



Frogster Interactive Pictures AG

Shareholder pool formed to sell company

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Rating: Buy	Target price: €24.18	Close 16/10/09: €18.0	RIC: FRGG.DE
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- After Friday's market close, Günther Paul Low, board member of Impera Total Return AG, who is Frogster's largest shareholder approached other shareholders with the aim of forming a pool in order to sell Frogster to a strategic partner. The aim is to pool at least 50% of the shares. Corporate Finance Partners was retained as the M&A adviser by the pool.
- The pool will have a 9 month period to find a buyer for the then prevalent price with a minimum price target of €30.
- We have a €24.18 price target on the stock and expect Frogster to earn €0.73 per share this year. The stock is up over 9% this morning trading between €19-20.
- **We reiterate our Buy rating on the stock seeing that the pools target price is 20% higher than ours and 50% higher than the current share price.**

Period		2008	2009e	2010e	2011e
In Million's of Euro					
Revenue		3.04	14.40	28.67	42.67
	yoy growth	-29.79%	373.68%	99.07%	48.84%
Gross Profit		1.49	11.52	20.16	30.08
	% margin	49.01%	80.00%	70.31%	70.50%
EBITDA		-4.92	5.92	11.54	21.68
	% margin	-161.84%	41.08%	40.25%	50.81%
Net Income		-5.35	2.48	5.85	13.16
	% margin	-1.76	0.17	0.20	0.31
EPS		-2.60	0.73	2.05	4.79
	yoy growth	-22.85%	-128.15%	180.32%	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 19 October 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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