

Vita 34 AG

Germany / Health care
 Primary exchange: Frankfurt
 Bloomberg: V3V GR
 ISIN: DE000A0BL849

Q1 2013 Results

RATING
BUY

PRICE TARGET
€5.20

Return Potential 76.3%
 Risk Rating Medium

COST CONTAINMENT BEGINS TO PAY OFF

Vita 34 published solid Q1 2013 results on 25 April. Sales and operating income were in line with our expectations. The company looks set to achieve its FY 2013 guidance. Vita 34 predicts a moderate increase in sales and a significant improvement in EBITDA for the current fiscal year. 2014 sales are also forecast to increase moderately and the company's EBITDA margin is expected to be above 10%. Based on revised estimates for 2013E and subsequent years our updated DCF model yields an unchanged price target of EUR5.20. We reiterate our Buy rating.

Sales development Q1 2013 According to management the market environment for umbilical cord blood storages in Germany and Spain remained challenging during the first three months 2013. Vita 34 registered 1,614 storages in Q1 2013, which corresponds to a decrease of 6.8% y/y (1,732 storages in Q1/12) or 12.6% q/q (1,847 storages in Q4/12) respectively. However, sales increased to EUR3.17m (FBe: EUR3.23m; Q1/12: EUR3.15m). Sales of Vita 34's Spanish activities remained at prior year's level (EUR805k), whereas the firm's DACH (Germany, Austria and Switzerland) activities generated slightly higher revenue of EUR2.53m (Q1/12: EUR2.48m).

Operating income development Q1 2013 Due to cost savings (mainly sales & marketing expenditures: -26.5% y/y to EUR1.16m), EBITDA improved to EUR342k (FBe: EUR371k; Q1/12: EUR-27k). EBIT came in at EUR56k (FBe: EUR82k; Q1/12: EUR-287k). While EBIT in the DACH region improved markedly y/y to EUR269k (Q1/12: EUR-202k), EBIT of Spanish activities deteriorated further to EUR-213k (Q1/12: EUR-85k) because of exceptional burdens. Due to higher tax expenses, net income amounted to EUR-20k (FBe: EUR70k; Q1/12: EUR-210k). EPS for the period was EUR0.00 (FBe: EUR0.02; Q1/12: EUR-0.08).

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2010 | 2011 | 2012 | 2013E | 2014E | 2015E |
|--------------------|-------|-------|--------|-------|-------|-------|
| Revenue (€m) | 16.96 | 16.00 | 13.60 | 14.08 | 14.67 | 15.36 |
| Y-o-y growth | n.a. | -5.7% | -15.0% | 3.5% | 4.2% | 4.7% |
| EBIT (€m) | 0.74 | -0.34 | -0.74 | -0.14 | 0.40 | 0.74 |
| EBIT margin | 4.4% | -2.1% | -5.5% | -1.0% | 2.7% | 4.8% |
| Net income (€m) | 0.35 | 1.26 | -0.58 | -0.17 | 0.42 | 0.71 |
| EPS (diluted) (€) | 0.13 | 0.48 | -0.20 | -0.05 | 0.14 | 0.23 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FCF (€m) | 0.03 | -1.69 | 1.36 | -0.01 | 0.55 | 0.68 |
| Net gearing | 93.0% | 74.6% | 79.7% | 71.5% | 69.9% | 67.8% |
| Liquid assets (€m) | 3.69 | 3.03 | 3.50 | 1.70 | 2.25 | 2.93 |

RISKS

Risks to our price target include but are not limited to: marketing risk, competition risk, financial risk, and a lack of progress in scientific research.

COMPANY PROFILE

Vita 34 AG is a private umbilical-cord blood bank headquartered in Leipzig, Germany. The company offers expectant parents the one-time opportunity to preserve and store their baby's umbilical-cord blood for potential medical use.

