CONCORDE CAPITAL

Kyivenergo

Hold for better times

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HOLD

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PFTS ticker	KIEN

Market information

Market price, USD	1.08
MCap, USD mln	117,0
Chg YTD	0%
Hi/Lo YTD, USD	1.08/1.07
No of shares, mln	108.36
Avg Mon Tr Vol YTD, USD ths	4.9
Free float	9.3%
Free float, USD mln	10.9

Corporate Governance

Concorde Rating*	A

** The rating is based on Concorde Capital's corporate governance survey. Q denotes quality corporate governance standards, AA - above average standards, A - average, BA - below average and P – poor.*

Shareholders

NC ECU (State)	50.0%
Kapiton Trading	25.0%
Fluminea	10.2%
Other	14.8%

Kyivenergo's potential to generate profits in the short-term raises more concerns than it promises opportunities:

- How will the company's generation segment generate profits in 2009, on the background of a 40% increase in gas fuel costs?
- Will the regulator continue to compensate Kyivenergo for its commercial electricity losses?
- Will new heating tariffs allow Kyivenergo's heating segment to turn a profit?

Taking into account the company's capacity load potential and the expected increase of demand for fossil-fueled electricity in the mid-term, we believe the stock can be regarded as a safe investment in the mid to long-term.

To value the company, we employ a sum-of-the-parts approach, with economic profit modeling for the generation segment and peer comparison for the distribution segment, both focused on the company's assets.

We downgrade our target price for KIEN to USD 4.5, which yields 146% effective upside. Taking into account short-term risks, we downgrade the stock to HOLD.

Key financials, USD mln

	Sales	EBITDA		EBITDA margin		EBIT		EBIT margin	
		Rep.	Adj.	Rep.	Adj.	Rep.	Adj.	Rep.	Adj.
2007	915.7	33.7	33.7	3.7%	3.7%	10.0	10.0	1.1%	1.1%
2008E	1,202.6	-28.5	23.4	-2.4%	1.9%	-52.2	-0.2	-4.3%	0.0%
2009F	1,069.0	24.3	24.3	2.3%	2.3%	0.6	0.6	0.1%	0.1%

Generation: Minimum load to remain short-term story

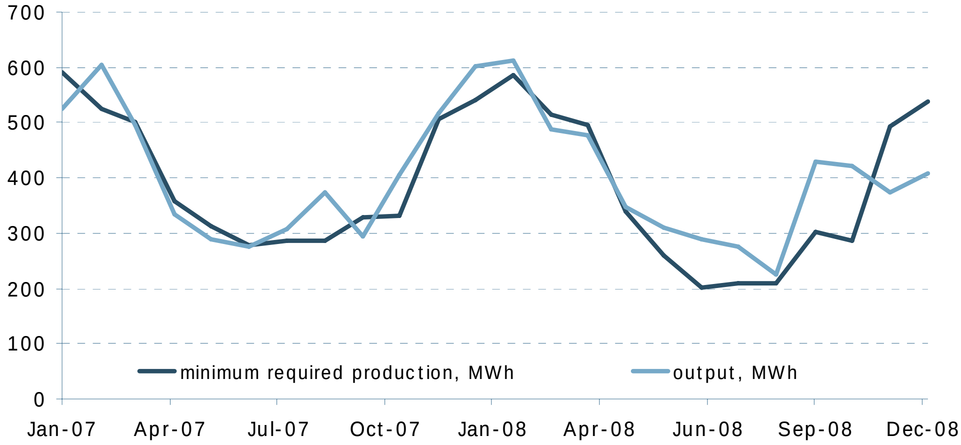
Production to taper off modestly in 2009-2010

Kyivenergo's electricity output should fall only 5% yoy in 2009, by our estimates, versus an aggregate decline at all Ukrainian thermal power plants of 13% yoy. As the company is not cost-competitive to coal-fired TPPs, it is already loaded close to its minimum required level and is expected to remain so.

Case study: Minimum required power production level
TPPs, which are not price competitive on the capacity tender market, are loaded at their minimum allowed level according to the *Rules of the Wholesale Electricity Market*. The minimum allowed level of each power plant is a decreasing function of external temperature. Kyivenergo's bottom floor in the summer was revised downward in October 2007 (refer to the graph below).

We forecast Kyivenergo to sell 3.85 TWh of electricity annually to the wholesale market in both 2009 and 2010 (95% of 2008 output).

Minimum required level and electricity output, 2007-2008



Source: EnergoBiznes, Concorde Capital estimates

We see two risks to Kyivenergo's output going forward: (1) another downward revision in the minimum required capacity load by the regulator, and (2) a shortage in gas supplies (as was the case in 4Q08 and led to the company working below the minimum level).

Long-term outlook: capacity load to grow 1.5x

The long-term outlook for Kyivenergo's generation segment is more optimistic: over the next decade we expect an increase in domestic power demand of 3.5% CAGR in Ukraine (see our GenCos report of May 28, 2008), and CHPPs and TPPs are the only power generators that can carry the growth in demand.

