81,7(' 67$7(6
6(&85,7,(6 $1' (;&+$1*(&200,66,21
:$6+,1*721 ' &
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)250 .
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0DUN 2QH

ó 118/ 5(3257 38568$17 72 6(&7,21 25 G 2) 7+(6(&85,7,(6 (;&+$1*($&7 2)
)RU WKH ILVFDXQHDU HQGHG
2U

ñ 75$16,7,21 5(3257 38568$17 72 6(&7,21 25 G 2) 7+(6(&85,7,(6 (;&+$1*($&7 2)
)RU WKH WUDQVLWLRQ SHULRG IURP WR
&RPPLVVLRQ ILOH QXPEHU
BBBBBBBBBBBBBBBBBBBBBBBBBBBBBB

1(:6 &25325$7,21

([DFW QDPH RI UHJLVWUDQW DV VSHFLILHG LQ LWV FKDUWHU
BBBBBBBBBBBBBBBBBBBBBBBBBBBBBB

'HODZDUH
6WDWH RU RWKHU MXULVGLFWLRQ RI , 5 6 (PSOR\HU
LQFRUSRUDWLRQ RU RUJDQL]DWLRQ ,GHQWLILFDWLRQ 1R

$YHQXH RI WK1HH Z3P<HR1UHN D<VRUN
$GGUHVV RI SULQFLSDO H[HFXWLYH RIILFHV =LS &RGH

5HJLVWUDQWµV WHOHSKRQH QX78w.G.w.G.w.G.w.G.w.G.w.G 78w.G.d ,8µV WHOHSKR

3$57 ,

,7(0 %86,1(66

29(59,(:

7KH &RPSDQ\

1HZV &RUSRUDWLRQ WKH ²&RPSDQ\ ³ ²1HZV &RUS ³ ²ZH ³ ²XV ³ RU ²RXU³ L

)RU WKH ILVFDO \HDU HQ
-XQH

6HJPHQW
5HYHQXHV (%,7'$
LQ PLOOLRQV

'LJLWDO 5HDO (VWDWH 6HUYLFHV
6XEVFULSWLRQ 9LGHR 6HUYLFHV
'RZ -RQHV
%RRN 3XEOLVKLQJ
1HZV 0HGLD
2WKHU

'LJLWDO 5HDO (VWDWH 6HUYLFHV

7KH &RPSDQ\µV 'LJLWDO 5HDO (VWDWH 6HUYLFHV VHJPHQW FRQVLVWV RI LW
OLVWHG RQ $6; $6; 5($ DQG LWV LQWHUHVW LQ 0RYH 7KH UHPDLQLQ

8 -) /PMSN

5($ *URXS LV D PDUNHW OHDGLQJ GLJLWDO PHGLD EXVLQHVV VSHFLDOL]LQ
UHODWHG DGYHUWLVLQJ DQG VHUYLFHV DV ZHOO DV ILQDQFLDO VHUYLFH

@ZWXMZ\a IVL @ZWXMZ\a%AMTI\ML 1L^MZ\Q[QVO IVL BMZ^QKM[

5($ *URXS DGYHUWLVHV SURSHUW\ DQG SURSHUW\ UHODWHG VHUYLFHV RQ
*URXSµV $XVWUDOLDQ RSHUDWLRQV LQFOXGH OHDGLQJ UHVLGHQWLDO FR
UHDOFRPPHUFLDO FRP DX DQG)ODWPDWHV FRP DX $GGLWLRQDOO\ 5($ *U
VHUYLQJ WKH GLVSOD\ PHGLD PDUNHW DQG PDUNHWV DGMDFHQW WR SURS
PRQWKO\ YLVLWV WR UHDOHVWDWH FRP DX ZHUH PRUH WKDQ PLOOLRQ
PLOOLRQ DYHUDJH PRQWKO\ ODXQFKHV LQ ILVFDO DV FRPSDUHG WR WH
ORQJHU RQ WKH DSS WKDQ DQ\ RWKHU SURSHUW\ DSS LQ $XVWUDOLD DFFR
UHPDLQV $XVWUDOLDµV OHDGLQJ FRPPHUFLDO SURSHUW\ VLWH DFURVV ZH
ODXQFKHG WLPHV PRUH WKDQ WKH QHDUHVW FRPSHWLWRU DQG FRQVX
UHDOFRPPHUFLDO FRP DX DSS EDVHG RQ 1LHOVHQ 'LJLWDO &RQWHQW 5DW
DFFRPPRGDWLRQ LQ $XVWUDOLD ZLWK DYHUDJH PRQWKO\ YLVLWV RI PRUH
ILVFDO

5HDOHVWDWH DX DQG UHDOFRPPHUFLDO FRP DX GHULYH WKH PDMRULW\ RI WK
SURGXFWV DQG PRQWKO\ DGYHUWLVLQJ VXEVFULSWLRQV IURP UHDO HVWD
UHDOFRPPHUFLDO FRP DX RIIHU D SURGXFW KLHUDUFK\ ZKLFK HQDEOHV UH
DGYHUWLVHPHQWV WR LQFUHDVH WKHLU SURPLQHQFH RQ WKH VLWH DV Z
DGYHUWLVLQJ SURGXFWV)ODWPDWHV FRP DX GHULYHV WKH PDMRULW\ RI
7KH PHGLD EXVLQHVV RIIHUV XQLTXH DGYHUWLVLQJ RSSRUWXQLWLHV RQ 5
PDUNHWV LQFOXGLQJ XWLOLWLHV DQG WHOHFRPPXQLFDWLRQV LQVXUDQF
UHVLGHQWLDO SURSHUW\ GDWD VHUYLFHV WR WKH ILQDQFLDO VHFWRU WK

5($ *URXSµV LQWHUQDWLRQDO RSHUDWLRQV FRQVLVW RI SURSHUW\ VLWHV
DQG SURPLQHQW SRUWDOV LQ +RQJ .RQJ &KLQD DQG 7KDLODQG ,Q 0DOD\
PRELOH ILUVW FXVWRPHU SODWIRUP ZKLFK DOORZV SURSHUW\ DJHQWV WH
LPSURYHG PDUNHWLQJ DQDO\WLFV DQG FXVWRPHU UHSRUWLQJ)ROORZLQJ WH
3UR DFURVV WKH UHJLRQ 5($ *URXS DOVR RSHUDWHV &KLQHVH VLWH P\IX
JHRJUDSKLF PDUNHWV E\ VKRZFDVLQJ UHVLGHQWLDO SURSHUW\ OLVWLQJV
DGGLWLRQ GXULQJ ILVFDO 5($ *URXS HVWDEOLVKHG D MRLQW YHQWX
,QGRQHVLDQ SURSHUW\ SRUWDOV ZLWK FRµV H[LVWLQJ EXVLQHVVHV WR
6LQJDSRUH DQG ,QGRQHVLD 5($ *URXS RZQV D LQWHUHVW LQ WKH MRL

)R[WLHVOWKH ODUJHVW SD\ 79 SURYLGHU LQ $XVWUDOLD GHOLYHULQJ QHDU
GHILQLWLRQ YHUVLRQV RI WKRVH FKDQQHOV DXGLR FKDQQHOV DQG RQH
PRYLHV GRFXPHQWDULHV PXVLF FKLOGUHQµV SURJUDPPLQJ DQG QHZV)
$XVWUDOLD ZLWK XQLTXH ULJKWV DFURVV NH\ VSRUWV DQG D VXLWH RI F
)227<)2; 632576)2; 632576)2; 632576 025( )2; 632576 1(:6 DQG)2;
FKDQQHOV WRJHWKHU EURDGFDVW DSSUR[LPDWHO\ KRXUV RI OLYH VS
DQG LQWHUQDWLRQDO OLFHQVHG VSRUWV HYHQWV VXFK DV 1DWLRQDO 5X
GRPHVWLF IRRWEDOO OHDJXH WKH $XVWUDOLDQ 5XJE\ 8QLRQ DQG YDULR
DQG OLFHQVHG SUHPLXP VSRUWV FRQWHQW WDLORUHG WR WKH $XVWUDOL
WHOHYLVLRQ SURJUDPPLQJ IURP +%2)2; 1%&8QLYHUVDO DQG :DUQHU %U
RZQHG DQG RSHUDWHG E\ )R[WHO LQFOXGLQJ JHQHUDO HQWHUWDLQPHQW
SURJUDPPLQJ VRXUFHG WKURXJK DUUDQJHPHQWV ZLWK PDMRU 8 6 VWXGL

)R[WHOµV FRQWHQW LV DYDLODEOH WKURXJK FKDQQHOV DQG RQ GHPDQG
FDEOH QHWZRUNV DFFHVVHG WKURXJK 7HOVWUD RU 2SWXVµV VDWHOOLWH
DQG L4)R[WHO LQWHQGV WR PLJUDWH DOO EURDGFDVW VXEVFULEHUV WH
VXEVFULEHUV FDQ DOVR DFFHVV)R[WHOµV FRQWHQW XVLQJ D FRPSDQLRQ
LWV VWUDWHJ\ WR UHDFK QHZ VHJPHQWV RI WKH $XVWUDOLDQ SRSXODWLR
1RZ DQ RYHU WKH WRS RU 277 WHOHYLVLRQ VHUYLFH WKDW SURYLGHV D
RQ D QXPEHU RI GHYLFHV LQFOXGLQJ WKH)R[WHO 1RZ ER[PRELOH GHYL
VWUHDPLQJ GHYLFHV .D\R LWV VSRUWV 277 VHUYLFH WKDW DOORZV VXE
RQ GHPDQG DQG %LQJH LWV UHFHQWO\ ODXQFKHG RQ GHPDQG HQWHUWD
KRXUV RI WRS ORFDO DQG LQWHUQDWLRQDO FRQWHQW DFURVV SUHP
EXQGOHG EURDGEDQG SURGXFW ZKLFK FRQVLVWV RI)R[WHOµV H[LVWLQJ
EURDGEDQG VHUYLFH SUHGRPLQDQWO\ RQ WKH QDWLRQDO EURDGEDQG Q
,Q DGGLWLRQ WR LWV SD\ 79 VHUYLFHV)R[WHO RSHUDWHV IR[VSRUWV FR
15/ DQG :DWFK $)/ VXEVFULSWLRQ VHUYLFHV WKDW SURYLGH OLYH VWUHD
$XVWUDOLDQ)RRWEDOO /HDJXH PDWFKHV LQWHUQDWLRQDOO\

)R[WJHQHUDWHV UHYHQXH SULPDULO\ WKURXJK VXEVFULSWLRQ UHYHQXH D
KLJKO\ VHDVRQDO WKRXJK UHVXOWV FDQ IOXFWXDWH GXH WR WKH WLPLQ
H[SHQVHV DVVRFLDWHG ZLWK OLFHQVLQJ FHUWDLQ SURJUDPPLQJ ULJKWV
²0DQDJHPHQWµV 'LVFXVVLRQ DQG $QDO\VLV RI)LQDQFLDO &RQGLWLRQ DQ
SHUIRUPDQFH LQGLFDWRUV IRU)R[WHO

)R[WHHOOPSHWHV SULPDULO\ ZLWK D YDULHW\ RI RWKHU YLGHR FRQWHQW SU
LQ $XVWUDOLD LQFOXGLQJ WKH WKUHH PDMRU FRPPHUFLDO)7$ QHWZRUN
FRQWHQW SURYLGHUV WKDW GHOLYHU YLGHR SURJUDPPLQJ RYHU WKH LQW
DQG VXEVFULSWLRQ YLGHR RQ GHPDQG RU 692' SURYLGHUV VXFK DV)HW
VHUYLFHV RIIHUHG WKURXJK GLJLWDO PHGLD SURYLGHUV VXFK DV <RX7XE
DV &%6 'LVQH\ DQG WKH)7$ QHWZRUNV WKDW SURYLGH FRQWHQW LQFO

DOVR RZQV DQG RSHUDWHV WKH LQWHUQDWLRQDO $XVWUDOLD &KDQQHO ,
SODWIRUPV LQFOXGLQJ ZHE PRELOH DQG WKLUG SDUW\ SURYLGHUV $1&
UHFHLYHG IURP SD\ 79 SURYLGHUV EDVHG RQ WKH QXPEHU RI VXEVFULEHU

$1&FRPSHWHV SULPDULO\ ZLWK RWKHU QHZV SURYLGHUV LQ $XVWUDOLD D
SDUW\ FRQWHQW DUUDQJHPHQWV DQG IUHH GRPDLQ ZHEVLWH ,WV $XVWUD
VXEVFULSWLRQ EDVHG QHZV SURYLGHUV LQ UHJLRQV RXWVLGH RI $XVWUD

'RZ -RQHV

7KH &RPSDQ\ V 'RZ -RQHV VHJPHQW LV D JOREDO SURYLGHU RI QHZV DQG I
WKURXJK D YDULHW\ RI PHGLD FKDQQHOV LQFOXGLQJ QHZVSDSHUV QHZVZ
DQG H ERRN UHDGHUV QHZVOHWWHUV PDJD]LQHV SURSULHWDU\ GDWDED
WKH 'RZ -RQHV EXVLQHVV ZKRVH SURGXFWV WDUJHW LQGLYLGXDO FRQVXP
:W]ZVIT

JURXS RI LQIOXHQWLDO OHDGHUV IURP LQGXVWU\ ILQDQFH JRYHU
UHYHQXH IURP SDUWLFLSDWLRQ IHHV FKDUJHG WR DWWHQGHHV

'XH WR WKH LPSDFWV RI &29,' FHUWDLQ OLYH MRXUQDOLVP HYHQWV WKDW ZHUH
LQWHUDFWLYH YLUWXDO HYHQWV DQG RWKHUV KDYH EHHQ SRVWSRQHG RU FDQFHO

7KH IROORZLQJ WDEOH SURYLGHV LQIRUPDWLRQ UHJDUGLQJ LVVXH VDOHV
'RZ -RQHV FRQVXPHU SURGXFWV DQG IRU DOO FRQVXPHU VXEVFULSWLRQ S

LQ µV	7KH :DOO 6WUHHW -RXUQDO&0DUURQµV 7RWDO &RQVXPHU					
	$YHUDJH *OREDO ,VVXH 6DOHV	$YHUDJH *OREDO ,VVXH 6XEVFULSWLRQ6DOHV	$YHUDJH *OREDO ,VVXH 6DOHV	$YHUDJH *OREDO ,VVXH 6XEVFULSWLRQ6DOHV	$YHUDJH *OREDO ,VVXH 6DOHV	$YHUDJH *OREDO ,VVXH 6XEVFULSWLRQV
3ULQW						
'LJLWDO RQO\						
7RWDO						

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%DVHG RQ LQWHUQDO GDWD IRU WKH SHULRG IURP 0DUFK WR -X
VDOHV DQG VXEVFULSWLRQV SURYLGHG E\ 3ULFHZDWHUKRXVH&RRSHUV
7RWDO &RQVXPHU 7KH :DOO 6WUHHW -RXUQDO&0DUURQµV :DWFK QHZVOHWWHU VXEVFULSWLRQV
3ULYDWH (TXLW\ 1HZV
$YHUDJH *OREDO ,VVXH 6DOHV LQFOXGHV VXEVFULSWLRQ DQG QRQ VXE
DUH QRW OLPLWHG WR VLQJOH FRS\ QHZVVWDQG VDOHV DQG FRSLHV
6XEVFULSWLRQV LQFOXGH LQGLYLGXDO FRQVXPHU VXEVFULSWLRQV DV
EXVLQHVVHV DQG DVVRFLDWLRQV IRU XVH E\ WKHLU UHVSHFWLYH HPSO
VLQJOH FRS\ VDOHV DQG FRSLHV SXUFKDVHG E\ KRWHOV DLUOLQHV DQ
FXVWRPHUV
)RU VRPH SXEOLFDWLRQV 7KH :DOO 6WUHHW -RXUQDO&0DUURQµV VHOOV EXQGOHG SUL
SURGXFWV)RU EXQGOHV WKDW SURYLGH DFFHVV WR ERWK SULQW DQG
HDFK GD\ DQG LV GHVLJQDWHG DV D SULQW VXEVFULSWLRQ)RU EXQG
VSHFLILHG GD\V DQG IXOO GLJLWDO DFFHVV RQH SULQW VXEVFULSWLR
GLJLWDO VXEVFULSWLRQ LV UHSRUWHG IRU HDFK UHPDLQLQJ GD\ RI W

7KH IROORZLQJ WDEOH SURYLGHV LQIRUPDWLRQ UHJDUGLQJ WKH GLJLWDO
-RQHV FRQVXPHU SURGXFWV

	)< 0RQWKO\ 9LVLWRUV	$YHUDJH)< 0RQWKO\ 9LVLWRUV	$YHUDJH)< 3DJH 9LHZV	$YHUDJH 0RQWKO\ 8QLTXH 8VHU
:6-	PLOOLRQ	PLOOLRQ	PLOOLRQ	
0DUNHW:DWFK	PLOOLRQ	PLOOLRQ	PLOOLRQ	
:6-'1	PLOOLRQ	PLOOLRQ	PLOOLRQ	

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,QFOXGHV YLVLWV YLD ZHEVLWHV DQG PRELOH GHYLFH DQG WDEOHW D

,QFOXGHV SDJH YLHZV YLD ZHEVLWHV DQG PRELOH GHYLFH DQG WDEOH
-XQH
,QFOXGHV DJJUHJDWH XQLTXH XVHUV DFFHVVLQJ ZHEVLWHV DQG PRELO
PRQWKV HQGHG -XQH 6HH ²3DUW , %XVLQHVV±([SODQDWRU\ 1RV
UHJDUGLQJ WKH FDOFXODWLRQ RI XQLTXH XVHUV

3URIHVVLRQDO ,QIRUPDWLRQ 3URGXFWV

'RZ -RQHVµ SURIHVVLRQDO LQIRUPDWLRQ SURGXFWV ZKLFK WDUJHW HQW
WHFKQRORJ\ DQG WRROV WKDW LQIRUP GHFLVLRQV DQG DLG DZDUHQHVV
.QRZOHGJH ,QVLJKW 'RZ -RQHV 5LVN &RPSOLDQFH DQG 'RZ -RQHV 1HZV
IROORZLQJ

‡ .QRZOHGJH 'RZ -RQHV .QRZOHGJH ,QVLJKW SURGXFWV FRQVLVW

FRQWHQW IURP DSSUR[LPDWHO\ JOREDO QHZV DQG LQIRUPDWL
LQ ODQJXDJHV 7KLV FRPELQDWLRQ RI EXVLQHVV QHZV DQG LQIR
ILQG PRQLWRU LQWHUSUHW DQG VKDUH HVVHQWLDO LQIRUPDWLRQ
DFWLYDWHG)DFWLYD XVHUV LQFOXGLQJ ERWK LQVWLWXWLRQDO D

‡

ODQJXDJHV DQG LW OLFHQVHV ULJKWV IRU LWV DXWKRUVµ ZRUNV WR E
+DUSHU&ROOLQV SXEOLVKHV ILFWLRQ DQG QRQILFWLRQ ZLWK D IRFXV RQ
8 . +DUSHU&ROOLQV SXEOLVKHV WLWOHV IRU WKH HTXLYDOHQW RI WKH .

$VRI -XQH +DUSHU&ROOLQV RIIHUHG DSSUR[LPDWHO\ SXEOLFD
+DUSHU&ROOLQVµ QHZ WLWOHV DV ZHOO DV WKH PDMRULW\ RI LWV HQWLU
JHQHUDWHG WKURXJK WKH VDOH RI H ERRNV DV ZHOO DV GRZQORDGDEOH
UHYHQXHV IRU WKH ILVFDO \HDU HQGHG -XQH :LWK WKH ZLGHVSUHD
+DUSHU&ROOLQV LV SXEOLVKLQJ D QXPEHU RI WLWOHV LQ GLJLWDO IRUPD

'XULQJ ILVFDO +DUSHU&ROOLQV [illegible]
QXPEHU RQH [illegible] E\ 5DFKHO [illegible] E\ -RDQQD
*DLQHG22 4] TJ

7KH &RPSDQ\µV EXVLQHVV DFWLYLWLHV DUH VXEMHFW WR ODZV DQG UHJX
UHWHQWLRQ RI SHUVRQDO GDWD ZKLFK FRQWLQXH WR HYROYH DQG KDYH
8 6 FHUWDLQ RI WKH &RPSDQ\µV ZHEVLWHV PRELOH DSSV DQG RWKHU RO
3ULYDF\ 3URWHFWLRQ $FW RI ZKLFK SURKLELWV WKH FROOHFWLRQ RI
DJH ZLWKRXW SULRU SDUHQWDO FRQVHQW ,Q DGGLWLRQ WKH)HGHUDO
FRQVXPHU SURWHFWLRQ ODZV WR FRPPHUFLDO GDWD SUDFWLFHV LQFOXG
GHOLYHU WDUJHWHG LQWHUQHW DGYHUWLVHPHQWV 0RUH VWDWH DQG OR
ODZV WKDW JRYHUQ WKH FROOHFWLRQ DQG XVH RI SHUVRQDO GDWD RI WK
WR LQGLYLGXDOV LQ FHUWDLQ FLUFXPVWDQFHV IRU IDLOXUH WR FRPSO\
SURYLGH QRWLFH WR VWDWH DJHQFLHV DQG WR LQGLYLGXDOV ZKRVH SHU
GDWD EUHDFKHG ,Q DGGLWLRQ WKH &DOLIRUQLD &RQVXPHU 3ULYDF\ $FW ²&&3$³ ZK
FHUWDLQ WUDQVSDUHQF\ UXOHV DQG SXWV JUHDWHU UHVWULFWLRQV RQ
&DOLIRUQLD UHVLGHQWV

6LPLODU ODZV DQG UHJXODWLRQV KDYH EHHQ LPSOHPHQWHG LQ PDQ\ RI W
WKH (XURSHDQ 8QLRQ WKH 8 . DQG $XVWUDOLD)RU H[DPSOH WKH (XUR
²*'35³ ZKLFK LV LQWHQGHG WR SURYLGH D XQLIRUP VHW RI UXOHV IRU S
WKH DGRSWHG WKH 'DWD 3URWHFWLRQ $FW RI)XUWKHU²DSSOLFDEOH
RI 0D\ WKH *'35 DQG WKH 8. '3$ H[SDQG WKH UHJXODWLRQ RI WKH F
SHUVRQDO GDWD FRQWDLQ VWULQJHQW FRQGLWLRQV IRU FRQVHQW IURP
WR KDYH SHUVRQDO GDWD GHOHWHG XSRQ UHTXHVW FRQWLQXH WR UHVW
SULYDF\ LPSDFW DVVHVVPHQWV WR HYDOXDWH GDWD SURFHVVLQJ RSHUDW
RI LQGLYLGXDOV UHTXLUH PDQGDWRU\ GDWD EUHDFK UHSRUWLQJ DQG QR
FRPSOLDQFH XS WR PLOOLRQ (XURV RU PLOOLRQ SRXQGV DV DSSOLF
SUHFHGLQJ ILQDQFLDO \HDU ZKLFKHYHU LV KLJKHU 7KHVH GDWD SURW
(XURSHDQ 8QLRQ LV DOVR FRQVLGHULQJ DQ XSGDWH WR LWV 3ULYDF\ DQG
UHJXODWLRQ WR DPRQJ RWKLQJV DPHQG WKH FXUUHQW GLUHFWLY

,Q-XO\ WKH (XURSHDQ &RXUW RI -XVWLFH LQYDOLGDWHG WKH 3ULYDF\
SHUVRQDO GDWD IURP WKH (XURSHDQ 8QLRQ WR WKH 8QLWHG 6WDWHV 7K
EXVLQHVV XQLW RSHUDWLQJ DQ DGYHUWLVLQJ H[FKDQJH DQG FHUWDLQ R
$V D UHVXOW WKH &RPSDQ\ ZLOO QHHG WR SXW LQ SODFH DQG ZRUN ZLW
DOWHUQDWLYH OHJDO PHFKDQLVPV IRU WKH 7KLIRWWKHG PHUKDQLVPVWKDWU
FHUWDLQ RI LWV VHUYLFH SURYLGHUV UHO\ RQ WR DGGUHVV WKH (XURSHD
(XURSHDQ 8QLRQ 6WDQGDUG &RQWUDFWXDO &ODXVHV DUH DOVR VXEMHFW
WUDQVIHU PHFKDQLVPV DQG DQ\ IXWXUH OHJDO FKDOOHQJHV WR GDWD W
WR LQFXU GGLWLRQDO FRVWV UHTXLUH LW WR FKDQJH EXVLQHVV SUDFW

,Q $XVWUDOLD GDWD SULYDF\ ODZV LPSRVH DGGLWLRQDO UHTXLUHPHQW
UHTXLULQJ WKH GLVFORVXUH RI FURVV ERUGHU GDWD WUDQVIHUV SODFL
GDWD EUHDFK UHSRUWLQJ DQG DGGLWLRQDO GDWD SULYDF\ DQG VHFXUL

,QGXVWU\ SDUWLFLSDQWV LQ WKH 8 6 (XURSH DQG $XVWUDOLD KDYH WDN
VWDQGDUGV DQG SUDFWLFHV LQFOXGLQJ WKH LPSOHPHQWDWLRQ RI VHOI
REOLJDWLRQV RQ SDUWLFLSDWLQJ FRPSDQLHV VXFK DV WKH &RPSDQ\ WR
FXVWRPL]HG EDVHG RQ WKHLU RQOLQH EHKDYLRU

7KH LQWHUSUHWDWLRQ DQG DSSOLFDWLRQ RI GDWD SULYDF\ DQG VHFXUL
DQG LQWHUQDWLRQDO GDWD SULYDF\ DQG VHFXULW\ ODZV YDU\ EHWZHHQ
PD\ SRWHQWLDOO\ FRQIOLFW 7KHVH &RPSOLDQFH FRQVLGHUDWLRQV PD\

WKH 3UHVV 5HFRJQLWLRQ 3DQHO WKH QHZ SUHVV UHJXODWRU\ ERG\ RU E
SXEOLVKHUV ,Q DGGLWLRQ WR WKH 3UHVV 5HFRJQLWLRQ 3DQHO FHUWDLQ
DSSURYHG UHJXODWRU PD\ EH OLDEOH IRU H[HPSODU\ GDPDJHV LQ FHUWD
6HFWLRQ RI WKH &ULPH DQG &RXUWV $FW LV FRPPHQFHG WKH SD\PH
FLUFXPVWDQFHV

3UHVV UHJXODWRU ,035(66 ZDV UHFRJQL]HG DV DQ DSSURYHG UHJXODWRU
+RZHYHU SXEOLFDWLRQV UHSUHVHQWLQJ WKH PDMRULW\ RI WKH LQGXVWU
IRUP DQ DOWHUQDWLYH UHJXODWRU WKH ,QGHSHQGHQW 3UHVV 6WDQGDU
SODQV WR DSSO\ IRU UHFRJQLWLRQ IURP WKH 3UHVV 5HFRJQLWLRQ 3DQHO
PDMRULW\ RI ZKLFK DUH LQGHSHQGHQW ,362 RYHUVHHV WKH (GLWRUVµ &R
LQWHUQDO JRYHUQDQFH SURFHVVHV DQG UHTXLUHV VHOI UHSRUWLQJ RI D

7KLUG SDUWLHV PD\ FKDOOHQJH WKH YDOLGLW\ RU VFRSH RI WKH &RPSDQ
FRXOG UHVXOW LQ WKH OLPLWDWLRQ RU ORVV RI LQWHOOHFWXDO SURSHU
VXEVWDQWLDO FRVWV DQG GLYHUVLRQ RI UHVRXUFHV WKDW FRXOG KDYH

