

# Sava Re (POSR SV)

## Expanding international portfolio

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### Recommendation statistics

Current Previous  
**Buy (EUR 8.4)** N.A.

### Key data

<b>Target price (12M) (EUR)</b>	8.4
<b>Upside/(downside) (%)</b>	40.0
Current price (EUR)	6.0 (as of Oct. 10 <sup>th</sup> )
S&P rating	A-/stable
Market cap (EUR m)	56.18
52-week range (EUR)	5.01-8.73
Average daily turnover (EUR m)	0,01
Free float (%)*	75%
Primary stock exchange	Ljubljana SE
Audit	KPMG
Next results published	November 30 <sup>th</sup> , 2011
Internet site	www.sava-re.si
*5.236 shareholders as of June 30 <sup>th</sup> , 2011	

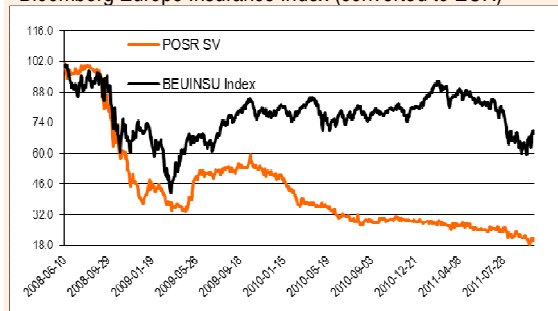
### Forecasts and ratios

	2010	2011E	2012E	2013E
GWP (EUR m)	259	263	270	279
NWP (EUR m)	232	242	243	251
Net expense rat.	34.6%	36.2%	35.5%	35.0%
Net loss ratio	60.4%	60.2%	61.5%	61.5%
Net comb. ratio	95%	96.4%	97.0%	96.5%
P/E	11.9	12.7	11.3	4.9
P/B	0.35	0.35	0.35	0.34
Div. yield (%)	N.A.	1.6	2.2	6.2

### Share price performance (%)

	3M	6M	1Y	2Y
POSR SV	-16.7	-20.0	-25.1	-71.4
BEUINSU*	-17.6	-21.8	-12.6	-15.3

\*Bloomberg Europe Insurance Index (converted to EUR)



Source: Bloomberg, October 14<sup>th</sup>, 2011

### Summary

We initiate our coverage of Sava Re. Three valuation models used are discounted target P/B, dividend discounted model and excess return. We **adjust the prices for current fair value of equity investments** (Zavarovalnica Maribor and Moja naložba) and fully take into account the below-average profitability that is probably to happen in next couple of years due to increasing international portfolio, consolidation efforts in Balkans and reducing exposure to Slovenia. We also acknowledge a **possible rating downgrade** that may follow the path of Slovenia and its banks in last couple of months what is further to weaken the bargaining power of Sava Re. Current fair price stands at EUR 7.3, whereas 12-month TP stands at EUR 8.4. This implies a hefty 40% upside from the current price level. Lack of liquidity and any past dividends are currently the biggest obstacles to our target scenario as we acknowledge that these two factors are currently more pronounced due to financial headwinds in the world. There are some uncertainties present with Solvency II with regards to Sava Re.

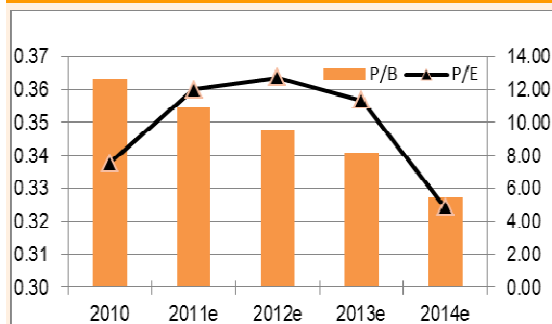
### 1H overview: Balkan legacy burns money

