



Wednesday, March 14, 2012

Capital Markets Overview

Trend Update

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Disclosure: Please refer to the last page of this report for important disclosures.

New Capital Weekly Update

Buy-Backs Are Back in Vogue; Shale Gas = H₂O Opportunity

- **Signs are emerging that we are on the cusp of the next corporate buy-back cycle.** The 13-week moving average for completed buy-backs is trailing off, while the 13-week moving average for announced buy-backs appears to be picking up. Three big buy-backs were announced in the week from **AIG** (\$3.5Bn), **QCOM** (\$3.5Bn) and **AMAT** (\$3Bn). We believe that this is evidence that corporate executives are confident in medium-term business trends and cash generation. This is offset by weaker than anticipated M&A activity.
- **Two New Electronics deals and a large auto deal dominate capital markets this week.** Demandware (DWRE) enable corporations to design, implement and manage their own customized e-commerce sites, including websites, mobile applications and other digital storefronts. DWRE allows its customers to create a brand experience for consumers across all digital touch points. M/A-COM Technology Solutions (MTSI) is a provider of high-performance analog semiconductor solutions for use in wireless & wireline applications across the radio frequency (RF), microwave and millimeterwave spectrum. Allison Transmission Holdings (ALSN) has >60% share of all fully-automatic transmissions for medium- and heavy-duty on-highway commercial vehicles worldwide. It has outsourced production to low cost regions and we expect new capital to be more focused on technological differentiation.
- **SP New Capital Indices indicate the Market believes that there is value to be bought.** New capital for growth investment have performed well relative to market over the past couple months, as has capital focused on the elimination of securities. We believe this is a reflection that the market considers equities cheap and acquirers (whether through buy-back or M&A) are getting good value. Companies that are refinancing to lower their cost of capital are also outperforming and we expect this trend to continue.
- **Noteworthy News Across The Five New Capital Focus Areas:**
 - **New Electronics:** MSFT,AMZN,GOOG slash prices - cloud creates 14Mn jobs
 - **New Energy:** Exxon to spend \$185Bn searching for new oil & gas resources
 - **New Environment:** Molycorp purchases Neo Material Technologies for \$1.3Bn
 - **New Finance:** AXA Private Equity nears \$6bn for secondaries fund
 - **New Media:** Warner Bros. has in-store DVD-to-Cloud | NTFL & APPL sign deal
- **Weekly Trend Update:** We believe that the importance of Marcellus Shale cannot be overstated with the emergence of shale gas as a strategic energy source. It is expected that shale gas drilling will grow 7-fold over the next 10 years in the Marcellus Shale. The environmental issues associated with this hyper growth include high water consumption and contamination and limited options to dispose of and treat wastewater. Regulatory reaction to these concerns have resulted in the boom of the high margin (>60%) wastewater treatment market, which is expected to >\$3Bn per year by 2020 in the Marcellus region alone. We believe technology leaders that need growth capital to grow into capacity can offer highly attractive returns on new capital.

Weekly Trend Update

Marcellus Shale & the Resulting 'Produced' Water Treatment Opportunity

- We believe that the importance of Marcellus Shale cannot be overstated with the emergence of shale gas as a strategic energy source. Natural gas is a pivotal energy source and central to the US achieving energy independence. In reality, renewable energy sources such as solar energy and wind power are making great strides at becoming economically viable on a large scale, but they are part of the electricity equation. Natural gas offers a transport fuel that is both cleaner (lower levels of CO₂ emission) and more economical relative to oil. Developing domestic natural gas resources in the US is crucial to increasing energy sufficiency and security. The drop in net imports of natural gas from 2007 to 2010 is a result of the increase in domestic production and coincides with the increased production of shale gas. Shale gas is found in shale "plays," and we expect these shale plays to attract significant new capital in the coming years. (Refer to Weekly Update 2/29/12 on Fracking)
- Much of the growth in natural gas production is a result of the application of recent technological advances, including hydraulic fracturing ("fracking"). Growth will be driven by continued drilling in shale plays with high concentrations of natural gas liquids and crude oil, which have a higher value in energy equivalent terms than dry natural gas. As per the EIA Annual Energy Outlook, 2012, shale gas production is expected to increase from 5Tn cubic feet in 2010 (23% of total U.S. dry gas production) to 13.6Tn cubic feet in 2035 (49% of total U.S. dry gas production).
- The states of Pennsylvania and New York are sitting on the next 27 years of natural gas -- the Marcellus Shale. Some estimates put the country's recoverable shale gas reserves in Marcellus alone as high as 616 trillion cubic feet, enough to meet current national demand for 27 years. The Marcellus Shale might be one of the largest natural gas reserves in the world, second only to the Pars field of Iran and Qatar.

Chart 1. U.S. Nat. Gas Production (1990-2035)

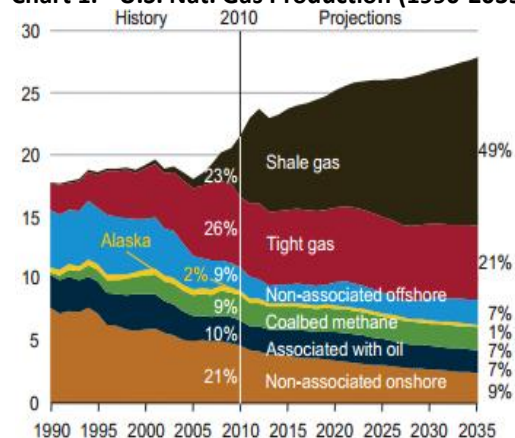
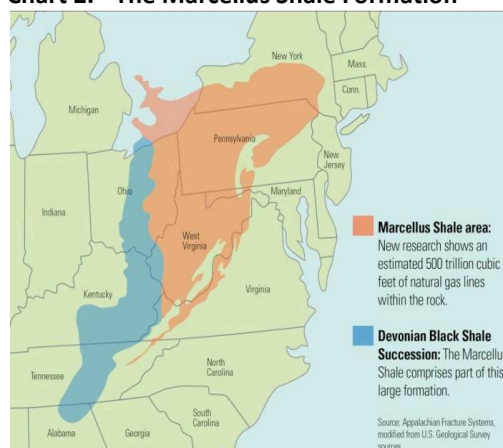


Chart 2. The Marcellus Shale Formation



Source: SP Market Intelligence, EIA – Annual Energy Outlook, 2012, The Artemis Project

- It is expected that shale gas drilling will grow 7-fold over the next 10 years in the Marcellus Shale. The potential of the Marcellus Shale to satisfy the energy needs of large markets has attracted several oil and gas companies to set up drilling operations. Between 2009 and 2010 alone, 3,663 new gas wells were drilled through hydraulic fracturing ("fracking") in West Virginia, Virginia, and Pennsylvania.

- **Fracking in the Marcellus Shale is raising environmental concerns, particularly with respect to the disposal of waste water.**
 - **Fracking is a water-intensive process, which produces significant wastewater.** In a typical frack, 4 to 8 million gallons of water are combined with sand and chemicals additives, and injected into the formation at high pressure. After the frack is completed, approximately 10-20 percent of this water returns to the surface through the well. This wastewater contains the chemicals additives, dissolved solids, chloride, sulfate, and metals (such as iron), as well as naturally occurring radioactive material and petroleum compounds.
 - **There are limited options to dispose of and treat wastewater.**
 - In April last year, Pennsylvania's Department of Environmental Protection (DEP) notified 15 public water treatment plants to stop handling wastewater from wells in the Marcellus.
 - A significant portion of Marcellus wastewater has been shipped to Ohio for disposal in injections wells. The practice has, however, been linked to a dozen minor earthquakes in Northeastern Ohio. As a result, Ohio's Department of Natural Resources recently announced tough new regulations which will curtail the use of injection wells.
 - Both New York and Maryland have considered legislation which would ban the importation of fracking wastewater.
 - On-site storage and reuse of wastewater by drillers is likely to come under further regulatory scrutiny.
 - **Wastewater recycling has become the most attractive alternative.** Several facilities in the Marcellus region specialize in treating and recycling fracking wastewater. The resulting water continues to have a high salinity, but is suitable for reuse in fracking in combination with fresh water. Drillers typically truck wastewater to the facility and back-haul treated water.
- **We believe that the wastewater treatment industry will grow to revenues of >\$3Bn per year by 2020 in the Marcellus region alone.**

Capital Market Activity

Private Equity Markets

Chart 3. Major Activity Across the Capital Markets

Date	Deal Size (\$Mn)	Region	Comments
Private Equity			
9-Mar-12	2,272	United Kingdom	Brait Private Equity; The Landmark Group invest in Iceland Foods Ltd. for acquisition of equity from Landsbanki Group
8-Mar-12	2,176	United States	Insight Venture Partners invests in Quest Software Inc. (QSFT) for acquisition of equity stake
Secondaries			
7-Mar-12	6,000	United States	American International Group, Inc. (AIG) announced \$6Bn follow on equity offering
7-Mar-12	1,798	United States	American Capital Agency Corp. (AGNC) announced \$1.8Bn follow on equity offering
Buybacks			
6-Mar-12	3,489	United States	QUALCOMM Incorporated (QCOM)
6-Mar-12	3,000	United States	American International Group, Inc. (AIG)
5-Mar-12	3,000	United States	Applied Materials Inc. (AMAT)

Source: SP Market Intelligence, Capital IQ

- Private Equity continues to remain weak globally, except for a couple of large deals spread across the U.S. and Europe. Last week 44 deals were announced totaling \$6.4Bn, up +3%W/W and aggregate private equity investment of \$52Bn is down -11% YTD, and volume of deals down -26%YTD. Europe and the U.S. saw the announcement of one large deal each and collectively accounted for ~88% of aggregate PE investment last week. In the largest deal of the week Brait Equity and Landmark Group collectively invested \$2.3Bn in Iceland Foods a UK based company, whereas in the U.S. Insight Venture invested \$2.2Bn in Quest Software Inc (QSFT) for acquisition of equity. New Media continues to attract most of the PE investments as total investments worth \$2.7Bn were announced through 17 deals last week.

