



Investment Research

Buy

Recommendation unchanged

Share price: EUR 0.97

closing price as of 18/07/2012

Target price: EUR 1.70

from Target Price: EUR **1.65**

Reuters/Bloomberg

APME.F/APM.GY

Daily avg. no. trad. sh. 12 mth	19,069
Daily avg. trad. vol. 12 mth (m)	0.02
Price high 12 mth (EUR)	1.80
Price low 12 mth (EUR)	0.88
Abs. perf. 1 mth	9.2%
Abs. perf. 3 mth	-17.7%
Abs. perf. 12 mth	-40.1%

Market capitalisation (EURm)	20
Current N° of shares (m)	21
Free float	41%

Key financials (EUR)	12/11	12/12e	12/13e
Sales (m)	56	57	61
EBITDA (m)	(2)	(1)	1
EBITDA margin	nm	nm	1.6%
EBIT (m)	(3)	(1)	1
EBIT margin	nm	nm	0.8%
Net Profit (adj.)(m)	(3)	(2)	(1)
ROCE	-180.4%	-146.3%	2.8%
Net debt/(cash) (m)	(16)	(16)	(16)
Net Debt Equity	-0.7	-0.7	-0.7
Net Debt/EBITDA	7.3	21.5	-16.6
Int. cover(EBITDA/Fin.int)	2.9	1.2	(1.4)
EV/Sales	0.0	0.1	0.2
EV/EBITDA	nm	nm	11.8
EV/EBITDA (adj.)	nm	nm	11.8
EV/EBIT	nm	nm	22.9
P/E (adj.)	nm	nm	nm
P/BV	1.0	0.9	1.0
OpFCF yield	-12.2%	-9.6%	-4.3%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.13)	(0.09)	(0.04)
BVPS	1.06	1.03	0.99
DPS	0.00	0.00	0.00



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

For company description please see summary table footnote

Reason: Company Results

19 July 2012

2Q12 in line – on track to reach break-even in 4Q12 PT increased to EUR 1.7 – keep Buy

APM has released preliminary results which were broadly in line with our expectation and show a good progress as regards the OPEX restructuring. While the discontinuation of operations as well as general cost savings improved the profitability in the core segment, margins in the ad agents division were enlarged by a higher share of direct bookings via Google. Given the improving margin expectations we have slightly increased our PT from EUR 1.65 to EUR 1.70 while we keep our 'Buy' rating.

- ✓ **On Tuesday APM reported preliminary 1H12 figures.** 1H12 Sales were up 1.6% yoy at EUR 26.6m and came in slightly below our expectation. Adjusted for the discontinued Swedish and US operations sales grew by 7.3%. On a divisional base a decline of 24.2% yoy in the ad pepper media segment was compensated by a strong performance of ad agents (up 69% yoy) and Webgains (up 9.7% yoy).
- ✓ **Despite the drop in sales in ad pepper media, the segments' performance improved strongly qoq.** Here a new UK management was able to improve segmental sales by 10.5% qoq while at the same time improving margins. In the ad agents segment margins improved as a higher stake of customers is booking their ads directly via Google which has a direct P&L effect for ad pepper.
- ✓ **The improving profitability of ad pepper media and ad agents was reflected in the gross margin,** which increased from the trough level of 38.5% in 1Q12 to 40.3% in 2Q12. EBITDA came in slightly above our expectation at EUR -1.0m. However, compared to the 1H11 figure (EUR -2.0m) it improved strongly.

