Charles Stanley SECURITIES

Flash note

21 November 2014

Oil & Gas
FTSE AIM All-Share

Parkmead Group

Company update

Buy (n/c)

Price	156p
Price target	347p (380p)
12m high/low	294.5p / 154.5p
Market cap.	£137m
Net cash	£46m
Enterprise value	£91m
Free float	68%
Avg. daily volume	160k
Shares in issue	87.7m
Company code	PMG.L

Next news	n.a.
Confidence in estimates	Medium
Expected movement in estimates	◄►

Adviser	Yes
Broker	Yes
NOMAD	Yes

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Share price performance (1 year)

	1m	3m	12
– Price	-8.3	5.3	23.
– Rel all share	-5.4	7.0	17.

Source: Thomson Datastream

28th Licensing Round and Financial Results

We believe the major surprise of the 28th Licensing Round for Parkmead was the award of a 50% interest in, and operatorship of, two crude oil discoveries – Polecat and Marten. From a valuation perspective, the award of these discoveries compares to the success of two high-impact exploration wells. In our opinion, both discoveries can only be developed through the Parkmead-operated Perth, Dolphin, Lowlander ("PDL") hub project, a dedicated sour crude oil project. Through the licensing round, Parkmead also expanded its position in respect of the Perth field and Skerryvore oil prospect through the award of adjacent blocks. Additionally, the company acquired seven new exploration prospects with potentially four more exploration blocks to come in the West of Shetlands and the Southern North Sea in the second tranche of the awards under the 28th Round. In respect of the financial results announced today, maiden full year earnings, strong cash flow from operations and a cash balance of £46 million are consistent with our expectations and provide clear evidence of the company's growing strength.

- **Operator:** Parkmead will operate all six licences awarded to it in the 28th Licensing Round, which provides a ringing endorsement of the company's standing with DECC and the industry at large.

- **Limited commitments:** Capital commitments in respect of the licences awarded to Parkmead are limited to modest geological and geophysical costs and a single contingent well.

- **Crude oil prices:** In light of the recent subdued oil price environment, we are lowering our Brent crude oil price estimate to $85/bbl from $100/bbl for the time being.

- **Target price:** Our revised target price of 347p/share reflects Charles Stanley's lower crude oil price estimate as well as the acquisition of discovered oil in the 28th Licensing Round. Our target price reflects the value of discovered assets (192.6 p/share), balance sheet adjustments (61.3 p/share) and exploration prospects (93.1p/share). A detailed valuation table is provided on page 8 of this note. We reiterate our Buy recommendation.

- **Opportunistic and strong:** Parkmead keeps a long-term perspective on crude oil prices and sees a subdued crude oil market as an opportunity to exploit its relative strength through opportunistic acquisitions.

Key financial data (£m) – IFRS

Year to June	2012A	2013A	2014A	2015E	2016E
Production (boe/d)	250	261	1,132	2,339	2,215
Oil production / total production	0%	0%	82%	88%	83%
Revenue (£m)	2.9	4.1	24.7	37.4	34.8
EBITDA (£m)	-5.5	-5.6	6.6	17.0	14.3
Operating cash flow (£m)	-1.0	-1.4	8.7	16.0	11.2
Earnings (£m)	-4.9	-5.6	1.2	0.6	-3.5
Brent oil price ($/bbl)	112.41	108.67	109.20	85.42	87.13
UK natural gas price ($/mcf)	9.23	10.40	11.26	11.44	11.67

