

Mondo TV

9M11A Results

Mondo TV - Key estimates and data					
Y/E December		2010A	2011E	2012E	2013E
Revenues	EUR M	16.50	20.25	22.65	24.45
EBITDA	EUR M	4.13	9.45	10.84	11.86
EBIT	EUR M	0.36	1.64	3.46	4.41
Net income	EUR M	0.35	0.76	1.65	2.34
Dividend ord.	EUR	0.00	0.20	0.38	0.50
Adj. EPS	EUR	0.08	0.17	0.38	0.53
EV/EBITDA	x	5.98	2.61	2.08	1.84
Adj. P/E	x	36.78	17.16	7.88	5.55

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

- 9M11A results.** Mondo TV reported results generally in line with our estimates, both at top line and profitability levels. In detail, the company reported a value of production at EUR 15.3M (+72.4% vs. EUR 8.9M in 9M10), thanks to the positive contribution of the French productions. EBITDA came in at EUR 7.5M (vs. EUR 0.6M in 9M10), with an EBITDA margin at 44.8%. EBIT stood at EUR 1M (vs. EUR -0.8M in 9M10), with an EBIT margin at 6.6% and the company closed the period with a bottom line at EUR 0.2M (vs. EUR -0.8M in 9M10). NFP was EUR 13.3M, in line with EUR 13.6M in 1H11 and vs. EUR 11.7M at end-2010, as a result of the investments in cartoon co-productions.
- Capital increase at around March.** At the beginning of November, Mondo TV announced a capital increase designed for all the current shareholders. The operation should be launched around March, for an amount of around EUR 9-10M. We highlight that, out of this amount, EUR 5.6M will derive from the conversion of credits already made by the Corradi family. The operation is aimed at significantly reducing the company's debt and creating the resources to implement new co-productions and new marketing/commercial activities.
- 2011E-13E estimates revision.** Despite the substantial importance of agreements and the company's existing co-productions, our main concern regards the uncertainties in respect of the sales of the old library and the licensing and merchandising revenues, following a possible further slowdown of consumer spending. As a consequence, we revised downward our expectations on the FY11E top line, including a more conservative assumption on licensing revenues from toys and gadgets during the Christmas season and lower sales from the old library. We forecast a value of production of EUR 20.3M (vs. the previous EUR 24.8M); we believe that the company is able to contain costs, while maintaining an EBITDA margin at 46.7%. Given the lower sales, we now forecast a net profit of EUR 0.8M. For 2012E-13E, we still assume a more conservative stance on Mondo TV sales of its old library and for the licensing channel. We therefore expect 2012E revenues of EUR 22.7M (+12% yoy), from our previous EUR 29M and in 2013E at EUR 24.5M (+8%), from our previous EUR 30.5M. We forecast a 2012E EBITDA at EUR 10.8M, with an EBITDA margin at 47.8% and a net profit at EUR 1.7M (vs. EUR 3.2M previously).
- Valuation.** Following our 2011E-13E estimates revision and our more conservative approach, our DCF analysis points to a **new target price of EUR 3.85/share (from EUR 8.20/share)**, and we confirm our **BUY recommendation** on the stock.
- Key risks.** In our view, the main risks are the revenue trend for the new TV series and the old library, as the major broadcasters' budgets are shrinking. Furthermore, we have limited visibility on international expansion. Licensing does not account for a significant part of our revenue estimates (14% in 2012E), but has a substantial effect on EBITDA (30% on 2012E).

