



SILVIA QUANDT  
RESEARCH GMBH



## TONKENS AGRAR AG AGRICULTURAL SWEET SPOT

\_ TONKENS AGRAR AG IS ONE OF THE LARGEST GROWERS OF POTATOES AND ONIONS IN GERMANY. THE COMPANY IS OPERATING IN A SECULAR SWEET SPOT FOR AGRICULTURAL PROSPERITY, DRIVEN BY RISING DISPOSABLE INCOME IN DEVELOPING COUNTRIES AND FADING ARABLE LAND GLOBALLY.

\_ STRATEGIC GOALS HAVE BEEN SET TO IMPLEMENT NEW CAPACITIES FOR ONION AND POTATO PROCESSING, TO SPUR PROFITABILITY EXPANSION. WE FORESEE EBITA MARGIN TO CLIMB STEADILY TO APPROX 30% THROUGH 2013.

\_ MANAGEMENT WILL EMPHASISE ON BIOGAS AS ANOTHER MAJOR FUTURE PILLAR OF GROWTH AND PLANS TO BUILD 4 REACTORS PRODUCING A TOTAL OF CA. 2MW. THIS ENSURES INCREASED BACKWARD INTEGRATION OF AGRICULTURAL WASTE TO BE USED AS FEEDSTOCK, APART FROM ADDITIONAL PROFIT AND CASH FLOW STREAMS.

\_ WE ESTIMATE THE FIRM'S FAIR (EQUITY) VALUE AT APPROX. €29M, APPLYING A 15% IPO DISCOUNT. THIS IS DERIVED FROM THE PEER GROUP ANALYSIS BUT IS ALSO REFLECTED IN ENCOURAGING EVA PROGRESS LIKELY TO STICK IN COMING YEARS.

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# Tonkens Agrar AG

IPO	Year end 30 June, in €m	2009	2010e	2011e	2012e
	<b>Profit loss</b>				
	Sales	17.7	17.0	19.1	22.0
	y-o-y in %		-3.7%	12.4%	15.0%
	EBITDA	2.1	3.7	4.9	6.5
	EBIT	1.3	2.8	3.8	5.1
	EBIT margin in %	7.5%	16.5%	20.1%	23.0%
	Net income	0.2	1.5	2.4	3.3
	<b>EPS SQR (€)</b>	<b>0.19</b>	<b>1.24</b>	<b>2.00</b>	<b>2.75</b>
	y-o-y in %		543.0%	60.6%	37.5%
	<b>DPS (€)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Payout ratio %	0.0%	0.0%	0.0%	0.0%
	Dividend yield %		<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
	<b>Cash flow</b>				
	Net income	0.2	1.5	2.4	3.3
	Depreciation/Amortisation	0.8	0.9	1.1	1.4
	Working capital movements	-10.8	-1.7	-1.0	-1.0
	Operating cash flow	-3.4	0.8	3.0	4.1
	Net capex	-0.2	-0.2	-1.7	-5.2
	Free cash flow	-3.7	0.6	1.3	-1.1
	<b>Balance sheet/Key ratios</b>				
	Total Assets	28.3	29.7	37.9	41.6
	Closing net debt(-)/cash(+)	-10.5	-8.5	-1.9	-3.1
	Gearing		137.1%	42.8%	14.3%
	Capex ratio (tangible)	1.9%	2.0%	14.1%	32.8%
	ROE		22.8%	20.2%	18.9%
	ROCE		15.3%	19.5%	22.2%
	ROA		18.9%	25.9%	29.7%
<b>Headquarter</b> Tonkens Agrar AG Sülzetal Germany					
<b>IR</b> Gerrit Tonkens mail@tonkens-agrar.de +49 392 05 41 74 10					
<b>Stock data</b> Entry Standard					
<b>No.of shares (m)</b> 1,20					

## Executive Summary

Tonkens Agrar AG (“Tonkens”, “Tonkens Agrar”, “Tonkens AG”, the “company”) is an agricultural goods producer, originally established in 1991 but being founded as Tonkens Agrar AG effective 19 May 2010. It is one of the largest growers of potatoes and onions in Germany.

The company aims to continuously expand its core businesses agriculture (potatoes, onions et al) trade and services (Bördelagerhaus GmbH, Weickelsdorfer Kartoffel-lagerhaus GmbH ) as well as animal products. In addition, the company has mapped out strategic goals to implement new capacities for onion and potato peeling. This should help lift profitability as Tonkens could then cut outsourcing for those services to some extent, e.g. peeling, packaging etc.

Tonkens Agrar’s share capital currently amounts to nominal €1.2m (or 1.2m shares). It is planned that the company raises new equity in order to add and expand another business cluster, namely biogas, expand processing facilities for its agricultural products, e.g. potatoes, onions et al and to bolster financial means to support the future growth of the firm, without facing the need to increase indebtedness.

Management plans to build 4 biogas plants in a first step, delivering ca. 0.5MW each, hence producing a total of ca. 2MW. The plants shall be fed with agricultural waste (livestock manure, grass silage, corn silage). Finally, Tonkens Agrar is continuously screening the market to add further land capacity. However, the management applies strict selection criteria, such as land fertility levels and if the additions can be integrated efficiently from a logistical point of view. Tonkens Agrar also considers to expand into poultry in Germany. The company also contemplates to expand into Eastern European markets.

The demand for agricultural products is mainly driven by consumer spending power. The IMF and other sources anticipate a steady increase in per-capita GDP which should also be accompanied with an adequate increase in disposable income. Clearly, developing nations like China and India are key drivers in increasing demand for goods, particularly agricultural products.