Chart 4. PE Investments by Industry (YTD)

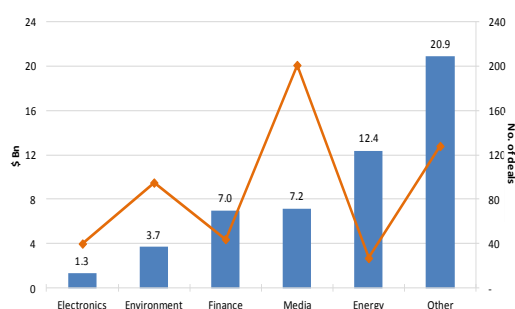


Chart 5. PE Investments by Geography (YTD)

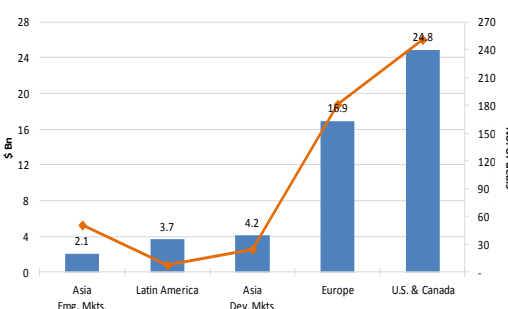


Chart 6. PE Investments by Nature (YTD)

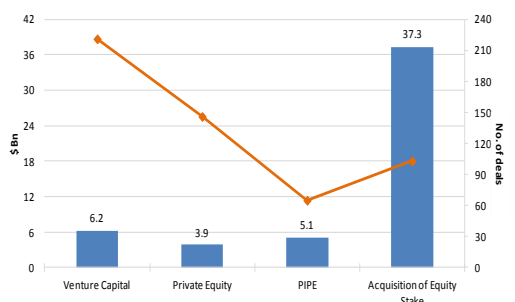
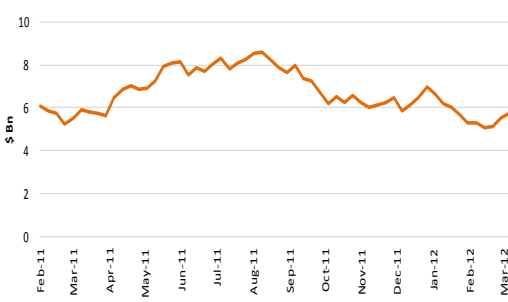


Chart 7. PE Investment – 13 Week Mov. Avg.



Source: SP Market Intelligence, Capital IQ

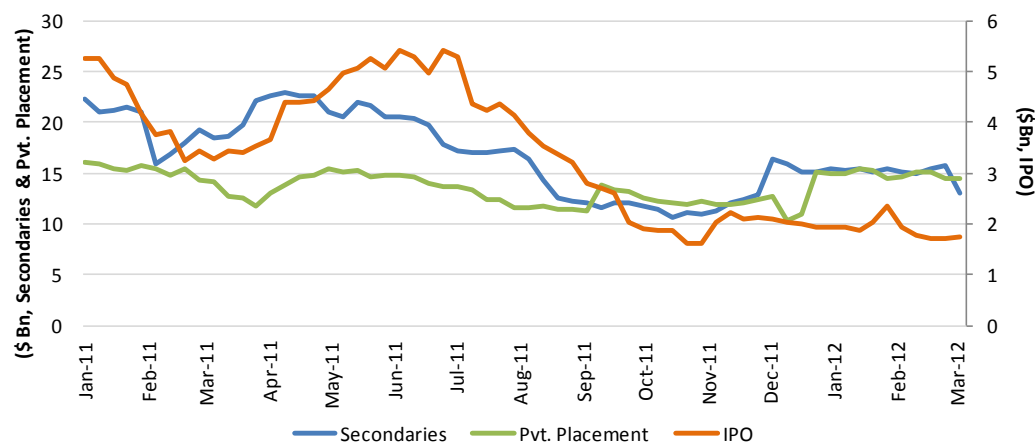
Public Equity (Creation)

- **Secondaries market continues to be investor's preference, as IPO and private placement remain in a downtrend.** New Finance continues to dominate the public equity creation market, even as the global outlook for IPO and private placement remains weak.
 - **Initial Public Offering (IPOs).** There were 11 IPO deals announced last week, as against 13 deals in the previous week, raising \$1.8Bn. Total IPO deal value is down -36% YTD. The largest IPO was announced by DKSH Holding Ltd. (SWX:012667353), a New Media company based out of Switzerland to raise \$903Mn. Driven by this large deal Europe dominated the IPO landscape as a total of \$912Mn were raised through 2 deals announced.
 - **Secondaries.** There were 67 secondary offerings last week for an aggregate value of \$16.5Bn up +17% W/W. The secondary offerings are however down -29% YTD by deal volume and down -32% YTD by dollar value. The U.S. and Canada saw most of the activity as 20 secondary deals aggregating \$10.2Bn accounted for ~62% of the secondary market deal value last week. This was on account of largest two deals being announced by American International Group, Inc. (AIG) with a \$6Bn follow-on and American Capital Agency Corp. (AGNC) issuing a \$1.8Bn follow-on. New Finance, driven by these two large deals accounted for >50% of activity in secondaries market as 17 secondary deals announced by new Finance companies totaled \$8.8Bn last week.
 - **Private Placements.** There were 232 private placements worth \$5.2Bn announced last week, down -59% W/W; this is also down -16% YTD. New Finance saw the most activity with 15 deals worth \$2Bn. Private placement activity was evenly distributed across Asia-Developed and Emerging region and the U.S. and Canada, and they collectively accounted for ~89% of total private placement activity. While APC-Developed and the U.S. and Canada saw an investment of \$1.6Bn each through 31 and 121 deals respectively, APAC-Emerging region saw an investment of \$1.4Bn through 36 deals. New Finance companies announced most of the private placement deals as 15 deals announced in this space aggregated \$2Bn.

New Finance companies continue to raise money from secondary markets.

IPO and private placement market grow weaker.

Chart 8. Public Equity Trend - 13 Week Moving Avg.



Source: SP Market Intelligence, Capital IQ

Public Equity (Elimination)

- American companies continue to return money to investors through buyback, even as global M&A markets remained weak.** New Finance companies continued to remain the preferred acquisition targets, even as Europe and America remained the favored regions for acquisition activities. Cash rich American companies appear to be starting the next buyback cycle and in a reversal of trend bankruptcy announced increased this week.
 - Buy-Backs.** Last week saw significant buyback activity as 14 buyback deals announced totaled \$10Bn; this was up +115% W/W by value with concentration in fewer large announcements. However, buy-back volumes are still down -36%YTD by value and are down -46% by volume. QUALCOMM Incorporated (QCOM) decided to return \$3.5Bn to investors, Applied Materials (AMAT), and American International Group, Inc. (AIG) announced share buyback worth \$3Bn each. Led by three large buyback deals the U.S. accounted for ~98% of global buyback announcements.
 - Mergers & Acquisitions (M&A).** Last week 235 deals were announced which was -32%W/W and brings the year's total activity down -16% YTD. The aggregate dollar value was \$27Bn down -25%YTD. New Finance saw most of the M&A activity as 52 deals worth \$9.8Bn were announced. The U.S. led the M&A activity as 72 deals were announced aggregating \$12.4Bn followed Europe where 65 deals worth \$9.5Bn were announced. In one of the largest deals of the week, Simon Property (SPG) agreed to buy Klepierre SA (LI) for \$2Bn, while acquisition of Neo Material Technologies Inc (NEM) and Mills Corp for \$1.5Bn each.
 - Bankruptcy.** Last week 14 US companies filed for bankruptcy. In a reversal of trends over the past few weeks, bankruptcy filing increased as compared to 13 last week. Used car dealers, real estate and related service companies were some of the prominent to file for bankruptcy last week.

