

# Eckert & Ziegler AG

10 May 2010

## Basic-report update

### Analyst

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### Evaluation result

**BUY**

(previously BUY)

### Fair value

**€ 28.22**

(previously € 27.44)



## Q1/2010 - Profitability continues to increase

- Total revenues increased to €25.7 Mill. (+6%, yoy)
- Operating result at €5.2 Mill., up 38% compared to previous year
- EBIT margin gained 4.5%-age points due to a bias in sales of high margin oil-drill bits and the realization of synergies
- Net result after minorities increased by 16.6%
- Liquid funds at period end at €44 Mill.
- Management deems €1.80 earnings per share for Fiscal Year 2010 within reach
- Recommended dividend payment for 2009: €0,45 per share
- We have slightly adjusted our earnings forecasts upwards

During the reported quarter, Eckert & Ziegler AG (EZAG) has booked revenues amounting to €25.7 Mill. translating into a result of €2.5 Mill. after minorities. EBIT increased by 36% and net result by almost 17%, accompanied by an improvement of margins by 4.5 and 0.9%-age points, respectively. This is in large part the result of an improvement of gross margin (+3%-age points) in tandem with a constant overall cost structure.

As of March 31, liquid funds remained almost unchanged compared to year end 2009. By yoy comparison, operating cash-flow came down by 40% to €2 Mill. This is mainly due to a higher-than-average increase in net working capital (+€2.7 Mill.) which - in our view - calls for adequate measures regarding cash management.

Investment activities ranged within the operative scope since no acquisitions were on the agenda. During the first quarter, no additional funds were raised; rather, loans were redeemed at the amount of €1.3 Mill. In April 2010, the cash position was reduced by €22.3 Mill. as a consequence of the pay-out in the context of the IBt take-over bid. We estimate the current cash position to amount to ca. €22 Mill.

**We have slightly adjusted our forecasts upwards and calculate a fair value of €28.22 based on the analysis of free cash flows and of market comparables. We reiterate our "Buy" rating.**

### Key data / Earnings

Year	Sales (mln €)	EBITDA (mln €)	EBIT (mln €)	EBT (mln €)	adj. net (mln €)	adj. EPS (€)	DPS (€)	EBIT-Margin	Net-Margin
2009	101.4	27.9	16.4	15.2	7.5	1.97	0.30	16.2%	7.4%
2010e	109.8	22.3	16.3	14.7	8.6	1.64	0.45	14.8%	7.8%
2011e	118.7	25.2	18.6	16.7	10.4	1.98	0.52	15.7%	8.8%
2012e	128.1	29.1	22.0	20.1	12.7	2.41	0.60	17.2%	9.9%
2013e	137.1	33.2	25.6	23.6	15.0	2.85	0.72	18.7%	10.9%

Source: BankM Research

Sector	Medical Technology
WKN	565970
ISIN	DE0005659700
Bloomberg/Reuters	EUZ GY Equity
Accounting standard	IFRS
Financial year	Dec 31
Financial report Q2	August 3, 2010
Market segment	Regulated Market
Transparency standard	Prime Standard

Financial ratios	2010e	2011e	2012e
EV/Sales	1.4	1.3	1.2
EV/EBITDA	6.9	6.1	5.3
EV/EBIT	9.4	8.2	6.9
P/E adj.	12.1	10.0	8.2
Price/Bookvalue	1.6	1.4	1.3
Price/FCF	-1.1	3.7	2.7
ROE	12.9	16.3	17.7
Dividend yield	2.3	2.6	3.0

Number shares (million)	5.260
Market cap / EV (million €)	104.4/ 153.0
Free float	62.1%
Ø daily trading vol. (3M, in €)	330.2
12 months high/low (XETRA-close)	€ 24,80/9,01
Price May 6, 2010 (XETRA-close)	19.85 €
Performance	1M 6M 12M
absolute	-12.9% 5.6% 103.6%
relative	-9.3% -17% 31%
Benchmark index	MEDTECH PERFORM.



Eckert & Ziegler AG (blue/black), Performance 1 year vs. DAX Subsector MedTech (red/grey)  
Source: Deutsche Börse AG

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## Segment Discussion

Main sales driver, again, was the segment „Industry“ with 51.5% of total sales, followed by the segments “Therapy“ (24.7%) and “Radiopharmacy“ (18.5%). The business division “Environmental Services“, formerly being integrated within the Industry segment, and since the beginning of the year operating as a separate segment, contributed 5.2% to total sales.

