Ezentis

Spain/ Materials, Construction & Infrastructure

Company report

Investment Research | *Reason: Initiation of Coverage* | *10 June 2013*

Buy

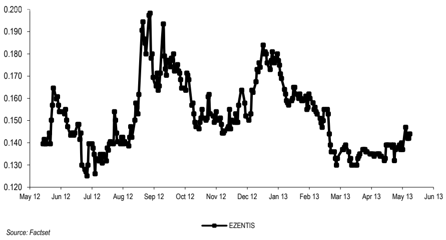
Recommendation unchanged

Share price: EUR	**0.14**
closing price as of 07/06/2013	
Target price: EUR	**0.25**
Target Price unchanged	

Reuters/Bloomberg	EZEN.MC/EZE SM
Daily avg. no. trad. sh. 12 mth	10,444,840
Daily avg. trad. vol. 12 mth (m)	149.34
Price high 12 mth (EUR)	0.20
Price low 12 mth (EUR)	0.13
Abs. perf. 1 mth	6.7%
Abs. perf. 3 mth	-6.5%
Abs. perf. 12 mth	-0.3%

Market capitalisation (EURm)	67
Current N° of shares (m)	468
Free float	66%

Key financials (EUR)	12/12	12/13e	12/14e
Sales (m)	182	220	331
EBITDA (m)	11	14	23
EBITDA margin	*5.8%*	*6.2%*	*7.0%*
EBIT (m)	9	8	18
EBIT margin	*4.9%*	*3.8%*	*5.3%*
Net Profit (adj.)(m)	(19)	(6)	1
ROCE	14.9%	10.2%	14.7%
Net debt/(cash) (m)	27	35	36
Net Debt Equity	*nm*	*nm*	*nm*
Net Debt/EBITDA	2.5	2.5	1.5
Int. cover(EBITDA/Fin.int)	1.2	1.9	3.1
EV/Sales	0.5	0.5	0.3
EV/EBITDA	8.1	7.2	4.3
EV/EBITDA (adj.)	8.1	7.2	4.3
EV/EBIT	9.5	11.9	5.7
P/E (adj.)	nm	nm	nm
P/BV	nm	85.8	39.1
OpFCF yield	*-45.3%*	*-32.4%*	*2.4%*
Dividend yield			
EPS (adj.)	(0.05)	(0.01)	0.00
BVPS	(0.02)	0.00	0.00
DPS			



Shareholders: Management 10%; Grupo Frías 5%; Junta Andalucía 4%; Rustraductus 3%; EBN 3%;

For company description please see summary table footnote

The return of the phoenix

We begin our coverage on Ezentis with a Buy recommendation and fair value of EUR0.25/share (over 75% upside potential). At the end of 2011, a new executive team headed by Mr. Manuel García-Durán began to manage Ezentis. Since forming part of the group Mr. García-Durán has restructured the company, divesting all non-profitable activities, restructuring/refinancing debt and achieved stability in the shareholder structure. Ezentis has become an Industrial Services company with ambitious targets (organic and inorganic) which are bound to the development of network infrastructures in Latin America and to Ezentis' relevant position within customers' investment chains, thanks to the existing long term relationships.

- ✓ **Company restructuring finalised:** Since 2011, the new executive team headed by Mr. Manuel García-Durán focused on three points: **a)** Financial restructuring: reducing and refinancing debt and capital increases (the financial debt has decreased from EUR88m in 2010 to EUR27m in 2012); **b)** Operational structure redefined: non-profitable activities have been abandoned and non-strategic assets sold; and **c)** Stability in shareholder structure and incorporation of talent to the company (Josep Piqué, Luis Solana, Guillermo José Fernandez and Carlos Mariñas, among others).
- ✓ **The new company:** Ezentis is an Industrial Services company (engineering, installation and maintenance of telecommunications distribution networks, energy and waters). Ezentis' main clients are Telefónica (60% sales), Edenor (20%), Endesa (10%), Claro (5%). Close to 90% of the sales proceed from Latin American countries (1Q'13).
- ✓ **Strategy Plan until 2015, multiply EBITDA by 3x:** Ezentis' target for 2015 is to reach EUR410m sales (vs. EUR182m in 2012) and EBITDA of EUR38m (vs. EUR10.6m in 2012). The intention is to achieve these targets via organic growth and acquisitions; the latter is estimated to generate 38% of the EBITDA in 2015.
- ✓ **We estimate double digit organic growths:** Estimating CAGR organic sales of +9.2% and EBITDA of +15.8% until 2015. This would be obtained thanks to the strong growth in Latin America and Industrial Services. The fact that 60% of the revenues comes from Telefónica has its advantages and inconveniences, such as the high level of dependence. But in the medium term and in our opinion, the positive aspect outweighs the negative, because Ezentis' good relationship with Telefónica (having carried out the *last mile* involved in connections during the last 25 years, it is among the main service suppliers), could shed light on news flow and generate confidence in our estimates.
- ✓ **Acquisitions generating growth:** The acquisitions will be located in Latin America: Brazil (currently formalising a contract), Colombia and Mexico (where Ezentis' main clients are expanding). The majority of the acquisitions will be in 2013. The execution risk on acquisitions is low due to Ezentis' negotiating muscle backed by clients and the purchasing criteria (<2x ND/EBITDA and EBITDA mg >7.5%). In our view the sectors where Ezentis will focus on are Industrial Services, Telecommunications, Energy and Water.

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Ezentis

Group Ezentis, is the result of a long process of acquisitions and mergers with the intention of creating a multinational infrastructure and telecommunications technology company capable of offering integral and intelligent solutions for customers.

Radiotrónica (today Ezentis) was founded in 1959 as an affiliate of the construction company Agroman. During its first 10 years, its activity focused on electrical installations.

In 1988, begins trading. Radiotronica begins its international experience in the Latin American market, focusing firstly on Chile with the intention to cover an important contract with Telefónica.

The 90's: Due to Telefónica's expansion, Radiotronica's international expansion continues, in 1992 establishing in Argentina (Radriotronica de Argentina) and in Peru in 1994 (Radiotronica de Peru). During this period, around 90% of the Group's revenues came from Telefónica. Later in 1995, Radiotronica Sucursal Colombia was created and in 1996 Radiotronica do Brasil.

At the end of 1994, Banesto controlled the group. However in 1998 a group of the company's executives acquired Banesto's controlling stake via a Management Buy Out (MBO).

In 1999, with the intention of reinforcing its presence in the transport sector in general, and particular in railways (telephony and automated level crossings), terrestrial traffic (control and traffic surveillance and road emergency communications), maritime navigation (radiolocation radars for emergencies) and aerial (ground-air radio-communications), it acquired ENA Telecommunications and later entered the industrial electronic sector (electronic ticket vending machines) and consumption (computer manufacturing) by investing in Compañía Electrónica de Técnicas Aplicadas (COMELTA).

Last decade: Radiotronica incorporated Acciona as a strategic partner, and thanks to its financing, acquired Telefónica Sistemas Ingenieria de Productos (TSIP). Once the operations were carried out, Radiotronica changed its name to Avanzit.

In the year 2001 Avanzit Telecom, Avanzit Media (Telson) and Avanzit Technology were created.

In 2006, Avanzit created Vértice Trescientos Sesenta Grados, integrating Manga films, Telson, Videoreport, Notro Films and Telespan. At the end of 1997, Vértice began to trade in the market. Ezentis remained as the main shareholder. In 2007 Avanzit held a 43.1% stake, in 2008 41.22% and in 2009 36.50%.

During 2006 and 2007, Calatel was acquired, developing its activity in installation and electrical infrastructure management and mobile telecommunications sectors in Central America and the Caribbean. The company Electrificaciones Ferroviarias (ELFER) was acquired in 2007 to reinforce the Group's position in the railway sector.

In 2009 a new shareholder entered the company, TSS Luxembourg, through a capital increase. The main investor of this fund is Nomura (the leading investment bank in Japan). Another aspect worth pointing out in 2009 was the agreement between Avanzit and the Council of Andalusia via the IDEA agency (Innovation and Development Agency) thus giving entrance to a new institutional investor.

In 2010, Avanzit changed its name to the current Ezentis. The integration of Sedesa, leading infrastructure company with over 70 years of experience nationally and internationally, took place. Sedesa's main areas of activity are: Civil Works, Construction, Conservation, Renewable Energies and Concessions offering a wide range of services.

2012 a turning point

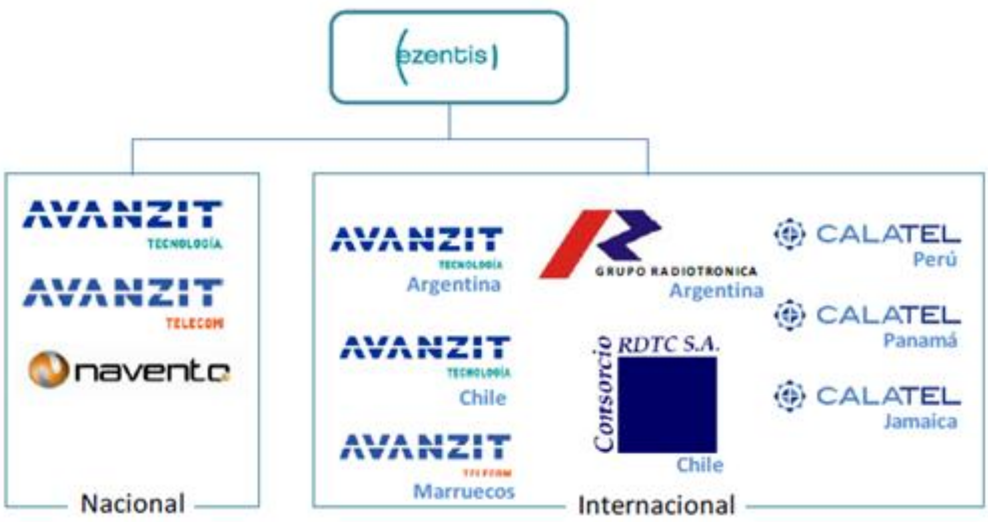
At the end of 2011, a new management team headed by Mr. Manuel García-Durán began to manage Ezentis. Since their arrival, the main target was to restructure the group, divesting non-profitable activities, restructuring/refinancing debt, and obtaining a stable shareholder structure.

- **Non-strategic assets. Two key divestments:**
  - The first divestment carried out was Sedesa, the construction and infrastructure activity. This unit was sold to Mr. Vicente Cotino in exchange for his 5.25% stake in Ezentis.
  - In June 2012, Ezentis reached an agreement with Telefónica, finalising the joint project in Spain in which the Group provided services to the latter through Avanzit Telecom. On the other hand, Telefónica agreed to pay Avanzit Telecom EUR3m, and grant a loan of EUR4.5m. Ezentis and Telefónica continue working together in Latin American countries.
- **Debt restructuring:**
  - EUR6.65m refinanced with **EBN** (loan granted in March 2008) until January 2013. At the latter date the loan was restructured via an agreement to issue convertible bonds. The interest rate during the first year was 8.5% and later Euribor 3 months +4% (minimum 9.5% per year). EBN has converted 30,000 bonds, and has 36,500 pending.
  - Capital was reduced by EUR118m by having reduced the EUR0.50 nominal value to EUR0.15/share, leaving capital at EUR50.5m.
  - EUR14m refinanced with **BANIF** for a 7 year period (February 2019), the first year is in kind.
  - Credit line with the fund, **Global Emerging Markets** (GEM), with the intention of granting the company access to a maximum of EUR30m resources: **1)** in February 2012, the company announced a EUR2m loan at 6%; **2)** Capital increase of EUR1m via a 5.3m share issue; and **3)** capital increase of EUR0.4m via issuing 2.5m shares.
  - Capital increase of EUR3.1m to capitalise a loan with SOPREA (Promoción y Reconversión Económica de Andalucía), issuing 14.6m shares.
  - Capital increase of EUR13.2m, 88.3m shares issued.
- **Incorporating talent to the company: renewing BoD and management:**
  - The most important people forming part of the Group since Mr. Manuel Grarcía-Durán's entrance are Josep Piqué, Luis Solana, Carlos Mariñás, José Wahnon and Guillermo José Fernandez.

With all the changes, strategic, financial and in executives, the company is now ready to carry out its strategy plan. Ezentis does not expect to realise more capital increases. The only possibilities that could vary the company's capital would be: **1)** conversion of EBN bonds (36,500 bonds pending, having converted 30,000); and **2)** the possible use of GEM's credit line. Strategically, the company is focused on Latin America, with over 25 years of experience in the area and growth via acquisitions (with a number of criteria limiting risks).

