



Investment Research

Buy

Recommendation unchanged

Share price: EUR 1.67

closing price as of 18/08/2010

Target price: EUR 2.40

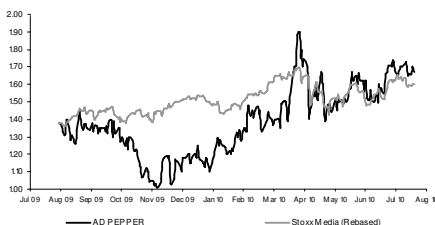
Target Price unchanged

Reuters/Bloomberg APME.F/APM GY

Daily avg. no. trad. sh. 12 mth	48,389
Daily avg. trad. vol. 12 mth (m)	0.07
Price high 12 mth (EUR)	1.90
Price low 12 mth (EUR)	1.01
Abs. perf. 1 mth	5.7%
Abs. perf. 3 mth	3.7%
Abs. perf. 12 mth	17.6%

Market capitalisation (EURm)	36
Current N° of shares (m)	21
Free float	37%

Key financials (EUR)	12/09	12/10e	12/11e
Sales (m)	47	51	55
EBITDA (m)	(6)	2	4
EBITDA margin	nm	3.9%	7.5%
EBIT (m)	(32)	1	3
EBIT margin	nm	2.4%	6.1%
Net Profit (adj.)(m)	(14)	2	3
ROCE	nm	50.7%	100.9%
Net debt/(cash) (m)	(23)	(24)	(27)
Net Debt Equity	-1.1	-1.0	-1.0
Net Debt/EBITDA	3.8	-12.1	-6.6
Int. cover(EBITDA/Fin.int)	4.5	(1.5)	(2.9)
EV/Sales	0.0	0.3	0.2
EV/EBITDA	nm	8.2	3.3
EV/EBITDA (adj.)	nm	8.2	3.3
EV/EBIT	nm	13.3	4.0
P/E (adj.)	nm	16.5	10.7
P/BV	1.2	1.5	1.4
OpFCF yield	-19.1%	2.7%	8.9%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.63)	0.10	0.16
BVPS	0.99	1.08	1.23
DPS	0.00	0.00	0.00



Source: Factset

Shareholders: Board Members 53%; Own Shares 10%;

For company description please see summary table footnote

No major changes after final figures review Confirm 'Buy', PT EUR 2.4

Ad Pepper reported final figures, i.e. published the half year report including further details on segments last Thursday. The final reporting did not lead to a change in our view. The acquisition of the minority stake in Videovalis is probably supportive, but not meaningful enough yet. We continue with our 'Buy' recommendation and our DCF/peer based price target of EUR 2.4.

- ✓ We found no major deviations in the P&L. **Please remember that we rated preliminary numbers as solid** with 2Q10 sales exceeding our forecast by c. EUR 0.4m (actual figure EUR 29.4m) and EBITDA of EUR 0.5m which was in line with our estimate. Thanks to taxes of basically zero and a good financial result of EUR 0.33m in the June quarter, APM exceeded our net result forecast of EUR 0.4m by c. EUR 0.3m.
- ✓ As regards divisions, the deviation of the actual outcome relative to our forecast in group revenues was mainly induced by a **strong development in the 'ad pepper media' segment**. Here, sales came in at EUR 7.7m and thus, EUR 1.1m higher compared to 1Q10. A limited effect on this increase came probably from the fact that ad pepper merged Pentamind A/S into the division (dated back as of Jan. 1, 2010). On the EBIT side, the segment showed a 6.1% margin which must have nevertheless been close to the real operational performance as APM did not only account for Pentamind, but shifted some cost to the 'Webgains' segment.
- ✓ Webgains showed a negative operating result of EUR 240k after a gain of EUR 2k in 1Q10. Since some employees have been re-allocated to this segment, the respective EBIT generation will be lower going forward whereas 'ad pepper media' profits slightly. **The re-shaping within segments had also an effect on Admin/Consolidation (Holding). The respective 2Q10 EBIT was only minus EUR 120k after minus EUR 560k in 1Q10.** Going forward, we now assume a run-rate of EUR 350k. Overall, our adjustments applied to our segment model did not lead to major changes on the group estimates as can be seen on p.2.
- ✓ Please remember that **APM guided for a FY10 EBITDA of EUR 1.5m** (previously: break-even). **We continue to believe that this assumption is conservative as we still forecast this figure to reach c. EUR 2m.** Beyond this, the investment case retrieves massive support from **APM's net cash position of EUR 22m (c. EUR 1 per share).**
- ✓ This position was only slightly reduced after **APM released on Monday evening of having acquired a minority stake (19.9%) on Cologne-based Videovalis.** According to APM, the purchase price was below EUR 1m and thus, we estimate probably a couple of hundred thousands. APM holds options to purchase more and the group could go for 51% at a future point in time. Videovalis is a start-up in premium video content for media and PR agencies. APM seeks to benefit from its partner network and to beef up its online ad content with video contributions.

