

19 December 2006

Neochimiki

Reuters: **NCHr.AT** Bloomberg: **NEOCHI GA** Exchange: **ATH** Ticker: **NCHr**

The right chemistry

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Coverage initiated with a Buy rating and TP of €20.0

Neochimiki is a market leader in the production and distribution of Chemical Raw Materials (CRM) and the production of detergents on behalf of multinationals and private labels. It is uniquely placed to capture the growing outsourcing trend by chemical majors in Emerging Europe due to its 30-year proven track record, existing relationships with multinationals and the strategic location of its production facilities, close to key Greek ports, which serve as effective and cost efficient entry points to the region.

Burgeoning Emerging European market to drive earnings growth

High entry barriers coupled with untapped growth of the Emerging European chemical market, currently estimated at €15bn, should help secure a strong foothold in the region primarily via subsidiary Lamda Detergents. We expect the prospects of Emerging Europe to enable Neochimiki to deliver an EBITDA and ordinary EPS CAGR both in excess of 40% in 2005-2010E.

Valuation: Our DCF analysis supports a Buy rating, major upside potential

Our TP of €20.0 suggests a 12-month upside potential of 46%. It is derived via a 100% DCF exercise (WACC=9.7%; g=2.0%; net debt/equity=102%). A comparison with the DB European Chemical and Household Products Universe suggests the company is trading at discounts of 73% and 92%, respectively, on the basis of 07E growth-adjusted EV/EBITDA and PE, which we believe are not justified given its superior growth profile compared to the peer base.

Risks

The primary downside risks include a failure to make the business cash generative, significant exposure to fixed-term contracts with multinationals and the political/economic uncertainties of operating in Emerging Europe, where most of the future growth is anticipated. Other risks include the growing minority leakages, particularly from Lamda Detergents, and margin dilution as the lower-margined distribution activities grow.

Forecasts and ratios

Year End Dec 31	2004A	2005A	2006E	2007E	2008E
Revenue (EURm)	83	142	300	500	640
EBITDA (EURm)	18	28	51	89	112
DB EPS (EUR)	0.21	0.38	0.65	1.12	1.39
DB EPS growth (%)	39.2	82.5	71.8	71.9	24.1
P/E (DB EPS) (x)	17.9	11.2	21.1	12.2	9.9
EV/EBITDA (x)	12.0	10.4	18.3	10.4	8.0
DPS (EUR)	0.03	0.06	0.17	0.25	0.31
Yield (%)	0.8	1.4	1.2	1.8	2.3

Source: Deutsche Bank estimates, company data

Deutsche Bank AG/London

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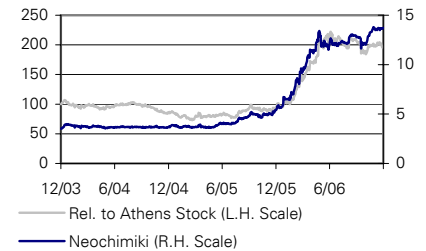
DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1

Initiation of Coverage

Buy

Price at 18 Dec 2006 (EUR)	13.72
Price Target (EUR)	20.00
52-week range (EUR)	13.80 - 5.48

Price/price relative



Performance (%)	1m	3m	12m
Absolute	-0.1	7.4	153.1
Athens Stock Exchange General Index	1.5	12.7	

Stock data

Market cap (EUR)(m)	493.9
Shares outstanding (m)	36
Free float (%)	66
Athens Stock Exchange General Index	4,377.8

Key indicators

ROE (%)	92.1
ROA (%)	32.0
Net debt/equity (%)	117.0
Book value/share (EUR)	4.3
Price/book (x)	3.2
Net interest cover (x)	4.9
EBIT margin (%)	13.0

Model updated: 18 December 2006

Running the Numbers**Europe****Greece****Diversified/Conglomerates****Neochimiki**

Reuters: NCHR.AT Bloomberg: NEOCHI GA

Buy

Price as of 18 December EUR 13.72

Target price EUR 20.00

Company website

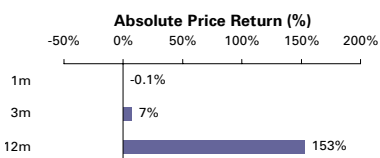
<http://www.neochimiki-lavrentiadis.gr>**Company description**

Neochimiki is a producer and distributor of chemical raw materials and a producer of household products on behalf of multinationals and private labels. Its activities are still largely concentrated in Greece, where the company is the market leader. The company is currently expanding aggressively in Emerging European markets.

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52-week Range: EUR 5.40 - 13.80

Market Cap (m) EUR 494

USD 645

Company identifiers

Cusip NA

SEDOL 7681419

Year Ending 31 December**SUMMARY**

	2003	2004	2005	2006E	2007E	2008E
Headline EPS (EUR)	0.15	0.21	0.38	0.65	1.12	1.39
P/E ratio Headline (x)	23.5	17.9	11.2	21.1	12.2	9.9
Headline EPS growth (%)	na	39.2	82.5	71.8	71.9	24.1
EPS FD (EUR)	0.15	0.20	0.37	2.74	1.12	1.39
P/E ratio FD (x)	23.5	18.2	11.6	5.0	12.2	9.9
Operating CFPS (EUR)	0.01	0.22	0.73	1.91	0.74	1.93
Free CFPS (EUR)	-0.65	-0.52	-1.17	-2.23	0.24	1.34
P/CFPS (x)	471.8	16.9	5.9	7.2	18.6	7.1
DPS (EUR)	0.06	0.03	0.06	0.17	0.25	0.31
Dividend Yield (%)	1.7	0.8	1.4	1.2	1.8	2.3
BV/Share (EUR)	0.96	1.47	1.69	4.27	5.14	6.22
Price/BV (x)	4.02	2.65	3.31	3.22	2.67	2.21
Weighted average shares (m)	35.2	36.0	36.0	36.0	36.0	36.0
Average market cap (EUR m)	124	134	154	494	494	494
Enterprise value (EUR m)	184	218	293	934	931	892
EV/Sales	3.30	2.63	2.06	3.11	1.86	1.39
EV/EBITDA	15.6	12.0	10.4	18.3	10.4	8.0
EV/EBIT	21.0	17.5	13.9	24.0	13.0	9.9
EV/Operating Capital	2.0	1.6	1.5	2.6	2.4	2.2

INCOME STATEMENT (EUR m)

Sales revenue	56	83	143	300	500	640
Operating EBITDA	12	18	28	51	89	112
Depreciation	3	5	7	12	17	21
Amortisation	0	0	0	0	1	1
EBIT	9	12	21	39	72	91
Net interest income(expense)	-2	-4	-5	-8	-10	-10
Associates/affiliates	0	0	0	0	0	0
Investment/other income(expense)	0	0	0	0	0	0
Exceptionals/extraordinaries	0	0	-1	82	0	0
Income tax expense	1	1	2	9	9	14
Minorities/preference dividends	0	0	0	5	12	16
Net income	5	7	13	99	40	50

CASH FLOW (EUR m)

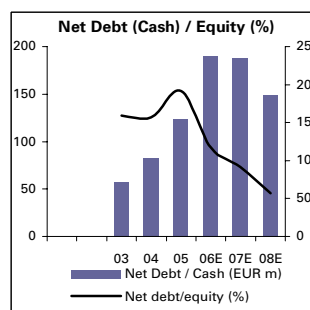
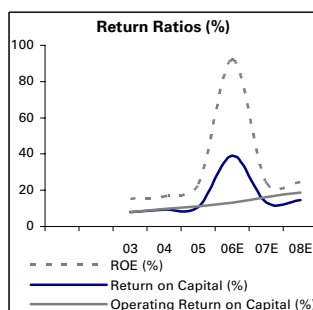
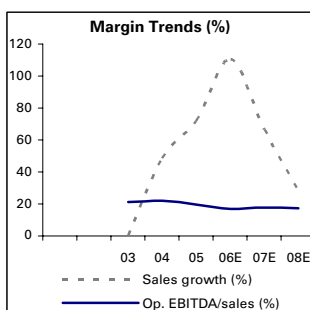
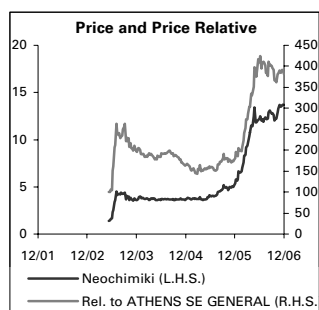
Cash flow from operations	0	8	26	69	27	69
Movement in net working capital	-8	-3	5	-53	-40	-23
Capex	-23	-26	-68	-149	-18	-21
Free cash flow	-23	-19	-42	-80	9	48
Other investing activities	0	-6	2	16	0	0
Equity raised(bought back)	10	0	0	0	0	0
Dividends paid	-2	-2	-1	-2	-6	-9
Net inc(dec) in borrowings	16	27	44	62	-3	-8
Other financing cash flows	0	0	0	0	0	0
Total cash flows from financing	24	25	43	60	-9	-17
Net cash flow	1	1	3	-4	0	32
Movement in net debt(cash)	15	26	41	66	-2	-39