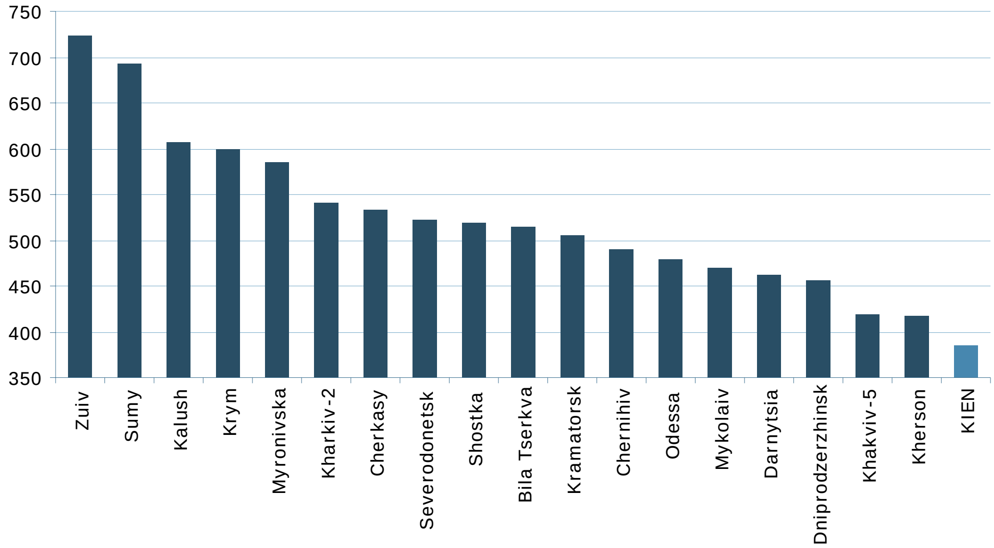
With the sharp spike in TPPs' load expected to start in 2011, we forecast Kyivenergo's loaded capacity to gradually increase from 642 MW in 2011 to 870 MW in 2017. Moreover, we expect the growth in power demand to make it profitable for the company to construct a new 250 MW power unit at Kyiv CHPP#6.

Gas price hikes makes electricity production unprofitable

According to our estimates, the recent 40% rise in gas tariffs for industrial consumers will make Kyivenergo's electricity generation segment breakeven only at an average electricity tariff of about 500 UAH/MWh, 30% higher than the company's current tariff. A hike of this magnitude does not look realistic: the rate on the capacity tender market (where Kyivenergo sells its electricity) is unlikely to go up in 2009 as the key determinant – coal prices – have little chances of growing (demand for steam coal will drop 12% yoy, by our estimates).

The most probable way for Kyivenergo to make its generation segment profitable is to secure changes to the rules of the wholesale market so that the company's electricity is priced at cost+. This looks fairly realistic, taking into account that Kyivenergo has the smallest electricity tariff among all the Ukrainian CHPPs.

Dec. 2008 tariffs for electricity produced at CHPPs, UAH/MWh



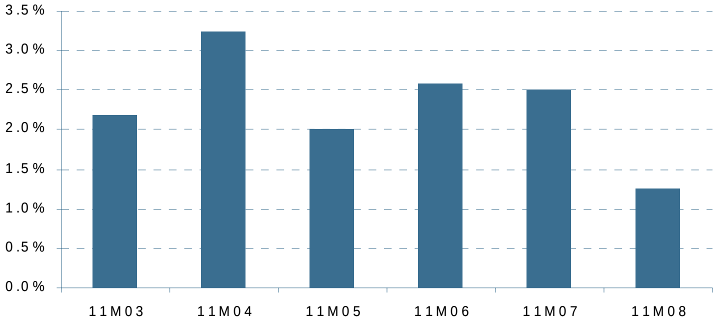
Source: NERC, Energobiznes

We expect Kyivenergo's operating profit from its generation segment to be close to zero in 2009.

Distribution: Commercial losses beaten back

After many years of reporting high commercial electricity losses, Kyivenergo made significant progress in 2008: cutting the level in half year-on-year in 11M08. Extra costs related to commercial losses decreased from UAH 50 mln in 11M07 to UAH 41 mln in 11M08. We forecast the negative impact from excessive losses on the company's P&L to be only UAH 48 mln in 2009 vs. UAH 76 mln in 2007.

Kyivenergo's commercial losses, % of electricity inflow



Source: Energobiznes

In 2008 Kyivenergo continued to benefit from partial compensation of commercial losses granted by the NERC. Compensation is done via including part of the company's commercial losses (2.5% of electricity inflow in KIEN's grid) in the total distribution tariff. According to our estimates, the compensation allowed the company's distribution segment to generate UAH 72 mln of its operating profit in 2008 (versus UAH 44 mln in 2007).

With 2008 actual electricity losses in Kyivenergo's grid at 12.1% (while tariffs compensate for about 13.1%), we calculate the 2008 EBITDA of Kyivenergo's distribution business at UAH 106 mln (EBIT at UAH 65 mln).

