



Household

INDESIT

Hold

TP: €11.25 (ordinary share)

TP: €10.60 (savings share)

Company Update

Program started : increasing price/mix, forex and marginality



- 1Q 2010 results better than expected in terms of marginality and NWC management
- Signs of stabilization in Italy and Western Europe
- Russia is still negative with a probable decreasing price/mix following favourable forex and price competition
- Increasing raw material prices should affect 2011 margins and only partially 2010
- Price/mix could reduce its conversion rate, hitting marginality

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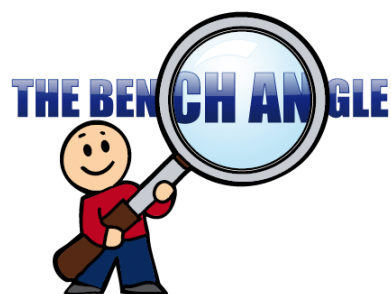
May 5, 2010

The Bench Angle

The Bench Angle is an Equity Research product which provides fundamental analysis on Italian companies stressing their relative value and position within the Industry.

The benchmark analysis is based on the comparison between the company under coverage and its main Italian and European peers.

The focus is on operating fundamentals, financial results, guidance, shareholders return and market multiples.



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Program started : increasing price/mix, forex and marginality

May 5, 2010

Indesit reported strong 1Q10 results, mainly in terms of marginality. We just fine tuned our estimates on 2010 but reduced our forecast on EBIT 2011 to include more conservative assumptions on sourcing costs and a lower price/mix conversion rate. We keep our target price unchanged at €11.25 for the ordinary shares and €10.60 for the savings shares. Our "bench angle" shows that in 2010 Indesit could be favoured by better forex exposure and price/mix, although the lack of presence into the emerging countries.

Indesit released 1Q10 results above our estimates

Indesit reported strong 1Q10 results better than we expected. Revenue increased by 1.8% thanks to a lower than projected decline in volumes and to a better price/mix. Industry shipments in the Greatern Europe (excluding Turkey) increased by 0.6% yoy, with a positive recovery in Italy (+6.7%) and Western Europe (+4.2%) despite a still weak performance of Russia (-16.4%). Eastern Europe came out with negative growth but better than expected (-3.3% yoy). Retail prices (Jan-Feb) were still very strong in UK (+9.7%) and Eastern Europe (+5.6%) while in Western Europe and Russia they were slightly negative. EBIT was positively affected by lower manufacturing, non recurring and service costs, above our forecast. Net debt was lower than we estimated mainly thanks to a better NWC management.

Fine tuning of FY2010 estimates, but steel price could hit marginality in 2011

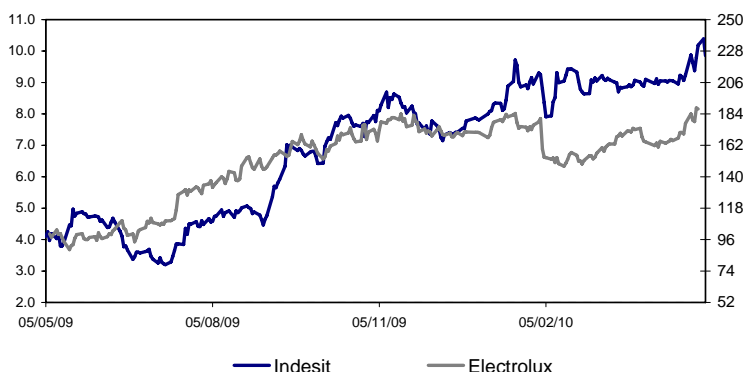
During the conference call the Company said that the worst was over. In March sales grew by 4% yoy, in April by +6%/7%, with a price/mix expected to decline during this year due to the revaluation of main currencies and to a more competitive scenario in Russia. The Russian market has not showed significant signs of recovery yet, but expectations are positive for the second part of the year. We fine tuned our forex estimates and tax rate for FY2010. On 2011 we reduced our EBIT forecast to include the recent spike of steel prices, that shouldn't impact the 2010 Profit & loss, but, if persisting, would hit margins more than expected. Net we raised our sourcing costs estimates, fine tuned our next year price/mix impact on EBIT, including the positive forex effect and the stronger price competition in the Russian area.

Electrolux results

Electrolux reported 1Q2010 results with marginality above consensus. Sales decreased by 2.7% yoy (-6.8% forex effect and +4.1% volumes and price/mix contribution) showing a strong performance of Latin America (+52% yoy). Europe, the reference market of Indesit, reported a flat performance yoy, with Western Europe growing by 1% and Eastern Europe falling by 7%. Electrolux reported higher marginality thanks to a better price/mix in US and Europe, where it gained market share in the more profitable built in segment and to lower raw material prices. Overall the demand has recovered more quickly than expected mainly in North America and Company said that 2010 could be the year to approach an operating margin of 6%.

