Italian Research | Company Update | Milan, May 15, 2009 | Intermonte

B&C SPEAKERS

BUY

Price (Eu): 2.11
Target Price (Eu): 3.3

SECTOR: Indutrials

Cristian Galizzi
phone: +39-02-77115.432
e-mail: cristian.galizzi@intermonte.it

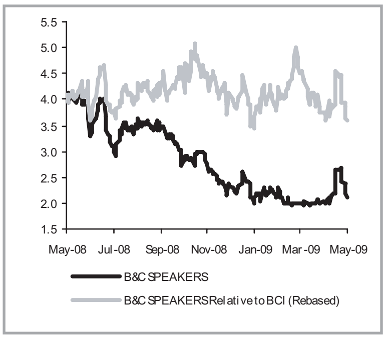
The Price Is Out of Tune

- **Undisputedly tough times for revenues...** FY08 revenues fell by 5% YoY, with the rate of decline speeding up to 20% in the last quarter. This last note surprised us, as we were expecting a moderate recovery. Yet this negative growth was not accompanied by a reduction in market shares; instead, it reflects the general OEM market trend in a recessionary economy. Breaking down revenues by geographical area, the main disappointment came from Latin America (-19% YoY, accounting for ca. 5% of total turnover) and North America (-8% YoY, ca. 25% of the total), whilst business in Italy held up quite well (-2% YoY, ca. 18%).
- **...but margins are holding up at satisfactory levels.** 2008 certainly proved to be a challenging year, with all drivers moving in the wrong direction: total revenues decreased, raw material costs escalated and labour costs rose as the company increasingly relied on overtime to catch up with the 1H08 order backlog, following a delay in the startup of a new plant. Nevertheless, the EBITDA and EBIT margins closed at 24.3% and 22.5%, respectively, which should certainly be considered a tremendous result given the negative premises.
- **EPS revised downwards for future years due to the gloomy global economy.** For the years ahead, we have taken a very conservative stance on the world economy. As a consequence, we cut expected FY09 turnover by about 30% to Eu15.0mn, bringing our FY10 value of production estimate down to Eu15.0mn (flat YoY), compared to our previously estimate of Eu27.5mn. EBITDA and EBIT margins have also been cut for 2009, by around 300bps to 22.9% and 21.4%, respectively; however, these margins are expected to improve in 2010. As a result of the aforementioned revisions, our bottom line estimate has now been sliced in half.
- **Stress test: still no downside even in a nightmarish scenario.** Just as an exercise, we performed a stress test on the fair value of the stock under what could easily be defined as a "nightmare scenario" over the next few years. As detailed later in this report, even in the event of such dismal conditions, we still do not see any downside to current prices.
- **BUY confirmed, TP set at Eu3.30.** We are reaffirming our positive stance on the stock, which is currently at a very low price that we struggle to justify. While we are well aware that tough times lie ahead given the sluggish macroeconomic environment, we think that the following factors must be taken into account when assessing the value of the company: 1) extremely encouraging margins; 2) market share resilience (a result of brand awareness and recognition); 3) total absence of any debt; and 4) positive cash flow forecast over the next few years. Our new target price is the average of the fair values obtained through DCF and EV/ROACE valuation methods.

Key Figures	2007A	2008A	2009E	2010E	2011E
Sales (Eu mn)	23	21	15	15	16
Ebitda (Eu mn)	7	5	3	4	4
Net profit (Eu mn)	4	3	2	2	2
EPS - New (Eu)	0.36	0.28	0.19	0.20	0.21
EPS - Old (Eu)	0.36	0.35	0.39	0.43	
DPS (Eu)	0.23	0.18	0.12	0.13	0.14

Ratios & Multiples	2007A	2008A	2009E	2010E	2011E
P/E	5.9	7.5	11.3	10.7	9.9
Div. Yield	10.9%	8.5%	5.7%	6.0%	6.5%
EV/Ebitda	3.0	4.1	6.1	5.7	5.3
ROCE	83.0%	55.6%	34.4%	37.3%	38.0%

B&C Speakers - 12m Performance



Source: Thomson

RATING: Unchanged
TARGET PRICE (Eu): from 5.10 to 3.30

Change in EPS est:	2009E	2010E
	-52.3%	-54.5%

STOCK DATA

Reuters code:	37B.MI
Bloomberg code:	BEC.IM

Performance	1m	3m	12m
Absolute	4.3%	-9.1%	-48.4%
Relative	-3.8%	-15.7%	-6.8%
12 months H/L:			4.23/1.95

SHAREHOLDER DATA

No. of Ord. shares (mn):	11
Total No. of shares (mn):	11
Mkt Cap Ord (Eu mn):	23
Total Mkt Cap (Eu mn):	23
Mkt Float - ord (Eu mn):	4
Mkt Float (in %):	*16.8%*
Main shareholder:	
Research & Development Int	64.5%

BALANCE SHEET DATA	2009
Book value (Eu mn):	11
BVPS (Eu):	0.96
P/BV:	2.2
Net Financial Position (Eu mn):	2
Enterprise value (Eu mn):	21

