

Healthy 4Q; expansion on track


Merrill Lynch

Reena Verma Bhasin, CFA >> +91 22 6632 8667
Research Analyst
DSP Merrill Lynch (India)
reena_verma@ml.com

Healthy 4Q despite year-end drag in VSF biz

Grasim's consolidated profit for 4Q FY07 totaled ~Rs5.6bn, up 62% YoY & flat QoQ. Standalone rec. profit stood at Rs4.4bn, up 81% YoY & 6% QoQ. Headline profit was below our expectations due to lower VSF profits. At its analyst meet post results, management hinted that year-end adjustments dragged VSF margins in 4Q FY07. Our Neutral rating on the stock reflects inexpensive valuations vs other cement majors & continued strong profit outlook for the non-cement biz.

Earnings raised for FY08E; YoY decline in FY09E

We have raised our FY08E profit forecast by 14% factoring higher cement prices on full pass thru of the excise duty hike. We have also lifted our profit estimates for sponge iron & chemicals businesses due to better-than-expected price & volume trends in recent months. However, in FY09E we expect Grasim's earnings to drop 10% YoY led by likely fall in cement prices across the industry.

4Q highlights - cement dominates profit growth

In 4Q07, Grasim's consolidated EBITDA grew 71% YoY & 5% QoQ. Cement was the dominant profit driver; cement EBITDA grew 83% YoY & 10% QoQ. Sponge iron profits also improved with a turnaround on a YoY basis & 48% QoQ recovery. EBITDA in the VSF & chemicals biz grew 28% YoY but fell 3% QoQ due to year-end cost provisioning. In Apr '07 Grasim raised VSF prices again by 1%.

Co reaffirms that cement expansion program is on track

In its press release along with 4Q FY07 results Grasim reaffirmed that its large capacity expansion program is on track. The group expects to commission its 2x 4mn tpa brownfield expansions in end-FY08 & the 4mn tpa greenfield expansion in 1Q FY09. The Co will also expand its VSF capacity.

Estimates (Mar)

(Rs)	2006A	2007A	2008E	2009E	2010E
Net Income (Adjusted - mn)	10,365	19,675	22,749	20,517	22,077
EPS	113.04	214.58	248.11	223.77	240.77
EPS Change (YoY)	6.8%	89.8%	15.6%	-9.8%	7.6%
Dividend / Share	20.00	27.50	32.38	30.22	34.43
Free Cash Flow / Share	116.84	(4.14)	(109.72)	255.18	314.03
GDR EPS (US\$)	2.56	4.74	6.03	5.43	5.85
GDR Dividend / Share (US\$)	0.486	0.668	0.786	0.734	0.836

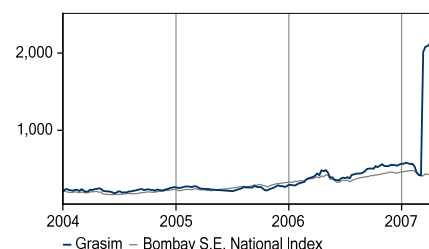
Valuation (Mar)

	2006A	2007A	2008E	2009E	2010E
P/E	21.60x	11.38x	9.84x	10.91x	10.14x
Dividend Yield	0.819%	1.13%	1.33%	1.24%	1.41%
EV / EBITDA*	13.75x	7.07x	6.10x	6.59x	6.21x
Free Cash Flow Yield*	4.79%	-0.170%	-4.49%	10.45%	12.86%

* For full definitions of *iQmethod*SM measures, see page 5.

Stock Data

Price (Common / GDR)	Rs2,442 / US\$58.40
Investment Opinion	C-2-7 / C-2-7
Volatility Risk	HIGH / HIGH
52-Week Range	Rs1,462-Rs2,908
Market Value (mn)	US\$5,473
Shares Outstanding (mn)	91.7 / 91.7
Average Daily Volume	55,738
ML Symbol / Exchange	GRSJF / BSE
ML Symbol / Exchange	GRSJY / LUX
Bloomberg / Reuters	GRASIM IN / GRAS.BO
ROE (2008E)	39.9%
Net Dbt to Eqty (Mar-2007A)	51.2%
Est. 5-Yr EPS / DPS Growth	15.0% / 10.0%
Free Float	75.1%



>> Employed by a non-US affiliate of MLPF&S and is not registered/qualified as a research analyst under the NYSE/NASD rules.

