

PNE WIND AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: PNE3 GR
 ISIN: DE000A0JBPG2

Q3 figures

RATING
BUY

PRICE TARGET
€ 3.70

Return Potential 28.1%
 Risk Rating High

GUIDANCE INCREASED – RAISING PRICE TARGET

On 8 November, PNE Wind reported Q3 figures and held a conference call. EBIT amounted to €28.6m and was significantly above the previous year's figure and our forecast. The reasons for the excellent result were project rights sales in the US and Sweden, and a subsequent purchase price payment for the optimisation of the financing of the 142 MW wind farm portfolio sold to Allianz last year. Based on the strong 9M results, PNE increased its EBIT guidance to €17-23m (previously: €0-15m). We have increased our 2017E forecast and now expect EBIT close to the upper end of the guidance range. An updated DCF model yields a new price target of €3.70 (previously: €3.50). We confirm our Buy rating.

Strong Q3 EBIT Q3 EBIT amounted to €28.6m (Q3/16: €8.6m, FBe: €11.4m) PNE benefited from a subsequent purchase price payment of €21.4m for the financial optimisation of the 142 MW portfolio, 80% of which was sold last year. PNE succeeded in increasing the portfolio's debt ratio and achieved cost reductions. This increased the portfolio's enterprise value from ca. €330m to ca. €360m, which also resulted in a revaluation of PNE's 20% stake in the portfolio and led to an additional EBIT effect of €5.4m. Furthermore, PNE sold the project rights for the 80 MW "Vivaldi" wind farm in the US to Pattern Energy, and for the 25.2 MW "Laxaskogen" wind farm in Sweden to a German investment group. The net result rose from €5.0m to €22.8m (FBe: €7.4m). On a 9M basis, PNE generated EBIT of €23.7m and a net result of €16.3m (see figure 1 overleaf).

Guidance increased Based on the excellent 9M EBIT, PNE increased its 2017 EBIT guidance from €0-15m to €17-23m. Reaching the upper end of the guidance depends on the sale of a French 9 MW wind farm, which is already in the selling process. We believe that it is highly likely that the sale will be concluded by the end of this year.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2014	2015	2016	2017E	2018E	2019E
Revenue (€m)	211.27	109.52	248.58	122.30	180.62	198.69
Y-o-y growth	46.7%	-48.2%	127.0%	-50.8%	47.7%	10.0%
EBIT (€m)	2.68	9.77	97.04	22.42	16.64	18.78
EBIT margin	1.3%	8.9%	39.0%	18.3%	9.2%	9.5%
Net income (€m)	-12.99	3.47	68.97	12.26	9.43	9.03
EPS (diluted) (€)	-0.21	0.05	0.88	0.16	0.12	0.11
DPS (€)	0.04	0.04	0.12	0.04	0.04	0.04
FCF (€m)	-34.33	-105.38	-44.27	-12.98	-87.66	-98.73
Net gearing	64.9%	98.1%	-12.6%	-3.1%	33.2%	72.2%
Liquid assets (€m)	72.18	86.08	147.69	133.36	77.63	80.84

RISKS

Risks to our price target include, but are not limited to: changes in legislation, project financing risks, project delays, and project approval risks.

COMPANY PROFILE

PNE WIND AG is an international wind energy project developer for on- and offshore wind farms. The company is based in Cuxhaven, Germany.