Usually the regulator allows for partial compensation of commercial losses only in case the losses exceed 2.5%-3.0% of total electricity inflow. As Kyivenergo's actual commercial losses were 1.36% of electricity inflow (i.e., below 2.5%) in 2008, we believe the regulator will not allow for compensation in 2009. Without compensation, we estimate the company's EBITDA from power distribution in 2009 at UAH 55 mln (EBIT at UAH 6.5 mln).

Heating stops burning profits?

Tariff + compensation < costs

Ukrainian city governors historically prefer to set heating tariffs below cost and compensate for the gap from the city budget. However, the city of Kyiv tends to undercompensate for losses incurred by Kyivenergo: in 2006-07 Kyiv returned only 76-77% of Kyivenergo's heating losses, in 2008 – only 62%.

KIEN's heating losses and compensation, USD mln

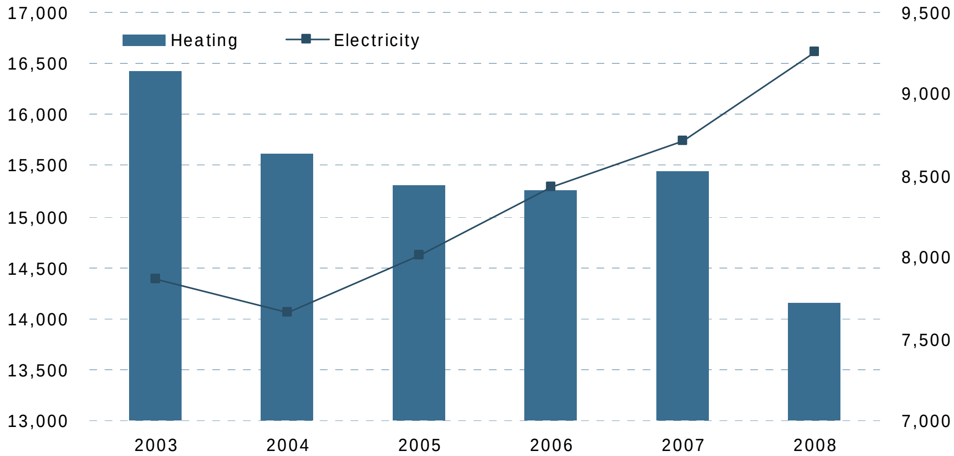
	UAH mln
Received compensation from Kyiv budget on Nov. 19, 2008	386
Total compensation written into the 2008 city budget	408
2008E losses from heating, estimated by Kyivenergo	790

Source: Company data, Concorde Capital estimates

Less heat supplies, less losses

Despite an increase in energy demand in the city of Kyiv (electricity supplies grew 19% over the last four years), heat production by Kyivenergo dropped 22% over the same period as Kyivenergo had to minimize its losses from heating by decreasing heat production. This was done via reducing transmission losses (by investing in its distribution network) and by cutting the average temperature of heat supplied.

Heat (TCal ths, lhs) **and electricity** (GWh rhs) **supply by Kyivenergo,**



Source: Company data, Energobiznes, Concorde Capital estimates

New heat tariffs will make KIEN breakeven?

In January 2009, Kyiv approved a 48%-100% increase in heating tariffs for customers. Though legal and political issues remain, we believe the new tariffs will come into effect as of February 2009, raising the average tariffs for Kyivenergo's heat segment by about 60%. Assuming no more than a 15% yoy increase in the gas tariff for heating, the revised tariffs will allow the company's heating segment to breakeven in 2009, for the first time in the last decade.

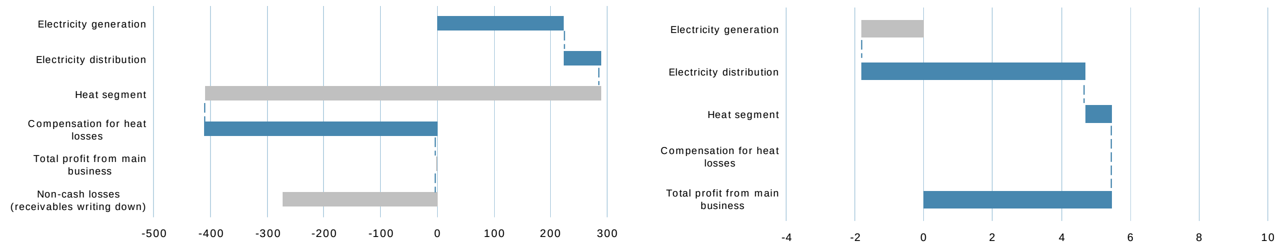
Financials: Nearly breaking even

Operating profit: Close to zero in 2008 and 2009

We estimate Kyivenergo's reported EBITDA for 2008 at UAH -150 mln, and adjusted for receivables write-downs UAH 120 mln (adjusted EBIT at UAH -1 mln). In 2009, we expect the company's EBITDA to be UAH 130 mln (EBIT of UAH 5.5 mln).

