

FIRST GLOBAL

www.firstglobal.in

India Research



Sector: Media

What Happened Last Quarter

Upgrade ↑

Sun TV Network Ltd. (SUNTV.IN/SUTV.BO)

To

Market Perform with Outperform bias

(CMP: Rs. 316, Mkt. Cap: Rs. 124.5 bn \$2.6 bn, Nov 4, '09)

Relevant Index: CNX Nifty Index: 4,710.8 (Nov 4, '09)

Leadership position in Southern regional market to continue driving strong growth in ad revenues...

Fast paced growth in DTH subscribers to lead to surge in subscription revenues...

Last report's recommendation: Market Perform (MP: Rs. 308.7 (Sep 18, '09)

Relevant Index: CNX Nifty: 4,976.1 (Sep 18, '09)

Relative performance since last rating change (Sep 18, '09): CNX Nifty: Down 5.3%, SUNTV: Up 2.3%

November 4, 2009

TO ACCESS FIRST GLOBAL RESEARCH ON BLOOMBERG, TYPE FGSL <GO>

Research Contact: Associate Director, Research: Hitesh Kuvelkar Mob. +91 9833 732633

Email: hitesh.kuvelkar@fglobal.com

Sales Offices: India Sales: Tel. No: +91-22-400 12 440

Email: indiasales@fglobal.com

fgasiasales@bloomberg.net

US Sales: Tel. No: 1-212-227 6611

Email: us@fglobal.com

Asia & Europe Sales: Tel.: 44-207-959 5300 Email: uk@fglobal.com

Research Note issued by First Global Securities Ltd., India

FG Markets, Inc. is a member of FINRA/SIPC and is regulated by the Securities & Exchange Commission (SEC), US

First Global (UK) Ltd. is a member of London Stock Exchange and is regulated by the Financial Services Authority (FSA), UK

First Global Stockbroking is a member of Bombay Stock Exchange & National Stock Exchange, India

IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT



Price and Rating History Chart

Ratings Key

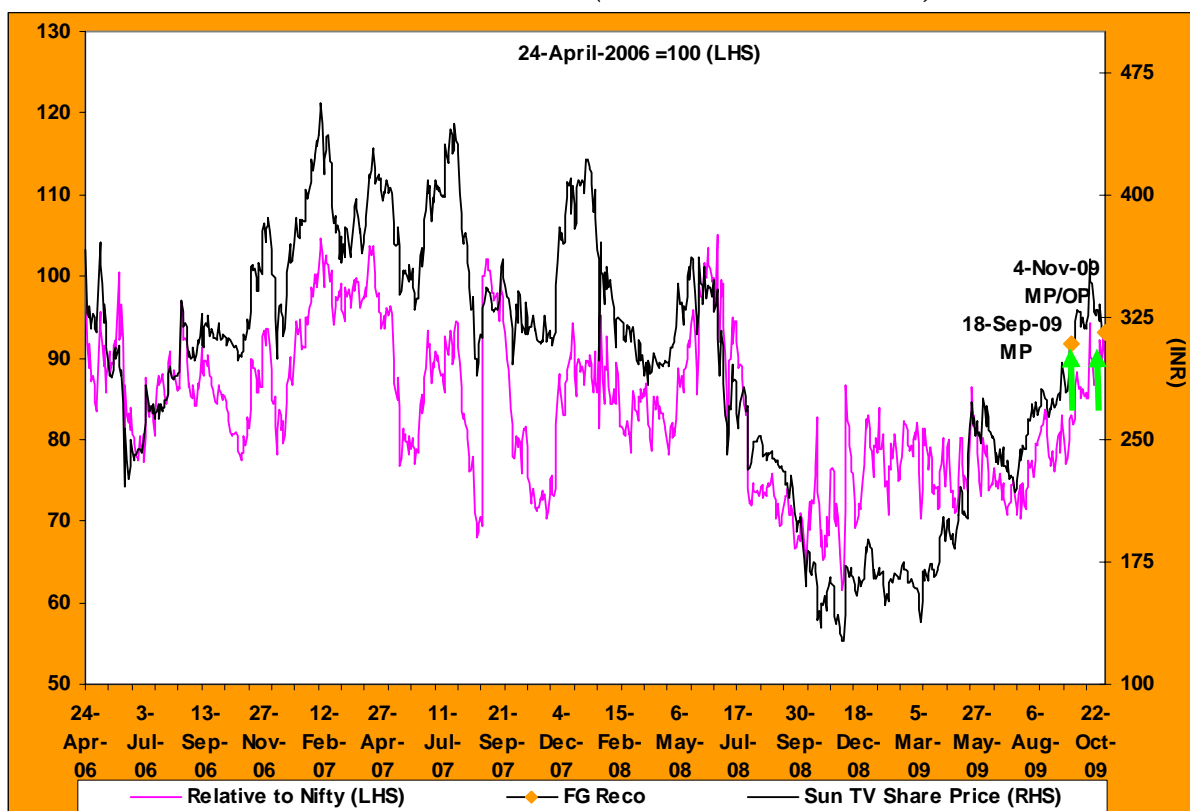
Positive Ratings	B = Buy	BD = Buy at Declines	OP = Outperform
	S-OP = Sector Outperform	M-OP = Market Outperform	MO-OP = Moderate Outperform
Neutral Ratings	H = Hold	MP = Market Perform	SP = Sector Perform
Negative Ratings	S = Sell	SS = Sell into Strength	UP = Underperform
	A = Avoid	MO-UP = Moderate Underperform	S-UP = Sector Underperform

