return (both through dividends and buy-backs), is expected to continue; 4) having consistently beaten Italian small caps indexes, TIP is a low volatility investment for those seeking exposure to Italian economic recovery.
- BUY, target Eu2.40.** We initiate coverage of TIP with a positive recommendation on the stock: in our view, TIP should be differentiated from other Italian holding companies thanks to its flexibility and active management style, demonstrated by the rapid rotation of its investments (29.5% since 2009 vs. 6.9% on average for peers). Thanks to its asset management abilities, we have compared TIP to other listed Italian asset managers and our approach yields a value of roughly Eu330mn for the company. Our target price of Eu2.4 reflects a simple average of our AM-based approach with the current NAV of Eu290mn. Considering that TIP is currently trading at a discount of around 15% to its NAV, the highest over the last 7 years, as well as its solid prospects in terms of total return to shareholders, we think the potential upside of 30% to the current stock price supports our positive view on the stock.

### TIP - 12m Performance



RATING: New Coverage

TARGET PRICE (Eu): New Coverage

Change in EPS est: 2013A 2014E

### STOCK DATA

Reuters code: TIP.MI  
Bloomberg code: TIP IM

Performance	1m	3m	12m
Absolute	-0.2%	15.6%	24.3%
Relative	-1.1%	6.7%	13.9%
12 months H/L:	1.85/1.46		

### SHAREHOLDER DATA

No. of Ord. shares (mn):	136
Total No. of shares (mn):	129
Mkt Cap Ord (Eu mn):	249
Total Mkt Cap (Eu mn):	249
Mkt Float - ord (Eu mn):	117
Mkt Float (in %):	47.0%
Main shareholder:	
D'Amico SdN	10.0%

### BALANCE SHEET DATA

Book value (Eu mn):	269
BVPS (Eu):	1.81
P/BV:	1.0
Net Debt (Eu mn):	-13
NAV (Eu mn)	292

Key Figures	2010A	2011A	2012A	2013E	2014E
Net profit (Eu mn)	10	3	9	34	7
EPS - New (Eu)	0.076	0.020	0.069	0.262	0.050
DPS (Eu)	0.035	0.035	0.041	0.090	0.045
NAVPS (Eu)	1.493	1.427	1.587	2.262	2.262

Ratios & Multiples	2010A	2011A	2012A	2013E	2014E
P/E	23.9	93.3	26.3	7.0	36.3
Div. Yield	1.9%	1.9%	2.2%	4.9%	2.5%
P/NAVPS	1.2	1.3	1.2	0.8	0.8

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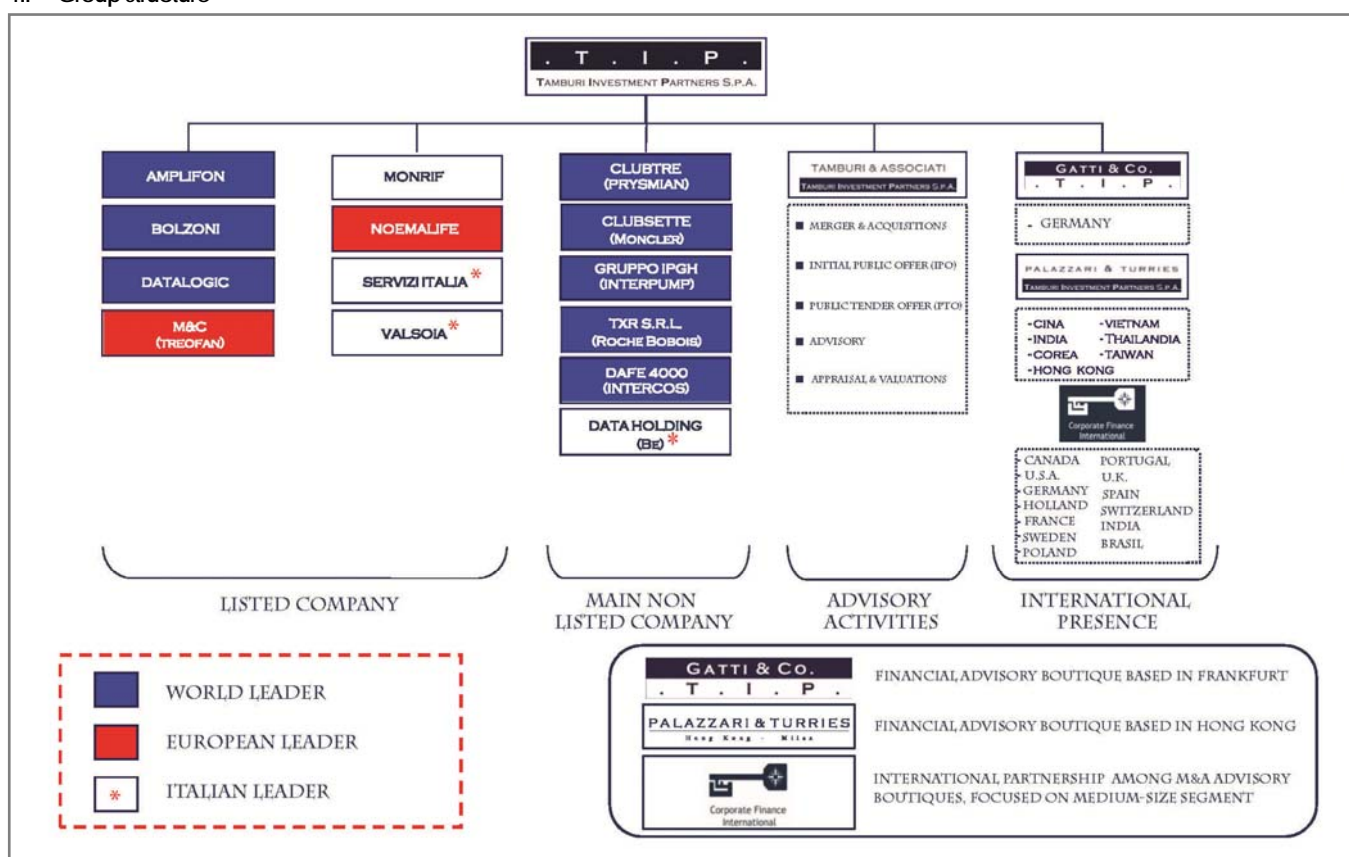
## 1. Company Description

### Tamburi Investment Partners: a Smart Investor in the Italian SME Universe

Tamburi Investment Partners SpA (TIP-IT) is an independent investment and merchant bank focused on medium-sized Italian businesses, mainly investing through minority stakes in listed and unlisted companies. Its aim is to identify small/medium sized enterprises with high growth potential and an excellent standing within their sectors and areas of activity. TIP has a strong track record for delivering returns, realising capital gains in almost 75% of its investment deals and directly investing roughly Eu471mn over the last 3 years. Moreover, it supports its clients and investments through its Advisory business: the company has a proven track record in corporate finance operations, which has been successfully developed thanks to its management team's extraordinary know-how, network and capabilities. These successes place TIP among the leading 6 advisory firms in Italy over the last 10 years. Last year TIP was also able to expand its advisory activity abroad, with the majority of clients/counterparties represented by foreign companies/investors. TIP's equity investments include 8 international leaders and many companies that dominate their local markets, with 13 of its investments reporting more than 70% of their revenues outside Italy.

As one of the most liquid small/mid cap stocks on the Italian market, TIP has outperformed the FTSE MIB over the last 3 years, with the stock price rising 44.5% vs. the -26.1% recorded by the principal Italian index and the -10% by the small caps index.

TIP – Group structure



Source: Intermonte SIM on Company presentation

#### Foundation and Main Historical Milestones

The company was founded by Giovanni Tamburi and Alessandra Gritti in 1992 and its headquarters are in Milan, Italy. The current organisational structure was defined in 2000, with Tamburi e Associati (T&A) starting investment activity with Eu33mn collected from 70 different shareholders (mostly influential Italian entrepreneurs). From the very beginning its aim has been to invest in high growth companies willing to develop their business using modern technology. Its vision is very cautious, avoiding pure start-ups and companies undertaking thorny restructuring processes. In 2002 the company started to invest in listed companies through a "value-investing" approach, mostly targeting small-medium sized businesses. In 2003 T&A became the current Tamburi Investment Partners, increasing its capital by a contribution of Eu44mn from 30 new investors: the company assumed the dual role of "equity provider", acquiring minority stakes in high growth companies, and "corporate finance service provider", relying on its qualified team of professional investors and high quality network to help SMEs in their search for growth.

In 2005 Tamburi Investment Partners was listed on the Italian stock exchange (MTA) and in 2010 its shares and warrants started to trade on the STAR segment, which is dedicated to mid-cap companies that feature high levels of transparency, strong liquidity and good standards of corporate governance.

## Management Profile

**Giovanni Tamburi:** Chairman and Managing Director of TIP, as well as being founder of TIP and T&A. Active in corporate finance since 1977, first in the Bastogi Group and then, from 1980 to 1991, in Euromobiliare, after which he became the founder and shareholder of T&A and TIP.

**Alessandra Gritti:** Vice Chairman and Managing Director of TIP, as well as co-founder of TIP and T&A. Active in corporate finance since 1983. Previous experience in Sopaf S.p.A., Mediocredito Lombardo S.p.A., and in Euromobiliare Montagu s.p.a. where, from 1991 to 1994, she was director of the M&A sector.

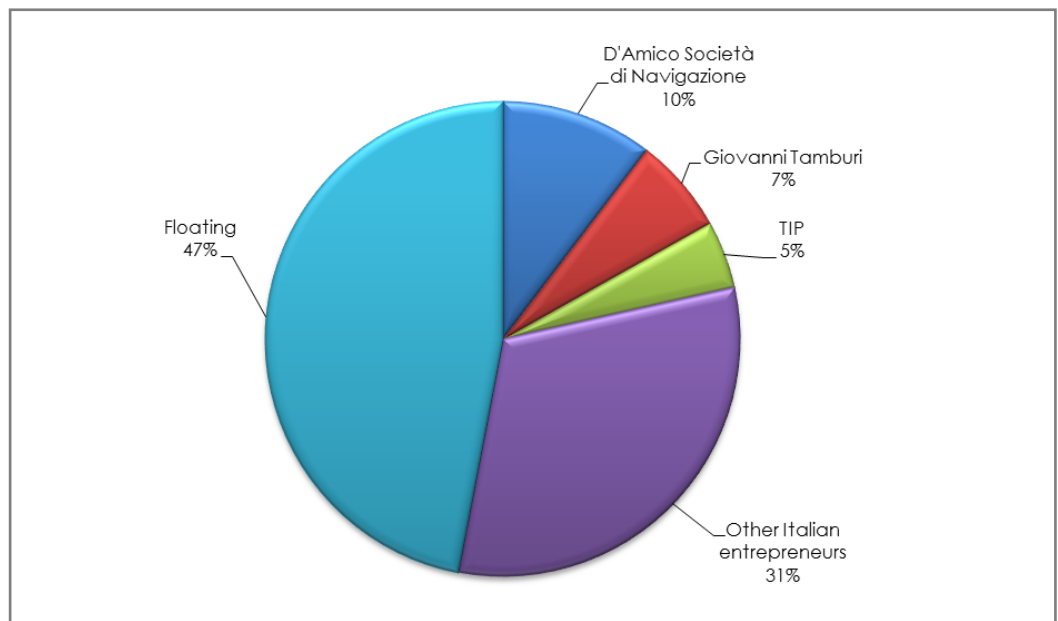
**Claudio Berretti:** General Manager of TIP. He has been with TIP for over 18 years, after previous experiences in the FIAT UK Group as head of finance.

