



## Buy

vs

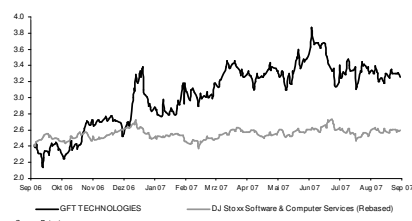
<b>Share price*: EUR</b>	<b>3.26</b>
<b>Target price: EUR</b>	<b>4.30</b>

Reuters/Bloomberg GFTG.DE/GFT GY

Accounting Standard/Since IFRS/2001

Market capitalisation (EURm)	86.0
No. of shares (m)	26.3
Free float	51.1%
Daily avg. no. trad. sh. 12 mth	24.200
Daily avg. trad. vol. 12 mth (m)	0.07
Price high 12 mth (EUR)	3.86
Price low 12 mth (EUR)	2.14
Abs. perf. 1 mth	-3.6%
Abs. perf. 3 mth	-6.3%
Abs. perf. 12 mth	36.4%

(EUR)	12/06	12/07e	12/08e
Sales (m)	174	225	254
EBITDA (m)	7	13	15
EBITDA margin	4.2%	5.6%	6.0%
EBIT (m)	6	11	14
EBIT margin	3.5%	5.0%	5.5%
Net Profit (adj.)(m)	5	8	10
ROCE	10.2%	16.8%	19.4%
Net debt/(cash) (m)	(20)	(24)	(29)
Debt Equity	-41.5%	-44.8%	-47.6%
Debt/EBITDA	-2.8	-1.9	-1.9
Int. cover(EBITDA/Fin.int)	(14.1)	(20.0)	(17.9)
EV/Sales	0.3	0.3	0.2
EV/EBITDA	7.2	4.9	3.8
EV/EBIT	8.6	5.5	4.1
P/E (adj.)	14.2	10.8	8.2
P/BV	1.5	1.6	1.4
OFCF yield	-10.0%	7.8%	10.1%
Dividend yield	0.0%	3.1%	4.9%
EPS (adj.)	0.19	0.30	0.40
BVPS	1.88	2.08	2.31
DPS	0.00	0.10	0.16



Shareholders: Ulrich Dietz 28%; Maria Dietz 10%;  
Baden-Württembergische  
Investmentgesellschaft mbH 6%; ArW

\*closing price as of 28/09/2007

## GFT Technologies - Well positioned in growth markets

- **We initiate coverage of GFT Technologies with Buy, PT EUR 4.3.** We base our valuation on a combination of DCF model and peer group comparison, revealing an upside potential of 32% for the stock.
- **Company:** Given its balanced revenue portfolio, GFT is well positioned to offer clients IT services as well as Resourcing. Due to its strong market position in Third-Party Management, we expect GFT to grow its top line by 15.2% (CAGR 06-11e).
- **Services Division:** Regulatory requirements such as MiFiD continually increase demand for GFT's financial industry knowledge. Increased revenue opportunity arises as a result of supplying near- and off-shore operations to its clients.
- **Resourcing Division:** Benefiting from the need for more flexible labour market conditions, the Employment Services market is expected to grow by 5.7% (CAGR 06-11e). GFT will succeed due to its specialization on IT professionals.
- **Trigger:** We expect GFT to deliver sound 3Q 07e results on November 8, showing increased profitability. Independent thereof, we regard it positive that the company targets to start paying out dividends for the fiscal year 2007.

### Company Description

GFT Technologies, founded in 1987, is an IT-service provider focussing especially on financial and logistic service providers. The Resourcing segment is the leading revenue driver since the acquisition of part of Parity Group. Thus, 54.4% of revenues in 1H 2007 derive from Third-Party Management and staffing. Another 43.3% of revenues stem from Services. The rather small Software segment focuses on software for the optimisation of business processes and the archiving of documents. GFT possesses a persuasive portfolio of reference customers such as Deutsche Bank, Commerzbank, DPWN, Fortis, ABN Amro as well as ECB.

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## CONTENTS

<b>Executive Summary .....</b>	<b>3</b>
<b>Valuation.....</b>	<b>4</b>
DCF valuation	4
Multiple comparison	5
<b>Company &amp; Market.....</b>	<b>6</b>
Company overview	6
Market environment	7
<b>Financials .....</b>	<b>8</b>
Segments	8
Earnings development	9
Cash flow	9
Working capital	10
Gearing	10
Return on capital employed (ROCE)	11
Return on equity (ROE)	11
<b>Triggers &amp; Swot Analysis .....</b>	<b>12</b>
Triggers	12
SWOT Analysis	12
<b>Detail 1 – Business model and strategic positioning .....</b>	<b>13</b>
Group	13
Services	13
Resourcing	15
Software	17
Segment overview	19
<b>Detail 2 – Globalisation and International Collaboration.....</b>	<b>20</b>
<b>Detail 3 – Group Structure .....</b>	<b>22</b>
<b>Detail 4 – Peer Group .....</b>	<b>23</b>
Employment Services	23
Application Services	23
Peer group – Financial overview	24
<b>Detail 5 – Outlook 3Q 2007 .....</b>	<b>25</b>
<b>Detail 6 – Company Guidance 2007 .....</b>	<b>25</b>
<b>Detail 7 – equinet vs. Consensus.....</b>	<b>26</b>
<b>Detail 8 - Upcoming Corporate Events Calendar .....</b>	<b>26</b>
<b>Recommendation system.....</b>	<b>30</b>

## Executive Summary

**GFT is an IT-service provider focussing especially on financial services. Moreover, the company specializes in Resourcing, commanding leading market positions in the European IT Resourcing and Third-Party market. Besides being able to complement projects with low costs and within short time frames, having optimised its business model to “International collaboration”, GFT offers a balanced revenue portfolio and well established customer relationships. We initiate coverage of GFT with Buy (PT EUR 4.3).**

**Profile:** The three business divisions Services, Software and Resourcing are ideally positioned to supply services along the entire value chain. Resourcing is the leading revenue driver since the acquisition of Parity Group, Germany and France. 54.4% of revenues in 1H 07 were generated by Third-Party Management and Resource Management. The Services segment focuses on financial and logistic service providers, contributing 43.3% of revenues.

**Market:** The Application Services market is forecasted to show CAGR of 3.5% in financial services from 06 to 11e. The submarket off-shoring offers high potential with CAGR 06-11e of 48.0%. The Employment services market should grow by 5.7% p.a. until 11e.

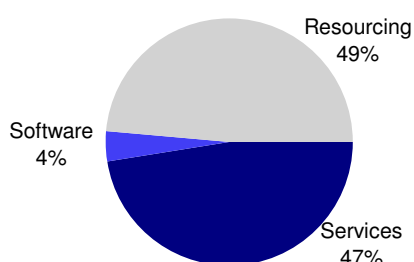
**Triggers:** We anticipate GFT to deliver sound Q3 07e results on November 8, which should further support our assumption of improving EBT margins. GFT in addition announced to pay the first dividend since its IPO in 1999. Another share price trigger is expected to be the improved awareness of GFT’s growth potential by the market.

**Financials:** Besides growing its top line by 15.2% p.a. until 11e, we expect the EBT margin to rise thanks to higher employee capacity utilization in Services and leveraged synergies with the GFT group in Resourcing. Our EBT forecast stands at 7.3% in 11e.

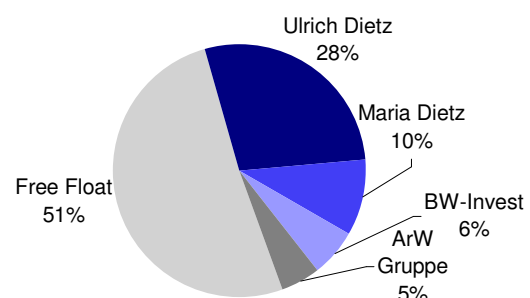
**Valuation:** Based on a DCF model as well as a peer group comparison, we derive a target price of EUR 4.3, which represents upside potential of 32%.

### At a Glance

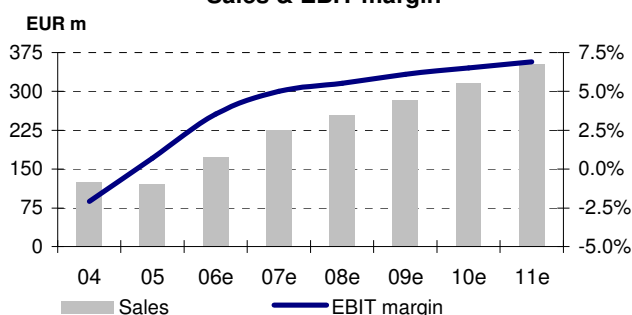
Revenue Split 2006



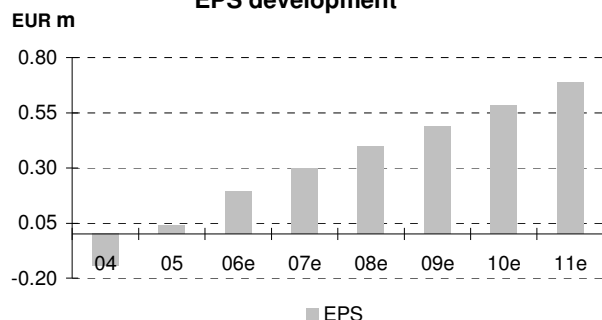
Shareholder Structure



Sales & EBIT margin



EPS development



Sources: Company data, equinet Research

## Valuation

Combining a DCF model as well as a multiple comparison, we set our target price at EUR 4.3. The considered peer group is derived from two main markets and produces a fair value of EUR 4.85. As we apply a discount of 10%, this reduces FV to EUR 4.36. This is in line with the valuation range of EUR 4.10 to EUR 4.70 revealed by our DCF model. Our price target represents upside potential of 32%.

### DCF valuation

**Revenue development:** We expect GFT to achieve a revenue CAGR 06–11e of 15.2%. We base our revenue estimates on the underlying trends of the markets in which GFT is established as well as the company's target to reach revenues of EUR 350m in 2011e.

**Profitability:** GFT should be able to continually improve its EBIT margin thanks to increased employee capacity utilization in Services as well as a slight step-up of profitability in Resourcing. We forecast an EBIT CAGR 06-10e of 31.7%.

**WACC:** Taking into account a beta of 1.58, WACC comes to 10.84%. As GFT does not aim to increase debt significantly, we expect the target equity ratio to be 100%.

**Terminal growth:** We set the FCF terminal growth at 2%.

**Target price:** We arrive at a target price of EUR 4.45 from our DCF.

EUR m	Phase I					Phase II					Phase III
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
<b>Revenue</b>	<b>225.0</b>	<b>254.3</b>	<b>283.5</b>	<b>316.1</b>	<b>352.4</b>	<b>387.7</b>	<b>421.4</b>	<b>453.4</b>	<b>483.2</b>	<b>510.9</b>	
<i>growth rate</i>		13.0%	11.5%	11.5%	11.5%	10.0%	8.7%	7.6%	6.6%	5.7%	
<b>EBIT</b>	<b>11.3</b>	<b>14.0</b>	<b>17.3</b>	<b>20.6</b>	<b>24.3</b>	<b>24.1</b>	<b>23.6</b>	<b>22.8</b>	<b>21.9</b>	<b>20.8</b>	
<i>EBIT margin</i>	5.0%	5.5%	6.1%	6.5%	6.9%	6.2%	5.6%	5.0%	4.5%	4.1%	
<b>Tax</b>	<b>-3.8</b>	<b>-4.2</b>	<b>-5.2</b>	<b>-6.2</b>	<b>-7.3</b>	<b>-7.2</b>	<b>-7.1</b>	<b>-6.8</b>	<b>-6.6</b>	<b>-6.2</b>	
<i>Tax rate</i>	33.5%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
<b>Depreciation</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.6</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	
<i>% of sales</i>	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
<b>Capex</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.9</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-2.4</b>	<b>-2.6</b>	
<i>% of sales</i>	0.6%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	
<b>Change in WC</b>	<b>-5.1</b>	<b>-3.6</b>	<b>-2.6</b>	<b>-3.1</b>	<b>-3.1</b>	<b>-4.0</b>	<b>-4.3</b>	<b>-4.7</b>	<b>-5.0</b>	<b>-5.3</b>	
<i>% of sales</i>	2.3%	1.4%	0.9%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	
<b>Free Cash Flow</b>	<b>2.5</b>	<b>6.2</b>	<b>9.5</b>	<b>11.2</b>	<b>13.8</b>	<b>12.4</b>	<b>11.6</b>	<b>10.7</b>	<b>9.7</b>	<b>8.6</b>	<b>99.8</b>
<i>growth rate</i>		147.6%	52.1%	18.1%	45.9%	-10.4%	-6.1%	-7.7%	-9.3%	-10.9%	2.0%
<b>Present Value FCF</b>	<b>2.4</b>	<b>5.5</b>	<b>7.5</b>	<b>8.0</b>	<b>8.9</b>	<b>7.2</b>	<b>6.1</b>	<b>5.1</b>	<b>4.2</b>	<b>3.3</b>	<b>38.5</b>

<b>PV Phase I</b>	<b>45.6</b>	<b>Market Cap.</b>	<b>85.8</b>	<b>Targ. equity ratio</b>	<b>100.0%</b>
<b>PV Phase II</b>	<b>12.6</b>	<b>Risk premium</b>	<b>4.00%</b>	<b>Beta</b>	<b>1.58</b>
<b>PV Phase III</b>	<b>38.5</b>	<b>Risk free rate</b>	<b>4.50%</b>	<b>WACC</b>	<b>10.84%</b>

<b>Enterprise value</b>	<b>96.7</b>	<b>Sensitivity</b>	<b>Growth in phase III</b>				
+ Cash	23.9		<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>
- Debt	3.4	<b>9.75%</b>	4.61	4.72	4.84	4.97	5.13
<b>Equity value</b>	<b>117.2</b>	<b>10.29%</b>	4.40	4.49	4.59	4.70	4.83
<b>Number of shares</b>	<b>26.3</b>	<b>WACC</b>	4.20	4.28	4.37	4.46	4.57
		<b>11.38%</b>	4.03	4.10	4.17	4.25	4.34
<b>Value per share (€)</b>	<b>4.45</b>	<b>11.92%</b>	3.87	3.93	3.99	4.06	4.14

Source: equinet Research

## Multiple comparison

For details regarding peers please refer to page 23

**Relevant peer group I:** We feel comfortable with breaking the valuation up into two groups of peers, as GFT is active in the IT-service as well as Resourcing market. The IT service market is dominated by major players such as Atos Origin and CapGemini, which we take into account. Nevertheless, we include German Genit Systemhaus and Itelligence, too, which are much more comparable in terms of size.

