

3Q: Power profits disappoint



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3Q results miss as power profits disappoint, Underperform

Consol. PAT grew 6%QoQ to Rs9.5bn vs. Rs10.5bn est led by lower power profits owing to fall in merchant tariffs. Standalone PAT was 8% below our est. led by lower captive power profits. We cut our FY11e EPS by 5% to factor lower JPL profits & delays in ramp up of captive power units. JSPL's steel unit is better placed due raw material integration but core power business (56% of PAT) is facing headwinds from lower merchant prices. Valuations are full at 9x FY12e EBITDA, 4.1x FY12eBV & premium to SOTP NPV Rs640. Underperform

Power tariffs decline QoQ ; Mgmt guides to softer outlook

JPL PAT was Rs4.9bn, up 6%QoQ, 6% below our est. Avg. PLF was impressive at 101%, but avg. power tariff was Rs3.96/kwh, down10%QoQ (11% below our est.) due to lower merchant tariff. Mgmt expects merchant tariff of Rs3.75-4.5/kwh (Rs4.3/kwh in 3Q) over next few qtrs. (prev. guidance of ~Rs4.5/kwh). We forecast JPL EBITDA to decline 14%YoY in FY12e led by lower merchant tariff.

Steel EBIT in line, captive power disappoints on lower tariff

Standalone PAT grew 5%QoQ to Rs5bn. Sales volumes grew 15%QoQ to 0.5mn tons. Power EBIT declined 6%QoQ despite 42%QoQ growth in unit sales due to lower tariff. JSPL has guided to steel volumes of 2mt in FY11e and 2.5mn tons in FY12e. We forecast steel EBITDA of Rs36.4bn in FY11 and Rs34.3bn in FY12.

Key takeaways from management call

The 2x135MW captive power units are still operating at 35% PLF, but JSPL expects PLF to ramp up to 75% in 4Q. Orissa captive project time lines appear to have been pushed back. JSPL now expects to start balance 8x135MW captive power units during FY12. The 2400MW power project has been cleared by the Advisory Committee, but work is on hold as final approval is awaited. 1.5mtpa HBI unit at Oman has been commissioned, which could add ~5% to our FY12EPS.

Estimates (Mar)

(Rs)	2009A	2010A	2011E	2012E	2013E
Net Income (Adjusted - mn)	31,904	36,346	41,414	50,112	46,455
EPS	34.38	39.17	44.63	54.01	50.06
EPS Change (YoY)	123.5%	13.9%	13.9%	21.0%	-7.3%
Dividend / Share	5.45	6.50	7.41	31.32	29.54
Free Cash Flow / Share	(8.13)	(11.75)	(50.88)	(27.91)	58.98

Valuation (Mar)

	2009A	2010A	2011E	2012E	2013E
P/E	20.03x	17.58x	15.43x	12.75x	13.75x
Dividend Yield	0.791%	0.944%	1.08%	4.55%	4.29%
EV / EBITDA*	13.23x	12.02x	10.42x	8.77x	8.22x
Free Cash Flow Yield*	-1.18%	-1.70%	-7.37%	-4.04%	8.54%

* For full definitions of *iQmethod*SM measures, see page 7.

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Refer to important disclosures on page 8 to 10. Analyst Certification on Page 6. Price Objective Basis/Risk on page 6. Link to Definitions on page 6. 11012844

Stock Data

Price	Rs688.55
Price Objective	Rs648.00
Date Established	22-Oct-2010
Investment Opinion	C-3-7
Volatility Risk	HIGH
52-Week Range	Rs572.70-Rs796.10
Mrkt Val / Shares Out (mn)	US\$14,024 / 930.8
Average Daily Volume	1,338,703
BofAML Ticker / Exchange	XJDLF / BSE
Bloomberg / Reuters	JSP IN / JNSP.BO
ROE (2011E)	34.3%
Net Dbt to Eqty (Mar-2010A)	80.3%
Est. 5-Yr EPS / DPS Growth	42.6% / NA
Free Float	41.4%