1H12 review

in EUR m	1H12	1H12e	delta	1H11	yoy	FY12e	FY11	yoy
Sales	26.6	27.7	-4%	26.2	2%	56.9	56.0	2%
EBITDA	-1.0	-1.1	-6%	-2.0	-49%	-0.8	-2.2	-66%
EBITDA margin	-3.8%	-3.9%	+10bp	-7.6%	+380bp	-1.3%	-4.0%	+270bp
EBIT	-1.2	-1.3	-6%	-2.3	-45%	-1.2	-2.7	-55%
Net profit	-1.1	-1.2	-6%	-2.0	-47%	-1.9	-2.6	-29%
EPS (EUR)	-0.06	-0.06	-7%	-0.10	-40%	-0.09	-0.13	-29%

Sources: Company data, equinet Research

- ✓ **Going forward the management seems to be optimistic regarding the operational performance** and mentioned new customer gains at Webgains, while a new platform for Italy has also been set up. We continue to believe that a positive group EBIT should already be achievable in 4Q12.
- ✓ **Given the latest developments we have adjusted our forecast** for the ad agents segment where the direct booking via Google results in a decreasing sales base but improving margins. To account for the cost savings in the ad pepper media division we have further increased our earnings expectations for the core segment. Based on those changes **we have slightly increased our PT from EUR 1.65 to 1.70 and reiterate our 'Buy' rating.**

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Estimate changes

in EUR m	FY12 old	FY12 new	change	FY13 old	FY13 new	change	FY14 old	FY14 new	change
Sales	58.42	56.92	-3%	63.93	61.14	-4%	70.00	66.50	-5%
EBITDA	-0.95	-0.75	-21%	0.54	0.98	82%	2.33	2.77	19%
EBITDA margin	-1.6%	-1.3%	+30bp	0.8%	1.6%	+80bp	3.3%	4.2%	-20bp
EPS [EUR]	-0.11	-0.09	-18%	-0.08	-0.04	-50%	-0.01	0.00	0.03

Sources: Company data, equinet Research

Discounted Cash Flow model

EUR m	2012	2013	Phase I			2017	2018	Phase II			Phase III
			2014	2015	2016			2019	2020	2021	2022
Sales	56.9	61.1	66.5	70.9	74.4	76.6	78.9	81.2	83.7	86.2	87.9
Sales growth	16%	7.4%	8.8%	6.5%	4.9%	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%
EBIT	-1.2	0.5	2.3	3.6	4.4	4.6	4.7	4.9	5.0	5.2	5.3
EBIT margin	-2.2%	0.8%	3.4%	5.1%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Tax	(0.6)	(1.1)	(1.8)	(2.2)	(2.4)	(2.6)	(2.5)	(2.4)	(2.4)	(2.3)	(2.4)
Tax rate	nm	nm	nm	nm	nm	45.0%	42.5%	40.0%	37.5%	35.0%	35.0%
NOPAT	(1.9)	(0.6)	0.5	1.4	2.0	2.1	2.3	2.4	2.7	2.9	2.9
Depreciation	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7
in % of Sales	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
Capex	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)	(0.7)
in % of Sales	10%	10%	10%	10%	10%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%
Provision delta	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
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%
NWC delta	(0.0)	0.1	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
in % of Sales	0.0%	0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets delt	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
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%
Free Cash Flow	-1.9	-0.6	0.2	1.1	1.7	1.9	2.1	2.3	2.6	2.8	2.9
FCF growth	nm	nm	nm	nm	54.6%	13.0%	11%	9.4%	8.9%	8.6%	3.2%
Present Value FCF	-1.9	-0.5	0.2	0.8	1.1	1.2	1.2	1.2	1.2	1.1	15.2

PV Phase I	-0.3	MCap	34.4	Targ. equity ratio	90.5%			
PV Phase II	5.8	Risk premium	4.00%	Beta	1.32			
PV Phase III	15.2	Risk free rate	4.50%	WACC	9.78%			
Total present value	20.7							
+ capital increase/share buy back	1.4							
+ associates / other fin. assets	7.2							
+ estimated hidden reserves	5.0							
- market value of minorities	14.9							
+ cash and liquid assets	16.2							
- interest bearing debt*	0.0							
Implied Mcap	35.7							
Number of shares	21.1							
Implied value per share	1.69							
		Sensitivity		Growth rate Phase III				
		Analysis	1.0%	1.5%	2.0%	2.5%	3.0%	
			8.80%	1.78	1.83	1.89	1.96	2.05
			9.29%	1.69	1.73	1.79	1.85	1.91
		WACC	9.78%	1.61	1.65	1.69	1.74	1.80
			10.27%	1.54	1.58	1.61	1.65	1.70
			10.76%	1.48	1.51	1.54	1.58	1.62

