

Buy (old: Buy)

Price target: EUR 35.00 (old: EUR 30.50)

| | | | |
|-------------------|-----------|--------------------------|------------------|
| Price: | EUR 25.00 | Next result: | Q3 2010 03.11.10 |
| Bloomberg: | EUZ GR | Market cap: | EUR 127.5 m |
| Reuters: | EUZG.DE | Enterprise Value: | EUR 122.6 m |

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Strong Q3 expected

Results due November 2, 2011; conference call at 4:00 pm CET

Q3 Sales are expected 9% up yoy. Sales in **Nuclear Medicine & Industry** are seen down 2%, vs. -5.5% in H1 2010, with strong sales of calibration standards for industrial clients partly making up for a currently weak oil-drill bit activity, due to shortages of raw materials. The company enjoys strong pricing power and a quasi monopoly in calibration standards following the acquisition of Nuclitec in 2009.

The **Therapy** division should be posting 6% sales growth yoy on the back of sales to the Russian JV (production line for titanium seeds) and the launch of plastic smart seeds, making up for on-going pricing pressure on titanium seeds. 9 Months 2009 includes some € 3m in sales later reclassified as prepayments, hence adjusted 9-months sales growth is seen at 14% yoy, with an expected slow-down in growth in Q3, reflecting lumpy after-loader sales.

RadPharm should be posting strong yoy sales growth (+25.6%e, on low absolute levels) backed by a strong modular labs business, used by pharma and research to produce radioactive isotopes on-site, which helps address decay risk and supply scarcity.

More importantly recurring Q3 EBIT is seen up 25% yoy. Q3 2009 figures include some € 1m in one-offs costs for the integration of Nuclitec and cost optimisation measures in RadPharm and Therapy. The pro-forma EBIT margin is expected up 230 bps at 18% (15.7%).

Estimates are upgraded into 2012E to reflect a higher expected profitability in the Nuclear Medicine and Industry segment following the integration of Nuclitec and **stronger growth in the RadPharm** division on the back of **high expected demand for modular labs**, given the on-going scarcity of radioactive isotopes on world markets particularly for complex medical imaging.

Remains a BUY, new PT € 35.00 (€ 30.50) on Adjusted Free Cash Flow Yield 2011E: attractive story in the nuclear medicine space (demographics, consolidation) with a solid recurring earnings base provided by the highly profitable Nuclear Medicine and Industry segment (70% of consolidated EBIT, 24% margin) as the radioactive products are essentially consumables.



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 25.80 / 16.60

Price/Book Ratio: 1.5

Relative performance (SDAX):

3 months -13.5 %

6 months 2.7 %

12 months -4.0 %

Changes in estimates

| | | Sales | EBIT | EPS |
|------|------|-------|-------|-------|
| 2010 | old: | 105.6 | 15.6 | 1.74 |
| | Δ | 1.1% | 23.5% | 16.7% |
| 2011 | old: | 111.9 | 16.6 | 1.86 |
| | Δ | 1.3% | 25.4% | 18.5% |
| 2012 | old: | 119.5 | 18.0 | 2.05 |
| | Δ | 0.8% | 23.6% | 16.4% |

Key share data:

