

Recommendation:

BUY (BUY)

Risk:

HIGH (HIGH)

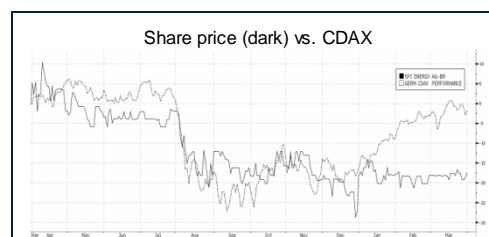
Price Target:

EUR 5.50 (5.50)

30 March 2012

Breakeven on EBITDA level within reach

- SFC Energy's annual report 2011 confirmed the preliminary figures which had been very much in line with our previous estimates (see our update from 26 January). SFC Energy now also provided **pro forma figures** for 2011 (consolidation of PBF assumed as of 1 January 2011 instead of 1 December 2011). On a pro forma basis, Group sales totalled EUR 27.4m, while EBIT amounted to EUR -6.0m and net income to EUR -5.7m.
- Earnings were affected by **one-off costs of EUR 2.5m**. It is particularly worth mentioning that underlying EBITDA (excluding one-offs) improved from EUR -3.5m in 2010 to EUR -2.7m in 2011. Underlying EBIT improved to EUR -4.1m (2010: EUR -4.5m). Apparently, only EUR 166k of the one-off costs had already accrued in 9M 2011 (in the context of the PBF acquisition). We conclude that **SFC Energy reached breakeven (about EUR +0.2m) in 4Q 2011 on the underlying EBITDA level**, and that the company has gotten much closer to achieving positive operating cash flows.
- Regarding FY 2012, SFC Energy expects to generate sales of EUR 28m to 30m and – as announced earlier – to reach EBITDA break-even in 2H 2012. For the time being, we leave our sales estimates for the next periods unchanged, even though **our assumption of only 2.7% growth YOY in 2012E (based on the pro forma sales figure) appears very conservative**. The purchase price allocation (PPA) of the PBF acquisition resulted in non-amortisable goodwill amounting to EUR 6.0m (our estimate: EUR 6.4m) and amortisable intangible assets of EUR 4.9m (our estimate: EUR 4.6m). As **our PPA estimates proved rather accurate**, we can leave our amortisation estimates and therefore our EBIT estimates unchanged. We reviewed our tax estimates and now assume that SFC Energy will continue to refrain from activating deferred taxes on its German tax loss carryforwards, while SFC's tax loss carryforwards cannot be used to reduce PBF's taxable income in the Netherlands. We therefore reduced our estimates for the Group's net income and EPS.
- Our updated DCF model yields a fair value per share of EUR 5.54. With an unaltered price target of EUR 5.50, we confirm our BUY recommendation.



Source: CBS Research AG, Bloomberg, SFC Energy AG

Change	2012E		2013E		2014E	
	new	old	new	old	new	old
Sales	-	28.1	-	32.7	37.4	-
EBITDA	-	-0.3	-	2.0	3.0	-
EPS	-0.31	-0.20	-0.04	0.01	0.14	-

Internet: www.sfc.com

WKN: 756857

Reuters: F3CG.DE

Sector: Alternative energy

ISIN: DE0007568578

Bloomberg: F3C GY

Short company profile:

SFC Energy AG is a market leader for off grid and stationary power generation and distribution. The Company has established fully commercialized fuel cells in the Consumer, Industry, and Defense & Security sectors and furthermore develops, produces and globally distributes higher level power management components. The products increasingly are delivered as customised power supply system solutions.

Share data:

Share price (EUR, latest closing price):	3.95
Shares outstanding (m):	7.5
Market capitalisation (EUR m):	29.6
Enterprise value (EUR m):	8.0
Ø daily trading volume (6 m., no. of shares):	3,650

Performance data:

High 52 weeks (EUR):	5.45
Low 52 weeks (EUR):	3.49
Absolute performance (12 months):	-18.2%
Relative performance vs. CDAX:	
1 month	-1.4%
3 months	-15.0%
6 months	-20.4%
12 months	-16.7%

Shareholders:

HPE	25.70%
Conduit Ventures	10.15%
Havensight	10.22%
Previous owners of PBF (lock-up agreement)	4.66%
Management and Supervisory Board	3.48%
DWS	4.92%
Other free float	40.87%

Financial calendar:

1Q report:	3 May 2012
------------	------------

Author:

