

## OPENLIMIT HOLDING AG

SWITZERLAND / SOFTWARE / ELECTRONIC SIGNATURE

 Primary exchange: Frankfurt  
 Bloomberg symbol: O5H GR  
 ISIN: CH0022237009

### Q2 PREVIEW

<b>RATING:</b>	<b>Strong Buy</b>
<b>PRICE TARGET:</b>	<b>€5.00</b>
<b>RETURN POTENTIAL:</b>	<b>180.9%</b>
<b>RISK RATING:</b>	<b>High</b>

### RISING INTEREST IN ELECTRONIC SIGNATURE

**OPENLiMiT is due to release Q2 results on 22 August. As table 1 overleaf shows, we are looking for sales of CHF 0.6m and an operating loss of CHF 0.5m (Q2 2007: CHF 0.7m and EBIT of CHF 0.4m respectively). We expect the operating result in Q2/08 to be lower than in Q2/07 due to higher staff numbers and increased depreciation (since 2007). As is usual at OPENLiMiT, sales and profits will be concentrated in the second half of the year, particularly in Q4, when the company is scheduled to finish several large projects.**

**ePA and ELENA signal rising interest in the electronic signature** On 22 July 2008 the German Interior Minister, Wolfgang Schäuble, presented a new concept for a German electronic ID card (elektronischer Personalausweis – ePA). From 2010 the ePA will incorporate a biometric data set and will be able to handle the qualified electronic signature. The qualified electronic signature feature will improve the security of internet business (legally binding validation of identity) and enable governmental agencies to operate on a purely electronic basis (eliminating the need for paper). On 25 June 2008 the German Federal Cabinet presented a draft law governing the electronic administration of social security payments (ELENA - elektronischer Einkommensnachweis). ELENA will use qualified electronic signature technology to guarantee the authenticity of transferred data. The ELENA Project will entail the reorganisation of public services in several phases between 2010 and 2012. The German Government expects the strategic migration to electronic media to generate annual savings of c. €80m. We see both ePA and ELENA as catalysts for the widespread adoption of electronic signature software.

**Unchanged full year guidance despite economic uncertainty** OPENLiMiT's projects are currently driven primarily by the long term strategic decisions of the German Government, so we see no direct impact of the current economic uncertainty on the business and keep our growth forecasts for 2008 and 2009 unchanged.

**Traditionally strong H2 expected** Due to the company's dependence on the completion of individual projects, OPENLiMiT's quarterly figures are not always representative of underlying performance. Like most software companies, OPENLiMiT's revenue is weighted towards the fourth quarter. In 2007 OPENLiMiT booked 75% of its revenues in Q4. For 2008 we expect this figure to be 71%. For now we see no reason to change our projections and maintain our €5.00 price target and Strong Buy recommendation.

### FINANCIAL HISTORY & PROJECTIONS

	2005	2006	2007	2008E	2009E	2010E
Revenue (€m)	0.18	0.72	2.95	4.80	9.00	14.67
Y-o-y growth	na	302.6%	307.6%	62.6%	87.5%	63.0%
EBIT (€m)	-3.33	-0.25	0.51	1.71	5.33	9.24
EBIT margin	na	na	12.8%	28.0%	49.5%	63.0%
Net income (€m)	0.44	0.61	0.60	1.50	4.70	9.70
EPS (diluted) (€)	0.03	-0.07	0.06	0.10	0.30	0.62
P/E (x)	59.3	na	29.7	17.8	5.9	2.9
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### RISKS

Risks to our price target include but are not limited to: delay in large projects, erosion of the company's present competitive lead, further dilution of shareholders' interests and the failure of electronic signature applications to achieve widespread market acceptance.

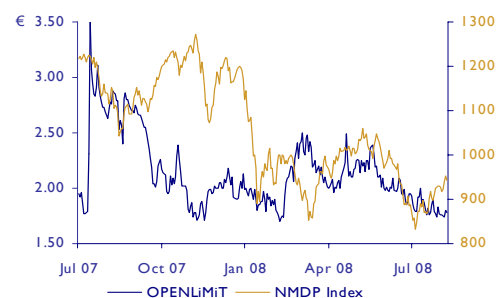
### COMPANY PROFILE

OPENLiMiT Holding AG develops and markets software applications for electronic signature, encryption and related fields. The company's internationally recognised Common Criteria-certified software products enhance the security, provability and efficiency of electronic transactions, workflow, communications and data. The company employed 41 full-time staff as of 30 June 2008.