EBIT (UAH mln): breakdown by segments

2008E ***2009F***



Source: Company data, Concorde Capital estimates

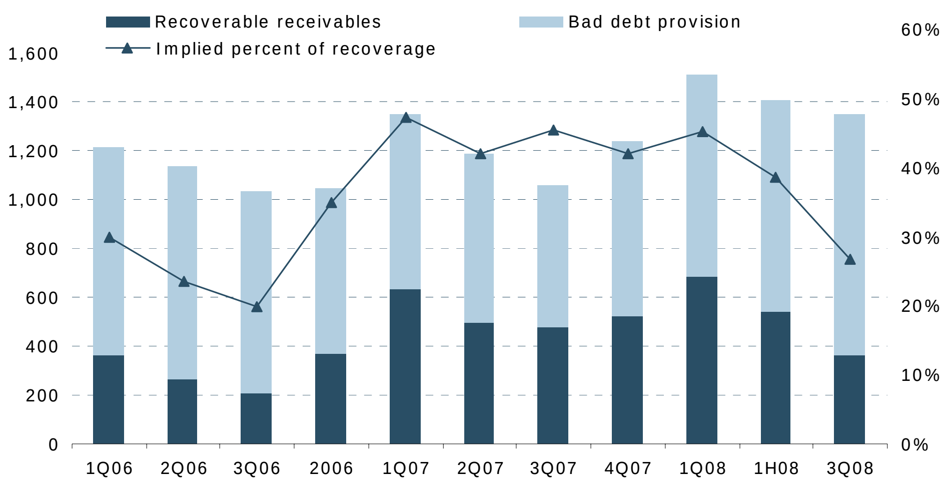
Receivables make the bottom line volatile

Over 9M08, Kyivenergo declared net losses of UAH 278 mln, nearly equal to the increase it made for bad debt provisions over the period: UAH 270 mln.

We believe the company reported such a loss in 2008 in order to increase its bargaining power with the Kyiv City Council on higher heating tariffs or compensation.

The company distorted its financials in 4Q06 when it reduced bad debt provisions by UAH 146 mln to increase its reported profit. At the time, newly elected Kyiv mayor Leonid Chernovetsky considered stopping Kyivenergo's agreement to lease the city's CHPPs – he explained this by the "inefficiency" of Kyivenergo. In response, Kyivenergo showed a high profit (i.e. demonstrating increased efficiency) in 4Q06.

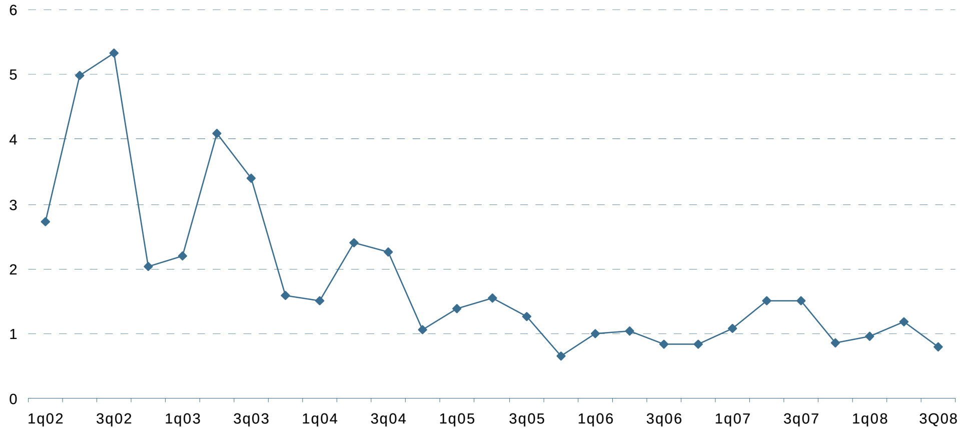
Receivables structure, UAH mln



Source: Company data, Concorde Capital calculations

Now that Kyivenergo's receivables collection period is below one month (which seems to be normal for Ukrainian utilities), we do not expect any drop in reported profits from artificial receivables write-downs.

