Focus Items

CarMax (KMX)  
**Continued Constructive Tone from KMX**  
Brian Nagel, CFA

Prestige Brands Holdings (PBH)  
**Fiscal 3Q Preview: Still Bullish Despite Potential Near-Term Choppiness**  
Joseph Altobello, CFA

TECHNOLOGY  
**2 Up, 1 Down**  
Andrew Uerkwitz

Skyworks Solutions, Inc. (SWKS)  
**Firing on All Cylinders**  
Rick Schafer

COMMUNICATION AND CLOUD  
**4Q13 Preview: Weakish Revenue But Solid Margins**  
Timothy Horan, CFA

Questcor Pharmaceuticals (QCOR)  
**Quick Update Following Management Meeting**  
Akiva Felt

INSTITUTIONAL PORTFOLIO  
**Portfolio Strategy—Earnings Preview**  
Andrew Burkly, CFA, CMT

Other Headlines

Illumina, Inc. (ILMN)  
**Investor Day: Cornering the Clinical NGS Market**  
Bret Jones, CFA

UnitedHealth Group, Inc. (UNH)  
**Reports Q4: Follow-Up After the Call**  
Michael Wiederhorn

Intel Corp. (INTC)  
**In Line, But Challenges Remain**  
Rick Schafer

TECHNOLOGY  
**Daily Chip Clips**  
Rick Schafer

Elizabeth Arden (RDEN)  
**Another Day, Another Disappointing Pre-Announcement In Consumerland**  
Joseph Altobello, CFA

Rockwell Collins Inc. (COL)  
**ARINC, ARINC, Nudge, Nudge**  
Yair Reiner

Oppenheimer & Co. Inc. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. See “Important Disclosures and Certifications” section at the end of this report for important disclosures, including potential conflicts of interest. See “Price Target Calculation” and “Key Risks to Price Target” sections at the end of this report, where applicable.
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Ticker</th>
<th>Pred</th>
<th>Prev</th>
<th>Up/Down</th>
<th>Open</th>
<th>Close</th>
<th>Pred</th>
<th>Prev</th>
<th>Up/Down</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citigroup Inc.</td>
<td>C</td>
<td>5.41</td>
<td>5.02</td>
<td>5.83</td>
<td>5.68</td>
<td>O</td>
<td>$64.00</td>
<td>$68.00</td>
<td></td>
</tr>
<tr>
<td>Elizabeth Arden</td>
<td>RDEN</td>
<td>2.20</td>
<td>1.75</td>
<td>2.55</td>
<td>2.20</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Himax Technologies, Inc.</td>
<td>HIMX</td>
<td>0.41</td>
<td>0.41</td>
<td>0.65</td>
<td>0.70</td>
<td>O</td>
<td>O</td>
<td>$12.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>Huntingdon Bancshares Inc.</td>
<td>HBAN</td>
<td>0.70</td>
<td>0.68</td>
<td>--</td>
<td>0.75</td>
<td>P</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Illumina, Inc.</td>
<td>ILMN</td>
<td>1.76</td>
<td>1.79</td>
<td>1.93</td>
<td>2.05</td>
<td>P</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Intel Corp.</td>
<td>INTC</td>
<td>1.74</td>
<td>1.70</td>
<td>1.77</td>
<td>1.77</td>
<td>P</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>PNC Financial Services Group</td>
<td>PNC</td>
<td>6.70</td>
<td>6.70</td>
<td>--</td>
<td>7.25</td>
<td>P</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>PrivateBancorp, Inc.</td>
<td>PVTB</td>
<td>1.60</td>
<td>1.70</td>
<td>--</td>
<td>1.83</td>
<td>P</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Rockwell Collins Inc.</td>
<td>COL</td>
<td>4.48</td>
<td>4.53</td>
<td>--</td>
<td>5.09</td>
<td>P</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Skyworks Solutions, Inc.</td>
<td>SWKS</td>
<td>2.53</td>
<td>2.58</td>
<td>2.86</td>
<td>2.87</td>
<td>O</td>
<td>O</td>
<td>$34.00</td>
<td>$39.00</td>
</tr>
<tr>
<td>Sprint Nextel</td>
<td>S</td>
<td>(0.61)</td>
<td>(0.60)</td>
<td>(0.41)</td>
<td>(0.40)</td>
<td>P</td>
<td>P</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Verizon</td>
<td>VZ</td>
<td>2.80</td>
<td>2.84</td>
<td>3.60</td>
<td>3.60</td>
<td>O</td>
<td>O</td>
<td>$56.00</td>
<td>$56.00</td>
</tr>
</tbody>
</table>

