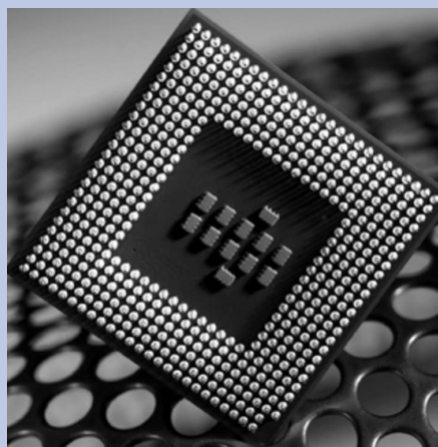


Date **03/26/2007**



## Hansen Sicherheitstechnik AG

### Exercised Value-Adding Repurchase Option

■ **Rating: Buy**                      ■ **Target price: 51.55 €**

By exercising the repurchase option, Hansen Sicherheitstechnik AG is acquiring the remaining 29.45% share of the South African subsidiary "Hansen+Genwest". We believe this transaction will increase the share's value in the long term. The transaction should contribute towards accelerating growth in South Africa. At the EPS level the effects are moderate in scope: We adjust our estimates for 2007 from € 3.91 to € 3.99 and for 2008 from € 4.43 to € 4.51. The value of shareholders' equity increases through the reduction of minority interests by around EUR 400 thousand. We are increasing our target price accordingly to € 51.55 (formerly € 51.25) and staying with our recommendation to buy.

### ■ Investment Highlights

- Hansen Sicherheitstechnik AG reported today that they acquired the remaining 29.45% share of the South African subsidiary "Hansen+Genwest" for a price of EUR 100 thousand. This transaction was made possible by a repurchase option since the hoped-for success within the "Black Economic Empowerment" project did not materialize as planned.
- The South African subsidiary Hansen+Genwest was able to increase its revenues in local currency by 34% from 2005 to 2006 and its EBIT in 2006 was EUR 280 thousand.
- If you use Hansen Sicherheitstechnik AG's 2006 EBIT multiplier (5.9) as a basis, you would receive a fair value of EUR 500 thousand for the 29.45% share of the South African company, which translates into an instant gain of EUR 400 thousand considering the actual price paid of EUR 100 thousand. In relation to the market capitalization of € 42 million, the gain amounts to about one percent, which should not influence the share price immediately, but opens up new growth perspectives over the mid- to long term.
- The potential of the South African market is judged to be very high. Revenues should increase from about € 3 million to € 10 million by the year 2010. In order to raise this large potential, Christoph Schroeder (graduate engineer and business graduate) was chosen, who already was able to successfully shape the expansion in the Russian market. South Africa is intended to serve as the basis for expansion in India and Australia.

#### Hansen Sicherheitstechnik AG

ISIN: **DE000HAST002**  
 Price (03/23/07) **33.50 €**  
 Market cap. **41.9 mil. €**  
 Free Float **19.3%**

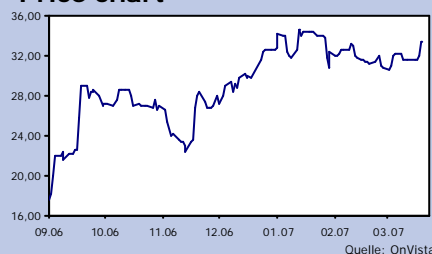
#### Financial Calendar

April/May 2007 **2006 Annual report**  
 April/May 2007 **Analyst meeting**  
 May/June 2007 **AGM**

#### Shareholder structure

Hansen Beteiligungs GmbH **80.7%**

#### Price chart



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### ■ Key ratios

	Sales	EPS adj.	PE	EV/Sales	EV/EBIT	EBIT Margin	Div. yield	ROE (%)
2004	27.7	2.68	n.a.	n.a.	n.a.	20.6	n.a.	n.a.
2005	43.9	4.24	n.a.	n.a.	n.a.	21.4	n.a.	n.a.
2006e	40.6	3.65	9.2	1.26	6.3	20.0	3.0	27.4
2007e	42.3	3.99	8.4	1.20	6.0	20.1	3.3	25.3
2008e	47.0	4.51	7.4	1.08	5.4	20.1	3.4	24.1

Source: Company data / Vara Research GmbH

## Income Statement

(in millions of €)	2004	2005	2006e	2007e	2008e
Revenues	27.749	43.923	40.566	42.273	46.956
Change in inventories	0.596	0.356	0.329	0.342	0.380
Other own output carried as assets	0.000	0.000	0.000	0.000	0.000
Other operating income / expenses	0.628	0.847	0.782	0.815	0.905
Total output	28.973	45.126	41.677	43.431	48.241
Cost of goods sold	-13.306	-21.709	-20.043	-20.867	-23.182
Gross income	15.667	23.416	21.634	22.563	25.059
Personnel expenses	-6.249	-9.480	-8.773	-9.100	-10.087
Other expenses	-3.294	-3.999	-6.275	-4.464	-4.960
EBITDA	6.125	9.938	6.586	8.999	10.013
Depreciation/amortization	-0.396	-0.551	-0.467	-0.495	-0.566
EBIT	5.729	9.387	6.120	8.505	9.446
Net financial income/expense	-0.148	-0.189	0.142	0.273	0.437
Extraordinary income (loss) before taxes	0.000	0.000	0.000	0.000	0.000
Earnings before income taxes	5.581	9.198	6.261	8.778	9.883
Extraordinary income (loss) after taxes	0.000	0.000	0.000	0.000	0.000
Income tax	-1.242	-2.241	-1.525	-2.139	-2.408
Minority interests	-1.329	-2.189	-1.689	-1.673	-1.854
Net income	3.011	4.768	3.046	4.966	5.621
Adjustment items	0.000	0.000	1.500	0.000	0.000
Adjusted net income	3.011	4.768	4.546	4.966	5.621
Weighted number of shares	1.13	1.13	1.25	1.25	1.25
Reported EPS	2.68	4.24	2.45	3.99	4.51
Adjusted EPS	2.68	4.24	3.65	3.99	4.51
DPS	0.00	1.00	1.00	1.10	1.15