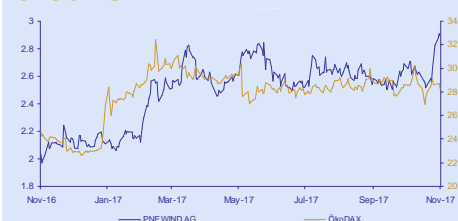
MARKET DATA

As of 08 Nov 2017

Closing Price	€ 2.89
Shares outstanding	76.56m
Market Capitalisation	€ 221.17m
52-week Range	€ 1.97 / 2.91
Avg. Volume (12 Months)	252,801

Multiples	2016	2017E	2018E
P/E	3.3	18.3	23.6
EV/Sales	0.8	1.6	1.1
EV/EBIT	2.1	9.0	12.1
Div. Yield	4.2%	1.4%	1.4%

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2017

Liquid Assets	€ 162.59m
Current Assets	€ 301.67m
Intangible Assets	€ 66.97m
Total Assets	€ 438.95m
Current Liabilities	€ 168.34m
Shareholders' Equity	€ 234.47m

SHAREHOLDERS

Internat. Kapitalanlageges. mbH	10.0%
Active Ownership Fund SCS	5.1%
Axxion S.A.	3.2%
Free Float	81.8%

**Figure 1: Reported results versus forecasts**

All figures in €m	Q3-17A	Q3-17E	Delta	Q3-16	Delta	9M 2017	9M 2016	Delta
Sales	41.79	45.55	-8.3%	32.29	29.4%	81.24	77.09	5.4%
EBIT	28.61	11.35	152.0%	8.62	231.8%	23.66	7.81	202.8%
margin	68.5%	24.9%		26.7%		29.1%	10.1%	
Net income	22.80	7.36	210.0%	5.01	354.7%	16.32	-2.76	-
margin	54.6%	16.1%		15.5%		20.1%	-3.6%	
EPS (diluted) in €	0.29	0.09	222.2%	0.07	314.3%	0.21	-0.03	-

Source: First Berlin Equity Research, PNE WIND AG

Strong balance sheet Short-term debt rose significantly from €11m at the end of 2016 to €120m as the €100m corporate bond will be due in May 2018. Accordingly, long-term debt fell from €116m to €30m. In total, financial debt increased from €127m to €150m, the cash position was up €15m at €163m, and PNE had a net cash position of €13m. Equity rose to €234m from €229m at the end of 2016. The equity ratio remained high at 53%.

Positive cash flow from investing activities Operating cash outflow of €33.8m was largely balanced by positive cash flow from investing activities (€28.8m) due mainly to the inflow of funds from the disposal of consolidated entities (€39.6m). Cash inflow from financing activities amounted to €19.9m due mainly to an inflow of funds from loans (€30.5m). Net cash flow was €14.9m.

Construction activity remains high Projects with a total capacity of 94 MW were under construction in Q3: 53 MW in Germany and 41 MW in France, of which 32 MW belong to a framework deal with John Laing.

200+ MW portfolio taking shape PNE continues to develop a European wind farm portfolio with a total capacity of more than 200 MW. PNE plans to sell this portfolio in 2019/20. This means that earnings will be postponed into 2019/20 whereas costs will be booked according to the progress of the portfolio development. We therefore expect subdued net results in 2018E & 2019E and a very high net result in 2020E. Portfolio projects with a total capacity of 43 MW are already under construction and are to be completed by the end of this year.

2017E forecast increased Based on the very good 9M EBIT and the high likelihood that the French 9 MW wind farm will be sold this year, we increase our 2017E EBIT estimate from €12.3m to €22.4m (see figure 2 overleaf). We have lowered our revenue forecast, as PNE will sell more project rights and, respectively, less commissioned projects in 2017E than expected. We stick to our 2018 EBIT forecast as we already see sufficient business opportunities to reach our estimate. PNE has a well-filled French project pipeline (82 MW in phase III), the 200 MW Chilocco project in the US looks set to be sold next year, another Swedish project may be up for sale (phase III projects at the end of Q3: 59 MW) and we expect a new tender in South Africa. Furthermore, Vattenfall may be successful in the 2018 German offshore tender round with Atlantis I triggering another milestone payment.

