

## Our Team 069-219397-

Jaap v. Harten	-10	Sinisa Kvirgic	-11	Jens Meuser	-12	Marcel Roth	-14
Alex Breidert	-17	Christian Zorn	-20	Stephan Krust	-21	Jan Zschemisch	-22
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## Alpha - Morning Note

15/05/2008

07:15

### US aftermarket (briefing.com)

Co.	Comment	Stock move
-	-	-

### Company News

Co	Source	Comment	Opinion
BAY	Reuters	<p>Bayer will remove the remaining supplies of its heart-surgery drug Trasyolol from the US market, according to a FDA statement, "Reuters" reports. Bayer suspended sales of the medicine in November after research suggested an increased risk of death compared to other drugs used to control bleeding. Furthermore, the drug will also be removed from supply in all other countries, where it still was available.</p> <p><b>No more real surprise. Adverse share price reaction to the withdrawal in all other countries beside USA should be limited. Bayer generated around 150mn euros in annual sales with Trasyolol.</b></p>	<p>↘</p>
CBK	FAZ	<p>CEO of Commerzbank, Klaus-Peter Mueller, expects German banks to merge first before an European consolidation starts, "Frankfurter Allgemeine Zeitung" reports, citing Mueller, who will become Chairman of Commerzbank today. He declined to comment on a possible 3-way merger of Dresdner Bank, Postbank and Commerzbank, reiterated the medium-term goal of the bank (ROE of 15% after tax) and considered financial crisis to have reached its peak.</p> <p><b>Fits to earlier comments of Mueller himself and to statements of other bank CEOs. But the merger word in the mouth of a CBK executive always leads to share price hikes ;-)</b></p>	<p>↗</p>
DBK	Reuters	<p>Italy's antitrust agency is probing 10 banks, including Deutsche Bank, for incorrect practices on the transfer of mortgages of private clients to other banks, "Reuters" reports, citing unnamed sources.</p>	<p>➔</p>
LHA	dpa-AFX	<p>CEO Wolfgang Mayrhuber expects more acquisitions and more bankruptcy in the airline industry as a consequence of the high oil prices.</p>	<p>➔</p>

DTE	Reuters	<p>Deutsche Telekom has successfully concluded negotiations with Greek government to buy an additional 3% stake in OTE valued 430mn euros or 29 euros per share. Deutsche Telekom has management control as the company will pick the CEO of OTE and will fully consolidate OTE. Deutsche Telekom will round off the stake by buying additional 2% of shares on the market to bring the stake to 25% plus one vote. The transaction will be earnings accretive before Purchase price allocation already in FY08 if OTE is fully consolidated in HY2. The deal needs approval from regulators and Greek parliament.</p> <p><b>Could already be heard during yesterday's trading session, so shouldn't be a big trigger.</b></p>	➔
IFX	HB	<p>AFK Sistema, holding company of Russian billionaire Vladimir Yevtushenkov, may be interested in Infineon in particular in the company's R&amp;D operations, "Handelsblatt" reports, citing Sistema's CEO Alexander Goncharuk. Sistema is not in specific acquisitions talks with Infineon Goncharuk added.</p> <p><b>Will heat up speculation.</b></p>	↗
IFX	Reuters	<p>Subsidiary Qimonda cut around 600 jobs in its plant in Dresden as part of a company wide plan to cut 1,350 jobs.</p>	➔
RWE	Bloom- berg	<p>RWE released Q108 figures a tick below estimates and confirmed its FY08 guidance. <b>As expected, reporting is quite unspectacular and shouldn't lead to a major share price reaction.</b></p>	➔
TUI1	Bloom- berg	<p>Neptun Orient Lines, Southeast Asia's largest container-shipping company, rose more than 5% after Q1 profit almost tripled on higher freight rates and cargo volume especially on routes to Europe.</p> <p><b>Slightly positive read across.</b></p>	↗
B5A	Ad-hoc	<p>Bauer Q1 figures out (see table below). Sales, EBIT and EAT far above expectations (one broker). Company confirmed its FY08 guidance.</p>	↗
ES6	Reuters	<p>Ersol released Q108 figures below consensus and confirmed its FY08 guidance. <b>Although Q1 is only of minor importance for full year earnings today's report will question the company's ambitious guidance.</b></p>	↘
FRA	Ad-hoc	<p>Traffic statistics of Fraport in April 08:</p> <ul style="list-style-type: none"> <li>• Passengers in Frankfurt: +2.2% to 4.47mn</li> <li>• Passengers in group: +2.2% to 5.95mn</li> <li>• Cargo volume in Frankfurt: +5.0% to 186.1k tons</li> </ul> <p><b>Fraport already announced preliminary figures for passenger growth at Frankfurt Airport in an analyst presentation on May 8<sup>th</sup>, so figures shouldn't be a big trigger.</b></p>	➔
GFK	Bloom- berg	<p>GfK reported Q108 figures. Sales came in at 268.1mn, adj. op. profit 23mn, EBIT 21.5mn, EAT 11.1mn. <b>No forecasts available but operating margin looks a bit weak at a first glance.</b></p>	➔
GFK	FTD	<p>WPP may file a higher bid for TNS, "FT Deutschland" reports.</p> <p><b>Could already be heard yesterday.</b></p>	➔
HOT	Bloom- berg	<p>Subsidiary Leighton announced an increase of its work in hand of 48% as the group booked large orders from India and UAE. Order Book rose to A\$ 28.1bn</p>	↗