A new Ezentis

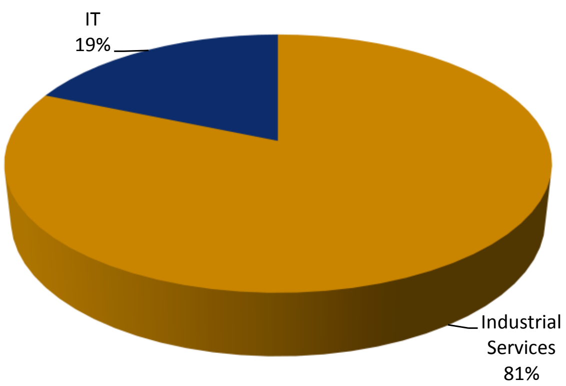
Ezentis is a Spanish Industrial Services company ("last mile" of the telecommunications, electricity and water sectors), providing solutions, IT and Communication services (ITC). The group is organised in two areas: **1)** Industrial Services and **2)** Information Technology and Communication (ITC). Additionally, Ezentis holds a 27.8% stake in Vértice 360º, company that trades in the market and is focused on audio-visual services; and as from 2012 holds 5.76% Amper (focused on information technology).



Source: Ezentis

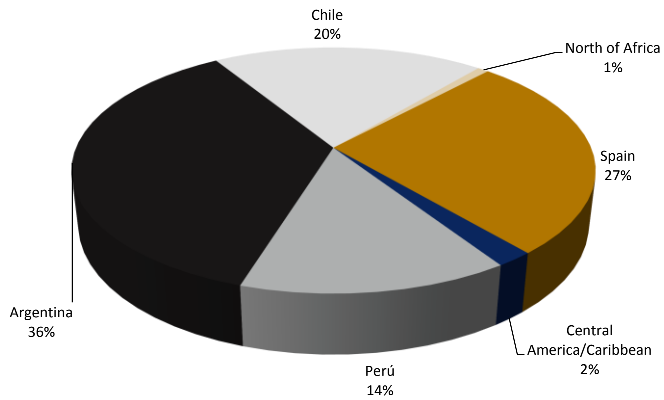
Ezentis' main clients are leaders in their respective sectors: Telefónica, Edenor, Edelnor (Endesa), Indra, AENA, Ministry of Defence. In 2012 the Industrial Services activity represented 81% of Ezentis' revenues. Geographically speaking, only 25% of the revenues proceeds from Spain in 2012 (10% in 1Q'13); Argentina is the heavy weight with 36%, followed by Peru and Chile. We expect the weight of Spain to drop further, having eliminated the contract with Telefónica Spain and the weak domestic market.

Breakdown Business Sales Mix



Source: Ezentis

Breakdown Geographic Sales Mix



Source: Ezentis

Industrial Services

At the moment, Industrial Services mainly include the telecommunications line which groups fixed and mobile telephony, internet access, wholesale telecommunication and audio-visual services. Additionally, Ezentis is expanding to other installation areas and maintenance of transmission, underground station, energy distribution network lines and maintenance of water, oil and gas networks. Industrial Services represents 80% of the company's sales (2012).

Services	Sectors
- Installation and maintenance of access networks and transportation of fixed and mobile telecommunications. - Installation and maintenance of transmission lines, substations, electric grid distribution lines and maintenance of water, oil and gas	- Telecommunications - Energy - Oil - Gas - Mining - Water management

Source Ezentis

National: In 2012, due to continuous lack of yields, derived from the strategic decision to re-direct Avanzit Telecom's activities, an agreement was reached with Telefónica Spain to no longer provide services to 8 provinces. The agreement is only regarding Spain and does not affect the international affiliates in Peru, Chile and Argentina providing services in the local loop contract with Telefónica – some of which have been extended recently.

Internationally, Ezentis is present mainly in Argentina, Peru and Chile (expansion by the hand of Telefónica) through the companies Radiotronica de Argentina, Calatel and Consorio Chile.

Radiotrónica de Argentina is specialised on managing technology, turn-key telecommunications projects and providing communication and media services. Initially it focused only on the telecommunications service, later diversifying activities towards Energy, Oil & Gas sectors.

Calatel: Ezentis operates in Peru, Panama and Jamaica with Calatel. It is a service company focused on the construction and maintenance of telecommunications, electrical and energy systems.

Consorcio Chile: offering global telecommunications, energy services and water management. In Chile, it holds 50% of the stake, the other 50% being held by local partners.

Information Technology and Communication (ITC)

Information Technologies & Communication (TIC) includes consultancy, integration and network outsourcing, systems and processes for private and public corporations, as well as specific mobility and geo-positioning in various sectors. The main sectors are: Telecommunications, Utilities, Transport & Defence; Public Administrations, Health; Insurance and Banks.

Services	Sectors
- Voice systems	
- Maintenance and support	- Technology
- Operation	- Defence
- Outsourcing	- Healthcare
- Information Systems	- Banking
- Software	- Telecommunications
- Private networks	

Source: Ezentis

- **Telecommunications and Utilities:** Planning, designing and network deployment, consultancy, engineering and communications projects, counselling, solutions development, maintenance of applications and outsourcing.
- **Transport and Defence:** Consultancy and design of safe, multiservice networks to implement services (data centres, telephony and video IP and information to the public). Traveller information systems (digital signage). Geographic information systems, geo-location, tracking fleets, analysis of routes, storage operations, outsourcing, spatial visualisation of infrastructures. Develop applications for protective forces, service of recognition and guarding, military logistics.
- **Public administrations:** Planning, designing and deployment of multiservice networks to optimise Public Administration costs. Specific solutions for the tourist sector, integrated management of destination point, competitive intelligence. Electronic administration systems to bring the latter closer to citizens and optimise processes (procedures, files, taxes, security solutions, intelligent video-surveillance, digitalisation, management and publication of digital contents).
- **Health:** Improve efficiency and effectiveness of communications for large health organisations, adapting networks to needs such as telemedicine, IP telephony, inter-operability. Managing and optimising documental processes, assistance, and business processes using friendly IT infrastructures. Digitalising medical record giving access to the various services. Developing and operating emergency systems.
- **Banking and Assurance:** Consultancy and designing of secure networks for large financial entities. Outsourcing systems: user service charges (USC), maintaining CMMi3 applications. Outsourcing document processes. Bank services via mobile telephony.

National: ITC activities are developed via Avanzit Technology and Navento, with 4 main areas: Networks and Special Installations, Technological Consultancy and Systems Integration; Externalisation/Outsourcing; and Innovation and Development.

International: Ezentis is mainly involved in ITC activities in general, but specifically speaking, in the telecommunications sector it develops activities related to lines carried out nationally. The main client is Telefónica in Latin America, which made up the majority of the sales in international technology during the last 3 years.

Vértice 360º

Vértice 360º is an audio-visual Group specialised on the production and postproduction of contents for any screen (cinemas, TV and new interactive platforms), providing comprehensive technical services and equipment to produce audio-visuals and publicity; broadcasting channels and live events, generation of live shows and developing applications and solutions for communications. Vértice 360º was listed in December 2007. Shareholders are Ezentis with 27.8%; EBN 6%, Nomura 11.5%, J. Tallada 3.46% and Antoni Esteve 7.4%. Also worth mentioning that Ezentis' Chairman, Manual García-Durán is also Vértice 360º's.

Amper

A Spanish multinational Group whose mission is to ease the market's transformation towards new business models, integration sector solutions and communication technology. With an absolute international vocation and strongly committed with innovative engineering and excellency, it operates in Europe, Africa, Asia and America, in the Defence, Communications and Security activities. Ezentis holds 4.9% capital (acquired at the end of 2012). The main shareholder is Veremonte (main investor being Mr. Enrique Bañuelos) with 23.2%, followed by Tvikap (Swedish investment fund) with 18.6. Amper's free float is above 40%.

Shareholder Structure

Currently there is no shareholder holding the majority of the existing capital and free float is at 71%. The main shareholder is the company's management with 10% and within which Mr. Manuel García-Durán holds over 90% of said stake. Other relevant shareholders are: Group Frias with 5%, the Council of Andalusia with 4% and Rustraductus (Mr. J. Tallada's investment vehicle) with 3%.

Manuel García-Duran: Ezenti's chairman since the end of 2011. Mr. García-Durán acquired the majority of his stake at the beginning of 2012 from TSS Luxembourg at EUR0.03/share. This stake includes other directors although their stakes are minority.

Group Frias (5% capital): Company with ties to the dairy activity in Castilla y Leon. In 2006 it reached a 10% stake in Ezentis and is the second main shareholder.

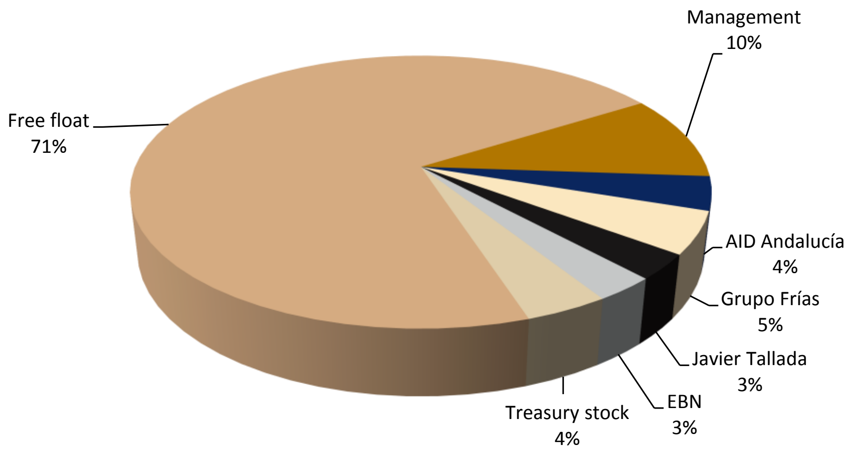
AID de Andalucía: Acquired its stake in Avanzit (prior to becoming Ezentis), which following a number of capital increases, the stake rose to 4%. The Council of Andalusia entered Ezentis' capital in 2009 at EUR0.92/share.

Rustraductus: Mr. Javier Tallada's investment vehicle. In the past he was Avanzit's chairman

EBN: During the last year, EBN has converted bonds to shares obtaining 4% capital. Currently it holds 2.89%. EBN still has 36,500 convertible bonds thus holds an equivalent to 4.75% capital.

Treasury stock: Around 4%. We expect the company to use the treasury stock to pay part of the acquisitions to be carried out.

Ezentis' Shareholder Structure



Source: Ezentis

Ezentis' stakes

Ezentis holds **27.8% Vertice 360º.** This stake is historical, considering the company was created by Ezentis. During the years, Ezentis has reduced its stake, however with Mr. Manuel García-Durán's entrance, we expect the stake to be held or even increased. Mr. García-Duran is not only Ezenti's chairman, but also Vertice 260º's and we must bear in mind that he was also Atresmedia's (previous Antena 3 TV) General Director of Marketing, General Director of Advertising, General Director of Communication and Executive Vice President and Board Member

The **4.9% stake in Amper** was acquired at the end of 2012. We believe it was originally acquired for strategic reasons, thus now either some kind of agreement would have to be reach or the stake would be sold.

Strategy Plan 2012 -15

2012 has been a turning point for Ezentis. At the end of 2011, the new executive team, headed by Manuel García-Durán, was incorporated and since then a number of restructuring processes affecting all business units have taken place. The strategy plan 2012-15 has a number of targets:

- **Financials**: After refinancing debt and increasing capital, the company wants to concentrate on managing working capital and cash generation, improve operating efficiency (reducing costs, negotiations with suppliers, etc) and strengthen the solvency ratios.
- **Strategic**: The decision to abandon non-profitable activities has been taken, underscoring the telecommunications division in Spain. Geographically speaking, the plan is focused on expanding in Latin America, including organic growth in countries where present (Argentina, Chile, Peru, Panama and Jamaica) and inorganic expansion in new countries (Brazil – currently formalising a contract – Colombia and Mexico) and maintaining the technology activity in Spain. Regarding activities, Ezentis will focus on the telecommunications activity, increasing weight in Energy sectors, water management, and where the group enjoys relevant presence in Latin America.

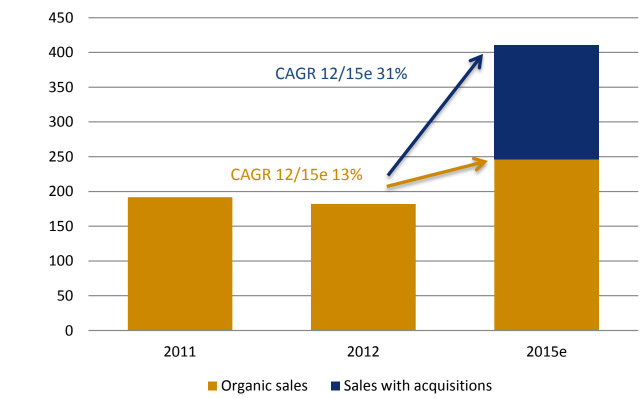
Revenues target between EUR400m – 420m

Ezentis' sales target for 2015 is between EUR400-420m vs. EUR182m obtained in 2012.

The intention is to increase business volume. In the countries where present, the company intends to improve the business mix towards wider margin products (optic fibre, energy and oil & gas) and intensify the commercial effort to increase customer diversification.

