

3Q results below est; Lipitor launch likely 3Q results below estimates as revenues disappointed; Lipitor launch likely as scheduled

November 9, 2011

Rating Remains	Reduce
Target price Remains	INR 480
Closing price November 9, 2011	INR 475
Potential upside	+1.1%

Action: 3Q revenue below estimates

3Q revenue, at INR20.2bn, was 5% below our estimates on lower India, Africa and API sales. EBITDA at INR1.74bn was 4% below our estimates. EBITDA was, to an extent, boosted by higher other operating income, which is partially non-recurring. The lack of FTF in the quarter enhanced visibility of base business revenues and margins, which was marginally lower than our expectations.

Catalyst: Lipitor launch likely as scheduled

Management refrained from commenting explicitly on Lipitor, but remained confident of monetising the opportunity. We expect Ranbaxy to launch Lipitor around 30 Nov 2011, as scheduled. We attach low probability of forfeiture of exclusivity or sharing of the upside with a third party. However, we see downside risk to pricing and market share assumption, given an aggressive stance by Pfizer to retain Lipitor market share during exclusivity. We currently factor in a 55% price discount and a 45% market share for Ranbaxy during exclusivity. Overall for the 180-day period, we currently build in revenues of USD750mn for Ranbaxy.

Valuation: Factoring in Lipitor upside and revival in base business; Sell on any rally

Adjusted for FTF upside, Ranbaxy trades at 24x 2012F base earnings: a premium to its peers, in our view. Our estimates factor in 128% growth in base business earnings driven by Lipitor post-exclusivity revenues and FDA resolution. Our INR480 TP factors in INR60/sh from Lipitor and INR30/sh as potential penalty. We reiterate our Reduce and would sell into any possible rally on Lipitor approval/launch.

31 Dec	FY10		FY11F		FY12F		FY13F	
Currency (INR)	Actual	Old	New	Old	New	Old	New	
Revenue (mn)	93,713	99,471	99,471	139,828	139,828	125,738	125,738	
Reported net profit (mn)	14,968	15,431	15,431	18,384	18,384	15,758	15,758	
Normalised net profit (mn)	14,968	15,431	15,431	18,384	18,384	15,758	15,758	
Normalised EPS	35.40	36.50	36.50	43.48	43.48	37.27	37.27	
Norm. EPS growth (%)	404.9	3.1	3.1	19.1	19.1	-14.3	-14.3	
Norm. P/E (x)	14.3	N/A	13.9	N/A	11.6	N/A	13.6	
EV/EBITDA (x)	11.1	10.2	10.2	4.7	4.7	9.3	9.3	
Price/book (x)	3.8	N/A	3.3	N/A	2.6	N/A	2.2	
Dividend yield (%)	0.4	N/A	0.4	N/A	0.4	N/A	0.4	
ROE (%)	30.1	25.5	25.5	24.9	24.9	17.5	17.5	
Net debt/equity (%)	19.1	7.7	7.7	net cash	net cash	net cash	net cash	

Source: Nomura estimates

Key company data: See page 2 for company data and detailed price/index chart.

Anchor themes

In our view, Ranbaxy is a play on the generic opportunity in the US as blockbuster drugs go off patent there. Ranbaxy was first to file and may enjoy exclusivity on the two largest-selling drugs, Lipitor and Nexium. As well, we believe RBXY's presence in India and Emerging Markets makes it a play on increasing pharma consumption in EMs.

Nomura vs consensus

We are building in higher sales from exclusivity sales and growth in emerging markets.

Research analysts

India Pharmaceuticals

Saion Mukherjee - NFASL
saion.mukherjee@nomura.com
+91 22 4037 4184

Aditya Khemka - NSFSPL
aditya.khemka@nomura.com
+91 22 4037 4197

See Appendix A-1 for analyst certification, important disclosures and the status of non-US analysts.