5DZ 0DWHULDOV

$V D PDMRU SXEOLVKHU RI QHZVSDSHUV PDJD]LQHV DQG ERRNV WKH &RP
,Q RUGHU WR REWDLQ WKH EHVW DYDLODEOH SULFHV VXEVWDQWLDOO\ DO
SXUFKDVH EDVLV DQG GUDZV XSRQ PDJRU SDSHU PDQXIDFWXULQJ FRQW
PDUNHW FRQGLWLRQV LWV VRXUFHV RI SDSHU VXSSO\ XVHG LQ LWV SXEO

(PSOR\HHV

$V RI -XQH WKH &RPSDQ\ KDG DSSUR[LPDWHO\ HPSOR\HHV RI
ZHUH ORFDWHG LQ WKH 8 . DQG ZHUH ORFDWHG LQ $XVWUDOLD
UHSUHVHQWHG E\ YDULRXV HPSOR\HH XQLRQV 7KH FRQWUDFWV ZLWK VXF
\HDUV 7KH &RPSDQ\ EHOLHYHV LWV FXUUHQW UHODWLRQVKLSV ZLWK HPSO

([SODQDWRU\ 1RWH 5HJDUGLQJ &HUWDLQ 0HWULFV

; LHOSD ; QDPQ

)RU SXUSRVHV RI WKLV $QQXDO 5HSRUW WKH &RPSDQ\ FRXQWV XQLTXH XV
XVLQJ D EURZVHU GXULQJ D FDOHQGDU PRQWK DQG WKH ILUVW WLPH DQ L
RU WDEOHW GHYLFH GXULQJ D FDOHQGDU PRQWK ,I WKH XVHU DFFHVVHV
PRELOH DSSV DQG RU WDEOHW DSSV WKH ILUVW DFFHVV WR HDFK VXFK ZH
DFFHVVLQJ D SURGXFWµV ZHEVLWHV WKURXJK GLIIHUHQW EURZVHUV XVHU
SURGXFWµV ZHEVLWHV DQG DSSV WKURXJK GLIIHUHQW GHYLFHV DUH DOVR
:6-'1 D XVHU DFFHVVLQJ GLIIHUHQW SURGXFWV ZLWKLQ WKH JURXS LV FR

**** PM@CB@QR 9SAQBP⊞ADPQ***

%URDGFDVW VXEVFULEHUV FRQVLVW RI UHVLGHQWLDO VXEVFULEHUV DQG

AM[QLMV\QIT B]J[KZQJMZ[

7RWDO QXPEHU RI UHVLGHQWLDO VXEVFULEHUV UHSUHVHQWV WRWDO UHV
DQG VDWHOOLWH GLVWULEXWLRQ LQFOXGLQJ VXEVFULEHUV REWDLQHG W

3WUUMZKQIT B]J[KZQJMZ[

&RPPHUFLDO VXEVFULEHUV IRU WKH &RPSDQ\µV SD\ 79 EXVLQHVV DUH FDO
GHULYHG E\ GLYLGLQJ WRWDO UHFXULQJ UHYHQXH IURP WKHVH VXEVFULI
FRQVWDQW WKURXJK WKH \HDU 7RWDO QXPEHU RI FRPPHUFLDO VXEVFULE
SD\ 79 VHUYLFHV WKURXJK FDEOH DQG VDWHOOLWH GLVWULEXWLRQ LQFO

**PM@CB@QR 9SAQBPHADP +GSPL*

7KH &RPSDQ\ FDOFXODWHV %URDGFDVW 6XEVFULEHU &KXUQ IRU LWV SD\ 7
DQG VDWHOOLWH UHVLGHQWLDO VXEVFULEHUV IRU WKH SHULRG QHW RI U
SHULRG FDOFXODWHG DV GHVFULEHG DERYH 7KLV DPRXQW LV WKHQ GLYL
WR SUHVHQW FKXUQ RQ DQ DQQXDO EDVLV

7@HC 9SAQBPHADPQ

$ SDLG VXEVFULEHU WR WKH &RPSDQ\µV 277 VHUYLFHV LV RQH IRU ZKLFK V
FHDVHV WR EH D SDLG VXEVFULEHU DV RI WKHLU HIIHFWLYH FDQFHOODWLL
H[FOXGHV FXVWRPHUV UHFHLYLQJ VHUYLFH IRU QR FKDUJH XQGHU FHUWDL

,7(0 $ 5,6.)$&7256

HW] [PW]TL KIZMN]TTa KWV[QLMZ \PM NWTTW_QVO ZQ[S[IVL W\PMZ QVNWZUI\QWV QV \PQ[1VV]IT AMXWZ\ WV 6WZU) (%; QV M^IT]I\QVO \PM 3WUXIVa IVL Q\[KWUUWV [\WKS& 1Va WN \PM NWTTW_QVO ZQ[S[$ WZ W\PMZ ZQ[S[WZ]VKMZ\IQV\QM[VW\ XZM[MV\Ta SVW_V WZ K]ZZMV\Ta LMMUML QUUI\MZQIT$ KW]TL UI\MZQITTa IVL IL^MZ[MTa INNMK\ \PM 3WUXIVah[J][QVM[[$ ZM[]T\[WN WXMZI\QWV[WZ NQVIVKQIT KWVLQ\QWV$ IVL KW]TL$ QV \]ZV$ QUXIK\ \PM \ZILQVO XZQKM WN \PM 3WUXIVah[KWUUWV [\WKS&

CPM WVOWQVO VW^MT KWZWVI^QZ][!3?E94%)/" XIVLMUQK IVL W\PMZ [QUQTIZ MXQLMUQK[$ XIVLMUQK[WZ _QLM[XZMIL PMIT\P KZQ[M[KW]TL PI^M I UI\MZQIT IL^MZ[M MNNMK\ WV \PM 3WUXIVah[J][QVM[[$ ZM[]T\[WN WXMZI\QWV[$ KI[P NTW_[IVL NQVIVKQIT XW[Q\QWV&

7KH RQJRLQJ &29,' RXWEUHDN DQG RWKHU VLPLODU HSLGHPLFV SDQGHP

YLGHR FRQWHQW PDQ\ RI ZKLFK SURYLGH RULJLQDO RU H[FOXVLYH FRQWH
VHUYLFHV WR GLVFRQQHFW WKHLU VHUYLFHV GRZQJUDGH WR VPDOOHU C
IURP RWKHU SURYLGHUV DQG WKLV PD\ FRQWLQXH 7KLV WUHQG KDV DGY
&RPSDQ\µV VXEVFULSWLRQ UHYHQXH DQG LQ WXUQ DGYHUWLVHUVµ ZLOO
ZHOO DV LQFUHDVH VXEVFULEHU DFTXLVLWLRQ UHWHQWLRQ DQG RWKHU F

,Q RUGHU WR FRPSHWH HIIHFWLYHO\ WKH &RPSDQ\ PXVW GLIIHUHQWLDWH

VRIWZDUH DSSOLFDWLRQV WKH &RPSDQ\ GHYHORSV RU SURFXUHV IURP WK
DQG LQIRUPDWLRQ V\VWHPV RU FRPSURPLVH LQIRUPDWLRQ VHFXULW\

IDLU YDOXH RI FHUWDLQ UHSRUWLQJ XQLWV $Q\ GRZQZDUG UHYLVLRQV LQ
DVVHWV LQYHVWPHQWV RU RWKHU ORQJ OLYHG DVVHWV FRXOG UHVXOW L
UHTXLUHG DQG DQ\ VXFK FKDUJH FRXOG EH PDWHULDO WR WKH &RPSDQ\µ
&RPSDQ\ UHFRJQL]HG QRQ FDVK LPSDLUPHQW FKDUJHV WR UHGXFH WKH GRZQ RI JRRG
DQG LQGHILQLWH OLYHG LQWDQJLEOH DVVHWV DW LWV)R[WHO UHSRUWLQ
H[SHFWHG QHJDWLYH LPSDFW RI &29,' RQ DGYHUWLVLQJ 277 DPRXQWV
RI ZULWH GRZQV UHODWHG WR 1HZV $PHULFD 0DUNHWSODFH DQG
DQG PLOOLRQ LPSDLUPHQWV RI SURSHUW\ SODQW DQG HTXLSPHQW JRRGZL
DQQXDO LPSDLUPHQW DVVHVVPHQWV &RPSDQ\ RSHUDWLQJ VHJPHQWV
DW ULVN IRU IXWXUH LPSDLUPHQW EHFDXVH WKH IDLU YDOXHV RI WKH FRU

7KH &RPSDQ\µV UDGLR VWDWLRQV LQ WKH 8 . DQG ,UHODQG DUH DOVR VX
DXWKRULWLHV DV WKH &RPSDQ\ LV UHTXLUHG WR REWDLQ DQG PDLQWDLQ
WKH &RPSDQ\ H[SHFWV LWV OLFHQVHV ZLOO ZKHUH UHOHYDQW EH UHQHZ
DVVXUDQFH WKDW WKLV ZLOO EH WKH FDVH 1RQ FRPSOLDQFH E\ WKH &RP
DSSOLFDEOH ODZV DQG UHJXODWLRQV LQFOXGLQJ RI WKH UHOHYDQW DXW
UHYRFDWLRQ RU RWKHU DGYHUVH UHJXODWRU\ DFWLRQV

1L^MZ[M AM[]T\[NZWU <Q\QOI\QWV WZ ?\PMZ @ZWKMMLQVO[3W]TL 9UXIK\ \PM 3WUXIVah[2][QVM[[@ZIK\QKM[IVL ?XMZI\QVO AM[]T\[&

)URP WLPH WR WLPH WKH &RPSDQ\ LV SDUW\ WR OLWLJDWLRQ DV ZHOO D
DXWKRULWLHV DQG DGPLQLVWUDWLYH DJHQFLHV LQFOXGLQJ ZLWK UHVSH
HPSOR\PHQW DQG RWKHU PDWWHUV 6HH ¶:, WR WKH)LQDQFLDO 6WDWHPHQWV
FHUWDLQ PDWWHUV 7KH RXWFRPH RI WKHVH PDWWHUV DQG RWKHU OLWLJ
SRVVLEOH WKDW DQ DGYHUVH UHVROXWLRQ RI RQH RU PRUH VXFK SURFHH
GDPDJHV LQMXQFWLYH UHOLHI RU VHWWOHPHQW FRVWV WKDW FRXOG DGY

DQG WKH (XURSHDQ 8QLRQ FUHDWH XQFHUWDLQW\ DURXQG GRLQJ EXVLQH
REOLJDWLRQV LQFOXGLQJ ZLWK UHVSHFW WR WDULIIV DQG RWKHU WUDGH

WKH \HDUV WKH LPSRVLWLRQ RI WDULIIV RU RWKHU UHVWULFWLRQV RQ
H[SHQVHV GXH WR ULVLQJ UDZ PDWHULDO RU HQHUJ\ FRVWV RU RWKHU IDI
OHYHOV DQG WKH LQDELOLW\ WR PDLQWDLQ WKH &RPSDQ\µV H[LVWLQJ
UHOLHV RQ WKLUG SDUW\ VXSSOLHUV IRU GHOLYHULHV RI QHZVSULQW DQG

&RPSDQ\µV TXDUWHUO\ RU DQQXDO HDUQLQJV RU WKRVH RI RWKHU FRPSD
&RPSDQ\µV RSHUDWLQJ UHVXOWV VXFFHVV RU IDLOXUH RI WKH &RPSDQ
ILQDQFLQJ DV QHHGHG FKDQJHV LQ DFFRXQWLQJ VWDQGDUGV SROLFL
UHJXODWLRQV DIIHFWLQJ WKH &RPSDQ\µV EXVLQHVV DQQRXQFHPHQWV
GHYHORSPHQWV RU WKH DGGLWLRQ RU ORVV RI VLJQLILFDQW FXVWRPHUV
DFTXLVLWLRQV RU GLVSRVLWLRQV FKDQJHV LQ HDUQLQJV HVWLPDWHV
JXLGDQFH LI DQ\ WKH RSHUDWLQJ DQG VWRFN SULFH SHUIRUPDQFH R
&RPSDQ\ DQG WKH LQGXVWULHV LQ ZKLFK LW RSHUDWHV UHVXOWV IUF
LQ FDSLWDO JDLQV WD[HV DQG WD[HV RQ GLYLGHQGV DIIHFWLQJ VWRFNKR
FRQGLWLRQ (QHUJ\ &RVW 0RG 0

RIILFHUV DQG GLUHFWRUV ZKR VHUYH DW ERWK FRPSDQLHV ZLOO UHFXVH
SRVLWLRQV DW ERWK FRPSDQLHV

7KH &RPSDQ\µV $PHQGHG DQG 5HVWDWHG %\ ODZV DFNQRZOHGJH WKDW WH
VWRFNKROGHUV LQFOXGLQJ . 5XSHUW 0XUGRFK FHUWDLQ PHPEHUV RI KL
FRQWLQXH WR RZQ LQ WKH DJJUHJDWH RU PRUH RI WKH YRWLQJ VWRF
WR DV D FRYHUHG VWRFNKROGHU DUH RU PD\ EHFRPH VWRFNKROGHUV GL
DIILOLDWHV 7KH &RPSDQ\µV $PHQGHG DQG 5HVWDWHG %\ ODZV IXUWKHU S
WKH &RPSDQ\ RU WR DQ\ RI LWV VWRFNKROGHUV IRU EUHDFK RI DQ\ ILGX
GLUHFWV D FRUSRUDWH RSSRUWXQLW\ RWKHU WKDQ FHUWDLQ W\SHV RI U
DQG 5HVWDWHG %\ ODZV WR)2; LQVWHDG RI WKH &RPSDQ\ 7KLV FRXOG U
RSSRUWXQLWLHV RWKHU WKDQ UHVWULFWHG EXVLQHVV RSSRUWXQLWLHV

3MZ\IQV @ZW^Q[QWV[WN \PM 3WUXIVah[AM[\I\ML 3MZ\QNQKI\M WN 9VKWZXWZI\QWV$ 1UMVLML IVL AM[\I\ML 2a%TI_[IVL 4MTI_IZM <I_$ \PM 3WUXIVah[CPQZL 1UMVLML IVL AM[\I\ML B\WKSPWTLMZ AQOP\[1OZMMUMV\ IVL \PM ?_VMZ[PQX WN \PM 3WUXIVah[3WUUWV B\WKS Ja \PM =]ZLWKP 6IUQTa CZ][\ =Ia 4Q[KW]ZIOM CISMW^MZ[$ IVL \PM 3WVKMV\ZI\QWV WN ?_VMZ[PQX FQTT 1NNMK\ \PM EW\QVO AM[]T\[WN =I\\MZ[B]JUQ\\ML NWZ B\WKSPWTLMZ 1XXZW^IT%

7KH &RPSDQ\µV 5HVWDWHG &HUWLILFDWH RI ,QFRUSRUDWLRQ DQG $PHQGH
SURYLVLRQV WKDW PD\ PDNH PRUH GLIILFXOW RU H[SHQVLYH D WHQGHU R
&RPSDQ\µV %RDUG RI 'LUHFWRUV RU FHUWDLQ VWRFNKROGHUV KROGLQJ D
RXWVWDQGLQJ YRWLQJ VWRFN ,Q SDUWLFXODU WKH &RPSDQ\µV 5HVWDWH
SURYLGH IRU DPRQJ RWKHU WKLQJV

- D GXDO FODVV FRPPRQ HTXLW\ FDSLWDO VWUXFWXUH
- D SURKLELWLRQ RQ VWRFNKROGHUV WDNLQJ DQ\ DFWLRQ E\ ZULWWHQ
- VSHFLDO VWRFNKROGHUVµ PHHWLQJ WR EH FDOOHG RQO\ E\ WKH &KL
  QRW OHVV WKDQ RI WKH YRWLQJ SRZHU RI WKH &RPSDQ\µV RXWVW
- WKH UHTXLUHPHQW WKDW VWRFNKROGHUV JLYH WKH &RPSDQ\ DGYDQ
  'LUHFWRUV RU WR PDNH VWRFNKROGHU SURSRVDOV DW D VWRFNKROG
- WKH UHTXLUHPHQW RI DQ DIILUPDWLYH YRWH RI DW OHDVW RI WKH
  DPHQG RU UHSHDO LWV E\ ODZV
- YDFDQFLHV RQ WKH %RDUG RI 'LUHFWRUV WR EH ILOOHG RQO\ E\ D PD
- FHUWDLQ UHVWULFWLRQV RQ WKH WUDQVIHU RI WKH &RPSDQ\µV VKDU
- WKH %RDUG RI 'LUHFWRUV WR LVVXH ZLWKRXW VWRFNKROGHU DSSUR
  WHUPV DV WKH %RDUG RI 'LUHFWRUV PD\ GHWHUPLQH

7KHVH SURYLVLRQV FRXOG GLVFRXUDJH SRWHQWLDO DFTXLVLWLRQ SURSR
HYHQ LQ WKH FDVH ZKHUH D PDMRULW\ RI WKH VWRFNKROGHUV PD\ FRQVL

,Q DGGLWLRQ LQ FRQQHFWLRQ ZLWK WKH 6HSDUDWLRQ WKH &RPSDQ\µV %
LW H[WHQGHG LQ -XQH -XQH DQG DJDLQ LQ -XQH 3XUVXDQW W
DJUHHPHQW HDFK RXWVWDQGLQJ VKDUH RI WKH &RPSDQ\µV FRPPRQ VWRF
WKH &RPSDQ\ DGGLWLRQDO VKDUHV RI LWV &ODVV $ &RPPRQ 6WRFN DQG &
DFTXLUHV EHQHILFLDO RZQHUVKLS RI RU PRUH RI WKH WKHQ RXWVWDQ
&RPSDQ\µV %RDUG RI 'LUHFWRUV VXEMHFW WR H[FHSWLRQV IRU SHUVRQV
&RPPRQ 6WRFN LPPHGLDWHO\ IROORZLQJ WKH 6HSDUDWLRQ 7KH VWRFNKR

$XJXVW . 5XSHUW 0XUGRFK PD\ EH GHHPHG WR EH D EHQHILFLDO RZQHU
)DPLO\ 7UXVW . 5XSHUW 0XUGRFK KRZHYHU GLVFODLPV DQ\ EHQHILFLDO
EHQHILFLDOO\ RZQV RU PD\ EH GHHPHG WR EHQHILFLDOO\ RZQ DQ DGGLWL
OHVV WKDQ RQH SHUFHQW RI WKH &RPSDQ\µV &ODVV $ 6KDUHV .$ 5XSHUW 0XUGRFK
WR EHQHILFLDOO\ RZQ LQ WKH DJJUHJDWH OHVV WKDQ RQH SHUFHQW RI W
WKH &RPSDQ\µV &ODVV % &RPPRQ 6WRFN RU 9RWLQJ 3RZHU
IURP PDNLQJ SURSRVDOV LQYROYLQJ DQ DFTXLVLWLRQ RI WKH &RPSDQ\ $
6WRFN E\ WKH 0XUGRFK)DPLO\ 7UXVW LQFUHDVHV WKH OLNHOLKRRG WKDW
E\ WKH 0XUGRFK)DPLO\ 7UXVW ZLOO EH DGRSWHG DQG SURSRVDOV WKDW

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7KH &RPSDQ\µV SULQFLSDO UHDO SURSHUWLHV LQ $XVWUDOLD DQG $VLD D

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$V RI -XQH		
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&DVK DQG FDVK HTXLYDOHQWV		
7RWDO DVVHWV		
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BBBBBBBBBBBBBBBBBBBBBBBBB

D 'XULQJ WKH ILVFDO \HDU HQGHG -XQH 1HZV &RUS DQG 7HOVWUD UHVSHFWLYH LQWHUHVWV LQ WKH)R[WHO *URXS DQG 1HZV &RUSµV FRPSDQ\ 1;($XVWUDOLD 3W\ /LPLWHG ²WKH 7UDQVDFWLRQ³ ZKLFK W SHULRGV)RU SHULRGV SULRU WR WKH FRPSOHWLRQ RI WKH 7UDQVDFW WKH)R[WHO *URXS DV)R[WHO)OOORZLQJ WKH FRPSOHWLRQ RI WKH 7)R[WHO DQG 7HOVWUD RZQV WKH UHPDLQLQJ &RQVHTXHQWO\ WKH IRXUWK TXDUWHU 1RWH ±6HJPHQW LQIRUPDWLRQ 'LVFORVXUHV RQ WKH EDVLV RI DFFRPSDQ\LQJ &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

E 'XULQJ WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ PLJKW FRQ UHODWHG WR JRRGZLOO DQG WR ILQLWH DQG WR LQWDQJLEOH DVVHW SULPDULO\ UHODWHG WR WKH FODVVLILFDWLRQ RI LWV 1HWZRUN $FFHUR 3ODQW DQG (TXLSPHQW &RVWV DQG 2WKHU &RQVROLGDWHG 6WDWHPHQWV

'XULQJ WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRQ SULPDULO\ UHODWHG WR WKH LPSDLUPHQW RI JRRGZLOO DW D UHSRU 1RWH ±*RRGZLOO DQG 2WKHU ,QWDQJLEOH $VVHWV &RQVROLGDWHG)LQDQ

'XULQJ WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRQ YDOXH RI LWV LQYHVWPHQW LQ &RQVROLGDWHG &RPSDQ\LQJ &RQVROLGDWHG $GGLWLRQDOO\ GXULQJ WKH ILVFDO \HDU HQGHG -XQH WKH &R PLOOLRQ SULPDULO\ UHODWHG WR WKH LPSDLUPHQW RI JRRGZLOO UHSRUWLQJ XQLW DQG LPSDLUPHQW RI JRRGZLOO 1RWH ±*RRGZLOO DQG ,QWDQJLEOH $VVHWV &RQVROLGDWHG)LQDQFLDO 6WDWHPH UHFRQJL]HG D PLOOLRQ ORVV LQ 2WKHU QHW SULPDULO\ UHODWH DUUDQJHPHQW EHWZHHQ)R[WHO DQG)2; 632576 $XVWUDOLD ZKLFK UHV GLVWULEXWLRQ DJUHHPHQW LQWDQJLEOH DVVHWV &RQVROLGDWHG)LQDQFLDO 6WDWHPHQ 7UDQVDFWLRQV &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

'XULQJ WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRUGHG PLOOLRQ RI ZKLFK DSSUR[LPDWHO\ PLOOLRQ UHODWHG WR WKH DSSUR[LPDWHO\ PLOOLRQ UHODWHG WR WKH 1HZV DQG ,QIRUPDWLR ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRJQL]HG D PLOO LQYHVWPHQW LQ)R[WHO

'XULQJ WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRJQL]H VHWWOHPHQW FRVWV DVVRFLDWHG ZLWK WKH 1$0 *URXS DQG =LOORZ G DSSUR[LPDWHO\ PLOOLRQ LQ FRQQHFWLRQ ZLWK WKH VHWWOHPHQ 0DUNHWLQJ GXULQJ WKH WKUHH PRQWKV HQGHG 0DUFK ,Q DGGL FRQQHFWLRQ ZLWK WKH VHWWOHPHQW RI OLWLJDWLRQ ZLWK =LOORZ

,7(0 0$1$*(0(17µ6 ',6&866,21 $1' 1/<6,6 2)),1$1&,$/ &21',7,21 $1' 5(68
23(5$7,216

CPQ[LQ[K][[QWV IVL IVITa[Q[KWV\IQV[[\I\MUMV\[\PI\ KWV[\Q\]\M fNWZ_ IZL%TWWSQVO [\I\MUMV\[g _Q\PQV \PM UMIVQVO WN BMK\QWV *)5 WN \PM BMK]ZQ\QM[5`KPIVOM 1K\ WN )/+,$ I[ IUMVLML !\PM f5`KPIVOM 1K\g"$ IVL BMK\QWV *-1 WN \PM BMK]ZQ\QM[1K\ WN)/++$ I[

$1& RSHUDWHV WKH 6.< 1(:6 QHWZRUN $XVWUDOLDµV KRXU PXOWL FKDQ
RSHUDWHV WKH $XVWUDOLD &KDQQHO ,379 VHUYLFH IRU LQWHUQDWLRQDO
UHFHLYHG IURP SD\ 79 SURYLGHUV EDVHG RQ WKH QXPEHU RI VXEVFULEHU

7KH PRVW VLJQLILFDQW RSHUDWLQJ H[SHQVHV RI WKH 6XEVFULSWLRQ 9LG
UHODWHG WR SURJUDPPLQJ WKH H[SHQVHV UHODWHG WR RSHUDWLQJ WKH
FDEOH VDWHOOLWH LQWHUQHW DQG EURDGEDQG WUDQVPLVVLRQ FRVWV
OLFHQVLQJ FHUWDLQ SURJUDPPLQJ ULJKWV DUH UHFRJQL]HG GXULQJ WKH
6XEVFULSWLRQ 9LGHR 6HUYLFHV VHJPHQW WR IOXFWXDWH EDVHG RQ WKH
SURJUDPPLQJ 3URJUDPPLQJ ULJKWV DVVRFLDWHG ZLWK D GHGLFDWHG FK
VXEVFULEHU DFTXLVLWLRQ FRVWV VXFK DV VDOHV FRVWV DQG PDUNHWLQJ
DQG DZDUHQHVV RI WKH FKDQQHOV DQG WKHLU SURJUDPPLQJ $GGLWLRQD
URXWLQH RYHUKHDG H[SHQVHV

'RZ -RQHV

'RZ -RQHVµV SURGXFWV WDUJHW LQGLYLGXDO FRQVXPHUV DQG HQWHUSUL
GHULYHG SULPDULO\ IURP FLUFXODWLRQ ZKLFK LQFOXGHV VXEVFULSWLRQ
WKH VDOH RI GLJLWDO DQG SULQW DGYHUWLVLQJ OLFHQVLQJ IHHV IRU LW
MRXUQDOLVP HYHQWV &LUFXODWLRQ UHYHQXHV DUH GHSHQGHQW RQ WKH
FRPSHWLWRUVµ SURGXFWV DV ZHOO DV SURPRWLRQDO DFWLYLWLHV DQG
IDFWRUV LQFOXGLQJ GHPDQG IRU 'RZ -RQHVµV FRQVXPHU SURGXFWV JHQ
HIIHFWV UHVXOWLQJ IURP WKH HFRQRPLF XQFHUWDLQW\ FUHDWHG E\ &29,
HIIHFWLYHQHVV DQG EUDQG VWUHQJWK DQG UHSXWDWLRQ $GYHUWLVLQJ
KLJKHVW LQ WKH &RPSDQ\ V VHFRQG ILVFDO TXDUWHU GXH WR WKH HQG R
EXVLQHVV IDFHV FKDOOHQJHV IURP DOWHUQDWLYH PHGLD IRUPDWV DQG V
DUH H[SHFWHG WR FRQWLQXH WR DGYHUVHO\ DIIHFW ERWK SULQW FLUFX
LPSDFWHG E\ ORQJ WHUP VWUXFWXUDO PRYHPHQWV LQ DGYHUWLVLQJ VSH
FKRLFHV DQG IRUPDWV KDV UHVXOWHG LQ DXGLHQFH IUDJPHQWDWLRQ DQ
DQG ZLOO FRQWLQXH WR EH GHYHORSHG DQG LPSOHPHQWHG WKDW PD\ PD
DQG EHKDYLRUV RU DOORZ XVHUV WR EORFN DGYHUWLVLQJ RQ ZHEVLWHV
UHYHQXHV $V D PXOWL SODWIRUP QHZV SURYLGHU 'RZ -RQHV UHFRJQL]H
PHGLD IRUPDWV DQG SODWIRUPV ERWK LQ WHUPV RI SDLG IRU FRQWHQW
DQG RWKHU SURGXFWV ZKLFK UHSUHVHQW DQ LQFUHDVLQJO\ ODUJHU VKD
VLPLODU GHYLFHV WKHLU UHODWHG DSSV DQG RWKHU WHFKQRORJLHV SU
DYDLODEOH WR D QHZ DXGLHQFH RI UHDGHUV LQWURGXFH QHZ RU GLIIHU
DGYHUWLVHUV DQG RU DIIHFW WKH UHODWLRQVKLS EHWZHHQ FRQWHQW SU
LPSOHPHQW VWUDWHJLHV WR H[SORLW LWV FRQWHQW DFURVV D YDULHW\
WKURXJK OLFHQVLQJ DUUDQJHPHQWV ZLWK WKLUG SDUW\ GLVWULEXWLRQ
EHHQ DIIHFWHG LQ UHFHQW SHULRGV E\ XQFHUWDLQW\ FDQFHOODWLRQV
IRU YLUWXDO HYHQWV