Valuation and recommendation

We keep our target price unchanged at 11.25 € per ordinary share according to our DCF valuation (WACC 7.08%, g 1.5%), consistent with multiple valuation showing a fair 20% EV/EBITDA discount at target price. Following the strong performance of the stock from our Initiation of coverage (+12.1%) since Feb, 25th, the implicit potential upside left is 14.2% as of May the 4th. Thus we downgrade our BUY recommendation to HOLD.



Company Update		Indesit
Target price (ordinary share)		HOLD
Target price (savings share)		€11.25
price as of May 4, 2010		€9.86
price as of May 4, 2010		€8.14
Estimates Change		Yes
Rating Change		from BUY
Target price Change		No
N. of ordinary shares (mln)		113.6
N. of savings shares (mln)		0.5
Market Cap. (€ mln)		1,124.0

Performance (ord.)	1m	3m	12m
Absolute	8.3%	12.1%	131.9%
Relative to FTSE IT All Shares	18.7%	18.4%	128.0%
Max / Min (12m)		€ 10.39	€ 3.20
12m avg daily volumes			648,779

INDESIT	2009	2010E	2011E
Total revenue (€ mln)	2,613	2,788	2,929
EBITDA (€ mln)	260	298	320
EBIT (€ mln)	119	169	184
Net profit (€ mln)	34	74	90
Net debt (cash) (€ mln)	290	285	228
Adj. EPS (€)	0.30	0.65	0.79
DPS (€)	0.15	0.32	0.39
Dividend yield	1.5%	3.3%	4.0%
EV/EBITDA	3.2x	4.7x	4.4x
Adj. P/E	15.9x	15.2x	12.5x
EV/EBITDA @ target price	n.m.	5.3x	4.9x
Adj. P/E @ target price	n.m.	17.3x	14.2x

Source: Company data, Banca Profilo estimates

Consensus Target price (B-share)		Electrolux
Consensus Target price (B-share)		SEK 185.5
Consensus Target price (A-share)		SEK 188.6
price as of May 4, 2010		SEK 184.3
price as of May 4, 2010		SEK 195.0
N. of B-shares (mln)		299.86
N. of A-shares (mln)		9.06
Market Cap. (SEK mln)		57,030.93

Performance (B-share)	1m	3m	12m
Absolute	12.1%	15.5%	79.4%
Relative to DJS PR & HO	15.2%	11.5%	39.6%
Max / Min (12m)		188.80	89.00
Avg daily volumes (12 mln)			3,072,623

ELECTROLUX	2009	2010E	2011E
Total Revenue (SEK mln)	109,132	109,061	113,931
EBITDA (SEK mln)	7,203	9,356	10,081
EBIT (SEK mln)	3,761	6,109	6,784
Net profit (SEK mln)	2,607	4,286	4,890
Net debt (cash) (SEK mln)	1,038	-560	-3,396
Adj. EPS (SEK)	9.18	14.77	16.60
DPS (SEK)	4.00	5.00	6.00
Dividend yield	2.1%	2.6%	3.2%
EV/EBITDA	5.2x	6.2x	5.8x
Adj. P/E	14.1x	13.3x	11.7x
EV/EBITDA @ target price	n.m.	6.2x	5.8x
Adj. P/E @ target price	n.m.	13.4x	11.7x

Source: Company data, Factset and Bloomberg Consensus

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Indesit 1Q 2010 results

Indesit : strong results above our estimates and consensus

Indesit reported strong results in 1Q10 above our estimates and consensus in terms of marginality, while the top line has been quite in line with our expectations. Revenue come out at € 601.4 mln (or +1.8% yoy), 1p.p. above our estimates, while EBIT margin has been 2 p.p. better than expected.

Net debt increased due to seasonality reaching € 380 mln at the end of March 2010, from € 290 mln at the end of 2009.

The incidence of NWC on rolling 12M sales declined to 5.2% vs 8.7% posted a year earlier in 1Q 2009.

