



Independent Research

Unabhängige Finanzmarktanalyse GmbH

Investment Research

MOLOGEN AG

Q1-Figures

05/16/2008

Please notice the information on the preparation of this document, the disclaimer, the advice regarding possible conflicts of interests, and the mandatory information required by § 34b WpHG (Securities Trading Law) at the end of this document. This financial analysis in accordance with § 34b WpHG is exclusively intended for distribution to individuals that buy or sell financial instruments at their own account or at the account of others in connection with their trading activities, occupation, or employment.

Figures in line with expectations**Release of Q1 figures**

- ⇒ While the company's focus remained on the preparation of clinical studies for MGN1703/dSLIM and MGN1601 (cell-based gene therapy), as expected, no significant sales were posted (EURO.06m (0.03)).
- ⇒ Due to the absence of sales revenues and the ongoing forced R&D activities, operating profit figures remained unsurprisingly negative. The company posted an EBIT of EUR-1.46m (-1.57) and a net loss on the year of EUR-1.40m (-1.52).
- ⇒ In the past quarter cash burn totalled EURO.5m per month, just below our forecast (average EURO.6m). All in all liquid funds at the end of the quarter totalled EUR6.5m (Dec. 31, 2007: 8.0).
- ⇒ The upcoming quarters should be dominated by the multicentric phase I/II for MGN1703/dSLIM, which we expect to begin in Q3 2008.
- ⇒ We see the application to EMEA for a clinical study on cell-based gene therapy for kidney cancer (RCC) as a further milestone in H2 2008. Furthermore, we expect an additional milestone to be achieved in the development of the leishmaniasis vaccine (veterinary) in co-operation with an American partner. The company should also soon obtain confirmation on whether it will receive EU funding for pre-clinical development of the leishmaniasis vaccine on humans.
- ⇒ We are confirming our forecast, but feel an upward adjustment over the course of the year is possible.
- ⇒ Based on a slightly adjusted price target of EUR13.20 (before: 13.00) due to the changes in liquid funds and the proceeding of the discount period, we are confirming our Buy recommendation.

MOLOGEN AG 4)**Recommendation: Buy****before:**

as of

-

-

Price target (in EUR) (6 months)	13.20
Share price(Xetra) (in EUR)	7.37
05/15/08 11:30 AM	
Share price potential	79.10%

Company date

Country	GE
Sector	Biotechnology
Market segment	General Standard
ISIN	DE0006637200
Reuters	MGNG.DE
Bloomberg	MGN
Internet	www.molgen.com

Data shares

Shares (m)	9.358
Freefloat	57.4%
Market cap. (EURm)	69.0
∅ Trading Volume	10,005
52W High 08/08/07	EUR9.49
52W Low 01/21/08	EUR2.35
Beta	1.5
Volatility (60 days)	38.20

Multiples

	EV/Sales	EV/EBIT	P/E ratio	Dividend yield
2006	13.0	162.8	115.5	0.0%
2007	350.2	neg.	neg.	0.0%
2008E	41.1	neg.	neg.	0.0%
2009E	5.9	neg.	neg.	0.0%
2010E	5.2	neg.	neg.	0.0%

Performance (in %)

	1 month	3 months	6 months	12 months
absolut	0.3	13.9	30.0	-7.9
related to:				
DAX	-5.8	9.1	38.7	-3.4
CDAX	-5.8	9.1	38.7	-3.4

Index Weighting

CDAX	0.006%
------	--------



AP	FY	Sales	EBIT	EBT	EAT	EPS
IFRS	2006	5,227	417	617	611	0.07
IFRS	2007	150	-6,290	-5,986	-5,986	-0.65
IFRS	2008E	1,520	-7,976	-7,816	-7,820	-0.84
IFRS	2009E	10,660	-8,279	-8,329	-8,333	-0.89
IFRS	2010E	12,122	-14,213	-14,313	-14,317	-1.54

CAGR 2006 - 2010E	23.4%	-	-	-
-------------------	-------	---	---	---

Figures in EURk except EpS, hist. PERs based on averaged share prices

Author: B. Wolber (analyst)

