

**BE (BUY):**

**News** Be announced the closure of the pre-emptive rights offer announced in July 2012, earlier than the 31 December 2013 term. The share capital increase entailed the subscription to all the 65,719,176 shares offered at a price of EUR 0.19/share (of which EUR 0.10/share to add to the share capital) for a total counter value of around EUR 12.5M. After the capital increase the total number of shares relating to the company amounts to approx. 134.9M, without nominal value.

**Our view: We have a BUY rating and a EUR 0.33/share target price.**

**Capital Increase Results**

Key data			
Sector	IT & Technology		
Target price (EUR)	0.33		
Rating	BUY		
Mkt price (EUR)	0.23		
Mkt cap (EUR M)	29		
Ratios (x)	2012A	2013E	2014E
P/E	23.35	21.10	8.85
EV/sales	0.64	0.65	0.60
EV/EBITDA	5.13	5.07	3.80
Performance (%)	1M	3M	12M
Absolute	6.70	-9.85	19.18
Rel. to FTSE It. All	5.83	-9.62	7.74

Source: Intesa Sanpaolo Research estimates and Thomson Reuters

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**Valuation methodology (long-term horizon: 12M)**

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based

models (for example PE, P/EV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (i.e. holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

### Equity rating key: (long-term horizon: 12M)

In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

Equity rating key (long-term horizon: 12M)	
Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances, including when Intesa Sanpaolo is acting in an advisory capacity in a merger or strategic transaction involving the company.
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

### Equity rating allocations (long-term horizon: 12M)

Intesa Sanpaolo Research Rating Distribution (at August 2013)					
Number of companies covered: 93	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage %	27	32	37	2	2
of which Intesa Sanpaolo's Clients % (*)	56	50	56	-	50

(\*) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

### Valuation methodology (short-term horizon: 3M)

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The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

### Equity rating key (short-term horizon: 3M)

Equity rating key (short-term horizon: 3M)	
Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

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