

Company Update

Transelectrica

January 10, 2011

Utilities/Romania

Reduce

Price 09.01.11	21.78
Price target	19.60
Volatility risk	Medium
Year high/low	21.90/14.50
Currency	RON
RON/EUR	4.26
GDR rate	n.a.
Shares outstanding eoy	73.30
Market capitalisation (total shares) in EUR mn	1,596.5
Free float	12.8%
Free float in EUR mn	48.0
Avg. daily turnover (12 m) in EUR mn	0.05
Index	BETI
ISIN code	ROTSSELACNOR9
Bloomberg	TEL RO
Reuters	TSEL.BX
www.transelectrica.ro	

Tariff revision exceeds estimates

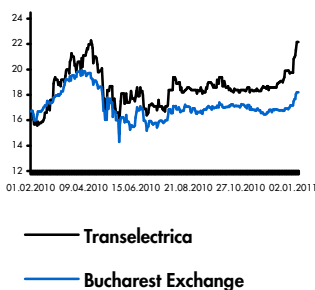
The Regulatory Authority in the Energy Sector (ANRE) raised Transelectrica 2011 tariffs by 10.4% yoy, above our forecast of 7% yoy. The move also contradicts the management's downbeat expectations of an increase of 7% for this year, as per the business plan published at the end of November.

We believe that the regulator's decision shows stronger commitment to the regulatory methodology than expected by the company. Hence, we anticipate faster adjustment of tariffs that will allow the company's operating profit to converge to the regulated return on assets in a shorter period than previously expected. Therefore we augmented our growth estimates for the tariffs by 1% in 2012 to 5% yoy and by 0.5% in 2013 and 2014 to 4.5% and 4% respectively. Going forward we assume tariffs will be set according to the methodology and will come up by 2% annually, slightly below inflation.

As a result of higher tariffs, we expect the net profit to come some 50% higher than our previous estimates over 2011-2014, with the difference shrinking to 20% on the last year of the next regulatory period (2017).

The RON ended the year 0.35% better than expected against the EUR, which led to smaller estimated FX losses for 2010 and a higher than previously foreseen dividend per share out of the 2010 net profit.

Our Dividend Discount Model points to an adjusted 12-m target price of RON 19.6, including estimated dividend per share from 2010 net profit of RON 0.1, up 29% against our previous target price. The market did not react negatively to the business plan of the company despite very poor projected performance. However with the announcement of the 10% tariff raise the stock climbed around 12%. We believe that there are many uncertainties, especially regarding the regulated asset base, regulated return and the investment plan to be agreed with ANRE for the third regulatory period (beginning 2013), which justify a cautious approach. Our TP currently stands 10% below the market price and prompts us to upgrade our recommendation from "sell" to "reduce".



Source: Raiffeisen Capital&Investment

Key figures and ratios

RON	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Sales (mn)	2,988.1	2,551.6	2,562.9	2,208.8	2,335.2
EBITDA (mn)	457.7	355.7	322.9	381.6	441.7
EBIT (mn)	217.2	98.6	57.2	103.6	145.5
Net profit a.m. (mn)	50.4	18.3	9.0	68.1	98.9
Earnings per share (adj.)	0.687	0.249	0.122	0.929	1.350
EPS reported growth	-20.0%	-63.8%	-50.9%	660.2%	45.3%
Adjusted PE ratio	16.0	54.2	158.4	23.5	16.1
DPS	0.30	0.05	0.10	0.46	0.68
Dividend yield	2.7%	0.4%	0.5%	2.1%	3.1%
EV/EBITDA	3.8	5.6	7.8	6.9	5.9
Price book value	0.4	0.5	0.7	0.8	0.8

Source: Transelectrica, Raiffeisen Capital&Investment estimates

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 Romanian Securities Commission (RO)

