

## Investment Research

### Buy

Recommendation unchanged

**Share price: EUR 2.60**

*closing price as of 10/11/2009*

**Target price: EUR 3.30**

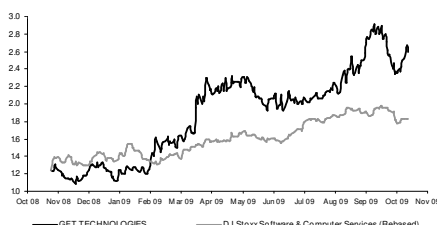
**vs Target Price: EUR 2.80**

Reuters/Bloomberg GFTG.DE/GFT GY

|                                  |        |
|----------------------------------|--------|
| Daily avg. no. trad. sh. 12 mth  | 22,044 |
| Daily avg. trad. vol. 12 mth (m) | 0.04   |
| Price high 12 mth (EUR)          | 2.92   |
| Price low 12 mth (EUR)           | 1.09   |
| Abs. perf. 1 mth                 | -7.1%  |
| Abs. perf. 3 mth                 | 23.8%  |
| Abs. perf. 12 mth                | 75.7%  |

|                              |     |
|------------------------------|-----|
| Market capitalisation (EURm) | 68  |
| Current N° of shares (m)     | 26  |
| Free float                   | 52% |

| Key financials (EUR)       | 12/08  | 12/09e | 12/10e |
|----------------------------|--------|--------|--------|
| Sales (m)                  | 242    | 221    | 228    |
| EBITDA (m)                 | 8      | 7      | 10     |
| EBITDA margin              | 3.3%   | 3.3%   | 4.3%   |
| EBIT (m)                   | 6      | 6      | 8      |
| EBIT margin                | 2.6%   | 2.6%   | 3.7%   |
| Net Profit (adj.)(m)       | 6      | 4      | 6      |
| ROCE                       | 5.5%   | 10.1%  | 14.2%  |
| Net debt/(cash) (m)        | (35)   | (37)   | (40)   |
| Net Debt Equity            | -0.6   | -0.6   | -0.6   |
| Net Debt/EBITDA            | -4.4   | -5.1   | -4.1   |
| Int. cover(EBITDA/Fin.int) | (14.9) | (15.1) | (18.3) |
| EV/Sales                   | nm     | 0.1    | 0.1    |
| EV/EBITDA                  | nm     | 3.1    | 2.0    |
| EV/EBITDA (adj.)           | nm     | 3.1    | 2.0    |
| EV/EBIT                    | nm     | 3.8    | 2.3    |
| P/E (adj.)                 | 5.7    | 15.5   | 11.0   |
| P/BV                       | 0.5    | 1.1    | 1.0    |
| OpFCF yield                | 24.9%  | 8.3%   | 10.9%  |
| Dividend yield             | 3.8%   | 3.8%   | 4.1%   |
| EPS (adj.)                 | 0.23   | 0.17   | 0.24   |
| BVPS                       | 2.40   | 2.47   | 2.60   |
| DPS                        | 0.10   | 0.10   | 0.11   |



Source: Factset  
 Shareholders: Ulrich Dietz 28%; Maria Dietz 10%;  
 Institutional 5%; Dr. Markus Kerber 5%;

For company description please see summary table footnote

## 3Q 2009 results show stabilisation

**The facts:** GFT Technologies published its final 3Q 2009 results last week.

**Revenues:** GFT reported revenues of EUR 54.8m in 3Q 2009 vs. EUR 61.6m in 2008 (minus 11.0% YoY) and our forecast at EUR 55.7m. In the first nine months, sales stood at EUR 162.3m, down c.9% YoY.

**Segments:** The *Services* segment showed revenues of EUR 22.7m (-1.2% YoY) as well as an EBT margin of 11.0% compared to EUR 23.0m in 3Q 2008 and EBT margin of 10.1%.

The *Software* segment revenues decreased by 21% to EUR 0.9m (2008: EUR 1.2m), still driven by a restrained demand from customers for archiving solutions. The EBIT loss was EUR 0.8m (2008: minus EUR 1.1m). Results were burdened by one-off restructuring expenses of c. EUR 0.4m.

The *Resourcing* business reported sales of EUR 31.1m (minus c.17% YoY) vs. EUR 37.4m in 3Q 2008 and an EBT of EUR 0.7m vs. EUR 1.0m. Sales reductions in the Resourcing business mainly stem from *Third Party Management*. Due to the low EBT margin of only 0.3% currently, the effect on the overall EBT is minor. Revenues were split into *Third Party Management* revenues of EUR 47.4m as well as Resource Management sales of EUR 45.5m. *Resource Management* EBT margin stands at 3.4% compared to 3.5% in the same period last year.

**Outlook for the segments:** The *Service* segment is expected to show a stable development in 4Q compared to the previous year. Management states the winning of new customers to be tough, whereas existing customers show stable business conditions. Outsourcing generally shows high demand.

Due to a low demand for freelancers currently, management does not expect the *Resourcing* segment to gain traction in 2009e. This will only be the case when the economy picks up consistently. Hence, cautious demand is forecasted by management to persist until mid 2010e.

The *Software* segment is trying to find a strategic partner. Thus, losses from this segment are expected not to burden results in 2010e any more.

**Profitability:** The EBIT came in at EUR 2.0m (EBIT margin of 3.6%) vs. EUR 2.0m in 3Q 2008 (EBIT margin of 3.2%) and equinet estimate of EUR 1.5m (EBIT margin of 2.7%). GFT in general undertook a strict cost reduction program.

**Reiteration of guidance:** GFT guides for revenues of EUR 220m in FY 2009 and an EBT of EUR 6.0-8.0m. The EBT will probably be achieved at the lower end of the range due to the difficult economic situation. Our forecasts are in line with the company's given guidance. We slightly adjust positions to reflect a more stable *Service* and a reduced *Resourcing* business compared to previous forecasts.

**Conclusion & Action:** We change our target price to EUR 3.3 from EUR 2.8, based on a DCF model fair value of EUR 3.4 as well as a peer valuation which reveals a target price of EUR 3.1. We stick to Buy.

