

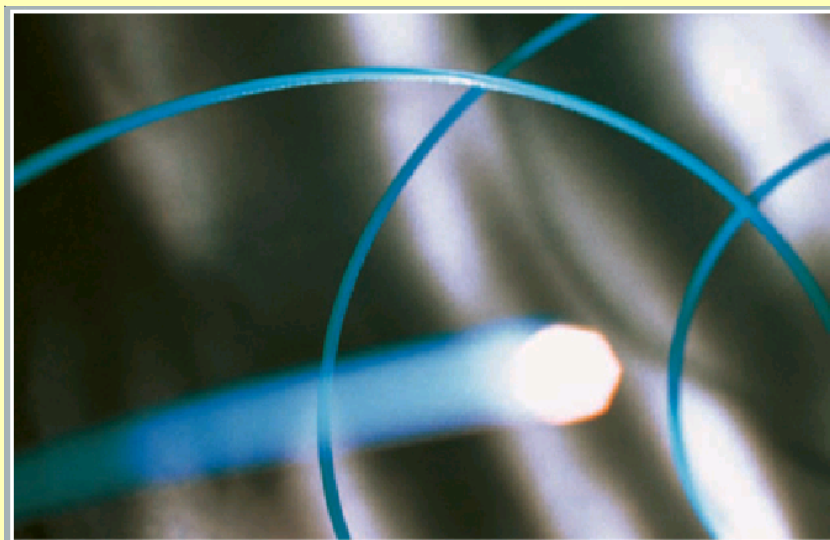


Independent Research

Unabhängige Finanzmarktanalyse GmbH

Investment Research

euromicron
Aktiengesellschaft



**Market Segment: General Standard
Sector: Technology**

Update

December 21, 2005

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Table of Contents

Summary	3
Strengths and Opportunities	4
Weaknesses and Threats	5
Company profile	6
Strategy	8
New shareholder structure	9
9M figures	10
Forecasts	11
Valuation	13
Outlook	15

euromicron 4)

Buy

Previous recommendation: -

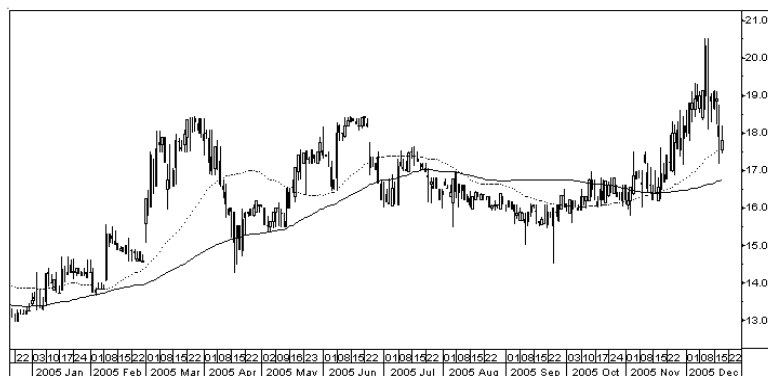
Event:

Figures 9M 2005/
New shareholder structure

Recommendation:

Buy

IR	3	2	2
Rating	Growth	Investor Relations	Dependability

Author: Matthias Engelmayer (analyst)

euromicron

- ⇒ **The former major shareholder of euromicron, AdCapital, sold its 80.22% stake to numerous international institutional investors**
- ⇒ **Due to the new shareholder structure the strategic targets which were announced already in the past can be realised now**
- ⇒ **We revised our earnings forecasts for 2005 and 2006: EpS 2005e: EUR1.31 (before: EUR1.21); EpS 2006e: EUR1.46 (before: EUR1.34)**
- ⇒ **On the basis of our peer group analysis and our DCF model we increase our price target to EUR22.50 (before: EUR19.80) within a 6-month period**
- ⇒ **We again recommend to Buy the euromicron share**

