ODDO Midcap

VILMORIN CLAUSE & CIE

Food products - France

Recommendation: **Reduce (3)**

Price: EUR 140.0

May 02, 2005

Target price:	EUR 142.1
CAC 40	3 939
DJ STOXX50:	2 949
Reuter:	VILM.PA
Bloomberg:	RIN FP

Multiples

	06/04	06/05e	06/06e	06/07e
P/E	10.7	13.7	12.9	12.0
Net. yield (%)	4.3	3.4	3.7	4.0
P/Cash Flow	9.0	12.2	11.1	10.3
P/Book value	1.2	1.5	1.4	1.3
EV/Sales	0.9	1.1	1.0	0.9
EV/EBITDA	7.7	9.0	8.3	7.7
EV/EBITA	8.6	9.6	9.1	8.4

Per share data

EUR	06/04	06/05e	06/06e	06/07e
EPS (AANP)	10.01	10.25	10.81	11.65
%Change	15.7%	2.4%	5.5%	7.8%
EPS (ANP)	9.48	9.56	10.50	11.34
%Change	30.3%	0.9%	9.8%	8.0%
Dividend	4.60	4.78	5.25	5.67
Cash flow	11.90	11.47	12.56	13.56
Book value	87.27	92.23	97.95	104.04

Income statement

(EUR m)	06/04	06/05e	06/06e	06/07e
Sales	488.3	496.4	529.3	544.2
%Change	13.6%	1.6%	6.6%	2.8%
EBITA	50.7	55.3	58.3	61.8
%Change	9.6%	9.0%	5.5%	6.0%
Attr. net profit	30.2	30.5	33.5	36.2
Adj. attr. NP	31.9	32.7	34.5	37.2

Financial data

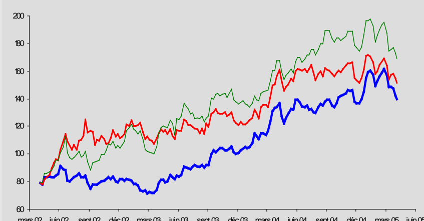
	06/04	06/05e	06/06e	06/07e
ROCE (before tax	12.8%	13.4%	13.7%	14.1%
ROE	11.7%	11.4%	11.4%	11.5%
Gearing	21.7%	19.1%	16.5%	12.6%
Net debt	69	64	58	47

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-10.7%	-12.1%	4.5%
Perf./country index	0.92	0.88	0.97
Perf./DJ sector	0.90	0.86	1.01

Liquidity

Market Cap. (EUR m)	446
No. of shares (m)	3.19
Groupe Limagrain	70.5%
Free Float	29.4%
Auto-contrôle	0.1%



New challenges

We have decided to adopt a more cautious stance because the group is roughly one year behind our previous results forecasts for the coming years and is currently facing new challenges.

Downward revision of our annual forecasts

The Q3 sales figure, to be posted on May 10 after market, is expected to show a somewhat lacklustre (i.e. almost flat) level of activity and warrant a more prudent set of annual forecasts. **We have therefore revised down our 2004-05 sales forecasts by 3% to €496m vs. €511m and our EBIT forecast down by 5% to €55m vs. €58m) giving an operating margin of around 11%.**

These adjustments are related to the effects of a relatively harsh winter in the first place, followed by a somewhat average spring sales season; the group usually generates half its annual sales in the three months between February and April. In addition, the German subsidiary has again underperformed, prompting plans for new restructuring measures.

Three main challenges

First challenge: Germany. The Germany subsidiary Flora Frey is experiencing strong price pressure within its own unique market structure, and is expected to post losses for the fifth consecutive year. As a result, management is planning to reposition the company on the specialists segment (vs. generalists) and discontinue its unprofitable product ranges (which currently account for 25-30% of the subsidiary's sales) in order to optimise the new assets and synergies from its previous acquisitions (Geissler, Sperling).

Second challenge: Asia. The acquisition of the majority stake in Kyowa (59% vs. 40% previously) confirms the group's ambition to accelerate its penetration of the Japanese market. The group will have to consolidate its units (Mikado) to strengthen its number four position in Japan.