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### 3Q / 9M 2009 results

#### 3Q 2009

| EUR m      | 3Q 09 | 3Q 08 | YoY    | equinet | Delta |
|------------|-------|-------|--------|---------|-------|
| Sales      | 54.8  | 61.6  | -11.0% | 55.7    | -1.7% |
| EBIT       | 2.0   | 2.0   | -0.5%  | 1.5     | 34.3% |
| margin     | 3.6%  | 3.2%  |        | 2.7%    |       |
| EBT        | 2.1   | 2.1   | -0.7%  | 1.6     | 30.9% |
| margin     | 3.8%  | 3.4%  |        | 2.8%    |       |
| Net profit | 1.4   | 1.5   | -3.5%  | 1.1     | 30.7% |
| EPS (€)    | 0.05  | 0.06  | -3.5%  | 0.04    | 30.7% |

Source: Company data, equinet Research

#### 9M 2009

| EUR m      | 9M 09 | 9M 08 | YoY   | equinet | Delta |
|------------|-------|-------|-------|---------|-------|
| Sales      | 162.3 | 177.5 | -8.6% | 163.2   | -0.6% |
| EBIT       | 4.0   | 4.2   | -6.7% | 3.5     | 14.7% |
| margin     | 2.4%  | 2.4%  |       | 2.1%    |       |
| EBT        | 4.3   | 4.3   | 0.3%  | 3.9     | 12.6% |
| margin     | 2.7%  | 2.4%  |       | 2.4%    |       |
| Net profit | 3.0   | 2.6   | 17.7% | 2.7     | 12.5% |
| EPS (€)    | 0.12  | 0.10  | 17.7% | 0.10    | 12.5% |

Source: Company data, equinet Research

### Segment development

| EUR m      | Sales   |         | YoY     | EBT     |         | EBT margin |         |
|------------|---------|---------|---------|---------|---------|------------|---------|
|            | 3Q 2009 | 3Q 2008 | 3Q 2009 | 3Q 2009 | 3Q 2008 | 3Q 2009    | 3Q 2008 |
| Services   | 22.7    | 23.0    | -1.2%   | 2.5     | 2.3     | 11.0%      | 10.1%   |
| Software   | 0.9     | 1.2     | -20.9%  | -0.8    | -1.1    | -88.2%     | -93.8%  |
| Resourcing | 31.1    | 37.4    | -16.7%  | 0.7     | 1.0     | 2.4%       | 2.8%    |

Source: Company data, equinet estimates

| EUR m      | Sales   |         | YoY     | EBT     |         | EBT margin |         |
|------------|---------|---------|---------|---------|---------|------------|---------|
|            | 9M 2009 | 9M 2008 | 9M 2009 | 9M 2009 | 9M 2008 | 9M 2009    | 9M 2008 |
| Services   | 66.0    | 67.2    | -1.7%   | 4.6     | 5.0     | 7.0%       | 7.5%    |
| Software   | 3.4     | 4.0     | -16.5%  | -1.2    | -2.8    | -36.6%     | -68.7%  |
| Resourcing | 92.9    | 106.3   | -12.6%  | 1.7     | 2.6     | 1.9%       | 2.4%    |

Source: Company data, equinet estimates

## Guidance

### GFT Technologies: Guidance overview

| EUR m             | 2009                                    | 2009 Update after 2Q 2009                                      |
|-------------------|---|--|
| <b>Sales</b>      |   |  |
| Group YoY         | Flat revenue development (~ EUR 242m)   | ~ EUR 220m   |
| <b>Segments</b>   |   |  |
| <b>Services</b>   |   |  |
| Revenue           | Flat revenue development (~ EUR 90.9m)  | Still restrained demand within the financial services industry |
| EBT-margin        |   |  |
| <b>Resourcing</b> |   |  |
| Revenue           | Flat revenue development (~ EUR 145.7m) | Still cautious demand in Third Party Management                |
| EBT-margin        |   |  |
| <b>Software</b>   |   |  |
| Revenue           | Increasing revenues                     | License revenues marked by weak demand for Software products   |
| EBT-margin        |   |  |
| <b>EBT</b>        |   |  |
| Group             | ~ EUR 6.0m to EUR 8.0m                  | ~ EUR 6.0m to EUR 8.0m   |
| EBT-margin        | ~ 2.5% to 3.3%                          | ~ 2.7% to 3.6%   |

Source: Company data, equinet Research

## Changes in estimates

### Changes in estimates

| EUR m             | 2009e |       |        | 2010e |       |        | 2011e |       |        | 2012e |       |        |
|-------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
|                   | Old   | New   | Change | Old   | New   | Change | Old   | New   | Change | Old   | New   | Change |
| <b>Revenues</b>   | 221.9 | 221.3 | -0.2%  | 227.4 | 228.3 | 0.4%   | 234.2 | 235.1 | 0.4%   | 241.2 | 242.2 | 0.4%   |
| <b>EBITDA</b>     | 7.0   | 7.2   | 3.4%   | 9.4   | 9.8   | 3.9%   | 11.2  | 11.6  | 3.2%   | 12.6  | 13.0  | 3.3%   |
| <i>margin</i>     | 3.1%  | 3.3%  |        | 4.1%  | 4.3%  |        | 4.8%  | 4.9%  |        | 5.2%  | 5.4%  |        |
| <b>EBIT</b>       | 5.6   | 5.8   | 4.2%   | 8.0   | 8.4   | 4.6%   | 9.7   | 10.1  | 3.7%   | 11.0  | 11.4  | 3.8%   |
| <i>margin</i>     | 2.5%  | 2.6%  |        | 3.5%  | 3.7%  |        | 4.1%  | 4.3%  |        | 4.5%  | 4.7%  |        |
| <b>EBT</b>        | 6.1   | 6.3   | 3.3%   | 8.6   | 8.9   | 2.9%   | 10.5  | 10.7  | 1.4%   | 11.8  | 12.0  | 1.5%   |
| <i>margin</i>     | 2.8%  | 2.9%  |        | 3.8%  | 3.9%  |        | 4.5%  | 4.5%  |        | 4.9%  | 5.0%  |        |
| <b>Net profit</b> | 4.3   | 4.4   | 3.3%   | 6.0   | 6.2   | 2.9%   | 7.4   | 7.5   | 1.4%   | 8.3   | 8.4   | 1.5%   |
| <b>EPS</b>        | 0.16  | 0.17  | 3.3%   | 0.23  | 0.24  | 2.9%   | 0.28  | 0.28  | 1.4%   | 0.31  | 0.32  | 1.5%   |