QUALCOMM, Applied Materials Inc. (AMAT) and American International Group, Inc. (AIG) announce buybacks aggregating \$9.5Bn

Chart 9. Announced Buy-Backs - 13 Week MA

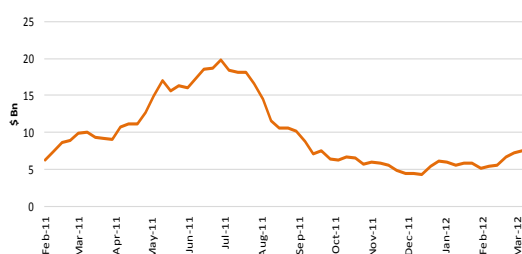


Chart 10. Completed Buy-Backs - 13 Week MA

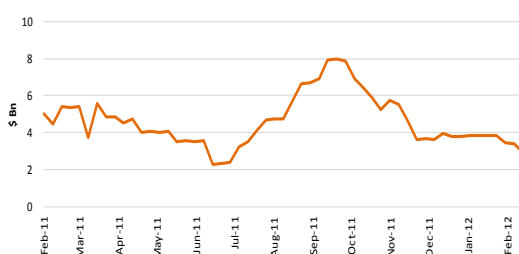


Chart 11. M&A Activity - 13 Week MA

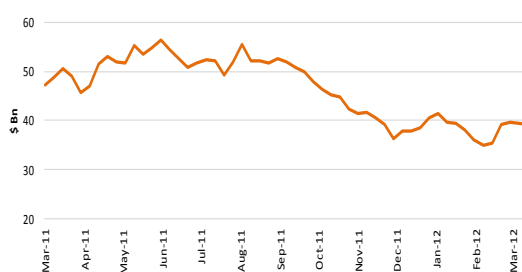
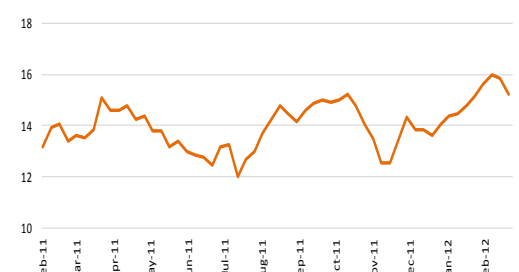


Chart 12. Bankruptcies - 13 Week MA



Source: SP Market Intelligence, Capital IQ

Fixed Income

- New Energy companies in the U.S. along with New Finance companies in Europe borrow money from bond market, taking advantage of cheap debt fund available in global market.** The fixed income market saw some big bonds being announced last week as 166 bond issues to collect \$127Bn were announced, this was up +23% W/W by value even though it was down -47%W/W by volume. The aggregate value is flattish -3% YTD, but down -24% YTD by volume. New Finance continued with its trend of issuing big bonds as 92 bonds issued aggregated \$88Bn followed by New Energy where 25 bond issues totaled \$13Bn. Even though Europe continued to issue most of the bonds (48 bond issues worth \$59Bn) the U.S. and Canada issued 68 bond issues for collecting \$37Bn. While in Europe the bond market was dominated by New Finance companies (37 bond issue totaling \$56Bn), in the U.S. and Canada it was the New Energy which issued most of the bonds, as 20 bonds issues worth \$12Bn were announced. In the U.S. and Canada apart from New Energy, New Electronics, New Media and New Finance companies issued bonds worth >\$5Bn in each segment.
- Non-financial companies tap bond market, taking advantage of the cheaper borrowing options and favorable economic conditions.** According to Dealogic, corporate bond issues have collected ~\$386Bn YTD in 2012, exceeding the corporate bond collection in 2009, when equity markets were down and there were lots of bond issues. However, this time it is not only the financial companies but even the non-financial companies, especially the energy companies that are raising capital from the bond market. Petrobras and Enel are some of the large energy companies to have issued bonds this year. In one of the large bond issues Phillips 66, refining business of ConocoPhillips which is being spun off, raised \$5.8Bn through bond issue last week.

Corporate bonds, especially from the non-financial companies are tapping the bond market.

Phillips 66 raised \$5.8Bn through corporate bond issue last week

Chart 13. Fixed Income by Industry (YTD)

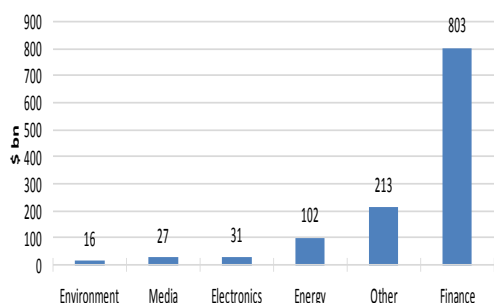


Chart 14. Fixed Income by Geography (YTD)

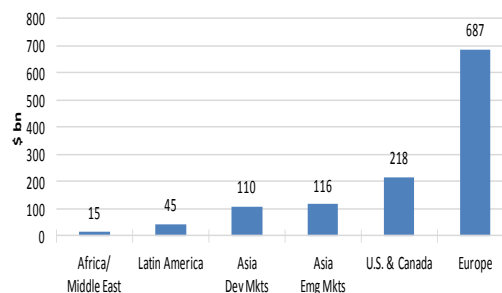


Chart 15. S&P 500 – Net Debt & Gearing

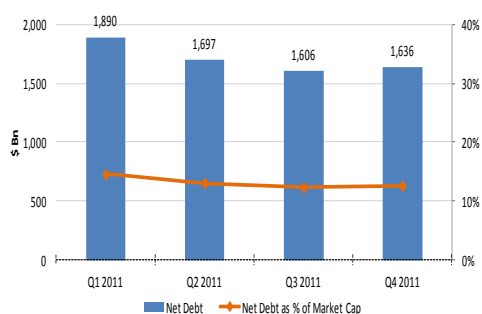
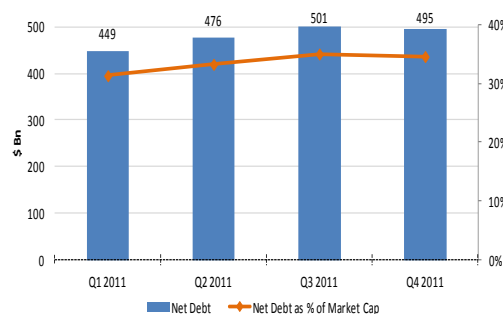


Chart 16. Russell 2000 – Net Debt & Gearing



Large companies (i.e. the S&P 500) are deleveraging while smaller companies are building leverage taking advantage of cheap debt.

Source: SP Market Intelligence, Capital IQ

New Filings: Acquity Group and Fender Musical File S-1

- Acquity Group Limited (AQ) Offering of \$55Mn.** Acquity Group Limited is a holding company which was incorporated 2010 to conduct the business of its operating subsidiary Acquity Group LLC, which has been in business since 2001. The group is offering its equity shares of par value US\$0.0001 per ordinary share in the form of American Depositary Shares (ADS). The company is into e-commerce business and along with its digital marketing business leverages the internet, mobile devices and social media to enhance the clients' brands and e-commerce performance. The company has more than 500 clients. The company generated revenue of \$106.7Mn as against \$72.6Mn in 2010, of which most of the business came from its repeat clients; however the company reported a net profit of \$8.3Mn in 2011 as against a net loss of \$3.4Mn in 2010. The company will benefit from the rapid growth of e-commerce business worldwide. The group proposes to use the funds generated through the IPO for strategic acquisition in the U.S. and Europe and further penetration into these markets. The company also plans to use significant amount of capital raised to expand its business in China. The group has also issued convertible bonds to the tune of \$50.2Mn to two investors, Datai Bay Investments Ltd and SHK Asian Opportunities Holdings Ltd. AQ filed to go public 3/08/2012.
- Fender Musical Instruments Corporation (FNDR) Offering \$200Mn.** FNDR was incorporated in 1985, Delaware and is in the business of musical instruments. The company is one of the leading players in this market, with its presence in more than 85 countries. The company has multiple sales channels and sells its products through independent and national music retailers, mass merchants, online and catalog retailers and third party distributors. The global retail sales of musical instruments were \$15.8Bn and \$6.4bn in the U.S. FNDR was the largest player in the electric, acoustic and bass guitars and electric and bass guitar amplifiers in the U.S. in 2011 and at a group level the company generated 46.7% of net sales from the U.S. The company has proposed to issue ordinary share of par value \$0.01 per share to aggregate \$200Mn through the IPO. FNDR plans to utilize the funds generated, ~\$100Mn, to retire its outstanding long-term debt, which is scheduled to mature in 2014. The company also plans to use substantial portion of the money raised through IPO to acquire companies, products and technologies which will help in the organic and inorganic growth of the company. The company reported net sales of \$700.6Mn in 2011 an increase of +13.4% Y/Y and the net profit increased to \$19Mn in 2011 as against net loss of \$1.7Mn in 2010. FNDR filed to go public 3/08/2012.

