

## OPENLIMIT HOLDING AG

SWITZERLAND / SOFTWARE / ELECTRONIC SIGNATURE

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

### Q2 RESULTS

<b>RATING:</b>	<b>Strong Buy</b>
<b>PRICE TARGET:</b>	<b>€5.00</b>
<b>RETURN POTENTIAL:</b>	<b>190.7%</b>
<b>RISK RATING:</b>	<b>High</b>

### MOMENTUM BUILDING

**Q2 results were in line with our forecasts. As in previous years sales and profits will be concentrated in Q4 when management expect the completion of several large projects. Electronic signature technology will be a key component in the migration of German Government departments to electronic media. News flow over the past quarter indicates that momentum continues to build in this area. At the same time sales to the private sector are also growing at an encouraging rate. We maintain our Strong Buy recommendation and price target of €5.00.**

**Preparing for Q4** The operating margin was lower y-o-y because of a build-up in personnel costs in connection with the projects which management expect in Q4. Increased depreciation due to higher capitalised development costs was also an important factor.

**Operating cash flow positive at H1 stage, expected to increase further by year end** H1 operating cash flow was strongly positive at CHF 1.7m, mainly due to a decrease in FY 2007 receivables. Receivables are likely to increase again by the end of 2008, but management believe that full-year operating cash flow will come in at CHF 2.0m.

**Momentum building, also in the private sector** Recent news flow discussed in our preview of 20 August regarding the German electronic ID Card (elektronischer Personalausweis - ePA) and the electronic administration of social security payments (ELENA - elektronischer Einkommensnachweis) show that momentum is building behind the adoption of electronic signature technology. The company still expects the public sector to account for over 50% of sales in 2008, but according to management the proportion accounted for by the private sector is rising.

**Strong Q4 expected** 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%. We leave our forecasts unchanged 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%
Operating profit (€m)	-3.33	-0.25	0.51	1.71	5.33	9.24
Operating 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)	57.3	na	28.7	17.2	5.7	2.8
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.

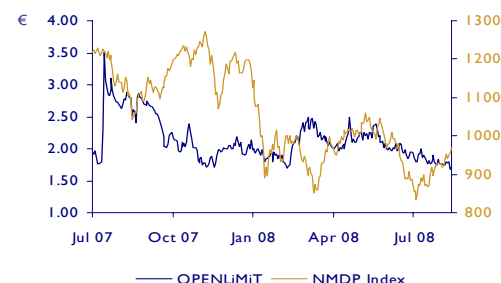
### COMPANY PROFILE

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 (22.08.08)	€1.72
Shares outstanding	15.76m
Market capitalisation	€27.10m
52-week range	€1.67 / 2.86
Av. vol. (12 months)	15,687

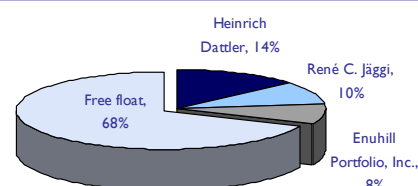
### STOCK OVERVIEW



### COMPANY DATA (as of 30 June 2008)

Liquid assets	CHF 1.74m
Current assets	CHF 2.92m
Intangible assets	CHF 3.09m
Total assets	CHF 6.20m
Current liabilities	CHF 0.29m
Shareholders' equity	CHF 5.91m

### SHAREHOLDERS





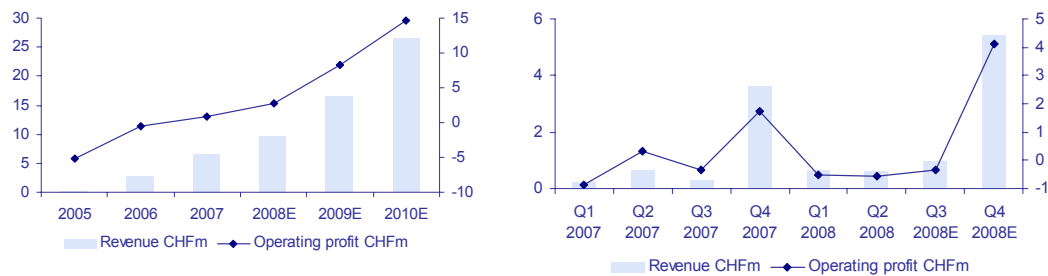
**QUARTERLY AND HALF-YEAR RESULTS**

All figures in CHF m	Q1 2007	Q1 2008	% change	Q2 2007	Q2 2008	% change	HI 2007	HI 2008	% change
Sales	0.23	0.65	189.1%	0.68	0.61	-10.8%	0.90	1.26	39.1%
Operating profit	-0.87	-0.54	-38.4%	0.34	-0.55	-262.9%	-0.53	-1.08	-103.8%
Margin (%)	-385.1%	-82.0%	-	49.7%	-90.6%	-	-58.8%	-86.2%	-

Table 1

Source: OPENLiMiT, First Berlin

**FULL-YEAR AND QUARTERLY SALES AND OPERATING 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...8	↓	↓	↓	↓	↓	↓
9	6 March 2008	€2.27	Buy	€3.90	€2.50	10.1%
10	19 May 2008	€2.25	Buy	€5.00	€2.39	6.2%
11	20 August 2008	€1.78	Strong Buy	€5.00	€1.80	1.1%
12	Today	€1.72	Strong Buy	€5.00	-	-

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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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