

PRESS RELEASE

For Immediate Release

Contact: Susan Campagnolo 310.575.5185

Date: September 14, 2007

Time: 8:30 am

RE: Initiations

Jefferies & Company, Inc., analyst:

Douglas Mavrinnac (713.308.4565) initiates coverage on Aegean Marine Petroleum (ANW) with a BUY rating.

Stephen Gengaro (973.912.2694) initiates coverage on FMC Technologies (FTI) with a BUY rating.

Assumption of Coverage from Robert Schenosky to Paul Clegg:

Paul Clegg, CFA (212.284.2115) assumes coverage on Energy Conv. Devices (ENER) with a BUY rating.

Paul Clegg, CFA (212.284.2115) assumes coverage on Evergreen Solar (ESLR) with a HOLD rating.

Clean Technology
Energy Generation - Solar

Evergreen Solar (NASDAQ: ESLR)

Anticipated Equity Needs May Cap Upside

Company Update

Rating: HOLD
Price: \$8.80
Price Target: \$10.00
Bloomberg: NASDAQ: ESLR

Market Data

52-Week Range: \$13.21-\$6.97
Total Entprs. Value (MM): \$801.7
Market Cap. (MM): \$886.2
Insider Ownership: 14.0%
Institutional Ownership: 48.0%
Shares Out. (MM): 100.7
Float (MM): 50.2
Avg. Daily Vol.: 2,775,456

Financial Summary

Book Value (MM): \$374.2
Book Value/Share: \$3.72
Net Debt (MM): (\$84.5)
Net Debt/Capital: NM
Total Debt/Cap: 33.2%

USD	2006A	2007E	2008E	2009E
Rev. (MM)	103.1	64.1	100.1	297.3
EV/Rev.	7.8x	12.5x	8.0x	2.7x

EPS

Mar	(0.13)	(0.09)A	(0.04)	—
Jun	(0.11)	(0.09)A	(0.08)	—
Sep	(0.08)	(0.06)	(0.02)	—
Dec	(0.08)	(0.06)	0.01	—
FY Dec	(0.41)	(0.30)	(0.12)	0.44
FY P/E	NM	NM	NM	20.0x

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Event

We are assuming coverage of Evergreen Solar, introducing a HOLD rating, a \$10 price target and estimates for 2007, 2008 and 2009. Our target is based on a sum-of-the-parts analysis.

Key Points

- **Progress on Quad and US Expansion.** Evergreen has made good progress on developing higher yield Quad ribbon wafer machines, which it will begin integrating into its new planned fabs in 2008. We expect the technology to help the company achieve its aim of \$1.50/watt of cost by 2010. The elements of its US manufacturing expansion plan are also coming together well and Evergreen has just broken ground on its new facility in Devens, Massachusetts, which is targeted to come on line by the end of 2008. We believe that Evergreen as a company should reach net income profitability in late 2008 or early 2009.
- **Equity overhang and net losses may cap upside.** We believe most negatives have been absorbed into Evergreen's stock and that the shares have some upside from current levels, based on technology and manufacturing ramp progress. However, Evergreen intends to raise equity to fund the growth of its US operations, which we believe could create a "ceiling" on the shares for many months. Management has said it needs to raise approximately \$200 million in new capital, probably in mid-to-late 2008 to build US production capacity to 500 MW by 2012. Once this dilution "overhang" is removed and investors begin to focus on 2009 earnings for valuation metrics, we would expect more potential upside in the shares. (We would expect investors to shift their valuation models to 2009 estimates by mid-2008).
- **It's not just about silicon.** Some investors believe that cheaper silicon could make ESLR irrelevant, since lower silicon usage is a key selling point of the company's technology. We believe that this point of view will eventually prove incorrect and that the important question is whether or not Evergreen can quickly scale operations to build good, competitively-priced modules at a reasonable operating profit. Improvements in efficiency levels and the introduction of "lights out" Quad ribbon technology in new fabs should raise output per line and secure significant cost reductions that allow the company to post solid margins in a declining ASP environment.

Valuation/Risks

We use a sum-of-the-parts analysis to arrive at our \$10 price target. We believe this method best captures the value from ESLR's disparate income and cash flow sources. Risks to our thesis include the ability to access the capital markets to fund growth needs, the continuation of PV subsidies and scaling risk.

Valuation

We believe that ESLR's current lack of profitability and its accounting structure complicate multiple-based valuations. As such, we use a sum-of-the parts analysis, applying a 22x multiple to our 2008 estimates for the income streams the company receives from its EverQ operations, both directly (royalties and sales fees) and indirectly through its 1/3 ownership in the JV. For the contribution from the company's Devens, Massachusetts facility, we apply a 17.5x multiple to our 2009 estimate of the income contribution from this fab. For the company's Marlboro operations, we use an estimated nominal plug of the facility's value (\$0.35/share). The Marlboro operations currently lose money, but we believe could be managed to cash flow neutral absent R&D activity there and could, in any case, be sold for a positive sum. We add cash on hand and expected to be received and reduce the valuation by the amount of capex expected on the first line at Devens (\$165 million). We use a fully diluted share count, including an expectation for a future \$200 million equity offering in mid 2008. As the company grows domestic operations, peer comparisons on an adjusted EPS basis should be easier, as 100% owned operations become an increasing part of the earnings "pie."

