Estimation of the Fair Value of the Minority Equity (18.82%) of Reply Deutschland AG, as of March 31, 2013

May 22, 2013

FINAL VERSION

Prepared for Reply Deutschland AG

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Contents

Section 1

Introduction

Assignment

As per the engagement letter dated July 27, 2012, Reply Deutschland AG ("Reply Deutschland" or "Company") has engaged us to perform valuation services in connection with the calculation of an exchange ratio between Reply Deutschland and Reply S.p.A. ("Parties") relating to a potential transaction between the Parties, where Reply S.p.A. already owns 81.18% of the equity of the Company. More specifically, we have been asked to provide a Fair Value ("FV") estimate of 100% of the ordinary shares of Reply Deutschland, assuming no control premium or discount for lack of marketability.

We have performed our engagement in accordance with the standards laid down by the German Institute of Public Accountants (Institut der Wirtschaftsprüfer – IDW), specifically the expert committee's IDW S1 'Standards for the valuation of companies' (version of 2 April 2008) with regard to the 2008 company tax reform. In accordance with this standard, we have prepared our report in our capacity as an independent expert ('neutraler Gutachter'). Consequently, the equity value determined by us constitutes an objectively determined figure.

Performance of the engagement

Our work was carried out from August 2012 to May 2013, mainly in our office in Amsterdam.

In the following we provide a list of the main documents on which our work was based:

- Annual reports of Reply Deutschland of 2007 to 2012;
- Quarterly report Q1 2013;
- KPMG Valuation Report, dated April 13, 2010;
- Joint Report with respect to the proposed Domination Agreement between Reply S.p.A. and Reply AG;
- Reply Deutschland 2013 – 2016 Business Plan; and
- Bloomberg and Capital IQ financial databases and any other relevant databases.

In addition, those named to us as information contacts by the client willingly provided us with further information.

During the valuation work no particular problems or difficulties within the meaning of § 293a para. 1 sentence 2 AktG arose.

In general our valuation was based on the documents provided to us for the occasion. We examined these critically, but did not subject them to an examination in the sense of a year-end audit. The financial projection calculations were examined by us as to their plausibility and were discussed with the board of Reply Deutschland and other employees in positions of responsibility. In addition we took into account current legal and economic parameters, customer and supplier structures as well as the asset, financial and earnings situation in past years.

The boards of Reply Deutschland have provided us with a letter of representation, stating that all information necessary and of significance for the correct preparation of this expert opinion were provided to us in full and were correct.

Domination Agreement

On June 9, 2010, the Company entered into a domination agreement with Reply S.p.A. whereby the management of the Company would be under the control of Reply S.p.A. This also entitles Reply S.p.A. to inspect the Company's books and business documents at any time. The term of this agreement is indefinite.

In exchange for this control, Reply S.p.A. is obliged to compensate the Company for each annual net loss that would otherwise arise during the term of this Agreement, unless such loss is compensated for by withdrawing amounts from other profit reserves.

Reply S.p.A. guarantees to pay to the minority shareholders of the Company a fixed guaranteed dividend. This dividend shall amount to EUR 0.45 per share (EUR 0.53 before deduction of corporation tax and solidarity surcharge to be paid by the Company). If the Company is unable to pay the full amount of this dividend, Reply S.p.A. will pay the difference between the EUR 0.45 and the amount paid by the Company.

If the domination agreement is terminated, the minority shareholders have the right to sell their shares in the Company to Reply S.p.A. in exchange for a cash consideration of EUR 8.19 ("Exit Consideration"). The term of this right is limited to 2 months after termination of the domination agreement.

Section 2

Business Description and Legal Situation

Overview

Reply Deutschland is a leading IT service provider, offering consulting, integration and outsourcing services for efficient company controlling. The Company uses adaptive and agile IT platforms for its innovative, flexible and reliable solutions in premium quality and extends these platforms with customer-specific components. This makes Reply Deutschland's customers stand out in the market and creates lasting competitive advantages. Reply Deutschland customers also benefit from well-founded industry knowledge and collaboration on a partnership basis.

Reply Deutschland is part of a consistent strong and agile consulting and IT brand Reply in Europe. Reply Deutschland governs all German Reply activities. The dedicated companies under the brand umbrella focus on the following topics:

- **Xuccess Reply** – Provides consulting services specializing in bank controlling and regulatory law by finding solutions for complex technical and professional issues in the field of bank management and reporting. The company has been growing quickly since 2001 and became a part of the Syskoplan Group (the predecessor of the Company) at the beginning of 2007.

- **4brands Reply CP** – Consumer goods and data center activities are associated with this label. 4brands Reply provides consumer products companies comprehensive consulting services for business process design according to the ECR principle and software implementation solutions that assist their customers in achieving sustainable company objectives. 4brands Reply provides customer specific solutions by integrating software components provided by technology leaders such as SAP, Accenture CAS or Microsoft.

- **Cluster Reply** – Responsible for the Microsoft activities within the Reply Group, including Microsoft Business Intelligence, Sharepoint, CRM, collaboration, portals, cloud computing (Windows Azure), application development, mobile solutions and data services by integrating online tools and services into enterprise-scale platforms.

- **Macros Reply** – Is a specialist in browser based information and document management as well as archive and mailbox filing solutions especially for banks and insurance companies. The company focuses on caseload processing with innovative solutions with the idea that customers of macros Reply receive solutions for operational processing that can be implemented across the whole company.

- **Power Reply** – Is specialized in the Energy & Utilities industry. Power Reply's goal is to support customer businesses throughout their process of optimizing IT investments by offering innovative solutions and services oriented towards improving the process efficiency. Power Reply looks to partner with customers for value chain management, process consulting, system integration and application management.

- **Syskoplan Reply** – Remains the primary brand for the entire SAP activities of the Group. Syskoplan Reply business units develop and implement innovative IT solutions based on adaptable and agile SAP platforms extended with customer-specific components with the needs of customers being specifically tailored to.

- **Twice Reply** – Provides media companies with consulting services for the entire value chain: from the development of digital strategies and the creative generation of ideas up to the technical implementation. As the bridge between the functional departments and the IT departments, Twice Reply offers optimal support for change and innovation projects in media companies.

- **Xpress Reply** – Specializes in supporting customer-oriented processes in the B2C environment. Xpress Reply supports retail and order companies in the implementation of integrated software solutions for multi-channel businesses.

Together with Reply Deutschland's parent company Reply S.p.A., Reply Deutschland has a comprehensive and attractive portfolio. The range of offerings such as cloud computing, Web 2.0 or social networks complements the services in Germany very well.

Customers of Reply Deutschland are mid-size and large enterprises and industry leaders with an emphasis on German-speaking regions.

In the business year 2012, Reply Deutschland generated according to the group financial statements as of 31 December 2012 (established under International Financial Reporting Standards - IFRS) revenues of approx. EUR 59.2 million.

Company History

The following are the essential steps in Reply Deutschland's history:

1983

In May Dr. Manfred Wassel founds syskoplan GmbH in Gütersloh, Germany. The new company specializes in IT systems and communications planning, and begins operations in October of the same year with three employees. The business objective from the very start is to implement IT projects throughout Germany. In the very year of its founding, syskoplan gains new business with Nixdorf Computer AG (now Siemens Business Services GmbH & Co. OHG - SBS).

1987

With the objective of establishing a firm business basis over the long term, syskoplan takes on a new corporate form. Dr. Manfred Wassel and Nixdorf Computer AG are majority shareholders, with other shares held by management board member Dr. Jochen Meier and by employees who have been with syskoplan from the very beginning.

1995

A strategic development partnership is entered into with SAP AG ("SAP"). Together with a user consortium including IBM Deutschland GmbH and Siemens AG, an industry software solution is developed. This forms the basis for long-term collaboration.

1999

In October 1999, syskoplan enters into more intensive collaboration with SAP.

syskoplan employees are involved in the SAP Partnerport to further develop SAP software solutions.

2000

syskoplan AG emerges from syskoplan GmbH. DG Private Equity Group becomes another reputable new investor.

In November 2000, for the first time, syskoplan AG shares are traded on the Neuer Markt of the Frankfurt stock exchange.

2001

syskoplan AG increases its shares in the cm4 joint venture ("cm4") to 51%, becoming majority shareholder. cm4 is awarded a major EUR 15 million order with the international Bertelsmann Book Clubs to run over three years. syskoplan AG becomes one of the first German companies recognized by SAP as provider of "mySAP.com Alliance Partner Service."

Within the framework of a strategic partnership, syskoplan AG and Melitta Bentz GmbH & Co. KG found is4 IT-Services for Consumer Products & IT-Providers GmbH & Co. KG. The new start-up focuses on IT consulting and project services for the consumer goods industry while also continuing to provide computer center services (*Rechenzentrum*) across all business sectors.

2002

The joint IT services subsidiary of syskoplan and Melitta begins operations on 01 January 2002.

syskoplan takes over the remaining 49% stake in cm4 and becomes the sole shareholder of the company.

2005

During an upswing in the IT market, leading software manufacturers move forward in developing new enterprise platforms. syskoplan takes part in developing SAP NetWeaver and the SAP Business Process Platform. With the acquisition of a minority interest in Interactiv GmbH & Co. KG, syskoplan gains access to cell phone-based communication channels with end consumers.

2006

Reply S.p.A. acquired the majority ownership of syskoplan and started their internationalization strategy.

syskoplan acquired MacrosInnovation GmbH, a company offering IT solutions for increases in productivity in the factual documentation processing and archive solutions of banks and insurances. These solutions combine document and knowledge management with rule-based process management.

2007

syskoplan acquires Xuccess Consulting GmbH. The integration of Xuccess Consulting GmbH provides on the one hand a strengthening of the competencies of the Syskoplan Group in the sector of financial service providers. On the other hand the Microsoft activities, for which Xuccess Consulting GmbH has earned the status of a gold partner, add to the intended diversification of the offer portfolio of the Syskoplan in the direction of further technology suppliers besides SAP.

2010

In Hamburg, in occasion of the 2010 Kress Award, the Sky Sport App, which was developed by syskoplan by order of Sky Deutschland, won the prize for the best application of 2010 in the Web/Mobile category. The application's launch at the German iTunes store saw the specific involvement of three Group companies: Syskoplan, bitmama and Open Reply, which applied their own specialist skills and previous experience from similar projects in SaaS (Software as a Service), Digital Communication and Mobile Architecture Content Delivery.

2011

syskoplan is rebranded to Reply Deutschland supporting the build of a strong Reply brand in Europe.

Legal situation

Reply Deutschland is a stock corporation under German law having its seat in Gütersloh, Germany, registered with the commercial register of the local court of Gütersloh under HRB 3943. Business address is Bartholomäusweg 26, 33334 Gütersloh.

Reply Deutschland's business year runs from 1 January of each year until 31 December of the same year.

Reply Deutschland's corporate purpose is:

- General business consultancy, in particular system and communications planning, IT organization consultancy, the production, sale and operation of own and third party software, programming work, IT training and education and personnel consultancy.
- Reply Deutschland may engage in all activities connected to the nature of its business or which are capable of furthering it.
- Reply Deutschland is permitted to establish branch offices at home and abroad and to purchase or take shareholdings in companies at home or abroad whose business corresponds to that stated under point 1 above.

Share Capital ('Grundkapital')

The subscribed capital of Reply Deutschland as of December 31, 2012, amounts to EUR 4,750,561 and is divided into 4,750,561 individual fully paid-up, no-par-value shares. Arithmetically, each individual bearer share has a EUR 1 stake in the share capital. All the shares grant identical rights, no preferred stock is issued.

Approved Capital ('Genehmigtes Kapital')

At the Annual General Meeting held on May 28, 2010, the existing but not yet exercised authorization of the Executive Board to increase capital was extended until May 27, 2015 and amended as follows. The Executive Board, with the approval of the Supervisory Board, is authorized to increase the share capital by up to EUR 2,367,029. This authorization was not exercised in the 2012 meaning that a total of EUR 2,367,029 in approved capital remained as of December 31, 2012, unchanged from the previous year.

Treasury Shares ('Eigene Aktien')

The Annual General Meeting on May 28, 2010 authorized the Executive Board to acquire treasury shares of up to 10% of the share capital existing as of the date of EUR 4,742,539 in accordance with § 71 Section 1 No.8 AktG. This authorization is valid until November 27, 2015. Together with other treasury shares owned by the Company or attributable to the Company according to § 71a ff. AktG, shares acquired on the basis of this authorization may not at any time exceed 10% of the current share capital of the Company (§ 71 AktG). The authorization may not be used by the Company for the purpose of trading treasury shares. As of December 31, 2012, Reply Deutschland did not hold any treasury shares.

Management Board and Supervisory Board

Management Board

At present, the management board ('*Vorstand*') of Reply Deutschland comprises the following members:

- Josef Mago (Chairman); and
- Dott. Flavia Rebuffat

Supervisory Board

The supervisory board ('*Aufsichtsrat*') of Reply Deutschland comprises six members, which are elected by the shareholders. The current members of the supervisory board are:

- Dott. Mario Rizzante, Chairman, Turin, Italy, President of Reply S.p.A.;
- Dr. Niels Eskelson, Deputy Chairman, Paderborn, Corporate consultant;
- Dr. Stefan Duhnkrack, Hamburg, Lawyer, Heuking Kühn Lüer Wojtek;
- Dott. Daniele Angelucci, Turin, Italy, CFO of Reply S.p.A.;
- Dr. Markus Miele, Gütersloh, Managing Director of Miele & Cie. KG; and
- Dott. Tatiana Rizzante, Turin, Italy, CEO of Reply S.p.A.

Group Structure

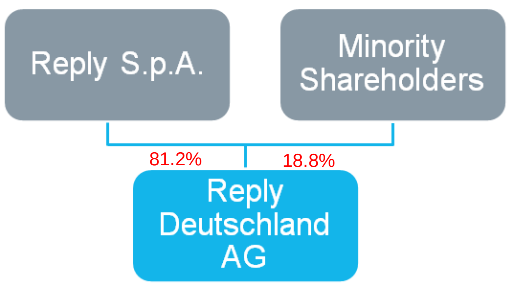
Reply Deutschland holds direct or indirect majority participations in the following corporations and partnerships:

No.	Subsidiary	Seat	Share in %
1	Xpress Reply Gmbh & Go. KG	Gütersloh	100
2	Xpress Reply Verwaltungs-GmbH	Gütersloh	100
3	4brands Reply GmbH & Co. KG	Minden	51
4	4brands Reply Gverwaltungs-GmbH	Minden	51
5	macros Reply GmbH	Munich	100
6	Cluster Reply GmbH & Co. KG	Munich	100
7	Cluster Reply Verwaltungs-GmbH	Munich	100
8	Xuccess Reply GmbH	Munich	100
9	Twice Reply GmbH	Düsseldorf	100
10	Syskoplan Reply GmbH	Küsnacht CH	100
11	Power Reply GmbH & Co. KG	Munich	100
12	Power Reply Verwaltungs-GmbH	Munich	100

Shareholder Structure

Reply S.p.A. acquired an additional 7.31% in Reply Deutschland from Siemens AG on January 20, 2006. Reply S.p.A. currently holds 81.18% of the ordinary shares in Reply Deutschland.

