

Pantaloon Retail (India) Ltd

Recalibrating expectations

Our recent discussions with PRIL's management indicate that cost challenges are likely to increase for the company in the coming quarters in view of inflationary environment and firm interest rates. We have accordingly moderated our expectations on earnings growth and cut our FY11-12E EPS by 15-17% and set a revised Dec'11 price target of Rs465.

- **Adverse product mix, firm RM costs and higher employee costs to weigh on margins.** PRIL's enhanced focus on food & grocery segment coupled with firm input costs (primarily for their private label led apparel category) will likely result in moderating gross margins overall (100bp contraction over FY11-13E we estimate). Pick up in retail activity over the past year will also likely push up employee costs, which have been stable so far. While we do not see an immediate inflation in rentals, we would not rule out this cost element increasing over the medium term in view of limited availability of good quality retail space. We now forecast EBITDA margins for core retail operations to moderate from 9.2% in FY10 to 8.6% in FY12E.
- **Limited progress on divestment of non-retail investments has not helped either.** There has not been much progress on PRIL's plans to divest its investments in financial services and other non-core businesses so far and there is no certain time line being ascribed for the same. This uncertainty has further delayed PRIL's plans to de-leverage its balance sheet, which implies interest burden will continue to remain high, particularly in a high interest rate environment. We have also raised our interest charge estimates by 4-8% in view of the same.
- **SSS growth trends are healthy, though sustained inflation could play a spoilsport.** While we are hopeful that PRIL will post double digit SSS growth, we fear current inflationary environment could result in consumer downtrading and moderate growth for more discretionary categories like apparel and electronics.
- **Recent sharp underperformance limits downside.** PRIL's share price has declined 22% over last two months and this should limit further downside from current levels. Key risks to our earnings and PT are 1) Higher-than-anticipated deterioration in product mix and working capital, 2) Weakness in consumer demand, and 3) Any investments that are earnings dilutive.

Reuters: PART.BO, Bloomberg: PF IN

Rs mn, yr end June	FY10	FY11E	FY12E	FY13E		
Net sales	59,344	44,812	52,614	59,676	52-week range (Rs)	278-531
Net profit	1,142	769	1,175	1,601	Market cap (Rs MM)	66,369
EPS (Rs)	5.5	3.4	5.0	6.9	Market cap (US\$ m)	1,452
DPS (Rs)	0.8	0.7	1.0	1.4	Shrs outstg (MM)	206
Revenue growth (%)	-6%	-24%	17%	13%	Avg daily value (Rs MM)	208
EPS growth (%)	-25%	-38%	46%	36%	Avg daily value (US\$ MM)	4.5
ROE (%)	5%	3%	4%	5%	Avg dly volume (MM shs)	0.50
ROCE (%)	11%	7%	8%	9%	BSE sensex	18969
P/E (x)	58.1	93.6	64.0	47.0	Exchange rate (Rs/US\$)	45.7
EV/EBITDA (x)	13.4	20.1	16.9	14.8	Price date	25 Jan 2011

Source: Bloomberg, Company reports and J.P. Morgan estimates. Please note FY10 financials are not comparable to FY11. Financials for FY11 include lifestyle and home retailing businesses. For pro-forma core retail financials please refer to Table 5 & 6 inside

See page 12 for analyst certification and important disclosures, including non-US analyst disclosures.

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Overweight

PART.BO, PF IN

Price: Rs322.00

▼ Price Target: Rs465.00
Previous: Rs565.00

India

Broadlines/Department Stores

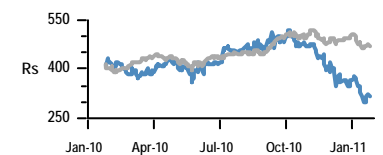
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J.P. Morgan India Private Limited

Price Performance

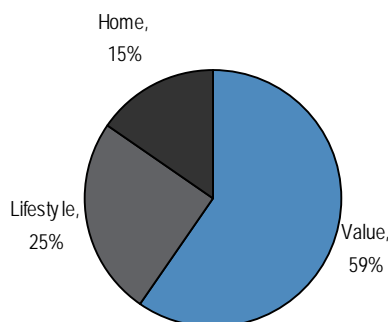


	YTD	1m	3m	12m
Abs	-14.4%	-11.1%	-32.6%	-22.7%
Rel	-7.1%	-5.9%	-25.7%	-36.3%

Company Description

Pantaloon Retail is India's largest retailer with retail reach of over 13mn sq ft. It operates multi-formats such as Big Bazaar (hypermarket), Food Bazaar (supermarket), Pantaloon (department store), Central (seamless malls) and Home Solutions (furniture, electronics).

