

Investment Research

11 November 2011

Buy

Recommendation unchanged

Share price: EUR 18.80

closing price as of 10/11/2011

Target price: EUR 31.50

Target Price unchanged

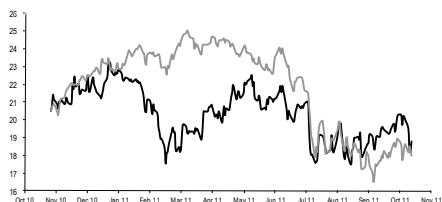
Reuters/Bloomberg

EUOG.DE/EUC GY

Daily avg. no. trad. sh. 12 mth	19,877
Daily avg. trad. vol. 12 mth (m)	0.41
Price high 12 mth (EUR)	23.29
Price low 12 mth (EUR)	17.50
Abs. perf. 1 mth	-1.3%
Abs. perf. 3 mth	5.9%
Abs. perf. 12 mth	-12.6%

Market capitalisation (EURm)	96
Current N° of shares (m)	5
Free float	100%

Key financials (EUR)	12/10	12/11e	12/12e
Sales (m)	204	295	325
EBITDA (m)	25	32	37
EBITDA margin	12.1%	10.8%	11.3%
EBIT (m)	20	25	29
EBIT margin	9.9%	8.4%	8.9%
Net Profit (adj.)(m)	11	14	16
ROCE	9.0%	8.1%	9.0%
Net debt/(cash) (m)	51	82	78
Net Debt Equity	0.6	0.8	0.7
Net Debt/EBITDA	2.0	2.6	2.1
Int. cover(EBITDA/Fin.int)	8.5	8.6	7.6
EV/Sales	0.8	0.7	0.6
EV/EBITDA	6.6	6.3	5.3
EV/EBITDA (adj.)	6.6	6.3	5.3
EV/EBIT	8.2	8.0	6.8
P/E (adj.)	9.1	6.9	6.0
P/BV	1.2	1.0	0.9
OpFCF yield	4.6%	-12.8%	9.1%
Dividend yield	5.9%	5.9%	6.4%
EPS (adj.)	2.38	2.73	3.13
BVPS	18.42	19.03	21.06
DPS	1.10	1.10	1.20



Source: FactSet

For company description please see summary table footnote

Strong 3Q11 reporting and positive outlook re-affirmed Confirm 'Buy' rating and PT of EUR 31.5

EUCA released a strong set of 3Q11 figures that exceeded our forecast in every aspect. The positive outlook was re-affirmed and our estimates for next year are probably very conservative. We confirm our 'Buy' rating and PT of EUR 31.5.

- ✓ EUCA reported 3Q11 sales of EUR 92.3m which clearly exceeded our expectation of EUR 81.5m by 13%. EUCA stated that it had strong organic growth of 30% yoy which means that acquired units (mainly telent) contributed c. EUR 25m) to this growth. Thanks to the good top line, the EBIT came in also strong. Here, the company reported an operating profit of EUR 6.3m which corresponds to a margin of 6.8%. Our forecast stood at only EUR 4.1m and 5.1%, respectively, as we expected a higher margin dilution from the acquired entities. The net result was said to be EUR 2.9m which is better than our projection by about EUR 1m. The EPS came in at EUR 0.58 (equinet: EUR 0.37).

3Q11 review

EUR m	9M11a	9M11e	delta	9M10	yoy	3Q11a	3Q11e	delta	3Q10	yoy
Order intake	245.4	241.1	2%	154.0	59%	89.3	85.0	5%	45.5	96%
Sales	220.6	209.8	5%	149.8	47%	92.3	81.5	13%	53.6	72%
EBIT	14.9	12.8	17%	10.3	45%	6.3	4.1	52%	3.2	97%
EBIT margin	6.8%	6.1%	+70bp	6.9%	-10bp	6.8%	5.1%	+170bp	5.9%	+90bp
Net result	7.8	6.8	15%	5.6	40%	3.0	1.9	54%	1.5	94%
EPS [EUR]	1.53	1.32	16%	1.17	31%	0.58	0.37	56%	0.33	77%

