

■ **Price (Euro)** **12.00**
52 weeks range 17.90 / 10.10

■ **Key data**

Security ID-No.	121806
Reuters	A7AG.DE
Bloomberg	A7A GR
Stock market segment	Entry Standard
Reporting standard	IFRS
Market Cap (Euro million)	54.5
Shares outstanding (million)	4.54
Free Float	23.8%
Free Float MarketCap (m)	13.0
CAGR 2008e-2011e EBITDA	15.2%

■ Multiples	2008	2009e	2010e	2011e
MarketCap / Total income	2.2	1.7	2.2	1.9
PE Ratio	neg.	neg.	11.9	7.7
Dividend Yield	0.0%	0.0%	4.2%	8.3%

■ Key data per Share (Euro)	2008	2009e	2010e	2011e
EPS (Earnings per Share)	-0.56	0.17	1.01	1.57
Dividends per Share	0.00	0.00	0.50	1.00

■ Financial data (Euro '000)	2008	2009e	2010e	2011e
Sales revenues	17,975	19,381	21,320	24,360
Total operating income	25,136	31,993	25,220	28,060
Operating profit (EBIT)	-2,317	649	4,970	7,570
Operating profit (EBITDA)	5,545	7,232	6,270	8,480
Pre-tax profit (EBT)	-1,164	1,008	5,320	8,170
Net Income after minorities	-2,397	785	4,580	7,115
Shareholders' Equity (million)	49.0	47.9	50.2	52.8
Assets under Mgmt. (million)	680	698	800	950

■ **Main Shareholders**

ABL-group	61.7%
Family Silvia Quandt	7.5%
Allianz Global Investors	5.5%

■ **Financial calendar**

annual report 2009	27 April 2010
AGM	2 July 2010
1H 2010	August 2010

■ **Analyst**

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Good 2009 prelims and rising mgmt. and performance fees realistic for 2010/ 2011

Altira announced today its 2009 prelims. All in all numbers came in slightly above our expectations. The management gave no concrete guidance on 2010 numbers but there are some promising growth initiatives underway making us optimistic for steeply rising fees to come.

Sales revenues came in better than we expected at Euro 19.4m. Our expectation was at Euro 18.0m more conservative. After 2008 with no performance fees the performance fees came back to Euro 4.3m and thereof roughly 75% came from Public Markets segment. Looking at 2007 with descent market conditions performance fee was still more than double (Euro 9.3m).

Looking at EBITDA result it was at Euro 7.2m far above our expectation of Euro 2.3m. The reason was a one-off effect from tendering shares on R2 management company into listed MAGNAT shares where Altira holds now a 14% stake (net effect: Euro +5.3m). If we take this one-off out we come to a clean EBITDA of Euro 1.9m slightly below our estimate. Looking at the costs of purchased services there was included some external advisory fees of roughly Euro 2m for Wolfgang Mayr for the VCH Natural Resources. As the fund changed to internal management with well-known Ute Speidel since 1 March we expect the management costs to decline and much better chances for new institutional and retail inflow.

Looking at the EBIT profit it came back to profit zone at Euro 0.6m (2008: Euro -2.3m) above our projection of Euro 0.4m. Keep in mind that EBIT result was impaired by non-cash write downs on eolutions (Euro -3.0m) and African Development Corporation ADC (-1.2m) and others (Euro -2.1m). The overall assets slightly rose by 3% to Euro 698m in-line with our estimate (Euro 700m).

The public markets (VCH/ Patriarch) performed well with a jump in assets from Euro 246m to Euro 310m (+26%). The Euro 64m jump came from both, remarkable new net inflow (34% share) and a good performance (66% share). The private markets segment AuM came down 45m (-10%) to Euro 388m mainly due to the R2 one-off.