* Including pension provisions

Source: equinet

Ad pepper: Summary tables

PROFIT & LOSS (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Sales	46.9	51.7	56.0	56.9	61.1	66.5
Cost of Sales & Operating Costs	-52.8	-49.9	-58.2	-57.7	-60.2	-63.7
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-5.9	1.7	-2.2	-0.8	1.0	2.8
EBITDA (adj.)*	-5.9	1.7	-2.2	-0.8	1.0	2.8
Depreciation	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3
EBITA	-6.3	1.4	-2.5	-1.0	0.7	2.5
EBITA (adj)*	-6.3	1.4	-2.5	-1.0	0.7	2.5
Amortisations and Write Downs	-25.6	-0.4	-0.2	-0.2	-0.2	-0.2
EBIT	-32.0	1.0	-2.7	-1.2	0.5	2.3
EBIT (adj.)*	-32.0	1.0	-2.7	-1.2	0.5	2.3
Net Financial Interest	0.6	0.6	0.8	0.6	0.7	0.7
Other Financials	0.0	0.1	-0.2	0.0	0.0	0.0
Associates	0.7	0.6	0.0	0.0	0.0	0.0
Other Non Recurrent Items	-3.1	0.7	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	-33.8	3.1	-2.2	-0.6	1.2	3.0
Tax	-0.6	-0.6	-0.2	-0.6	-1.1	-1.8
<i>Tax rate</i>	<i>nm</i>	<i>18.1%</i>	<i>nm</i>	<i>nm</i>	<i>90.0%</i>	<i>60.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	-0.3	-0.3	-0.7	-1.0	-1.3
Net Profit (reported)	-34.3	2.2	-2.6	-1.9	-0.9	-0.1
Net Profit (adj.)	-13.5	2.2	-2.6	-1.9	-0.9	-0.1
CASH FLOW (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Cash Flow from Operations before change in NWC	-7.5	2.5	-3.0	-1.4	-0.3	0.5
Change in Net Working Capital	3.2	-1.8	0.6	0.0	0.1	-0.1
Cash Flow from Operations	-4.3	0.7	-2.4	-1.4	-0.3	0.4
Capex	-0.5	-0.3	-0.3	-0.6	-0.6	-0.7
Net Financial Investments	-0.1	0.0	-2.9	1.0	0.0	0.0
Free Cash Flow	-4.9	0.5	-5.6	-1.0	-0.9	-0.3
Dividends	0.0	0.0	-1.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	4.5	0.2	-0.3	0.9	1.0	1.2
Change in Net Debt	-0.4	0.6	-7.0	0.0	0.1	1.0
NOPLAT	-32.5	0.8	-3.0	-2.6	0.1	0.9
BALANCE SHEET & OTHER ITEMS (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Net Tangible Assets	0.6	0.4	0.4	0.5	0.7	0.9
Net Intangible Assets (incl. Goodwill)	0.8	0.5	0.3	0.2	0.2	0.2
Net Financial Assets & Other	0.7	4.1	7.2	7.4	7.4	7.4
Total Fixed Assets	2.1	5.0	7.9	8.1	8.3	8.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	6.4	8.0	9.9	10.1	10.8	11.8
Other current assets	1.7	1.2	1.4	1.4	1.5	1.6
Cash (-)	-22.6	-23.2	-16.2	-16.2	-16.3	-17.2
Total Current Assets	30.7	32.5	27.6	27.7	28.6	30.6
Total Assets	32.8	37.5	35.4	35.8	36.9	39.1
Shareholders Equity	21.2	25.7	22.3	21.8	20.9	20.9
Minority	0.1	0.4	0.4	1.1	2.1	3.3
Total Equity	21.3	26.1	22.7	22.9	23.0	24.2
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	3.7	3.3	2.4	2.4	2.5	2.5
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	3.7	3.3	2.4	2.4	2.5	2.5
Short term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	6.6	6.4	8.9	9.1	9.9	10.8
Other current liabilities	1.1	1.7	1.4	1.5	1.5	1.6
Total Current Liabilities	7.8	8.2	10.4	10.6	11.4	12.3
Total Liabilities and Shareholders' Equity	32.8	37.5	35.4	35.8	36.9	39.1
Net Capital Employed	2.5	6.1	8.8	9.1	9.2	9.5
Net Working Capital	-0.2	1.6	1.0	1.0	0.9	1.0
GROWTH & MARGINS	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
<i>Sales growth</i>	<i>-10.9%</i>	<i>10.2%</i>	<i>8.4%</i>	<i>1.6%</i>	<i>7.4%</i>	<i>8.8%</i>
EBITDA (adj.)* growth	-chg	+chg	-chg	+chg	+chg	182.6%
<i>EBITA (adj.)* growth</i>	<i>-chg</i>	<i>+chg</i>	<i>-chg</i>	<i>+chg</i>	<i>+chg</i>	<i>263.6%</i>
<i>EBIT (adj.)* growth</i>	<i>-chg</i>	<i>+chg</i>	<i>-chg</i>	<i>+chg</i>	<i>+chg</i>	<i>354.4%</i>

