

**Buy** (old: Buy)

**Price target: EUR 38.50** (old: EUR 38.50)

<b>Price:</b>	EUR 29.41	<b>Next result:</b>	Q1 11 03.05.11
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 151.0 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 142.8 m

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### Preview Q1 2011:

CC at 10:00 AM CET, +49 (0) 6958 999 0805, ID: 4434112

#### Q1 2011E sales seen 9% up yoy at € 28m (€ 25.7m).

In **Isotope Products (46% of group sales)**, sales growth of 6% yoy at € 14m is mostly driven by pricing effects in the calibration and references business. While supply bottlenecks in americium were addressed as of year end 2010, oil drill-bits sales should be picking up again only from Q2 2011E onwards. EZAG should also be benefiting from higher sales of reference and calibration sources used by security organisations, government and nuclear power plant operators in the Japanese market following the Fukushima accident (est. € 2.5m in sales in Q1 2011E).

In **Therapy (29% of group sales)**, sales are seen up 4% yoy at € 6.6m, following a weak Q1 2010, thanks to stronger afterloader sales.

In **RadPharm (20% of group sales)** sales of € 6.2m are expected up some 30% yoy, following a weak Q1 2010, backed by contract wins for contrast agents in Central and Eastern Europe (FDG produced in the company's German cyclotrons), as well as deliveries to Spectrum Pharmaceuticals of Yttrium 90 chloride, approved in 2010 by the EMA for its inclusion in numerous radiopharmaceuticals used in the treatment of liver, intestinal, blood and neuroendocrine tumours.

**Recurring EBIT is seen up 9.5% yoy at € 5.9m (€ 5.4m), with the margin quasi flat at 21.2%.** No one-offs are expected in Q1 2011.

The **margin in Isotope Products is seen slightly up yoy at 33% (32.2%)**, thanks to better pricing in the calibration and references as well as operating leverage.

The **margin in Therapy is seen some 5 points down yoy at 9.1% (14.4%)** due to higher sales and marketing spend backing the launch of the new afterloader generation in January 2011, which will be delivered starting Q2 2011.

The **margin in RadPharm is seen 3.2 points up yoy at 20% (16.8%)** thanks to the operating leverage coming with better cyclotron utilisation.

**-Continued-**



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 30.75 / 18.86

**Price/Book Ratio:** 2.1

**Relative performance (SDAX):**

3 months 5.6 %

6 months 1.9 %

12 months 13.8 %

#### Changes in estimates

		Sales	EBIT	EPS
2011	old:	120.6	21.8	2.29
	Δ	-	-	-
2012	old:	128.4	23.8	2.51
	Δ	-	-	-
2013	old:	135.0	29.5	3.30
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs) 5.2

Authorised capital: (in € m) 0.6

Book value per share: (in €) 14.3

Ø trading volume: (12 months) 20,453

#### Major shareholders:

Free float 64.2 %

Founders 34.4 %

Eckert & Ziegler AG 1.4 %

#### Company description:

Produces and markets a wide range of industrial and medical applications featuring radioactive isotopes, including prostate seed implants, calibration standards and radiation afterloaders.

Y/E 31.12 (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Sales	54.4	71.6	101.4	111.1	120.6	128.4	135.0
Sales growth	8 %	32 %	42 %	10 %	9 %	6 %	5 %
EBITDA	9.7	18.7	22.6	26.4	32.4	35.2	41.5
EBIT	6.0	9.6	15.5	16.6	21.8	23.8	29.5
Net income	1.9	4.5	13.3	9.4	11.9	13.1	17.1
Net debt	6.8	10.9	-23.8	-7.6	-15.0	-23.9	-35.7
Net gearing	18.7 %	26.6 %	-31.2 %	-11.2 %	-20.2 %	-28.5 %	-27.0 %
Net Debt/EBITDA	0.7	0.6	0.0	0.0	0.0	0.0	0.0
EPS fully diluted	0.61	1.43	3.48	1.81	2.28	2.51	3.29
CPS	0.93	1.16	3.71	1.01	1.71	2.23	3.12
DPS	0.25	0.30	0.45	0.60	0.76	0.83	0.00
Dividend yield	0.9 %	1.0 %	1.5 %	2.0 %	2.6 %	2.8 %	3.7 %
Gross profit margin	49.3 %	47.7 %	50.4 %	52.0 %	52.0 %	52.0 %	52.0 %
EBITDA margin	17.8 %	26.2 %	22.2 %	23.8 %	26.9 %	27.4 %	30.7 %
EBIT margin	11.0 %	13.4 %	15.2 %	14.9 %	18.0 %	18.6 %	21.9 %
ROCE	11.1 %	10.4 %	14.4 %	16.2 %	19.0 %	19.0 %	20.2 %
EV/sales	1.8	1.4	1.3	1.3	1.2	1.0	0.9
EV/EBITDA	10.1	5.5	6.0	5.7	4.4	3.8	3.0
EV/EBIT	16.4	10.7	8.9	9.0	6.6	5.6	4.2
PER	47.9	20.6	14.9	16.3	12.9	11.7	8.9
Adjusted FCF yield	3.1 %	9.8 %	9.5 %	7.8 %	10.0 %	11.9 %	16.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.04.2011

