

SAL. OPPENHEIM

Bene

Industrial Goods & Services

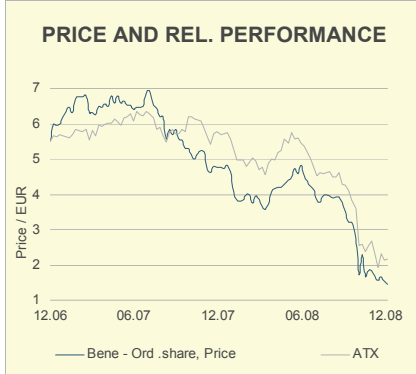
2008-12-16

Applied disclosures can be found in the appendix

Neutral

Fair Value EUR4.63

Price EUR1.46 (Closing price as of 2008-12-12)



BELOW EXPECTATIONS

ASSESSMENT

m€	Q3 08	Q3 07	% change yoy	SOP Q3 08e	% change yoy	SOP 08e	Cons. 08
Sales	66.2	69.1	-4.2%	72.2	-8.2%	270.2	268.5
EBIT	4.6	5.7	-19.1%	5.2	-10.8%	16.6	16.0
EBIT Margin	7.0%	8.2%		7.2%		6.1%	5.9%
Net Prof. after minorities	3.2	4.4	-26.0%	3.5	-8.6%	11.4	10.8
EPS	0.13	0.18	-26.1%	0.15	-8.8%	0.47	0.45

Source: Oppenheim, Company, Bloomberg

MARKET DATA

Reuters	BENE.VI
Bloomberg	BENE AV
Market cap EURm	35.5
EV EURm	43.8
Free float %	52.7

KEY DATA			
Yr.end 01/31	2007	2008e	2009e
Revenues m	255.09	270.22	271.31
Net profit m	11.03	11.44	10.24
Adj. EPS	0.45	0.47	0.42
PER	12.9	3.1	3.5
EV/EBIT	10.0	2.6	3.2
EBIT mgn. %	6.0	6.1	5.5
EPS CAGR 07-10e:	-1 %		

NEXT EVENTS

Quarterly results	2008-12-16
Full year results	2009-05-14
AGM	2009-06-03

Christine Reitsamer, Msc
 +43 (0) 1/5 18 66 - 27 10
 christine.reitsamer@oppenheim.at
 Bank Sal. Oppenheim jr. & Cie. (Österreich)

- Results came in below our estimates. However, one has to add that Q3 2007 has been an excellent quarter, with sales growth of 39% y-o-y and the second highest EBIT margin ever reached since the IPO. Against this backdrop, Q3 2008 was a good quarter. Sales grew by 26.5% in Russia in Q3 2008/09 and by 22.3% in "other markets" (Western European countries, CEE countries and UAE). Also, Germany and Austria showed solid sales growth of 5.4% (Austria) and 6.4% (Germany). The weakest segment once again has to be the UK, where sales declined by 38.4% y-o-y in Q3 2008/09. For the first three months of FY 2008/09, exchange rate losses due to the weak GBP represented some 25% of the sales decline in the UK segment.
- EPS were additionally reduced y-o-y by a higher than expected tax rate of 28% (SOP Q3 2008/09e: 25%, Q3 2007/08: 21%).

VALUATION

- Even though Q3 2008 was a solid quarter, our full year 2008/09 estimates are unlikely to be reached, based on the first three quarters of 2008/09. Bene aimed at an increase of the EBIT margin in FY 2008/09 compared to FY 2007/08, which may not be achieved. Also, our sales estimate for FY 2008/09 may be a bit too optimistic.
- Bene is optimistic that business development will be positive in Q4 2008/09, but it does not give guidance for 2009/10.

CONCLUSION

Based on Q1-Q3 2008/09, Bene is unlikely to reach our FY 2008/09 estimates and we will therefore revise our full year estimates downwards. Even though our FV is likely to remain considerably above the current share price, we lack positive triggers for the share, given that the uncertainty concerning the business development in FY 2009/10 is likely to remain high.