2SHUDWLQJ H[SHQVHV IRU WKH FRQVXPHU EXVLQHVV LQFOXGH FRVWV UHO
HGLWRULDO DQG FRPPLVVLRQV 6HOOLQJ JHQHUDO DQG DGPLQLVWUDWLY
EHQHILWV UHQW DQG RWKHU URXWLQH RYHUKHDGV 7KH FRVWV DVVRFLDW
DQG GHOLYHU\ FRVWV DUH NH\ RSHUDWLQJ H[SHQVHV ZKRVH IOXFWXDWLR
FRQVXPHU EXVLQHVV 7KH 'RZ -RQHV FRQVXPHU EXVLQHVV LV DIIHFWHG E\
RWKHU IDFWRUV WKDW PD\ DIIHFW SDSHU SULFHV LQFOXGLQJ WDULIIV RU
-RQHV UHOLHV RQ WKLUG SDUWLHV IRU PXFK RI WKH SULQWLQJ DQG GLVW
SULQW WR GLJLWDO DQG WKH PRUH LPPHGLDWH HFRQRPLF LPSDFWV RI &2
VWDELOLW\ RI WKHVH WKLUG SDUWLHV ZKLFK FRXOG LQ WXUQ LQFUHDVH

'RZ -RQHVµV FRQVXPHU SURGXFWV FRPSHWH IRU FRQVXPHUV DXGLHQFH D
DQG DSS EDVHG PHGLD PDJD]LQHV VRFLDO PHGLD VRXUFHV DQG SRGFDV
RXWGRRU GLVSOD\V $V D UHVXOW RI UDSLGO\ FKDQJLQJ DQG HYROYLQJ W
-RQHVµV FRQVXPHU EXVLQHVV FRQWLQXHV WR IDFH LQFUHDVLQJ FRPSHWL
YDULHW\ RI DOWHUQDWLYH QHZV DQG LQIRUPDWLRQ VRXUFHV 7KHVH LQFO
EORJV SRGFDVWV VHDUFK HQJLQHV VRFLDO PHGLD QHWZRUNV GLJLWDO

SURJUDPPDWLF DGYHUWLVLQJ EX\LQJ FKDQQHOV DV ZHOO DV RWKHU HPH
GLVWULEXWLRQ RI LWV SURGXFWV

'RZ -RQHVµV SURIHVVLRQDO LQIRUPDWLRQ EXVLQHVV ZKLFK WDUJHWV HQ
WR LWV SURIHVVLRQDO LQIRUPDWLRQ SURGXFWV 7KH SURIHVVLRQDO LQIR
FRPELQH QHZV DQG LQIRUPDWLRQ ZLWK WHFKQRORJ\ DQG WRROV WKDW LQ
7KH VXFFHVV RI WKH SURIHVVLRQDO LQIRUPDWLRQ EXVLQHVV GHSHQGV RQ
IXQFWLRQDOLWLHV WKDW PHHW WKH QHHGV RI LWV HQWHUSULVH FXVWRPH

7KH 1HZV 0HGLD VHJPHQW V WUDGLWLRQDO SULQW EXVLQHVV IDFHV FKDO
SUHIHUHQFHV 7KH 1HZV 0HGLD VHJPHQW LV DOVR H[SRVHG WR WKH LPSDF
LQ SDUWLFXODU WKH PRYH LQ DGYHUWLVLQJ IURP SULQW WR GLJLWDO 7
SHUIRUPDQFH SRVLWLYHO\ RU QHJDWLYHO\ ,Q DGGLWLRQ WHFKQRORJLH
LPSOHPHQWHG WKDW PD\ PDNH LW PRUH GLIILFXOW WR VHUYH GLJLWDO D

WKH &RPSDQ\ KDV VHHQ WKH JUDGXDO UHFRYHU\ RI FRPPHUFLDO VXEVFUL
UHVWULFWLRQV DQG VRFLDO GLVWDQFLQJ PHDVXUHV

$V D UHVXOW RI WKH FDQFHOODWLRQ RU SRVWSRQHPHQW RI VSRUWV HYHQ
DIIHFWHG VSRUWV OHDJXHV WR UHIOHFW WKH PRGLILHG VFKHGXOLQJ RI V
PLOOLRQ LQ VSRUWV SURJUDPPLQJ FRVWV RYHU WKH QH[W WKUHH ILVF
DQ\ IXWXUH SRVWSRQHPHQW RI VSRUWV HYHQWV IRU ZKLFK WKH &RPSDQ\
WKH DVVRFLDWHG SURJUDPPLQJ DPRUWL]DWLRQ H[SHQVH IRU WKH SHULRG

4W_ :WVM[$GYHUWLVLQJ DQG VLQJOH FRS\ VDOHV UHYHQXHV LQ WKH VHJPHQ
DIIHFWHG DV D UHVXOW RI EXVLQHVV FORVXUHV VRFLDO GLVWDQFLQJ PHD
MRXUQDOLVP HYHQWV DOVR FRQWLQXH WR EH LPSDFWHG E\ XQFHUWDLQW
VRFLDO GLVWDQFLQJ PHDVXUHV DQG HFRQRPLF XQFHUWDLQW\ UHVXOWLQJ
UHYHQXH PRGHOV DURXQG YLUWXDO HYHQWV LQ UHVSRQVH WR WKH FXUU
VXEVFULLPWFRQWW\ :DZVIT DV ZHOO DV GLJLWDO DXGLHQFH JDLQV DW 'RZ -RQH

2WWS@]JTQ[PQV0 6DOHV KDYH EHHQ DGYHUVHO\ DIIHFWHG E\RVQKLLSQH QDWVWEHVOOHUDW
FORVXUHV RI DQG RSHUDWLRQDO UHVWULFWLRQV RQ EULFN DQG PRUWDU
PRQWDKV JRYHUQPHQWDO UHVWULFWLRQV DQG VKHOWHU LQ SODFH RUGHUV
LQFUHDVH LQ VDOHV RI GLJLWDO IRUPDWV RI LWV WLWOHV ZKLFK UHPDLQ

>M_[=MLQI $GYHUWLVLQJ DQG VLQJOH FRS\ VDOHV UHYHQXHV LQ WKH VHJPHQ
DIIHFWHG DV D UHVXOW RI EXVLQHVV FORVXUHV VRFLDO GLVWDQFLQJ PHD
+RZHYHU WKH &RPSDQ\ KDV VHHQ LQFUHDVH*ZPLQQMGPMBVLQQUHDQGV[XVEVFUL
1]\ZITQIV DV ZHOO DV GLJLWDO DXGLHQFHSJURSQVUWHRQOLQH YHUVLRQV RI LV

7KH &RPSDQ\ KDV WDNHQ YDULRXV VWHSV WR PLWLJDWH WKH LPSDFW RI &
FRVW VDYLQJV LQLWLDWLYHV DFURVV LWV EXVLQHVVHV VXFK DV VLJQLILF
HVVHQWLDO FDSLWDO H[SHQGLWXUHV DQG KHDGFRXQW DGLGLSWHDUPRQHQWK
&RPSDQ\ H[SHFWV WR EHQHILW IURP WKHVH FRVW VDYLQJV LQLWLDWLYHV
UHGXFWLRQV DW)R[WHO LQ ILVFDO QHW RI WKH PLOOLRQ LQFUHDV
LPSOHPHQWLQJ D VKDUHG VHUYLFHV SURJUDP WR FHQWUDOL]H D QXPEHU
RSSRUWXQLW\ IURP WKLV SURJUDP DQG WKH XSIURQW LQYHVWPHQW UHTX
DW OHDVW PLOOLRQ EHJLQQLQJ LQ ILVFDO

7KH XOWLPDWH LPSDFW RI &29,' LQFOXGLQJ WKH H[WHQW RI DGYHUVH L
IORZV DQG ILQDQFLDO FRQGLWLRQ ZLOO GHSHQG RQ DPRQJ RWKHU WKLQ
&29,' WKH LPSDFW RI JRYHUQPHQWDO DFWLRQV DQG EXVLQHVV DQG FR
RI DFWLRQV WDNHQ WR FRQWDLQ RU PLWLJDWH WKH RXWEUHDN DQG SUHY
FRQGLWLRQV DQG KRZ TXLFNO\ DQG WR ZKDW H[WHQW QRUPDO HFRQRPLF
XQFHUWDLQ DQG FDQQRW EH SUHGLFWHG 7KH HYROYLQJ DQG XQFHUWDLQ
HVWLPDWH WKH IXWXUH SHUIRUPDQFH RI WKH &RPSDQ\\µV EXVLQHVVHV LQ
VHUYLFHV LWV FDVK IORZV LWV DGYHUWLVLQJ UHYHQXHV WKH LPSDFW R
FROOHFWDELOLW\ RI UHFHLYDEOHV)RU DGGLWLRQDO LQIRUPDWLRQ UHJD
KWZWVI^QZ[[!3 ?E94%) /" XIVLMUQK IVL W\PMZ [QUQTIZ MXQLMUQK[$ XIVLMUQK[WZ _QLM[XZMIL PMIT\P KZQ[M[KW]TL PI^M I UI\MZQIT
IL^MZ[M MNNMK\ WV \PM 3WUXIVah[J] [QVM[[$ ZM[]T\[WN WXMZI\QWV[$ KI[P NTW_[IVL NQVIVKQIT XW[Q\QWV%³ LQ 3DUW , ,WHP $ F
)RUP .

9@JD ME 5DUQ) KDPHB@ 4@PIDRHLF

2Q 0D\ WKH &RPSDQ\ VROG LWV 1HZV $PHULFD 0DUNHWLQJ EXVLQHV
²'LVSRVLWLRQ³ 7KH DJJUHJDWH SXUFKDVH SULFH IRU WKH 'LVSRVLWLRQ
L PLOOLRQ LQ FDVK DW FORVLQJ VXEMHFW WR ZRUNLQJ FDSLWDO DQ
LQWHUHVW LQ WKH EXVLQHVV DW FORVLQJ DQG LL DGGLWLRQDO GHIHUU
LQ DQ DJJUHJDWH DPRXQW RI EHWZHHQ PLOOLRQ DQG DSSUR[LPDWHO\
E D ZDUUDQW WR SXUFKDVH XS WR DQ DGGLWLRQDO HTXLW\ LQWHUHV

&RPPLWPHQWV DQG&RQWLQJHQFLHV\LQJ &RQVROLGDWHG$FFRXQWLQJ &RQVROLGDWHG)LQDQFLDO 6WDWHPH
DQG 2WKHU 7LUDQVDFWLRQVSDQ\LQJ &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV IRU DGGLWLRQDO LQIRUPDWLRQ

9@JD ME ;LPSJW

,Q -DQXDU\ WKH &RPSDQ\ VROG 8QXO WR 7UHPRU ,QWHUQDWLRQDO
RXWVWDQGLQJ VKDUHV 7KH &RPSDQ\ DJUHHG QRW WR VHOO WKH 7UHPRU
&RPSDQ\ DQG 7UHPRU HQWHUHG LQWR D WKUHH \HDU FRPPHUFLDO DUUDQ
RXWVWUHDP YLGHR DGYHUWLVLQJ RQ DOO RI WKH &RPSDQ\µV GLJLWDO SU
1HZV &RUS RI ... 1RWH 6HQVLWLYH 'LVFXVVLRQ RI &RQWLQJHQFLHV &RQ
)LQDQFLDO 6WDWHPHQWV IRU DGGLWLRQDO LQIRUPDWLRQ

.HQB@J %#$'

,Q 2FWREHU WKH &RPSDQ\ DFTXLUHG 2SFLW\ ,QF ²2SFLW\³ D PDUNH

BBBBBBBBBBBBBBBBBBBBBBBB

QRW PHDQLQJIXO

8DTDLSDQ ± 5HYHQXHFUHDVHPLOORUQIRU WKH ILVFDOH\HDU VHSDUHG WKH ILVFD
GHFUHDVH ZDV ODUJHO\ GULYHQ E\ ORZHU UHPLWWDQFH SURFHVVLQJ GXHV DW WKH
1HZV $PHULFD 0DUNHWLQJ RQHQ PDLQO\ E\ WKH VDOH RI WKH EXVLQHVV LQ
ZHDNQHVV LQ WKH PDUNHWLQJ VHUYLFHV EXVLQHVV DQG WKH
IRUHLJQ FXUUHQF\ IOXFWXDWLRQV DQG WKH DEVHQFH RI WKH
2M\[LQ WKH ILUVW TXDUWHU DOO\VFDVHW E\ SULFH LQFUHDVHV DQG GLJLWD
5HYHQXHV DW WKH 6XEVFULSWLRQ 9LGHR GHSURQFHVVLQJ WRRO
LPSDFW RI IRUHLJQ FXUUHQF\ IOXFWXDWLRQV DQG ORZHU VXEVFULSWLRQ
LQ WKH VXEVFULEHU SDFNDJH PL[SDUWLDOO\ RIIVHW E\
WKH 'LJLWDO 5HDO (VWDWH 6HUYLFHV DQG
UHYHQXHV DW WKH
FRQVROLGDWHG UHYHQXHV IRU WKH ILVFDO \HDU HQGHG -XQH 7KH
KLVWRULFDO WUHQGV LQ RSHUDWLQJ SHUIRUPDQFH DQG NQRZQ LGHQWLILL

7KH LPSDFW RI IRUHLJQ FXUUHQF\ IOXFWXDWLRQV RI WKH 8 6 GROODU DJ
PLOOLRQ RU IRU
IRUHLJQ FXUUHQF\ IOXFWXDWLRQV IRU EXVLQHVVHV UHSRUWLQJ LQ FXUUH
TXDUWHU LQ WKH FXUUHQW SHULRG E\ WKH GLIIHUHQFH EHWZHHQ WKH DY
HIIHFW GXULQJ WKH FRUUHVSRQGLQJ TXDUWHU RI WKH SULRU \HDU DQG W

6NDP@RHLF DVNDLQDQ ± 2SHUDWLQJ H[SHQVHV GOOR RUR IRU WKH ILVFDOH\HDU VHSDUHG
WR ILVFD7KH GHFUHDVH ZDV ODUJHO\ GXH WR ORZHU RSHUDWLQJ
GXH WR WKH VDOH RI 1HZV $PHULFD 0DUNHWLQJ FRVW VDYLQJV LQLWLDW
IOXFWXDWLRQV ORZHU QHZVSULQW SURGXFWLRQ DQG GLVWULEXWLRQ FR
ZDUUDQW\ UHODWHG FODLPV SHUWDLQLQJ WR SUHYLRXVO\ LQFXUUHG DQG
EXVLQHVV 7KH GHFUHDVH ZDV DOVR GXH WR ORZHU RSHUDWLQJ H[SHQVHV
SULPDULO\ GXH WR WKH PLOOLRQ SRVLWLYH LPSDFW RI IRUHLJQ FXUUH
FRVWV DQG ORZHU WUDQVPLVVLRQ FRVWV 2SHUDWLQJ H[SHQVHV DW WKH
IRUHLJQ FXUUHQF\ IOXFWXDWLRQV RI WKH 8 6 GROODU DJDLQVW ORFDO F
RU IRU WKH IL-XQH \HDU HQGHG WR ILVFDO

9DJHLF! FDLDP@J @LC @CKHLHQRP@RHTD ± 6HOOLQJ JHQHUDO DQG GDHGFRULHQLVWPWGODDRVUQHR UH[SKHQVHV F
\HDU H-XQH DV FRPSDUHG 7KHBT45-541.37 TdV((H)(L)(Q)(6(H)1(1(Q)1Q(L)1JSHQH-VUHDVORQ DQG DG
-XQH ZDV SULPDULO\ GXH W1R TOOROZHRG0H0[SgBT45-541.37 Td[( )( )( )( )(380]TJ1001( )(7)1G1(

'XULQJ WKH ILVFDO \HDU WKH &RPSDQ\ UHFRJQL]HG QRQ FDVK FRPSHQVDWLRQ UHODWHG WR WKH LPSDLUPHQW RI JRRGZLOO DQG LQWDQJLEOH DVVHWV

6H1HRWH ±5HVWUXFWXULQJ ±3URJUDPV \ 3ODQ1RWHG± *RRGZLOGQG 2WKHU $VVHWVWKH DFFRPSDQ\LQJ &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

-OSHRW JMQQDQ ME @EEHJH@RDQ ± (TXLW\ ORVVHV RI DIILOLDWHVDQGRR LQWHUHVWHDQGE\HDUQHG FRPSDUHG WR SUHYLRXV\HDU DQG LPSDLUPHQW WHVWLQJ DFFRPSDQ\LQJ &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

0LRDPDQR DVNDLQD! LDR ± ,QWHUHVW H[SHQVH QHWXQRHU WKHHFUHDVHGLGHOLRRQSHG WR SULPDULO\ GXH WR WKH VHWWOHPHQW RI FDVK IORZ KHGJH\ DQGVHG ORZHU WKLUG SDUW\ LQWHUHVW H[SHQVH GHXHR WKH UHPRZLQWKHW FRPSXQL &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

6RGDP! LDR ± 2WKHUGHQHWDVPHGORRQWKH ILVF[DQH\HDUQGRHSDUHG WR6RLWHF DG± $GGLWLRQDO)LQDQFLDOLQIRUPDWLRQ &RQVROLGDWHG)LQDQFLDO 6WDV

0LBMKD R@V DVNDLQD ± 7KH &RPSDQ\µVHL[HQHGWDI[UDW[QRU WZKHUHLVFDO PLOOLRQ UHVSHFWLYHO\ DV FRPSDUHG WR IRU ILVFDO UHVSHFWLYHO\ IRU ILVFDO

U H V S H 9 P P L O O L R Q

H U D W H I R U E (H) 1 ( ) (S) (H 8 6.39999 512. 0 0 0 rg BT 45 500.26999 Td [(U)(H)1 (V)(S)(H)1 (9)(P)1 ( )( )(P)1 (L)1 (O)

6HJPHQW (%,7'$ LV GHILQHG DV UHYHQXHV OHVV RSHUDWLQJ H[SHQVHV DQ
(%,7'$ GRHV QRW LQFOXGH GHSUHFLDWLRQ DQG DPRUWL]DWLRQ LPSDLUP
LQWHUHVW H[SHQVH RWKHU LQFRPH DQG LQFRPH WD[H[SHQVH EHQHILW 6H
WLWOHG PHDVXUHV UHSRUWHG E\ RWKHU FRPSDQLHV VLQFH FRPSDQLHV D
FDOFXODWLRQ RI 6HJPHQW (%,7'$

6HJPHQW (%,7'$ LV WKH SULPDU\ PHDVXUH XVHG E\ WKH &RPSDQ\µV FKLHI
DQG DOORFDWH UHVRXUFHV ZLWKLQ WKH &RPSDQ\µV EXVLQHVVHV 6HJPH
ZLWK D PHDVXUH WR DQDO\]H WKH RSHUDWLQJ SHUIRUPDQFH RI HDFK RI W
KLVWRULFDO GDWD DQG FRPSHWLWRVµ GDWD DOWKRXJK KLVWRULFDO U
LV KLJKO\ FRQWLQJHQW RQ PDQ\ IDFWRUV LQFOXGLQJ FXVWRPHU WDVWHV

7RWDO 6HJPHQW (%,7'$ LV D QRQ *$$3 PHDVXUH DQG VKRXOG EH FRQVLGHU
ORVV FDVK IORZ DQG RWKHU PHDVXUHV RI ILQDQFLDO SHUIRUPDQFH UHS
QRW UHIOHFW FDVK DYDLODEOH WR IXQG UHTXLUHPHQWV DQG H[FOXGHV L
UHVWUXFWXULQJ FKDUJHV ZKLFK DUH VLJQLILFDQW FRPSRQHQWV LQ DVVH
EHOLHYHV WKDW WKH SUHVHQWDWLRQ RI 7RWDO 6HJPHQW (%,7'$ SURYLGH
RWKHU IDFWRUV WKDW DIIHFW WKH &RPSDQ\µV UHSRUWHG UHVXOWV 6SHF
QRQ FDSK LWHPV VXFK DV LPSDLUPHQW DQG UHVWUXFWXULQJ FKDUJHV DQ
EHWZHHQ SHULRGV FDXVHG E\ IDFWRUV VXFK DV ILQDQFLQJ DQG FDSLWDO
SURYLGHV XVHUV RI LWV FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV ZLWK
UHSRUWHG UHVXOWV EHWZHHQ SHULRGV EXW ZKLFK WKH &RPSDQ\ EHOLHY
WKH &RPSDQ\µV FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV DUH EHWWHU D
DFURVV GLIIHUHQW SHULRGV

7KH IROORZLQJ WDEOH SURYLGHV D UHFRQFLOLDWLRQ RI 6HJPHQW (%,7'$ WR WKH DSSOLFDEOH \HDU

)RU WKH ILVFDO \HDUV -XQH

LQ PLOOLRQV		
1HW ORVV LQFRPH		
$GG		
,QFRPH WD[H[SHQVH		
2WKHU QHW		
,QWHUHVW H[SHQVH QHW		
(TXLW\ ORVVHV RI DIILOLDWHV		
,PSDLUPHQW DQG UHVWUXFWXULQJ FKDUJHV		
'HSUHFLDWLRQ DQG DPRUWL]DWLRQ		
7RWDO 6HJPHQW (%,7'$		

7KH IROORZLQJ WDEOH VHWV IRUWK WKH &RPSDQ\µV 5HYHQXHV DQG 6HJPH

)RU WKH ILVFDO \HDUV HQGHG -XQH

LQ PLOOLRQV	6HJPHQW 5HYHQXHV	6HJPHQW (%,7'$	6HJPHQW 5HYHQXHV	6HJPHQW (%,7'$
'LJLWDO 5HDO (VWDWH 6HUYLFHV				
6XEVFULSWLRQ 9LGHR 6HUYLFHV				
'RZ -RQHV				
%RRN 3XEOLVKLQJ				
1HZV 0HGLD				
2WKHU				
7RWDO				

DPRUWL]DWLRQ SDUWLDOO\ RIIVHW E\ PLOOLRQ RI

ZKLFK ZDV H[DFHUEDWHG E\ &29,' SDUWLDOO\ RIIVHW E\ D PLOOLRQ L
RI DGYHUWLVLQJ UHYHQXH RQ WKH ILVFDO \HDU HQGHG

2WKHU UHYHQXHV IRU-XQH ILVFDO\HDUGHFUHDVHGRPSDUHG WR WKH FRUUHVSR
SULPDULO\ GXH WR WKH DEVHQFH RI WKH PLOOLRQ EHQHILW WKDW
ILUVW TXDUWHUDQG ILVFDO

7KH IROORZLQJ WDEOH UHFRQFLOHV 1HW LQFRPH ORVV WR 7RWDO 6HJPH

LQ PLOOLRQV	)RU WKH ILVFDO \HDU -XQH	
1HW LQFRPH ORVV		
$GG		
,QFRPH WD[H[SHQVH		
2WKHU QHW		
,QWHUHVW H[SHQVH QHW		
(TXLW\ ORVVHV RI DIILOLDWHV		
,PSDLUPHQW DQG UHVWUXFWXULQJ FKDUJHV		
'HSUHFLDWLRQ DQG DPRUWL]DWLRQ		
7RWDO 6HJPHQW (%,7'$		

7KH IROORZLQJ WDEOH VHWV IRUWK WKH &RPSDQ\µV 5HYHQXHV DQG 6HJPH

	)RU WKH ILVFDO \HDUV HQGHG -XQH	
LQ PLOOLRQV	6HJPHQW 5HYHQXHV (%,7'$	6HJPHQW 5HYHQXHV (%,7'$
'LJLWDO 5HDO (VWDWH 6HUYLFHV		
6XEVFULSWLRQ 9LGHR 6HUYLFHV		
'RZ -RQHV		
%RRN 3XEOLVKLQJ		
1HZV 0HGLD		
2WKHU		
7RWDO		

7DEOH RI &RQWHQWV

5DUQ 4DCH@! DQG RI WKH &RPSDQ\µV FRQVROLGDWHG UHYHQXHV LQ ILVFDO

LQ PLOOLRQV H[FHSW	)RU WKH ILVFDO \HDUV HQGHG -XQH &KDQJH	&KDQJH
	%HWWHU :RUVH	
5HYHQXHV		
&LUFXODWLRQ DQG VXEVFULSWLRQ		
$GYHUWLVLQJ		
2WKHU		
7RWDO 5HYHQXHV		
2SHUDWLQJ H[SHQVHV		
6HOOLQJ JHQHUDO DQG DGPLQLVWUDWLYH		
6HJPHQW (%,7'$		

)RU WKH ILVFDO \HDU HQGHG -XQH UHYHQXHV DQG RSHUDWLQJ LQFRPH EHIRUH GD
ILVFDO 7KH UHYHQXH GHFUHDVH ZDV SULPDULO\ GULYHQ E\ D GHFUHDVH LQ
ZHDNQHVV LQ WKH SULQW DGYHUWLVLQJ PDUNHW WKH PLOOLRQ QHJDW
1HZV $PHULFD 0DUNHWLQJ RI PLOOLRQ SDUWLDOO\ RIIVHW E\ GLJLWDO
VXEVFULSWLRQ UHYHQXHV IRU WKH ILVFDO \HDU HQGHG -XQH ILVFDO GHFUH
PLOOLRQ QHJDWLYH LPSDFW RI IRUHLJQ FXUUHQF\ IOXFWXDWLRQV DQG
SULFH LQFUHDVHV GLJLWDO VXEVFULEHU JURZWK DQG WKH LPSDFW RI WK
2WKHU UHYHQXHV PLQXV VSHQW RQ ILVFDO SULPDULO\ GXH WR WKH
8.µV H[LW IURP WKH (XURSHDQ 8QLRQ DQG WKH VWURQJ 86 GROODU RQ
RI IRUHLJQ FXUUHQF\ IOXFWXDWLRQV DQG ORZHU EUDQG SDUWQHUVKLS UH
WKH 8 6 GROODU DGDLQVW ORFDO FXUUHQFLHV UHVXOWHG LQ D UHYHQXH
FRPSDUHG WR ILVFDO

)RU WKH ILVFDO \HDU HQGHG -XQH 6HJPHQW (%,7'$ RI WKH 1HZV 0
FRPSDUHG WR ILVFDO 7KH GHFUHDVH ZDV SULPDULO\ GXH WR WKH ORZ
FRQWULEXWLRQ IURP 1HZV &RUS $XVWUDOLD RI PLOOLRQ SULPDULO\ G
VDYLQJV LQLWLDWLYHV

>M_[3WZX 1][ZIQI

5HYHQXHV ZHUH PLOOLRQ IRU WKH ILVFDO \HDU HQGHG -XQH D
UHYHQXHV RI PLOOLRQ 7KH LPSDFW RI IRUHLJQ FXUUHQF\ IOXFW
D UHYHQXH GHFUHDVH RI PLOOLRQ RU IRU WKH ILVFDO \HDU HQGHG
UHYHQXHV GHFUHDVHG PLOOLRQ SULPDULO\ GXH WR WKH PLOOLRQ
PLOOLRQ LPSDFW RI ZHDNQHVV LQ WKH SULQW DGYHUWLVLQJ PDUNHW SD
JURZWK DQG D PLOOLRQ LQFUHDVH IURP WKH DFTXLVLWLRQ RI DQ LQWH
UHYHQXHV GHFUHDVHG PLOOLRQ SULPDULO\ GXH WR WKH PLOOLRQ Q
YROXPH GHFOLQHV SDUWLDOO\ RIIVHW E\ WKH LPSDFW RI WKH DGRSWLRQ
GLJLWDO VXEVFULEHU JURZWK

