

Real Estate

A Research Publication by DZ BANK AG

Grand City Properties⁵⁾⁸⁾⁹⁾¹⁰⁾¹¹⁾¹²⁾

Reuters: GYC.DE

Bloomberg: GYC GY

Year *	Total performance real estate		NAV per sh. diluted		Prem./ Disc. NAV	FFO per sh. diluted		FFO Yield	Dividend per share
	EUR bn		EUR		%	EUR		%	EUR
2016	0.8	(0.8)	16.40	(16.40)	5.4	1.05	(1.05)	6.1	0.68
2017e	0.8	(0.7)	19.36	(19.47)	-4.2	1.11	(1.10)	6.0	0.72
2018e	0.7	(0.6)	21.99	(21.53)	-15.6	1.14	(1.15)	6.2	0.74
2019e	0.6	(0.6)	24.00	(23.56)	-22.7	1.20	(1.23)	6.5	0.78

* Fiscal year end December – In brackets: Figures from the last publication

Increase in fair value from EUR 21.5 to EUR 22.0

- » **9M 2017:** Gross rental income rose by 14% in a year-on-year comparison to EUR 366.4 m, while adjusted EBITDA rose by 11% to EUR 183.5 m. FFO1 improved by 11% to EUR 130.4 m. FFO1 per share increased by 8% to EUR 0.83. The EPRA NAV stood at EUR 3.07 bn as per the reference date (vs. EUR 2.54 bn as per the end of 2016). The company's growth once again went hand-in-hand with a very conservative financing structure, as reflected in a loan-to-value ratio (LTV) of 37%.
- » **Portfolio:** The real estate portfolio currently comprises some 86k real estate units (vs. 83k as per end of 2016). The vacancy rate currently stands at some 7.3%, and the in-place rent at an average of approx. EUR 5.5 per square metre.
- » **Rating upgrade:** Moody's upgraded the company's credit rating one notch in September, from Baa2 to Baa1. The company is targeting a Moody's rating of A3 in the long term. The current S&P rating remains unchanged (BBB+), with the long-term target here A-.
- » **MDAX:** As we essentially expected, Grand City Properties moved up from the SDAX to the MDAX in September as part of the latest index adjustment.
- » **Model / valuation:** We have slightly revised our model, which has involved an increase in the revaluation result alongside certain operating adjustments. In keeping with our residential real estate peer group, we value GCP on the basis of the net asset value estimate for 2018, and arrive at a new fair value of EUR 22.0 (previously: EUR 21.5).

The 2017 nine-month report has proved in line with our expectations, and continues to reflect profitable growth together with a very robust financing structure. In keeping with the residential real estate peer group, we value GCP on the basis of our NAV estimate for 2018, which results in a current fair value of EUR 22.0 (previously: EUR 21.5). We are confirming our "Buy" investment recommendation.

Selected Companies	Price on 16 Nov 2017	NAV-P/D %		EV / EBITDA		FFO Y. %	Re-com.
		17e	18e	17e	18e	17e	
Grand City Properties	18.55 EUR	-4.2	-15.6	7.2	8.1	6.0%	↑
Deutsche Wohnen	37.01 EUR	5.0	-10.8	6.8	7.3	3.3%	↑
ADLER Real Estate	12.77 EUR	-17.3	-29.9	8.2	8.9	4.9%	↑
DIC Asset	10.59 EUR	-20.9	-20.5	20.0	23.9	8.3%	↑
Deutsche EuroShop	32.67 EUR	-23.1	-24.9	20.4	20.0	7.5%	↑
Median for all peer group companies		-19.1	-22.7	14.1	14.5	6.2%	-

↑ = Buy, → = Hold, ↓ = Sell, ● = not rated, n/a = not appropriate
Source: DZ BANK, I/B/E/S, FactSet

EQUITIES

Flash

Completed: 20 Nov 2017, 09:29

Buy (prev. Buy)