Table 1: Valuation - Company (\$ in 000s)

EverQ		Devens	
EverQ net income (2008)	44,239	Devens net income (2009)	18,551
Multiple	22.0x	Multiple	17.5x
EverQ value (2008)	973,248	Value of Devens	324,643
1/3 Interest in EverQ	324,416	Less: Capex for line 1 of Devens	(165,000)
		Plus: Gov't grants	23,000
		Value of Devens	182,643
Royalties & Licensing		Cash & Other	
EverQ revenues (2008)	454,836	Cash & securities at 6/30/07	169,089
Assumed royalty & licensing Fee Rate	3.50%	Cash from options, warrants	25,077
Royalty revenues (2008)	15,919	Cash due from REC, Q-Cells	0
Assumed sales & marketing fee rate	1.70%	Expected equity offer (mid-late 2008)	200,000
Mark-up on resale	7,732	Total cash (current and associated with new shares)	394,166
Total	23,651		
Multiple	22.0x		
Value - Royalties & Licensing	520,333		
Estimated value of Marlboro	50,000	Total estimated equity value	1,471,559

Source: Jefferies & Company, Inc. and company documents

Table 2: Valuation - Per Share (\$ in 000s, except per share)

Estimated total equity value	1,471,559	EverQ (1/3 interest)	\$2.28
Shares - total	142,577	EverQ sales fees and royalties	\$3.65
Basic shares outstanding before DCC deal	69,701	Marlboro	\$0.35
Purchase of shares by DCC	3,000	Devens, Mass	\$1.28
Common shares issued to DCC	4,500	Net cash (current)	\$1.36
Preferred shares issued to DCC (common equivalent)	6,250	Cash associated with additional share count	\$1.40
Options, warrants	5,111	Total per share value	\$10.32
Stock incentive plan	1,696		
Other warrants	667		
Convert	12,179		
New share issuance - May 2007	15,000		
Greenshoe - May 2007	2,250		
Expected equity offering (mid-late 2008)	22,222		
Estimated equity value per share	\$10.32		

Source: Jefferies & Company, Inc. and company documents

A History of Dilution

With respect to past dilutive transactions, Evergreen's relatively small size and lack of bargaining power required it to seal important silicon supply and joint venture relationships by issuing significant amounts of shares to third parties (e.g. DC Chemical and REC). These transactions were big, negative surprises to investors, many of whom were disappointed to not have a chance to maintain their percentage ownership position in ESLR by buying into an offering. On the company's last (2Q07) conference call, management seemed to have received the message "loud and clear" and pledged no new dilutive transactions after funding already announced growth plans with equity (i.e., the \$200 million mentioned above). With the company's expanding size and the expected loosening of silicon supplies, we believe any subsequent equity offerings are likely to only be market transactions associated with pre-announced growth plans.

Technology – It's Not Just About Silicon

We have frequently heard two views on Evergreen's technology. Initially, many argued that because Evergreen uses less silicon per watt than other manufacturers, it was a more attractive play than peers that used more silicon. We believe that this argument turned out to be wrong. In fact, silicon is only a part of the cost structure and much larger cell and module manufacturers with better scale were able to access the capital markets more readily, compete more effectively for large quantities of silicon to ramp their operations faster using very high priced silicon while making a profit.

More recently, some analysts have concluded that because silicon appears likely to become much cheaper in the coming years, Evergreen's chief differentiating factor will be eliminated by the time it is able to achieve any scale and that the story will have little value. We also believe that this point of view will eventually prove incorrect. While it is true that the benefit of less silicon usage would be more notable in a high cost silicon environment, the more important question to us is: "Can Evergreen scale operations quickly and successfully to build good, competitively-priced modules at a reasonable operating profit?" Here we believe the answer is "yes." Evergreen's plans to construct and operate a full-scale commercial plant in Massachusetts are well underway. The site has been selected, engineering and construction firms engaged, long-term silicon agreements secured and state government grants secured. The groundbreaking on the site occurred this week. While using less silicon should provide incremental cost savings (even if smaller savings as silicon prices come down), the company is also introducing several cost reduction levers that should help it to compete effectively as module prices come down over time. The company's more automated Quad ribbon technology should enhance plant productivity, reduce breakage and lower line operating costs. Numerous planned incremental modifications to cell design should improve cell efficiency levels and reduce cost per watt.

On a recent call, management targeted being able to manufacture modules at \$1.50/watt by 2010, using silicon at \$75–80/kilo and at cell conversion efficiency levels of greater than 16%, compared with 14.5% today. (Evergreen is actually targeting 18% cell efficiency levels by 2011). This implies that industry ASPs could decline to \$2.00 from about \$3.50–3.70 today and still allow for 30% gross margins, considered good by industry standards. While industry cost leader First Solar produces modules for lower than this cost today, we note that First Solar also sells modules for more than \$1/watt less than industry norms, due in part to size and efficiency issues. At \$1.50/watt, we believe that Evergreen should remain competitive among crystalline silicon module producers.

Company Description

Evergreen Solar is a manufacturer of solar (PV) wafers (13 patents), cells (5 patents) and modules (8 patents). The company's proprietary string ribbon technology produces wafers using substantially less silicon than industry norms (about half), but the company's cells and modules are toward the lower end of average conversion efficiency levels for crystalline silicon. Evergreen's Quad ribbon technology is expected to create a "lights-out" production environment with minimal human intervention, higher line yields and greater throughput. A plan to raise conversion efficiency levels is also underway. The company's primary operations today are through its one-third ownership of the EverQ JV with Q-Cells and REC and a smaller production and R&D facility in Massachusetts.

