

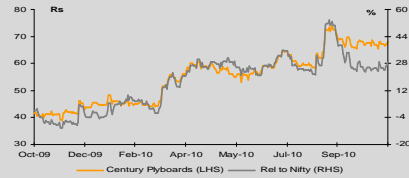
11 November 2011

<b>Rating</b>	<b>Previous Reco</b>
Accumulate	Accumulate
<b>CMP</b>	<b>Target Price</b>
Rs205	Rs234
EPS Chg FY12E/FY13E (%)	-11 / -19
Target Price change (%)	4
Nifty	5,221
Sensex	17,570

<b>Price Performance</b>				
(%)	1M	3M	6M	12M
Absolute	(0)	8	1	(36)
Rel. to Nifty	(5)	5	8	(23)

Source: Bloomberg

### Relative price chart



Source: Bloomberg

### Stock Details

<b>Sector</b>	Construction
<b>Bloomberg</b>	ILFT IB
<b>Equity Capital (Rs mn)</b>	1,943
<b>Face Value(Rs)</b>	10
<b>No of shares o/s (mn)</b>	194
<b>52 Week H/L</b>	329/ 168
<b>Market Cap (Rs bn/USD mn)</b>	39/ 789
<b>Daily Avg Volume (No of sh)</b>	109,900
<b>Daily Avg Turnover (US\$m)</b>	0.4

### Shareholding Pattern (%)

	<b>Sep-11</b>	<b>Jun-11</b>	<b>Mar-11</b>
<b>Promoters</b>	71.2	71.2	75.1
<b>FII/NRI</b>	15.1	15.7	16.1
<b>Institutions</b>	4.5	4.5	4.3
<b>Private Corp</b>	1.6	1.3	1.1
<b>Public</b>	7.6	7.4	3.5

Source: Bloomberg

### Ajit Motwani

ajit.motwani@emkayglobal.com  
66121255

### Jitesh Bhanot

jitesh.bhanot@emkayglobal.com  
66242491

- **Q2FY12 APAT down 22.5%yoy at Rs0.61bn v/s exp. Rs0.41bn, EBITDA at Rs 1.30bn v/s Rs 1.0bn led by higher than expected fee booking – Sustenance of outlook depends on fresh orders**
- **Revenue at Rs 6.48bn, up 74% yoy led by construction revenues doubling yoy to Rs 5.1bn v/s exp. of Rs 5bn, Construction margins at 10.4% v/s exp of 12.8%**
- **Conso. Rev. up 42%yoy to Rs 12.5 bn led by 69% yoy growth in construction Rev (Rs8.9bn) & avg. daily toll collection +27.8% yoy at Rs 8.75mn/day, Elsamax Rev down 32% to Rs 1.8bn**
- **Reduced order inflow for FY12E to Rs25bn v/s Rs50bn leading to 11%/19% downgrade for FY12E/13E earnings. Rolled over valuation to FY13E- Maintain Accumulate - Reduce TP Rs234**

### Higher fee income beat us on Q2 performance

ITNL reported APAT which was down 22.5% yoy to Rs 609mn v/s Rs 412mn led by higher than expected fee income. EBITDA down 1.5% yoy at Rs 1.33bn v/s Rs 1.0bn. Standalone construction margin came in at 10.4% v/s 12.8% far lower than our expectation, however the higher than expected fee booking in the quarter led to the overall beat. Revenue was up 74% at Rs 6.5bn v/s exp Rs 5.9bn led by higher than expected fee income. ITNL reported fee income of Rs 1.25bn v/s expectation of Rs 0.8bn which drove the entire outperformance.

### Consolidated PAT at Rs1.16bn up 8% yoy, EBITDA at Rs3.6bn up 36% yoy

ITNL reported APAT of Rs 1.16bn v/s Rs 1.3bn yoy up 8% yoy & EBITDA at Rs 3.56bn v/s Rs 2.8bn up 36% yoy led by construction which grew 69% yoy to Rs 8.87bn v/s exp of Rs 8.01bn. Revenues from toll/annuity witness smart growth of 28.6% yoy to Rs 16.88mn/day due to revision in toll rates, traffic growth & higher number of projects contributing to the overall toll project. Revenues from Elsamax fell 32% sequentially to Rs 1.83bn which arrested the overall revenue growth revenues to 42% from Rs 8.8 bn to Rs 12.55bn.