Share price triggers

Trigger	Momentum	Explanation
Transported quantities	positive	<ul style="list-style-type: none"> Further short term upside is expected from export contracts. GDP growth is expected to return in positive territory in 2011, which should influence positively the energy consumption. However, we expect the increase in power consumption to be moderate, of around 1% yoy, as 2010 volumes were boosted by export contracts.
Other revenues	negative	<ul style="list-style-type: none"> We see the downtrend in revenues from reservation of interconnection capacity to continue in the following years.
OPEX	negative	<ul style="list-style-type: none"> Maintenance costs are expected higher in 2011, after a 15% yoy estimated decrease in 2010.
CAPEX	positive	<ul style="list-style-type: none"> Following the higher than expected tariff adjustment in 2011, the company could revise upwards its investment plans for the period 2011-2013. The increase would have a positive influence over the regulated asset base and the regulated return on assets.

Source: Raiffeisen Capital&Investment

Dividend Discount Model

RON	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e
DPS	0.46	0.68	0.90	1.21	1.57	1.99	2.32	2.43	2.56	2.68	2.82
Cost of Equity	14.2%	13.5%	13.0%	12.5%	12.0%	11.4%	10.9%	10.9%	10.9%	10.9%	10.9%
Discount factor	1.07	1.22	1.38	1.55	1.74	1.93	2.15	2.38	2.64	2.93	3.25
Discounted dividends	0.43	0.56	0.65	0.78	0.90	1.03	1.08	1.02	0.97	0.92	0.87
TV growth rate	2%										
2023e dividend	2.96										
Cost of equity TV	10.9%										
TV	33.2										
Discounted TV	10.2										
Present value of discounted dividends	9.2										
12-month target price	19.5										
2010e dividend	0.10										
Adj 12-m target price	19.6										
Current price	21.8										
Total return	-10.0%										

Source: Raiffeisen Capital&Investment estimates

DCF Valuation

<i>FCF projection (RON mn)</i>	2010e	2011e	2012e	2013e	2014e	2015e	TV CF
Consolidated sales	2,562.9	2,208.8	2,335.2	2,459.5	2,580.6	2,707.7	2,884.9
EBITDA	322.9	381.6	441.7	498.2	548.9	593.9	651.2
EBITA	57.2	103.6	145.5	192.5	233.7	274.0	304.5
Taxes paid on EBITDA	-3.6	-13.0	-23.3	-30.8	-37.4	-43.8	-48.7
NOPLAT	40.8	87.0	122.2	161.7	196.3	230.2	255.8
Adj. NOPLAT	40.8	87.0	122.2	161.7	196.3	230.2	255.8
Depreciation of PPE & intangibles	265.7	278.0	296.2	305.7	315.2	319.9	346.7
Gross investment in PPE & intangibles	-385.0	-252.0	-301.0	-300.0	-330.0	-380.0	-378.5
Change in working capital	-10.1	-15.0	-4.3	-4.5	-3.1	-2.5	-0.5
NWC/Sales	6.5%	8.2%	8.0%	7.7%	7.5%	7.2%	0.8%
Change in LT provisions other than tax	0.0	0.0	0.0	0.0	0.0	n.a.	
Net acquisitions & disposals	0.0	0.0	0.0	0.0	0.0	0.0	
Free cash flow to firm	-88.6	98.0	113.1	162.9	178.4	167.6	223.5
Adj. free cash flow to firm	-90.7	95.9	111.0	160.8	176.3	165.4	223.5
EV DCF, mid-year assumption	2,511.5	2,695.1					
+ MV of non-operating assets eop	0.0	0.0					
- MV of net debt eop	1,112.8	1,043.5					
- MV of minorities eop	0.0	0.0					
Adjustments to EV eop	0.0	0.0					
Fair value of equity	1,398.7	1,651.6					
Shares outstanding (mn)	73.3	73.3					
Fair value per share (in RON)	19.081	22.531					