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

Company profile

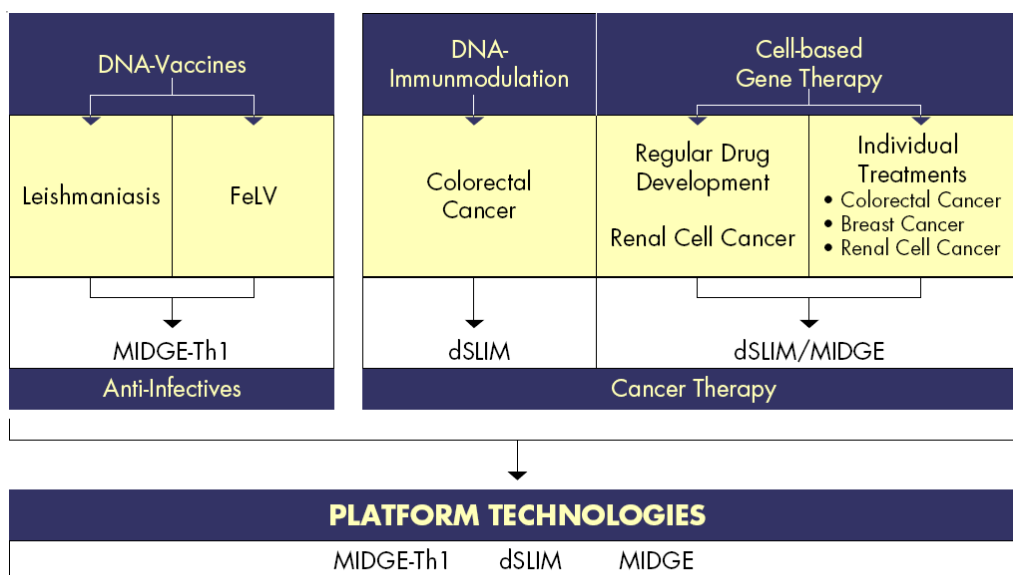
Development of novel products to treat cancer and infectives

MOLOGEN is a Berlin-based biotechnology company specialising in the treatment of diseases previously untreatable or insufficiently treatable of the indication areas cancer and infectives (animal and human being). In particular, MOLOGEN develops DNA-based vaccines and therapeutics aimed at prophylaxis and treatment. The therapies are based on two patented technologies developed by MOLOGEN itself: MIDGE (Minimalistic Immunologically Defined Gene Expression) and dSLIM (double Stem Loop Immuno Modulator).

Both technologies have in common that they make use of DNA structures (desoxyribosenucleic acid, which contains genetic information of all creatures), which are used as a drug in the therapy. MIDGE works as gene transfer, which differs from other vectors (viral vector, plasmid vectors, amongst others) due to its small size and a very high specificity of genetic information and which shows a very high safety and efficacy as was proved by studies. In the Anti-Infectives segment, MIDGE is a basis for a DNA vaccine (MIDGE-TH1), producing a specific cellular and humoral immune reaction against viruses, bacteria or parasites and destroying those. dSLIM is a DNA-based immune modifier and TLR9 agonist developed by MOLOGEN which activates the immune system and thus causes a natural defence reaction to cancer cells. The use of dSLIM and MIDGE takes place individually or in a combined way depending on the field of therapy.

Currently, 40 people are employed in the group, 28 of them in Research & Development, 8 in administration as well as four apprentices and temporary personnel.

Platform technologies



Source: MOLOGEN AG

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

Business development in Q1 2008 (March 31)

Picture still dominated by R&D

Figures for Q1 2008 reveal a picture nearly identical to that of the previous quarters. While the company's focus remained on the preparation of clinical studies for MGN1703/dSLIM and MGN1601 (cell-based gene therapy), as expected, no significant sales were posted (EURO.06m (0.03)). However, we had expected some small sales contributions from the marketing of a cell-based gene therapy in conjunction with a special treatment permit in India (total year 2008e: EURO.32m). To date these sales have not visibly materialized despite activities by the Indian partner.

EBIT negative as expected

Due to the absence of sales revenues and the forced R&D activities, operating profit figures remained unsurprisingly negative. The company posted not only an EBIT of EUR-1.46m (-1.57), but also a net loss on the year of EUR-1.40m (-1.52).

