

EQUITY STRATEGY

A Research Publication by DZ BANK AG

Daily Highlights

TOP NEWS

DEAG Entertainment ⁶⁾

Good Q1 numbers above expectations

Rating: Buy (prev. Buy)
Fair Value: 3.90 EUR
ISIN / SIN: DE000A0Z23G6 / A0Z23G
Bloomberg: ERMK GY

Hard Facts:

- » DEAG yesterday delivered good preliminary Q1 numbers which exceeded our expectations: Sales increased by 17% to EUR 24m (DZe: EUR 21.6m) and EBIT increased by 21% to EUR 1.6m (DZe: EUR 1.4m). Hence, EBIT-margin improved by 30bps to 6.6% - in line with our expectation. Net income of EUR 0.4m came in 40% higher than in Q1/10.
- » Reason for the good performance was a strong pipeline of rock/pop concerts and classic music shows which were organised in the German speaking area and in UK.
- » Driven by a high capacity-utilization and huge tours with Peter Maffay, David Garrett and concerts with international stars like Bon Jovi, Elton John and Shakira the management expects an even better development in the quarters to come. Therefore DEAG confirmed its FY 2011 guidance to improve all earnings figures.

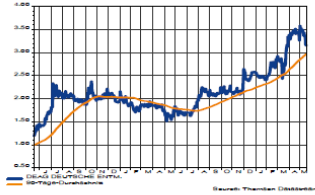
Our Opinion:

- » DEAG Entertainment delivered a good operating Q1/11 development with a slight margin increase. Furthermore the management gave an outlook, which we rate as promising. Bearing in mind, that the most important quarters Q2 and especially Q4 are yet to come, we feel quite comfortable with our estimates and confirm our BUY recommendation.

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EQUITIES

19 May 2011



RATING HISTORY DEAG ENTERTAINMENT

Recommendation	Date	Price
Buy	8 Jul 2009	2.40 EUR
Hold	2 Dec 2008	0.74 EUR
Buy	27 May 2008	2.92 EUR

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

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Buy 73.8%, Hold 6.8%, Sell 19.4%

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Buy 14.9%, Hold 17.4%, Sell 13.8%

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