ST: Short Term

MT: Medium Term

LT: Long Term

Sun TV Network Ltd. (SUNTV.IN/SUTV.BO)



Represents an Upgrade



Represents a Downgrade



Represents Reiteration of Existing Rating

Details of First Global's Rating System given at the end of the report



Financial Snapshot (Consolidated)

Key Financials					
YE March (Rs. mn)	FY07	FY08	FY09	FY10E	FY11E
Total Revenues	6,783	8,700	10,417	12,977	15,544
Revenue Growth (Y-o-Y)	110.4%	28.2%	19.7%	24.6%	19.8%
EBIDTA	4,746	5,975	7,391	9,650	11,779
EBIDTA Growth (Y-o-Y)	91.0%	25.9%	23.7%	30.6%	22.1%
Net Profit	2,461	3,267	3,683	4,671	5,910
Net Profit Growth (Y-o-Y)	93.1%	32.8%	12.7%	26.8%	26.5%
Net Profit Excl. extra-ordinaries	2,460	3,266	3,521	4,671	5,910
Net Profit Growth Excl. extra-ordinaries (Y-o-Y)	96.5%	32.7%	7.8%	32.7%	26.5%
Shareholders Equity	11,934	14,486	17,016	21,285	26,042
Number of Diluted shares (mn)	393	394	394	394	394
Key Operating Ratios					
YE March	FY07	FY08	FY09	FY10E	FY11E
Diluted EPS Excl. extra-ordinaries (Rs.)	6.3	8.3	8.9	11.9	15.0
EPS Growth (Y-o-Y)	24.1%	32.2%	7.8%	32.7%	26.5%
CEPS Excl. extra-ordinaries (Rs.)	9.4	11.4	14.5	18.7	22.9
EBIDTA (%)	70.0%	68.7%	70.9%	74.4%	75.8%
NPM (%)	36.3%	37.5%	33.8%	36.0%	38.0%
Tax/PBT (%)	36.2%	39.2%	40.3%	37.6%	36.2%
RoE (%)	31.3%	23.7%	21.6%	23.7%	24.4%
RoCE (%)	26.3%	22.6%	20.4%	22.2%	22.8%
Return on Operating Assets (%)	40.1%	30.6%	22.9%	28.6%	36.2%
Book Value Per share (Rs.)	30.4	36.8	43.2	54.0	66.1
Debt/Equity (x)	0.1x	0.0x	0.0x	0.0x	0.0x
Dividend Payout Ratio (%)	28.3%	35.3%	31.3%	24.7%	19.5%
Free Cash Flow Analysis					
YE March (Rs. mn)	FY07	FY08	FY09	FY10E	FY11E
Operating Cash Flow	3,397	3,052	4,912	5,324	7,306
Total Free Cash Flow	546	-1,736	-35	4,116	5,974
Valuation Ratios					
YE March	FY07	FY08	FY09	FY10E	FY11E
P/E (x)				26.7x	21.1x
P/BV (x)				5.8x	4.8x
P/CEPS (x)				16.9x	13.8x
EV/EBIDTA (x)				12.2x	9.5x
Market Cap./ Sales (x)				9.6x	8.0x
Net cash/Market Cap (%)				5.7%	9.9%
Dividend Yield (%)				0.8%	0.8%
Market Cap. and Enterprise Value Data as on Nov 4, 2009					
Current Market Price (Rs.)					316.0
No. of Basic Shares (mn)					394.1
				Rs. bn	US\$ bn
Market Cap.				124.5	2.64
Total Debt*				0.72	0.02
Cash & Cash Equivalents*				7.76	0.16
Enterprise Value				117.5	2.49
* Debt & Cash & Cash Equivalents as on FY10; Exchange Rate: US\$1 = INR 47.18					