## Main Shareholders: a Precious Network

One of TIP's main strengths is its network: the group can benefit from and leverage on some of the most prominent Italian entrepreneurs and investment professionals, to a greater extent than competitors as these figures are involved in the company's shareholder structure. As shown in the graph below, over 40% of TIP is owned by a series of Italian business families including some of the country's leading industrialists. These include: D'Amico SdN, a top Italian group that is a global leader in the international shipping industry; Angelini, founders of a primary pharmaceutical group that produces medicines and drugs in over 60 countries worldwide; Seragnoli, at the helm of a portfolio of multinational companies focused on industrial machines and a market leader in diverse sectors such as consumer goods, tobacco, aerospace, racing & automotive; Manuli, owner of a great variety of activities ranging from industry (Manuli Rubber) to finance (Hedge Invest) and real estate; Ferrero, head of the Ferrero Group, an industrial conglomerate that is a leader in the steel sector.

Almost 10% of the company is in the hands of institutional investors, confirming the attractiveness of TIP in terms of future performance and the variety of its ownership. Of these, it is worth noting the presence of the insurance group Generali, Morgan Stanley's asset management unit Lemanik and Arca SGR.

### TIP - Main shareholders and float



Source: Intermonte SIM on company data

## 2. Investment Conclusions

### Why Buy TIP?

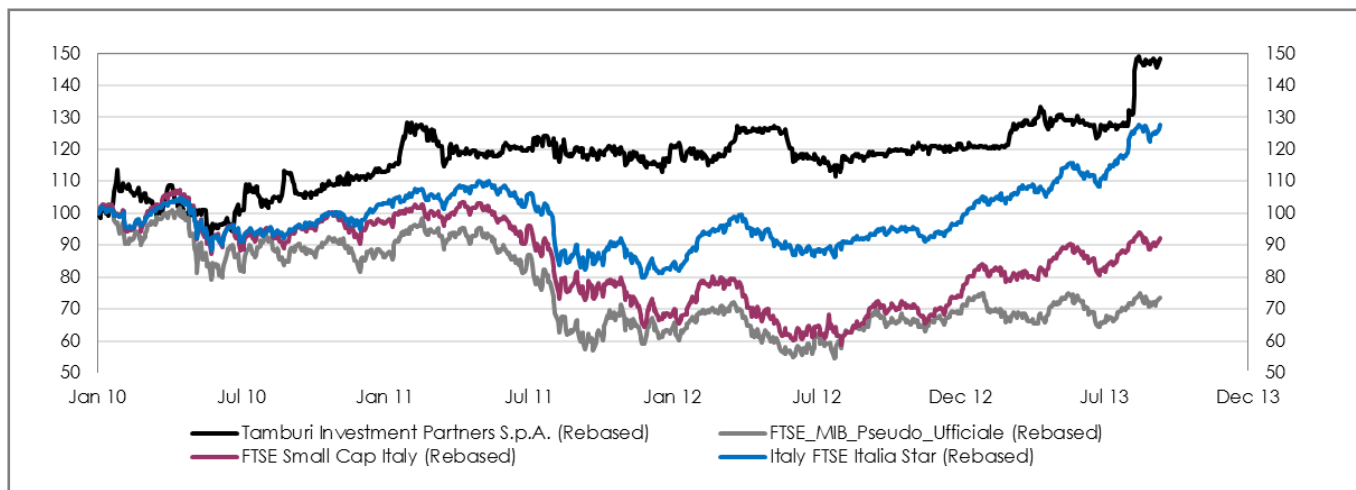
- TIP acts as an active asset manager, distinguishing itself from the other Italian listed investment companies thanks to its extremely dynamic approach to managing its assets, with the company always ready to exploit value and grasp the best opportunities offered by the market. Looking at its investment assets, over the last 5 years TIP invested almost 30% of the overall value of the assets (vs. 6.9% on average for listed Italian holding companies) and divested 14.7% (vs. 4% on average for peers).
- By always picking high growth companies at the best possible moment, Tamburi's capable management and strong network of entrepreneurs and investment professionals enables it to speed up business plan implementation, increasing companies' value over a 3 to 5-year timeframe.
- Considering our expectations for an Italian economic recovery over the next 2 years, we expect TIP to benefit both in terms of increased investment opportunities and growth in advisory revenues, as we are betting on Italian small/medium cap companies going back to the market in search of "inorganic" growth opportunities, especially abroad.
- TIP is expected to continue its traditional generosity towards shareholders, demonstrated by an average dividend payout of 60% and an average return to shareholders of 5% (both through dividends and buy backs). This is particularly likely given the Eu33mn capital gain realised this year thanks to its divestment from Printemps.

### Main Risks

- In our view, the main risk for the company would be if the Italian economy were to continue to stagnate over the next 2 years. The current weak government and the sluggish moves to elaborate and execute valid economic reform could postpone recovery beyond reasonable timescales. As TIP is mainly exposed to small/medium-sized Italian businesses, economic weakness could pose significant difficulties for expansion/growth plans. Considering, however, that the majority of TIP's portfolio is invested in companies with a considerable part of their revenues coming from abroad, this risk should be mitigated.
- As the majority of the listed companies that TIP has invested in are small/mid-caps (with low liquidity), it is exposed to the usual exit strategy issue that affects all such firms. Clearly, when the time comes to cash in on an investment, it can be difficult to find a way out that guarantees full realisation of the embedded capital gain, with the risk that deals will need to be done at a discount.

**We initiate coverage on TIP with a BUY rating and a target price of Eu2.4.** Given that the company is clearly a different proposition to all other Italian listed holding companies, we believe TIP should be considered more as an active asset manager, with valuation factors that pay greater heed to this area of business. Its discount to NAV, which is now at its highest historical level of 15%, could narrow considerably in the near future (TIP traded at an average premium of over 20% before 2009) bearing in mind that: **1)** an Italian economic recovery would boost the value of its investments (capital gains of around Eu50mn are now embedded in TIP's portfolio as the difference between current book value and market value of its listed entities); **2)** there are positive prospects for advisory revenues; **3)** shareholders should enjoy healthy returns from dividend and buyback policies and proactive capital management initiatives.

TIP – Stock performance (3 years) vs FTSE/Mib & FTSE/Small Cap



Source: Factset

### 3. Valuation

We have tried to use a different valuation approach from the Net Asset Value model that is commonly adopted for such companies. In our view, TIP needs to be considered more as an active investment management company and not a holding company that passively owns stakes and is overly exposed to a single asset. Its dynamic investment cycle (29.5% average annual investment vs. 6.9% for peers) should allow TIP to be considered separately to any of the companies in which it is invested, as it can profit rapidly from its assets and turn to new opportunities.

Our alternative approach treats the company as an "asset management" firm: on top of the tangible shareholders' equity, we have added a multiple on assets under management (P/FuM of 9%, taken by the average valuation of the asset managers we cover), plus the valuation of the advisory segment. The latter is valued based on the average between a peer multiple comparison approach on normalised net profit and a DCF. Our main parameters are normalised advisory revenues of Eu5.6mn and an operating margin in the region of 45%.

Regarding the holding costs, they are calculated by applying a multiple of 5x to the operating costs that we assume are attributable to TIP's holding company structure, a figure of around Eu1.7mn (20% of total operating costs).

#### "Asset Management" Valuation (Eu mn)

	Value (Eu mn)	Multiple Applied	Comments
Shareholders' equity (FY13E)	269.2		Estimated SHE at FY13 considering the impact of Eu33mn capital gain for the disposal of Printemps
Goodwill	-9.8		
<b>Tangible Equity</b>	<b>259.4</b>		
<b>Assets under Management</b>	<b>779.0</b>		We take into account the entire stakes managed, not just the quota pertaining to TIP
Associates	580.7		Valued at market value for "club deals" on listed entities, at book value for the others
Not-listed companies	25.0		Valued at book value
Listed companies	173.3		Valued at market value
<b>FuM valuation</b>	<b>70.1</b>	9% P/FuM	Multiple coming from the average P/FuM multiple of our AM coverage: Banca Generali, Mediolanum, Azimut
Net Financial Position (FY13E)	-13.1		
<b>Advisory segment</b>	<b>21.2</b>	13x Net Profit	Valued considering a 45% margin on normalized Eu5.6mn revenues and a 13x multiple on estimated Net Profit for the segment
Holding costs	-8.6		
<b>Fair Value</b>	<b>329.0</b>		
<b>Fair Value per share (Eu)</b>	<b>2.5</b>		

Source: Intermonte SIM estimates

(see table on the next page)

## TIP – Net Asset Value

(Eu mn)	Value	Stake (%)	% on NAV	Valuation Method	Sector
<b>LISTED COMPANIES</b>	<b>87.13</b>		<b>29.00%</b>		
Amplifon S.p.A.	39.41	4.26%	13.22%	Market value	Hearing aids
Monrif S.p.A.	3.32	8.22%	1.09%	Market value	Publishing
NoemaLife S.p.A.	4.45	16.34%	1.15%	Market value	Healthcare
Servizi Italia S.p.A.	1.73	1.82%	0.59%	Market value	Healthcare
Valsoia S.p.A.	1.53	2.34%	0.50%	Market value	Food
Bolzoni S.p.A.	6.20	7.70%	2.03%	Market value	Lift Truck
Datalogic S.p.A.	24.82	6.39%	8.51%	Market value	RFID
M&C S.p.A.	2.78	3.47%	0.91%	Market value	Asset Management
Other listed companies	2.90	n.a.	0.99%	Book Value	Various
<b>NON LISTED COMPANIES</b>	<b>24.96</b>		<b>8.56%</b>		
Assist Consulting S.r.l.	0.67	10.87%	0.23%	Book Value	Consulting
Between S.p.A.	0.15	2.37%	0.05%	Book Value	ICT Consulting
Dafe 4000 S.p.A. (Intercos S.p.A.)	9.03	17.94%	3.10%	Book Value	Cosmetics
TXR S.r.L. (Roche Bobois)	14.23	51.00%	4.88%	Book Value	Furniture
Other non listed companies	0.88	n.a.	0.30%	Book Value	Various
<b>ASSOCIATES</b>	<b>179.89</b>		<b>61.47%</b>		
Club 3 S.r.l. (6.2% of Prysmian)	81.44	35.00%	28.04%	Market value	Cables
Club 7 S.r.l. (14% of Ruffini)	54.10	14.00%	18.56%	Book Value	Luxury
Data Holding 2007 S.r.l. (36.2% of B.E.E. Team)	5.36	46.71%	1.86%	Market value	IT Banking
Gruppo IPG Holding (26.988% of Interpump)	38.38	16.43%	12.80%	Market value	Hydraulic
Palazzari & Turries Limited	0.34	30.00%	0.12%	Book Value	Finance
Gatti & Co	0.27	29.97%	0.09%	Book Value	Finance
Net Financial Position	-13.13				
Advisory Valuation	21.23				
Holding Costs	-8.56				
<b>TOTAL NAV</b>	<b>291.52</b>				
<b>TOTAL NAV x share</b>	<b>2.26</b>				
<b>TIP Market Value</b>	<b>248.56</b>				
<b>Current premium (discount) on NAV</b>	<b>-15%</b>				

Source: Intermonte SIM estimates and company data

## Target Price Calculation (Eu mn)

Valuation method	Value	p.s. (Eu)	Weight
Asset management	329.0	2.6	50%
Net Asset Value	291.5	2.3	50%
<b>Fair valuation</b>	<b>310.3</b>		
Nr. Of shares (diluted @ FY13E)	128.9		
<b>TARGET PRICE (Eu)</b>	<b>2.4</b>		

Source: Intermonte SIM on company data



## 4. Business Model: Investing in Excellence

Acting as an independent investment/merchant bank, Tamburi Investment Partners is mainly focused on small and medium sized businesses with high growth potential that are leaders in their respective fields. TIP's business model is based on two main activities:

- direct/indirect investment in minority stakes of listed or non-listed (mainly pre-IPO) companies that excel in their area of business.
- Providing advisory/corporate finance services to the companies it invests in and to external clients.