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Estimate changes

in EUR m	FY10 old	FY10 new	change	FY11 old	FY11 new	change	FY12 old	FY12 new	change
Sales	50.6	50.6	0%	55.0	55.0	0%	59.1	59.1	0%
EBITDA	2.0	2.0	0%	4.2	4.1	-2%	5.9	5.8	-1%
EBITDA margin	4.0%	4.0%	-	7.6%	7.5%	-10bp	10.0%	9.8%	+20bp
EBIT	1.3	1.2	-8%	3.5	3.4	-3%	5.2	5.1	-2%
EPS [EUR]	0.11	0.10	-9%	0.16	0.16	0%	0.20	0.20	0%

Sources: Company data, equinet Research

Discounted Cash Flow model

EUR m	Phase I					Phase II					Phase III
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sales	50.6	55.0	59.1	62.9	66.6	68.8	71.0	73.3	75.7	78.2	79.7
Sales growth	7.9%	8.7%	7.5%	6.4%	5.9%	3.3%	3.3%	3.3%	3.3%	3.3%	2.0%
EBIT	1.2	3.4	5.1	6.2	7.7	4.6	4.8	4.9	5.1	5.3	5.4
EBIT margin	2.4%	6.1%	8.6%	9.9%	11.6%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Tax	(0.0)	(1.1)	(2.0)	(2.4)	(2.9)	(2.0)	(2.1)	(2.1)	(2.1)	(2.2)	(2.2)
Tax rate	1.0%	22.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	29.5%
NOPAT	1.2	2.3	3.1	3.8	4.8	2.6	2.7	2.8	3.0	3.0	3.1
Depreciation	0.7	0.8	0.8	0.8	0.8	0.5	0.9	0.5	1.0	0.5	0.5
in % of Sales	1.5%	1.4%	1.3%	1.2%	1.2%	0.8%	1.2%	0.7%	1.3%	0.7%	0.7%
Capex	(0.2)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)	(0.8)	(0.5)
in % of Sales	0.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.7%
Provision delta	(0.1)	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1
in % of Sales	-0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
NWC delta	(1.7)	(0.5)	(0.7)	(0.8)	(0.9)	(0.8)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)
in % of Sales	-3.5%	-0.8%	-1.2%	-1.3%	-1.3%	-1.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%
Other current assets delta	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
in % of Sales	-0.5%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Cash Flow	-0.3	2.1	2.5	3.2	4.1	1.6	2.7	2.4	3.0	2.6	3.1
FCF growth	nm	-827.3%	21.0%	27.5%	27.5%	-60.0%	66.8%	-10.1%	23.5%	-14.0%	19.6%
Present Value FCF	-0.3	1.8	2.0	2.3	2.7	1.0	1.5	1.2	1.4	1.1	16.6

PV Phase I	8.6	MCap	35.3	Targ. equity ratio	100.0%			
PV Phase II	6.2	Risk premium	4.00%	Beta	1.32			
PV Phase III	16.6	Risk free rate	4.50%	WACC	9.78%			
Total present value	31.3	EV 2010	15.0					
+ capital increase/share buy back	0.0	EV 2011	11.5					
+ associates	0.7	EV 2012	7.4					
- market value of minorities	4.1	Sensitivity Analysis		Growth rate Phase III				
+ cash and liquid assets	22.6		1.0%	1.5%	2.0%	2.5%	3.0%	
- interest bearing debt*	0.0		8.80%	2.52	2.52	2.58	2.66	2.75
Implied Mcap	50.6		9.29%	2.41	2.41	2.47	2.53	2.60
Number of shares	21.4	WACC	9.78%	2.32	2.32	2.36	2.42	2.48
Implied value per share	2.36		10.27%	2.23	2.23	2.27	2.32	2.37
			10.76%	2.16	2.16	2.19	2.23	2.27

