

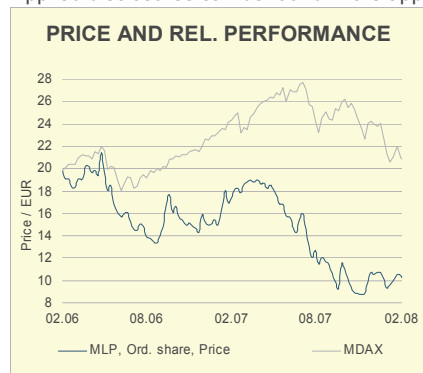
# SAL. OPPENHEIM

## MLP

Diversified Financials

2008-02-13

Applied disclosures can be found in the appendix



12 month high/low € 19.56/8.05  
 Rel.% 1m 12.6 3m 37.3 12m -30.7  
 Abs.% 1m 10.2 3m 17.0 12m -40.6

### MARKET DATA

Reuters MLPG.DE  
 Bloomberg MLP GR  
 Market cap EURbn 1,0  
 Number of shares m 97,9  
 Free float % 71,0  
 Daily turnover shares 616.773

### NEXT EVENTS

Full year results 2008-02-20  
 Quarterly results 2008-05-07

Rel. Sector

KEY CHANGES			
EBT %	07e: -8,6	08e: +5,1	
EPS %	07e: -21,2	08e: +12,8	
FV %			-39,4

Reginald Veit  
 +49 (0) 69/71 34 - 56 69  
 reginald.veit@oppenheim.de

## Neutral (Buy)

Fair Value EUR9.70

Price EUR10.30 (Closing price as of 2008-02-11)

### Downgrade from Buy to Neutral

On February 20, MLP will publish its 2007 full year results as well as guidance for 2008. We expect an EBIT for 2007, which is slightly below MLP's guidance of €110m and EBIT growth for the current year of 16 % to €125m. But this increase is mainly supported by the next Riester-step and higher need for advice of the clients due to the upcoming final withholding tax (*Abgeltungsteuer*). Due to increasing competition for experienced consultants in Germany, we expect the net number of MLP's advisors to remain flat. Thus we do not see sustainable growth within the brokerage business. The wealth management within MLP becomes more and more important, but it cannot justify a premium valuation by now. Thus we reduce the fair value to €9.70 (€16.00) and the rating from buy to neutral.

### 2008 PRE TAX PROFIT SUPPORTED BY ONE-TIME EFFECTS

Income from brokerage business will be boosted by the next Riester step, but most of these revenues are not repeatable. We estimate the increase of total revenues by 13% to €713. MLP books commission income as up-front fee. Thus the main effect out of the Riester step will be booked in 2008. For 2009, we expect a decrease in total sales and EBIT of some 4%.

### NUMBER OF CONSULTANTS LIKELY TO REMAIN FLAT

Competitors like the newly founded IFAs Formaxx, or Mayflower, but also mobile banking distribution arms, bid for new and experienced consultants. Even if MLP has not lost a high number of existing consultants to competitors so far, it should be challenging for MLP to increase the net number of consultants. For the current year, we calculate 2,600 active consultants – flat compared to 2007.

### VALUATION

The revenue growth of MLP in 2008 seems to be non-sustainable. For 2009, we calculate a decrease of some 3%. A growth story looks different. Our new fair value of €9.70 reflects a PES of 11 for 2008, and 11.3 for 2009.

KEY DATA					
€ (Yr. end: 12/31)	2005	2006	2007e	2008e	2009e
Sales m	566,2	583,6	632,5	713,4	683,7
EBIT m	69,7	93,0	108,1	125,6	120,8
Net profit m	199,7	67,6	61,7	86,3	84,6
Oper. CF m	186,6	66,7	87,0	90,4	92,3
Adj. EPS	1,84	0,65	0,62	0,88	0,86
Dividend	0,30	0,35	0,45	0,55	0,55
PER	8,0	25,9	23,1	11,7	11,9
Div. yield %	1,5	1,8	2,4	4,4	5,3
EV/EBITDA	19,4	19,8	15,8	11,2	11,7
Price to book	3,5	5,4	4,9	3,1	2,8
EBIT margin %	12,3	15,9	17,1	17,6	17,7
ROCE %	20,2	37,3	39,1	44,0	41,5
Sust. FCF yield %	9,9	2,4	3,6	4,7	4,8
EPS CAGR 06-09e: 10 %				ROE: 07e: 20 %	Eq. ratio 07e: 22 %

## Potential positive catalyst triggers:

- **A takeover bid for MLP.** Although the interest of financial institutions on distribution channels in Germany is very high (Swiss Life is bidding for the IFA AWD and is willing to offer a multiple of 16x 2008 earnings estimates, Deutsche Postbank was also interested in AWD, according to the press articles, and Deutscher Ring is invested in the IFA start-up Formaxx), we see the likelihood for a takeover of MLP at below 20%. The reason is that the founder and supervisory chairman, Manfred Lautenschlaeger, stressed several times within the last two months that he and his family will stick to the 29% stake in MLP.
- **Significant increase in the number of consultants.**
- **Disproportionately high increase of the wealth management business.** This would significantly raise the value of this segment in the sum-of-the-parts valuation, and it would trigger a re-valuation of the stock.

