

Analysts

Le Lu
(508) 410-5395
lelu@clarku.edu

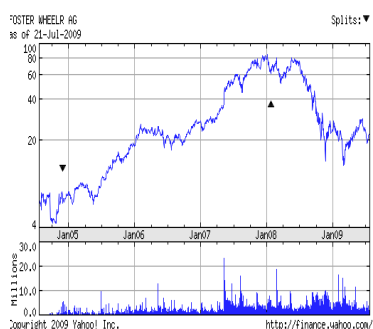
Rhing Zhu
(617) 953-4331
tzhu@clarku.edu

Market Data (NASDAQ: FWLT)

Date	July 20, 2009
Price	21.75
52-week range (\$)	60.22-12.73
Market Capital (\$)	2.75B
Fiscal year end	31-Dec
Shares O/S	126.4M
Beta	2.50
P/E (Trailing 12m)	5.9
Div. yield	0.00%
Dividend (\$)	0

Source: S&P.

52-Week performance

5-Year performance

OUTPERFORM

Foster Wheeler AG

Sector: Industrials
Industry: Construction & Engineering
Core Business: Oil and Gas Refinery, and Power Plant Construction
Target Stock price: \$36.24

Key Statistics

	2006	2007	2008	2009E	2010E
Revenue	3,495,048	5,107,243	6,854,290	5,853,056	6,145,709
Gross margin	14.53%	14.57%	13.07%	13.69%	13.69%
EBIT margin	10.55%	10.77%	9.36%	9.51%	9.51%
Net margin	7.50%	7.71%	7.68%	7.25%	7.25%
EPS	1.82	2.78	3.73	3.36	3.53
P/E	15.12	27.88	6.27	10.00	12.00

Source: Foster Wheeler 2008 Annual report & O Capital estimates (number in thousands of dollars)

Investment Highlights
Upside Potential:

Low P/E and P/B: The current P/E ratio of the company is about 6-7x, which is low compared with the industry average of about 10-11x. Low P/E means reversion. (See vertical analysis and EPS analysis on page 7 and 9 for details)

Newly Awarded Contracts: Foster Wheeler won a large contract in Jan 2009, which included more than 4 million man-hours and contributed to a record-level man-hours in backlog at the end of Q109.

Quick Development in Asia: The company's Asian business has developed quickly since 2006. We believe this trend could bring much more revenue in the future.

Healthier Than Ever: Greatly improved balance sheet and profitability by capital restructure and cost reduction. (See vertical analysis part on P5 for details)

Downside Risk:

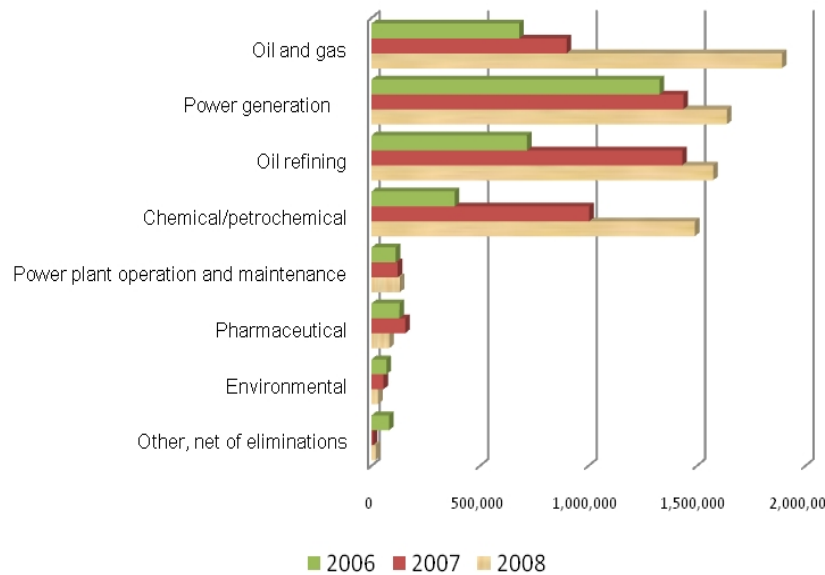
Timing is the biggest risk for construction contractors. Another risk is that the company might not maintain its rapid growth in its business. **High leverage level:** the company has a relative high debt-to-equity ratio, which is over 5 times. Such a high debt level may bring pressure for the financial health.

Company Profile:

Foster Wheeler AG is a global engineering and construction contractor and power equipment supplier delivering technically advanced, reliable facilities and equipment. The company employs about 14,000 people across two primary business groups. The company's Global Engineering and Construction Group designs and constructs leading-edge processing facilities for the upstream oil and gas, LNG and gas-to-liquids, refining, chemicals and petrochemicals, power, environmental, pharmaceuticals, biotechnology and healthcare industries. The company's Global Power Group is a world leader in combustion and steam generation technology that designs, manufactures and erects steam generating and auxiliary equipment for power stations and industrial facilities and also provides a wide range of aftermarket services. The Company is based in Zug, Switzerland, and its operational headquarters are in Clinton, New Jersey, USA.¹

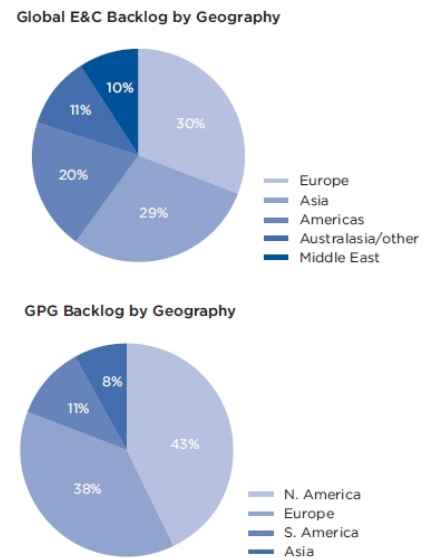
Business Breakdown:

Chart 1: Revenue growth by sectors



Source: FWLT 2008 annual report

Chart 2: Backlog by geography in 2008



Source: FWLT 2008 annual report

In 2008, the oil and gas sector accounted 27% of the total revenue. This sector has increased 110% from 1,891,490 for 2008 to 898,623 for 2007. Some other sectors like Power generation, Oil refining and Chemical/ petrochemical also grew rapidly in 2008. The backlog shows the company has well diversified its business into many places in the country.

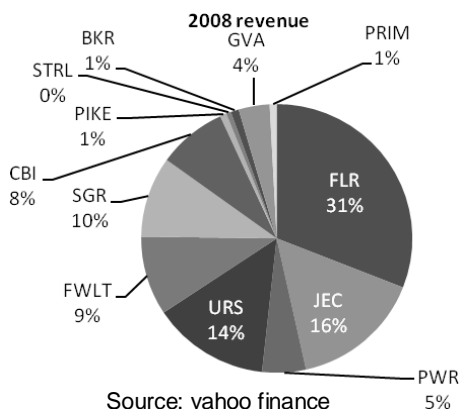
Development in Asia

According to Foster Wheeler's 2008 annual report, 29% of E&C business and 8% of GPG business are run in Asia. We estimate that there will be more and more projects in Asia, Especially in India, China and Japan. Thus the development in Asia could bring more and more revenue to Foster Wheeler in the future.

¹ Source: Foster Wheeler AG website www.fwc.com

Chart 3: Heavy Construction Market Shares Breakdown

This Chart shows the market share of the major players in the heavy construction industry in 2008. Flour (FLR), Jacobs (JEC), and URS Corp (URS) are the three companies that had biggest market shares, 31%, 16%, and 14% respectively. Foster Wheeler’s market shares accounted for about 9% in 2008.



New Projects Awarded:

In the first half of 2009, Foster Wheeler has been continually awarded new project in Europe and Asia. In the Quarter report of Q109, the company declared a new booked order of about \$800 million.

The company continued to book large contracts, including an award in the fourth quarter of 2008 for the initial phase of front-end engineering work on what is expected to become the largest petrochemical plants ever built. They followed that with a February 2009 award for engineering, procurement and construction management for a new world-scale grass root refinery in India, an award that represented a more than 30% increase in the number of man-hours in backlog, compared to year-end 2008. In late February 2009, the company signed its largest contract ever (Paradip refinery project in India), with more than four million E&C man hours, bringing FWLT's total to 16.2 million man hours in backlog at the end of the 2009 first quarter. Thus, we expect this and additional contracts to begin to benefit results in the E&C group in 2010 and see a potential in the company’s future revenue growth.²

Healthier Than Ever:

In early 2002, Foster Wheeler began the turnaround, trying to once again become a company that could compete in its space with the best, and win. They were fighting for life, struggling with negative cash flows, accounting problems and a shrinking list of orders.³

They carried out two important actions:

I Reducing its cost base

While ensuring that Foster wheeler continued to deliver quality products and services to its clients, they made significant cost reductions worldwide, reducing their breakeven so that the company could earn an acceptable return even at lower levels of revenue.

I Strengthening its capital structure

Foster Wheeler had successfully implemented its equity-for-debt exchange – an essential enabler for them to proceed further. Foster Wheeler has transformed its capital structure, reducing debt to its historical lowest level

Foster Wheeler’s debt reduction and cost cutting strategy greatly improved its balance sheet and operational excellence. Since 2006, Foster Wheeler has achieved record performance of consecutive three years. Also, its key financial ratios are getting better and better. (See vertical analysis on page 4-5 for detailed analysis.)

² Source: Foster Wheeler 2008 Annual Report
³ Source: Foster Wheeler 2006 Annual Report

Fundamental Analysis

Ratio Analysis

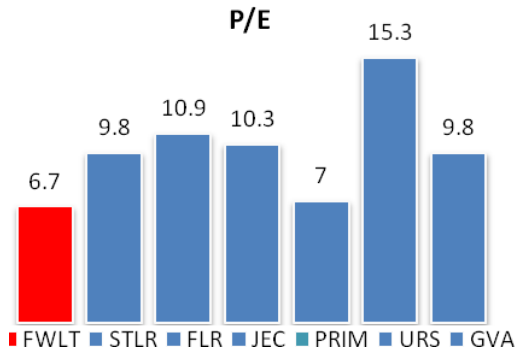
Exhibit 1: Horizontal ratio analysis shows Foster Wheeler's ratios compared to six other major competitors