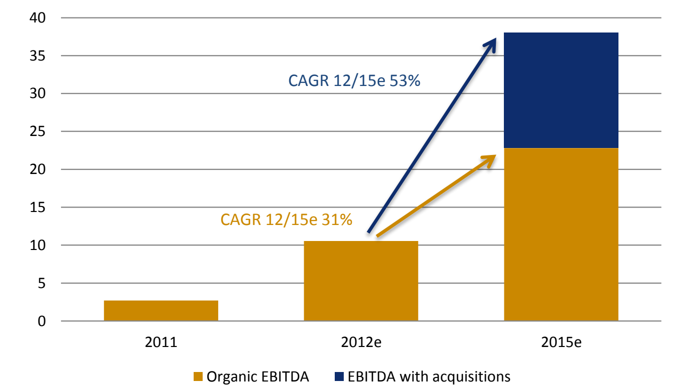
Contribution from new countries will be relevant to obtain these targets. Ezentis estimates an investment between EUR20m and EUR24m, focusing on countries such as Brazil, Colombia and Mexico (by taking control of the companies). Entrance will be via stable companies located in the countries, with certain complementarity in activity, good margins and where the support of Ezentis' current customers' generate potentially, attractive growth. Ezentis estimates 36% sales proceeding from new countries, thus we believe it estimates 13% organic growth.

Strategy Plan: Sales Target



Source: Ezentis. Elaborated Bankia Bolsa

Strategy Plan: EBITDA Target



Source: Ezentis. Elaborated Bankia Bolsa

EBITDA target EUR36 – 40m

Ezentis's EBITDA target is between EUR36 – 40m vs. EUR10.6m at 2012. The company expects to obtain this target by optimising efficiency: improving the mix of fixed costs, variable costs, flexibility in personnel costs, and savings in corporate areas. Ezentis estimates acquisitions in 2015 to contribute EUR15m EBITDA (38% of the EBITDA in 2015e) and expects these projects to be larger in size and profitability. These would take EBITDA to 9% in 2015e vs. 5.8% at 2012.

Latin America the growth driver

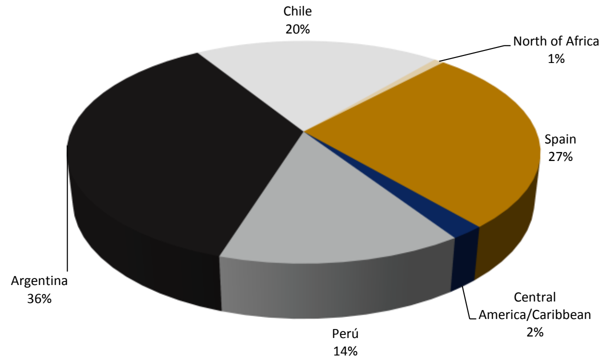
Ezentis' target in Spain is to maintain stability in activity. Although a certain weakness is expected in technological areas, it is expected to be offset via adjustments in costs, better business mix (entrance in energy efficiency activity) and increasing the customer base.

In Latin America, the higher growth will come from the new countries that will represent 36% sales and 38% EBITDA. The priority is Brazil (with wich they are currently formalising a contract), Colombia and Mexico. The target sectors are Telecom and Electricity. The estimated investment ranges between EUR20 and 24m by taking controlling stakes in local companies, through its own funds and external. The target in the acquired companies is EBITDA margin of 7.5% during the first year and net debt/EBITDA below 2x.

Sturdy Balance

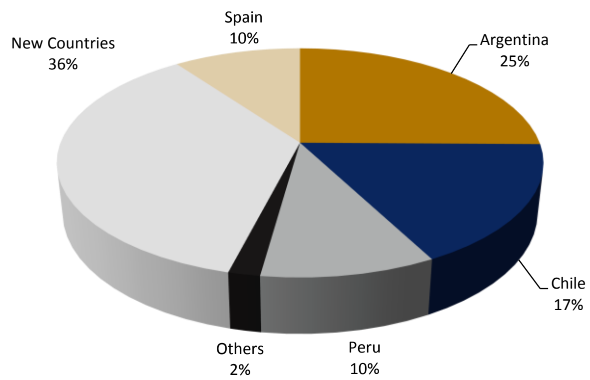
Ezentis ended 2012 with a net debt/EBITDA ratio of 2.5x vs. 3.4x in 2011. The target is to maintain the ratio between 1x and 2x in 2015e despite acquisitions. This is expected to achieve by optimising the working capital. CAPEX is forecast to be of EUR1m, which would be doubled if we take into account the acquisitions considered to take place in 2013.

Breakdown Geographic Sales Mix 2012



Source: Ezentis. Elaborated Bankia Bolsa

Strategy Plan: Breakdown Geographic Sales Mix 2015



Source: Ezentis. Elaborated Bankia Bolsa

Growth via acquisitions

Much of Ezentis' plan is based on growth via acquisitions. The company's intention is to invest between EUR20-24m in total, and take controlling stakes in the companies purchased (that is >50%). The companies acquired would have to have a minimum 7.5% EIBTDA margin and debt/EBITDA between 1x and 2x.

Ezentis requirement for the acquisitions	
Estimated investment (EUR m)	20-24
% EBITDA margin (minimum)	7.5%
Debt/EBITDA	1x-2x
% acquire	>50%

Source: Ezentis

With said criteria, we have made an analysis on how much the acquisitions to be made could generate, using the following hypotheses:

- 6x EV/EBITDA ratio in acquisitions (Ezentis' estimate). A discount of more or less 10% vs. the section on page 19 (Companies similar to Ezentis. Comparative?)
- Acquiring 50.1% stake
- Globally integrating EBITDA generated, estimating between EUR6.7m – 8m.
- Applying Ezentis' minimum 7.5% EBITDA margin requirement, maximum sales from acquired companies would have to be between EUR88.9m-106.7m
- Debt generated from these acquisitions would have to be between EUR13.3m -16m
- EUR1.3 – 1.5m minorities generated

Analysis which can generate acquisitions		
EV/EBITDA	6.0	6.0
EV	20.0	24.0
% acquire	50%	50%
EV (100%)	40.0	48.0
EBITDA generated by the acquisitions	6.7	8.0
Sales generated by the acquisition	88.9	106.7
Debt generated by the acquisitions	13.3	16.0
Equity generated by the acquisitions	26.7	32.0
Minorities generated by the acquisitions	1.3	1.5

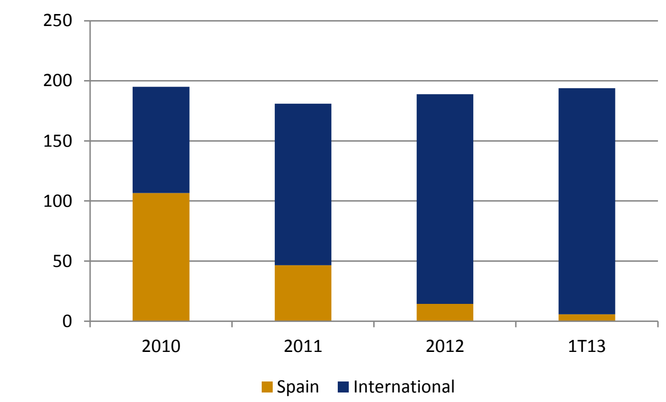
Source: Ezentis

We do not expect Ezentis to face many problems in carrying out acquisitions thanks to its negotiating muscle generated by its customer base. We must recall that Ezentis entered Chile, Peru and Argentina due to its relation with Telefónica. We estimate the acquisitions to be in Latin America, mainly Brazil, Colombia and Mexico. In our view, the company will focus on Industrial Services, Telecommunications, Electricity and Water sectors. The timing set by Ezentis is to carry out all acquisitions in 2013 and we estimate cash payments (generated by the capital increase in December 2012) as well as via shares, although we do not rule out some payments to be according to targets achieved (deferred in time).

Financial estimates

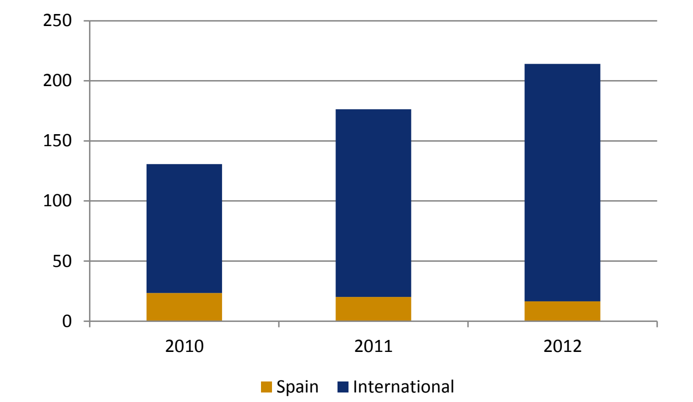
Since the entrance of the new executive team, Ezentis has obtained record order book since 2010 and doubled the international order intake. Current order book is EUR194m (>1x sales), 97% coming from abroad.

Performance of Ezentis' Order Book



Source: Ezentis. Elaborated Bankia Bolsa

Order Intake Trend



Source: Ezentis. Elaborated Bankia Bolsa

We estimate CAGR'12-15e sales +25.6% and EBITDA +36.6% thanks to organic growth and acquisitions, improving EBITDA margin by over 160bp as from 2012 until 2015. As from 2016 we do not estimate growth due to the lack of visibility.

Organic growth: 80% of the revenues proceed from loop contracts. These contracts last for a certain period (around 3 years) but are practically, entirely, renewed automatically. We estimate Industrial Services to reach double digit annual growths mainly because much of the activity is located in Latin American. We estimate a small, 70bp rise in EBITDA mg, up to 9% in 2015e (in line with the sector), margins that we consider reasonable. 60% of the revenues proceed from Telefonica, and although the dependence on a customer is not positive, the relationship between the two (executing the last mile for TEF during the last 25 years, is among the main suppliers and maintains a good relationship at the executive level) makes us consider this dependence advantageous. Telefónica earmarks 55% of its CAPEX to Latin America, with a Capex/Sales of 16% in the region, that we expect will continue in coming years. We would keep an eye on the forex which could vary our estimates. In Technology we estimate sales dropping -14% per year until 2015e, and EBITDA margin eroding 200bp to below 8% in 2015e. This is due to the strong presence in Spain, where the economic deceleration is directly affecting the activity. Indra has an EBITDA margin of 9% (40% sales in Spain), whereas Amper has 2.6% and Tecnocom 3.5%. The ITC sector world-wide is just below 10% EBITDA margin.

Growth via acquisitions: In the section above (Growth via acquisitions) we detailed our hypotheses according to a number of requirements established by Ezentis to carry out acquisitions. Therefore, we estimate Ezentis to make acquisitions in 2013, but we only include one quarter of these in 2013, thus the more substantial impact will be noted in 2014. We estimate the companies acquired to generate around EUR100m sales and EUR7m EBITDA per year.

The *Adjustments* line mainly includes members' wages, expecting these to remain similar to levels in 2012.

Finantial estimates

EUR m	2011	2012	2013e	2014e	2015e	2016e	2017e	CAGR 12/15e
Sales	**187.8**	**182.0**	**220.2**	**331.2**	**360.9**	**360.9**	**360.9**	**25.6%**
% inc.		-3.0%	21.0%	50.4%	9.0%	0.0%	0.0%	
Industrial Services	139.7	148.1	170.3	195.8	215.4	215.4	215.4	13.3%
% inc.		6.0%	15%	15%	10%	0%	0%	
IT	48.1	34.0	25.5	22.9	21.8	21.8	21.8	-13.8%
% inc.		-29.4%	-25%	-10%	-5%	0%	0%	
Acquisitions			24.4	112.4	123.7	123.7	123.7	
% inc.				360%	10%	0%	0%	
EBITDA	**9.7**	**10.6**	**13.7**	**23.3**	**26.9**	**26.9**	**26.8**	**36.6%**
% inc.		9.1%	30.2%	69.6%	15.4%	-0.1%	-0.1%	
% margin	5.2%	5.8%	6.2%	7.0%	7.4%	7.4%	7.4%	
Industrial Services	4.9	12.3	14.9	17.5	19.7	19.7	19.7	16.8%
% inc.		154.1%	20.5%	17.6%	12.5%	0.0%	0.0%	
% margin	3.5%	8.3%	8.7%	8.9%	9.1%	9.1%	9.1%	
IT	0.7	3.3	2.0	1.8	1.7	1.7	1.7	-19.7%
% inc.		369.4%	-38.0%	-11.1%	-6.2%	-1.3%	-1.3%	
% margin	1.5%	9.7%	8.0%	7.9%	7.8%	7.7%	7.6%	
Acquisitions			1.8	9.0	10.5	10.5	10.5	
% inc.				390.7%	16.9%	0.0%	0.0%	
% margin				8.0%	8.5%	8.5%	8.5%	
Ajustments	2.8	-5.1	-5.0	-5.0	-5.0	-5.0	-5.0	

Source: Bankia Bolsa

Below the EBITDA line, we must point out the high financial results compared to net debt, because these include: **1)** EUR3.4m loan interests; **2)** EUR1.6m interest of convertible bonds; **3)** EUR1.3m factoring expenses; **4)** other concepts such as fees, leasing costs and erosion of stake in Amper. In our estimated financial results we have eliminated all non-recurrent concepts such as part of EBN's bonds already converted, costs arising from Telefonica Spain and the erosion in Amper (provisioned at EUR1.4/share). The equity accounted results includes the contribution from Vertice 360º, which in 2012 contributed a negative EUR-16.5m (more than EUR-5m was due to the sale of the audio-visual service). We estimate a negative contribution from Vertice 360º of EUR-5m per year and forecast a 30% tax rate.