euromicron AG		Technology		Performance				
Country	GE	Fiscal year	12/31	Rel. 1 Month	0.7%			
Shares (m)	4.660	www.euromicron.de		Rel. 3 Months	5.1%			
∅ Trading Volume	2,742	Last dividend (EUR)	0.60	Rel. 6 Months	-16.2%			
ISIN	DE0005660005	Payable	06/24/2005	Rel. 12 Months	6.8%			
Curr. Price (Xetra)	17.99	Market cap. (EURm)	83.8	Beta	1.30			
12/20/2005	5:36 PM	Currency	EUR	Volatility (90 days)	33.0%			
52W High	20.50	Date	12/12/2005	CDAX	0.003%			
52W Low	12.97	Date	12/22/2005					
Shareholders:	Free float approx. 90%							
Investments:	Each with 100%: euromicron systems GmbH; EUROMICRON Werkzeuge GmbH; Pfeiffer GmbH IT-Systemhaus; delcom GmbH; ELABO GmbH etc.							
FY	Sales	EBIT	EBT	EAT	EPS	PER	EV/Sales 06e:	0.54
2003	134.5	15.6	13.5	12.1	2.59	4.0	EV/EBIT 06e:	6.87
2004	110.8	9.7	9.0	4.0	0.86*	16.1	Dividend Yield 05e:	3.6%
2005e	118.5	9.9	9.1	6.1	1.31*	13.8	CAGR Sales 03-06e:	4.6%
2006e	154.1	12.1	11.8	6.8	1.46*	12.3	CAGR EAT 03-06e:	-17.4%
Figures in EURm except EPS; hist. PER based on averaged share prices							AS: US-GAAP	
* Based on consolidation effects								

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STRENGTHS AND OPPORTUNITIES

- **Realignment, which started in 2000, was concluded in the past year (first stage of strategy)**
- **Expansion into German-speaking foreign markets expected (second stage of strategy)**
- **New shareholder structure (without dependency from a major shareholder)**
- **Improved earnings quality thanks to a lower other operating income**
- **High profitability level (pre-tax ROE 2005e: 15.4%)**
- **No net debt**
- **Sound capital structure (equity ratio 9M 2005: 61.5%)**
- **Internal financing power (operating cash flow 2004: EUR8.0m)**
- **Attractive dividend yield (2005e: 3.6%)**
- **Attractive valuation level (P/E ratio 2006e: 12.3; EV/EBIT ratio 2006e: 6.9)**

¹⁾²⁾³⁾⁴⁾ Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document.

WEAKNESSES AND THREATS

- **Low visibility of sales and profit development owing to numerous acquisitions and disinvestments**
- **Tough price competition in project business**
- **Currently high dependency on domestic business (9M 2005: roughly 90% of total group sales)**
- **High goodwill (36% of total assets)**
- **Expansion of project business leads to a decline in margin (gross margin H1 2005: -1.3 percentage points to 6.7%)**

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Company profile

Concentration on Network and Fiber Optics Technology

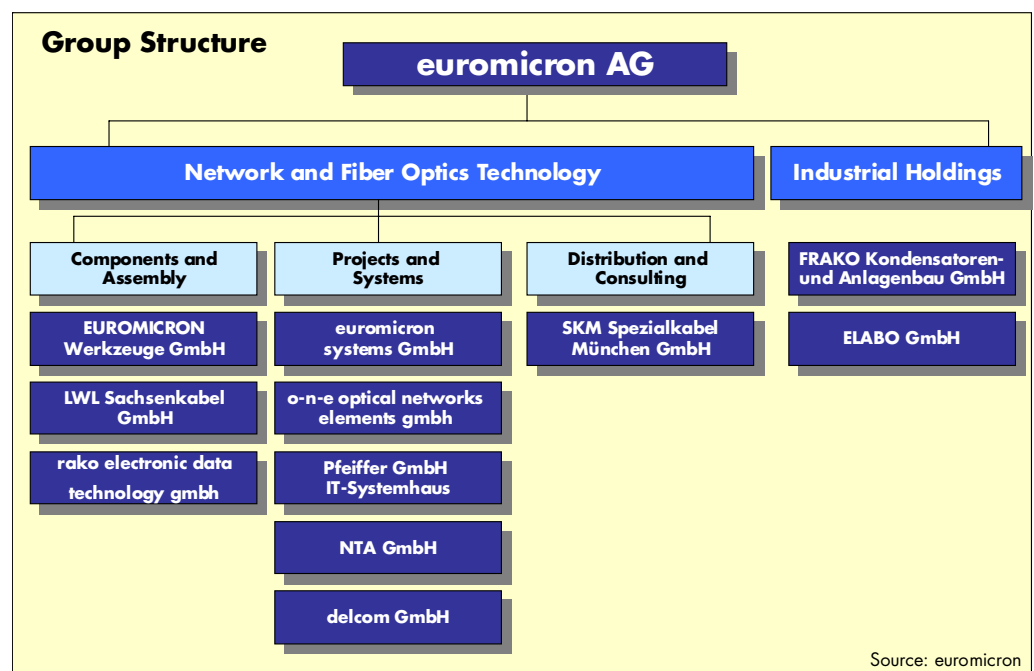
euromicron AG primarily focusses on Network and Fiber Optics Technology (9M 2005: 64% of total group sales). The company's Network and Fiber Optics Technology division comprises three business units: "Components and Assemblies", "Projects and Systems", and "Distribution and Consulting".

