

Buy (old: Buy)

Price target: EUR 3.70 (old: EUR 3.20)

Price: EUR 3.17 **Next result:** Q1 2011 31.05.11
Bloomberg: ERMK GR **Market cap:** EUR 38.0 m
Reuters: ERMGk.DE **Enterprise Value:** EUR 33.4 m

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O4 2010: Strong op. profitability; Adjust est.; New PT € 3.70

Topic: Strong Q4 result; Earnings came in considerably above our estimates

Q4 sales increased by some 20.4% to € 41.9m on the back of a strong business in all the relevant segments; i.e. Good News in Switzerland, Classical Music and the new Schlager/MOR-business.

EUR	Q4 10	Q4 10 est	Q4 09	yoy	Q3 10	qoq
Sales	41.9	41.5	34.8	20.4%	29.1	44.0%
EBITDA	5.7	2.7	3.2	80.8%	1.1	402.2%
EBITDA margin	13.6%	6.5%	9.1%	+ 4.5 pp	3.9%	+ 9.7 pp
EBIT	4.6	2.8	2.4	89.1%	0.8	442.5%
EBIT margin	11.0%	6.8%	7.0%	+ 4.0 pp	2.9%	+ 8.1 pp

Even more importantly, EBITDA and EBIT grew by c. 81% and c. 89% to € 5.7m and € 4.6m respectively. While no details on the gross margin and the most relevant cost items have been announced yet, this is most likely a result of large tours like Peter Maffay and David Garrett, a strong Q4 in Switzerland and the UK as well as the selected 360 degree model with artists like David Garrett.

Guidance: Management expects this positive development to continue and the operating profitability to further improve. According to the company, the visibility for 2011 and 2012 is high due to a healthy concert pipeline '11 and '12 (Peter Maffay, Justin Bieber, Bon Jovi, Anna Netrebko, David Garret, etc.).

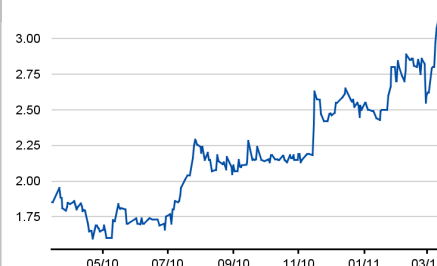
The estimates have been adjusted to reflect

- The strong artist line-up as a result of the improved competitive quality in the niches classical music and Schlager/MOR on the back of the JV's with Sony.
- A higher tax rate as a large part of the tax loss carryforwards of the Classical division can no longer be used due to the sale of 50% to Sony Music in 2009.

DEAG remains a Buy with a new PT of € 3.70 (old: € 3.20) based on FCFY 2011E. A sum of the parts valuation including the stakes in Good News (52%), DEAG Classics (51%), Manfred Hertlein (33%, Schlager/MOR) and DEAG Music (79%) would yield a fair value of c. € 4.

Y/E 31.12 (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Sales	82.8	78.7	109.5	116.0	125.2	151.5	164.8
Sales growth	32 %	-5 %	39 %	6 %	8 %	21 %	9 %
EBITDA	4.3	6.7	3.7	6.4	10.1	10.4	12.0
EBIT	3.1	5.6	-3.1	4.8	8.2	9.3	10.9
Net income	-0.4	1.1	-11.1	0.3	1.9	2.9	3.7
Net debt	7.0	4.7	11.3	1.1	-4.7	-11.1	-18.9
Net gearing	-10.1 %	-8.5 %	-16.5 %	-30.2 %	-38.9 %	-46.3 %	-55.7 %
Net Debt/EBITDA	1.6	0.7	3.0	0.2	0.0	0.0	0.0
EPS fully diluted	0.00	0.05	-0.37	0.03	0.15	0.23	0.30
CPS	-0.43	-0.15	0.22	-0.45	0.41	0.37	0.56
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	21.0 %	26.9 %	24.2 %	21.6 %	24.4 %	24.0 %	24.3 %
EBITDA margin	5.2 %	8.5 %	3.4 %	5.5 %	8.1 %	6.9 %	7.3 %
EBIT margin	3.7 %	7.1 %	-2.9 %	4.1 %	6.5 %	6.1 %	6.6 %
ROCE	5.2 %	11.1 %	-6.2 %	9.3 %	14.8 %	15.3 %	16.2 %
EV/sales	0.8	1.0	0.8	0.3	0.3	0.2	0.1
EV/EBITDA	15.1	11.4	22.8	6.2	3.3	2.6	1.6
EV/EBIT	21.3	13.6	-27.1	8.2	4.1	2.9	1.7
PER	333.4	34.0	-12.3	46.3	20.4	13.1	10.3
Adjusted FCF yield	4.7 %	6.0 %	2.0 %	8.1 %	10.7 %	13.1 %	22.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 28.03.2011



