

SUNTECH (STP) – 3Q10 REVIEW: EARNINGS QUALITY CRUMBLES

While STP was down 9.7% (vs. +0.02% for S&P 500) in yesterday's trading session, excluding the \$0.12 in C3Q10 EPS the Co. recognized on expected future GSF project sales (which was determined using "mark-to-model" accounting) we blv the stock would've fallen MUCH more

As shown in Figure 1 below, when considering STP "marked-to-model" revenue recognized on future, unconfirmed, GSF project sales using an assumed Italian project ASP of >\$6.80/watt in C3Q10, despite the fact (see Figure 2 below) that MEMC's recently sold 70MW Rovigo project in Italy was done at \$5.40/watt, we believe investors should NOT include the \$0.12/share in STP's C3Q10 numbers associated with GSF when evaluating the tangible/organic earnings; thus, excluding STP's "marked-to-model" accounting for GSF, C3Q10 EPS came in at \$0.06 vs. our/Street ests of \$0.28/\$0.22, respectively: Yesterday, before the market open, STP reported results for C3Q10 below our/Street ests; more specifically, C3Q10 rev/eps came in at \$743.7M/\$0.18 vs. our est of \$733.0M/\$0.28 (Street \$713.9M/\$0.22) – a miss in a qtr where many Chinese solar companies are materially beating Street ests (i.e., JASO, JKS, YGE, etc.). Yet, while the stock fell 9.7% in trading yesterday (vs. a 0.02% gain for the S&P 500), we believe the results were much worse than one would conclude at first glance. What do we mean? Well, & we do not say this lightly, to our surprise, STP revealed, for the first time we will add, that this qtr it recognized \$22.9M in below-the-line profit associated with its 96%-owned (86% by STP; 10% by Dr. Shi, STP's CEO) related-party entity GSF. Why should one be concerned about this accounting? Well, when considering: (1.) STP has not yet sold the projects that GSF is developing, (2.) the company is assuming future potential revenues on these projects using an Italian project ASP of ~\$6.84/watt (i.e., \$2.30/watt of profit + \$2.90/watt GSF module price + \$1.65/watt in balance of systems costs = \$6.84/watt) to arrive at profit of \$22.9M in C3Q10, yet (3.) MEMC sold its 70MW plant in Rovigo, Italy Oct. 4th, 2010 for ~\$5.40/watt, & (4.) the lion's share of the GSF projects, which are currently being developed, will occur after the Dec. 1st, 2010 6% FIT cut in Italy (see Figure 3 below), we assign a >80% probability that the price at which STP sells GSF plants at in 2011 (or whenever it sells the plants, if indeed it can find a buyer) will be materially below the ~\$6.84/watt the company apparently "marked-to-model" this qtr (when, not if, this happens, in our view, STP will have to take a loss on the Equity in Affiliate Earnings line). Why are we using the term "marked-to-model"? Well, admittedly, STP informed us that they are using a net-present-value (NPV) calculation to approximate the "gain on sale" of the plants they have not yet sold. However, similar to the accounting associated with MEMC's Rovigo plant (i.e., where only the cost & a portion of the revs on the project are recognized upfront, with follow-on revs recognized as milestones are hit), given STP plans to initially own the GSF projects, we have pause as to why STP is attempting to project the cash flows of a project for which they have not sold in order to recognize profits today. In fact, as detailed above, given STP is assuming a future ASP on GSF projects of \$6.84/watt, vs. the actual ASP of \$5.40/watt which MEMC successfully sold a project in Italy in C3Q10 (i.e., before the FIT cuts that will take effect Dec. 1, 2010, & the solar module ASP erosion currently underway), we do not believe STP is marking its project to market, but rather marking projects to its NPV model (creating a "buffer" for bottom-line earnings when convenient). Consequently, given STP's assumptions on module ASPs, BoS costs, & profit appear subjective, & too high, we believe investors should exclude GSF profit from EPS for valuation purposes. As this dynamic becomes better understood, we believe STP's valuation multiple will compress.

