

MEDIA & ENTERTAINMENT

A Research Publication by DZ BANK AG

Splendid Medien⁶⁾

Reuters: SPME.DE

Bloomberg: SPM GY

Year *	Sales		Adj. IFRS- Earnings per sh.		PER	Free cash flow per share		Free cash flow yield per share	Dividend yield per share
	EUR m		EUR			EUR			
2014	66.0	(66.0)	0.09	(0.09)	21.3	-0.29	(-0.29)	-14.9	0.05
2015e	61.0	(61.0)	0.28	(0.28)	8.6	-0.01	(-0.01)	-0.6	0.10
2016e	68.0	(68.0)	0.37	(0.37)	6.6	0.17	(0.17)	7.1	0.15
2017e	75.0	(75.0)	0.42	(0.42)	5.8	0.20	(0.20)	8.1	0.20

* Fiscal year end December – In brackets: Figures from the last publication

Earnings turnaround impressively continues.

- » Splendid has published resilient core data for 9M/15. Sales eased slightly during the period under review, by 3.0% to EUR 41.2m. The main reason was that unlike the prior-year quarter, which was characterised by high-selling movie debuts, in 9M/15 the corporation forewent any major new movie releases. Sales for the Content segment therefore dipped mildly, by 2.8% to EUR 37.8m, while sales by the Services segment remained as good as unchanged at EUR 3.4m.
- » On the back of dynamic growth in TV licence revenues, sound home entertainment business, and lower P&A expenses, EBIT turned around from a loss of EUR 2.6m to plus EUR 2.2m. EBT in 9M/15 surged from a loss of EUR 3.0m to plus EUR 1.8m. The downward earnings trend has thus been impressively reversed. Inflows from deliveries of films enabled Splendid to boost cash flow from operating activities by 81.5% to EUR 14.7m. Current debt was reduced and the equity ratio boosted by 8.3 pp to 43%.
- » The management has confirmed its guidance for 2015 as a whole. Sales are expected to run in the range of EUR 57-62m with EBIT in the order of EUR 3.5-4.5m. We currently uphold our estimate of sales of EUR 61.0m and EBIT of EUR 3.8m. This would translate into an estimated EPS of EUR 0.28. In our opinion, Splendid can achieve these targets even though two larger movie premieres will first spell sales in 2016 owing to the delivery dates. Moreover, in Q3/15 several new TV licence contracts as well as a distribution deal with Tobis Home Entertainment were signed, so that we expect to see enduring dynamic growth in 2016 with respect to sales and earnings.

We believe the company is on a good track to achieve sound growth and appreciably boost its earnings power. We therefore feel the equity is significantly undervalued and confirm our 'Buy' recommendation.

Selected Companies	Price on 16 Nov 2015	PER		EV / EBITDA		EV / Sales 15e	Re- com.
		15e	16e	15e	16e		
Splendid Medien	2.45 EUR	8.6	6.6	8.7	7.1	0.63	↑
Highlight Communications	4.50 EUR	12.1	11.3	8.2	8.0	0.75	↑
Constantin Medien	1.72 EUR	26.4	16.1	9.9	8.4	0.73	↑
EuropaCorp	4.97 EUR	8.1	6.3	3.5	2.3	0.85	–
Lions Gate Entert Corp	37.53 USD	30.5	21.2	19.9	15.0	2.72	–
Median for all peer group companies		22.6	16.1	9.5	8.4	0.85	–

↑ = Buy, → = Hold, ↓ = Sell, ● = not rated, n/a = not appropriate
Source: DZ BANK, I/B/E/S, FactSet

EQUITIES

Flash
17 Nov 2015

Buy (prev. Buy)

Closing price 16 Nov 2015

(in EUR): 2.45
Fair value: 3.60 (prev. 3.60)

Financial ratios 2015e:

Book value per share (in EUR):	2.80
Equity ratio (in %):	37.7
Net margin (in %):	4.6
ROE (in %):	10.2
Dividend yield (in %):	4.1
Free cash flow (EUR m):	-0.1
Net debt (EUR m):	14.4

Number of shares

(million units): 9.8

Market cap

(in EUR m): 23.98

Free float (in %):