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 3.17 / 1.60

Price/Book Ratio: 1.3

Relative performance (SDAX):

3 months 23.2 %

6 months 31.3 %

12 months 39.8 %

Changes in estimates

		Sales	EBIT	EPS
2010	old:	124.8	6.4	0.16
	Δ	0.3%	27.5%	-6.4%
2011	old:	142.0	8.5	0.23
	Δ	6.7%	9.0%	0.1%
2012	old:	153.8	9.7	0.29
	Δ	7.1%	12.3%	4.1%

Key share data:

Number of shares: (in m pcs) 12.4

Authorised capital: (in € m) 0.0

Book value per share: (in €) 2.5

Ø trading volume: (12 months) 38,000

Major shareholders:

Free Float 50.0 %

Heliad Equity Partners 25.1 %

Peter Schwenkow 24.9 %

David Garrett (incl. in free float) 3.0 %

Company description:

DEAG is one of the leading live entertainment providers in Europe. While it is the dominant market leader in the organisation of Rock/Pop tours in Switzerland, it is the second biggest player in Germany and the biggest European concert promoter in the classical music business.

Financials

Profit and loss (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Sales	82.8	78.7	109.5	116.0	125.2	151.5	164.8
<i>Sales growth</i>	32.2 %	-4.9 %	39.0 %	6.0 %	7.9 %	21.0 %	8.8 %
Cost of sales	65.4	57.6	82.9	90.9	94.7	115.2	124.8
Gross profit	17.4	21.2	26.5	25.1	30.5	36.3	40.1
Sales and marketing	9.5	8.7	13.8	10.6	11.8	14.4	15.7
General and administration	9.6	8.7	10.2	10.9	11.8	14.5	15.7
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	6.7	3.5	2.1	2.8	3.1	3.0	3.3
Other operating expenses	0.5	0.6	1.0	0.0	0.0	0.0	0.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	4.3	6.7	3.7	6.4	10.1	10.4	12.0
Depreciation	0.2	0.2	0.3	0.6	0.8	0.6	0.6
EBITA	4.1	6.5	3.4	5.7	9.3	9.8	11.4
Amortisation of goodwill	0.3	0.0	2.3	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	0.9	4.2	1.0	1.1	0.5	0.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	3.1	5.6	-3.1	4.8	8.2	9.3	10.9
Interest income	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Interest expenses	1.7	0.2	1.1	1.2	0.8	0.6	0.5
Other financial result	-0.1	-1.1	-0.2	-0.1	0.0	0.0	0.0
Financial result	-2.2	-1.5	-1.4	-1.3	-0.7	-0.5	-0.4
Recurring pretax income from continuing operations	0.9	4.1	-4.6	3.5	7.5	8.8	10.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.9	4.1	-4.6	3.5	7.5	8.8	10.5
Taxes	0.4	0.6	0.4	0.9	1.9	1.8	2.2
Net income from continuing operations	0.5	3.5	-5.0	2.6	5.6	7.0	8.3
Result from discontinued operations (net of tax)	0.6	1.0	5.2	0.5	0.0	0.0	0.0
Net income	-0.1	2.5	-10.1	2.1	5.6	7.0	8.3
Minority interest	0.3	1.4	1.0	1.8	3.7	4.1	4.6
Net income (net of minority interest)	-0.4	1.1	-11.1	0.3	1.9	2.9	3.7
Average number of shares	19.0	23.1	24.0	12.4	12.4	12.4	12.4
EPS reported	-0.02	0.05	-0.46	0.03	0.15	0.23	0.30