>M_[D;

5HYHQXHV ZHUH PLOOLRQ IRU WKH ILVFDO \HDU HQGHG -XQH D
UHYHQXHV RI PLOOLRQ 7KH GHFUHDVH ZDV GXH LQ SDUW WR ORZ
ZHDNQHVV LQ WKH SULQW DGYHUWLVLQJ PDUNHW DQG WKH PLOOLRQ QH
VXEVFULSWLRQ UHYHQXHV GHFUHDVHG PLOOLRQ SDUWLDOO\ GXH WR VL
PLOOLRQ QHJDWLYH LPSDFW RI IRUHLJQ FXUUHQF\ IOXFWXDWLRQV SDUWL
7KH GHFUHDVH ZDV SDUWLDOO\ RIIVHW E\ KLJKHU 2WKHU UHYHQXHV RI
H[LW IURP WKH (XURSHDQ 8QLRQ DQG WKH VWURQJ 86 GROODU RI ILVFDO SDUWLDOO\ RI
LPSDFW RI IRUHLJQ FXUUHQF\ IOXFWXDWLRQV RI WKH 8 6 GROODU DGDLQV
IRU WKH ILVFDO \HDU HQGHG -XQH DV FRPSDUHG WR ILVFDO

5HYHQXHV DW 1HZV $PHULFD 0DUNHWLQJ ZHUH PLOOLRQ IRU WKH ILVFD
DV FRPSDUHG WR ILVFDO UHYHQXHV RI PLOOLRQ 7KH GHFUHDVH
GHOLYHUHG UHYHQXHV ZKLFK LQFOXGH IUHH VWDQGLQJ LQVHUW SURGXFW

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+SPPDLR .HL@LBH@J +MLCHRHML

7KH &RPSDQ\µV SULQFLSDO VRXUFH RI OLTXLGLW\ LV LQWHUQDOO\ JHQHUD
WKH &RPSDQ\µV FDVK DQG FDEVKOHTXLYDOHQWV DQG ZKHQ KDV DYDLODEOH E
1HZV &RUS &UHGLW)DFLOLW\ DV GHILQHG EHORZ DQG FHUWDLQ RWKH
WKH ZRUOGZLGH FUHGLW DQG FDSLWDO PDUNHWV VXEMHFW WR P7DKH
&RPSDQ\ FXUUHQWO\ H[SHFWV WKHVH HLHPHQWV RI OLTXLGLW\ ZLOO HQDE
LQFOXGLQJ UHSD\PHQW RI LQGHEWHGQHVV +RZHYHU WKH &RPSDQ\ ZLOO
DQG HFRQRPLF LPSDFWV UHVXOWLQJ IURP &29,' DQG KDV WDNHQ YDULRX
UHGXFLQJ YDULDEOH FRVWV DQG LPSOHPHQWLQJ FRVW VDYLQJV LQLWLDWLYH
EHOLHYHV WKDW LWV FDVK RQ KDQG DQG IXWXUH FDVK IURP RSHUDWLRQV
SURYLGH DGHTXDWH UHVRXUFHV WR IXQG LWV RSHUDWLQJ DQG ILQDQFLQJ
DYDLODELOLW\ RI ILQDQFLQJ RQ DFFHSWDEOH WHUPV LQ WKH IXWXUH ZLG
RSHUDWLRQDO SHUIRUPDQFH RI WKH &RPSDQ\ DQG RU LWV RSHUDWLQJ VX
WKH FUHGLW UDWLQJ RI LWV RSHUDWLQJ VXEVLGLDULHV DV DSSOLFDEOH
LQGHQWXUHV DQG VLPLODU RU DVVRFLDWHG GRFXPHQWV LY WKH OLTXL
HFRQRP\ 6RPH RI WKHVH IDFWRUV PD\ EH DGYHUVHO\ LPSDFWHG E\ &29,'
FRQWLQXH WR KDYH DFFHVV WR WKH FUHGLW DQG FDSLWDO PDUNHWV RQ
GLVFXVVLRQ

$V RI WKH &RPSDQ\µV FRQVROLGDWHG QRQ WKDQG HFXLYDOHQW
IRUHLJQ VXEVLGLDULHV PLOOLRQ WR FRQVROLGDWHG GRPHVWLF DFFHVVLEOH E\ WKH &RP
PDMRULW\ RZQHG EXW VHSDUDWHO\ OLVWHG SXEOLF FRPSDQ\ 5($ *URXS
DFFHVV WR LWV VKDUH RI 5($ *URXSµV FDVK EDODQFH 7KH &RPSDQ\ HDUQ
SHUPDQHQWO\ UHLQYHVWHG LQ FHUWDLQ IRUHLJQ MXULVGLFWLRQV 7KH &
6KRXOG WKH &RPSDQ\ UHTXLUH PRUH FDSLWDO LQ WKH 8 6 WKDQ LV JHQH
&RPSDQ\ FRXOG HOHFW WR WUDQVIHU IXQGV KHOG LQ IRUHLJQ MXULVGLFW
FXPEHUVRPH GXH WR ORFDO UHJXODWLRQV IRUHLJQ H[FKDQJH FRQWURO
MXULVGLFWLRQV PD\ UHVXOW LQ KLJKHU HIIHFWLYH WD[UDWHV DQG KLJK

7KH SULQFLSDO XVHV RI FDVK WKDW DIIHFW WKH &RPSDQ\µV OLTXLGLW\ SI

LQG2IHUV (1(K)(H)1( )(I)((L)1(R)(I)1(Q)(R)(I)( )(F)1(K)(H)1( )(I)(U)(R)(Y)(U)(H)1(P)1(R)(F)1(K)(H)1R)(X)(S)

,HTHCDLCQ

7KH IROORZLQJ WDEOH VXPPDUL]HV WKH GLYLGHQGV GHFODUHG DQG SDLG &ODVV % &RPPRQ 6WRFN

)RU WKH ILVFDO \HDUV H -XQH

&DVK GLYLGHQGV SDLG SHU VKDUH

7KH WLPLQJ GHFODUDWLRQ DPRXQW DQG SD\PHQW RI IXWXUH GLYLGHQGV &RPSDQ\µV %RDUG RI 'LUHFWRUV 7KH %RDUG RI 'LUHFWRVµ GHFLVLRQV IDFWRUV LQFOXGLQJ WKH &RPSDQ\µV ILQDQFLDO FRQGLWLRQ HDUQLQJV UHVWULFWLRQV DV ZHOO DV OHJDO UHTXLUHPHQWV UHJXODWRU\ FRQVW %RDUG RI 'LUHFWRUV GHHPV UHOHYDQW

9MSPBDQ @LC ; QDQ ME +@QGZ .HQB@J %#%# TDPQSQ .HQB@J %#$'

1HW FDVK SURYLGHG E\ RSHUDWLQJ- XDQFWLYLWLHV ZDVUDW KHR OLVRFDO LHDUV

)RU WKH ILVFDO \HDUV HQGHG -XQH

1HW FDVK SURYLGHG E\ RSHUDWLQJ DFWLYLWLHV

1HWFDVK SURYLGHG E\ RSHUDWLQJ DFWLYLWLHV 7KH GHFUHDVH ZDV SULPDULO\ GXH WR ORZHU 7RWDO 6HJPHQW (%,7'$ PLOOSLRQWLDOO\ RIIVHW E\ ORZHUOHOEHQK WD[SDLG RI

1HW FDVK XVHG LQ LQYHVWLQJ D-FWLYLWLHVG IRDVWDKVH IRLOVHEØVHDQVPLHQGLRQ

)RU WKH ILVFDO \HDUV HQGHG -XQH

1HW FDVK XVHG LQ LQYHVWLQJ DFWLYLWLHV

1HW FDVK XVHG LQ LQYHVPLOOLRQWKLHYLWLHVQ ZHDUDW FRHPSDUHG WR QHW FD LQYHVWLQJ DFWPLYLOLWLRQVVRFDO
'XULQJ WKH ILVFXDQH\HDUWKHG&RPSDQPXVRGFQVK IRU FDSLWDO H[SHQGLWX PLOOLRQDWHG WR)R[WHO 7KH &RPSDQ\µV FDSLWDO H[SHQGLWXUHV IRU IL VXEMHFW WR IRUHLJQ FXUUHQF\ IOXFWXDWLRQV

'XULQJ WKH ILVFXDQH\HDUWKHG&RPSDQPXVRGFQVK IRU DFTXLVLWLRQV SULP RI 2SFLW\ DQG KDG FDSLPDO OR[SZKQGHKLWXOHWRQWHG WR)R[WHO 7KH QHW DFWLYLWLHV IRU WKHHILVFDOV\HDUWHQGHG RIIVHW E\ SURFHHGV IURP WKH

1HW FDVK XVHG LQ ILQDQFLQJ DF-WLYLWLHVG RZDWKHV ILRVFDRZVHDUV PHQGHG

)RU WKH ILVFDO \HDUV HQGHG -XQH

1HW FDVK XVHG LQ ILQDQFLQJ DFWLYLWLHV

7KH &RPSDQ\ KDG QHW FDVK XVHGPLQ DEORQVWKHLQ LVFFXQLYHLDWLDHWVFRHPSDUHG W FDVK XVHG LQ ILQDQFLPLQJ DEORQLYLFWDXHUVQRI WKH ILVXQQE \HDWKHQG&RPSDQ\ UH PLORQILERQUURZLQJV UHODWHG WR)R[WHO DQG 5($ *URXS ZKLFK LQFO FRPSOHWHG LQ WKH VHFRQG TXDUWHU RI ILVFDOO WLRQ DQG &RQGHQVDWLGHQQ DQG 5($ *URXS PLQRULW\ VWRFNKROGHUV 7KH QHW FDVKXVHG ZLDQV ILQDQF SDUWLDOO\ RIIVHW E\ QHZ ERUURZLQJV UHODWHGZLRQGHZ&RQGDZ6(&R*URQ IDFLOLWLHV HQWHUHG LQWR DV SDUW RI WKH GHEW UHILQDQFLQJV WR WHIER ±%RUURZLQQWKH DFFRPSDQ\LQJ &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

'XULQJ WKH ILVFXQH\HDUWKHG&RPSDQ\ UHSODQGERUURZLQJV UHODWHG WR) DQG PDGH GLYLGHQGPSDLWZRQ&RUSRUDWLRQ VWRFNKROGHUV DQG 5($ FDVK XVHG LQ ILQDQFLQJ DFWLXQLWLHVZDVUSWKWLDWFDOOHVDHUWHEQQGZLRQU

8DBMLBHJH@RHML ME . PDD +@QG . JMU) T@HJ@AJD RM 5DUQ +MPNMP@RHML

)UHH FDVK IORZ DYDLODEOH WR 1HZV &RUSRUDWLRQ LV D QRQ *$$3 ILQDQ

7KH IROORZLQJ WDEOH VXPPDUL]HV WKH &RPSDQ\µV PDWHULDO ILUP FRPP

	$V RI -XQH 3D\PHQWV 'XH E\ 3HULRG			
7RWDO	/HVV WKDQ \HDU	\HDUV	\HDUV	0RUH WKDQ \HDUV
	LQ PLOOLRQV			
3XUFKDVH REOLJDWLRQV				
6SRUWV SURJUDPPLQJ ULJKWV				

7DEOH RI &RQWHQWV

+MLHLFDLHDQ

7KH &RPSDQ\ URXWLQHO\ LV LQYROYHG LQ YDULRXV OHJDO SURFHHGLQJV WKRVH GLVFXVVHG&LQ PLWPHQWV DQG &RQWLQJHQFLHV &RQVROLGDWHG) RXWFRPH RI WKHVH PDWWHUV DQG FODLPV LV VXEMHFW WR VLJQLILFDQW RXWFRPH RI SHQGLQJ PDWWHUV ZLOO EH RU WKH WLPLQJ RI WKH XOWLPDW MXGJPHQWV RU VHWWOHPHQW FRVWV ZKLFK PLJKW EH LQFXUUHG E\ WKH & DGYHUVHO\ DIIHFW LWV UHVXOWV RI RSHUDWLRQV DQG ILQDQFLDO FRQGLV

7KH &RPSDQ\ HVWDEOLVKHV DQ DFFUXHG OLDELOLW\ IRU OHJDO FODLPV ZK WKH ORVV FDQ EH UHDVRQDEO\ HVWLPDWHG 2QFH HVWDEOLVKHG DFFUXD DGGLWLRQDO LQIRUPDWLRQ 7KH DPRXQW RI DQ\ ORVV XOWLPDWHO\ LQFXU PD\ EH KLJKHU RU ORZHU WKDQ WKH DPRXQWV DFFUXHG IRU VXFK PDWWHU DUH H[SHQVHG DV LQFXUUHG 7KH &RPSDQ\ UHFRJQL]HV JDLQ FRQWLQJHQ ±&RPPLWPHQWV DQG &RQWLQJHQFLHV &RQVROLGDWHG)LQDQFLDO 6WD

7KH &RPSDQ\µV WD[UHWXUQV DUH VXEMHFW WR RQ JRLQJ UHYLHZ DQG H[D DJUHH ZLWK WKH WUHDWPHQW RI LWHPV UHSRUWHG LQ WKH &RPSDQ\µV WD H[DPLQDWLRQV FDQ EH XQSUHGLFWDEOH 7KH &RPSDQ\ EHOLHYHV LW KDV PDWWHUV DQG EHOLHYHV VXFK OLDELOLWLHV UHSUHVHQW D UHDVRQDEOH OLDELOLWLHV PD\ QHHG WR EH DGMXVWHG DV QHZ LQIRUPDWLRQ EHFRPHV VHWWOHPHQWV RU OLWLJDWLRQV RFFXU

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$Q DFFRXQWLQJ SROLF\ LV FRQVLGHUHG WR EH FULWLFDO LI LW LV LPSRU DQG LI LW UHTXLUHV VLJQLILFDQW MXGJPHQW DQG HVWLPDWHV RQ WKH SD RI WKHVH FULWLFDO DFFRXQWLQJ SROLFLHV KDYH EHHQ G6WPHUL RI $FFRXQWLQJ 3ROLFLHV &RQVROLGDWHG)LQDQFLDO 6WDWHPHQ

3MLF"JHTDC @QQDRQ

7KH &RPSDQ\µV ORQJ OLYHG DVVHWV LQFOXGH JRRGZLOO ILQLWH OLYHG HTXLSPHQW $VVHWV DFTXLUHG LQ EXVLQHVV FRPELQDWLRQV DUH UHFRUG LV UHFRUGHG DV WKH GLIIHUHQFH EHWZHHQ WKH FRVW RI DFTXLULQJ DQ H LGHQWLILDEOH LQWDQJLEOH QHW DVVHWV DQG LV DVVLJQHG WR RQH RU P

'HWHUPLQLQJ WKH IDLU YDOXH RI DVVHWV DFTXLUHG DQG OLDELOLWLHV D RI VLJQLILFDQW HVWLPDWHV DQG DVVXPSWLRQV LQFOXGLQJ DVVXPSWLRQ DVVHW OLYHV DQG PDUNHW PXOWLSOHV DPRQJ RWKHU LWHPV ,GHQWLI\LQ LQYROYLQJ WKH DJJUHJDWLRQ RI EXVLQHVV XQLWV ZLWK VLPLODU HFRQR WKDW EHQHILW IURP WKH DFTXLUHG JRRGZLOO 7KH MXGJPHQWV PDGH LQ ORQJ OLYHG DVVHWV DFTXLUHG WKHLU UHSRUWLQJ XQLW DV ZHOO DV WK DOORFDWHG JRRGZLOO WR GLVSRVHG EXVLQHVVHV XVLQJ WKH UHODWLYH

/ MMCUHJJ @LC 0LCDEHLHRD"JHTDC 0LR@LFHAJD) QQDRQ

7KH &RPSDQ\ WHVWV JRRGZLOO DQG LQGHILQLWH OLYHG LQWDQJLEOHV IR WLPHV LI D VLJQLILFDQW HYHQW RU FKDQJH LQ FLUFXPVWDQFHV LQGLFDW EHHQ UHGXFHG EHORZ WKHLU FDUU\LQJ YDOXH 7KH &RPSDQ\ XVHV LWV M EHWZHHQ DQQXDO LPSDLUPHQW DVVHVVPHQWV ,QGLFDWRUV VXFK DV XQH FKDQJH RU FRPSHWLWLYH DFWLYLWLHV ORVV RI NH\ SHUVRQQHO DQG DFW LPSDLUHG

8QGHU $6& LQ DVVHVVLQJ JRRGZLOO IRU LPSDLUPHQW WKH &RPSDQ\ K GHWHUPLQH ZKHWKHU HYHQWV RU FLUFXPVWDQFHV H[LVW WKDW OHDG WR UHSRUWLQJ XQLW LV OHVV WKDQ LWV FDUU\LQJ DPRXQW ,I WKH &RPSDQ\ UHSRUWLQJ XQLW LV OHVV WKDQ LWV FDUU\LQJ DPRXQW WKH &RPSDQ\ LV

IRU LPSDLUPHQW +RZHYHU LI WKH &RPSDQ\ FRQFOXGHV RWKHUZLVH RU H
UHTXLUHG WR SHUIRUP D TXDQWLWDWLYH DQDO\VLV WR GHWHUPLQH WKH
UHSRUWLQJ XQLW ZLWK LWV FDUU\LQJ DPRXQW LQFOXGLQJ JRRGZLOO 7K
E\ XVLQJ ERWK D GLVFRXQWHG FDVK IORZ DQDO\VLV DQG PDUNHW EDVHG

'HWHUPLQLQJ IDLU YDOXH UHTXLUHV WKH H[HUFLVH RI VLJQLILFDQW MXGJ

7DEOH RI &RQWHQWV

7KH &RPSDQ\ UHEDQGRG PLOOLRQ W SHULRGLF EHQHILW FRVWV LQFRPH L
ILVFDO \HDUVHQGHG UHVSHFWLYHO\ 7KH &RPSDQ\ XWLOL]HV WKH IXOO
VHUYLFH DQG LQWHUHVW FRVW FRPSRQHQWV RI QHW SHULRGLF EHQHILW F

$OWKRXJK WKH GLVFRXQW UDWH XVHG IRU HDFK SODQ ZLOO EH HVWDEOLV
ZLOO EH XVHG LQ FDOFXODWLQJ WKH EHQHILW FRVWV LQFRPH 7KH G
KLJK TXDOLW\ IL[HG LQFRPH LQYHVWPHQWV RQ WKH &RPSDQ\µV DQQXDO P
\HDU 7KH GLVFRXQW UDWH DVVXPSWLRQ XVHG WR DFFRXQW IRU SHQVLR
WKH EHQHILW REOLJDWLRQV FRXOG EH HIIHFWLYHO\ VHWWOHG 7KH UDWH
SD\PHQWV IRU WKH SODQV WR D K\SRWKHWLFDO \LHOG FXUYH GHYHORSHG
FRUSRUDWH ERQGV 7KH ZHLJKWHG DYHUDJH GLVFRXQW UDWH LV YRODWLO
SUHYDLOLQJ UDWHV LQ WKH 8 6 WKH 8 . $XVWUDOLD DQG RWKHU IRUHLJ

7KH NH\ DVVXPSWLRQV XVHG LQ GHYHORSLQJ WKH &RPSDQ\µV EHQHILW FRVW
FRQVLVW RI WKH IROORZLQJ

LQ PLOOLRQV H[FHSW

:HLJKWHG DYHUDJH DVVXPSWLRQV XVHG WR GHWHUPLQH QHW SHULRGLF E
'LVFRXQW UDWH IRU 3%2
'LVFRXQW UDWH IRU 6HUYLFH &RVW
'LVFRXQW UDWH IRU ,QWHUHVW RQ 3%2
'LVFRXQW UDWH IRU ,QWHUHVW RQ 6HUYLFH &RVW
$VVHWV
([SHFWHG UDWH RI UHWXUQ
([SHFWHG UHWXUQ
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*DLQ /RVV
2QH \HDU DFWXDO UHWXUQ
)LYH \HDU DFWXDO UHWXUQ

7KH &RPSDQ\ ZLOO XVH D ZHLJKWHG DYHUDJH LQYHVWPHQW SRUWIROLR UHWXUQ
FXUUHQW DVVHW PL[DQG DQ H[SHFWDWLRQ RI IXWXUH ORQJ WHUP LQYHVV
SHQVLRQ SODQ DVVHWV DYDLODEOH DSSURSULDWHO\ LQFUHDVHG IURP PDSSRUWH
&RPSDQ\µV SHQVLRQ SODQ ZKLFK UHIOHFWV PRUH ORQJHYLW\ GXH WR GHFUHDVH
GLVFRXQW UDWHV LQFUHDVH SUHVHQW YDOXHV RI EHQHILW REOLJDWLRQV
VXEVHTXHQW \HDU EHQHILW FRVWV +LJKHU GLVFRXQW UDWHV GHFUHDVH
DFFXPXODWHG QHW ORVV DQG KDYH D PLQLPDO LPSDFW RQ EHQHILW FRVW
IXWXUH QHW SHULRGLF EHQHILW FRVWV LQFRPH LQ DFFRUGDQFH ZLWK $
ORVVHV IRU WKH SULPDU\ SODQV LQ H[FHVV RI RI WKH JUHDWHU RI WKH
EHQHILW REOLJDWLRQ DUH UHFRJQL]HG RYHU WKH DYHUDJH OLIH H[SHFWD

7KH &RPSDQ\ PDGH FRQWULEXWLRQV IXQGHG SHQVLRQ SODQV LQ ILV
UHVSHFWLYHO\ )XWXUH SODQ FRQWULEXWLRQV DUH GHSHQGHQW XSRQ DF
PRYHPHQWV $VVXPLQJ WKDW DFWXDO SODQ H[SHULHQFH GRHV QRW GLYHUJH
EH\RQG DQG WKDW LQWHUHVW UDWHV UHPDLQ FRQVWDQW WKH &RPSDQ\
PLOOLRQ RI WKH SODQ¶V 7KH &RPSDQ\ ZLOO FRQWLQXH WR PDNH YROXQWDU\ FRQWU
RI WKH SODQV 6HH WKH 3RVWUHWLUHPHQW %HQHILWV &RQVROLGDWHG)LQ

&KDQJHV LQ QHW SHULRGLF EHQHILW FRVWV PD\ RFFXU LQ WKH IXWXUH GX
DVVHWV DQG GLVFRXQW UDWH UHVXOWLQJ IURP HFRQRPLF HYHQWV 7KH I
REOLJDWLRQV DQG H[SHQVH WR FKDQJHV LQ WKHVH DVVXPSWLRQV DVVXP

%DVHG RQ WKH I-LXVFHDO \HDUR QHQGHG W FKDQJH LQ HDFK RI WKH 8 6 GROOD

LQYHVWPHQWV DUH UHFRJQL]HG LQ WKH 6WDWHPHQW RI 2SHUDWLRQV 7KH
PLOOLRQ $ K\SRWKHWLFDO GHFUHDVH LQ WKH PDUNHW SULFH RI W
GHFUHDVH LQ LQFRPH

&UHGLW 5LVN

&DVK DQG FDVK HTXLYDOHQWV DUH PDLQWDLQHG ZLWK PXOWLSOH ILQDQF
LQVXUDQFH SURYLGHG RQ VXFK GHSRVLWV *HQHUDOO\ WKHVH GHSRVLWV
LQVWLWXWLRQV RI UHSXWDEOH FUHGLW DQG WKHUHIRUH EHDU PLQLPDO

7KH &RPSDQ\µV UHFHLYDEOHV GLG QRW UHSUHVHQW VLJQLILFDQW &RQFHQ
WKH ZLGH YDULHW\ RI FXVWRPHUV PDUNHWV DQG JHRJUDSKLF DUHDV WR

7DEOH RI &RQWHQWV

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3DJH

0DQDJHPHQWµV 5HSRUW RQ ,QWHUQDO &RQWURO 2YHU)LQDQFLDO 5HSRUW
5HSRUWV RI ,QGHSHQGHQW 5HJLVWHUHG 3XEOLF $FFRXQWLQJ)LUP
&RQVROLGDWHG 6WDWHPHQWV RI 2SHUDWLRQV IRU WKH ILVFDO \HDUV HQ
&RQVROLGDWHG 6WDWHPHQWV RI &RPSUHKHQVLYH /RVV IRU WKH ILVFDO \
&RQVROLGDWHG %DODQFH 6KHHWV DV RI -XQH DQG
&RQVROLGDWHG 6WDWHPHQWV RI &DVK)ORZV IRU WKH ILVFDO \HDUV HQG
&RQVROLGDWHG 6WDWHPHQWV RI (TXLW\ IRU WKH ILVFDO \HDUV HQGHG -X
1RWHV WR WKH &RQVROLGDWHG)LQDQFLDO 6WDWHPHQWV

0DQDJHPHQW RI 1HZV &RUSRUDWLRQ LV UHVSRQVLEOH IRU HVWDEOLVKLQJ
UHSRUWLQJ DV GHILQHG LQ 5XOHV D I DQG G I XQGHU WKH 6HFXU
DVVHVVPHQW RI WKH HIIHFWLYHQHVV RI LQWHUQDO FRQWURO RYHU ILQDQ
UHSRUWLQJ LV D SURFHVV GHVLJQHG WR SURYLGH UHDVRQDEOH DVVXUDQ
RI ILQDQFLDO VWDWHPHQWV IRU H[WHUQDO SXUSRVHV LQ DFFRUGDQFH ZL
$PHULFD 7KH &RPSDQ\µV LQWHUQDO FRQWURO RYHU ILQDQFLDO UHSRUWL

- SHUWDLQ WR WKH PDLQWHQDQFH RI UHFRUGV WKDW LQ UHDVRQDEO
  GLVSRVLWLRQV RI WKH DVVHWV RI 1HZV &RUSRUDWLRQ
- SURYLGH UHDVRQDEOH DVVXUDQFH WKDW WUDQVDFWLRQV DUH UHFR
  LQ DFFRUGDQFH ZLWK DFFRXQWLQJ SULQFLSOHV JHQHUDOO\ DFFHSW
- SURYLGH UHDVRQDEOH DVVXUDQFH WKDW UHFHLSWV DQG H[SHQGLW
  ZLWK DXWKRUL]DWLRQV RI PDQDJHPHQW DQG GLUHFWRUV RI 1HZV &
- SURYLGH UHDVRQDEOH DVVXUDQFH UHJDUGLQJ SUHYHQWLRQ RU WLP
  RI DVVHWV WKDW FRXOG KDYH D PDWHULDO HIIHFW RQ WKH FRQVRO

,QWHUQDO FRQWURO RYHU ILQDQFLDO UHSRUWLQJ LQFOXGHV WKH FRQWUO
WDNHQ WR FRUUHFW GHILFLHQFLHV DV LGHQWLILHG

%HFDXVH RI LWV LQKHUHQW OLPLWDWLRQV LQWHUQDO FRQWURO RYHU IL
GHWHFW PLVVWDWHPHQWV $FFRUGLQJO\ HYHQ HIIHFWLYH LQWHUQDO FR
ZLWK UHVSHFW WR ILQDQFLDO VWDWHPHQW SUHSDUDWLRQ $OVR WKH DV
UHSRUWLQJ ZDV PDGH DV RI D VSHFLILF GDWH 3URMHFWLRQV RI DQ\ HYDO
FRQWUROV PD\ EHFRPH LQDGHTXDWH EHFDXVH RI FKDQJHV LQ FRQGLWLRQ
SURFHGXUHV PD\ GHWHULRUDWH