Chart 17. S-1 Filings – US Companies Anticipating to IPO in the Coming Year

Filing Date	Name (Prop. Ticker)	Industry	SEC Filings	No. Shares (mil.)	Offer Amt. (mil.)	Expected Range Low-High	Expected IPO Date
MAR 08	Fender Musical Instruments Corporation (FNDR)	Musical Instrument Manufacturing	Filings	--	200.0	--	--
MAR 08	Acquity Group Limited (AQ)	Advertising & Marketing Services	Filings	--	55.0	--	--

Source: SP Market Intelligence, Hoovers

Next Week's Activity: New Electronics Emerges as the Favored Sector

NEW ELECTRONICS

- Demandware Inc (DWRE – IPO) brought by Deutsche Bank Securities Inc & Goldman, Sachs & Co.** DWRE is a provider of SaaS e-commerce solutions that enable corporations to design, implement and manage their own customized e-commerce sites, including websites, mobile applications and other digital storefronts. Its Demandware Commerce platform allows its customers to create a brand experience for consumers across all digital touch points. DWRE's customers include Barneys New York, Burton, Columbia Sportswear, Crocs, House of Fraser, Jewelry Television, Jones Apparel Group, Lifetime Brands, L'Oreal and neckermann.de. The number of e-commerce sites operating on DWRE's platform has increased from 19 in 2007 to 361 in 2011, a 109% CAGR. **(Price Talk: \$12.50 - \$14.50).**
- M/A-COM Technology Solutions Inc. (MTSI – IPO) brought by Barclays Capital Inc, J.P. Morgan Securities LLC, & Jefferies & Company, Inc.** MTSI is a provider of high-performance analog semiconductor solutions for use in wireless & wireline applications across the radio frequency (RF), microwave and millimeterwave spectrum. MTSI offers >2,700 devices, including integrated circuits (ICs), multi-chip modules, power pallets and transistors, diodes, switches and switch limiters, etc. across 38 product lines serving >6,000 end customers in three primary markets – Networks, Aerospace and Defense, & Multi-market (automotive, industrial, medical, mobile & scientific applications). Its customers include Alcatel-Lucent, Cisco Systems, Celestica, Harris Corporation, Autoliv Inc., BG Tech America, Ford, etc. MTSI generated revenue worth \$310Mn in fiscal year 2011 (19%+ Y/Y) and \$73Mn in the three months ended Dec. 30, 2011. **(Price Talk: \$17.00 - \$19.00).**

OTHER

- Allison Transmission Holdings Inc. (ALSN – IPO) brought by BofA Merrill Lynch, Citigroup Global Markets, & J.P. Morgan Securities.** ALSN is a leading manufacturer of fully-automatic transmissions for medium- and heavy-duty commercial vehicles, medium- and heavy-tactical U.S. military vehicles and hybrid-propulsion systems for transit buses. In 2011, ALSN generated revenue of ~\$2.1Bn, and sold ~62% of all fully-automatic transmissions for medium- and heavy-duty on-highway commercial vehicle applications worldwide. The company has set-up manufacturing facilities in Chennai, India and in Szentgotthard, Hungary, to leverage low-cost manufacturing and support its growth efforts in emerging markets. **(Price Talk: \$22.00 - \$24.00).**

Chart 18. Calendar – Upcoming IPOs

	DEMANDWARE INC	M/A-COM TECHNOLOGY SOLUTIONS, INC.	ALLISON TRANSMISSION HOLDINGS INC.
Sector	New Electronics	New Electronics	Other
Sub-Sector	SaaS-based Cloud Services	Semiconductor	Automobile Transmission
IPO Details			
Expected Date	3/15/2012	3/15/2012	3/15/2012
Proposed Symbol	DWRE	MTSI	ALSN
Exchange	New York Stock Exchange	Nasdaq National Market	New York Stock Exchange
Share Price	\$12.50 - \$14.50	\$17.00 - \$19.00	\$22.00 - \$24.00
Shares Offered	5,500,000	5,556,000	21,739,130
Offer Amount	\$91,712,500	\$121,398,600	\$599,999,952
Lead Underwriter(s)	- Deutsche Bank Securities Inc - Goldman, Sachs & Co	- Barclays Capital Inc - J.P. Morgan Securities LLC - Jefferies & Company, Inc	- BofA Merrill Lynch - Citigroup Global Markets Inc - J.P. Morgan Securities LLC
Company Details			
Revenue	\$56,547,000	\$310,295,000	\$2,162,800,000
Net Income	(\$1,411,000)	(\$1,016,000)	\$103,000,000
Total Assets	\$42,886,000	\$198,209,000	\$5,192,600,000
Total Liabilities	\$39,903,000	\$138,494,000	\$4,370,900,000
Stockholders' Equity	(\$84,620,000)	(\$123,718,000)	\$821,700,000
Competition			
Key Competitors	- e-commerce application vendors: IBM, Oracle/ATG, eBay/Magento and hybris - e-commerce BPOs: Digital River and eBay/GSI Commerce - MarketLive and Venda	- Hittite - Avago - RFMD - TriQuint - Aeroflex - Microsemi	- Manufacturers of manual transmissions, AMTs and fully-automatic transmissions for commercial vehicles

Source: SP Market Intelligence, NASDAQ

Notable Announcements in New Electronics

100Mn Americans now own smartphones. Read More	NFC payments to reach \$74Bn worldwide by 2015. Read More
Printed electronics segment has potential to hit \$9.4Bn in 2012. Read More	Cloud could help make 14Mn jobs; 50% in China & India – IDC. Read More
Cloud price wars: Microsoft, Amazon, Google slash prices. Read More , Read More , Read More	Google rebrands its content as Google Play. Read More
Net-Results, Hubspot leaders in Marketing Automation Software. Read More	Semtech buys French IP developer Cycleo SAS. Read More
Oracle buys cloud-based talent mgt. co. Taleo for \$1.9Bn. Read More	Insight agrees to \$2Bn buy-out of portfolio co. Quest Software. Read More

