ERSTE GROUP

Company Update – Diversified Industrial – Austria – August 11, 2010

A-Tec from Hold to Sell

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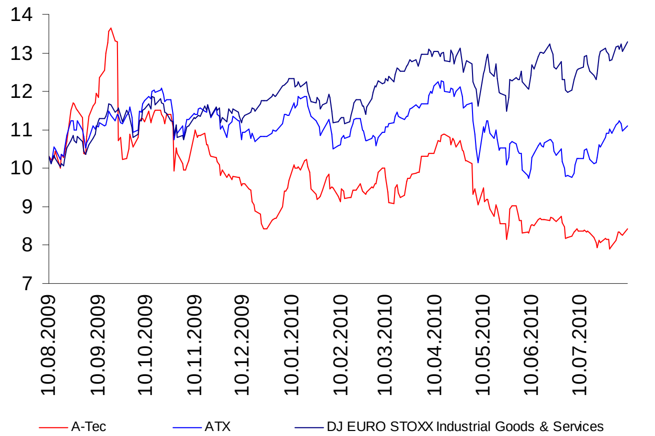
Share price (EUR)	8.42	Reuters	ATEC.VI	Free float	26.5%
Number of shares (mn)	25.0	Bloomberg	ATEC AV	Shareholders	M.U.S.T PF (55.2%)
Market capitalization (EUR mn)	210.8	Div. Ex-date			Loidold PF (6.8%)
Enterprise value (EUR mn)	789.9	**Target price**	**6.3**	Homepage:	www.a-tecindustries.com

Key figures Overview

EUR mn	2009	2010e	2011e	2012e
Net sales	2,995.1	2,593.5	2,367.0	2,695.4
EBITDA	211.2	120.8	126.3	158.0
EBIT	143.1	61.4	68.5	100.9
EBT	88.3	2.6	8.0	41.4
Net profit	55.2	1.7	5.3	27.3
EPS (EUR)	2.09	0.07	0.20	1.04
CEPS (EUR)	5.25	2.37	2.45	3.27
BVPS (EUR)	14.77	14.83	15.03	16.07
Dividend/Share (EUR)	0.00	0.00	0.00	0.00
EV/EBITDA (x)	3.15	6.54	5.29	4.24
P/E (x)	4.16	129.10	41.97	8.14
P/CE (x)	1.65	3.56	3.44	2.58
Dividend yield (%)	0.00	0.00	0.00	0.00
EBITDA margin (%)	6.96	4.64	5.31	5.83
Operating margin (%)	4.72	2.36	2.88	3.72
Net profit margin (%)	1.80	0.07	0.24	1.07

Trading data & Statistics

Daily averages	5 days	30 days	last year
Volume	36,910	30,198	60,647
Trading value (EUR mn)	0.3	0.2	0.6



Financial Strength

	2009	2010e	2011e	2012e
ROE (%)	15.81	0.44	1.34	6.66
ROCE (%)	10.31	4.36	4.81	7.42
Equity ratio (%)	15.11	16.14	17.57	17.58
Net debt (EUR mn)	432.22	564.67	442.45	442.14
Gearing (%)	110.07	143.14	110.58	103.04

Downgrade due to poor operating performance

– **Downgrade to Sell:** Due to A-TEC's poor operating performance and weak outlook, we lowered our FY10 forecasts and beyond. We consequently lower our target price to EUR 6.3 (after EUR 9.5) and cut our recommendation from Hold to Sell.

– **2Q10 results:** A-TEC's 2Q10 results have been very disappointing. New orders remain at a subdued level, mainly due to the very weak development of the Plant Construction division. EBIT turned negative, due to cost overruns related to a power turnkey project. The bright spot was the Machine Tool division, where the EBIT margin jumped to 7.8%.

– **Net debt:** In light of its negative free cash flow in 1H10 (EUR -106.8mn), A-T0EC's net debt position rose further to EUR 595.9mn, bringing the net gearing ratio to 147%.