Martin Decot (Analyst)

Close Brothers Seydler Research AG

Phone: +49 (0) 69-977 84 56 0

Email: research@cbseydlerresearch.ag

www.cbseydlerresearch.ag

Y/E 31 Dec, EUR m	2009	2010	2011	2012E	2013E	2014E
Sales revenues	11.7	13.3	15.4	28.1	32.7	37.4
Gross profit	3.2	4.0	5.4	11.0	13.5	15.8
EBITDA	-3.6	-3.5	-4.6	-0.3	2.0	3.0
EBITA	-4.0	-3.9	-5.2	-0.6	1.7	2.6
EBIT	-4.5	-4.5	-6.6	-2.2	-0.1	1.3
Net income/loss	-3.8	-4.1	-6.2	-2.3	-0.3	1.0
EPS	-0.53	-0.58	-0.87	-0.31	-0.04	0.14
CPS	-0.51	-0.65	-0.60	-0.41	-0.07	0.16
EBITDA margin	-30.6%	-26.2%	-30.1%	-1.1%	6.2%	8.1%
EBIT margin	-38.6%	-33.8%	-42.9%	-7.9%	-0.2%	3.6%
EV/Sales	0.7	0.6	0.5	0.3	0.2	0.2
EV/EBITDA	neg.	neg.	neg.	neg.	3.9	2.6

Source: SFC Energy AG; CBS Research AG

Appendix

Quarterly figures with YOY comparison

	IFRS	EURm	4Q 2011	4Q 2010	FY 2011	FY 2010
Total sales			4.92	4.46	15.43	13.33
YOY growth			10.3%	39.0%	15.7%	14.1%
Gross profit			1.85	1.59	5.37	4.04
as % of sales			37.5%	35.6%	34.8%	30.3%
EBITDA			-1.62	-0.10	-4.64	-3.49
as % of sales			-32.9%	-2.1%	-30.1%	-26.2%
EBIT			-2.60	-0.37	-6.61	-4.51
as % of sales			-52.9%	-8.3%	-42.9%	-33.8%
Net income after minorities			-2.49	-0.27	-6.22	-4.12
as % of sales			-50.7%	-6.1%	-40.3%	-30.9%
Basic earnings per share (EUR)			-0.35	-0.04	-0.87	-0.58
Cash flow from operating activities			0.43	-0.87	-4.32	-4.64
Free cash flow (incl. interest received)			-5.63	-1.17	-11.01	-6.46

Source: SFC Energy AG, CBS Research AG

Changes in financial estimates of CBS Research

	2012E		2013E		2014E	
	new	old	new	old	new	old
Sales	-	28.1	-	32.7	37.4	-
Gross profit	-	11.0	-	13.5	15.8	-
EBITDA	-	-0.3	-	2.0	3.0	-
EBIT	-	-2.2	-	-0.1	1.3	-
Net result after minorities	-2.3	-15	-0.3	0.1	1.0	-
EPS	-0.31	-0.20	-0.04	0.01	0.14	-

