

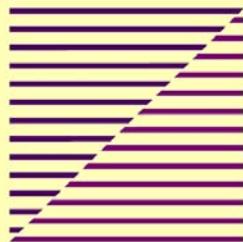


Independent Research

Unabhängige Finanzmarktanalyse GmbH

Investment Research

Fair Value REIT-AG



fair value
REIT

Figures H1 2008

09/08/2008

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Q2 2008 affected by two special items

Figures H1 2008

- ⇒ Fair Value released its interim report for H1 on August 29, 2008. In Q2, the company recorded a net rental income of EUR2.56m (our forecast: 2.45) and a net income of EUR0.44m (our forecast: 0.82); cf. Research Note August 20, 2008. Rental income reached EUR3.18m in Q2 and EUR6.13m in H1.
- ⇒ Revaluation of the real estate portfolio led to a depreciation of EUR3.25m based on an upward revision of the discount factors within the valuation model and a temporary shrinkage of overrents, whereas valuation of the subsidiaries increased by EUR0.79m.
- ⇒ On the other hand, Q2 results were boosted by a one-off gain to the amount of EUR1.47m from the rescheduling of financial liabilities.
- ⇒ Fair Value still predicts a net profit of between EUR1.3m and 1.5m for 2008. Given the continuing market weakness we feel that our profit forecasts for 2008E need to be revised downward.
- ⇒ We leave our rental income/sales forecast of EUR12.40m unchanged. However, we lower our 2009E and 2010E rental income forecasts to EUR14.01m (before: 15.84) and EUR15.42m (before: 18.40), respectively. For 2008E, we predict a net profit of EUR1.52m (before: 2.27). We now predict a net profit of EUR3.39m (before: 5.83) for 2009E and of EUR3.65m (before: 7.08) for 2010E.
- ⇒ Our adjusted forecasts lead to a new fair value of EUR8.40 (before: 8.74) per share. We calculated NAV of EUR10.22 per share (before: 10.30), while Fair Value determined NAV of EUR10.15 per share. With a new price target of EUR8.40 (before: 8.70), we maintain our Buy recommendation.

Fair Value REIT-AG 4)

Recommendation: Buy

before:

as of

-

-

Price target (in EUR) (6 months)	8.40
Share price (Xetra) (in EUR)	5.20
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Share price potential	61.54%

Company data

Country	GE
Sector	Finacial Services / REIT
Market segment	Prime Standard
ISIN	DE000A0MW975
Reuters	FVIG.DE
Bloomberg	FVI
Internet	www.fvreit.de

Share data

Shares (m)	9.407
Free float	42.28%
Market cap. (EURm)	46.2
∅ Trading volume	1,669
52W High 11/16/07	EUR10.35
52W Low 03/28/08	EUR4.56
Beta	0.60
Volatility (60 days)	74.17

Multiples

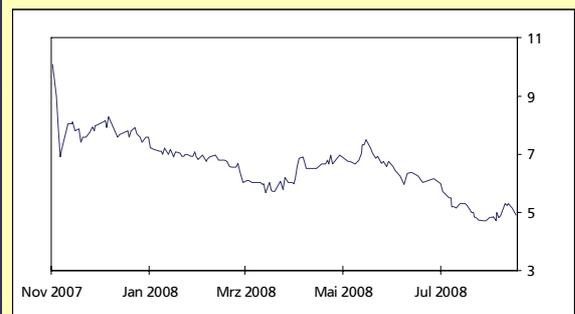
	EV/Sales	EV/EBIT	P/E ratio	Dividend yield
2006	-	-	-	-
2007	24.7	neg.	10.7	0.0%
2008E	9.9	28.1	32.2	6.7%
2009E	8.8	19.5	14.4	7.5%
2010E	8.0	17.5	13.4	8.5%

Performance (in %)