Overview data	Foster Wheeler (FWLT)	Sterling (STRL)	Fluor (FLR)	Jacobs (JEC)	Primoris (PRIM)	URS Corp (URS)	Granite (GVA)
Price (July 20, 2009)	21.75	14.71	47.00	37.28	7.39	45.77	30.59
Market capital	2.44B	194M	8.45B	4.5B	237M	3.81B	1.18B
Net debt	781M	122M	2.39B	932M	125M	3.04B	450M
EV	3.25B	324M	10.91M	5.51B	362M	6.87M	1.67B
EV/EBITDA	5.1	8.0	8.9	7.7	7.5	11.0	6.1
P/E	6.7	9.8	10.9	10.3	7.0	15.3	9.8
EPS (ttm)	3.7	1.5	4.3	3.6	1.06	3.00	3.1
Dividends per share	0.0	0.0	0.5	0.0	0.1	0.0	0.5
Activity ratios							
Receivables turnover	8.4	6.4	18.1	6.5	6.0	4.6	6.4
Inventory turnover	46.8	N/A	21.5	N/A	224.1	N/A	N/A
Assets turnover	2.3	1.4	3.5	2.9	2.6	1.4	1.5
Liquidity ratios							
Current ratio	1.2	2.7	1.5	1.7	1.3	1.7	1.8
Quick ratio	1.2	2.2	1.0	1.6	1.0	1.6	1.3
Profitability ratios							
Profit margin	7.7%	4.4%	3.2%	3.7%	11.6%	2.2%	4.2%
Operating margin	9.7%	9.9%	5.2%	5.7%	5.7%	5.4%	11.2%
Return on assets	16.8%	6.4%	11.8%	11.1%	14.4%	3.2%	6.9%
Return on equity	109.3%	12.1%	29.1%	20.6%	17.7%	6.2%	16.7%
Payout ratio	0.00%	0.00%	12.7%	0.00%	2.1%	0.00%	16.7%
Coverage ratios							
Debt to total assets	87.0%	45.1%	58.4%	47.5%	78.0%	48.2%	56.0%
Times interest earned	37.7	91.0	83.8	N/A	24.2	6.1	14.4
Book value per share	2.1	7.7	14.2	18.5	2.00	-	18.8
Growth ratios							
Sales	34.2%	35.6%	33.8%	32.8%	11.0%	87.4%	-2.3%
Net income	33.8%	24.8%	35.1%	46.5%	34.0%	60.5%	8.9%

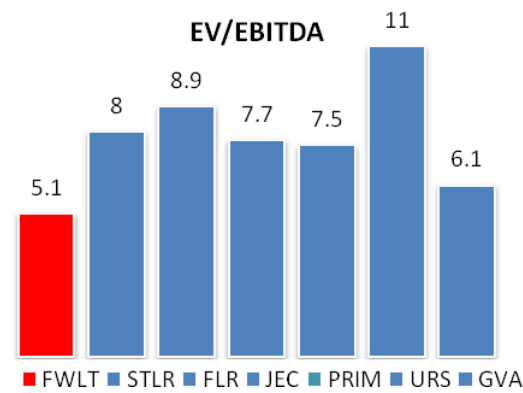
Source: Companies' 2008 annual reports, S & P Report, O Capital Research

Horizontal Analysis Highlights:

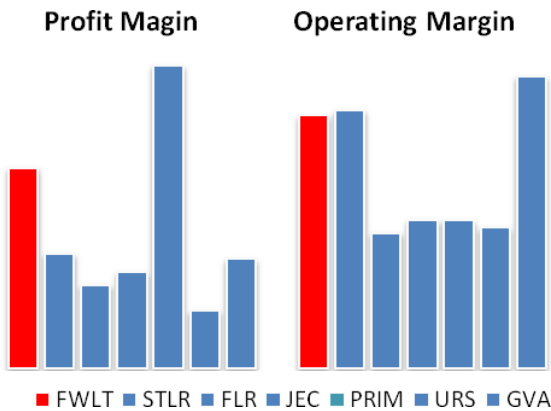
1. Lowest P/E Ratio in the Industry



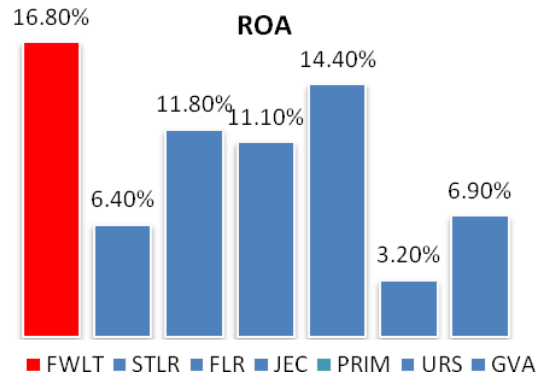
2. Lowest EV/EDITBA Ratio in the Industry



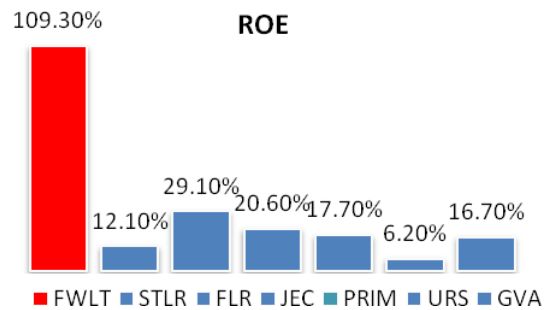
3. Strong Profitability



4. Highest Return on Assets in the Industry



5. Highest Return on Equity in the Industry



Summary: In the horizontal analysis, we found that Foster Wheeler has the lowest P/E and EV/EBITDA ratio among the industry, indicating that the share price is relatively undervalued. We also notice that Foster Wheeler has very strong profitability, which is reflected by its Profit margin, operating margin, ROE and ROA. It has the highest ROA and ROE compared with its major competitors. The strong profitability also supports the share price to go up. Thus, we believe that the stock price of Foster Wheeler has great potential to shine in this industry.

