

August 2002

IT PROJECTS in GREECE FUNDED by the EU

Latest developments make us believe that any positive effect in revenues should materialize from fiscal 2003 onwards.

Despite ongoing delays, ASE listed IT firms may target up to 60% of the budget realized per year from the “Information Society” Action Plan.

Leading and well established system integrators are expected to benefit the most, and their stocks to react on the news. As a result, investors will keep showing an appetite for companies engaged in total IT solutions as opposed to box movers.

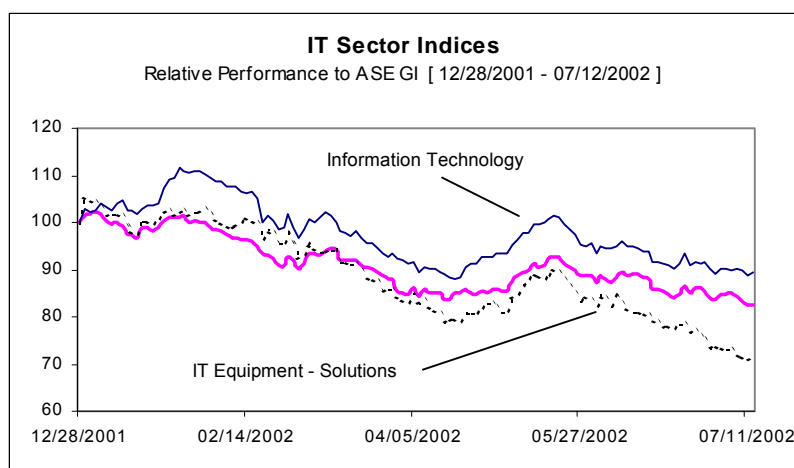
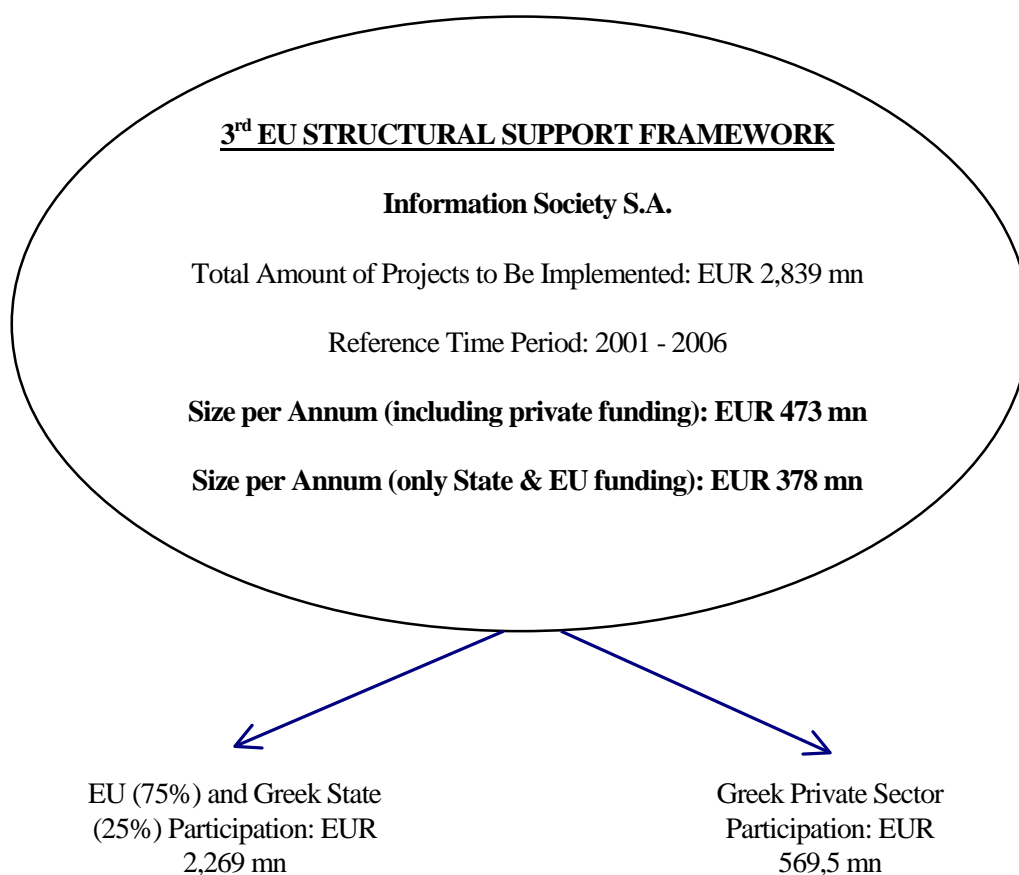


TABLE of CONTENTS

	<u>Pages</u>
The EU Framework of Action in the New Economy	3
Developments & Considerations	4
Greek Ministries and State Entities as the Most Interested Parties	7
Procedures	7
“Easy” and “Hard” IT Projects	8
Profit Margins on IT System Integration Projects	8
IT & Telecom Players Converge to Implement Projects	8
“Syzyfxis”: A Key IT Project in Greece	9
What Market Share ASE – Listed Companies Might Gain	9
Share Price Performance	10
Slow Progress in IT Projects Appears to Affect Quarterly Results	11
Initial Implementation Plan	12
Appendices	14

The EU Framework of Action in the New Economy

The eEurope 2005 initiative takes place in the broad context of the Lisbon Agenda. While planning the action plan "Europe 2002", the European Commission felt it was good to review its plan setting new targets. The new plan has a series of indicative actions and is focused more on electronic public administration, electronic education, and electronic health services, on matters of electronic commerce, security and infrastructure and the availability of wide-zone access.



