

23th April 2007

UPDATE

Coverage: Since Q3/2006



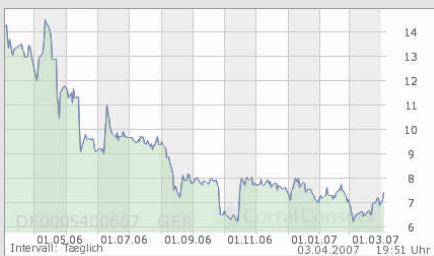
Sector: Technology
Surface Analysis

Event: Results 2006 - Outlook

Rating: Buy **Fair value (old):** € 10.19

Fair value(new): € 11.00 **Last Price:** € 7.42

Share Price Development



Increasing orders on hand

- Highflyer „standardized systems“ will soon be publicly introduced
- Three-dimensional optic measurement techniques are about to displace traditional systems
- Research cooperation with ThyssenKruppSteel successfully started

SWOT

- + Introduction of standardised systems in 2007
- + Clientele consists of medical engineering firms
- + Research assignment with ThyssenSt.
- + Unique products
- + Break-Even in 2007 conceivable
- - EBIT 2006 affected by outstanding effects

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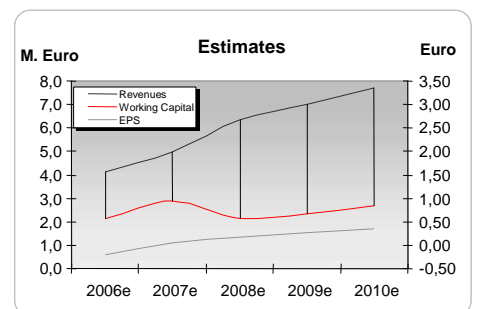
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Kalliwoda Recommendations
on Terminal: Bloomberg
 Reuters
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COMPANY DESCRIPTION

NanoFocus AG is a high-tech company and technology leader in the sector of directly process-related optical surface measurement in the micro- and nanometre range. The firm was founded in 1994 and is listed on the stock exchange since November 2005. The company is headquartered in Oberhausen and currently has 34 employees. The existing circle of clients consists of well-known enterprises, such as BMW, Thyssen and FTI.

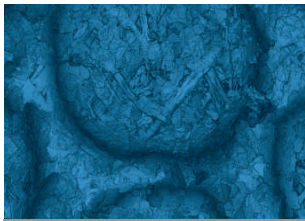
HISTORY & ESTIMATES



Figures in EUR	2006e	2007e	2008e	2009e	2010e
EPS Dr. Kalliwoda	-0.19	0.05	0.16	0.27	0.33
Dividend	0.0	0.0	0.0	0.00	0.0
Revenues (mln)	4.1	5.0	6.4	7.0	7.7
EBIT per Share	-0.1	0.2	0.2	0.33	0.37
Working Capital	2.1	2.9	2.1	2.4	2.7
Cash Flow	0.2	0.8	1.6	0.8	0.7

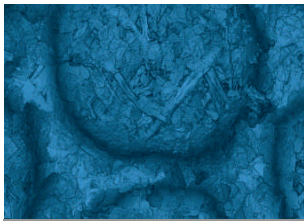
Price (curr)	7.42	Shares out (mln)	1,931
52w high	14.55	Listing year	2005
52w low	6.00	Free Float (in %)	56.99
Market Cap (mln)	14.33	Index	Entry Standard
Last Dividend	0	Code:	N2F
No. Employees	34	Accounting:	HGB
Web Page	nanofocus.de	WKN:	540066

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1 Financials

Results 2006

NanoFocus AG has announced its results of the preceding financial year on 27th of March. Thus, revenues as well as annual returns were increased. As we expected, the firm still generates minor losses. By contrast, operating cash flow has developed quite well, as it is positive for the first time. We are confident, that the break-even point can be reached this very year, since „Standardized Systems“ will soon be introduced at the trade fair Control and cooperation plans are announced. The CEO of NanoFocus AG confirms our expectations by counting on an EPS at 5Ct per share and sales at 5m Euro in 2007.

However results in 2006 were influenced by special items like

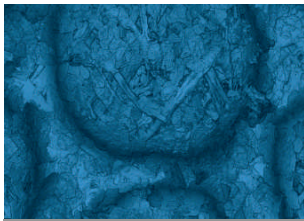
Special items
 results in

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Key Data

Key Data Overview		2006	Annual percentage change	2005	2004
Sales Revenues	TEuro	4,400	43.9	3,057	3,153
EBITDA	TEuro	273	27.0	215	1,034
Net Income	TEuro	-401	-19.3	-497	-598
Liquid Assets	TEuro	1,800	-25.0	2,400	1,200
Earnings per Share	Euro	-0.21	-19.2	-0.26	-
Share price 31.12.	Euro	7.6	-30.9	11.0	-
Market capitalisation at end of year	M. Euro	14.68	-30.9	21.24	-
Number of employees		34	9.7	31	26



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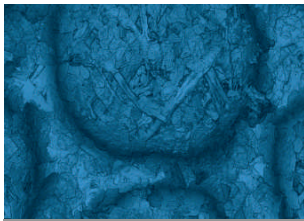
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Also view Sales and Earnings Estimates:

Analyst of this research: Dr. Norbert Kalliwoda, CEFA

DR. KALLIWODA | RESEARCH on Terminals of
Bloomberg
Reuters
Thomson Financial
JCF Factset





6 DISCLAIMER

BUY:	On a basis of our prognoses the stock should have a performance of at least 20% in the following 12 months.	
ACCUMULATE:	On a basis of our prognoses the stock should have a performance of between 10% and 20% in the following 12 months.	
HOLD:	On a basis of our prognoses the stock should have a performance of between minus 10% and plus 10% in the following 12 months.	
REDUCE:	On a basis of our prognoses the stock should have an underperformance of between minus 10% and minus 20%.	
SELL:	On a basis of our prognoses the stock should have an underperformance of at least minus 20%	

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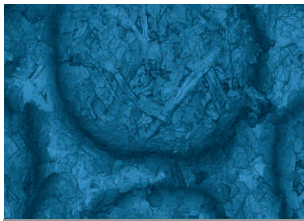
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- d) have serviced the analyzed investments based on any contract with the emitter on the stock exchange or in the market.

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