

Update - Mid Caps

Outperform

Target price

EUR82 (+27%)

Sector rating

Outperform

Price (17 June 2010)	EUR64.7
Market cap./Free float (EURm)	700.4/542.8
EV (EURm)	910.4
3m avg. volume (EURm)	1.2
Reuters/Bloomberg	RUBF.PA/RUI FP

Financial data	12/09	12/10e	12/11e	12/12e
Adjusted EPS (EUR)	4.40	4.61	5.61	6.44
EPS - IBES (EUR)	4.35	4.75	5.31	5.96
Net dividend (EUR)	2.85	3.12	3.80	4.36
Sales (EURm)	951.9	1,243	1,292	1,326
Adjusted EBIT (EURm)	77.7	86.8	104.3	117.9
Adj. net profit (EURm)	48.1	53.2	64.7	74.3
Adj. net debt / EBITDA (x)	1.6	1.7	1.4	1.1

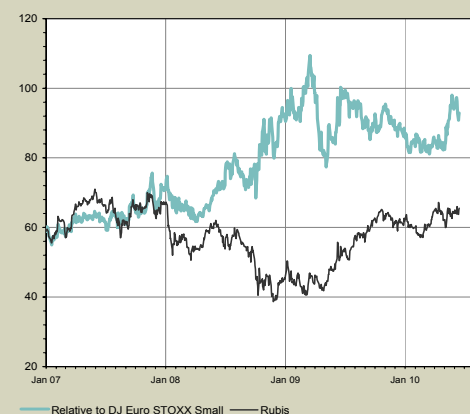
Stockmarket ratios*	12/09	12/10e	12/11e	12/12e
P/E (x)	12.0	14.0	11.5	10.0
P/BV (x)	1.2	1.4	1.3	1.2
Net yield (%)	5.4	4.8	5.9	6.7
FCF yield (%)	0.7	0.6	6.1	10.1
EV/Sales (x)	0.8	0.7	0.7	0.7
EV/EBITDA (x)	6.6	7.3	6.2	5.5
EV/EBIT (x)	9.5	10.5	8.7	7.5

* Yearly average price for FY ended 12/09

Performance* (%)	1w	1m	3m	12m
Absolute	2	6	12	31
Rel. Oil & Gas	(0)	11	25	23
Rel. DJ Euro STOXX Small	(1)	5	18	1

* In listing currency, with dividend reinvested

Price relative to DJ Euro STOXX Small



Getting closer and closer to acquisitions - Buy ahead

► External growth, part of the growth story

Based on our estimates, Rubis spent EUR340m on external growth over 1998-2008, i.e. an average of EUR30m per year. Given management's impressive track record (cheap prices, significant synergies) acquisitions have increased annual EPS growth by c. 3-4% on average, enabling Rubis to deliver a 9% EPS CAGR over that period.

► Getting closer and closer to some deals, we believe

Since 2009, Rubis has spent EUR5m on acquisitions, which admittedly is very little, while at the same time all oil majors are looking to divest downstream assets and this process is now in an accelerating phase (add to that the pressure on BP following the creation of its \$20bn compensation fund). With transaction prices now getting closer to Rubis' criteria (5x to 7x EBITDA), we believe acquisitions are likely to be announced very soon. Assuming Rubis uses EUR200m of its EUR300m financial capacity over the next 4 years adds up to 13% to our core 2013e EPS estimate.

► Upside remains on our two key growth drivers

Since we initiated Rubis at Outperform (7 May), the shares are up 12% (including the EUR2.85 DPS) and has outperformed its sector by 16%. We acknowledge that the environment was particularly favourable for Rubis (defensive status + BP), but at the same time we continue to believe that the market under-estimates the two growth drivers we had identified; 1) the benefits of capacity closures within the refinery sector in France and 2) the surge in LPG car registrations seen over the last 16 months in France and Germany. EBIT (2011e and 2012e) continues to be 9% above consensus on average.

► Buy ahead of deal announcements

Historically, acquisitions have supported Rubis' share price performance. We advise to buy this defensive (basic needs) / high growth (c. 14% EPS CAGR over 2010-12) stock before news flow turns positive on the M&A side.

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Price at 17 Jun. 10 / Target Price

EUR64.7 / EUR82 +27%

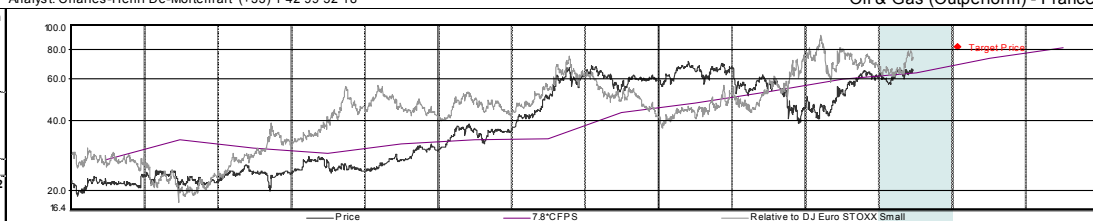
Reuters / Bloomberg: RUBF.PA / RUIFP

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RUBIS (Outperform)

Oil & Gas (Outperform) - France

Company Highlights				
Enterprise value	910			
Market capitalisation	700			
Free float	543			
3m average volume	1			
Performance (*)				
Absolute	1m	3m	12m	
Rel. Sector	6%	12%	31%	
Rel. DJ Euro STOXX :	11%	25%	23%	
Rel. DJ Euro STOXX :	5%	18%	1%	
12m HiLo (EUR) : 67.2 -4% / 50.7 +28%				
CAGR				
	1999/2010	2010/2012		
EPS restated (**)	8%	18%		
CFPS	8%	13%		



Price (yearly avg from Dec. 99 to Dec. 09)	21.4	22.6	23.6	25.5	27.6	34.9	50.8	60.4	64.3	53.3	64.7	64.7	64.7	
PER SHARE DATA (EUR)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
No of shares year end, basic, (m)	5.151	5.194	5.422	6.027	6.587	6.847	8.425	8.718	9.935	10.296	10.822	10.822	10.822	10.822
Average no of shares, diluted, excl. treasury stocks (m)	5.250	5.292	5.520	6.126	6.686	7.006	7.304	8.817	9.772	10.511	11.123	11.529	11.529	11.529
EPS reported	1.93	3.71	2.28	2.22	2.37	2.31	2.78	3.62	4.31	4.30	4.59	4.91	5.98	6.86
EPS restated	1.93	3.71	2.24	2.16	2.26	2.15	2.58	3.50	3.60	4.15	4.40	4.61	5.61	6.44
% change	18.7%	91.9%	(39.7%)	(3.5%)	4.5%	(4.8%)	20.3%	35.5%	2.9%	15.3%	6.0%	4.8%	21.8%	14.7%
CFPS	3.48	4.24	3.88	3.70	4.07	4.25	4.30	5.54	6.04	6.79	7.66	8.16	9.45	10.44
Book value (BVPS) (a)	33.7	35.1	35.4	36.0	34.7	33.5	36.3	38.0	41.9	43.1	45.4	47.2	49.9	52.8
Net dividend	1.15	1.24	1.30	1.37	1.42	1.50	1.90	2.14	2.45	2.65	2.85	3.12	3.80	4.36