Income Statement

Year Ended December 31, in thousands

	Quarters						Quarters						
	2005A	2006A	1Q07A	2Q07A	3Q07E	4Q07E	2007E	1Q08E	2Q08E	3Q08E	4Q08E	2008E	2009E
Revenue													
Marlboro, Mass	43,627	45,394	12,627	13,400	14,030	13,820	53,877	12,990	12,990	12,990	12,990	51,962	48,584
EverQ	-	56,858	-	-	-	-	-	-	-	-	-	-	-
Devens, Mass	-	-	-	-	-	-	-	-	-	-	24,249	24,249	218,628
Research	405	894	-	-	-	-	-	-	-	-	-	-	-
Sales & Marketing Fees (1.7% EverQ)	-	-	468	532	827	1,385	3,212	1,460	1,472	2,032	2,768	7,732	12,114
Royalty & Licensing Fees (EverQ)	-	-	1,003	1,460	2,320	2,267	7,049	4,295	2,905	2,840	6,097	16,137	18,000
Total Revenues	44,032	103,146	14,098	15,392	17,176	17,471	64,137	18,746	17,367	17,863	46,104	100,080	297,327
Total COGS	(39,954)	(91,212)	(11,269)	(11,952)	(13,329)	(13,129)	(49,678)	(11,691)	(14,191)	(14,191)	(40,940)	(81,014)	(212,555)
Total Gross Profit	4,078	11,934	2,829	3,440	3,848	4,342	14,459	7,055	3,176	3,671	5,164	19,066	84,772
Total Gross Margin	9.3%	11.6%	20.1%	22.3%	22.4%	24.9%	22.5%	37.6%	18.3%	20.6%	11.2%	19.1%	28.5%
R&D expenses, inc. costs of research revenues	(11,461)	(19,065)	(5,224)	(5,233)	(5,250)	(5,250)	(20,957)	(5,250)	(5,250)	(5,250)	(5,250)	(21,000)	(22,000)
Selling, general and administrative expenses	(12,274)	(21,214)	(4,740)	(5,447)	(5,500)	(5,500)	(21,187)	(5,500)	(5,500)	(5,500)	(5,500)	(22,000)	(23,500)
Operating Profit (Loss)	(19,657)	(28,345)	(7,135)	(7,240)	(6,902)	(6,408)	(27,685)	(3,695)	(7,574)	(7,079)	(5,586)	(23,934)	39,272
plus: Depreciation & amortization	4,134	9,311	1,539	3,297	3,363	3,430	11,629	3,499	3,569	3,640	3,713	12,588	13,625
EBITDA	(15,523)	(18,709)	(4,656)	(2,565)	(2,689)	(2,678)	(12,588)	(396)	(4,555)	(4,339)	(3,073)	(14,196)	44,897
	NM	-18%	-33%	-17%	-16%	-15%	-20%	-2%	-26%	-24%	-7%	-14%	15%
Total other income (loss)	1,146	325	940	1,378	850	300	3,468	(200)	(550)	(900)	(1,200)	(2,850)	(8,000)
Loss before minority interest and equity income	(18,511)	(28,020)	(6,195)	(5,862)	(6,052)	(6,108)	(24,217)	(3,895)	(8,124)	(7,979)	(6,786)	(26,784)	31,272
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	0	0
Net (Loss) Profit Before Minority Interest	(\$18,511)	(\$28,020)	(\$6,195)	(\$5,862)	(\$6,052)	(6,108)	(24,217)	(3,895)	(8,124)	(7,979)	(6,786)	(26,784)	31,272
Minority interest in EverQ	1,195	849	-	-	-	-	-	-	-	-	-	-	-
Equity Income from 1/3 Interest in EverQ	-	495	(24)	(1,646)	110	363	(1,197)	107	549	5,686	8,403	14,746	29,476
Accretion, dividends and conversion of on pref. stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Loss attributable to common stockholders	(17,316)	(26,676)	(6,219)	(7,508)	(5,942)	(5,745)	(25,414)	(3,788)	(7,575)	(2,292)	1,617	(12,038)	60,748
EPS (Loss per Share)	(\$0.29)	(\$0.41)	(\$0.09)	(\$0.09)	(\$0.06)	(\$0.06)	(\$0.30)	(\$0.04)	(\$0.08)	(\$0.02)	\$0.01	(\$0.12)	\$0.44
Net Income (Loss) - Non-GAAP			(\$4,742)	(\$5,819)	(\$4,242)	(\$4,045)	(\$18,848)	(\$1,788)	(\$5,575)	(\$292)	\$3,617	(\$4,038)	\$68,748
EPS (Loss per Share) - Non-GAAP			(\$0.05)	(\$0.06)	(\$0.04)	(\$0.03)	(\$0.18)	(\$0.02)	(\$0.05)	(\$0.00)	\$0.03	(\$0.03)	\$0.49
Shares Outstanding	59,613	65,662	67,001	82,562	96,251	96,751	85,641	97,251	97,751	98,251	98,751	98,001	98,751
Shares related to convert	12,179	12,179	12,179	12,179	12,179	12,179	12,179	12,179	12,179	12,179	12,179	12,179	12,179
Shares related to warrants and options	10,500	8,100	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300
New shares from equity offering	0	0	0	0	0	0	0	0	0	10,000	20,000	7,500	20,000
Potential diluted shares	82,292	85,941	87,480	103,041	116,730	117,230	106,120	117,730	118,230	128,730	139,230	125,980	139,230

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Jefferies makes a market in Evergreen Solar.

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Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [BUY/ SB]	453	55.72	55	12.14
HOLD [HOLD]	334	41.08	34	10.18
SELL [SU/ UNPF]	26	3.20	3	11.54

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Clean Technology
Energy Generation - Solar

Energy Conv. Devices (NASDAQ: ENER)

Near-Term "Turnaround" Story; Longer-term Concerns on PV Cost Structure

Company Update

Rating: BUY
Price: \$24.03
Price Target: \$33.00
Bloomberg: NASDAQ: ENER

Market Data

52-Week Range: \$41.07-\$22.92
Total Entprs. Value (MM): \$904.7
Market Cap. (MM): \$958.8
Insider Ownership: 3.0%
Institutional Ownership: 42.0%
Shares Out. (MM): 39.9
Avg. Daily Vol.: 1,170,319

Financial Summary

Book Value (MM): \$525.5
Book Value/Share: \$13.19
Net Debt (MM): (\$54.1)
Net Debt/Capital: NM
Total Debt/Cap: NM

USD	2006A	2007A	2008E	2009E
Rev. (MM)	102.4	113.6	232.0	398.0
EV/Rev.	8.8x	8.0x	3.9x	2.3x

EPS

Sep	(0.21)	(0.06)	(0.13)	—
Dec	(0.21)	(0.07)	(0.10)	—
Mar	(0.17)	(0.17)	(0.01)	—
Jun	(0.06)	(0.20)	0.04	—
FY Jun	(0.57)	(0.50)	(0.19)	0.56
FY P/E	NM	NM	NM	42.9x

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Investment Summary

Near-term, we see ECD as a "turnaround" play and expect the shares to rally in response to an ongoing corporate realignment plan, the commercialization of PRAM and ramp progress at Unisolar. Longer-term, we believe Unisolar needs to improve its cost structure and broaden its market appeal to remain competitive.

Event

We are assuming coverage of ECD, introducing a BUY rating, a price target of \$33 and fiscal 2008 and 2009 estimates of \$(0.19) and \$0.56, respectively. We introduce a sum-of-the-parts valuation methodology to arrive at our target.