Closing price 16 Nov 2017

(in EUR): 18.55

Fair value: 22.00 (prev. 21.50)

Financial ratios 2017e:

Book value per share (in EUR):	20.89
Equity ratio (in %):	52.2
NOI yield (in %):	4.9
ROE (in %):	14.3
Dividend yield (in %):	3.9
Free cash flow (EUR m):	-148.8
Net debt (EUR m):	2,106.0

Number of shares

(million units): 164.8

Market cap

(in EUR bn): 3.06

Free float (in %): 62.4

SIN: A1JXCV

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Next Newsflow:

19.03.2018: Annual Report 2017



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AT A GLANCE

Company profile

Grand City Properties S.A. is a specialist real estate company focused on investing in and managing turnaround opportunities in the German residential real estate property market. The Group's portfolio is located in densely populated areas with a focus on North Rhine-Westphalia, Berlin, Bavaria and other highly populated areas.

Basis for investment recommendation

Grand City Properties has recorded significant profitable growth over the last few quarters, and the portfolio currently consists of 86k real estate units. A crucial aspect for us is the solid financing structure of the company, as reflected in its BBB+ rating and conservative LTV.

Price-sensitive current issues

- » Successful development of existing portfolio (restructuring, vacancy reduction, cost reduction, etc.)
- » Additional growth via acquisitions & related capital measures
- » General trends in German residential sector (prices, rents, regulatory issues)
- » Further optimization of financing structure

Opportunities and risks

Opportunities	Risks
Successful development of existing portfolio.	Execution risks as a result of the high growth mode.
Further profitable growth.	High dependency on key people.
Improvements in German residential market (prices, rents, regulatory issues).	Deterioration of German residential market (prices, rents, regulatory issues).
Further optimization of financing costs (e.g. rating upgrade).	Rising interest rates in the mid to long term.

Topical share price-sensitive issues along with risks and opportunities have been factored into our recommendation as far as possible. Taking into account the current share price, we believe that price-sensitive opportunities currently outweigh other factors.

PROFIT AND LOSS ACCOUNT

Euro m	2016	2017e	2018e	2019e
Gross rental income (cold)	435.7	496.0	522.0	552.0
Rent expenses (ground rents paid, ...)	0.0	0.0	0.0	0.0
Net cold rent (NCR)	435.7	496.0	522.0	552.0
Net service, oper. exp. inv. prop. (dir. attributable)	-204.1	-241.0	-255.8	-270.5
Net operating income investment prop. (NOI)	231.6	255.0	266.2	281.5
Profit/loss from sales of properties	2.0	10.0	11.0	0.0
Fair value changes of properties	598.3	500.0	450.0	330.0
Total performance investment properties	831.9	765.0	727.2	611.5
Change in inventory/Own work	0.0	0.0	0.0	0.0
Total output	831.9	765.0	727.2	611.5
% against prev. year	69%	-8%	-5%	-16%
Cost of materials	0.0	0.0	0.0	0.0
Personnel expenses	0.0	0.0	0.0	0.0
Other operating income	0.5	0.0	0.0	0.0
Other operating expenses	-9.2	-9.5	-10.0	-10.3
Extraordinary income/expenses	0.0	0.0	0.0	0.0
EBITDA	823.2	755.5	717.2	601.2
For information: EBITDA adjusted	822.8	755.5	717.2	601.2
Depreciation	-0.3	-1.5	-1.5	-1.6
thereof on goodwill	0.0	0.0	0.0	0.0
Operating profit (EBIT)	822.8	754.0	715.7	599.6
For information: EBIT adjusted	822.8	754.0	715.7	599.6
% against prev. year	69%	-8%	-5%	-16%
Interest paid / received	-47.4	-85.0	-83.9	-90.3
Profit before tax	775.4	669.0	631.8	509.3
For information: EBT adjusted	775.4	669.0	631.8	509.3
% against prev. year	69%	-14%	-6%	-19%
Income taxes from continuing operations	-122.3	-140.0	-104.0	-83.8
Tax rate	16%	21%	16%	16%
Net profit from continuing operations	653.1	529.0	527.8	425.4
Net profit from discontinued operations	0.0	0.0	0.0	0.0
Net profit	653.1	529.0	527.8	425.4
Profit or loss attributable to minority interest	-108.3	-50.0	-50.5	-51.0
Profit or loss attributable to shareholders	544.8	479.0	477.3	374.4
thereof from continuing operations	544.8	479.0	477.3	374.4
thereof from discontinued operations	0.0	0.0	0.0	0.0
Weighted average number of shares, diluted (m)	167.800	159.300	164.789	164.789
IFRS earnings per share, diluted	3.25	3.01	2.90	2.27
Adjusted earnings per share, diluted (contin.)	3.25	3.01	2.90	2.27
For information				
FFO, diluted	160.1	176.7	188.3	198.6
Fiscal year end December				

