

## Investment Research

### Buy

Recommendation unchanged

**Share price: EUR 0.85**

closing price as of 12/11/2014

**Target price: EUR 1.40**

from Target Price: EUR **1.70**

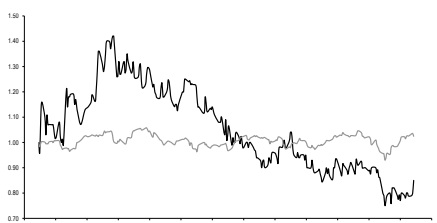
Reuters/Bloomberg

APME.FI/APM.GY

Daily avg. no. trad. sh. 12 mth	20,000
Daily avg. trad. vol. 12 mth (m)	16.94
Price high 12 mth (EUR)	1.42
Price low 12 mth (EUR)	0.75
Abs. perf. 1 mth	-1.2%
Abs. perf. 3 mth	-4.9%
Abs. perf. 12 mth	-14.9%

Market capitalisation (EURm)	18
Current N° of shares (m)	21
Free float	41%

Key financials (EUR)	12/12	12/13e	12/14e
Sales (m)	55	50	47
EBITDA (m)	(4)	5	(3)
EBITDA margin	nm	10.0%	nm
EBIT (m)	(5)	5	(3)
EBIT margin	nm	9.5%	nm
Net Profit (adj.)(m)	(5)	5	(3)
ROCE	-624.7%	-1173.1%	2508.1%
Net debt/(cash) (m)	(16)	(18)	(15)
Net Debt Equity	-0.9	-0.7	-0.7
Net Debt/EBITDA	3.8	-3.7	5.2
Int. cover(EBITDA/Fin.int)	4.2	(25.3)	5.2
EV/Sales	nm	nm	nm
EV/EBITDA	0.5	nm	2.5
EV/EBITDA (adj.)	0.5	nm	2.5
EV/EBIT	0.5	nm	2.3
P/E (adj.)	nm	4.9	nm
P/BV	1.0	1.0	0.8
OpFCF yield	-14.0%	18.7%	-15.8%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.25)	0.23	(0.12)
BVPS	0.86	1.14	1.01
DPS	0.00	0.00	0.00



Shareholders: Board Members 48%; Own Shares 8%; Grabacap ApS 3%;

For company description please see summary table footnote

## Cautious management outlook after weak Q3

### We confirm our BUY but reduce the price target to EUR 1.40

**Q3 results:** Ad pepper yesterday reported final Q3 results which were in line with the preliminary numbers. Revenues increased by 3% yoy to EUR 11.6m and gross profit fell by 13% to EUR 4.1m. Operating cost were further reduced by 11% to EUR 4.8m and now only account for 41% of sales compared to 47% in the previous quarter. The loss on EBIT level amounted to EUR 0.67m and included an extraordinary gain from the sale of mediasquares of EUR 0.4m. Finally EPS amounted to minus EUR 0.03 after plus EUR 0.01 in the previous year.

#### Ad Peppers operating development

Group ('000 EUR)	Q3/13	Q3/14	yoy	9M/13	9M/14	yoy	2013	2014e	yoy
Revenues	11,290	11,639	3%	36,434	33,890	(7%)	49,627	47,056	(5%)
<b>Gross profit</b>	<b>4,695</b>	<b>4,098</b>	<b>(13%)</b>	<b>15,792</b>	<b>11,957</b>	<b>(24%)</b>	<b>20,701</b>	<b>17,155</b>	<b>(17%)</b>
% margin	41.6%	35.2%		43.3%	32.5%		41.7%	36.5%	
Operating costs	(5,325)	(4,753)	(11%)	(17,136)	(14,853)	(13%)	(24,664)	(20,338)	(18%)
EBIT	(371)	(655)	77%	(1,085)	(2,896)		4,690	(3,183)	
<b>EPS basic</b>	<b>0.01</b>	<b>(0.03)</b>		<b>(0.02)</b>	<b>(0.12)</b>		<b>0.23</b>	<b>(0.13)</b>	

Source: Ad pepper, equinet Research

**Our analysis:** The weak performance was mainly driven by ad pepper media, which reported a revenue decline of -31% yoy and by ad agents (-15%). This could be compensated by the revenue increase of webgains (+33%). In terms of geographic regions Germany showed a weak business development (-14%) and performed worse than expected, whereas UK (+30%) and Spain (+13%) developed quite satisfying. The negative operating cash flow in 9M/14 (EUR -3.4m) was compensated by the strong cash flow from investing of EUR 3.4m, which benefitted from the sale of mediasquares. Therefore the net cash position amounted to EUR 0.61 per share.

**Outlook:** Operating development in 9M fell short of managements' expectations. Therefore it is only cautiously optimistic for the traditionally strongest Q4. Furthermore, charges for additional cost reduction measures could burden the P&L in Q4. However, the management expects significant revenues from new products in the area of data services already in Q1/2015.

**Change in estimates:** Given the weak performance of ad pepper media, the cautious guidance and possible restructuring charges in Q4 we have lowered our earnings estimates FY14 and the following years. As a result, our EBIT estimate for FY14 declines from EUR -2.0m to -3.2m.

**Conclusion & Action:** Based on our reduced estimates we derive at a new DCF fair value of EUR 1.40. Our recommendation remains BUY as we see the investment case as long-term turnaround story. We expect that the company will generate positive earnings again in FY2016. However, it's a speculative case as it requires confidence in the management to find new growth businesses and to increase profitability of the company. As Ad pepper has a net cash position of EUR 0.61 per share we rate the short-term downside for share price as limited.