STOCKMARKET RATIOS	YEARLY AVERAGE PRICES for end Dec. 99 to Dec. 09													
P / E (PI EPS restated)	11.1x	6.1x	10.6x	11.8x	12.2x	16.3x	19.7x	17.3x	17.9x	12.9x	12.0x	14.0x	11.5x	10.0x
P / E relative to DJ Euro STOXX Small	39%	85%	65%	69%	80%	101%	106%	108%	149%	157%	131%	131%	6.1x	10.1x
P / CF	6.1x	5.3x	6.1x	6.9x	6.8x	8.2x	11.8x	10.9x	10.6x	7.9x	6.9x	7.9x	6.9x	6.2x
FCF yield	(2.4%)	(7.0%)	13.4%	(0.8%)	9.5%	6.1%	5.8%	2.0%	(2.1%)	(8.8%)	0.7%	0.6%	6.1%	10.1%
P / BVPS	0.63x	0.64x	0.67x	0.71x	0.79x	1.04x	1.40x	1.59x	1.24x	1.17x	1.37x	1.23x	1.30x	1.23x
Net yield	5.4%	5.5%	5.5%	5.4%	5.1%	4.3%	3.7%	3.5%	3.8%	5.0%	5.4%	4.8%	5.9%	6.7%
Payout	59.5%	33.5%	58.1%	63.5%	63.0%	69.9%	73.6%	61.2%	68.1%	63.9%	64.8%	67.7%	67.7%	67.7%
EV / Sales	0.65x	0.54x	0.66x	0.70x	0.72x	0.77x	1.05x	0.82x	0.81x	0.60x	0.78x	0.73x	0.70x	0.67x
EV / Restated EBITDA	4.3x	5.4x	5.7x	6.1x	5.7x	4.4x	8.0x	9.5x	8.7x	7.3x	6.6x	6.2x	6.2x	5.5x
EV / Restated EBIT	6.5x	8.8x	8.7x	10.0x	10.1x	6.3x	10.8x	13.6x	12.9x	9.8x	9.5x	10.5x	8.7x	7.5x
EV / OpFCF	30.8x	NC	6.8x	25.1x	9.2x	6.5x	10.0x	23.3x	71.5x	NC	25.2x	27.8x	11.7x	8.0x
EV / Capital employed (incl. gross goodwill)	0.6x	0.7x	0.8x	0.8x	0.8x	1.0x	1.2x	1.4x	1.3x	1.1x	1.1x	1.2x	1.2x	1.1x

ENTERPRISE VALUE (EURm)	162	201	248	273	285	196	368	599	693	710	739	910	907	882
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Market cap	110	117	127	152	178	234	388	518	599	539	560	700	700	700
+ Adjusted net debt	27	79	108	93	76	49	96	82	93	175	181	210	202	172
+ Other liabilities and commitments	0	0	0	0	0	2	5	6	9	10	12	13	14	15
+ Revalued minority interests	48	32	49	50	51	52	14	13	14	14	17	17	21	25
- Revalued investments	33	27	36	22	21	141	136	20	23	29	30	30	30	30

P & L HIGHLIGHTS (EURm)	Switch to IFRS data from FY ended 12/04													
Sales	234.9	374.8	376.2	389.6	396.8	255.5	350.2	728.5	851.9	1,192.3	951.9	1,243.3	1,292.4	1,326.3
Restated EBITDA (b)	35.1	37.1	43.5	45.1	49.6	44.6	46.1	62.9	79.5	97.3	111.4	125.1	146.1	161.6
Depreciation	(11.9)	(14.3)	(15.0)	(17.7)	(21.4)	(13.5)	(12.0)	(18.7)	(25.8)	(24.9)	(33.7)	(38.2)	(41.7)	(43.7)
Restated EBIT (b) (**)	23.2	22.8	28.5	27.4	28.2	31.1	34.0	44.2	53.7	72.5	77.7	86.8	104.3	117.9
Reported operating profit (loss)	23.2	22.8	28.5	27.4	28.2	31.6	34.5	44.2	53.7	72.1	76.5	86.8	104.3	117.9
Net financial income (charges)	0.3	(2.8)	(6.1)	(5.1)	(5.1)	(3.8)	(2.1)	(3.7)	(6.5)	(8.6)	(6.9)	(8.4)	(8.9)	(8.4)
Affiliates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0
Other	(0.1)	9.2	(0.7)	1.3	0.0	2.4	1.7	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Tax	(9.0)	(5.2)	(6.9)	(7.5)	(4.6)	(10.8)	(11.3)	(11.5)	(11.0)	(18.5)	(19.7)	(22.2)	(27.1)	(31.1)
Minorities	(4.5)	(4.6)	(2.6)	(3.1)	(3.5)	(4.1)	(3.8)	(1.7)	(2.2)	(2.3)	(2.7)	(3.0)	(3.7)	(4.2)
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-
Net attributable profit reported	9.9	19.3	12.1	13.0	15.0	15.2	19.0	30.5	37.5	42.7	47.2	53.2	64.7	74.3
Net attributable profit restated (c)	9.9	19.3	12.1	13.0	15.0	14.9	18.7	30.5	34.7	43.0	48.1	53.2	64.7	74.3

CASH FLOW HIGHLIGHTS (EURm)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
EBITDA (reported)	35.1	37.1	43.5	45.1	49.7	45.1	46.5	62.9	83.1	97.0	110.2	125.1	146.1	161.6
EBITDA adjustment (b)	0.0	0.0	0.0	0.0	(0.0)	(0.5)	(0.5)	0.0	(3.6)	0.4	1.2	0.0	0.0	0.0
Other items	(0.1)	(1.7)	(4.7)	(4.7)	(7.2)	6.0	5.0	3.4	5.7	1.7	2.9	3.0	3.0	3.0
Change in WCR	(9.5)	(18.5)	23.9	(8.5)	15.8	(4.2)	5.5	2.7	(12.9)	(23.8)	3.6	(1.3)	(3.1)	(2.1)
Operating cash flow	25.4	16.8	62.7	31.9	58.2	46.5	56.6	68.9	72.2	75.2	117.9	126.8	146.0	162.5
Capex	(20.5)	(19.4)	(26.1)	(21.0)	(27.4)	(16.3)	(19.9)	(43.2)	(62.5)	(99.3)	(88.6)	(94.0)	(68.2)	(51.9)
Operating free cash flow (OpFCF)	4.9	(2.5)	36.6	10.9	30.8	30.1	36.7	25.8	9.7	(24.1)	29.3	32.8	77.8	110.6
Net financial items + tax paid	(8.8)	(8.0)	(13.0)	(12.6)	(9.0)	(12.8)	(13.5)	(15.0)	(22.8)	(24.6)	(25.3)	(28.7)	(34.0)	(37.5)
Free cash flow	(3.8)	(10.5)	23.6	(1.7)	21.8	17.3	23.2	10.8	(13.1)	(48.6)	4.0	4.1	43.8	73.1
Net financial investments & acquisitions	(41.2)	(16.0)	(10.4)	3.4	(0.2)	9.3	(118.3)	10.2	(42.2)	(22.5)	(4.3)	0.0	0.0	0.0
Other	26.0	(18.6)	(37.6)	1.2	(0.0)	24.7	(8.0)	(0.1)	(1.8)	(0.4)	1.5	0.0	0.0	0.0
Capital increase (decrease)	0.0	2.5	3.4	22.4	6.5	8.5	69.5	13.0	66.0	18.4	22.0	0.0	0.0	0.0
Dividends paid	(9.5)	(9.1)	(8.5)	(10.4)	(10.9)	(13.7)	(13.9)	(19.7)	(20.5)	(28.3)	(29.4)	(33.0)	(35.9)	(43.2)
Increase (decrease) in net financial debt	28.5	51.8	29.4	(14.9)	(17.3)	(27.6)	(14.2)	11.6	81.4	6.2	28.9	(7.9)	(29.9)	
Cash flow, group share	18	22	21	22	27	30	31	48	59	71	84	94	109	120