Key data on Ranbaxy Laboratories

Income statement (INRmn)

Year-end 31 Dec	FY09	FY10	FY11F	FY12F	FY13F
Revenue	77,901	93,713	99,471	139,828	125,738
Cost of goods sold	-53,348	-55,464	-61,193	-74,721	-81,152
Gross profit	24,553	38,249	38,277	65,107	44,586
SG&A	-18,174	-18,454	-19,876	-23,226	-26,076
Employee share expense					
Operating profit	6,379	19,795	18,401	41,880	18,510
EBITDA	9,055	22,758	21,391	45,104	21,968
Depreciation	-2,110	-2,308	-2,383	-2,617	-2,852
Amortisation	-566	-655	-606	-606	-606
EBIT	6,379	19,795	18,401	41,880	18,510
Net interest expense	-710	-614	-710	-710	-710
Associates & JCEs	0	-2,569	0	0	0
Other income	4,429	6,606	1,828	1,728	2,128
Earnings before tax	10,097	23,217	19,520	42,899	19,928
Income tax	-6,991	-5,849	-3,904	-8,580	-3,986
Net profit after tax	3,106	17,369	15,616	34,319	15,943
Minority interests	-142	-185	-185	-185	-185
Other items	0	-2,216	0	-15,750	0
Preferred dividends					
Normalised NPAT	2,965	14,968	15,431	18,384	15,758
Extraordinary items	0	0	0	0	0
Reported NPAT	2,965	14,968	15,431	18,384	15,758
Dividends	0	-842	-842	-842	-842
Transfer to reserves	2,965	14,126	14,589	17,542	14,916

Valuation and ratio analysis

FD normalised P/E (x)	72.2	14.3	13.9	11.6	13.6
FD normalised P/E at price target (x)	68.5	13.6	13.2	11.0	12.9
Reported P/E (x)	72.2	14.3	13.9	11.6	13.6
Dividend yield (%)	na	0.4	0.4	0.4	0.4
Price/cashflow (x)	na	13.9	13.4	18.5	19.3
Price/book (x)	4.9	3.8	3.3	2.6	2.2
EV/EBITDA (x)	26.2	11.1	10.2	4.7	9.3
EV/EBIT (x)	37.2	13.0	11.9	5.1	11.1
Gross margin (%)	31.5	40.8	38.5	46.6	35.5
EBITDA margin (%)	11.6	24.3	21.5	32.3	17.5
EBIT margin (%)	8.2	21.1	18.5	30.0	14.7
Net margin (%)	3.8	16.0	15.5	13.1	12.5
Effective tax rate (%)	69.2	25.2	20.0	20.0	20.0
Dividend payout (%)	0.0	5.6	5.5	4.6	5.3
Capex to sales (%)	6.3	4.5	4.5	3.2	3.6
Capex to depreciation (x)	2.3	1.8	1.9	1.7	1.6
ROE (%)	6.9	30.1	25.5	24.9	17.5
ROA (pretax %)	6.3	16.2	16.5	33.7	13.5

Growth (%)

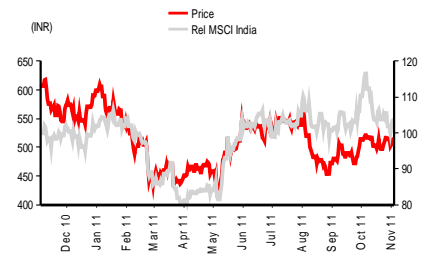
Revenue	9.9	20.3	6.1	40.6	-10.1
EBITDA	282.1	151.3	-6.0	110.9	-51.3
EBIT	na	210.3	-7.0	127.6	-55.8
Normalised EPS	na	404.9	3.1	19.1	-14.3
Normalised FDEPS	na	404.9	3.1	19.1	-14.3

Per share

Reported EPS (INR)	7.01	35.40	36.50	43.48	37.27
Norm EPS (INR)	7.01	35.40	36.50	43.48	37.27
Fully diluted norm EPS (INR)	7.01	35.40	36.50	43.48	37.27
Book value per share (INR)	102.73	132.56	153.90	195.06	230.01
DPS (INR)	0.00	1.99	1.99	1.99	1.99

Source: Nomura estimates

Relative performance chart (one year)



Source: ThomsonReuters, Nomura research

(%)	1M	3M	12M
Absolute (INR)	-2.7	-5.8	-1.2
Absolute (USD)	-5.2	-8.8	-0.2
Relative to index	-3.8	2.0	9.4
Market cap (USDmn)	4,617.2		
Estimated free float (%)			
52-week range (INR)	624.9/414		
3-mth avg daily turnover (USDmn)	8.12		
Major shareholders (%)			
Promoter	63.9		