BALANCE SHEET (EUR m)

Cash and other liquid assets	1	2	5	1	1	32
Tangible fixed assets	68	107	165	277	278	278
Goodwill	0	0	0	0	0	0
Other intangible assets	1	6	11	15	15	15
Associates/investments	0	0	0	0	0	0
Other assets	35	41	62	134	212	262
Total assets	104	157	242	427	506	587
Interest bearing debt	58	85	129	191	189	181
Other liabilities	10	18	48	74	111	146
Total liabilities	68	103	177	265	300	326
Shareholders' equity	35	53	61	154	185	224
Minorities	1	0	4	9	21	37
Total shareholders' equity	36	53	65	163	206	261
Net working capital	24	25	17	60	100	116
Net debt(cash)	57	83	124	190	188	148
Capital	93	137	189	353	394	409

RATIO ANALYSIS

Sales growth (%)	na	48.5	71.9	110.5	66.6	28.0
Op. EBITDA/sales (%)	21.2	21.8	19.7	17.0	17.8	17.5
EBIT/sales (%)	15.7	15.0	14.8	13.0	14.4	14.2
Payout ratio (%)	40.8	13.8	16.3	6.2	22.3	22.3
ROE (%)	15.2	16.7	23.2	92.1	23.8	24.5
Return on Capital (%)	7.9	9.3	10.7	39.2	13.2	14.6
Operating Return on Capital (%)	8.1	9.6	11.0	13.2	16.3	18.6
Capex/sales (%)	41.8	31.9	47.9	49.7	3.6	3.3
Capex/depreciation (x)	7.6	4.7	9.8	12.4	1.0	1.0
Net debt/equity (%)	159.5	156.5	191.2	117.0	91.2	56.9
Net interest cover (x)	3.7	3.3	4.2	4.9	6.9	8.9



Source: Company data, Deutsche Bank estimates

Investment thesis

Outlook

Neochimiki is a market leader in the production of detergents for multinationals and private labels and the distribution of Chemical Raw Materials in Greece. Neochimiki faces unique conditions of growth from the under-penetrated chemical market in Emerging Europe where the market has an estimated potential to double in the next 10 years, reaching €40bn from €15bn at present. We believe the company is uniquely positioned to expand aggressively and successfully in the region for the following reasons.

First, given the capital-intensive/long-life-cycle nature of the industry, chemical producer majors are likely to penetrate this burgeoning market via reliable regional partners with a reputation for maintaining brand quality. This fact places Neochimiki at the top of the preference roster due its 30-year track record with leading multinationals, expert technical and regional know-how and the lack of competition on a comparable scale.

Second, as a result of first-mover advantage, the company's management focussed on building a sophisticated production and distribution network by planning and investing carefully on locations which constitute nodal, low-cost entry points to Emerging Europe, as its locations lie very close to ports, the latter occasionally even owned by the company. We believe these strategic competitive advantages, which are likely to be sustained in the medium term due to high entry barriers, coupled with the growth potential through Emerging Europe should help Neochimiki to deliver an EBITDA and ordinary-adjusted EPS CAGR of 43% and 42%, respectively, in 2005E-2010E.

Valuation

Our TP of €20.0 is derived utilising a 100% DCF methodology (WACC=9.7%; g=2.0%; net debt/equity ratio=102%) suggesting a 12-month upside potential of 46%. Our valuation includes an estimate of the leakage from the 66% stake in Lamda Detergents (LDET), the most significant strategic business unit of the Neochimiki Group. LDET is valued via 100% DCF exercise (WACC=9.7%, g=1%) and results in a valuation reduction of c. €7 per share in Neochimiki's equity value before minorities. A comparison with an enhanced DB European Chemicals plus Household Products Universe on the basis of growth-adjusted EV/EBITDA and P/E suggests discounts of 73% and 92%, respectively, in 2007E. We believe this discount is not justified as we expect Neochimiki to display a superior growth profile; ordinary adjusted EPS CAGR of 72% in 2005-07E compared to 7% for the comparable peer group.

Risks

The primary downside risks are an inability to make the business cash generative in the next 1-2 years, realising worthwhile acquisitions, non-renewal by large multinational and private label clients and economic and political volatility in Emerging Europe, a major future growth catalyst. Other risks include valuation reduction from growing minority interests stemming from subsidiary Lamda Detergent, gross margin dilution due to growth of wholesale contracts that typically carry lower margins, and competition.

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Valuation

Full valuation

We value Neochimiki's core business using a 100% DCF exercise. We believe it is a superior valuation metric that allows us to capture Neochimiki's long-term potential and ability to generate sustainable free cashflow. This renders an equity valuation of €970m. We subsequently subtract the NPV of minorities arising from the 66% stake in Lamda Detergents that Neochimiki does not own, worth €250m. This exercise leads to our target price of €20.0 per share offering a 12-month upside potential of 46%.

Figure 1: Neochimiki's valuation (€ m)

	DCF	Per share (€)	% on total
DCF-core business	970	26.9	135
less market value of minorities	-250	-6.9	-35
Total Value	720	20.0	100
Value per Share (Euro)	20.0		
Upside (+)/Downside (-) (%)	46		

Source: Deutsche Bank estimates; Pricing as of 18 December 2006

DCF analysis

We have carried out a classic DCF valuation to estimate Neochimiki's core business. Our 10-year (07E-16E) forecasts yield a PV of €490m. The PV of the terminal value is €667m and accounts for c.58% of total enterprise value.

Figure 2: DCF valuation of Neochimiki's core business (€ m)

	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Net cashflow from operating activities	49	89	104	130	152	168	191	195	193	198
Income Tax paid before interest	-3	-15	-18	-26	-35	-44	-50	-43	-44	-45
Net cash used in investment activities	-18	-21	-22	-22	-25	-75	-21	-22	-23	-24
Free Cashflow to firm (FCF)	28	53	63	82	93	49	121	129	126	128
Terminal value										1,692
PV of FCF	26	44	48	56	58	28	63	61	55	51
Sum of PV (07E-16E)	490									
PV of Terminal value	667									
Enterprise value	1,158									
Net debt(-)/cash (+) less pension I/b	-188									
Shareholder value	970									

Source: Deutsche Bank estimates

We make several assumptions to derive the Group's WACC (see Figure 3). We assume an ungeared asset beta of 1.2 to reflect the growing exposure to emerging market risks. The computed leveraged beta stands at 2.14 due to the net debt to equity ratio of 102%. This results in a computed WACC of 9.7% and we assume terminal growth rate of 2.0%, in line with long-term global rate of inflation.

Figure 3: Key assumptions in WACC computation

	Rate (%)	Comment
Long-term risk free rate	4.0	10 yr Greek treasury bond (12 m average)
Ungearred Beta	1.2	
Equity Risk Premium	5.0	Greek ERP estimate
Discount rate (WACC)	9.7	
Average growth to perpetuity	2.0	

Source: Deutsche Bank estimates

The major underlying assumptions of our valuation are:

- **Sales growth:** We expect Neochimiki to realise substantial growth rates during the next six years (2005-2011E) driven by Emerging Europe's robust economic outlook: companies producing in the region taking advantage of lower costs, feeding the region's GDP growth. We expect 5-year sales CAGR of 47% (2005-2010E).
- **Margin evolution:** We factor in a mild decline in Group operating margins reflecting the intensifying competition in the long term and significant share of distribution activity which is typically associated with a lower gross margin.
- The **NPV of the Lamda Detergents minority interests** is currently estimated at €250m via a DCF exercise (WACC=9.7% and g=1.0%). The discount rate is set equal to Neochimiki group WACC and FCF growth-to-perpetuity is set equal to 1% (Figure 4). In the exercise we assume that financing takes place at parent (Neochimiki) company level, so we did not adjust the valuation for debt.