**Relevant peer group II:** The Resourcing segment is valued by a comparison of international human resource companies. Thus, we take the most important human resource company, Adecco, as well as other leading companies in this market such as Manpower and Dutch Vedior into account. The peer group is complemented by Harvey Nash Group, Hays and English Parity Group.

**Target price:** We derive a fair value of EUR 4.85 per share from the peer group comparison, taking into account P/E, EV/EBIT as well as EV/EBITDA '07e and '08e.

**Discount:** As we value GFT by referring to peers that are much taller in terms of revenues as well as international presence, we apply a discount of 10%, which allows for the niche position GFT holds. Therefore, the FV from the multiple comparison amounts to EUR 4.36.

Company	Price	EV	PE '07e	PE '08e	EV/EBIT '07e	EV/EBIT '08e	EV/EBITDA '07e	EV/EBITDA '08e
<b>Employment Services (internat.)</b>								
ADECCO SA*	68.9	8661.4	19.3	17.4	8.6	7.5	7.7	6.7
HARVEY NASH GROUP PLC*	72.0	5343.0	10.0	8.4	6.3	5.3	5.8	5.0
HAYS PLC*	133.0	2216.7	12.2	10.6	9.6	7.4	9.2	7.2
MANPOWER INC.*	64.4	6533.9	13.2	11.8	9.3	7.6	7.8	7.1
PARITY GROUP PLC*	82.0	3742.0	18.8	11.4	9.6	6.6	8.3	6.0
VEDIOR NV	15.4	2946.3	11.1	9.5	6.8	6.5	6.2	6.0
<b>Median I</b>			<b>12.7</b>	<b>11.0</b>	<b>9.0</b>	<b>7.0</b>	<b>7.7</b>	<b>6.3</b>
<b>Application Services (internat.)</b>								
ACCENTURE LIMITED*	40.3	31440.8	19.5	17.3	12.0	9.9	8.9	8.8
ATOS ORIGIN SA	40.8	3534.6	25.9	15.9	24.4	13.9	10.5	7.7
CAPGEMINI SA	43.2	5415.7	14.6	12.1	9.6	6.8	6.5	4.8
GENIT AG SYSTEMHAUS*	10.5	66.3	10.8	9.4	5.6	4.7	5.0	4.2
ITELLIGENCE AG	4.0	83.2	13.6	11.1	7.8	6.2	5.5	4.6
<b>Median II</b>			<b>14.6</b>	<b>12.1</b>	<b>9.6</b>	<b>6.8</b>	<b>6.5</b>	<b>4.8</b>
<b>Median (total)</b>			<b>13.7</b>	<b>11.6</b>	<b>9.3</b>	<b>6.9</b>	<b>7.1</b>	<b>5.6</b>
<b>GFT TECHNOLOGIES AG</b>	<b>3.26</b>	<b>61.3</b>	<b>10.8</b>	<b>8.2</b>	<b>5.4</b>	<b>4.0</b>	<b>4.8</b>	<b>3.7</b>
		<i>relative</i>	<i>79.4%</i>	<i>71.2%</i>	<i>58.6%</i>	<i>58.4%</i>	<i>68.2%</i>	<i>66.3%</i>
	<b>Fair value per share</b>		<b>4.1</b>	<b>4.6</b>	<b>5.6</b>	<b>5.6</b>	<b>4.8</b>	<b>4.9</b>
Fair value per share	<b>4.85</b>							
Fair value (10% discount)	<b>4.36</b>							

Sources: \*Datastream, ESN estimates, equinet Research

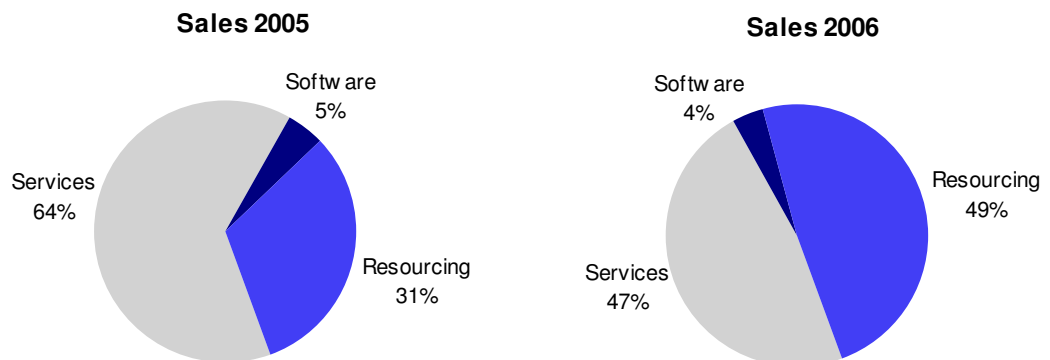
## Company & Market

Please refer to page 13 for further information on GFT's business model

GFT was founded by Ulrich Dietz in 1987 in St. Georgen, Germany. The three business divisions are ideally positioned to supply services along the entire value chain. Resourcing has gained strong sales momentum since the acquisition of part of the Parity Group, and we expect this to grow further by 19.6% until 2011e. As an IT-service provider, GFT focuses especially on financial and logistic service providers. The sound reference portfolio underlines GFT's in-depth industry knowledge.

### Company overview

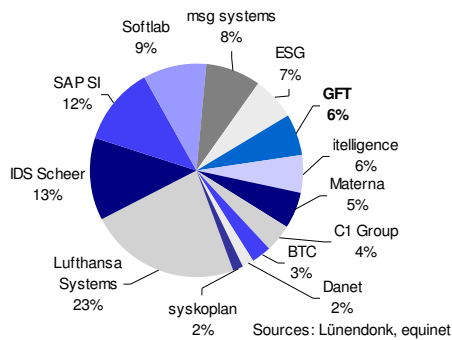
- **Business model:** GFT optimised its business model to "International collaboration", making it able to complement projects with low costs and within short time frames. The persuasive reference portfolio of GFT proves its international success, which is due to a combination of on-, near- and off-shore activities.
- **Divisions:** GFT is divided into three segments: Services, Resourcing and Software. Resourcing is offered in Germany, France as well as the UK. Services are offered in Germany, Great Britain, Spain, Brazil, France, Switzerland as well as other foreign countries such as Austria, the US and Italy.
- **Acquisition of Parity Group:** In January 2006, GFT acquired Parity Group France and Germany, which contributed revenues of EUR 40.1m in 2006 (c. 23.1% of sales) and EBT of EUR 0.8m (c. 11.8% of group EBT). The integration of Parity has been completed without difficulty.
- **Geographical revenue split:** The major market for GFT is Germany (62.8% of sales in 2006), followed by Great Britain (8.6%) and Spain (7.9%). Brazil, France, Switzerland and other foreign countries together account for 20.7% of sales. The sales contribution of France (EUR 10.9 m in 2006) was mainly achieved by the acquisition of GFT Technologies SARL (formerly Parity SARL), Paris, in 2006.
- **Major customers:** GFT generates 35% of its revenues with Deutsche Bank. Due to continual sales expansion, GFT's management targets to reduce the proportion to 20%. The second most important client is Commerzbank (11% of sales), followed by Deutsche Post (9%). The 10 biggest clients account for 74% of sales.
- **Profitability:** Profitability in the last years has been relatively weak, which is mostly due to low capacity utilization in the Services segment. Currently, employee capacity utilization in Germany amounts to more than 80.0%. In Spain, capacity utilization reached a peak with 88.0%. Assuming further small increases in utilization rates, we forecast profitability to further strengthen (EBT 11e: 7.3%).



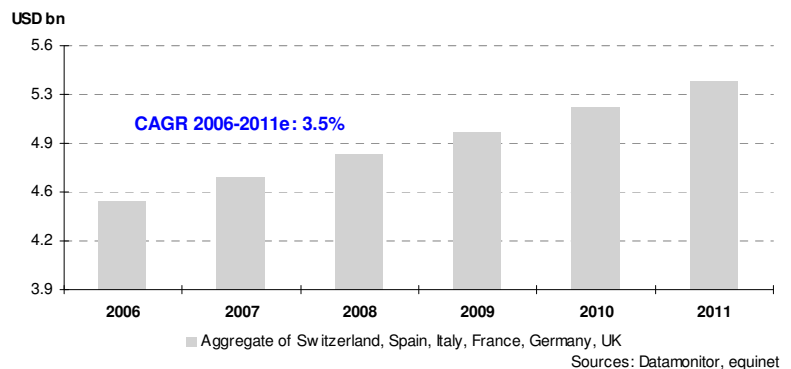
## Market environment

- **Application market:** GFT generates 43.3% of its revenues in the Application market, focusing on Application Development and Management Services for financial service providers, respectively. The market structure is, in terms of market volume, dominated by the U.S., followed by Japan, the UK and Germany.
- **Market share:** In Services, GFT is mainly active in Germany. The company ranks number seven of the Top 13 German IT-service providers in terms of revenues 06.
- **Growth:** The Application Development and Management market in financial services are forecasted to grow by 3.4% and 3.7% (CAGR 06-11e) for the targeted countries, Switzerland, Spain, Italy, France, Germany and UK.
- **Off-shoring:** As GFT is well positioned in the off-shore locations Brazil and India, owning own subsidiaries here, which will be expanded further in the near term, we take account of revenue opportunities arising as a result of off-shore operations. Thus, the Application Development market is expected to grow by 36.8% and the Application Management market by 63.9% (CAGR 06-11e).

German IT-service market (2006)

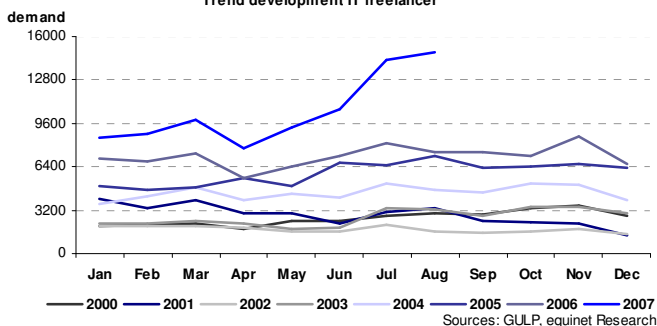


Application Development and Management services market (Financial services)

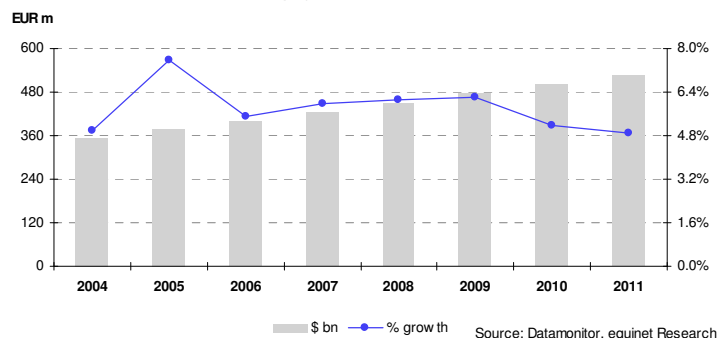


- **Employment services market:** The second market which should be taken into consideration is the Employment Services market. Europe is the most important market, representing 40.5% of the global market's value in 2006, followed by the U.S. (36.3%) and Asia-Pacific (15.8%). Due to GFT's niche position as well as missing market data, a reliable appraisal of GFT's market share is not possible.
- **Growth:** The Employment Services market will grow by 5.7% (CAGR 06-11e) for the coming five years. GFT operates in the IT sub segment of the market, which is expected to grow faster because of an increasing shortage of IT personnel. In August 2007, demand for IT freelancers in Germany was at a peak level for the period since 2000 according to the GULP project market index. The index shows a continual increase of IT project requests over the last seven years.