Source: Thomson Reuters, Nomura research

Notes

We are building in 128% growth in base business revenues in 2012F led by Lipitor post-exclusivity sales

Cashflow (INRmn)

Year-end 31 Dec	FY09	FY10	FY11F	FY12F	FY13F
EBITDA	9,055	22,758	21,391	45,104	21,968
Change in working capital	-9,694	-3,059	-359	-5,905	-5,037
Other operating cashflow	-982	-4,313	-5,018	-27,641	-5,823
Cashflow from operations	-1,621	15,386	16,013	11,558	11,108
Capital expenditure	-4,904	-4,263	-4,500	-4,500	-4,500
Free cashflow	-6,526	11,123	11,513	7,058	6,608
Reduction in investments	24	423	0	0	0
Net acquisitions					
Reduction in other LT assets	-1,336	-3,273	-1,643	-3,840	-2,366
Addition in other LT liabilities	7,484	4,518	0	0	0
Adjustments	-616	-19,113	2,943	5,040	3,966
Cashflow after investing acts	-970	-6,321	12,813	8,258	8,208
Cash dividends	-6	-9	-982	-982	-982
Equity issue	13	267	0	0	0
Debt issue	-4,460	8,248	-25,099	0	0
Convertible debt issue					
Others	-6,117	18,043	-710	-710	-710
Cashflow from financial acts	-10,570	26,549	-26,792	-1,692	-1,692
Net cashflow	-11,540	20,228	-13,978	6,566	6,516
Beginning cash	23,956	12,416	32,644	18,666	25,232
Ending cash	12,417	32,644	18,666	25,232	31,748
Ending net debt	23,879	10,704	5,009	-1,557	-8,073

Source: Nomura estimates

Notes

We build in penalty payout of USD350mn in 2012F

Balance sheet (INRmn)

As at 31 Dec	FY09	FY10	FY11F	FY12F	FY13F
Cash & equivalents	12,416	32,644	18,666	25,232	31,748
Marketable securities	0	0	0	0	0
Accounts receivable	18,399	16,052	17,855	25,373	22,792
Inventories	18,407	21,926	22,296	28,423	32,197
Other current assets	1,798	3,971	4,500	5,737	6,498
Total current assets	51,021	74,594	63,318	84,765	93,236
LT investments	5,407	4,985	4,985	4,985	4,985
Fixed assets	51,136	49,297	50,808	52,084	53,126
Goodwill					
Other intangible assets					
Other LT assets	9,065	12,338	13,981	17,821	20,187
Total assets	116,629	141,213	133,091	159,654	171,532
Short-term debt					
Accounts payable	14,394	18,977	21,320	30,296	27,214
Other current liabilities	26,718	22,422	22,422	22,422	22,422
Total current liabilities	41,112	41,398	43,741	52,717	49,635
Long-term debt	36,295	43,348	23,676	23,676	23,676
Convertible debt					
Other LT liabilities	-4,745	-227	-227	-227	-227
Total liabilities	72,662	84,519	67,190	76,166	73,084
Minority interest	533	647	832	1,017	1,201
Preferred stock	0	0	0	0	0
Common stock	2,102	2,105	2,105	2,105	2,105
Retained earnings	-1,031	11,810	26,259	43,661	58,437
Proposed dividends					
Other equity and reserves	42,363	42,132	36,705	36,705	36,705
Total shareholders' equity	43,434	56,047	65,069	82,471	97,247
Total equity & liabilities	116,629	141,213	133,091	159,654	171,532

Notes

Strong expected cash flows from exclusive launches would likely be sufficient to cover for any contingencies that may arise from resolution, in our view

Liquidity (x)

Current ratio	1.24	1.80	1.45	1.61	1.88
Interest cover	9.0	32.2	25.9	59.0	26.1

Leverage

Net debt/EBITDA (x)	2.64	0.47	0.23	net cash	net cash
Net debt/equity (%)	55.0	19.1	7.7	net cash	net cash

Activity (days)

Days receivable	74.3	67.1	62.2	56.6	69.9
Days inventory	130.2	132.7	131.9	124.2	136.3
Days payable	77.2	109.8	120.2	126.4	129.3
Cash cycle	127.2	90.0	73.9	54.4	76.9

Source: Nomura estimates

3Q11 results: Top line below estimates

Fig. 1: Sales mix review

Growth in India was impacted by a slowdown in the anti-infective segment.

