



Independent Research

Unabhängige Finanzmarktanalyse GmbH

Investment Research

MOLOGEN AG

**Market segment: General Standard
Sector: Biotechnology**

Update

11/16/2007

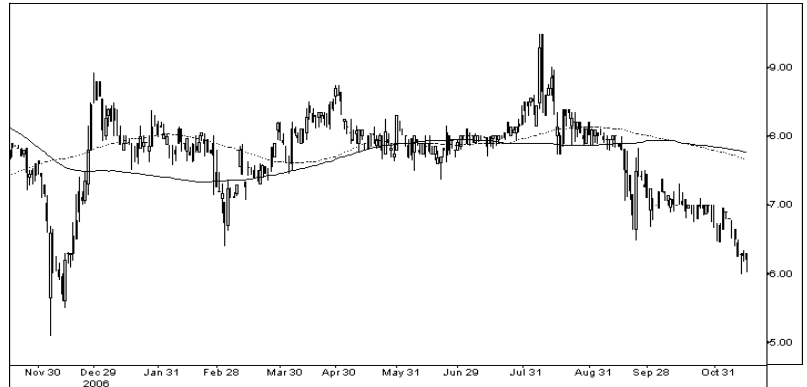
Please notice the information on the preparation of this document, the disclaimer, the advice regarding possible conflicts of interests, and the mandatory information required by § 34b WpHG (Securities Trading Law) at the end of this document. This financial analysis in accordance with § 34b WpHG is 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.

MOLOGEN AG 4)Buy
Before: -**Event:**

Q3 2007 results

Recommendation:

Buy



IR	2	2	3
Rating	Growth	Investor Relation	Consistency

Author: Björn Wolber (analyst)

- ⇒ **In 9M 2007 (September 30), the company's business development was still strongly characterised by the R&D activities. While sales remained unchanged in year-on-year comparison (EUR0.1m), the EBIT loss widened to EUR-4.1m (-2.4).**
- ⇒ **Applications for authorisation of the clinical trials of dSLIM (CRC; phases Ib and IIa) and dSLIM/MIDGE for cancer therapy through cell-based gene therapy (phase I/II) are slightly behind schedule.**
- ⇒ **Due to the postponement of authorisation applications to late 2007e (dSLIM CRC; previously: Q3 2007e) and, respectively, HY1 2008e (DSLIM/MIDGE; previously: Q4 2007e), we have to adjust our forecasts.**
- ⇒ **With an unchanged price target of EUR13.80, we maintain our Buy recommendation.**

MOLOGEN		Biotechnology		Performance (in %)				
Country	GE	Fiscal year	Dec./ 31	Rel. 1 Month	-8.0			
Shares (m)	9.317	www.molgen.com		Rel. 3 Months	-27.3			
∅ Trading Volume	11,611	Last dividend (EUR)	-	Rel. 6 Months	-23.9			
ISIN	DE0006637200	Payable day	-	Rel. 12 Months	-32.7			
Curr. Price (Xetra)	6.20 EUR	Market cap. (EURm)	57.7	Beta	1.5			
11/15/07 4:08 PM		Currency	EUR	Volatility (60 days)	39.8			
52W High	9.49	Date	08/08/07	CDAX	0.005%			
52W Low	5.10	Date	12/06/07					
Shareholders:	Absolute Capital Management Holding (22%), Prof. Dr. Burghardt Wittig (5%), SALVATOR Vermögensverwaltungs GmbH (11%), Free Float (62%)							
Investments:	-							
FY	Sales	EBIT	EBT	EAT	EPS	PER	EV/Sales 07e:	301.9
2005	847	-4,052	-4,388	-4,394	-0.53	neg.	EV/EBIT 07e:	neg.
2006	5,227	417	617	611	0.07	115.5	Dividend yield 06e:	-
2007e	160	-5,647	-5,472	-5,476	-0.59	neg.	CAGR Sales 05-09e:	89.7%
2008e	840	-9,167	-9,107	-9,111	-0.98	neg.	CAGR EBIT 05-09e:	-
2009e	10,980	-10,135	-10,185	-10,189	-1.09	neg.	CAGR EAT 05-09e:	-
Figures in EUR1,000 except EPS, hist. PERs based on average share prices								AS: IFRS