**American Express Company (AXP)**

In-line Quarter with Good Implications for the Future

**Capital One Financial Corp. (COF)**

Disappointing Quarter, But Still a 17.6% ROTCE in 2013

**Citigroup Inc. (C)**

Still A Great Value

**Associated Banc-Corp. (ASBC)**

Business As Usual in Green Bay; ’14 Outlook Provided

**BB&T Corporation (BBT)**

Needed a Great Quarter After Recent Move; We Got a Good One

**Huntington Bancshares Inc. (HBAN)**

Straightforward Quarter with Some Slight Weakness Around the Edges

**MB Financial, Inc. (MBFI)**

Solid 4Q13 Loan Growth with EPS $0.01 Above Our Estimate; Maintain Perform

**PNC Financial Services Group (PNC)**

4Q13 EPS Beat; Maintain Below Consensus ’14 & ’15 Estimates

**PrivateBancorp, Inc. (PVTB)**

The Bar was High Heading into 4Q13 Results; Solid Quarter
Snap Commentaries - Equities
Updates

CONSUMER & BUSINESS SERVICES
CarMax (KMX - $44.66)
Hardlines Retailing

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2012A</th>
<th>2013E</th>
<th>2014E</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$9,969.2M</td>
<td>$61.00</td>
<td>EPS</td>
<td>1.86</td>
<td>2.26</td>
<td>2.50</td>
</tr>
</tbody>
</table>

Continued Constructive Tone from KMX

We spent yesterday (1/16) with senior management of CarMax (KMX) in Atlanta. KMX reported Q3 (Nov.) results in mid-Dec. Management does not discuss business trends intra-quarter. The company remains upbeat on near and longer term trends for the chain. KMX spooked investors with comments recently that its partners in the sub-prime finance business are pulling back on loan originations. Any impact seems relatively contained. Better supplies of used cars hitting the market should represent a key driver of improved sales at KMX in 2014. Our rating on KMX is Outperform.

CONSUMER & BUSINESS SERVICES
Prestige Brands Holdings (PBH - $33.04)
Consumer, Household & Personal Care Products

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A</th>
<th>2014E</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$1,708.6M</td>
<td>$39.00</td>
<td>EPS</td>
<td>1.50</td>
<td>1.66</td>
<td>1.84</td>
</tr>
</tbody>
</table>

Fiscal 3Q Preview: Still Bullish Despite Potential Near-Term Choppiness

While we believe the long-term bull case for PBH remains very much intact, we do want to underscore for investors a handful of headwinds that, while generally manageable, could lead to choppy near-term results. Despite this caveat, we are maintaining our Outperform rating and $39 DCF-derived target price on the shares, while our fiscal 2014 and 2015 EPS estimates remain unchanged at $1.66 and $1.84, respectively, both up 11% year-over-year.

TECHNOLOGY

2 Up, 1 Down

In our regular quarterly preview note, we review our covered stocks before they report earnings in an attempt identify companies that are more likely to outperform or underperform expectations. If you have followed along in the past, you may remember in our last quarterly preview, we shied away from names that had outsized gains ahead of earnings, this quarter we're doing it again with one exception, HIMX (price target rising to $15 from $12). We believe the company's core business is poised to beat expectations. We also see Uni-Pixel as our other "up" pick into the quarter—expectations very low and new management gets its first opportunity to start anew. Our "one down" is the LED supply chain. We don't believe fundamentals have quite caught up to expectations. We summarize our comments for our coverage group in the table following this page as a cheat sheet. Happy earnings season.
TECHNOLOGY

Skyworks Solutions, Inc. (SWKS - $29.11)
Semiconductors & Components

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target / Prior</th>
<th>Earnings Type</th>
<th>2013A</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$5,484.8M</td>
<td>$39.00 / $34.00</td>
<td>EPS</td>
<td>2.20</td>
<td>2.58 / 2.53</td>
<td>2.87 / 2.86</td>
</tr>
</tbody>
</table>

Firing on All Cylinders

SWKS reported upside F1Q (Dec.) revenue/EPS of $505M/$0.67, besting consensus $500M/$0.66. SWKS'S F2Q (Mar.) revenue guidance of $470M (-7% Q/Q) also trumps consensus $460M and is significantly better than historical seasonality. SWKS'S evolution into an increasingly diversified HPA company continues to smooth the model and bolster financial performance. In our view, SWKS remains the best way to invest in the "Internet of Things (IoT)." In mobile, SkyOne platform gains, LTE/LTE-A unit growth, content expansion at both Samsung/AAPL and rising attach rates on both QCOM/MTK have SWKS well positioned to outperform in 2014. With best-in-class financial returns and a superior growth outlook for 2014, SWKS remains a top pick. We're increasing our PT to $39 from $34.

COMMUNICATION AND CLOUD

4Q13 Preview: Weakish Revenue But Solid Margins

Our communications companies kick off the 4Q13 earnings season on Tuesday, January 21 with Verizon, followed by Crown Castle on Thursday. Given that we covered a host of higher-level topics in our 2014 Outlook published January 14, we will be focusing this preview on the wireless/wireline space, with a cloud preview to follow sometime after. Top Picks: From a near-term stock perspective, we see AMT, TMUS and VZ with the best quarter, particularly VZ. S and WIN face the greatest risks in the quarter. We continue to expect that lower handset costs, higher ARPU driven by data usage, and an extension of the handset upgrade cycle will lead to better than expected wireless profitability. However, overall subscriber growth could be weakish given the shortened Christmas selling season and two fewer business days, although wireless margins should be significantly higher than we saw in 4Q12.