	1 month	3 months	6 months	12 months
Absolut	-1.6	-28.4	-25.9	-
Relative to:				
DAX	4.0	-19.5	-19.8	-
Pr. Fin. Services	6.2	-5.2	7.8	-

Index weighting

Prime Fin. Services	0.103%
RX REIT Index	7.830%



Author: Zafer Rüzgar (analyst)

AP	FY	Sales	EBIT	EBT	EAT	EPS
IFRS	2006	0	-21	-20	-56	-
IFRS	2007	4,326	-1,810	1,744	1,744	0.74
IFRS	2008E	12,400	4,378	1,518	1,518	0.16
IFRS	2009E	14,010	6,290	3,392	3,392	0.36
IFRS	2010E	15,422	7,010	3,650	3,650	0.39
CAGR 2006 - 2010E		52.8%	-	27.9%	27.9%	

Figures in EUR'000 except EpS (in EUR), hist. PERs based on average share prices

1)2)3)4) Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

Company profile

Focus on German real estate market

A generalist among real estate companies

Fair Value REIT-AG is a real estate investment trust (REIT) specialising in the acquisition, rental, property management and sale of commercial properties. The company operates exclusively in the German real estate market and focuses on certain regions, investing primarily in office, logistics and retail properties. Fair Value regards itself as a generalist. Apart from direct acquisitions of real estate, the company's investment strategy also includes a special kind of indirect investment (acquisition of interests in closed-end real estate funds).

Fair Value REIT-AG: Shareholder structure

	in %
IC Immobilien Holding AG	9.39
H.F.S. Zweitmarkt Invest 2 GmbH & Co. KG	8.13
H.F.S. Zweitmarkt Invest 3 GmbH & Co. KG	7.44
H.F.S. Zweitmarkt Invest 4 GmbH & Co. KG	7.44
H.F.S. Zweitmarkt Invest 5 GmbH & Co. KG	7.44
IC Immobilien Service GmbH	6.34
IFB Beteiligungs-AG	5.44
Bayerische Beamten Lebensversicherung a.G.	3.76
IC Fonds GmbH	2.34
Free float	42.28

* H.F.S. Zweitmarkt are controlled by UniCredito
UniCredito's share of voting rights in Fair Value is 30.46%

Source: Fair Value REIT-AG

As of 09/08/08

Important unique selling point

Investing in closed-end funds

Investing in the secondary market of closed-end funds is an important unique selling point of Fair Value. At present, there is no competitor with a similar investment strategy. By offering its shares, Fair Value gives investors access to a liquid market with a higher level of transparency. On the other hand, Fair Value gains an important access to a broad market volume (estimated market volume in Germany: EUR140bn). Within a very short time, Fair Value generated approximately 80% of its total portfolio. One of the main advantages for Fair Value is that the company does not necessarily depend on liquid funds in order to finance investments. As a rule, the transactions are exercised by means of a contribution in kind.

Fair Value's share of the total portfolio: EUR285m

The company's total portfolio (properties of the Participations and Direct Investments divisions) includes 81 properties with a total rental area of 470,000 sqm. Fair Value's share in rental income amounts to about EUR23m per year, which corresponds to an average rental yield of 7.9% per year. As at March 31, 2008, the portfolio had a total market value of about EUR614m, while Fair Value's share amounted to about EUR285m.

Business development in H1 2008

No changes since preliminary results

Rental income reaches EUR6.13m in H1 2008

On August 29, 2008, Fair Value released its interim report for H1 2008. We had already commented the company's preliminary results for Q2 2008 in a Research Note published on August 20, 2008. In Q2, Fair Value recorded a net rental income of EUR2.56m (our forecast: 2.45) and a net income of EURO.44m (our forecast: 0.82). Rental income reached EUR3.18m in Q2 and EUR6.13m in H1. Due to the young company history (start of business operations in Q4 2007) a comparison to year-earlier results is not possible.