## Potential negative catalyst triggers:

- Further reduction in the number of consultants.
- Decreasing EBIT margin due to a disproportional increase of the administrative costs.  
Lower revenues per client due to the newly introduced cost transparency in life and health insurance.

## Downward revision of estimates

We have revised our earnings forecast for MLP for the full year 2007, and for the consecutive years. We have lowered our EBIT forecast on average by more than 13%. The main deviation was made for the year 2009, where we lowered our assumptions by 25%.

The reasons for the lower estimates are twofold: No significant increase in the number of consultants, instead of double-digit growth and lower than originally estimated growth rates within the wealth management unit.

	2007e			2008e			2009e		
	Old	New		Old	New		Old	New	
Total income	690.8	632.5	-8.40%	776.9	713.4	-8.20%	874.9	683.7	-21.90%
EBIT	115.8	108.1	-6.60%	135.6	125.6	-7.40%	161.7	120.8	-25.30%
Net profit	75	61.7	-17.70%	95.7	86.3	-9.80%	113.5	84.6	-25.50%
EPS	0.75	0.62	-17.30%	0.96	0.88	-8.30%	1.14	0.86	-24.60%
No. of consultants	3,000	2,600	-13.30%	3,100	2,600	-16.10%	3,350	3,000	-10.40%

Source: Oppenheim Research

## Increased competition regarding consultants is not over yet

The competition regarding consultants in Germany has increased over the last quarters. New competitors like the newly founded IFA Formaxx are trying to attract experienced consultants, e.g. from MLP, AWD, DVAG and OVB. One of the heads of Formaxx stated in a Reuters interview this week that the company already has more than 400 consultants and is in negotiations with another 400. Within the next five years, Formaxx aims to increase the number of consultants to about 2,000.

We believe that the business model of Formaxx and the type of targeted clients are different from MLP's, and more similar to AWD's business model. But it is true that the number of consultants of MLP has even decreased during 2007. Even if MLP has not lost many of its consultants to Formaxx, it is evident that the recruiting of new advisors is by far more difficult for MLP than it has been in the years before.

And, Formaxx is not the only threat for MLP's talents. Other distribution organizations compete for advisors as well. In particular, banks have recognized the potential of flexible and mobile advisors. As a consequence, banks like Deutsche Postbank, Deutsche Bank, and the Sparkassen (Saving Banks) are also building up mobile distribution channels.

## Higher revenues per client are necessary

The extensive changes to legal requirements, like the introductions of the Insurance Mediation Directive, MiFID, and the new Insurance Contract Law will strongly change the distribution of the financial industry in Germany. The increasing legal requirement will lead to higher professionalization and consolidation. We are convinced that MLP is one of the beneficiaries of this process in the long run. But in the mean time, that means over the next two to three years a significant increase in the number of MLP's consultants is not likely.

To raise the attractiveness of MLP as an IFA platform, the company has established a base salary of about €15,000 per consultant per year. As this step has obviously not resulted in a higher number of consultants, MLP might be forced to increase the payment to the sales force even higher, which could negatively influence the EBIT margin.

Estimating that the number of active consultants will be stable over the current year with about 2,600, one very important growth driver of MLP is not in place. (Even if MLP would be able to strengthen the number of new advisors during the current year superior, it would take about one year to see nameable revenues from a new comer.) Thus any revenue growth of MLP can only be generated by higher revenues per client.

## An outstanding 2008 year?

In 2008 the next Riester step will be introduced. Instead of the contribution of €1,575 per year, policyholders of Riester annuity contracts could now increase this amount by €525 to €2,100. These products are highly attractive for policyholders as the invested amount is fully tax deductible. In addition to that, investors get a direct payment of €154 from the government and an additional €185 per child.

MLP does not reveal the number sold by Riester contracts so far, but we estimate this number at about 50,000. As the tax incentive of these contracts is very high and the clients of MLP are more affluent than the German average, we assume that most customers will increase the amount of their contribution to the maximum of €2,100.

The upfront commission income of MLP is calculated as a percentage of the total premiums paid per lifetime of the contract. As the deposits are normally paid in for more than 30 years, the calculated commission income of this Riester step with existing contracts will amount to about €40m.

Assuming that the MLP consultants could distribute some 10,000 new Riester annuities, the additional commission income will reach another €31m. All in all, we calculate that the revenues from old age pension provisions will increase by roughly 20%, in contrast to 2007.

Another positive effect will come from the final withholding tax (*Abgeltungssteuer*), which will be established in 2009. For the current year, it will be the last time for investors to lock the existing tax situation. Starting in 2009, capital gains, like interest income and dividends, but also share earnings will be taxed with a 25% tax rate. Until 2008, some capital gains are tax free or have a reduced taxation.

## Wealth management should become a value driver of MLP

The changes in taxation will lead to a higher need for advice for MLP's clients, and it will give consultants the opportunity to get in contact with them.