Ad pepper: Summary tables

GROWTH & MARGINS	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Net Profit growth	-chg	+chg	-chg	+chg	+chg	+chg
EPS adj. growth	-chg	+chg	-chg	+chg	+chg	+chg
DPS adj. growth		+chg	-chg			
EBITDA (adj)* margin	nm	3.3%	nm	nm	1.6%	4.2%
EBITA (adj)* margin	-13.5%	2.7%	-4.4%	-1.8%	1.1%	3.7%
EBIT (adj)* margin	nm	2.0%	nm	nm	0.8%	3.4%
RATIOS	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Net Debt/Equity	-1.1	-0.9	-0.7	-0.7	-0.7	-0.7
Net Debt/EBITDA	3.8	-13.5	7.3	21.5	-16.6	-6.2
Interest cover (EBITDA/Fin.interest)	9.4	nm	2.9	1.2	nm	nm
Capex/D&A	9.4%	37.4%	50.0%	120.3%	128.2%	138.0%
Capex/Sales	1.1%	0.5%	0.5%	1.0%	1.0%	1.0%
NWC/Sales	-0.5%	3.1%	1.8%	1.8%	1.5%	1.5%
ROE (average)	-35.2%	9.5%	-11.0%	-8.5%	-4.1%	-0.3%
ROCE (adj.)	nm	32.8%	-180.4%	-146.3%	2.8%	44.1%
WACC	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
ROCE (adj.)/WACC	nm	3.4	-18.4	-15.0	0.3	4.5
PER SHARE DATA (EUR)***	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Average diluted number of shares	21.3	21.3	21.1	21.1	21.1	21.1
EPS (reported)	-1.61	0.11	-0.13	-0.09	-0.04	0.00
EPS (adj.)	-0.63	0.11	-0.13	-0.09	-0.04	0.00
BVPS	0.99	1.21	1.06	1.03	0.99	0.99
DPS	0.00	0.05	0.00	0.00	0.00	0.00
VALUATION	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
EV/Sales	0.0	0.3	0.0	0.1	0.2	0.2
EV/EBITDA	nm	8.3	nm	nm	11.8	4.2
EV/EBITDA (adj.)*	nm	8.3	nm	nm	11.8	4.2
EV/EBITA	-0.3	10.3	-1.1	-6.5	17.1	4.8
EV/EBITA (adj.)*	-0.3	10.3	-1.1	-6.5	17.1	4.8
EV/EBIT	nm	14.2	nm	nm	22.9	5.1
EV/EBIT (adj.)*	nm	14.2	nm	nm	22.9	5.1
P/E (adj.)	nm	17.1	nm	nm	nm	nm
P/BV	1.2	1.5	1.0	0.9	1.0	1.0
Total Yield Ratio	6.7%	2.0%	-1.0%	0.0%	0.0%	0.0%
EV/CE	1.4	5.7	1.7	3.8	6.4	5.7
OpFCF yield	-19.1%	1.1%	-12.2%	-9.6%	-4.3%	-1.4%
OpFCF/EV	-294%	2.9%	-96.5%	-28.9%	-7.6%	-2.4%
Payout ratio	0.0%	47.5%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Price** (EUR)	1.18	1.80	1.04	0.97	0.97	0.97
Outstanding number of shares for main stock	21.3	20.9	21.1	21.1	21.1	21.1
Total Market Cap	25	38	22	20	20	20
Net Debt	-23	-23	-16	-16	-16	-17
<i>o/w Cash & Marketable Securities (-)</i>	<i>-23</i>	<i>-23</i>	<i>-16</i>	<i>-16</i>	<i>-16</i>	<i>-17</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>
Other EV components	-1	0	-3	3	8	9
Enterprise Value (EV adj.)	2	14	3	7	12	12