Projects already Accepted in the Plan: 14% of the Total
(Well below market expectations)

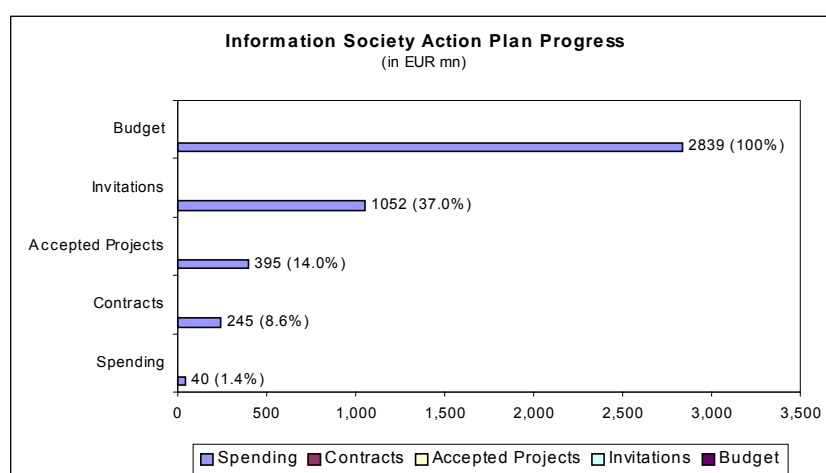
Initial Auction Plan in 2002: EUR 534 mn

Target Absorption of Funds in 2002: 50% (VRS Estimates)

Amidst weak sector conditions and poor quarterly results, IT companies react cautiously to news of tenders to be announced. While there is confidence in market recovery by the end of 2002, it is clear that considerable revenues, from EU funded projects, will not materialize before 2003. This is also evident from the ongoing delays in the time schedule of IT tenders this year.

Developments & Considerations

© 1. There is slow progress in utilization of EU and public funds for IT projects so far this year. If these delays persist, the majority of **EUR 283-284 mn funds** not utilized last year, and probably not in 2002, are expected to return permanently to the EU cash registers for other uses in the future. It is reminded that for a private company that wishes to implement an IT project, its **own participation to the total cost accounts for 30%, with the remainder split between the Greek State and the EU.** It is also noted that Information Society S.A. has been appointed by the Greek State as the chief coordinator of all the projects funded by state and European means. **The initial time schedule for 2002 (first tenders were expected for May-June) presents serious delays and the major IT tenders are now expected to occur late in July or in August.**



© **2. IT projects usually need a protracted time schedule.** After the initial announcement, they need 40 days for interested parties (IT firms) to apply their proposals and 3-4 months for the Greek State to select a suitable bidder. **If we assume that state organizations and ministries have the infrastructure to evaluate all proposals in time, then, given the holiday season of August and the municipal elections in October, it is likely that any outcome may take place late this year.**

© **3.** All the major IT players - such as Unisystems, Delta Singular, Altec, Pouliadis Group, Byte, Info-Quest etc. - intend to bid for IT projects. The total size of projects (some of them are telecom related projects) to be auctioned in 2002, was estimated at **EUR 534 mn.** In theory, this size is sufficient to give a significant boost to IT revenues starting next year, however **the actual benefits** for IT firms engaged in the projects **will depend on the real progress of the "IS" Action Plan.**

Immediate Tenders Announcements by Information Society S.A. (till end-Dec 2002)

Project / Owner	Ministry Decision	Program/ Agreement	Perliminary Study	Project Bulletin	Announcement	Consulting Services
Public Administration Network "Syzefxis"/ Ministry of the Interior, Public Administration and Decentralization	V		V	V	30 - Jul	V
Total IT System of Prefectures / Ministry of the Interior, Public Administration and Decentralization	V		V		30 - Jul	V
"Police on Line" / Ministry of Public Safety IT System for 4 Peripheral Hospitals / Health and Welfare Ministry	V		V	V	30 - Jul In Progress	V
TAXIS - Net IT System / Central State Treasury, Ministry of Finance						V V
Intervention Maturity Studies by the General Secretariat of Social Securities / Ministry of Labour and Social Affairs			V	V	In Progress	

Source: Federation of Hellenic Information Technology / Information Society S.A..

© **4.** Another issue of concern is **lack of infrastructure in several ministries** and related organizations to co-ordinate successfully - and on time – IT projects. This is due to lack of specialized staff and heavy bureaucratic procedures.

© **5.** Finally, **it is likely the each procedure delays** due to objections that each contender (IT firms) may raise for several issues, such as the terms of the tender, etc. Given the large size of the projects and the strong competition, we should also not discount the likelihood of invalid tenders, an event that might lead to new delays.

INITIAL TIME SCHEDULE & SIZE of IT PROJECTS for FISCAL 2002:

Total number of projects may exceed 25.

A. Information Society

June 2002: EUR 146.74 mn.

September 2002: EUR 79.24 mn.

