

Companies	Recommendation	Price	Price target
Volkswagen	Underperform	EUR 46.00	EUR 45.00
Analytik Jena	Underperform	EUR 5.50	EUR 5.20
Advanced Medien	Buy	EUR 2.07	EUR 3.20
<b>Equity Strategy</b>	Opinion Summary		

## Volkswagen

**Underperform**

EUR 46.00

Price target: EUR 45.00  
(prev. EUR 45.00)

(prev. Underperform)

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**Topic:** The process of selling IT services unit Gedas and car rental unit Europcar seems to continue. According to FTD Gedas will be sold in December for EUR 450 mn and Europcar for up to EUR 2.5 bn until April.

**Our View:** VW said in September that it was reconsidering strategic options including a sale. Due to high valuation multiples from traded peers and Hertz transaction we had then raised our fair equity value assessment for Financial Services (of which Gedas and Europcar are a part) from EUR 3.1 bn to EUR 5.5 bn, thereof EUR ~ 300 mn for Gedas and EUR ~ 800 mn for Europcar (see Company Flash 26-Sep-2005). The mentioned EUR 2.5 bn could be a value including debt and is not necessarily a big upside surprise. New information is the timeframe. Apparently there is a shortlist of 2 (T-Sytems and EDS) for Gedas with a deal expected in December. For Europcar VW is said to have received "several" offers, with a deal expected until April.

**Conclusion:** An opportunistic sale at high valuation multiples is positive but should be no surprise (but should be by and large already reflected in our target price). VW could use the proceeds to finance a restructuring programme.

## Analytik Jena

**Underperform**

EUR 5.50

Price target: EUR 5.20  
(prev. EUR 5.20)

(prev. Underperform)

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**Topic:** Analytik Jena published full year figures 2004/05 (September 30). Key figures are in-line with previous guidance.

**Our View:** Sales decreased by 28% y-o-y to EUR 64.4 mn (HVBe: 65.7 mn). Despite the already expected fall down in the project business and the slight increase in the instrument business, AJA originally targeted for EUR 70 mn in 2004/05. The delta was based on lower sales in the project business than planned. With an EBIT of EUR 0.5 mn (HVBe: 0.5 mn) AJA reached the former guidance from July, where they gave a profit warning. At the beginning of the fiscal year AJA had expected EUR 2 to 2.5 mn. The outlook for the current FY 2005/06 is more qualitative than quantitative, i.e. no figures are mentioned. AJA is anticipating an increase in revenue and a significantly better income situation. However, this should be the case certainly, based on a very weak FY 2004/05.

**Conclusion:** No surprises after the profit warning in July and the analyst conference in Frankfurt in November. The improvements in instrument business should be sustainable, the project business will improve in H2. We keep our rating unchanged so far. However, the worst should be over.

## Advanced Medien

Buy

EUR 2.07

Price target: EUR 3.20  
(prev. EUR 3.20)

(prev. Buy)

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**Topic:** Contract with Lufthansa.

**Our View:** Advanced Medien has extended its contract with its most important client, Lufthansa. This does not come as a surprise, as customer relationship are normally normally long term in nature. Stable structures between the provider and the airlines are more important than possible price advantages that can be gained from switching providers. Hence, winning the bidding process can be interpreted more as avoiding a downside, instead of realizing an upside.

**Conclusion:** We stick to our Buy rating and reiterate our price target which we adjusted after the latest capital increase from EUR 3.60 to EUR 3.20.

## Equity Strategy

Opinion Summary

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### Index Targets (6 month horizon):

DAX	5500 points
Euro STOXX 50	3600 points

### Sector recommendations (STOXX 600 universe):

Overweight	Automobiles & Parts, Banks, Basic Resources, Industrial Goods & Services, Oil & Gas, Telecom
Underweight	Food & Beverage, Media, Personal & Household Goods, Retail, Travel & Leisure

### Country recommendation:

Germany	neutral
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For further details, please see our weekly Strategy publication "Market Outlook" and the monthly "Local Product Germany" of HVB Equity Research.

This analysis was prepared by Albrecht Denninghoff, CFA; Andre Remke, CFA; Peter-Thilo Hasler, CEFA; Gerhard Schwarz, CEFA and was published the first time on 12/15/2005

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Company	Date	Product	Rating	Price target
Advanced Medien	03/14/2005	CU	Buy	3.60
Advanced Medien	11/25/2004	CF	Outperform	1.80
Analytik Jena	10/14/2005	CF	Underperform	5.20
Analytik Jena	07/08/2005	CF	Neutral	4.90
Analytik Jena	05/11/2005	CF	Neutral	5.00
Analytik Jena	02/14/2005	CF	Underperform	5.80
Analytik Jena	12/14/2004	CF	Underperform	5.50
Volkswagen	11/29/2005	CF	Underperform	45.00
Volkswagen	11/04/2005	CF	Neutral	45.00
Volkswagen	09/26/2005	CF	Neutral	50.00
Volkswagen	08/01/2005	CU	Neutral	44.00
Volkswagen	07/05/2005	CF	Buy	44.00
Volkswagen	06/02/2005	SF	Outperform	40.00
Volkswagen	04/21/2005	CU	Buy	40.00
Volkswagen	01/28/2005	SR	Outperform	40.00
Volkswagen	01/07/2005	CF	Outperform	39.00
Volkswagen	11/03/2004	CF	Underperform	29.00
Volkswagen	09/28/2004	CF	Neutral	29.00
Volkswagen	09/02/2004	SF	Neutral	34.00

CF: Company Flash, CR: Company Report, CU: Company Update, EV: E-Valuation, GD: German Daily, LP: Local Product, MSC: Mid Caps/Small Caps, SF: Sector Flash, SP: Sector Preview, SR: Sector Report, WP: Company Weekly Preview

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