HEALTHCARE

Questcor Pharmaceuticals (QCOR - $53.13)
Bio and Specialty Pharmaceuticals

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2012A</th>
<th>2013E</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$3,228.6M</td>
<td>$90.00</td>
<td>EPS</td>
<td>3.33</td>
<td>5.41</td>
</tr>
</tbody>
</table>

Quick Update Following Management Meeting

We met with QCOR management yesterday at a competitor's healthcare conference in San Francisco. In our full report (dated 1/16), we highlight a number of positive takeaways which bolster our positive conviction for the stock in 2014. QCOR presented at the conference yesterday at 12:00 p.m.
INSTITUTIONAL PORTFOLIO STRATEGY

Portfolio Strategy—Earnings Preview

HEALTHCARE

Illumina, Inc. (ILMN - $125.26)
Life Science Tools & Diagnostics

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2012A</th>
<th>2013E / Prior</th>
<th>2014E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$15,832.4M</td>
<td>NA</td>
<td>EPS</td>
<td>1.59</td>
<td>1.79 / 1.76</td>
<td>2.05 / 1.93</td>
</tr>
</tbody>
</table>

Investor Day: Cornering the Clinical NGS Market

Illumina hosted an analyst meeting to more broadly discuss the new systems announced earlier this week and to establish growth targets through 2016. The company's strategy to capitalize on the $20B opportunity boils down to enact regulatory and bioinformatics hurdles to raise switching cost and ensure the company's near monopolistic position in NGS is sustained. While clients have a clear incentive to keep competitive NGS platforms viable, Illumina's plan to create an accelerated regulatory pathway for companion diagnostics would pose a significant competitive barrier in the clinical market, in our opinion. With the shares trading at nearly 7x the high-end of management's revenue target for 2016, we believe a better opportunity to purchase the shares will present itself.

HEALTHCARE

UnitedHealth Group, Inc. (UNH - $72.76)
Healthcare Services

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A</th>
<th>2014E</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$73,251.7M</td>
<td>$84.00</td>
<td>EPS</td>
<td>5.50</td>
<td>5.59</td>
<td>6.17</td>
</tr>
</tbody>
</table>

Reports Q4; Follow-Up After the Call

UNH reported 4Q:13 EPS of $1.41, slightly ahead of our estimate and Street consensus of $1.40 due to a robust top line and strong leverage (SG&A -80 bps vs est.), which was partially offset by higher medical expenses (MCR +50 bps vs our est.). Following the quarter, UNH maintained its FY2014 EPS guidance of $5.40-$5.60, but stressed that 1H:14 earnings could be depressed by a number of factors, including a purely-timing issue related to the industry fee. While we have tweaked our quarterly earnings estimates, we are maintaining our FY2014 and FY2015 EPS estimates of $5.59 and $6.17, respectively.
TECHNOLOGY

Intel Corp. (INTC - $26.54)
Semiconductors & Components

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$131,930.3M</td>
<td>NA</td>
<td>EPS</td>
<td>1.89 / 1.86</td>
<td>1.70 / 1.74</td>
<td>1.77</td>
</tr>
</tbody>
</table>

In Line, But Challenges Remain

INTC reported 4Q sales/EPS of $13.8B/$0.51, in line with consensus $13.7B/$0.52. Slight upside in PC/tablet was largely offset by Enterprise softness in DCG in 4Q. Guidance for 1Q revenue of $13.8B (-7% Q/Q) is in line with historical seasonality and the Street's $12.8B. Management also guided 2014 revenue flat Y/Y with PC down mid-single digits (%) and DCG up ~10%. With the stock up 12% from early December lows, we believe investors were looking for more. We expect shares to trade lower Friday morning and are sticking to the sidelines until a clearer picture of INTC’s wireless traction and longer-term growth outlook emerges.

TECHNOLOGY

Daily Chip Clips

- Earnings: INTC, SWKS
- HP, Google Select Altair Chip for LTE-Only Chromebook
- Intel Cancels Fab 42

CONSUMER & BUSINESS SERVICES

Elizabeth Arden (RDEN - $34.50)
Consumer, Household & Personal Care Products

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$1,021.5M</td>
<td>NA</td>
<td>EPS</td>
<td>2.14</td>
<td>1.75 / 2.20</td>
<td>2.20 / 2.55</td>
</tr>
</tbody>
</table>

