Macquarie
Equities Research

MACQUARIE

The Asia Specialist

INDIA

Budget- potential impact

Sector	+ve impact	-ve impact
Auto		HH IN, BJAUT IN, MSIL IN, TTMT IN, AL IN, MM IN
Cement and Steel		ACC IN, ACEM IN, GRASIM IN, ICEM IN and UTCEM IN; TATA IN, SAIL IN, JSW IN and JSP IN
Consumer	ITC IN, HUVR IN, MRCO IN, DABUR IN, GCPL IN	
Infrastructure	IVRC IN, NJCC IN, HCC IN, PEC IN, GMON IN	
IT	TCS IN, INFO IN, WPRO IN	
Pharma		RBXY IN, DRRD IN, SUNP IN, GNP IN, GLXO IN, CIPLA IN, PIHC IN
Property	DLFU IN, UT IN, IBREL IN, HDIL IN, AKCL IN	

Source: Macquarie Research, February 2010

Top picks

Ticker	Rec.	Price (Rs)	TP (Rs)	Upside
DRRD	OP	1,113	1,440	29%
GAIL	OP	410	506	23%
JSP	OP	634	943	49%
LT	OP	1,446	1,825	26%
TCS	OP	758	830	9%

Prices as of 16 February 2010.

Source: Bloomberg, Macquarie Research, February 2010

Least preferred

Ticker	Rec.	Price (Rs)	TP (Rs)	Upside
BJAUT	UP	801	484	-40%
IDEA	UP	323	275	-15%
SBI	UP	1,921	1,750	-9%

Prices as of 16 February 2010.

Source: Bloomberg, Macquarie Research, February 2010

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18 February 2010

India budget preview

Restarting the reforms

Event

- We expect the Union Budget for FY11, to be presented on 26 February, to start the process of fiscal consolidation and of the withdrawal of certain fiscal stimulus measures.

Impact

- **Managing deficit-preventing crowding out of private investment**. We expect the government to take the first steps towards reducing the fiscal deficit and undertaking meaningful fiscal consolidation. The fiscal deficit is likely to be cut to 5.5% of GDP in FY11 from 6.8% (or 6.5% based on the revised nominal GDP time series) announced for FY10. With a credit pickup likely to be still in recovery mode in FY11, managing government borrowing would be a key challenge, in our view, to prevent the crowding out of private investment. We suggest playing the fiscal consolidation via the state-owned banks, with **BOB** our top pick there.
- **Disinvestment-execution the challenge**. Given the imperative of reducing the fiscal deficit, we do not think it is a question of if disinvestment will take place, but of how and to what extent. A firm signal on the extent and timeline, therefore, could be a positive, in our view. We do not expect an announcement of divestments of government stakes in specific companies. However, among the major stocks that could have a significant rise in free float are **NMDC, BHEL** and **SAIL**.
- **Excise duty likely to be raised**. In keeping with the theme of fiscal consolidation, the government is likely to partially roll back excise duty cuts by 200bp. We believe that, given the busy season and high demand, in most cases, the costs could be passed on to customers and thus have a limited earnings effect on the companies. Sectors that could be affected include **autos**, **commodities** and **consumer goods**.
- **Infrastructure push should continue**. Increased support to the flagship government schemes, NHDP, JNNURM and irrigation schemes, is likely to continue. Stocks to play the increased spending could be **IVRC**, **NJCC** and **GMON**. Higher rural spending and increased employment generation should also provide fillip to demand for retail and consumer durable companies.

Outlook

- **Roadmap to fiscal discipline:** We view the coming budget as one that will likely provide the roadmap for greater fiscal discipline and meaningful reforms and that will take the first steps in that direction. We therefore do not expect the budget to be a big market mover.
- **Remain positive:** Our broad view of the economy and the market remains positive, and we advise increasing exposure. Our top picks remain GAIL, JSP, TCS, DRRD and L&T. Our least-preferred stocks are IDEA, BJAUT and SBI.

Economics view *(excerpted from **Macro Mantra: India budget: Fiscal consolidation ahoy** by Rajeev Malik, 18 February, 2010)*

Time for more fiscal responsibility

- India will announce the federal budget for FY11 on 26 February. The budget will likely cut the fiscal deficit, partially reverse the stimulus measures, and offer a roadmap for fiscal consolidation without hurting the evolving growth upturn.