BALANCE SHEET HIGHLIGHTS (EURm)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
Fixed operating assets, incl. gross goodwill	301	322	355	370	379	302	392	459	571	661	716	772	799	807
WCR	(51)	(26)	(28)	(22)	(32)	(103)	(88)	(29)	(34)	(26)	(28)	(27)	(24)	(22)
Capital employed, incl. gross goodwill	250	295	327	348	348	198	304	430	537	635	688	745	775	785
Shareholders' funds, group share	173	182	192	217	229	229	306	331	416	444	491	511	540	571
Minorities	76	50	49	50	51	52	14	13	14	14	14	17	21	25
Provisions / Other liabilities	6	10	13	8	10	10	23	24	36	31	32	37	42	47
Net financial debt (cash)	27	79	108	93	76	49	96	82	93	175	181	210	202	172

FINANCIAL RATIOS (%)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
Sales (% change)	27.3%	59.5%	0.4%	3.6%	1.8%	(35.6%)	37.1%	108.0%	16.9%	40.0%	(20.2%)	30.6%	3.9%	2.6%
Organic sales growth	8.2%	22.0%	0.3%	3.6%	1.8%	4.2%	25.2%	7.2%	2.1%	30.1%	30.1%	27.0%	3.9%	2.6%
Restated EBIT (% change) (**)	19.1%	(2.0%)	25.1%	(3.6%)	2.8%	10.2%	9.4%	29.8%	21.5%	35.0%	7.3%	11.7%	20.1%	13.0%
Restated attributable net profit (% change) (**)	18.6%	93.8%	(37.0%)	7.2%	14.8%	(0.3%)	25.6%	62.7%	13.8%	23.9%	11.9%	10.6%	21.8%	14.7%
Personnel costs / Sales	7.7%	5.6%	5.9%	6.9%	7.1%	9.6%	7.3%	5.2%	5.8%	5.2%	7.5%	6.1%	6.1%	6.1%
Restated EBITDA margin	14.9%	9.9%	11.6%	11.6%	12.5%	17.5%	13.2%							

External growth, part of the growth story

Founded in 1990, Rubis raised EUR75m of equity from institutional investors (the company went public in 1995 and raised an additional EUR25m) with the aim of investing this cash in the energy sector, a stable business benefiting from high barriers to entry and strong cash flows. Rubis was therefore built on acquisitions, developing concurrently two separate divisions, Rubis Terminal (storage of petroleum products, fertilizers, edible oils & molasses and chemical products) and Rubis Energie (distribution of LPG and petroleum products).

Figure 1: Rubis' M&A activity since creation

	Rubis Terminal	Rubis Energie
1990	Creation of Rubis	
1993	Acquisition of a 59% stake in CPA (CPA was founded in 1877)	
1994		Acquisition of a 66% stake in Vitogaz (Vitogaz was founded in 1939)
1995	Acquisition of the Brest oil depot	
1996	Acquisition of the Saint-Priest oil depot	
1997	Acquisition of the Strasbourg oil depot	
1998		Acquisition of 50% of IPEM (second largest import terminal of LPG in Italy)
1999		Acquisition of the remaining 50% in IPEM Acquisition of L'Autogas Meridionale (distributor of LPG in Italy)
2000	Acquisition of an additional 38% stake in CPA, renamed Rubis Terminal	
2001	Acquisition of Propetrol (storage of petroleum and chemical products in France)	
2003		Acquisition of the second largest LPG distributor in Senegal
2005		Acquisition of a 34% stake in Vitogaz from Total Acquisition of SAGF from Shell (distributor of LPG & petroleum products in French Caribbeans)
2006		Acquisition of Shell's petroleum products distribution in Bermuda Disposal of Italian assets
2007		Acquisition from Shell of LPG distribution activities in 5 European countries
2008		Acquisition of Shell's distribution activities on Jersey and Guernsey Acquisition of Totalgaz LPG's distribution in Spain
2009		Acquisition of petrol distribution in Corsica (France)
2010		Acquisition of the remaining 50% in Frangaz from BP (marketing of cylinder LPG in Intermarché & Casino)

Source: Exane BNP Paribas estimates

External growth is therefore part of the growth story and it has strongly supported the stock's performance over the past years. At the same time, shareholders' remuneration has never been sacrificed (at the current share price Rubis offers a c. 5% yield) while the balance sheet remains rock solid (2009: gearing of 37% vs a covenant of < 100% and Net debt / EBITDA of 1.6x vs a covenant of < 3.5x).

An impressive track-record

Rubis' top-management has developed a real expertise in acquiring and turning around companies, as they are often under-managed by big oil majors. This has doubtless been facilitated by the background of its two partners, Gilles Gobin, former head of M&A at the bank CCF (French arm of HSBC) and Jacques Riou, who worked at Foncière Euris (holding company that controls French retailer Casino).

The acquired companies all share certain characteristics:

- They have been acquired at a good price, usually 5-7x EBITDA or 10-12x Net profit (Rubis currently trades at 7x 2010e EBITDA and 14x 2010e EPS).

Figure 2: Rubis' largest acquisitions

Date	Target	Activity	Country	Price (EURm)	Comment
Apr-05	34% of Vitogaz	LPG	France	26.5	EBIT of EUR12.2m (100%) - 6.4 EV/EBIT
Jun-05	SAGF	LPG / pump stations / refinery	French Caribbean	116	Sales of EUR200m - around 10x net profit
Jul-06	Shell Bermuda	LPG / pump stations	Bermuda	34	Sales of \$45m - around 12x net profit
Mar-07	Shell Europe	LPG	5 European countries	50	Sales of EUR143m - 6.5x EV/EBITDA
Jun-08	Shell Jersey/Guernsey	Pump stations / jet fuel	Channel Islands	25	Sales of EUR60m - 10/11x net profit
Jun-08	Totalgaz Espana	LPG	Spain	8 (e)	Sales of EUR12m - 6.5x EV/EBITDA
Oct-09	Shell & Total Corsica	Pump stations	France	10 (e)	EBITDA of EUR2m - 5x EV/EBITDA

Source: Exane BNP Paribas estimates

– Targets are usually in niche markets, thus they have been under-managed for many years by oil majors. As a consequence:

1) There is a significant potential to improve their profitability. Rubis can reduce operating costs such as overheads and branding (on average, opex is reduced by c. 15-20% over the first two years). As an illustration, in Bermuda, before it changed the brand name of Shell to Vito (Rubis' own brand), Rubis had to pay an annual fee of EUR1m to the oil conglomerate.

2) Rubis can increase the pace of the commercial development (high level of decentralization, entrepreneurial culture, increased capex, etc.).