Table 1 : Indesit 1Q2010 results vs our estimates

Income Statement (€mln)		1Q09	1Q10	1Q10E	consensus
Revenue		590.7	601.4	595.6	602.0
	<i>yoy change</i>	-21.9%	1.8%	0.8%	1.9%
EBITDA		33.7	63.5	53.1	57.0
	<i>yoy change</i>	-56.4%	88.4%	57.6%	69.1%
	<i>EBITDA margin</i>	5.7%	10.6%	8.9%	9.5%
EBIT		1.2	35.0	23.1	27.0
	<i>yoy change</i>	-97.4%	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
	<i>EBIT margin</i>	0.2%	5.8%	3.9%	4.5%
Net income		-14.6	16.0	7.9	10.0
	<i>yoy change</i>	-167.9%	-209.6%	<i>n.m.</i>	-168.5%
	<i>Net margin</i>	-2.5%	2.7%	1.3%	1.7%
Balance Sheet (€mln)		31.03.09	31.03.10	31.03.10E	consensus
Net debt (cash)		658.5	383.0	390.4	450.0
Shareholders' Equity		400.7			
	<i>D/E</i>	1.6x			

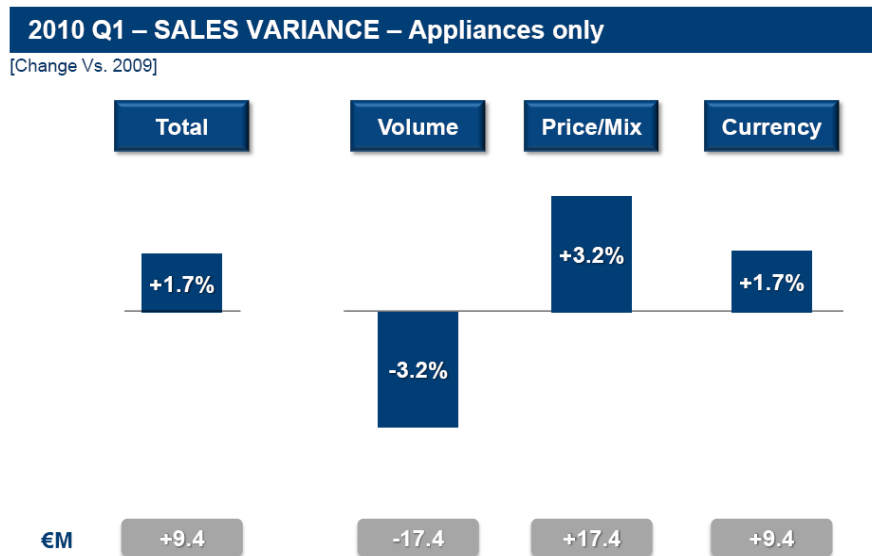
Source: Banca Profilo estimates and Company Data

Top line come out above on projections driven by higher than expected volumes in all the Countries but Russia, where the robust volumes decline persisted. Eastern Europe was also negative, but even if not as negative as expected, while Western European Countries registered a recovery in all the area but the UK .

Price/mix was still positive, mainly in UK and in the Eastern European Countries, while in Russia it decreased due to the positive forex effect and to a more competitive environment. Overall the better price/mix (+3.2%) offset completely the decline in volume (-3.2%).

Forex impacted positively the top line of the Company, with a positive effect of 1.7%.

Figure 1 : Indesit 1Q2010 top line drivers

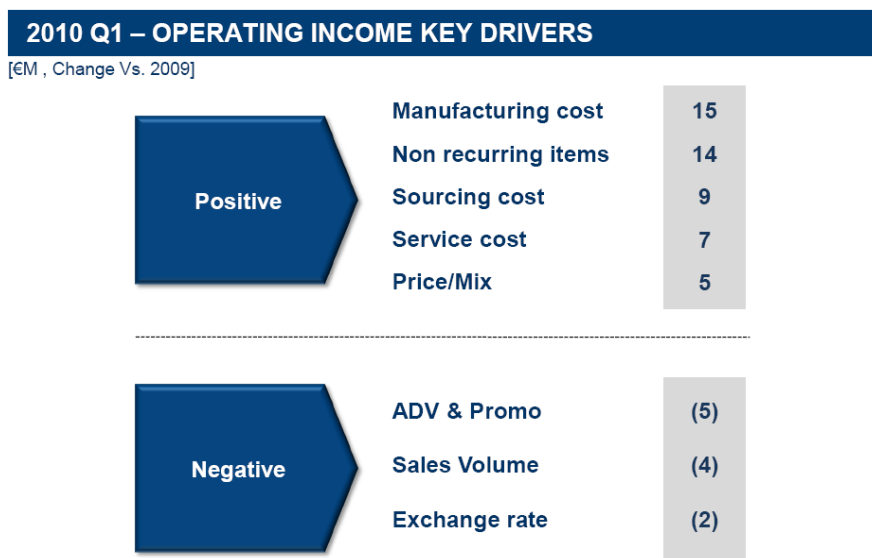


Source: Indesit presentation

EBIT

EBIT has been positively impacted mainly by declining manufacturing and sourcing costs and by the lower incidence of non recurring costs after the strong restructuring plan occurred in 2009. Price/mix conversion rate decreased to 29%, well below the 80% average in 2009, due to the lower contribution of pricing following positive forex exchange and higher price competition in Russia. Negative effects operating margins came from increasing advertising and promotional costs, lower volumes (as expected) and the negative effect of the revaluation of Polish Zloty.

