WCM Beteiligungs- und Grundbesitz-AG

Germany / Financial Services
Frankfurt Stock Exchange
Bloomberg: WCMK GR
ISIN: DE000A1X3X33

Q1/17
Results

RATING	**ADD**
PRICE TARGET	**€ 3.36**
Return Potential	6.6%
Risk Rating	High

FIRST QUARTER RESULTS IN LINE; GUIDANCE CONFIRMED

First quarter results were in line with our forecasts with headline figures continuing to grow. Thanks to the portfolio expansion, rental income (RI) increased 41% Y/Y to €10.8m and FFO I climbed 32% Y/Y to €5.8m. The first quarter performance puts the company on track to hit our full year targets and management's confirmed guidance (RI: €42m-€44m; FFO I: €23m-€24m). Last week, WCM signed a business combination agreement (BCA) with TLG Immobilien AG to form a €3bn (Gross Asset Value) pan-German commercial real estate company. We see fair value at €3.36 per share; in line with the takeover price. Our rating remains Add.

Strong business performance underscores reasoning behind pending combination Management have done a commendable job in building a quality commercial portfolio from scratch with the company re-launch in late 2014. WCM is off to a strong start in 2017 and on pace for top line growth north of 30% Y/Y with solid conversion into FFO I. Given the tightening supply environment in Germany, the quality of WCM's current €796m portfolio, as well as its €300m deal pipeline, the corporate activity involving WCM comes as little surprise. Management have already endorsed the TLG bid and will recommend that shareholders also accept it. We expect final closure of the transaction in October this year (see Table 4 overleaf for timetable summary).

Revenue +41% Y/Y to €10.8m; further portfolio expansion The top line result edged our estimate (FBe: €10.7m) with growth spurred by portfolio expansion. The fair value adjustments to investment properties totalled €14.6m in the first three months (Q1/16: €0.6m). The spike can be traced to bargain buy effects from the purchase of 4 retail properties. We note that the next fair value assessment of the portfolio is slated to take place 30 June 2017. Net income amounted to €15.0m in Q1 vs €1.7m in the prior year period and equated to diluted EPS of €0.08 (Q1/16: €0.01). (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2014	2015	2016	2017E	2018E	2019E
Rental income (€m)	0.00	10.45	32.61	42.95	51.96	57.46
Y/Y growth	n.a.	n.a.	212.2%	31.7%	21.0%	10.6%
Adj. EBITDA (€m)	-0.67	10.73	25.17	33.18	38.81	42.60
Net income	1.21	57.68	18.56	55.34	67.26	75.51
EPS (diluted) (€)	0.08	0.72	0.12	0.37	0.41	0.44
EPRA NAV (€m)	31.81	290.61	345.40	444.88	528.70	606.95
DPS (€)	0.00	0.00	0.10	0.11	0.12	0.13
FFO I (€m)	0.00	7.93	18.03	23.29	26.33	28.88
FFOPS I	0.09	0.10	0.14	0.16	0.17	0.18
Liquid assets (€ m)	19.64	11.31	10.20	12.77	11.79	12.82

RISKS

Risks include, but are not limited to, unfavourable interest rate developments, unfavourable macroeconomic developments, and the departure of key personnel.

COMPANY PROFILE

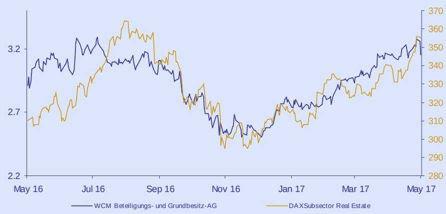
WCM Beteiligungs- und Grundbesitz-AG is a real estate company focused on the acquisition and management of commercial properties, particularly offices and retail properties located in Germany's major commercial districts.

