

Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price target: **EUR 17.00** (19.00)

05 September 2012

## Strong growth in 1H 2012

### ...but our last forecast now appears too ambitious

- In 1H 2012, **YOY revenue growth exceeded a rate of 11%**. While the divisions IT Solutions and Project Solutions showed strong organic and external growth, **sales in the IT Services & Recruiting division declined by 2%** (see p. 2 for detailed segment figures). In 2Q 2012, **sales reached EUR 97.4m** (+11.1% compared to EUR 87.6m in 2Q 2011). In 2Q, the **Group's EBITDA** was affected by **one-off expenses** amounting to EUR 1.7m and therefore slightly declined to EUR 3.8m 2012 (PY: EUR 3.9m). After the takeover of companies with strong customer bases and order books, the **increased PPA amortisations reduced the quarterly EBIT** to EUR 0.5m (PY: EUR 2.0m). These amortisations, however, will continue to weigh on EBIT only for a few years. The significant **increase in financial expenses** in 2Q resulted from unwinding the discounting on earn-out liabilities, since Allgeier now expects a higher earn-out payment in 1H 2013 due to the **strong performance of Nagarro**. Net income and EPS were therefore negative in 2Q and also in 1H 2012.
- As we had already anticipated in our last update, Allgeier has announced that the **takeover bid for EASY SOFTWARE will no longer be pursued** (see p. 3 for details). Since we had not incorporated the takeover of EASY SOFTWARE in our financial model yet, the failure of the takeover does not have any effect on our estimates.
- However, mainly due to the weaker than expected development in the IT Services & Recruiting division and due to unanticipated one-off expenses, **Allgeier's sales and earnings performance has not reached our expectations in 1H 2012**. Even though we expect a much better 2H 2012 due to Allgeier's seasonally stronger year-end business, and even though **TECOPS** will probably already be consolidated as from 1 September (instead of 1 October as previously assumed), **our previous sales and earnings estimates appeared too high by now**. We adjusted our estimates for FY 2012E - 2014E downwards, but stick to our long-term margin expectations for Allgeier SE and our overall very positive assessment of the company's business model.
- A valuation update yields a **new price target of EUR 17.00** (previously: EUR 19.00). We maintain our **BUY** recommendation for the Allgeier share.

Y/E Dec 31, EUR m	2009	2010	2011	2012E	2013E	2014E
Sales	223.5	308.7	378.8	439.6	547.9	591.7
EBITDA	14.4	18.1	22.3	25.9	35.4	41.2
EBITA	12.8	15.6	19.0	18.8	27.2	34.4
EBIT	8.0	11.0	12.0	11.8	19.0	26.7
Net result	5.2	8.3	4.4	4.5	9.5	14.8
Basic EPS	0.60	0.99	0.52	0.54	1.13	1.76
Adjusted EPS	0.98	1.18	1.27	1.12	1.81	2.40
CPS	1.36	0.85	2.34	2.65	2.02	3.43
DPS	0.50	0.50	0.50	0.50	0.50	0.50
EBITDA margin	6.5%	5.9%	5.9%	5.9%	6.5%	7.0%
Adj. EBITDA margin	n/a	5.7%	6.2%	5.9%	6.5%	7.0%
EBITA margin	5.7%	5.1%	5.0%	4.3%	5.0%	5.8%
EV/EBITDA	8.2	6.5	5.3	4.6	3.3	2.9
P/E	17.9	10.8	20.4	19.8	9.4	6.1

Source: CBS Research AG, Allgeier SE



Source: CBS Research, Bloomberg, Allgeier Holding SE

Change	2012E		2013E		2014E	
	new	old	new	old	new	old
Sales	439.6	462.8	547.9	565.9	591.7	611.2
EBITDA	25.9	30.1	35.4	40.2	41.2	44.6
EPS	0.54	1.27	1.13	1.87	1.76	2.21

Internet: [www.allgeier.com](http://www.allgeier.com) Sector: Software/IT services  
WKN: 508630 ISIN: DE0005086300  
Reuters: AEIG.DE Bloomberg: AEI GY

#### Short company profile:

Munich-based Allgeier SE is one of the leading consulting and service companies in the German-speaking region. With more than 2,600 employees and around 1,500 freelance IT experts, Allgeier offers its customers a complete service approach spanning design, implementation, and through to the operation of IT landscapes. Fifteen corporate units, each with its own specialist and sector-related focus, work together for more than 2,000 customers from almost all sectors.

#### Share data:

Share price (EUR, latest closing price):	<b>10.65</b>
Shares outstanding (m):	8.4
Market capitalisation (EUR m):	89.3
Enterprise value (EUR m):	118.3
Ø daily trading volume (3 m., no. of shares):	9,006

#### Performance data:

High 52 weeks (EUR):	12.89
Low 52 weeks (EUR):	9.30
Absolute performance (12 months):	2.5%
Relative performance vs. CDAX:	
1 month	0.4%
3 months	-16.7%
6 months	-14.0%
12 months	-10.0%

#### Shareholders:

Supervisory Board & Management Board:	42%
Own shares:	7%
Institutional investors:	9%
Other free float:	42%

#### Financial calendar:

9M report:	8 November 2012
------------	-----------------

Author: **Martin Decot** (Analyst)

Close Brothers Seydler Research AG  
Phone: +49 (0) 69-977 84 56 0  
Email: [research@cbseydlerresearch.ag](mailto:research@cbseydlerresearch.ag)

[www.cbseydlerresearch.ag](http://www.cbseydlerresearch.ag)

## Operational development in 1H 2012

Just like in 1Q, **YOY revenue growth exceeded a rate of 11% in 2Q 2012**. Sales reached EUR 190.1m in 1H 2012 (+11.2% compared to EUR 171.0m in 1H 2011). While the divisions IT Solutions and Project Solutions showed strong organic and external growth, **sales in the IT Services & Recruiting division declined by 2%** (see table below for detailed segment figures). IT Services & Recruiting is the only division which had not been strengthened by any acquisition in the past 18 month. Therefore, sales in this division was neither boosted by any full year effects from takeovers made in 2011, nor by any initial consolidations in 1H 2012. Moreover, the division recently also suffered from a decline in sales to one key account customer which was probably also a reason for the **slight decrease in segment earnings**.