Source: company data, equinet estimates

- ✓ The order intake was strong as well and achieved EUR 245.4m after nine months (Book-to-bill of 1.11). Here, our forecast stood at EUR 241.1m. Order backlog was at EUR 174m, providing a good 6 months visibility.
- ✓ EUCA repeated the long-term strategic margin outlook of 8-11%. For FY11, the company confirmed the EUR 280-300m range, but stated to clearly target the upper end. As regards the EBIT forecast, EUCA plans for a 7.5-8.5% margin range. The lower end might be reached as probably, some integration cost and PPA will be booked in 4Q11. In the report we found that for the last quarter, EUCA sees order intake stable or slightly increasing.
- ✓ We now speculate that even the EUR 300m for this year's top line could be a bit conservative after the strong organic growth and the good performance telent must have had so far. We consider the FY11 EBIT outlook to be in line with our projection of EUR 24.7m as we did not account for PPA / one-off cost so far. Please consider that management guides conservatively.
- ✓ As expected, there were no statements about FY12, but here, please consider that telent was consolidated as of June 7, 2011. This means that the respective revenue recognition for a full year for the first time should lead to additional sales of c. EUR 40m alone. Taking this into account, we note that our FY12 top line forecast of EUR 325m is probably very conservative, which was also underlined by management statements today.

Analyst(s): Adrian Pehl, CFA

+49 69 58997 438 adrian.pehl@equinet-ag.de

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- ✓ EUCA has announced a capital increase comprising c. 1.5m new shares. We will include this transaction into our model after it is concluded as well as any changes from an improved outlook. According to our calculations **EUCA should at least be able to generate a FY12 EPS of c. EUR 2.5 next year after dilution (P/E'12 of 7.3x)**. We confirm our DCF/multiple based PT of EUR 31.5 for the time being as well as our 'Buy' recommendation.

Discounted Cash Flow model

EUR m	2011	2012	Phase I 2013	2014	2015	2016	2017	Phase II 2018	2019	2020	Phase III 2021
Sales	295.0	325.0	342.5	356.2	368.7	379.7	391.1	402.9	414.9	427.4	435.9
Sales growth	44.9%	10.2%	5.4%	4.0%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%
EBIT	24.7	28.9	32.6	34.7	36.2	33.7	34.7	35.8	36.8	37.9	38.9
EBIT margin	8.4%	8.9%	9.5%	9.7%	9.8%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Tax	(6.3)	(7.2)	(8.3)	(8.9)	(9.4)	(8.6)	(9.0)	(9.3)	(9.7)	(10.0)	(10.0)
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	29.5%
NOPAT	18.4	21.7	24.3	25.8	26.8	25.1	25.8	26.4	27.2	27.9	28.8
Depreciation	7.0	7.9	8.4	8.9	9.3	10.1	10.4	10.7	11.0	11.4	11.4
in % of Sales	2.4%	2.4%	2.4%	2.5%	2.5%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%
Capex	(26.7)	(10.1)	(10.6)	(11.0)	(11.4)	(11.6)	(11.9)	(12.3)	(12.7)	(13.0)	(11.6)
in % of Sales	9.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	2.7%
Provision delta	13.6	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.3
in % of Sales	4.6%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
NWC delta	(38.3)	(6.5)	(1.7)	(3.8)	(3.5)	(3.1)	(3.2)	(3.3)	(3.4)	(3.5)	(0.5)
in % of Sales	-13.0%	-2.0%	-0.5%	-1.1%	-0.9%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.1%
Other current assets delt	2.2	0.1	0.2	0.1	0.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.2
in % of Sales	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Free Cash Flow	-23.7	13.5	20.9	20.2	21.6	20.5	21.1	21.6	22.2	22.8	28.7
FCF growth	nm	-56.8%	55.2%	-3.3%	7.0%	-5.0%	2.6%	2.6%	2.7%	2.7%	26.1%
Present Value FCF	-23.4	12.1	17.0	14.9	14.5	12.5	11.6	10.8	10.1	9.4	145.7