Figure 2 : Indesit 1Q2010 EBIT drivers



Source: Indesit presentation

Net Debt

A very positive surprise came from net debt, that came out at € 383 mln as of March, 31st, declining from € 658 mln a year earlier. This good result must be attributable to a much lower NWC incidence on sales at 5.2% from 8.7% reported at the end of 1Q09.

Figure 3: Indesit 1Q2010 yearly free cash flow comparison

2010 Q1 – CONSOLIDATED CASH FLOW		
[€M]	2010	2009
EBITDA	63.5	33.7
NWC variance	(122.9)	(194.8)
Other operating Flow	(24.4)	(13.0)
Operating cash flow	(83.9)	(174.0)
Net CapEx	(9.2)	(10.6)
Cash Flow before financial activities	(93.1)	(184.7)
Financial operations & others	-	-
Free cash flow	(93.1)	(184.7)

Source : Indesit presentation

Comparables results

Electrolux: strong 1Q10 results above consensus

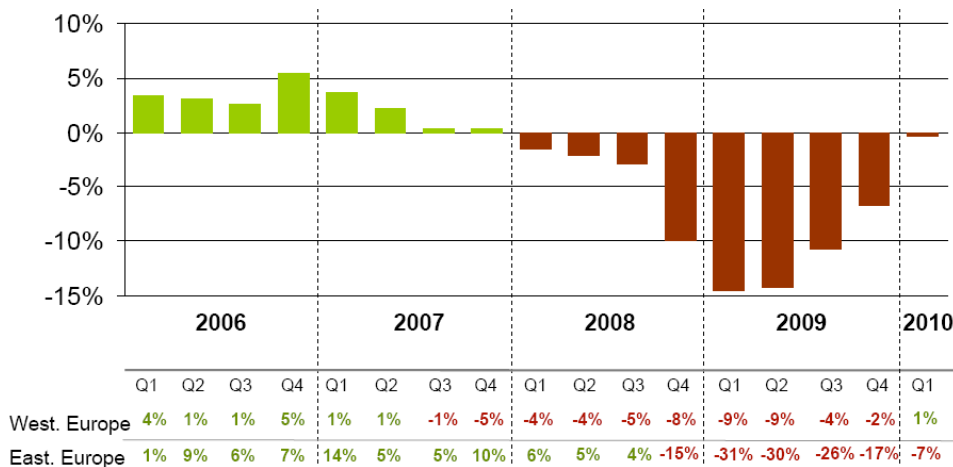
Electrolux reported a strong 1Q10 EBIT above Bloomberg and Reuters consensus (1Q10A EBIT at SEK 1,326 mln vs SEK 950 mln expected), despite the declining sales (-2.7% yoy). After the positive effect on FY09, forex impacted Company revenue in 1Q10 by -6.8% yoy, while volumes and price/mix increased by 4.1% yoy. Latin America registered the stronger performance growing by 52% yoy, with a very solid demand in Brazil.

During the presentation, the Company confirmed that the European market quite stabilized, with a still but small negative performance coming from a positive Western Europe (+1% yoy) and a negative Eastern Europe (-7% yoy).

The US market reported another growing quarter increasing by more than 5% yoy.

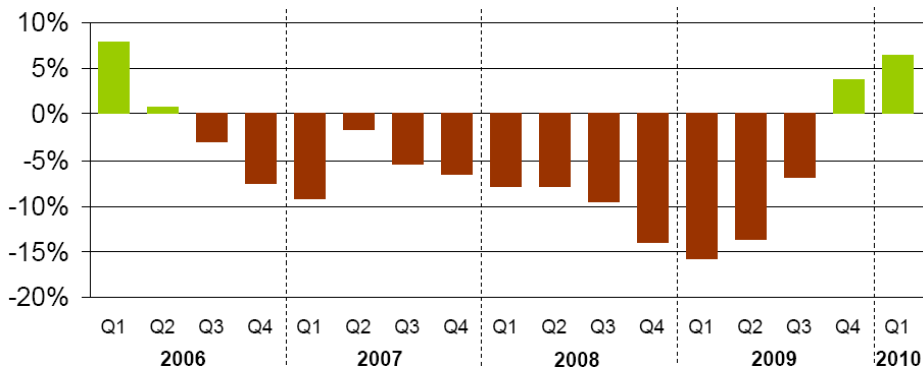
The strong EBIT improvement has been mainly driven by increased efficiency, favourable currencies and better price and mix (strengthening its position within the built in segment).

