



EquiRisk-Rating

TecReport

08.01.2004

Risk structure development
German technology companies
(TecDAX and TecAll-Share)

Conclusion

- In this current report the companies Evotec, Mobilcom, SCM Microsystems and Repower, all being listed in the TecDAX, have improved their rating strongly; Elmos Semiconductors, Lion Bioscience, Suess Microtec and Wedeco were able to climb by one rating level.
- There were no strong downward ratings this time, Aixtron, AT&S Austria, FJH and IDS Scheer had to put up with a slight aggravation in their rating.
- The risk structure of the TecDAX has improved significantly. The part of C- and D-ratings has almost gone down to zero. One important reason for this is the new structure of the index since 22.09.2003.
- In the TecAll-Share 32 companies with a higher rating stand against 25 downwarders. The picture within the TecDAX is similar, there are 8 advancers opposed to 4 downwarders.
- In the most recent report again only a few companies did receive a D-rating. Those companies who did originally have a D-rating were able to climb into a higher rating level, whereas there were also three new D-ratings.

EquiRisk-Ratings of TecAll-Share companies

Company	ISIN	ER-Rating (current)	ER-Rating (11.09.03)	Rating - change *
Aixtron	DE0005066203	C+	B-	↘
AT & S Austria	AT0000969985	A-	A	↘
Atoss	DE0005104400	A+	A+	⇒
BB Biotech	CH0001441580	**	**	
BOV	DE0005493704	B	B-	↗
Cenit	DE0005407100	B-	B-	⇒
Data Modul	DE0005498901	B-	B-	⇒
Drägerwerk	DE0005550636	**	**	
Elmos Semiconductor	DE0005677108	A	A-	↗
EPCOS	DE0005128003	A-	A-	⇒
Evotec	DE0005664809	A-	B	↑
FJH	DE0005130108	A	A+	↘
Freenet	DE0005792006	B-	B-	⇒
GPC Biotech	DE0005851505	B+	B+	⇒
IDS Scheer	DE0006257009	A	A+	↘
IXOS	DE0005061501	B+	B+	⇒
Jenoptik	DE0006229107	**	**	
Kontron	DE0006053952	A-	A-	⇒
Lion Bioscience	DE0005043509	B-	C+	↗
Micronas Semiconductor	CH0012337421	A-	A-	⇒
Mobilcom	DE0006622400	A	B	↑
Pfeiffer	DE0006916604	A+	A+	⇒
Qiagen	NL0000240000	A+	A+	⇒
QSC	DE0005137004	B+	B+	⇒
Realtech	DE0007008906	A+	A+	⇒
Repower Systems	DE0006177033	B-	D	↑
SAP SI	DE0005011118	A+	A+	⇒
SCM Microsystems	US7840181033	B	C+	↑
Singulus	DE0007238909	B	B	⇒
Software AG	DE0007242646	**	**	
Suess Microtec	DE0007226706	B-	C+	↗
Syskoplan	DE0005501456	B-	B+	↓
Teles	DE0007454902	A-	A-	⇒
T-Online	DE0005557706	A+	A+	⇒
United Internet	DE0005089031	B+	B+	⇒
WEB.DE	DE0005296503	A+	A+	⇒
Wedeco	DE0005141808	A-	B+	↗

*) ⇒ = Rating unchanged; ↗/↘ = Rating change by one level; ↑/↓ = Rating change by more than one level
 **) Company does not fulfil the requirements for a rating

Table 1; source: SES Rating GmbH

About the EquiRisk rating: The EquiRisk-Rating enhances risk transparency on the equity market by differentiating companies according to their specific risks. The ratings for the companies of the TecDAX are published freely (see above). All other ratings as well as detailed single analyses are available from SES Rating. (For further information on the EquiRisk-Rating please see p. 14 ff. in this report.)

Rating development of selected companies

TecDAX companies

As already expected, the rating of **Aixtron AG (DE0005066203)** has continued to come down from (B-) to now (C+). Only a further stabilisation of sales („trend constancy sales“) and the significant reduction of losses („Operative cash burn“) did have a positive effect on risk structure in our current report. The recovery of margins did not mean a definite trend reversal on the operative level - but at least this does indicate that the current risk level seems to stabilize. Due to the continuing of eating up of own capital the „degree of financial strain“ has continued to put on. The other relations of the balance sheet did also aggravate slightly. Overall the balance sheet does still give a solid impression. The development of the accounts receivable does yet strike negatively. Almost half of the sales in Q3 reoccur as an increase of accounts payable from consignments and services. We will have to keep an eye on this. Overall Aixtron yet seems to become more stable on the operative level. The likelihood of a further downgrade in the rating is only minor in our opinion. The rating outlook is stable.

The rating for **Evotec OAI AG (DE0005130108)** has improved strongly and does reach the class of the top ratings with an (A-). This development does not have any specific reason but is moreover caused by the general improvement particularly in regard to the operative risk key data. The strong turnover in the third quarter has still improved the above-average sales trend („trend constancy sales“) The margin trend does also continue positively. The company has still enhanced the „degree of profitability“. Only the quite fluctuations of the margin („operative leverage“), which come along with such growth rates, have a negative effect operatively. Balance-sheet wise Evotec gives a balanced to solid impression. The relatively high level of intangible assets is yet still a negative factor and makes the „Impairment-risk“ seem above-average. The rating outlook is stable.