Analyst(s): Adrian Pehl, CFA

+49 69 5899 7 438 adrian.pehl@equinet-ag.de

## Operating development in detail

Group ('000 EUR)	Q1/14	Q2/14	Q3/14	yoy	9M/13	9M/14	yoy	Q4/13	Q4/14e	yoy	2013	2014e	yoy
<b>Revenues</b>	<b>11,579</b>	<b>10,672</b>	<b>11,639</b>	<b>3%</b>	<b>36,434</b>	<b>33,890</b>	<b>(7%)</b>	<b>13,193</b>	<b>13,166</b>	<b>(%)</b>	<b>49,627</b>	<b>47,056</b>	<b>(5%)</b>
Ad pepper media	2,431	2,187	2,687	(31%)	13,620	7,305	(46%)	3,565	2,695	(24%)	17,185	10,000	(42%)
Webgains	7,354	6,814	7,327	33%	17,702	21,495	21%	7,811	8,807	13%	25,513	30,302	19%
ad agents	1,806	1,683	1,635	(15%)	5,162	5,124	(1%)	1,823	1,680	(8%)	6,985	6,804	(3%)
Administration	79	74	46	(59%)	419	199	(53%)	201	51	(75%)	620	250	(60%)
Consolidation	(91)	(86)	(56)	(55%)	(469)	(233)	(50%)	(207)	(67)	(68%)	(676)	(300)	(56%)
Cost of Sales	(7,442)	(6,950)	(7,541)	14%	(20,642)	(21,933)	6%	(8,284)	(7,968)	(4%)	(28,926)	(29,901)	3%
% of sales	64.3%	65.1%	64.8%		56.7%	64.7%		62.8%	60.5%		58.3%	63.5%	
<b>Gross profit</b>	<b>4,137</b>	<b>3,722</b>	<b>4,098</b>	<b>(13%)</b>	<b>15,792</b>	<b>11,957</b>	<b>(24%)</b>	<b>4,909</b>	<b>5,198</b>	<b>6%</b>	<b>20,701</b>	<b>17,155</b>	<b>(17%)</b>
% margin	35.7%	34.9%	35.2%		43.3%	32.5%		37.2%	39.5%		41.7%	36.5%	
Marketing expenses	(3,291)	(3,060)	(3,162)	(10%)	(11,232)	(9,513)	(15%)	(3,758)	(3,000)	(20%)	(14,990)	(12,513)	(17%)
Administration costs	(1,897)	(1,924)	(1,984)	(11%)	(6,705)	(5,805)	(13%)	(3,283)	(1,900)	(42%)	(9,988)	(7,705)	(23%)
Other oper. inc./exp.	60	12	393	(2%)	801	465	(42%)	(487)	(585)	20%	314	(120)	
<b>Operating costs</b>	<b>(5,128)</b>	<b>(4,972)</b>	<b>(4,753)</b>	<b>(11%)</b>	<b>(17,136)</b>	<b>(14,853)</b>	<b>(13%)</b>	<b>(7,528)</b>	<b>(5,485)</b>	<b>(27%)</b>	<b>(24,664)</b>	<b>(20,338)</b>	<b>(18%)</b>
Gain on sale of investments	0	0	0		259	0		8,394	0		8,653	0	
<b>EBIT</b>	<b>(991)</b>	<b>(1,250)</b>	<b>(655)</b>		<b>(1,085)</b>	<b>(2,896)</b>		<b>5,775</b>	<b>(287)</b>		<b>4,690</b>	<b>(3,183)</b>	
% margin	-8.6%	-11.7%	-5.6%		-3.0%	-8.5%		43.8%	-2.2%		9.5%	-6.8%	
Ad pepper media	(331)	(429)	(377)		(323)	(1,137)		(1,145)	(376)		(1,468)	(1,513)	
Webgains	(77)	(280)	(1)		(277)	(358)		438	8		161	(350)	
ad agents	10	8	(40)		358	(22)		97	12		455	(10)	
Administration	(581)	(537)	(227)		(1,445)	(1,345)		7,043	(155)		5,598	(1,500)	
Consolidation	(12)	(12)	(10)		(230)	(34)		174	(11)		(56)	(45)	
Financial result	304	123	23	(79%)	282	450	60%	321	30	(91%)	603	480	(20%)
<b>EBT</b>	<b>(687)</b>	<b>(1,127)</b>	<b>(632)</b>		<b>(803)</b>	<b>(2,446)</b>		<b>6,096</b>	<b>(257)</b>		<b>5,293</b>	<b>(2,703)</b>	
Income taxes	(3)	(3)	(26)		500	(32)		(696)	(18)		(196)	(50)	
Tax rate (%)	-0.4%	-0.3%	-4.1%		62.3%	-1.3%		11.4%	-7.0%		3.7%	-1.8%	
Minorities	(3)	36	(6)		(55)	27		(74)	(7)		(129)	20	
<b>Net income</b>	<b>(693)</b>	<b>(1,094)</b>	<b>(664)</b>		<b>(358)</b>	<b>(2,451)</b>		<b>5,326</b>	<b>(118)</b>		<b>4,968</b>	<b>(2,733)</b>	
# shares basic	21,241	21,241	21,241		21,241	21,241		21,241	21,241		21,241	21,241	
<b>EPS basic</b>	<b>(0.03)</b>	<b>(0.05)</b>	<b>(0.03)</b>		<b>(0.02)</b>	<b>(0.12)</b>		<b>0.25</b>	<b>(0.01)</b>		<b>0.23</b>	<b>(0.13)</b>	