Figure 4: Free cashflow of minorities (€ m)

	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Sales	183	235	288	345	390	429	463	486	501	511
% change	36	28	23	20	13	10	8	5	3	2
Detergents and cosmetics production	155	212	278	320	390	429	463	486	501	511
% change	45	37	31	15	22	10	8	5	3	2
Other (Chemical Raw Materials distribution)	28	23	11	25	0	0	0	0	0	0
% change	0	-18	-54	134	-100	nm	nm	nm	nm	nm
Opex	-149	-191	-234	-280	-317	-356	-389	-414	-431	-445
EBITDA	34	44	54	65	73	73	74	73	70	66
Margin (%)	18.7	18.7	18.7	18.7	18.7	17.0	16.0	15.0	14.0	13.0
Less Depreciation and Amorisation	-10	-11	-14	-18	-20	-10	-11	-10	-10	-11
EBIT	25	33	40	46	53	63	64	63	60	56
Plus Depreciation and Amortisation	10	11	14	18	20	10	11	10	10	11
Tax on EBIT	-3	-5	-6	-7	-8	-11	-11	-13	-12	-11
ΔWcap	-13	-4	-3	-3	-2	-2	-2	-1	-1	-1
Capex	-15	-17	-18	-22	-24	-38	-11	-11	-12	-12
Free Cashflow to firm	4	18	27	32	38	22	50	48	46	43
Terminal value										492
Total Free Cashflow to firm	4	18	27	32	38	22	50	48	46	535
Sum of PV (07E-16E)	378									
Value per Neochimiki share	10.5									
Neochimiki's share (%)	34									
Value of minority interests	250									

Source: Deutsche Bank estimates

Multiple Valuation

Comparisons with DB's European Chemical and Household Products Universe median multiples show that Neochimiki is trading at a premium to 2007E EV/EBITDA. However, on a growth-adjusted basis, Neochimiki is trading at a discount to its peer base. In the next two years Neochimiki's earnings growth is likely to be c.10x the median of its peer group.

Figure 5: Neochimiki's multiple valuation

	2007E	2008E
<u>Neochimiki</u>		
EV/EBITDA	10.4	8.0
2005-2007E EBITDA growth (%)	78	
EV/EBITDA/EBITDA growth	13.4	
P/E- ordinary, adj.	12.2	9.9
2005-2007E EPS growth (%)	72	
PEG	17.0	
<u>European Chemical and Household Products Universe</u>		
EV/EBITDA	8.1	7.3
2005-2007E EBITDA growth (%)	16	
EV/EBITDA/EBITDA growth	50.4	
P/E- ordinary, adj.	15.7	13.9
2005-2007E EPS growth (%)	7	
PEG	224.3	
<u>Neochimiki valuation vs European Chemical/Household Products Universe</u>		
EV/EBITDA premium (+)/discount (-) (%) vs peers	30	9
EV/EBITDAG premium (+)/discount (-) (%) vs peers	-73	
P/E premium (+)/discount (-) (%) vs peers	-22	-29
PEG premium (+)/discount (-) (%) vs peers	-92	

Source: Deutsche Bank estimates; Pricing as of 18 December 2006

Our European Chemicals and Household Products Universe is shown in Figure 6.

Figure 6: DB European Chemical and Household Products Universe

	Closing price* (Local currency)	EV/EBITDA 2007	EV/EBITDA 2008	P/E 2007	P/E 2008
BASF	72.56	4.7	4.7	10.3	9.7
Linde	79.18	8.1	7.2	16.4	13.4
Air Liquide	180.10	8.9	8.2	19.3	17.7
Bayer	40.80	8.3	6.9	13.4	11.2
Akzo Nobel	46.20	7.6	7.1	14.5	13.2
Ciba Specialty Chems	81.50	8.7	8.2	16.4	15.2
Johnson Matthey Plc	1444.00	10.1	9.5	18.1	16.6
Lonza	106.60	10.8	10.0	18.9	17.0
Rhodia	2.66	7.6	6.4	20.3	13.0
Fuchs Petrolub AG	59.00	9.6	8.7	15.3	14.2
K+S	81.69	8.1	NA	18.5	NA
ICI plc	445.25	8.2	7.6	14.6	13.3
Givaudan	1162.00	12.1	11.1	16.9	15.1
Syngenta	230.40	11.9	11.0	16.8	15.0
Solvay	115.30	8.1	7.9	14.8	14.5
DSM NV	37.40	6.5	6.3	11.8	11.2
Kemira	17.00	8.1	7.3	15.7	13.5
Umicore	129.70	8.4	8.1	13.6	13.9
Clariant	18.10	6.5	6.1	11.9	11.1
Lanxess	41.15	5.6	5.1	13.5	14.0
Altana	46.55	27.9	23.7	48.8	52.5
Loewe AG	14.25	3.6	3.0	14.8	12.3
Villeroy & Boch	13.13	4.1	3.8	16.6	14.5
Leifheit	20.85	5.8	4.7	16.7	12.0
Amer Sports Corporation	16.25	9.0	7.7	13.1	11.0
Husqvarna AB	97.50	7.7	7.0	14.5	13.2
BIC	52.75	7.1	6.7	14.9	14.2
Rational AG	137.40	14.2	NA	24.4	NA
Henkel	112.92	11.4	10.1	17.2	16.1
Median		8.1	7.3	15.7	13.9

Source: Deutsche Bank estimates; *Pricing as of 18 December 2006

Risks

Cash generating ability: Our estimates assume that the business will be cash generative from 2007E onwards. In the event this does not materialise, due to working capital concerns or large capex investments, our valuation estimates are likely to be compromised. One of the key elements that act in Neochimiki's favour is that Emerging European markets have lower working capital days versus Greece. The reason is that the average collection period for the distribution part of the business in Emerging Europe is 45-60 days whereas for Greece it averages 120-150 days since Neochimiki supplies to, amongst others, state-controlled entities which typically pay much later than private companies.

Realising meaningful acquisitions: Neochimiki's business growth model relies primarily on realising a number of acquisitions annually in an effort to generate economies of scale, enhance geographic reach (Eastern Europe) and product variety (e.g. agrochemicals), and add distribution niche (ports). Although thus far the company has moved in the right direction, there can be no guarantee that this will be maintained in the future. We have seen strategies like this implemented by other Greek industrials, but the expected return proved much less than expected, failing to introduce growth. Nevertheless, Neochimiki has the advantage of expanding in a region where cost levels still justify industrial investments, as the pitfall for smaller-sized industrials wishing to grow in size is the penetration of developed countries with considerably higher labour costs and labour union power.

Contract non renewal: Neochimiki's production business unit is highly dependent on the renewal of contracts from multinationals (typical contract duration of 6-8 years) and private labels (typical contract duration of 3-5 years). In the event a large contract is not renewed, earnings could be impacted. Furthermore, the reputation losses can impair the ability to sign new clients. Moreover, there is always a chance that multinationals may decide to turn towards direct operations rather than outsourcing, seeking to buy one of their major dealers in the region. Under such circumstances, Neochimiki's strategy may face a fate of total reversal, in which case it would have to be sold to a supplier to survive.

Steep decline in margins: As the share of distribution activities increases over time and competitive forces intensify, this is likely to dilute operating margins as these operations typically carry lower margins (than production activities) due the wholesale nature of the business. We have already factored a mild decline in margins in our forecasts. However, should the decline be steeper than we estimated, it is going to impact negatively our estimates and valuation.

Political and economic uncertainties in Emerging Europe: Countries in Emerging Europe are more susceptible to disruptive changes in political parties and resulting economic uncertainties. As such, there are additional operational risks involved when engaged in emerging markets. Furthermore, unfavourable political changes can affect the access to distribution channels such as railways or the use of certain ports of entry, which could be detrimental for the business.

Minority interest leakages: The company operates its different SBUs through a number of subsidiaries – since these are not fully owned they lead to earnings leakage and thereby reduction in value creation for the Group shareholders. For example, we estimate the 66% stake in Lamda Detergents not owned by Neochimiki eats away c. €7 per share in value.

