

# TELECOMMUNICATIONS

A Research Publication by DZ BANK AG

## ecotel communication<sup>3)6)</sup>

Reuters: E4CG.DE

Bloomberg: E4C GY

Year *	Sales EUR m	Adj. IFRS- Earnings per sh. EUR	Cash flow per share EUR	PER	PCF	Dividend per share EUR
2010	98.3 (98.3)	0.00 (0.00)	0.85 (0.85)	–	3.9	0.00
2011e	81.9 (79.1)	0.39 (0.37)	1.21 (1.19)	12.4	4.0	0.00
2012e	79.8 (77.8)	0.52 (0.52)	1.31 (1.31)	9.3	3.7	0.25
2013e	80.4 (78.4)	0.73 (0.74)	1.45 (1.46)	6.7	3.4	0.30

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

### Sales in core business stabilise in Q3

- » Ecotel has posted Q3 results which have exceeded our expectations.
- » The Group recorded **turnover** of **EUR 21.3m** in Q3. This is down 13% on the previous year, but up 8% on Q2. Investors should not pay too much attention to the sequential recovery though. It is primarily attributable to better performance in the Wholesale segment, through which Ecotel merely "channels" minutes, realising only extremely low margins in the order of 3-5%. By contrast, we view it as very positive that in **core business**, Business Clients, **the declining sales trend could be stopped**. Proceeds in this business area in Q3 stood at EUR 10.3m and were exactly in line with the level from the previous quarter.
- » In Q3, Ecotel generated an **EBITDA** of **EUR 1.8m**. This is the **best quarterly result since 2007** and is EUR 0.2m above our forecast. Comparing the EBITDA of EUR 1.7m in Q2 and of EUR 1.0m from Q3 2010 shows that the company is currently in the process of turning around the earnings trend.
- » Based on the good operating performance over the first nine months, management **confirms EBITDA guidance** for 2011 at EUR 5.5-6.5m The Chairman expects consolidated sales to come in at EUR 80-85m this year.
- » We have revised our model and adjusted our forecasts for 2011 slightly. For 2012 and subsequent years we have changed our optimistic forecasts only marginally. For this reason, we are also leaving our **share price target** unchanged at **EUR 7** per Ecotel share. **We confirm our BUY recommendation.**

Selected Companies	Price on 14 Nov 2011	PER 11e 12e	EV / EBITDA 11e 12e	EV / Sales 11e	Re- com.
ecotel communication	4.88 EUR	12.4 9.3	3.8 3.0	0.30	↑
QSC	2.24 EUR	13.9 9.5	4.2 3.5	0.71	↓
United Internet	14.25 EUR	18.7 15.1	10.5 8.4	1.63	↑
Mox Telecom AG	4.89 EUR	– –	– –	–	–
freenet	9.44 EUR	5.2 5.5	4.5 4.5	0.51	↑
<b>Median for all peer group companies</b>		<b>13.9 9.5</b>	<b>4.5 4.5</b>	<b>0.71</b>	<b>–</b>

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

## EQUITIES

Flash  
15 Nov 2011

Buy (prev. Buy)

Closing price 14 Nov 2011

(in EUR): 4.88  
Fair value: 7.00 (prev. 7.00)

Risk classification: 5

### Financial ratios 2011e:

Book value per share (in EUR):	5.34
Equity ratio (in %):	47.0
Net margin (in %):	2.5
ROE (in %):	9.3
Dividend yield (in %):	0.0
Free cash flow (EUR m):	4.1
Net debt (EUR m):	4.3

### Number of shares

(million units): 3.9

### Market cap

(in EUR m): 19.03

### Free float (in %):

21.6

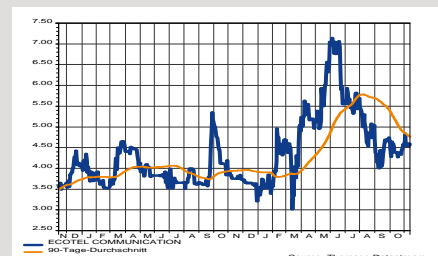
SIN: 585434

ISIN: DE0005854343

Datastream: D:E4CX

### Next Newsflow:

Q4 figures in February 2012



Author: Joeri Sels, Analyst

## AT A GLANCE

### Company profile

ecotel communications is a telcoms company operating nationwide and with the focus on corporate customers. On top of this core business, ecotel also runs a wholesale segment as well as a "New business" segment, where strongly growing business units are consolidated.

