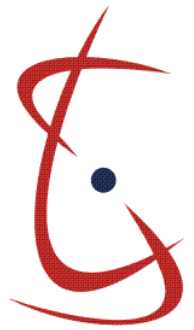


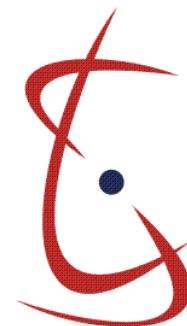
Summary of 2006 STCU AOB & SB Results





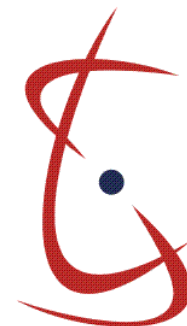
Summary of 2006 AOB

- Total AOB \$192.3K (10.2%) Underspent
 - Recurring Costs \$159.4K Underspent
 - \$10K unused contingency
 - \$33.7K unused consulting fees for Navision project
 - \$10K unused branch office overhead
 - \$55K unused travel (Int., w/in CIS, & Local)
 - Non-Recurring Costs \$32.9K Underspent
 - \$25K unused contingency
 - \$6K unused facility improvements



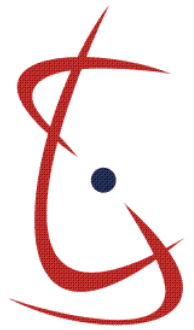
Recurring Costs

- Local Grant Payments \$9.7K Underspent
 - In 2006, almost no staff turnover
- International Travel \$15.2K Underspent
 - Attributed to cancellation of Spring and Fall '06 Advisory Committee Meetings
- Travel w/in CIS \$32K Underspent
 - Uzbek Audits in Spring '06 because of auditor's inability to obtain Uzbek visas



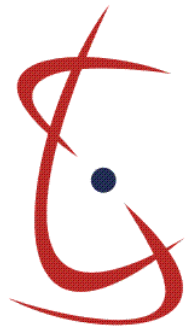
Recurring Costs (cont.)

- Branch Office Operations \$10K Underspent
 - Decrease of activities in Tashkent office
- Telecom. Services \$5.5K Overspent
 - Inflation in UA (approx. 10.0%)
 - Greater than 10% overspent
- Bank Fees – Offshore \$10K Overspent
 - Changes in banking regulations in Uzbekistan, causing large increase in returns of payment
 - Greater than 10% overspent



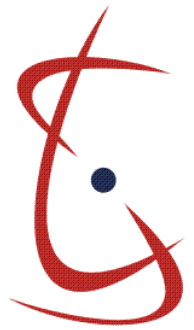
Recurring Costs (cont.)

- Other Professional Serv. \$33.7K Underspent
 - STCU followed Lubbock Fine recommendations:
 - To not convert transactions for completed projects
 - To train users and complete documentation before transfer of active projects in legacy systems (currently 80 of 220)
- Legal Services \$3.1K Overspent
 - Resolution of Gals-K and Banker's House issues
 - Greater than 10% overspent



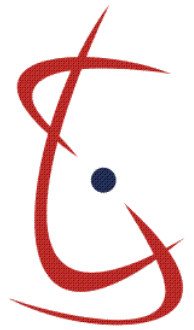
Recurring Costs (cont.)

- STCU Premises (21 Kameniariv)
 - Ministry of Science and Education of Ukraine paid approx. \$195K on behalf of STCU for 2006 rent & utilities



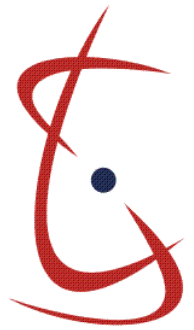
Non-Recurring Costs

- Facility Improvements \$6K Underspent
 - STCU minimizing capital improvements to building until new user agreement (current user agreement due to expire 10/07) becomes more clear



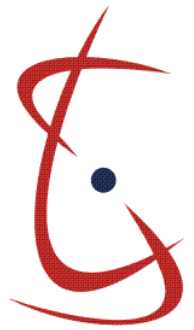
Shared Supplemental Budgets

- SB Activity 04.01 – Bus. Train./Sus. Support
\$135K spent
 - Intek 2006, Berlin, Germany, June '06
 - Bio-Europe International Forum '06, London, UK, Oct. '06
 - Downpayment for Innovations Market for R&D, Hannover Messe, April '07
 - Univ. of Missouri survey



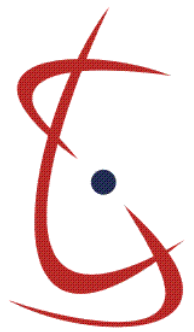
Shared SBs (Cont.)

- SB Activity 06.01 - Travel Grant Fund \$92K spent
 - 75 Travel Grants processed in '06, w/ 54 approved
- SB Activity 09.01 – Workshops/Sem. Support \$100K spent
 - \$70K spent for NATO workshop
 - \$30K spent for Odessa Bio Workshop



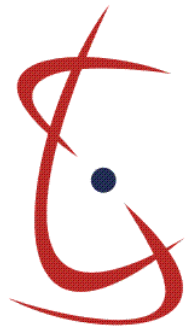
Shared SBs (Cont.)

- SB Activity 12.01 – Targeted Training \$70K spent
 - Business coaching in preparation for Bio-Workshop in Odessa, missions to CA, road shows, etc.



US Supplemental Budgets

- SB Activity 01.01 - Tech, Collab, & Contractor Trav Supp \$65K spent
 - Technical audit Support
 - Jeff Richardson, Lawrence Livermore Nat. Lab.
 - Annemarie Meike, Lawrence Livermore Nat. Lab.
 - Sandra Mathews, Lawrence Livermore Nat. Lab.
 - Caroline Mason, Los Alamos Nat. Lab.
 - Popat Patil, Ohio St. University
 - Lokeswarappa R. Dharani, Univ. of Missouri - Rolla



CA Supplemental Budget

- SB Activity 06.06 – CA Designated Travel approx. \$73.4K spent
 - June '06 Bio Meeting, Ottawa Canada (\$33.4K)
 - Oct. '06 NATO Advanced Workshop “Optical Wavelength Sensing & Imaging in Medicine, Environment, Security and Defense” in Gatineau, Canada (approx. \$40K)