Key person risk: Neochimiki's successful strategy implementation is attributed to and dependent upon, in our view, the vision, passion and initiatives of the CEO, Mr Lavrentiadis, to transform the small family-owned business into a significant regional player in the chemical

Primary downside risks include i) inability to make the business cash generative ii) non-renewal of contracts; iii) emerging market risks, and iv) minority leakages

and household products industry. In the event he steps down from his executive role our confidence in the company's results track record could be affected, at least until his successor builds a similar track record. This holds independently of whether he reduces his stake further. Remaining as CEO chair is far more important than the latter in our view.

Our valuation is highly sensitive to Emerging European market results growth

Intensifying competition: Although this is currently not a major short/medium-term threat due to the high entry barriers and Neochimiki's first-mover advantage, the Group should be vigilant of other regional players such Brenntag, Vopak/Univar and Azelis which could pose a threat in the long term as they build up critical mass in terms of production capabilities and client network.

Strategy

The key elements of Neochimiki's strategy are outlined below.

The Emerging European growth opportunity

Historically, due to political reasons, and currently, mainly due to transport costs (15% of sales) and small market size, chemicals and household products multinationals have chosen to outsource their business in Emerging Europe to local producers. As a result, Neochimiki appears among their top outsourcing candidates as it has developed the know-how, high product quality standards and strong relationships over the years (see Figure 10). All these advantages are considerable barriers to entry from competition as they take years to develop, often a whole generation.

Figure 7: Neochimiki's strategy

Profitability growth	Import substitution
	Expansion in emerging Europe
	Operating efficiency and economies of scale
Capitalising on key strengths	Strong relationship with multinationals
	High entry barriers
	Low market shares
Quality and reliability	30 years of experience
	Consistent results delivery track record
	Investing in human resources

Source: Company data

Management estimates the Emerging European Chemical Raw Materials market at €15bn in a region that has a collective population of c.200m (includes Bulgaria, Romania, Poland and the Ukraine). Currently, Neochimiki has only a 1% market share in the region (revenue of €100m out of €15bn). Moreover, the market is likely to grow even more following the EU accession of a subset of countries in 2007. The chemical majors are likely to be interested in capitalising on these trends but the capital-intensive nature of the business would rather lead them to seek regional players with a good understanding of local dynamics and a strong track record, assigning them the job of delivering their products without risking a compromise in brand reputation. This is supported by the fact that multinational corporations' production has been shifted over to the far-east, as they seek increasingly lower cost structures.

Primary strategic objective is the penetration of the Emerging European market

Neochimiki is already well placed to capitalise on its multinational company strategy due to its long-standing relationships with multinationals, economies of scale, expert know-how and a strong distribution network. These competitive advantages are validated by the successful first stage Emerging European expansion for which the company spent approximately €35m of capex, including €11m for acquisitions. Neochimiki has recently taken further steps to strengthen its distribution network by focussed logistics and operations research management improvement actions. Specifically, it recently proceeded to acquire Interchem, a company that operates a port in Avlida, north of Athens, which has a license for Chemical Raw Materials warehousing and lies close to the railway system. Furthermore, Neochimiki acquired Rafinerija Nafta Beograd (RNB) through the sale of 70% of its share capital which was held on November 17th. Neochimiki has already been selected in the first phase as the best bidder with regard to the purchasing price which amounts to c€16m as well as with regard to the investment programme totalling €15m.

The chemicals and household products one-stop-shop concept

Neochimiki management is committed to maintaining its market leader status by further streamlining the organisational structure by operating via four subsidiaries. It has recently transferred all of the detergents and cosmetics operations to Lamda Detergents in an effort to garner maximum synergies and also focus better on its core activities. This allows the company to achieve a one-stop-shop picture for chemicals and household products, which makes it increasingly attractive to multinationals.

Appendix A: Company overview

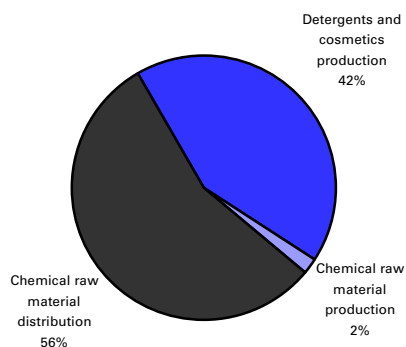
Market leader in distribution and the production of detergents for MTNs and private labels

Founded in 1974 as a small family-run business, Neochimiki was engaged in the business of trading Chemical Raw Materials. In 1996, under the leadership of Mr. Lavrentis Lavrentiadis, the company entered an era of more focussed growth, strengthening both its production and distribution capabilities. Furthermore, it made its first foray beyond the borders of Greece and was listed on the Athens Stock Exchange in May 2003. Today the company is a one-stop-shop for all chemical products in Greece. It operates in two main areas:

Production activities accounted for 44% of turnover and 65% of gross profit in 2005. The group provides detergents in both powder and liquid form for multinationals and private labels and produces Chemical Raw Materials from its state-of-the-art facilities in Atalanti. Multinational clients include Henkel, Colgate-Palmolive, Unilever, Ecolab, Johnson Diversey, and Sara Lee to name a few and supermarket chains such as Carrefour, Makro, Veropoulos, Vassilopoulos, Galaxias, Dia, and Metro among others.

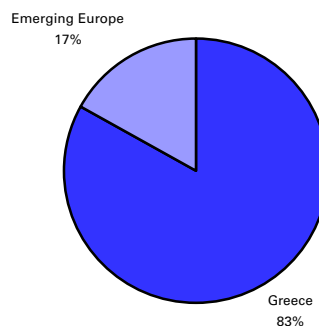
Distribution activities (detergents and cosmetics as well as Chemical Raw Materials) accounted for 56% of turnover and 35% of gross profit in 2005. Neochimiki is one of the largest distributors and is a market leader with a network of over 3,500 clients for the commercial representation of the leading foreign chemical production companies (Shell, BP, BASF, FMC Foret, Sasol, Rhodia, ADM, Solvay, Lukoil, KNS), as well as for the distribution, packaging and repackaging of Chemical Raw Materials. The company distributes products for several sectors, such as plastics (e.g. polypropylene), paints & lacquer (e.g. ethylene glycol), industrial base oils, special fertilizers - agrochemicals, water processing (e.g. trisodium phosphate), cosmetics, food & drink (e.g. lactic acid), metallurgy (e.g. nitric acid) and textiles (e.g. sodium hydroxide). In the last two years Neochimiki expanded its commercial activities in Southeast Europe through its subsidiaries abroad.