0DQDJHPHQW(V)LQDOXDWLRQ2I(IIHFWLYHQHVV2I,QWHUQDO&RQWURO2YHU)LQDQFLDO5HSRUWLQJ
HIIHFWLYHQHVV RI 1HZV &RUSRUDWLRQµV LQWHUQDO FRQWURO RYHU ILQDQFLDO UHSRUWLQJ GHVFULEHG LQ WKH

9DOXDWLRQ RI JRRGZLOO DQG LQGHILQLWH OLYHG LQWDQJLEO

4M[KZQX\QWV WN \PM =I\\MZ

$V UHIOHFWHG LQ WKH &RPSDQ\µV F-RXQVHO GWDKWHH&RIPSDQ\FLVDO
JRRGZLOO ZDPVLODQLQGHILQLWH OLYHG LPQWDSVRLGHOLFDVWHGVL
1RWHWR WKH FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV JRRGZ
IRU LPSDLUPHQW DW OHDVW DQQXDOO\ RU PRUH IUHTXHQWO\ L
RI DQ LQWHULP LPSDLUPHQW DVVHVVPHQW $V D UHVXOW RI W
LPSDLUPHQWVPLRQOLRRGZLOOPLDQGRLQGHILQLWH OLYHG LQWDQ
WKH \HD-UXQHGHG

$XGLWLQJ PDQDJHPHQWµV LPSDLUPHQW WHVWV RI JRRGZLOO D
DQG KLJKO\ MXGJPHQWDO GXH WR WKH VLJQLILFDQW PHDVXUH
WKH UHSRUWLQJ XQLWV DQG LQGHILQLWH OLYHG LQWDQJLEOH
UHSRUWLQJ XQLWV ZHUH VHQVLWLYH WR FKDQJHV LQ VLJQLI
JURZWK UDWHV RSHUDWLQJ PDUJLQV HVWLPDWHG VSHQG RQ
PDUNHW PXOWLSOHV 7KH IDLU YDOXH HVWLPDWHV IRU LQGI
VLJQLILFDQW DVVXPSWLRQV VXFK DV GLVFRXQW UDWHV UHYH
UDWHV 7KHVH DVVXPSWLRQV DUH DIIHFWHG E\ H[SHFWHG IXW
LPSDFW RI &29,'

8W_ FM 1LLZM[[ML \PM =I\\MZ QV ?]Z 1]LQ

:H REWDLQHG DQ XQGHUVWDQGLQJ HYDOXDWHG WKH GHVLJQ
RYHU WKH &RPSDQ\µV JRRGZLOO DQG LQGHILQLWH OLYHG LQW
H[DPSOH ZH WHVWHG FRQWUROV RYHU WKH &RPSDQ\µV ORQJ U
UHYLHZ RI WKH VLJQLILFDQW DVVXPSWLRQV LQ HVWLPDWLQJ V
OLYHG LQWDQJLEOH DVVHWV

7R WHVW WKH IDLU YDOXHV RI WKH UHSRUWLQJ XQLWV DQG LQ
LQFOXGHG DVVHVVLQJ PHWKRGRORJLHV DQG WHVWLQJ WKH VL
WKH &RPSDQ\ 7KLV LQFOXGHG IRUHFDVWHG UHYHQXH LQFOXGL
SURGXFW ODXQFKHV :H FRPSDUHG WKH VLJQLILFDQW DVVXPSW
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WKH LPSDFW RI &29,' ZKLOH DOVR FRQVLGHULQJ FKDQJHV LQ
EDVH DQG SURGXFW PL[:H DVVHVVHG WKH KLVWRULFDO DFFXU
SURMHFWLRQV WR DFWXDO SHUIRUPDQFH DQG DVVHVVHG VHQV
WKH FKDQJHV LQ WKH IDLU YDOXH RI WKH UHSRUWLQJ XQLWV D
FKDQJHV LQ WKH DVVXPSWLRQV :H DOVR LQYROYHG D YDOXDW
&RPSDQ\µV PRGHO YDOXDWLRQ PHWKRGRORJ\ DQG VLJQLILF
:H WHVWHG PDQDJHPHQWµV UHFRQFLOLDWLRQ RI WKH IDLU YDO
FDSLWDOL]DWLRQ RI WKH &RPSDQ\

,PSDLUPHQW RI SURSHUW\ SODQW DQG HTXLSPHQW

4M[KZQX\QWV WN \PM =I\\MZ

$V UHIOHFWHG LQ WKH &RPSDQ\µV F-RXQVHO GWDKWHH&RIPSDQ\FLVDO
SURSHUW\ SODQW DQG HTXLPPHQWEDOVHWZDOK1HWRQVROLG
ILQDQFLDO VWDWHPHQWV GXULQJ WKH &RPSDQ\ UHFRUGHG
FKDUJHV RI OLOLRQ LQ 8. DQG 1HZV &RUS $XVWUDOLD GXH WR W
DGYHUWLVLQJ DQG SULQW FLUFXODWLRQ WUHQGV RQ WKH IXW
DFFHOHUDWHG E\ WKH &29,' SDQGHPLF 7KH &RPSDQ\ HYDOXD
WKHVH ORFDWLRQV IRU UHFRYHUDELOLW\ DQG FRQFOXGHG WKI

$XGLWLQJ WKH &RPSDQ\µV LPSDLUPHQW DVVHVVPHQWV LQYR
VLJQLILFDQW HVWLPDWLRQ LQYROYHG LQ GHWHUPLQLQJ WKH I
HYDOXDWH WKH UHFRYHUDELOLW\ DQG WKH VLJQLILFDQW DVV
OLYHG DVVHWV IRU ZKLFK LPSDLUPHQW ZDV LQGLFDWHG

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,1 0,//,216

)RU WKH ILVFDO \HDUV HQGHG -X

1HW ORVV LQFRPH

2WKHU FRPSUHKHQVLYH ORVV LQFRPH

)RUHLJQ FXUUHQF\ WUDQVODWLRQ DGMXVWPHQWV

1HW FKDQJH LQ WKf000RG0

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$FFXPXODWHG GHILFLW			
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7RWDO 1HZV &RUSRUDWLRQ VWRFNKROGHUVµ HTXLW\			
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$FFRXQWV SD\DEOH DQG RWKHU OLDELOLWLHV			
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ZLWKLQ WKH 2WKHU VHJPHQW WR VHJPHQWV WKDW DUH HVWDEOLVKHG RQ D VHJPHQW
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&RPSDQ\ EHOLHYHV WKDW WKH UHFODVVLILFDWLRQ PRUH DFFXUDWHO\ UHI
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7KH SUHSDUDWLRQ RI WKH &RPSDQ\µV &RQVROLGDWHG)LQDQFLDO 6WDWH
HVWLPDWHV DQG DVVXPSWLRQV WKDW DIIHFW WKH DPRXQWV WKDW DUH UH
GLVFORVXUHV 7KH EXVLQHVV DQG HFRQRPLF XQFHUWDLQW\ UHVXOWLQJ I
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&DVK DQG FDVK HTXLYDOHQWV FRQVLVW RI FDVK RQ KDQG DQG RWKHU LQ
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PLOOLRQ RQ PLOOLRQ UHVSHFWLYHO\ ZKLFK LV QRW UHDGLO\ DFFHVVLEOH E\ W
²5($ *URXS³ D PDMRULW\ RZQHG EXW VHSDUDWHO\ OLVWHG SXEOLF FRPS
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8DBDHT@AJDQ! LDR

5HFHLYDEOHV DUH SUHVHQWHG QHW RI DQ DOORZDQFH IRU GRXEWIXO DFF
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3URSHUW\ SODQW DQG HTXLSPHQW DUH VWDWHG DW FRVW OHVV DFFXPXO
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HTXLSPHQW DUH H[SHQVHG DV LQFXUUHG &KDQJHV LQ FLUFXPVWDQFHV V
EXVLQHVV PRGHO RU FDSLWDO VWUDWHJ\ FRXOG UHVXOW LQ WKH DFWXDO
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WKH DVVHW RYHU LWV UHYLVHG UHPDLQLQJ XVHIXO OLIH WKHUHE\ LQFUH

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WKH FRVW RI DFTXLULQJ HQWLWLHV RU EXVLQHVVHV DQG DPRXQWV DVVLJ
DFFRUGDQFH ZLWK $6& WKH &RPSDQ\µV JRRGZLOO DQG LQGHILQLWH OL
TXDUWHU IRU LPSDLUPHQW RU HDUOLHU LI HYHQWV RFFXU RU FLUFXPVWDQ
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UHYLHZHG LQGLYLGXDOO\ ,Q DVVHVVLQJ LWV LQGHILQLWH OLYHG LQWDQJ
SHUIRUP D TXDOLWDWLYH DVVHVVPHQW WR GHWHUPLQH ZKHWKHU HYHQWV
OLNHO\ WKDQ QRW WKDW WKH IDLU YDOXH RI WKH LQGHILQLWH OLYHG LQV
GHWHUPLQHV WKDW LW LV QRW PRUH OLNHO\ WKDQ QRW WKDW WKH IDLU Y
DPRXQW WKH &RPSDQ\ LV QRW UHTXLUHG WR SHUIRUP DQ\ DGGLWLRQDO V
&RPSDQ\ FRQFOXGHV RWKHUZLVH RU HOHFWV QRW WR SHUIRUP WKH TXDOI
DQDO\VLV WR GHWHUPLQH LI WKH IDLU YDOXH RI DQ LQGHILQLWH OLYHG L
DQDO\VLV WKH &RPSDQ\ GHWHUPLQHV WKH IDLU YDOXH RI DQ LQGHILQLWH
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DUH VXEVHTXHQWO\ UHFRJQL]HG DW DPRUWL]HG FRVW XVLQJ WKH HIIHFWL
KDV EHHQ PRGLILHG DQG WKH WHUPV RI WKH QHZ GHEW LQVWUXPHQWV DQ
GHILQHG LQ WKH GHEW PRGLILFDWLRQ JXLGDQFH LQ $6& ²'HEW±0RGLI

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DPRXQWV RI LWV ORQJ OLYHG DVVHWV LQFOXGLQJ SURSHUW\ SODQW DQ

UHOLDEO\ GHWHUPLQHG WKH YDOXH LV PHDVXUHG LQGLUHFWO\ E\ UHIHUH
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UHYHQXH XQWLO WKH VHUYLFHV DUH SHUIRUPHG RU WKH SURGXFW LV GHO
WKH &RPSDQ\ KDV VDWLVILHG LWV SHUIRUPDQFH REOLJDWLRQ WR SULQW
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3WV[]UMZ ZM^MV]M[

5HYHQXH IURP WKH VDOH RI SK\VLFDO ERRNV DQG HOHFWURQLF ERRNV ²H
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&RPSDQ\ SURKLELWV LWV FXVWRPHU IURP VHOOLQJ D SK\VLFDO ERRN XQW

5HYHQXH LV UHFRJQL]HG QHW RI DQ\ DPRXQWV ELOOHG WR FXVWRPHUV IR
RI SK\VLFDO ERRNV DQG H ERRNV DUH JHQHUDOO\ FROOHFWHG ZLWKLQ RQ
RI SK\VLFDO ERRNV RU H ERRNV VROG

- @PL#LFQ JMQQ NDP QG@PD

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&ODVV % &RPPRQ 6WRFN RXWVWDQGLQJ GXULQJ WKH SHULRG 'LOXWHG HD
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UHTXLUHV WKDW WKH FRVW UHVXOWLQJ IURP DOO VKDUH EDVHG SD\PH
6WDWHPHQWV $6& HVWDEOLVKHV IDLU YDOXH DV WKH PHDVXUHPHQW R

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/RVV LQFRPH EHIRUH LQFRPH WD[UHODWLQJ WR 1HZV $PHULFD 0DUNHWL
PLOOLRQ PLOOLRQ PLOOLRQ PLOOLRQ

7KH 7UDQVDFWLRQ ZDV DFFRXQWHG IRU LQ DFFRUGDQFH ZLWK $6& ²%XV
WKH &RPSDQ\ WR UH PHDVXUH LWV SUHYLRXVO\ KHOG HTXLW\ LQWHUHVW L
DPRXQW RI WKH &RPSDQ\µV SUHYLRXVO\ KHOG HTXLW\ LQWHUHVW LQ)R[W
GDWH DV WKH &RPSDQ\ ZURWH LWV LQYHVWPHQW LQ)R[WHO GRZQ WR IDL
$6& DV WKH &RPSDQ\ GLG QRW UHOLQTXLVK FRQWURO RI LWV LQYHVWP
RZQHUVKLS LQWHUHVW WR WKH

7KH WRWDO DJJUHJDWH SXUFKDVH SULFH DVVRFLDWHG ZLWK WKH 7UDQVD

&RQVLGHUDWLRQ WUDQVIHUUHG
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WR QHW WDQJLEOH DQG LQWDQJLEOH DVVHWV EDVHG XSRQ WKHLU IDLU YD
DJJUHJDWH SXUFKDVH SULFH RYHU WKH IDLU YDOXH RI WKH QHW WDQJLEO
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$VVHWV DFTXLUHG
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$V D UHVXOW RI WKH 7UDQVDFWLRQ WKH &RPSDQ
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'XULQJ WKH ILVFDO \HDU HQGHG -XQH PLOOLRQ&RPSDQ\ DQG LWV 6XE
H[FHVV FRVW RYHU WKH &RPSDQ\µV SURSRUWLRQDWH VKDUH RI LWV LQ
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E 2WKHU HTXLW\ DIILOLDWHV -RLQW IRU WKH ILVFDO \HDU HQGHG
&RPSDQ\µV LQWHUHVW LQ (ODUD $GGLWLRQDOO\ GXULQJ WKH ILVFDO
QRQ FDVK ZULWH GRZQV RI LOOLRQ SHFWLYHO\ RQ FHUWDLQ HTXLW\ PHW
GRZQV DUH UHIOHFWHG LQ (TXLW\ ORVVHV RI DIILOLDWHV LQ WKH 6WD

,PSDLUPHQWV RI (TXLW\ 6HFXULWLHV

3UIRU WR WKH DGRSWLRQ RI $68 GXULQJ WKH ILUVW TXDUWHU RI ILV
HTXLW\ VHFXULWLHV IRU LPSDLUPHQWV EDVHG RQ FULWHULD WKDW LQFOX
UHODWHG PDUNHW YDOXH WKH GXUDWLRQ RI WKH PDUNHW GHFOLQH WKH
LQYHVWPHQWµV ILQDQFLDO VWUHQJWK DQG VSHFLILF SURSHFWV 7KH &R
VDOH VHFXULWLHV LQ WKH ILVFDO \HDU HQGHG -XQH DV D UHVXOW RI $FF
FRPSUHKHQVLYH LQFRPH DQG LQFOXGHG LQ 2WKHU QHW 7KHVH ZULWH RI
GHWHULRUDWLQJ ILQDQFLDO SRVLWLRQ RI WKH LQYHVWHH RU GXH WR DQ
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UHPHDVXUHPHQW RI LWV LQYHVWPHQWV LQ HTXLW\ VHFXULWLHV LQ 2WKHU
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6XPPDUL]HG)LQDQFLDO ,QIRUPDWLRQ

6XPPDUL]HG ILQDQFLDO LQIRUPDWLRQ IRU)R[WHO IRU ILVFDO WKURXJ
ZDV DV IROORZV LQ PLOOLRQV

'HSUHFLDWLRQ DQG DPRUWL]DWLRQ UHODWHG WR SURSHUW\ SODQW DQG HTXLSPHQW
ILVFDO \HDUV HQGHG DQG UHVSHFWLYHO\ 7KLV LQFOXGHV DPRUWL]DWLRQ
PLOOLRQ PLOOLRQ WKH ILVFDO \HDUV HQGHG UHVSHFWLYHO\

)L[HG $VVHWV

'XULQJ WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRJQL]HG W
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'XULQJ WKH IRXUWK TXDUWHU RI ILVFDO DV SDUW RI WKH &RPSDQ\µV

)R[WHXULQJ WKH WKLUG TXDUWHU RI ILVFDO WKH &RPSDQ\PUHFRQL]H
UHODWHG WR WKH JRRGZLOO DQG LQGHILQLWH OLYHG LQWDQJLEOH DVVHW

J ,Q)HEUXDU\ WKH)R[WHO $HEWP*LURXSRQWLQHGWKDQKROGHU
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UDWH RI WKH $XVWUDOLDQ %%6< SOXV D PDUJLQ RI
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VXEVLGLDU\ VWRFN PHUJLQJ RU FRQVROLGDWLQJ ZLWK DQ\ RWKHU SHUV
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2Q -XO\ WKH &RPSDQ\ DGRSWHG $68 RQ D PRGLILHG [illegible] HIIHFW DGMXVWPHQW WR WKH RSHQLQJ EDODQFH RI $FFXPXODWHG GHILFL $68 UHTXLUHV OHVVHHV WR UHFRJQL]H DOO RSHUDWLQJ OHDVHV RQ XVH DVVHW 7KH OHDVH OLDELOLW\ UHSUHVHQWV WKH SUHVHQW YDOXH RI XVHG ZDV FDOFXODWHG XVLQJ WKH &RPSDQ\µV LQFUHPHQWDO ERUURZLQJ &RPSDQ\ ZRXOG EH H[SHFWHG WR ERUURZ DQ DPRXQW HTXDO WR WKH OHD WKH ,%5 WKH &RPSDQ\ XWLOL]HV XQVHFXUHG ERUURZLQJ UDWHV DQG DGM FROODWHUDOL]HG UDWH)XUWKHU DGMXVWPHQWV DUH PDGH WR UHIOHFW XVH DVVHW UHSUHVHQWV WKH &RPSDQ\µV ULJKW WR XVH RU FRQWURO WK FRPPHQFHPHQW 7KH &RPSDQ\ UHFRUGHG RSHUDWLQJ OHDVH ULJKW RI XV RSHUDWLQJ OHDVH OLDELOLWLHV IRU [illegible] -XO\

7KH &RPSDQ\ DVVHVVHV ZKHWKHU DQ DUUDQJHPHQW LV D OHDVH RU FRQW WKDW FRQWDLQ D OHDVH WKDW LV DFFRXQWHG IRU VHSDUDWHO\ WKH FO OLDELOLW\ LV GHWHUPLQHG DW OHDVH FRPPHQFHPHQW ZKLFK LV WKH GD OHDVHV WKH &RPSDQ\ UHFRJQL]HV WKH FXUUHQW DQG QRQ FXUUHQW SRU 2SHUDWLQJ OHDVH OLDELOLWLHV UHSUHVHQWLYHO\ DQG LWV ULJKW RI XVH)RU ILQDQFH OHDVHV WKH &RPSDQ\ UHFRJQL]HV WKH FXUUHQW DQG QRQ DQG %RUURZLQJV UHSUHVHQWLYHO\ DQG LWV ULJKW RI XVH DVVHWV ZLWKL

5HQW H[SHQVH IRU RSHUDWLQJ OHDVHV LV UHFRJQL]HG RQ D VWUDLJKW O HLWKHU 6HOOLQJ JHQHUDO DQG DGPLQLVWUDWLYH RU 2SHUDWLQJ H[SHQ 'HSUHFLDWLRQ H[SHQVH UHODWHG WR ILQDQFH OHDVH ULJKW RI XVH DVVH H[SHQVH UHODWHG WR ILQDQFH OHDVH OLDELOLWLHV LV SUHVHQWHG ZLW

SD\PHQWV DUH H[SHQVHG LQ WKH SHULRG LQFXUUHG 7KH &RPSDQ\µV YDU

$GGLWLRQDO LQIRUPDWLRQ UHODWHG WR WKH &RPSDQ\µV RSHUDWLQJ DQG

	$V RI -XQH 2SHUDWLQJ /HDVHV	$V RI -XQH)LQDQFH /HDVHV
:HLJKWHG DYHUDJH UHPDLQLQJ OHDVH WHUP	\HDUV	\HDUV
:HLJKWHG DYHUDJH LQFUHPHQWDO ERUURZLQJ UDWH		

	)RU WKH ILVFDO \HDU HQGHG -XQH LQ PLOOLRQV
&DVK SDLG 2SHUDWLQJ OHDVH OLDELOLWLHV	
&DVK SDLG)LQDQFH OHDVH OLDELOLWLHV SULQFLSDO	
&DVK SDLG)LQDQFH OHDVH OLDELOLWLHV LQWHUHVW	

2SHUDWLQJ OHDVH ULJKW RI XVH DVVHW REWDLQHG LQ H[FKDQJH IRU RSH

IRU VLPLODU DVVHWV DQG OLDELOLWLHV LQ DFWLYH PDUNHWV RU R
REVHUYDEOH PDUNHW GDWD

‡ /HYHO ±8QREVHUYDEOH LQSXWV WKDW DUH VXSSRUWHG E\ OLWWOH
YDOXH RI WKH DVVHWV RU OLDELOLWLHV)RU WKH &RPSDQ\ WKLV
DQG RWKHU YDOXDWLRQ UHODWHG DVVXPSWLRQV VXFK DV GLVFRXQ
ZHOO DV WKH PDUNHW DSSURDFK ZKLFK XWLOL]HV FHUWDLQ PDUNH

8QGHU $6& FHUWDLQ DVVHWV DQG OLDELOLWLHV DUH UHTXLUHG WR EH
IROORZLQJ WDEOH VXPPDUL]HV WKRVH DVVHWV DQG OLDELOLWLHV PHDVXU

	-XQH				-XQH			
	/HYHO	/HYHO	/HYHO	7RWDO	/HYHO	/HYHO	/HYHO	7RWDO
					LQ PLOOLRQV			
$VVHWV								
)RUHLJQ FXUUHQF\ GHULYDWLYHV±								
FDVK IORZ KHGJHV	±	±	±	±	±		±	
&URVV FXUUHQF\ LQWHUHVW UDWH GHULYDWLYHV±IDLU YDOXH KHGJHV	±		±		±		±	
&URVV FXUUHQF\ LQWHUHVW UDWH GHULYDWLYHV±HFRQRPLF KHGJHV	±	±	±	±	±		±	
&URVV FXUUHQF\ LQWHUHVW UDWH GHULYDWLYHV±FDVK IORZ KHGJHV	±		±		±		±	
(TXLW\ VHFXULWLHV		±				±		
7RWDO DVVHWV								
/LDELOLWLHV								
)RUHLJQ FXUUHQF\ GHULYDWLYHV±								
FDVK IORZ KHGJHV	±		±		±	±	±	±
,QWHUHVW UDWH GHULYDWLYHV±FDVK IORZ KHGJHV	±		±		±		±	
0DQGDWRULO\ UHGHHPDEOH QRQFRQWUROOLQJ LQWHUHVWV	±	±	±	±	±			
&URVV FXUUHQF\ LQWHUHVW UDWH GHULYDWLYHV±FDVK IORZ KHGJHV	±		±		±		±	
7RWDO OLDELOLWLHV	±		±		±			

$ UROOIRUZDUG RI WKH &RPSDQ\µV HTXLW\ VHFXULWLHV FODVVLILHG DV /H

	)RU WKH ILVFDO \HDU HQGH	
	LQ PLOOLRQV	
%DODQFH±EHJLQQLQJ RI \HDU		
$GGLWLRQV		
6DOHV	±	
0HDVXUHPHQW DGMXVWPHQWV		
)RUHLJQ H[FKDQJH DQG RWKHU		
%DODQFH±HQG RI \HDU		

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D $V D UHVXOW RI WKH DGRSWLRQ RI $68 GXULQJ WKH ILUVW TXDU
ORVVHV IRU WKHVH LQYHVWPHQWV FRQWDLQHG ZLWKLQ $FFXPXODWH
$FFXPXODWHG GHILFLW DV RI -XO\

E ,QFOXGHV SXUFKDVHV RI HTXLW\ VHFXULWLHV DV ZHOO DV WKH HTXLW
7UHPRU LQ WKH WKLUG TXDUWHU RI ILVFDO

0DQGDWRULO\ UHGHHPDEOH QRQFRQWUROOLQJ LQWHUHVWV

7KH &RPSDQ\ KDV OLDELOLWLHV UHFRUGHG LQ LWV %DODQFH 6KHHWV IRU
OLDELOLWLHV UHSUHVHQW PDQDJHPHQWµV EHVW HVWLPDWH RI WKH DPRX
WKH XQGHUO\LQJ DFTXLVLWLRQ DJUHHPHQWV 7KH IDLU YDOXHV RI WKHVH
WKH DFTXLVLWLRQ DJUHHPHQWV WDNLQJ LQWR DFFRXQW WKH H[SHFWHG S
UHODWHG WR WKH &RPSDQ\µV PDQGDWRULO\ UHGHHPDEOH QRQFRQWUROO
WKH 6WDWHPHQWV RI 2SHUDWLRQV $V WKH IDLU YDOXH GRHV QRW UHO\ R
DV /HYHO LQ WKH IDLU YDOXH KLHUDUFK\

$ UROOIRUZDUG RI WKH &RPSDQ\µV PDQGDWRULO\ UHGHHPDEOH QRQFRQW

	)RU WKH ILVFDO \HDU HQGH	
	LQ PLOOLRQV	
%DODQFH±EHJLQQLQJ RI \HDU		
3D\PHQWV		±
0HDVXUHPHQW DGMXVWPHQWV	±	
$FFUHWLRQ	±	
)RUHLJQ H[FKDQJH PRYHPHQWV	±	
%DODQFH±HQG RI \HDU	±	

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D ,Q -XO\ 5((*URXS DFTXLUHG WKH UHPDLQLQJ

7KH &RPSDQ\ IRUPDOO\ GHVLJQDWHV TXDOLI\LQJ GHULYDWLYHV DV KHGJH
FRQVLGHUHG DSSURSULDWH)RU HFRQRPLF KHGJHV ZKHUH QR KHGJH UHO
DV D FRPSRQHQW RI QHW LQFRPH LQ HDFK UHSRUWLQJ SHULRG ZLWKLQ 2W

1RQUHFXUULQJ)DLU 9DOXH 0HDVXUHPHQWV

,Q DGGLWLRQ WR DVVHWV DQG OLDELOLWLHV WKDW DUH UHPHDVXUHG DW
JRRGZLOO LQWDQJLEOH DVVHWV HTXLW\ PHWKRG LQYHVWPHQWV DQG SU
WR IDLU YDOXH DW WKH HQG RI HDFK UHSRUWLQJ SHULRG 2Q DQ RQJRLQJ
FLUFXPVWDQFHV FKDQJH WKDW ZRXOG PRUH OLNHO\ WKDQ QRW UHGXFH W
&RPSDQ\ GHWHUPLQHV WKDW WKHVH DVVHWV DUH LPSDLUHG WKH &RPSDQ
IDLU YDOXH PHDVXUHPHQWV DUH FRQVLGHUHG WR EH /HYHO LQ WKH IDLU

'XULQJ WKH IRXUWK TXDUWHU RI ILVFDO WKH &RPSDQ\ UHFRJQL]HG
DVVHWV LQ WKH 8 .1RQ$XUSODLG 6HQLRU 6HFXUHG &UHGLW\ LQ SURSH
HTXLSPHQW VXEVHTXHQW WR WKH LPSDLUPHQW FKDUJHV DW WKH RSHUDW
PLOOLRQ SHFWLYHO\

'XULQDQ WKLUG TXDUWHU RI ILVFDO WKH &RPSDQ\ UHFRJQL]HG QR
UHODWHG WR JRRGZLOO DQG LQGHILQLWH OLYHG LQWDQJLEOH DVVHWV U
DW)R[WHO GHFUHDVHG WKH IDLU YDOXH RI LQGHILQLWH OLYHG LQW
PLOOLRQ PLOOLRQ