Chart 19. Comparative Analysis of New Electronics

				Shares		Price Performance		Sales				Book		Earnings					
				Share Price	Mkt Cap (Mn\$)	Ent Val (Mn\$)	Out	Daily Vol	% to High	% from Low	CY11	% Y/Y ('11)	% Y/Y ('12)	EV/Sales	P/Book	CY11	CY12	P/E (CY11)	P/E (CY12)
NEW ELECTRONICS																			
Mobile Electronics																			
1	Apple Inc.	AAPL	545.17	508,300	478,144	932	12.4	-1%	76%	120,666	58%	34%	4.0 x	5.6 x	31.35	42.76	17.4 x	12.7 x	
2	Google Inc.	GOOG	600.25	195,163	159,048	325	1.4	-10%	27%	38,234	30%	22%	4.1 x	3.4 x	36.91	42.33	16.3 x	14.2 x	
Virtualization																			
3	Microsoft Corporation	MSFT	31.99	268,421	230,533	8,391	26.0	-1%	35%	72,056	8%	6%	3.2 x	4.2 x	2.74	2.82	11.7 x	11.4 x	
4	VMware, Inc.	VMW	100.52	42,730	38,668	425	0.4	-10%	36%	3,757	31%	21%	10.3 x	8.9 x	2.15	2.56	46.7 x	39.3 x	
5	Citrix Systems, Inc.	CTXS	76.27	14,154	13,414	186	1.0	-14%	52%	2,205	18%	14%	6.1 x	5.2 x	2.44	2.72	31.2 x	28.0 x	
Cloud																			
6	Amazon.com Inc.	AMZN	184.32	83,878	76,112	455	2.2	-25%	15%	48,906	43%	29%	1.6 x	10.8 x	1.18	1.27	N.M.	N.M.	
7	salesforce.com, Inc.	CRM	147.43	20,198	19,977	137	1.2	-8%	57%	2,259	37%	31%	8.8 x	12.7 x	1.33	1.62	N.M.	N.M.	
8	NetApp, Inc.	NTAP	42.94	15,587	11,910	363	2.5	-30%	30%	5,953	24%	13%	2.0 x	3.9 x	2.34	2.58	18.3 x	16.6 x	
Display																			
9	Corning Inc.	GLW	13.29	20,226	16,843	1,522	13.5	-43%	15%	7,844	18%	2%	2.1 x	1.0 x	1.77	1.37	7.5 x	9.7 x	
10	Universal Display Corp.	PANL	39.90	1,841	1,495	46	0.5	-37%	76%	61	126%	75%	24.6 x	5.4 x	0.09	0.79	N.M.	50.3 x	
AI/Robotics/Speech																			
11	International Business Machines Corp.	IBM	200.62	232,451	251,896	1,159	2.4	0%	32%	107,132	10%	2%	2.4 x	11.6 x	13.37	14.91	15.0 x	13.5 x	
12	Nuance Communications, Inc.	NUAN	25.86	7,970	8,489	308	2.6	-17%	66%	1,470	20%	19%	5.8 x	3.2 x	1.45	1.63	17.9 x	15.9 x	
13	iRobot Corporation	IRBT	26.59	727	543	27	0.5	-32%	35%	470	18%	2%	1.2 x	3.0 x	1.32	1.02	20.2 x	26.1 x	
Semiconductor																			
14	Intel Corporation	INTC	27.07	135,242	127,820	4,996	18.8	-2%	41%	53,840	23%	5%	2.4 x	3.0 x	2.41	2.54	11.2 x	10.7 x	
15	Taiwan Semiconductor Manufacturing Co. Ltd.	2330	2.71	70,253	66,942	25,916	1.0	-1%	3%	14,464	5%	9%	4.6 x	3.3 x	0.18	0.19	15.5 x	14.5 x	
16	ARM Holdings plc	ARM	8.95	12,308	11,766	1,376	3.6	-12%	30%	746	20%	15%	15.8 x	7.3 x	0.18	0.22	48.6 x	41.2 x	
17	SanDisk Corp.	SDNK	50.25	12,180	10,933	242	1.9	-6%	56%	5,663	17%	14%	1.9 x	1.7 x	4.64	4.73	10.8 x	10.6 x	
18	Micron Technology Inc.	MU	8.33	8,229	9,871	988	16.0	-30%	110%	8,651	-4%	2%	1.1 x	1.0 x	(0.11)	-	N.M.	-	
Semi Equipment																			
19	ASML Holding NV	ASML	46.63	19,290	16,666	414	0.9	-2%	67%	7,323	25%	-16%	2.3 x	4.3 x	4.32	3.39	10.8 x	13.7 x	
20	Applied Materials Inc.	AMAT	12.37	15,971	15,923	1,291	7.7	-27%	28%	9,804	-5%	0%	1.6 x	1.9 x	1.06	1.04	11.7 x	11.8 x	
21	KLA-Tencor Corporation	KLAC	49.46	8,247	6,817	167	2.2	-7%	49%	3,152	27%	2%	2.2 x	2.8 x	4.63	4.49	10.7 x	11.0 x	
22	Lam Research Corporation	LRCX	41.95	5,029	3,561	120	1.6	-29%	21%	2,813	-6%	1%	1.3 x	2.0 x	3.52	2.92	11.9 x	14.4 x	
23	Teradyne Inc.	TER	16.21	3,022	2,515	186	1.6	-16%	56%	1,417	-11%	16%	1.8 x	2.0 x	1.33	1.52	12.2 x	10.7 x	
Intellectual Property																			
24	Acacia Research Corporation	ACTG	39.58	1,964	1,645	50	0.3	-16%	79%	207	50%	30%	8.0 x	5.3 x	1.24	1.76	31.9 x	22.5 x	
25	RPX Corporation	RPXC	18.15	890	661	49	0.1	-42%	65%	154	62%	29%	4.3 x	2.9 x	0.69	0.84	26.2 x	21.5 x	
TOTAL / AVG				49,832	45,960	4.6		-17%	45%	16,608	25%	14%	5.0 x	4.6 x					
MIN						0.1		-43%	3%	61	-11%	-16%	1.1 x	1.0 x					
MAX						26.0		0%	110%	107,132	126%	75%	24.6 x	12.7 x					

Chart 20. SP Market Intelligence New Electronics Index – Eq. Wt

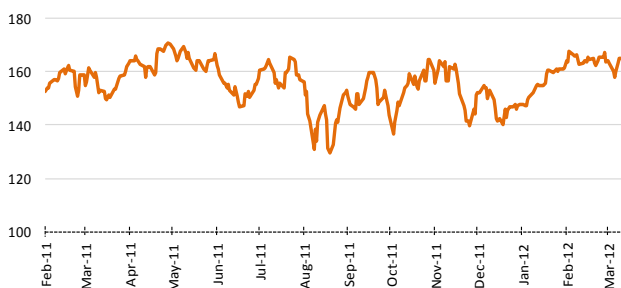
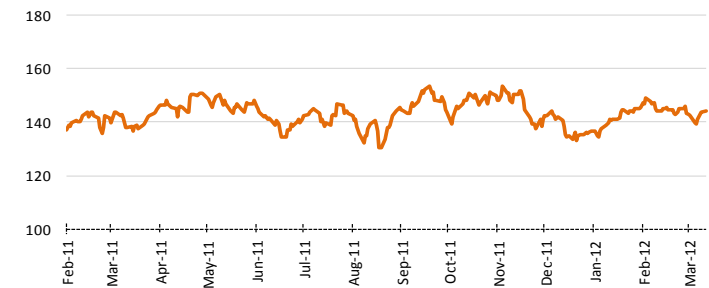


Chart 21. SP Market Intelligence New Electronics Index – vs. S&P500





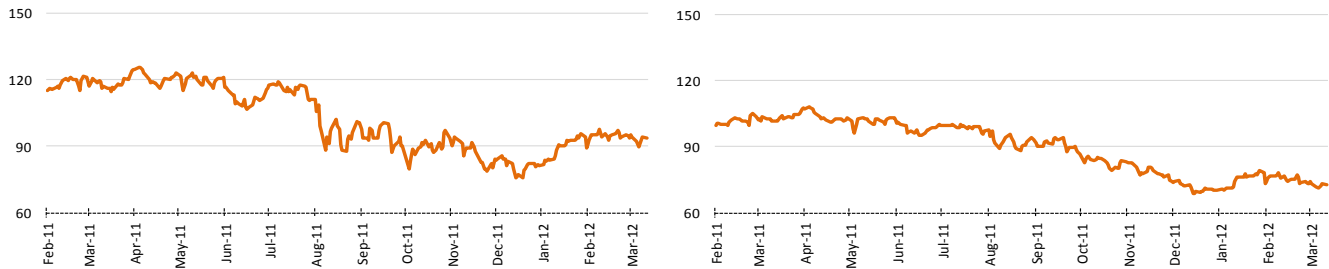
Source: SP Market Intelligence, Capital IQ

Notable Announcements in New Energy	
Investments in Smart Grid Cyber Security to total \$14Bn by 2018. Read More	U.S. Smart Meter demand to increase to \$4.4Bn by 2016. Read More
Robust Geothermal growth expected even if credits expire – EIA. Read More	North American wind power to double by 2017. Read More
Italy to add up to 4GW of solar power capacity this year. Read More	RWE to invest additional €4Bn in renewables by 2014. Read More
CIGS PV firm MiaSolé raises a further \$55Mn from VC investors. Read More	McAfee and NitroSecurity take lead in Smart Grid Security. Read More
Exxon to spend \$185Bn searching for new oil & gas resources. Read More	KKR, Chesapeake partner for \$250Mn oil & gas drilling venture. Read More