### Cut in FY12E order inflow - Maintain Accumulate with a TP of Rs 234

Though the NHAI awarding has been pretty robust and IL&FS transportation has been actively participating (15 to 20 bids YTD), the company has not been able to bag single NHAI project because of aggressive bids & Company's rather conservative stance. Though we like the strategy of not participating in the aggressive market place the negative fallout of this event is likely to impact ITNL's standalone earnings in short term as the company will be unable to book the fee income from new projects. Resultant we cut company's FY12E order inflow assumption to Rs 25bn v/s earlier est. of Rs 50bn leading to 11%/19% cut in our FY12E/13E earnings estimate. We lower our Target price to Rs 234 per share with value of BOT business net of parent leverage at Rs 74, E&C business at Rs 140 & other subsidiaries forming Rs 20 per share maintaining our Accumulate stance.

### Financial Snapshot (Consolidated)

(Rs mn)

YE-	Net Sales	EBITDA (Core)	EBITDA (%)	APAT	EPS (Rs)	EPS % chg	RoE (%)	P/E	EV/ EBITDA	P/BV
Mar										
FY10A	24,079	7,993	33.2	3,495	18.0	3,309.4	27.4	11.3	8.5	2.4
FY11A	40,482	11,336	28.0	4,122	21.2	17.9	21.1	9.6	7.9	1.8
FY12E	52,161	12,723	24.4	3,857	19.9	-6.4	16.2	10.2	9.6	1.6
FY13E	69,839	16,076	23.0	4,202	21.6	8.9	15.8	9.4	9.5	1.4

### Rs 71bn in the bid pipeline

ITNL is pre qualified for projects worth ~Rs 614bn or 8,422 kms along with RFAQ status which pre qualifies ITNL for bidding in any NHA project till the ticket size of Rs 45bn independently will offer significant potential of further wins. Projects worth ~Rs71bn or 1,161 kms are at the RFP stages improving the near term prospects of winning additional orders.

### Capital work remaining to be executed at Rs 89bn or 3.3x FY11 const. rev.

Construction backlog at Rs 89bn or 3.3x FY11 construction revenues which provide significant visibility to the growth prospects for the construction vertical, however the overall profitability is also driven by fee income which is majorly recognized on new project wins and dearth of new wins in FY12E is hurting the overall momentum of IL&FS transportation.

### Average Daily toll collection witnessing a growth of 28.6% yoy

Average daily toll & annuity collection has been growing steadily in all the major stretches. With commencement of tolling at Beawer – Gomti in Q2FY11, ITNL has been able to increase their average daily toll collection to 16.88mn/day.

#### Consolidation of Average Daily Toll collection at several projects

	Q2FY11	Q3FY11	Q4FY11	Q1FY12	Q2FY12	YoY (%)	QoQ (%)
Ahmedabad Mehsana Road	1.31	1.31	1.43	1.55	1.61	22.9%	3.9%
Vadodra Halol Road	0.97	1.09	1.09	1.13	1.21	24.7%	7.1%
NoidaToll Bridge	0.48	0.47	0.49	0.48	0.49	3.1%	2.1%
Mega Highways – Rajasthan (Ph-I)	2.83	3.03	2.98	4.04	3.99	41.0%	-1.2%
Rajkot to Jetpur – Gondal (Gujarat)	0.87	0.97	0.94	0.98	0.99	13.8%	1.0%
Beawer Gomti (38 days - Q2 FY11)	0.39	0.42	0.45	0.44	0.46	17.9%	4.5%
<b>Total average daily toll collection - (a)</b>	<b>6.85</b>	<b>7.29</b>	<b>7.38</b>	<b>8.62</b>	<b>8.75</b>	<b>27.8%</b>	<b>1.5%</b>
<b>Annuity projects under operation</b>	<b>Q2FY11</b>	<b>Q3FY11</b>	<b>Q4FY11</b>	<b>Q1FY12</b>	<b>Q2FY12</b>		
Maharashtra to Belgaum (Karnataka)	2.81	2.83	2.83	2.75	2.81	-0.3%	2.0%
Thiruvananthapuram City Roads (Ph-I)	0.31	0.33	0.33	0.32	0.33	5.5%	2.0%
Kotakatta to Kurnol (Andhra Pradesh)	3.15	3.17	3.17	3.08	3.14	-0.3%	2.0%
Eastern Hyderabad expressway	0.00	0.00	0.00	1.85	1.85		
<b>Total average daily annuity collection - (b)</b>	<b>6.27</b>	<b>6.33</b>	<b>6.33</b>	<b>8.00</b>	<b>8.12</b>	<b>29.5%</b>	<b>1.6%</b>
<b>Total average daily collection (a+b)</b>	<b>13.12</b>	<b>13.61</b>	<b>13.71</b>	<b>16.62</b>	<b>16.88</b>	<b>28.6%</b>	<b>1.5%</b>