Group's GWP increased by 1.2% y-o-y to EUR 143 m. Claims paid increased by 1.1% and net incurred loss ratio advanced to 56.7% (1H 2010: 61.7%). Net expense ratio improved as well from 36.6% to 35.8%. Net combined ratio advanced to 92.5%. Net investment income decreased by 36.5% to EUR 4.9 m. Realized investment return decreased from 4.6% to 2.7%. Net profit improved by 45.9% to EUR 3.0 m. Company recapitalized three of its subsidiaries and one equity investment. Sava životno osiguranje (Serbia) received EUR 0.7 m (in February and August), Velebit Usluge (Croatia) EUR 2.8 m (in March, July and September), Sava Tabak (Macedonia) EUR 2.5 m (September) and Zavarovalnica Maribor EUR 5.9 m. Sava Re retained the same % in share capital of Zavarovalnica Maribor. Nova KMB announced a takeover of Zavarovalnica Maribor on July 11<sup>th</sup>, 2011 but Sava Re rejected the offer and also did not make a counter bid. In July and August, Sava Re increased its share in Zavarovalnica Maribor and bought additional 360,199 shares. Its share increased from 45.8% to 48.7%. The company remained the 2<sup>nd</sup> biggest shareholder, whereas the first one remained Nova KBM (Slovenia's 2<sup>nd</sup> largest bank) with a 50.7% share. On June 13<sup>th</sup>, Sava Re signed a memorandum on cooperation with an Azerbadjanian company AtaHayat Sigorta. Sava Re is expected to provide know-how on life-insurance. On the General assembly of Zavarovalnica Maribor, a dividend payout ratio of 96% was accepted. Two thirds of additional money provided for equity increase in July was therefore effectively returned to Sava Re.

### Mgt. board optimistic about the future

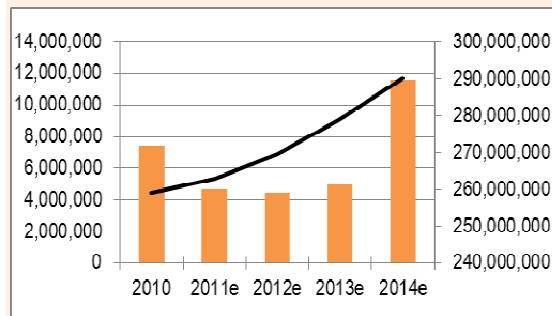
Several members of Mgt. Board bought shares of Sava Re in last couple of months. Their investments are still symbolic as the CEO owns shares in current nominal sum of EUR 10,000 and member of the board Mateja Treven EUR 8,400.

**Valuation multiples**



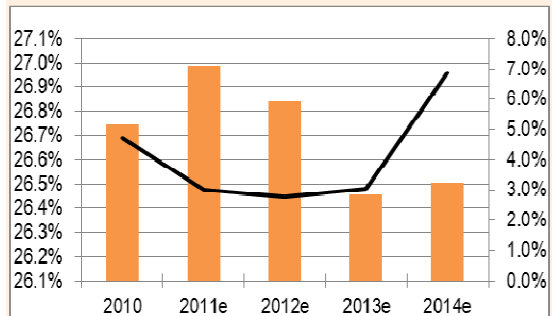
\*left axis (column): P/B; right axis (curve): P/E. Source: own calc.

**Operational data (EUR m)**



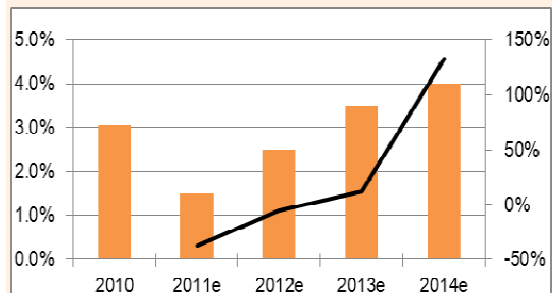
\*left axis: net income; right axis (curve): GWP. Source: own calc.

**Profitability & debt management**



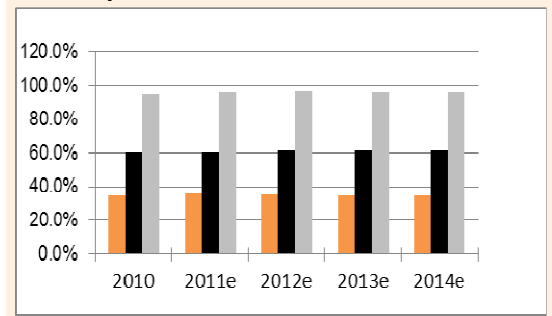
\*left axis (column): equity/assets; right axis (curve): ROE. Source: own calc.

