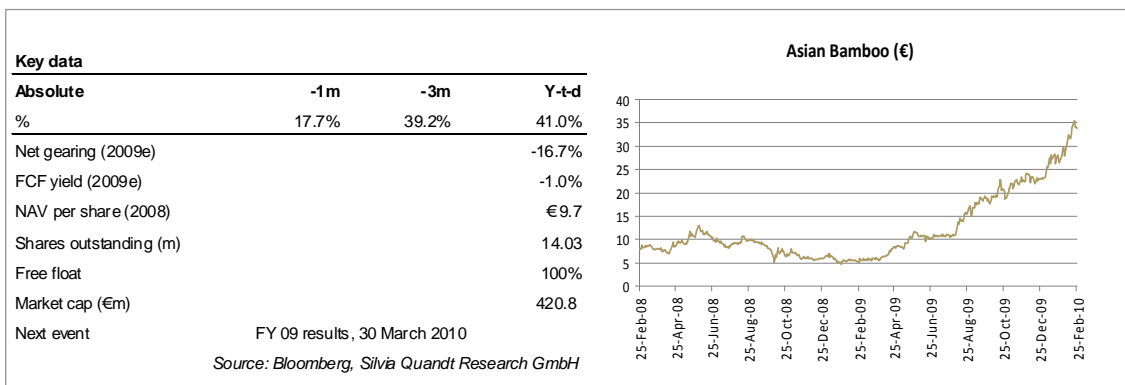




Asian Bamboo

2009 performance exceeds guidance, trading environment “inflationary” at current



Rating: Buy	Target price: €37.0	Close 25/02/10: €33.0	RIC: 5ABG.DE
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- The company disclosed preliminary results for FY 2009 showing revenues at €58.6m, up 34% y/y and adjusted net earnings at €27.8m, up 31% y/y. The implied net margin is above AB's previous guidance, at 48% versus 45%.
- Both revenues and net profit came in ahead of expectations (SQR and consensus).
- The strong performance mainly rested on strong expansion of mature bamboo plantations which rose by 21% y/y or 3,862 hectare. Asian Bamboo currently has 36,729 ha bamboo plantations under leasing contracts and is planning to reach at least 40,000 ha until the end of this year. The company has leased more than 10,000 ha during the last six months. The long-term planning seeks at least 70,000 ha plantation area.
- The management targets revenues of at least €75m for 2010 and at least 45% net margin. This indicates adjusted net earnings of approx. €34m this year. We are close to consensus which is looking for approx. €36m adjusted net earnings.
- We certainly retain our Buy rating for the stock, also reiterating our price target for the time being.**

Year end	Sales	EBIT (adj)	EPS	P/E	EV/ EBITDA	Yield
Dec	(€m)	(€m)	(€)	(x)	(x)	(%)
2008	43.8	17.4	1.22	7.9	5.4	2.8%
2009e	56.1	21.2	2.00	16.5	11.8	0.9%
2010e	72.4	27.4	2.53	13.0	11.4	1.2%
2011e	96.7	37.2	3.39	9.7	9.8	1.4%

Source: Company data, Silvia Quandt Research GmbH

Asian Bamboo

Price target	<i>Year end Dec., in € millions</i>					
37.00 €		2008	2009e	2010e	2011e	2012e
Up/downside	Profit loss					
12.1%	Sales	44	56	72	97	125
	y-o-y in %	198.0%	28.0%	29.2%	33.5%	28.8%
Rating	EBITDA	33	33	38	43	50
Buy	EBIT (adjusted)	17	21	27	37	48
Current price	EBIT margin in %	71.0%	57.5%	50.3%	42.6%	38.7%
33.00 €	Adjusted Net income	17	25	36	48	62
	Adjusted EPS (€)	1.22	2.00	2.53	3.39	4.39
Headquarter	y-o-y in %	121.1%	64.5%	26.7%	33.8%	29.7%
Asian Bamboo AG	EPS consensus (€)	2.25	3.00	3.87	3.87	n/a
20355 Hamburg	DPS (€)	0.20	0.30	0.38	0.46	0.55
DE	Payout ratio %	10.3%	11.3%	12.6%	12.8%	12.5%
	Dividend yield %	2.8%	0.9%	1.2%	1.4%	1.7%
CFO	Cash flow					
Peter Sjovall	Net income	27	34	42	51	62
	Depreciation/Amortisation	2	1	1	1	2
	Working capital movements	0	-1	-1	-1	-1
peter.sjovall@asian-bamboo.com	Operating cash flow	34	36	45	53	65
www.asian-bamboo.com	Net capex	-60	-37	-21	-21	-22
+852 3973 7459	Free cash flow	-31	-4	19	27	37
	Free cash flow yield	-23.0%	-1.0%	4.2%	5.8%	8.0%
Stock data	Balance sheet/Key ratios					
Main Market	Total Assets	171	224	259	301	349
Prime Market	Closing net debt (cash)	25	34	39	51	71
	Gearing	-34.4%	-16.7%	-16.9%	-18.0%	-21.0%
Market cap (€m):	Capex ratio (tangible)	48.8%	22.5%	10.7%	9.5%	8.5%
421	ROE	12.5%	14.3%	16.4%	19.1%	21.2%
	ROCE	35.9%	23.2%	21.8%	21.9%	23.1%
No.of shares	ROA	20.4%	19.2%	19.3%	20.1%	22.5%
14.03	Valuation					
Daily volume (shares m)	Enterprise value	181	391	426	418	402
0.04	Book value	155	202	231	268	314
	Market cap	134	421	463	463	463
Indices	EV/Sales	413%	697%	588%	432.0%	322.7%
DAX	EV/EBITDA	5.4	11.8	11.4	9.8	8.0
	PER	7.9	16.5	13.0	9.7	7.5
Next event	PBV	1.0	2.4	2.1	1.9	1.6
FY 09 results, 30 March 2010						



Asian Bamboo

Disclaimer

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Number of recommendations from Silvia Quandt Research GmbH in 2009	Thereof recommendations for issuers to which investment banking services were provided during the preceding twelve months
Buys: 43	19
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Avoid: 7	0

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