Third challenge: the competitive environment. Leaving aside the price paid for Seminis, its acquisition by Monsanto reflects the rapid return of major agro-chemical companies to the commercial market, looking for new future growth drivers. Although this confirms the attraction of the vegetable seed market, we should bear in mind 1) that the newly-stabilised leader Seminis may well benefit from Monsanto's financial fire-power, and 2) that the price paid for Seminis probably reflects an inflation of the commercial market that could discourage further transactions going forward.

Reduce vs. Buy

Our change of recommendation is largely motivated by the fact that we have had to set back our annual **results forecasts by one year**, plus the fact that the share has outperformed the market largely driven by the Seminis operation (and others).

Our new target price is €142, i.e. 9% lower than our previous target (€156).

Next event: Publication of Q3 sales on May 10, 2005 (after market).

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RECOMMENDATIONS

Our system of recommendations reflects expected absolute returns in local currencies on a 12–month time horizon:

BUY (1) = expected return above 15%

ADD (2) = expected return between 0% and 15%

REDUCE (3) = expected return between 0% and -–15%

SELL (4) = expected return worse than -15%

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FRESH CHALLENGES

The publication of VCC's interim results gave us the opportunity to identify the **key issues and challenges facing the group in the coming years** after [2]the rapid evolution of its sector environment in recent years.

Now, ahead of the group's probably disappointing Q3 sales (published May 10 after market) caused by unfavourable weather conditions, we have adjusted our annual forecasts to reflect a more cautious outlook.

Agro-chemical companies make a comeback

An exorbitant transaction!

The most striking event in the sector of late is **Monsanto's acquisition of Seminis (world leader in vegetable and flower seeds on the commercial segment) for an exorbitant price.**

Change in shareholder structure at Seminis

With annual sales of $ 507m (VCC estimates), Seminis is the world leader on the seed market on the commercial segment in terms of size but not profitability. After a string of acquisitions and several changes in the shareholder structure (the group was previously controlled by US financial investors, Fox Paine), the Seminis group has suffered a marked slowdown in growth, with subsequent losses (largely extraordinary) in recent years.

A price justified by "the search for growth drivers"

Even bearing in mind the future potential of Seminis, the price paid by Monsanto for entry into this market was extremely high. Based on a book value of $ 1.4bn (in terms of EV) and a possible premium of $ 125m depending on Seminis' performances, **the transaction ratios appear to be exceptional (2.8x sales, 35x EBITDA and 16x adjusted EBIT).**

Remember that US investment funds (Fox Paine) acquired Seminis two years before for $ 650m, corresponding to **1.5x sales and approximately 10x EBIT.**

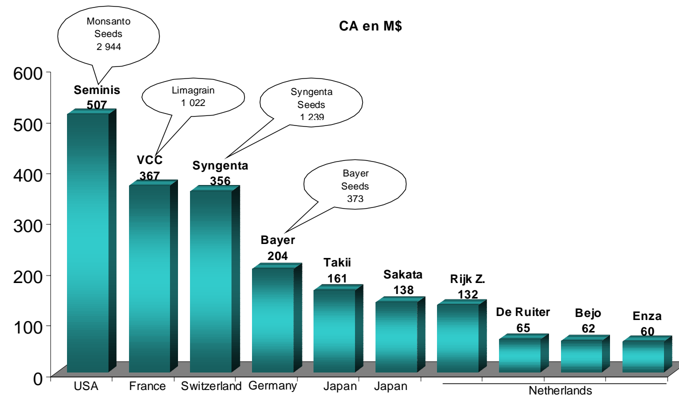
The recovery in Seminis' profitability (an operating margin of 7.7% for the year ended September 30, 2004 compared with less than 2% a year earlier) is probably not the only argument that justifies such "value creation"!

In effect, the high premium is probably related to the potential synergies that could flow from various research programs (pesticides, field crops, vegetable and flower seeds, biotechnology, etc.).

Analysis of the competition

On the commercial segment alone, the market is gradually consolidating. Note that following the acquisition of Hazera, VCC **moved up from 5th to 2nd position on the commercial market.** However, in reality, there is an ever growing presence of the major agro-chemicals companies in this market.