* Including pension provisions

Source: equinet

Peer Group Valuation

	P/E 2010	P/E 2011	P/E 2012	EV/EBITDA 2010	EV/EBITDA 2011	EV/EBITDA 2012	EV/EBIT 2010	EV/EBIT 2011	EV/EBIT 2012
HI-MEDIA	10.7	7.6	6.2	5.5	3.9	2.8	7.2	4.7	3.3
TRADEDOUBLER	13.8	12.2	9.7	7.8	5.5	3.9	13.4	6.8	4.6
SEDO HOLDING AG	22.8	14.2	13.9	9.5	7.4	7.4	15.4	12.9	10.4
TOMORROW FOCUS AG	26.4	15.4	12.0	13.0	9.2	7.6	16.7	11.1	8.8
VALUECLICK INC	17.9	15.5	12.2	6.9	6.1	5.0	nm	nm	nm
MEDIAN	17.9	14.2	12.0	7.8	6.1	5.0	14.4	8.9	6.7
AD PEPPER MEDIA NV	16.5	10.7	8.5	7.7	3.6	2.6	12.5	4.4	3.0
THEOR. VALUATION PER SHARE OF AD PEPPER MEDIA NV	1.8	2.2	2.3	1.7	2.1	2.3	1.8	2.3	2.5