Key Changes

(Rs)	Previous	Current
2011E EPS	46.88	44.63
2012E EPS	55.03	54.01
2013E EPS	46.05	50.06
2011E EBITDA (m)	68,799.5	67,429.8
2012E EBITDA (m)	80,616.9	80,118.8
2013E EBITDA (m)	79,853.1	85,495.3

iQprofileSM Jindal Steel and Power Limited

Key Income Statement Data (Mar)	2009A	2010A	2011E	2012E	2013E
(Rs Millions)					
Sales	108,510	110,915	129,004	158,966	202,454
Gross Profit	53,144	58,477	67,430	80,119	85,495
Sell General & Admin Expense	NA	NA	NA	NA	NA
Operating Profit	43,501	48,508	56,590	67,761	68,900
Net Interest & Other Income	(3,943)	(2,973)	(3,100)	(3,402)	(8,750)
Associates	396	0	0	0	0
Pretax Income	39,954	45,535	53,490	64,359	60,150
Tax (expense) / Benefit	(8,040)	(9,189)	(12,076)	(14,247)	(13,694)
Net Income (Adjusted)	31,904	36,346	41,414	50,112	46,455
Average Fully Diluted Shares Outstanding	928	928	928	928	928

Key Cash Flow Statement Data

Net Income	31,904	36,346	41,414	50,112	46,455
Depreciation & Amortization	9,644	9,970	10,840	12,358	16,595
Change in Working Capital	(17,439)	(4,939)	(7,418)	(4,317)	3,329
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	10,758	12,486	4,129	5,505	14,336
Cash Flow from Operations	34,867	53,863	48,964	63,658	80,715
Capital Expenditure	(42,410)	(64,763)	(96,176)	(89,556)	(25,983)
(Acquisition) / Disposal of Investments	(2,036)	3,268	0	0	0
Other Cash Inflow / (Outflow)	624	603	347	852	784
Cash Flow from Investing	(43,822)	(60,892)	(95,829)	(88,704)	(25,199)
Shares Issue / (Repurchase)	0	0	0	0	0
Cost of Dividends Paid	(5,764)	(6,878)	(7,837)	(33,134)	(31,244)
Cash Flow from Financing	842	(5,544)	63,685	22,780	(23,754)
Free Cash Flow	(7,543)	(10,900)	(47,213)	(25,898)	54,732
Net Debt	74,440	84,915	143,065	205,499	190,761
Change in Net Debt	19,286	17,484	58,150	62,434	(14,738)

Key Balance Sheet Data

Property, Plant & Equipment	126,329	178,299	263,639	340,840	350,227
Other Non-Current Assets	2,189	3,757	3,757	3,757	3,757
Trade Receivables	5,741	7,533	8,836	10,888	13,867
Cash & Equivalents	6,694	1,128	17,947	15,681	47,443
Other Current Assets	52,072	60,428	63,803	68,914	78,605
Total Assets	193,025	251,146	357,982	440,081	493,899
Long-Term Debt	81,133	86,043	161,012	221,180	238,204
Other Non-Current Liabilities	7,170	8,455	8,455	8,455	8,455
Short-Term Debt	NA	NA	NA	NA	NA
Other Current Liabilities	34,194	50,900	49,187	54,137	75,720
Total Liabilities	122,497	145,397	218,654	283,772	322,379
Total Equity	70,528	105,749	139,328	156,309	171,520
Total Equity & Liabilities	193,025	251,146	357,982	440,081	493,899

iQmethodSM - Bus Performance*

Return On Capital Employed	26.0%	21.8%	17.2%	15.3%	13.3%
Return On Equity	59.0%	41.6%	34.3%	34.3%	28.6%
Operating Margin	40.1%	43.7%	43.9%	42.6%	34.0%
EBITDA Margin	49.0%	52.7%	52.3%	50.4%	42.2%

iQmethodSM - Quality of Earnings*

Cash Realization Ratio	1.1x	1.5x	1.2x	1.3x	1.7x
Asset Replacement Ratio	4.4x	6.5x	8.9x	7.2x	1.6x
Tax Rate (Reported)	20.1%	20.2%	22.6%	22.1%	22.8%
Net Debt-to-Equity Ratio	105.5%	80.3%	102.7%	131.5%	111.2%
Interest Cover	9.5x	13.6x	16.4x	15.9x	7.2x

Key Metrics

* For full definitions of iQmethodSM measures, see page 7.