In fiscal year 2010, Reply Deutschland concluded a domination agreement with its major shareholder Reply S.p.A. whereby the management of the Company would be under the control of Reply S.p.A. In exchange for this control, Reply S.p.A. is obliged to compensate the Company for each annual net loss that would otherwise arise during the term of this Agreement and furthermore Reply S.p.A. guarantees to pay to the minority shareholders of the Company a fixed guaranteed dividend. On 14 April 2010 the Board of Directors of Reply S.p.A. and the Management Board and Supervisory Board of Reply Deutschland resolved the finalization of a Domination Agreement between Reply Deutschland, dominated company, and Reply S.p.A., dominating company, by which Reply S.p.A. can exercise the operational control of the company through the Management Board that will respond to Reply S.p.A.'s Board of Directors.



Innovations

Reply Deutschland's business is built around the deployment of innovative technologies. It focuses particularly on CRM, Business Intelligence, Mobile Solutions, Cloud Computing and Social Media.

CRM

Customer relationships have become substantially more important to many businesses as a key consideration alongside the product. Analyzing the entire customer relationship life cycle has yielded ways to improve customer management.

Reply Deutschland creates integrated software solutions tailored to the needs of customer-centric enterprises that ensure effective and economical customer management, including controlling and steering instruments. A host of successful projects demonstrates its expertise with complex service structures and effectiveness in optimizing customer and technical service.

Business Intelligence

Business intelligence ("BI") is a watchword for the intelligent use of business data in order to gain insights for management and optimization. BI is for mapping the entire process from data collection and use as a basis for business decision-making and for company-wide planning and controlling.

Reply Deutschland assists businesses with creating and implementing innovative BI applications. This includes addressing technical and design issues, implementation and application operation. Reply Deutschland also looks at reporting options and performance optimization for large data volumes with respect to end-user acceptance. Reply Deutschland has demonstrated its expertise in realizing results-oriented planning and controlling systems in numerous projects. This performance capability stems from its knowledge ability about IT logic, the underlying business processes and ways to employ modern BI tools from leading vendors.

Mobile Solutions

Mobile solutions create new communication channels with the customer, which can make businesses more competitive and strengthen their market position.

Reply Deutschland is experienced in developing mobile solutions for iPad, iPhone and Android, which can be the starting point for mobilizing an entire firm.

Cloud Computing

Cloud computing is another key element for developing IT systems to allow flexible, needs-based use of IT services. These services are provided in real-time via the internet and billed for based on usage.

Reply Deutschland offers end-to-end cloud computing services, from strategic consulting and selecting the most suitable model to constructing and integrating customized platforms and applications and operating these as needed. Its Italian parent company has built its own private enterprise cloud to enable customers to rapidly implement this new technology. An array of Reply applications for such areas as logistics and social networks are available from the cloud as an on-demand service.

Partnerships with several key vendors like Amazon, Google and Microsoft allow Reply Deutschland to find the best solution, i.e. the cloud model and technology to be used.

Social Media

Social media solutions have become more popular in recent years, with user numbers increasing. Enterprise Social Networks open up new collaboration opportunities for businesses, drawing upon unstructured, distributed knowledge.

Reply Deutschland offers flexible social media solutions that simplify business processes, promote collaboration and innovation and improve relationships with business prospects and customers.

Employee Structure

In 2012, an average of 394 staff members were employed in the Company, of which 34 worked in the consulting segment, 284 worked for System Integration, 27 worked in the Managed Services segment, and 49 in the Company headquarters.

Business Development

The following table provides an overview on the development of assets of Reply Deutschland in the fiscal years 2009 to 2012, as audited and prepared under IFRS.

Group Balance Sheet

Assets	2009	2010	2011	2012
EUR thousands				
Non-current assets				
Goodwill	10,961	10,171	10,159	10,159
Other intangible assets	319	85	50	196
Property, plant and equipment	4,956	3,851	3,599	1,978
Other financial assets	2,441	2,694	7,828	7,308
Defered tax assets	312	115	635	946
Total non-curent assets	**18,989**	**16,916**	**22,271**	**20,587**
Current assets				
Trade accounts receivable and other assets	9,069	11,932	11,845	14,712
Other financial assets	562	356	344	300
Tax assets	1,359	981	685	253
Other non financial assets	649	633	786	612
Cash at bank and cash in hand	19,896	21,950	16,151	15,309
Total current assets	**31,535**	**35,852**	**29,811**	**31,186**
Assets held for sale				2,471
Total Assets	**50,524**	**52,768**	**52,082**	**54,244**
Total Liabilities and Shareholders' Equity				
Equity				
Subscribed capital	4,731	4,746	4,751	4,751
Capital reserve	19,106	19,218	19,251	19,251
Retained earning	5,418	6,505	7,422	6,031
Reserve for hedges	(31)	(38)	-	-
Treasury stock	(8)	(2)	-	-
Equity held by shareholders of Reply Deutschland AG	**29,216**	**30,429**	**31,424**	**30,033**
Non controling Shareholders' interest	118	25	27	30
Shareholders' Equity	**29,334**	**30,454**	**31,451**	**30,063**
Non-current liabilities				
Shares of other shareholders in the limited liability capital of subsidaries	2,889	2,665	2,860	2,800
Bank loans	1,093	978	863	-
Pension obligation	2,396	2,487	3,226	4,300
Provisions	1,172	988	701	532
Other financial liabilities	642	239	251	420
Total non-current liabilities	**8,192**	**7,357**	**7,901**	**8,052**
Current liabilities				
Provisions	754	984	672	702
Tax liabilities	572	295	498	559
Bank loans	115	115	115	-
Trade accounts payable	1,260	2,490	2,435	4,112
Other financial liabilities	7,264	4,405	5,017	5,509
Other liabilities	3,033	6,668	3,992	4,315
Total current liabilities	**12,998**	**14,957**	**12,729**	**15,197**
Total liabilities	**21,190**	**22,314**	**20,630**	**23,249**
Liabilities held for sale				932
Total Liabilities and Shareholders' Equity	**50,524**	**52,768**	**52,082**	**54,244**

Reply Deutschland's consolidated balance sheet total increased in the last year by 4.2% to EUR 54.2 million. Current assets accounted for 57.5% of the total assets. Other non-financial assets decreased to EUR 0.6 million.

Non-current assets amounted to EUR 20.6 million at year-end 2012 compared to EUR 22.3 million at year-end 2011. This decrease is mainly due to the reclassification of certain assets to assets held-for-sale. They accounted for 4.6% of the total assets.

Goodwill correspondingly remained unchanged at EUR 10.2 million. The required annual impairment test did not imply a need for impairment. In relation to the total assets, goodwill amounted to 18.7% in 2012.

Other long-term financial assets are mainly equity investments, securities, a loan to Reply S.p.A. and claims from life insurance policies. They have been assessed at their fair value.

On the liabilities side, non-current liabilities increased from EUR 7.9 million in 2011 to EUR 8.1 million in 2012 which is driven by the increase in pension obligations. Due to the new IAS 19, which requires a presentation of pension obligations with the defined benefit obligation, the Company has adjusted the pension obligation in its balance sheet. The long-term provision decreased by EUR 0.2 million mainly because of the reduced liabilities of partial retirement. The long-term bank liabilities decreased by EUR 0.9 million.

Current liabilities increased by 19.4% from EUR 12.7 million to EUR 15.2 million. This increase is mainly the result of the increase in trade accounts payable from EUR 2.4 million to EUR 4.1 million, which was mainly driven by an increase in the number of freelancers.

The following table gives a compressed overview of the earnings situation of Reply Deutschland, also audited and prepared under IFRS.

Group Income Statement

EUR thousands

	2009	2010	2011	2012
Revenues	55,050	60,174	58,521	59,225
Cost of Sales	(40,409)	(42,620)	(41,969)	(46,093)
Gross profit	14,641	17,554	16,552	13,132
Gross Margin	26.6%	29.2%	28.3%	22.2%
Opex	(11,434)	(12,258)	(10,453)	(9,433)
EBITDA	3,207	5,296	6,099	3,699
Depreciation and Amortization:				
Depreciation	(1,272)	(1,431)	(871)	(873)
Amortization	(352)	(236)	(79)	(56)
EBIT	1,583	3,629	5,149	2,770
Financial Result	(6)	11	(682)	(260)
Earnings before Taxes	1,577	3,640	4,467	2,510
Income Tax	1,099	1,391	1,028	1,100
Net Profit for the Period	**478**	**2,249**	**3,439**	**1,410**

Reply Deutschland closed the financial year 2012 with consolidated revenues worth EUR 59.2 million, a slight increase over the EUR 58.5 million reported in 2011 (+1.2%).

The cost of revenues increased in 2012 by 9.8% to EUR 46.1 million, while the average number of full-time employees reduced by 2%. Gross profit was EUR 13.1 million in 2012 which is 20.7% lower than in the previous year. The gross margin reduced to 22.2% compared to 28.3% in the previous year.

Selling and marketing expenses slightly reduced by 3.8% to EUR 5.7 million. Administrative expenses with EUR 6.5 million were slightly above the previous year's level of EUR 6.3 million.

Reply Deutschland's earnings position decreased in 2012, mainly because of a bad first half-year. The EBITDA margin decreased strongly from 10.4% in 2011 to 6.2% in 2012.

Depreciation and amortization was EUR 929 thousand in 2012 which was slightly below previous year.

EBIT reduced by 46.2% to EUR 2.8 million in 2012.

The tax rate was 44% in 2012. The above-average tax rate results from some special effects. The main effect was due to the effect on deferred tax assets were posted on permanent differences of waiver of receivables. Second reason of this untypical tax rate is due to the presentation of "expenses from revaluation of compensation obligation and from allocation of earnings to the minority partner in limited partnerships" in EBT. On these minority effects no taxes have to be calculated. Without the special effects, the tax rate would have been 30.6%.

The net profit was EUR 1.4 million in 2012 which is 59.0% lower than in 2011.

Section 3

Valuation Methodology

Overview

We considered the following approaches when estimating the Fair Value of the Equity of Reply Deutschland: the DCF Approach, the Market Approach, and the IDW S1 Approach, where the first two approaches are best characterized as International Valuation Approaches, whereas the latter is the official German Valuation Approach. This section details the procedures and practices of these valuation approaches in the assessment of the FV of the Equity of the Company as of March 31, 2013 ("Valuation Date"). Please note that in our valuation analysis, we have focused on determining the FV of 100% of Reply Deutschland's equity first, assuming no control premium nor a discount for lack of marketability; as such, the FV of 18.8% of its equity is determined straightforward as the 18.8% proportion of the total FV. Furthermore, we have always calculated the FV per individual share as well.

DCF Approach

The Business Enterprise Value ("BEV") of Reply Deutschland was estimated on a consolidated basis, using the DCF Approach. We first estimated the BEV, which is generally considered to be the value of the total capital invested in the operations of the business, or the invested capital, excluding excess cash. Invested capital is the sums of the cash flows generated from Reply Deutschland's operating assets and liabilities, such as operating working capital, net property, plant, and equipment ("PP&E"), and net other operating or non-operating assets. We then added excess cash and deducted the non-controlling interest from the BEV to arrive at the FV of equity of Reply Deutschland, as presented in Exhibit 1.1. Our discussions with management and analyses of certain financial assumptions and projections prepared by management formed the basis for our valuation.

Application of the DCF Approach required projections of revenues, expenses, as well as net working capital and capital expenditure requirements over a discrete period to determine the so-called free cash flows to be generated by Reply Deutschland. In addition, assumptions were made to determine the terminal value (the value attributable to the period beyond the discrete projection period).

Based on discussions with management, we made the following adjustments to net operating profit after taxes to estimate the free cash flows available from operations for Reply Deutschland in the projection period:

- We deducted investments in net working capital requirements;
- We forecasted capital expenditures ("Capex") and depreciation and amortization expense for Reply Deutschland.

The present value of the terminal value represents the amount an investor would pay today for the rights to the cash flows of the business for all years subsequent to the last year of the discrete projection period.

We discussed with management the appropriate revenue growth and margin assumptions beyond the discrete projection period, when operating margins are supposed to reach a normalized level. Specifically, the terminal value was calculated by (i) increasing the cash flow of the last year of the discrete projection period with the long-term expected annual growth rate and (ii) next, capitalizing the resulting cash flow using the difference between the selected discount rate (see Section 4.0 for a discussion of discount rate derivation) and the long-term expected annual growth rate. This resulting value was discounted back to present value using the present value factor of the last year of the discrete projection period. This approach to determining the residual value assumes the free cash flows have reached a normalized level at the end of the projection period and are projected to grow by the long-term annual growth rate thereafter.

The discounted cash flows for the discrete period were then added to the terminal value to yield the operating BEV of Reply Deutschland.

Where relevant, net non-operating assets were added to the operating BEV of Reply Deutschland to arrive at an indication of Total Enterprise Value ("TEV"). We then deducted net debt and the non-controlling interest from the TEV to arrive at the estimated FV of equity. Net debt of Reply Deutschland only consists of excess cash, implying a negative net debt. These calculations can be summarized in the following manner:

- BEV = Present Value ("PV") of Discrete Period Cash Flows plus PV of Terminal Period;
- TEV = BEV plus/minus Non-Operating Assets (net); and
- Equity = TEV minus Debt (net) and non-controlling interests.

Market Approach

The guideline company method of the Market Approach ("Market Approach") can be used in the appraisal of businesses and business interests by employing data obtained from the securities markets. This method indicates the FV of an enterprise based on BEV multiples of companies similar to Reply Deutschland.

For Reply Deutschland, we identified a selection of guideline companies with similar business activities. The observed EBITDA and EBIT multiples (where appropriate) were calculated based on last twelve month ("LTM") and 2013 projected financial data of the guideline companies as of the Valuation Date.

The application of the selected multiples resulted in the BEV indications for Reply Deutschland presented in Exhibit 2.1. We then averaged the results using the different multiple ranges to arrive at the concluded BEV range for Reply Deutschland on a minority, marketable basis. We subsequently subtracted net non-operating assets, net debt, and non-controlling interest from the BEV to arrive at the FV of equity of Reply Deutschland by use of the Market Approach.

