

Investment Research

Buy

Recommendation unchanged

Share price: EUR 3.20

closing price as of 17/08/2011

Target price: EUR 4.60

Target Price unchanged

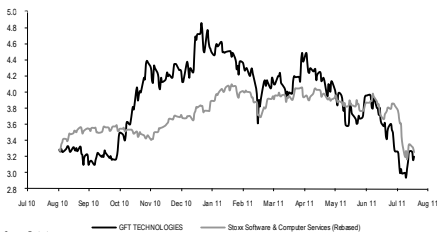
Reuters/Bloomberg

GFTG.DE/GFT GY

Daily avg. no. trad. sh. 12 mth	30,073
Daily avg. trad. vol. 12 mth (m)	0.12
Price high 12 mth (EUR)	4.86
Price low 12 mth (EUR)	2.94
Abs. perf. 1 mth	-12.0%
Abs. perf. 3 mth	-22.6%
Abs. perf. 12 mth	-6.6%

Market capitalisation (EURm)	84
Current N° of shares (m)	26
Free float	57%

Key financials (EUR)	12/09	12/10e	12/11e
Sales (m)	217	248	282
EBITDA (m)	9	12	15
EBITDA margin	3.9%	4.9%	5.1%
EBIT (m)	7	11	13
EBIT margin	3.4%	4.4%	4.6%
Net Profit (adj.)(m)	6	8	10
ROCE	10.8%	13.4%	13.0%
Net debt/(cash) (m)	(35)	(26)	(22)
Net Debt Equity	-0.5	-0.4	-0.3
Net Debt/EBITDA	-4.2	-2.2	-1.5
Int. cover(EBITDA/Fin.int)	(16.4)	(23.0)	(23.0)
EV/Sales	0.1	0.3	0.2
EV/EBITDA	3.4	5.8	3.4
EV/EBITDA (adj.)	3.4	5.8	3.4
EV/EBIT	4.0	6.5	3.8
P/E (adj.)	10.4	13.2	8.7
P/BV	1.0	1.5	1.1
OpFCF yield	9.0%	5.1%	-1.5%
Dividend yield	3.1%	4.7%	6.2%
EPS (adj.)	0.23	0.31	0.37
BVPS	2.50	2.71	2.97
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

Excellent Q2 2011 results in an uncertain environment

The facts: GFT Technologies has reported excellent results for Q2 2011. While we have reduce our target price from EUR 5.10 to EUR 4.60 reflecting higher recession risks and reduced peer multiples, we reiterate our Buy recommendation for GFT, which we believe is an excellent investment opportunity - especially in the current uncertain environment.

Our analysis: Revenues in Q2 2011 increased by 24% in Q2 2011, driven by a very strong resourcing business (+47% yoy), while Services remained flat on the high level of the previous year.

EBIT increased by 16% to EUR 3.3m, implying an EBIT margin of 4.5%. We had expected an EBIT of EUR 3.0m; the result is thus 11% better than expected, with the EBIT margin 10 bp ahead of our estimate. This is particularly strong as the revenue mix was skewed towards the lower margin Resourcing business in Q2 2011.

EBIT was up 13% to EUR 3.5m, 13% better than we had expected. The pre-tax result increased by 13% to EUR 3.5m, 13% better than we had expected. Both divisions contributed to this good performance and were able to improve their margins yoy.

Quarterly development

EUR m	Q2 2011	Q2 2010	% YoY	equinet	Delta
Revenues	74.5	60.3	24%	68.9	8%
- Services	29.4	29.6	-1%	32.2	-9%
- Resourcing	45.1	30.6	47%	36.7	23%
EBITDA	3.6	3.1	16%	3.3	10%
EBITDA Margin	4.9%	5.2%	-34 BP	4.8%	10 BP
EBIT	3.3	2.9	16%	3.0	11%
EBIT Margin	4.5%	4.7%	-29 BP	4.4%	10 BP
EBT	3.5	3.0	16%	3.1	13%
EBT Margin	4.7%	5.0%	-32 BP	4.5%	20 BP
- Services	3.1	2.7	15%	2.7	16%
- Resourcing	1.0	0.5	109%	0.7	42%
Net income	2.3	2.2	5%	2.2	4%