Number of shares: (in m pcs) 5.3

Authorised capital: (in € m) 0.6

Book value per share: (in €) 17.1

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) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|---------------------|--------|--------|--------|---------|---------|---------|---------|
| Sales | 50.4 | 54.4 | 71.6 | 101.4 | 106.8 | 113.3 | 120.5 |
| Sales growth | 21 % | 8 % | 32 % | 42 % | 5 % | 6 % | 6 % |
| EBITDA | 10.5 | 9.7 | 18.7 | 22.6 | 26.6 | 28.2 | 30.4 |
| EBIT | 5.9 | 6.0 | 9.6 | 15.5 | 19.2 | 20.8 | 22.3 |
| Net income | 2.2 | 1.9 | 4.5 | 13.3 | 10.7 | 11.6 | 12.6 |
| Net debt | 4.9 | 6.8 | 10.9 | -23.8 | -10.8 | -12.7 | -21.0 |
| Net gearing | 13.7 % | 18.7 % | 26.6 % | -31.2 % | -12.0 % | -12.6 % | -18.9 % |
| Net Debt/EBITDA | 0.5 | 0.7 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| EPS fully diluted | 0.70 | 0.61 | 1.43 | 3.48 | 2.01 | 2.19 | 2.38 |
| CPS | -0.01 | 0.93 | 1.16 | 3.71 | 1.71 | 1.11 | 2.20 |
| DPS | 0.25 | 0.25 | 0.30 | 0.45 | 0.45 | 0.45 | 0.45 |
| Dividend yield | 1.0 % | 1.0 % | 1.2 % | 1.8 % | 1.8 % | 1.8 % | 1.8 % |
| Gross profit margin | 47.5 % | 49.3 % | 47.7 % | 50.4 % | 51.5 % | 51.5 % | 51.5 % |
| EBITDA margin | 20.8 % | 17.8 % | 26.2 % | 22.2 % | 24.9 % | 24.9 % | 25.2 % |
| EBIT margin | 11.7 % | 11.0 % | 13.4 % | 15.2 % | 18.0 % | 18.3 % | 18.5 % |
| ROCE | 11.1 % | 11.1 % | 10.4 % | 14.4 % | 14.9 % | 14.8 % | 14.7 % |
| EV/sales | 1.6 | 1.5 | 1.2 | 1.1 | 1.1 | 1.1 | 0.9 |
| EV/EBITDA | 7.8 | 8.6 | 4.7 | 4.9 | 4.6 | 4.3 | 3.7 |
| EV/EBIT | 14.0 | 14.0 | 9.2 | 7.3 | 6.4 | 5.8 | 5.1 |
| PER | 27.9 | 40.4 | 17.4 | 12.6 | 12.3 | 11.3 | 10.4 |
| Adjusted FCF yield | 4.9 % | 3.7 % | 11.4 % | 11.5 % | 9.6 % | 10.7 % | 13.0 % |

Source: Company data, Hauck & Aufhäuser Close price as of: 25.10.2010

| EUR | Q3 10 est | Q3 09 | yoy | 9M 10 est | 9M 09 | yoy | FY 10 est |
|-------------------------------|--------------|--------------|------------------|--------------|--------------|-----------------|--------------|
| Sales | 27.8 | 25.5 | 9.1% | 80.7 | 77.8 | 3.7% | 106.8 |
| Nuclear Medicine and Industry | 13.0 | 13.3 | -2.2% | 38.5 | 39.6 | -2.9% | |
| Therapy | 8.0 | 7.6 | 5.8% | 22.8 | 23.9 | -4.6% | |
| Radiopharmacy | 5.8 | 4.6 | 25.6% | 15.8 | 14.3 | 10.2% | |
| Environment | 1.0 | n.a. | n.a. | 3.7 | n.a. | n.a. | |
| Gross profit | 14.2 | 12.8 | 11.4% | 42.9 | 40.4 | 6.3% | 55.0 |
| <i>Gross margin</i> | <i>51.2%</i> | <i>50.1%</i> | <i>+ 1.0 pp</i> | <i>53.2%</i> | <i>51.9%</i> | <i>+ 1.3 pp</i> | <i>51.5%</i> |
| EBIT | 5.0 | 3.0 | 68.3% | 14.8 | 12.0 | 23.7% | 19.2 |
| <i>Margin</i> | <i>18.0%</i> | <i>11.7%</i> | <i>+ 6.3 pp</i> | <i>18.4%</i> | <i>15.4%</i> | <i>+ 3.0 pp</i> | <i>18.0%</i> |
| Nuclear Medicine and Industry | 3.0 | 1.9 | 54.2% | 10.4 | 7.0 | 48.8% | |
| <i>Margin</i> | <i>23.1%</i> | <i>14.6%</i> | <i>+ 8.4 pp</i> | <i>27.1%</i> | <i>17.7%</i> | <i>+ 9.4 pp</i> | |
| Therapy | 1.2 | 1.4 | -11.4% | 3.6 | 4.5 | -20.5% | |
| <i>Margin</i> | <i>15.0%</i> | <i>17.9%</i> | <i>- 2.9 pp</i> | <i>15.7%</i> | <i>18.8%</i> | <i>- 3.1 pp</i> | |
| Radiopharmacy | 1.2 | 0.2 | 450.5% | 2.3 | 0.9 | 160.8% | |
| <i>Margin</i> | <i>20.7%</i> | <i>4.7%</i> | <i>+ 16.0 pp</i> | <i>14.4%</i> | <i>6.1%</i> | <i>+ 8.3 pp</i> | |
| Environment | 0.0 | n.a. | n.a. | 0.0 | n.a. | n.a. | |
| <i>Margin</i> | <i>0.0%</i> | <i>n.a.</i> | <i>n.a.</i> | <i>0.0%</i> | <i>n.a.</i> | <i>n.a.</i> | |
| Net profit | 2.6 | 1.4 | n.a. | 7.6 | 5.3 | 42.9% | 10.7 |
| <i>Net margin</i> | <i>9.3%</i> | <i>5.3%</i> | <i>+ 4.0 pp</i> | <i>9.4%</i> | <i>6.8%</i> | <i>+ 2.6 pp</i> | <i>10.0%</i> |
| EPS | 0.49 | 0.36 | 35.7% | 1.45 | 1.44 | 0.1% | 2.03 |

* Includes € 3 m in sales from shipments to the Russian JV booked in H2 2009, later reclassified as prepayments.