Source: Company data, equinet Research

## DCF model

| EUR m                          | Phase I      |              |              |              | Phase II              |              |              |                              | Phase III     |              |             |
|--------------------------------|--------------|--------------|--------------|--------------|-----------------------|--------------|--------------|------------------------------|---------------|--------------|-------------|
|                                | 2009         | 2010         | 2011         | 2012         | 2013                  | 2014         | 2015         | 2016                         | 2017          | 2018         |             |
| <b>Revenues</b>                | <b>221.3</b> | <b>228.3</b> | <b>235.1</b> | <b>242.2</b> | <b>249.1</b>          | <b>255.8</b> | <b>262.4</b> | <b>268.8</b>                 | <b>275.0</b>  | <b>281.1</b> |             |
| <i>growth rate</i>             |              | 3.1%         | 3.0%         | 3.0%         | 2.9%                  | 2.7%         | 2.6%         | 2.4%                         | 2.3%          | 2.2%         |             |
| <b>EBIT</b>                    | <b>5.8</b>   | <b>8.4</b>   | <b>10.1</b>  | <b>11.4</b>  | <b>6.5</b>            | <b>6.7</b>   | <b>6.8</b>   | <b>7.0</b>                   | <b>7.2</b>    | <b>7.3</b>   |             |
| <i>EBIT margin</i>             | 2.6%         | 3.7%         | 4.3%         | 4.7%         | 2.6%                  | 2.6%         | 2.6%         | 2.6%                         | 2.6%          | 2.6%         |             |
| <b>Tax</b>                     | <b>(1.8)</b> | <b>(2.5)</b> | <b>(3.0)</b> | <b>(3.4)</b> | <b>(1.9)</b>          | <b>(2.0)</b> | <b>(2.0)</b> | <b>(2.1)</b>                 | <b>(2.1)</b>  | <b>(2.2)</b> |             |
| <i>Tax rate</i>                | 30.0%        | 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>1.4</b>   | <b>1.5</b>   | <b>1.6</b>   | <b>1.7</b>            | <b>1.8</b>   | <b>1.8</b>   | <b>1.9</b>                   | <b>1.9</b>    | <b>2.0</b>   |             |
| <i>in % of Sales</i>           | 0.6%         | 0.6%         | 0.6%         | 0.7%         | 0.7%                  | 0.7%         | 0.7%         | 0.7%                         | 0.7%          | 0.7%         |             |
| <b>Capex</b>                   | <b>(1.5)</b> | <b>(1.6)</b> | <b>(1.7)</b> | <b>(1.8)</b> | <b>(1.7)</b>          | <b>(1.8)</b> | <b>(1.8)</b> | <b>(1.9)</b>                 | <b>(1.9)</b>  | <b>(2.0)</b> |             |
| <i>in % of Sales</i>           | 0.7%         | 0.7%         | 0.7%         | 0.8%         | 0.7%                  | 0.7%         | 0.7%         | 0.7%                         | 0.7%          | 0.7%         |             |
| <b>NWC</b>                     | <b>1.0</b>   | <b>(0.5)</b> | <b>(0.5)</b> | <b>(0.5)</b> | <b>(0.5)</b>          | <b>(0.5)</b> | <b>(0.5)</b> | <b>(0.5)</b>                 | <b>(0.6)</b>  | <b>(0.6)</b> |             |
| <i>in % of Sales</i>           | -0.4%        | 0.2%         | 0.2%         | 0.2%         | 0.2%                  | 0.2%         | 0.2%         | 0.2%                         | 0.2%          | 0.2%         |             |
| <b>FCF</b>                     | <b>4.9</b>   | <b>5.1</b>   | <b>6.3</b>   | <b>7.2</b>   | <b>4.0</b>            | <b>4.1</b>   | <b>4.3</b>   | <b>4.4</b>                   | <b>4.5</b>    | <b>4.6</b>   |             |
| <i>growth rate</i>             |              | 4.2%         | 22.7%        | 13.7%        | -43.8%                | 2.7%         | 2.6%         | 2.4%                         | 2.3%          | 2.2%         |             |
| <b>PV FCF</b>                  | <b>4.9</b>   | <b>4.6</b>   | <b>5.1</b>   | <b>5.2</b>   | <b>2.7</b>            | <b>2.5</b>   | <b>2.3</b>   | <b>2.1</b>                   | <b>2.0</b>    | <b>1.8</b>   |             |
| <b>PV Phase I</b>              |              | <b>19.8</b>  |              |              | <b>Market Cap.</b>    | <b>68.2</b>  |              | <b>Targ. equity ratio</b>    | <b>100.0%</b> |              |             |
| <b>PV Phase II</b>             |              | <b>13.4</b>  |              |              | <b>Risk premium</b>   | <b>4.00%</b> |              | <b>Beta</b>                  | <b>1.51</b>   |              |             |
| <b>PV Phase III</b>            |              | <b>21.7</b>  |              |              | <b>Risk free rate</b> | <b>4.50%</b> |              | <b>WACC</b>                  | <b>10.55%</b> |              |             |
| <b>Total present value</b>     |              | <b>54.9</b>  |              |              | <b>Sensitivity</b>    |              |              | <b>Growth rate Phase III</b> |               |              |             |
| + cash and liquid assets       |              | 35.2         |              |              | <b>Analysis</b>       |              | <b>1.0%</b>  | <b>1.5%</b>                  | <b>2.0%</b>   | <b>2.5%</b>  | <b>3.0%</b> |
| - interest bearing debt*       |              | 1.1          |              |              |                       | <b>9.5%</b>  | 3.50         | 3.56                         | 3.63          | 3.70         | 3.80        |
| <b>Implied Market Cap.</b>     |              | <b>89.0</b>  |              |              |                       | <b>10.0%</b> | 3.38         | 3.44                         | 3.49          | 3.56         | 3.64        |
| <b>Number of shares</b>        |              | <b>26.3</b>  |              |              | <b>WACC</b>           | <b>10.5%</b> | 3.29         | 3.33                         | <b>3.38</b>   | 3.43         | 3.50        |
|                                |              |              |              |              |                       | <b>11.1%</b> | 3.20         | 3.23                         | 3.28          | <b>3.32</b>  | 3.38        |
| <b>Implied value per share</b> |              | <b>3.38</b>  |              |              |                       | <b>11.6%</b> | 3.12         | 3.15                         | 3.19          | 3.23         | 3.27        |