Cash burn still lower than forecast

In the past quarter the cash burn totalled EURO.5m per month, just below our forecast (average EURO.6m). All in all liquid funds at the end of the quarter totalled EUR6.5m (Dec. 31, 2007: 8.0).

Forecast and Outlook

Focus in on a first clinical study (MGN1703)

The upcoming quarters should be dominated by the multicentric phase I/II study for MGN1703/dSLIM, which we expect to begin in Q3 2008. We see the recent approval for the clinical study, which was received on May 5th of this year (application for approval submitted on Dec. 10, 2007), as a first sign of success. Nevertheless it will be important to document success phase by phase in the upcoming studies, in order to receive out-licensing after the data for phase IIa come in (at the earliest).

Study design MGN1703

The multicentric study is to take place at the renowned cancer centre at the university clinics in Essen and Cologne. According to management, the study is expected to take roughly six months. In the study the safety and immunological effects of MGN1703/dSLIM are to be tested on roughly 35 patients. The study includes all major types of cancer and is therefore a basis for Phase II, which is to follow immediately. In phase II the effectiveness of MGN1703/dSLIM with respect to particular incidences of cancer should be revealed. The study is to begin in upcoming weeks, so that first results from the study analysis should be expected in Q1 2009 at the earliest.

Further milestones in 2008e and 2009e

We see the application to EMEA for a clinical study on cell-based gene therapy for kidney cancer (RCC) as a further milestone in H2 2008. Furthermore, we expect an ongoing development of the leishmaniasis active agent (veterinary) in co-operation with a so far unnamed American partner. In H2, after the successful completion of laboratory tests, we expect MOLOGEN to book another milestone payment in the US-dollar six-digit area. This should be followed by a comprehensive field study as a final step before approval. We are therefore sticking by our forecast which calls for market entry in 2009/10e. Parallel to its development of a leishmaniasis treatment for animals, MOLOGEN is also working on a vaccine for the treatment of humans. In March the company applied for EU (7th research framework programme) funding with the best possible evaluation. Should the

Good preconditions for the development of leishmaniasis vaccine (human)

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

application be successful (definitive word is expected in Q3), MOLOGEN would receive financial support for preclinical development of a vaccine, which would make the entire preclinical development nearly cost-neutral for MOLOGEN.

Increase in forecast possible over course of the year

We see need for capital in 2008 if all projects are continued

MGN1703 can be financed stand-alone

Should MOLOGEN be able to keep up its Q1 results through upcoming quarters this year, the company would beat our forecast. However, we are sticking by our current forecast, because we expect the planned begin of the clinical study on MGN1703/dSLIM to place a heavier burden on earnings in Q3. The forecast for cash burn also calls for refinancing needs at the end of 2008 based on the comprehensive continuation of all R&D projects (MGN1703, MGN1601, leishmaniasis veterinary and human). Because we feel the number of individual projects in different therapy areas is relatively high compared with the peer-group, we would not see delays for individual projects as necessarily negative. We feel that development activities for the main product MGN1703 can be financed up to phase II should other R&D projects be put aside.

MOLOGEN AG				
Estimates of selected profit & loss account figures				
Unit:	EUR 1,000			
End of fiscal year:	Dec 31			
Reporting standard:	IFRS			
	2007	2007	2008E	2009E
	reported	estimated	estimated	estimated
Revenue	150	160	1,520	10,660
yoy in %	-97%	-97%	913%	601%
EBIT	-6,290	-5,647	-7,976	-8,279
in % of revenues	-	-	-52.5%	-78%
Net profit/loss for the year	-5,986	-5,476	-7,820	-8,333
in % of revenues	-	-	-51.4%	-78%
EPS	-0.65	-0.59	-0.84	-0.89

Source: Independent Research; MOLOGEN AG

Valuation

Model description

We have established a DCF model in our valuation of MOLOGEN AG. Within the framework of this model we have applied a two-stage valuation. Stage I covers our detailed forecasts for the profit and loss account until 2017. Our forecast for stage II (after 2017) is conservative in that we do not assume any further growth of the free cash flow (FCF). Apart from the sales and profit contributions generated by the dSLIM technology, the DCF model also includes royalties from the licensing out of the leishmaniasis vaccine (veterinary) and our estimate for proceeds from cell-based gene therapy treatment (premise: treatment permission in China). Our model is based on the assumption that MOLOGEN will out-license all 4 dSLIM-indications (CRC, NSCLC, BC and RCC) after Phase II. We estimate the up-front payment at EUR10m, the milestone-payments for Phase III at EUR5m and for approval at EUR15m respectively and the royalty rate at 10% (exception dSLIM CRC: 12.5%). We did not take any other possible licence deals into account for our valuation given the great uncertainty regarding the actual realisation of such deals.