D WHQGHU RIIHU WR GR VR)ROORZLQJ VXFK DFTXLVLWLRQ RI EHQHILFLDO

7KH IROORZLQJ WDEOH VXPPDUL]HV WKH DFWLYLW\ UHODWHG WR WKH WDU
EH VHWWOHG LQ VKDUHV RI WKH &RPSDQ\ 368V DQG 568V LQ WKRXVDQGV

	)LVFDO 1XPEHU RI VKDUHV	:HLJKWHG DYHUDJH JUDQW GDWH IDLU YDOXH	)LVFDO 1XPEHU RI VKDUHV	:HLJKWHG DYHUDJH JUDQW GDWH IDLU YDOXH	)LVFDO 1XPEHU RI VKDUHV	:HLJKWHG DYHUDJH JUDQW GDWH IDLU YDOXH
368V DQG 568V						
8QYHVWHG XQLWV DW EHJLQQLQJ RI WKH \HDU						
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7KH IROORZLQJ WDEOHV VHW IRUWK WKH FRPSXWDWLRQ RI EDVLF DQG GLO
6KDUH³

	)RU WKH ILVFDO \HDUV HQGHG -X		
			LQ PLOOLRQV H[FHSW SHU VKDU
1HW ORVV LQFRPH			
/HVV 1HW ORVV LQFRPH DWWULEXWDEOH WR QRQFRQWUROOLQJ LQWHUH			
/HVV 5HGHHPDEOH SUHPHUHG VWRFN GLYLGHQGV±		±	
1HW ORVV LQFRPH DWWULEXWDEOH WR 1HZV &RUSRUDWLRQ VWRFNKROG			
:HLJKWHG DYHUDJH QXPEHU RI VKDUHV RI FRPPRQ VWRFN RXWVWDQGLQJ±			
'LOXWLYH HIIHFW[E] RI HTXLW\ DZDUGV	±		±
:HLJKWHG DYHUDJH QXPEHU RI VKDUHV RI FRPPRQ VWRFN RXWVWDQGLQJ±			
1HW ORVV LQFRPH DWWULEXWDEOH WR 1HZV &RUSRUDWLRQ VWRFNKROG			
1HW ORVV LQFRPH DWWULEXWDEOH WR 1HZV &RUSRUDWLRQ VWRFNKROG GLOXWHG			

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D 5HIHUUHG WR WKH ±5HGHHPDEOH 3UHIHUUHG 6WRFN

E 7KH GLOXWLYH LPSDFW RI WKH &RPSDQ\µV 368V 568V DQG VWRFN RSW ORVV SHU VKDUH IRU WKH ILVFDO \HDUV HQGHG -XQH DQG EH RQ WKH QHW ORVV SHU VKDUH

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5HODWHG 3DUW\ 7UDQVDFWLRQV

,Q WKH RUGLQDU\ FRXUVH RI EXVLQHVV WKH &RPSDQ\ HQWHUV LQWR WUD DQG DGPLQLVWUDWLYH VHUYLFHV 7KH &RPSDQ\ KDV DOVR SUHYLRXVO\ HQ EURDGFDVW ULJKWV

7KH IROORZLQJ WDEOH VHWV IRUWK WKH QHW UHYHQXH IURP UHODWHG SD

	)RU WKH ILVFDO \HDUV HQGHG -X	
		D
		LQ PLOOLRQV
5HODWHG SDUW\ UHYHQXH H[SHQVH QHW		

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D 5HODWHG SDUW\ UHYHQXH QHW RI H[SHQVHV LQFOXGHV QLQH PRQWK)R[WHO LQ ILVFDO 7KH &RPSDQ\ EHJDQ FRQVROLGDWLQJ WKH UHVX RI WKH 7UDQVDFWLRQ

7KH IROORZLQJ WDEOH VHWV IRUWK WKH DPRXQW RI UHFHLYDEOHV GXH IU 6KHHWV

	$V RI -XQH	
		LQ PLOOLRQV
$FFRXQWV UHFHLYDEOH IURP UHODWHG SDUWLHV		
$FFRXQWV SD\DEOH WR UHODWHG SDUWLHV		

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&RPPLWPHQWV

7KH &RPSDQ\ KDV FRPPLWPHQWV XQGHU FHUWDLQ ILUP FRQWUDFWXDO DUU
7KHVH ILUP FRPPLWPHQWV VHFXUH WKH IXWXUH ULJKWV WR YDULRXV 7XKH DVVH
IROORZLQJ XQFHUWDLQWLHV WKH &RPSDQ\µV PDWHULDO ILUP FRPPLWPHQWV DV R

DGGLWLRQDO LQIRUPDWLRQ 7KH DPRXQW RI DQ\ ORVV XOWLPDWHO\ LQFXU
PD\ EH KLJKHU RU ORZHU WKDQ WKH DPRXQWV DFFUXHG IRU VXFK PDWWHU
DUH H[SHQVHG DV LQFXUUHG ([FHSW DV RWKHUZLVH SURYLGHG EHORZ IR
UHDVRQDEOH SRVVLELOLW\ WKDW D ORVV PD\ EH LQFXUUHG WKH &RPSDQ\
&RPSDQ\ UHFRJQL]HV JDLQ FRQWLQJHQFLHV ZKHQ WKH JDLQ EHFRPHV UHD

1HZV $PHULFD 0DUNHWLQJ

,Q 0D\ WKH &RPSDQ\ VROG LWV 1HZV $PHULFD 0DUNHWLQJ EXVLQHVV
OLDELOLWLHV LQFOXGLQJ WKRVH DULVLQJ IURP WKH OHJDO SURFHHGLQJV

,QVLJQLD 6\VWHPV ,QF

,Q FRQQHFWLRQ ZLWK WKH 6HSDUDWLRQ WKH &RPSDQ\ DQG VW &HQWXU

	3HQVLRQ %HQHILWV					
	'RPHVWLF		)RUHLJQ		3RVWUHWLUHPHQW EHQHILWV	7RWDO
			LQ PLOOLRQV			
2WKHU QRQ FXUUHQW ±DVVHW±					±	±%!Pï # 64@ -%y ±
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5HWLUHPHQW EHQHILW REOLJDWLRQV						-83] 0 .15
1dU1689EJE(H)±(Q)(W)±(O)HG W H						

$PRXQWV UHFRJQL]HG LQ $FFXPXODWHG RWKHU FRPSUHKHQVLYH ORVV FR

3HQVLRQ %HQHILWV

'RPHVWLF)RUHLJQ

7KH WDEOH EHORZ VHWV IRUWK D VXPPDU\ RI FKDQJHV LQ WKH HDLU YDOXH DQG

/HYHO

HPSOR\HUV LL LI WKH &RPSDQ\ FKRRVHV WR VWRS SDUWLFLSDWLQJ LQ F
SD\ WKRVH SODQV DQ DPRXQW EDVHG RQ WKH XQGHUIXQGHG VWDWXV RI W
LLL DFWLRQV WDNHQ E\ D SDUWLFLSDWLQJ HPSOR\HU WKDW OHDG WR D
PD\ UHVXOW LQ WKH XQIXQGHG REOLJDWLRQV RI WKH PXOWLHPSOR\HU SH
:KLOH QR PXOWLHPSOR\HU SHQVLRQ SODQ WKDW WKH &RPSDQ\ FRQWULEX
ZDV OLVWHG RQ FHUWDLQ)RUP RI WKH SODQ FRQWULEXWLRQV KDG
ILQDQFLDO KHDOWK RI D PXOWLHPSOR\HU SODQ LV LQGLFDWHG E\ WKH]R
UHSUHVHQWV WKH IXQGHG VWDWXV RI WKH SODQ DV FHUWLILHG E\ WKH SO
IXQGHG SODQV LQ WKH \HDU
IXQGHG VWDWXV IRU ZKLFK WKH &RPSDQ\ RU
JUHHQ]RQH VWDWXV IRU WKH PRVW UHFHQW DYDLODEOH SODQ \HDU 7KH
DV SURYLGLQJ
FRQWULEXWLRQV PDGH E\ WKH &RPSDQ\ WR PXOWLHPSOR\HU SHQVLRQ SOD
ZHUH DSSURSULDWHO\

'HILQHG &RQWULEXWLRQ 3ODQV

7KH &RPSDQ\ KDV GHILQHG FRQWULEXWLRQ SODQV IRU WKH EHQHILW RI V
UHTXLUHPHQWV (PSOR\HU FRQWULEXWLRQV
-XQH DQG UHVSHFWLYHO\

'HIHUUHG &RPSHQVDWLRQ 3ODQ

7KH &RPSDQ\ KDV QRQ TXDOLILHG GHIHUUHG FRPSHQVDWLRQ SODQV IRU W
IXQGV RIIHUHG WR WKH SDUWLFLSDQWV JHQHUDOO\ FRUUHVSRQG WR WKH
IOXFWXDWHV ZLWK WKH LQYHVWPHQW UHWXUQV RQ WKRVH IXQGV 7KH XQ
-XQH DQG ZHUH PLOOLRQ DQG PLOOLRQ UHVSHFWLYHO\ DQG WKH PDMRULW\ RI WK
HPSOR\HHV

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,QFRPH WD[HV DUH UHFRJQL]HG IRU WKH DPRXQW RI WD[HV SD\DEOH IRU W
OLDELOLWLHV ZKLFK UHSUHVHQW IXWXUH WD[FRQVHTXHQFHV RI HYHQWV
IRU WD[SXUSRVHV 'HIHUUHG WD[DVVHWV DQG OLDELOLWLHV DUH HVWDE
FKDQJHV LQ VXFK UDWHV LQ WKH SHULRG RI FKDQJH

/RVV LQFRPH EHIRUH LQFRPH WD[H[SHQVH

7KH VLJQLILFDQW FRPSRQHQWV RI WKH &RPSDQ\µV LQFRPH WD[H[SHQVH Z

)RU WKH ILVFDO \HDUV HQGHG -X

LQ PLOOLRQV

&XUUHQW
8 6
)HGHUDO
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)RUHLJQ
7RWDO FXUUHQW WD[
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8 6
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)RUHLJQ
7RWDO GHIHUUHG WD[
7RWDO LQFRPH WD[H[SHQVH

)RU WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRJQL]HG GHIHUUHG WD[DVVHWV
RI JRRGZLOO DQG LQGHILQLWH OLYHG LQWDQJLEOH DVVHWV WKDW DUH DPRUWL]HG RYHU
GRZQV KDYH DQ LPSDFW RQ RXU HIIHFWLYH WD[UDWH WR WKH H[WHQW

)RU WKH ILVFDO \HDU HQGHG -XQH WKH &RPSDQ\ UHFRJQL]HG GHIHUUHG WD[DVVHWV
RI JRRGZLOO DQG D ZULWH GRZQ RI DVVHWV DVVRFLDWHG ZLWK &RPSDQ\ RZQHG OLIH
H[SHQVH EHQHILWV DQG RWKHU SRVWUHWLUHPHQW EHQHILWV 7KHVH LPSDLUPHQWV DQG ZULW
HIIHFWLYH WD[UDWH WR WKH H[WHQW D ORZHU WD[EHQHILW LV UHFRU

G $V D UHVXOW RI WKH 7D[$FW WKH &RPSDQ\ UHFRJQL]HG D QHW GHIHUUHG WD[OLDELOLW\
WR WKH UH PHDVXUHPHQW RI 8 6 GHIHUUHG WD[EDODQFHV IRU WKH U
GHIHUUHG WD[DVVHWV DQG WKH OLDELOLW\ FRVW EDVLV RI WKH &RPSDQ\ V
ZHUHQHU DWHULDO FKDQJHV WR WKH SURYLVLRQDO DPRXQWV UHFRUGHG D

H 5HSUHVHQWV WKH WD[HIIHFW RI WKH ZULWH RII RI WKH)2; 632576 $XV
D UHVXOW RI WKH 7UDQVDFWLRQ DV ZHOO DV RWKHU FRVWV GLUHFWO

I ,Q WKH ILVFDO \HDU HQGHG -XQH FHUWDLQ SUH 6HSDUDWLRQ W
6HUYLFH $V D UHVXOW RI WKH VHWWOHPHQW WKH &RPSDQ\ UHFRJQL]HG D
FXUUHQW WD[EHQHILW DQG GHIHUUHG WD[OLDELOLW\ RI

J)RU WKH ILVFDO \HDU HQGHG -XQH WKH HIIHFWLYH WD[UDWH RI
LQFRPH WD[H[SHQVH ZKHQ FRPSDUHG WR FRQVROLGDWHG SUHWD[ER
HIIHFWLYH WD[UDWH RI H[SHQVH LQFRPH WD[H[SHQVH ZKHQ FRPSDUHG WR

7KH &RPSDQ\ UHFRJQL]HG GHIHUUHG LQFRPH WD[HV LQ WKH %DODQFH 6KH

7KH VLJQLILFDQW FRPSRQHQWV RI WKH &RPSDQ\µV GHIHUUHG WD[DVVHWV

$V RXQH WKH &RPSDQ\ KDG DSSUR[LPDWHO\ ORVV FDUU\IRUZD
WKH 8 . UHVSHFWLYHO\ ZKLFK PD\ EH FDUULHG IRUZDUG LQGHILQLWHO\
UHOHYDQW WD[DXWKRULWLHV LQ WKH MXULVGLFWLRQV WR ZKLFK WKH\ UH
JDLQ WD[DEOH LQFRPH DQG VDWLVI\LQJ FHUWDLQ FRQWLQXLW\ RI EXVLQH
PLOOLRQ PLOOLRQ DQG UHVSHFWLYHO\ IRU WKHVH FDSLWDO ORV
PRUH OLNHO\ WKDQ QRW WKDW WKH &RPSDQ\ ZLOO QRW JHQHUDWH FDSLW
MXULVGLFWLRQV $FFRUGLQJO\PLYDOXDWLRQ DOORZDQFH HV WR E OLVKHG WR
FDUU\IRUZDUG GHIHUUHG WD[DVVHW WR DQ DPRXQW WKDW GZLOO UHVSRFWLO

$V RXQH WKH &RPSDQ\ KDG DSSUR[LPDWHO\ WD[FUHGLW FDUU\IRU
PLOOLRQ WD[UHGXFWLRQV DQG GHYHORSPHQW FUHGLWV ZKLFK
UHVSHFWLYHO\

$V RXQH WKH &RPSDQ\ KDG DSSUR[LPDWHO\ 8 6 WD[FUHGLW FDUU\IRUZDUG
DPRXQWV EHJLQQLQJ LQ WD[FUHGLW FDUU\IRUZDUGV QHW RI 8
DPRXQWV EHJLQQLQJ LQ

,Q DFFRUGDQFH ZLWK WKH &RPSDQ\µV DFFRXQWLQJ SROLF\ DWWULEXWDEOH WR
GHIHUUHG WD[DVVHW DVVRFLDWHG ZLWK WKH &RPSDQ\µV 8 6 IRUHLJQ WD
WKDW ZLOO PRUH OLNHO\ QRW EH UHDOL]HG DV RI

8QFHUWDLQ 7D[3RVLWLRQV

7KH IROORZLQJ WDEOH VHWV IRUWK WKH FKDQJH LQ WKH &RPSDQ\µV XQUH

)RU WKH ILVFDO \HDUV HQGHG -X

V EHHKH &RPSD

KDV DSSURSULDWHO\ DFFUXHG IRU WKH H[SHFWHG RXWFRPH RI XQFHUWDL
SURYLVLRQ IRU WD[HV XOWLPDWHO\ H[SHFWHG WR EH SDLG +RZHYHU WK
RXU OLDELOLW\ PD\ QHHG WR EH DGMXVWHG DV QHZ LQIRUPDWLRQ EHFRPH
VHWWOHPHQWV RU OLWLJDWLRQV RFFXU

7KH IROORZLQJ LV D VXPPDU\ RI PDMRU WD[MXULVGLFWLRQV IRU ZKLFK W
FXUUHQWO\ XQGHU DXGLW DQG VXEVHTXHQW \HDUV WKDW FRXOG EH DXGL

-XULVGLFWLRQ	)LVFDO <HDUV 2SH WR ([DPLQDWLRQ
8 6 IHGHUDO	
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,W LV UHDVRQDEO\ SRVVLEOH WKDW XQFHUWDLQ WD[SRVLWLRQV PD\ LQFU
GHYHORSPHQWV LQ WKLV DUHD FRXOG G[IQHU IURP WKRVH DXUHRQG\ H[S
DIIHFW WKH &RPSDQ\µV HIIHFWLYH LQFRPH WD[UDWH LI DQG ZKHQ UHFRJ
RI XQFHUWDLQ WD[OLDELOLWLHV ZKLFK PD\ EH UHVROYHG ZLWKLQ WKH Q
PLOOLRQ RSRRUWLRQ RI ZKLFK ZLOO DIIHFW RXU HIIHFWLYH LQFRPH WD[UDWH
WKH ODSVLQJ RI VWDWXWHV RI OLPLWDWLRQV

2WKHU

3ULRU WR WKH SDVVDJH RI WKH 7D[$FW WKH &RPSDQ\ DVVHUWHG WKDW V
LQGHILQLWHO\ UHLQYHVWHG DOO RI LWV IRUHLJQ VXEVLGLDU\ SURYLGHG 3XUVXDQW WR W
WKHVH HDUQLQJV ZHUH VXEMHFWHG WR WKH RQH WLPH WUDQVLWLRQ WD[
LQWHQWLRQ WR UHLQYHVW LQ WKHVH VXEVLGLDULHV LQGHILQLWHO\ DV W
GRPHVWLF OLTXLGLW\ QHHGV $Q DFWXDO UHSDWULDWLRQ IURP WKHVH VX
DQG 8 6 VWDWH WD[HV &DOFXODWLRQ RI WKH XQUHFRJQL]HG WD[OLDELO
VXEVLGLDULHV FRQVLGHUHG WR EH LQGHILQLWHOLQYHVWHG DPRXQWH

'XULQJ WKH ILVFDO\HDUV HQGHG WKH &RPSDQ\ SDLG JURVV LQFRPH WD[HV
DQG PLOOLRQV SHFLYHO\ DQG UHFHLYHG LQFRPH WD[UHIXQGV RI DSSUR[LPDWHO\

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7KH &RPSDQ\ PDQDJHV DQG UHSRUWV LWV EXVLQHVVHV LQ WKH IROORZLQ

- 'LJLWDO 5HDO (VWDWH 6HUYLFHV (VWDWH 6HUYLFHV VHJPHQWV
  LQ 5($ *URXS DQG GHUHVW LQ 0RYH LQF 5($ LV KHOG E\ 5(
  LV D PDUNHW OHDGLQJ GLJLWDO PHGLD EXVLQHVV SHFLDOL]LQJ L
  *URXS DGYHUWLVHV SURSHUW\ DQG SURSHUW\ UHODWHG VHUYLFHV
  LQFOXGLQJ $XVWUDOLDµV OHDGLQJ UHVLGHQWLDO FRPPHUFLDO DQ
  UHDOFRPPHUFLDO FRP DX DQG)ODWPDWHV FRP DX DQG SURSHUW\
  SURSHUW\ UHODWHG GDWD WR WKH ILQDQFLDO VHFWRU DQG ILQDQ
  ILQDQFLQJ (W)1 6gQ DQFHG GDWD W(L)1 ((Q)(F) (H)1 (G)( )(G)1 Td [( )((D)1 (Q) (U)(D)1

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LQ PLOOLRQV

5HYHQXH	
'LJLWDO 5HDO (VWDWH 6HUYLFHV	
1HW 6XEVFULSWLRQ 9LGHR 6HUYLFHV	
'RZ -RQHV	
%RRN 3XEOLVKLQJ	
1HZV 0HGLD	
2WKHU	
7RWDO 5HYHQXHV	
6HJPHQW (%,7'$	
'LJLWDO 5HDO (VWDWH 6HUYLFHV	
6XEVFULSWLRQ 9LGHR 6HUYLFHV	
'RZ -RQHV	
%RRN 3XEOLVKLQJ	
1HZV 0HGLD	
'LJLWDO 5HDO (VWDWH 6HUYLFHV	
2WKHU	

LQ PLOOLRQV

)RU WKH ILVFDO \HDUV HQGHG -XQH

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	)RU WKH ILVFDO \HDUV HQGHG -X		
			LQ PLOOLRQV
&DSLWDO H[SHQGLWXUHV			
'LJLWDO 5HDO (VWDWH 6HUYLFHV			
6XEVFULSWLRQ 9LGHR 6HUYLFHV			
'RZ -RQHV			
%RRN 3XEOLVKLQJ			
1HZV 0HGLD			
2WKHU			
7RWDO &DSLWDO H[SHQGLWXUHV			

	$V RI -XQH	
		LQ PLOOLRQV
7RWDO DVVHWV		
'LJLWDO 5HDO (VWDWH 6HUYLFHV		
6XEVFULSWLRQ 9LGHR 6HUYLFHV		
'RZ -RQHV		
%RRN 3XEOLVKLQJ		
1HZV 0HGLD		
2WKHU		
,QYHVWPHQWV		
7RWDO DVVHWV		

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D 7KH 2WKHU VHJPHQW SULPDULO\ LQFOXGHV &DVK DQG FDVK HTXLYDOHQ

	$V RI -XQH	
		LQ PLOOLRQV
*RRGZLOO DQG LQWDQJLEOH DVVHWV QHW		
'LJLWDO 5HDO (VWDWH 6HUYLFHV		
6XEVFULSWLRQ 9LGHR 6HUYLFHV		
'RZ -RQHV		
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7RWDO *RRGZLOO DQG LQWDQJLEOH DVVHWV QHW		

*HRJUDSKLF 6HJPHQWV

	)RU WKH ILVFDO \HDUV HQGHG -X		
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5HYHQXHV			
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D 5HYHQXHV DUH DWWULEXWHG WR UHJLRQ EDVHG RQ ORFDWLRQ RI FXV

E 5HYHQXHV LQFOXGH DSSUR[LPDWHO\ ELOOLRQ DQG ELOOLRQ IURP FXVWRPHUV LQ WKH 8 6

F 5HYHQXHV LQFOXGH DSSUR[LPDWHO\ ELOOLRQ DQG ELOOLRQ IURP FXVWRPHUV LQ WKH 8 .

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7KH IROORZLQJ WDEOH VHWV IRUWK WKH &RPSDQ\µV JURVV FDVK SDLG IRU

	)RU WKH ILVFDO \HDUV HQGHG -X		
			LQ PLOOLRQV
&DVK SDLG IRU LQWHUHVW			
&DVK SDLG IRU WD[HV			

$FFXPXODWHG 2WKHU &RPSUHKHQVLYH /RVV

7KH FRPSRQHQWV RI $FFXPXODWHG RWKHU FRPSUHKHQVLYH ORVV ZHUH DV

	)RU WKH ILVFDO \HDUV HQGHG -X		
			LQ PLOOLRQV
$FFXPXODWHG RWKHU FRPSUHKHQVLYH ORVV QHW RI WD[			
8QUHDOL]HG KROGLQJ JDLQV ORVVHV RQ VHFXULWLHV			
%DODQFH EHJLQQLQJ RI \HDU	±		
)LVFDO \HDU DFWLYLW\	±		
%DODQFH HQG RI \HDU	±	±	
&DVK IORZ KHGJH DGMXVWPHQWV			
%DODQFH EHJLQQLQJ RI \HDU			±
)LVFDO \HDU DFWLYLW\			
%DODQFH HQG RI \HDU			
%HQHILW 3ODQ $GMXVWPHQWV			
%DODQFH EHJLQQLQJ RI \HDU			
)LVFDO \HDU DFWLYLW\			
%DODQFH HQG RI \HDU			
)RUHLJQ FXUUHQF\ WUDQVODWLRQ DGMXVWPHQWV			
%DODQFH EHJLQQLQJ RI \HDU			
)LVFDO \HDU DFWLYLW\			
%DODQFH HQG RI \HDU			
6KDUH RI RWKHU FRPSUHKHQVLYH LQFRPH IURP HTXLW\ DIILOLDWHV QHW			
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7RWDO DFFXPXODWHG RWKHU FRPSUHKHQVLYH ORVV QHW RI WD[			
%DODQFH EHJLQQLQJ RI \HDU			
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%DODQFH HQG RI \HDU			

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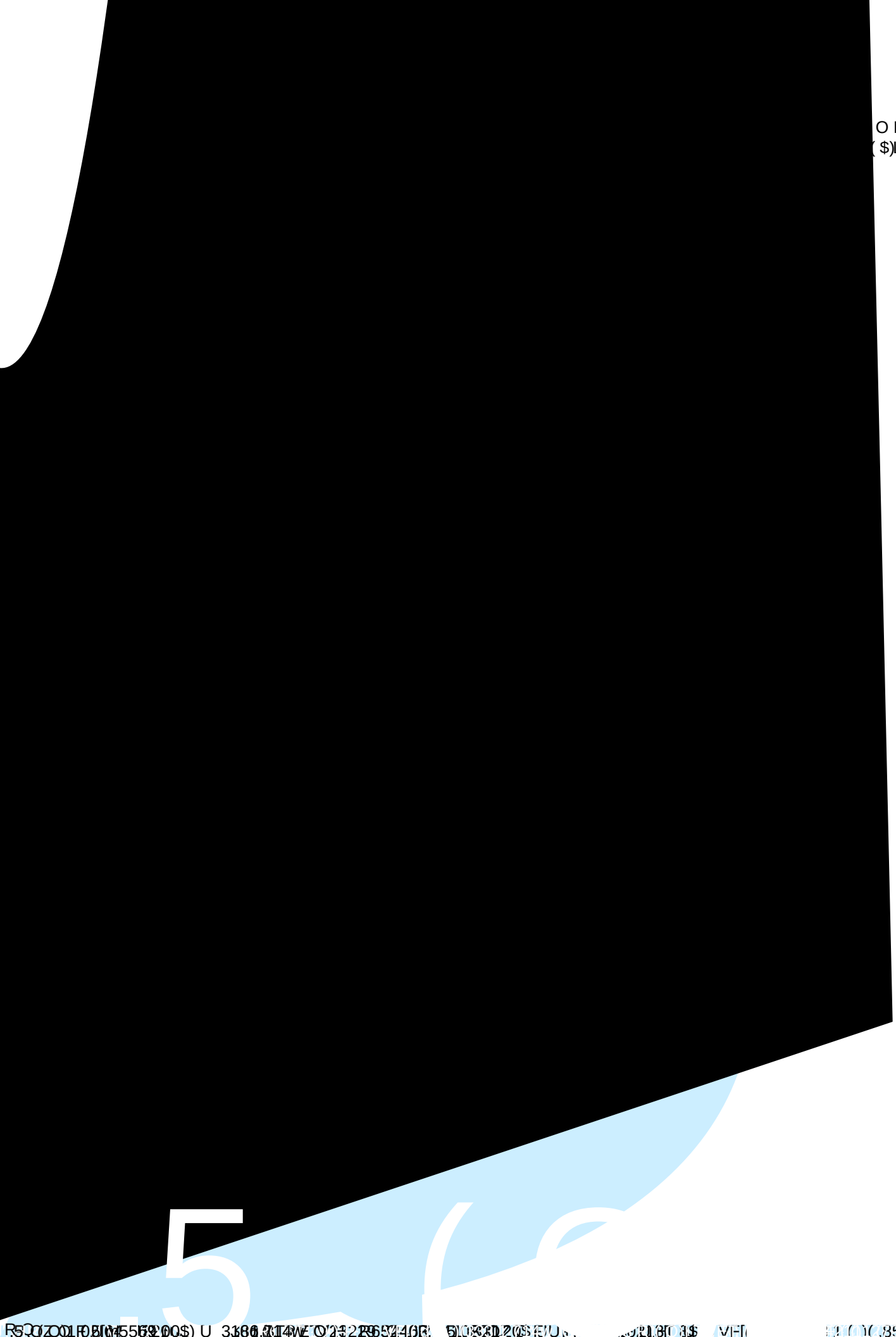
D 1HW RI LQFRPH WD[HIIHFW RI ILVFDO \HDU HQGHG -XQH 8SRQ D &RPSDQ\ UHFRPSXWHG GHIHUUHG WD[DVVHWV DQG OLDELOLWLHV WR $FFXPXODWHG GHILFLW WR UHFODVVL IRU WKHVH LQYHVWPHQWV DV RI -XO\