(US\$ mn)	3Q11A	YoY (%)	3Q10	QoQ (%)	2Q11A	vs. Nom.	3Q11E
India (incl. GCHC)	113	6.6%	106	4.2%	108	-4.0%	118
EU+CIS+Africa	148	22.3%	121	-2.8%	152	-9.5%	164
EU (with Romania)	72	20.0%	60	-9.3%	79	-10.0%	80
CIS	32	23.1%	26	49.5%	21	11.9%	29
Africa	44	25.7%	35	-14.4%	51	-20.0%	55
North America	103	-1.9%	105	-8.4%	112	12.0%	92
API	35	52.2%	23	-14.6%	41	-22.2%	45
Total	443	9.1%	406	-3.9%	461	-5.3%	468

Source: Company data, Nomura estimates

Fig. 2: Income Statement review

(INR mn)	Q3CY11	YoY (%)	Q3CY10A	QoQ (%)	Q2CY11A	vs. Nom	Q3CY11E
Gross Sales	20,280	7.5%	18,872	-1.5%	20,593	-5.2%	21,386
Excise duty	52	53.7%	34	9.4%	48	0.8%	52
Net sales	20,228	7.4%	18,838	-1.5%	20,545	-5.2%	21,334
Other operating income	728	43.0%	509	88.4%	386	86.6%	390
Total Income	20,955	8.3%	19,347	0.1%	20,931	-3.5%	21,724
Materials Cost	8,446	8.3%	7,800	3.4%	8,167	-1.3%	8,554
Employee cost	4,080	11.5%	3,661	-2.6%	4,188	-3.1%	4,210
Other operating expenses	6,688	2.9%	6,500	-1.1%	6,760	-6.5%	7,149
Total expenditure	19,214	7.0%	17,960	2.2%	18,796	-3.5%	19,914
Core EBITDA	1,741	25.6%	1,386	-4.2%	1,817	-3.8%	1,810
<i>Margins (%)</i>	8.6%		7.4%		8.8%		8.5%
Interest costs	153	39.3%	110	-7.8%	166	-9.9%	170
Forex loss/(gain)	2,510		(1,097)		-		-
Depreciation and amortization	788	-20.2%	987	7.1%	735	6.4%	740
Interest and other income	1,020	9.4%	932	116.2%	472	104.1%	500
Extra-ordinary items	(3,624)		1,257		934		-
PBT (Before extraordinary)	(690)	-129.7%	2,319	-140.4%	1,706	-149.3%	1,400
PBT (After extraordinary)	(4,313)		3,576		2,639		1,400
Tax	256		448	38.9%	184		280
<i>Tax rate</i>	-37.1%		19%		11%		20%
Minority Interest	(28.6)						(20.0)
Net profit (After extraordinary)	(4,646)	-248.5%	3,128	-289.2%	2,455	-522.4%	1,100

(INR mn)	Q3CY11	YoY (%)	Q3CY10A	QoQ (%)	Q2CY11A	vs. Nom	Q3CY11E
Core EBITDA (ex-Forex)	8.6%	125bps	7.4%	-24bps	8.8%	12bps	8.5%
COGS	41.6%	32bps	41.3%	199bps	39.7%	165bps	40.0%
Employee Cost	20.1%	72bps	19.4%	-22bps	20.3%	43bps	19.7%
Other operating expenses	33.0%	-146bps	34.4%	15bps	32.8%	-45bps	33.4%
Tax rate	-37.1%	-5644bps	19.3%	-4792bps	10.8%	-5712bps	20.0%