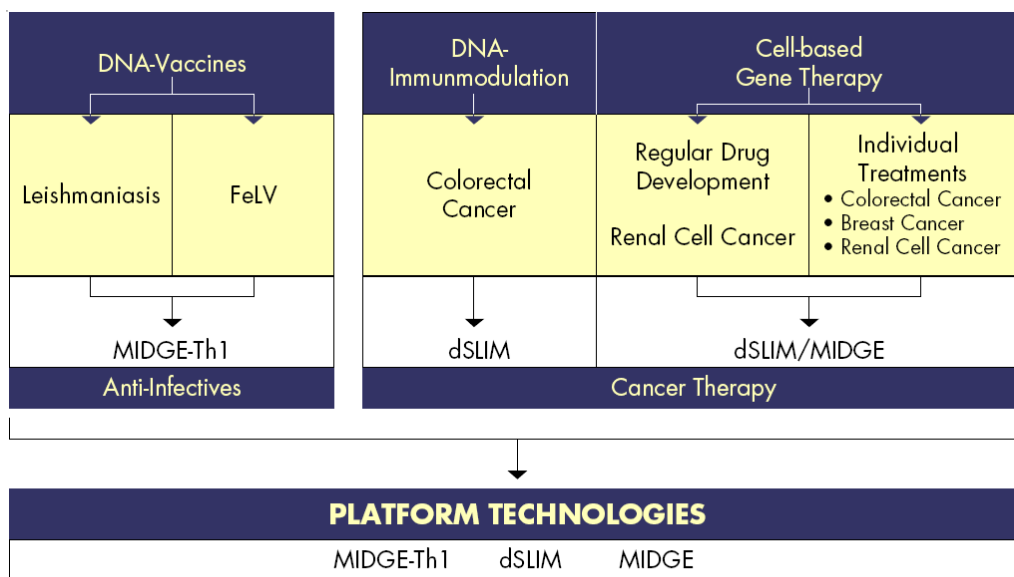
¹⁾²⁾³⁾⁴⁾ Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

Corporate 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 security and efficiency 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.

Platform technologies



Source: MOLOGEN AG

Currently, 40 people are employed in the group, 27 of them in Research & Development, 9 in administration as well as two apprentices and temporary personnel.

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 9M (September 30, 2007)

Sales stagnate at low year-ago levels

In 9M 2007 (September 30), the company's business development was still strongly characterised by the R&D activities. Therefore, sales only reached year-ago levels, amounting to EURO.1m (0.1). Up to now, the company has been unable to generate any significant sales from the authorisation of treatment of colorectal, kidney, breast and lung cancer within the framework of cell-based gene therapy in India, which was granted on August 8, 2007. According to company information, training of the doctors and information of the patients by the distribution partner is running as planned. However, it appears that there has to be time lag between the end of the initial treatment (standard therapy) of the patient and the start of the subsequent MOLOGEN therapy for medical reasons.

Slowly start of treatment in India

EBIT reflects high pre-clinical activity

Due to the intensive pre-clinical research on cancer treatment with dSLIM and MIDGE technologies, the company's EBIT loss widened to EUR-4.1m (year-ago: -2.4).

Cash burn was reduced considerably in Q3

We evaluate positively that the cash burn, which reached EURO.7m in Q3, was significantly lower than we had expected (EUR-1.5m). This was due to the fact that MOLOGEN only prepared its application for clinical trials of dSLIM in the indication of colorectal cancer (CRC) and of dSLIM/MIDGE in cancer therapy through cell-based gene therapy, which was not supported by any cost-intensive pre-clinical studies.