OVERVIEW OF THE COMPETITION



SOURCE: VILMORIN CLAUSE & CIE ESTIMATES

The return of the agro-chemicals groups

Although the leaders have largely remained the same, the bulk of the market is controlled by only a handful of players. **The top five players control three-quarters of the vegetable and flower seed market (excluding field crops).**

The top four players (Monsanto, Limagrain, Syngenta and Bayer) operate on an international scale with the agro-chemicals groups (Monsanto, Syngenta and Bayer) controlling a recently increased majority of the market compared to the specialised seed groups (VCC and Japan's Takii and Sakata).

While Syngenta and Bayer (respectively number 3 and 4 on the world market) may not represent typical agro-chemicals groups, **Monsanto's acquisition of Seminis marks a clear return of the agro-chemical sector to the seed market**.

Fresh challenges

The Seminis/Monsanto operation can be explained from various points of view:

- **Monsanto's goal of dominance.** Monsanto has recently made a large number of acquisitions (often with high price-tags attached) on the field crops segment (Advanta, Channel Bio, etc.) and in the past, the group had already shown its ambition for growth - even at generous prices (Dekalb, Delta Pine, PBI);

- reaction to **the strategy of certain rivals (e.g. Syngenta) of gaining market share**;

- the need to find **future growth drivers**, hence its presence on the vegetable and flower seed market which posts an average growth of 4% compared with a 5% average annual contraction of the pesticides market;

R&D remains strategic

- and, finally, the ambition **to draw the maximum possible value from upstream research** (biotech companies among others) by seeking new domains of application.

Companies continue to invest heavily in R&D (like pharmaceutical companies), spending 10-13% of sales (approximately 10% at Monsanto, 12-13% for VCC's commercial segment alone).

The sheer weight of the R&D in biotechnology and the need for massive investments in GMOs (mainly on the field crops segment) with upstream research, approval and subscription costs, justifies the presence of major agro-chemical companies on complementary market segments to guarantee higher IRRs.

The Seminis/Monsanto operation will unavoidably have some sort of impact on VCC as some of Seminis' divisions could have been very interesting for VCC.

However, the main positive consequence is without a doubt **the return of a fairer competitor** which should no longer disrupt the market (as in the past) by practising unreasonably low prices.

In contrast, Seminis will doubtlessly benefit from **Monsanto's financial fire-power**, as already reflected in the high transaction price.

Finally, these transactions might generally tend to prevent or even delay further M&A activity in the sector, judging from the valuations involved which will probably serve as a benchmark. A similar situation occurred at the end of the '90s when a wave of acquisitions also drove up transaction prices to equally high levels.

Potential in Asia

Gradual introduction of a development structure

The second challenge is clearly to expand its presence in Asia and reorganise the existing structures.

With a minority stake (40%) in Kyowa, the number 8 and number 4 in Asia and Japan respectively for five years, VCC has recently increased its interest to 59%. Mitsubishi remains directly and indirectly the other partner within Kyowa.

Now with the effective control, management should be in a position to begin optimising the organisation, as VCC also operates via a smaller-sized company, Mikado.

The two entities should eventually be merged in order to optimise structures (logistics and research platforms, etc.).

Japan should therefore become the group's main springboard for penetration of the Asian market that has an estimated value of at €1bn.

With $ 34m in seed sales (Kyowa + Mikado), VCC will remain the **4th largest player in Japan** behind Takii, Sakata and Kaneko and should therefore rank among Asia's top 5.

Note than VCC's main competitors, including Seminis (Monsanto) and Syngenta, also operate in Asia.

Restructuring at Flora Frey

Closer to France, the German subsidiary has been causing the group a few difficulties.

A repositioning involving lower sales...

Flora Frey, which has been running a deficit for four years (it posted operating losses of €2m for the past financial year) now faces a positioning problem. The essentially generalist German subsidiary's positioning is currently being called into question, as the market has split into two segments: hard discount and specialised distribution. Moreover, price pressure is unrelenting which explains why there is a need for a repositioning strategy on the specialist segment.

Management will shortly introduce a new restructuring plan (the last one was in 2003) to position the company on the most lucrative market segment and **discontinue unprofitable products currently making up 25-30% of sales.** The acquisition of Carl Sperling & Co (representing €7m in sales) in January 2004 was part of this repositioning strategy. Moreover, Carl Sperling is the market leader in garden centres.

Whereas the previous restructuring plan involved a commercial reorganisation, the next plan should be more drastic implicating a 25-30% cut in staff levels or around 60 posts.