**Q1 EPS is estimated at € 0.65 per share, up 21% yoy given a much lower expected tax rate at 33%**, on par with the full year expected tax rate. Q1 10 tax rate of 38% was exceptionally high given that some tax loss carry forwards at foreign subsidiaries could not be utilised.

**USD exposure could become problematic going forward.** With 50% of sales billed in USD, and an imperfect natural hedge, resulting in a translation exposure, **EZAG is USD long**. Should the USD/EUR exchange rate equate 1.50 on average for 2011E vs. a USD/EUR 1.35 base case, i.e. a 10% devaluation, the impact on our base EPS 2011E estimate of € 2.28 would be - € 0.10 per share, this translates into a - € 0.8m impact at EBIT level (-5% impact) or a **€ 1.50 negative impact on our PT of € 38.50 per share, maintaining the stock firmly in BUY territory.**

**Remains a BUY, PT € 38.50 on FCF Yield 2011E.**

EUR		Q1 11E	Q1 10	yoy
<b>Sales</b>		<b>28.0</b>	<b>25.7</b>	9.0%
	Isotope Products	14.0	13.2	6.0%
	Therapy	6.6	6.4	3.9%
	Radiopharmacy	6.2	4.8	30.0%
	Environment	1.2	1.3	-10.8%
<b>EBIT*</b>		<b>5.9</b>	<b>5.4</b>	9.5%
	Margin	21.2%	21.1%	+ 0.1 pp
	Isotope Products*	4.6	4.3	8.8%
	Margin	33.0%	32.2%	+ 0.8 pp
	Therapy*	0.6	0.9	-34.4%
	Margin	9.1%	14.4%	- 5.3 pp
	Radiopharmacy*	1.2	0.8	55.2%
	Margin	20.0%	16.8%	+ 3.2 pp
	Environment*	0.0	0.0	n.m
	Margin	n.m	n.m	n.m
<b>Net profit*</b>		<b>3.4</b>	<b>2.8</b>	21.3%
	Net margin	12.1%	10.9%	+ 1.2 pp
<b>EPS</b>		<b>0.65</b>	<b>0.54</b>	20.9%

\* Excluding one-offs in Q1 10: - € 0.3m due to lbt bid and + € 0.06K due to loan and equity re-evaluations in RadPharm