PV Phase I	35.0	MCap	93.5	Targ. equity ratio	83.5%
PV Phase II	54.5	Risk premium	4.00%	Beta	1.62
PV Phase III	145.7	Risk free rate	4.50%	WACC	10.15%

Total present value	235.3					
+ capital increase/share buy back	0.0					
+ associates & other financial assets	1.0					
- market value of minorities	7.2					
+ cash and liquid assets	9.9					
- interest bearing debt*	62.1					
Implied Mcap	176.8					
Number of shares	5.1					
Implied value per share	34.49					

Sensitivity Analysis	1.0%	1.5%	2.0%	2.5%	3.0%
	9.64%	34.52	36.23	38.18	40.39
	9.89%	32.90	34.49	36.27	38.30
WACC	10.15%	31.38	32.85	34.49	36.35
	10.40%	29.95	31.31	32.82	34.53
	10.65%	28.59	29.85	31.25	32.83

* Including pension provisions

Source: equinet

Peer Group Valuation

	P/E 2011	P/E 2012	P/E 2013	EV/EBITDA 2011	EV/EBITDA 2012	EV/EBITDA 2013	EV/EBIT 2011	EV/EBIT 2012	EV/EBIT 2013
ADVA AG OPTICAL NETWORKING	17.0	14.3	10.4	5.0	4.1	3.2	12.9	8.3	5.9
AMEC PLC	13.2	11.5	10.3	7.7	6.7	6.0	8.7	7.5	6.7
BECHTLE AG	8.9	8.9	7.9	5.1	5.1	4.7	6.2	6.2	5.6
BELDEN INC	13.6	11.5	9.3	7.9	6.9	5.9	10.0	8.8	nm
HUBER+SUHNER AG	16.0	17.5	14.5	6.6	7.1	6.5	9.4	10.7	9.3
IMTECH	9.5	8.3	7.8	6.4	5.3	4.6	7.9	6.4	5.6
KONTRON	10.9	12.7	11.4	5.0	5.1	4.4	7.6	8.3	7.1
LEGRAND SA	12.2	11.8	11.1	7.7	7.5	7.1	9.3	9.0	8.5
MOLEX INC	14.0	12.4	11.6	4.6	4.3	4.0	7.2	6.4	5.9
MEDIAN	13.2	11.8	10.4	6.4	5.3	4.7	8.7	8.3	6.3
EUROMICRON AG	6.9	6.0	5.2	6.1	5.2	4.7	7.8	6.7	5.9
THEOR. VALUATION PER SHARE OF EUROMICRON	36.0	37.0	37.8	21.1	19.5	19.0	23.1	28.2	21.2