\* Including pension provisions

Source: equinet Research



## GFT Technologies AG: Summary tables

| <b>PROFIT &amp; LOSS (EURm)</b>                        | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009e</b> | <b>2010e</b> | <b>2011e</b> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Sales</b>   | <b>174</b>   | <b>247</b>   | <b>242</b>   | <b>221</b>   | <b>228</b>   | <b>235</b>   |
| Cost of Sales & Operating Costs (excl. Pers. Expenses) | -108         | -172         | -170         | -148         | -151         | -154         |
| Personnel Expenses                                     | -61.9        | -64.5        | -66.8        | -66.5        | -67.4        | -69.0        |
| Non Recurrent Expenses/Income                          | 3.3          | 2.1          | 3.1          | 0.0          | 0.0          | 0.0          |
| <b>EBITDA</b>  | <b>7.3</b>   | <b>13.1</b>  | <b>8.0</b>   | <b>7.2</b>   | <b>9.8</b>   | <b>11.6</b>  |
| <b>EBITDA (adj.)*</b>                                  | <b>4.0</b>   | <b>11.0</b>  | <b>4.9</b>   | <b>7.2</b>   | <b>9.8</b>   | <b>11.6</b>  |
| D & A  | -1.2         | -1.4         | -1.6         | -1.4         | -1.4         | -1.5         |
| <b>EBIT</b>  | <b>6.1</b>   | <b>11.7</b>  | <b>6.4</b>   | <b>5.8</b>   | <b>8.4</b>   | <b>10.1</b>  |
| <b>EBIT (adj.)*</b>                                    | <b>2.9</b>   | <b>9.5</b>   | <b>3.3</b>   | <b>5.8</b>   | <b>8.4</b>   | <b>10.1</b>  |
| Net Financial Interest                                 | 0.5          | 0.7          | 0.5          | 0.5          | 0.5          | 0.6          |
| 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>6.7</b>   | <b>12.4</b>  | <b>6.9</b>   | <b>6.3</b>   | <b>8.9</b>   | <b>10.7</b>  |
| Tax  | -1.6         | -3.8         | -0.9         | -1.9         | -2.7         | -3.2         |
| <i>Tax rate</i>  | <i>23.3%</i> | <i>30.5%</i> | <i>13.1%</i> | <i>30.0%</i> | <i>30.0%</i> | <i>30.0%</i> |
| Discontinued Operations                                | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Minorities   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net Profit (reported)</b>                           | <b>5.1</b>   | <b>8.6</b>   | <b>6.0</b>   | <b>4.4</b>   | <b>6.2</b>   | <b>7.5</b>   |
| <b>Net Profit (adj.)</b>                               | <b>5.1</b>   | <b>8.6</b>   | <b>6.0</b>   | <b>4.4</b>   | <b>6.2</b>   | <b>7.5</b>   |

| <b>CASH FLOW (EURm)</b>                          | <b>2006</b>  | <b>2007</b> | <b>2008</b> | <b>2009e</b> | <b>2010e</b> | <b>2011e</b> |
|--|--------------|-------------|-------------|--------------|--------------|--------------|
| Cash Flow from Operations before change in NWC   | 6.3          | 10.0        | 7.6         | 5.8          | 7.7          | 9.0          |
| Change in Net Working Capital                    | -10.6        | -0.4        | 0.9         | -0.1         | -0.2         | -0.2         |
| <b>Cash Flow from Operations</b>                 | <b>-4.3</b>  | <b>9.6</b>  | <b>8.5</b>  | <b>5.7</b>   | <b>7.5</b>   | <b>8.8</b>   |
| Capex  | -6.6         | 0.0         | -1.4        | -1.5         | -1.6         | -1.7         |
| Net Financial Investments                        | 0.0          | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          |
| <b>Free Cash Flow</b>                            | <b>-10.9</b> | <b>9.6</b>  | <b>7.1</b>  | <b>4.2</b>   | <b>5.9</b>   | <b>7.1</b>   |
| Dividends  | 0.0          | 0.0         | -2.6        | -2.6         | -2.8         | -3.0         |
| Other (incl. Capital Increase & share buy backs) | 3.8          | -2.4        | 2.0         | 0.0          | 0.0          | 0.0          |
| <b>Change in Net Debt</b>                        | <b>-7.2</b>  | <b>7.2</b>  | <b>6.5</b>  | <b>1.5</b>   | <b>3.1</b>   | <b>4.1</b>   |
| NOPLAT   | 2.0          | 6.7         | 2.3         | 4.1          | 5.9          | 7.1          |

