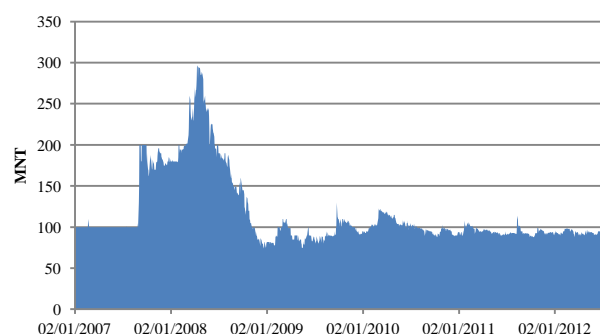


September 2012

JTB JSC (JTB.MSE)

Sector: Hotel and tourism

Share Price (1 year performance: +2.22%)



Indicators of the JTB stock

| | |
|-------------------------|-------------|
| Symbol | JTB |
| Code of stock | 521 |
| Number of total shares | 100,000,000 |
| Market value (bln. MNT) | 92 |
| 52-week high/low (MNT) | 114 88 |

| | 2010 | 2011 |
|---|--------|-------|
| Net asset (Bil MNT) | 11.81 | 8.79 |
| Net profit (bln. MNT) | 0.11 | 0.25 |
| Intangible assets and liabilities (Bil MNT) | 3.55 | 0.10 |
| Shareholders equity (Bil MNT) | 8.38 | 8.47 |
| Earnings per share | 1.12 | 2.52 |
| Price-Earnings ratio (P/E) | 91.48 | 37.60 |
| Price to book ratio (P/B) | 1.2 | 1.09 |
| Return on Assets (ROA) | 0.01 | 0.03 |
| Return on Equity (ROE) | 0.01 | 0.03 |
| Dividend per share (DPS) | 0.01 | - |
| Dividend yield | 1.25 | |
| Annual average stock price | 102.07 | 94.82 |
| Annual average market cap. (bln MNT) | 10.21 | 9.48 |
| Volatility | 8.74 | 4.00 |

Source: Standard Investment LLC

Genco Tour Bureau JSC

Company Information

Genco Tour Bureau JSC was established jointly by Bayangol Hotel and Genco Group LLC in February 1997 and its main activity is in the tourism sector. Genco Tour Bureau JSC was registered to Mongolian Stock Exchange in 2006. The total number of employees working for Genco Tour Bureau is 73. Most of them have experience from the Bayangol hotel.

Management

Genco tour Bureau JSC has issued a total of 100,000,000 common stocks which initial nominal value was 100 MNT. Information of shareholders and JTB stocks' structure is as following in the table below.

| Shareholder Structure | | |
|------------------------|------------|-----|
| Tour Bureau | 20,011,198 | 20% |
| Master fund II | 15,020,000 | 15% |
| Bayangol JSC | 10,701,767 | 11% |
| Davaasuren. D | 6,850,000 | 7% |
| Battulga.Kh | 6,762,350 | 7% |
| Firebird Mongolia fund | 5,703,320 | 6% |
| Other shareholders | 34,951,365 | 35% |

Resource: Mongolian Securities Clearing House And Central Depository

Research report prepared by

CHIMGEE Tsedevdorj,

Head of Research

chimgee@standardinvestment.mn

T +976 701 14433

M +976 99066293

MUNKHTUYA Byambaa

Researcher

munkhtuya@standardinvestment.mn

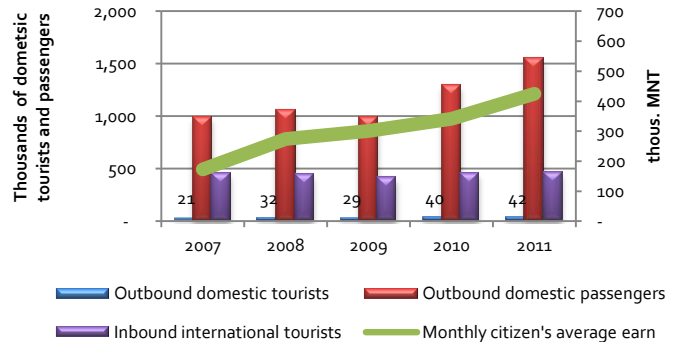
T +976 701 14433

M +976 99027432

Market Overview



Resource: Ministry of Nature, Environment and Tourism, Mongolia



Resource: National Statistical Office Of Mongolia

By the Mongolian statistical office information the number of the outbouded domestic tourists is increased between 2007-2011. But the number of the outbouded foreign and domestic tourists was stable in that period. Mongolian citizens average salary was increased from 173,000 to 341,000 MNT between in 2007-2011. Information from Ministry of nature, environment and tourism, the income of the tourism sector was increased from 213 mil to 282 mil US dollars and it makes 288-381 billion MNT. For next step is start up the Mongolian newest airport. We are suppose that after start up the Mongolian newest airport and additional international flights, the foreign visitors number will be increase.