While the previous objective was to return to operating breakeven by 2005-06, it is unlikely to be achieved in our opinion in light of the forthcoming plan. **We do not expect the group to return to operating breakeven for at least two financial years.**

MORE CAUTIOUS ANNUAL FORECASTS

H1 results in line

H1 results were generally in line with forecasts; although, as usual, not particularly indicative of the performance expected for the FY (year end June 30, H1 sales typically account for 1/3 of annual sales).

H1 sales rose 1% to €180.1m vs. €178.4m. Stripping out the effects of currency translation and structural change, H1 sales increased 2.7%, i.e. below the 5% initially forecast for the full year. However, given the seasonal nature of the business, the H1 trend does not necessarily prefigure the full-year performance.

Good performance for the commercial segment and improved margins for the retail segment

As was the case in previous financial years, the commercial segment boasted excellent performance with an increase in H1 sales of 0.7%, or 4.3% at constant currency (€114.3m). All the divisions posted good performance, especially Clause Tézier (improving 10%), Harris Moran (up 14% in euros, thus generating even better performance in dollars), and Kyowa (up 11.8%).

Thus, with growth of 4.3% at constant currency - a figure at the high-end of the market's growth range - the group has continued to gain market share.

Published sales at the retail segment were up 1.5% to €65.8m, but are somewhat flat on a like for like basis at constant rates.

While the US subsidiary posted excellent performance (Ferry Morse improved by 27.8%), the other consolidated subsidiaries were penalised by the streamlining of commercial ranges (e.g.: pet ranges for Oxadis, generating a loss of sales of €1.5m). Two factors helped the US subsidiary's results: 1) the launch of new products (including garden kits), and 2) a temporary disruption at the 3rd largest player (NK) at end 2004 caused by the change of ownership opening up new market share for Ferry Morse.

In terms of earnings, the 170bp improvement in gross margin is primarily due to the 300bp increase for the retail segment resulting from the policy of re-focusing and streamlining the product ranges (c.f. disposal of business activities generating lower margins such as pet products).

In sum, the group improved its operating results with an operating loss of €2.9m vs. €3.5m the previous year, i.e. the lowest historical interim consolidated operating loss, and **especially with the likely confirmation, for the second consecutive year, of a positive operating result at its commercial activity (operating margin estimated at approximately 6%).**

We have lowered our annual forecasts

Organic growth less than 5%

Nevertheless, with the Q3 sales (posted May 10, after market) expected to be disappointing, the group is likely to fall short of the initial forecast of a 5% increase in annual sales.

Note that 50% of annual sales are generated between February and April. On average, Q3 sales represent 38-40% of expected annual sales vs. an average 35-36% for H1 sales.

€ 500m sales target confirmed

As last winter was particularly harsh and the markets are currently experiencing a crisis (e.g. carrots and cauliflower in Northern Europe), we expect Q3 sales to be about the same as the previous year; i.e. roughly €186m vs. €185.9m. Furthermore, given that April was not a very good month for retail sales (several rather cool weekends), we believe that the forecast of €500m (including services) will be reached partly thanks to the change in consolidation of the Japanese subsidiary Kyowa once it is fully consolidated (proportional consolidation for nine months, 100% for the last quarter, adding roughly €6m to the group's consolidated sales).

SALES FORECASTS (INCULDING SERVICES)

	2004-05 E	2005-06 E	2006-07 E
New estimates	500.4	533.3	548.2
% lowered	-2.8%	-0.9%	-
Change	+1.7%	+6.6%	+2.8%
Previous estimates	515.0	538.0	ne

ODDO MIDCAP'S ESTIMATES

For the following year, our forecast sales growth of 6.6% is largely a result of the change in the consolidation scope with the full consolidation of Kyowa (an estimated €50m). **Our organic growth forecast for next year assumes a rate of 3.5% vs. a rate of nearly 3% for the current year.**

Finally, based on these forecasts, it should be possible to offset the reduction in sales from Flora Frey (German subsidiary), which plans to stop certain activities (to refocus on the specialist segment vs. the generalist segment), giving rise to a 25-30% loss of sales over the next two financial years.

One-year delay in our earnings forecasts

The net result of these adjustments is our previous forecasts have been set back one year, with forecast **EBIT of €55.3m, i.e. an operating margin of 11%, instead of €58.1m (11.4% operating margin)** and €50.7m for the previous year (10.3% operating margin).

