

WEEKLY MIDCAPS

EQUITY RESEARCH

24 September 2012

Euro Zone

Market Cap < €5bn

This week...

Midcap Strategy

Natixis corporate access	Page Erreur ! Signet non défini.
Latest research	Bourbon, Swedish Match, TUI AG, Core Lab, Rubis, ...
Latest recommendation changes	Page 4
Publication agenda / corporate meetings	Page 5
Strong conviction ideas	ams, Arkema, Campari, Euler Hermes, Faiveley, Havas, JCDecaux, Mercialys, Mersen, Pirelli, Prysmian, Rubis
Mid cap weekly statistics (Performances / Valuation)	Page 18
Mid cap coverage	Page 21

- **Resilience for midcaps.** With risk aversion rising this week after worrying statistics on the slowdown in Asia (Chinese PMI under 50, i.e. the 11th month of business contraction) and business in the euro zone (PMI under expectations), cyclicals and financials were widely hit, leading to an under-performance for large capitalisations. Over the last week, the CAC 40 lost 1.4% whilst the CAC Mid&Small fell 0.4%.
- **As the year-end approaches, doubts on the cycle in the euro zone are likely to lead to rotation in favour of growth themes and midcaps.** While Value sectors, over-represented in large cap indices, have largely profited from the normalisation of the political risk premium, growth themes are likely to be the next beneficiaries. **This is also likely to generate an outperformance for small and midcaps, the latter being over-represented in sectors with a strong growth tinge (technology, car part suppliers).**
- **The third wave of quantitative easing in the US is another factor favouring this type of rotation.** During the previous QE, the MSCI Europe Mid put in a performance 8.6% over the MSCI Europe Large between September and December 2010.

Contacts

Sylvain Goyon

Strategy

sylvain.goyon@natixis.com
(33 1) 58 55 04 62

Stephen Ausseur

Strategy

Stephen.ausseur@natixis.com
(33 1) 58 55 05 35

Benoit Peloille

Strategy

benoit.peloille@natixis.com
(33 1) 58 55 03 07

Recommended midcaps stocks

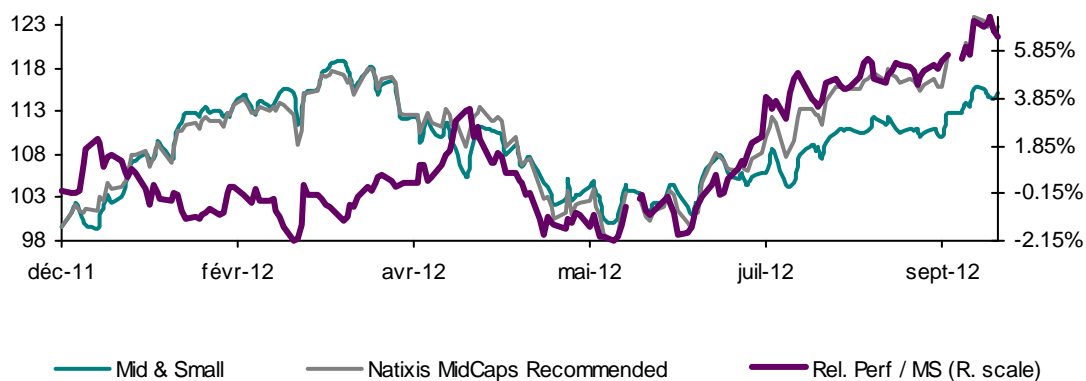
LIST OF MIDCAPS RECOMMENDED BY NATIXIS

Company	Rating	Date of entry	Entry price	Current price	Curr.	Perf. since entry (absolute)	Perf. since entry (relative to CAC Mid&Small)	Target price	Upside
ams	Buy	07/18/2012	71.50	96.70	CHF	34.27%	24.41%	93.00	-3.83%
Arkema	Buy	04/13/2012	69.01	73.72	€	5.13%	3.24%	81.00	9.88%
Campari	Buy	09/12/2012	5.95	6.08	€	2.02%	0.72%	6.50	7.00%
CGGVeritas	Buy	11/02/2010	16.99	25.79	€	49.54%	59.83%	29.60	14.77%
Euler Hermes	Buy	01/09/2012	46.25	54.82	€	20.35%	5.18%	63.00	14.92%
Faiveley	Buy	01/09/2012	51.46	47.60	€	-8.16%	-19.73%	57.00	19.75%
Havas	Buy	01/09/2012	3.22	3.98	€	21.15%	5.89%	5.00	25.69%
JCDecaux	Buy	07/18/2012	18.48	18.95	€	2.16%	-5.34%	21.00	10.82%
Mercialys	Buy	07/18/2012	15.20	16.60	€	7.86%	-0.06%	19.00	14.46%
Mersen	Buy	09/12/2012	23.95	24.00	€	2.69%	1.38%	33.00	37.53%
Pirelli	Buy	09/12/2012	9.10	8.95	€	-1.76%	-3.01%	11.00	22.97%
Prysmian	Buy	07/18/2012	12.49	14.49	€	14.97%	6.53%	16.00	10.42%
Rubis	Buy	09/12/2012	45.70	46.69	€	1.28%	-0.01%	57.00	22.09%

Average upside : 15.9%

PERFORMANCE OF THE MIDCAPS RECOMMENDED LIST

Performances since	01-Janv	1 month	3 months	6 months
MidCaps list	24.22%	4.78%	20.76%	5.82%
CAC Mid&Small	16.76%	3.79%	11.30%	-0.87%
Relative performance	5.90%	1.26%	7.36%	7.23%



Source: Natixis

Latest research

Latest Research Reports

Company	Rating	Market cap.	Title	No. Pages	Date
Bourbon	Neutral	€1 600m	Ensure the financing to complete Horizon 2015	36	09/19/2012
TUI AG	Buy	€1713m	Improved fundamentals come at a price	20	09/13/2012
Swedish Match	Buy	€6546m	Take advantage of the next dip to buy	20	09/13/2012
Core Lab	Neutral	€4743m	Houston CSI (Core Sample Investigation)	36	09/12/2012

Latest Morning News

Company	Rating	Market cap.	Title	No. Pages	Date
Dietswell	Buy	€5m	H1 12 in the black!	3	09/24/2012
Dufry AG	Buy	€2709m	'Advanced negotiation with Folli Folie'	3	09/24/2012
Kuoni	Neutral	€814m	Positive strategic move ... from 2013	3	09/24/2012
Vilmorin & Cie	Buy	€1532m	Small acquisition in vegetable seeds in USA	3	09/21/2012
Arkema	Buy	€4600m	Road show feedback	4	09/21/2012
Kuoni	Neutral	€814m	Exit from unprofitable tour operating in Europe	3	09/21/2012
Eurofins Scientific	Neutral	€1538m	Minor acquisition in the US	3	09/21/2012
Dufry AG	Buy	€2709m	Heading for an acquisition of Hellenic Duty Free?	3	09/21/2012
Orpea	Buy	€1638m	Growth and, importantly, FCF	3	09/20/2012
Heurtey Petrochem	Buy	€92m	Margin to return to normal in 2013	3	09/19/2012
Bourbon	Neutral	€1590m	Ensure the financing to complete Horizon 2015	3	09/19/2012
GfK	Neutral	€1215m	Negative momentum fully priced in	4	09/19/2012
Arkema	Buy	€4600m	A pause before setting off again	3	09/19/2012
Bolloré	Buy	€5226m	Sale of Direct 8 and Direct Star approved at last	4	09/19/2012
Bonduelle	Neutral	€548m	France Champignon seminar	4	09/19/2012
Eurodisney	Buy	€226m	Structuring change	4	09/19/2012
Naturex	Neutral	€389m	Acquisition of Decas Botanical Synergies - -	3	09/19/2012
Zodiac Aerospace	Buy	€4408m	Cautious on 2011/12 EBIT outlook	3	09/19/2012
Arkema	Buy	€4600m	Another catalyst	3	09/18/2012
Ipsos	Reduce	€1105m	Confident on the medium term but no catalysts	3	09/18/2012

Latest recommendation changes

Latest rating upgrades

	Rating	Market cap.	Target price	Date
Eurodisney	Buy vs Neutral	€226m	€7.90	09/19/2012
GfK	Neutral vs Reduce	€1215m	€34.00	09/19/2012
Campari	Buy vs Neutral	€3528m	€6.50	09/04/2012
Lindt & Sprüngli	Neutral vs Reduce	€6370m	CHF34,000.00	08/22/2012
Elmos	Neutral vs Reduce	€144m	€6.40	08/10/2012

Latest rating downgrades

	Rating	Market cap.	Target price	Date
Kuoni	Neutral vs Buy	€814m	CHF270.00	08/24/2012
Fugro	Neutral vs Buy	€4162m	€55.60	08/13/2012
Gamesa	Reduce vs Buy	€471m	€1.00	07/27/2012
Wereldhave	Neutral vs Buy	€953m	€49.00	07/24/2012
Soitec	Reduce vs Neutral	€306m	€2.00	07/17/2012