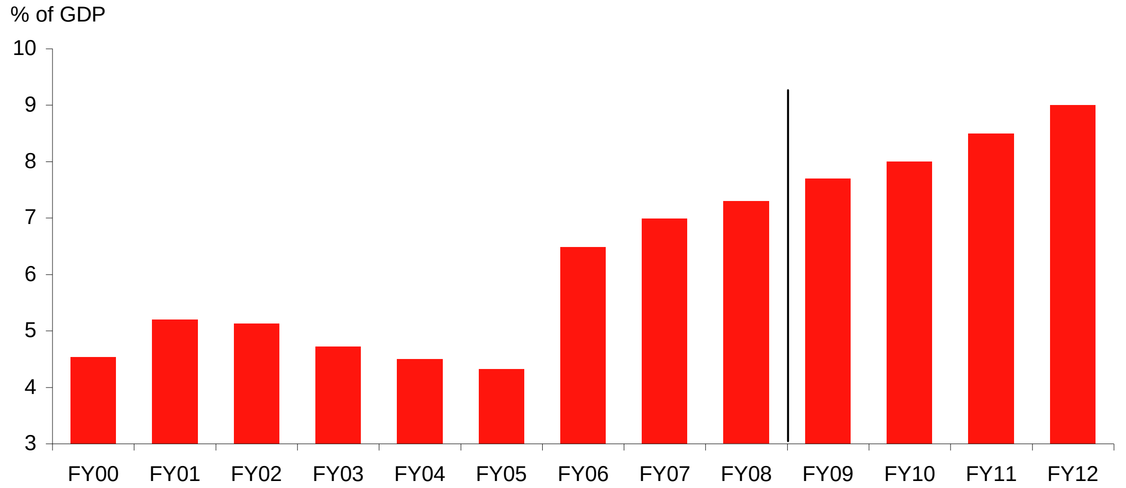
Juggling act for achieving the key goals

- The forthcoming federal budget is likely to focus on three key issues: (1) gradual withdrawal of stimulus measures; (2) cutting the fiscal deficit and signalling fiscal consolidation; and (3) guidance on the implementation of some key fiscal reforms such as the goods and service tax (GST), the direct tax code, and scaling back of oil and fertiliser subsidies.
- The fiscal deficit is likely to be cut to 5.5% of GDP in FY11 from 6.8% (or 6.5% based on the revised nominal GDP time series) announced for FY10. The fiscal deficit in April–December 2009 was 5.0% of the official advance nominal GDP (revised base year), with total spending running slower than the pace in the same period last year, but with total receipts moving at a faster pace.
- The budget will partially reverse the 6ppt cut in excise duties by increasing them by at least 2ppt. The underlying economic recovery is strengthening but is still not broadly based. Still, it offers the scope to fully reverse the 2ppt cut in the service tax that was also announced to cushion the downturn.
- Divestment and spending on infrastructure (including education and health) via the flagship programmes covering rural/urban/agriculture initiatives will continue. The government is also likely to focus on financial inclusion and will probably announce details of a national food security program.
- Government borrowing will remain sizable, despite a lower fiscal deficit, and will be a negative for government bond yields. Gross borrowing will be slightly higher than in FY10 owing to higher redemptions, but net borrowing will be lower. However, net issuance of securities in FY11 will be higher than last year's owing to the absence of the benefits of OMOs and MSS in FY10.

Expect a favourable but incremental approach

- Prime Minister Manmohan Singh's Congress-led government remains socialist in its genetic composition, but appears to realise that the economic pie has to grow faster to generate resources for its redistributive policies. The government seems mindful of the importance of avoiding crowding out of private investment, and hence the focus on cutting the deficit.
- The single most important signal from the budget should be fiscal consolidation, and this should be partly via cutting the deficit for FY11 without hurting economic growth, and partly via a credible and timely implementation of the fiscal reforms in the pipeline.
- The GST and the direct tax code reforms will likely be implemented next FY, in the FY12 budget. Subsidy reform will probably be patchy owing to political resistance, but some incremental moves (fuel price hike and reform of fertiliser subsidy) will probably come through this year even if they are not announced in the budget.