Source: GFT Technologies, equinet Research

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The Services segment improved its EBT by 16% to EUR 3.1m or 10.5% of sales. GFT used the somewhat weaker market environment to optimize its cost position by hiring more own staff and reducing the share of more expensive freelancers in its projects. Additionally, provisions for holiday times, which had been built in Q1 could be released in Q2 11, while at the same time keeping capacity utilisation during the rest of the quarter relatively high.

Resourcing doubled its pre-tax result to EUR 1.0m in Q2 11, with the EBT margin up to 2.2% from 1.6% in the prior year's period. The main drivers behind the positive development were improving economies of scale, which were driven by the strong increase in revenues. The share of the higher margin Resource Management business and the lower margin Third Party Management business remained basically unchanged vs. Q2 2010.

GFT has confirmed its outlook and continues to expect sales of EUR 275m and a pre-tax profit of EUR 13m. Visibility for the remainder of the year is above 80% according to the company, downside risk vs. this forecast should thus be very low. We have applied only minor changes to our estimates, which are slightly higher than guided by the company.

Changes to our estimates

	2011e			2012e			2013e		
	Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	283.96	281.76	-1%	305.04	316.32	4%	325.19	337.26	4%
EBIT	13.24	13.16	-1%	19.62	19.98	2%	23.69	24.11	2%
EBT	13.87	13.79	-1%	20.31	20.67	2%	24.48	24.90	2%
Net result	9.71	9.66	-1%	14.22	14.47	2%	17.14	17.43	2%
EPS	0.37	0.37	-1%	0.54	0.55	2%	0.65	0.66	2%
EPS (adj.)	0.37	0.37	-1%	0.54	0.55	2%	0.65	0.66	2%

Source: GFT Technologies, equinet Research

While we have left our macroeconomic scenario of a weakening growth without a double-dip recession unchanged we cannot rule out a recessionary scenario any more. While admittedly the share price of GFT was hit hard during the recession in 2008/09, the company did also prove during this period how stable their business model is even in troubled times. Revenues decreased by only 10% from 2007 – 2009 and the EBIT margin stayed with 2.6% clearly in the black numbers. At the same time, GFT generated an average op. FCF of EUR 6.7m in the years 2008/2009.

We thus believe that the reduced peer multiples, which dropped significantly over the last two weeks, do more than enough account for the risk of a potential recession. We have nonetheless reduced our target price from so far EUR 5.10 to now EUR 4.60 to account for these lower peer multiples.



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	12.6	10.3	9.0	7.0	7.8	6.2
HAYS PLC	15.3	10.9	13.6	9.8	11.4	8.5
MANPOWER	13.0	9.8	8.1	6.3	6.9	5.5
PARITY GROUP PLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median I	13.0	10.3	9.0	7.0	7.8	6.2
Application Services (internat.)						
ATOS ORIGIN	10.7	8.4	8.8	6.3	5.2	3.9
CAP GEMINI SA	12.3	10.3	7.6	6.2	5.8	4.9
ITELLIGENCE AG	12.8	9.8	9.8	8.5	6.2	5.7
CENIT AG	10.9	8.9	4.0	3.2	2.8	2.3
Median II	11.6	9.3	8.2	6.3	5.5	4.4
Median (total)	11.9	9.6	8.4	6.5	6.0	4.8
GFT TECHNOLOGIES AG	8.7	5.8	3.7	2.1	3.4	1.9
relativ	73.2%	60.9%	44.1%	31.8%	55.5%	39.7%
Forecasts EPS / EBIT / EBITDA	0.37	0.55	13.16	19.98	14.50	21.42
Forecasts Net debt (incl. pensions)			-35.79	-43.39	-35.79	-43.39
Fair value per share	4.4	5.3	5.5	6.6	4.7	5.6