Financials

| Profit and loss (EUR m) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|-----------------------------------------------------------|---------------|--------------|---------------|---------------|--------------|--------------|--------------|
| Sales | 50.4 | 54.4 | 71.6 | 101.4 | 106.8 | 113.3 | 120.5 |
| <i>Sales growth</i> | <i>20.5 %</i> | <i>8.1 %</i> | <i>31.5 %</i> | <i>41.6 %</i> | <i>5.3 %</i> | <i>6.1 %</i> | <i>6.3 %</i> |
| Cost of sales | 26.5 | 27.6 | 37.5 | 50.3 | 51.8 | 55.0 | 58.4 |
| Gross profit | 23.9 | 26.9 | 34.2 | 51.1 | 55.0 | 58.4 | 62.0 |
| Sales and marketing | 8.7 | 10.2 | 15.1 | 18.4 | 20.3 | 20.4 | 21.1 |
| General and administration | 10.3 | 10.5 | 14.6 | 19.1 | 20.0 | 21.0 | 22.0 |
| Research and development | 0.3 | 0.3 | 3.1 | 2.5 | 4.3 | 4.5 | 4.2 |
| Other operating income | 1.5 | 0.6 | 17.2 | 9.3 | 3.2 | 3.4 | 3.6 |
| Other operating expenses | 0.2 | 0.5 | 9.0 | 5.0 | -5.6 | -4.9 | -3.9 |
| Unusual or infrequent items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | 10.5 | 9.7 | 18.7 | 22.6 | 26.6 | 28.2 | 30.4 |
| Depreciation | 4.6 | 3.7 | 9.2 | 7.1 | 7.4 | 7.5 | 8.1 |
| EBITA | 5.9 | 6.0 | 9.6 | 15.5 | 19.2 | 20.8 | 22.3 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 4.4 | 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 |
| EBIT | 5.9 | 6.0 | 9.6 | 15.5 | 19.2 | 20.8 | 22.3 |
| Interest income | 0.0 | 0.1 | 0.1 | 0.1 | 0.4 | 0.4 | 0.4 |
| Interest expenses | 0.9 | 0.8 | 1.2 | 1.3 | 1.8 | 1.8 | 1.7 |
| Other financial result | 0.4 | -0.3 | -0.1 | 1.0 | 0.0 | 0.0 | 0.0 |
| Financial result | -1.1 | -1.1 | -1.3 | -0.3 | -1.4 | -1.4 | -1.3 |
| Recurring pretax income from continuing operations | 4.7 | 4.9 | 8.3 | 15.2 | 17.8 | 19.4 | 21.0 |
| Extraordinary income/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings before taxes | 4.7 | 4.9 | 8.3 | 15.2 | 17.8 | 19.4 | 21.0 |
| Taxes | 1.6 | 2.8 | 5.3 | -6.7 | 6.2 | 6.8 | 7.4 |
| Net income from continuing operations | 3.1 | 2.2 | 3.0 | 21.9 | 11.6 | 12.6 | 13.7 |
| Result from discontinued operations (net of tax) | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | 2.5 | 2.2 | 3.0 | 21.9 | 11.6 | 12.6 | 13.7 |
| Minority interest | 0.3 | 0.2 | -1.5 | 8.6 | 0.9 | 1.0 | 1.1 |
| Net income (net of minority interest) | 2.2 | 1.9 | 4.5 | 13.3 | 10.7 | 11.6 | 12.6 |
| Average number of shares | 3.1 | 3.1 | 3.1 | 3.8 | 5.3 | 5.3 | 5.3 |
| EPS reported | 0.71 | 0.62 | 1.43 | 3.48 | 2.03 | 2.21 | 2.39 |