### Basis for investment recommendation

In the recent quarters Ecotel managed to stabilise the business, while at the same time reducing debt significantly. The future prospects are bright. We forecast strong earnings growth in the years to come. This outlook is not yet reflected in the current share price level.

### Price sensitive current issues

- » Stabilisation of the business
- » Margin expansion
- » Dividend

### Opportunities and risks

Opportunities	Risks
Better than expected business development	Impairment on Nacamar
Dividend earlier than expected	High Pre-selection exposure
Consolidation	

## PROFIT AND LOSS ACCOUNT

Euro m	2010	2011e	2012e	2013e	2014e	2015e
<b>Sales</b>	<b>98.3</b>	<b>81.9</b>	<b>79.8</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>
Change in inventory/Own work	0.1	0.0	0.0	0.0	0.0	0.0
<b>Total output</b>	<b>98.4</b>	<b>81.9</b>	<b>79.8</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>
% against prev. year		-17%	-3%	1%	0%	0%
Cost of materials	-75.4	-57.2	-56.5	-56.8	-56.8	-56.8
Personnel expenses	-9.4	-9.6	-9.0	-8.6	-8.6	-8.6
Other operating income	1.0	0.8	0.8	0.8	0.8	0.8
Other operating expenses	-9.7	-9.2	-8.2	-7.8	-7.8	-7.8
Extraordinary income/expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>4.9</b>	<b>6.6</b>	<b>7.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
For information: EBITDA adjusted	4.8	6.4	7.0	8.0	8.0	8.0
Depreciation	-3.4	-3.6	-3.1	-2.8	-2.6	-2.4
thereof on goodwill	0.0	-0.2	0.0	0.0	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>1.5</b>	<b>3.0</b>	<b>3.9</b>	<b>5.1</b>	<b>5.3</b>	<b>5.5</b>
For information: EBIT adjusted	1.5	3.2	3.9	5.1	5.3	5.5
% against prev. year		116%	22%	31%	4%	3%
Interest paid / received	-0.8	-0.4	-0.3	-0.2	-0.1	-0.1
<b>Profit before tax</b>	<b>0.7</b>	<b>2.6</b>	<b>3.6</b>	<b>4.9</b>	<b>5.2</b>	<b>5.4</b>
For information: EBT adjusted	0.7	2.8	3.6	4.9	5.2	5.4
% against prev. year		303%	28%	36%	5%	4%
Income taxes from continuing operations	-0.4	-0.8	-1.1	-1.5	-1.6	-1.6
Tax rate	57%	30%	30%	30%	30%	30%
<b>Net profit from continuing operations</b>	<b>0.3</b>	<b>1.8</b>	<b>2.5</b>	<b>3.5</b>	<b>3.6</b>	<b>3.8</b>
Net profit from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>0.3</b>	<b>1.8</b>	<b>2.5</b>	<b>3.5</b>	<b>3.6</b>	<b>3.8</b>
Profit or loss attributable to minority interest	-0.3	-0.5	-0.5	-0.6	-0.6	-0.6
<b>Profit or loss attributable to shareholders</b>	<b>0.0</b>	<b>1.3</b>	<b>2.0</b>	<b>2.9</b>	<b>3.0</b>	<b>3.2</b>
thereof from continuing operations	0.0	1.3	2.0	2.9	3.0	3.2
thereof from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Weighted average number of shares, diluted (m)	3.900	3.900	3.900	3.900	3.900	3.900
IFRS earnings per share, diluted	0.00	0.34	0.52	0.73	0.78	0.82
Adjusted earnings per share, diluted (contin.)	0.00	0.39	0.52	0.73	0.78	0.82

Fiscal year end December

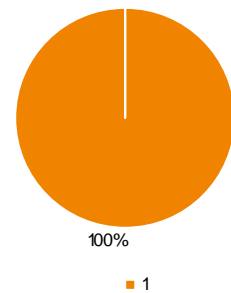
Source: ecotel communication and DZ BANK estimates