Beside the Riester products, which will be tax exempt with regard to the final withholding tax (*Abgeltungssteuer*), special lump sum products or umbrella funds will be in the focus of the advisors. The aim is to protect the current capital tax situation of investors for further years. As long as an investment remains in such an umbrella fund, a change in the asset allocation will not lead to the capital gains tax. Precondition: This investment has to be made before 2009.

It is very hard to predict the volume of this effect. For income from investments, we calculate twice as much for 2008 than we did for 2007.

All in all, 2008 will be outstanding for MLP because of special incentives made by the government. The attractiveness of the Riester annuities for investors will remain in the coming years but the penetration rate of these products has increased double digit over last years. The glut of the market should be reached within the next 3 to 4 years.. Therefore, it is hard to believe that MLP would be able to show growth in revenues or EBIT year-on-year.

We estimate a decrease of 4% for both the total income and EBIT for the full year 2009 versus 2008. The wealth management business of MLP will become more and more important, but it could not justify a premium valuation of MLP at this point in time. MLP has to prove that the growth perspectives of wealth management within the group could become reality. For the current stage, I assume a 10% revenue

growth of each year within this segment. But it would take several years of growth in the wealth management segment to compensate for declining revenues in the brokerage business.

## Valuation:

The return on equity for the 2007e – 2010e forecast period is 23% on average, but the CAGR of the net profit is about only 3%.

The main part of MLP's value creation happens in the near term, where the prediction is more detailed. Thus the increasing value of wealth management, which could be a significant part of MLP's sum-of-the-parts valuation, is derived in the second growth stage of our model.

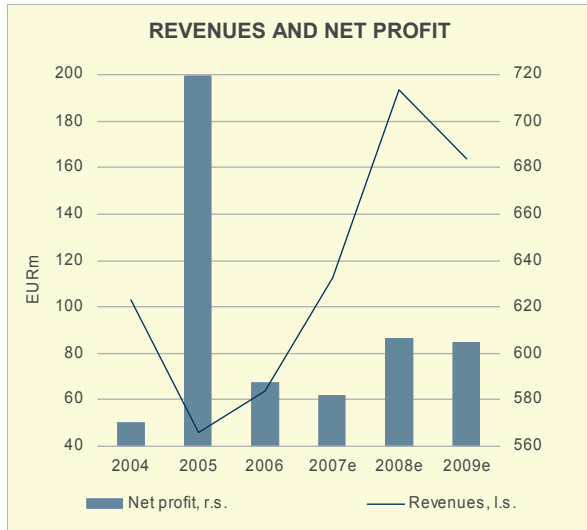
We see a P/E ratio of 11x as fair valued for the full year 2008. The EPS for 2008 is calculated at €0.88 per share. Accordingly, we calculate a fair value of €9.70 per share.

Oppenheim Economic Profit Model: MLP										
All Segments	Period	Net Profit CAGR	Average ROE	Cost of Equity	Economic Profit	Present Value	BV Equity 2008e	Value Creation	Fair P/E 08e	Fair P/BV 08e
Explicit Forecast Period	07e-10e	3%	23%	7.7%	246	221	340	58%	11.1	2.8
Second Growth Stage	11e-20e	5%	18%		733	393		41%		
Continuing Value		2%	8%		34	13		1%		

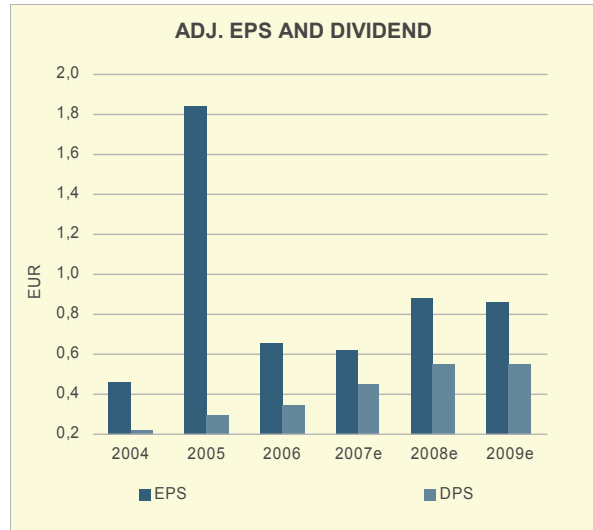
Source: Oppenheim Research

Cost of equity	MLP
Risk-free rate	4.5%
Beta	0.9
Equity premium	3.5%
Country risk premium	0.0%
<b>Cost of equity</b>	<b>7.7%</b>