Per 1st August 2003 the **IDS Scheer AG (DE0006257009)** has taken over the East-European and North American business of the IT-consulting house Plaut, based in Salzburg, Austria. Operatively this has so far not burdened hat the outstanding situation of IDS Scheer. Both „trend constancy sales“ and „operative leverage“ still do not imply any risk. The margin trend is stable. The „degree of profitability“, which has been sustained over several quarters, has even been improved despite a slight dilution of the margin because of the acquired business. The takeover has a stronger effect on the balance sheet and this does also explain the lower rating, which went down from (A+) to (A). The consolidation of the of the acquired business parts makes the balance sheet relations look a bit worse. Especially the capitalisation of the company goodwill and the taking over of liability have a slightly negative influence on the according risk indicators „impairment-risk“ and „trend of quota of accounts receivable“. Overall the balance sheet is still in a balanced condition. The rating outlook is stable.

The rating of **Mobilcom AG (DE0006622400)** is again able to improve strongly and does reach the class of top ratings with a clear(A). The reasons are the ongoing operative improvement but also the enhancement of the balance sheet relations because of the selling of the shares of the Mobilcom-subsiary Freenet. Operatively the positive margin trend did continue during the third quarter. The „degree of profitability“ was again increased and sales became more stable („trend constancy sales“). On the operative level Mobilcom still is



very solid. The selling of the Freenet-shares does have an impact on the balance sheet situation due to a strong improvement of the equity capital. Especially the „degree of financial strain “ and the „impairment-risk“ are strongly lowered. Overall the balance sheet is again in an overall balanced state and this does confirm the rise to a top-rating. The rating outlook is stable.

Repower Systems AG (DE0006177033) has meanwhile covered the acute demand for financing and balance-sheet wise an all-clear can partially be given. In Q3 2003 Repower was able to recover the major part of outstanding bills. Debts were accordingly reduced slightly from 27,6 m € to around 25 m €. The cash level was brought back to a passable level of good 4 m €. Along the change of unfinished and finished products together with a strong rise of the inventories are a burden to the otherwise quite balanced situation of the balance sheet. Operatively the situation still seems to be difficult. Sales and earnings did stay strongly behind the figures of the previous fiscal year and this means a slight aggravation at almost all operative risk key figures. The operative cash-burn was moreover reduced strongly. In Q3 there was even a slight positive operative cash-flow. Overall Repower is able to reach a (B-) rating because it has overcome the financing bottleneck. The difficult operative situation has yet not been overcome. The rating outlook is therefore negative.

Technology All Share Companies

In Q3 2003 the takeover of One-Tel did effect the operative business and the balance sheet situation at **3U Telecom AG (DE0005167902)**. In the current EquiRisk-analysis the rating does thus come down from (A) to (B). The activation of the goodwill does increase the „impairment-risk“. The acquired accounts receivable are a negative influence on the „trend of outstanding money “. The „2nd degree liquidity“ does go down due to the relative rise of liabilities and this does mean a higher risk. The elongation of the balance sheet does also cause the „degree of financial strain “ to rise. Overall the balance sheet is still in a very solid state. Operatively the takeover is a burdening factor in the meantime and there were integration costs in Q3. The „margin trend“ is already negatively influenced by the decline of the margin in this current report. The „degree of profitability“, established over several quarters, did not have any influence so far, but for Q4 integration expenditures are expected again. Because of the recently strongly declining sales the former sales trend was already interrupted in the past quarters. In this current EquiRisk report the acquisition-related sales growth in Q3 did therefore have a positive impact on „trend constancy sales“, which is measured via the sales development. A continuing downward development of the operative business could yet continue to burden the rating in the next quarters. The rating outlook is therefore only stable to slightly negative.

ATOSS Software AG (DE0005104400) is again able to defend its (A+) rating in this report. In Q3 2003 again hardly anything has changed about the above-average good operative situation and balance-sheet conditions. Sales and earnings did falter slightly but neither the risk key figures „trend constancy sales“ nor „margin trend“ did react strongly. The result in Q3 was again higher than the average of the last quarters and accordingly the „degree of profitability“ was improved slightly again. The risk of strongly fluctuating margins („operative leverage“) did again go down in the current report. The balance sheet key figures have hardly changed at all. Atoss does still have an above-average equipping of equity capital and liquidity. The announced special distribution of funds per 30.12.2003 in an amount of 6 m €, which we had mentioned in our last detail report, did not change anything about this. (the cut-off date for the right to this special distri-



bution of funds was on 29.12.2003). The „degree of financial strain“ should in fact again improve per 31.12.2003, because the distribution of funds will be flown out by than and the amount, stated as short-term liabilities, will have disappeared from the balance sheet by than. Overall Atoss does still look above-average solid. The rating outlook remains stable.