When compared to its peers, Tonkens Agrar is returning lower margins if 2010 estimates are taken. However, we anticipate swift margin expansion in the next years, with EBIT ROS reaching ca. 30% in 2013. This resembles almost the anticipated (as per Reuters consensus) operating profitability for 2013 of KTG Agrar, Tonken’s comparable in Germany. As the new business year will soon commence, on 1 July, we apply estimated net debt for FY 2010/11 to arrive at the implied fair market capitalisation of Tonkens Agrar. We estimate average €5m net indebtedness for FY 2010/11 hence the implied equity value of the firm, after applying a 15% discount, is ca. €29m. Further out, we expect Tonkens Agrar to generate steady enhancement of shareholder value (EVA). Our EVA analysis suggests the company will be capable to stage ca. CAGR 30% from 2010 to 2013. Such progress should also be reflected in equal growth of equity/market capitalisation/share price of Tonkens Agrar in coming years.

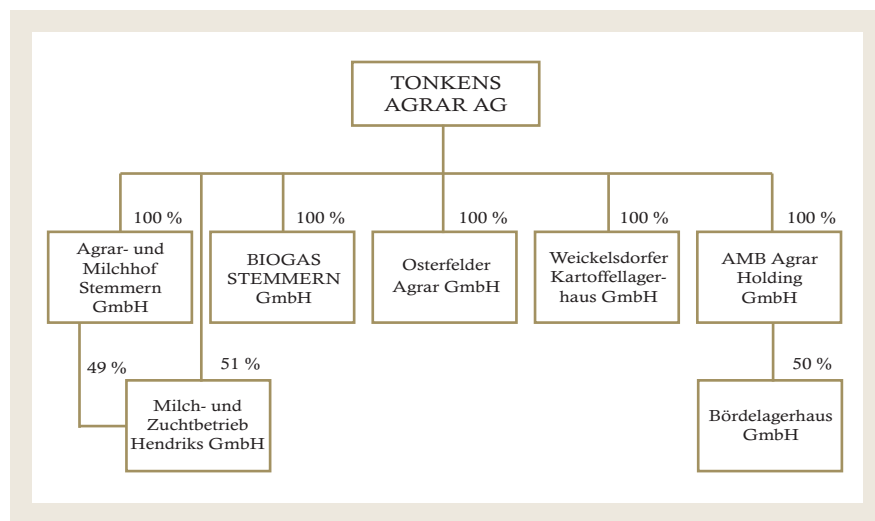
## Company Description

Tonkens Agrar AG is an agricultural goods producer originally established in 1991 but being founded as Tonkens Agrar AG effective 19 May 2010. It is one of the largest growers of potatoes and onions in Germany. The current arable land operated and planted amounts to more than 2,900 hectares (ha), of which ca. 7% is owned by the company, ca. 73% is rented and the remaining ca. 20% is based on contract work agreement with other farmers. Tonkens solely plants based on conventional methods with no ecological (bio) planting so far (but could be easily implemented if needed).

The company has three sites (Stemmern, Osterfeld, Kroppenstedt), all located in Saxony-Anhalt.

The group has operations covering farming, production of milk as well as distribution and storage of agricultural products.

### Corporate structure Tonkens Agrar AG



Source: Tonkens Agrar AG

Its business portfolio is split into

\_Agricultural Products: main products are potatoes, onions, wheat, corn and sugar beet

\_Animal Products: milk production, calfs and cows

\_Trade and Services: 50% stake in Bördelagerhaus GmbH and 100% stake in Weickelsdorfer Kartoffellagerhaus GmbH

Tonkens used to utilise ca. 25% of storage capacity of Bördelagerhaus which basically enables Tonkens to plant substantially more potatoes than would be possible without those facilities. This certainly enhances gross margins as operating costs (namely rents for farming land) can be shared by higher tonnages of yield.

## Costs, subsidies

As a point of reference for other crop and vegetables produced by Tonkens, major cost items for potatoes (in total ca. €3,500/ha) are:

\_ Farmland leasing: €300-400/ha

\_ Seeds: €1,750/ha

\_ Nitrogen fertiliser 80-100kg/ha

\_ Phosphate fertiliser 20kg/ha

\_ Potash: 300kg/ha (potatoes are highly sensitive to potash fertilisation, hence this is the most prominent cost item when it comes to fertilisation of potato plants)

Other major other operating expenses (ca. 25% of sales) are costs associated with diesel fuel, depreciation and rental of machinery and farmland leases (usually contracted for 12-18 years).

Tonkens Agrar AG received subsidies according to the EU agricultural subsidies regime, ca. €300/ha (which are accounted for under "other operating income"). According to the company, EU agricultural subsidies of €100/ha are considered a break-even level for potatoes, onions et al planting.

## Strategy

Tonkens Agrar AG aims to continuously expand its core businesses agriculture (potatoes, onions et al) trade and services (Bördelagerhaus GmbH and Weickelsdorfer Kartoffellagerhaus GmbH) as well as animal products. In addition, the company has mapped out strategic goals to implement new capacities for onion and potato peeling. This should help lift profitability as Tonkens could then cut outsourcing for those services to some extent, e.g. peeling, packaging etc.

Management will also emphasise on biogas as another major future pillar of growth and plans to build 4 biogas plants in a first step, delivering ca. 0.5MW each, hence producing a total of ca. 2MW. The plants shall be fed with agricultural waste (livestock manure, grass silage, corn silage). The first plant is planned to come on stream by late 2010, the second possibly mid 2011. Each biogas reactor will cost ca. €2.5m (per 0.5MW), hence total investments will eventually absorb some €10m capex in total.