B&C SPEAKERS - *KEY FIGURES*		2007A	2008A	2009E	2010E	2011E
	Fiscal year end	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011
PROFIT & LOSS (Eu mn)	Sales	23	21	15	15	16
	EBITDA	7	5	3	4	4
	EBIT	6	5	3	3	4
	Financial income (charges)	(0)	(0)	(0)	(0)	(0)
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	6	5	3	3	4
	Taxes	(2)	(2)	(1)	(1)	(1)
	Tax rate (%)	37.8%	35.9%	35.4%	35.2%	35.1%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	4	3	2	2	2
	Total extraordinary items	(0)	(0)	0	0	0
	Ebitda excl. extraordinary items	7	5	3	4	4
	Ebit excl. extraordinary items	6	5	3	3	4
	Net profit restated	4	3	2	2	2
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	11	11	11	11	11
	EPS stated fd	0.35	0.28	0.19	0.20	0.21
	EPS restated fd	0.36	0.28	0.19	0.20	0.21
	BVPS fd	0.95	0.95	0.96	1.04	1.12
	Dividend per share (ord)	0.23	0.18	0.12	0.13	0.14
	Dividend per share (sav)	0.00	0.00	0.00	0.00	0.00
	Dividend pay out ratio (%)	65.4%	64.4%	64.4%	0.0%	0.0%
CASH FLOW (Eu mn)	Gross cash flow	4	4	2	3	3
	Change in NWC	(1)	0	2	0	(0)
	Capital expenditure	(1)	(2)	(1)	(1)	(1)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	2	2	4	2	2
	Acquisitions, divestments & others	0	0	0	0	0
	Dividend	(2)	(3)	(2)	(1)	(1)
	Equity financing/Buy-back	4	(1)	0	0	0
	Change in Net Financial Position	4	(1)	2	0	0
BALANCE SHEET (Eu mn)	Total fixed assets	3	4	5	5	6
	Net working capital	8	7	5	5	5
	Long term liabilities	(3)	(2)	(1)	(1)	(1)
	Net capital employed	8	10	9	9	10
	Net financial position	3	1	2	2	3
	Group equity	10	10	11	11	12
	Minorities	0	0	0	0	0
	Net equity	10	10	11	11	12
ENTERPRISE VALUE (Eu mn)	Average mkt cap - current	23	23	23	23	23
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	3	1	2	2	3
	Enterprise value	20	22	21	21	20
RATIOS(%)	EBITDA margin*	29.5%	25.0%	22.9%	24.0%	24.5%
	EBIT margin*	28.6%	23.2%	21.4%	22.4%	23.0%
	Gearing - Debt/equity	-28.1%	-6.7%	-16.7%	-19.4%	-20.4%
	Interest cover on EBIT	43.7	601.2	399.6	419.7	451.2
	Debt/Ebitda	nm	nm	nm	nm	nm
	ROCE*	83.0%	55.6%	34.4%	37.3%	38.0%
	ROE*	49.7%	29.4%	19.6%	19.8%	19.7%
	EV/CE	2.6	2.5	2.3	2.3	2.1
	EV/Sales	0.9	1.0	1.4	1.4	1.2
	EV/Ebit	3.1	4.4	6.6	6.1	5.6
	Free Cash Flow Yield	8.9%	8.8%	16.2%	7.8%	7.5%
GROWTH RATES (%)	Sales	9.7%	-5.0%	-30.0%	0.0%	5.0%
	EBITDA*	9.9%	-19.6%	-35.7%	4.6%	7.0%
	EBIT*	10.9%	-23.0%	-35.6%	5.0%	7.5%
	Net profit	23.9%	-20.5%	-33.1%	5.4%	7.8%
	EPS restated	6.9%	-21.4%	-33.1%	5.4%	7.8%

** Excluding extraordinary items*

Source: Intermonte SIM estimates

1Q09 Results

1Q09 consolidated revenues amounted to Eu3.9mn, a fall of almost 30% YoY (Eu5.51mn in 1Q08).

This is almost entirely down to the slowdown suffered by the Professional Audio market, which started towards the end of 2008 and can be attributed to the impact of the global economic crisis. In this context, the volume of the order book also reduced considerably (Eu2.3mn at the end of the quarter vs. Eu3.4mn at the end of 1Q08), but it should be underlined that April 2009 showed the first signs of a pick-up in orders.

The company reacted promptly, on the one hand extending its product range and increasing research and development activity to stimulate demand, and on the other carrying out actions aimed at preserving margins by downsizing the cost structure. With regard to the latter, actions involved a search for greater efficiency in policies for the supply of raw materials, and also the use of the means available to minimize the impact of rising proportional personnel costs.

Supply of raw materials, semi-lavorated goods

Supply costs started to benefit from the acquisition policies that are aimed at keeping costs down while maintaining quality standards. Specifically, the proportion of consumption of raw material and supporting products and unsold goods on total revenues has reduced by around 4 percentage points, going from 36% in 1Q08 to 32.6% in 1Q09.

This recovery in profitability is mainly the result of the acquisition policies of the parent company that have allowed a reduction in raw material costs, partly due to a fall in their market prices. These actions have also had a positive impact in reducing unsold goods, as a result of the specific focus on managing working capital.

The ability to improve efficiency through better supply arrangements is a fundamental factor in maintaining a satisfactory level of profitability in the future. Early indications lead us to believe that the advantages gained will remain for the whole of 2009, resulting in a positive impact on profitability.

Personnel costs

Personnel costs increased as a proportion of revenues, going from 16.7% in 1Q08 to 20.6% in 1Q09, which has been a significant contributor to the reduction in profitability seen in the period. As the make-up of the work force has not changed much, the proportional increase in personnel costs is due to the sharp drop in turnover, which was not matched by the savings made possible by use of the ordinary temporary redundancy fund (CIG), which it was only possible to use as of the last month of 1Q for a period of 13 weeks. Obviously resorting to the CIG guaranteed some savings in personnel costs, but this only related to March 2009, meaning the impact on quarterly results was limited.

In line with the regulations in force, the use of the CIG adopted by the parent company will make it possible for this to be extended to the whole of 2009, if this were to be made necessary by a continuation of demand weakness. In this case, we estimate resorting to the CIG may allow the parent company to achieve savings of around 15% in personnel costs compared to the previous financial year.

EBITDA and EBIT margin

In 1Q09 EBITDA, and consequently the EBITDA margin, fell significantly due to the factors described above, coming to Eu932mn and 23.93% respectively. At the end of 1Q08 EBITDA came to Eu1,512mn with a 27.42% margin. As already mentioned, this is mainly due to the increased proportion of personnel costs caused by falling turnover, which has only partially been mitigated by the actions taken to improve supply contract and the resort to the "social safety net" in the form of the ordinary CIG, described in the previous paragraph.

Group Net Profit and Net Financial Position

At the end of 1Q09 the group's net profit came to Eu0.57mn, 14.66% of consolidated revenues.

The group's financial stability remains high, given that the net financial position is positive to the tune of Eu1,072mn, an improvement on the Eu1,017mn recorded at the end of 2008, mainly due to operational improvements and the better management of working capital. It should be noted, however, that the NFP at the end of the quarter still included the cash needed for the distribution of a total dividend of Eu1,890mn.

B&C Speakers - P&L (€ mn) - Results vs. Estimates

(Eu mn)	1Q08A	1Q09A	YoY growth	2008A	2009E
Net sales	**5.5**	**3.9**	**-29%**	**21.4**	**15.0**
Value of Production	**6.0**	**3.7**	**-40%**	**21.5**	**15.1**
Costs of raw and consumable materials	(2.5)	(1.0)	-60%	(7.9)	(5.5)
% on net sales	*-45.1%*	*-25.8%*		*-37.0%*	*-36.5%*
Labour costs	(0.9)	(0.8)	-13%	(3.8)	(3.3)
% on net sales	*-16.7%*	*-20.7%*		*-17.6%*	*-22.0%*
Other costs	(1.1)	(0.9)	-15%	(4.5)	(2.9)
% on net sales	*-19.4%*	*-23.3%*		*-20.9%*	*-19.4%*
Extraordinary Costs	(0.0)	0.0	-100%	(0.2)	0.0
EBITDA	**1.5**	**0.9**	**-38%**	**5.2**	**3.4**
Ebitda margin	*27.4%*	*23.9%*		*24.3%*	*22.9%*
D&A	(0.0)	(0.1)		(0.3)	(0.2)
Provisions	0.0	0.0		(0.0)	(0.0)
EBIT	**1.5**	**0.8**	**-44%**	**4.8**	**3.2**
Ebit margin	*26.7%*	*21.1%*		*22.5%*	*21.4%*
Pre tax profit	**1.5**	**0.9**	**-41%**	**4.8**	**3.2**
Taxes	(0.5)	(0.3)	-38%	(1.7)	(1.1)
Net Profit	**1.0**	**0.6**	**-43%**	**3.1**	**2.1**
Minorities	0.0	0.0		0.0	0.0
Group Net Profit	**1.0**	**0.6**	**-43%**	**3.1**	**2.1**
Net margin	*17.9%*	*14.4%*		*14.4%*	*13.8%*

Source: Intermonte SIM estimates

2008: The Year of the Perfect Storm

Results vs. Estimates

The table below provides details of FY08 results and a comparison with our estimates.