See page 5 for full disclosures and analyst certification

Banca IMI is Specialist to Mondo TV

12 December 2011

BUY

Target Price: EUR 3.85
(from EUR 8.20)

Media
Company Update

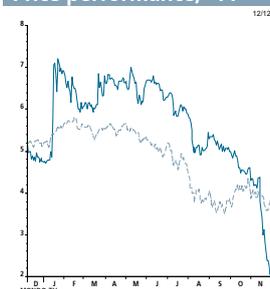
Intesa Sanpaolo
Research Department

Serena Polini, CIIA
Research Analyst
+39 02 8794 9821

Corporate Broking Team

Alberto Francese
Marta Caprini
Serena Polini

Price performance, -1Y



Source: Thomson Reuters

Data priced on 09.12.2011

Target price (€)	3.85		
Target upside (%)	30.24		
Market price (€)	2.96		
52-week range (€)	7.2/2.1		
Market cap (€M)	13.02		
No. of shares (M)	4.40		
Free float (%)	36.03		
Major shareholder	Corradi O.,		
(%)	56.9		
Reuters	MTV.MI		
Bloomberg	MTV IM		
FTSE It All Shares	16229		
Performance %			
	Absolute	Rel. to FTSE All Sh	
-1M	-28.3	-1M	-30.5
-3M	-43.0	-3M	-51.8
-12M	-43.0	-12M	-19.5

Source: Intesa Sanpaolo Research estimates and Thomson Reuters

Banca IMI distributes this report issued by

INTESA  SANPAOLO

9M11A Results

Mondo TV reported results generally in line with our estimates, both at the top line and profitability levels. In detail, the company reported a value of production at EUR 15.3M (+72.4% vs. EUR 8.9M in 9M10), thanks to the positive contribution of the French productions.

Value of production +72%

EBITDA came in at EUR 7.5M (vs. EUR 0.6M in 9M10), with an EBITDA margin at 48.8%. EBIT stood at EUR 1M (vs. EUR -0.8M in 9M10), with an EBIT margin at 6.6% and the company closed the period with a bottom line at EUR 0.2M (vs. EUR -0.8M in 9M10).

EBITDA at EUR 7.5M

Mondo TV – 9M11A results				
EUR M	9M11E	9M11A	9M10A	% chg.
Value of production	16.05	15.33	8.88	72.4
EBITDA	7.95	7.48	0.58	NM
EBITDA margin %	49.52	48.77	6.56	
EBIT	1.18	1.00	-0.84	NM
EBIT margin %	7.37	6.55	-9.40	
Pre-tax profit	0.70	0.39	-1.18	NM
Net Income	0.37	0.21	-0.83	NM

NM: not meaningful; Source: Company data and Intesa Sanpaolo Research estimates

The NFP was EUR 13.3M, in line with EUR 13.6M in 1H11 and vs. EUR 11.7M at end-2010, as a result of the investments in cartoon co-productions. We highlight our view that the bulk of the FY11E results should be concentrated in 4Q11, as revenues from licensing should be concentrated in the Christmas period and the most important co-productions were delivered in 4Q10. Notwithstanding, we have some concerns on the toys/gadgets sales during this Christmas season, which could show some downturns.

NFP at EUR 13.3M

Outlook

In FY11E, we expect a positive performance from the new library, and from co-productions (the second series of Angels' Friends, broadcasting throughout Europe and Asia of Puppy in my Pocket, Monsters & Pirates and Virus Attack); the French subsidiary, with the series Sherlock Yack and Lulu Vroumette and MTV Spain; in addition, in 2011E the company should register the first important revenues from the licensing channel, particularly from the "Puppy in my pocket" toys and gadgets, that registered positive audience results. In particular, this cartoon series registered positive audience results in France, on Boomerang (Turner) and Gully (Lagardère Group) channels, where the series reached an approx. 15% share. There was also a positive performance in the UK, where it exceeded a 5% share.

2011 outlook

Also for the coming years, the drivers of co-productions and licensing agreements should allow the company to register a positive growth path. In particular, the company expects to achieve licensing and merchandising contracts on "Puppy in my Pocket" in the most important European countries in 2012. In addition, we highlight that in September Mondo TV signed a preliminary understanding with Giochi Preziosi for the co-production and distribution of a new 3D animated series of "Gormiti, which is expected to be completed by autumn 2012. As a consequence, in 2013E we expect a substantial contribution from the merchandising and licensing activities. We also highlight that for 2012 the company has signed a preliminary agreement with Suk Srl for the co-production of a new series of "Virus Attack", starting in autumn 2012.

