

Datalogic

Taking a Global Perspective

Datalogic - Key estimates and data					
Y/E December		2011A	2012E	2013E	2014E
Revenues	EUR M	425.53	480.00	531.20	610.00
EBITDA	EUR M	59.19	74.74	87.08	105.53
EBIT	EUR M	36.44	57.73	71.25	89.70
Net income	EUR M	25.92	39.31	44.26	59.97
Dividend ord.	EUR	0.15	0.15	0.16	0.18
Adj. EPS	EUR	0.44	0.67	0.76	1.03
EV/EBITDA	x	7.53	7.12	5.81	4.32
Adj. P/E	x	14.90	9.82	8.72	6.44

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

- The roots of leadership.** Despite the economic crisis which has hit different areas of the world with varying impact, in particular the Eurozone because of the turbulence related to the sovereign debt, Datalogic's 1H12A revenue grew by 12.7% (+7.7% at stable FX), thanks to organic and external growth. The main competitors (Motorola, Honeywell, Intermec, Cognex and Zebra), declined in the same period, on average by 0.2%, therefore Datalogic is gaining market shares despite a smaller size, in particular in the ADC market. This was possible thanks to ongoing innovation which makes Datalogic a leader in some reference segments, to a global footprint, and to a best-in-class supply chain. Moreover, management encouraged the attitude to think globally and operate locally, as shown by a large presence of domestic employees, including in managerial roles, in all the countries of operation. To use a metaphor, they "talk the language" in all the countries where the group operates.
- The new plan.** The new 2012E-14E plan hinges on four pillars: 1) Strategic positioning in the Automatic Data Capture (ADC) market and the Industrial Automation (IA) market, with the goal to outperform in growth; 2) expansion in emerging markets (BRIC) through strategic alliances and foreign investment, increasing penetration in large mature markets in North America and Western Europe addressing high-end products/solutions and advanced technology businesses; 3) an ongoing focus on innovation, with 7% of revenue invested in R&D, but 25% of revenue expected from new products; and 4) stimulation of efficiency and productivity thanks to the supply chain management, and the leverage of the global footprint. Management pointed out the following 2014 targets: 1) revenue of EUR 600-620M; 2) EBITDA of between EUR 105-110M (i.e. a 17-18% EBITDA margin); 3) a ROE of 22-23%; and 4) net debt (not including dividend payments) of around EUR 40-50M.
- Estimates and valuation.** On the basis of the new plan we revised our estimates. In particular: 1) we cut 2012E revenue by 8.1% vs. previous estimates to EUR 480M, to incorporate a postponement of projects for Accu-Sort. We also reduced the EBITDA margin by 80bps to 15.6% and trimmed net income by 11% to EUR 39.3M; and 2) for 2014E we projected revenue of EUR 610M and EBITDA of EUR 105.5M. Net debt should be EUR 69.3M, inclusive of EUR 19.6M dividends that we assumed to be distributed in 2013E-14E. Net of dividend payments, net debt would be EUR 49.7M. All our 2014E estimates are broadly in line with guidance. We value Datalogic with a DCF model, a 9.1% WACC, and a 0% terminal value growth. **We obtain a target price of EUR 10.50/share (EUR 9.90/share previously) and rate the company a BUY.**
- Key risks.** The Datalogic reference market is fragmented and characterised by intense competition. To survive in these markets, substantial R&D investments are needed (at a sure cost), and the launch of successful innovative commercial products is uncertain. The ongoing delocalisation of some important clients could require entry into the Latin American and Asian (Chinese and Indian) markets. The company is exposed to foreign currency translation effects: around 50% of revenues are non-EUR denominated.