Company Description

JSPL, part of O.P. Jindal group is a low cost EAF based steel producer with current steel capacity of 3mtpa and steel production of 1.8mtpa(FY09E). It is also produces coal based sponge iron and has a capacity of 1.37mtpa. It is also emerging as a player in power generation with recent commissioning of 1000MW pit head coal based power capacity. It has 100% integration in thermal coal, 10% integration in iron ore and access to low cost iron ore.

Investment Thesis

Power profits, though robust, are likely close to peak as current merchant tariffs are peaking and volumes from its 1000MW merchant unit are stabilising. Sale of surplus captive power is likely to drive earnings growth in FY11, but ramp up is taking longer. Steel benefits from its integration, but accounts for only 46% of profits. Valuations are at a premium to our NPV. Hence Underperform.

Stock Data

Price to Book Value 4.7x

Results

- **Power:** JPL Profits was Rs4.9bn up 6%QoQ. Unit generation grew 13%QoQ to 2238kwh. Average PLF was impressive at 101.3%, but average tariff disappointed down 10%QoQ (Rs3.96/Kwh) during the quarter. We estimate average cost of power was marginally up at 0.5Rs/Kwh.
- **Standalone (steel + captive power):** EBITDA was Rs9.4bn, up 9%QoQ 4% below our Rs9.7bn forecasts. Sales volumes was 0.50mn tons up 9%QoQ. Production during the quarter was 0.587mn tons suggesting JSPL steel inventories have increased during the quarter. 3Q production run rate was 2.32mn tons on an annualized basis. We forecast steel volumes of 2mn tons in FY11 and 2.35mn tons in FY12. This compares to management guidance of 2.5mn tons in FY12.
- **Pellets and iron ore sales:** JSPL produced ~0.8mn tons of pellets and sold 0.2mn tons of pellets externally during the quarter.

Outlook and Guidance

- JSPL is guiding to steel volumes of 2mn tons in FY11 and 2.5mn tons in FY12. Pellet capacity is 4.5mn tons. JSPL expects to achieve ~90-95% utilizations during FY12. Around 50% is expected to be used consumed internally and the remaining volumes are expected to be sold externally.
- Average merchant tariff during 3Q was Rs4.28/kwh. JSPL expects merchant power tariff to range between Rs3.75/kwh and Rs4.5/kwh over the next few months. This is lower than JSPL's earlier comments/guidance of merchant power tariff of Rs4-5/kwh.

Projects Update

- The recently commissioned 2x 135MW captive power units at Raigarh are still operating at low PLF of 34-35%. The stabilization and ramp up has been longer than expected. JSPL expects the PLF at these units to increase to 75% during 4Q. The remaining 8x135MW captive power units (2x135MW at Raigarh and 6x135MW at Orissa) are expected to be commissioned during FY12 in phases. JSPL had earlier indicated commissioning of first unit of 135MW at Orissa unit by Dec 2010.
- 1.5mtpa HBI unit at Oman has been commissioned. First consignment has already been sold. We estimate the unit could add ~5% to our FY12EPS
- Phase II expansion project (4 x 600MW) of Jindal Power Limited (JPL) has been cleared by Advisory Committee, but construction is on hold as the final approval for the project is still pending. JSPL is hopeful of getting the final approval in next few weeks. The construction work will resume after the project is approved. It expects the first unit to be commissioned in Dec 2012.
- Ministry of Environment had issued a show cause notice to JSPL's Angul steel/captive power project for non compliance of conditions imposed while granting environment clearance. JSPL mentioned that it has replied to the show cause notice and project construction work has not been affected by the showcase notice.