Trend development IT freelancer



Employment Services market



## Financials

### Segments

For further details regarding segment forecasts please refer to page 13 and following

As GFT offers a well balanced revenue portfolio, we expect the company to grow revenues by 15.2% through 11e, equating to revenues of EUR 352.4m. The Resourcing division should be the most important revenue driver in the future, with growth of 19.6% until 11e. The group EBT margin is expected to lie at 7.3% in 11e.

- **Services:** We expect the Service division to continually increase sales. Our CAGR 06-11e estimate stands at 10.5%. Currently contributing 43.3% of sales, we expect the division to grow less than the Resourcing division, leading to a reduced sales contribution of 38.5% of revenues in 2011e.
- **Resourcing:** The Resourcing segment should grow strongly by 19.6% (CAGR 06-11e). As we expect this segment to develop with higher momentum, the sales contribution in 2011e should be 58.5% vs. 48.5% in 2006.
- **Software:** We forecast the Software division to be able to gain a stronger foothold in the market. The division should become profitable in 2008e. We expect an EBIT margin of 9.0% in 2011e to be realistic.
- **Profitability:** In the long term we expect the group EBT margin to amount to 7.3% (2011e), boosted by Services as well as leveraged synergies in the Resourcing division.

EUR m	2004	2005	2006	1Q 2007	2Q 2007	3Q 2007e	4Q 2007e	2007e	2008e	2009e	2010e	2011e	CAGR*
<b>Sales</b>													
Services	74.9	77.4	82.4	23.5	25.5	25.0	24.7	98.7	108.1	116.4	125.8	135.8	10.5%
Software	6.4	5.6	7.1	1.4	1.2	1.9	2.4	6.9	7.7	8.6	9.5	10.6	8.5%
Resourcing	44.2	38.0	84.2	28.9	32.6	28.1	29.8	119.4	138.5	158.5	180.7	206.0	19.6%
<b>Group</b>	<b>125.5</b>	<b>120.9</b>	<b>173.7</b>	<b>53.8</b>	<b>59.3</b>	<b>55.0</b>	<b>56.9</b>	<b>225.0</b>	<b>254.3</b>	<b>283.5</b>	<b>316.1</b>	<b>352.4</b>	<b>15.2%</b>
<i>growth</i>	-9.1%	-3.7%	43.6%	41.8%	40.6%	16.5%	22.8%	29.6%	13.0%	11.5%	11.5%	11.5%	
<b>EBIT**</b>													
Services	-1.5	3.0	7.5	1.7	2.4	2.4	2.4	8.9	10.3	12.1	14.1	16.3	16.8%
Software	-0.5	-0.7	-0.5	-0.2	-0.4	0.0	0.1	-0.5	0.0	0.4	0.7	1.0	n.a.
Resourcing	2.3	0.7	1.3	0.7	0.9	0.7	0.8	3.1	4.0	5.0	6.1	7.4	41.7%
<b>Group EBIT**</b>	<b>0.3</b>	<b>2.9</b>	<b>8.2</b>	<b>2.3</b>	<b>2.9</b>	<b>3.1</b>	<b>3.2</b>	<b>11.5</b>	<b>14.3</b>	<b>17.6</b>	<b>20.8</b>	<b>24.6</b>	<b>24.5%</b>
Unallocated costs	-2.9	-2.1	-2.1	-0.2	0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	
<b>Group EBIT</b>	<b>-2.6</b>	<b>0.8</b>	<b>6.1</b>	<b>2.1</b>	<b>3.0</b>	<b>3.0</b>	<b>3.2</b>	<b>11.3</b>	<b>14.0</b>	<b>17.3</b>	<b>20.6</b>	<b>24.3</b>	<b>31.7%</b>
<i>growth</i>	-81.3%	-132.6%	624.0%	155.1%	130.3%	47.3%	60.7%	83.3%	24.7%	23.3%	19.0%	18.2%	
<b>EBIT margin</b>													
Services	-2.0%	3.8%	9.1%	7.4%	9.3%	9.5%	9.7%	9.0%	9.5%	10.4%	11.2%	12.0%	
Software	-7.5%	-13.1%	-7.7%	-11.4%	-34.5%	2.0%	3.0%	-6.8%	0.5%	5.0%	7.0%	9.0%	
Resourcing	5.2%	1.8%	1.5%	2.4%	2.7%	2.5%	2.6%	2.6%	2.9%	3.2%	3.4%	3.6%	
<b>Group</b>	<b>-2.1%</b>	<b>0.7%</b>	<b>3.5%</b>	<b>3.9%</b>	<b>5.0%</b>	<b>5.5%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>5.5%</b>	<b>6.1%</b>	<b>6.5%</b>	<b>6.9%</b>	

\* CAGR 2006 - 2011e

\*\* not including unallocated costs until 2007

Source: Company data, equinet Research

## Earnings development

- **EBIT:** We forecast strong EBIT growth until 2011e, with an expected CAGR 06–11e of 31.7%. Our forecast is based on a positive sales development in all segments, going hand-in-hand with increased profitability in Services as well as Software. The EBIT margin in Resourcing should stay relatively flat.
- **EPS:** Applying an average tax rate of 30.0%, we derive an EPS CAGR 06–11e of 28.8%. EPS in 2011e should amount to EUR 0.69.
- **DPS:** According to GFT's management, the company targets to pay a dividend for the fiscal year 2007. A payout ratio of 30% to 50% is aimed for. Thus, we expect a 2007e dividend of EUR 0.10. In coming years, we estimate a payout ratio of 40%.

### Profit development

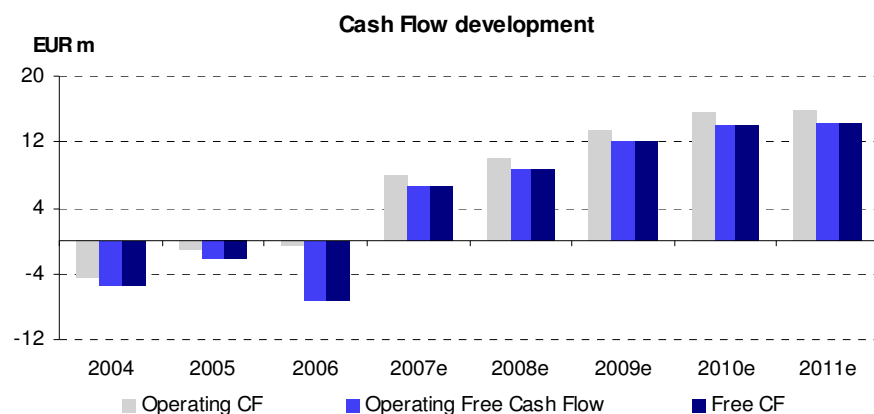
	2004	2005	2006	2007e	2008e	2009e	2010e	2011e	CAGR*
<b>EBIT</b>	<b>-2.6</b>	<b>0.8</b>	<b>6.1</b>	<b>11.3</b>	<b>14.0</b>	<b>17.3</b>	<b>20.6</b>	<b>24.3</b>	<b>31.7%</b>
<i>growth</i>	-81.3%	-132.6%	623.6%	83.3%	24.7%	23.3%	19.0%	18.2%	
<i>margin</i>	-2.1%	0.7%	3.5%	5.0%	5.5%	6.1%	6.5%	6.9%	
<b>EBT</b>	<b>-2.2</b>	<b>1.6</b>	<b>6.7</b>	<b>11.9</b>	<b>14.9</b>	<b>18.3</b>	<b>21.9</b>	<b>25.9</b>	<b>31.2%</b>
<i>growth</i>	-83.7%	-171.9%	322.1%	78.6%	25.2%	23.0%	19.2%	18.4%	
<i>margin</i>	-1.7%	1.3%	3.8%	5.3%	5.9%	6.5%	6.9%	7.3%	
<b>EAT</b>	<b>-3.8</b>	<b>1.1</b>	<b>5.1</b>	<b>7.9</b>	<b>10.4</b>	<b>12.8</b>	<b>15.3</b>	<b>18.1</b>	<b>28.8%</b>
<i>growth</i>	-78.5%	-127.9%	380.0%	54.9%	31.8%	23.0%	19.2%	18.4%	
<i>margin</i>	-3.0%	0.9%	2.9%	3.5%	4.1%	4.5%	4.8%	5.1%	
<b>EPS</b>	<b>-0.14</b>	<b>0.04</b>	<b>0.19</b>	<b>0.30</b>	<b>0.40</b>	<b>0.49</b>	<b>0.58</b>	<b>0.69</b>	<b>28.8%</b>
<i>growth</i>	-78.5%	-127.9%	380.0%	54.9%	31.8%	23.0%	19.2%	18.4%	
<b>DPS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>0.16</b>	<b>0.19</b>	<b>0.23</b>	<b>0.28</b>	
<i>growth</i>	n.a.	n.a.	n.a.	n.a.	58.5%	23.0%	19.2%	18.4%	

\* CAGR 2006 - 2011e

Source: Company data, equinet Research

## Cash flow

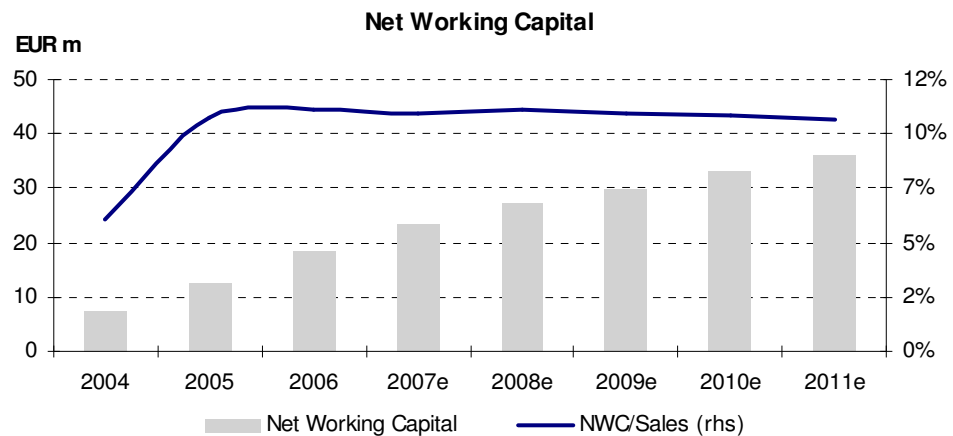
- **Operating cash flow:** In 2007, we expect GFT to achieve OCF of EUR 7.9m. CF generally proliferates at the end of the business year due to overpayments by GFT's two major clients.
- **FCF:** We expect capital expenditures in 2007e to amount to EUR 1.3m, corresponding to only 0.6% of forecasted sales, which is due to the marginal investments GFT has to undertake according to its business model. Thus, FCF is expected to be EUR 6.6m.



Sources: Company data, equinet Research

## Working capital

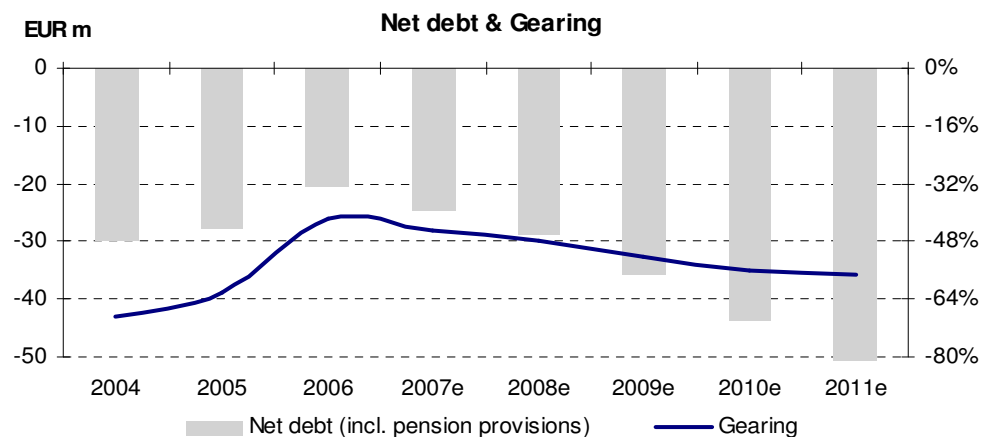
- **Net working capital:** GFT employed EUR 18.5m in net working capital at the end of 2006. As inventories are negligible, NWC is mostly influenced by trade receivables (19.7% of sales) as well as trade payables (9.0% of sales, EUR 15.6m).
- **Trade payables:** At the beginning of the fiscal year, GFT's trade payables are extraordinarily high, which is caused by the two major customers overpaying at the end of the year. This normally levels out during the fiscal year. In 2007e, we estimate trade payables to amount to EUR 20.7m.
- **NWC/sales:** The NWC/sales ratio amounts to 10.7% in 2006, which we believe can be further optimised to some extent. In the mid-term, we estimate the NWC/sales ratio to be around 10.5%.