Forecast

Applications for authorisation of clinical trials slightly behind schedule

Preparation of the application for authorisation of the clinical trials of dSLIM in the indication of colorectal cancer (CRC; phases Ib and IIa) and of dSLIM/MIDGE in cancer therapy through cell-based gene therapy (phase I/II) is still underway. Originally, the company had been looking to receive authorisation for dSLIM (CRC) clinical studies at the end of this year and for dSLIM/MIDGE clinical study (cell-based gene therapy) at the beginning of Q1 2008. The delay is due to the high requirements needed for the application as well as additional expert consultations in order to create a cost-friendly design of the studies. MOLOGEN expects to be able to apply for the dSLIM (CRC) trials this very year (start of clinical trials: early 2008e) and for the dSLIM/MIDGE (cell-based gene therapy) trial at the beginning of Q1 2008 (start of clinical trials: HY2 2008e).

Postponement of timetable requires adjustment of forecasts

As both clinical trials will definitely incur costs first in 2008, we have adjusted our forecasts. In addition, we shift the initial sales revenue from marketing of the cell-based gene therapy in India (authorisation granted) and China (authorisation pending) that we had predicted for 2007 to the fiscal year 2008. From today's point of view, revenue will likely accrue first in 2008. The company did not yet manage in the current fiscal year to realise the anticipated sub-licensing of marketing rights for China via its business partner China Import-Marketing und Promotion GmbH (C.I.P.).

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

Consequently, our sales forecast for the current year is shifted to next year. At the same time, EBIT is relieved noticeably in 2007 as the clinical trials will be launched first in 2008. Our adjusted forecasts are as follows:

MOLOGEN AG							
Estimates of selected profit & loss account figures							
Unit:	EUR 1,000						
End of fiscal year:	Dec 31	2007E	2007E	2008E	2008E	2009E	2009E
Reporting standard:	IFRS	old	new	old	new	old	new
Revenue		800	160	1,500	840	12,100	10,980
yoy in %		-85%	-97%	88%	425%	707%	1207%
EBIT		-6,584	-5,647	-8,717	-9,167	-10,925	-10,135
in % of revenues		-823%	-3529%	-581%	-1091%	-90%	-92%
Net profit/loss for the year		-6,413	-5,476	-8,661	-9,111	-10,979	-10,189
in % of revenues		-802%	-3422%	-577%	-1085%	-91%	-93%
EPS		-0.70	-0.59	-0.93	-0.98	-1.18	-1.09

Source: Independent Research

Valuation

Model parameters

To establish a fair value of MOLOGEN, we have used a DCF model (see also initial coverage, May 21, 2007). 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 2016. Our forecast for stage II (after 2016) 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 (vet) 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 resigned to take any other possible licence deals into account for our valuation given the great uncertainty regarding the actual realisation of such deals.

Fair value based on DCF-model: 13,72

We hold on to our model parameters used in our initial valuation. Given these model parameters, the WACC (Weighted Average Cost of Capital) remains at 17.5%. Based on the assumptions mentioned above, the company's equity has a market value of EUR127.8m (before: 128.4). With 9.317m shares (before: 9.287m), this corresponds to a new fair value of EUR13.72 (before: 13.80) per share.