**Downgrade FY12E APAT by -11% and upgrading FY13E estimates by 19% – Maintain Accumulate with a lower target of Rs 234**

Earning projection for FY12E is downgraded by 11% to Rs 3,857 mn mainly led by cut in order inflow assumption to Rs 25bn in FY12E v/s Rs 50bn as expected earlier. Simultaneously we have also fine tuned our fee income booking over the next couple of years to account for heightened booking in 1HFY12E. We maintain our ACCUMULATE rating with a reduced target price of Rs 234.

Rs Mn	FY12E			FY13E		
	Earlier	Revised	change	Earlier	Revised	change
<b>Sales</b>	51,822	52,161	1%	76,659	69,839	-9%
<b>EBIDTA</b>	13,085	12,723	-3%	16,899	16,076	-5%
<b>EBIDTA (%)</b>	25.2	24.4	-3%	22.0	23.0	4%
<b>APAT</b>	4,323	3,857	-11%	5,207	4,202	-19%
<b>EPS</b>	22.3	19.9	-11%	26.8	21.6	-19%

**Maintain Accumulate with a target price of Rs234**

We have valued ITNL's road BOT portfolio at Rs185/share (CoE of 12/13% - operational projects, 14% - under construction project & 15% - under development projects), E&C business at Rs140/share (6X FY13E EBITDA) and other subsidiaries at Rs 30/share. Net debt works out to Rs-123/share at parent level. In a rather pessimistic stand for IL&FS transportation where it has not won a single project under NHAI in 1HFY12E, we have reduced our expectation of new wins from Rs 50 bn to Rs 25bn in FY12E. We have rolled over our valuation case to discount FY13 cash flows and maintain an Accumulate on ITNL with a reduced target price of Rs 234.