1 October 2012

BUY

Target Price: EUR 10.50
(from EUR 9.90)

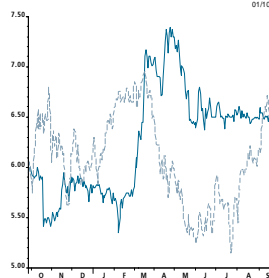
**IT & Technology
Company Update**

**Intesa Sanpaolo
Research Department**

Alberto Francese
Research Analyst
+39 02 8794 9815

Corporate Broking Team
Alberto Francese
Marta Caprini

Price performance, -1Y



Source: Thomson Reuters

Data priced on 28.09.2012

Target price (€)	10.5
Target upside (%)	59.11
Market price (€)	6.61
52-week range (€)	7.4/5.4
Market cap (€M)	386.04
No. of shares (M)	58.45
Free float (%)	20.2
Major shareholder	Hydra, 68.4 (%)
Reuters	DAL.MI
Bloomberg	DAL IM
FTSE It All Shares	15999

Performance %			
Absolute	Rel. to FTSE All Sh	Absolute	Rel. to FTSE All Sh
-1M	1.7	-1M	0.9
-3M	1.6	-3M	-10.1
-12M	11.0	-12M	7.9

Source: Intesa Sanpaolo Research estimates and Thomson Reuters

The New 2012-14 Plan

The pillars

Management presented the new 2012-14 plan, hinging on four pillars:

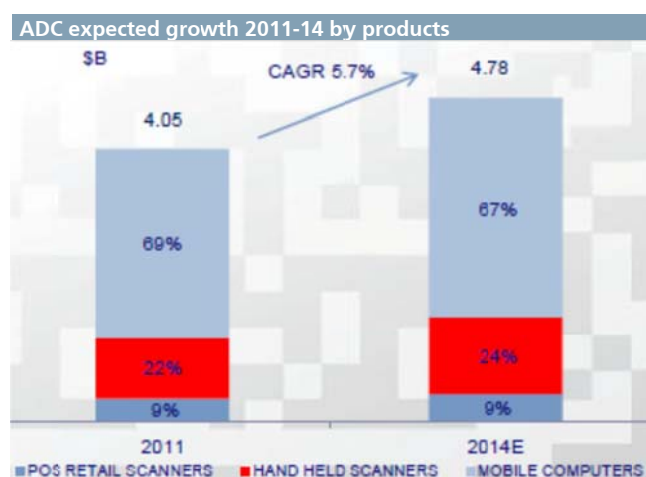
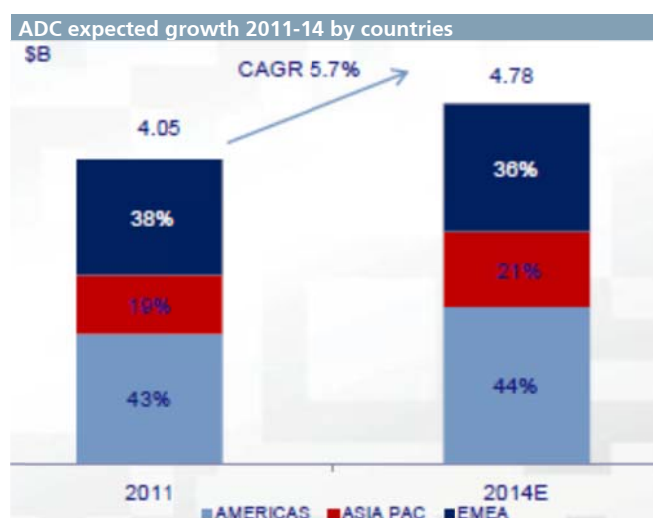
- **Strategic positioning:** The company plans to focus on the Automatic Data Capture (ADC) market and the Industrial Automation (IA) market, with the goal to outperform in organic growth and possibly look for acquisitions;
- **International expansion:** The goal is twofold: expanding in emerging markets (BRIC) through strategic alliances and foreign investment, and increasing penetration in large mature markets in North America and Western Europe addressing high-end products/solutions and advanced technology businesses;
- **Innovation:** Management plans to: 1) continue to invest 7% of revenue in R&D to launch new products and platforms, with the goal of confirming 25% of sales from new products; 2) aim at becoming a value-added solutions provider; 3) focus on vision and imaging technologies; and 4) strengthen development through a new Technology Platform (IP Tech);
- **Efficiency and productivity:** A world class performance is expected to be achieved through the global adoption of best-in-class supply chain management (already implemented for the ADC segment). Operational efficiency should be characterised by an ongoing improvement process, while the industrial global footprint should become an important leverage. Growth should allow the company to activate scale economies.