| Profit and loss (common size) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sales | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Cost of sales | 52.5 % | 50.7 % | 52.3 % | 49.6 % | 48.5 % | 48.5 % | 48.5 % |
| Gross profit | 47.5 % | 49.3 % | 47.7 % | 50.4 % | 51.5 % | 51.5 % | 51.5 % |
| Sales and marketing | 17.2 % | 18.8 % | 21.1 % | 18.2 % | 19.0 % | 18.0 % | 17.5 % |
| General and administration | 20.5 % | 19.2 % | 20.4 % | 18.8 % | 18.8 % | 18.5 % | 18.3 % |
| Research and development | 0.7 % | 0.5 % | 4.3 % | 2.5 % | 4.0 % | 4.0 % | 3.5 % |
| Other operating income | 2.9 % | 1.0 % | 24.1 % | 9.2 % | 3.0 % | 3.0 % | 3.0 % |
| Other operating expenses | 0.4 % | 0.9 % | 12.5 % | 4.9 % | -5.2 % | -4.3 % | -3.3 % |
| Unusual or infrequent items | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| EBITDA | 20.8 % | 17.8 % | 26.2 % | 22.2 % | 24.9 % | 24.9 % | 25.2 % |
| Depreciation | 9.1 % | 6.9 % | 12.8 % | 7.0 % | 6.9 % | 6.6 % | 6.7 % |
| EBITA | 11.7 % | 11.0 % | 13.4 % | 15.2 % | 18.0 % | 18.3 % | 18.5 % |
| Amortisation of goodwill | 0.0 % | 0.0 % | 0.0 % | 4.3 % | 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 % |
| EBIT | 11.7 % | 11.0 % | 13.4 % | 15.2 % | 18.0 % | 18.3 % | 18.5 % |
| Interest income | 0.0 % | 0.1 % | 0.1 % | 0.1 % | 0.4 % | 0.4 % | 0.4 % |
| Interest expenses | 1.7 % | 1.5 % | 1.7 % | 1.3 % | 1.7 % | 1.6 % | 1.4 % |
| Other financial result | 0.8 % | -0.5 % | -0.2 % | 0.9 % | 0.0 % | 0.0 % | 0.0 % |
| Financial result | -2.2 % | -1.9 % | -1.8 % | -0.3 % | -1.3 % | -1.2 % | -1.1 % |
| Recurring pretax income from continuing operations | 9.4 % | 9.0 % | 11.6 % | 14.9 % | 16.7 % | 17.1 % | 17.5 % |
| Extraordinary income/loss | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Earnings before taxes | 9.4 % | 9.0 % | 11.6 % | 14.9 % | 16.7 % | 17.1 % | 17.5 % |
| Tax rate | 33.9 % | 56.3 % | 63.4 % | -44.5 % | 35.0 % | 35.0 % | 35.0 % |
| Net income from continuing operations | 6.2 % | 3.9 % | 4.2 % | 21.6 % | 10.8 % | 11.1 % | 11.3 % |
| Result from discontinued operations (net of tax) | 1.2 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Net income | 5.1 % | 3.9 % | 4.2 % | 21.6 % | 10.8 % | 11.1 % | 11.3 % |
| Minority interest | 0.6 % | 0.4 % | -2.0 % | 8.5 % | 0.9 % | 0.9 % | 0.9 % |
| Net income (net of minority interest) | 4.4 % | 3.6 % | 6.3 % | 13.1 % | 10.0 % | 10.2 % | 10.4 % |