MARKET DATA

As of 30 Apr 2013

| | |
|-------------------------|---------------|
| Closing Price | € 2.95 |
| Shares outstanding | 3.03m |
| Market Capitalisation | € 8.93m |
| 52-week Range | € 2.51 / 3.35 |
| Avg. Volume (12 Months) | 1,320 |

| Multiples | 2012 | 2013E | 2014E |
|------------|------|-------|-------|
| P/E | n.a. | n.a. | 21.1 |
| EV/Sales | 0.8 | 0.8 | 0.7 |
| EV/EBIT | n.a. | n.a. | 27.6 |
| Div. Yield | 0.0% | 0.0% | 0.0% |

STOCK OVERVIEW



COMPANY DATA

As of 31 Mar 2013

| | |
|----------------------|----------|
| Liquid Assets | € 2.66m |
| Current Assets | € 7.21m |
| Intangible Assets | € 21.31m |
| Total Assets | € 35.43m |
| Current Liabilities | € 4.44m |
| Shareholders' Equity | € 20.47m |

SHAREHOLDERS

| | |
|------------------------------|-------|
| Founder/Management | 20.4% |
| Landesbank Baden-Württemberg | 13.8% |
| HSCI OJSC | 10.5% |
| Elvaston Partners GmbH | 7.8% |
| Free Float | 47.5% |



Balance sheet and cash flow Given the significant improvement y/y at the net level, Vita 34's equity position remained almost unchanged q/q (EUR20.47m; end of F12: EUR20.49m). Due to the decrease in total assets, the firm's equity ratio improved to 57.8% (end of FY12: 56.0%).

While Vita 34's operating cash flow was solid (EUR167k; Q1/12: EUR217k), net cash flow declined to EUR-839k (Q1/12: EUR-479k) due mainly to the repayment of financial debt.

Consequently, financial debt (short- & long-term) decreased to EUR1.30m (end of FY12: EUR2.14m). Liquid funds at the end of Q1 2013 amounted to EUR2.66m (end of FY12: EUR3.50m).

Guidance for 2013E and 2014E For the current fiscal year, Vita 34 predicts a moderate increase in sales and a significant improvement in the firm's EBITDA to roughly EUR1m. The firm's EBITDA margin in 2013E is expected to be around 7%.

Sales are also expected to increase moderately in 2014E. Moreover, Vita 34 predicts an increase in the company's EBITDA margin to more than 10%.

Growth prospects FY 2012 has been a year of transition for Vita 34. Following the acquisition of BioPlanta and given the pending approval of the production permit for the collection and processing of umbilical cord tissue, the company is now more diversified with regard to products and services as well as the regional markets it operates in:

Products & Services Vita 34's new product "VitaPlusUmbilicalCord" allows storage of the entire umbilical cord (see our comment dated 2 November 2012). Approval of the production permit for the collection and processing of umbilical cord tissue in accordance with the German Pharmaceuticals Act is expected in the near term.

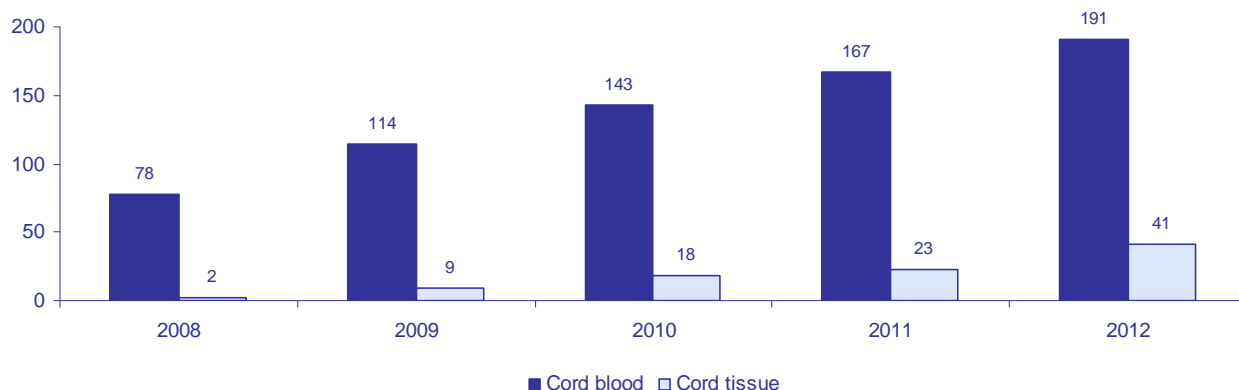
According to "Bioinformant", Vita 34 is following a trend within the cord blood banking industry by introducing VitaPlusUmbilicalCord. At the moment, there is still a comparably low market penetration of companies' that are offering storage solutions for both, umbilical cord blood and tissue (roughly 20% of private cord blood banks in the US, according to Bioinformant). Since umbilical cord blood ("UCB") and tissue contain different types of stem cells, each have the potential to treat different kinds of diseases. The increasing significance of cord blood tissue can be seen in the year-on-year growth rates of clinical trials that are conducted with stem cells derived from cord blood tissue (see table below). Clinical research with cord blood tissue stem cells includes treatment for:

- Cartilage repair
- Diabetes
- Heart disease
- HIV
- Liver disease
- Stroke
- Serious wounds
- Spinal cord injury.