Core business are divided into three divisions

- "Components and Assembly": euromicron's subsidiaries produce components for optical transmission technology. These components are used in data, communications, laser, and medical technology. In addition, this division develops and produces tools such as grinding machines and dies for the cable and wire industry. euromicron also assembles data network components, copper cables, and especially fiber optic cables from leading European vendors (since 2002: cooperation agreements with LEONI Kabel GmbH and CORNING Cable Systems GmbH & Co. KG).

- "Projects and Systems": This division bundles cross-systems solutions for voice and data networks in copper, fiber optic and wireless technology. The company's product range includes planning and delivery of infrastructures for data centers and server farms, security technology, receiving systems for GSM and UMTS, in-house, wide area, and city networks, and systems for video conferences and surveillance - the multi-vendor design and planning of hardware and software, as well as installation and commissioning of the active and passive network technology.

- "Distribution and Consulting": Through its subsidiary SKM Spezialkabel München, euromicron covers procurement, distribution, trade and maintenance of active and passive network products. Moreover, SKM provides multi-vendor consulting in all network matters, supplies its own certified cabling system, and offers qualified training and partner certification in the field of assembly.



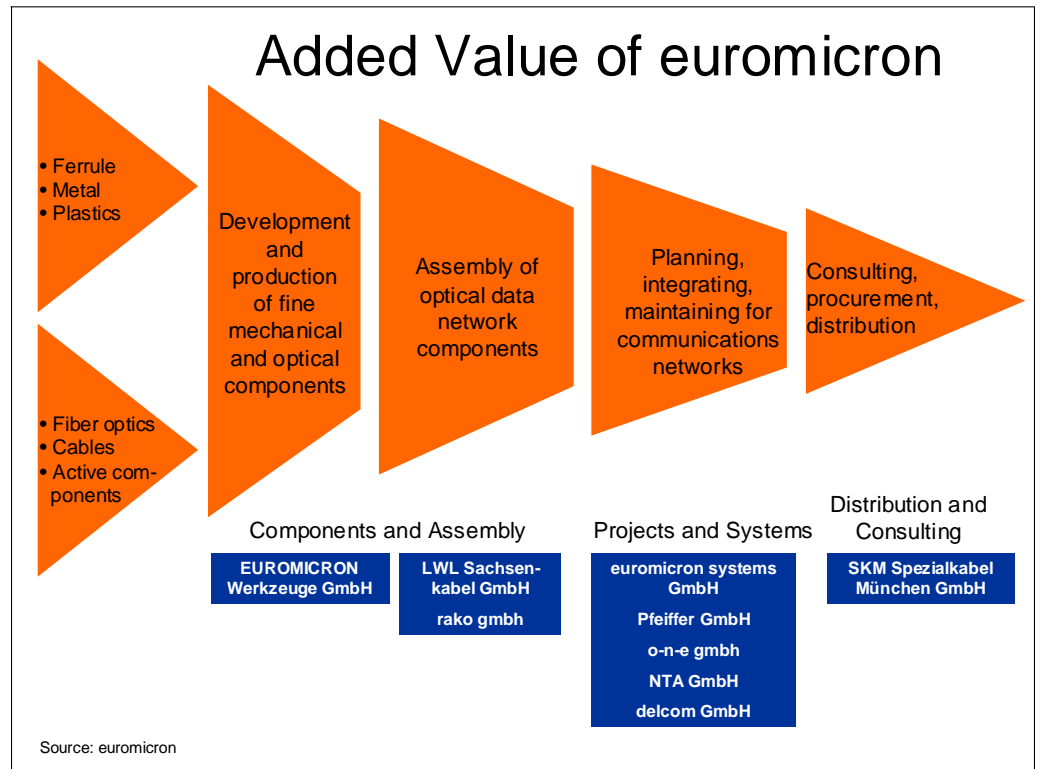
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Industrial Holdings as second division

Apart from the Network and Fiber Optics Technology business unit, euromicron group currently includes two industrial holdings (9M 2005: 36% of total group sales), namely FRAKO Kondensatoren- und Anlagenbau GmbH and ELABO GmbH.