35.0

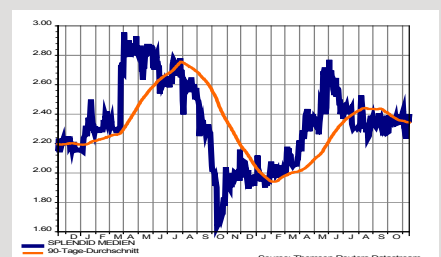
SIN: 727950

ISIN: DE0007279507

Datastream: D:SPMX

Next Newsflow:

Full Year 2015 results March 2016



Author: Harald Heider, Analyst

DZ BANK
Bank on Germany

AT A GLANCE

Company profile

Splendid Medien is a medium-sized, integrated media group with global procurement activities in the area of audiovisual content and focuses its sales on the German-speaking area, as well as Belgium and the Netherlands. The group's activities cover the acquisition, production and processing of audiovisual content as well as its marketing, exploitation and distribution.

Basis for investment recommendation

Splendid Medien is active on all the stages of the audio-visual added value chain with a focus on Germany and the Benelux. The company has a lot of experience in the exploitation of documentaries and feature films from the areas action, martial arts and horror. Based on a solid financial balance sheet structure, Splendid aims to further increase investments in film assets. Following a profit warning the company managed to close the year 2014 at the top end of the reduced guidance. 9M/15 has shown a clear turnaround. In our opinion Splendid has interesting earnings potential in the midterm.

Price sensitive current issues

- » Number and Value of the movie distribution slate
- » Cash-Flow-situation against the backdrop of considerable investments in movie licenses with uncertain payback development
- » Development of electronic sales channels

Opportunities and risks

Opportunities	Risks
Successful exploitation of the movie slate	High cash binding in the movie assets
Extension of the movie slate	Unsuccessful exploitation of movie rights
Additional sales potential through use of electronic channels	Possible tendency of foreign content owner to self exploitation in foreign markets

¹⁾⁻⁹⁾ Important: Please read the references to possible conflicts of interest and disclaimers/disclosures at the end of this report.

PROFIT AND LOSS ACCOUNT

Euro m	2014	2015e	2016e	2017e	2018e	2019e
Sales	66.0	61.0	68.0	75.0	80.0	84.0
% against prev. year	20%	-8%	11%	10%	7%	5%
Cost of goods sold	-43.2	-37.9	-42.4	-46.9	-49.6	-51.8
Gross profit	22.8	23.1	25.6	28.1	30.4	32.2
% against prev. year	10%	1%	11%	10%	8%	6%
Sales costs	-16.1	-14.0	-15.6	-17.3	-18.4	-19.3
Administration costs	-7.1	-6.7	-7.5	-8.3	-8.8	-9.2
R&D expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	2.6	1.9	2.9	3.2	3.4	3.6
Other operating expenses	-0.2	-0.5	-0.6	-0.6	-0.6	-0.7
Extraordinary income/expenses	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit (EBIT)	2.0	3.8	4.7	5.3	6.0	6.6
For information: EBIT adjusted	2.0	3.8	4.7	5.3	6.0	6.6
% against prev. year	-54%	87%	26%	11%	14%	10%
Interest paid / received	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6
Profit before tax	1.4	3.2	4.1	4.7	5.4	6.0
For information: EBT adjusted	1.4	3.2	4.1	4.7	5.4	6.0
% against prev. year	-59%	125%	30%	13%	16%	11%
Income taxes from continuing operations	-0.5	-0.4	-0.5	-0.6	-0.8	-0.9
Tax rate	36%	12%	12%	12%	15%	15%
Net profit from continuing operations	0.9	2.8	3.6	4.1	4.6	5.1
Net profit from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.9	2.8	3.6	4.1	4.6	5.1
Profit or loss attributable to minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Profit or loss attributable to shareholders	0.9	2.8	3.6	4.1	4.6	5.1
thereof from continuing operations	0.9	2.8	3.6	4.1	4.6	5.1
thereof from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Weighted average number of shares, diluted (m)	9.790	9.790	9.790	9.790	9.790	9.790
IFRS earnings per share, diluted	0.09	0.28	0.37	0.42	0.47	0.52
Adjusted earnings per share, diluted (contin.)	0.09	0.28	0.37	0.42	0.47	0.52
For information						
Depreciation	0.5	0.6	0.7	0.7	0.8	0.9
EBITDA	2.5	4.4	5.4	6.0	6.8	7.5
EBITDA adjusted	2.5	4.4	5.4	6.0	6.8	7.5