Revenue break up– FY10



Source: Company

PAT: J.P. Morgan vs consensus

Rs Mn	J. P. Morgan	Consensus
FY11E	2467	2957
FY12E	3461	4055

Source: Bloomberg and J.P.Morgan estimates. JPM estimates for core retail

P&L sensitivity metrics

	EBITDA impact (%)	EPS impact (%)
Sales/sq ft growth assumption		
Impact of each 1% increase	3%	7%
Gross margin assumption		
Impact of each 10bp increase	1%	3%
Rent/sq ft growth assumption		
Impact of each 1% decrease	1%	2%

Source: J.P.Morgan estimates

Price target and valuation analysis

We cut our earnings estimates for FY11E and FY12E by 15% and 17% respectively as we incorporate lower margins, higher depreciation and interest charges. As a result our sum of the parts based Dec'11 PT is revised to Rs465 (earlier Rs565). We value the core retail business (value + lifestyle + home) earnings at one year forward P/E of 25x which is at 10-15% premium to regional peers.

We attribute Rs21/share (earlier Rs26/share) value of Future Capital based on current market capitalization following a 30% holding company discount.

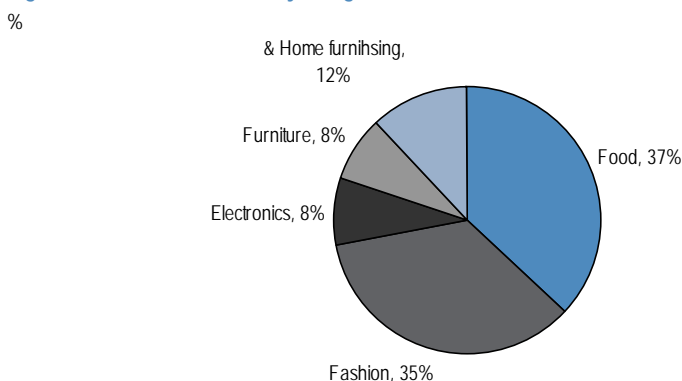
Key risks to our rating and price target include: 1) Significant deterioration in the economic growth environment which can impact sales growth severely; 2) lower-than-expected retail space addition; and 3) any investments by the company that are earnings dilutive.

Margins likely to moderate

PRIL's operating margins are expected to moderate going forward on account of 1) Adverse product mix as sales for low margin food & grocery segment grow ahead of other product categories, 2) Firm commodity costs particularly in case of apparel and staples which is largely private label, 3) Inability of the company to take on aggressive price hikes in order to maintain the 'value' proposition to the customer and ensure good footfalls, and 4) Rising operational costs like employee salaries. We have cut our margin assumptions on back of these reasons and now estimate EBITDA margins to decline from 9.2% in FY10 to 8.4% in FY13E.

Significant focus on growing share of food & grocery (which currently accounts for 37% of overall sales) would weigh on gross margin profile overall. In our recent discussions, management noted that they intend to raise the share of Food & Grocery to c45% in medium term (3-4 years). Further space addition for the value segment (where Food & Grocery enjoys higher share) will dominate over the lifestyle segment in the coming years. PRIL has identified seven key cities where it intends to create food distribution centres, which will manage the supply chain on their own. For Mumbai city, Food DC is likely to be commissioned in the next few months.

Figure 1: Revenue share of key categories for PRIL



Source: Company

Current inflationary environment is also weighing on margins. Higher prices for cotton and agri commodities is affecting margins in the apparel and staples segment, which are largely private label. PRIL's management noted that though they are likely to take some price hikes in the coming season for their apparel portfolio, these hikes may not be aggressive to cover all the cost pressures as they don't want to dilute their 'value' proposition to the customer. Clearly, the company is not willing to sacrifice consumer footfalls for sustaining margins.

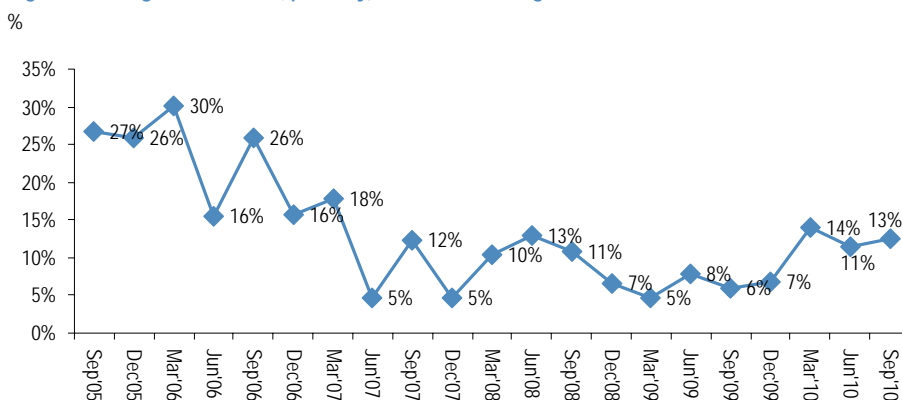
With the revival in the retail sector over past one and half years, we have noticed an increase in retail expansion by various players and also the entry of some new players in the market. This has led to higher operational costs particularly staff costs. Over the last two years, employee costs for PRIL have remained largely stable, but these are expected to pick up now in view of more competition and general improvement in retail environment. While we do not see an immediate inflation in rentals (as PRIL has signed up properties in advance), we would not rule out this cost