Please see important disclaimers and disclosures on page 10

Parkmead: Taking Stock

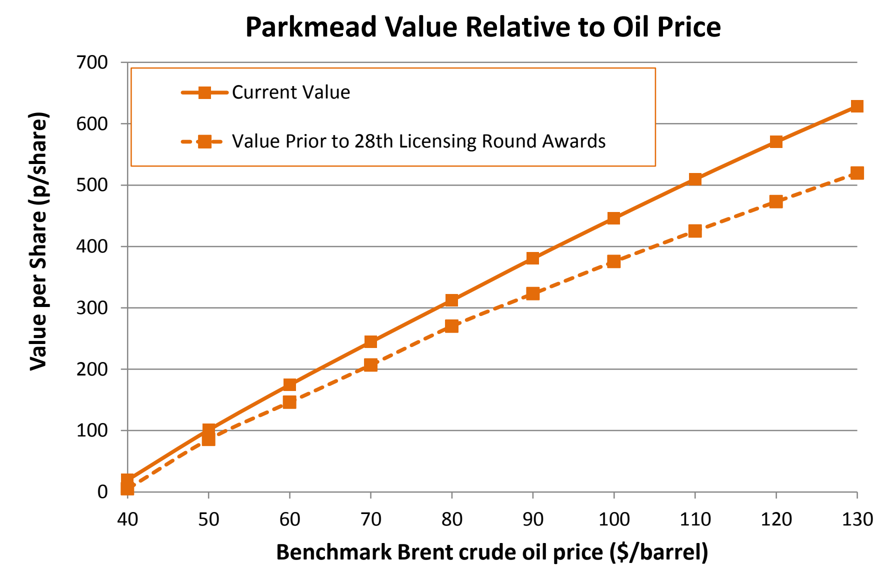
- **Hub strategy:** Since its days of running Dana Petroleum plc, Parkmead's management team has been focused on a "hub-building strategy" which means that it plans on getting a foothold in strategically important areas in terms of i) discovered oil and gas ii) prolific reservoirs iii) existing infrastructure and iv) opportunities to improve the existing production profile of the area. The successful outcome of the 28th Licensing Round, and in particular the award of the Polecat and Marten oil discoveries, provide clear evidence that the hub strategy is already working in respect of the company's central asset, the PDL hub, which the company operates.

- **Value creation:** We believe that investors can take tremendous satisfaction from the fact that Parkmead's management team has largely offset the effect of the \$15/bbl reduction in our oil price estimates with value created through the largely unexpected success of the 28th Licensing Round awards. The chart below provides a very clear visual image of the value being created by Parkmead at any given crude oil price.

We believe that Parkmead is head and shoulders above the pack in terms of its management team, assets and strategy. Increasingly, we believe that the quality of Parkmead's management team should be given more relative weight in the company's investment thesis because in challenging periods not all management teams can turn adversity into opportunity.

In our opinion, the pace with which Parkmead is increasing its value per share (represented by the solid orange line in the chart) is unrivalled amongst its European peers. It is noteworthy that Parkmead is able to grow its value per share with i) prudent use of capital and ii) a controlled and systematic approach to exploration risk.

Value created by Parkmead from the 28th Licensing Round awards



Source: Charles Stanley Securities

- **Operatorship**: Parkmead was appointed operator of all the licences awarded to it through both the 27th and 28th Licensing Rounds. Operatorship gives Parkmead three clear advantages: 1) control of the project development plan and therefore development costs 2) regulation of the timing of any major capital outlays and 3) a substantial increase in the strategic asset value for potential acquirers.

- **Financial results**: Revenue, EBITDA, cash flow and the period-end cash balance were in line with expectations. We are delighted that, as expected, the company announced a maiden full-year profit in 2014. We believe that this is an extraordinary achievement considering the company only started as an oil & gas player in November 2011. Detailed historical financial statements and projections are provided on page 9. Of note, the company has £46.3 million of cash and, in our opinion, substantial borrowing capacity against its existing assets.

Polecat and Marten Asset Summary

Polecat and Marten are located in Blocks 20/3c and 20/4a which are 50% held and operated by Parkmead. The remaining 50% is held by Atlantic Petroleum. The blocks are in the second term of a traditional licence, therefore the work programme consists of development studies that will lead to a design concept selection and a field development plan submission to DECC within four years.

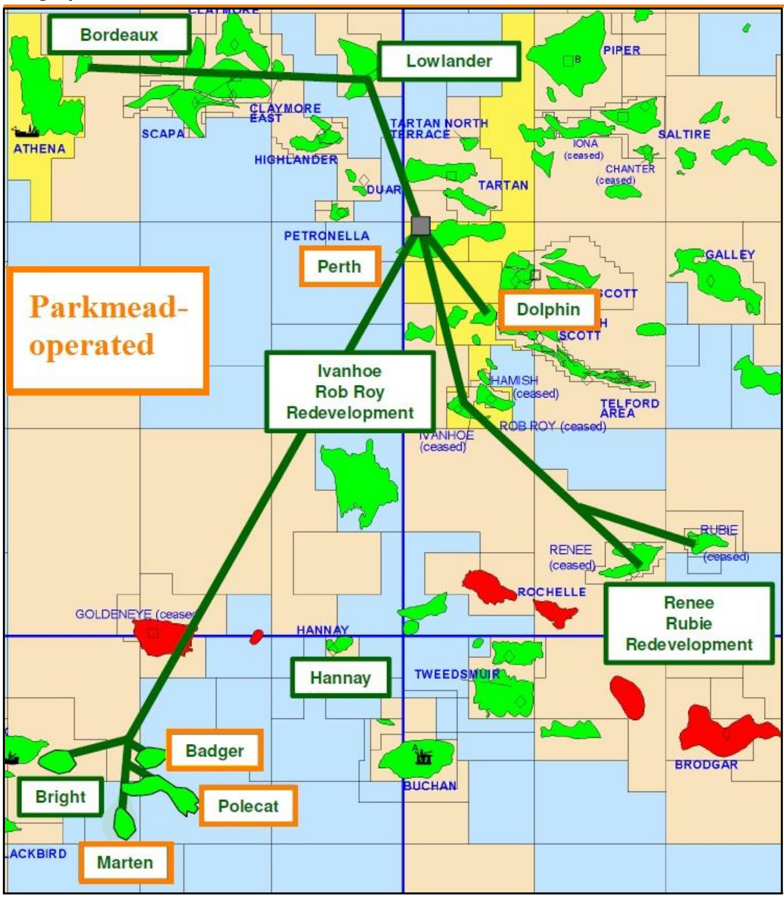
The blocks are located in the Outer Moray Firth, 130km northeast of Aberdeen. The blocks are 13km east of the Ettrick Field, a field acquired by Parkmead's management team whilst at Dana Petroleum, with the Buzzard field 23km to the west. We estimate that the field is approximately 55km to the southwest of Parkmead's Dolphin field and 60km to the southwest of the Perth field. Subsea tie-backs of this nature are not uncommon in the North Sea. The condensate export pipeline from Heimdal to the Central North Sea Brae 'A' platform is 117km long, for example. Water depth in the area is circa 110m.