DuPont Model					
YE March	FY07	FY08	FY09	FY10E	FY11E
EBIDTA/Sales (%)	70.0%	68.7%	70.9%	74%	76%
Sales/Operating Assets (x)	1.2x	0.9x	0.8x	0.9x	1.0x
EBIDTA/Operating Assets (%)	84.5%	63.6%	54.7%	63.7%	77.3%
Operating Assets/ Net Assets(x)	0.6x	0.7x	0.8x	0.7x	0.6x
Net Earnings/ EBIDTA (%)	51.8%	54.7%	47.6%	48.4%	50.2%
Net Assets/ Equity (x)	1.2x	1.0x	1.0x	1.1x	1.1x
Return on Equity (%)	31.3%	23.7%	21.6%	23.7%	24.4%
Common Sized Profit & Loss Account					
YE March	FY07	FY08	FY09	FY10E	FY11E
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%
Net Raw Material Consumed	11.5%	8.8%	10.7%	7.8%	6.9%
Personnel	10.3%	11.0%	11.1%	10.8%	10.6%
Selling, General & Administrative Expenses	8.2%	11.5%	7.3%	7.0%	6.7%
EBIDTA	70.0%	68.7%	70.9%	74.4%	75.8%
Depreciation and Amortization	18.0%	14.2%	21.2%	20.9%	20.1%
Interest Paid	0.9%	1.8%	1.3%	0.9%	0.7%
Non-Operating Income	6.0%	6.4%	4.6%	2.8%	3.2%
Extraordinary Income	0.0%	0.0%	1.6%	0.0%	0.0%
Extraordinary Expense	0.0%	0.0%	0.0%	0.0%	0.0%
Profit Before Tax	57.1%	59.0%	54.7%	55.4%	58.1%
Tax	20.7%	23.2%	22.0%	20.8%	21.1%
Net Profit	36.3%	37.6%	35.4%	36.0%	38.0%
Net Profit Excl. extra-ordinaries	36.3%	37.5%	33.8%	36.0%	38.0%

Source: Company Report, FG estimates.



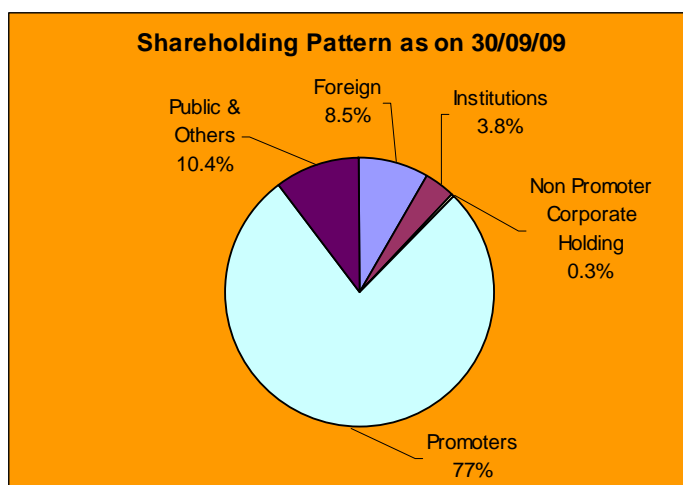
Top Management Team

Designation	Name
Chairman & Managing Director	Kalanithi Maran
Joint Managing Director	Kavery Kalanithi
Director	S Sridharan
Director	M K Harinarayanan
Director	J Ravindran
Director	Nicholas Martin Paul
Company Secretary	R Ravi
Additional Director	S Selvam