Our candid view on STP's Glory Silicon 375MW wafer acquisition: When considering STP paid \$207M (i.e., \$127 in cash; \$80M in liabilities) for a 70% stake in Glory Silicon's 375MW wafer production, our math suggests the cash outlay was \$296M, or \$0.79/watt (i.e., [\$207M ÷ 70%] ÷ 375MW = \$0.79/watt). However, with wafer prices today hovering around \$0.85/watt, &, based on Meyer Berger's projections, 40GW worth of wafer capacity slated to enter the market next year (at an upfront capital cost of ~\$0.20/watt), our conservative cost curve model suggests solar wafer prices will moderate by ~30% to \$0.60/watt by mid-2011; at this price, vs. the \$0.79/watt STP paid for wafer capacity, we believe the company would once again be at a cost disadvantage to the majority of its peers; while this question (i.e., why is STP paying so much for solar wafer capacity) was positioned to management on the C3Q10 earnings conference call, the answer given by STP's CEO (i.e., time is of the essence, & we need in-house wafering capacity) suggests, once again (i.e., similar to the long-term poly-Si contracts STP signed in late-2008 ahead of the poly-Si market collapse, thus hurting its ability to compete with its peers' costs), STP may be at a fundamental cost disadvantage to its peers through CY11. This concerns us regarding STP's long-term prospects.

STOCK RATING: SELL
PRICE: \$7.53
PRICE TARGET: \$6.00

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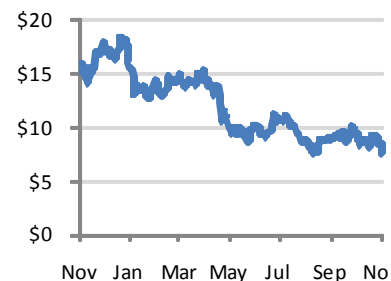
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Company Data

Sector Rating New	Mkt-Underperform
Sector Rating Old	Mkt-Underperform
Stock Rating New	Sell
Stock Rating Old	Sell
Ticker/Exchange	STP/NASDAQ
52 Wk Hi-Low	\$ 18.78-\$7.53
Market Cap. (million)	\$ 1549.79
Shares Out (million)	181
Float (million)	127
Avg. Daily Vol (x000)	3,749
Est. 5-Yr EPS/DPS Growth	5%/0%

Price Performance LTM (USD)



Earnings Estimates

EPS	2009A	2010E	2010E	2011
		Old	New	
Q1	\$0.01	\$0.11	\$0.11	\$0.40
Q2	\$0.06	-\$0.97	-\$0.97	\$0.31
Q3	\$0.16	\$0.28	\$0.18	\$0.13
Q4	\$0.24	\$0.32	\$0.63	\$0.17
FY	\$0.47	-\$0.27	-\$0.04	\$1.00
Consensus				
FY	\$0.47	-\$0.16	-\$0.16	\$0.87

C3Q10 detailed results, our forward estimates, & STP guidance: In terms of C3Q10 specifics, STP saw total shipments of 416MW vs. our est of 394MW, aggregated ASP of \$1.75/watt (down 3.7% q/q) vs. our est of \$1.75/watt (down 3.5% q/q), systems shipments of 6MW vs. our est of 15MW, systems ASPs of \$2.86/watt (down 3.7% q/q) vs. our est of \$2.87/watt (down 3.5% q/q), non-silicon cost of \$0.52/watt vs. our est of \$0.57/watt, & total cost of \$1.49/watt vs. our est of \$1.52/watt, for revs/GM/EPS-ex-GSF of \$743.7M/16%/0.06 vs. our est of \$733.0M/18%/0.28 (Street \$713.9M/18%/0.22). Interestingly, in the quarter, despite STP's non-silicon costs remaining constant at \$0.52/watt, its gross margin fell by 180bps, which suggests the company had to access higher-cost solar wafers/poly-Si in the spot market (a troubling trend, which we believe sparked the company's decision to purchase wafer capacity from Glory Silicon for a 295% premium to the \$0.20/watt that many emerging wafer manufactures have publicly stated they can add new capacity at). **Our forward ests/STP guidance:** with STP's C4Q10 guidance for: (1.) a modest q/q increase in ASP, (2.) a \$15M FX loss assuming a euro/dollar exchange rate of 1.35 (higher loss if rate goes higher; lower loss if rate goes lower), (3.) 477MW in shipments, (4.) 17% gross margins, & (5.) 80MW sold to GSF in C4Q10, vs. 10MW sold in C3Q10, our C4Q10 rev/EPs ests adjust to \$871.4M/\$0.63 vs. \$763.9M/\$0.32 previously (Street \$785.9M/\$0.26); however, excluding the \$70M in below-the-line profit we believe STP will recognize on GSF sales (as noted above, we exclude these profits as we believe STP is applying assumed Italian project ASPs for its NPV mark-to-model calculations that are not realistic), we model C4Q10 EPS of \$0.25. Our CY11 rev/EPs ests adjust higher to \$2.4B/\$1.00 vs. \$2.3B/\$0.55 prior (Street \$2.8B/\$0.87); however, excluding the ~\$80M in CY11 below-the-line profit we believe STP will recognize on GSF sales, we model CY11 EPS of \$0.56. Please see **Figure 4** below for our shortened bottom-up STP earnings driver model.