The reference markets

As mentioned above, Datalogic's reference markets are Automatic Data Capture (ADC) and Industrial Automation (IA), both affected by the slowdown in the worldwide economy.

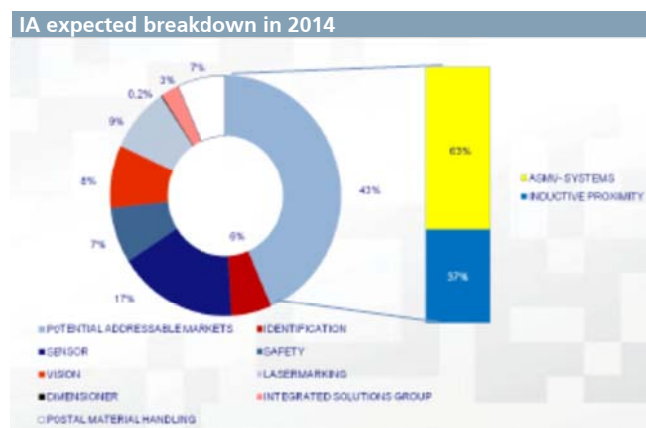
Automatic Data Capture

The ADC market, according to VDC estimates, should grow from USD 4.05Bn in 2011 to USD 4.78Bn in 2014, at a 5.7% rate, slowing down vs. the previous estimate (CAGR 2010-13 of 8%). Asia Pacific and Americas areas should grow at a rate higher than 8% and 6%, respectively. Looking at sectors, government (e.g. postal services), healthcare&pharma and transport&logistic should be quite attractive, while looking at products core retail automation technologies (e.g. hand held scanners) should increase in terms of their adoption in emerging countries.



Industrial Automation

The IA market, according to VDC estimates, should grow from USD 3.42Bn in 2011 to USD 4.01Bn in 2014, at a 5.4% rate, slowing down vs. the previous estimate (CAGR 2010-13 of 8%). The addressable market is much larger (around USD 7.1Bn), when considering Inductive Proximity (e.g. sensors which detect metal objects without touching them) and ASMV (Application Specific Machine Vision) Systems. An increasing demand for traceability of processes and goods and new regulations should be an important driver for the IA market, in particular in laser and vision based technology.



Datalogic positioning

Despite the economic crisis which has hit different areas of the world with varying impact, in particular the Eurozone because of the turbulence related to the sovereign debt, Datalogic's 1H12A revenue grew by 12.7% (+7.7% at stable FX), thanks to organic and external growth. In particular:

- Automatic Data Capture revenues grew by 1.8%;
- Industrial Automation grew by 43.7% yoy, and +3.2% on a like-for-like basis (i.e. ex Accu-Sort and PPT vision);
- Informatics revenue grew by 17.2%.

We highlight that main competitors¹ declined in the same period, on average by 0.2%, therefore Datalogic is gaining market shares despite a smaller size, in particular in the ADC market.

This was possible thanks to ongoing innovation which makes Datalogic a leader in some reference segments (e.g. POS retail scanners, handheld scanners, industrial stationary scanners), to a global footprint (presence in 30 countries, sales in over 100 countries), and to a best-in-class supply chain.

Moreover, management encouraged the attitude to think globally and operate locally, as shown by a large presence of domestic employees, including in managerial roles, in all the countries of operation.