| <b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009e</b> | <b>2010e</b> | <b>2011e</b> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Tangible Assets                           | 2.4          | 2.6          | 2.6          | 2.6          | 2.7          | 2.9          |
| Net Intangible Assets (incl. Goodwill)        | 21.1         | 21.2         | 20.8         | 21.0         | 21.1         | 21.1         |
| Net Financial Assets & Other                  | 10.6         | 11.4         | 10.7         | 10.5         | 10.6         | 10.7         |
| <b>Total Fixed Assets</b>                     | <b>34.2</b>  | <b>35.3</b>  | <b>34.2</b>  | <b>34.1</b>  | <b>34.4</b>  | <b>34.6</b>  |
| Net Working Capital                           | 18.5         | 19.0         | 18.0         | 17.1         | 17.6         | 18.1         |
| <b>Shareholders Equity</b>                    | <b>49.4</b>  | <b>57.7</b>  | <b>63.2</b>  | <b>65.0</b>  | <b>68.4</b>  | <b>72.9</b>  |
| Minorities Equity                             | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net Debt</b>                               | <b>-21.3</b> | <b>-28.6</b> | <b>-35.0</b> | <b>-36.6</b> | <b>-39.6</b> | <b>-43.7</b> |
| Provisions                                    | 14.4         | 16.0         | 14.2         | 13.0         | 13.4         | 13.8         |
| Other Net Liabilities or Assets               | 10.3         | 9.2          | 9.8          | 9.8          | 9.8          | 9.8          |
| <b>Net Capital Employed/Invested</b>          | <b>52.7</b>  | <b>54.3</b>  | <b>52.2</b>  | <b>51.2</b>  | <b>52.0</b>  | <b>52.8</b>  |

| <b>GROWTH &amp; MARGINS</b>  | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009e</b>  | <b>2010e</b> | <b>2011e</b> |
|------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|
| <i>Sales growth</i>          | <i>43.6%</i>  | <i>42.3%</i>  | <i>-2.0%</i>  | <i>-8.6%</i>  | <i>3.1%</i>  | <i>3.0%</i>  |
| <i>EBITDA growth</i>         | <i>246.2%</i> | <i>79.2%</i>  | <i>-38.7%</i> | <i>-10.4%</i> | <i>35.9%</i> | <i>18.3%</i> |
| <i>EBITDA (adj.)* growth</i> | <i>+chg</i>   | <i>172.0%</i> | <i>-55.1%</i> | <i>46.2%</i>  | <i>35.9%</i> | <i>18.3%</i> |
| <i>EBIT growth</i>           | <i>623.6%</i> | <i>90.1%</i>  | <i>-45.3%</i> | <i>-8.5%</i>  | <i>43.1%</i> | <i>20.5%</i> |
| <i>EBIT (adj.)* growth</i>   | <i>+chg</i>   | <i>233.1%</i> | <i>-65.6%</i> | <i>78.2%</i>  | <i>43.1%</i> | <i>20.5%</i> |
| <i>Net Profit growth</i>     | <i>380.0%</i> | <i>68.2%</i>  | <i>-29.9%</i> | <i>-26.5%</i> | <i>40.7%</i> | <i>19.8%</i> |
| <i>EPS adj. growth</i>       | <i>380.0%</i> | <i>68.2%</i>  | <i>-29.9%</i> | <i>-26.5%</i> | <i>40.7%</i> | <i>19.8%</i> |
| <i>DPS adj. growth</i>       |               |               | <i>+chg</i>   | <i>0.0%</i>   | <i>6.4%</i>  | <i>6.5%</i>  |
| <i>EBITDA margin</i>         | <i>4.2%</i>   | <i>5.3%</i>   | <i>3.3%</i>   | <i>3.3%</i>   | <i>4.3%</i>  | <i>4.9%</i>  |
| <i>EBITDA (adj.)* margin</i> | <i>2.3%</i>   | <i>4.4%</i>   | <i>2.0%</i>   | <i>3.3%</i>   | <i>4.3%</i>  | <i>4.9%</i>  |
| <i>EBIT margin</i>           | <i>3.5%</i>   | <i>4.7%</i>   | <i>2.6%</i>   | <i>2.6%</i>   | <i>3.7%</i>  | <i>4.3%</i>  |
| <i>EBIT (adj.)* margin</i>   | <i>1.6%</i>   | <i>3.9%</i>   | <i>1.4%</i>   | <i>2.6%</i>   | <i>3.7%</i>  | <i>4.3%</i>  |

**GFT Technologies AG: Summary tables**

| RATIOS                               | 2006   | 2007  | 2008  | 2009e  | 2010e  | 2011e  |
|--------------------------------------|--------|-------|-------|--------|--------|--------|
| Net Debt/Equity                      | -0.4   | -0.5  | -0.6  | -0.6   | -0.6   | -0.6   |
| Net Debt/EBITDA                      | -2.9   | -2.2  | -4.4  | -5.1   | -4.1   | -3.8   |
| Interest cover (EBITDA/Fin.interest) | nm     | nm    | nm    | nm     | nm     | nm     |
| Capex/D&A                            | 569.2% | 0.0%  | 84.6% | 109.8% | 112.2% | 114.2% |
| Capex/Sales                          | 3.8%   | 0.0%  | 0.6%  | 0.7%   | 0.7%   | 0.7%   |
| NWC/Sales                            | 10.7%  | 7.7%  | 7.4%  | 7.7%   | 7.7%   | 7.7%   |
| ROE (average)                        | 10.9%  | 16.1% | 10.0% | 6.9%   | 9.3%   | 10.6%  |
| ROCE (adj.)                          | 4.8%   | 15.6% | 5.5%  | 10.1%  | 14.2%  | 16.7%  |
| WACC                                 | 10.5%  | 10.5% | 10.5% | 10.5%  | 10.5%  | 10.5%  |
| ROCE (adj.)/WACC                     | 0.5    | 1.5   | 0.5   | 1.0    | 1.3    | 1.6    |

| PER SHARE DATA (EUR)***          | 2006 | 2007 | 2008 | 2009e | 2010e | 2011e |
|----------------------------------|------|------|------|-------|-------|-------|
| Average diluted number of shares | 26.3 | 26.3 | 26.3 | 26.3  | 26.3  | 26.3  |
| EPS (reported)                   | 0.19 | 0.33 | 0.23 | 0.17  | 0.24  | 0.28  |
| EPS (adj.)                       | 0.19 | 0.33 | 0.23 | 0.17  | 0.24  | 0.28  |
| BVPS                             | 1.88 | 2.19 | 2.40 | 2.47  | 2.60  | 2.77  |
| DPS                              | 0.00 | 0.00 | 0.10 | 0.10  | 0.11  | 0.11  |