Figure 8: Divisional revenue breakdown, 2005, €143m



Source: Company data

Figure 9: Geographic revenue breakdown, 2005, €143m



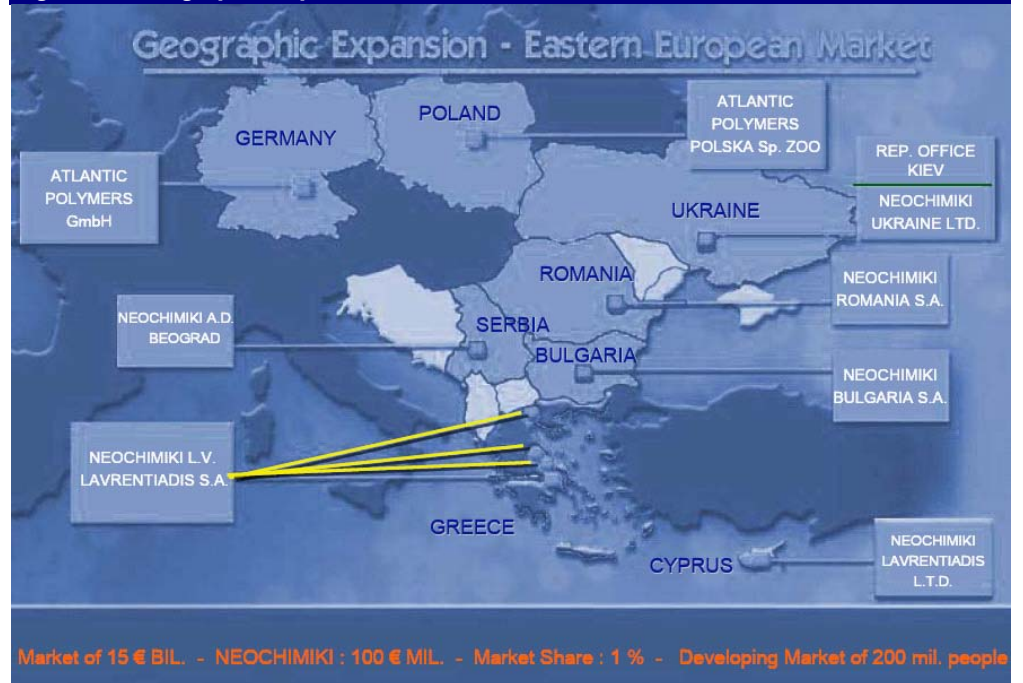
Source: Company data

Figure 10: Neochimiki's competitive position

SBU	% Turnover (2006E)	Production/Distribution	Competition	
			Greece	Foreign
Detergents-Cosmetics	36	Production	Rolco Vianyl, Minolvara,Famar	McBride, Da Silva, Persan, Chenotechcani Hayat, Interstar, Cognis, BASF, Sasol, Brenntag, Elton, Stera Chemicals, Vasta, Proventos, Inkochem, Jugochemija
Plastics	18	Distribution	Rigas, Skeberis, Pentaplast	Brenntag,Elton,Dow,Zora-Zo, Chemiplast, BWC
Paints & Lacquer	16	Production	CHIMA, Petrosbras, BP, Shell	Brenntag, Elton,Arnaud,Nternova, Helios, Spolek, TSI, Vira, Chemmax, Univar
Fertilizers	15	Distribution	VFL., Soulfur	Haifa, Valagro, Yara, Ziko, Alfa,Delta, Azohem, Fertis, Zotis,Lannitis,CCB
Distribution of Chemical Raw Materials (for water processing/ food industry/ metallurgy/ textiles, industrial base oil)	15	Distribution	Motor Oil, Elton, Astron, Dichem, Kaplanoglou, Tsopanelis, Mosxolios	Brenntag, Biesterfeld,Barentz,Chimsnap,Elton,Finkochem,Geneza,Kuba,Hansen,Rosental

Source: Company data and Deutsche Bank

Figure 11: Geographic expansion



Source: Company data

Production

Neochimiki produces Chemical Raw Materials, detergents and cosmetics on behalf of multinationals and supermarket chains that sell 'private label' products. As a whole, the detergents, cosmetics and Chemical Raw Materials market is expected to exhibit growth rates c. 5% p.a. until 2008E. From now on the two production activities will be streamlined so that detergent production is done totally via Lamda Detergent, a 34%-owned subsidiary. Chemical raw materials production will still be totally undertaken by Neochimiki. Production accounts for 40% of total sales and 60% of group profits. Forecasts made in our model employ a worst-case scenario approach as they only include signed contracts and therefore represent 'guaranteed' production (launch of 2-3 new products p.a.) excluding any additional contracts which can be signed in the future and for which Neochimiki already possesses the capacity to undertake.

Figure 12: Detergents and Cosmetics- Full capacity progression (€ m)

	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Detergent #1 -Atalanti/Greece	150	155	159	163	167	171	175	180	184	189	193
Detergent #2 -Salonica/Greece	40	41	42	43	44	46	47	48	49	50	52
Detergent #3 - Sofia/Bulgaria	80	82	85	87	89	91	93	96	98	101	103
Detergent #4 (raw materials)- Atalanti/Greece	20	21	21	22	22	23	23	24	25	25	26
Detergent #5 - Emerging Europe [assumption]	0	0	0	0	0	0	80	82	84	86	88
Total Detergent production capacity	290	299	307	314	322	330	419	429	440	451	462
Cosmetics #1 -Atalanti	100	103	106	108	111	114	117	120	123	126	129
Cosmetics #2 -Emerging Europe [assumption]	0	0	0	0	0	0	100	103	105	108	110
Total cosmetics capacity	100	103	106	108	111	114	217	222	228	233	239
Total detergents and cosmetics capacity	390	402	413	423	433	444	635	651	668	684	701
Detergents and cosmetics production	107	155	212	278	345	425	489	513	539	566	594
Utilisation ratio (%)	27%	39%	51%	66%	80%	96%	77%	79%	81%	83%	85%

Source: Company data and Deutsche Bank estimates

The main growth drivers for household items production are expected to be:

- New contracts and products:** Neochimiki has long-standing business relationships with most multinationals of the sector, meaning that mutual trust and successful working relationships have developed. Since transport costs represent 15% of total sales plus high setup costs (factories, distribution network), multinationals prefer to outsource their production to an entity which will be cost competitive, as it makes full use of economies of scale and scope. As a result, Neochimiki is a natural candidate for this job, raising the chance of winning new contracts either from new clients or new products added to a specific contract with an existing client.
- Fast-growing market share of private label:** The respective market in Greece is under-penetrated versus its Western European peers. For example, detergents for private label constitute 11% of the total market when the respective figure in Germany is c.25% and 40% in the UK.
- Expansion in Emerging Europe.** The chemicals market in Emerging Europe has only recently begun to grow. We estimate the size of the market (production plus distribution) to reach €25bn by 2011E from €15bn currently. Thus, Neochimiki faces the opportunity to exploit its growing back-yard by capitalising on its current critical mass and its strong ties with multinationals.
- Production capacity additions to meet rising demand.** Neochimiki is investing in new capacity because it expects demand growth acceleration (see Figures 7 and 8) in Emerging European markets. For detergent production its three main factories possess a capacity to generate sales of: (a) Atalanti (Greece) €170m and €100m for cosmetics, (b) Salonica (Greece) €40m, and (c) Sofia (Bulgaria) €80m, totalling €390m.

Figure 13: Chemical raw materials: Full capacity progression (€ m)

	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Chemicals #1 -Lavrio	15	15	16	16	17	17	18	18	18	19	19
Chemicals #2 -Avlida I & II	45	46	48	49	50	51	53	54	55	57	58
Chemicals #4 -Theva	20	21	21	22	22	23	23	24	25	25	26
Chemicals #5 - Avlida III (Interchem)	90	93	95	98	100	103	105	108	110	113	116
Total Chemical Raw Materials production capacity	170	175	180	184	189	194	198	203	209	214	219
Chemical raw materials production	30	70	85	100	120	139	146	153	161	169	177
Utilisation ratio (%)	18%	40%	47%	54%	63%	72%	74%	75%	77%	79%	81%

Source: ICAP Hellas, Hellstat, Company data and Deutsche Bank estimates

The main growth drivers for chemical (raw materials) production include:

- **Capacity additions:** Similar to the household products SBU with production to meet rising demand. For this, four plants exist with the following capacities: (a) Lavrio €15m, (b) two in Avlida adding up to €45m, and (c) Theva with €20m, with a grand total of €80m. These enable the company to obtain new contracts as it has a critical spare installed capacity.
- **New products:** In a similar way to the household items production, Neochimiki's strong relationships with multinationals result in frequent assignment of new items production on their behalf given that Neochimiki has grown into an efficient producer of sophisticated products requiring complex chemical formulae, in full accordance with its supplier's requirements. Its primary advantage is its integrity track record maintaining the necessary confidentiality code of practice, effectively limiting to zero the chance of formulae leakage from one company to another.

Distribution

Distribution is overall a lower-margin business. However, due to increasing volumes resulting from economies of scale, Neochimiki is becoming increasingly efficient. Margins vary according to type of distribution; the more packaging is involved the higher the margin. Thus (a) Bulk chemicals distribution (from the production factory to big clients in packs of 1-2 tonnes) generate 30% gross margin, (b) Pallets 15%, and (c) Bag-to-bag, essentially only involving the documentation and paperwork, 5%.