The application of the Market Approach was not to establish a value but rather it was used to test the reasonableness of our conclusions from the DCF Approach.

IDW S1 Approach

According to prevailing case law and common valuation practice, with which the valuation described below is also consistent, the amount of a reasonable guaranteed dividend under § 304 AktG and the amount of a reasonable compensation have to be derived on the basis of an objectively determined equity value. An objectively determined equity value represents a present value (verifiable between the subjects) of future earnings of a company from the perspective of an owner under the assumption that the company will continue in the future on the basis of the existing corporate strategy.

By its judgment of April 27, 1999, the German Constitutional Court decided that in the calculation of a guaranteed dividend per § 304 AktG the stock market price must also be taken into consideration (1 BvR 1613/94).

Discounted earnings

In economic theory, valuation practice, and prevailing case law, it has been generally accepted that the income approach is an appropriate measure to value a company.

According to IDW S1, sec. 2.1, and applying the income approach, the value of the company can be determined by employing either the discounted earnings method or the discounted cash flow method, using the relevant requirements of IDW S1 (for example, when it relates to taxation matters or components of the discount rate). In the case of this valuation, the value of the company was based on consideration of discounted earnings. As long as the same set of assumptions is used, the two methods will result in consistent values. Therefore, we abstained from the presentation of the discounted cash flow, under the specific German requirements. Please note that our previously described DCF Approach is an International Valuation Approach, where we have abstained from any specific German requirements.

According to the income approach, financial benefits to shareholders are estimated for each of the future periods. These financial benefits are converted to present value by applying a discount rate which represents the rate of return on an alternative investment adequately comparable to the company (cf. IDW S1, sec. 2.1).

Financial benefits to shareholders shall be reasonably represented by such items as future dividends or other forms of earnings or cash flow. Hence, a company valuation requires the projection of financial benefits to shareholders under consideration of the company's earnings retention policy. Retained earnings can be used by the company in form of capital expenditure, retirement of debt, or capital decrease such as share repurchases (cf. IDW S1, sec. 4.4.1.1.). The conditions of law under which profit is distributed and the financing of the distributions must be taken into account (IDW S1, Sec. 4.4.1.1).

According to IDW S1, the discounted earnings of the company are generally to be determined from the perspective of its shareholders.

In calculating an objective equity value, the distribution of the financial net income that is available must be considered, taking into account the documented corporate strategy. If the financial planning is divided into two phases, then the budget itself will indicate any dividend payments and use of retained earnings in the first phase (the so-called "detailed financial planning phase"). In connection with the second phase (the so-called "sustainable earnings phase"), an assumption is typically made that in general the dividend policy of the valuated company will be the equivalent of the dividend policy of an alternative investment. For purposes of calculating how any retained earnings are reinvested, it is assumed that either the amounts will yield an amount equal to the discount rate (before taxes on income at company level) – ensuring that their nominal value equals their net present value – or is equal in value to a fictitious value attributing those retained earnings directly to the shareholders who would ultimately benefit from any share price gains (see IDW S1, Section 4.4.2.3) For this reason, the shareholder's assumed net income for purposes of this report includes the dividends which are actually payable to them as well as the retained earnings directly attributable to them.

Since an equity value is to be calculated from the perspective of the company owners, the shareholders' personal income taxes on any dividends paid to them by the company as well as realised share price gain (attributable to them from retained earnings) must be taken into account. In the valuation of German capital companies it must be taken into account that as of 2009 interest income and dividends are subject to a uniform and nominal tax of 25% plus solidarity surcharge, and that this is regardless of the individual circumstances of the shareholder. The same applies to realized share price gains for acquisitions as of 1 January 2009. Due to the difference in the point in time of the accrual and the realization of gains there are effectively differences in the tax burden. The effective tax burden for interest and dividends is usually the nominal tax burden. In contrast, the effective tax burden on retained earnings to which gains are attributable depends on the point in time of realization of the gain. It decreases the longer the share is held by the shareholder. Shareholders for this reason will strive to keep the effective tax on share price gains low by holding the share a long time. Under the assumption that a share is held a long time and the discounting effect of this, this means a greatly reduced effective tax rate, compared to the nominal 25% plus solidarity surcharge, for sales gains, which we have assumed here to be a standard one-half of the nominal tax rate plus solidarity surcharge.

Consistent with the prevailing opinion in case law and among business management academics, the company was valued on a "stand-alone basis", meaning that all positive and negative synergistic effects, which can be achieved only after the Domination Agreement is consummated, were not taken into account. The same applies with respect to any investments and divestitures as well as other measures which would only be made if the Domination Agreement comes into effect.

Special Items

Any item, either in whole or in part, that cannot be factored into the discounted earnings shall be assessed separately and added to the discounted earnings to obtain the equity value of the company. Not only non-operating assets, but also certain financial assets and tax effects are subsumed under these so-called special values. Non-operating assets relate to any assets that can be sold without affecting the on-going business operations of the company.

Liquidation Value and Net Asset Value

If it is more beneficial to sell the assets and / or businesses of a company than to continue its operations, the sum of the net proceeds achievable through the sale, i.e. the liquidation value, shall be considered a reasonable indication of value.

For purposes of our valuation we abstained from determining the liquidation value. Firstly, the company is presumed to continue its operations indefinitely. Secondly and most importantly, given the costs associated with liquidation (e.g. redundancy programmes, compensations), the discounted earnings are expected to be higher than any liquidation value.

Employing the cost approach to determine the net asset value corresponds with the value of the company based on the current costs to reproduce that company. This approach has the drawback that intangible assets are not considered, and the measure of cost alone typically does not provide a reasonable indication for the value of the company under the going-concern premise. Thus, we did not compute the net asset value.

Market Price of Stock

As Reply Deutschland's stocks are admitted to trade at various stock exchanges, the equity value of Reply Deutschland can also be determined using its market capitalization, i.e. the market price of stock multiplied by the number of shares outstanding. However, there are a number of arguments against using market capitalization as an indicator for the value of a company. A stock's market price is subject to many factors such as the size or narrowness of the market, random stock market turnovers as well as speculative and/or other external influences and is thus subject to unpredictable market fluctuations and developments.

The use of market capitalization cannot take the place of a valuation analysis based on the principles outlined above, if such valuation analysis relies on a broader and deeper information base than the capital market and if it includes capital market reasoning in its value conclusion. The valuation analysis presented in this report uses historical analysis and prospective financial information to a degree of detail that is not publicly available.

The Federal Constitutional Court ('*Bundesverfassungsgericht')* pronounced in its decision of 27 April 1999 (File no. 1 BvR 1613/94), that a stock's market price represents the minimum value when determining the value of the company in certain circumstances (e.g. cash compensation and guaranteed dividend pursuant to sections 304, 305,320b, or 327 a-f et seq. of the German Stock Corporations Act [AktG]). In the opinion of the Federal Constitutional Court, the dictate to consider the market price does not mean that it is exclusively applicable in determining an adequate compensation. There can be no objections under law to a higher compensation than the market price per share. Even so, there might be respectable reasons for compensations lower than the market price.

Please refer to section 6 for details concerning the development and significance of the market price of Reply Deutschland's shares.

Analysis of earnings power and derivation of future earnings

Acknowledging that financial projections may be inaccurate in a world of uncertainty, the assumptions underlying these estimates must be scrutinized using reality checks. For this purpose, the actual financial results obtained in the past are only an initial orientation for the estimation of financial projections.

Analysis of historical earnings

An analysis and evaluation of a company's future prospects is based on prior events. Thus, a historical financial analysis, particularly an earnings analysis, is carried out in a first step in order to ensure a proper understanding of the premises on which the financial projections are based.

Any adjustments we made in terms of past results as part of our earnings analysis do not impact the discounted earnings value, as the valuation is based upon future financial benefits and thus in this respect any adjusted past results serve only as a check for consistency and alignment.

Analysis of financial projections

Reply Deutschland's consolidated financial projection, as presented in Exhibit 3.1, consists of projected profit and loss accounts and projected balance sheets. The detailed financial planning phase covers the projected years 2013 to 2016. The sustained earnings phase is from 2017 onwards.

The financial projection is a part of the regular internal planning and reporting process at Reply Deutschland. The financial projection is regularly carried out as a decentralized process by the business units of the individual market centers, bottom-up, and consolidated at the Reply Deutschland level.

The financial projections on which the valuation is based were made in March 2013. The presentations of historical figures as well as the financial projections are valid as per March 2013.

The board and supervisory board of Reply Deutschland passed an aggregated version of the financial projection in December 2012. The financial projection was adjusted by the company in the first quarter of 2013 due to current developments which could be observed. The adjusted financial projection in aggregated form was passed in March 2013 by the board and the supervisory board of Reply Deutschland. The equity value calculated here is based on the current financial projection and takes into account all circumstances relevant to the equity value up to the time of completion of our valuation work.

Section 4

Discount Rate

Discount Rate used in International Valuation

When applying the DCF Approach, the cash flows expected to be generated by a business are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. This return is an overall rate based upon the individual rates of return on both equity and interest-bearing debt. This return, known as the weighted average cost of capital ("WACC"), is calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages in an expected industry capital structure. To this WACC we made certain adjustments, as described below, to arrive at the final discount rate that was applied in estimating the present value of the future cash flows.

The following is a general discussion of the methods used in our derivation of WACC for Reply Deutschland.

The general formula for calculating the WACC is:

WACC = Kd * (d percent) + Ke * (e percent)

Where:

WACC	= Weighted average rate of return on invested capital;
Kd	= After-tax rate of return on debt capital;
d percent	= Market Value of debt capital as a (target) percentage of the sum of the debt and common equity capital ("Total Invested Capital");
Ke	= Rate of return on common equity capital; and
e percent	= Market Value of Common equity capital as a (target) percentage of the Total Invested Capital.

Rate of Return on Debt

The rate of return on debt capital is the rate a prudent debt investor would require on interest-bearing debt. Since the interest on debt capital is deductible for income tax purposes, we used the after-tax interest rate in our calculation, which is calculated using the formula:

Kd = K x (1 - t)

Where:

Kd	=	After-tax rate of return on debt capital;
K	=	Pre-tax rate of return on debt capital;
t	=	Statutory federal and state income tax rate.

Applying the formula, we estimated the after-tax required return on debt capital to be:

After-tax Required Cost of Debt = 4.3 percent * (1 – Tax Rate)

The pre-tax rate of return for debt capital of 4.3 percent was determined as the 441-day (21 months) moving average fifteen-year Germany Government Strips plus the yield spread between the spot yield on an BBB-rated fifteen-year EUR Composite Corporate Bond and the spot rate on fifteen-year Germany Government Strips, as of the Valuation Date. This rate was assumed to be a market participant cost of debt, based on a consideration of comparable companies. We then applied the relevant effective tax rate, as provided by Management, based on Reply Deutschland's operations, to the cost of debt to account for the tax deductibility of interest payments. Please note that we have opted for a 21-month moving average to account for the relatively high volatility of the relevant risk-free rate over that same period.

Rate of Return on Equity

We used the Capital Asset Pricing Model to determine the required return on equity. This method is described in the following section.

Capital Asset Pricing Model

The rate of return on equity capital is estimated using the Capital Asset Pricing Model ("CAPM"). CAPM has been empirically tested and is widely accepted for the purpose of estimating a company's required return on equity capital.[1] In applying the CAPM, the rate of return on common equity is estimated as the current risk-free rate of return on Germany Government Strips, plus a market risk premium expected over the risk-free rate of return, multiplied by the "beta" for the stock. Beta is defined as a risk measure that reflects the sensitivity of a company's stock price to the movements of the stock market as a whole.

The CAPM rate of return on equity capital is calculated as follows:

$$Ke = Rf + B \times (Rm - Rf) + a$$

Where:

Ke	=	Rate of return on equity capital;
Rf	=	Risk-free rate of return;
B	=	Beta or systematic risk for this type of equity investment;
(Rm – Rf)	=	Market risk premium; the expected return on a broad portfolio of stocks in the market (Rm) less the risk-free rate (Rf).
a	=	Alpha or Entity Specific Risk Premium

Risk-Free Rate of Return

For an international WACC, the market yield to maturity on the fifteen-year Germany Government Strips is typically used as a proxy for the risk-free rate.

[1] Investments, W.F. Sharpe, Prentice Hall: Englewood Cliffs, New Jersey (1985).

The yields on Germany Government Strips are considered “risk-free” in that if they are held to maturity, their risk of default is assumed to be negligible. Recently, a high volatility for the risk free rate can be observed in the market. Therefore, a 441-day average fifteen-year Germany Government Strips has been chosen instead of the spot rate. As of the Valuation Date, the 441-day average risk-free rate was 2.4 percent.

Beta

Beta is a statistical measure of the volatility of the price of a specific stock relative to the movement of a general group. Generally, beta is considered to be indicative of the market’s perception of the relative risk of the specific stock. Practical application of the CAPM for private firms requires the identification of publicly traded companies that have similar risk profiles to derive meaningful measures of the entity’s beta. Furthermore, this may be required if the specific stock under consideration does not represent and / or act as a stock under normal conditions. Due to both the low liquidity of the Reply Deutschland stock and its particular character with the guaranteed minimal dividend, we have opted to determine the beta of this stock, using a group of publicly traded peer companies.

Betas reported in public sources are “leveraged”, which incorporates the added risk to a stockholder due to the debt financing or capital structure of the guideline company. To derive a beta applicable to Reply Deutschland, the guideline companies’ reported levered betas must first be unlevered and then relevered at assumed industry debt levels.

Market Risk Premium

Quantification of the general market risk premium has been the subject of much research by security analysts. Since the expectations of the average investor are not directly observable, the Market Risk Premium must be inferred using one of several methods. One approach is to use premiums that investors have historically earned over and above the returns on long-term Treasury bonds – furthermore, we cross-check this premium determining the so-called implied market risk premium resulting from current capital market price levels. The premium obtained using the historical approach is sensitive to the time period over which one calculates the average. Depending on the time period chosen, the historical approach yields an average premium in a range of 4 percent to 7 percent. Another approach is to look at projected rates of return obtained from analysts who follow the stock market. Again, this approach will lead to differing estimates depending upon the source. A survey of several widely followed sources indicates a premium in a wide range of 3 percent to 8 percent. A consideration of historical and forward-looking sources suggests an expected Market Risk Premium of approximately 5 percent in this analysis.