A possible development schematic for the PDL hub is provided below. We note that in this schematic certain of the fields that could potentially be tied-into the hub are not yet part of the PDL development. The core fields that are currently expected to be tied-into the hub consist of the Parkmead operated Perth, Dolphin, Polecat and Marten fields in addition to the Faroe Petroleum-operated Lowlander field. The Badger prospect is one of the seven exploration prospects awarded to Parkmead (50%) through the 28th Licensing Round.

The award of two oil discoveries through the 28th Licensing Round is a materially positive development which, from a valuation perspective, is comparable with the successful outcome of two high-impact exploration wells.

In addition to the gain in value, we believe investors should also consider that this benefit was achieved with i) prudent use of capital and ii) a controlled and systematic approach to managing exploration risk. We believe Parkmead's careful use of capital and a systematic approach to assessing and controlling risk is becoming a defining feature of the company relative to its mid-cap peers.

Geographic Location of the Polecat and Perth Oil Fields in relation to the PDL Hub



Source: Parkmead

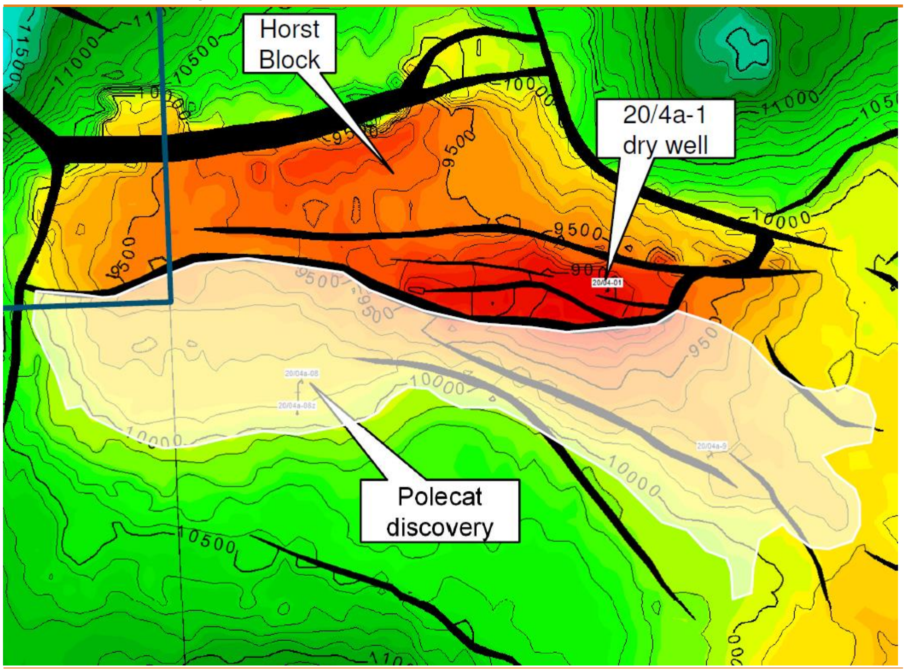
We believe that all the sour crude oil fields in the vicinity of the PDL hub must, realistically, be tied into the PDL hub or be left behind due to the technical requirements of sour crude oil. In our opinion, the acquisition of the Polecat and Marten discoveries by Parkmead represents an important milestone for the PDL hub.