| VALUATION                | 2006        | 2007       | 2008       | 2009e       | 2010e       | 2011e      |
|--------------------------|-------------|------------|------------|-------------|-------------|------------|
| EV/Sales                 | 0.2         | 0.2        | nm         | 0.1         | 0.1         | 0.1        |
| EV/EBITDA                | 4.8         | 3.4        | nm         | 3.1         | 2.0         | 1.3        |
| <b>EV/EBITDA (adj.)*</b> | <b>8.8</b>  | <b>4.0</b> | <b>nm</b>  | <b>3.1</b>  | <b>2.0</b>  | <b>1.3</b> |
| EV/EBIT                  | 5.7         | 3.8        | nm         | 3.8         | 2.3         | 1.5        |
| <b>EV/EBIT (adj.)*</b>   | <b>12.3</b> | <b>4.6</b> | <b>nm</b>  | <b>3.8</b>  | <b>2.3</b>  | <b>1.5</b> |
| <b>P/E (adj.)</b>        | <b>13.0</b> | <b>9.7</b> | <b>5.7</b> | <b>15.5</b> | <b>11.0</b> | <b>9.2</b> |
| P/BV                     | 1.3         | 1.4        | 0.5        | 1.1         | 1.0         | 0.9        |
| Total Yield Ratio        | 0.0%        | 3.2%       | 3.8%       | 4.1%        | 4.4%        | 4.9%       |
| EV/CE                    | 0.8         | 1.0        | nm         | 0.5         | 0.5         | 0.4        |
| OpFCF yield              | -6.5%       | 11.5%      | 24.9%      | 8.3%        | 10.9%       | 12.8%      |
| OpFCF/EV                 | -12.2%      | 21.7%      | -80.7%     | 25.3%       | 38.8%       | 58.0%      |
| Payout ratio             | 0.0%        | 0.0%       | 43.7%      | 59.5%       | 45.0%       | 40.0%      |
| Dividend yield (gross)   | 0.0%        | 0.0%       | 3.8%       | 3.8%        | 4.1%        | 4.4%       |

| EV AND MKT CAP (EURm)                       | 2006         | 2007         | 2008         | 2009e        | 2010e        | 2011e        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Price** (EUR)                               | 2.5          | 3.2          | 1.3          | 2.6          | 2.6          | 2.6          |
| Outstanding number of shares for main stock | 26.3         | 26.3         | 26.3         | 26.3         | 26.3         | 26.3         |
| <b>Total Market Cap</b>                     | <b>66.3</b>  | <b>83.2</b>  | <b>34.2</b>  | <b>68.4</b>  | <b>68.4</b>  | <b>68.4</b>  |
| <b>Net Debt</b>                             | <b>-21.3</b> | <b>-28.6</b> | <b>-35.0</b> | <b>-36.6</b> | <b>-39.6</b> | <b>-43.7</b> |
| o/w Cash & Marketable Securities            | -23.9        | -28.7        | -35.2        | -36.7        | -39.8        | -43.9        |
| o/w Short Term Debt                         | 2.4          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          |
| o/w Long Term Debt                          | 0.2          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Other EV components</b>                  | <b>-9.8</b>  | <b>-10.6</b> | <b>-9.7</b>  | <b>-9.5</b>  | <b>-9.6</b>  | <b>-9.6</b>  |
| Enterprise Value (EV adj.)                  | <b>35</b>    | <b>44</b>    | <b>-11</b>   | <b>22</b>    | <b>19</b>    | <b>15</b>    |

Source: Company, Equinet estimates.

**Notes**

\* Where EBITDA (adj.) or EBIT (adj.) = EBITDA (or EBIT) +/- Non Recurrent Expenses/Income

\*\*Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

\*\*\*EPS (adj.) diluted = Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

**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, 60% of revenues in 2008 derive from Third-Party Management and staffing. Another 37.5% 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.