In our view 2009 results are a good starting point to bring up the cash profits in 2010 and thereafter. As we reported on 3 March the very good news at ClearSight fundraising will foster future performance fees by Euro 6m – 8m the next 3 or 4 years. And the are chances to lift money inflow again in the VCH funds family. And the ADC IPO might come in 2011 after Altira plans to raise another Euro 30m for Africa in this year. With a tight costs discipline we expect clean 2010 EBITDA to more than double to Euro 4.7m. **Buy and TP € 24 confirmed.**

SWOT Analysis

Strengths

- Management consists of very qualified investment experts with a proven track record and sound network throughout the financial industry and beyond (e.g. in politics, commercial associations)
- Highly conservative capital structure with a current equity ratio of 78% as of 4Q 2009, no interest bearing debt
- Broadly diversified investment portfolio, both regionally (Western Europe, Eastern Europe, Africa) and in terms of selected industry (e.g. German Mittelstand and Restructuring, Natural Resources, New Energy, Real Estate, Africa)
- Rebound in assets in 2009, now +3% against 2008 to almost Euro 700m, public markets even jumped in 2009 by 26% to over Euro 300m

Weaknesses

- Many of Altira's Private Equity investments are at an early stage and could not contribute too much cash flow to the group so far – that will change between 2011 and 2013
- The weak economic climate forced some of Altira's German Mittelstand holdings like CFC to support their portfolio companies. As experienced since the beginning of the crisis, some exchange-listed investments still suffer from low stock prices.

Opportunities

- Price levels for both private and public investments are still fairly low in the aftermath of the financial crisis and the high cash base puts Altira in a very comfortable position to exploit opportunities immediately.
- Altira's stock price reflects the huge discounts to NAV within the whole peer group at the moment but does not take the stage of many of the portfolio's investments into account. Attractive conditions regarding the distribution of future profits (e.g. carried interest) bare enormous potential for revenues in the next years, in particular 2011 to 2013.
- Current success at fundraising like ClearSight Turnaround Fund I bears upside potential for the next few years P&Ls (Euro 6m to Euro 8m)
- Alternative Investments in worldwide megatrends like Commodities, New Energy or Africa attract more and more interest and liquidity.
- The new ecolutions-Gazprom JV for the marketing of Certified Emissions Reductions is an important milestone.

Threats

- Company's success is highly dependent on the management of its portfolio-companies and the network of the ABL-Group partners.
- Remaining uncertainty about the overall economic development worldwide and/or another severe backdrop of the world's stock markets.
- Uncertainty about the implementation of a worldwide trading scheme for carbon certificates as well as irregularities with the registration of chinese projects for the Clean Development Mechanism.

Huge increase in public markets, stable business in private markets, overall assets slightly up 3%

Public markets with strong recovery/ balanced overall portfolio

Looking at 2009 prelims the total AuM stabilized at almost Euro 700 m (Euro 698m) even slightly higher than at year-end 2008 (Euro 680m).

The public markets segment delivered a huge increase of 26% to Euro 310m (2008: Euro 246m). The private markets segment was down -10% or Euro 45m to Euro 388m (2008: Euro 433m) mainly due to the R2/ Magnat one-off. Otherwise business was stable here in a shaky market environment.

Stable assets in a challenging environment – public markets stronger than last year – many growth initiatives underway

- Good progress at Heliad – TIG merger will bring down costs and lifts synergies
- Turnaround Fund I raised Euro 95 and exceeded target – will boost future mgmt and perf. fees
- Building up an internal mgmt around Ute Speidel instead of external mgmt – makes it easier to attract fresh money
- Capital increase underway to lift ADC assets up to Euro 50m in this year
- Altira entered Varengold Bank in Nov. 2009 with a 9.9% stake to get a footprint in the important Managed Futures Market

Altira

Investment pillars (Euro million)	2008	2009	y-o-y
German SME and restructurings	262	219	-16.4%
- Heliad Equity Partners			
- ClearSight Investments			
Renewable Energies and Natural Resources	140	176	25.7%
- VCH Natural Resources			
- VCH Renewable Energies			
- ecolutions			
Africa	21	19	-9.5%
- ADC African Development Corporation			
Other alternative investments	256	283	10.5%
- Patriarch Multi-Manager			
- Varengold			
- MAGNAT			