Figure 4: Quarterly comparison yoy of Industry Shipments in Europe



Source : Electrolux presentation

Figure 5: Quarterly comparison yoy of Industry Shipments in North America

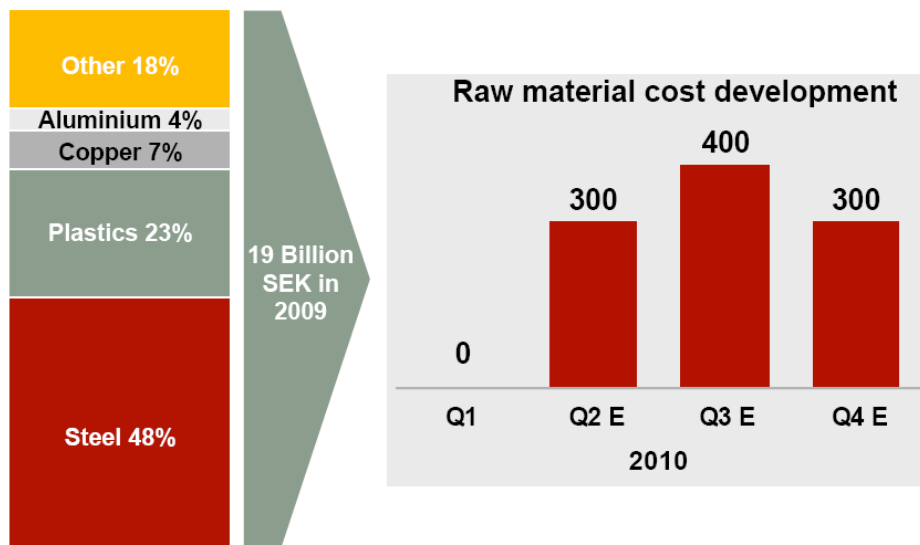


Source : Electrolux presentation

Electrolux: Warning on raw material prices from 2Q10

Company expects raw material prices to increase, for a total amount of about SEK 1 bn, mainly in the 3rd Quarter (SEK 400 mln). The strongest impact during the year should come from the increase of steel (+48% yoy) and plastics (+23% yoy), while copper and aluminium should grow by 7% and 4% yoy respectively.

Figure 6: Electrolux raw material cost increase







Source : Electrolux presentation

Whirlpool and Arcelik: positive outlook on volumes but raw material prices should increase

Whirlpool reported sales up by 20% yoy at USD 4,272 mln (vs Bloomberg and Reuters consensus at 3,800 mln) with an operating profit at USD 241 mln or +46% yoy (well above the consensus average of USD 170 mln), thanks to strong productivity, cost reduction performance and lower incidence of SG&A. As a consequence, the Company raised its FY2010 EPS guidance from USD 6.50 – 7.00 to USD 8.00 - 8.50 with a Free cash flow between USD 500 – 600 mln from previous USD 400 – 500 mln. These indications have been released following the new macroeconomic assumption raised in all the Regions but Europe.

Figure 7: Whirlpool new 2010 outlook

Region	Prior Outlook	Current Outlook
	+ 2 – 4%	+ 3 - 5%
	~ Flat	~ Flat
	+5 - 10%	~ +10%
	+3 - 5%	+5 - 8%

Source : Whirlpool presentation

Arcelik reported very strong results in the “White goods” sector (about 65% of the total sales) with a 26.7% growth driven quite totally by the Turkish market (+25.6% yoy vs a flat performance of the international activities).

Company expects the Turkish “White goods” market to grow by 6–8%, Western Europe between 0-2% and Eastern Europe (including CIS) between 2-4% yoy in 2010, with raw material prices to be higher than in 2009 on average.

New 2010 and 2011 estimates

Little adjustments on 2010

We raised slightly our estimates on 2010 following mainly forex adjustments and confirmed our expectations on volumes after the positive outlook coming from all peers and the positive 1Q10 results reported by Indesit.

We now expects volumes to increase by 3.3% yoy, with a price/mix contributing by 1.2% and a positive forex effect for about 2.1%, for a total projected increase in sales by 6.7% (vs previous +6% yoy).

We changed the composition of the price mix in some Countries to include the better forex expectations in Russia (which will impact negatively prices) and the higher competition in the area following the entrance of some Asian operators. This negative effect should be offset by a better performance in UK and in the other areas.