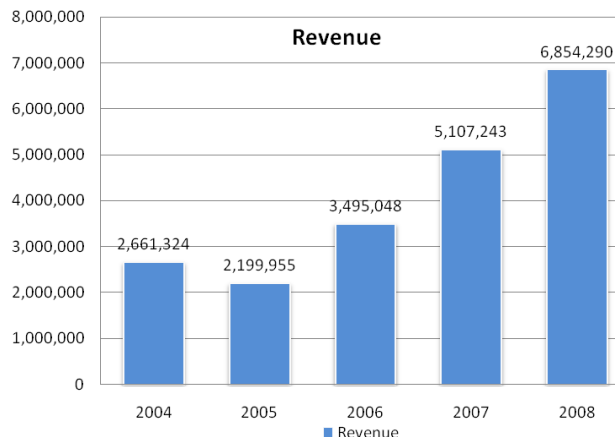
Exhibit 2: Vertical ratio analysis of Foster Wheeler for the past five years and recent quarter:

	2004	2005	2006	2007	2008	2009 Q1
Overview data						
Price	7.93	18.39	27.57	77.51	23.38	17.47
P/E	-0.14	-7.80	15.12	27.88	6.27	7.41
P/B	-0.07	-2.51	58.46	19.23	8.41	4.48
EPS	-57.84	-2.36	1.82	2.78	3.73	0.59
Dividends per share	0.00	0.00	0.00	0.00	0.00	0.00
Activity ratios						
Receivables turnover	10.51	5.32	7.87	8.19	9.90	
Assets turnover	2.44	2.53	2.84	2.71	2.93	
Liquidity ratios						
Current ratio	0.83	0.85	1.11	1.34	1.20	1.26
Quick ratio	0.63	0.67	0.94	1.13	0.99	1.03
Profitability ratios						
Gross profit margin	9.79%	15.74%	14.53%	14.57%	13.07%	12.87%
EBIT margin	-5.17%	-0.89%	10.55%	10.77%	9.36%	7.63%
Net Profit margin	-10.72%	-4.99%	7.50%	7.71%	7.68%	5.88%
Return on assets	-13.04%	-5.79%	10.21%	12.12%	17.49%	
Return on equity	54.28%	32.17%	417.66%	68.97%	134.15%	
Payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coverage ratios						
Debt to total assets	124.03%	118.01%	97.52%	82.34%	86.71%	82.95%
Times interest earned	-1.45	-0.39	14.78	27.71	36.39	23.17
Book value per share	-106.55	-7.33	0.47	4.03	2.78	3.90
Growth ratios						
Revenue	-28.53%	-17.34%	58.87%	46.13%	34.21%	-29.58%
Net income	-81.64%	61.53%	338.71%	50.34%	33.70%	-46.32%
EPS	24.42%	95.93%	177.38%	52.46%	34.19%	
Gross profit margin	26.60%	60.74%	-7.71%	0.31%	-10.34%	
EBIT margin	-1181.82%	82.79%	1286.11%	2.13%	-13.15%	
P/E	-1.87%	-5591.83%	293.73%	84.40%	-77.52%	

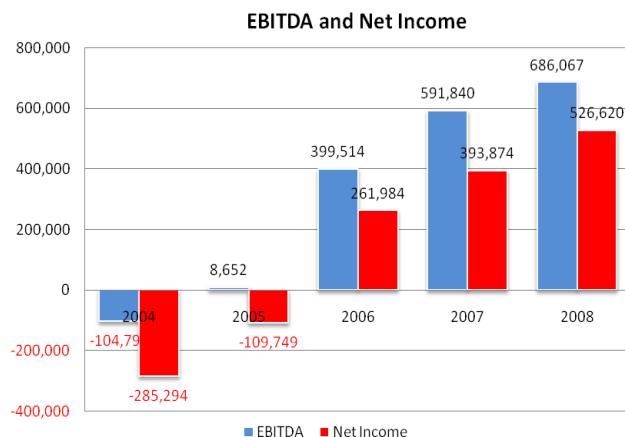
Source: Foster Wheeler's annual reports and Q109, O Capital Research

Vertical Analysis Highlights

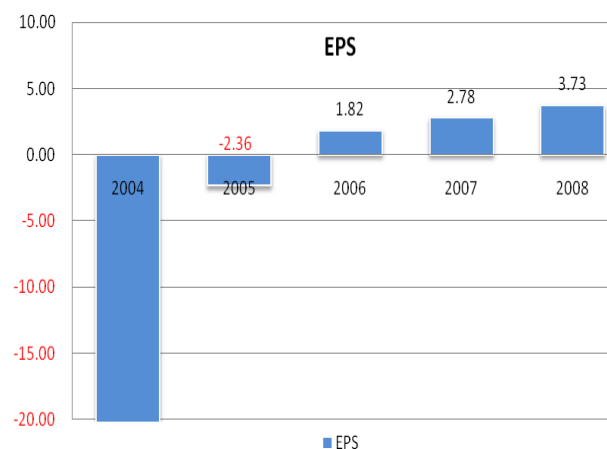
1. Consecutive Revenue Growth in Past Four Years