Fair Value REIT-AG				
Selected key data of the consolidated income statement				
Unit : EUR'000	Q2 2008	Q2 2008	H1 2008	H1 2008
Fiscal year : Dec 31		(our forecast)		(our forecast)
Accounting standards : IFRS				
Rental income	3.18	3.10	6.13	6.05
General administrative expenses as percentage of rental income	0.86 26.9%	0.55 17.7%	1.47 24.0%	1.16 19.2%
Valuation result as percentage of rental income	-2.16 -68.1%	-0.85 -27.4%	2.46 40.1%	3.77 62.4%
Operating income as percentage of rental income	-0.40 -12.6%	1.05 33.9%	1.46 23.9%	2.91 48.2%
Financial result as percentage of rental income	0.84 26.4%	-0.22 -7.2%	0.68 11.0%	-0.39 -6.4%
Net income as percentage of rental income	0.44 13.9%	0.82 26.5%	0.79 12.9%	1.17 19.3%

Source: Independent Research; Fair Value REIT-AG

Depreciation of real estate portfolio

Q2 2008 characterised by two important developments

In our opinion, the company's Q2 figures were characterised by two important developments. Firstly, a revaluation of the real estate portfolio by CB Richard Ellis led to a depreciation of EUR3.25m based on an upward revision of the discount factors within the valuation model and a temporary shrinkage of overrents, whereas valuation of the company's subsidiaries increased by EURO.79m.

Positive one-off effect from debt rescheduling

Secondly, the Q2 results were boosted by a one-off gain to the amount of EUR1.47m from the rescheduling of financial liabilities at the company's subsidiary BBV 06. In view of a liquidity crunch, Fair Value was forced to convert a fixed rate loan into a floating rate loan. Fair Value fetched a temporary margin of 95 basis points below Euribor. The loan has a volume of EUR27.4m and is hedged against an increase in interest rates by EUR15m. In addition, the company recorded a gain of EURO.29m before minority interests from the valuation of derivative financial instruments.

Initial rental yield: 7.7%

Occupancy rate of Düsseldorf Airport is 91%

As at June 30, 2008, the company's financial real estate portfolio was worth EUR148.06m (December 31, 2007: 150.7), while value of the portfolio of properties under construction increased to EUR12.18m (December 31, 2007: 0.57). The latter portfolio consists of an office property at Düsseldorf Airport. In the meantime, the object has been completed. The current occupancy rate is 91% of the potential rent. Fair Value expects the rental volume to exceed the original target by 9% at a 100% occupancy rate. The initial rental yield (leasing volume: EURO.97m) is estimated at 7.7%.

Share of long-term financial liabilities rises to 87% (before: 50%)

Fair value converts short-term into long-term liabilities

The company's liquidity position amounted to EUR4.31m (December 31, 2007: 5.38), while financial liabilities remained almost unchanged at EUR112.87m (December 31, 2007: 112.13). After the balance sheet date, the company concluded a debt rescheduling, converting a short-term loan (EUR33.69m) into a long-term one. The loan falls due on June 30, 2018 and bears an interest rate of 4.94% plus a 1.06% margin. As a result of the transaction the share of long-term financial liabilities increased to 87% (before: 50%). The company's equity ratio excluding minority interests remained almost unchanged at 41.2% (December 31, 2007: 41.09%).

Presumably no significant real estate transaction in the further course of the year

Fair Value reaffirms guidance for 2008

Fair Value reaffirmed its guidance for 2008, still predicting a net profit of between EUR1.3m and 1.5m. Given the continuing market weakness we feel that our profit forecasts for 2008E need to be revised downward. The first indications of a market recovery did not keep their promise so that Fair Value was unable to make the transactions that we had presumed. From today's point of view, we do not expect Fair Value to make any significant transactions in the further course of the year except for isolated sales.