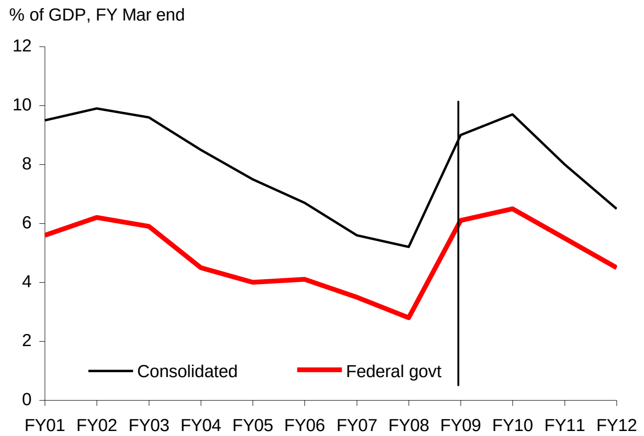
Fig 1 Infrastructure investment



Uses old nominal GDP time series

Source: CEIC, CSO, Macquarie Research, February 2010

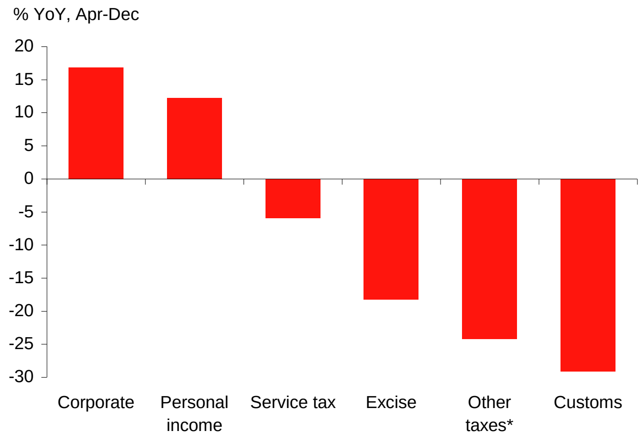
Fig 2 Fiscal deficits



Excludes issuances of special bonds to oil/food/fertiliser companies amounting to 0.8% of GDP in FY08, 1.8% in FY09 and 0.2% in FY10

Source: CEIC, Macquarie Research, February 2010

Fig 3 Tax collection



Gross tax revenue was down 2.5% YoY in Apr-Dec 2009. "Other taxes" include Securities Transaction Tax, Banking Cash Transaction Tax, Fringe Benefit Tax, Wealth Tax, etc.