Latest EPS momentum

Latest EPS upgrades (2 weeks)

	Market cap.	2012e	2013e	2014e	Date
Cegedim	€213m	4.1	-18.2	-11.7	09/24/2012
Le Noble Age	€102m	0.8	0.8	0.8	09/20/2012
GfK	€1215m	0.3	-1.4	-1.1	09/19/2012
Eurodisney	€226m	-21.3	-6.5	-6.4	09/19/2012
Arkema	€4600m	3.1	0.9	0.6	09/19/2012

Latest EPS downgrades (2 weeks)

	Market cap.	2012e	2013e	2014e	Date
Saft	€485m	-0.7	-3.1	-2.8	09/24/2012
Faiveley	€696m	-6.2	-7.9	-7.7	09/24/2012
Ciments Français	€1667m	-6.4	-13.9	-12.4	09/24/2012
Ansaldo STS	€1034m	-0.4	-3.8	-3.8	09/24/2012
Vicat	€1862m	-26.2	-22.4	-17.1	09/24/2012

Publication agenda / corporate meetings

Companies covered

	Publication date	Market cap.	Information published	Reference period
Beneteau	09/24/2012	€774m	Turnover	2012
Alten	09/25/2012	€819m	Earnings	H1 12
Neopost	09/25/2012	€1402m	Earnings	H1 12
Trigano	09/28/2012	€188m	Turnover	2012

Strong conviction ideas

ams	Buy			Price 09/21/2012 : CHF96.70
Market cap. :	CHF1.2bn	Target price :	CHF93.00	Upside : -3.8%

Wide exposure to smartphones & tablets and a host of growth opportunities at hand

Investment case

- ams is ideally placed to gain from the boom in sales of smartphones and tablets (55% of sales), thanks to its main client, Apple (25% of total sales) and its diversified client and product portfolios.
- The Swiss group continues to add market share in its core business: light sensor applications (nearly 50% share of the market) and MEMS (80% share).
- In addition to its core business, ams has three growth drivers to exploit: 1/ NFC technology, having started to ship its solution in China in Q2, 2/ power management tools for graphics chips used in smartphones and tablets, in partnership with a graphic processor maker (Nvidia springs to mind) and finally, 3/ an autofocus device for smartphones & tablet cameras.
- We therefore reckon ams has potential to generate earnings growth of 40% on average over the next three years.

Catalysts

- ams will most likely raise its annual guidance when it publishes its Q3 12 earnings on Oct. 22.
- iPhone sales should also exert leverage.

Valuation

- The share is currently valued at 11.1x estimated 2013 EPS, which, in our view, does not fully reflect the group's prospects.

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	275.7	35.3	3.0	33.8	-	-	-	-	-
2012e	385.9	78.9	6.1	na	13.0	12.4	9.4	0.8	19.6
2013e	451.0	92.5	7.2	17.3	11.1	9.3	8.2	1.9	19.5
2014e	513.7	107.2	8.4	15.9	9.6	6.9	7.2	2.2	19.2

Maxime Mallet
Stéphane Houré

(33 1) 58 55 03 66
(33 1) 58 55 03 65

maxime.mallet@natixis.com
stephane.houré@natixis.com

Arkema

Buy

Price 09/21/2012 : €73.72

Market cap. : €4.6bn Target price : €81.00 Upside : 9.9%

Arkema operates in two main sectors: Industrial Chemicals (2/3 of sales), of which Coatings (acrylic acid + resins) account for 45% and Speciality Chemicals (PMMA+thiochemicals+fluorochemicals+ hydrogen peroxide) for 55%. Performance Products account for the remaining third of sales, of which technical polymers account for half (i.e. fluorinated polymers and polyamides). The group ranks from world n°3 to world n°1 in six of its product lines, serving niche markets in which competition is weak.

Investment case

- **The share is currently valued** well below its past average and the sector average level. **We believe this fails to reflect:** **1/** the group's potential for growth in emerging markets (from which ARkema aims to derive 30% of sales by 2016, up from 26% in 2011) or its exposure to mega trends, **2/** the operational and commercial synergies to be derived from the group's latest acquisitions, **3/** Arkema's profit margin, which will remain among the highest among its peers, even with the expected decline this year, **4/** the group's capacity to generate cash flow and its solid balance sheet, which should ensure further M&A transactions and shareholder returns to.

Catalysts

- The sharp rally in Asia and the construction sector (paints) in general.
- Further tactical acquisitions in prospect.

Valuation

- Our current valuation, €81 implies upside potential of nearly 10%. Even at our target price, the share would still be trading below past average multiples (discount of ~20%).

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	5,900.0	-19.0	9.2	30.8	-	-	-	-	-
2012e	6,448.5	299.5	7.8	-15.2	9.4	7.6	8.0	2.6	12.3
2013e	6,911.0	500.4	8.4	7.9	8.7	7.3	5.8	3.5	17.8
2014e	7,392.0	559.4	9.4	11.6	7.8	6.8	5.3	3.8	17.4

Frédéric Williams-Gobeaux

(33 1) 58 19 35 21

frederic.williams-gobeaux@natixis.com

Campari

Buy

Price 09/21/2012 : €6.08

Market cap. : €3.5bn Target price : €6.50 Upside : 7.0%

A new gem in the portfolio

Investment case

- After a period of sharp underperformance relative to other spirits stocks, the acquisition of Lascelles deMercado (LdM), the leader in Jamaican rum (main brand: Appleton Estate), should help drive a re-rating for the stock (discount of 15%) thanks to: 1) the improvement in sentiment on the group (positive shift in the geo-mix with the dilution of Italy and Europe, and increased exposure to emerging countries); and 2) synergies that could be higher than indicated by the management.
- The share should also benefit from improved perception of Italian stocks, driven by favourable news (reduction in the political / macro discount).

Triggers

- Short term: the publication of Q3 results on 12/11 will be an opportunity for a progress report on the acquisition of LdM and on the return to sales growth in Germany (re-listing at an important client on this market).
- Medium term: new acquisitions (synergistic M&A deals) and strengthened operating leverage with the extension of the brand portfolio (absorption of network costs).

Valuation

- The share is trading at a discount of around 15% to the global leaders, which could turn into a premium if the group restores growth that is higher than at rivals

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	1,274.2	159.2	0.3	5.7	-	-	-	-	-
2012e	1,365.5	183.2	0.3	9.4	19.3	12.7	13.6	1.1	12.2
2013e	1,671.9	222.8	0.4	20.0	16.1	11.8	11.9	1.2	13.3
2014e	1,756.9	250.1	0.4	12.4	14.3	10.5	12.0	1.5	13.3

Olivier Delahousse (33 1) 58 55 04 47
 Joséphine Chevallier (33 1) 58 55 96 55
 J.Baptiste Teissier, CFA (33 1) 58 55 59 52
 Pierre Tegnér (33 1) 58 55 24 34
 Nicolas Langlet (33 1) 58 55 00 95

olivier.delahousse@natixis.com
 josephine.chevallier@natixis.com
 jean-baptiste.teissier@natixis.com
 pierre.tegner@natixis.com
 nicolas.langlet@natixis.com

Euler Hermes**Buy**

Price 09/21/2012 : €54.82

Market cap. : €2.5bn **Target price :** €63.00 **Upside :** 14.9%

Euler Hermes is the better prepared for the crisis than in 2008
Investment theme

- The group looks well placed to cope with the economic slowdown: 1/ prices stabilised this year (+15% vs 2008), 2/ sounder management of risk and coverage of major risks in reinsurance, 3/ costs optimisation.

Catalysts

- First signs of stabilisation or improvement in the economic context, which should be positive for risk perception.
- Control of operating profitability over the next few quarters, with a limited deterioration in the combined ratio, thanks to the various measures taken by the group to cope with the present crisis.

Valuation

- Our €63 target price is based on a normative combined ratio of 80% (we expect a CR of 80.5%e in 2012) and a growth to infinity of 2.5%.

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	Rev. NAV/Share (€)	P/Rev. NAV (x)	Net yield (%)
2011	2,274.9	330.3	7.54	11.7	-	49.5	-	-
2012e	2,369.1	246.2	5.62	-25.5	9.8	52.0	1.1	6.0
2013e	2,515.1	267.3	6.09	8.5	9.0	53.9	1.0	6.4
2014e	2,621.3	288.5	6.58	7.9	8.3	56.8	1.0	6.9

Benoît Valleaux

(33 1) 58 55 96 80

benoit.valleaux@natixis.com

Faiveley	Buy			Price 09/21/2012 : €47.60	
Market cap. :	€95.6m	Target price :	€7.00	Upside :	19.7%

Faiveley designs, develops and manufactures mechanic and electromagnetic products and applications for the rail industry (rolling stock and rail stations). It is the world number three with a share of 13%-14% of what is still a fragmented market. It enjoys strong positions in brake systems, air conditioning/heating systems and pantographs. It boasts one of the most rounded product portfolios, alongside Knorr-Bremse. It is focused on the development of maintenance services for rolling stock fleets (36% of 2011/12 revenues).