Another Day, Another Disappointing Pre-Announcement In Consumerland

Elizabeth Arden pre-announced disappointing fiscal 2Q results after the close Thursday, becoming the latest consumer/retail-related name to warn about a difficult and highly promotional holiday season. The shares are down substantially after hours, though so are our forecasts, and so we are maintaining our Perform rating on the shares while allowing the dust to settle.
**INDUSTRIAL/CAPITAL GOODS**

**Rockwell Collins Inc. (COL - $77.05)**

**Aerospace/Defense**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$10,533.0M</td>
<td>NA</td>
<td>EPS</td>
<td>4.58</td>
<td>4.53 / 4.48</td>
<td>5.09 / --</td>
</tr>
</tbody>
</table>

**ARINC, ARINC, Nudge, Nudge**

We're slightly raising our EPS target for COL to reflect updated information about the recently closed ARINC acquisition. As a result of the deal's timing, the interest rate on the associated debt, and COL's decision to divest a lower margin part of ARINC's business, we now see ARINC being slightly more accretive in FY14 and FY15. While the combination's strategic rationale still eludes us, we think the financial impact over the near to medium term could be better than expected, and that COL has some cushion to nudge guidance as the year advances. There's not enough fundamental acceleration to warrant an Outperform rating, in our view, but we believe F1Q14 earnings will be a mildly positive catalyst for shares.

**FINANCIAL INSTITUTIONS**

**American Express Company (AXP - $87.78)**

**Specialty Finance**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$94,036.2M</td>
<td>NA</td>
<td>EPS</td>
<td>4.88 / 4.95</td>
<td>5.45 / 5.39</td>
<td>5.90 / 5.85</td>
</tr>
</tbody>
</table>

**In-line Quarter with Good Implications for the Future**

AXP reported "core" EPS of $1.25 vs our $1.28 and consensus of $1.25. To be fair, though, the tax rate was considerably higher than most had expected due to the geographic mix of earnings, and thus, if one were being generous and using a tax rate in line with the first nine months, one could get as high as $1.29 in core EPS. In line is not a bad thing, though; for FY13 AXP reported 29% EPS growth (ex-reserve development) and a 27% ROE, all of which is much better than most other financials. We expect similarly strong results in 2014, and if we could get more comfortable with the valuation we would be recommending the stock.

**FINANCIAL INSTITUTIONS**

**Capital One Financial Corp. (COF - $76.44)**

**US Banks**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target / Prior</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$44,071.9M</td>
<td>$83.00 / $81.00</td>
<td>EPS</td>
<td>6.96 / 7.08</td>
<td>6.96 / 7.04</td>
<td>7.39 / 7.38</td>
</tr>
</tbody>
</table>

**Disappointing Quarter, But Still a 17.6% ROTCE in 2013**

We want to start off by pointing out that COF reported a 17.6% ROTCE from continuing ops in 2013 when many bank peers were reporting low-teens returns. Thus, the fourth quarter may have been a bit disappointing, but in perspective of the alternatives the returns were still strong. With that said, COF reported EPS of $1.45 vs our $1.57 and consensus $1.54. The miss came mainly on the credit side. PPE was about as close as we will ever get at $2.3B (vs our $2.3B), but NCOs were $969M vs our $910M estimate. The 2014 outlook is for muted revenue growth and similar PPE to 2013; thus, the question for EPS becomes credit and capital return.
FINANCIAL INSTITUTIONS

Citigroup Inc. (C - $52.60)
Commercial & Investment Banking

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target / Prior</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$159,335.9M</td>
<td>$68.00 / $64.00</td>
<td>EPS</td>
<td>4.42 / 4.59</td>
<td>5.02 / 5.41</td>
<td>5.68 / 5.83</td>
</tr>
</tbody>
</table>

Still A Great Value

Citi's quarterly results were disappointing to us, but our faith in the view that this remains one of the sector's few remaining true values is unshaken. Investors buying the shares at this juncture are buying two assets: (1) a highly profitable, though admittedly somewhat stagnated global bank that should be worth $59-64 per share; and (2) a ~$65-70B pile of excess capital that we believe will be returned to shareholders over some unknown number of years, but assuming it is 6-12 years starting in 2015, should be worth $9-14 per share on an NPV basis. We continue to recommend the stock. We are raising our price target to $68 from $64, but that is purely on the increasing market multiple.

FINANCIAL INSTITUTIONS

Associated Banc-Corp. (ASBC - $17.11)
Regional Banks

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$2,780.9M</td>
<td>NA</td>
<td>EPS</td>
<td>1.11 / 1.13</td>
<td>1.25 / 1.05</td>
<td>1.25 / --</td>
</tr>
</tbody>
</table>

Business As Usual in Green Bay; ’14 Outlook Provided

Associated Banc's steady transformation continued in 2013 with no major surprises in the most recent quarter. Management's strategy of growing the balance sheet, controlling expenses and returning capital to shareholders is set to continue into ’14. Acquisitions could become a new component of the company's growth plan, but it doesn't sound like management is under pressure to find a deal. We believe the stock is fairly valued and maintain our Perform rating.