Sources: Company data, equinet Research

## Gearing

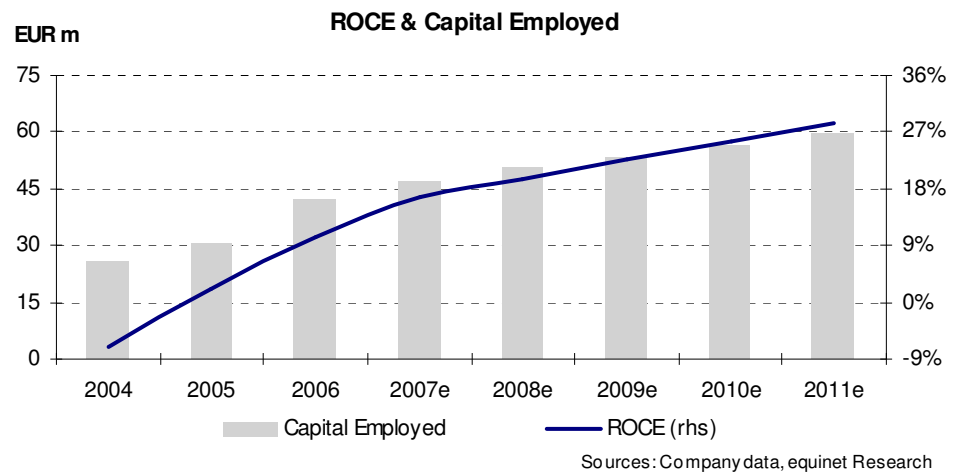
- **Net cash:** GFT reported a net cash position of EUR 20.5m in 2006, corresponding to a negative gearing of 41.5%. As we do not expect the company to increase debt significantly, our model assumes a net cash position going forward.
- **Acquisitions:** According to GFT's management, the company would be interested in acquiring IT services in the UK or Switzerland. Nevertheless, as the acquisition of part of Parity Group in 2006 showed, management clearly considers acquisition prices as well as the merits and drawbacks of potential targets.



Sources: Company data, equinet Research

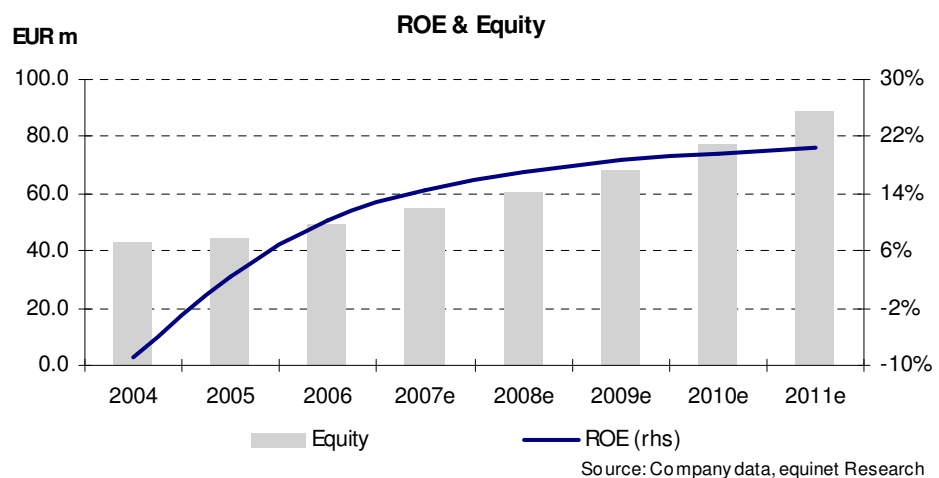
## Return on capital employed (ROCE)

- **Capital employed:** After the sizable increase of total fixed assets in 2006, which is due to the acquisition of part of Parity Group, we expect this position to stay flat. Due to increased sales forecasts, we expect NWC to widen, especially in the light of international business expansion in countries of poorer payment morale such as Brazil. Thus, CE is expected to reach EUR 47.1m in 2007e.
- **ROCE:** We forecast ROCE to amount to 16.8% in 2007e. The ratio is expected to increase to 28.5% in 2011e, the main driver being an improved profitability in Services as well as Software.



## Return on equity (ROE)

- **ROE:** We forecast GFT's equity position to improve considerably on the back of increased profitability. Therefore, we estimate ROE of 14.5% in 2007e. In 2011e, we assume GFT to deliver a return on equity of 20.4%.



## Triggers & Swot Analysis

### Triggers

- **3Q 2007e results:** According to our estimates, GFT will deliver promising 3Q 07e results on November 8, 2007. Thus, the company will further prove its ability to increase profitability. We expect the EBT margin to amount to 5.5% compared to 4.6% in 2006. Please refer to page 25 for a preview of 3Q 07e results.
- **Dividend:** GFT some weeks ago announced to pay its first dividend since the IPO in 1999. The dividend is forecasted to be 30% to 50% of EPS. Our estimate stands at EUR 0.10, which corresponds to a payout ratio of 33.3%.
- **Market awareness:** GFT is highly undervalued compared to its peer group. We expect the share price to move due to an improved awareness of GFT's growth potential by the equity market.

### SWOT Analysis

#### Strengths & Opportunities

- **Cross-selling:** GFT reports a significantly increasing portion of customers requesting a current project to be assisted by two or even three lines of business. This opens up significant cross-selling potential for the company.
- **Industry knowledge:** Especially focusing on Application services for financial and logistic service providers, GFT is able to transfer its industry knowledge worldwide from its banking competence centre in Spain. Newly targeted markets are the UK and US.
- **On-, near-, off-shoring:** GFT is highly cost competitive due to the optimisation of its business model of "International collaboration". In 2006, 72% of GFT's employees were located outside Germany.
- **Successful investment/divestment strategy:** With the acquisition of part of Parity Group in 2006, GFT demonstrated considerable management skills and vision. Moreover, the company is divesting unprofitable subsidiaries such as GFT Websolutions, Hungary.

#### Weaknesses & Threats

- **Major customer:** As Deutsche Bank is the major customer, contributing 35% of sales in this segment, restrained demand could have a negative impact on the overall revenue development.
- **Management/CEO:** We expect the company's development to be highly dependent on Mr. Ulrich Dietz, the founder and current CEO. Mr. Dietz acts as a think tank and currently holds nearly 30% of shares.

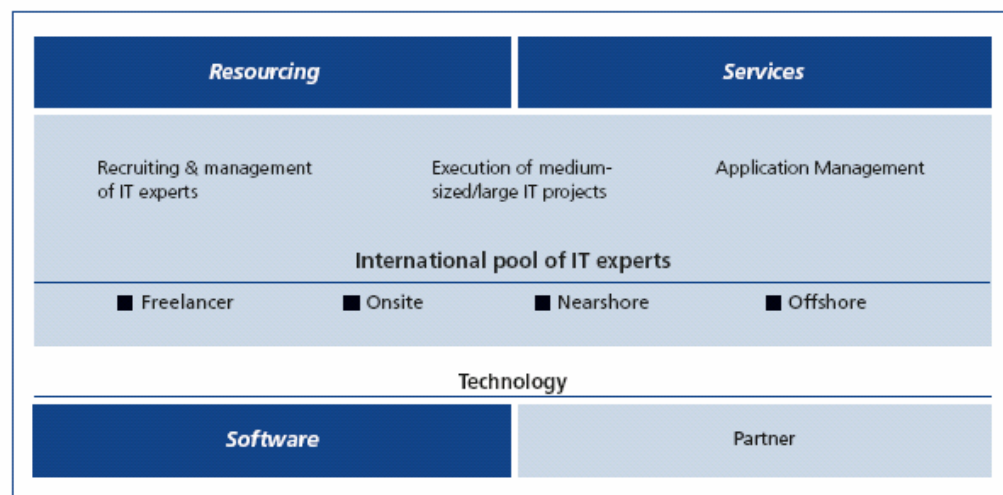
## Detail 1 – Business model and strategic positioning

GFT offers its clients a unique business model built on the three pillars of Services, Resourcing and Software. Within its range of services and products, GFT is able to service the entire value chain in IT services. The Service division is targeted on financial service provider. Diversifying its client base in Resourcing moreover should enable GFT to manage downswings in the financial services industry.

### Group

The GFT Group is divided into three lines of business: Services, Resourcing and Software. Due to this combination, GFT is able to cover all important levels of the entire value chain in IT services. This combination, moreover, allows the company to be highly specialised in Services and to diversify its client base in the Resourcing segment, making it less dependent on the fortunes of the financial services industry.

The GFT Value-Added Chain



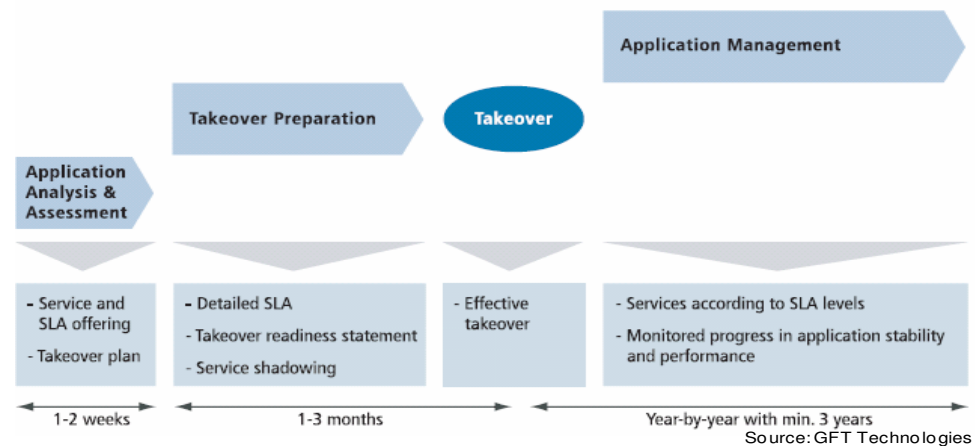
Source: GFT Technologies

### Services

The Services division can be subdivided into three offerings. First, **Business and IT Consulting** optimises customer processes through tailor-made solutions, laying the foundation for, second, the cost-efficient solution realization in **Application Development**. Third, **Application Management Services** take care of running the business-critical solutions and maintenance.

- **Services:** Besides having strong industry knowledge in financial services, the GFT Services division also specialises on insurance companies and postal service providers. Special know-how is concentrated on Retail Banking, Private Banking & Asset Management, Investment and Corporate Banking. The most widely known product in postal services is the digital postage stamp (STAMPIT).
- **Business / IT consulting:** The deep knowledge of process and IT technology is efficiently used within this subdivision to clear customer strategies and processes with a high degree of automation and to put cost optimisation in place.
- **Application Development Services:** GFT offers tailor-made business applications. Having three development centres, which are located in Spain, India and Brazil, GFT enables customers to benefit from its deep industrial know-how.

- **Application Management Services:** In Application Management, customers of GFT outsource the management of the IT applications to GFT, enabling them to focus on their core competencies. The service options offered are incidental maintenance, preventive maintenance, small enhancements and service requests. GFT's pricing options include fixed annual pricings as well as time and material pricing for additional ad-hoc services. GFT's prices vary because the company is able to offer on-, off- as well as near-shore services. The 4-Step takeover methodology offered by GFT assures simple and timely takeover of the applications.



- **Reference customers:** At present, the Services segment possesses a portfolio of high-profile reference customers, including e.g. Deutsche Bank, Deutsche Post, DekaBank, ThyssenKrupp as well as Zurich Versicherungen. Among the most important customers are Deutsche Bank, contributing about 35% of company revenues, as well as Commerzbank (11%) and Deutsche Post (9%). In 2006/2007, GFT has been able to win new clients. A selection includes ECB, Fortis, Commerzbank, Schenker Logistics, Dresdner Bank as well as Mizuho.

**GFT Technologies: References (Services and Resourcing)**

ABN Amro	Deutsche Bank	Mizuho Bank
Audi	Dresdner Kleinwort Wasserstein	Neckermann
Banco Sabadell	Deutsche Bundesbank	Royal Mail
Behr	DKV	Santander Central Hispano
BNP Paribas	DWS	Sparda Banken
Banco Bradesco	ECB	Siemens
Calyon	ERGO Versicherungsgruppe	SWR
CDC Caisse des Dépôts	EuroHypo	Signal Iduna
Daimler Chrysler	European Transaction Bank	Trumpf
DekaBank	La Caixa	ThyssenKrupp
Dekra	Landesbank Rheinland-Pfalz	Volkswagen
DHL	Luzerner Kantonalbank	WestLB
Die Schweizer Post	Mapfre	Xchanging
Deutsche Post	Merrill Lynch	Zurich Versicherungen

Source: Company data, equinet Research

- **Strategy:** In this division, the company has set itself the target to become a preferred supplier for further selected Blue Chip clients. In particular, GFT is seeking to win clients in the UK as well as the US. As Mizuho Bank and Fortis in London have already paved the way in focussing on investment banks, the investment banking market in New York

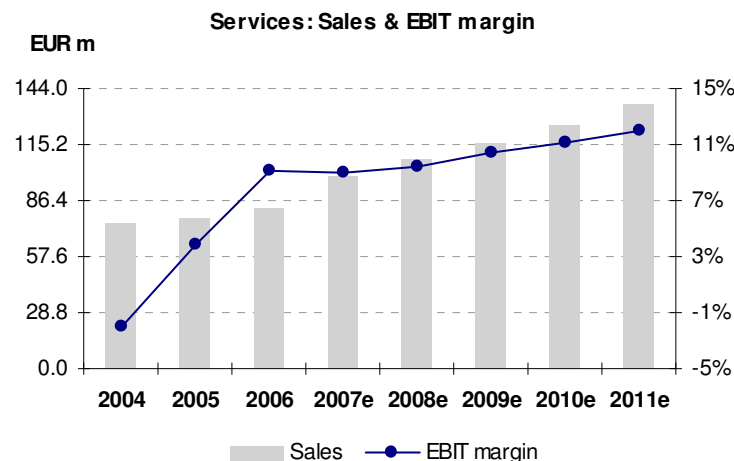
will now be targeted. As of today, GFT is strategic IT supplier of Deutsche Bank, Commerzbank and Deutsche Post. The strategic focus market is the financial services industry.

