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

## New Capital Sectors – Monthly Update

### (De)-Regulation holds the key to \$40Bn Online Gaming Market

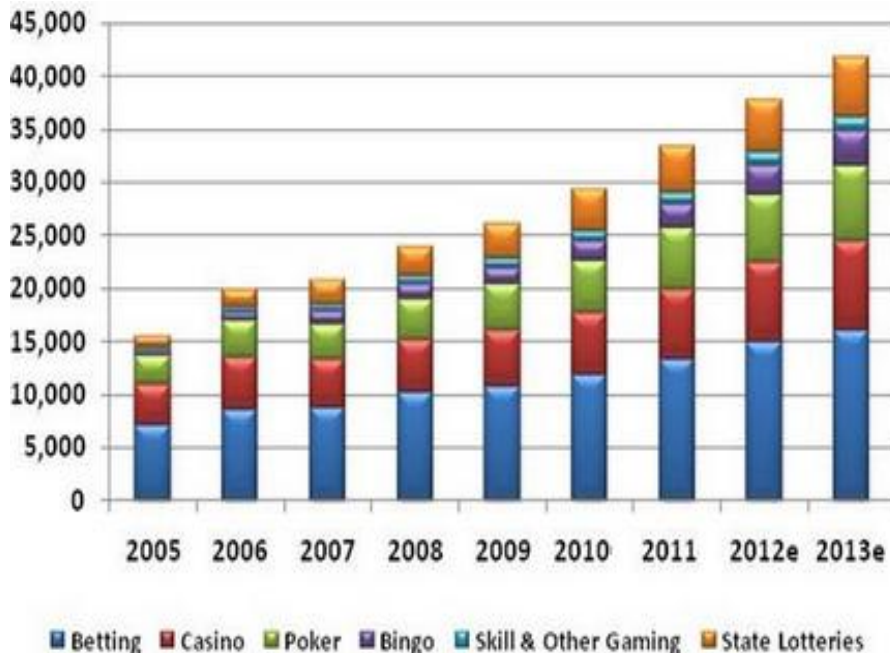
- Monthly Industry Spotlight: Online Gaming.** We believe that online gaming – which is currently worth >\$35Bn worldwide – is an evolving market, moving the gaming industry into a functionally rich online environment. We believe that legalizing online gaming could stimulate growth, as a legalized online gaming market in the U.S. could be potentially worth >\$40Bn by 2015. We believe that among the gaming technology developers, the two names to watch are International Game Technology (IGT) and the pre-IPO Cantor Entertainment. We also expect numerous technology focused companies to emerge with attractive opportunities to deploy capital retrofitting of traditional gambling towns.
- The SP New Electronics Index** declined by 2% M/M and 5% Y/Y; however, the index is one of the best performers, up 11% YTD. New Electronics experienced multiple depressions through April despite a relatively strong earnings outlook for 2H12. Valuation is reasonable at 3.0x EV/Sales, in-line with its 5 year average. Market sentiment for New Electronics remains neutral to positive and technology names appear to be outperforming on a relative basis through the April pull-back as a result of aggregate forward estimates remaining largely unchanged through 1Q12.
- The SP New Energy Index** declined by 9%M/M and is the weakest performing SP Index, -4% YTD. Fundamentals are weak due to supply/demand, low natural gas prices and reduced global government subsidies. This is best reflected by a low EV/Sales of 0.7x, which is significantly below the 5 year average of 1.1x. For the clean tech companies, 1Q12 earnings season was largely a negative event in terms of delivered results, as well as outlook. We expect this index to continue to lag through the summer.
- The SP New Environment Index** declined 6%M/M after trading roughly in-line with the market through 1Q12 and is now underperforming, with a gain of 2% YTD. Fundamentals were mixed across the space, with health care getting a lot of attention in light of the Supreme Court challenge to the Affordable Care Act. Valuations remain attractive at 2.2x EV/Sales, below the 5 year average of 2.7x. However, sentiment remains cautious at best given uncertainty in the health care industry at large.
- The SP New Finance Index** was the best performing index in April remaining unchanged M/M and is now outperforming the market +8% YTD. We see the larger banks still having a compromised risk appetite opening the door for smaller specialty finance companies to make great IRRs on the BBB and below lending business. Market sentiment for New Finance companies remains positive and we expect profit expectations to modestly beat forecasted estimates through 2H12. The New Finance Index trades at 2.0x EV/Sales, which is well below the 5-year historical average of ~3.0x. We expect multiple expansions in 2H12.
- The New Media Index** declined 3%M/M and 18%Y/Y; however, the index has the strongest near-term trends +14%YTD. Valuations are reasonable at 3.7x EV/Sales, which is roughly in line with the 5 year average of 3.6x. We expect multiples to remain high with Facebook slated to go public as potentially the largest technology IPO in history. Sentiment is very strong and we expect New Media to remain a destination for new capital for the next several quarters.

## Online Gaming

### (De)-Regulation holds the key to the \$40Bn U.S. Market

- We believe that online gaming – which is currently worth >\$35Bn worldwide – is an evolving market, moving the gaming industry into a functionally rich online environment. Online gambling involves participating in live games (e.g. poker or blackjack) or placing bets over the Internet. These games usually involve real money, but companies also offer “simulated” games where virtual credits are used instead of legitimate currency. Stemming from ~100 gambling sites in 1999, the industry now boasts of >2,100 sites that generated ~\$35Bn in worldwide revenues in 2011, up from ~\$20Bn from 2007. Despite the prohibitive regulations, the U.S. online gaming market accounted for \$5Bn (15%) of the revenue share last year. We believe that the worldwide growth of this market is driven by the following factors:
  - rising internet penetration;
  - opening up of new markets due to regulatory developments;
  - continued growth in live sports betting;
  - expansion of state lotteries into online-gaming; and
  - gaming being offered through new mobile devices

Chart 1. Worldwide Online Gaming GGY – 2005-2013



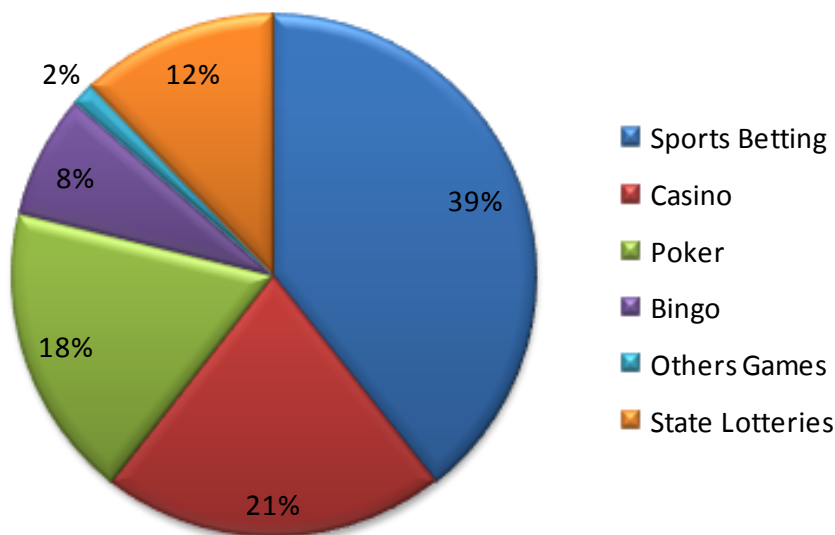
Sources: Scura Paley, Global Betting and Gaming Consultants, GGY (Gross Gaming Yield) = percentage of wagers kept by casino/gaming operator

- The online gaming market encompasses a wide range of sites, including sports betting (horse racing, etc.), online casinos, poker rooms, bingo parlors and state lotteries. Due to the strict U.S. regulations, most of the players in these segments are based in Antigua, Belize, Lichtenstein, and England. While they avoid escape U.S. Federal jurisdiction, they

continue to cater to a >10Mn U.S. audience. The key online gaming market segments and players are:

- **Sports Betting:** While this segment is yet to be legalized in the U.S., it is the largest market segment worldwide and generated a gross gaming yield (GGY) worth ~\$13Bn in 2011. Betfair.com, Bwin.party Digital Entertainment (LON:BPTY), and Ladbrokes (LON:LAD) are some of the large players that dominate this segment.
- **Online Casinos:** These casinos automate games such as roulette, blackjack and baccarat, and allow players to play against the central server or against other online players. This segment generated GGY worth \$7bn in 2011. The leading players in this segment are 888 Holdings (LON:888), William Hill Casino & Jackpot City Casino.
- **Online Poker:** This is one of the fastest growing online gaming segments, with both gambling (Texas Hold 'Em Poker and Stud ) and non-gambling poker games finding increasing acceptance worldwide, especially with the proliferation of social networking and gaming sites like Facebook and Yahoo! Games. This segment is most popular in the U.S., where >1Mn people play these games despite the regulatory hurdles. The U.S. accounts for ~25% of the market share in this segment. Online poker had global GGY of ~\$6bn last year, and is expected to generate ~\$7Bn this year. The key operators dominating the market are Pokerstar and Full Tilt Poker, which together accounted for >60% market share in 2010, followed by other players such as iPoker Network, Party Poker and Cereus Networks.
- **Online Bingo:** With regulations forcing players to exit the U.S. market, the U.K. currently dominates the ~\$2bn online bingo market, with >400 bingo sites targeting British bingo players. The leading online bingo operators are Tombola and Gala Bingo, which accounted for 30% and 11% shares of the U.K market, respectively, in 2011.