Source: Ad pepper, equinet Research

## Change in estimates

Group ('000 EUR)	New			Previous		
	2014e	2015e	2016e	2014e	2015e	2016e
Revenues	47.1	52.4	56.5	48.6	52.8	56.5
EBIT	-3.2	-1.1	0.4	-2.0	0.0	1.9
Net income	-2.7	-0.8	0.6	-0.9	-0.7	0.2
EPS	-0.13	-0.04	0.03	-0.04	-0.03	0.01

Source: equinet Research

## Discounted Cash Flow model

EUR m	Phase I					Phase II					Phase III
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Sales</b>	<b>47.1</b>	<b>52.4</b>	<b>56.5</b>	<b>59.6</b>	<b>59.6</b>	<b>60.2</b>	<b>60.8</b>	<b>61.4</b>	<b>62.0</b>	<b>62.6</b>	<b>63.2</b>
Sales growth	-5.2%	11.4%	7.7%	5.5%	0.0%	10%	10%	10%	10%	10%	10%
<b>EBIT</b>	<b>-3.2</b>	<b>-1.1</b>	<b>0.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>
EBIT margin	-6.8%	-2.2%	0.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Tax</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>
Tax rate	0.9%	-0.7%	-33.9%	68.8%	30.2%	30.1%	30.1%	30.2%	30.2%	30.2%	30.2%
<b>NOPAT</b>	<b>(3.2)</b>	<b>(1.2)</b>	<b>0.2</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Ergebnis</b>	<b>-2.6</b>	<b>-0.7</b>	<b>0.6</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
Ergebnis Wachstum	nm	-72.2%	-177.0%	129.4%	0.6%	0.2%	0.3%	0.6%	0.6%	0.6%	0.6%
in % vom Umsatz	-5.6%	-1.4%	1.0%	2.2%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%	2.1%
<b>Depreciation</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
in % of Sales	0.6%	0.5%	0.5%	0.5%	0.5%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>Capex</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>
in % of Sales	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Provision delta</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
in % of Sales	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
<b>NWC delta</b>	<b>(0.0)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
in % of Sales	-0.1%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Other current assets del</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>
in % of Sales	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Free Cash Flow</b>	<b>-3.4</b>	<b>-1.3</b>	<b>0.0</b>	<b>0.7</b>	<b>0.7</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
FCF growth	nm	nm	nm	nm	-2.5%	39.1%	0.9%	10%	11%	13%	-3.7%
<b>Present Value FCF</b>	<b>-3.4</b>	<b>-1.2</b>	<b>0.0</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>3.0</b>

PV Phase I	-3.6	MCap	17.1	Targ. equity ratio	57.4%
PV Phase II	2.2	Risk premium	5.00%	Beta	1.52
PV Phase III	3.0	Risk free rate	4.00%	WACC	11.59%
<b>Total present value</b>	<b>1.7</b>				
+ capital increase/share buy back	0.0				
+ associates / other fin. assets	9.7				
+ estimated hidden reserves	0.0				
- market value of minorities	0.0				
+ cash and liquid assets	18.4				
- interest bearing debt*	0.0				
<b>Implied Mcap</b>	<b>29.7</b>				
<b>Number of shares</b>	<b>21.4</b>				
<b>Implied value per share</b>	<b>1.39</b>				

Sensitivity Analysis	Growth rate Phase III				
	-1.0%	-0.5%	0.0%	0.5%	1.0%
10.43%	1.42	1.42	1.43	1.44	1.45
11.01%	1.40	1.40	1.41	1.42	1.43
11.59%	1.38	1.39	1.39	1.40	1.41
12.17%	1.37	1.37	1.37	1.38	1.39
12.75%	1.35	1.35	1.36	1.36	1.37