Sources: Thomson Financial, Bloomberg, ESN and equinet estimates

Euromicron AG: Summary tables

PROFIT & LOSS (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Sales	165	180	204	295	325	343
Cost of Sales & Operating Costs	-146	-160	-179	-263	-288	-302
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	18.8	19.9	24.7	31.7	36.8	41.0
EBITDA (adj.)*	18.8	19.9	24.7	31.7	36.8	41.0
Depreciation	-1.2	-1.6	-2.2	-5.5	-5.9	-6.2
EBITA	17.6	18.3	22.6	26.2	30.9	34.8
EBITA (adj)*	17.6	18.3	22.6	26.2	30.9	34.8
Amortisations and Write Downs	-1.6	-2.0	-2.4	-1.5	-2.0	-2.2
EBIT	16.0	16.4	20.1	24.7	28.9	32.6
EBIT (adj.)*	16.0	16.4	20.1	24.7	28.9	32.6
Net Financial Interest	-4.0	-3.0	-2.9	-3.7	-4.9	-5.0
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	12.0	13.4	17.2	21.0	24.0	27.7
Tax	-3.3	-3.1	-5.1	-6.3	-7.2	-8.3
<i>Tax rate</i>	<i>27.5%</i>	<i>23.4%</i>	<i>29.5%</i>	<i>30.0%</i>	<i>30.0%</i>	<i>30.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.7	-0.5	-0.7	-0.7	-0.8	-0.8
Net Profit (reported)	8	10	11	14	16	19
Net Profit (adj.)	8	10	11	14	16	19
CASH FLOW (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Cash Flow from Operations before change in NWC	12.8	13.4	16.1	36.0	25.4	28.6
Change in Net Working Capital	-9.3	3.2	-6.8	-38.3	-6.5	-1.7
Cash Flow from Operations	3.5	16.6	9.3	-2.3	18.9	27.0
Capex	-4.5	-6.5	-4.6	-10.0	-10.1	-10.6
Net Financial Investments	-9.1	-6.6	-6.3	-16.7	0.0	0.0
Free Cash Flow	-10.1	3.5	-1.6	-29.0	8.8	16.4
Dividends	-3.7	-4.5	-4.5	-5.3	-5.6	-6.2
Other (incl. Capital Increase & share buy backs)	-13.7	0.1	13.7	2.8	0.9	1.0
Change in Net Debt	-27	-1	8	-31	4	11
NOPLAT	12	13	14	17	20	23
BALANCE SHEET & OTHER ITEMS (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Net Tangible Assets	9.0	10.9	11.6	15.1	16.0	17.0
Net Intangible Assets (incl. Goodwill)	82.5	90.1	95.8	112	113	114
Net Financial Assets & Other	0.1	1.3	1.0	1.0	1.0	1.0
Total Fixed Assets	91.5	102	108	128	130	132
Net Working Capital	45.9	42.6	49.4	87.8	94.3	95.9
Group Shareholders Equity	66.0	71.4	89.3	98.7	110	123
<i>o/w own Shareholders Equity</i>	<i>65.8</i>	<i>71.1</i>	<i>88.8</i>	<i>97.5</i>	<i>108</i>	<i>120</i>
Net Debt	57.2	58.2	50.6	82.0	77.9	66.8
Provisions	7	7	7	22	24	26
Other Net Liabilities or Assets	7	8	10	13	13	13
GROWTH & MARGINS	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
<i>Sales growth</i>	<i>20.6%</i>	<i>9.1%</i>	<i>13.4%</i>	<i>44.9%</i>	<i>10.2%</i>	<i>5.4%</i>
EBITDA (adj.)* growth	23.8%	5.6%	24.3%	28.4%	15.8%	11.5%
<i>EBITA (adj.)* growth</i>	<i>28.3%</i>	<i>3.9%</i>	<i>23.2%</i>	<i>16.3%</i>	<i>17.8%</i>	<i>12.5%</i>
<i>EBIT (adj.)* growth</i>	<i>33.2%</i>	<i>2.3%</i>	<i>23.0%</i>	<i>23.0%</i>	<i>16.7%</i>	<i>12.9%</i>
<i>Net Profit growth</i>	<i>15.2%</i>	<i>21.2%</i>	<i>17.2%</i>	<i>22.2%</i>	<i>14.6%</i>	<i>15.6%</i>
EPS adj. growth	16.8%	22.1%	9.4%	15.0%	14.6%	15.6%
<i>DPS adj. growth</i>	<i>25.3%</i>	<i>0.0%</i>	<i>10.0%</i>	<i>0.0%</i>	<i>9.1%</i>	<i>8.3%</i>
EBITDA margin	11.4%	11.1%	12.1%	10.8%	11.3%	12.0%
<i>EBITDA (adj.)* margin</i>	<i>11.4%</i>	<i>11.1%</i>	<i>12.1%</i>	<i>10.8%</i>	<i>11.3%</i>	<i>12.0%</i>
<i>EBITA margin</i>	<i>10.7%</i>	<i>10.2%</i>	<i>11.1%</i>	<i>8.9%</i>	<i>9.5%</i>	<i>10.2%</i>
<i>EBITA (adj.)* margin</i>	<i>10.7%</i>	<i>10.2%</i>	<i>11.1%</i>	<i>8.9%</i>	<i>9.5%</i>	<i>10.2%</i>
<i>EBIT margin</i>	<i>9.7%</i>	<i>9.1%</i>	<i>9.9%</i>	<i>8.4%</i>	<i>8.9%</i>	<i>9.5%</i>
<i>EBIT (adj.)* margin</i>	<i>9.7%</i>	<i>9.1%</i>	<i>9.9%</i>	<i>8.4%</i>	<i>8.9%</i>	<i>9.5%</i>