Fiscal year end December

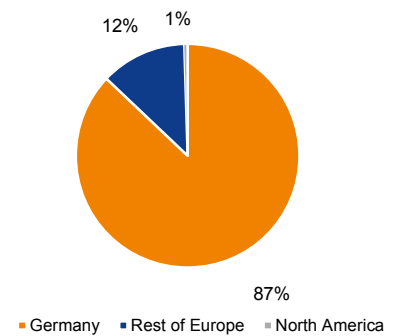
Source: Splendid Medien and DZ BANK estimates

RATIOS

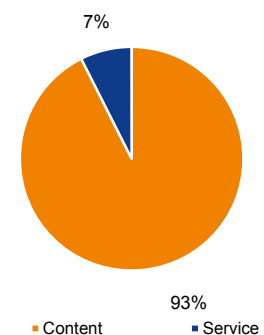
Euro	2014	2015e	2016e	2017e	2018e
Profit and loss ratios					
Sales (m)	66.0	61.0	68.0	75.0	80.0
EBITDA margin	3.8%	7.2%	7.9%	7.9%	8.5%
EBIT margin	3.0%	6.1%	6.9%	7.0%	7.5%
Net margin	1.4%	4.6%	5.3%	5.5%	5.8%
Investment ratio	37.4%	38.9%	35.7%	35.7%	31.3%
R&D as % of sales					
Admin and sales costs as % of sales	35.2%	34.0%	34.0%	34.0%	34.0%
Net other operating costs as % of sales	-3.7%	-2.3%	-3.3%	-3.5%	-3.5%
Net financial income as % of sales	-0.9%	-1.0%	-0.9%	-0.8%	-0.7%
Interest cover	3.4	6.4	7.9	9.0	10.5
Average sales growth next five years	4.9%				
Average earnings growth next five years	41.7%				
Profitability ratios					
ROE	3.6%	10.2%	12.1%	12.6%	13.1%
ROCE	6.1%	10.3%	12.1%	12.6%	13.6%
Productivity ratios					
Sales per employee ('000)	515.85	460.38	494.55	531.91	557.49
EBIT per employee ('000)	15.65	28.30	34.36	37.23	41.81
Balance sheet ratios					
Equity ratio	34.7%	37.7%	39.7%	41.3%	42.8%
Long term debt and equity / Fixed assets	81.4%	81.4%	83.9%	84.9%	86.8%
Liquidity (quick ratio)	79.3%	74.7%	76.1%	76.4%	77.5%
Receivables as % of sales	39.1%	36.0%	34.0%	33.0%	32.0%
Investment (net of GW) / Depreciation	112.2%	120.6%	107.2%	108.2%	93.3%
Working capital as % of sales	5.4%	4.9%	5.8%	6.2%	6.3%
Net debt (m)	13.2	14.4	14.4	14.5	14.3
Net debt complete (m)	13.5	14.8	14.7	14.8	14.6
Figures per share					
Earnings per share, diluted	0.09	0.28	0.37	0.42	0.47
Free cash flow per share, diluted	-0.29	-0.01	0.17	0.20	0.28
Dividend per common share	0.05	0.10	0.15	0.20	0.25
Cash per share, diluted	0.76	0.74	0.72	0.65	0.67
Net debt per share, diluted	1.35	1.48	1.47	1.48	1.46
Valuation ratios					
Enterprise value / Sales	0.5	0.6	0.6	0.5	0.5
Enterprise value / EBITDA	13.0	8.7	7.1	6.5	5.6
Enterprise value / EBIT	16.1	10.2	8.1	7.3	6.4
EV/Sales to sales growth	0.06	0.13	0.11	0.10	0.10
PEG ratio - common shares	4.45	0.21			
Fiscal year end December					