Growth and development

Genco Tour Bureau's main activities are tourist camp, complex and tourism to foreign countries. The activity of the "13th century" national park complex has started in May 2007. "Chinggis Khaan Statue Complex"'s ground work finished in 2007 and its activity has started in 2008. A second museum of "The Chinggis Khan empire" has opened in the Chinggis Khaan complex in January 2012. Tours packages to Singapore, China, Japan, Thailand, Korea, Bali and Turkey have started in 2011. Genco tour bureau is planning to begin international charter flights. The fee of visiting the Chinggis Khan statue is 7,000 MNT, same for all foreign and Mongolian visitors. The number of customers who were serviced by Genco Tour Bureau has increased during 2009-2011. There were 105,602 customers at the Chinggis Khan complex, 8,611 visitors to the 13th century national park and the customers total number was 114,213. Also Genco Tour Bureau has made contract with 80-90 touristic companies for visiting their complex. Sales income has increased in 2011 by 77.3% to the previous year and was 2.3 billion MNT. 36.1% was from Chinggis Khaan complex, 11.1% from "13th century" national park complex and 25.9% is from domestic tours. Product cost was 58%, operating cost was 33% and net income was 9% of the sale income.

Genco Tour Bureau JSC's 2012 plans are:

- To Increase the new service branches and packages of international and domestic tours and establish their brand name and prestige.
- To repair extend the "Chinggis Khaan complex" and "13th century" national park complex

Conclusion

Genco Tour Bureau JSC's net income increased by 2.5 times and average price of the JTB share has decreased by 7% in 2011 from the previous year. Price earnings ratio (P/E) was 101.63 in 2010 and has decreased to 37.61 in 2011 due to positive performance. The reason of the decreasing P/E was that net income increased and company's market capitalization decreased.

Price to book ratio (P/B) was 1.22 in 2010 and has decreased to 1.12 in 2011. The reason of this decrease was that shareholders equity increased by 1.2% and company market capitalization decreased. The return on assets (RoA) was 1% in 2010, 3% in 2011 and those numbers are not enough high. The nearest sector of tourism is the hotel sector and BGN and ULN's RoA was between 10%-12% and 18%-25%. This may show us that the management performance of Genco Tour Bureau was not too good in 2011 after all. The return on equity (RoE) was also 1% and 3% in 2010 and 2011. The dividends Genco Tour Bureau distributed to shareholders was 1MNT in 2008, 1.2 MNT in 2009, 1.25 MNT in 2010 and 4.29 MNT in 2011. As a conclusion, although Genco Tour Bureau had few profit in the last years, it is still by far the biggest and most promising company in its sector. According to shareholders meeting, Genco tour bureau now is hoping to increase its profit for 2012.

Please send all questions and subscription requests to info@standardinvestment.mn

Global Network Contacts

| MONGOLIA | EUROPE & MIDDLE EAST | HONG KONG |
|--|---|---|
| Standard Investment LLC Headoffice Jigjidjav's Street 5/3 Khoroo 1, Chingeltei District Ulaanbaatar, Mongolia Postal address: POB 1487, Central Post Office Ulaanbaatar 15160 T +976 7015 4444 info@standardinvestment.mn | Standard Investment LLC Representative Office Switzerland Bahnhofstrasse 98, 4th Floor 8001 Zurich T +41 44 500 3220 europe@standardinvestment.mn | Standard Investment Co. Ltd. Hong Kong Branch 21st Floor, Fairmont House, 8 Cotton Tree Drive, Central Hong Kong T +852 61030227 hk@standardinvestment.mn |

Disclosures and Important Information

The information and opinions were prepared by Standard Investment LLC, and/or its affiliates (collectively, "Standard Investment").

Analyst Certification

As to each company mentioned in this report, the respective primary research analyst or analysts covering that company hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct compensation in exchange for expressing specific recommendations or views in this specific report.

Market Research Conflict Management Policy

The equity research analysts or strategists principally responsible for the preparation of Standard Investment's market research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.

The fixed income research analysts or strategists principally responsible for the preparation have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues (which include fixed income trading and capital markets profitability or revenues), client feedback and competitive factors. Fixed Income Research analysts' or strategists' compensation is not linked to investment banking or capital markets transactions performed by Standard Investment or the profitability or revenues of particular trading desks.

Standard Investment and its affiliates and/or sister companies (part of the Standard Group) do business that relates to companies/instruments covered in Standard Investment's research publications, including market making, providing liquidity and specialized trading, risk arbitrage and other proprietary trading, fund management, investment services and investment banking. Standard Investment sells to and buys from customers the securities/instruments of companies covered in our research publications on a principal basis. Standard Investment's may have a position in the debt of the Company or instruments discussed in this report.

INVESTORS ACT ON THEIR OWN RISK. THIS IS NOT AN OFFER TO BUY OR SELL OR THE SOLICITATION OF AN OFFER TO BUY OR SELL ANY SECURITY/INSTRUMENT OR TO PARTICIPATE IN ANY PARTICULAR TRADING STRATEGY.

ALL INFORMATION IN THIS REPORT IS FOR GENERAL INFORMATION ONLY. THE INFORMATION IS DERIVED FROM SOURCES WHICH THE COMPANY BELIEVES TO BE RELIABLE AND PREPARED IN GOOD FAITH. STANDARD INVESTMENT LLC MAKES NO GUARANTEE OF ACCURACY, TIMELINESS AND COMPLETENESS OF THE INFORMATION. NEITHER STANDARD INVESTMENT NOR ITS AFFILIATES SHALL BE LIABLE FOR ANY DAMAGES ARISING OUT OF ANY PERSON'S RELIANCE UPON THIS REPORT.

IT IS NOT ALLOWED TO COPY, REPRODUCE AND/OR DISTRIBUTE PARTS OF THIS RESEARCH REPORT (OR THE WHOLE CONTENT) TO THIRD PARTIES WITHOUT THE WRITTEN CONSENT OF STANDARD INVESTMENT LLC.