Source: Grand City Properties and DZ BANK estimates

RATIOS

Euro	2016	2017e	2018e	2019e
Profit and loss ratios				
Net cold rent (NCR)	435.7	496.0	522.0	552.0
Net operating income investment prop. (NOI)	231.6	255.0	266.2	281.5
Profit/loss from sales of properties	2.0	10.0	11.0	0.0
Fair value changes of properties	598.3	500.0	450.0	330.0
Total performance investment properties	831.9	765.0	727.2	611.5
Total output (m)	831.9	765.0	727.2	611.5
EBITDA margin	98.9%	98.8%	98.6%	98.3%
EBIT margin	98.9%	98.6%	98.4%	98.1%
Net margin	78.5%	69.2%	72.6%	69.6%
Investment ratio	86.9%	52.5%	55.3%	40.9%
Cost of materials / total performance i.	0.0%	0.0%	0.0%	0.0%
Net other operat. costs as % of total performance i.	1.0%	1.2%	1.4%	1.7%
Net financial income as % of total performance i.	-5.7%	-11.1%	-11.5%	-14.8%
Interest cover	22.7	8.9	8.5	6.6
Average FFO growth next two years	4.5%	4.2%	6.3%	
Average NAV growth next two years	15.8%	11.3%	7.2%	
Profitability ratios				
ROE	21.3%	14.3%	12.9%	9.7%
ROCE	17.2%	13.3%	11.1%	8.6%
Productivity ratios				
Total performance i. per employee ('000)	1354.83	1195.31	1101.85	899.27
FFO diluted per employee ('000)	260.69	276.14	285.33	292.00
Balance sheet ratios				
Equity ratio	49.8%	52.2%	52.6%	54.2%
Long term debt and equity / Fixed assets	113.4%	112.5%	109.8%	106.6%
Liquidity (quick ratio)	295.7%	324.0%	303.2%	263.8%
Net debt (m)	1,966.5	2,106.0	2,436.2	2,622.3
Net debt complete (m)	1,668.8	1,803.3	2,128.6	2,309.7
Figures per share				
Earnings per share, diluted	3.25	3.01	2.90	2.27
FFO per share, diluted	1.05	1.11	1.14	1.20
Cash flow per share, diluted	-2.12	-1.47	-1.28	-0.39
Free cash flow per share, diluted	-2.12	-0.93	-0.77	0.16
Dividend per common share	0.68	0.72	0.74	0.78
Cash per share, diluted	2.68	3.10	2.63	1.50
Net debt per share, diluted	11.75	12.78	14.78	15.91
NAV per share, diluted	16.40	19.36	21.99	24.00
Valuation ratios				
EV / total performance i.	5.8	7.1	8.0	9.9
Enterprise value / EBITDA	5.8	7.2	8.1	10.0
Dividend yield per common share	3.93%	3.89%	4.00%	4.22%
Price / Cash flow common share				

1) – 12) Important: Please read the references to possible conflicts of interest and disclaimers/disclosures at the end of this report.