Key Points

- **We expect a "turnaround" story rally in the shares.** We see recent management changes as an important psychological step to moving forward and expect new management to convey a clearer strategic, financial and operational road-map at ECD's analysts day in November. We also expect to see ECD continue to make strides toward effecting its corporate re-alignment plan, which should include further cost cutting and streamlining reporting units to focus on corporate profitability. Other possible positive catalysts over the coming months include positive news flow about commercial electronics being rolled out using PRAM (phase change memory) and the sale or recapitalization of the company's 50% interest in Cobasys hybrid vehicle battery business (bankers were hired last April to seek "strategic alternatives"). On the negative side, we think average fiscal 2008 and 2009 street estimates are too high and may come down, an event we believe the market has already largely built-in.
- **Longer-term risk on Unisolar's cost structure and market breadth.** ECD's Unisolar PV operations must make significant strides to reduce per unit capex and production costs and better develop end-user markets to remain competitive, in our view. Unisolar may be forced to lower ASPs to expand outside of a niche market that requires lightweight modules, reducing margin potential. Thus, the ability to cut costs is essential. ECD has announced plans to improve capex costs (5-10% per generation of machine) and production costs by outsourcing machine building and moving the back-end of new PV fabs to low wage countries. Management also targets raising conversion efficiency levels by 6% in fiscal 2008, a powerful cost reduction lever. Yet, past difficulties ramping fabs may cause investors to want proof that ECD can execute without delays or negative impacts on yield before ascribing full value to these improvements.

Valuation/Risks

We value ECD on a sum-of-the-parts basis. For the PV business, we use a 22x multiple of its projected calendar 2008 contribution to net income. Risks to our thesis include reductions in or elimination of subsidies, issues ramping technology, the ability to reduce long-term costs and competing thin film technologies.

Valuation

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Table 1: Valuation

\$ in 000s		
Segment	Equity Value	Per Share
UniSolar	747,836	\$17.76
Cobasys (50% Stake)	235,827	\$5.60
Ovonic Battery Royalties	\$72,871	\$1.73
Ovonyx (38.5% Stake)	\$228,863	\$5.44
Optical Memory Royalties	\$20,579	\$0.49
SG&A, Other Drag	(\$256,164)	(\$6.08)
Debt	(\$1,865)	(\$0.04)
Cash	\$205,774	\$4.89
Cash from options, warrants	\$41,814	\$0.99
NOLS (estimated)	\$105,952	\$2.52
Total Share Value	1,401,487	\$33.29
Shares (diluted)	42,100	
Discount Rate Applied	15.00%	

Source: Jefferies & Co. and company documents

Expecting rally in shares. The recent announcement of new CEO was long-awaited and an important psychological step to moving the story forward. We expect other management changes and appointments to follow. Over the coming months, we expect to see ECD continue to make positive strides toward effecting its corporate re-alignment plan, which is likely to include further lay-offs, cost cutting and focus on commercialization of existing business lines. Specific catalysts that could move the stock upward over the coming months are 1) a clearer strategic, financial and operational road-map conveyed at ECD's analysts day in November, 2) an announcement of the sale or recapitalization of the company's 50% interest in Cobasys hybrid vehicle battery business (bankers were hired last April to seek "strategic alternatives"), 3) additional cost-cutting and business realignment news, 4) positive news flow about commercial electronics being rolled out using PRAM (phase change memory).

PRAM's bright future. One of the brightest parts of the ECD story in our view is the company's minority interest JV exposure to the possible mass adoption of PRAM as a replacement for FLASH memory in commercial electronics applications (think mobile phones and MP3 players). Samsung, Intel, ST Microelectronics and BAE have all licensed the technology and Intel and Samsung, have announced initial roll-outs in commercial applications for 2008 and have made several public, highly confident statements about the potential for the technology. While any significant revenues from royalties are far off, the large size of the markets PRAM is meant to displace (tens of billions) certainly gives ECD's PRAM story strong option value, in our view. We have ascribed approximately \$5 per share of value for PRAM in our model, recognizing that a resounding success with this product could result in a valuation for PRAM royalties that potentially rivals the value of the rest of ECD.

Need to expand end-user market may lead to faster ASP reductions. Unisolar may need to cut its prices faster than the industry to significantly grow its market share outside of its traditional more niche-like applications (those that require light weight and/or flexibility). We note that recent contract wins suggest that the company is beginning to target more sales to the ground-mounted "solar farm" market, which is very price sensitive and that the company stopped reporting ASPs several quarters ago. Moreover, over the past year, Unisolar has shown an inability to redeploy product quickly leading to inventory builds when customer orders fell through. This is in part due to the long sales cycle associated with selling into large projects (Unisolar's sweet spot) and in part due to the company's distribution network lacking breadth, depth and end-user touch points, a weakness the company has identified and is moving to address by better developing its sales force. Yet, it may also reflect the lack of advantage of Unisolar's modules for projects not sensitive to weight issues. In these cases Unisolar may need to drop prices faster than industry norms to make project economics attractive to developers and win sales. We note that Unisolar has also developed a residential kit product, which we believe could be less price sensitive on a per watt basis in areas with greater-than-average roof space (i.e., the Western US).

Concerns about long-term cost structure. If Unisolar does need to drop pricing faster than industry norms, it would need to substantially reduce capex and production costs to sustain margins. While all PV manufacturers are focused on lowering the cost of a KWh derived from their modules, we note that Unisolar has relatively low conversion efficiency levels (circa 8% v. industry norms of around 15%) and relatively high capex costs per watt (in the range of \$2-3/watt). The company has announced a plan to improve conversion efficiency levels to 8.5% (or by 6%) in fiscal 2008, yet substantial incremental improvements may not be possible without adding significant cost due to a quirk in amorphous silicon technology (the Staebler-Wronski effect). We note that raising conversion efficiency is a power means on per unit cost reduction. Management has also announced plans to improve capex and production costs by outsourcing machine building and moving the back-end of new PV fabs to low wage environments. After a recent, disappointing ramp schedule on a new fab, we believe investors will place the onus on management to prove that changes to its production process can be made efficiently without negatively affecting yields and without costly delays. To date, new facilities appear to be on track to bring total nameplate manufacturing capacity to almost 180 MW by the end of fiscal 2008 from 58 MW today.