Both Polecat and Marten consist of high-quality Buzzard sands (Upper Jurassic) deposited via turbidite flow in a deep marine setting. The petroleum systems that are relevant for the discoveries are very well understood in the North Sea and, in our opinion, create a robust subsurface environment for crude oil production.

Crude oil tested from the Polecat and Marten discoveries is light and sour. As a result, the fields can only be produced through purpose-built sour crude facilities (the only purpose-built infrastructure in the area is Parkmead's PDL hub). A purpose-built pipeline, which Parkmead's technical team has already designed for Dolphin and Lowlander oil export, will be required to tie Polecat and Marten into the PDL hub.

The Polecat discovery well, 20/4a-8, was made in 2005 by Nexen. In 2010, the 20/4a-9 appraisal well was drilled in the eastern side of the reservoir by the same operator. A drill stem test on the appraisal well flowed at 4,373 barrels/day (with 0.4 mmcf/d of gas). Pressure data from the wells indicated that the two productive zones in the field are in pressure communication. The northern margin of Polecat is defined by an east-west trending fault (downthrown to the south). To the south, west and east the closure is formed partly by structural closure, and partly by stratigraphic pinchout. The crest of the reservoir occurs at 9,080 feet and the oil-water contact occurs at 10,030 feet. After intersecting two productive zones with 31.5 feet of net pay, the discovery well was side-tracked downdip to the south to delineate the oil-water contact. High quality 3D seismic was acquired over Polecat in 2010, which has been used to map the field as shown in the following image.

Polecat structural map

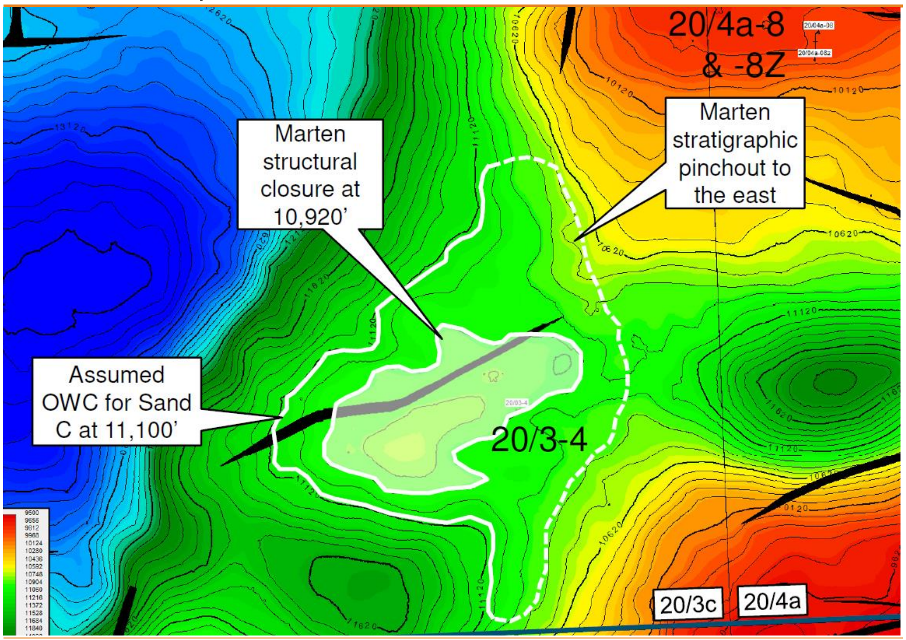


Source: Parkmead

The reservoir properties of Polecat suggest that it is a high-quality reservoir which should produce generously in accordance with expected flow rates. Good permeability (circa 205 mD) and good porosity (21%), coupled with pressure support from two planned water injection wells should favour high oil recovery rates. We have based our economic analysis on a total gross best estimate recoverable resource of 26.6 million barrels, which is consistent with Parkmead's expectations.

The Marten discovery well, 20/3-4, which was drilled by Amoco in 1984, is located 4km to the south-west of Polecat. Marten is a three-way dip closed structure to the north, south and west with a stratigraphic pinch-out to the east. The crest of the reservoir occurs at 10,723 feet. Marten is expected to produce from four productive zones. Currently, it is believed that the productive zones in Marten have a common oil water contact at 11,010 feet. The Marten discovery has been interpreted using 3D seismic. Given that Marten has only been penetrated by a single well-bore, the location of the oil-water contact and stock tank oil-initially-in-place are less clear than for Polecat. A structural map of Marten is provided in the following image.