from A\$19bn and the company confirmed its FY07/08 guidance that profit will rise at least 30%.

**Leighton's share price rose by 5%. Should bode well for Hochtief.**

HOT	Ad-hoc	Hochtief Q1 figures out (see table below). Sales in-line, EBT and EAT above consensus forecast. Hochtief reported an outstanding order intake growth of 34% to 5.3bn euros. Hochtief confirmed its FY08 guidance.	↗
IKB	FTD	Bayerische Landesbank will not hand in a binding bid for IKB, following JC Flowers, "FT Deutschland" reports, citing unnamed sources. The sales process may therefore be stopped, the newspaper says. <b>Adds to an article in "Sueddeutsche Zeitung" from yesterday, which said that JC Flowers refused to make a binding bid.</b>	↘
PS4	Ad-hoc	Phoenix Solar released Q108 figures and raised its FY08 guidance. Q1 figures came in slightly below estimates of one broker. FY08 sales now expected at more than 370mn euros <b>(had been above 300mn before, Bloomberg consensus 336mn)</b> and EBIT of more than 23mn <b>(had been about 18mn before, Bloomberg consensus 24.3mn)</b> . <b>Stock had a very good run the last few days as market participants expected a guidance upgrade. Wouldn't be surprised if we would see some profit talking today.</b>	<b>First</b> ↗

#### Broker recommendations ...

ARL	Bloom- berg	Keefe, Bruyette & Woods raised Aareal Bank to "Outperform" from "Market Perform". <b>Not the biggest name, but could help ARL share to stabilise after hefty fall yesterday, following Q108 report.</b>	↗
DEQ	VWD	UniCredit cut Deutsche Euroshop to "Hold" vs. "Buy", price target kept at 30 euros.	↘
LXS	VWD	Citi cut Lanxess to "Sell" vs. "Hold".	↘
TKA	VWD	Deutsche Bank cut ThyssenKrupp to "Hold" vs. "Buy".	↘
WCH	VWD	CS started Wacker Chemie with "Outperform".	↗

#### Voting rights announcements, directors' dealings ...

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**Bauer – Q108 (8.00 CET, conf. call 14.00 CET)**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)**	%-chg. vs. 07
Total Group Rev.	339,7	<b>310</b>	263	17,9	<b>1250*</b>	21,0
EBIT	25,4	<b>15,8</b>	11,9	32,8	<b>159</b>	20,6
EAT	12,4	<b>7,3</b>	3,6	102,8	<b>91</b>	22,3

*Forecasts of 1 broker*      *\*sales*      *\*\*Bloomberg consensus*

**Co outlook for 2008**

**Total Group revenues:** 1.375bn euros  
**Net profit:** 90mn euros

**Factors to watch**

Co increases equipment capacity for further business expansion; seeks site in USA  
 Margins in equipment unit far above margins of construction unit  
 Resources unit acquired German Water and Energy GmbH