Source: CBS Research AG

Profit and loss account

	IFRS	EURm	2009	2010	2011	2012E	2013E	2014E
Sales			11.69	13.33	15.43	28.12	32.73	37.42
YoY growth			-19.7%	14.1%	15.7%	82.3%	16.4%	14.3%
Cost of sales			-8.49	-9.29	-10.06	-17.13	-19.25	-21.66
as % of sales			-72.7%	-69.7%	-65.2%	-60.9%	-58.8%	-57.9%
Gross profit			3.19	4.04	5.37	10.99	13.49	15.77
as % of sales			27.3%	30.3%	34.8%	39.1%	41.2%	42.1%
Research and development expenses			-1.51	-1.89	-2.54	-3.07	-3.01	-3.11
as % of sales			-12.9%	-14.2%	-16.4%	-10.9%	-9.2%	-8.3%
Selling expenses			-4.45	-4.75	-4.90	-6.34	-6.48	-6.92
as % of sales			-38.0%	-35.6%	-31.7%	-22.5%	-19.8%	-18.5%
General and administrative expenses			-2.13	-2.05	-2.68	-3.54	-3.80	-4.04
as % of sales			-18.2%	-15.4%	-17.4%	-12.6%	-11.6%	-10.8%
Other operating income			0.42	0.23	0.20	0.39	0.47	0.49
as % of sales			3.6%	1.7%	1.3%	1.4%	1.4%	1.3%
Other operating expenses			-0.04	-0.09	-1.60	-0.66	-0.74	-0.84
as % of sales			-0.3%	-0.6%	-10.4%	-2.4%	-2.3%	-2.3%
EBIT before restructuring expenses			-4.51	-4.51	-6.14	-2.22	-0.07	1.34
as % of sales			-38.6%	-33.8%	-39.8%	-7.9%	-0.2%	3.6%
Restructuring expenses			0.0	0.0	-0.47	0.0	0.0	0.0
as % of sales			0.0%	0.0%	-3.1%	0.0%	0.0%	0.0%
EBIT			-4.51	-4.51	-6.61	-2.22	-0.07	1.34
as % of sales			-38.6%	-33.8%	-42.9%	-7.9%	-0.2%	3.6%
Net financial result			0.72	0.39	0.39	0.23	0.17	0.13
EBT (Earnings before income taxes)			-3.78	-4.12	-6.22	-1.99	0.10	1.47
as % of sales			-32.4%	-30.9%	-40.4%	-7.1%	0.3%	3.9%
Income taxes			0.00	0.00	0.01	-0.30	-0.38	-0.43
as % of EBT			0.0%	0.0%	-0.1%	15.2%	-381.1%	-29.5%
Income from continuing operations			-3.78	-4.12	-6.22	-2.29	-0.28	1.03
Income from discontinued operations, net of taxes			0.00	0.00	0.00	0.00	0.00	0.00
Group net income including minorities			-3.78	-4.12	-6.22	-2.29	-0.28	1.03
as % of sales			-32.4%	-30.9%	-40.3%	-8.2%	-0.9%	2.8%
Minority interests			0.00	0.00	0.00	0.00	0.00	0.00
Net income attributable to shareholders			-3.78	-4.12	-6.22	-2.29	-0.28	1.03
Shares outstanding (m)			7.15	7.15	7.15	7.50	7.50	7.50
Basic earnings per share (EUR)			-0.53	-0.58	-0.87	-0.31	-0.04	0.14
EBITDA			-3.58	-3.49	-4.64	-0.32	2.04	3.01
EBITA			-4.02	-3.89	-5.15	-0.57	1.70	2.59

Source: CBS Research AG, SFC Energy AG

Balance sheet

	IFRS	EURm	2009	2010	2011	2012E	2013E	2014E
Assets								
Current assets			45.60	40.17	33.47	31.79	32.43	34.09
as % of total assets			90.4%	86.7%	68.6%	67.4%	68.1%	68.8%
Inventories and prepayments			1.33	1.94	4.91	5.03	5.96	6.74
Trade accounts receivable			2.20	2.71	4.47	6.93	8.61	10.25
Other assets incl. tax and PoC receivables			1.48	1.39	1.36	1.67	2.62	3.07
Cash and cash equivalents			40.54	33.56	22.44	18.05	15.15	13.94
Cash and cash equival. with limitation on disposal			0.05	0.57	0.29	0.10	0.10	0.10
Noncurrent assets			4.85	6.15	15.31	15.39	15.19	15.45
as % of total assets			9.6%	13.3%	31.4%	32.6%	31.9%	31.2%
Intangible assets excl. goodwill			2.41	2.95	4.89	4.54	4.07	4.11
Goodwill			0.00	0.00	6.02	6.02	6.02	6.02
Property, plant and equipment			1.68	2.34	2.75	3.10	3.37	3.56
Other non-current assets			0.06	0.07	0.05	0.13	0.14	0.16
Deferred taxes			0.69	0.80	1.59	1.59	1.59	1.59
Total assets			50.44	46.31	48.78	47.17	47.62	49.55
Shareholders' equity and liabilities								
Current liabilities			3.44	3.18	6.78	7.37	7.89	8.58
as % of total equity and liabilities			6.8%	6.9%	13.9%	15.6%	16.6%	17.3%
Other provisions			0.57	0.55	0.87	0.93	1.08	1.20
Advance payments received			0.02	0.00	0.20	0.25	0.25	0.25
Trade accounts payable			1.96	1.38	3.17	3.25	3.56	3.96
Liabilities from finance leases			0.00	0.00	0.56	0.70	0.73	0.76
Other liabilities			0.90	1.24	1.98	2.23	2.27	2.41
Noncurrent liabilities			1.14	1.41	5.22	5.31	5.52	5.72
as % of total equity and liabilities			2.3%	3.1%	10.7%	11.3%	11.6%	11.5%
Other noncurrent provisions			0.26	0.50	1.41	1.47	1.53	1.59
Other noncurrent liabilities			0.18	0.12	1.46	1.50	1.64	1.78
Deferred tax liabilities			0.69	0.80	2.15	2.15	2.15	2.15
Shareholders' equity			45.86	41.72	36.79	34.49	34.21	35.25
as % of total equity and liabilities			90.9%	90.1%	75.4%	73.1%	71.8%	71.1%
Subscribed capital			7.15	7.15	7.50	7.50	7.50	7.50
Capital reserve			66.88	66.88	67.88	67.88	67.88	67.88
Other changes in equity not effecting profit or loss			0.01	0.00	-0.07	-0.07	-0.07	-0.07
Accumulated loss brought forward			-24.40	-28.18	-32.31	-38.53	-40.82	-41.10
Net result of the year			-3.78	-4.12	-6.22	-2.29	-0.28	1.03
Total equity and liabilities			50.44	46.31	48.78	47.17	47.62	49.55