The Industry segment benefitted from a strong business in high margin oil-drill bits as well as from synergies resulting from the successful integration of Nuclitec. According to management, sales of oil-drill bits will not remain on this high level in the following quarters. Revenues and earnings within the Therapy segment declined on a yoy comparison, largely owing to a good year end business and to the not yet booked sales and earnings relating to the Russia project. Considering the reduction of the IBt shareholder’s minorities, effective only from mid-March, we anticipate a significant improvement of the segment’s performance in the following quarters. While sales in the Radiopharmacy segment slightly came down, a positive result was achieved. The market launch of the Gallium generator is scheduled for Q3 or Q4/2010; a substantial contribution is to be expected not before 2011. The new segment “Environmental Services“ was slightly in deficit owing to expenditures for the preparation of new business. Regarding the segment “Environmental Services“, management anticipates 2010 revenues amounting to €5 Mill., resulting from the already existing business.

## Balance Sheet

In answer to the company’s implementation of the most current IFRS 3 regulation, we have adjusted our previous balance sheet projection as presented in our basic report dated April 12, 2010. In doing so, we have cancelled the ca. €16 Mill. goodwill from the books, reversing the former changes on the assets side and the balance sheet extension resulting thereof. Instead, the offsetting entry is now being implemented within shareholder’s equity via

- Reduction of minorities by €5.4 Mill.
- Reduction of retained earnings by €16.9 Mill. resulting from the expenses as they fell due to the takeover bid

For details please refer to our above-mentioned basic report.

According to management, funding of the shares, tendered in the context of the takeover bid, is backed by one third of debt, i.e. €7.4 Mill. at an interest rate of ca. 4%.

## Stock and Valuation

Year-to-date, EZAG's stock has gained 10.9%, increasing from €19.90 to €19.85 XETRA close May 6, 2010). During this period, it shows exactly the same performance as the benchmark (Daxsubsec. Medical Technology Performance). Within the last twelve months, the share price more than doubled (+104%) while the benchmark improved by 54%, only. Due to a substantial increase in trading volume, volatility came noticeably down. Based on daily stock price returns since the beginning of the year, the annualized volatility is at 45.6% with a mean daily trading volume of ca. 18.300 pieces. This is a remarkable level for a company of EZAG's size and reflects the investors' growing interest in the stock. During the reference period, volatility was at ca. 60% with a mean daily trading volume of ca. 2.700 pieces.

On the basis of the company's Q1 reporting and discussions with management, we have slightly adjusted our earnings forecasts. In addition, we present a detailed quarterly planning for the current Fiscal Year.

Our DCF analysis now returns an equity value of €145.2 Mill. (previous: €144.2 Mill.) translating into a price of €27.61 per share (previous: 27.42). Our peer group analysis - based on the P/E ratio for 2010 - suggests a price of €28.83 per share (previous: €27.46). This increase is attributable to a slight rise in the median P/E ratio from 17.1 to 17.6 as well as to our raising of the forecasted 2010 earnings per share from €1.60 to €1.64. Equally weighted, we calculate a fair value of €28.22 per share (previous: €27.44).

**Considering both, the results of our fundamental analysis in tandem with a current P/E ratio of 12.1, EZAG's stock is currently favorably valued; therefore, we continue to recommend buying the stock.**

