

Investment Research

Buy

Recommendation unchanged

Share price: EUR 4.27

closing price as of 02/03/2011

Target price: EUR 5.30

vs Target Price: EUR 5.80

Reuters/Bloomberg GFTG.DE/GFT GY

Daily avg. no. trad. sh. 12 mth	31,353
Daily avg. trad. vol. 12 mth (m)	0.11
Price high 12 mth (EUR)	4.86
Price low 12 mth (EUR)	2.86
Abs. perf. 1 mth	-7.2%
Abs. perf. 3 mth	-1.4%
Abs. perf. 12 mth	25.3%

Market capitalisation (EURm)	112
Current N° of shares (m)	26
Free float	57%

Key financials (EUR)	12/09	12/10e	12/11e
Sales (m)	217	248	277
EBITDA (m)	9	12	15
EBITDA margin	3.9%	4.9%	5.4%
EBIT (m)	7	11	14
EBIT margin	3.4%	4.4%	5.0%
Net Profit (adj.)(m)	6	8	11
ROCE	10.9%	15.0%	18.0%
Net debt/(cash) (m)	(35)	(40)	(47)
Net Debt Equity	-0.5	-0.6	-0.6
Net Debt/EBITDA	-4.2	-3.4	-3.1
Int. cover(EBITDA/Fin.int)	(16.4)	(18.0)	(18.9)
EV/Sales	0.1	0.3	0.2
EV/EBITDA	3.4	5.7	4.4
EV/EBITDA (adj.)	3.4	5.7	4.4
EV/EBIT	3.9	6.3	4.8
P/E (adj.)	10.4	13.2	10.7
P/BV	1.0	1.5	1.4
OpFCF yield	9.0%	6.3%	8.0%
Dividend yield	2.3%	3.5%	4.7%
EPS (adj.)	0.23	0.31	0.40
BVPS	2.50	2.71	3.01
DPS	0.10	0.15	0.20



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

For company description please see summary table footnote

Q4 2010 results disappoint only at first glance

The facts: GFT Technologies has reported a set of FY 2010 results, which was slightly disappointing to us at first glance. However, at second glance the result was operationally even slightly better than we had expected as it included a burden from a cost overrun in a project, which is not serviced by GFT anymore. For FY 2011 we have nonetheless reduced our estimates slightly as GFT will have to cope with higher R&D and sales & marketing expenses as well as a lower capacity utilisation in Spain. We have thus reduced our target price slightly but reiterate our Buy recommendation.

Our analysis: Revenues in Q4 2010 increased by 18% to EUR 69.5m, driven by a strong increase in both the services segment (+20% yoy) as well as the resourcing segment (+20% yoy). The revenue increase was 5% ahead of our expectations, as we had underestimated the dynamic of the recovery in the resourcing segment.

EBT increased by 13% yoy to EUR 2.8m in Q4 2010, implying a pre-tax margin of 4.0%. Despite the better than expected revenue development EBT fell 23% or EUR 0.8m short of our expectation.

This was however only related to a further burden of EUR 1.0m related to a cost overrun in one project in the services segment. In total, this project has burdened the result by EUR 2.0m in FY 2010. While we were aware that there might be some further effects, we had not included any negative effects in our estimates. The project is not anymore serviced by GFT, further negative effects are thus unlikely.

Besides this effect, the operational development in Q4 2010 was slightly better than we had expected – mainly due to the better than expected revenue dynamic in the resourcing segment.

Quarterly development

EUR m	Q4 2010	Q4 2009	% YoY	equinet	Delta
Revenues	69.5	59.2	18%	66.3	5%
- Services	30.3	25.3	20%	30.9	-2%
- Resourcing	39.2	32.6	20%	35.4	11%
EBT	2.8	2.5	13%	3.6	-23%
EBT Margin	4.0%	4.2%	-17 BP	5.4%	-142 BP
- Services	1.7	1.6	5%	2.8	-40%
- Resourcing	1.5	1.0	44%	1.0	46%
Net income	1.9	0.6	223%	2.2	-12%

Source: GFT Technologies, equinet Research

Operating FCF amounted to EUR 5.6m in FY 2010 (2.2% of sales), implying a FCF yield of 4.9%. Cash and securities amounted to EUR 40m at year end 2010, covering roughly 35% of the current market capitalisation.