Source: Splendid Medien, DZ BANK estimates

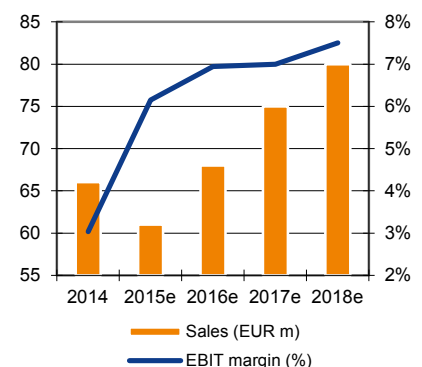
SALES BY REGION 2014



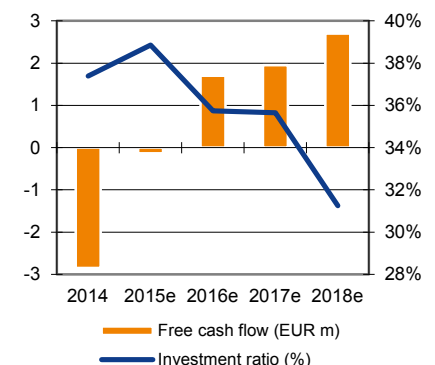
SALES BY BUSINESS SEGMENT 2014



SALES AND MARGIN DEVELOPMENT



FREE CASH FLOW AND INVESTMENT RATIO



^{1) - 9)} Important: Please read the references to possible conflicts of interest and disclaimers/disclosures at the end of this report.

DISCOUNTED CASH FLOW VALUATION

Market data	
Risk-free interest rate	0.59%
Market premium	5.00%
Data from comparable company	
Levered beta factor	1.6500
Data from company to be valued	
Growth rate of perpetuity	0.8%
Weighted average cost of capital (WACC)	7.41%
(Capital cost are specifically calculated for each particular period)	

Euro m	2015e	2016e	2017e	2018e	2019e	2020e
Adjusted EBIT	3.8	4.7	5.3	6.0	6.6	6.7
Taxes on EBIT	-0.5	-0.6	-0.6	-0.9	-1.0	-1.0
Cash Taxes	12.0%	12.0%	12.0%	15.0%	15.0%	15.0%
Net Operating Profit After Tax (NOPAT)	3.3	4.2	4.6	5.1	5.6	5.7
+ Depreciations (-Reversals)	19.6	22.7	24.7	26.8	27.9	29.5
- Investments (+Proceeds from sale)	-23.7	-24.3	-26.7	-28.9	-29.1	-30.1
Change in working capital	0.5	-0.9	-0.7	-0.4	-0.7	-0.7
Other changes	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-0.2	1.6	1.9	2.6	3.8	4.5
Present value of free cash flows	54.4					
Market value of non-operating assets	0.0					
Financial and liquid assets	7.4					
Enterprise value, beginning of period	61.8					
Liabilities	-21.0					
Provisions (inc. provisions for pensions)	0.0					
Equity value incl. minority interest, bop	40.8					
Value of minority interest	-8.6					
Correction of liabilities by convertible bonds	0.0					
EQV excl. minority interest, bop	32.2					
Accumulation till effective valuation date (with KE-rate)	3.0					
EQV excl. minority interest at valuation date	35.2					
Equity value per share, diluted (EUR)	3.6					

Fiscal year end December

Source: Splendid Medien and DZ BANK estimates

IMPRINT

Published by: DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main
 Telephone: +49 69 7447-01
 Telefax: +49 69 7447-1685
 Homepage: www.dzbank.com
 E-Mail: mail@dzbank.de
 Represented by the Board of Managing Directors: Wolfgang Kirsch (Chief Executive Officer), Lars Hille, Wolfgang Köhler, Dr. Cornelius Riese, Thomas Ullrich, Frank Westhoff, Stefan Zeidler
 Responsible: Stefan Bielmeier, Head of Research and Economics
 Chairman of the Supervisory Board: Helmut Gottschalk
 Registered Offices: Registered as a limited company in Frankfurt am Main, District Court
 Frankfurt am Main, Commercial Register HRB 45651
 Supervision: DZ BANK is subject to the supervision of the Federal Financial Supervisory Authority (BaFin) and the European Central Bank (ECB).
 Value added tax identification number DE114103491
 DZ BANK is a member of the officially recognized 'BVR Institutssicherung GmbH' and the additional voluntary 'Sicherungseinrichtung des Bundesverbandes der Volksbanken und Raiffeisenbanken e.V.'
 © DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main 2015
 Reprinting and reproduction requires the approval of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