Reduction of "at equity" investments expected

Lowering our forecasts

We leave our rental income forecast of EUR12.40m for 2008E unchanged. However, we lower our 2009E and 2010E rental income forecasts to EUR14.01m (before: 15.84) and EUR15.42m (before: 18.40), respectively. For 2008E, we predict an operating profit of EUR4.38m (before: 5.38) and a net profit of EUR1.52m (before: 2.27).

Furthermore, we now predict a net profit of EUR3.39m (before: 5.83) for 2009E and of EUR3.65m (before: 7.08) for 2010E.

Our forecasts incorporate a presumed increase in the financial real estate portfolio of EUR25.0m in 2009E and EUR35.0m in 2010E. At the same time, we expect the company to successively reduce its "at equity" investments.

Valuation

For the valuation of Fair Value REIT-AG we have used not only a NAV calculation, which is typical for real estate companies, but also a dividend discount model (DDM) and a peer-group comparison. Due to the company's REIT status, Fair Value will distribute a large portion of its profits in the future. We therefore feel that a valuation with a DDM makes sense. For the peer group comparison we have used German real estate companies with a similar business model due to the lack of REITs in Germany. These include companies which manage office and commercial properties. The fair value per share results from the equally-weighted average of the three valuation methods.

NAV calculation 2007-2010E				
	2007	2008E	2009E	2010E
Fair market value of investment properties	150,070	170,370	192,970	225,370
Equity-accounted participations	58,909	58,756	56,969	52,640
Other assets less other liabilities	10,924	-2,404	-6,497	-8,032
Financial liabilities	112,134	116,634	129,734	155,923
Cash and cash equivalents	5,381	6,030	4,110	5,224
Minority interests	18,487	19,937	21,537	23,017
NAV	94,663	96,181	96,281	96,263
Number of shares (in m)	9,407	9,407	9,407	9,407
NAV per share	10.06	10.22	10.24	10.23

Figures in EURm except for NAV per share (in EUR)
Source: Independent Research; Fair Value REIT-AG

NAV per share: EUR10.22
(before: 10.30)

Since we have changed our assumptions and forecasts, the calculated NAV per share is EUR10.22 (before: 10.30). Fair Value itself calculated an NAV of EUR10.15 per share as at June 30, 2008 (as at December 31, 2007: 10.06).

The slight change in the DDM (EUR9.29 (before: 9.03) per share) is merely the result of a temporal adjustment of the model since we have left our dividend forecasts unchanged.

Dividend discount model (DDM)										
in EUR	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
DPS	0.35	0.39	0.44	0.51	0.58	0.67	0.77	0.88	1.02	1.17
Present values	0.34	0.36	0.38	0.40	0.43	0.46	0.50	0.53	0.57	0.62
Sum of present values	4.59									
Terminal value	4.69									
										in % of total value : 51%
Fair value per share	9.29									

Model parameter DDM:

Risk-free rate of return : 4.50% Beta : 0.6 Risk premium equity : 4.0%

Cost of equity: 6.9% Date : 09/08/08

Source: Independent Research

¹⁾²⁾³⁾⁴⁾ Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

Fair value from peer group comparison: EUR5.68 per share (before: 6.89)

The peer group comparison leads to a fair value of EUR5.68 per share (before: 6.89) which is caused by our adjusted forecasts as well as the lower market value.

Peer group comparison				
Company	P/E		EV/Sales	
	2008E	2009E	2008E	2009E
ALSTRIA OFFICE REIT-AG	14.1	11.5	16.5	15.9
DIC Asset AG	16.6	10.6	13.7	13.1
Deutsche Euroshop	13.4	12.3	14.6	13.2
IFM Immobilien AG	8.5	7.0	17.8	12.1
POLIS IMMOBILIEN AG	13.1	10.4	15.0	11.1
Average	13.1	10.4	15.5	13.1