Refer to "Other Important Disclosures" for information on certain Merrill Lynch entities that take responsibility for this report in particular jurisdictions.

Merrill Lynch does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Refer to important disclosures on page 6 to 7. Analyst Certification on page 4.

*iQprofile*SM Grasim Industries

Key Income Statement Data (Mar)

(Rs Millions)	2006A	2007A	2008E	2009E	2010E
Sales	101,919	141,673	154,610	163,268	188,152
Gross Profit	15,150	34,345	40,205	34,552	35,964
Sell General & Admin Expense	NA	NA	NA	NA	NA
Operating Profit	15,150	34,345	40,205	34,552	35,964
Net Interest & Other Income	401	170	623	1,133	852
Associates	0	0	0	0	0
Pretax Income	15,552	34,515	40,827	35,685	36,816
Tax (expense) / Benefit	(4,027)	(10,921)	(13,551)	(11,694)	(12,003)
Net Income (Adjusted)	10,365	19,675	22,749	20,517	22,077
Average Fully Diluted Shares Outstanding	92	92	92	92	92

Key Cash Flow Statement Data

Net Income (Reported)	10,365	19,675	22,749	20,517	22,077
Depreciation & Amortization	5,631	6,100	6,656	8,819	10,051
Change in Working Capital	949	(5,727)	(1,884)	(296)	(740)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	842	3,752	4,392	2,780	1,672
Cash Flow from Operations	17,787	23,800	31,913	31,820	33,059
Capital Expenditure	(7,074)	(24,180)	(41,973)	(8,423)	(4,266)
(Acquisition) / Disposal of Investments	(1,868)	0	0	0	0
Other Cash Inflow / (Outflow)	538	(771)	0	0	0
Cash Flow from Investing	(8,404)	(24,951)	(41,973)	(8,423)	(4,266)
Shares Issue / (Repurchase)	0	0	0	0	0
Cost of Dividends Paid	(2,168)	(2,981)	(3,510)	(3,275)	(3,732)
Cash Flow from Financing	(4,694)	12,010	18,504	(485)	(6,350)
Free Cash Flow	10,713	(380)	(10,060)	23,398	28,794
Net Debt	24,757	28,888	42,458	22,336	(2,726)
Change in Net Debt	(7,216)	4,131	13,570	(20,122)	(25,062)

Key Balance Sheet Data

Property, Plant & Equipment	64,156	82,236	117,553	117,157	111,372
Other Non-Current Assets	0	0	0	0	0
Trade Receivables	5,908	9,494	10,897	11,540	12,888
Cash & Equivalents	12,076	22,935	31,380	54,292	76,736
Other Current Assets	21,722	27,127	30,278	31,428	33,255
Total Assets	103,861	141,793	190,108	214,418	234,252
Long-Term Debt	33,309	46,750	72,041	71,358	72,212
Other Non-Current Liabilities	11,583	10,645	9,675	9,264	9,224
Short-Term Debt	3,524	5,074	1,797	5,270	1,799
Other Current Liabilities	19,663	22,927	26,432	28,182	31,135
Total Liabilities	68,078	85,396	109,945	114,074	114,370
Total Equity	35,784	56,397	80,163	100,880	121,961
Total Equity & Liabilities	103,862	141,793	190,108	214,954	236,331

*iQmethod*SM - Bus Performance*

Return On Capital Employed	13.9%	23.1%	19.0%	13.3%	12.5%
Return On Equity	39.9%	50.5%	39.9%	27.3%	23.7%
Operating Margin	14.9%	24.2%	26.0%	21.2%	19.1%
EBITDA Margin	20.4%	28.5%	30.3%	26.6%	24.5%

*iQmethod*SM - Quality of Earnings*

Cash Realization Ratio	1.7x	1.2x	1.4x	1.6x	1.5x
Asset Replacement Ratio	1.3x	4.0x	6.3x	1.0x	0.4x
Tax Rate (Reported)	25.9%	31.6%	33.2%	32.8%	32.6%
Net Debt-to-Equity Ratio	69.2%	51.2%	53.0%	22.1%	-2.2%
Interest Cover	7.1x	15.0x	17.9x	8.4x	5.5x

Key Metrics

* For full definitions of *iQmethod*SM measures, see page 5.