Table 1: Stem cells derived from cord tissue and cord blood

| Source | Stem cell type | Description | No. of clinical trials conducted in 2012 | No. of clinical trials conducted in 2011 | y/y growth |
|-------------|----------------|---|--|--|------------|
| Cord tissue | Mesenchymal | Form primarily structural and connective tissue | 41 | 23 | 78% |
| Cord blood | Hematopoietic | Form primarily blood and immune cells | 191 | 167 | 14% |

Source: First Berlin Equity Research, Bioinformant

Figure 1: Clinical trials conducted with stem cells derived from...

Source: First Berlin Equity Research, Bioinformant

With regard to product diversification, acquisition of BioPlanta in the past fiscal year has also been an important step (see our comment dated 18 June 2012). BioPlanta develops biological processes for cell and tissue culture to use them for optimisation and multiplication of cells and plants.

With its new product VitaPlusUmbilicalCord, Bioplanta's know-how in the field of herbal stem cells and the expected expansion into the field of induced pluripotent stem (ips) cells, the firm is on the verge of transforming from an umbilical cord blood bank into a stem cell bank.

Regional expansion Due to its presence in numerous markets abroad, acquisition of BioPlanta also accelerated Vita 34's regional expansion. The company's expansion strategy is based on co-operation agreements and the firm's "Vita 34 bag", an enclosed collection system which allows preparation of umbilical cord blood for preservation in any laboratory. Agreements also include certification and training of the co-operation partner's staff.

Table 2: International competition

| Country | No. of blood banks * | Global market share ** |
|-------------------|----------------------|------------------------|
| USA | 70 | 14.4% |
| Italy | 23 | 4.7% |
| Spain | 21 | 4.3% |
| India | 19 | 3.9% |
| United Kingdom | 17 | 3.5% |
| Canada | 15 | 3.1% |
| Germany | 13 | 2.7% |
| Israel | 13 | 2.7% |
| Brazil | 11 | 2.3% |
| Belgium | 11 | 2.3% |
| Australia | 10 | 2.1% |
| Poland | 10 | 2.1% |
| Chile | 10 | 2.1% |
| Cyprus | 9 | 1.9% |
| China | 9 | 1.9% |
| Rest of the World | 224 | 46.2% |
| Total | 485 | 100.0% |

* Public and private cord blood banks

** % of cord blood banks worldwide

Source: First Berlin Equity Research, wissensschau.de; Bioinformant



According to management there is high demand especially in South East Europe. Vita 34's co-operation partner in Serbia for example is registering high demand from South European customers that used to store their UCB in Greece and are now searching for a "safer" storage solution. High demand from southern and south-eastern European countries is no surprise since these countries show higher birth rates when compared to other European countries (for example Cyprus: 12.6 births/1,000 population; Bosnia: 12.6 births/1,000 population; Germany: 8.3 births/1,000 population; Austria: 8.7 births/1,000 population).

Table 3: Market potential EU27 (selected markets)