E 1HW RI LQFRPH WD[EHQHILW DWWULEXWDEOH WR WKH ILVFDO \HDU HQGHG -XQH DQG UHVSHFWLYHO\

F 1HW RI LQFRPH WD[EHQHILW DWWULEXWDEOH WR WKH ILVFDO \HDU HQGHG DQG UHVSHFWLYHO\



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D 1HW LQFRPH ORVV IRU-XQH ILVFDO XHDUWHQGLQJ SDFW RI WKH IROORZL

‡ 'XULQJ WKH ILUVW TXDUWHU RI ILVFDO WKH &RPSDQ\ UHODWHG WR WKH LPSDLUPHQW RI JRRGZLOO DQG 2WKHU ,QWDQJLEOH $VVHWV

‡ 'XULQJ WKH WKLUG TXDUWHU RI ILVFDO WKH &RPSDQ\ UHODWHG WR WKH LPSDLUPHQW RI JRRGZLOO DQG LQGH ZHOO DV D QRQ FDVK LPSDLUPHQW FKDUJH UHVXOWLQJ IURP WKH U XQLW WR DVVHW1RWHG±fRRGZLOO DQG 2WKHU ,QWDQJLEOH $VVHWV

‡ 'XULQJ WKH IRXUWK TXDUWHU RI ILVFDO WKH &RPSDQ\ UHODWHG WR IL[HG DVVHWV JRRGZLOO DQG LQGHILQLW WHVW1RWHG±3URSHUW\ 3ODQW DQG(TXLSPHQW DQG 2WKHU ,QWDQJL

E 1HW LQFRPH ORVV IRU-XQH ILVFDO XHDUWHQGLQJ SDFW RI WKH IROORZL

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'LVFORVXUH &RQWURO DQG 3URFHGXUHV

7KH &RPSDQ\µV PDQDJHPHQW ZLWK WKH SDUWLFLSDWLRQ RI WKH &RPSDQ HYDOXDWHG WKH HIIHFWLYHQHVV RI WKH &RPSDQ\µV GLVFORVXUH FRQWUF

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7KH LQIRUPDWLRQ UHTXLUHG E\ WKLV LWHP ZLWK UHVSHFW WR WUDQVDFW
WKH KHDGLQJ ²&RUSRUDWH *RYHUQDQFH 0DWWHUV±5HODWHG 3HUVRQ 7UD
$QQXDO 5HSRUW

7KH LQIRUPDWLRQ UHTXLUHG E\ WKLV LWHP ZLWK UHVSHFW WR GLUHFWRU
KHDGLQJV ²&RUSRUDWH *RYHUQDQFH 0DWWHUV±'LUHFWRU ,QGHSHQGHQFH³
DQG LV LQFRUSRUDWHG E\ UHIHUHQFH LQ WKLV $QQXDO 5HSRUW

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7KH LQIRUPDWLRQ UHTXLUHG E\ WKLV LWHP LV FRQWDLQHG LQ WKH 3UR[\
5HJLVWHUHG 3XEOLF $FFRXQWLQJ)LUP³ DQG ²$XGLW &RPPLWWHH 3UH $SS
UHIHUHQFH LQ WKLV $QQXDO 5HSRUW

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D 7KH IROORZLQJ GRFXPHQWV DUH ILOHG DV SDUW RI WKLV UHSRUW

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3XUVXDQW WR WKH UHTXLUHPHQWV RI 6HFWLRQ RU G RI WKH 6HFXULW
UHSRUW WR EH VLJQHG RQ LWV EHKDOI E\ WKH XQGHUVLJQHG WKHUHXQW

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$0(1'(' $1' 5(67$7(' (03/2<0(17 $*5((0(17WKLV ²$JUHHPHQW³ DV RI -XQH DQG HIIHFWLYH DV RI -XO\ WKH &RUSRUDWLRQ D 'HODZDUH FRUSRUDWLRQ WKH ²&RPSDQ $PHULFDV 1HZ <RUN 1< DQG 6XVDQ 3DQXFFLR UHVLG WKH &RPSDQ\ WKH ²([HFXWLYH³

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D 7KH &RPSDQ\ DJUHHV WR HPSOR\ WKH ([HFXW EH HPSOR\HG E\ WKH &RPSDQ\ IRU WKH 7HUP DV KHUHL ([HFXWLYH VKDOO L KDYH WKH WLWOH DQG WKH GXWLHV LL UHSRUW GLUHFWO\ WR WKH &KLHI ([HFXWLYH 2IILFHU R

E ,I WKH ([HFXWLYH LV HOHFWHG DV D PHPEHU RIILFHU RI WKH &RPSDQ\ RU DQ\ VXEVLGLDULHV RU DIILOL FDSDFLW\ RU FDSDFLWLHV ZLWKRXW DGGLWLRQDO FRPSHQ

F 'XULQJ WKH 7HUP WKH ([HFXWLYH VKDOO G

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G $OO SDSHUV ERRNV UHFRUGV ILOHV SURS
FRPSXWHU VRIWZDUH VRIWZDUH DSSOLFDWLRQV ILOHV G
DQG DIIDLUV RI WKH &RPSDQ\ RU ZKLFK FRQWDLQ &RQILGH
([HFXWLYH RU RWKHUZLVH FRPLQJ LQWR WKH ([HFXWLYHµ
SURSHUW\ RI WKH &RPSDQ\ DQG VKDOO QRW EH UHPRYHG I
SHUIRUPDQFH RI WKH ([HFXWLYHµV UHVSRQVLELOLWLHV
&RPSDQ\ 8SRQ WKH WHUPLQDWLRQ RI WKH ([HFXWLYHµV H
ZLOO LPPHGLDWHO\ VXUUHQGHU DQG WXUQ RYHU WR WKH
WKH ([HFXWLYH PD\ KDYH LQ WKH ([HFXWLYHµV SRVVHVVL
ORFDWHG DQG ZKHWKHU LQ HOHFWURQLF SDSHU RU RWK

LL LI WKH ([HFXWLYH LV UHTXLUHG WR EH ED
LQ DUHDV RWKHU WKDQ ZLWKLQ PLOHV RI WKH 1HZ <RUN

LLL LI WKHUH LV D PDWHULDO GLPLQXWLRQ
GLPLQLVKLQJ WKH ([HFXWLYHµV UROH RWKHU WKDQ GXU
SK\VLFDO LQFDSDFLW\

E $Q\ *RRG 5HDVRQ WHUPLQDWLRQ RI WKH ([H
([HFXWLYH VKDOO EH FRPPXQLFDWHG E\ D ZULWWHQ 1RW
+XPDQ 5HVRXUFHV 2IILFHU DQG WKH &KLHI ([HFXWLYH 2IIL
GD\V RI WKH FRQGLWLRQ JLYLQJ ULVH WR VXFK *RRG 5HD
KDYH WKLUW\ GD\V IURP VXFK QRWLFH WR FXUH WKH F
VHW IRUWK LQ 6HFWLRQ $ Q LL & RI WKH 7UHDV
FRQGLWLRQ UHPDLQV XQFXUHG IROORZLQJ VXFK FXUH SHU
([HFXWLYH PXVW DFWXDOO\ WHUPLQDWH HPSOR\PHQW QR O
VXFK FXUH SHULRG

&RPSHQVDWLRQ XSRQ 7HUPLQDWLRQ

D ,I WKH HPSOR\PHQW RI WKH ([HFXWLYH LV WH
E\ UHDVRQ RI WKH ([HFXWLYHµV GHDWK WKH &RPSDQ\ D
VXUYLYLQJ VSRXVH RU WR DQRWKHU UHFLSLHQW GHVLJQ
WLPH RU LI WKH ([HFXWLYHµV VSRXVH VKDOO QRW VX
UHSUHVHQWDWLYH RI WKH ([HFXWLYHµV HVWDWH L IRU D
WKH 'DWH RI 7HUPLQDWLRQ DQ DPRXQW HTXDO WR DQG SD
FXUUHQW %DVH 6DODU\ LL DQ\ $QQXDO %RQXV SD\DEOH
\HDU HQGHG SULRU WR WKH 'DWH RI 7HUPLQDWLRQ WKH ²
WKDQ WKH WLPH VSHFLILHG LQ 6HFWLRQ E LLL D SUR
ZRXOG KDYH HDUQHG IRU WKH ILVFDO \HDU RI WHUPLQDW
EDVHG RQ WKH $QQXDO %RQXV 7DUJHW DQG QXPEHU RI G
&RPSDQ\ LQ WKH ILVFDO \HDU GXULQJ ZKLFK WKH 'DWH RI
QXPEHU RI GD\V LQ VXFK ILVFDO \HDU WKH ²3UR UDWHG &
WKH 6HSWHPEHU RI WKH ILVFDO \HDU IROORZLQJ WKH IL
ZLWK UHVSHFW WR (TXLW\ %RQXV DZDUGV RU DZDUGV XQG
%RQXV DZDUGV RU DZDUGV XQGHU WKH 3ODQ WKDW ZHUH
SHULRG RI RQH \HDU IROORZLQJ WKH 'DWH RI 7HUPLQDW
WKH\ ZRXOG KDYH EHHQ PDGH KDG WKH ([HFXWLYH FRQWLQ
IRU WKH DYRLGDQFH RI GRXEW DQ\ (TXLW\ %RQXV DZDUG
FRQWLQXHG HPSOR\PHQW WKURXJK VXFK GDWH VKDOO EH
DGGLWLRQ WR ZKDW WKH ([HFXWLYH V VSRXVH EHQHILFI
SXUVXDQW WR DQ\ HPSOR\HH EHQHILW SODQ RU OLIH LQVX
PDLQWDLQHG E\ WKH &RPSDQ\ 7KH SD\PHQWV SURYLGHG
GLVFKDUJH WKH REOLJDWLRQV RI WKH &RPSDQ\ DQG LWV
DIILOLDWHV VKDOO EH XQGHU QR REOLJDWLRQ WR SURYLG
([HFXWLYHµV VXUYLYLQJ VSRXVH RU WKH OHJDO UHSUHVHQ

E 'XULQJ DQ\ SHULRG WKDW WKH ([HFXWLYH I
GXWLHV KHUHXQGHU DV D UHVXOW RI LQFDSDFLW\ DQG G
&RPSDQ\

VKDOO FRQWLQXH WR SURYLGH WR WKH ([HFXWLYH WKH WK
([HFXWLYH UHWXUQV WR WKH ([HFXWLYHµV GXWLHV RU XQ

&RPSDQ\ DQG LWV DIILOLDWHV KHUHXQGHU DQG WKH &RP
REOLJDWLRQ WR SURYLGH DQ\ IXUWKHU FRPSHQVDWLRQ WR

H $ SUHFRQGLWLRQ WR WKH &RPSDQ\µV REOLJ
SURYLGH EHQHILWV WR WKH ([HFXWLYH RU WKH ([HFXWLY
RI WKH ([HFXWLYHµV HVWDWH SXUVXDQW WR WKLV 6HFWLR
VKDOO EH WKH H[HFXWLRQ DQG QRQ UHYRFDWLRQ E\ W

,QGHPQLW\ &RRSHUDWLRQ

D 7KH &RPSDQ\ ZLOO LQGHPQLI\ DQG GHIHQG
ZLWK WKH IRUPDWLRQ GRFXPHQWV FKDUWHUV E\ODZV RU
DQG LQ DFFRUGDQFH ZLWK DQ\ RWKHU ODZ RU VWDWX
LQGHPQLILFDWLRQ DQG GHIHQVH LQFOXGLQJ EXW QRW OL
&KDQFHU\ &RGH IRU DQ\ DFWV RU RPLVVLRQV PDGH E\ WK
WKH ([HFXWLYHµV HPSOR\PHQW ZLWK WKH &RPSDQ\

E 'XULQJ WKH 7HUP DQG IRU D SHULRG RI WKUH
WKH ([HFXWLYHµV HPSOR\PHQW IRU DQ\ UHDVRQ DQG GX
([HFXWLYH ZLOO L IXOO\ FRRSHUDWH ZLWK WKH &RPSDQ\
RU D GHFODUDQW LQ FRQQHFWLRQ ZLWK DQ\ SUHVHQW R
SURFHHGLQJ LQYROYLQJ WKH &RPSDQ\ RU DQ\ RI LWV DIIL
PD\ KDYH UHOHYDQW LQIRUPDWLRQ DQG LL DVVLVW WK
GLVFRYHU\ SKDVHV RU SULRU WKHUHWR RI DQ\ MXGLFLDO
SURFHHGLQJ LQYROYLQJ WKH &RPSDQ\ RU DQ\ RI LWV D
([HFXWLYH PD\ KDYH UHOHYDQW LQIRUPDWLRQ 7KH &RPS
([HFXWLYH SURGXFLQJ UHFHLSWV VDWLVIDFWRU\ WR WKH
UHDVRQDEOH DQG QHFHVVDU\ H[SHQVHV LQFXUUHG E\ W

F 7R WKH H[WHQW DQ\ UHLPEXUVHPHQWV RU LQ
XQGHU WKLV $JUHHPHQW FRQVWLWXWH ²GHIHUUHG FRPSH
VXFK UHLPEXUVHPHQWV RU LQ NLQG EHQHILWV VKDOO EH
ZLWK 7UHDV 5HJ 6HFWLRQ $ L LY $GGLWLRQDO
UHFHLSW RI DQ\ LQ NLQG EHQHILWV IURP WKH &RPSDQ\ RU
WKLV 6HFWLRQ GXH WR WKH ([HFXWLYHµV VWDWXV DV D ²V
LQVWHDG SXUFKDVH DQG UHFHLYH VXFK EHQHILWV GXULQJ
ZRXOG RWKHUZLVH EH GHOD\HG E\ SD\LQJ WKH &RPSDQ\ R
VXFK EHQHILWV DV GHWHUPLQHG E\ WKH &RPSDQ\ LQ JRR
SDLG E\ WKH ([HFXWLYH SXUVXDQW WR WKH SUHFHGLQJ V
ZLWK LQWHUHVW WKHUHRQ DV GHVFULEHG DERYH RQ W
([HFXWLYHµV VHSDUDWLRQ IURP VHUYLFH

G (DFK SD\PHQW PDGH XQGHU WKLV $JUHHPH
²VHSDUDWH SD\PHQW³ ZLWKLQ WKH PHDQLQJ RI 6HFWLRQ

H 7KH &RPSDQ\ VKDOO FRQVXOW ZLWK WKH ([H
LPSOHPHQWDWLRQ RI WKH SURYLVLRQV RI WKLV 6HFWLR
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\HDU ILUVW DERYH ZULWWHQ

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/LVW RI 6XEVLGLDULHV

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$OHVLD +ROGLQJV ,QF	8QLWHG 6WDWHV RI $PHULF
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$31 $3 1DWLRQDO 6DOHV 3W\ /WG	$XVWUDOLD
$31 (GXFDWLRQDO 0HGLD 3W\ /LPLWHG	$XVWUDOLD
$31 1HZVSDSHUV 3W\ /WG	$XVWUDOLD
$31 3ULQWLQJ 6HUYLFHV 3W\ /WG	$XVWUDOLD
$50 (YHQWV 3W\ /WG	$XVWUDOLD
$50 6SHFLDOLVW 0HGLD 3W\ /WG	$XVWUDOLD
$UWVRQ 6\VWHP 3W\ /WG	$XVWUDOLD
$XVWDU (QWHUWDLQPHQW 3W\ /LPLWHG	$XVWUDOLD
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$XVWDU 6HUYLFHV 3W\ /WG	$XVWUDOLD
$XVWDU 8QLWHG %URDGEDQG 3W\ /WG	$XVWUDOLD
$XVWDU 8QLWHG &RPPXQLFDWLRQV 3W\ /LPLWHG	$XVWUDOLD
$XVWDU 8QLWHG +ROGFR 3W\ /WG	$XVWUDOLD
$XVWDU 8QLWHG +ROGLQJV 3W\ /LPLWHG	$XVWUDOLD
$XVWDU 8QLWHG 0REOLW\ 3W\ /WG	$XVWUDOLD
$XVWLQ %LGFR 3W\ /WG	$XVWUDOLD
$XVWLQ 5ROOFR /LPLWHG	$XVWUDOLD
$XVWUDOLDQ ,QGHSHQGHQW %XVLQHVV 0HGLD 3W\ /WG	$XVWUDOLD
$XVWUDOLDQ 1HZV &KDQQHO 3W\ /WG	$XVWUDOLD
$XWKRQRP\ /WG	8QLWHG .LQJGRP
%DEVWRYD /LPLWHG	,UHODQG
%HQHYROXV +ROGLQJV //&	8QLWHG 6WDWHV RI $PHULF
%HWWHQ)LQDQFLDO 1HZV %9	1HWKHUODQGV
%LJ 6HD ,QWHUQDWLRQDO /WG	+RQJ .RQJ
%LQQL 3W\ /LPLWHG	$XVWUDOLD

%RRN$UP\ /LPLWHG 8QLWHG .LQJGRP
%RUGHU 1HZVSDSHUV 3W\ /WG $XVWUDOLD
%ULFN] 5HVHDUFK 6GQ %KG 0DOD\VLD
%ULVEDQH %URQFRV /LFHQFHH 3W\ /LPLWHG $XVWUDOLD
%ULVEDQH %URQFRV &RUSRUDWLRQ 3W\ /WG $XVWUDOLD
%ULVEDQH %URQFRV &RUSRUDWLRQ 7UXVW $XVWUDOLD
%ULVEDQH %URQFRV /LPLWHG $XVWUDOLD
%ULVEDQH %URQFRV 0DQDJHPHQW &RUSRUDWLRQ $XVWUDOLD 3W\ /WG
%ULVEDQH %URQFRV 5XJE\ /HDJXH &OXE /WG

'RZ -RQHV &RPSDQ\ $XVWUDOLD 37< /LPLWHG $XVWUDOLD
'RZ -RQHV &RPSDQ\ 0DOD\VLD 6GQ %KG 0DOD\VLD
'RZ -RQHV &RPSDQ\ 6FKZHL] *0%+ 6ZLW]HUODQG
'RZ -RQHV &RPSDQ\ 6LQJDSRUH 37(/LPLWHG 6LQJDSRUH
'RZ -RQHV &RPSDQ\ ,QF 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV -DSDQ . . -DSDQ
'RZ -RQHV $GYHUWLVLQJ 6KDQJKDL &R /WG &KLQD
'RZ -RQHV $(5 &RPSDQ\ ,QF 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV %XVLQHVV ,QWHUDFWLYH 8 . 8/ /LPLWHG .LQJGRP
'RZ -RQHV &DQDGD ,QF &DQDGD
'RZ -RQHV &RORPELD 6 $ 6 &RORPELD
'RZ -RQHV &RQVXOWLQJ 6KDQJKDL /LPLWHG &KLQD
'RZ -RQHV &RQVXOWLQJ ,QGLD 3ULYDWH /LPLWHG ,QGLD
'RZ -RQHV 'LVWULEXWLRQ &R $VLD ,QF 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV 'R %UDVLO 6HUYL§RV (FRQ´PLFRV /WGD %UDVLO
'RZ -RQHV +DEHU $MDQVL $QRQLP 6LUNHWL 7XUNH\
'RZ -RQHV ,QIRUPDWLRQ 6HUYLFHV ,QWHUQDWLRQDO +. /WG
'RZ -RQHV ,QWHUQDWLRQDO $GYHUWLVLQJ 6HUYLFHV 8QLWHG .LQJGRP
'RZ -RQHV ,QWHUQDWLRQDO *0%+ *HUPDQ\
'RZ -RQHV ,QWHUQDWLRQDO /WG 8QLWHG .LQJGRP
'RZ -RQHV ,WDOLD 65/ ,WDO\
'RZ -RQHV 1%9 %XOJDULD (22' %XOJDULD
'RZ -RQHV 1HGHUODQG %9 1HWKHUODQGV
'RZ -RQHV 1HZV *PE+ *HUPDQ\
'RZ -RQHV 1HZV 6HUYLFHV 3URSULHWDU\ /LPLWHG $XVWUDOLD
'RZ -RQHV 1HZVZLUHV +ROGLQJV ,QF 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV 3XEOLVKLQJ &RPSDQ\ $VLD ,QF 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV 3XEOLVKLQJ &RPSDQ\ (XURSH 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV 6HUYLFHV /LPLWHG 8QLWHG .LQJGRP
'RZ -RQHV 6RXWKHUQ +ROGLQJ &RPSDQ\ ,QF 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV 7UDGHPDUN +ROGLQJV //& 8QLWHG 6WDWHV RI $PHULF
'RZ -RQHV :6-$ 3KLOLSSLQHV ,QF 3KLOLSSLQHV
(GLWRUD +5 /WGD %UD]LO
H)LQDQFLDO1HZV +ROGLQJV /LPLWHG 8QLWHG .LQJGRP
H)LQDQFLDO1HZV ,QF 8QLWHG 6WDWHV RI $PHULF
H)LQDQFLDO1HZV /LPLWHG 8QLWHG .LQJGRP
(JPRQW %RRNV 8. /LPLWHG 8QLWHG .LQJGRP
(LVD)LQDQFH 3W\ /LPLWHG $XVWUDOLD
(ULF %HPURVH /LPLWHG 8QLWHG .LQJGRP
(YHUJUHHQ 7UDGLQJ &RPSDQ\ / / & 8QLWHG 6WDWHV RI $PHULF
)DFWLYD $XVWUDOLD 3W\ /LPLWHG $XVWUDOLD

)DFWLYD)UDQFH 6$5/	)UDQFH
)DFWLYD %XVLQHVV ,QIRUPDWLRQ 6SDLQ	6SDLQ
)DFWLYD /LPLWHG	8QLWHG .LQJGRP
)DFWLYD //&	8QLWHG 6WDWHV RI $PHULF
)DFWLYD ,QF	8QLWHG 6WDWHV RI $PHULF
)HVWLYDO 5HFRUGV ,QWHUQDWLRQDO /LPLWHG	8QLWHG .LQJGRP
)LQDQFH FRP /WG	+RQJ .RQJ
)ODJVKLS 6WXGLR &R /WG	7KDLODQG
)ODWPDWHV FRP DX 3W\ /WG	$XVWUDOLD
)RUHYHU %URDGFDVWLQJ /LPLWHG	8QLWHG .LQJGRP
)RXUWK (VWDWH /LPLWHG	8QLWHG .LQJGRP
)R[6SRUWV $XVWUDOLD % 9	1HWKHUODQGV
)R[6SRUWV $XVWUDOLD 3W\ /LPLWHG	$XVWUDOLD
)R[6SRUWV 6WUHDPFR 3W\ /LPLWHG	$XVWUDOLD
)R[6SRUWV 9HQXHV 3W\ /LPLWHG	$XVWUDOLD
)R[WHO $XVWUDOLD 3W\ /LPLWHG	$XVWUDOLD
)R[WHO &DEOH 7HOHYLVLRQ 3W\ /LPLWHG	$XVWUDOLD
)R[WHO)LQDQFH 3W\ /LPLWHG	$XVWUDOLD
)R[WHO +ROGLQJV 3W\ /LPLWHG	$XVWUDOLD
)R[WHO 0DQDJHPHQW 3W\ /LPLWHG	$XVWUDOLD
)R[WHO 3DUWQHUVKLS	$XVWUDOLD
)R[WHO 7HOHYLVLRQ 3DUWQHUVKLS	$XVWUDOLD
)UHHGRP 3ODWIRUP / / &	8QLWHG 6WDWHV RI $PHULF
)6 $XVWUDOLD , 3W\ /LPLWHG	$XVWUDOLD
)6 $XVWUDOLD ,, //&	8QLWHG 6WDWHV RI $PHULF
)6 $XVWUDOLD 3DUWQHUVKLS	$XVWUDOLD
*DWWRQ 6WDU 3W\ /WG	$XVWUDOLD
*HQHUDWH &DQDGD 8/&	&DQDGD
*HQHUDWH ,QF	8QLWHG 6WDWHV RI $PHULF
*HRUJH $OOHQ 8QZLQ 3XEOLVKHUV /LPLWHG	8QLWHG .LQJGRP
*ODGVWRQH 1HZVSDSHU &RPSDQ\ 3W\ /WG	$XVWUDOLD
*R+RPH + . &R /WG	+RQJ .RQJ
*R+RPH 0DFDX &R /WG	+RQJ .RQJ
*ROG &RDVW 3XEOLFDWLRQV 3W\ /LPLWHG	$XVWUDOLD
*UDQG &HQWUDO %URDGFDVWLQJ /LPLWHG	8QLWHG .LQJGRP
*UXSR 1HOVRQ ,QF	8QLWHG 6WDWHV RI $PHULF
*\PSLH 7LPHV 3W\ /WG	$XVWUDOLD
+DUOHTXLQ 8. /LPLWHG	8QLWHG .LQJGRP
+DUOHTXLQ %RRNV 6$	6ZLW]HUODQG
+DUOHTXLQ 'LJLWDO 6DOHV &RUSRUDWLRQ	8QLWHG 6WDWHV RI $PHULF
+DUOHTXLQ (QWHUSULVHV $XVWUDOLD 3W\ /WG	$XVWUDOLD

,QGHSHQGHQW 5DGLR *URXS /LPLWHG 8QLWHG .LQJGRP
,QGHSHQGHQW 5DGLR 1HZV /LPLWHG 8QLWHG .LQJGRP
,3*$ 0DQDJHPHQW 6HUYLFHV 6GQ %KG 0DOD\VLD
L3URSHUW\ 7KDLODQG &R /WG