## DCF Model

### DCF analysis based on future free cash-flows 2009-2016 + Terminal Value

in T€		Forecast									Terminal Value
		2009a	2010e	Phase 1				Phase 2		2018+	
		Basis	1	2	3	4	5	6	7	8	
	Growth	42%	8%	8%	8%	7%	6%	6%	5%	4%	1%
<b>Revenues</b>		<b>101,399.0</b>	<b>109,783.0</b>	<b>118,669.9</b>	<b>128,090.1</b>	<b>137,056.4</b>	<b>145,279.8</b>	<b>153,996.6</b>	<b>161,696.4</b>	<b>168,164.3</b>	
<b>EBIT</b>		<b>16,418.0</b>	<b>16,260.4</b>	<b>18,625.4</b>	<b>22,025.3</b>	<b>25,622.9</b>	<b>27,160.2</b>	<b>28,789.9</b>	<b>30,229.3</b>	<b>31,438.5</b>	
- Tax		-2,627.0	4,878.1	5,587.6	6,607.6	7,686.9	8,148.1	8,637.0	9,068.8	9,431.6	
+ Depreciation		11,525.0	6,038.1	6,526.8	7,045.0	7,538.1	7,990.4	8,469.8	8,893.3	9,249.0	
+ change in long-term provisions		-6,821.0	-1,000.0	-1,000.0	-1,000.0	-1,000.0	-1,000.0	-1,000.0	-1,000.0	-1,000.0	
- changes in net working capital		-6,534.0	3,846.5	4,125.5	4,417.6	2,015.5	1,848.5	1,959.5	1,730.9	1,453.9	
- other non-cash items		11,018.0	-1,574.4	-1,731.9	-1,905.1	-2,095.6	-2,535.6	-1,175.4	0.0	0.0	
- Capex		9,698.0	31,082.6	9,493.6	10,247.2	10,964.5	11,622.4	12,319.7	12,935.7	13,453.1	
<b>= Free Cash Flow</b>		<b>9,567.0</b>	<b>-16,934.3</b>	<b>6,677.4</b>	<b>8,702.9</b>	<b>13,589.6</b>	<b>15,067.3</b>	<b>14,519.0</b>	<b>14,387.3</b>	<b>15,348.9</b>	<b>15,502.4</b>
Terminal Value											210,676.6
Discount factor			0.92	0.85	0.79	0.73	0.67	0.62	0.57	0.53	
<b>NPVs of Free Cash Flows</b>		n.a.	<b>-15,633.9</b>	<b>5,691.2</b>	<b>6,847.9</b>	<b>9,871.9</b>	<b>10,104.8</b>	<b>8,989.3</b>	<b>8,223.7</b>	<b>8,099.7</b>	
<b>NPV of Terminal Value</b>											<b>110,844.9</b>
<b>Valuation</b>	<b>Proportion of TV</b>										
Result of Future Cash Flows		<b>42,194.7</b>	<b>28%</b>								
+ Result of Terminal Value		110,844.9	<b>72%</b>								
<b>= Value of the Entity</b>		<b>153,039.6</b>									
+ Cash		43,674.0									
- LT Debt		41,247.0									
- Minorities		10,254.0									
<b>Value of Equity</b>		<b>145,212.6</b>									
Price per Share		27.61									

Source: BankM Research

## Sensitivity Analysis of Terminal Value (TV)

Key Model Assumptions		Discount rate of TV							
Riskfree Return	3.30%								
Current Yield (D)									
Market Beta (relevered, adj. for target Capital Structure)	0.99								
Beta im Terminal Value = 1									
Market Return	10.00%								
<b>Cost of Equity</b>	<b>9.93%</b>								
Target weight	60%								
<b>Cost of Debt</b>	<b>8.00%</b>								
Target weight	40%								
Tax shield	26.3%								
<b>WACC</b>	<b>8.32%</b>								
Growth Rate Terminal Value	1.00%								
WACC TV	8.36%								
			6%	7%	8%	8.36%	9%	10%	11%
Growth Terminal Value	0.25%	33.30	29.34	26.39	25.52	24.12	22.32	20.85	
	0.50%	34.59	30.27	27.11	26.17	24.69	22.78	21.23	
	0.75%	36.00	31.28	27.87	26.86	25.28	23.26	21.62	
	1.00%	37.55	32.38	28.69	27.61	25.92	23.76	22.04	
	1.25%	39.26	33.57	29.56	28.40	26.59	24.30	22.48	
	1.50%	41.16	34.87	30.51	29.26	27.31	24.87	22.94	
	1.75%	43.29	36.29	31.53	30.17	28.08	25.47	23.42	