Source: Company data / Vara Research GmbH

## Cash Flow Statement

(in millions of €)	2004	2005	2006e	2007e	2008e
Cash provided by operating activities	3.623	5.494	3.693	5.743	5.947
Cash used in investing activities	-1.117	-1.296	-0.485	-0.507	-0.562
Cash provided by / used in financing activities	-1.236	0.532	-2.025	-1.245	-1.370
Change in cash	1.270	4.729	1.182	3.991	4.015
Cash, end of period	2.933	8.129	9.312	13.303	17.318

Source: Company data / Vara Research GmbH

## Balance Sheet

(in millions of €)	2004	2005	2006e	2007e	2008e
Non-current assets	7.320	8.216	8.235	8.247	8.242
Intangible assets	4.321	4.284	4.284	4.284	4.284
Property, plant and equipment	2.999	3.924	3.942	3.954	3.949
Financial assets	0.000	0.009	0.009	0.009	0.009
Current assets	14.867	25.626	27.815	32.586	38.737
Inventories	5.541	6.954	7.354	7.663	8.512
Receivables	6.393	10.544	11.150	11.619	12.907
Cash and securities	2.933	8.129	9.312	13.303	17.318
Other assets	0.365	0.598	0.598	0.598	0.598
Total assets	22.552	34.441	36.648	41.430	47.577
Shareholders' equity	14.565	21.469	24.080	28.474	33.580
Reserves	11.864	17.300	19.222	23.043	27.294
Minority shares	2.702	4.169	4.858	5.431	6.285
Provisions	0.160	0.338	0.351	0.365	0.379
Liabilities	7.826	12.634	12.218	12.592	13.619
Interest-bearing liabilities	2.417	4.221	3.321	3.321	3.321
Non-interest-bearing liabilities	5.410	8.413	8.896	9.271	10.298
Other liabilities	0.000	0.000	0.000	0.000	0.000
Total equity and liabilities	22.552	34.441	36.648	41.430	47.577

Source: Company data / Vara Research GmbH

## Key Ratios

	2004	2005	2006e	2007e	2008e
<b>Valuation Key Ratios</b>					
EV/Revenues	n.a.	n.a.	1.3	1.2	1.1
EV/EBITDA	n.a.	n.a.	5.9	5.7	5.1
EV/EBIT	n.a.	n.a.	6.3	6.0	5.4
Reported P/E	n.a.	n.a.	13.7	8.4	7.4
Adjusted P/E	n.a.	n.a.	9.2	8.4	7.4
PCPS	n.a.	n.a.	8.3	7.6	6.7
Price/book value	n.a.	n.a.	2.2	1.8	1.5
<b>Profitability Key Ratios in %</b>					
Gross margin	56.5%	53.3%	53.3%	53.4%	53.4%
EBITDA margin	22.1%	22.6%	21.2%	21.3%	21.3%
EBIT margin	20.6%	21.4%	20.0%	20.1%	20.1%
Pre-tax margin	20.1%	20.9%	20.4%	20.8%	21.0%
Net margin	10.8%	10.9%	11.2%	11.7%	12.0%
ROE	n.a.	38.6%	27.4%	25.3%	24.1%
ROCE	n.a.	61.1%	45.9%	46.6%	49.6%
<b>Productivity Key Ratios</b>					
Revenues/employee (in Euro ,000)	77.9	113.8	100.1	103.8	114.7
Net income/employee (in Euro ,000)	8.5	12.4	11.2	12.2	13.7
No. of employees	356	386	405	407	409
<b>Financial Key Ratios</b>					
Equity ratio	64.6%	62.3%	65.7%	68.7%	70.6%
Gearing	-2.9%	-17.0%	-23.7%	-34.0%	-40.8%
Payout ratio	0.0%	23.6%	27.4%	27.6%	25.5%
Dividend yield	n.a.	n.a.	3.0%	3.3%	3.4%
<b>Cash Flow Key Ratios</b>					
Cash flow per share	4.46	7.70	4.04	4.40	4.98
Free cash flow per share	3.39	6.35	3.65	3.99	4.53
<b>Other Key Ratios</b>					
Working Capital/revenues	23.5%	20.7%	23.7%	23.7%	23.7%
Depreciation/revenues	1.4%	1.3%	1.2%	1.2%	1.2%
Capex/op. cash flow	37.9%	26.0%	10.7%	10.2%	10.0%
Capex/revenues	5.2%	4.2%	1.2%	1.2%	1.2%
Tax rate	22.2%	24.4%	24.4%	24.4%	24.4%

Source: Company data / Vara Research GmbH

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Authors of this financial analysis: Daniel Grossjohann, Analyst, and Michael Vara, Analyst and CEO of Vara Research GmbH

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Company	Date	Rating	Target price
Hansen Sicherheitstechnik AG	03/07/2007	Buy	€51.25

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(03/26/2007)

4. Date and time of the prices of financial instruments disclosed therein:  
(Price on 03/23/2007)

5. Updates:

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