**Figure 2: Revisions to forecasts**

All figures in €m	2017E			2018E			2019E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	142.30	122.30	-14.1%	180.62	180.62	0.0%	198.69	198.69	0.0%
EBIT	12.32	22.42	82.0%	16.64	16.64	0.0%	18.78	18.78	0.0%
<i>margin</i>	8.7%	18.3%		9.2%	9.2%		9.5%	9.5%	
Net income	4.22	12.26	190.3%	9.43	9.43	0.0%	9.03	9.03	0.0%
<i>margin</i>	3.0%	10.0%		5.2%	5.2%		4.5%	4.5%	
EPS (diluted) in €	0.06	0.16	163.5%	0.12	0.12	0.0%	0.11	0.11	0.0%

Source: First Berlin Equity Research

Buy reiterated at increased price target An updated DCF model yields a new price target of €3.70 (previously: €3.50). We reiterate our Buy rating.



VALUATION MODEL

DCF valuation model								
All figures in EUR '000								
	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Net sales	122,300	180,624	198,686	288,095	201,667	205,700	209,814	214,010
NOPLAT	19,828	14,754	16,940	94,279	15,017	14,172	13,354	13,299
+ depreciation & amortisation	6,473	9,021	13,636	18,974	5,504	6,073	6,568	6,995
Net operating cash flow	26,301	23,775	30,576	113,253	20,521	20,245	19,923	20,294
- total investments (CAPEX, WC, other)	-31,829	-105,032	-120,210	187,594	13,691	-11,468	-11,004	-10,513
Capital expenditures	-70,934	-68,637	-103,317	172,857	-11,825	-11,575	-11,311	-11,031
Working capital	41,115	-35,585	-16,188	15,332	23,995	-1,635	-1,668	-1,702
Free cash flows (FCF)	-5,527	-81,257	-89,634	300,848	34,212	8,776	8,919	9,781
PV of FCF's	-5,473	-75,131	-77,387	242,494	25,749	6,168	5,853	5,992

All figures in thousands	
PV of FCFs in explicit period (2017E-2031E)	171,615
PV of FCFs in terminal period	107,994
Enterprise value (EV)	279,609
+ Net cash / - net debt	20,063
+ Investments / minority interests	-5,393
Shareholder value	294,279

Fair value per share in EUR	3.70
-----------------------------	------

WACC	7.1%
Cost of equity	11.8%
Pre-tax cost of debt	7.0%
Tax rate	25.0%
After-tax cost of debt	5.3%
Share of equity capital	28.0%
Share of debt capital	72.0%
Fair value per share in EUR	3.70

	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
4.1%	6.18	6.45	7.02	7.85	9.21	11.81	18.79
5.1%	5.00	5.06	5.30	5.63	6.09	6.77	7.86
6.1%	4.21	4.19	4.31	4.47	4.67	4.94	5.30
7.1%	3.65	3.59	3.66	3.74	3.84	3.97	4.13
8.1%	3.23	3.22	3.19	3.24	3.29	3.36	3.44
9.1%	2.89	2.81	2.83	2.86	2.89	2.93	2.97
10.1%	2.61	2.54	2.55	2.57	2.59	2.61	2.63