Profit and loss (common size)	2006	2007	2008	2009	2010E	2011E	2012E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	79.0 %	73.1 %	75.8 %	78.4 %	75.6 %	76.1 %	75.7 %
Gross profit	21.0 %	26.9 %	24.2 %	21.6 %	24.4 %	24.0 %	24.3 %
Sales and marketing	11.5 %	11.0 %	12.6 %	9.1 %	9.5 %	9.5 %	9.5 %
General and administration	11.6 %	11.0 %	9.3 %	9.4 %	9.4 %	9.6 %	9.5 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	8.0 %	4.4 %	1.9 %	2.4 %	2.5 %	2.0 %	2.0 %
Other operating expenses	0.6 %	0.8 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	5.2 %	8.5 %	3.4 %	5.5 %	8.1 %	6.9 %	7.3 %
Depreciation	0.3 %	0.3 %	0.3 %	0.6 %	0.6 %	0.4 %	0.4 %
EBITA	4.9 %	8.2 %	3.1 %	4.9 %	7.4 %	6.5 %	6.9 %
Amortisation of goodwill	0.3 %	0.0 %	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.9 %	1.1 %	3.8 %	0.8 %	0.9 %	0.3 %	0.3 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	3.7 %	7.1 %	-2.9 %	4.1 %	6.5 %	6.1 %	6.6 %
Interest income	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %
Interest expenses	2.0 %	0.3 %	1.0 %	1.0 %	0.7 %	0.4 %	0.3 %
Other financial result	-0.1 %	-1.4 %	-0.2 %	-0.1 %	0.0 %	0.0 %	0.0 %
Financial result	-2.6 %	-1.8 %	-1.3 %	-1.1 %	-0.6 %	-0.3 %	-0.2 %
Recurring pretax income from continuing operations	1.1 %	5.2 %	-4.2 %	3.0 %	6.0 %	5.8 %	6.4 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.1 %	5.2 %	-4.2 %	3.0 %	6.0 %	5.8 %	6.4 %
Tax rate	48.6 %	15.4 %	-8.6 %	25.0 %	25.0 %	21.0 %	21.0 %
Net income from continuing operations	0.6 %	4.4 %	-4.5 %	2.3 %	4.5 %	4.6 %	5.0 %
Result from discontinued operations (net of tax)	0.7 %	1.2 %	4.7 %	0.4 %	0.0 %	0.0 %	0.0 %
Net income	-0.1 %	3.2 %	-9.2 %	1.8 %	4.5 %	4.6 %	5.0 %
Minority interest	0.3 %	1.8 %	0.9 %	1.6 %	3.0 %	2.7 %	2.8 %
Net income (net of minority interest)	-0.4 %	1.4 %	-10.2 %	0.3 %	1.5 %	1.9 %	2.2 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Intangible assets	27.4	31.5	31.0	25.6	26.0	25.7	25.4
Property, plant and equipment	8.5	9.1	9.1	9.0	8.5	8.3	8.1
Financial assets	1.5	1.0	1.0	1.0	1.0	1.0	1.0
FIXED ASSETS	37.4	41.5	41.1	35.5	35.4	34.9	34.4
Inventories	5.5	3.7	6.5	8.3	8.9	10.8	11.8
Accounts receivable	2.9	6.5	6.6	8.3	9.3	11.2	12.2
Other current assets	9.4	4.1	5.6	6.0	6.0	6.0	6.0
Liquid assets	14.4	14.3	22.2	21.4	25.8	30.8	38.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	32.2	28.6	40.9	44.0	50.0	58.9	68.3
TOTAL ASSETS	69.7	70.1	82.0	79.5	85.4	93.7	102.7
SHAREHOLDERS EQUITY	29.9	30.7	20.4	25.1	30.7	36.7	44.0
MINORITY INTEREST	2.0	3.3	3.6	6.5	6.5	6.5	6.5
Long-term debt	10.5	8.9	14.7	10.6	10.6	10.6	10.6
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	6.1	5.4	7.5	6.9	6.9	6.9	6.9
Non-current liabilities	16.7	14.3	22.2	17.5	17.5	17.5	17.5
short-term liabilities to banks	0.9	2.7	4.1	3.3	3.3	3.3	3.3
Accounts payable	3.4	4.2	7.5	6.2	6.5	7.9	8.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	1.8	0.0	0.0	0.0	0.0
Deferred taxes	1.9	1.6	2.0	1.9	1.9	1.9	1.9
Deferred income	14.9	13.3	20.4	19.0	19.0	20.0	21.0
Current liabilities	21.1	21.8	35.8	30.4	30.7	33.1	34.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	69.7	70.1	82.0	79.5	85.4	93.7	102.7