element increasing over medium term in view of limited availability of good quality retail space.

Demand trends are healthy but sustained inflation could play a spoilsport

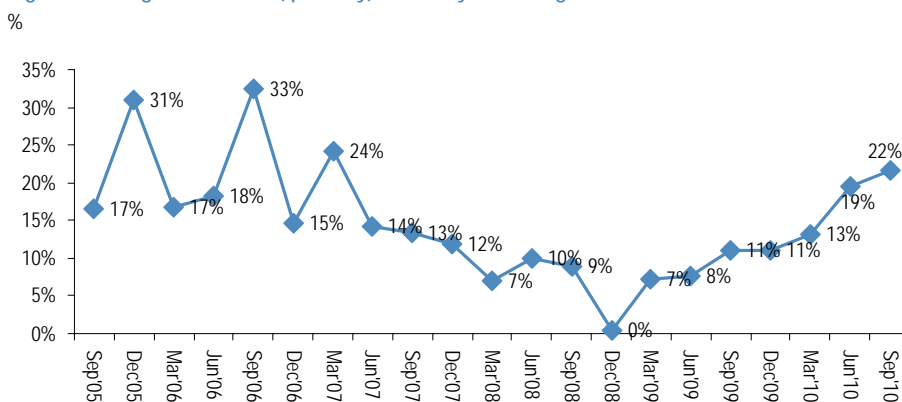
PRIL has witnessed healthy sales growth trends so far, with SSS growth continuing in the double digit range. PRIL has stepped up customer communication using mass media like TV for thematic based national advertising and doing more of a tactical communication on a regional basis. PRIL will be focused on four key categories – 1) Food (driver for topline growth), 2) Fashion (margin driver), 3) General Merchandise, and 4) Home (including electronics).

Figure 2: SSS growth trends (quarterly) for value retailing



Source: Company reports.

Figure 3: SSS growth trends (quarterly) for lifestyle retailing



Source: Company reports.

PRIL is now looking more closely at 'Fresh' segment and is planning to deploy investments in building up supply chain infrastructure to penetrate this segment more aggressively. The recently introduced *Food Right* retail format is a step in that direction. Management is quite excited by the good response to lifestyle formats, particularly Pantaloon department stores, which they may look to extend to Tier 2/3 cities now.

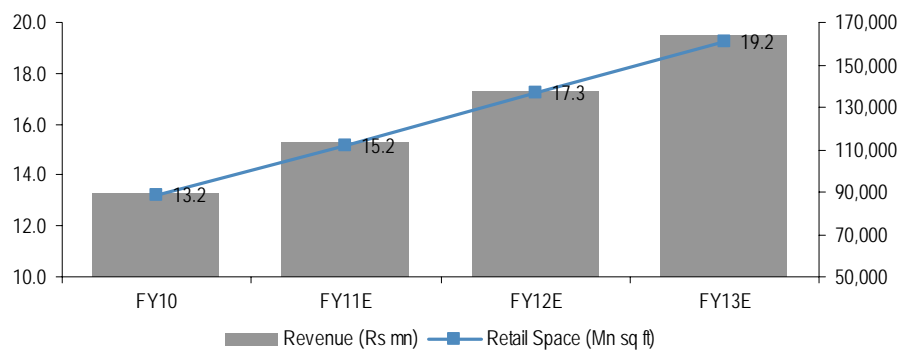
KB's Fairprice store is another key format for the group, which focuses on urban poor segment and is currently being expanded in three metros – Delhi, Mumbai and Bangalore.

Electronics and Home category is an area where PRIL is trying to improve its profitability. Electronics segment suffers from issues such as inventory, higher display space and stiff competition and PRIL's growth in this segment (E-Zone) has been below their target. Home also suffers from extended working capital cycle due to the imports and no fixed supply chain. PRIL is trying to make the electronics/home business asset light (or WC light) and trying to shift the business model more towards e-retailing.