The main catalysts for growth are:

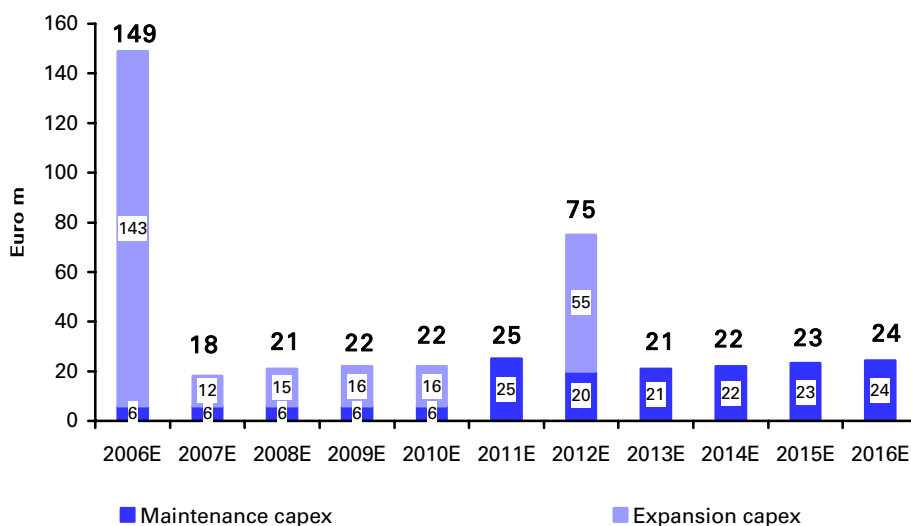
- **Positive macros:** The EU accession of certain Emerging European countries (e.g. Bulgaria, Romania) will require the employment of higher quality and environmental standards forcing them to import Chemical Raw Materials rather than produce them locally, since companies in these countries lack the know-how. High sector growth rates are expected (2005-2011E CAGR=10% which we estimated to reach €25bn) due to: (a) market under-penetration and (b) the far lower per-capita income levels versus Western Europe (and Greece) which hindered demand growth for chemicals as the main sectors in the economy, such as construction that rely on Chemical Raw Materials, faced sluggish growth. As the economies move up the scale and disposable income grows, consumers become a lot more sensitive about quality of life, thus activating the consumption chain that leads to accelerating chemicals consumption growth.
- **Advantageous home market geography:** Greece holds a niche geographic location relative to other destination points in the Mediterranean. It is the closest point of European soil to the Suez channel, which translates into a considerable transport cost saving. Moreover, the company possesses a good transport network which comprises a privately owned stretch of rail track linking its production facilities in Avlida as well as the nearby port, with Serbia.
- **Sophisticated logistics:** These enable Neochimiki to become an efficient distributor, operating up to the standards required by the company's multinational corporate suppliers. This has a catalytic effect on new contract sign-up as a matter of economies of scale.

Capex directed at expanding production and distribution capabilities

Capex programme

Our total capex estimates consist of two components a) maintenance capex which relates to the servicing of existing production and logistics capabilities and b) expansion capex which would be required to service/meet the additional demand arising primarily from Emerging Europe. We estimate that in the 2006E-2011E period a significant share of the capex will be directed to expand detergents and cosmetics production. In 2011E, according to management guidance, there is likely to be a refurbishment of all production facilities. However, post 2011E we expect capex to be directed towards the wear and tear of production/logistics capabilities. In the last two years the company spent a total of €101m of which €81m was in production capacity enhancements and the remaining €20m in acquisitions.

Figure 14: Capital expenditure 2006E-2016E



Source: Deutsche Bank estimates

Financials

Emerging European expansion underpins robust earnings momentum

We expect strong growth in revenue and ordinary adjusted EPS driven by increases in production and distribution activities in Greece and the lucrative and under-penetrated Emerging European market. Figure 15 provides results growth estimates for Neochimiki for two-, three- and five-years forward (base year 2005).

Figure 15: Results profile, CAGR (%)

	2 yr (2005-07E)	3 yr (2005-08E)	5 yr (2005-10E)
Total revenue	87	65	47
EBITDA	78	58	43
EPS	75	56	43
EPS-ordinary adjusted	72	54	42
DPS	104	73	52

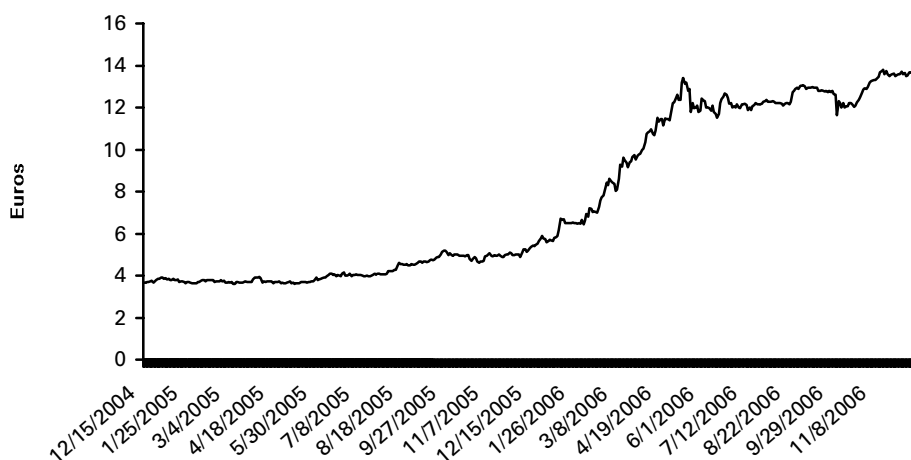
Source: Company data and Deutsche Bank estimates

Profitability margins: The evolution the Neochimiki Group's gross margin is largely influenced by the sales mix between production and distribution activities. For distribution activities, particularly as Emerging Europe expands, we expect the overall gross margin to be diluted as it typically carries a lower margin.

Share price data and index data

Neochimiki's share price has recorded a significant increase over the last 12 months, growing 153% to €13.72 (18 December 2006) and outperforming the Athens General Index by 110%. The stock appreciated strongly throughout last year due to continuous outperformance of financial targets leading to upward FY results revision from the management.

Figure 16: Neochimiki's absolute share price performance



Source: Bloomberg as of 18 December 2006

Index weightings

Neochimiki participates in the FTSE/ASE Mid Cap 40 index and the FTSE/Athex Chemical index with weightings of 2.73% and 43.84%, respectively.

Figure 17: Index weightings (%)

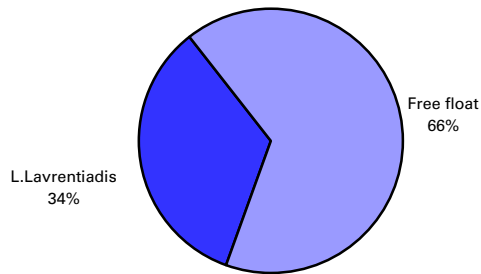
Stock tickers	RIC: NCHr.AT; Bloomberg: NEOCHI GA
ASE General Index	0.39
ASE Main General total return index	0.39
FTSE/ASE Mid Cap 40 Index	2.73
FTSE/Athex Chemical Index	43.84

Source: Bloomberg; Pricing as of 18 December 2006

Shareholder structure

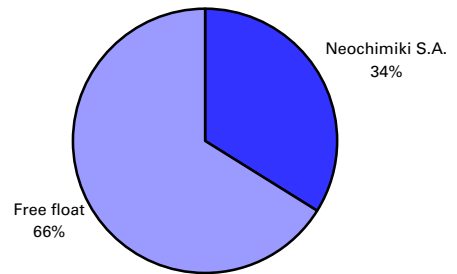
Mr. Lavrentis Lavrentiadis is the major shareholder with a 34% stake in Neochimiki. Furthermore, the Neochimiki Group recently reduced its stake in Lamda Detergents from 50% to 34% following two consecutive share placements in November 2006 in a bid to make available cash to finance other areas of the business. However, Neochimiki retains management control and is very likely to ensure that Lamda Detergents continues to produce the entirety of detergents and cosmetics for the Group.

Figure 18: Neochimiki's current shareholder structure



Source: Company data

Figure 19: Lamda Detergent's shareholder structure



Source: Company data

Appendix B: Management

Lavrentis Lavrentiadis (CEO): Mr. Lavrentiadis was born in March 1972 and is the founder and chairman of several companies operating in the fields of chemical raw materials, detergents, food and drink, transportations, as well as real estate. Having completed his studies in Economics in 1995 and his PhD in Marketing in 1999, he took over the management of the family business, whose core activity was the trading of chemical products and the production of hypochlorite bleaching salts. Since 1990, Mr. Lavrentiadis has been a member of the Board of Directors of NEOCHIMIKI L.V.LAVRENTIADIS S.A., while since 1996 he has held the posts of Chairman and Chief Executive Officer.