Source: CBS Research AG, SFC Energy AG

Cash flow statement

	IFRS	EURm	2009	2010	2011	2012E	2013E	2014E
Income/loss before interest and taxes			-4.51	-4.51	-6.61	-2.22	-0.07	1.34
Depreciation of PP&E			0.49	0.62	1.46	1.66	1.77	1.25
Amortisation of intangible assets incl. assets from PPA			0.44	0.40	0.51	0.25	0.33	0.42
Other expenses / income with no effect on liquidity			-0.12	-0.11	0.25	-0.20	-0.24	-0.24
Increase/decrease in inventories, trade receivables, and other assets			-0.07	-1.01	-0.99	-2.78	-3.32	-2.65
Increase/decrease in trade accounts payable and other liabilities			-0.41	-0.13	1.10	0.54	1.38	1.54
Cash taxes paid			0.51	0.11	-0.03	-0.30	-0.38	-0.43
Cash flow from operating activities			-3.68	-4.64	-4.32	-3.05	-0.52	1.23
Net cash outflows from the purchase and retirement of noncurrent assets			-2.05	-2.22	-1.13	-1.90	-1.90	-1.92
Bank balances released/pledged			0.00	-0.52	0.29	0.19	0.00	0.00
Interests received			0.82	0.39	0.43	0.30	0.24	0.20
Purchase of consolidated companies			0.00	0.00	-6.00	0.00	-0.68	-0.68
Cash flow from investing activities			-1.23	-2.35	-6.42	-1.41	-2.34	-2.40
Net cash inflow from capital stock increases deducting expenses			0.00	0.00	-0.05	0.00	0.00	0.00
Net cash flow from financial debt incl. leasing			-0.12	0.00	-0.35	0.14	0.03	0.03
Interests paid			0.00	0.00	0.00	-0.07	-0.07	-0.07
Cash flow from financing activities			-0.12	0.00	-0.40	0.07	-0.04	-0.04
Total change in cash and cash equivalents			-5.02	-6.98	-11.14	-4.40	-2.90	-1.21
Cash and cash equiv. at the start of the period			45.57	40.54	33.56	22.44	18.05	15.15
Cash and cash equiv. at the end of the period			40.54	33.56	22.42	18.05	15.15	13.94

Source: CBS Research AG, SFC Energy AG

Discounted Cash Flow Model

EURm	PHASE 1			PHASE 2							PHASE 3
	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	∞
Sales	28.1	32.7	37.4	41.8	46.0	50.5	55.6	58.4	61.3	62.8	
Sales growth	82.3%	16.4%	14.3%	11.6%	10.0%	10.0%	10.0%	5.0%	5.0%	2.5%	
EBIT	-2.2	-0.1	1.3	2.4	3.7	4.5	5.3	5.7	6.0	6.2	
EBIT margin	-7.9%	-0.2%	3.6%	5.8%	8.0%	9.0%	9.5%	9.8%	9.8%	9.8%	
Cash taxes on EBIT	-0.3	-0.4	-0.5	-0.5	-0.6	-0.8	-0.9	-1.0	-1.1	-1.6	
Depreciation and amortisation	1.9	2.1	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	
Change in long-term provisions	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Other non-cash items	-0.2	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	
Change in net working capital	-2.2	-1.9	-1.1	-0.8	-0.8	-0.8	-0.9	-0.5	-0.6	-0.3	
Net capital expenditure	-1.9	-1.9	-1.9	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.7	
Purchase of consolidated companies	0.0	-0.7	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free cash flow	-4.9	-3.1	-1.3	1.1	2.3	3.0	3.5	4.3	4.4	4.4	
Present values	-4.5	-2.6	-1.0	0.7	1.4	1.6	1.6	1.8	1.7	1.5	17.7
Present value Phase 1	-8.1										
Present value Phase 2	10.3										
Present value Phase 3	17.7										
Total present value	19.9										
+ Cash and non-operating assets	22.4										
- Financial debt	-0.8										
- Minority interest	0.0										
Fair value of equity	41.6										
Number of shares (m)	7.5										
Fair value per share (EUR)	5.54										