Estimates at the low end of consensus. Our new estimates are at the lower end of the group that makes up consensus for 2008 and 2009. While the company is targeting \$17 million in cost savings from its business restructuring efforts, we believe that the margin drag from new plant start-ups and the opex cost impact of increasing the size of the sales force will continue to pressure profits for several quarters.

Company Description

Energy Conversion Devices ("ECD") is a technology company engaged in multiple business lines. The bulk of its revenues today are generated from the manufacture and sale of thin-film solar products from its Unisolar subsidiary. A 50/50 joint venture with Chevron called Cobasys manufactures battery systems primarily for the hybrid vehicle market. Another joint venture called Ovonix in which ECD owns a minority stake owns the intellectual property for and is helping to commercialize an optical memory technology called Ovonix Unified Memory or PRAM, which is often cited as a potential replacement for both FLASH and DRAM. Other revenues are derived mostly from royalties, licensing fees and product development fees associated with various technologies. ECD thin-film solar products are based on amorphous silicon technology and are flexible, lightweight and durable, making them easier to integrate into roofing materials.

INCOME STATEMENT

Year Ended June 30, in thousands

			Sep-06	Dec-06	Mar-07	Jun-07		Sep-07	Dec-07	Mar-08	Jun-08		
	2005A	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08E	2Q08E	3Q08E	4Q08E	2008E	2009E
Consolidated Revenue													
Product sales	\$ 51,944	\$ 84,431	\$ 22,858	\$ 18,667	\$ 23,206	\$ 31,284	\$ 96,014	\$ 39,200	\$ 44,700	\$ 57,000	\$ 68,700	\$ 209,600	\$ 369,375
Royalties	5,332	4,246	664	964	770	926	3,323	950	975	1,000	1,025	3,950	6,973
Product Development Agreements	17,653	10,046	3,105	2,758	2,887	3,184	11,934	3,900	4,000	4,050	4,050	16,000	16,000
Licensing Agreements	80,784	1,322	258	238	238	313	1,047	300	300	300	300	1,200	4,500
Other	857	2,375	297	321	329	302	1,248	300	300	300	300	1,200	1,200
Total Revenues	156,570	102,419	27,182	22,947	27,429	36,008	113,567	44,650	50,275	62,650	74,375	231,950	398,048
% Revenue Growth (Sequential)	-	-	-2.7%	-15.6%	19.5%	31.3%	314.0%	24.0%	12.6%	24.6%	18.7%	-	-
% Revenue Growth (Year/Year)	136.3%	266.7%	16.9%	-5.5%	1.8%	28.9%	10.9%	64.3%	119.1%	128.4%	106.6%	104.2%	71.6%
Cost of product sales (Unisolar & other)	(51,426)	(67,252)	(17,651)	(16,319)	(19,781)	(27,119)	(81,241)	(33,612)	(37,564)	(47,835)	(57,371)	(176,382)	(309,234)
Cost of revenues from product development agreements	(16,840)	(9,392)	(2,574)	(2,220)	(2,613)	-	(7,684)	-	-	-	-	-	-
Product development and research	(26,738)	(34,851)	(8,175)	(8,496)	(9,365)	(6,366)	(19,745)	(6,000)	(5,000)	(4,000)	(3,000)	(18,000)	(15,000)
Patents & patent defense	(2,625)	(2,836)	(861)	(902)	(656)	-	(2,902)	-	-	-	-	-	-
Operating, general and administrative (net)	(15,558)	(15,309)	(4,912)	(2,135)	(5,503)	(11,422)	(35,497)	(11,000)	(11,000)	(11,000)	(11,000)	(44,000)	(47,000)
Preproduction expenses	-	-	(353)	(750)	(491)	(2,019)	(3,614)	(1,750)	(2,500)	(1,750)	(2,500)	(8,500)	(8,500)
Income (Loss) from operations	43,383	(27,221)	(7,344)	(7,876)	(10,980)	(10,918)	(37,117)	(7,712)	(5,789)	(1,935)	505	(14,932)	18,313
% margin	27.7%	-26.6%	-27.0%	-34.3%	-40.0%	-30.3%	-32.7%	-17.3%	-11.5%	-3.1%	0.7%	-6.4%	4.6%
D&A	7,992	7,627	1,982	2,601	3,675	7,627	12,170	8,250	8,750	9,000	9,250	35,250	45,000
EBITDA	(26,421)	(19,594)	(5,362)	(5,274)	(7,305)	(3,291)	(24,947)	538	2,961	7,065	9,755	20,319	63,313
%	-17%	-19%	-20%	-23%	-27%	-9%	-22%	1%	6%	11%	13%	9%	16%
Other Income (Expenses)													
Interest income	1,400	8,671	5,270	4,964	4,141	3,168	17,543	2,700	2,000	1,500	1,000	7,200	5,000
Interest expense	(777)	(197)	-	-	-	-	-	-	-	-	-	-	-
Total Other Income (Expenses)	6,904	8,310	5,042	4,963	4,109	(2,227)	11,886	200	-	1,500	1,000	2,700	5,000
Earnings before taxes	50,287	(18,910)	(2,302)	(2,913)	(6,871)	(13,145)	(25,231)	(7,512)	(5,789)	(435)	1,505	(12,232)	23,313
Income taxes	(825)	-	-	-	-	-	-	-	-	-	-	-	-
Tax rate %	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Income (Loss)	50,332	(18,596)	(2,302)	(2,913)	(6,871)	(13,145)	(25,231)	(7,512)	(5,789)	(435)	1,505	(12,232)	23,313
EPS - GAAP	\$1.83	(\$0.57)	(\$0.06)	(\$0.07)	(\$0.17)	(\$0.33)	(\$0.64)	(\$0.19)	(\$0.15)	(\$0.01)	\$0.04	(\$0.31)	\$0.56
EPS - Non-GAAP	\$1.83	(\$0.57)	(\$0.06)	(\$0.07)	(\$0.17)	(\$0.20)	(\$0.50)	(\$0.13)	(\$0.10)	(\$0.01)	\$0.04	(\$0.19)	\$0.56
Basic shares	27,504	32,486	39,070	39,302	39,517	39,655	39,386	39,655	39,655	39,655	39,655	39,703	40,513
Diluted shares	29,607	32,486	39,070	39,302	39,517	39,655	39,386	41,896	41,896	41,896	41,896	41,848	41,752

Please see important disclosure information on pages 5 - 7 of this report.