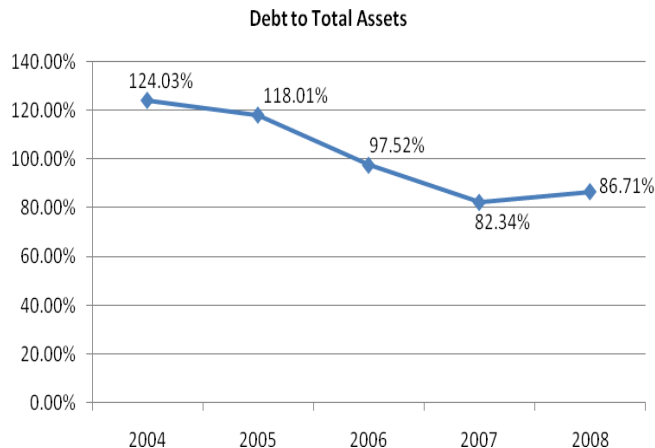
2. Consecutive Increase of EBITDA and Net Income



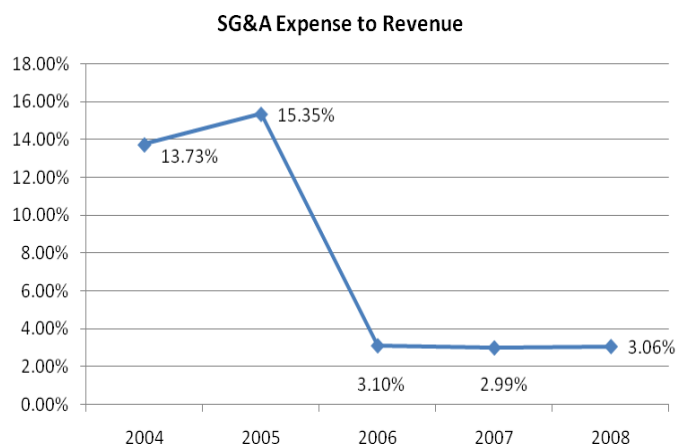
3. Consistent Growth of EPS in Recent 3 Years



4. Improving Capital Structure (Debt Reduction)



5. SG&A Cost Greatly reduced In Recent 3 Years



Summary: For Foster Wheeler, 2008 is the third consecutive year of record performance. The revenue has grown very fast, 58.78% in 2006, 46.13% in 2007, and 34.21% in 2008. EBITDA, net income and EPS also have greatly increased during the past 5 years. We believe the outstanding performance is mainly due to many newly awarded contracts in existing markets, and also due to its debt reduction and cost cutting strategy, which greatly improved operational excellence. But we notice that Foster Wheeler still has a relative high debt to total assets ratio, which is about 86%. But their interest coverage ratio has improved a lot these years, and they also generate positive cash flow, enabling them to repurchase common shares. So, although they have a high leverage, it seems that they are doing well and have less risk to go bankrupt. We believe the stock should reflect the strong performance and go up.

Pro Forma Statement

Pro forma Assumptions

We projected the revenue growth rate to be the weighted average growth rate of the adjusted geometric average growth rate of the past five years and 2009 first quarter performance. We gave more weights on current quarter revenue growth rate when estimated revenue growth rate for 2009, 2010, and later.

According to the Q109, Foster Wheeler AG reported Revenue for the first quarter of 2009 of 1,264 million, compared with 1,795 million in the first quarter of 2008, this is \$531 million, or 29.6%, lower than the amount for the first quarter of fiscal 2008. Net income for the first quarter of 2009 of \$72.9 million, or \$0.57 per diluted share, compared with \$138.1 million, or \$0.95 per diluted share, in the first quarter of 2008; this is \$65.2 million, or 46.3%, lower than the amount for the first quarter of fiscal 2008. First-quarter 2009 consolidated EBITDA (earnings before interest expense, income taxes, depreciation and amortization) was \$105.6 million, compared with \$195.3 million in the first quarter of 2008.⁴

We estimated that, in 2009, Foster Wheeler's business will not equal to 2008, due to significant weakness in most of the global markets it serves. The slowdown in global economy also causes a corresponding slowdown in the pace of new orders. However in the long run, our view of the energy-related market is robust. Furthermore, in the first quarter of 2009, Foster Wheeler booked the largest single contract in terms of man-hours in the company's history – for engineering, procurement and construction management of a new oil refinery in India. The project was just gearing up at the end of the first quarter and thus did not contribute materially to the company's performance in the period. Obviously, the contract will be an important contributor to revenue and income in future periods. Thus, based on our analysis, we got the table below

Exhibit 3	2009E	2010E	2011E	2012E	2013E
Revenue Growth Rate	-14.61%	-7.12%			
Adjusted Revenue Growth Rate	-14.61%	5.00%	8.00%	7.00%	6.00%

We also assumed that cost of goods sold, operating expenses, and interest expense remain current % level. While we made some changes on effective tax rate, since Foster wheeler has just moved its headquarter from Bermuda to Switzerland, because of the legislation in Bermuda had become unfavorable. Its effective Tax rate has slightly declined from 26% to 22% as the S&P estimated. Based on the assumptions above, we projected the Pro Forma statement:

Exhibit 4	2007	2008	2009E	2010E	2011E	2012E	2013E
Revenues	5,107,243	6,854,290	5,853,056	6,145,709	6,514,451	6,970,463	7,458,395
Cost of Goods Sold	4,362,922	5,958,644	5,051,541	5,304,118	5,622,365	6,015,931	6,437,046
Gross profit	744,321	895,646	801,515	841,591	892,086	954,532	1,021,349
SG & A Cost	152,481	209,579	198,165	208,074	220,558	235,997	252,517
EBITDA	591,840	686,067	603,349	633,517	671,528	718,535	768,832
D & A	41,691	44,798	46,645	48,977	51,916	55,550	59,438
EBIT	550,149	641,269	556,705	584,540	619,612	662,985	709,394
Interest Expense	19,855	17,621	19,030	19,981	21,180	22,663	24,249
Income Taxes	136,420	97,028	83,113	87,269	92,505	98,981	105,909
Net income	393,874	526,620	454,562	477,290	505,927	541,342	579,236
EPS	2.78	3.73	3.36	3.53	3.81	4.08	4.32