EBIT AND NET PROFIT

	2003-04	2004-05 E	2005-06 E	2006-07 E
EBIT (New estimates)	50.7	55.3	58.3	61.8
% lowered		**-5%**	**-5%**	**-7%**
Change		+9%	+5%	+6%
Operating margin	**10.3%**	**11.0%**	**10.9%**	**11.3%**
Previous estimates		58.1	61.4	66.8
Attributable net profit (New estimates)	30.2	30.5	33.5	36.2
% lowered		**-5%**	**-6%**	**-9%**
Change		+1%	+10%	+8%
Previous estimates		32.2	35.6	40.0

ODDO MIDCAP'S ESTIMATES

Our operating margin forecast of 11% is close to the guidance provided by the management.

The 40bp deterioration compared to our previous forecast has come from our more cautious activity forecasts, and also from the exacerbation of Flora Frey's losses.

Our 11% forecast compares with a margin of 10.3% the previous year. In fact, during the previous year the company changed its method of valuing inventories (implementation of ERP application). Stripping out that change, the operating margin would have been 11%[1].

Earnings growth estimated at 6% p.a.

As regards each business line's contribution to profitability, our estimates reflect the same trends observed in previous years, with **an operating margin for the commercial segment close to 14.5% and for the retail segment close to 5%.** Full consolidation of Kyowa over the course of FY2005/06 should have a slight impact on gross margin (product mix effect), while the contribution of the retail segment to profit is expected to improve gradually with Flora Frey's recovery and the return to better margins at the main subsidiary, Oxadis.

CONTRIBUTION TO PROFITABILITY BY SEGMENT (OPERATING MARGIN)

(%)	2003-04	2004-05 E	2005-06 E	2006-07 E
Commercial	14.5%	14.5%	14.1%	14.2%
Retail	4.8%	4.9%	5.2%	6.0%
Consolidated	**10.3%**	**11.0%**	**10.9%**	**11.3%**

ODDO MIDCAP'S ESTIMATES

In sum, our attributable net profit forecasts show a flat figure for 2004-05, at just over €30m. The 10% increase expected the following year includes the end of the amortisation of goodwill (€1m); so stripping out the goodwill factor, we get a net profit forecast for 2005/06 of 6%.

[1] The 2003/04 EBIT (with the ERP change stripped out) would have been €54m.

VALUATION

We have lowered our target price

The adjustment of our results forecasts - set back one year - has prompted us to **lower our target price by 9%, from €156 previously to €142.**

EPS

	2003-04	2004-05 E	2005-06 E	2006-07 E
Attributable net profit	30.2	30.5	33.5	36.2
New EPS	**10.01**	**10.25**	**10.81**	**11.65**
% lowered		-5%	-10%	-9%
Change		+2%	+5%	+8%
Previous EPS		10.85	12.08	12.86
CAGR		**+6.4%**		

ODDO MIDCAP'S ESTIMATES

Target price lowered 9% to € 142 vs. € 156 previously

Peer comparisons are somewhat arbitrary insofar as we selected two types of players. In the first group we have a selection of food producers (covered by Oddo Midcap), and in the second, the major competitors including Syngenta, Monsanto and Bayer.

By using two peer groups, we were able to weight the comparison methods with 1) a selection of essentially low-valued (11/12x earnings) defensive shares that does not reflect VCC's global positioning, and 2), major competitors, having the same R&D constraints, but on a very different scale.

The net result of this weighted peer-group comparison is a target price at €154.

Discounting earnings **also** offers a more ambitious target **(€157)** based on steady earnings growth, a high P/O ratio (50%) and a WACC limited to 7.5% (limited risk factors).

Conversely, using an approach based on historical data gives a target of **€122**, which significantly counterbalances our target price**.** However, we believe that this approach is less relevant given VCC's change in status (past and future). In effect, over the past ten years the group has become the world leader, all segments combined, and is 2nd worldwide vs. 5th in the commercial segment.

Finally, the DCF method offers a target of around **€136** based on annual FCF of €15-20m.