MARKET DATA

MARKET DATA	As of 16 May 2017
Closing Price	€ 3.15
Shares outstanding	131.96m
Market Capitalisation	€ 415.82m
52-week Range	€ 2.50 / 3.29
Avg. Volume (12 Months)	364,037

Multiples	2016	2017E	2018E
P/FFO I	22.7	19.2	18.6
P/EPRA NAV	1.2	1.1	0.9
FFO I/Yield	4.4%	5.2%	5.4%
Div. Yield	3.1%	3.6%	3.8%

STOCK OVERVIEW



COMPANY DATA

COMPANY DATA	As of 31 Mar 2017
Liquid Assets	€ 32.30m
Current Assets	€ 53.20m
EPRA NAV	€ 371.80m
Total Assets	€ 869.70m
Current Liabilities	€ 68.20m
Total Equity	€ 337.60m

SHAREHOLDERS

DIC OF RE 2 GmbH	26.0%
Karl P. Ehlerding	4.9%
John F. Ehlerding	4.9%
Karl Ehlerding	4.2%
Stavros Efremidis	2.6%
Free Float	57.5%

Analyst: Ellis Acklin, Tel. +49 (0)30 - 80 93 96 83

Table 1: Q1 results vs forecasts

in €'000	Q1 2017	Q1 2017E	% delta	Q1 2016	% delta
Rental income	10,849	10,737	*1.0%*	7,764	40%
Adjusted EBITDA	8,353	8,299	*0.7%*	5,965	40%
Margin (%)	*77.0%*	*77.3%*	-	*76.8%*	-
FFO	5,782	4,524	*27.8%*	4,381	32%

Source: First Berlin Equity Research; Company

Adjusted EBITDA, which reflects recurring operating profit and excludes non-cash effects, climbed some 40% Y/Y in Q1/17 to €8.4m (Q1/16: €6.0m). This improvement reflects the underlying portfolio growth over the past year. The company incurred one-off transaction expenses of €1.9m and non-cash receivable write downs traced to acquired properties of €0.4m. Personnel expenses increased to €1.0m (Q1/16: €0.9m) in line with the portfolio growth.

The key FFO I metric used to measure bottom line profits climbed some 32% Y/Y in Q1/17 to €5.8m compared to €4.4m in the prior year period. This strong conversion of adj. EBITDA into FFO I reflects the excellent financing conditions. FFO I per share amounted to €0.04 matching the prior year figure due to the higher share count. Thanks to the positive results and portfolio expansion, EPRA NAV rose to €371m or €2.75 per share (Q4/17: €345m; €2.62).

Table 2: Portfolio development and KPIs

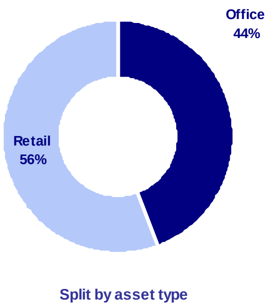
	Q1/16	Q4/16	Q1/17
Number of properties	51	53	57
Market value (€'000)	530,540	662,100	796,200
WALT in years	9.4	8.9	8.2
EPRA vacancy	4.8%	3.8%	4.3%
Rental income p.a. (€'000)	33,300	38,300	47,500
Gross yield	6.2%	5.8%	6.0%
Net debt (€m)	276,089	351,851	460,000
Net LTV	52.0%	53.1%	57.0%
Average cost of debt	2.1%	2.0%	1.9%

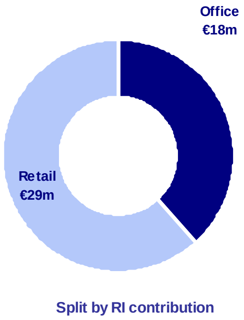
Source: First Berlin Equity Research; Company

WCM reported investment properties totalling €796m compared to €531m in Q1/16 and €662m in Q4/16. The growth includes the closure of two sizable transactions in Q1. As expected, a retail centre in Jena, Thuringia was acquired for €21m. The purchase price was financed by the issuance of a mandatory convertible note to the seller, cash, and the assumption of an existing loan (€13m). The note carries a 1.5% coupon, is convertible into 2.1m new shares, and matures on 30 June 2017.