Integration of biogas facilities into the existing business portfolio should add value to the firm, because of:

- \_ Creation of stable cash flows thanks to granted fixed Feed-in-tariffs ("FIT") for 20 years by feeding in renewable energy into the grid
- \_ Use of substrates produced by Tonkens Agrar itself (e.g. bio reactors' residuals comprises, besides others, nitrogen. As such, Tonkens would need to purchase less on the merchant market)
- \_ Feedstock for biogas reactors can be sourced virtually for free, e.g. manure, grass and corn silage, from own farming

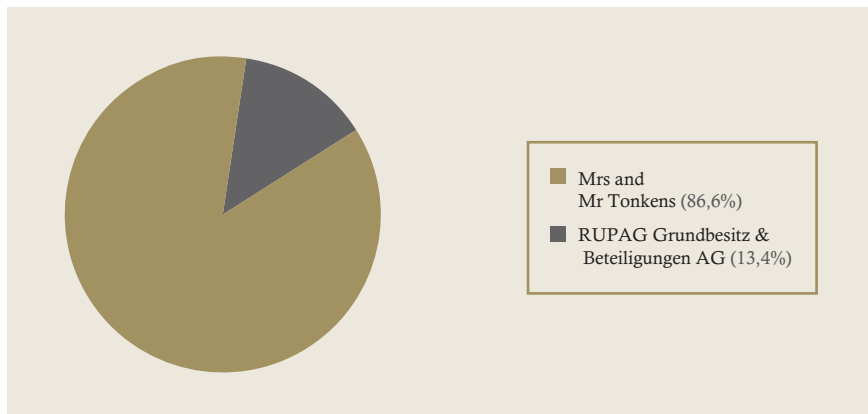
Finally, Tonkens Agrar is continuously screening the market to add further land capacity. However, the management applies strict selection criteria, such as land fertility levels and if the additions can be integrated efficiently from a logistical point of view. Finally, the company plans to expand into poultry in Germany. This would also increase the content of manure fertilisation which could be used as feedstock in biogas reactors. The company also contemplates to expand into Eastern European markets.

### Shareholder structure

Tonkens Agrar's share capital currently amounts to nominal €1.2m (or 1.2m shares). It is planned that the company raises new equity in order to add and expand another business cluster, namely biogas, expand processing facilities for its agricultural products, e.g. potatoes, onions et al and to bolster financial means to support the future growth of the firm, without facing the need to increase indebtedness.

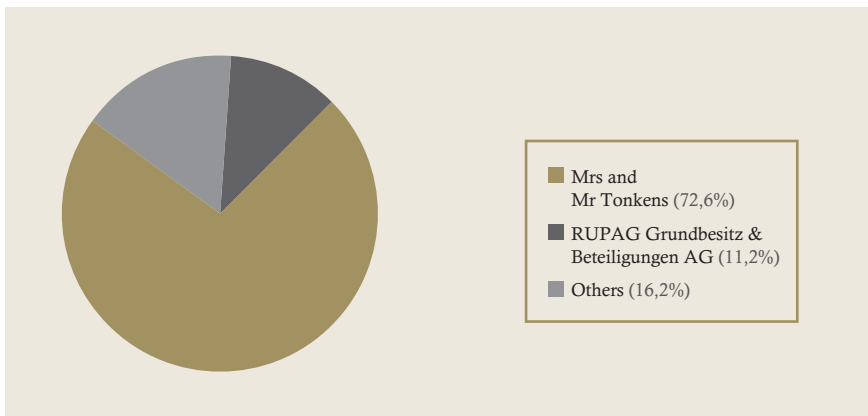


Current shareholder structure  
(based on 1.2m shares as of 18 June, 2010)



Source: Tonkens Agrar AG

Shareholder structure post equity raising  
(based on 1.432m shares)



Source: Tonkens Agrar AG

Tonken Agrar AG seeks an increase of its share capital of up to 232,000 new shares, to raise the total shares outstanding, post issue, to 1.432m shares.

## Management

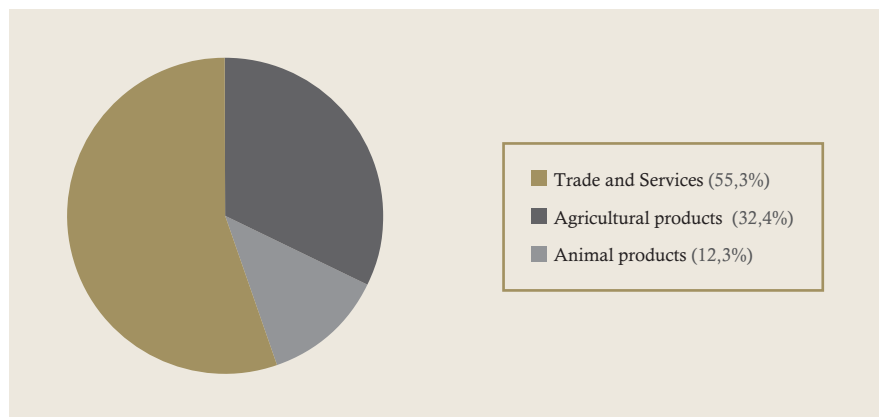
Mr Gerrit Tonkens is the founder and sole member of the Board of Management. He studied Agricultural Science. He was COO for Landbouwonderneming Tonkens BV, Netherlands, from 1982 to 1991 before moving to Germany. Since then he has been COO in agricultural business.

Mr. Tonkens has a contract with Tonkens Agrar AG until 18 May 2015. Effective 1 July 2013 he will receive a fixed annual salary to be determined by the Supervisory Board and Mr. Tonkens. Additionally, he will receive a bonus of 1% of the annual reported net income (capped at 100% of fixed salary).