Euro	2016	2017e	2018e	2019e
FFO (Funds from Operations) (m)				
Net profit from continuing operations	653.1	529.0	527.8	425.4
Depreciations less reversals	0.0	1.5	1.5	1.6
Profit/loss on disposal of trading properties (net)	0.0	0.0	0.0	0.0
Profit/loss on disposal of investment properties (net)	-1.7	-7.9	-9.2	0.0
Valuation movements (net)	-503.9	-395.4	-375.9	-275.7
extraordinary income/expense (net)	0.0	0.0	0.0	0.0
Others (net)	12.6	49.5	44.1	47.2
FFO	160.1	176.7	188.3	198.6
Result attributable to minority interests				
FFO after minority interests	160.1	176.7	188.3	198.6
Interest expense mandatory convertible bond				
Interest expense after tax convertible bond				
FFO, diluted	160.1	176.7	188.3	198.6
Weighted aver. number of shares for FFO, diluted (m)	153.000	159.300	164.789	164.789
NAV (Net Asset Value) (m)				
Shareholders' equity	3,065.1	3,688.4	4,097.4	4,400.4
Deferred tax assets	14.5	14.5	14.5	14.5
Deferred tax liabilities	326.0	430.6	504.7	559.0
Others	-638.9	-667.4	-667.4	-642.4
Net Asset Value (NAV)	2,737.6	3,437.1	3,920.2	4,302.5
Equity attributable to minority interests	-196.7	-246.7	-297.2	-348.2
Net Asset Value (NAV) after minority interests	2,541.0	3,190.4	3,623.0	3,954.3
Convertible bond	0.0	0.0	0.0	0.0
Diluted NAV after minority interests	2,541.0	3,190.4	3,623.0	3,954.3
Number of shares for NAV, diluted (m)	154.900	164.790	164.789	164.789
FFO, NAV ratios				
FFO per share, diluted	1.05	1.11	1.14	1.20
Dividend per common share	0.68	0.72	0.74	0.78
NAV per share, diluted	16.40	19.36	21.99	24.00
NNAV per share, diluted	14.39	16.84	19.01	20.69
NNAV less FV changes on investm. prop. per sh., dil.	14.39	14.44	14.33	14.34
Valuation ratios for real estate companies				
Price / FFO common share	16.5	16.7	16.2	15.4
Price / NAV common share (Premium/Discount)	5.4%	-4.2%	-15.6%	-22.7%
Price / NNAV common share (Premium/Discount)	20.1%	10.2%	-2.4%	-10.4%
Price/NNAV less FV chg. on investm. prop. comm. sh.	20.1%	28.5%	29.4%	29.4%
Net cold rent yield (NCR / Ø RE assets)	10.1%	9.5%	8.6%	8.2%
Net operating income yield (NOI / Ø RE assets)	5.4%	4.9%	4.4%	4.2%
Average interest rate for interest expenditure	1.6%	3.4%	3.1%	3.2%
FFO yield common share (FFO/price)	6.1%	6.0%	6.2%	6.5%
EpS / FFO	3.1	2.7	2.5	1.9
Total return common share	-18.0%	11.2%		
Fiscal year end December				