We forecast retail space addition of c2mn sq ft per annum over FY11-13E and estimate sales CAGR of 20% over the same period. We fear current inflationary environment if sustained for a loner time could result in consumer downtrading and moderate growth for more discretionary categories like apparel and electronics, particularly in an increasingly competitive environment.

Figure 4: Revenue and Retail Space for Core Retail

Rs mn, Mn sq ft



Source: Company reports and J.P. Morgan estimates.

Limited progress on divestment of non-retail investments

Since PRIL management stated their plans to divest their investments in financial services businesses (Insurance and Future Capital) in late 2009, we have seen little progress on this front. Management has attributed this to delays in certain regulatory approvals and there is no certain time line being ascribed for the same. This uncertainty has further delayed PRIL's plans to de-leverage its balance sheet, which implies interest burden will continue to remain high, particularly in the current high interest rate environment.

We believe this restructuring exercise (when implemented) will be a key driver of the stock performance and could trigger stock re-rating as PRIL will then become a pure play retail company.

Table 1: Financial performance for key subsidiaries

Rs mn

	PRIL's stake	FY10		PAT	PRIL's stake	FY09	
		Revenue				Revenue	PAT
Future Capital Holdings	54%	554		173	55%	1,307	93
Future Supply Chains	94%	1,967		2	94%	1,933	2
Future Agrovet	96%	5,776		(3)	96%	3,923	(31)
Future Media	84%	357		(56)	84%	463	(77)
Future E Commerce Infrastructure	72%	1,167		(139)	72%	1,184	(187)
Future Mobiles & Accessories	100%	2,342		(31)	100%	431	(31)
Future Bazaar India	100%	646		2	100%	719	(1)
Future Knowledge Services	100%	572		(55)	100%	473	1
Future Learning & Development	100%	135		(21)	100%	55	(2)
Winner Sports	100%	1,585		(22)	100%	335	(4)

Source: Company reports.

Table 2: PRIL's interest in key joint ventures

Rs mn

	PRIL's stake	FY10			PRIL's stake	FY09		
		Income	Expenditure	EBITDA		Income	Expenditure	EBITDA
Future Axiom Telecom	50%	1,323	1,551	(229)	50%	1,456	1,720	(264)
Future Generali India Life Insurance	26%	1,483	2,393	(910)	26%	385	1,034	(649)
Future Generali India Insurance	26%	569	798	(229)	26%	194	410	(217)
Staples Future Office Products	40%	526	592	(66)	38%	421	497	(76)
Talwalkars Pantaloon Fitness	50%	39	69	(30)	50%	31	47	(17)
Apollo Design Apparel Parks	39%	818	786	32	39%	427	395	32
Goldmohur Design & Apparel Park	39%	798	768	30	39%	417	387	30

Source: Company reports.

Table 3: PRIL's investments in key subsidiaries and JVs

Rs mn

	FY10	FY09
Future Generali India Life Insurance	2,172	1,566
Future Generali India Insurance	1,657	1,069
Future Supply Chains	645	245
Staples Future Office Products	279	137

Source: Company reports.

Earnings revision

We build in lower gross margins and higher employee costs for reasons discussed in sections above. We have also raised interest cost estimates driven by a) higher debt levels as free cash flows are constrained on account of lower profitability, and b) higher interest rates (12% vs 11.5% earlier). Depreciation charges are also raised in line with recent trends. As a result our earnings estimates for FY11 and FY12 are revised down by 15% and 17% respectively.

Table 4: Earnings revision summary

Rs mn

	FY11E			FY12E		
	New	Old	% change	New	Old	% change
Net sales	113,108	110,235	3%	137,753	133,239	3%
EBITDA	9,835	10,272	-4%	11,856	12,554	-6%
EBITDA Margin	8.7%	9.3%		8.6%	9.4%	
Depreciation	2,474	2,287	8%	2,760	2,594	6%
Net finance cost	3,819	3,707	3%	4,075	3,799	7%
PAT	2,487	2,940	-15%	3,476	4,212	-17%

Source: J.P. Morgan estimates.