DCF model MOLOGEN AG										
in EURm	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Sales	0.2	0.8	11.0	12.6	28.5	36.4	63.5	101.8	104.8	138.1
Sales growth	-	425%	1207%	15%	125%	28%	74%	60%	3%	32%
EBIT margin	neg.	neg.	neg.	neg.	9.9%	66.4%	78.5%	84.9%	84.1%	86.9%
EBIT	-5.6	-9.2	-10.1	-22.3	2.8	24.2	49.8	86.5	88.1	120.1
- Income tax	0.0	0.0	0.0	0.0	0.0	-3.9	-10.0	-25.9	-26.4	-36.0
+ Depreciation	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7
+/- 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	-5.2	-8.7	-9.6	-21.8	3.4	20.9	40.5	61.2	62.4	84.8
-/+ Change in working capital	-0.8	-1.0	-1.0	-1.0	-1.2	-1.1	-1.9	-2.3	-2.4	-3.2
-/+ Net capital expenditure	-0.5	-0.8	-0.8	-1.0	-1.0	-1.3	-1.9	-3.1	-3.2	-4.3
Free cash flow	-6.4	-10.4	-11.4	-23.8	1.2	18.5	36.7	55.8	56.7	77.3
Present values	-6.3	-8.5	-7.8	-13.7	0.6	7.5	12.5	16.0	13.6	15.6
Sum of present values	29.5									
Terminal value	88.9									
									in % of total value:	75%
Value of operative business (EURm)	118.4									
+ Excess cash (EURm)	9.4									
- Financial debt (EURm)	0.0									
Fair value of equity (EURm)	127.8									
Number of shares (m)	9.317									
Fair value per share in EUR	13.72									

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:	11/15/07

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%	14.69	13.72	12.82	11.99
	0.5%	15.05	14.05	13.12	12.26
	1.0%	15.44	14.40	13.44	12.55
	1.5%	15.85	14.77	13.77	12.85

Source: Independent Research

Conclusion

MOLOGEN concentrates on its goals, while experiencing some delays

MOLOGEN still concentrates on its goal to transfer the products in its pipeline, dSLIM (CRC) and dSLIM/MIDGE (cell-based gene therapy), to the initial clinical phase. The slight deviation from the original timetable is owing to the high schematic efforts required in connection with the application for authorisation and is thus not unusual. In our opinion, it will be crucial for the company to be able to launch the clinical trials in 2008.

Best-case scenario for cell-based gene therapy in India and China has not materialised yet

The non-occurrence of the two best-case scenarios for the out-licensing of the cell-based gene therapy in China and India (noticeable sales in India in 2007; authorisation of therapy in China in 2007) is certainly a disappointment but is not unusual, either, given the low predictability of events in Asia.

General development was solid in 9M ...

On the whole, the business development has been solid in the current year. The extremely positive newsflow of the preceding year has not been matched, but this was not to be expected, either. MOLOGEN is making good headway in creating a fundamental basis for a seminal development in 2008. We expect the authorisation and launch of the first admission-relevant clinical trials of dSLIM (CRC) and dSLIM/MIDGE as well as first noticeable sales revenue from the treatment using cell-based gene therapy in India to be important milestones.

... newsflow expected to be seminal in 2008

Price target: EUR13.80; recommendation: Buy

We see our price target of EUR13.80 confirmed and maintain our Buy recommendation.