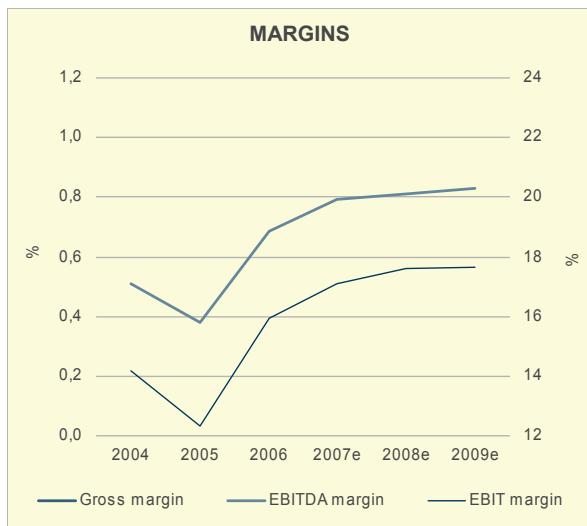
Source: Oppenheim Research



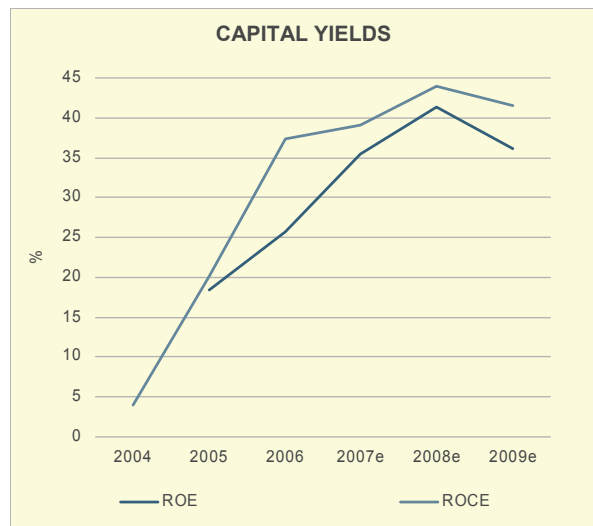
Source: Oppenheim Research



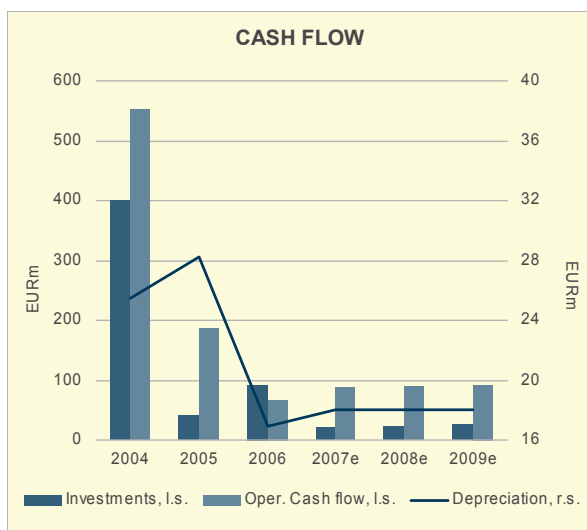
Source: Oppenheim Research



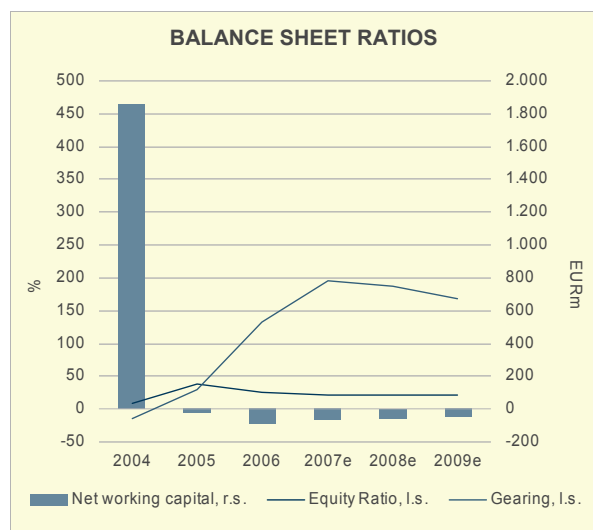
Source: Oppenheim Research



Source: Oppenheim Research



Source: Oppenheim Research



Source: Oppenheim Research

MLP - P&L (Cost of Sales)					
EURm (Yr. end: 12/31)	2005	2006	2007e	2008e	2009e
<b>Sales</b>	<b>566,2</b>	<b>583,6</b>	<b>632,5</b>	<b>713,4</b>	<b>683,7</b>
Other operating income/expenses (net)	-163,6	-151,4	-158,0	-171,2	-164,1
<b>EBITDA</b>	<b>89,6</b>	<b>110,0</b>	<b>126,1</b>	<b>143,6</b>	<b>138,8</b>
<b>EBIT</b>	<b>69,7</b>	<b>93,0</b>	<b>108,1</b>	<b>125,6</b>	<b>120,8</b>
Interest result	-1,0	5,0	0,7	1,0	3,3
<b>Financial result</b>	<b>-1,0</b>	<b>6,8</b>	<b>0,7</b>	<b>1,0</b>	<b>3,3</b>
<b>Profit or loss on ordinary activities</b>	<b>68,7</b>	<b>99,8</b>	<b>108,8</b>	<b>126,6</b>	<b>124,1</b>
<b>EBT</b>	<b>68,7</b>	<b>99,8</b>	<b>108,8</b>	<b>126,6</b>	<b>124,1</b>
Taxes	-28,3	-26,2	-32,6	-39,2	-38,5
<b>Profit / loss for the year (cont. operations)</b>	<b>199,7</b>	<b>67,6</b>	<b>61,7</b>	<b>86,3</b>	<b>84,6</b>
<b>Net profit</b>	<b>199,7</b>	<b>67,6</b>	<b>61,7</b>	<b>86,3</b>	<b>84,6</b>
<b>Adjusted net profit</b>	<b>199,7</b>	<b>67,6</b>	<b>61,7</b>	<b>86,3</b>	<b>84,6</b>
Key ratios and numbers					
EURm (Yr. end: 12/31)	2005	2006	2007e	2008e	2009e
<b>Valuation</b>					
PER	8,0	25,9	23,1	11,7	11,9
P/BV	3,5	5,4	4,9	3,1	2,8
Dividend yield %	1,5	1,8	2,4	4,4	5,3
EV/Sales	3,1	3,7	3,2	2,3	2,4
EV/EBITDA	19,4	19,8	15,8	11,2	11,7
Sustainable FCF yield %	9,9	2,4	3,6	4,7	4,8
<b>Data per share</b>					
Weighted avg. number of shares	108,62	106,07	101,73	98,90	97,90
EPS (reported)	1,85	0,63	0,62	0,88	0,86
adj. EPS	1,84	0,65	0,62	0,88	0,86
Dividend	0,30	0,35	0,45	0,55	0,55
Book value per share	4,19	3,12	2,91	3,29	3,74
Sustainable FCFPS	1,6	0,6	0,7	0,8	0,8
<b>Growth rates %</b>					
Sales	-9,1	3,1	8,4	12,8	-4,2
EBITDA	-15,9	22,8	14,6	13,9	-3,3
EBIT	-21,1	33,5	16,1	16,2	-3,8
Net profit	296,9	-66,1	-8,7	39,8	-2,0
adj. EPS	297,1	-64,5	-5,4	42,7	-2,0
<b>Margins %</b>					
EBITDA	15,8	18,9	19,9	20,1	20,3
EBIT	12,3	15,9	17,1	17,6	17,7
<b>Net profit</b>	<b>35,3</b>	<b>11,6</b>	<b>9,8</b>	<b>12,1</b>	<b>12,4</b>
<b>Expense ratios %</b>					
Personnel cost to sales	13,4	14,0	16,4	16,0	16,6
Tax rate	41,2	26,2	30,0	31,0	31,0
<b>Other ratios</b>					