Positive expectations for 2012E-13E

Despite the substantial importance of actual agreements and the company's existing co-productions, our main concerns are the uncertainties regarding both the sales of the old library and the licensing and merchandising revenues as:

Main concerns

- The decline in advertising spending could limit TV operators' budgets and could therefore put the company's old library sales at risk;

- The licensing and merchandising revenues could be heavily hit by the negative current economic scenario (i.e. according to Intesa Sanpaolo estimates, in 2012E GDP is expected to slow down -0.3% yoy and, in particular, consumer spending -0.5% yoy).

At the beginning of November, Mondo TV announced a capital increase designed for all the current shareholders; further details of the operation will be published in the next few months. The capital increase should be launched around March, for a total of EUR 9-10M. We highlight that, out of this amount, EUR 5.6M will derive from the conversion of credits already made by the Corradi family (Giuliana Bertozzi and Orlando Corradi). The operation is aimed at significantly reducing the company's debt and creating the resources to implement new co-productions and new marketing/commercial activities. We have not included the projected capital increase in our estimates, as we await further details of the operation.

Capital increase

Following our concerns about consumer spending attitudes and a possible TV broadcasters' cut, we revised downwards our expectation of the FY11E top line, including a more conservative assumption on licensing revenues from toys and gadgets during the Christmas season and lower sales from the old library. We therefore expect a value of production of EUR 20.3M (vs. the previous EUR 24.8M; we believe that the company is able to contain costs, while maintaining an EBITDA margin at 46.7%. Given the lower sales, we now forecast a net profit at EUR 0.8M.

2011E estimates revision

For 2012E-13E, we still assume a more conservative stance on Mondo TV sales of the old library and for the licensing channel. We therefore expect 2012E revenues at EUR 22.7M (+12% yoy), from our previous EUR 29M and at EUR 24.5M (+8%) in 2013E, from our previous EUR 30.5M. We forecast an EBITDA of EUR 10.8M in 2012E, with an EBITDA margin at 47.8% and a net profit at EUR 1.7M (vs. the previous EUR 3.2M).

2012E-13E estimates revision

On the other hand, we highlight that the licensing/merchandising channel is the most uncertain source of income, but also the most powerful revenue driver if one or more of the co-produced animated series becomes very popular and attractive also for the gadgets market (i.e. Puppy in my Pocket, Dinofroz and Gormiti). In addition, we highlight that revenues from the licensing channel have no correlated costs, already expensed with the co-production budget; as such, licensing revenues enter directly into the EBITDA line.

Licensing revenues

Our 2011E-13E estimates revision is shown in the table below:

Mondo TV – 2011E-13E estimates revision						
EUR M	2011E New	2011E Old	2012E New	2012E Old	2013E New	2013E Old
Revenues	20.25	24.8	22.7	29.0	24.5	30.5
EBITDA	9.45	11.7	10.8	14.0	11.9	14.9
EBITDA margin %	46.67	47.1	47.8	48.5	48.5	48.8
EBIT	1.64	2.4	3.5	5.1	4.4	5.9
EBIT margin %	8.10	9.6	15.3	17.7	18.0	19.3
Pre-tax profit	1.04	1.8	2.8	4.6	3.9	5.6
Net profit	0.76	1.3	1.7	3.2	2.3	3.9

Source: Company data and Intesa Sanpaolo Research estimates

Valuation

We value Mondo TV with a DCF model, to better capture the company's profitability recovery path and the long-term prospects. Our model incorporates the following assumptions:

- Our revised earnings estimates to 2013E;
- For the WACC calculations, we consider a risk-free rate of 4.75%, a risk premium of 5.75%, a Beta of 1.1 (Source: Bloomberg). At the end of the forecast period, we assume a 30% gearing;
- Following our more conservative stance, we introduce a 0% terminal value growth (vs. the previous 2%).

We show our WACC calculations in the table below.