Bal. sheet/cash flow – while management advertised solid working capital management, both receivables & inventory, on a dollar basis, increased yet again; furthermore, while the cash balance improved by an impressive \$180M, it appears the bulk of this increase came from a \$388M surge in Other Current Liabilities (which STP does not provide in-depth disclosure on): STP saw its C3Q10 days sales outstanding (DSOs) fall to 53.7 days vs. 58.3 days in C3Q10, while its days sales in inventory (DSI) fell to 64.8 days vs. 67.2 days in C2Q10 (STP's dollar AR/inventory balance advanced, however, to \$443M/\$447M, respectively, vs. \$405M/\$381M prior). Separately, & an area we believe STP was intentionally unforthcoming about, despite boasting a cash position of \$946M this qtr vs. \$765M last qtr, when asked on the call what its operating cash flow (OCF) balance was, the residing CFO did not answer the question (see **Figure 5** below). In fact, a closer look at STP's balance sheet reveals that excluding the +\$388M in cash generated by q/q shifts in other current liabilities (which the company attributed to leased equipment, miscellaneous payables, contingent liabilities associated with hedged contracts, & PP&E payments), operating cash flow would have been negative by \$137.1M. While we acknowledge that current liabilities are indeed a contributing factor to OCF, management's focus on the call centered on its solid management of A/R & inventory, both of which actually contributed to cash burn (NOT cash generation). Thus, before we are willing to concede that STP is indeed managing working capital efficiently, we would like to see: (1.) better management of inventory and A/R, & (2.) concise answers when asked about what the OCF was for the quarter – we still have yet to see this from STP.

Valuation/Risks: Our \$6.00 12-month price objective (19% downside from today's price) is unchanged – based primarily on 10x our CY11 EPS estimate ex-GSF of \$0.56, supported by our market-based DCF analysis (**Figure 6**). **Risks include:** (1) sale of investments made in GSF affiliate, (2) FX benefit, (3) unforeseen advances in cost reductions, & (4) material improvement in working capital management/cash flow.

Figure 1: Build for STP Assumed ASP on GSF Project Rev Recognized This Quarter

Assumptions	
(1.) Profit Recognized in C3Q10 on GSF Projects Solar in \$/watt (i.e., \$22.9M in profit ÷ 10MW sold)	\$2.29
(2.) C1Q09 GSF Revs	\$35
(3.) C1Q09 GSF MWs Sold	100.5
(4.) C2Q09 GSF Revs	\$5
(5.) C2Q09 GSF MWs Sold	15.3
(6.) Weighted Avg. GSF ASP $([3. + 5.] \div [2. + 4.])$ - \$/watt	\$2.90
(7.) Balance of Systems Cost - \$/watt	\$1.65
(8.) Project ASP (1. + 6. + 7.) - \$/watt	\$6.84

Source: Company data, Axiom Capital Management research

Figure 2: While MEMC Recently Sold a Project in Italy for ~\$5.40/watt, STP Projects It Will Sell Its GSF-Related Projects for a 26% Premium to This Price Despite: (1.) a 6% FIT Cut Slated for Dec. 1, 2010, & (2.) Module Price Erosion Since MEMC's Sale

MEMC's SunEdison sells Europe's largest solar plant

Mon Oct 4, 2010 8:09pm EDT

* MEMC reaps 3.94 euros a watt for Rovigo solar plant

* Plant to be finished by year-end

By Sarah McBride

LOS ANGELES, Oct 4 (Reuters) - Private equity firm First Reserve Corp is spending 276 million euros to buy a 70-megawatt solar plant in [Italy](#) from SunEdison, a unit of semiconductor maker MEMC Electronic Materials Inc ([WFR.N](#)).