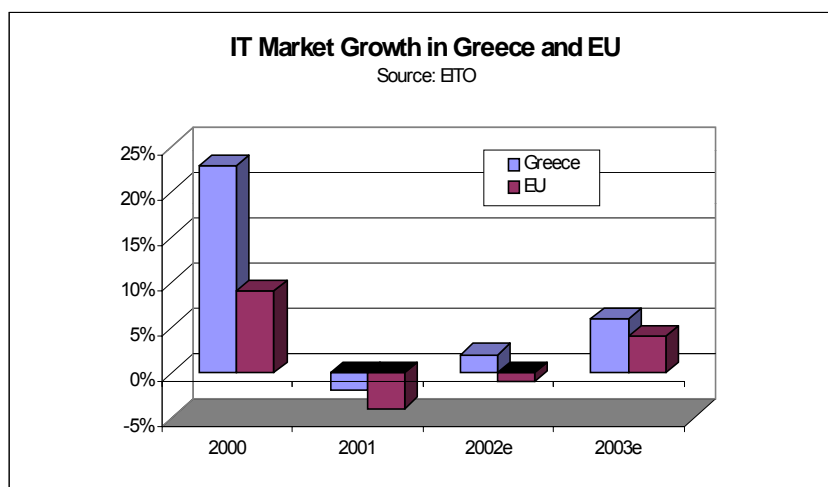
B. Information Society and Other Organizations

June & September 2002: EUR 99.78 mn.

C. State Entities - Third Parties

May, June and September 2002: EUR 208.36 mn.

© In conclusion, regarding EU-funded IT projects in Greece, **we should carefully evaluate their real and direct effect, which is very positive in the long-term; however, it does not appear to significantly affect this year's financial performance of the listed IT firms. Our attention now turns to month-to-month real progress of the already delayed time schedule and to those players that are in a position to benefit the most. Among others, these are large-scale system integrators. At this stage, however, we cannot be specific on the future quantitative effects on top and bottom line performance given the lack of general knowledge on payment schedules, final profit margins, etc. In any case, we have not so far incorporated this development into our projections, at least before we see some concrete progress in the following months.**



Greek Ministries and State Entities as the Most Interested Parties to Participate in the Information Society Action Plan

© Many IT projects will be implemented in order to modernize operations of Greek Ministries and other state entities. Therefore as the latter will be the most active users of these projects their collaboration with Information Society S.A. which coordinates the overall program is essential. An outcome of this collaboration so far has been the fact that **14%** (or EUR 395 mn) **of the total budget concerns already accepted projects**. In addition, the Greek government maintains an open communication line with the private sector, despite market anxiety as regards to the initiation of the projects. The government also collaborates with the Federation of Hellenic Information Technology & Communications Enterprises (FHITCE) and IT scientists through an official body, the IT committee of the Ministry of the Interior.

ACCEPTED (SUPPORTED) PROJECTS

in EUR

Activities	Supported Projects	Total Budget	EU Contribution
1. EDUCATION AND CIVILIZATION	1,029	46,416,740.52	34,812,555.39
1.1. Equipment and networks in education	1,025	40,984,629.85	30,738,472.39
1.2. New technologies in education	4	5,432,110.67	4,074,083.00
2. CIVIL SERVICE IMPROVEMENT	46	11,239,767.09	8,429,825.31
2.1. "Electronic government" for citizen service	31	3,798,317.77	2,848,738.32
2.3. Structural Fund Management	15	7,441,449.32	5,581,086.99
3. DEVELOPMENT - EMPLOYMENT IN DIGITAL ECONOMY	6	8,067,437.36	6,050,578.02
3.1. "Digital" environment for economic activity	5	1,995,669.79	1,496,752.34
3.3. Research and development for Information Society	1	6,071,767.57	4,553,825.68
TOTAL	1,081	65,723,944.97	49,292,958.72

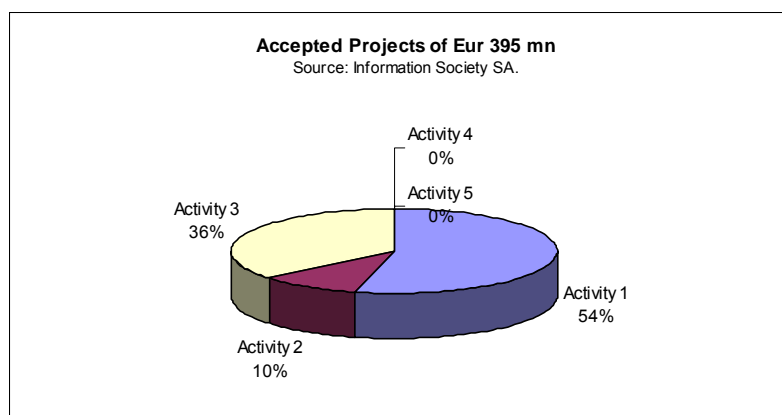
Source: Information Society S.A..