Estimation of Target Capital Structure

Our estimate of the typical capital structure was based on observing typical proportions of interest-bearing debt, preferred equity, and common equity of publicly traded companies in similar lines of business as Reply Deutschland. Please note that the relevant capital structure to determine the WACC should be based on the expected long-term (target) capital structure, in line with the average duration of the free cash flows.

WACC Conclusion

The concluded discount rate applied in the valuation for which we utilized the DCF Approach is 10.5%. Please see Exhibit 4.1 for the detailed calculations.

Discount Rate used in IDW S1 Approach

The financial benefits are converted to present value by applying an appropriate discount rate. In economic terms, the discount rate depicts the decision of an investor, who compares the investments' returns with those being offered by equivalent alternative investments in shares. Thus, the discount rate reflects the alternative investment's rate of return subject to the condition that the alternative investment's future cash flows are equivalent to the Reply Deutschland's future financial benefits in terms of maturity, risk, and taxation (cf. IDW S 1, sec. 7.2.4.1.).

Capital market yields for business investments (in the form of an equity portfolio) in particular form the starting point for determining alternative returns. These returns for shares in businesses can be broken down into a base interest rate (risk-free rate) and a risk premium required by investors in return for taking on entrepreneurial risk.

Base interest rate (risk-free rate)

The base interest rate (risk-free rate) represents a rate of return on an investment free of default with the same length of time to maturity as the investment in Reply Deutschland. The base rate of interest can be derived from the term structure of interest rates for government securities ('term structure') which shows the yield to maturity for all government securities of all maturities. That is, the rate of return on a particular government security is a function of the length of time to maturity.

As of the year 2009, interest is taxed at a nominal rate of 25 % plus solidarity surcharge (the "Abgeltungssteuer"). This results in a personal income tax rate of 26.4 %.

The risk-free rate was determined based on the Svensson Method, which is a standard method according to IDW S1. This method derives a kind of duration based average risk-free rate based on the risk-free rate term curve and free cash flow development as per the Valuation Date. A pre-tax risk-free rate of 2.42% was determined under the Svensson Method. After utilizing a personal tax rate of 26.4% a post-tax risk-free rate of 1.78% resulted.

Risk premium

In calculating an objective equity value, the basis for deriving the risk premium is the general market behavior, and not the subjective risk propensities of individual company owners. It may be assumed, however, that investors assume that there is a certain risk when investing cash in companies (investor risk). The risk premium may be derived using the capital market pricing models (CAPM, Tax-CAPM) from the equity yields in capital markets, calculated empirically.

The standard form of the Capital Asset Pricing Model (CAPM) is a capital market model in which the costs of capital and risk premiums are stated without factoring in the effects of any personal income taxes. Pursuant to the CAPM the risk premium consists of the general market risk premium and the beta factor specific to the company. The calculation of the capital market based risk premium is made by establishing the difference in yields between investments in corporate ownership interests (stocks) and investments in risk-free securities. Since equity yields and risk premiums are generally influenced by income tax, a more realistic reflection of the empirically observed equity yields is the Tax-CAPM, which expands the CAPM by specifically incorporating the effects of personal income tax. This reflects in particular the different rates under German tax law regarding interest income, dividends and stock market gains, which differences still remain subsequent to the 2008 Business Tax Reform due to the resulting different effective taxation of dividends and interest income on the one hand and profit from sales on the other hand. Under the Tax-CAPM, the discount rate consists of the risk-free rate reduced by the typified shareholder income tax together with the risk premium calculated on the basis of the Tax-CAPM after income tax. Analogously to the CAPM, the risk premium after income tax is the product of the company-specific beta factor and capital-market based risk premium after income tax.

Capital market studies have shown that investments in stocks in the past had higher rates of return than investments in low-risk creditor bonds and that the risk premium for a market portfolio was dependent upon the period of observation and the applicable tax system.

The German 2008 Company Tax Reform could have an effect on the capital-market risk premium due to the fact that in the future additional personal income tax will be levied (due to the uniform “Abgeltungssteuer” tax) on future sales gains for the alternative investments in the capital market from the perspective of domestic natural persons who are unrestrictedly subject to taxation. The general efforts of a shareholder to keep its rate of return after personal taxes (net rate of return) constant, can be seen in the higher demands placed on companies to provide for better gross rate of return. There can be expected higher returns from the companies as a consequence of the tax reform in the fact that the reform reduces the tax rates on corporations. Working against this however is the fact that, on the one hand, there will be effects on the part of the company due to the more broadened bases for calculation and, on the other hand, on the part of the institutional and international investors, who will not be taking the effects of the German income tax into account in calculating their prices. As these market participants have a substantial influence on the formation of prices on the capital market, it can be assumed that shareholders who are subject to the future “Veräußerungsgewinnbesteuerung”, will not be completely able to obtain the higher gross rate of return on the market needed to compensate for the future higher effective income tax burden, with the consequence that for this group of investors a lower capital-market risk premium is to be expected.

In order to reconcile the market risk premium before and after tax, the following formula applies[2].

$$r_M^{nSt} = r_M^{vSt} - d_M * ESt$$

[2] WP Handbuch, Band 2, 2008, Par. 201, Footnote 342.

With:

r_M^{nSt} Market risk premium after tax;

r_M^{vSt} Market risk premium before tax;

d_M Dividend yield of the market;

ESt Income (withholding) tax rate.

The latest dividend yield from the German DAX index is about 3.5%[3]. The German withholding tax rate currently stands at 25% plus solidarity surcharge (5.5% of the tax rate) for dividends. This results a total tax rate of 26.4%.

The market risk premium before tax is 5.92% and the $d_M * ESt$ term is 0.92%. Therefore, we concluded market risk premium after tax for Reply Deutschland at 5%.

Discount Rate Conclusion

The concluded discount rate applied in the valuation for which we utilized in the IDW S1 Approach is 7.03%. Please see Exhibit 4.2 for the detailed calculations.

[3] http://www.focus.de/finanzen/boerse/tid-28368/dividendenrendite-2013-mit-deutschen-unternehmen-bares-geld-verdienen_aid_872063.html

Section 5

DCF Approach

Financial Planning

In the course of financial planning, sales revenue is planned in detail in business unit level for all operative companies. Subsequently, based on the planned sales revenues, the EBT is calculated. The sales revenue for each business unit and the EBTs are summarized under the business units. Finally, at the Reply Deutschland level, holding costs, management fees and bonus payments to partners of the operative business units and to the Reply Deutschland board are taken into account.

Revenues and EBT financial projections were provided by management. The table below shows the revenue projections per each significant revenue component.

Revenues

	2009A	2010A	2011A	2012A	2013E	2014E	2015E	2016E	Residual
Xuccess Reply		7,385	6,534	9,438	9,337	9,477	9,638	9,802	9,959
% of total revenues	*0.0%*	*12.3%*	*11.2%*	*15.9%*	*15.4%*	*15.1%*	*14.9%*	*14.5%*	*14.6%*
% growth	*n/a*	*n/a*	*-11.5%*	*44.4%*	*-1.1%*	*1.5%*	*1.7%*	*1.7%*	*1.6%*
4brands Reply CP		3,652	4,181	4,625	4,980	5,284	5,585	5,892	5,986
% of total revenues	*0.0%*	*6.1%*	*7.1%*	*7.8%*	*8.2%*	*8.4%*	*8.6%*	*8.7%*	*8.8%*
% growth	*n/a*	*n/a*	*14.5%*	*10.6%*	*7.7%*	*6.1%*	*5.7%*	*5.5%*	*1.6%*
Cluster Reply		7,243	8,331	7,089	7,357	7,504	7,662	7,823	7,948
% of total revenues	*0.0%*	*12.0%*	*14.2%*	*12.0%*	*12.1%*	*12.0%*	*11.8%*	*11.6%*	*11.6%*
% growth	*n/a*	*n/a*	*15.0%*	*-14.9%*	*3.8%*	*2.0%*	*2.1%*	*2.1%*	*1.6%*
Macros Reply		6,052	4,645	4,517	4,690	4,864	5,034	5,210	5,293
% of total revenues	*0.0%*	*10.1%*	*7.9%*	*7.6%*	*7.7%*	*7.8%*	*7.8%*	*7.7%*	*7.7%*
% growth	*n/a*	*n/a*	*-23.3%*	*-2.8%*	*3.8%*	*3.7%*	*3.5%*	*3.5%*	*1.6%*
Power Reply		-	-	2,018	2,390	2,500	2,622	2,756	2,800
% of total revenues	*0.0%*	*0.0%*	*0.0%*	*3.4%*	*3.9%*	*4.0%*	*4.0%*	*4.1%*	*4.1%*
% growth	*n/a*	*n/a*	*n/a*	*n/a*	*18.4%*	*4.6%*	*4.9%*	*5.1%*	*1.6%*
Syskoplan Reply BI		6,993	7,219	6,248	5,645	6,181	6,713	7,223	7,339
% of total revenues	*0.0%*	*11.6%*	*12.3%*	*10.5%*	*9.3%*	*9.9%*	*10.4%*	*10.7%*	*10.7%*
% growth	*n/a*	*n/a*	*3.2%*	*-13.5%*	*-9.6%*	*9.5%*	*8.6%*	*7.6%*	*1.6%*
Syskoplan Reply CRM		9,909	11,565	13,941	14,689	15,600	16,598	17,577	17,859
% of total revenues	*0.0%*	*16.5%*	*19.8%*	*23.5%*	*24.2%*	*24.9%*	*25.6%*	*26.1%*	*26.1%*
% growth	*n/a*	*n/a*	*16.7%*	*20.5%*	*5.4%*	*6.2%*	*6.4%*	*5.9%*	*1.6%*
Twice Reply		-	-	-	-	-	-	-	-
% of total revenues	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
% growth	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Xpress Reply		10,578	9,850	4,767	5,240	5,476	5,777	6,124	6,222
% of total revenues	*0.0%*	*17.6%*	*16.8%*	*8.0%*	*8.6%*	*8.7%*	*8.9%*	*9.1%*	*9.1%*
% growth	*n/a*	*n/a*	*-6.9%*	*-51.6%*	*9.9%*	*4.5%*	*5.5%*	*6.0%*	*1.6%*
Syskoplan Reply Schweiz		1,094	886	-	-	-	-	-	-
% of total revenues	*0.0%*	*1.8%*	*1.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
% growth	*n/a*	*n/a*	*-19.0%*	*-100.0%*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
4brands Reply ITO		8,603	6,213	4,252	4,267	4,139	4,015	3,894	3,957
% of total revenues	*0.0%*	*14.3%*	*10.6%*	*7.2%*	*7.0%*	*6.6%*	*6.2%*	*5.8%*	*5.8%*
% growth	*n/a*	*n/a*	*-27.8%*	*-31.6%*	*0.4%*	*-3.0%*	*-3.0%*	*-3.0%*	*1.6%*
Syskoplan Reply FM		899	788	981	998	500	100	-	-
% of total revenues	*0.0%*	*1.5%*	*1.3%*	*1.7%*	*1.6%*	*0.8%*	*0.2%*	*0.0%*	*0.0%*
% growth	*n/a*	*n/a*	*-12.4%*	*24.4%*	*1.8%*	*-49.9%*	*-80.0%*	*-100.0%*	*n/a*
Intercompany		(2,235)	(1,690)	(1,514)	(1,838)	(1,846)	(1,912)	(1,989)	(2,039)
% of total revenues	*0.0%*	*-3.7%*	*-2.9%*	*-2.6%*	*-3.0%*	*-2.9%*	*-2.9%*	*-3.0%*	*-3.0%*
% growth	*n/a*	*n/a*	*-24.4%*	*-10.4%*	*21.4%*	*0.4%*	*3.6%*	*4.0%*	*2.5%*
Holding Revenue Pass Through		-	-	2,773	2,889	2,947	3,006	3,066	3,066
% of total revenues	*0.0%*	*0.0%*	*0.0%*	*4.7%*	*4.8%*	*4.7%*	*4.6%*	*4.6%*	*4.5%*
% growth	*n/a*	*n/a*	*n/a*	*n/a*	*4.2%*	*2.0%*	*2.0%*	*2.0%*	*0.0%*
Other Holding Revenues		-	-	92	-	-	-	-	-
% of total revenues	*0.0%*	*0.0%*	*0.0%*	*0.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
% growth	*n/a*	*n/a*	*n/a*	*n/a*	*-100.0%*	*n/a*	*n/a*	*n/a*	*n/a*
Total Revenues	**55,050**	**60,174**	**58,521**	**59,225**	**60,644**	**62,625**	**64,837**	**67,378**	**68,389**
% growth		*9.3%*	*-2.7%*	*1.2%*	*2.4%*	*3.3%*	*3.5%*	*3.9%*	*1.5%*

Except for a decline in the years 2011, total revenues generally improve between 2009 and the residual period.

Year-over-Year revenues growth varies between negative 2.7% in 2011 and positive 9.3% in 2010, and trends towards a terminal year revenue growth percentage of 1.5%.

Terminal revenue growth is assumed to stabilize at 1.5% which is in line with the expected growth of the sector in the current low inflation era.