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Management will propose a dividend of EUR 0.15 per share, implying a payout ratio of almost 50%. This was in line with our expectation.

For FY 2011 GFT Technologies expects to increase revenues by 11% to EUR 275m, driven by an 8% increase in the Services Segment and a 15% increase in the Resourcing segment. This is slightly more than we had expected so far (EUR 268m), the delta being primarily related to the resourcing segment.

Pre-tax profit is expected to increase by 13% to EUR 13m. The pre-tax margin is thus expected to remain stable. Given the expected strong increase in the topline as well as the likely discontinuation of losses from the cost overrun in one project, this is somewhat disappointing at first glance.

The company stated three effects, which are likely to put pressure on the margin in FY 2011:

1. Increasing costs for sales and marketing, which were artificially low in FY 2010.
2. Increasing R&D costs as GFT is developing new products.
3. Lower capacity utilisation in the Spanish market.

As a fourth point we might add, that GFT is typically guiding conservatively at the beginning of the year. Especially since FY 2010 was burdened by a cost overrun in one project, which burdened the result by EUR 2m, we believe that management has also made sure to keep a certain safety margin.

We have thus lowered our estimates but stay roughly EUR 2m ahead of the company's guidance. For FY 2012 we have lowered our estimates to a lesser extend, as we believe that the factors burdening FY 2011 will fade.

Changes to our estimates

	2010e			2011e			2012e		
	Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	245.00	248.26	1%	268.44	277.32	3%	279.38	294.22	5%
EBIT	11.80	10.88	-8%	16.95	13.81	-18%	19.57	17.97	-8%
EBT	12.36	11.55	-7%	17.63	14.60	-17%	20.38	18.88	-7%
Net result	8.52	8.25	-3%	12.70	10.51	-17%	14.67	13.59	-7%
EPS	0.32	0.31	-3%	0.48	0.40	-17%	0.56	0.52	-7%
EPS (adj.)	0.32	0.31	-3%	0.48	0.40	-17%	0.56	0.52	-7%

Source: GFT Technologies, equinet Research

Due to the reduction of our estimates we are also lowering our target price from EUR 5.80 to EUR 5.30 per share. It is based on a multiple valuation.

Peer Group Valuation

Company	PE 2011e	PE 2012e	EV/EBIT '11e	EV/EBIT '12e	EV/EBITDA '11e	EV/EBITDA '12e
Employment Services (internat.)						
ADECCO SA B	21.4	17.1	10.7	8.2	9.4	7.4
HAYS PLC	24.3	16.9	15.8	11.5	13.3	10.0
MANPOWER	21.9	15.7	10.2	7.7	8.4	6.6
PARITY GROUP PLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median I	21.9	16.9	10.7	8.2	9.4	7.4
Application Services (internat.)						
ATOS ORIGIN	12.8	10.3	9.0	6.5	5.3	4.0
CAP GEMINI SA	16.3	13.8	7.3	5.9	5.6	4.7
ITELLIGENCE AG	14.4	13.0	8.0	5.9	5.2	3.8
CENIT AG	13.3	10.5	4.0	2.9	3.0	2.3
Median II	13.8	11.7	7.6	5.9	5.2	3.9
Median (total)	16.3	13.8	9.0	6.5	5.6	4.7
GFT TECHNOLOGIES AG	10.8	13.8	4.7	5.2	4.4	2.9
relativ	66.5%	99.7%	52.5%	79.6%	77.9%	62.5%
Forecasts EPS / EBIT / EBITDA	0.40	0.31	13.81	10.88	14.96	19.11
Forecasts Net debt (incl. pensions)			-48.52	-57.46	-48.52	-57.46
Fair value per share	6.5	4.3	6.6	4.9	5.0	5.6

Fair value per share (median)