Source: Company data, Nomura estimates

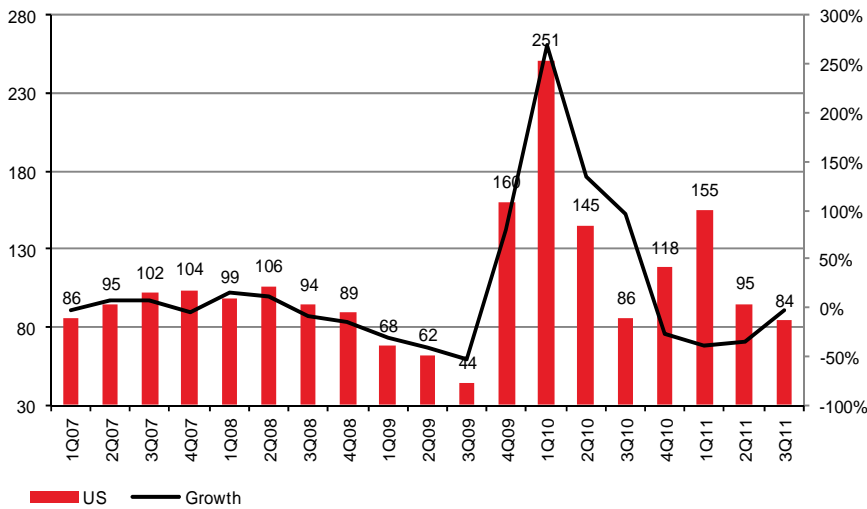
US base revenues at USD84m; Lipitor launch likely as scheduled

The quarter did not have any impact of exclusivity sales and hence presents a clearer picture of the base business. The base business sales at USD84m was better than USD70m that management indicated as the base revenues in the previous quarters. On

y-y basis, base revenues appear flat, in our view. As per management ex FTF YTD US sales have recorded growth of more than 12% y-y. Management expects the resolution of regulatory issues and re-launch of older products will result in quarterly base revenues increasing to USD100m within one year of resolution.

Fig. 3: US Sales- Base business revenues at USD84m

y-y sales are flat



Source: Company data, Nomura estimates

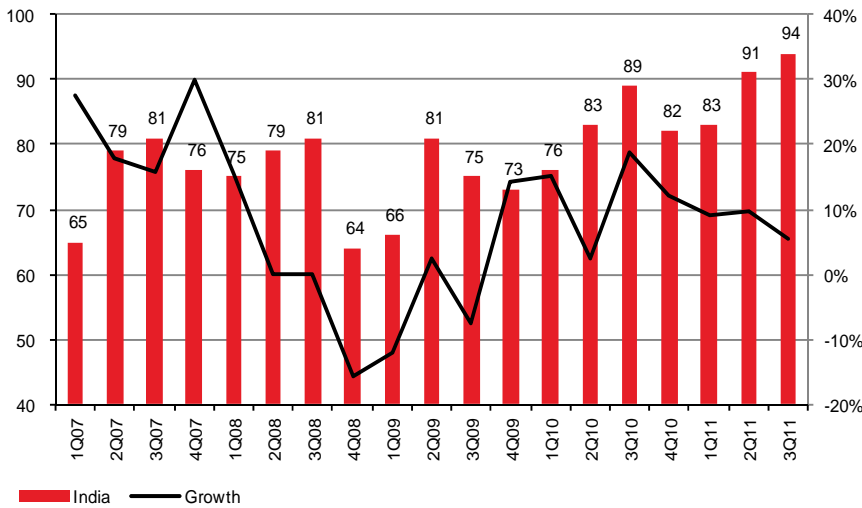
Management expressed confidence of monetising the Lipitor exclusivity opportunity. We believe Ranbaxy is likely to launch Lipitor on its own, as scheduled close to 30 November 2011. We attach low probability of forfeiture of exclusivity or sharing of the upside with a third party. However, we see downside risk to pricing and market share assumption given the aggressive stance shown by Pfizer to retain the Lipitor market share during exclusivity. We are currently factoring in 55% price discount and 45% market share for Ranbaxy during exclusivity. Overall for the 180 day period, we factor in revs of USD750m for Ranbaxy.

India sales growth remain low at 6% y-y

In INR terms, the India business recorded a growth of 6% y-y. The growth was largely driven by the OTC business and anti-infective sales slowed substantially in the quarter. YTD sales growth at 9% is lower than our expectation of 13% growth y-y for 2011. The impact of project Viraat has so far been lower than our expectations. Management expects revival in growth going forward.