Capital Issue History

Date	Equity Capital	Reason
27/03/1997	4	Equity shares issued
11/3/2002	8	Bonus Issue
15/09/2003	20	Preferential Issue Of Shares
23/12/2005	620	Bonus Issue
20/04/2006	688.9	Public Issue
9/4/2007	985.2	Scheme of Arrangement/Amalgamation
23/07/2007	1970.4	Bonus Issue

Key Statistics

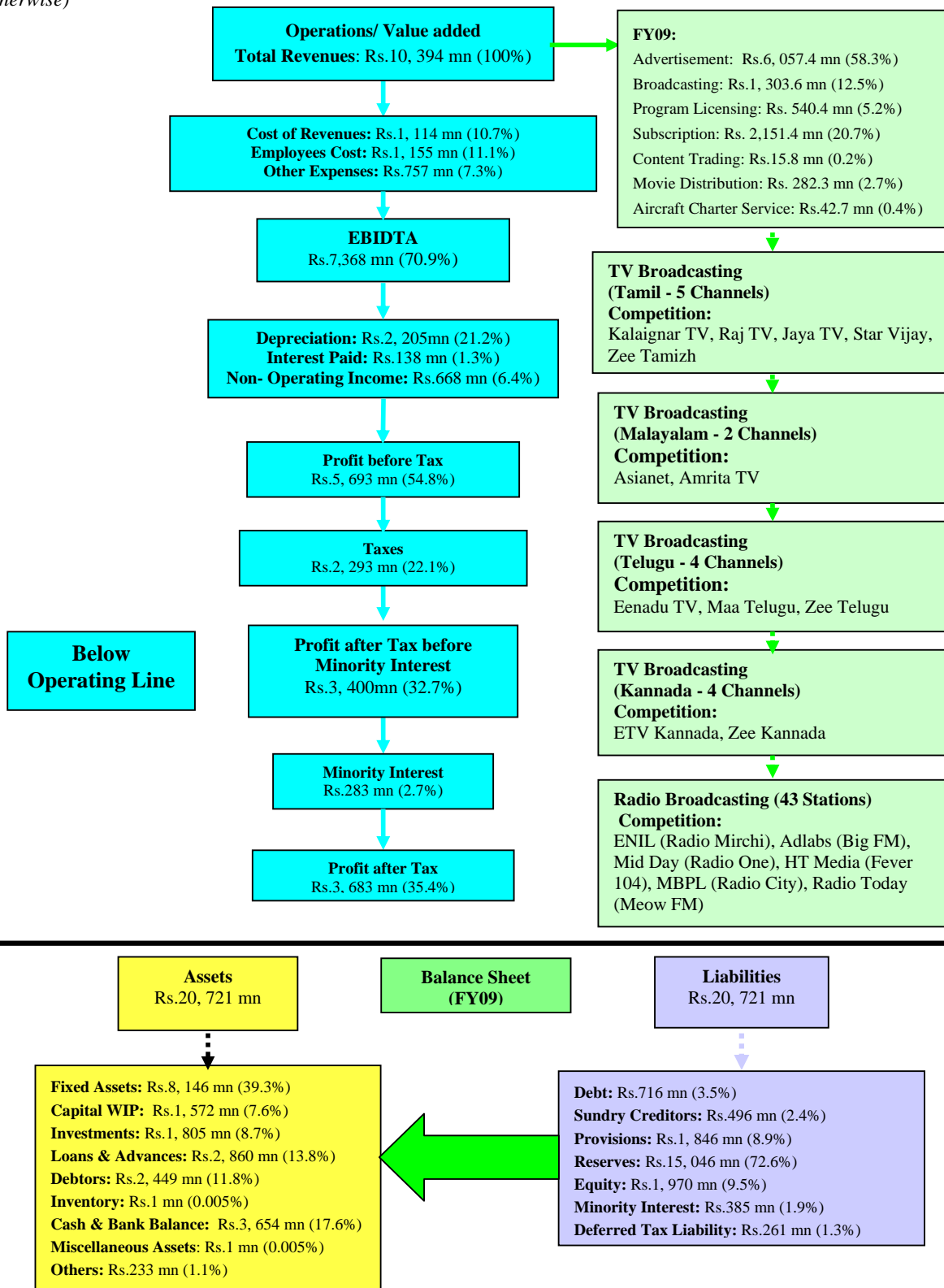


Industry:	Media
52 Week Hi:Lo:	Rs360.7/126.1
CMP:	Rs.316
Avg Daily Vol (20 days):	0.16 mn
Avg Daily Val (20 days):	Rs.55.6mn
Performance over 52 weeks:	
Sun TV :	Up 104.8%
Nifty :	Up 49.9%



SUN TV's Business in Pictures... (FY09) ***(Consolidated)***

(All figures are in Rs. Mn except where stated otherwise. All percentages are percent of revenues, unless stated otherwise)





Reasons for Upgrade...

- *Sun TV delivered an encouraging set of numbers for Q2 FY10, with both the topline as well as bottomline coming in ahead of our estimates.*
- *The better than expected performance was driven primarily by an increase in inventory utilisation on account of the festive season, which led to higher ad revenues and a surge in DTH revenues on the back of growing DTH penetration*
- *We believe that Sun TV will continue to witness a strong growth in ad revenues due to its leadership position in Southern regional market*
- *Also, the fast paced growth in DTH subscribers will lead to a surge in the company's subscription revenues, going forward*
- *Moreover, the company's movie division, Sun Pictures, plans to release two movies in Q3 FY10 and one big budget movie, Endhiran, starring Rajnikanth in Q1 FY11, which will drive a significant growth in theatre revenues*



What Happened Last Quarter...

Sun TV Network Ltd. (SUNTV.IN/SUTV.BO) delivered an encouraging set of numbers for Q2 FY10, with both the topline as well as bottomline coming in ahead of our estimates. The better than expected performance was driven primarily by an increase in inventory utilisation on account of the festive season, which led to higher ad revenues and a surge in