Risk free rate:	3.5%	Target equity ratio:	90.0%
Equity risk premium:	6.0%	Beta:	1.4
Debt risk premium:	3.0%	WACC:	11.1%
Tax shield:	26.5%	Terminal growth:	2.5%

Sensitivity analysis						
Terminal growth (Phase 3)						
		1.5%	2.0%	2.5%	3.0%	3.5%
	10.08%	5.84	6.02	6.21	6.43	6.69
	10.58%	5.54	5.69	5.85	6.04	6.25
WACC	11.08%	5.27	5.40	5.54	5.70	5.88
	11.58%	5.04	5.14	5.27	5.40	5.55
	12.08%	4.82	4.92	5.02	5.14	5.26

Source: CBS Research AG

Research



Schillerstrasse 27 - 29
60313 Frankfurt am Main

Phone: +49 (0)69 – 977 8456-0

Roger Peeters Member of the Board	+49 (0)69 -977 8456- 12 Roger.Peeters@cbseydlerresearch.ag	Igor Kim	+49 (0)69 -977 8456- 15 Igor.Kim@cbseydlerresearch.ag
Martin Decot	+49 (0)69 -977 8456- 13 Martin.Decot@cbseydlerresearch.ag	Gennadij Kremer	+49 (0)69 – 977 8456- 23 Gennadij.Kremer@cbseydlerresearch.ag
Anna von Klopmann	+49 (0)69 -977 8456- 10 Anna.Klopmann@cbseydlerresearch.ag	Ralf Marinoni	+49 (0)69 -977 8456- 17 Ralf.Marinoni@cbseydlerresearch.ag
Daniel Kukalj	+49 (0)69 – 977 8456- 21 Daniel.Kukalj@cbseydlerresearch.ag	Felix Parmantier	+49 (0)69 -977 8456- 22 Felix.Parmantier@cbseydlerresearch.ag
Manuel Martin	+49 (0)69 -977 8456- 16 Manuel.Martin@cbseydlerresearch.ag	Veysel Taze	+49 (0)69 -977 8456- 18 Veysel.Taze@cbseydlerresearch.ag
Marcus Silbe	+49 (0)69 -977 8456- 14 Marcus.Silbe@cbseydlerresearch.ag	Ivo Višić	+49 (0)69 -977 8456- 19 Ivo.Visic@cbseydlerresearch.ag

Institutional Sales



Schillerstrasse 27 – 29
60313 Frankfurt am Main

Phone: +49 (0)69 – 9 20 54-400

Raimar Bock Head of Sales	+49 (0)69 -9 20 54-115 Raimar.Bock@cbseydler.com	Sule Erkan (Sales-Support)	+49 (0)69 -9 20 54-107 Sule.Erkan@cbseydler.com
Rüdiger Eich (Germany, Switzerland)	+49 (0)69 -9 20 54-119 Ruediger.Eich@cbseydler.com	Klaus Korzilius (Benelux, Germany)	+49 (0)69 -9 20 54-114 Klaus.Korzilius@cbseydler.com
Dr. James Jackson (UK)	+49 (0)69 -9 20 54-113 James.Jackson@cbseydler.com	Markus Laifle (Execution)	+49 (0)69 -9 20 54-120 Markus.Laifle@cbseydler.com
Stefan Krewinkel (Execution, UK)	+49 (0)69 -9 20 54-118 Stefan.Krewinkel@cbseydler.com	Christopher Seedorf (Sales-Support)	+49 (0)69 -9 20 54-110 Christopher.Seedorf@cbseydler.com
Bruno de Lencquesaing (Benelux, France)	+49 (0)69 -9 20 54-116 Bruno.deLencquesaing@cbseydler.com	Bas-Jan Walhof (Benelux)	+49 (0)69 -9 20 54-105 Bas-Jan.Walhof@cbseydler.com
Janine Theobald (Austria, Germany)	+49 (0)69 -9 20 54-106 Janine.Theobald@cbseydler.com		