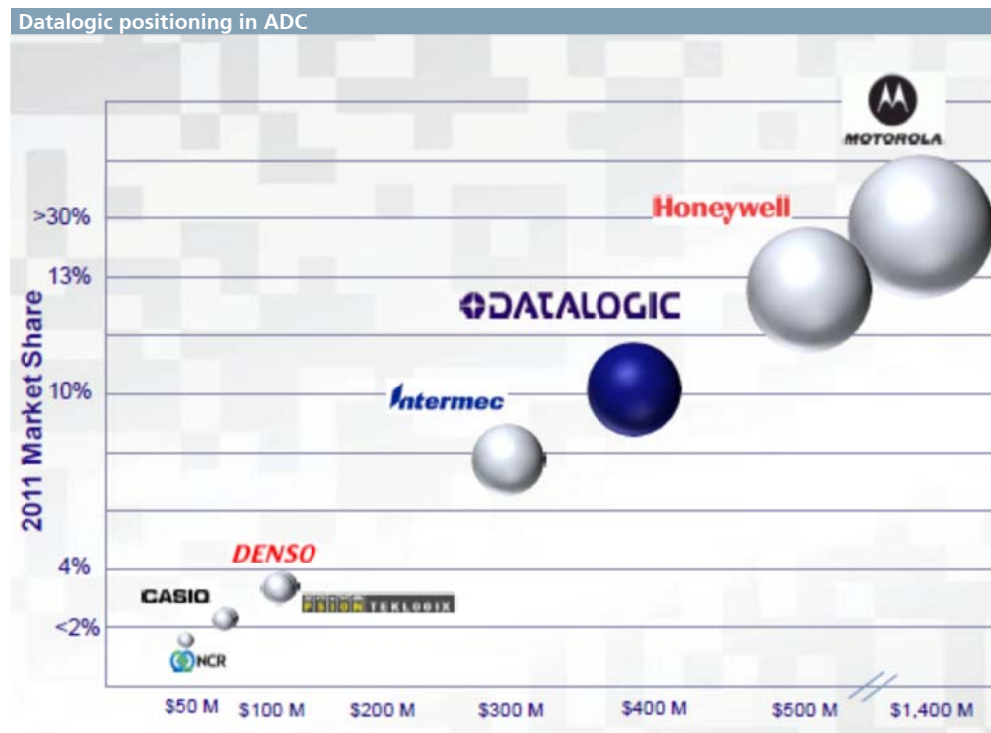
The ADC market is quite concentrated with Motorola holding over 30% of the market in 2011 (source: VDC), and another 3 players, including Datalogic, holding together around 30%. The remaining players have shares lower than 4%.

ADC market

¹ Motorola, Honeywell, Intermec, Cognex, Zebra.

Datalogic increased its share from 9.9% in 2010 to 10.2% in 2011. In particular, Datalogic is:

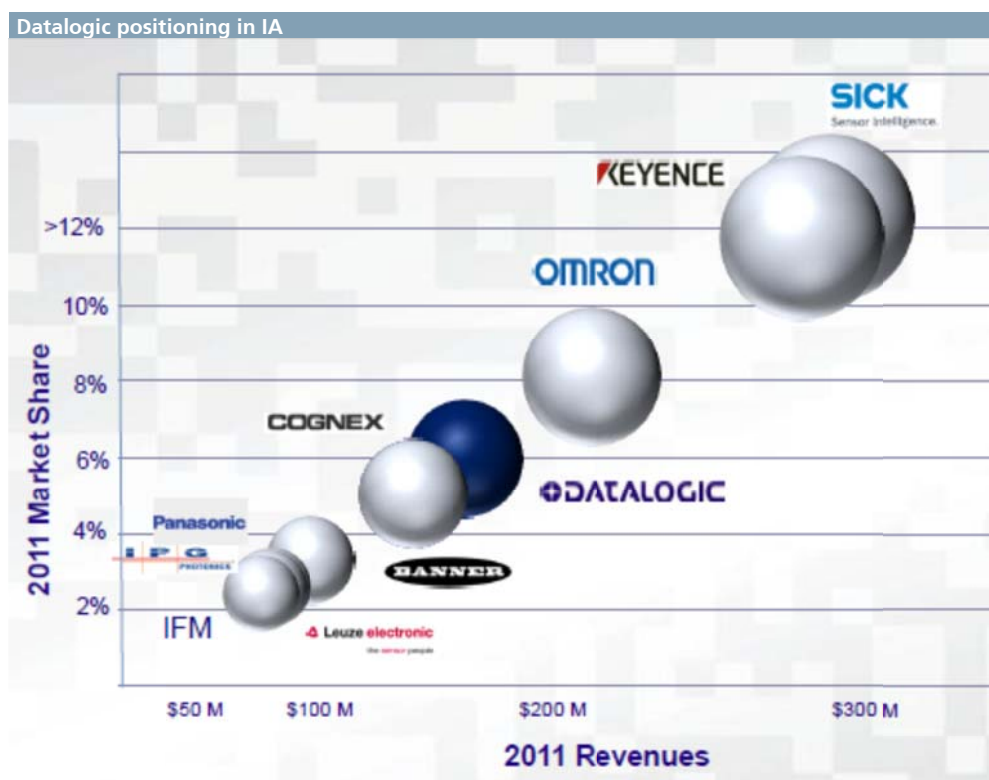
- First worldwide in POS Retail Scanners with a 37.4% market share;
- First in EMEA in Handheld Scanners with a 31.6% market share, third worldwide with a 17.4% market share;
- Fourth in EMEA in Mobile Computers with a 7.6% market share, fifth worldwide with a .4% market share.