Balance sheet (common size)	2006	2007	2008	2009	2010E	2011E	2012E
Intangible assets	39.3 %	44.9 %	37.8 %	32.2 %	30.4 %	27.4 %	24.7 %
Property, plant and equipment	12.3 %	13.0 %	11.1 %	11.3 %	9.9 %	8.8 %	7.8 %
Financial assets	2.2 %	1.4 %	1.2 %	1.2 %	1.1 %	1.0 %	1.0 %
FIXED ASSETS	53.7 %	59.3 %	50.1 %	44.7 %	41.4 %	37.2 %	33.5 %
Inventories	7.9 %	5.3 %	7.9 %	10.4 %	10.5 %	11.5 %	11.5 %
Accounts receivable	4.1 %	9.3 %	8.1 %	10.4 %	10.8 %	12.0 %	11.9 %
Other current assets	13.6 %	5.8 %	6.8 %	7.5 %	7.0 %	6.4 %	5.8 %
Liquid assets	20.7 %	20.4 %	27.0 %	27.0 %	30.2 %	32.9 %	37.4 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	46.3 %	40.7 %	49.9 %	55.3 %	58.6 %	62.8 %	66.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	42.9 %	43.8 %	24.9 %	31.6 %	36.0 %	39.1 %	42.8 %
MINORITY INTEREST	2.9 %	4.7 %	4.3 %	8.2 %	7.6 %	6.9 %	6.3 %
Long-term debt	15.1 %	12.7 %	17.9 %	13.3 %	12.4 %	11.3 %	10.3 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	8.8 %	7.7 %	9.1 %	8.7 %	8.1 %	7.4 %	6.8 %
Non-current liabilities	23.9 %	20.4 %	27.0 %	22.0 %	20.5 %	18.7 %	17.0 %
short-term liabilities to banks	1.2 %	3.9 %	5.0 %	4.2 %	3.9 %	3.5 %	3.2 %
Accounts payable	4.9 %	6.0 %	9.1 %	7.8 %	7.6 %	8.4 %	8.3 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	0.0 %	0.0 %	2.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred taxes	2.7 %	2.2 %	2.5 %	2.4 %	2.2 %	2.0 %	1.8 %
Deferred income	21.5 %	18.9 %	24.9 %	23.9 %	22.3 %	21.3 %	20.4 %
Current liabilities	30.3 %	31.1 %	43.7 %	38.3 %	35.9 %	35.3 %	33.8 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Net profit/loss	0.5	2.5	-10.1	2.1	5.6	7.0	8.3
Depreciation of fixed assets (incl. leases)	0.2	0.2	0.3	0.6	0.8	0.6	0.6
Amortisation of goodwill	0.3	0.0	2.3	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	0.9	4.2	1.0	1.1	0.5	0.5
Others	-3.1	0.0	4.3	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-1.4	3.6	1.0	3.7	7.5	8.1	9.4
Increase/decrease in inventory	-2.0	1.8	-2.8	-1.8	-0.7	-1.9	-1.0
Increase/decrease in accounts receivable	0.2	-3.6	-0.1	-1.6	-1.0	-1.9	-1.0
Increase/decrease in accounts payable	-0.8	0.8	3.3	-1.2	0.3	1.4	0.7
Increase/decrease in other working capital positions	-3.5	-5.9	4.6	-4.0	0.0	0.0	0.0
Increase/decrease in working capital	-6.1	-6.9	4.9	-8.6	-1.4	-2.4	-1.3
Cash flow from operating activities	-7.6	-3.3	5.9	-4.9	6.1	5.6	8.1
CAPEX	1.0	0.5	0.5	0.8	0.5	0.6	0.6
Payments for acquisitions	0.0	0.0	0.0	0.0	1.3	0.0	0.0
Financial investments	-0.4	0.5	0.5	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	1.4	-2.5	6.5	0.0	0.0	0.0
Cash flow from investing activities	-0.5	1.4	-2.6	5.7	-1.8	-0.6	-0.6
Cash flow before financing	-8.0	-2.8	2.4	0.8	4.4	5.0	0.0
Increase/decrease in debt position	-2.9	3.6	7.1	-4.9	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	1.3	-1.0	0.0	0.0	0.0	0.0
Others	-1.1	-1.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-4.0	1.2	8.1	-4.9	0.0	0.0	0.0
Increase/decrease in liquid assets	-12.1	-1.6	10.5	-4.1	4.4	5.0	n/a
Liquid assets at end of period	14.8	14.1	25.6	21.4	25.8	30.8	38.4