SUMMARY

	Capitalisation	Share price	Upside/ downside
Discounted earnings	501	157	+10%
Peer group comparison	491	154	+8%
DCF method	433	136	-4%
Historical data method	389	122	-14%
Average	**453**	**142**	**0%**

ODDO MIDCAP'S ESTIMATES

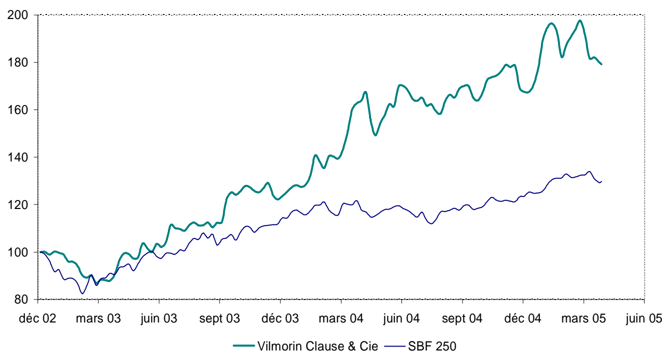
We have provisionally downgraded our recommendation (Reduce vs. Buy)

We have downgraded our recommendation on the share to Reduce vs. Buy for two reasons:

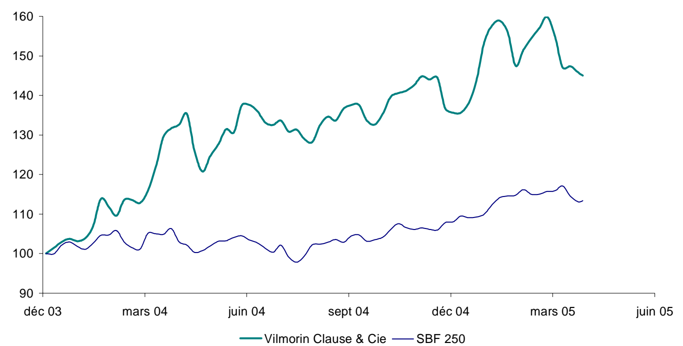
Valuation in line

1) The share's stock market performance has been particularly strong, gaining 83% over two years and 46% since January 1, 2004 (a relative gain of 27% compared with the benchmark). 2) The group's underperformance, resulting in a one-year setback in our results forecasts, has caused us to be more cautious especially as we think that the valuation ratios accurately reflects the group's current development potential.

VILMORIN VS. SBF 250 (FROM JAN. 1, 2003 TO DATE)



VILMORIN VS. SBF 250 (FROM JAN. 1, 2004 TO DATE)



SOURCE: JCF

In addition, the share benefited to a certain extent from Monsanto's acquisition of Seminis, given the valuation ratios used (2.8x sales and 16x adjusted EBIT). Over the first quarter of the calendar year, the share rose 18% on the back of the announcement of the deal.

While the stock market performance does not - alone - justify downgrading our recommendation, the set-back in our forecasts does. Especially as **the company's market ratios are now in line with the targets we issued on several occasions (15x earnings, 1x sales and 9/10x EBIT).** If forecasts had been confirmed when interim results were posted, this would have justified a downgrade to Add (valuations in line). However, the disappointing growth prospects have caused us to downgrade our recommendation to Reduce.

Vilmorin's fundamentals are clearly very strong. Nonetheless, the group faces a number challenges: turning around its German subsidiary Flora Frey, accelerating its growth in Asia, and, handling the evolving competitive environment with the return of the agro-chemical players like Monsanto.

Vilmorin Clause & Cie

Per share data	06/00	06/01	06/02	06/03	06/04	06/05e	06/06e	06/07e
Fully-diluted EPS bef. GW and non rec.items (AANP)	7.52	6.00	6.33	8.66	10.01	10.25	10.81	11.65
% change	11.1%	-20.2%	5.6%	36.7%	15.7%	2.4%	5.5%	7.8%
Fully-diluted EPS (ANP)	7.66	5.53	6.27	7.28	9.48	9.56	10.50	11.34
Dividend	3.74	3.00	3.15	3.80	4.60	4.78	5.25	5.67
Cash flow per share	7.57	4.85	8.28	9.57	11.90	11.47	12.56	13.56
Book value per share	79.51	83.54	82.75	83.94	87.27	92.23	97.95	104.04
No. of outstanding shares (m)	2.968	3.189	3.189	3.189	3.189	3.189	3.189	3.189
Fully-diluted no. of shares (m)	2.968	3.189	3.189	3.189	3.189	3.189	3.189	3.189