Source: BankM Research

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# Eckert & Ziegler AG

10 May 2010

Stock and Valuation - 5/11 -

## Peer Group Comparison

Company	Price	MarketCap (Mill.)	EPS			P/E		
			2009a	2010	2011	2009a	2010	2011
<b>Europe</b>								
aap Implantate AG	1.50	41.85	0.05	0.08	0.13	30.0	18.8	11.5
Biolitec AG	4.00	42.06	0.06	0.25	0.35	66.7	16.0	11.4
Carl Zeiss Meditec AG	11.46	931.81	0.62	0.65	0.72	18.5	17.6	15.9
IBt - International Brachytherapy S.A.	3.01	52.84	0.25	0.40	0.30	12.0	7.5	10.0
Pulsion Medical Systems AG	3.06	39.31	0.05	0.17	0.19	61.2	18.0	16.1
Stratec Biomedical Systems AG	27.30	312.47	1.04	1.40	1.73	26.3	19.5	15.8
UMS Medical Syst. Intl AG	6.40	34.65	0.50	0.62	0.64	12.8	10.3	10.0
W.O.M. World of Medicine AG	9.55	85.95	0.10	0.00	n.a.	95.5	n.a.	n.a.
<b>Median</b>		<b>47.45</b>	<b>0.12</b>	<b>0.40</b>	<b>0.35</b>	<b>28.1</b>	<b>17.6</b>	<b>11.5</b>
<b>Eckert &amp; Ziegler AG</b>	<b>19.85</b>	<b>104.42</b>	<b>1.97</b>	<b>1.64</b>	<b>1.98</b>	<b>10.1</b>	<b>12.1</b>	<b>10.0</b>

Prices as of May 6, 2010

Year	2010	2011
Implicit Price	<b>28.83</b>	<b>22.90</b>

Source: BankM Research

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## Tables

### P & L Q1/10 and Quarterly Forecasts 2010

Fiscal Year 31/12 • IFRS	2009a	Q1/09a	Q1/10a	Delta %	Q2/10e	Q3/10e	Q4/10e	2010e
<b>Total Sales</b>	<b>101,399.0</b>	<b>24,312.0</b>	<b>25,702.0</b>	5.7	<b>26,832.9</b>	<b>28,013.5</b>	<b>29,234.5</b>	<b>109,783.0</b>
Cost of Sales	50,275.0	11,731.0	11,612.0	-1.0	13,365.8	13,953.9	14,481.4	53,413.1
<i>% of sales</i>	49.6	48.3	45.2		49.8	49.8	49.5	48.7
<b>Gross Profit</b>	<b>51,124.0</b>	<b>12,581.0</b>	<b>14,090.0</b>	12.0	<b>13,467.0</b>	<b>14,059.6</b>	<b>14,753.2</b>	<b>56,369.8</b>
Distribution Expenses	18,425.0	4,728.0	4,257.0	-10.0	4,666.4	4,871.7	5,069.7	18,864.7
<i>% of sales</i>	18.2	19.4	16.6		17.4	17.4	17.3	17.2
Administrative Expenses	19,083.0	4,293.0	4,760.0	10.9	4,414.1	4,608.3	4,845.3	18,627.8
<i>% of sales</i>	18.8	17.7	18.5		16.5	16.5	16.6	17.0