\* Including pension provisions

Source: equinet

**Ad pepper: Summary tables**

<b>PROFIT &amp; LOSS (EURm)</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>	<b>12/2016e</b>
<b>Sales</b>	<b>56.0</b>	<b>55.0</b>	<b>49.6</b>	<b>47.1</b>	<b>52.4</b>	<b>56.5</b>
Cost of Sales & Operating Costs	-58.2	-59.2	-44.7	-50.0	-53.3	-55.7
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>-2.2</b>	<b>-4.2</b>	<b>5.0</b>	<b>-2.9</b>	<b>-0.9</b>	<b>0.7</b>
<b>EBITDA (adj.)*</b>	<b>-2.2</b>	<b>-4.2</b>	<b>5.0</b>	<b>-2.9</b>	<b>-0.9</b>	<b>0.7</b>
Depreciation	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2
<b>EBITA</b>	<b>-2.5</b>	<b>-4.4</b>	<b>4.7</b>	<b>-3.1</b>	<b>-1.1</b>	<b>0.5</b>
<b>EBITA (adj)*</b>	<b>-2.5</b>	<b>-4.4</b>	<b>4.7</b>	<b>-3.1</b>	<b>-1.1</b>	<b>0.5</b>
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>-2.7</b>	<b>-4.6</b>	<b>4.7</b>	<b>-3.2</b>	<b>-1.1</b>	<b>0.4</b>
<b>EBIT (adj.)*</b>	<b>-2.7</b>	<b>-4.6</b>	<b>4.7</b>	<b>-3.2</b>	<b>-1.1</b>	<b>0.4</b>
Net Financial Interest	0.8	1.0	0.2	0.6	0.4	0.4
Other Financials	-0.2	-1.1	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.4	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>-2.2</b>	<b>-4.7</b>	<b>5.3</b>	<b>-2.6</b>	<b>-0.7</b>	<b>0.8</b>
Tax	-0.2	-0.4	-0.2	0.0	0.0	-0.2
<i>Tax rate</i>	<i>n.m.</i>	<i>n.m.</i>	<i>3.7%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>30.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.3	-0.2	-0.1	0.0	0.0	0.0
<b>Net Profit (reported)</b>	<b>-2.6</b>	<b>-5.3</b>	<b>5.0</b>	<b>-2.6</b>	<b>-0.7</b>	<b>0.6</b>
<b>Net Profit (adj.)</b>	<b>-2.6</b>	<b>-5.3</b>	<b>5.0</b>	<b>-2.6</b>	<b>-0.7</b>	<b>0.6</b>
<b>CASH FLOW (EURm)</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>	<b>12/2016e</b>
Cash Flow from Operations before change in NWC	-3.0	-2.8	3.8	-2.3	-0.4	0.9
Change in Net Working Capital	0.6	0.7	1.2	0.0	0.1	0.1
<b>Cash Flow from Operations</b>	<b>-2.4</b>	<b>-2.1</b>	<b>4.9</b>	<b>-2.4</b>	<b>-0.3</b>	<b>1.0</b>
Capex	-0.3	-0.3	-0.4	-0.5	-0.5	-0.6
Net Financial Investments	-2.9	1.1	0.6	-0.3	-0.3	-0.3
<b>Free Cash Flow</b>	<b>-5.6</b>	<b>-1.3</b>	<b>5.1</b>	<b>-3.1</b>	<b>-1.1</b>	<b>0.2</b>
Dividends	-1.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	-0.3	1.0	-2.6	-0.2	-0.3	-0.3
<b>Change in Net Debt</b>	<b>-7.0</b>	<b>-0.3</b>	<b>2.5</b>	<b>-3.4</b>	<b>-1.4</b>	<b>-0.1</b>
NOPLAT	-3.0	-5.0	4.5	-3.2	-1.2	0.3
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>	<b>12/2016e</b>
Net Tangible Assets	0.4	0.4	0.2	0.3	0.3	0.4
Net Intangible Assets (incl. Goodwill)	0.3	0.1	0.3	0.5	0.6	0.8
Net Financial Assets & Other	7.2	6.1	9.7	10.2	10.7	11.2
<b>Total Fixed Assets</b>	<b>7.9</b>	<b>6.6</b>	<b>10.2</b>	<b>10.9</b>	<b>11.6</b>	<b>12.4</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	9.9	8.4	7.1	6.7	7.5	8.0
Other current assets	1.4	1.3	0.6	0.6	0.7	0.8
Cash (-)	-16.2	-15.9	-18.4	-15.1	-13.7	-13.5
<b>Total Current Assets</b>	<b>27.6</b>	<b>25.5</b>	<b>26.1</b>	<b>22.4</b>	<b>21.9</b>	<b>22.4</b>
<b>Total Assets</b>	<b>35.4</b>	<b>32.1</b>	<b>36.3</b>	<b>33.3</b>	<b>33.5</b>	<b>34.8</b>
Shareholders Equity	22.3	18.2	24.3	21.7	21.0	21.5
Minority	0.4	0.3	0.2	0.2	0.2	0.2
Total Equity	22.7	18.4	24.6	21.9	21.2	21.7
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	2.4	4.3	2.9	2.9	3.0	3.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Long Term Liabilities</b>	<b>2.4</b>	<b>4.3</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>
Short term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	8.9	8.1	8.0	7.5	8.4	9.1
Other current liabilities	1.4	1.3	0.9	0.9	1.0	1.0
<b>Total Current Liabilities</b>	<b>10.4</b>	<b>9.3</b>	<b>8.8</b>	<b>8.5</b>	<b>9.4</b>	<b>10.1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>35.4</b>	<b>32.1</b>	<b>36.3</b>	<b>33.3</b>	<b>33.5</b>	<b>34.8</b>
<b>Net Capital Employed</b>	<b>8.8</b>	<b>6.9</b>	<b>9.0</b>	<b>9.8</b>	<b>10.5</b>	<b>11.2</b>
<b>Net Working Capital</b>	<b>1.0</b>	<b>0.3</b>	<b>-0.9</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.0</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>	<b>12/2016e</b>
<i>Sales growth</i>	<i>8.4%</i>	<i>-1.8%</i>	<i>-9.8%</i>	<i>-5.2%</i>	<i>11.4%</i>	<i>7.7%</i>
<b>EBITDA (adj.)* growth</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
<i>EBITA (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
<i>EBIT (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>