| Country | Birth rate * | Population ** | Births |
|----------------|--------------|---------------|-----------|
| Germany | 0.00833 | 81.73 | 680,778 |
| United Kindom | 0.01071 | 60.46 | 647,554 |
| Italy | 0.00872 | 60.77 | 529,914 |
| Spain | 0.01006 | 47.27 | 475,489 |
| Poland | 0.00985 | 38.22 | 376,428 |
| Romania | 0.01070 | 21.39 | 228,873 |
| Netherlands | 0.01090 | 16.70 | 181,986 |
| Belgium | 0.01048 | 11.01 | 115,364 |
| Portugal | 0.01072 | 10.60 | 113,653 |
| Greece | 0.00968 | 10.82 | 104,691 |
| Hungary | 0.00972 | 9.97 | 96,879 |
| Czech Republic | 0.00902 | 10.53 | 94,951 |
| Austria | 0.00874 | 8.49 | 74,190 |
| Bulgaria | 0.00966 | 7.36 | 71,142 |
| Ireland | 0.01445 | 4.58 | 66,199 |
| Slovakia | 0.01065 | 5.40 | 57,556 |
| Lithuania | 0.00875 | 3.20 | 28,026 |
| Latvia | 0.00924 | 2.22 | 20,513 |
| Slovenia | 0.00898 | 2.06 | 18,478 |
| Estonia | 0.00991 | 1.34 | 13,279 |
| Cyprus | 0.01256 | 0.89 | 11,116 |
| Luxembourg | 0.01194 | 0.52 | 6,173 |
| Malta | 0.01022 | 0.42 | 4,282 |
| Total | | | 4,017,515 |

* births/1,000 population

** in millions

Source: First Berlin Equity Research

China and India would also be lucrative markets for the company (due to large population and attractive birth rates). Despite the local birth control, the Chinese birth rate of 13.1 births per 1,000 population is higher than in (most) European countries. The Indian birth rate is even higher (22.0 births/1,000 population).

According to research published by the University of Kansas, comparably low penetration rates for the cord blood banking industry and increasing interest in cord blood banking will lead to attractive growth rates in the future - especially in India. We would thus welcome if Vita 34 stepped up efforts to find a co-operation partner in India as well.

**Table 4: Market potential European periphery**

| Country | Birth rate * | Population ** | Births |
|-----------------------|--------------|---------------|-----------|
| Russia | 0.00995 | 141.93 | 1,412,204 |
| Turkey | 0.01662 | 74.72 | 1,241,917 |
| Ukraine | 0.00882 | 45.67 | 402,768 |
| Israel | 0.01797 | 8.00 | 143,800 |
| Serbia and Montenegro | 0.01211 | 10.83 | 131,141 |
| Macedonia | 0.01202 | 7.75 | 93,190 |
| Switzerland | 0.00971 | 7.91 | 76,777 |
| Moldova | 0.01570 | 3.56 | 55,876 |
| Albania | 0.01508 | 3.22 | 48,497 |
| Bosnia-Herzegovina | 0.01249 | 3.75 | 46,865 |
| Croatia | 0.00961 | 4.48 | 43,053 |
| Total | | | 3,696,089 |

* births/1,000 population

** in millions

Source: First Berlin Equity Research

Table 5: Market potential Americas

| Country | Birth rate * | Population ** | Births |
|--------------------|--------------|---------------|------------|
| USA | 0.01414 | 313.91 | 4,438,745 |
| Brazil | 0.01683 | 196.66 | 3,309,704 |
| Mexico | 0.02069 | 112.34 | 2,324,243 |
| Colombia | 0.02048 | 46.93 | 961,068 |
| Argentina | 0.01690 | 40.76 | 688,921 |
| Peru | 0.02048 | 29.55 | 605,122 |
| Venezuela | 0.01872 | 29.28 | 548,084 |
| Canada | 0.01078 | 34.48 | 371,724 |
| Ecuador | 0.02267 | 14.67 | 332,479 |
| Chile | 0.01544 | 16.63 | 256,838 |
| Bolivia | 0.02376 | 10.39 | 246,864 |
| Dominican Republic | 0.02328 | 10.46 | 243,613 |
| Honduras | 0.02824 | 7.99 | 225,621 |
| Paraguay | 0.02910 | 6.57 | 191,137 |
| El Salvador | 0.02704 | 6.23 | 168,391 |
| Nicaragua | 0.02451 | 5.87 | 143,870 |
| Costa Rica | 0.01860 | 4.73 | 87,914 |
| Panama | 0.02174 | 3.33 | 72,450 |
| Jamaica | 0.02082 | 2.71 | 56,408 |
| Puerto Rico | 0.01277 | 3.75 | 47,923 |
| Uruguay | 0.01391 | 3.37 | 46,857 |
| Total | | | 15,367,977 |