FINANCIAL INSTITUTIONS

BB&T Corporation (BBT - $38.73)
Regional Banks

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target / Prior</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>$27,301.7M</td>
<td>$42.00 / $40.00</td>
<td>EPS</td>
<td>2.18 / 2.16</td>
<td>3.05 / 3.00</td>
<td>3.40</td>
</tr>
</tbody>
</table>

Needed a Great Quarter After Recent Move; We Got a Good One

In the span of a few weeks it seemed like BB&T went from being an unloved bank with expenses problems, to nearly everyone's top pick for 2014. This rapid shift in investor sentiment was reflected in the stock price. Earnings in 4Q13 were just not enough to keep the stock moving higher over the near-term, though we still believe BB&T will outperform peers this year. Greater confidence in the company's expense outlook and earnings potential should drive multiple expansion. We are raising our price target to $42 (from $40).
FINANCIAL INSTITUTIONS

Huntington Bancshares Inc. (HBAN - $9.63)
Regional Banks

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$7,997.9M</td>
<td>NA</td>
<td>EPS</td>
<td>0.72 / 0.70</td>
<td>0.68 / 0.70</td>
<td>0.75 / --</td>
</tr>
</tbody>
</table>

Straightforward Quarter with Some Slight Weakness Around the Edges

Consistent with what we are seeing from most regional banks, earnings at Huntington in 4Q13 were slightly ahead of expectations, but it’s simply not enough to keep the rally going. The S&P Regional Bank Index increased 34% in 2013. We are gaining confidence in Huntington’s unique customer-friendly products, and HBAN’s achieving positive operating leverage in 2013 adds to our conviction that it can occur again in 2014. We believe the stock is fairly valued (with management potentially agreeing as zero stock was bought back last quarter) and maintain our Perform rating.

FINANCIAL INSTITUTIONS

MB Financial, Inc. (MBFI - $31.42)
Regional Banks

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A</th>
<th>2014E</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$1,726.9M</td>
<td>NA</td>
<td>EPS</td>
<td>1.78</td>
<td>1.90</td>
<td>2.10</td>
</tr>
</tbody>
</table>

Solid 4Q13 Loan Growth with EPS $0.01 Above Our Estimate; Maintain Perform

MB Financial had an active 2013, announcing the acquisition of an in-market competitor, Taylor Capital, and finished the year with a nice turnaround in commercial loan volume. We believe Taylor Capital will greatly augment MB’s middle-market lending efforts in the Chicago marketplace with cost-saving opportunities providing embedded earnings growth. The leasing business is now over 25% of loans and has been providing a nice stream of fee income. We believe MBFI is fairly valued at 1.9x tangible book value and maintain our Perform rating.

FINANCIAL INSTITUTIONS

PNC Financial Services Group (PNC - $78.84)
Regional Banks

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$41,951.4M</td>
<td>NA</td>
<td>EPS</td>
<td>7.39 / 7.21</td>
<td>6.70</td>
<td>7.25 / --</td>
</tr>
</tbody>
</table>

4Q13 EPS Beat; Maintain Below Consensus ‘14 & ’15 Estimates

PNC’s 4Q13 earnings exceeded our estimate driven by strong fee revenue and low credit costs. However, entering 2014 the company faces the same headwinds as the second half of last year such as net interest margin compression (less purchase accounting accretion and additional asset yield pressure) and lower mortgage banking profits. While we believe the company will have success cutting $500M from the expense base, most of the savings will be reinvested in infrastructure improvements. Thus, we are maintaining our below-consensus EPS estimates and reiterate our Perform rating.
FINANCIAL INSTITUTIONS

PrivateBancorp, Inc. (PVTB - $28.11)
Regional Banks

<table>
<thead>
<tr>
<th>Rating</th>
<th>Market Cap</th>
<th>Price Target</th>
<th>Earnings Type</th>
<th>2013A / Prior</th>
<th>2014E / Prior</th>
<th>2015E / Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>$2,238.8M</td>
<td>NA</td>
<td>EPS</td>
<td>1.57 / 1.53</td>
<td>1.70 / 1.60</td>
<td>1.83 / --</td>
</tr>
</tbody>
</table>

**The Bar was High Heading into 4Q13 Results; Solid Quarter**

Following the $300M+ loan growth in the third quarter of ’13 we were a bit concerned that expectations going into 4Q13 were aggressive. While loan growth slowed Q/Q, it came in $80M above our estimate, with the net interest margin holding steady. Private has now firmly entered the next phase of the company’s growth plan, with more consistent performance on the horizon. At this point PVTB is fairly valued based on our forward EPS estimates in our view, yet we can’t deny the EPS leverage once short rates rise. Our issue is that it could be ’16 before this materializes.