Source: Independent Research; Bloomberg

Share prices as of 09/05/2008

in EUR'000, EPS in EUR	EPS		Sales	
	2008E	2009E	2008E	2009E
Fair Value REIT-AG	0.16	0.36	12,400	14,010
Enterprise Value			192,448	183,251
Cash and cash equivalents			4,314	
Debt			-112,869	
Fair market capitalisation			83,893	74,696
Number of shares (in '000)			9,407	
Fair value	2.12	3.74	8.92	7.94
Average	2.93		8.43	
Weighting	1/2		1/2	
Fair value per share	5.68			

Source: Independent Research

Valuation summary			
	NAV	DDM	Peer group
Fair value per share (EUR)	10.22	9.29	5.68
Weighting	1/3	1/3	1/3
Final fair value per share (EUR)	8.40		

Source: Independent Research

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Fair Value REIT-AG							
Selected key data							
	Unit :	EUR'000					
	Fiscal year :	Dec 31	2006	2007	2008E	2009E	2010E
	Accounting standards :	IFRS					
Key data income statement							
Sales (EUR'000)	-	4,326	12,400	14,010	15,422		
EBITDA margin	-	-25.0%	58.8%	62.1%	62.4%		
EBIT margin	-	-41.8%	35.3%	44.9%	45.5%		
Net yield	-	40.3%	12.2%	24.2%	23.7%		
Value adjustment rate	-	16.8%	23.4%	17.1%	16.9%		
Interest coverage ratio	-	-1.2	0.7	1.0	0.9		
Profitability ratios							
ROE	-	1.8%	1.6%	3.5%	3.8%		
ROI	-	0.8%	0.6%	1.3%	1.3%		
Accounting ratios							
Equity ratio	-	41.1%	40.1%	37.6%	33.8%		
Ratio of equity to non-current assets	-	44.1%	42.0%	38.5%	34.6%		
Ratio of non-current assets to total assets	-	93.2%	95.6%	97.8%	97.6%		
Trade accounts receivables / sales	-	20.1%	7.1%	6.6%	6.3%		
Key data per share (EUR)							
EPS	-	0.74	0.16	0.36	0.39		
Free cash flow per share	-	3.44	-1.10	-1.32	-1.33		
Dividend per share	-	0.00	0.35	0.39	0.44		
Cash and cash equivalents per share	-	2.28	0.64	0.44	0.56		
Book value per share	-	40.11	10.22	10.24	10.23		
Valuation ratios							
EV / Sales	-	24.7	9.9	8.8	8.0		
EV / EBITDA	-	-98.7	16.9	14.1	12.8		
EV / EBIT	-	-59.0	28.1	19.5	17.5		
PER	-	10.7	32.2	14.4	13.4		
Price to book value ratio	-	0.2	0.5	0.5	0.5		
Price to cash flow ratio	-	2.3	-4.7	-4.0	-3.9		
Price to sales ratio	-	0.0	1.0	3.5	3.2		
Dividend yield	-	0.0%	6.7%	7.5%	8.5%		