Procedures

© There are two parameters characterizing the progress of the projects Information Society S.A. handles. First the inclusion of projects in the 3rd Structural Support Framework, and second the initiation of the relative procedures by inviting contractors, which are willing to undertake and implement each project. Contractors are IT firms with significant experience, know-how, and specialization in the required areas. The lapse of time from the announcement to the initiation of a project has been rather long and efforts are being made to shorten it. **The government aims to have work begin on the projects by the end of the year so that in 2003 there are some initial results.**

“Easy” and “Hard” IT Projects

© The so-called “easy” to implement projects are the ones Information Society places at top priority. Such cases are the educational projects. The so-called “hard” to implement projects are those that traditionally take longer due to significant delays. Such cases are the “Police-on-Line” project and “Syzeftis”. **It is also important to note the diversity in the size of projects with the bulk being relatively small and the rest being of large scale and complexity.**



Profit Margins on IT System Integration Projects

© Normally, the (EBT) profit margin on a total IT solution project accounts for 20%. **We believe that competition among leading IT firms is likely to put pressures on margins as the new projects may represent a significant share of sector revenues. According to our estimates, if such pressures become widespread then margins may be brought towards the range 10%-15%.**

IT & Telecom Players Converge to Implement Projects

© In some cases, the complexity of IT projects requires contractors with strong know-how on both IT and telecom areas. **For those IT firms that have also engaged in telecom activities – with ASE-listed Infoquest being the most recent case – it will be a significant opportunity to bid for projects with relatively higher margins.**

“Syzefxis”: A Key IT Project in Greece

© “Syzefxis” was initiated in pilot form by the Ministry of Interior few years ago. The pilot stage has already been completed and it is now time for full realization. The government has initiated a conversation with interested parties aiming to ensure the best possible implementation of the project, setting three goals:

- Speedier completion of the project
- Design that is congruent with market trends
- High degree of adaptation to future requirements

© The project concerns to network infrastructure and has an initial budget of EUR 50 mn. The government has already been in talks with the Federation of Hellenic Information Technology & Communications Enterprises (FHITCE) and major telecommunications companies, while it aims to distribute the project functionally and geographically so that it can be better realized.

What Market Share ASE-Listed Companies Might Gain

© ASE-listed IT firms which comprise the majority of the leading players in the sector, are expected to target up to 60% of the budget realized per year from the “Information Society” Action Plan. This is due to strong know-how, high specialization in similar areas and their ability to undertake demanding projects in a fixed time schedule.

Major IT System Integrators in Greece

Project Requirement	Companies likely to be engaged
Large Scale	Unisystems, Delta - Singular, Altec, Infoquest
Medium - Small Scale	PC Systems, Byte, Logic - DIS, Informer

Source: VRS.

Despite a weak equity market, investors have been showing an appetite for companies engaged in total IT solutions as opposed to box movers, as the performance of the sector indices demonstrates

7/12/2002

STOCK	<u>SINCE 12/28/01</u>
INFORMATION TECHNOLOGY	
Byte	-1,74%
Compucon	25,21%
Datamedia	-46,20%
Forthnet	28,28%
Informer	-21,52%
Logic DIS	-36,58%
MLS	21,78%
Quality & Reliability	-38,95%
Space Hellas	-46,24%
Unibrain	-28,44%
Unisystems	10,93%
Delta Singular	-11,00%
Intralot	20,22%

I.T. EQUIPMENT - SOLUTIONS

Altec	-28,29%
CPI	-9,40%
Info - Quest	-23,05%
Multirama	-55,00%
Rainbow Computer	-48,48%
Intertech	-21,82%
Informatics	-32,11%
Despec	-25,61%
Plaisio Computers	2,60%
Pouliadis	-54,63%
PC Systems	-30,87%

ASE GENERAL INDEX	-17,52%
FTSE / ASE - 20	-23,08%
FTSE / ASE - 40	-13,12%
FTSE / ASE - 80	-20,40%
INFORMATION TECHNOLOGY	-10,64%
I.T. EQUIPMENT - SOLUTIONS	-28,90%

Source: VRS.