* births/1,000 population

** in millions

Source: First Berlin Equity Research

**Table 6: Market potential Australasia**

| Country | Birth rate * | Population ** | Births |
|-----------------|--------------|---------------|------------|
| India | 0.02201 | 1241.49 | 27,325,238 |
| China | 0.01314 | 1344.13 | 17,661,868 |
| Indonesia | 0.02034 | 242.33 | 4,928,903 |
| The Philippines | 0.02489 | 92.34 | 2,298,289 |
| Vietnam | 0.01686 | 87.84 | 1,480,982 |
| Japan | 0.00937 | 127.82 | 1,197,648 |
| Thailand | 0.01387 | 69.52 | 964,273 |
| Malaysia | 0.02286 | 28.86 | 659,720 |
| South Korea | 0.01000 | 50.00 | 500,000 |
| Taiwan | 0.01256 | 23.13 | 290,486 |
| Australia | 0.01226 | 22.62 | 277,329 |
| New Zealand | 0.01376 | 4.45 | 61,163 |
| Hong Kong | 0.00729 | 7.07 | 51,552 |
| Singapore | 0.00934 | 5.18 | 48,416 |
| Total | | | 57,745,868 |

* births/1,000 population

** in million

Source: First Berlin Equity Research

New customers Expansion of the B2B business is also expected to fuel future growth. In our view Vita 34 will intensify co-operation with research institutions in order to establish itself as stem cell bank for all kinds of stem cells. We believe that Vita 34's USP, its GMP certification, is an important argument when negotiating with its B2B partners.

Adjustments to our forecasts We have adjusted our forecasts for fiscal years 2013E and 2014E to the company's guidance. Based on the company's Q1 2013 results we have lowered our sales growth assumptions for the current fiscal year. Our new operating development forecast includes higher depreciation and amortisation and also takes into account Q1's one-off expenses associated with the firm's Spanish activities as well as increased OPEX due to an increase in headcount (FBe: three additional employees). However, even though we lowered our EBIT and bottom-line estimates for the current fiscal year, the company looks set to achieve its goals for 2013. Despite Q1's decline in UCB storages, the company managed to increase EBITDA to EUR0.34m, which corresponds to one-third of the full year guidance.

Based on our lowered 2013E estimates, we continue to model a gradual increase in Vita 34's profitability, given the before mentioned growth prospects and the company's strict cost discipline. Changes to our forecasts are shown in table 8 (next page).

Unchanged price target and rating Our updated DCF model (shifted one year ahead) yields an unchanged price target of EUR5.20. We reiterate our Buy recommendation.

**Table 7: Estimates vs. reported figures**

| All figures in €m | Q1-13A | Q1-13E | Delta | Q1-12A | Delta |
|---------------------|--------|--------|---------|--------|-------|
| Sales | 3.17 | 3.27 | -2.9% | 3.15 | 0.7% |
| EBITDA | 0.34 | 0.37 | -7.9% | -0.03 | - |
| <i>margin</i> | 10.8% | 11.4% | - | -0.9% | - |
| Net income | 0.01 | 0.07 | -88.6% | -0.20 | - |
| <i>margin</i> | 0.3% | 2.1% | - | 4.7% | - |
| EPS (diluted, in €) | 0.00 | 0.02 | -100.0% | -0.08 | - |

Source: First Berlin Equity Research, Vita 34 AG

Table 8: Changes to forecasts

| All figures in €m | 2013E | | | 2014E | | | 2015E | | |
|---------------------|-------|-------|-------|-------|-------|--------|-------|-------|--------|
| | Old | New | Delta | Old | New | Delta | Old | New | Delta |
| Sales | 14.35 | 14.08 | -1.9% | 15.04 | 14.67 | -2.4% | 15.67 | 15.36 | -2.0% |
| EBIT | 0.44 | -0.14 | - | 0.72 | 0.40 | -45.1% | 0.82 | 0.74 | -9.5% |
| <i>margin</i> | 3.1% | -1.0% | - | 4.8% | 2.7% | - | 5.2% | 4.8% | - |
| Net income | 0.52 | -0.17 | - | 0.74 | 0.42 | -43.9% | 0.83 | 0.71 | -14.6% |
| <i>margin</i> | 3.6% | -1.2% | - | 4.9% | 2.8% | - | 5.3% | 4.6% | - |
| EPS (diluted, in €) | 0.17 | -0.05 | - | 0.25 | 0.14 | -43.9% | 0.27 | 0.23 | -14.6% |