EBT

	2009A	2010A	2011A	2012A	2013E	2014E	2015E	2016E	Residual
Xuccess Reply		1,594	977	2,140	1,847	1,706	1,638	1,568	1,494
% Margin		*21.6%*	*15.0%*	*22.7%*	*19.8%*	*18.0%*	*17.0%*	*16.0%*	*15.0%*
% growth		*n/a*	*-38.7%*	*119.0%*	*-13.7%*	*-7.6%*	*-4.0%*	*-4.3%*	*-4.8%*
4brands Reply CP		535	937	957	973	898	894	884	898
% Margin		*14.6%*	*22.4%*	*20.7%*	*19.5%*	*17.0%*	*16.0%*	*15.0%*	*15.0%*
% growth		*n/a*	*75.2%*	*2.1%*	*1.6%*	*-7.7%*	*-0.5%*	*-1.1%*	*1.6%*
Cluster Reply		(66)	788	356	740	976	1,073	1,173	1,192
% Margin		*-0.9%*	*9.5%*	*5.0%*	*10.1%*	*13.0%*	*14.0%*	*15.0%*	*15.0%*
% growth		*n/a*	*-1286.3%*	*-54.9%*	*108.0%*	*31.8%*	*10.0%*	*9.4%*	*1.6%*
Macros Reply		2,194	857	738	615	730	755	781	794
% Margin		*36.3%*	*18.4%*	*16.3%*	*13.1%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*
% growth		*n/a*	*-60.9%*	*-13.9%*	*-16.7%*	*18.6%*	*3.5%*	*3.5%*	*1.6%*
Power Reply		-	-	(482)	(122)	-	131	276	420
% Margin		*n/a*	*n/a*	*-23.9%*	*-5.1%*	*0.0%*	*5.0%*	*10.0%*	*15.0%*
% growth		*n/a*	*n/a*	*n/a*	*-74.7%*	*-100.0%*	*n/a*	*110.2%*	*52.4%*
Syskoplan Reply BI		1,457	1,174	483	706	804	940	1,083	1,101
% Margin		*20.8%*	*16.3%*	*7.7%*	*12.5%*	*13.0%*	*14.0%*	*15.0%*	*15.0%*
% growth		*n/a*	*-19.4%*	*-58.9%*	*46.3%*	*13.8%*	*17.0%*	*15.3%*	*1.6%*
Syskoplan Reply CRM		2,212	2,909	3,254	2,999	2,808	2,822	2,812	2,679
% Margin		*22.3%*	*25.2%*	*23.3%*	*20.4%*	*18.0%*	*17.0%*	*16.0%*	*15.0%*
% growth		*n/a*	*31.5%*	*11.8%*	*-7.8%*	*-6.4%*	*0.5%*	*-0.3%*	*-4.8%*
Twice Reply		-	-	(797)	17	-	-	-	-
% Margin		*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
% growth		*n/a*	*n/a*	*n/a*	*-102.1%*	*-100.0%*	*n/a*	*n/a*	*n/a*
Xpress Reply		1,488	1,862	147	520	712	809	919	933
% Margin		*14.1%*	*18.9%*	*3.1%*	*9.9%*	*13.0%*	*14.0%*	*15.0%*	*15.0%*
% growth		*n/a*	*25.1%*	*-92.1%*	*254.4%*	*36.9%*	*13.6%*	*13.6%*	*1.6%*
Syskoplan Reply Schweiz		157	140	-	-	-	-	-	-
% Margin		*14.3%*	*15.8%*	*0.0%*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
% growth		*n/a*	*-10.9%*	*-100.0%*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
4brands Reply ITO		251	377	377	389	331	281	234	237
% Margin		*2.9%*	*6.1%*	*8.9%*	*9.1%*	*8.0%*	*7.0%*	*6.0%*	*6.0%*
% growth		*n/a*	*50.2%*	*-0.1%*	*3.3%*	*-14.9%*	*-15.1%*	*-16.9%*	*1.6%*
Syskoplan Reply FM		(17)	243	299	192	100	15	-	-
% Margin		*-1.9%*	*30.8%*	*30.5%*	*19.2%*	*20.0%*	*15.0%*	*n/a*	*n/a*
% growth		*n/a*	*-1550.7%*	*23.0%*	*-35.7%*	*-47.9%*	*-85.0%*	*-100.0%*	*n/a*
Intercompany		-	-	-	-	-	-	-	-
% Margin		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
% growth		*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Management Fee Income		-	-	4,035	4,590	4,682	4,775	4,871	4,870
% Margin		*0.0%*	*0.0%*	*6.8%*	*7.6%*	*7.5%*	*7.4%*	*7.2%*	*7.1%*
% growth		*n/a*	*n/a*	*n/a*	*13.8%*	*2.0%*	*2.0%*	*2.0%*	*0.0%*
Total Interest Received (Expense)	(6)	11	(76)	(260)	124	124	124	124	124
as % of Total Revenues	*0.0%*	*0.0%*	*-0.1%*	*-0.4%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
EBT	**1,577**	**3,640**	**5,073**	**2,510**	**3,707**	**3,884**	**4,053**	**4,321**	**4,286**
as % of Total Revenues	*2.9%*	*6.0%*	*8.7%*	*4.2%*	*6.1%*	*6.2%*	*6.3%*	*6.4%*	*6.3%*

EBT margin of the Company is supposed to improve from 2.9% in 2009 to 6.3% in the residual period.

Syskoplan Reply FM was the highest EBT margin segment in 2012 at 30.5%, followed by Syskoplan Reply CRM at 23.3%, and Xuccess Reply at 22.7%.

Xuccess Reply, 4brands Reply CP, Cluster Reply, Macros Reply, Power Reply, Syskoplan Reply BI, Syskoplan Reply CRM and Xpress Reply are expected to have a 15% EBT margin in the terminal period.

In terms of EBT growth, Cluster Reply, Syskoplan Reply BI, and Xpress Reply have the highest levels of EBT growth. EBT of Xuccess Reply is expected to decline until terminal period.

Capital Expenditures

The Capital Expenditures as % of revenues of the Company is projected at 1.5% through the forecast period.

Depreciation & Amortization

Projected depreciation of existing assets amounted to EUR 639 thousand in Q2 - Q4 2013. Existing assets are expected to be depreciated at EUR 531, EUR 355 and EUR 142 thousand in 2014 - 2016, respectively.

Future CAPEX is depreciated over a period of 4 years.

As a percentage of revenues, depreciation flattens out at 1.5% in the terminal period.

Income tax

We applied the relevant tax rates, as provided by management, ranging from 30.0% to 30.4%.

Net Working Capital (“NWC”)

During the period 2010 – 2012, net working capital was between 11.3% and 19.4% of revenues, including a certain portion of operating cash. It is our understanding that the amount of operating cash is approx. EUR 3.5 million as per Valuation Date. However, this amount is generally higher at year-end; we have assumed an operational cash level of 10.7% of revenues.

In total, we assume a long-term NWC of 11.2% of revenues (including operating cash).

Net non-operating Assets

As per Valuation Date the financial assets were EUR 10.3 million and the pension obligation was EUR 4.3 million. The other net non-operating assets amounted to EUR 0 million, where the other non-operating assets happen to cancel out the other non-operating liabilities.

Weighted Average Cost of Capital (“WACC”)

We derived the WACC based on a peer group consisting of companies with similar operations as the Company. Please refer to Exhibit 4.1 for a description of the peer companies.

DCF Approach Outcome

We concluded on a valuation outcome of EUR 43.5 million as being the Fair Value of the equity of the Company resulting in an indicative value per share of EUR 9.15.

The valuation outcome derived on the basis of the DCF Approach results in implied EBITDA multiples of 8.2x, 6.9x and 6.6x for 2012 through 2014, respectively.

Section 6

Market Approach

Analysis of market price of stock

With regard to the decision of the Federal Constitutional Court [*Bundesverfassungsgericht*, "BVerfG"] dated 27 April 1999[4], the stock exchange price of the shares of the company to be evaluated must be compared to the value per share determined according to the discounted earnings value method. According to the decision of the BVerfG, an existing stock exchange price cannot be ignored when determining the compensation. Accordingly, the stock exchange price is as a general rule the minimum level for determining reasonable compensation. It is possible, however, to go below this in exceptional circumstances if the stock exchange price does not reflect the fair market value of the stock. The case law of the BVerfG was specified in the judgement of the Federal Supreme Civil Court [*Bundesgerichtshof*, "BGH"] dated 12 March 2001[5]. This decision again clearly states that the stock exchange price does not have to be the minimum level for reasonable compensation if the stock exchange price does not reflect the fair market value. According to the judgement of the BGH, this can be the case if no trade has been conducted over a long period of time with the shares, if an outside shareholder was not able to sell his stock at the stock exchange price due to low trading or if the stock exchange price has been manipulated. In the present case, there are no indications that such exceptional circumstances exist.

According to the order of the BGH dated 12 March 2001, a reference price must be used as a basis when determining the stock exchange price as a general rule, i.e. to the extent that certain circumstances do not contraindicate this and the reference price is calculated using the average price over a period of three months. The average is intended to eliminate possible manipulative influences and short-term distortions.

With regard to the issue of whether the prices must be weighted according to the daily volumes or whether a simple average should be calculated, different views exist. According to the view of the Court of Appeals [*Oberlandesgericht*, "OLG"] Düsseldorf (8 November 2004 – I 19 W 9/03, AG 2005, p. 538, 541), a simple average of the daily stock exchange prices must be determined. The OLG Frankfurt on the other hand (9 January 2003 – 20 W 434/93, AG 2003, p. 581, 582) refers to the Offering Regulation to the Securities Acquisition and Takeover Act [*Wertpapierübernahmegesetz – Angebotsverordnung, "WpÜG – Angebotsverordnung"*] that for purposes of determining the compensation the average stock exchange price weighted according to volumes within the meaning of § 5 para. 1 and 3 WpÜG – Angebotsverordnung must be used as the basis.

According to the predominant view in the writings on this topic (cp., Wilm, NZG 2000, p. 239; Bungert, BB 2001, p. 1165; Meilicke/Heidel, DB 2001, p. 974; Beckmann, WPg 2004, p. 624; Krieger, BB 2002, p. 56; Großfeld, *Unternehmens- und Anteilsbewertung im Gesellschaftsrecht* [Valuation of Companies and Shares in Corporate Law], 4th ed., 2002, p. 196; Hüffer, AktG, 6th ed., 2004, § 305, note 24e; Krieger, *Münchener Handbuch des Gesellschaftsrechts* [Munich Handbook of Corporate Law], vol. 4 *Aktiengesellschaft* [Stock Corporation], 2nd ed., 1999, § 70, note 106; Koppensteiner, *Kölner Kommentar zum Aktiengesetz* [Cologne Commentary to the Stock Corporations Act], vol. 6, 3rd ed., 2004, § 305, note 104; Gude,

[4] File No. 1 BvR 1805/94
[5] File No. II ZB 15/00

Strukturänderungen und Unternehmensbewertung zum Börsenkurs [Structural Changes and Corporate Valuation at the Stock Exchange Price], 2004, p. 387; Emmerich/Habersack, *Aktien- und GmbH-Konzernrecht* [Corporate Group Law for Stock Corporations and GmbHs], 4th ed., 2005, § 305, note 47c; Hüffer/Schmidt-Aßmann/Weber, *Anteilseigentum, Unternehmenswert und Börsenkurs* [Ownership of Shares, Corporate Valuation and Stock Exchange Price], 2005, p. 38), the reference period ends on the date of publication of the takeover offers or corporate group measures (cp, District Court [*Landgericht*, "LG"] Frankfurt, 6 February 2002 – 3/3 O 150/94; AG 2002, p. 358, 360). This view has also been reflected in § 5 para. 1 of the Offering Regulation for the WpÜG which states that the compensation offered in the case of a takeover offer must correspond to at least the average stock exchange price of the stock of the target company during the last three months prior to publication of the decision to issue an offer.

Despite the criticism expressed in legal writings, at the present time several courts have followed the decision of the BGH from the year 2001 (cp, OLG Düsseldorf, 31 January 2003 – 19 W 9/00, AG 2003, p. 329, 331; OLG Hamburg, 7 August 2002 – 12 W 12/01, AG 2003, p. 583, 584). The effective-date principle and the "free disinvestment decision" must take precedence over any concerns that the stock exchange price might be influenced by speculation by those about to receive compensation once it becomes public that corporate structural measures are planned, meaning that the price might no longer reflect normal demand and supply mechanisms .

Doubts continue to exist, however, about whether the strict fixing of the reference period on the basis of the effective date of the corporate structuring measure under the preceding case law adequately takes into account the behavior of market participants after the decision of the BVerfG in 1999.

In more recent case law a shift on the question of the effective date has become observable. The Court of Berlin (Kammergericht) extensively examined the arguments in legal literature on this question and in its judgment of October 16, 2006 (2 W 148/01, ZIP 2007, p. 75) concurred with the view that that stock price should be used which was valid prior to the planned measures becoming public. There are no constitutional objections to using an average stock price derived from the period prior to publicizing of the planned measures (see judgment of the German Constitutional Court (BVerfG) from November 29, 2006 (1 BvR 704/03, ZIP 2007, p. 175, which states that "there are good reasons to concur with the view in the literature under which an average stock price from the time prior to publication of the corporate structuring measures should be used"). Also the Upper District Court (OLG) of Stuttgart in its referral writ dated February 16, 2007[6] to the German Federal Court (BGH) and also in its orders from February 14, 2008[7] comes to the conclusion that the reference period for determining the stock price to serve as minimum compensation level under § 327b sec. 1 AktG, should not be the three months prior to the shareholder assembly but rather a three-month period prior to the planned measures becoming public.

From a strictly economic point of view and assuming a narrow interpretation of

[6] AktZ. 20 W 6/06, NZG 2007, p. 302.
[7] AktZ. 20 W 9/06, 20 W 11/06.

the requirements placed on such reference period by the German Constitutional Court as being a comparative and undistorted time period, and if one concurs with the findings of the OLG Stuttgart, then the time period for determining the reference stock price must be the three-month period prior to the date on which the measures are made public, since experience tells us that when corporate structuring measures are made public the stock price is substantially affected. According to experience the stock price course after such plans have been publicized will no longer reflect an undistorted supply-and-demand situation uninfluenced by special effects and thus will not reflect the expected fundamental information required for company value determination. For this reason, in our view, in order to determine the reference stock price and concurring with the prevalent view in the legal literature and most recent case law, one must use the three-month period prior to the date on which the conclusion of the cross-border merger plan is made public.

We base this position on the decision of the legislature, which in § 5 WpÜG-AngebotsVO[8] also sets out for determining the minimum price for takeover and mandatory-purchase offers that the three-month period prior to publication of the measures should be used. For the same reason the weighted average of the domestic stock price should be used. This corresponds to the regulations in § 5 sec. 1 and sec. 3 of the WpÜG-AngebotsVO regarding the comparable case of minimum compensation in the event of takeovers and mandatory-purchase offers.

The German Federal Financial Supervisory Authority (hereinafter the “BaFin”) provides minimum prices in accordance with the regulations of § 5 sec. 3 of the WpÜG-Angebotsverordnung on the basis of the stock transactions registered with them under § 9 WpHG. The reference price for the Reply Deutschland share is EUR 10.95, as the (volume) weighted average share price over the last 3 months preceding the cross-border merger announcement as per December 14, 2012.

If this price, determined on the basis of § 31 sec. 7 WpÜG in connection with § 5 sec. 3 WpÜG-AngebotsVO, exceeds the determined equity value per share of Reply Deutschland, then according to the highest case law this must be used as the minimum value for calculating the compensation to be offered under § 305 AktG.

Comparative market valuation

The practice of valuations also recognizes the so-called multiplier method in addition to the calculation based on present-value methods. This capital-market oriented method of valuation follows the principle of an earnings-based valuation, just as the discounted earnings value method does, but the value of the company is determined in a very simplified manner on the basis of a multiplier applied to a financial figure. The multiplier method is based on a comparable determination of price in such a manner that suitable multipliers are determined by reference to capital market data of listed comparable companies and are then applied to the company to be evaluated.