DTH revenues on the back of growing DTH penetration. The company reported total sales of Rs.3.20 bn, up 34.7% Y-o-Y, as against our estimate of Rs.3.08 bn, while its net profit came in at Rs.1.31 bn, up 20.5% Y-o-Y, as against our estimate of Rs.1.22 bn. Also, one of the company's subsidiaries, Kal Radio Ltd. achieved break even at the operating level, just as we had anticipated in our recent initiating coverage report on Sun TV...

Quote:

“One of Sun TV’s radio subsidiaries, Kal Radio Ltd., is expected to turn EBIDTA positive by FY10, while its overall radio business is expected to break even at the EBIDTA level by FY11, thus leading to an improvement in the company’s financial performance over the longer term.”

Unquote:

(From First Global's, “Sun TV Network Ltd.: Initiating coverage on Sun TV Network Ltd. with a rating of Market Perform”, dated September 19, 2009).

We believe that Sun TV will continue to witness a strong growth in ad revenues due to its leadership position in Southern regional market. Also, the fast paced growth in DTH subscribers will lead to a surge in the company's subscription revenues, going forward. Moreover, the company's movie division, Sun Pictures, plans to release two movies in Q3 FY10 and one big budget movie, *Endhiran*, starring Rajnikanth in Q1 FY11, which will drive a significant growth in theatre revenues. In view of the improved revenue visibility of the company's various businesses, we have raised our FY10 and FY11 EPS estimates from Rs.11.3 and Rs.14.0 to Rs.11.9 and Rs.15.0 respectively. On the valuation front, the stock currently trades at a P/E of 26.7x our FY10 estimate and an EV/EBIDTA of 12.2x our FY10 estimate. ***We upgrade Sun TV to ‘Market Perform with Outperform bias’.***

We believe that Sun TV will continue to witness a strong growth in ad revenues due to its leadership position in Southern regional market. Also, the fast paced growth in DTH subscribers will lead to a surge in the company's subscription revenues...