**Chart 2. Worldwide Online Gaming – Break-up by Market Segments – 2011**

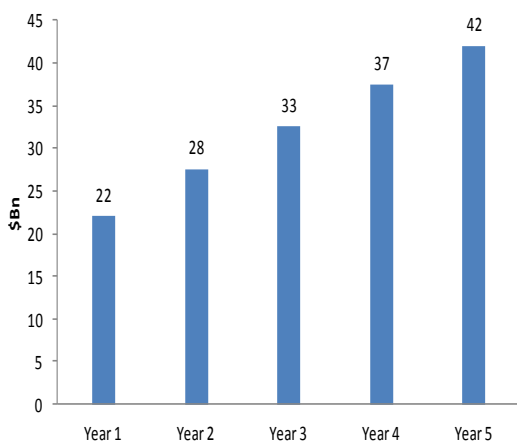


Sources: Scura Paley, Global Betting and Gaming Consultants

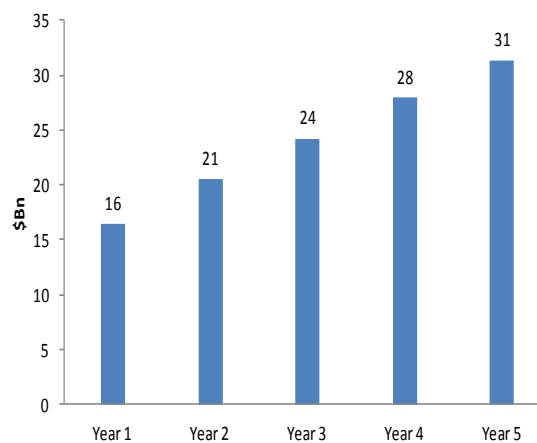
- **The growth of the \$5Bn U.S. online gaming market has been impeded by U.S. regulations, which make online gambling illegal in the country.** There are two main acts that impact the legality of online gaming in the U.S.:

- **The Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA):** In October 2006, President Bush signed UIGEA, prohibiting online casinos and financial institutions from processing transactions related to online gambling. The act did not, however, impose any restrictions on players – U.S. citizens continued to be able to gamble at the online casinos based in foreign countries with permissive regulatory environments. UIGEA did, however, lead to the popularity of virtual currency for U.S. gamblers. Money transferred into virtual credits disassociates the money from the bank or financial institution. Virtual credits also preserve the anonymity of an online gambler’s transaction.
- **The Interstate Wire Act of 1961 (commonly referred to as the Wire Act):** Though individual states generally regulate gambling, the Wire Act addresses gambling which crosses interstate and international boundaries. The act clearly makes the placing of sports bets over the telephone illegal; however, its applicability to online gaming has been unclear. This uncertainty was highlighted on April 15, 2011 (Black Friday in the online poker industry) when a federal grand jury in New York indicted the principals behind the three largest internet poker companies doing business in the U.S. – PokerStars, Full Tilt Poker, and Absolute Poker. The government also filed civil money laundering and forfeiture complaints against those companies.
- **We believe that legalizing the online gaming can stimulate the industry’s growth, as a legalized online gaming market in the U.S. could be potentially worth >\$40Bn by 2015.** As per H2 Gambling Capital’s 2010 study of the U.S. market, a regulated online gambling market (including sports betting) across the U.S. has the potential to generate a total gross expenditure in the nation’s economy of \$94Bn over the first five years, which in turn would create 159,750 FTE job years and ~\$57Bn in domestic taxation. Further, even if sports betting are not legalized, the market still has the potential to generate gross expenditures of \$67bn, 127,350 FTE job years, & \$30Bn in domestic taxation. Apart from these benefits, a legalized online gaming set-up will also be easier to monitor and regulate for the authorities.

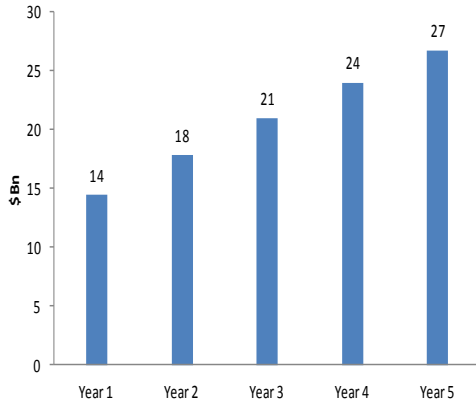
**Chart 3. Legal U.S. Online Gaming Market**  
(All Games, \$Bn)



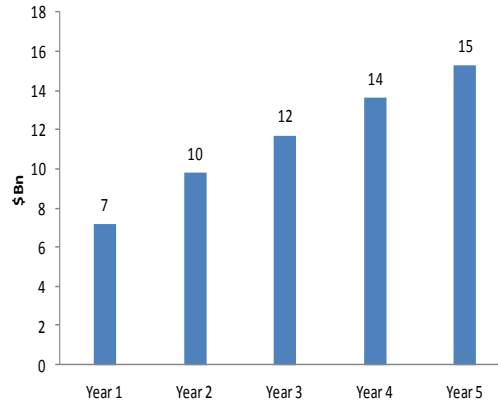
**Chart 4. Legal U.S. Online Gaming Market**  
(Ex-Sports Betting, \$Bn)



**Chart 5. Expenditure in Legal U.S. Market**  
(All Games, \$Bn)



**Chart 6. Taxation in Legal U.S. Market**  
(All Games, \$Bn)



Sources: Scura Paley, H2 Gambling Capital, Year 1- Year 5: Years Since Legalization

- Therefore, we view the U.S. Department of Justice’s December 2011 opinion on the Wire Act as a step in the “right” direction, and believe that legalization of online gambling is likely.** In late 2011, the DOJ’s Office of Legal Counsel released a "Memorandum Opinion", which said that the Wire Act prohibits only the transmission of communications related to bets or wagers on sporting events or contests. This reversed a long-standing DOJ position that the Wire Act prohibits all forms of Internet gambling, and all interstate and foreign wire transmissions of gambling-related communications no matter what the nature of the gambling. This opinion was released in response to a query posted by the states of New York and Illinois regarding their plans to use the Internet and out-of-state transaction processors to sell lottery tickets to adults within their states. However, we believe that it has far reaching implications for the industry since it offers gambling companies, entrepreneurs and investors an opportunity to monetize all segments of the online gambling market in the U.S., except for the sports betting segment. The fact that online sport betting is still illegal was demonstrated in February 2012, when the DOJ indicted Bodog Entertainment Group S.A. and its founder Calvin Ayre, and shut down their sports betting website Bodog.com.
- Even though the DOJ opinion is not legally binding, it has provided many states with the opportunity to legalize not just the online state sponsored lotteries, but also intrastate non-sports Internet gambling; including online intrastate poker, operated by private businesses.** While New York and Illinois have gone ahead with their proposed online lotteries (Illinois became the first U.S. state to do so on March 25, 2012), others are also following suit and have taken steps to help drive the growth of the online gaming market, and in turn state revenues. Some of the key steps taken by the states include:

State	Step Taken Post DOJ’s Opinion
Nevada	<ul style="list-style-type: none"> <li>- Nevada Gaming Commission went ahead with its plans to authorize private companies to apply for in-state Internet poker licenses through its Interactive Gaming Minimum Internal Control Standards, and Interactive Gaming Technical Standards.</li> <li>- More than 25 Las Vegas businesses, including MGM, Caesars (in partnership with 888), Boyd Gaming (with bwin.party) and Bally Technologies, have applied for licenses.</li> </ul>

California	- Introduced a bill in February allowing Internet poker to be offered by authorized card-rooms, Indian tribe casinos, horse racing tracks and online horse wagering sites that have been in operation for at least three years prior to licensing.
Delaware	- Likely to introduce Gaming Competitiveness Act, which would allow Internet sales of Delaware lottery games as well as online casino-style games.
Hawaii	- Introduced bill to establish the Hawaii Internet lottery and gaming corporation for purposes of conducting games of chance and games of skill over the Internet.
Illinois	- Approved bill to allow for online sales of Powerball tickets
Iowa	- Voted in February to allow companies to partner with state-licensed casinos and racetracks to offer Internet gambling, and the Iowa Senate approved Senate File 2275 to legalize online poker and bring it under state regulation.
Maine	- Introduced a bill to engage in online lottery sales.
Mississippi	- Introduced a bill authorizing licensed businesses to offer Internet gambling within the state's borders.
New Jersey	- Approved one bill to allow state casinos to establish Internet portals through which the state's residents could play casino games - Another bill to allow gambling using mobile devices within Atlantic City casinos

Sources: Scura Paley, Mondaq & Goodwin Procter, [Existing State-wise Structure of the U.S. Gaming Market in Appendix](#)

- **We believe that the transition towards legalization of the U.S. online gambling will result in a windfall, not just for the U.S. states but also for players across the value and across geographies.** The value chain of the online gambling industry comprises of three distinct stakeholders – 1) gaming technology developers; 2) online gaming operators; and 3) the players. While choosing winners, it is important to note that initially only companies with existing gaming licenses in the U.S. will be allowed to compete in the market. Players will benefit from the improved choice and content as a result of increased competitions and wider (and legal) access to online gaming. Also, we believe the other stakeholders will benefit from the opening of the market. Therefore, the other key winners will include:
  - Foreign online gaming operators
  - Domestic U.S. casinos with gaming licenses
  - Domestic U.S. gaming technology developers
  - Social -gaming and -networking developers & platforms
- **Foreign online gaming operators and domestic U.S. Casinos with gaming licenses:** We expect these to be among the first to benefit from the changing regulatory landscape of the industry, since online gaming companies that have been trading in the U.K and other regulation friendly countries. These companies will now need to partner with U.S. casinos that already have gaming licenses, thus allowing this category of players to draw on the strengths of both the partnering firms. Online gaming operators already have global brands

and the technical know-how to expedite their entry in the market. At the same time, leading U.S. casinos such as Caesars Palace, MGM Grand (MGM), Wynn (WYNN) and Las Vegas Sands (LVS) will bring grow brand equity in the U.S. market enabling them to not only establish their online identity, but also provide opportunities to cross-sell and promote their brands through loyalty points redeemable across platforms. These loyalty rewards will include complimentary rooms and meals and other favorable discounts and marketing opportunities unavailable to only online or lesser known gambling operators. However, we do have a word of caution for this category – most of these arrangements are forced due to the regulatory changes, and therefore we expect many of these partnerships to face integration issues in the long run. That said, some of the key partnerships that have been announced so far include ones listed below, and we expect more of such deals to take place as the U.S. Fed authorities legalize online gaming:

- **Bwin.party Digital Entertainment (PYGMF.PK) has entered into agreements with MGM Resorts International (MGM) and Boyd Gaming (BYD) to enter the U.S. market.** Recently, the company closed a deal with the United Auburn Indian Community (UAIC), which owns and operates the Thunder Valley Casino Resort near Sacramento, California – this move is aimed at helping the company gain a foothold in the state of California.
- **888 Holdings (LON:888) has partnered with American group Caesars Interactive Entertainment** to be among the first movers to take advantage of the U.S. online gaming industry. As part of the deal, 888’s business-to-business subsidiary, called Dragonfish, will work with Caesars to provide an online poker platform. This platform will be launched once online gaming is permitted under either Federal or state regulation.
- **32Red (LON:TTR)**, which had withdrawn from the U.S. market in 2006 due to legal issues, is now looking to re-enter the market and is scouting for potential partners as well. The London-based 32Red, which also has plans to enter Italy’s regulated market, operates in three business segments – casino, poker and bingo – and recorded a 100% increase in profits last year.
- **Mobile gaming specialist Probability (LON:PBTY)** has also expressed interest in expanding its reach to the U.S. and is looking for suitable partners. As per the company, >100Mn Americans are already using apps on smartphones that are capable of running PBTY’s games; this, coupled with the fact that mobile is the only platform where the location of the user can be assured with any degree of certainty at the time they place their bets, will give PBTY a huge early entrant advantage in the mobile gaming market, which is expected to be worth \$11.4Bn by 2014, according to Gartner, Inc.
- **We believe that among the gaming technology developers, the two names to watch are International Game Technology (IGT) and the pre-IPO Cantor Entertainment.** We believe that casinos that do not partner with existing online gaming operators will either have to develop their own technology platforms (less likely given required competence and capital) or partner with developers such as International Game Technology (IGT), Shuffle Master (SHFL), GameTech Inc. (GMTC) and Gaming Partners International Corporation (GPIC).
  - **We believe that International Game Technology (IGT) is the gaming technology developer that is best placed to take advantage of a legalized U.S. online gaming market.** IGT supplies slot machines to leading land casinos across the country, and through its online casino software division WagerWorks, it provides content to online casino operators. As part of preparing the company for future industry dynamics, in January 2012, the company acquired Seattle-based Double Down Interactive for

\$500Mn, which owns and operates the hugely popular Double Down Casino on Facebook. The company has already launched another game, American Idol Slot, within Double Down's casino on Facebook that ranks in the top 25 by drawing 5.4Mn gamers a month. We believe that this acquisition is a source of tremendous value creation for IGT, as it gives the company access to a very wide user base, and makes users familiar with its brand. While there have been concerns around existing casino clients' being upset with IGT's move to join the online bandwagon, the company has persisted with its strategy to diversify its client base and prepare itself for the inevitable future – a legalized U.S. online gambling market.