John Papavassiliou (CFO and Head of IR): He is an economist and serves as the Group Financial Services Manager. He has extensive experience in operational aspects of business planning, financial reporting and cost accounting. He holds a Bachelor's degree from the Department of Economics, University of Patras. He is currently reading for the MBA course at the University of Strathclyde.

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Company website: <http://www.neochimiki-lavrentiadis.gr>

Appendix C: Company milestones

Figure 20: Key company milestones

YEAR	ACTION	TYPE OF ACTIVITY		
		PRODUCTION	DISTRIBUTION	GEOGRAPHIC. EXPANSION
2007	Reorganisation	Neochimiki and recently acquired Interchem for Chemicals Lamda Detergents for household products	Neochimiki and Interchem for chemicals	Acquisition of 70% stake in Rafinerija Nafte Beograd
2006	Further Expansion	LAMDA DETERGENT Ltd [Cosmetics]	PLANTERA S.A. [Agrochemicals]	NEOCHIMIKI UKRAINE LTD [Chemicals] Acquisition of ATLANTIC POLYMERS POLSKA Sp. ZOO
2005	Developments	LAMDA COSMETICS S.A. Acquisition of BALLIS CHEMICALS S.A. Acquisition of NOVION [Emulsions & Raw Materials] LAMDA Cosmetics Ltd.	NEOCHIMIKI International S.A. [Participation in Companies] CHEMICAL INNOVATIONS S.A. [Emulsions] AGRINOVATION S.A. [Agrochemicals]	ATLANTIC POLYMERS GmbH [Polymers]
2004	Geographic Expansion		ATLANTIC POLYMERS & CHEMICALS [Petrochemicals]	NEOCHIMIKI BEOGRAD [Chemicals] NEOCHIMIKI LAVRENDIADIS [Chemicals] [Cyprus] NEOCHIMIKI BULGARIA [Chemicals] REP OFFICE in the Ukraine [Chemicals]
2002/2003	New Activities	Purchase of CLARIANT's Resin factory	PETRONET [Base Oil] CHEMICAL SOLUTIONS [Resins] LAMDA FERTILIZERS SA [Special Fertilizers]	NEOCHIMIKI ROMANIA [Chemicals]
2001	Business Portfolio		SPEDIMET [Transport Chemicals] LAMDA LAMDA [Chemicals/Solvents] LAMDA POLYMERS [Chemicals/Polymers]	
2000	Northern Greece expansion	Purchase of HENKEL HELLAS factory by LAMDA DETERGENT	Established Salonica Logistics Centre	
1999	Focusing the Business	LAMDA DETERGENT	LAMDA PACK	
1997/1998	Initial Investments	Purchase of Hoechst Hellas Facilities		
1974	Foundation		Foundation of the Parent Company NEOCHIMIKI [Trading Chemicals]	

Source: Company data

Appendix D: Production facilities in Greece

Figure 21: Production facilities in Greece

	Thessaloniki	Avlida	Atalanti	Athens
Type of facilities	Distribution Centre	Production	Production (Detergent factory)	Distribution R&D Labs
Total area	40K sqm	20K sqm	130K sqm	12K sqm
	Logistics Centre 10K sqm	Logistics 3K sqm		
	Tanks 5K m ³	Tanks 3K m ³	Tanks 10K m ³	
Capacity	Liquids 50K tonnes		100K tonnes p.a. Liquid Detergents 100K tonnes p.a. Powder Detergents 25K tonnes p.a. Raw Materials 60% capacity Logistics Storage 30K m ³	

Source: Company data

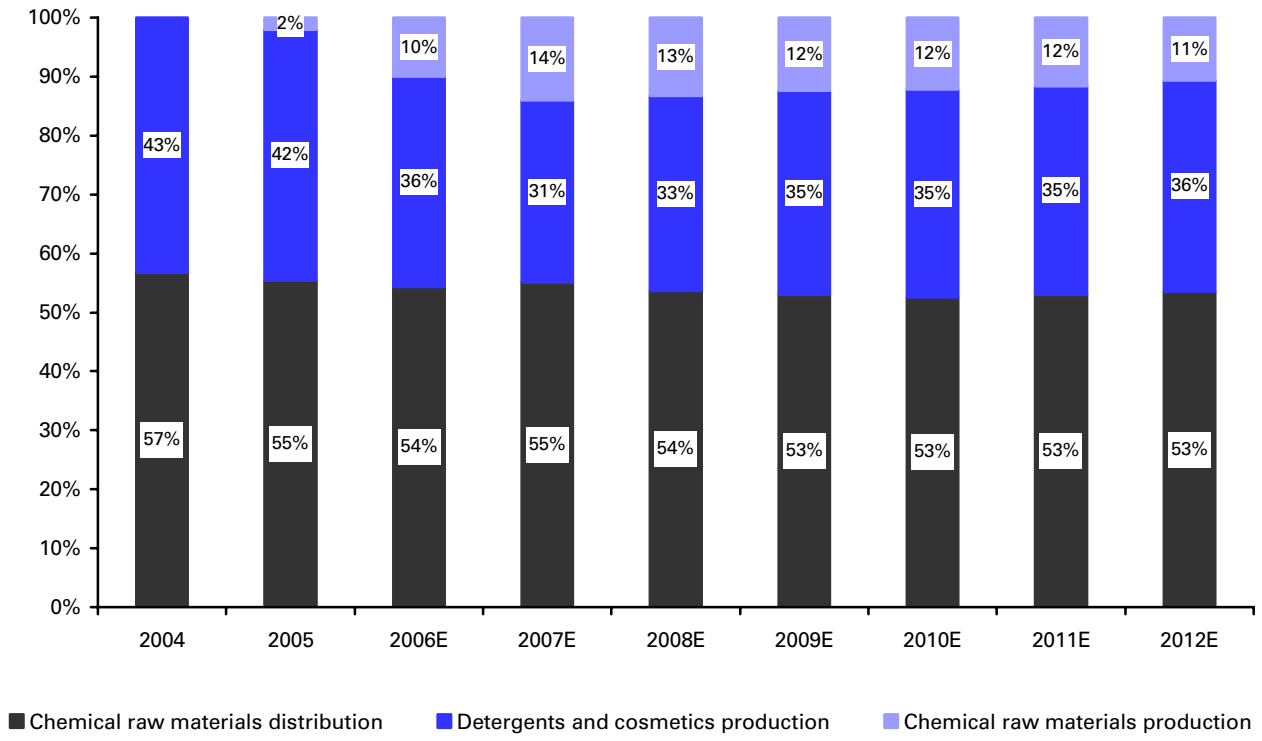
Appendix E: Forecasts

Figure 22: Neochimiki's consolidated income statement under IFRS (€ m)

