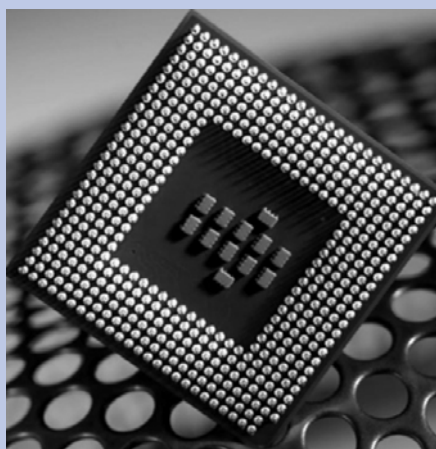


Date

01/07/2008



### Hansen Sicherheitstechnik AG

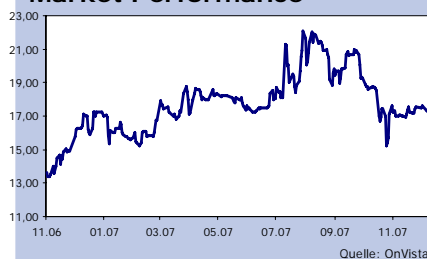
ISIN: **DE000HAST002**  
 Price **€ 17.52**  
 (01/03/08):  
 Market **€ 43.5 mil.**  
 capitalisation  
 Free float **32%**

### Financial Calendar

### Shareholder Structure

Kopex S.A. **68%**

### Market Performance



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## Hansen Sicherheitstechnik AG

### Strategy Change in South Africa Paying Off

■ **Rating: Buy**

■ **Target price: 24.90 €**

Given the major contract that was recently won in South Africa we recommend that Hansen shareholders not take advantage of the offer window (12/31/07 to 01/31/08). The large contract is evidence of Hansen's positive operating trend, one that should continue in 2008. Additional positive impacts are expected from the cost-cutting program as well. We see this as further proof of our revenues and earnings estimates for 2008 and 2009. A hedge for the investor consists of the second offer window (mid-2008); Kopex S.A. is offering €17.50 per share.

### Investment Highlights

- The order reported in mid-December (volume € 22 mil. or ZAR 220 mil.) is the largest single order in Hansen's history. During the years 2008 to 2011, the contract will contribute roughly € 6 mil. to € 4.5 mil. to the revenues of the wholly-owned South African subsidiary Hansen + Genwest. The operating margin will still be nearly the same. A slightly increasing share of material costs is coupled with higher capacity utilisation.
- Capacities. The major contract will tie up about one third of Hansen + Genwest's capacities. Personnel should be increased by about 10% to a maximum of 49 employees.
- Replacement of oil transformers. The contract for the delivery of 350 dry-type transformers is for the replacement of old oil transformers. This is part of a world-wide trend. Since oil transformers are associated with environmental and fire safety risks, it is necessary to replace them over the long term with the dry-type transformers costing about four times as much.
- Price risks. There are hardly any calculatory risks associated with the major South African contract. The contract contains price escalator clauses covering the major cost items (such as personnel, copper, transformer plate, insulation material and electronic components). Adjustments are made every three months.
- Offer window. Kopex S.A.'s offer (of € 17.50 per share) is available to Hansen shareholders from 12/31/2007 to 01/31/2008 and from 06/30 to 07/31/2008. Given the favorable operating trend, we recommend that investors not take advantage of the first offer window and to consider the second offer window as a share price hedge.

### Key Ratios\*

	Reve- nues	EPS adj.	P/E	EV/ sales	EV/ EBIT	EBIT margi	Div. yield	ROE (%)
2005	43.9	2.12	n.a.	n.a.	n.a.	21.4	n.a.	38.6
2006	41.5	1.72	5.8	0.89	4.6	19.4	5.0	26.4
2007e	40.5	2.16	8.1	1.40	6.0	23.2	3.1	27.8
2008e	44.9	2.47	7.1	1.26	5.4	23.2	3.3	26.0
2009e	49.8	0.60	6.4	1.14	5.0	22.9	3.4	24.1

Company data / Vara Research GmbH  
 \*Values were adjusted for the stock split

## Income Statement

(in millions of €)	2005	2006	2007e	2008e	2009e
Revenues	43.923	41.511	40.458	44.887	49.835
Change in inventories	0.356	1.225	1.194	1.325	1.471
Other own output carried as assets	0.000	0.000	0.000	0.000	0.000
Other operating income / expenses	0.847	0.796	0.776	0.860	0.955
Total output	45.126	43.532	42.428	47.072	52.260
Cost of goods sold	-21.709	-22.961	-20.178	-22.364	-24.941
Gross income	23.416	20.571	22.250	24.708	27.319
Personnel expenses	-9.480	-9.591	-7.854	-8.750	-9.754
Other expenses	-3.999	-4.382	-4.204	-4.671	-5.195
EBITDA	9.938	6.597	10.193	11.286	12.369
Depreciation/amortization	-0.551	-0.816	-0.797	-0.880	-0.973
EBIT	9.387	5.781	9.395	10.406	11.397
Net financial income/expense	-0.189	-0.123	0.300	0.589	0.792
Extraordinary income (loss) before taxes	0.000	0.000	0.000	0.000	0.000
Earnings before income taxes	9.198	5.658	9.695	10.995	12.189
Extraordinary income (loss) after taxes	0.000	0.000	0.000	0.000	0.000
Income tax	-2.241	-1.969	-2.424	-2.749	-3.048
Minority interests	-2.189	-1.828	-1.886	-2.082	-2.298
Net income	4.768	1.861	5.385	6.164	6.844
Adjustment items	0.000	2.263	0.000	0.000	0.000
Adjusted net income	4.768	4.124	5.385	6.164	6.844
Weighted number of shares	2.25	2.40	2.50	2.50	2.50
Reported EPS	2.12	0.78	2.16	2.47	2.74
Adjusted EPS	2.12	1.72	2.16	2.47	2.74
DPS	0.50	0.50	0.55	0.58	0.60