- **Pre-IPO Cantor Entertainment Technology, which caters to Nevada's Pari-Mutuel Race and Sports Book Wagering and mobile gaming market, is the other technology player to watch out for.** Cantor, a unit of financial services firm Cantor Fitzgerald, has created a proprietary statistical data base that is comprised of historical data and mathematical algorithms to assess the most likely outcome of a sporting event. The company uses these algorithmic models to run its In-Running™ sports wagering product, which generated ~75% of the company's revenue last year. Through July 2011, Nevada's Pari-Mutuel Race and Sports book wagering (handle) was \$1.6Bn and Cantor (Nevada) constituted 14% of the entire state's handle. The company also enjoys the first mover advantage in Nevada's mobile gaming market, which it serves through its mobile gaming and wagering systems that provide the ability to play a full suite of casino games and place race and sports wagers. Cantor is the exclusive mobile gaming and race and sports book operator at the following six Las Vegas resorts: The M Resort, The Cosmopolitan of Las Vegas, The Tropicana Las Vegas, the Hard Rock Hotel & Casino Las Vegas, The Venetian Resort Hotel Casino, and The Palazzo Resort Hotel Casino. Further, it has also obtained a license to operate at the Palms Casino Resort in the state. If the authorities decide to legalize sports betting as well, Cantor's user base could expand exponentially as its technology holds immense value for sports gamblers.
- **Finally, we believe that social gaming developers like Zynga (ZNGA), Electronic Arts (EA) and social networking platforms (read Facebook) could also emerge as winners in a legalized online gaming market.** Social gaming developers already have the know-how of developing and monetizing gaming platforms; according to Totally Gaming, Zynga Poker is the second most popular game on Facebook. We believe that it is just a matter of time before these players partner with a domestic casino to develop more online gambling games. In fact, Zynga (ZNGA) is reportedly been in talks with Wynn Resorts (WYNN) to create a strategic partnership that will leverage WYNN's gaming experience and ZNGA's user base of ~230Mn to create an online gaming powerhouse. As in most New Media segments, Facebook's potential role in this market can't be overstated either – casino game players now account for 13% of all of the game players on Facebook, up from 8% last year and just 6% in 2010. Further, the platform seems to be making an effort to improve its relationship with online gambling companies by changing its advertizing policies – it now allows online gambling companies to advertise in jurisdictions where such services are permitted, an option which the platform never extended earlier. As per The National Law Review and egmagazine.com, Facebook is also looking to award licenses to eight online gaming operators in the U.K., including 888. The rising popularity of these games, coupled with Facebook's credit system, makes the platform an ideal online destination for gamers – therefore, we believe that the seemingly ubiquitous platform could also become a major player in this market in the medium to long term.



## Notable Announcements in New Electronics

Industry Update	
760Mn tablets in use by 2016; to cannibalize laptops. <a href="#">Read More</a> , <a href="#">See Chart on Page 10</a>	Smartphone sales to hit 1Bn in 2014. <a href="#">Read More</a>
Samsung becomes world's no. 1 handset maker with 25% share. <a href="#">Read More</a> , <a href="#">Read More</a>	Amazon's Kindle Fire takes 54% of Android tablet market. <a href="#">Read More</a>
Mobile payments may replace cash, credit cards by 2020. <a href="#">Read More</a>	Tech companies use offshore strategies to avoid taxes. <a href="#">Read More</a>
Semi Photomask market to grow 7% in 2012, SEMI says. <a href="#">Read More</a>	2012 chip market to grow 7%, IHS also boosts 2012 forecast. <a href="#">Read More</a> , <a href="#">Read More</a>
EDA & IP industry grew 16% in 2011, EDAC says. <a href="#">Read More</a>	GaAs wafer market to exceed \$650Mn by 2017. <a href="#">Read More</a>
Company Update	
Sony forecasts \$6.4Bn loss, confirms 10,000 Layoffs. <a href="#">Read More</a>	Apple & others face antitrust lawsuit over E-book pricing. <a href="#">Read More</a>
Pegatron, MSFT enter into patent agreement on Android, Chrome. <a href="#">Read More</a>	Google launches Google Drive – online storage service. <a href="#">Read More</a>
Apple's Q2: 35.1M iPhones, 11.8M iPads, 4M Macs, 7.7M iPods. <a href="#">Read More</a>	Google wins \$35Mn U.S. government contract over Microsoft. <a href="#">Read More</a>
Intel grabs 15% of cellular baseband market. <a href="#">Read More</a>	VMware increases dominance in virtualization market. <a href="#">Read More</a>
Micron, Hynix poised to gain NAND share, says HIS. <a href="#">Read More</a>	Qualcomm engages other foundries amid 28-nm shortage. <a href="#">Read More</a>
New Capital Update	
IPO pricings hit a 12-year high, with tech stocks leading the way. <a href="#">Read More</a> , <a href="#">See Chart on Page 10</a>	Google announces 2-for-1 stock split. <a href="#">Read More</a>
Nokia looks to sell luxury brand Vertu for \$265Mn to PE firm. <a href="#">Read More</a>	AOL sells \$1Bn worth of patents to Microsoft. <a href="#">Read More</a>
IBM acquires Vivisimo to boost big data analytics. <a href="#">Read More</a>	Salesforce acquires YC-Backed collaborative text editor Stypi. <a href="#">Read More</a>
Intuit acquires marketing SaaS Co. Demandforce for \$423.5Mn. <a href="#">Read More</a>	Cray sells interconnect hardware unit to Intel for \$140Mn. <a href="#">Read More</a>
Vodafone buys Cable & Wireless for \$1.7Bn. <a href="#">Read More</a>	Battery Ventures, others inject \$20Mn in Amalfi Semi. <a href="#">Read More</a>