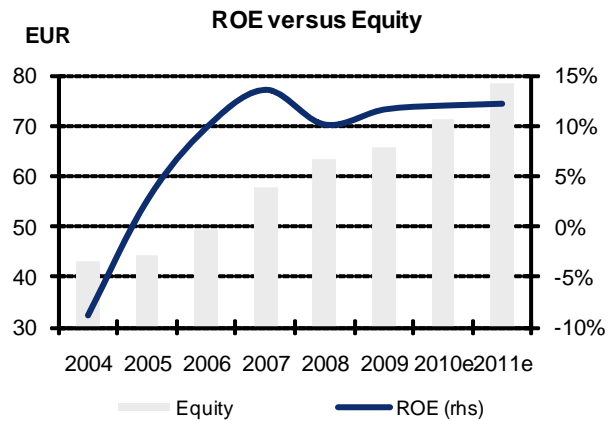
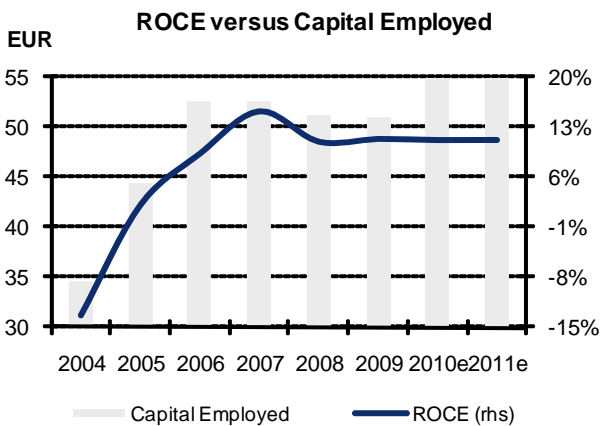
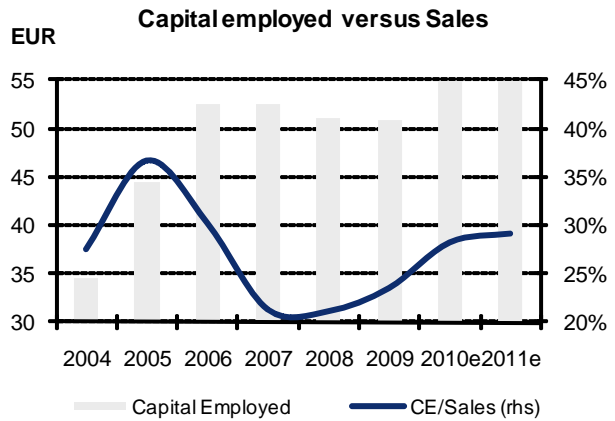
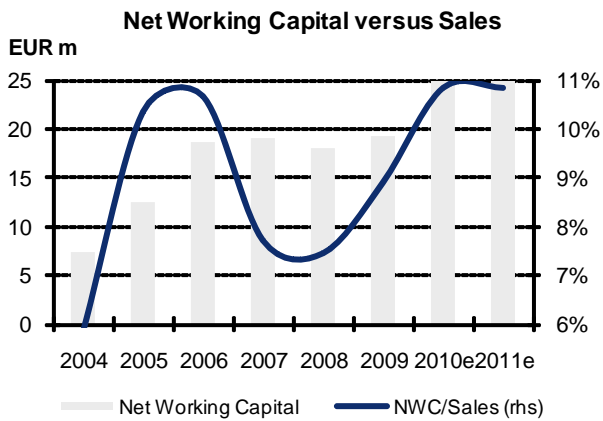
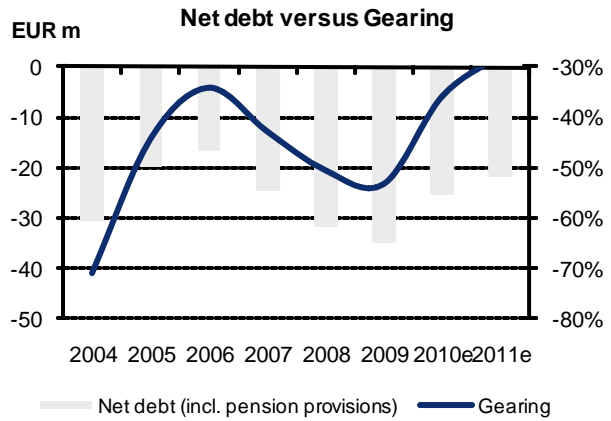
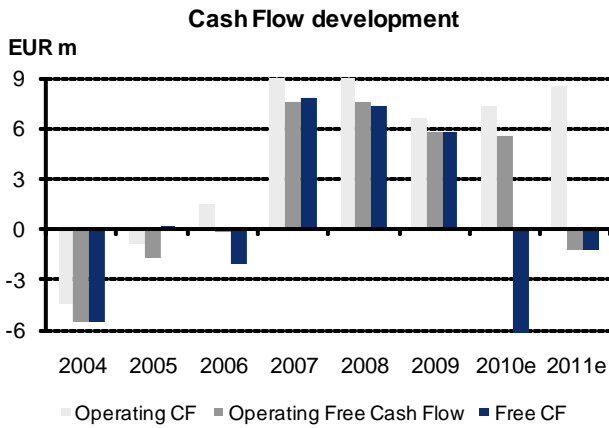
Fair value per share (median)