■ "FRAKO Kondensatoren- und Anlagenbau GmbH": With a workforce of 110, the company produces and sells power capacitors, reactive current compensation systems, active network filters and management systems for recording, documenting, billing, and visualizing the consumption of electricity, gas, water, compressed air, and steam. In these areas FRAKO has a leading market position in the world.

■ "ELABO GmbH": The company, which has 170 employees, develops laboratory and testing systems for the electrical engineering and electronics. The company's range of services covers the design and equipment of technical rooms and workplaces for almost all industries as well as the engineering and construction of complex quality assurance and testing systems.



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Strategy

Several acquisitions and disinvestments

In the course of its realignment, which started in 2000, the company shifted its focus more towards the Network and Fiber Optics Technology business on the one hand, and drastically reduced the number of its Industrial Holdings from ten to two on the other hand. In the past fiscal year, euromicron continued its strategic realignment by selling elkosta security systems GmbH & Co. KG and taking over the three companies of NTA group (80% stake) and delcom GmbH. Furthermore, the group acquired the outstanding shares in its subsidiaries LWL Sachsenkabel GmbH (5%) and Multimedia Montage GmbH (15%; has already been merged with euromicron systems GmbH). On the whole, the group has thereby strengthened and expanded its position in the network markets and network technologies and its regional presence.

Expansion of international business

Following this portfolio adjustment, which was concluded in the past fiscal year, euromicron plans to enter the next stage of development by expanding into the German-speaking foreign markets in early 2006. In another step, euromicron is going to reinforce its presence in Europe through joint ventures in various countries. euromicron currently operates in the foreign markets of Austria, Switzerland, the Netherlands, Poland, USA, Russia, and the United Arab Emirates. In the core business Network and Fiber Optics Technology, the international business accounted for roughly 4% (approximately EUR3m) of total business in the past fiscal year, thus playing a subordinate role at the moment.

Sufficient financial scope for acquisitions

Thanks to the complete reduction of its mid-term and long-term debt and a cash and securities position of EUR11m, the group has a sufficient financial scope for acquisitions to take the second strategic step - expansion into German-speaking foreign markets - without having to raise debt.

Milestones	
1994	Foundation of Berliner-Elektro-Technik GmbH as a spin-off of Berliner Elektro Holding
1998	Renaming into euromicron AG and going public Acquisition of LWL Sachsenkabel GmbH, GAD GmbH, and rako electronic data technology gmbh
1999	Acquisition of data network business (LOKAN) from Alcatel (business unit network and fiber optics technology)
2000	Realignment of euromicron under new CEO Dr. Willibald Späth; concentration on network and fiber optics technology by pinpointed acquisitions and numerous disinvestments
2001	Strengthening of core business through takeover of Multimedia Montage GmbH, ASM Kommunikationstechnik GmbH, and SKM Spezialkabel München GmbH
2002	Further concentration through acquisition of Pfeiffer GmbH and continuation of disinvestment strategy through sale of stakes in ALWO GmbH, ALRE-IT GmbH, Dr. Kurt Göhre GmbH & Co. KG, Hübner AG, and Thalheim GmbH & Co. KG
2003	Reduction of industrial holdings by sale of Lechmotoren GmbH Merger of ASM Kommunikationstechnik GmbH and Pfeiffer GmbH
2004	Acquisition of outstanding 5% stake in LWL Sachsenkabel GmbH and of outstanding 15% stake in Multimedia Montage GmbH Sale of elkosta security systems GmbH & Co. KG Acquisition of NTA Mainz GmbH, NTA Rhein-Neckar GmbH, and NTA Erfurt GmbH (80% each) Acquisition of delcom GmbH Merger of Multimedia Montage GmbH and euromicron systems GmbH
2005	Acquisition of outstanding 12% stake in rako electronic data technology gmbh New shareholder structure (without dependency from a major shareholder)