## Financials

Profit and loss (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Sales</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>120.6</b>	<b>128.4</b>	<b>135.0</b>
<i>Sales growth</i>	8.1 %	31.5 %	41.6 %	9.6 %	8.6 %	6.4 %	5.2 %
Cost of sales	27.6	37.5	50.3	53.3	57.9	61.6	64.8
<b>Gross profit</b>	<b>26.9</b>	<b>34.2</b>	<b>51.1</b>	<b>57.8</b>	<b>62.7</b>	<b>66.7</b>	<b>70.2</b>
Sales and marketing	10.2	15.1	18.4	18.9	21.1	22.5	23.6
General and administration	10.5	14.6	19.1	18.8	19.9	20.5	21.6
Research and development	0.3	3.1	2.5	2.9	3.1	3.3	3.5
Other operating income	0.6	17.2	9.3	2.9	3.1	3.3	3.5
Other operating expenses	0.5	9.0	5.0	3.5	-0.1	-0.1	-4.6
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>9.7</b>	<b>18.7</b>	<b>22.6</b>	<b>26.4</b>	<b>32.4</b>	<b>35.2</b>	<b>41.5</b>
Depreciation	3.7	9.2	7.1	9.8	10.7	11.4	12.0
<b>EBITA</b>	<b>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>21.8</b>	<b>23.8</b>	<b>29.5</b>
Amortisation of goodwill	0.0	0.0	4.4	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>21.8</b>	<b>23.8</b>	<b>29.5</b>
Interest income	0.1	0.1	0.1	0.3	0.3	0.3	1.4
Interest expenses	0.8	1.2	1.3	2.5	2.7	2.9	3.1
Other financial result	-0.3	-0.1	1.0	0.0	0.0	0.0	0.0
Financial result	-1.1	-1.3	-0.3	-2.2	-2.4	-2.6	-1.6
<b>Recurring pretax income from continuing operations</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>19.3</b>	<b>21.3</b>	<b>27.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>19.3</b>	<b>21.3</b>	<b>27.9</b>
Taxes	2.8	5.3	-6.7	3.9	6.4	7.0	9.2
<b>Net income from continuing operations</b>	<b>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>13.0</b>	<b>14.3</b>	<b>18.7</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>13.0</b>	<b>14.3</b>	<b>18.7</b>
Minority interest	0.2	-1.5	8.6	1.0	1.1	1.2	1.6
<b>Net income (net of minority interest)</b>	<b>1.9</b>	<b>4.5</b>	<b>13.3</b>	<b>9.4</b>	<b>11.9</b>	<b>13.1</b>	<b>17.1</b>
Average number of shares	3.1	3.1	3.8	5.2	5.2	5.2	5.2
<b>EPS reported</b>	<b>0.62</b>	<b>1.43</b>	<b>3.48</b>	<b>1.81</b>	<b>2.29</b>	<b>2.51</b>	<b>3.30</b>