| Coverage                   | Analyst      | Target | Rating     | Disc.   | Coverage                   | Analyst      | Target | Rating     | Disc.   |
|----------------------------|--------------|--------|------------|---------|----------------------------|--------------|--------|------------|---------|
| Aareal Bank                | Häßler       | 15.00  | Hold       |         | Isra                       | Aubéry       | 13.80  | Buy        | 2/3/5   |
| Ad pepper                  | Schuh        | 1.40   | Hold       | 2/3     | Itelligence                | Schuh        | 5.10   | Accumulate | 2/3     |
| Adidas                     | Faust        | 32.00  | Hold       |         | IVG Immobilien AG          | Rothenbacher | 8.50   | Buy        |         |
| Advanced Vision Technology | Aubéry       | 3.40   | Accumulate | 2/3     | Kontron                    | Pehl         | 9.50   | Accumulate |         |
| Aixtron                    | Pehl         | 24.00  | Buy        | 2/3     | Kronos AG                  | Schmidt      | 28.00  | Sell       |         |
| Allianz                    | Häßler       | 86.00  | Hold       |         | KTG Agrar                  | Schäfer      | 17.00  | Buy        | 2/3/4/5 |
| Analytik Jena              | Demidova     | 10.00  | Accumulate |         | KUKA                       | Schäfer      | 10.50  | Hold       |         |
| Augusta Technologie        | Simmroß      | 13.00  | Buy        | 2/3     | K+S AG                     | Schäfer      | 36.00  | Reduce     |         |
| BASF                       | Demidova     | 45.00  | Buy        |         | Leoni                      | Schuldt      | 13.50  | Hold       |         |
| Bayer                      | Possienke    | 52.00  | Hold       |         | Loewe                      | Faust        | 15.00  | Buy        | 2       |
| Beta Systems Software      | Schuh        | 3.20   | Buy        | 2/3     | Logwin                     | Rothenbacher | 1.15   | Accumulate | 2/3     |
| Beiersdorf                 | Aubéry       | 44.00  | Hold       |         | Lufthansa                  | Rothenbacher | 12.50  | Hold       |         |
| Bijou Brigitte             | Faust        | 130.00 | Hold       |         | MAN                        | Schuldt      | 67.00  | Accumulate |         |
| Bilfinger Berger           | Faust        | 75.00  | Buy        |         | MAX Automation AG          | Schmidt      | 2.00   | Hold       | 2/5     |
| Bio-Gate                   | Demidova     | 4.00   | Hold       | 2/3/5   | Medion                     | Simmroß      | 11.00  | Buy        |         |
| Biopetrol Industries       | Schäfer      | 0.60   | Hold       | 2/3/5   | Merck                      | Possienke    | 65.00  | Reduce     |         |
| Biotest                    | Possienke    | 45.00  | Accumulate | 2/3     | MLP                        | Häßler       | 7.50   | Hold       |         |
| BMW                        | Schuldt      | 27.00  | Reduce     |         | Mobotix AG                 | Pehl         | 34.00  | Buy        | 2/3     |
| Business Media China       | Schuh        | 1.10   | Not rated  | 2/3/5   | Morphosys                  | Possienke    | 30.00  | Buy        |         |
| Carl Zeiss Meditec         | Aubéry       | 10.00  | Hold       |         | MTU                        | Pehl         | 35.00  | Accumulate |         |
| Celesio                    | Possienke    | 23.00  | Buy        |         | Munich RE                  | Häßler       | 125.00 | Accumulate |         |
| Cenit AG Systemhaus        | Pehl         | 7.00   | Buy        | 2/3     | Müller - Die Illa Logistik | Rothenbacher | 1.85   | Buy        | 2/3     |
| Comdirect                  | Häßler       | 6.50   | Hold       |         | Nanogate AG                | Demidova     | 18.50  | Buy        | 2/3     |
| Commerzbank                | Häßler       | 4.00   | Sell       |         | Nexus AG                   | Demidova     | 4.00   | Buy        | 2/3     |
| Conergy                    | Growe        | 0.45   | Sell       |         | Pfeiffer Vacuum            | Pehl         | 44.00  | Reduce     |         |
| Continental                | Schuldt      | 38.00  | Hold       |         | Pfleiderer                 | Faust        | 3.50   | Sell       |         |
| D.Logistics                | Rothenbacher | 1.50   | Buy        | 2/3     | Phoenix Solar              | Growe        | 40.00  | Hold       |         |
| DAB Bank                   | Häßler       | 4.80   | Buy        |         | Porsche                    | Schuldt      | 63.00  | Buy        |         |
| Daimler AG                 | Schuldt      | 41.00  | Accumulate |         | Postbank                   | Häßler       | 22.00  | Hold       |         |
| Daldrup & Soehne           | Growe        | 22.00  | Hold       | 2/3/4/5 | PSI                        | Schuh        | 8.60   | Hold       | 2/5     |
| Demag Cranes               | Schmidt      | 30.00  | Buy        | 2       | Puma                       | Faust        | 130.00 | Sell       |         |
| Deutsche Bank              | Häßler       | 40.00  | Reduce     |         | Q-Cells                    | Growe        | 12.00  | Hold       |         |
| Deutsche Boerse            | Häßler       | 64.00  | Accumulate |         | Rheinmetall                | Pehl         | 42.00  | Buy        |         |
| Deutsche EuroShop          | Rothenbacher | 26.00  | Buy        |         | Rhoen-Klinikum             | Possienke    | 20.00  | Buy        |         |
| Deutsche Forfait           | Häßler       | 7.20   | Buy        | 2/3     | Roth & Rau                 | Growe        | 23.00  | Hold       |         |
| Deutsche Post              | Rothenbacher | 11.00  | Reduce     |         | RWE                        | Schäfer      | 74.00  | Accumulate |         |
| Deutsche Telekom           | Pehl         | 11.00  | Accumulate |         | Salzgitter                 | Growe        | 53.00  | Reduce     |         |
| DNICK Holding plc          | Simmroß      | 10.00  | Buy        | 2/3     | Seven Principles AG        | Schuh        | 3.40   | Hold       | 2/3/5   |
| Douglas Holding            | Faust        | 30.00  | Hold       |         | Software AG                | Schuh        | 79.00  | Accumulate |         |
| Drägerwerk                 | Aubéry       | 30.00  | Hold       |         | Solar-Fabrik               | Growe        | 3.50   | Hold       | 5       |
| E.ON                       | Schäfer      | 30.00  | Hold       |         | SolarWorld                 | Growe        | 15.50  | Accumulate |         |
| ElingKlinger               | Schuldt      | 15.00  | Accumulate |         | Solon                      | Growe        | 6.00   | Sell       |         |
| EOP Biodiesel              | Schäfer      | 1.00   | Hold       | 2/3/5   | Stada                      | Possienke    | 18.00  | Accumulate |         |
| Escada                     | Faust        |        | Sell       |         | Sunways                    | Growe        | 3.50   | Accumulate | 2/3     |
| Fielmann                   | Possienke    | 60.00  | Buy        |         | ThyssenKrupp               | Growe        | 20.00  | Reduce     |         |
| Fraport                    | Rothenbacher | 35.00  | Hold       |         | Tognum                     | Schmidt      | 14.00  | Buy        |         |
| Freenet                    | Pehl         | 11.00  | Accumulate | 2       | TUI                        | Rothenbacher | 5.00   | Hold       |         |
| Fresenius                  | Possienke    | 37.00  | Reduce     |         | Twintec                    | Schäfer      | 9.40   | Buy        | 2/3/5   |
| Fresenius Medical Care     | Possienke    | 38.00  | Buy        |         | United Internet            | Pehl         | 12.00  | Buy        |         |
| Fuchs Petrolub             | Demidova     | 71.00  | Buy        |         | Utimaco Safeware           | Schuh        | 14.75  | Hold       | 2/3/5   |
| GBK Beteiligungen          | Schmidt      | 7.00   | Buy        | 2/3     | VBH Holding                | Faust        | 4.10   | Hold       | 2/3     |
| GEA Group                  | Schmidt      | 18.00  | Buy        |         | Volkswagen                 | Schuldt      | 75.00  | Sell       |         |
| Gerresheimer AG            | Aubéry       | 23.00  | Hold       |         | Vossloh                    | Schmidt      | 80.00  | Accumulate |         |
| Gesco                      | Schmidt      | 36.00  | Hold       | 2/3     | Wacker Chemie              | Growe        | 100.00 | Hold       |         |
| GFT Technologies           | Schuh        | 3.30   | Buy        | 2/3     | Wincor Nixdorf             | Pehl         | 34.00  | Reduce     | 2/3     |
| Gildemeister               | Schmidt      | 8.00   | Reduce     |         | 4SC AG                     | Aubéry       | 5.00   | Buy        | 2/3     |
| Grenkeleasing AG           | Häßler       | 31.00  | Accumulate |         |                            |              |        |            |         |
| Hannover Re                | Häßler       | 38.00  | Accumulate |         |                            |              |        |            |         |
| Heidelberger Druck         | Schmidt      | 7.00   | Buy        |         |                            |              |        |            |         |
| Henkel                     | Demidova     | 28.00  | Hold       |         |                            |              |        |            |         |
| HHLA                       | Rothenbacher | 35.00  | Accumulate |         |                            |              |        |            |         |
| Highlight Communications   | Schuh        | 7.00   | Buy        | 2/3     |                            |              |        |            |         |
| Hochtief                   | Faust        | 82.00  | Buy        |         |                            |              |        |            |         |
| Hugo Boss                  | Faust        | 15.00  | Sell       |         |                            |              |        |            |         |
| i:FAO AG                   | Schuh        | 9.50   | Accumulate | 2/3     |                            |              |        |            |         |
| Integralis AG              | Schuh        | 6.75   | Hold       | 2/3     |                            |              |        |            |         |
| Interseroh                 | Schäfer      | 24.00  | Reduce     | 2/3     |                            |              |        |            |         |