Private Markets vs. Public Markets

Private Markets	433	388	-10.4%
Public Markets	246	310	26.0%
Total	679	698	2.8%

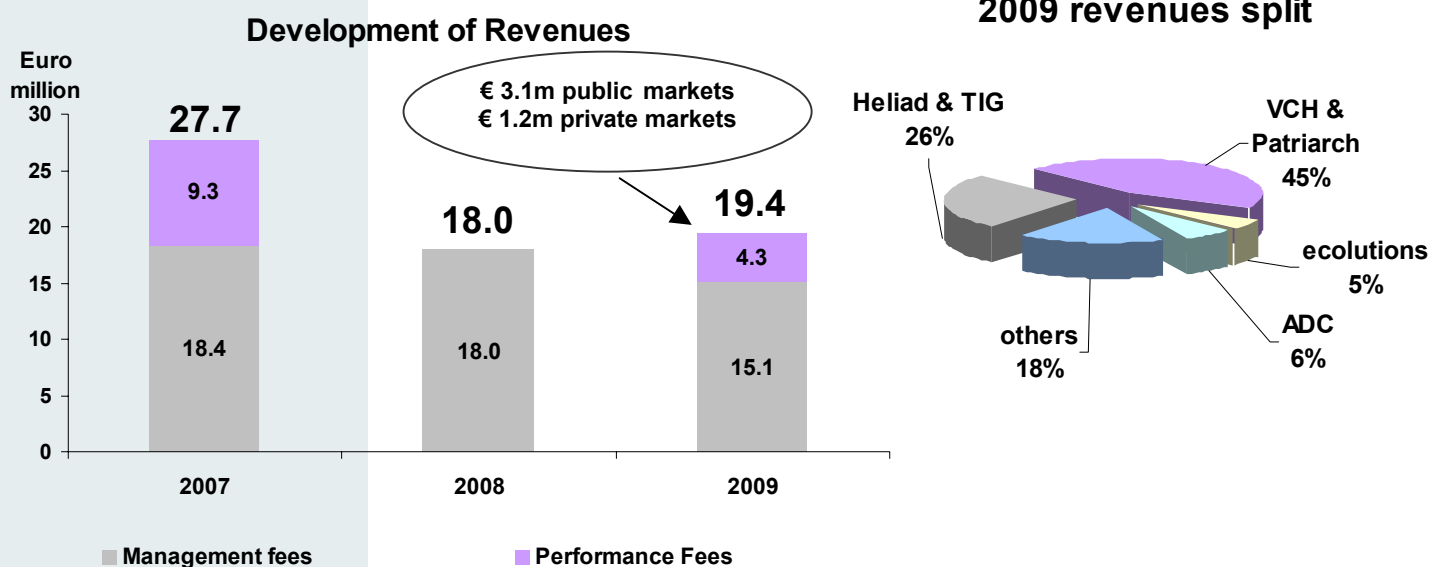
Source: Company data

After a year without any performance fees there were at least Euro 4m in 2009

Altira returned to profit zone due to its improved diversification

Looking at the company's revenues they came from almost all parts of Altira's business. And looking at the performance fees they returned after a Zero-game in the financial turmoil year of 2008. But there is still potential for a steep growth here looking at 2007 performance fees levels which were more than double of 2009-levels and the new institutional money at ClearSight (Euro 95m with a 40% Altira stake) and the good future prospects for VCH and Patriarch funds of funds.

2009 was the return of first performance fees and Altira profited by its sound diversification



Source: Company data

Altira has proven relative strength in a shaky environment with EBIT coming back to profit zone

For 2010 we expect AuM to rise to Euro 800m and EBIT to jump to almost Euro 5.0m

In our view Altira has proven relative strength in a shaky environment and already worked on several interesting projects to lift its future asset and income base. EBIT result returned to profit zone and was even slightly better than we expected. For EBITDA the reported numbers on a cleaned basis were in-line with our expectations. Altira has still a sound cash base of more than Euro 15m and a shareholder's equity for year-end 2009 of Euro 48m almost unchanged to the previous year-end 2008 (Euro 49m). Altira expects under normalizing market conditions assets to rise near to Euro 900m or even more. We stay conservative and expect a jump by about Euro 100m to Euro 800m and another Euro 150m to Euro 950m at year-end 2011.