Company Description

Grasim Industries is the flagship company of the AV Birla Group. Its key businesses include VSF, cement, and sponge iron. Together with its 51% subsidiary (UltraTech), Grasim is one of the top 2 cement producers in India (by size), with a total capacity of 31mn tpa.

Stock Data

Shares / GDR	1.00
Price to Book Value	3.4x

26 April 2007

Table 1: Consolidated 4Q FY07 results

	4Q	3Q	4Q	YoY	QoQ
Yr to March (Rs mn)	FY06	FY07	FY07	chng	chng
Turnover	29262	36882	41071	40%	11%
Operating costs	22678	25732	29455	30%	14%
EBITDA	6584	11150	11616	76%	4%
EBITDA Margin	22.5%	30.2%	28.3%		
Depreciation	1481	1546	1652	12%	7%
Operating profit	5103	9604	9964	95%	4%
Recurring other income	673	647	782	16%	21%
EBIT	5776	10251	10745	86%	5%
Interest	498	516	658	32%	28%
Profit before tax	5278	9735	10087	91%	4%
Taxes	1183	3078	3352	183%	9%
Rec. net profit before minorities	4095	6657	6735	64%	1%
Minority interests & associate income	648.6	1103	1150	77%	4%
Recurring net profit	3447	5554	5585	62%	1%
Net Margin	11.8%	15.1%	13.6%		
Extra-ordinary Inc/(exp)	41	0	0		
Reported net profit	3488	5554	5585	60%	1%

Source: Company, ML

Table 2: Standalone 4Q FY07 results

Yr to March (Rs mn)	4Q FY06	3Q FY07	4Q FY07	% YoY Chng	% QoQ Chng
Turnover	18151	22794	24938	37%	9%
Operating costs	14086	16133	17995	28%	12%
EBITDA	4065	6661	6942	71%	4%
EBITDA Margin	22.4%	29.2%	27.8%		
Depreciation	759	807	876	15%	9%
Operating profit	3306	5854	6067	84%	4%
Recurring 'other' income	405	444	776	92%	75%
EBIT	3711	6298	6843	84%	9%
Interest	236	240	366	55%	53%
Profit before tax	3475	6058	6476	86%	7%
Taxes	1059	1942	2102	98%	8%
Recurring net profit	2416	4116	4374	81%	6%
Net Margin	13.3%	18.1%	17.5%		
Extra-ordinary Inc/(exp)	211	0	371		
Reported net profit	2627	4116	4745	79%	14%

Source: Company, ML

Table 3: Pro forma divisional trends in 4Q FY07

Revenues (Rs mn)	4Q FY06	3QFY07	4Q FY07	YoY chng	QoQ chng
VSF & chemicals	6,026	8,137	8,862	47%	9%
Cement	21,212	25,829	28,718	35%	11%
Sponge iron	1,110	1,952	2,398	116%	23%
Other	914	964	1,093	20%	13%
Total revenues	29,262	36,882	41,071	40%	11%
EBITDA* (Rs mn)	4Q FY06	3QFY07	4Q FY07	YoY chng	QoQ chng
VSF & chemicals	1,828	2,426	2,347	28%	-3%
Cement	4,902	8,172	8,982	83%	10%
Sponge iron	(38)	250	370	na	48%
Other	565	949	698	24%	-26%
Total EBITDA*	7,257	11,797	12,397	71%	5%

* Other income is included in divisional & overall EBITDA data provided by the company; Source: Company, ML

Analyst Certification

I, Reena Verma Bhasin, 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.