– **Refinancing:** Due to the adverse market conditions, A-TEC has not been able to secure refinancing for its EUR 92mn senior bond maturing in November this year. We doubt that it will get easier for A-TEC in the next couple of months, given the recent developments. The company informed us that, in a worst-case scenario, it would seek an Austrian state guarantee under the ULSG in order to secure refinancing in November.

Price performance:	1M	3M	6M	12M	Ytd
in EUR	**0.7%**	**-6.9%**	**-7.7%**	**-19.7%**	**-3.1%**

2Q10 figures discussion

A-TEC's 2Q10 results were very disappointing. Burdened by the weak showing of the Plant Construction division (just EUR 74mn in new orders in 2Q10), A-TEC's new orders on the group level remained subdued and rose just 3.5% y/y to EUR 313mn.

Quarterly figures 1Q09 – 2Q10

IFRS (EURmn)		1Q09	2Q09	3Q09	4Q09	FY09	1Q10	2Q10	y/y
Order intake		**426.6**	**302.5**	**247.5**	**369.0**	**1,345.6**	**360.2**	**313.0**	***3%***
Sales	Plant Construction	401.2	494.3	383.1	533.6	1,812.2	331.2	323.1	*-35%*
	Drive Technology	88.3	72.8	74.9	70.8	306.8	72.4	78.7	*8%*
	Machine Tools	78.2	67.9	55.3	60.6	262.0	53.0	61.2	*-10%*
	Minerals & Metals	126.1	137.2	159.7	192.4	615.4	242.3	266.1	*94%*
	Consolidation	-2.2	-1.1	2.4	-0.4	-1.3	-1.1	-0.3	
	Group Sales	**691.6**	**771.1**	**675.4**	**857.0**	**2,995.1**	**697.8**	**728.8**	***-5%***
	Group EBITDA	**50.7**	**43.1**	**39.9**	**77.5**	**211.2**	**50.6**	**7.0**	***0%***
	Group EBITDA.margin	*7.3%*	*5.6%*	*5.9%*	*9.0%*	*7.1%*	*7.3%*	*1.0%*	
EBIT	Plant Construction	12.0	17.0	13.2	43.2	85.4	17.0	-20.9	*-223%*
	Drive Technology	4.1	2.7	-0.9	-5.3	0.6	-2.8	-0.5	*-119%*
	Machine Tools	4.7	2.5	-0.8	4.4	10.8	0.3	4.8	*92%*
	Minerals & Metals	18.4	10.2	16.2	15.8	60.6	25.4	10.3	*1%*
	Consolidation	-0.5	-1.3	-0.1	-12.4	-14.3	-2.0	0.5	
	Group EBIT	**38.7**	**31.1**	**27.6**	**45.7**	**143.1**	**37.9**	**-5.8**	***-119%***
	Group EBIT margin	*5.6%*	*4.0%*	*4.1%*	*5.3%*	*4.8%*	*5.4%*	*-0.8%*	*-3%*
EBIT-margin	*Plant Construction*	*3.0%*	*3.4%*	*3.4%*	*8.1%*	*4.7%*	*5.1%*	*-6.5%*	
	Drive Technology	*4.6%*	*3.7%*	*-1.2%*	*-7.5%*	*0.2%*	*-3.9%*	*-0.6%*	
	Machine Tools	*6.0%*	*3.7%*	*-1.4%*	*7.3%*	*4.1%*	*0.6%*	*7.8%*	
	Minerals & Metals	*14.6%*	*7.4%*	*10.1%*	*8.2%*	*9.8%*	*10.5%*	*0.2%*	

Source: Company Data

EBIT burdened by cost overruns

A-TEC's 2Q10 EBIT was burdened by EUR 17.3mn in turnkey project implementation cost overruns. The Drive Technology division continued to disappoint as well. However, the Machine Tools operating performance in 2Q10 was a positive highlight, raising the EBIT margin to 7.8%, mainly driven by the comeback of EMCO. Due to a rather flat copper price development, the Metals division's operating performance slowed down; the 1Q10 operating result benefited from EUR 15.4mn copper inventory write-ups, whereas 2Q10 was slightly burdened by a write-down of EUR 1.4mn.

