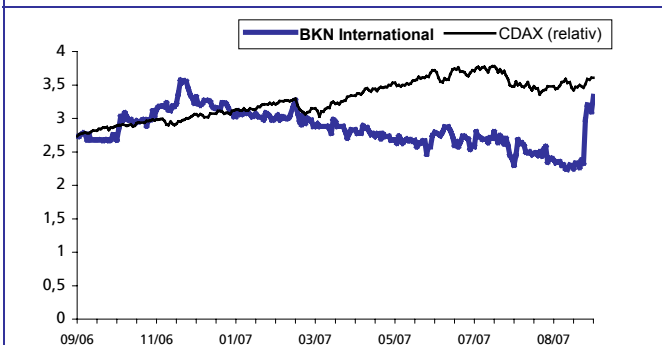


**Hold**      **Risk:**      **Price target:**      **EUR 3.35**  
 (old: Buy)      high

**PT achieved after strong share price development**

Bloomberg: BKQ GY      Price: EUR 3.20  
 Reuters: BKQG.DE      CDAX: 695,34  
 ISIN: DE0005290704  
 Internet: www.bknkids.com  
 Segment: General Standard  
 Sector: Entertainment/Media



**BKN International AG** is a global animation company engaged in the development and production of **computer animated children's television programmes** and holds the rights herein.

SES assumes that BKN will achieve the **annual estimate** of EUR 17.7 m at an EBIT of EUR 5.6 m. for the current fiscal year

The **share price development** of the last week was **very dynamic**. From the share price low 52 w (EUR 2.00 on September 18, 2007) a share price increase of up to EUR 3.33 (closing price of September 24, 2007) was recorded. Although there is no change of the positive fundamental figures in SES's view, the valuation reserve to the PT of EUR 3.35 clearly decreased.

On the basis of a **DCF PT of EUR 3.35** and maintenance of the positive estimate of the operating development SES changes the rating to **HOLD**.

Share data: Bloomberg      24.09.2007 / Closing price

High / Low 52 W:      EUR 3.68 / EUR 2.00  
 Market cap.:      EUR 62.08 m.  
 No. of shares:      19,4 m.

Aktionäre:      Free float      27.6%  
                   Charleville Investments      19.4%  
                   Gordon Group Holding LLC      16.2%  
                   Allianz Global Investors      8.9%  
                   Michael Jack Kugler      8.2%  
                   Credit Agricole      7.0%  
                   Allen Bohbot      6.5%  
                   Dalton      6.2%

Termine:

**Analysis: SES Research**

**Date of publication:**      26.09.2007  
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Fiscal year ending	09/06	09/07e	09/08e	09/09e
Per Share figures in EUR, other figures in EURm, price: EUR 3.20				
<b>Sales</b>	13.9	17.7	22.1	24.8
<i>Gross margin</i>	92.9%	92.8%	99.5%	98.8%
<b>EBITDA</b>	6.2	9.1	12.0	13.4
<i>EBITDA-margin</i>	44.4%	51.5%	54.0%	54.0%
<b>EBIT</b>	4.7	5.6	6.9	7.2
<i>EBIT-margin</i>	34.1%	31.5%	31.0%	29.0%
<b>Net Income</b>	4.5	4.1	5.0	5.1
<b>Eps</b>	0.29	0.21	0.25	0.26
<b>DPS</b>	0.00	0.00	0.00	0.00
<i>Dividend Yield</i>	0.0%	0.0%	0.0%	0.0%
<b>EV/Sales</b>	5.32	4.17	3.34	2.98
<b>EV/EBITDA</b>	11.96	8.10	6.18	5.51
<b>EV/EBIT</b>	15.57	13.26	10.76	10.27
<b>PER</b>	11.03	15.24	12.80	12.31
<b>ROCE</b>	11.2%	9.2%	10.1%	9.4%
<b>Adj. Free Cash Flow Yield</b>	8.3%	10.1%	13.8%	17.8%



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