Reported receivables collection period, months



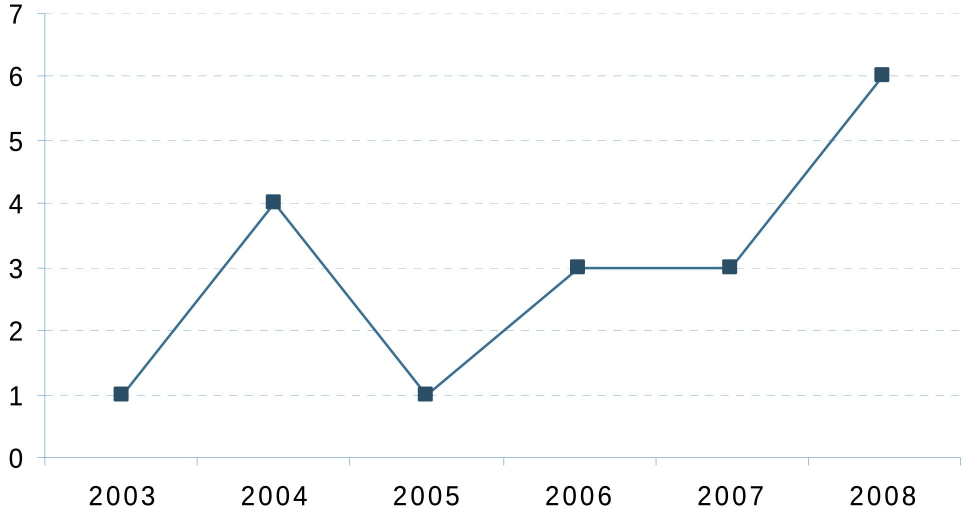
Source: Company data, Concorde Capital calculations

We believe the company's bottom line for 2008 should be adjusted by adding back one-off non-cash losses related to changes in bad debt provisions.

New regulation could present liquidity problems in winter

Kyivenergo used to manage its operating cash flow by delaying payments for gas consumed, which typically prompts Naftogaz to cut gas supplies to boilers at the company's CHPPs. In the winter, when gas consumption more than doubles, the company has been increasing its instances of payment delays, while in spring it is fully paying up.

Frequency of shortages in gas supplies from Naftogaz to Kyivenergo, instances



Source: Company data, Naftogaz, Concorde Capital estimates

However, in December 2008, Kyivenergo lost this tool to manage cash flows: the Cabinet of Ministers ordered payments from consumers for heat energy consumed be made directly to special banking accounts (bypassing the accounts of heat producers). From these accounts, money is distributed between gas suppliers and heat producers. The new regulation can create short-term liquidity problem for the company in the winter: according to the company, it could face a problem with paying salaries. If the regulation is enforced, we expect an increase in short-term debts in the winter, resulting in a 2%-3% increase in the company's interest expense.

Other issues

New management team: DTEK strengthens control

In 2008 Kyivenergo's management team was changed twice. In February, the supervisory board appointed Serhiy Titenko (MP from the Party of Regions) CEO. In October, Eduard Sokolovsky took up the position; he was previously the CEO of Dniproblenergo, where he represented the interests of DTEK.

We see the appointment of a DTEK-affiliated CEO as proof that DTEK controls Cyprian company Fluminea, a KIEN minority shareholder.

The company's supervisory board has been controlled by DTEK since 2007. Though the NC ECU owns a majority stake (50%+1) in Kyivenergo, it is unable to change the supervisory board as replacements can only be made at an AGM, which requires quorum of 60% of voting shares to convene.

Kyivenergo ownership structure

	August 2007	January 2009
NC ECU (state)	50.00%	50.00%
Kapiton Trading (Cyprus)	24.98%	24.98%
Fluminea (Cyprus)	15.72%	10.21%
Other (strategic investor?)	-	5.51%
Other (free float)	9.30%	9.30%

Source: State Securities Commission

CHPP-6/3: end of construction is delayed

The expected increase in the gas price for Kyivenergo forced the company to postpone completion of its third 250 MWh gas-fueled power unit at CHPP-6 for the mid-term. Since as far back as 2006, while construction has been paused on the unit, Kyivenergo's management has been going back and forth regarding the amount of financing needed and even the amount of construction work already completed.

Kyivenergo's claims on CHPP-6/3 investments, UAH mln

	Finance needed to finish construction	Construction completed
Apr-06	463	57%
Sep-06	469	65%
Mar-07	463	67%
Nov-08	500	65%

Source: Company data, Naftogaz, Concorde Capital estimates

We shift our assumption for the commissioning this unit from 2012 to 2013.

Valuation

We continue to value Kyivenergo from two angles: as a vertically-integrated company and as the sum of its segments (applying a sum-of-the-parts approach with separate valuation of its electricity generation and distribution segments, assuming its heating segment is worth zero).

We expand our set of valuation tools for Kyivenergo's electricity generation business by employing an economic profit model (refer to our Nov. 26 report on GenCos).

UAH-USD assumptions

We use an average UAH/USD exchange rate in 2008 of 5.28 and assume a 2009 average rate of 8.35.

Net debt adjustments

As before, in valuing compared to vertically-integrated peers, we fully account for Kyivenergo's net debt, while in our sum-of-the-parts valuation, we only account for the debt attributed to the company's electricity segment (including only half of its short-term debt).