Mondo TV – WACC calculations	
Risk-free rate %	4.75
Risk premium %	5.75
Beta (x)	1.1
Cost of equity %	10.8
Tax shielded cost of debt %	5.1
Financial structure (D/E+D)	30.3
WACC %	9.1

Source: Intesa Sanpaolo Research estimates and Bloomberg

Following our 2011E-13E estimates revision, the table below summarises our DCF model.

Mondo TV – DCF model (2011E-12E)				
EUR M	2011E	2012E	2013E	TV
EBIT	1.6	3.5	4.4	4.9
EBIT margin %	8.1	15.3	18.0	19.9
Taxes	-0.3	-1.1	-1.6	-1.6
NOPAT	1.4	2.4	2.8	3.2
D&A	7.8	7.4	7.5	7.0
Change in working capital	-6.1	0.5	-0.4	0.0
Operating cash flow	3.1	10.3	9.9	10.2
Capital spending	-6.8	-7.0	-7.0	-7.0
Free cash flow	-3.7	3.3	2.9	3.2

Source: Intesa Sanpaolo Research estimates

Following our estimates revision, our DCF model delivers a **target price of EUR 3.85/share** (from the previous EUR 8.20/share), indicating a 30% upside potential with respect to the current price. **We therefore confirm our BUY rating on the stock.**

Mondo TV – DCF valuation	
Perpetuity growth rate (%)	0.0
Terminal value	35.6
Present value of terminal value	27.5
Present value of OpCF	1.7
EV	29.1
Net financial position 10	-11.7
Severance provisions 10	-0.5
Equity Value	17.0
N. shares (M)	4.4
Fair value (EUR)	3.85

Source: Intesa Sanpaolo Research estimates

Mondo TV - Key figures					
Sector	Media	Mkt price EUR/Share	Ordinary		Rating
REUTERS CODE	MTV.MI	Target price EUR/Share	2.96		BUY
Values per share (EUR)	2009A	2010A	2011E	2012E	2013E
No. ordinary shares (M)	4.40	4.40	4.40	4.40	4.40
No. NC saving/preferred shares (M)	-	-	1.00	1.00	1.00
Total no. of shares (M)	4.40	4.40	4.40	4.40	4.40
Adj. EPS	0.07	0.08	0.17	0.38	0.53
CFPS	0.90	0.94	1.83	2.05	2.22
BVPS	4.30	4.26	4.43	5.01	5.16
Dividend Ord	-	-	0.20	0.38	0.50
Dividend SAV Nc	-	-	-	-	-
Income statement (EUR M)	2009A	2010A	2011E	2012E	2013E
Sales	10.28	16.50	20.25	22.65	24.45
EBITDA	2.16	4.13	9.45	10.84	11.86
EBIT	-0.80	0.36	1.64	3.46	4.41
Pre-tax income	1.20	-0.17	1.04	2.76	3.91
Net income	1.02	0.35	0.76	1.65	2.34
Adj. net income	0.29	0.35	0.76	1.65	2.34
Cash flow (EUR M)	2009A	2010A	2011E	2012E	2013E
Net income before minorities	0.73	-0.18	0.76	1.65	2.34
Depreciation and provisions	2.96	3.77	7.31	7.38	7.45
Change in working capital	6.32	-6.90	-2.23	0.95	-0.46
Operating cash flow	10.01	-3.31	5.84	9.98	9.34
Capital expenditure	10.16	-3.12	-6.80	-7.00	-7.00
Other (uses of Funds)	0.91	0.55	-	-	-
Free cash flow	21.08	-5.87	-0.96	2.98	2.34
Dividends and equity changes	-	-	-	-0.88	-1.67
Net cash flow	21.08	-5.87	-0.96	2.10	0.66
Balance sheet (EUR M)	2009A	2010A	2011E	2012E	2013E
Net capital employed	25.52	31.65	33.90	32.57	32.58
of which associates	-	-	1.00	1.00	1.00
Net debt/-cash	5.90	11.67	12.63	10.52	9.86
Minorities	0.68	1.21	1.75	1.75	1.75
Net equity	18.94	18.77	19.53	22.04	22.71
Market cap	13.02	13.02	13.02	13.02	13.02
Minorities value	-	-	-	-	-
Enterprise value (*)	18.92	24.69	24.65	22.54	21.88
Stock market ratios (x)	2009A	2010A	2011E	2012E	2013E
Adj. P/E	44.74	36.78	17.16	7.88	5.55
P/CEPS	3.27	3.16	1.61	1.44	1.33
P/BVPS	0.69	0.69	0.67	0.59	0.57
Dividend yield (% ord)	-	-	6.77	12.86	16.91
EV/sales	1.84	1.50	1.22	1.00	0.89
EV/EBITDA	8.74	5.98	2.61	2.08	1.84
EV/EBIT	-23.64	68.19	15.02	6.52	4.96
EV/CE	0.74	0.78	0.73	0.69	0.67
D/EBITDA	2.73	2.82	1.34	0.97	0.83
D/EBIT	-7.37	32.23	7.70	3.05	2.24
Profitability & financial ratios (%)	2009A	2010A	2011E	2012E	2013E
EBITDA margin	21.04	25.03	46.67	47.84	48.51
EBIT margin	-7.78	2.19	8.10	15.25	18.03
Tax rate	39.75	-7.83	27.12	40.00	40.00
Net income margin	9.92	2.15	3.75	7.30	9.59
ROE	5.38	1.89	3.88	7.50	10.32
Debt/equity ratio	0.30	0.58	0.59	0.44	0.40
Growth (%)		2010A	2011E	2012E	2013E
Sales		60.46	22.73	11.85	7.95
EBITDA		90.86	128.81	14.67	9.46
EBIT		145.24	353.26	110.58	27.57
Pre-tax income		-113.78	726.99	164.72	41.83
Adj. net income		21.66	114.28	117.93	41.83