Chart 7. Tablet Cannibalization of Laptop Sales

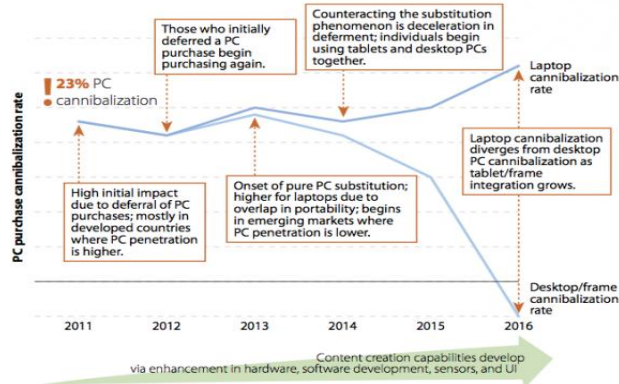


Chart 8. IPO Boom: Pricings Hit a 12-Year High



Chart 9. Scura Paley New Electronics Index – Eq. Wt

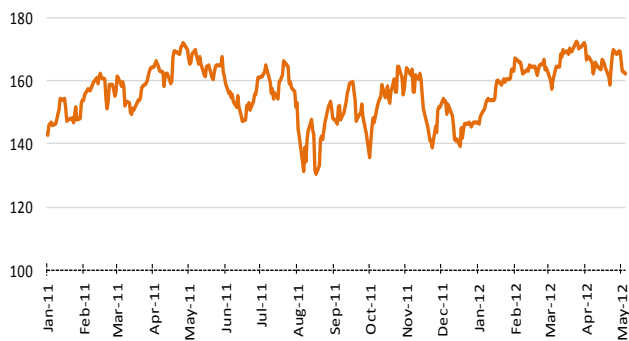


Chart 10. Scura Paley New Electronics Index – vs. S&P 500

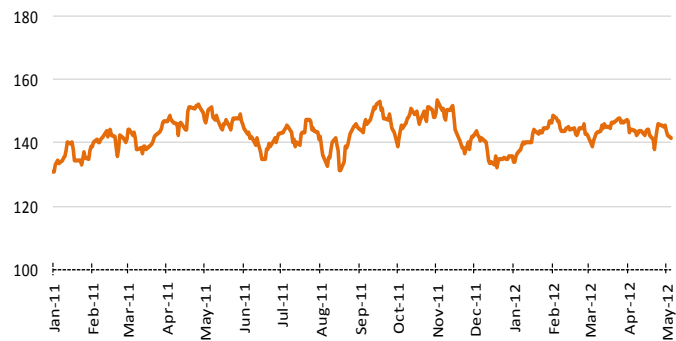


Chart 11. Comparative Analysis of New Electronics

NEW ELECTRONICS	Share Price	Mkt Cap (Mn)	Ent Val (Mn)	Shares		Price Performance		Sales				Book		Earnings				
				Out	Daily Vol	% to High	% from Low	CY11	% YY ('11)	% YY ('12)	EV/ Sales	P/ Book	CY11	CY12	P/E (CY11)	P/E (CY12)		
<b>Mobile Electronics</b>																		
1	Apple Inc.	AAPL	569.48	532,499	503,961	935	16.4	-12%	83%	120,666	58%	37%	4.2 x	6.6 x	31.35	44.75	18.2 x	12.7 x
2	Google Inc.	GOOG	607.55	198,077	158,168	326	2.0	-9%	28%	38,234	30%	21%	4.1 x	3.5 x	36.91	42.42	16.5 x	14.3 x
<b>Virtualization</b>																		
3	Microsoft Corporation	MSFT	30.65	257,487	212,483	8,401	48.6	-7%	30%	72,056	8%	6%	2.9 x	4.1 x	2.74	2.82	11.2 x	10.9 x
4	VMware, Inc.	VMW	107.60	45,972	41,199	427	1.0	-9%	44%	3,756	31%	21%	11.0 x	10.0 x	2.15	2.55	50.0 x	42.2 x
5	Citrix Systems, Inc.	CTXS	82.94	15,399	14,532	186	1.8	-6%	65%	2,205	18%	14%	6.6 x	5.2 x	2.44	2.71	34.0 x	30.6 x
<b>Cloud</b>																		
6	Amazon.com Inc.	AMZN	225.16	101,440	95,725	451	3.3	-9%	35%	48,906	43%	28%	2.0 x	11.3 x	1.18	1.25	N.M.	N.M.
7	Salesforce.com, Inc	CRM	151.83	20,801	20,580	137	1.5	-8%	61%	2,259	36%	31%	9.1 x	13.6 x	1.33	1.61	N.M.	N.M.
8	NetApp, Inc.	NTAP	37.99	13,790	10,113	363	5.0	-33%	15%	5,953	22%	13%	1.7 x	3.8 x	2.34	2.71	16.2 x	14.7 x
<b>Display</b>																		
9	Corning Inc.	GLW	13.60	20,639	17,015	1,518	10.0	-36%	18%	7,844	18%	2%	2.2 x	1.0 x	1.77	1.35	7.7 x	10.1 x
10	Universal Display Corp.	PANL	40.31	1,868	1,522	46	0.6	-33%	77%	61	99%	73%	25.0 x	4.7 x	0.09	0.77	N.M.	52.5 x
<b>AI/Robotics/Speech</b>																		
11	International Business Machines Corp.	IBM	203.75	235,022	254,766	1,153	3.4	-3%	30%	107,132	7%	2%	2.4 x	11.8 x	13.37	14.91	15.2 x	13.7 x
12	Nuance Communications, Inc.	NUAN	23.69	7,301	7,820	308	3.3	-24%	52%	1,470	27%	19%	5.3 x	3.1 x	1.45	1.63	16.4 x	14.5 x
13	iRobot Corporation	IRBT	22.14	608	426	27	0.2	-42%	0%	470	17%	2%	0.9 x	2.8 x	1.32	1.14	16.8 x	19.4 x
<b>Semiconductor</b>																		
14	Intel Corporation	INTC	27.76	139,017	132,714	5,008	37.3	-5%	45%	53,840	23%	5%	2.5 x	3.0 x	2.41	2.54	11.5 x	10.9 x
15	Taiwan Semiconductor Manufacturing Co. Ltd.	2330	2.92	75,634	72,008	25,921	46.5	-5%	38%	14,093	-2%	13%	5.1 x	3.4 x	0.17	0.19	17.1 x	15.4 x
16	ARM Holdings plc	ARM	8.19	11,270	10,687	1,376	0.0	-22%	14%	743	17%	19%	14.4 x	7.6 x	0.18	0.23	44.7 x	35.9 x
17	SanDisk Corp.	SNDK	35.89	8,745	7,700	244	3.9	-33%	11%	5,663	17%	3%	1.4 x	1.5 x	4.64	3.92	7.7 x	9.2 x
18	Micron Technology Inc.	MU	6.50	6,433	8,027	990	36.6	-41%	64%	8,651	-4%	0%	0.9 x	2.0 x	(0.11)	(0.24)	N.M.	N.M.
<b>Semi Equipment</b>																		
19	ASML Holding NV	ASML	49.19	20,350	17,457	414	0.7	-4%	78%	7,234	20%	-15%	2.4 x	4.4 x	4.26	3.41	11.5 x	14.4 x
20	Applied Materials Inc.	AMAT	11.19	14,448	14,400	1,291	12.5	-27%	15%	9,804	-6%	0%	1.5 x	1.8 x	1.06	1.01	10.6 x	11.0 x
21	KLA-Tencor Corporation	KLAC	49.73	8,321	6,698	167	1.9	-10%	50%	3,152	27%	2%	2.1 x	3.0 x	4.63	4.49	10.7 x	11.1 x
22	Lam Research Corporation	LRCX	40.13	4,826	3,178	120	2.1	-18%	15%	2,813	-6%	1%	1.1 x	2.0 x	3.52	2.92	11.4 x	13.8 x
23	Teradyne Inc.	TRDY	16.03	2,990	2,534	187	1.9	-11%	55%	1,417	-9%	16%	1.8 x	2.0 x	1.33	1.52	12.0 x	10.5 x
<b>Intellectual Property</b>																		
24	Acacia Research Corporation	ACTG	40.25	2,000	1,555	50	0.3	-15%	42%	207	57%	30%	7.5 x	5.4 x	1.24	1.76	32.4 x	22.9 x
25	RPX Corporation	RPXC	17.00	852	600	50	0.1	-46%	54%	154	62%	29%	3.9 x	2.6 x	0.69	0.83	24.5 x	20.5 x
<b>TOTAL / AVG</b>																		
				69,832	64,635	9.6		-19%	41%	20,751	24%	15%	4.9 x	4.8 x				
				MIN		0.0		-46%	0%	61	-9%	-15%	0.9 x	0.9 x				
				MAX		46.6		-3%	78%	107,132	99%	73%	25.0 x	13.6 x				

Sources: Scura Paley, Capital IQ, Forrester, Tech Crunch

## Notable Announcements in New Energy

Industry Update	
US re-takes lead in clean energy investment race from China. <a href="#">Read More</a> , <a href="#">See Chart on Page 12</a>	Solar energy leads clean energy investment. <a href="#">Read More</a> , <a href="#">See Chart on Page 12</a>
Natural gas price drops to decade low \$2/m BTU. <a href="#">Read More</a>	Global oil prices will fall as tightening ends, IEA says. <a href="#">Read More</a>
Total upstream oil and gas spending to exceed \$1.6Tn by 2016. <a href="#">Read More</a>	Smart Grid Investments In Brazil to reach \$36.6Bn by 2022. <a href="#">Read More</a>
Nearly 7 GW wind capacity installed in the U.S. 2011. <a href="#">Read More</a>	U.S. hybrid and electric vehicle sales jump ~40% in March. <a href="#">Read More</a>
Japan: 200MW Solar Project Planned; FIT rates announced. <a href="#">Read More</a> , <a href="#">Read More</a>	Six solar plants worth \$2Bn to be built in Chile. <a href="#">Read More</a>
Company Update	
First Solar to cut 2,000 jobs; sells 50MW project to Enbridge. <a href="#">Read More</a> , <a href="#">Read More</a>	Areva Solar to Build Asia's Largest CSP Plant. <a href="#">Read More</a>
SunPower to take charge of more than \$50Mn for plant closure. <a href="#">Read More</a>	Wacker opens \$1.2Bn German polysilicon plant expansion. <a href="#">Read More</a>
E.ON may build 600MW of wind in Norway. <a href="#">Read More</a>	First Wind Receives \$76Mn to build wind farm in Maine. <a href="#">Read More</a>
Eletropaulo, Silver Spring team for Sao Paula smart grid project. <a href="#">Read More</a>	Landis+Gyr selected for New York smart grid project. <a href="#">Read More</a>
TVA presses ahead with Watts Bar nuclear power plant. <a href="#">Read More</a>	BAE Systems develops Structural batteries-building in power. <a href="#">Read More</a>
New Capital Update	
Clean energy M&A rises 31% in Q1 2012 to reach ~\$20Bn. <a href="#">Read More</a>	Germany plans \$79Bn in energy investments. <a href="#">Read More</a>
Wells Fargo to invest \$30Bn in green economy. <a href="#">Read More</a>	Kazanci plans \$3Bn power investment on Goldman deal. <a href="#">Read More</a>
IFC launches first green bond worth \$500Mn for U.S. investors. <a href="#">Read More</a>	Enel gets \$237m Danish loan for wind in Europe, US, Brazil. <a href="#">Read More</a>
EIB might lend \$127Mn for Chinese alternative-energy projects. <a href="#">Read More</a>	Dong to invest \$795Mn in Fossil-to-Biomass conversions. <a href="#">Read More</a>
Smart Buildings company Homaetrix targets "seven digit" Series A. <a href="#">Read More</a>	Residential solar PV leasing company Solar City to go public. <a href="#">Read More</a>

Chart 12. Investment by Country & Financing Type (\$Bn)

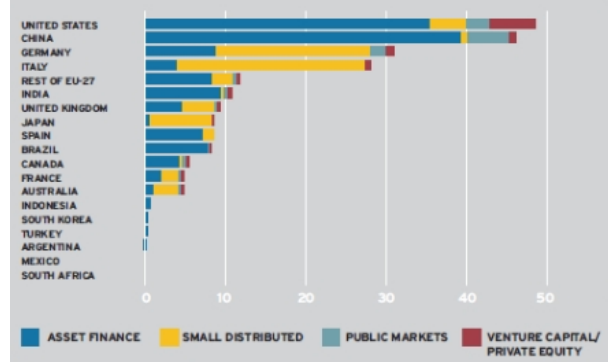


Chart 13. G-20 Investments by Technology (\$Bn)

