

prices as of April 18th, 2012

RENO DE MEDICI

1st Quarterly Preview

Price: Eu 0.13 - Target: Eu 0.21 - Recommendation: NEUTRAL

Results out: May 4th
 Expected Newsflow from Results: NEUTRAL
 Our Estimates vs. Consensus: n.a.

Key Issue on Results: We expect sales to reach Eu131.1mn in 1Q12, -5.0% YoY and +16.8% QoQ. Volumes sold should come to 230,000 tons, -4.6% YoY and +13.3% QoQ as the destocking effect should have ended in 4Q11. We forecast an average sales price of Eu570 per ton, -0.5% YoY and +3.1% QoQ, as pressure on raw material and energy costs is unlikely to have eased yet. We estimate EBITDA will decrease 36% YoY to Eu7.1mn, or 5.4% of sales due to lower volumes (down compared to 8.1% in 1Q11 but up compared to 4.7% in 4Q11). The company should report a net loss of Eu1.2mn; the net financial position is expected to be basically unchanged at Eu88mn (from Eu86.6mn at December 2011).

Action on the Stock: We confirm our NEUTRAL view as visibility on demand is low and raw material and energy prices remain highly volatile, putting the company's profitability at risk. The comparison base is also tough in 1H and will only ease as of 2H.

Jacopo Tagliaferri +39-02-77115.230 e-mail: jacopo.tagliaferri@intermonte.it

(Eu mn)	1Q11A	1Q12E	2011A	2012E	2013E
SALES	138	131	507	507	527
YoY change (%)	20%	-5%	1%	0%	4%
EBITDA	11	7.1	30	37	41
YoY change (%)	57%	-36%	-25%	23%	12%
EBIT	4.7	0.3	2.2	10	14
YoY change (%)	1253%	-93%	-82%	347%	46%
Pretax Profit	3.1	-1.5	-6.3	2.6	8.2
YoY change (%)	292%	-150%	-227%	141%	215%
Net Profit	2.0	-1.2	-2.5	1.6	4.6
YoY change (%)	197%	-157%	-280%	166%	179%
Net Financial Position	-99	-88	-87	-83	-73
EPS adj			-0.01	0.00	0.01
DVPS			0.00	0.00	0.00
P/E			nm	30.1	10.8
EV/Ebitda			4.5	3.6	3.0

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