## Ad pepper: Summary tables

	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
<b>GROWTH &amp; MARGINS</b>						
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
DPS adj. growth	n.m.					
EBITDA (adj)* margin	n.m.	n.m.	10.0%	n.m.	n.m.	1.3%
EBITA (adj)* margin	-4.4%	-8.0%	9.5%	-6.6%	-2.0%	0.9%
EBIT (adj)* margin	n.m.	n.m.	9.5%	n.m.	n.m.	0.7%
<b>RATIOS</b>						
Net Debt/Equity	-0.7	-0.9	-0.7	-0.7	-0.6	-0.6
Net Debt/EBITDA	7.3	3.8	-3.7	5.2	15.8	-19.1
Interest cover (EBITDA/Fin.interest)	2.9	4.2	n.m.	5.2	2.1	n.m.
Capex/D&A	50.0%	67.2%	149.6%	180.3%	193.5%	197.4%
Capex/Sales	0.5%	0.6%	0.8%	1.0%	1.0%	1.0%
NWC/Sales	1.8%	0.5%	-1.8%	-1.8%	-1.8%	-1.8%
ROE (average)	-11.0%	-26.0%	23.4%	-11.5%	-3.5%	2.7%
ROCE (adj.)	-180.4%	-624.7%	-1173.1%	2508.1%	n.m.	126.5%
WACC	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
ROCE (adj.)/WACC	-15.6	n.m.	n.m.	n.m.	n.m.	10.9
<b>PER SHARE DATA (EUR)***</b>						
Average diluted number of shares	21.1	21.2	21.4	21.4	21.4	21.4
EPS (reported)	-0.13	-0.25	0.23	-0.12	-0.03	0.03
EPS (adj.)	-0.13	-0.25	0.23	-0.12	-0.03	0.03
BVPS	1.06	0.86	1.14	1.01	0.98	1.01
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<b>VALUATION</b>						
EV/Sales	0.0	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITDA	n.m.	0.5	n.m.	2.5	7.2	n.m.
<b>EV/EBITDA (adj.)*</b>	<b>n.m.</b>	<b>0.5</b>	<b>n.m.</b>	<b>2.5</b>	<b>7.2</b>	<b>n.m.</b>
EV/EBITA	-1.1	0.5	-0.4	2.4	6.0	-12.5
<b>EV/EBITA (adj.)*</b>	<b>-1.1</b>	<b>0.5</b>	<b>-0.4</b>	<b>2.4</b>	<b>6.0</b>	<b>-12.5</b>
EV/EBIT	n.m.	0.5	n.m.	2.3	5.5	n.m.
<b>EV/EBIT (adj.)*</b>	<b>n.m.</b>	<b>0.5</b>	<b>n.m.</b>	<b>2.3</b>	<b>5.5</b>	<b>n.m.</b>
<b>P/E (adj.)</b>	<b>n.m.</b>	<b>n.m.</b>	<b>4.9</b>	<b>n.m.</b>	<b>n.m.</b>	<b>32.0</b>
P/BV	1.0	1.0	1.0	0.8	0.9	0.8
Total Yield Ratio	-1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	1.7	n.m.	5.0	n.m.	n.m.	n.m.
OpFCF yield	-12.2%	-14.0%	18.7%	-15.8%	-4.7%	2.3%
OpFCF/EV	-96.5%	116%	-236%	38.5%	13.4%	-6.2%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EV AND MKT CAP (EURm)</b>						
Price** (EUR)	1.04	0.82	1.14	0.85	0.85	0.85
Outstanding number of shares for main stock	21.1	21.2	21.2	21.2	21.2	21.2
<b>Total Market Cap</b>	<b>22</b>	<b>17</b>	<b>24</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Net Debt</b>	<b>-16</b>	<b>-16</b>	<b>-18</b>	<b>-15</b>	<b>-14</b>	<b>-14</b>
<i>o/w Cash &amp; Marketable Securities (-)</i>	<i>-16</i>	<i>-16</i>	<i>-18</i>	<i>-15</i>	<i>-14</i>	<i>-14</i>
<i>o/w Gross Debt (+)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Other EV components</b>	<b>-3</b>	<b>-4</b>	<b>-8</b>	<b>-10</b>	<b>-11</b>	<b>-11</b>
<b>Enterprise Value (EV adj.)</b>	<b>3</b>	<b>-2</b>	<b>-2</b>	<b>-7</b>	<b>-6</b>	<b>-7</b>

Source: Company, Equinet Bank estimates.

### Notes

\* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

\*\*Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Media/Broadcasting & Entertainment

Company Description: Ad pepper media is one of the leading independent international online advertisement agents. With 16 offices in ten European countries and the USA, ad pepper facilitates online campaigns for thousands of clients in more than 50 countries worldwide. In 2007, ad pepper reported sales of EUR 51m, EBIT of EUR 3.8m and net profit of EUR 2.6m.



## Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GENERGY	Schäfer	34.00	Buy	2/3/5	K+S AG	Schäfer	31.00	Buy	
4SC	Miemietz	3.60	Buy	7	Kontron	Pehl	6.50	Buy	
Aareal Bank	Häßler	39.00	Accumulate		KronesAG	Schmidt	83.00	Accumulate	
Adler Modemaerkte	Faust	12.70	Buy	7	KTG Agrar	Schäfer	23.00	Buy	2/3/5
Adpepper	Lieder / Pehl	1.40	Buy	2/3	KUKA	Schmidt	56.00	Accumulate	
adidas	Faust	75.00	Buy		LANXESS	Demidova	54.00	Hold	
Aixtron	Pehl	14.00	Buy	2/3	Leoni	Schuldt	74.00	Buy	
Allianz	Häßler	150.00	Accumulate		Linde	Demidova	160.00	Hold	
Analytik Jena	Demidova	14.00	Hold	7	Logwin	Rotenbacher	1.60	Buy	2/3
BASF	Demidova	95.00	Accumulate		Luft hansa	Rotenbacher	14.00	Buy	
BAUER AG	Schmidt	14.00	Hold		MAN	Schuldt	85.00	Hold	
Bayer	Miemietz	96.00	Hold		MAXAutomation AG	Schmidt	6.00	Buy	2/3
BayWa	Schäfer	42.00	Buy	5	Medion	Faust	13.00	Hold	
BB Biotech	Miemietz	196.00	Buy	7	Merck	Miemietz	66.50	Hold	
Beiersdorf	Demidova	64.00	Sell		Metro	Faust	43.00	Buy	
Berentzen	Faust	5.00	Hold	2/3	MIFA	Faust	Suspended	Suspended	2/3/4/5
BILFINGER SE	Faust	50.00	Accumulate		MLP	Häßler	5.70	Accumulate	2/3
Biotest	Miemietz	93.00	Buy	2/3/4/5	MTU	Pehl	71.00	Hold	2
BMW	Schuldt	110.00	Buy		Munich Re	Häßler	150.00	Hold	
Celestio	Lieder	23.50	Hold		Nanogate AG	Demidova	42.00	Accumulate	2/3
Cenit	Pehl	13.50	Buy	2/3	PATRIZIA AG	Häßler	10.00	Hold	
comdirect	Häßler	9.50	Accumulate		Pfeiffer Vacuum	Pehl	65.00	Hold	
Commerzbank	Häßler	13.00	Hold		Porsche	Schuldt	64.00	Hold	
Continental	Schuldt	190.00	Buy		Postbank	Häßler	32.00	Accumulate	
CYTOTOOLS AG	Miemietz	58.00	Accumulate	2/3	PSI	Schäfer	13.00	Buy	2/3
Daimler AG	Schuldt	61.00	Hold		Puma	Faust	160.00	Hold	
Daldrup & Soehne	Schäfer	15.00	Accumulate	2/3/5	Rheinmetall	Pehl	35.00	Hold	
Deutsche Bank	Häßler	28.00	Hold		Rhoen-Klinikum	Lieder	25.00	Hold	
Deutsche Boerse	Häßler	50.00	Hold		RIB Software	Rotenbacher	17.00	Buy	2/3/4/5
Deutsche EuroShop	Rotenbacher	36.00	Hold		RWE	Schäfer	25.00	Hold	
Deutsche Forfait	Häßler	5.60	Rating Suspended	2/3/4/5	SAF-HOLLAND	Schuldt	13.60	Buy	7
Deutsche Post	Rotenbacher	24.00	Hold		Seven Principles AG	Pehl	4.00	Accumulate	2/3/5
Deutsche Telekom	Pehl	12.50	Hold		SIEGFRIED HOLDING AG	Miemietz	197.00	Buy	7
Deutz AG	Schmidt	4.00	Accumulate		Singulus Technologies	van der Horst	0.75	Hold	5
DMGMORI SEIKI AG	Schmidt	24.00	Buy		SLM Solutions	Pehl	24.00	Buy	5
Douglas Holding	Faust	38.00	Hold		SMTSCHARFAG	Schmidt	14.00	Hold	2/3
Draegerwerk	Lieder	81.00	Buy		SuessMicroTec	Pehl	5.00	Hold	2/3
Drillisch	Pehl	32.00	Accumulate		SURTECO	Lieder	29.00	Hold	2/3
E.ON	Schäfer	14.00	Hold		Symrise AG	Demidova	36.00	Hold	
Elmos Semiconductor	van der Horst	19.00	Buy		SYZGYGAG	Lieder / Pehl	7.20	Accumulate	2/3
ElringKlinger	Schuldt	25.00	Hold		Talanx Group	Häßler	28.00	Accumulate	
Epigenomics AG	Miemietz	6.00	Buy	2/3/5	TUI	Rotenbacher	16.00	Buy	
Euro micron AG	Pehl	19.00	Buy	2/3	United Internet	Pehl	38.00	Buy	
Evonik	Demidova	34.00	Accumulate		Uzin Utz	Lieder	27.00	Buy	2/3
Fielmann	Lieder	47.00	Hold		VBH Holding	Faust	2.80	Hold	2/3
Fraport	Rotenbacher	59.00	Buy		VIB Vermoegen	Rotenbacher	14.50	Hold	
Freenet	Pehl	25.00	Accumulate	2	Volkswagen	Schuldt	235.00	Buy	
Fresenius	Lieder	39.00	Hold		Vossloh	Schmidt	70.00	Buy	
Fresenius Medical Care	Lieder	64.00	Accumulate		Wacker Chemie	Demidova	71.00	Sell	
Fuchs Petrolub	Demidova	28.00	Reduce		Willex	Miemietz	5.52	Buy	2/3
GEA Group	Schmidt	40.00	Buy		Wincor Nixdorf	Pehl	42.00	Accumulate	2
Gerrheimer AG	Lieder	43.00	Hold						
GERRYWEBER	Faust	34.00	Hold						
Gesco	Schmidt	68.00	Hold	2/3					
GFT Technologies	Schuldt	12.10	Buy	2/3					
Gigaset	Pehl	0.90	Accumulate	2/3/4/5					
GRAND CITY PROPERTIES	Häßler	10.80	Accumulate						
Grenkeleasing AG	Häßler	88.00	Accumulate						
Hannover Re	Häßler	65.00	Hold						
Heidelberger Druck	Schmidt	3.40	Buy						
Henkel	Demidova	82.00	Hold						
HHLA	Rotenbacher	16.00	Reduce						
Hochtief	Faust	65.00	Accumulate						
Hugo Boss	Faust	88.00	Reduce						
i:FAOAG	Rotenbacher	18.00	Buy	2/3					
Jenoptik	van der Horst	11.50	Accumulate						
Joyou AG	Lieder	21.90	Buy	2/3					

Source: equinet Recommendations



## Notice according to § 34 b (German) Securities Trading Act (“Wertpapierhandelsgesetz”)

This document is issued by Equinet Bank AG (“Equinet Bank”). It has been prepared by its authors independently of the Company, and none of Equinet Bank, the Company or its shareholders has independently verified any of the information given in this document.