Source: Company data, Hauck & Aufhäuser

| Balance sheet (EUR m) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|-----------------------------------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Intangible assets | 18.0 | 18.2 | 38.7 | 42.1 | 55.3 | 55.3 | 55.3 |
| Property, plant and equipment | 15.9 | 17.7 | 23.8 | 27.3 | 28.9 | 30.4 | 30.4 |
| Financial assets | 2.2 | 1.7 | 1.4 | 1.8 | 1.8 | 1.8 | 1.8 |
| FIXED ASSETS | 36.1 | 37.7 | 63.9 | 71.1 | 85.9 | 87.4 | 87.4 |
| Inventories | 5.9 | 7.7 | 8.6 | 12.6 | 13.3 | 14.2 | 15.1 |
| Accounts receivable | 11.1 | 11.5 | 14.0 | 16.2 | 17.1 | 22.3 | 23.8 |
| Other current assets | 0.0 | 2.2 | 3.5 | 6.2 | 6.6 | 7.0 | 7.4 |
| Liquid assets | 5.8 | 5.4 | 7.6 | 43.9 | 38.2 | 40.1 | 48.4 |
| Deferred taxes | 4.1 | 3.1 | 1.2 | 11.8 | 12.4 | 13.2 | 14.0 |
| Deferred charges and prepaid expenses | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CURRENT ASSETS | 28.1 | 29.9 | 34.9 | 90.8 | 87.6 | 96.7 | 108.7 |
| TOTAL ASSETS | 64.2 | 67.6 | 98.8 | 161.9 | 173.5 | 184.2 | 196.1 |
| SHAREHOLDERS EQUITY | 35.9 | 36.1 | 40.9 | 76.4 | 90.6 | 100.3 | 111.1 |
| MINORITY INTEREST | 0.4 | 0.4 | 2.0 | 10.3 | 1.0 | 2.0 | 3.1 |
| Long-term debt | 7.3 | 3.9 | 10.8 | 14.3 | 21.6 | 21.6 | 21.6 |
| Provisions for pensions and similar obligations | 0.1 | 0.1 | 0.4 | 5.7 | 6.0 | 6.4 | 6.8 |
| Other provisions | 3.4 | 3.7 | 16.5 | 18.3 | 18.3 | 18.3 | 18.3 |
| Non-current liabilities | 10.9 | 7.7 | 27.7 | 38.2 | 45.9 | 46.2 | 46.6 |
| short-term liabilities to banks | 3.4 | 8.3 | 7.8 | 5.8 | 5.8 | 5.8 | 5.8 |
| Accounts payable | 3.9 | 3.9 | 4.3 | 4.4 | 4.6 | 4.8 | 5.1 |
| Advance payments received on orders | 0.3 | 0.3 | 1.0 | 8.0 | 6.0 | 4.0 | 2.0 |
| Other liabilities (incl. from lease and rental contracts) | 5.2 | 7.4 | 12.3 | 14.4 | 15.2 | 16.1 | 17.1 |
| Deferred taxes | 2.0 | 1.3 | 1.1 | 2.6 | 2.7 | 2.9 | 3.1 |
| Deferred income | 2.2 | 2.3 | 1.8 | 1.8 | 1.9 | 2.0 | 2.1 |
| Current liabilities | 17.0 | 23.4 | 28.3 | 37.0 | 36.1 | 35.6 | 35.2 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 64.2 | 67.6 | 98.8 | 161.9 | 173.5 | 184.2 | 196.1 |

| Balance sheet (common size) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Intangible assets | 28.0 % | 27.0 % | 39.2 % | 26.0 % | 31.9 % | 30.0 % | 28.2 % |
| Property, plant and equipment | 24.8 % | 26.3 % | 24.1 % | 16.8 % | 16.6 % | 16.5 % | 15.5 % |
| Financial assets | 3.4 % | 2.6 % | 1.4 % | 1.1 % | 1.0 % | 1.0 % | 0.9 % |
| FIXED ASSETS | 56.2 % | 55.8 % | 64.7 % | 43.9 % | 49.5 % | 47.5 % | 44.6 % |
| Inventories | 9.2 % | 11.4 % | 8.7 % | 7.8 % | 7.7 % | 7.7 % | 7.7 % |
| Accounts receivable | 17.3 % | 17.0 % | 14.2 % | 10.0 % | 9.8 % | 12.1 % | 12.1 % |
| Other current assets | 0.0 % | 3.3 % | 3.5 % | 3.9 % | 3.8 % | 3.8 % | 3.8 % |
| Liquid assets | 9.0 % | 8.0 % | 7.7 % | 27.1 % | 22.0 % | 21.8 % | 24.7 % |
| Deferred taxes | 6.4 % | 4.6 % | 1.2 % | 7.3 % | 7.2 % | 7.2 % | 7.1 % |
| Deferred charges and prepaid expenses | 1.9 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| CURRENT ASSETS | 43.8 % | 44.2 % | 35.3 % | 56.1 % | 50.5 % | 52.5 % | 55.4 % |
| TOTAL ASSETS | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| SHAREHOLDERS EQUITY | 55.9 % | 53.5 % | 41.4 % | 47.2 % | 52.2 % | 54.5 % | 56.7 % |
| MINORITY INTEREST | 0.7 % | 0.5 % | 2.0 % | 6.3 % | 0.6 % | 1.1 % | 1.6 % |
| Long-term debt | 11.4 % | 5.8 % | 10.9 % | 8.8 % | 12.4 % | 11.7 % | 11.0 % |
| Provisions for pensions and similar obligations | 0.2 % | 0.1 % | 0.4 % | 3.5 % | 3.5 % | 3.5 % | 3.5 % |
| Other provisions | 5.4 % | 5.4 % | 16.7 % | 11.3 % | 10.5 % | 9.9 % | 9.3 % |
| Non-current liabilities | 17.0 % | 11.4 % | 28.0 % | 23.6 % | 26.4 % | 25.1 % | 23.8 % |
| short-term liabilities to banks | 5.2 % | 12.2 % | 7.8 % | 3.6 % | 3.3 % | 3.2 % | 3.0 % |
| Accounts payable | 6.0 % | 5.7 % | 4.3 % | 2.7 % | 2.6 % | 2.6 % | 2.6 % |
| Advance payments received on orders | 0.5 % | 0.4 % | 1.0 % | 4.9 % | 3.5 % | 2.2 % | 1.0 % |
| Other liabilities (incl. from lease and rental contracts) | 8.0 % | 10.9 % | 12.5 % | 8.9 % | 8.7 % | 8.7 % | 8.7 % |
| Deferred taxes | 3.1 % | 2.0 % | 1.2 % | 1.6 % | 1.6 % | 1.6 % | 1.6 % |
| Deferred income | 3.5 % | 3.4 % | 1.8 % | 1.1 % | 1.1 % | 1.1 % | 1.1 % |
| Current liabilities | 26.4 % | 34.7 % | 28.6 % | 22.9 % | 20.8 % | 19.3 % | 18.0 % |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