...the company's movie division, Sun Pictures, plans to release two movies in Q3 FY10 and one big budget movie, Endhiran, starring Rajnikanth in Q1 FY11, which will drive a significant growth in theatre revenues

Comparative Valuations – Indian peers

Company	Year End	EPS (Rs)		P/E (x)		P/S (x)		P/BV (x)		EV/Sales (x)		EV/EBITDA (x)		EBITDA (%)	ROE (%)	ROCE (%)	Annual EPS Growth (%)	Annual Sales Growth (%)
		FY10E	FY11E	FY10E	FY11E	FY10E	FY11E	FY10E	FY11E	FY10E	FY11E	FY10E	FY11E	FY10E	FY10E	FY10E	11E/10E	11E/10E
SUN TV	Mar	11.9	15.0	26.7	21.1	5.7	9.9	5.8	4.8	9.1	7.2	12.2	9.5	74.4%	23.7%	22.2%	26.5%	19.8%
Zee Entertainment	Mar	10.1	10.7	23.5	22.1	4.8	4.3	2.7	2.5	4.8	4.2	18.4	16.2	25.8%	12.1%	10.7%	6.3%	11.3%

Source: FG estimates



Quarterly Result Analysis (Standalone)

YE March (Rs. mn)	Q2 FY10	Q2 FY09	Y-o-Y change %	Q1 FY10	Q-o-Q change %	6M FY10	6M FY09	Y-o-Y change %
Net Sales	3,204	2,379	34.7%	2,877	11.4%	6,080	4,615	31.8%
Less:								
Net Raw Material consumed	208	197	5.6%	208	-0.0%	417	395	5.4%
Advertisement and sales promotion Exp.	241	141	71.3%	122	98.4%	363	251	44.5%
Personnel	319	256	24.6%	311	2.7%	630	501	25.7%
Total Expenditure	768	594	29.3%	640	20.0%	1,409	1,147	22.8%
EBIDTA	2,436	1,785	36.5%	2,236	8.9%	4,672	3,468	34.7%
Less: Depreciation	571	485	17.7%	550	3.8%	1,121	763	46.8%
EBIT	1,865	1,300	43.5%	1,686	10.6%	3,551	2,704	31.3%
Less: Interest	2	21	-91.3%	6	-71.4%	8	21	-61.4%
Add: Other income	115	372	-69.1%	142	-19.4%	257	535	-52.0%
Profit Before Tax	1,978	1,650	19.8%	1,822	8.5%	3,800	3,219	18.1%
Less: Total Tax	672	567	18.5%	624	7.6%	1,296	1,110	16.8%
Profit After Tax	1,306	1,083	20.5%	1,198	9.0%	2,504	2,109	18.7%
Shares Outstanding (mn)	394	394		394		394	394	
Reported EPS (Rs.)	3.31	2.75	20.5%	3.04	9.0%	6.35	5.35	18.7%
Margin Analysis								
EBIDTA Margin	76.0%	75.0%		77.7%		76.8%	75.1%	
EBIT Margin	58.2%	54.6%		58.6%		58.4%	58.6%	
Net Profit Margin	40.8%	45.5%		41.6%		41.2%	45.7%	
Effective Tax Rate	34.0%	34.4%		34.3%		34.1%	34.5%	

Source: Company Reports

In Q2 FY10, Sun TV reported total sales of Rs.3.20 bn, up 34.7% Y-o-Y, as against our estimate of Rs.3.08 bn, primarily due to an increase in inventory utilisation on account of the festive season, which led to higher ad revenues and a surge in DTH revenues on the back of the growing DTH penetration. The company's ad revenues increased by 37.4% Y-o-Y to Rs.1.94 bn, while its total subscription revenues grew 65.6% Y-o-Y to Rs.760 mn, on the back of an increase of 210.1% Y-o-Y in DTH subscription revenues to Rs.400 mn in Q2 FY10.

The company's total costs rose 29.3% Y-o-Y and 20.0% sequentially to Rs.768 mn in the quarter. The lower than proportionate increase in total costs led to a growth of 36.5% Y-o-Y in the EBIDTA to Rs.2.44 bn and an expansion of 99 bps Y-o-Y in the EBIDTA margin to 76.0%.

A rise of 17.7% Y-o-Y in depreciation expense due to amortization of films released in Q2 FY10, coupled with a decline of 69.1% Y-o-Y in Other income, led to an increase of 20.5% Y-o-Y in the net profit to Rs.1.31 bn, as against our estimate of Rs.1.22 bn. The company posted an EPS of Rs.3.31 for Q2 FY10, as against Rs.2.75 in Q2 FY09.