Profit and loss (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	50.7 %	52.3 %	49.6 %	48.0 %	48.0 %	48.0 %	48.0 %
<b>Gross profit</b>	<b>49.3 %</b>	<b>47.7 %</b>	<b>50.4 %</b>	<b>52.0 %</b>	<b>52.0 %</b>	<b>52.0 %</b>	<b>52.0 %</b>
Sales and marketing	18.8 %	21.1 %	18.2 %	17.0 %	17.5 %	17.5 %	17.5 %
General and administration	19.2 %	20.4 %	18.8 %	16.9 %	16.5 %	16.0 %	16.0 %
Research and development	0.5 %	4.3 %	2.5 %	2.6 %	2.6 %	2.6 %	2.6 %
Other operating income	1.0 %	24.1 %	9.2 %	2.6 %	2.6 %	2.6 %	2.6 %
Other operating expenses	0.9 %	12.5 %	4.9 %	3.1 %	-0.1 %	-0.1 %	-3.4 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>17.8 %</b>	<b>26.2 %</b>	<b>22.2 %</b>	<b>23.8 %</b>	<b>26.9 %</b>	<b>27.4 %</b>	<b>30.7 %</b>
Depreciation	6.9 %	12.8 %	7.0 %	8.9 %	8.9 %	8.9 %	8.9 %
<b>EBITA</b>	<b>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>18.0 %</b>	<b>18.6 %</b>	<b>21.9 %</b>
Amortisation of goodwill	0.0 %	0.0 %	4.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>18.0 %</b>	<b>18.6 %</b>	<b>21.9 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.3 %	0.3 %	0.3 %	1.1 %
Interest expenses	1.5 %	1.7 %	1.3 %	2.3 %	2.3 %	2.3 %	2.3 %
Other financial result	-0.5 %	-0.2 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-1.9 %	-1.8 %	-0.3 %	-2.0 %	-2.0 %	-2.0 %	-1.2 %
<b>Recurring pretax income from continuing operations</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>16.0 %</b>	<b>16.6 %</b>	<b>20.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>16.0 %</b>	<b>16.6 %</b>	<b>20.7 %</b>
Tax rate	56.3 %	63.4 %	-44.5 %	27.4 %	33.0 %	33.0 %	33.0 %
<b>Net income from continuing operations</b>	<b>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>10.7 %</b>	<b>11.1 %</b>	<b>13.9 %</b>
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>10.7 %</b>	<b>11.1 %</b>	<b>13.9 %</b>
Minority interest	0.4 %	-2.0 %	8.5 %	0.9 %	0.9 %	0.9 %	1.2 %
<b>Net income (net of minority interest)</b>	<b>3.6 %</b>	<b>6.3 %</b>	<b>13.1 %</b>	<b>8.5 %</b>	<b>9.8 %</b>	<b>10.2 %</b>	<b>12.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>18.2</b>	<b>38.7</b>	<b>42.1</b>	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>
Property, plant and equipment	17.7	23.8	27.3	27.6	25.9	24.5	24.6
Financial assets	1.7	1.4	1.8	1.3	1.3	1.3	1.3
<b>FIXED ASSETS</b>	<b>37.7</b>	<b>63.9</b>	<b>71.1</b>	<b>69.8</b>	<b>68.1</b>	<b>66.8</b>	<b>66.8</b>
Inventories	7.7	8.6	12.6	12.7	14.4	15.3	16.1
Accounts receivable	11.5	14.0	16.2	17.3	19.2	20.4	21.5
Other current assets	2.2	3.5	6.2	3.1	7.4	7.9	8.3
Liquid assets	5.4	7.6	43.9	29.4	36.8	45.7	57.5
Deferred taxes	3.1	1.2	11.8	12.2	14.0	14.9	15.7
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>29.9</b>	<b>34.9</b>	<b>90.8</b>	<b>74.7</b>	<b>91.8</b>	<b>104.3</b>	<b>119.0</b>
<b>TOTAL ASSETS</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>144.5</b>	<b>159.9</b>	<b>171.0</b>	<b>185.8</b>
SHAREHOLDERS EQUITY	36.1	40.9	76.4	68.3	74.4	84.1	131.9
MINORITY INTEREST	0.4	2.0	10.3	5.3	6.4	7.6	0.0
Long-term debt	3.9	10.8	14.3	16.0	16.0	16.0	16.0
Provisions for pensions and similar obligations	0.1	0.4	5.7	5.9	6.8	7.2	7.6
Other provisions	3.7	16.5	18.3	19.5	19.5	19.5	0.0
<b>Non-current liabilities</b>	<b>7.7</b>	<b>27.7</b>	<b>38.2</b>	<b>41.5</b>	<b>42.3</b>	<b>42.8</b>	<b>23.6</b>
short-term liabilities to banks	8.3	7.8	5.8	5.8	5.8	5.8	5.8
Accounts payable	3.9	4.3	4.4	4.3	4.7	5.0	5.3
Advance payments received on orders	0.3	1.0	8.0	3.4	4.0	2.0	0.0
Other liabilities (incl. from lease and rental contracts)	7.4	12.3	14.4	15.3	17.1	18.2	19.2
Deferred taxes	1.3	1.1	2.6	0.0	3.1	3.3	0.0
Deferred income	2.3	1.8	1.8	0.6	2.1	2.3	0.0
<b>Current liabilities</b>	<b>23.4</b>	<b>28.3</b>	<b>37.0</b>	<b>29.4</b>	<b>36.8</b>	<b>36.5</b>	<b>30.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>144.4</b>	<b>159.9</b>	<b>171.0</b>	<b>185.8</b>