Target Price inc. 15% discount

Source: Datastream, equinet Research

Conclusion & Action: We reiterate our Buy recommendation on GFT Technologies. We believe that the company is an excellent investment opportunity – especially in these uncertain times. The high level of net cash and its stable business model should provide a significant downside protection, while the low level of valuation and the good growth opportunities allow for a significant upside potential.

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	282	316
Cost of Sales & Operating Costs	-234	-234	-208	-236	-267	-295
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	13.2	8.0	8.5	12.2	14.5	21.4
EBITDA (adj.)*	13.2	8.0	8.5	12.2	14.5	21.4
Depreciation	-1.1	-1.0	-0.9	-1.1	-1.2	-1.2
EBITA	12.1	7.0	7.6	11.1	13.3	20.2
EBITA (adj)*	12.1	7.0	7.6	11.1	13.3	20.2
Amortisations and Write Downs	-1.0	-0.3	-0.2	-0.3	-0.3	-0.3
EBIT	11.1	6.8	7.4	10.9	13.1	19.9
EBIT (adj.)*	11.1	6.8	7.4	10.9	13.1	19.9
Net Financial Interest	0.5	0.5	0.5	0.5	0.6	0.7
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	11.4	13.7	20.6
Tax	-3.8	-0.9	-1.7	-3.3	-4.1	-6.2
<i>Tax rate</i>	<i>32.4%</i>	<i>12.4%</i>	<i>21.2%</i>	<i>29.0%</i>	<i>30.2%</i>	<i>30.1%</i>
Discontinued Operations	0.0	0.0	1.4	0.5	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	8	6	8	9	10	14
Net Profit (adj.)	9	6	6	8	10	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	13.7	12.7	17.6
Change in Net Working Capital	-2.4	2.4	-1.2	-6.4	-4.2	-4.3
Cash Flow from Operations	9.3	9.2	6.6	7.3	8.5	13.3
Capex	-1.8	-1.6	-0.8	-1.7	-9.7	-1.7
Net Financial Investments	0.3	-0.2	0.0	-12.9	0.0	0.0
Free Cash Flow	7.9	7.4	5.8	-7.3	-1.2	11.6
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	-9	-4	8
NOPLAT	7	4	5	7	8	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	2.7	3.0	3.3
Net Intangible Assets (incl. Goodwill)	21.2	20.8	20.7	20.8	28.8	28.9
Net Financial Assets & Other	9.7	9.7	8.7	19.7	19.7	19.7
Total Fixed Assets	33.5	33.1	31.7	43.2	51.6	51.8
Net Working Capital	19.0	18.0	19.3	26.9	30.6	34.3
Net Capital Invested	52.6	51.2	51.0	70.1	82.1	86.1
Group Shareholders Equity	57.7	63.2	65.8	71.3	78.3	88.8
<i>o/w own Shareholders Equity</i>	<i>57.7</i>	<i>63.2</i>	<i>65.8</i>	<i>71.3</i>	<i>78.3</i>	<i>88.8</i>
Net Debt	-25.5	-32.9	-35.5	-26.2	-22.4	-30.0
Provisions	16	14	15	20	20	21
Other Net Liabilities or Assets	4	7	6	5	6	6
Net Capital Employed	53	51	51	70	82	86
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>13.5%</i>	<i>12.3%</i>
EBITDA (adj.)* growth	74.4%	-39.3%	6.4%	42.8%	18.9%	47.7%