Investment theme

- Replacement of aging rolling stock fleets across Europe, China and Russia, implying natural growth of around 2% p.a.
- Export potential in critical applications for rolling stock, with high entry barriers and a relatively stable competitive environment. Firm pricing power on average. Market share already gained, and more to be potentially captured, from Knorr-Bremse in braking systems for Siemens and in China primarily.
- Margins seen improving as from 2012/13 thanks to volumes, the mix (services) and fewer losses on contracts (landing doors in Chinese underground systems).

Catalysts

- Contracts for braking systems in China, Germany and the US (railroad freight). Major contracts awarded to Bombardier, Alstom, Siemens, CSR, GE and Caterpillar, which means that orders should start flowing into Faiveley with a six to twelve month lag.

Valuation

- Reasonable multiples (EV/EBIT 12e of 7.7x). The market is pricing in two straight years of revenue decline, with stable margins.

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	900.5	47.4	3.2	-40.1	-	-	-	-	-
2012e	992.9	58.5	4.1	27.7	11.7	7.7	8.4	2.1	11.2
2013e	1,033.5	66.5	4.5	11.1	10.5	6.7	7.6	2.4	11.6
2014e	1,064.5	71.4	4.9	7.4	9.8	6.1	6.9	2.6	11.4

Arnaud Schmit (33 1) 58 55 96 85
Ludovic Debailleux (33 1) 58 55 06 85

arnaud.schmit@natixis.com
ludovic.debailleux@natixis.com

Havas	Buy				Price 09/21/2012 : €3.98
Market cap. :	€1.7bn	Target price :	€5.00	Upside :	25.7%

French diversified advertising agency, ranked sixth in the world, with a gross margin in 2011 of €1.6bn. It is present in the traditional advertising market (2/3 of its revenues) and in consulting and the purchase of advertising space (1/3 of revenues). It generates 53% of its revenues in Europe and 32% in North America.

Investment theme

- After five years of internal restructuring, Havas is now planning to embark on selective external growth in order to improve its geo-mix (exposure to emerging markets) and its business mix (exposure to digital technologies).
- Going forward, the firm plans to take advantage of a fall in the share's "perception discount", via an effort on the part of management to improve and enhance financial communication, notably towards foreign investors.

Catalysts

- Acceleration of the external growth strategy, even after the launch in March 2012 of a repurchase tender offer on 12% of the share capital (M&A capacity of €400/500m after the transaction).

Valuation

- With an EV/EBIT 2012e of 7.8, the share presents a discount relative to its peers of close to 20%, which we feel is overdone now that management is ramping up communication regarding strategy and considering the resilience of business, as shown in 2009.

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	1,645.0	120.0	0.3	-6.0	-	-	-	-	-
2012e	1,772.2	152.1	0.4	47.3	9.6	7.8	7.0	3.5	13.2
2013e	1,833.9	169.2	0.4	6.0	9.1	7.1	6.7	3.8	13.3
2014e	1,877.3	174.6	0.5	3.2	8.8	6.4	6.5	4.3	12.5

Jérôme Bodin
Pavel Govciyan

(33 1) 58 55 06 26
(33 1) 58 55 56 02

jerome.bodin@natixis.com
pavel.govciyan@natixis.com

JCDecaux **Buy** Price 09/21/2012 : €18.95
Market cap. : €4.2bn **Target price :** €21.00 **Upside :** 10.8%

Founded in 1964, JCDecaux is the world leader in street furniture (bus shelters, columns), public transit advertising (airports, urban transport), and the European leader in billboard advertising. It is primarily present in France (68% of 2011 sales) and the Asia-Pacific region (21%).

Investment theme

- The outdoor advertising market is structurally outperforming the rest of the advertising market, being sheltered from the deflation caused by the shift to digital. JCDecaux is adding market share and confirming its position as industry leader.
- Extremely favourable contract review schedule for JDC in H2 2012/2013 compared to that of its main rival, which will have several major deals on the line. Contract wins will offset the slump in the European advertising sector.
- The digital segment has been generating margin gains without making a huge dent on capex (hitherto our concern, now proved unfounded).
- Practically zero debt (ND/EBITDA = 0.2x) to be used to make small acquisitions and pay more regular dividends.

Catalysts

- Contract wins in prospect in H2 12 and 2013 (Sao Polo, Atlanta, Chicago).
- Should continue to add margin in transit advertising, notably thanks to digital.

Valuation

- The share is trading in line with the media sector (on EV/EBITDA) vs. past premium of 15%. JCD is less cyclical than a TV and despite being very European should gain from its exposure to the US and emerging markets (33% of sales).

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	2,463.0	212.6	1.0	21.7	-	-	-	-	-
2012e	2,606.8	212.7	1.0	-2.4	19.8	12.7	8.8	2.4	8.5
2013e	2,696.1	233.9	1.1	10.6	17.9	11.2	8.3	2.7	9.4
2014e	2,827.9	266.0	1.2	10.1	16.2	9.6	7.7	3.1	10.7

Pavel Govciyan
Jérôme Bodin

(33 1) 58 55 56 02
(33 1) 58 55 06 26

pavel.govciyan@natixis.com
jerome.bodin@natixis.com

Merrialys Buy Price 09/21/2012 : €16.60

Market cap. : €1.5bn Target price : €19.00 Upside : 14.5%

Free at last...
Investment theme

- **Merrialys has one of the strongest growth profiles in its sector**, namely, French shopping centres, with: 1/ a high level of organic growth (over two points above its peers), stemming from the adjustment of its leasing rates to market levels, and 2/ a major expansion drive underway (worth >€500m) in partnership with Casino (Alcudia). Merrialys saw **major changes in its share ownership structure and balance sheet** in H1. Indeed, the group's key shareholder, Casino decided to 1/ pay out an **exceptional dividend** of €10.87 per share (40% of its market cap) and 2/ to **cut its stake** in Merrialys (from 50.1% to 40%, via an equity swap with CACIB). Although the exceptional dividend will take a toll on cash flows in 2012 and 2013, it will also enable Merrialys to 1/ bring its balance sheet into line with its peers (from 0% to around 40% in terms of LTV), 2/ speed up CF growth in the medium term (7-9% increase p.a. up from 4-5.5% previously), and 3/ allow for arbitrage transactions (which are harder for a company carrying debt). Meanwhile, the reduction in Casino's stake and the ensuing deconsolidation will definitively give Merrialys its freedom in terms of exerting leverage and improving its property governance.

Catalysts

- Faster pace of expansion
- Change in status, gradually debt strategy

Valuation

- The share is **undervalued** at present: P/CF 13e of 12.9x (taking into account the exceptional dividend) vs. 14.0x for its European peers.

At 31/12	Gross rents (€m)	Cash (€m)	CFPS (€)	Chg. CFPS (%)	P/CFPS (x)	Rev. NAV/Share (€)	P/NAV (x)	Net yield (%)
2011	161.0	140.8	1.53	9.9	-	27.72	-	-
2012e	161.0	111.1	1.21	-21.0	13.74	14.99	1.1	-89.2
2013e	156.2	98.1	1.07	-11.7	15.57	17.43	1.0	5.1
2014e	168.7	109.3	1.19	11.4	13.97	19.09	0.9	5.7

 Serge Demirdjian
 Vladimir Minot

 (33 1) 58 55 72 92
 (33 1) 58 55 58 47

 serge.demirdjian@natixis.com
 vladimir.minot@natixis.com

Mersen Buy Price 09/21/2012 : €24.00

Market cap. : €488.3m Target price : €33.00 Upside : 37.5%

Mersen has two divisions: Electrical Systems and Components (54% of total sales, brushes and brush holders for electric motors and fuses for industry and utilities) and Advanced Materials and Technologies (46% components and assemblies for thermal and/or corrosive applications). Its main markets are largely oligopolies (5/6 dominant players).

Investment case

- A recovery is expected in demand for components (graphite consumables) for the photovoltaic industry between now and the end of 2012 – the consensus points to 31/33 GWc of PV power installed in 2012 vs. 27 GWc in 2011.
- Business model showing profitable growth potential (fixed cost industry, pricing power in AMT and electrical protection, accounting for more than 75% of sales).
- Return to a near normal level of FCF in 2012 (€50/60m per year), cash initiative programme launched after the 2009 crisis.
- Maintenance of financial leverage (2.0x ND/EBITDA at end 2012e vs. covenant of 3.35x) and extension of financing maturities (average duration: 4.7 years) making it possible to continue to make acquisitions.

Triggers

- Growth for photovoltaic installations in 2012 is likely to lead to a recovery for the book-to-bill in isostatic graphites (AMT division) as of Q4 12.
- Firm trend for outlets in chemicals–pharmaceuticals (some 15% of sales).
- Acquisition of industrial or geographical complements using its own funds, possible as of 2012.