GENERAL CONDITIONS FOR UPDATING RESEARCH PUBLICATIONS**EQUITY ANALYSES**

DZ BANK manages a list of companies known as the Master List and publishes financial analyses on the companies contained therein. As a rule, a listing on a national or international index is the criterion used for a company's inclusion or deletion from the list. A selection of companies from the small and mid cap segment – especially from Germany – can also be added to the list. DZ BANK alone decides whether to include or delete a company from the Master List. The Master List with the latest commentary on each company is prepared on a weekly basis. An opinion is given on price-relevant developments for all companies contained in the Master List. DZ BANK alone decides whether and why such publications are made. Further to this, in-depth analyses are published on stocks on the Master List. DZ BANK alone decides whether to select the companies for which publications of this kind are made. In order to comply with the regulations of the Securities Trading Act, the publication of financial analyses on certain companies listed on the Master List can be suspended at any time without prior notice.

BOND ANALYSES, I.E. ANALYSES ON COMPANIES

DZ BANK maintains lists of bond issuers and publishes recommendations on these debt issues. The main criteria for the inclusion or deletion of an issuer are the tradeability and market liquidity of these issues as well as customer requirements and the strategy of DZ BANK. At the sole discretion of DZ BANK, an issuer can at any time be included in or deleted from the list. No fixed deadlines, which are applicable to all issuers, have been set for updating the analyses. At least once a year, DZ BANK prepares an assessment of the companies on the list. Opinions can also be given if required. DZ BANK alone decides whether to make such publications and why. In-depth analyses are also published for issuers contained on the lists. DZ BANK alone selects the companies for which publications of this kind are made. In order to comply with the regulations of the Securities Trading Act, the publication of financial analyses on certain issuers listed on the lists can be suspended at any time without prior notice.

DERIVATIVES, COMMODITIES AND ASSET ALLOCATION

DZ BANK does not set any fixed deadlines for updating analyses of derivative financial instruments or commodities or for updating asset allocation. The criteria for analysing commodities include, among others, tradeability and market liquidity. For derivative financial instruments, the criteria include market conditions and the expected development of the underlying instrument. The main criteria for analysing asset allocation include, among others, the development of the market segments and how they interact. DZ BANK alone decides whether to monitor new derivative financial instruments or commodities and whether to suspend coverage on the derivative financial

instruments or commodities. DZ BANK also uses its sole powers of judgement to decide whether to include or remove market segments in the asset allocation. DZ BANK alone determines whether and to what extent DZ BANK prepares analyses in the course of monitoring derivative financial instruments and commodities or the asset allocation. In order to comply with the regulations of the Securities Trading Act, coverage of an issuer and/or financial instrument can be suspended at any time without prior notice.

Price data are obtained from Datastream and Bloomberg using the Datastream or Bloomberg codes. The latest price data are based on the Datastream or Bloomberg systematics.

SUPERVISION

DZ BANK is subject to the supervision of the Federal Financial Supervisory Authority (BaFin) and of the European Central Bank (ECB).
 Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Str. 108, 53117 Bonn, Germany, www.bafin.de
 European Central Bank, Sonnemannstraße 20, 60314 Frankfurt am Main, Germany, www.ecb.europa.eu

RESPONSIBLE COMPANY

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Platz der Republik, 60265 Frankfurt am Main, Germany

RESEARCH ANALYST COMPENSATION

Research analysts are not compensated for specific investment banking transactions. The author(s) of this report receive(s) compensation that is based on (among other factors) the overall profitability of DZ BANK, which includes earnings from the firm's investment banking and other businesses. DZ BANK generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or futures of any companies that the analysts cover.

DZ BANK RESEARCH – ALL COVERED COMPANIES

Buy 75.7%, Hold 10.4%, Sell 13.9%

PERCENTAGE OF COMPANIES WITHIN EACH CATEGORY FOR WHICH DZ BANK, DZ FINANCIAL MARKETS LCC AND/OR RESPECTIVE AFFILIATES HAVE PROVIDED INVESTMENT BANKING SERVICES WITHIN THE PREVIOUS 12 MONTHS

Buy 16.0%, Hold 10.3%, Sell 17.9%

CERTIFICATION

Each DZ BANK research analyst who is involved in the preparation of this research report certifies that:

- the views expressed in the research report accurately reflect such research analyst's personal views about the subject securities and issuers; and
- that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.