The value of the company determined on the basis of this process for identifying the price by referring to key data of comparable listed companies is

[8] This regulation did not yet exist at the time of the decision of the BVerfG of the year 1999 and of the BGH of the year 2001.

determined as the product of a representative financial figure of the company multiplied by the multiplier for comparable businesses. The multiplier is determined on the basis of the relationship of value levels to financial figures in the comparable company.

In order to check the plausibility of the fundamental equity value of Reply Deutschland which was calculated applying economic principles, we have considered the observed market prices for comparable companies (peer group companies) and the multipliers derived from them.

For this comparative market valuation, as a rule the same companies were used which were used for the peer group in the deriving of the beta factor.

Determination of the multipliers and Value Range

For determination of the multipliers we used observable figures from the chosen comparable companies as well as current estimates from analysts regarding the EBITDA and EBIT of those companies for the LTM and 2013, which are obtainable from the financial-service provider Capital IQ. The total operating market value of invested capital of the comparison companies was determined from the market capitalization with the addition of the interest-bearing financial liabilities and minority shares and subtraction of liquid assets and net non-operating assets. The following table summarizes the multipliers for the comparison companies:

Market Approach

Comparable Companies	MVIC/EBITDA - LTM	MVIC/EBITDA - 2013 Estimate	MVIC/EBIT - LTM	MVIC/EBIT - 2013 Estimate
Large Peers				
Atos S.A.	5.2x	4.7x	8.2x	7.4x
Cap Gemini S.A.	5.4x	5.1x	7.0x	6.6x
Accenture plc	10.3x	9.1x	11.2x	10.5x
Computer Sciences Corporation	5.2x	4.8x	13.1x	10.2x
Small Peers				
Engineering Ingegneria Informatica SpA	5.5x	4.7x	6.9x	6.0x
Tieto Oyj	5.4x	5.1x	8.5x	8.1x
Prodware	2.5x	2.1x	3.2x	3.0x
Reply S.p.A.	5.4x	4.9x	5.8x	5.5x
Reply Deutschland AG	11.6x	9.7x	15.4x	11.9x
Groupe Steria SCA	3.7x	2.9x	5.2x	4.1x
RealTech AG	12.1x	7.2x	NMF	13.8x
GFI Informatique S.A.	5.3x	4.7x	6.6x	5.9x
Sopra Group	10.2x	9.2x	11.4x	10.6x
itelligence AG	11.9x	8.9x	19.0x	13.9x
Selected Multiples				
Range	2.5x to 12.1x	2.1x to 9.7x	3.2x to 19.0x	3.0x to 13.9x
Median	5.4x	5.0x	8.2x	7.8x
Average	7.1x	5.9x	9.3x	8.4x
Selected Multiple				
Average	**7.1x**	**5.9x**	**9.3x**	**8.4x**

	EBITDA LTM	**EBITDA 2013E**	**EBIT LTM**	**EBIT 2013E**
Reply AG Financial Results	3,699	4,403	2,770	3,583
Multiplied By: Selected Multiple	7.1x	5.9x	9.3x	8.4x
Indicated Operating Market Value of Invested Capital (Operating MVIC)	**26,313**	**26,137**	**25,895**	**30,093**
Add: Excess Cash	9,000	9,000	9,000	9,000
Plus: Net Non-Operating Assets (excl. pension obligation and financial assets)	-	-	-	-
Less: Non-Controlling Interest	(1,979)	(1,979)	(1,979)	(1,979)
Plus: Financial Assets	10,333	10,333	10,333	10,333
Less: Pension Obligation	(4,299)	(4,299)	(4,299)	(4,299)
Indicated Value of Total Equity	**39,368**	**39,192**	**38,949**	**43,148**
Total Number of Shares Outstanding	4,751	4,751	4,751	4,751
Indicated Value per Share	8.29	8.25	8.20	9.08
Average Indicated Value per Share	**8.45**			

In using the EBITDA and EBIT multipliers of the comparison companies, first Reply Deutschland's operating market value of invested capital was determined and then – taking into account the excess cash, non-controlling interest, financial assets, pension obligation and other net non-operating assets – the market value of Reply Deutschland's equity was determined.

The average MVIC/EBITDA LTM multiple of 7.1x, the MVIC/EBITDA 2013E multiple of 5.9x, the average MVIC/EBIT LTM multiple of 9.3x and the MVIC/EBIT 2013E multiple of 8.4x are ultimately applied in our market approach method, to provide us with an indicative equity value range of EUR 38.9 million to EUR 43.1 million. This equals a value range of EUR 8.20 – 9.08 per share.

Cash compensation under § 305 AktG

Pursuant to § 305 AktG, a domination or profit and loss transfer agreement must contain the obligation of the controlling company to acquire the shares of an outside shareholder upon demand in exchange for reasonable cash compensation set forth in the agreement – as mentioned before, this cash compensation amounts to EUR 8.19 per share. According to the case law of the BVerfG, the stock exchange price constitutes (another) lower limit for the compensation. The derived value per share of EUR 10.95 equals the (volume) weighted average share price over the last 3 months preceding the cross-border merger announcement as per December 14, 2012 provided by Bafin.

Guaranteed dividend under § 304 AktG

Pursuant to § 304 AktG, a domination and profit and loss transfer agreement must provide for reasonable compensation for the outside shareholders by way of a recurring payment (guaranteed dividend) for the shares in the proportional share capital. The guaranteed dividend under § 304 para. 2 sentence 1 AktG must be guaranteed at least in the amount of an annual payment which would likely be distributable as an average profit-share on the individual share in view of the past profit of the company and its future outlook for profit, taking into account reasonable depreciation and valuation allowances, but without allowing for establishment of other retained earnings.

The reasonable guaranteed dividend under § 304 AktG amounts to EUR 0.53 per share (before deduction of German corporate income tax and solidarity surcharge to by paid by the Company). This amount is calculated using the portion of the profit in the amount of EUR 0.08 per share which is burdened by German corporate income tax contained in the profit German corporate tax of Reply Deutschland per share, taking into account the respectively applicable German corporate income tax rate for the relevant fiscal year. The applicable German corporate income tax rate at the time of conclusion of the Agreement, including solidarity tax, is 15.825%; at an unchanged corporate-income tax rate of 15% and solidarity surcharge of 5.5% the entire compensation amount per share equals EUR 0.45.

Section 7

IDW S1 Approach

Discounted earnings value

On the basis of the group earnings of Reply Deutschland and using the equity discount rate, the discounted earnings value of Reply Deutschland's assets necessary for operation as of March 31, 2013 is as follows:

	2009A	2010A	2011A	2012A	2013E	Part 2013E	2014E	2015E	2016E	Residual
Total Revenues	**55,050**	**60,174**	**58,521**	**59,225**	**60,644**	**45,638**	**62,625**	**64,837**	**67,378**	**68,389**
% growth		*9.3%*	*-2.7%*	*1.2%*	*2.4%*		*3.3%*	*3.5%*	*3.9%*	*1.5%*
EBT (before interest income)	**1,577**	**3,629**	**5,073**	**2,510**	**3,583**	**2,555**	**3,759**	**3,929**	**4,197**	**4,162**
as % of Total Revenues	*2.9%*	*6.0%*	*8.7%*	*4.2%*	*5.9%*	*5.6%*	*6.0%*	*6.1%*	*6.2%*	*6.1%*
Taxes	(1,099)	(1,391)	(1,028)	(764)	(1,075)	(766)	(1,135)	(1,191)	(1,276)	(1,265)
Tax Rate	*-69.7%*	*-38.3%*	*-20.3%*	*30.4%*	*30.0%*	*30.0%*	*30.2%*	*30.3%*	*30.4%*	*30.4%*
Earnings after tax before Minority Interest	478	2,238	4,045	1,746	2,508	1,788	2,624	2,739	2,921	2,897
as % of Total Revenues	*0.9%*	*3.7%*	*6.9%*	*2.9%*	*4.1%*	*3.9%*	*4.2%*	*4.2%*	*4.3%*	*4.2%*
Minority Interest					(211)	(158)	(198)	(190)	(187)	(189)
as % of Total Revenues					*-0.3%*	*-0.3%*	*-0.3%*	*-0.3%*	*-0.3%*	*-0.3%*
Earnings after tax	478	2,238	4,045	1,746	2,297	1,630	2,426	2,549	2,734	2,708
as % of Total Revenues	*0.9%*	*3.7%*	*6.9%*	*2.9%*	*3.8%*	*3.6%*	*3.9%*	*3.9%*	*4.1%*	*4.0%*
Operationally Retained Earnings					76	(1,234)	299	328	370	297
Assumed Dividend Distribution					2,221	2,864	2,127	2,221	2,364	2,411
						2,051				
Operative retention rate					*3.3%*	*-75.7%*	*12.3%*	*12.9%*	*13.5%*	*11.0%*
Deemed dividend payout ratio					*96.7%*	*175.7%*	*87.7%*	*87.1%*	*86.5%*	*89.0%*
					96.7%	**175.7%**	**87.7%**	**87.1%**	**86.5%**	
Assumed Dividend Distribution					2,221	2,864	2,127	2,221	2,364	1,354
Dividend if payout ratio would have been 50%						815	1,213	1,274	1,367	
Assumed Extra Dividend (out of extra excess cash generated)						2,049	914	947	997	-
Dividend Tax Rate					*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*
Solidarity Surcharge					*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*
Dividend Tax Rate Incl. Solidarity Surcharge					*26.4%*	*26.4%*	*26.4%*	*26.4%*	*26.4%*	*26.4%*
Dividend Taxes					**(586)**	**(755)**	**(561)**	**(586)**	**(624)**	**(357)**
as % of Total Revenues					*-1.0%*	*-1.7%*	*-0.9%*	*-0.9%*	*-0.9%*	*-0.5%*
Dividend Distribution after Personal Taxes					1,635	2,109	1,566	1,635	1,741	997
Assumed Retained Earnings					-	-	-	-	-	1,057
Capital Gain Tax Rate					*12.5%*	*12.5%*	*12.5%*	*12.5%*	*12.5%*	*12.5%*
Solidarity Surcharge					*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*
Capital Gain Tax Rate Incl. Solidarity Surcharge					*13.2%*	*13.2%*	*13.2%*	*13.2%*	*13.2%*	*13.2%*
Capital Gain Taxes					**-**	**-**	**-**	**-**	**-**	**(139)**
as % of Total Revenues					*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-0.2%*
Assumed Retained Earnings after Personal Taxes					-	-	-	-	-	918
Free Cash Flow to Equity after Personal Taxes					**1,635**	**2,109**	**1,566**	**1,635**	**1,741**	**1,914**
as % of Total Revenues					*2.7%*	*4.6%*	*2.5%*	*2.5%*	*2.6%*	*2.8%*
Partial Period						0.750	1.750	2.750	3.750	
Present Value Factor @ 7.0%						0.950	0.888	0.830	0.775	
Present Value of Free Cash Flow						2,004	1,391	1,357	1,349	
Sum of Present Value of Free Cash Flows						6,101	*18.5%*			
Present Value of Residual Value (1)						26,832	*81.5%*			
Present Value of Cash Flows						**32,932**	***100.0%***			
Net Non-Operating Assets (excl. pension obligation and financial assets)						-				
Financial Assets						10,333				
Pension Obligation						(4,299)				
Excess Cash						9,000				
Taxes on Excess Cash						(2,173)				
Equity Value						**45,793**				
Total Number of Shares Outstanding						4,751				
Implied Equity Value per Share Outstanding						**9.64**				

For the projection period, at first instance, a dividend distribution rate of 50% was assumed. This distribution quotient is based on those observed in comparable companies. However, based on the fact that the free cash flows generated by Reply Deutschland during the projection period are relatively high, the actual amounts which can be paid out to the shareholders are quite larger than just 50% of net profit. Hence, we analyse an average dividend payout ratio potential during the projection period which is much closer to 100%, with a positive value impact.

Since in the continuation period the retained earnings – where they are not necessary for financing future growth – and thus the gains in value can be represented by fictitiously attributing their value directly to the shareholders who would ultimately benefit, then for reasons of simplicity the retained earnings assumed in this continuation period were thus attributed directly as value gains to the shareholders. The dividends were assumed to be taxed at the currently valid nominal tax rate of 25% plus solidarity surcharge. The retained earnings resulting in value gains were burdened with a tax rate of 12.5% (half the nominal tax rate) plus the solidarity surcharge of 5.5%, which was deemed typical taking into account a share being held for a long time.

The assumption that earnings will be retained for growth in the sustained-earnings phase (from 2017 on) in the amount of the growth rate based on equity present at the end of the detail financial planning phase, reflects the fact that the growth of the balance sheet is to be financed with this long-term expected growth in the profit and loss and in surplus. This necessary retention of earnings for financing of growth is thus not to be taken into account in the attributing of retained earnings as gains/value increase directly attributable to shareholders.

The net income resulting from the attributed gains of retained earnings and the distributions (minus typified income tax) were capitalized with the equity discount rate.

Business Taxes

For calculation of taxes on earnings, the trade tax, the corporate tax and the solidarity surcharge have been taken into account. In deviation from the IFRS, tax payments were projected, i.e. without taking into account deferred taxes. As a consequence the savings from existing tax loss carry-forwards and additional write-offs recognized by revenue authorities can be accounted for in the calculation directly showing their results on earnings.

In determining tax assessment basis and business taxes, any substantial deviations between the IFRS pre-tax results and the results according to the tax balance as well as existing tax loss carry-forwards were taken into account in the calculation in the assumed tax rates.

Sustainable Earnings

Deriving of the sustainable earnings was made taking into account the developments in the company in the projection period as well as expectations for the market environment.

The sustainable earnings were derived on the basis of the last projected year 2016 and projects Reply Deutschland's expected margin into the future.

We have confirmed the plausibility of the projected margin using benchmark comparisons. The company earnings margin in 2016 is within the value range of the observed average margins in the branch within a business cycle and thus represents a reasonable estimator for an averagely attainable, sustainable margin.

With the exception of the finance income and tax results, the projected profit and loss was projected into the future at the rate of growth assumed for Reply Deutschland.

Analogously to the detailed financial planning phase, the financial income for the sustainable/continuation period was derived from the integrated projected balance sheets and projected cash-flow calculations.

The presumed taxes on income and earnings, analogous to the projection period, were determined on the basis of the current tax laws.

Equity value

The equity value of Reply Deutschland is derived as follows:

Equity Value as of March 31, 2013

EUR in thousands

Present Value of Cash Flows	32,932
Excess Cash	9,000
Taxes on Excess Cash	(2,173)
Financial Assets	10,333
Pension Obligation	(4,299)
Net Non-Operating Assets (excl. pension obligation and financial assets)	-
Equity Value	**45,793**
Total Number of Shares Outstanding	4,751
Implied Equity Value per Share Outstanding	**9.64**

The concluded equity value of Reply Deutschland is EUR 45.8 million as of March 31, 2013.