Valuation

- Attractive valuation versus the sector and the historical valuation (EV/EBIT: 8.6x 2012e and 7.8x 2013e vs. 10.8x on average over 1996/2011).
- Valuation obtained by SOP (~€35/share). Implicitly, current prices value the former Electrical Applications division (brushes and brush holders) at zero and the former Electrical Protection division at 90% of its valuation.
- On a reverse DCF, the share price includes a long term operating margin in line with the group's historical level (9.9%), but organic growth that remains lower (2/2.5% vs. 2.9% historically and potential of over 3% long term).

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	829.6	56.9	3.0	37.9	-	-	-	-	-
2012e	860.0	44.8	2.3	-21.6	10.3	8.6	5.7	4.2	8.0
2013e	888.6	52.6	2.6	10.4	9.4	7.8	5.1	4.2	8.9
2014e	925.3	58.7	2.9	11.3	8.4	6.8	4.7	4.2	9.3

Arnaud Schmit
Ludovic Debailleux

(33 1) 58 55 96 85
(33 1) 58 55 06 85

arnaud.schmit@natixis.com
ludovic.debailleux@natixis.com

Pirelli	Buy	Price 09/21/2012 : €8.95
Market cap. :	€4.4bn	Target price : €11.00
		Upside : 23.0%

The race is by no means over

Investment case

- Growth momentum from the development of the premium range and an expanded presence in emerging markets (over 50% of sales).
- Improving margin profile (from 8% in 2010 to 15/16% in 2015e) and the strongest EPS growth potential over the next few years among Europe's tyre groups.
- These solid fundamentals are not completely priced in by the consensus and the current valuation still offers significant upside.

Triggers

- Growth in tyre markets, lower raw material prices (particularly for natural rubber).
- Development in Russia

Valuation

- Target price of €11 based on EV/Sales and EV/EBITDA multiples (premium of 10% vs. historical multiples for Michelin)

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	5,654.8	451.6	0.7	na	-	-	-	-	-
2012e	6,319.0	465.4	1.0	43.9	9.4	7.0	5.8	3.4	18.7
2013e	6,836.2	526.8	1.1	13.2	8.3	6.1	5.1	4.1	18.2
2014e	7,684.0	643.9	1.3	22.2	6.8	4.8	4.3	5.1	19.0

Michael Foundoukidis
Kathleen Gailliot
Georges Dieng

(33 1) 58 55 04 92
(33 1) 58 55 68 47
(33 1) 58 55 05 34

michael.foundoukidis@natixis.com
kathleen.gailliot@natixis.com
georges.dieng@natixis.com

Prysmian		Buy		Price 09/21/2012 : €14.49	
Market cap. :	€3.1bn	Target price :	€16.00	Upside :	10.4%

Formerly Pirelli Cables & Wires, Prysmian designs, develops and produces metal power cables and telecoms wires as well as fibre optics for telecommunications. It is the world n°1 in an extremely fragmented market, with a 6-7% share worldwide. Prysmian is a generalist player, with a hand in most segments. It has been growing both organically and via acquisitions, mostly of large companies (notably Siemens power cables in 1998, BICC General in 2000, Draka in 2011).

Investment theme

- After integrating Draka, Prysmian became the biggest manufacturer of cables in the world. The merger has generated sizeable operational and commercial synergies.
- Increased visibility on adjusted EBITDA guidance for 2012 (upper half of €600m-€650m range).
- Operations management (profitability, WCR rotation) better than the average in the cable sector, with an offensive but relevant industrial strategy. Rival western cable makers (General Cable, Nexans, NKT Cables) will take time to catch up, in our view.

Catalysts

- Contracts to be signed in high voltage cables (around 15% of group sales), often in partnership with Siemens.
- Operating synergies stemming from Draka acquisition (aiming for €150m gross by 2015, of which €45m by end-2012e).
- Petrobras qualification of six-inch flexible cables, expected in H2 12, will help cement ramp-up in volumes (targeting over €100m in sales of flexible cables p.a. up from €40m in 2012).

Valuation

- The share is trading just lower than past average multiples for EV/EBIT on 2012 estimates (at an average of 7.9x for 2012-2013, compared to 8.4x for 2007-2011), in spite of its consistent growth prospects (CAGR of 11-12% forecast for 2011-2014).
- Our target price is based on a cautious SOP analysis, assuming a modest cash-flow transformation rate (75%) relative to the group's potential (85%) and a higher corporate tax rate than Nexans (30% vs. 25%).

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	7,583.0	-137.0	1.1	18.5	-	-	-	-	-
2012e	8,169.3	188.0	1.2	8.1	11.9	8.6	8.9	1.7	15.8
2013e	8,584.6	275.7	1.5	20.5	9.9	7.2	7.1	2.0	19.6
2014e	8,960.4	328.5	1.6	12.5	8.8	6.0	6.2	2.3	19.6

Arnaud Schmit (33 1) 58 55 96 85
Ludovic Debailleux (33 1) 58 55 06 85

arnaud.schmit@natixis.com
ludovic.debailleux@natixis.com

Rubis	Buy				Price 09/21/2012 : €46.69
Market cap. :	€1.5bn	Target price :	€57.00	Upside :	22.1%

Still a jewel in the shadow of the majors

Investment case

- A unique vehicle that is benefiting from the restructuring of the downstream oil segment in Europe as well as in emerging countries (Caribbean and Africa).
- Visibility on growth in capacity in terminaling: the planned increases at Rotterdam and Antwerp are already contracted out at higher prices than at the launch. Pollution at a rival terminal in Rotterdam led to its closure. Start of work at Ceyhan (Turkey) to switch the group's focus to maritime traffic.
- Acquisition opportunities. €250m in credit lines and ~€150m in available capital lines. However, there is a risk of a capital increase above debt more than 2.3x EBITDA (2x in H1 12).

Triggers

- The guidance of 20% earnings growth in 2012 should be beaten (H1 12 net profit: +39%).
- Numerous short-term M&A opportunities (a small capital increase is already factored in by the market).

Valuation

- Target price of €57 based on a DCF valuation and a peer comparison. Yield of more than 4%.

At 31/12	Revenues (€m)	Reported net profit (€m)	Adjusted EPS (€)	Chg. EPS (%)	P/E (x)	EV/EBIT (x)	P/CF (x)	Net yield (%)	ROE (%)
2011	2,123.0	71.8	2.5	6.0	-	-	-	-	-
2012e	2,618.9	94.6	3.0	22.4	15.5	12.1	9.8	4.2	9.4
2013e	2,732.6	98.4	3.1	4.1	14.9	11.5	9.3	4.4	8.4
2014e	2,798.8	104.2	3.3	5.9	14.1	10.8	8.8	4.6	7.7

Julien Laurent
Anne Pumir
Alain Parent

(33 1) 58 55 05 38
(33 1) 58 55 05 20
(33 1) 58 55 21 82

ju.laurent@natixis.com
anne.pumir@natixis.com
alain.parent@natixis.com

Performances

Weekly performances for French midcap stock CAC Mid&Small

Ten best performers

Lafuma SA	55.4%
Recylex SA	54.5%
Alpha MOS SA	12.2%
CAST SA	9.0%
Tonna Electro.	8.4%
Cameleon Software S.A.	7.8%
SQLI	7.6%
Compagnie des Alpes (CDA)	7.4%
ANF Immobilier	6.8%
ATOS	6.8%

Source : FactSet

Ten worst performers

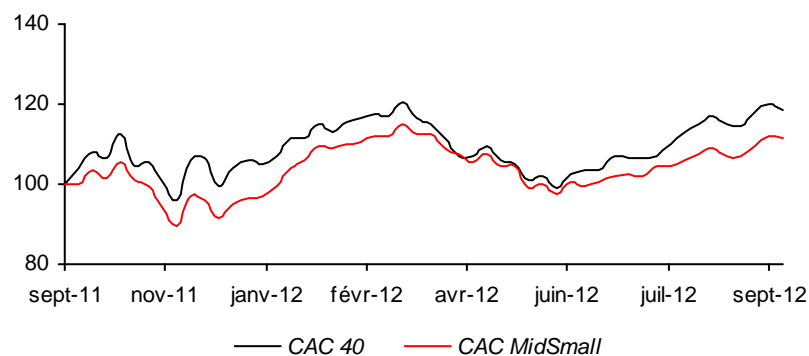
Television Francaise 1 (TF1)	-13.8%
Euro Disney	-13.4%
Index Multimedia SA	-10.3%
Vet Affaires	-9.8%
Prologue SA	-9.7%
U10 SA	-9.6%
Virbac	-9.4%
GL Events SA	-9.2%
Haulotte Group	-8.5%
Manitou	-8.2%