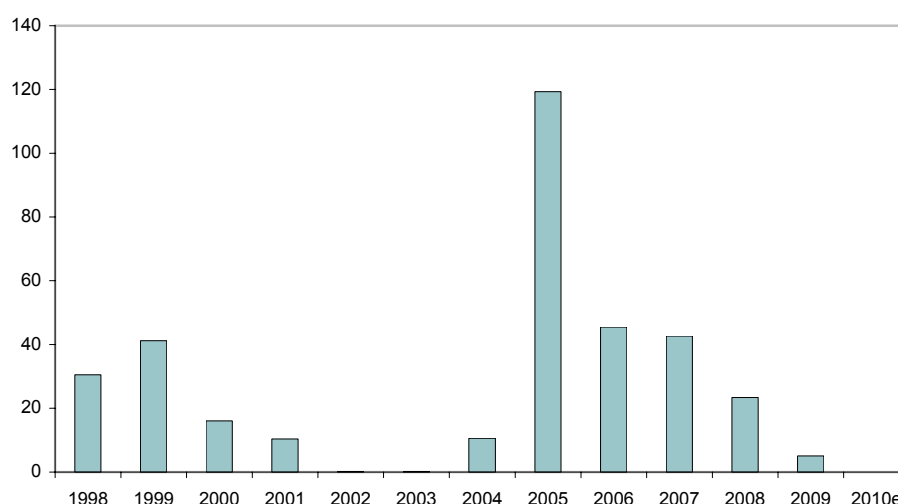
All these elements have made past acquisitions accretive (on EPS and most of the time on ROCE) from year one. Based on our estimates, external growth has lifted Rubis' annual EPS growth by 3-4% on average, enabling the company to deliver a strong 9% EPS CAGR from 1998 to 2009 (with only one year of decline).

Getting closer and closer to acquisitions – Buy ahead

We believe that we are getting closer and closer to some news on the M&A side and we recommend buying before deals are announced for the following reasons:

– Based on our estimates, Rubis spent around EUR340m on acquisitions from 1998 to 2008, i.e. an average EUR30m per year. Since the beginning of 2009, only EUR5m were dedicated to external growth, which is admittedly very little.

Figure 3: Financial investments (EURm)



Source: Exane BNP Paribas estimates

- Last January, the company announced it had signed an “equity line” with Calyon (Calyon has promised to subscribe if asked by Rubis) allowing it to raise EUR60m over the next 3 years. This caught investors off guard as Rubis’ balance sheet did not require a capital increase. Our view is more positive: this “equity line” (not yet used) could suggest that major deals are in the works.

- Despite strong cash-flows, oil majors have been divesting midstream and downstream assets for many years. As an illustration, Shell disposed of around USD1.2bn of downstream assets in 2009 (around USD11bn from 2005 to 2009). Going forward, Exane’s Energy team expects this trend to continue, as upstream generates much higher ROCE over the long-term (in excess of 20%). Shell said it plans to exit 35% of its downstream markets (e.g. Africa), which amounts to only about 10% of its downstream earnings. More recently, BP announced a \$10bn divestment program over the next 12 months (admittedly mainly upstream assets) in order to increase its available cash resources for its \$20bn compensation fund.

- Rubis is obviously discreet on the M&A front. That said, our latest conversations with management (“the pipeline for potential acquisitions is significant...oil majors are now accelerating their disposal process of downstream assets...our current leverage remains too low...transaction prices are now getting closer to our criteria...”) all point in the same direction; the company is closing in on one or several acquisitions.

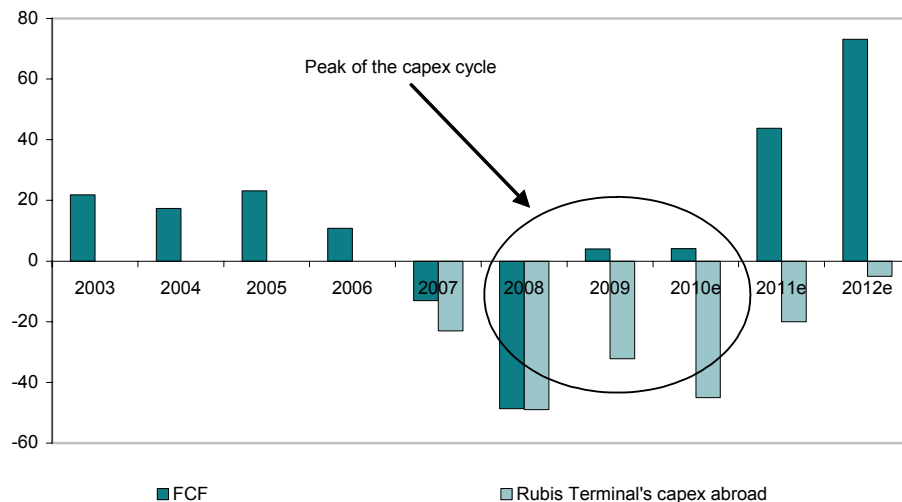
Financial capacity of EUR300m

As previously indicated, Rubis’ balance sheet remains rock solid:

- Leverage remains reasonable (Net debt / EBITDA of 1.6x in 2009 vs a covenant < 3.5x)...

- ...especially as its FCF is forecast to surge from 2011 after the peak of the on-going capex cycle (to finance the development of Rubis Terminal abroad).

Figure 4: Rubis’ FCF (after interest expenses and taxes)



Source: Exane BNP Paribas estimates

- There is a EUR220m credit facility still available (average maturity 2014 at 70bps above Euribor).

Overall, we estimate Rubis has around EUR300m available for acquisitions; however, in the figure below we model the impact of accumulated EUR200m worth of acquisitions over the period 2010e to 2013e assuming a multiple of 6x.

Figure 5: Rubis' leverage (cumulated EUR200m acquisitions over 2010e-2013e)

EURm	2007	2008	2009	2010e	2011e	2012e	2013e
Rubis stand-alone							
EBITDA	79	97	111	125	146	162	170
Net debt	93	175	181	210	202	172	139
Net debt / EBITDA	1.2	1.8	1.6	1.7	1.4	1.1	0.8
Gearing %	22	39	37	42	38	32	26
Acquisitions							
Financial investment				50	50	50	50
Cumulative				50	100	150	200
Incremental EBITDA				8	8	8	8
Cumulative				8	17	25	33
Rubis after acquisitions (100% in cash)							
EBITDA				133	163	187	203
Net debt				260	302	322	339
Net debt / EBITDA				1.9	1.9	1.7	1.7
Gearing %				51	56	56	56
Rubis after acquisitions (70% in cash / 30% in equity)							
EBITDA				133	163	187	203
Net debt				245	272	277	279
Net debt / EBITDA				1.8	1.7	1.5	1.4
Gearing %				47	48	45	42

Source: Exane BNP Paribas estimates

Financial implications: EPS and returns accretion from year 1

Based on the following assumptions:

- The focus will remain on the Distribution segment. With opportunities rather limited in the Storage segment (still demanding transaction multiples with strong interests from private equity funds, shipping companies, oil traders, etc.), we believe Rubis' focus remains on Distribution. After having strengthened its positions in Europe, the company may expand into higher growth areas, such as the Caribbeans, Africa, Indian Ocean and the Middle East.
- Acquisitions performed at 6x EBITDA. Rubis mostly targets niche areas/businesses, meaning they are rather small, while having access to key logistic infrastructures is key to generate sufficient returns. The number of potential buyers is thus quite limited. In addition, we remind that deals performed at 6x EBITDA are accretive, both for the sellers (oil majors are trading at 4x to 5x) and for the buyer (Rubis is trading at 7x (2010e)).
- Cost of debt of 4.0% and tax rate of 33%.
- Financing: shares issued at EUR60 (an 8% discount to the current share price, as allowed by the "equity line").