Source: Company data, Hauck & Aufhäuser

| Cash flow statement (EUR m) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|------------------------------------------------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|
| Net profit/loss | 2.5 | 2.2 | 3.0 | 15.7 | 11.6 | 12.6 | 13.7 |
| Depreciation of fixed assets (incl. leases) | 4.6 | 3.7 | 9.2 | 7.0 | 7.4 | 7.5 | 8.1 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 4.4 | 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 | -1.0 | 1.9 | -5.0 | -0.8 | 0.3 | 0.4 | 0.4 |
| Cash flow from operations before changes in w/c | 6.2 | 7.8 | 7.1 | 26.3 | 19.3 | 20.5 | 22.1 |
| Increase/decrease in inventory | -0.1 | -2.1 | -0.8 | -4.1 | -0.7 | -0.8 | -0.9 |
| Increase/decrease in accounts receivable | -1.9 | 0.1 | -2.5 | -2.2 | -0.9 | -5.3 | -1.4 |
| Increase/decrease in accounts payable | 0.3 | 0.1 | 0.4 | 0.1 | 0.1 | 0.3 | 0.3 |
| Increase/decrease in other working capital positions | 0.1 | 0.6 | 4.4 | 6.3 | -1.6 | -1.5 | -1.4 |
| Increase/decrease in working capital | -1.6 | -1.2 | 1.5 | 0.2 | -3.0 | -7.3 | -3.4 |
| Cash flow from operating activities | 4.6 | 6.6 | 8.6 | 26.5 | 16.2 | 13.2 | 18.7 |
| CAPEX | 4.2 | 4.2 | 6.0 | 5.7 | 9.0 | 9.0 | 8.1 |
| Payments for acquisitions | 0.0 | 0.7 | 0.2 | 5.3 | 22.2 | 0.0 | 0.0 |
| Financial investments | -1.4 | 0.1 | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 0.1 | 0.2 | 0.2 | 1.3 | 0.0 | 0.0 | 0.0 |
| Cash flow from investing activities | -2.7 | -4.7 | -5.5 | -9.7 | -31.2 | -9.0 | -8.1 |
| Cash flow before financing | 1.9 | 1.9 | 3.1 | 16.8 | -14.9 | 4.2 | 2.3 |
| Increase/decrease in debt position | -1.3 | -1.2 | 0.6 | 1.9 | 7.3 | 0.0 | 0.0 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 0.0 | 0.0 | 24.4 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 0.5 | 0.8 | 0.8 | 0.6 | 2.3 | 2.3 | 2.3 |
| Others | -0.3 | -0.3 | -0.1 | -1.6 | 0.0 | 0.0 | 0.0 |
| Effects of exchange rate changes on cash | -1.6 | 0.2 | 0.1 | -0.3 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | -1.9 | -2.2 | -0.3 | 24.0 | 5.0 | -2.3 | -2.3 |
| Increase/decrease in liquid assets | -1.6 | -0.1 | 2.9 | 40.5 | -9.9 | 1.8 | n/a |
| Liquid assets at end of period | 5.8 | 5.4 | 7.6 | 48.1 | 38.2 | 40.1 | 48.4 |