Balance sheet (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>27.0 %</b>	<b>39.2 %</b>	<b>26.0 %</b>	<b>28.3 %</b>	<b>25.6 %</b>	<b>23.9 %</b>	<b>22.0 %</b>
Property, plant and equipment	26.3 %	24.1 %	16.8 %	19.1 %	16.2 %	14.4 %	13.2 %
Financial assets	2.6 %	1.4 %	1.1 %	0.9 %	0.8 %	0.8 %	0.7 %
<b>FIXED ASSETS</b>	<b>55.8 %</b>	<b>64.7 %</b>	<b>43.9 %</b>	<b>48.3 %</b>	<b>42.6 %</b>	<b>39.0 %</b>	<b>36.0 %</b>
Inventories	11.4 %	8.7 %	7.8 %	8.8 %	9.0 %	8.9 %	8.7 %
Accounts receivable	17.0 %	14.2 %	10.0 %	11.9 %	12.0 %	11.9 %	11.5 %
Other current assets	3.3 %	3.5 %	3.9 %	2.1 %	4.6 %	4.6 %	4.5 %
Liquid assets	8.0 %	7.7 %	27.1 %	20.4 %	23.0 %	26.8 %	30.9 %
Deferred taxes	4.6 %	1.2 %	7.3 %	8.5 %	8.8 %	8.7 %	8.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>44.2 %</b>	<b>35.3 %</b>	<b>56.1 %</b>	<b>51.7 %</b>	<b>57.4 %</b>	<b>61.0 %</b>	<b>64.0 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	53.5 %	41.4 %	47.2 %	47.3 %	46.5 %	49.2 %	71.0 %
MINORITY INTEREST	0.5 %	2.0 %	6.3 %	3.7 %	4.0 %	4.4 %	0.0 %
Long-term debt	5.8 %	10.9 %	8.8 %	11.1 %	10.0 %	9.4 %	8.6 %
Provisions for pensions and similar obligations	0.1 %	0.4 %	3.5 %	4.1 %	4.2 %	4.2 %	4.1 %
Other provisions	5.4 %	16.7 %	11.3 %	13.5 %	12.2 %	11.4 %	0.0 %
<b>Non-current liabilities</b>	<b>11.4 %</b>	<b>28.0 %</b>	<b>23.6 %</b>	<b>28.7 %</b>	<b>26.5 %</b>	<b>25.0 %</b>	<b>12.7 %</b>
short-term liabilities to banks	12.2 %	7.8 %	3.6 %	4.0 %	3.6 %	3.4 %	3.1 %
Accounts payable	5.7 %	4.3 %	2.7 %	3.0 %	2.9 %	2.9 %	2.8 %
Advance payments received on orders	0.4 %	1.0 %	4.9 %	2.3 %	2.5 %	1.2 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	10.9 %	12.5 %	8.9 %	10.6 %	10.7 %	10.7 %	10.3 %
Deferred taxes	2.0 %	1.2 %	1.6 %	0.0 %	1.9 %	1.9 %	0.0 %
Deferred income	3.4 %	1.8 %	1.1 %	0.4 %	1.3 %	1.3 %	0.0 %
<b>Current liabilities</b>	<b>34.7 %</b>	<b>28.6 %</b>	<b>22.9 %</b>	<b>20.3 %</b>	<b>23.0 %</b>	<b>21.4 %</b>	<b>16.3 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Net profit/loss	2.2	3.0	15.7	10.4	13.0	14.3	18.7
Depreciation of fixed assets (incl. leases)	3.7	9.2	7.0	9.8	10.7	11.4	12.0
Amortisation of goodwill	0.0	0.0	4.4	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.9	-5.0	-0.8	1.6	0.9	0.4	0.4
Cash flow from operations before changes in w/c	7.8	7.1	26.3	16.9	24.5	26.1	31.0
Increase/decrease in inventory	-2.1	-0.8	-4.1	0.0	-1.7	-0.9	-0.8
Increase/decrease in accounts receivable	0.1	-2.5	-2.2	-1.0	-1.9	-1.2	-1.1
Increase/decrease in accounts payable	0.1	0.4	0.1	-0.1	0.4	0.3	0.3
Increase/decrease in other working capital positions	0.6	4.4	6.3	-0.6	-1.8	-1.4	-1.5
Increase/decrease in working capital	-1.2	1.5	0.2	-1.8	-5.0	-3.2	-3.1
<b>Cash flow from operating activities</b>	<b>6.6</b>	<b>8.6</b>	<b>26.5</b>	<b>15.0</b>	<b>19.5</b>	<b>22.8</b>	<b>28.0</b>
CAPEX	4.2	6.0	5.7	7.7	9.0	10.0	12.0
Payments for acquisitions	0.7	0.2	5.3	22.8	0.0	0.0	0.0
Financial investments	0.1	-0.5	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.2	1.3	0.2	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-4.7</b>	<b>-5.5</b>	<b>-9.7</b>	<b>-30.4</b>	<b>-9.0</b>	<b>-10.0</b>	<b>-12.0</b>
Cash flow before financing	1.9	3.1	16.8	-15.4	10.5	3.9	4.3
Increase/decrease in debt position	-1.2	0.6	1.9	1.7	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	4.5	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	24.4	1.3	0.0	0.0	0.0
Dividends paid	0.8	0.8	0.6	2.3	3.1	3.9	4.3
Others	-0.3	-0.1	-1.6	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.2	0.1	-0.3	0.4	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-2.2</b>	<b>-0.3</b>	<b>19.5</b>	<b>0.7</b>	<b>-3.1</b>	<b>-3.9</b>	<b>-4.3</b>