Equinet Bank possesses relations to the covered companies as detailed in the table on the previous page. Additional information and disclosures will be made available upon request and/or can be looked up on our website <http://www.Equinet Bank-ag.de>

- 1 - Equinet Bank and/or its affiliate(s) hold(s) more than 5% of the share capital of this company calculated under computational methods required by German law.
- 2 - Equinet Bank acts as a designated sponsor for this company, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Equinet Bank receives a commission from the company for the provision of the designated sponsor services.
- 3 – The designated sponsor services include a contractually agreed provision of research services.
- 4 – Within the last twelve months, Equinet Bank was involved as a lead or co-lead manager in the public offering of securities which are/whose issuer is the subject of this report.
- 5 – Within the last twelve months, Equinet Bank and/or its affiliate(s) provided investment banking- and/or other consultancy services for this company and/or it's shareholders.
- 6 - Equinet Bank and/or its affiliate(s) has/have other substantial financial interests in relation to this issuer.
- 7 – Equinet Bank has entered into an agreement with this company about the preparation of research reports and – in return - receives a compensation.

Companies of the Equinet Bank group and/or its directors, officers and 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 our reports. The Equinet Bank group may provide investment banking and other services to and/or serve as directors of the companies referred to in our reports.

In compliance with Para 5 Sec. 4 of the Ordinance on the Analysis of Financial Instruments (FinAnV) Equinet Bank has realized additional internal and organizational measures, such as specific research guidelines, to prevent or manage conflicts of interest.

Neither the company nor its employees are allowed to receive donations from third parties with a special interest in the content of the analysis.

The salary of the research analysts of Equinet Bank AG does not depend on the investment banking transactions of the company. Nevertheless, this does not rule out the payment of a bonus which depends on the overall financial performance of the bank.

Particular care is taken that the individual performance of each research analyst of Equinet Bank AG is not being assessed by a manager of another business division with similar or same interests.

To assure a highest degree of transparency Equinet Bank AG regularly provides - on a quarterly basis - a summary according to Para 5 Sec. 4 No. 3 of the Ordinance on the Analysis of Financial Instruments (FinAnV). It informs about the overall analysts recommendations and sets them in a relationship to those companies, for which Equinet Bank provided investment banking services within the last twelve months. This summary is published via our website <http://www.Equinet Bank-ag.de>.

Furthermore, we refer to our conflict of interest policy as well as the German Securities Trading Act (WpHG) and the Ordinance on the Analysis of Financial Instruments (FinAnV) provided in the download area of our website <http://www.Equinet Bank-ag.de>.

## Remarks

### Recommendation System

- Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.
- Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.
- Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon
- Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon
- Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

### Basis of Valuation

Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

### Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

### Sources

Equinet Bank has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

### Actualizations

Opinions expressed in this analysis are our current opinions as of the issuing date indicated on this document. We do not commit ourselves in advance to whether and in which intervals updates are made.



## DISCLAIMER

THE PREPARATION OF THIS DOCUMENT IS SUBJECT TO REGULATION BY GERMAN LAW. THIS DOCUMENT IS BEING SUPPLIED TO YOU SOLELY IN YOUR CAPACITY AS A PROFESSIONAL INSTITUTIONAL INVESTOR FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA OR JAPAN OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA OR JAPAN OR TO ANY RESIDENT THEREOF.

THE DELIVERY OF THIS RESEARCH REPORT TO U.S. PERSONS IN THE UNITED STATES OF AMERICA IS MADE BY AND UNDER THE RESPONSIBILITY OF GSN NA, INC. (REGISTERED WITH THE SEC). THIS RESEARCH REPORT IS ONLY INTENDED FOR PERSONS WHO QUALIFY AS MAJOR U.S. INSTITUTIONAL INVESTORS, AS DEFINED IN SECURITIES EXCHANGE ACT RULE 15A-6, AND DEAL WITH GSN NA, INC. HOWEVER, THE DELIVERY OF THIS RESEARCH REPORT OR SUMMARY TO ANY U.S. PERSON SHALL NOT BE DEEMED A RECOMMENDATION OF GSN NA, INC. TO EFFECT ANY TRANSACTIONS IN THE SECURITIES DISCUSSED HEREIN OR AN ENDORSEMENT OF ANY OPINION EXPRESSED HEREIN. GSN NA, INC. MAY FURNISH UPON REQUEST ALL INVESTMENT INFORMATION AVAILABLE TO IT SUPPORTING ANY RECOMMENDATIONS MADE IN THIS RESEARCH REPORT. ALL TRADES WITH U.S. RECIPIENTS OF THIS RESEARCH SHALL BE EXECUTED THROUGH GSN NA, INC.

THIS DOCUMENT IS FOR DISTRIBUTION IN THE U.K. ONLY TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (ii) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, NAMELY HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS OR TO RESIDENTS OF OTHER JURISDICTIONS MAY ALSO BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS REPORT YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS. YOU SHALL INDEMNIFY EQUINET BANK AGAINST ANY DAMAGES, CLAIMS, LOSSES, AND DETRIMENTS RESULTING FROM OR IN CONNECTION WITH THE UNAUTHORIZED USE OF THIS DOCUMENT.

This report is for informational purposes only and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors: readers must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position.

The information herein is believed by Equinet Bank to be reliable and has been obtained from sources believed to be reliable, but Equinet Bank makes no representation as to the accuracy or completeness of such information. The information given in this report is subject to change without notice; it may be incomplete or condensed and it may not contain all material information concerning the Company. Opinions expressed herein may differ or be contrary to opinions expressed by other business areas of the Equinet Bank group as a result of using different assumptions and criteria. Equinet Bank is under no obligation to update or keep the information current. Equinet Bank provides data concerning the future development of securities in the context of its usual research activity. However, if a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Neither the author nor Equinet Bank accepts any liability whatsoever for any loss howsoever arising from any use of this publication or its contents or otherwise arising in connection herewith, except as provided for under applicable regulations.