## Business portfolio

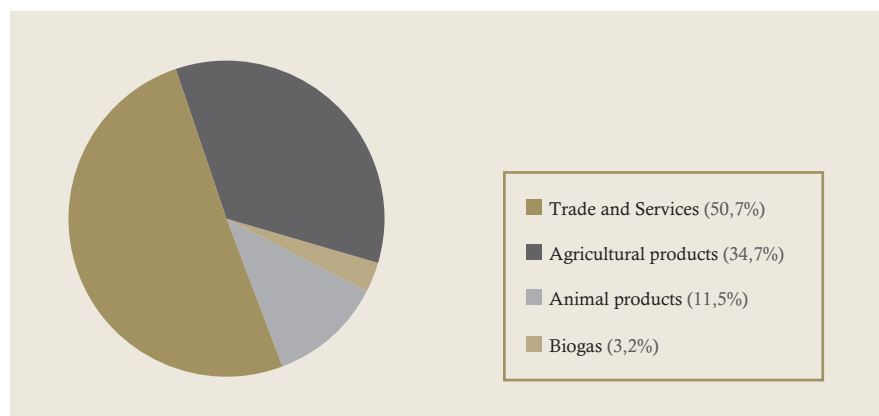
Tonken Agrar's business portfolio currently comprises agricultural products, animal products and marketing and services (through Bördelagerhaus GmbH and Weickelsdorfer Kartoffellagerhaus GmbH). By the end of 2010, Biogas will be established as another core business of the group, with the first of 4 plants with a capacity of 0.5MW each scheduled to come into operation by the end of 2010 and the second to come into operation mid 2011.

### Tonkens Agrar divisional sales split (2010e)



Source: Silvia Quandt Research GmbH estimates

### Tonkens Agrar divisional sales split (2011e)



Source: Silvia Quandt Research GmbH estimates

### Agricultural products

Agricultural products are grown in Stemmern (Agrar- und Milchhof Stemmern GmbH, Milch- und Zuchtbetrieb Hendriks GmbH) and in Osterfeld (Osterfelder Agrar GmbH).

Tonkens Agrar is one of the largest potato producers in Germany, planting an area of ca. 700 ha currently. Potatoes are classified related to end usage, i.e. "early potatoes", "for processing" (chips, fried, together ca. 440 ha) and "late potatoes". Value adding, i.e. contribution to results is fairly the same among the different types.

The second largest agricultural product in revenue terms are onions which resemble potatoes with respect to profit contribution. Profitability per hectare is higher than for potatoes, as onions consume reasonably lower amounts of raw materials (fertiliser, seeds, diesel fuel). Tonkens Agrar produces around 10,000-12,000 tons annually.

### Animal products

Milk Production is the main revenue contributor in this business cluster (ca. 90% of revenues). Tonkens Agrar is boasting highly productive cows, producing per cow some 8,760kg milk annually. This compares to ca. 6,800kg representing the average in Germany. Prices are regulated within the EU quota regime, but are likely to rise in coming years, from around €0.24/kg now to some €0.30/kg in 2013.

### Trade and Services

This business cluster is represented by Weickelsdorfer Kartoffellagerhaus GmbH and Bördelagerhaus GmbH, the latter being a 50% holding of Tonkens Agrar AG. The great benefit for the group is that it can plant more than 100,000 tons of potatoes annually than it could otherwise without the processing and storage facilities of the warehouse. It further allows to cover a larger part of the value chain, namely in trade and services, such as potato and onion sorting, peeling and packaging. This clearly generates economies of scale within the group, contributing to a higher gross margin.

### Biogas

Biogas will soon be established as a fourth business pillar, with the first reactor boasting 0.5MW capacity to come on stream by the end of this year. Management aims to ramp-up up to 4 plants with an aggregate capacity of ca. 2MW in a first step. German base FIT for renewable energy generated in biogas reactors currently stand at €0.0909/kWh for units with a capacity of up to 0.5MW. They are lower for larger sizes. Additionally, there are different additions to the FIT that can be achieved, that could take total FIT Tonkens can achieve up to ca. €0.20/KWh.

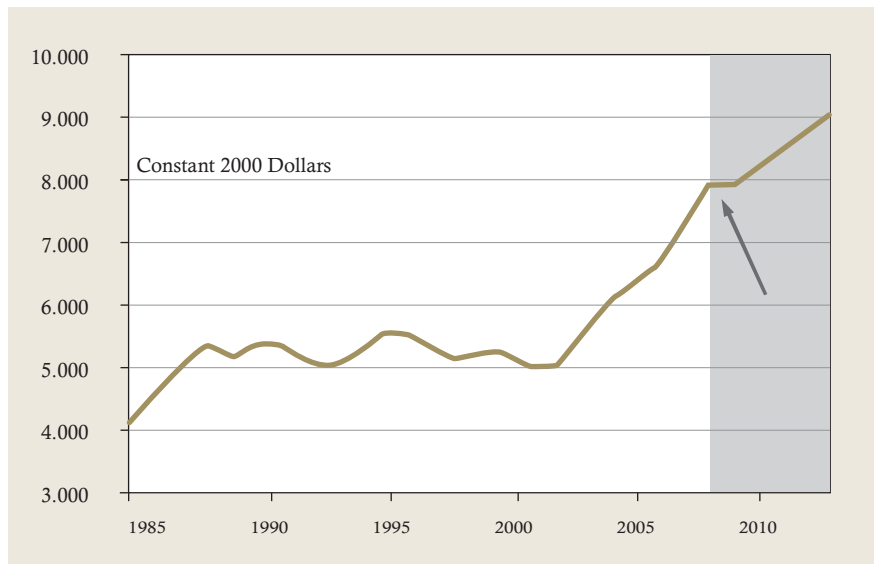
Operating own biogas plants should yield synergies within the group as the plants produce residuals, like deposits which can be used as fertiliser (Nitrogen). This is likely to save money as planting crop and vegetables (potatoes, onions) are certainly sensitive to mineral fertilisers (nitrogen usually seen as the booster to plant's growth).

In addition, another key benefit in deploying biogas reactors, apart from the revenue stream from feeding electricity into the grid is the use of manure (cows, cattle) and particularly corn and wheat silage as feedstock. We understand that building out biogas facilities will be rewarding for the group as it will increase value adding within the group, vertically (selling electricity) and horizontally (using residuals and deposits from other operations and generating fertiliser).

## Market environment for agricultural products

The demand for agricultural products is mainly driven by consumer spending power. The IMF and other sources anticipate a steady increase in per-capita GDP which should also be accompanied with an adequate increase in disposable income. Clearly, developing nations like China and India are key drivers in increasing demand for goods, particularly agricultural products.