Source: Company data / Vara Research GmbH  
\*Values were adjusted for the stock split

## Cash Flow Statement

(in millions of €)	2005	2006	2007e	2008e	2009e
Cash provided by operating activities	5.494	5.269	7.339	6.989	7.844
Cash used in investing activities	-1.296	-3.632	-1.189	-1.299	-1.421
Cash provided by / used in financing activities	0.532	-0.525	-1.199	-1.374	-1.436
Change in cash	4.729	1.113	4.951	4.316	4.987
Cash, end of period	8.129	9.100	14.050	18.367	23.353

Source: Company data / Vara Research GmbH

## Balance Sheet

(in millions of €)	2005	2006	2007e	2008e	2009e
Non-current assets	8.216	11.267	11.659	12.078	12.526
Intangible assets	4.284	4.378	4.378	4.378	4.378
Property, plant and equipment	3.924	6.830	7.222	7.641	8.089
Financial assets	0.009	0.059	0.059	0.059	0.059
Current assets	25.626	24.613	29.170	35.141	41.977
Inventories	6.954	7.360	7.173	7.958	8.835
Receivables	10.544	8.154	7.947	8.817	9.788
Cash and securities	8.129	9.100	14.050	18.367	23.353
Other assets	0.598	0.501	0.501	0.501	0.501
Total assets	34.441	36.381	41.330	47.720	55.004
Equity	21.469	23.664	28.736	34.608	41.313
Capital reserves	17.300	18.805	22.991	27.781	33.189
Minority interests	4.169	4.859	5.745	6.827	8.125
Provisions	0.338	2.089	2.089	2.089	2.089
Liabilities	12.634	10.358	10.235	10.753	11.332
Interest-bearing liabilities	4.221	5.502	5.502	5.502	5.502
Non-interest-bearing liabilities	8.413	4.856	4.733	5.251	5.830
Other liabilities	0.000	0.270	0.270	0.270	0.270
Total equity and liabilities	34.441	36.381	41.330	47.720	55.004

Source: Company data / Vara Research GmbH

## Key Ratios

	2005	2006	2007e	2008e	2009e
<b>Valuation Key Ratios</b>					
EV/Revenues	n/a	0.9	1.4	1.3	1.1
EV/EBITDA	n/a	4.2	5.6	5.0	4.6
EV/EBIT	n/a	4.6	6.0	5.4	5.0
Reported P/E	n/a	12.9	8.1	7.1	6.4
Adjusted P/E	n/a	5.8	8.1	7.1	6.4
PCPS	n/a	5.7	7.1	6.2	5.6
Price/book value	n/a	1.3	1.9	1.6	1.3
<b>Profitability Key Ratios in %</b>					
Gross margin	53.3%	52.0%	55.0%	55.0%	54.8%
EBITDA margin	22.6%	21.3%	25.2%	25.1%	24.8%
EBIT margin	21.4%	19.4%	23.2%	23.2%	22.9%
Pre-tax margin	20.9%	19.1%	24.0%	24.5%	24.5%
Net margin	10.9%	9.9%	13.3%	13.7%	13.7%
ROE	38.6%	26.4%	27.8%	26.0%	24.1%
ROCE	61.1%	42.3%	42.4%	45.2%	46.2%
<b>Productivity Key Ratios</b>					
Revenues/employee (in Euro '000)	113.8	101.0	98.0	108.3	119.6
Net income/employee (in Euro '000)	12.4	10.0	13.0	14.9	16.4
No. of employees	386	411	413	415	417
<b>Financial Key Ratios</b>					
Equity ratio	62.3%	65.0%	69.5%	72.5%	75.1%
Gearing	-17.0%	-15.2%	-29.7%	-37.2%	-43.2%
Payout ratio	23.6%	29.1%	25.5%	23.3%	21.9%
Dividend yield	n/a	5.0%	3.1%	3.3%	3.4%
<b>Cash Flow Key Ratios</b>					
Cash flow per share	3.85	1.76	2.47	2.82	3.13
Free cash flow per share	3.17	0.24	2.00	2.30	2.56
<b>Other Key Ratios</b>					
WC/revenues	20.7%	25.7%	25.7%	25.7%	25.7%
Depreciation/revenues	1.3%	2.0%	2.0%	2.0%	2.0%
Capex/Op. cash flow	26.0%	655.4%	23.8%	22.6%	22.2%
Capex/revenues	4.2%	9.3%	2.9%	2.9%	2.9%
Tax rate	24.4%	34.8%	25.0%	25.0%	25.0%

Source: Company data / Vara Research GmbH  
\*Values were adjusted for the stock split