The company also closed the announced deal to acquire three further retail centres in the Federal States of Baden-Wuerttemberg and Saxony-Anhalt for €98.2m. The deal was financed with a combination of cash and mortgage lending.

Figure 1: Portfolio split by market value and rental income contributions





Source: First Berlin Equity Research; Company

Table 3: Financial highlights

in €'000	Q1/17	2016	delta
Cash & liquid assets	32,251	10,013	222.1%
Investment property	796,303	662,073	20.3%
Total assets	869,682	710,273	22.4%
Total equity	337,647	315,933	6.9%
EPRA NAV	371,800	345,366	7.7%
Interest bearing debt	482,743	361,864	33.4%
Net debt	450,492	351,851	28.0%
Loan-to-Value (LTV)	56.6%	54.7%	-
Equity ratio	38.8%	44.5%	-

Source: First Berlin Equity Research; Company

Balance sheet stable over three month period; ample cash position WCM reported cash and liquid assets of €32.3m for the period ended 31 March compared to €10m at the end of 2016. Net debt climbed to €470m vs €352m at the end of 2016. The increase in interest bearing debt stems from portfolio growth and the recent closings. The debt portfolio features a 1.9% cost of debt (Q4/16: 2.0%) and a maturity north of five years. The company reported an LTV of 57% at the end of the quarter compared to 55% at end 2016. This is slightly above management's targeted range of 45%—55%.

The increase in net operating cash flow to €5.5m (Q1/16: 1.9m) stems from the Y/Y portfolio growth and associated rise in rental and operating income. Cash flow from investing was below the prior year level at €-47m (Q1/16: €-56m). Cash flow from financing totalled €64m vs €76m in the prior year period. The cash position thus increased some €22m to €32m at the end of the period. In our view, the company has ample liquidity to react to market opportunities.

APPENDIX

Table 4: Timetable summary

	date
Expected approval of tender offer by BaFin	27 June
Offer period	28 June - 6 Sept
Expected publication of the statement of the Management and Supervisory Board of WCM in support of the offer	5 July
Expected publication of the Tender Offer results and start of 2-week additional acceptance period	13 Sept
Additional acceptance period	14 - 27 Sept
Expected publication of the final results of tender offer	5 Oct
Transaction closing	Oct 2017

Source: First Berlin Equity Research; Company

INCOME STATEMENT

All figures in EUR '000	2014	2015	2016	2017E	2018E
Rental income	**0**	**10,445**	**32,613**	**42,947**	**51,963**
Property OpEx	0	-885	-2,817	-3,650	-4,417
Net rental income	**0**	**9,560**	**29,796**	**39,296**	**47,546**
Disposals	0	0	799	0	0
Capital gains, property revaluations & gains from disposals	0	54,904	29,213	37,974	44,540
Other operating income	996	3,012	1,454	1,400	1,400
Pesonnel expenses	-180	-1,530	-4,576	-4,724	-4,677
Other operating expenses	-1,489	-6,715	-12,853	-7,633	-7,823
Depreciation & amortisation	0	-359	-1,086	-1,074	-1,247
Operating income (EBIT)	**-673**	**58,872**	**42,747**	**65,240**	**79,739**
Net financial result	-209	-2,076	-7,138	-8,900	-11,317
Other financial expenses	1	0	0	0	0
Pre-tax income (EBT)	**-881**	**56,796**	**35,609**	**56,340**	**68,422**
Income taxes	2,087	879	-17,048	-995	-1,164
Net income / loss	**1,206**	**57,675**	**18,561**	**55,344**	**67,257**
Minority interests	0	3,383	2,763	3,321	4,035
Net income after minorities	**1,206**	**54,292**	**15,798**	**52,024**	**63,222**
Basic EPS (in €)	**0.08**	**0.72**	**0.12**	**0.37**	**0.41**
Diluted EPS (in €)	**0.08**	**0.72**	**0.12**	**0.37**	**0.41**
Adjusted EBITDA	**-673**	**10,731**	**25,165**	**33,181**	**38,813**
Ratios					
Adjusted EBITDA margin	n.m.	102.7%	77.2%	77.3%	74.7%
Tax rate	4.0%	3.0%	3.0%	3.0%	3.0%
Expenses as % of revenues					
Property OpEx	n.m.	8.5%	8.6%	8.5%	8.5%
Pesonnel expenses	n.m.	14.6%	14.0%	11.0%	9.0%
Y-Y Growth					
Revenues	n.m.	n.m.	212.2%	31.7%	21.0%
Operating income	n.m.	n.m.	-27.4%	52.6%	22.2%
Adjusted EBITDA	n.m.	n.m.	134.5%	31.9%	17.0%
Net income/ loss	n.m.	4682.3%	-67.8%	198.2%	21.5%