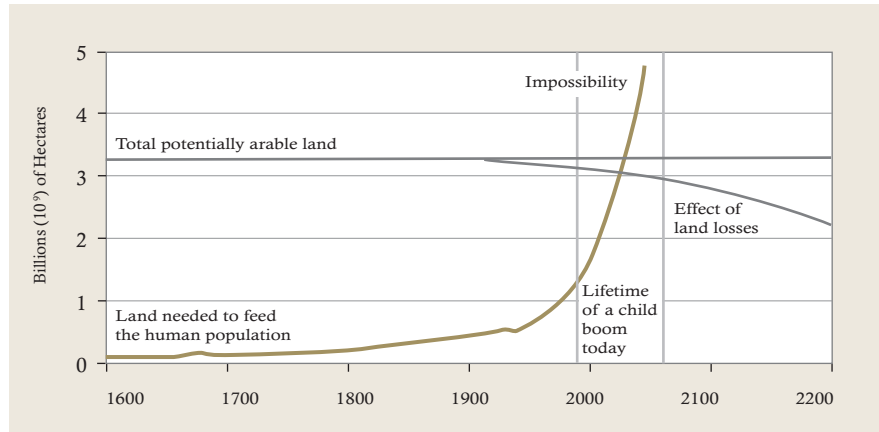
### Global consumer spending power accelerating with GDP growth



Source: IMF, U.S. Census

Furthermore, as world population is growing steadily, at disproportional rates in developing countries (e.g. China, India et al), farmland available to grow crop and other vegetables is shrinking as urbanisation and industrialisation is crowding out arable land.

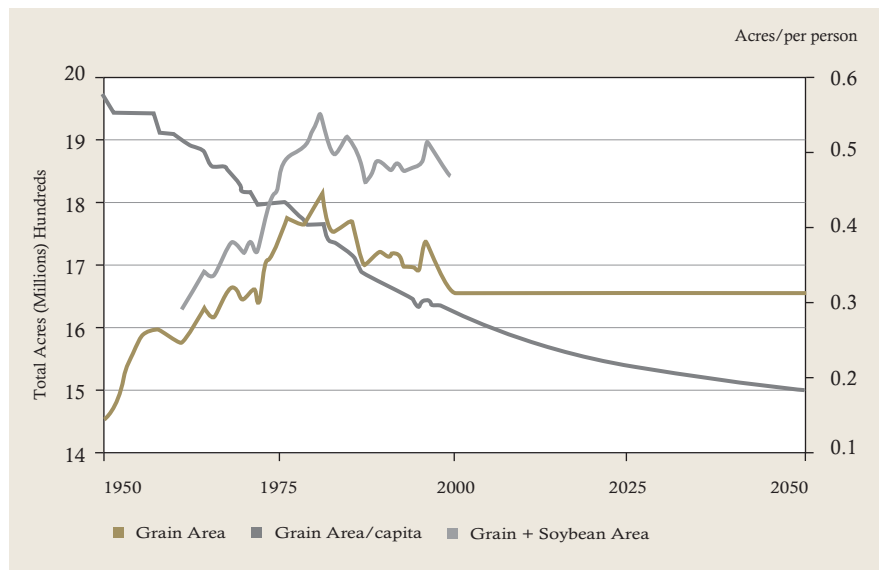
### Arable land shrinking but farmland needed to feed the world



Source: United Nations

This is further illustrated by the next chart which shows that the area of arable land per person is shrinking since starting the record, i.e. around 1950. This, combined with constant or even shrinking grain areas indicates there will be less agricultural products available for consumption, per capita, and will impose big challenges to raise efficiency/yield per hectare of arable land (through seeds, GMP, more potash application).

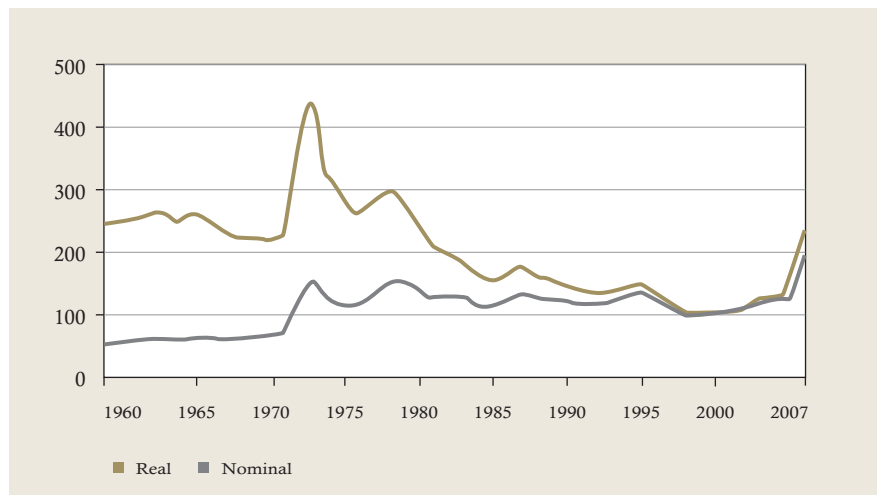
### Less farmland available per capita means less agricultural goods available for consumption



Source: United Nations, FAO

The growing population and the increasing per capita income will result in higher demand for agricultural products. In combination with a lower production of agricultural products worldwide, prices for food should continue to rise. Since around 2000, both nominal and real food prices are increasing strongly after contracting for ca. 25 years.