Euromicron AG: Summary tables

RATIOS	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Net Debt/Equity	0.9	0.8	0.6	0.8	0.7	0.5
Net Debt/EBITDA	3.0	2.9	2.0	2.6	2.1	1.6
Interest cover (EBITDA/Fin.interest)	4.8	6.7	8.5	8.6	7.6	8.3
Capex/D&A	156.5%	185.5%	99.4%	142.9%	127.7%	126.7%
Capex/Sales	2.7%	3.6%	2.2%	3.4%	3.1%	3.1%
NWC/Sales	27.9%	23.7%	24.3%	29.8%	29.0%	28.0%
ROE (average)	11.9%	14.3%	14.3%	15.0%	15.6%	16.3%
ROCE (adj.)	8.5%	8.7%	9.0%	8.1%	9.0%	10.0%
WACC	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
ROCE (adj.)/WACC	0.8	0.8	0.9	0.8	0.9	1.0
PER SHARE DATA (EUR)***	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Average diluted number of shares	4.5	4.5	4.8	5.1	5.1	5.1
EPS (reported)	1.78	2.17	2.38	2.73	3.13	3.62
EPS (adj.)	1.78	2.17	2.38	2.73	3.13	3.62
BVPS	14.51	15.78	18.42	19.03	21.06	23.48
DPS	1.00	1.00	1.10	1.10	1.20	1.30
VALUATION	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
EV/Sales	0.7	0.8	0.8	0.7	0.6	0.5
EV/EBITDA	6.1	6.8	6.6	6.3	5.3	4.5
EV/EBITDA (adj.)*	6.1	6.8	6.6	6.3	5.3	4.5
EV/EBITA	6.5	7.4	7.3	7.6	6.3	5.3
EV/EBITA (adj.)*	6.5	7.4	7.3	7.6	6.3	5.3
EV/EBIT	7.2	8.3	8.2	8.0	6.8	5.7
EV/EBIT (adj.)*	7.2	8.3	8.2	8.0	6.8	5.7
P/E (adj.)	5.9	7.2	9.1	6.9	6.0	5.2
P/BV	0.7	1.0	1.2	1.0	0.9	0.8
Total Yield Ratio	12.2%	6.4%	2.3%	5.9%	6.4%	6.9%
EV/CE	0.8	0.9	1.0	0.9	0.9	0.8
OpFCF yield	-2.0%	14.3%	4.6%	-12.8%	9.1%	17.0%
OpFCF/EV	-0.8%	7.4%	2.9%	-6.2%	4.5%	8.9%
Payout ratio	56.2%	46.1%	46.3%	40.3%	38.3%	35.9%
Dividend yield (gross)	9.6%	6.4%	5.9%	5.9%	6.4%	6.9%
EV AND MKT CAP (EURm)	12/2008	12/2009	12/2010	12/2011e	12/2012e	12/2013e
Price** (EUR)	10.5	15.6	21.6	18.8	18.8	18.8
Outstanding number of shares for main stock	4.5	4.5	4.8	5.1	5.1	5.1
Total Market Cap	47.4	70.2	104	96.4	96.4	96.4
Net Debt	57.2	58.2	50.6	82.0	77.9	66.8
<i>o/w Cash & Marketable Securities (-)</i>	<i>-11.2</i>	<i>-9.8</i>	<i>-9.9</i>	<i>-21.5</i>	<i>-25.6</i>	<i>-33.4</i>
<i>o/w Gross Debt (+)</i>	<i>68.5</i>	<i>68.0</i>	<i>60.5</i>	<i>104</i>	<i>104</i>	<i>100</i>
Other EV components	10	7	10	20	21	22
Enterprise Value (EV adj.)	115	136	164	199	195	185

Source: Company, Equinet Bank 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: Electronic & Electrical Equipment/Electrical Components & Equipment

Company Description: The euromicron Group with its extensive network of branch offices in Germany is a system house that is active in the future market of network and fiber optics technology. euromicron develops, produces and distributes network components based on copper, glass fiber and wireless technology and plans, implements and maintains communications, information and security networks for all applications.

Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
4SCAG	Aubéry	3.60	Buy	2/3	IntegralsAG	Schäfer	6.75	Hold	2/3
Aareal Bank	Häßler	20.00	Buy		Interseroh	Schäfer	50.00	Buy	2/3
Adpepper	Pehl	1.80	Buy	2/3	Itelligence	Demidova	8.80	Buy	2/3/5
adidas	Faust	64.00	Buy		IVG Immobilien AG	Rotenbacher	4.00	Buy	
Advanced Vision Technology	Aubéry	5.00	Buy	2/3	K+S AG	Schäfer	57.00	Buy	
Aixtron	Pehl	9.00	Reduce	2/3	KHD HUMBOLDT WEDAG INTERNATIONAL	Schuldt	7.60	Buy	
Allianz	Häßler	82.00	Accumulate		Kontron	Pehl	7.00	Buy	
Analytik Jena	Demidova	9.50	Accumulate	7	KronesAG	Schmidt	35.00	Reduce	
Augusta Technologie	Pehl	25.00	Buy	7	KTG Agrar	Schäfer	16.00	Accumulate	2/3/5
BASF	Demidova	72.00	Buy		KUKA	Schäfer	18.00	Hold	
BAUER AG	Schmidt	24.00	Accumulate		LANXESS	Demidova	59.00	Buy	
Bayer	Possienke	50.00	Accumulate		Leoni	Schuldt	41.00	Buy	
BayWa	Schäfer	33.00	Accumulate	5	Linde	Demidova	130.00	Accumulate	
BB Biotech	Aubéry	62.00	Buy	2/7	Loewe	Faust	6.00	Hold	2
Beiersdorf	Aubéry	42.00	Hold		Logwin	Rotenbacher	1.60	Buy	2/3/5
Berentzen	Faust	7.00	Buy	2/3	LPKF LASER & ELECTRONICS	Schuldt	14.00	Hold	
Beta Systems Software	Schuldt	2.10	Hold	2/3	Lufthansa	Rotenbacher	12.00	Accumulate	
Bilfinger Berger	Faust	83.00	Buy		MAN	Schuldt	76.00	Buy	
Biopetrol Industries	Schäfer	0.60	Sell	2/3	MAX Automation AG	Schmidt	4.20	Accumulate	2/3/5
Biotest	Possienke	49.00	Buy	2/3	Medion	Faust	13.00	Hold	
BMW	Schuldt	63.00	Accumulate		Merck	Possienke	63.00	Hold	
Carl Zeiss Meditec	Aubéry	16.00	Accumulate		MLP	Häßler	6.00	Accumulate	
Celesio	Possienke	15.00	Buy		Mobotix AG	Pehl	71.00	Buy	2/3
Cenit	Pehl	7.00	Buy	2/3	Morphosys	Aubéry	35.00	Buy	
comdirect	Häßler	8.50	Accumulate		MTU	Pehl	60.00	Buy	2
Commerzbank	Häßler	2.20	Buy		Munich Re	Häßler	100.00	Hold	
Continental	Schuldt	57.00	Hold		Nanogate AG	Demidova	22.00	Buy	2/3/5
DAB Bank	Häßler	3.40	Hold		Pfeiffer Vacuum	Pehl	76.00	Accumulate	
Daimler AG	Schuldt	49.00	Buy		Phoenix Solar	Freudenreich	6.00	Hold	
Daldrup & Soehne	Schäfer	23.00	Accumulate	2/3/5	Porsche	Schuldt	38.00	Reduce	
Demag Cranes	Schmidt	45.50	Hold	2	Postbank	Häßler	20.00	Hold	
Derby Cycle	Faust	28.00	Buy	2/3/4/5	PSI	Schäfer	18.00	Hold	2
Deutsche Bank	Häßler	40.00	Buy		Puma	Faust	220.00	Hold	
Deutsche Biogas	Schäfer	14.00	Buy	2/3/4/5	Rheinmetall	Pehl	45.00	Hold	