Disclaimer and statement according to § 34b German Securities Trading Act (“Wertpapierhandelsgesetz”) in combination with the provisions on financial analysis (“Finanzanalyseverordnung” FinAnV)

This report has been prepared independently of the company analysed by Close Brothers Seydler Research AG and/ or its cooperation partners and the analyst(s) mentioned on the front page (hereafter all are jointly and/or individually called the ‘author’). None of Close Brothers Seydler Research AG, Close Brothers Seydler Bank AG or its cooperation partners, the Company or its shareholders has independently verified any of the information given in this document.

Section 34b of the German Securities Trading Act in combination with the FinAnV requires an enterprise preparing a security analysis to point out possible conflicts of interest with respect to the company that is the subject of the analysis.

Close Brothers Seydler Research AG is a majority owned subsidiary of Close Brothers Seydler Bank AG (hereafter ‘CBS’). However, Close Brothers Seydler Research AG (hereafter ‘CBSR’) provides its research work independent from CBS. CBS is offering a wide range of Services not only including investment banking services and liquidity providing services (designated sponsoring). CBS or CBSR may possess relations to the covered companies as follows (additional information and disclosures will be made available upon request):

- a. CBS holds more than 5% interest in the capital stock of the company that is subject of the analysis.
- b. CBS was a participant in the management of a (co)consortium in a selling agent function for the issuance of financial instruments, which themselves or their issuer is the subject of this financial analysis within the last twelve months.
- c. CBS has provided investment banking and/or consulting services during the last 12 months for the company analysed for which compensation has been or will be paid for.
- d. CBS acts as designated sponsor for the company's securities on the basis of an existing designated sponsorship contract. The services include the provision of bid and ask offers. Due to the designated sponsoring service agreement CBS may regularly possess shares of the company and receives a compensation and/ or provision for its services.
- e. The designated sponsor service agreement includes a contractually agreed provision for research services.
- f. CBSR and the analysed company have a contractual agreement about the preparation of research reports. CBSR receives a compensation in return.
- g. CBS has a significant financial interest in relation to the company that is subject of this analysis.

In this report, the following conflicts of interests are given at the time, when the report has been published: d, f

CBS and/or its employees or clients may take positions in, and may make purchases and/ or sales as principal or agent in the securities or related financial instruments discussed in this analysis. CBS may provide investment banking, consulting, and/ or other services to and/ or serve as directors of the companies referred to in this analysis. No part of the authors compensation was, is or will be directly or indirectly related to the recommendations or views expressed.

Recommendation System:

Close Brothers Seydler Research AG uses a 3-level absolute share rating system. The ratings pertain to a time horizon of up to 12 months:

BUY: The expected performance of the share price is above +10%.

HOLD: The expected performance of the share price is between 0% and +10%.

SELL: The expected performance of the share price is below 0%.

Recommendation history over the last 12 months for the company analysed in this report:

Date	Recommendation	Price at change date	Price Target
24 February 2011	BUY (Initial Coverage)	EUR 4.55	EUR 6.50
28 April 2011	BUY	EUR 5.06	EUR 6.50
08 August 2011	BUY)	EUR 4.49	EUR 6.50
02 November 2011	BUY	EUR 4.10	EUR 5.50
26 January 2012	BUY	EUR 4.00	EUR 5.50
30 March 2012	BUY	EUR 3.95	EUR 5.50

Risk-scaling System:

Close Brothers Seydler Research AG uses a 3-level risk-scaling system. The ratings pertain to a time horizon of up to 6 months:

LOW: The volatility is expected to be lower than the volatility of the benchmark

MEDIUM: The volatility is expected to be equal to the volatility of the benchmark

HIGH: The volatility is expected to be higher than the volatility of the benchmark

The following valuation methods are used when valuing companies: Multiplier models (price/earnings, price/cash flow, price/book value, EV/Sales, EV/EBIT, EV/EBITA, EV/EBITDA), peer group comparisons, historical valuation approaches, discounting models (DCF, DDM), break-up value approaches or asset valuation approaches. The valuation models are dependent upon macroeconomic measures such as interest, currencies, raw materials and assumptions concerning the economy. In addition, market moods influence the valuation of companies.

