

Parmalat – 3Q/9M09 results								
EUR M	3Q08A	%	3Q09E	%	3Q09A	%	3Q09A vs 3Q08A	3Q09A vs. 3Q09E
Rev.	973.5	100.0	1,046.3	100.0	999.5	100.0	2.7	-4.5
o/w								
Canada	343.7	35.3	371.1	35.5	348.5	34.9	1.4	-6.1
Italy	265.0	27.2	238.0	22.8	242.6	24.3	-8.5	1.9
Australia	116.1	11.9	148.6	14.2	140.3	14.0	20.8	-5.6
Africa	87.1	8.9	87.9	8.4	89.2	8.9	2.4	1.5
European Ex Italy	41.3	4.2	38.2	3.7	33.0	3.3	-20.1	-13.6
Central&South America	120.9	12.4	158.4	15.1	146.2	14.6	20.9	-7.7
Others	-0.6	-0.1	4.1	0.4	-0.3	0.0	-50.0	NM
Ebitda post write off	78.9	8.1	92.5	8.8	103.7	10.4	31.4	12.1
o/w								
Canada	31.6	9.2	28.6	7.7	36.1	10.4	14.2	26.4
Italy	25.7	9.7	27.1	11.4	27.0	11.1	5.1	-0.3
Australia	9.9	8.5	15.8	10.7	12.6	9.0	27.3	-20.4
Africa	0.5	0.6	7.0	8.0	7.6	8.5	NM	8.6
European Ex Italy	7.4	17.9	4.7	12.3	5.0	15.2	-32.4	6.1
Central&South America	10.3	8.5	15.3	9.7	20.9	14.3	NM	36.6
Others	-6.5	NM	-6.0	NM	-5.4	NM	-16.9	-10.0
Ebit pre extra	26.7	2.7	68.4	6.5	78.8	7.9	NM	15.1
Legal fees	-14.9	-1.5	-5.0	-0.5	-2.9	-0.3	-80.5	-42.0
Extraordinary Items	219.8	22.6	0.0	0.0	-8.4	-0.8	NM	NM
Restructuring costs	0.0	0.0	-2.0	-0.2	0.0	0.0	NM	NM
Net Fin. charges	9.97	1.0	4.0	0.4	-2.9	-0.3	NM	NM
PBT	241.6	24.8	65.4	6.3	64.6	6.5	-73.3	-1.3
Net Debt	986.4	NM	NM	NM	1,082.2	NM	9.7	NM

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

Pirelli (NO RATING):

Price Increases in Middle East and Africa

News: On Friday, Pirelli Tyres announced that following the recent commodity rise, it will increase the price of car, truck and motorbike tyres by 10% in the Middle Eastern and African markets

Our view: We view the news positively and consistent with the group's recently revised outlook. We highlight that during the last conference call, management stated that for 2010 it is expecting a rising volumes scenario together with a positive pricing backdrop which should more than offset the potential negative impact from raw materials. We highlight that we recently revised upwards our **Pirelli NAV to 0.54/share**. We believe that at current prices the stock is not yet factoring in either the better tyres outlook ahead or the likely further group structure simplification.

Key data			
Sector	Autos & Components		
NAV (EUR)	0.54		
Rating	NO RATING		
Mkt price (EUR)	0.41		
Mkt cap (EUR M)	2125		
Ratios (x)	2008A	2009E	2010E
P/E	-10.36	40.36	14.66
EV/sales	0.66	0.67	0.65
EV/EBITDA	12.07	7.13	5.89
Performance (%)	1M	3M	12M
Absolute	8.12	27.07	32.72
Rel. to FTSE It. All	11.94	20.64	27.91

Source: Intesa Sanpaolo Research estimates and Thomson Reuters

We do not assign a rating on the company in view of the Intesa Sanpaolo decision to join the Pirelli voting bloc agreement.

Monica Bosio
Equity Research
+39 02 7261 2725
monica.bosio@intesanpaolo.com