R&D Expenses	2,496.0	496.0	579.0	16.7	877.5	916.1	938.3	3,310.9
<i>% of sales</i>	2.5	2.0	2.3		3.3	3.3	3.2	3.0
Other Operating Income	9,339.0	429.0	709.0	65.3	0.0	0.0	0.0	709.0
Other Operating Expenses	4,996.0	49.0	217.0	342.9	0.0	0.0	0.0	217.0
<b>Income from Ord. Business</b>	<b>15,463.0</b>	<b>3,444.0</b>	<b>4,986.0</b>	44.8	<b>3,509.0</b>	<b>3,663.4</b>	<b>3,900.0</b>	<b>16,058.4</b>
Foreign exchange gains/losses	147.0	377.0	202.0	-46.4	0.0	0.0	0.0	202.0
Other Financial Items	808.0	1.0	0.0	-100.0	0.0	0.0	0.0	0.0
Financial Result	955.0	378.0	202.0	-46.6	0.0	0.0	0.0	202.0
<b>EBIT</b>	<b>16,418.0</b>	<b>3,822.0</b>	<b>5,188.0</b>	35.7	<b>3,509.0</b>	<b>3,663.4</b>	<b>3,900.0</b>	<b>16,260.4</b>
<i>% of sales</i>	16.2	15.7	20.2		13.1	13.1	13.3	14.8
Interest Income	68.0	21.0	56.0	166.7	0.0	0.0	0.0	56.0
Interest Expenses	1,331.0	367.0	433.0	18.0	377.0	387.0	397.0	1,594.0
<b>EBT</b>	<b>15,155.0</b>	<b>3,476.0</b>	<b>4,811.0</b>	38.4	<b>3,132.0</b>	<b>3,276.4</b>	<b>3,503.0</b>	<b>14,722.4</b>
Taxes on Income (incl. deferred taxes)	6,737.0	703.0	-1,995.0	n.a.	-939.6	-982.9	-1,050.9	-4,968.4
<i>t/o deferred taxes</i>	11,795.0		-438.0		-378.8	-378.8	-378.8	-1,574.4
<b>Net Profit before Minorities</b>	<b>21,892.0</b>	<b>2,773.0</b>	<b>2,816.0</b>	1.6	<b>2,192.4</b>	<b>2,293.5</b>	<b>2,452.1</b>	<b>9,754.0</b>
Minorities	8,642.0	616.0	300.0	-51.3	284.0	284.0	284.0	1,152.0
<b>Net Profit</b>	<b>13,250.0</b>	<b>2,157.0</b>	<b>2,516.0</b>	16.6	<b>1,908.4</b>	<b>2,009.5</b>	<b>2,168.1</b>	<b>8,602.0</b>
<i>% of sales</i>	13.1	8.9	9.8		7.1	7.2	7.4	7.8
Adjustments	-5,796.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted Net Profit</b>	<b>7,454.0</b>	<b>2,157.0</b>	<b>2,516.0</b>	16.6	<b>1,908.4</b>	<b>2,009.5</b>	<b>2,168.1</b>	<b>8,602.0</b>
<i>% of sales</i>	7.4	8.9	9.8		7.1	7.2	7.4	7.8
<i>No. of Shares*</i>	3,783	3,553	5,163		5,260	5,260	5,260	5,260
Net Profit/Share (EPS)	3.50	0.61	0.49		0.36	0.38	0.41	1.64
Adj. Net Profit/Share (EPS)	1.97	0.61	0.49		0.36	0.38	0.41	1.64