**Growth performance**



\*left axis (column): GWP (g), right axis (curve): net income (g)

**Profitability ratios**



\*left column to right: net expense, net loss and net combined ratio

**Company's outlook & strategy**

GWP in Slovenia are expected to fall by 6% annually for next 5 years whereas internationally, they will be more than offset by an 8% growth (mostly in Asia). The main reason for lower exposure to Slovenia is the **risks of having double exposure to life/non-life and re-insurance operations** (by having an important equity stake in Zavarovalnica Maribor and a 100% share in Tilia which together have a 15.9% stake on Slovenian market share according to 2010 data). Zavarovalnica Maribor will remain their strategic investment. Company's LT achievable target for combined ratio is 95%. LT achievable ROE is 9%. They are likely to pay out a dividend next years (its first one) if they will not feel that capital adequacy is under threat. Their current investment portfolio is currently adjusting. They move from domestic deposits to selective gvt. bonds and corporates. Their current exposure to PIIGS group is at 2% of portfolio. Only bonds of Greece are on HTM, others are mark-to-market. Equity exposure is reduced to 9.8% (together with strategic shares 21.4%) but current low prices of Slovenian blue-chips still burden the BS (Petrol, Telekom Slovenije).

**Insolvency risk**

According to 1H 2011 report, Sava Reinsurance Company meets all current capital adequacy requirements and so do all its subsidiary companies under local provisions. Excess of available solvency margin over the required solvency margin increased by EUR 2.5 m compared to 31 December 2010. The available solvency margin is still well above (EUR 24 m) the required solvency margin of EUR 21 m. Also the sum of the available solvency margins of the Sava Re Group members is substantially larger than the sum of the required solvency margins, so that the risk of capital inadequacy is small, according to company's statement, negligible. According to Solvency I, company fully meets the requirement for minimum equity despite the fact that the surplus halved from 2008 onwards (chart on page 5). Company acknowledges that min. equity cushion will be boosted although the effect will be at least partially offset by some liabilities.

**Rating & outlook**

Table 1: Rating

Rating agency	LT FC rating	Outlook	Date of change
S&P	A-	Stable	November, 2010
S&P	A-	Stable	August, 2009
S&P	A-	Stable	September, 2008
S&P	BBB+	Stable	August, 2008
S&P	BBB+	Stable	2007
S&P	BBB+	Stable	2006
S&P	BBB+	Stable	2005

Source: Annual report of Sava Re 2010

Sava Re earns 55% of its gross premiums in Slovenia. Its current investment portfolio is heavily weighted towards bank deposits and CDs. Their share increased from 29 to 35% y-o-y as of 1H 2011. Most of

Slovenian banks as well as the country Slovenia were downgraded by Fitch and Moody's in August/September. Current Fitch LT FC rating for Slovenia stands at AA-/negative outlook, Aa3/negative outlook. S&P decided not to change the rating on June 7<sup>th</sup> and confirmed AA rating/negative outlook. We believe S&P is currently contemplating to reduce country's rating. Due to exposure to Slovenian banks (Abanka, Banka Celje, Gorenjska banka and Probanka fell below IG according to Fitch), SavaRe is likely to face a headwind similar to SID (state-owned bank that gives cheap loans to companies) and is therefore a likely candidate for a change of outlook. This is likely to put a challenge to optimistic plan of international increase in gross premiums as the bargaining power of the company will be reduced towards big insurance companies. From this perspective we remain below the company's curve of estimates for next couple of years. Successful consolidation of Balkan affiliates will also represent an additional burden that will limit ROE to touch the peer's limits (8-10%).

## Adjustments to fair BV

We adjust the current BV for fair value of equity stakes in Zavarovalnica Maribor (45.8% share) and Moja naložba, Maribor (directly owns 20% share, indirectly 45%). Equity share of affiliates from the BS (end of 2010) can be split between Zavar. Mar. (EUR 40.7 mio) and Moja naložba (EUR 1.6 m). BVPS of Zav. Mar. stood at EUR 7.67 in the end of 2010, compared to EUR 8.76 in the BS of Sava Re. In 2011, Zav. Mar. issued 23% of new shares at price of EUR 5.7 (75% of BV). We believe that fair P/B of Zav. Maribor stands at 0.9 reflecting an average achievable ROE of 9%. This is in-line with company's achievements for the past couple of years. This downward adjustment is equal to EUR 4.15 m and is deduced from equity as of end 2010. Current value of Moja naložba in BS of Sava Re implies a P/B ratio of 1.27 what is according to our view more or less in-line with fair value estimate as ROE of company ranges in range 13-15% and is stable throughout the years of operations (pension company). We therefore **deduce EUR 4.15 m from the BS entry "financial stakes in affiliates"** which is the starting point for excess return valuation and discounted P/B TP model which are further outlined. In terms of nominal number, a downward EUR 0.44 per share adjustment is performed.