MOLOGEN AG												
Profit and loss account												
Unit: EUR1,000												
End of fiscal year: Dec 31	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Reporting standard: IFRS												
Revenue	847	5,227	160	840	10,980	12,642	28,478	36,426	63,508	101,811	104,760	138,125
yo y in %	-60%	517%	-97%	425%	1207%	15%	125%	28%	74%	60%	3%	32%
Others (e.g. cell-based gene therapy)	847	5,227	160	640	880	1,800	1,980	2,178	2,396	2,635	2,899	3,189
dSLIM CRC	0	0	0	0	10,000	0	5,000	26,978	24,099	36,366	48,779	61,339
dSLIM NSCLC	0	0	0	0	0	10,000	0	5,000	23,956	18,019	27,191	36,472
dSLIM BC	0	0	0	0	0	0	10,000	0	5,000	24,048	18,204	27,470
dSLIM RCC	0	0	0	0	0	0	10,000	0	5,000	16,883	3,789	5,717
Leishmaniasis (vet)	0	0	0	200	100	842	1,498	2,270	3,057	3,860	3,898	3,937
Other operating income	811	465	879	200	200	200	200	200	200	200	200	200
Increase/decrease in stocks finished products	-27	80	100	100	100	100	100	100	100	100	100	100
Cost of Goods Sold	-665	-667	-30	-140	-275	-540	-594	-653	-719	-791	-870	-957
Others (e.g. cell-based gene therapy)	-665	-667	-30	-140	-275	-540	-594	-653	-719	-791	-870	-957
dSLIM CRC	0	0	0	0	0	0	0	0	0	0	0	0
dSLIM NSCLC	0	0	0	0	0	0	0	0	0	0	0	0
dSLIM BC	0	0	0	0	0	0	0	0	0	0	0	0
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	966	5,105	1,109	1,000	11,005	12,402	28,184	36,073	63,090	101,320	104,190	137,468
Research & Development	0	0	-1,720	-4,560	-14,890	-27,750	-17,475	-3,000	-3,000	-3,500	-3,500	-3,500
Others (e.g. cell-based gene therapy)	0	0	-150	-650	-1,500	-2,500	-2,500	-3,000	-3,000	-3,500	-3,500	-3,500
dSLIM CRC	0	0	-1,420	-3,760	-6,240	-2,600	0	0	0	0	0	0
dSLIM NSCLC	0	0	-50	-50	-7,050	-7,800	0	0	0	0	0	0
dSLIM BC	0	0	-50	-50	-50	-8,550	-9,300	0	0	0	0	0
dSLIM RCC	0	0	-50	-50	-50	-6,300	-5,675	0	0	0	0	0
Leishmaniasis (vet)	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	-5,018	-4,688	-5,036	-5,607	-6,250	-6,978	-7,876	-8,894	-10,265	-11,349	-12,551	-13,883
Salaries	-2,150	-2,339	-2,397	-2,637	-2,901	-3,264	-3,753	-4,316	-5,179	-5,697	-6,267	-6,894
Amortization	-358	-486	-496	-506	-516	-542	-569	-597	-627	-658	-691	-726
Other operating expenses	-2,510	-1,863	-2,142	-2,464	-2,833	-3,173	-3,554	-3,981	-4,458	-4,993	-5,593	-6,264
Sales & Marketing												
EBIT	-4,052	417	-5,647	-9,167	-10,135	-22,327	2,834	24,179	49,825	86,472	88,140	120,085
in % of revenues	-478.4%	8.0%	-3529.2%	-1091.3%	-92.3%	-176.6%	9.9%	66.4%	78.5%	84.9%	84.1%	86.9%
Financial result	-336	200	175	60	-50	-100	-100	-100	-100	-100	-100	-100
EBT (and minority interests)	-4,388	617	-5,472	-9,107	-10,185	-22,427	2,734	24,079	49,725	86,372	88,040	119,985
in % of revenues	-518.1%	118%	-3418.8%	-1084.1%	-92.8%	-177.4%	9.6%	66.1%	78.3%	84.8%	84.0%	86.9%
Income taxes	-4	-4	-4	-4	-4	-4	-4	-3,869	-9,965	-25,941	-26,442	-36,026
in % of EBT	0%	-1%	0%	0%	0%	0%	0%	-16%	-20%	-30%	-30%	-30%
Earnings before minority interests	-4,392	613	-5,476	-9,111	-10,189	-22,431	2,730	20,210	39,760	60,430	61,598	83,960
in % of revenues	-518.5%	117%	-3422.3%	-1084.6%	-92.8%	-177.4%	9.6%	55.5%	62.6%	59.4%	58.8%	60.8%
Minority interests	-2	-2	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	-4,394	611	-5,476	-9,111	-10,189	-22,431	2,730	20,210	39,760	60,430	61,598	83,960
in % of revenues	-518.8%	117%	-3422.3%	-1084.6%	-92.8%	-177.4%	9.6%	55.5%	62.6%	59.4%	58.8%	60.8%
Weighted average number of shares (in 1,000)	8,288	8,402	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317
EPS	-0.53	0.07	-0.59	-0.98	-1.09	-2.41	0.29	2.17	4.27	6.49	6.61	9.01

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: 11/16/2007 -

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: - 11/16/2007 -

**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