**RATIOS**

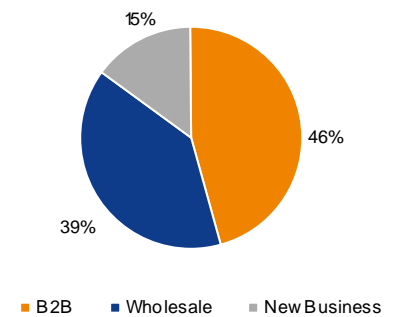
Euro	2010	2011e	2012e	2013e	2014e
<b>Profit and loss ratios</b>					
Total output (m)	98.4	81.9	79.8	80.4	80.4
EBITDA margin	4.9%	7.9%	8.8%	9.9%	9.9%
EBIT margin	1.5%	4.0%	4.9%	6.4%	6.6%
Net margin	0.3%	2.5%	3.2%	4.3%	4.5%
Investment ratio	0.0%	2.2%	2.3%	2.2%	2.2%
R&D as % of total output					
Net other operating costs as % of total output	8.8%	10.3%	9.3%	8.7%	8.7%
Net financial income as % of total output	-0.8%	-0.5%	-0.4%	-0.2%	-0.2%
Interest cover	2.5	7.3	12.5	25.8	38.8
Average sales growth next five years	-4.0%				
Average earnings growth next five years					
<b>Profitability ratios</b>					
ROE	1.5%	9.3%	10.4%	12.8%	12.4%
ROCE	5.9%	13.7%	17.6%	24.1%	26.0%
<b>Productivity ratios</b>					
Sales per employee ('000)					
EBIT per employee ('000)					
<b>Balance sheet ratios</b>					
Equity ratio	41.2%	47.0%	52.2%	56.2%	59.5%
Long term debt and equity / Fixed assets	96.7%	110.8%	127.2%	143.5%	159.8%
Liquidity (quick ratio)	95.6%	114.3%	139.8%	167.2%	195.9%
Receivables as % of total output	14.6%	14.6%	14.6%	14.6%	14.6%
Investment (net of GW) / Depreciation		56.3%	58.4%	64.0%	68.6%
Working capital as % of total output	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
Net debt (m)	7.9	4.3	0.5	-3.0	-6.3
Net debt complete (m)	6.8	3.2	-0.6	-4.1	-7.4
<b>Figures per share</b>					
Earnings per share, diluted	0.00	0.39	0.52	0.73	0.78
Diluted cash earnings per share	0.85	1.21	1.31	1.45	1.45
Dividend per common share	0.00	0.00	0.25	0.30	0.35
Cash per share, diluted	1.56	2.10	2.57	3.08	3.67
Net debt per share, diluted	2.03	1.10	0.13	-0.77	-1.61
<b>Valuation ratios</b>					
Enterprise value / Sales	0.2	0.3	0.3	0.2	0.2
Enterprise value / EBITDA	4.5	3.8	3.0	2.3	2.0
Enterprise value / EBIT	14.3	7.5	5.4	3.5	2.9
EV/Sales to sales growth		-0.08	-0.07	-0.06	-0.05
PEG ratio - common shares					
Fiscal year end December					