SunEdison said the plant, Europe's largest of its kind, will generate enough energy to power 16,500 homes during peak sunlight hours. The price of 3.94 euros, or \$5.39, per watt is high compared to other countries like [Germany](#) where a similar plant might cost \$3 a watt, said Gordon Johnson, an analyst at Axiom Capital.

Plants in Italy typically cost more because developers charge a premium for cutting through notorious Italian bureaucracy, he said. It will be ready by year-end, before key government subsidies are cut, Johnson added.

The returns in Italy "are the best in all Europe," said Michael Horwitz, an analyst at RW Baird.

First Reserve is buying the plant through a previously announced joint venture with minority stakeholder SunEdison. Partners Group AG and Perennius Capital Partners SGR are also expected to invest in the plant, SunEdison said.

FirstReserve has paid 46 million euros to SunEdison, and will pay the balance by the end of the fourth quarter, SunEdison said. It is working with banks to line up financing, it added.

The Rovigo, Italy plant will use photovoltaic technology, which uses panels to convert the sun's energy into electricity.

When it opens, it will be Europe's largest, but bigger plants are in development in the region. Last year, the Vatican said it would build a 100-megawatt plant that will be operational in 2014.

MEMC bought SunEdison for \$200 million last year.

Acquisitions in the solar sector are heating up. Last month, [Japan's Sharp \(6753.T\)](#) Corp said it would buy U.S solar-power systems developer Recurrent Energy for up to \$305 million.

Sharp's rivals, including U.S.-based solar-panel makers First Solar Inc ([FSLR.O](#)) and China's Suntech Power Holdings Co ([STP.N](#)), have expanded into the project development business to supply utilities with solar power to make up for a fall in panel prices. (Reporting by Sarah McBride; Editing by [Richard Chang](#))

Source: Reuters

Figure 3: Italian FIT Progression - New Conto Energia incentive scheme (EUR/KWh)

Capacity (KW)	From December 2010 to April 2011		From April 2011 to August 2011		From August 2011 to December 2011	
	Roof Mounted	Other Plants	Roof Mounted	Other Plants	Roof Mounted	Other Plants
200-1,000	0.355	0.314	0.355	0.309	0.314	0.266
1,000-5,000	0.351	0.313	0.327	0.289	0.302	0.264
>5,000	0.333	0.297	0.311	0.275	0.287	0.251

Source: Ministry of Economic Development

Figure 4: STP Bottom-Up Segment Model – Abridged Axiom Capital Management Model

Fiscal Year-End: December	Fiscal 2009				Fiscal 2010E				Fiscal 2011E				Fiscal 2009	Fiscal 2010E	Fiscal 2011E
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E	Q1E	Q2E	Q3E	Q4E			
Nameplate Capacity (MW)	1000.0	1000.0	1000.0	1100.0	1100.0	1400.0	1800.0	1800.0	1800.0	1800.0	1800.0	1800.0	1100.0	1800.0	1800.0
Total Module Shipments (MW)	111.3	122.9	200.9	235.1	280.0	332.5	416.0	477.0	382.5	360.0	337.5	382.5	670.2	1505.5	1462.5
Capacity Utilization %	44.5%	49.2%	80.4%	85.5%	101.8%	95.0%	92.4%	106.0%	85.0%	80.0%	75.0%	85.0%	60.9%	83.6%	81.3%
PV Module ASP (\$/Watt)	\$2.84	\$2.61	\$2.17	\$2.11	\$1.89	\$1.81	\$1.75	\$1.79	\$1.57	\$1.43	\$1.31	\$1.23	\$2.43	\$1.81	\$1.38
System ASP (\$/Watt)	NM	NM	\$3.10	\$3.50	\$3.10	\$2.98	\$2.86	\$2.94	\$2.57	\$2.34	\$2.15	\$2.01	\$3.30	\$2.97	\$2.27
STP Cost Analysis															
Blended Poly Cost for Wafers (US\$/kg)	\$135	\$120	\$86	\$71	\$89	\$76	\$71	\$76	\$71	\$66	\$60	\$54	\$103	\$78	\$63
Non-Silicon Costs (US\$/watt)	\$1.02	\$0.96	\$0.96	\$0.91	\$0.90	\$0.86	\$0.87	\$0.86	\$0.84	\$0.83	\$0.82	\$0.81	\$0.96	\$0.87	\$0.83
Silicon (US\$/watt)	\$1.30	\$1.13	\$0.80	\$0.65	\$0.80	\$0.68	\$0.62	\$0.66	\$0.61	\$0.56	\$0.50	\$0.44	\$0.96	\$0.69	\$0.52
Total processing costs (US\$/watt)	\$2.32	\$2.09	\$1.76	\$1.56	\$1.70	\$1.54	\$1.49	\$1.52	\$1.45	\$1.39	\$1.32	\$1.25	\$1.93	\$1.56	\$1.35
STP Revenue Build															
PV Module	\$316	\$321	\$436	\$496	\$529	\$603	\$726	\$854	\$599	\$513	\$443	\$469	\$1,569	\$2,713	\$2,024
PV System	\$0	\$0	\$37	\$88	\$59	\$22	\$17	\$18	\$64	\$105	\$118	\$131	\$125	\$115	\$418
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total revenue	\$316	\$321	\$473	\$584	\$588	\$625	\$744	\$871	\$663	\$618	\$561	\$600	\$1,693	\$2,828	\$2,442