Source: CEIC, CGA, Macquarie Research, February 2010

Fig 4 Likely sector effect

Industry expectations	Likelihood of happening	Stocks +vely affected	Stocks -vely affected	Comments
Auto				
Increase in excise duty	High		HH IN, BJAUT IN, MSIL IN, TTMT IN, AL IN, MM IN	We expect the increase in excise duty to be done in phases to ensure that the recovery is sustained. A 2% increase in excise duty is quite likely in the budget.
Banks				
Banks allowed to issue tax exempt bonds for infrastructure	Low	IDFC, All banks		Would help banks reduce ALM mismatch for infra lending
Announcement on timeline regarding passage of insurance bill on hiking stake of foreign partner	Low	ICICI Bank, Kotak, HDFC Ltd and other banks with insurance subs		While the insurance bill is not part of budget, any statement on government intentions regarding enhanced foreign investments is positive
Basic Materials				
Divestments are back on government's agenda	High	STLT IN, SAIL IN		With divestment likely to be back on government's agenda, Sterlite should be able to buy the remaining stakes of around 49% in Balco and 30% in Hind Zinc from the government. Also, Sail should be able to raise capital for its expansion plans.
Excise duty on cement and steel to be raised by 200bp	High		ACC IN, ACEM IN, GRASIM IN, ICEM IN and UTCEM IN; TATA IN, SAIL IN, JSW IN and JSP IN	In order to improve the fiscal situation, the government may look at increasing tax collections by hiking excise duty for steel and cement. This may not be completely passed on to end consumers and thus may negatively affect these companies.
Removal of 5% import duty on flat and long steel products and sponge iron, pig iron	Moderate	TATA IN, SAIL IN, JSW IN and JSP IN	TATA IN, SAIL IN, JSW IN and JSP IN	Given the increase in steel prices in the past month and strong profitability reported by the sector, there is a possibility of removal of import duty. This will be negative for domestic steel players.
Hike export duty to 20% on all grades of iron ore from the current levels of 10% on iron ore lumps and pellets and 5% on iron fines.	Moderate	TATA IN, SAIL IN, JSW IN and JSP IN	SESA IN	Per the recommendation of the steel ministry, a hike in duty will adversely affect iron ore players, but will be positive for domestic players as it increases domestic availability of iron ore. We do not expect more than a 500bp increase.
Consumer and retail				
Tax benefits for food processing/packaged food (including biscuits)	Moderate	ITC IN, BRIT IN, PF IN		This sector has been a high priority for the government in the past few years as it supports agriculture and is a potential employment generator. It is expected to receive continuous support, and tax cuts may still happen because the absolute amount involved is small
Hike in cigarette excise duty by over 8%	Moderate		ITC IN	This is an easy product to raise taxes on. The market seems to be pricing-in a tax increase of around 6–8%. Any hike above 10% will be construed as negative. However, we do not think a tax hike of up to 5–10% will be seen as a major negative for ITC as it has already taken some pre-emptive price hikes and has been able to easily pass them on in the past.
Increased allocation for rural and employment generating schemes.	High	ITC IN, HUVR IN, MRCO IN, DABUR IN, GCPL IN		Government may want to consolidate its previous rural-focused schemes. This could be politically beneficial too, so there is a high likelihood of it going through.
Roll back of stimulus - excise duty increase from 8% to 10%	High		ITC IN, HUVR IN, DABUR IN, MRCO IN	Marginally negative. Most of the manufacturing plants are in the duty exempt regions.
Infrastructure				
Higher allocation to central government infra projects	High	IVRC IN, NJCC IN, HCC IN, PEC IN, GMON IN		Given large focus on infrastructure, government is likely to raise allocation to the central schemes/projects like NHDP (highway program), JNNURM (urban infrastructure), irrigation projects.

Fig 4 Likely sector effect

Industry expectations	Likelihood of happening	Stocks +vely affected	Stocks -vely affected	Comments
				Investments in rural infra may also see an increase in budgetary allocations
Allow banks to float tax-free infra bonds	Low	Sector		This should help reduce the cost of borrowing for the infra sector
Re-introduction of Section 10 (23G) tax benefit that made income for financial institutions from lending to infra projects tax free	Low	Sector		`This benefit was taken out in 2006. Likelihood of this going through would be low as government struggles to contain fiscal deficit and impending direct tax code
Scrapping of dividend distribution tax for infra SPVs	Low	Entire sector		This has been a long-standing demand of the infra sector to withdraw DDT for dividends paid by infra SPVs to parent
Intention of disinvestment	Moderate	BHEL IN		Government may make a policy statement on disinvestment in public enterprises
Higher import duty on imported power equipment	Low	LT IN, BHEL IN	LANCI IN, RPWR	Government may raise duty to protect domestic industry; however, likelihood of this happening is low
IT				
Increased government expenditures on IT and e-governance projects	Moderate	TCS IN, INFO IN, WPRO IN		Push to e-governance projects like UID (Unique Identification Number project) would be a positive for Indian IT vendors, helping them diversify their revenue mix and enhancing their experience in implementing large government projects.
Higher tax incentives for BPO sector	Low	TCS IN, WPRO IN, INFO IN, FSOL IN		NASSCOM has identified BPO as the fastest-growing segment for the Indian IT-BPO industry. The segment has seen some stiff competition from a rise of Philippines, Vietnam, Ireland, Brazil etc. as low-cost BPO destinations.
Extension of income tax exemption under s.10A and s.10B for STPI/EOU	Low	TCS IN, WPRO IN		The Indian government has already extended the tax exemptions on profits generated from STPI for two consecutive years. The STPI tax exemption is slated to expire by March 2011 and a further exemption is unlikely.
Oil & gas				
Increase in cess (fixed tax) on crude oil for pre-NELP (new exploratory licensing policy) blocks and royalty	Moderate		ONGC IN, CAIR IN	High government deficits combined with perceived high profits by ONGC create a good reason for increase in taxes
Pharma				
Industry is expecting the excise duty on drugs to be restored to 8% from current 4%.	Moderate		RBXY IN, DRRD IN, SUNP IN, GNP IN, GLXO IN, CIPLA IN, PIHC IN	The cut in excise duty was part of economic stimulus package, and we believe it will be withdrawn with economy out of the crisis.
Industry is demanding exemption in income-tax and more fiscal incentives for promoting research and development in the field of drug discovery in India. Demand includes 200% weighted tax deduction for R&D activities from current 150%.	Moderate	RBXY IN, DRRD IN, SPADV IN,		Government has recognised the high risk associated with drug discovery and might work towards providing incentives to make India a strong R&D hub in the pharmaceutical space.
Removal of excise duties across the board for all essential drugs	Moderate	Across sector		Some additional essential drugs might get included in the list of drugs getting exemption from excise duty
Property				
Increase in limit for interest paid and principal repayment on mortgage	Low	DLFU IN, UT IN, IBREL IN, HDIL IN, AKCL IN		The increase in limit would enhance tax exemption benefits on interest on mortgage as well as principal repayment.

