

**Date** 14/02/2012

**Consensus Rating\*:** 0.67 (Accumulate)

 Previous rating **0.88 (Accumulate)**

 Stock price (in Euro) **4.12**

 High/Low (52 weeks) **7.24/2.27**

 Market cap (in Euro m) **1,012.4**

 ISIN **FI0009014716**

 Reuters **TLV1V.HE**

 Bloomberg **TLV1V:FH**

 Exchange **Nasdaq-OMX Helsinki**

 Sector **Mining**

 Internet [www.talvivaara.com](http://www.talvivaara.com)

 Coverage **9**

## Talvivaara

### Summary

#### Outlook given by the company (after Q3 2011):

Full-year 2011 production target of 16,000t of nickel reiterated, based on current production output and anticipated short-term availability of the metals recovery plant

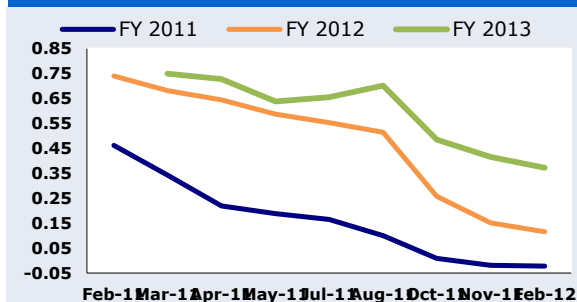
- Availability and utilization rate of the H<sub>2</sub>S generators and overall metals recovery process key for short-term production volumes
  - Both H<sub>2</sub>S generators back in operation since mid-October
  - Entire metals recovery process operating as anticipated

#### For 2012:

- Overall Capex streamlined; all production processes in place
- Reduced need for earthworks
- 2012 Capex of EUR 40-50 million

Talvivaara will release its FY 2011 results on 16<sup>th</sup> February 2012.

### EPS Estimates in Euro:



### YoY Change in Estimates

	FY 11E	FY 10A	Change
Sales	227.2	152.2	49.3%
EBITDA	63.9	77.4	-17.5%
EBIT	16.2	25.5	-36.6%
EPS clean	-0.02	-0.06	-64.2%

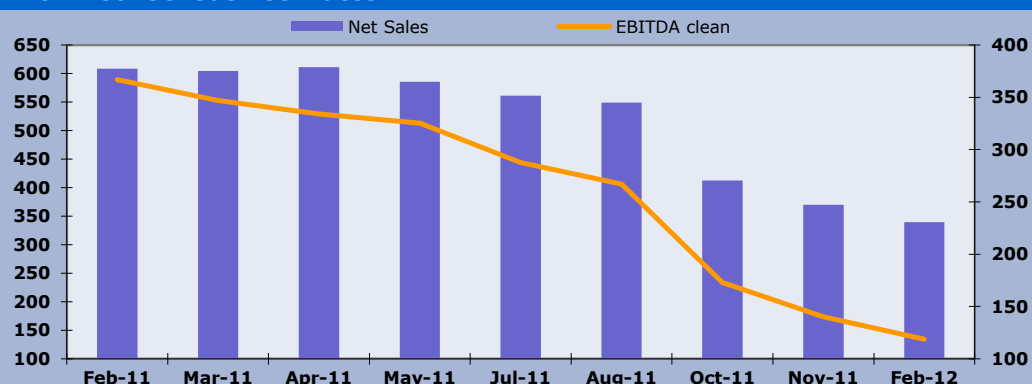
### Price targets in Euro

	Current	Previous	Change	Up-/Downside
Current Price	4.12			
Highest	4.00	6.00	-33.3%	-2.9%
Consensus	3.13	3.53	-11.3%	-24.0%
Median	3.05	2.80	8.9%	-26.0%
Lowest	2.60	2.00	30.0%	-36.9%

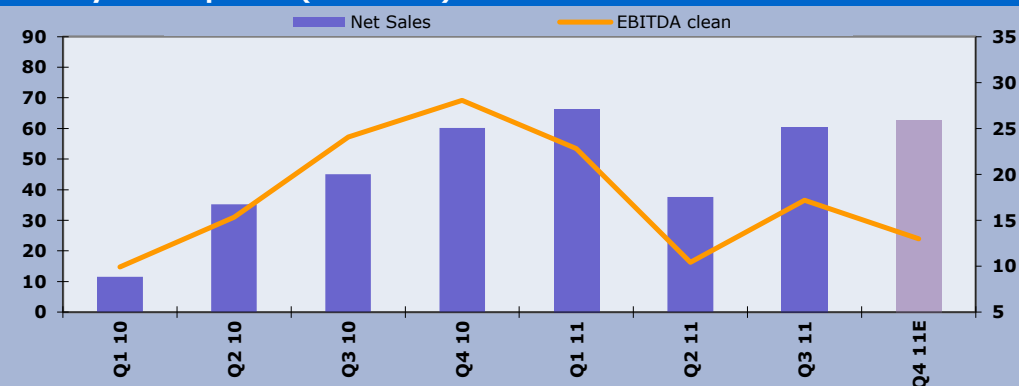
### Consensus Valuation

	Sales	EBITDA clean	EPS	EV/Sales	EV/EBITDA	Div.Yield
2009	7.57	-17.7	-0.19	n.m.	n.m.	0.0%
2010	152.2	77.4	-0.06	13.64	n.m.	0.0%
2011E	227.2	63.9	-0.02	6.26	22.3	0.0%
2012E	339.1	118.8	0.12	4.19	12.0	0.2%
2013E	490.2	226.4	0.37	2.90	6.3	1.1%

### FY 2012 Consensus Estimates



### Quarterly Development (in Euro m)



#### \* Consensus Rating (CR):

##### Classification:

Buy: 1.50 ≤ CR &lt; 2.00

Accumulate: 0.50 ≤ CR &lt; 1.50

Hold: -0.50 &lt; CR &lt; 0.50

Reduce: -1.50 ≤ CR &lt; -0.50

Sell: -2.00 ≤ CR &lt; -1.50

Disclaimer: This document has been issued by Vara Research GmbH for information purposes only and is not intended to constitute investment advice. It is based on estimates and forecasts of various analysts regarding revenues, earnings and business developments of relevant company. Such estimates and forecasts cannot be independently verified by reason of subjective character. Vara Research GmbH gives no guarantee, representation or warranty and is not responsible or liable as to its accuracy and completeness.