Slow progress in IT projects appears to affect quarterly results

SECTOR	3/2002	3/2001	Chg. (%)	3/2002	3/2001	Chg. (%)	3/2002	3/2001	Chg. (%)
	TURNOVER	TURNOVER		EBITDA	EBITDA		EBT	EBT	
BYTE COMPUTER	7.331	5.387	36,09%	696	493	41,03%	506	432	17,19%
BYTE COMPUTER	9.226	7.335	25,79%	842	628	34,11%	572	513	11,34%
COMPUCON	1.207	783	54,14%	350	38	810,05%	216	-16	--
DATAMEDIA	3.422	3.783	-9,56%	107	176	-39,00%	-273	-99	--
DATAMEDIA	6.827	7.003	-2,52%	9	-795	--	-1.051	-1.420	--
FORTHNET	4.468	4.151	7,65%	26	-66	--	275	245	12,23%
FORTHNET	5.072	4.623	9,73%	64	-85	--	282	227	24,35%
INFORMER	4.795	3.767	27,30%	1.758	1.337	31,52%	1.295	1.143	13,31%
INFORMER	9.084	9.058	0,29%	2.699	2.083	29,56%	2.075	1.794	15,63%
INTRALOT	14.700	7.201	104,15%	8.403	5.325	57,80%	7.907	4.948	59,82%
INTRALOT	76.320	63.028	21,09%	22.552	17.408	29,55%	19.607	15.040	30,36%
LOGICDATA INFORMATION SYSTEMS	6.480	6.349	2,07%	1.999	1.960	2,01%	1.045	909	14,96%
LOGICDATA INFORMATION SYSTEMS	17.351	17.920	-3,17%	-445	1.602	--	-710	1.049	--
MLS MULTIMEDIA	547	501	9,22%	433	346	25,01%	251	198	26,62%
MLS MULTIMEDIA	1.466	564	159,96%	529	494	7,12%	287	178	61,38%
QUALITY & RELIABILITY	1.290	737	75,14%	266	39	589,98%	295	207	42,27%
QUALITY & RELIABILITY	2.725	0	--	698	0	--	710	0	--
DELTA SINGULAR	15.987	14.384	11,14%	3.431	3.179	7,92%	4.086	3.739	9,27%
DELTA SINGULAR	26.807	24.208	10,73%	5.179	4.192	23,53%	5.623	4.456	26,20%
UNIBRAIN	901	856	5,31%	421	279	51,06%	255	229	11,60%
UNIBRAIN	1.004	880	14,07%	210	64	229,79%	36	8	328,27%
UNISYSTEMS	17.891	10.668	67,71%	4.215	3.038	38,73%	4.206	2.979	41,16%
UNISYSTEMS	20.144	11.117	81,19%	4.870	2.689	81,11%	4.861	2.629	84,89%
SPACE HELLAS	5.205	5.352	-2,75%	206	387	-46,94%	10	177	-94,27%
SPACE HELLAS	5.998	5.978	0,33%	661	426	55,31%	64	318	-79,84%
TOTAL	183.232	152.498	20,15%	38.217	28.744	32,96%	32.571	24.777	31,46%
ALTEC	38.928	33.914	14,78%	8.557	4.308	98,64%	4.038	3.793	6,46%
ALTEC	43.087	63.802	-32,47%	12.700	11.033	15,11%	4.087	7.583	-46,10%
CPI	3.703	3.558	4,07%	218	371	-41,30%	295	500	-40,91%
CPI	4.468	0	--	625	0	--	725	0	--
MULTIRAMA	15.206	15.361	-1,01%	228	1.502	-84,85%	-1.188	366	--
MULTIRAMA	15.338	15.361	-0,15%	-213	1.521	--	-1.653	353	--
DESPEC	8.524	9.429	-9,60%	456	776	-41,26%	295	472	-37,47%
DESPEC	30.510	25.535	19,48%	1.651	4.119	-59,93%	2.490	2.017	23,43%
INFO-QUEST	64.178	73.296	-12,44%	3.832	3.556	7,77%	1.709	2.947	-42,01%
INFO-QUEST	98.780	104.151	-5,16%	6.279	5.287	18,74%	1.906	3.089	-38,32%
INFORMATICS	11.428	9.556	19,59%	730	1.035	-29,40%	551	771	-28,55%
INFORMATICS	17.188	13.647	25,95%	1.133	1.290	-12,19%	650	840	-22,60%
INTERTECH	13.701	10.909	25,59%	1.603	972	64,92%	954	629	51,67%
INTERTECH	0	0	--	0	0	--	0	0	--
PLAISIO	33.105	26.461	25,11%	1.932	1.566	23,44%	1.184	1.056	12,19%
PLAISIO	33.242	26.543	25,24%	1.986	1.635	21,46%	1.236	1.126	9,78%
PC SYSTEMS	7.000	11.284	-37,97%	686	586	17,00%	224	380	-41,04%
PC SYSTEMS	9.764	13.974	-30,13%	903	808	11,78%	357	571	-37,51%
POULIADIS	34.359	53.353	-35,60%	1.594	5.883	-72,91%	2.073	6.509	-68,16%
POULIADIS	115.956	115.327	0,55%	5.723	12.254	-53,30%	5.076	11.007	-53,88%
TOTAL	382.033	389.249	-1,85%	32.389	38.920	-16,78%	15.829	27.216	-41,84%

Source: VRS.

Notes: Figures expressed in EUR thous.

**The following plan was presented back in May;
however its has been moved at least 2 months back
and first results are now expected for late July or in August**

A. IT Projects of "Information Society" (IS) Action Plan - Tenders on behalf of IS

Project	June 2002	Pertinent Ministry	Indicative Budget
			EUR mn
1. "Syzefxis" - Network Infrastructure for Public Administration		Ministry of the Interior Public Administration and Decentralization Transportation / Telecommunication	49.89
2. "Police on Line" - IT and Network Infrastructure in Greek Police		Ministry of Public Safety	26.41
3. IT System for 4 Peripheral Public Hospitals		Health and Welfare Ministry	14.67
4. Municipalities - Citizen Service Centers		Ministry for the Environment	29.35
5. Central Treasury of the State, IT System		Ministry of Finance	11.74
6. Prefecture IT Urban Planning System		Physical Planning and Public Works	2.93
7. 5-6 Large Scale Public Administration Pilot Projects		Ministries	11.74
Partial Total			146.74

Project	September 2002	Pertinent Ministry	Indicative Budget
			EUR mn
8. TAXISNET - Tax Services		Ministry of Finance	8.80
9. Penal Record IT System (Public Prosecution Offices)		Ministry of Justice	17.61
10. Universal Social Security Number IT System		Ministry for Labour and Social Affairs	5.87
11. Car and Driving Licence Records, Car Insurance Information		Ministry for Transportation Development Ministry	2.93
12. IT System for 6 Peripheral Public Hospitals		Health and Welfare Ministry	17.61
13. Farmer IT System with "Farmer's Smart Card"		Ministry of Agriculture	14.67
14. Auditing IT System		Ministry of Finance	11.74
Partial Total			79.24
Total			225.97

Source: Information Society S.A., Ministry of Finance.