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.
4SCAG	Aubéry	3.60	Buy	7	i:FAOAG	Rothenbacher	15.00	Buy	2/3
Aareal Bank	Häßler	18.00	Buy		IntegralisAG	Schäfer	7.50	Hold	2/3
Adpepper	Pehl	1.70	Buy	2/3	Itelligence	Demidova	9.20	Buy	2/3/5
adidas	Faust / Rigtters	80.00	Buy		IVG Immobilien AG	Rothenbacher	2.50	Hold	
Advanced Vision Technology	Schmidt	7.00	Buy	7	K+S AG	Schäfer	57.00	Buy	
Agennix	Aubéry	2.40	Buy	2/3	KHD HUMBOLDT WEDAG INTERNAT	Schmidt / Schul	7.60	Buy	
Aixtron	Pehl	10.00	Reduce	2/3	Kontron	Pehl	6.25	Buy	
Allianz	Häßler	96.00	Accumulate		Krones AG	Schmidt	40.00	Hold	
Analytik Jena	Demidova	11.00	Hold	7	KTG Agrar	Schäfer	16.00	Accumulate	2/3/5
Augusta Technologie	Pehl	28.00	Accumulate	7	KUKA	Schäfer / Schmi	21.00	Accumulate	
BASF	Demidova	80.00	Buy		LANXESS	Demidova	70.00	Accumulate	
BAUER AG	Schmidt	21.00	Accumulate		Leoni	Schuldt	47.00	Buy	
Bayer	Aubéry	65.00	Accumulate		Linde	Demidova	130.00	Hold	
BayWa	Schäfer	33.00	Accumulate	5	Loewe	Faust / Rigtters	6.00	Buy	2/5
BB Biotech	Aubéry	73.00	Buy	7	Logwin	Rothenbacher	1.60	Buy	2/3/5
Beiersdorf	Demidova	45.00	Hold		LPK FLASER & ELECTRONICS	Schuldt	14.00	Hold	
Berentzen	Faust / Rigtters	6.00	Buy	2/3	Lufthansa	Rothenbacher	10.00	Hold	
Beta Systems Software	Schuldt	1.70	Hold	2/3	MAN	Schuldt	100.00	Buy	
Bilfinger Berger	Faust	80.00	Buy		MAX Automation AG	Schmidt	5.00	Buy	2/3/5
Biopetrol Industries	Schäfer	0.60	Sell	2/3	Medion	Faust / Rigtters	13.00	Hold	
Biotest	Aubéry	48.00	Buy	2/3	Merck	Aubéry	83.00	Hold	
BMW	Schuldt	90.00	Buy		MIFA	Faust / Rigtters	10.00	Accumulate	
Celesio	Aubéry / Lieder	15.00	Accumulate		MLP	Häßler	7.50	Buy	2/3
Cenit	Pehl	8.50	Buy	2/3	Mobotix AG	Pehl	25.00	Accumulate	2/3
comdirect	Häßler	8.50	Hold		Morphosys	Aubéry	27.00	Buy	
Commerzbank	Häßler	2.50	Buy		MTU	Pehl	65.00	Hold	2
Continental	Schuldt	77.00	Hold		Munich Re	Häßler	110.00	Hold	
DAB Bank	Häßler	3.80	Hold		Nanogate AG	Demidova	21.00	Buy	2/3/5
Daimler AG	Schuldt	57.00	Buy		Pfeiffer Vacuum	Pehl	93.00	Accumulate	
Daldrup & Soehne	Schäfer	15.00	Accumulate	2/3/5	Phoenix Solar	Freudenreich	Fehler ng	Suspended	
Demag Cranes	Schmidt	60.00	Accumulate		Porsche	Schuldt	43.00	Reduce	
Derby Cycle	Faust / Rigtters	28.00	Hold	2/3/4/5	Postbank	Häßler	32.00	Accumulate	
Deutsche Bank	Häßler	40.00	Buy		PSI	Schäfer	16.00	Hold	2