Source: Based on the data projected by Pro Forma analysis and annual reports (amounts in thousands of dollars, except per share amounts)

⁴ Source: Foster Wheeler Q109

EPS Analysis

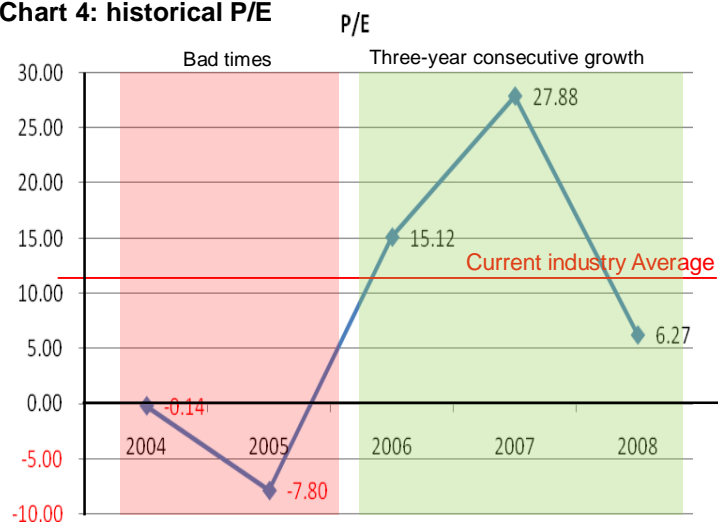
Exhibit 5: EPS of Foster Wheeler

	2004	2005	2006	2007	2008	2009E	2010E	2011E	2012E	2013E
EPS	-57.84	-2.36	1.82	2.78	3.73	3.36	3.53	3.81	4.08	4.32
Growth		96.0%	117.0%	53.0%	34.0%	-2.3%	5.0%	8.0%	7.0%	6.0%

Source: O Capital research based on the data projected by Pro Forma analysis

Our Projected EPS of 2009 and 2010 is 3.36 and 3.53 respectively.

Chart 4: historical P/E



From 2002 to 2005, Foster Wheeler was fighting for life, struggling with negative income and cash flows, accounting problems and a shrinking list of orders. After successfully implemented its equity-for-debt and cost reduction plan, Foster Wheeler has experienced a consecutive growth of revenue, net income, and EPS from 2006 to 2008. From the chart on the left, we can see that Foster Wheeler had very high P/E ratios in 2006 and 2007. But it was at a very low level in 2008, and it is still at a low level in today's market, about half of industry average P/E level. Based on its strong business performance, we think its P/E should rally at least to industry average level. It means the stock price has a great potential to upturn.

Exhibit 6: Sensitivity analysis

P/S	EPS	2	2.2	2.5	2.8	3.1	3.4	3.6	3.8	4	4.2	4.4
6	12.00	13.20	15.00	16.80	18.60	20.40	21.60	22.80	24.00	25.20	26.40	26.40
7	14.00	15.40	17.50	19.60	21.70	23.80	25.20	26.60	28.00	29.40	30.80	30.80
8	16.00	17.60	20.00	22.40	24.80	27.20	28.80	30.40	32.00	33.60	35.20	35.20
9	18.00	19.80	22.50	25.20	27.90	30.60	32.40	34.20	36.00	37.80	39.60	39.60
10	20.00	22.00	25.00	28.00	31.00	34.00	36.00	38.00	40.00	42.00	44.00	44.00
11	22.00	24.20	27.50	30.80	34.10	37.40	39.60	41.80	44.00	46.20	48.40	48.40
12	24.00	26.40	30.00	33.60	37.20	40.80	43.20	45.60	48.00	50.40	52.80	52.80
13	26.00	28.60	32.50	36.40	40.30	44.20	46.80	49.40	52.00	54.60	57.20	57.20
14	28.00	30.80	35.00	39.20	43.40	47.60	50.40	53.20	56.00	58.80	61.60	61.60
15	30.00	33.00	37.50	42.00	46.50	51.00	54.00	57.00	60.00	63.00	66.00	66.00
16	32.00	35.20	40.00	44.80	49.60	54.40	57.60	60.80	64.00	67.20	70.40	70.40

In Exhibit 6, Light shaded areas are where investors can make profits if they invest at current price; Dark shaded areas are our target price for 2009 and 2010 by EPS analysis, which is \$34.00 and \$43.20 respectively.

Cash Flow Analysis

The formula we use: $FCFF = CFO - \text{capital expending} + \text{interest} \times (1 - \text{tax})$

Exhibit 7: Calculation of WACC ($WACC = K_d \times (1 - \text{Tax Rate}) \times W_d + K_e \times W_e$)

Total Debt	2,425,836	Total Equity	492,742
Wd	83.12%	We	16.88%
Kd	8 %	Kd	17.72%
Tax Rate	15.00%	Risk Free Rate	3.67%
		Beta	2.51
		Adjusted Beta	2.01
		Market Risk Premium	7%
WACC	8.64%		

Source: Foster Wheeler 2008 annual Report, U.S. Treasury.gov, O Capital research

Based on the Pro Forma analysis we did on page 7, we projected the future CFO, interest expense, and Capex from 2009 to 2013. Also, we assumed that the perpetuity growth rate is 4% and got the terminal value. Finally, we came up with the table below.