Table 1: JSPL: Summary of 3Q Consolidated Performance

	Q3 FY11	Q3 FY10	YoY	Q2 FY11	QoQ
Revenues	31740	26871	18%	30821	3%
EBITDA	15987	14511	10%	15084	6%
Margin	0%	54%		0%	
Depreciation	2926	2539	15%	2798	5%
EBIT	13061	11972	9%	12286	6%
EBIT Margins	41%	45%		40%	
Interest	813	1075	-24%	782	4%
Other Income	87	203	-57%	37	133%
PBT	12335	11101	11%	11542	7%
Tax	2825	2357	20%	2600	9%
Tax rate	23%	21%	8%	23%	
PAT	9511	8744	9%	8942	6%

Source: JSPL, BofA Merrill Lynch Global Research

Table 2: JSPL Summary of standalone results

	Q3 FY11	Q3FY10	YoY	Q2 FY11	QoQ
Revenue	24,102	17,694	36%	22,996	5%
EBITDA	9,360	6,189	51%	8,559	9%
Margins	39%	35%		37%	
Depreciation	1,821	1,310	39%	1,638	11%
EBIT	7,539	4,879	55%	6,922	9%
Interest	967	691	40%	781	24%
Other Income	83	170	-51%	60	38%
PBT	6,655	4,358	53%	6,201	7%
Tax	1,636	1,101	49%	1,420	15%
PAT	5,019	3,256	54%	4,781	5%
Steel vols (mn tons)	0.50	0.40	26%	0.46	9%
Metallic vols (mn tons)	0.09	0.13	-28%	0.03	223%
Avg steel realisation	38966	31701	23%	44716	-13%

Source: JSPL, BofA Merrill Lynch Global Research

Table 3: JSPL 3QFY11 : Summary of 3Q segment results

	Q3 FY11	Q3FY10	YoY	Q2 FY11	QoQ
Iron and Steel	23188	16743	38%	21967	6%
Power	3214	2718	18%	2768	16%
Others	257	211	22%	444	-42%
Total	26658	19672	36%	25179	6%
Less intersegment	2556	1978	29%	2183	17%
Net Revenue	24102	17694	36%	22996	5%
EBIT					
Iron and Steel	7505	4288	75%	6488	16%
Power	1355	1486	-9%	1447	-6%
Others	25	54	-54%	-18	
Total	8885	5828	52%	7917	12%
Less Interest	967	691	40%	781	24%
Other Unallocable	1263	779	62%	935	35%
PBT	6655	4358	53%	6202	7%
Diff					
EBIT margins					
Iron and Steel	32%	26%		30%	
Power	42%	55%		52%	
Others	10%	25%		-4%	
Total	33%	30%		31%	

Source: JSPL, BofA Merrill Lynch Global Research

Table 4: JPL (Jindal Power): Summary of 3QFY11 profits

Rs in mn	Q3 FY11	Q3FY10	YoY	Q2 FY11	QoQ
Revenues	7966	9653	-17%	7856	1%
PAT	4871	5824	-16%	4590	6%
Units Sold (est)	2014	1950	3%	1788	13%
Average Tariff	4.0	4.9	-20%	4.4	-10%

Source: JSPL, BofA Merrill Lynch Global Research

Table 5: SOTP Valuation

JSPL	180
JPL (3400 MW)	305
Captive Power- 1350 MW	72
Jharkhand	60
Shahdeed Steel	25
SOTP Valuation	642

Source: JSPL, BofA Merrill Lynch Global Research Estimates

Table 6: JSPL: Summary of estimate changes

	FY11e			FY12e			FY13e		
	New	Old	% chg	New	Old	% chg	New	Old	% chg
Revenue	129,004	131,110	-2%	158,966	160,672	-1%	202,454	195,346	4%
Steel EBITDA	36,481	33,813	8%	51,876	51,833	0%	59,332	53,690	11%
JPL EBITDA	30,417	32,682	-7%	28,242	28,242	0%	26,163	26,163	0%
Captive Power	532	2,304	-77%	14,504	16,330		13,235	13,235	
Group EBITDA	67,430	68,799	-2%	80,119	80,075	0%	85,495	79,853	7%
Margins	52%	52%		50%	50%		42%	41%	
Net Profits (pre exceptionals)	41,414	43,499	-5%	50,112	50,672	-1%	46,452	42,722	9%
Steel EPS	23.3	22.3	4%	25	24	4%	29	25	16%
Power EPS	21	23	-9%	20	20	0%	13	13	0%
Captive Power	0.4	1.7	-75%	9.4	11.1	-15%	8.3	8.3	0%
Group EPS	44.6	46.9	-4.8%	54.0	54.6	-1.1%	50.1	46.0	8.7%
Volumes (mn tons)	2.01	2.27	-11%	2.4	2.6	-8%	3.6	3.6	0%
Avg Realisations (Rs/t)	34,896	34,101	2%	34,995	35,084	0%	33,124	32,704	1%
Power Units (mn Units) net	7,633	7,633	0%	7,633	7,633	0%	13,901	13,901	0%
Merchant Tariff	5.4	5.8	-7%	5.1	5.1	0%	3.0	3.0	0%
Blended Tariff (Rs/ unit)	4.7	4.9	-6%	4.4	4.4	0%	2.9	2.9	0%