**Oppenheimer Marketing Events**

February 5 - 4th Annual Oppenheimer Research Summit in London (London)
March 6 - 7th Annual Cloud Services 1-on-1 Conference (New York)
May 11 - 15th Annual Israeli Conference (Tel-Aviv)
May 13 –14 - 9th Annual Industrial Growth Summit (New York)
May 20 - Bi-Annual NY Internet Investor Day (New York)
June 24 – 25 -14th Annual Consumer Conference (Boston)
August 12 – 13 - 17th Annual Technology, Internet & Communications Conference (Boston)
Important Disclosures and Certifications

Other companies mentioned in this report: 005930.KS  2498.TT  AAPL  ADI  AIXG  AKAM  AMD  AMT  ATML  AVGO  BBT  BRCM  CALL  CCI  CEVA  CHINA  CMCSA  CNC  CREE  CTL  DISH  E  EMAN  EQIX  EZCH  GLW  GOOG  GSK  HBAN  HIMX  HITT  HPQ  INTC  INTC  INVN  INXN  JNJ  KMX  LEAP  LLTC  LVLT  MBFI  MU  MVIS  MXIM  NOK  NVDA  NVS  O  OLED  ORBK  OVTI  P  PBH  PNC  PSMI  QCOM  RAX  RBCN  RFMD  RNET  RRST  S  STM  SWKS  SWKS  SYNA  T  TAYC  TGT  TMUS  TQNT  TWTC  TXN  TXN  UNH  UNXL  VECO  VZ  WIN  WMT

Important Disclosure Footnotes for Companies Mentioned in this Report that Are Covered by Oppenheimer & Co. Inc.:

Stock Prices as of January 17, 2014
Apple Inc. (AAPL - NASDAQ, 554.25, OUTPERFORM)
Analog Devices (ADI - NASDAQ, 49.82, OUTPERFORM)
Avago Technologies (AVGO - NYSE, 55.43, OUTPERFORM)
Linear Technology Corp. (LLTC - NASDAQ, 46.29, OUTPERFORM)
Maxim Integrated Products (MXIM - NASDAQ, 28.51, PERFORM)
Nokia Corporation (NOK - NYSE, 7.94, PERFORM)
Peregrine Semiconductor (PSMI - NASDAQ, 7.21, PERFORM)
QUALCOMM Incorporated (QCOM - NASDAQ, 74.72, OUTPERFORM)
RF Micro Devices, Inc. (RFMD - NASDAQ, 4.84, OUTPERFORM)
Skyworks Solutions, Inc. (SWKS - NASDAQ, 29.11, OUTPERFORM)
Texas Instruments (TXN - NYSE, 43.37, PERFORM)
Aixtron SE (AIXG - NASDAQ, 15.49, PERFORM)
Atmel Corp. (ATML - NASDAQ, 8.61, OUTPERFORM)
Broadcom Corporation (BRCM - NASDAQ, 29.31, PERFORM)
CEVA Inc. (CEVA - NASDAQ, 16.55, PERFORM)
Cree, Inc. (CREE - NASDAQ, 63.87, PERFORM)
eMagin Corporation (EMAN - NASDAQ, 3.15, PERFORM)
EZchip Semiconductor (EZCH - NASDAQ, 26.93, PERFORM)
Corning Inc. (GLW - NYSE, 18.51, PERFORM)
Himax Technologies, Inc. (HIMX - NASDAQ, 13.45, OUTPERFORM)
InvenSense (INVN - NASDAQ, 20.96, OUTPERFORM)
Microvision, Inc. (MVIS - NASDAQ, 1.33, PERFORM)
Realty Income Corp. (O - NYSE, 38.56, OUTPERFORM)
Universal Display Corp. (OLED - NASDAQ, 34.31, OUTPERFORM)
Orbotech (ORBK - NASDAQ, 13.75, OUTPERFORM)
OmniVision Technologies, Inc. (OVTI - NASDAQ, 16.33, PERFORM)
Rubicon Technology, Inc. (RBCN - NASDAQ, 10.47, UNDERPERFORM)
RRsat Global Communications Networks Ltd. (RRST - NASDAQ, 8.98, OUTPERFORM)
Synaptics, Incorporated (SYNA - NASDAQ, 57.75, OUTPERFORM)
UniPixel, Inc. (UNXL - NASDAQ, 10.36, PERFORM)
Veeco (VECO - NASDAQ, 35.31, PERFORM)
Akamai Technologies (AKAM - NASDAQ, 48.74, OUTPERFORM)
American Tower Corp. (AMT - NYSE, 83.27, OUTPERFORM)
magicJack VocalTec Ltd. (CALL - NASDAQ, 13.81, OUTPERFORM)
Crown Castle International Corp. (CCI - NYSE, 73.72, OUTPERFORM)
Comcast (CMCSA - NASDAQ, 53.54, OUTPERFORM)
CenturyLink (CTL - NYSE, 30.33, PERFORM)
Equinix Inc. (EQIX - NASDAQ, 179.48, PERFORM)
InterXion Holding N.V. (INXN - NYSE, 24.14, PERFORM)
Leap Wireless International, Inc. (LEAP - NASDAQ, 17.49, PERFORM)
Level 3 Communications, Inc. (LVLT - NASDAQ, 34.34, PERFORM)
Rackspace Hosting, Inc. (RAX - NYSE, 38.22, OUTPERFORM)
RigNet, Inc. (RNET - NASDAQ, 46.10, OUTPERFORM)
Sprint Nextel (S - NYSE, 9.03, PERFORM)
AT&T, Inc. (T - NYSE, 33.96, OUTPERFORM)
T-Mobile (TMUS - NYSE, 32.60, OUTPERFORM)
tw telecom inc. (TWTC - NASDAQ, 30.81, PERFORM)
Verizon (VZ - NYSE, 48.53, OUTPERFORM)
Windstream Corporation (WIN - NYSE, 7.93, PERFORM)
Advanced Micro Devices (AMD - NYSE, 4.38, UNDERPERFORM)
Intel Corp. (INTC - NASDAQ, 26.54, PERFORM)
NVIDIA Corp. (NVDA - NASDAQ, 16.06, PERFORM)
Texas Instruments (TXN - NYSE, 43.37, PERFORM)
BB&T Corporation (BBT - NYSE, 38.73, OUTPERFORM)
Centene Corp. (CNC - NYSE, 62.00, OUTPERFORM)
UnitedHealth Group, Inc. (UNH - NYSE, 72.76, OUTPERFORM)
Google, Inc. (GOOG - NASDAQ, 1,156.22, PERFORM)
Inte Corp. (INTC - NASDAQ, 26.54, PERFORM)
Skyworks Solutions, Inc. (SWKS - NASDAQ, 29.11, OUTPERFORM)
Premise Brands Holdings (PBH - NYSE, 33.04, OUTPERFORM)
Huntington Bancshares Inc. (HBAN - NASDAQ, 9.63, PERFORM)
CarMax (KMX - NYSE, 44.66, OUTPERFORM)
MB Financial, Inc. (MBFI - NASDAQ, 31.42, PERFORM)
PNC Financial Services Group (PNC - NYSE, 78.84, PERFORM)