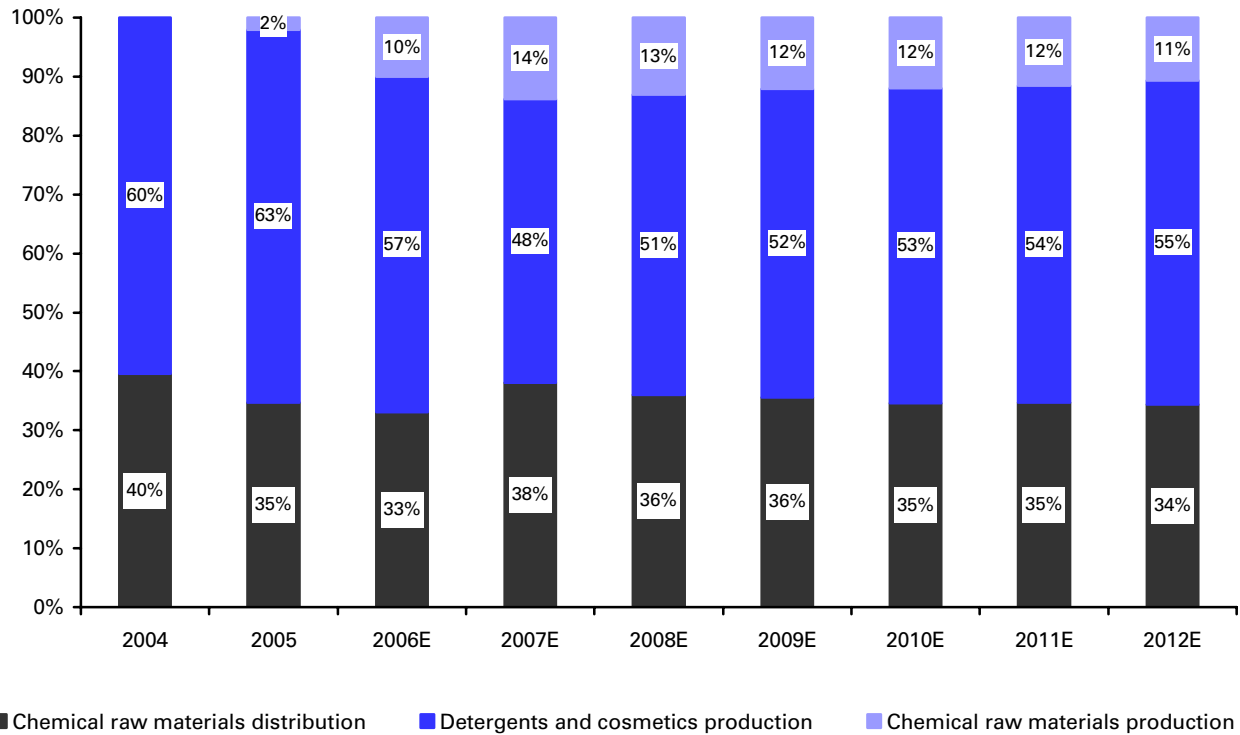
Year end December 31	2004	2005	2006E	2007E	2008E	2009E	2010E
Detergents and cosmetics production	36	61	107	155	212	278	345
% change	<i>nm</i>	69	77	45	37	31	24
% on total	43	42	36	31	33	35	35
Chemical raw materials production	0	3	30	70	85	100	120
% change	<i>nm</i>	<i>nm</i>	900	133	21	18	20
% on total	0	2	10	14	13	12	12
Chemical raw materials distribution	47	79	163	275	343	424	515
% change	<i>nm</i>	68	106	69	25	24	21
% on total	57	55	54	55	54	53	53
Less intercompany	0	0	0	0	0	0	0
Total sales	83	143	300	500	640	802	980
% change	48	72	111	67	28	25	22
Cost of Sales	-54	-95	-210	-348	-448	-563	-689
% change	48	78	120	66	29	26	22
Gross profit	29	47	90	152	192	239	290
% change	50	61	91	68	26	25	22
Other operating expenses, net	-11	-19	-39	-62	-80	-100	-123
% change	45	70	105	59	28	25	22
EBITDA	18	28	51	89	112	138	168
% change	53	56	81	75	25	24	21
Margin (%)	21.8	19.7	17.0	17.8	17.5	17.3	17.1
EBITDA-adjusted	18	28	51	89	112	138	168
% change	53	56	81	75	25	24	21
Margin (%)	21.8	19.7	17.0	17.8	17.5	17.3	17.1
Depreciation charge	-6	-7	-12	-17	-21	-25	-28
% change	85	24	73	44	21	20	10
EBIT	12	21	39	72	91	113	140
% change	42	70	84	84	26	25	24
Margin (%)	15.0	14.8	13.0	14.4	14.2	14.1	14.3
Financial results, net	-4	-5	-8	-10	-10	-10	-10
Exceptional items, net	0	-1	82	0	0	0	0
EBT	8	16	113	61	80	103	130
% change	32	85	623	-46	31	28	26
Margin (%)	10.2	11.0	37.6	12.3	12.6	12.9	13.3
Income tax charge	-1	-2	-9	-9	-14	-21	-29
Minority interests	0	0	-5	-12	-16	-20	-24
Net Earnings	7	13	99	40	50	62	78
% change	39	80	647	-59	24	24	25
Margin (%)	8.8	9.3	32.9	8.1	7.8	7.8	7.9
Net Earnings-ordinary, adjusted	7	14	23	40	50	62	78
% change	42	83	72	72	24	24	25
Margin (%)	9.0	9.6	7.8	8.1	7.8	7.8	7.9
EPS	0.20	0.37	2.74	1.12	1.39	1.73	2.16
% change	<i>nm</i>	80	647	-59	24	24	25
EPS-ordinary, adjusted	0.21	0.38	0.65	1.12	1.39	1.73	2.16
% change	<i>nm</i>	83	72	72	24	24	25
DPS	0.03	0.06	0.17	0.25	0.31	0.39	0.48
% change	-54	114	183	47	24	24	25
% on EPS-ordinary, adjusted	13	16	26	22	22	22	22

Source: Company data and Deutsche Bank estimates

Figure 23: Evolution of the divisional contribution to sales, 2004-2012E



Source: Company data and Deutsche Bank estimates

Figure 24: Evolution of the divisional contribution to gross profit, 2004-2012E

Source: Company data and Deutsche Bank estimates

Figure 25: Neochimiki's consolidated balance sheet under IFRS (€ m)

Year end December 31	2004	2005	2006E	2007E	2008E	2009E	2010E
Net Fixed Assets	113	176	293	293	293	290	284
Non current assets	1	1	1	1	1	1	1
Current assets (ex-cash)	41	61	133	211	261	327	400
Cash	2	5	1	1	32	76	125
Total Assets	157	242	427	506	587	694	810
Equity	53	61	154	185	224	272	332
Provisions	0	0	0	0	0	0	0
Minorities	0	4	9	21	37	58	81
Non current liabilities	2	4	0	0	0	0	0
Debt (short and long-term)	85	129	191	189	181	180	170
Short-term liabilities (ex-debt)	16	44	73	111	145	184	226
Total L/b & Equity	157	242	427	506	587	694	810
Net debt (+)/cash (-)	83	124	190	188	148	104	44
Net Debt/Equity (%)	157	204	124	102	66	38	13

Source: Company data and Deutsche Bank estimates

Figure 26: Neochimiki's consolidated cashflow statement under IFRS (€ m)

Year end December 31	2004	2005	2006E	2007E	2008E	2009E	2010E
EBIT	12	21	39	72	91	113	140
Depreciation & amortisation	6	7	12	17	21	25	28
Provisions & other	-2	-1	82	0	0	0	0
Change in Working Capital	-3	5	-53	-40	-23	-35	-38
Operating Cashflow	13	32	80	49	89	104	130
Income taxes paid (-)	-1	-1	-3	-12	-9	-17	-24
Dividends paid	-2	-1	-2	-6	-9	-11	-14
Net interest received (+)/paid (-)	-4	-5	-8	-10	-10	-10	-10
Capex & Acquisitions	-32	-66	-133	-18	-21	-22	-22
Total use of cash	-39	-73	-146	-47	-49	-60	-69
Net proceeds from financing	27	44	62	-3	-8	-1	-10
Change in cash	1	3	-4	0	32	43	50

Source: Company data and Deutsche Bank estimates

Acknowledgments:

The author of this report wishes to acknowledge the contribution made by Ms. Shalini Kurukulasuriya, CFA, an employee of Amba Research Lanka Private Ltd, a third party provider to Deutsche Bank of offshore research support services.

Appendix 1

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Company	Ticker	Recent price*	Disclosure
Neochimiki	NCHR.AT	13.72 (EUR) 18 Dec 06	6,8

*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

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Historical recommendations and target price: Neochimiki (NChr.AT)

(as of 12/18/2006)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1. 2.

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Buy: Expected total return (including dividends) of 10% or more over a 12-month period.

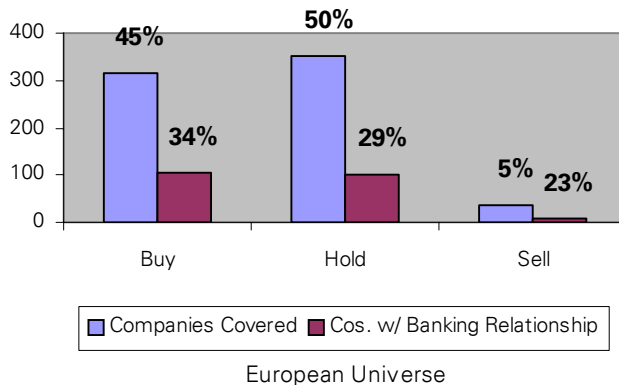
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