The **BOV AG (DE0005493704)** was able to reduce its liabilities strongly in Q3. Overall this has led to a shorter balance sheet and thus a higher equity capital quota. In our current report the risk from the „degree of financial strain“ does continue to go down. The reduction of receivables from goods and services does also lead to a lower risk at the „trend of outstanding accounts“. The third quarter 2003 as such did leave a less positive impression. Both, sales and margins did falter strongly. Upon a longer-term view there is yet still a stabilization of the operative development. The decline of the risk key figures „trend constancy sales“ and „operative leverage“ must be seen on this background. Another operatively downward quarter could yet jeopardize this stabilisation. The rating outlook is thus only stable to slightly negative.

In the current report the **Cenit AG (DE0005407100)** was able to confirm its (B-) rating. In Q3 there were only minor changes in the balance sheet. The „degree of financial strain“ is still a bit above average, but not alarmingly high. The same applies to the risk („trend of quota of accounts receivable“, which is derived from the development of outstanding accounts, All balance-sheet risk figures were improved slightly. Overall the balance sheet is in a balanced condition. Operatively the development has continued to stabilize. Sales were advanced slightly. The risk „trend constancy sales“, which is derived from the sales development, did continue to come down. Despite a slight downfall of the margin the trend is still positive in Q3 2003, the „degree of profitability“ is stable. A further improvement of the rating can only be expected following a substantial rise of margin and sales and/or at a strong improvement of the balance sheet relations. Cenit is on a very good path in this regard. Experience proves that such improvements can yet only be realized over the length of several quarters. The rating outlook is accordingly now only stable to slightly positive.

In this current report **Data Modul AG (DE0005498901)** does again receive a (B-) Rating. On the operative and on balance-sheet level the company looks more solid than one should normally expect with such a rating. The reason for this is the increasing dependence of the company's sales development from the strong seasonal sales of the entertainment electronics industry. The risk „trend constancy sales“, based on the sales development, has thus come up strongly during the last quarters. This should yet come down again strongly once the seasonal character of sales will be confirmed as expected by a high sales volume and strong margins in the fourth quarter. The previously strongly declining margin has only recovered slightly in Q3. In the present report this does not have any grave effects on the operative risk figures. In order to stay this way the margin will have to come up to a similar level than last year in Q4. We see that this could be likely. Te rating outlook is slightly positive.

On 8th December 2003 **Itelligence AG (DE0007300402)** announced the successful placement of the shares from a capital increase. The proceeds from the issue amounted to 2,5 m €. This measure is still not being considered in our current (C-) rating for Itelligence. In our opinion the positive effect should yet not be over-rated. Under balance-sheet aspects both the key figure „degree of financial strain“ and „impairment-risk“ should benefit strongly. On the operative level there obviously is still no substantial turnaround. Sales continued to go down in Q3. On quarterly level the result did recover slightly but the company has not left the loss-



zone yet. Taken that this should not be achieved solidly during the next quarters the capital increase will only cause a short-term relaxation. Our rating outlook is thus cautiously positive.

The **LINOS AG (DE0005256507)** suffers under an acute financing problem and does thus only receive a (D) rating in this report. Balance-sheet wise the company gives an extremely strained impression. Alone the equity capital quota of below 20% is a cause for alarm. Additionally the situation is enforced by intangible assets that sum up to an amount far beyond the equity capital. Taken that these assets should prove to be worthless there is the imminent danger of liabilities that exceed the assets, thus excessive indebtedness. Operatively it did still go down in Q3 and the indicated risk did put on at all operative key figures. The company was able to stabilize sales on a low level during the second quarter, but the operative cash-burn did increase strongly. Taken that this loss will continue on a similar level during the next quarters LINOS will have a finance problem. The rating outlook is stable up to a substantial solution of financing.

The rating for **PVA TePla AG (DE0007461006)** did go up to (C+) in the present report. Operatively there are signs for a positive trend. The achievement of a positive cash flow is the outstanding issue. The sales development was again stabilized in Q3. The hereof derived risk („trend constancy sales“) did go down again. For the first time since years the longer-term margin trend did turn into positive in Q3. Balance-sheet wise the company does also make a balanced impression meanwhile. Alone the impairment risk is a burdening factor. We see good chances that the course of business at PVA TePla will continue to stabilise. The rating outlook is positive.

The **QSC AG (DE0005137004)** was able to defend its (B+) rating in the present report. In Q3 the company has continued to slightly improve the balance sheet relations and this continues to make a solid impression. The „degree of financial strain“ did go down slightly due to the reduction of receivables from goods and services. The „operative cash-burn“ was also reduced on an anticipated level but it still seems justifiable despite the continuing losses. After the leap of the margin in Q1 2003 after the takeover of Ventelo the margin development has come back to its original growth trend. The risk of strong margin fluctuations („operative leverage“) does again come down in this report. The margin trend, which did turn strongly positive following the Ventelo takeover, flattens, but is still positive. Accordingly the „degree of profitability“ has again improved strongly. For the next quarters we expect the positive operative development to continue. It does thus seem possible that the company could rise to a top-rating. This will not be achieved in the next report but could be possible in two to three quarters. The rating outlook is stable short-term, upon view of two to three quarters slightly positive.