Financing situation

Net debt rising further

Due to its negative free cash flow of around EUR -106.8mn, A-TEC's net debt position (including personnel provisions of EUR 85.8mn) rose further to around EUR 595.9mn, as of June 30, 2010. Consequently, net gearing stood at around 147.1% as of June 30, 2010.

EUR 92mn to be refinanced by November 2010

A-TEC will have to refinance a senior bond with a nominal amount of EUR 92mn outstanding by November of this year. An attempt to issue a new senior bond in June was halted by the adverse market conditions. In light of the weak 2Q10 results, we doubt that A-TEC's chances will improve considerably within the next months. The company informed us that plan B would be to seek refinancing under the ULSG (Unternehmens-Liquiditäts-Stärkungs-Gesetz). The ULSG is a law whereby the Austrian government guarantees a company's financing needs up to EUR 300mn. In a worst-case scenario, A-TEC would have to make sure to get such a guarantee by November.

Forecast and DCF valuation

Due to A-TEC's rather disappointing operating performance in 1H10, we lowered our EBIT margin expectations by some 50bp to 2.4%. Due to A-TEC's significant financial leverage, we had to lower our EPS forecast for 2010 by 87%. In light of the continuing slow global recovery, we decided to lower our estimates for 2011 and 2012, as well.

Estimate changes 2010e – 2012e

in EURmn	2010e			2011e			2012e		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
Sales	2,722.8	2,593.5	*-4.7%*	2,864.8	2,367.0	*-17.4%*	3,289.8	2,695.4	*-18.1%*
EBITDA	139.0	120.8	*-13.1%*	163.6	126.3	*-22.8%*	186.1	158.0	*-15.1%*
Margin	*5.1%*	*4.7%*		*5.7%*	*5.3%*		*5.7%*	*5.9%*	
EBIT	79.4	61.4	*-22.6%*	105.2	68.5	*-34.9%*	127.6	100.9	*-20.9%*
Margin in %	*2.9%*	*2.4%*		*3.7%*	*2.9%*		*3.9%*	*3.7%*	
EPS (in EUR)	0.50	0.07	*-87.0%*	1.26	0.20	*-84.1%*	1.83	1.04	*-43.4%*
EPS diluted (in EUR)	0.65	0.31	*-52.4%*	1.27	0.45	*-64.6%*	1.83	1.10	*-39.9%*

Source: Erste Group estimates

Worrying development of plant construction

We have to admit that we are increasingly worried about the future development of A-TEC's Plant Construction division. So far, this division has been A-TEC's crown jewel; however, an order intake of just EUR 74mn (compared to peak levels of more than EUR 1bn), accompanied by cost overruns in turnkey projects of EUR 17.3mn, clearly marks a low point. In our opinion, A-TEC's Plant Construction division is getting hurt by the fact that, throughout Western Europe, the market for coal-fired plants is literally dying out. It also seems that clients are cautious when it comes to combined cycle and waste power plants. Due to its lack of exposure to Southeast Asia and South America, A-TEC also cannot capitalize on the performance of these booming economies. Overall, this resulted in lower estimates for A-TEC's group results in 2010 and beyond.

New EUR 6.3 target price

Based on our reduced expectations regarding free cash flow development in 2010 and a higher discount rate to reflect the rising risk profile of the underlying investment case, we lower our 12-month target equity price to EUR 6.3 (after EUR 9.5).

We based our target price calculation on two DCF models. DCF model I assumes no dilution at all and we therefore deduct the entire amount of both convertibles outstanding (EUR 202.4mn) from our Enterprise Value, treating them as debt. In a second scenario, we assumed the conversion of bond II. With an exercise price of EUR 56.25, we do not expect that bond I will be converted until 2014 and thus continue to deduct the remaining value outstanding of bond I (EUR 83.2mn) under this scenario. Scenario I, assuming no conversion, yields a 12-month target equity value of EUR 5.1. Scenario II, assuming a full conversion of bond II (adding 7.45mn new shares), yields a higher 12-month equity value of EUR 7.4 per share. We applied a 15% conglomerate discount in both cases.