B&C Speakers - P&L (€ mn)

	FY07A	FY08A	YoY growth	FY08E	Act vs Est
Net sales	**22.5**	**21.4**	**-5%**	**23.3**	**-8%**
Value of Production	**22.7**	**21.5**	**-6%**	**23.4**	**-8%**
Costs of raw and consumable materials	(8.3)	(7.9)	-4%	(8.5)	-7%
% on net sales	-36.7%	-37.0%		-36.5%	
Labour costs	(3.4)	(3.8)	12%	(3.7)	1%
% on net sales	-15.0%	-17.6%		-16.0%	
Other costs	(4.5)	(4.5)	0%	(4.9)	-9%
% on net sales	-19.9%	-20.9%		-21.2%	
Extraordinary Costs	(0.1)	(0.2)	111%	0.0	n.m.
% on net sales	-0.3%	-0.7%		0.0%	
EBITDA	**6.6**	**5.2**	**-21%**	**6.3**	**-17%**
Ebitda margin	29.2%	24.3%		26.9%	
EBITDA Restated	**6.6**	**5.3**	**-20%**	**6.3**	**-15%**
Ebitda margin	29.5%	25.0%		26.9%	
D&A	(0.2)	(0.3)		(0.4)	
Provisions	(0.0)	(0.0)		(0.1)	
EBIT	**6.4**	**4.8**	**-24%**	**5.7**	**-16%**
Ebit margin	**28.3%**	**22.5%**		**24.6%**	
Pre tax profit	**6.2**	**4.8**	**-23%**	**5.8**	**-17%**
Taxes	(2.4)	(1.7)	-27%	(2.0)	-12%
Net Profit	**3.9**	**3.1**	**-20%**	**3.8**	**-20%**
Minorities	0.0	0.0	n.a.	0.0	n.a.
Group Net Profit	**3.9**	**3.1**	**-20%**	**3.8**	**-20%**
Net margin	17.2%	14.4%		16.4%	

Source: Intermonte SIM estimates

Undisputely Tough Times for Revenues...

FY08 revenues closed down 5% YoY and the rate of decline increased in the last quarter (-20% YoY). This surprised us, as we were expecting a moderate recovery in turnover in 4Q to reach Eu23.3mn for the year. According to company estimates, however, the negative growth was not accompanied by a reduction in market shares, but rather reflects a contraction witnessed by the original equipment manufacturer (OEM) market as a whole. The revenue growth trend reverted due to industrial troubles and to the widespread economic stagnation that has hit the entire international production system, including B&C's clients, most of which are OEMs.

As detailed in the table below, the main disappointments on a geographical basis came from Latin America (-19% YoY, accounting for ca. 5% of total turnover) and North America (-8% YoY, or 25% of total sales). On the other hand, business in Italy, which accounts for a bit less than 20% of total turnover, held up quite well, as revenues decreased by just 2% YoY.

B&C Speakers - Revenues Breakdown by Country

(Eu mn %)	2008	% on sales	2007	% on sales	Var. YoY
Europe (ex-Italy)	9,817	45.9%	10,211	45.4%	-3.9%
North America	4,164	19.5%	4,528	20.1%	-8.0%
Italy	3,880	18.2%	3,942	17.5%	-1.6%
Asia & Pacific	1,844	8.6%	1,861	8.3%	-0.9%
Latin America	1,186	5.5%	1,466	6.5%	-19.1%
Middle East & Africa	478	2.2%	494	2.2%	-3.3%
Total	**21,369**	**100.0%**	**22,502**	**100.0%**	**-5.0%**

Source: Company data

… But Margins Held Up at Satisfactory Levels

2008 certainly proved to be truly a challenging year, with all drivers moving in the wrong direction:

1) total revenues fell by 5% YoY;
2) raw material costs escalated by almost 25%
3) labour costs grew by 19% YoY, as the company relied heavily on overtime work to catch up with the 1H08 order backlog following a delay in the startup of a new plant (which will help reduce production costs once fully running).

Nevertheless, the EBITDA and EBIT margins closed at 24.3% and 22.5%, respectively, which should certainly be considered a tremendous result given the negative premises listed above.

The cost of raw materials and goods, as a proportion of revenues, was basically in line with our estimates (37.0% vs. our 36.5%), in spite of growing pressure on acquisition prices for production components and the drop in revenues.

The raw materials acquired are mainly iron-based, so the cost of these materials are often influenced by the price trend of the base material; acquisitions of semi-finished goods relate to components that are directly installed in the product during the manufacturing process.

It is also worth mentioning that in the second half of 2008, acquisitions of raw materials and goods were gradually shifted towards US dollar-denominated purchases: this took the edge off of further hikes in the prices of raw materials like iron and magnets.

Since last July, the company has been renegotiating prices with suppliers in the Far East, fixing contracts at the high euro/dollar exchange rate to draw benefits from the reversal of the exchange rate trend.

The general stagnation affecting the international production system has also hit B&C's OEM clients: clients have made fewer and fewer orders in advance, meaning that the parent company has had to resort to paying considerable amounts of overtime to meet unexpected and unplanned demand. For this reason, in the first semester alone, overtime hours doubled as a proportion of labour costs, which have in turn increased as a proportion of revenue to 17.6% in 2008 from 15.0% in 2007.

The increased weight of labour costs on revenues can also be attributed to a number of other factors, including:

- an absence of non-recurring events, especially reduced personnel costs, which had a positive impact in 2007 due to the curtailment of the severance indemnity fund at the beginning of the financial year, in compliance with new regulations;
- an increase in the indirect labour force: investment in human resources, planned and achieved under the direction of the parent company, aimed at delivering the contribution needed to grow operations.

The item "cost of services and use of third party assets" saw an increase of Eu104,000, mainly due to the higher costs incurred in the commercial and administrative areas: specifically, the increases recorded in costs linked to marketing activities are a result of actions by the parent company aimed at improving the group's presence and visibility in the reference market.

"Other costs" have declined significantly, following the completion of the listing process, which had increased consultancy costs.