<i>Value drivers</i>	2010e	2011e	2012e	2013e	2014e	2015e	TV CF
Consolidated sales yoy	0.4%	-13.8%	5.7%	5.3%	4.9%	4.9%	2.0%
EBITDA margin	12.6%	17.3%	18.9%	20.3%	21.3%	21.9%	22.6%
Rate of taxes paid	-28.7%	-16.0%	-16.0%	-16.0%	-16.0%	-16.0%	-16.0%
Working capital/sales	6.5%	8.2%	8.0%	7.7%	7.5%	7.2%	0.8%
Capex/depreciation	144.9%	90.7%	101.6%	98.1%	104.7%	118.8%	109.2%
Free cash flow margin	-3.5%	4.4%	4.8%	6.6%	6.9%	6.2%	7.7%

<i>WACC</i>	2010e	2011e	2012e	2013e	2014e	2015e	TV CF
Target capital structure (at MV)	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	70.0%
Debt/equity ratio (at MV)	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	42.9%
Risk free rate (local)	7.2%	7.7%	7.6%	7.5%	7.0%	6.5%	5.5%
Equity market premium	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Levered beta	1.1	1.1	1.1	1.0	1.0	1.0	0.9
Cost of equity	13.8%	14.3%	14.2%	13.5%	13.0%	12.5%	10.9%
Cost of debt	8.5%	7.7%	7.6%	7.5%	7.0%	6.5%	5.5%
Tax rate	-28.7%	-16.0%	-16.0%	-16.0%	-16.0%	-16.0%	-16.0%
WACC	10.7%	11.2%	11.1%	10.6%	10.2%	9.7%	9.0%

Sensitivity analysis

<i>Growth sensitivity (RON)</i>	<i>Terminal growth rate</i>						
WACC	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
7.5%	24.933	27.318	30.099	33.385	37.325	42.139	48.151
8.0%	22.090	24.111	26.441	29.158	32.368	36.218	40.921
8.5%	19.609	21.336	23.310	25.587	28.242	31.379	35.141
9.0%	17.424	18.914	20.602	22.531	24.756	27.351	30.416
9.5%	15.486	16.781	18.237	19.887	21.772	23.947	26.482
10.0%	13.757	14.889	16.155	17.578	19.191	21.033	23.159
10.5%	12.204	13.201	14.308	15.545	16.936	18.512	20.314

<i>Margin sensitivity (RON)</i>	<i>FCF margin TV</i>						
WACC	6.2%	6.7%	7.2%	7.7%	8.2%	8.7%	9.2%
7.5%	26.098	28.527	30.956	33.385	35.814	38.242	40.671
8.0%	22.659	24.825	26.992	29.158	31.324	33.491	35.657
8.5%	19.749	21.695	23.641	25.587	27.533	29.479	31.425
9.0%	17.256	19.014	20.772	22.531	24.289	26.048	27.806
9.5%	15.095	16.692	18.290	19.887	21.484	23.082	24.679
10.0%	13.205	14.663	16.120	17.578	19.036	20.493	21.951
10.5%	11.538	12.874	14.209	15.545	16.880	18.216	19.551