B. IT Projects of "Information Society" (IS) Action Plan - Tenders on behalf of Other State Entities

Project	Pertinent Ministry	Indicative Budget
		EUR mn
June 2002		
15. Radio Frequency Range Management and Monitoring System	Ministry of the Interior Public Administration and Decentralization Transportation / Telecommunication	14.67
16. Brand Name Management System	Development Ministry	2.93
17. Meteorological Information Dissemination Natural Disaster Prevention System - N.W.S.	Defense Ministry National Meteorological Service	14.67
September 2002		
18. Traffic Lighting and Traffic Management - Attica Prefecture	Physical Planning and Public Works Ministry of the Interior Public Administration and Decentralization Transportation	26.41
19. Telematics in Local Buses	Ministry of Shipping	26.41
20. Navigation Support System - NAUTILUS	Ministry of Shipping	14.67
Total		99.78

Source: Information Society S.A., Ministry of Finance.

C. IT Projects of "Information Society" (IS) Action Plan for Corporate Entities

Project	Pertinent Ministry	Indicative Budget
		EUR mn
May - June 2002		
21. E - Commerce (600 Companies)	Development Ministry	88.04
22. IT Infrastructure for Associations	Development Ministry	2.93
23. Basic Computer Skill Training	Ministry for Labour & Social Affairs	26.41
24. Special IT Training	State Entities	17.61
25. E - Business / E - Learning	Development Ministry	29.35
September 2002		
26. New Farmer Subsidies for Use of IT and Communications Systems	Ministry of Agriculture	14.67
27. E - Marketplace	Development Ministry	29.35
Total		208.36

Source: Information Society S.A., Ministry of Finance.

APPENDICES

<i>in EUR</i>	Total Cost	Greek State Contribution	Private Contribution
INFORMATION SOCIETY (IS) ACTION PLAN	2,839,078,396	2,269,578,390	569,500,006

Source: Information Society S.A..

<i>in EUR</i>			
IS Activity 1	Total Cost	Greek State Contribution	Private Contribution
Activity 1: Education and Culture	421,033,333	391,733,333	29,300,000
1.1: Equipment and network at all levels of education	119,000,000	119,000,000	
1.2: New technologies in education	182,158,519	166,666,666	15,491,853
1.3: Elevation of the Greek culture	96,861,236	96,861,236	
1.4: Digital applications by the private sector	23,013,578	9,205,431	13,808,147

Source: Information Society S.A..

<i>in EUR</i>			
IS Activity 2	Total Cost	Greek State Contribution	Private Contribution
Activity 2: Civil Service Improvement	879,324,000	849,923,996	29,400,004
2.1: "Electronic government" for citizen service	29,130,590	29,130,590	
2.2: "Electronic government" for citizen service	362,000,000	362,000,000	
2.3: Structural fund management	60,000,000	60,000,000	
2.4: Geographically peripheral IT systems	112,925,802	99,666,667	13,259,135
2.5: Training of public administration human resources	96,000,000	96,000,000	
2.6: Technologies in health and welfare	107,402,055	103,000,000	4,402,055
2.7: Actions in health and welfare	9,257,333	9,257,333	
2.8: "Intelligent" transportations	90,869,407	85,000,000	5,869,407
2.9: "Electronic government" and innovative applications	11,738,813	5,869,406	5,869,407

Source: Information Society S.A..

Notes: Greek State participation is financed by 75% from EU means.

*in EUR***IS Activity 3**

	Total Cost	Greek State Contribution	Private Contribution
Activity 3: Development - Employment in Digital Economy	901,699,997	537,599,996	364,100,001
3.1: Favorable "digital" environment for economic activity	55,326,000	55,326,000	
3.2: Subsidies for companies entering digital economy	330,139,149	133,306,667	196,832,482
3.3: Research and development for Information Society	81,347,028	52,000,000	29,347,028
3.4: Upgrade of human resources skills	241,895,000	197,179,000	44,716,000
3.5: Promotion of employment in new economy	53,506,000	41,745,000	11,761,000
3.6: New forms of business activity	42,021,028	12,674,000	29,347,028
3.7: Business collaborations and new products / services	73,370,000	29,360,000	44,010,000
3.8: New forms of employment in Information Society	24,095,792	16,009,329	8,086,463

Source: Information Society S.A..