Equinet Bank shall only be liable for any damages intentionally caused or which result from any gross negligence of Equinet Bank. Further Equinet Bank shall be liable for the breach of a material obligation of Equinet Bank, however, limited to the amount of the typical foreseeable which shall in no event exceed the amount of EUR 10,000. German law shall be applicable and court of jurisdiction for all disputes shall be Frankfurt/Main (Germany).

### Competent Supervisory Authority:

Bundesanstalt für Finanzdienstleistungsaufsicht  
-BaFin- (Federal Financial Supervisory Authority)  
Graurheindorfer Straße 108, 53117 Bonn and  
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main.



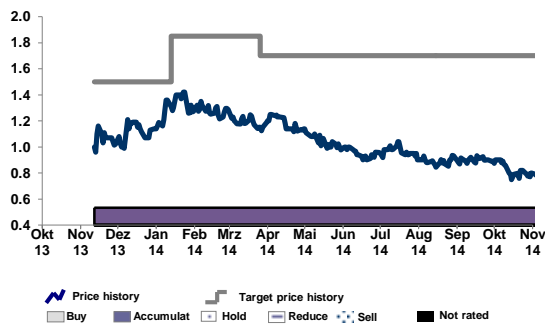


Recommendation history for AD PEPPER

Date	Recommendation	Target price	Price at change date
13. Nov 14	Buy	1.40	0.85
26. Mrz 14	Buy	1.70	1.15
13. Jan 14	Buy	1.85	1.31
21. Mai 13	Buy	1.50	0.90
23. Nov 12	Buy	1.65	0.83
19. Jul 12	Buy	1.70	0.99
09. Mai 12	Buy	1.65	1.11
13. Feb 12	Buy	1.80	1.44

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Konrad Lieder (since 15/02/2010)



## ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.

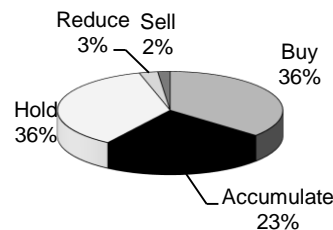
The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy, Accumulate (or Add), Hold, Reduce and Sell (in short: B, A, H, R, S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold:** the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce:** the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -10%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved or to a change of analyst covering the stock
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

### Equinet Bank Ratings Breakdown



### History of ESN Recommendation System

**Since 18 October 2004**, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

**Since 4 August 2008**, the ESN Rec. System has been amended as follow.

- Time horizon changed to 12 months (it was 6 months)
- Recommendations Total Return Range changed as below:

#### TODAY



#### BEFORE



## Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ('ESN'). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ('related investments'). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk.

ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note. Research is available through your sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document.

For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members and on each "company recommendation history", please visit the ESN website ([www.esnpartnership.eu](http://www.esnpartnership.eu)) For additional information and individual disclaimer please refer to [www.esnpartnership.eu](http://www.esnpartnership.eu) and to each ESN Member websites:

[www.bancaakros.it](http://www.bancaakros.it) regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

[www.bekafinance.com](http://www.bekafinance.com) regulated by CNMV - Comisión Nacional del Mercado de Valores

[www.caixabi.pt](http://www.caixabi.pt) regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

[www.cgdsecurities.com.br](http://www.cgdsecurities.com.br) regulated by the CVM - Comissão de Valores Mobiliários

[www.cmcics.com](http://www.cmcics.com) regulated by the AMF - Autorité des marchés financiers

[www.degroof.be](http://www.degroof.be) regulated by the FSMA - Financial Services and Markets Authority

[www.equinet-ag.de](http://www.equinet-ag.de) regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

[www.ibg.gr](http://www.ibg.gr) regulated by the HCMC - Hellenic Capital Market Commission

[www.pohjola.com](http://www.pohjola.com) regulated by the Financial Supervision Authority

[www.snssecurities.nl](http://www.snssecurities.nl) regulated by the AFM - Autoriteit Financiële Markten

## Members of ESN (European Securities Network LLP)



**Banca Akros S.p.A.**  
Viale Eginardo, 29  
20149 MILANO  
Italy  
Phone: +39 02 43 444 389  
Fax: +39 02 43 444 302



**Equinet Bank AG**  
Gräbstraße 97  
60487 Frankfurt am Main  
Germany  
Phone: +49 69 – 58997 – 410  
Fax: +49 69 – 58997 – 299



**Bank Degroof**  
Rue de l'Industrie 44  
1040 Brussels  
Belgium  
Phone: +32 2 287 91 16  
Fax: +32 2 231 09 04



**Investment Bank of Greece**  
32 Aigialeias Str & Paradissou,  
151 25 Maroussi,  
Greece  
Tel: +30 210 81 73 383



**BEKA Finance**  
C/ Marques de Villamagna 3  
28001 Madrid  
Spain  
Phone: +34 91 436 7813



**Pohjola Bank plc**  
P.O.Box 308  
FI-00013 Pohjola  
Finland  
Phone: +358 10 252 011  
Fax: +358 10 252 2703



**Caixa-Banco de Investimento**  
Rua Barata Salgueiro, nº 33  
1269-057 Lisboa  
Portugal  
Phone: +351 21 313 73 00  
Fax: +351 21 389 68 98



**SNS Securities N.V.**  
Nieuwezijds Voorburgwal 162  
P.O.Box 235  
1000 AE Amsterdam  
The Netherlands  
Phone: +31 20 550 8500  
Fax: +31 20 626 8064



**CM - CIC Securities**  
6, avenue de Provence  
75441 Paris  
Cedex 09  
France  
Phone: +33 1 53 48 80 78  
Fax: +33 1 53 48 82 25