Source: VDC

On the other hand, the IA market is fairly fragmented, with the first 5 players, including Datalogic, with shares comprised between 5% and 15% (2011 data, source VDC). In 2011 Datalogic had an around 6% share. In particular, in Industrial Stationary Scanners the group was first worldwide with a 33.3% market share, first in the Americas with a 43.8% market share, and second in EMEA with a 30.5% market share. The Accu-Sort Systems acquisition has allowed Datalogic to approach three new markets: dimensioner, postal material handling and integrated solutions.

IA market



Source: VDC

Management 2012-14 guidance

For 2012, guidance is for revenue of EUR 475-485M, and EBITDA of EUR 74-77M.

For 2014, management pointed out the following targets:

- Revenue of EUR 600-620M;
- EBITDA of EUR 105-110M (i.e. a 17-18% EBITDA margin);
- A ROE of 22-23%;
- Net debt (not including dividend payments) of around EUR 40-50M.

Earnings Outlook

On the basis of the new plan, we revised our estimates. In particular:

- We cut our 2012E revenue by 8.1% vs. the previous estimates to EUR 480M, to incorporate a postponement of projects for Accu-Sort. Based on a lower scale, we reduced our EBITDA margin by 80bps to 15.6% and trimmed net income by 11% to EUR 39.3M;
- Also considering the slowdown in reference markets, we cut the 2013E revenue by around 4.5% vs. previous estimates to EUR 531.2M. The revenue growth vs. 2012E would be 10.7%, faster than the reference ADC and IA markets (+5.7% and +5.4%, respectively). We conservatively reduced our EBITDA margin by 140bps to 16.4%, which is the pay-off we assume to grow faster than the market;
- Finally, in 2014E we projected revenue of EUR 610M and EBITDA of EUR 105.5M, broadly aligned to guidance. Net debt should be EUR 69.3M, inclusive of EUR 19.6M dividends that we assumed to be distributed in 2013E-14E. Net of dividend payments, net debt would be EUR 49.7M, in line with guidance.

Datalogic - 2012E-14E estimates revision							
EUR M	2012E old	2012E new	Var. (%)	2013E old	2013E new	Var. (%)	2014E new
Revenue	522.1	480.0	-8.1	556.0	531.2	-4.5	610.0
EBITDA	85.8	74.7	-12.9	99.0	87.1	-12.1	105.5
EBITDA margin	16.4	15.6		17.8	16.4		17.3
Net income	44.2	39.3	-11.0	53.7	44.3	-17.6	60.0
Net debt/-cash	133.5	146.0	NM	91.8	119.5	NM	69.3

Source: Intesa Sanpaolo Research estimates

Valuation

We value Datalogic with a DCF model, using the following key assumptions in our valuation:

DCF valuation

- A risk-free rate of 5.5%, an equity risk premium of 6%;
- A gearing of around 26%;
- A conservative 0% terminal value growth;
- LT EBIT is calculated starting from 2014E EBITDA, and depreciation equals capex.