Deutsche Biogas	Schäfer	14.00	Buy	2/3/4/5	Puma	Faust / Rigtters	250.00	Hold	
Deutsche Boerse	Häßler	48.00	Accumulate		Rheinmetall	Pehl	42.00	Buy	
Deutsche EuroShop	Rothenbacher	27.50	Hold		Rhoen-Klinikum	Aubéry / Lieder	22.00	Buy	
Deutsche Forfait	Häßler	4.30	Buy	2/3	RIB Software	Rothenbacher	7.00	Buy	2/3/4
Deutsche Post	Rothenbacher	17.00	Buy		RWE	Schäfer	35.00	Hold	
Deutsche Telekom	Pehl	9.00	Hold		SAF-HOLLAND	Schuldt	9.00	Buy	7
DNICK Holding plc	Freudenreich	13.00	Buy	2/3	Salzgitter	Freudenreich	42.00	Accumulate	
Douglas Holding	Faust / Rigtters	35.00	Hold		Schuler AG	Schuldt	26.00	Buy	2/3
Drägerwerk	Aubéry	96.00	Accumulate		Seven Principles AG	Pehl	10.00	Buy	2/3/5
E.ON	Schäfer	20.00	Accumulate		Singulus Technologies	Freudenreich	2.60	Hold	4/5
EringKlinger	Schuldt	23.00	Hold		SKW Stahl	Freudenreich	23.00	Buy	
Epigenomics AG	Aubéry	5.50	Buy	2/3	SMA Solar Technology	Freudenreich	36.00	Accumulate	
Euromicron AG	Pehl	31.50	Buy	2/3/5	SMT SCHARFAG	Schmidt	32.00	Buy	2/3
Fielmann	Aubéry / Lieder	73.00	Hold		Solar-Fabrik	Freudenreich	3.60	Buy	2/3
Fraport	Rothenbacher	53.00	Accumulate		SolarWorld	Freudenreich	1.65	Hold	
Freenet	Pehl	13.00	Accumulate	2	Solutronic	Freudenreich	Under review	Not rated	2/3/4/5
Fresenius	Aubéry	89.00	Accumulate		SuessMicroTec	Pehl	13.00	Buy	2/3/5
Fresenius Medical Care	Aubéry	59.00	Accumulate		Sunways	Freudenreich	1.90	Hold	2/3/5
Fuchs Petrolub	Demidova	43.00	Hold		Symrise AG	Demidova	22.00	Hold	
GEA Group	Schmidt	22.00	Hold		ThyssenKrupp	Freudenreich	22.00	Accumulate	
Gerrheimer AG	Aubéry	43.00	Accumulate		TUI	Rothenbacher	9.00	Buy	
GERRYWEBER	Faust / Rigtters	35.50	Accumulate		United Internet	Pehl	17.00	Buy	
Gesco	Schmidt	75.00	Buy	2/3	VBH Holding	Faust	4.00	Hold	2/3
GFT Technologies	Schuldt	4.40	Buy	2/3	VIB Vermoegen	Rothenbacher	11.00	Buy	
Gigaset	Pehl / Rigtters	3.30	Buy	2/3	Volkswagen	Schuldt	190.00	Buy	
Gildemeister	Schmidt	17.00	Buy		Vossloh	Schmidt	88.00	Buy	
Grenkeleasing AG	Häßler	40.00	Hold		Wacker Chemie	Freudenreich	64.00	Hold	
Hannover Re	Häßler	50.00	Accumulate		Washtec	Schuldt	14.00	Buy	
Heidelberger Druck	Schmidt	1.60	Hold		Willex	Aubery	7.00	Buy	2/3
Henkel	Demidova	52.00	Hold		Wincor Nixdorf	Pehl	30.00	Hold	2
HHLA	Rothenbacher	22.00	Hold						
Hochtief	Faust	60.00	Buy						
Hugo Boss	Faust / Rigtters	85.00	Hold						
HYPOPORT AG	Häßler	11.50	Hold						