Sources: Thomson Financial, Bloomberg, ESN and equinet estimates

Ad pepper: Summary tables

PROFIT & LOSS (EURm)	2007	2008	2009	2010e	2011e	2012e
Sales	50.6	52.6	46.9	50.6	55.0	59.1
Cost of Sales & Operating Costs	44.3	45.5	52.8	48.6	50.9	53.3
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	6.3	7.2	-5.9	2.0	4.1	5.8
EBITDA (adj.)*	6.3	7.2	-5.9	2.0	4.1	5.8
Depreciation	-0.4	-0.5	-0.4	-0.3	-0.4	-0.4
EBITA	5.9	6.7	-6.3	1.6	3.7	5.4
EBITA (adj)*	5.9	6.7	-6.3	1.6	3.7	5.4
Amortisations and Write Downs	-2.1	-4.2	-25.6	-0.4	-0.3	-0.3
EBIT	3.8	2.5	-32.0	1.2	3.4	5.1
EBIT (adj.)*	3.8	2.5	-32.0	1.2	3.4	5.1
Net Financial Interest	0.6	1.0	1.3	1.3	1.4	1.6
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.2	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	-3.1	0.0	0.0	0.0
Earnings Before Tax (EBT)	4.4	3.7	-33.8	2.5	4.8	6.7
Tax	-1.8	-1.1	-0.6	0.0	-1.1	-2.0
<i>Tax rate</i>	<i>40.8%</i>	<i>30.0%</i>	<i>nm</i>	<i>1.0%</i>	<i>22.0%</i>	<i>30.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	-0.3	-0.4	-0.4
Net Profit (reported)	3	3	-34	2	3	4
Net Profit (adj.)	3	3	-14	2	3	4
CASH FLOW (EURm)	2007	2008	2009	2010e	2011e	2012e
Cash Flow from Operations before change in NWC	2.3	6.7	-7.5	2.9	4.2	5.1
Change in Net Working Capital	1.0	2.3	3.2	-1.7	-0.5	-0.7
Cash Flow from Operations	3.2	9.0	-4.3	1.2	3.7	4.4
Capex	-5.2	-1.2	-0.5	-0.2	-0.6	-0.6
Net Financial Investments	-4.2	0.5	-0.1	0.0	0.0	0.0
Free Cash Flow	-6.1	8.3	-4.9	1.0	3.2	3.8
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	5.4	-2.8	4.5	0.1	0.3	0.4
Change in Net Debt	-1	5	0	1	4	4
NOPLAT	2	2	-32	1	3	4
BALANCE SHEET & OTHER ITEMS (EURm)	2007	2008	2009	2010e	2011e	2012e
Net Tangible Assets	1.1	0.8	0.6	0.3	0.2	0.0
Net Intangible Assets (incl. Goodwill)	29.8	26.1	0.8	0.5	0.4	0.4
Net Financial Assets & Other	0.8	2.7	0.7	0.7	0.7	0.7
Total Fixed Assets	31.7	29.6	2.1	1.6	1.4	1.2
Net Working Capital	5.2	3.0	-0.2	1.5	2.0	2.7
Net Capital Invested	36.9	32.5	1.9	3.1	3.3	3.9
Group Shareholders Equity	56.5	55.7	21.3	23.9	27.6	32.3
<i>o/w own Shareholders Equity</i>	<i>56.3</i>	<i>55.6</i>	<i>21.2</i>	<i>23.4</i>	<i>26.8</i>	<i>31.1</i>
Net Debt	-17.6	-23.0	-22.6	-23.7	-27.2	-31.3
Provisions	4	3	4	4	4	4
Other Net Liabilities or Assets	-6	-3	-1	-1	-1	-1
Net Capital Employed	37	33	2	3	3	4
GROWTH & MARGINS	2007	2008	2009	2010e	2011e	2012e
<i>Sales growth</i>	<i>21.4%</i>	<i>4.0%</i>	<i>-10.9%</i>	<i>7.9%</i>	<i>8.7%</i>	<i>7.5%</i>
EBITDA (adj.)* growth	-18.6%	13.0%	-chg	+chg	111.7%	40.9%
<i>EBITA (adj.)* growth</i>	<i>-21.6%</i>	<i>13.3%</i>	<i>-chg</i>	<i>+chg</i>	<i>132.0%</i>	<i>44.4%</i>
<i>EBIT (adj)*growth</i>	<i>-35.1%</i>	<i>-34.5%</i>	<i>-chg</i>	<i>+chg</i>	<i>180.5%</i>	<i>49.6%</i>
<i>Net Profit growth</i>	<i>-51.9%</i>	<i>2.5%</i>	<i>-chg</i>	<i>+chg</i>	<i>53.3%</i>	<i>26.1%</i>
EPS adj. growth	-51.5%	5.8%	-chg	+chg	53.3%	26.1%
<i>DPS adj. growth</i>						
EBITDA margin	12.5%	13.6%	nm	3.9%	7.5%	9.8%
<i>EBITDA (adj)* margin</i>	<i>12.5%</i>	<i>13.6%</i>	<i>nm</i>	<i>3.9%</i>	<i>7.5%</i>	<i>9.8%</i>
<i>EBITA margin</i>	<i>11.7%</i>	<i>12.7%</i>	<i>-13.5%</i>	<i>3.2%</i>	<i>6.8%</i>	<i>9.1%</i>
<i>EBITA (adj)* margin</i>	<i>11.7%</i>	<i>12.7%</i>	<i>-13.5%</i>	<i>3.2%</i>	<i>6.8%</i>	<i>9.1%</i>
<i>EBIT margin</i>	<i>7.5%</i>	<i>4.7%</i>	<i>nm</i>	<i>2.4%</i>	<i>6.1%</i>	<i>8.6%</i>
<i>EBIT (adj)* margin</i>	<i>7.5%</i>	<i>4.7%</i>	<i>nm</i>	<i>2.4%</i>	<i>6.1%</i>	<i>8.6%</i>