We obtain a target price of EUR 10.50/share (EUR 9.90/share previously) and rate the company a BUY.

Datalogic – DCF calculation (2012E-14E)				
	2012E	2013E	2014E	LT
EBIT	57.7	71.2	89.7	91.5
Tax	-12.4	-16.4	-22.2	-22.7
Depreciation	15.4	15.8	15.8	
NOPAT	60.8	70.7	83.3	68.8
WC	-20.2	-13.6	-3.2	
Capex	-9.6	-10.6	-12.2	
FCF	31.0	46.4	68.0	68.8
Discounted FCF	31.0	42.6	57.1	57.8
WACC (%)	9.1			
TV growth (%)	0.0			
Sum	130.7			
TV	635.3			
EV	765.9			
Debt FY11A*	162.4			
Treasury shares	10.7			
Equity	614.2			
Shares	58.4			
Target price	10.5			

E: estimates; Source: Intesa Sanpaolo Research estimates * Adjusted by EUR 103M for acquisitions

Datalogic - Key figures

Sector	IT & Technology	Mkt price EUR/Share	Ordinary		Rating
REUTERS CODE	DAL.MI	Target price EUR/Share	6.61		BUY
Values per share (EUR)	2010A	2011A	2012E	2013E	2014E
No. ordinary shares (M)	58.45	58.45	58.45	58.45	58.45
No. NC saving/preferred shares (M)	-	-	-	-	-
Total no. of shares (M)	58.45	58.45	58.45	58.45	58.45
Adj. EPS	0.31	0.44	0.67	0.76	1.03
CFPS	0.58	0.69	0.94	1.03	1.30
BVPS	2.40	2.91	3.44	4.04	4.89
Dividend Ord	0.15	0.15	0.15	0.16	0.18
Dividend SAV Nc	-	-	-	-	-
Income statement (EUR M)	2010A	2011A	2012E	2013E	2014E
Sales	392.7	425.5	480.0	531.2	610.0
EBITDA	49.8	59.2	74.7	87.1	105.5
EBIT	34.7	36.4	57.7	71.2	89.7
Pre-tax income	28.2	33.2	51.7	60.6	82.1
Net income	18.0	25.9	39.3	44.3	60.0
Adj. net income	18.0	25.9	39.3	44.3	60.0
Cash flow (EUR M)	2010A	2011A	2012E	2013E	2014E
Net income before minorities	18.0	25.9	39.3	44.3	60.0
Depreciation and provisions	15.9	14.4	15.4	15.8	15.8
Change in working capital	20.2	7.7	-20.2	-13.6	-3.2
Operating cash flow	54.1	48.0	34.6	46.4	72.6
Capital expenditure	-7.9	-13.6	-9.6	-10.6	-12.2
Other (uses of Funds)	-22.2	-9.2	-103.0	0.0	0.0
Free cash flow	24.0	25.2	-78.0	35.8	60.4
Dividends and equity changes	0.0	-8.1	-8.5	-9.4	-10.3
Net cash flow	24.0	17.1	-86.5	26.5	50.2
Balance sheet (EUR M)	2010A	2011A	2012E	2013E	2014E
Net capital employed	216.7	229.7	347.0	355.5	355.0
of which associates	-	-	-	-	-
Net debt/-cash	76.5	59.4	146.0	119.5	69.3
Minorities	-	-	-	-	-
Net equity	140.2	170.3	201.1	236.0	285.7
Market cap	386.0	386.0	386.0	386.0	386.0
Minorities value	-	-	-	-	-
Enterprise value (*)	462.5	445.5	532.0	505.5	455.4
Stock market ratios (x)	2010A	2011A	2012E	2013E	2014E
Adj. P/E	21.4	14.9	9.8	8.7	6.4
P/CEPS	11.4	9.6	7.1	6.4	5.1
P/BVPS	2.8	2.3	1.9	1.6	1.4
Dividend yield (% ord)	2.3	2.3	2.3	2.4	2.7
Dividend yield (% sav)	-	-	-	-	-
EV/sales	1.2	1.0	1.1	1.0	0.7
EV/EBITDA	9.3	7.5	7.1	5.8	4.3
EV/EBIT	13.3	12.2	9.2	7.1	5.1
EV/CE	2.1	1.9	1.5	1.4	1.3
D/EBITDA	1.5	1.0	2.0	1.4	0.7
D/EBIT	2.2	1.6	2.5	1.7	0.8
Profitability & financial ratios (%)	2010A	2011A	2012E	2013E	2014E
EBITDA margin	12.7	13.9	15.6	16.4	17.3
EBIT margin	8.8	8.6	12.0	13.4	14.7
Tax rate	36.0	22.0	24.0	27.0	27.0
Net income margin	4.6	6.1	8.2	8.3	9.8
ROE	12.9	15.2	19.6	18.8	21.0
Debt/equity ratio	0.5	0.3	0.7	0.5	0.2
Growth (%)		2011A	2012E	2013E	2014E
Sales		8.3	12.8	10.7	14.8
EBITDA		19.0	26.3	16.5	21.2
EBIT		5.1	58.4	23.4	25.9
Pre-tax income		17.8	55.8	17.2	35.5
Net income		43.7	51.7	12.6	35.5
Adj. net income		43.7	51.7	12.6	35.5