Exhibit 8: Table of FCFF Calculation

	2009E	2010E	2011E	2012E	2013E
CFO	411,166	431,724	466,262	498,901	528,835
Effective Tax Rate	22.00%	22.00%	22.00%	22.00%	22.00%
Interest Expense	19,030	19,981	21,580	23,090	24,476
Capex	105,355	122,914	146,022	156,244	165,618
FCFF	320,654	324,395	337,072	360,667	382,308
Terminal Value	8,563,323				
PV	295,145	274,834	262,856	258,880	5,910,185
Total Intrinsic Value	7,001,900				
Total Debt	2,425,836				
Shares Outstanding	126,265,903				
Value Per Share	\$36.24				
Current Price	\$21.75				

Source: O Capital research based on the data projected by Pro Forma analysis (amounts in thousands of dollars, except share data)

Based on DCF model, the intrinsic stock price of Foster Wheeler is \$36.24. The current stock is trading at \$21.75, which is greatly undervalued. We can expect a considerable increase in its price in the future trade.

Industry Backgrounds Analysis

There are two markets for Engineering and Construction industry- public markets and private markets - and both require someone else to spend money. Our overall outlook for the construction & engineering sub-industry group is positive due in part to our expectations of increased infrastructure projects generated by President Obama's \$787 billion economic stimulus package, as well as renewed spending for oil & gas projects as oil prices stabilize.

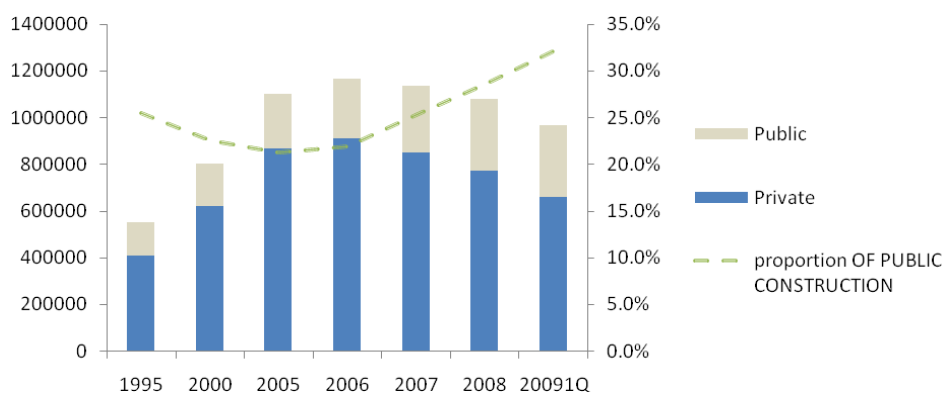
But we still see challenging market conditions that will likely lead to some additional project delays and cancellations during 2009, and possibly beyond. As expected, the companies that are in the oil, gas and refining industry have seen more cancellations and slowdowns in work, while companies in the infrastructure segment that have visibility are excited about their prospects for next year.

Private industry was slow to spend money in the last cycle. The reason that earnings growth accelerated in 2007 is because backlog growth accelerated in 2006 and because companies were slow to spend in the years after the last recession. On the other hand, new mileage standards mean a secular decline in gasoline demand in the US. That is a negative for the refiners, and if there is a negative demand for refiners, then you are going to see a slack in capital spending for new capacity. (Tighter emission standards could offset this somewhat, but that isn't necessarily incremental; it has always been a driver of some spending.)⁵

However, most major oil companies have reiterated their capital spending budgets, despite crude oil as of mid-February 2009 trading at about \$37 a barrel, well below the \$60 to \$70 a barrel assumptions that many companies had in their budgets. Additionally, despite tighter access to capital markets, we think acquisition activity may pick up due to lower borrowing rates and more attractive multiples reflecting the recessionary environment.

We are still forecasting growth, albeit less robust, in the energy sector, as several C&E companies should benefit from power generation projects, including coal-fired plants, oil & gas, and nuclear energy, which appears to be at the beginning of a renewed upcycle that hasn't been seen in about 40 years. Long-term prospects are brighter, in our view, for investments in Latin America, Asia, Eastern Europe and the Middle East, as most global C&E companies focus on developing regions to energize growth.⁶

Chart 5: Volume of Construction Projects in United States since 1995



⁵ Source: The Wall Street Transcript: Infrastructure Market Keeps Engineering and Construction on Solid Footing