Table 2: Indesit FY2010 top line drivers

2010E	Volumes	Price	Forex
UK (Western Europe)	0.0%	4.5%	2.0%
Russia	4.5%	-2.0%	12.0%
Others EU (Western Europe)	5.0%	0.3%	0.0%
EEU (Eastern Europe)	3.5%	1.0%	0.0%
Others	5.0%	0.0%	0.0%
Total	3.3%	1.2%	2.1%

Source : Banca Profilo estimates

We maintain our EBIT at € 168.5 mln, considering that the improvements in forex and volumes could be offset by higher sourcing costs. In fact Indesit has already closed 85% of total supply contracts on raw materials, but the increase of steel price could impact on the remaining 15%. Finally we lowered our tax rate at 42.5% from 45% to include the better results of the 1Q2010.

2011 revenues in line with our previous estimates

Regarding 2011 we maintained our previous assumptions on volumes, but we lowered slightly our price/mix to be more conservative mainly on Russia and then on other Western European Countries following the same reasons explained before.

Table 3: Indesit FY2011 top line drivers

2011E	Volumes	Price	Forex
UK (Western Europe)	3.5%	1.1%	0.0%
Russia	6.0%	0.0%	0.0%
Others EU (Western Europe)	4.5%	0.3%	0.0%
EEU (Eastern Europe)	5.0%	0.5%	0.0%
Others	5.0%	0.0%	0.0%
Total	4.6%	0.5%	0.0%

Source : Banca Profilo estimates

Higher sourcing costs should impact 2011 EBIT

The biggest change to our previous estimates was on the EBIT 2011, following the recent strong increase of steel price. Indesit has closed quite all the sourcing contracts on steel for the current year, but the impact of increasing raw material prices should be just delayed to the next year. We raised sourcing costs by € 10 mln to be more conservative and we lowered our positive contribution for volumes and price/mix following the indication given during the conference of a lower conversation ratio of these drivers.

Overall we lowered our FY2010 EBIT to € 183.6 mln from € 201.0 mln or -8%.

We kept flat the FY2010 tax rate.

Table 4: Indesit FY2011 EBIT drivers

EFFECT	€mln
Product Quality	12
Advertising & Promotion	-20
SG&A	-5
Price/Mix	2
Manufacturing Costs	20
Exchange Rate	0
Sales Volume	27
Sourcing Costs	-30
Delta Non Recurring Costs	10

Source : Banca Profilo estimates

Table 5: Our new estimates vs previous and consensus

Income Statement (€m)		FY2010E	FY2010E	consensus	+/- Δ	FY2011E	FY2011E	consensus	+/- Δ
		Old	New	2010		Old	New	2011	
Revenue		2,767.7	2,788.0	2,760.0	1.0%	21,915.0	2,928.9	2,900.0	1.0%
	yoy change	6.0%	6.7%	5.7%		5.3%	5.1%	5.1%	
EBITDA		298.1	298.5	295.0	1.2%	337.4	320.0	314.0	1.9%
	yoy change	20.6%	20.8%	19.3%		13.2%	7.2%	6.4%	
	EBITDA margin	10.8%	10.7%	10.7%		11.6%	10.9%	10.8%	
EBIT		168.1	168.5	165.0	2.1%	201.0	183.6	182.0	0.9%
	yoy change	52.6%	53.0%	49.8%		19.6%	9.0%	10.3%	
	EBIT margin	6.1%	6.0%	6.0%		6.9%	6.3%	6.3%	
Net income		69.9	73.2	74.0	-1.1%	97.8	88.9	89.0	-0.1%
	yoy change	309.0%	328.2%	332.7%		39.8%	21.5%	20.3%	
	Net margin	2.5%	2.6%	2.7%		3.4%	3.0%	3.1%	
Balance Sheet (€m)		FY2010E	FY2010E	consensus	+/- Δ	FY2011E	FY2011E	consensus	+/- Δ
		Old	New	2010		Old	New	2011	
Net debt (cash)		268.4	284.5	260.0	9.4%	235.2	227.9	195.0	16.9%
Shareholders' Equity		508.3	467.9			570.6	520.9		
	D/E	0.5x	0.6x			0.4x	0.4x		

Source : Banca Profilo estimates

Valuation

Target Price confirmed at € 11.25 per ordinary share

We confirm our target price at € 11.25 per ordinary share. We lowered our 2011 EBIT estimates by 8% to include more conservative assumptions on sourcing costs and a lower price/mix conversion rate following the forex trend and the stronger competition in Russia. These negative effects are however offset by better assumptions on NWC management after the positive results and indications coming from 1Q2010.

Our valuation based on the DCF model (WACC 7.08%, g 1.5%) is supported by current market multiples: Indesit EV/EBITDA 2010-2011 at our target price is respectively 5.3x and 4.9x, showing a 20% discount on its best peers. We consider this discount as fair, since the market prizes bigger Companies most exposed to Emerging markets.

