Voltas (VOLT.BO)

Improving Fundamentals; Upgrade to Hold/Medium Risk

Equity ☑
Rating change ☑
Target price change ☑
Estimate change ☑

- **Upgrade to Hold/Medium Risk on the back of business recovery** — We upgrade Voltas from Sell (3M) to Hold (2M) due to 1) increasing momentum in Middle East capex; 2) expectations of domestic HVAC business recovery; 3) uptick in the engineering agency business. However, the stock up 47% over the last 1 year (outperformance of 30% vs. Sensex) factors in a lot of the positives; limiting upsides from current levels. All things being equal, we might reconsider our Hold rating and turn more positive at 10-15% lower levels from here.
- **Getting more constructive on Middle East capex** — Projects in the Middle East comprises more than 60% of Voltas' orderbook (OB) and ~37% of its revenues. MEED reports that US$2.8trn of projects are planned or are underway in the GCC. Construction (incl. real estate) and infra segment have USD715bn and USD229bn worth of projects that are planned and un-awarded as on May 2010. Voltas is actively targeting high growth areas of Oman and Saudi Arabia.
- **Domestic HVAC business should see a revival in H2FY11** — Voltas is a late-cycle play on the upswing in commercial real estate. The latest 2Q10 Cushman and Wakefield updates on various Indian cities' commercial and retail spaces indicate an uptick in trends. We believe that Voltas' domestic HVAC business will benefit from a sustained upswing in this sector. **Engineering Agency business –** turning the corner with growth in textile machinery and mining and construction segment. The recent momentum in construction activity should also drive growth in its materials handling business.
- **Earnings up by 16-21%; TP to Rs241** — We increase target PE to 18x Dec11E vs. 16x Sept10E – 1) at a disc to L&T given difference in scale of operations; 2) at a ~20% prem. to mid-cap construction peers like IVRCL and Nagarjuna due to its better returns profile and cash flow generation (RoEs of 25-30% vs. ~10-15% for NJCC, IVRC; FCF yield of 4% vs. -ve FCFs for const cos). We believe that upsides could lie in better than expected order inflows in electromechanical division.

Hold/Medium Risk	2M
from Sell/Medium Risk	
Price (02 Aug 10)	Rs209.60
Target price	Rs241.00
from Rs142.00	
Expected share price return	15.0%
Expected dividend yield	1.0%
Expected total return	**16.0%**
Market Cap	Rs69,353M
	US$1,495M

Price Performance (RIC: VOLT.BO, BB: VOLT IN)

Figure 1. Voltas Statistical Abstract

Year	Net Profit (Rs mn)	FD EPS* (Rs)	EPS Growth (%)	P/E (x)	P / Book (x)	ROE (%)	DPS (Rs)	Div. Yield (%)
FY08A	1,761	5.32		39.5	12.0	31%	1.3	0.6%
FY09A	2,253	6.81	28%	30.8	8.8	29%	1.6	0.8%
FY10A	3,560	10.76	58%	19.5	6.4	33%	2.0	1.0%
FY11E	3,847	11.63	8%	18.1	5.0	28%	2.1	1.0%
FY12E	4,618	13.96	20%	15.0	3.9	26%	2.2	1.0%
FY13E	5,445	16.46	18%	12.8	3.1	25%	2.3	1.1%

Source: Company, Citi Investment Research and Analysis estimates, *- excluding extraordinary items

Deepal Delivala
+91-22-6631-9857
deepal.delivala@citi.com

Venkatesh Balasubramaniam
+91-22-6631-9864
venkatesh.balasubramaniam@citi.com

Atul Tiwari, CFA
+91-22-6631-9866
atul.tiwari@citi.com

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

Fiscal year end 31-Mar	2009	2010	2011E	2012E	2013E
Valuation Ratios					
P/E adjusted (x)	27.6	18.2	18.0	15.0	12.7
EV/EBITDA adjusted (x)	23.7	14.5	12.0	9.5	7.7
P/BV (x)	8.8	6.4	5.0	3.9	3.1
Dividend yield (%)	0.8	1.0	1.0	1.0	1.1
Per Share Data (Rs)					
EPS adjusted	7.60	11.51	11.63	13.96	16.46
EPS reported	7.60	11.51	11.63	13.96	16.46
BVPS	23.87	32.80	41.97	53.35	67.11
DPS	1.60	2.00	2.10	2.20	2.30
Profit & Loss (RsM)					
Net sales	43,259	48,059	57,805	69,009	82,400
Operating expenses	-40,638	-43,681	-52,631	-62,670	-74,804
EBIT	**2,621**	**4,377**	**5,174**	**6,339**	**7,596**
Net interest expense	-128	-98	-212	-253	-302
Non-operating/exceptionals	960	789	868	911	956
Pre-tax profit	**3,453**	**5,068**	**5,829**	**6,997**	**8,250**
Tax	-1,172	-1,472	-1,982	-2,379	-2,805
Extraord./Min.Int./Pref.div.	232	215	0	0	0
Reported net income	**2,514**	**3,810**	**3,847**	**4,618**	**5,445**
Adjusted earnings	2,514	3,810	3,847	4,618	5,445
Adjusted EBITDA	2,831	4,592	5,376	6,556	7,828
Growth Rates (%)					
Sales	35.1	11.1	20.3	19.4	19.4
EBIT adjusted	10.9	67.0	18.2	22.5	19.8
EBITDA adjusted	11.9	62.2	17.1	22.0	19.4
EPS adjusted	21.1	51.5	1.0	20.0	17.9
Cash Flow (RsM)					
Operating cash flow	**1,000**	**3,555**	**4,747**	**4,363**	**3,074**
Depreciation/amortization	210	214	202	217	232
Net working capital	-1,718	-527	699	-472	-2,603
Investing cash flow	**-244**	**-1,062**	**-2,300**	**-2,300**	**-2,300**
Capital expenditure	-591	-196	-300	-300	-300
Acquisitions/disposals	1,023	-777	-2,000	-2,000	-2,000
Financing cash flow	**842**	**-2,339**	**-813**	**-852**	**-890**
Borrowings	1,077	-1,463	0	0	0
Dividends paid	-619	-774	-813	-852	-890
Change in cash	**1,859**	**404**	**1,634**	**1,211**	**-117**
Balance Sheet (RsM)					
Total assets	**32,231**	**33,837**	**42,722**	**51,776**	**60,420**
Cash & cash equivalent	4,571	4,689	6,323	7,535	7,418
Accounts receivable	9,521	10,060	12,161	14,518	17,336
Net fixed assets	2,280	2,262	2,360	2,443	2,511
Total liabilities	**24,174**	**22,846**	**28,697**	**33,985**	**38,075**
Accounts payable	0	0	0	0	0
Total Debt	1,814	352	352	352	352
Shareholders' funds	**8,057**	**10,990**	**14,025**	**17,791**	**22,346**
Profitability/Solvency Ratios (%)					
EBITDA margin adjusted	6.5	9.6	9.3	9.5	9.5
ROE adjusted	36.8	40.6	31.1	29.3	27.3
ROIC adjusted	32.0	45.0	43.7	47.1	45.1
Net debt to equity	-34.2	-39.5	-42.6	-40.4	-31.6
Total debt to capital	18.4	3.1	2.4	1.9	1.5

For further data queries on Citi's full coverage universe please contact CIRA Data Services Asia Pacific at CIRADataServicesAsiaPacific@citi.com or +852-2501-2791

Positive view on Middle East capex

This report has been prepared with contribution from our MENA construction analyst. Heidy Rehman (+971-4-5099-746; heidy.rehman@citi.com)