**Strong growth in the IT Solutions and Project Solutions divisions was partly offset by weaker performance of the IT Services & Recruiting division**

### Quarterly figures (YOY comparison)

	IFRS	EURm	2Q 2012	2Q 2011	Change	1H 2012	1H 2011	Change
<b>Sales</b>			97.4	87.6	11%	190.1	171.0	11%
YoY growth			11.1%	22.3%		11.2%	27.9%	
IT Services & Recruiting			n/a	n/a		90.5	92.3	-2%
IT Solutions			n/a	n/a		62.8	55.2	14%
Project Solutions			n/a	n/a		40.4	27.8	45%
Consolidation			n/a	n/a		-3.6	-4.3	
<b>Total output</b>			97.7	87.5	12%	196.1	174.2	13%
<b>Gross profit</b>			44.8	36.1	24%	89.7	71.4	26%
as % of total output			45.8%	41.3%		45.7%	41.0%	
<b>EBITDA</b>			3.8	3.9	-1%	9.9	8.8	13%
as % of sales			3.9%	4.4%		5.2%	5.1%	
<b>Operating EBITA*</b>			2.6	3.2	-19%	7.8	7.5	4%
as % of sales			2.7%	3.7%		4.1%	4.4%	
EBITA IT Services & Recruiting			n/a	n/a		5.3	5.6	-5%
as % of total segment sales			n/a	n/a		5.9%	6.1%	
EBITA IT Solutions			n/a	n/a		1.8	2.7	-33%
as % of total segment sales			n/a	n/a		2.9%	4.9%	
EBITA Project Solutions			n/a	n/a		3.0	1.6	88%
as % of total segment sales			n/a	n/a		7.4%	5.7%	
EBITA Other and consolidation			n/a	n/a		-2.3	-2.3	
<b>EBIT</b>			0.5	2.0	-73%	3.3	5.2	-36%
as % of sales			0.5%	2.2%		1.7%	3.0%	
EBIT IT Services & Recruiting			n/a	n/a		5.0	5.2	-4%
as % of total segment sales			n/a	n/a		5.5%	3.0%	
EBIT IT Solutions			n/a	n/a		-0.6	0.9	-167%
as % of total segment sales			n/a	n/a		-1.0%	0.5%	
EBIT Project Solutions			n/a	n/a		1.2	1.4	-14%
as % of total segment sales			n/a	n/a		3.0%	5.1%	
EBIT Other and consolidation			n/a	n/a		-2.3	-2.3	
<b>Net income attrib. to shareholders</b>			-1.7	1.0	-279%	-0.2	2.7	-109%
<b>Earnings per share (EUR)</b>			-0.20	0.11	-279%	-0.03	0.32	-109%
<b>Net financial debt (net cash)</b>			22.9	-3.3				

\* Operating EBITA: Earnings before interest, taxes and amortisation/impairments of assets from PPAs (goodwill, acquired order balances, customer lists, etc.) and effects on earnings from subsequent purchase price adjustments/earnouts

Source: Allgeier SE, CBS Research AG

The Group's **EBITDA** was affected by **one-off expenses amounting to EUR 1.7m** and therefore slightly declined to EUR 3.8m in 2Q 2012 (PY: EUR 3.9m). These one-off expenses included the increase of a provision relating to other periods (EUR 0.5m) in the IT Solutions segment as well as currency effects (EUR 0.4m) from the Nagarro earn-out liability payable in US dollar (Project Solutions segment). In comparison to 2Q 2011, total **depreciation and amortisation increased by 72%**. After the takeover of companies with strong customer bases and order books, the increased PPA amortisations will continue to weigh on EBIT for a few years. Due to the one-off effects and these PPA amortisations, **EBIT reached only EUR 0.5m** (PY: EUR 2.0m) in 2Q.

**EBIT affected by one-off expenses and high PPA amortisations**

Additionally, a significant **increase in financial expenses** in 2Q resulted from unwinding the discounting on earn-out liabilities, since Allgeier now expects a higher earn-out payment in 1H 2013 due to the **strong performance of Nagarro**. Net income and EPS were therefore negative in 2Q and also in 1H 2012 (see table above).

**Strong performance of Nagarro resulted in higher interest expenses**

## Adjustments of our financial estimates

In our last estimates for FY 2012, **we had anticipated a full-year effect in an amount of about EUR 20m** of the acquisitions made in the course of 2011. Additionally we had assumed an **organic growth rate of 8%**. Both assumptions combined result in an expected YOY growth of more than 13% (before any acquisitions made in 2012). Mainly due to the weaker than expected performance in the IT Services & Recruiting division, **Allgeier's sales growth has not reached the expected level in 1H 2012**, even though the newly acquired **Skytec AG** (CBSR sales estimate for FY 2012: EUR 9.5m) has additionally been consolidated as from 1 April, and **b+m Informatik** (CBSR sales estimate for FY 2012: EUR 12m) also contributed to the Group's sales for one month. Despite Allgeier's seasonally stronger year-end business, and even though **TECOPS** will probably already be consolidated as from 1 September (instead of 1 October as previously assumed), **our previous sales and earnings estimates appeared too high by now**. We adjusted our estimates according to the table below.

**Performance in 1H 2012 has not come up to our high expectations**

### Change in sales and earnings estimates of CBS Research

EURm (except for EPS)	2012 E		2013 E		2014 E	
	new	old	new	old	new	old
Sales	439.6	462.8	547.9	565.9	591.7	611.2
EBITDA	25.9	30.1	35.4	40.2	41.2	44.6
EBIT	11.8	19.3	19.0	26.9	26.7	31.1
Net result after minorities	4.5	10.7	9.5	15.9	14.8	18.7
EPS (EUR)	0.54	1.27	1.13	1.87	1.76	2.21

Source: CBS Research AG

## EASY SOFTWARE takeover was aborted

As we had already anticipated in our last update on Allgeier, different price perceptions of major EASY SOFTWARE shareholders have eventually resulted in a failure to obtain the minimum acceptance quota of 75% which was a condition of Allgeier's voluntary public takeover. After the end of the acceptance period on 21 August 2012, Allgeier has therefore announced that the takeover bid for EASY SOFTWARE will no longer be pursued, even though Allgeier's Management is still

**No effect on our estimates**

convinced that a combination of both companies' business activities is reasonable. As we had not incorporated the takeover of EASY SOFTWARE in our financial model yet, **the failure of the takeover does not have any effect on our estimates.**

### Adjusted price target

Our valuation approach now results in a new fair value per share of exactly EUR 17.00. **We lower our price target from EUR 19.00 to EUR 17.00** which still indicates a clear undervaluation of the stock at the current price level and strongly supports our **BUY** recommendation.