Source: Independent Research; Fair Value REIT-AG

Fair Value REIT-AG						
Consolidated income statement						
	Unit : EUR'000	2006	2007	2008E	2009E	2010E
	Fiscal year : Dec 31					
	Accounting standards : IFRS					
Rental income		0	4,326	12,400	14,010	15,422
year-on-year growth		-	-	186.6%	13.0%	10.1%
Income from operating and incidental costs		0	264	950	1,120	1,290
Expenses for investment properties		0	2,038	3,472	3,923	4,318
Net rental result		0	2,552	9,878	11,207	12,394
year-on-year growth		-	-	287.1%	13.5%	10.6%
General administrative expenses		21	3,502	2,700	2,517	2,783
as percentage of rental income		-	81.0%	21.8%	18.0%	18.0%
Other operating income and expense (balance)		0	-135	100	0	0
as percentage of rental income		-	-3.1%	10.5%	0.0%	0.0%
Valuation gains		0	4,300	1,900	0	0
Valuation losses		0	5,025	4,800	2,400	2,600
Valuation result		0	-725	-2,900	-2,400	-2,600
as percentage of rental income		-	-16.8%	-23.4%	-17.1%	-16.9%
Operating income		-21	-1,810	4,378	6,290	7,010
as percentage of rental income		-	-41.8%	35.3%	44.9%	45.5%
Income from equity-accounted participations		0	7,225	4,600	5,197	5,721
Other investment result		0	413	0	0	0
Minority interests		0	-768	-1,450	-1,600	-1,480
Expenses for going public		0	1,825	0	0	0
Net income expenses		1	1,491	6,010	6,495	7,601
as percentage of rental income		-	34.5%	48.5%	46.4%	49.3%
Financial result		1	3,554	-2,860	-2,898	-3,360
as percentage of rental income		-	82.2%	-23.1%	-20.7%	-21.8%
Profit before taxes		-20	1,744	1,518	3,392	3,650
as percentage of rental income		-	40.3%	12.2%	24.2%	23.7%
Income taxes		-36	0	0	0	0
Consolidated profit (deficit)		-56	1,744	1,518	3,392	3,650
as percentage of rental income		-	40.3%	12.2%	24.2%	23.7%
Number of shares ('000)		0	2,360	9,407	9,407	9,407
EPS (EUR)		-	0.74	0.16	0.36	0.39
DPS (EUR)		0.00	0.00	0.35	0.39	0.44

Source: Independent Research; Fair Value REIT-AG

Fair Value REIT-AG						
Consolidated balance sheet						
	Unit : EUR'000	2006	2007	2008E	2009E	2010E
	Fiscal year : Dec 31					
	Accounting standards : IFRS					
Assets						
Intangible assets		0	2	4	6	7
Property, plant, and equipment		0	31	58	87	116
Investment properties		0	150,070	170,370	192,970	225,370
Properties under construction		0	566	0	0	0
Equity-accounted investments		0	58,909	58,756	56,969	52,640
Financial assets (non-current)		10	5,005	0	0	0
Total non-current assets		10	214,583	229,188	250,031	278,133
Non-current assets available for sale		0	5,700	2,850	0	0
Trade receivables		0	869	880	924	970
Other receivables and assets		0	3,826	676	710	745
Cash and cash equivalents		13	5,381	6,030	4,110	5,224
Total current assets		13	15,776	10,436	5,744	6,939
Total assets		23	230,359	239,624	255,775	285,073
Equity and liabilities						
Subscribed capital		0	47,034	47,034	47,034	47,034
Share premium		0	46,167	46,167	46,167	46,167
Profit reserve		0	1,462	2,980	3,080	3,062
Net assets of shareholders		-93	0	0	0	0
Total equity		-93	94,663	96,181	96,281	96,263
Minority interests		0	18,487	19,937	21,537	23,017
Financial liabilities		0	57,116	102,880	114,880	139,880
Other liabilities		0	494	1,190	1,345	1,480
Total non-current liabilities		0	76,097	124,007	137,761	164,376
Provisions		5	255	355	401	442
Financial liabilities		0	55,018	13,755	14,855	16,043
Trade payables		111	2,617	3,533	4,593	5,971
Other current liabilities		0	1,709	1,794	1,884	1,978
Total current liabilities		116	59,599	19,437	21,733	24,434
Total equity and liabilities		23	230,359	239,624	255,775	285,073