Source: Company data, Axiom Capital Management research

Figure 5: When Simply Asked What STP's C3Q10 Operating Cash Flow Was, Residing CFO Declines to Give Direct Answer

<Q - Vishal Shah>: Okay, okay, great. Thank you very much. Amy, can you remind us what your operating cash flow was in Q3 and also what impact on cash for the full year 2010? Thank you.

<A - Amy Zhang>: I think as you can see from our improvement of DSO and DPO and also inventory management and other financial instruments being implemented to speed up the cash collection and cash cycle, we are continuously managing our working capital very effectively. And also with the higher volume to be sold and relatively high – good margin generated, we will be able to, regarding our own planned capacity expansion, we will be able to finance that. And also from the bankers' side, again, we've got quite substantial facility already approved and reserved for us. And of course we take very careful consideration when we make a drawdown action. But if we do, we've got a different source of cash to leverage to finance our expansion and operations.

Source: Pages 14/15 of STP's C3Q10 earnings transcript

Figure 6: STP DCF Model – Axiom Capital Estimates

Suntech Power Holdings												
Discounted Cash Flow Analysis for the Year Ended December 31 (\$ million)												
Year	2008	2009	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	Terminal	CAGR
											08-17	
Revenue	\$1,923.5	\$1,693.3	\$2,828.2	\$2,442.2	\$2,686.4	\$2,955.0	\$3,191.4	\$3,351.0	\$3,518.5	\$3,694.5	\$3,768.3	7.5%
% growth		-12.0%	67.0%	-13.6%	10.0%	10.0%	8.0%	5.0%	5.0%	5.0%	2.0%	
EBIT	\$182.5	\$174.0	\$273.9	\$202.2	\$222.4	\$240.2	\$257.0	\$272.5	\$286.1	\$300.4	\$315.4	
% growth		-4.7%	57.4%	-26.2%	10.0%	8.0%	7.0%	6.0%	5.0%	5.0%	5.0%	
EBIT (tax affected)	\$176.4	\$169.2	\$273.2	\$180.0	\$182.4	\$197.0	\$179.9	\$190.7	\$200.3	\$210.3	\$220.8	
% growth		-4.1%	61.5%	-34.1%	1.3%	8.0%	-8.7%	6.0%	5.0%	5.0%	5.0%	
% of sales	9.2%	10.0%	9.7%	7.4%	6.8%	6.7%	5.6%	5.7%	5.7%	5.7%	5.9%	
tax rate	3%	2.8%	0.2%	11.0%	18.0%	18.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Depreciation/Amortization	\$39.3	\$66.3	\$74.8	\$74.8	\$82.3	\$90.5	\$97.7	\$102.6	\$107.8	\$113.2	\$115.4	
% growth		68.7%	12.8%	0.0%	10.0%	10.0%	8.0%	5.0%	5.0%	5.0%	2.0%	
% of sales	2.0%	3.9%	2.6%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	
Change in WC	\$22.6	(\$180.2)	(\$637.4)	\$56.0	(\$3.8)	(\$4.2)	(\$4.6)	(\$4.8)	(\$5.0)	(\$5.3)	(\$5.4)	
% of sales	-1.2%	10.6%	22.5%	-2.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
CAPEX	(\$347.9)	(\$142.6)	(\$350.0)	(\$100.0)	(\$30.0)	(\$40.0)	(\$20.0)	(\$19.8)	(\$19.6)	(\$19.4)	(\$19.2)	
% growth		-59.0%	145.4%	-71.4%	-70.0%	33.3%	-50.0%	-1.0%	-1.0%	-1.0%	-1.0%	
% of sales	18.1%	8.4%	12.4%	4.1%	1.1%	1.4%	0.6%	0.6%	0.6%	0.5%	0.5%	
Free Cash Flow to Firm	(\$109.6)	(\$87.3)	(\$639.4)	\$210.7	\$230.8	\$243.3	\$253.1	\$268.8	\$283.4	\$298.8	\$311.6	
% growth												
PV	(\$99.2)	(\$71.5)	(\$474.0)	\$141.4	\$140.2	\$133.7	\$125.9	\$121.0	\$115.5	\$110.2	\$104.0	
WACC	10.5%											
Steady State Growth	2.00%											
Terminal Value	\$1,225.7											
NPV of Terminal Value	\$452.1											
NPV of FCF till 2017	\$342											
NPV of Firm	\$794.6											