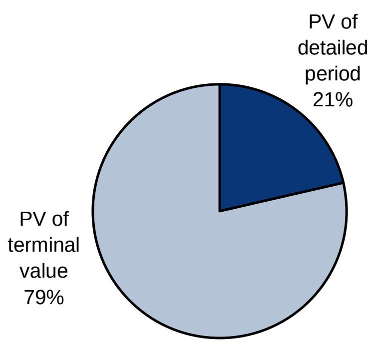
Scenario I / WACC calculation

	2011e	2012e	2013e	2014e	2015e	2016e (TV)
Risk free rate	3.1%	3.1%	3.1%	3.1%	3.1%	4.5%
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	2.6	2.6	2.6	2.6	2.6	2.3
Cost of equity	**16.3%**	**16.3%**	**16.3%**	**16.3%**	**16.3%**	**16.0%**
Cost of debt	9.1%	9.1%	9.1%	9.1%	9.1%	10.5%
Effective tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
After-tax cost of debt	**6.4%**	**6.4%**	**6.4%**	**6.4%**	**6.4%**	**7.4%**
Equity weight	25%	25%	25%	25%	25%	50%
WACC	**8.8%**	**8.8%**	**8.8%**	**8.8%**	**8.8%**	**11.7%**

DCF valuation

(EUR mn)	2011e	2012e	2013e	2014e	2015e	2016e (TV)
Sales growth	*-8.7%*	*13.9%*	*10.0%*	*4.0%*	*4.0%*	*1.0%*
EBIT	68.5	100.9	118.0	125.3	133.0	97.1
EBIT margin	*2.9%*	*3.7%*	*4.0%*	*4.1%*	*4.1%*	*3.0%*
Tax rate	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*
Taxes on EBIT	-20.5	-30.3	-35.4	-37.6	-39.9	-29.1
NOPLAT	**47.9**	**70.6**	**82.6**	**87.7**	**93.1**	**68.0**
+ Depreciation	57.8	57.1	57.4	58.1	59.0	59.0
Capital expenditures / Depreciation	*65.0%*	*84.0%*	*93.4%*	*109.9%*	*112.6%*	*115.0%*
+/- Change in working capital	109.2	-29.5	-7.3	-4.5	-4.8	-6.4
Chg. working capital / chg. Sales	*-48.2%*	*-9.0%*	*-2.7%*	*-3.8%*	*-3.9%*	*-20.0%*
- Capital expenditures	-37.6	-48.0	-53.6	-63.9	-66.4	-67.8
Free cash flow to the firm	**177.4**	**50.3**	**79.1**	**77.5**	**80.8**	**52.7**
Terminal value growth						*1.0%*
Terminal value						499.1
Discounted free cash flow - Dec 31 2010	163.0	42.4	61.3	55.2	52.9	361.3
Enterprise value - Dec 31 2010	**736.2**					
Minorities	3.3					
Non-operating assets	0.0					
Net debt	564.7					
Equity component of convertible bond I + II	23.7					
Equity value - Dec 31 2010	**144.5**					
Number of shares outstanding (mn)	26.4					
Cost of equity	16.3%					
12M net present value per share (EUR)	**6.0**					
Conglomerate Discount	15%					
12M target equity price per share (EUR)	**5.1**					
Current share price (EUR)	8.4					
Up/Downside	*-38.9%*					

Enterprise value breakdown



Sensitivity (per share)

WACC	Terminal value EBIT margin 2.0%	2.5%	3.0%	3.5%	4.0%
10.7%	0.3	3.3	6.3	9.3	12.4
11.2%	-0.1	2.8	5.7	8.6	11.5
11.7%	-0.4	2.4	**5.1**	7.9	10.6
12.2%	-0.7	2.0	4.6	7.3	9.9
12.7%	-1.0	1.6	4.1	6.7	9.2