Table 5: PRIL Core Retail - Earnings Summary

Rs mn

	FY10	FY11E	FY12E	FY13E
Total Retail Space (Mn sq ft)	13.22	15.15	17.25	19.24
% growth		14.6%	13.9%	11.5%
Net sales	89,260	113,108	137,753	164,021
% growth		27%	22%	19%
EBITDA	8190	9,784	11,844	14,047
EBITDA Margin	9.2%	8.7%	8.6%	8.6%
Growth		19.5%	21.0%	18.6%
Other income	109	129	167	217
Depreciation	2120	2,474	2,760	3,065
Net finance cost	3910	3,821	4,085	4,078
Cost	-129			
PBT	2,140	3,617	5,166	7,122
Taxation	580	1,150	1,705	2,350
Adjusted PAT	1,560	2,467	3,461	4,772
Net Margin		2.2%	2.5%	2.9%
Exceptional	751			
Reported PAT	2,311	2,467	3,461	4,772
% yoy		7%	40%	38%
EPS Adjusted (Rs)	7.6	11.0	14.8	20.4

Source: Company reports and J.P. Morgan estimates.

Table 6: PRIL Core Retail - Balance Sheet

Rs mn

	FY10	FY11E	FY12E	FY13E
Share Capital	412	447	467	467
Reserve & Surplus	27,648	30,621	36,807	41,205
Shareholder's equity	28,060	31,068	37,274	41,672
Deferred tax liability	1,290	1,290	1,290	1,290
Debt	29,152	32,652	32,652	31,652
Current liabilities	16,114	17,599	21,189	25,174
Provisions	432	469	613	772
Total current liabilities and provisions	16,546	18,067	21,802	25,946
TOTAL LIABILITY AND EQUITY	75,049	83,077	93,018	100,559
Gross block	26,740	29,727	33,307	36,747
Depreciation	3,449	5,923	8,683	11,748
Net block	23,292	23,804	24,624	24,999
Capital work-in-progress	2,837	2,837	2,837	2,837
Net block (incl. C-WIP)	26,128	26,641	27,460	27,836
Investments	10,240	11,740	13,240	14,740
Current assets				
Cash and cash equivalents	1,635	2,661	4,075	3,284
Inventories	24,037	27,591	31,874	36,427
Sundry debtors	2,716	3,099	3,774	4,494
Loans & Advances (inclgd deposit)	10,290	11,346	12,595	13,780
Total current assets	38,678	44,696	52,318	57,983
TOTAL ASSETS	75,049	83,077	93,018	100,559

Source: Company reports and J.P. Morgan estimates.

Table 7: FVRL - Earnings Summary

Rs mn

	FY11E	FY12E	FY13E
Net sales	68,295	85,139	104,346
% growth	30%	25%	23%
EBITDA	5,403	6,501	7,860
EBITDA Margin	7.9%	7.6%	7.5%
Depreciation expense	1,135	1,296	1,488
Net finance cost	1,734	1,792	1,638
PBT	2,535	3,413	4,733
Tax	837	1,126	1,562
Profit after tax	1,698	2,287	3,171

Source: Company reports and J.P. Morgan estimates.

Table 8: FVRL - Balance Sheet

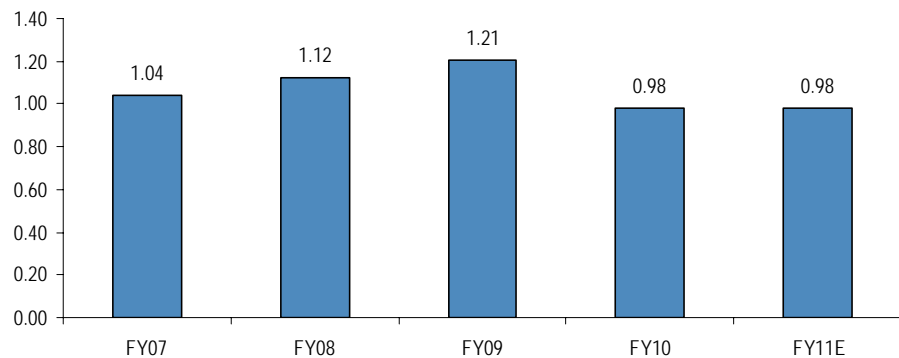
Rs mn

	FY10	FY11E	FY12E	FY13E
Share Capital	670	670	670	670
Reserve & Surplus	9,610	11,308	13,595	16,766
Shareholder's equity	10,280	11,978	14,265	17,436
Deferred tax liability	570	570	570	570
Debt	15,290	15,790	15,790	12,790
Current liabilities	7,480	9,356	11,663	14,294
Provisions	190	247	296	356
Total current liabilities and provisions	7,670	9,603	11,959	14,650
TOTAL LIABILITY AND EQUITY	33,810	37,941	42,584	45,446
Gross block	12,570	14,130	16,357	18,651
Depreciation	500	1,635	2,930	4,418
Net block	12,070	12,495	13,427	14,233
Capital work-in-progress	2,240	2,240	2,240	2,240
Net block (incl. C-WIP)	14,310	14,735	15,667	16,473
Investments	0	0	0	0
Current assets				
Cash and cash equivalents	630	2,046	2,502	892
Inventories	11,330	13,083	15,563	18,513
Sundry debtors	1,480	1,871	2,333	2,859
Loans & Advances (inclgd deposit)	6,060	6,205	6,520	6,709
Total current assets	19,500	23,205	26,917	28,973
TOTAL ASSETS	33,810	37,941	42,584	45,446

Source: Company reports and J.P. Morgan estimates.