- **Growth target:** As the segment achieved organic growth of 6.4% in 2006, GFT has now set a growth target for 2007 of at least 15%. Our forecast stands at a growth rate of 19.9% YoY for 2007e. Long-term CAGR is expected to be 10.5% (06-11e).

Services									
EUR m	2004	2005	2006	2007e	2008e	2009e	2010e	2011e	CAGR 06-11e
<b>Sales</b>	74.9	77.4	82.4	98.7	108.1	116.4	125.8	135.8	10.5%
<i>growth</i>	-8.8%	3.3%	6.4%	19.9%	9.5%	7.7%	8.1%	7.9%	
<b>EBIT*</b>	-1.5	3.0	7.5	8.9	10.3	12.1	14.1	16.3	16.8%
<i>growth</i>	-86.5%	-299.9%	153.1%	18.8%	15.4%	17.9%	16.4%	15.6%	
<i>margin</i>	-2.0%	3.8%	9.1%	9.0%	9.5%	10.4%	11.2%	12.0%	

\* not including unallocated costs until 2007

Source: Company data, equinet Research



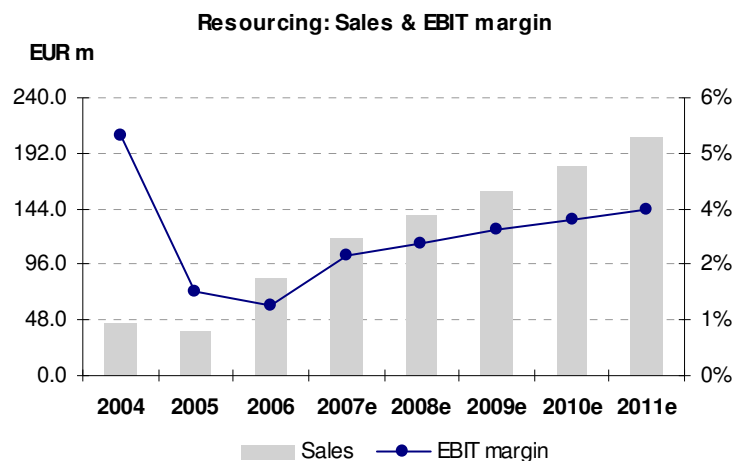
## Resourcing

The Resourcing division consists of two subdivisions: Resource Management and Third-Party Management. Being the dominant provider for Third-Party Management in Germany, GFT offers its clients the sourcing and management of non-strategic IT-suppliers. Moreover, the Resource management subdivision acts as intermediary in the hiring of freelancers for temporary projects. In temporary staffing, GFT ranks second behind Hays in Germany. In France, the company holds the fifth market position.

- **Third-Party Management:** GFT emagine, a subsidiary of GFT, offers companies the purchasing management of its external non-strategic IT-suppliers. As purchasing manager, emagine, located in Eschborn, Germany, takes care of the entire procurement process as well as contract management. Customers value the increased transparency, cost reductions as well as legal aspects in outsourcing their IT-purchasing. The tasks of a Third-Party manager are presented in the following overview.
- **Resource Management:** The Resource Management division targets customers from different industries, thereby diversifying GFT's focus on financial and post service providers in the Service division. New markets are to be developed in the UK and

Switzerland. At present, GFT is active in Germany and France. Resourcing offers cross-selling potential together with the Service division.

- **USP:** In Resourcing, GFT is able to offer a freelancer portfolio of more than 20.000 profiles. Moreover, the company's database offers international contacts for freelancer in Germany, France, Switzerland as well as the UK. Special importance is given to the quality of the database. Thanks to its successful placement, GFT reports that 67% of clients renew or extend their projects and 59% come back to it for subsequent projects.
- **Strategy:** GFT aims to further participate in the growing markets of Germany and France. Moreover, countries in which GFT already has a presence will be opened. This will mean an increase of the international sales force. By leveraging on synergies within the GFT Group, the division is looking to further increase its profitability.
- **Growth target:** The Resourcing segment has become the leading revenue driver since the acquisition of part of Parity Group in 2006. The high sales momentum seen in 2006, with a growth rate of 121.8%, was the highest growth rate ever in this line of business. Organic growth amounted to about 18.0% in 2006. The growth target for 2007 is set to be at least 25.0%. We assume sales growth of 41.7% in 2007e. In the long-term, GFT is expected to grow its Resourcing division by 19.6% (CAGR 06-11e) .



Resourcing									
EUR m	2004	2005	2006	2007e	2008e	2009e	2010e	2011e	CAGR 06-11e
<b>Sales</b>	44.2	38.0	84.2	119.4	138.5	158.5	180.7	206.0	19.6%
<i>growth</i>	-9.3%	-14.1%	121.8%	41.7%	16.0%	14.5%	14.0%	14.0%	
<b>EBIT*</b>	2.3	0.7	1.3	3.1	4.0	5.0	6.1	7.4	41.7%
<i>growth</i>	23.4%	-69.9%	87.5%	138.5%	29.5%	26.5%	21.2%	20.8%	
<i>margin</i>	5.2%	1.8%	1.5%	2.6%	2.9%	3.2%	3.4%	3.6%	

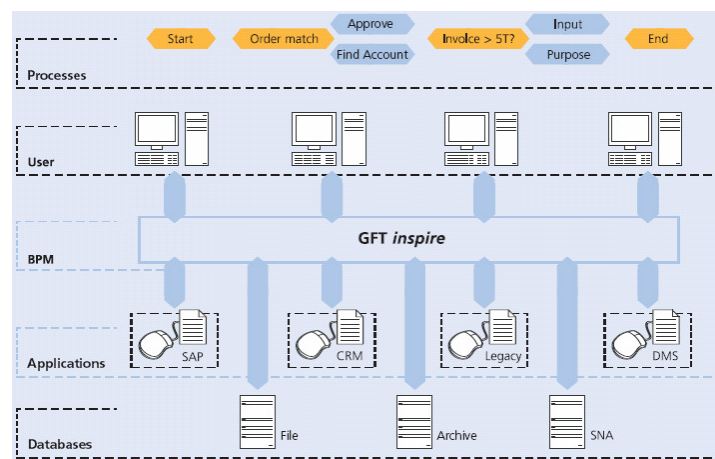
\* not including unallocated costs until 2007

Source: Company data, equinet Research

## Software

GFT's Software division focuses especially on the automation of business processes and the archiving of documents. This enables GFT's customers to boost operational efficiencies and optimise administrative tasks leading to reduced personnel costs as well as higher transparency and shorter throughput times.

- **Software:** GFT offers its clients software products for managing business processes as well as the archiving of documents and e-mails. The software is marketed by a wholly-owned subsidiary, GFT Solutions GmbH, which is based in Hamburg.
- **Product overview:** GFT offers two product lines: GFT inspire and GFT hyparchiv.
- **GFT inspire:** GFT inspire enables manufacturing, administrative as well as service companies to fully automate their business processes. The software offers companies a platform to analyse, structure, control and monitor as well as graphically depict processes. Therefore, GFT inspire includes a process designer, process server and process administrator. A process reporter makes it possible to compile periodic reports as well as alerts for problems arising in the process. GFT inspire assures tighter business processes as well as reduced production times and significantly higher transparency.



Source: GFT Technologies

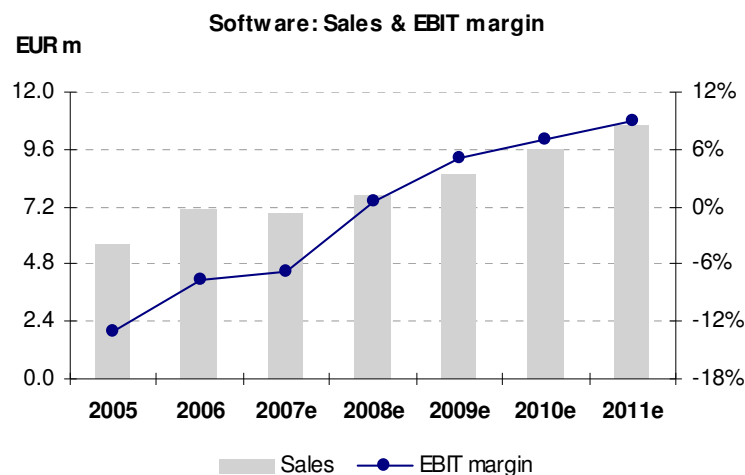
- **GFT hyparchiv:** GFT hyparchiv enables companies to manage incoming documents arriving on different carrier media such as paper, e-mail or as faxes. By storing the documents safely, the software ensures that documents are available at all times and reduces personnel costs. A search function enables documents to be found quickly and without difficulty.
- **Reference customers:** GFT's software division boasts a convincing portfolio of reference customers. These include e.g. Audi, Bayer, Siemens, Dresdner Bank as well as Deutsche Bundesbank.

### GFT Technologies: References (Software)

Activest	Deutsche Bundesbank	MSD
AKZO NOBEL	Deutsche Börse	Novartis
Audi	Dresdner Bank	ROSE
Arbeitsamt	3M	Siemens
BAYER	e.dis	SMS group
BfA	gsk	SONY
BMW	HUTH	Stadt Zürich
Boss	IKB	Thyssen
Daimler Chrysler	Lufthansa	Universal
Deutsche Bank	Luzerner Kantonalbank	Voestalpine
Deutsche Post	MASTER FOODS	VW

Source: Company data, equinet

- **Strategy:** The software division focuses on medium-sized companies. The software is produced efficiently and cost-effectively at GFT's off-shore location Trichy, India. As the segment has been the most problematic division of GFT in the past, we expect the company to pursue stringent disinvestment strategies, should this division not come on track in the upcoming quarters.
- **Growth target:** The software division grew by 26.5% in 2006. In 2007e, GFT expects the division to grow by +/- 0%.



#### Software

EUR m	2004	2005	2006	2007e	2008e	2009e	2010e	2011e	CAGR 06-11e
<b>Sales</b>	6.4	5.6	7.1	6.9	7.7	8.6	9.5	10.6	8.5%
<i>growth</i>	-11.4%	-12.8%	26.5%	-2.8%	11.5%	11.5%	11.5%	11.5%	
<b>EBIT*</b>	-0.5	-0.7	-0.5	-0.5	0.0	0.4	0.7	1.0	n.a.
<i>growth</i>	-83.8%	51.2%	-25.7%	-14.3%	-108.2%	1015.0%	56.1%	43.4%	
<i>margin</i>	-7.5%	-13.1%	-7.7%	-6.8%	0.5%	5.0%	7.0%	9.0%	