## Valuation

We derive the fair equity price through the use of 3 performance matrix: excess return model, dividend yield model and discounted target P/B. Discount factors used are the same for all valuation models.

### Excess return valuation

Cost of equity is set at 15.3%, comprising of RFR (5%), beta of 1.1, 5% risk premium, 0.75% of country risk and a 4% premium for small-cap status as the company's market cap hardly exceeds EUR 50 m. The model specifies 2-speed growth period. In the high growth period, which extends to 6 years, an average ROE of 4.9% is achievable and is set below the company's guidance (9%). This reflects further needs for equity increases in SEE subsidiaries as well as international expansion where growth demands more competitive pricing. In addition, company changed its investment path from equity to bonds what is likely to reduce medium-term profitability of investment portfolio. ROE reflects a combined ratio of 95.5% (end 2020), whereas avg. ROE in the 6 years period is 96.3%. This figure is above company's strategic guidance (95%) and is therefore more conservative from that stand of view. As outlined in the rating & outlook part of this report, a rating downgrade or negative outlook is likely to change the perception of Sava Re as a more risky partner in the eyes of foreign insurers. The average payout ratio in this period is set at 34% which is half than at other developed insurers and re-insurers. Implied growth rate or this period (RR\*ROE) is 3.2%. In the stable growth period, which spans for next 4 years, ROE is boosted to 8.5%, which is still below company's LT guidance (9%). In the stable growth period, growth rate is set at 2% and stable payout ratio is set at 45% (LT industry average). The beta in this period is reduced to 1 reflecting a more maturing status of operations. Current fair price is set at EUR 6.27 according to this valuation matrix.

Excess return valuation matrix (EUR m)	2011e	2012e	2013e	2014e	2015e	2016e	Terminal year
<b>Net income</b>	<b>7.4</b>	<b>7.6</b>	<b>7.8</b>	<b>8.1</b>	<b>8.4</b>	<b>8.6</b>	<b>15.3</b>
- equity costs	22.9	23.6	24.4	25.2	26.0	26.9	22.4
<b>Excess equity return</b>	<b>-15.5</b>	<b>-16.0</b>	<b>-16.6</b>	<b>-17.1</b>	<b>-17.7</b>	<b>-18.2</b>	<b>-7.1</b>
<b>Terminal value of excess return</b>							<b>-67.9</b>
Discount factor	1.15	1.33	1.53	1.76	2.03	2.34	
<b>Present value</b>	<b>-13.5</b>	<b>-12.1</b>	<b>-10.8</b>	<b>-9.7</b>	<b>-8.7</b>	<b>-36.7</b>	
Cost of equity	15.25%	15.25%	15.25%	15.25%	15.25%	15.25%	12.45%
ROE	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	8.5%
Dividends paid	0.0	2.6	2.7	2.8	2.8	2.9	
Dividend payout ratio	0.0%	34.0%	34.0%	34.0%	34.0%	34.0%	45.0%
Equity invested	150*	*BV as of end 2010, adjusted for fair value of assets (EUR 4.5 m)					
PV of Equity Excess Return	-92						
Value of equity	59						
Nb. of shares	9,392,309						
Value per share	EUR 6.27						

Table 2: Main operating items of Zavarovalnica Maribor

EUR (m)	2007	2008	2009	2010
GWP	234	251	255	260
NWP	202	192	204	205
Net profit	4,2	2,8	-0,5	10,6
Equity	51,1	51,4	67,3	77,9
ROE (%)	6	4,5	N.A.	14,6

Source: Annual report of Zavarovalnica Maribor 2010, 2009, 2008

Table 3: Main operating items of Moja naložba

EUR (m)	2009	2010
Net profit	0,67	0,82
Equity	5,5	6,3
ROE (%)	13,1	14,0

Source: Annual report of Moja naložba 2010

### Dividend discount model

We use dividend discount model with variable dividends, incorporating the gradual schedule of dividend payout ratio increase. Sava Re has no track record with regards to dividend payout. We consider that the economic environment and regulation headwinds (Solvency II) will not allow increasing the dividend largely in the short term. In 2018, payout ratio is expected to reach the target 45%, according to our view. Terminal growth rate is set at 2%. Earnings estimates are derived from our profitability projections which are mostly identical to those used in excess return model. Current fair price is set at EUR 7.0. In case of a scenario of a payout ratio adjusted downwards by 5 p.p. annually and onwards, target price is reduced to EUR 6.2.