* for layout purposes the model shows numbers only to 2024, but runs until 2031



INCOME STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Revenues	211,268	109,524	248,577	122,300	180,624	198,686
Change in inventories	19,078	116,096	1,591	20,000	0	0
Other operating income	3,603	7,707	9,075	10,396	5,419	5,961
Total aggregate output	233,949	233,327	259,244	152,696	186,043	204,647
Cost of goods sold	-170,496	-154,934	-96,951	-74,603	-106,568	-116,947
Gross profit	59,850	70,686	153,218	47,697	74,056	81,740
Personnel costs	-27,041	-29,254	-25,423	-24,200	-26,414	-27,283
Other operating expenses	-25,206	-29,504	-26,946	-25,000	-27,400	-28,000
EBITDA	11,206	19,635	109,924	28,893	25,661	32,417
Depreciation and amortisation	-8,526	-9,870	-12,884	-6,473	-9,021	-13,636
Operating income (EBIT)	2,680	9,765	97,040	22,420	16,639	18,781
Interest Expense	-14,934	-16,381	-17,331	-10,731	-10,035	-12,802
Interest Income	2,422	1,743	1,111	367	722	795
Income from participations & ass. companies	-5,334	-86	736	900	2,100	2,205
Pre-tax income (EBT)	-15,166	-4,959	81,556	12,956	9,427	8,979
Income taxes	-3,131	3,570	-14,476	-2,591	-1,885	-1,841
Minority interests	5,305	4,863	1,893	1,893	1,893	1,893
Net income / loss	-12,992	3,474	68,973	12,257	9,434	9,031
Diluted EPS (in €)	-0.21	0.05	0.88	0.16	0.12	0.11
Ratios						
Gross margin	28.3%	64.5%	61.6%	39.0%	41.0%	41.1%
EBITDA margin on revenues	5.3%	17.9%	44.2%	23.6%	14.2%	16.3%
EBIT margin on revenues	1.3%	8.9%	39.0%	18.3%	9.2%	9.5%
Net margin on revenues	-6.1%	3.2%	27.7%	10.0%	5.2%	4.5%
Tax rate	-20.6%	72.0%	17.7%	20.0%	20.0%	20.5%
Expenses as % of revenues						
Personnel costs	12.8%	26.7%	10.2%	19.8%	14.6%	13.7%
Depreciation and amortisation	4.0%	9.0%	5.2%	5.3%	5.0%	6.9%
Other operating expenses	11.9%	26.9%	10.8%	20.4%	15.2%	14.1%
Y-Y Growth						
Revenues	46.7%	-48.2%	127.0%	-50.8%	47.7%	10.0%
Operating income	-93.8%	264.4%	893.7%	-76.9%	-25.8%	12.9%
Net income/ loss	n.m.	n.m.	1885.4%	-82.2%	-23.0%	-4.3%



BALANCE SHEET

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Assets						
Current assets, total	265,935	236,033	289,776	230,901	216,019	237,120
Cash and cash equivalents	72,175	86,075	147,686	133,355	77,633	80,841
Short-term investments	0	0	0	0	0	0
Receivables	20,098	7,969	13,187	10,052	17,320	21,774
Inventories	152,389	121,177	112,946	71,537	105,108	118,549
Other current assets	20,075	19,332	15,203	15,203	15,203	15,203
Non-current assets, total	150,900	252,231	142,218	206,679	266,295	355,976
Property, plant & equipment	73,655	167,347	39,230	103,691	163,307	252,988
Goodwill & other intangibles	63,926	63,105	67,400	67,400	67,400	67,400
Long-term investments / ass. companies	0	0	0	0	0	0
Other assets	13,319	21,779	35,588	35,588	35,588	35,588
Total assets	416,835	488,264	431,994	437,580	482,314	593,096
Shareholders' equity & debt						
Current liabilities, total	95,034	84,858	73,922	72,206	82,460	205,324
Short-term debt	34,940	35,857	2,163	10,000	15,000	136,158
Accounts payable	21,476	16,852	15,692	12,264	17,518	19,224
Current provisions	3,908	6,291	3,968	3,968	3,968	3,968
Other current liabilities	34,710	25,858	52,099	45,974	45,974	45,974
Long-term liabilities, total	161,606	237,478	128,685	128,685	158,685	142,527
Long-term debt	141,207	215,975	115,860	115,860	145,860	129,702
Deferred revenue	0	0	0	0	0	0
Other liabilities	20,399	21,503	12,825	12,825	12,825	12,825
Minority interests	33	-3,102	-5,393	-7,286	-9,179	-11,072
Shareholders' equity	160,162	169,030	234,781	243,976	250,348	256,317
Share capital	71,975	76,555	76,556	76,556	76,556	76,556
Capital reserve	77,803	82,287	82,288	82,288	82,288	82,288
Other reserves	-296	-724	-997	-997	-997	-997
Treasury stock	0	0	0	0	0	0
Retained earnings	10,680	10,912	76,934	86,129	92,501	98,471
Total consolidated equity and debt	416,835	488,264	431,994	437,580	482,314	593,096
Ratios						
Current ratio (x)	2.80	2.78	3.92	3.20	2.62	1.15
Quick ratio (x)	1.19	1.35	2.39	2.21	1.35	0.58
Net cash	-103,972	-165,757	29,663	7,495	-83,227	-185,019
Net gearing	64.9%	98.1%	-12.6%	-3.1%	33.2%	72.2%
Book value per share (€)	2.60	2.20	2.99	3.10	3.18	3.26
Tangible book value per share (€)	1.62	1.41	2.18	2.30	2.38	2.45
Equity ratio (incl. minorities)	38.4%	34.0%	53.1%	54.1%	50.0%	41.4%
Return on equity (ROE)	-8.1%	2.1%	29.4%	5.0%	3.8%	3.5%
Days sales outstanding (DSO)	34.7	26.6	19.4	30.0	35.0	40.0
Days inventory outstanding (DIO)	326.2	285.5	425.2	350.0	360.0	370.0
Days payables outstanding (DPO)	46.0	39.7	59.1	60.0	60.0	60.0