Source: euromicron

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New shareholder structure

Free float of more than 90%

In mid-December 2005, the former major shareholder of euromicron AG, AdCapital AG, sold, as expected, its 80.22% stake. The euromicron shares were sold to numerous international institutional investors. At the beginning of June 2005, the former major shareholder AdCapital announced that it planned to examine the shareholding in euromicron. We consider this decision positive. The euromicron share's attractiveness will increase. The free float will increase to more than 90% as a result of selling the AdCapital stake in euromicron to numerous international institutional investors and thus improve the shares' trading volume (trading volume of roughly 2,500 shares per day at the Frankfurt stock market on the basis of the 6M period). Moreover, we expect trading volume to boost considerably by means of the shareholder value-oriented corporate policy (planned change to Prime Standard market segment; two Designated Sponsors). Despite a market capitalisation of currently EUR84m the euromicron share has been less interesting for institutional investors as a result of the low free float and the weak trading volume.

Continuation of „Buy and Build“ strategy

Due to the new shareholder structure the strategic targets which were announced already in the past can be realised now. Thus, in the past already conversations and negotiations also with Swiss companies went on which might be completed soon, in our view. Furthermore, the sale of one of the two industrial holdings (FRAKO sale is still expected this year) is outstanding. In the last few months the started "Buy and Build" strategy could not be continued as a result of the uncertainty about the shareholder structure.

9M figures

*Strong sales development
in Q4 2005 expected*

With group sales of roughly EUR75m in 9M 2005 60% of our previous 2005 sales estimate amounting to EUR124.4m were achieved. Due to the traditionally strongest Q4 in terms of sales (the major part of billing in the project business is carried out in Q4) as well as on the basis of an order backlog of EUR56m (EUR36m) we expect a strong sales development in Q4 2005. The major part of the order backlog will still have to be carried out in Q4 2005 (expected: roughly 70% or roughly EUR40m of the current order backlog).

*Structural measures in 9M
2005*

On income level, the current fiscal year will be characterized by expenditures of structural measures. The structural measures for the reorganisation and realignment of the individual group companies comprise the closure of a paint shop, outsourcing of metal parts production, reorganisation of assembly structures, affecting a total of some 70 jobs, requalification of staff, and employment of new staff. According to our calculations, those additional expenditures should amount to roughly EUR3m. As a result of the expected disinvestment of the industrial holding FRAKO and the resulting book profit this should only slightly burden the 2005 income (expected net charge against earnings: EURO.5m).

By selling the industrial holding FRAKO and integrating the remaining industrial holding ELABO into the core business Network and Fiber Optics Technology no further disinvestments are expected which will also be reflected by an improved earnings quality. In earlier

euromicron AG							
Consolidated income statement							
	Unit: EURm						
Fiscal year-end:	12/31	2001	2002	2003	2004	2005e	2006e
1. Net sales		184.59	147.23	134.54	110.83	118.50	154.05
growth in percent		9%	-20%	-9%	-18%	7%	30%
2. Cost of goods sold		127.50	104.57	95.67	79.48	85.91	111.69
as percentage of sales		69.1%	71.0%	71.1%	71.7%	72.5%	72.5%
3. Gross profit		57.09	42.65	38.88	31.36	32.59	42.36
as percentage of sales		30.9%	29.0%	28.9%	28.3%	27.5%	27.5%
4. Selling expenses		21.26	17.86	17.25	12.17	13.04	16.95
as percentage of sales		11.5%	12.1%	12.8%	11.0%	11.0%	11.0%
5. Administrative expenses		13.39	11.55	11.17	9.51	9.84	12.79
as percentage of sales		7.3%	7.8%	8.3%	8.6%	8.3%	8.3%
6. Research and development expenses		3.65	2.92	2.79	2.10	2.37	3.08
as percentage of sales		2.0%	2.0%	2.1%	1.9%	2.0%	2.0%
7. Other operating expenses		2.80	0.00	0.00	0.00	0.00	0.00
as percentage of sales		1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
8. Other operating income		0.00	6.73	7.91	2.15	2.50	2.50
as percentage of sales		0.0%	4.6%	5.9%	1.9%	2.1%	1.6%
9. EBIT		15.98	17.05	15.57	9.74	9.85	12.05
as percentage of sales		8.7%	11.6%	11.6%	8.8%	8.3%	7.8%
10. Financial result		-3.33	-3.17	-2.06	-0.74	-0.80	-0.30
as percentage of sales		-1.8%	-2.2%	-1.5%	-0.7%	-0.7%	-0.2%
11. EBT		12.66	13.88	13.51	9.00	9.05	11.75
as percentage of sales		6.9%	9.4%	10.0%	8.1%	7.6%	7.6%
12. Income taxes		6.31	1.99	1.32	4.74	2.71	4.70
as percentage of EBT		49.8%	14.3%	9.8%	52.7%	30.0%	40.0%
13. Minority interests		0.61	0.24	0.12	0.25	0.25	0.25
14. Consolidated net profit		5.74	11.65	12.07	4.01	6.08	6.80
as percentage of sales		3.1%	7.9%	9.0%	3.6%	5.1%	4.4%
Number of shares (m)		4.660	4.660	4.660	4.660	4.660	4.660
EPS (in EUR)		1.23	2.50	2.59	0.86	1.31	1.46
DPS (in EUR)		0.50	0.00	0.50	0.60	0.65	0.70