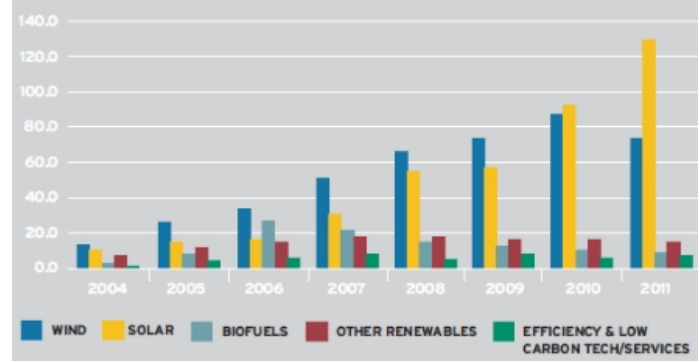


Chart 14. Scura Paley New Energy Index – Eq. Wt

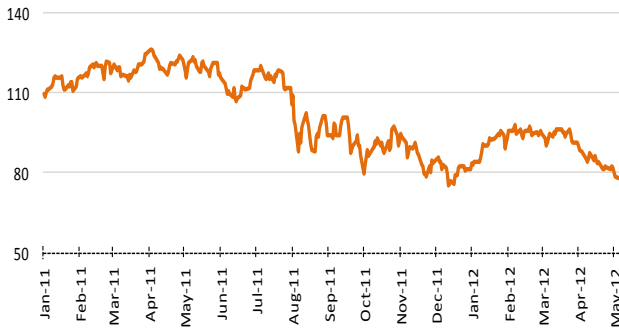


Chart 15. Scura Paley New Energy Index – vs. S&P 500

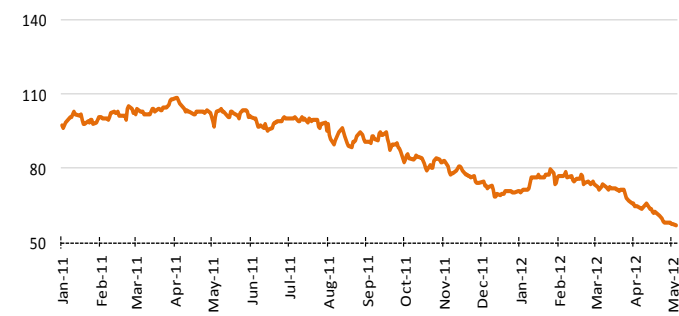


Chart 16. Comparative Analysis of New Energy

	Share Price	Mkt Cap (Mn)	Ent Val (Mn)	Shares		Price Performance		Sales				Book		Earnings				
				Out	Daily Vol	% to High	% from Low	CY11	% YY ('11)	% YY ('12)	EV/ Sales	P/ Book	CY11	CY12	P/E (CY11)	P/E (CY12)		
<b>NEW ENERGY</b>																		
<b>Solar</b>																		
1	First Solar, Inc.	FSLR	17.67	1,532	1,734	87	6.5	-88%	5%	2,885	13%	25%	0.6 x	0.5 x	5.82	3.99	3.0 x	4.4 x
2	MEMC Electronic Materials Inc.	WFR	3.32	766	2,160	231	3.8	-71%	0%	3,222	44%	-18%	0.7 x	1.0 x	0.20	0.21	16.7 x	15.8 x
3	SunPower Corporation	SPWR	5.82	688	1,071	118	1.3	-39%	18%	2,427	9%	11%	0.4 x	0.5 x	(0.16)	(0.06)	N.M.	N.M.
4	Trina Solar Limited	TSL	7.71	627	848	81	1.2	-71%	46%	1,978	6%	-10%	0.4 x	0.4 x	0.05	(0.67)	N.M.	N.M.
5	Suntech Power Holdings Co. Ltd.	STP	2.56	464	2,443	181	0.7	-71%	51%	3,067	6%	-29%	0.8 x	0.5 x	(1.05)	(1.19)	N.M.	N.M.
<b>Wind</b>																		
6	MasTec, Inc.	MTZ	17.48	1,411	1,817	81	1.0	-23%	27%	2,911	26%	12%	0.6 x	1.7 x	1.12	1.41	15.6 x	12.4 x
7	American Superconductor Corporation	AMSC	4.11	214	150	52	0.2	-66%	28%	105	-67%	24%	1.4 x	1.0 x	(1.99)	(1.06)	N.M.	N.M.
<b>BioFuel</b>																		
8	Amyris, Inc.	AMRS	2.47	139	83	56	0.5	-92%	-5%	151	89%	55%	0.5 x	1.1 x	(3.55)	(1.35)	N.M.	N.M.
9	Green Plains Renewable Energy, Inc.	GPRE	7.56	224	825	30	0.3	-37%	1%	3,481	63%	-10%	0.2 x	0.7 x	1.04	1.05	7.3 x	7.2 x
<b>Nuclear</b>																		
10	The Babcock & Wilcox Company	BWC	24.79	2,938	2,468	118	0.6	-21%	37%	2,922	9%	12%	0.8 x	3.5 x	1.29	1.73	19.2 x	14.3 x
11	USEC Inc.	USU	0.76	93	727	122	1.4	-84%	-5%	1,718	-16%	-5%	0.4 x	0.2 x	(0.40)	0.31	N.M.	2.5 x
<b>Hydro</b>																		
12	Alstom SA	ALO	34.01	10,016	14,268	295	2.2	-40%	19%	NA	NA	-	-	2.1 x	NA	NA	-	-
<b>Geothermal</b>																		
13	Ormat Technologies Inc.	ORA	19.01	864	1,778	45	0.2	-20%	35%	422	13%	12%	4.2 x	1.0 x	0.18	0.55	N.M.	34.6 x
14	LSB Industries Inc.	LXU	31.55	705	658	22	0.2	-36%	27%	789	29%	6%	0.8 x	2.8 x	3.11	3.68	10.1 x	8.6 x
<b>Smart Grid &amp; Efficiency</b>																		
15	Johnson Controls Inc.	JCI	31.56	21,467	28,002	680	2.8	-26%	30%	41,804	18%	6%	0.7 x	1.9 x	2.49	2.90	12.7 x	10.9 x
16	Creo, Inc.	CREE	32.88	3,802	3,092	116	3.6	-27%	62%	1,041	2%	27%	3.0 x	1.3 x	1.06	1.19	31.1 x	27.7 x
17	Itron, Inc.	ITRI	39.68	1,586	1,885	40	0.4	-29%	48%	2,375	5%	-6%	0.8 x	1.9 x	4.11	3.97	9.7 x	10.0 x
<b>Storage &amp; Fuel Cell</b>																		
18	Polypore International Inc.	PPO	38.50	1,790	2,421	46	0.9	-48%	14%	769	25%	6%	3.1 x	3.5 x	2.30	2.46	16.8 x	15.6 x
19	EnerSys	ENS	33.41	1,595	1,765	48	0.3	-11%	93%	2,228	19%	7%	0.8 x	1.7 x	2.70	3.22	12.4 x	10.4 x
20	Maxwell Technologies Inc.	MXWL	9.17	265	245	29	0.5	-57%	4%	158	29%	28%	1.6 x	4.6 x	0.03	0.48	N.M.	19.0 x
21	A123 Systems, Inc.	AONE	1.16	170	185	147	1.0	-81%	41%	160	64%	44%	1.2 x	0.4 x	(1.87)	(1.45)	N.M.	N.M.
22	FuelCell Energy Inc.	FCEL	1.16	192	232	166	1.7	-41%	45%	127	53%	26%	1.8 x	NM	(0.29)	(0.15)	N.M.	N.M.
<b>Advanced Fossil Fuel</b>																		
23	Westport Innovations Inc.	WPT	27.45	1,506	1,506	55	0.1	-45%	42%	245	70%	67%	6.1 x	10.0 x	(0.93)	(0.41)	N.M.	N.M.
24	Clean Energy Fuels Corp.	CLNE	17.94	1,548	1,570	86	1.4	-28%	99%	280	32%	32%	5.6 x	3.1 x	(0.43)	(0.61)	N.M.	N.M.
25	Fuel Systems Solutions, Inc.	FSYS	16.62	333	267	20	0.8	-43%	8%	405	-6%	8%	0.7 x	1.4 x	0.36	0.51	46.2 x	32.6 x
<b>TOTAL / AVG</b>				2,289	2,970		1.0	-45%	33%	3,162	22%	15%	1.6 x	2.1 x				
<b>MIN</b>							0.1	-92%	-5%	105	-67%	-29%	0.2 x	0.2 x				
<b>MAX</b>							3.6	-11%	99%	41,804	89%	67%	6.1 x	10.0 x				

Sources: Scura Paley, Capital IQ, Renewable Energy World

## Notable Announcements in New Environment

Industry Update	
Frack Water Treatment market to grow 9x to \$9Bn in 2020. <a href="#">Read More</a> , <a href="#">See Chart on Page 14</a>	US Satellite Imaging Services market to reach \$735Mn in 2012. <a href="#">Read More</a> , <a href="#">See Chart on Page 14</a>
US ethanol growth to boost fuel additives to \$1.6Bn by 2016. <a href="#">Read More</a>	Worldwide measles deaths drop 74% in ten years. <a href="#">Read More</a>
Rare earths production unlikely to match exploding demand. <a href="#">Read More</a>	\$8.4Bn rare earth deposit discovered in Brazil. <a href="#">Read More</a>
Kazakhstan and Japan to jointly develop rare earths. <a href="#">Read More</a>	China's monopoly over rare earths to continue. <a href="#">Read More</a>
US' largest 100 Agri Co-ops post near-record sales, margins. <a href="#">Read More</a>	More hospitals say capital spending is down – GPO study. <a href="#">Read More</a>
Company Update	
Spacelabs wins \$3.5Mn contract for patient monitoring solutions. <a href="#">Read More</a>	Thermo Fisher in European distribution pact with Nanosphere. <a href="#">Read More</a>
Varian and Siemens sign global partnership agreement. <a href="#">Read More</a>	Precision Optics receives order for endoscopes. <a href="#">Read More</a>
Planetary Resources, world's first asteroid mining co. launched. <a href="#">Read More</a>	Lynas launches legal action in Malaysia. <a href="#">Read More</a>
Honda launching rare earth recycling program. <a href="#">Read More</a>	Philips works on reducing its rare earth dependence. <a href="#">Read More</a>
Dupont taps Fagen Iowa cellulosic ethanol biorefinery construction. <a href="#">Read More</a>	Galten Biodiesel, Neste Oil sign jatropha oil deal. <a href="#">Read More</a>
New Capital Update	
Pfizer sells nutrition business to Nestlé for \$11.9 billion. <a href="#">Read More</a>	Watson Pharmaceuticals buys Actavis for €4.25Bn. <a href="#">Read More</a>
AstraZeneca to buy Ardea for \$1.3 billion. <a href="#">Read More</a>	Hologic to buy Gen-Probe for \$3.7 billion. <a href="#">Read More</a>
Novartis to invest \$550Mn in new Swiss plant. <a href="#">Read More</a>	Processing plant to cost \$302Mn - 33% of Avalon's RE capex. <a href="#">Read More</a>
Pacific Ethanol seeks to raise \$100Mn. <a href="#">Read More</a>	UK chooses managers for £80Mn waste funding. <a href="#">Read More</a>
BASF leads \$60Mn deal for US desalination company NanoH2O. <a href="#">Read More</a>	EIB issues \$148Mn climate bond. <a href="#">Read More</a>

Chart 17. Frack Water Treatment Market (\$Bn)

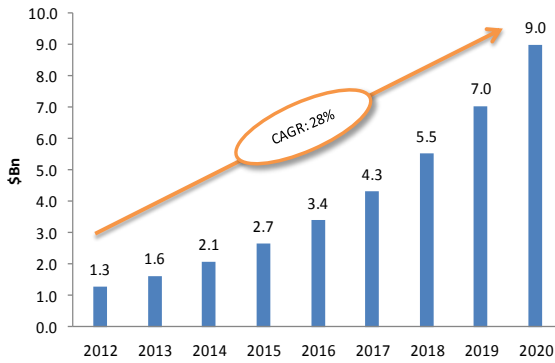


Chart 18. US Satellite Imaging Services Market (\$Mn)