Model parameters

We are sticking by the model parameters used in our initial valuation. We assume a risk-free interest rate of 4.5%. The risk premium on equity is 10.0% and 8.0% on outside capital. We have also assumed a beta of 1.5. With respect to the long-term balance sheet structure we assume an equity rate of 70%. Given these model parameters, the WACC (Weighted Average Cost of Capital) is 17.5%.

New fair value: EUR13.16 (before: 13.04)

Based on the assumptions mentioned above, the company's equity has a market value of EUR122.6m (before: 121.5). With 9.317m shares, this corresponds to a new fair value of EUR13.16 (before: 13.04) per share. The change from our last calculated fair value results on the one hand from the reduction in liquid funds (EUR-0.16 per share) and, on the other hand, from the proceeding of the discount period (+ EURO.28 per share).

DCF model MOLOGEN AG										
in EURm	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Sales	1.5	10.7	12.1	27.9	35.8	62.8	101.0	103.9	137.2	146.2
Sales growth	10%	601%	14%	130%	28%	75%	61%	3%	32%	7%
EBIT margin	neg.	neg.	neg.	21.1%	56.4%	66.1%	72.0%	71.0%	73.2%	72.8%
EBIT	-8.0	-8.3	-14.2	5.9	20.2	41.5	72.7	73.8	100.5	106.4
- Income tax	0.0	0.0	0.0	0.0	-3.2	-8.3	-21.8	-22.1	-30.1	-31.9
+ Depreciation	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8
+/- 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	-7.4	-7.7	-13.6	6.5	17.6	33.9	51.6	52.4	71.1	75.3
-/+ Change in working capital	-1.0	-1.0	-1.0	-1.2	-1.1	-1.9	-3.0	-3.1	-4.1	-4.4
-/+ Net capital expenditure	-0.8	-0.8	-1.0	-1.0	-1.3	-2.2	-3.5	-3.6	-4.8	-5.1
Free cash flow	-9.2	-9.5	-15.6	4.3	15.3	29.8	45.1	45.6	62.2	65.8
Present values	-8.2	-7.1	-9.9	2.3	6.8	11.1	14.1	12.0	13.7	12.2
Sum of present values	46.8									
Terminal value	69.3									
									in % of total value:	60%
Value of operative business (EURm)	116.1									
+ Excess cash (EURm)	6.5									
- Financial debt (EURm)	0.0									
Fair value of equity (EURm)	122.6									
Number of shares (m)	9.317									
Fair value per share in EUR	13.16									

Model parameters / Entity DCF model:			
Long-term capital structure ->	Equity:	70%	Financial debt: 30%
Risk free rate of return: 4.5%	Beta:	1.5	Risk premium debt: 8.0%
	Risk premium:	10.0%	Tax shield: 0%
	Cost of equity:	19.7%	Cost of debt: 12.5%
Growth rate FCF: 0.0%	WACC :	17.5%	Date: 05/15/08

Source: Independent Research

Sensitivity analysis

In order to illustrate how the equity value per share responds to changes in the growth rate of the FCF in stage II and changes of the WACC, we have supplemented the DCF model by a sensitivity analysis.

Sensitivity analysis (in EUR)					
		discount rate			
		17.0%	17.5%	18.0%	18.5%
growth	0.0%	14.02	13.16	12.36	11.62
	0.5%	14.30	13.41	12.59	11.83
	1.0%	14.60	13.69	12.84	12.05
	1.5%	14.92	13.97	13.10	12.28