Fig. 4: India sales growth at below 10%

Slower anti-infective sales impacted growth during the quarter

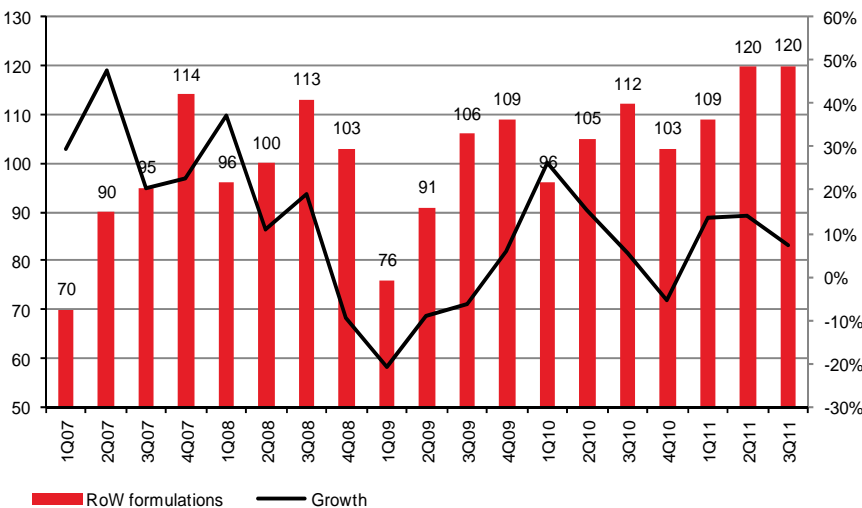


Source: Company data, Nomura estimates

ROW: Russia/CIS and Africa remains the growth driver

We include Russia/CIS, Africa, APAC and Latin America as part of the RoW business. The growth in the segment is largely driven by Russia/CIS and Africa. In CIS growth is robust at 22% in USD terms y-y for the quarter. The Africa sales growth at 24% y-y was strong but below expectations as tender business failed to pick up during the quarter. As per management, tender business was adversely impacted due to donation stocks from United Nations. Lat in America sales for the quarter were down 32% y-y on product supply issues.

Fig. 5: RoW Sales - Growth driven by Russia/CIS and Africa



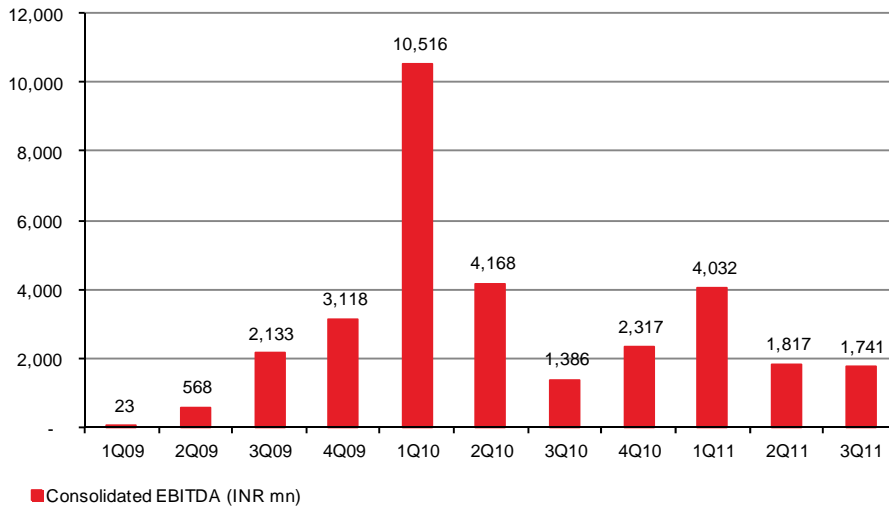
Source: Company data, Nomura estimates

Core adjusted EBITDA at INR1.4bn

Lack of FTF sales in the quarter gives an insight on core business EBITDA and margins. In 3Q11, Ranbaxy recorded EBITDA of INR1.74bn. To an extent EBITDA was boosted by higher other operating income which increased INR340m q-q. As per the company, the rise is non-recurring. Therefore, adjusted for this additional operating income,

EBITDA were at INR1.4bn. The EBITDA can fall further to an extent on discontinuation of the DEPB benefits in the current form. As per management, the impact of DEPB should be negligible.