Source: ecotel communication, DZ BANK estimates

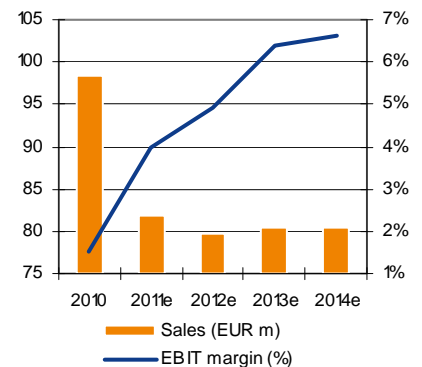
**SALES BY REGION 2010**



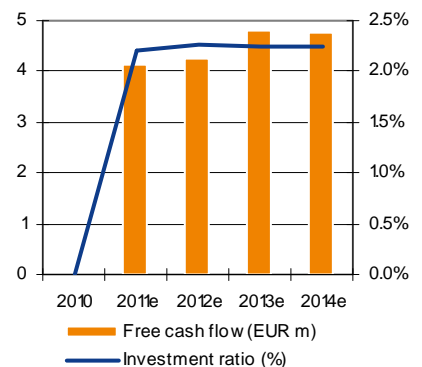
**SALES BY BUSINESS SEGMENT 2010**



**SALES AND MARGIN DEVELOPMENT**



**FREE CASH FLOW AND INVESTMENT RATIO**



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

	2010	2011e	2012e	2013e	2014e	2015e
<b>Profit and loss account (EUR m)</b>						
Total output	98.4	81.9	79.8	80.4	80.4	80.4
Cost of materials	-75.4	-57.2	-56.5	-56.8	-56.8	-56.8
Personnel expenses	-9.4	-9.6	-9.0	-8.6	-8.6	-8.6
Other operating income/expenses	-8.7	-8.4	-7.4	-7.0	-7.0	-7.0
EBITDA	4.9	6.6	7.0	8.0	8.0	8.0
Operating profit (EBIT)	1.5	3.0	3.9	5.1	5.3	5.5
Interest paid / received	-0.8	-0.4	-0.3	-0.2	-0.1	-0.1
Income taxes from continuing operations	-0.4	-0.8	-1.1	-1.5	-1.6	-1.6
Net profit from continuing operations	0.3	1.8	2.5	3.5	3.6	3.8
Net profit	0.3	1.8	2.5	3.5	3.6	3.8
Profit or loss attributable to shareholders	0.0	1.3	2.0	2.9	3.0	3.2
<b>Profit and loss ratios</b>						
EBITDA margin	4.9%	7.9%	8.8%	9.9%	9.9%	9.9%
EBIT margin	1.5%	4.0%	4.9%	6.4%	6.6%	6.9%
Tax rate	57.1%	30.1%	30.0%	30.0%	30.0%	30.0%
Net margin	0.3%	2.5%	3.2%	4.3%	4.5%	4.7%
Investment ratio	0.0%	2.2%	2.3%	2.2%	2.2%	2.2%
Average sales growth next five years	-4.0%					
Average earnings growth next five years						
<b>Balance sheet ratios</b>						
Equity ratio	41.2%	47.0%	52.2%	56.2%	59.5%	62.0%
Long term debt and equity / Fixed assets	96.7%	110.8%	127.2%	143.5%	159.8%	175.9%
Liquidity (quick ratio)	95.6%	114.3%	139.8%	167.2%	195.9%	222.6%
Receivables as % of total output	14.6%	14.6%	14.6%	14.6%	14.6%	14.6%
Investment (net of GW) / Depreciation		56.3%	58.4%	64.0%	68.6%	73.5%
Working capital as % of total output	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
<b>Cash flow statement (EUR m)</b>						
Operating CF (cont.)	0.0	5.8	5.9	6.5	6.4	6.3
Operating CF (discont.)	0.0					
Investing CF (cont.)	0.0	-1.7	-1.7	-1.7	-1.6	-1.6
Investing CF (discont.)	0.0					
Free cash flow (cont.)	0.0	4.1	4.3	4.8	4.8	4.7
Free cash flow (discont.)	0.0					
Financing CF (cont.)	0.0	-2.0	-2.4	-2.8	-2.5	-2.2
Financing CF (discont.)	0.0					
Increase/decrease of cash	0.0	2.1	1.8	2.0	2.3	2.6
<b>Profitability ratios</b>						
ROE	1.5%	9.3%	10.4%	12.8%	12.4%	11.9%
ROCE	5.9%	13.7%	17.6%	24.1%	26.0%	27.7%
<b>Figures per share (EUR)</b>						
Earnings per share, diluted	0.00	0.39	0.52	0.73	0.78	0.82
Diluted cash earnings per share	0.85	1.21	1.31	1.45	1.45	1.45
Net debt per share, diluted	2.03	1.10	0.13	-0.77	-1.61	-2.40
<b>Valuation ratios</b>						
Enterprise value / Sales	0.2	0.3	0.3	0.2	0.2	0.2
Enterprise value / EBITDA	4.5	3.8	3.0	2.3	2.0	1.6
Enterprise value / EBIT	14.3	7.5	5.4	3.5	2.9	2.4
P/E common shares		12.4	9.3	6.7	6.3	6.0

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

---

	2010	2011e	2012e	2013e	2014e	2015e
--	------	-------	-------	-------	-------	-------

---

Source: ecotel communication and DZ BANK estimates

**IMPRINT**

Published by: DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Platz der Republik, 60265 Frankfurt am Main  
 Board of Directors: Wolfgang Kirsch (Chief Executive Officer), Lars Hille, Wolfgang Köhler, Hans-Theo Macke, Albrecht Merz, Thomas Ullrich, Frank Westhoff  
 Responsible: Stefan Bielmeier, Head of Research and Volkswirtschaft  
 © DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main 2011  
 Reprinting and reproduction requires the approval of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