After subtracting the expense items above, **EBITDA** closed 2008 at Eu5.2mn, down 21% YoY from last year's Eu6.6mn. The **EBITDA margin** deteriorated by almost 5ppts to 24.3% (from 29.2% in '07), mainly driven by the sharp increase in labour costs and by increasing costs for raw materials and semi-finished goods. Nevertheless, an analysis of operating data reveals that the parent company maintained its profitability level. The industrial margin, or the difference between revenues and production costs (including supplies, labour and transport) was only Eu454,000 less than it was in 2007 (about a 5% difference). What negatively affected the group's results, therefore, was that turnover from third parties decreased for B&C's subsidiaries.

With regard to depreciation and amortisation in FY08, some changes were seen in the depreciation of tangible fixed assets, as new machinery was put in place for the company's new production site.

FY08 **EBIT** closed at Eu4.8mn, down from last year's Eu6.4mn, with the **EBIT margin** deteriorating by almost 6ppts to 22.5% from the outstanding 28.3% posted in 2007.

After performing an impairment test on the goodwill held by its American subsidiary, B&C decided to write down the consolidation difference of Eu135,000. If adjusting for non-recurring items, the FY08 EBIT margin would have been 23.1% (EBIT Eu4.9mn).

Net profit closed at Eu3.1mn (14.4% of total revenues), down 20% from last year's Eu3.9mn (17.2% of total revenues).

Net Financial Position

The "operational net capital employed" shows a significant increase in investments in fixed assets as a result of the parent company moving investments in new production capacity forward. The main investments during 2008 related to around Eu836,000 for the completion of the new assembly line, around Eu22,000 as the balance for the acquisition of new magnetising apparatus, around Eu645,000 for the completion of all the generic equipment relating to the new plant, Eu35,000 for network infrastructure and Eu31,000 for other fixed assets. Getting the new loudspeakers production line up and running will not see those currently in operation being closed down, and their continued operation will guarantee a significant increase in the company's production capacity.

"Net working capital" did not change much compared to 2007, remaining at highly efficient levels. The small proportion of total capital employed accounted for by net working capital grants the necessary flexibility to respond to commercial and industrial demands. It is also clear that in spite of the investments in new capacity, the current structure is not excessively burdened by fixed investments.

The reduction in "non-operational net capital employed" is mainly driven by the reduction in cash, which went from Eu2.111mn as at 31st December 2007 to Eu297,000 at 31st December 2008. This reduction in liquidity is mainly due to the financial outlay linked to payment for the investment in new production capacity. For more information see the cashflow statements for the 2008 financial year.

With regard to "Capital Funding" it should be underlined that the company's own capital makes up almost the entire item, as there is no medium to long term financing in place, with credit limited to the overdraft on current accounts.

The **net financial position** went from Eu1.3mn in the black at the end of 2007 to Eu0.1mn in the red at the end of 2008. This was mainly driven by the reduction in the balance of cash available compared to FY07, due to the May 2008 dividend payment and the massive investments made during the year. The capital and financial indicators confirm the almost complete absence of any debt.

New Products and Projects Under Development

During the 2008 financial year, considering the strong national and international pressure on both the cost of components and on sales, the company's operations were carried out according to the following guidelines:

1) Investment in research and development remained high, and existing projects were moved forward as well as new projects being launched. In particular, the main projects underway are:

- Three new types of Drivers have been created (DE620, DE920 and DE38), which involve more advanced technology and improved performance. The first orders have been received for these products, with clients expressing significant interest;
- Research has been completed for another Driver (DE10ND), and production will begin in March 2009. The new Driver is characterised by its reduced size and weight, with no negative impact on performance;
- There has been a significant restyling of the largest speaker (21 inches) in order to tailor it to clients' needs;
- Research has been completed into a new highly efficient low impedance speaker (18 inches) with characteristics similar to the 21 inch speaker (IPAL) that is already in production;
- Plans have also been completed for two new neodymium speakers (18 and 21 inches), with 4.5 inch spool to be used by sub-woofers;
- Research for the creation of a new type of driver using ribbon rather than membrane (Air Motion Transformer) is at an advanced stage;
- Two new projects have been completed for 12 and 15 inch co-axial speakers (12 and 15 HCX) with an internal pump to improve their performance and make them more suitable for the needs of the market;
- The R&D division has been strengthened with the employment of new staff.

2) investment in new production has been completed, meaning the company will have the best technology on the market at its disposal. Once it is new fully up and running, the new production capacity will guarantee a significant improvement in productivity;

3) personnel policy is focused on boosting the administrative structure with the aim of dealing with the increasingly complex regulations to which the company must conform;

4) the parent company has decided to invest considerably in marketing activity through a reconstruction of its website, with the aim of making it more suitable for customers' needs. The company has also decided to take a more active participation in sector trade fairs.

FY09-10 Estimates Revisions

The following table details our new estimates for the next few years, and a comparison with previous estimates.

B&C Speakers - New vs Old FY09-10 Estimates

(Eu mn)	2007A	2008A	2009E	2010E	2011E	OLD 2009E	OLD 2010E	New vs Old 2009	New vs Old 2010
Sales	**22.5**	**21.4**	**15.0**	**15.0**	**15.7**	**25.6**	**27.5**	**-41.6%**	**-45.7%**
YoY growth	*9.7%*	*-5.0%*	*-30.0%*	*0.0%*	*5.0%*	*10.0%*	*7.5%*		
Value of Production	22.7	21.5	15.1	15.1	15.8	25.7	27.7	-41.4%	-45.5%
Costs of raw and consum. materials	(8.3)	(7.9)	(5.5)	(5.4)	(5.6)	(9.2)	(9.9)		
Labour costs	(3.4)	(3.8)	(3.3)	(3.3)	(3.4)	(4.0)	(4.1)		
Other Costs	(4.5)	(4.5)	(2.9)	(2.8)	(3.0)	(5.4)	(5.8)		
Extraordinary costs	(0.1)	(0.2)	0.0	0.0	0.0	0.0	0.0		
EBITDA	**6.6**	**5.2**	**3.4**	**3.6**	**3.8**	**7.2**	**7.9**	**-52.1%**	**-54.3%**
Ebitda margin	*29.2%*	*24.3%*	*22.9%*	*24.0%*	*24.5%*	*28.0%*	*28.5%*		
Total D&A	(0.2)	(0.4)	(0.2)	(0.2)	(0.2)	(0.7)	(0.8)		
EBIT	**6.4**	**4.8**	**3.2**	**3.4**	**3.6**	**6.4**	**7.1**	**-50.2%**	**-52.6%**
Ebit margin	*28.3%*	*22.5%*	*21.4%*	*22.4%*	*23.0%*	*25.0%*	*25.7%*		
Net financials	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	0.1	0.1		
Pre tax profit	6.2	4.8	3.2	3.3	3.6	6.5	7.2		
Taxes	(2.4)	(1.7)	(1.1)	(1.2)	(1.3)	(2.2)	(2.4)		
Tax Rate	*-37.8%*	*-35.9%*	*-35.4%*	*-35.2%*	*-35.1%*	*-33.7%*	*-33.6%*		
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Group Net Profit	**3.9**	**3.1**	**2.1**	**2.2**	**2.3**	**4.3**	**4.8**	**-52.3%**	**-54.5%**

Source: Intermonte SIM estimates; Company data

Our new estimates factor in a very cautious approach in terms of revenues, reflecting the challenging economic environment that the company is facing. Concerning FY09, our new top line points to a YoY reduction of 30%, compared to the previously estimated 10% growth.