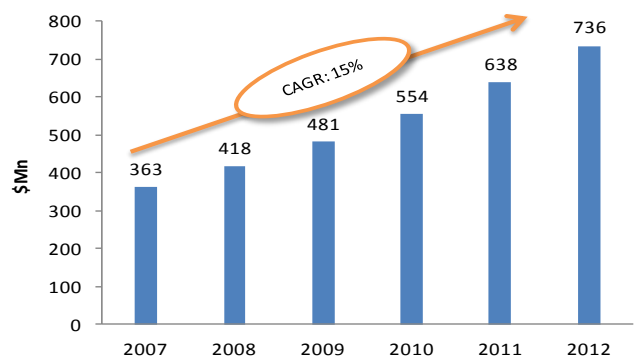


Chart 19. Scura Paley New Environment Index – Eq. Wt

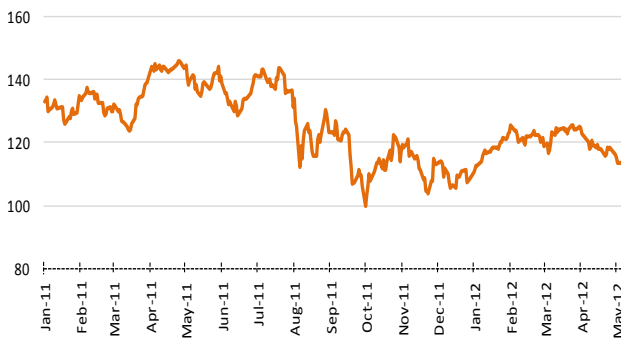


Chart 20. Scura Paley New Environment Index – vs. S&P 500



Chart 21. Comparative Analysis of New Environment

	Share Price	Mkt Cap (Mns)	Ent Val (Mns)	Shares		Price Performance		Sales				Book	Earnings					
				Out	Daily Vol	% to High	% from Low	CY11	% YY ('11)	% YY ('12)	EV/ Sales	P/ Book	CY11	CY12	P/E (CY11)	P/E (CY12)		
<b>NEW ENVIRONMENT</b>																		
<b>Waste</b>																		
1	Waste Management, Inc.	WM	34.01	15,744	25,766	463	2.8	-14%	23%	13,290	6%	4%	1.9 x	2.7 x	2.11	2.25	16.1 x	15.1 x
2	Waste Connections Inc.	WCN	31.68	3,908	4,814	123	0.7	-12%	9%	1,502	14%	8%	3.2 x	2.6 x	1.47	1.52	21.6 x	20.8 x
3	Clean Harbors, Inc.	CLH	61.62	3,279	3,570	53	0.9	-14%	37%	1,919	11%	17%	1.9 x	3.9 x	2.08	2.56	29.6 x	24.1 x
4	US Ecology, Inc.	ECOL	16.92	309	337	18	0.1	-25%	14%	152	45%	10%	2.2 x	4.0 x	0.95	1.16	17.9 x	14.6 x
5	EnergySolutions, Inc	ES	3.97	354	919	89	0.5	-33%	44%	1,799	3%	2%	0.5 x	1.4 x	0.32	0.34	12.5 x	11.6 x
<b>Recycling</b>																		
6	Darling International Inc.	DAR	15.95	1,876	2,117	118	0.9	-19%	42%	1,792	147%	-5%	1.2 x	2.2 x	1.55	1.35	10.3 x	11.8 x
7	Heritage-Crystal Clean, Inc	HCCI	20.85	370	403	18	0.1	-8%	57%	146	30%	53%	2.8 x	3.9 x	0.17	0.62	N.M.	33.8 x
<b>Water</b>																		
8	Flowserve Corp.	FLS	111.30	6,084	6,421	55	0.6	-12%	67%	4,497	12%	7%	1.4 x	2.7 x	7.86	8.65	14.2 x	12.9 x
9	CLARCOR Inc.	CLC	48.62	2,443	2,320	50	0.2	-10%	24%	1,123	11%	7%	2.1 x	2.8 x	2.37	2.66	20.5 x	18.3 x
10	Watts Water Technologies, Inc.	WTS	34.03	1,250	1,410	37	0.3	-20%	40%	1,438	13%	6%	1.0 x	1.6 x	2.22	2.58	15.3 x	13.2 x
11	Franklin Electric Co. Inc.	FELE	48.52	1,134	1,211	23	0.1	-10%	48%	825	16%	13%	1.5 x	2.5 x	2.69	2.96	18.1 x	16.4 x
12	Calgon Carbon Corporation	CCC	14.32	814	833	57	0.3	-19%	10%	542	12%	9%	1.5 x	2.2 x	0.74	0.82	19.4 x	17.6 x
13	Aegion Corporation	AEGN	17.87	687	840	38	0.1	-33%	71%	946	3%	12%	0.9 x	1.0 x	0.89	1.50	20.2 x	11.9 x
14	Aenergy Recovery, Inc.	ERII	2.21	115	87	52	0.2	-33%	13%	30	-35%	33%	2.9 x	1.1 x	(0.32)	(0.18)	N.M.	N.M.
<b>Crop Mgmt/Fertilizers</b>																		
15	Monsanto Co.	MON	72.83	38,850	37,866	533	2.5	-13%	24%	12,016	13%	11%	3.2 x	3.4 x	3.09	3.65	23.6 x	19.9 x
16	Potash Corp. of Saskatchewan, Inc.	POT	42.15	36,204	40,494	859	3.5	-33%	10%	8,515	41%	1%	4.8 x	4.8 x	3.63	3.64	11.6 x	11.6 x
17	Syngenta AG	SYNN	342.69	31,284	32,567	91	0.2	-4%	49%	13,308	14%	7%	2.4 x	4.1 x	19.22	21.97	17.8 x	15.6 x
18	The Mosaic Company	MOS	51.19	21,779	19,690	425	2.8	-31%	14%	11,359	34%	-9%	1.7 x	1.9 x	4.37	4.29	11.7 x	11.9 x
19	Agrium Inc.	AGU	84.70	13,369	14,412	158	0.6	-6%	32%	15,204	42%	3%	0.9 x	2.1 x	8.81	9.39	9.6 x	9.0 x
20	Origin Agritech Limited	SEED	1.71	40	31	23	0.1	-78%	0%	-	-	-	-	1.4 x	-	-	-	-
<b>Rare Earth Elements</b>																		
21	Molycorp, Inc.	MCP	26.14	2,520	2,300	96	1.9	-64%	13%	393	1019%	40%	5.8 x	3.4 x	1.54	0.91	17.0 x	28.9 x
22	Rare Element Resources Ltd.	RES	4.77	211	150	44	0.1	-64%	50%	0	-	-	-	4.4 x	-	-	-	-
<b>Human Health</b>																		
23	Novavax, Inc.	NVAX	1.44	168	148	117	1.3	-42%	27%	16	4561%	99%	9.3 x	2.6 x	(0.20)	(0.21)	N.M.	N.M.
24	Harvard Bioscience Inc.	HBIO	4.01	115	98	29	0.0	-34%	10%	108	0%	11%	0.9 x	1.2 x	0.21	0.22	19.0 x	18.1 x
25	Transgenomic Inc.	TBIO	0.91	65	72	72	0.1	-51%	30%	32	59%	15%	2.3 x	4.1 x	(0.16)	(0.07)	N.M.	N.M.
<b>TOTAL / AVG</b>				7,319	7,955		0.8	-27%	30%	3,790	264%	15%	2.4 x	2.7 x				
<b>MIN</b>							0.0	-78%	0%	0	-35%	-9%	0.5 x	1.0 x				
<b>MAX</b>							3.5	-4%	71%	15,204	4561%	99%	9.3 x	4.8 x				

Sources: Scura Paley, Capital IQ, Lux Research, Satellites Market.com

## Notable Announcements in New Finance

Industry Update	
Equipment Leasing & Finance Confidence Index rises to 62.1. <a href="#">Read More</a> , <a href="#">See Chart on Page 16</a>	New Credit at highest point since 2008 – Equifax. <a href="#">Read More</a>
US auto sales tracking at 14.4Mn units, lease volume growing. <a href="#">Read More</a> , <a href="#">Read More</a>	Medical equipment leasing to reach \$56Bn by 2017. <a href="#">Read More</a>
Manufacturing activity expands for the 33 <sup>rd</sup> consecutive month. <a href="#">Read More</a>	Business loans increased in March, reaching \$6.8Bn. <a href="#">Read More</a>
Rouse Rental report: Equipment OLV's and FLV's rose in March. <a href="#">Read More</a> , <a href="#">See Chart on Page 16</a>	Home Price Index posts first annual gain since 2007. <a href="#">Read More</a>
Fed: Interest rates to remain low; economy to improve. <a href="#">Read More</a>	Fed: Banks have until 2014 to comply with Volcker rule. <a href="#">Read More</a>
Company Update	
Ford leads \$3.15Bn of planned auto-backed bonds. <a href="#">Read More</a>	Embraer and ICBC unit partner to offer \$2.5Bn in aircraft finance. <a href="#">Read More</a>
Air Lease is about to place \$4B order with Airbus, CEO says. <a href="#">Read More</a>	Qatar Telecom reaches out for \$2Bn billion loan. <a href="#">Read More</a>
GE midmarket lending pipeline expands 16% amid U.S. growth. <a href="#">Read More</a>	GE Capital lends \$225Mn loan to 84 Lumber. <a href="#">Read More</a>
Tensar announces closure of \$175Mn restructured credit facility. <a href="#">Read More</a>	Cameron pays \$270Mn for TTS' drilling-machinery unit. <a href="#">Read More</a>
Chrysler won't renew deal with Ally Financial. <a href="#">Read More</a>	Goldman said to plan trading system for corporate bonds. <a href="#">Read More</a>
New Capital Update	
VCs invested \$5.8Bn in 758 deals in Q1 2012. <a href="#">Read More</a>	New Mountain completes \$1.3Bn AwWINS recapitalization. <a href="#">Read More</a>
Carlyle's IPO raises \$671M after pricing below original range. <a href="#">Read More</a>	EverBank reduces shares for sale by 24% one day before IPO. <a href="#">Read More</a>
Brazilian I-bank BTG Pactual raises \$1.96Bn through IPO. <a href="#">Read More</a>	Goldman Sachs to raise \$2.5Bn by selling ICBC shares. <a href="#">Read More</a>
Caterpillar to sell part of Bucyrus distribution business for \$400Mn. <a href="#">Read More</a>	HIG Capital invests \$100Mn in mortgage provider A10. <a href="#">Read More</a>
PE firms eyeing Dexia Asset Management for €750Mn. <a href="#">Read More</a>	U.K. to sell stake in Actis for \$13Mn. <a href="#">Read More</a>