Figure 5: Net debt/Equity trends (Core Retail)

x



Source: Company reports and J.P. Morgan estimates.

Summary of Financials (Standalone)

Please refer Table 5&6 for pro-forma financials for core retail operations.

Rs mn

Profit and Loss statement					Cash flow statement						
	FY09	FY10	FY11E	FY12E	FY13E		FY09	FY10	FY11E	FY12E	FY13E
Revenue	63,417	59,344	44,812	52,614	59,676	EBIT	5,284	4,302	3,042	3,878	4,611
% change Y/Y	25.8%	-5.2%	-24.4%	17.4%	13.4%	Depreciation	1,401	1,619	1,340	1,465	1,577
EBITDA	6,684	5,921	4,381	5,343	6,188	Change in working capital	-3,946	13,282	-3,095	-1,668	-1,438
% change Y/Y	45.1%	-11.4%	-26.0%	21.9%	15.8%	Taxes	-757	-373	-314	-579	-788
EBITDA Margin (%)	10.5%	10.0%	9.8%	10.2%	10.4%	Others	-3,122	-2,787	-1,959	-2,125	-2,222
EBIT	5,284	4,302	3,042	3,878	4,611	Cash flow from operations	-1,140	16,043	-987	972	1,740
% change Y/Y	40%	-19%	-29%	28%	19%	Capex	-3,852	7,322	-1,426	-1,353	-1,146
EBIT Margin (%)	8.3%	7.2%	6.8%	7.4%	7.7%	FCF	-8,667	12,876	-3,914	-1,881	-907
Interest expense	3,182	2,882	2,088	2,292	2,439	Equity raised/ (repaid)	62	32	721	3,020	0
Other income/expense	61	95	129	167	217	Debt raised/ (repaid)	6,586	-14,642	3,000	0	2,000
Earnings before tax	2,162	1,515	1,082	1,753	2,389	Other	2,026	1,782	0	0	0
% change Y/Y	11%	-30%	-29%	62%	36%	Dividends paid	-125	-135	-200	-180	-275
Tax	757	373	314	579	788	Change in cash	118	88	393	-959	-818
as % of EBT	35.0%	24.6%	29.0%	33.0%	33.0%	Beginning cash	976	917	219	2,530	3,208
Net Income (Adjusted)	1,406	1,142	769	1,175	1,601	Ending cash	1,093	1,005	612	1,571	2,389
% change Y/Y	11.6%	27.7%	-57.2%	52.8%	36.3%	DPS	0.6	0.8	0.7	1.0	1.4
Net income (Reported)	1,406	1,796	769	1,175	1,601	Ratio Analysis					
Shares Outstanding	190	206	223	233	233	EBITDA margin	11%	10%	10%	10%	10%
EPS (Adjusted)	7.4	5.5	3.4	5.0	6.9	EBIT margin	8%	7%	7%	7%	8%
% change Y/Y	-6.6%	-25.0%	-37.9%	46.3%	36.3%	Net profit margin	2%	2%	2%	2%	3%
Balance sheet											
	FY09	FY10	FY11E	FY12E	FY13E		FY09	FY10	FY11E	FY12E	FY13E
Cash and cash equivalents	1,093	1,005	612	1,571	2,389	Sales growth	26%	-5%	-24%	17%	13%
Accounts receivable	1,773	1,236	1,228	1,441	1,635	Net profit growth	12%	28%	-57%	53%	36%
Inventories	17,878	12,707	14,508	16,310	17,914	EPS growth	-7%	-25%	-38%	46%	36%
Others	12,083	4,230	5,141	6,075	7,070	Interest coverage (x)	1.7	1.5	1.5	1.7	1.9
Current assets	32,827	19,178	21,489	25,398	29,008	Net debt to total capital	54%	31%	36%	31%	31%
Investments	9,540	20,029	21,529	23,029	24,529	Net debt to equity	121%	47%	56%	47%	48%
Net fixed assets	19,140	11,818	11,905	11,793	11,363	Sales/assets	103%	116%	82%	87%	92%
Other assets						ROE	7%	5%	3%	4%	5%
Total assets	61,508	51,025	54,923	60,221	64,900	ROCE	10%	11%	7%	8%	9%
Payables	4,081	4,465	3,454	4,008	4,511						
Others	4,833	4,169	4,789	5,518	6,368						
Total current liabilities	8,914	8,634	8,243	9,526	10,880						
Total Loans	28,504	13,862	16,862	16,862	18,862						
Other liabilities	1366	967	946	1041	1141						
Total liabilities	38783	23463	26051	27429	30882						
Shareholders' equity	22724	27562	28872	32792	34018						
BVPS	119.4	133.7	129.2	140.5	145.8						