THE NUMERICAL ANNOTATIONS IN THE TEXT REFER TO THE NUMBERING OF THE NOTES BELOW (1-9)

DZ BANK and/or its respective affiliate(s)

- beneficially owns 1% or more of any class of common equity securities of the subject company,
- has managed or co-managed a public offering of securities of the subject company within the past 12 months,
- beneficially makes a market in, or undertakes the designated sponsor responsibilities of, the subject company. As such, the market maker may have an inventory position, either "long" or "short", in the relevant security and may be on the opposite side of orders executed on the relevant exchange,
- beneficially has received during the past 12 months compensation for investment banking services from the company, its parent, or its wholly owned or majority-owned subsidiary,

^{1)–9)} Important: Please read the references to possible conflicts of interest and disclaimers/disclosures at the end of this report.

- 5) holds a trading position, as that term is defined by German law, in shares of the company whose securities are subject of the research,
- 6) entered into an agreement concerning the preparation of financial analysis with issuers of financial instruments, if these or financial instruments issued by them are the subject of the financial analysis,
- 7) beneficially expects to receive or intends to seek compensation for investment banking services in the next 3 months from the company, its parent, or its wholly owned or majority-owned subsidiary.
- 8) The author, or an individual who assisted in the preparation, of the report or a member of their respective households serves as an officer, director or advisory board member of the subject company.
- 9) The author, or an individual who assisted in the preparation, of the report or a member of their respective households has a direct ownership position in securities issued by the subject company or derivatives thereof.

Further information and compulsory data regarding financial analyses can be found under www.dzbank.com

DISCLAIMER

1.a) This report has been prepared by DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Germany („DZ BANK“) and has been approved by DZ BANK for distribution in Germany and other such locations as noted below. The authoring analysts are employed by DZ BANK or on behalf of DZ BANK.

b) Our recommendations do not constitute any investment advice and consequently, they may not be fully (or not at all) suitable to individual investors, depending on their investment objectives, targeted holding period or the individual financial situation. The recommendations and opinions contained in this report constitute the best judgment of DZ BANK at the date and time of preparation of this document and are subject to change without notice as a result of future events or results. This report is for distribution in all countries only in accordance with the applicable law and rules and persons into whose possession this report comes should inform themselves about and observe such law and rules. This report constitutes an independent appraisal of the relevant issuer or security by DZ BANK; all evaluations, opinions or explanations contained herein are those of the author of the report and do not necessarily correspond with those of the issuer or third parties.

c) This report is being furnished to you solely for your information and may not be reproduced, redistributed or published in whole or in part, to any other person.

d) DZ BANK has obtained the information on which this report is based from sources believed to be reliable, but has not verified all of such information. Consequently, DZ BANK, DZ Financial Markets LLC and/or their respective affiliates do not make or provide any representations or warranties regarding the preciseness, completeness or accuracy of the information or the opinions contained in this report. Further, DZ BANK assumes no liability for damages incurred as a result of distributing and/or using this report and/or which are connected to the utilization of this document.

Any decision to effect an investment in securities should be founded on independent investment analysis and processes as well as other reports including, but not limited to, information memoranda, sales prospectuses or offering circulars rather than on the basis of this report. Whilst DZ BANK may provide hyperlinks to web sites of entities mentioned in this report, the inclusion of a link does not imply that DZ BANK endorses, recommends or approves any material on the linked page or accessible from it. DZ BANK accepts no responsibility whatsoever for any such material, nor for any consequences of its use.

e) This report is not to be construed as and does not constitute a public offer or an invitation to any person to buy or sell any security or other financial instrument. The information in this report does not constitute investment advice. In preparing this report, DZ BANK has not and does not act in the capacity of investment adviser to, or asset manager for, any person.

f) DZ BANK may have investment banking and other business relationships with the company or companies that are the subject of this report. DZ BANK's research analysts also provide important input into the investment banking and other business selection processes. Investors should assume that DZ BANK, DZ Financial Markets LLC and/or their respective affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this report and that the research analysts who were involved in preparing this material may participate in the solicitation of such business to the extent permitted by applicable law. DZ BANK, DZ Financial Markets LLC and/or one of its affiliates as well as their employees may have positions in the securities or effect transactions in the securities.

g) Research analysts are not compensated for specific investment banking transactions. The author(s) of this report receive(s) compensation that is based on (among other factors) the overall profitability of DZ BANK, which includes earnings from the firm's investment banking and other businesses. DZ BANK generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or futures of any companies that the analysts cover.