Interest cover	-10,4	nm	nm	nm	nm

<b>MLP - Cash Flow Statement</b>					
<b>EURm (Yr. end: 12/31)</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
<b>Cash flow from operating activities</b>					
EBIT	69,7	93,0	108,1	125,6	120,8
Depreciation / amortization	28,2	17,0	18,0	18,0	18,0
Change in other provisions	141,4	-5,7	0,1	1,0	1,0
Non Cash Items	19,8	0,7	0,0	0,0	0,0
Cash taxes	-30,8	-29,7	-32,6	-44,5	-52,8
Change in other assets & liabilities	-118,3	74,1	-7,9	-10,0	-5,0
Change in Working Capital	9,2	2,3	0,7	-3,0	7,0
Net financial result / income from associates	0,0	0,0	0,7	3,3	3,3
Extraordinary result	-125,4	-85,0	0,0	0,0	0,0
<b>Total</b>	<b>186,6</b>	<b>66,7</b>	<b>87,0</b>	<b>90,4</b>	<b>92,3</b>
<b>Cash flow from investing activities</b>					
Investments in intangible assets	-16,7	-20,0	-21,1	-23,2	-25,5
Investments in financial assets	-424,7	-26,7	0,0	0,0	0,0
Disinvestments	409,8	16,3	0,0	0,0	0,0
Changes in other L.T. assets / acquisitions	-10,5	-62,6	0,0	0,0	0,0
<b>Total</b>	<b>-42,2</b>	<b>-93,1</b>	<b>-21,1</b>	<b>-23,2</b>	<b>-25,5</b>
<b>Cash flow from financing activities</b>					
Net financial result / income from associates	-1,9	16,5	0,7	3,3	3,3
Change in financial liabilities	-22,9	-4,1	1,9	2,0	2,0
Change in shareholders Equity	0,0	1,0	0,0	-0,0	0,0
Dividend payments	-24,3	-63,0	-35,8	-45,0	-47,7
Other/consolidation/currency	0,0	-137,8	-98,8	0,0	0,0
<b>Total</b>	<b>-49,0</b>	<b>-187,5</b>	<b>-132,0</b>	<b>-39,7</b>	<b>-42,4</b>
<b>Change in cash and cash equivalents</b>					
thereof from disposals/disc. Operations	95,4	-213,9	-66,1	27,6	24,4
Cash and cash equivalents (begin. of period)	-1,0				
Cash and cash equivalents (end of period)	191,0	130,0	120,5	53,7	89,1
	130,0	120,5	53,7	89,1	152,6
<b>Ratios and Key Figures</b>					
<b>EURm (Yr. end: 12/31)</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
Free cash flow to entity	144,5	-164,3	-32,9	67,2	66,8
Sustainable free cash flow to entity	171,6	51,7	72,0	75,4	77,3
Sustainable free cash flow to shareholder	169,8	68,2	72,7	78,7	80,6
<b>Data per share</b>					
FCFPS	1,3	-1,5	-0,3	0,7	0,7
Sustainable FCFPS	1,6	0,6	0,7	0,8	0,8
Free cash flow yield	8,2	-6,8	-1,6	4,4	4,3
Sustainable FCF yield %	9,9	2,4	3,6	4,7	4,8
Operating cash flow / capex	nm	nm	nm	nm	nm
Operating cash flow / avg. net financial pos.	0,1	2,1	2,9	3,2	3,3
Maintenance capex / revenues	2,6	2,6	2,4	2,1	2,2
Depreciation / capex %	6,6	46,7	85,5	77,7	70,7
Net working capital / sales	-4,3	-15,6	-10,1	-7,8	-7,4