Chart 22. Equipment Finance Confidence Index – April

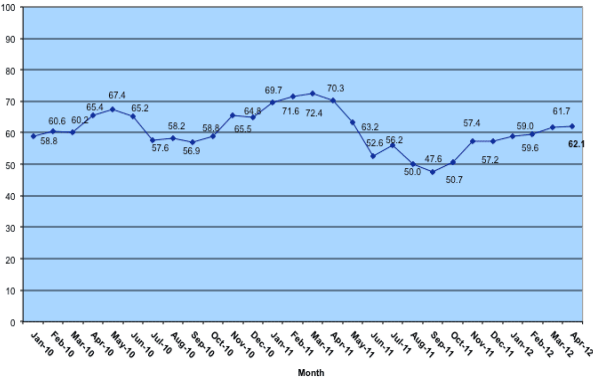


Chart 23. Used Equipment Index – March

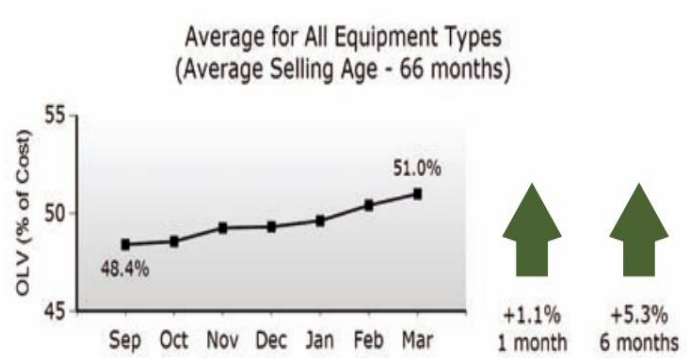


Chart 24. Scura Paley New Finance Index – Eq. Wt

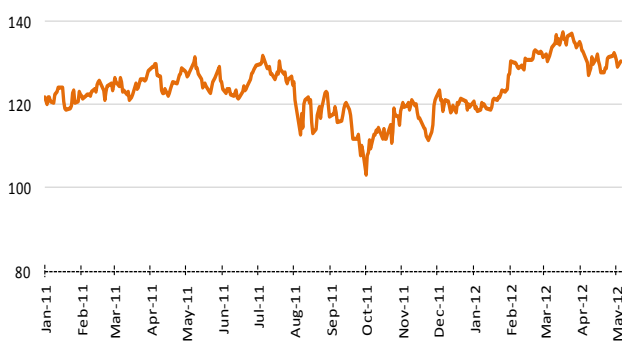


Chart 25. Scura Paley New Finance Index – vs. S&P 500

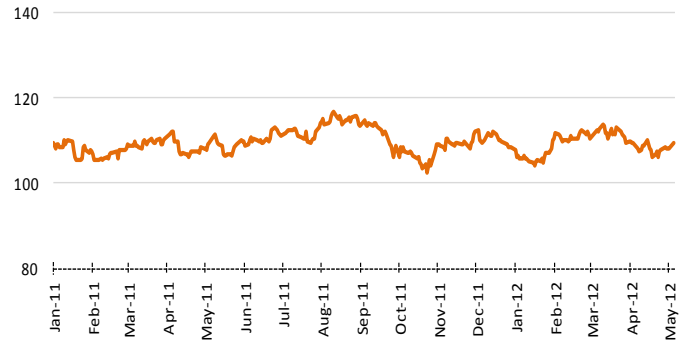


Chart 26. Comparative Analysis of New Finance

	Share Price	Mkt Cap (Mns)	Ent Val (Mns)	Shares		Price Performance		Sales				Book	Earnings					
				Out	Daily Vol	% to High	% from Low	CY11	% YY (11)	% YY (12)	EV/ Sales	P/ Book	CY11	CY12	P/E (CY11)	P/E (CY12)		
<b>NEW FINANCE</b>																		
<b>Student Loan</b>																		
1	SLM Corporation	SLM	13.92	6,886	179,790	495	2.4	-19%	28%	3,024	10%	-5%	59.5 x	1.5 x	1.81	2.13	7.7 x	6.5 x
2	MRU Holdings, Inc.	UNCLQ	0.00	0	-	32	0.0	-85%	933%	-	-	-	-	NM	-	-	-	-
3	NetNet, Inc.	NNI	24.28	1,141	25,460	47	0.1	-11%	47%	744	3%	3%	34.2 x	1.1 x	4.30	4.60	5.6 x	5.3 x
4	First Marblehead Corp.	FMD	0.99	101	(110)	102	0.1	-52%	19%	25	-86%	84%	-4.4 x	0.4 x	3.87	4.71	0.3 x	0.2 x
<b>Auto Loan</b>																		
5	Credit Acceptance Corp.	CACC	86.79	2,224	3,300	26	0.1	-19%	53%	524	36%	13%	6.3 x	3.9 x	6.95	8.12	12.5 x	10.7 x
6	Nicholas Financial Inc.	NICK	13.29	159	258	12	0.0	-8%	46%	-	-	-	-	1.2 x	-	-	-	-
7	White River Capital Inc	RVR	22.50	80	160	4	0.0	-19%	33%	-	-	-	-	1.1 x	-	-	-	-
8	Consumer Portfolio Services, Inc.	CPSS	1.80	35	878	19	0.0	-20%	109%	133	240%	43%	6.6 x	NM	(0.91)	0.10	N.M.	18.0 x
<b>Equipment Leasing</b>																		
9	MicroFinancial Inc.	MFI	7.08	101	100	14	0.0	-9%	43%	-	-	-	-	0.0 x	0.62	0.74	11.4 x	9.6 x
10	Marlin Business Services Corp.	MRLN	14.24	181	213	13	0.1	-14%	52%	45	9%	36%	4.7 x	1.0 x	0.46	0.78	31.2 x	18.2 x
11	Aircastle LTD	AYR	12.21	882	3,779	72	0.5	-16%	43%	601	10%	6%	6.3 x	0.6 x	1.20	1.41	10.2 x	8.7 x
12	Willis Lease Finance Corp.	WLFC	12.90	118	862	9	0.0	-13%	30%	155	6%	3%	5.6 x	0.5 x	1.18	-	10.9 x	-
<b>Payday Loans</b>																		
13	Western Capital Resources, Inc.	WCRS	0.06	0	1	5	0.0	-39%	323%	-	-	-	-	0.0 x	-	-	-	-
14	Xponential Inc.	XPOI	0.10	0	29	3	0.0	-67%	100%	-	-	-	-	NM	-	-	-	-
15	QC Holdings, Inc.	QCCO	4.25	76	92	18	0.0	-15%	70%	-	-	-	-	0.9 x	-	-	-	-
16	First Cash Financial Services Inc.	FCFS	39.82	1,139	1,131	29	0.2	-24%	20%	524	24%	17%	2.2 x	3.8 x	2.25	2.71	17.7 x	14.7 x
17	Cash America International, Inc.	CSH	44.92	1,319	1,668	29	0.5	-28%	12%	1,486	15%	16%	1.1 x	1.4 x	4.27	4.94	10.5 x	9.1 x
18	EZCORP, Inc.	EZPW	25.32	1,276	1,395	50	0.3	-35%	0%	901	18%	16%	1.5 x	1.7 x	2.69	3.00	9.4 x	8.4 x
<b>Small Consumer Loan</b>																		
19	World Acceptance Corp.	WRLD	68.32	1,012	1,281	15	0.2	-9%	28%	532	11%	8%	2.4 x	2.4 x	6.22	7.45	11.0 x	9.2 x
20	Medallion Financial Corp.	TAXI	11.46	206	525	18	0.1	-9%	35%	-	-	-	-	1.2 x	1.03	1.16	11.1 x	9.9 x
21	DFC Global Corp.	DLLR	15.90	702	1,438	44	0.6	-36%	2%	956	40%	19%	1.5 x	1.4 x	1.88	2.29	8.4 x	6.9 x
22	CompuCredit Holdings Corp.	CCRT	5.72	135	440	24	0.0	-6%	162%	-	-	-	-	1.6 x	-	-	-	-
<b>Life Settlement</b>																		
23	Imperial Holdings, Inc.	IFT	4.07	86	95	21	0.1	-61%	175%	70	91%	-	1.3 x	0.4 x	0.06	(0.07)	67.8 x	N.M.
24	Life Partners Holdings, Inc.	LPHI	2.46	46	28	19	0.0	-73%	16%	-	-	-	-	1.1 x	-	-	-	-
<b>TOTAL / AVG</b>																		
			746	9,688		0.2		-28%	99%	694	30%	20%	-	1.3 x				
						0.0		-85%	0%	25	-86%	3%	-4.4 x	0.0 x				
						0.6		-6%	933%	1,486	240%	84%	34.2 x	3.9 x				

Sources: Scura Paley, Capital IQ, Equipment Leasing and Finance Foundation, Rouse Asset Services



## Notable Announcements in New Media

Industry Update	
U.S. Internet Ad revenues hit \$31Bn in 2011, up 22% over 2010. <a href="#">Read More</a> , <a href="#">See Chart on Page 18</a>	Google tops U.S. web properties for March 2012 - comScore. <a href="#">Read More</a> , <a href="#">See Chart on Page 18</a>
Global IPTV subscriptions closed in on 60Mn at the end of 2011. <a href="#">Read More</a>	Travel sites grow 10% to 69.7Mn uniques; Tripadvisors leads. <a href="#">Read More</a>
Global average internet connection speed drops 14% to 2.3Mbps. <a href="#">Read More</a>	69% tablet owners watch TV and surf The Web simultaneously. <a href="#">Read More</a>
U.S. Hispanics top in mobile, social activity – Nielsen. <a href="#">Read More</a>	UK – largest EU5 mobile gaming market with 14.2Mn gamers. <a href="#">Read More</a>
Google, Facebook spent record amounts on D.C. lobbying In Q1. <a href="#">Read More</a>	U.S. House passes controversial CISPA Cybersecurity Bill. <a href="#">Read More</a>
Company Update	
Facebook’s Ad biz. booms before IPO: CPC Up 23%, CPM up 15%. <a href="#">Read More</a>	Twitter is exploring a premium version, CEO suggests. <a href="#">Read More</a>
Forrester wave for social media monitoring led by Radian6. <a href="#">Read More</a>	Opera Mini has 169Mn users, 56% only use the mobile web. <a href="#">Read More</a>
WordPress parent Automattic to make \$45Mn in Revenue in 2012. <a href="#">Read More</a>	Baidu’s Q1 revenue: \$677Mn, up 75% year-over-year. <a href="#">Read More</a>
Oxygen channel’s Social TV platform arrives on May 18. <a href="#">Read More</a>	Spotify developing a Pandora-like radio service. <a href="#">Read More</a>
Instagram passes 50Mn users, adds 5Mn a week. <a href="#">Read More</a>	StumbleUpon hits 25Mn users & is gaining 1Mn a month. <a href="#">Read More</a>
New Capital Update	
Facebook reaches 900Mn users, to go public on May 18. <a href="#">Read More</a> , <a href="#">Read More</a>	LinkedIn to buy SlideShare for \$119Mn. <a href="#">Read More</a>
Microsoft and Facebook announce \$550Mn patent agreement. <a href="#">Read More</a>	Viadeo raises \$32Mn to expand In China, Russia and beyond. <a href="#">Read More</a>
GREE acquires mobile-social game developer Funzio for \$210M. <a href="#">Read More</a>	Providence Equity selling 10% stake in Hulu for \$200Mn. <a href="#">Read More</a>
Crowdfunding: Kickstarter has raised \$200Mn from >2Mn Backers. <a href="#">Read More</a>	BranchOut hits 25Mn users, nabs \$25Mn in Series C funding. <a href="#">Read More</a>
Chernin Media Group picks up \$200Mn from Providence, others. <a href="#">Read More</a>	Avista Capital Partners takes Knology private for \$1.5Bn. <a href="#">Read More</a>

Chart 27. US Internet Advertising Revenues (\$Bn)