Special Disclosures

In accordance with the SEBI (Foreign Institutional Investors) Regulations and with guidelines issued by the Securities and Exchange Board of India (SEBI), foreign investors (individuals as well as institutional) that wish to transact the common stock of Indian companies must have applied to, and have been approved by SEBI and the Reserve Bank of India (RBI). Each investor who transacts common stock of Indian companies will be required to certify approval as a foreign institutional investor or as a sub-account of a foreign institutional investor by SEBI and RBI. Certain other entities are also entitled to transact common stock of Indian companies under the Indian laws relating to investment by foreigners. Merrill Lynch reserves the right to refuse copy of research on common stock of Indian companies to a person not resident in India. American Depositary Receipts (ADR) representing such common stock are not subject to these Indian law restrictions and may be transacted by investors in accordance with the applicable laws of the relevant jurisdiction. Global Depositary Receipts (GDR) and the Global Depositary Shares of Indian companies, Indian limited liability corporations, have not been registered under the U.S. Securities Act of 1933, as amended, and may only be transacted by persons in the United States who are Qualified Institutional Buyers (QIBs) within the meaning of Rule 144A under the Securities Act. Accordingly, no copy of any research report on Indian companies' GDRs will be made available to persons who are not QIBs.

26 April 2007

iQmethodSM Measures Definitions
Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Numerator

NOPAT = (EBIT + Interest Income) * (1 - Tax Rate) + Goodwill

Amortization

Net Income

Operating Profit

Expected 5-Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt, Less Cash & Equivalents

EBIT

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price * Current Shares + Minority Equity + Net Debt + Sales

Other LT Liabilities

Enterprise Value

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap. = Current Share Price * Current Basic Shares

Basic EBIT + Depreciation + Amortization

iQmethodSM is the set of Merrill Lynch standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

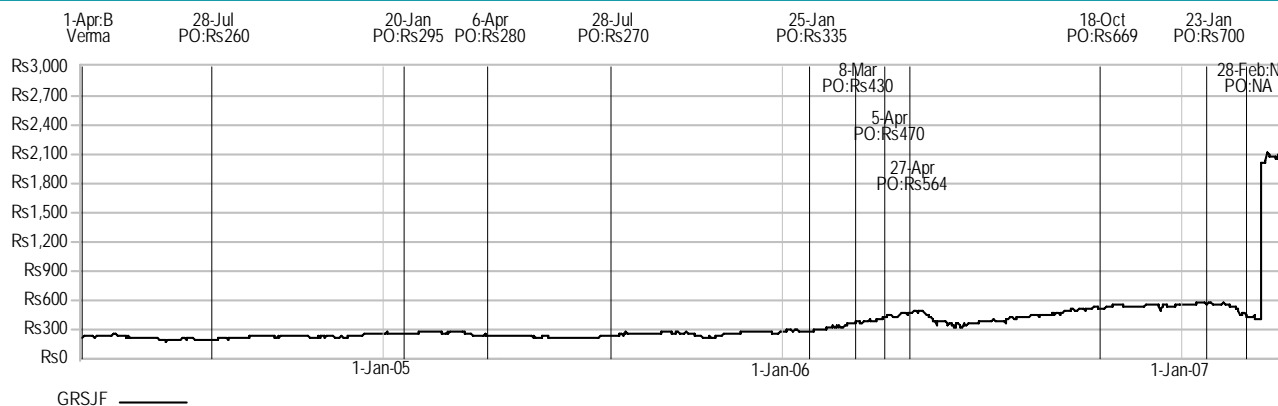
iQdatabase[®] is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by Merrill Lynch.

iQprofileSM, **iQmethodSM** are service marks of Merrill Lynch & Co., Inc. **iQdatabase[®]** is a registered service mark of Merrill Lynch & Co., Inc.