**New PT: EUR 17.00**

**BUY**

#### Valuation results

	Weighting factor	Fair value per share (EUR)
Peer group valuation	50.0%	14.74
DCF valuation	50.0%	19.25
<b>Fair value per share (EUR)</b>		<b>17.00</b>

Source: CBS Research AG

**Profit and loss account**

	IFRS	EURm	2008	2009	2010	2011	2012E	2013E	2014E
<b>Sales</b>			<b>178.7</b>	<b>223.5</b>	<b>308.7</b>	<b>378.8</b>	<b>439.6</b>	<b>547.9</b>	<b>591.7</b>
YoY growth			34.0%	25.1%	38.1%	22.7%	16.1%	24.6%	8.0%
Inventory changes (finished goods, WIP)			0.0	-0.1	0.0	0.3	0.1	0.2	0.2
Other own work capitalised			0.0	0.0	0.1	0.1	0.1	0.1	0.1
<b>Total output</b>			<b>178.7</b>	<b>223.5</b>	<b>308.8</b>	<b>379.1</b>	<b>439.8</b>	<b>548.2</b>	<b>592.0</b>
Cost of materials			-111.2	-137.5	-182.5	-220.2	-227.5	-250.5	-269.3
as % of total output			-62.2%	-61.5%	-59.1%	-58.1%	-51.7%	-45.7%	-45.5%
<b>Gross profit</b>			<b>67.5</b>	<b>86.0</b>	<b>126.2</b>	<b>158.9</b>	<b>212.3</b>	<b>297.7</b>	<b>322.6</b>
as % of total output			37.8%	38.5%	40.9%	41.9%	48.3%	54.3%	54.5%
Personnel expenses			-44.3	-59.5	-88.4	-109.0	-153.3	-219.5	-236.8
as % of total output			-24.8%	-26.6%	-28.6%	-28.7%	-34.8%	-40.0%	-40.0%
Other operating income			2.1	4.0	5.8	6.6	5.9	4.4	4.5
as % of total output			1.2%	1.8%	1.9%	1.7%	1.4%	0.8%	0.8%
Other operating expenses			-13.1	-16.1	-25.5	-34.2	-39.1	-47.1	-49.1
as % of total output			-7.3%	-7.2%	-8.2%	-9.0%	-8.9%	-8.6%	-8.3%
<b>EBITDA</b>			<b>12.1</b>	<b>14.4</b>	<b>18.1</b>	<b>22.3</b>	<b>25.9</b>	<b>35.4</b>	<b>41.2</b>
as % of total output			6.8%	6.5%	5.9%	5.9%	5.9%	6.5%	7.0%
<b>Operating EBITA*</b>			<b>10.8</b>	<b>12.8</b>	<b>15.6</b>	<b>19.0</b>	<b>18.8</b>	<b>27.2</b>	<b>34.4</b>
as % of total output			6.0%	5.7%	5.1%	5.0%	4.3%	5.0%	5.8%
Depreciation and amortization, excl. goodwill impairments			-4.3	-4.1	-7.0	-10.3	-14.1	-16.5	-14.5
as % of total output			-2.4%	-1.9%	-2.3%	-2.7%	-3.2%	-3.0%	-2.4%
Goodwill impairments			-4.0	-2.3	0.0	0.0	0.0	0.0	0.0
as % of total output			-2.2%	-1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT</b>			<b>3.9</b>	<b>8.0</b>	<b>11.0</b>	<b>12.0</b>	<b>11.8</b>	<b>19.0</b>	<b>26.7</b>
as % of total output			2.2%	3.6%	3.6%	3.2%	2.7%	3.5%	4.5%
Interest income			3.1	0.8	0.7	0.4	0.4	0.2	0.1
Interest expenses			-2.2	-1.8	-1.6	-2.9	-4.4	-4.2	-4.1
Result from sale of temping business			82.6	-	-	-	-	-	-
<b>EBT (Earnings before income taxes)</b>			<b>87.4</b>	<b>7.0</b>	<b>10.2</b>	<b>9.5</b>	<b>7.7</b>	<b>15.0</b>	<b>22.7</b>
as % of total output			48.9%	3.2%	3.3%	2.5%	1.8%	2.7%	3.8%
Taxes on income			-7.1	-2.1	-1.5	-4.2	-2.3	-4.5	-6.8
as % of EBT			-8.1%	-29.6%	-14.4%	-44.1%	-30.0%	-30.0%	-30.0%
<b>Net income of the group</b>			<b>80.4</b>	<b>5.0</b>	<b>8.7</b>	<b>5.3</b>	<b>5.4</b>	<b>10.5</b>	<b>15.9</b>
as % of total output			45.0%	2.2%	2.8%	1.4%	1.2%	1.9%	2.7%
Minority interests			-0.6	0.2	-0.4	-0.9	-0.9	-1.0	-1.1
<b>Net income attributable to shareholders</b>			<b>79.7</b>	<b>5.2</b>	<b>8.3</b>	<b>4.4</b>	<b>4.5</b>	<b>9.5</b>	<b>14.8</b>
<b>Basic earnings per share (EUR)</b>			<b>8.93</b>	<b>0.60</b>	<b>0.99</b>	<b>0.52</b>	<b>0.54</b>	<b>1.13</b>	<b>1.76</b>
<b>Adjusted earnings per share (EUR)**</b>			<b>0.85</b>	<b>0.98</b>	<b>1.18</b>	<b>1.27</b>	<b>1.12</b>	<b>1.81</b>	<b>2.40</b>

\* Operating EBITA: Earnings before interest, taxes and amortisation/impairments of assets from PPAs (goodwill, acquired order balances, customer lists, etc.) and effects on earnings from subsequent purchase price adjustments/earnouts

\*\* Adjusted EPS = Adjusted net income divided by weighted average of shares outstanding;

Adjusted net income = Operating EBITA minus financial result minus assumed taxes (30% tax rate) minus minority interests.