\*for reported periods (a): Ø outstanding

Source: BankM Research

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# Eckert & Ziegler AG

10 May 2010

Tables - 7/11 -

## Profit & Loss Account

Fiscal Year 31/12 • IFRS	09a	10e	11e	12e	13e	10e	11e	12e	13e	5y - CAGR
in T€						y-o-y changes (%)				
<b>Total Sales</b>	<b>101,399.0</b>	<b>109,783.0</b>	<b>118,669.9</b>	<b>128,090.1</b>	<b>137,056.4</b>	<b>8.3</b>	<b>8.1</b>	<b>7.9</b>	<b>7.0</b>	<b>13.9</b>
Cost of Sales	50,275.0	53,413.1	57,143.6	61,039.3	64,626.8	6.2	7.0	6.8	5.9	11.5
<i>% of Sales</i>	49.6	48.7	48.2	47.7	47.2					
<b>Gross Profit</b>	<b>51,124.0</b>	<b>56,369.8</b>	<b>61,526.3</b>	<b>67,050.8</b>	<b>72,429.7</b>	<b>10.3</b>	<b>9.1</b>	<b>9.0</b>	<b>8.0</b>	<b>16.2</b>
Distribution Expenses	18,425.0	18,864.7	19,798.5	20,729.7	21,495.5	2.4	4.9	4.7	3.7	7.3
<i>% of Sales</i>	18.2	17.2	16.7	16.2	15.7					
General & Admin. Expenses	19,083.0	18,627.8	19,542.3	20,453.2	21,199.6	-2.4	4.9	4.7	3.6	7.7
<i>% of Sales</i>	18.8	17.0	16.5	16.0	15.5					
R&D Expenses	2,496.0	3,310.9	3,560.1	3,842.7	4,111.7	32.6	7.5	7.9	7.0	5.8
<i>% of Sales</i>	2.5	3.0	3.0	3.0	3.0					
Other Operating Income	9,339.0	709.0	0.0	0.0	0.0					
Other Operating Expenses	4,996.0	217.0	0.0	0.0	0.0					
<b>Income from Ord. Business</b>	<b>15,463.0</b>	<b>16,058.4</b>	<b>18,625.4</b>	<b>22,025.3</b>	<b>25,622.9</b>	<b>3.9</b>	<b>16.0</b>	<b>18.3</b>	<b>16.3</b>	<b>21.7</b>
Foreign exchange gains/losses	147.0	202.0	0.0	0.0	0.0					
Other Financial Items	808.0	0.0	0.0	0.0	0.0					
Financial Result	955.0	202.0	0.0	0.0	0.0					
<b>EBIT</b>	<b>16,418.0</b>	<b>16,260.4</b>	<b>18,625.4</b>	<b>22,025.3</b>	<b>25,622.9</b>	<b>-1.0</b>	<b>14.5</b>	<b>18.3</b>	<b>16.3</b>	<b>22.0</b>
<i>% of Sales</i>	16.2	14.8	15.7	17.2	18.7					
Interest Income	68.0	56.0	50.0	50.0	50.0					
Interest Expenses	1,331.0	1,594.0	1,950.0	2,000.0	2,050.0					
<b>EBT</b>	<b>15,155.0</b>	<b>14,722.4</b>	<b>16,725.4</b>	<b>20,075.3</b>	<b>23,622.9</b>	<b>-2.9</b>	<b>13.6</b>	<b>20.0</b>	<b>17.7</b>	<b>23.3</b>
Taxes on Income (Exp.-/Inc.+)	6,737.0	-4,968.4	-5,017.6	-6,022.6	-7,086.9					
<i>t/o deferred taxes (Exp.-/Inc.+)</i>	11,795.0	-1,574.4	-1,731.9	-1,905.1	-2,095.6					
<b>Net Profit before minorities</b>	<b>21,892.0</b>	<b>9,754.0</b>	<b>11,707.8</b>	<b>14,052.7</b>	<b>16,536.0</b>	<b>-55.4</b>	<b>20.0</b>	<b>20.0</b>	<b>17.7</b>	<b>40.3</b>
Minorities	8,642.0	1,152.0	1,267.2	1,394.0	1,533.3					
<b>Net Profit</b>	<b>13,250.0</b>	<b>8,602.0</b>	<b>10,440.5</b>	<b>12,658.7</b>	<b>15,002.7</b>	<b>-35.1</b>	<b>21.4</b>	<b>21.2</b>	<b>18.5</b>	<b>27.2</b>
<i>% of Sales</i>	13.1	7.8	8.8	9.9	10.9					
Adjustments	-5,796.0	0.0	0.0	0.0	0.0					
<b>Adjusted Net Profit</b>	<b>7,454.0</b>	<b>8,602.0</b>	<b>10,440.5</b>	<b>12,658.7</b>	<b>15,002.7</b>	<b>15.4</b>	<b>21.4</b>	<b>21.2</b>	<b>18.5</b>	<b>34.2</b>
<i>% of Sales</i>	7.4	7.8	8.8	9.9	10.9					
<i>For Information purposes</i>										
Depreciation & Amortization	11,525.0	6,038.1	6,526.8	7,045.0	7,538.1	-47.6	8.1	7.9	7.0	-3.8
<i>% of Sales</i>	11.4	5.5	5.5	5.5	5.5					
Amortization						0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>27,943.0</b>	<b>22,298.5</b>	<b>25,152.2</b>	<b>29,070.2</b>	<b>33,161.0</b>	<b>-20.2</b>	<b>12.8</b>	<b>15.6</b>	<b>14.1</b>	<b>12.2</b>
No. of Shares (Ø outstanding)	3,783	5,260	5,260	5,260	5,260	39.0	0.0	0.0	0.0	n.a.
Net Profit/Share (EPS)	3.50	1.64	1.98	2.41	2.85	-53.3	21.4	21.2	18.5	14.8
Adjusted Net Profit/Share (adj. EPS)	1.97	1.64	1.98	2.41	2.85	-17.0	21.4	21.2	18.5	21.1