Fig. 6: Consolidated EBITDA



Source: Company data, Nomura estimates

Valuations factoring in Lipitor and base business revival

Adjusted for FTF upside the stock trades at 24x 2012F base earnings, which is at a premium to its peers. Our estimates factor in 128% growth in base business earnings driven by Lipitor post exclusivity revenues and FDA resolution. Our target price factors in INR 60/sh from Lipitor and INR 30/sh as potential penalty. We recommend selling into any potential rally on Lipitor approval/launch.

Fig. 7: Trading Multiples

Current trading multiples - Actual													
Company	Ticker	Recommendation	Market Cap (INR mn)	CMP (INR/share)*	P/E			EV/EBITDA			EV/Sales		
					FY11F	FY12F	FY13F	FY11F	FY12F	FY13F	FY11F	FY12F	FY13F
Sun Pharma	SUNP IN	NEUTRAL	505,375	491	28.0	24.3	21.1	24.9	19.9	16.9	8.6	6.4	5.4
Cipla	CIPLA IN	NEUTRAL	231,241	288	23.9	20.0	17.3	17.9	14.0	12.0	3.7	3.3	2.8
Ranbaxy	RBXY IN	REDUCE	200,492	475	13.4	13.0	10.9	9.3	9.6	4.4	2.3	2.1	1.4
Dr. Reddy's	DRRD IN	BUY	272,125	1,606	24.5	17.7	16.4	16.9	11.5	10.5	3.8	3.0	2.5
GlaxoSmithKline	GLXO IN	NEUTRAL	170,062	2,008	30.4	26.5	23.4	19.4	17.2	15.0	6.9	6.1	5.3
Lupin	LPC IN	BUY	211,906	475	25.2	23.5	18.0	18.3	16.3	12.7	3.9	3.3	2.8
Glenmark	GNP IN	BUY	86,062	318	18.8	12.9	14.4	17.6	10.6	11.3	3.5	2.7	2.4
Cadila Healthcare	CDH IN	BUY	157,001	761	23.4	19.0	15.5	16.4	13.6	11.2	3.8	3.1	2.6
Jubilant Organosys	JOL IN	BUY	33,449	210	7.7	14.0	12.4	9.1	11.4	8.5	1.6	1.8	1.6

Current trading multiples - Adjusted													
Company	Ticker	Recommendation	Market Cap (INR mn)	Adj. CMP (INR/share)*	P/E			EV/EBITDA			EV/Sales		
					FY11F	FY12F	FY13F	FY11F	FY12F	FY13F	FY11F	FY12F	FY13F
Sun Pharma	SUNP IN	NEUTRAL	505,375	486	40.7	28.4	21.5	36.0	22.9	18.6	9.7	6.7	5.8
Cipla	CIPLA IN	NEUTRAL	231,241	288	24.2	20.0	17.3	17.9	14.0	12.3	3.7	3.3	2.9
Ranbaxy	RBXY IN	REDUCE	200,492	367	139.4	53.6	23.5	66.0	28.0	14.4	2.3	2.0	1.6
Dr. Reddy's	DRRD IN	BUY	272,125	1,534	24.5	23.4	18.8	16.2	11.0	10.0	4.0	3.3	2.7
GlaxoSmithKline	GLXO IN	NEUTRAL	170,062	2,008	29.4	26.5	23.4	19.4	17.2	15.0	6.9	6.1	5.3
Lupin	LPC IN	BUY	211,906	475	25.2	23.5	18.0	18.3	16.3	13.2	3.9	3.4	2.9
Glenmark	GNP IN	BUY	86,062	288	20.7	17.0	13.0	19.1	12.8	10.3	3.4	2.7	2.2
Cadila Healthcare	CDH IN	BUY	157,001	761	23.4	19.0	15.5	16.4	13.6	11.2	3.8	3.1	2.6
Jubilant Organosys	JOL IN	BUY	33,449	210	7.7	14.0	12.4	9.1	11.4	8.5	1.6	1.8	1.6

Note: Pricing as of 9th Nov 2011

Source: Bloomberg, Nomura estimates

Appendix A-1

Analyst Certification

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Issuer Specific Regulatory Disclosures Mentioned companies

Issuer name	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Ranbaxy Laboratories	RBXY IN	INR 475	09-Nov-2011	Reduce	Not rated	4