The figures taken from the income statement, the cash flow statement and the balance sheet upon which the evaluation of companies is based are estimates referring to given dates and therefore subject to risks.

These may change at any time without prior notice.

The opinions and forecasts contained in this report are those of the author alone. Material sources of information for preparing this report are publications in domestic and foreign media such as information services (including but not limited to Reuters, VWD, Bloomberg, DPA-AFX), business press (including but not limited to B \ddot{o} rsenzeitung, Handelsblatt, Frankfurter Allgemeine Zeitung, Financial Times), professional publications, published statistics, rating agencies as well as publications of the analysed issuers. Furthermore, discussions were held with the management for the purpose of preparing the analysis. Potentially parts of the analysis have been provided to the issuer prior to going to press; no significant changes were made afterwards, however. Any information in this report is based on data considered to be reliable, but no representations or guarantees are made by the author with regard to the accuracy or completeness of the data. The opinions and estimates contained herein constitute our best judgment at this date and time, and are subject to change without notice. Possible errors or incompleteness of the information do not constitute grounds for liability, neither with regard to indirect nor to direct or consequential damages. The views presented on the covered company accurately reflect the personal views of the author. All employees of the author's company who are involved with the preparation and/or the offering of financial analyzes are subject to internal compliance regulations.

The report is for information purposes, it is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the securities mentioned in this report. Any reference to past performance should not be taken as indication of future performance. The author does not accept any liability whatsoever for any direct or consequential loss arising from any use of material contained in this report. The report is confidential and it is submitted to selected recipients only. The report is prepared for professional investors only and it is not intended for private investors. Consequently, it should not be distributed to any such persons. Also, the report may be communicated electronically before physical copies are available. It may not be reproduced (in whole or in part) to any other investment firm or any other individual person without the prior written approval from the author. The author is not registered in the United Kingdom nor with any U.S. regulatory body.

It has not been determined in advance whether and in what intervals this report will be updated. Unless otherwise stated current prices refer to the closing price of the previous trading day. Any reference to past performance should not be taken as indication of future performance. The author maintains the right to change his opinions without notice, i.e. the opinions given reflect the author's judgment on the date of this report.

This analysis is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor.

By accepting this report the recipient accepts that the above restrictions are binding. German law shall be applicable and court of jurisdiction for all disputes shall be Frankfurt am Main (Germany).

This report should be made available in the United States solely to investors that are (i) "major US institutional investors" (within the meaning of SEC Rule 15a-6 and applicable interpretations relating thereto) that are also "qualified institutional buyers" (QIBs) within the meaning of SEC Rule 144A promulgated by the United States Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act") or (ii) investors that are not "US Persons" within the meaning of Regulation S under the Securities Act and applicable interpretations relating thereto. The offer or sale of certain securities in the United States may be made to QIBs in reliance on Rule 144A. Such securities may include those offered and sold outside the United States in transactions intended to be exempt from registration pursuant to Regulation S. This report does not constitute in any way an offer or a solicitation of interest in any securities to be offered or sold pursuant to Regulation S. Any such securities may not be offered or sold to US Persons at this time and may be resold to US Persons only if such securities are registered under the Securities Act of 1933, as amended, and applicable state securities laws, or pursuant to an exemption from registration.

This publication is for distribution in or from the United Kingdom only to persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom or any order made there under or to investment professionals as defined in Section 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and is not intended to be distributed or passed on, directly or indirectly, to any other class of persons.

This publication is for distribution in Canada only to pension funds, mutual funds, banks, asset managers and

insurance companies.

The distribution of this publication in other jurisdictions may be restricted by law, and persons into whose possession this publication comes should inform themselves about, and observe, any such restrictions. In particular this publication may not be sent into or distributed, directly or indirectly, in Japan or to any resident thereof.

Responsible Supervisory Authority:

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, Federal Financial Supervisory Authority)

Graurheindorferstraße 108

53117 Bonn

and

Lurgiallee 12

60439 Frankfurt

 Close Brothers Seydler
Research AG

Schillerstraße 27-29

60313 Frankfurt am Main

www.cbseidlerresearch.ag

Tel.: 0049 - (0)69 - 97 78 45 60