(*) EV = Mkt cap+ Net Debt + Minorities Value - Associates A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Disclaimer

Analyst certification

The financial analyst who prepared this report, and whose name and role appear on the first page, certifies that:

(1) The views expressed on companies mentioned herein accurately reflect independent, fair and balanced personal views; (2) No direct or indirect compensation has been or will be received in exchange for any views expressed.

Specific disclosures

1. Neither the analyst nor any member of the analyst's household has a financial interest in the securities of the Company.
2. Neither the analyst nor any member of the analyst's household serves as an officer, director or advisory board member of the Company.
3. The analyst named in the document is a member of AIAF.
4. The analyst named in this document is not registered with or qualified by FINRA, the U.S. regulatory body with oversight over Banca IMI Securities Corp. Accordingly, the analyst may not be subject to NASD Rule 2711 and NYSE Rule 472 with respect to communicates with a subject company, public appearances and trading securities in a personal account. For additional information, please contact the Compliance Department of Banca IMI Securities Corp at 212-326-1133.
5. The analyst of this report does not receive bonuses, salaries, or any other form of compensation that is based upon specific investment banking transactions.
6. The research department supervisors do not have a financial interest in the securities of the Company.

This research has been prepared by Intesa Sanpaolo SpA and distributed by Banca IMI SpA Milan, Banca IMI SpA-London Branch (a member of the London Stock Exchange) and Banca IMI Securities Corp (a member of the NYSE and NASD). Intesa Sanpaolo SpA accepts full responsibility for the contents of this report and also reserves the right to issue this document to its own clients. Banca IMI SpA and Intesa Sanpaolo SpA, which are both part of the Intesa Sanpaolo Group, are both authorised by the Banca d'Italia and are both regulated by the Financial Services Authority in the conduct of designated investment business in the UK and by the SEC for the conduct of US business.

Opinions and estimates in this research are as at the date of this material and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this research may not be suitable for all investors. If you are in any doubt you should consult your investment advisor.