Source: Company data, Hauck & Aufhäuser

| Regional split (EUR m) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| 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 | 26.1 | 30.8 | 43.9 | 61.9 | 65.1 | 69.1 | 73.5 |
| yoy change | 27.9 % | 18.0 % | 42.5 % | 40.9 % | 5.3 % | 6.1 % | 6.3 % |
| NAFTA | 18.4 | 19.0 | 20.3 | 27.4 | 29.9 | 32.9 | 36.1 |
| yoy change | -1.1 % | 3.3 % | 6.8 % | 34.9 % | 9.2 % | 9.9 % | 10.0 % |
| Asia Pacific | 2.8 | 2.6 | 6.2 | 10.1 | 10.7 | 10.2 | 9.6 |
| yoy change | 27.3 % | -7.1 % | 138.5 % | 63.5 % | 5.3 % | -4.5 % | -5.5 % |
| Rest of world | 3.1 | 2.0 | 1.2 | 2.0 | 1.1 | 1.1 | 1.2 |
| yoy change | 416.7 % | -35.5 % | -40.0 % | 69.0 % | -47.4 % | 6.1 % | 6.3 % |
| TTL | 50.4 | 54.4 | 71.6 | 101.4 | 106.8 | 113.3 | 120.5 |
| yoy change | 20.6 % | 7.9 % | 31.6 % | 41.6 % | 5.3 % | 6.1 % | 6.3 % |

Source: Company data, Hauck & Aufhäuser

| Key ratios (EUR m) | 2006 | 2007 | 2008 | 2009 | 2010E | 2011E | 2012E |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| P&L growth analysis | | | | | | | |
| Sales growth | 20.5 % | 8.1 % | 31.5 % | 41.6 % | 5.3 % | 6.1 % | 6.3 % |
| EBITDA growth | 62.5 % | -7.4 % | 93.1 % | 20.4 % | 17.8 % | 6.3 % | 7.5 % |
| EBIT growth | 131.7 % | 1.6 % | 60.6 % | 61.3 % | 24.2 % | 8.1 % | 7.3 % |
| EPS growth | 38.4 % | -12.6 % | 131.0 % | 143.0 % | -41.8 % | 8.9 % | 8.3 % |
| Efficiency | | | | | | | |
| Total operating costs / sales | 35.8 % | 38.4 % | 34.3 % | 35.2 % | 33.5 % | 33.2 % | 33.0 % |
| Sales per employee | 183.2 | 174.5 | 181.3 | 202.8 | 201.4 | 209.8 | 219.0 |
| EBITDA per employee | 38.1 | 31.1 | 47.4 | 45.1 | 50.1 | 52.3 | 55.2 |
| Balance sheet analysis | | | | | | | |
| Avg. working capital / sales | 24.0 % | 25.6 % | 22.5 % | 16.6 % | 17.0 % | 21.0 % | 24.6 % |
| Inventory turnover (sales/inventory) | 8.6 | 7.1 | 8.4 | 8.0 | 8.0 | 8.0 | 8.0 |
| Trade debtors in days of sales | 80.5 | 76.8 | 71.3 | 58.3 | 58.3 | 72.0 | 72.0 |
| A/P turnover [(A/P*365)/sales] | 53.2 | 51.4 | 41.8 | 32.1 | 32.1 | 32.1 | 32.1 |
| Cash conversion cycle (days) | 108.5 | 127.5 | 112.9 | 117.9 | 120.3 | 133.9 | 133.9 |
| Cash flow analysis | | | | | | | |
| Free cash flow | 0.4 | 2.5 | 2.6 | 20.8 | 7.2 | 4.2 | 10.6 |
| Free cash flow/sales | 0.8 % | 4.5 % | 3.6 % | 20.5 % | 6.8 % | 3.7 % | 8.8 % |
| FCF / net profit | 18.0 % | 126.7 % | 57.9 % | 156.9 % | 67.9 % | 35.8 % | 84.7 % |
| FCF yield | 0.5 % | 3.2 % | 3.4 % | 16.3 % | 5.7 % | 3.3 % | 8.4 % |
| Capex / depre | 60.3 % | 113.8 % | 59.7 % | 49.8 % | 122.2 % | 120.4 % | 100.0 % |
| Capex / maintenance capex | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 121.1 % | 121.1 % | 108.6 % |
| Capex / sales | 5.5 % | 7.8 % | 7.6 % | 5.6 % | 8.4 % | 7.9 % | 6.7 % |
| Security | | | | | | | |
| Net debt | 4.9 | 6.8 | 10.9 | -23.8 | -10.8 | -12.7 | -21.0 |
| Net Debt/EBITDA | 0.5 | 0.7 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net debt / equity | 0.1 | 0.2 | 0.3 | -0.3 | -0.1 | -0.1 | -0.2 |
| Interest cover | 6.8 | 7.2 | 7.7 | 11.6 | 10.9 | 11.8 | 13.2 |
| Dividend payout ratio | 40.4 % | 44.5 % | 14.1 % | 17.4 % | 21.7 % | 19.9 % | 18.4 % |
| Asset utilisation | | | | | | | |
| Capital employed turnover | 1.0 | 1.0 | 0.9 | 0.8 | 0.8 | 0.8 | 0.8 |
| Operating assets turnover | 1.8 | 1.7 | 1.7 | 2.3 | 2.2 | 2.0 | 1.9 |
| Plant turnover | 3.2 | 3.1 | 3.0 | 3.7 | 3.7 | 3.7 | 4.0 |
| Inventory turnover (sales/inventory) | 8.6 | 7.1 | 8.4 | 8.0 | 8.0 | 8.0 | 8.0 |
| Returns | | | | | | | |
| ROCE | 11.1 % | 11.1 % | 10.4 % | 14.4 % | 14.9 % | 14.8 % | 14.7 % |
| ROE | 6.2 % | 5.4 % | 11.0 % | 17.3 % | 11.8 % | 11.6 % | 11.3 % |
| Other | | | | | | | |
| Interest paid / avg. debt | 7.4 % | 7.3 % | 8.1 % | 6.9 % | 7.4 % | 6.4 % | 6.2 % |
| No. employees (average) | 275 | 312 | 395 | 500 | 530 | 540 | 550 |
| Number of shares | 3.1 | 3.1 | 3.1 | 3.8 | 5.3 | 5.3 | 5.3 |
| DPS | 0.3 | 0.3 | 0.3 | 0.5 | 0.5 | 0.5 | 0.5 |
| EPS reported | 0.71 | 0.62 | 1.43 | 3.48 | 2.03 | 2.21 | 2.39 |
| Valuation ratios | | | | | | | |
| P/BV | 2.2 | 2.2 | 1.9 | 1.2 | 1.5 | 1.3 | 1.2 |
| EV/sales | 1.6 | 1.5 | 1.2 | 1.1 | 1.1 | 1.1 | 0.9 |
| EV/EBITDA | 7.8 | 8.6 | 4.7 | 4.9 | 4.6 | 4.3 | 3.7 |
| EV/EBITA | 14.0 | 14.0 | 9.2 | 4.9 | 6.4 | 5.8 | 5.1 |
| EV/EBIT | 14.0 | 14.0 | 9.2 | 7.3 | 6.4 | 5.8 | 5.1 |
| EV/FCF | 205.4 | 34.0 | 33.9 | 5.3 | 16.9 | 29.1 | 10.6 |
| Dividend yield | 1.0 % | 1.0 % | 1.2 % | 1.8 % | 1.8 % | 1.8 % | 1.8 % |