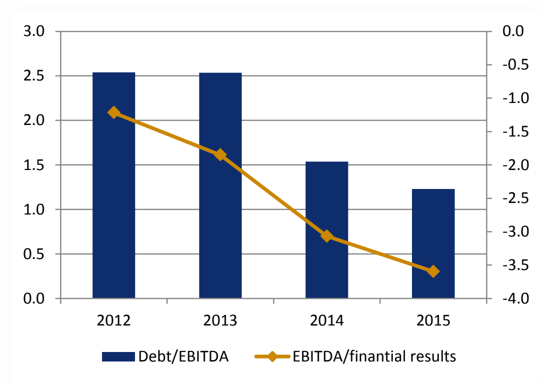
Finantial estimates

EUR m	2011	2012	2013e	2014e	2015e	2016e	2017e	CAGR 12/15e
Amortization	-1.9	-3.0	-5.4	-5.7	-6.5	-7.2	-7.7	
EBIT	**6.5**	**9.0**	**8.3**	**17.6**	**20.4**	**19.6**	**19.1**	**31.4%**
% inc.		39.2%	-7.2%	111.1%	16.0%	-3.9%	-2.4%	
% margin	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	
Finantial results	-13.8	-8.7	-7.4	-7.6	-7.5	-7.1	-6.6	
Equity method results	0.0	-16.5	-5.0	-5.0	-5.0	-5.0	-5.0	
EBT	**-7.4**	**-16.2**	**-4.1**	**5.0**	**7.9**	**7.5**	**7.5**	
Taxes	-1.3	-1.2	0.0	-1.5	-2.4	-2.2	-2.3	
Net Profit	**-40.4**	**-19.4**	**-5.6**	**0.9**	**2.8**	**2.5**	**2.5**	

Source: Bankia Bolsa

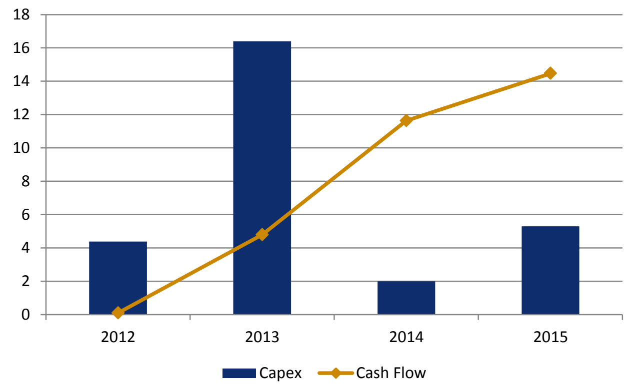
At the end of 2012 Ezentis had a net debt of EUR26.8m, which implies a debt/EBITDA'12 of 2.5x. Despite the acquisitions and thanks to the strong growth and cash generation as from 2014, we expect the company to reduce this ratio to below 1.5x in 2015. We forecast maintenance CAPEX of EUR1m which will increase to EUR2m after acquisitions. According to our calculations Ezentis will disburse 70% of the acquisitions at the moment of purchase (2013) and the remaining 30% in 2015 and 2016.

Debt/EBITDA vs EBITDA/Financial Results



Source: Bankia Bolsa

Maintenance CAPEX vs. Cash Flow



Source: Bankia Bolsa

Ezentis' debt has been greatly reduced in recent years thanks to the divestment of the less profitable assets and the restructuring/refinancing processes, thus reaching EUR26.8m in 2012, -70% below 2010. The existing debt is mainly with BANIF, EBN and Bankinter.

The debt with BANIF is EUR18m via two loans: **1)** EUR14m at 6.88% maturing in March 2019; and **2)** EUR4.1M at a fixed 6.5% rate, maturing in July 2013. EBN EUR6.65m via convertible bonds (66,500 bonds). These bonds had a fixed 8.5% rate during the first year and later Euribor (3 months) +4%. EBN has converted 30,000 bonds for a value of EUR3m, and although it will likely convert the rest in coming quarters, we have not included it to our estimates. The loan with Bankinter is of EUR3.75m, maturing in December 2013 and at Euribor +4.75%.

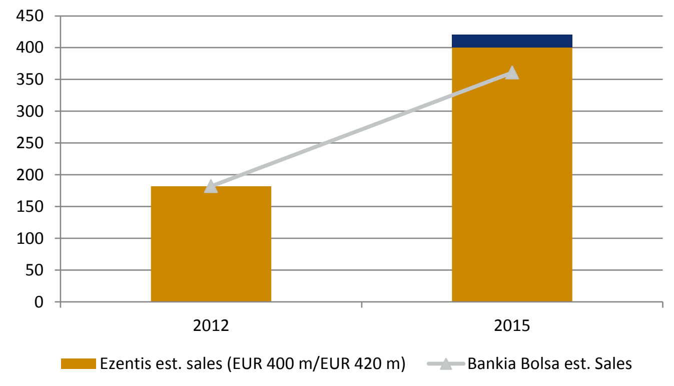
Our estimated net debt could vary according to:

- **Acquisitions made and how:** In our estimates we foresee that from the EUR22m expected to be used for inorganic growth, 70% will be disbursed at the moment of the acquisition and the rest as targets are achieved (we do not rule out using shares as partial payment). We estimate an additional 30% payment in 2015 and 2016.
- **Conversion of EBN's bonds:** EBN has already converted 30,000 bonds and although we expect the rest (36,500; i.e. EUR3.6m shares to be issued) to be converted in coming quarters, it is not included in our estimates.
- **Credit line with GEM (equity line):** Ezentis has a credit line available with GEM for EUR30m, of which it has only withdrawn EUR1.4m.
- **Dispute with BNP:** In 2013 Ezentis has won a dispute with BNP which dates back to 2003. Initially, BNP would have to pay USD25m (around EUR30m) plus interests, although we will have to wait until all the legal procedures are exhausted.

Our estimates vs. Ezentis' strategy plan

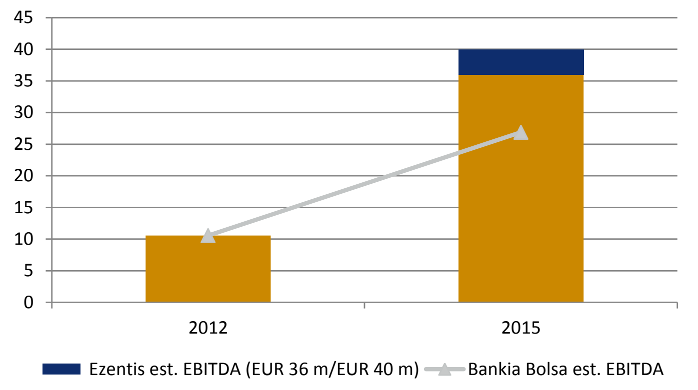
Our estimates differ from Ezentis' targets for 2015 in sales by -12% and EBITDA by -30%.

Estimated Sales



Source: Ezentis, Bankia Bolsa

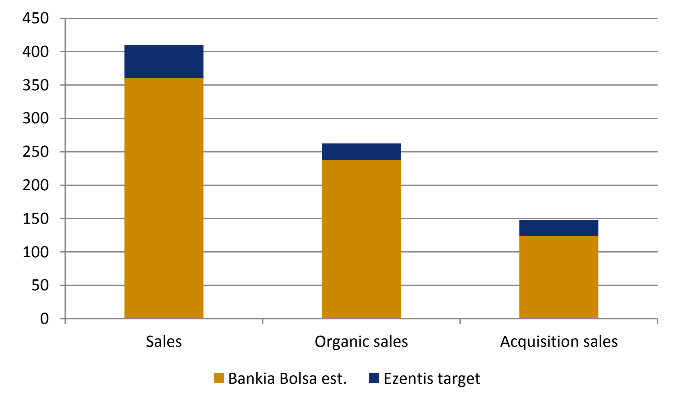
Estimated EBITDA



Source: Ezentis, Bankia Bolsa

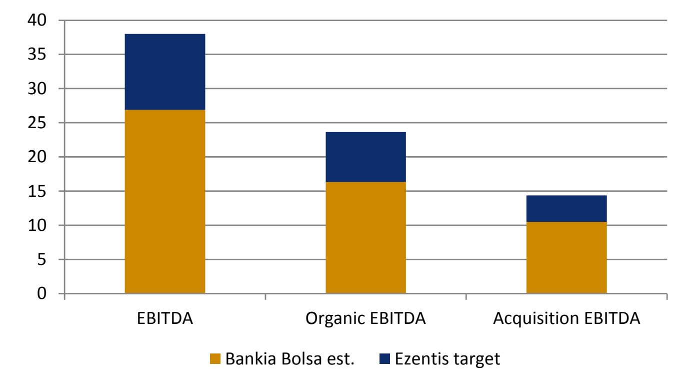
Ezentis' 2015 targets for sales is between EUR400-420m (in the following graphs we have used EUR410m) and EBITDA between EUR36-40m (using EUR38m). The company estimates 36% of its sales and 38% EBITDA to be generated in the new countries. Taking a look at the following graphs, we are -10% below Ezentis' estimated organic sales, and our EBITDA is 31% below the company's. In our opinion this is due to our lower estimates in the Technology activity and lower growth in Industrial Services. Regarding growth via acquisitions we are 16% below Ezentis' 2015 sales forecasts and -27% in terms of EBITDA. This could be because we have included these acquisitions but according to Ezentis' minimum parameters and on the other hand, because our estimated growth from the new companies incorporated to the group is below Ezentis'.

Ezentis' 2015 Sales target vs. Bankia Bolsa estimates



Source: Ezentis, Bankia Bolsa

Ezentis' 2015 EBITDA Target vs. Bankia Bolsa estimates



Source: Ezentis, Bankia Bolsa

Valuation: Buy

We value Ezentis via the DCF method, reaching a fair value of EUR0.25/share and a Buy recommendation. Our estimates include acquisitions in 2013 and no changes to capital.

We have carried out a free cash flow calculation on 2013-2017e. From the operating cash flow we subtract our estimated 30% tax rate. Applying a WACC of 10.6%, considering our aggressive hypotheses such as Beta 2x (due to the existing risk in executing acquisitions), an 11.8% cost of debt (although the cost of debt with credit entities is actually between 7-8%, but if we include factoring costs, interests with Public Administrations and leasing costs it rises to 11.8%) and a 5% risk rate (normally we apply 4.5%, related to the Spanish 10YB, however the strong presence in LatAm results in a slightly higher estimate). We estimate a perpetual growth rate of 1% (g) due to the exposure to growth in Latin America. As acquisitions take place successfully, we will reduce our Beta.

We value Ezentis' stake in Vértice 360º (27.8% at EUR0.062/share) and Amper (5% at EUR1.3/share) at market prices, resulting in a total value of EUR7.8m.

DCF Valuation

CASH FLOW (EUR m)	2012	2013e	2014e	2015e	2016e	2017e	VR
EBIT	9.0	8.3	17.6	20.4	19.6	19.1	19.1
Normative Tax Rate		*30%*	*30%*	*30%*	*30%*	*30%*	*30%*
NOPLAT	9.6	5.8	12.3	14.3	13.7	13.4	13.4
Depreciation&other provisions	3.0	5.4	5.7	6.5	7.2	7.7	7.7
Gross Operating Cash Flow	12.6	11.2	18.0	20.8	21.0	21.1	21.1
Capex	-4.4	-16.4	-2.0	-5.3	-5.3	-3.0	-7.7
Change in Net Working Capital	-4.7	-6.7	-5.6	-1.2	-2.0	-2.0	0.0
Cash Flow to be discounted	3.6	-11.9	10.4	14.3	13.7	16.1	13.4
DCF VALUATION (EUR m)							
WACC			10.6%	10.6%	10.6%	10.6%	10.6%
Discount Rate factor			1.00	0.90	0.82	0.74	0.74
Discounted Cash Flow			10.4	12.9	11.2	11.9	
Cumulated DCF			10.4	23.3	34.5	46.4	

WACC & DCF ANALYSIS					
Free Risk Rate (10y Govn. Bonds)	5.0%	Cumulated DCF	46.4	- Net Financial Debt (13e)	34.8
Company Risk Factor or Beta	2.00	Perpetual Growth Rate (g)	1.0%	- Minorities (estimated value)	5.1
Mkt Risk Premium	4.0%	Normalised Annual CF	13.4	+ Associates	7.8
Cost of Equity (Ke or COE)	13.0%	Terminal Value at Nominal Year	140.4	- Pension underfunding	
Cost of Debt (gross)	11.8%	Disc. Rate of Terminal Value	0.74	- Off-balance sheet commitm.	
Debt Tax Rate	30%	Discounted Terminal Value	103.7		
Cost of Debt net (kd or COD)	8.3%			Equity Market Value (EUR m)	117.9
Target Gearing (D/E) or % Kd	50%	Financial assets		Number of shares (m)	467.6
% Ke	50%	**Enterprise Value (EUR m)**	**150.1**	**Fair Value per share (EUR)**	**0.25**
WACC	**10.6%**				

Source: Bankia Bolsa

Our valuation implies an EV/EBITDA'14 ratio of 6.5x. The weighted average of the Industrial Services and IT sectors presents an EV/EBITDA'13 of 7.7x and EV/EBITDA'14 6x (see section "Companies similar to Ezentis. Comparable?" pg 20).