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Jefferies & Company, Inc.

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Jefferies makes a market in Energy Conversion Devices, Inc.

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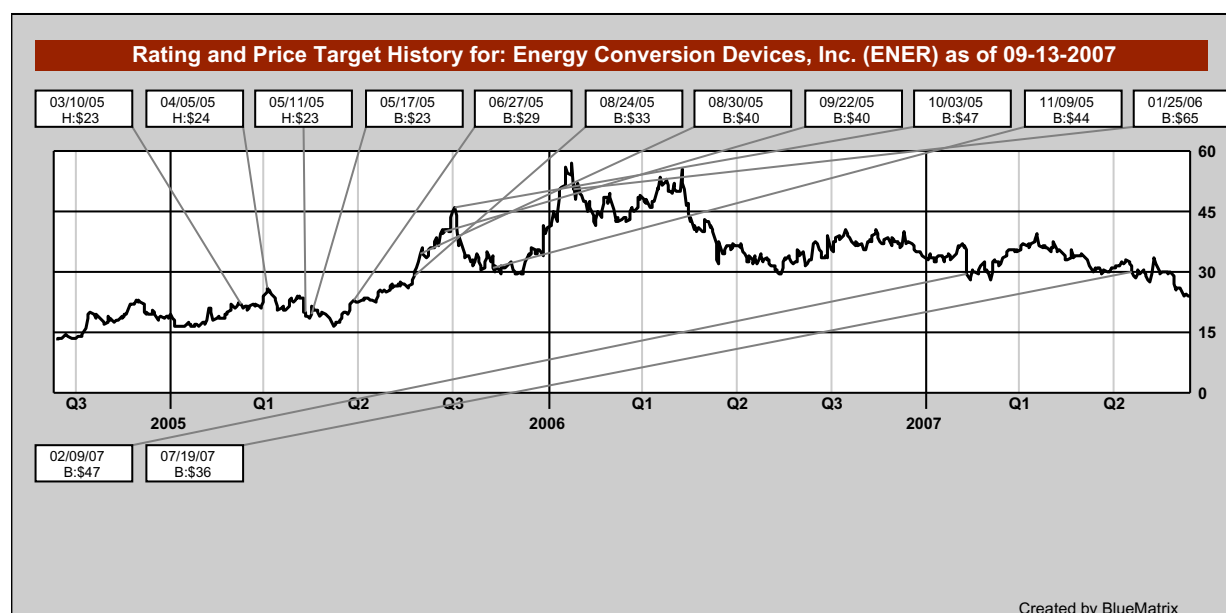
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Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [BUY/ SB]	453	55.72	55	12.14
HOLD [HOLD]	334	41.08	34	10.18
SELL [SU/ UNPF]	26	3.20	3	11.54

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**Energy
Maritime Group**
Aegean Marine Petroleum (NYSE: ANW)
Initiating Coverage With A Buy Rating And \$42 Price Target
Initiating Coverage

Rating: BUY
Price: \$22.59
Price Target: \$42.00
Bloomberg: NYSE: ANW

Market Data

52-Week Range: \$24.57-\$13.70
Total Entprs. Value (MM): \$957.8
Market Cap. (MM): \$957.8
Insider Ownership: 69.2%
Institutional Ownership: 33.7%
Shares Out. (MM): 42.4
Float (MM): 12.5
Avg. Daily Vol.: 92,785

Financial Summary

Book Value (MM): \$228.5
Net Debt (MM): \$0.0
Net Debt/Capital: 0.0%
Long-Term Debt (MM): \$58.1
Dividend Yield: 0.2%
Cash & ST Investments (MM): \$44.5

USD	2007E	2008E	2009E	2010E
EBITDA (MM)	40.5	97.5	163.9	212.9
EV/EBITDA	23.6x	9.8x	5.8x	4.5x

EPS				
Mar	0.15A	0.33	—	—
Jun	0.11A	0.41	—	—
Sep	0.16	0.48	—	—
Dec	0.26	0.50	—	—
FY Dec	0.68	1.72	3.22	4.50
FY P/E	33.2x	13.1x	7.0x	5.0x
Consensus	0.72	1.34	2.45	—

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Investment Summary

We believe the shares of Aegean Marine Petroleum Network are attractively valued given the company's significant built-in growth prospects and the attractive outlook for the marine fuel logistics industry.

Event

We are initiating coverage on ANW shares with a **Buy** rating and a 12-month price target of \$42 per share, which is based on the shares trading in line with our conservative DCF estimate and in line with the multiples of similar industry peer groups and companies.

Key Points

- Aegean Marine is a physical supplier of marine fuel utilizing six global service centers (Greece, Gibraltar, UAE, Jamaica, Singapore, and Gulf of Guinea) with plans to open four additional service centers by the end of the decade.
- Aegean Marine currently operates a fleet of 16 bunkering tankers and three floating storage tankers consisting of two Panamaxs and one Aframax; Aegean also has 26 new bunkering tankers on order and two specialty RoRo tankers on order with options for eight additional vessels each.
- Demand for marine fuel expected to increase significantly based on current orderbook of new oceangoing vessels, which equals 42% of the existing global oceangoing fleet with growth expected to accelerate through 2010.
- Supply of available bunkering tankers expected to decline sharply by the end of 2008 due to IMO phase-out deadline which mandates the removal of remaining single hull vessels carrying heavy grade oil such as marine fuel.
- Aegean's strong balance sheet and significant cash flow generation potential positions the company to pursue both vessel and corporate acquisitions while satisfying the upcoming capital commitments related to Aegean's newbuilding program.