Source: First Berlin Equity Research



Income statement

| All figures in EUR '000 | 2010A | 2011A | 2012A | 2013E | 2014E | 2015E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | 16,963 | 16,001 | 13,603 | 14,079 | 14,670 | 15,360 |
| Cost Of Goods Sold | 6,140 | 6,539 | 5,559 | 5,603 | 5,531 | 5,745 |
| Gross Profit | 10,823 | 9,462 | 8,044 | 8,476 | 9,140 | 9,615 |
| S&M | 7,241 | 6,970 | 5,770 | 5,871 | 5,956 | 6,052 |
| G&A | 3,048 | 2,929 | 3,082 | 3,140 | 3,198 | 3,256 |
| Other Operating Income (Expense) | 209 | 102 | 66 | 394 | 411 | 430 |
| Operating Income (EBIT) | 743 | -335 | -742 | -141 | 396 | 737 |
| Net Financial Result | -77 | -161 | -113 | -16 | 96 | 102 |
| Pre-tax Income (EBT) | 666 | -496 | -855 | -157 | 493 | 840 |
| Income Taxes | 317 | -1,687 | -246 | 16 | 49 | 84 |
| Minority Interests | 0 | 71 | 30 | 7 | -27 | -46 |
| Net Income / Loss | 349 | 1,262 | -579 | -165 | 416 | 709 |
| Diluted EPS | 0.13 | 0.48 | -0.20 | -0.05 | 0.14 | 0.23 |
| EBITDA | 1,687 | 638 | 414 | 993 | 1,507 | 1,701 |
| Ratios | | | | | | |
| EBIT margin | 4.4% | neg. | neg. | neg. | 2.7% | 4.8% |
| EBITDA margin | 9.9% | 4.0% | 3.0% | 7.1% | 10.3% | 11.1% |
| Net margin | neg. | neg. | neg. | neg. | 0.7% | 0.7% |
| Expenses as % of revenues | | | | | | |
| S&M | 42.7% | 43.6% | 42.4% | 41.7% | 40.6% | 39.4% |
| G&A | 18.0% | 18.3% | 22.7% | 22.3% | 21.8% | 21.2% |
| Y-Y Growth | | | | | | |
| Revenue | n.a. | -5.7% | -15.0% | 3.5% | 4.2% | 4.7% |
| Operating income | n.a. | n.m. | n.m. | n.m. | n.m. | 86.1% |
| Net income/ loss | n.a. | 261.6% | n.m. | n.m. | n.m. | 70.5% |



Balance sheet

| All figures in EUR '000 | 2010A | 2011A | 2012A | 2013E | 2014E | 2015E |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Assets | | | | | | |
| Current Assets, Total | 10,139 | 7,670 | 8,184 | 6,510 | 7,168 | 8,011 |
| Cash and Cash Equivalents | 3,687 | 3,026 | 3,497 | 1,699 | 2,249 | 2,931 |
| Short-Term Investments | 1,500 | 0 | 0 | 0 | 0 | 0 |
| Receivables | 2,914 | 2,748 | 2,665 | 2,777 | 2,894 | 3,030 |
| Inventories | 626 | 546 | 633 | 645 | 636 | 661 |
| Other Current Assets | 1,412 | 1,350 | 1,389 | 1,389 | 1,389 | 1,389 |
| Non-Current Assets, Total | 26,549 | 27,071 | 28,444 | 28,169 | 27,938 | 27,896 |
| Property, Plant & Equipment | 3,767 | 4,162 | 4,537 | 3,966 | 3,442 | 3,093 |
| Goodwill & Other Intangibles | 20,441 | 20,074 | 21,423 | 21,719 | 22,012 | 22,319 |
| Other Assets | 2,341 | 2,835 | 2,484 | 2,484 | 2,484 | 2,484 |
| Total Assets | 36,688 | 34,741 | 36,628 | 34,679 | 35,107 | 35,908 |
| Shareholders' Equity & Debt | | | | | | |
| Current Liabilities, Total | 7,455 | 4,187 | 5,614 | 3,837 | 3,822 | 3,867 |
| Short-Term Debt | 2,060 | 1,374 | 1,791 | 0 | 0 | 0 |
| Accounts Payable | 892 | 600 | 1,168 | 1,182 | 1,167 | 1,212 |
| Current Provisions | 39 | 17 | 349 | 349 | 349 | 349 |
| Other Current Liabilities | 4,464 | 2,196 | 2,306 | 2,306 | 2,306 | 2,306 |
| Longterm Liabilities, Total | 10,415 | 10,545 | 10,520 | 10,520 | 10,520 | 10,520 |
| Long Term Debt | 1,760 | 1,810 | 349 | 349 | 349 | 349 |
| Deferred Revenue | 5,838 | 6,788 | 8,003 | 8,003 | 8,003 | 8,003 |
| Other Liabilities | 2,817 | 1,947 | 2,168 | 2,168 | 2,168 | 2,168 |
| Minority interests | -406 | 268 | 238 | 231 | 258 | 304 |
| Shareholders Equity | 19,224 | 19,741 | 20,256 | 20,091 | 20,507 | 21,216 |
| Total Consolidated Equity and Debt | 36,688 | 34,741 | 36,628 | 34,679 | 35,107 | 35,908 |
| Ratios | | | | | | |
| Current ratio | 1.36 | 1.83 | 1.46 | 1.70 | 1.88 | 2.07 |
| Quick ratio | 1.28 | 1.70 | 1.35 | 1.53 | 1.71 | 1.90 |
| Financial leverage | 1.91 | 1.76 | 1.81 | 1.73 | 1.71 | 1.69 |
| Book value per share | 7.26 | 7.46 | 7.14 | 6.64 | 6.78 | 7.01 |
| Net cash | 1,367 | -158 | 1,307 | 1,300 | 1,850 | 2,532 |
| Return on equity (ROE) | 1.8% | 6.4% | -2.9% | -0.8% | 2.0% | 3.3% |