Sum-of-the-parts valuation

We have carried out a sum of the parts valuation on the company, although do not use it to reach our fair value because the ratios applied come from companies that are not very comparable with Ezentis; however it serves as a reference. This valuation points to a fair value of EUR0.27/share.

To carry out this analysis we valued: **1)** Technology at an EV/EBITDA of 4.3x (average between 2013 and 2014) similar to peers (see section "Companies similar to Ezentis. Comparable?" page 20). **2)** Industrial services with an EV/EBITDA of 7.0x (average between 2013 and 2014) similar to peers (see page 20); and **3)** Acquisitions at our estimated values, i.e. EV/EBITDA 6x.

This valuation points to EV/EBITDA'14e of 6.8x. We must recall that Ezentis acquired Calatel (Industrial Services company in Peru, Panama and Jamaica) in 2007 at EV/EBITDA 6.7x.

SOP valuation	
IT	
EV/EBITDA	4.3
EBITDA13	2.0
EV	8.8
Industrial Services	
EV/EBITDA	7.0
EBITDA	14.9
EV	103.6
Acquisitions	
EV/EBITDA	6.0
EBITDA	7.3
EV	44.0
EV total	**156.4**
Debt13	34.8
Minoritaries	5.1
Equity method	7.8
Equity	124.2
Nº shares	467.6
Fair value	**0.27**

Source: Bankia Bolsa

Sensitivity analysis

Analysis of our fair value according to WACC and investments in acquisitions

We have carried out a sensitivity analysis on our fair value according to WACC (that we will adjust according to acquisitions made) and the corresponding investments. We estimate EUR22m investments with 10.6% WACC. For our estimated WACC we have used fairly aggressive hypotheses such as 2x Beta (due to the existing risk in executing acquisitions), an 11.8% cost of debt (although the cost of debt with credit entities is actually between 7-8%, but if we include factoring costs, interests with Public Administrations and leasing costs it rises to 11.8%) and a 5% risk rate (normally we apply 4.5%, related to the Spanish 10YB, however the strong presence in LatAm results in a slightly higher estimate). We have included a minimum investment of EUR3m in acquisitions considering an agreement with a Brazilian company is practically coming to a close.

Analysis of our fair value according to WACC and investments in acquisitions

		WACC				
		9.6%	10.1%	10.6%	11.1%	11.6%
Acquisitions investment	3	0.22	0.20	0.19	0.18	0.17
	7	0.23	0.22	0.21	0.19	0.18
	12	0.25	0.23	0.22	0.21	0.20
	17	0.27	0.25	0.24	0.22	0.21
	22	0.29	0.27	0.25	0.24	0.22

Source: Bankia Bolsa

Sensitivity analysis of our fair value according to the Beta and the "g" rate

We have also carried out a sensitivity analysis on our fair value according to the Beta and "g" rate applied: We estimate: **1)** Beta 2x, which although could seem high is justified due to the inherent risks of acquisitions to be made by Ezentis and, to a lesser extent, the high presence in Argentina; and **2)** 1% "g" (perpetual growth). This percentage could be conservative considering the company is exposed to Latin America in over 90% (where the average growth is above 3%). An additional +0.5% perpetual growth would increase our fair value by +5% to 7%.

Sensitivity analysis of our fair value according to the Beta and the "g" rate

		Beta				
		1.25	1.50	1.75	2.00	2.25
Growth rate (g)	0.0%	0.27	0.26	0.24	0.23	0.22
	0.5%	0.29	0.27	0.25	0.24	0.23
	1.0%	0.31	0.29	0.27	0.25	0.24
	1.5%	0.33	0.30	0.28	0.27	0.25
	2.0%	0.35	0.32	0.30	0.28	0.26

Source: Bankia Bolsa

Companies similar to Ezentis. Comparable?

Although in our opinion Ezentis does not have any real comparatives, we have carried out an analysis to see which could be the normal ratios at which the company should trade. The historic ratios cannot be used because of the management, financial and strategic restructuring processes in recent quarters.

Ezentis is formed by 2 activities, Industrial Services (over 90% weight in sales and EBITDA as from 2013e) and Technology. The two national companies that could be considered similar to Ezentis are Amper and Tecnocom (main ITC activity). Besides the weight of Spain in the two companies is very high, over 40% in Amper and 75% in Tecnocom. Therefore these could be compared in the Technology activity.

We consider Ezentis a service company, and partly engineering. For this analysis we have included outsourcing, industrial service and even engineering companies (with industrial services). In our view: **1)** Ezentis should trade at around EV/EBITDA 6.8x (average between 2013-2014); and **2)** EBITDA margin above 8.5%. We must consider that Ezentis' exposure to emerging countries, focused mainly in Latin America, is much higher than the companies included in the following table, thus growth should be higher (CAGR 12-15e EBITDA 15% organic) and thus margins and higher ratios to be applied. On the other hand, Ezentis is much smaller than the companies included.

IT and Servicies/Outsourcing companies

EUR m	Sales	EBITDA	EBITDA margin	EV/EBITDA13	EV/EBITDA14	CAGR EBITDA 12/15e
IT						
ATOS	8,860	1020	11.5%	4.2	3.6	9.6%
Capgemini	10,270	1053	10.3%	4.9	4.4	6.0%
Finmeccanica	17,105	1686	9.9%	3.5	3.3	4.6%
Steria	1,810	154	8.5%	4.3	3.7	6.2%
Indra	3,003	293	9.8%	8.0	7.4	3.6%
Thales	14,096	1420	10.1%	4.1	3.6	7.1%
Amper S.A.	364	22	5.9%	7.8	6.8	47.5%
TECNOCOM Telecomunicaciones y Energia	388	18	4.5%	7.8	6.0	21.0%
Mediana	5,931	657	9.8%	4.6	4.1	13.2%
Servicies/Outsourcing						
AMEC	4,909	420	8.6%	8.3	7.2	7.4%
Arcadis	2,605	223	8.5%	8.0	7.3	8.4%
Experian	3,937	1342	34.1%	12.9	11.5	9.1%
Interserve	2,412	136	5.6%	5.7	5.2	8.0%
MasTec	3,123	330	10.6%	6.6	5.5	19.3%
Novabase	215	17	8.0%	3.4	2.8	-1.7%
Quanta Services	4,899	519	10.6%	8.5	7.5	13.6%
Royal Imtech	5,874	304	5.2%	4.9	5.1	23.8%
Serco Group	6,026	468	7.8%	9.4	8.6	4.2%
WS Atkins	1,919	160	8.3%	5.5	5.1	5.1%
Carrillion	5,382	304	5.6%	5.1	4.7	0.5%
Tecnicas Reunidas	2,890	171	5.9%	8.1	7.0	8.2%
Duro Felguera	933	113	12.1%	4.9	4.7	23.8%
Saipem	13,493	1529	11.3%	4.7	7.0	-7.9%
Technip	9,429	1172	12.4%	9.3	6.4	0.3%
Aker	947	89	9.3%	8.2	35.1	17.0%
Fluor Corp.	22,751	1055	4.6%	34.6	5.9	-204.4%
Foster Wheeler	2,803	198	7.1%	6.5	5.6	7.2%
KBR	6,078	529	8.7%	7.6	4.7	10.4%
Metka	587	99	16.8%	6.0	5.0	16.7%
Median	**3,530**	**304**	**8.6%**	**7.8**	**6.1**	**7.8%**
Weighted average for activity	**3,861**	**350**	**8.9%**	**7.5**	**6.1**	**8.6%**

Source: FactSet

Annex

Risks presented by Ezentis

- **Concentrated revenues:** Ezentis' sales are mainly generated by 3 customers: Telefonica representing 60% of the total, Edenor with 20% and Endesa 10%. Although the exposure to Telefonica initially seems negative, Ezentis has been TEF's outsourcing company in the *last mile* during the last 25 years and is one of Telefónica's global players. In addition, Ezentis' current executive team has a very good relationship with Telefónica's considering that many of the former held important posts in the telecommunications company.
- **Exposure to Argentina:** In 2012, 36% of Ezentis' sales came from Argentina. This country, apart from the risk *per se,* presents other risks such as the depreciating currency and the other, the inability to repatriate dividends. We expect Ezentis to invest according to the amount generated by its activity, and not more. By entering other countries, the weight of Argentina could also shrink to 25% in coming years (according to Ezentis).
- **Debt/Finance:** In recent quarters, the company has greatly restructured debt and increased capital. Even so, we still see moves in upcoming quarters: **1)** EBN could convert the 36,500 bonds still held, thus Ezentis would have to issue new shares; and **2)** maturities in July 2013 (EUR4m with BANIF) and December 2013 (EUR3.75m with Bankinter).
- **Acquisition risks:** A great part of the strategy plan is focused on acquisitions, representing up to 38% EBITDA in 2015. The execution risks we consider are overpaying companies or that following the acquisitions unforeseen incidences could arise. On the other hand, the good relationship Ezentis has with Telefonica and Endesa does generate reliability when acquiring companies. Ezentis' international expansion (Chile, Peru and Argentina) was carried out by way of Telefónica.

Relevant contracts

- The following table includes the most relevant contracts awarded to Ezentis in recent quarters. These contracts are all in Latin America (Chile, Peru and Argentina), highlighting Telefonica as the customer, and representing 78% of the total contracts in recent quarters. The rest of the companies are important in their respective countries such as Distriluz (has the concession of 14 of the 24 departments in Peru) and Arsat (in charge of assuming the strategic role in implementing State policies in telecommunications, radio broadcasting and internet).

Lastest relevant contract awarded by Ezentis

Country	Type	Stake	Total quantity	Ezentis Quantity	Awarded	Duration (months)	Client
Argentina	Fiber optics	20%	48.5	9.7	Mar-12	18	Arsat
Argentina	Fiber optics	20%	21.5	4.3	May-12	12	Arsat
Chile	Fiber optics	100%	9.4	9.4	May-12	24	Movistar
Peru		100%	39.0		May-12	May-17	Edelnor
Chile	Water maintenance	100%	8.7	8.7	Dec-12	36	Aguas Antofagastas
Peru	Contract loop	100%	48.3	48.3	Dec-12	Dec-16	Telefonica Peru
Peru	Electrical services	100%	9.5	9.5	May-13	Jun-15	Distriluz
Argentina	Fixed networks (contract loop)	100%	55.0	55.0	May-13	2016	Telefonica Argentina

Source: CNMV

Board Members

Manuel García-Durán: Professional life permanently linked to technological, telecommunication and audio-visual projects and companies. He was the chairman of Telefónica Media, the activity that managed all of the Group's interests in the audio-visual and media sectors. In 2011, he served as the General Director of Marketing, General Director of Advertising, General Director of Communication and Executive vice-president and board member of Atresmedia (previous Antena 3TV).

Javier Cremades: Bachelor in Law and founding chairman of Cremades & Calvo-Sotelo. The headquarters is located in the first digital office building developed in Spain and leads the legal implementation of global platforms such as Global Law Firms Alliance in the Madoff case, made up by offices in 19 countries acting in coordination. Currently he is the General Secretary and not a board member of Vértice 360º.

Guillermo José Fernández Vidal: Holds an Advanced Industrial Engineering Degree and is a Graduate in Computer Science. Mr. Fernandez was an advisor to Telefónica, board member of Telefónica O2 in the Czech Republic, in Telesp Brazil, in Telefónica Spain and Telefónica Móbiles Spain. Member of the advisory boards of Accenture, Nokia Spain and board member of Telefónica R+D. He was also a board member of Amper, Telefonica Peru, Telefonica Chile, TPI, Terra, Telefonica Moviles, Via Digital, Unisorce and Portugal Telecom.

He also held various executive posts with in Telefonica such as: General Director of Business Development, Affiliates and Contents, General Director of Businesses, General Director of Commerce and General Director of Telefonica Spain. Mr. Fernandez was also chairman for Telefonica Systems, board member of Telefonica Data and Deputy to the CEO.

Ángeles Ferriz Gómez: Councillor in La Carolina Council in Jaen (Spain), vice-chairwoman to the provincial Government of Jaen, until she was voted Mayor for La Carolina Council in May 2009, which she abandoned last October. Ms. Ferriz has also been the chairwoman for the Regional Agency for Energy in the province of Jaen and La Carolina Initiatives, CEO at Soproagra and board member of various companies such as Parque Científico y Tecnológico GEOLIT, Inverjaén, and Ferias Jaén.

