

## OPENLIMIT HOLDING AG

SWITZERLAND / SOFTWARE / ELECTRONIC SIGNATURE

Primary exchange: Frankfurt  
 Bloomberg symbol: O5H  
 ISIN: CH0022237009

### FINAL 2008 RESULTS

RATING:	<b>Buy</b>
PRICE TARGET:	<b>€3.50</b>
RETURN POTENTIAL:	<b>366.7%</b>
RISK RATING:	<b>High</b>

#### SLOW 2009 BUT ECARDS TO KICKSTART GROWTH IN 2010

Openlimit published its annual report on 30th April. Major P&L items were already published in the preliminary report on 3 March. Economic uncertainty means that Openlimit's sales growth is likely to slow in 2009 before accelerating from 2010 as the digital signature market reaches maturity. We retain our Buy rating and €3.50 price target.

**Roll-out of eCard projects will be growth catalyst from 2010** Major German eCard projects, including the electronic health card, electronic ID card and electronic job card are scheduled for roll out in 2009/2010, 2010 and 2012 respectively. These projects will require the use of client and server signature solutions. Openlimit should be a prime beneficiary of the implementation of these projects as it is currently the only company with an authentication/signature solution which meets the internationally recognised IT security standard, Common Criteria EAL 4+.

**Introduction of new products on schedule** The OverSign and MigSafe products for e-Archiving were introduced on schedule in Q1. The multi-platform middleware version 3.0 will be introduced by mid-year, once it has been certified for the electronic ID card. These products are expected to make substantial contributions to sales this year.

**Balance sheet situation is stretched but manageable** Openlimit had cash of CHF 0.1m and receivables of CHF 5.4m at end 2008. Management tells us that payment periods are longer than in previous years, but that receivables should be significantly reduced by mid-year. The company is using short term financing to bridge the gap. The 2008 cashflow statement shows an improvement in net cashflow from €-2.6m to €-1.0m. We expect Openlimit's net cashflow to approach zero this year.

**Migration to digital signature technology set to accelerate** The launch of mass market applications for authentication and digital signature technologies such as eIDs, health cards and bank cards is imminent and should lead to acceleration in Openlimit's sales growth from 2010. We leave our forecasts unchanged and maintain our Buy rating and price target of €3.50.

#### FINANCIAL HISTORY & PROJECTIONS

	2005	2006	2007	2008	2009E	2010E
Revenue (€m)	0.18	0.72	2.95	4.55	5.51	8.27
Y-o-y growth	na	302.6%	307.6%	54.2%	21.1%	50.0%
EBIT (€m)	-3.33	-0.25	0.51	1.36	2.20	4.30
EBIT margin	na	na	12.8%	22.7%	32.9%	45.9%
Net income (€m)	0.44	-0.61	0.60	1.09	1.92	3.75
EPS (diluted) (€)	0.03	-0.04	0.04	0.06	0.11	0.21
P/E (x)	24.0	na	19.7	12.4	7.1	3.6
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.

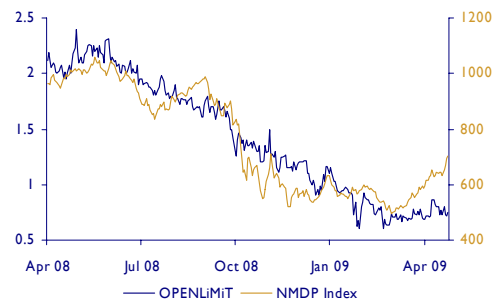
#### COMPANY PROFILE

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 46 full-time staff as of 31 December 2008.

#### TRADING DATA

Closing price (05.05.09)	€0.75
Shares outstanding	15.76m
Market capitalisation	€11.82m
52-week range	€0.54 / 2.40
Av. vol. (12 months)	10,778

#### STOCK OVERVIEW



#### COMPANY DATA (as of 31 December 2008)

Liquid assets (incl. securities)	CHF 0.10m
Current assets	CHF 5.54m
Intangible assets	CHF 3.60m
Total assets	CHF 9.28m
Current liabilities	CHF 0.66m
Shareholders' equity (incl. minorities)	CHF 8.61m

#### SHAREHOLDERS

Heinrich Dattler	13.5%
René C. Jäggi	10.6%
Enuhill Portfolio, Inc.	8.3%
Urs H. Winzenried	0.6%
Free float	67.0%

**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...15	↓	↓	↓	↓	↓	↓
16	8 January 2009	€1.11	Buy	€3.50	€1.06	-4.5%
17	18 February 2009	€0.78	Buy	€3.50	€0.80	2.6%
18	11 March 2009	€0.67	Buy	€3.50	€0.87	29.9%
19	Today	€0.75	Buy	€3.50	-	-

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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.

Up until 16 May 2008, First Berlin's investment rating system was three tiered and was a function of our expectation of return (forecast price appreciation and dividend yield) over the specified year. Our investment ratings were as follows: BUY: expected return greater than 15%; HOLD: expected return between 0% and 15%; and SELL: expected negative return.

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