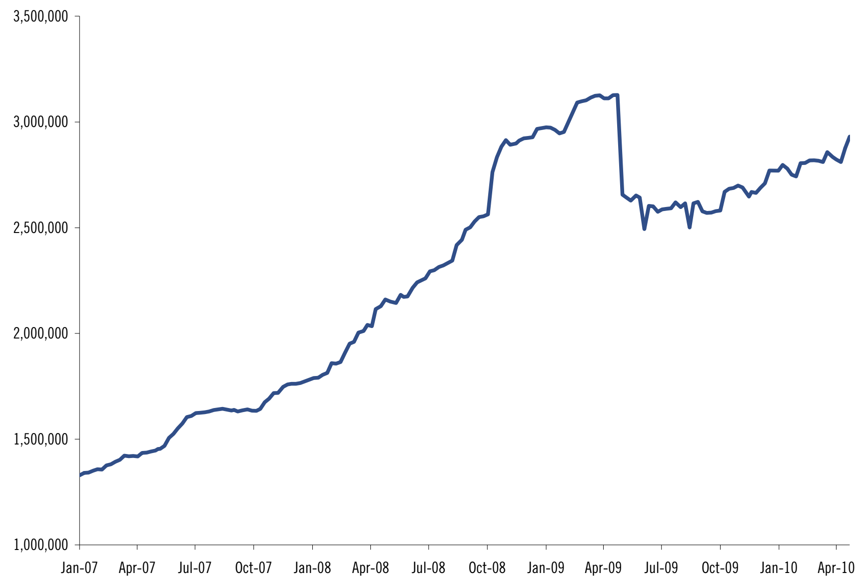
>60% of OB, ~37% of Voltas revenues is from Middle East

We are getting more positive on the capex momentum in the Middle East – while activity is nowhere near the peak – it seems to have recovered from the crises lows and we believe that it will pick up reasonable momentum.

- MEED reports US$2.8trn of projects planned or underway in the GCC (as at 5 April).
- Qatar, Saudi Arabia and UAE have the highest value of projects under construction
- Construction (which incorporates real estate) is the most active segment. USD715bn worth of projects are planned and are un-awarded as on May 2010. This is followed by Infrastructure with an outlay of USD229bn.
- Voltas is actively targeting newer markets - high growth areas in the Middle East – i.e. in Oman and Saudi Arabia. **We believe that there is a reasonable chance of order wins in these locations given huge buildout planned.**

MEED reports US$2.8trn of projects planned or underway in the GCC (as at 5 April).

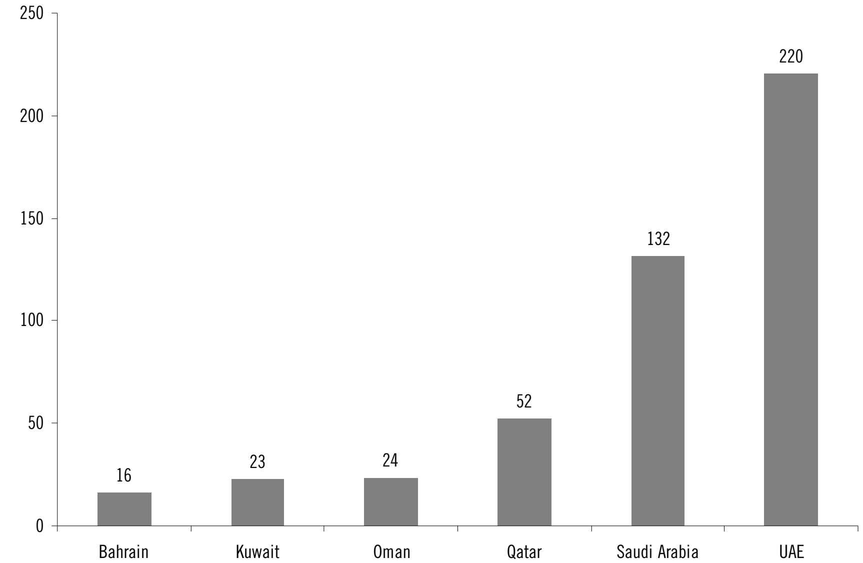
Figure 2. GCC Projects Underway, Jan-07-Apr-10 (US$ in Millions)



Source: MEED

Qatar, Saudi Arabia and UAE have the highest value of projects under construction

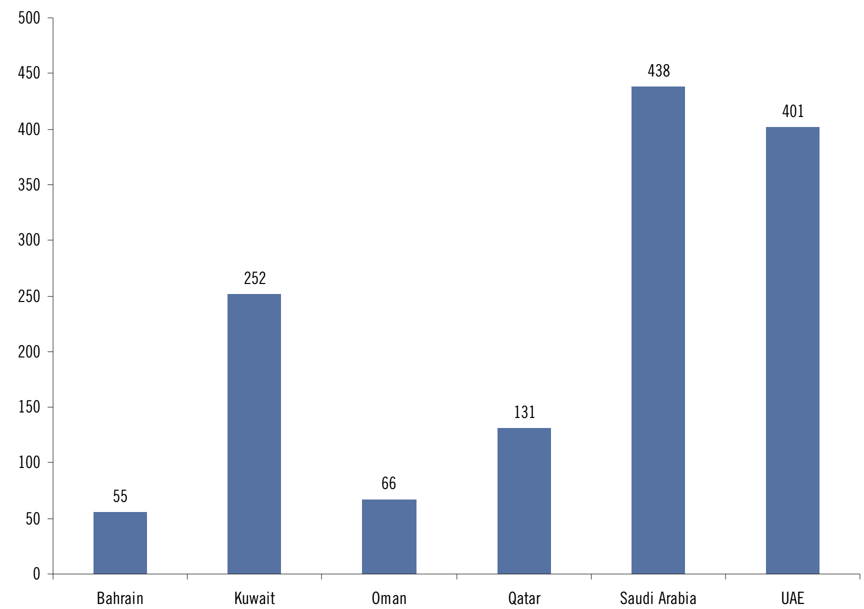
Figure 3. GCC — Value of Projects Under Construction by Country, May 2010 (US$ in Billions)



Source: MEED

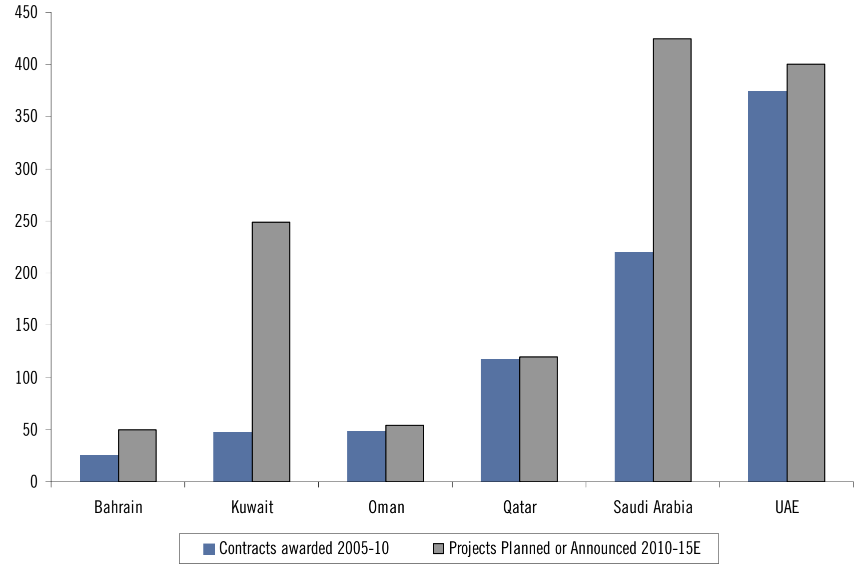
Kuwait too is one of the most active markets.