Ad pepper: Summary tables

RATIOS	2007	2008	2009	2010e	2011e	2012e
Net Debt/Equity	-0.3	-0.4	-1.1	-1.0	-1.0	-1.0
Net Debt/EBITDA	-2.8	-3.2	3.8	-12.1	-6.6	-5.4
Interest cover (EBITDA/Fin.interest)	nm	nm	4.5	nm	nm	nm
Capex/D&A	201.0%	25.5%	9.4%	23.6%	73.3%	77.3%
Capex/Sales	10.2%	2.3%	1.1%	0.3%	1.0%	1.0%
NWC/Sales	10.3%	5.6%	-0.5%	3.0%	3.6%	4.6%
ROE (average)	4.8%	4.7%	-35.2%	9.9%	13.4%	14.7%
ROCE (adj.)	6.2%	5.8%	nm	50.7%	100.9%	111.4%
WACC	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
ROCE (adj.)/WACC	0.6	0.6	nm	5.2	10.3	11.4
PER SHARE DATA (EUR)***	2007	2008	2009	2010e	2011e	2012e
Average diluted number of shares	11.7	22.6	21.3	21.7	21.7	21.7
EPS (reported)	0.11	0.12	-1.61	0.10	0.16	0.20
EPS (adj.)	0.11	0.12	-0.63	0.10	0.16	0.20
BVPS	2.41	2.45	0.99	1.08	1.23	1.43
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	2007	2008	2009	2010e	2011e	2012e
EV/Sales	0.0	nm	0.0	0.3	0.2	0.2
EV/EBITDA	0.1	nm	nm	8.2	3.3	1.7
EV/EBITDA (adj.)*	0.1	nm	nm	8.2	3.3	1.7
EV/EBITA	0.1	-0.9	-0.3	10.0	3.6	1.8
EV/EBITA (adj.)*	0.1	-0.9	-0.3	10.0	3.6	1.8
EV/EBIT	0.2	nm	nm	13.3	4.0	2.0
EV/EBIT (adj.)*	0.2	nm	nm	13.3	4.0	2.0
P/E (adj.)	15.3	7.6	nm	16.5	10.7	8.5
P/BV	0.7	0.4	1.2	1.5	1.4	1.2
Total Yield Ratio	6.3%	2.4%	4.7%	-0.6%	0.0%	0.0%
EV/CE	0.0	nm	1.4	6.8	5.2	3.1
OpFCF yield	-10.5%	39.7%	-19.1%	2.7%	8.9%	10.5%
OpFCF/EV	-255.7%	-124.5%	-294.2%	6.1%	23.5%	38.1%
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%
EV AND MKT CAP (EURm)	2007	2008	2009	2010e	2011e	2012e
Price** (EUR)	1.7	0.9	1.2	1.7	1.7	1.7
Outstanding number of shares for main stock	11.1	22.3	21.3	21.4	21.4	21.4
Total Market Cap	18.6	19.6	25.2	35.8	35.8	35.8
Net Debt	-17.6	-23.0	-22.6	-23.7	-27.2	-31.3
<i>o/w Cash & Marketable Securities (-)</i>	<i>17.6</i>	<i>23.0</i>	<i>22.6</i>	<i>23.7</i>	<i>27.2</i>	<i>31.3</i>
<i>o/w Gross Debt (+)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Other EV components	0	-3	-1	4	5	5
Enterprise Value (EV adj.)	1	-6	2	16	14	10

Source: Company, Equinet estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj) or EBIT (adj.)= EBITDA (or EBITA or EBIT) +/- Non Recurrent Expenses/Income