(*) 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.intesasnpaolo.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 August 2012)					
Number of companies covered: 97	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage %	49	17	32	2	-
of which Intesa Sanpaolo's Clients % (*)	70	67	59	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)

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 The Intesa Sanpaolo Group has an equity stake above 1% in DATALOGIC 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@intesasnpaolo.com
Equity Research		
Monica Bosio	+39 02 8794 9809	monica.bosio@intesasnpaolo.com
Luca Bacoccoli	+39 02 8794 9810	luca.bacoccoli@intesasnpaolo.com
Laura Carmignani	+39 02 8794 9813	laura.carmignani@intesasnpaolo.com
Manuela Meroni	+39 02 8794 9817	manuela.meroni@intesasnpaolo.com
Gian Luca Pacini	+39 02 8794 9818	gianluca.pacini@intesasnpaolo.com
Elena Perini	+39 02 8794 9814	elena.perini@intesasnpaolo.com
Bruno Permutti	+39 02 8794 9819	bruno.permutti@intesasnpaolo.com
Fabio M. Picardi	+39 02 8794 9820	fabio.picardi@intesasnpaolo.com
Roberto Ranieri	+39 02 8794 9822	roberto.ranieri@intesasnpaolo.com
Corporate Broking Research		
Alberto Francese	+39 02 8794 9815	alberto.francese@intesasnpaolo.com
Marta Caprini	+39 02 8794 9812	marta.caprini@intesasnpaolo.com
Research Production		
Anna Whatley	+39 02 8794 9824	anna.whatley@intesasnpaolo.com
Bruce Marshall	+39 02 8794 9816	robert.marshall@intesasnpaolo.com
Annita Ricci	+39 02 8794 9823	annita.ricci@intesasnpaolo.com
Wendy Ruggeri	+39 02 8794 9811	wendy.ruggeri@intesasnpaolo.com

Banca IMI		
Institutional Sales		
Catherine D'Aragon	+39 02 7261 5929	catherine.daragon@bancaimi.com
Carlo Cavalieri	+39 02 7261 2722	carlo.cavalieri@bancaimi.com
Francesca Guadagni	+39 02 7261 5817	francesca.guadagni@bancaimi.com
Nicola Maccario	+39 02 7261 5517	nicola.maccario@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
Laura Spinella	+39 02 7261 5782	laura.spinella@bancaimi.com
US Institutional Sales		
Stephane Ventilato	+1 212 326 1233	stephane.ventilato@bancaimi.com
Barbara Leonardi	+1 212 326 1232	barbara.leonardi@bancaimi.com
Sales Trading		
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