<i>EBITA (adj.)* growth</i>	<i>85.2%</i>	<i>-42.2%</i>	<i>8.4%</i>	<i>46.5%</i>	<i>19.9%</i>	<i>51.4%</i>
<i>EBIT (adj.)* growth</i>	<i>79.4%</i>	<i>-39.0%</i>	<i>8.8%</i>	<i>47.7%</i>	<i>20.2%</i>	<i>52.4%</i>
<i>Net Profit growth</i>	<i>68.2%</i>	<i>-29.9%</i>	<i>2.7%</i>	<i>33.3%</i>	<i>17.1%</i>	<i>49.8%</i>
EPS adj. growth	68.2%	-29.9%	2.7%	33.3%	17.1%	49.8%
<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%	5.1%	6.8%
<i>EBITDA (adj.)* margin</i>	<i>5.4%</i>	<i>3.3%</i>	<i>3.9%</i>	<i>4.9%</i>	<i>5.1%</i>	<i>6.8%</i>
<i>EBITA margin</i>	<i>4.9%</i>	<i>2.9%</i>	<i>3.5%</i>	<i>4.5%</i>	<i>4.7%</i>	<i>6.4%</i>
<i>EBITA (adj.)* margin</i>	<i>4.9%</i>	<i>2.9%</i>	<i>3.5%</i>	<i>4.5%</i>	<i>4.7%</i>	<i>6.4%</i>
<i>EBIT margin</i>	<i>4.5%</i>	<i>2.8%</i>	<i>3.4%</i>	<i>4.4%</i>	<i>4.6%</i>	<i>6.3%</i>
<i>EBIT (adj.)* margin</i>	<i>4.5%</i>	<i>2.8%</i>	<i>3.4%</i>	<i>4.4%</i>	<i>4.6%</i>	<i>6.3%</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	-0.4	-0.3	-0.3
Net Debt/EBITDA	-1.9	-4.1	-4.2	-2.2	-1.5	-1.4
Interest cover (EBITDA/Fin.interest)	nm	nm	nm	nm	nm	nm
Capex/D&A	80.9%	128.0%	63.3%	129.2%	673.4%	113.6%
Capex/Sales	0.7%	0.7%	0.3%	0.7%	3.5%	0.5%
NWC/Sales	7.7%	7.4%	8.9%	10.8%	10.8%	10.8%
ROE (average)	16.1%	10.0%	9.6%	12.0%	12.9%	17.3%
ROCE (adj.)	16.0%	10.1%	10.8%	13.4%	13.0%	18.6%
WACC	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
ROCE (adj.)/WACC	1.5	1.0	1.0	1.3	1.2	1.8
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	0.30	0.37	0.55
EPS (adj.)	0.33	0.23	0.23	0.31	0.37	0.55
BVPS	2.19	2.40	2.50	2.71	2.97	3.37
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	0.1
EV/EBITDA	4.4	0.3	3.4	5.8	3.4	2.0
EV/EBITDA (adj.)*	4.4	0.3	3.4	5.8	3.4	2.0
EV/EBITA	4.8	0.3	3.8	6.3	3.7	2.1
EV/EBITA (adj.)*	4.8	0.3	3.8	6.3	3.7	2.1
EV/EBIT	5.3	0.3	4.0	6.5	3.8	2.1
EV/EBIT (adj.)*	5.3	0.3	4.0	6.5	3.8	2.1
P/E (adj.)	9.7	5.7	10.4	13.2	8.7	5.8
P/BV	1.4	0.5	1.0	1.5	1.1	0.9
Total Yield Ratio	0.0%	7.7%	3.1%	3.1%	4.7%	6.2%
EV/CE	1.4	0.1	0.7	1.4	0.8	0.6
OpFCF yield	9.1%	22.1%	9.0%	5.1%	-1.5%	13.7%
OpFCF/EV	13.0%	331.3%	19.9%	7.9%	-2.5%	27.4%
Payout ratio	0.0%	43.7%	55.5%	50.8%	54.5%	45.5%
Dividend yield (gross)	0.0%	7.7%	3.1%	4.7%	6.2%	7.8%
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	3.2	3.2
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	84.3	84.3
Net Debt	-25.5	-32.9	-35.5	-26.2	-22.4	-30.0
<i>o/w Cash & Marketable Securities (-)</i>	<i>-25.7</i>	<i>-33.0</i>	<i>-35.5</i>	<i>-26.2</i>	<i>-22.4</i>	<i>-30.0</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	-12	-12	-12
Enterprise Value (EV adj.)	58	2	29	70	50	42