Valuation/Risks

We believe ANW shares are attractively valued, trading at a discount to our DCF estimate of more than \$42 per share and a discount to the peer group averages of related and/or similar industries. Given Aegean's significant built-in growth prospects including plans to double the company's number of operated service centers by 2010, and orderbook of 28 vessels scheduled for delivery through 2010, we believe Aegean's true value is most appropriately determined by calculating the DCF of the company and by comparing its multiples to other related and/or similar industries based on Aegean's anticipated earnings and cash flow in 2010. Consequently, we are initiating coverage of ANW shares with a Buy rating and a \$42 price target, which is based on ANW shares trading in line with our DCF estimate and 9-10 times 2010E EPS, 8-9 times 2010E CFPS, and 7-8 times 2010E EV/EBITDA. Risks include: (i) increased competition through new entrants into market; (ii) interruptions in fuel supply causing decreased sales volumes; (iii) significant local government interference with operations or competitive landscape.

Company Description

Aegean Marine Petroleum is an independent physical supplier and marketer of refined marine fuel and lubricants to ships in port and at sea. The Company operates five service centers in Greece, Gibraltar, the United Arab Emirates, Jamaica, and Singapore, 16 bunkering tankers, and three tankers which are used as floating storage facilities. Additionally, the Company has plans to expand its existing operations by opening five new service centers supported by an additional 26 new bunkering tankers on order and two specialty RoRo tankers on order with options to acquire an additional eight vessels.

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Hold - Describes stocks that we expect to provide a total return (price appreciation plus yield) of plus or minus 15% within a 12-month period.

Underperform - Describes stocks that we expect to provide a total negative return (price appreciation plus yield) of 15% or more within a 12-month period.

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Speculative Buy - Describes stocks we view with a positive bias, whose company fundamentals and financials are being monitored, but for which there is insufficient information for Jefferies & Company, Inc. to assign a Buy, Hold or Underperform Rating. At the discretion of the analyst, a Speculative buy-rated stock could also include stocks with a price under \$5, or where the company is not investment grade to highlight the risk of the situation.

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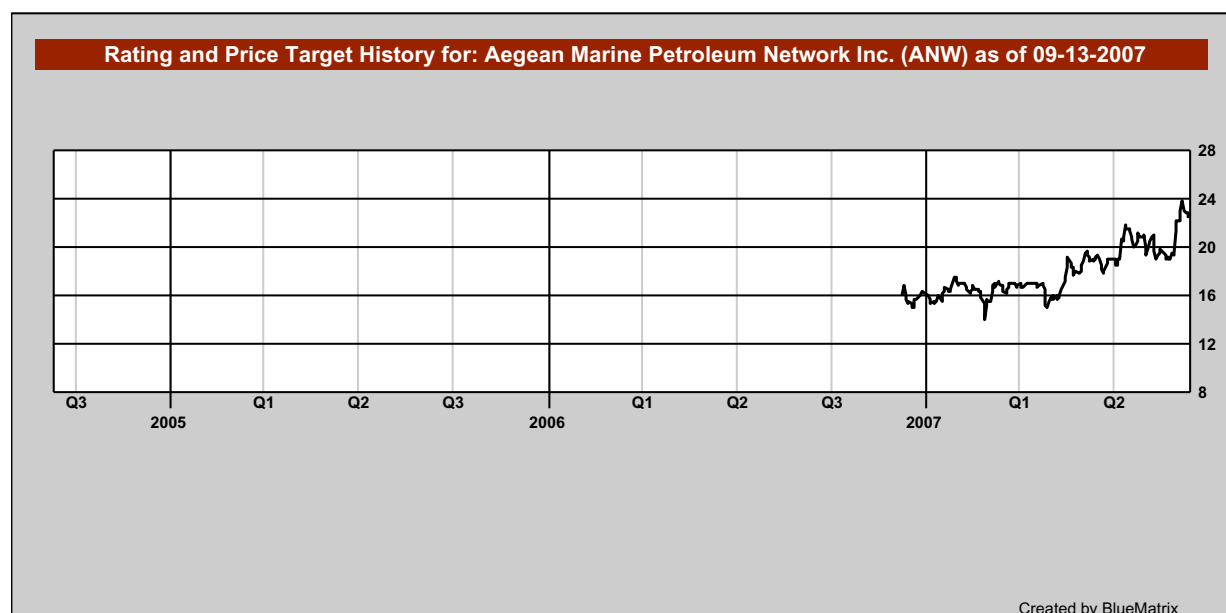
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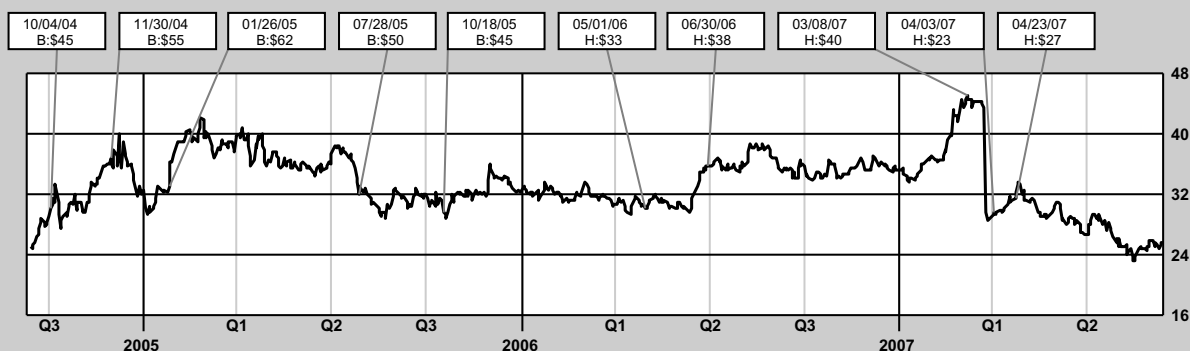
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Rating and Price Target History for: General Maritime Corporation (GMR) as of 09-13-2007

Created by BlueMatrix

Rating and Price Target History for: Genco Shipping & Trading Limited (GNK) as of 09-13-2007

Created by BlueMatrix

Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [BUY/ SB]	453	55.72	55	12.14
HOLD [HOLD]	334	41.08	34	10.18
SELL [SU/ UNPF]	26	3.20	3	11.54

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Energy
Oil & Gas Services

United States of America

FMC Technologies (NYSE: FTI)

Trees Bearing Fruit; Initiating with a Buy

Investment Summary

FMC Technologies is the market leader in subsea products and services, and is at the forefront of developing innovative technologies for expanding subsea infrastructure and offshore development. We believe the strong subsea fundamentals should fuel robust earnings performance over at least the next several years.