*in EUR***IS Activity 4**

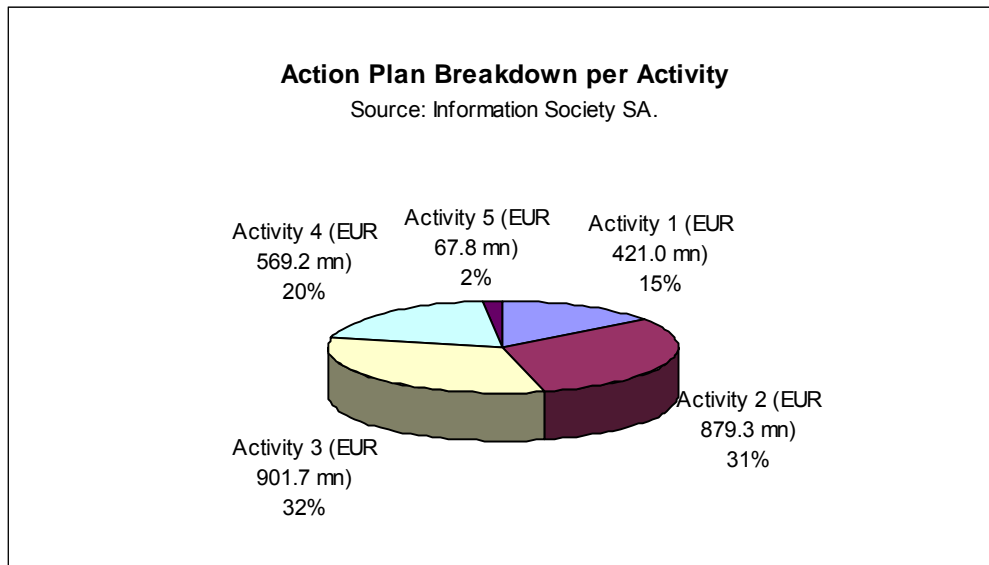
	Total Cost	Greek State Contribution	Private Contribution
Activity 4: Communications	569,233,342	422,533,341	146,700,001
4.1: Implementation of the institutional framework	63,499,995	63,499,995	
4.2: Development of local network infrastructure	214,000,000	130,600,000	83,400,000
4.3: Advanced telecommunications services	123,257,000	89,257,000	34,000,000
4.4: Modernization of postal services	85,869,407	80,000,000	5,869,407
4.5: Training of human resources in communications	2,600,006	2,600,006	
4.6: Implementation of the institutional framework	75,006,934	51,576,340	23,430,594
4.7: Training of human resources	5,000,000	5,000,000	

Source: Information Society S.A..