All price targets displayed in the chart above are for a 12- to 18-month period. Prior to March 30, 2004, Oppenheimer & Co. Inc. used 6-, 12-, 12- to 18-, and 12- to 24-month price targets and ranges. For more information about target price histories, please write to Oppenheimer & Co. Inc., 85 Broad Street, New York, NY 10004, Attention: Equity Research Department, Business Manager.

Oppenheimer & Co. Inc. Rating System as of January 14th, 2008:

Outperform (O) - Stock expected to outperform the S&P 500 within the next 12-18 months.

Perform (P) - Stock expected to perform in line with the S&P 500 within the next 12-18 months.

Underperform (U) - Stock expected to underperform the S&P 500 within the next 12-18 months.

Not Rated (NR) - Oppenheimer & Co. Inc. does not maintain coverage of the stock or is restricted from doing so due to a potential conflict of interest.

Oppenheimer & Co. Inc. Rating System prior to January 14th, 2008:

Buy - anticipates appreciation of 10% or more within the next 12 months, and/or a total return of 10% including dividend payments, and/or the ability of the shares to perform better than the leading stock market averages or stocks within its particular industry sector.

Neutral - anticipates that the shares will trade at or near their current price and generally in line with the leading market averages due to a perceived absence of strong dynamics that would cause volatility either to the upside or downside, and/or will perform less well than higher rated companies within its peer group. Our readers should be aware that when a rating change occurs to Neutral from Buy, aggressive trading accounts might decide to liquidate their positions to employ the funds elsewhere.

Sell - anticipates that the shares will depreciate 10% or more in price within the next 12 months, due to fundamental weakness perceived in the company or for valuation reasons, or are expected to perform significantly worse than equities within the peer group.
Distribution of Ratings/IB Services
Oppenheimer & Co. Inc.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Count</th>
<th>Percent</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUY [O/B/OP]</td>
<td>296</td>
<td>49.17</td>
<td>139</td>
<td>46.96</td>
</tr>
<tr>
<td>HOLD [N/P/SP]</td>
<td>295</td>
<td>49.00</td>
<td>94</td>
<td>31.86</td>
</tr>
<tr>
<td>SELL [UP/S/U]</td>
<td>11</td>
<td>1.83</td>
<td>4</td>
<td>36.36</td>
</tr>
</tbody>
</table>

Although the investment recommendations within the three-tiered, relative stock rating system utilized by Oppenheimer & Co. Inc. do not correlate to buy, hold and sell recommendations, for the purposes of complying with FINRA rules, Oppenheimer & Co. Inc. has assigned buy ratings to securities rated Outperform, hold ratings to securities rated Perform, and sell ratings to securities rated Underperform.