\* Target price in CHF

Source: equinet Recommendations



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## Remarks

### Recommendation System

- Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.
- Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.
- Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon
- Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon
- Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

### Basis of Valuation

Equinet uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

### Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

### Sources

equinet has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

### Actualizations

Opinions expressed in this analysis are our current opinions as of the issuing date indicated on this document. We do not commit ourselves in advance to whether and in which intervals updates are made.

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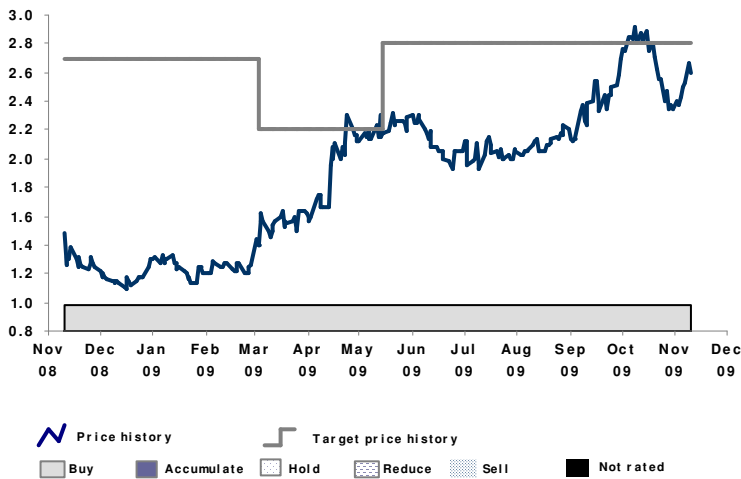
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Graurheindorfer Straße 108, 53117 Bonn and  
Lurgallee 12, 60439 Frankfurt am Main.

### Recommendation history for GFT TECHNOLOGIES

| Date      | Recommendation | Target price | Price at change date |
|-----------|----------------|--------------|----------------------|
| 11-Nov-09 | Buy            | 3.30         | 2.60                 |
| 14-Aug-09 | Buy            | 2.80         | 2.06                 |
| 03-Mar-09 | Buy            | 2.20         | 1.40                 |
| 20-Oct-08 | Buy            | 2.70         | 1.22                 |
| 29-Sep-08 | Buy            | 3.50         | 1.95                 |
| 01-Aug-08 | Buy            | 4.30         | 2.38                 |
| 30-Oct-07 | Not rated      | 4.30         | 3.70                 |
| 02-Oct-07 | Buy            | 4.30         | 3.26                 |
| 01-Oct-07 | Not rated      | 4.30         | 3.25                 |

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Equinet continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Catherine Schuh (since 13/09/2007)



## ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.

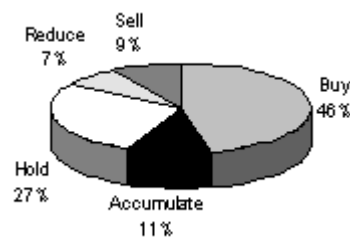
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Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold:** the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce:** the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -10%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved or to a change of analyst covering the stock
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

equinet Ratings Breakdown

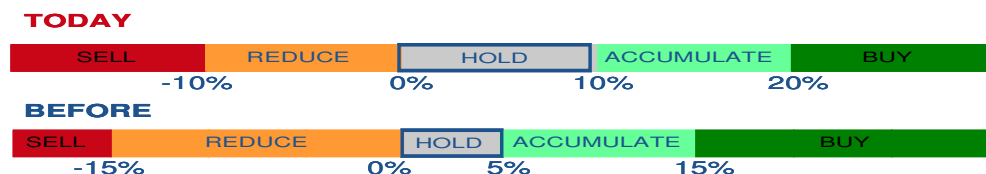


### History of ESN Recommendation System

**Since 18 October 2004**, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

**Since 4 August 2008**, the ESN Rec. System has been amended as follow.

- Time horizon changed to 12 months (it was 6 months)
- Recommendations Total Return Range changed as below:



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