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

***EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

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.
Aareal Bank	Häßler	19.00	Buy		Hugo Boss	Faust	28.00	Hold	
Ad pepper	Pehl	2.40	Buy	2/3	iFAO AG	Rothenbacher	12.00	Buy	2/3
adidas	Faust	50.00	Accumulate		Integralis AG	Schäfer	6.75	Hold	2/3
Advanced Vision Technology	Aubéry	4.50	Buy	2/3	Interseroh	Schäfer	40.00	Reduce	2/3
Aixtron	Pehl	28.50	Buy	2/3	Isra	Aubéry	18.00	Buy	2/3/5
Allianz	Häßler	105.00	Accumulate		Itelligence	Demidova	6.30	Accumulate	2/3
Analytik Jena	Demidova	10.50	Accumulate	7	IVG Immobilien AG	Rothenbacher	7.00	Buy	
Augusta Technologie	Simmroß	20.00	Buy	7	Kontron	Pehl	7.00	Accumulate	
Axel Springer	Possienke	127.00	Buy		Krones AG	Schmidt	50.00	Accumulate	
BASF	Demidova	65.00	Buy		KTG Agrar	Schäfer	16.00	Accumulate	2/3/4/5
Bayer	Possienke	50.00	Hold		KUKA	Schäfer	12.50	Hold	
BayWa	Schäfer	35.00	Buy	5	K+S AG	Schäfer	52.00	Buy	
BB Biotech	Aubéry	60.00	Buy	2/7	LANXESS	Demidova	47.00	Accumulate	
Beta Systems Software	Schuldt	3.90	Buy	2/3	Leoni	Schuldt	31.00	Buy	
Beiersdorf	Aubéry	45.00	Hold		Loewe	Faust	7.50	Hold	2
Berentzen	Faust	8.00	Buy	2/3	Logwin	Rothenbacher	1.30	Buy	2/3
Biffinger Berger	Faust	68.00	Buy		Lufthansa	Rothenbacher	15.00	Buy	
Biopetrol Industries	Schäfer	2.00	Buy	2/3/5	MAN	Schuldt	86.00	Buy	
Biotest	Possienke	35.00	Accumulate	2/3	MAX Automation AG	Schmidt	3.20	Accumulate	2/5
BMW	Schuldt	54.00	Buy		Medion	Simmroß	12.00	Buy	
Carl Zeiss Meditec	Aubéry	13.50	Accumulate		Merck	Possienke	77.00	Accumulate	
Celestio	Possienke	22.00	Accumulate		MLP	Häßler	7.50	Hold	
Cenit	Pehl	7.50	Buy	2/3	Mobotix AG	Pehl	34.00	Buy	2/3
comdirect	Häßler	8.00	Hold		Morphosys	Possienke	33.00	Buy	
Commerzbank	Häßler	8.00	Accumulate		MTU	Pehl	52.50	Accumulate	2
Conergy	Growe	0.50	Sell		Munich Re	Häßler	110.00	Hold	
Continental	Schuldt	56.00	Buy		Nanogate AG	Demidova	21.00	Buy	2/3
D.L Logistics	Rothenbacher	1.80	Buy	2/3	Pfeiffer Vacuum	Pehl	67.00	Accumulate	
DAB Bank	Häßler	4.40	Hold		Pfleiderer	Faust	3.50	Sell	
Daimler AG	Schuldt	57.00	Buy		Phoenix Solar	Growe	45.00	Buy	
Daidrup & Soehne	Growe	25.00	Accumulate	2/3/4/5	Porsche	Schuldt	45.00	Buy	
Demag Cranes	Schmidt	27.00	Hold	2	Postbank	Häßler	29.00	Accumulate	
Deutsche Bank	Häßler	62.00	Buy		PSI	Schäfer	16.00	Buy	2/5
Deutsche Boerse	Häßler	55.00	Hold		Puma	Faust	180.00	Sell	
Deutsche EuroShop	Rothenbacher	26.50	Accumulate		Q-Cells	Growe	5.50	Reduce	
Deutsche Forfait	Häßler	8.00	Buy	2/3	Rheinmetall	Pehl	57.00	Buy	
Deutsche Post	Rothenbacher	16.00	Accumulate		Rhoen-Klinikum	Possienke	21.00	Buy	
Deutsche Telekom	Pehl	10.50	Hold		Roth & Rau	Growe	33.00	Buy	
DNICK Holding plc	Simmroß	10.00	Buy	2/3	RWE	Schäfer	74.00	Accumulate	
Douglas Holding	Faust	40.00	Buy		Salzgitter	Growe	54.00	Hold	
Drägerwerk	Aubéry	78.00	Buy		Seven Principles AG	Pehl	6.00	Accumulate	2/3/5
E.ON	Schäfer	30.00	Hold		Singulus Technologies	Growe	5.50	Accumulate	5
EringKlinger	Schuldt	25.00	Buy		SMT SCHARF AG	Schmidt	15.00	Buy	2/3
Euromicron AG	Pehl	32.00	Buy	5	Software AG	Pehl	82.00	Hold	
Fielmann	Possienke	67.00	Accumulate		Solar-Fabrik	Growe	7.00	Buy	2/3/5
Fraport	Rothenbacher	45.00	Buy		SolarWorld	Growe	11.00	Hold	
Freenet	Pehl	9.50	Accumulate	2	Solon	Growe	3.80	Reduce	
Fresenius	Possienke	53.00	Reduce		Stada	Possienke	30.00	Accumulate	
Fresenius Medical Care	Possienke	47.00	Accumulate		Suess MicroTec	Pehl	6.00	Buy	2/3
Fuchs Petrolub	Demidova	95.00	Buy		Sunways	Growe	6.50	Accumulate	2/3
GEA Group	Schmidt	21.00	Buy		ThyssenKrupp	Growe	25.00	Hold	
Gerresheimer AG	Aubéry	33.00	Accumulate		Tognum	Schmidt	14.00	Hold	
Gesco	Schmidt	47.00	Buy	2/3	TUI	Rothenbacher	8.00	Hold	
GFT Technologies	Schuldt	4.70	Buy	2/3	Twintec	Schäfer	15.00	Buy	2/3/5
Gildemeister	Schmidt	14.00	Buy		United Internet	Pehl	13.00	Accumulate	
Grenkeleasing AG	Häßler	35.00	Hold		VBH Holding	Faust	4.10	Hold	2/3
Hannover Re	Häßler	36.00	Hold		Volkswagen	Schuldt	97.00	Buy	
Heidelberger Druck	Schmidt	10.00	Buy		Vossloh	Schmidt	88.00	Accumulate	
Henkel	Demidova	42.00	Hold		Wacker Chemie	Growe	140.00	Accumulate	
HHLA	Rothenbacher	35.00	Buy		Wincor Nixdorf	Pehl	56.00	Buy	
Hochtief	Faust	90.00	Buy		4SC AG	Aubéry	4.70	Buy	2/3