External growth would add up to 6-13% to our core 2013 EPS estimate (we acknowledge that EPS accretion is significantly helped by today's low interest rates).

Figure 6: Rubis, impact of external growth on EPS

EURm	2007	2008	2009	2010e	2011e	2012e	2013e
EBITDA (stand-alone)	79	97	111	125	146	162	170
EBITDA accretion				+7%	+11%	+15%	+20%
EPS (stand-alone)	3.60	4.15	4.40	4.61	5.61	6.44	6.91
EPS accretion							
Incremental EBIT				6	12	18	23
100% in cash							
Additional financial expenses				-2	-4	-6	-8
Incremental EPS				0.22	0.45	0.67	0.89
EPS accretion				+5%	+8%	+10%	+13%
70% in cash / 30% in equity							
Additional financial expenses				-1	-3	-4	-6
Accumulated number of new shares (million)			0.25	0.50	0.75	1.00	
EPS accretion				+3%	+5%	+5%	+6%

Source: Exane BNP Paribas estimates

A more relevant way to look at external growth is to estimate the evolution of the target's returns. Based on our assumptions, acquisitions in the Distribution segment create value from year 1 with ROCE exceeding 10%.

Figure 7: Acquisition in the Distribution segment

	Year 0	Year 1	Year 2	Year 3	CAGR (%)
Revenues	100	101.5	106.6	109.8	3.2
% chg yoy		1.5	5.0	3.0	
Gross profit	20.0	20.6	21.8	22.8	
Gross margin (%)	20.0	20.3	20.5	20.8	
Opex	(15.0)	(13.9)	(13.5)	(13.8)	(2.7)
Underlying cost inflation (+2.5% per year)	(0.4)	(0.3)	(0.3)		
Cost cutting (-15% over 2 years)	1.5	0.8	0.0		
EBITDA	5.0	6.7	8.4	9.0	21.5
% chg		33.6	25.4	7.1	
EBITDA margin (%)	5.0	6.6	7.9	8.2	
Depreciation	(1.2)	(1.3)	(1.5)	(1.6)	
EBIT	3.8	5.4	6.9	7.4	24.6
% chg		42.0	28.1	6.3	
EBIT margin (%)	3.8	5.3	6.5	6.7	
Capex (as % of revenues)		4.0	7.0	3.0	
ROCE (tax rate at 33%) (%)	8.5	11.0	11.9	12.2	
Financial costs (at 4%)	(1.2)	(1.2)	(1.2)	(1.2)	
Income taxes (at 33%)	(0.9)	(1.4)	(1.9)	(2.0)	
Net profit	1.7	2.8	3.8	4.1	33.3
% chg		61.4	36.2	7.6	
P/E (x)		10.7	7.8	7.3	

Source: Exane BNP Paribas estimates

Appendices

Figure 8: Rubis' detailed P&L

EURm	2006	2007	2008	2009	CAGR (%)	2010e	2011e	2012e	CAGR (%)
Sales	729	852	1,192	952	9	1,243	1,292	1,326	12
Rubis Terminal	182	166	298	189	1	233	244	255	10
o/w pure storage	63	68	78	87	12	95	106	117	10
o/w trading	120	98	220	102	(5)	138	138	138	11
Rubis Energie	546	686	894	763	12	1,010	1,049	1,072	12
Estimated average price of propane (EUR/t)	419	464	501	366	(4)	469	469	469	9
EBITDA	64	80	97	112	20	125	146	162	13
EBITDA margin (%)	8.8	9.4	8.2	11.7		10.1	11.3	12.2	
EBITDA margin excluding trading (%)	10.5	10.6	10.0	13.1		11.3	12.7	13.6	
Depreciation	(20)	(26)	(25)	(34)		(38)	(42)	(44)	
Recurring EBIT	44	54	72	78	21	87	104	118	15
Recurring EBIT margin (%)	6.1	6.3	6.1	8.2		7.0	8.1	8.9	
Recurring EBIT margin excluding trading (%)	7.3	7.1	7.4	9.1		7.9	9.0	9.9	
Rubis Terminal	26	27	35	38	13	42	50	59	16
Rubis Energie	24	32	43	45	24	50	60	64	12
Holding & Eliminations	(6)	(6)	(5)	(5)	(3)	(5)	(5)	(5)	0
Other operating costs	0	4	0	(1)		0	0	0	
Reported EBIT	44	57	72	77	20	87	104	118	16
Net financial income	(4)	(7)	(9)	(7)		(8)	(9)	(8)	
Net profit before tax	41	51	63	70	20	78	95	110	16
Income tax	(11)	(11)	(19)	(20)		(22)	(27)	(31)	
Tax rate (%)	(28)	(22)	(29)	(28)		(28)	(28)	(28)	
Affiliates	0	0	0	0		0	0	0	
Other	3	0	0	0		0	0	0	
Net profit	32	40	45	50	16	56	68	78	16
Minorities	(2)	(2)	(2)	(3)		(3)	(4)	(4)	
Net attributable profit - Reported	30	37	43	47	16	53	65	74	16
Adjusted EPS	3.50	3.60	4.15	4.40	8	4.61	5.61	6.44	14

Source: Exane BNP Paribas estimates

Figure 9: Rubis' SOTP

	Valuation Per share *		Method	EBITDA 11e		EBIT 11e		Implied Multiple	Normative	Growth (%)		
	(EURm)	(EUR)		(EURm)	(EURm)	EBITDA 11e	EBIT 11e			EBIT margin	WACC	to infinity
Rubis Terminal	572	50	DCF	64	50	9x	12x			28.5	9.5	2.0
Rubis Energie	597	52	DCF	90	60	7x	10x			6.6	10.0	1.0
Holding costs	(60)	(5)	11x EBIT 11e	(8)	(5)							
Total EV	1,109	96		146	104	8x	11x					
Net-debt 10e	(210)	(18)										
+ Cash-inflow from stock-options	46	4										
- Other liabilities	(13)	(1)										
+ Financial assets	30	3										
- Minority interest	(17)	(1)										
Total equity value	946	82										
Share price		65										
Upside		27%										

* Based on a fully diluted number of shares

Source: Exane BNP Paribas estimates

Funding Analysis

Rubis

Gross cash position at 31 Dec. 09					
99					
EURm	Dec. 10	Dec. 11	Dec. 12	Dec. 13	Dec. 14
FCF	4	44	73	82	91
Gross debt reimbursements	(96)	(34)	(34)	(34)	(84)
New funds (debt, capital, divestment)					
Other cash outflows (acquisitions etc)					
Dividend base case	(33)	(36)	(43)	(49)	(53)
Share buybacks	0	0	0	0	0
SURPLUS/(SHORTFALL)					
Annual	(26)	(26)	(4)	(0)	(45)
Cumulative	(26)	(51)	(55)	(56)	(100)
Annual if div is 0 from Dec. 10	na	10	40	49	8
Cumulative if div is 0 from Dec. 10	na	(16)	24	73	81
Available credit lines ¹					
Covenant(s):					
	Gearing < 100%				
	Net debt / EBITDA < 3.5x				
Gearing ²	40%	36%	29%	22%	15%
Net Debt / EBITDA ²	1.7x	1.4x	1.1x	0.8x	0.6x