Net debt, 2008

	USD mln	Attributable to electricity segment
ST loans	41.6	50%
ST portion of LT loans	2.8	0%
LT loans	71.8	0%
Cash	7.5	50%
Net debt, consolidated	108.7	
Net debt, electricity	17.0	

Source: Company data, Concorde Capital estimates

Net debt, 2009E

	USD mln	Attributable to electricity segment
ST loans	40.1	50%
ST portion of LT loans	2.8	0%
LT loans	71.8	0%
Cash	7.3	50%
Net debt, consolidated	107.4	
Net debt, electricity	16.4	

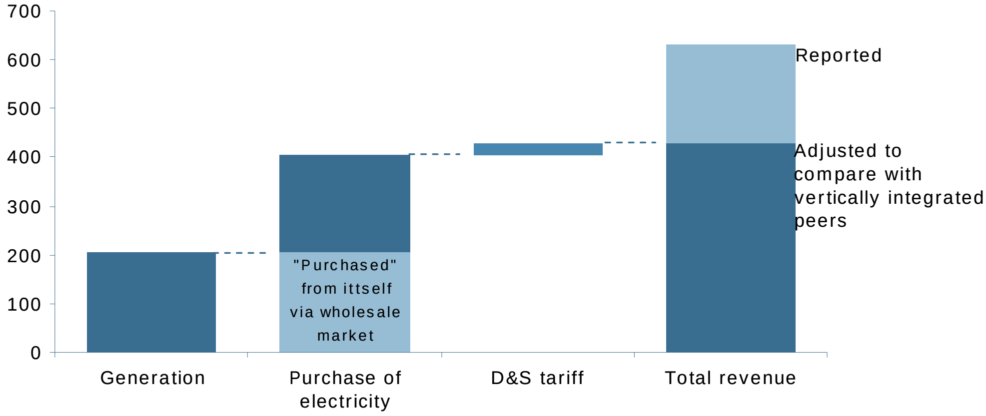
Source: Company data, Concorde Capital estimates

Valuation of integrated business

Sales adjustment

Due to the specifics of the Ukrainian electricity market, Kyivenergo has to sell all its generated electricity to the wholesale electricity market. From there, the company buys the same electricity plus an additional amount required by final consumers. As a result, Kyivenergo's reported revenues include sales from generated electricity twice, unlike a typical vertically-integrated utility.

Double accounting of generated electricity revenue: 2007, USD mln



Source: Company data, Concorde Capital estimates

We adjust Kyivenergo's sales by subtracting the cost of purchasing its own electricity from the wholesale market:

Revenue adjustment, USD mln

	2008E	2009E
Revenue reported	1,203	1,037
Costs of generated electricity bought back on the wholesale market	291	267
Adjusted revenues	911	770

Source: Company data, Concorde Capital estimates

Peer valuation

Emerging market peer summary, USD mln

	Country	MCap, USD mln	EV/Sales 2008E	EV/Sales 2009E	EV/EBITDA 2008E	EV/EBITDA 2009E	P/E 2008E	P/E 2009E
Irkutskenergo	Russia	820	0.7	0.7	2.5	3.2	6.5	5.4
Co. Energetica de Brasilia	Brasil	77	n/a	n/a	n/a	n/a	n/a	n/a
Kogeneracja	Poland	210	1.0	n/a	4.6	n/a	9.5	n/a
Shijiazhuang Dongfang	China	162	n/a	n/a	n/a	n/a	n/a	n/a
Tata Power	India	3,403	3.1	1.5	15.0	5.8	21.9	11.0
Eletropaulo Metropolitana S.A.	Brasil	1,854	n/a	0.7	n/a	2.9	n/a	5.9
Light S/A	Brasil	2,063	1.2	1.2	4.5	4.7	3.6	5.9
Shanghai Electric Power Co.	China	1,073	n/a	n/a	n/a	n/a	17.3	n/a
Peer average			**1.5**	**1.0**	**6.7**	**4.2**	**11.8**	**7.0**
Kyivenergo	**Ukraine**	**117**	0.25*	0.27*	9.7	9.3	(7.5)	(7.8)
Implied price by EM peer avg, USD/share			11.43	7.02	0.43	neg	neg	neg
Upside/Downside to EM avg			949%	544%	-60%	n/m	n/m	n/m

Developed market peer summary, USD mln

	Country	MCap, USD mln	EV/Sales 2008E	EV/Sales 2009E	EV/EBITDA 2008E	EV/EBITDA 2009E	P/E 2008E	P/E 2009E
CEZ	Czech Rep.	19,174	2.4	2.8	5.6	6.0	7.7	8.3
EnBW	Germany	11,500	0.7	0.8	4.0	4.7	5.8	8.9
Endesa	Chile	10,304	4.2	4.8	9.6	10.8	38.8	19.7
EdF	France	89,555	1.3	1.9	5.2	7.7	13.0	14.7
AES	USA	5,383	1.7	1.6	5.4	6.4	7.6	7.6
Peer average			**2.1**	**2.4**	**6.0**	**7.1**	**14.6**	**11.9**
Kyivenergo	**Ukraine**	**117**	0.25*	0.27*	9.7	9.3	(7.5)	(7.8)
Implied price by DM peer avg, USD/share			16.41	17.54	0.29	0.61	neg	neg
Upside/Downside by DM avg			1405%	1509%	-74%	-44%	n/m	n/m

**We use adjusted Kyivenergo's sales as calculated on page 11*
Source: Company data, Bloomberg, RTS, Concorde Capital estimates

Sum-of-the-parts valuation

Generation segment

Economic profit model

For Kyivenergo's electricity generation segment, we employ the same valuation approach as proposed for generation companies (refer to our Nov. 2008 update on GenCos for more details). This approach allows us to explicitly ignore economic profits for the mid-2010s, when we see considerable uncertainty, simply assuming discounted economic profit for this period will sum up to zero. So, in our valuation we concentrate on two parts: current invested capital (based on estimates of the fair value of the company's employed assets) and long-term future (by estimating terminal economic profit on conservative assumptions).