Source: Company reports and J.P. Morgan estimates. Please note that FY10 financials include value retail for 6 months and include Home Retail business earnings. FY11 onwards financials include only lifestyle and home retailing businesses. Hence FY10 and FY11 financials are not comparable

JPM Q-Profile

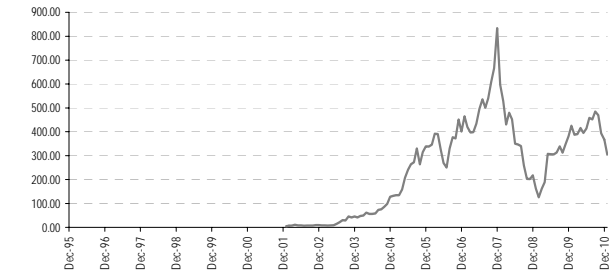
Pantaloon Retail (India) Ltd. (INDIA / Consumer Discretionary)

As Of: 21-Jan-2011

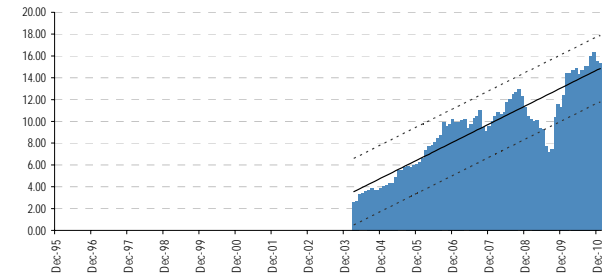
Global Equity Quantitative Analysis

Quant_Strategy@jpmorgan.com

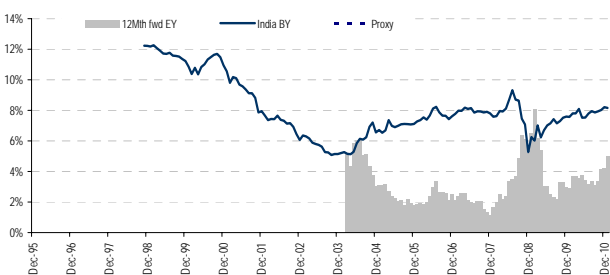
Local Share Price Current: **305.10**



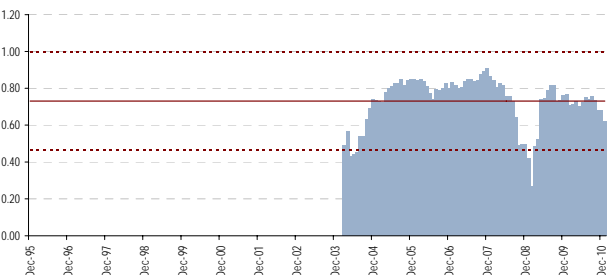
12 Mth Forward EPS Current: **15.29**



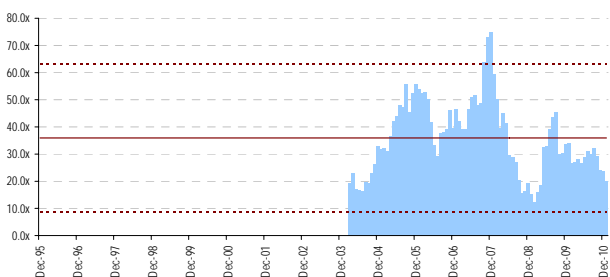
Earnings Yield (& local bond Yield) Current: **5%**



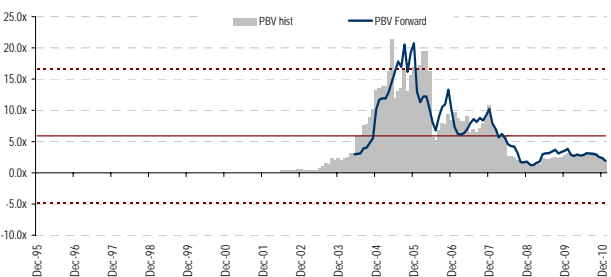
Implied Value Of Growth* Current: **61.90%**