Source: JSPL, BofA Merrill Lynch Global Research Estimates

Table 7: Summary Earnings Outlook

Rs in Mn	FY10	FY11e	FY12e	FY13e
Revenues	110,915	129,004	158,966	202,454
yoy growth	2%	16%	23%	27%
JSPL Standalone	25,423	36,481	37,372	46,097
JPL Power	34,504	30,417	28,242	26,163
Captive Power	0	532	14,504	13,235
EBITDA	58,477	67,430	80,119	85,495
yoy growth	10%	15%	19%	7%
margins	53%	52%	50%	42%
provisions	0	3	3	3
depreciation	9,970	10,837	12,355	16,595
Interest	2,973	3,100	3,402	8,750
Tax	9,189	12,076	14,247	13,694
PAT	36,346	41,414	50,112	46,452
Minority/Associate Income	0	0	0	0
PAT post minority	36346	41414	50112	46452
EPS	39	45	54	50
yoy change	14%	14%	21%	-7%
Steel EPS	16	23	25	29
Power EPS	23	21	29	21

Source: JSPL, BofA Merrill Lynch Global Research Estimates

Price objective basis & risk

Jindal Steel and Power Limited (XJDLF)

Our PO of Rs642 is based on SOTP valuation of JSPL's steel and power business based on DCF. This implies Rs205 for steel business (including Shaded Steel) and Rs437 for the power business. Our NPV calculation is based on a WACC of 12.5% and terminal growth rate of 0%. Our NPV of steel business implies 6x FY12e EBITDA.

Upside risks to our valuation are higher steel prices, higher power tariff, better visibility on the execution of Bolivia mine project. Downside risks to our valuation are sharper-than-expected fall in steel prices, lower-than-expected steel production, and lower power tariff.

Link to Definitions

Basic Materials

Click [here](#) for definitions of commonly used terms.

Analyst Certification

I, Bhaskar.N.Basu,CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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26 January 2011

APR - Metals & Mining Coverage Cluster

Investment rating	Company	BofA Merrill Lynch ticker	Bloomberg symbol	Analyst
BUY				
	China Coal Energy Ltd.	CCOZF	1898 HK	Yongtao Shi
	China National Building Material Co Ltd.	CBUMF	3323 HK	Yongtao Shi
	China National Materials	XFCHF	1893 HK	Yongtao Shi
	CITIC Dameng Holdings Limited	XCDHF	1091 HK	Yongtao Shi
	Fushan International Energy	YULKF	639 HK	Yongtao Shi
	Hidili	XHILF	1393 HK	Yongtao Shi
	Hyundai Steel	XHDUF	004020 KS	Elli Lee
	JSW Steel	XJWJF	JSTL IN	Bhaskar.N.Basu,CFA
	POSCO	PKXFF	005490 KS	Elli Lee
	POSCO -A	PKX	PKX US	Elli Lee
	Sterlite Industries India Limited	SLT	SLT US	Bhaskar.N.Basu,CFA
	Sterlite Industries India Limited	XTNDF	STLT IN	Bhaskar.N.Basu,CFA
	Winsway Coking Coal Holdings Limited	XWNYF	1733 HK	Yongtao Shi
	Zhaojin Mining Industry Company Limited	ZHAOF	1818 HK	Timothy Bush
NEUTRAL				
	Anhui Conch-H	AHCHF	914 HK	Yongtao Shi
	China Shenhua Energy Ltd.	CUAEF	1088 HK	Yongtao Shi
	Coal India Limited	XOXCF	COAL IN	Bhaskar.N.Basu,CFA
	Hindalco	HNDFF	HNDL IN	Bhaskar.N.Basu,CFA
	Shougang Concord International	SCGEF	697 HK	Colin Liang
UNDERPERFORM				
	Angang Steel	ANGGF	347 HK	Colin Liang
	Dongkuk Steel	DKUSF	001230 KS	Elli Lee
	Jindal Steel and Power Limited	XJDLF	JSP IN	Bhaskar.N.Basu,CFA
	Maanshan Iron & Steel	MAANF	323 HK	Colin Liang
	NALCO	NAUDF	NACL IN	Bhaskar.N.Basu,CFA
	Sesa Goa Limited	XSGAF	SESA IN	Bhaskar.N.Basu,CFA
	Steel Authority of India	SLAUF	SAIL IN	Bhaskar.N.Basu,CFA
	Tata Steel	TAELF	TATA IN	Bhaskar.N.Basu,CFA
	Yanzhou Coal	YZCHF	1171 HK	Yongtao Shi
	Zijin Mining Group Co Ltd.	ZIJMF	2899 HK	Timothy Bush