## SOTP – Fair Value at Rs 234

SPV	Holding		Valuation Measure	Disc rate	Equity Value (Rs mn)	Stake Value (Rs mn)	Value/ Share
Gujarat Road and Infrastructure Co Ltd	83.6%	Operational	FCFE	12%	8,666.8	7,246.3	37.3
WGEL	100.0%	Operational	FCFE	13%	1,209.4	1,209.4	6.2
Delhi - Noida	25.4%	Operational	FCFE	13%	5,967.1	1,512.7	7.8
Gomti - Beawar	100.0%	Operational	FCFE	13%	1,151.6	1,151.6	5.9
RIDCOR	50.0%	Operational	FCFE	13%	8,350.4	4,175.2	21.5
RIDCORII	50.0%	Under development	FCFE	14%	3,294.2	1,647.1	8.5
Pune Sholapur NH-9	100.0%	Under Construction	FCFE	14%	3,218.7	3,218.7	16.6
Chadrapur Warora	35.0%	Under development	FCFE	14%	1,495.5	523.4	2.7
Narkatapally to Addanki	50.0%	Under development	FCFE	14%	2,680.5	1,340.2	6.9
Moradabad Bareili	100.0%	Under development	FCFE	14%	8,876.4	8,876.4	45.7
Existing projects					<b>44,910.5</b>	<b>30,901.0</b>	<b>159.1</b>
New Project wins	<b>100%</b>		<b>FCFE</b>	<b>15%</b>	<b>389.7</b>	<b>389.7</b>	<b>2.0</b>
<b>Toll Projects - (A)</b>					<b>90,210.7</b>	<b>31,290.7</b>	<b>161.1</b>
North Karnataka expressway ltd	94%	Operational	FCFE	12%	1,360.2	1,271.8	6.5
Thiruvananthapuram Road Dev. Co Ltd	50%	Operational	FCFE	12%	-238.3	-119.0	-0.6
Andhra Pradesh expressway ltd	100%	Operational	FCFE	12%	-358.9	-358.9	-1.8
East Hyderabad exp. ltd	74%	Operational	FCFE	12%	-103.1	-76.3	-0.4
Hyderabad Ring Road	26%	Under Construction	FCFE	12%	34.5	9.0	0.0
Hazaribaug Ranchi expressway ltd	74%	Under Construction	FCFE	13%	400.6	296.5	1.5
Jharkhand - Ph - I	90%	Under Construction	FCFE	13%	165.0	148.5	0.8
Jharkhand Ph - II	100%	Under development	FCFE	14%	882.5	882.2	4.5
Shillong Jorbat	50%	Under development	FCFE	13%	338.3	169.1	0.9
Chenani Nashri	100%	Under development	FCFE	13%	2,499.5	2,499.5	12.9
<b>Annuity Projects - (B)</b>					<b>4,980.3</b>	<b>4,722.4</b>	<b>24.3</b>
Vansh Nimay infraprojects Limited	100%	Operational	FCFE	13%	301.6	301.5	1.6
ITNL ENSO Rail system limited	70%	Under Construction	FCFE	13%	1,469.4	1,028.6	5.3
MP Check post	51%	Under development	BV	0.75x	1,174.2	880.6	4.5
<b>Urban Infra Projects - (C)</b>					<b>2,945.2</b>	<b>2,210.7</b>	<b>11.4</b>
Investments in Elsamax	100%		BV	1.0x	2,722.2	2,722.2	14.0
Investments in other Companies					<b>1,109.3</b>	<b>1,109.3</b>	<b>5.7</b>
<b>Other Subsidiaries - (D)</b>					<b>3,831.6</b>	<b>3,831.6</b>	<b>19.7</b>
E&C business			EV/EBITDA	6.0x	27,257.2	27,257.2	140.3
<b>Construction business - (E)</b>					<b>27,257.2</b>	<b>27,257.2</b>	<b>140.3</b>
Net Debt at parent levels					<b>-23,927.8</b>	<b>-23,927.8</b>	<b>-123.2</b>
<b>Total Value (A+B+C+D+E)</b>					<b>105,297.1</b>	<b>45,384.7</b>	<b>233.6</b>

## Key Financials (Error! Reference source not found.)

## Income statement

Y/E Mar (Rsmn)	FY10A	FY11A	FY12E	FY13E
<b>Net Sales</b>	<b>24,079</b>	<b>40,482</b>	<b>52,161</b>	<b>69,839</b>
Growth (%)	97	68	29	34
<b>Expenditure</b>	<b>16,087</b>	<b>29,146</b>	<b>39,438</b>	<b>53,762</b>
Materials Consumed	762	1,370	1,879	2,818
Employee Cost	3,565	3,522	4,013	4,096
Other Exp	0	0	0	0
<b>EBITDA</b>	<b>7,993</b>	<b>11,336</b>	<b>12,723</b>	<b>16,076</b>
Growth (%)	313	42	12	26
<b>EBITDA margin (%)</b>	<b>33</b>	<b>28</b>	<b>24</b>	<b>23</b>
Depreciation	603	614	850	1,446
<b>EBIT</b>	<b>7,390</b>	<b>10,722</b>	<b>11,873</b>	<b>14,630</b>
<b>EBIT margin (%)</b>	<b>31</b>	<b>26</b>	<b>23</b>	<b>21</b>
Other Income	844	791	831	873
Interest expenses	2,941	4,981	6,880	9,479
<b>PBT</b>	<b>5,292</b>	<b>6,533</b>	<b>5,824</b>	<b>6,024</b>
<b>Tax</b>	<b>1,858</b>	<b>2,243</b>	<b>1,747</b>	<b>1,807</b>
Effective tax rate (%)	35	34	30	30
<b>Adjusted PAT</b>	<b>3,435</b>	<b>4,290</b>	<b>4,077</b>	<b>4,217</b>
Growth (%)	2,205	25	-5	3
<b>Net Margin (%)</b>	<b>14</b>	<b>11</b>	<b>8</b>	<b>6</b>
(Profit)/loss from JVs/Ass/MI	0	0	0	0
<b>Adjusted PAT After</b>	<b>3,495</b>	<b>4,122</b>	<b>3,857</b>	<b>4,202</b>
E/O items	0	0	0	0
<b>Reported PAT</b>	<b>3,495</b>	<b>4,122</b>	<b>3,857</b>	<b>4,202</b>
<b>PAT after MI</b>	<b>3,495</b>	<b>4,122</b>	<b>3,857</b>	<b>4,202</b>
Growth (%)	3,764	18	-6	9