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.
4SCAG	Aubéry	3.60	Buy	2/3	IntegralsAG	Schäfer	6.75	Hold	2/3
Aareal Bank	Häßler	25.00	Buy		Interseroh	Schäfer	50.00	Buy	2/3
Adpepper	Pehl	1.90	Accumulate	2/3	Itelligence	Demidova	8.80	Buy	2/3/5
adidas	Faust	64.00	Buy		IVGImmobilienAG	Rotenbacher	4.00	Hold	
Advanced Vision Technology	Aubéry	5.00	Buy	2/3	K+S AG	Schäfer	67.00	Buy	
Aixtron	Pehl	27.00	Buy	2/3	KHD HUMBOLDT WEDAG INTERNAT	Schuldt	7.60	Buy	
Allianz	Häßler	96.00	Accumulate		Kontron	Pehl	9.50	Buy	
Analytik Jena	Demidova	10.50	Hold	7	KronesAG	Schmidt	65.00	Buy	
Augusta Technologie	Pehl	25.00	Buy	7	KTG Agrar	Schäfer	16.00	Accumulate	2/3/5
BASF	Demidova	77.00	Buy		KUKA	Schäfer	18.00	Hold	
BAUER AG	Schmidt	40.00	Buy		LANXESS	Demidova	59.00	Buy	
Bayer	Possienke	70.00	Buy		Leoni	Schuldt	41.00	Buy	
BayWa	Schäfer	33.00	Accumulate	5	Linde	Demidova	145.00	Buy	
BB Biotech	Aubéry	64.00	Buy	2/7	Loewe	Faust	6.00	Hold	2
Beiersdorf	Aubéry	43.00	Hold		Logwin	Rotenbacher	1.60	Buy	2/3/5
Berentzen	Faust	8.00	Buy	2/3	LPKFLASER & ELECTRONICS	Schuldt	14.00	Hold	
Beta Systems Software	Schuldt	3.20	ng Suspended	2/3	Lufthansa	Rotenbacher	18.00	Buy	
Bilfinger Berger	Faust	83.00	Buy		MAN	Schuldt	110.00	Buy	
Biopetrol Industries	Schäfer	0.60	Sell	2/3	MAXAutomation AG	Schmidt	5.40	Buy	2/3/5
Biotest	Possienke	50.00	Buy	2/3	Medion	Faust	13.00	Hold	
BMW	Schuldt	68.00	Hold		Merck	Possienke	75.00	Hold	
Carl Zeiss Meditec	Aubéry	18.00	Accumulate		MLP	Häßler	8.00	Accumulate	
Celesio	Possienke	16.00	Hold		Mobotix AG	Pehl	70.00	Buy	2/3
Cenit	Pehl	7.00	Buy	2/3	Morphosys	Possienke	35.00	Buy	
comdirect	Häßler	8.00	Hold		MTU	Pehl	62.00	Buy	2
Commerzbank	Häßler	4.00	Buy		Munich Re	Häßler	110.00	Hold	
Continental	Schuldt	83.00	Buy		Nanogate AG	Demidova	25.00	Buy	2/3/5
DAB Bank	Häßler	4.00	Hold		Pfeiffer Vacuum	Pehl	101.00	Buy	
Daimler AG	Schuldt	60.00	Accumulate		Pfleiderer	Faust	1.00	Sell	
Daldrup & Soehne	Schäfer	23.00	Accumulate	2/3/5	Phoenix Solar	Freudenreich	18.00	Accumulate	
Demag Cranes	Schmidt	50.00	Hold	2	Porsche	Schuldt	48.00	Hold	
Derby Cycle	Faust	20.00	Buy	2/3/4/5	Postbank	Häßler	20.00	Hold	
Deutsche Bank	Häßler	55.00	Buy		PSI	Schäfer	19.50	Hold	2
Deutsche Biogas	Schäfer	14.00	Buy	2/3/4/5	Puma	Faust	240.00	Accumulate	