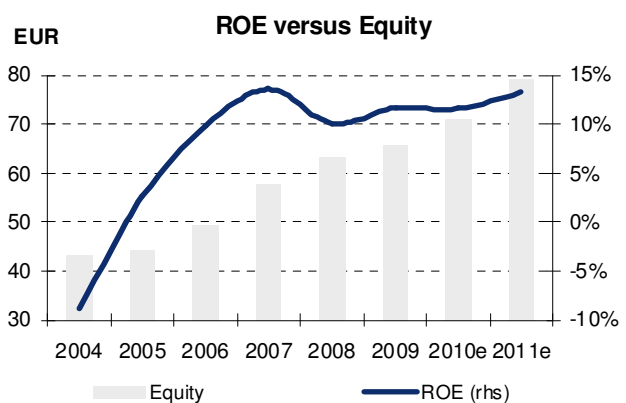
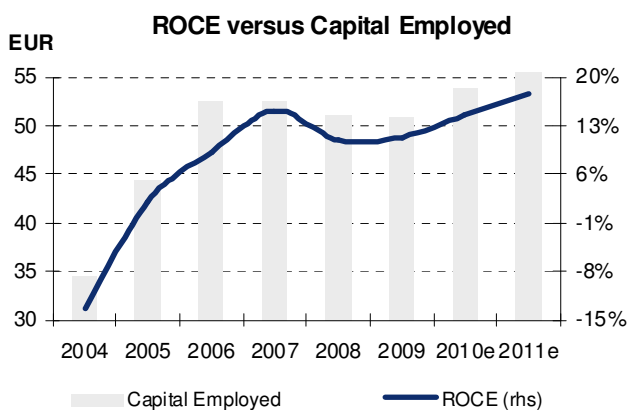
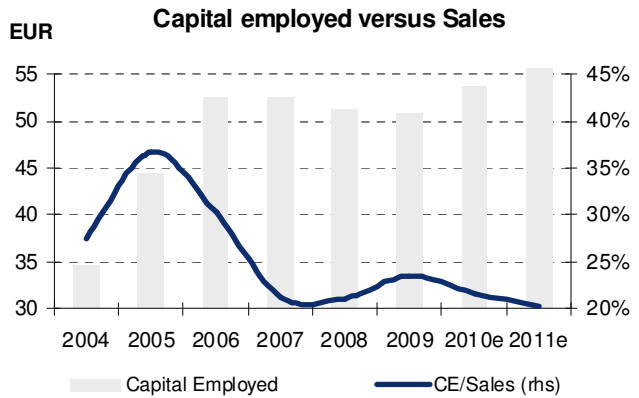
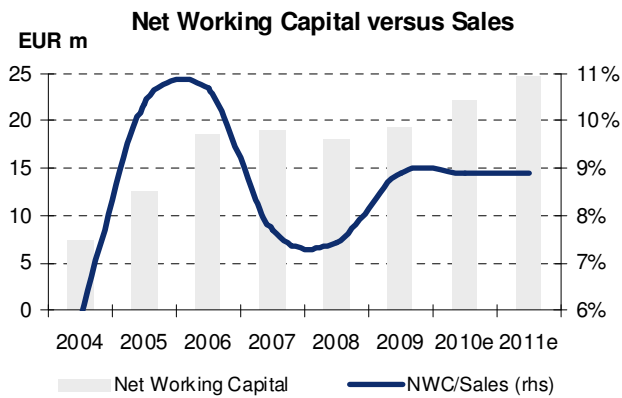
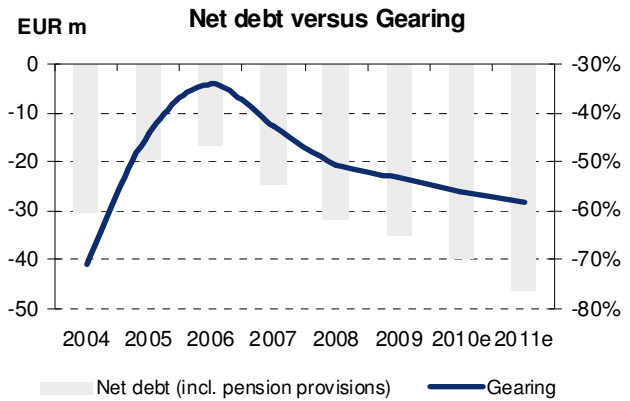
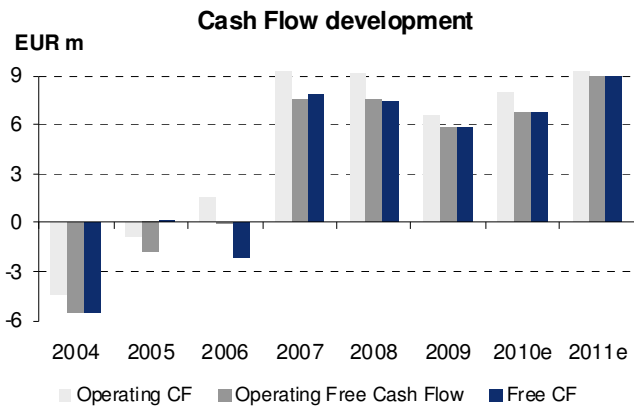
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Source: Datastream, equinet Research