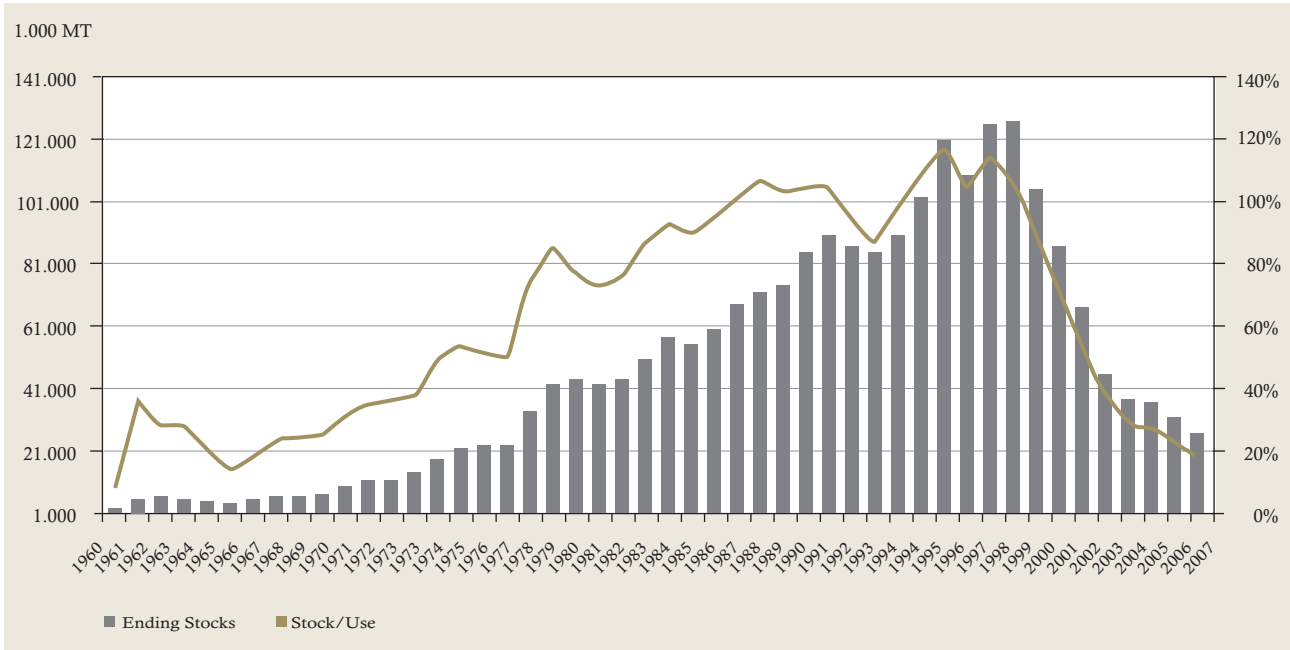
### Food prices accelerate



Source: IMF, US Bureau of Economic Analysis

Referenced by China's huge consumption of corn inventories, worldwide crop inventories are generally hovering around historic lows. As such, productivity in growing agricultural products or expansion of arable land will be needed in order to bring back worldwide corn inventories to more normalised level. However, the expansion of arable land is unlikely to happen as pointed out before. This further supports our case of higher prices for agricultural products as supply cannot grow endlessly and will not be able to keep up with demand.

China nearly fully depleted of corn, signals strong demand in future



Source: USDA, FAO



## SWOT Analysis

### Strengths

- \_Large-scale farming land provides economies of scale due to larger planting of potatoes et al possible though further downstream processing (through large space for storage, processing and trading done via Börderlagerhaus GmbH and Weickelsdorfer Kartoffellagerhaus GmbH).
- \_Biogas generation will stabilise future cash flows (through FITs guaranteed) and help provide a source for feedstock (substitution of nitrogen with residuals after fermentation) to optimise cost mix
- \_High-nutrient farming land in Saxony-Anhalt area delivers above-average yields

### Weaknesses

- \_Elevated net indebtedness
- \_So far no track record as a listed company

### Opportunities

- \_Agricultural product prices set to inflate in coming years
- \_Tangible margin improvements possible in establishing the biogas business

### Threats

- \_Adverse weather (floods, droughts) could reduce agro yields
- \_FITs for biogas energy could be lowered in future
- \_One-man company (i.e. Gerritt Tonkens)

## Valuation

We have analysed peer companies being suited for comparison with Tonkens Agrar. Those are principally all involved in the production of agricultural goods, some also engaged in marketing and handling through warehouses.

### Peer group Tonkens Agrar AG

(in million, local currency)		<i>Market cap</i>	<i>Sales 2010e</i>	<i>EBITDA 2010e</i>	<i>EBITDA ROS 2010e</i>	<i>EV/EBIT-DA 2010e</i>	<i>EV/Sales 2010e</i>
Astarta Holding	Netherlands (€)	353.0	220.0	93.0	42.3%	4.7	200%
Cresud	Argentina (ARS)	2,383.0	2,263.0	1,412.0	62.4%	3.9	241%
KTG Agrar	Germany (€)	77.0	47.0	16.0	33.8%	8.3	281%
MHP	Ukraine (\$)	1,357.0	905.0	381.0	42.1%	5.8	204%
<b>Peer group Tonkens Agrar (Mean)</b>					<b>42.2%</b>	<b>5.3</b>	<b>232%</b>
<b>Tonkens Agrar</b>			<b>17.0</b>	<b>3.7</b>	<b>21.8%</b>		
% to peer group							-48.3%

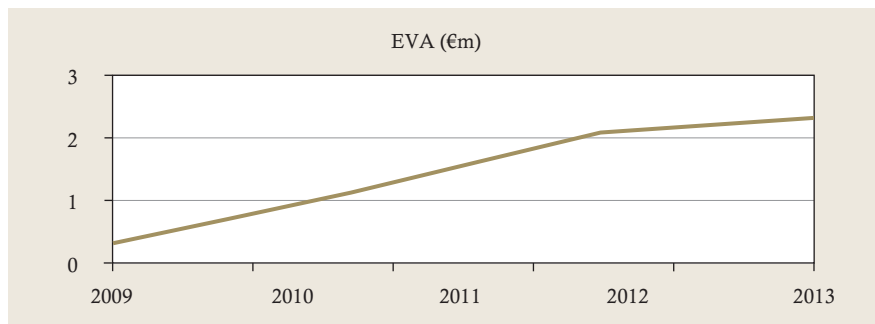
Source: Silvia Quandt Research Institute GmbH, Reuters (consensus)

From the analysis it become obvious that fairly high margins (EBITDA ROS) can be earned in this type of business. Of course, location, degree of internationalisation and most importantly, the kind of agricultural goods produced are determining margin levels.