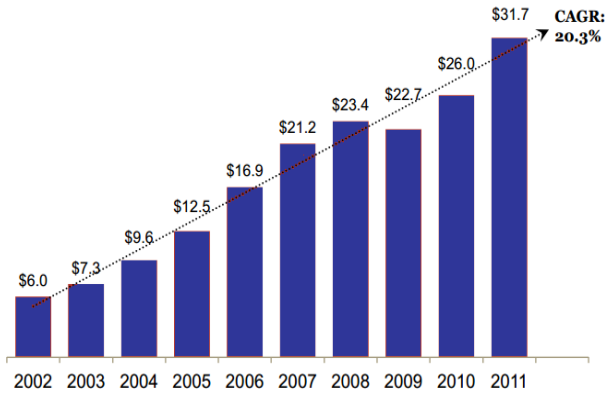


Chart 28. Top 10 US Web Properties – March 2012

Rank	Property	Unique Visitors (000)
<i>Total Internet : Total Audience</i>		224,020
1	Google Sites	189,662
2	Microsoft Sites	178,897
3	Yahoo! Sites	175,356
4	Facebook.com	158,928
5	AOL, Inc.	109,921
6	Amazon Sites	106,305
7	Ask Network	92,324
8	Wikimedia Foundation Sites	86,221
9	CBS Interactive	82,530
10	Apple Inc.	81,157

Chart 29. Scura Paley New Media Index – Eq. Wt

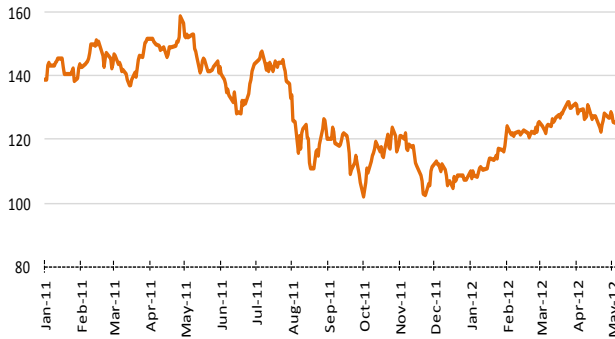


Chart 30. Scura Paley New Media Index – vs. S&P 500



Chart 31. Comparative Analysis of New Media

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	% YY (11)	% YY (12)	EV/Sales		CY11	CY12	P/E (CY11)	P/E (CY12)			
<b>Search</b>																			
1	Google Inc.	GOOG	607.55	198,077	158,168	326	2.0	-9%	28%	38,234	30%	21%	4.1 x	3.5 x	36.91	42.42	16.5 x	14.3 x	
2	Baidu, Inc.	BIDU	127.97	44,698	42,701	349	3.3	-23%	27%	2,248	87%	60%	19.0 x	21.4 x	2.98	4.69	42.9 x	27.3 x	
3	Yahoo! Inc.	YHOO	15.35	18,631	16,595	1,214	13.5	-19%	38%	4,401	-30%	0%	3.8 x	1.4 x	0.84	0.83	18.3 x	18.5 x	
4	Yandex N.V.	YNDX	22.57	7,348	6,598	326	2.9	-46%	36%	663	62%	43%	10.6 x	9.5 x	0.58	0.84	38.6 x	27.0 x	
<b>Social Networks</b>																			
5	LinkedIn Corporation	LNKD	111.48	11,516	10,895	103	4.4	-9%	99%	514	111%	68%	21.2 x	16.1 x	0.05	0.16	N.M.	N.M.	
6	TripAdvisor Inc.	TRIP	40.97	5,498	5,704	134	3.0	-8%	71%	633	31%	18%	9.0 x	16.1 x	1.37	1.29	29.9 x	31.8 x	
7	Pandora Media, Inc.	P	8.63	1,436	1,345	166	1.0	-67%	10%	276	100%	51%	4.9 x	14.4 x	(0.03)	(0.15)	N.M.	N.M.	
8	Renren Inc.	RENN	6.40	2,520	1,480	394	8.7	-64%	99%	118	54%	50%	12.5 x	1.8 x	0.00	(0.09)	N.M.	N.M.	
9	WebMD Health Corp.	WBMD	21.84	1,217	875	56	0.2	-58%	1%	557	4%	-9%	1.6 x	1.9 x	1.31	0.12	16.6 x	N.M.	
10	Ancestry.com Inc.	ACOM	25.47	1,085	1,037	43	0.5	-44%	23%	399	33%	15%	2.6 x	3.2 x	1.33	1.59	19.2 x	16.0 x	
11	Monster Worldwide, Inc.	MWW	7.75	940	901	121	2.0	-55%	22%	1,054	15%	-7%	0.9 x	0.9 x	0.40	0.27	19.6 x	29.1 x	
12	Phoenix New Media Limited	FENG	6.05	471	284	78	0.0	-60%	44%	147	83%	46%	1.9 x	2.8 x	(2.70)	0.42	N.M.	14.3 x	
13	Move, Inc.	MOVE	8.53	335	293	39	0.3	-17%	111%	195	-1%	1%	1.5 x	4.2 x	0.23	0.34	36.7 x	25.1 x	
14	XO Group Inc.	XOXO	9.26	241	164	26	0.1	-17%	39%	124	10%	10%	1.3 x	1.6 x	0.15	0.30	62.8 x	30.9 x	
15	TheStreet, Inc.	TST	1.77	57	22	32	0.0	-51%	13%	-	-	-	-	0.7 x	(0.15)	(0.15)	N.M.	N.M.	
<b>Discount Retail</b>																			
16	eBay Inc.	EBAY	40.07	51,740	47,954	1,291	11.7	-5%	49%	11,593	27%	19%	4.1 x	2.6 x	2.00	2.29	20.1 x	17.5 x	
17	priceline.com Incorporated	PCLN	737.65	36,729	34,773	50	1.0	-5%	79%	4,333	40%	28%	8.0 x	14.8 x	23.04	31.19	32.0 x	23.7 x	
18	Groupm, Inc.	GRPN	10.46	6,778	5,654	648	2.6	-66%	7%	1,592	409%	46%	3.6 x	12.7 x	(0.55)	(0.01)	N.M.	N.M.	
<b>Games</b>																			
19	Zynga, Inc.	ZNGA	8.34	6,144	5,081	737	16.7	-48%	5%	1,138	90%	21%	4.5 x	4.9 x	0.23	0.27	36.0 x	30.6 x	
20	Electronic Arts Inc.	EA	15.13	5,014	3,757	331	8.8	-42%	4%	4,171	20%	6%	0.9 x	2.3 x	0.86	1.00	17.6 x	15.1 x	
<b>Communication</b>																			
21	AOL, Inc.	AOL	24.80	2,318	2,021	93	1.4	-10%	147%	2,194	-9%	-4%	0.9 x	1.1 x	0.76	0.78	32.5 x	31.8 x	
<b>Content</b>																			
22	Walt Disney Co.	DIS	43.82	78,541	91,327	1,792	11.8	-2%	55%	41,366	6%	4%	2.2 x	2.1 x	2.57	2.99	17.0 x	14.7 x	
23	Demand Media, Inc.	DMD	8.25	660	574	80	0.3	-51%	57%	320	27%	9%	1.8 x	1.3 x	0.24	0.30	34.4 x	27.4 x	
<b>Services</b>																			
24	salesforce.com, inc	CRM	151.83	20,801	20,580	137	1.5	-8%	61%	2,259	36%	31%	9.1 x	13.6 x	1.33	1.61	N.M.	N.M.	
25	IAC/InterActiveCorp.	IACI	49.11	4,012	3,441	82	1.3	-7%	45%	2,029	24%	24%	1.7 x	2.1 x	2.11	2.65	23.3 x	18.5 x	
<b>TOTAL / AVG</b>				20,272	18,505		4.0		-32%	47%	5,023	52%	23%	5.5 x	6.3 x				
			<b>MIN</b>				0.0		-67%	1%	118	-30%	-9%	0.9 x	0.7 x				
			<b>MAX</b>				16.7		-2%	147%	41,366	409%	68%	21.2 x	16.1 x				

Sources: Scura Paley, Capital IQ, PwC & Interactive Advertising Bureau, comScore Media Matrix

## Appendix

### The Current U.S. Gaming Market – State wise

Chart 32. U.S. States & the Current Gaming Market

State	Land-based	Riverboat	Native American	Limited stakes	Lottery	Pari-mutuel	Bingo
Alabama			✓			D	✓
Alaska			✓				✓
Arizona			✓		✓	D	✓
Arkansas					✓	D	✓
California			✓		✓	D	✓
Colorado	✓		✓	✓	✓	D	✓
Connecticut			✓		✓	D	✓
Delaware					✓	D,H	✓
Florida			✓		✓	D,H	✓
Georgia					✓		✓
Hawaii							
Idaho			✓		✓	D	✓
Illinois		✓			✓	D	✓
Indiana	✓	✓			✓	D,H	✓
Iowa	✓	✓	✓		✓	D,H	✓
Kansas	✓		✓		✓	D	✓
Kentucky					✓	D	✓
Louisiana	✓	✓	✓		✓	D,H	✓
Maine					✓	D,H	✓
Maryland					✓	D	✓
Massachusetts					✓	D	✓
Michigan	✓		✓		✓	D	✓
Minnesota			✓		✓	D	✓
Mississippi	✓	✓	✓				✓
Missouri		✓	✓		✓	D	✓
Montana			✓		✓	D	✓
Nebraska			✓		✓	D	✓
Nevada	✓		✓			D	✓
New Hampshire					✓	D	✓
New Jersey	✓				✓	D	✓
New Mexico			✓		✓	D,H	✓
New York			✓		✓	D,H	✓
North Carolina			✓		✓		✓
North Dakota			✓		✓	D	✓
Ohio					✓	D	✓
Oklahoma			✓		✓	D,H	✓
Oregon			✓		✓	D	✓
Pennsylvania	✓				✓	D,H	✓
Rhode Island					✓	D,H	✓
South Carolina					✓		✓
South Dakota	✓		✓	✓	✓	D	✓
Tennessee					✓	D	✓
Texas			✓		✓	D	✓
Utah							
Vermont					✓	D	✓
Virginia					✓	D	✓
Washington			✓		✓	D	✓
Washington, D.C.					✓		✓
West Virginia					✓	D,H	✓
Wisconsin			✓		✓	D	✓
Wyoming			✓			D	✓
	(11)	(6)	(29)	(2)	(43)	(42)	(48)

Sources: Scura Paley, E&Y – The 2011 Global Gaming Bulletin, State Regulatory Agencies

- D, H, racino state
- Racino — a racetrack facility that has been modified to include slot machines, electronic gaming devices or video lottery terminals. The racetrack may conduct either horse racing (H) or dog racing (D) (greyhound) events
- Note: other states considering legislation for the operation of racinos include: Kansas, Kentucky, Maryland, New Hampshire and Texas. (Ohio — casinos being built and games at racetracks soon).

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