Source: CBS Research AG, Allgeier SE

**Balance sheet**

	IFRS	EURm	2008	2009	2010	2011	2012E	2013E	2014E
<b>Assets</b>									
<b>Noncurrent assets</b>			<b>45.6</b>	<b>47.9</b>	<b>63.7</b>	<b>113.0</b>	<b>127.9</b>	<b>117.4</b>	<b>109.1</b>
as % of total assets			23.6%	29.9%	31.2%	46.6%	42.7%	39.0%	35.2%
Intangible assets			41.9	42.3	57.4	102.8	117.3	107.0	97.6
Property, plant and equipment			3.4	4.6	5.4	8.8	10.2	10.1	11.2
Investments in companies consolidated at equity			0.0	0.4	0.0	0.0	0.0	0.0	0.0
Deferred taxes			0.3	0.5	1.0	1.4	0.4	0.3	0.3
<b>Current assets</b>			<b>147.8</b>	<b>112.2</b>	<b>140.4</b>	<b>129.2</b>	<b>171.6</b>	<b>184.0</b>	<b>200.8</b>
as % of total assets			76.4%	70.1%	68.8%	53.4%	57.3%	61.0%	64.8%
Inventories			1.0	2.7	3.1	3.0	3.8	4.1	4.3
Trade receivables			49.6	52.9	66.5	81.8	97.8	112.6	120.8
Other assets and receivables			28.1	7.4	9.5	12.4	17.2	15.5	16.3
Cash and cash equivalents			69.1	49.2	61.3	31.9	52.8	51.8	59.4
<b>Total assets</b>			<b>193.4</b>	<b>160.1</b>	<b>204.1</b>	<b>242.1</b>	<b>299.6</b>	<b>301.4</b>	<b>309.9</b>
<b>Shareholders' equity and liabilities</b>									
<b>Shareholders' equity</b>			<b>81.8</b>	<b>79.5</b>	<b>85.5</b>	<b>88.2</b>	<b>89.4</b>	<b>95.7</b>	<b>107.4</b>
as % of total equity and liabilities			42.3%	49.7%	41.9%	36.4%	29.9%	31.8%	34.7%
Subscribed capital			9.1	9.1	9.1	9.1	9.1	9.1	9.1
Capital reserve			11.3	11.3	11.3	11.3	11.3	11.3	11.3
Retained earnings			0.3	0.3	0.3	0.3	0.3	0.3	0.3
Own shares at acquisition cost			-1.7	-3.6	-4.5	-5.2	-5.2	-5.2	-5.2
Profit carried forward			-18.1	56.5	57.4	61.6	61.8	62.1	67.4
Net income for the year			79.7	5.2	8.3	4.4	4.5	9.5	14.8
Changes in equity recognised directly in equity			-0.9	-0.9	-0.2	2.2	2.2	2.2	2.2
Minority interests			2.0	1.8	3.7	4.5	5.4	6.4	7.5
<b>Noncurrent liabilities and deferred income</b>			<b>24.0</b>	<b>23.8</b>	<b>31.6</b>	<b>35.5</b>	<b>93.7</b>	<b>86.4</b>	<b>77.1</b>
as % of total equity and liabilities			12.4%	14.9%	15.5%	14.7%	31.3%	28.7%	24.9%
Non-current profit-participation liabilities (PREPS)			13.0	13.0	6.0	0.0	0.0	0.0	0.0
Noncurrent financial liabilities incl. promissory notes			2.2	0.3	15.6	2.6	72.6	72.6	70.0
Provisions for pensions and similar obligations			0.3	1.0	0.9	1.0	2.3	2.5	2.7
Other noncurrent liabilities (mainly earnout components from company acquisitions)			3.1	3.7	3.3	22.8	12.6	8.4	4.5
Deferred tax liabilities			5.5	5.8	5.7	9.2	6.1	2.8	-0.1
<b>Current liabilities</b>			<b>87.6</b>	<b>56.7</b>	<b>87.0</b>	<b>118.4</b>	<b>116.5</b>	<b>119.3</b>	<b>125.4</b>
as % of total equity and liabilities			45.3%	35.4%	42.6%	48.9%	38.9%	39.6%	40.5%
Current profit-participation liabilities (PREPS)			0.0	0.0	7.0	6.0	0.0	0.0	0.0
Current financial liabilities			13.4	8.4	16.9	32.7	11.4	12.0	12.0
Current provisions			13.1	7.8	10.8	16.1	21.6	21.9	23.7
Trade accounts payable			22.6	23.3	29.8	36.5	39.7	41.2	44.3
Prepayments received			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities incl. earnout components from company acquisitions			38.5	17.3	22.5	27.1	43.7	44.2	45.4
<b>Total equity and liabilities</b>			<b>193.4</b>	<b>160.1</b>	<b>204.1</b>	<b>242.1</b>	<b>299.6</b>	<b>301.4</b>	<b>309.9</b>