Please note that we have not included any M&A activity – neither in our estimates nor in our valuation. Given the high net cash position, which currently yields a very low return, any acquisition would most likely be EPS accretive. GFT is currently working on an acquisition in the Services segment, which the company hopes to close in H1 2011.

Conclusion & Action: *Despite the slight reduction of our target price of our estimates we continue to remain very positive for GFT Technologies. The company should continue to grow sales and earnings in the coming years at a healthy pace. Nonetheless, valuation remains very moderate. We thus reiterate our Buy recommendation.*

More than Words



Sources: Company data, equinet Research

GFT Technologies AG: Summary tables

PROFIT & LOSS (EURm)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Sales	247	242	217	248	277	294
Cost of Sales & Operating Costs	-234	-234	-208	-236	-262	-275
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	13.2	8.0	8.5	12.1	15.0	19.1
EBITDA (adj.)*	13.2	8.0	8.5	12.1	15.0	19.1
Depreciation	-1.1	-1.1	-1.0	-1.0	-1.0	0.0
EBITA	12.1	6.9	7.5	11.1	14.0	19.1
EBITA (adj)*	12.1	6.9	7.5	11.1	14.0	19.1
Amortisations and Write Downs	-1.0	-0.1	-0.1	-0.1	-0.1	0.0
EBIT	11.1	6.8	7.4	10.9	13.8	19.1
EBIT (adj.)*	11.1	6.8	7.4	10.9	13.8	19.1
Net Financial Interest	0.5	0.5	0.5	0.7	0.8	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
Earnings Before Tax (EBT)	11.6	7.3	7.9	11.6	14.6	20.0
Tax	-3.8	-0.9	-1.7	-3.3	-4.1	-5.3
<i>Tax rate</i>	<i>32.4%</i>	<i>12.4%</i>	<i>21.1%</i>	<i>28.5%</i>	<i>28.0%</i>	<i>26.4%</i>
Discontinued Operations	0.0	0.0	1.4	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	8	6	8	8	11	15
Net Profit (adj.)	9	6	6	8	11	14
CASH FLOW (EURm)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Cash Flow from Operations before change in NWC	11.8	6.8	7.8	9.4	13.1	15.8
Change in Net Working Capital	-2.4	2.4	-1.2	-1.4	-2.9	-1.7
Cash Flow from Operations	9.3	9.2	6.6	8.0	10.1	14.1
Capex	-1.8	-1.6	-0.8	-1.1	-1.1	-1.1
Net Financial Investments	0.3	-0.2	0.0	0.0	0.0	0.0
Free Cash Flow	7.9	7.4	5.8	6.8	9.0	12.9
Dividends	0.0	0.0	-2.6	-2.6	-2.6	-3.9
Other (incl. Capital Increase & share buy backs)	0.0	-0.1	-0.6	0.7	0.0	0.0
Change in Net Debt	8	7	3	5	6	9
NOPLAT	7	4	5	7	9	12
BALANCE SHEET & OTHER ITEMS (EURm)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Net Tangible Assets	2.6	2.6	2.2	2.2	2.2	2.2
Net Intangible Assets (incl. Goodwill)	21.2	20.8	20.7	20.7	20.7	20.7
Net Financial Assets & Other	9.7	9.7	8.7	8.7	8.7	8.7
Total Fixed Assets	33.5	33.1	31.7	31.7	31.7	31.7
Net Working Capital	19.0	18.0	19.3	22.1	24.7	26.2
Net Capital Invested	52.6	51.2	51.0	53.0	55.6	57.1
Group Shareholders Equity	57.7	63.2	65.8	71.4	79.3	88.9
<i>o/w own Shareholders Equity</i>	<i>57.7</i>	<i>63.2</i>	<i>65.8</i>	<i>71.4</i>	<i>79.3</i>	<i>88.9</i>
Net Debt	-25.5	-32.9	-35.5	-40.4	-46.8	-55.7
Provisions	16	14	15	15	16	16
Other Net Liabilities or Assets	4	7	6	7	7	8
Net Capital Employed	53	51	51	54	56	58
GROWTH & MARGINS	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
<i>Sales growth</i>	<i>42.3%</i>	<i>-2.0%</i>	<i>-10.5%</i>	<i>14.5%</i>	<i>11.7%</i>	<i>6.1%</i>
EBITDA (adj.)* growth	74.4%	-39.3%	6.4%	41.0%	24.1%	27.8%
<i>EBITA (adj.)* growth</i>	<i>85.2%</i>	<i>-43.0%</i>	<i>9.4%</i>	<i>46.5%</i>	<i>26.3%</i>	<i>36.9%</i>
<i>EBIT (adj.)* growth</i>	<i>79.4%</i>	<i>-39.0%</i>	<i>9.6%</i>	<i>47.4%</i>	<i>26.7%</i>	<i>38.3%</i>
<i>Net Profit growth</i>	<i>68.2%</i>	<i>-29.9%</i>	<i>2.7%</i>	<i>33.4%</i>	<i>27.4%</i>	<i>29.3%</i>
EPS adj. growth	68.2%	-29.9%	2.7%	33.4%	27.4%	29.3%
<i>DPS adj. growth</i>		<i>+chg</i>	<i>0.0%</i>	<i>50.0%</i>	<i>33.3%</i>	<i>25.0%</i>
EBITDA margin	5.4%	3.3%	3.9%	4.9%	5.4%	6.5%
<i>EBITDA (adj.)* margin</i>	<i>5.4%</i>	<i>3.3%</i>	<i>3.9%</i>	<i>4.9%</i>	<i>5.4%</i>	<i>6.5%</i>
<i>EBITA margin</i>	<i>4.9%</i>	<i>2.8%</i>	<i>3.5%</i>	<i>4.5%</i>	<i>5.0%</i>	<i>6.5%</i>
<i>EBITA (adj.)* margin</i>	<i>4.9%</i>	<i>2.8%</i>	<i>3.5%</i>	<i>4.5%</i>	<i>5.0%</i>	<i>6.5%</i>
<i>EBIT margin</i>	<i>4.5%</i>	<i>2.8%</i>	<i>3.4%</i>	<i>4.4%</i>	<i>5.0%</i>	<i>6.5%</i>
<i>EBIT (adj.)* margin</i>	<i>4.5%</i>	<i>2.8%</i>	<i>3.4%</i>	<i>4.4%</i>	<i>5.0%</i>	<i>6.5%</i>