## Cash Flow

Y/E Mar (Rsmn)	FY10A	FY11A	FY12E	FY13E
<b>PBT (Ex-Other income)</b>	<b>5,241</b>	<b>6,740</b>	<b>5,824</b>	<b>6,024</b>
Depreciation	603	614	850	1,446
Interest Provided	2,507	4,287	6,880	9,479
Other Non-Cash items	-251	637	0	0
Chg in working cap	-3,008	-2,426	853	1,361
Tax paid	-1,903	-2,013	-1,747	-1,807
<b>Operating Cashflow</b>	<b>3,189</b>	<b>7,839</b>	<b>12,660</b>	<b>16,502</b>
Capital expenditure	-9,775	-27,602	-38,746	-38,126
<b>Free Cash Flow</b>	<b>-6,586</b>	<b>-19,762</b>	<b>-26,086</b>	<b>-21,624</b>
Other income	231	582	0	0
Investments	-3,658	343	0	0
<b>Investing Cashflow</b>	<b>-13,201</b>	<b>-26,677</b>	<b>-38,746</b>	<b>-38,126</b>
Equity Capital Raised	5,896	0	0	0
Loans Taken / (Repaid)	12,616	21,199	36,573	35,758
Interest Paid	-2,941	-4,685	-6,880	-9,479
Dividend paid (incl tax)	-251	-684	-1,062	-1,327
Income from investments	0	0	0	0
Others	-95	161	1,169	1,491
<b>Financing Cashflow</b>	<b>15,226</b>	<b>15,991</b>	<b>29,800</b>	<b>26,443</b>
<b>Net chg in cash</b>	<b>5,214</b>	<b>-2,846</b>	<b>3,714</b>	<b>4,819</b>
Opening cash position	1,156	5,116	5,275	8,989
<b>Closing cash position</b>	<b>6,370</b>	<b>3,185</b>	<b>8,989</b>	<b>13,808</b>

## Balance Sheet

Y/E Mar (Rsmn)	FY10A	FY11A	FY12E	FY13E
Equity share capital	1,943	1,943	1,943	1,943
Reserves & surplus	14,744	20,450	23,245	26,119
<b>Net worth</b>	<b>16,686</b>	<b>22,392</b>	<b>25,187</b>	<b>28,062</b>
<b>Minority Interest</b>	<b>1,118</b>	<b>1,314</b>	<b>2,702</b>	<b>4,208</b>
Secured Loans	18,331	35,665	66,562	95,320
Unsecured Loans	15,684	19,865	25,541	32,541
<b>Loan Funds</b>	<b>34,015</b>	<b>55,531</b>	<b>92,104</b>	<b>127,862</b>
Net deferred tax liability	779	1,439	1,439	1,439
<b>Total Liabilities</b>	<b>52,599</b>	<b>80,676</b>	<b>121,432</b>	<b>161,571</b>
Gross Block	35,792	63,385	102,131	140,258
Less: Depreciation	2,955	3,646	4,496	5,942
<b>Net block</b>	<b>32,837</b>	<b>59,739</b>	<b>97,635</b>	<b>134,315</b>
Capital work in progress	57	29	29	29
<b>Investment</b>	<b>4,544</b>	<b>1,944</b>	<b>1,944</b>	<b>1,944</b>
<b>Current Assets</b>	<b>23,028</b>	<b>32,355</b>	<b>38,748</b>	<b>45,436</b>
Inventories	292	778	275	275
Sundry debtors	6,478	7,489	9,623	11,375
Cash & bank balance	5,502	5,275	8,989	13,808
Loans & advances	9,709	18,128	18,523	18,523
Other current assets	1,048	685	1,338	1,455
<b>Current lia &amp; Prov</b>	<b>7,868</b>	<b>13,548</b>	<b>17,081</b>	<b>20,310</b>
Current liabilities	6,518	11,961	16,322	19,551
Provisions	1,350	1,587	759	759
<b>Net current assets</b>	<b>15,161</b>	<b>18,807</b>	<b>21,667</b>	<b>25,125</b>
Misc. exp	0	0	0	0
<b>Total Assets</b>	<b>52,599</b>	<b>80,519</b>	<b>121,276</b>	<b>161,414</b>