Finally it's important to note that the discount vs other peers EV/EBITDA 2010 and 2011 has increased from 17.8% (our Initiation of Coverage as of Feb, 25th) to 24.6% as of today.



Indesit's ID Card

Recommendation

Target Price Ord.

Upside

Hold

11.25 €

14.2%

Company Description

Indesit Company operates in the "White Goods" market, with 3 different product lines: Cooling (refrigerators and freezers), Washing & Drying (dishwashers, washer dryers...) and Cooking (cookers, hobs and ovens).

The Company is present mainly in Western Europe (with 95% of Group's sales as of Dec, 31st 2009), in all the principal markets: as of FY09 Indesit produces its revenue for 17.6% in Italy, for 27.5% in UK and Ireland and for 21.4% in other Western European markets such as France and Spain. In Eastern Europe Company operates in the Russian market for 14.2% and for 14.4% in other Eastern European Countries.

As of FY08 Indesit has gained a 14% market share (at volumes) in the Greatern Europe, behind Bosh-Siemens and ahead Electrolux, Whirlpool and Arcelik, with a leadership position in many domestic markets as Italy, UK and Russia.

SWOT analysis

Strenghts

- Strong positioning in Europe
- Very flexible cost structure
- Strong brand, and increasing prices
- Higher marginality vs comparables

Weaknesses

- Decreasing and very cyclic market
- Well positioned in the Eastern Europe, that has been impacted the most by the crisis
- No exposition to the emerging Countries except for Russia

Opportunities

- Lower raw material prices due to new contract to sign in the next future
- Positive impact from currencies, mainly GBP and Ruble
- Recovery of the Eastern European Countries, mainly Russia, which is very volatile and could report a fast rebound

Threats

- Further decline of the Eastern European market
- Raw material prices increase (mainly steel)
- Further depreciation of GBP, Ruble and other currencies
- Depreciation of €/PLN, with negative impact on marginality

Main catalysts

- Decreasing raw material prices incorporated in 2010 contracts
- Stabilization of Western European market, with volumes recovery thanks to some restocking in the distribution and a slightly positive demand
- Better forex exchange rates in UK and Russia
- Recovery of the Eastern European Countries, mainly Russia, which is very volatile and could report a fast rebound
- Further cost cutting strategy with margins improvements

Main risks

- Raw material prices increase (mainly steel) could impact FY 2011 EBIT, while the contracts for 2010 have been closed for 85%
- Further weakness of Eastern Europe and lower price/mix in Russia following more competitive environment
- Macroeconomic scenario worsening due to Countries' crisis (as Greece)
- Lower macroeconomic estimates on new home sales and European consumer expending
- Depreciation of €/PLN with a negative impact on marginality

Next events

- 19/07/2010 - Electrolux's Board of Directors to approve 1H 2010 results
- 29/07/2010 - Indesit's Board of Directors to approve 1H 2010 results



Indesit's ID Card

Recommendation

Hold

Target Price Ord.

11.25 €

Upside

14.2%

Main Financials

(€ mln)	2007	2008	2009	2010E	2011E
Revenue	3,437.8	3,154.9	2,613.0	2,788.0	2,928.9
yoy change		-8.2%	-17.2%	6.7%	5.1%
EBITDA	333.3	270.5	259.5	298.5	320.0
yoy change		-18.8%	-4.1%	15.0%	7.2%
Margin	9.7%	8.6%	9.9%	10.7%	10.9%
EBIT	192.2	140.5	118.6	168.5	183.6
yoy change		-26.9%	-15.6%	42.1%	9.0%
Margin	5.6%	4.5%	4.5%	6.0%	6.3%
EBT	166.3	94.8	66.8	127.2	148.1
yoy change		-43.0%	-29.5%	90.5%	16.4%
Margin	4.8%	3.0%	2.6%	4.6%	5.1%
Net Income	105.3	55.5	34.5	73.9	89.8
yoy change		-47.3%	-37.8%	114.3%	21.5%
Net Debt	331.2	473.8	290.2	284.5	227.9
Shareholders Equity	577.8	420.1	466.7	467.9	520.9
Capex	96.7	136.1	60.5	111.9	129.8
Free Cash Flow	168.3	70.4	171.5	78.1	93.6

Top Line Drivers

	2008*	2009	2010E	2011E
Volumes	-5.8%	-17.2%	3.3%	4.6%
Price / Mix	1.8%	4.5%	1.1%	0.5%
Forex	-3.8%	-5.5%	2.1%	0.0%
Total	-7.8%	-18.3%	6.7%	5.1%

* 2008 variations refers to 2007 restated

Company Guidance

	2009	2010
Revenue	around 2.6 € bln	
EBIT	around 90 € mln	
Net Debt	450 - 400 € mln	
Volumes	n.a.	