<b>MLP - Balance sheet</b>					
<b>EURm (Yr. end: 12/31)</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
<b>Assets</b>					
<b>Current assets</b>	<b>791,3</b>	<b>904,0</b>	<b>968,7</b>	<b>1.119,1</b>	<b>1.272,6</b>
Cash and cash equivalents	130,0	120,5	53,7	89,1	152,6
Trade receivable	150,3	177,1	235,0	275,0	300,0
<b>Fixed assets</b>	<b>369,9</b>	<b>340,8</b>	<b>340,2</b>	<b>340,9</b>	<b>341,7</b>
Tangible assets	94,7	89,1	90,2	90,2	90,2
thereof Property, plant + equipment (PPE)	64,4	62,0	60,0	58,0	56,0
Intangible assets	22,9	186,8	185,0	185,0	185,0
Financial assets	236,7	49,9	50,5	51,8	53,0
Prepaid expenses , deferred taxes	20,8	21,2	21,8	22,9	22,6
<b>Total assets</b>	<b>1.182,0</b>	<b>1.266,1</b>	<b>1.330,7</b>	<b>1.482,9</b>	<b>1.636,9</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Total liabilities</b>	<b>726,8</b>	<b>942,6</b>	<b>1.024,9</b>	<b>1.129,5</b>	<b>1.222,5</b>
<b>Short-term liabilities</b>	<b>179,6</b>	<b>281,9</b>	<b>300,0</b>	<b>330,0</b>	<b>350,0</b>
Trade payables	179,6	281,9	300,0	330,0	350,0
<b>Long-term liabilities</b>	<b>547,2</b>	<b>660,8</b>	<b>724,9</b>	<b>799,5</b>	<b>872,5</b>
Long-term financial debt	499,3	599,7	674,0	746,0	818,0
Provisions	32,7	33,9	34,0	35,0	36,0
Deferred income & deferred tax liabilities	15,2	27,2	16,9	18,5	18,5
<b>Minority interest</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>
<b>Shareholders' equity</b>	<b>455,1</b>	<b>323,4</b>	<b>290,4</b>	<b>321,6</b>	<b>365,8</b>
Capital subscribed	108,6	108,8	108,8	108,8	108,8
Reserves	356,9	362,9	280,4	212,9	257,0
thereof capital reserves	11,5	14,5	12,5	12,5	12,5
thereof retained earnings	345,5	348,4	267,9	200,4	244,5
Other equity capital	-10,4	-148,3	-98,8	0,0	0,0
<b>Total equity , liabilities</b>	<b>1.182,0</b>	<b>1.266,1</b>	<b>1.315,3</b>	<b>1.451,2</b>	<b>1.588,4</b>
<b>Ratios and Key Figures</b>					
<b>EURm (Yr. end: 12/31)</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
<b>Balance sheet structure</b>					
Net working capital	-24,1	-91,3	-63,9	-55,6	-50,6
Net financial debt	132,5	429,3	569,8	605,2	612,4
Capital employed (CE)	345,8	249,5	276,3	285,3	291,1
Enterprise value (EV)	1.738,5	2.179,4	1.995,9	1.613,5	1.620,8
<b>Ratios</b>					
Current assets %	66,9	71,4	72,8	75,5	77,7
Long-term assets %	31,3	26,9	25,6	23,0	20,9
Equity ratio %	38,5	25,5	21,8	21,7	22,4
Gearing %	29,1	132,8	196,2	188,1	167,4
Net financial debt / EBITDA	1,5	3,9	4,5	4,2	4,4
EV / CE	5,0	8,7	7,2	5,7	5,6
ROCE %	20,2	37,3	39,1	44,0	41,5
ROE %	53,7	17,4	20,1	28,2	24,6

**IMPORTANT REGULATORY DISCLOSURES**

This research report has been prepared by Oppenheim Research GmbH, a wholly-owned subsidiary of Sal. Oppenheim jr. & Cie KGaA, and/or the research department of Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd. And/or Bank Sal. Oppenheim jr. & Cie (Austria) AG (collectively, together with their affiliates, "Sal. Oppenheim").

Sal. Oppenheim's policy prohibits research analysts, strategists and research associates from investing in securities in their sub-industry as defined by the Global Industry Classification Standard, which was developed by and is the exclusive property of Morgan Stanley Capital International and Standard & Poor's. Research analysts, strategists and research associates may nevertheless own such securities to the extent acquired under a prior policy or in a merger, fund distribution or other involuntary acquisition.