26 April 2007

Important Disclosures

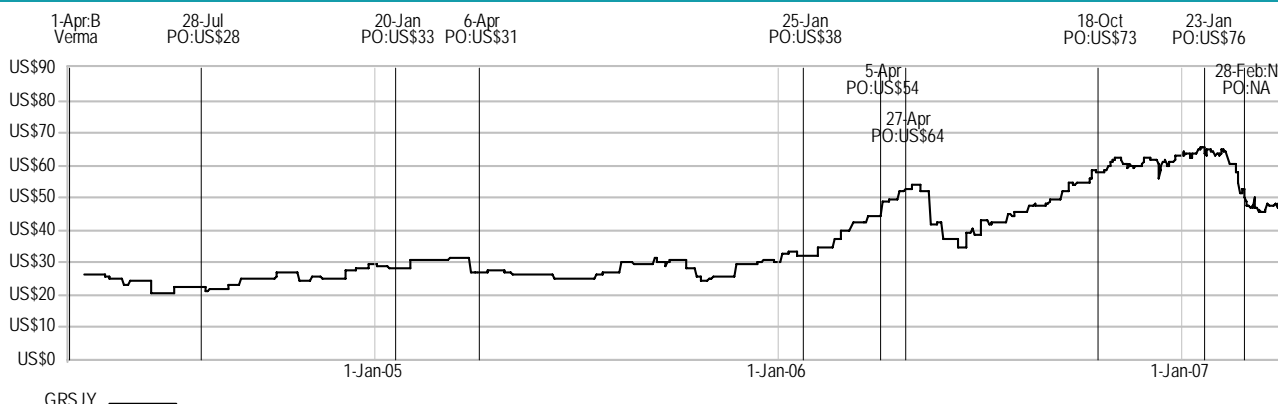
GRSJF Price Chart



B : Buy, N : Neutral, S : Sell, PO : Price objective, NA : No longer valid

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark Grey shading indicates the security is restricted with the opinion suspended. Light Grey shading indicates the security is under review with the opinion withdrawn. Chart current as of March 31, 2007 or such later date as indicated.

GRSJY Price Chart



B : Buy, N : Neutral, S : Sell, PO : Price objective, NA : No longer valid

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark Grey shading indicates the security is restricted with the opinion suspended. Light Grey shading indicates the security is under review with the opinion withdrawn. Chart current as of March 31, 2007 or such later date as indicated.

Investment Rating Distribution: Industrials/Multi-Industry Group (as of 31 Mar 2007)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	46	58.97%	Buy	7	17.95%
Neutral	28	35.90%	Neutral	7	31.82%
Sell	4	5.13%	Sell	1	33.33%

Investment Rating Distribution: Global Group (as of 31 Mar 2007)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	1562	45.16%	Buy	415	30.09%
Neutral	1615	46.69%	Neutral	446	30.65%
Sell	282	8.15%	Sell	49	19.76%

* Companies in respect of which MLPF&S or an affiliate has received compensation for investment banking services within the past 12 months.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium, and C - High. **INVESTMENT RATINGS**, indicators of expected total return (price appreciation plus yield) within the 12-month period from the date of the initial rating, are: 1 - Buy (10% or more for Low and Medium Volatility Risk Securities - 20% or more for High Volatility Risk securities); 2 - Neutral (0-10% for Low and Medium Volatility Risk securities - 0-20% for High Volatility Risk securities); 3 - Sell (negative return); and 6 - No Rating. **INCOME RATINGS**, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure); 8 - same/lower (dividend not considered to be secure); and 9 - pays no cash dividend.

26 April 2007

The company is or was, within the last 12 months, an investment banking client of MLPF&S and/or one or more of its affiliates: Grasim.
In the US, retail sales and/or distribution of this report may be made only in states where these securities are exempt from registration or have been qualified for sale: Grasim.

MLPF&S or an affiliate has received compensation for investment banking services from this company within the past 12 months: Grasim.

MLPF&S or an affiliate expects to receive or intends to seek compensation for investment banking services from this company within the next three months: Grasim.

MLPF&S together with its affiliates beneficially owns one percent or more of the common stock of this company. If this report was issued on or after the 10th day of the month, it reflects the ownership position on the last day of the previous month. Reports issued before the 10th day of a month reflect the ownership position at the end of the second month preceding the date of the report: Grasim.

The country in which this company is organized has certain laws or regulations that limit or restrict ownership of the company's shares by nationals of other countries: Grasim.

The analyst(s) responsible for covering the securities in this report receive compensation based upon, among other factors, the overall profitability of Merrill Lynch, including profits derived from investment banking revenues.

Other Important Disclosures

UK readers: MLPF&S or an affiliate is a liquidity provider for the securities discussed in this report.