FY10 sales volumes have also been severely cut, as they now embodies no growth from the depressed figures forecast for FY09, compared to the previous +7.5% YoY growth. This scenario is based on the assumption of lower prices and volumes in 2009, and no changes in prices in 2010 but a further drop in demand.

Margins have also been cut by in the region of 3ppts, and the new EBITDA and EBIT now fall around 50% short of our previous expectations.

With regard to the cost of raw materials and consumables, we are factoring in a reduction in the proportion of raw materials costs on 2009 turnover, and for this to remain more or less flat in 2010. Personnel costs are forecast to fall in absolute terms due to the impact of the reduction in the redundancy fund expected and the potential downsizing in overall headcount. All the same, it will make up an increased proportion of turnover compared to 2008 due to the even greater decrease in revenue.

As a result of these new assumptions, we have cut our EPS expectations by around 50% for the coming years.

Valuation

We have used a DCF model to value the company. We did not compare the company to peers because the only listed companies in similar sectors (Harman-JBL, Loud Technologies and RCF) are actually producers of complete sound systems, not just speakers. Loud Technologies, for example, is one of B&C's clients.

DCF Model

B&C Speakers - DCF Model

(Eu mn)	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	Terminal year
Cons. net sales	**15.0**	**15.0**	**15.7**	**16.5**	**17.2**	**17.9**	**18.6**	**19.2**	**19.4**
YoY growth rate	*-30.0%*	*0.0%*	*5.0%*	*5.0%*	*4.5%*	*4.0%*	*4.0%*	*3.0%*	*1.0%*
Ebitda	**3.4**	**3.6**	**3.8**	**4.0**	**4.2**	**4.4**	**4.6**	**4.7**	**4.7**
Ebit margin (%)	*22.9%*	*24.0%*	*24.5%*	*24.5%*	*24.5%*	*24.5%*	*24.5%*	*24.5%*	*24.5%*
Amortiz. & Deprec.	(0.2)	(0.2)	(0.2)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Ebit	**3.2**	**3.4**	**3.6**	**3.3**	**3.5**	**3.7**	**3.9**	**4.0**	**4.0**
Ebit margin (%)	*21.4%*	*22.4%*	*23.0%*	*20.2%*	*20.4%*	*20.6%*	*20.7%*	*20.7%*	*20.7%*
Ch. in Working Capital	2.2	0.0	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.1)
Capex	(0.9)	(0.7)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
YoY growth rate	*-6.0%*	*-4.9%*	*-3.9%*	*-3.9%*	*-3.9%*	*-3.9%*	*-3.9%*	*-3.8%*	*-3.7%*
Tax Rate	*35.4%*	*35.2%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*
Taxes on EBIT	(1.1)	(1.2)	(1.3)	(1.2)	(1.2)	(1.3)	(1.4)	(1.4)	(1.4)
Operating Free Cash Flow	**3.6**	**1.7**	**1.7**	**2.0**	**2.1**	**2.2**	**2.2**	**2.4**	**2.5**
Discounting Factor	1.00	0.92	0.84	0.77	0.70	0.64	0.59	0.54	0.49
Discounted Free Cash Flow	**3.6**	**1.5**	**1.4**	**1.5**	**1.4**	**1.4**	**1.3**	**1.3**	**1.3**
WACC	**9.2%**	**9.2%**	**9.2%**	**9.2%**	**9.2%**	**9.2%**	**9.2%**	**9.2%**	**9.2%**
Debt Weight	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Cost of debt	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Tax Rate	*35.4%*	*35.2%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*	*35.1%*
Kd	*3.6%*	*3.6%*	*3.6%*	*3.6%*	*3.6%*	*3.6%*	*3.6%*	*3.6%*	*3.6%*
Risk Free	*4.2%*	*4.2%*	*4.2%*	*4.2%*	*4.2%*	*4.2%*	*4.2%*	*4.2%*	*4.2%*
Risk Premium	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Beta	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*
Ke	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*
Terminal growth (g)									*1.0%*
Actual Value Free Cash Flow	17.4								
Terminal Value	32.0								
Actual Terminal Value	15.8								
Enterprise Value	**33.3**								
NFP 2009E	1.8								
Treasury shares	1.0								
Minorities	0.0								
Equity Value	**36**								
N. of shares (mn):	11.0								
Fair value per share (Eu):	**3.3**								

Source: Intermonte SIM estimates

We assumed a WACC of 9.2%, maintaining indebtedness at zero given the high amount of cash generated (in a standalone scenario) with a terminal growth rate of 1.0%.

We reached an enterprise value of Eu33mn, to which we added the company's positive net financial position of Eu1.8mn, and the value attached to the treasury shares (Eu1.0mn).

We obtained an equity value of Eu36mn.

Divided by the number of shares (11.0mn), we get a fair value of Eu3.3 per share.

EV/ROACE Model

We used the same assumptions for this method as in our DCF, taking the average between 2007 and 2011 and obtaining a fair value of Eu3.3 per share.

B&C Speakers - EV/ROACE Model

(Eu mn)	2007	2008	2009E	2010E	2011E
Capital Employed - year average	7.7	8.4	8.7	9.3	9.3
Ebit	6.4	4.8	3.2	3.4	3.6
ROACE	83.0%	57.4%	36.8%	36.3%	39.0%
WACC	9.2%	9.2%	9.2%	9.2%	9.2%
Terminal growth (g)	1.0%	1.0%	1.0%	1.0%	1.0%
EV/CE	5.6	4.5	2.9	2.9	3.1
Enterprise Value (Eu mn)	43.0	37.4	25.1	26.4	28.4
NFP (-)	2.9	0.7	1.8	2.2	2.5
(+) minorities	0.0	0.0	0.0	0.0	0.0
Fair Value (Eu mn)	**46.0**	**38.1**	**26.8**	**28.6**	**31.0**
Average 2007 - 2011 fair value (Eu per share)	**3.3**				

Source: Intermonte SIM estimates

Target Price Calculation

The average of these two methods results in a target price of Eu3.3 per share.

B&C Speakers - Target Price Calculation

DCF Fair Price calculation	Eu ps	3.30
EV/ROACE Fair Price calculation	Eu ps	3.30
Target Price	Eu ps	3.30
Current Price	Eu ps	2.11
Potential upside/(downside)		57%

Source: Intermonte SIM estimates

Stress Test: What If Nightmare Occurs

As an academic exercise, we have carried out a stress test on the fair value of the stock under what could be defined as a nightmare scenario over the next years.