Source: Independent Research

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Further sale of an industrial holding expected

research reports, we already refer to the fact that the past income development was strongly influenced by the P&L position "other operating income". In the past years of restructuring of euromicron with numerous disinvestments of industrial holdings the other operating income accounted for a major part of the consolidated EBIT (2004: 22%; 2003: 51%; 2002: 39%).

Forecasts

Traditionally strong Q4

The presented 9M figures contain only in a limited way information about the business development of the full year 2005 as a result of the traditionally strong Q4. Moreover, in our opinion, there is a low visibility of the sales and profit development owing to numerous acquisitions and disinvestments in the last year.

Acquisitions postponed till 2006

On the basis of euromicron's 9M results, we have adjusted our estimates for 2005. We have slightly lowered our previous sales forecast of EUR124.4m by 5% to EUR118.5m since no acquisitions are expected to be made in 2005 after all; they have been postponed till 2006 (we based our previous sales forecast on the assumption that at least one acquisition takes place in 2005). However, our revised sales estimate still surpasses the company's own forecast, which calls for a 5% increase in sales over 2004 levels (EUR110.8m).

2005 estimates adjusted for structural measures

Furthermore, we have adjusted our EBIT forecast for 2005 for the expenditures accruing in connection with the announced structural measures. We have only slightly lowered our EBIT estimate for 2005 to EUR9.9m (before: EUR10.1m). We expect that the structural measures will lead to (one-off) charges to the total of EUR3m, which ought to be compensated almost entirely by the book profit resulting from sale of the industrial holding FRAKO on the one hand and by a higher-than-previously-expected gross margin of 27.5% (before: 27.0%) on the other.

Acquisitions in Q1 2006 expected

We also revised our estimates for the next fiscal year. With a sales increase by 5%, so far, we only included an internal growth in our estimates. As a result of the new shareholder structure and the continuation of the "Buy and Build" strategy we expect further acquisitions in the next year. Thus, takeovers of project companies and manufacturers might already take place in Q1 2006 aimed at strengthening the market position on the home market and rounding off the regional presence in Germany, amongst others.

Forecast				
	Forecast (current)		Forecast (before)	
	2005	2006	2005	2006
Net sales	118.5	154.1	124.4	130.6
EBIT	9.9	12.1	10.1	11.1
Net profit	6.1	6.8	5.6	6.2

Source: Independent Research

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2006 sales and EBIT estimates increased

The planned takeover of Swiss companies might be carried out in H2 2006 after the due diligence took place. In total, as a result - in the best case scenario - an (absolute) sales growth by up to EUR50m is possible, in our opinion. The necessary liquid funds (roughly EUR20m after selling the industrial holding FRAKO) are available. We consider the company forecast - expecting a sales increase by more than 20% in the next fiscal year - rather conservative. In our estimates we expect sales 2006e of EUR154.1m (before: EUR130.6m) corresponding to a sales growth by 30%. At unchanged expense ratios, also a conservative estimate after the initiated structural measures (job cuts, amongst other; expenses will be booked in 2005), we expect EBIT 2006e of EUR12.1m (before: EUR11.1m) and EPS 2006e of EUR1.46 (before: EUR1.34).