Valuation CAC Mid&Small

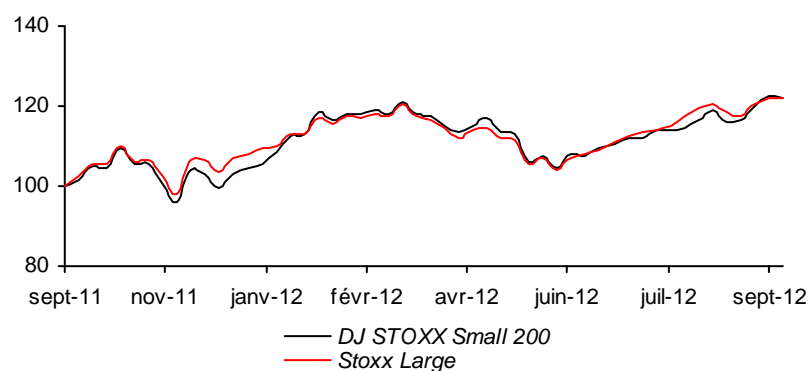
	CAC 40	CAC Mid&Small	Premium
PE 2012 (x)	11.3	16.2	4.9
PE 2013 (x)	10	12.6	2.6

Source : FactSet

Historical performances of CAC Mid&Small versus CAC 40



Source : FactSet



Source : FactSet

Indices performances & valuation

	1 Week	MTD	YTD
CAC 40	-1.4%	0.5%	11.7%
SBF 120	-1.2%	0.9%	13.0%
CAC All - Tradable	-1.2%	0.9%	12.9%
CAC Mid&Small	-0.4%	2.4%	15.5%
CAC Mid60	-0.4%	2.6%	17.6%
CAC Small	-0.4%	1.5%	5.8%

Source: FactSet

Performances – European midcap indice

	1 Week	MTD	YTD
Midcap Market Price (DE)	0.0%	-0.1%	21.8%
FTSE Small Cap (GB)	-0.3%	2.7%	17.1%
Midkap (NL)	-0.7%	1.2%	12.0%
SPI Small Companies (CH)	0.2%	2.1%	9.8%
BEL Small (BE)	8.6%	10.7%	16.9%
DJ Euro Stoxx Small	-1.0%	3.1%	9.1%
DJ Stoxx Small 200	-0.7%	2.7%	16.9%

Source: FactSet

Valuation – French midcap indices

	P/E (x)			EPS Changes (%)			Net yield (%)
	2011	2012e	2013e	2012e	2013e	CAGR 11/14	2012e
CAC 40	9.6	11.3	10.0	-5.3	13.1	6.0	4.2
SBF 120	10.7	12.2	10.6	-1.2	14.7	8.2	3.9
CAC All - Tradable	10.7	12.2	10.7	-1.3	14.9	8.3	3.9
CAC Mid&Small	19.2	16.2	12.7	36.4	28.0	27.2	3.2
CAC Mid60	22.2	16.7	12.9	55.6	29.7	33.2	3.3
CAC Small	12.1	14.1	11.6	-9.2	21.4	10.6	2.7

Source: FactSet

	P/E (x)			EPS Changes (%)			Net yield (%)
	2011	2012e	2013e	2012e	2013e	CAGR 11/14	2012e
Midcap Market Price (DE)	13.3	14.1	11.8	15.1	19.7	16.4	2.6
FTSE Small Cap (GB)	8.8	11.0	9.5	-6.7	16.4	7.1	2.8
Midkap (NL)	10.1	10.9	9.6	4.3	13.4	9.5	4.0
SPI Small Companies (CH)	14.3	13.3	10.8	18.3	23.1	17.7	3.0
BEL Small (BE)	17.4	21.7	16.2	-6.2	33.8	15.0	2.9
DJ Euro Stoxx Small	14.2	15.4	12.6	0.5	22.1	14.8	3.5
DJ Stoxx Small 200	13.5	14.8	12.5	6.8	18.3	14.7	3.3

Source: FactSet

Valuation CAC Mid&Small

Lowest 2012 P/E (x)

CAC Mid&Small		EuroStoxx Small		DJ Stoxx Small	
Pages Jaunes	2.5	Opap(Greece)	3.0	Opap(Greece)	3.0
Le Belier	3.6	PostNL N.V.	4.8	PostNL N.V.	4.8
MGI Coutier SA	3.6	Delta Lloyd N.V.	5.2	Delta Lloyd N.V.	5.2
Les Nouveaux Constructeurs Inc	4.3	Leoni AG	6.3	Leoni AG	6.3
Etam Developpement	4.6	CNP Assurances	6.7	CNP Assurances	6.7
Actia Group	4.7	Raiffeisen Bank International AG	7.1	Carillion	6.7
Latecoere SA	4.8	Mapfre SA	7.2	Raiffeisen Bank International AG	7.1
U10 SA	4.8	Rheinmetall AG	7.4	Petropavlovsk PLC	7.1
PCAS	5.2	Finmeccanica SpA	7.5	Mapfre SA	7.2
Argan	5.5	EXOR S.p.A.	7.8	Storebrand ASA	7.2

Source: FactSet

Lowest 2012 EV/EBIT Enterprise Value / EBIT (x)

CAC Mid&Small		EuroStoxx Small		DJ Stoxx Small	
Maurel & Prom Nigeria	0.7	EXOR S.p.A.	0.9	EXOR S.p.A.	0.9
Bull SA	0.9	Opap(Greece)	2.2	Opap(Greece)	2.2
Sword Group SA	1.4	PostNL N.V.	3.4	PostNL N.V.	3.4
Altamir Amboise SA	1.7	CNP Assurances	4.5	Afren	3.9
CS Communication et Systemes	1.8	Rheinmetall AG	4.6	Vedanta Resources Plc	4.2
Adl Partner	2.6	Leoni AG	4.9	CNP Assurances	4.5
SQLI	2.6	Mapfre SA	5.1	Rheinmetall AG	4.6
Aedian SA	2.6	Finmeccanica SpA	5.5	Leoni AG	4.9
Public Systeme Hopscotch S.A.	2.7	Endesa (Empresa Nacional)	5.7	Mapfre SA	5.1
High Co	2.8	Bolsas y Mercados Espanoles SA	5.8	TUI Travel Plc	5.3

Source: FactSet

Lowest 2012 EV/Sales (x)

CAC Mid&Small		EuroStoxx Small		DJ Stoxx Small	
Bull SA	0.03	EXOR S.p.A.	0.04	EXOR S.p.A.	0.04
CS Communication et Systemes	0.07	DCC	0.16	Home Retail Group Plc	0.10
Groupe Crit SA	0.09	Salzgitter AG	0.16	DCC	0.16
Aedian SA	0.10	Aurubis AG	0.17	Salzgitter AG	0.16
Public Systeme Hopscotch S.A.	0.11	Celesio AG	0.18	Aurubis AG	0.17
Synergie SA	0.11	Hochtief AG	0.18	TUI Travel Plc	0.18
Innelec Multimedia SA	0.11	Kloeckner & Co. S.E.	0.18	Celesio AG	0.18
SQLI	0.14	Kesko Oyj	0.25	Hochtief AG	0.18
Acteos	0.15	Neste Oil Oyj	0.27	Kloeckner & Co. S.E.	0.18
Vet Affaires	0.16	Air France-KLM	0.31	Kesko Oyj	0.25

Source: FactSet

Highest 2012 net dividend yields (%)

CAC Mid&Small		EuroStoxx Small		DJ Stoxx Small	
Sword Group SA	10.4	Opap(Greece)	16.4	Opap(Greece)	16.4
DNXcorp S.A.	9.9	PostNL N.V.	11.7	PostNL N.V.	11.7
AFFINE RE	9.9	Telenet Group	11.0	Telenet Group	11.0
Neopost SA	9.6	Neopost SA	9.6	Firstgroup	10.2
Nexity	8.9	Freenet AG	9.5	Neopost SA	9.6
M6 Metropole Television	8.9	Bolsas y Mercados Espanoles SA	9.3	Freenet AG	9.5
Les Nouveaux Constructeurs Inc	8.9	Delta Lloyd N.V.	8.4	Bolsas y Mercados Espanoles SA	9.3
Adl Partner	8.5	Television Francaise 1 (TF1)	7.8	Delta Lloyd N.V.	8.4
ABC Arbitrage S.A.	8.0	Wereldhave	7.5	Logitech International SA	8.3
Television Francaise 1 (TF1)	7.8	Orion Corporation	7.5	Television Francaise 1 (TF1)	7.8