Figure 4. GCC — Budget Value of Announced & Un-Awarded Projects, May 2010 (US$ in Billions)



Source: MEED

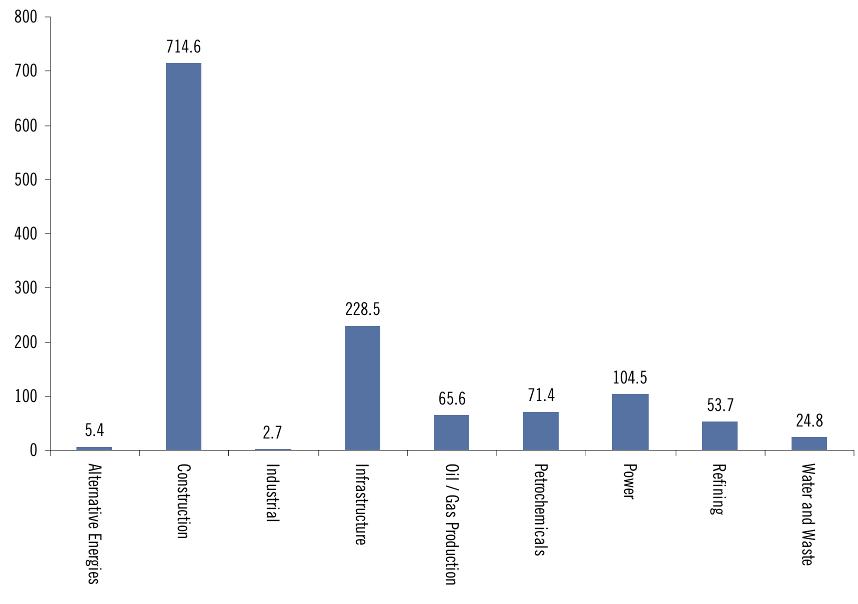
Figure 5. GCC – Contracts Awarded & Projects Planned or Announced, 2005-15 (US$ in Billions)



Source: MEED

Construction (which incorporates real estate) is the most active segment. This is followed by Infrastructure.

Figure 6. GCC — Value of Planned & Un-Awarded Projects by Sector, May 2010 (US$ in Billions)



Source: MEED

Domestic EMP Business to pick up in 2H11

Voltas' domestic EMP order-book looks strong and execution cycle has been improving. The MEP and water management businesses have been picking up momentum. However, Voltas' traditional HVAC business is still seeing some slack in conversion of orders into execution.

Voltas is a late-cycle play on the uptick in commercial real estate. We believe that the traditional HVAC business has bottomed and one should see a recovery in the second half of the year.

The latest 2Q10 Cushman and Wakefield updates on various cities commercial and retail spaces indicate an uptick in trends. We believe that Voltas' domestic HVAC business will benefit from a sustained upswing in this sector.

Figure 7. Commercial and Real Estate outlook from Cushman and Wakefield reports for 2Q, 2010.

	Commercial	Retail
Mumbai	Improvement in global economic environment has fueled Demand* from IT/ITeS and BFSI sectors which are the major demand drivers for office space in the city. Demand for commercial office space is expected to remain buoyant.	With the anticipation of further improvement in leasing activity, coupled with restrained supply across existing retail hubs, mall rental values are expected to witness some upward movement across most micro markets in near future.
Delhi(NCR)	The quarter witnessed absorption of 2.2 million sq.ft. indicating significant increase of 126% over the previous quarter. Majority of the absorption was noted in the IT SEZs with 1.1 million sq.ft. taken up during the quarter.	Improving sentiments and underlying economic growth have led the retail segment to recover steadily. Expansion by domestic retailers and arrival of international brands are a testimony to the increasing optimism in the industry. Mall rental values strengthened marginally over the quarter after values rationalized over the year. Gurgaon witnessed highest appreciation owing to renewed interest by retailers
Bangalore	Demand* for the quarter was 2.38 million sq.ft, leading to a total demand of 4.93 million sq.ft for 1H 2010 – re-emphasising improved market conditions. Outlook - In anticipation of further increase in leasing enquiries, rentals are likely to remain on an upswing in select micro markets in the coming quarters.	Leasing activity across the city's malls remained buoyant in 2Q 2010, primarily due to the stable rentals quoted by developers. With the city expected to witness a rather conservative mall supply during 2010, existing malls with available spaces are likely to see better churn in the coming quarters.
Chennai	Corporates have been keen to consolidate space in order to achieve higher efficiency in operational and real estate costs. Rentals in the CBD and Off CBD market (commercial) are expected to stabilize in the short term; and with limited projected commercial supply, there may be a demand/supply mismatch in the coming months.	The vacancy is currently less than 15% and expected to decrease during the next quarter. This is due to anticipated strong footfalls, increased enquires coupled with strengthening of rentals which is driving retailers to secure space. Significant leasing is expected to be undertaken in the second half of the year with various retailers in the process of closing transactions.
Hyderabad	Rentals in CBD and Off CBD regions are likely to see further decline during the second half of 2010 due to reduced demand for space. Fresh enquiries from new entrants are expected to be limited as their perception regarding the political uncertainty in the State is yet to see an improvement.	Rentals for both malls and main streets are expected to remain stable over the next quarter. With improving consumer and retailer sentiments over the last quarter, more retailers primarily in the apparel segment are expected to expand their operations.
Pune	Rental values across a few micro markets witnessed some upward movement in 2Q 2010. In spite of recent surge in demand and increase in enquiries, most developers are cautious about a further increase in rentals due to large upcoming supply which may put rental values under pressure in near future	High street leasing witnessed more activity in the second quarter, over mall transactions in the city. Pune is expected to witness an upcoming supply of about 900,000 sq.ft, of which more than 50% is expected along the city's eastern corridor.

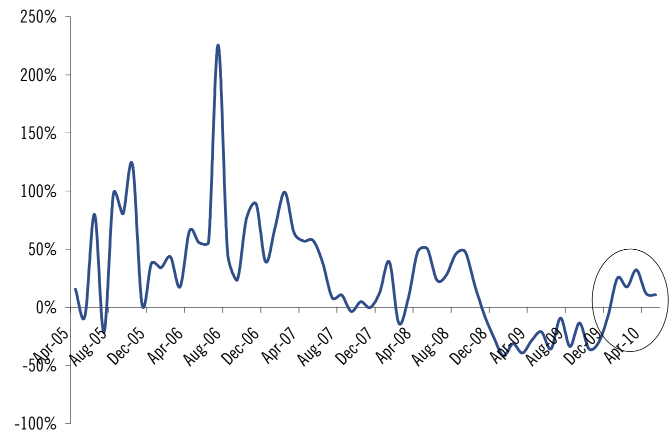
Source: Cushman and Wakefield

Engineering Agency Business

Textile machinery business: this business has finally started picking up momentum. Anecdotally, textile machinery maker Lakshmi Machine Works expects sales to grow by up to 30% in FY11, against a fall of over 15% last fiscal, on a rebound in India's textile industry. Voltas is the agent for LMW and this could translate to similar growth for Voltas. **Mining and Construction business** – the business in showing positive momentum. Margins in this business improved significantly due to delivery of high value equipment yielding commissions. However, Voltas expects margins in this business to moderate over time. **Material handling business-** has been lagging but recent trends have been encouraging.

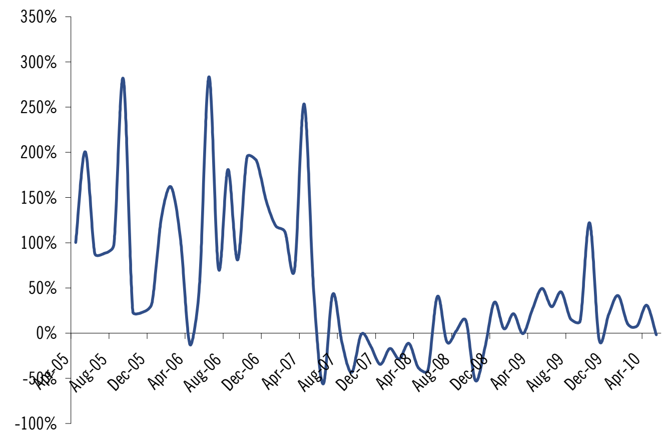
Recent IIP trends indicate a definite uptick in construction, material handling and mining and construction equipment. We believe that 2H FY11 should see a more sustained recovery in this segment.