Valuation

*Fair value of EUR26.66
based on peer group*

In order to calculate the enterprise's fair value per share, we have used a Discounted Cash Flow (DCF) model in addition to the multiplier model. Based on the existing peer group, the multiplier model leads to a fair value of EUR26.66 (before: EUR21.04) per share. Given a current share price of EUR17.99, the euromicron share is thus valued with a nearly 50% discount on the calculated fair value based on the multiplier model.

Peer Group:								
Company	EV/ Sales 2005e	EV/ Sales 2006e	EV/ EBITDA 2005e	EV/ EBITDA 2006e	EV/ EBIT 2005e	EV/ EBIT 2006e	PER 2005e	PER 2006e
ADVA AG	1.5	1.2	12.2	9.6	16.2	12.3	21.1	18.8
HUBER+SUHNER AG	0.8	0.7	6.0	5.8	9.6	9.4	11.5	12.3
Molex Inc.	1.6	1.5	8.4	7.3	14.3	12.3	22.2	18.5
Softing AG	0.5	0.4	2.5	2.0	10.4	6.7	21.1	14.8
Mean	1.1	1.0	7.3	6.2	12.6	10.2	19.0	16.1
Median	1.1	1.0	7.2	6.6	12.4	10.8	21.1	16.6
euromicron AG	0.7	0.5	6.7	5.4	8.4	6.9	13.8	12.3

Source: Independent Research, IBES estimates

Valuation method	Equity value in EURm	Fair value per share in EUR
EV/EBIT 2006e	124.13	26.64
EV/EBITDA 2006e	96.10	20.62
EV/Sales 2006e	152.53	32.73
Fair Value	124.25	26.66

Source: Independent Research

We have based our DCF model on the following assumptions: The risk-free rate is estimated at 4.0% (before: 3.5%). The risk premium is 8.0% (before: 4.5%) for the equity and 2.0% (before: 3.5%) for the debt. In addition, we assume a beta of 1.3 (before: 1.5). The long-term balance sheet structure is 60% equity and 40% debt (equity ratio 9M 2005: 61.5%). Applying these assumptions, we calculate a Weighted Average Cost of Capital (WACC) of 10.1% (before: 9.0%).

*Fair value of EUR18.39
based on DCF model*

For the second phase of our DCF model (2010e-2014e), we assume a sales growth of 5.0%, and an EBIT margin of 8%. In the third phase of our DCF model, we expect free cash flow to grow by 0.5%. Taking into account all these assumptions, we calculate a market value of equity of EUR85.7m (before: EUR86.1m). This corresponds to a fair value of EUR18.39 (before: EUR18.48) per share.

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In order to be able to assess the sensitivity of the model, we have varied the input factors "discount rate" and "growth of free cash flow in the infinite period (phase III)".

		Discount rate			
		9.1%	9.6%	10.1%	10.6%
Growth FCF (Phase III)	0.0%	19.98	18.95	18.01	17.18
	0.5%	20.49	19.38	18.39	17.50
	1.0%	21.05	19.86	18.80	17.85
	1.5%	21.69	20.40	19.25	18.25

in EURm	2005e	2006e	2007e	2008e	2009e	2010e	2011e	2012e	2013e	2014e
Sales	119	154	162	170	178	187	197	206	217	228
Sales growth		30.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
EBIT margin	8.4%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
EBIT	9.9	12.1	12.9	13.6	14.3	15.0	15.7	16.5	17.3	18.2
- Income taxes	-2.7	-4.7	-5.0	-5.3	-5.6	-5.8	-6.1	-6.4	-6.8	-7.1
+ Total depreciation	2.4	3.1	3.2	3.4	3.6	3.7	3.9	4.1	4.3	4.6
+/- Change in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating cash flow	9.5	10.4	11.1	11.7	12.3	12.9	13.5	14.2	14.9	15.7
-/+ Capital expenditure in working capital	-1.2	-1.6	2.5	-1.0	-2.5	2.0	1.5	-2.0	1.5	-2.5
-/+ Capital expenditure in fixed assets	-3.1	-3.2	-3.4	-3.6	-3.7	-3.9	-4.1	-4.3	-4.6	-4.8
Free cash flow (FCF)	5.2	5.6	10.2	7.1	6.0	11.0	10.9	7.9	11.9	8.4
Cash value	5.2	5.0	8.3	5.2	4.0	6.6	5.9	3.9	5.3	3.4
Sum of cash value	52.8									
Terminal Value	31.8	as percentage of total value : 38%								
Value of operative business in EURm	84.7									
+ surplus liquid funds in EURm	11.0									
- Outside capital in EURm	10.0									
Market value of equity in EURm	85.7									
Number of shares (in mio.)	4.66									
Fair value per share (EUR)	18.39									