Source: FactSet

NATIXIS midcap coverage universe

Company	Rating	Market cap.	Target price	Upside (%)	Revenues 2012e (Currency)	EBIT 2012e (Currency)	P/E 2012e (x)	P/E 2,013.00e (x)	EV/EBIT 2012e (x)	EV/Sales 2012e (x)	Yield 2012e (%)
ADB Group	Buy	€62m	CHF15.00	23.0	446.4	8.2	14.5	7.2	9.1	0.2	-
Aegis	Present shares	€3381m	p240.00	1.1	1 261.3	222.4	18.9	17.5	13.8	2.4	-
Aerowatt	Buy	€36m	€19.77	10.4	23.0	5.7	49.3	42.9	29.7	7.4	-
Aixtron	Neutral	€1157m	€12.00	4.6	265.3	-10.2	ns	24.9	ns	3.2	-
Akka Technologies	Buy	€313m	€34.00	48.9	861.9	61.9	8.0	6.5	5.7	0.4	-
Alten	Neutral	€819m	€24.00	-5.3	1 173.2	115.0	12.4	10.9	6.7	0.7	-
Altran	Neutral	€731m	€4.10	-18.8	1 425.6	117.9	13.2	12.0	7.4	0.6	-
ams	Buy	€1027m	CHF93.00	-3.8	385.9	82.2	13.0	11.1	12.4	2.6	-
Ansaldo STS	Neutral	€1034m	€7.00	8.3	1 249.7	126.7	12.8	12.9	7.0	0.7	-
Aperam	Buy	€1053m	€15.00	11.2	6 176.6	96.1	23.1	12.3	22.3	0.3	-
April	Buy	€562m	€17.00	23.6	803.6	100.7	8.3	7.5	5.6	0.7	-
Arkema	Buy	€4600m	€81.00	9.9	6 448.5	711.5	9.4	8.7	7.6	0.8	-
Assystem	Buy	€301m	€20.00	33.8	872.1	64.6	9.9	8.5	4.1	0.3	-
Autogrill	Neutral	€1941m	€7.60	-0.4	6 100.0	274.8	19.2	17.4	12.6	0.6	-
Bank of Piraeus	Reduce	€133m	€0.14	-64.7	1 488.8	665.5	ns	4.9	-	-	-
Beneteau	Neutral	€774m	€8.00	-14.4	839.8	3.6	ns	32.7	ns	1.1	-
BIC	Buy	€4218m	€100.00	13.1	1 948.4	400.0	14.8	13.8	9.7	2.0	-
BIM	Reduce	€5046m	TRY55.00	-29.0	9 988.0	403.0	35.0	29.8	28.4	1.1	-
bioMérieux	Buy	€2781m	€76.00	7.8	1 516.4	262.6	16.6	15.5	10.8	1.9	-
Bolloré	Buy	€5226m	€220.00	8.2	9 580.1	385.2	16.7	13.4	17.8	0.7	-
Bonduelle	Neutral	€548m	€70.00	2.2	1 766.9	98.0	11.3	9.0	11.7	0.6	-
Bongrain	Neutral	€721m	€52.00	11.3	4 078.8	145.9	8.9	7.7	7.3	0.3	-
Bourbon	Neutral	€1590m	€21.80	-7.1	1 217.1	169.9	21.9	12.5	23.2	3.2	-
Brisa	Reduce	€1098m	€2.00	9.3	596.5	246.1	13.1	13.6	14.2	5.8	-
Brunel International	Neutral	€831m	€29.00	-17.8	1 075.2	70.6	17.6	16.0	10.8	0.7	-
Buzzi Unicem	Neutral	€1692m	€8.00	-9.3	2 853.1	213.4	36.8	21.2	14.5	1.1	-
C&C Group	Neutral	€1146m	€3.10	-15.1	581.1	115.2	11.7	11.2	8.2	1.6	-
Campari	Buy	€3528m	€6.50	7.0	1 365.5	321.9	19.3	16.1	12.7	3.0	-
CDA Cie des Alpes	Neutral	€345m	€14.00	-2.1	667.4	73.0	10.4	10.0	10.3	1.1	-
Cegedim	Neutral	€213m	€18.00	18.4	912.7	82.1	5.4	4.6	8.0	0.7	-
CGGVeritas	Buy	€3919m	€29.60	14.8	3 534.1	461.0	17.5	11.2	13.7	1.8	-
Ciments Français	Neutral	€1667m	€50.00	7.4	3 758.8	345.5	11.3	9.5	9.9	0.9	-
Club Méditerranée	Buy	€429m	€17.00	26.0	1 458.2	64.2	51.1	11.5	8.6	0.4	-
Colruyt	Neutral	€6159m	€33.00	-10.2	8 221.6	504.8	16.1	15.2	11.5	0.7	-
Core Lab	Neutral	€4705m	\$130.00	1.7	1 023.7	312.9	26.6	22.0	19.9	6.1	-
CSR	Neutral	€710m	p290.00	-7.0	1 019.2	95.8	13.1	10.6	7.0	0.7	-
Cytos Biotechnology	Reduce	€11m	CHF2.00	-20.9	0.2	-8.8	ns	ns	ns	133.7	-
Darty PLC	Neutral	€386m	p50.00	-14.2	4 052.3	68.2	12.2	7.3	7.8	0.1	-
DBV Technologies	Buy	€115m	€12.90	50.3	0.0	-11.0	ns	ns	ns	na	-
Derichebourg	Reduce	€438m	€1.80	-30.8	3 473.8	93.2	12.6	15.6	12.4	0.3	-
Deutsche Euroshop	Reduce	€1515m	€23.00	-21.6	186.0	179.3	22.7	41.7	17.0	-	-
Devoteam	Neutral	€105m	€10.00	0.0	515.0	19.8	10.6	7.5	4.3	0.2	-
DIA	Buy	€2941m	€4.80	10.9	10 264.8	303.4	17.3	14.1	11.1	0.3	-
Dialog Semiconductor	Buy	€1101m	€20.00	18.2	726.9	89.4	22.5	13.8	12.3	1.5	-
DiaSorin	Reduce	€1484m	€24.00	-9.7	441.6	153.6	15.4	14.8	9.3	3.2	-
Dietswell	Buy	€5m	€2.00	100.0	16.3	-0.4	ns	ns	ns	0.6	-
Dufry AG	Buy	€2709m	CHF140.00	14.7	3 228.4	308.6	12.8	10.1	14.4	1.4	-
Elmos	Neutral	€144m	€6.40	-13.5	187.0	13.1	14.7	10.7	7.5	0.5	-
Esso	Reduce	€765m	€52.00	-12.6	15 350.0	1.8	ns	14.1	ns	0.1	-
Euler Hermes	Buy	€2471m	€63.00	14.9	2 369.1	-	9.8	9.0	-	-	-
Eurodisney	Buy	€226m	€7.90	36.2	1 323.1	4.1	ns	ns	ns	1.4	-
Eurofins Scientific	Neutral	€1538m	€105.00	-2.0	1 010.3	113.8	26.6	17.9	17.8	2.0	-