Concerning revenues, we factored in a drop of 35% in the top line in 2009, a further reduction in total turnover by 5% in 2010, a flat 2011, and a CAGR of 2.5% for the following years, with terminal growth of 1.0%.

With regard to costs, we have factored in an increase that would push down EBITDA and EBIT margins by more than 3ppt to 20.6% and 18.9% in 2009, with flattish trends in the following years, arriving at EBITDA and EBIT margins of 20.0% and 18.0% respectively in the terminal year. These figures are way below any margins posted by the company in the past.

Even in such a painful scenario, according to our estimates the company would still be able to deliver a significant profit of more than Eu1.5mn.

It emerged that, even with such truly depressing assumptions, the stock would still be fairly valued, given its current rock bottom price.

Investmet Conclusion: Still A Buy

We are reiterating our positive stance on the stock, which has suffered unjustified underperformance, especially over the last month.

While we are well aware of the tough times ahead given the sluggish macroeconomic environment, we also believe that, given the extremely attractive margins, the resilience of its market share (a result of brand awareness and recognition), the total absence of any debt, and the positive cash flow forecast in the near future are milestones to be taken into consideration when valuing the company.

Even under a nightmare scenario, such as the one outlined in the previous section, we struggle to justify the current distressed price.

Our new target price of Eu3.3ps is the result of the average of the fair prices obtained employing a DCF and an EV/ROACE model.

Appendix

I. Who is B&C Speakers?

Since 1945 B&C Speakers has been involved in the design and manufacture of sound transducers. Its primary focus has been on high quality loudspeakers, high frequency drivers and horns for the audio marketplace.

The most critical aspects of design, final assembly and quality control are performed internally.

B&C Speakers entrust the other phases of the production cycle (casting, mechanical parts and surface treating) to third parties specialized in specific sectors, thus offering state-of-the-art facilities in all facets of production.

Over the years, its small size, on an international scale, has provided B&C Speakers with the necessary flexibility to meet the ever-changing demands of customer's technical teams.

B&C Speakers today is one of the key players worldwide in the design, production, distribution and sale of electro-mechanic transducers that convert electrical energy into sound waves.

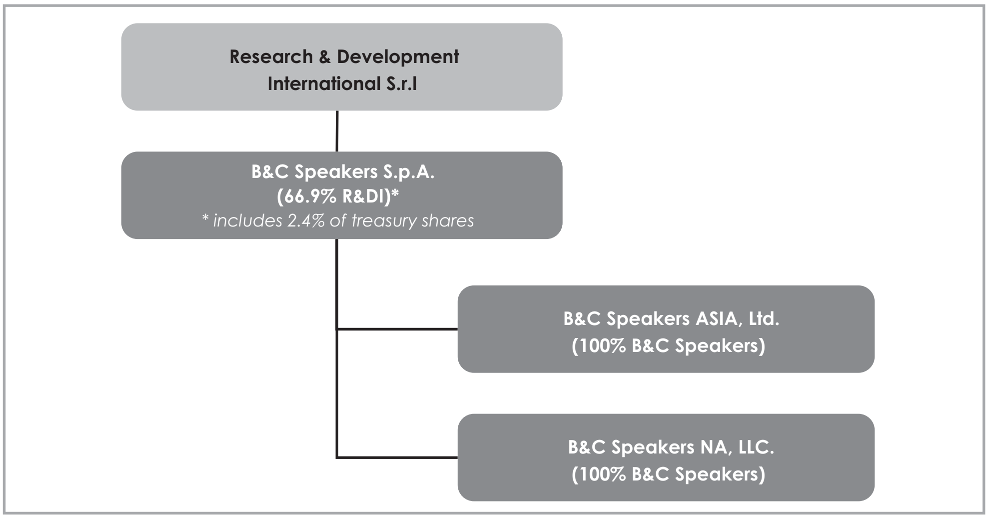
These devices, commonly known as loudspeakers, are the main component of acoustical systems used to reproduce music.

Corporate structur graph

As shown in the previous chart, the group is made up of the parent company B&C Speakers SpA, and of two commercial companies:

- B&C Speakers Asia Ltd (100% owned), that distributes B&C products throughout Asia.
- B&C Speakers NA LLC (100% owned since 2008), active in the distribution of B&C products to the US and Canada.

TAB 8 - B&C Speakers - Corporate Structure



Source: Company data

The following table details the group's main shareholders.

Shareholder Structure

	% Stake	Mn Shares
Coppini Roberto	64.2%	7.1
Oyster Sicav	4.3%	0.5
Allianz SE	4.1%	0.5
Kairos Partners SGR SpA	4.0%	0.4
Treasury Shares	3.9%	0.4
Allianz Global Investors Italia SGR	2.4%	0.3
Float	17.1%	1.9
Total	**100.0%**	**11.0**