Source: Independent Research; Fair Value REIT-AG

1)2)3)4) Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

Fair Value REIT-AG						
Consolidated cash flow statement						
	Unit : EUR'000	2006	2007	2008E	2009E	2010E
	Fiscal year : Dec 31					
	Accounting standards : IFRS					
Consolidated profit (deficit)		-56	1,744	1,518	3,392	3,650
Income tax expense		38	0	0	0	0
Amortisation/depreciation on intangible assets and property, plant, and equipment		0	3	9	10	11
Valuation result		0	725	2,900	2,400	2,600
Income from equity-accounted participations		0	-7,225	-4,600	-5,197	-5,721
Withdrawal from equity-accounted participations		0	1,418	4,753	6,984	10,050
Losses from sale of subsidiaries		0	3,080	0	0	0
Income from sale of property ownership certificates		0	-180	0	0	0
Income from beneficial corporate acquisition		0	-3,155	0	0	0
Minority interests		0	768	1,450	1,600	1,480
Changes in assets and liabilities, adjusted for effects from changes in basis of consolidation						
(Increase) / decrease trade account receivables		0	-612	-11	-44	-46
(Increase) / decrease other receivables		0	-1,944	3,150	-34	-35
(Decrease) / increase derivative financial instruments		0	-16	0	0	0
(Decrease) / increase provisions		0	188	100	46	40
(Decrease) / increase trade payables		9	2,504	916	1,060	1,378
(Decrease) / increase other liabilities		-2	-51	781	244	230
Cash flow from operating activities		-11	-2,753	10,966	10,461	13,636
Cash and cash equivalent transfer from acquired subsidiaries less purchase price payments		0	12,614	0	0	0
Payments for purchase of participations		0	-10,948	0	0	0
Cash and cash equivalent reduction from sold subsidiaries less received purchase price payments		0	-1,037	0	0	0
Cash and cash equivalent reduction from participations no longer fully but equity-accounted		0	-4,318	0	0	0
Investments in investment properties / properties under construction		0	-52,331	-14,779	-22,150	-35,000
Investments in property, plant, and equipment		0	-36	-38	-40	-42
Income from sale of property ownership certificates		0	190	0	0	0
Cash reduction from investment activities		0	-55,866	-14,817	-22,190	-35,042
Dividend distribution		0	0	0	-3,292	-3,669
Capital contribution		0	16,835	0	0	0
Payments for capital procurement		0	-1,117	0	0	0
Payments for minority interests		0	-1,371	0	0	0
Receipts from financial debt		0	51,398	4,500	13,100	26,188
Amortisation of financial debt		0	-1,758	0	0	0
Cash flow from financing activities		0	63,987	4,500	9,808	22,520
Change in cash and cash equivalents		-11	5,368	649	-1,920	1,114
Cash and cash equivalents - start of period		25	13	5,381	6,030	4,110
Cash and cash equivalents - end of period		14	5,381	6,030	4,110	5,224

Source: Independent Research; Fair Value REIT-AG

1)2)3)4) Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

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Recommendation shares - Single Issuer -:

Buy:	According to our assessment, the stock should register an absolute profit of at least 15% within a 6-month period.
Accumulate:	According to our assessment, the stock should register an absolute profit between 0% and 15% within a 6-month period.
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¹⁾²⁾³⁾⁴⁾ **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

Summary of the evaluation principles used:

Analyses of shares:

In valuing companies standard and accepted valuation methods (amongst others the Discounted Cash Flow Method (DCF Method), Peer Group Analysis) are applied. Under the DCF Method the capitalised value of the issuers is calculated which shows the sum of the discounted company results, i.e. the current value of the issuer's future net distributions. The capitalised value is therefore determined with reference to the anticipated future company results and the capitalisation yield applied. Under the Peer Group Analysis Method issuers quoted on the Stock Exchange are valued with reference to the comparison of ratio indices (e.g. price earnings ratio, price to book ratio, enterprise value / sales, enterprise value / EBITDA, enterprise value / EBIT). The comparability of the ratio indices is determined above all by business activity and commercial prospects.

Technical analyses:

Technical analyses are based on historic share price and sales developments which are analysed by mathematical-statistical tools (chart techniques, indicator technology, the Elliott wave theory, sentiment observations as well as relative strength approaches) and on forecasts of future developments.

Sensitivity of the evaluation parameters:

The figures taken from the statement of income, 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.

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