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
P&L growth analysis							
Sales growth	32.2 %	-4.9 %	39.0 %	6.0 %	7.9 %	21.0 %	8.8 %
EBITDA growth	78.8 %	53.8 %	-44.1 %	71.0 %	58.6 %	3.3 %	15.6 %
EBIT growth	43.5 %	82.0 %	-156.2 %	-251.9 %	72.0 %	13.8 %	17.5 %
EPS growth	-94.8 %	-355.2 %	-1047.0 %	-105.6 %	481.8 %	55.5 %	26.8 %
Efficiency							
Total operating costs / sales	15.8 %	18.4 %	20.8 %	16.1 %	16.4 %	17.1 %	17.0 %
Sales per employee	862.7	554.5	632.7	632.8	639.4	675.4	642.8
EBITDA per employee	45.1	46.9	21.5	34.7	51.5	46.4	46.9
Balance sheet analysis							
Avg. working capital / sales	4.4 %	7.0 %	5.3 %	6.9 %	8.8 %	8.5 %	9.0 %
Inventory turnover (sales/inventory)	15.0	21.3	16.8	14.0	14.0	14.0	14.0
Trade debtors in days of sales	12.7	30.2	22.2	26.0	27.0	27.0	27.0
A/P turnover [(A/P*365)/sales]	19.2	26.7	32.9	25.0	25.0	25.0	25.0
Cash conversion cycle (days)	24.4	26.9	17.9	34.3	36.5	36.3	n/a
Cash flow analysis							
Free cash flow	-8.5	-3.8	5.4	-5.7	5.6	5.0	7.5
Free cash flow/sales	-10.3 %	-4.8 %	4.9 %	-4.9 %	4.5 %	3.3 %	4.6 %
FCF / net profit	2337.8 %	-334.5 %	-48.5 %	-1778.8 %	299.9 %	173.5 %	204.5 %
FCF yield	-14.6 %	-5.3 %	7.3 %	-15.0 %	14.7 %	13.3 %	19.8 %
Capex / depn	49.5 %	91.2 %	14.3 %	50.0 %	26.3 %	54.5 %	54.5 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	83.3 %	30.0 %	36.4 %	33.3 %
Capex / sales	0.8 %	1.2 %	0.9 %	0.7 %	0.4 %	0.4 %	0.4 %
Security							
Net debt	7.0	4.7	11.3	1.1	-4.7	-11.1	-18.9
Net Debt/EBITDA	1.6	0.7	3.0	0.2	0.0	0.0	0.0
Net debt / equity	0.2	0.2	0.6	0.0	-0.2	-0.3	-0.4
Interest cover	1.8	23.1	0.0	4.0	9.8	15.5	21.9
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.7	1.5	2.2	2.2	2.2	2.4	2.3
Operating assets turnover	6.1	5.2	7.4	6.0	6.2	6.8	7.0
Plant turnover	9.7	8.7	12.0	13.0	14.8	18.4	20.5
Inventory turnover (sales/inventory)	15.0	21.3	16.8	14.0	14.0	14.0	14.0
Returns							
ROCE	5.2 %	11.1 %	-6.2 %	9.3 %	14.8 %	15.3 %	16.2 %
ROE	-1.2 %	3.7 %	-54.5 %	1.3 %	6.1 %	7.9 %	8.4 %
Other							
Interest paid / avg. debt	7.1 %	2.1 %	6.9 %	7.4 %	6.0 %	4.3 %	3.6 %
No. employees (average)	96	142	173	183	196	224	256
Number of shares	19.0	23.1	24.0	12.4	12.4	12.4	12.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.02	0.05	-0.46	0.03	0.15	0.23	0.30
Valuation ratios							
P/BV	2.4	2.3	3.6	1.5	1.2	1.0	0.9
EV/sales	0.8	1.0	0.8	0.3	0.3	0.2	0.1
EV/EBITDA	15.1	11.4	22.8	6.2	3.3	2.6	1.6
EV/EBITA	15.9	11.7	24.9	6.8	3.6	2.7	1.7
EV/EBIT	21.3	13.6	-27.1	8.2	4.1	2.9	1.7
EV/FCF	-7.6	-19.9	15.7	-6.8	6.0	5.3	2.5
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