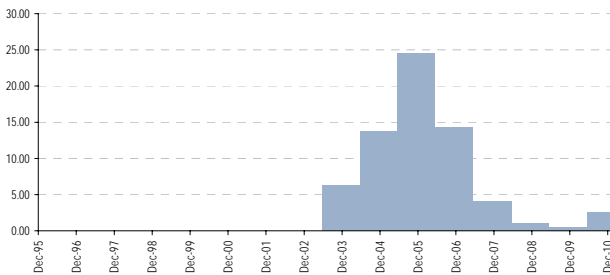
PE (1Yr Forward) Current: **19.9x**



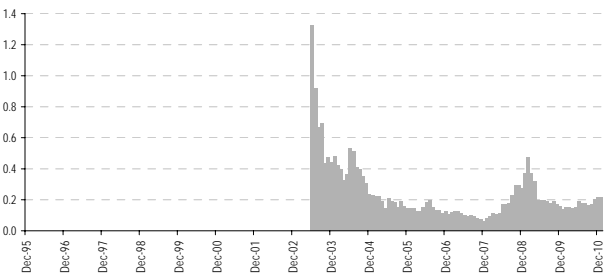
Price/Book Value Current: **2.1x**



ROE (Trailing) Current: **2.51**



Dividend Yield (Trailing) Current: **0.22**



Summary

Pantaloon Retail (India) Ltd.		SEDOL		B1LSMR1				As Of: 21-Jan-11			
INDIA								Local Price: 305.10			
Consumer Discretionary								EPS: 15.29			
	Latest	Min	Max	Median	Average	2 S.D.+	2 S.D. -	% to Min	% to Max	% to Med	% to Avg
12mth Forward PE	19.95x	12.39	75.00	33.31	35.95	63.31	8.59	-38%	276%	67%	80%
P/BV (Trailing)	2.07x	0.35	21.38	3.06	5.90	16.60	-4.79	-83%	934%	48%	186%
Dividend Yield (Trailing)	0.22	0.00	1.33	0.17	0.21	0.60	-0.17	-100%	509%	-21%	-2%
ROE (Trailing)	2.51	0.53	24.51	6.32	8.64	24.64	-7.36	-79%	876%	152%	244%
Implied Value of Growth	61.9%	0.27	0.91	0.76	0.73	1.00	0.47	-57%	47%	23%	18%

Source: Bloomberg, Reuters Global Fundamentals, IBES CONSENSUS, J.P. Morgan Calcs

* Implied Value Of Growth = (1 - EY/Cost of equity) where cost of equity = Bond Yield + 5.0% (ERP)

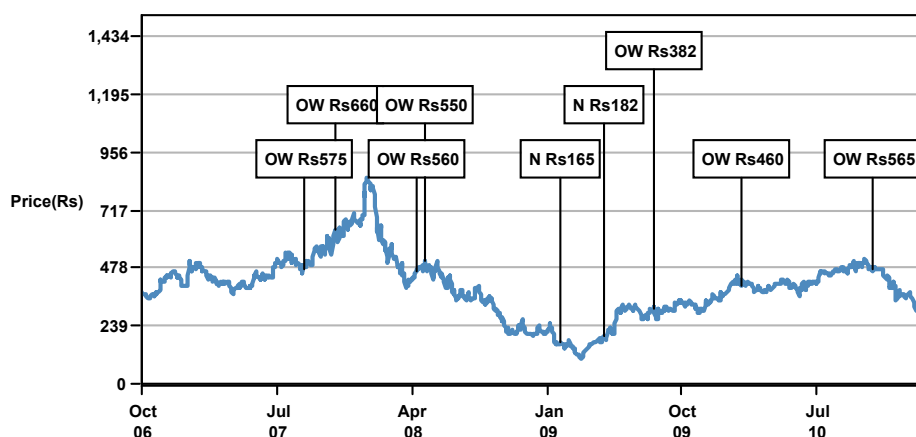
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Pantaloon Retail (India) Ltd (PART.BO) Price Chart



Date	Rating	Share Price (Rs)	Price Target (Rs)
27-Aug-07	OW	469.80	575.00
28-Oct-07	OW	639.90	660.00
10-Apr-08	OW	463.20	560.00
28-Apr-08	OW	506.00	550.00
27-Jan-09	N	170.35	165.00
26-Apr-09	N	202.05	182.00
04-Aug-09	OW	313.45	382.00
27-Jan-10	OW	408.80	460.00
20-Oct-10	OW	469.35	565.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

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	Overweight (buy)	Neutral (hold)	Underweight (sell)
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IB clients*	53%	50%	38%
JPMS Equity Research Coverage	43%	49%	8%
IB clients*	71%	63%	59%

*Percentage of investment banking clients in each rating category.

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