When compared to its peers, Tonkens Agrar is returning lower margins if 2010 estimates are taken. However, we anticipate swift margin expansion in the next years, with EBIT ROS reaching ca. 30% in 2013, on account of expansion of processing, storage and marketing facilities as well as likely gradual rise in agricultural prices overall.

As such, we would argue that the intrinsic value of Tonkens Agrar should be based on forward (i.e. 2010e) EV/Sales 2010e multiples. Starting at an implied EV of approx. €39m by applying the peer group's 232% EV/sales 2010e, we then allow for a 15% IPO discount, giving adjusted EV for Tonkens Agrar of ca. €34m. We then apply €5m net average estimated for FY 2010/11 to get to implied equity value, i.e. ca. €29m.

### Steady EVA progress in the offing



Source: Silvia Quandt Research GmbH

Further out, we expect Tonkens Agrar to generate steady enhancement of shareholder value (EVA). Our EVA analysis suggests the company will be capable to stage ca. CAGR 30% from 2010 to 2013. Such progress should also be reflected in equal growth of equity/market capitalisation/share price of Tonkens Agrar in coming years.

## Appendix: P&L, Balance Sheet, Cash flow, EVA

### Tonkens Agrar AG - P&L

(€ m)	2009	2010e	2011e	2012e
<b>Sales</b>	<b>17.7</b>	<b>17.0</b>	<b>19.1</b>	<b>22.0</b>
Costs of sales	-12.2	-8.9	-9.2	-9.8
% of sales	69.0%	52.3%	48.0%	44.7%
<b>Gross Profit</b>	<b>5.5</b>	<b>8.1</b>	<b>9.9</b>	<b>12.2</b>
Gross ROS	31.0%	47.7%	52.0%	55.3%
Other operating income	2.2	1.5	1.4	1.3
Labour costs	-1.6	-1.6	-1.7	-1.7
% of sales	-9.1%	-9.4%	-8.9%	-7.7%
Other operating expenses	-3.9	-4.3	-4.7	-5.3
<b>EBITDA</b>	<b>2.1</b>	<b>3.7</b>	<b>4.9</b>	<b>6.5</b>
EBDITA ROS	12.1%	21.8%	25.8%	29.4%
<b>EBIT</b>	<b>1.3</b>	<b>2.8</b>	<b>3.8</b>	<b>5.1</b>
Financial result	7.5%	16.5%	20.1%	23.0%
Interest expenses	-1.0	-0.7	-0.5	-0.4
Interest income	0.0	0.0	0.0	0.0
Net interest expenses	-1.0	-0.7	-0.5	-0.4
<b>PTP</b>	<b>0.3</b>	<b>2.1</b>	<b>3.3</b>	<b>4.7</b>
PTP ROS	1.9%	12.3%	17.5%	21.2%
Income taxes	-0.1	-0.6	-1.0	-1.4
Tax rate	30.1%	28.7%	28.4%	29.4%
<b>Net Profit</b>	<b>0.2</b>	<b>1.5</b>	<b>2.4</b>	<b>3.3</b>
Net Profit ROS	1.3%	8.8%	12.5%	15.0%
Minorities	0.0	0.0	0.0	0.0
Attributable income	0.2	1.5	2.4	3.3
<b>Adjusted Net Profit</b>	<b>0.2</b>	<b>1.5</b>	<b>2.4</b>	<b>3.3</b>
Total aver, # of shares (m)	1.20	1.20	1.20	1.20
Attributable EPS	0.19	1.24	2.00	2.75
<b>Adjusted EPS</b>	<b>0.19</b>	<b>1.24</b>	<b>2.00</b>	<b>2.75</b>
DPS (€)	0.00	0.00	0.00	0.00
<b>Ratios</b>				
ROCE	15.0%	15.3%	19.5%	22.2%
FCFF return on sales	8.5%	15.7%	11.2%	-1.0%
ROE	6.1%	22.8%	20.2%	18.9%
Sales/Capital employed (x)	1.99	0.93	0.97	0.97
Interest cover (x)	2.33	4.91	8.83	13.96
Payout ratio	0.0%	0.0%	0.0%	0.0%