Enrique Sánchez de León García: Degree in Economics and Business at CUNEF and Bachelor in Law (UNED); Business Administration, Foreign Trade and Business Administration for European Communities. Currently, he is the General Director for the APD (Asociación para el Progreso de la Dirección) since 1998, after 10 years as the Deputy Director in said entity.

Fernando González Sánchez: Renowned experience in general and financial management of well-known corporate groups such as Globalia as the General Director of the Hotel Division until his incorporation to Ezentis; in Viajes Marsans as the CFO during 14 years and Group Barceló as the Director of Audit and Systems.

Jose Piqué i Camps: Doctorate in Economic and Business Studies; Bachelor in Law by the University of Barcelona. Ex – minister of the Spanish Government, currently presides the company Vueling Airlines, Bodaclick, the international consultant company Pangea XXI, and since 2011 the Circle of Economy. Mr. Piqué is also a board member of Gaesco and Tradisa, advisor in Abertis, Applus, USP, Seat and Reparalia (among others), as well as for the Governments of Bulgaria and Indonesia, member of the Uzbekistan Camera of Commerce. In the past, he was the Minister of Industry and Energy; Government spokesman, Foreign Affairs Minister; Minister of Science and Technology, president of the Catalonian Popular Party and the Catalonian Popular Parliament Group, deputy and senate member of Forum's BoD in 2004 and the chairman of the Instituto Catalunya Futur. Other posts held, CEO and executive chairman of Ercros and various companies participated by Ercros, as well as CEO in a number of companies such as Río Tinto Minera (1991-1993) and Erkol (1991-1993) and chairman of Lisac (1992) and Fertiberia (1993-1995).

Luis Solana: Bacehlor in Law by the Universidad Complutense Madrid and studied Business Economics in London and Paris. Assistant General Director in Banco Urquijo, creator of Serfibán, Telefónica's chairman between 1982-1989, period during which the company expanded internationally, and General Director of RTVE (1989-1990). He promoted the company Graminsa, focused on the creation and fomenting companies in innovative sectors and new technologies. Mr. Solana represented Segovia (1977-1979), was the Treasury Department chairman, and second vice-president chairman of the Treasury Department and spokesman in the Departments of Economy and Universities. He was also the spokesman for the Department of Defence during 8 years.

José Wahnón Levy: BA in Economics by the University of Barcelona, PMD and Leadership in Services Companies in Harvard. Audited Chartered-Accountant since 1975, developing his professional life in PriceWaterhouseCoopers and becoming a partner in 1987 until 2007, with ample international experience (PwC USA and UK). He was also responsible for the creation of the Services to Financial Entities division in Spain, as well as the Audit Division and member of the State in Spain and Europe in PwC (2003-2007). Currently, Mr. Wahnón is an independent member of the Dexia-Sabadell Audit Committee, collaborates with the Deposit Guarantee Fund and is member and chairman of the Ciudad Real Airport's BoD.

Luis Gayo del Pozo: General Secretary of Ezentis and General Counsel and Legal Advisor of the BoD, as well as the Secretary of the Appointments, Remuneration, Audit and Compliment Committees. State Attorney and is Secretary of Atresmedia's Board.

Carlos Mariás Lage: CEO in the Technology and Telecom's units. Executive who increases the telecommunications' national and international trajectory and with ample experience in the technology sector. Much of his professional life is linked to Telefónica, having held important posts: executive chairman of Terra Networks Associadas (2005-2007), CEO of Telefónica International Wholesale Services and member of Telefónica LatAm's Management Committee (2004-05), CEO of Telefónica Data Spain and Member of the Telefonica Spain's Management Committee (1999-2003).

Mr. Mariás studied Computer Science in the Universidad Politécnica de Madrid and is licensed in Marketing and Business (Instituto de Empresa), was Siemens Business Services country manager and general CEO at Siemens Corporate Networks between 1996 and 1999. He arrived at the German company from ENTEL (1980 – 1986) where he we was responsible for Telefónica's technical and marketing units. Between 2008-12, he was the advisor to various technology and investment companies and currently forms part of the Advisory Council for NEC.

Ezentis: Summary tables

PROFIT & LOSS (EURm)	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Sales	**282**	**188**	**182**	**220**	**331**	**361**
Cost of Sales & Operating Costs	-291	-178	-171	-206	-308	-334
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**-9.2**	**9.7**	**10.6**	**13.7**	**23.3**	**26.9**
EBITDA (adj.)*	**-9.2**	**9.7**	**10.6**	**13.7**	**23.3**	**26.9**
Depreciation	-2.3	-1.9	-3.0	-5.4	-5.7	-6.5
EBITA	**-11.5**	**7.8**	**7.6**	**8.3**	**17.6**	**20.4**
EBITA (adj)*	**-11.5**	**7.8**	**7.6**	**8.3**	**17.6**	**20.4**
Amortisations and Write Downs	0.0	-1.3	1.4	0.0	0.0	0.0
EBIT	**-11.5**	**6.5**	**9.0**	**8.3**	**17.6**	**20.4**
EBIT (adj.)*	**-11.5**	**6.5**	**9.0**	**8.3**	**17.6**	**20.4**
Net Financial Interest	-8.0	-13.8	-8.7	-7.4	-7.6	-7.5
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.2	0.0	-16.5	-5.0	-5.0	-5.0
Earnings Before Tax (EBT)	**-19.3**	**-7.4**	**-16.2**	**-4.1**	**5.0**	**7.9**
Tax	-116	-1.3	-1.2	0.0	-1.5	-2.4
Tax rate	*nm*	*nm*	*nm*	*0.0%*	*30.0%*	*30.0%*
Discontinued Operations	0.0	-31.0	-0.9	0.0	0.0	0.0
Minorities	-0.3	-0.7	-1.2	-1.5	-2.6	-2.8
Net Profit (reported)	**-135**	**-9.4**	**-18.6**	**-5.6**	**0.9**	**2.8**
Net Profit (adj.)	**-135**	**-40.4**	**-19.4**	**-5.6**	**0.9**	**2.8**

CASH FLOW (EURm)	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Cash Flow from Operations before change in NWC	-133	-5.5	-15.8	1.3	9.2	12.0
Change in Net Working Capital	15.1	4.5	-4.7	-6.7	-5.6	-1.2
Cash Flow from Operations	**-118**	**-1.0**	**-20.5**	**-5.4**	**3.6**	**10.8**
Capex	-36.6	28.2	-4.4	-16.4	-2.0	-5.3
Net Financial Investments	53.6	53.1	12.8	0.0	0.0	0.0
Free Cash Flow	**-101**	**80.3**	**-12.0**	**-21.8**	**1.6**	**5.5**
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	12.1	-25.1	18.5	13.7	-2.6	-2.8
Change in Net Debt	**-88.5**	**55.2**	**6.5**	**-8.0**	**-1.0**	**2.8**
NOPLAT	-80.5	7.6	9.6	8.3	12.3	14.3

BALANCE SHEET & OTHER ITEMS (EURm)	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Net Tangible Assets	40.3	10.2	11.6	22.6	18.9	17.7
Net Intangible Assets (incl.Goodwill)	95.0	30.6	32.4	32.4	32.4	32.4
Net Financial Assets & Other	50.0	30.2	34.0	34.0	34.0	34.0
Total Fixed Assets	**185**	**71.0**	**77.9**	**88.9**	**85.3**	**84.1**
Inventories	11.6	4.0	4.6	5.6	8.4	9.1
Trade receivables	146	57.7	39.6	47.9	68.1	74.2
Other current assets	69.8	37.1	19.0	19.4	20.4	20.7
Cash (-)	-29.4	-6.8	-7.0	-0.1	-0.1	-0.1
Total Current Assets	**256**	**106**	**70.3**	**73.0**	**97.0**	**104**
Total Assets	**442**	**177**	**148**	**162**	**182**	**188**
Shareholders Equity	33.6	5.1	-9.0	0.8	1.7	4.5
Minority	1.9	2.5	3.7	5.1	5.1	5.1
Total Equity	35.6	7.6	-5.3	5.9	6.8	9.6
Long term interest bearing debt	69.0	16.0	17.0	17.0	17.0	17.0
Provisions	42.2	39.0	33.7	33.7	33.7	33.7
Other long term liabilities	6.7	4.0	23.4	21.9	21.9	21.9
Total Long Term Liabilities	**118**	**59.0**	**74.1**	**72.6**	**72.6**	**72.6**
Short term interest bearing debt	48.9	24.2	16.8	18.0	18.9	16.2
Trade payables	88.1	39.4	23.8	26.4	43.9	49.6
Other current liabilities	151	46.3	38.8	39.1	40.0	40.2
Total Current Liabilities	**288**	**110**	**79.5**	**83.5**	**103**	**106**
Total Liabilities and Shareholders' Equity	**442**	**177**	**148**	**162**	**182**	**188**
Net Capital Employed	**173**	**83.9**	**78.6**	**96.3**	**98.2**	**98.2**
Net Working Capital	**69.0**	**22.2**	**20.5**	**27.1**	**32.6**	**33.7**

GROWTH & MARGINS	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Sales growth		*-33.5%*	*-3.0%*	*21.0%*	*50.4%*	*9.0%*
EBITDA (adj.)* growth		***+chg***	***9.1%***	***30.2%***	***69.6%***	***15.4%***
EBITA (adj.) growth*		*+chg*	*-2.9%*	*10.3%*	*111.1%*	*16.0%*
*EBIT (adj)*growth*		*+chg*	*39.2%*	*-7.2%*	*111.1%*	*16.0%*

Ezentis: Summary tables

GROWTH & MARGINS	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Net Profit growth		*+chg*	*+chg*	*+chg*	*+chg*	*195.8%*
EPS adj. growth		*+chg*	*+chg*	*+chg*	*+chg*	*195.8%*
DPS adj. growth						
EBITDA (adj) margin*	*nm*	*5.2%*	*5.8%*	*6.2%*	*7.0%*	*7.4%*
EBITA (adj) margin*	*-4.1%*	*4.1%*	*4.2%*	*3.8%*	*5.3%*	*5.7%*
EBIT (adj) margin*	*nm*	*3.4%*	*4.9%*	*3.8%*	*5.3%*	*5.7%*

RATIOS	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Net Debt/Equity	2.5	4.4	nm	nm	nm	3.4
Net Debt/EBITDA	-9.6	3.4	2.5	2.5	1.5	1.2
Interest cover (EBITDA/Fin.interest)	nm	0.7	1.2	1.9	3.1	3.6
Capex/D&A	1608.9%	-876.5%	279.9%	303.7%	35.1%	81.9%
Capex/Sales	13.0%	-15.0%	2.4%	7.4%	0.6%	1.5%
NWC/Sales	24.5%	11.8%	11.2%	12.3%	9.8%	9.3%
ROE (average)		-208.4%	1002.5%	136.7%	74.7%	89.2%
ROCE (adj.)	-39.4%	12.1%	14.9%	10.2%	14.7%	17.0%
WACC	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%
ROCE (adj.)/WACC	-3.7	1.1	1.4	1.0	1.4	1.6

PER SHARE DATA (EUR)***	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Average diluted number of shares	317.4	336.9	365.9	467.6	467.6	467.6
EPS (reported)	-0.43	-0.03	-0.05	-0.01	0.00	0.01
EPS (adj.)	-0.43	-0.12	-0.05	-0.01	0.00	0.01
BVPS	0.11	0.02	-0.02	0.00	0.00	0.01
DPS						

VALUATION	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
EV/Sales	0.8	0.6	0.5	0.5	0.3	0.3
EV/EBITDA	nm	12.4	8.1	7.2	4.3	3.6
EV/EBITDA (adj.)*	**nm**	**12.4**	**8.1**	**7.2**	**4.3**	**3.6**
EV/EBITA	-20.0	15.4	11.3	11.9	5.7	4.8
EV/EBITA (adj.)*	**-20.0**	**15.4**	**11.3**	**11.9**	**5.7**	**4.8**
EV/EBIT	nm	18.6	9.5	11.9	5.7	4.8
EV/EBIT (adj.)*	**nm**	**18.6**	**9.5**	**11.9**	**5.7**	**4.8**
P/E (adj.)	**nm**	**nm**	**nm**	**nm**	**nm**	**24.3**
P/BV	4.1	16.5	nm	85.8	39.1	15.0
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	
EV/CE	1.1	1.9	1.3	1.2	1.2	1.2
OpFCF yield	-111%	32.3%	-45.3%	-32.4%	2.4%	8.2%
OpFCF/EV	-67.1%	22.6%	-29.1%	-21.9%	1.6%	5.7%
Payout ratio						
Dividend yield (gross)						

EV AND MKT CAP (EURm)	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
Price** (EUR)	0.44	0.25	0.15	0.14	0.14	0.14
Outstanding number of shares for main stock	317.4	336.9	365.9	467.6	467.6	467.6
Total Market Cap	**139**	**84**	**55**	**67**	**67**	**67**
Net Debt	**88**	**33**	**27**	**35**	**36**	**33**
o/w Cash & Marketable Securities (-)	*-29*	*-7*	*-7*	*0*	*0*	*0*
o/w Gross Debt (+)	*118*	*40*	*34*	*35*	*36*	*33*
Other EV components	**2**	**3**	**4**	**-3**	**-3**	**-3**
Enterprise Value (EV adj.)	**230**	**120**	**85**	**99**	**100**	**98**

Source: Company, Bankia Bolsa estimates.