BALANCE SHEET

All figures in EUR '000	2014	2015	2016	2017E	2018E
Assets					
Current assets, total	**23,311**	**30,446**	**31,735**	**34,413**	**33,476**
Cash and cash equivalents	19,376	11,136	10,013	12,582	11,590
Property held for sale	0	4,185	0	0	0
Trade receivables	0	309	132	235	285
Other current assets	3,935	14,816	21,590	21,596	21,601
Non-current assets, total	**20,578**	**520,478**	**678,538**	**959,354**	**1,123,078**
Property, plant & equipment	483	4,807	3,692	3,766	3,841
Investment property	17,337	501,546	662,073	942,117	1,105,011
Other LT assets	2,758	14,125	12,773	13,470	14,226
Total assets	**43,889**	**550,924**	**710,273**	**993,767**	**1,156,554**
Shareholders' equity & debt					
Current liabilities, total	**5,879**	**88,877**	**39,999**	**68,789**	**79,115**
Short-term debt	1,966	76,316	22,169	48,010	54,874
Trade payables	3,628	10,733	15,077	17,339	19,939
Provisions & current liabilities	285	1,828	2,753	3,441	4,302
Long-term liabilities, total	**6,201**	**192,465**	**354,341**	**498,539**	**571,638**
Long-term debt	6,201	187,815	339,695	480,096	548,741
Deferred tax liabilities	0	4,650	14,646	18,443	22,897
Minority interests	1,050	8,223	11,977	15,298	19,333
Shareholders' equity	**30,759**	**261,359**	**303,956**	**411,141**	**486,468**
Loss carryforward / retained earnings	-16,799	62,420	78,396	117,801	164,723
Total consolidated equity and debt	**43,889**	**550,924**	**710,273**	**993,767**	**1,156,554**
Ratios					
Current ratio (x)	3.97	0.34	0.79	0.50	0.42
Equity ratio	72.5%	48.9%	44.5%	42.9%	43.7%
Financial leverage	-36.4%	96.8%	115.8%	125.4%	121.7%
EPRA NAV	1.97	3.45	2.34	2.89	3.13
EPRA NAV per share (€)	0.94	2.41	2.62	2.94	3.33
Net debt	-11,209	252,995	351,851	515,523	592,025
Return on equity (ROE)	3.9%	22.1%	6.1%	13.5%	13.8%
Loan-to-value (LTV)	47.1%	52.2%	54.7%	56.1%	54.6%
Net LTV	n.a.	50.0%	53.1%	54.7%	53.6%