Chart 22. Comparative Analysis of New Energy

					Shares		Price Performance		Sales				Book	Earnings				
					Out	Daily Vol	% to High	% from Low	CY11	% Y/Y ('11)	% Y/Y ('12)	EV/ Sales	P/ Book	CY11	CY12	P/E (CY11)	P/E (CY12)	
NEW ENERGY																		
Solar																		
1	First Solar, Inc.	FSLR	27.49	2,378	2,370	86	6.3	-83%	9%	2,885	11%	25%	0.8 x	0.7 x	5.85	4.05	4.7 x	6.8 x
2	MEMC Electronic Materials Inc.	WFR	3.87	934	2,327	241	5.5	-72%	11%	3,222	50%	-16%	0.7 x	1.2 x	0.20	0.21	19.4 x	18.5 x
3	SunPower Corporation	SPWR	7.24	850	1,167	117	0.4	-24%	47%	2,427	10%	11%	0.5 x	0.7 x	(0.16)	(0.06)	N.M.	N.M.
4	Trina Solar Limited	TSL	7.31	574	795	79	2.5	-76%	38%	1,978	-	-9%	0.4 x	0.5 x	0.05	(0.65)	N.M.	N.M.
5	Suntech Power Holdings Co. Ltd.	STP	2.84	512	2,330	180	2.3	-72%	67%	3,067	12%	-28%	0.8 x	0.5 x	(1.03)	(1.04)	N.M.	N.M.
Wind																		
6	MasTec, Inc.	MTZ	18.30	1,549	2,024	85	0.4	-21%	33%	2,911	31%	12%	0.7 x	1.8 x	1.12	1.41	16.3 x	13.0 x
7	American Superconductor Corporation	AMSC	3.77	194	130	51	0.3	-86%	17%	105	-74%	24%	1.2 x	1.1 x	(1.99)	(1.05)	N.M.	N.M.
BioFuel																		
8	Amyris, Inc.	AMRS	5.07	285	229	56	0.8	-84%	14%	152	103%	55%	1.5 x	1.5 x	(3.55)	(2.39)	N.M.	N.M.
9	Green Plains Renewable Energy, Inc.	GPRE	10.60	310	766	29	0.1	-18%	27%	3,481	72%	-10%	0.2 x	0.7 x	1.04	1.05	10.2 x	10.1 x
Nuclear																		
10	The Babcock & Wilcox Company	BWC	27.15	3,208	2,738	118	0.2	-25%	50%	2,922	10%	12%	0.9 x	3.9 x	1.29	1.74	21.0 x	15.6 x
11	USEC Inc.	USU	1.37	167	750	122	0.7	-78%	27%	1,718	-15%	16%	0.4 x	0.1 x	(0.40)	0.20	N.M.	6.9 x
Hydro																		
12	Alstom SA	ALO	41.75	12,294	16,577	294	0.9	-30%	46%	-	-	-	-	2.3 x	-	-	-	-
Geothermal																		
13	Ormat Technologies Inc.	ORA	20.01	909	1,824	45	0.1	-36%	42%	422	-	12%	4.3 x	1.0 x	0.18	0.57	N.M.	35.2 x
14	LSB Industries Inc.	LXU	39.44	880	833	22	0.2	-20%	83%	789	35%	6%	1.1 x	3.0 x	3.11	3.55	12.7 x	11.1 x
Smart Grid & Efficiency																		
15	Johnson Controls Inc.	JCI	32.31	21,995	28,168	681	3.2	-25%	33%	41,804	18%	6%	0.7 x	2.0 x	2.49	2.92	13.0 x	11.1 x
16	Cree, Inc.	CREE	29.84	3,448	2,761	116	1.8	-47%	47%	1,041	2%	27%	2.7 x	1.4 x	1.06	1.19	28.2 x	25.2 x
17	Itron, Inc.	ITRI	46.13	1,837	2,157	40	0.2	-20%	71%	2,375	7%	-6%	0.9 x	2.0 x	4.11	3.97	11.2 x	11.6 x
Storage & Fuel Cell																		
18	Polypore International Inc.	PPO	37.28	1,733	2,354	46	1.0	-50%	7%	769	26%	6%	3.1 x	3.5 x	2.30	2.48	16.2 x	15.0 x
19	EnerSys	ENS	34.64	1,654	1,824	48	0.2	-14%	100%	2,228	21%	6%	0.8 x	1.7 x	2.70	3.15	12.8 x	11.0 x
20	Maxwell Technologies Inc.	MXWL	18.48	516	492	28	0.1	-14%	34%	158	58%	28%	3.1 x	5.0 x	0.03	0.48	N.M.	38.3 x
21	A123 Systems, Inc.	AONE	1.64	227	242	139	1.7	-85%	9%	160	60%	48%	1.5 x	0.7 x	(1.87)	(1.31)	N.M.	N.M.
22	FuelCell Energy Inc.	FCEL	1.50	212	233	141	8.1	-33%	88%	127	66%	24%	1.8 x	NM	(0.29)	(0.22)	N.M.	N.M.
Advanced Fossil Fuel																		
23	Westport Innovations Inc.	WPT	45.25	2,482	2,482	55	0.2	-5%	180%	251	74%	64%	9.9 x	12.6 x	(0.95)	(0.41)	N.M.	N.M.
24	Clean Energy Fuels Corp.	CLNE	20.77	1,775	1,908	85	2.3	-3%	130%	280	40%	21%	6.8 x	3.6 x	(0.43)	(0.40)	N.M.	N.M.
25	Fuel Systems Solutions, Inc.	FSYS	25.69	514	427	20	0.3	-18%	67%	405	-5%	7%	1.1 x	1.6 x	0.36	0.51	71.4 x	50.4 x
TOTAL / AVG			2,527		3,183	1.2		-38%	55%	3,162	27%	15%	2.0 x	2.3 x				
MIN						0.1		-86%	7%	105	-74%	-28%	0.2 x	0.1 x				
MAX						8.1		-3%	180%	41,804	103%	64%	9.9 x	12.6 x				

Chart 23. SP Market Intelligence New Energy Index – Equal Wtd Chart 24. SP Market Intelligence New Energy Index – vs. S&P500



Source: SP Market Intelligence, Capital IQ

Notable Announcements in New Environment	
Water, sanitation needs \$5.6bn by 2014. Read More	Maritime Satellite Communications Market worth \$1.4Bn. Read More
China could come close to doubling rare earth exports. Read More	57% of Brazilian biodiesel capacity idle. Read More
Molycorp purchasing Neo Material Technologies for \$1.3Bn. Read More	Zacatecas to spend \$70Mn on water infrastructure. Read More
CIVC Partners exits environmental co. Thermo Fluids for \$245Mn. Read More	Russian fund joins U.S. VC firm in \$760Mn Biopharma Venture. Read More
Bain, Waterland, Omega partner for £1.5Bn GSK portfolio. Read More	Nuance to buy medical transcription company for \$300Mn. Read More

Chart 25. Comparative Analysis of New Environment

					Shares		Price Performance		Sales				Book	Earnings				
					Out	Daily Vol	% to High	% from Low	CY11	% Y/Y ('11)	% Y/Y ('12)	EV/ Sales	P/ Book	CY11	CY12	P/E (CY11)	P/E (CY12)	
NEW ENVIRONMENT																		
Waste																		
1	Waste Management, Inc.	WM	34.90	16,102	25,994	461	1.2	-12%	26%	13,290	6%	4%	2.0 x	2.7 x	2.11	2.29	16.5 x	15.3 x
2	Waste Connections Inc.	WCN	32.72	4,032	5,224	123	0.4	-9%	21%	1,502	14%	8%	3.5 x	2.6 x	1.47	1.57	22.3 x	20.8 x
3	Clean Harbors, Inc.	CLH	69.52	3,700	3,978	53	0.4	-3%	57%	1,903	-	14%	2.1 x	4.1 x	2.08	2.57	33.4 x	27.0 x
4	US Ecology, Inc.	ECOL	19.60	359	395	18	0.0	-2%	32%	152	63%	8%	2.6 x	3.6 x	0.95	1.15	20.7 x	17.0 x
5	EnergySolutions, Inc	ES	4.23	376	1,041	89	0.5	-41%	53%	1,799	3%	-1%	0.6 x	0.8 x	0.32	0.37	13.3 x	11.5 x
Recycling																		
6	Darling International Inc.	DAR	17.18	2,015	2,256	117	0.6	-12%	53%	1,792	150%	-5%	1.3 x	2.2 x	1.55	1.35	11.1 x	12.7 x
7	Heritage-Crystal Clean, Inc	HCCI	20.96	306	325	15	0.0	-7%	91%	146	-	53%	2.2 x	3.9 x	0.17	0.62	N.M.	34.0 x
Water																		
8	Flowserve Corp.	FLS	116.53	6,351	6,527	55	0.3	-14%	74%	4,497	-	7%	1.5 x	2.8 x	7.86	8.65	14.8 x	13.5 x
9	CLARCOR Inc.	CLC	51.10	2,568	2,432	50	0.2	-6%	31%	1,123	11%	8%	2.2 x	3.1 x	2.37	2.68	21.6 x	19.1 x
10	Watts Water Technologies, Inc.	WTS	39.98	1,463	1,607	37	0.1	-3%	64%	1,438	-	5%	1.1 x	1.6 x	2.22	2.58	18.0 x	15.5 x
11	Franklin Electric Co. Inc.	FELE	51.13	1,194	1,212	23	0.0	-5%	56%	825	-	13%	1.5 x	2.7 x	2.69	2.94	19.0 x	17.4 x
12	Calgon Carbon Corporation	CCC	14.85	843	857	57	0.2	-18%	24%	542	-	9%	1.6 x	2.2 x	0.74	0.82	20.1 x	18.1 x
13	Aegion Corporation	AEGN	18.90	732	883	39	0.2	-37%	81%	946	4%	12%	0.9 x	1.1 x	0.89	1.50	21.4 x	12.6 x
14	Energy Recovery, Inc.	ERII	2.36	124	94	53	0.2	-46%	17%	30	-41%	30%	3.2 x	1.3 x	(0.32)	(0.14)	N.M.	N.M.
Crop Mgmt/Fertilizers																		
15	Monsanto Co.	MON	79.29	42,448	41,510	535	1.1	-6%	35%	12,016	13%	9%	3.5 x	3.9 x	3.09	3.60	25.7 x	22.1 x
16	Potash Corp. of Saskatchewan, Inc.	POT	44.02	37,803	41,910	859	4.0	-31%	15%	8,516	41%	2%	4.9 x	4.8 x	3.63	3.68	12.1 x	12.0 x
17	Syngenta AG	SYNN	320.79	29,281	30,569	91	0.2	-5%	39%	13,308	17%	7%	2.3 x	3.8 x	19.22	21.98	16.7 x	14.6 x
18	The Mosaic Company	MOS	55.53	23,623	21,566	425	2.5	-36%	24%	11,359	34%	-5%	1.9 x	2.1 x	4.54	4.77	12.2 x	11.7 x
19	Agrium Inc.	AGU	83.09	13,113	14,157	158	0.2	-14%	29%	15,204	51%	2%	0.9 x	2.0 x	8.81	8.99	9.4 x	9.2 x
20	Origin Agritech Limited	SEED	2.36	55	46	23	0.0	-80%	12%	-	-	-	1.5 x	-	-	-	-	-
Rare Earth Elements																		
21	Molycorp, Inc.	MCP	30.89	2,592	2,372	84	8.6	-61%	34%	394	-	39%	6.0 x	3.1 x	1.54	0.91	20.0 x	34.1 x
22	Rare Element Resources Ltd.	RES	6.14	272	211	44	0.3	-66%	93%	0	-100%	-	-	4.5 x	-	-	-	-
Human Health																		
23	Novavax, Inc.	NVAX	1.29	148	129	115	1.7	-63%	14%	16	N.M.	93%	8.1 x	2.7 x	(0.20)	(0.21)	N.M.	N.M.
24	Harvard Bioscience Inc.	HBIO	3.96	113	117	29	0.0	-37%	8%	108	1%	7%	1.1 x	1.2 x	0.21	0.25	18.7 x	16.2 x
25	Transgenomic Inc.	TBIO	1.31	65	65	49	0.1	-29%	228%	32	55%	15%	2.0 x	5.9 x	(0.16)	(0.07)	N.M.	N.M.
TOTAL / AVG				7,587	8,219		0.9	-26%	48%	3,789	20%	14%	2.5 x	2.8 x				
MIN							0.0	-80%	8%	0	-100%	-5%	0.6 x	0.8 x				
MAX							8.6	-2%	228%	15,204	150%	93%	8.1 x	5.9 x				