Source: CBS Research AG, Allgeier SE

**Cash flow statement**

	IFRS	EURm	2008	2009	2010	2011	2012E	2013E	2014E
<b>EBIT</b>			3.9	8.0	11.0	12.0	11.8	19.0	26.7
Depreciation and amortisation			8.3	6.4	7.0	10.3	14.1	16.5	14.5
Other non-cash income and expenses incl. expenses from additions to provisions			4.0	4.2	6.7	10.0	9.0	9.9	10.4
Change in non-current provisions			-0.4	0.1	0.0	0.0	1.4	0.2	0.2
Cash taxes paid/received			-6.1	-4.7	-3.2	-3.8	-4.5	-7.6	-9.2
Cash flow from changes in working capital			-13.3	-2.2	-14.5	-8.8	-9.5	-21.0	-13.8
<b>Cash flow from operating activities</b>			<b>-3.7</b>	<b>11.8</b>	<b>7.2</b>	<b>19.6</b>	<b>22.2</b>	<b>17.0</b>	<b>28.8</b>
Net cash outflows from the purchase and retirement of PP&E and intangible assets			-2.0	-1.6	-2.5	-4.2	-4.8	-6.1	-6.2
Payments for the purchase of subsidiaries and for the acquisition of assets and rights			-17.0	-4.1	-8.7	-25.4	-28.2	0.0	0.0
Purchase price components paid for companies acquired in other periods			0.0	-5.0	-0.9	-4.0	-3.1	-4.2	-3.9
Investments valued at equity (incl. disposals)			0.0	-0.2	0.3	-0.1	0.0	0.0	0.0
Payment balance from the sale of subsidiaries			103.7	-5.4	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>			<b>84.7</b>	<b>-16.3</b>	<b>-11.9</b>	<b>-33.7</b>	<b>-36.1</b>	<b>-10.2</b>	<b>-10.1</b>
Payments for own shares			-1.2	-1.9	-1.0	-1.1	0.0	0.0	0.0
Net borrowings/retirements of loans and cash flow from promissory notes			-6.1	-4.1	17.4	-0.6	48.3	0.0	-2.6
Net cash inflow from ABS programme (assignment of trade receivables)			3.8	-2.8	4.9	0.9	0.8	0.6	0.0
Repayment of profit-participation liabilities			0.0	0.0	0.0	-7.0	-6.0	0.0	0.0
Interests paid and received, net			1.0	-0.8	-0.7	-2.4	-4.0	-4.0	-4.0
Dividends paid			-22.3	-5.2	-4.2	-4.2	-4.2	-4.2	-4.2
Payments to/from shareholders with non-controlling interests and purchases of non-controlling interests			0.0	-0.1	-0.1	-0.9	-0.2	-0.2	-0.2
<b>Cash flow from financing activities</b>			<b>-24.9</b>	<b>-14.9</b>	<b>16.4</b>	<b>-15.2</b>	<b>34.7</b>	<b>-7.8</b>	<b>-11.1</b>
<b>Total change in cash and cash equivalents</b>			<b>56.1</b>	<b>-19.4</b>	<b>11.6</b>	<b>-29.3</b>	<b>20.9</b>	<b>-1.1</b>	<b>7.6</b>
Currency-induced changes in cash and cash			0.0	0.0	0.3	-0.2	0.0	0.0	0.0
Cash and cash equivalents at the start of the period			12.5	68.6	49.1	61.1	31.6	52.5	51.4
<b>Cash and cash equivalents at the end of the period</b>			<b>68.6</b>	<b>49.1</b>	<b>61.1</b>	<b>31.6</b>	<b>52.5</b>	<b>51.4</b>	<b>59.1</b>
Bank overdraft			0.5	0.0	0.2	0.3	0.3	0.3	0.3
<b>Cash and cash equivalents in the balance sheet</b>			<b>69.1</b>	<b>49.2</b>	<b>61.3</b>	<b>31.9</b>	<b>52.8</b>	<b>51.8</b>	<b>59.4</b>

Source: CBS Research AG, Allgeier SE



**Multiple-based valuation**

Company name	P / E			EV / EBIT			EV / EBITDA		
	2012E	2013E	2014E	2012E	2013E	2014E	2012E	2013E	2014E
Allgeier (based on CBSR estimates)	19.8	9.4	6.1	10.0	6.2	4.4	4.6	3.3	2.9
<b>European IT service/consulting companies (market cap below EUR 1bn):</b>									
ASSYSTEM	9.0	8.4	7.2	4.8	4.5	4.2	3.9	3.6	3.4
BOUVET ASA	10.3	8.1	7.6	6.6	5.2	4.8	6.0	4.6	4.4
CENIT AG	10.2	9.5	8.4	4.0	3.6	3.2	2.9	2.8	2.5
CONNECTA AB	10.7	8.5	7.6	7.6	6.0	5.4	7.2	5.7	5.2
COR&FJA AG	n.m.	38.0	11.9	n.m.	28.1	11.0	13.0	8.1	5.4
DATAGROUP AG	10.5	6.8	5.6	12.4	8.0	7.5	7.8	5.8	5.5
DEVOTEAM SA	14.7	7.6	5.7	4.7	4.0	3.3	4.3	3.2	2.6
ECONOCOM GROUP	9.7	8.8	7.7	6.7	6.3	5.9	6.0	5.7	5.0
GFI INFORMATIQUE	8.4	7.4	8.4	6.2	5.8	5.6	5.3	4.8	4.5
GFT TECHNOLOGIES AG	9.4	7.7	7.1	4.8	4.3	3.7	4.2	3.8	3.3
GROUPE STERIA SCA	5.6	4.9	4.3	5.5	4.7	4.3	4.0	3.4	3.3
ORDINA NV	19.3	10.9	7.9	27.1	16.1	9.4	7.1	6.1	5.3
OSIATIS	6.6	6.1	6.4	3.9	3.7	3.6	3.4	3.2	3.2
PHOENIX IT GROUP LTD	5.3	4.9	4.5	5.7	5.3	5.1	4.4	3.6	3.5
SOLUCOM	9.8	11.5	10.2	6.1	5.7	5.1	5.6	5.3	4.6
SOPRA GROUP	7.4	6.6	6.0	5.1	4.7	4.3	4.4	4.1	3.7
TIETO OYJ	11.3	9.6	8.8	10.2	7.6	6.9	5.5	4.7	4.4
ADESSO AG	21.9	12.3	8.1	n.m.	3.6	2.5	3.9	2.6	2.0
<b>Average</b>	<b>10.6</b>	<b>9.9</b>	<b>7.4</b>	<b>7.6</b>	<b>7.1</b>	<b>5.3</b>	<b>5.5</b>	<b>4.5</b>	<b>4.0</b>
<b>Median</b> <b>Weight: 50.0%</b>	<b>9.8</b>	<b>8.3</b>	<b>7.6</b>	<b>5.9</b>	<b>5.2</b>	<b>4.9</b>	<b>4.9</b>	<b>4.4</b>	<b>4.1</b>
<b>Major players with market cap above EUR 1bn:</b>									
ATOS	12.4	10.5	9.4	7.4	6.3	5.8	4.4	4.0	3.7
CAP GEMINI	11.2	10.2	9.0	6.7	6.0	5.4	5.0	4.7	4.3
INDRA SISTEMAS SA	8.8	7.9	7.1	8.1	7.3	6.7	6.6	6.1	5.6
LOGICA PLC									
<b>Average</b>	<b>10.8</b>	<b>9.6</b>	<b>8.5</b>	<b>7.4</b>	<b>6.6</b>	<b>6.0</b>	<b>5.4</b>	<b>4.9</b>	<b>4.6</b>
<b>Median</b> <b>Weight: 25.0%</b>	<b>11.2</b>	<b>10.2</b>	<b>9.0</b>	<b>7.4</b>	<b>6.3</b>	<b>5.8</b>	<b>5.0</b>	<b>4.7</b>	<b>4.3</b>
<b>Indian IT service companies:</b>									
INFOSYS LTD	14.4	13.3	11.8	10.1	9.5	8.7	9.4	8.8	8.0
TATA CONSULTANCY SVCS LTD	19.3	17.4	15.3	14.6	13.5	12.2	13.9	12.7	11.3
WIPRO LTD	13.9	12.7	11.2	11.8	10.9	9.7	10.4	9.6	8.3
<b>Average</b> <b>Weight: 25.0%</b>	<b>15.9</b>	<b>14.5</b>	<b>12.8</b>	<b>12.2</b>	<b>11.3</b>	<b>10.2</b>	<b>11.2</b>	<b>10.4</b>	<b>9.2</b>
<b>Median</b>	<b>14.4</b>	<b>13.3</b>	<b>11.8</b>	<b>11.8</b>	<b>10.9</b>	<b>9.7</b>	<b>10.4</b>	<b>9.6</b>	<b>8.3</b>
<b>Weighted average of peer groups</b>	<b>11.7</b>	<b>10.3</b>	<b>9.2</b>	<b>7.8</b>	<b>7.0</b>	<b>6.5</b>	<b>6.5</b>	<b>6.0</b>	<b>5.4</b>