EV = Invested Capital $_{2010}$ ***+ Sum of discounted EP*** $_{2010 \text{ to perp.}}$

Invested Capital $_{2010}$ ***= Value of remaining (net of depreciation) capacity =***
Net capacity * (1 - time in operation / full depreciation time) * Replacement cost

Where:

- ***Replacement cost*** in 2010 is assumed to be 1,200 USD/kW of capacity
- ***full depreciation time*** is taken as 280,000 hrs of work of power unit

Sum of discounted EP $_{2010 \text{ to perp.}}$ ***= 0 + Sum of discounted EP*** $_{2020 \text{ to perp.}}$ ***=***
Invested capital $_{2021}$ **** (ROIC*** $_{perp.}$ ***-WACC*** $_{perp.}$ ***) / (WACC*** $_{perp}$ ***– Growth*** $_{perp.}$ ***) * Discount factor***

Where:

- ***WACC*** $_{perp.}$ is assumed to be 12%
- ***ROIC*** $_{perp.}$ is assumed to be 13%, which implies EP (ROIC less WACC) in perpetuity at 1%
- ***Growth*** $_{perp.}$ (sustainable growth in perpetuity) is assumed to be 3% p.a.
- ***Discount factor*** is estimated assuming 16% WACC over 2010 - 2021 = 1.16^{-11}
- ***Invested Capital*** $_{2021}$ is calculated as the fair value of remaining total capacity in 2020 (based on the assumption that remaining capacity will not change over the next 10 years) multiplied by ***Replacement cost*** adjusted for an annual inflation rate for equipment of 5% over 2010-2020. For Kyivenergo, this value also accounts for a new 250 MW power unit, which, we expect, will be commissioned in 2013.

Summary of economic profit model valuation

Installed capacity, MW	Net capacity, MW	Invested capital, 2010, USD mln	Net capacity, 2021, USD mln	Invested Capital, 2021, USD mln	Sum of discounted EP's, USD mln	Implied EV of generation segment
1,200	191	**229**	479	820	**20**	**249**

Power distribution segment

EV/RAB and P/B approach

To value Kyivenergo's electricity distribution business, we use the same approach applied for pure Ukrainian power distribution and supply companies, Oblenergos (refer to our report of 16 July 2008).

We expect the new tariff methodology for Ukrainian electricity distribution companies to come into effect in 2010. The methodology is most likely to be based on applying the rate of return on a regulatory asset base (RAB). Assuming the rate of return allowed by the regulator will be close to the required rate of return on investment, we use a EV/RAB peer valuation as the best guess for the EV of Kyivenergo's distribution segment.

We calculate RAB as the depreciated replacement value of Kyivenergo's electricity distribution network, plus annual working capital growth. We estimate replacement value (RV) as RV provided by NERC as of mid-2006, adjusted for equipment price growth over 2006-2009.

Equipment price index

	2006	2007	2008E	2009E	2010E	Mid-2010/Mid-2006
Transformers (T)	29%	16%	18%	15%	15%	
Substations (S)	1%	5%	5%	5%	5%	
T&S	19%	12%	14%	12%	12%	65%
Wires	26%	12%	13%	12%	12%	68%

Source: State Statistics Committee of Ukraine, Concorde Capital estimates

Like for Oblenergos, we estimate KIEN's net fixed assets as depreciated replacement value, assuming accumulated depreciation is 75%.

RAB calculation

	Value, USD mln	Portion in RAB
Replacement value, gross, mid-2006 prices	1,179*	
Replacement value, gross, mid-2010 prices	1,171**	
Accumulated depreciation	75%**	
Net replacement value	293**	100%*
El. purchase, 2010E	518**	8.3%*
Investment program, 2010E	19**	8.3%*
SG&A, 2010E	6**	8.3%*
RAB	**338**	

Source: NERC research (*), Concorde Capital estimates (**)

As with Oblenergos, we take net debt as a regulated value, assuming the proportion of debt to equity required by the NERC to be 40:60 under the new tariff policy; equity is revalued by adding the sum of revaluation of assets.