Notes

** Where EBITDA (adj.) or EBITA (adj)= EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj)= EBIT-/+ Non Recurrent Expenses/Income - PPA amortisation*

***Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years*

Sector: Materials, Construction & Infrastructure/Construction

Company Description: Ezentis is organized into two business areas: IT solutions for Information and Communications, and telecommunications solutions. Additionally having a stake in Vértice 360 º, audiovisual services company

European Coverage of the Members of ESN

Aerospace & Defense	Mem(*)
Aviation Latecoere	CIC
Bae Systems Plc	CIC
Dassault Aviation	CIC
Eads	CIC
Finmeccanica	BAK
Lisi	CIC
Mtu	EQB
Rheinmetall	EQB
Rolls Royce	CIC
Safran	CIC
Thales	CIC
Zodiac	CIC

Airlines	Mem(*)
Air France Klm	CIC
Finnair	POH
Lufthansa	EQB

Automobiles & Parts	Mem(*)
Autoliv	CIC
Bmw	EQB
Brembo	BAK
Continental	EQB
Daimler Ag	EQB
Elringklinger	EQB
Faurecia	CIC
Fiat	BAK
Landi Renzo	BAK
Leoni	EQB
Michelin	CIC
Nokian Tyres	POH
Piaggio	BAK
Pirelli & C.	BAK
Plastic Omnium	CIC
Plastivaloire	CIC
Porsche	EQB
Psa Peugeot Citroen	CIC
Renault	CIC
Sogefi	BAK
Stern Groep	SNS
Valeo	CIC
Volkswagen	EQB

Banks	Mem(*)
Aareal Bank	EQB
Akbank	IBG
Aktia	POH
Alpha Bank	IBG
Banca Carige	BAK
Banca Mps	BAK
Banco Popolare	BAK
Banco Popular	BBO
Banco Sabadell	BBO
Banco Santander	BBO
Banesto	BBO
Bank Of Cyprus	IBG
Bankinter	BBO
Bbva	BBO
Bcp	CBI
Bes	CBI
Bnp Paribas	CIC
Boursorama	CIC
Bper	BAK
Bpi	CBI
Commerzbank	EQB
Credem	BAK
Credit Agricole Sa	CIC
Creval	BAK
Deutsche Bank	EQB
Dexia	BDG
Efg Eurobank Ergasias	IBG
Garanti Bank	IBG
Halkbank	IBG
Ing Group	SNS
Intesa Sanpaolo	BAK
Kbc Group	BDG
Mediobanca	BAK
National Bank Of Greece	IBG
Natixis	CIC
Nordea	POH
Piraeus Bank	IBG
Postbank	EQB
Societe Generale	CIC
Ubi Banca	BAK
Unicredit	BAK
Yapi Kredi Bank	IBG

Basic Resources	Mem(*)
Acerinox	BBO
Altri	CBI
Arcelormittal	BBO
Crown Van Gelder	SNS
Ence	BBO
Europac	BBO
Inapa	CBI
Metka	IBG
Metsä Board	POH
Mytilineos	IBG
Nyrstar	BDG
Outokumpu	POH
Portucel	CBI
Rautaruukki	POH
Salzgitter	EQB
Semapa	CBI
Stora Enso	POH
Talvivaara Mining Co Plc	POH
Thyssenkrupp	EQB
Tubacex	BBO
Upm-Kymmene	POH

Biotechnology	Mem(*)
4Sc Ag	EQB
Bioalliance Pharma	CIC
Epigenomics Ag	EQB
Metabolic Explorer	CIC
Neovacs	CIC
Transgene	CIC
Wilex	EQB
Zeltia	BBO

Chemicals	Mem(*)
Air Liquide	CIC
Akzo Nobel	SNS
Basf	EQB
Dsm	SNS
Floridienne	BDG
Fuchs Petrolub	EQB
Henkel	EQB
Holland Colours	SNS
K+S Ag	EQB
Kemira	POH
Lanxess	EQB
Linde	EQB
Nanogate Ag	EQB
Recticel	BDG
Solvay	BDG
Symrise Ag	EQB
Tessenderlo	BDG
Tikkurila	POH
Umicore	BDG
Wacker Chemie	EQB

Construction & Materials	Mem(*)
Acs	BBO
Astaldi	BAK
Ballast Nedam	SNS
Bilfinger Se	EQB
Boskalis Westminster	SNS
Buzzi Unicem	BAK
Cfe	BDG
Ciments Français	CIC
Cramo	POH
Deceuninck	BDG
Eiffage	CIC
Ellaktor	IBG
Fcc	BBO
Ferrovial	BBO
Gek Terna	IBG
Grontmij	SNS
Grupo San Jose	BBO
Heijmans	SNS
Hochtief	EQB
Holcim Ltd	CIC
Imerys	CIC
Impregilo	BAK
Italcementi	BAK
Lafarge	CIC
Lemminkäinen	POH
Maire Tecnimont	BAK
Mota Engil	CBI
Obrascon Huarte Lain	BBO
Ramirent	POH
Royal Bam Group	SNS
Sacyr Vallehermoso	BBO
Saint Gobain	CIC
Sonae Industria	CBI
Srv	POH
Thermador Groupe	CIC
Titan Cement	IBG
Trevi	BAK
Uponor	POH
Uzin Utz	EQB
Vbh Holding	EQB
Vicat	CIC
Vinci	CIC
Yit	POH

Electronic & Electrical	Mem(*)
Agfa-Gevaert	BDG
Alstom	CIC
Areva	CIC
Augusta Technologie	EQB
Barco	BDG
Euromicron Ag	EQB
Evs	BDG
Gemalto	CIC
Ingenico	CIC
Kontron	EQB
Lacie	CIC
Legrand	CIC
Mobotix Ag	EQB
Neways Electronics	SNS
Nexans	CIC
Pkc Group	POH
Rexel	CIC
Schneider Electric Sa	CIC
Vacon	POH
Vaisala	POH

Financial Services	Mem(*)
Ackermans & Van Haaren	BDG
Azimut	BAK
Banca Generali	BAK
Banca Ifis	BAK
Bb Biotech	EQB
Binckbank	SNS
Bois Sauvage	BDG
Bolsas Y Mercados Espanoles	BBO
Capman	POH
Cir	BAK
Comdirect	EQB
Corp. Financiera Alba	BBO
Dab Bank	EQB
Deutsche Boerse	EQB
Deutsche Forfait	EQB
Financiere De Tubize	BDG
Gbl	BDG
Gimv	BDG
Grenkeleasing Ag	EQB
Hellenic Exchanges	IBG
Hypoport Ag	EQB
Kbc Ancora	BDG
Luxempart	BDG
Mlp	EQB
Luxempart	BDG
Mlp	EQB

Food & Beverage	**Mem(*)**	Marr	BAK	Biotest	EQB	Agta Record	CIC	Brisa	CBI
Acomo	SNS	Rallye	CIC	Cegedim	CIC	Aixtron	EQB	Caf	BBO
Anheuser-Busch Inbev	BDG	Sligro	SNS	Celesio	EQB	Ansaldo Sts	BAK	Deutsche Post	EQB
Atria	POH	Sonae	CBI	Diasorin	BAK	Bauer Ag	EQB	Dockwise	SNS
Baron De Ley	BBO	**General Industrials**	**Mem(*)**	Drägerwerk	EQB	Biesse	BAK	Fraport	EQB
Baywa	EQB	Aalberts	SNS	Faes Farma	BBO	Cargotec Corp	POH	Gemina	BAK
Berentzen	EQB	Accell Group	SNS	Fresenius	EQB	Cfao	CIC	Hes Beheer	SNS
Bonduelle	CIC	Advanced Vision Technology	EQB	Fresenius Medical Care	EQB	Danieli	BAK	Hhla	EQB
Campari	BAK	Ahlstrom	POH	Gerresheimer Ag	EQB	Datalogic	BAK	Logwin	EQB
Campofrio	BBO	Analytik Jena	EQB	Grifols Sa	BBO	Delclima	BAK	Norbert Dentressangle	CIC
Coca Cola Hellenic	IBG	Arcadis	SNS	Korian	CIC	Duro Felguera	BBO	Postnl	SNS
Csm	SNS	Aspo	POH	Laboratorios Rovi	BBO	Emak	BAK	Sias	BAK
Danone	CIC	Azkoyen	BBO	Medica	CIC	Exel Composites	POH	Tnt Express	SNS
De Master Blenders 1753	SNS	Bekaert	BDG	Mediq	SNS	Exel Industries	CIC	**Insurance**	**Mem(*)**
Ebro Foods	BBO	Evolis	CIC	Merck	EQB	Faiveley	CIC	Aegon	SNS
Enervit	BAK	Frigoglass	IBG	Natraceutical Sa	BBO	Fiat Industrial	BAK	Ageas	BDG
Fleury Michon	CIC	Huhtamäki	POH	Novartis	CIC	Gea Group	EQB	Allianz	EQB
Forfarmers	SNS	Kendrion	SNS	Oriola-Kd	POH	Gesco	EQB	Axa	CIC
Heineken	SNS	Martifer Sgps Sa	CBI	Orion	POH	Gildemeister	EQB	Delta Lloyd	SNS
Hkscan	POH	Mifa	EQB	Orpea	CIC	Haulotte Group	CIC	Fondiaria Sai	BAK
Ktg Agrar	EQB	Nedap	SNS	Recordati	BAK	Heidelberger Druck	EQB	Generali	BAK
Lanson-Bcc	CIC	Neopost	CIC	Rhoen-Klinikum	EQB	Ima	BAK	Hannover Re	EQB
Laurent Perrier	CIC	Pöyry	POH	Roche	CIC	Interpump	BAK	Mapfre Sa	BBO
Ldc	CIC	Prelios	BAK	Sanofi	CIC	Khd Humboldt Wedag Internatio	EQB	Mediolanum	BAK
Lotus Bakeries	BDG	Resilux	BDG	Sorin	BAK	Kone	POH	Milano Assicurazioni	BAK
Natra	BBO	Saf-Holland	EQB	Stallergènes	CIC	Konecranes	POH	Munich Re	EQB
Naturex	CIC	Saft	CIC	Ucb	BDG	Krones Ag	EQB	Sampo	POH
Nestle	SNS	Skw Stahl	EQB	**Hotels, Travel & Tourism**	**Mem(*)**	Kuka	EQB	Talanx Group	EQB
Nutreco	SNS	Tessi	CIC	Accor	CIC	Man	EQB	Unipol	BAK
Olvi	POH	Tkh Group	SNS	Autogrill	BAK	Manitou	CIC	Zurich Financial Services	BAK
Parmalat	BAK	Vidrala	BBO	Beneteau	CIC	Max Automation Ag	EQB	**Media**	**Mem(*)**
Pernod-Ricard	CIC	Wendel	CIC	Compagnie Des Alpes	CIC	Metso	POH	Ad Pepper	EQB
Pinguin	BDG	**General Retailers**	**Mem(*)**	Groupe Partouche	CIC	Outotec	POH	Alma Media	POH
Raisio	POH	Beter Bed Holding	SNS	I Grandi Viaggi	BAK	Pfeiffer Vacuum	EQB	Antena 3Tv	BBO
Remy Cointreau	CIC	D'Ieteren	BDG	Ibersol	CBI	Ponsse	POH	Brill	SNS
Sipef	BDG	Douglas Holding	EQB	Intralot	IBG	Prima Industrie	BAK	Cofina	CBI
Ter Beke	BDG	Fielmann	EQB	Lottomatica	BAK	Prysmian	BAK	Editoriale L'Espresso	BAK
Unilever	SNS	Folli Follie Group	IBG	Melia Hotels International	BBO	Reesink	SNS	Gl Events	CIC
Vilmorin	CIC	Fourlis Holdings	IBG	Nh Hoteles	BBO	Sabaf	BAK	Havas	CIC
Viscofan	BBO	Inditex	BBO	Opap	IBG	Schuler Ag	EQB	Hi-Media	CIC
Vranken Pommery Monopole	CIC	Jacquet Metal Service	CIC	Sodexo	CIC	Singulus Technologies	EQB	Impresa	CBI
Wessanen	SNS	Jumbo	IBG	Sonae Capital	CBI	Smt Scharf Ag	EQB	Ipsos	CIC
Food & Drug Retailers	**Mem(*)**	Macintosh	SNS	Trigano	CIC	Ten Cate	SNS	Jcdecaux	CIC
Ahold	SNS	Rapala	POH	Tui	EQB	Trilogiq	CIC	Kinepolis	BDG
Bim	IBG	Stockmann	POH	**Household Goods**	**Mem(*)**	Vossloh	EQB	Lagardere	CIC
Carrefour	CIC	**Healthcare**	**Mem(*)**	De Longhi	BAK	Wärtsilä	POH	Lbi International Nv	SNS
Casino Guichard-Perrachon	CIC	Ab-Biotics	BBO	Elica	BAK	Zardoya Otis	BBO	M6-Metropole Television	CIC
Colruyt	BDG	Almirall	BBO	Indesit	BAK	**Ind Trans & Motorways**	**Mem(*)**	Mediaset	BAK
Delhaize	BDG	Amplifon	BAK	Seb Sa	CIC	Abertis	BBO	Mediaset Espana	BBO
Dia	BBO	Arseus	BDG	U10	CIC	Adp	CIC	Meetic	CIC
Jeronimo Martins	CBI	Bayer	EQB	**Industrial Engineering**	**Mem(*)**	Atlantia	BAK	Nextradiotv	CIC
Kesko	POH	Biomerieux	CIC	Accsys Technologies	SNS	Bollore	CIC	Cic	BBO