Dividend discount model (EUR m)	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e
<b>EPS</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>1.2</b>	<b>1.4</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>
- payout ratio (%)	0.0	20.0	25.0	30.0	35.0	40.0	40.0	45.0	45.0	45.0
DPS	0.1	0.1	0.1	0.4	0.5	0.7	0.7	0.8	0.9	0.9
<b>Present value of DPS</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
Terminal value	11.1									
<b>Discounted terminal value</b>	<b>4.5</b>									
CAPM	10.5%									
g	2.0%									

**Value per share EUR 7.0**

### Discounted target P/B

Discounted target P/B	2011e	
BVPS (2016)	19.9	This valuation matrix is the most common sense one and is primarily based on fair value of equity in BS and further expectations about profitability for next 5 years. We believe that Sava Re is able to achieve an 8.5% ROE target by 2016 and onwards. This level of profitability is below 5-year past average of its competitors (9.2) although forward-looking ROE estimates look somewhat depressed when taking into account the low yields of RF assets and Solvency II headwinds. We reiterate that this figure is below the company's LT target (9%). Fair P/B should therefore stand at 0.9 in that year, according to our view. This cut-off number can be observed from LT relationship between P/B and ROE of its developed European (re)insurance companies. Past median 5-year ROE stands at 11.2, compared to 1.1 for a P/B ratio. By then (2016), sufficient growth in operations of SEE affiliates and international portfolio expansion are likely to improve the LT achievable performance.
ROE (2016)	8.5%	
WACC	10.5%	
Fair P/B	0.9	
Implied fair price (2016)	17.9	

**Discounted current fair price EUR 10.9**

### Summary of valuation models & risks

Model	Price (EUR)	
Excess return	6.3	We decided to equal-weight the final fair prices and add a reasonable illiquidity discount of 10% to reflect the low value traded which on average barely reaches EUR 10,000. Current adjusted fair price stands at EUR 7.3 and a 12-month TP is set at EUR 8.4. Current investment climate on LJSE and a troublesome political outcome coupled with macro uncertainties are definitely partially reflected in current fair price. We should not exclude the possibility that the share can sink even further. Risk of a downgrade is currently more pronounced than ever. Path of company's strategy is still ruled by the state fund SOD and gvt.-owned banks which produces another types of risks that are hard to account for. Suboptimal decisions for the LT perspective of Sava Re may be possibly implemented. A viable change in ownership may produce heavy upside primarily if the future gvt. Would implement a strategy of selling its non-core portfolio assets. Sava Re is a likely candidate to be included on this list. Impact of Solvency II, which will be according to current schedule implemented as of 1.1.2013, is not explained to the public yet compared to other western (re) insurers. This may pose an important uncertainty and possible delays of dividend payout. A present <b>double risk exposure</b> should not be forgotten as Sava Re earns reinsurance premiums from its reinsurance affiliates and strategic equity investments. Higher discount rate (cost of equity at 15.3% for first 6 years) takes this into account, according to our view.
Dividend discount	7.0	
Discount target P/B	10.9	
<b>Final equal-weighted</b>	<b>8.1</b>	
-10% illiquidity discount		
<b>Adj. current fair price</b>	<b>7.3</b>	
<b>12-m target price</b>	<b>8.4</b>	
Implied upside	40.0%	

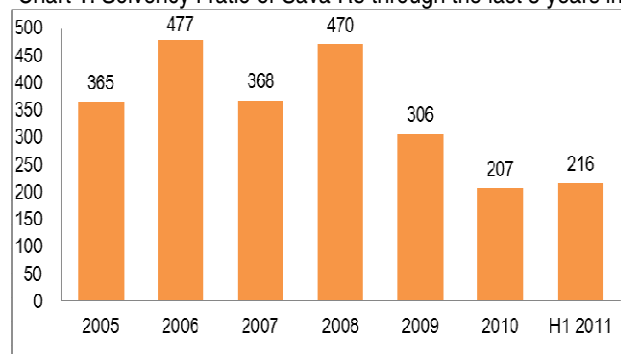
## Comparable European (re)insurers

We do not include the peers directly into our valuation as business model of Sava Re is specific to a company, its market cap is far below the peers and its portfolio is still heavily weighted towards domestic market. According to consensus, valuation multiple P/E and dividend yield should be the ones that are most commonly used when deriving the fair price. Sava Re does not fit into this sintagma as it had no dividend payouts and its profitability is burdened by one-offs with respect to large fall in value of investment portfolio (more heavily allocated to equities) as well as start-up costs due to purchase of SEE affiliates. Ratio equity-to-assets of Sava Re is not comparable to foreign competitors as the equity includes shares of Zavarovalnica Maribor and Moja naložba (EUR 42.3 m). In addition, foreign insurers have a larger % of life-insurance and unit-linked products in their portfolios. Solvency ratio of Sava Re looks comparable according to first look but an abrupt negative trend can be observed from the chart below. In addition, similar levels of Solvency I ratios will not decrease proportionally to similar Solvency II ratios.