GFT Technologies AG: Summary tables

RATIOS	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Net Debt/Equity	-0.4	-0.5	-0.5	-0.6	-0.6	-0.6
Net Debt/EBITDA	-1.9	-4.1	-4.2	-3.4	-3.1	-2.9
Interest cover (EBITDA/Fin.interest)	nm	nm	nm	nm	nm	nm
Capex/D&A	80.9%	128.0%	66.1%	100.0%	100.0%	nm
Capex/Sales	0.7%	0.7%	0.3%	0.5%	0.4%	0.4%
NWC/Sales	7.7%	7.4%	8.9%	8.9%	8.9%	8.9%
ROE (average)	16.1%	10.0%	9.6%	12.0%	14.0%	16.2%
ROCE (adj.)	16.0%	10.1%	10.9%	15.0%	18.0%	24.1%
WACC	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
ROCE (adj.)/WACC	1.5	1.0	1.0	1.4	1.7	2.3
PER SHARE DATA (EUR)***	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Average diluted number of shares	26.3	26.3	26.3	26.3	26.3	26.3
EPS (reported)	0.33	0.23	0.18	0.31	0.40	0.52
EPS (adj.)	0.33	0.23	0.23	0.31	0.40	0.52
BVPS	2.19	2.40	2.50	2.71	3.01	3.38
DPS	0.00	0.10	0.10	0.15	0.20	0.25
VALUATION	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
EV/Sales	0.2	0.0	0.1	0.3	0.2	0.2
EV/EBITDA	4.4	0.3	3.4	5.7	4.4	3.0
EV/EBITDA (adj.)*	4.4	0.3	3.4	5.7	4.4	3.0
EV/EBITA	4.8	0.3	3.9	6.2	4.7	3.0
EV/EBITA (adj.)*	4.8	0.3	3.9	6.2	4.7	3.0
EV/EBIT	5.3	0.3	3.9	6.3	4.8	3.0
EV/EBIT (adj.)*	5.3	0.3	3.9	6.3	4.8	3.0
P/E (adj.)	9.7	5.7	10.4	13.2	10.7	8.3
P/BV	1.4	0.5	1.0	1.5	1.4	1.3
Total Yield Ratio	0.0%	7.7%	2.3%	2.3%	3.5%	
EV/CE	1.4	0.1	0.7	1.5	1.4	1.2
OpFCF yield	9.1%	22.1%	9.0%	6.3%	8.0%	11.5%
OpFCF/EV	13.0%	331.3%	19.9%	9.9%	13.6%	22.6%
Payout ratio	0.0%	43.7%	55.5%	47.9%	50.1%	48.4%
Dividend yield (gross)	0.0%	7.7%	2.3%	3.5%	4.7%	5.9%
EV AND MKT CAP (EURm)	12/2007	12/2008	12/2009	12/2010e	12/2011e	12/2012e
Price** (EUR)	3.2	1.3	2.4	4.1	4.3	4.3
Outstanding number of shares for main stock	26.3	26.3	26.3	26.3	26.3	26.3
Total Market Cap	83.2	34.2	64.2	109	112	112
Net Debt	-25.5	-32.9	-35.5	-40.4	-46.8	-55.7
<i>o/w Cash & Marketable Securities (-)</i>	<i>-25.7</i>	<i>-33.0</i>	<i>-35.5</i>	<i>-40.4</i>	<i>-46.8</i>	<i>-55.7</i>
<i>o/w Gross Debt (+)</i>	<i>0.2</i>	<i>0.2</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Other EV components	1	1	0	0	0	1
Enterprise Value (EV adj.)	58	2	29	69	66	57

Source: Company, Equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj) or EBIT (adj.)= EBITDA (or EBITA 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.

Sector: Software & Computer Services/Computer Services

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.



Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
Aareal Bank	Häßler	28.00	Accumulate		iFAO AG	Rothenbacher	16.00	Buy	2/3
Adpepper	Pehl	2.40	Buy	2/3	Integralis AG	Schäfer	6.75	Hold	2/3
Aleo Solar AG	Possienke	25.00	Buy		Interseroh	Schäfer	40.00	Hold	2/3
adidas	Faust	50.00	Accumulate		Isra	Aubéry	22.00	Buy	2/3/5
Advanced Vision Technology	Aubéry	5.00	Buy	2/3	Itelligence	Demidova	7.50	Accumulate	2/3
Aixtron	Pehl	37.00	Buy	2/3	IVG Immobilien AG	Rothenbacher	7.00	Hold	
Allianz	Häßler	111.00	Accumulate		Kontron	Pehl	10.00	Accumulate	
Analytik Jena	Demidova	12.00	Accumulate	7	Krones AG	Schmidt	46.00	Hold	
Augusta Technologie	Simmroß	22.00	Buy	7	KTG Agrar	Schäfer	16.00	Accumulate	2/3/4/5
Axel Springer	Possienke	134.00	Buy		KHD HUMBOLDT WEDAG INTERN	Schuldt	11.50	Buy	
BASF	Demidova	69.00	Buy		KUKA	Schäfer	18.00	Hold	
Bayar	Possienke	66.00	Buy		K+S AG	Schäfer	64.00	Accumulate	
BayWa	Schäfer	35.00	Hold	5	LANXESS	Demidova	63.00	Hold	
BB Biotech	Aubéry	66.00	Buy	2/7	Leoni	Schuldt	40.00	Buy	
Beta Systems Software	Schuldt	3.90	Buy	2/3	Linde	Demidova	140.00	Buy	
Beiersdorf	Aubéry	41.00	Hold		Loewe	Faust	7.50	Hold	2
Berentzen	Faust	8.00	Buy	2/3	Logwin	Rothenbacher	1.50	Buy	2/3
Bilfinger Berger	Faust	73.00	Buy		LPKF LASER & ELECTRONICS	Schuldt	14.00	Hold	
Biopetrol Industries	Schäfer	2.00	Buy	2/3/5	Lufthansa	Rothenbacher	20.00	Buy	
Biotest	Possienke	47.00	Accumulate	2/3	MAN	Schuldt	100.00	Buy	
BMW	Schuldt	60.00	Reduce		MAX Automation AG	Schmidt	4.80	Buy	2/5
Carl Zeiss Meditec	Aubéry	17.00	Accumulate		Medion	Faust	12.00	Hold	
Celastio	Possienke	20.00	Hold		Merck	Possienke	75.00	Accumulate	
Cenit	Pehl	6.50	Accumulate	2/3	MLP	Häßler	7.50	Hold	
comdirect	Häßler	8.00	Hold		Mobotix AG	Pehl	70.00	Buy	2/3
Commerzbank	Häßler	7.20	Accumulate		Morphosys	Possienke	34.00	Buy	
Continental	Schuldt	75.00	Buy		MTU	Pehl	64.00	Buy	2
DAB Bank	Häßler	4.40	Hold		Munich Re	Häßler	110.00	Hold	
Daimler AG	Schuldt	60.00	Hold		Nanogate AG	Demidova	21.00	Buy	2/3
Daldrup & Soehne	Schäfer	23.00	Accumulate	2/3/5	Pfeiffer Vacuum	Pehl	110.00	Buy	
Demag Cranes	Schmidt	45.00	Buy	2	Pfleiderer	Faust	1.00	Sell	
Deutsche Bank	Häßler	55.00	Buy		Phoenix Solar	Freudenreich	40.00	Buy	
Deutsche Biogas	Schäfer	14.00	Buy	2/3/4/5	Porsche	Schuldt	61.00	Hold	