### Investment Activity

This is comfortably the company's main business. TIP is extremely active in capturing high potential investments both in Italy and abroad. Exploiting its wide network (which also includes its own industrial shareholders), Tamburi has always been able to exercise great investment potential: the company currently oversees over Eu800mn of investments (considering equity stakes and other financial instruments such as bonds), through direct investments and its so-called "club deals". Over the last 10 years Tamburi Investment Partners has invested almost Eu1.1bn, both directly and through "club deals", taking stakes in 55 companies and realising capital gains in almost 80% of its deals.

TIP mainly invests in medium sized businesses that are leaders in their particular niches, with promising prospects and ambitious growth and cash generation plans. TIP's active approach to investment involves teaming up with entrepreneurs and top management with the purpose of speeding up companies' growth and improving shareholders' returns. Thanks to the considerable professional capabilities of its management and exploitation of its strong network, which also participates through "club deals", Tamburi is well placed to help the companies it invests in to enhance their profitability, improve their capital management and develop growth opportunities. All of these elements clearly demonstrate the long-term prospects embodied in its investment approach, which doesn't incorporate any fixed deadline for disinvestment. Moreover, in order not to increase the financial stress of its participation, TIP prefers not to operate through leveraged buy outs.

### Advisory/Corporate Finance Activity

Thanks to the capabilities of its team of highly qualified professionals (the subsidiary Tamburi & Associates) and its strong network of entrepreneurs and professional investors, TIP has been able to place itself among the leading 5-6 dealmakers in the Italian market over the last 10 years. In 2012, the majority of the deals involved foreign clients, spanning from rights issues to mergers, acquisitions and project financing. TIP's advisory activity is characterised by very limited recourse to private equity partnerships and a low risk profile, as it does not expose itself to troubled restructuring stories. Thanks to its network of entrepreneurs (first and foremost its own shareholders) and professional investors, TIP is able to provide strong support to family-owned industrial groups in order to facilitate growth and generational handovers. TIP closed 2012 with Eu5mn of revenues from its advisory business, sufficient to cover all of its operating and labour costs in full, thanks to profitability levels approaching 45%.

TIP is also part of Corporate Finance International, a network of leading boutique investment banks specialising in cross-border acquisitions, divestments, raising capital and related services. Comprising a select group of independent investment banks with established cross-border capabilities, Corporate Finance International focuses exclusively on middle market transactions, with an average deal size of approximately Eu10mn to Eu200mn. TIP is also particularly active abroad through important partnerships with two financial boutiques: Palazzari & Turries and Gatti & Co. Palazzari & Turries, in which TIP has a 30% stake, is an M&A advisory firm based in Hong Kong and Milan. It specialises in guiding, advising and supporting companies and entrepreneurs in the corporate structuring, development and management of cross-border strategic and financial mid-cap transactions, mainly between continental Europe and Hong Kong, China and the rest of Asia. Gatti & Co. (30% owned by TIP) is a very well established financial advisory boutique located in Frankfurt, with consolidated experience in the German market.

### Club Deals

Tamburi was one of the first players to apply this concept to the Italian market. The "clubs" in question are investment vehicles in which every participant owns a quota depending on the amount conferred. These vehicles are formed with the purpose of attracting considerable funds to be employed in acquiring minority equity stakes in promising companies. Considering TIP's solid track record through its investments in Interpump, Datalogic and Prysman, the company has been able to raise significant funding. TIP manages these "clubs" directly, often holding a significant quota and earning both arrangement and administration fees.



## 5. Financials & Estimates

TIP's two main sources of revenues are the fees received from its corporate finance/advisory activity and the investment income coming from its portfolio (both dividends and capital gains realised). We expect FY13 to be the best year in TIP's history thanks to the Eu33mn capital gain realised on the sale of Printemps (to be recognised in 2H13).

An important point to consider looking at TIP's P&L regards the fact that the majority of its advisory income is usually only visible in the second part of the year, as it takes some time for fees to be fully recognised in the year that they are realised.

In our estimates we assume revenues from sales and services (advisory fees) will increase by 5% YoY in FY13, reaching a considerable level in FY14, for which we forecast 7% YoY growth. This forecast is based on expectations for Italian economic recovery, with mid-cap companies forecast to start to look for new growth opportunities in the M&A market once again.

### TIP – P&L Estimates

(Eu 000)	FY11	FY12	1Q13	2Q13	1H13	2H13E	FY13E	FY14E
<b>Total Revenue</b>	<b>5,669.8</b>	<b>4,844.5</b>	<b>452.3</b>	<b>616.2</b>	<b>1,068.4</b>	<b>4,018.3</b>	<b>5,086.8</b>	<b>5,442.8</b>
YoY growth	-7%	-15%	4%	-1%	1%	6%	5%	7%
<b>Operating Profit</b>	<b>614.0</b>	<b>-1,012.9</b>	<b>-577.2</b>	<b>-915.6</b>	<b>-1,492.8</b>	<b>-465.3</b>	<b>-1,958.2</b>	<b>-1,763.0</b>
YoY growth	59%	-265%	-1%	54%	27%	-380%	93%	-10%
<b>Net Financial Income</b>	<b>2,566.5</b>	<b>6,867.0</b>	<b>35.4</b>	<b>1,441.4</b>	<b>1,476.8</b>	<b>34,629.5</b>	<b>36,106.4</b>	<b>7,809.7</b>
Financial income	3,894.6	7,497.5	561.7	2,094.6	2,656.3	35,228.8	37,885.1	9,750.7
YoY growth	-59%	93%	-57%	25%	-11%	679%	405%	-74%
Financial expense	-1,328.1	-630.5	-526.3	-653.2	-1,179.5	-599.3	-1,778.8	-1,941.0
YoY growth	-35%	-53%	400%	439%	421%	48%	182%	9%
<b>Profit before tax</b>	<b>3,380.8</b>	<b>10,100.3</b>	<b>-662.2</b>	<b>2,324.8</b>	<b>1,662.6</b>	<b>33,819.6</b>	<b>35,482.2</b>	<b>7,766.3</b>
YoY growth	-70%	199%	-274%	64%	-8%	307%	251%	-78%
Current and deferred taxes	-749.0	-849.7	-290.4	-20.0	-310.4	-1,463.7	-1,774.1	-776.6
Tax rate	22%	8%	-44%	1%	19%	144%	5%	10%
<b>Profit for the year</b>	<b>2,631.8</b>	<b>9,250.6</b>	<b>-952.6</b>	<b>2,304.8</b>	<b>1,352.2</b>	<b>32,355.9</b>	<b>33,708.1</b>	<b>6,989.6</b>
YoY growth	-74%	251%	-922%	61%	-13%	320%	264%	-79%

Source: Intermonte SIM estimates and company data

### TIP – Balance Sheet Estimates

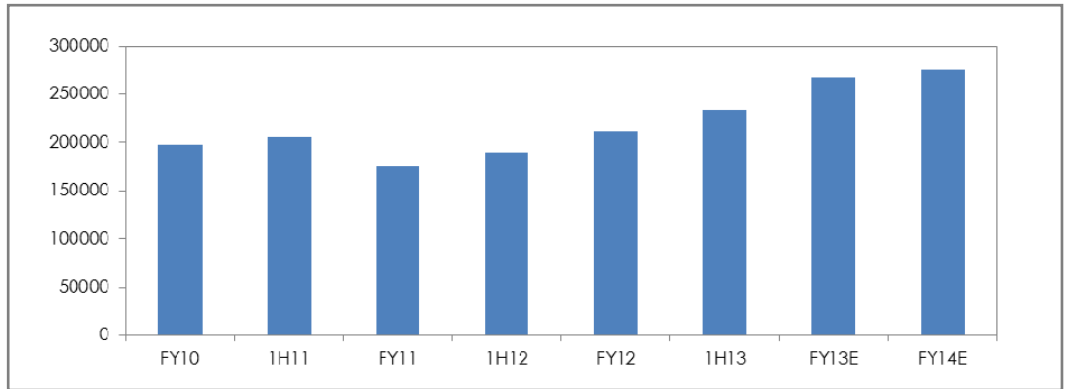
(Eu 000)	FY11	FY12	1Q13	1H13	FY13E	FY14E
Equity-accounted inv. in associates	39,075.2	69,643.3	74,620.6	66,727.5	118,393.6	121,945.4
Inv. in associates measured at fair value	8,085.0	8,085.0	8,085.0	8,085.0	8,085.0	8,085.0
Available for sale financial assets	103,396.3	103,672.8	104,906.6	152,819.3	124,407.4	126,895.5
<b>Total Investments</b>	<b>150,556.5</b>	<b>181,401.1</b>	<b>187,612.3</b>	<b>227,631.9</b>	<b>250,886.0</b>	<b>256,925.9</b>
YoY growth	8%	20%	3%	21%	10%	2%
Total current assets	15,962.8	44,856.2	43,353.4	37,638.8	41,459.7	63,115.8
<b>TOTAL ASSETS</b>	<b>195,440.3</b>	<b>256,338.1</b>	<b>260,594.7</b>	<b>293,910.6</b>	<b>321,205.5</b>	<b>347,954.5</b>
YoY growth	-6%	31%	2%	13%	9%	8%
<b>Shareholders' Equity</b>	<b>175,162.7</b>	<b>211,286.1</b>	<b>214,251.9</b>	<b>233,531.9</b>	<b>269,180.2</b>	<b>275,715.8</b>
YoY growth	-11%	21%	1%	9%	15%	2%
<b>NET FINANCIAL POSITION</b>	<b>-3,040.2</b>	<b>1,883.8</b>	<b>-728.0</b>	<b>-13,264.8</b>	<b>-13,131.1</b>	<b>-8,838.3</b>

Source: Intermonte SIM estimates and company data

### Capital Position

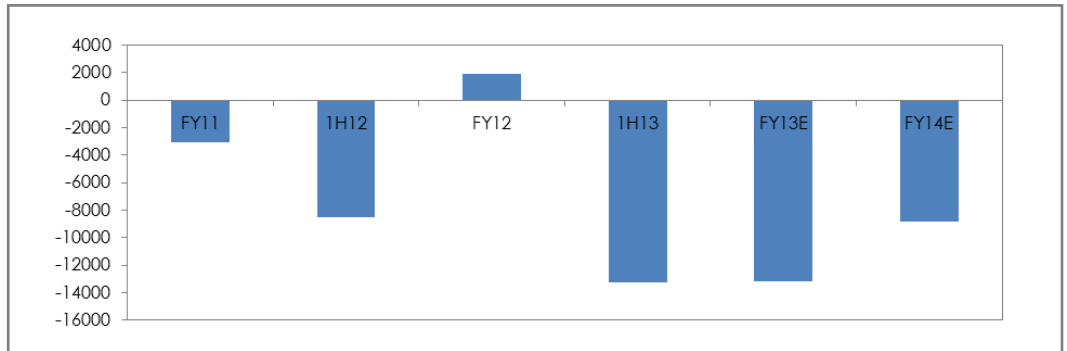
TIP's sound capital position provides a solid base for its future investment plans. Its shareholders' equity of Eu233mn increased by 20% over the last 3 years, showing solid profitability and significant returns on its investment assets, with AFS reserves doubling in value over the same period. TIP's net financial position is particularly healthy, mainly characterised by current assets of Eu36mn that are predominantly invested in bonds. On the liability side, the main figure is represented by a 7-year convertible bond issued at the start of 2010 with a nominal value of Eu40mn (at a fixed rate of 4.25%), entirely subscribed by Generali in April 2012 and convertible for 20% of its value into TIP shares at a strike price of Eu2.38.