This report has been prepared solely for information purposes and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. No Intesa Sanpaolo SpA or Banca IMI SpA entities accept any liability whatsoever for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of Intesa Sanpaolo SpA and Banca IMI SpA.

Intesa Sanpaolo SpA and Banca IMI SpA have in place a Joint Conflicts Management Policy for managing effectively the conflicts of interest which might affect the impartiality of all investment research which is held out, or where it is reasonable for the user to rely on the research, as being an impartial assessment of the value or prospects of its subject matter. A copy of this Policy is available to the recipient of this research upon making a written request to the Compliance Officer, Intesa Sanpaolo SpA, 90 Queen Street, London EC4N 1SA. Intesa Sanpaolo SpA has formalised a set of principles and procedures for dealing with conflicts of interest ("Research Policy"). The Research Policy is clearly explained in the relevant section of Intesa Sanpaolo's web site (www.intesasanpaolo.com).

Member companies of the Intesa Sanpaolo Group, or their directors and/or representatives and/or employees and/or members of their households, may have a long or short position in any securities mentioned at any time, and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any of the securities from time to time in the open market or otherwise.

Intesa Sanpaolo SpA issues and circulates research to Qualified Institutional Investors in the USA only through Banca IMI Securities Corp., 1 William Street, New York, NY 10004, USA, Tel: (1) 212 326 1230.

Residents in Italy: This document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation no. 16190 of 29.10.2007 either as a printed document and/or in electronic form.

Person and residents in the UK: This document is not for distribution in the United Kingdom to persons who would be defined as private customers under rules of the FSA.

US persons: This document is intended for distribution in the United States only to Qualified Institutional Investors as defined in Rule 144a of the Securities Act of 1933. US Customers wishing to effect a transaction should do so only by contacting a representative at Banca IMI Securities Corp. in the US (see contact details above).

Coverage policy and frequency of research reports

The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Banca IMI acts as sponsor or specialist are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. Research is available on Banca IMI's web site (www.bancaimi.com) or by contacting your sales representative.

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/BV, 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 (ie, 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

Historical recommendations and target price trends (long-term horizon: 12M)



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

Intesa Sanpaolo Research Rating Distribution (at November 2011)					
Number of companies subject to recommendations: 94 (**)	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage %	42	22	31	3	1
of which Intesa Sanpaolo's Clients % (*)	61	50	43	67	-

(*) 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. (**) The total number of companies covered is 103

Valuation methodology (short-term horizon: 3M)

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

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

Company specific disclosures

Banca IMI discloses interests and conflicts of interest, as defined by: Articles 69-quater and 69-quinquies, of Consob Resolution No.11971 of 14.05.1999, as subsequently amended and supplemented; the NYSE's Rule 472 and the NASD's Rule 2711; the FSA Policy Statement 04/06 "Conflicts of Interest in Investment Research – March 2004 and the Policy Statement 05/03 "Implementation of Market Abuse Directive", March 2005. The Intesa Sanpaolo Group maintains procedures and organisational mechanisms (Information barriers) to professionally manage conflicts of interest in relation to investment research. We provide the following information on Intesa Sanpaolo Group's conflicts of interest:

- 1 The Intesa Sanpaolo Group has a conflict of interest inasmuch as it plans to solicit investment banking business or intends to seek compensation from the Company in the next three months.
- 2 Banca IMI is a specialist relative to securities issued by MONDO TV S.p.A.