Company	P/B	5-year avg. P/B	ROE	5-year avg. ROE	Equity/assets	WACC	P/E	Forward P/E	Dividend yield	Payout ratio	Solvency ratio
SWISS RE	0.7	0.9	3.4	6.4	11.1	6.8	20.9	8.0	n.a.	n.a.	200.0
MUNICH RE	0.8	1.0	10.8	11.7	9.6	10.1	16.7	6.3	6.8	46.2	260.5
UNIQUA	1.3	1.9	3.5	8.9	4.6	9.3	36.4	13.9	3.4	107.0	n.a.
VIENNA INSURANCE GROUP	0.8	1.6	8.5	11.2	11.7	14.9	9.0	7.8	3.6	33.7	200.0
HANNOVER RE	0.9	1.1	18.2	15.7	9.7	10.3	6.3	6.2	6.8	37.0	154.9*
SCOR SE	0.8	0.9	10.2	11.7	15.1	9.1	9.8	6.0	6.8	47.7	121.0
AXA	0.6	1.2	5.9	8.8	5.9	11.8	4.1	4.7	7.1	65.4	182.0
ALLIANZ	0.8	1.1	11.9	9.9	7.1	9.1	7.3	5.7	6.4	40.5	173.0
GENERALI	1.1	2.2	10.0	12.4	4.1	8.6	n.a.	7.6	3.8	42.3	132.0
<b>Median</b>	<b>0.8</b>	<b>1.1</b>	<b>10.0</b>	<b>11.2</b>	<b>9.6</b>	<b>9.3</b>	<b>9.4</b>	<b>6.3</b>	<b>6.6</b>	<b>44.2</b>	<b>177.5</b>
Average	0.9	1.3	9.2	10.7	8.8	10.0	13.8	7.4	5.6	52.5	177.9
SAVA RE	0.4	n.a.	4.7	1.6	26.7	10.5	7.5	12.0**	0.0	0.0	216.0
Value of Sava Re at median multiple	<b>14.5***</b>						<b>7.5</b>	<b>3.7</b>			
Implied upside/upside (%)	142.0						25.0	-38.3			

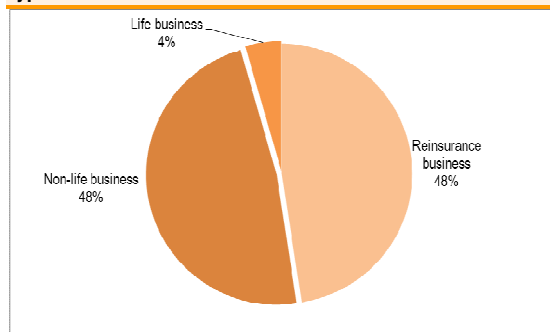
\*Includes Solvency II estim.; \*\*own estimates; \*\*\*adjusted for fair value of assets; Source: Bloomberg, October 11<sup>th</sup>, 2011, own estimates, company's annual report

Chart 1: Solvency I ratio of Sava Re through the last 5 years including the most current figures



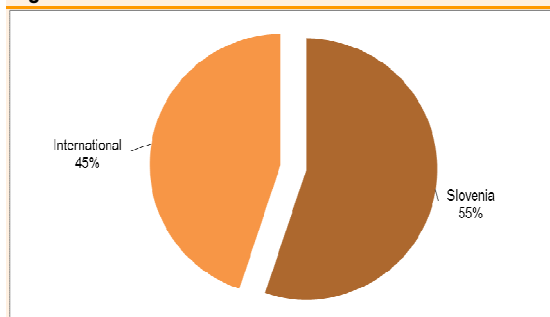
Source: annual reports of Sava Re 2006-2010 and interim 2011