TIP – Shareholders’ Equity development & estimates (Eu 000)



Source: Intermonte SIM on company data

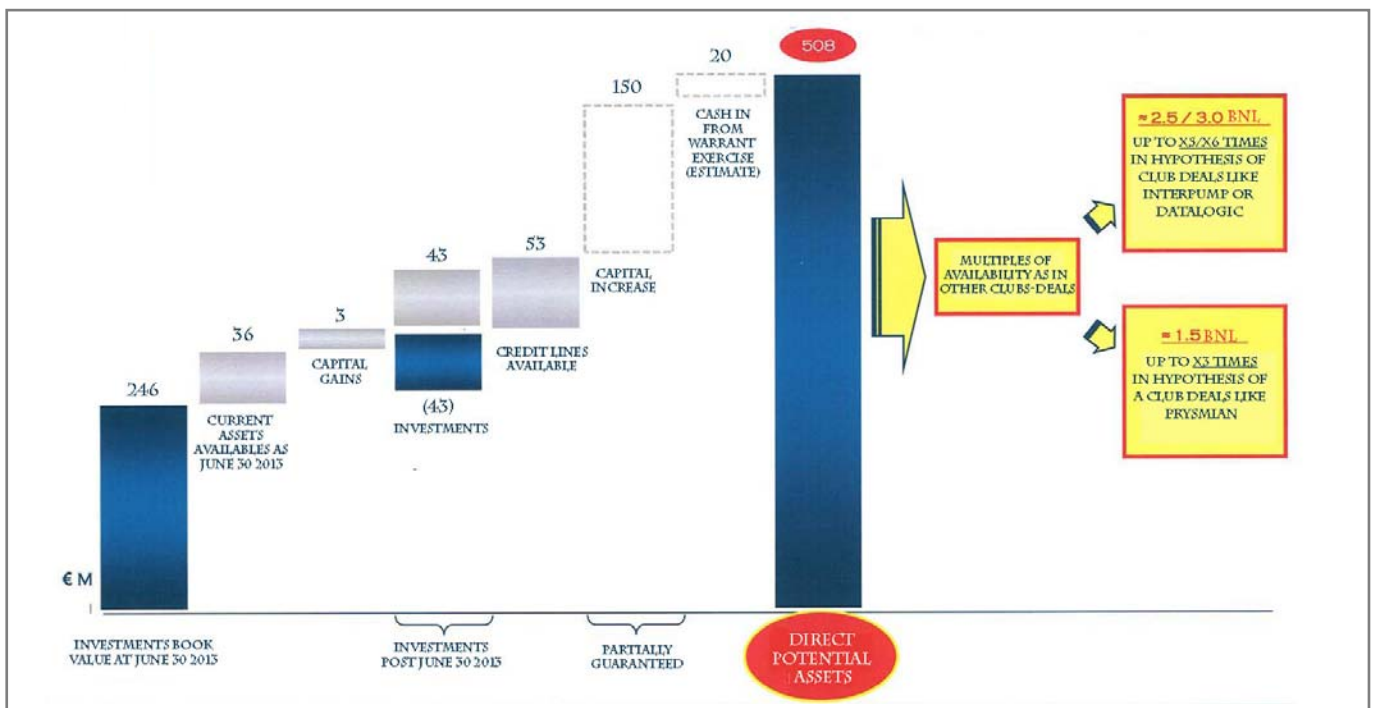
TIP – Net Financial Position development (Eu 000)



Source: Intermonte SIM on company data

In terms of investment firepower, TIP seems very well placed to grasp the best investment opportunities that arise on the market. Thanks to the considerable unrealised gains among its investment assets (estimated in the region of Eu50mn considering its “club deal” listed stakes), TIP can also count on Eu53mn in credit lines (of which just a small part has been used) with the possibility of launching a Eu150mn capital increase (approved by shareholders), which has already partially been guaranteed. The estimated cash in of Eu20mn refers to the issue of 13mn warrants executed by TIP at the start of 2010: so far 3mn warrants have been executed with 10mn still on the market, whose holders can exercise in the remaining 2 windows, in June 2014 at a strike price of Eu1.90 and in June 2015 at a strike price of Eu2.00.

TIP – Deployable capital for future investment (Eu mn)

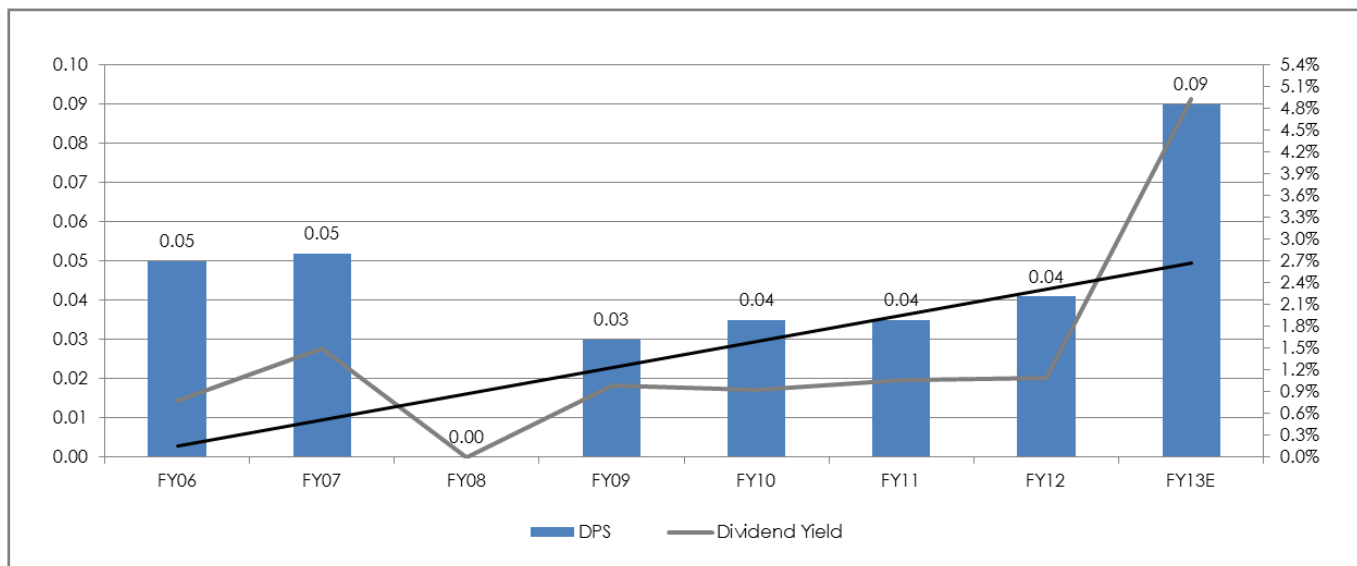


Source: Company presentation

### Dividend Expectations

TIP has a good history in terms of providing a return for shareholders, with an average dividend yield of 2.5%-3% per year, often accompanied by stock pay-backs and warrant distributions which allowed investors to gain an average return of in the region of 5% over the last 3 years (excluding the performance of TIP shares, which gained over 40% in the same period). Strong results should also be delivered in FY13, mainly due to the hefty Eu33mn capital gain coming from the sale of TIP's stake in the Borletti group, the owner of the Printemps luxury department stores. We expect the dividend to be doubled on FY13 results compared to the YE12 figure of Eu0.041 per share, reaching Eu0.085, with a dividend yield (at current prices) of almost 5%.

#### TIP - Dividends Expected

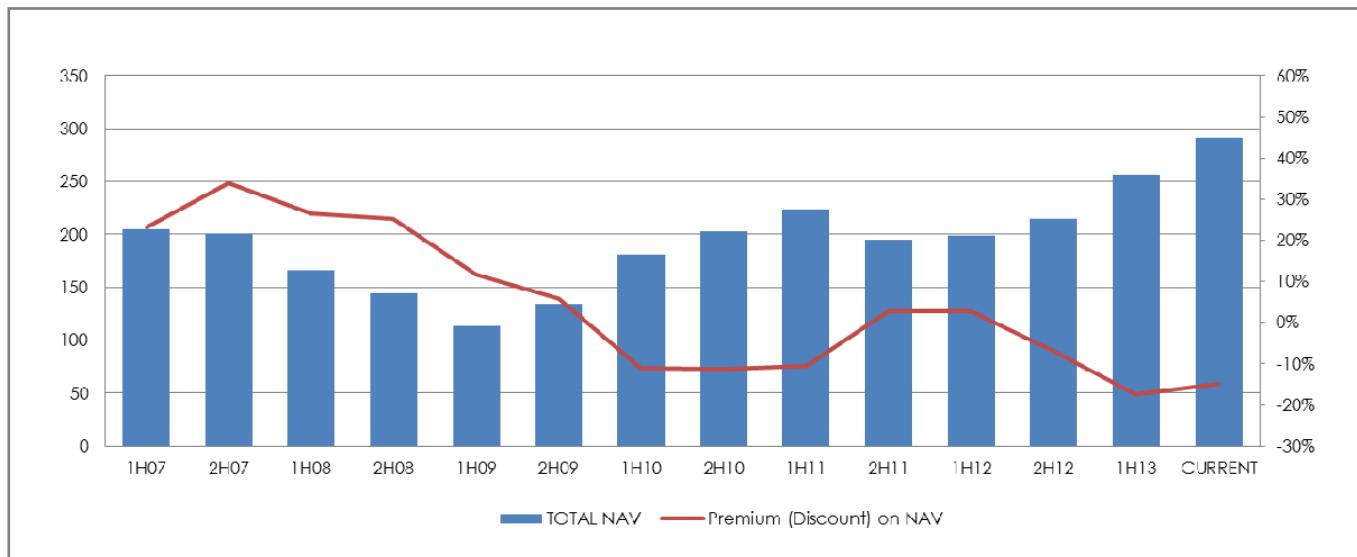


Source: Intermonte SIM on company data

## A Deserved Premium to Other Holding Companies

In our view, TIP's current discount to NAV of 15% is not justified considering its active management style. Holding companies that are currently listed on the Italian stock exchange have an average discount of 30%, justified by their static dependence on their investment assets, usually managed over a long period and representing the main reason for their existence. Until 2009, TIP's dynamic asset management style justified an average premium on NAV of in excess of 20%, and we see potential upside in TIP's future stock performance as the market exploits the existing misperception that it should be valued as a typical holding company.