Figure 8. IIP Capital Goods - Cranes (YoY%)



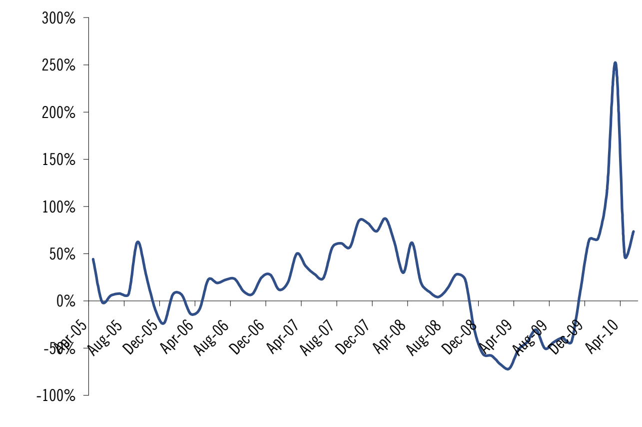
Source: CSO

Figure 9. IIP Capital Goods - Material Handling equipment production (YoY%)



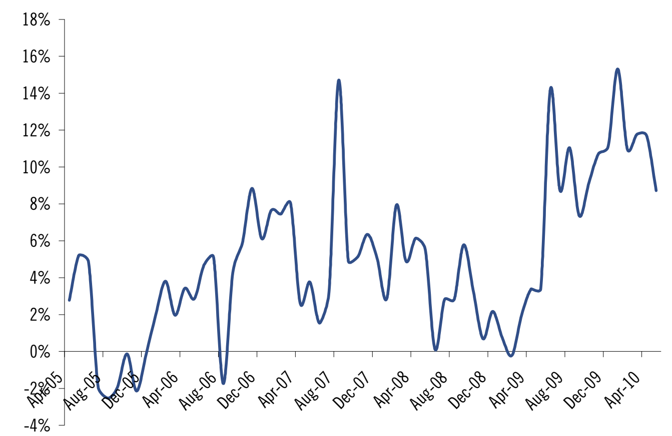
Source: CSO

Figure 10. IIP – Capital Goods – Dumper Loaders production (YoY%)



Source: CSO

Figure 11. IIP: Mining & quarrying (YoY%)



Source: CSO

Unitary cooling and Products division

Strong Volume growth

Air-conditioner volumes have grown at more than 60%YoY in Q1 FY11- increased dealership and arrangements with large retailers have helped volume growth. The company expects good volume growth in this segment; however higher input costs and adverse exchange rate is expected to affect margins in this segment.

We expect the improvement in consumer sentiment to drive revenue growth in this segment. Voltas has also been proactive in promotional activities and new product launches which contributed to strong growth.

Figure 12. Voltas consensus EPS

Consensus	11.04	13.42
Citi	11.63	13.96
% Difference	5%	4%

Source: CIRA estimates, Bloomberg

Upgrade to Hold/Medium Risk

We are increasing our target price for Voltas to Rs241, from Rs142 primarily on the back of

- Increase in EPS estimates by 21% in FY11, and 16% in FY12 on the back on increase in revenue and margin assumptions

Figure 13. Voltas change in estimates

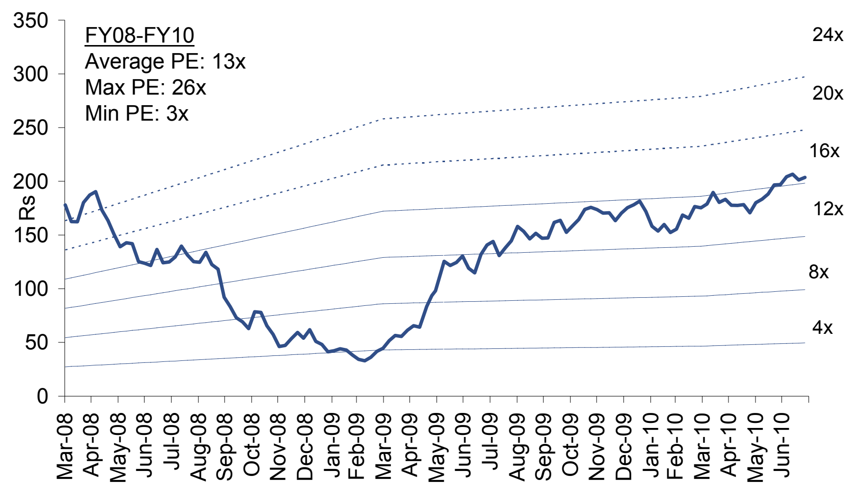
	FY11	FY12
Revenues		
Old	56,321	67,272
New	57,805	69,009
% change	3%	3%
EBITDA margins		
Old	8.20%	8.60%
New	9.30%	9.50%
% change	110	90
PAT		
Old	3,190	3,982
New	3,847	4,618
% change	21%	16%
EPS		
Old	9.64	12.04
New	11.63	13.96
% change	21%	16%

Source: Citi Investment Research and Analysis

- We are increasing our target PE multiple to 18x Dec11E vs. 16x Sept10E
  - at a ~20% premium to mid-cap construction peers like IVRCL and Nagarjuna due to its better returns profile and cash flow generation; (RoEs of 25%-30% vs ~10% -15% for NJCC, IVRC; FCF yield of 4% vs negative FCFs for const cos)
  - at a discount to Larsen and Toubro given Voltas' smaller size and breadth of operations.
  - Higher than its historical PE given better operating environment; and expectations of an acceleration in recovery.

Quants View – Glamour

Figure 14. Voltas PE chart



Source: Citi Investment Research and Analysis

We upgrade the stock to a Hold/Medium Risk rating from a Sell earlier. We believe that the stock, up 47% over the last 1 year; (outperformance of 30% vs the Sensex) factors in a lot of the positives; limiting the upsides from current levels. All things being equal, we might reconsider our Hold rating and turn more positive at 10-15% lower levels from here.

Figure 15. Voltas outperformance

Performance	1W	1M	3M	6M	1Yr	2Yr	3Yr
Voltas	2.7%	5.2%	17.1%	31.8%	47.2%	65.9%	52.0%
Sensex	-0.1%	1.0%	3.3%	10.1%	17.1%	25.1%	17.9%
Outperformance	**2.8%**	**4.2%**	**13.8%**	**21.7%**	**30.1%**	**40.7%**	**34.1%**

Source: Citi Investment Research and Analysis

Quants View – Glamour

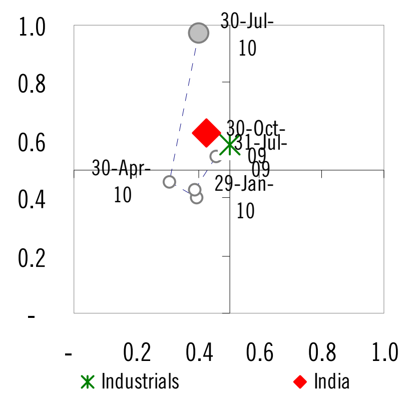
Voltas currently lies in the Glamour quadrant of our Value-Momentum map with strong momentum but relatively weak value scores. The stock has moved from the Unattractive quadrant to the Glamour quadrant in the past 3 months indicating an improvement in the momentum scores although valuation still remains expensive. Compared to its peers in the Industrials sector, Voltas fares worse on the valuation metric but better on the momentum metric. Similarly, compared to its peers in its home market of India, Voltas fares worse on the valuation metric but better on the momentum metric.

From a macro perspective, Voltas has a high Beta to the region so is likely to rise (or fall) faster than the region. It is also likely to benefit from Value outperformance, tightening US credit spreads, falling Commodity (ex-oil) prices, falling EM yields, and a weaker US Dollar.

