



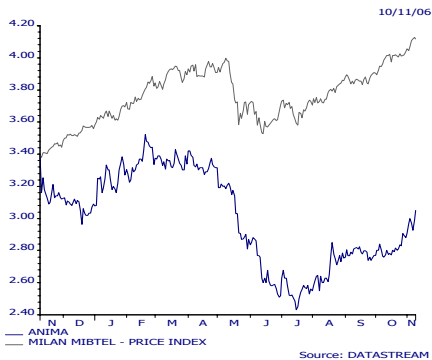
10 November 2006

Insurance

Earnings Release

Price: € 3.03 Target price: € 3.60

**Outperform**



	2003	2004	2005	2006E	2007E
<b>EPS Adj. (€)</b>	0.00	0.17	0.14	0.24	0.15
<b>DPS (€)</b>	0.00	0.15	0.13	0.20	0.14
<b>BVPS (€)</b>	0.00	0.23	0.36	0.47	0.42
<b>EV/Ebitda(x)</b>	nm	nm	12.8	7.7	12.1
<b>P/E adj (x)</b>	nm	nm	22.7	12.7	19.8
<b>Div.Yield(%)</b>	nm	nm	4.2	6.7	4.7
<b>FCF Yield(%)</b>	nm	nm	4.4	10.5	3.1

Source: Mediobanca Securities

## Performance fees boost results

### Market Data

Market Cap (€ m)	314
Shares Out. (m)	105
Main Shareholder (%)	BDB (51%)
Free Float (%)	30.0
52 week range (€)	3.5225-2.43
Rel Perf vs Mibtel (%)	
-1m	1.6%
-3m	5.6%
-12m	-33.3%
21dd Avg. Vol. ('000)	189
Reuters/Bloomberg	ANM.MI / ANM IM

### Performance fees booming after the introduction of HWM

Net profit came in at € 19.1m, up 88% YoY and in line with our estimate of € 19.5m. Strong growth in performance fees was the main driver of profit growth. At the beginning of July, Anima adopted a high watermark (HWM) method of calculating performance fees on its mutual funds. In the current phase of positive markets, the new methodology has the effect of boosting performance fees, bringing forward a stream of revenues that was previously allocated over a number of quarters. The new calculation methodology had the effect of boosting performance fees to € 15.3m, up from € 7.3m in 1H 06 (and from € 2.5m in 9M 05).

### Management fees grew by 21%

Even excluding performance fees, Anima delivered good results. Management fees were up 21% on the back of a 5% increase in average AUM and an improving commission margin. Management fees as a percentage of average AUM grew from 0.29% in 9M 05 to 0.33% in the same period this year, benefiting mainly from lower commission costs thanks to a different mix of distributors. Recurring profits, i.e. profits net of performance fees, showed a good 11% increase. Recurring profit growth shows that the group's bottom line is pretty resilient even in the current environment of strong outflows. YTD Anima recorded outflows of € 375m (some 5% of AUM) at the beginning of the year.

### Key Financial Data - 2005 (€m)

Turnover	35
EBITDA	25
EBIT	24
Net Profit	15
Shareholders' Funds	37
Net Debt (-) Cash (+)	27
Gearing %	0.0%

### High DPS expected

The stock should continue to benefit from the positive momentum created by the strong profit growth that is also expected to be reflected in a good dividend per share. Based on the group's dividend policy of distributing some 90% of profits from performance fees and 75% of other profits, we now estimate a 2006 DPS of € 0.20 (+56% YoY), a level that at current prices implies a yield of 6.4%. Our estimate is based on the existing group, but if the acquisition of DWS is finalised, Anima could decide to lower the payout. We maintain our valuation of €3.60 per share (OUTPERFORM).

<b>Profit &amp; Loss</b>	<b>3Q 05</b>	<b>3Q 06</b>	<b>Change</b>	<b>3Q 06e</b>	<b>Change</b>	<b>9M 05</b>	<b>9M 06</b>	<b>Change</b>	<b>9M 06e</b>	<b>Change</b>
Entry fees	0.3	0.2	-42%	0.3	-8%	0.8	1.1	37%	1.2	49%
Management fees	7.2	8.0	12%	8.5	18%	20.5	24.8	21%	25.2	23%
Performance fees	2.1	8.0	287%	8.0	286%	2.5	15.3	519%	15.3	519%
<b>Total revenues</b>	<b>9.5</b>	<b>16.2</b>	<b>70%</b>	<b>16.7</b>	<b>76%</b>	<b>23.7</b>	<b>41.1</b>	<b>73%</b>	<b>41.7</b>	<b>76%</b>
Personnel	-0.7	-2.6	271%	-1.2	78%	-2.4	-5.3	122%	-3.9	65%
SG&A	-1.3	-0.5	-60%	-1.8	37%	-3.8	-4.6	21%	-5.9	55%
Dep., amort., prov. & other	-0.1	-0.1	5%	-0.1	39%	-0.7	-0.3	-61%	-0.3	-56%
<b>Total operating costs</b>	<b>-2.1</b>	<b>-3.2</b>	<b>53%</b>	<b>-3.2</b>	<b>51%</b>	<b>-6.9</b>	<b>-10.2</b>	<b>48%</b>	<b>-10.1</b>	<b>47%</b>
<b>Operating profit</b>	<b>7.4</b>	<b>13.0</b>	<b>75%</b>	<b>13.6</b>	<b>83%</b>	<b>16.8</b>	<b>31.0</b>	<b>84%</b>	<b>31.5</b>	<b>87%</b>
Net interest income (expenses)	0.0	0.2	366%	0.2	359%	0.3	0.6	129%	0.6	128%
Extraordinary items	0.0	0.0	-108%	0.0	-84%	0.0	0.0	-100%	0.0	0%
<b>Pre-tax profit</b>	<b>7.4</b>	<b>13.2</b>	<b>78%</b>	<b>13.8</b>	<b>85%</b>	<b>17.1</b>	<b>31.6</b>	<b>85%</b>	<b>32.1</b>	<b>88%</b>
Taxes	-2.9	-5.2	80%	-5.3	83%	-6.7	-12.4	85%	-12.5	86%
<b>Net profit</b>	<b>4.5</b>	<b>8.0</b>	<b>77%</b>	<b>8.5</b>	<b>87%</b>	<b>10.4</b>	<b>19.1</b>	<b>84%</b>	<b>19.6</b>	<b>89%</b>