Book value and net debt estimates, USD mln

		Value
Equity, 2009	**(1)**	**156**
Est. net "fair" value, mid-2010	(2)	293
Net fixed assets, reported	(3)	41
Est. revaluation	(4) = (2) – (3)	252
Equity adjusted	**(5)** = (1) + (4)	**408**
Net debt assumed	**(6)** = (5) x 40 / 60	**272**

Source: Company data, Concorde Capital estimates

Peer multiples

	P/B	EV/RAB
EMASZ	1.08	n/a
ELMU	0.93	n/a
Prazska Energetika	1.35	n/a
Horizon Energy	1.08	0.94
Cegedel	1.66	1.69
Elia	0.77	0.91
Terna	2.02	1.11
Median	1.15	1.08
Implied Kyivenergo distribution EV, USD mln	**714**	**300**
Per share, USD	**6.59**	**2.76**

Source: Company data, Bloomberg, Concorde Capital estimates

EV/Electricity and EV/Capacity: local peers

We choose the four most liquid Ukrainian electricity distribution companies (Oblenergos) as the closest peers for Kyivenergo's distribution segment (Kharkivoblenergo, Krymoblenergo, Zaporizhoblenergo and Sevastopoblenergo).

Valuation by Oblenergos, USD mln

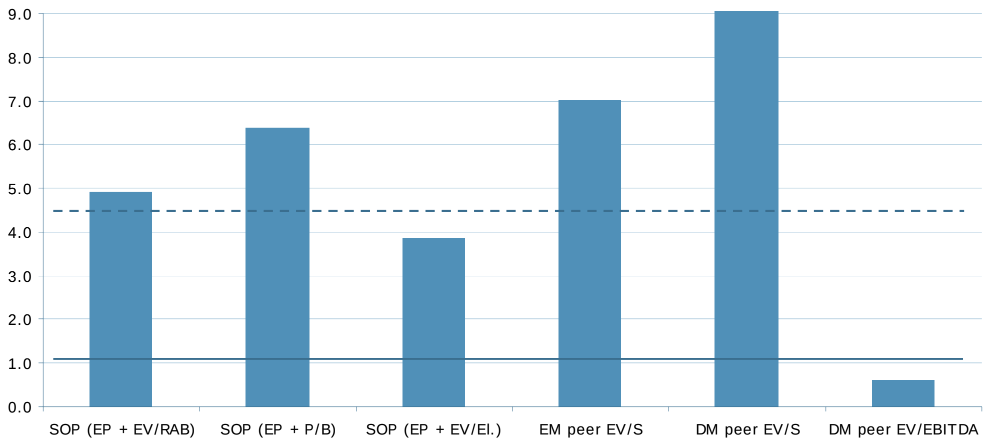
	El. transmitted TWh, 2009E	MCap USD mln	Net debt USD mln	EV/El. supply USD/MWh	EV/Capacity USD/KW
Kharkivoblenergo	7.9	61.5	8.2	8.8	9.1
Krymenergo	5.3	34.8	76.2	21.0	18.3
Zaporizhoblenergo	13.4	72.1	43.7	8.6	12.4
Sevastopoblenergo	1.0	31.4	19.4	49.6	54.9
Mean				**22.0**	**23.7**
Kyivenergo	8.4				
Implied Kyivenergo distribution EV, USD mln				**184.4**	**136.6**
Per share, USD				**1.70**	**1.26**

Source: Company data, PFTS, Concorde Capital estimates

Valuation summary

We set our 12M target for KIEN at USD 4.5 per share, which implies a 144% effective upside. We recommend HOLD, and view the stock suitable as a mid-term investment.

Implied KIEN price, USD per share



Source: Company data, Bloomberg, PFTS, RTS, Concorde Capital estimates

Calculation of effective upside

Upside	317%	(1)
Spread	41%	(2) = 3 month spread
Upside effective	146%	(3) = (1) - (2) - (1)x(2)

Investment Ratings

The time horizon for target prices in Concorde Capital's research is 12 months unless otherwise stated. Concorde Capital employs three basic investment ratings: Buy, Hold and Sell. Typically, Buy recommendation is associated with an upside of 15% or more from the current market price; Sell is prompted by downside from the current market price (upside <0%); Hold recommendation is generally for limited upside within 15%. Though investment ratings are generally induced by the magnitude of upside, they are not derived on this basis alone. In certain cases, an analyst may have reasons to establish a recommendation where the associated range given above does not correspond. Temporary discrepancies between an investment rating and its upside at a specific point in time due to price movement and/or volatility will be permitted; Concorde Capital may revise an investment rating at its discretion. A recommendation and/or target price might be placed Under Review when impelled by corporate events, changes in finances or operations. Investors should base decisions to Buy, Hold or Sell a stock on the complete information regarding the analyst's views in the research report and on their individual investment objectives and circumstances.

Concorde Capital ratings distribution

Buy	56	47%
Hold	47	39%
Sell	11	9%
Under Review	6	5%
Total	120	100%

Investment banking clients*

Buy	7	100%
Hold	0	0%
Sell	0	0%
Under Review	0	0%
Total	7	100%

** Within the last twelve month period, Concorde Capital has obtained compensation from these companies for investment banking services.*

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