

## Italy's MutuiOnline valued at 179.8-239.0 mln in IPO; to run May 21-31 UPDATE

(updating with further details)

MILAN (Thomson Financial) - Italy's consumer finance company Gruppo **MutuiOnline** SpA said it is being valued at 179.8-239.0 mln in its initial public offering, which starts today and runs to May 31.

The existing shareholders are offering 13.8 mln shares, or about 35 pct of the company's capital, at 4.55-6.05 eur each, it said, adding that no fresh capital is being raised.

The IPO comprises a public offering to retail investors in Italy for a minimum of 2.1 mln shares, or 15 pct of the overall IPO, while the rest will be sold to institutional investors.

In addition, there is a 'greenshoe' option for a further 2.1 mln shares, which would take the free float to 40.25 pct, it said.

The shares are due to start trading June 6, it said.

The global coordinator and sponsor is Deutsche Bank AG, while Credito Emiliano SpA unit Euromobiliare SIM is co-global coordinator and sponsor, it said.

At a presentation, company officials said **MutuiOnline** is active as an online broker selling 400 mortgage products from 38 banks, as well as providing outsourcing services for banks to handle their mortgage sales.

Customers for the outsourcing include Unicredito Italiano SpA's online bank for homeowners, ING Direct and General Electric unit G Money, they said.

In 2006, net profit rose to 5.2 mln eur, from 4.0 mln in 2005, while sales were 21.8 mln, up from 13.2 mln, the company said.

In the first quarter, net profit reached 1.2 mln eur, against 1.1 mln, while sales rose to 6.4 mln, against 4.5 mln, they said, noting this year's net figure included some reorganisation and IPO charges.

The company's valuation compares to a price/earnings multiple of 34.9-46.4, based on 2006 earnings, the company said.

German quoted mortgage broker Interhyp trades on a 45.0 P/E multiple, and France's smaller quoted Meilleurtaux on 50.4, while comparable outsourcing firms trade on an average of 28.4, it said.

Shareholders selling stock are venture capital funds Nestor 2000 Sprl and Jupiter Venture SA, plus some individuals, said **MutuiOnline**.

Chairman Marco Pescarmona and chief executive Alessandro Fracassi are not selling shares, and have agreed to a lock-up on share sales for 24 months, it said.

Pescarmona said the company is not raising fresh capital because **MutuiOnline** generates enough cash to fund future organic growth.

On the pay-out ratio, he said the company will pay a dividend representing at least 40 pct of net profit.

The company said Italy has low market penetration for residential mortgages, as well as in remote distribution channels.

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