⁶ Source: S&P

Appendices

Appendix A: Foster Wheeler Common Size Financial Statement

	2004	2005	2006	2007	2008	Average	Adjusted Average
Income statement							
Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of revenues	90.21%	84.26%	85.47%	85.43%	86.93%	87.13%	86.31%
Gross profit	9.79%	15.74%	14.53%	14.57%	13.07%	12.87%	13.69%
SG&A cost	13.73%	15.35%	3.10%	2.99%	3.06%	4.40%	3.39%
EBITDA	-3.94%	0.39%	11.43%	11.59%	10.01%	8.47%	10.31%
Depreciation & amortization	1.23%	1.28%	0.88%	0.82%	0.65%	0.83%	0.80%
EBIT	-5.17%	-0.89%	10.55%	10.77%	9.36%	7.63%	9.51%
Interest expense (income)	3.56%	2.30%	0.71%	0.39%	0.26%	0.33%	0.33%
Taxes	2.00%	1.80%	2.34%	2.67%	1.42%	1.42%	1.94%
Net income	-10.72%	-4.99%	7.50%	7.71%	7.68%	5.88%	7.77%
Balance sheet							
Cash and cash equivalents	13.33%	18.51%	23.81%	32.27%	25.68%	26.60%	-
Short-term Investments	1.18%	0.00%	0.00%	0.00%	0.08%	0.08%	-
Inventory	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Accounts receivable	23.15%	16.92%	22.11%	20.92%	23.40%	21.93%	-
Prepayments and other ass.	1.15%	1.11%	0.81%	1.12%	1.05%	1.08%	-
Total current assets	47.97%	44.94%	54.14%	62.92%	59.45%	59.15%	-
Property, equipment, and etc	12.81%	13.65%	11.79%	10.39%	12.73%	12.97%	-
Intangible assets, net	5.55%	6.07%	4.43%	3.53%	4.05%	4.05%	-
Deferred tax assets	1.20%	2.88%	4.97%	3.45%	3.88%	3.74%	-
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	-
Accounts payable	13.21%	12.34%	10.28%	11.47%	12.13%	11.20%	-
Other current liabilities	44.46%	40.31%	38.34%	35.43%	37.30%	35.69%	-
Total current liabilities	57.66%	52.65%	48.62%	46.90%	49.44%	46.89%	-
Long term debt	24.45%	15.51%	7.07%	5.72%	6.41%	6.41%	-
Minority Interest	1.24%	1.47%	1.17%	0.98%	0.95%	1.03%	-
Total liabilities	124.03%	118.01%	97.52%	82.34%	86.71%	82.95%	-
Preferred stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Common stock	0.02%	0.03%	0.03%	0.04%	0.04%	0.00%	-
Additional paid-in capital	40.37%	62.68%	52.59%	42.64%	30.35%	20.38%	-
Other comprehensive inc.	-13.57%	-16.61%	-13.38%	-8.04%	-16.43%	-17.26%	-
Retained earnings	-50.12%	-63.66%	-36.79%	-17.07%	-0.93%	1.53%	-
Total shareholders' equity	-24.03%	-18.01%	2.44%	17.58%	13.04%	16.85%	-
Total liabilities and equity	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	-

Source: Foster Wheeler's Annual Report, O Capital Research

(amounts in thousands of dollars, except share data)

Appendix B: Past 5-Year and Recent Quarter Financial Statement

	2004	2005	2006	2007	2008	2009Q1
Income statement						
Revenues	2,661,324	2,199,955	3,495,048	5,107,243	6,854,290	1,264,523
Cost of revenues	2,400,662	1,853,613	2,987,261	4,362,922	5,958,644	1,101,771
Gross profit	260,662	346,342	507,787	744,321	895,646	162,752
SG&A cost	365,457	337,690	108,273	152,481	209,579	55,659
EBIT	-104,795	8,652	399,514	591,840	686,067	107,093
Depreciation & amortization	32,755	28,215	30,877	41,691	44,798	10,551
EBIT	-137,550	-19,563	368,637	550,149	641,269	96,542
Interest expense (income)	94,622	50,618	24,944	19,855	17,621	4,167
Taxes	53,122	39,568	81,709	136,420	97,028	18,003
Net income	-285,294	-109,749	261,984	393,874	526,620	74,372
Balance sheet						
Cash and cash equivalents	291,567	350,669	610,887	1,048,544	773,163	777,775
Short-term investment	25,775	-	-	-	2,448	2,401
Inventory	7,080	-	-	-	-	-
Accounts receivable	506,496	320,600	567,316	679,591	704,627	641,294
Prepayments and other assets	25,239	20,999	20,708	36,532	31,667	31,610
Total current assets	1,049,298	851,523	1,389,320	2,044,383	1,790,186	1,729,810
Property, equipment, and software	280,305	258,672	302,488	337,485	383,209	379,282
Intangible assets, net	121,502	115,048	113,577	114,535	122,039	118,298
Deferred tax	26,144	54,571	127,574	112,036	116,756	109,485
Total assets	2,187,539	1,894,706	2,566,023	3,248,988	3,011,254	2,924,346
Accounts payable	288,899	233,815	263,715	372,531	365,347	327,528
Other current liabilities	972,522	763,749	983,888	1,151,242	1,123,267	1,043,597
Total current liabilities	1,261,421	997,564	1,247,603	1,523,773	1,488,614	1,371,125
Long term debt	534,859	293,953	181,492	185,978	192,989	187,464
Minority interest	27,052	27,827	29,923	31,773	28,718	30,035
Total liabilities	2,713,104	2,235,864	2,502,313	2,675,219	2,611,106	2,425,836
Preferred Stock	1	0	0	0	0	0
Common stock	405	575	690	1,439	1,262	0
Additional paid-in capital	883,167	1,187,518	1,349,492	1,385,311	914,063	596,046
Other comprehensive income	-296,743	-314,796	-343,342	-261,114	-494,788	-504,659
Retained earnings	-1,096,348	-1,206,097	-944,113	-554,595	-27,975	44,888
Total shareholders' equity	-525,565	-341,158	62,727	571,041	392,562	492,742
Total liabilities and equity	2,187,539	1,894,706	2,566,023	3,248,988	3,011,254	2,924,346
Shares outstanding (basic)	4,932,370	46,570,088	132,996,384	141,661,046	141,149,590	126,265,903
Shares outstanding (diluted)	4,932,370	46,570,088	141,217,976	144,748,222	143,104,030	126,747,395

Source: Foster Wheeler's Annual Report, O Capital Research

(amounts in thousands of dollars, except share data)

Disclosures

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