## Key Ratios

Y/E Mar	FY10A	FY11A	FY12E	FY13E
<b>Profitability (%)</b>				
EBITDA Margin	33.2	28.0	24.4	23.0
Net Margin	14.3	10.6	7.8	6.0
ROCE	20.0	17.3	12.6	11.0
ROE	27.4	21.1	16.2	15.8
RoIC	21.6	18.5	12.9	11.4
<b>Per Share Data (Rs)</b>				
EPS	18.0	21.2	19.9	21.6
CEPS	21.1	24.4	24.2	29.1
BVPS	85.9	115.3	129.7	144.5
DPS	0.0	0.0	0.0	0.0
<b>Valuations (x)</b>				
PER	11.3	9.6	10.2	9.4
P/CEPS	9.6	8.3	8.4	7.0
P/BV	2.4	1.8	1.6	1.4
EV / Sales	2.8	2.2	2.3	2.2
EV / EBITDA	8.5	7.9	9.6	9.5
Dividend Yield (%)	0.0	0.0	0.0	0.0
<b>Gearing Ratio (x)</b>				
Net Debt/ Equity	1.7	2.2	3.3	4.1
Net Debt/EBITDA	3.6	4.4	6.5	7.1
Working Cap Cycle (days)	146.4	122.0	88.7	59.1

**Recommendation History: II&FS Transportation – ILFT IN**

Date	Reports	Reco	CMP	Target
08/08/2011	<a href="#">IL&amp;FS Transportation Q1FY12 Result Update</a>	Accumulate	199	243
13/06/2011	<a href="#">ILFS Transportation Management Meet Update</a>	Accumulate	207	243
02/05/2011	<a href="#">ILFS Transportation Q4FY11 Result Update</a>	Accumulate	210	261
04/04/2011	<a href="#">Road Developers Get, Set, Go... Sector Report</a>			

**Recent Research Reports**

Date	Reports	Reco	CMP	Target
08/11/2011	<a href="#">Madras Cement Q2FY12 Result Update</a>	Hold	116	125
08/11/2011	<a href="#">Aban Offshore Q2FY12 Result Update</a>	Buy	436	522
02/11/2011	<a href="#">Ambuja Cement Q3CY11 Result Update</a>	Hold	157	165
02/11/2011	<a href="#">Orient Paper Q2FY12 Result Update</a>	Buy	62	82

**Emkay Global Financial Services Ltd.**

Corporate Add: B – Ruby Mills Tower, 7<sup>th</sup> Floor, South East Wing, Senapati Bapat Marg, Dadar (W), Mumbai - 400028 India.

Tel.: +912266121212 Web: [www.emkayglobal.com](http://www.emkayglobal.com)

**DISCLAIMER:** This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person. The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including the United States. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions. This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. No person associated with Emkay Global Financial Services Ltd. is obligated to call or initiate contact with you for the purposes of elaborating or following up on the information contained in this document. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon. Neither Emkay Global Financial Services Ltd., nor any person connected with it, accepts any liability arising from the use of this document. The recipient of this material should rely on their own investigations and take their own professional advice. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. We and our affiliates, officers, directors, and employees world wide, including persons involved in the preparation or issuance of this material may; (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender / borrower to such company(ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The same persons may have acted upon the information contained here. No part of this material may be duplicated in any form and/or redistributed without Emkay Global Financial Services Ltd.'s prior written consent. No part of this document may be distributed in Canada or used by private customers in the United Kingdom. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.