Source: Macquarie Research, February 2010

Fig 5 Coverage universe

Company Name	Reco	Bloomberg ticker	Price Target (Rs)	Price (Rs)	Upside	Analyst Name
Aban Offshore	Outperform	ABAN IN	1,490	1,208	23%	Jal Irani
ABB India	Underperform	ABB IN	484	801	-40%	Inderjeetsingh Bhatia
Associated Cements	Neutral	ACC IN	815	914	-11%	Rakesh Arora
Ambuja Cements	Outperform	ACEM IN	111	109	2%	Rakesh Arora
Ackruti City	Underperform	AKCL IN	364	488	-25%	Jal Irani
Ashok Leyland	Underperform	AL IN	43	51	-15%	Sanjay Doshi
Anant Raj Industries	Outperform	ARCP IN	180	129	39%	Jal Irani
ICSA	Outperform	AURFI IN	205	143	43%	Inderjeetsingh Bhatia
Axis Bank	Outperform	AXSB IN	1,220	1,026	19%	Mudit Painuly
Bharti Airtel	Underperform	BHARTI IN	280	272	3%	Shubham Majumder
Bharat Heavy Electricals	Neutral	BHEL IN	2,488	2,379	5%	Inderjeetsingh Bhatia
Bajaj Auto	Underperform	BJAUT IN	1,400	1,798	-22%	Sanjay Doshi
Bank of Baroda	Outperform	BOB IN	590	571	3%	Mudit Painuly
Bank of India	Underperform	BOI IN	300	329	-9%	Mudit Painuly
Bharat Petroleum	Outperform	BPCL IN	695	570	22%	Jal Irani
Cairn India	Underperform	CAIR IN	198	264	-25%	Jal Irani
Cipla	Underperform	CIPLA IN	275	323	-15%	Abhishek Singhal
Crompton Greaves India	Outperform	CRG IN	509	415	23%	Inderjeetsingh Bhatia
Dish TV India	Outperform	DITV IN	55	42	32%	Nitin Mohta
DLF	Outperform	DLFU IN	387	310	25%	Jal Irani
Dr. Reddy's Laboratories	Outperform	DRRD IN	1,440	1,113	29%	Abhishek Singhal
GAIL India	Outperform	GAIL IN	506	410	23%	Jal Irani
Glaxosmithkline Pharmaceuticals	Outperform	GLXO IN	1,660	1,569	6%	Abhishek Singhal
GMR Infrastructure	Underperform	GMRI IN	57	56	1%	Inderjeetsingh Bhatia
Gujarat NRE Coke	Outperform	GNC IN	103	72	42%	Rakesh Arora
Grasim Industries	Outperform	GRASIM IN	3,404	2,722	25%	Rakesh Arora
GVK Power and Infra	Outperform	GVKP IN	54	44	23%	Inderjeetsingh Bhatia
HCL Technologies	Underperform	HCLT IN	93	361	-74%	Nitin Mohta
HDFC Ltd	Outperform	HDFC IN	2,700	2,428	11%	Mudit Painuly
HDFC Bank	Neutral	HDFCB IN	1,635	1,606	2%	Mudit Painuly
HDIL	Outperform	HDIL IN	441	314	40%	Jal Irani
Hero Honda	Underperform	HH IN	1,510	1,695	-11%	Sanjay Doshi
Hindalco Industries	Outperform	HNDL IN	170	145	17%	Rakesh Arora
Hindustan Petroleum	Outperform	HPCL IN	460	344	34%	Jal Irani
Hindustan Zinc	Underperform	HZ IN	1,029	1,073	-4%	Rakesh Arora