EURm, except EPS (EUR)	EPS			EBIT			EBITDA		
	2012E	2013E	2014E	2012E	2013E	2014E	2012E	2013E	2014E
Allgeier SE (estimates by CBSR)	0.54	1.13	1.76	11.8	19.0	26.7	25.9	35.4	41.2
Applied multiples (peer group - weighted average)	11.7	10.3	9.2	7.8	7.0	6.5	6.5	6.0	5.4
<b>Fair Enterprise Value</b>	-	-	-	<b>92.4</b>	<b>133.2</b>	<b>173.2</b>	<b>168.0</b>	<b>210.7</b>	<b>222.3</b>
+ Liquid funds	71.7								
- Financial debt incl. pension provisions	-96.1								
- Minority interests	-4.6								
<b>Fair value of equity from each multiple</b>	<b>52.5</b>	<b>97.7</b>	<b>136.5</b>	<b>63.4</b>	<b>104.2</b>	<b>144.2</b>	<b>139.0</b>	<b>181.7</b>	<b>193.3</b>
<b>Average of derived fair values</b>	<b>123.6</b>								
Premium (discount) vs. peer group companies	0%								
<b>Fair value of equity</b>	<b>123.6</b>								
Number of shares outstanding (m)	8.4								
<b>Fair value per share (EUR)</b>	<b>14.74</b>								

Source: Bloomberg, CBS Research AG



## Discounted Cash Flow Model

EURm	PHASE 1			PHASE 2							PHASE 3
	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	∞
Sales revenues	439.6	547.9	591.7	621.3	639.9	659.1	678.9	699.3	720.2	731.0	
Y-o-Y growth	16.1%	24.6%	8.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	1.5%	
EBIT	11.8	19.0	26.7	31.7	33.3	33.6	32.6	31.5	32.4	32.9	
EBIT margin as % of sales	2.7%	3.5%	4.5%	5.1%	5.2%	5.1%	4.8%	4.5%	4.5%	4.5%	
Income tax on EBIT (cash tax rate)	-6.8	-9.6	-10.8	-9.8	-10.0	-10.1	-9.8	-9.4	-9.7	-9.9	
Depreciation and amortisation	14.1	16.5	14.5	8.1	8.2	5.6	5.5	5.6	5.7	5.9	
Change in net working capital and non-cash income and expenses*	-0.5	-11.0	-4.0	-4.2	-3.2	-3.3	-3.4	-3.5	-3.6	-2.7	
Net capital expenditure incl. earnouts	-36.1	-10.2	-10.1	-5.4	-5.2	-6.7	-7.1	-7.3	-6.3	-5.9	
<b>Free cash flow</b>	<b>-17.5</b>	<b>4.5</b>	<b>16.3</b>	<b>20.3</b>	<b>23.1</b>	<b>19.2</b>	<b>17.9</b>	<b>16.9</b>	<b>18.5</b>	<b>20.3</b>	
<b>Present values</b>	<b>-17.0</b>	<b>4.0</b>	<b>13.2</b>	<b>14.9</b>	<b>15.5</b>	<b>11.8</b>	<b>10.0</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>	<b>112.4</b>
Present value Phase 1	0.2										
Present value Phase 2	77.9										
Present value Phase 3	112.4										
Total present value	190.4										
+ Liquid funds	71.7										
- Financial debt** and minority interests	-100.7										
<b>Fair value of equity</b>	<b>161.4</b>										
Number of shares outstanding (m)	8.4										
<b>Fair value per share (EUR)</b>	<b>19.25</b>										

  

Risk free rate	3.50%	Target equity ratio	80.0%
Equity risk premium	6.00%	Beta	1.20
Debt risk premium	1.40%	<b>WACC</b>	<b>9.25%</b>
Tax shield (Phase 3)	30.0%	<b>Terminal growth</b>	<b>1.50%</b>

  

Sensitivity analysis					
Terminal growth (Phase 3)					
	0.5%	1.0%	1.5%	2.0%	2.5%
<b>8.25%</b>	21.02	22.10	23.34	24.78	26.48
<b>8.75%</b>	19.21	20.12	21.16	22.35	23.73
<b>WACC 9.25%</b>	17.60	18.38	<b>19.25</b>	20.25	21.39
<b>9.75%</b>	16.18	16.84	17.58	18.42	19.37
<b>10.25%</b>	14.90	15.47	16.10	16.81	17.62

\*Other non-cash income and expenses comprise mainly expenses from additions to provisions

\*\* Financial debt incl. pension provisions.