Bene - P&L (Total Costs)					
EURm (Yr. end: 01/31)	2006	2007	2008e	2009e	2010e
Sales	199.5	255.1	270.2	271.3	277.6
Invent. changes & intern. prod. Assets	0.2	1.2	0.0	0.0	0.0
Cost of material	-93.2	-128.2	-129.7	-130.0	-132.7
Personnel costs	-60.1	-71.3	-77.0	-78.7	-80.5
Other operating income/expenses (net)	-27.7	-35.0	-39.9	-40.6	-41.5
EBITDA	18.7	21.7	23.6	22.1	22.9
thereof: Depreciation	-5.6	-6.5	-7.0	-7.2	-7.5
EBIT	13.1	15.2	16.6	14.9	15.4
Interest result	-0.9	-0.7	-0.7	-0.6	-0.6
Profit or loss on ordinary activities	12.4	15.2	15.9	14.3	14.8
EBT	12.4	15.2	15.9	14.3	14.8
Taxes	-3.4	-3.8	-4.0	-3.6	-3.7
Profit / loss for the year (cont. operations)	9.0	11.4	11.9	10.7	11.1
Minority interest	-0.5	-0.4	-0.5	-0.5	-0.5
Net profit	8.5	11.0	11.4	10.2	10.6
Adjusted net profit	8.5	11.0	11.4	10.2	10.6
Key ratios and figures					
EURm (Yr. end: 01/31)	2006	2007	2008e	2009e	2010e
Valuation					
PER	13.9	12.9	3.1	3.5	3.4
P/BV	2.3	2.1	0.5	0.4	0.4
Dividend yield %	1.7	3.4	15.1	16.4	17.8
EV/Sales	0.7	0.6	0.2	0.2	0.2
EV/EBITDA	7.6	7.0	1.9	2.1	2.0
Sustainable FCF yield %	-1.3	1.9	37.6	23.8	24.4
Data per share					
Weighted avg. number of shares	20.07	24.35	24.35	24.35	24.35
EPS (reported)	0.42	0.45	0.47	0.42	0.43
adj. EPS	0.42	0.45	0.47	0.42	0.43
DPS	0.20	0.22	0.24	0.26	0.28
Book value per share	2.59	2.83	3.08	3.26	3.44
Sustainable FCFPS	-0.1	0.1	0.6	0.4	0.4
Growth rates %					
Sales	6.4	27.9	5.9	0.4	2.3
EBITDA	11.0	16.6	8.6	-6.3	3.4
EBIT	15.9	16.2	9.3	-10.2	3.0
Net profit	13.5	30.5	3.7	-10.5	3.3
adj. EPS	6.0	7.6	3.7	-10.5	3.3
Margins %					
Gross	53.4	50.2	52.0	52.1	52.2
EBITDA	9.3	8.5	8.7	8.2	8.2
EBIT	6.6	6.0	6.1	5.5	5.5
Net profit	4.2	4.3	4.2	3.8	3.8
Expense ratios %					
Personnel cost to sales	30.1	28.0	28.5	29.0	29.0
Cost of material to sales	46.7	50.3	48.0	47.9	47.8
Depreciation to sales (Total Cost)	2.8	2.6	2.6	2.7	2.7
Tax rate	27.7	25.0	25.0	25.0	25.0
Other ratios					
Interest cover	-20.7	-31.1	-33.7	-36.9	-38.1

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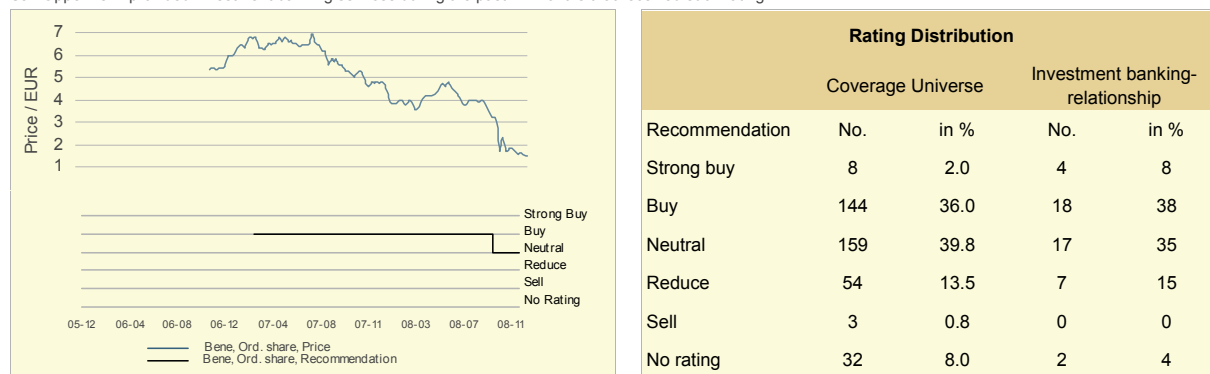
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Sal. Oppenheim jr. & Cie. Securities Inc.

250 Park Avenue, Suite 911
New York, NY 10017
Tel: +1 212 888 52 46
Fax: +1 212 888 0916

E-MAIL: jhagenbuch@sal-oppenheim.com

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<p>ANALYSTS</p>	<p>SAL. OPPENHEIM JR. & CIE. KGAA</p>	<p>OPPENHEIM RESEARCH GMBH</p>	<p>BANK SAL. OPPENHEIM JR. & CIE. (SCHWEIZ) AG</p>
<p>Christine Reitsamer, Msc Tel. +43 (0) 1/5 18 66 - 27 10 christine.reitsamer@oppenheim.at Bank Sal. Oppenheim jr. & Cie. (Österreich) AG, Vienna</p>	<p>Unter Sachsenhausen 4 50667 Köln Telephone +49 (2 21) 1 45 – 01</p> <p>Untermainanlage 1 60329 Frankfurt am Main Telephone +49 (69) 71 34 – 0</p> <p>Odeonsplatz 12 80539 München Telephone +49 (89) 29 00 74 – 0</p> <p>www.oppenheim.de info@oppenheim.de</p>	<p>Unter Sachsenhausen 4 50667 Köln Telephone +49 (2 21) 1 45 – 02</p> <p>Untermainanlage 1 60329 Frankfurt am Main Telephone +49 (69) 71 34 – 0</p> <p>www.oppenheim-research.de research@oppenheim.de</p>	<p>Uraniastrasse 28 CH-8022 Zürich Telephone + 41 (44) 2 14 22 14</p> <p>SAL. OPPENHEIM JR. & CIE. KGAA, PARIS</p> <p>13, rue Royale, 75008 Paris, France Telephone + 33 (1) 44 94 64 - 00</p> <p>SAL. OPPENHEIM JR. & CIE. SECURITIES INC</p> <p>250 Park Avenue, Suite 911, New York, NY 10017 Telephone + 1 (2 12) 8 88 52 46</p>
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<p>Press contact: Tel. +49 221 145-1955 presse@oppenheim.de</p>	<p>Baden-Baden, Berlin, Dublin, Duesseldorf, Geneva, Hamburg, Luxembourg, Salzburg, Stuttgart, Wiesbaden</p>		<p>Palais Equitable Stock im Eisen-Platz 3 1010 Vienna Telephone + 43 (1) 518 66 0</p>