Deutsche Boerse	Häßler	55.00	Reduce		Postbank	Häßler	20.00	Sell	
Deutsche EuroShop	Rothenbacher	28.50	Hold		PSI	Schäfer	19.00	Accumulate	2/5
Deutsche Forfait	Häßler	6.30	Accumulate	2/3	Puma	Faust	200.00	Sell	
Deutsche Post	Rothenbacher	16.00	Buy		Q-Cells	Freudenreich	3.30	Hold	
Deutsche Telekom	Pehl	10.50	Hold		Rheinmetall	Pehl	73.00	Under review	
DNICK Holding plc	Simmroß	10.00	Buy	2/3	Rhoen-Klinikum	Possienke	19.00	Buy	
Douglas Holding	Faust	46.00	Buy		Roth & Rau	Freudenreich	16.00	Accumulate	
Drägerwerk	Aubéry	80.00	Buy		RWE	Schäfer	63.00	Accumulate	
E.ON	Schäfer	27.00	Accumulate		Salzgitter	Freudenreich	65.00	Hold	
ElingKlinger	Schuldt	23.00	Hold		Schuler AG	Schuldt	16.00	Buy	2/3
Epigenomics AG	Aubéry	4.20	Buy	2/3	Seven Principles AG	Pehl	7.50	Buy	2/3/5
Euromicron AG	Pehl	29.00	Buy	5	Singulus Technologies	Freudenreich	3.90	Hold	5
Fielmann	Possienke	75.00	Accumulate		SMA Solar Technology	Freudenreich	70.00	Reduce	
Fraport	Rothenbacher	57.00	Buy		SMT SCHARF AG	Schmidt	22.00	Buy	2/3
Freenet	Pehl	9.00	Hold	2	Solar-Fabrik	Freudenreich	7.00	Buy	2/3/5
Fresenius	Aubéry	68.00	Hold		SolarWorld	Freudenreich	8.50	Hold	
Fresenius Medical Care	Aubéry	53.00	Accumulate		Solutronic	Freudenreich	14.00	Buy	1/2/3/4/5
Fuchs Petrolub	Demidova	110.00	Accumulate		Stada	Possienke	25.00	Accumulate	
GEA Group	Schmidt	28.00	Buy		Suess Micro Tec	Pehl	13.00	Accumulate	2/3
Gerresheimer AG	Aubéry	36.00	Accumulate		Sunways	Freudenreich	6.50	Accumulate	2/3
Gesco	Schmidt	70.00	Buy	2/3	ThyssenKrupp	Freudenreich	32.00	Hold	
GFT Technologies	Schuldt	5.30	Buy	2/3	Tognum	Schmidt	21.00	Accumulate	
Gildemeister	Schmidt	14.00	Buy		TUI	Rothenbacher	11.00	Hold	
Grenkeleasing AG	Häßler	40.00	Hold		Twintec	Schäfer	5.50	Hold	2/3/5
Hannover Re	Häßler	47.00	Accumulate		United Internet	Pehl	14.00	Accumulate	
Heidelberger Druck	Schmidt	4.50	Buy		VBH Holding	Faust	4.80	Accumulate	2/3
Henkel	Demidova	46.00	Hold		Volkswagen	Schuldt	134.00	Buy	
HHLA	Rothenbacher	33.00	Hold		Vossloh	Schmidt	95.00	Hold	
Hochtief	Faust	87.00	Buy		Wacker Chemie	Freudenreich	155.00	Accumulate	
Hombach Holding	Possienke	115.00	Buy		Wincor Nixdorf	Pehl	63.00	Hold	
Hugo Boss	Faust	48.00	Hold		4SC AG	Aubéry	5.00	Buy	2/3
HYPoport AG	Häßler	17.00	Buy						