Initiating Coverage

Rating: BUY
Price: \$53.65
Price Target: \$62.00
Bloomberg: NYSE: FTI

Market Data

52-Week Range: \$54.12-\$24.92
Total Entprs. Value (MM): \$7,390.2
Market Cap. (MM): \$7,124.7
Institutional Ownership: 91.0%
Shares Out. (MM): 132.8
Float (MM): 128.9
Avg. Daily Vol.: 1,158

Financial Summary

Book Value/Share: \$6.41
Net Debt (MM): \$265.5
Net Debt/Capital: 23.8%

USD	2005A	2006A	2007E	2008E
Rev. (MM)	3226.7	3905.1	4363.0	4945.8
EV/Rev.	2.3x	1.9x	1.7x	1.5x
EBITDA (MM)	281.9	423.8	528.3	629.3
EV/EBITDA	26.2x	17.4x	14.0x	11.7x

EPS

Mar	0.12	0.33	0.45A	—
Jun	0.26	0.38	0.55A	—
Sep	0.28	0.43	0.55	—
Dec	0.35	0.40	0.61	—
FY Dec	1.01	1.54	2.15	2.75
FY P/E	53.1x	34.8x	25.0x	19.5x
Consensus	—	—	2.15	2.63

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Event

We are initiating coverage with a Buy rating and a \$62 price target. We expect the strong secular growth for subsea equipment to persist over at least the next several years, fueled by rising deepwater drilling activity over the next few years.

Key Points

- **Secular Growth of Subsea Development** – Based on our positive view for worldwide crude oil supply/demand fundamentals, we anticipate robust deepwater drilling over the next several years. These expectations are supported by growing backlogs, high bidding activity, and continued robust deepwater drilling activity.
- **Advanced Subsea Technologies** – FTI has been a leader in developing and offering new subsea technologies that help improve the economics of deepwater, subsea developments, including the industry's first full-scale subsea separation system and a riserless-based subsea well intervention system.
- **Market Leader in Subsea Products and Services** - FTI has made major market share gains over the past several years and has maintained roughly 40% of the subsea tree market. The barriers to entry in this business are extremely high, complicated by the requirement to be pre-qualified by each oil and gas operator and tight alliance relationships.
- **Strong Financial Position** – As of June 30, 2007, FTI had a net debt-to-total capitalization ratio of 23.8%. We expect the company to continue to use its strong free cash flow to invest in new technologies, expand product lines, increase capacity to meet robust demand, and repurchase shares.
- **Valuation** - We believe the shares should trade at a modest premium to the peers due to the percentage of its business related to subsea. Our 12-month price target of \$62 is based on a 12x 2008 EV/EBITDA multiple plus free cash, compared to roughly 10-10.5x applied to peers.

Valuation/Risks

Our \$62 PT is based on 12x 2008 EV/EBITDA, which is above the peer average. Risks to our price target include execution of backlog, rising labor costs, macro economic/worldwide slowdown in GDP that impacts oil demand, and a potential drop in commodity prices which could curtail deepwater drilling and subsea development.

Company Description

FMC Technologies is a leading, global technology provider for the

energy industry and other industrial markets. The company's fastest-growing business is providing subsea production equipment and processing technology to the energy market, but its surface wellhead, fluid control equipment, metering systems and marine and rail loading systems are also prominently used within the energy business. FTI is also involved in providing food processing equipment to the food industry, and specialized equipment for service within the aviation industry. FTI operates under three main business segments: Energy Systems, FoodTech and Airport Systems. FTI was incorporated in November 2000 and went public in June 2001 after spinning off from its parent, FMC Corporation.

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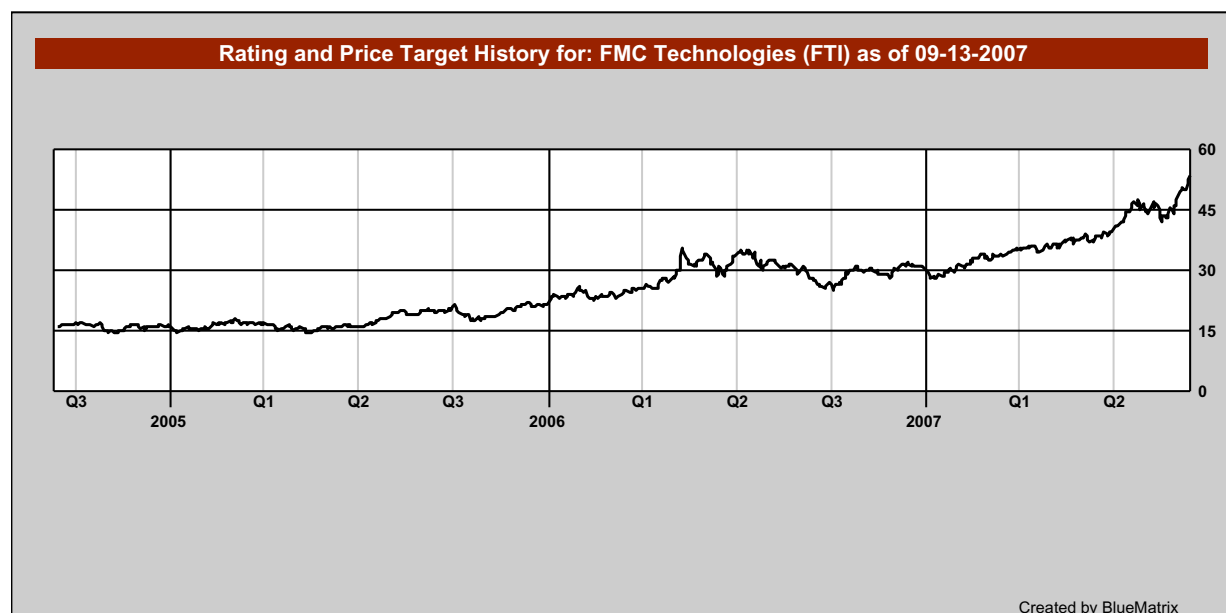
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