Income statement (EUR m)	06/00	06/01	06/02	06/03	06/04	06/05e	06/06e	06/07e
Sales	372	418	430	430	488	496	529	544
% change	5.3%	12.3%	2.9%	-0.1%	13.6%	1.6%	6.6%	2.8%
Op. prof. bef. depr&prov. (EBITDA)	38.2	32.3	45.9	51.8	56.4	59.0	63.5	67.5
as a % of sales	10.3%	7.7%	10.7%	12.1%	11.6%	11.9%	12.0%	12.4%
Operating profit (EBITA)	39.9	35.9	40.9	46.3	50.7	55.3	58.3	61.8
as a % of sales	10.7%	8.6%	9.5%	10.8%	10.4%	11.1%	11.0%	11.4%
Net financial income/expense	-5.9	-6.6	-8.7	-5.3	-2.7	-3.1	-2.9	-2.6
Net exceptional items	1.1	-1.1	0.1	-3.9	0.0	-1.2	-1.0	-1.0
Income tax	-11.0	-9.1	-10.9	-12.1	-15.8	-18.1	-19.5	-20.6
Goodwill amortisation	-0.7	-0.4	-0.3	-0.5	-1.7	-1.0	0.0	0.0
Equity-accounted income	0.1	-0.1	0.1	-0.1	1.1	0.0	0.0	0.0
Minority interest expense	-0.8	-1.0	-1.2	-1.2	-1.4	-1.4	-1.4	-1.4
Attr. Net Profit (ANP)	22.7	17.6	20.0	23.2	30.2	30.5	33.5	36.2
Adjusted Attr. Net Profit (EUR m) (AANP)	22.3	19.1	20.2	27.6	31.9	32.7	34.5	37.2

Cash flow statement (EUR m)	06/00	06/01	06/02	06/03	06/04	06/05e	06/06e	06/07e
Operating cash flow + change in WCR	-4	-27	65	12	32	29	26	37
Capital expenditures	-12	-11	-9	-16	-8	-15	-15	-15
Free cash flow	-16	-37	55	-4	25	14	11	22
Investments in securities (net)	-3.3	-11.4	-3.5	-0.1	-25.9	-2.7	0.0	0.0
Investment flows + capex	-14.9	-22.1	-12.6	-16.2	-33.4	-17.7	-15.0	-15.0
Dividend	-8.8	-11.5	-10.0	-10.3	-12.1	-14.7	-15.2	-16.7
New shareholders' equity	0.0	17.5	0.0	0.0	0.0	0.0	0.0	0.0
Total funds flow	-8.8	6.0	-10.0	-10.3	-12.1	-14.7	-15.2	-16.7
Change in net treasury	-16.4	-17.8	39.0	-7.0	11.3	5.0	5.3	11.3

Balance sheet (EUR m)	06/00	06/01	06/02	06/03	06/04	06/05e	06/06e	06/07e
Intangible assets	86	92	92	91	102	101	101	101
Tangible fixed assets	94	100	96	95	103	108	109	109
Financial fixed assets	0	0	0	0	0	0	0	0
Working capital req. (WCR)	175.3	217.3	179.1	197.4	203.3	211.2	225.1	231.4
Total assets	355.1	409.8	367.1	383.6	407.6	419.5	434.3	440.9
Shareholders' equity	236.0	266.4	263.9	267.7	278.3	294.1	312.4	331.8
Minority interests	17.9	21.4	19.1	18.9	37.7	39.1	40.5	41.9
Provisions	7.3	10.2	11.3	17.2	23.1	23.1	23.1	23.1
Net debt	94.0	111.8	72.8	79.8	68.5	63.5	58.3	46.9
Total liabilities & shareholders' equity	355.3	409.8	367.1	383.6	407.6	419.9	434.2	443.7

Profitability	06/00	06/01	06/02	06/03	06/04	06/05e	06/06e	06/07e
ROCE (before tax)	11.9%	9.4%	10.5%	12.3%	12.8%	13.4%	13.7%	14.1%
ROE	9.5%	7.6%	7.6%	10.4%	11.7%	11.4%	11.4%	11.5%
Gearing	37.0%	38.8%	25.7%	27.8%	21.7%	19.1%	16.5%	12.6%