Source: Grand City Properties and DZ BANK estimates

BALANCE SHEET

IFRS - Euro m	2016	2017e	2018e	2019e
ASSETS				
Non current assets	5,126.0	5,993.4	6,807.8	7,346.8
Intangible assets	10.0	10.2	10.4	10.4
thereof goodwill	9.3	9.3	9.3	9.3
Tangible assets	5.8	6.0	6.2	4.6
Investment properties	4,768.5	5,628.5	6,434.5	6,966.1
Development properties	0.0	0.0	0.0	0.0
Financial assets	272.3	279.3	287.3	296.3
Other long-term assets	69.4	69.4	69.4	69.4
Current assets	1,027.7	1,072.5	984.3	767.6
Inventories	0.0	0.0	0.0	0.0
Properties held for sale	0.0	0.0	0.0	0.0
Trading Properties	27.3	27.3	27.3	27.3
Trade receivables	219.7	202.0	192.0	161.5
Financial assets	181.4	181.4	181.4	181.4
Other receivables and short-term assets	0.0	0.0	0.0	0.0
Liquid assets	448.9	511.3	433.1	247.0
Assets available for sale	150.5	150.5	150.5	150.5
Total assets	6,153.7	7,065.9	7,792.1	8,114.4
LIABILITIES				
Shareholders' equity	3,065.1	3,688.4	4,097.4	4,400.4
Share capital	15.4	15.4	15.4	15.4
Reserves	2,142.2	2,715.5	3,074.0	3,326.0
Thereof fair value chang. on invest. prop.	0.0	395.4	771.3	1,047.0
Other equity	710.9	710.9	710.9	710.9
Minority interest	196.7	246.7	297.2	348.2
Treasury stock	0.0	0.0	0.0	0.0
Non current liabilities	2,750.3	3,055.0	3,379.0	3,433.4
Provisions for pensions	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0
Financial liabilities	2,386.1	2,586.1	2,836.1	2,836.1
Other payables	364.2	468.9	542.9	597.3
Current liabilities	338.3	322.6	315.7	280.7
Trade payables	251.5	231.3	219.9	184.9
Other provisions	14.2	16.2	18.2	18.2
Financial liabilities	29.2	31.2	33.2	33.2
Other liabilities	15.8	16.3	16.8	16.8
Liabilities assoc. with assets held for sale	27.6	27.6	27.6	27.6
Shareholders' equity and liabilities	6,153.7	7,066.0	7,792.1	8,114.5
Fiscal year end December				

Source: Grand City Properties and DZ BANK estimates

SUMMARY

Euro m	2016	2017e	2018e	2019e
Profit and loss account				
Total performance investment properties	831.9	765.0	727.2	611.5
Total output	831.9	765.0	727.2	611.5
Cost of materials	0.0	0.0	0.0	0.0
Personnel expenses	0.0	0.0	0.0	0.0
Other operating income/expenses	-8.7	-9.5	-10.0	-10.3
Extraordinary income/expenses	0.0	0.0	0.0	0.0
EBITDA	823.2	755.5	717.2	601.2
Depreciation	-0.3	-1.5	-1.5	-1.6
thereof on goodwill	0.0	0.0	0.0	0.0
Operating profit (EBIT)	822.8	754.0	715.7	599.6
Interest paid / received	-47.4	-85.0	-83.9	-90.3
Profit before tax	775.4	669.0	631.8	509.3
Income taxes from continuing operations	-122.3	-140.0	-104.0	-83.8
Net profit from continuing operations	653.1	529.0	527.8	425.4
Net profit from discontinued operations	0.0	0.0	0.0	0.0
Net profit	653.1	529.0	527.8	425.4
Profit or loss attributable to minority interest	-108.3	-50.0	-50.5	-51.0
Profit or loss attributable to shareholders	544.8	479.0	477.3	374.4
Balance sheet				
Non current assets	5,126.0	5,993.4	6,807.8	7,346.8
thereof goodwill	9.3	9.3	9.3	9.3
Current assets	1,027.7	1,072.5	984.3	767.6
thereof liquid assets	448.9	511.3	433.1	247.0
Shareholders' equity	3,065.1	3,688.4	4,097.4	4,400.4
Non current liabilities	2,750.3	3,055.0	3,379.0	3,433.4
Current liabilities	338.3	322.6	315.7	280.7
Shareholders' equity and liabilities	6,153.7	7,066.0	7,792.1	8,114.5
Cash flow statement				
Operating CF (cont.)	201.3	210.1	227.3	237.3
Operating CF (discont.)	0.0			
Investing CF (cont.)	-557.2	-358.9	-354.9	-210.6
Investing CF (discont.)	0.0			
Free cash flow (cont.)	-355.9	-148.8	-127.6	26.7
Free cash flow (discont.)	0.0			
Financing CF (cont.)	570.4	211.3	49.3	-212.8
Financing CF (discont.)	0.0			
Increase/decrease of cash	214.5	62.5	-78.2	-186.1
Fiscal year end December				