Information relating to Non-U.S. affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S):

MLPF&S distributes research reports of the following non-US affiliates in the US (short name: legal name): Merrill Lynch (France): Merrill Lynch Capital Markets (France) SAS; Merrill Lynch (Frankfurt): Merrill Lynch International Bank Ltd, Frankfurt Branch; Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd; Merrill Lynch (Milan): Merrill Lynch International Bank Limited; MLPF&S (UK): Merrill Lynch, Pierce, Fenner & Smith Limited; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited; Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd; Merrill Lynch (Canada): Merrill Lynch Canada Inc; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa; Merrill Lynch (Argentina): Merrill Lynch Argentina SA; Merrill Lynch (Japan): Merrill Lynch Japan Securities Co, Ltd; Merrill Lynch (Seoul): Merrill Lynch International Incorporated (Seoul Branch); Merrill Lynch (Taiwan): Merrill Lynch Global (Taiwan) Limited; DSP Merrill Lynch (India): DSP Merrill Lynch Limited; PT Merrill Lynch (Indonesia): PT Merrill Lynch Indonesia; Merrill Lynch (KL) Sdn. Bhd.: Merrill Lynch (Malaysia); Merrill Lynch (Israel): Merrill Lynch Israel Limited; Merrill Lynch (Russia): Merrill Lynch CIS Limited, Moscow.

This research report has been prepared and issued by MLPF&S and/or one or more of its non-U.S. affiliates. MLPF&S is the distributor of this research report in the U.S. and accepts full responsibility for research reports of its non-U.S. affiliates distributed in the U.S. Any U.S. person receiving this research report and wishing to effect any transaction in any security discussed in the report should do so through MLPF&S and not such foreign affiliates.

This research report has been approved for publication in the United Kingdom by Merrill Lynch, Pierce, Fenner & Smith Limited, which is authorized and regulated by the Financial Services Authority; has been considered and distributed in Japan by Merrill Lynch Japan Securities Co, Ltd, a registered securities dealer under the Securities and Exchange Law in Japan; is distributed in Hong Kong by Merrill Lynch (Asia Pacific) Limited, which is regulated by the Hong Kong SFC; is issued and distributed in Taiwan by Merrill Lynch Global (Taiwan) Ltd or Merrill Lynch, Pierce, Fenner & Smith Limited (Taiwan Branch); is issued and distributed in Malaysia by Merrill Lynch (KL) Sdn. Bhd., a licensed investment adviser regulated by the Malaysian Securities Commission; and is issued and distributed in Singapore by Merrill Lynch International Bank Limited (Merchant Bank) and Merrill Lynch (Singapore) Pte Ltd (Company Registration No.'s F 06872E and 198602883D respectively). Merrill Lynch International Bank Limited (Merchant Bank) and Merrill Lynch (Singapore) Pte Ltd. are regulated by the Monetary Authority of Singapore. Merrill Lynch Equities (Australia) Limited, (ABN 65 006 276 795), AFS License 235132, provides this report in Australia. No approval is required for publication or distribution of this report in Brazil.

Merrill Lynch (Frankfurt) distributes this report in Germany. Merrill Lynch (Frankfurt) is regulated by BaFin.

Copyright, User Agreement and other general information related to this report:

Copyright 2007 Merrill Lynch, Pierce, Fenner & Smith Incorporated. All rights reserved. This research report is prepared for the use of Merrill Lynch clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Merrill Lynch. Merrill Lynch research reports are distributed simultaneously to internal and client websites eligible to receive such research prior to any public dissemination by Merrill Lynch of the research report or information or opinion contained therein. Any unauthorized use or disclosure is prohibited. Receipt and review of this research report constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this report (including any investment recommendations, estimates or price targets) prior to Merrill Lynch's public disclosure of such information. The information herein (other than disclosure information relating to Merrill Lynch and its affiliates) was obtained from various sources and we do not guarantee its accuracy. Merrill Lynch makes no representations or warranties whatsoever as to the data and information provided in any third party referenced website and shall have no liability or responsibility arising out of or in connection with any such referenced website.

This research report provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment or any options, futures or derivatives related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that price or value of such securities and investments may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk.

Officers of MLPF&S or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

Merrill Lynch Research policies relating to conflicts of interest are described at <http://www.ml.com/media/43347.pdf>.

Fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

iQmethod, iQmethod 2.0, iQprofile, iQtoolkit, iQworks are service marks of Merrill Lynch & Co., Inc. iQanalytics®, iQcustom®, iQdatabase® are registered service marks of Merrill Lynch & Co., Inc.