### TIP - NAV development & discount



Source: Intermonte SIM on company data

### Italian Holdings - Discount vs NAVPS

Stock	Price (Eu)	Mkt cap (Eu mn)	% Change 2 Weeks	% Change 2 Months	% Change 3 Months	% Change 6 Months	% Change YTD	12M Abs. Perf.	% Change 3 Years	% Change 5 Years	13 NAV (Eu ps)*	Prem. (Disc.)	P/NAV
TIP S.p.A	1.84	250	6.8%	21.6%	19.3%	27.6%	21.9%	25.2%	39.4%	9.5%	2.26	-15%	0.86
EXOR S.p.A.	27.09	6,670	2.5%	16.6%	14.3%	24.8%	42.6%	36.6%	75.8%	67.9%	36.64	-26%	0.74
CIR S.p.A.	1.15	908	6.6%	29.4%	40.1%	48.1%	44.1%	21.7%	-20.7%	-28.7%	1.76	-35%	0.65
ASTM S.p.A.	9.19	814	2.6%	4.6%	1.9%	-1.3%	17.7%	50.1%	-7.4%	-10.9%	17.83	-48%	0.52
Italmobiliare S.p.A.	18.05	585	1.6%	10.7%	16.1%	21.2%	41.0%	21.0%	-26.3%	-62.5%	24.25	-26%	0.74
DeA Capital S.p.A.	1.30	400	0.5%	1.2%	-6.0%	-2.0%	-2.8%	1.7%	11.1%	-29.6%	2.00	-35%	0.65
COFIDE S.p.A.	0.54	387	-1.3%	24.1%	31.1%	38.5%	33.5%	18.3%	-17.1%	-23.8%	0.57	-6%	0.94
Immsi S.p.A.	0.43	146	2.1%	0.9%	-5.2%	-20.6%	-4.2%	-2.5%	-45.6%	-48.8%	1.37	-69%	0.31
Camfin S.p.A.	0.86	673	7.5%	7.2%	7.4%	8.7%	57.6%	104.0%	127.5%	58.8%	1.03	-17%	0.83
<b>Avg. Italian Holdings</b>		<b>10,833</b>	<b>2.3%</b>	<b>9.0%</b>	<b>12.5%</b>	<b>14.7%</b>	<b>27.9%</b>	<b>30.7%</b>	<b>-7.4%</b>	<b>-23.8%</b>		<b>-30.6%</b>	<b>0.69</b>
<b>Median avg. excl. see-trough NAV</b>			<b>2.4%</b>	<b>9.8%</b>	<b>8.1%</b>	<b>10.0%</b>	<b>29.4%</b>	<b>21.3%</b>	<b>-7.4%</b>	<b>-23.8%</b>		<b>-39.8%</b>	<b>0.60</b>

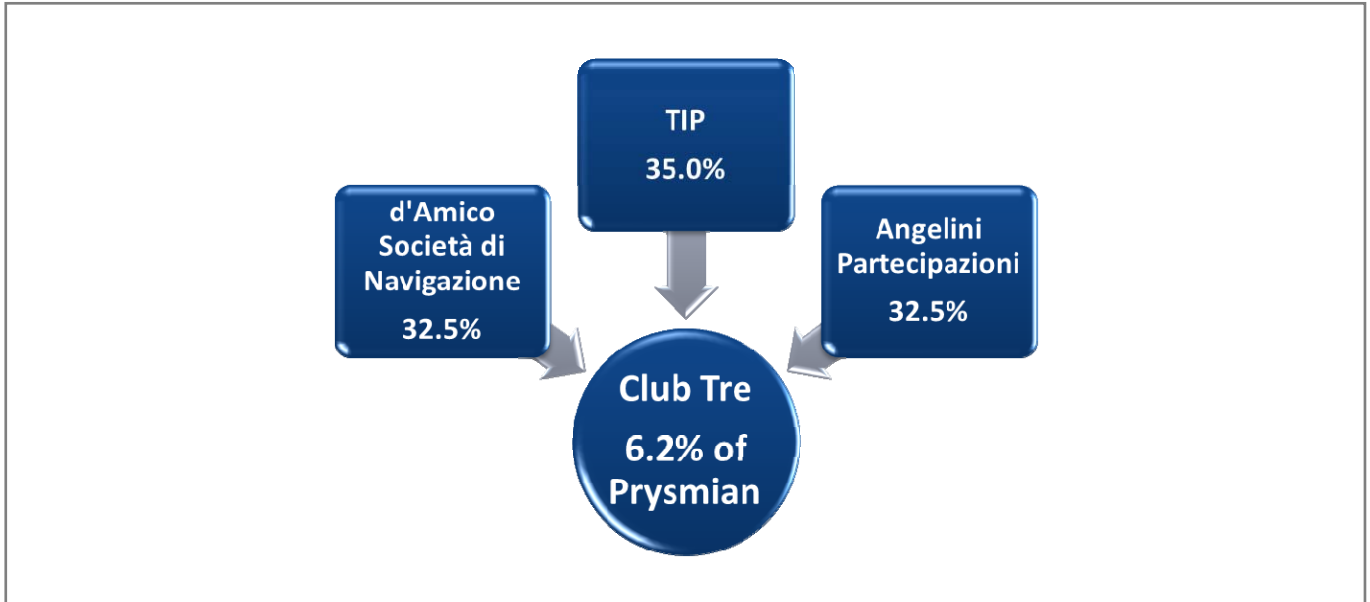
Source: Factset

## APPENDIX

### 1. Description of Main Investments

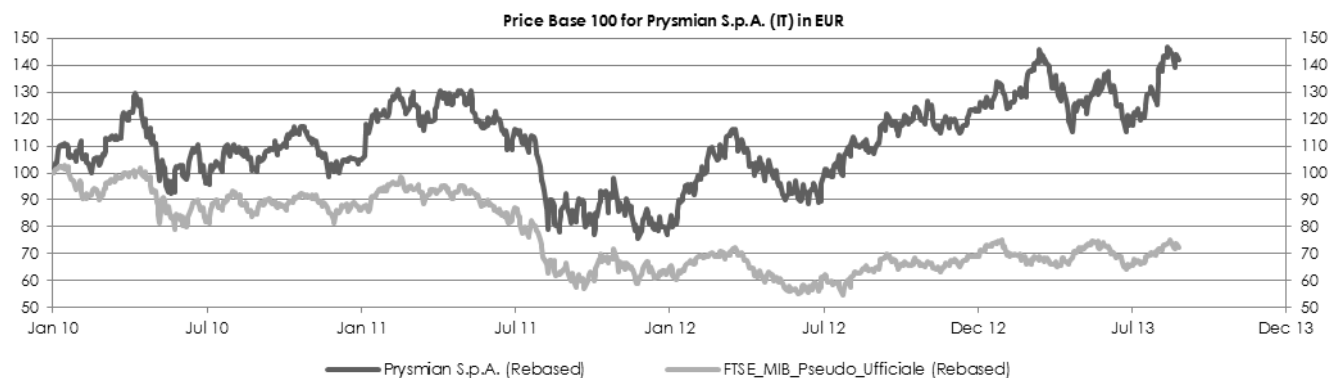
- **Club Tre S.r.l.:** the company was formed by TIP S.p.A. (35.0%), Angelini Partecipazioni Finanziarie S.p.A. (32.5%) and d'Amico Società di Navigazione S.p.A. (32.5%) specifically for the purpose of purchasing a significant investment in Prysmian S.p.A. (6.2%). Thanks to its 6.2% stake, the club is the first shareholder of Prysmian.

#### Club Tre S.r.l.



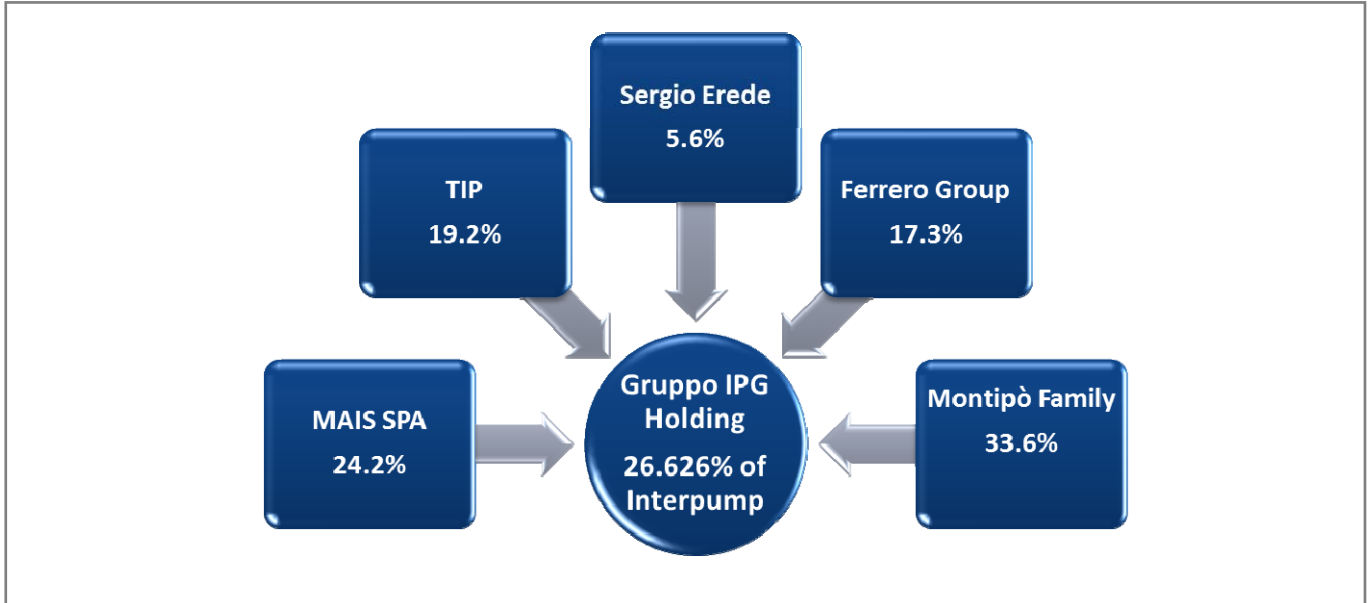
**Prysmian**  
Group

Prysmian Group is the global leader in the energy and telecom cables and systems industry. With sales of some €8 billion in 2012, about 20,000 employees across 50 countries and 91 plants, the Group is strongly positioned in high-tech markets and provides the widest range of products, services, technology and know-how. Prysmian is listed on the Blue Chip index of the Milan Stock Exchange.

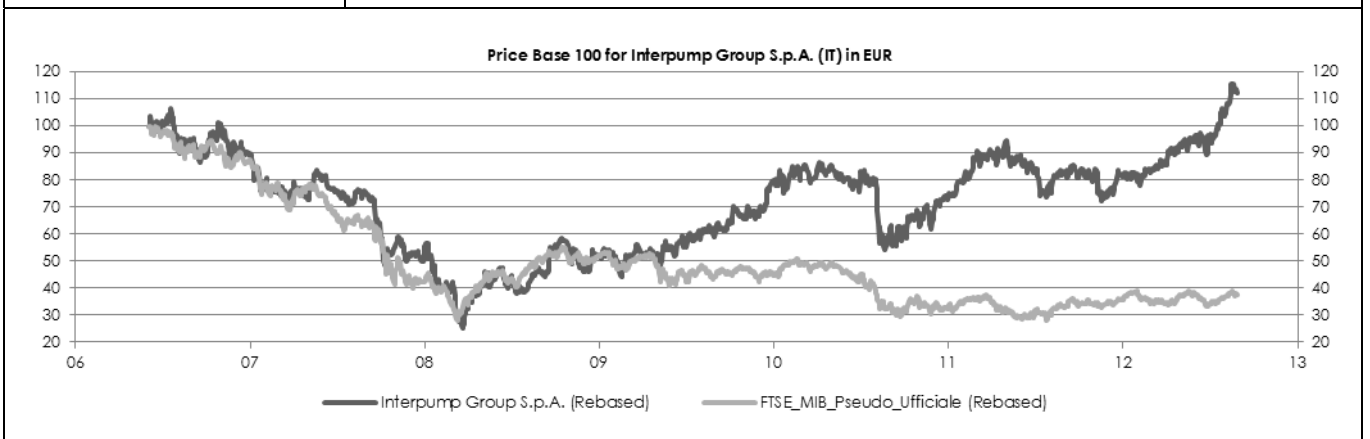


- **Gruppo IPG Holding S.r.L.:** this is a holding company formed through a shareholders' agreement between TIP and some Italian entrepreneurs with the purpose of managing a 26.626% stake in Interpump Group (first shareholder).