## Tonkens Agrar AG - Balance sheet

(€ m)	2009	2010e	2011e	2012e
Goodwill & intangible assets	0.0	0.0	0.0	0.0
Property, plant & equipment	12.1	11.4	12.0	15.8
Other fixed assets, financials	3.1	3.1	3.1	3.1
<b>Fixed Assets</b>	<b>15.2</b>	<b>14.5</b>	<b>15.1</b>	<b>18.9</b>
Inventories	2.5	3.4	3.9	4.4
Trade accounts receivable	8.3	9.1	9.6	10.1
Trade accounts payable	5.1	4.9	5.1	5.2
<b>Net working capital</b>	<b>5.7</b>	<b>7.6</b>	<b>8.4</b>	<b>9.3</b>
Liquid funds	1.3	1.9	8.6	7.5
Other assets	1.1	0.8	0.8	0.8
<b>Capital employed</b>	<b>17.8</b>	<b>19.0</b>	<b>20.4</b>	<b>25.1</b>
	28.3	29.7	37.9	41.6
Stated Equity	0.7	0.7	1.2	1.2
Group reserves	4.4	7.2	14.5	17.8
Shareholders equity	5.1	8.0	15.7	19.0
Minorities	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>5.1</b>	<b>8.0</b>	<b>15.7</b>	<b>19.0</b>
Pension provisions	0.0	0.1	0.2	0.3
Other provisions	1.7	1.9	2.1	2.3
<b>Total provisions</b>	<b>1.7</b>	<b>2.0</b>	<b>2.3</b>	<b>2.6</b>
Short term debt	11.8	10.3	10.3	10.3
Long term debt	0.0	0.0	0.0	0.0
<b>Interest bearing debt</b>	<b>11.8</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>
Other liabilities	4.6	4.5	4.5	4.5
<b>Total liabilities</b>	<b>28.3</b>	<b>29.7</b>	<b>37.9</b>	<b>41.6</b>
<b>Ratios</b>				
BVPS	3.3	5.8	10.2	14.8
NWC/Sales	16.0%	38.9%	41.6%	40.1%
Net gearing	247.8%	137.1%	42.8%	14.3%
Sales/Capital employed (x)	1.99	0.93	0.97	0.97
Current ratio (x)	2.36	2.64	3.63	4.26
Debtor turnover (days)	84.1	183.8	176.3	161.5
Stock turnover (days)	25.5	61.9	67.8	67.1
Creditor turnover (days)	51.9	105.8	94.2	84.3

## Tonkens Agrar AG - cash flow

(€ m)	2009	2010e	2011e	2012e
<b>Operating Activities</b>				
Net profit	0.2	1.5	2.4	3.3
Depreciation & amortization	0.8	0.9	1.1	1.4
Cash earnings	1.0	2.4	3.5	4.7
Allocation to pensions	0.0	0.1	0.1	0.1
<b>Cash flow</b>	<b>1.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.8</b>
Special items	0.0	0.0	0.0	0.0
Other provisions	1.7	0.2	0.2	0.2
Working capital	-10.8	-1.7	-1.0	-1.0
Other liabilities	4.6	0.0	0.0	0.0
Change in other assets	0.0	0.0	0.0	0.0
Accounts payable	0.0	-0.2	0.2	0.1
<b>Cash operations</b>	<b>-3.4</b>	<b>0.8</b>	<b>3.0</b>	<b>4.1</b>
<b>Investment Activities</b>				
Intangibles	0.0	0.0	0.0	0.0
Tangibles	-0.2	-0.2	-1.7	-5.2
Financials	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0
<b>Cash investment activities</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-1.7</b>	<b>-5.2</b>
<b>Free cash flow</b>	<b>-3.7</b>	<b>0.6</b>	<b>1.3</b>	<b>-1.1</b>
<b>Financing Activities</b>				
Shares	0.0	0.0	5.4	0.0
Debt	2.4	-1.5	0.0	0.0
Minorities	0.0	0.0	0.0	0.0
Dividend paid to shareholders	0.0	0.0	0.0	0.0
<b>Cash financing activities</b>	<b>2.4</b>	<b>0.0</b>	<b>5.4</b>	<b>0.0</b>
Effect of FX/others on cash	0.0	0.0	0.0	0.0
Increase (decrease) in cash and cash equivalents	-1.3	0.6	6.7	-1.1
Cash and cash equivalents at beginning of fiscal year	0.0	1.3	1.9	8.6
Cash and cash equivalents at end of fiscal year	-1.3	1.9	8.6	7.5
Net cash/(debt) beginning of yr	-9.4	-10.5	-8.5	-1.9
<b>Net cash/(debt) end of yr</b>	<b>-10.5</b>	<b>-8.5</b>	<b>-1.9</b>	<b>-3.1</b>

## Tonkens Agrar AG - EVA

(€ m)	2009	2010e	2011e	2012e
Net Tangible Assets	6.1	11.8	11.7	13.9
Working Capital	2.8	6.6	8.0	8.8
Invested Capital	8.9	18.4	19.7	22.7
<b>NOPAT</b>	<b>-9.8</b>	<b>-0.2</b>	<b>-2.4</b>	<b>0.0</b>
Invested Capital Turnover (Sales/IC)	105%	42%	48%	53%
ROIC	-109.9%	-1.3%	-12.2%	0.0%
<b>WACC</b>				
Mkt Cap	5.1	8.0	15.7	10.3
Debt+Market Cap	15.7	19.0	26.0	29.3
<b>Debt</b>				
Share Debt (Debt/ (Debt+Mkt cap)	67.4%	58.2%	39.5%	35.1%
Market cost of Debt (10 yr bond yield)	3.0%	3.4%	3.6%	3.8%
(1-tax rate)	69.9%	71.3%	71.6%	70.6%
Net cost of Debt	4.2%	4.6%	4.7%	4.8%
<b>Equity</b>				
Proportion of Mkt cap	32.6%	41.8%	60.5%	64.9%
Market risk Premium	5.0%	5.0%	5.0%	5.0%
Beta	0.73	0.73	0.73	0.73
Cost of Mkt cap (equity)	6.6%	7.0%	7.2%	7.4%
<b>WACC</b>	<b>5.0%</b>	<b>5.6%</b>	<b>6.2%</b>	<b>6.5%</b>
<b>Return on reinvestment (RORI=ROIC-WACC)</b>	<b>5.5%</b>	<b>5.3%</b>	<b>7.7%</b>	<b>9.2%</b>
Invested capital	8.9	18.4	19.7	22.7
<b>EVA=economic profit</b>	<b>0.5</b>	<b>1.0</b>	<b>1.5</b>	<b>2.1</b>

This analysis was prepared by Harald Gruber, Head of Chemicals, Basic Goods and Renewable Energy and was first published on 18. June 2010. Silvia Quandt Research GmbH, Grüneburgweg 18, 60322 Frankfurt is responsible for its preparation. German Regulation Authority: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Graurheindorfer Str. 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt.

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Frankfurt am Main, 18 June 2010

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June 18, 2010