WACC	Terminal value growth 0.0%	0.5%	1.0%	1.5%	2.0%
10.7%	5.0	5.6	6.3	7.1	7.9
11.2%	4.5	5.1	5.7	6.4	7.2
11.7%	4.0	4.6	**5.1**	5.8	6.5
12.2%	3.6	4.1	4.6	5.2	5.8
12.7%	3.2	3.6	4.1	4.7	5.2

Source: Erste Group estimates

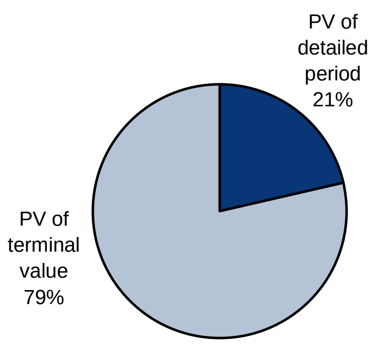
Scenario II / WACC calculation

	2011e	2012e	2013e	2014e	2015e	2016e (TV)
Risk free rate	3.1%	3.1%	3.1%	3.1%	3.1%	4.5%
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	2.6	2.6	2.6	2.6	2.6	2.3
Cost of equity	**16.3%**	**16.3%**	**16.3%**	**16.3%**	**16.3%**	**16.0%**
Cost of debt	9.1%	9.1%	9.1%	9.1%	9.1%	10.5%
Effective tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
After-tax cost of debt	**6.4%**	**6.4%**	**6.4%**	**6.4%**	**6.4%**	**7.4%**
Equity weight	35%	35%	35%	35%	35%	50%
WACC	**9.8%**	**9.8%**	**9.8%**	**9.8%**	**9.8%**	**11.7%**

DCF valuation

(EUR mn)	2011e	2012e	2013e	2014e	2015e	2016e (TV)
Sales growth	*-8.7%*	*13.9%*	*10.0%*	*4.0%*	*4.0%*	*1.0%*
EBIT	68.5	100.9	118.0	125.3	133.0	97.1
EBIT margin	*2.9%*	*3.7%*	*4.0%*	*4.1%*	*4.1%*	*3.0%*
Tax rate	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*
Taxes on EBIT	-20.5	-30.3	-35.4	-37.6	-39.9	-29.1
NOPLAT	**47.9**	**70.6**	**82.6**	**87.7**	**93.1**	**68.0**
+ Depreciation	57.8	57.1	57.4	58.1	59.0	59.0
Capital expenditures / Depreciation	*65.0%*	*84.0%*	*93.4%*	*109.9%*	*112.6%*	*116.0%*
+/- Change in working capital	109.2	-29.5	-7.3	-4.5	-4.8	-6.4
Chg. working capital / chg. Sales	*-48.2%*	*-9.0%*	*-2.7%*	*-3.8%*	*-3.9%*	*-20.0%*
- Capital expenditures	-37.6	-48.0	-53.6	-63.9	-66.4	-68.4
Free cash flow to the firm	**177.4**	**50.3**	**79.1**	**77.5**	**80.8**	**52.2**
Terminal value growth						*1.0%*
Terminal value						493.5
Discounted free cash flow - Dec 31 2010	161.6	41.7	59.7	53.2	50.6	341.5
Enterprise value - Dec 31 2010	**708.2**					
Minorities	3.3					
Equity component of convertible bond I	13.1					
Net debt	564.7					
Equity addition through convertible II	-110.0					
Equity value - Dec 31 2010	**237.1**					
Number of shares outstanding (mn)	33.9					
Cost of equity	16.3%					
12M net present value per share (EUR)	**8.7**					
Conglomerate Discount	15%					
12M target equity price per share (EUR)	**7.4**					
Current share price (EUR)	8.4					
Up/Downside	*-12.5%*					

Enterprise value breakdown



Sensitivity (per share)

	Terminal value EBIT margin				
WACC	**2.0%**	**2.5%**	**3.0%**	**3.5%**	**4.0%**
10.7%	3.3	5.8	8.3	10.9	13.4
11.2%	3.0	5.4	7.8	10.2	12.6
11.7%	2.7	5.1	**7.4**	9.7	12.0
12.2%	2.5	4.7	6.9	9.1	11.3
12.7%	2.3	4.4	6.5	8.7	10.8