Source: equinet Recommendations

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- 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 Bank 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

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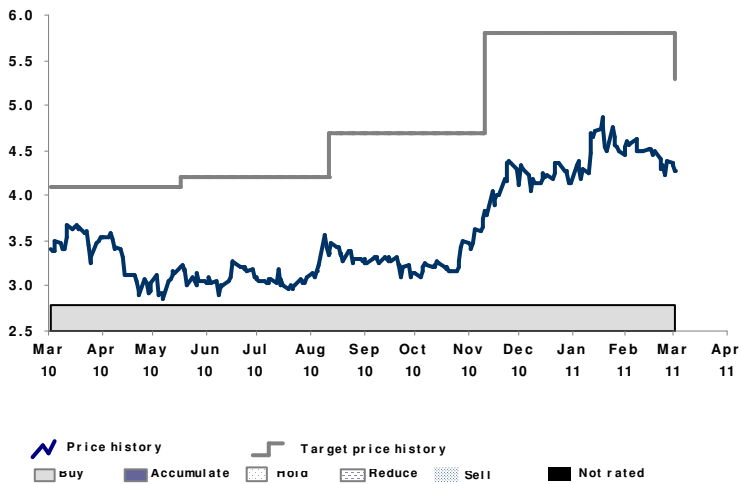
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-BaFin- (Federal Financial Supervisory Authority)
Graurheindorfer Straße 108, 53117 Bonn and
Lurgialle 12, 60439 Frankfurt am Main.

Recommendation history for GFT TECHNOLOGIES

Date	Recommendation	Target price	Price at change date
02-Mar-11	Buy	5.30	4.27
11-Nov-10	Buy	5.80	3.82
12-Aug-10	Buy	4.70	3.36
17-May-10	Buy	4.20	3.20
10-May-10	Buy	4.10	3.05
11-Nov-09	Buy	3.30	2.63
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

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

This chart shows Equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Tim Schuld, CFA (since 15/02/2010)



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**.

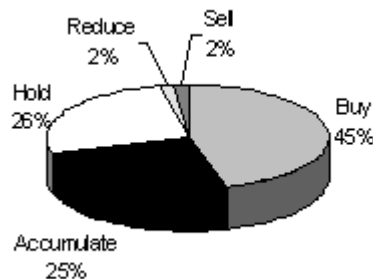
The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy, Accumulate (or Add), Hold, Reduce and Sell (in short: B, A, H, R, S)**.

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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
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Equinet Bank Ratings Breakdown

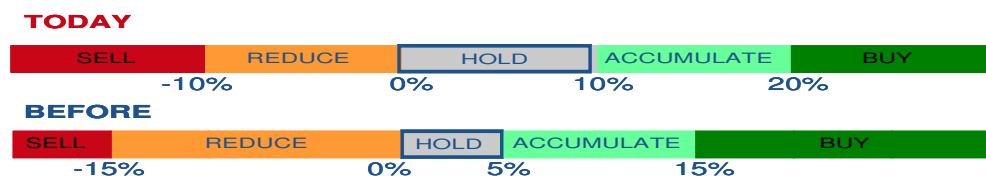


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Since 18 October 2004, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

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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