Deutsche Boerse	Häßler	61.00	Accumulate		Q-Cells	Freudenreich	1.80	Hold	
Deutsche EuroShop	Rotenbacher	28.50	Accumulate		Rheinmetall	Pehl	66.00	Accumulate	
Deutsche Forfait	Häßler	6.30	Accumulate	2/3	Rhoen-Klinikum	Possienke	19.00	Buy	
Deutsche Post	Rotenbacher	14.00	Buy		Roth & Rau	Freudenreich	22.00	Hold	
Deutsche Telekom	Pehl	11.50	Buy		RWE	Schäfer	47.00	Hold	
DNICK Holding plc	Freudenreich	13.00	Buy	2/3	RIB Software	Rotenbacher	9.50	Buy	2/3/4
Douglas Holding	Faust	40.00	Hold		SAF-HOLLAND	Schuldt	12.50	Buy	7
Drägerwerk	Aubéry	80.00	Accumulate		Salzgitter	Freudenreich	58.00	Accumulate	
E.ON	Schäfer	22.00	Hold		Schuler AG	Schuldt	16.00	Buy	2/3
EringKlinger	Schuldt	26.00	Buy		Seven PrinciplesAG	Pehl	11.00	Buy	2/3/5
EpigenomicsAG	Aubéry	13.00	Buy	2/3	Singulus Technologies	Freudenreich	4.50	Accumulate	4/5
Euromicron AG	Pehl	31.50	Buy	2/3/5	SKW Stahl	Possienke	23.00	Buy	
Fielmann	Possienke	80.00	Hold		SMA Solar Technology	Freudenreich	60.00	Hold	
Fraport	Rotenbacher	53.00	Accumulate		SMTSCHARFAG	Schmidt	22.00	Buy	2/3
Freenet	Pehl	10.50	Buy	2	Solar-Fabrik	Freudenreich	5.00	Buy	2/3
Fresenius	Aubéry	75.00	Hold		SolarWorld	Freudenreich	7.00	Hold	
Fresenius Medical Care	Aubéry	54.00	Hold		Solutronic	Freudenreich	Fehler	Not rated	2/3/4/5
FuchsPetrolub	Demidova	38.00	Hold		Stada	Possienke	31.00	Hold	
GEA Group	Schmidt	30.00	Buy		SuessMicroTec	Pehl	11.00	Accumulate	2/3/5
Gerresheimer AG	Aubéry	40.00	Buy		Sunways	Freudenreich	3.50	Accumulate	2/3/5
Gesco	Schmidt	80.00	Buy	2/3	Symrise AG	Demidova	21.00	Accumulate	
GFT Technologies	Schuldt	4.60	Buy	2/3	ThyssenKrupp	Freudenreich	32.00	Hold	
Gildemeister	Schmidt	23.00	Buy		Tognum	Schmidt	26.00	Hold	2
Grenkeleasing AG	Häßler	40.00	Hold		TUI	Rotenbacher	5.00	Hold	
Hannover Re	Häßler	38.00	Hold		United Internet	Pehl	15.00	Accumulate	
Heidelberger Druck	Schmidt	2.50	Hold		VBH Holding	Faust	5.20	Accumulate	2/3
Henkel	Demidova	46.00	Hold		VIB Vermoegen	Rotenbacher	11.00	Buy	
HHLA	Rotenbacher	36.00	Accumulate		Volkswagen	Schuldt	180.00	Buy	
Hochtief	Faust	70.00	Buy		Vossloh	Schmidt	90.00	Accumulate	
Hornbach Holding	Possienke	124.00	Buy		Washtec	Schuldt	14.00	Buy	
Hugo Boss	Faust	75.00	Hold		Wacker Chemie	Freudenreich	152.00	Accumulate	
HYPOPORTAG	Häßler	13.00	Buy		Wincor Nixdorf	Pehl	44.00	Hold	2
i:FAOAG	Rotenbacher	15.00	Buy	2/3					