Deutsche Boerse	Häßler	48.00	Accumulate		Rhoen-Klinikum	Possienke	19.00	Buy	
Deutsche EuroShop	Rotenbacher	27.50	Hold		RWE	Schäfer	38.00	Hold	
Deutsche Forfait	Häßler	5.50	Buy	2/3	RIB Software	Rotenbacher	8.50	Buy	2/3/4
Deutsche Post	Rotenbacher	15.00	Buy		SAF-HOLLAND	Schuldt	5.60	Buy	7
Deutsche Telekom	Pehl	11.00	Accumulate		Salzgitter	Freudenreich	53.00	Accumulate	
DNICK Holding plc	Freudenreich	13.00	Buy	2/3	Schuler AG	Schuldt	11.60	Buy	2/3
Douglas Holding	Faust	35.00	Buy		Seven Principles AG	Pehl	11.00	Buy	2/3/5
Drägerwerk	Aubéry	80.00	Hold		Singulus Technologies	Freudenreich	3.20	Hold	4/5
E.ON	Schäfer	20.00	Accumulate		SKW Stahl	Possienke	23.00	Buy	
Ernst & Young	Schuldt	21.00	Accumulate		SMA Solar Technology	Freudenreich	50.00	Hold	
Epigenomics AG	Aubéry	13.00	Buy	2/3	SMT SCHARF AG	Schmidt	22.00	Buy	2/3
Euromicron AG	Pehl	31.50	Buy	2/3/5	Solar-Fabrik	Freudenreich	3.60	Buy	2/3
Fielmann	Possienke	75.00	Hold		SolarWorld	Freudenreich	4.10	Hold	
Fraport	Rotenbacher	53.00	Accumulate		Solutronic	Freudenreich	Under review	Not rated	2/3/4/5
Freenet	Pehl	11.00	Buy	2	Stada	Possienke	20.00	Hold	
Fresenius	Aubéry	76.00	Hold		Suess MicroTec	Pehl	10.50	Buy	2/3/5
Fresenius Medical Care	Aubéry	56.00	Accumulate		Sunways	Freudenreich	2.10	Hold	2/3/5
Fuchs Petrolub	Demidova	38.00	Hold		Symrise AG	Demidova	21.00	Accumulate	
GEA Group	Schmidt	26.00	Buy		ThyssenKrupp	Freudenreich	32.00	Hold	
Gerresheimer AG	Aubéry	36.00	Buy		Tognum	Schmidt	26.00	Hold	2
Gesco	Schmidt	75.00	Buy	2/3	TUI	Rotenbacher	5.00	Hold	
GFT Technologies	Schuldt	4.60	Buy	2/3	United Internet	Pehl	14.00	Accumulate	
Gildemeister	Schmidt	16.00	Buy		VBH Holding	Faust	4.00	Hold	2/3
Grenke Leasing AG	Häßler	40.00	Hold		VIB Vermoegen	Rotenbacher	11.00	Buy	
Hannover Re	Häßler	36.00	Hold		Volkswagen	Schuldt	145.00	Accumulate	
Heidelberger Druck	Schmidt	1.05	Sell		Vossloh	Schmidt	60.00	Sell	
Henkel	Demidova	46.00	Hold		Washtec	Schuldt	14.00	Buy	
HHLA	Rotenbacher	27.00	Buy		Wacker Chemie	Freudenreich	82.00	Hold	
Hochtief	Faust	70.00	Buy		Willex	Aubery	7.00	Buy	2/3/5
Hornbach Holding	Possienke	124.00	Buy		Wincor Nixdorf	Pehl	39.00	Hold	2
Hugo Boss	Faust	75.00	Hold						
HYPOPORT AG	Häßler	13.00	Buy						
i:FAOAG	Rotenbacher	15.00	Buy	2/3					