Model-Parameter / Entity-DCF-Model:			
Long-term balance-sheet structure:	Equity:	60%	Debt: 40%
Risk-free premium:	4.00%	Beta: 1.3	Risk premium OC: 2.0%
		Risk premium: 8.0%	Tax shield: 39.0%
		Eq. Interest: 14.4%	OC interest: 3.7%
Growth rate FCF:	0.5%	WACC: 10.10%	Date: 12/20/05

Source: Independent Research

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Outlook

Less dependent in its management decisions

As a result of the new shareholder structure, the euromicron management should now be considerably less dependent in its decisions. In the past, euromicron was to a large extent embedded in the group structure of the so far major shareholder AdCapital. In similar transactions in the past (e.g. spin-off of Lanxess from Bayer group) this entrepreneurial independence was also reflected by a positive share price development of the respective company. The already announced company's strategic targets for the next fiscal year - characterized by considerably higher sales and earnings growth dynamics and the continuation of the "Buy and Build" strategy - show already now the gained entrepreneurial independence for the euromicron management.

Higher trading volume expected

Apart from the positive operating outlook (company forecast: sales growth in 2006 "by more than 20%"; similar growth development in earnings) also a considerably more shareholder value-oriented corporate policy (planned change to Prime Standard market segment; two Designated Sponsors) might be in favour of a positive share price development. The still weak trading volume was faced with an increased interest especially on the part of institutional investors.

2005 as a year of reorganisation and restructuring

The current fiscal year must be regarded as a year of reorganisation and restructuring. Although expenditures accruing in the course of the structural measures (reorganisation and realignment of individual group companies) are going to burden the group's results for 2005, we feel that the effect will be relatively small thanks to the book profit resulting from sale of the industrial holding FRAKO and other factors. Concluding its structural measures in 2005, euromicron is able to continue its "Buy and Build" strategy in 2006 through the new shareholder structure. In our opinion, acquisitions can be expected in Q1 2006 already.

Buy recommendation confirmed

On the basis of the peer group analysis (fair value per share: EUR26.66; before: EUR21.04) and the DCF model as a further valuation method (fair value per share: EUR18.39; before: EUR18.48) this leads to a new price target - when weighting the fair value resulting from both valuation methods with 50% respectively - of EUR22.50 (before: EUR19.80). Due to the current upward potential of 25%, we maintain our Buy recommendation unchanged for the euromicron share.

¹⁾²⁾³⁾⁴⁾ **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document.**

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Recommendation shares - Single Issuer -:

Buy:	According to our assessment, the stock should register an absolute profit of at least 20% within a 6-month period.
Accumulate:	According to our assessment, the stock should register an absolute profit between 0% and 20% within a 6-month period.
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¹⁾²⁾³⁾⁴⁾ **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document.**

Summary of the evaluation principles used:

Analyses of shares:

In valuing companies standard and accepted valuation methods (amongst others the Discounted Cash Flow Method (DCF Method), Peer Group Analysis) are applied. Under the DCF Method the capitalised value of the issuers is calculated which shows the sum of the discounted company results, i.e. the current value of the issuer's future net distributions. The capitalised value is therefore determined with reference to the anticipated future company results and the capitalisation yield applied. Under the Peer Group Analysis Method issuers quoted on the Stock Exchange are valued with reference to the comparison of ratio indices (e.g. price earnings ratio, price to book ratio, enterprise value / sales, enterprise value / EBITDA, enterprise value / EBIT). The comparability of the ratio indices is determined above all by business activity and commercial prospects.

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