CASH FLOW STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
EBIT	2,681	9,765	97,040	22,420	16,639	18,781
Depreciation and amortisation	8,554	9,898	12,884	6,473	9,021	13,636
EBITDA	11,235	19,663	109,924	28,893	25,661	32,417
Changes in working capital	-28,886	-74,556	58,583	41,115	-35,585	-16,188
Other adjustments	-11,845	-47,582	-104,081	-12,055	-9,098	-11,643
Operating cash flow	-29,496	-102,475	64,426	57,953	-19,022	4,586
Investments in PP&E	-4,829	-2,903	-108,699	-70,934	-68,637	-103,317
Investments in intangibles	0	0	0	0	0	0
Free cash flow	-34,325	-105,378	-44,273	-12,981	-87,659	-98,731
Acquisitions & disposals, net	-81	23,258	106,876	0	0	0
Other investments	0	-255	-418	0	0	0
Cash flow from investing	-4,910	20,100	-2,241	-70,934	-68,637	-103,317
Debt financing, net	11,137	97,715	23,171	7,837	35,000	105,000
Equity financing, net	33,435	9,454	0	0	0	0
Dividends paid	-8,229	-3,062	-3,062	-9,187	-3,062	-3,062
Other financing	-2,302	-2,221	0	0	0	0
Cash flow from financing	34,041	101,886	20,109	-1,350	31,938	101,938
Forex and other changes in cash	-4,862	-5,611	-20,684	0	0	0
Net cash flows	-5,227	13,900	61,609	-14,331	-55,722	3,207
Cash, start of the year	77,402	72,175	86,076	147,686	133,355	77,633
Cash, end of the year	72,175	86,075	147,686	133,355	77,633	80,841
EBITDA/share (in €)	0.18	0.26	1.40	0.37	0.33	0.41
Operating cashflow/share (in €)	-0.48	-1.33	0.82	0.74	-0.24	0.06

Y-Y Growth

Operating cash flow	n.m.	n.m.	n.m.	-10.0%	n.m.	n.m.
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	-81.2%	40.4%	447.5%	-73.7%	-11.2%	26.3%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	31 March 2008	€2.38	Buy	€4.50
2...86	↓	↓	↓	↓
87	10 May 2017	€2.66	Buy	€3.40
88	13 July 2017	€2.60	Buy	€3.50
89	14 August 2017	€2.62	Buy	€3.50
90	Today	€2.89	Buy	€3.70

Authored by: Dr. Karsten von Blumenthal, Analyst

Company responsible for preparation:

First Berlin Equity Research GmbH

Mohrenstraße 34
10117 Berlin

Tel. +49 (0)30 - 80 93 96 85 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).