Source: Company data, Hauck & Aufhäuser

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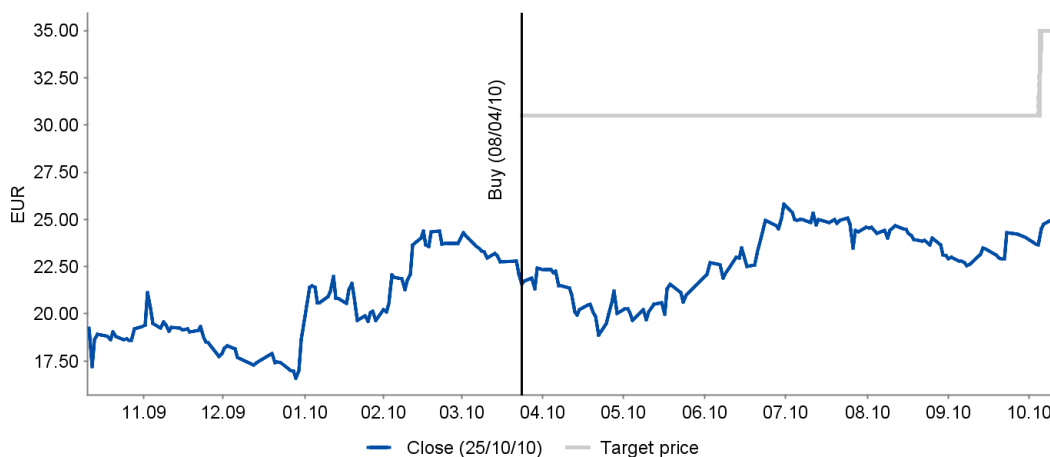
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|---------------------|------------|
| Eckert & Ziegler AG | 2 |

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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 26/10/10

Initiation coverage
08-April-10



Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

| | | |
|-------------|---------|----------|
| Buy | 81.25 % | 100.00 % |
| Sell | 4.17 % | 0.00 % |
| Hold | 14.58 % | 0.00 % |

Valuation basis/rating key

Buy: Sustainable upside potential of more than 10% within 12 months.

Sell: Sustainable downside potential of more than 10% within 12 months.

Hold: Upside/downside potential limited. No immediate catalyst visible.

Competent supervisory authority

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