Gruppo IPG Holding

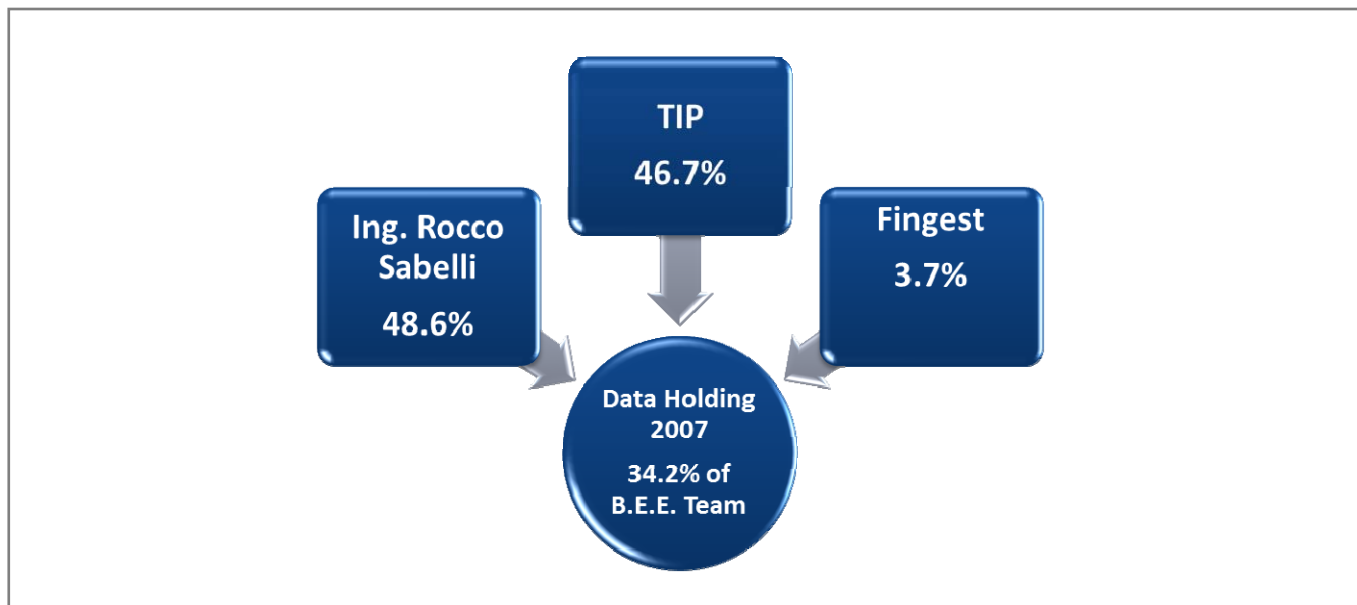


Interpump Group S.p.A. is the largest manufacturer of professional high pressure piston pumps in the world and one of the leading groups operating on an international basis in the hydraulics sector. Because of the adoption of innovative materials and the design of more compact, easy to handle and quieter pumps, within a few years Interpump Group became the largest manufacturer of high pressure plunger pumps in the world. The group reported net revenues of Eu527mn in FY12 and EBITDA of Eu105mn.

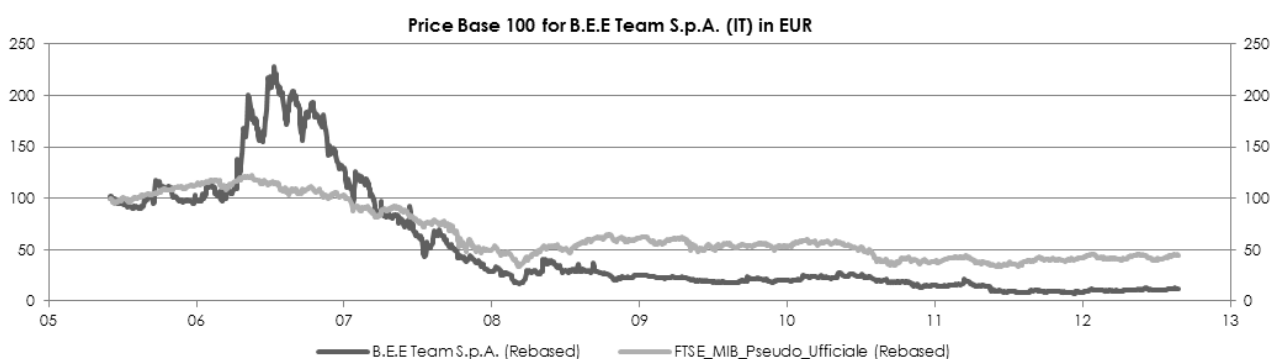


- **Data Holding 2007 S.r.l.:** this holding company was formed through a shareholders' pact between TIP, Ing. Rocco Sabelli (ex CEO of Piaggio Group) and Fingest, a company controlled by Stefano Arvati, the main shareholder in Be) with the purpose of managing the controlling stake of 34.2% in Bee Team. Since its formation in 2007 the holding company has been active in restructuring Be and improving its capital position.

#### Data Holding 2007



The Be Think, Solve, Execute S.p.A. Group (formerly B.E.E. Team S.p.A.) is a key player in the business consulting, information technology and business process outsourcing sectors. The Group serves mainly financial institutions, insurers and major Italian companies, helping them to create value and expand their business. Be is listed on the Italian stock exchange and in FY12 reported Eu80mn in revenues and EBITDA of Eu9.3mn.

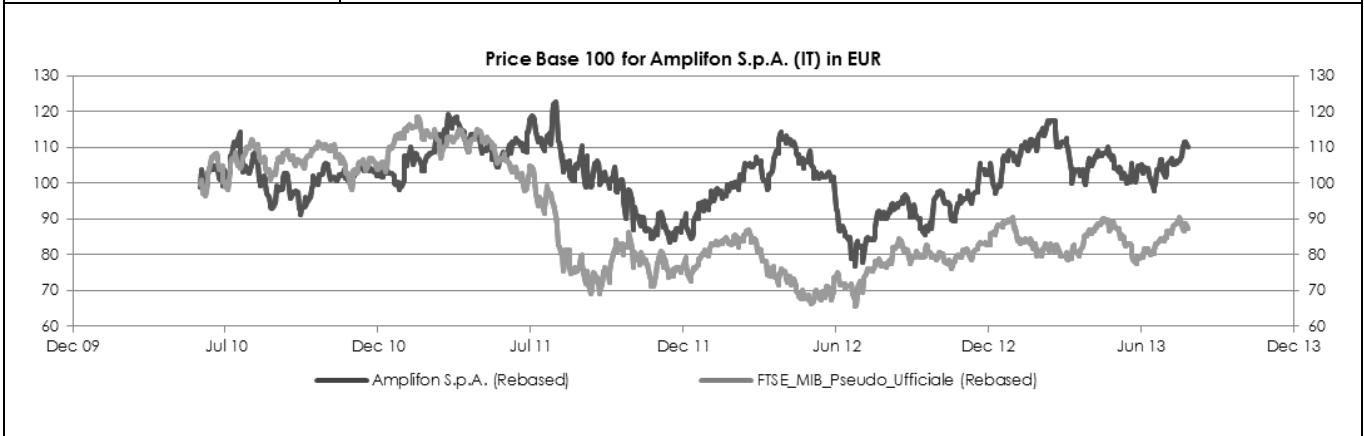




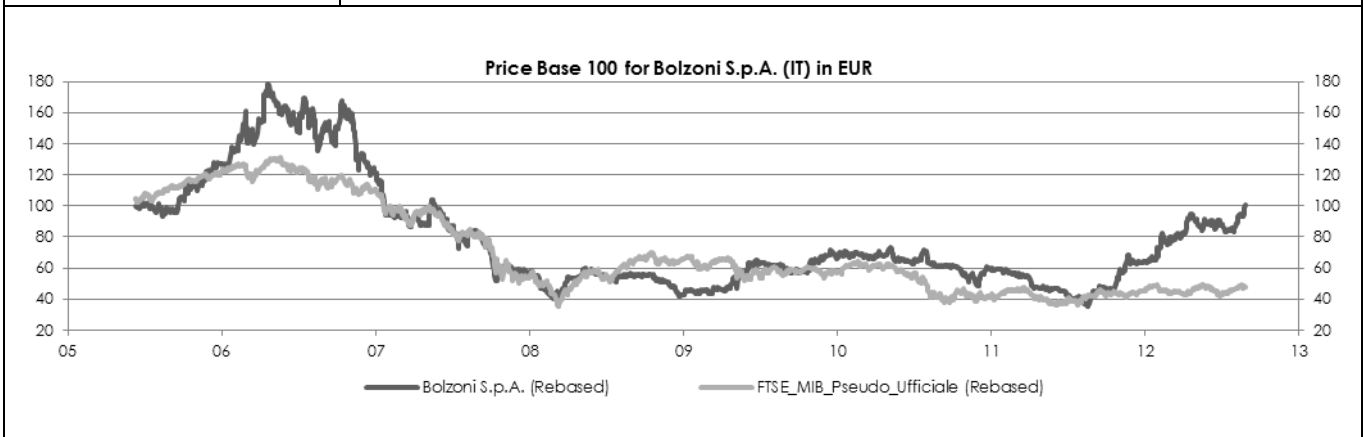
TIP Main Current Holdings - Listed Companies



Amplifon is the worldwide leader in the distribution, fitting and customisation of hearing solutions. The Group has achieved a global market share of 9%, and currently operates in 20 countries on 5 continents: Italy, the Netherlands, France, Germany, Switzerland, Spain, Portugal, the UK, Ireland, Belgium, Luxembourg, Hungary, Poland, Turkey, Egypt, the USA, Canada, Australia, New Zealand and India. In 2012 the company reported net sales of Eu847mn with EBITDA of Eu145mn.

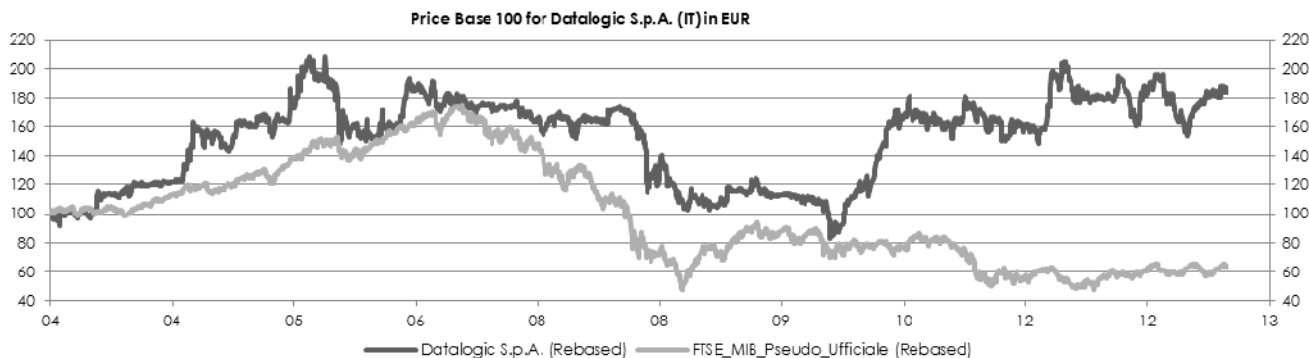


Bolzoni is the largest forklift truck attachments manufacturer in Europe (40% market share), and the second largest in the world (25% market share); this is a niche market valued at Eu500mn. It is also the leading supplier of integral side shifts to the main lift truck OEMs, and a growing player in the manufacturing of forks for lift trucks, a market valued at Eu200mn. Bolzoni generates three quarters of its turnover in Europe. It reported net sales of Eu119mn at FY12 and EBITDA of Eu9.5mn.