Indiabulls Real Estate	Outperform	IBREL IN	246	181	36%	Jal Irani
India Cements	Neutral	ICEM IN	118	125	-5%	Rakesh Arora
ICICI Bank	Underperform	ICICIBC IN	700	832	-16%	Mudit Painuly
IDBI	Underperform	IDBI IN	70	118	-41%	Mudit Painuly
Idea Cellular	Underperform	IDEA IN	35	59	-40%	Shubham Majumder
IDFC	Underperform	IDFC IN	125	148	-16%	Mudit Painuly
Infosys Technologies	Neutral	INFO IN	2,575	2,541	1%	Nitin Mohta
Indian Oil	Outperform	IOCL IN	390	309	26%	Jal Irani
IVRCL	Outperform	IVRC IN	436	313	39%	Inderjeetsingh Bhatia
Jaiprakash Associates	Outperform	JPA IN	178	136	31%	Inderjeetsingh Bhatia
Jindal Saw Limited	Outperform	JSAW IN	242	202	20%	Amit Mishra
Jindal Steel and Power	Outperform	JSP IN	943	634	49%	Rakesh Arora
JSW Steel	Outperform	JSTL IN	1,259	1,023	23%	Rakesh Arora
Kotak Mahindra Bank	Neutral	KMB IN	825	740	12%	Mudit Painuly
Larsen & Toubro	Outperform	LT IN	1,825	1,446	26%	Inderjeetsingh Bhatia
Mundra Port & Special Economic Zone	Outperform	MSEZ IN	641	635	1%	Inderjeetsingh Bhatia
Maruti Suzuki India	Outperform	MSIL IN	1,770	1,357	30%	Sanjay Doshi
MTNL	Underperform	MTNL IN	47	73	-35%	Shubham Majumder
National Aluminium	Underperform	NACL IN	237	381	-38%	Rakesh Arora
NTPC	Outperform	NATP IN	258	203	27%	Adam Worthington
Nagarjuna Construction	Outperform	NJCC IN	206	158	30%	Inderjeetsingh Bhatia
ONGC	Underperform	ONGC IN	865	1,103	-22%	Jal Irani
OnMobile Global	Outperform	ONMB IN	700	367	91%	Shubham Majumder
Patel Engineering	Outperform	PEC IN	552	426	30%	Inderjeetsingh Bhatia
Petronet LNG	Underperform	PLNG IN	49	74	-34%	Jal Irani
Punjab National Bank	Underperform	PNB IN	650	888	-27%	Mudit Painuly
Power Finance Corp	Outperform	POWF IN	280	244	15%	Mudit Painuly
Provogue	Underperform	PROV IN	45	55	-18%	Amit Mishra
Punj Lloyd	Neutral	PUNJ IN	200	183	9%	Inderjeetsingh Bhatia
Ranbaxy Laboratories	Underperform	RBXY IN	340	441	-23%	Abhishek Singhal
Reliance Capital	Outperform	RCFT IN	1,014	761	33%	Mudit Painuly
Reliance Communications	Underperform	RCOM IN	160	167	-4%	Shubham Majumder
Reliance Industries	Outperform	RIL IN	1,250	1,018	23%	Jal Irani
Rolta India	Outperform	RLTA IN	435	184	136%	Nitin Mohta
Steel Authority of India	Underperform	SAIL IN	196	207	-5%	Rakesh Arora
State Bank of India	Underperform	SBIN IN	1,750	1,921	-9%	Mudit Painuly
Siemens India	Underperform	SIEM IN	438	660	-34%	Inderjeetsingh Bhatia