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

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

Sources

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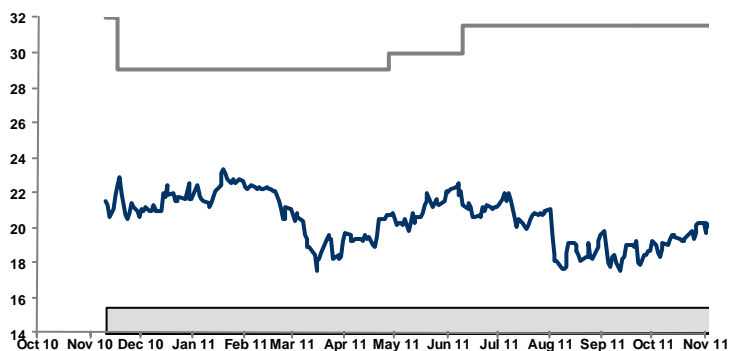
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Recommendation history for EUROMICRON AG

Date	Recommendation	Target price	Price at change date
15-Aug-11	Buy	31.50	19.12
27-Apr-11	Buy	30.00	20.76
30-Mar-11	Buy	29.00	18.36
09-Nov-10	Buy	32.00	21.80
12-May-10	Buy	31.00	18.32

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 28/04/2010)



Price history Target price history

Buy Accumulate Hold Reduce Sell Not rated

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**.

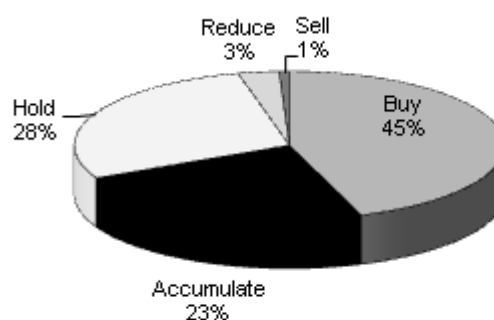
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Meaning of each recommendation or rating:

- **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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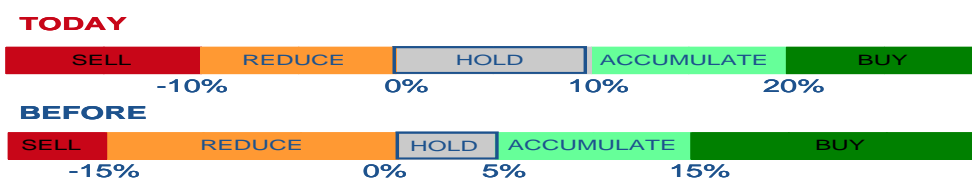


History of ESN Recommendation System

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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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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



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



Bankia Bolsa
Serrano, 39
28001 Madrid
Spain
Phone: +34 91 436 7813
Fax: +34 91 577 3770



Caixa-Banco de Investimento
Rua Barata Salgueiro, 33-5
1269-050 Lisboa
Portugal
Phone: +351 21 389 68 00
Fax: +351 21 389 68 98



CM - CIC Securities
6, avenue de Provence
75441 Paris
Cedex 09
France
Phone: +33 1 4016 2692
Fax: +33 1 4596 7788



Equinet Bank AG
Gräfrstraße 97
60487 Frankfurt am Main
Germany
Phone: +49 69 - 58997 - 410
Fax: +49 69 - 58997 - 299



Investment Bank of Greece
24B, Kifisias Avenue
151 25 Marousi
Greece
Phone: +30 210 81 73 000
Fax: +30 210 68 96 325



NCB Stockbrokers Ltd.
3 George Dock,
Dublin 1
Ireland
Phone: +353 1 611 5611
Fax: +353 1 611 5781



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



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