Source: CBS Research AG

## Research



Schillerstrasse 27 - 29  
60313 Frankfurt am Main

Phone: +49 (0)69 . 977 8456-0

Roger Peeters Member of the Board	+49 (0)69 -977 8456- 12 <a href="mailto:Roger.Peeters@cbseydlerresearch.ag">Roger.Peeters@cbseydlerresearch.ag</a>		
Martin Decot	+49 (0)69 -977 8456- 13 <a href="mailto:Martin.Decot@cbseydlerresearch.ag">Martin.Decot@cbseydlerresearch.ag</a>	Igor Kim	+49 (0)69 -977 8456- 15 <a href="mailto:Igor.Kim@cbseydlerresearch.ag">Igor.Kim@cbseydlerresearch.ag</a>
Anna von Klopmann	+49 (0)69 -977 8456- 10 <a href="mailto:Anna.Klopmann@cbseydlerresearch.ag">Anna.Klopmann@cbseydlerresearch.ag</a>	Gennadij Kremer	+49 (0)69 – 977 8456- 23 <a href="mailto:Gennadij.Kremer@cbseydlerresearch.ag">Gennadij.Kremer@cbseydlerresearch.ag</a>
Daniel Kukalj	+49 (0)69 – 977 8456- 21 <a href="mailto:Daniel.Kukalj@cbseydlerresearch.ag">Daniel.Kukalj@cbseydlerresearch.ag</a>	Ralf Marinoni	+49 (0)69 -977 8456- 17 <a href="mailto:Ralf.Marinoni@cbseydlerresearch.ag">Ralf.Marinoni@cbseydlerresearch.ag</a>
Manuel Martin	+49 (0)69 -977 8456- 16 <a href="mailto:Manuel.Martin@cbseydlerresearch.ag">Manuel.Martin@cbseydlerresearch.ag</a>	Felix Parmantier	+49 (0)69 -977 8456- 22 <a href="mailto:Felix.Parmantier@cbseydlerresearch.ag">Felix.Parmantier@cbseydlerresearch.ag</a>
Marcus Silbe	+49 (0)69 -977 8456- 14 <a href="mailto:Marcus.Silbe@cbseydlerresearch.ag">Marcus.Silbe@cbseydlerresearch.ag</a>	Veysel Taze	+49 (0)69 -977 8456- 18 <a href="mailto:Veysel.Taze@cbseydlerresearch.ag">Veysel.Taze@cbseydlerresearch.ag</a>
Ivo Višić	+49 (0)69 -977 8456- 19 <a href="mailto:Ivo.Visic@cbseydlerresearch.ag">Ivo.Visic@cbseydlerresearch.ag</a>		

## Institutional Sales



Schillerstrasse 27 . 29  
60313 Frankfurt am Main

Phone: +49 (0)69 . 9 20 54-400

Raimar Bock Head of Sales	+49 (0)69 -9 20 54-115 <a href="mailto:Raimar.Bock@cbseydler.com">Raimar.Bock@cbseydler.com</a>		
Rüdiger Eich (Germany, Switzerland)	+49 (0)69 -9 20 54-119 <a href="mailto:Ruediger.Eich@cbseydler.com">Ruediger.Eich@cbseydler.com</a>	Sule Erkan (Sales-Support)	+49 (0)69 -9 20 54-107 <a href="mailto:Sule.Erkan@cbseydler.com">Sule.Erkan@cbseydler.com</a>
Dr. James Jackson (UK)	+49 (0)69 -9 20 54-113 <a href="mailto:James.Jackson@cbseydler.com">James.Jackson@cbseydler.com</a>	Klaus Korzilius (Benelux, Germany)	+49 (0)69 -9 20 54-114 <a href="mailto:Klaus.Korzilius@cbseydler.com">Klaus.Korzilius@cbseydler.com</a>
Stefan Krewinkel (Execution, UK)	+49 (0)69 -9 20 54-118 <a href="mailto:Stefan.Krewinkel@cbseydler.com">Stefan.Krewinkel@cbseydler.com</a>	Markus Laifle (Execution)	+49 (0)69 -9 20 54-120 <a href="mailto:Markus.Laifle@cbseydler.com">Markus.Laifle@cbseydler.com</a>
Michael Laufenberg (Germany)	+49 (0)69 -9 20 54-112 <a href="mailto:Michael.Laufenberg@cbseydler.com">Michael.Laufenberg@cbseydler.com</a>	Bruno de Lencquesaing (Benelux, France)	+49 (0)69 -9 20 54-116 <a href="mailto:Bruno.deLencquesaing@cbseydler.com">Bruno.deLencquesaing@cbseydler.com</a>
Christopher Seedorf (Sales-Support)	+49 (0)69 -9 20 54-110 <a href="mailto:Christopher.Seedorf@cbseydler.com">Christopher.Seedorf@cbseydler.com</a>	Janine Theobald (Austria, Germany)	+49 (0)69 -9 20 54-106 <a href="mailto:Janine.Theobald@cbseydler.com">Janine.Theobald@cbseydler.com</a>
Bas-Jan Walhof (Benelux)	+49 (0)69 -9 20 54-105 <a href="mailto:Bas-Jan.Walhof@cbseydler.com">Bas-Jan.Walhof@cbseydler.com</a>		

**Disclaimer and statement according to § 34b German Securities Trading Act (“Wertpapierhandelsgesetz”) in combination with the provisions on financial analysis (“Finanzanalyseverordnung” FinAnV)**

This report has been prepared independently of the company analysed by Close Brothers Seydler Research AG and/ or its cooperation partners and the analyst(s) mentioned on the front page (hereafter all are jointly and/ or individually called the ~~author~~). None of Close Brothers Seydler Research AG, Close Brothers Seydler Bank AG or its cooperation partners, the Company or its shareholders has independently verified any of the information given in this document.

Section 34b of the German Securities Trading Act in combination with the FinAnV requires an enterprise preparing a security analysis to point out possible conflicts of interest with respect to the company that is the subject of the analysis.

Close Brothers Seydler Research AG is a majority owned subsidiary of Close Brothers Seydler Bank AG (hereafter ‘CBS’). However, Close Brothers Seydler Research AG (hereafter ‘CBSR’) provides its research work independent from CBS. CBS is offering a wide range of Services not only including investment banking services and liquidity providing services (designated sponsoring). CBS or CBSR may possess relations to the covered companies as follows (additional information and disclosures will be made available upon request):

- a. CBS holds more than 5% interest in the capital stock of the company that is subject of the analysis.
- b. CBS was a participant in the management of a (co)consortium in a selling agent function for the issuance of financial instruments, which themselves or their issuer is the subject of this financial analysis within the last twelve months.
- c. CBS has provided investment banking and/ or consulting services during the last 12 months for the company analysed for which compensation has been or will be paid for.
- d. CBS acts as designated sponsor for the company's securities on the basis of an existing designated sponsorship contract. The services include the provision of bid and ask offers. Due to the designated sponsoring service agreement CBS may regularly possess shares of the company and receives a compensation and/ or provision for its services.
- e. The designated sponsor service agreement includes a contractually agreed provision for research services.
- f. CBSR and the analysed company have a contractual agreement about the preparation of research reports. CBSR receives a compensation in return.
- g. CBS has a significant financial interest in relation to the company that is subject of this analysis.