\* not including unallocated costs until 2007

Source: Company data, equinet Research

## Segment overview

EUR m	2004	2005	2006	2007e	2008e	2009e	2010e	2011e	CAGR*
<b>Sales</b>									
Services	74.9	77.4	82.4	98.7	108.1	116.4	125.8	135.8	10.5%
Software	6.4	5.6	7.1	6.9	7.7	8.6	9.5	10.6	8.5%
Resourcing	44.2	38.0	84.2	119.4	138.5	158.5	180.7	206.0	19.6%
<b>Group</b>	<b>125.5</b>	<b>120.9</b>	<b>173.7</b>	<b>225.0</b>	<b>254.3</b>	<b>283.5</b>	<b>316.1</b>	<b>352.4</b>	<b>15.2%</b>
<i>growth</i>	-9.1%	-3.7%	43.6%	29.6%	13.0%	11.5%	11.5%	11.5%	
<b>EBIT**</b>									
Services	-1.5	3.0	7.5	8.9	10.3	12.1	14.1	16.3	16.8%
Software	-0.5	-0.7	-0.5	-0.5	0.0	0.4	0.7	1.0	n.a.
Resourcing	2.3	0.7	1.3	3.1	4.0	5.0	6.1	7.4	41.7%
<b>Group EBIT**</b>	<b>0.3</b>	<b>2.9</b>	<b>8.2</b>	<b>11.5</b>	<b>14.3</b>	<b>17.6</b>	<b>20.8</b>	<b>24.6</b>	<b>24.5%</b>
Unallocated costs	-2.9	-2.1	-2.1	-0.2	-0.2	-0.2	-0.3	-0.3	
<b>Group EBIT</b>	<b>-2.6</b>	<b>0.8</b>	<b>6.1</b>	<b>11.3</b>	<b>14.0</b>	<b>17.3</b>	<b>20.6</b>	<b>24.3</b>	<b>31.7%</b>
<b>EBIT margin</b>									
Services	-2.0%	3.8%	9.1%	9.0%	9.5%	10.4%	11.2%	12.0%	
Software	-7.5%	-13.1%	-7.7%	-6.8%	0.5%	5.0%	7.0%	9.0%	
Resourcing	5.2%	1.8%	1.5%	2.6%	2.9%	3.2%	3.4%	3.6%	
<b>Group</b>	<b>-2.1%</b>	<b>0.7%</b>	<b>3.5%</b>	<b>5.0%</b>	<b>5.5%</b>	<b>6.1%</b>	<b>6.5%</b>	<b>6.9%</b>	
<b>EBITDA</b>									
Services	2.2	4.0	8.4	10.0	11.3	13.1	15.1	17.3	15.7%
Software	-0.3	-0.6	-0.4	-0.3	0.2	0.6	0.8	1.1	n.a.
Resourcing	2.6	0.7	1.4	3.3	4.1	5.2	6.3	7.5	39.4%
<b>Group</b>	<b>1.6</b>	<b>2.1</b>	<b>7.3</b>	<b>12.7</b>	<b>15.4</b>	<b>18.6</b>	<b>22.0</b>	<b>25.8</b>	<b>28.6%</b>
<i>growth</i>	<i>n.m.</i>	31.7%	246.2%	73.6%	21.2%	21.2%	17.8%	17.3%	
<b>EBITDA margin</b>									
Services	2.9%	5.2%	10.1%	10.1%	10.4%	11.3%	12.0%	12.8%	
Software	-5.0%	-10.4%	-6.0%	-4.7%	2.2%	6.6%	8.4%	10.3%	
Resourcing	5.8%	1.9%	1.7%	2.7%	3.0%	3.3%	3.5%	3.7%	
<b>Group</b>	<b>1.3%</b>	<b>1.7%</b>	<b>4.2%</b>	<b>5.6%</b>	<b>6.0%</b>	<b>6.6%</b>	<b>6.9%</b>	<b>7.3%</b>	
<b>As a % of sales</b>									
Services	59.7%	64.0%	47.4%	43.9%	42.5%	41.1%	39.8%	38.5%	
Software	5.1%	4.6%	4.1%	3.1%	3.0%	3.0%	3.0%	3.0%	
Resourcing	35.2%	31.4%	48.5%	53.1%	54.5%	55.9%	57.2%	58.5%	
<b>As a % EBIT</b>									
Services	56.8%	348.3%	121.8%	79.0%	73.1%	69.9%	68.4%	66.9%	
Software	18.6%	-86.2%	-8.8%	-4.1%	0.3%	2.5%	3.2%	3.9%	
Resourcing	-87.6%	80.8%	20.9%	27.2%	28.3%	29.0%	29.6%	30.2%	

\* CAGR 2006 - 2011e

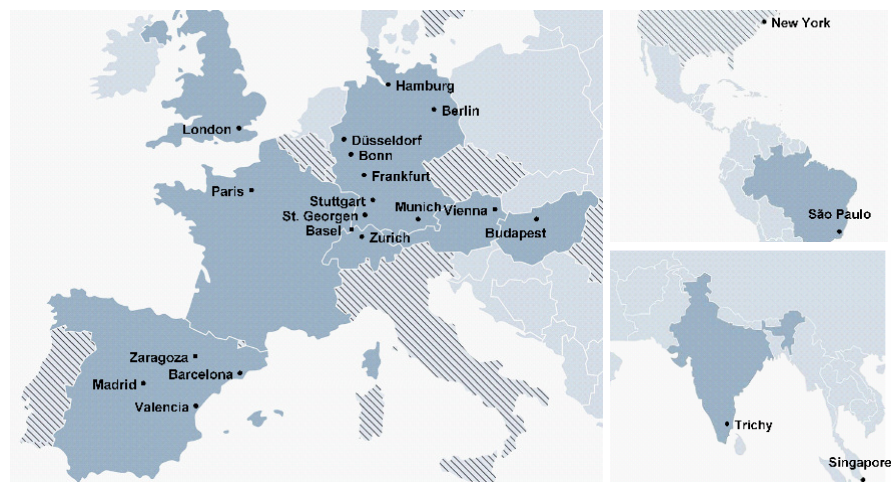
\*\* not including unallocated costs until 2007

Source: Company data, equinet Research

## Detail 2 – Globalisation and International Collaboration

GFT has optimised its teams to international collaboration. Today, 72.1% of GFT’s employees work outside Germany. Several combinations of sourcing, such as off-shore sourcing or a combination of near- and off-shore allow GFT to offer its clients attractive conditions.

- **Smart Sourcing:** GFT’s portfolio offers near-, on- and off-shore solutions, specifically focused on customer needs. Off-shore sourcing is particularly suitable for maintenance or testing tasks. If necessary, testing services can be performed in different time zones to assure timely results. Nevertheless, GFT also offers to combine near- and off-shore projects. The GFT’s off-shore centre in Trichy, India, consists of around 100 qualified software developers. The bank core competencies are bundled in Spain. Blue colours on the map denote countries with GFT locations, active client relationships are additionally marked by blue stripes.



Source: GFT Technologies

- **Employees:** In 1H 2007, more than 72% of GFT’s employees were located outside Germany. The company’s current focus is on near-shoring in Spain, employing approx. 58.6% of employees there. Since 2006, 5.9% of employees are located in Brazil, another off-shore location besides India, which employs 6.0% of software engineers, too. In the future, we expect the company to build up employees in Brazil as well as the position “Other countries” (e.g. the US), whereas the base in Germany and Spain should stay relatively flat. Thus, we expect Germany to become relatively smaller in relative terms as the company further expands to Brazil and India. In 2011e, only 21.4% of employees are forecasted to be located in Germany. 42.8% of employees will be located in Spain and 18.4% of employees in Brazil. India will only account for 5.3% of employees. This development will be driven on the one hand, by wages, being only 10% of the German level in India, 12% to 15% in Brazil and only 50% of the German level in Spain. On the other hand, GFT targets to expand its US business by offering services within the same time zone by building up its Brazilian presence.

### Employee forecast

	2004	2005	2006	2007e	2008e	2009e	2010e	2011e	CAGR*
Germany	314	276	296	316	326	336	346	356	3.8%
Spain	591	568	583	633	653	673	693	713	4.1%
Brazil	0	0	62	107	157	207	257	307	37.7%
India	73	79	63	68	73	78	83	88	6.9%
Other	61	58	53	83	113	143	173	203	30.9%
<b>Total</b>	<b>1039</b>	<b>981</b>	<b>1057</b>	<b>1207</b>	<b>1322</b>	<b>1437</b>	<b>1552</b>	<b>1667</b>	<b>9.5%</b>
<i>change</i>	<i>-19</i>	<i>-58</i>	<i>76</i>	<i>150</i>	<i>115</i>	<i>115</i>	<i>115</i>	<i>115</i>	

### % of total

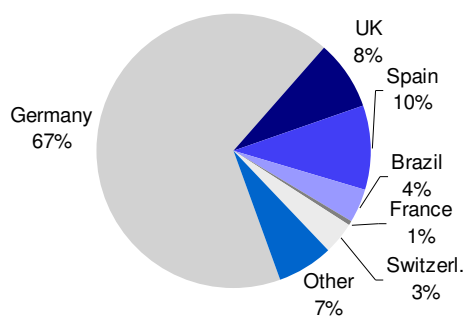
Germany	30.2%	28.1%	28.0%	26.2%	24.7%	23.4%	22.3%	21.4%
Spain	56.9%	57.9%	55.2%	52.5%	49.4%	46.8%	44.7%	42.8%
Brazil	0.0%	0.0%	5.9%	8.9%	11.9%	14.4%	16.6%	18.4%
India	7.0%	8.1%	6.0%	5.6%	5.5%	5.4%	5.3%	5.3%
Other	5.9%	5.9%	5.0%	6.9%	8.5%	9.9%	11.1%	12.2%

\* CAGR 2006 - 2011e

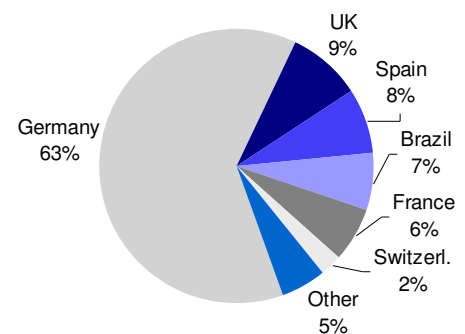
Source: Company data, equinet Research

- **Geographical revenues:** German customers still hold a leading position at GFT. Nevertheless, the company is addressing new customer markets efficiently and has been able to grow its business especially with customers from France, Brazil and Great Britain. In the mid term, GFT aims to gain a stronger foothold in the US, especially by targeting New York based investment banks. Currently, GFT achieves 62.8% of revenues in Germany, corresponding to an export quota of 37.2%. The export quota is targeted to reach a level of 70% in 2011e.

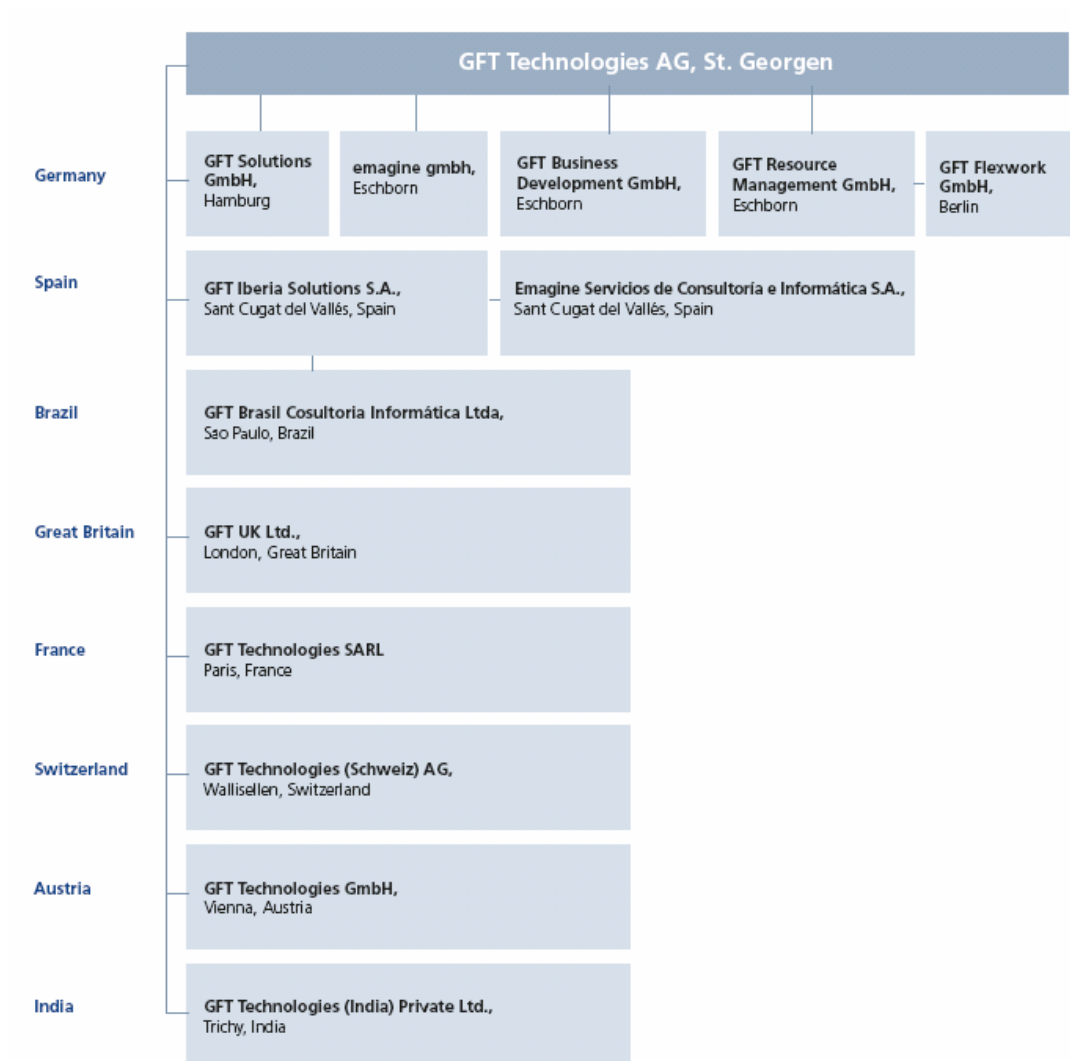
Revenues per country 2005



Revenues per country 2006



## Detail 3 – Group Structure



Source: GFT Technologies

## Detail 4 – Peer Group

We value GFT by applying two different peer groups as the company's revenue portfolio is highly diversified. In the following, we present a short overview of the peer group companies.