iQmethodSM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) * (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$	$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill Amortization}$
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5-Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings		
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt, Less Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit		
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap. = Current Share Price * Current Basic Shares
Enterprise Value / Sales	$\text{EV} = \text{Current Share Price} * \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Sales} + \text{Other LT Liabilities}$	
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

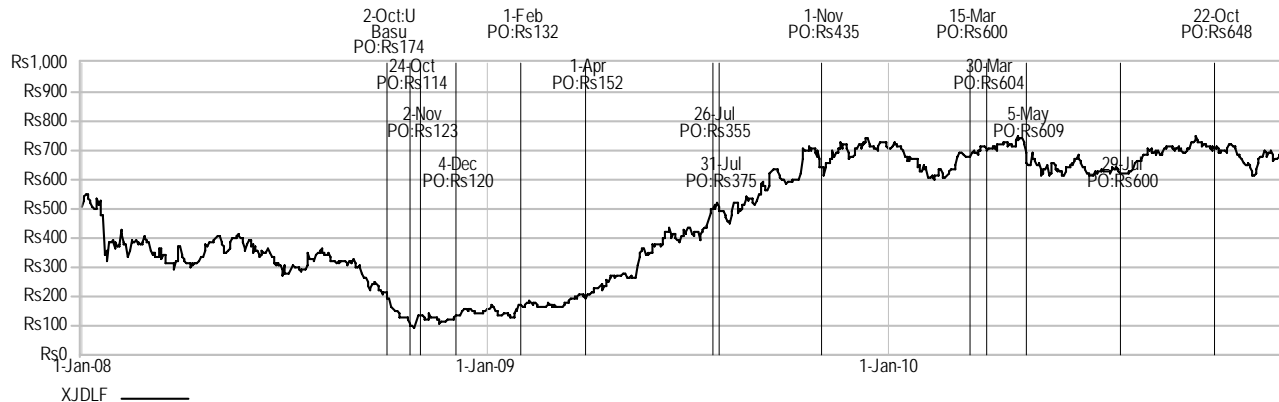
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XJDLF Price Chart



B : Buy, N : Neutral, S : Sell, U : Underperform, PO : Price objective, NA : No longer valid, NR : No Rating

Prior to May 31, 2008, the investment opinion system included Buy, Neutral and Sell. As of May 31, 2008, the investment opinion system includes Buy, Neutral and Underperform. Dark Grey shading indicates that a security is restricted with the opinion suspended. Light grey shading indicates that a security is under review with the opinion withdrawn. The current investment opinion key is contained at the end of the report. Chart is current as of December 31, 2010 or such later date as indicated.

Investment Rating Distribution: Steel Group (as of 01 Jan 2011)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	24	44.44%	Buy	7	36.84%
Neutral	13	24.07%	Neutral	6	54.55%
Sell	17	31.48%	Sell	6	40.00%

Investment Rating Distribution: Global Group (as of 01 Jan 2011)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	2011	53.86%	Buy	874	48.31%
Neutral	925	24.77%	Neutral	444	52.30%
Sell	798	21.37%	Sell	276	36.75%

* Companies in respect of which BofA Merrill Lynch or one of its affiliates has received compensation for investment banking services within the past 12 months. For purposes of this distribution, a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where BofA Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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26 January 2011

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