Source: BankM Research

## Cash Flow Statement

Fiscal Year 31/12 • IFRS	09a	10e	11e	12e	13e	10e	11e	12e	13e	5y - CAGR
in T€						y-o-y changes (%)				
<b>Net Profit</b>	<b>21,892.0</b>	<b>9,754.0</b>	<b>11,707.8</b>	<b>14,052.7</b>	<b>16,536.0</b>	<b>-55.4</b>	<b>20.0</b>	<b>20.0</b>	<b>17.7</b>	<b>40.3</b>
+ Depreciation & Amortisation	11,525.0	6,038.1	6,526.8	7,045.0	7,538.1	-47.6	8.1	7.9	7.0	-3.8
+ Chg. in long-term Provisions	-6,821.0	-1,000.0	-1,000.0	-1,000.0	-1,000.0	-85.3	0.0	0.0	0.0	n.a.
<b>= Cash Earnings</b>	<b>26,596.0</b>	<b>14,792.1</b>	<b>17,234.6</b>	<b>20,097.6</b>	<b>23,074.1</b>	<b>-44.4</b>	<b>16.5</b>	<b>16.6</b>	<b>14.8</b>	<b>2.7</b>
- other non-cash items	11,018.0	-1,574.4	-1,731.9	-1,905.1	-2,095.6					
- Chg. in Net Working Capital	-6,534.0	3,846.5	4,125.5	4,417.6	2,015.5	n.a.	7.3	7.1	-54.4	-187.8
<b>= Operating Cash Flow</b>	<b>22,112.0</b>	<b>12,520.0</b>	<b>14,841.0</b>	<b>17,585.1</b>	<b>23,154.1</b>	<b>-43.4</b>	<b>18.5</b>	<b>18.5</b>	<b>31.7</b>	<b>21.9</b>
- Capex	9,698.0	31,082.6	9,493.6	10,247.2	10,964.5	220.5	-69.5	7.9	7.0	15.0
<b>= Free Cash Flow</b>	<b>12,414.0</b>	<b>-18,562.6</b>	<b>5,347.4</b>	<b>7,337.9</b>	<b>12,189.6</b>	<b>n.a.</b>	<b>n.a.</b>	<b>37.2</b>	<b>66.1</b>	<b>31.2</b>
+ Net Other Items	476.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0	-100.0
- Dividends (Previous Year)	1,132.0	2,367.0	2,752.6	3,132.2	3,797.6	109.1	16.3	13.8	21.2	37.0
- Payout minorities	409.0	449.9	494.9	544.4	598.8					
+ Increase in Share Capital	23,929.0	0.0	0.0	0.0	0.0					
- Outflow from Share Buy Backs	436.0	0.0	0.0	0.0	0.0					
+/- Bank Loans	1,521.0	7,400.0	0.0	0.0	0.0					
<b>= Incr. in Cash (+)/Decr. in Cash (-)</b>	<b>36,363.0</b>	<b>-13,979.5</b>	<b>2,099.9</b>	<b>3,661.4</b>	<b>7,793.2</b>	<b>-138.4</b>	<b>-115.0</b>	<b>74.4</b>	<b>112.8</b>	<b>21.6</b>