	Terminal value growth				
WACC	**0.0%**	**0.5%**	**1.0%**	**1.5%**	**2.0%**
10.7%	7.3	7.8	8.3	9.0	9.7
11.2%	6.8	7.3	7.8	8.4	9.0
11.7%	6.4	6.9	**7.4**	7.9	8.4
12.2%	6.1	6.5	6.9	7.4	7.9
12.7%	5.8	6.1	6.5	7.0	7.5

Source: Erste Group estimates

Peer group comparison

Based on our peer group comparison the A-TEC stock trades with a discount on EV/EBITDA level. However, based on EV/EBIT as well as P/E multiples we observe a premium based on our estimates for 2010 and 2011. In general we believe that the fact that A-TEC has no track record in delivering free cash flow to investors makes a peer group comparison difficult.

Peer group comparison

AE&E Peers	**EV/Sales**			**EV/EBITDA**			**EV/EBIT**			**P/E**		
	2010e	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**
Alstom SA	0.6 x	0.6 x	0.5 x	6.6 x	6.2 x	5.3 x	8.5 x	8.1 x	6.8 x	11.7 x	11.7 x	10.6 x
Siemens AG	0.9 x	0.8 x		7.8 x	6.7 x		11.4 x	9.5 x		13.3 x	11.4 x	
Andritz Ag	0.6 x	0.5 x	0.5 x	6.9 x	6.1 x	5.6 x	8.9 x	7.6 x	6.9 x	18.0 x	15.8 x	14.3 x
Rafako (Fabryka Kotlow)	0.7 x	0.5 x	0.4 x	11.5 x	10.3 x	6.9 x	14.8 x	13.1 x	8.5 x	20.5 x	18.9 x	13.8 x
Median	**0.7 x**	**0.6 x**	**0.5 x**	**7.3 x**	**6.5 x**	**5.6 x**	**10.1 x**	**8.8 x**	**6.9 x**	**15.6 x**	**13.7 x**	**13.8 x**
EMCO Peers	**EV/Sales**			**EV/EBITDA**			**EV/EBIT**			**P/E**		
	2010e	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**
Gildemeister AG	0.6 x	0.5 x	0.4 x	11.1 x	6.5 x	4.8 x	19.6 x	9.0 x	6.2 x	125.9 x	16.0 x	9.5 x
Median	**0.6 x**	**0.5 x**	**0.4 x**	**11.1 x**	**6.5 x**	**4.8 x**	**19.6 x**	**9.0 x**	**6.2 x**	**125.9 x**	**16.0 x**	**9.5 x**
Brixlegg Peers	**EV/Sales**			**EV/EBITDA**			**EV/EBIT**			**P/E**		
	2010e	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**
Norddeutsche Affinerie AG	0.2 x	0.2 x	0.2 x	5.7 x	5.9 x	5.2 x	8.2 x	8.8 x	7.6 x	10.3 x	10.8 x	9.7 x
KGHM Polska Miedz SA	1.5 x	1.4 x	1.3 x	4.3 x	4.1 x	3.6 x	5.0 x	4.8 x	4.2 x	6.7 x	6.9 x	6.1 x
Median	**0.9 x**	**0.8 x**	**0.8 x**	**5.0 x**	**5.0 x**	**4.4 x**	**6.6 x**	**6.8 x**	**5.9 x**	**8.5 x**	**8.9 x**	**7.9 x**
ATB Peers	**EV/Sales**			**EV/EBITDA**			**EV/EBIT**			**P/E**		
	2010e	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**	**2010e**	**2011e**	**2012e**
Emerson Electric Co.	1.9 x	1.7 x	1.5 x	9.9 x	8.5 x	7.5 x	11.9 x	9.9 x	8.7 x	18.8 x	15.5 x	13.6 x
Schneider Electric SA	1.6 x	1.4 x	1.2 x	9.2 x	7.8 x	6.8 x	11.3 x	9.3 x	8.0 x	14.8 x	12.5 x	10.9 x
ABB Ltd	1.3 x	1.2 x	1.1 x	9.2 x	7.4 x	6.3 x	11.0 x	8.6 x	7.2 x	18.7 x	14.9 x	13.1 x
Siemens AG	0.9 x	0.8 x		7.8 x	6.7 x		11.4 x	9.5 x		13.3 x	11.4 x	
Median	**1.4 x**	**1.3 x**	**1.2 x**	**9.2 x**	**7.6 x**	**6.8 x**	**11.3 x**	**9.4 x**	**8.0 x**	**16.8 x**	**13.7 x**	**13.1 x**
Weighted Median	**0.8 x**	**0.7 x**	**0.6 x**	**7.7 x**	**6.4 x**	**6.4 x**	**10.2 x**	**8.5 x**	**6.8 x**	**24.9 x**	**13.3 x**	**11.8 x**
A-TEC	**0.3 x**	**0.3 x**	**0.2 x**	**6.5 x**	**5.3 x**	**4.2 x**	**12.9 x**	**9.8 x**	**6.6 x**	**129.1 x**	**42.0 x**	**8.1 x**
Premium/Discount	*-62%*	*-59%*	*-59%*	*-16%*	*-17%*	*-34%*	*26%*	*14%*	*-2%*	*419%*	*216%*	*-31%*