2. Specific information for the United States of America and Canada: This research report is being provided by DZ BANK to U.S. investors and, in case of equity research, in partnership with Auerbach Grayson and Company, Inc., a U.S. registered broker-dealer (“Auerbach”). It is either being distributed to U.S. investors by Auerbach in accordance with the rules of the Financial Industry Regulatory Authority or directly by DZ BANK in accordance with Rule 15a-6 under the Securities and Exchange Act of 1934. If distributed directly by DZ BANK, the report is only being distributed to, and is only intended to be read by, major institutional investors as that term is defined by Rule 15a-6. Any order for the purchase or sale of equity-securities covered by this report must be placed with Auerbach. You may reach Auerbach at 25 West 45th Street, New York, NY 10036, 212-557-4444. This research has been prepared outside the United States by analysts who may not have been subject to rules regarding the preparation of reports and the independence of research analysts like those in effect in the United States. The opinions, estimates and projections contained in this report are those of DZ BANK as of the date of this report and are subject to change without notice. The information contained in this report has been compiled by DZ BANK from sources believed to be reliable but no representation or warranty, express or implied, is made by DZ BANK or its affiliated companies or any other person as to the report's accuracy, completeness or correctness. Within the scope of application of the federal laws of the United States or the laws of the individual US states, the above exclusion of representations and warranties takes precedence over the exclusion of liability clause in Section 1, paragraph 4 above. The securities/ADRs discussed in this report are either listed on a US exchange, traded in the US over-the-counter, or traded only on a foreign exchange. Those securities that are not registered in the US may not be offered or sold, directly or indirectly, within the US or to US persons (within the meaning of Regulation S and under the Securities Act of 1933 (the “Securities Act”) except pursuant to an exemption under the Securities Act. This report does not constitute an offer with respect to the purchase or sale of any security within the meaning of Section 5 of the Securities Act and neither this report nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

In Canada it may only be distributed to persons who are resident in Canada to whom trades of the securities described herein may be made exempt from the prospectus requirements of applicable provincial or territorial securities laws.

3.a) Specific information for the United Kingdom: DZ BANK is regulated by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and the European Central Bank for the conduct of business. However, to the extent that this report is being distributed in the UK, this report may be distributed only to and is directed only at Eligible Counterparties and Professional Clients within the meaning of the FCA Rules (such persons being referred to as “relevant persons”). This report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

b) DZ BANK, DZ Financial Markets LLC and/or their respective affiliates expressly exclude all conditions, warranties, representations and terms (whether implied by statute, common law or otherwise) of any kind whether regarding the preciseness, completeness or accuracy of the information or the opinions contained in this report, or otherwise. Further, DZ BANK assumes no liability for direct or indirect damages or loss of any kind, whether arising in or for breach of contract, tort (including negligence), breach of statutory duty, indemnity or otherwise, incurred as a result of distributing and/or using this report. Nothing in this Disclaimer is intended to exclude or limit or shall have the effect of, excluding or limiting, any liability for (i) fraud, (ii) death or personal injury caused by negligence, (iii) breach of terms regarding title implied by s.12 Sale of Goods Act 1979 and/or s.2 Supply of Goods and Services Act 1982, or (iv) any liability to the extent the same may not be excluded or limited as a matter of law. Within the scope of application of the laws of England, this Section 3 b) takes precedence over the exclusion of liability provisions in Section 1d) above.

4. Specific information for Italy: This report must only be distributed in Italy to persons as defined in Article 2(1) (e) of Directive 2003/71/EC (“Qualified Investors”). No other persons other than Qualified Investors should read, act, or rely on any information contained in this report. Any activity to which this report relates will only be engaged in with Qualified Investors.