Source: Raiffeisen Capital&Investment estimates

<i>Income statement (RON mn)</i>	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Consolidated sales	2,384.4	2,988.1	2,551.6	2,562.9	2,208.8	2,335.2
Changes in inventories & own work capitalised	0	0	0	0	0	0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Total revenues	2,384.4	2,988.1	2,551.6	2,562.9	2,208.8	2,335.2
Material costs	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	-177.7	-214.3	-202.5	-211.7	-222.4	-230.9
Other operating expenses	-1,841.9	-2,316.1	-1,993.4	-2,028.3	-1,604.8	-1,662.6
EBITDA	364.8	457.7	355.7	322.9	381.6	441.7
Adjusted EBITDA	364.8	457.7	355.7	322.9	381.6	441.7
Depreciation of PPE and intangibles	-189.3	-240.6	-257.1	-265.7	-278.0	-296.2
EBITA	175.5	217.2	98.6	57.2	103.6	145.5
Amortisation, impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	175.5	217.2	98.6	57.2	103.6	145.5
Adjusted EBIT	175.5	217.2	98.6	57.2	103.6	145.5
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Net interest income	-34.8	-29.5	-25.1	-24.5	-27.3	-36.3
Other financial result	-50.0	-125.0	-61.4	-20.1	4.8	8.5
Financial result	-84.9	-154.6	-86.5	-44.7	-22.6	-27.7
Earnings before taxes	90.6	62.6	12.1	12.6	81.0	117.8
Taxes on income	-27.7	-12.2	6.1	-3.6	-13.0	-18.8
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	63.0	50.4	18.3	9.0	68.1	98.9
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Net profit after minorities	63.0	50.4	18.3	9.0	68.1	98.9
Adjusted Net profit	63.0	50.4	18.3	9.0	68.1	98.9
Changes yoy	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Consolidated sales yoy	-4.8%	25.3%	-14.6%	0.4%	-13.8%	5.7%
EBITDA yoy	-17.1%	25.5%	-22.3%	-9.2%	18.2%	15.8%
EBITA yoy	-37.3%	23.8%	-54.6%	-42.0%	81.0%	40.4%
EBIT yoy	-37.3%	23.8%	-54.6%	-42.0%	81.0%	40.4%
EBT yoy	-73.8%	-30.9%	-80.7%	3.7%	545.0%	45.3%
Net profit after minorities yoy	-78.6%	-20.0%	-63.8%	-50.9%	660.2%	45.3%
Margins	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Material costs margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA margin	15.3%	15.3%	13.9%	12.6%	17.3%	18.9%
EBITA margin	7.4%	7.3%	3.9%	2.2%	4.7%	6.2%
EBIT margin	7.4%	7.3%	3.9%	2.2%	4.7%	6.2%
EBT margin	3.8%	2.1%	0.5%	0.5%	3.7%	5.0%
Net margin	2.6%	1.7%	0.7%	0.3%	3.1%	4.2%
Profitability	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Return on assets	2.8%	2.6%	2.1%	0.8%	2.4%	3.5%
Return on equity	3.5%	2.6%	1.0%	0.5%	3.5%	4.9%
Return on capital employed	3.5%	3.2%	2.7%	1.0%	3.0%	4.2%
Cash flow statement (RON mn)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Earnings before taxes	61.6	32.3	-4.4	12.6	81.0	117.8
Taxes paid	0.0	0.0	0.0	-3.6	-13.0	-18.8
Amortisation and depreciation	189.3	240.6	257.1	265.7	278.0	296.2
Other non-cash items	12.4	103.1	42.1	20.1	-4.8	-8.5
Cash flow from result	263.4	376.0	294.9	294.8	341.3	386.6
Change in working capital	-159.0	71.5	4.5	-10.1	-15.0	-4.3
Operating cash flow	104.4	447.6	299.4	284.7	326.3	382.3
Capex PPE and intangible assets	-293.8	-400.3	-364.1	-385.0	-252.0	-301.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Disposal of fixed assets (total)	15.1	4.7	3.5	0.0	0.0	0.0
Other items (investments)	0.0	0.0	0.0	0.0	0.0	0.0
Investing cash flow	-278.7	-395.6	-360.6	-385.0	-252.0	-301.0
Dividend payments	-106.5	-27.5	-24.6	-3.7	-7.6	-33.8
Other changes in equity	-0.0	0.0	0.0	0.0	0.0	0.0
Change in interest-bearing financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Other items	20.6	-22.1	52.0	-22.2	2.6	6.4
Financing cash flow	23.6	77.5	-0.8	62.2	-25.7	-43.9