Source: equinet Recommendations

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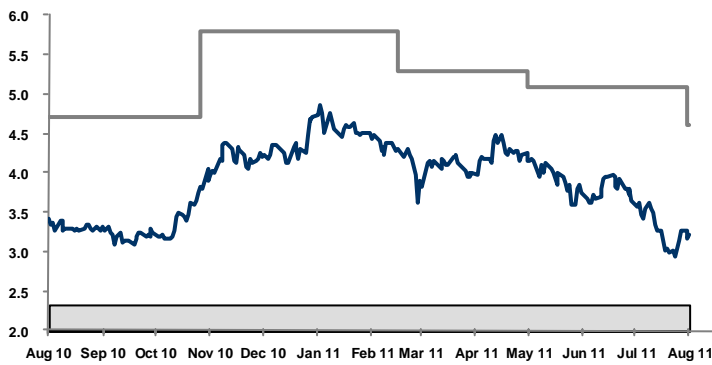
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-BaFin- (Federal Financial Supervisory Authority)
Graurheindorfer Straße 108, 53117 Bonn and
Lurgialle 12, 60439 Frankfurt am Main.

Recommendation history for GFT TECHNOLOGIES

Date	Recommendation	Target price	Price at change date
15-Aug-11	Buy	4.60	3.26
16-May-11	Buy	5.10	4.25
03-Mar-11	Buy	5.30	4.29
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

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**.

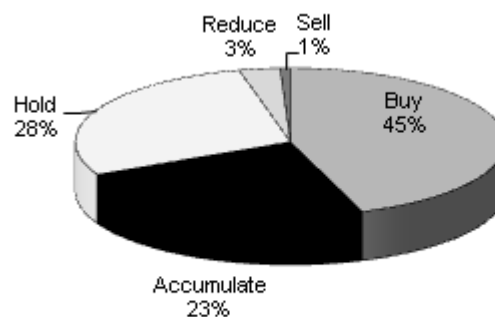
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Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

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
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- **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 Bank Ratings Breakdown

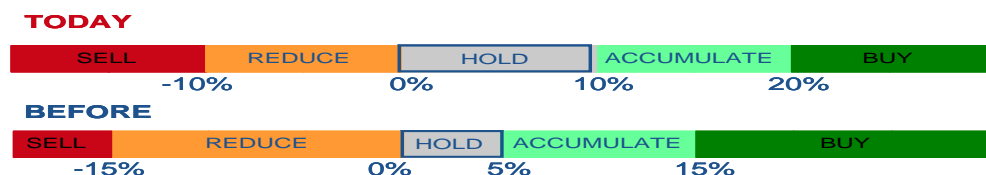


History of ESN Recommendation System

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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