Source: Independent Research

MOLOGEN AG												
Profit and loss account												
Unit: EUR1,000												
End of fiscal year: Dec 31												
Reporting standard: IFRS												
	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Revenue	5,227	150	1,520	10,660	12,122	27,906	35,797	62,816	101,050	103,922	137,204	146,216
yoyin %	57%	-97%	913%	601%	14%	130%	28%	75%	6%	3%	32%	7%
Others (e.g. cell-based gene therapy)	5,227	150	1,320	560	1,280	1,408	1,549	1,704	1,874	2,061	2,268	2,494
MGN1703/dSLIM CRC	0	0	0	10,000	0	5,000	26,978	24,099	36,366	48,779	61,339	49,366
MGN1703/dSLIM NSCLC	0	0	0	0	10,000	0	5,000	23,956	18,019	27,191	36,472	45,864
MGN1703/dSLIM BC	0	0	0	0	0	10,000	0	5,000	24,048	18,204	27,470	36,846
MGN1703/dSLIM RCC	0	0	0	0	0	10,000	0	5,000	16,883	3,789	5,717	7,669
Leishmaniasis (vet)	0	0	200	100	842	1,498	2,270	3,057	3,860	3,898	3,937	3,977
Other operating income	465	737	200	200	200	200	200	200	200	200	200	200
Increase/decrease in stocks finished products	80	0	100	100	100	100	100	100	100	100	100	100
Cost of Goods Sold	-667	-30	-56	-175	-384	-422	-465	-511	-562	-618	-680	-748
Others (e.g. cell-based gene therapy)	-667	-30	-56	-175	-384	-422	-465	-511	-562	-618	-680	-748
MGN1703/dSLIM CRC	0	0	0	0	0	0	0	0	0	0	0	0
MGN1703/dSLIM NSCLC	0	0	0	0	0	0	0	0	0	0	0	0
MGN1703/dSLIM BC	0	0	0	0	0	0	0	0	0	0	0	0
MGN1703/dSLIM RCC	0	0	0	0	0	0	0	0	0	0	0	0
Leishmaniasis (vet)	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	5,105	857	1,764	10,785	12,038	27,784	35,632	62,605	100,788	103,604	136,823	145,768
Research & Development	0	-1,567	-3,463	-11,995	-18,355	-12,983	-5,370	-9,422	-15,157	-15,588	-20,581	-21,932
Others (e.g. cell-based gene therapy)	0	-150	-650	-1,500	-2,500	-2,500	-5,370	-9,422	-15,157	-15,588	-20,581	-21,932
MGN1703/dSLIM CRC	0	-1,420	-2,663	-5,460	0	0	0	0	0	0	0	0
MGN1703/dSLIM NSCLC	0	-50	-50	-4,935	-5,460	0	0	0	0	0	0	0
MGN1703/dSLIM BC	0	-50	-50	-50	-5,985	-6,510	0	0	0	0	0	0
MGN1703/dSLIM RCC	0	-50	-50	-50	-4,410	-3,973	0	0	0	0	0	0
Leishmaniasis (vet)	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	-4,688	-5,580	-6,277	-7,069	-7,895	-8,922	-10,088	-11,676	-12,903	-14,262	-15,767	-17,435
Salaries	-2,339	-2,810	-3,161	-3,556	-4,001	-4,601	-5,291	-6,350	-6,984	-7,683	-8,451	-9,296
Amortization	-486	-536	-547	-558	-586	-615	-646	-678	-712	-747	-785	-824
Other operating expenses	-1,863	-2,234	-2,569	-2,954	-3,309	-3,706	-4,151	-4,649	-5,207	-5,832	-6,531	-7,315
Sales & Marketing	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	417	-6,290	-7,976	-8,279	-14,213	5,880	20,175	41,506	72,727	73,754	100,476	106,400
in % of revenues	8.0%	-413.3%	-524.7%	-77.7%	-117.2%	21%	56.4%	66.1%	72.0%	71.0%	73.2%	72.8%
Financial result	200	304	160	-50	-100	-100	-100	-100	-100	-100	-100	-100
EBT (and minority interests)	617	-5,986	-7,816	-8,329	-14,313	5,780	20,075	41,406	72,627	73,654	100,376	106,300
in % of revenues	11.8%	-3990.7%	-514.2%	-78.1%	-118.1%	20.7%	56.1%	65.9%	71.9%	70.9%	73.2%	72.7%
Income taxes	-4	0	-4	-4	-4	-4	-3,228	-8,301	-21,818	-22,126	-30,143	-31,920
in % of EBT	-1%	0%	0%	0%	0%	0%	-16%	-20%	-30%	-30%	-30%	-30%
Earnings before minority interests	613	-5,986	-7,820	-8,333	-14,317	5,776	16,847	33,105	50,809	51,528	70,233	74,380
in % of revenues	11.7%	-3990.7%	-514.4%	-78.2%	-118.1%	20.7%	47.1%	52.7%	50.3%	49.6%	51.2%	50.9%
Minority interests	-2	0	0	0	0	0	0	0	0	0	0	0
Change of the accounting method	0	0	0	0	0	0	0	0	0	0	0	0
Net profit/loss for the year	611	-5,986	-7,820	-8,333	-14,317	5,776	16,847	33,105	50,809	51,528	70,233	74,380
in % of revenues	11.7%	-3990.7%	-514.4%	-78.2%	-118.1%	20.7%	47.1%	52.7%	50.3%	49.6%	51.2%	50.9%
Weighted average number of shares (in 1,000)	8,402	9,163	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317
EPS	0.07	-0.65	-0.84	-0.89	-1.54	0.62	1.81	3.55	5.45	5.53	7.54	7.98