**Bechtel – Q108 (7.30 CET, conf. call 8.30 CET)**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)*	%-chg. vs. 07
Sales		<b>338</b>	311,9	8,4	<b>1488</b>	7,5
EBIT		<b>12,4</b>	12,9	-4,3	<b>62,0</b>	6,3
EBT		<b>12,0</b>	13,2	-9,1	<b>62,4</b>	5,8
EAT		<b>9,2</b>	9,0	2,2	<b>44,2</b>	7,8

*vwd consensus*      *\*Bloomberg consensus*

**Co outlook for 2008**

**Sales:** >1.5bn  
**EBT:** 60mn  
**FY10e:** sales of more than 2bn, EBT of 100mn (5% EBT-margin)  
**FY20e:** sales of 5bn euros

**Factors to watch**

Co plans to invest in its workforce  
 Co is looking for acquisitions in its system house unit

**Ersol – Q108**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	<b>52,4</b>	<b>57</b>	26,1	118,4	<b>313</b>	95,4
EBIT	<b>7,7</b>	<b>9</b>	4,3	109,3	<b>70</b>	213,9
EAT	<b>3,2</b>	<b>5</b>	1,5	233,3	<b>42</b>	366,7

*Reuters consensus*

**Co outlook for 2008**

**Sales** 300-320mn  
**EBIT** 70-80mn  
**FY09e: Sales** 420-440mn, **EBIT** 90-100mn

**Factors to watch**

Co plans multiple 100mn capex in FY09-12  
 Earnings impacted by ramp up costs for thin-film technology, high poly procurement prices and a negative financial result driven by high interest payments

## Hamburger Hafen – Q108 (8.00 CET)

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	308	-	-	-	1299	12,8
EBITDA (port unit)	99	-	-	-	421	15,3
EBIT (port unit)	75	-	-	-	318	14,8
EAT (adj.)	36	-	-	-	150	38,9
EPS (adj.)	0,52	-	-	-	2,16	35,0

*Reuters consensus*

### Co outlook for 2008

**Group sales** around 1.3bn euros

**Group EBIT** above 300mn euros

**EAT:** significant increase as tax rate will fall to 32% and IPO costs will cease to exist

**Capacity:** 7.6mn TEU

### Factors to watch

Co operates at capacity barriers

Outlook on storage fees

## Hochtief – Q108

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	3800	3852	3695	4,2	17190	4,5
EBT	103,3	91	66	37,9	541	7,9
EAT (aft. min.)	32,1	26	10	160,0	171	21,5

*Reuters consensus*

### Co outlook for 2008

**Sales:** above FY07 levels

**Order intake and order backlog:** at high level but below 2007 figures

**EBT:** at high level of 2007 (FY07: 501mn euros)

**EAT:** above 2007 levels

**German construction unit** should report a profit in FY08 if no additional restructuring expenses necessary

### Factors to watch

-Co changed its group structure

-Information on plans of Hochtief investors Deripaska and ACS

-Business prospects for US and German construction market

-Development of Construction Services Europe

-News on airport privatizations especially Chicago

-Information on Hochtief's share in Vinci-led venture which recently won 3bn contract to build 40-km bridge linking Qatar and Bahrain

## Kloeckner & Co – Q108 (8.00 CET, conf. call 15.00 CET)

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	1673	1550	1550	7,9	7046	12,3
EBITDA	104	92	92	13,0	433	16,7
EBIT	92	78	78	17,9	373	21,5
EBT	78	68	68	14,7	311	48,1
EAT	47	40	40	17,5	214	60,9
EPS	1,02	0,86	0,86	18,6	4,60	60,3

*Reuters consensus*

**Co outlook for 2008****Sales:** >+10%**Acquisitions:** at least additional sales at FY07 level of 567mn euros**Earnings:** favourable result expected as good demand continued, prices stabilized or increased, additional cost savings from STAR of 30mn and 15mn EBITDA contribution from acquisitions made in FY07**Q108:** EBITDA higher than in Q107**General targets:** underlying sales growth >10%; underlying EBITDA margin >6%**Factors to watch**