The nominal capital of Reply Deutschland was divided into 4,751 thousand shares as of March 31, 2013. The implied equity value per share for Reply Deutschland is EUR 9.64.

As the shareholders meeting of Reply Deutschland to approve the proposed transaction will take place on July 18, 2013, we have also determined the Fair Value of the equity of the Company as of this date; it will be EUR 46.7 million, resulting in an indicative value per share of EUR 9.84, using the discount rate of 7.03% to roll forward the value of the equity per the Valuation Date to July 18, 2013.

Section 8

Final Remarks

The results of our FV analysis of the Equity of Reply Deutschland as per March 31, 2013 may be summarized as follows:

- The FV of the Equity of Reply Deutschland prepared under the internationally used DCF Approach is EUR 43.5 million. This equals EUR 9.15 per share.

- For the market approach, the equity value range based on an average industry multiple is EUR 38.9 million – EUR 43.1 million; as such, this equals a value range of EUR 8.20 – 9.08 per share.

- Under the IDW S1 approach, the equity value of Reply Deutschland per March 31, 2013 is around EUR 45.8 million. This equals EUR 9.64 per share. The implied equity value per share for Reply Deutschland as of July 18, 2013 will then be EUR 9.84.

- If the domination agreement is terminated, the minority shareholders have the right to sell their shares in the Company to Reply S.p.A. in exchange for a cash consideration of EUR 8.19 ("Exit Consideration"). The term of this right is limited to 2 months after termination of the domination agreement.

- Finally, the so-called reference price for the Reply Deutschland share is EUR 10.95, being the (volume) weighted average share price over the last 3 months preceding the cross-border merger announcement as per December 14, 2012.

Duff & Phelps B.V.

Duff & Phelps B.V. May 22, 2013

Section 09

Exhibits

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Reply Deutschland AG Exhibit 1.1

Estimation of the Fair Value of Equity
As of March 31, 2013 **Draft**
Income Approach - FCFF **For Discussion Purposes Only**
EUR in thousands (unless otherwise noted)

	2009A	2010A	2011A	2012A	2013E	Part 2013E	2014E	2015E	2016E	Residual
Total Revenues	**55,050**	**60,174**	**58,521**	**59,225**	**60,644**	**45,638**	**62,625**	**64,837**	**67,378**	**68,389**
% growth		*9.3%*	*-2.7%*	*1.2%*	*2.4%*		*3.3%*	*3.5%*	*3.9%*	*1.5%*
Cost of Sales	(40,409)	(42,620)	(41,969)	(46,093)	(46,593)	(35,064)	(48,115)	(49,814)	(51,767)	(52,543)
as % of Total Revenues	*-73.4%*	*-70.8%*	*-71.7%*	*-77.8%*	*-76.8%*	*-76.8%*	*-76.8%*	*-76.8%*	*-76.8%*	*-76.8%*
Gross Profit	**14,641**	**17,554**	**16,552**	**13,132**	**14,051**	**10,574**	**14,510**	**15,023**	**15,611**	**15,846**
as % of Total Revenues	*26.6%*	*29.2%*	*28.3%*	*22.2%*	*23.2%*	*23.2%*	*23.2%*	*23.2%*	*23.2%*	*23.2%*
Total OPEX	(11,434)	(12,258)	(10,453)	(9,433)	(9,648)	(7,261)	(9,903)	(10,204)	(10,513)	(10,720)
as % of Total Revenues	*-20.8%*	*-20.4%*	*-17.9%*	*-15.9%*	*-15.9%*	*-15.9%*	*-15.8%*	*-15.7%*	*-15.6%*	*-15.7%*
EBITDA	**3,207**	**5,296**	**6,099**	**3,699**	**4,403**	**3,313**	**4,607**	**4,819**	**5,098**	**5,126**
as % of Total Revenues	*5.8%*	*8.8%*	*10.4%*	*6.2%*	*7.3%*	*7.3%*	*7.4%*	*7.4%*	*7.6%*	*7.5%*
Depreciation	(1,272)	(1,431)	(871)	(873)	(736)	(716)	(790)	(833)	(846)	(912)
as % of Total Revenues	*-2.3%*	*-2.4%*	*-1.5%*	*-1.5%*	*-1.2%*	*-1.6%*	*-1.3%*	*-1.3%*	*-1.3%*	*-1.3%*
Amortization	(352)	(236)	(79)	(56)	(84)	(63)	(84)	(84)	(84)	(81)
as % of Total Revenues	*-0.6%*	*-0.4%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*
Depreciation and Amortization	(1,624)	(1,667)	(950)	(929)	(820)	(779)	(874)	(917)	(930)	(993)
as % of Total Revenues	*-3.0%*	*-2.8%*	*-1.6%*	*-1.6%*	*-1.4%*	*-1.7%*	*-1.4%*	*-1.4%*	*-1.4%*	*-1.5%*
Income on operating cash						20	26	27	28	29
3-month Euribor						0.40%	0.40%	0.40%	0.40%	0.40%
EBIT	**1,583**	**3,629**	**5,149**	**2,770**	**3,583**	**2,555**	**3,759**	**3,929**	**4,197**	**4,162**
as % of Total Revenues	*2.9%*	*6.0%*	*8.8%*	*4.7%*	*5.9%*	*5.6%*	*6.0%*	*6.1%*	*6.2%*	*6.1%*
Total Interest Received (Expense)	(6)	11	(76)	(260)	124	93	124	124	124	124
as % of Total Revenues	*0.0%*	*0.0%*	*-0.1%*	*-0.4%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
EBT	**1,577**	**3,640**	**5,073**	**2,510**	**3,707**	**2,648**	**3,884**	**4,053**	**4,321**	**4,286**
as % of Total Revenues	*2.9%*	*6.0%*	*8.7%*	*4.2%*	*6.1%*	*5.8%*	*6.2%*	*6.3%*	*6.4%*	*6.3%*
Add-Back: Interest Income (Expense)	6	(11)	76	260	(124)	(93)	(124)	(124)	(124)	(124)
as % of Total Revenues	*0.0%*	*0.0%*	*0.1%*	*0.4%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*
EBIT	**1,583**	**3,629**	**5,149**	**2,770**	**3,583**	**2,555**	**3,759**	**3,929**	**4,197**	**4,162**
as % of Total Revenues	*2.9%*	*6.0%*	*8.8%*	*4.7%*	*5.9%*	*5.6%*	*6.0%*	*6.1%*	*6.2%*	*6.1%*
Taxes	(507)	(1,161)	(1,648)	(843)	(1,075)	(766)	(1,135)	(1,191)	(1,276)	(1,265)
Tax Rate	*32.0%*	*32.0%*	*32.0%*	*30.4%*	*30.0%*	*30.0%*	*30.2%*	*30.3%*	*30.4%*	*30.4%*
Earnings after Tax	1,076	2,468	3,501	1,927	2,508	1,788	2,624	2,739	2,921	2,897
as % of Total Revenues	*2.0%*	*4.1%*	*6.0%*	*3.3%*	*4.1%*	*3.9%*	*4.2%*	*4.2%*	*4.3%*	*4.2%*
Cash Flow Adjustments (1)										
Depreciation and Amortization	1,624	1,667	950	929	820	779	874	917	930	993
as % of Total Revenues	*3.0%*	*2.8%*	*1.6%*	*1.6%*	*1.4%*	*1.7%*	*1.4%*	*1.4%*	*1.4%*	*1.5%*
Capital Expenditures PP&E	(912)	(453)	(492)	(1,085)	(910)	(682)	(939)	(973)	(1,011)	(1,026)
as % of Total Revenues	*-1.7%*	*-0.8%*	*-0.8%*	*-1.8%*	*-1.5%*	*-1.5%*	*-1.5%*	*-1.5%*	*-1.5%*	*-1.5%*
Net Working Capital (2)		11,654	7,853	6,689	6,675	7,813	6,909	7,181	7,469	7,636
as % of Total Revenues		*19.4%*	*13.4%*	*11.3%*	*11.0%*		*11.0%*	*11.1%*	*11.1%*	*11.2%*
Net Working Capital Investments			3,801	1,164	14	1,138	(234)	(272)	(289)	(167)
Total Cash Flow Adjustments			4,259	1,008	(76)	1,234	(299)	(328)	(370)	(199)
as % of Total Revenues			*7.3%*	*1.7%*	*-0.1%*	*2.7%*	*-0.5%*	*-0.5%*	*-0.5%*	*-0.3%*
Free Cash Flow			**7,760**	**2,935**	**2,432**	**3,023**	**2,325**	**2,411**	**2,551**	**2,697**
as % of Total Revenues			*13.3%*	*5.0%*	*4.0%*	*6.6%*	*3.7%*	*3.7%*	*3.8%*	*3.9%*
Partial Period						0.750	1.000	1.000	1.000	
Mid-Year Factor (3)						0.375	1.250	2.250	3.250	
Present Value Factor @ 10.5%						0.96	0.883	0.799	0.723	
Present Value of Free Cash Flow						2,912	2,053	1,926	1,844	

Sum of Present Value of Free Cash Flows	8,734	*24.0%*
Present Value of Residual Value (4)	21,663	*59.5%*
Operating Business Enterprise Value	30,397	*83.4%*
Net Non-Operating Assets (excl. pension obligation and financial assets)	-	*0.0%*
Financial Assets	10,333	*28.4%*
Pension Obligation	(4,299)	*-11.8%*
Total Business Enterprise Value	36,431	*100.0%*
Excess Cash (gross)	9,000	
Non-Controlling Interest	(1,979)	
Equity Value	43,452	
Total Number of Shares Outstanding	4,751	
Implied Equity Value per Share Outstanding	**9.15**	
Market Value per Share (Closed - March 31, 2013)	12.49	
Market Capitalization - (Closed - March 31, 2013)	59,311	

Residual Cash Flow	2,697
Discount Rate (k)	10.5%
Long-Term Growth Rate (g)	1.5%
Capitalization Rate (k-g)	9.0%
Residual Value	29,967
Present Value Factor	0.723
Present Value of Residual Value	**21,663**

	2012	2013	2014
Operating BEV/Revenue	0.5x	0.5x	0.5x
Operating BEV/EBITDA	8.2x	6.9x	6.6x
Operating BEV/EBIT	11.0x	8.5x	8.1x

	Residual year
Residual Value/Revenue	0.4x
Residual Value/EBITDA	5.8x
Residual Value/EBIT	7.2x

Notes

(1) Positive numbers represent cash inflows. Negative numbers represent cash outflows.
(2) The net working capital in the partial year 2013 column represents the net working capital as per Valuation Date
(3) Mid-period discounting reflects the assumption that cash flows are generated evenly throughout the year rather than all at once at the end of the year.
(4) Calculated using the Gordon Growth Model. See box at the bottom left for calculation. The Residual Cash Flow is a perpetuity that is expected to grow at a constant rate.
The present value (after the projection period) of this perpetuity is calculated as Residual Cash Flow divided by Capitalization Rate (k-g).
The resulting residual value is discounted to the valuation date to calculate its present value.

Local currency in thousands (unless otherwise noted)

Market Approach

Comparable Companies	MVIC/EBITDA - LTM	MVIC/EBITDA - 2013 Estimate	MVIC/EBIT - LTM	MVIC/EBIT - 2013 Estimate
Large Peers				
Atos S.A.	5.2x	4.7x	8.2x	7.4x
Cap Gemini S.A.	5.4x	5.1x	7.0x	6.6x
Accenture plc	10.3x	9.1x	11.2x	10.5x
Computer Sciences Corporation	5.2x	4.8x	13.1x	10.2x
Small Peers				
Engineering Ingegneria Informatica SpA	5.5x	4.7x	6.9x	6.0x
Tieto Oyj	5.4x	5.1x	8.5x	8.1x
Prodware	2.5x	2.1x	3.2x	3.0x
Reply S.p.A.	5.4x	4.9x	5.8x	5.5x
Reply Deutschland AG	11.6x	9.7x	15.4x	11.9x
Groupe Steria SCA	3.7x	2.9x	5.2x	4.1x
RealTech AG	12.1x	7.2x	NMF	13.8x
GFI Informatique S.A.	5.3x	4.7x	6.6x	5.9x
Sopra Group	10.2x	9.2x	11.4x	10.6x
itelligence AG	11.9x	8.9x	19.0x	13.9x
Selected Multiples				
Range	2.5x to 12.1x	2.1x to 9.7x	3.2x to 19.0x	3.0x to 13.9x
Median	5.4x	5.0x	8.2x	7.8x
Average	7.1x	5.9x	9.3x	8.4x
Selected Multiple				
Average	**7.1x**	**5.9x**	**9.3x**	**8.4x**

	EBITDA LTM	**EBITDA 2013E**	**EBIT LTM**	**EBIT 2013E**
Reply AG Financial Results	3,699	4,403	2,770	3,583
Multiplied By: Selected Multiple	7.1x	5.9x	9.3x	8.4x
Indicated Operating Market Value of Invested Capital (Operating MVIC)	**26,313**	**26,137**	**25,895**	**30,093**
Add: Excess Cash	9,000	9,000	9,000	9,000
Plus: Net Non-Operating Assets (excl. pension obligation and financial assets)	-	-	-	-
Less: Non-Controlling Interest	(1,979)	(1,979)	(1,979)	(1,979)
Plus: Financial Assets	10,333	10,333	10,333	10,333
Less: Pension Obligation	(4,299)	(4,299)	(4,299)	(4,299)
Indicated Value of Total Equity	**39,368**	**39,192**	**38,949**	**43,148**
Total Number of Shares Outstanding	4,751	4,751	4,751	4,751
Indicated Value per Share	8.29	8.25	8.20	9.08
Average Indicated Value per Share	**8.45**			

Reply Deutschland AG Exhibit 3.1

Estimation of the Fair Value of Equity
As of March 31, 2013 **Draft**
Income Approach - Discounted Earnings **For Discussion Purposes Only**
EUR in thousands (unless otherwise noted)