¹ Credit Lines Comment

² Ratio based on our estimates

► Rubis' leverage remains reasonable (gearing at 36% end-2009, net debt/EBITDA expected at 1.7x end 2010) given the resilience of its two divisions (basic needs, long-term contracts). The company has a credit facility still available for an average maturity of 5 years (EUR200m at 60bps above Euribor). (Comment updated on 07 May. 10)

Source: Exane BNP Paribas estimates

Analyst location

As per contact details, analysts are based in the following locations: London, UK for telephone numbers commencing +44; Paris, France +33; Brussels, Belgium +32; Frankfurt, Germany +49; Geneva, Switzerland +41; Madrid, Spain +34; Milan, Italy +39; New York, USA +1; Singapore +65; Zurich, Switzerland +41

Rating definitions

Stock Rating (vs Sector)

Outperform: The stock is expected to outperform the industry large-cap coverage universe over a 12-month investment horizon.

Neutral: The stock is expected to perform in line with the industry large-cap coverage universe over a 12-month investment horizon.

Underperform: The stock is expected to underperform the industry large-cap coverage universe over a 12-month investment horizon.

Sector Rating (vs Market)

Outperform: The sector is expected to outperform the DJ STOXX50 over a 12-month investment horizon.

Neutral: The sector is expected to perform in line with the DJ STOXX50 over a 12-month investment horizon.

Underperform: The sector is expected to underperform the DJ STOXX50 over a 12-month investment horizon.

Key ideas

BUY: The stock is expected to deliver an absolute return in excess of 30% over the next two years. Exane BNP Paribas' Key Ideas Buy List comprises selected stocks that meet this criterion.

Distribution of Exane BNP Paribas' equity recommendations

As at 07/04/2010 Exane BNP Paribas covered 536 stocks. The stocks that, for regulatory reasons, are not accorded a rating by Exane BNP Paribas are excluded from these statistics. For regulatory reasons, our ratings of Outperform, Neutral and Underperform correspond respectively to Buy, Hold and Sell; the underlying signification is, however, different as our ratings are relative to the sector.

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36% of stocks covered by Exane BNP Paribas were rated Neutral. During the last 12 months, Exane acted as distributor for BNP Paribas on the 2% of stocks with this rating for which BNP Paribas acted as manager or co-manager on a public offering. BNP Paribas provided investment banking services to 7% of the companies accorded this rating*.

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Rubis – historical closing price & target price (as of 17/06/2010)



Date	Closing price	Target price	Rating	Changes
11/05/2010	EUR63.00	EUR82	Outperform	Target price
07/05/2010	EUR60.00	EUR80	Outperform	Rating & Target price

Source: Exane BNP Paribas

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7. Additional material conflicts	
- Is Exane aware of any additional material conflicts of interest with regard to the distribution of the research?	NO

Source: Exane

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RUBIS (Outperform)

Oil & Gas (Outperform) - France

Price at 17 Jun. 10 / Target Price

EUR64.7 / EUR82 +27%

Business

Rubis is present in two activities: industrial liquid storage, where it is the largest French independent player with capacity of 1.4m cubic metres (20% market share) and LPG distribution (120,000 tonnes distributed, 8% market share).

Since 1998, Rubis has been developing its LPG business abroad, notably in Italy with the acquisition of IPEM (LPG import terminal) and Autogas (12,000 tonnes distributed) and in Morocco with a propane terminal.

The 2001 acquisition of Propétrol bolsters Rubis' position in liquid storage (1.6m cubic metres and 22% market share).

Management

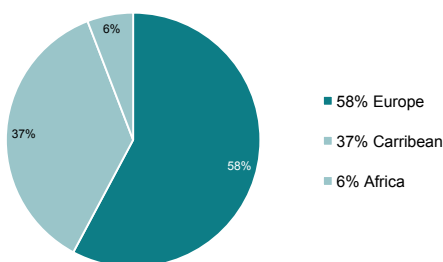
Jacques Riou, President

Bruno Krief, CFO

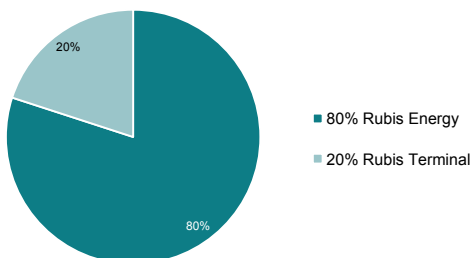
Shareholders

Halisol	6.1%
Orfim	5.6%
Groupe Industriel Marcel Dassault	5.5%
Columbia Wanger Asset Management	2.3%
Partners, Management	1.8%
FCP Rubis-Avenir	1.2%
Other Shareholders	77.5%

2009 sales by region



2009 sales by business



Analyst

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Peer group YTD performance

Stock	Price		YTD performance in EUR (%)	
	(17 Jun. 10)		Abs.	Rel. Sector
Cairn Energy (+)	GBP	4.25	35.7	48
Bourbon (-)	EUR	34.8	35.6	48
Acergy (+)	NOK	100.3	16.4	27
CGGVeritas (-)	EUR	17.1	14.3	25
Subsea 7 (=)	NOK	102.9	12.6	23
Saipem (+)	EUR	26.4	11.1	21
Rubis (+)	EUR	64.7	9.6	20
Technip (+)	EUR	51.7	7.1	17
BG Group (+)	p	1,116	6.3	16
Royal Dutch (+)	p	1,758	6.2	16
Neste Oil (-)	EUR	12.9	5.2	15
ERG (-)	EUR	9.7	3.6	13
Statoil (-)	NOK	135.8	2.1	12
Dana Petroleum (+)	GBP	11.1	0.1	9
Petroplus (=)	CHF	17.7	0.0	9
Tullow Oil (+)	GBP	11.6	(5.4)	3
Repsol YPF (-)	EUR	17.7	(5.7)	3
Eni (-)	EUR	16.2	(7.1)	2
TOTAL (=)	EUR	40.5	(7.4)	1
Saras (-)	EUR	1.75	(20.2)	(13)
Maurel et Prom (+)	EUR	9.7	(22.5)	(15)
BP (+)	p	360	(34.1)	(28)