Source: equinet Recommendations

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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

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Sources

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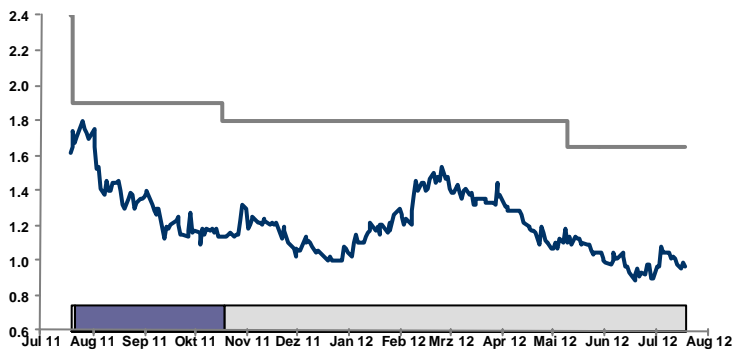
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-BaFin- (Federal Financial Supervisory Authority)
Graurheindorfer Straße 108, 53117 Bonn and
Lurgialle 12, 60439 Frankfurt am Main.

Recommendation history for AD PEPPER

Date	Recommendation	Target price	Price at change date
19. Jul 12	Buy	1.70	0.97
09. Mai 12	Buy	1.65	1.11
13. Feb 12	Buy	1.80	1.44
20. Jul 11	Accumulate	1.90	1.74
08. Apr 11	Buy	2.40	1.79
11. Mrz 10	Accumulate	1.70	1.43
11. Dez 09	Accumulate	1.40	1.18
13. Nov 09	Hold	1.40	1.23
21. Jul 09	Accumulate	1.25	1.10

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: 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**.

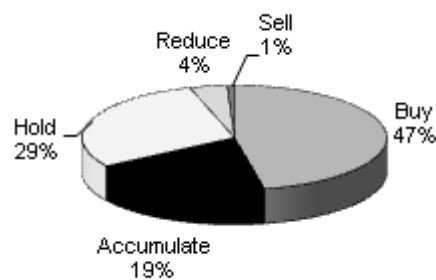
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Meaning of each recommendation or rating:

- **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 Bank Ratings Breakdown

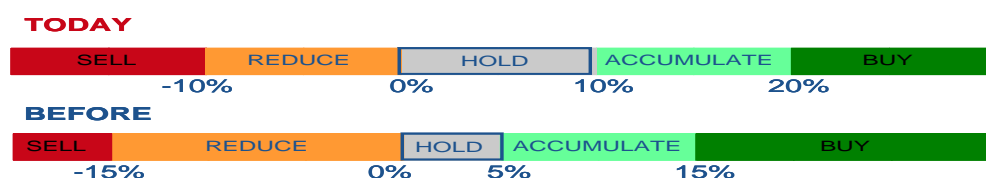


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Since **18 October 2004**, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

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:



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