Source: Independent Research, MOLOGEN AG

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

Disclaimer

Recommendation shares - Single Issuer -:

Buy:	According to our assessment, the stock should register an absolute profit of at least 15% within a 6-month period.
Accumulate:	According to our assessment, the stock should register an absolute profit between 0% and 15% within a 6-month period.
Reduce:	According to our assessment, the stock should register an absolute loss between 0% and 15% within a 6-month period.
Sell:	According to our assessment, the stock should register an absolute loss of at least 15% within a 6-month period.

Liability declaration

This document has been prepared by Independent Research GmbH independently of the issuers named. The opinions and forecasts contained in this document are those of Independent Research GmbH alone. The information and opinions refer to given dates and are subject to change without prior notice.

Independent Research GmbH has prepared the contents of this document on the basis of sources of information which are generally accessible and considered to be reliable but which the company has not independently verified. The balanced nature, accuracy, completeness or correctness of the information or opinions contained in this document are therefore neither expressly guaranteed nor is such a guarantee thereby implied. The recipient of this document should therefore not rely on this information or these opinions. Independent Research GmbH assumes no responsibility or liability for damage arising from the use of this document or the information contained therein or which otherwise may thereby arise. An investment decision ought to be based on a properly approved prospectus or information memorandum and under no circumstances on this document.

This document constitutes neither an offer nor an invitation to subscribe to or to purchase a security, nor does this document nor the information contained therein constitute the basis for any kind of contractual or other commitment whatsoever.

The distribution of this document is only intended to persons who purchase or sell transferable securities for their own account or for the account of others as part of their trading activity, profession or occupation. It is made available exclusively for the purpose of supplying them with information. This document is subject to the copyright of Independent Research GmbH; it may not be reproduced either in whole or in part nor may it be distributed to other persons. Quotations from this document must be accompanied by mention of the source from which the information derived. Any use going beyond this limit requires the prior written approval of Independent Research GmbH.

This document is only intended to be distributed in Great Britain to persons described in article 11(3) of the Financial Services Act 1986 (Investments Advertisements) (Exemptions) Order 1996 (in the most up-to-date version) and may not be passed on either directly or indirectly to any other group of persons. Neither this document nor a copy thereof may be sent to, brought into or distributed in the United States of America, in Canada or in Japan or in the overseas territories or possessions of these countries nor may it be distributed to a US person as defined in the provisions of the US Securities Act of 1933 or to persons having their place of residence in Canada or in Japan. The distribution of this document in other jurisdictional areas may be restricted by law and persons obtaining possession of this document should inform themselves of possible restrictions and adhere to the same. Each omission in the observance of these restrictions may constitute an infringement of prevailing securities laws.

Independent Research GmbH and its affiliated companies and / or members of its management board, its senior managers and/or its employees may hold positions in any of the financial instruments or related investments mentioned in this document and may increase or sell these financial instruments and the related investments. Independent Research GmbH and its affiliated companies may act as consultants for the financial instruments or related investments, perform services for or in relation to these issuers or offer such services and may also be represented in the management board or in other bodies or committees of these issuers.