5. Specific information for Singapore: This report is distributed by DZ PRIVATBANK Singapore Ltd. (PBSG) and DZ BANK Singapore Branch. Recipients of this report are to contact PBSG (Telephone No.: (65)-6513 8000) and DZ BANK Singapore Branch (Telephone No.: (65)-6438-0060) in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this research report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of The Securities and Futures Act), PBSG and DZ BANK Singapore Branch accept legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility.

^{1) - 9)} Important: Please read the references to possible conflicts of interest and disclaimers/disclosures at the end of this report.

The views and opinions in this report are our own as of the date hereof and are subject to change. This report is strictly confidential and is being supplied to you strictly on the basis that it will remain confidential. No part of this material may be

(i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of PBSG and DZ BANK Singapore Branch.

6. DZ BANK Research – Recommendation Definitions (Ratings System):

(Except as otherwise noted, expected performance within the 12 month period from the date of the rating):

- Buy: greater than 5% increase in share price
- Hold: price changes between +5% and -5%
- Sell: more than 5% decrease in share price

7.a) **Note:** - Any fair values / price targets shown for companies discussed in this report may not be achieved due to multiple risk factors, including, without limitation, market volatility, sector volatility, corporate actions, the state of the economy, the failure to achieve earnings and/or revenue projections, the unavailability of complete and accurate

information and/or a subsequent occurrence that affects the underlying assumptions made by DZ BANK or by other sources relied upon in the report.

b) DZ BANK may also have published other research about the company during the period covered that did not contain a fair value / price target but that discussed valuation matters. The fair values / price targets shown should be considered in the context of all prior published research as well as developments relating to the company, its industry and financial markets.

c) DZ BANK is not obliged to up-date the research report. Investors must keep themselves informed about on the current course of business and any changes in the current course of business of the issuer.

d) By using this report or by relying on it in any manner whatsoever you agree to be bound by the foregoing limitations. Additional information on the contents of this report is available on request.

e) If any term of this Disclaimer is found to be illegal, invalid or unenforceable under any applicable law, such term shall, insofar as it is severable from the remaining terms, be deemed omitted from this Disclaimer and shall in no way affect the legality, validity or enforceability of the remaining terms.



RATING HISTORY

Recommendation	Date	Price
Buy	7 Nov 2012	2.10 EUR

¹⁾-⁹⁾ Important: Please read the references to possible conflicts of interest and disclaimers/disclosures at the end of this report.

RESEARCH TEAM MEDIA

Harald Heider		+49 – (0)69 – 74 47 – 60 93	harald.heider@dzbank.de
Harald Schnitzer		+49 – (0)69 – 74 47 – 22 83	harald.schnitzer@dzbank.de

INSTITUTIONAL SALES

Germany, Benelux, Switzerland, Austria, UK	Kai Böckel	+49 – (0)69 – 74 47 – 12 28	kai.boeckel@dzbank.de
--	------------	-----------------------------	-----------------------

Equity Sales

Germany	Kai Böckel	+49 – (0)69 – 74 47 – 12 28	kai.boeckel@dzbank.de
Benelux	Lars Wohlers	+49 – (0)69 – 74 47 – 68 34	lars.wohlers@dzbank.de
Switzerland	Petra Bukan	+49 – (0)69 – 74 47 – 49 92	petra.bukan@dzbank.de
Austria	Thomas Reichelt	+49 – (0)69 – 74 47 – 67 09	thomas.reichelt@dzbank.de
UK	Lars Wohlers	+49 – (0)69 – 74 47 – 68 34	lars.wohlers@dzbank.de

Sales Trading

Sales Trading	Marina Semmler	+49 – (0)69 – 74 47 – 13 81	marina.semmler@dzbank.de
---------------	----------------	-----------------------------	--------------------------

DERIVATIVES SALES

Derivatives Sales	Berthold Grünebaum	+49 – (0)69 – 74 47 – 9 91 95	berthold.gruenebaum@dzbank.de
-------------------	--------------------	-------------------------------	-------------------------------

ACCESS TO DZ RESEARCH (CONTACT SEBASTIAN.HORN @DZBANK.DE)

Bloomberg	DZAG <GO>
Reuters	"DZ Bank" & RCH <NEWS>