Nrj Group	CIC
Pages Jaunes	CIC
Prisa	BBO
Publicis	CIC
Rcs Mediagroup	BAK
Reed Elsevier N.V.	SNS
Roularta	BDG
Rtl Group	BDG
Sanoma	POH
Spir Communication	CIC
Talentum	POH
Telegraaf Media Groep	SNS
Teleperformance	CIC
Tf1	CIC
Ti Media	BAK
Ubisoft	CIC
Vivendi	CIC
Wolters Kluwer	SNS
Oil & Gas Producers	**Mem(*)**
Eni	BAK
Galp Energia	CBI
Gas Plus	BAK
Hellenic Petroleum	IBG
Maurel Et Prom	CIC
Motor Oil	IBG
Neste Oil	POH
Petrobras	CBI
Repsol	BBO
Total	CIC
Tupras	IBG
Oil Services	**Mem(*)**
Bourbon	CIC
Cgg	CIC
Fugro	SNS
Saipem	BAK
Technip	CIC
Tecnicas Reunidas	BBO
Tenaris	BAK
Vallourec	CIC
Vopak	SNS
Personal Goods	**Mem(*)**
Adidas	EQB
Adler Modemaerkte	EQB
Amer Sports	POH
Basic Net	BAK
Beiersdorf	EQB
Geox	BAK
Gerry Weber	EQB
Hugo Boss	EQB
Loewe	EQB
Luxottica	BAK
Marcolin	BAK

Marimekko	POH
Medion	EQB
Ppr	CIC
Puma	EQB
Safilo	BAK
Salvatore Ferragamo	BAK
Sarantis	IBG
Tod'S	BAK
Van De Velde	BDG
Zucchi	BAK
Real Estate	**Mem(*)**
Aedifica	BDG
Ascencio	BDG
Atenor	BDG
Banimmo	BDG
Befimmo	BDG
Beni Stabili	BAK
Citycon	POH
Cofinimmo	BDG
Corio	BDG
Deutsche Euroshop	EQB
Home Invest Belgium	BDG
Igd	BAK
Intervest Offices & Warehouses	BDG
Intervest Retail	BDG
Ivg Immobilien Ag	EQB
Leasinvest Real Estate	BDG
Montea	BDG
Realia	BBO
Retail Estates	BDG
Sponda	POH
Technopolis	POH
Unibail-Rodamco	BDG
Vastned Retail	BDG
Vib Vermoegen	EQB
Wdp	BDG
Renewable Energy	**Mem(*)**
Abengoa	BBO
Biopetrol Industries	EQB
Daldrup & Soehne	EQB
Deutsche Biogas	EQB
Enel Green Power	BAK
Gamesa	BBO
Phoenix Solar	EQB
Sma Solar Technology	EQB
Solar-Fabrik	EQB
Solarworld	EQB
Solutronic	EQB
Sunways	EQB
Semiconductors	**Mem(*)**
Asm International	SNS
Asml	SNS

Besi	SNS
Melexis	BDG
Okmetic	POH
Roodmicrotec	SNS
Stmicroelectronics	BAK
Suess Microtec	EQB
S/W & Computer Serv's	**Mem(*)**
Affecto	POH
Akka Technologies	CIC
Alten	CIC
Altran	CIC
Amadeus	BBO
Atos	CIC
Basware	POH
Beta Systems Software	EQB
Bull	CIC
Capgemini	CIC
Cegid	CIC
Cenit	EQB
Comptel	POH
Ctac	SNS
Dassault Systemes	CIC
Digia	POH
Docdata	SNS
Engineering	BAK
Esi Group	CIC
Exact Holding Nv	SNS
F-Secure	POH
Gameloft	CIC
Gft Technologies	EQB
Groupe Open	CIC
Guillemot Corporation	CIC
I.R.I.S.	BDG
I:Fao Ag	EQB
Ict Automatisering	SNS
Indra Sistemas	BBO
Itelligence	EQB
Neurones	CIC
Novabase Sgps	CBI
Ordina	SNS
Psi	EQB
Qurius	SNS
Realdolmen	BDG
Reply	BAK
Rib Software	EQB
Seven Principles Ag	EQB
Sii	CIC
Sopra Group	CIC
Steria	CIC
Tieto	POH
Tomtom	SNS
Transics	BDG

Unit4	SNS
Wincor Nixdorf	EQB
Support Services	**Mem(*)**
Batenburg	SNS
Brunel	SNS
Bureau Veritas S.A.	CIC
Dpa	SNS
Edenred	CIC
Ei Towers	BAK
Fiera Milano	BAK
Imtech	SNS
Lassila & Tikanoja	POH
Prosegur	BBO
Randstad	SNS
Tmc Group	SNS
Usg People	SNS
Telecom Equipment	**Mem(*)**
Alcatel-Lucent	CIC
Ericsson	POH
Gigaset	EQB
Nokia	POH
Teleste	POH
Telecommunications	**Mem(*)**
Acotel	BAK
Belgacom	BDG
Bouygues	CIC
Deutsche Telekom	EQB
Elisa	POH
Eutelsat Communications Sa	CIC
France Telecom	CIC
Freenet	EQB
Gowex	BBO
Iliad	CIC
Jazztel	BBO
Mobistar	BDG
Ote	IBG
Portugal Telecom	CBI
Ses	CIC
Sonaecom	CBI
Telecom Italia	BAK
Telefonica	BBO
Telenet Group	BDG
Teliasonera	POH
Tiscali	BAK
Turkcell	IBG
United Internet	EQB
Vodafone	BAK
Zon Multimedia	CBI
Utilities	**Mem(*)**
A2A	BAK
Acciona	BBO
Acea	BAK

E.On	EQB
Edp	CBI
Edp Renováveis	CBI
Elia	BDG
Enagas	BBO
Endesa	BBO
Enel	BAK
Fluxys	BDG
Fortum	POH
Gas Natural Fenosa	BBO
Gdf Suez	CIC
Hera	BAK
Iberdrola	BBO
Iren	BAK
Public Power Corp	IBG
Red Electrica De Espana	BBO
Ren	CBI
Rwe	EQB
Sechilienne Sidec	CIC
Snam	BAK
Suez Environnement	CIC
Terna	BAK
Veolia Environnement	CIC

LEGEND: BAK: Banca Akros; BDG: Bank Degroof; BBO: Bankia Bolsa; CIC: CM CIC Securities; CBI: Caixa-Banca de Investimento; EQB: Equinet bank; IBG: Investment Bank of Greece, POH: Pohjola Bank; SNS: SNS Securities

as of 2nd April 2013

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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.

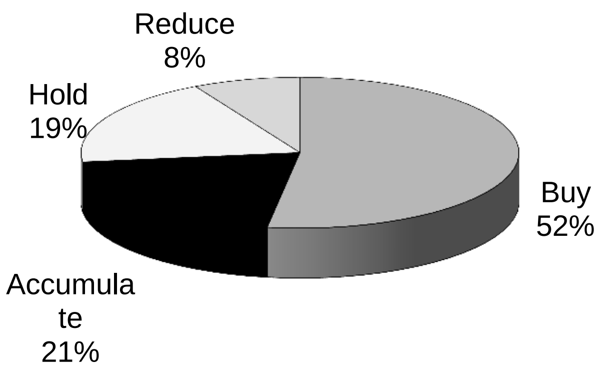
The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy, Accumulate (or Add), Hold, Reduce and Sell (in short: B, A, H, R, S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy**: the stock is expected to generate total return of **over 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold**: the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce**: the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell**: the stock is expected to generate total return **under -10%** during the next 12 months time horizon
- **Rating Suspended**: the rating is suspended due to a capital operation (take-over bid, SPO, …) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved or to a change of analyst covering the stock
- **Not Rated**: there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Bankia Bolsa Ratings Breakdown

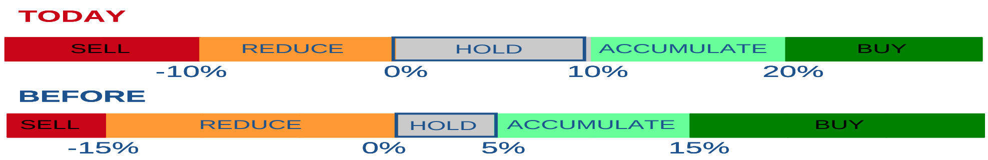


History of ESN Recommendation System

Since 18 October 2004, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

Since 4 August 2008, the ESN Rec. System has been amended as follow.

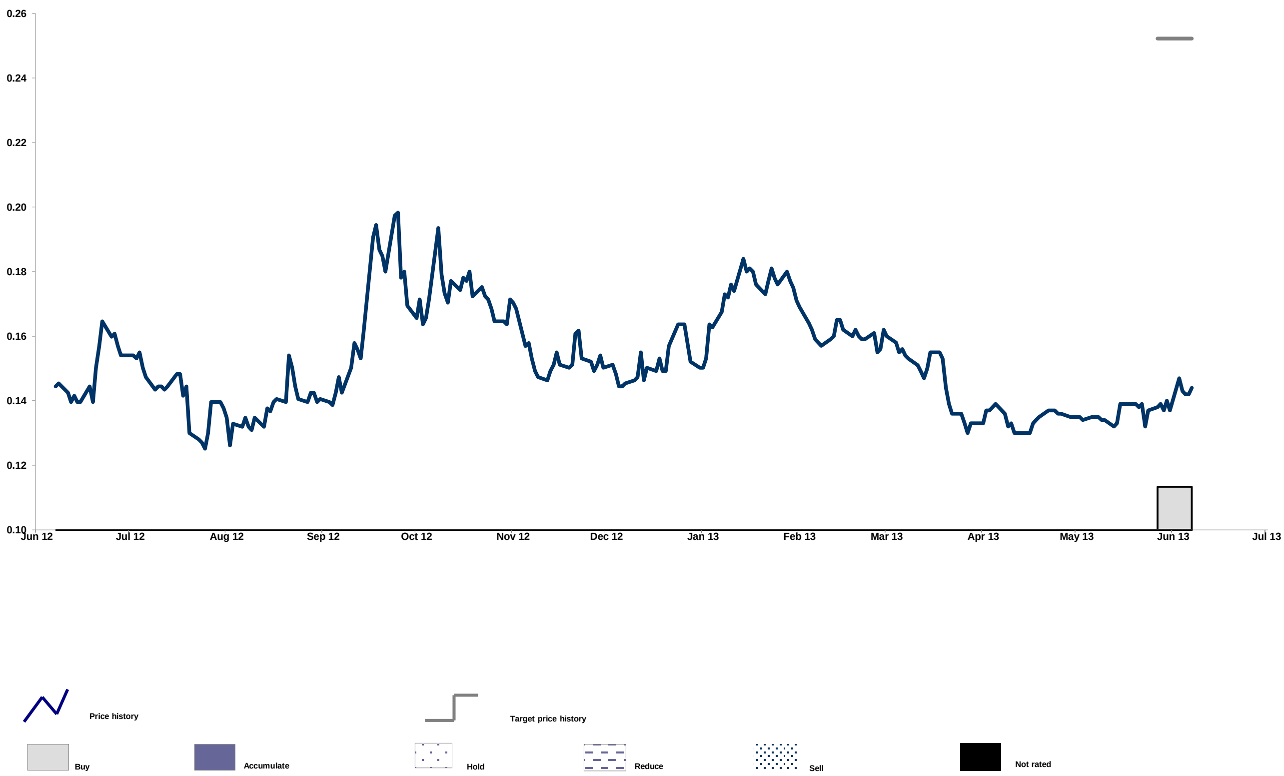
- Time horizon changed to 12 months (it was 6 months)
- Recommendations Total Return Range changed as below:



Recommendation history for EZENTIS

Date	Recommendation	Target price	Price at change date
27-May-13	Buy	0.25	0.14

Source: Factset & ESN, price data adjusted for stock splits.
This chart shows Bankia Bolsa continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Sergio Ruiz Martin (since 17/05/2013)



Information regarding Market Abuse and Conflicts on Interests and recommendation history available in our web page: www.bankiabolsa.es and our offices.

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