<i>Balance sheet (RON mn)</i>	<i>12/2007</i>	<i>12/2008</i>	<i>12/2009</i>	<i>12/2010e</i>	<i>12/2011e</i>	<i>12/2012e</i>
Current assets	863.4	1,115.4	839.0	835.7	761.6	830.3
Liquid funds	134.0	224.2	163.6	125.5	174.1	211.5
Receivables	689.7	848.3	633.9	667.1	544.6	575.8
Inventories	39.7	42.9	41.5	43.2	42.9	43.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	2,749.8	2,905.0	3,005.7	3,125.0	3,099.1	3,103.9
Property, plant & equipment	2,707.8	2,866.1	2,969.6	3,091.3	3,067.5	3,074.3
Intangible assets	36.3	33.1	30.4	28.0	25.8	23.8
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	5.7	5.7	5.7	5.7	5.7	5.7
Deferred tax assets	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	3,613.2	4,020.4	3,844.7	3,960.8	3,860.7	3,934.1
Current liabilities	650.0	893.0	722.1	790.3	683.6	730.4
Short-term borrowings	141.7	165.7	203.0	246.3	277.4	297.2
Notes & trade payables, payments received	465.5	683.9	485.0	496.7	365.5	390.1
Other current liabilities	42.8	43.5	34.1	47.2	40.7	43.0
Long-term liabilities	1,116.6	1,192.8	1,217.8	1,260.4	1,206.5	1,168.1
Long-term borrowings	947.4	1,011.3	947.2	991.9	940.1	903.9
Long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	169.3	181.6	270.6	268.5	266.3	264.2
Hybrid & other mezzanine capital	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	1,910.6	1,934.6	1,904.8	1,910.1	1,970.6	2,035.7
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	3,677.2	4,020.4	3,844.7	3,960.8	3,860.7	3,934.1
Balance sheet (RON mn)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Net working capital	221.1	163.9	156.3	166.3	181.4	185.7
Net interest-bearing debt	955.1	952.7	986.6	1,112.8	1,043.5	989.6
Capital employed	2,999.6	3,111.5	3,055.0	3,148.4	3,188.2	3,236.8
Market capitalisation	2,932.1	806.3	989.6	1,418.4	1,596.5	1,596.5
Enterprise value	3,887.2	1,759.0	1,976.2	2,531.2	2,640.0	2,586.2
Financing (x)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Interest cover	7.5	8.1	8.8	11.2	12.1	10.5
Internal financing ratio	0.4	1.1	0.8	0.7	1.3	1.3
Net gearing	50.0%	49.2%	51.8%	58.3%	53.0%	48.6%
Quick ratio	1.3	1.2	1.1	1.0	1.1	1.1
Fixed assets cover	1.1	1.1	1.0	1.0	1.0	1.0
Capex / depreciation	1.6	1.7	1.4	1.4	0.9	1.0
Equity ratio	52.9%	48.1%	49.5%	48.2%	51.0%	51.7%
Per share data (RON)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Weighted avg. no. of shares (mn)	73.3	73.3	73.3	73.3	73.3	73.3
EPS reported	0.86	0.69	0.25	0.12	0.93	1.35
Earnings per share (adj.)	0.86	0.69	0.25	0.12	0.93	1.35
Operating cash flow per share	1.42	6.11	4.08	3.88	4.45	5.22
Book value per share	26.06	26.39	25.99	26.06	26.88	27.77
DPS	0.36	0.30	0.05	0.10	0.46	0.68
Payout ratio	41.9%	43.7%	20.1%	85.0%	49.7%	50.4%
Valuation (x)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
PE reported	46.6	16.0	54.2	158.4	23.5	16.1
Adjusted PE ratio	46.6	16.0	54.2	158.4	23.5	16.1
Price cash flow	28.1	1.8	3.3	5.0	4.9	4.2
Price book value	1.5	0.4	0.5	0.7	0.8	0.8
Dividend yield	0.9%	2.7%	0.4%	0.5%	2.1%	3.1%
Free cash flow yield	-5.9%	6.4%	-6.2%	-7.1%	4.7%	5.1%
EV/sales	1.6	0.6	0.8	1.0	1.2	1.1
EV/EBITDA	10.7	3.8	5.6	7.8	6.9	5.9
EV/EBIT	22.2	8.1	20.0	44.2	25.5	17.8
EV/operating cash flow	37.2	3.9	6.6	8.9	8.1	6.8
Adjusted EV/CE	1.3	0.6	0.7	0.8	0.9	0.9
Adjusted EV/CE vs. ROCE/WACC				9.4	3.3	2.3