The **Realtech AG (DE0007008906)** does give an above-average impression again in this report. The rating continues with (A+). There are slight improvements at all balance sheet relations. Despite a slight sales decline compared to Q2 2003 the risk of strongly fluctuating sales („trend constancy sales“) and strongly fluctuating margins („operative margin trend“) is a very low risk. The longer-term margin trend is stable. The „degree of profitability“ can be termed as slightly above-average. The (A+) rating does not seem endangered in the near future. The rating outlook is stable.

Following the restructuring in the second quarter 2003 the **Syskoplan AG (DE0005501456)** has recovered strongly in the operative business in Q3. The margin has almost returned to the former old level. The „op-



erative leverage“ has stabilized. The „degree of profitability“, observed over several quarter, does continue to go down but overall there is obviously at least a stabilization of the risk in the operative business in Q3 2003. Only the risk derived from the sales development has come up slightly. Much more clear than in the operative business is yet the shifting of the balance sheet relations. Syskoplan plans a special distribution of funds on 13.04.2004 in an amount of 2 € per share (cut-off date for the entitlement was 17.09.2003). As a preparing measure the amount of 8,4 m € was booked from the capital reserves into short-term liabilities per 30.09.2003. Dies In the present EquiRisk-report this has an accordingly negative effect on the key figures „degree of financial strain“ and „2nd degree liquidity“ and this is the main reason for the fact that Syskoplan does go down from a (B+) to a (B-) rating in the present report. . We do not expect any further negative influences from this measure. The outflow of liquidity should not be any problem for Syskoplan on the background of a profitable business except for Q2 2003, and on the background of a cash position of around 25 m €. Overall the company does still give a solid impression. The rating outlook is stable to slightly positive.

Change Analysis

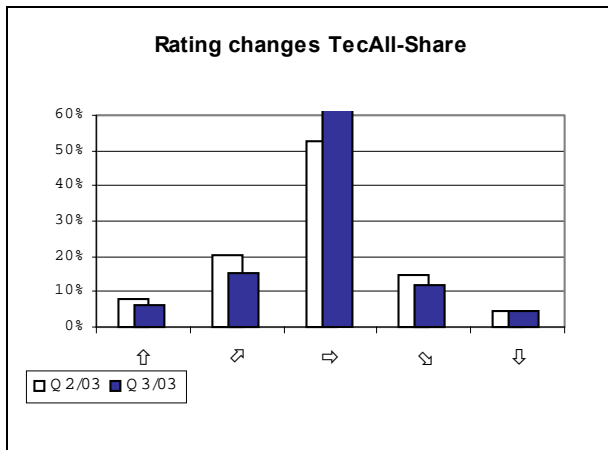


Chart 1; source: SES Rating GmbH

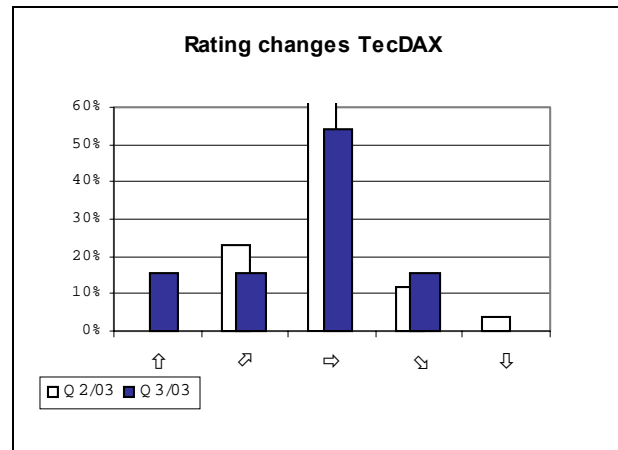


Chart 2; source: SES Rating GmbH

Ratings in the TecDAX pick up again

The development of the ratings within the TecDAX has turned around. After the trend of aggravating ratings in the last quarters the TecDAX companies were able to make a strong leap forward in the current report (s. chart 2). The current eight advancers– thereof four even with a strongly better rating – stand against only four companies with a lower rating (see table 2).

Within the TecAll-Share there is obviously also a trend of rating improvements. 32 advancers stand against 25 downwarders. Generally the companies of the TecAll-Share were different to the companies of the TecDAX as they did show a strong improvement of their rating stability. Overall a total of 94 companies of the TecAll-Share were able to confirm their rating (62,3%). In the TecDAX this applied to only 14 companies (53,8%).

The matrix for rating changes (see table 3) gives a brief survey on the rating stability within the single rating categories. The value 82,9% from A to A does for example mean that 82,9% of the A-ratings given in the last report were confirmed in this report. 11,5% of the B-ratings have accordingly gone up to A, 8,6% of the A-ratings were reduced to B, etcetera. It is obvious that the A-ratings with 82,9% show the highest stability and that the stability does also go down continuously in accordance with lower rating categories. A lower enterprise-specific risk is also characterized by an again lower risk of a rating change.