-Co raised steel prices by 10-15% at the beginning of the year and plans further price hikes

-Canadian subsidiary Namasco is up for sale; closing expected in Q208 (value est. 65 to 115mn)

-Co is targeting 15-20 acquisitions in FY08 (about 600mn sales) and already acquired Temtco with sales of 230mn euros

-Growth especially in Eastern Europe, entry in China possible

-CEO bought 30k shares at 22.87 euros in January

-Co expects North America biz to be weak and relatively uncertain

**Koenig & Bauer – Q108 (7.30 CET)**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)**	%-chg. vs. 07
Order intake*	371,2	351	5,8	5,8	1520	-1,7
Sales	308,1	414	-25,6	-25,6	1685	-1,1
EBIT	-5,1	13,5	-	-	55,8	-15,1
EBT	-5,9	13	-	-	55,2	-12,7
EAT	-1,9	9,3	-	-	42,2	-13,9

*forecasts of 2 brokers (\*1 broker) \*\*Bloomberg consensus***Co outlook for 2008****Sales:** around 1.6bn**EBT:** at 2007 levels (63,2mn)**Update on FY08 guidance after Drupa****FY09:** sales and earnings little changed from 2008 levels**Factors to watch**

News on ongoing restructuring measures

Co doesn't exclude to diversify into new business areas

Co recently announced some major orders

Co will focus on strong margin biz

Weak dollar and yen could negatively impact earnings

**Phoenix Solar – Q108**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	41,6	45,3	11,5	293,9	368	41,5
EBIT	0,36	1,2	-1,5	-	27	21,1
EAT	0,62	0,7	-1,9	-	19	31,0

*One broker***Co outlook for 2008****Sales** about 300mn**EBIT** at 18mn**Factors to watch**

Guidance may be upgraded

**Premiere – Q108 (7.45 CET)**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	253	224	12,8	12,8	1102	11,9
EBITDA	11	38	-70,5	-70,5	100	19,9
EAT	-11	5,0	-	-	2	-
Subscribers*	3660	3461	5,7	5,7	3897	6,7

*Reuters consensus \*excluding Arena subscribers (around 600k)*

**Co outlook for 2008**

FY08 targets actually suspended, but said in Feb. that sales and earnings should rise

**Factors to watch**

-News Corp purchased the 14.58% stake of Unity Media at 17.50 euros and increased to 22.7% in April 2008; may increase to 25-26% according to sources  
 -Subscriber growth continues to fall short of own expectations as PRE still faces severe hacker attacks (report at start of May)

**QSC – Q108 (7.30 CET)**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	95	77	23,4	403	20,2	
EBITDA	11	9	22,2	55	57,6	
EBIT	-3	0	-	-3	-	
EAT	-4	1	-	-4	-	

*Reuters consensus*

**Co outlook for 2008**

**Sales:** 385 to 405mn euros

**EBITDA:** 50 to 60mn euros

**EAT:** breakeven

**Capex:** 60 to 80mn euros

**Depreciation:** higher than in FY

**Factors to watch**

-Q108 well ahead of FY08 plans as guidance is very conservative  
 -Ongoing high investments in network infrastructure needed  
 -Co intends to acquire one more wholesale customer at least  
 -Net liquidity of 80mn euros at end of FY07, Co sees itself adequately financed for planned growth

**RWE – Q108 (Conf. call 15.00 CET)**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	13400	13396	12995	3,1	44393	4,4
Op. Profit	2499	2604	2761	-5,7	6681	2,3
EAT after minorities	809	868	1571	-44,7	2681	0,5

*Reuters consensus*

**Co outlook for 2008**

**Sales:** rise

**Op. profit:** at least at last years levels (mid-term +5% p.a. until 2012)

**EAT:** slightly below last year (due to American Water IPO)

**Recurrent EAT:** more than 10% (mid-term +5-10% p.a. until 2012)

**Factors to watch**

Operating performance in Q1 impacted by lower trading results and lower profits at nPower  
 New cost cutting program should increase earnings by 600mn in 2010 (by 100mn in 2007)  
 Net earnings impacted by write-downs on America Water stake  
 Co announced 2.5bn euro share buyback program, combination dividend/payout ration disappointed