Marten structural map



Source: Parkmead

Due to Marten's excellent reservoir properties, a development programme with a single injector well is expected to generate an above average recovery rate and a best-estimate ultimate expected recoverable oil resource of 6.7 million barrels of oil. In our opinion, the balance of risk favours over-production relative to the best-estimate.

Our valuation model assumes that Polecat is developed with two injector wells and three production wells and that Marten is developed with one injector well and one production well. We assume that Polecat and Marten will be brought to first oil in 2020 via PDL. We believe that 30% of the capital costs relate to drilling, 58% to the PDL hub tie-back and 12% to other costs including incremental costs to upgrade the PDL FPSO. Given that Polecat and Marten will be developed via a subsea tie-back, capex will be higher (c. $32/bbl) but the incremental opex much lower (c. $6.60/bbl), resulting in total costs of approximately $38.60/bbl.

If we assume that Polecat supports the entirety of the Polecat/Marten development costs in relation to the pipeline to the PDL hub, we estimate that Polecat has an unrisked value of 23.8p/share and Marten has an unrisked value of 21.5p/share.

Polecat and Marten may contain up to 20-25% more H_2S compared to the PDL fields. Therefore, we believe that additional engineering studies may be required to incorporate Polecat and Marten into the PDL hub. Investors should note, however, that Parkmead won the Polecat and Marten licences by submitting a case for the development of Polecat and Marten through PDL which was accepted by DECC. Ultimately, we see a single overriding commercial arrangement that would allocate common equity interests, based on reserves, across the various fields in the vicinity of PDL that will produce through the hub (a unitisation agreement).

A field development plan in respect of Polecat and Marten has yet to be submitted to DECC, which is normal given that the licence is at the beginning of its second four year-term. To reflect any uncertainty in respect of the commercial and engineering aspects, we have included only 50% of the unrisked values of Polecat and Marten in our target price or 11.9p/share and 10.8p/share, respectively. We expect that as the commercial aspects of the project are advanced, the full latent value of the discoveries will be unlocked.

The ownership structure of the PDL fields is provided below. We expect that a unitisation agreement will harmonise ownership across the fields, which we believe will simplify and aid the progression of this commercial development.

Ownership Structure of the PDL fields

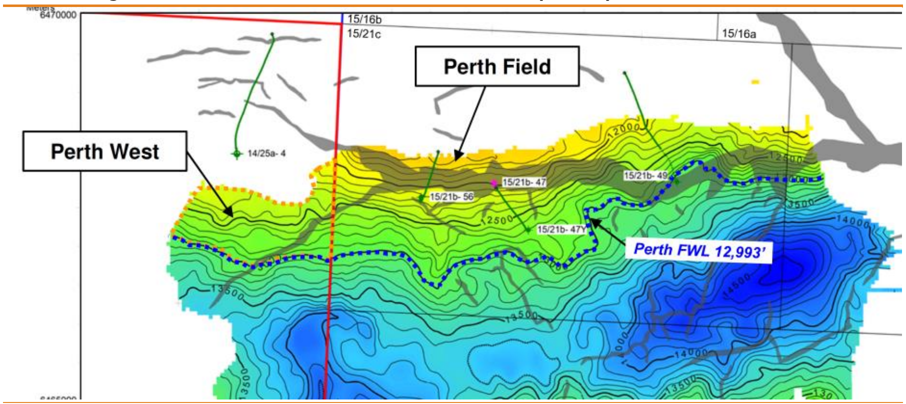
	Perth	Dolphin	Lowlander	Polecat and Marten
Parkmead	52.03%	52.03%	0.00%	50.00%
Faroe	34.62%	34.62%	100.00%	0.00%
Atlantic	13.35%	13.35%	0.00%	50.00%
Total	100.00%	100.00%	0.00%	100.00%
Operator	PMG	PMG	FPM	PMG

Source: Parkmead and Faroe Petroleum

Additional Commentary

- **Perth West:** The company was awarded Block 14/25 (52.03% held by Parkmead) which contains the western extension of the Perth field, which could add incremental volumes of oil to Perth. Perth West has been identified by seismic on the upthrown and western side of a fault that forms the western boundary of the Perth Core reservoir. Perth West has not yet been penetrated by a well; however, its proximity to the Perth Core area, which was penetrated by four wells, substantially reduces risk. We believe that the trap, seal and source risks are effectively nil for Perth West, with the only remaining technical risk being around reservoir presence and quality. To reflect this, we have conservatively applied a 40% chance of success to the prospect in our valuation. On a risked basis, we estimate that Perth West adds 6.0p/share to our target price. The depth map below shows that Perth West would be a natural step-out well given that it is on the upthrown side of a fault relative to an extensively appraised and commercial oil bearing reservoir.

Seismic image of Perth West relative to the Perth Field (Depth Map)



Source: Parkmead

- **Increased acreage across Skerryvore**: The award of Block 30/17e (30.5% held and operated by Parkmead) will provide the company with 100% of the mapped Skerryvore chalk prospect. Prior to the 28th Licensing Round, only 88% of the Skerryvore prospect was within the company's acreage. We have a very positive appreciation of this prospect and look forward to seeing it being drilled in 2015 (probably in the summer). On a risked basis, the effect of this positive change on our valuation is circa 3.2p/share. We estimate that the unrisked value of Skerryvore, assuming exploration success, is 122.1 p/share.

Our conservative approach to incorporating exploration prospects into our target price leaves considerable scope for target price upgrades as prospects are matured to a drill ready status and ultimately tested with exploration wells.

- **Exploration prospects**: In addition to the noted assets, the company's newly awarded blocks include seven prospects in which the company has working interests ranging from 25% to 50%. These assets will be the subject of significant geological work, involving minimal amounts of capital spend, before they are progressed to a drill ready status. At that time, we will consider them for inclusion in our target price.

- **In a nutshell**: The company's pace of development is extraordinary. The hub strategy is already working. The results of the 28th Licencing Round lend clear support to our high conviction view that Parkmead is the best managed mid-cap oil & gas company in Europe. The financial results confirm the company's growth trajectory and financial strength.

Asset, Valuation and Target Price Summary

Oil & Gas Assets	Type	Working Interest	Total Value Net to Company (NPV10) Total USD ($mn)	Total GBP (£mn)	Per Share (p/share)	Risked Value Geological Chance of Success (%)	Commercial Chance of Success (%)	Market Valuation Factor (%)	Combined Valuation Factor (%)	Contribution to Target Price Total ($mn)	per Share (p/share)	Valuation Estimates Value $/boe ($/boe)	Total Future Production (mnboe; net)
UK Oil & Gas Assets													
Athena	Oil	30.0%	33.1	20.7	22.2	100.0%	100.0%	100.0%	100.0%	33.1	22.2	18.41	1.8
Perth Core	Oil	52.0%	117.0	73.1	78.5	100.0%	80.0%	100.0%	80.0%	93.6	62.8	5.44	21.5
Perth NW Terrace	Oil	52.0%	78.6	49.1	52.7	66.0%	80.0%	100.0%	52.8%	41.5	27.9	9.70	8.1
Perth NE Terrace	Oil	52.0%	68.1	42.6	45.7	50.0%	80.0%	100.0%	40.0%	27.2	18.3	10.16	6.7
Polecat	Oil	50.0%	35.5	22.2	23.8	100.0%	50.0%	100.0%	50.0%	17.8	11.9	2.67	13.3
Marten	Oil	50.0%	32.1	20.1	21.5	100.0%	50.0%	100.0%	50.0%	16.1	10.8	8.92	3.6
Platypus	Gas	15.0%	24.2	15.1	16.2	100.0%	80.0%	100.0%	80.0%	19.4	13.0	9.27	2.6
Pharos	Gas	20.0%	45.0	28.1	30.2	66.0%	80.0%	100.0%	52.8%	23.8	15.9	7.75	5.8
Total UK Oil & Gas Assets			433.6	271.0	291.0					272.4	182.8	81.1	66.6
Netherlands Oil & Gas Assets													
Andel V and Grolloo	Gas	15.0%	3.9	2.4	2.6	100.0%	100.0%	100.0%	100.0%	3.9	2.6	11.38	0.3
Diever West	Gas	7.5%	3.0	1.9	2.0	100.0%	100.0%	100.0%	100.0%	3.0	2.0	9.50	0.3
Geesbrug (2 wells)	Gas	15.0%	4.2	2.6	2.8	100.0%	50.0%	100.0%	50.0%	2.1	1.4	7.24	0.6
Ottoland	Oil & Gas	15.0%	0.3	0.2	0.2	100.0%	50.0%	100.0%	50.0%	0.2	0.1	1.26	0.3
Papekop	Oil & Gas	15.0%	11.0	6.8	7.3	100.0%	50.0%	100.0%	50.0%	5.5	3.7	15.00	0.7
Total Netherlands Oil & Gas Assets			22.4	14.0	15.0					14.7	9.8	10.00	2.2
Total Oil & Gas Assets			**456.0**	**285.0**	**306.0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**287.1**	**192.6**	**7.03**	**68.9**
Balance Sheet and Other Adjustments													
Investment in Faroe Petroleum			7.7	4.8	5.2					7.7	5.2		
Aupec consulting business			20.0	12.5	13.4					20.0	13.4		
General & Admin Costs (PV10, three years, £5mn)			(19.9)	(12.4)	(13.4)					(19.9)	(13.4)		
Cash (30 June 2014)			74.2	46.3	49.8					74.2	49.8		
Cash assumed from option exercise			12.7	7.9	8.5					12.7	8.5		
Loans excluding Gemini facility (30/06/2014)			(3.3)	(2.1)	(2.2)					(3.3)	(2.2)		
Total			**91.3**	**57.1**	**61.3**					**91.3**	**61.3**		
Core NAV			**547.4**	**342.1**	**367.3**					**378.4**	**253.9**		
Lower Visibility Oil & Gas Assets													
UK Oil & Gas Assets													
Possum	Gas	15.0%	14.9	9.3	10.0	50.0%	80.0%	100.0%	40.0%	6.0	4.0	14.75	1.0
Skerryvore	Oil	30.5%	182.0	113.7	122.1	37.5%	80.0%	100.0%	30.0%	54.6	36.6	9.03	20.2
Davaar	Oil	30.0%	453.2	283.2	304.1	25.0%	50.0%	100.0%	12.5%	56.6	38.0	8.12	55.8
Athena 5th Well	Oil	30.0%	57.6	36.0	38.6	100.0%	50.0%	0.0%	0.0%	-	-	19.85	2.9
Blackadder	Gas	20.0%	47.2	29.5	31.7	33.3%	80.0%	100.0%	26.6%	12.6	8.4	8.00	5.9
Perth West	Oil	52.0%	28.0	17.5	18.8	40.0%	80.0%	100.0%	32.0%	9.0	6.0	8.75	3.2
Total UK Oil & Gas Assets			782.8	489.3	525.4					138.7	93.1	9.13	85.7
Netherlands Oil & Gas Assets													
na.			n.a.	n.a.	n.a.					n.a.	n.a.	n.a.	n.a.
Total Netherlands Oil & Gas Assets			-	-	-					-	-	-	-
Total of Lower Visibility Assets			**782.8**	**489.3**	**525.4**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**138.7**	**93.1**	**9.1**	**85.7**
Net Asset Value and Target Price			**1,330.2**	**831.4**	**892.7**					**517.1**	**347.0**		

Key assumptions:

Brent price of $85/bbl escalated at 2% p.a.; UK gas price of 68p/therm ($10.71/mcf) escalated by 2% p.a.; Exchange rate of $1.60 = £1.00

Asset values are based on after-tax discounted cash flow models for each asset using a 10% discount rate (a standard NPV10 approach to oil & gas assets)

Financials

It is known that commodity prices, acquisitions, dispositions, farm-outs, successful discoveries and unforeseen growth opportunities will evolve in ways that are not possible to predict in advance. Investors should consider that our financial estimates are for indicative purposes only.

Balance sheet (£m)						
Year to June	**2011A**	**2012A**	**2013A**	**2014A**	**2015E**	**2016E**
Cash and equivalents	1.3	7.7	13.3	46.3	52.1	4.1
Trade receivables	1.7	3.3	4.0	11.6	9.6	10.6
Inventories	-	-	-	-	0.1	0.1
Other current assets	-	-	-	-	-	-
Investments	7.1	6.5	4.4	4.8	4.6	4.6
Long-term assets	2.3	5.5	31.7	64.7	64.8	143.8
Total assets	**12.3**	**22.9**	**53.4**	**127.4**	**131.2**	**163.2**
Trade payables	0.8	4.1	8.7	8.0	10.6	10.6
Other current liabilities	0.3	0.1	0.4	0.5	0.5	0.5
Debt	-	3.0	2.0	6.2	6.3	3.0
Long-term deferred taxes	0.0	0.0	1.6	1.6	1.6	1.6
Other long-term liabilities	2.2	3.5	3.3	11.4	5.4	5.4
Total liabilities	3.3	10.7	16.0	27.7	24.3	21.0
Equity	9.0	12.3	37.3	99.7	106.9	142.2
Liabilities and equity	**12.3**	**22.9**	**53.4**	**127.4**	**131.2**	**163.2**

Company and Charles Stanley Securities

Our financial statement projections reflect the assumption that the Perth field will be developed as a stand-alone asset with first oil in 1H 2017. In reality, we expect that the Perth field will be developed jointly with the Dolphin and Lowlander fields, which would i) defer the capital expenditure requirements for Perth ii) lower the company's share of the capital expenditure requirements in respect of Perth iii) reduce the per-barrel costs and increase the per-barrel profit for Perth and iv) increase the value of Perth to the company.