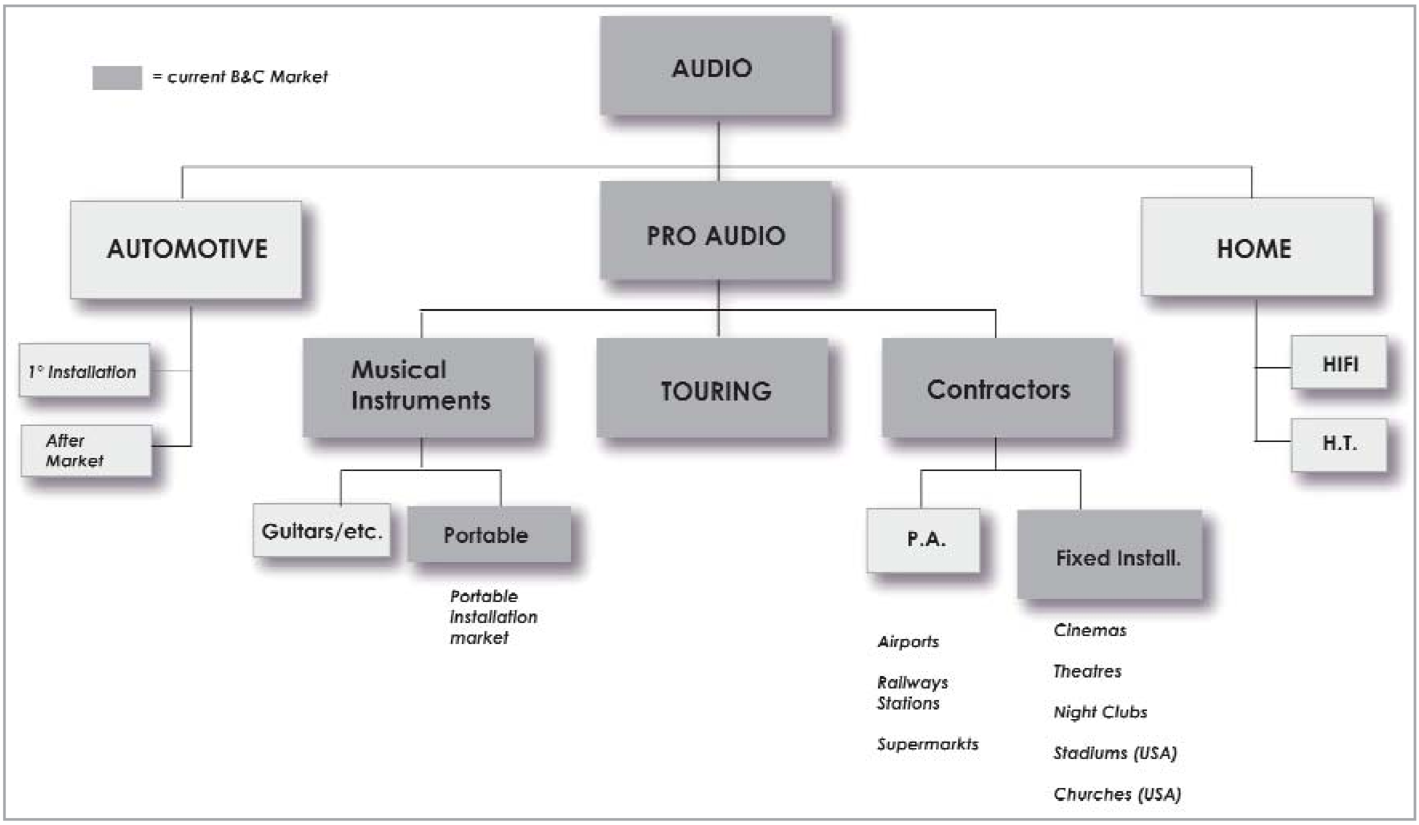
Source: Consob

II. The Reference Market

As shown in the following chart, the Audio market can be divided into three main segments:

- Automotive;
- Home;
- Professional Audio (where B&C operates).

B&C Speakers - The Reference Market



Source: Company presentation

The automotive market is dedicated to acoustic systems that can be installed on motor vehicles, and can be further divided into:

- Original equipment: this is the most important segment – sound systems made by the main OEMs for car manufacturers.
- After Market: a niche segment that targets retail customers who desire high quality products for their motor vehicles.

The home market refers to acoustic systems that are installed in houses and apartments, and can be further divided into:

- high fidelity: the classic domestic audio system market designed to reproduce music; it is characterised by a wide range of both products and prices.
- home theatre: audio systems with multiple channels to reproduce sound; these products are devices for domestic use that seek to reproduce cinema audio quality in the home.

The professional audio market is where B&C Speakers operates: it is a niche market that provides high quality loudspeakers to professional audio system producers, characterised by high power and high performance devices. This market can be further divided into three segments, each of which represents about a third of B&C's turnover:

- Touring: transportable systems devises for live public concerts and events;
- Contractors: fixed systems for public structures such as stadiums, cinemas, theatres, night clubs and religious institutions;
- Musical Instruments: portable audio systems designed for a more moderate number of listeners – for bands, clubs and bars.

III. Market Trends

The Touring segment is where there is the greatest demand for high quality and performance.

It is also the sub-segment with the lowest pressure on prices, and B&C is clearly the leader.

Loudspeakers weight only about 10-15% on the total value of a sound system in this field, but they are the most critical component in terms of sound quality; therefore, professionals are unwilling to sacrifice quality in exchange for lower prices. Paradoxically, the Touring segment has expanded in conjunction with the phenomenon of digital music. As file sharing of digital music has reduced the sales of compact discs, the music industry has started looking to recover revenues by increasing the number of live concerts. The Touring market's annual growth rate went from 9% up to 1999 (before widespread file sharing) to 16% in the following years, with expectations for 10-12% growth over the next few years.

This trend does not seem to be approaching a slowdown of any kind. In spite of recent attempts by record labels to generate income via online music sales, this has not been enough to offset the ongoing decline in CD sales (-20% worldwide). As a result, both artists and labels are signing partnerships with live concert companies (e.g. Warner Music and Madonna). The SIAE (Italian Association of Artists and Publishers) counted an increase of concert expenses of around 15% in the first half of 2007 (+22.5% excluding classical music).

The Contractors sub-segment is less stringently linked to quality; consequently, there is tougher competition and more price pressure. Growth prospects in this area are driven by several different factors:

(1) growth in the number of cinemas, especially in the US and China, and a tendency to divide multiplex cinemas into a larger number of smaller movie theatres;

(2) growth in usage by religious institutions;

(3) new structures and the renovation of existing ones, for example, stadiums in China and college campuses in the US. In this sub-segment, a growth rate of about 10% is expected for the next few years.

The Musical Instruments sub-segment is marked by the lowest quality content, the lowest margins and the highest level of competition. Growth prospects are also less buoyant, at around 5%.

IV. The Products

B&C's products can be divided into five categories:

- LF Drivers: these are low to mid frequency speaker devices with traditional, ferrite magnets.
- LF Nd Drivers: low and mid frequency speakers with neodymium magnets: neodymium is a material that allows a reduction in size and weight, but it is more delicate and more costly.
- HF Drivers: these high frequency compression devices work together with horns
- Horns: used with HF drivers. A patent is pending on these devices.
- Coaxials: these devices join high frequency (HF) and low frequency (LF) speakers into a single unit. B&C holds an international patent on these products.

With regard to 2007 sales percentages, HF drivers account for 32%, the two categories of LF drivers account for 57%, coaxials represent 6.5%, while others, including horns, represent 4.5%.

From a technical point of view, in addition to the high fidelity sound, factors such as wear and resistance to heat, as well as weight and durability in transport, especially in the touring segment, are very important.

As for the production process itself, the company purchases semi-finished goods, completing the design and assembly internally, with the exception of a few high-value, strategic components (e.g. aluminium membranes) that are produced internally from scratch in order to protect know-how.

Over the last few years, the costs of semi-finished goods has been influenced by an increase in the price of metals, especially iron and aluminium, bringing the weight of these goods on revenues from 35.2% in 2006 to 36.2% in 2007.

The company has reacted by acquiring less strategic yet more costly materials like magnets from low-cost countries (and those linked to USD currency), which represented around 30% of supply acquisitions in 2007, up from 9% in 2002.

(see images on page 17)

V. The New Products

B&C Speakers released a wide variety of new products at the recent 2009 NAMM show. Included in the offering were significant additions to the subwoofer range, including the new 18SW115 and 21SW115.

These 18" and 21" brothers both have 4.5", split winding voice coils that handle 3400 watts of power with low distortion. "We have invested a significant amount of R&D into these new, core market products, and we are excited about the results.", said Ron Tizzard, B&C International Sales Director. The new subwoofers also have a new big brother in the 21", 4000 watt 21SW152, that features a 6" voice-coil, and a new streamlined basket design.