Earnings Model (Standalone)

(YE March 31st) (Rs. mn)	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	FY09	Q1 FY10	Q2 FY10	Q3E FY10	Q4E FY10	FY10E
Total Revenue	2,236	2,379	2,708	2,759	10,082	2,877	3,204	3,307	3,142	12,525
a) Cost of Revenues	198	219	268	132	817	208	208	215	157	789
b) Employees Cost	245	256	257	263	1,020	311	319	321	314	1,265
c) Other Expenditure	110	141	171	107	529	122	241	198	157	718
Total Cost	553	616	696	502	2,366	640	768	734	628	2,771
EBIDTA	1,683	1,763	2,013	2,257	7,716	2,236	2,436	2,573	2,514	9,754
Less: Depreciation	278	464	446	662	1,849	550	571	599	638	2,358
EBIT	1,405	1,300	1,567	1,595	5,867	1,686	1,865	1,974	1,876	7,397
Less: Interest	0	21	8	10	39	6	2	3	3	15
Non operating income	164	372	144	154	833	142	115	149	141	547
PBT	1,568	1,650	1,703	1,739	6,661	1,822	1,978	2,119	2,014	7,929
Less: Total Tax	543	567	581	599	2,290	624	672	720	685	2,702
Profit After Tax	1,025	1,083	1,122	1,140	4,371	1,198	1,306	1,399	1,329	5,228
Number of diluted share	394	394	394	394	394	394	394	394	394	394
EPS (Rs)	2.60	2.75	2.85	2.89	11.1	3.04	3.31	3.55	3.37	13.27
EBIDTA Margin (%)	75.3%	74.1%	74.3%	81.8%	76.5%	77.7%	76.0%	77.8%	80.0%	77.9%
EBIT (%)	62.8%	54.6%	57.9%	57.8%	58.2%	58.6%	58.2%	59.7%	59.7%	59.1%
PBT Margin (%)	70.1%	69.4%	62.9%	63.0%	66.1%	63.4%	61.7%	64.1%	64.1%	63.3%
NPM (%)	45.9%	45.5%	41.4%	41.3%	43.4%	41.6%	40.8%	42.3%	42.3%	41.7%
Effective Tax Rate (%)	34.6%	34.4%	34.1%	34.4%	34.4%	34.3%	34.0%	34.0%	34.0%	34.1%



IMPORTANT DISCLOSURES

Price Target

Price targets (if any) are derived from a subjective and/or quantitative analysis of financial and non-financial data of the concerned company using a combination of P/E, P/Sales, earnings growth, and its stock price history.

The risks that may impede achievement of the price target/investment thesis are –

- **Adverse changes in the economic climate**
- **Decline in Viewership share**
- **Increase in the competition of regional channels**
- **Lower than expected offtake in subscription revenues**



First Global's Rating System

Our rating system consists of three categories of ratings: Positive, Neutral and Negative. Within each of these categories, the rating may be absolute or relative. When assigning an absolute rating, the price target, if any, and the time period for the achievement of this price target, are given in the report. Similarly when assigning a relative rating, it will be with respect to certain market/sector index and for a certain period of time, both of which are specified in the report.

Rating in this report is relative to: CNX Nifty Index

Positive Ratings

*(i) **Buy (B)** – This rating means that we expect the stock price to move up and achieve our specified price target, if any, over the specified time period.*

*(ii) **Buy at Declines (BD)** – This rating means that we expect the stock to provide a better (lower) entry price and then move up and achieve our specified price target, if any, over the specified time period.*

*(iii) **Outperform (OP)** – This is a relative rating, which means that we expect the stock price to outperform the specified market/sector index over the specified time period.*

Neutral Ratings

*(i) **Hold (H)** – This rating means that we expect no substantial move in the stock price over the specified time period.*

*(ii) **Marketperform (MP)** – This is a relative rating, which means that we expect the stock price to perform in line with the performance of the specified market/sector index over the specified time period.*

Negative Ratings

*(i) **Sell (S)** – This rating means that we expect the stock price to go down and achieve our specified price target, if any, over the specified time period.*

*(ii) **Sell into Strength (SS)** – This rating means that we expect the stock to provide a better (higher) exit price in the short term, by going up. Thereafter, we expect it to move down and achieve our specified price target, if any, over the specified time period.*

*(iii) **Underperform (UP)** – This is a relative rating, which means that we expect the stock price to underperform the specified market/sector index over the specified time period.*

*(iv) **Avoid (A)** – This rating means that the valuation concerns and/or the risks and uncertainties related to the stock are such that we do not recommend considering the stock for investment purposes.*



FG Markets, Inc.