Radar Screen Quadrant Definitions

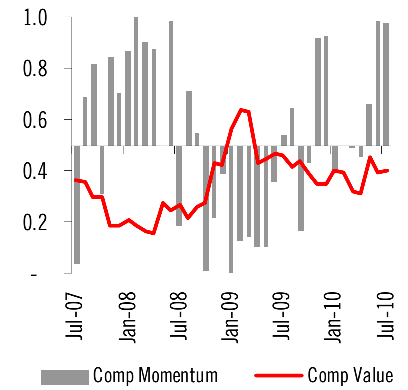
Glamour *Poor relative value but superior relative momentum*	**Attractive** *Superior relative value and superior relative momentum*
Unattractive *Poor relative value and poor relative momentum*	**Contrarian** *Superior relative value but poor relative momentum*

Figure 16. Radar Quadrant Chart History



Source: CIRA

Figure 17. Radar Valuation Momentum Ranks



Source: CIRA

Figure 18. Radar Model Inputs

IBES EPS (Actual and Estimates)

FY(-2)	5.32	Implied Trend Growth (%)	19.57
FY(-1)	7.60	Trailing PE (x)	17.78
FY0	11.51	Implied Cost of Debt (%)	10.14
FY1	10.97	Standardised MCap	(0.21)
FY2	13.13		

Note: Standardised MCap calculated as a Z score – (mkt cap - mean)/std dev – capped at 3

Source: Citi Investment Research and Analysis, Worldscope, I/B/E/S

Figure 19. Stock Performance Sensitivity to Key Macro Factors

Region	1.44	Commodity ex Oil	(0.32)
Local Market	1.14	Rising Oil Prices	0.17
Sector	0.24	Rising Asian IR's	0.11
Growth Outperforms Value	(1.07)	Rising EM Yields	(0.28)
Small Caps Outperform Large Caps	0.82	Weaker US$ (vs Asia)	3.11
Widening US Credit Spreads	(0.35)	Weaker ¥ (vs US$)	(0.39)

Source: Citi Investment Research and Analysis

Voltas

Company description

Voltas, a Tata group company, is a leading player in India's Heating, Ventilation and Air Conditioning (HVAC) market, having a ~28% market share in electro-mechanical projects. The company offers engineering solutions for a wide spectrum of industries in areas such as HVAC, refrigeration, electro-mechanical projects, textile machinery, machine tools, mining and construction equipment, materials-handling vehicles, water management, building management systems, indoor air quality and chemicals.

Investment strategy

We rate Voltas Hold/Medium Risk (2M) with a target price of Rs241. A market leader in the HVAC space in India, Voltas' businesses seems to have bottomed and we expect recovery to be driven by expectations of renewed domestic infrastructure spending and capex recovery in the Middle East. However, we believe the recent stock performance has captured the recovery and do not see much upside from current levels. While expecting demand recovery in the Middle East, we also expect competition to increase and rationalized investments by clients. Additionally, as a late-cycle play on real estate demand, recovery for Voltas could lag overall recovery.

Valuation

Our target price for Voltas of Rs241 is set at 18x Dec11E FD EPS 1) at a discount of 22% to L&T given difference in scale of operations, 2) at a ~20% prem. to mid-cap construction peers like IVRCL and Nagarjuna due to its better returns profile and cash flow generation (RoEs of 25%-30% vs ~10%-15% for NJCC, IVRC; FCF yield of 4% vs. negative FCFs for construction companies). 3) higher than its historical P/E (13x over FY08-10) given better operating environment, and expectations of an acceleration in recovery. We believe that upsides could lie in better than expected order inflows in the electromechanical division. We choose P/E as our valuation methodology for Voltas, as this is in-line with other E&C companies in our coverage.

Risks

We rate Voltas Medium Risk. We believe that our risk rating reflects the vulnerability of Voltas' business to the global slowdown, especially the slowdown in the Middle East, but also factors in an improvement in the operating environment. Key downside risks to our target price include: International projects risks; termination of principal-agent relationships; increasing competition in domestic and international markets; manpower shortages; and material prices. Key upside risks to our target price include: stronger-than-expected performance driven by the international business; and turnaround of the domestic operating environment. These risks could impede the stock from achieving our target price.

Appendix A-1

Analyst Certification

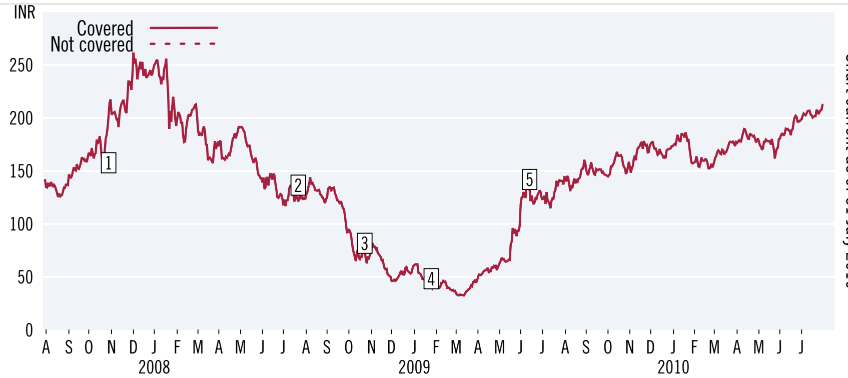
The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security or any identified portion of the report with respect to an issuer or security that the research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer(s) or securities. The research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this research report.

IMPORTANT DISCLOSURES

Voltas (VOLT.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Deepal Delivala



	Date	Rating	Target Price	Closing Price
1	29-Oct-07	*1M	*242.00	202.70
2	22-Jul-08	*3M	*121.00	121.20
3	23-Oct-08	3M	*80.00	74.30
4	25-Jan-09	*3H	*38.00	41.15
5	12-Jun-09	*3M	*142.00	132.90

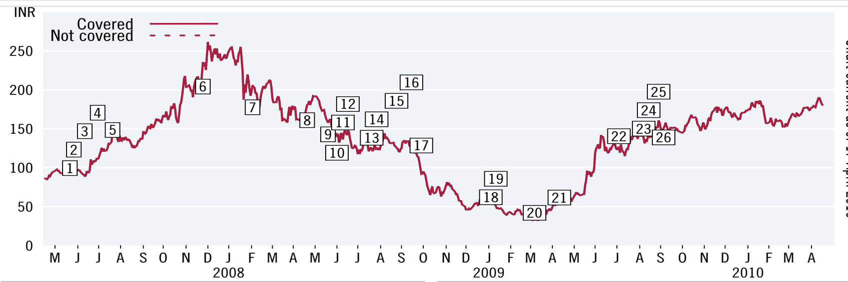
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Voltas Ltd (VOLT.NS)

Rating History
Global Quantitative Research
Asia Radar Screen

Analyst: Paul R Chanin



	Date	Rating	Target Price	Closing Price
1	22-May-07	*4	-	98.55
2	28-May-07	*2	-	99.15
3	12-Jun-07	*3	-	89.25
4	29-Jun-07	*4	-	111.25
5	20-Jul-07	*5	-	148.45
6	26-Nov-07	*3	-	235.65
7	4-Feb-08	*2	-	206.10
8	21-Apr-08	*3	-	180.80
9	20-May-08	*2	-	157.75
10	2-Jun-08	*4	-	139.70
11	10-Jun-08	*5	-	136.35
12	17-Jun-08	*2	-	147.90
13	21-Jul-08	*4	-	123.95
14	28-Jul-08	*5	-	125.05
15	25-Aug-08	*3	-	125.35
16	15-Sep-08	*4	-	122.70
17	29-Sep-08	*5	-	91.80
18	5-Jan-09	*4	-	61.90
19	12-Jan-09	*5	-	50.75
20	6-Mar-09	*4	-	33.40
21	10-Apr-09	*5	-	55.80
22	3-Jul-09	*4	-	126.85
23	7-Aug-09	*2	-	137.05
24	14-Aug-09	*3	-	143.00
25	28-Aug-09	*4	-	160.85
26	4-Sep-09	*5	-	150.85

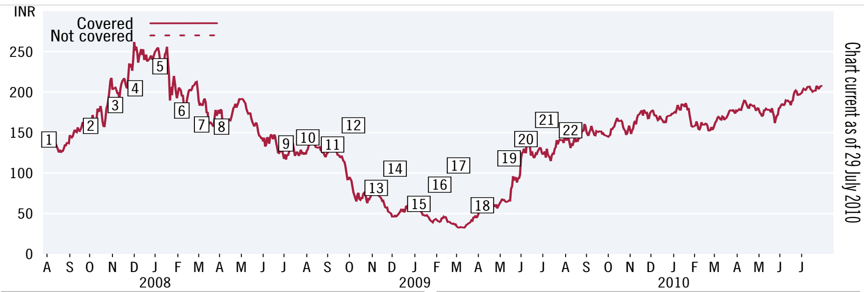
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Voltas Ltd (VOLT.BO)