### TRADING DATA

Closing price (19.08.08)	€1.78
Shares outstanding	15.76m
Market capitalisation	€28.05m
52-week range	€1.70 / 2.86
Av. vol. (12 months)	15,682

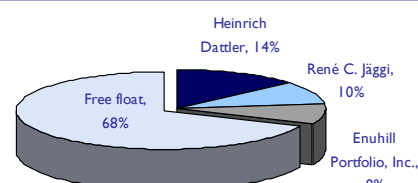
### STOCK OVERVIEW



### COMPANY DATA (as of 31 December 2007)

Liquid assets	CHF 1.08m
Current assets	CHF 4.82m
Intangible assets	CHF 2.58m
Total assets	CHF 7.60m
Current liabilities	CHF 0.41m
Shareholders' equity	CHF 7.19m

### SHAREHOLDERS





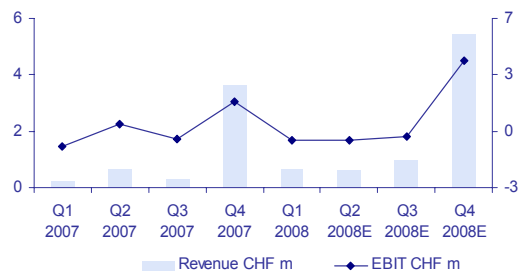
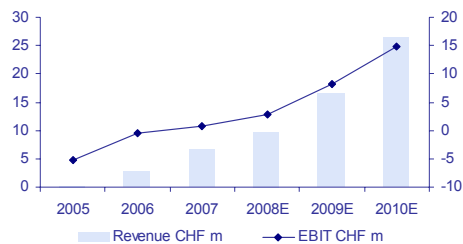
**QUARTERLY AND HALF-YEAR RESULTS & ESTIMATES**

All figures in CHF m	Q1 2007	Q1 2008	% change	Q2 2007	Q2 2008E	% change	HI 2007	HI 2008E	% change
Sales	0.23	0.65	189.1%	0.68	0.61	-10.8%	0.90	1.26	39.1%
EBIT	-0.87	-0.54	-38.4%	0.40	-0.55	-236.2%	-0.47	-1.08	-132.9%
Margin (%)	-385.0%	-82.0%	-	59.4%	-90.7%	-	-51.5%	-86.2%	-

Table 1

Source: OPENLiMiT, First Berlin

**FULL YEAR AND QUARTERLY SALES AND EBIT RESULTS AND ESTIMATES**



Charts 1 & 2

Source: OPENLiMiT, First Berlin

**FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY**

Report No.	Date of publication	Previous day closing price	Recommendation	Price target	Interim high	% change to high
Initial Report	10 October 2005	€4.20	Buy	€5.20	-	-
2...7	↓	↓	↓	↓	↓	↓
8	19 November 2007	€1.71	Buy	€3.90	€2.41	40.9%
9	6 March 2008	€2.27	Buy	€3.90	€2.50	10.1%
10	19 May 2008	€2.25	Strong Buy	€5.00	€2.39	6.2%
11	Today	€1.78	Strong Buy	€5.00	-	-

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First Berlin's investment rating system is five tiered and includes an investment recommendation and a risk rating. Our recommendations, which are a function of our expectation of total return (forecast price appreciation and dividend yield) in the year specified, are as follows:

STRONG BUY: Expected return greater than 50% and a high level of confidence in management's financial guidance  
BUY: Expected return greater than 25%  
ADD: Expected return between 0% and 25%  
REDUCE: Expected negative return between 0% and -15%  
SELL: Expected negative return greater than -15%

Our risk ratings are Low, Medium, High and Speculative and are determined by ten factors: corporate governance, quality of earnings, management strength, balance sheet and financing risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, company size, free float and other company specific risks. These risk factors are incorporated into our valuation models and are therefore reflected in our price targets. Our models are available upon request to First Berlin clients.

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