Rating-Changes*	TecAll-Share		TecDAX	
	Quantity	%	Quantity	%
↑	9	6,0%	4	15,4%
↗	23	15,2%	4	15,4%
⇌	94	62,3%	14	53,8%
↘	18	11,9%	4	15,4%
↓	7	4,6%	0	0,0%
Rated	151	100,0%	26	100,0%
Not rated	18		4	
Total	169		30	

*) ⇌ = Rating unchanged; ↗/↘ = Rating change by one level; ↑/↓ = Rating change by more than one level

Table 2; source: SES Rating GmbH

Matrix Rating Changes				
from/to	A	B	C	D
A	82,9%	8,6%	0,0%	0,0%
B	11,5%	76,9%	7,7%	0,0%
C	0,0%	11,9%	73,8%	7,1%
D	0,0%	11,1%	22,2%	44,4%

Table 3; source: SES Rating GmbH

Structure Analysis

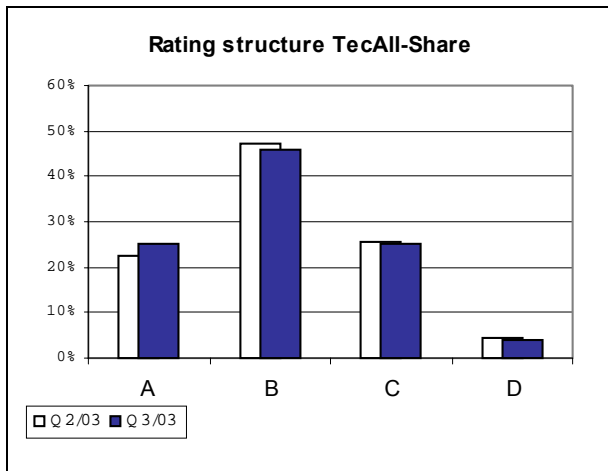


Chart 3; source: SES Rating GmbH

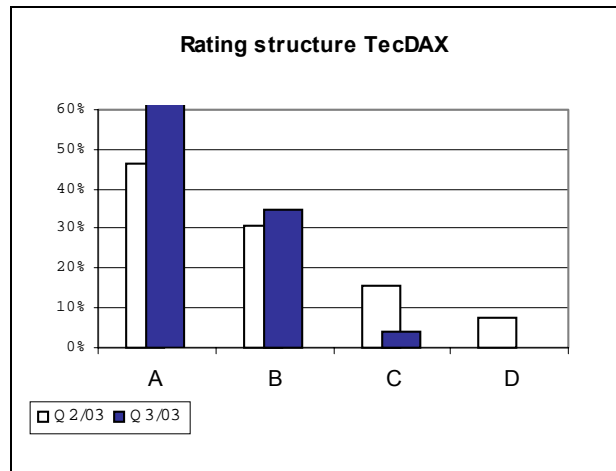


Chart 4; source: SES Rating GmbH

TecDAX returns to former strength

The TecDAX outshines with a brilliant rating structure. Among the 26 companies that can be rated there was only one C-rating this time (Aixtron). With 61,5% of all given ratings the rating category A (see chart 4) is without doubt the strongest. The risk structure of the TecAll share moreover has hardly changed at all. The percentage of the rating categories B, C and D did go down slightly, the percentage of companies with A ratings has moreover improved. Still dominating is the rating category B with 45,7% (see chart 3).

Rating structure	TecAll-Share		TecDAX	
	Quantity	%	Quantity	%
A (A+ to A-)	38	25,2%	16	61,5%
B (B+ to B-)	69	45,7%	9	34,6%
C (C+ to C-)	38	25,2%	1	3,8%
D	6	4,0%	0	0,0%
rated	151	100,0%	26	100,0%
Not rated	18		4	
Total number	169		30	

Table 4; source: SES Rating GmbH

The strong improvement of the rating structure within the TecDAX was caused by two facts. Many companies do in fact have a much better rating in this report than in the last (Evotec, Mobilcom, SCM, Repower). Partially this development is yet also caused by the new composite of the TecDAX since 22.09.2003. At the time the companies with a rather weak rating – Medigene (C+), Plambeck (C+) and Nordex (D) – were replaced by companies with a better rating – Teles (A-), Süss (B-) and Freenet (B-). The fact that the TecDAX is today able to underline its premium position by an above-average risk structure is thus partially explained by the new composite.

The total number of the companies in the observed indices is different than the number of rated companies (see table 4). This is caused by the fact that several companies do not fulfil the requirements of the rating model (e.g. in regard to the detailedness of the quarterly reports or in regard to their reporting standard); excluded are also those companies who had not reported at the time of our cut-off date. From the currently 169 companies of the TecAll-share a total of 18 are not rated in this report, from the 30 TecDAX-companies 4 had to be excluded.