**Breakdown of consolidated gross premium written by type of business**



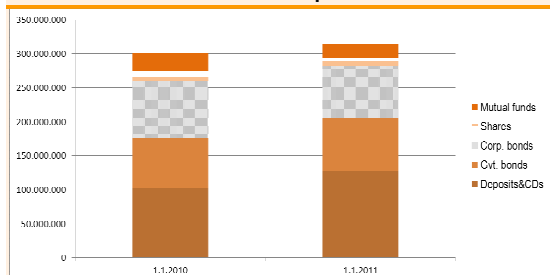
Source: half-year report 2011 of Sava Re

**Breakdown of consolidated gross premium written by region**



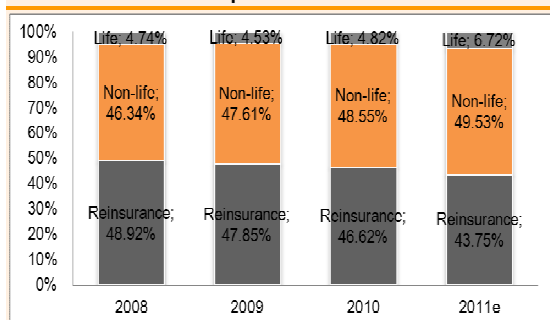
Source: half-year report 2011 of Sava Re

**Invested assets of Sava Re Group**



Source: half-year report 2011 of Sava Re

**Trends in consolidated premium break-down**



Source: annual report of Sava Re 2010

**GDP growth projections\***

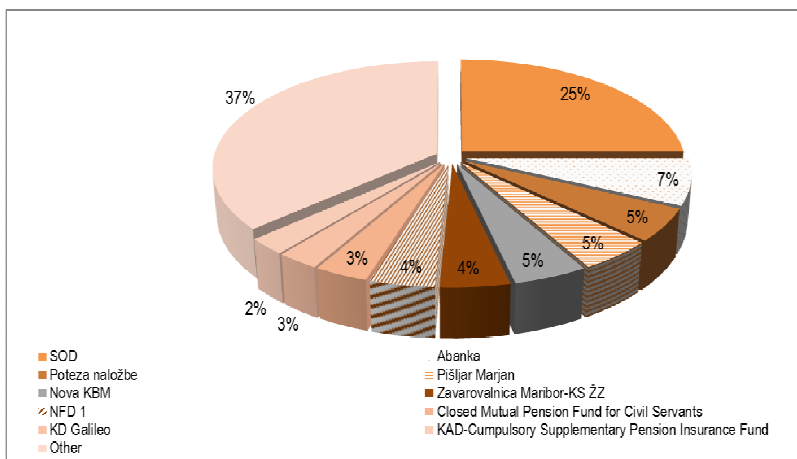
Country	2011	2012
Slovenia	1.5%	2.0%
Croatia	0.2%	1.0%
Macedonia	3.1%	3.6%
Serbia	2.0%	2.8%
Montenegro	2.5%	4.0%
Kosovo	5.3%	5.0%

\* Source: UMAR, Unicredit CEE 4q 2011, EIU, IMF

**Company Profile**

Slovenia-based Sava Reinsurance Company has been carrying on reinsurance business in Central and Eastern Europe for over thirty years. As a small-sized company, it offers reinsurance and expanded portfolio of insurance services to domestic and foreign insurers and reinsurers worldwide. Over the past four years, the company entered the primary insurance markets in the countries of former Yugoslavia and expanded into a more complex insurance group.

**Capital structure of Sava Re as of 30th June 2011**



Source: half-year report 2011 of Sava Re

**Sava Re Group as of 30<sup>th</sup> June 2011**

**Subsidiary Enterprises\***

- Sava Osiguranje, Serbia, 99.99%
- Sava životno osiguranje, Serbia, 99.99%
- Illyria, non-life insurance Kosovo, 100%
- Dukagjini Hospital, Kosovo, 100%
- Illyria Life, life insurance, Kosovo, 100%
- Sava Montenegro, Montenegro, 100%
- Sava Car, Montenegro, 100%
- Sava Tabak, Macedonia, 100%
- Bro Dil, Macedonia, 100%
- Vebebit Usluge, Croatia, 100%
- Vebebit osiguranje, non-life insurance, Croatia, 51.41%
- Vebebit životno osiguranje, life insurance, Croatia, 51.14%

\*subject to full consolidation

**Jointly-controlled and associated companies\*\***

- Zavarovalnica Maribor, life and non-life insurance company, Slovenia, 49%
- Moja Naložba, pension company, Slovenia, 45%
- Goldmak, Macedonia, 28.9%