**Analyst certification**

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that, with respect to each security or issuer that the analyst covered in this report: all of the views expressed accurately reflect his or her personal views about those securities or issuers; and no part of his or her compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed by the analyst in the research report.

**Disclosures about potential conflicts of interest.**

We refer to the following potential conflict(s) of interest:

**Trading:** Sal. Oppenheim jr. , Cie. KGaA and/or its affiliated entities regularly trade stock of MLP.

**Rating system**

Securities firms use a variety of rating terms and systems to describe their recommendations. Sal. Oppenheim uses a rating system with the categories STRONG BUY, BUY, NEUTRAL, REDUCE and SELL (see definitions below).

A rating system using such terms as Overweight, Equal Weight or Underweight is not equivalent to our rating system. Investors should carefully read the definitions of the rating system used in each research report. In addition, since the research report contains more complete information concerning analyst's views, investors should carefully read the entire research report and not infer its contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

The ratings in this report are based on the analyst's expectations of the absolute change in stock price over a period of 6 to 12 months and reflect the analyst's view of the potential for change in stock price as a percentage. The STRONG BUY and SELL ratings reflect the analyst's expected high change in the value of the stock.

The levels of change expressed in each rating categories are: STRONG BUY (> 20%); BUY (> 10%); NEUTRAL (0% to 10%); REDUCE (< 0%); and SELL (< -10%).

The change in stock price results from the difference between the current share price and the analyst's performance expectations, which are generally based on a fair value calculation performed on the basis of a discounted free cash flow model and a key comparables analysis.

In general, updated ratings are provided in connection with material events, such as changes in credit ratings, significant model adjustments and the publication of periodic financial information.

**Ratings distribution**

The following table discloses, for each of Sal. Oppenheim's rating categories, the percentage of (1) all companies covered by Sal. Oppenheim and (2) companies for which Sal. Oppenheim provided investment banking services during the past 12 months that received such rating.



Previous report with differing recommendation published at 2007-08-08.

**ADDITIONAL INFORMATION FOR US INSTITUTIONAL CLIENTS**

This research report is being distributed in the United States of America solely to major US institutional investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended). Sal. Oppenheim jr. & Cie. Securities Inc. accepts responsibility for the content of reports prepared by its non-US affiliates when distributed to major US institutional investors. Major US institutional investors who wish to effect any transaction in securities mentioned in this research report should do so with Sal. Oppenheim jr. & Cie. Securities Inc. at the address below and not with Sal. Oppenheim jr. & Cie. KGaA or any other Sal. Oppenheim affiliate.

Sal. Oppenheim jr. & Cie. Securities Inc.

**250 Park Avenue, Suite 911**  
**New York, NY 10017**  
**Tel: +1 212 888 52 46**  
**Fax: +1 212 888 0916**

**E-MAIL:** [jhagenbuch@sal-oppenheim.com](mailto:jhagenbuch@sal-oppenheim.com)

Sal. Oppenheim jr. & Cie. Securities Inc. is a broker-dealer registered with the Securities and Exchange Commission as well as a member of the National Association of Securities Dealers and the Securities Investor Protection Corporation.

**ADDITIONAL INFORMATION FOR U.K. CLIENTS**

In the United Kingdom, this report is approved and/or distributed by Sal. Oppenheim jr. & Cie. KGaA or by Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd or by Bank Sal. Oppenheim jr. & Cie. (Austria) AG. Sal. Oppenheim jr. & Cie. KGaA registered as a German bank, Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd. registered as a Swiss bank and Bank Sal. Oppenheim jr. & Cie. (Austria) AG registered as an Austrian bank have no place of business in the United Kingdom and are not regulated under the Financial Services and Markets Act 2000. The protections provided by the U.K. regulatory system will not be applicable to the recipients of any information or documentation provided by Sal. Oppenheim jr. & Cie KGaA or by Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd., or by Bank Sal. Oppenheim jr. & Cie. (Austria) AG and compensation under the Financial Services Compensation Scheme will not be available.

Any contact with analysts, brokers or other employees of Sal. Oppenheim jr. & Cie. KGaA, Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd. or Bank Sal. Oppenheim jr. & Cie. (Austria) AG must be directly with the relevant bank and not through the offices or employees of any other Sal. Oppenheim affiliate in the United Kingdom.

In the United Kingdom, this document is being distributed only to persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or to persons to whom it may otherwise be lawfully communicated under the Order (together, "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is only available to relevant persons and will be engaged in only with relevant persons.

**ADDITIONAL INFORMATION FOR CLIENTS IN GERMANY, SWITZERLAND, AUSTRIA AND OTHER COUNTRIES**

In Germany, this research report is approved and/or distributed by Oppenheim Research GmbH in Cologne, a wholly-owned subsidiary of Sal. Oppenheim jr. & Cie KGaA in Cologne, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

In Switzerland, this research report is approved and/or distributed by Sal. Oppenheim jr. & Cie. (Schweiz) AG authorized by the Eidgenössische Bankenkommission (EBK).