Source: Mediobanca Securities

<b>Profit &amp; Loss account (€ m)</b>	<b>2004</b>	<b>2005</b>	<b>2006E</b>	<b>2007E</b>
Turnover	36	35	56	42
Turnover growth %	nm	-1.4	58	-24.9
EBITDA	28	25	40	25
EBITDA margin (%)	77.2	70.1	72	60.4
EBITDA growth (%)	nm	-10.4	63	-37.1
Depreciation & Amortization	0	-1	0	0
EBIT	27	24	40	25
EBIT margin (%)	76.2	68.4	71	59.4
EBIT growth (%)	nm	-11.4	65	-37.5
Net Fin.Income (charges)	1	0	1	1
Non-Operating Items	0	0	0	0
Extraordinary Items	0	0	0	0
Pre-tax Profit	28	24	41	26
Tax	-11	-10	-16	-10
Tax rate (%)	38.4	39.3	39	39.0
Minorities	0	0	0	0
Net Profit	17	15	25	16
Net Profit growth (%)	n.m	-14.4	69	-36.3
Adjusted Net Profit	17	15	25	16
Adjusted Net Profit growth (%)	n.m	-14.4	69	-36.3

<b>Balance Sheet (€ m)</b>	<b>2004</b>	<b>2005</b>	<b>2006E</b>	<b>2007E</b>
Working Capital	-15	-15	-23	-17
Net Fixed Assets	15	15	15	15
Total Capital Employed	0	0	-8	-2
Shareholders' Funds	23	37	49	44
Minorities	0	0	0	0
Provisions	1	-10	-10	-10
Net Debt (-) Cash (+)	23	27	47	36

<b>Cash Flow Model (€ m)</b>	<b>2004</b>	<b>2005</b>	<b>2006E</b>	<b>2007E</b>
Cash Earnings	17	15	25	16
Working Capital Needs	6	0	8	-6
Capex (-)	-14	-1	-1	-1
Financial Investments (-)	0	0	0	0
Dividends (-)	-5	-15	-13	-21
Other Sources / Uses	0	5	0	0
Ch. in Net Debt (-) Cash (+)	4	4	20	-11

<b>Multiples</b>	<b>2004</b>	<b>2005</b>	<b>2006E</b>	<b>2007E</b>
P/E Adj.	nm	22.7	12.7	19.8
P/CEPS	nm	22.4	12.4	19.4
P/BV	nm	9.0	6.4	7.2
EV/ Sales	nm	8.9	5.6	7.3
EV/EBITDA	nm	12.8	7.7	12.1
EV/EBIT	nm	13.1	7.8	12.3
EV/Cap. Employed	nm	nm	nm	nm
Div.Yield(%)	nm	4.2	6.7	4.7
FCF Yield (%)	nm	4.4	10.5	3.1

<b>Per Share Data (€)</b>	<b>2004</b>	<b>2005</b>	<b>2006E</b>	<b>2007E</b>
EPS	0.17	0.14	0.24	0.15
EPS growth (%)	n.m	-18.5	68.5	-36.3
EPS Adj.	0.17	0.14	0.24	0.15
EPS Adj. growth (%)	n.m	-18.5	68.5	-36.3
CEPS	0.17	0.14	0.24	0.15
BVPS	0.2	0.4	0.5	0.4
DPS Ord	0.15	0.13	0.20	0.14

<b>Key Figures &amp; Ratios</b>	<b>2004</b>	<b>2005</b>	<b>2006E</b>	<b>2007E</b>
Avg. N° of Shares (m)	100	105	105	105
EoP N° of Shares (m)	100	105	105	105
Avg. Market Cap. (€ m)	0	335	314	314
Enterprise Value (€ m)	-23	316	311	306
Labour Costs/Turnover (%)	10%	15%	14%	19%
Depr.&Amort./Turnover (%)	1%	2%	1%	1%
Prod. Ratio (Turn./Op.Costs)	4.2	3.2	3.5	2.5
Gearing (Debt / Equity) (%)	0%	0%	0%	0%
EBITDA / Fin. Charges	nm	nm	nm	nm
Cap. Employed/Turnover (%)	0%	-5%	-14%	-4%
Capex / Turnover (%)	40%	2%	1%	2%
Pay out (%)	90%	89%	85%	93%
ROE (%)	76%	39%	51%	36%
ROCE (%) (pre tax)	17476%		nm	nm
ROCE (%) (after tax)	10766%		nm	nm

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