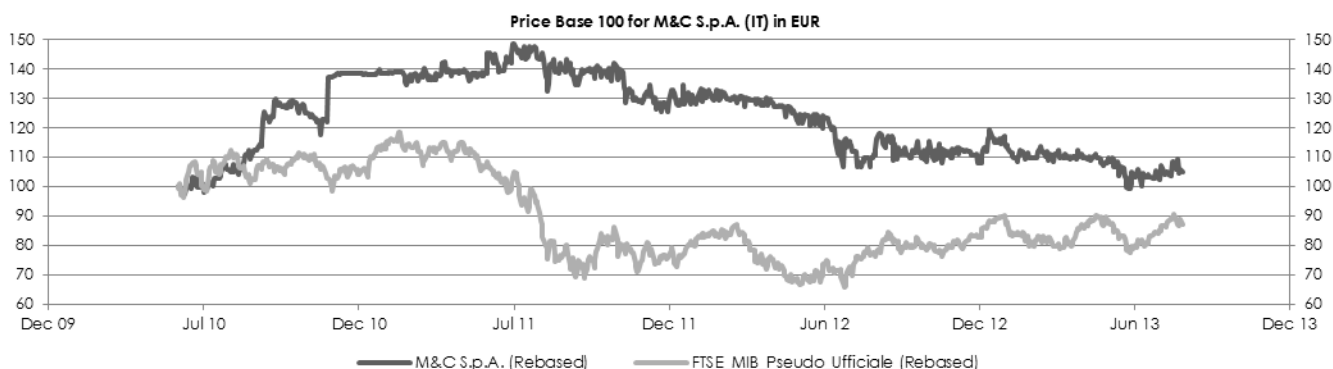




Datalogic is a global leader in the Automatic Data Capture and Industrial Automation markets for the retail, manufacturing, transportation & logistics and healthcare industries, with solutions used in over a third of the world's checkouts, airports and mail sorting offices. In 2012, Datalogic reached revenues of Eu462mn (EBITDA Eu63mn), of which 8.4% was in Italy, 37.3% in Europe, 34.5% in North America, 11.4% in Asia Pacific, and 8.4% in the rest of the world. It has about 2,400 employees spread throughout 30 countries across Europe, the Asia Pacific region, and the United States.

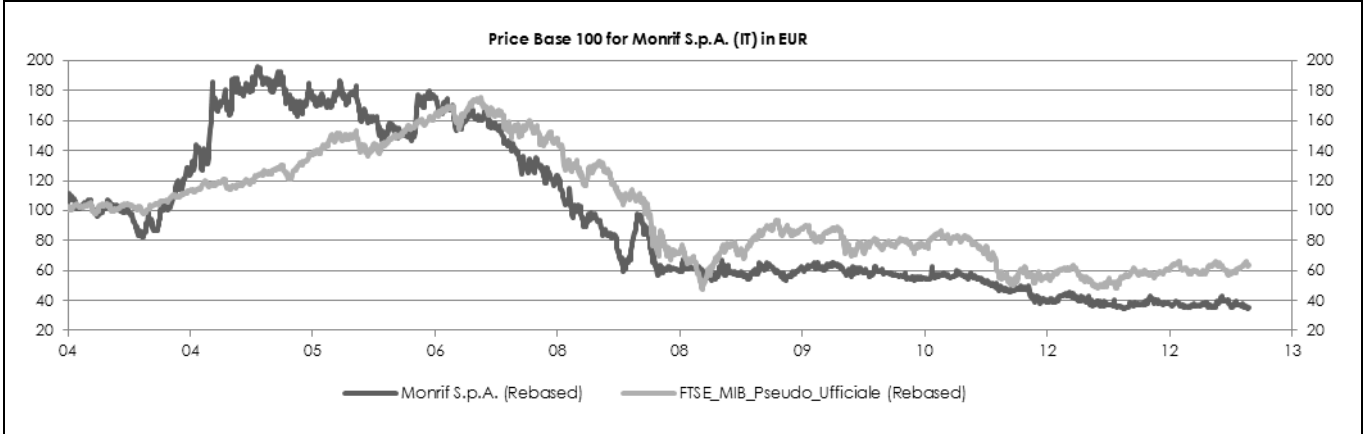


M&C was founded at the end of 2005. It is a private investment firm with a share capital of Eu80mn, and is listed on the Market Investment Vehicles (MIV) segment of the Milan Stock Exchange, which is reserved for Investment Companies. M&C invests in the equity capital of companies operating in the industrial, financial, real estate, commercial and service sectors, characterised by high potential for growth or development. It has a medium to long term investment horizon.

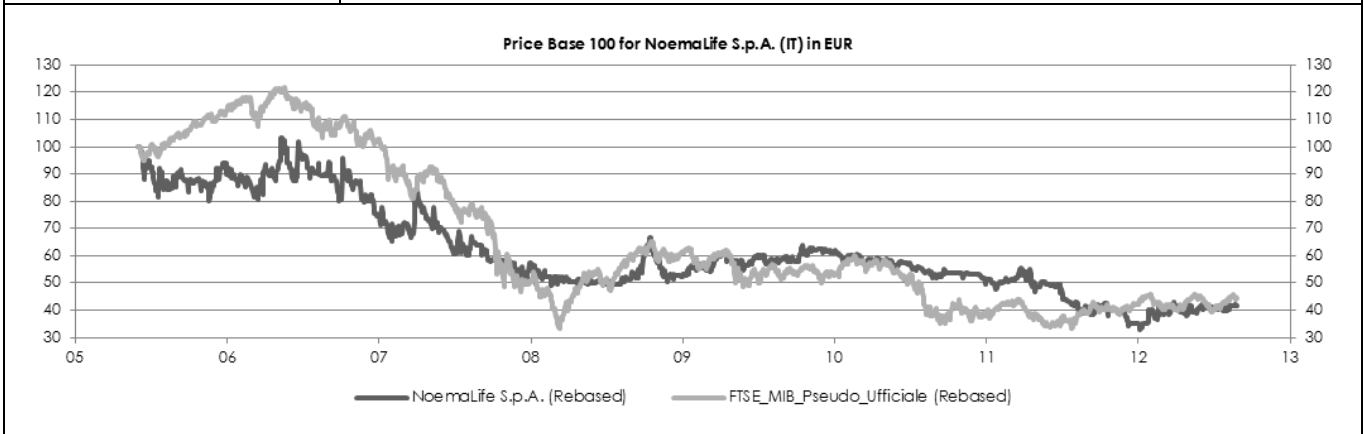




Monrif SpA is a holding company that is engaged in the publishing , advertising, printing, hotel, and real estate businesses, primarily in Italy. The company operates through five segments: Publishing, Advertising, Printing, Hotels, and Real Estate. It was founded by Attilio Monti on 8<sup>th</sup> November 1941 and its headquarters are in Bologna, Italy. The company reported FY12 revenues of Eu216mn.



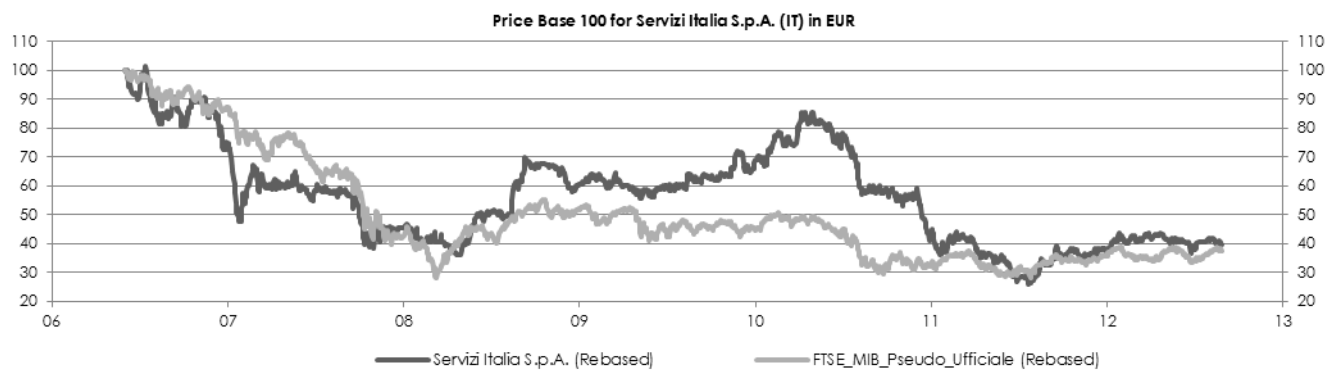
NoemaLife is an International Group established in Italy in 1996. It was listed on the Italian Stock Exchange in 2006, and is now a leading European name in the clinical and hospital information systems market, known for its development of cutting-edge software, advanced research, and excellent customer service. Operating with a staff of 700 professionals worldwide, NoemaLife maintains a direct market presence in Italy, France, Germany, United Kingdom, Argentina, Chile, Belgium, Japan and the United Arab Emirates. In FY12 the company reported revenues of Eu67mn and EBITDA of Eu9mn.





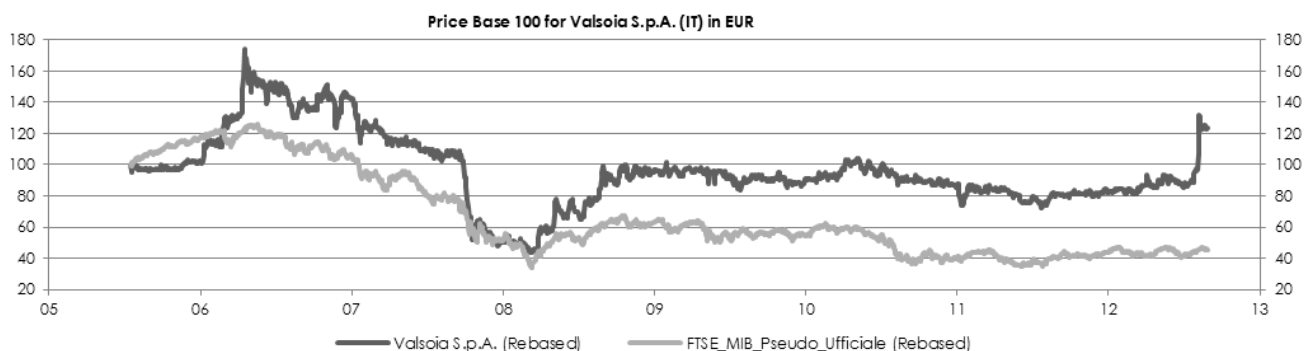
**Servizitalia**

Servizi Italia SpA engages in the provision of integrated wash-hire and sterilisation services for the health sector. The company operates through the following segments: wash-hire services, linen sterilisation, and surgical instruments sterilisation. It also designs, installs and organises sterilisation centres. Servizi Italia was founded in 1986 and is based in Soragna, Italy. The company reported FY12 revenues of Eu210mn with EBITDA of Eu56mn.



**VALSOIA**  
BONTÀ e SALUTE

Valsoia has been Italy's premier health food company since its foundation in 1990, leading the market for quality, product innovation and choice. Providing gourmet choices from breakfast through to dinner and late-night snacks, Valsoia offers an extensive and varied choice of delicious foods for all tastes and needs, with vitamin-rich, low fat, high protein, gluten-free, probiotic and calcium-enriched options for the health-conscious, vegetarians and vegans, as well as people with food intolerances. The company reported FY12 revenues of Eu93mn and EBITDA of Eu9mn.