Compulsory information required under § 34b of the German Securities Trading Law (WpHG) and the Financial Analysis Regulation

Key sources of information

Key sources of information used in the preparation of this document are publications in foreign and domestic media such as information services (e.g. Reuters, VWD, Bloomberg, DPA-AFX etc.), the financial press (e.g. Börsen-Zeitung, Handelsblatt, FAZ, FTD, Wall Street Journal, Financial Times etc.), specialised journals, published statistics, rating agencies and publications of the issuers analysed.

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.

Technical analyses:

Technical analyses are based on historic share price and sales developments which are analysed by mathematical-statistical tools (chart techniques, indicator technology, the Elliott wave theory, sentiment observations as well as relative strength approaches) and on forecasts of future developments.

Sensitivity of the evaluation parameters:

The figures taken from the statement of income, the cash flow statement and the balance sheet upon which the evaluation of companies is based are estimates referring to given dates and therefore subject to risks. These may change at any time without prior notice.

Regardless of the evaluation method applied, there exists a very real risk that the price target may not be reached in the anticipated period of time. These risks include unforeseen changes in competitive pressure or in the demand for the issuer's products. Such fluctuations in demand may arise as a result of changes of a technological nature, the overall level of economic activity or in some cases as a result of changes in moral standards. Changes in tax law, in currency exchange rates and, in certain industries, in regulations are further factors which can influence evaluations. This discussion of evaluation methods and risk factors makes no claim to be exhaustive.

Timing conditions of planned updates:

Analyses of shares:

Independent Research GmbH maintains a list of issuers for whom company-based financial analyses ("Cover list of share analyses") are published. The criterion for an issuer's inclusion in or removal from this list is governed by the company's inclusion in an index (DAX® and EuroStoxx 50SM). In addition, selected issuers from the mid and small cap segment and from the US markets are included. In such cases these issuers' inclusion in or removal from the cover list is at the sole discretion of Independent Research GmbH. Generally, reports on current events specific to the companies are prepared every week for the issuers included on the cover list share analyses. Moreover, company-specific events such as ad hoc statements or important news relating to individual companies on the cover list are evaluated every day. The decision as to which issuers are covered by such publications is at the sole discretion of Independent Research GmbH. Moreover, fundamental analyses are prepared for the issuers included on the cover list. The decision as to which issuers are covered by such publications is at the sole discretion of Independent Research GmbH.

It may occur at any time that, in fulfilment of the provisions of the Securities Trading Law, the publication of financial analyses of individual issuers included in the cover list are blocked without any prior warning.

Internal organisational measures to deal with the prevention or handling of conflicts of interest:

Employees of Independent Research GmbH who are involved with the preparation and / or the offering of financial analyses are subject to the company's internal compliancy regulations which classifies them as employees of an area requiring confidentiality. The company's internal compliancy regulations are in line with the provisions of the Guideline for the Concretisation of Organisational Obligations of Companies Trading in Securities in accordance with § 34b para. 5, para. 8 clause 1 of the Securities Trading Law (WpHG) (<http://www.bafin.de>).

Possible conflicts of interest - As of: 05/16/2008 -

Neither Independent Research GmbH nor any affiliated company

- 1) hold an interest of 1% or more of the capital stock of the company being covered in this report.
- 2) was involved in the issuing of the securities analysed in this report.
- 3) hold a net short position of 1% or more of the analysed company's equity capital.
- 4) support the company on the stock exchange and in the market on the basis of an agreed contract. **Exception: MOLOGEN AG and Independent Research GmbH have a business relationship concerning the preparation of research reports.**

ON ACCEPTANCE OF THIS DOCUMENT THE RECIPIENT ACCEPTS THAT THE ABOVE RESTRICTIONS ARE BINDING.

As of: - 05/16/2008 -

**Independent Research GmbH
Senckenberganlage 10-12
D-60325 Frankfurt
Germany**

Responsible Supervisory Authority
Bundesanstalt für Finanzdienstleistungsaufsicht
Graurheindorfer Straße 108
D-53117 Bonn
and
Lurgiallee 12
D-60439 Frankfurt
Germany



Independent Research

Senckenberganlage 10-12
60325 Frankfurt am Main
Germany

Phone: +49 (69) 971490-0

Fax: +49 (69) 971490-90

E-Mail: info@irffm.de