Company	Rating	Market cap.	Target price	Upside (%)	Revenues 2012e (Currency)	EBIT 2012e (Currency)	P/E 2012e (x)	P/E 2,013.00e (x)	EV/EBIT 2012e (x)	EV/Sales 2012e (x)	Yield 2012e (%)
Eurogerm	Neutral	€67m	€16.00	3.2	60.0	5.4	18.5	16.9	11.6	1.0	-
EuropaCorp	Buy	€54m	€3.60	34.3	175.0	20.0	6.0	6.0	4.0	0.5	-
Faiveley	Buy	€696m	€57.00	19.7	992.9	119.9	11.7	10.5	7.7	0.9	-
Faurecia	Buy	€1596m	€20.00	38.3	17 026.8	573.7	6.7	5.0	5.4	0.2	-
Ferrexpo PLC	Neutral	€1587m	p210.00	-2.6	1 454.2	428.2	6.7	6.3	4.3	1.3	-
Foncière des Régions	Buy	€3531m	€70.00	14.8	470.8	433.9	11.5	11.3	17.0	-	-
Fugro	Neutral	€4162m	€55.60	6.1	2 957.7	418.5	13.5	11.5	12.8	1.8	-
Gameloft	Neutral	€417m	€4.50	-14.3	205.3	23.8	21.8	16.5	15.5	1.8	-
Gamesa	Reduce	€471m	€1.00	-47.5	2 429.1	8.4	ns	48.3	ns	0.4	-
Gemalto	Buy	€6110m	€70.00	0.8	2 169.2	300.7	21.2	18.8	18.9	2.6	-
GFI Informatique	Reduce	€153m	€2.78	-1.1	610.0	31.5	10.4	8.5	6.1	0.3	-
GfK	Neutral	€1215m	€34.00	-0.6	1 504.4	199.7	10.7	9.7	8.3	1.1	-
Groupe CRIT	Buy	€142m	€19.00	50.6	1 458.7	44.6	8.2	7.0	3.1	0.1	-
Groupe Eurotunnel	Neutral	€3274m	€7.00	19.9	971.3	290.0	85.4	51.3	23.4	7.0	-
Groupe Partouche	Neutral	€92m	€1.05	10.5	457.9	32.9	11.8	5.3	10.3	0.7	-
Havas	Buy	€1723m	€5.00	25.7	1 772.2	245.5	9.6	9.1	7.8	1.1	-
Heurtey Petrochem	Buy	€92m	€31.00	13.7	345.0	11.5	15.4	9.4	6.9	0.2	-
IAG	Neutral	€3671m	p160.00	1.1	17 969.7	-37.6	ns	9.6	ns	0.3	-
Ingenico	Buy	€2125m	€46.00	13.6	1 158.0	177.2	20.1	14.5	12.1	1.9	-
Inside secure	Buy	€87m	€4.80	81.1	119.4	-32.6	ns	ns	ns	0.3	-
Intercell	Neutral	€103m	€2.50	33.1	44.0	-15.5	ns	ns	ns	2.7	-
Interparfums	Reduce	€408m	€14.55	-21.6	420.4	47.8	11.3	18.4	4.5	0.5	-
Intertek	Neutral	€5535m	p2,685.00	-3.3	2 004.9	328.1	21.9	19.7	15.0	2.4	-
Ipsen	Neutral	€1635m	€20.00	3.1	1 294.0	199.0	11.8	11.0	7.8	1.2	-
Ipsos	Reduce	€1105m	€21.10	-13.6	1 849.7	164.0	11.0	10.0	9.8	0.9	-
Italcementi	Reduce	€1021m	€4.00	-7.9	4 550.8	247.5	ns	30.5	16.3	0.9	-
Korian	Neutral	€408m	€13.50	12.5	1 121.0	90.0	13.6	11.4	11.4	0.9	-
Kuoni	Neutral	€814m	CHF270.00	2.7	5 828.9	134.9	11.5	8.0	6.4	0.1	-
KWS	Neutral	€1365m	€170.00	-17.8	899.6	128.1	15.8	14.3	9.8	1.4	-
Lanson-BCC	Buy	€242m	€47.00	19.0	307.6	45.0	11.4	10.4	14.7	2.2	-
Laurent Perrier	Neutral	€413m	€92.00	32.4	230.3	49.9	16.6	14.9	13.8	3.0	-
Le Noble Age	Neutral	€102m	€11.00	-7.6	262.9	18.5	18.0	16.0	11.9	0.8	-
Lectra	Neutral	€137m	€4.50	-4.9	195.8	15.5	13.4	10.7	7.9	0.6	-
Lindt & Sprüngli	Neutral	€6370m	CHF34,000.00	0.0	2 658.4	363.4	27.3	24.1	18.7	2.6	-
LISI	Buy	€570m	€75.00	42.0	1 074.9	102.8	8.3	6.5	6.6	0.6	-
M6	Neutral	€1424m	€12.50	11.0	1 391.8	193.9	9.9	10.9	5.5	0.8	-
Maurel et Prom	Buy	€1446m	€18.80	58.0	420.2	204.8	17.9	9.0	9.9	4.8	-
Medica	Buy	€636m	€17.00	28.0	718.7	93.4	14.6	12.3	11.8	1.5	-
Meetic.fr	Buy	€282m	€16.00	31.1	183.6	39.1	9.6	8.9	5.3	1.1	-
Melexis	Buy	€564m	€17.00	30.3	252.1	59.8	10.5	10.0	9.8	2.3	-
Melia Hotels International	Neutral	€991m	€5.00	-6.8	1 333.9	126.4	30.4	27.4	14.9	1.4	-
Mercialys	Buy	€1528m	€19.00	14.5	151.8	121.3	17.7	20.6	20.2	-	-
Mersen	Buy	€488m	€33.00	37.5	860.0	88.8	10.3	9.4	8.6	0.9	-
Micronas	Neutral	€238m	CHF9.00	-8.2	172.3	27.1	16.8	12.6	4.2	0.7	-
Millennium	Buy	€1939m	p585.00	19.1	827.4	170.4	13.3	12.7	9.7	2.0	-
MTU AeroEngines	Buy	€3170m	€72.00	18.1	3 412.9	382.5	13.2	11.2	9.3	1.0	-
Naturex	Neutral	€389m	€49.00	-3.0	293.8	34.0	22.2	16.4	14.0	1.6	-
Neopost	Buy	€1402m	€51.00	25.1	1 075.8	274.4	8.3	8.0	7.8	2.0	-
Neurones	Buy	€195m	€10.80	31.4	314.7	28.3	13.6	11.7	3.8	0.3	-
Nexans	Neutral	€1083m	€41.00	10.8	4 891.2	221.3	12.5	8.6	10.2	0.5	-
NextRadioTV	Neutral	€208m	€13.20	5.8	178.0	28.8	14.2	24.9	7.8	1.3	-
NH Hoteles	Neutral	€652m	€2.00	-24.4	1 371.7	56.5	ns	ns	26.6	1.1	-
Nokian Tyres	Neutral	€4121m	€36.00	9.1	1 704.0	477.3	11.0	10.4	8.6	2.4	-
NRJ Group	Buy	€454m	€7.00	25.0	383.8	58.5	12.0	11.1	6.0	0.9	-
Orpea	Buy	€1638m	€36.00	16.4	1 435.0	199.9	20.1	16.6	16.1	2.2	-
PagesJaunes	Buy	€434m	€2.30	48.9	1 076.8	419.6	2.7	2.7	5.6	2.2	-
Parrot	Buy	€283m	€27.00	21.0	283.0	32.8	9.8	8.2	5.4	0.6	-

Company	Rating	Market cap.	Target price	Upside (%)	Revenues 2012e (Currency)	EBIT 2012e (Currency)	P/E 2012e (x)	P/E 2,013.00e (x)	EV/EBIT 2012e (x)	EV/Sales 2012e (x)	Yield 2012e (%)
PGS	Buy	€2300m	NOK110.00	15.5	1 477.5	275.7	17.9	9.0	12.8	2.4	-
Pierre & Vacances	Buy	€133m	€16.00	6.0	1 405.2	-3.6	ns	ns	ns	0.2	-
Pirelli	Buy	€4365m	€11.00	23.0	6 319.0	852.2	9.4	8.3	7.0	0.9	-
Plastic Omnium	Buy	€1111m	€26.00	20.9	4 631.8	309.8	6.2	5.8	5.3	0.4	-
Pro7Sat1	Neutral	€4166m	€18.00	-10.7	2 830.1	704.5	10.7	11.0	8.8	2.2	-
Prysmian	Buy	€3106m	€16.00	10.4	8 169.3	479.9	11.9	9.9	8.6	0.5	-
Rallye	Buy	€1125m	€26.00	9.1	38 038.9	1 653.3	6.4	5.2	5.1	0.2	-
Rémy Cointreau	Neutral	€4470m	€83.00	-7.8	1 231.1	259.6	25.4	21.4	17.7	3.7	-
Rexel	Buy	€4377m	€19.00	17.9	13 687.3	794.0	11.3	10.3	8.7	0.5	-
Rezidor	Neutral	€431m	SEK23.00	-8.4	896.3	8.9	77.8	30.2	46.9	0.5	-
Rubis	Buy	€1492m	€57.00	22.1	2 618.9	154.5	15.5	14.9	12.1	0.7	-
Saft	Neutral	€485m	€21.00	8.9	640.7	72.8	12.4	11.9	9.0	1.0	-
Sage Group	Buy	€5349m	p320.00	-1.5	1 354.5	366.9	16.2	13.9	11.6	3.1	-
SBM Offshore	Neutral	€1957m	€13.00	13.9	3 966.1	564.9	6.0	5.2	8.4	1.2	-
Schoeller Bleckmann	Buy	€1270m	€87.00	8.8	539.6	124.6	16.5	14.7	10.9	2.5	-
Scor	Buy	€3948m	€22.00	7.1	9 332.6	-	10.5	8.4	-	-	-
SEB	Neutral	€2772m	€58.00	4.5	4 171.5	392.9	11.6	11.6	10.0	0.9	-
Séché Environnement	Neutral	€239m	€26.50	-4.3	440.0	47.7	13.5	10.8	9.2	1.0	-
Séchilienne-Sidec	Buy	€361m	€18.70	47.5	360.4	78.3	11.4	10.8	11.1	2.4	-
Sequans	Reduce	€46m	\$1.70	-2.3	31.6	-23.1	ns	ns	ns	1.0	-
Silic	Present shares	€1393m	€88.00	10.2	174.2	77.0	60.7	44.5	37.5	-	-
Software AG	Neutral	€2566m	€27.00	-9.4	1 092.2	261.9	14.8	12.9	9.6	2.3	-
Soitec	Reduce	€306m	€2.00	-20.3	257.4	-88.6	ns	ns	ns	1.0	-
Sopra Group	Neutral	€452m	€41.00	7.9	1 168.3	102.4	7.0	5.8	6.4	0.6	-
Stada	Buy	€1350m	€29.00	26.3	1 860.0	280.0	8.5	7.6	8.9	1.3	-
Stallergenes	Reduce	€593m	€40.00	-9.1	250.0	58.2	15.0	13.9	9.1	2.1	-
Steria	Buy	€355m	€13.00	13.1	1 860.0	115.0	5.5	4.7	5.8	0.4	-
Subsea 7	Buy	€6461m	NOK180.00	26.7	6 070.0	811.7	16.4	12.4	10.0	1.3	-
Swedish Match	Buy	€6697m	SEK330.00	23.1	12 632.5	3 828.8	17.9	16.1	14.1	4.3	-
Sword Group	Buy	€121m	€15.50	19.1	118.8	15.8	11.0	10.9	3.0	0.4	-
Synergie	Buy	€180m	€10.50	41.9	1 467.6	39.9	10.0	7.6	4.1	0.1	-
Technicolor	Neutral	€666m	€2.00	0.0	3 493.5	261.3	15.5	5.3	5.3	0.4	-
Tecnicas Reunidas	Buy	€2076m	€40.00	7.7	2 642.3	151.7	15.4	12.9	8.4	0.5	-
Teleperformance	Buy	€1248m	€26.00	17.9	2 258.0	203.8	9.7	8.3	5.8	0.5	-
Thomas Cook Group	Reduce	€174m	p13.00	-20.0	9 787.7	150.1	13.0	3.0	7.0	0.1	-
TMK	Buy	€2630m	\$18.00	15.0	6 853.9	818.6	8.7	6.4	8.2	1.0	-
Tod's	Neutral	€2571m	€88.00	3.5	967.0	213.3	17.8	16.0	11.5	2.5	-
Total Gabon	Buy	€1532m	€416.00	22.2	1 491.7	544.3	7.2	5.6	3.9	1.4	-
Trigano	Buy	€188m	€12.00	30.3	725.4	25.1	11.2	9.8	8.5	0.3	-
TUI AG	Buy	€1731m	€8.20	18.9	17 618.6	684.6	12.8	9.7	5.0	0.2	-
TUI Travel	Neutral	€3226m	p190.00	-17.6	14 063.9	480.6	9.4	8.5	5.3	0.2	-
UbiSoft Entertainment	Buy	€616m	€7.50	16.1	1 180.4	70.0	13.6	9.0	6.8	0.4	-
USG People NV	Buy	€487m	€8.00	28.8	3 021.8	90.9	10.5	9.1	6.8	0.2	-
Valeo	Buy	€3037m	€44.00	14.9	11 303.6	712.1	7.4	7.3	4.9	0.3	-
Vestas	Reduce	€1113m	DKK25.00	-38.6	6 019.1	30.1	ns	45.3	53.2	0.3	-
Vicat	Buy	€1862m	€48.00	15.7	2 278.1	280.0	12.1	10.1	12.5	1.5	-
Vilmorin & Cie	Buy	€1532m	€103.00	15.7	1 337.9	145.1	18.2	16.3	13.5	1.5	-
Voyageurs du Monde	Neutral	€76m	€20.00	-3.5	289.0	10.7	11.2	10.3	3.2	0.1	-
Vranken Pommery	Neutral	€174m	€30.00	15.3	359.0	43.0	10.7	8.6	16.9	2.0	-
Wereldhave	Neutral	€953m	€49.00	11.4	148.3	129.7	13.0	14.6	14.7	-	-
Whitbread	Neutral	€5079m	p2,050.00	-10.2	1 987.2	387.2	15.5	14.3	12.1	2.4	-
Wirecard AG	Buy	€1936m	€18.00	4.1	399.5	101.4	24.0	20.2	16.1	4.1	-
Zodiac Aerospace	Buy	€4408m	€98.00	26.5	3 438.0	493.0	12.8	11.0	10.9	1.6	-