Sector calendar

21 Jun. 10	Cepsa: Ex & Div. Payment (0.324EUR)
30 Jun. 10	Tullow Oil: Capital Markets Day
06 Jul. 10	Tullow Oil: Q2 2010 Sales
08 Jul. 10	Maurel et Prom: H1 2010 Results
14 Jul. 10	Acergy: Q2 2010 Results
22 Jul. 10	Technip: Q2 2010 Results
27 Jul. 10	BG Group: Q2 2010 Results
	BP: Q2 2010 Results
	Saipem: Q2 2010 Results
	Subsea 7: Q2 2010 Results
28 Jul. 10	Eni: Q2 2010 Results + Conference Call
29 Jul. 10	CGGVeritas: Q2 2010 Results
	Neste Oil: Q2 2010 Results
	Repsol YPF: Q2 2010 Results
	Royal Dutch: Q2 2010 Results
	Statoil: Q2 2010 Results
30 Jul. 10	TOTAL: H1 2010 Results
05 Aug. 10	Petroplus: Q2 2010 Results
06 Aug. 10	ERG: H1 2010 Results + Conference Call
	Fugro: Q2 2010 Results
09 Aug. 10	Bourbon: Q2 2010 Sales
	Saras: Q2 2010 Results + Conference Call
10 Aug. 10	Rubis: Q2 2010 Sales
18 Aug. 10	SBM Offshore: H1 2010 Results
24 Aug. 10	Cairn Energy: H1 2010 Results
25 Aug. 10	Bourbon: H1 2010 Results
	Tullow Oil: H1 2010 Results
30 Aug. 10	Dana Petroleum: H1 2010 Results
31 Aug. 10	Rubis: H1 2010 Results
	Tecnicas Reunid: H1 2010 Results
13 Oct. 10	Acergy: Q3 2010 Results
26 Oct. 10	BP: Q3 2010 Results
	Subsea 7: Q3 2010 Results
27 Oct. 10	Saipem: Q3 2010 Results
28 Oct. 10	Eni: Q3 2010 Results + Conference Call
	Royal Dutch: Q3 2010 Results
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Price at 17 Jun. 10 / Target Price

EUR64.7 / EUR82 +27%

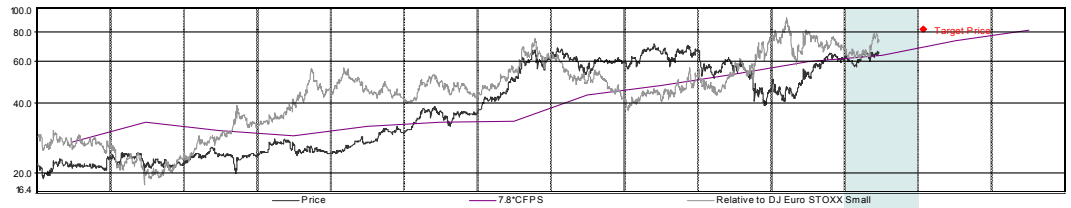
Reuters / Bloomberg: RUBF.PA / RUI.FP

Analyst: Charles-Henri De-Mortemart (+33) 1 42 99 52 18

RUBIS (Outperform)

Oil & Gas (Outperform) - France

Company Highlights			
Enterprise value	EURm		
Market capitalisation	910		
Free float	543		
3m average volume	1		
Performance (*)			
	1m	3m	12m
Absolute	6%	12%	31%
Rel. Sector	11%	25%	23%
Rel. DJ Euro STOXX	5%	18%	1%
CAGR			
	1999/2010	2010/2012	
EPS restated (**)	8%	18%	
CFPS	8%	13%	