Disclosures required in the European Union

4 Market maker

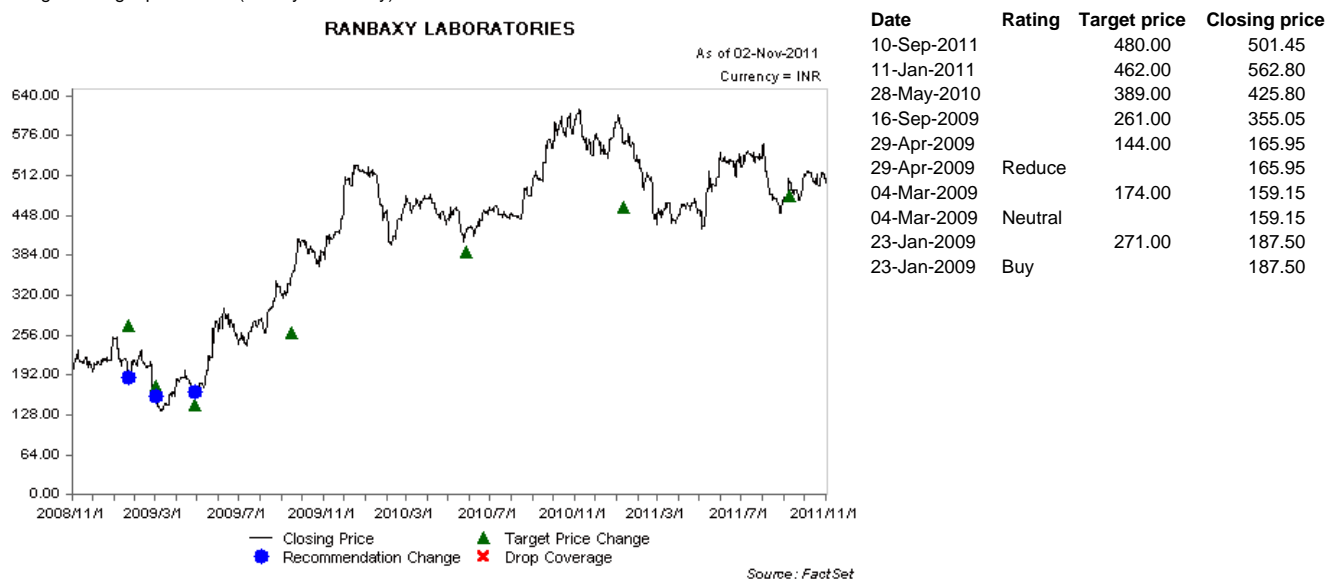
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Previous Rating

Issuer name	Previous Rating	Date of change
Ranbaxy Laboratories	Neutral	29-Apr-2009

Ranbaxy Laboratories (RBXY IN) INR 475 (09-Nov-2011) Reduce (Sector rating: Not rated)

Rating and target price chart (three year history)



For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology We base our target price on SOTP: Base business at 20x one-year forward EPS at INR373/sh; one-offs at INR 137/sh (based on DCF using a discount rate of 12.5%); and build in penalties of INR 30/sh (post tax).

Risks that may impede the achievement of the target price Upside Risks: Stronger-than-expected growth in emerging markets, lower-than-estimated competition in Lipitor, lower-than-estimated penalty.

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STOCKS

A rating of '**Buy**', indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months. A rating of '**Neutral**', indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months. A rating of '**Reduce**', indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months. A rating of '**Suspended**', indicates that the rating, target price and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including, but not limited to, when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the company.

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SECTORS

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Benchmarks are as follows: **United States**: S&P 500; **Europe**: Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia.

Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published from 30 October 2008 and in Japan from 6 January 2009

STOCKS

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A '**Buy**' recommendation indicates that potential upside is 15% or more. A '**Neutral**' recommendation indicates that potential upside is less than 15% or downside is less than 5%. A '**Reduce**' recommendation indicates that potential downside is 5% or more. A rating of '**Suspended**' indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the subject company.

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Explanation of Nomura's equity research rating system in Japan published prior to 6 January 2009

STOCKS

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A Target Price, if discussed, reflect in part the analyst's estimates for the company's earnings. The achievement of any target price may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

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