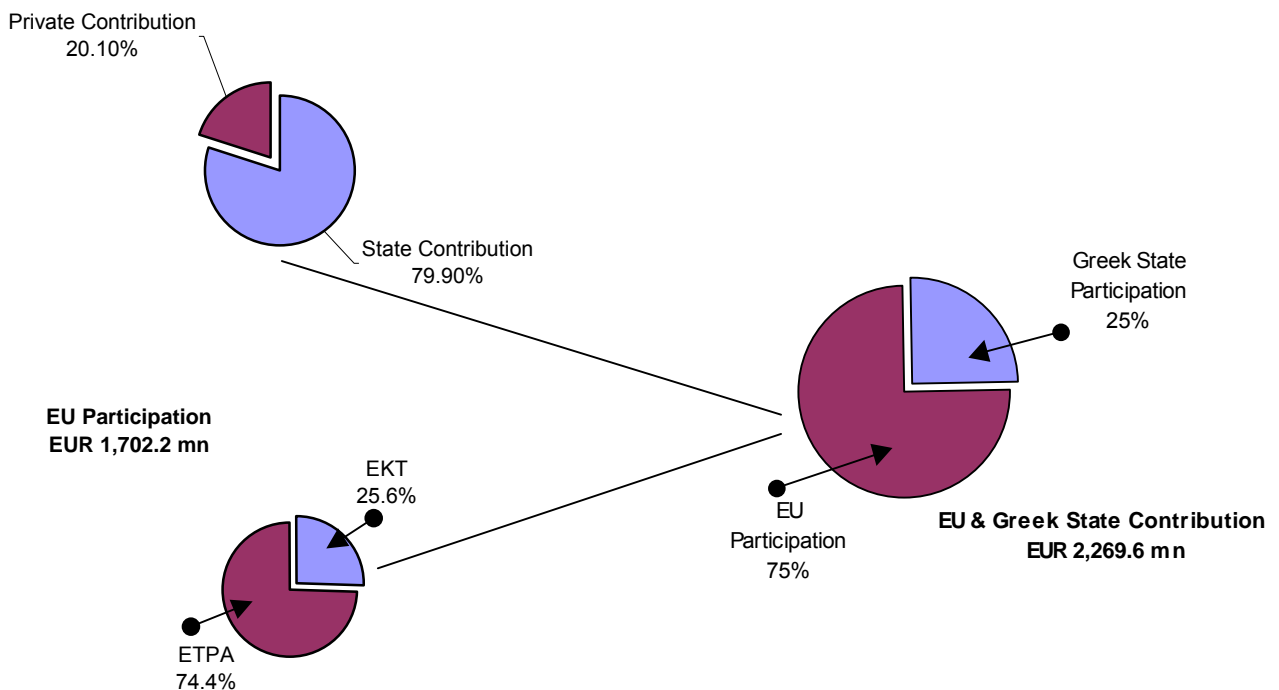
*in EUR***IS Activity 5**

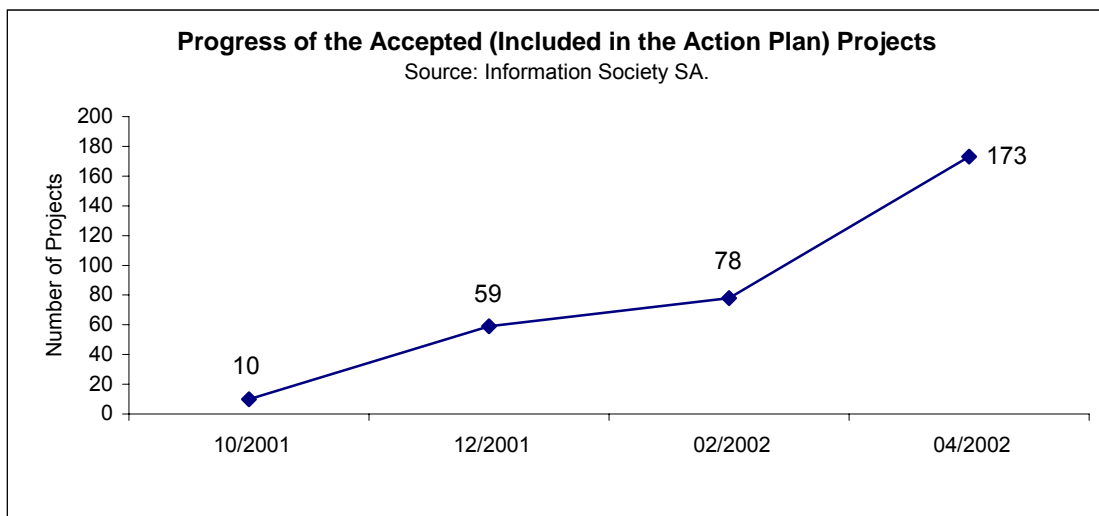
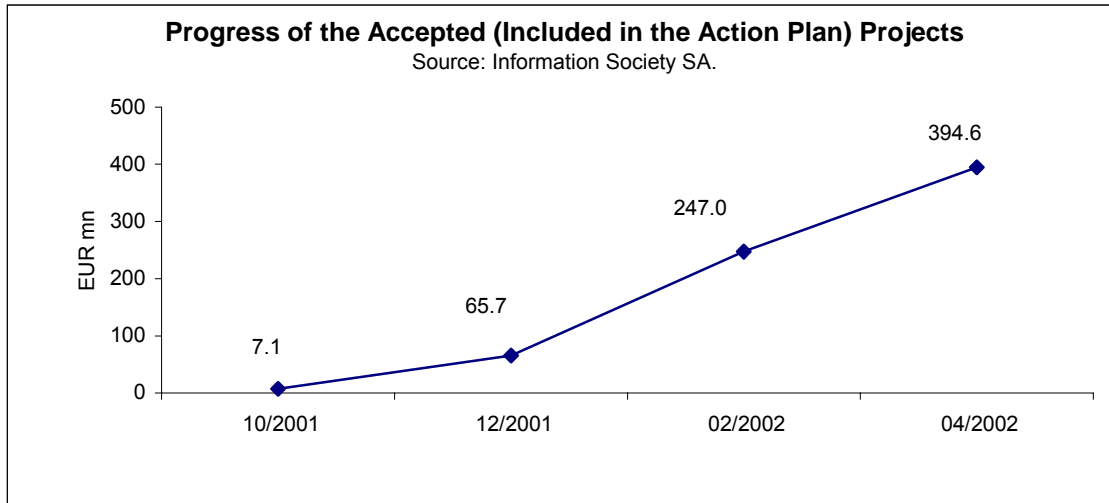
	Total Cost	Greek State Contribution	Private Contribution
Activity 5: Technical Support	67,787,724	67,787,724	0
5.1 Management, application, monitoring	25,333,329	25,333,329	0
5.2 Technical support EKT	21,742,399	21,742,399	0
5.3 Technical support ETPA	20,711,996	20,711,996	0

Source: Information Society S.A..



"Information Society" Budget Breakdown





VALUATION & RESEARCH SPECIALISTS

Investment Research & Analysis Journal – www.iraj.gr

Equity Research

DISCLOSURE STATEMENT

VALUATION & RESEARCH SPECIALISTS (VRS) is an independent firm providing advanced equity research, quality valuations and value-related advisory services to local and international corporate entities or communities. **VRS** services include valuations of intangible assets, business enterprises, and fixed assets. **VRS** focus business is in providing consulting services and independent equity research to its corporate, institutional and retail clients / subscribers. **VRS** is not a brokerage firm and does not trade in securities of any kind.

VRS may accept fees from the companies it covers and researches (the “covered companies”), and from major financial institutions. The sole purpose of this policy is to defray the cost of researching small and medium capitalization stocks which otherwise receive little research coverage. In this manner **VRS** can minimize fees to its clients / subscribers and thus broaden investor attention to the “covered companies”.

VRS analysts are compensated on a per-company basis and not on the basis of their recommendations. Analysts are not allowed to solicit prospective “covered companies” for research coverage by **VRS** and are not allowed to accept any fees or other consideration from the companies they cover for **VRS**. Analysts are also not allowed to trade in the shares, warrants, convertible securities or options of companies they cover for **VRS**.

Furthermore, **VRS**, its officers and directors cannot trade in shares, warrants, convertible securities or options of any of the “covered companies”. **VRS** accepts payment for research only in cash and will not accept payment in shares, warrants, convertible securities or options of “covered companies” by no means.

To ensure complete independence and editorial control over its research, **VRS** follows certain business practices and compliance procedures, which are also applied internationally. Among other things, fees from “covered companies” are due and payable prior to the commencement of research and, as a contractual right, **VRS** retains complete editorial control over the research process and final equity analysis report.

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by **VRS**, and **VRS** does not make any representation as to its accuracy and completeness. Opinions, estimates and statements nonfactual in nature expressed in **VRS** research reports, represent **VRS** judgment as of the date of the reports issued, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of “covered companies” by no means.

Please contact “ VALUATION & RESEARCH SPECIALISTS ” for further information on Equity Research Related Fees.