Cash flow statement

| All figures in EUR '000 | 2010A | 2011A | 2012A | 2013E | 2014E | 2015E |
|-------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|
| EBIT | 743 | -335 | -742 | -141 | 396 | 737 |
| Depreciation and Amortization | 944 | 973 | 1,156 | 1,134 | 1,110 | 964 |
| EBITDA | 1,687 | 638 | 414 | 993 | 1,507 | 1,701 |
| Changes in Working Capital | -113 | -1,161 | 1,916 | -110 | -124 | -116 |
| Other Adjustments | -566 | -160 | -9 | -31 | 47 | 18 |
| Operating Cash Flow | 1,008 | -683 | 2,321 | 852 | 1,430 | 1,604 |
| CAPEX | -491 | -647 | -687 | -563 | -587 | -614 |
| Investments in Intangibles | -487 | -358 | -271 | -296 | -293 | -307 |
| Free Cash Flow | 30 | -1,688 | 1,363 | -7 | 550 | 682 |
| Debt Financing, net | 626 | -437 | -1,044 | -1,791 | 0 | 0 |
| Equity Financing, net | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Changes in Cash | -3,222 | 1,662 | 434 | 0 | 0 | 0 |
| Net Cash Flows | -2,566 | -463 | 753 | -1,798 | 550 | 682 |
| Cash, start of the year | 6,055 | 3,687 | 3,026 | 3,497 | 1,699 | 2,249 |
| Cash, end of the year | 3,489 | 3,224 | 3,779 | 1,699 | 2,249 | 2,931 |
| EBITDA/share | 0.64 | 0.24 | 0.15 | 0.33 | 0.50 | 0.56 |
| Y-Y Growth | | | | | | |
| Operating cash flow | n.a. | n.m. | n.m. | -63.3% | 67.8% | 12.2% |
| Free cash flow | n.a. | n.m. | n.m. | n.m. | n.m. | 24.1% |
| EBITDA/share | n.a. | -62.2% | -39.5% | 124.9% | 51.6% | n.m. |

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 12 July 2007 | €12.43 | Buy | €20.00 |
| 2...27 | ↓ | ↓ | ↓ | ↓ |
| 28 | 23 July 2012 | €2.74 | Buy | €5.40 |
| 29 | 2 November 2012 | €3.33 | Buy | €5.20 |
| 30 | 18 March 2013 | €2.81 | Buy | €5.20 |
| 31 | Today | €2.95 | Buy | €5.20 |

Jens Hasselmeier

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

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BUY: Expected return greater than 25%

ADD: Expected return between 0% and 25%

REDUCE: Expected negative return between 0% and -15%

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