Increase/decrease in liquid assets	-0.1	2.9	36.0	-14.2	7.4	n/a	n/a
<b>Liquid assets at end of period</b>	<b>5.4</b>	<b>7.6</b>	<b>43.6</b>	<b>29.4</b>	<b>36.8</b>	<b>45.7</b>	<b>57.5</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	30.8	43.9	61.9	67.8	73.6	78.3	82.4
yoy change	18.0 %	42.5 %	40.9 %	9.6 %	8.6 %	6.4 %	5.2 %
NAFTA	19.0	20.3	27.4	31.1	35.0	38.5	40.5
yoy change	3.3 %	6.8 %	34.9 %	13.6 %	12.4 %	10.1 %	5.2 %
Asia Pacific	2.6	6.2	10.1	11.1	10.9	10.3	10.8
yoy change	-7.1 %	138.5 %	63.5 %	9.6 %	-2.3 %	-5.4 %	5.2 %
Rest of world	2.0	1.2	2.0	1.1	1.2	1.3	1.4
yoy change	-35.5 %	-40.0 %	69.0 %	-45.2 %	8.6 %	6.4 %	5.2 %
<b>TTL</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>120.6</b>	<b>128.4</b>	<b>135.0</b>
yoy change	7.9 %	31.6 %	41.6 %	9.6 %	8.6 %	6.4 %	5.2 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>P&amp;L growth analysis</b>							
Sales growth	8.1 %	31.5 %	41.6 %	9.6 %	8.6 %	6.4 %	5.2 %
EBITDA growth	-7.4 %	93.1 %	20.4 %	17.1 %	22.8 %	8.5 %	17.9 %
EBIT growth	1.6 %	60.6 %	61.3 %	7.2 %	31.2 %	9.6 %	23.9 %
EPS growth	-12.6 %	131.0 %	143.0 %	-48.0 %	26.3 %	10.0 %	31.2 %
<b>Efficiency</b>							
Total operating costs / sales	38.4 %	34.3 %	35.2 %	37.1 %	34.0 %	33.4 %	30.1 %
Sales per employee	174.5	181.3	202.8	209.6	223.4	233.4	n/a
EBITDA per employee	31.1	47.4	45.1	49.8	60.1	64.0	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	25.6 %	22.5 %	16.6 %	17.4 %	19.5 %	20.8 %	22.6 %
Inventory turnover (sales/inventory)	7.1	8.4	8.0	8.8	8.4	8.4	8.4
Trade debtors in days of sales	76.8	71.3	58.3	56.7	58.0	58.0	58.0
A/P turnover [(A/P*365)/sales]	51.4	41.8	32.1	29.6	29.6	29.6	29.6
Cash conversion cycle (days)	127.5	112.9	117.9	113.9	118.9	118.9	n/a
<b>Cash flow analysis</b>							
Free cash flow	2.5	2.6	20.8	7.3	10.5	12.8	16.0
Free cash flow/sales	4.5 %	3.6 %	20.5 %	6.6 %	8.7 %	10.0 %	11.8 %
FCF / net profit	126.7 %	57.9 %	156.9 %	77.5 %	88.2 %	98.3 %	93.3 %
FCF yield	2.7 %	2.9 %	13.8 %	4.8 %	6.9 %	8.5 %	10.6 %
Capex / deprec	113.8 %	59.7 %	49.8 %	78.5 %	84.2 %	87.9 %	100.3 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	78.5 %	84.2 %	87.9 %	100.3 %
Capex / sales	7.8 %	7.6 %	5.6 %	7.0 %	7.5 %	7.8 %	8.9 %
<b>Security</b>							
Net debt	6.8	10.9	-23.8	-7.6	-15.0	-23.9	-35.7
Net Debt/EBITDA	0.7	0.6	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.2	0.3	-0.3	-0.1	-0.2	-0.3	-0.3
Interest cover	7.2	7.7	11.6	6.6	8.0	8.2	9.7
Dividend payout ratio	44.5 %	14.1 %	17.4 %	32.7 %	32.8 %	32.8 %	36.2 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	0.9	0.8	1.0	1.0	1.0	0.8
Operating assets turnover	1.7	1.7	2.3	2.2	2.4	2.4	2.4
Plant turnover	3.1	3.0	3.7	4.0	4.7	5.2	5.5
Inventory turnover (sales/inventory)	7.1	8.4	8.0	8.8	8.4	8.4	8.4
<b>Returns</b>							
ROCE	11.1 %	10.4 %	14.4 %	16.2 %	19.0 %	19.0 %	20.2 %
ROE	5.4 %	11.0 %	17.3 %	13.8 %	16.0 %	15.5 %	13.0 %
<b>Other</b>							
Interest paid / avg. debt	7.3 %	8.1 %	6.9 %	12.0 %	12.5 %	13.3 %	14.0 %
No. employees (average)	312	395	500	530	540	550	0
Number of shares	3.1	3.1	3.8	5.2	5.2	5.2	5.2
DPS	0.3	0.3	0.5	0.6	0.8	0.8	0.0
EPS reported	0.62	1.43	3.48	1.81	2.29	2.51	3.30
<b>Valuation ratios</b>							
P/BV	2.6	2.3	1.5	2.2	2.1	1.8	1.2
EV/sales	1.8	1.4	1.3	1.3	1.2	1.0	0.9
EV/EBITDA	10.1	5.5	6.0	5.7	4.4	3.8	3.0
EV/EBITA	16.4	10.7	6.0	9.0	6.6	5.6	4.2
EV/EBIT	16.4	10.7	8.9	9.0	6.6	5.6	4.2
EV/FCF	39.7	39.3	6.4	20.4	13.6	10.5	7.7
Dividend yield	0.9 %	1.0 %	1.5 %	2.0 %	2.6 %	2.8 %	3.7 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
Eckert & Ziegler AG	2

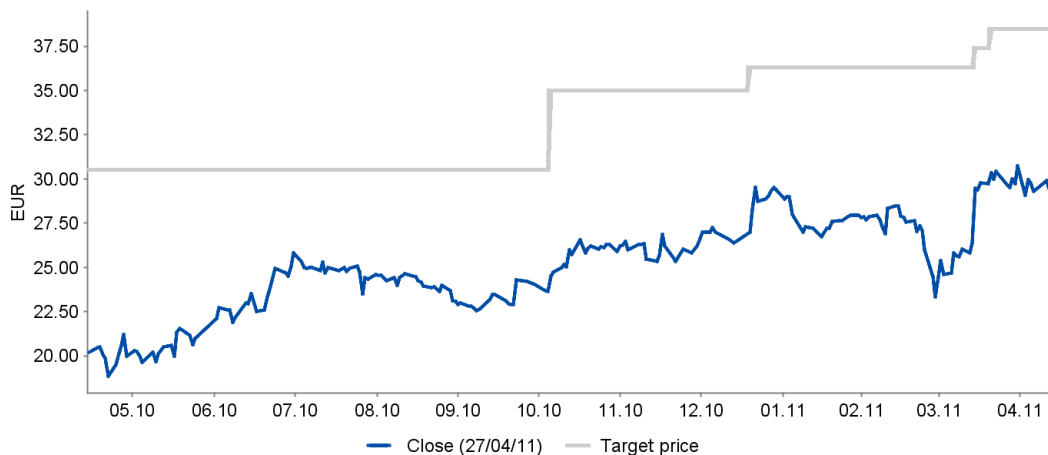
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### Historical target price and rating changes for Eckert & Ziegler AG in the last 12 months

#### Price and Rating History Eckert & Ziegler AG as of 29/04/11

Initiation coverage

08-April-10



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Sell	3.33 %	0.00 %
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