Rating History
Global Quantitative Research
World Radar Screen

Analyst: Chris Montagu
Covered since May 23 2009



	Date	Rating	Target Price	Closing Price
1	3-Aug-07	*6	-	138.80
2	2-Oct-07	*7	-	167.20
3	6-Nov-07	*5	-	205.60
4	4-Dec-07	*8	-	251.30
5	8-Jan-08	*7	-	239.60
6	7-Feb-08	*5	-	194.80
7	6-Mar-08	*4	-	185.45
8	3-Apr-08	*5	-	177.25

	Date	Rating	Target Price	Closing Price
9	3-Jul-08	*3	-	116.80
10	3-Aug-08	*7	-	127.60
11	8-Sep-08	*4	-	133.80
12	7-Oct-08	*9	-	76.20
13	7-Nov-08	*10	-	76.60
14	4-Dec-08	*5	-	48.00
15	7-Jan-09	*4	-	54.05
16	5-Feb-09	*8	-	39.60

	Date	Rating	Target Price	Closing Price
17	4-Mar-09	*7	-	32.65
18	7-Apr-09	*2	-	51.70
19	14-May-09	*7	-	66.25
20	8-Jun-09	*6	-	125.45
21	7-Jul-09	*3	-	130.05
22	10-Aug-09	*5	-	130.90

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Citigroup Global Markets Inc. or its affiliates beneficially owns 1% or more of any class of common equity securities of Voltas. This position reflects information available as of the prior business day.

Citigroup Global Markets Inc. or an affiliate received compensation for products and services other than investment banking services from Voltas in the past 12 months.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, securities-related: Voltas.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, non-securities-related: Voltas.

Rohini Malkani has in the past worked with the India government or its divisions in her personal capacity.

Analysts' compensation is determined based upon activities and services intended to benefit the investor clients of Citigroup Global Markets Inc. and its affiliates ("the Firm"). Like all Firm employees, analysts receive compensation that is impacted by overall firm profitability which includes investment banking revenues.

For important disclosures (including copies of historical disclosures) regarding the companies that are the subject of this Citi Investment Research & Analysis product ("the Product"), please contact Citi Investment Research & Analysis, 388 Greenwich Street, 28th Floor, New York, NY, 10013, Attention: Legal/Compliance. In addition, the same important disclosures, with the exception of the Valuation and Risk assessments and historical disclosures, are contained on the Firm's disclosure website at www.citigroupgeo.com. Valuation and Risk assessments can be found in the text of the most recent research note/report regarding the subject company. Historical disclosures (for up to the past three years) will be provided upon request.

Citi Investment Research & Analysis Ratings Distribution

Data current as of 30 Jun 2010	**Buy**	**Hold**	**Sell**
Citi Investment Research & Analysis Global Fundamental Coverage	54%	35%	12%
% of companies in each rating category that are investment banking clients	47%	45%	40%
Citi Investment Research & Analysis Quantitative World Radar Screen Model Coverage	30%	40%	30%
% of companies in each rating category that are investment banking clients	22%	22%	20%
Citi Investment Research & Analysis Quantitative Decision Tree Model Coverage	46%	0%	54%
% of companies in each rating category that are investment banking clients	57%	0%	49%
Citi Investment Research & Analysis Quantitative European Value & Momentum Screen	30%	40%	30%
% of companies in each rating category that are investment banking clients	50%	52%	49%
Citi Investment Research & Analysis Asia Quantitative Radar Screen Model Coverage	20%	60%	20%
% of companies in each rating category that are investment banking clients	19%	19%	22%
Citi Investment Research & Analysis Australia Radar Model Coverage	50%	0%	50%
% of companies in each rating category that are investment banking clients	17%	0%	35%

Guide to Citi Investment Research & Analysis (CIRA) Fundamental Research Investment Ratings:
CIRA's stock recommendations include a risk rating and an investment rating.
Risk ratings, which take into account both price volatility and fundamental criteria, are: Low (L), Medium (M), High (H), and Speculative (S).
Investment ratings are a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and risk rating.

For securities in emerging markets (Asia Pacific, Emerging Europe/Middle East/Africa, and Latin America), investment ratings are:Buy (1) (expected total return of 15% or more for Low-Risk stocks, 20% or more for Medium-Risk stocks, 30% or more for High-Risk stocks, and 40% or more for Speculative stocks); Hold (2) (5%-15% for Low-Risk stocks, 10%-20% for Medium-Risk stocks, 15%-30% for High-Risk stocks, and 20%-40% for Speculative stocks); and Sell (3) (5% or less for Low-Risk stocks, 10% or less for Medium-Risk stocks, 15% or less for High-Risk stocks, and 20% or less for Speculative stocks).

Investment ratings are determined by the ranges described above at the time of initiation of coverage, a change in investment and/or risk rating, or a change in target price (subject to limited management discretion). At other times, the expected total returns may fall outside of these ranges because of market price movements and/or other short-term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by Research Management. Your decision to buy or sell a security should be based upon your personal investment objectives and should be made only after evaluating the stock's expected performance and risk.
Guide to Citi Investment Research & Analysis (CIRA) Corporate Bond Research Credit Opinions and Investment Ratings: CIRA's corporate bond research issuer publications

include a fundamental credit opinion of Improving, Stable or Deteriorating and a complementary risk rating of Low (L), Medium (M), High (H) or Speculative (S) regarding the credit risk of the company featured in the report. The fundamental credit opinion reflects the CIRA analyst's opinion of the direction of credit fundamentals of the issuer without respect to securities market vagaries. The fundamental credit opinion is not geared to, but should be viewed in the context of debt ratings issued by major public debt ratings companies such as Moody's Investors Service, Standard and Poor's, and Fitch Ratings. CBR risk ratings are approximately equivalent to the following matrix: Low Risk Triple A to Low Double A; Low to Medium Risk High Single A through High Triple B; Medium to High Risk Mid Triple B through High Double B; High to Speculative Risk Mid Double B and Below. The risk rating element illustrates the analyst's opinion of the relative likelihood of loss of principal when a fixed income security issued by a company is held to maturity, based upon both fundamental and market risk factors. Certain reports published by CIRA will also include investment ratings on specific issues of companies under coverage which have been assigned fundamental credit opinions and risk ratings. Investment ratings are a function of CIRA's expectations for total return, relative return (to publicly available Citigroup bond indices performance), and risk rating. These investment ratings are: Buy/Overweight the bond is expected to outperform the relevant Citigroup bond market sector index (Broad Investment Grade, High Yield Market or Emerging Market), performances of which are updated monthly and can be viewed at https://fidirect.citigroup.com/ using the "Indexes" tab; Hold/Neutral Weight the bond is expected to perform in line with the relevant Citigroup bond market sector index; or Sell/Underweight the bond is expected to underperform the relevant sector of the Citigroup indexes.

Guide to Citi Investment Research & Analysis (CIRA) Quantitative Research Investment Ratings:
CIRA Quantitative Research World Radar Screen recommendations are based on a globally consistent framework to measure relative value and momentum for a large number of stocks across global developed and emerging markets. Relative value and momentum rankings are equally weighted to produce a global attractiveness score for each stock. The scores are then ranked and put into deciles. A stock with a decile rating of 1 denotes an attractiveness score in the top 10% of the universe (most attractive). A stock with a decile rating of 10 denotes an attractiveness score in the bottom 10% of the universe (least attractive).
CIRA Asia Quantitative Radar Screen model recommendations are based on a regionally consistent framework to measure relative value and momentum for a large number of stocks across regional developed and emerging markets. Relative value and momentum rankings are equally weighted to produce a global attractiveness score for each stock. The scores are then ranked and put into quintiles. A stock with a quintile rating of 1 denotes an attractiveness score in the top 20% of the universe (most attractive). A stock with a quintile rating of 5 denotes an attractiveness score in the bottom 20% of the universe (least attractive).
CIRA Australia Quantitative Radar Screen model recommendations are based on a robust framework to measure relative value and momentum for a large number of stocks across the Australian market. Stocks with a ranking of 1 denotes a stock that is above average in terms of both value and momentum relative to the stocks in the Australian market. A ranking of 10 denotes a stock that is below average in terms of both value and momentum relative to the stocks in the Australian market.
CIRA Quantitative Decision Tree model recommendations are based on a predetermined set of factors to rate the relative attractiveness of stocks. These factors are detailed in the text of the report. The Decision Tree model forecasts whether stocks are attractive or unattractive relative to other stocks in the same sector (based on the Russell 1000 sector classifications).