**TIME CONDITIONS OF ENVISAGED UPDATES AND OF PRICE QUOTATIONS (EQUITIES)**

DZ BANK maintains a list of companies for which company-specific financial analyses are published (master list). Comments on events relevant for the share price of all companies on the master list are published. Whether and why such publications are made is subject to the sole discretion of DZ BANK. In addition, extensive research analyses are prepared for stocks on the master list. The identity of companies for which such publications are made is subject to the sole discretion of DZ BANK. In order to comply with the regulations of the Securities Trading Act, it is possible that the publication of financial analyses is restricted at any time without any previous announcement for individual companies in the master list. The share prices are taken from Datastream, based on the Datastream codes given; they are closing prices in line with the Datastream system.

**RESPONSIBLE SUPERVISORY AUTHORITY**

Bundesanstalt für Finanzdienstleistungsaufsicht, Lurgiallee 12, 60439 Frankfurt am Main, Germany

**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 72.9%, Hold 8.3%, Sell 18.8%

**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 17.4%, Hold 25.9%, Sell 9.8%

**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,
- holds a trading position, as that term is defined by German law, in shares of the company whose securities are subject of the research,
- 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,
- 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.
- 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.
- 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.de](http://www.dzbank.de).**

**DISCLAIMER**

- 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.
- 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.
- 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.
- 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.
- 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.
- 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

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

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 German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) 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 FSA 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.

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

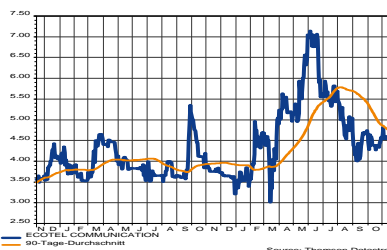
**7.a) Note:** - Any fair values / price targets shown for companies discussed in this report may not be achieved due to multiple risk factors, including, without limitation, market volatility, sector volatility, corporate actions, the state of the economy, the failure to achieve earnings and/or revenue 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	28 Sep 2011	5.00 EUR

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



**RESEARCH TEAM TELECOMMUNICATIONS**

Christoph Bast		+49 – (0)69 – 74 47 – 36 33	christoph.bast@dzbank.de
Marcus Pratsch		+49 – (0)69 – 74 47 – 15 82	Marcus.Pratsch@dzbank.de
Thorsten Reigber		+49 – (0)69 – 74 47 – 90 356	thorsten.reigber@dzbank.de
Joeri Sels		+49 – (0)69 – 74 47 – 62 45	joeri.sels@dzbank.de

**INSTITUTIONAL SALES**

Germany, Benelux, Scandinavia, Switzerland, Austria, UK	Sandra Münstermann	+49 – (0)69 – 74 47 – 49 90	sandra.muenstermann@dzbank.de
---	--------------------	-----------------------------	-------------------------------

**Equity Sales**

Germany	Kai Böckel	+49 – (0)69 – 74 47 – 12 28	kai.boeckel@dzbank.de
Benelux, Scandinavia	Heiko Klebing	+49 – (0)69 – 74 47 – 49 95	heiko.klebing@dzbank.de
Switzerland	Petra Bukan	+49 – (0)69 – 74 47 – 4992	petra.bukan@dzbank.de
Austria	Thomas Reichelt	+49 – (0)69 – 74 47 – 6709	thomas.reichelt@dzbank.de
UK	Jonathan Cox Lars Wohlers	+44 - 20 - 7776 – 6075 +49 – (0)69 – 74 47 – 68 34	jonathan.cox@dzbank.de lars.wohlers@dzbank.de

**Sales Trading**

Sales Trading	Sacha Kaiser	+49 – (0)69 – 74 47 – 4 28 28	sacha.kaiser@dzbank.de
---------------	--------------	-------------------------------	------------------------

**DERIVATIVES SALES**

Derivatives Sales	Michael Menrad	+49 – (0)69 – 74 47 – 9 91 95	michael.menrad@dzbank.de
-------------------	----------------	-------------------------------	--------------------------

**ACCESS TO DZ RESEARCH (CONTACT ANJA.BECK@DZBANK.DE)**

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