In this report, the following conflicts of interests are given at the time, when the report has been published: d, f

CBS and/ or its 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 this analysis. CBS may provide investment banking, consulting, and/ or other services to and/ or serve as directors of the companies referred to in this analysis. No part of the authors compensation was, is or will be directly or indirectly related to the recommendations or views expressed.

Recommendation System:

Close Brothers Seydler Research AG uses a 3-level absolute share rating system. The ratings pertain to a time horizon of up to 12 months:

BUY: The expected performance of the share price is above +10%.

HOLD: The expected performance of the share price is between 0% and +10%.

SELL: The expected performance of the share price is below 0%.

Recommendation history over the last 12 months for the company analysed in this report:

Date	Recommendation	Price at change date	Price target
13 March 2012	BUY (Initiating Coverage)	EUR 11.80	EUR 19.00
20 April 2012	BUY	EUR 11.75	EUR 19.00
10 May 2012	BUY	EUR 11.60	EUR 19.00
6 July 2012	BUY	EUR 10.70	EUR 19.00
6 August 2012	BUY	EUR 10.52	EUR 19.00

8 August 2012	BUY	EUR 10.59	EUR 19.00
31 August 2012	BUY	EUR 10.76	EUR 19.00
4 September 2012	BUY	EUR 10.65	EUR 17.00

#### Risk-scaling System:

Close Brothers Seydler Research AG uses a 3-level risk-scaling system. The ratings pertain to a time horizon of up to 12 months:

LOW: The volatility is expected to be lower than the volatility of the benchmark

MEDIUM: The volatility is expected to be equal to the volatility of the benchmark

HIGH: The volatility is expected to be higher than the volatility of the benchmark

The following valuation methods are used when valuing companies: Multiplier models (price/earnings, price/cash flow, price/book value, EV/Sales, EV/EBIT, EV/EBITA, EV/EBITDA), peer group comparisons, historical valuation approaches, discounting models (DCF, DDM), break-up value approaches or asset valuation approaches. The valuation models are dependent upon macroeconomic measures such as interest, currencies, raw materials and assumptions concerning the economy. In addition, market moods influence the valuation of companies.

The figures taken from the income statement, the cash flow statement and the balance sheet upon which the evaluation of companies is based are estimates referring to given dates and therefore subject to risks.

These may change at any time without prior notice.

The opinions and forecasts contained in this report are those of the author alone. Material sources of information for preparing this report are publications in domestic and foreign media such as information services (including but not limited to Reuters, VWD, Bloomberg, DPA-AFX), business press (including but not limited to Börsenzeitung, Handelsblatt, Frankfurter Allgemeine Zeitung, Financial Times), professional publications, published statistics, rating agencies as well as publications of the analysed issuers. Furthermore, discussions were held with the management for the purpose of preparing the analysis. Potentially parts of the analysis have been provided to the issuer prior to going to press; no significant changes were made afterwards, however. Any information in this report is based on data considered to be reliable, but no representations or guarantees are made by the author with regard to the accuracy or completeness of the data. The opinions and estimates contained herein constitute our best judgment at this date and time, and are subject to change without notice. Possible errors or incompleteness of the information do not constitute grounds for liability, neither with regard to indirect nor to direct or consequential damages. The views presented on the covered company accurately reflect the personal views of the author. All employees of the author's company who are involved with the preparation and/or the offering of financial analyzes are subject to internal compliance regulations.

The report is for information purposes, it is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the securities mentioned in this report. Any reference to past performance should not be taken as indication of future performance. The author does not accept any liability whatsoever for any direct or consequential loss arising from any use of material contained in this report. The report is confidential and it is submitted to selected recipients only. The report is prepared for professional investors only and it is not intended for private investors. Consequently, it should not be distributed to any such persons. Also, the report may be communicated electronically before physical copies are available. It may not be reproduced (in whole or in part) to any other investment firm or any other individual person without the prior written approval from the author. The author is not registered in the United Kingdom nor with any U.S. regulatory body.

It has not been determined in advance whether and in what intervals this report will be updated. Unless otherwise stated current prices refer to the closing price of the previous trading day. Any reference to past performance should not be taken as indication of future performance. The author maintains the right to change his opinions without notice, i.e. the opinions given reflect the author's judgment on the date of this report.

This analysis is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor.

By accepting this report the recipient accepts that the above restrictions are binding. German law shall be applicable and court of jurisdiction for all disputes shall be Frankfurt am Main (Germany).

This report should be made available in the United States solely to investors that are (i) "major US institutional investors" (within the meaning of SEC Rule 15a-6 and applicable interpretations relating thereto) that are also "qualified institutional buyers" (QIBs) within the meaning of SEC Rule 144A promulgated by the United States Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act") or (ii) investors that are not "US Persons" within the meaning of Regulation S under the Securities Act and applicable interpretations relating thereto. The offer or sale of certain securities in the United States may be made to QIBs in reliance on Rule 144A. Such securities may include those offered and sold outside the United

States in transactions intended to be exempt from registration pursuant to Regulation S. This report does not constitute in any way an offer or a solicitation of interest in any securities to be offered or sold pursuant to Regulation S. Any such securities may not be offered or sold to US Persons at this time and may be resold to US Persons only if such securities are registered under the Securities Act of 1933, as amended, and applicable state securities laws, or pursuant to an exemption from registration.

This publication is for distribution in or from the United Kingdom only to persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom or any order made there under or to investment professionals as defined in Section 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and is not intended to be distributed or passed on, directly or indirectly, to any other class of persons.

This publication is for distribution in Canada only to pension funds, mutual funds, banks, asset managers and insurance companies.

The distribution of this publication in other jurisdictions may be restricted by law, and persons into whose possession this publication comes should inform themselves about, and observe, any such restrictions. In particular this publication may not be sent into or distributed, directly or indirectly, in Japan or to any resident thereof.

Responsible Supervisory Authority:

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, Federal Financial Supervisory Authority)

Graurheindorferstraße 108

53117 Bonn

and

Lurgiallee 12

60439 Frankfurt



Schillerstrasse 27 - 29

60313 Frankfurt am Main

[www.cbseydlerresearch.ag](http://www.cbseydlerresearch.ag)

Tel.: 0049 - (0)69 - 97 78 45 60