### Employment Services

- **Adecco (Switzerland):** Headquartered in Zurich, Switzerland, Adecco provides human resources for companies as well as individuals. Adecco is the world leader in human Resource services. Revenues in 2006 amounted to EUR 5.3bn. 7% of revenues are generated within the segment IT. German revenues contributed EUR 321m (YoY +114.0%) to revenues.
- **Harvey Nash (UK):** Harvey Nash specialises on global IT recruitment consultancy and as an IT outsourcing service provider. Operating from 30 offices, covering the US, Europe and Asia, Harvey Nash employs 3500 professionals worldwide. At fiscal year end January 2007, the company reported sales of GBP 202.3m.
- **Hays Group (UK):** Hays is a recruitment group, engaged in providing recruitment services for permanent and temporary professional and technical staff. Hays is headquartered in London, UK. Sales in 2006 amounted to GBP 1.8bn.
- **Manpower (US):** Being the world's second largest supplier of temporary workers, Manpower, headquartered in Wisconsin, US, is active in 73 countries. Manpower offers permanent, temporary and contract recruitment, employee assessment and selection, training, outplacement as well as outsourcing and consulting. Sales in 2006 reached USD 17.6bn (YoY +10.8%).
- **Parity Group (UK):** Parity is an IT and business services organisation delivering technical, recruitment and training solutions to the UK and Irish markets. Parity's Resourcing business focuses especially on recruiting short-term, interim and permanent staff (sales contribution 2006 of 73.0%). Parity Group sold its Resourcing business in Germany and France to GFT Technologies, effective January 2006. Revenues from continuing operations in 2006 amounted to GBP 156.8m.
- **Vedior (Netherlands):** Vedior is an international recruitment company offering temporary staffing, permanent placement and other employment-related services such as outplacement, HR outsourcing, payrolling and training. The company is active in 50 countries spanning e.g. Europe, North America, Asia, South America, Middle East and Africa. Sales in 2006 amounted to EUR 7.7bn, of which 10% were generated in IT.

### Application Services

- **Accenture (US):** Employing more than 158,000 employees in 49 countries, Accenture is a global management consulting, technology services and outsourcing company. Accenture's clients are from the whole gamut of industries, which includes the service group Financial Services, ranging from Banking and Capital markets to Insurance. In 2006, the financial services division contributed to 21.4% of sales (2006: USD 16.7bn).
- **Atos Origin (France):** Atos Origin offers its clients consulting, systems integration and managed operations. The company employs 47,000 people in 40 countries. 19% of revenues are derived in Finance. Managed operations contribute 51% of



sales, whereas Consulting and Systems Integration account for 8% and 41% of sales, respectively. Reported sales in 2006 amounted to EUR 5.4bn.

- **Cenit Systemhaus (Germany):** Cenit is a specialised supplier of software and consultancy services for the optimisation of business processes in product lifecycle management, enterprise content management and application management outsourcing. Customers of Cenit come from the automotive and mechanical engineering sectors. Cenit employs more than 570 IT professionals and reported revenues of EUR 82.4m for the fiscal year end 2006.
- **CapGemini (France):** CapGemini, located in France, employs approximately 80,000 people worldwide. Of this, 15,000 professionals worldwide serve the financial services industry. The five centres of excellence provide solutions in Retail Banking, Compliance & Risk, Insurance, Payments and Wealth Management. The company generated sales of EUR 7.7bn in 2006.
- **Itelligence (Germany):** Itelligence offers full IT-services in the SAP environment. Within this, the company's main focus is the Consulting division which contributed to 58.4% of sales in 2006, followed by Outsourcing & Services (28.6%). Employing more than 1,170 people, Itelligence generates revenues in Germany/Austria, Western and Eastern Europe as well as the Americas. In 2006, revenues increased by 17.7% YoY, corresponding to EUR 163.8m.

## Peer group – Financial overview

Company	Currency	MCap (m)	Sales 07e	Sales 08e	EBIT 07e	EBIT 08e	EPS 07e	EPS 08e
ADECCO SA*	CHF	13116.0	35630.7	38599.5	1664.6	1828.1	5.87	6.56
	YoY		5.8%	8.3%	23.7%	9.8%	8.5%	11.8%
HARVEY NASH GROUP PLC*	GBP	51.1	251.7	283.3	6.3	8.5	5.63	7.17
	YoY		24.4%	12.5%	23.1%	36.0%	0.7%	27.4%
HAYS PLC*	GBP	1949.9	2110.2	2392.5	216.1	249.1	10.19	11.62
	YoY		15.5%	13.4%	12.0%	15.3%	17.3%	14.0%
MANPOWER INC.*	USD	5669.2	20084.4	21897.4	701.8	808.0	4.87	5.46
	YoY		14.4%	9.0%	25.6%	15.1%	29.5%	12.1%
PARITY GROUP PLC*	GBP	30.0	164.5	174.3	3.9	5.3	4.36	7.17
	YoY		4.9%	5.9%	400.0%	35.9%	-224.9%	64.4%
VEDIOR NV	EUR	2682.6	8451.5	9262.5	435.4	432.6	1.58	1.63
	YoY		10.3%	9.6%	47.9%	-0.6%	44.5%	3.1%
ACCENTURE LIMITED*	USD	24171.1	21813.4	23758.9	2846.2	3162.9	2.25	2.50
	YoY		31.0%	8.9%	34.8%	11.1%	39.8%	11.1%
ATOS ORIGIN SA	EUR	2814.5	5856.0	6149.5	144.9	246.7	1.57	2.57
	YoY		8.5%	5.0%	-190.6%	70.2%	-27.1%	63.1%
CENIT AG SYSTEMHAUS	EUR	88.0	82.8	88.4	11.9	13.2	0.97	1.11
	YoY		0.5%	6.8%	16.4%	11.6%	-3.0%	14.4%
CAPGEMINI SA	EUR	6259.1	8828.7	9323.2	562.5	706.2	2.96	3.57
	YoY		14.7%	5.6%	68.4%	25.5%	50.0%	20.5%
ITELLIGENCE AG	EUR	89.4	185.0	203.5	10.7	13.1	0.29	0.36
	YoY		13.0%	10.0%	51.6%	22.3%	18.4%	22.2%
<b>MEDIAN YoY</b>			<b>13.0%</b>	<b>8.9%</b>	<b>25.6%</b>	<b>15.3%</b>	<b>17.3%</b>	<b>14.4%</b>
GFT TECHNOLOGIES AG	EUR	85.6	225.0	254.3	11.3	14.0	0.30	0.40
	YoY		29.6%	13.0%	83.3%	24.7%	54.9%	31.8%

Fiscal year end 2006: January 2006 for Harvey Nash; June 2006 for Hays Plc., August 2006 for Accenture Ltd.

Sources: \*Datastream, ESN estimates, equinet Research



## Detail 5 – Outlook 3Q 2007

GFT will release its results for 3Q 2007 on November 8, 2007. Assuming a sound market environment and no investment resistance among GFT's financial service customers, our sales forecast stands at EUR 55.0m (+16.5% YoY), corresponding to 9M 2007e sales of EUR 168.1m. We expect the EBIT margin to lie at 5.5% and the EBT margin at 5.5%, too. EPS are forecasted to amount to EUR 0.08.

### GFT Technologies: 3Q 2007 estimates

EUR m	3Q 2007e	3Q 2006	YoY	% of sales	9M 2007e	9M 2006	YoY	% of sales
<b>Sales</b>	<b>55.0</b>	<b>47.2</b>	16.5%		<b>168.1</b>	<b>127.3</b>	32.0%	
<b>Sales by division</b>								
Services	25.0	21.3	17.7%	45.5%	74.0	60.0	23.3%	44.0%
Software	1.9	1.7	11.9%	3.5%	4.5	5.1	-10.8%	2.7%
Resourcing	28.1	24.2	15.7%	51.0%	89.6	62.3	43.8%	53.3%
<b>EBIT</b>	<b>3.0</b>	<b>2.1</b>	47.3%	5.5%	<b>8.1</b>	<b>4.2</b>	94.0%	4.8%
<b>EBT</b>	<b>3.0</b>	<b>2.2</b>	37.3%	5.5%	<b>8.3</b>	<b>4.5</b>	85.7%	4.9%
<b>Net profit</b>	<b>2.1</b>	<b>1.3</b>	57.4%	3.8%	<b>5.4</b>	<b>2.3</b>	139.5%	3.2%
<b>EPS (€)</b>	<b>0.08</b>	<b>0.05</b>	57.4%		<b>0.20</b>	<b>0.09</b>	n.a.	

Source: Company data, equinet estimates

## Detail 6 – Company Guidance 2007

Currently, GFT guides to reach sales of more than EUR 220m in 2007. As revenues of EUR 113m were already achieved in 1H 2007, the company updated its guidance after the release of 1H 2007 results. The primary guidance was increased by 10%. The EBT margin is expected to lie around 5.0% for the fiscal year 2007. The company targets to hire 150 employees in 2007. Sales in 2011e are expected to be around EUR 350m. Assuming moderate growth rates for the coming years, this target is realistic in our view (equinet estimate 2011e: EUR 352.4m).

### Guidance

EUR m	2007e	Upgrade after 1H 2007	YoY (2006 - 2007e)
<b>Sales</b>			
Group	> EUR 220 m	+ EUR 20m	> 26.7%
<b>Organic Growth</b>			
Services	+ 10% (~ EUR 90.6m)	> + 15% (~ > EUR 94.8m)	
Resourcing	+ 20% (~ EUR 101.4m)	> + 25% (~ > EUR 105.7m)	
Software	+ 10% (~ EUR 7.9m)	+/- 0% (~ EUR 7.1m)	
<b>EBT</b>			
EBT-margin	4.5% - 5.0%	+0.5% => ~ 5.0% (~ EUR 11.0m)	
Employees	150 hires		

Source: Company data, equinet Research

## Detail 7 – equinet vs. Consensus

Consensus			
EUR m	2007e	2008e	2009e
Revenues - equinet	225.0	254.3	283.5
Revenues - consensus	221.4	243.6	264.3
Delta	1.6%	4.4%	7.3%
EBIT - equinet	11.3	14.0	17.3
EBIT - consensus	10.6	12.2	13.7
Delta	6.3%	15.1%	26.4%
EPS - equinet	0.30	0.40	0.49
EPS - consensus	0.29	0.33	0.37
Delta	3.7%	20.1%	31.7%

Source: Thompson Financial, equinet Research

## Detail 8 - Upcoming Corporate Events Calendar

GFT Technologies - Financial Calendar	
Results 3Q 2007	8th November, 2007
End of fiscal year	31th December, 2007