For 2010 we expect Altira to deliver an EBIT profit of almost Euro 5.0m (2009: Euro 0.6m) and an EBITDA profit of Euro 6.3m near to 2009-figure of Euro 7.2m but without MAGNAT one-off gain (Euro 5.3m) which means that clean EBITDA should more than triple from approx. Euro 2m in 2009.

Altira currently is valued at stock market at only 7.8% of its assets under management. We expect assets to grow quickly in the next 2-3 years in a range above Euro 1bn with a much better picture at performance fees and rising management fees as well. For 2011e we took as conservative approach Euro 950m assets.

We expect 2010 revenues to climb by 10% and 2011 revenues to climb by 14%

If we take a 10%-12% valuation from its assets for the improved revenues (+10% in 2010e and +14% in 2011e) we come up with a fair value range of Euro 21 to Euro 25 per Altira share.

For this reason and the numerous growth initiatives we keep our Buy rating after 2009 prelims which came all in all slightly above our expectations. We also keep our 24 Euros target price unchanged.

P&L account and some key data

Altira AG 31/12 IFRS (Euro '000)	2006	2007	2008	2009	2010e	2011e	CAGR 2008-2011e
Sales revenues	24,854	27,726	17,975	19,381	21,320	24,360	10.7%
Proceeds from sale of securities and financial assets	17,606	6,612	7,131	106	700	3,400	
Book value of securities and financial assets (posted at time of disposal)	-8,948	-5,169	-3,539	0	-300	-2,500	
Other operating income	2,270	5,941	3,569	12,506	3,500	2,800	
Total operating income after book value outflow	35,782	35,110	25,136	31,993	25,220	28,060	3.7%
Costs of purchased services	-12,198	-11,970	-4,590	-4,248	-2,500	-2,600	
Personnel expenses	-6,677	-7,185	-7,658	-10,527	-9,000	-9,780	
Other operating expenses	-3,826	-5,197	-7,679	-10,245	-8,050	-8,400	
Income from equity holdings	0	1,902	363	259	600	1,200	
Depreciation on financial assets and securities	-606	-876	-7,543	-6,278	-1,000	-600	
Amortisation and write-downs of tangible and intangible assets	-164	-261	-319	-305	-300	-310	
Operating income (EBIT)	12,311	11,523	-2,317	649	4,970	7,570	n.m.
Operating income (EBITDA)	13,081	12,660	5,545	7,232	6,270	8,480	15.2%
Net interest income	75	810	1,153	359	350	600	
Pre-tax profit (EBT)	12,386	12,333	-1,164	1,008	5,320	8,170	n.m.
Tax	-1,660	-2,702	-1,127	-152	-670	-985	
Minorities	45	-43	-106	-71	-70	-70	
Net income after minorities	10,771	9,588	-2,397	785	4,580	7,115	n.m.
average Number of shares ('000)	3,338	4,007	4,276	4,539	4,539	4,539	
EPS (Euro)	3.23	2.39	-0.56	0.17	1.01	1.57	n.m.
Dividend per share (Euro)	0.00	0.50	0.00	0.00	0.50	1.00	
Shareholders' Equity (without minorities and after dividend payment)	21.9	55.9	49.0	47.9	50.2	52.8	2.5%
Assets under Management at the year-end (Euro million)	811	1,092	680	698	800	950	11.8%

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Rating chronicle	Date	Rating	Former share price	Former target
Altira	03/March/2010	Buy	11.23 €	24.00 €
Altira	04/February/2010	Buy	11.72 €	24.00 €
Altira	27/October/2009	Buy	13.25 €	24.00 €
Altira	26/August/2009	Buy	17.10 €	30.00 €
Altira	18/March/2009	Buy	12.34 €	30.00 €

Please note:

The Altira share price mentioned in this report is from closing of 19 March 2010. Altira mandated SRC Research for mentoring the Altira share.

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