Income statement (£m)	2011A	2012A	2013A	2014A	2015E	2016E
Revenue	**3.7**	**2.9**	**4.1**	**24.7**	**37.4**	**34.8**
Cash opex	(2.0)	(1.4)	(2.1)	(12.4)	(16.5)	(16.4)
G&A costs	(5.3)	(5.5)	(7.7)	(5.7)	(4.0)	(4.1)
EBITDA	**(3.6)**	**(4.0)**	**(5.6)**	**6.6**	**17.0**	**14.3**
Depreciation	-	(0.7)	(0.7)	(9.0)	(15.5)	(14.7)
Operating profit	(3.6)	**(4.7)**	**(6.3)**	**(2.4)**	**1.5**	**(0.5)**
Other	1.7	-	1.2	4.5	-	-
Financial expenses	0.0	(0.2)	(0.1)	(1.0)	(0.9)	(0.4)
Profit (loss) on investments	0.1	-	(0.0)	-	-	-
Income tax	(0.1)	0.0	(0.3)	0.2	-	(2.6)
Earnings	**(1.9)**	**(4.9)**	**(5.6)**	**1.2**	**0.6**	**(3.5)**
Minority interests	-	-	-	-	-	-
Earnings for shareholders	**(1.9)**	**(4.9)**	**(5.6)**	**1.2**	**0.6**	**(3.5)**

Company and Charles Stanley Securities

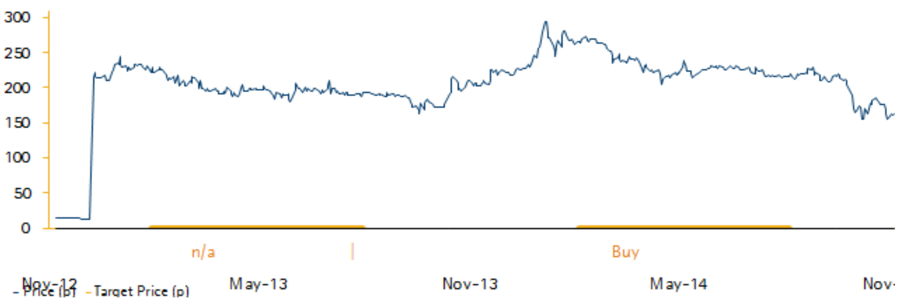
Cash flow statement (£m)	2011A	2012A	2013A	2014A	2015E	2016E
Earnings	(1.9)	(4.9)	(5.6)	1.2	0.6	(3.5)
Depreciation	0.1	0.1	0.4	9.0	15.5	14.7
Other	0.4	3.9	3.5	(1.6)	-	-
Deferred tax	0.0	0.0	0.3	-	-	-
Cash flow from operations	**(1.3)**	**(1.0)**	**(1.4)**	**8.7**	**16.0**	**11.2**
Changes in working capital	0.1	(1.5)	(3.4)	(2.0)	(1.0)	(1.0)
Cash from operations	**(1.2)**	**(2.5)**	**(4.8)**	**6.7**	**15.0**	**10.2**
Disposals	2.1	0.0	0.7	-	-	-
Investments	(0.1)	(2.9)	(8.4)	(8.6)	(21.4)	(93.7)
Cash from investments	**1.9**	**(2.9)**	**(7.6)**	**(8.6)**	**(21.4)**	**(93.7)**
Cash from equity raised	0.3	8.8	15.6	39.5	9.7	38.8
Net cash from debt capital	(0.0)	3.0	2.5	(4.6)	(1.5)	(3.3)
Cash from financing	**0.3**	**11.8**	**18.1**	**35.0**	**8.2**	**35.5**
Net change in cash	**1.0**	**6.4**	**5.6**	**33.1**	**1.8**	**(48.0)**

Company and Charles Stanley Securities

Important Disclosures

Recommendation and target price history

Share price performance



Charles Stanley Securities rating distribution					
Total Coverage	**Number**	**Percent**	**Banking Relationships**	**Number**	**Percent**
Buy	75	68.81	Buy	27	81.82
Add	11	10.09	Add	2	6.06
Hold	19	17.43	Hold	4	12.12
Reduce	2	1.83	Reduce	0	0.00
Sell	2	1.83	Sell	0	0.00

Charles Stanley Securities rating definitions – 12 month time scale					
Buy	+20%	<	expected absolute change		
Add	+10%	<	expected absolute change	<	+20%
Hold	-10%	<	expected absolute change	<	+10%
Reduce	-20%	<	expected absolute change	<	-10%
Sell			expected absolute change	<	-20%

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