This document may mention valuation methods, which are defined as follows:

- 1/ Peer comparison method: valuation multiples for the company in question are compared with those of a sample of companies in the same sector, or with a similar financial profile. The sample average acts as a valuation benchmark, to which the analyst can, where necessary, apply discounts or premiums resulting from his/her perception of the company's specific features (legal status, growth outlook, profitability, etc.).
- 2/ NAV method: Net asset value is an assessment of the market value of the assets on a company's balance sheet using the method that the analyst deems most relevant.
- 3/ Sum of the parts method: this method involves valuing each of the company's businesses separately using the most appropriate valuation methods for each, and then adding them together.
- 4/ DCF method: the discounted cash flow method involves assessing the current value of cash that a company will generate in the future. The analyst draws up cash flow projections based on his/her assumptions and models. The discount rate used is the average weighted cost of capital, which equates to the company's cost of debt and the theoretical cost of equity as estimated by the analyst, and weighted by the proportion of each of these two components in the company's financing.
- 5/ Method based on transaction multiples: with this valuation method, the company's multiples are compared with those seen in transactions involving groups with a similar business profile.
- 6/ Dividend discount method: with this method, the analyst establishes the present value of dividends to be paid to shareholders by the company, using a projection of dividend payments and an appropriate discount rate (generally the economic cost of equity).
- 7/ EVA method: with the Economic Value Added method, the analyst determines the additional level of profitability generated annually by a company on its assets relative to its cost of capital (difference also known as value creation). This additional profitability can then be discounted over the coming years using a rate corresponding to the weighted average cost of capital, and the resulting amount is added to the net asset value.

* Up to 04/30/2010, Natixis ratings covered the next six months and were as follows:

Buy	upside of 15% to market and high-quality fundamentals.
Add	upside of 0-15% and/or high risk.
Reduce	downside of 0-15%.
Sell	downside of more than 15% and/or high risks on business and financial fundamentals.

From 05/01/2010, Natixis ratings cover the next six months and are as follows:

Buy	upside over 10%
Neutral	upside between +10% and -10%
Reduce	downside of more than -10% and/or high risks on business and financial fundamentals.
Present shares	favorable response to a public offer (takeover, delisting,...)

At 09/24/2012, Natixis ratings and the proportion of total stocks for which its parent company Natixis has provided investment services over the past 12 months break down as follows:

	Companies covered	Corporate companies
Buy	44.32%	2.49%
Neutral	41.27%	0.55%
Reduce	13.57%	0.00%

Reference prices are based on closing prices.

The information contained in these publications is exclusively intended for a client base consisting of professionals or qualified investors. It is sent to you by way of information and cannot be divulged to a third party without the prior consent of Natixis. It cannot be considered under any circumstances as an offer to sell, or a solicitation of any offer to buy financial instruments. While all reasonable effort has been made to ensure that the information contained is not untrue or misleading at the time of publication, no representation is made as to its accuracy or completeness and it should not be relied upon as such. Past and simulated performances offer no guarantee as to future performances. Any opinions offered herein reflect our current judgement and may change without notice. Natixis cannot be held responsible for the consequences of any decision made with regard to the information contained in those documents. Natixis has set up due procedures for the separation of activities, notably in order to prevent conflicts of interest between the research activities and its other activities. Details of these 'information barriers' are available on request from the head of compliance. On the date of those reports, Natixis and/or one of its subsidiaries may be in a conflict of interest with the issuer mentioned herein. In particular, it may be that Natixis or any person or company linked thereto, their respective directors and/or representatives and/or employees, have invested on their own account in, or act or intend to act, in the next twelve months, as an advisor, provider of liquidity, market maker, or corporate banker (and notably for underwriting transactions, placements or connected transactions), for a company discussed in this report.

This research may be disseminated from the United Kingdom by Natixis, London Branch, which is authorised by the ACP and subject to limited regulation by the Financial Services Authority. Details about the extent of regulation by the Financial Services Authority are available from the London Branch on request.

The transfer / distribution of this document in Germany is done by / under the responsibility of Natixis Zweigniederlassung Deutschland. NATIXIS is authorized by the ACP and regulated by BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) for the conduct of its business in Germany.

Natixis is authorised by the ACP and regulated by Bank of Spain and the CNMV for the conduct of its business in Spain.

Natixis is authorised by the ACP and regulated by Bank of Italy and the CONSOB (Commissione Nazionale per le Società e la Borsa) for the conduct of its business in Italy.

Natixis, a foreign bank and broker-dealer, makes this research report available solely for distribution in the United States to major U.S. institutional investors as defined in Rule 15a-6 under the U.S. Securities Act of 1934. This document shall not be distributed to any other persons in the United States. All major U.S. institutional investors receiving this document shall not distribute the original nor a copy thereof to any other person in the United States. Natixis Securities Americas LLC a U.S. registered broker-dealer and member of FINRA is a subsidiary of Natixis. Natixis Securities Americas LLC did not participate in the preparation of this research report and as such assumes no responsibility for its content. This research report has been prepared and reviewed by research analysts employed by Natixis, who are not associated persons of Natixis Securities Americas LLC and are not registered or qualified as research analysts with FINRA, and are not subject to the rules of the FINRA.

I(WE), ANALYST(S), WHO WROTE THIS REPORT HEREBY CERTIFY THAT THE VIEWS EXPRESSED IN THIS REPORT ACCURATELY REFLECT OUR(MY) PERSONAL VIEWS ABOUT THE SUBJECT COMPANY OR COMPANIES AND ITS OR THEIR SECURITIES, AND THAT NO PART OF OUR COMPENSATION WAS, IS OR WILL BE, DIRECTLY OR INDIRECTLY, RELATED TO THE SPECIFIC RECOMMENDATIONS OR VIEWS EXPRESSED IN THIS REPORT.

The personal views of analysts may differ from one another. Natixis, its subsidiaries and affiliates may have issued or may issue reports that are inconsistent with, and/or reach different conclusions from, the information presented herein.