



SILVIA QUANDT
RESEARCH GMBH

Frogster Interactive Pictures AG

Excellent Q2 results, 1st positive results

		Key Data			
		Absolute	-1m	-3m	Y-t-d
		%	30.1	96.9	179.1
Net Gearing (2008)					0
FCF Yield (2009e)					7.82%
Shares outstanding (m)					2.525
Market Cap (€m)					40.73
Next event					publication of 2009 interim Report, September 2009
Source: Bloomberg, Silvia Quandt Research GmbH					

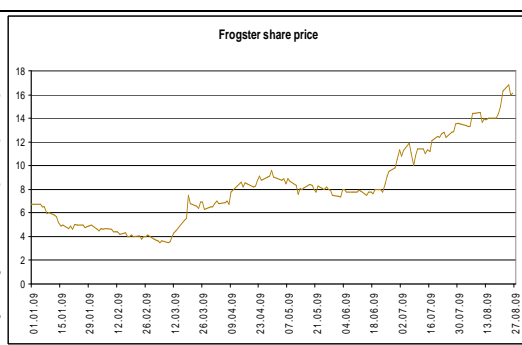
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Rating: Buy | **Target price: €24.18** | **Close 26/06/09: €6.79** | **RIC: FRGG.DE**

- Frogster reported its first ever profit after taxation based on the huge success of Runes of Magic. H1 revenues rose over 500% to € 5.1m (08: €08m) and the profit after taxation was € 1.348m (08: € -1.623m) after minorities of € 1.113m(08: €-1.468m).
- Revenues of Runes of Magic rose 40% monthly from January to June and, even July which should have been lower due to vacations and good weather was up 20% on June. Compared to January 2009, July revenues were up 20 times.
- Management expects H2 to continue positively with the release of Chapter 2 in September as well as recent launches of the French and Spanish versions of Runes of magic. The US just saw the launch of a Spanish language version as well and at the end of September Frogster will launch a Korean version of the game in South Korea.
- The results are exactly in line with our expectations and we continue to remain bullish on the Stock and Runes of Magic. We are maintaining our Buy rating and the price target of €24.18.

Period		2008	2009e	2010e	2011e
In Million's of Euro					
Revenue		3.04	12.78	28.67	42.67
	yoy growth	-29.79%	320.23%	124.39%	48.84%
Gross Profit		1.49	9.07	20.16	30.08
	% margin	49.01%	70.97%	70.31%	70.50%
EBITDA		-4.92	3.46	11.54	21.68
	% margin	-161.84%	27.10%	40.25%	50.81%
Net Income		-5.35	0.75	5.85	13.16
	% margin	-1.76	0.06	0.20	0.31
EPS		-2.60	0.21	2.05	4.79
	yoy growth	-22.85%	-107.91%	898.07%	133.55%
Dividends per Share		0	0	0.25	1
	yoy growth	n/a	n/a	n/a	300.00%

Source: Company Data, Silvia Quandt Research GmbH



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Disclaimer

This analysis was prepared by Jacques Abramowicz, Head of Technology, Media and Telecommunications, and was first published 27 August 2009, Silvia Quandt Research GmbH, Grüneburgweg 18, 60322 Frankfurt is responsible for its preparation. German Regulatory Authority: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Graurheindorfer Str. 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt.

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31 buys	8
4 neutral	1
4 avoids	0

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