Also appearing was the 15HCX76, 15" Coaxial speaker with 60°x40° elliptical horn. A top of category 3" voice-coil woofer, mated with a top of category 1.4" exit hf driver.

The, high powered 15NA100, 15" woofer offers flat, clean, wide band output using a long-throw aluminium voice coil. Punch and voice in one package.

Not to be left out, the new DE38, 1" exit hf driver has high sensitivity and super-clean output in a compact, cost effective format.

(see images on page 18)

B&C Speakers - Products

LF Drivers

LF Nd Drivers

HF Drivers

Horn

Coaxial

Main Components of a Loudspeaker

Source: Company presentation

B&C Speakers - New Products

LF Drivers (18 inches)

LF Drivers (21 inches)

LF Drivers (21 inches)

LF Drivers

Coaxial

HF Drivers DE 38

Source: Company presentation

VI. The Distribution Channels

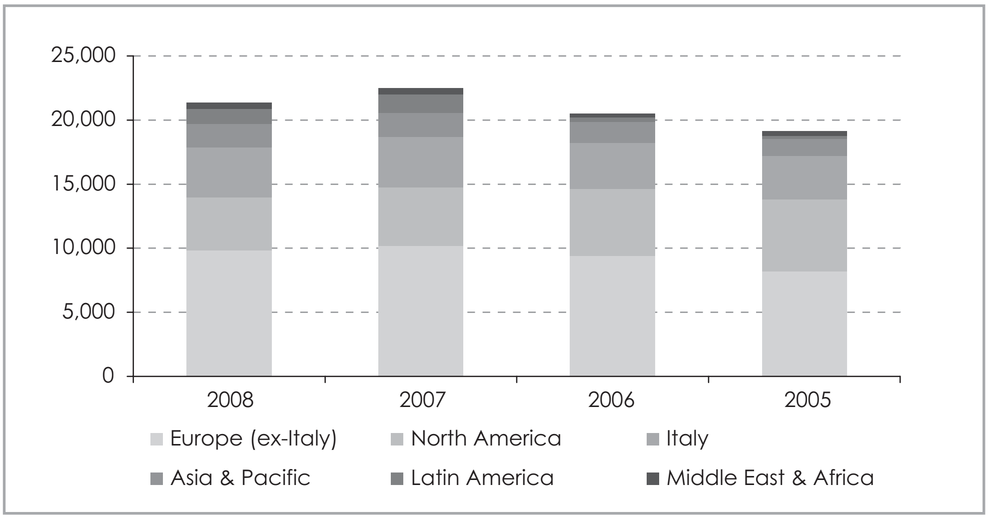
With regard to sales channels, B&C sells 71% of its products directly to original equipment manufacturers (OEM), with which it has established long-term relationships. The directly managed OEM clients request customised products: the whole acoustic system is often designed together with the loudspeaker design, especially in the Touring sub-segment, with an exchange of know-how that increases customer loyalty. Among B&C's clients are major international producers of pro audio systems like Nexo, Martin Audio, Bose, Yamaha, LAcoustics, Loud Technologies and Turbosound. There has been a recent tendency to outsource part of loudspeaker production, even from companies that used to produce all components internally, such as Electrovoice.

The other 30% of sales are carried out through distributors who make use of product catalogues to supply small OEMs, installers and retailers of individual components. Via the distributors channel, B&C is present in 70 countries and on every continent. Previously managed as a secondary channel, the company is now aiming to strengthen its distribution network, particularly in South America and in other emerging countries. To this end, a new manager has been hired to oversee development of the distributors channel, as the company aims to double turnover from distributors over the next three years.

VI. The Geographical Presence

From a geographic perspective, B&C Speakers sells its products in more than 70 countries, including Europe, North and South America, Asia, Africa, and the Middle East. At the end of 2008, Europe accounted for 63% of total turnover (of which Italy around 18%), followed by North America (19% of total).

Revenues Breakdown



Source: Company data

SHORT SALES: CONSOB EXTENDS AND AMENDS PROHIBITION TO 31 MAY 2009

The National Commission for Companies and the Stock Market (CONSOB) decided to extend the ban on short selling, which was due to expire on 28th February 2009, to 31st May 2009, leaving the nature of the ban unchanged.

The sale of shares listed and traded on a regulated market and issued by banks, insurance companies or their relevant holding companies, as well as those issued by companies increasing their capital, shall be supported, from the moment of the order until the transaction settlement date, by both the availability and the ownership of the relevant securities by the ordering party.

Therefore, the terms in force as of October 29, 2008 will continue to apply only to shares issued by the companies appearing on the list provided by CONSOB. For all other shares listed and traded on a regulated market, the sale shall be supported by the availability of the securities.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

GUIDE TO FUNDAMENTAL RESEARCH

Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

The stock price indicated is the reference price on the day prior to the publication of the report.

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at March 31st 2008 Intermonte's Research Department covered 142 companies. Intermonte's distribution of stock ratings is as follows:

BUY: 21.83%

OUTPERFORM: 21.13%

NEUTRAL: 36.43%

UNDERPERFORM: 17.61%

SELL: 2.82%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (21 in total) is as follows:

BUY: 38.10%

OUTPERFORM: 14.29%

NEUTRAL: 47.61%

UNDERPERFORM: 0.00%

SELL: 0.00%

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

- within the last year, Intermonte SIM managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an Institutional Offering of the securities of the following Companies: Arkimedica, Bouty (private placement), **Cogeme,** IT Holding (private placement), Pierrel (private placement);
- Intermonte SIM is Sponsor in accordance with the Italian Securities Markets regulations, with the related obligation of coverage and distribution of research, of the following Companies: Arkimedica, Biancamano, Caleffi, Conafi, Omnia Network, Realty Vailog;
- Intermonte SIM is Specialist (Market Maker), Advisor, in accordance with the Italian Securities Markets regulations, with the related obligation of coverage and distribution of research, of the following Companies: Biancamano, B&C Speakers, Cogeme, Datalogic, DeA Capital, Digital Bros, Dmail, EEMS, Fiera Milano, FMR Art'è, Gefran,IGD, Kerself, M&C Management e Capitali, Pierrel, Reno de Medici, Realty Vailog, Saes Getters, Servizi Italia, TAS, Ternienergia.
- Intermonte SIM SpA and its subsidiaries do not hold a stake of equal to or over 1% in any class of common equity securities of the subject company.

DETAILS ON STOCK RECOMMENDATION

Stock	**B&C Speakers**		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	3.3	Previous Target (Eu):	5.10
Current Price (Eu):	2.11	Previous Price (Eu):	3.47
Date of Report:	15/05/09	Date of Last Report:	16/09/08

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website www.intermonte.it/mifid

Further information is available