Chart 26. SP Market Intelligence New Environment Index – Equal Wtd

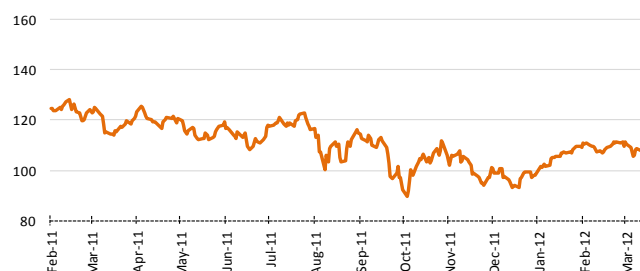
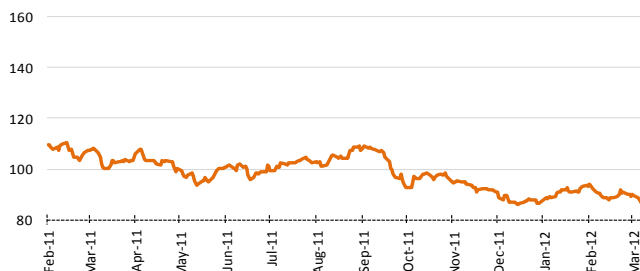


Chart 27. SP Market Intelligence New Envirnt Index – vs. S&P500



Source: SP Market Intelligence, Capital IQ

Notable Announcements in New Finance	
Private equity fundraising at risk over ESG 'expectations gap'. Read More	Rebates propped up February auto sales, reports Buycentives. Read More
Equifax, Moody's predict growth in auto finance market. Read More	AXA Private Equity nears \$6bn for secondaries fund. Read More
Payday loan firm Yes Loans's license revoked. Read More	Exeter Finance completes \$200Mn securitization. Read More
QBE forming Global Reinsurance Business. Read More	Prudential latest to exit LTC business. Read More
French insurance company Groupama seeks private equity sale. Read More	AIG sells entire \$500Mn stake in Blackstone. Read More

Chart 28. Comparative Analysis of New Finance



					Shares		Price Performance		Sales				Book	Earnings									
					Out	Daily Vol	% to High	% from Low	CY11	% Y/Y ('11)	% Y/Y ('12)	EV/ Sales	P/ Book	CY11	CY12	P/E (CY11)	P/E (CY12)						
NEW FINANCE																							
Student Loan																							
1	SLM Corporation	SLM	16.36	8,333	183,660	509	1.7	-4%	50%	3,024	-47%	23%	60.7 x	1.8 x	1.81	2.08	9.1 x	7.9x					
2	MRU Holdings, Inc.	UNCLQ	0.00	0	-	32	0.0	-	-	-	-	-	NM	-	-	-	-						
3	Nelnet Inc.	NNI	26.40	1,244	25,560	47	0.0	-3%	60%	744	-1%	4%	34.4 x	1.2 x	4.30	4.60	6.1 x	5.7x					
4	First Marblehead Corp.	FMD	1.25	127	173	102	0.0	-49%	51%	25	-	84%	7.0 x	0.6 x	-	(1.27)	-	-1.0x					
Auto Loan																							
5	Credit Acceptance Corp.	CACC	98.16	2,515	3,550	26	0.0	-3%	74%	524	-	15%	6.8 x	4.7 x	7.05	8.10	13.9 x	12.1x					
6	Nicholas Financial Inc.	NICK	13.51	162	275	12	0.0	-4%	49%	-	-	-	-	1.2 x	-	-	-						
7	White River Capital Inc	RVR	22.50	80	157	4	0.0	-19%	34%	-	-	-	-	1.1 x	-	-	-						
8	Consumer Portfolio Services, Inc.	CPSS	1.41	27	894	19	0.1	-2%	64%	133	-20%	24%	6.7 x	NM	(0.91)	0.07	-1.5 x	20.1x					
Equipment Leasing																							
9	MicroFinancial Inc.	MFI	6.56	94	154	14	0.0	-8%	64%	-	-	-	-	1.2 x	0.62	0.64	10.6 x	10.3x					
10	Marlin Business Services Corp.	MRLN	14.47	173	230	12	0.0	-13%	54%	45	-2%	35%	5.1 x	1.1 x	0.46	0.76	31.7 x	19.0x					
11	Aircastle LTD	AYR	12.90	934	3,876	72	0.6	-11%	51%	601	-	5%	6.4 x	0.7 x	1.20	1.35	10.8 x	9.6x					
12	Willis Lease Finance Corp.	WLFC	14.60	133	858	9	0.0	-1%	47%	155	7%	3%	5.5 x	0.6 x	1.27	1.63	11.5 x	9.0x					
Payday Loans																							
13	Western Capital Resources, Inc.	WCRC	0.04	0	1	7	0.1	-33%	300%	-	-	-	-	0.0 x	-	-	-	-					
14	Xponential Inc.	XPOI	0.07	0	29	3	0.0	-77%	-	-	-	-	-	NM	-	-	-	-					
15	QC Holdings, Inc.	QCCO	3.64	62	93	17	0.0	-31%	46%	-	-	-	-	0.8 x	-	-	-	-					
16	Advance America, Cash Advance Centers Inc.	AEA	10.41	639	721	61	0.7	-1%	121%	624	3%	11%	1.2 x	2.2 x	0.95	1.17	11.0 x	8.9x					
17	First Cash Financial Services Inc.	FCFS	45.43	1,339	1,269	29	0.3	-13%	66%	524	-	16%	2.4 x	4.3 x	2.25	2.69	20.2 x	16.9x					
18	Cash America International, Inc.	CSH	46.86	1,376	1,851	29	0.2	-25%	19%	1,486	-	12%	1.2 x	1.5 x	4.27	4.95	11.0 x	9.5x					
19	EZCORP, Inc.	EZPW	31.37	1,580	1,598	50	0.2	-19%	30%	901	-	15%	1.8 x	2.3 x	2.69	3.15	11.7 x	10.0x					
Small Consumer Loan																							
20	World Acceptance Corp.	WRLD	65.21	966	1,281	15	0.1	-13%	30%	532	-	-	2.4 x	2.2 x	6.22	7.20	10.5 x	9.1x					
21	Medallion Financial Corp.	TAXI	10.95	194	522	18	0.1	-13%	39%	-	-	-	-	1.1 x	-	-	-	-					
22	DFC Global Corp.	DLLR	17.85	788	1,594	44	0.2	-28%	13%	956	-	18%	1.7 x	1.8 x	1.88	2.32	9.5 x	7.7x					
23	CompuCredit Holdings Corp.	CCRT	5.43	119	439	22	0.1	-26%	149%	-	-	-	-	1.6 x	-	-	-	-					
Life Settlement																							
24	Imperial Holdings, Inc.	IFT	2.50	53	62	21	0.1	-78%	69%	70	-	91%	0.9 x	0.3 x	1.19	1.23	2.1 x	2.0x					
25	Life Partners Holdings, Inc.	LPHI	4.35	81	63	19	0.1	-77%	36%	-	-	-	-	1.9 x	-	-	-	-					
TOTAL / AVG																							
MIN			841			9,538		0.2		-23%		66%		690		-10%		25%		-		1.6 x	
MAX						0.7				-78%		13%		25		-20%		3%		0.9 x		0.0 x	
						0.7		-1%		300%				1,486		7%		91%		34.4 x		4.7 x	