Price (yearly avg from Dec. 99 to Dec. 09)												
	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
Price	21.4	22.6	23.6	25.5	27.6	34.9	50.8	60.4	64.3	53.3	53.0	64.7
78%CFPS	21.4	22.6	23.6	25.5	27.6	34.9	50.8	60.4	64.3	53.3	53.0	64.7
Relative to DJ Euro STOXX Small	21.4	22.6	23.6	25.5	27.6	34.9	50.8	60.4	64.3	53.3	53.0	64.7
PER SHARE DATA (EUR)												
	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
No of shares year end, basic, (m)	5.151	5.194	5.422	6.027	6.587	6.847	8.425	8.718	9.935	10.296	10.822	10.822
Average no of shares, diluted, excl. treasury stocks (m)	5.250	5.292	5.520	6.126	6.686	7.006	7.304	8.817	9.772	10.511	11.123	11.529
EPS reported	1.93	3.71	2.28	2.22	2.37	2.31	2.78	3.62	4.31	4.30	4.59	4.91
EPS restated	1.93	3.71	2.24	2.16	2.26	2.15	2.58	3.50	3.60	4.15	4.40	4.61
% change	18.7%	91.9%	(39.7%)	(3.5%)	4.5%	(4.8%)	20.3%	35.5%	2.9%	15.3%	6.0%	4.8%
CFPS	3.48	4.24	3.88	3.70	4.07	4.25	4.30	5.54	6.04	6.79	7.66	8.16
Book value (BVPS) (a)	33.7	35.1	35.4	36.0	34.7	33.5	36.3	38.0	41.9	43.1	45.4	47.2
Net dividend	1.15	1.24	1.30	1.37	1.42	1.50	1.90	2.14	2.45	2.65	2.85	3.12
STOCK MARKET RATIOS												
	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
P / E (P/ EPS restated)	11.1x	6.1x	10.6x	11.8x	12.2x	16.3x	19.7x	17.3x	17.9x	12.9x	12.0x	14.0x
P / E relative to DJ Euro STOXX Small	11.1x	6.1x	10.6x	11.8x	12.2x	16.3x	19.7x	17.3x	17.9x	12.9x	12.0x	14.0x
P / CF	6.1x	5.3x	6.1x	6.9x	6.8x	8.2x	11.8x	10.9x	10.6x	7.9x	6.9x	7.9x
FCF yield	(2.4%)	(7.0%)	13.4%	(0.8%)	9.5%	6.1%	5.8%	2.0%	(2.1%)	(8.8%)	0.7%	0.6%
P / BVPS	0.63x	0.64x	0.67x	0.71x	0.79x	1.04x	1.40x	1.59x	1.53x	1.24x	1.17x	1.37x
Net yield	5.4%	5.5%	5.5%	5.4%	5.1%	4.3%	3.7%	3.5%	3.8%	5.0%	5.4%	4.8%
Payout	59.5%	33.5%	58.1%	63.5%	63.0%	69.9%	73.6%	61.2%	68.1%	63.9%	64.8%	67.7%
EV / Sales	0.65x	0.54x	0.66x	0.70x	0.72x	0.77x	1.05x	0.82x	0.81x	0.60x	0.78x	0.73x
EV / Restated EBITDA	4.3x	5.4x	5.7x	6.1x	5.7x	4.4x	8.0x	9.5x	8.7x	7.3x	6.6x	7.3x
EV / Restated EBIT	6.5x	8.8x	8.7x	10.0x	10.1x	6.3x	10.8x	13.6x	12.9x	9.8x	9.5x	10.5x
EV / OpFCF	30.8x	NC	6.8x	25.1x	9.2x	6.5x	10.0x	23.3x	71.5x	NC	25.2x	27.8x
EV / Capital employed (incl. gross goodwill)	0.6x	0.7x	0.8x	0.8x	0.8x	1.0x	1.2x	1.4x	1.3x	1.1x	1.1x	1.2x
ENTERPRISE VALUE (EURm)												
	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
Market cap	110	117	127	152	178	234	388	518	599	539	560	700
+ Adjusted net debt	27	79	108	93	76	49	96	82	93	175	181	210
+ Other liabilities and commitments	0	0	0	0	0	2	5	6	9	10	12	13
+ Revalued minority interests	48	32	49	50	51	52	14	13	14	14	17	17
- Revalued investments	33	27	36	22	21	141	136	20	23	29	30	30
P & L HIGHLIGHTS (EURm)												
	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
Sales	234.9	374.8	376.2	389.6	396.8	255.5	350.2	728.5	851.9	1,192.3	951.9	1,243.3
Restated EBITDA (b)	35.1	37.1	43.5	45.1	49.6	44.6	46.1	62.9	79.5	97.3	111.4	125.1
Depreciation	(11.9)	(14.3)	(15.0)	(17.7)	(21.4)	(13.5)	(12.0)	(18.7)	(25.8)	(24.9)	(33.7)	(38.2)
Restated EBIT (b) (**)	23.2	22.8	28.5	27.4	28.2	31.1	34.0	44.2	53.7	72.5	77.7	86.8
Reported operating profit (loss)	23.2	22.8	28.5	27.4	28.2	31.6	34.5	44.2	53.7	72.1	76.5	86.8
Net financial income (charges)	0.3	(2.8)	(6.1)	(5.1)	(5.1)	(3.8)	(2.1)	(3.7)	(6.5)	(8.6)	(6.9)	(8.4)
Affiliates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	0.0
Other	(0.1)	9.2	(0.7)	1.3	0.0	2.4	1.7	3.2	0.0	0.0	0.0	0.0
Tax	(9.0)	(5.2)	(6.9)	(7.5)	(4.6)	(10.8)	(11.3)	(11.5)	(11.0)	(18.5)	(19.7)	(22.2)
Minorities	(4.5)	(4.6)	(2.6)	(3.1)	(3.5)	(4.1)	(3.8)	(1.7)	(2.2)	(2.3)	(2.7)	(3.0)
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-
Net attributable profit reported	9.9	19.3	12.1	13.0	15.0	15.2	19.0	30.5	37.5	42.7	47.2	53.2
Net attributable profit restated (c)	9.9	19.3	12.1	13.0	15.0	14.9	18.7	30.5	34.7	43.0	48.1	53.2
CASH FLOW HIGHLIGHTS (EURm)												
	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
EBITDA (reported)	35.1	37.1	43.5	45.1	49.7	45.1	46.5	62.9	83.1	97.0	110.2	125.1
EBITDA adjustment (b)	0.0	0.0	0.0	0.0	(0.0)	(0.5)	(0.5)	0.0	(3.6)	0.4	1.2	0.0
Other items	(0.1)	(1.7)	(4.7)	(4.7)	(7.2)	6.0	5.0	3.4	5.7	1.7	2.9	3.0
Change in WCR	(9.5)	(18.5)	23.9	(8.5)	15.8	(4.2)	5.5	2.7	(12.9)	(23.8)	3.6	(1.3)
Operating cash flow	25.4	16.8	62.7	31.9	58.2	46.5	56.6	68.9	72.2	75.2	117.9	126.8
Capex	(20.5)	(19.4)	(26.1)	(21.0)	(27.4)	(16.3)	(19.9)	(43.2)	(62.5)	(99.3)	(88.6)	(94.0)
Operating free cash flow (OpFCF)	4.9	(2.5)	36.6	10.9	30.8	30.1	36.7	25.8	9.7	(24.1)	29.3	32.8
Net financial items + tax paid	(8.8)	(8.0)	(13.0)	(12.6)	(9.0)	(12.8)	(13.5)	(15.0)	(22.8)	(24.6)	(25.3)	(28.7)
Free cash flow	(3.8)	(10.5)	23.6	(1.7)	21.8	17.3	23.2	10.8	(13.1)	(48.6)	4.0	4.1
Net financial investments & acquisitions	(41.2)	(16.0)	(10.4)	3.4	(0.2)	(9.3)	(118.3)	10.2	(42.2)	(22.5)	(4.3)	0.0
Other	26.0	(18.6)	(37.6)	1.2	(0.0)	24.7	(8.0)	(0.1)	(1.8)	(0.4)	1.5	0.0
Capital increase (decrease)	0.0	2.5	3.4	22.4	6.5	8.5	69.5	13.0	66.0	18.4	22.0	0.0
Dividends paid	(9.5)	(9.1)	(8.5)	(10.4)	(10.9)	(13.7)	(13.9)	(19.7)	(20.5)	(28.3)	(29.4)	(33.0)
Increase (decrease) in net financial debt	28.5	51.8	29.4	(14.9)	(17.3)	(27.6)	47.6	(14.2)	11.6	81.4	6.2	28.9
Cash flow, group share	18	22	21	22	27	30	31	48	59	71	84	94
BALANCE SHEET HIGHLIGHTS (EURm)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
Fixed operating assets, incl. gross goodwill	301	322	355	370	379	302	392	459	571	661	716	772
WCR	(51)	(26)	(28)	(22)	(32)	(103)	(88)	(29)	(34)	(26)	(28)	(27)
Capital employed, incl. gross goodwill	250	295	327	348	348	198	304	430	537	635	688	745
Shareholders' funds, group share	173	182	192	217	229	229	306	331	416	444	491	511
Minorities	76	50	49	50	51	52	14	13	14	14	14	17
Provisions/ Other liabilities	6	10	13	8	10	10	23	24	36	31	32	37
Net financial debt (cash)	27	79	108	93	76	49	96	82	93	175	181	210
FINANCIAL RATIOS (%)												
	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e
Sales (% change)	27.3%	59.5%	0.4%	3.6%	1.8%	(35.6%)	37.1%	108.0%	16.9%	40.0%	(20.2%)	30.6%
Organic sales growth	8.2%	22.0%	0.3%	3.6%	1.8%	4.2%	25.2%	7.2%	2.1%	30.1%	30.1%	27.0%
Restated EBIT (% change) (**)	19.1%	(2.0%)	25.1%	(3.6%)	2.8%	10.2%	9.4%	29.8%	21.5%	35.0%	7.3%	11.7%
Restated attributable net profit (% change) (**)	18.6%	93.8%	(37.0%)	7.2%	14.8%	(0.3%)	25.6%	62.7%	13.8%	23.9%	11.9%	10.6%
Personnel costs / Sales	7.7%	5.6%	5.9%	6.9%	7.1%	9.6%	7.3%	5.2%	5.8%	5.2%	7.5%	6.1%
Restated EBITDA margin	14.9%	9.9%	11.6%	11.6%	12.5%	17.5%	13.2%	8.6%	9.3%	8.2%	11.7%	10.1%
Restated EBIT margin	9.9%	6.1%	7.6%	7.0%	7.1%	12.2%	9.7%	6.1%	6.3%	6.1%	8.2%	7.0%
Tax rate	38.4%	26.1%	30.8%	33.5%	20.1%	39.0%	34.8%	28.3%	21.6%	29.2%	28.4%	28.4%
Net margin	6.1%	6.4%	3.9%	4.1%	4.7%	7.5%	6.5%	4.4%	4.7%	3.8%	5.2%	4.5%
Capex / Sales	8.7%	5.2%	6.9%	5.4%	6.9%	6.4%	5.7%	5.9%	7.3%	8.3%	9.3%	7.6%
OpFCF / Sales	2.1%	(0.7%)	9.7%	2.8%	7.8%	11.8%	10.5%	3.5%	1.1%	(2.0%)	3.1%	2.6%
WCR / Sales	(21.6%)	(7.0%)	(7.5%)	(5.7%)	(8.0%)	(40.4%)	(25.2%)	(4.0%)	(4.0%)	(2.2%)	(2.9%)	(2.2%)
Capital employed (excl. gross goodwill) / Sales	25.4%	25.7%	32.9%	36.1%	34.3%	16.9%	32.9%	30.5%	34.8%	32.4%	46.0%	39.8%
ROE (before goodwill)	5.7%	10.6%</										