Oppenheimer & Co. Inc. makes a market in the securities of QCOR, C, T, SWKS, INTC, HBAN, PVTB, RDEN, ASBC, ILMN, HIMX, AIXG, ATML, BRCM, CEVA, CREE, EZCH, GOOG, MVIS, NVDA, OLED, ORBK, OVTI, RBCN, RRST, SYNA and VECO.

Oppenheimer & Co. Inc. expects to receive or intends to seek compensation for investment banking services in the next 3 months from COL, HIMX, CREE, INVN, MVIS, OLED, ORBK, RBCN and RRST.

In the past 12 months Oppenheimer & Co. Inc. has received compensation for investment banking services from HIMX.

In the past 12 months Oppenheimer & Co. Inc. has managed or co-managed a public offering of securities for HIMX.

In the past 12 months Oppenheimer & Co. Inc. has provided investment banking services for HIMX.

The Oppenheimer & Co. Inc. analyst(s) who covers this company also has a long position in UNH.

In the past 12 months Oppenheimer & Co. Inc. or an affiliate has received compensation for non-investment banking services from SYNA.

In the past 12 months Oppenheimer & Co. Inc. has provided non-investment banking, securities-related services for ORBK and SYNA.

**Analyst Certification** - The author certifies that this research report accurately states his/her personal views about the subject securities, which are reflected in the ratings as well as in the substance of this report. The author certifies that no part of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. The author certifies that this research report accurately states his/her personal views about the subject securities, which are reflected in the ratings as well as in the substance of this report. The author certifies that no part of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

**Additional Information Available**

Please log on to [http://www.opco.com](http://www.opco.com) or write to Oppenheimer & Co. Inc., 85 Broad Street, New York, NY 10004, Attention: Equity Research Department, Business Manager.
Other Disclosures

This report is issued and approved for distribution by Oppenheimer & Co. Inc. Oppenheimer & Co. Inc transacts Business on all Principal Exchanges and Member SIPC. This report is provided, for informational purposes only, to institutional and retail investor clients of Oppenheimer & Co. Inc. and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. The securities mentioned in this report may not be suitable for all types of investors. This report does not take into account the investment objectives, financial situation or specific needs of any particular client of Oppenheimer & Co. Inc. Recipients should consider this report as only a single factor in making an investment decision and should not rely solely on investment recommendations contained herein, if any, as a substitution for the exercise of independent judgment of the merits and risks of investments. The analyst writing the report is not a person or company with actual, implied or apparent authority to act on behalf of any issuer mentioned in the report. Before making an investment decision with respect to any security recommended in this report, the recipient should consider whether such recommendation is appropriate given the recipient's particular investment needs, objectives and financial circumstances. We recommend that investors independently evaluate particular investments and strategies, and encourage investors to seek the advice of a financial advisor. Oppenheimer & Co. Inc. will not treat non-client recipients as its clients solely by virtue of their receiving this report. Past performance is not a guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance of any security mentioned in this report. The price of the securities mentioned in this report and the income they produce may fluctuate and/or be adversely affected by exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Oppenheimer & Co. Inc. accepts no liability for any loss arising from the use of information contained in this report, except to the extent that liability may arise under specific statutes or regulations applicable to Oppenheimer & Co. Inc. All information, opinions and statistical data contained in this report were obtained or derived from public sources believed to be reliable, but Oppenheimer & Co. Inc. does not represent that any such information, opinion or statistical data is accurate or complete (with the exception of information contained in the Important Disclosures section of this report provided by Oppenheimer & Co. Inc. or individual research analysts), and they should not be relied upon as such. All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this report and are subject to change without notice. Nothing in this report constitutes legal, accounting or tax advice. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice on the tax consequences of investments. As with any investment having potential tax implications, clients should consult with their own independent tax adviser. This report may provide addresses of, or contain hyperlinks to, Internet web sites. Oppenheimer & Co. Inc. has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk. This research is distributed in the UK and elsewhere throughout Europe, as third party research by Oppenheimer Europe Ltd, which is authorized and regulated by the Financial Conduct Authority (FCA). This research is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This research is for distribution only to persons who are eligible counterparties or professional clients and is exempt from the general restrictions in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the UK only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) High Net Worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. In particular, this material is not for distribution to, and should not be relied upon by, retail clients, as defined under the rules of the FCA. Neither the FCA's protection rules nor compensation scheme may be applied. Distribution in Hong Kong: This report is prepared for professional investors and is being distributed in Hong Kong by Oppenheimer Investments Asia Limited (OIAL) to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent. OIAL, a subsidiary of Oppenheimer & Co. Inc., is regulated by the Securities and Futures Commission for the conduct of dealing in securities, advising on securities, and advising on Corporate Finance. For professional investors in Hong Kong, please contact researchasia@opco.com for all matters and queries relating to this report.

This report or any portion hereof may not be reprinted, sold, or redistributed without the written consent of Oppenheimer & Co. Inc. Copyright © Oppenheimer & Co. Inc. 2014.