Disclosure in respect of section 34b of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG)

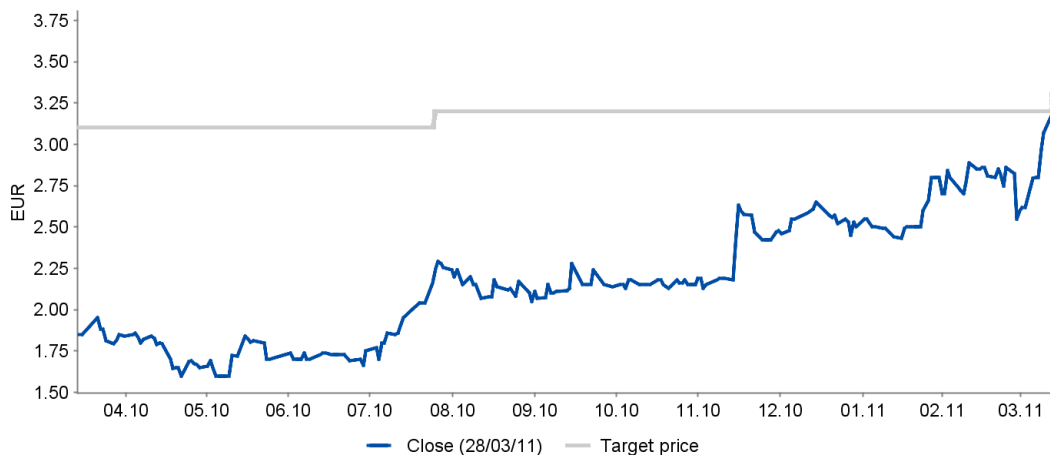
Company	Disclosure
DEAG Deutsche Entertainment AG	2

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Historical target price and rating changes for DEAG Deutsche Entertainment AG in the last 12 months

Price and Rating History
DEAG Deutsche Entertainment AG as of 29/03/11

Initiation coverage
04-December-09



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