Source: Company data, equinet

## GFT Technologies AG: Summary tables

PROFIT & LOSS (EURm)	2003	2004	2005	2006	2007e	2008e	CAGR 08/03
<b>Sales</b>	<b>138.1</b>	<b>125.5</b>	<b>120.9</b>	<b>173.7</b>	<b>225.0</b>	<b>254.3</b>	<b>13.0%</b>
Cost of Sales & Operating Costs (excl. Pers. Expenses)	-84.9	-72.1	-65.7	-107.7	-146.6	-164.0	
Personnel Expenses	-63.5	-56.4	-57.5	-61.9	-68.0	-77.1	
Non Recurrent Expenses/Income	8.8	4.6	4.3	3.3	2.3	2.3	
<b>EBITDA</b>	<b>-1.5</b>	<b>1.6</b>	<b>2.1</b>	<b>7.3</b>	<b>12.7</b>	<b>15.4</b>	<b>R+</b>
Depreciation, Amortisation & Write Downs	-3.7	-1.8	-1.3	-1.2	-1.4	-1.3	
<b>EBIT (reported)</b>	<b>-13.9</b>	<b>-2.6</b>	<b>0.8</b>	<b>6.1</b>	<b>11.3</b>	<b>14.0</b>	<b>R+</b>
Net Financial Interest	0.5	0.4	0.7	0.5	0.6	0.9	
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0	
Associates	0.0	0.0	0.0	0.0	0.0	0.0	
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Earnings Before Tax (EBT)</b>	<b>-13.4</b>	<b>-2.2</b>	<b>1.6</b>	<b>6.7</b>	<b>11.9</b>	<b>14.9</b>	<b>R+</b>
Tax	-4.3	-1.7	-0.5	-1.6	-4.0	-4.5	
Tax rate	nm	nm	32.6%	23.3%	33.5%	30.0%	
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0	
Minorities	0.0	0.1	0.0	0.0	0.0	0.0	
<b>Net Profit (reported)</b>	<b>-17.7</b>	<b>-3.8</b>	<b>1.1</b>	<b>5.1</b>	<b>7.9</b>	<b>10.4</b>	<b>R+</b>
Net Profit (adj.)	-17.7	-3.8	1.1	5.1	7.9	10.4	
<b>CASH FLOW (EURm)</b>							
Net profit (reported) +M inorities	-17.7	-3.9	1.1	5.1	7.9	10.4	
Non cash items	12.3	4.3	1.3	1.2	1.4	1.3	
<b>Cash Flow</b>	<b>-5.4</b>	<b>0.5</b>	<b>2.3</b>	<b>6.3</b>	<b>9.3</b>	<b>11.8</b>	<b>R+</b>
Change in Net Working Capital	5.2	-4.9	-3.4	-6.9	-1.4	-1.7	
Capex	-0.8	-1.1	-1.1	-6.6	-1.3	-1.4	
<b>Operating Free Cash Flow (OpFCF)</b>	<b>-1.0</b>	<b>-5.5</b>	<b>-2.2</b>	<b>-7.3</b>	<b>6.7</b>	<b>8.7</b>	<b>R+</b>
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0	
Dividends	0.0	0.0	0.0	0.0	-2.6	-4.2	
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Free Cash Flow</b>	<b>-1.0</b>	<b>-5.5</b>	<b>-2.2</b>	<b>-7.3</b>	<b>4.0</b>	<b>4.5</b>	
NOPLAT	-9.7	-1.8	0.6	4.3	7.9	9.8	
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>							
Net Tangible Assets	3.4	2.8	2.5	2.4	2.5	2.5	
Net Intangible Assets (incl. Goodwill)	18.6	15.7	15.7	21.1	21.0	20.9	
Net Financial Assets & Other	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total Fixed Assets</b>	<b>22.1</b>	<b>18.5</b>	<b>18.2</b>	<b>23.6</b>	<b>23.4</b>	<b>23.5</b>	<b>1.2%</b>
Net Working Capital	5.9	7.3	12.5	18.5	23.6	27.2	
Total capital invested/employed	28.0	25.8	30.7	42.1	47.1	50.7	
<b>Shareholders Equity</b>	<b>47.0</b>	<b>43.1</b>	<b>44.5</b>	<b>49.4</b>	<b>54.6</b>	<b>60.9</b>	<b>5.3%</b>
Minorities Equity	0.3	0.0	0.0	0.0	0.0	0.0	
<b>Net Debt</b>	<b>-35.3</b>	<b>-29.8</b>	<b>-27.7</b>	<b>-20.5</b>	<b>-24.5</b>	<b>-29.0</b>	<b>R+</b>
Provisions	15.4	12.5	11.6	14.4	18.9	21.2	
Other Liabilities	0.6	-0.4	2.7	0.3	-0.5	-1.0	
<b>Total Market Cap</b>	<b>51.3</b>	<b>52.6</b>	<b>53.7</b>	<b>72.6</b>	<b>85.8</b>	<b>85.8</b>	
Enterprise Value (EV adj.)	16.7	23.6	26.8	53.0	62.2	57.7	
<b>MARGINS AND RATIOS</b>							
Sales growth		-9.1%	-3.7%	43.6%	29.6%	13.0%	
EBITDA growth		+chg	31.7%	246.2%	73.6%	212%	
EBIT growth		+chg	+chg	623.6%	83.3%	24.7%	
<b>EBITDA margin</b>	<b>nm</b>	<b>1.3%</b>	<b>1.7%</b>	<b>4.2%</b>	<b>5.6%</b>	<b>6.0%</b>	
EBIT margin	nm	nm	0.7%	3.5%	5.0%	5.5%	
<b>Debt/Equity (gearing)</b>	<b>-74.6%</b>	<b>-69.1%</b>	<b>-62.3%</b>	<b>-41.5%</b>	<b>-44.8%</b>	<b>-47.6%</b>	
Debt/EBITDA	22.8	18.6	13.1	2.8	1.9	1.9	
Interest cover (EBITDA/Fin.interest)	3.3	nm	nm	nm	nm	nm	
ROCE	-34.8%	-7.1%	1.9%	10.2%	16.8%	19.4%	
WACC	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	
<b>ROCE/WACC</b>	<b>-3.2</b>	<b>-0.7</b>	<b>0.2</b>	<b>0.9</b>	<b>1.5</b>	<b>1.8</b>	
EV/CE	0.60	0.91	0.87	1.26	1.32	1.14	
OpFCF/CE	-3.7%	-21.5%	-7.1%	-17.3%	14.1%	17.1%	
EV/Sales	0.12	0.19	0.22	0.31	0.28	0.23	
<b>EV/EBITDA</b>	<b>nm</b>	<b>14.7</b>	<b>12.7</b>	<b>7.2</b>	<b>4.9</b>	<b>3.8</b>	
EV/EBIT	nm	nm	31.5	8.6	5.5	4.1	
<b>P/E (adj.)</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>14.2</b>	<b>10.8</b>	<b>8.2</b>	
P/CF	nm	nm	23.1	11.6	9.2	7.3	
P/BV	1.1	1.2	1.2	1.5	1.6	1.4	
<b>OpFCF yield</b>	<b>-2.0%</b>	<b>-10.5%</b>	<b>-4.1%</b>	<b>-10.0%</b>	<b>7.8%</b>	<b>10.1%</b>	
Payout ratio	0.0%	0.0%	0.0%	0.0%	33.3%	40.0%	
<b>Dividend yield (gross)</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3.1%</b>	<b>4.9%</b>	
<b>PER SHARE DATA (EUR)</b>							
EPS (reported)	-0.67	-0.14	0.04	0.19	0.30	0.40	<b>R+</b>
<b>EPS (adj.)</b>	<b>-0.67</b>	<b>-0.14</b>	<b>0.04</b>	<b>0.19</b>	<b>0.30</b>	<b>0.40</b>	<b>R+</b>
CFPS	-0.20	0.02	0.09	0.24	0.35	0.45	<b>R+</b>
BVPS	1.78	1.64	1.69	1.88	2.08	2.31	<b>5.3%</b>
<b>DPS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>0.16</b>	<b>R+</b>

Source: Company, Equinet estimates  
2001 restated as IFRS proforma


**Recommendation history for GFT TECHNOLOGIES (DE) EUR 3.26**

Date	Recommendation	Price at change date	Target Price
01. Okt 07	Buy	3.26	4.30

**Recommendations and Disclosures**

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
Aareal Bank	Häßler	39.00	Buy		Interhyp	Häßler	70.00	Buy	
Adidas	Faust	50.00	Buy		Interseroh	Schäfer	52.00	Accumulate	3/4
Advanced Vision Technology	Marinoni	15.00	Buy	3	Isra Vision Systems	Marinoni	15.50	Hold	2/3/4
Ad pepper	Marinoni	10.00	Buy	3	Itelligence	Schuh	5.00	Accumulate	2/3
Allianz Group	Pfänder	185.00	Buy		Krones	Schmidt	184.00	Accumulate	
Augusta Technologie	Faust	21.00	Buy	2/3	KUKA	Schäfer	30.00	Accumulate	
AWD	Pfänder	34.00	Buy		Leoni	Schuldt	41.00	Accumulate	
BASF	Schwarz	100.00	Accumulate		Loewe	Faust	18.00	Buy	2/3/4
Basler	Schmidt	10.40	Reduce	2/3/4	Lufthansa	Rothenbacher	25.00	Buy	
Bayer	Possienke	66.00	Buy		MAX Automation	Schmidt	7.00	Buy	3/4
Beta Systems Software	Schuh	5.00	Accumulate	3	Medigene	Possienke	9.00	Accumulate	
Bijou Brigitte	Marinoni	200.00	Buy		Medion	Simmroß	12.00	Hold	
Bilfinger Berger	Faust	66.00	Buy		Merck KGaA	Possienke	85.00	Reduce	
Bio-Gate	Demidova	6.80	Hold	2/3/4	MLP	Pfänder	18.30	Buy	
Biopetrol	Schäfer	7.00	Hold	2/3/4	Morphosys	Possienke	75.00	Buy	
Biotest VZ	Possienke	37.00	Buy	2/3/4	Münchener Rück	Pfänder	142.00	Accumulate	
BMW	Schuldt	53.00	Accumulate		Müller - Die lila Logistik	Rothenbacher	3.00	Buy	2
Hugo Boss	Faust	40.00	Accumulate		Nanogate	Demidova	36.00	Buy	2/3/4
Carl Zeiss Meditec	Demidova	17.50	Hold		Nexus	Demidova	5.50	Buy	3/4
Celesio	Possienke	46.00	Accumulate		OVB Holding	Muschick	23.50	Hold	
Comdirect	Häßler	8.50	Hold		Pfleiderer	Faust	20.00	Hold	
Commerzbank	Häßler	34.00	Accumulate		Phoenix Solar	Growe	24.00	Accumulate	
Constantin	Marinoni	24.00	Hold		Porsche	Schuldt	1450.00	Accumulate	
Continental	Schuldt	135.00	Buy		Postbank	Häßler	65.00	Accumulate	
DAB Bank	Häßler	8.00	Buy		Premiere	Marinoni	13.50	Reduce	
DaimlerChrysler	Schuldt	91.00	Buy		Primion	Schmidt	6.00	Hold	2/3/4
Depfa Bank	Häßler	13.00	Hold		ProSiebenSat.1	Marinoni	28.00	Hold	
Deutsche Bank	Häßler	100.00	Hold		PSI	Schuh	5.20	Hold	3
Deutsche Börse	Pfänder	81.00	Hold		Puma	Faust	270.00	Hold	
Deutsche EuroShop	Rothenbacher	32.50	Buy		Q-Cells	Growe	65.00	Accumulate	
Deutsche Forfait	Häßler	8.10	Accumulate	2/3/4	Repower Systems	Growe	150.00	Hold	
Deutsche Post	Rothenbacher	22.00	Hold		Rhön-Klinikum	Possienke	50.00	Accumulate	
DEWB	Simmroß	3.30	Buy	2/3	Roth & Rau	Growe	220.00	Accumulate	2/4
D.Logistics	Rothenbacher	2.90	Buy	2/3	RWE	Schäfer	79.00	Hold	
Douglas	Faust	53.00	Buy		Sanacorp	Possienke	30.00	Reduce	
Drägerwerk	Demidova	75.00	Hold		SolarWorld	Growe	41.00	Accumulate	
Escada	Faust	28.00	Reduce		Solar-Fabrik	Growe	20.00	Accumulate	
E.ON	Schäfer	134.00	Accumulate		Stada Arzneimittel	Possienke	40.00	Reduce	
EOP Biodiesel	Schäfer	7.50	Reduce	2/3/4	Sunways	Growe	12.50	Buy	2/3
ElringKlinger	Schuldt	80.00	Buy		Swissquote	Muschick	66.00*	Hold	
Fielmann	Possienke	52.00	Buy		Swiss Re	Pfänder	108*	Hold	
Fraport	Rothenbacher	50.00	Hold		Tecon Technologies	Schuh	6.20	Accumulate	2/3/4
Fresenius	Possienke	63.00	Accumulate		Thiel	Rothenbacher	3.30	Buy	3
Fresenius Medical Care	Possienke	43.00	Buy		TUI	Rothenbacher	17.00	Reduce	
GBK Beteiligungen	Marinoni	7.00	Accumulate	2/3/4	Twintec	Schäfer	25.00	Hold	2/3/4
Gesco	Marinoni	71.00	Buy	3/4	Utimaco Safeware	Schuh	9.00	Accumulate	3
GFT Technologies	Schuh	4.30	Buy	3	VBH	Faust	12.50	Buy	3
Gildemeister	Schmidt	20.00	Buy		Viscom	Schmidt	9.00	Reduce	2/3/4
GPC Biotech	Possienke	16.00	Buy		Volkswagen	Schuldt	126.00	Hold	
Grenkeleasing	Muschick	37.00	Accumulate		Vossloh	Marinoni	79.00	Hold	
Hannover Re	Pfänder	39.00	Accumulate						
Heidelberger Druckmaschinen	Schmidt	38.00	Accumulate						
Henkel	Faust	92.00	Hold						
Highlight	Marinoni	7.30	Hold	3					
Hochtief	Faust	77.00	Accumulate						
Hypo Real Estate	Häßler	52.00	Accumulate						
IKB	Häßler	12.00	Reduce						

\* Target price in CHF

Source: equinet Recommendations



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Buy - The stock is expected to generate a total return of over 15% during the next 6 months time horizon.

Accumulate - The stock is expected to generate a total return of 5% to 15% during the next 6 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 5% during the next 6 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -15% during the next 6 months time horizon

Sell - The stock is expected to generate a total return below -15% during the next 6 months time horizon

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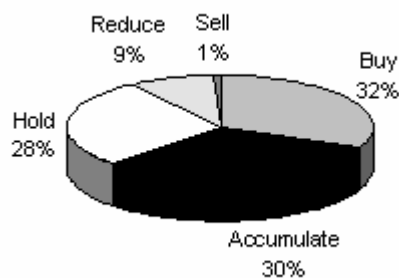
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- **Accumulate:** the stock is expected to generate a total return of **5% to 15%** during the next 6 months time horizon.
- **Hold:** the stock is expected to generate a total return of **0% to 5%** during the next 6 months time horizon
- **Reduce:** the stock is expected to generate a total return of **0 to -15%** during the next 6 months time horizon
- **Sell:** the stock is expected to generate a total return **below -15%** during the next 6 months time horizon
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equinet Ratings Breakdown



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