**Printemps: a true success story...realised**



Printemps is France’s second most important department store chain mainly active in two lines of business:

- Department stores (this division generates some 93% of the group’s sales), with 17 department stores located in the main French cities, 8 affiliates, 8 stores in French airports, 1 design store, and 1 stock house
- Sports division (which generates the other 7% of sales) with 24 retail stores and 1 Citadium concept store.

In 2012 Printemps generated total revenue of Eu1.2bn and gross operating profit of Eu149mn. In 2006 TIP, together with the Borletti family, founded a small group of European investors named the Borletti Group, with the purpose of acquiring and managing a 30% stake in Printemps (the remaining 70% is managed by RREEF, a Deutsche Bank Group company). Last July, the group completed an agreement for the acquisition of 100% of Printemps by a group of Qatari investors (Divine Investments S.A.) for Eu1.8bn. Through its 6.19% stake in the Borletti group, TIP will obtain proceeds of approximately Eu42mn with a capital gain of Eu33mn.

**Roche Bobois: a bet on luxury furniture**



The Roche Bobois group is the world leader in the creation and selective distribution of high level designer and luxury furniture and home furnishing products. The group has the largest worldwide chain of high quality furniture stores, with a presence – direct and/or through franchising – that currently consists of 335 stores located in prestigious shopping areas, with a major presence in the most important towns in its main countries. It has 267 stores in Europe, 27 between the United States of America and Canada and 41 in South America, Africa and Asia. In 2012, the group’s aggregate turnover (including franchised stores) exceeded Eu530mn, while the consolidated turnover – which only includes direct sales – came to approximately Eu250mn. TIP, together with other co-investors, (through the special purpose vehicle TXR S.r.l. 51% of which is owned by TIP) acquired 19.18% of Furn-Invest S.a.S., a French company owned by founding families Roche and Chouchan that control Roche Bobois. TIP’s purpose, in agreement with the owners and management, is to accelerate the development process, mainly in new cities, and especially in emerging countries where the luxury goods market is particularly dynamic, with the mutual ambition of enhancing revenue growth.

### Intercos: a leader in make-up



Intercos S.p.A. is a world leading company in the research, development and production of make-up products for the main international operators involved in the cosmetics industry. The group specialises in full outsourcing in the cosmetics industry, specifically in the “make up” and “skin care” areas; in recent years it has also made the most significant investments in research, development and innovation in make-up, creating its own formulations, raw materials and technologies, as well as its own portfolio of highly innovative products.

In 2012, the company recorded revenue of Eu307.1mn, a gross operating profit of approximately Eu47.1mn and annual net profit of Eu9mn. Dafe 4000 S.p.A. is the company that owns all class D shares issued by Intercos: they have no voting rights in the Shareholders' Meeting, but have preferential treatment for the distribution of earnings and assets and will be automatically converted into ordinary shares on 31<sup>st</sup> December 2015. TIP has a 17.94% stake in Dafe 4000.

### Moncler: the next luxury star on the Italian Stock Exchange?











Moncler is a company that specialises in winter clothing. It was founded in 1952 by Renè Ramilton, a French artisan who specialised in mountaineering equipment. During 2012 the group generated Eu624 million in revenues through about 100 directly operated stores located in 16 countries and a network of 2,700 international wholesalers, and EBITDA of Eu170 million, an increase of 39% compared to the previous year.

In recent years, Moncler's revenues and profitability have increased at a rate that places it alongside some of the most famous global brands. Last August TIP, through its subsidiary Clubsette S.r.l. (52.5% TIP, the rest owned by entrepreneurial families linked to Tamburi), acquired a 14% stake in Ruffini Partecipazioni S.r.l., a Remo Ruffini-controlled company that owns 32% of Moncler. The investment amounted to Eu103mn, implying a valuation of in the region of Eu2.3bn for Moncler. The company is next in line for an IPO on the Italian stock exchange, which is planned for November: we expect positive newsflow from this listing considering the attractive valuations recently enjoyed by Italian luxury champions.







## APPENDIX

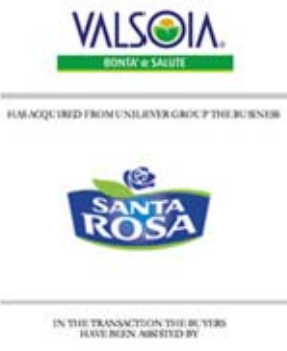
### 2. Advisory/Corporate Finance Operations


Some M&A Deals Assisted by TIP...

 <p>HAS SOLD ITS 100% STAKE OWNED IN IMS MBH TO</p>  <p>IN THE TRANSACTION THE SELLERS HAVE BEEN ASSISTED BY</p> 	<p>In 2012 Tamburi &amp; Associates successfully advised Net Engineering, one of the leading private Italian companies operating in the civil engineering and infrastructure sector, on the sale of its 100% stake in IMS mbH (a German offshore wind consultancy based in Hamburg) to Ramboll, a leading engineering, design and consultancy company based in Denmark.</p>
 <p>HAS ACQUIRED A 50% STAKE OF</p>  <p>HIGIENIZAÇÃO TEXTIL Lavsim - Higienização Têxtil Ltda.</p> <p>IN THE TRANSACTION THE BUYERS HAVE BEEN ASSISTED BY</p> <p>TAMBURI &amp; ASSOCIATI</p>	<p>In 2012 Servizi Italia, the leading Italian integrated provider of rental, laundry and sterilisation services for medical linen and surgical instruments in hospitals, appointed TIP as financial advisor for the acquisition of 50% of the Brazilian company Lavsim, based in San Paolo, which generates Eu5.3mn in annual revenues and specialises in laundry services for the healthcare sector. The size of the acquisition was Eu5mn, 82% paid in cash and the rest through debt guarantees.</p>
<p>JOINT VENTURE BETWEEN BOLZONI GROUP AND THE CHINESE GROUP HUAXIN FORK IN THE FORKLIFT TRUCK ATTACHMENTS SECTOR.</p>   <p>IN THE TRANSACTION BOLZONI GROUP HAS BEEN ASSISTED BY</p> <p>PALAZZARI &amp; TURRIES</p> <p>COMPANY PARTICIPATED BY</p> 	<p>In 2012 TIP (through its subsidiary Palazzari and Turries) assisted Bolzoni (Eu94mn turnover), the European leader in the production of lift truck attachments, on the transaction for a JV with Huaxin, leader in the production of forks for lift trucks. According to the agreement, Bolzoni acquired a 20% stake in Huaxin. The total investment for the company amounted to Eu1.9mn.</p>



 <p>HA ACQUISITO LA TRASPARENZA E LA SICUREZZA DEI DATI E IL CAPITALE RISERVATO AL 45% (SUGGERIMENTO RELATIVO) DI</p>  <p>IN TUTTE LE OPERAZIONI - GLI ACCREDITI SONO STATI ASSISTITI DA</p> <p><b>TAMBURI &amp; ASSOCIATI</b></p>	<p>In the summer of 2011, Noemalife, leader in Europe in the clinical and hospital information systems market, which is listed on the Italian Stock Exchange with revenues of Eu68mn and EBITDA of Eu9mn, announced the acquisition of Medasys, a leading French operator in IT for healthcare (revenues Eu23mn). TIP supported Noemalife in the acquisition through the rights issues that were used to finance the deal. The total deal amounted to Eu7.3mn (through a reserve capital increase) for 45% of the Medasys capital.</p>
 <p>HAS ACQUIRED FROM DANAFER GROUP A 100% STAKE IN</p>  <p>AND CERTAIN OF ITS AFFILIATES</p> <p>IN THE TRANSACTION THE BUYERS HAVE BEEN ASSISTED BY</p> <p><b>TAMBURI &amp; ASSOCIATI</b></p>	<p>In 2011 TIP assisted Datalogic in a series of successful acquisitions, mainly focused on growth of its product offering. Datalogic (revenues Eu462mn, EBITDA Eu63mn), a company listed on the STAR segment of the Italian stock exchange, is leader in the market of bar code readers, mobile data collection, RFID and vision systems. TIP advised the company on the acquisition of ACCU-SORT, the Pennsylvania-based US leader in the design, production, integration and maintenance of Automatic Identification systems (revenues Eu92mn). The transaction was worth USD135mn. Also in 2011, Datalogic acquired PPT Vision (revenues Eu6mn), a US pioneer in the machine vision market which develops, manufactures and distributes visual quality control solutions. The size of the transaction was USD5.2mn.</p>
 <p>HAS ACQUIRED A 100% STAKE IN THE COMPANY</p>  <p>IN THE TRANSACTION THE BUYERS HAVE BEEN ASSISTED BY</p> <p><b>TAMBURI &amp; ASSOCIATI</b></p>	

 <p>HA ACQUIRITO DA UNILEVER GROUP THE BUSINESS</p> <p>IN THE TRANSACTION THE BUYERS HAVE BEEN ASSISTED BY</p>	<p>In 2011 Valsolia (revenues Eu56mn), a company listed on the STAR segment of the Italian stock exchange and market leader in the health-based food and drinks sector, was assisted by TIP on the acquisition from Unilever of 100% of the capital of J&amp;T Italia, owner of the Santa Rosa brand, a leader in Italy in the production of jams and canned tomatoes with revenues of Eu49mn. The transaction amounted to Eu25.3mn.</p>
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 <p>HAS SOLD TO A COMPANY BELONGING TO BIRDS EYE IGLO GROUP LIMITED (CONTROLLED BY PERMIRA) THE ITALIAN BUSINESS ACTIVITIES</p> <p>IN THE TRANSACTION THE BUYERS HAVE BEEN ASSISTED BY</p> <p>TAMBURI &amp; ASSOCIATI</p>	<p>In 2010 the Unilever industrial group sold its Italian frozen foods business to Birds Eye Iglo for Eu805mn. The sale included the Findus brand (Eu460mn in revenues), market leader in the frozen foods business in Italy. TIP assisted the buyer, a company fully controlled by Birds Eye Iglo, Europe's leading branded frozen food business, producing and distributing products in 11 countries with revenues of Eu1.6bn in 2012.</p>
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*Some Rights Issues Promoted (And Subscribed Pro-Quota) by TIP for Investee Companies...*

	<p>In 2012 Servizi Italia (listed on STAR), the leading integrated Italian provider of rental, laundry and sterilisation services for medical linen and surgical instruments in hospitals, which generates around Eu50mn in annual revenues and Eu15mn in EBITDA, carried out a Eu30mn rights issue aimed at strengthening its capital position and expanding its business in Brazil through the acquisition of Lavsim. TIP promoted the capital increase, subscribing the quota related to the direct stake of 1.70% it held in the SI capital at the time.</p>
	<p>In 2011 Noemalife, a leading European name in the clinical and hospital information systems market, listed on the Italian Stock Exchange with revenues of Eu68mn and EBITDA of Eu9mn, carried out a Eu7mn rights issue in order to increase its capital ahead of the acquisition and integration of Medasys. TIP promoted the rights issues, subscribing pro-quota to the 6.41% stake it held at the time of the operation.</p>
	<p>D'Amico International Shipping (Revenues USD325mn, EBITDA USD20mn) is a listed company which operates in the maritime transport sector and is a leader in the tanker business. TIP supported its USD65mn rights issue, executed in Q4 2012 in order to expand the D'Amico fleet of tankers and benefit from the current favourable trend in the product tanker market.</p>

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Stock NAME	TIP		
Current Recomm:	BUY	Previous Recomm:	n.a.
Current Target (Eu):	2.40	Previous Target (Eu):	n.a.
Current Price (Eu):	1.83	Previous Price (Eu):	n.a.
Date of report:	18/09/2013	Date of last report:	n.a.

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