	2009A	2010A	2011A	2012A	2013E	Part 2013E	2014E	2015E	2016E	Residual
Total Revenues	**55,050**	**60,174**	**58,521**	**59,225**	**60,644**	**45,638**	**62,625**	**64,837**	**67,378**	**68,389**
% growth		*9.3%*	*-2.7%*	*1.2%*	*2.4%*		*3.3%*	*3.5%*	*3.9%*	*1.5%*
EBT (before interest income)	**1,577**	**3,629**	**5,073**	**2,510**	**3,583**	**2,555**	**3,759**	**3,929**	**4,197**	**4,162**
as % of Total Revenues	*2.9%*	*6.0%*	*8.7%*	*4.2%*	*5.9%*	*5.6%*	*6.0%*	*6.1%*	*6.2%*	*6.1%*
Taxes	(1,099)	(1,391)	(1,028)	(764)	(1,075)	(766)	(1,135)	(1,191)	(1,276)	(1,265)
Tax Rate	*-69.7%*	*-38.3%*	*-20.3%*	*30.4%*	*30.0%*	*30.0%*	*30.2%*	*30.3%*	*30.4%*	*30.4%*
Earnings after tax before Minority Interest	478	2,238	4,045	1,746	2,508	1,788	2,624	2,739	2,921	2,897
as % of Total Revenues	*0.9%*	*3.7%*	*6.9%*	*2.9%*	*4.1%*	*3.9%*	*4.2%*	*4.2%*	*4.3%*	*4.2%*
Minority Interest					(211)	(158)	(198)	(190)	(187)	(189)
as % of Total Revenues					*-0.3%*	*-0.3%*	*-0.3%*	*-0.3%*	*-0.3%*	*-0.3%*
Earnings after tax	478	2,238	4,045	1,746	2,297	1,630	2,426	2,549	2,734	2,708
as % of Total Revenues	*0.9%*	*3.7%*	*6.9%*	*2.9%*	*3.8%*	*3.6%*	*3.9%*	*3.9%*	*4.1%*	*4.0%*
Operationally Retained Earnings					76	(1,234)	299	328	370	297
Assumed Dividend Distribution					2,221	2,864	2,127	2,221	2,364	2,411
Operative retention rate					*3.3%*	*-75.7%*	*12.3%*	*12.9%*	*13.5%*	*11.0%*
Deemed dividend payout ratio					*96.7%*	*175.7%*	*87.7%*	*87.1%*	*86.5%*	*89.0%*
Assumed Dividend Distribution					2,221	2,864	2,127	2,221	2,364	1,354
Dividend if payout ratio would have been 50%						815	1,213	1,274	1,367	
Assumed Extra Dividend (out of extra excess cash generated)						2,049	914	947	997	-
Dividend Tax Rate					*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*
Solidarity Surcharge					*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*
Dividend Tax Rate Incl. Solidarity Surcharge					*26.4%*	*26.4%*	*26.4%*	*26.4%*	*26.4%*	*26.4%*
Dividend Taxes					**(586)**	**(755)**	**(561)**	**(586)**	**(624)**	**(357)**
as % of Total Revenues					*-1.0%*	*-1.7%*	*-0.9%*	*-0.9%*	*-0.9%*	*-0.5%*
Dividend Distribution after Personal Taxes					1,635	2,109	1,566	1,635	1,741	997
Assumed Retained Earnings					-	-	-	-	-	1,057
Capital Gain Tax Rate					*12.5%*	*12.5%*	*12.5%*	*12.5%*	*12.5%*	*12.5%*
Solidarity Surcharge					*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*
Capital Gain Tax Rate Incl. Solidarity Surcharge					*13.2%*	*13.2%*	*13.2%*	*13.2%*	*13.2%*	*13.2%*
Capital Gain Taxes					**-**	**-**	**-**	**-**	**-**	**(139)**
as % of Total Revenues					*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-0.2%*
Assumed Retained Earnings after Personal Taxes					-	-	-	-	-	918
Free Cash Flow to Equity after Personal Taxes					**1,635**	**2,109**	**1,566**	**1,635**	**1,741**	**1,914**
as % of Total Revenues					*2.7%*	*4.6%*	*2.5%*	*2.5%*	*2.6%*	*2.8%*
Partial Period						0.750	1.750	2.750	3.750	
Present Value Factor @ 7.0%						0.950	0.888	0.830	0.775	
Present Value of Free Cash Flow						2,004	1,391	1,357	1,349	
Sum of Present Value of Free Cash Flows						6,101	*18.5%*			
Present Value of Residual Value (1)						26,832	*81.5%*			
Present Value of Cash Flows						**32,932**	***100.0%***			
Net Non-Operating Assets (excl. pension obligation and financial assets)						-				
Financial Assets						10,333				
Pension Obligation						(4,299)				
Excess Cash						9,000				
Taxes on Excess Cash						(2,173)				
Equity Value						**45,793**				
Total Number of Shares Outstanding						4,751				
Implied Equity Value per Share Outstanding						**9.64**				
Market Value per Share (Closed - March 31, 2013)						12.49				
Market Capitalization - (Closed - March 31, 2013)						59,311				

Residual Cash Flow	1,914
Discount Rate (*k*)	7.0%
Long-Term Growth Rate (*g*)	1.5%
Capitalization Rate (*k-g*)	5.5%
Residual Value	34,617
Present Value Factor	0.775
Present Value of Residual Value	**26,832**

Notes
(1) Calculated using the Gordon Growth Model. See box at the bottom for calculation. The Residual Cash Flow is a perpetuity that is expected to grow at a constant rate.
The present value (after the projection period) of this perpetuity is calculated as Residual Cash Flow divided by Capitalization Rate (k-g).
The resulting residual value is discounted to the valuation date to calculate its present value.

Reply Deutschland AG EXHIBIT 4.1

Estimation of the Fair Value of Equity
As of March 31, 2013
Weighted Average Cost of Capital (WACC) Analysis
Local currency in millions (unless otherwise noted)

Draft
For Discussion Purposes Only

I. ASSUMPTIONS

			Source / comment
Valuation Date		3/31/2013	
Stock Price Date		3/29/2013	
Risk-free Rate	(Rf)	2.4%	441-day Average 15-Year EUR Germany Government Strips
Market Risk Premium	(MRP)	5.0%	
Relative Volatility	(RV)	1.00	D&P Research
Country Risk Premium *(used in Required Return on Equity Capital)*	(CRP a)	0.0%	D&P Research
Country Risk Premium *(used in Required Return on Debt Capital)*	(CRP b)	0.0%	D&P Research
Small Stock Premium	(SSP)	3.5%	
Alpha	α	0.0%	
Target D/C		15.0%	
Spread		1.9%	441-day Average 15-Year EUR Germany Government Strips - 441-day Average 15-Year EUR Composite (BBB)
Pre-tax Required Rate on Debt Capital	(i)	4.3%	Risk-free Rate + Spread
Corporate Income Tax Rate		29.5%	2012 KPMG Corporate Tax Rate Survey

II. INDUSTRY CAPITAL STRUCTURE ANALYSIS

Company	Country	Currency	**Total Net Debt (D) (1)**	+	Common Share Price	x	Common Shares Outstanding	=	**Market Value of Equity (E)**	=	**Total Capital (D+E)**	Beta Historical 5 Year Monthly	D/E	Debt / Total Capital	Corporate Income Tax Rate (t)	Unlevered Beta (2)
Atos S.A.	France	EUR	(201.2)		53.69		85.7		4,601.5		4,400.3	1.49	-4.4%	-4.6%	33.3%	1.54
Cap Gemini S.A.	France	EUR	(748.0)		35.50		157.7		5,599.1		4,851.1	1.45	-13.4%	-15.4%	33.3%	1.59
Engineering Ingegneria Informatica SpA	Italy	EUR	37.9		30.08		12.2		366.7		404.6	0.74	10.3%	9.4%	31.4%	0.69
Tieto Oyj	Finland	EUR	34.3		16.50		72.0		1,187.2		1,221.5	1.10	2.9%	2.8%	24.5%	1.08
Prodware	France	EUR	30.4		6.40		4.3		27.3		57.7	0.75	111.3%	52.7%	33.3%	0.43
Reply S.p.A.	Italy	EUR	5.9		29.80		9.0		268.3		274.2	0.82	2.2%	2.2%	31.4%	0.81
Reply Deutschland AG	Germany	EUR	(14.9)		12.49		4.8		59.3		44.4	0.58	-25.1%	-33.5%	29.5%	0.71
Accenture plc	Ireland	USD	(5,148.9)		75.97		650.1		49,386.4		44,237.5	0.81	-10.4%	-11.6%	12.5%	0.89
Computer Sciences Corporation	United States	USD	446.0		49.23		153.5		7,556.0		8,002.0	1.19	5.9%	5.6%	40.0%	1.15
Groupe Steria SCA	France	EUR	154.4		10.54		30.4		320.8		475.3	1.78	48.1%	32.5%	33.3%	1.35
RealTech AG	Germany	EUR	(5.8)		5.48		5.4		29.5		23.7	1.31	-19.5%	-24.2%	29.5%	1.52
GFI Informatique S.A.	France	EUR	70.0		3.40		53.8		182.9		252.9	1.43	38.3%	27.7%	33.3%	1.14
Sopra Group	France	EUR	204.0		57.75		11.9		685.7		889.7	1.15	29.8%	22.9%	33.3%	0.96
itelligence AG	Germany	EUR	29.9		11.20		30.0		336.0		365.9	0.75	8.9%	8.2%	29.5%	0.71
Industry Average												**1.10**		**5.3%**		**1.04**
Industry Median												**1.13**		**4.2%**		**1.02**

III. RELEVERED BETA ANALYSIS

Unlevered Beta (based on average)		1.04
Target D/E	(3)	17.6%
Corporate Income Tax Rate		29.5%
Relevered Beta (B) (4)		**1.17**

IV. WACC CALCULATION

		Required Return		Weighting		WACC
Required Return on Equity Capital	[Rf + B * MRP * RV + SSP + CRP a + α]	11.78%	x	85.0%	=	10.02%
Required Return on Debt Capital	[(i + CRP b) * (1 - t)]	3.05%	x	15.0%	=	0.46%
		Concluded WACC				**10.47%**
		Concluded WACC (Rounded) (5)				**10.50%**

Notes
(1) Total Net Debt includes minority interest liabilities and preferred stock; net debt indicates cash and short-term investments have been subtracted.
(2) Unlevered Beta = Beta / [1 + D/E (1 - t)]
(3) The target D/E is derived from the Debt / Total Capital (D/C) ratio: Target D/E = (D/C) / (1-D/C)
(4) Relevered Beta = Unlevered Beta * [1 + D/E (1 - t)]
(5) Concluded WACC is rounded to 50 basis points.

Reply Deutschland AG EXHIBIT 4.2

Estimation of the Fair Value of Equity
As of March 31, 2013 **Draft**
IDW S1 Discount Rate **For Discussion Purposes Only**
Local currency in millions (unless otherwise noted)

I. ASSUMPTIONS

			Source / comment
Valuation Date		3/31/2013	
Stock Price Date		3/29/2013	
Risk-free Rate	(Rf)	1.8%	Risk-Free Rate After Personal Tax Rate based on Svensson Method
Market Risk Premium	(MRP)	5.0%	
D/C of Reply AG		0.0%	
Corporate Income Tax Rate		30.4%	

II. INDUSTRY CAPITAL STRUCTURE ANALYSIS

Company	Country	Currency	Total Net Debt (D) (1)	+ [Common Share Price	x Common Shares Outstanding	= Market Value of Equity (E)]	= Total Capital (D+E)	Beta Historical 5 Year Monthly	D/E	Debt / Total Capital	Corporate Income Tax Rate (t)	Unlevered Beta (2)
Atos S.A.	France	EUR	(201.2)	53.69	85.7	4,601.5	4,400.3	1.49	-4.4%	-4.6%	33.3%	1.54
Cap Gemini S.A.	France	EUR	(748.0)	35.50	157.7	5,599.1	4,851.1	1.45	-13.4%	-15.4%	33.3%	1.59
Engineering Ingegneria Informatica SpA	Italy	EUR	37.9	30.08	12.2	366.7	404.6	0.74	10.3%	9.4%	31.4%	0.70
Tieto Oyj	Finland	EUR	34.3	16.50	72.0	1,187.2	1,221.5	1.10	2.9%	2.8%	24.5%	1.08
Prodware	France	EUR	30.4	6.40	4.3	27.3	57.7	0.75	111.3%	52.7%	33.3%	0.57
Accenture plc	Ireland	USD	(5,148.9)	75.97	650.1	49,386.4	44,237.5	0.81	-10.4%	-11.6%	12.5%	0.89
Computer Sciences Corporation	United States	USD	446.0	49.23	153.5	7,556.0	8,002.0	1.19	5.9%	5.6%	40.0%	1.15
Groupe Steria SCA	France	EUR	154.4	10.54	30.4	320.8	475.3	1.78	48.1%	32.5%	33.3%	1.38
RealTech AG	Germany	EUR	(5.8)	5.48	5.4	29.5	23.7	1.31	-19.5%	-24.2%	29.5%	1.52
GFI Informatique S.A.	France	EUR	70.0	3.40	53.8	182.9	252.9	1.43	38.3%	27.7%	33.3%	1.17
Indra Sistemas, S.A.	Spain	EUR	636.7	9.30	162.8	1,514.0	2,150.7	0.44	42.1%	29.6%	30.0%	0.38
Sopra Group	France	EUR	204.0	57.75	11.9	685.7	889.7	1.15	29.8%	22.9%	33.3%	0.98
itelligence AG	Germany	EUR	29.9	11.20	30.0	336.0	365.9	0.75	8.9%	8.2%	29.5%	0.71
Industry Average								**1.11**		**10.4%**		**1.05**
Industry Median								**1.15**		**8.2%**		**1.08**

III. RELEVERED BETA ANALYSIS

Unlevered Beta (based on average)		1.05
D/E of Reply AG	(3)	0.0%
Corporate Income Tax Rate		30.4%
Relevered Beta (B) (4)		**1.05**

IV. WACC CALCULATION

		Required Return on Equity
Required Return on Equity Capital	[Rf + B * MRP * RV + SSP + CRP a + α]	7.03%

Notes
(1) Total Net Debt includes minority interest liabilities and preferred stock; net debt indicates cash and short-term investments have been subtracted.
(2) Unlevered Beta = Beta / [1 + D/E (1 - t)]. For Engineering Ingegneria Informatica SpA, Prodware, Groupe Steria SCA, GFI Informatique S.A., Indra Sistemas S.A. and Sopra Group the Unlevered Beta = Equity Beta x [E / (1 - t) D + E] + Debt Beta x [(1 - t) x D / [(1 - t) D + E]] given their higher debt levels.
(3) The D/E is derived from the Debt / Total Capital (D/C) ratio: D/E = (D/C) / (1-D/C)
(4) Relevered Beta = Unlevered Beta * [1 + D/E (1 - t)]
(5) Concluded WACC is rounded to 50 basis points.