Shareholders Remuneration

	2007	2008	2009	2010E	2011E
EPS (€)	0.93	0.49	0.30	0.65	0.79
DPS (€)	0.46	0.00	0.15	0.32	0.39
Payout Ratio	49.8%	0.0%	49.7%	49.8%	49.8%
Dividends (€ mln)	52.5	0.0	17.1	36.9	44.8
Dividend Yield	4.7%	0.0%	1.5%	3.3%	4.0%

Solvability Ratios

	2007	2008	2009	2010E	2011E
Net Debt / EBITDA	1.0x	1.8x	1.1x	1.0x	0.7x
Net Debt / Equity	0.6x	1.1x	0.6x	0.6x	0.4x
EBIT / Interests	6.4x	3.1x	2.3x	4.1x	5.2x
Net Debt / NIC	36.4%	53.0%	38.3%	37.8%	30.4%

Financials & Operative Ratios

	2007	2008	2009	2010E	2011E
ROIC	20.4%	15.5%	14.3%	22.3%	24.4%
ROE	18.6%	11.1%	7.7%	15.8%	18.1%
NWC to revenue	-0.6%	0.5%	-4.6%	-4.0%	-3.9%
D&A to capex	1.5x	56.5x	1.5x	1.2x	1.1x

Revenue Breakdown - by Geographical Area

	2009	2010E	2011E
UK		28%	27%
Western Europe		38%	39%
CIS and Eastern Europe		30%	30%
Other Countries		5%	5%

Company Description

Company sector	White Goods		
Current Price Ord / Sav (€)	9.86 / 8.14	Discount	-17.5%
Number of shares Ord / Sav (mln)	113.63 / 0.51		
Market Cap (€ mln)	1,124.0		
Reference Index	FTSE IT All Shares		
Main Shareholder	Merloni Vittorio		
Main Shareholder Stake	41.85%		
Free Float	29.69%		
Daily Average Volumes Ord / Sav	632,813 / 3,198		
Best comparable	Electrolux		

Stock Performance

	ord.	sav.	IND ord. vs ITLMS
1 Day	-5.1%	-3.7%	-0.7%
1 Week	2.4%	0.4%	8.4%
1 Month	8.3%	0.5%	18.7%
6 Month	21.6%	3.8%	29.4%
YTD	8.7%	0.5%	16.5%
1 Year	131.9%	16.2%	128.0%

Multiples Asset Side

	2007	2008	2009	2010E	2011E
EV / Sales	0.6x	0.4x	0.3x	0.5x	0.5x
EV / EBITDA	6.0x	4.9x	3.2x	4.7x	4.4x
EV / EBIT	10.4x	9.4x	7.1x	8.4x	7.7x
EV / EBITDA @ target	n.a.	n.a.	6.0x	5.3x	4.9x
EV / EBIT @ target	n.a.	n.a.	13.2x	9.3x	8.5x

Comparables EV / EBITDA

	2009	2010E	2011E
Arcelik	3.8x	6.9x	6.6x
Electrolux	5.2x	6.2x	5.8x
Whirlpool	4.6x	6.4x	5.6x
Average	4.5x	6.5x	6.0x

Multiples Equity Side

	2007	2008	2009	2010E	2011E
P / E	15.7x	15.1x	15.9x	15.2x	12.5x
P/BV	2.9x	2.0x	1.2x	2.4x	2.2x
P/FCF	9.8x	11.9x	3.2x	14.4x	12.0x
PEG	n.a.	n.a.	0.3x	0.2x	0.2x
P / E @ target	n.a.	n.a.	37.1x	17.3x	14.2x

Comparables P / E

	2009	2010E	2011E
Arcelik	4.1x	9.8x	9.2x
Electrolux	14.1x	13.3x	11.7x
Whirlpool	11.7x	12.2x	12.0x
Average	10.0x	11.8x	10.9x

Comparables Revenues Growth

	2009	2010E	2011E
Arcelik	-2.7%	9.2%	9.5%
Electrolux	4.1%	-0.1%	4.5%
Whirlpool	-9.6%	7.1%	4.1%
Average	-2.7%	5.4%	6.0%

Comparables EBITDA Margin

	2009	2010E	2011E
Arcelik	13.3%	11.4%	10.9%
Electrolux	6.6%	8.6%	8.8%
Whirlpool	7.1%	8.5%	9.3%
Average	9.0%	9.5%	9.7%

Source : Company Data, Banca Profilo estimates, Thomson Reuters consensus

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