Source: BankM Research

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## Balance Sheet

Fiscal Year 31/12 • IFRS in T€	09a	10e	11e	12e	13e	10e	11e	12e	13e
<b>Assets</b>						<b>% of Balance Sheet Total</b>			
Tangible Assets	27,253.0	30,912.4	34,868.10	39,137.77	43,706.31	20%	22%	23%	24%
Intangible Assets	42,123.0	41,208.1	40,219.2	39,151.8	38,009.7	27%	25%	23%	21%
<i>t/o Goodwill</i>	22,503.0	22,503.0	22,503.0	22,503.0	22,503.0	15%	14%	14%	13%
Deferred Tax	11,795.0	10,220.6	8,488.7	6,583.6	4,488.1	7%	5%	4%	3%
Other Fixed Assets	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1%	1%	1%	1%
<b>Total Fixed Assets</b>	<b>82,931.0</b>	<b>84,101.1</b>	<b>85,336.0</b>	<b>86,633.2</b>	<b>87,964.1</b>	<b>55%</b>	<b>54%</b>	<b>52%</b>	<b>49%</b>
Inventories	12,631.0	13,675.4	14,782.4	15,955.8	17,072.8	9%	9%	10%	10%
Accounts Receivable	16,204.0	17,543.8	18,964.0	20,469.4	21,902.2	12%	12%	12%	12%
Total Liquid Funds	43,674.0	29,694.5	31,794.4	35,455.7	43,248.9	20%	20%	21%	24%
Other Current Assets	6,464.0	6,998.5	7,565.0	8,165.5	8,737.1	5%	5%	5%	5%
<b>Total Current Assets</b>	<b>78,973.0</b>	<b>67,912.1</b>	<b>73,105.7</b>	<b>80,046.4</b>	<b>90,961.0</b>	<b>45%</b>	<b>46%</b>	<b>48%</b>	<b>51%</b>
<b>Balance Sheet Total</b>	<b>161,904.0</b>	<b>152,013.2</b>	<b>158,441.7</b>	<b>166,679.7</b>	<b>178,925.0</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Liabilities</b>						<b>% of Balance Sheet Total</b>			
Subscribed Capital	5,260.0	5,260.0	5,260.0	5,260.0	5,260.0	3%	3%	3%	3%
Share Premium	52,719.0	52,719.0	52,719.0	52,719.0	52,719.0	35%	33%	32%	29%
Retained Earnings & Other Reserves	18,426.0	7,361.0	15,048.9	24,575.5	35,780.5	5%	9%	15%	20%
<b>Shareholders Equity</b>	<b>76,405.0</b>	<b>65,340.0</b>	<b>73,027.9</b>	<b>82,554.5</b>	<b>93,759.5</b>	<b>43%</b>	<b>46%</b>	<b>50%</b>	<b>52%</b>
Minorities	10,254.0	6,054.0	7,321.3	8,715.2	10,248.6	4%	5%	5%	6%
<b>Group Equity</b>	<b>86,659.0</b>	<b>71,394.0</b>	<b>80,349.2</b>	<b>91,269.7</b>	<b>104,008.1</b>	<b>47%</b>	<b>51%</b>	<b>55%</b>	<b>58%</b>
Provisions	23,296.0	22,296.0	21,296.0	20,296.0	19,296.0	15%	13%	12%	11%
<i>t/o Pension Provisions</i>	5,707.0	6,178.9	6,679.1	7,209.2	7,713.9	4%	4%	4%	4%
Other Liabilities	51,949.0	58,323.2	56,796.5	55,114.0	55,620.9	38%	36%	33%	31%
<b>Total Liabilities</b>	<b>75,245.0</b>	<b>80,619.2</b>	<b>78,092.5</b>	<b>75,410.0</b>	<b>74,916.9</b>	<b>53%</b>	<b>49%</b>	<b>45%</b>	<b>42%</b>
<i>t/o LT Liabilities</i>	41,247.0	43,810.1	38,303.8	32,462.8	28,963.4	29%	24%	19%	16%
<i>t/o ST Liab. &lt;1Y</i>	33,998.0	36,809.0	39,788.8	42,947.2	45,953.6	24%	25%	26%	26%
<i>t/o Acc Payable &amp; Adv. Paymts.</i>	12,431.0	10,968.7	9,370.4	7,631.6	8,165.9	7%	6%	5%	5%
<b>Balance Sheet Total</b>	<b>161,904.0</b>	<b>152,013.2</b>	<b>158,441.7</b>	<b>166,679.7</b>	<b>178,925.0</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: BankM Research

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**Author: Dr. Roger Becker, CEFA, Biologist**

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Issuer of the analyzed instrument is Eckert & Ziegler AG.

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Analyst	Date	Evaluation result	Fair value
Dr. Roger Becker	April 1, 2009	Buy	€10.56
Dr. Roger Becker	May 5, 2009	Buy	€10.56
Dr. Roger Becker	July 10, 2009	Buy	€14.50
Dr. Roger Becker	August 7, 2009	Neutral	€19.26
Dr. Roger Becker	November 4, 2009	Buy	€22,21
Dr. Roger Becker	November 16, 2009	Buy	€22,90
Dr. Roger Becker	December 17, 2009	Buy	€22,90
Dr. Roger Becker	January 29, 2010	Buy	€24.00
Dr. Roger Becker	March 25, 2010	Neutral	€24.00
Dr. Roger Becker	April 12, 2010	Buy	€27.44

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#### 3. Date of first publication of this document:

**May 10, 2010**

#### 4. Date and time of prices of the instruments quoted in this document:

Closing prices of May 6, 2010

## 5. Updates:

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