Fact Sheet

Company description

Transelectrica was the first utility company listed on the Bucharest Stock Exchange. Electricity transmission is a natural and legal monopoly in Romania. Transelectrica transports some 67% of the amount of electricity consumed in economy. In terms of operational segments, Transelectrica provides three main services: (i) electricity transmission; (ii) power system management by dispatcher consisting of technological system services and functional system services and (iii) administration of the electricity market. The revenues from system and market balancing services, which account for some 60% of total turnover, are pass-through revenues and have no impact on the bottom line.

Starting 2005, the transmission tariff charged by the company is set based on a revenue cap methodology. The regulatory authority sets a yearly target revenue within a five-year framework (however, the first such framework extended over three years, 2005-2007). The regulated return on the asset base (RAB) has been agreed for the period 2008-2012 at 7.5%. The company is involved in an ambitious investment program (EUR 400 mn planned for 2008-2012) aimed at revamping its aging asset base, which will boost the RAB and thus the transmission profit.

Strengths/Opportunities

- Electricity transmission is a natural and legal monopoly, Transelectrica being the only licensed operator.
- Regulatory regime should induce a stable revenue stream and an approved level of return on assets, though regulatory risk is high.
- Other revenues could boost the profitability above the regulated profit on transmission.
- As a state-owned company, Transelectrica must pay a minimum 50% of the net profit as dividends (90% out of the 2010 profit).

Income statement (RON mn)	12/2009	12/2010e	12/2011e	12/2012e
Consolidated sales	2,551.6	2,562.9	2,208.8	2,335.2
EBITDA	355.7	322.9	381.6	441.7
EBIT	98.6	57.2	103.6	145.5
EBT	12.1	12.6	81.0	117.8
Net profit bef. min.	18.3	9.0	68.1	98.9
Net profit after min.	18.3	9.0	68.1	98.9

Balance sheet

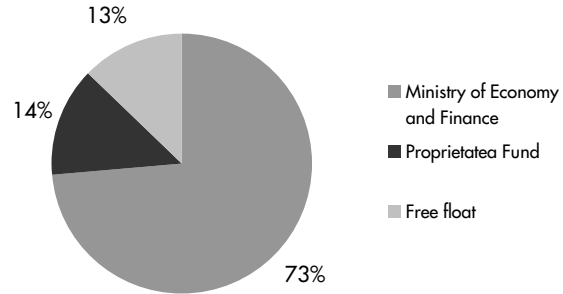
Total assets	3,844.7	3,960.8	3,860.7	3,934.1
Shareholders' equity	1,904.8	1,910.1	1,970.6	2,035.7
Goodwill	0.0	0.0	0.0	0.0
NIBD	986.6	1,112.8	1,043.5	989.6

Cash flow statement

Operating cash flow	299.4	284.7	326.3	382.3
Investing cash flow	-360.6	-385.0	-252.0	-301.0
Change NIBD	-33.9	-126.2	69.3	53.9

Source: Raiffeisen Capital&Investment estimates

Shareholder structure



Weaknesses/Threats

- The regulatory risk is high, as the regulator could decide to bypass the revenue-cap methodology to keep energy prices down.
- Delayed commissioning of investments could lead to delayed tariff adjustments.
- The overwhelming presence of the state in the shareholding of the company, even after the IPO.
- RON volatility influences bottom line through FX loans revaluation.