For purposes of NASD/NYSE ratings-distribution-disclosure rules, a Citi Investment Research & Analysis (CIRA) Quantitative World Radar Screen recommendation of (1), (2) or (3) most closely corresponds to a buy recommendation; a recommendation from this product group of (4), (5), (6) or (7) most closely corresponds to a hold recommendation; and a recommendation of (8), (9) or (10) most closely corresponds to a sell recommendation. An (NR) recommendation indicates that the stock is no longer in the screen.
For purposes of NASD/NYSE ratings distribution disclosure rules, a CIRA Asia Quantitative Radar Screen recommendation of (1) most closely corresponds to a buy recommendation; a CIRA Asia Quantitative Radar Screen recommendation of (2), (3), (4) most closely corresponds to a hold recommendation; and a recommendation of (5) most closely corresponds to a sell recommendation. An (NR) recommendation indicates that the stock is no longer in the screen.
For purposes of NASD/NYSE ratings-distribution-disclosure rules, a CIRA Quantitative Research Decision Tree model or Quantitative Research Australia Radar Screen recommendation of "attractive" (1) most closely corresponds to a buy recommendation. All other stocks in the sector are considered to be "unattractive" (10) which most closely corresponds to a sell recommendation. An (NR)/(0) recommendation indicates that the stock is no longer in the screen.
Recommendations are based on the relative attractiveness of a stock, thus can not be directly equated to buy, hold and sell categories. Accordingly, your decision to buy or sell a security should be based on your personal investment objectives and only after evaluating the stock's expected relative performance.

NON-US RESEARCH ANALYST DISCLOSURES
Non-US research analysts who have prepared this report (i.e., all research analysts listed below other than those identified as employed by Citigroup Global Markets Inc.) are not registered/qualified as research analysts with FINRA. Such research analysts may not be associated persons of the member organization and therefore may not be subject to the NYSE Rule 472 and NASD Rule 2711 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account. The legal entities employing the authors of this report are listed below:

Citigroup Global Markets India Private Limited	Deepal Delivala,Venkatesh Balasubramaniam,Atul Tiwari, CFA
Citigroup Global Markets Ltd	Heidy Rehman

OTHER DISCLOSURES

The subject company's share price set out on the front page of this Product is quoted as at 02 August 2010 04:00 PM on the issuer's primary market.

Citigroup Global Markets Inc. or its affiliates beneficially owns 2% or more of any class of common equity securities of Voltas.

For securities recommended in the Product in which the Firm is not a market maker, the Firm is a liquidity provider in the issuers' financial instruments and may act as principal in connection with such transactions. The Firm is a regular issuer of traded financial instruments linked to securities that may have been recommended in the Product. The Firm regularly trades in the securities of the issuer(s) discussed in the Product. The Firm may engage in securities transactions in a manner inconsistent with the Product and, with respect to securities covered by the Product, will buy or sell from customers on a principal basis.

Securities recommended, offered, or sold by the Firm: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Citibank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Although information has been obtained from and is based upon sources that the Firm believes to be reliable, we do not guarantee its accuracy and it may be incomplete and condensed. Note, however, that the Firm has taken all reasonable steps to determine the accuracy and completeness of the disclosures made in the Important Disclosures section of the Product. The Firm's research department has received assistance from the subject company(ies) referred to in this Product including, but not limited to, discussions with management of the subject company(ies). Firm policy prohibits research analysts from sending draft research to subject companies. However, it should be presumed that the author of the Product has had discussions with the subject company to ensure factual accuracy prior to publication. All opinions, projections and estimates constitute the judgment of the author as of the date of the Product and these, plus any other information contained in the Product, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. Notwithstanding other departments within the Firm advising the companies discussed in this Product, information obtained in such role is not used in the preparation of the Product. Although Citi Investment Research & Analysis

(CIRA) does not set a predetermined frequency for publication, if the Product is a fundamental research report, it is the intention of CIRA to provide research coverage of the/those issuer(s) mentioned therein, including in response to news affecting this issuer, subject to applicable quiet periods and capacity constraints. The Product is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in the Product must take into account existing public information on such security or any registered prospectus.

Investing in non-U.S. securities, including ADRs, may entail certain risks. The securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of the U.S. Securities and Exchange Commission. There may be limited information available on foreign securities. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. Securities of some foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, exchange rate movements may have an adverse effect on the value of an investment in a foreign stock and its corresponding dividend payment for U.S. investors. Net dividends to ADR investors are estimated, using withholding tax rates conventions, deemed accurate, but investors are urged to consult their tax advisor for exact dividend computations. Investors who have received the Product from the Firm may be prohibited in certain states or other jurisdictions from purchasing securities mentioned in the Product from the Firm. Please ask your Financial Consultant for additional details. Citigroup Global Markets Inc. takes responsibility for the Product in the United States. Any orders by US investors resulting from the information contained in the Product may be placed only through Citigroup Global Markets Inc.

Important Disclosures for Morgan Stanley Smith Barney LLC Customers: Morgan Stanley & Co. Incorporated (Morgan Stanley) research reports may be available about the companies that are the subject of this Citi Investment Research & Analysis (CIRA) research report. Ask your Financial Advisor or use smithbarney.com to view any available Morgan Stanley research reports in addition to CIRA research reports.
Important disclosure regarding the relationship between the companies that are the subject of this CIRA research report and Morgan Stanley Smith Barney LLC and its affiliates are available at the Morgan Stanley Smith Barney disclosure website at www.morganstanleysmithbarney.com/researchdisclosures.
The required disclosures provided by Morgan Stanley and Citigroup Global Markets, Inc. on Morgan Stanley and CIRA research relate in part to the separate businesses of Citigroup Global Markets, Inc. and Morgan Stanley that now form Morgan Stanley Smith Barney LLC, rather than to Morgan Stanley Smith Barney LLC in its entirety. For Morgan Stanley and Citigroup Global Markets, Inc. specific disclosures, you may refer to www.morganstanley.com/researchdisclosures and https://www.citigroupgeo.com/geopublic/Disclosures/index_a.html.
This CIRA research report has been reviewed and approved on behalf of Morgan Stanley Smith Barney LLC. This review and approval was conducted by the same person who reviewed this research report on behalf of CIRA. This could create a conflict of interest.