Source: equinet Recommendations

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

Share prices

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Sources

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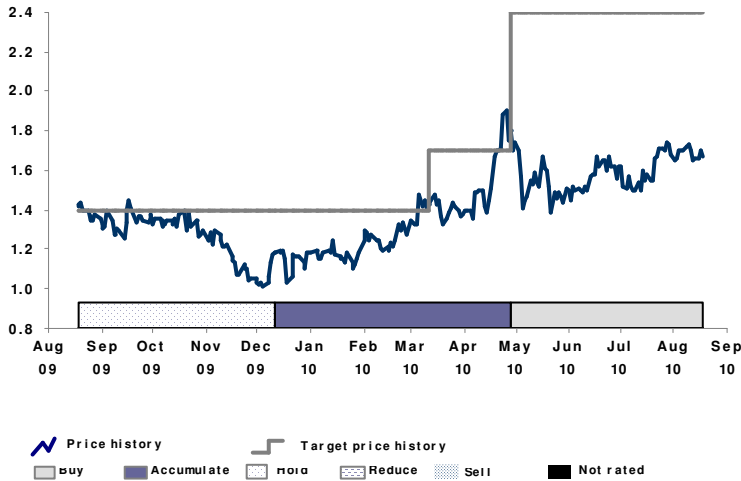


Recommendation history for AD PEPPER

Date	Recommendation	Target price	Price at change date
19-Aug-10	Buy	2.40	1.67
11-Mar-10	Accumulate	1.70	1.43
11-Dec-09	Accumulate	1.40	1.18
13-Nov-09	Hold	1.40	1.23
21-Jul-09	Accumulate	1.25	1.10
10-Jun-09	Buy	1.25	1.00
06-Nov-08	Hold	1.65	0.97
02-Apr-08	Buy	2.50	1.58
25-Sep-07	Buy	5.00	2.04

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

This chart shows Equinet continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Adrian Pehl, CFA (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**.

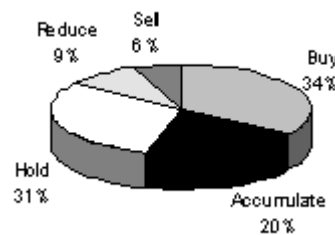
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Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

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
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- **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 Ratings Breakdown

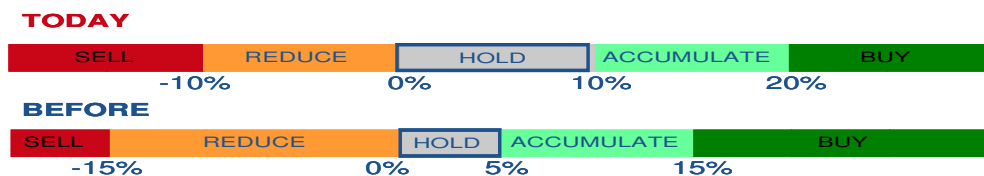


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Since 4 August 2008, the ESN Rec. System has been amended as follow.

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



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