Chart 29. SP Market Intelligence New Finance Index – Equal Wtd

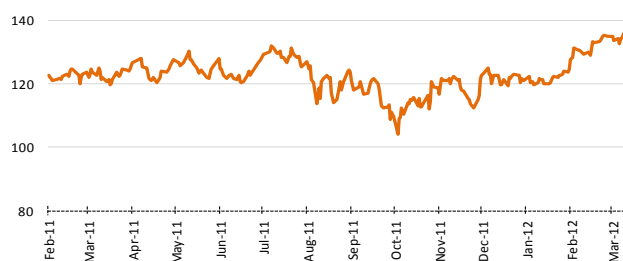


Chart 30. SP Market Intelligence New Finance Index – vs. S&P500



Source: SP Market Intelligence, Capital IQ

Notable Announcements in New Media	
Google sites leads February 2012 U.S. search engine rankings. Read More	Netflix's Apple TV deal could signal new business model. Read More
BBC planning iTunes competitor for tv shows. Read More	Google+ claims 50Mn users/day — for 'Enhanced Products'. Read More
Yahoo CEO planning 'significant' layoffs in restructuring effort. Read More	Warner Bros. offers in-store DVD-to-Cloud service. Read More
Instagram to raise \$40Mn at \$500Mn valuation. Read More	Cerberus in talks to buy AT&T's Yellow Pages unit. Read More
Nuance buys transcription & speech co. Transcend for \$300Mn. Read More	Location-based-services co. Loopt acquired for \$43.4Mn. Read More



Chart 31. Comparative Analysis of New Media

		Share Price	Mkt Cap (Mns)	Ent Val (Mns)	Shares		Price Performance		Sales				Book P/ Book	Earnings				
					Out	Daily Vol	% to High	% from Low	CY11	% Y/Y '11	% Y/Y '12	EV/ Sales		CY11	CY12	P/E (CY11)	P/E (CY12)	
NEW MEDIA																		
Search																		
1	Google Inc.	GOOG	600.25	195,163	158,048	325	1.4	-10%	27%	38,234	30%	22%	4.1 x	3.4 x	36.91	42.33	16.3 x	14.2 x
2	Baidu, Inc.	BIDU	138.53	48,367	46,681	349	3.2	-17%	47%	2,248	93%	59%	20.8 x	19.9 x	2.98	4.66	46.5 x	29.7 x
3	Yahoo! Inc.	YHOO	14.63	17,757	15,783	1,214	8.2	-22%	32%	4,401	-30%	0%	3.6 x	1.4 x	0.84	0.83	17.5 x	17.7 x
4	Yandex N.V.	YNDX	23.47	7,612	7,254	324	0.5	-44%	41%	663	-	43%	10.9 x	8.4 x	0.58	0.84	40.2 x	27.8 x
Social Networks																		
5	LinkedIn Corporation	LNKD	90.13	9,231	8,653	102	2.9	-27%	61%	514	111%	67%	16.8 x	14.6 x	0.05	0.31	N.M.	N.M.
6	TripAdvisor Inc.	TRIP	30.70	4,097	4,340	133	1.3	-15%	28%	633	-	18%	6.9 x	14.0 x	1.37	1.35	22.4 x	22.7 x
7	Pandora Media, Inc.	P	11.50	1,856	1,765	161	3.8	-56%	26%	276	-	51%	6.4 x	17.9 x	(0.03)	(0.15)	N.M.	N.M.
8	Renren Inc.	RENN	5.40	2,117	922	392	8.6	-78%	68%	118	-	50%	7.8 x	5.2 x	0.00	(0.09)	N.M.	N.M.
9	WebMD Health Corp.	WBMD	25.47	1,419	1,098	56	0.2	-56%	4%	557	5%	-9%	2.0 x	2.1 x	1.31	0.13	19.4 x	N.M.
10	Ancestry.com Inc.	ACOM	23.75	1,018	979	43	1.4	-48%	15%	400	33%	15%	2.5 x	3.3 x	1.33	1.62	17.9 x	14.7 x
11	Monster Worldwide, Inc.	MWW	9.11	1,121	1,060	123	5.2	-54%	44%	1,054	1%	-7%	1.0 x	0.9 x	0.40	0.27	23.0 x	34.2 x
12	Phoenix New Media Limited	FENG	7.39	558	371	76	0.2	-51%	76%	147	-	45%	2.5 x	2.7 x	(2.70)	0.41	N.M.	18.2 x
13	Move, Inc.	MOVE	8.78	346	307	39	0.3	-14%	117%	195	-2%	3%	1.6 x	4.1 x	0.23	0.30	37.8 x	29.0 x
14	XO Group Inc.	XOXO	9.37	256	179	27	0.1	-23%	40%	124	-	8%	1.4 x	1.7 x	0.18	0.31	52.1 x	30.4 x
15	TheStreet, Inc.	TST	1.79	58	(8)	32	0.1	-51%	14%	-	-	-	-	0.7 x	(0.15)	0.05	N.M.	35.8 x
Discount Retail																		
16	eBay Inc.	EBAY	36.25	46,788	42,948	1,291	3.8	-1%	35%	11,593	27%	19%	3.7 x	2.6 x	2.00	2.29	18.1 x	15.9 x
17	priceline.com Incorporated	PCLN	647.45	32,242	30,287	50	0.5	-1%	57%	4,333	-	28%	7.0 x	12.5 x	23.04	31.13	28.1 x	20.8 x
18	Groupon, Inc.	GRPN	17.06	10,881	9,760	638	1.1	-45%	15%	1,592	409%	48%	6.1 x	12.5 x	(0.30)	0.25	N.M.	69.3 x
Games																		
19	Zynga, Inc.	ZNGA	13.89	10,094	8,286	727	4.8	-13%	74%	1,138	90%	22%	7.3 x	5.7 x	0.23	0.27	59.9 x	52.0 x
20	Electronic Arts Inc.	EA	17.26	5,720	4,463	331	6.3	-34%	8%	4,171	13%	4%	1.1 x	2.5 x	0.86	0.97	20.1 x	17.8 x
Communication																		
21	AOL, Inc.	AOL	17.70	1,678	1,381	95	0.3	-32%	76%	2,194	-7%	-4%	0.6 x	0.8 x	0.76	0.78	23.2 x	22.8 x
Content																		
22	Walt Disney Co.	DIS	42.24	75,709	88,495	1,792	5.0	-5%	50%	41,366	6%	4%	2.1 x	2.1 x	2.57	3.04	16.4 x	13.9 x
23	Demand Media, Inc.	DMD	7.48	598	512	80	0.2	-73%	43%	320	27%	9%	1.6 x	1.4 x	0.24	0.30	31.2 x	24.9 x
Services																		
24	salesforce.com, inc	CRM	147.43	20,198	19,977	137	1.2	-8%	57%	2,259	37%	31%	8.8 x	12.7 x	1.33	1.62	N.M.	N.M.
25	IAC/InterActiveCorp.	IACI	48.65	3,954	3,285	81	0.5	0%	70%	2,029	24%	25%	1.6 x	2.1 x	2.11	2.64	23.1 x	18.4 x
TOTAL / AVG				19,954	18,273		2.4	-31%	45%	5,023	51%	23%	5.3 x	6.2 x				
MIN							0.1	-78%	4%	118	-30%	-9%	0.6 x	0.7 x				
MAX							8.6	0%	117%	41,366	409%	67%	16.8 x	17.9 x				

Chart 32. SP Market Intelligence New Media Index – Equal Wtd

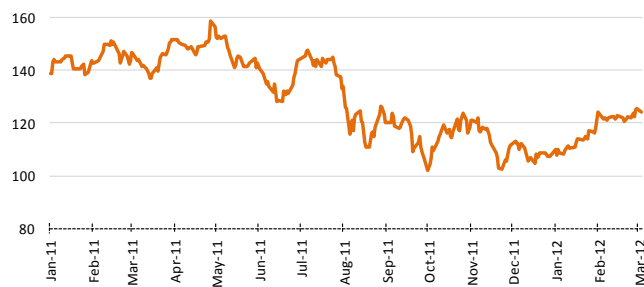


Chart 33. SP Market Intelligence New Media Index – vs. S&P500



Source: SP Market Intelligence, Capital IQ



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