1DWLRQZLGH 1HZV 3W\ /LPLWHG	$XVWUDOLD
1DWLRQZLGH 1HZVSDSHUV 3W\ /LPLWHG	$XVWUDOLD
1& $XGLHQFH ([FKDQJH //&	8QLWHG 6WDWHV RI $PHULF
1& 7UDQVDFWLRQ ,QF	8QLWHG 6WDWHV RI $PHULF
1& 8. +ROGLQJV ,QF	8QLWHG 6WDWHV RI $PHULF
1&$ %URDGFDVWLQJ 3W\ /WG	$XVWUDOLD
1&$ 9HQWXUHV 3W\ /WG	$XVWUDOLD
1&,+ //&	8QLWHG 6WDWHV RI $PHULF
1&16 +ROGLQJV //&	8QLWHG 6WDWHV RI $PHULF
1HZ =HDODQG 1HZV &KDQQHO /LPLWHG	1HZ =HDODQG
1HZV $OHVLD 8. /LPLWHG	8QLWHG .LQJGRP
1HZV $PHULFD 0DUNHWLQJ 'LJLWDO / / &	8QLWHG 6WDWHV RI $PHULF
1HZV $PHULFD 0DUNHWLQJ)6, / / &	8QLWHG 6WDWHV RI $PHULF
1HZV $PHULFD 0DUNHWLQJ ,Q 6WRUH / / &	8QLWHG 6WDWHV RI $PHULF
1HZV $PHULFD 0DUNHWLQJ ,Q 6WRUH 6HUYLFHV / / &	8QLWHG 6WDWHV RI $PHULF
1HZV $PHULFD 0DUNHWLQJ ,QWHUDFWLYH / / &	8QLWHG 6WDWHV RI $PHULF
1HZV $PHULFD 0DUNHWLQJ 3URSHUWLHV / / &	8QLWHG 6WDWHV RI $PHULF
1HZV $XVWUDOLD +ROGLQJV //&	8QLWHG 6WDWHV RI $PHULF
1HZV $XVWUDOLD +ROGLQJV 3DUWQHUVKLS	$XVWUDOLD
1HZV $XVWUDOLD +ROGLQJV 3W\ /LPLWHG	$XVWUDOLD
1HZV $XVWUDOLD ,QYHVWPHQWV 3W\ /WG	$XVWUDOLD
1HZV $XVWUDOLD 3W\ /LPLWHG	$XVWUDOLD
1HZV &ODVVLILHGV 1HWZRUN 1&1 3W\ /LPLWHG	$XVWUDOLD
1HZV &ROOLQV +ROGLQJV /LPLWHG	8QLWHG .LQJGRP
1HZV &ROOLQV +ROGLQJV 3DUWQHUVKLS	$XVWUDOLD
1HZV &ROOLQV /LPLWHG	8QLWHG .LQJGRP
1HZV &RUS $XVWUDOLD +ROGLQJV 3W\ /LPLWHG	$XVWUDOLD
1HZV &RUS $XVWUDOLD ,QYHVWPHQWV 3W\ /LPLWHG	$XVWUDOLD
1HZV &RUS $XVWUDOLD 3DUWQHUVKLS	$XVWUDOLD
1HZV &RUS $XVWUDOLD 3W\ /LPLWHG	$XVWUDOLD
1HZV &RUS +ROGLQJV 8. ,UHODQG	8QLWHG .LQJGRP
1HZV &RUS +ROGLQJV ,QF	8QLWHG 6WDWHV RI $PHULF
1HZV &RUS ,QYHVWPHQWV , /LPLWHG	8QLWHG .LQJGRP
1HZV &RUS ,QYHVWPHQWV ,, /LPLWHG	8QLWHG .LQJGRP
1HZV &RUS ,QYHVWPHQWV //&	8QLWHG 6WDWHV RI $PHULF
1HZV &RUS ,QYHVWPHQWV 8. ,UHODQG	8QLWHG .LQJGRP
1HZV &RUS 7HFKQRORJ\ //&	8QLWHG 6WDWHV RI $PHULF
1HZV &RUS 8. ,UHODQG /LPLWHG	8QLWHG .LQJGRP
1HZV 'LJLWDO 0HGLD 3W\ /LPLWHG	$XVWUDOLD
1HZV)+& +ROGLQJV //&	8QLWHG 6WDWHV RI $PHULF
1HZV)LQDQFH ,QF	8QLWHG 6WDWHV RI $PHULF

1HZV *URXS 1HZVSDSHUV /LPLWHG 8QLWHG .LQJGRP
1HZV *URXS 7LPHV 1HZVSDSHUV 8 . ,QF 8QLWHG 6WDWHV RI $PHULF
1HZV ,QWHUQDWLRQDO 1HZVSDSHUV /LPLWHG 8QLWHG .LQJGRP

1:6 1HZV7HFK 8/&	&DQDGD
1;($XVWUDOLD 3W\ /LPLWHG	$XVWUDOLD
1;($ 0HGLD 3W\ /LPLWHG IRUPHUO\ )R[WHOO\	$XVWUDOLD 3W\ /LPLWHG
1<3 +ROGLQJV ,QF	8QLWHG 6WDWHV RI $PHULF
1<3 5HDOW\ &RUS	8QLWHG 6WDWHV RI $PHULF
2EVHUYHU 7LPHV +HUYH\ %D\ 3W\ /WG	$XVWUDOLD
2SFLW\ $FTXLVLWLRQ //&	8QLWHG 6WDWHV RI $PHULF
2SFLW\ ,QF	8QLWHG 6WDWHV RI $PHULF
R]KRPHYDOXH 3W\ /LPLWHG	$XVWUDOLD
3DFLILF 6SRUWV +ROGLQJV 3W\ /LPLWHG	$XVWUDOLD
3DFLILF 6SRUWV ,QWHUQDWLRQDO 3W\ /LPLWHG	$XVWUDOLD
3D\ 79 0DQDJHPHQW 3W\ /LPLWHG	$XVWUDOLD
3D\ 79 3DUWQHUVKLS	$XVWUDOLD
3%/ 3D\ 79 3W\ /WG	$XVWUDOLD
3HUIHFWWDVWH /LPLWHG	8QLWHG .LQJGRP
3ROORNVKLHOGV 3ULQWLQJ 6HUYLFHV /LPLWHG	8QLWHG .LQJGRP
3RVW &RXULHU /LPLWHG	3DSXD 1HZ *XLQHD
3UDNDUG ,33 &R /WG	7KDLODQG
3UDNDUG FRP +RQJ .RQJ /LPLWHG	+RQJ .RQJ
3UHVWR (QWHUWDLQPHQW 3W\ /LPLWHG	$XVWUDOLD
3UHVWR 79 3W\ /LPLWHG	$XVWUDOLD
3ULPHGLD /LPLWHG	+RQJ .RQJ
37 :HE 0DUNHWLQJ ,QGRQHVLD	,QGRQHVLD
3XOVH)0 /LPLWHG	8QLWHG .LQJGRP
3XQWHUV 3DUDGLVH 3W\ /LPLWHG	$XVWUDOLD
3XQWHUV 3DUDGLVH 8. /LPLWHG	8QLWHG .LQJGRP
4XHHQVODQG (QWHUWDLQPHQW 6HUYLFHV 3W\ /WG	$XVWUDOLD
4XHHQVODQG 1HZVSDSHUV 3W\ /WG	$XVWUDOLD
5DFLQJ ,QWHUQHW 6HUYLFHV 3W\ /WG	$XVWUDOLD
5DGLR &RXQW\ 6RXQG /LPLWHG	,UHODQG
5($ $XVWLQ 3W\ /WG	$XVWUDOLD
5($ *URXS &RQVXOWLQJ 6KDQJKDL &R /LPLWHG	&KLQD
5($ *URXS (XURSH /LPLWHG	8QLWHG .LQJGRP
5($ *URXS +RQJ .RQJ /WG	+RQJ .RQJ
5($ *URXS /WG	$XVWUDOLD

5($ +. &R /( )1 (/)(W)1 (G)] TJ ET /F1 10 Tf 0 0 0 RG 0 0 0 rg BT 406.13 188.F98 Td [($)1 (X) [(5)(1 10 TI

5R\DO &KLOGUHQ V +RVSLWDO *RRG)ULGD\ $VVRFLDWLRQ	$VVRFLDWLRQ /LPLWHG
5XE\ 1HZFR //&	8QLWHG 6WDWHV RI $PHULF
6DEDZLQ 3W\ /LPLWHG	$XVWUDOLD
6DWXUQ 1= +OGLQJ &RPSDQ\ 3W\ /WG	$XVWUDOLD
6HOHFWUD 3W\ /WG	$XVWUDOLD
6KDZQHH /LPLWHG	,UHODQG
6LJQDO 5DGLR /LPLWHG	8QLWHG .LQJGRP
6LPSO\ =HVW\ /LPLWHG	,UHODQG
6LPSO\ =HVW\ 8. /LPLWHG	8QLWHG .LQJGRP
6N\ &DEOH 3W\ /LPLWHG	$XVWUDOLD
6PDUW ([SR /LPLWHG	+RQJ .RQJ
6PDUW 6RXUFH 'LUHFW / / &	8QLWHG 6WDWHV RI $PHULF
6PDUWOLQH +RPH /RDQV 3W\ /WG	$XVWUDOLD
6PDUWOLQH 2SHUDWLRQV 3W\ /LPLWHG	$XVWUDOLD
6RFFHUEHW /LPLWHG	8QLWHG .LQJGRP
6RXQG 'LJLWDO /LPLWHG	8QLWHG .LQJGRP
6RXWK 3DFLILF 3RVW 3W\ /WG	3DSXD 1HZ *XLQHD
6SRUW E\ 1XPEHUV 3W\ /LPLWHG	$XVWUDOLD
6WDQWKRSH 1HZVSDSHU 6HUYLFHV 8QLW7UXVW	$XVWUDOLD
6WRU\ DWLRQ 3W\ /LPLWHG	$XVWUDOLD
6WRU\IXO $PHULFDV //&	8QLWHG 6WDWHV RI $PHULF
6WRU\IXO /LPLWHG	,UHODQG
6WUHDPRWLRQ 3W\ /LPLWHG	$XVWUDOLD
679 3W\ /WG	$XVWUDOLD
6XQVKLQH &RDVW 1HZVSDSHU &RPSDQ\ 3W\ /WG	$XVWUDOLD
6ZDQVHD 6RXQG /LPLWHG	8QLWHG .LQJGRP
6ZLWFKGLJLWDO /RQGRQ /LPLWHG	8QLWHG .LQJGRP
6ZLWFKGLJLWDO 6FRWODQG /LPLWHG	8QLWHG .LQJGRP
7DON 5DGLR 8. /LPLWHG	8QLWHG .LQJGRP

9LGD 0HOKRU (GLWRUD 6 $ %UD]LO
9LGD 3XEOLVKHUV / / & 8QLWHG 6WDWHV RI $PHULF
9LQDWHFK 3W\ /WG $XVWUDOLD
:DOO 6WUHHW -RXUQDO ,QGLD 3XEOLVKLQJ 3UL YDWH /LPLWHG
:D\ %HW 3W\ /WG $XVWUDOLD
:HVWHUQ 6WDU 3W\ /WG $XVWUDOLD
:KLWVXQGD\ 7LPHV 8QLW 7UXVW $XVWUDOLD
:LOOLDP &ROOLQV +ROGLQJV /LPLWHG 8QLWHG .LQJGRP
:LOOLDP &ROOLQV ,QWHUQDWLRQDO /LPLWHG 8QLWHG .LQJGRP
:LOOLDP &ROOLQV 6RQV &RPSDQ\ /LPLWHG 8QLWHG .LQJGRP
:LQG\WLGH 3W\ /WG $XVWUDOLD
:LUH)0 /LPLWHG 8QLWHG .LQJGRP
:LUHOHVV *URXS /LPLWHG 8QLWHG .LQJGRP
:LUHOHVV *URXS 0HGLD *% /LPLWHG 8QLWHG .LQJGRP
:LUHOHVV *URXS 1HZ 0HGLD /LPLWHG 8QLWHG .LQJGRP
:LUHOHVV 5DGLR 52, /LPLWHG ,UHODQG
:LUHOHVV 5DGLR /LPLWHG 8QLWHG .LQJGRP
:ROORQJRQJ 0LFURZDYH 3W\ /WG $XVWUDOLD
:ROYHUKDPSWRQ $UHD 5DGLR /LPLWHG 8QLWHG .LQJGRP
;<=QHWZRUNV 3W\ /LPLWHG $XVWUDOLD
=RQGHUYDQ 5HSXEOLFD 'RPLQLFDQD 6$ 'RPLQLFDQ 5HSXEOLF

$548-49 5. '4,-6-4,-49)-/189-7-, (:*21+ #++5:4914/ &17 3

@F DONSFNT TO TIF JNDORPORBTJON CX RFGFRFNDF JN TIF GOLLOWJNH =FHJSTRBTJON >TBTFMFNTS.

'! =FHJSTRBTJON >TBTFMFNT 3ORM >#, :O$)))#',--)(! PFRTBJNJNH TO TIF :FWS 1ORPORBTJON (&') 8ONH#?FRM 5NDFNTJVF <LBN"

(! =FHJSTRBTJON >TBTFMFNT 3ORM >#, :O$)))#(&&)'*! PFRTBJNJNH TO TIF RFHJSTRBTJON OG DOMMON STODK OG :FWS 1ORPORBTJON JN DONNFDTJON WJTI ?IF 9OVF" 5ND$ (&'' 5NDFNTJVF <LBN" BS BMFNEFE/ ?IF 9OVF" 5ND$ (&&(>TODK 5NDFNTJVF <LBN" BS BMFNEFE/ ?IF 9OVF$DOM" 5ND$ (&&& >TODK 5NDFNTJVF <LBN/ ?IF 9OVF" 5ND$ '--- >TODK 5NDFNTJVF <LBN" BS BMFNEFE/ ?IF J<LBDF" 5ND$ (&&' 2QUJTX 5NDFNTJVF <LBN/ BNE ?IF 4FSSFL (&&& >TODK ;PTJON <LBN" BNE

)! =FHJSTRBTJON >TBTFMFNT 3ORM >#, :O$)))#()+)((! PFRTBJNJNH TO TIF :FWS 1ORPORBTJON (&') 8ONH#?FRM 5NDFNTJVF <LBN/

OG OUR RFPORTS EBTFE 0UHUST ''" (&(&" WJTI RFSPFDT TO TIF DONSOLJEBTFE GJNBNDJBL STBTFMFNTS OG :FWS 1ORPORBTJON BNE TIF FGGFDTJVFNFSS OG JNTFRNBL DONTROL OVFR GJNBNDJBL RFPORTJNH OG :FWS 1ORPORBTJON JNDLUEFE JN TIJS 0NNUBL =FPORT 3ORM '&#7! OG :FWS 1ORPORBTJON GOR TIF XFBR FNEFE 6UNF)&" (&(&$

%S% 2RNST AOUNH 88<

:FW AORK" :FW AORK
0UHUST ''" (&(&

(4512)@1/>=5?1 *225/1; (1;=525/-=598

+1:>5;10 .A +>61< "#- "$ -80 "%0 "$ >801; =41 ,1/>;5=51<)@/4-831 '/=92 "&#$ -< -718010

3! 8G;>JL 4# 9AGEKGF! <>JLB?Q LA:L+

&# 3 A:N> J>NB>O>= LABK :FFM:D J>HGJL GF 2GJE &%"5 G? 6>OK /GJHGJ:LBGF,

'# .:K>= GF EQ CFGOD>=@>! LABK J>HGJL =G>K FGL <GFL:BF :FQ MFLJM> KL:L>E>FL G? : E:L>JB:D ?:<L GJ GEBL LG KL:L> : E:L>JB:D ?:<L F><>KK:JQ LG E:C> LA> KL:L>E>FLK E:=>! BF DB@AL G? LA> <BJ<MEKL:F<>K MF=>J OAB<A KM<A KL:L>E>FLK O>J> E:=>! FGL EBKD>:=BF@ OBLA J>KH><L LG LA> H>JBG= <GN>J>= ;Q LABK J>HGJL,

(# .:K>= GF EQ CFGOD>=@>! LA> ?BF:F<B:D KL:L>E>FLK! :F= GLA>J ?BF:F<B:D BF?GJE:LBGF BF<DM=>= BF LABK J>HGJL! ?:BJDQ HJ>K>FL BF :DD E:L>JB:D J>KH><LK LA> ?BF:F<B:D <GF=BLBGF! J>KMDLK G? GH>J:LBGFK :F= <:KA ?DGOK G? LA> J>@BKLJ:FL :K G?! :F= ?GJ! LA> H>JBG=K HJ>K>FL>= BF LABK J>HGJL,

)# 9A> J>@BKLJ:FLSK GLA>J <>JLB?QBF@ G??B<>J :F= 3 :J> J>KHGFKB;D> ?GJ >KL:;DBKABF@ :F= E:BFL:BFBF@ =BK<DGKMJ> <GFLJGDK :F= HJG<>=MJ>K :K =>?BF>= BF 1P<A:F@> -<L 8MD>K &(:"&* > :F= &*="&* > :F= BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@ :K =>?BF>= BF 1P<A:F@> -<L 8MD>K &(:"&* ? :F= &*="&* ? ?GJ LA> J>@BKLJ:FL :F= A:N>+

: 0>KB@F>= KM<A =BK<DGKMJ> <GFLJGDK :F= HJG<>=MJ>K! GJ <:MK>= KM<A =BK<DGKMJ> <GFLJGDK :F= HJG<>=MJ>K LG ;> =>KB@F>= MF=>J GMJ KMH>JNBKBGF! LG >FKMJ> LA:L E:L>JB:D BF?GJE:LBGF J>D:LBF@ LG LA> J>@BKLJ:FL! BF<DM=BF@ BLK <GFKGDB=:L>= KM;KB=B:JB>K! BK E:=> CFGOF LG MK ;Q GLA>JK OBLABF LAGK> >FLBLB>K! H:JLB<MD:JDQ =MJBF@ LA> H>JBG= BF OAB<A LABK J>HGJL BK ;>BF@ HJ>H:J>=,

; 0>KB@F>= KM<A BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@! GJ <:MK>= KM<A BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@ LG ;> =>KB@F>= MF=>J GMJ KMH>JNBKBGF! LG HJGNB=> J>:KGF:;D> :KKMJ:F<> J>@:J=BF@ LA> J>DB:;BDBLQ G? ?BF:F<B:D J>HGJLBF@ :F= LA> HJ>H:J:LBGF G? ?BF:F<B:D KL:L>E>FLK ?GJ >PL>JF:D HMJHGK>K BF :<<GJ=:F<> OBLA @>F>J:DDQ :<<>HL>= :<<GMFLBF@ HJBF<BHD>K,

< 1N:DM:L>= LA> >??><LBN>F>KK G? LA> J>@BKLJ:FLSK =BK<DGKMJ> <GFLJGDK :F= HJG<>=MJ>K :F= HJ>K>FL>= BF LABK J>HGJL GMJ <GF<DMKBGFK :;GML LA> >??><LBN>F>KK G? LA> =BK<DGKMJ> <GFLJGDK :F= HJG<>=MJ>K! :K G? LA> >F= G? LA> H>JBG= <GN>J>= ;Q LABK J>HGJL ;:K>= GF KM<A >N:DM:LBGF, :F=

= 0BK<DGK>= BF LABK J>HGJL :FQ <A:F@> BF LA> J>@BKLJ:FLSK BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@ LA:L G<<MJJ>= =MJBF@ LA> J>@BKLJ:FLSK EGKL J><>FL ?BK<:D IM:JL>J LA> J>@BKLJ:FLSK ?GMJLA ?BK<:D IM:JL>J BF LA> <:K> G? :F :FFM:D J>HGJL LA:L A:K E:L>JB:DDQ :??><L>=! GJ BK J>:KGF:;DQ DBC>DQ LG E:L>JB:DDQ :??><L! LA> J>@BKLJ:FLSK BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@, :F=

*# 9A> J>@BKLJ:FLSK GLA>J <>JLB?QBF@ G??B<>J :F= 3 A:N> =BK<DGK>=! ;:K>= GF GMJ EGKL J><>FL >N:DM:LBGF G? BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@! LG LA> J>@BKLJ:FLSK :M=BLGJK :F= LA> :M=BL <GEEBLL>> G? LA> J>@BKLJ:FLSK ;G:J= G? =BJ><LGJK GJ H>JKGFK H>J?GJEBF@ LA> >IMBN:D>FL ?MF<LBGFK +

: -DD KB@FB?B<:FL =>?B<B>F<B>K :F= E:L>JB:D O>:CF>KK>K BF LA> =>KB@F GJ GH>J:LBGF G? BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@ OAB<A :J> J>:KGF:;DQ DBC>DQ LG :=N>JK>DQ :??><L LA> J>@BKLJ:FLSK :;BDBLQ LG J><GJ=! HJG<>KK! KMEE:JBR> :F= J>HGJL ?BF:F<B:D BF?GJE:LBGF, :F=

; -FQ ?J:M=! OA>LA>J GJ FGL E:L>JB:D! LA:L BFNGDN>K E:F:@>E>FL GJ GLA>J >EHDGQ>>K OAG A:N> : KB@FB?B<:FL JGD> BF LA> J>@BKLJ:FLSK BFL>JF:D <GFLJGD GN>J ?BF:F<B:D J>HGJLBF@#

-M@MKL &&! '%'%

.Q+ K 8G;>JL 4# 9AGEKGF

8G;>JL 4# 9AGEKGF
/AB>? 1P><MLBN> 7??B<>J :F= 0BJ><LGJ

) 6734 +7: / : 17/8 , 44713=) 3=?7471 / ?7; :

- 3<@7=32 0B - @83> "$/ "% / : 2 "&2 "% @ : 23= ?63 . 31@=7?73> *A16 / : 53 (1? ;4 "'$% /> / 9 3 : 232

3! 9NL;G 7;GN==CH! =?KMC@R MB;M+

&# 3 B;O? K?OC?P?> MBCL ;GGN;E K?IHKM HG 2HKF &%"4 H@ 5?PL / HKIHK;MCHG,

'# . ;L?> HG FR DGHPE?>A?! MBCL K?IHKM >H?L GHM =HGM;CG ;GR NGMKN? LM;M?F?GM H@ ; F;M?KC;E @;=M HK HFCM MH LM;M? ; F;M?KC;E @;=M G?=?LL;KR MH F;D? MB? LM;M?F?GML F;>?! CG ECABM H@ MB? =CK=NFLM;G=?L NG>?K PBC=B LN=B LM;M?F?GML P?K? F;>?! GHM FCLE?;>CGA PCMB K?LI?=M MH MB? I?KCH> =HO?K?> <R MBCL K?IHKM,

(# . ;L?> HG FR DGHPE?>A?! MB? @CG;G=C;E LM;M?F?GML! ;G> HMB?K @CG;G=C;E CG@HKF;MCHG CG=EN>?> CG MBCL K?IHKM! @;CKER IK?L?GM CG ;EE F;M?KC;E K?LI?=ML MB? @CG;G=C;E =HG>CMCHG! K?LNEML H@ HI?K;MCHGL ;G> =;LB @EHPL H@ MB? K?ACLMK;GM ;L H@! ;G> @HK! MB? I?KCH>L IK?L?GM?> CG MBCL K?IHKM,

)# : B? K?ACLMK;GMTL HMB?K =?KMC@RCGA H@@C=?K ;G> 3 ;K? K?LIHGLC<E? @HK ?LM;<ECLBCGA ;G> F;CGM;CGCGA >CL=EHLNK? =HGMKHEL ;G> IKH=?>NK?L ;L >?@CG?> CG 1Q=B;GA? -=M 8NE?L &(;"&* ? ;G> &*>"&* ? ;G> CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA ;L >?@CG?> CG 1Q=B;GA? -=M 8NE?L &(;"&* @ ;G> &*>"&* @ @HK MB? K?ACLMK;GM ;G> B;O?+

; 0?LCAG?> LN=B >CL=EHLNK? =HGMKHEL ;G> IKH=?>NK?L! HK =;NL?> LN=B >CL=EHLNK? =HGMKHEL ;G> IKH=?>NK?L MH <? >?LCAG?> NG>?K HNK LNI?KOCLCHG! MH ?GLNK? MB;M F;M?KC;E CG@HKF;MCHG K?E;MCGA MH MB? K?ACLMK;GM! CG=EN>CGA CML =HGLHEC>;M?> LN<LC>C;KC?L! CL F;>? DGHPG MH NL <R HMB?KL PCMBCG MBHL? ?GMCMC?L! I;KMC=NE;KER >NKCGA MB? I?KCH> CG PBC=B MBCL K?IHKM CL <?CGA IK?I;K?>,

< 0?LCAG?> LN=B CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA! HK =;NL?> LN=B CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA MH <? >?LCAG?> NG>?K HNK LNI?KOCLCHG! MH IKHOC>? K?;LHG;<E? ;LLNK;G=? K?A;K>CGA MB? K?EC;<CECMR H@ @CG;G=C;E K?IHKMCGA ;G> MB? IK?I;K;MCHG H@ @CG;G=C;E LM;M?F?GML @HK ?QM?KG;E INKIHL?L CG ;==HK>;G=? PCMB A?G?K;EER ;==?IM?> ;==HNGMCGA IKCG=CIE?L,

= 1O;EN;M?> MB? ?@@?=MCO?G?LL H@ MB? K?ACLMK;GMTL >CL=EHLNK? =HGMKHEL ;G> IKH=?>NK?L ;G> IK?L?GM?> CG MBCL K?IHKM HNK =HG=ENLCHGL ;<HNM MB? ?@@?=MCO?G?LL H@ MB? >CL=EHLNK? =HGMKHEL ;G> IKH=?>NK?L! ;L H@ MB? ?G> H@ MB? I?KCH> =HO?K?> <R MBCL K?IHKM <;L?> HG LN=B ?O;EN;MCHG, ;G>

> 0CL=EHL?> CG MBCL K?IHKM ;GR =B;GA? CG MB? K?ACLMK;GMTL CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA MB;M H==NKK?> >NKCGA MB? K?ACLMK;GMTL FHLM K?=?GM @CL=;E JN;KM?K MB? K?ACLMK;GMTL @HNKMB @CL=;E JN;KM?K CG MB? =;L? H@ ;G ;GGN;E K?IHKM MB;M B;L F;M?KC;EER ;@@?=M?>! HK CL K?;LHG;<ER ECD?ER MH F;M?KC;EER ;@@?=M! MB? K?ACLMK;GMTL CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA, ;G>

*# : B? K?ACLMK;GMTL HMB?K =?KMC@RCGA H@@C=?K ;G> 3 B;O? >CL=EHL?>! <;L?> HG HNK FHLM K?=?GM ?O;EN;MCHG H@ CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA! MH MB? K?ACLMK;GMTL ;N>CMHKL ;G> MB? ;N>CM =HF FCMM?? H@ MB? K?ACLMK;GMTL <H;K> H@ >CK?=MHKL HK I?KLHGL I?K@HKFCGA MB? ?JNCO;E?GM @NG=MCHGL +

; - EE LCAGC@C=;GM >?@C=C?G=C?L ;G> F;M?KC;E P?;DG?LL?L CG MB? >?LCAG HK HI?K;MCHG H@ CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA PBC=B ;K? K?;LHG;<ER ECD?ER MH ;>O?KL?ER ;@@?=M MB? K?ACLMK;GMTL ;<CECMR MH K?=HK>! IKH=?LL! LNFF;KCS? ;G> K?IHKM @CG;G=C;E CG@HKF;MCHG, ;G>

< - GR @K;N>! PB?MB?K HK GHM F;M?KC;E! MB;M CGOHEO?L F;G;A?F?GM HK HMB?K ?FIEHR??L PBH B;O? ; LCAGC@C=;GM KHE? CG MB? K?ACLMK;GMTL CGM?KG;E =HGMKHE HO?K @CG;G=C;E K?IHKMCGA#

- NANLM &&! '%'%

. R+ L 9NL;G 7;GN==CH

9NL;G 7;GN==CH
/ BC?@ 2CG;G=C;E 6@@C=?K

([KLELW

&(57,),&$7,21 38568$17 72 8 6 & 6(&7,21 $6 $'237(' 38568$17
6(&7,21 2) 7+(6$5%$1(6 2;/(< $&7 2)

,Q FRQQHFWLRQ ZLWK WKH $QQXDO 5HSRUW RI 1HZV-&RUS &RUSRUDWLRQ LQ RUGHU WR
WKH 6HFXULWLHV DQG ([FKDQJH &RPPLVVLRQ RQ WKH GDWH KHUHRI WKH
FHUWLI\ SXUVXDQW WR 8 6 & † DV DGRSWHG SXUVXDQW WR † RI
NQRZOHGJH

7KH 5HSRUW IXOO\ FRPSOLHV ZLWK WKH UHTXLUHPHQWV RI 6HFWLRQ
DPHQGHG DQG

7KH LQIRUPDWLRQ FRQWDLQHG LQ WKH 5HSRUW IDLUO\ SUHVHQWV LQ
RSHUDWLRQV RI 1HZV &RUSRUDWLRQ

$XJXVW

%\ V 5REHUW - 7KRPVRQ
5REHUW - 7KRPVRQ
&KLHI ([HFXWLYH 2IILFHU DQG

%\ V 6XVDQ 3DQXFFLR
6XVDQ 3DQXFFLR
&KLHI)LQDQFLDO 2IILFHU