Key figure analysis

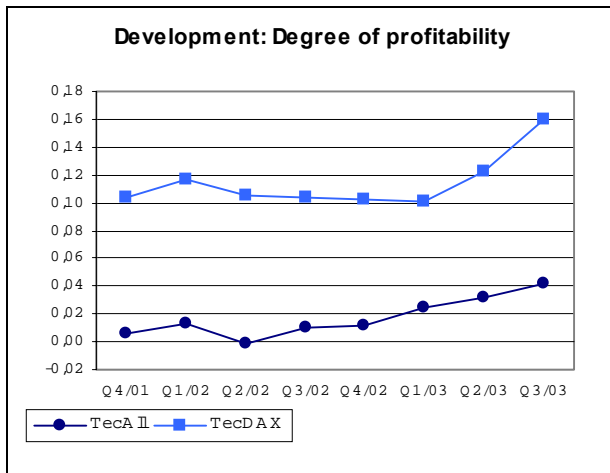


chart 5; source: SES Rating GmbH

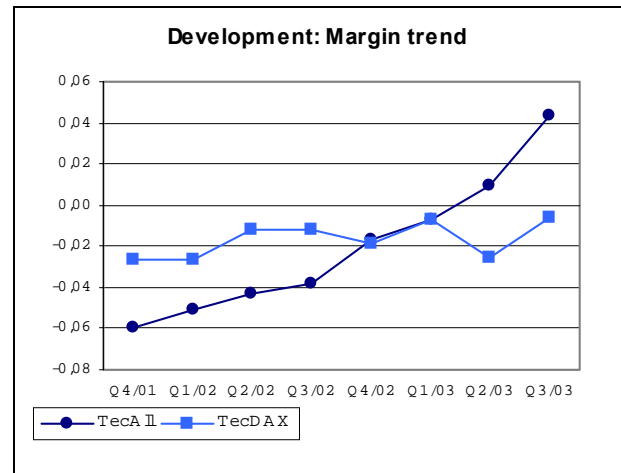


chart 6; source: SES Rating GmbH

Degree of profitability in the TecDAX picks up strongly

The degree of profitability is calculated in an average over several quarters. The height does indicate the market power of a company (e.g. the realisation of cost advantages during purchase or the realisation of higher prices on the sales market), it does yet also show the operative reserves that are available to a company in order to react to innovations of other competitors or in order to react on new market participants with suitable counter measures (enforcement of R&D activities, price cuts, advertising etc.). Generally it can be said the higher the margin – the better the market position - and the lower the risk of a company loosing this market position. Accordingly it is only little surprising the companies of the TecDAX index have in average higher margins that the companies of the much broader TecAll-Share. The every positive development of profitability during the last two quarters is yet noteworthy. The companies of the TecDAX were thus again able to break away from the companies of the TecAll-Share.

The margin trend TecAll-Share continues to turn positive

The margin trend is calculated by a comparison of margins over several quarters and represents a measure for the operative risks that could occur from a change of competitiveness of the products and services offered by the companies. A positive margin trend signals an improvement of the market position of the observed companies respectively an improvement of the market conditions. Despite a strong rise of the profitability of the companies within the TecDAX this has so far not come down to an explicit positive margin trend. The picture for the companies within the TecAll-Share is different. Profitability here does not climb as fast as in the TecDAX, but the margin development does show a much stronger positive trend, which has again turned even more positive in the present quarter.

Appendix

EquiRisk-Ratings of selected TecAll-Share companies (by order of rating levels)

Company (per rating categories)	ISIN	ER-Rating (current)	ER-Rating (11.09.03)	Rating -change *
Atoss	DE0005104400	A+	A+	⇒
Pfeiffer	DE0006916604	A+	A+	⇒
Qiagen	NL0000240000	A+	A+	⇒
Realtech	DE0007008906	A+	A+	⇒
SAP SI	DE0005011118	A+	A+	⇒
T-Online	DE0005557706	A+	A+	⇒
WEB.DE	DE0005296503	A+	A+	⇒
Elmos Semiconductor	DE0005677108	A	A-	↔
FJH	DE0005130108	A	A+	↘
IDS Scheer	DE0006257009	A	A+	↘
Mobilcom	DE0006622400	A	B	↑
AT & S Austria	AT0000969985	A-	A	↘
EPCOS	DE0005128003	A-	A-	⇒
Evotec	DE0005664809	A-	B	↑
Kontron	DE0006053952	A-	A-	⇒
Micronas Semiconductor	CH0012337421	A-	A-	⇒
Teles	DE0007454902	A-	A-	⇒
Wedeco	DE0005141808	A-	B+	↔
GPC Biotech	DE0005851505	B+	B+	⇒
IXOS	DE0005061501	B+	B+	⇒
QSC	DE0005137004	B+	B+	⇒
United Internet	DE0005089031	B+	B+	⇒
BOV	DE0005493704	B	B-	↔
SCM Microsystems	US7840181033	B	C+	↑
Singulus	DE0007238909	B	B	⇒
Cenit	DE0005407100	B-	B-	⇒
Data Modul	DE0005498901	B-	B-	⇒
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Suess Microtec	DE0007226706	B-	C+	↔
Syskoplan	DE0005501456	B-	B+	↓
Aixtron	DE0005066203	C+	B-	↘
BB Biotech	CH0001441580	**	**	
Drägerwerk	DE0005550636	**	**	
Jenoptik	DE0006229107	**	**	
Software AG	DE0007242646	**	**	

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Table 5; source: SES Rating GmbH