Source: Grand City Properties and DZ BANK estimates

I. IMPRINT

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The **categories for investment recommendations in Financial Analyses** of DZ BANK are defined as follows:

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- Fundamental Analysis:

"Buy" means that the absolute appreciation expected in the next twelve months is greater than 10%.

"Sell" means that the absolute depreciation expected in the next twelve months is greater than 10%.

"Hold" means that the absolute *price* volatility expected in the next twelve months lies between +10% and -10%.

- Technical (Chart) Analysis (tertiary trend):

The short term technical estimate refers to the short tertiary move of the share:

„Positive“ means that an absolute appreciation could be expected during the next week.

"Negative" means that an absolute depreciation could be expected during the next week.

"Neutral" means that no absolute change of price could be expected during the next week.

- Technical (chart) Analysis (secondary trend):

The longer term technical estimate refers to the shorter secondary move of the share:

„Positive“ means that an absolute appreciation greater than 10% could be expected during the next six months.

"Negative" means that an absolute depreciation greater than 10% could be expected during the six months.

"Neutral" means that an absolute change of price between +10% to -10% could be expected during the next six months.

4.2 Fixed Income Instruments:

The prevailing factor for an investment recommendation regarding an **issuer** is whether, according to the estimate of DZ BANK, this issuer's bonds are able to perform better, worse or in tandem with the bonds of comparable issuers in the next six months. The below defined recommendation categories apply to 'senior unsecured bonds' denominated in Euro and in case of Emerging Markets issuers in individual cases also in US-Dollar as well as to 'covered bonds issued by credit institutions' in Euro:

"Outperformer" means that a better performance is expected for the issuer's bonds than for the bonds of comparable issuers.

"Underperformer" means that a worse performance is expected for the issuer's bonds than for the bonds of comparable issuers.

"Market performer" means that the performance of the issuer's bonds is not expected to materially differ from the bonds of comparable issuers.

4.3 Categories for isolated statements without investment recommendation

Statements on the **isolated evaluation of specific aspects that precede an investment recommendation** on a financial instrument and / or an issuer - **especially according to the sustainability criteria** defined by DZ BANK, its defined **value approach**, its defined **asset allocation** (DZ BANK Sample Portfolio), its defined sector strategy Euro-Stoxx (**DZ BANK Sector Favorites**), its defined valuation of payments to beneficiaries (**DZ BANK Dividend Aristocrats**), its **country weightings for covered bonds** and its **CRESTA-SCORE MODEL** - are **not investment categories** and therefore **do not contain any investment recommendations**.

These isolated statements **alone** are **not sufficient** to form the basis of an investment decision. Reference is made to the explanation of the used relevant methods.

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5. Scheduled Updates and Validity Periods of Investment Recommendations

5.1 The frequency of updates of **Financial Analyses** depends in particular on the underlying macroeconomic conditions, current developments on the relevant markets, the current development of the analyzed companies, measures undertaken by the issuers, the behavior of trading participants, the competent supervisory authorities and the competent central banks as well as a wide range of other parameters. The periods of time named below therefore merely provide a **non-binding indication** of when an updated investment recommendation may be expected.