Intesa Sanpaolo Research Department – Head of Research Gregorio De Felice		
Head of Equity & Credit Research		
Giampaolo Trasi	+39 02 8794 9803	giampaolo.trasi@intesaspaolo.com
Equity Research		
Monica Bosio	+39 02 8794 9809	monica.bosio@intesaspaolo.com
Luca Bacoccoli	+39 02 8794 9810	luca.bacoccoli@intesaspaolo.com
Laura Carmignani	+39 02 8794 9813	laura.carmignani@intesaspaolo.com
Manuela Meroni	+39 02 8794 9817	manuela.meroni@intesaspaolo.com
Gian Luca Pacini	+39 02 8794 9818	gianluca.pacini@intesaspaolo.com
Bruno Permutti	+39 02 8794 9819	bruno.permutti@intesaspaolo.com
Fabio M. Picardi	+39 02 8794 9820	fabio.picardi@intesaspaolo.com
Roberto Ranieri	+39 02 8794 9822	roberto.ranieri@intesaspaolo.com
Corporate Broking Research		
Alberto Francese	+39 02 8794 9815	alberto.francese@intesaspaolo.com
Marta Caprini	+39 02 8794 9812	marta.caprini@intesaspaolo.com
Serena Polini	+39 02 8794 9821	serena.polini@intesaspaolo.com
Research Production		
Anna Whatley	+39 02 8794 9824	anna.whatley@intesaspaolo.com
Bruce Marshall	+39 02 8794 9816	robert.marshall@intesaspaolo.com
Annita Ricci	+39 02 8794 9823	annita.ricci@intesaspaolo.com
Wendy Ruggeri	+39 02 8794 9811	wendy.ruggeri@intesaspaolo.com

Banca IMI		
Institutional Sales		
Nicola Maccario	+39 02 7261 5517	nicola.maccario@bancaimi.com
Carlo Cavalieri	+39 02 7261 2722	carlo.cavalieri@bancaimi.com
Francesca Guadagni	+39 02 7261 5817	francesca.guadagni@bancaimi.com
Robert Meier	+39 02 7261 2158	robert.meier@bancaimi.com
Alberto Sartori	+39 02 7261 5880	alberto.sartori@bancaimi.com
Daniela Stucchi	+39 02 7261 5708	daniela.stucchi@bancaimi.com
Mark Wilson	+39 02 7261 2758	mark.wilson@bancaimi.com
Corporate Broking		
Carlo Castellari	+39 02 7261 2122	carlo.castellari@bancaimi.com
Virginia Mortari	+39 02 7261 5853	virginia.mortari@bancaimi.com
Laura Spinella	+39 02 7261 5782	laura.spinella@bancaimi.com
US Institutional Sales		
Stephane Ventilato	+1 212 326 1233	stephane.ventilato@bancaimi.com
Jack Del Duca	+1 212 326 1234	jack.delduca@bancaimi.com
Barbara Leonardi	+1 212 326 1232	barbara.leonardi@bancaimi.com
Gregory Halvorsen	+1 212 326 1237	gregory.halvorsen@bancaimi.com
Sales Trading		
Roberto Gussoni	+39 02 7261 5929	roberto.gussoni@bancaimi.com
Claudio Manes	+39 02 7261 5542	claudio.manes@bancaimi.com
Lorenzo Pennati	+39 02 7261 5647	lorenzo.pennati@bancaimi.com
Equity Derivatives Institutional Sales		
Andrea Martini	+39 02 7261 5977	andrea.martini@bancaimi.com
Emanuele Manini	+39 02 7261 5936	emanuele.manini@bancaimi.com
Massimiliano Murgino	+39 02 7261 2247	massimiliano.murgino@bancaimi.com
Market Hub – Brokerage & Execution		
Italian Equities - Sergio Francolini	+39 02 7261 5859	sergio.francolini@bancaimi.com
Foreign Equities - Francesco Riccardi	+39 02 7261 2901	francesco.riccardi@bancaimi.com
Market Hub – Exchange Traded Derivatives		
Biagio Merola - Milan	+39 02 7261 2420	biagio.merola@bancaimi.com
Market Hub – @ sales		
Giovanni Spotti	+39 02 7261 2339	giovanni.spotti@bancaimi.com

Banca IMI SpA

Largo Mattioli, 3
20121 Milan, Italy
Tel: +39 02 7261 1

Banca IMI Securities Corp.

1 William Street
10004 New York, NY, USA
Tel: (1) 212 326 1230

Banca IMI London Branch

90 Queen Street
London EC4N 1SA, UK
Tel +44 207 894 2600