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Companies (per rating change)	ISIN	ER-Rating (current)	ER-Rating (11.09.03)	Rating - change *
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SCM Microsystems	US7840181033	B	C+	↑
Repower Systems	DE0006177033	B-	D	↑
Elmos Semiconductor	DE0005677108	A	A-	↗
Wedeco	DE0005141808	A-	B+	↗
BOV	DE0005493704	B	B-	↗
Lion Bioscience	DE0005043509	B-	C+	↗
Suess Microtec	DE0007226706	B-	C+	↗
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Pfeiffer	DE0006916604	A+	A+	⇒
Qiagen	NL0000240000	A+	A+	⇒
Realtech	DE0007008906	A+	A+	⇒
SAP SI	DE0005011118	A+	A+	⇒
T-Online	DE0005557706	A+	A+	⇒
WEB.DE	DE0005296503	A+	A+	⇒
EPCOS	DE0005128003	A-	A-	⇒
Kontron	DE0006053952	A-	A-	⇒
Micronas Semiconductor	CH0012337421	A-	A-	⇒
Teles	DE0007454902	A-	A-	⇒
GPC Biotech	DE0005851505	B+	B+	⇒
IXOS	DE0005061501	B+	B+	⇒
QSC	DE0005137004	B+	B+	⇒
United Internet	DE0005089031	B+	B+	⇒
Singulus	DE0007238909	B	B	⇒
Cenit	DE0005407100	B-	B-	⇒
Data Modul	DE0005498901	B-	B-	⇒
Freenet	DE0005792006	B-	B-	⇒
FJH	DE0005130108	A	A+	↘
IDS Scheer	DE0006257009	A	A+	↘
AT & S Austria	AT0000969985	A-	A	↘
Aixtron	DE0005066203	C+	B-	↘
Syskoplan	DE0005501456	B-	B+	↓
				.

*) ⇒ = Rating unchanged; ↗/↘ = rating change by more than one level; ↑/↓ = rating change by more than one level

Table 6; source: SES Rating GmbH

What is EquiRisk-Rating?

The EquiRisk-Rating by SES Rating GmbH, Hamburg, is the outcome of a pure quantitative model. SES Rating believes that this model is able to differentiate enterprises in regard to the company-specific risk that underlies the market value of the equity capital. The model includes operative as well as financial risks, but not the general market risks. The EquiRisk-Rating does thus express the probability of a company having to suffer operative slumps in the future, of having to face financial difficulties; respectively it does express the likelihood of disappointing the investors' expectations in regard to the fundamental business development. The rating is not any standard for the valuation of a share or the risk of the credit standing of capital stock.

What can EquiRisk-Rating do?

The EquiRisk-Rating – and in the meantime during the initial introduction to the markets available for only around 170 technology-companies of the Prime Standard – does improve the comparability of the investment alternatives that are available, allowing investors thus a quicker and more targeted decision on an investment. A relative risk indication makes it easier for investors to choose stocks that suit the individual risk profile. The EquiRisk-Rating should yet not be seen as a recommendation for an investment because – as an equity capital rating- it can only judge the specific risk of a company. Other main aspects, such as e.g. market price or risk preference of each single investor, are not part of the rating.

Definition of rating categories

EquiRisk-Rating A

A-rated companies have a particularly low enterprise-specific risk. Their situation must be described as solid in regard to the operative development as well as in regard to financial status. Grave slumps are expected neither on the operative level nor on the financial side.

EquiRisk-Rating B

B-rated companies are defined by a moderate company-specific risk. The occurrence of a negative or disappointing event is possible. The operative and/or financial situation shows weak spots but is not imminent.

EquiRisk-Rating C

C-rated companies have a high company-specific risk. The probability of a negative or disappointing fundamental event is likely above average. The operative and/or financial situation does show a weakness that could endanger the company's existence upon mid-term view.

EquiRisk-Rating D

D-rated companies suffer from shortage of cash and financing. The operative situation and development is superposed by financial strain. Taken that such a company is not able to raise additional financial funds insolvency becomes likely.

Rating Annex

EquiRisk-Ratings may be added by a rating annex (+ or –). It describes the relative position of each respective company within its rating level:

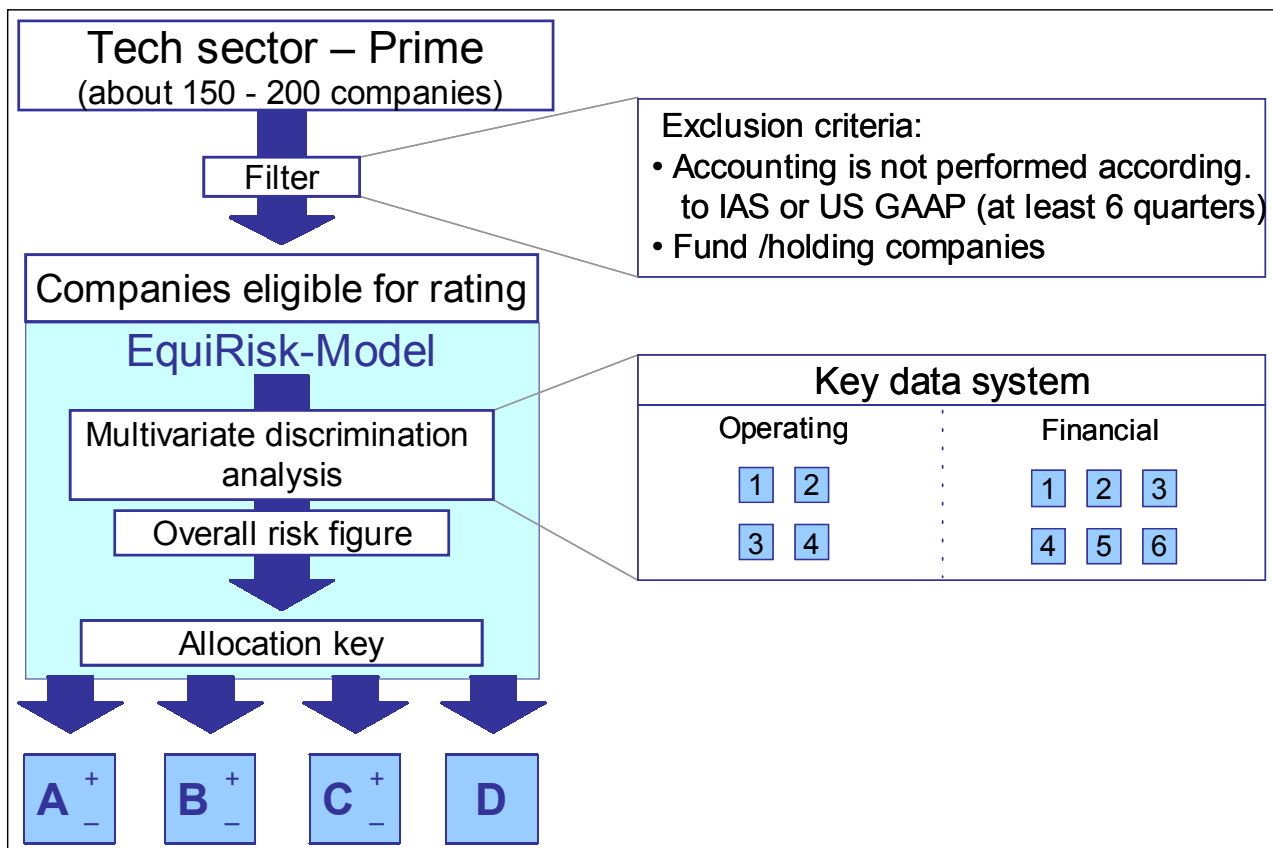
+ = Company is in the upper field of a rating level

- = Company is positioned in the lower field of a rating level.

Restriction

The rating is not a solicitation to buy, sell or hold any security. It does also not make any statement on market prices or in regard to the suitability of any stock for any specific investor. The ratings are based on the data reported and published by the companies. SES Rating itself does not carry out any audit on these statements. Especially at quarterly reports it is thus possible that unverified financial statements become the basis of a rating. Ratings may be changed, temporarily suspended, or cancelled on ground of new, altered, or missing information or on grounds of other circumstances.

Brief Description of the Rating Method



The determination of a rating by the Equi-Risk model is exclusively based on the published annual and quarterly reports of the companies under surveillance. By means of the chosen business figures from the balance sheet, P&L (profit- and loss account) and cash flow the model calculates financial key data that allow an assessment of each of the operative and financial situation. Compiled into a key data system (for

more information please read SES Rating „EquiRisk-Rating: The key data system “) these data supply information on the current risk profile of single companies.

Proceeding from this basis, the model does a relative risk assessment of single companies. For this task the single values of the financial key data are aggregated on basis of an empiric weighting. The method used for this is based on a purely mathematic-statistic approach (multi-variate discrimination analysis) and only quantitative factors are entered for the assessment. The EquiRisk-model is therefore free of any subjective or qualitative elements.

The overall risk key figure that is the outcome of the aggregation serves as a basis for the relative classification of the companies into different risk standards. This transfer is carried out according to a distribution key that was defined and fixed beforehand. The model contains four rating standards (rating levels) A to D, the EquiRisk-Rating A representing those companies with the lowest risk and the EquiRisk-Rating D meaning the companies with the highest risk.

Further Publications on EquiRisk-Rating

The following background information on the EquiRisk-Rating may be obtained cost-free via SES Rating GmbH(+49.40/87 97 87-0) and at www.equirisk.de:

EquiRisk-Rating: Definition of Rating Standards

Precise definition and description of the single rating standards used in EquiRisk-Rating

EquiRisk-Rating: Rating-Method

Brief description of the rating approach and the mathematic-statistic model used as its basis.

Chart 5; source: SES Rating GmbH

EquiRisk-Rating: The Key Data System

Detailed explanation of the single risk key figures that are entered into the EquiRisk-model.

EquiRisk-Rating: Empiric Test

Description of the examination approach which was used in order test the model in regard to its appropriateness as an indicator and an explanation of outcome of this test.

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