Source: Factset, Erste Group estimates

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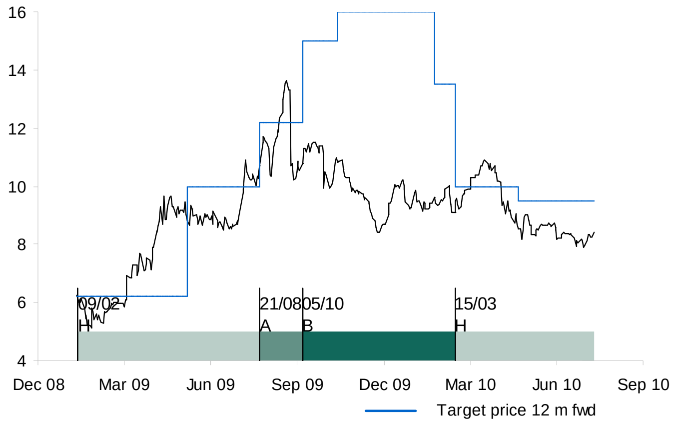
A-Tec



Rating history

Date	Rating	Price	Target Price
15. Mar 10	Hold	9.08	10.00
05. Oct 09	Buy	10.80	15.00
21. Aug 09	Accumulate	10.70	12.20
03. Mar 08	Hold	14.01	16.25
24. Mar 07	Buy	38.70	48.75
22. Feb 07	Hold	37.50	37.25
17. Jan 07	Accumulate	29.25	31.25

Company	Disclosure
A-Tec	2

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Erste Group rating definitions

Buy	> +20% to target price
Accumulate	+10% < target price < +20%
Hold	0% < target price < +10%
Reduce	-10% < target price < 0%
Sell	< -10% to target price

Our target prices are established by determining the fair value of stocks, taking into account additional fundamental factors and news of relevance for the stock price (such as M&A activities, major forthcoming share deals, positive/negative share/sector sentiment, news) and refer to 12 months from now. All recommendations are to be understood relative to our current fundamental valuation of the stock. The recommendation does not indicate any relative performance of the stock vs. a regional or sector benchmark.

Distribution of ratings

	Coverage universe		**Inv. banking-relationship**	
Recommendation	**No.**	**in %**	**No.**	**in %**
Buy	39	25.3	9	64.3
Accumulate	40	26.0	2	14.3
Hold	43	27.9	2	14.3
Reduce	13	8.4	1	7.1
Sell	10	6.5	0	0.0
N.R./UND.REV./RESTR.	9	5.8	0	0.0
Total	**154**	**100.0**	**14**	**100.0**

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