\*\*equity method

**Financial Calendar**

Date	Subject
30th November 2011	Unaudited unconsolidated report of Sava Re for 3q 2011

## Appendix 1

### Analyst Certification

The views expressed in this report accurately reflect the personal views of undersigned analyst about the issuer of the security. The undersigned analyst has not and will not receive any compensation for providing a specific recommendation or view in this report. The recommendation has not been disclosed to anyone prior to public release. **Bojan Ivanc, CFA.**

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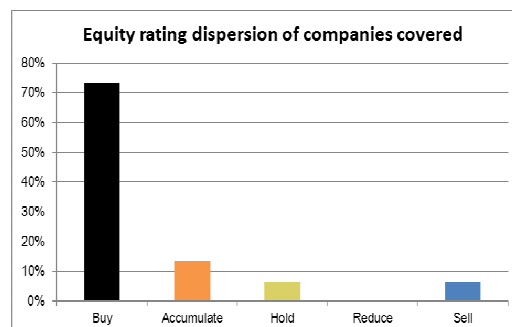
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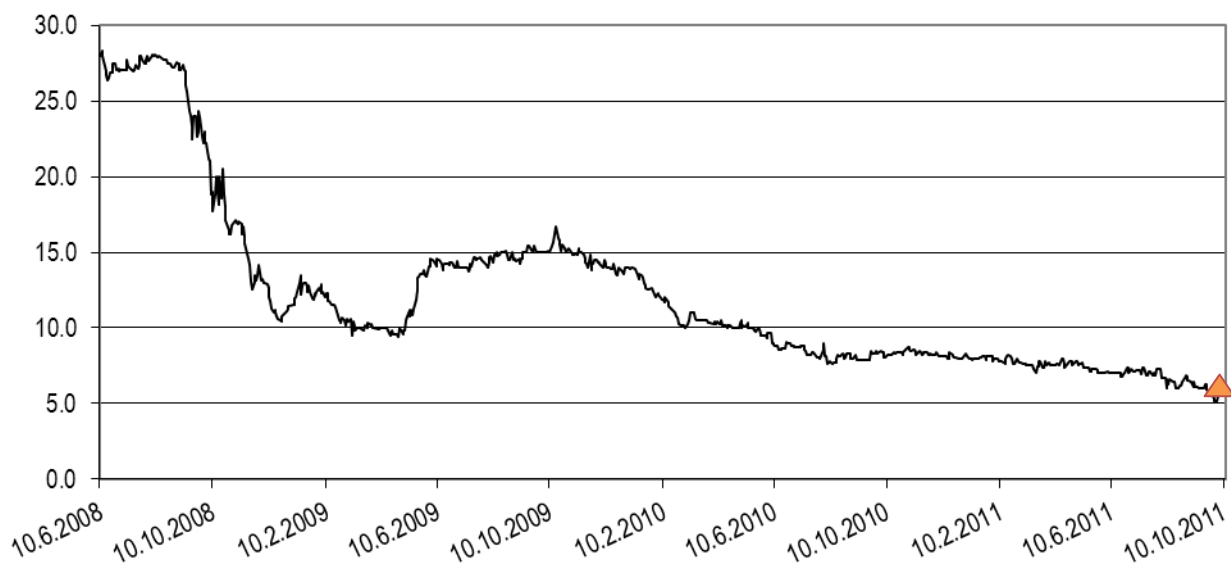
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Buy	>+15% from current price of recommendation
Accumulate	+5%< from current price of recommendation<+15%
Hold	-5%< from current price of recommendation<+5%
Reduce	-15%< from current price of recommendation<-5%
Sell	<-15% from current price of recommendation

Our target prices are established by determining fair value of stocks, taking into account additional fundamental factors and news of relevance of the stock price (such as M&A activities, major forthcoming deals, positive/negative share/sector sentiment, news) and refer to 12 months from now. All fundamentals are to be understood relative to our current fundamental valuation of the stock. The recommendation does not indicate any relative performance of the stock vs. a regional or sector benchmark.



## Historical recommendation and target price



Legend: ▲ Accumulate/ Buy; ■ Hold; Reduce/Sell ▼

Date of recomm.	Recommendation	Target price	Closing price	Difference
1. October 14 <sup>th</sup> , 2011	Buy	EUR 8.4	EUR 6.0	40.0%

## Investment banking relationship

There was no investment banking relationship with the issuer.

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