5.2 **No obligation exists to update an investment recommendation.** If an investment recommendation is updated, this update **replaces** the previous **investment recommendation with immediate effect.**

If no update is made, investment recommendations **end / lapse on expiry** of the **validity periods** named below. These periods **begin** on the **day** and at the **time** the investment recommendation is **completed.**

5.3 The **validity periods** for investment recommendations (**financial analyses**) are as follows:

Shares:

Fundamental analysis	six months
Technical (chart) analysis (tertiary trend)	one week
Technical (chart) analysis (secondary term)	six months

Fixed income instruments:

Issuers (senior unsecured bonds)	six months
Issuers (covered bonds)	one trading day

5.4 **Evaluations of isolated aspects without investment recommendation** have the following validity periods:

Sustainability analyses:	one month
Analyses according to the value approach:	one month
Asset allocation analyses (DZ BANK Sample Portfolio):	one month
Euro Stoxx sector strategy (DZ BANK Sector Favorites):	one month
Dividends (DZ BANK Dividend Aristocrats):	three months
Credit trend issuers	twelve months
Share indices (fundamental):	three months
Share indices (technical / chart analysis):	one week
Share indices (technical daily):	publicationday
Currency areas:	six to twelve months
Allocation of market segments	one month
Country weightings for covered bonds:	six months
Derivatives:	
(Bund futures, Bobl futures, treasury futures, Buxl futures):	one month
Commodities:	one month

5.5 In a given case, updates of analyses may also be **temporarily suspended without prior announcement** on account of compliance with supervisory regulations.

5.6 If **no updates are to be made in the future** because the analysis of an object is to be discontinued, notification of this shall be made in the final publication or, if no final publication is made, the close of the analysis shall be given in a separate note.

6. General Overview of Investment Recommendations on Financial Instruments and Issuers

Each working day DZ BANK prepares a **general overview of all investment recommendations** on financial instruments and / or issuers disseminated in the last **twelve months**, containing all details specified by the supervisor. This list can be **read and downloaded free-of-charge** under www.dzbank.com/disclosures.

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- 7.5 Other theoretically feasible, information-based personal conflicts of interest among employees of the Research and Economics Division and persons closely associated with them are avoided in particular by the measures explained in **sub-paragraph 7.2** and the other measures described in the policy.
- 7.6 The remuneration of employees of the Research and Economics Division depends neither in whole nor in the variable part directly or materially on the earnings from investment banking, trade in financial instruments, other securities related services and / or trade in commodities, merchandise, currencies and / or on indices of DZ BANK or the companies of the DZ BANK Group.
- 7.7 DZ BANK and companies of the DZ BANK Group issue financial instruments for trading, hedging and other investment purposes which, as underlying instruments, may refer to financial instruments, commodities, merchandise, currencies, benchmarks, indices and / or other financial ratios also covered by DZ BANK Research. Respective conflicts of interest are primarily avoided in the Research and Economics Division by means of the aforementioned organizational measures.
- 7.8 **Investment recommendations for the same financial instrument / issuer that have deviated in the last 12 months are stated in the respective current Financial Analysis together with the relevant investment recommendation category and date.**
- 7.9 The **quarterly information** on the share of the investment categories stated in **sub-paragraph 4.1** and **4.2** for **shares** and **fixed income instruments** in the total number of investment recommendations of DZ BANK and the **information** on the share of these categories relating to the issuers to whom DZ BANK has rendered services in the **past twelve months** in accordance with Appendix I Sections A and B of Directive 2014/65/EU, can be **read and downloaded free-of-charge** under www.dzbank.com/disclosures.
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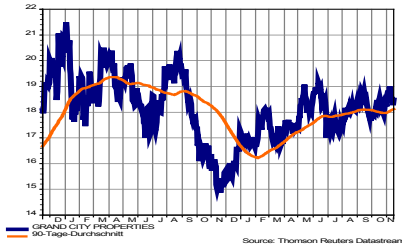
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RATING HISTORY

Recommendation	Date	Price
Buy	21 Aug 2017	18.06 EUR
Hold	16 May 2017	18.90 EUR

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