CASH FLOW STATEMENT

All figures in EUR '000	2014	2015	2016	2017E	2018E
Net income	**1,206**	**57,675**	**18,561**	**55,344**	**67,257**
Capital gains, property revaluations & other	0	-54,904	-29,212	-37,974	-44,540
Depreciation & amortisation	0	359	1,086	1,074	1,247
Net financial result	0	2,076	7,138	8,900	11,317
Tax result	0	722	388	995	1,164
Operating cash flow	**1,206**	**5,928**	**-2,039**	**28,339**	**36,446**
Proceeds from disposal of trading properties	0	0	0	0	0
Changes in working capital	2,348	-11,850	189	2,008	2,398
Provisions and other liabilities	-1,868	3,324	23,988	3,933	4,707
Tax paid	0	12	-799	-995	-1,164
Net operating cash flow	**1,686**	**-2,586**	**21,339**	**33,285**	**42,386**
CapEx/ intangibles	0	-4,748	-424	-1,148	-1,322
Outflows for investment property	-3,086	-347,658	-89,345	-174,291	-89,949
Inflows from disposal of PP&E	319	66	14,002	0	0
Cash flow from investing	**-2,767**	**-352,340**	**-75,767**	**-175,438**	**-91,271**
Debt financing, net	2,860	176,133	62,552	166,241	75,510
Equity financing, net	17,593	172,765	-2,415	0	0
Interest paid	0	-2,212	-6,832	-8,900	-11,317
Dividends paid	0	0	0	-12,619	-16,300
Cash flow from financing	**20,453**	**346,686**	**53,305**	**144,723**	**47,892**
Net cash flows	**19,372**	**-8,240**	**-1,123**	**2,570**	**-992**
Cash, start of the year	4	19,376	11,136	10,013	12,583
Cash, end of the year	**19,376**	**11,136**	**10,013**	**12,583**	**11,591**
Adjusted EBITDA/share (in €)	**n.m.**	**0.14**	**0.19**	**0.23**	**0.25**
FFO I	**1,414**	**7,931**	**18,027**	**23,286**	**26,332**
FFO I/share	**0.09**	**0.10**	**0.14**	**0.16**	**0.17**
Y-Y Growth					
EBITDA/share	n.m.	n.m.	36.8%	20.3%	7.0%
FFO I	n.m.	460.9%	127.3%	29.2%	13.1%
FFOPS I	n.m.	15.8%	32.6%	17.9%	3.4%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	8 December 2015	€2.59	Buy	€3.60
2...6	↓	↓	↓	↓
7	22 March 2017	€3.03	Buy	€3.70
8	28 April 2017	€3.14	Buy	€4.00
9	12 May 2017	€3.22	Add	€3.36
10	Today	€3.15	Add	€3.36

Authored by: Ellis Acklin, Analyst

Company responsible for preparation:

First Berlin Equity Research GmbH
Mohrenstraße 34
10117 Berlin

Tel. +49 (0)30 - 80 93 96 83 Fax +49 (0)30 - 80 93 96 87

info@firstberlin.com
www.firstberlin.com

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

Copyright© 2017 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 34B OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO THE GERMAN ORDINANCE ON THE ANALYSIS OF FINANCIAL INSTRUMENTS [FINANV]

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular the German Securities Trading Act [WpHG], Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and the German Ordinance on the Analysis of Financial Instruments [FinAnV] into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with Section 34b Paragraph 1 of the German Securities Trading Act [WpHG] and Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) financial analyses may only be passed on or publicly distributed if circumstances or relations which may cause conflicts of interest among the authors, the legal entities responsible for such preparation or companies associated with them are disclosed along with the financial analysis.

First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest (further information and data may be provided on request):

- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

If despite these measures one or more of the aforementioned conflicts of interest cannot be avoided on the part of the author or First Berlin, then reference shall be made to such conflict of interest.

PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

STRONG BUY: An expected favourable price trend of more than 50% combined with sizeable confidence in the quality and forecast security of management.

BUY: An expected favourable price trend of more than 25% percent.

ADD: An expected favourable price trend of between 0% and 25%.

REDUCE: An expected negative price trend of between 0% and -15%.

SELL: An expected negative price trend of more than -15%.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

Legally required information regarding

- **key sources of information in the preparation of this research report**
- **valuation methods and principles**
- **sensitivity of valuation parameters**

can be accessed through the following internet link: http://firstberlin.com/disclaimer-english-link/

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt

EXCLUSION OF LIABILITY (DISCLAIMER)

RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA, Canada and/or the United Kingdom (Great Britain).