In Austria, this research report is approved and/or distributed by Sal. Oppenheim jr. & Cie. (Austria) AG authorized by the Finanzmarktaufsicht (FMA).

Laws and regulations of other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly.

**FURTHER INFORMATION**

For further information on how Sal. Oppenheim manages conflicts of interest and maintains independence of its research product and on certain additional disclosures concerning research recommendations, especially in light of the continuing requirements of § 34 b of the German Securities Trading Act (WpHG), please refer to the homepage of Sal. Oppenheim: [http://www.oppenheim.de/de/04\\_research/06\\_compliance/04\\_06.htm](http://www.oppenheim.de/de/04_research/06_compliance/04_06.htm)

**DISCLAIMER**

This research report contains selected information and does not purport to be complete. The research report is based on publicly available information and data (the "Information") that is believed to be accurate and complete. Sal. Oppenheim has not independently verified the accuracy and completeness of the Information, nor does it guarantee such accuracy and completeness. Possible errors or incompleteness of the Information do not constitute grounds for liability, either with regard to indirect or to direct or consequential damages. In particular, Sal. Oppenheim is not liable for the statements, plans or other details contained in the Information concerning the examined companies, their associated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling the Information, no assurance can be provided that the Information is complete or free from error.

Neither Sal. Oppenheim nor its shareholders and employees are liable for the accuracy and completeness of the statements, estimates and conclusions derived from the Information contained in this research report. To the extent this research report is being transmitted in connection with an existing contractual relationship, e.g., financial advisory or similar services, the liability of Sal. Oppenheim shall be restricted to gross negligence and wilful misconduct. In any case, the liability of Sal. Oppenheim is limited to typical, foreseeable damages and liability for any indirect damages is excluded.

This report does not constitute an offer to sell, or a solicitation of an offer to purchase, any security. Sal. Oppenheim may perform investment banking services or other services for companies mentioned in this report. Directors or employees of Sal. Oppenheim may serve on the board of directors of companies mentioned in this report. Opinions expressed in this report are subject to change without notice.

Past performance is not a guide to future results. The price of securities may decrease or increase and as a result investors may lose the amount originally invested. Changes in exchange rates may also cause the value of investments to decrease or increase. Any documents or information we provide is directed solely to persons we reasonably believe to be investment professionals.

All such communications and any activity to which they relate are available only to such investment professionals; any activity arising from such communications will only be carried out with investment professionals. Persons who do not have professional experience in matters relating to investments should not rely upon such communications.

© Copyright Sal. Oppenheim. All rights reserved.

<p><b>ANALYSTS</b></p>	<p><b>SAL. OPPENHEIM JR. &amp; CIE. KGAA</b></p>	<p><b>OPPENHEIM RESEARCH GMBH</b></p>	<p><b>BANK SAL. OPPENHEIM JR. &amp; CIE. (SCHWEIZ) AG</b></p>
<p>Reginald Veit Tel. +49 (0) 69/71 34 - 56 69 reginald.veit@oppenheim.de Oppenheim Research GmbH, Frankfurt</p>	<p>Unter Sachsenhausen 4 50667 Köln Telephone +49 (2 21) 1 45 – 01</p> <p>Untermainanlage 1 60329 Frankfurt am Main Telephone +49 ( 69) 71 34 – 0</p> <p>Odeonsplatz 12 80539 München Telephone +49 ( 89) 29 00 74 – 0</p> <p>www.oppenheim.de info@oppenheim.de</p>	<p>Unter Sachsenhausen 4 50667 Köln Telephone +49 (2 21) 1 45 – 02</p> <p>Untermainanlage 1 60329 Frankfurt am Main Telephone +49 ( 69) 71 34 – 0</p> <p>www.oppenheim- research.de research@oppenheim.de</p>	<p>Uraniastrasse 28 CH-8022 Zürich Telephone + 41 (44) 2 14 22 14</p> <p><b>SAL. OPPENHEIM JR. &amp; CIE. KGAA, PARIS</b></p> <p>13, rue Royale, 75008 Paris, France Telephone + 33 (1) 44 94 64 - 00</p> <p><b>SAL. OPPENHEIM JR. &amp; CIE. SECURITIES INC</b></p> <p>250 Park Avenue, Suite 911, New York, NY 10017 Telephone + 1 (2 12) 8 88 52 46</p>
<p><b>PRODUCED BY</b></p>	<p><b>FURTHER LOCATIONS</b></p>		<p><b>BANK SAL. OPPENHEIM JR. &amp; CIE. (ÖSTERREICH) AG</b></p>
<p>Publishing Team Eleonora Ivancevic (DTP)</p> <p>Press contact: Tel. +49 221 145-1955 presse@oppenheim.de</p>	<p>Baden-Baden, Berlin, Dublin, Duesseldorf, Geneva, Hamburg, Luxembourg, Salzburg, Stuttgart, Wiesbaden</p>		<p>Palais Equitable Stock im Eisen-Platz 3 1010 Vienna Telephone + 43 (1) 518 66 0</p>