Per share data (RON)	12/2009	12/2010e	12/2011e	12/2012e
EPS pre-goodwill	0.25	0.12	0.93	1.35
Adj. EPS diluted	0.25	0.12	0.93	1.35
Operating cash flow	4.08	3.88	4.45	5.22
Book value	25.99	26.06	26.88	27.77
Dividend	0.05	0.10	0.46	0.68
Payout ratio	20.1%	85.0%	49.7%	50.4%

Valuation (x)

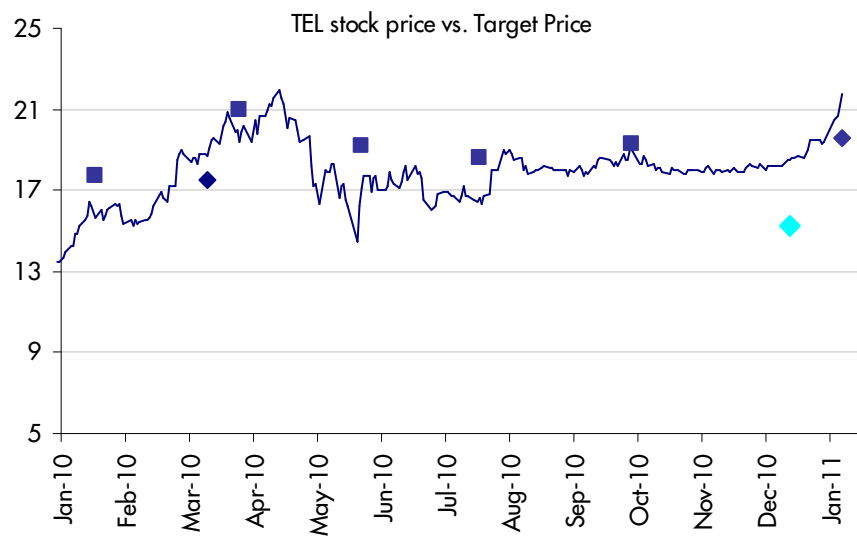
PE pre-goodwill	54.2	158.4	23.5	16.1
Adj. PE diluted	54.2	158.4	23.5	16.1
Price cash flow	3.3	5.0	4.9	4.2
Price book value	0.5	0.7	0.8	0.8
Dividend yield	0.4%	0.5%	2.1%	3.1%
FCF yield	-6.2%	-7.1%	4.7%	5.1%
EV/EBITDA	5.6	7.8	6.9	5.9
EV/EBIT	20.0	44.2	25.5	17.8
EV/operating CF	6.6	8.9	8.1	6.8

Recommendation history

Date	Rating	Target Price	Price	Upside
15.12.2010	Sell	15.20	18.60	-18.3%
04.10.2010	Hold	19.30	18.30	5.5%
22.07.2010	Hold	18.60	16.30	14.1%
28.05.2010	Hold	19.20	17.70	8.5%
01.04.2010	Hold	21.00	19.90	5.5%
17.03.2010	Reduce	17.50	19.10	-8.4%
25.01.2010	Hold	17.70	16.00	10.6%

Coverage universe recommendation overview

	buy	hold	reduce	sell	suspended	UR
Universe	45	35	8	1	9	9
Investment banking services	8	4	0	0	2	2



Graph legend:

Stock Price ———

Recommendations:

- Buy ▲
- Hold ■
- Reduce ◆
- Sell ◆
- Rec. susp. ●

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Buy: 15% or more for low/medium risk shares, 20% for high risk shares

Hold: 0% to +15% for low/medium risk shares, 0% to +20% for high risk shares

Reduce: -10% to 0% for low/medium/high risk shares

Sell: < -10% for low/medium/high risk shares

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