Fig 5 Coverage universe

Company Name	Reco	Bloomberg ticker	Price Target (Rs)	Price (Rs)	Upside	Analyst Name
Syndicate Bank	Underperform	SNDB IN	41	85	-52%	Mudit Painuly
Sterlite Industries	Outperform	STLT IN	940	762	23%	Rakesh Arora
Suzlon Energy	Underperform	SUEL IN	65	74	-12%	Inderjeetsingh Bhatia
Sun Pharmaceuticals	Outperform	SUNP IN	1,650	1,544	7%	Abhishek Singhal
Tata Steel	Outperform	TATA IN	726	550	32%	Rakesh Arora
Tata Communications	Underperform	TCOM IN	315	297	6%	Shubham Majumder
Tata Consultancy Services	Outperform	TCS IN	830	758	9%	Nitin Mohta
Tata Power	Outperform	TPWR IN	1,625	1,237	31%	Adam Worthington
Tata Motors	Outperform	TTMT IN	826	703	17%	Sanjay Doshi
Union Bank of India	Underperform	UNBK IN	225	246	-8%	Mudit Painuly
Unitech Limited	Outperform	UT IN	97	75	29%	Jal Irani
Ultratech Cements	Underperform	UTCEM IN	831	1,043	-20%	Rakesh Arora
Vijaya Bank	Underperform	VJYBK IN	21	49	-58%	Mudit Painuly
Welspun Gujarat Stahl Rohren	Outperform	WGS IN	360	244	48%	Amit Mishra
Wipro	Outperform	WPRO IN	780	670	16%	Nitin Mohta
Zee Entertainment	Underperform	Z IN	130	260	-50%	Shubham Majumder
Zee News	Neutral	ZEEN IN	40	59	-32%	Nitin Mohta

Source: Bloomberg, Macquarie Research, February 2010. Stock prices as of 16 February 2010.

Important disclosures:

Recommendation definitions

Macquarie - Australia/New Zealand
Outperform – return >5% in excess of benchmark return
Neutral – return within 5% of benchmark return
Underperform – return >5% below benchmark return

Macquarie – Asia/Europe
Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Macquarie First South - South Africa
Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Macquarie - Canada
Outperform – return >5% in excess of benchmark return
Neutral – return within 5% of benchmark return
Underperform – return >5% below benchmark return

Macquarie - USA
Outperform (Buy) – return >5% in excess of Russell 3000 index return
Neutral (Hold) – return within 5% of Russell 3000 index return
Underperform (Sell)– return >5% below Russell 3000 index return

Recommendations – 12 months

Note: Quant recommendations may differ from Fundamental Analyst recommendations

Volatility index definition*

This is calculated from the volatility of historical price movements.

Very high–highest risk – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.

High – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.

Medium – stock should be expected to move up or down at least 30–40% in a year.

Low–medium – stock should be expected to move up or down at least 25–30% in a year.

Low – stock should be expected to move up or down at least 15–25% in a year.
* Applicable to Australian/NZ/Canada stocks only

Financial definitions

All "Adjusted" data items have had the following adjustments made:
Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense
Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests

EPS = adjusted net profit / efpowa*
ROA = adjusted ebit / average total assets
ROA Banks/Insurance = adjusted net profit /average total assets
ROE = adjusted net profit / average shareholders funds
Gross cashflow = adjusted net profit + depreciation
*equivalent fully paid ordinary weighted average number of shares

All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

Recommendation proportions – For quarter ending 31 December 2009

	AU/NZ	Asia	RSA	USA	CA	EUR	
Outperform	47.94%	60.52%	37.50%	43.42%	65.26%	41.60%	(for US coverage by MCUSA, 3.76% of stocks covered are investment banking clients)
Neutral	35.58%	18.70%	53.13%	49.06%	29.11%	36.80%	(for US coverage by MCUSA, 4.51% of stocks covered are investment banking clients)
Underperform	16.48%	20.79%	9.38%	7.52%	5.63%	21.60%	(for US coverage by MCUSA, 0.00% of stocks covered are investment banking clients)

Company Specific Disclosures:

Important disclosure information regarding the subject companies covered in this report is available at www.macquarie.com/research/disclosures.

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