90 John Street, Suite 703,
New York, NY 10038

Dealing Desk (US):

Tel. No.: +1-212-227 6611

Email: us@fglobal.com

FIRST GLOBAL

Nirmal, 6th Floor, Nariman Point,
Mumbai - 400 021, India.

Dealing Desk (India):

Tel. No.: +91-22-400 12 400

Email: fgasiasales@bloomberg.net

FIRST GLOBAL (UK) Ltd.

The Cobalt Building, 19-20, Noel Street,
London W1F 8GW, United Kingdom

Dealing Desk (UK & Europe):

Tel. No.: +44-207-959 5300

Email: uk@fglobal.com

The information and opinions in this report were prepared by First Global Securities Ltd. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to its accuracy or completeness. Any statements nonfactual in nature constitute only current opinions, which are subject to change. First Global does not undertake to advise you of changes in its opinion or information.

First Global and others associated with it may make markets or specialize in, have positions in and effect transactions in securities of companies mentioned and may also perform or seek to perform investment banking services for those companies.

Whilst all reasonable care has been taken to ensure the facts stated and the opinions given are fair, neither First Global (UK) Limited nor FG Markets, Inc. nor any of their affiliates shall be in any way responsible for its contents, nor do they accept any liability for any loss or damage (including without limitation loss of profit) which may arise directly or indirectly from use of or reliance on such information.

First Global (or one of its affiliates or subsidiaries) or their officers, directors, analysts, employees, agents, independent contractors, or consultants may have positions in securities or commodities referred to herein and may, as principal or agent, buy and sell such securities or commodities. An employee, analyst, officer, agent, independent contractor, a director, or a consultant of First Global, its affiliates, or its subsidiaries may serve as a director for companies mentioned in this report.

First Global and its affiliates may, to the extent permitted under applicable law, have acted upon or used the information prior to or immediately following its publication, provided that we could not reasonably expect any such action to have a material effect on the price. This memorandum is based on information available to the public. No representation is made that it is accurate or complete. This memorandum is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned.

The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment. There may be instances when fundamental, technical, and quantitative opinions may not be in concert.

Past performance is not necessarily a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors. There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange rate fluctuations, and limited availability of information on international securities.

The value of investments and the income from them may vary and you may realize less than the sum invested. Part of the capital invested may be used to pay that income. In the case of higher volatility investments, these may be subject to sudden and large falls in value and you may realize a large loss equal to the amount invested. Some investments are not readily realizable and investors may have difficulty in selling or realizing the investment or obtaining reliable information on the value or risks associated with the investment. Where a security is denominated in a currency other than sterling (for UK investors) or dollar (for US investors), changes in exchange rates may have an adverse effect on the value of the security and the income thereon. The tax treatment of some of the investments mentioned above may change with future legislation. The investment or investment service may not be suitable for all recipients of this publication and any doubts regarding this should be addressed to your broker.

While First Global has prepared this report, First Global (UK) Ltd. and FG Markets, Inc. is distributing the report in the UK & US and accept responsibility for its contents. Any person receiving this report and wishing to effect transactions in any security discussed herein should do so only with a representative of First Global (UK) Ltd. or FG Markets, Inc.

First Global (UK) Limited is regulated by FSA and is a Member firm of the London Stock Exchange.

FG Markets, Inc. is regulated by SEC and is a member of The Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). FG Markets, Inc., its affiliates, and its subsidiaries make no representation that the companies which issue securities which are the subject of their research reports are in compliance with certain informational reporting requirements imposed by the Securities Exchange Act of 1934. Sales of securities covered by this report may be made only in those jurisdictions where the security is qualified for sale. Additional information on recommended securities is available on request.

This report may not be resold or redistributed without the prior written consent of First Global.