Total Debt	\$1,183.8											
Total Cash	\$946.2											
Net Debt	\$237.6											
Value of Equity	\$557.0											
Number of Shares	181											
DCF Value	\$3											
WACC	10.5%											
Share Price	\$8.3											
Number of Shares	181											
Beta	2.30											
Risk Free Rate	2.7%											
Long-Term Market Return	9.0%											
Risk Premium	6.3%											
Tax Rate	30%											
Debt	\$1,183.8											
Equity	\$1,511.7											
Cost of Equity	17.2%											
Cost of Debt	2.0%											
DCF Analysis												
WACC	10.5%											
Net Present Value of FCF Years 1-10	\$342											
Net Present Value of Continuing Value	\$452.1											
Total Present Value of Firm	\$794.6											
Less Debt	\$1,183.8											
Plus Cash and S-T Investments	\$946.2											
Value of Equity	\$557.0											
Diluted Shares Outstanding (millions)	181											
Equity Value Per Share	\$3											

Source: Company data, Axiom Capital Management research

Analyst Certification:

I, Gordon Johnson, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

Explanation of Ratings

Outperform/Buy – We expect the stock to outperform the S&P 500 Index and post absolute price appreciation of at least 10%.

Neutral/Hold – We expect the stock to perform in line with the S&P 500 Index.

Underperform/Sell – We expect the stock to underperform the S&P 500 Index and post absolute price depreciation of at least 10%

Current distribution of ratings as of November 17th, 2010

Rating	Number	%
Outperform/Buy	2	28.6%
Neutral/Hold	1	14.3%
Underperform/Sell	4	57.1%

Investment banking services were not provided to any of the companies with the aforementioned ratings. All current required disclosures are available by contacting: Compliance Department at 780 Third Avenue, 43rd Floor, New York, NY 10017

Valuation Methods for Fundamental Analysis

One or more of the following valuation methods are used in making a price projection: Analysis of the supply and demand for a security to ascertain how high or low a stock price may move before either overhead supply or underneath demand develops. Analysis of a company's P/E ratio, price/book ratio, price/cash ratio, earnings expectations or sales growth as they relate within an industry group or to the broader market. Dividend yield of the S&P 500 vs. the dividend yield of the 10 year-government bond. Individual sector analysis along with investor sentiment, and Federal Monetary Policy.

Our 6 month price target of \$6.00 for STP is supported by P/E multiple analysis (10xx our CY11 EPS estimate)

Other

Risks which could conflict with our invest thesis include: (1) sale of investments made in GSF affiliate, (2) FX benefit, (3) unforeseen advances in cost reductions, & (4) material improvement in working capital management/cash flow.

Valuation Methods for Technical Analysis

Valuations are based on technical analysis techniques using some or all of the following inputs: trend recognition, pattern recognition, Japanese candlestick formations, oscillator readings (short-term), relative performance, money flows, support and resistance levels, volume, sentiment indicators, and seasonal analysis.

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