**Salzgitter – Q108 (7.30 CET, conf. call 10.00 CET)**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	2812	2381	18,1	11419	12,0	
EBIT	302	331	-8,8	1240	-8,2	
EBT	305	325	-6,2	1220	-7,2	
EAT	206	197	4,6	842	-7,0	

*Reuters consensus*

**Co outlook for 2008**

**Sales** will increase  
**EBT** between 803-948mn euros

**EBT of units: Steel** below 749mn; **Tubes** around 300mn; **Trading** above 212mn

**Medium-term sales:** 13-15bn euros

**ROCE** over the average of the steel cycle should be 15%

**Factors to watch**

CFO told that company had a very good start to FY08  
 Steel unit: further price increases announced or planned by up to 200 euros a ton in Q2 and 50 euros in Q3  
 Acquisitions possible as Co holds more than 2bn euros in excess liquidity  
 British activist fund TCI has built a 3.03% stake in Salzgitter

**Wacker Construction – Q108**

Figures (in mn euros)	Q108 rep.	Q108e	Q107	%-chg. vs. (e)	FY08 (e)	%-chg. vs. 07
Sales	231,5	160,4	160,4	44,3	1027	42,0
EBITDA	32,3	24,5	24,5	31,8	171	41,4
EBIT	22,5	18,1	18,1	24,3	132	45,2
EAT	13	10,6	10,6	22,6	92,7	43,7

*Bloomberg consensus*

**Co outlook for 2008**

**Sales:** >1bn

**EBITDA-margin:** >17%

**Co will update FY08 guidance with Q1 report**

**Factors to watch**

-Wacker's light equipment may grow by 5% to 10% in coming years  
 -Neuson Kramer's compact equipment will probably rise in a double-digit range  
 -Merged Co. will grow in the U.S. even in the case of a recession just by introducing Neuson's products  
 -Co sees trend to compact equipment lasting for at least the next 15 years  
 -Co is looking for acquisitions too, especially in compact equipment

**Further important events today**

Comp.	Event	Consensus expectation
AIX	Ex div. of 0.07 euros	-
ARO	Q207/08 (8.00 CET), Thomas Cook – 5 month results (8.00 CET)	-
SPR	Q108	-
BIO3	Q108	-
CTN	Q108 (8.30 CET)	-
KBU	Q108 (8.00 CET)	-
CBK	AGM (10.00 CET)	Dividend of 1.00 euros
EVD	AGM	Dividend of 0.49 euros
DAI	Press talk with CFO Uebber (10.00 CET)	-
DSJ	Q108	Sales 68mn, EBIT 9.8mn, EPS 0.14 euros (one broker)
DTE	AGM (10.00 CET)	Dividend of 0.78 euros
DAZ	Ex div. of 1.65 euros	-
GFK	Q108	-
HXCI	AGM	Dividend of 0.70 euros
HG1	Q108	Sales 208.5mn, EBITDA 26mn, EBIT 20mn, EAT 11.3 euros (Bloomberg)
SDF	Ex div. of 2.00 euros Conference call (15.00 CET)	-

IWK	AGM	Dividend of 1.00 euros
LEO	AGM	Dividend of 0.90 euros
MDN	Ex div. of 0.15 euros	-
SWV	Final Q108	Prelim sales 167.5mn, EBIT 39.2mn, EAT 34.8mn euros
SZU	CropEnergies FY07/08	-
TUI1	Final Q108 (8.00 CET), conf. call (9.00 CET)	Prelim sales 5.1bn (Tourism 3.6bn, Shipping 1.5bn), adj. EBITA -196mn (Tourism -227mn, Shipping 24mn)
VTW	AGM	No dividend
Moeller	Q108	
Maersk		

## Important economic data today

Event	CET	Consensus expectation
GE GDP Q1	8.00	0.7% qoq, 1.8% yoy
US Jobless claims weekly	14.30	370k
US NY Fed mfg MAY	14.30	0
US Capacity usage	15.15	80.1%
US Industrial production APR	15.15	-0.3%
US Phili Fed business index MAY	16.00	-19
US NAHB MAY	19.00	20

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