The Citigroup legal entity that takes responsibility for the production of the Product is the legal entity which the first named author is employed by. The Product is made available in Australia through Citigroup Global Markets Australia Pty Ltd. (ABN 64 003 114 832 and AFSL No. 240992), participant of the ASX Group and regulated by the Australian Securities & Investments Commission. Citigroup Centre, 2 Park Street, Sydney, NSW 2000. The Product is made available in Australia to Private Banking wholesale clients through Citigroup Pty Limited (ABN 88 004 325 080 and AFSL 238098). Citigroup Pty Limited provides all financial product advice to Australian Private Banking wholesale clients through bankers and relationship managers. If there is any doubt about the suitability of investments held in Citigroup Private Bank accounts, investors should contact the Citigroup Private Bank in Australia. Citigroup companies may compensate affiliates and their representatives for providing products and services to clients. The Product is made available in Brazil by Citigroup Global Markets Brasil - CCTVM SA, which is regulated by CVM - Comissão de Valores Mobiliários, BACEN - Brazilian Central Bank, APIMEC - Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais and ANBID - Associação Nacional dos Bancos de Investimento. Av. Paulista, 1111 - 11º andar - CEP. 01311920 - São Paulo - SP. If the Product is being made available in certain provinces of Canada by Citigroup Global Markets (Canada) Inc. ("CGM Canada"), CGM Canada has approved the Product. Citigroup Place, 123 Front Street West, Suite 1100, Toronto, Ontario M5J 2M3. The Product is made available in France by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. 1-5 Rue Paul Cézanne, 8ème, Paris, France. The Product may not be distributed to private clients in Germany. The Product is distributed in Germany by Citigroup Global Markets Deutschland AG & Co. KGaA, which is regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin). Frankfurt am Main, Reuterweg 16, 60323 Frankfurt am Main. If the Product is made available in Hong Kong by, or on behalf of, Citigroup Global Markets Asia Ltd., it is attributable to Citigroup Global Markets Asia Ltd., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. Citigroup Global Markets Asia Ltd. is regulated by Hong Kong Securities and Futures Commission. If the Product is made available in Hong Kong by The Citigroup Private Bank to its clients, it is attributable to Citibank N.A., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. The Citigroup Private Bank and Citibank N.A. is regulated by the Hong Kong Monetary Authority. The Product is made available in India by Citigroup Global Markets India Private Limited, which is regulated by Securities and Exchange Board of India. Bakhtawar, Nariman Point, Mumbai 400-021. The Product is made available in Indonesia through PT Citigroup Securities Indonesia. 5/F, Citibank Tower, Bapindo Plaza, Jl. Jend. Sudirman Kav. 54-55, Jakarta 12190. Neither this Product nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable capital market laws and regulations. This Product is not an offer of securities in Indonesia. The securities referred to in this Product have not been registered with the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market laws and regulations. The Product is made available in Israel through Citibank NA, regulated by the Bank of Israel and the Israeli Securities Authority. Citibank, N.A, Platinum Building, 21 Ha'arba'ah St, Tel Aviv, Israel. The Product is made available in Italy by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. Foro Buonaparte 16, Milan, 20121, Italy. The Product is made available in Japan by Citigroup Global Markets Japan Inc. ("CGMJ"), which is regulated by Financial Services Agency, Securities and Exchange Surveillance Commission, Japan Securities Dealers Association, Tokyo Stock Exchange and Osaka Securities Exchange. Shin-Marunouchi Building, 1-5-1 Marunouchi, Chiyoda-ku, Tokyo 100-6520 Japan. If the Product was distributed by Nikko Cordial Securities Inc. it is being so distributed under license. In the event that an error is found in an CGMJ research report, a revised version will be posted on the Firm's Global Equities Online (GEO) website. If you have questions regarding GEO, please call (81 3) 6270-3019 for help. The Product is made available in Korea by Citigroup Global Markets Korea Securities Ltd., which is regulated by Financial Services Commission and the Financial Supervisory Service. Hungkuk Life Insurance Building, 226 Shinmunno 1-GA, Jongno-Gu, Seoul, 110-061. The Product is made available in Malaysia by Citigroup Global Markets Malaysia Sdn Bhd, which is regulated by Malaysia Securities Commission. Menara Citibank, 165 Jalan Ampang, Kuala Lumpur, 50450. The Product is made available in Mexico by Acciones y Valores Banamex, S.A. De C. V., Casa de Bolsa, Integrante del Grupo Financiero Banamex ("Accival") which is a wholly owned subsidiary of Citigroup Inc. and is regulated by Comision Nacional Bancaria y de Valores. Reforma 398, Col. Juarez, 06600 Mexico, D.F. In New Zealand the Product is made available through Citigroup Global Markets New Zealand Ltd. (Company Number 604457), a Participant of the New Zealand Exchange Limited and regulated by the New Zealand Securities Commission. Level 19, Mobile on the Park, 157 Lambton Quay, Wellington. The Product is made available in Pakistan by Citibank N.A. Pakistan branch, which is regulated by the State Bank of Pakistan and Securities Exchange Commission, Pakistan. AWT Plaza, 1.1. Chundrigar Road, P.O. Box 4889, Karachi-74200. The Product is made available in Poland by Dom Maklerski Banku Handlowego SA an indirect subsidiary of Citigroup Inc., which is regulated by Komisja Nadzoru Finansowego. Dom Maklerski Banku Handlowego S.A. ul. Chalubinskiego 8, 00-630 Warszawa. The Product is made available in the Russian Federation through ZAO Citibank, which is licensed to carry out banking activities in the Russian Federation in accordance with the general banking license issued by the Central Bank of the Russian Federation and brokerage activities in accordance with the license issued by the Federal Service for Financial Markets. Neither the Product nor any information contained in the Product shall be considered as advertising the securities mentioned in this report within the territory of the Russian Federation or outside the Russian Federation. The Product does not constitute an appraisal within the meaning of the Federal Law of the Russian Federation of 29 July 1998 No. 135-FZ (as amended) On Appraisal Activities in the Russian Federation. 8-10 Gasheka Street, 125047 Moscow. The Product is made available in Singapore through Citigroup Global Markets Singapore Pte. Ltd., a Capital Markets Services Licence holder, and regulated by Monetary Authority of Singapore. 1 Temasek Avenue, #39-02 Millenia Tower, Singapore 039192. The Product is made available by The Citigroup Private Bank in Singapore through Citibank, N.A., Singapore branch, a licensed bank in Singapore that is regulated by Monetary Authority of Singapore. Citigroup Global Markets (Pty) Ltd. is incorporated in the Republic of South Africa (company registration number 2000/025866/07) and its registered office is at 145 West Street, Sandton, 2196, Saxonwold. Citigroup Global Markets (Pty) Ltd. is regulated by JSE Securities Exchange South Africa, South African Reserve Bank and the Financial Services Board. The investments and services contained herein are not available to private customers in South Africa. The Product is made available in Spain by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. 29 Jose Ortega Y Gassef, 4th Floor, Madrid, 28006, Spain. The Product is made available in Taiwan through Citigroup Global Markets Taiwan Securities Company Ltd., which is regulated by Securities & Futures Bureau. No portion of the report may be reproduced or quoted in Taiwan by the press or any other person. No. 1, Songzhi Road, Taipei 110, Taiwan. The Product is made available in Thailand through Citicorp Securities (Thailand) Ltd., which is regulated by the Securities and Exchange Commission of Thailand. 18/F, 22/F and 29/F, 82 North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand. The Product is made available in Turkey through Citibank AS which is regulated by Capital Markets Board. Tekfen Tower, Eski Buyukdere Caddesi # 209 Kat 2B, 23294 Levent, Istanbul, Turkey. In the U.A.E, these materials (the "Materials") are communicated by Citigroup Global Markets Limited, DIFC branch ("CGML"), an entity registered in the Dubai International Financial Center ("DIFC") and licensed and regulated by the Dubai Financial Services Authority ("DFSA" to Professional Clients and Market Counterparties only and should not be relied upon or distributed to Retail Clients. A distribution of the different CIRA ratings distribution, in percentage terms for Investments in each sector covered is made available on request. Financial products and/or services to which the Materials relate will only be made available to Professional Clients and Market Counterparties. The Product is made available in United Kingdom by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. This material may relate to investments or services of a person outside of the UK or to other matters which are not regulated by the FSA and further details as to where this may be the case are available upon request in respect of this material. Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB. The Product is made available in United States by Citigroup Global Markets Inc, which is regulated by FINRA and the US Securities and Exchange Commission. 388 Greenwich Street, New York, NY 10013. Unless specified to the contrary, within EU Member States, the Product is made available by Citigroup Global Markets Limited, which is regulated by Financial Services Authority. Many European regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of investment research. The policy applicable to CIRA's Products can be found at www.citigroupgeo.com. Compensation of equity research analysts is determined by equity research management and Citigroup's senior management and is not linked to specific transactions or recommendations. The Product may have been distributed simultaneously, in multiple formats, to the Firm's worldwide institutional and retail customers. The Product is not to be construed as providing investment services in any jurisdiction where the provision of such services would not be permitted. Subject to the nature and contents of the Product, the investments described therein are subject to fluctuations in price and/or value and investors may get back less than originally invested. Certain high-volatility investments can be subject to sudden and large falls in value that could equal or exceed the amount invested. Certain investments contained in the Product may have tax implications for private customers whereby levels and basis of taxation may be subject to change. If in doubt, investors should seek advice from a tax adviser. The Product does not purport to identify the nature of the specific market or other risks associated with a particular transaction. Advice in the Product is general and should not be construed as personal advice given it has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs. Prior to acquiring any financial product, it is the client's responsibility to obtain the relevant offer document for the product and consider it before making a decision as to whether to purchase the product.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST