

# India Equity Strategy

## 3QFY13 Earnings Preview: Earnings Not Following the Market

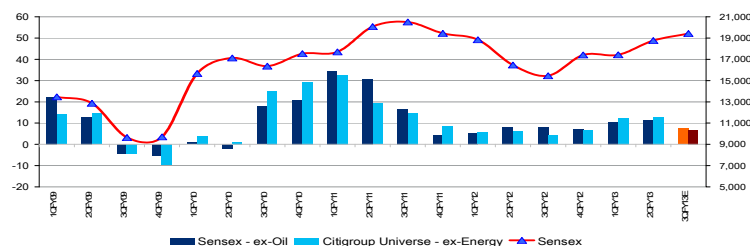
■ Equities

**Aditya Narain, CFA**  
+91-22-6631-9879  
aditya.narain@citi.com

**Jitender Tokas, CFA**  
+91-22-6631-9887  
jitender.tokas@citi.com

- Market's Rising .... but more than earnings** — India's market has had a stellar 26% move in CY12; but 3Q earnings growth for Sensex ex-oil at 7.5% is unlikely to keep pace. In fact, earnings growth will be lower than the prior 2 quarters (average 11%), sales growth should slip to single digit (8%), and margins will dip. While the earnings growth band is not dissimilar to the last 4 quarters, the rising chorus of earnings upgrade expectations will sound flat, this quarter at least.
- The slowdown will show** — Sales growth (Citi univ ex energy & fin,) at 9% will almost slump, reflecting the economy's moderating demand problem. It will hurt operating margins too: -26bps qoq (-41bps yoy), stemming a rising margin trend. We fundamentally see a greater margin focus in corporate India (helped by easing cost pressures), but the sales dip will offset gains, for now at least.
- More divergences than aggregates reveal** — Growth distribution across companies is widening; 35%+ of Citi Univ cos should report 20%+ growth; 6/16 sectors will see profit fall; and 7/16 sectors will see qoq margin drop. Interestingly, mid-cap (mcap <\$4bn) growth at 14% should lead large-cap growth (9%) - a trend reversal, implying there's more to the underlying than the placid headline suggests.
- Cyclical stocks are rising, their earnings growth is falling** — The market seems to be gearing itself for earnings upgrades in domestic cyclicals, but their growth is actually moderating (ex Banks). And so while defensives seem to be largely holding onto growth rates, FX sensitives are seeing a surprising moderation in growth (in spite of weaker currency). So what's looking better? – It's the global cyclicals (metals); still negative growth, but only modestly for now.
- Will upgrades come?** — India's earnings revisions are actually doing better than EM's; the pace of downgrades has reduced more. However, we believe rising expectations of upgrades are a reflection of the market rather than any upswings in the economic/operating environment yet (and over the next few quarters), and could be a disappointment up ahead. Citi's Sensex earnings growth estimates remain stable at about 10%/12% for FY13/FY14.

Figure 1. Earnings growth trend for Sensex and Citi Universe



Source: Company data and Citi Research

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

Citi Research is a division of Citigroup Global Markets Inc. (the "Firm"), which 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.

## 3QFY13 Earnings Preview: Earnings Not Following the Market

It's staying tough...earnings growth should be a little lower than in the previous two quarters.....and not showing the uplift of the equity market...or its rising expectations of earnings

Figure 2. Sensex and Citi Universe 3QFY13 Estimates - Aggregates

Aggregate	QoQ Growth—Expected			YoY Growth—Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Sensex (30/30)	4.4%	7.2%	4.2%	8.2%	6.1%	4.5%
Sensex ex-Oil (29/30)	4.3%	6.5%	4.9%	7.9%	5.8%	7.5%
Citi Universe	-1.1%	-16.6%	-33.5%	2.0%	-14.8%	-21.8%
Citi Univ ex-Fin	-1.3%	-22.8%	-42.4%	1.6%	-21.4%	-31.1%
Citi Univ Ex-Energy	5.4%	6.5%	6.0%	9.7%	7.5%	6.8%
Citi Univ ex-Fin, Energy	5.4%	5.2%	5.0%	9.6%	5.3%	2.9%
Sensex ex-Energy	6.7%	8.4%	6.7%	9.6%	7.0%	6.9%
Sensex ex-fin	4.4%	7.1%	3.4%	8.2%	4.2%	1.5%
Sensex ex-fin, energy	6.9%	8.6%	6.4%	9.6%	4.6%	3.3%
Citi Universe ex-Metals	-1.5%	-19.1%	-38.5%	1.9%	-15.8%	-24.7%
Citi Univ ex-Energy, ex-Metals	6.6%	6.9%	5.0%	12.2%	10.9%	9.1%

Source: Company data, Citi Research

The sectoral skews are actually widening.....suggesting there are rising differences between sectors and businesses

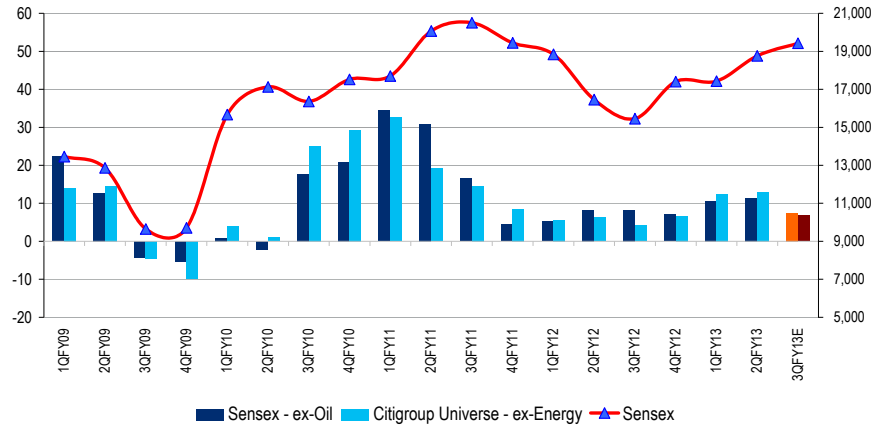
Figure 3. Citi Universe 3QFY13 Estimates by Sector

Sector	QoQ Growth—Expected			YoY Growth—Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Auto & Components	13.4%	15.0%	6.4%	13.3%	1.9%	-16.2%
Banks	4.9%	11.2%	9.4%	10.3%	13.4%	18.1%
Capital Goods	9.8%	8.3%	14.9%	3.9%	6.3%	6.6%
Div. Financials	3.8%	1.6%	1.8%	21.3%	16.2%	20.1%
Energy	-9.3%	-72.7%	-103.1%	-7.6%	-71.4%	-105.2%
Food, Bev, Tobacco	1.9%	3.7%	5.6%	17.2%	19.6%	15.9%
Hhold, Personal Prods	9.3%	14.9%	11.5%	15.3%	19.2%	18.9%
Metals & Mining	1.6%	4.4%	11.4%	2.4%	-8.3%	-3.3%
Cement	4.5%	-4.5%	-8.3%	5.4%	0.5%	-4.2%
Media	3.7%	6.8%	2.9%	16.4%	10.4%	16.5%
Pharma	-0.9%	-7.2%	-2.1%	7.2%	-5.8%	-6.6%
Real Estate	6.7%	14.7%	34.0%	11.3%	8.4%	3.9%
IT Services	2.7%	-1.2%	-3.8%	14.9%	5.5%	9.8%
Telecom	1.5%	4.6%	27.6%	13.5%	10.3%	-32.3%
Others	11.8%	7.8%	15.5%	23.1%	17.8%	8.5%
Utilities	5.9%	10.2%	4.3%	14.8%	30.0%	34.4%

Source: Company data, Citi Research

The divergence between market performance and earnings growth is increasing.....something will have to change in 2013....either earnings start moving up...or the market starts moving the other way

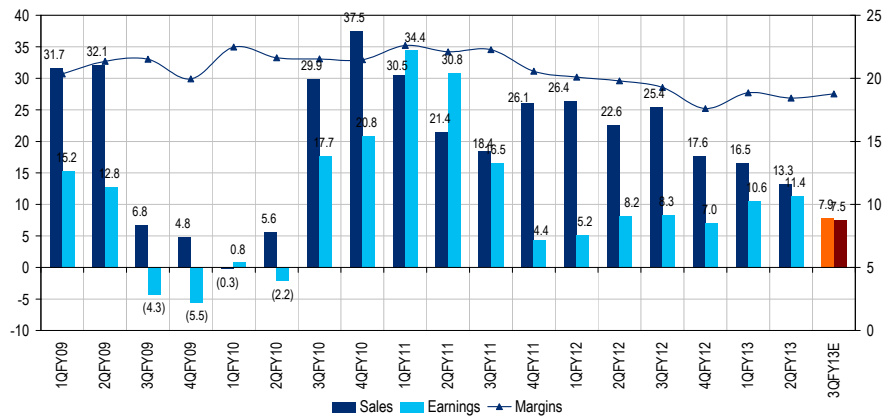
Figure 4. Earnings growth trend for Sensex and Citi Universe



Source: Company data, Citi Research

This quarter could suggest a sharp slowdown in sales growth ....and take it into single digits

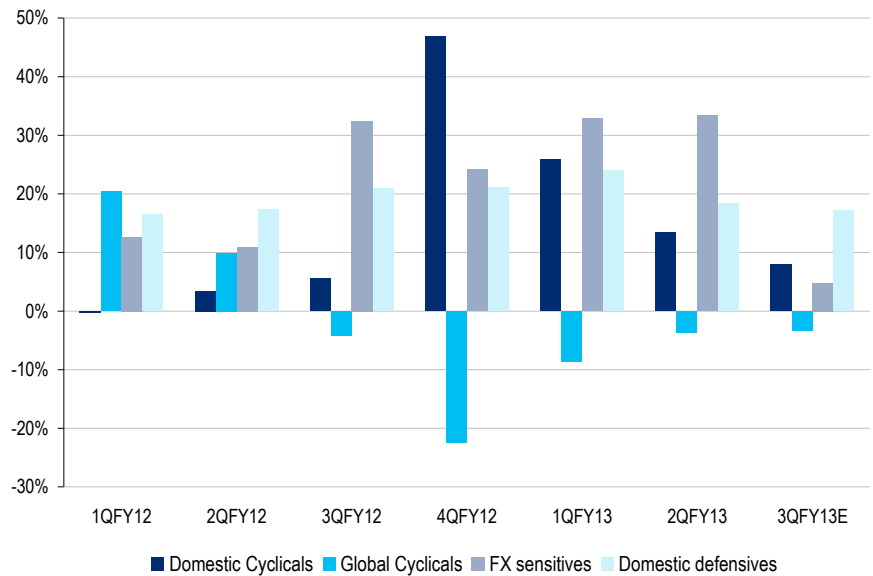
Figure 5. Sensex ex-oil sales growth, earnings growth and EBITDA margin trends



Source: Company data, Citi Research

Domestic cyclical growth is actually moderating, defensives are largely holding, FX sensitives are actually falling....and global commodities are now falling less (and providing some support)...

Figure 6. Trends in earnings growth across various industry types

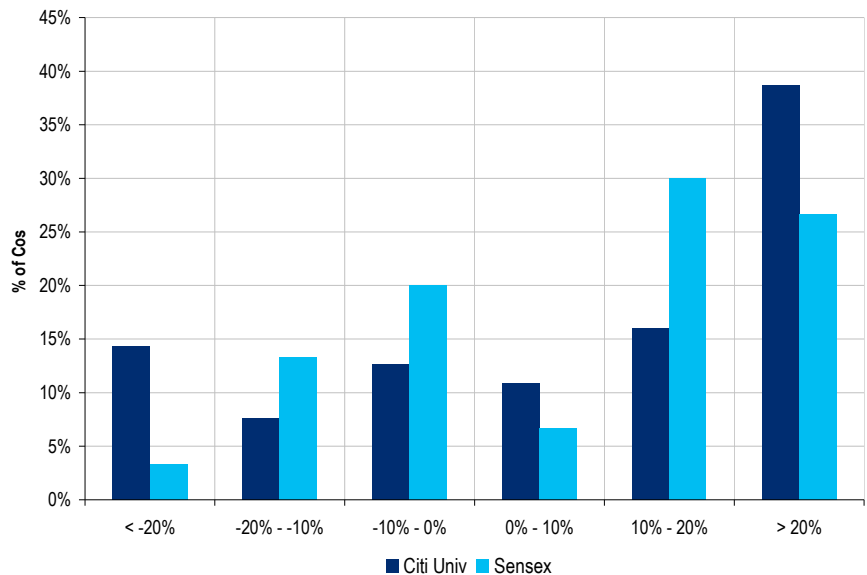


Source: Company data and Citi Research

Domestic cyclicals: Autos, Financials, Capital Goods; Global cyclicals: Metals; Fx sensitives: IT, Pharma; Domestic defensives: consumer staples

Over 35% of Citi universe companies are likely to report 20%+ growth....and 34% are going to record negative growth....there is a big divide...

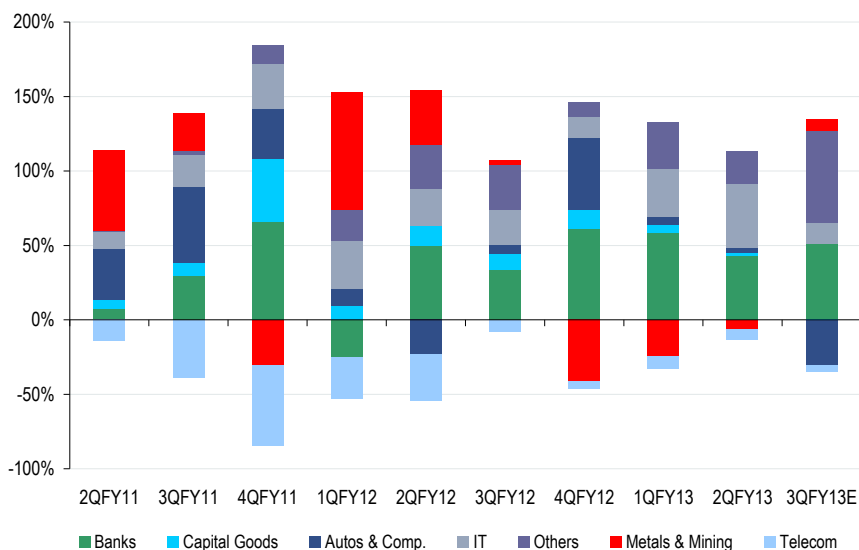
Figure 7. Earnings growth profile for Sensex and Citi Universe companies



Source: Company data, Citi Research

Growth sectors for Sensex are shifting . . . banks continue to dominate, while it is 'others' which provide the rest of the support.....autos, IT are now laggards

Figure 8. Trends in sectoral contributions to Sensex ex-energy earnings growth



Source: Company data and Citi Research

Margins will fall moderately...a break in trend....reflecting the sharp drop in sales growth

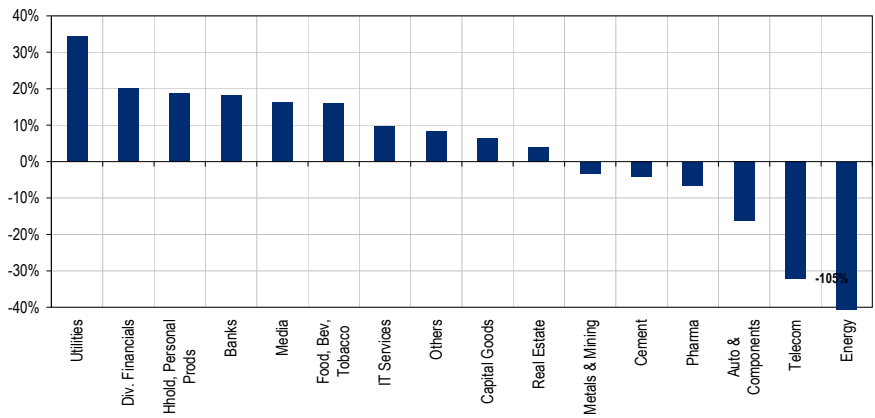
Figure 9. Sensex and Citi Universe EBITDA and PAT margin changes (bps)

	EBITDA Margin Change		PAT Margin Change	
	QoQ	YoY	QoQ	YoY
Sensex (30/30)	54	(41)	(2)	(41)
Sensex ex-Oil (29/30)	38	(37)	6	(4)
Citi Universe	(290)	(309)	(356)	(222)
Citi Univ ex-Fin	(342)	(359)	(390)	(260)
Citi Univ Ex-Energy	25	(49)	7	(34)
Citi Univ ex-Fin, Energy	(4)	(75)	(4)	(63)
Sensex ex-Energy	34	(52)	(0)	(30)
Sensex ex-fin	44	(67)	(9)	(66)
Sensex ex-fin, energy	28	(85)	(5)	(61)
Citi Universe ex-Metals	(342)	(330)	(425)	(250)
Citi Univ ex-Energy, ex-Metals	7	(31)	(21)	(39)

Source: Company data, Citi Research

6/16 sectors are likely to see profit declines..... pharma and autos are the new entrants to this group.... pharma due to one-off gains in 2Q12 and autos due to faltering demand

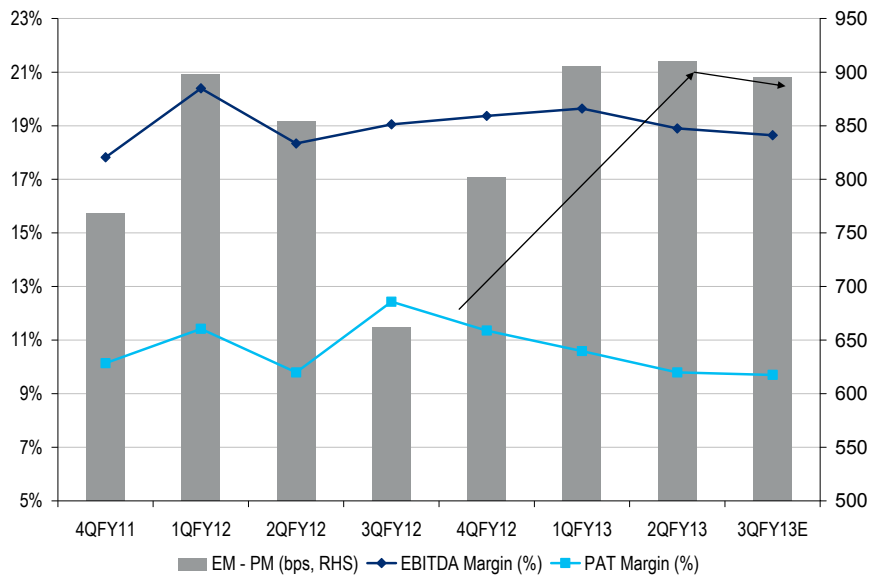
Figure 10. Citi Universe 3QFY13E yoy earnings growth by sector



Source: Company data, Citi Research

After rising for 4 consecutive quarters, the gap between EBITDA margins and PAT margins is set to decline....possibly reflecting some interest cost reduction gains

Figure 11. Trends in EBITDA and PAT margins for Citi Univ (ex energy and financials)



Source: Company data, Citi Research

Margin bands remain largely the same, but there is a small step down at aggregate

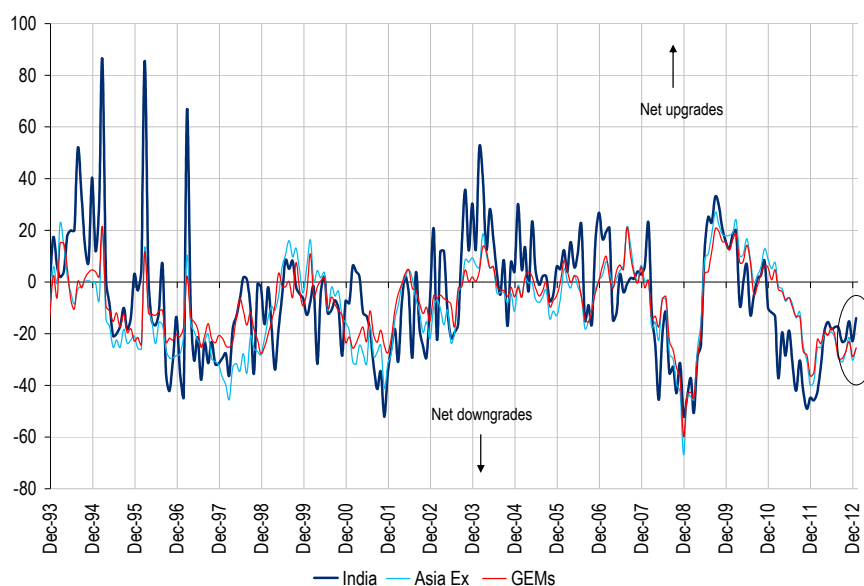
Figure 12. Sector-wise EBITDA and PAT margin estimates

Sector	EBITDA		PAT		EBITDA		PAT	
	This Quarter	Last Quarter	This Quarter	Last Quarter	This Quarter	Last Quarter	This Quarter	Last Quarter
Auto & Components	12.5%	5.7%	12.3%	6.1%	13.9%	7.7%		
Banks	80.9%	43.1%	76.4%	41.3%	78.8%	40.2%		
Capital Goods	13.4%	8.6%	13.6%	8.2%	13.1%	8.3%		
Div. Financials	77.0%	44.5%	78.6%	45.3%	80.3%	44.9%		
Energy	3.7%	-0.3%	12.3%	8.9%	11.9%	5.5%		
Food, Bev, Tobacco	28.7%	19.1%	28.3%	18.4%	28.2%	19.3%		
Hhold, Personal Prods	16.5%	12.5%	15.7%	12.2%	16.0%	12.1%		
Metals & Mining	15.1%	8.6%	14.7%	7.9%	16.9%	9.1%		
Cement	19.3%	9.5%	21.1%	10.8%	20.3%	10.4%		
Media	35.3%	15.8%	34.3%	15.9%	37.2%	15.8%		
Pharma	22.5%	15.6%	24.0%	15.8%	25.6%	17.9%		
Real Estate	37.8%	14.9%	35.2%	11.9%	38.8%	16.0%		
IT Services	24.3%	17.9%	25.2%	19.1%	26.4%	18.7%		
Telecom	27.7%	2.1%	26.9%	1.7%	28.5%	3.6%		
Others	11.4%	4.0%	11.8%	3.8%	11.9%	4.5%		
Utilities	26.0%	13.2%	25.0%	13.4%	23.0%	11.3%		

Source: Company data, Citi Research

India's earnings revisions continue to see net downgrades...but the pace is moderating, and India is doing better than its emerging market peers

Figure 13. Trends in consensus earnings estimates



Source: Factset, IBES and Citi Research

Figure 14. Stocks to watch in the results season

Stock	RIC	CMP (Rs)	TP (Rs)	Rating	Comments
<b>Stocks that could surprise on the upside</b>					
SBI	SBI.BO	2493.45	2625	1	(a) Mgmt is guiding to higher margins, (b) trading gains could surprise on the upside
Tata Motors	TAMO.BO	314.15	309	1	Better JLR mix, with new RR launch and pickup in Chinese demand
Maruti Suzuki	MRTI.BO	1574.5	1681	1	(a) Superior diesel-petrol mix, (b) some benefit from weaker yen
Lupin	LUPN.BO	597.6	655	1	US market launch of Tricor and Yasmin key
Dr Reddys Lab	REDY.BO	1907.7	2035	1	US market launch of Toprol XL and Revatio key
<b>Stocks that could surprise on the downside</b>					
Ambuja Cement	ABUJ.BO	202.05	235	1	Our assumptions of 1%yoy vol growth and 3%qoq decline in realizations could turn out to be optimistic
Titan	TITN.BO	272.05	275	3	(a) Festive sales could be lower than expected, (b) Margin expectations may turn out to be too high
Ashok Leyland	ASOK.BO	26.7	21	3	(a) Discounts impact realizations and thus margins, (b) interest expense build up due to working capital issues
Dish TV	DSTV.BO	78.05	74	3	(a) Sub growth may be lower than exp built around digitalization, (b) Margins likely to be hit by higher content costs

Source: Citi Research



Figure 15. Citi universe 3QFY13 estimates

Company	RIC	Price	Rating	3QFY13E			2QFY13			3QFY12			QoQ Growth			YoY Growth		
				Sales Exp.	EBITDA Exp.	PAT Exp.	Sales Act.	EBITDA Act.	PAT Act.	Sales Act.	EBITDA Act.	PAT Act.	Sales Growth	EBITDA Growth	PAT Growth	Sales Growth	EBITDA Growth	PAT Growth
Bajaj Auto	BAJA.BO	1779.0	1	48,433	8,968	6,934	48,657	8,717	7,184	52,673	10,574	7,908	0%	3%	-3%	-8%	-15%	-12%
Hero MotoCorp	HROM.BO	1879.1	3	61,841	6,743	5,705	51,875	5,132	4,406	60,315	7,150	6,130	19%	31%	29%	3%	-6%	-7%
Mah & Mah	MAHM.BO	957.8	2	110,406	13,085	8,506	98,130	11,189	9,018	83,868	10,208	6,622	13%	17%	-6%	32%	28%	28%
Maruti Suzuki	MRTI.BO	1574.5	1	109,682	8,453	4,539	83,054	5,086	1,925	77,179	2,527	2,056	32%	66%	136%	42%	235%	121%
Tata Motors	TAMO.BO	314.2	1	491,923	65,781	21,062	434,029	58,611	21,001	452,603	72,227	34,056	13%	12%	0%	9%	-9%	-38%
Ashok Leyland	ASOK.BO	26.7	3	23,603	1,536	(22)	32,960	3,341	1,426	28,798	2,104	669	-28%	-54%	-102%	-18%	-27%	-103%
Exide Ind	EXID.BO	148.2	1	15,502	2,357	1,552	15,168	1,837	1,202	12,496	1,649	1,043	2%	28%	29%	24%	43%	49%
AXIS Bank	AXBK.BO	1360.6	1	25,251	23,422	13,421	23,269	21,783	11,235	21,403	20,592	11,023	9%	8%	19%	18%	14%	22%
HDFC	HDFC.BO	839.7	1	14,049	15,685	11,500	12,941	15,881	11,511	11,557	13,483	9,813	9%	-1%	0%	22%	16%	17%
HDFC Bank	HDBK.BO	670.1	2	39,440	30,920	18,797	37,317	25,713	15,600	31,160	23,780	14,297	6%	20%	20%	27%	30%	31%
ICICI	ICBK.BO	1179.3	1	34,782	32,513	20,648	33,712	31,933	19,561	27,120	26,871	17,281	3%	2%	6%	28%	21%	19%
SBI	SBI.BO	2493.5	1	113,495	79,534	38,826	109,738	73,536	36,581	114,659	72,600	32,630	3%	8%	6%	-1%	10%	19%
BoB	BOB.BO	881.5	1	30,665	29,601	13,111	28,623	23,701	13,014	26,555	26,082	12,899	7%	25%	1%	15%	13%	2%
Canara	CNBK.BO	513.9	2	20,817	17,503	9,764	19,568	12,821	6,610	19,186	15,767	8,756	6%	37%	48%	9%	11%	12%
Federal	FED.BO	520.6	1	5,412	3,987	2,239	5,059	3,496	2,151	5,280	4,187	2,019	7%	14%	4%	3%	-5%	11%
LIC Housing Fin	LICH.BO	289.7	1	3,724	3,653	2,448	3,535	3,394	2,431	3,258	3,263	3,057	5%	8%	1%	14%	12%	-20%
PNB	PNBK.BO	896.4	1	37,261	27,481	11,786	36,494	25,329	10,656	35,366	26,764	11,500	2%	8%	11%	5%	3%	2%
Union Bank	UNBK.BO	275.9	2	19,913	14,061	5,071	18,502	12,727	5,546	17,809	12,841	1,970	8%	10%	-9%	12%	10%	157%
Yes Bank	YESB.BO	499.6	1	5,644	5,299	3,306	5,242	4,847	3,061	4,276	3,988	2,541	8%	9%	8%	32%	33%	30%
Larsen & Toubro	LART.BO	1566.5	2	161,651	15,842	10,991	131,952	14,054	9,150	139,986	13,431	9,916	23%	13%	20%	15%	18%	11%
JAL	JAIA.BO	99.3	1	31,725	7,700	1,858	29,825	7,911	1,247	32,579	7,685	2,050	6%	-3%	49%	-3%	0%	-9%
Voltas	VOLT.BO	108.4	3	11,405	674	554	11,601	396	326	11,539	(2,000)	(1,326)	-2%	70%	70%	-1%	134%	142%
Thermax	THMX.BO	616.7	3	12,095	1,224	862	11,924	1,218	911	12,693	1,354	955	1%	1%	-5%	-5%	-10%	-10%
Bharat Hvy	BHEL.BO	243.6	3	98,063	17,857	13,185	103,996	17,375	12,745	107,431	20,805	14,326	-6%	3%	3%	-9%	-14%	-8%
ACC	ACC.BO	1415.1	1	26,375	4,019	2,281	24,445	4,350	2,487	25,027	3,893	2,425	8%	-8%	-8%	5%	3%	-6%
Grasim Ind	GRAS.BO	3185.5	1	66,649	13,197	5,073	66,021	14,054	6,196	63,641	14,130	6,163	1%	-6%	-18%	5%	-7%	-18%
Ambuja Cements	ABUJ.BO	202.1	1	24,608	5,076	3,151	21,684	5,151	3,040	23,363	4,282	2,594	13%	-1%	4%	5%	19%	21%
UltraTech Cem	ULTC.BO	2018.7	2	48,653	9,817	5,280	46,996	10,074	5,500	45,681	9,646	5,297	4%	-3%	-4%	7%	2%	0%
Educomp Sol	EDSO.BO	149.9	3H	4,408	1,339	420	3,021	596	36	3,655	963	246	46%	124%	1054%	21%	39%	71%
Kotak	KTKM.BO	652.1	2	11,773	7,858	5,218	11,607	7,867	5,022	9,997	7,198	4,626	1%	0%	4%	18%	9%	13%
IDFC	IDFC.BO	180.4	1	6,928	7,261	4,654	6,560	7,263	4,757	5,460	6,331	3,812	6%	0%	-2%	27%	15%	22%
Mahindra	MMFS.BO	1192.5	2	6,016	4,066	2,109	5,682	3,750	1,925	4,477	2,871	1,593	6%	8%	10%	34%	42%	32%
Shriram Transprt	SRTR.BO	768.9	2	8,965	7,234	3,500	8,678	7,119	3,376	8,038	6,465	3,027	3%	2%	4%	12%	12%	16%
Reliance Ind	RELI.BO	850.4	2	869,897	69,592	49,753	903,350	77,050	53,760	851,350	72,850	44,400	-4%	-10%	-7%	2%	-4%	12%
BPCL	BPCL.BO	380.7	1	482,739	(32,259)	(37,759)	568,879	53,880	50,348	588,468	37,097	31,396	-15%	-160%	-175%	-18%	-187%	-220%
HPCL	HPCL.BO	322.9	1	423,478	(38,681)	(41,881)	484,639	22,480	23,271	479,174	35,725	27,252	-13%	-272%	-280%	-12%	-208%	-254%
Indian Oil	IOC.BO	280.9	1	880,819	(63,577)	(85,077)	1,060,012	115,616	96,113	1,156,419	111,583	24,884	-17%	-155%	-189%	-24%	-157%	-442%
ONGC	ONGC.BO	290.1	1	208,897	115,424	58,440	197,882	102,718	58,966	181,238	106,574	67,412	6%	12%	-1%	15%	8%	-13%
Aban Offshore	ABAN.BO	398.9	3H	8,750	4,812	444	9,541	4,893	492	8,659	5,007	731	-8%	-2%	-10%	1%	-4%	-39%
Cairn India	CAIL.BO	342.7	1	43,863	34,144	30,813	44,431	34,516	23,222	30,968	25,456	22,619	-1%	-1%	33%	42%	34%	36%

Source: Citi Research

Figure 16. Citi universe 3QFY13 estimates contd.

Company	RIC	Price	Rating	3QFY13E			2QFY13			3QFY12			QoQ Growth			YoY Growth		
				Sales Exp.	EBITDA Exp.	PAT Exp.	Sales Act.	EBITDA Act.	PAT Act.	Sales Act.	EBITDA Act.	PAT Act.	Sales Growth	EBITDA Growth	PAT Growth	Sales Growth	EBITDA Growth	PAT Growth
Petronet LNG	PLNG.BO	166.4	1	65,804	4,686	2,784	75,486	5,184	3,148	63,303	5,032	2,954	-13%	-10%	-12%	4%	-7%	-6%
Essar Oil	ESRO.BO	72.4	2H	236,512	12,412	2,766	210,230	10,370	1,050	129,330	4,820	(39,860)	13%	20%	163%	83%	158%	107%
ITC	ITC.BO	285.3	1	72,520	27,920	19,954	71,460	26,077	18,364	61,954	23,287	17,010	1%	7%	9%	17%	20%	17%
Nestle India	NEST.BO	4887.6	3	21,795	4,795	2,915	21,156	4,434	2,751	19,547	4,127	2,681	3%	8%	6%	12%	16%	9%
Apollo Hospitals	APLH.BO	803.1	1	8,577	1,467	848	8,363	1,440	832	7,148	1,164	627	3%	2%	2%	20%	26%	35%
Asian Paints	ASPN.BO	4385.9	3	30,419	4,787	3,244	26,160	3,612	2,514	25,605	3,974	2,664	16%	33%	29%	19%	20%	22%
Hindustan Unilev	HLL.BO	525.2	3	65,551	11,345	9,013	61,554	9,767	8,059	58,527	9,705	7,622	6%	16%	12%	12%	17%	18%
Marico	MRCO.BO	230.9	1	12,482	1,635	1,015	11,559	1,477	889	10,578	1,217	861	8%	11%	14%	18%	34%	18%
Colgate India	COLG.BO	1544.7	3	8,120	1,770	1,376	7,924	1,758	1,451	6,882	1,459	1,156	2%	1%	-5%	18%	21%	19%
Dabur India	DABU.BO	128.8	1	17,287	2,593	2,024	15,226	2,644	2,036	14,527	2,215	1,718	14%	-2%	-1%	19%	17%	18%
GSK Consumer	GLSM.BO	3858.3	1	7,115	1,003	774	8,577	1,706	1,286	6,248	844	591	-17%	-41%	-40%	14%	19%	31%
Pantaloon	PART.BO	266.8	3	31,248	2,719	63	29,883	1,930	29	28,933	2,612	135	5%	41%	116%	8%	4%	-54%
Titan Ind	TITN.BO	272.1	3	30,497	2,955	2,092	22,760	2,494	1,801	24,401	2,129	1,639	34%	18%	16%	25%	39%	28%
Zee Ent	ZEE.BO	224.2	2	9,216	2,298	1,735	9,535	2,176	1,875	7,548	2,160	1,431	-3%	6%	-7%	22%	6%	21%
Sun TV Network	SUTV.BO	441.8	1H	4,715	3,695	1,821	4,333	3,290	1,517	4,251	3,411	1,679	9%	12%	20%	11%	8%	8%
Dish TV	DSTV.BO	78.1	3	5,689	1,341	(418)	5,336	1,557	(213)	4,905	1,202	(429)	7%	-14%	-96%	16%	12%	3%
DB Corp	DBCL.BO	237.8	1	4,230	1,085	633	3,784	861	486	3,789	852	556	12%	26%	30%	12%	27%	14%
Hindalco Inds	HALC.BO	133.1	3	195,147	16,728	6,099	195,719	20,369	7,950	192,352	18,025	7,378	0%	-18%	-23%	1%	-7%	-17%
Sesa Goa	SESA.BO	200.1	2	2,689	(561)	6,550	2,885	(1)	3,342	26,043	10,724	6,915	-7%	-46681%	96%	-90%	-105%	-5%
Tata Steel	TISC.BO	433.7	1	339,508	24,145	(3,342)	341,327	23,101	(4,066)	331,031	18,270	(6,889)	-1%	5%	18%	3%	32%	51%
Steel Authority	SAIL.BO	97.2	2	107,456	9,861	4,282	108,202	11,093	5,011	107,288	15,811	9,567	-1%	-11%	-15%	0%	-38%	-55%
Nation Alum	NALU.BO	50.4	3	16,077	652	761	15,859	(240)	48	14,300	476	512	1%	371%	1492%	12%	37%	49%
Hindustan Zinc	HZNC.BO	140.4	2	31,304	14,424	15,865	28,223	13,999	15,398	27,468	13,386	12,800	11%	3%	3%	14%	8%	24%
MOIL	MOIL.BO	268.3	3	2,636	1,333	1,238	2,295	1,081	1,087	2,395	1,095	1,015	15%	23%	14%	10%	22%	22%
Jubilant Life	JULS.BO	232.5	1	12,721	2,667	1,122	12,250	2,603	1,025	10,885	2,084	771	4%	2%	9%	17%	28%	45%
Glaxosmith P	GLAX.BO	2186.9	2	6,469	2,070	1,637	6,760	2,064	1,636	5,776	1,822	1,474	-4%	0%	0%	12%	14%	11%
Dr Reddy	REDY.BO	1907.7	1	30,137	5,710	4,920	28,809	5,242	4,762	27,692	7,547	5,131	5%	9%	3%	9%	-24%	-4%
Cadila Healthcare	CADI.BO	894.2	2	15,327	3,190	2,001	15,457	2,911	1,689	13,833	2,640	1,765	-1%	10%	18%	11%	21%	13%
Cipla	CIPL.BO	428.9	2	19,854	4,693	3,434	21,919	6,770	5,001	17,580	3,915	2,699	-9%	-31%	-31%	13%	20%	27%
Aurobindo Pharm	ARBN.BO	200.5	1	15,448	2,546	1,102	15,004	2,503	1,283	12,845	1,911	908	3%	2%	-14%	20%	33%	21%
Ranbaxy	RANB.BO	508.7	1H	25,724	2,590	1,841	26,910	4,179	3,054	37,923	10,090	8,780	-4%	-38%	-40%	-32%	-74%	-79%
Glenmark Pharm	GLEN.BO	542.5	1	12,687	2,517	1,765	12,556	2,564	1,418	10,075	1,810	1,165	1%	-2%	25%	26%	39%	52%
Biocon	BION.BO	295.0	1	6,150	1,255	884	5,924	1,165	896	5,172	1,274	857	4%	8%	-1%	19%	-1%	3%
Lupin	LUPN.BO	597.6	1	23,255	5,258	3,326	23,007	5,160	2,905	18,189	3,735	2,351	1%	2%	15%	28%	41%	41%
IPCA Labs	IPCA.BO	511.6	1	7,126	1,649	1,063	7,575	1,788	1,187	6,018	1,513	1,038	-6%	-8%	-10%	18%	9%	2%
United Phosphorus	UNPO.BO	137.7	1	20,253	3,603	1,668	18,560	3,260	1,240	19,289	3,489	1,159	9%	11%	35%	5%	3%	44%
Unitech	UNTE.BO	37.9	1H	5,700	912	731	5,398	818	492	5,139	1,073	575	6%	11%	49%	11%	-15%	27%
Phoenix Mills	PHOE.BO	254.8	1	680	442	338	665	438	330	505	373	269	2%	1%	2%	35%	18%	26%
Oberoi Realty	OEBO.BO	293.5	1	2,600	1,560	1,287	2,566	1,496	1,244	1,857	1,134	1,024	1%	4%	3%	40%	38%	26%
HCL Techno	HCLT.BO	634.7	1	61,811	12,361	7,967	60,910	13,510	8,642	52,452	9,702	5,527	1%	-9%	-8%	18%	27%	44%
Infosys	INFY.BO	2341.2	1	100,224	27,655	21,336	98,580	28,680	23,690	92,980	31,330	23,720	2%	-4%	-10%	8%	-12%	-10%

Source: Citi Research

Figure 17. Citi universe 3QFY13 estimates contd.

Company	RIC	Price	Rating	3QFY13E			2QFY13			3QFY12			QoQ Growth			YoY Growth		
				Sales Exp.	EBITDA Exp.	PAT Exp.	Sales Act.	EBITDA Act.	PAT Act.	Sales Act.	EBITDA Act.	PAT Act.	Sales Growth	EBITDA Growth	PAT Growth	Sales Growth	EBITDA Growth	PAT Growth
Tata Consult	TCS.BO	1298.3	2	158,287	44,347	33,925	156,208	44,404	35,123	132,040	40,921	28,866	1%	0%	-3%	20%	8%	18%
Tech Mahindra	TEML.BO	926.2	2	17,598	3,451	1,985	16,314	3,377	1,778	14,449	2,343	1,445	8%	2%	12%	22%	47%	37%
Mindtree	MINT.BO	701.5	3	5,857	1,208	870	5,963	1,319	722	5,197	897	606	-2%	-8%	21%	13%	35%	44%
OnMobile Global	ONMO.BO	47.0	1	1,785	393	75	1,798	348	62	1,688	391	178	-1%	13%	20%	6%	0%	-58%
NIIT	NIIT.BO	30.9	1	2,604	262	207	2,791	261	116	2,501	251	407	-7%	0%	79%	4%	4%	-49%
Info Edge	INED.BO	342.3	1	1,073	370	309	1,065	357	333	920	349	289	1%	4%	-7%	17%	6%	7%
Jindal Steel	JNSP.BO	455.5	1	47,975	16,784	9,042	46,552	16,164	8,333	43,545	17,421	9,899	3%	4%	9%	10%	-4%	-9%
Tata Tele	TTML.BO	12.8	3	6,091	1,096	(1,704)	6,398	967	(1,837)	6,306	1,362	(1,446)	-5%	13%	7%	-3%	-19%	-18%
Bharti	BRTI.BO	330.3	1	200,410	62,928	7,727	197,132	60,222	7,212	184,767	59,585	10,113	2%	4%	7%	8%	6%	-24%
RCOM	RLCM.BO	84.1	1H	53,111	17,081	1,902	52,020	16,382	1,323	50,521	16,111	2,408	2%	4%	44%	5%	6%	-21%
IDEA	IDEA.BO	111.3	1	54,444	13,066	1,973	53,481	12,615	1,975	36,891	7,618	1,630	2%	4%	0%	48%	72%	21%
TataComm	TATA.BO	247.5	2H	43,000	4,730	(3,420)	42,710	4,394	(2,742)	36,041	5,019	(1,531)	1%	8%	-25%	19%	-6%	-123%
Adani Power	ADAN.BO	64.1	3	19,619	5,602	517	14,331	3,034	(3,590)	10,595	2,120	(1,535)	37%	85%	114%	85%	164%	134%
JP Power	JAPR.BO	39.6	1	3,662	3,002	(201)	8,954	8,011	3,660	3,676	3,279	595	-59%	-63%	-105%	0%	-8%	-134%
Havells India	HVEL.BO	649.1	1	10,664	1,386	967	9,581	1,131	769	8,962	1,254	924	11%	23%	26%	19%	11%	5%
BGR Energy	BGRE.BO	267.5	3H	8,500	1,275	538	6,265	945	347	8,023	1,299	547	36%	35%	55%	6%	-2%	-2%
JSW Energy	JSWE.BO	68.1	2H	21,734	6,274	2,197	20,394	5,398	1,800	17,514	3,322	549	7%	16%	22%	24%	89%	300%
Coal India	COAL.BO	360.2	1	166,463	45,038	41,607	145,725	31,804	30,869	153,493	49,019	40,325	14%	42%	35%	8%	-8%	3%
GAIL	GAIL.BO	364.5	2	119,392	19,583	11,479	113,612	13,803	9,854	112,598	17,605	10,914	5%	42%	16%	6%	11%	5%
Tata Power	TTPW.BO	109.5	3	25,200	5,395	3,566	25,114	5,195	2,467	22,519	4,751	1,521	0%	4%	45%	12%	14%	134%
CESC	CESC.BO	316.7	3	11,122	2,280	812	13,240	2,910	1,360	10,320	2,130	740	-16%	-22%	-40%	8%	7%	10%
NTPC	NTPC.BO	157.3	2	167,695	37,371	24,138	150,960	32,006	23,662	154,878	30,512	19,542	11%	17%	2%	8%	22%	24%
Indra Gas	IGAS.BO	253.4	1H	8,503	1,964	903	8,546	2,060	992	6,615	1,488	692	-1%	-5%	-9%	29%	32%	31%
Pwr Grid Corp	PGRD.BO	116.2	1	33,355	28,352	10,500	30,858	26,693	11,119	24,666	21,027	8,123	8%	6%	-6%	35%	35%	29%
Cummins India	CUMM.BO	529.5	1	10,700	1,715	1,540	10,683	1,814	1,609	9,705	1,496	1,410	0%	-5%	-4%	10%	15%	9%
Reliance Infrast	RLIN.BO	566.7	1	36,000	4,680	4,097	34,880	4,413	4,141	24,859	1,152	1,657	3%	6%	-1%	45%	306%	147%
ABB (India)	ABB.BO	723.6	3	21,477	1,354	891	17,861	438	214	21,696	778	641	20%	209%	317%	-1%	74%	39%

Source: Citi Research

## Appendix A-1

### Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's 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 report.

### IMPORTANT DISCLOSURES

---

Citi is providing fairness opinion to Sesa Goa Limited on in the proposed merger of Sterlite Industries and other Vedanta Resources PLC group companies.

---

Citigroup Global Markets Inc. or its affiliates beneficially owns 1% or more of any class of common equity securities of Apollo Hospitals, Ashok Leyland, BGR Energy Systems, Cairn India, Dish TV, Educomp Solutions, GlaxoSmithKline Consumer Healthcare, HCL Technologies, Housing Development Finance Corp., Hindustan Petroleum, Havells India, Indraprastha Gas, Info Edge, Ipca Laboratories, Jaiprakash, Mahindra And Mahindra Financial Services, Phoenix Mills, Reliance Communications, Reliance Infrastructure, Tech Mahindra, United Phosphorus, Unitech, Voltas, Yes Bank, Zee Entertainment. This position reflects information available as of the prior business day.

---

Within the past 12 months, Citigroup Global Markets Inc. or its affiliates has acted as manager or co-manager of an offering of securities of ABB (India), Apollo Hospitals, AXIS Bank, Bharat Heavy, Bank of Baroda, Bharat Petroleum, Cairn India, DB Corp, Federal Bank, GAIL, HDFC Bank, Housing Development Finance Corp., ICICI Bank, Indian Oil, Mahindra & Mahindra, Mahindra And Mahindra Financial Services, NTPC, Oil & Natural Gas, Reliance Industries, State Bank of India, Tata Motors, Tata Consultancy Services, Titan Industries, Tata Teleservices, Union Bank Of India, Yes Bank.

---

Citigroup Global Markets Inc. or its affiliates has received compensation for investment banking services provided within the past 12 months from Aban Offshore, ABB (India), ACC, Adani Power, AXIS Bank, Bharat Heavy, Bank of Baroda, Bharat Petroleum, Cadila Healthcare, Cairn India, Canara Bank, Coal India, Colgate Palmolive (India), DB Corp, GAIL, Glaxosmithkline Pharmaceutical, Glenmark Pharmaceuticals, GlaxoSmithKline Consumer Healthcare, Hindalco Industries, HDFC Bank, Hindustan Unilever, Hindustan Petroleum, Hindustan Zinc, ICICI Bank, IDFC, Indian Oil, Jindal Steel and Power, Jubilant Life Sciences, Kotak Mahindra Bank, Larsen & Toubro, Lupin, Mahindra & Mahindra, Mahindra And Mahindra Financial Services, Marico, National Aluminium, Nestle India, NIIT, NTPC, Oil & Natural Gas, Pantaloon, Power Grid Corporation of India, Petronet LNG, Punjab National Bank, Dr Reddy, Reliance Industries, Steel Authority of India, State Bank of India, Sesa Goa, Shriram Transport Finance, Tata Motors, Tata Communications, Tata Consultancy Services, Tech Mahindra, Tata Steel, Titan Industries, Tata Teleservices, Tata Power, Union Bank Of India, United Phosphorus, Yes Bank.

---

Citigroup Global Markets Inc. or its affiliates expects to receive or intends to seek, within the next three months, compensation for investment banking services from Bharat Heavy, Bank of Baroda, Bharat Petroleum, Bharti Airtel, Cairn India, Canara Bank, Coal India, Colgate Palmolive (India), GAIL, Glaxosmithkline Pharmaceutical, GlaxoSmithKline Consumer Healthcare, Hindustan Petroleum, Hindustan Zinc, Infosys Ltd, Indian Oil, Larsen & Toubro, LIC Housing Finance, National Aluminium, Nestle India, NTPC, Power Grid Corporation of India, Petronet LNG, Punjab National Bank, Reliance Industries, Steel Authority of India, State Bank of India, Sesa Goa, Union Bank Of India.

---

Citigroup Global Markets Inc. or an affiliate received compensation for products and services other than investment banking services from Aban Offshore, ABB (India), Ambuja Cements, ACC, Adani Power, Apollo Hospitals, Aurobindo Pharma, Ashok Leyland, Asian Paints, AXIS Bank, Bajaj Auto, Bharat Heavy, Biocon, Bank of Baroda, Bharat Petroleum, Bharti Airtel, Cadila Healthcare, Cairn India, CESC, Cipla, Canara Bank, Coal India, Colgate Palmolive (India), Cummins India, Dabur India, DB Corp, Educomp Solutions, Exide Industries, Federal Bank, GAIL, Glaxosmithkline Pharmaceutical, Glenmark Pharmaceuticals, GlaxoSmithKline Consumer Healthcare, Grasim Industries, Hindalco Industries, HCL Technologies, HDFC Bank, Housing Development Finance Corp., Hindustan Unilever, Hindustan Petroleum, Hero MotoCorp, Havells India, Hindustan Zinc, ICICI Bank, IDEA Cellular, IDFC, Infosys Ltd, Indian Oil, Ipca Laboratories, ITC, Jaiprakash, Jaiprakash Power Ventures, Jindal Steel and Power, Jubilant Life Sciences, Kotak Mahindra Bank, Larsen & Toubro, LIC Housing Finance, Lupin, Mahindra & Mahindra, MindTree, Mahindra And Mahindra Financial Services, Marico, Maruti Suzuki India, National Aluminium, Nestle India, NIIT, NTPC, Oil & Natural Gas, OnMobile Global, Pantaloon, Power Grid Corporation of India, Phoenix Mills, Petronet LNG, Punjab National Bank, Ranbaxy, Dr Reddy, Reliance Industries, Reliance Communications, Reliance Infrastructure, Steel Authority of India, State Bank of India, Sesa Goa, Shriram Transport Finance, Tata Motors, Tata Communications, Tata Consultancy Services, Tech Mahindra, Thermax, Tata Steel, Titan Industries, Tata Teleservices, Tata Power, UltraTech Cement, Union Bank Of India, United Phosphorus, Unitech, Voltas, Yes Bank in the past 12 months.

---

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as investment banking client(s): CESC, DB Corp, Oil & Natural Gas, Aban Offshore, ABB (India), ACC, Adani Power, AXIS Bank, Bharat Heavy, Bank of Baroda, Bharat Petroleum, Bharti Airtel, Cadila Healthcare, Cairn India, Canara Bank, Coal India, Colgate Palmolive (India), GAIL, Glaxosmithkline Pharmaceutical, Glenmark Pharmaceuticals, GlaxoSmithKline Consumer Healthcare, Hindalco Industries, HDFC Bank, Hindustan Unilever, Hindustan Petroleum, Hindustan Zinc, ICICI Bank, IDFC, Infosys Ltd, Indian Oil, Jindal Steel and Power, Jubilant Life Sciences, Kotak Mahindra Bank, Larsen & Toubro, LIC Housing Finance, Lupin, Mahindra & Mahindra, Mahindra And Mahindra Financial Services, Marico, National Aluminium, Nestle India, NIIT, NTPC, Pantaloon, Power Grid Corporation of India, Petronet LNG, Punjab National Bank, Dr Reddy, Reliance Industries, Steel Authority of India, State Bank of India, Sesa Goa, Shriram Transport Finance, Tata Motors, Tata Communications, Tata Consultancy Services, Tech Mahindra, Tata Steel, Titan Industries, Tata Teleservices, Tata Power, Union Bank Of India, United Phosphorus, Yes Bank.

---

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: Aban Offshore, ABB (India), Adani Power, Apollo Hospitals, Aurobindo Pharma, Ashok Leyland, Asian Paints, AXIS Bank, Bajaj Auto, Bharat Heavy, Biocon, Bank of Baroda, Bharat Petroleum, Bharti Airtel, Cadila Healthcare, Cairn India, Cipla, Canara Bank, Coal India, Colgate Palmolive (India), Cummins India, Dabur India, Exide Industries, Federal Bank, GAIL, Glaxosmithkline Pharmaceutical, Glenmark Pharmaceuticals, GlaxoSmithKline Consumer Healthcare, Grasim Industries, Hindalco Industries, HCL Technologies, HDFC Bank, Housing Development Finance Corp.,

Hindustan Unilever, Hindustan Petroleum, Hero MotoCorp, Havells India, Hindustan Zinc, ICICI Bank, IDEA Cellular, IDFC, Infosys Ltd, Indian Oil, Ipca Laboratories, ITC, Jindal Steel and Power, Jubilant Life Sciences, Kotak Mahindra Bank, Larsen & Toubro, LIC Housing Finance, Lupin, Mahindra & Mahindra, MindTree, Mahindra And Mahindra Financial Services, Marico, Maruti Suzuki India, National Aluminium, Nestle India, NIIT, NTPC, Oil & Natural Gas, OnMobile Global, Power Grid Corporation of India, Phoenix Mills, Petronet LNG, Punjab National Bank, Ranbaxy, Dr Reddy, Reliance Industries, Reliance Communications, Steel Authority of India, State Bank of India, Sesa Goa, Shriram Transport Finance, Tata Motors, Tata Consultancy Services, Tech Mahindra, Thermax, Tata Steel, Titan Industries, Tata Teleservices, Tata Power, UltraTech Cement, Union Bank Of India, United Phosphorus, Yes Bank.

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: Aban Offshore, ABB (India), Ambuja Cements, ACC, Adani Power, Apollo Hospitals, Aurobindo Pharma, Ashok Leyland, Asian Paints, AXIS Bank, Bajaj Auto, Bharat Heavy, Biocon, Bank of Baroda, Bharat Petroleum, Bharti Airtel, Cadila Healthcare, Cairn India, CESC, Cipla, Canara Bank, Coal India, Colgate Palmolive (India), Cummins India, Dabur India, DB Corp, Educomp Solutions, Exide Industries, Federal Bank, GAIL, Glaxosmithkline Pharmaceutical, Glenmark Pharmaceuticals, GlaxoSmithKline Consumer Healthcare, Grasim Industries, Hindalco Industries, HCL Technologies, HDFC Bank, Housing Development Finance Corp., Hindustan Unilever, Hindustan Petroleum, Hero MotoCorp, Havells India, Hindustan Zinc, ICICI Bank, IDEA Cellular, IDFC, Infosys Ltd, Indian Oil, Ipca Laboratories, ITC, Jaiprakash, Jaiprakash Power Ventures, Jindal Steel and Power, Jubilant Life Sciences, Kotak Mahindra Bank, Larsen & Toubro, LIC Housing Finance, Lupin, Mahindra & Mahindra, MindTree, Mahindra And Mahindra Financial Services, Marico, Maruti Suzuki India, National Aluminium, Nestle India, NIIT, NTPC, Oil & Natural Gas, OnMobile Global, Pantaloon, Power Grid Corporation of India, Petronet LNG, Punjab National Bank, Ranbaxy, Dr Reddy, Reliance Industries, Reliance Communications, Reliance Infrastructure, Steel Authority of India, State Bank of India, Sesa Goa, Shriram Transport Finance, Tata Motors, Tata Communications, Tata Consultancy Services, Tech Mahindra, Thermax, Tata Steel, Titan Industries, Tata Teleservices, Tata Power, UltraTech Cement, Union Bank Of India, United Phosphorus, Unitech, Voltas, Yes Bank.

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.

The Firm is a market maker in the publicly traded equity securities of Infosys Ltd.

For important disclosures (including copies of historical disclosures) regarding the companies that are the subject of this Citi Research product ("the Product"), please contact Citi Research, 388 Greenwich Street, 28th Floor, New York, NY, 10013, Attention: Legal/Compliance [E6WYB6412478]. 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 [https://www.citivelocity.com/cvr/epublic/citi\\_research\\_disclosures](https://www.citivelocity.com/cvr/epublic/citi_research_disclosures). 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 Research Equity Ratings Distribution

<i>Data current as of 31 Dec 2012</i>	12 Month Rating			Relative Rating		
	Buy	Hold	Sell	Buy	Hold	Sell
Citi Research Global Fundamental Coverage	49%	38%	12%	7%	86%	7%
<i>% of companies in each rating category that are investment banking clients</i>	53%	49%	45%	60%	49%	55%

### Guide to Citi Research Fundamental Research Investment Ratings:

Citi Research stock recommendations include an investment rating and an optional risk rating to highlight high risk stocks.

**Risk rating** takes into account both price volatility and fundamental criteria. Stocks will either have no risk rating or a High risk rating assigned.

**Investment Ratings:** Citi Research investment ratings are Buy, Neutral and Sell. Our ratings are a function of analyst expectations of expected total return ("ETR") and risk. ETR is the sum of the forecast price appreciation (or depreciation) plus the dividend yield for a stock within the next 12 months. The Investment rating definitions are: Buy (1) ETR of 15% or more or 25% or more for High risk stocks; and Sell (3) for negative ETR. Any covered stock not assigned a Buy or a Sell is a Neutral (2). For stocks rated Neutral (2), if an analyst believes that there are insufficient valuation drivers and/or investment catalysts to derive a positive or negative investment view, they may elect with the approval of Citi Research management not to assign a target price and, thus, not derive an ETR. Analysts may place covered stocks "Under Review" in response to exceptional circumstances (e.g. lack of information critical to the analyst's thesis) affecting the company and / or trading in the company's securities (e.g. trading suspension). As soon as practically possible, the analyst will publish a note re-establishing a rating and investment thesis. To satisfy regulatory requirements, we correspond Under Review and Neutral to Hold in our ratings distribution table for our 12-month fundamental rating system. However, we reiterate that we do not consider Under Review to be a recommendation.

**Relative three-month ratings:** Citi Research may also assign a three-month relative call (or rating) to a stock to highlight expected out-performance (most preferred) or under-performance (least preferred) versus the geographic and industry sector over a 3 month period. The relative call may highlight a specific near-term catalyst or event impacting the company or the market that is anticipated to have a short-term price impact on the equity securities of the company. Absent any specific catalyst the analyst(s) will indicate the most and least preferred stocks in the universe of stocks under consideration, explaining the basis for this short-term view. This three-month view may be different from and does not affect a stock's fundamental equity rating, which reflects a longer-term total absolute return expectation. For purposes of NASD/NYSE ratings-distribution-disclosure rules, most preferred calls correspond to a buy recommendation and least preferred calls correspond to a sell recommendation. Any stock not assigned to a most preferred or least preferred call is considered non-relative-rated (NRR). For purposes of NASD/NYSE ratings-distribution-disclosure rules we correspond NRR to Hold in our ratings distribution table for our 3-month relative rating system. However, we reiterate that we do not consider NRR to be a recommendation.

Prior to October 8, 2011, the firm's stock recommendation system included a risk rating and an investment rating. **Risk ratings**, which took into account both price volatility and fundamental criteria, were: Low (L), Medium (M), High (H), and Speculative (S). **Investment Ratings** of Buy, Hold and Sell were a function of the Citi Research expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and risk rating. Additionally, analysts could have placed covered stocks "Under Review" in response to exceptional circumstances (e.g. lack of information critical to the analyst's thesis) affecting the company and/or trading in the company's securities (e.g. trading suspension). Stocks placed "Under Review" were monitored daily by management and as practically possible, the analyst published a note re-establishing a rating and investment thesis. For securities in developed markets (US, UK, Europe, Japan, and Australia/New Zealand), investment ratings were: Buy (1) (expected total return of 10% or more for Low-Risk stocks, 15% or more for Medium-Risk stocks, 20% or more for High-Risk stocks, and 35% or more for Speculative stocks); Hold (2) (0%-10% for Low-Risk stocks, 0%-15%

for Medium-Risk stocks, 0%-20% for High-Risk stocks, and 0%-35% for Speculative stocks); and Sell (3) (negative total return). For securities in emerging markets (Asia Pacific, Emerging Europe/Middle East/Africa, and Latin America), investment ratings were: 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.

---

#### 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

Aditya Narain, CFA; Jitender Tokas, CFA; Saurabh Handa; Venkatesh Balasubramaniam;  
Raashi Chopra, CFA; Prashant Nair, CFA; Jamshed Rustom Dadabhoy; Aditya Mathur;  
Gaurav Malhotra, CFA; Anshuman Gupta; Surendra Goyal, CFA; Atul Tiwari, CFA

---

#### OTHER DISCLOSURES

Citigroup Global Markets Inc. and/or its affiliates has a significant financial interest in relation to AXIS Bank, Bharat Heavy, Bank of Baroda, Bharat Petroleum, Canara Bank, GAIL, Hindalco Industries, HDFC Bank, Housing Development Finance Corp., Hindustan Petroleum, IDFC, Indian Oil, ITC, Kotak Mahindra Bank, LIC Housing Finance, Mahindra And Mahindra Financial Services, Nestle India, Punjab National Bank, Reliance Industries, State Bank of India, Thermax, Tata Steel, Union Bank Of India. (For an explanation of the determination of significant financial interest, please refer to the policy for managing conflicts of interest which can be found at [www.citiVelocity.com](http://www.citiVelocity.com).)

Citigroup Global Markets Inc. or its affiliates beneficially owns 2% or more of any class of common equity securities of Apollo Hospitals, BGR Energy Systems, Cairn India, Indraprastha Gas, United Phosphorus, Voltas, Yes Bank.

Citigroup Global Markets Inc. or its affiliates beneficially owns 10% or more of any class of common equity securities of Educomp Solutions, Info Edge.

Citigroup Global Markets Inc. or its affiliates beneficially owns 5% or more of any class of common equity securities of Havells India.

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 Research does not set a predetermined frequency for publication, if the Product is a fundamental research report, it is the intention of Citi Research 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. LLC (Morgan Stanley) research reports may be available about the companies that are the subject of this Citi Research research report. Ask your Financial Advisor or use smithbarney.com to view any available Morgan Stanley research reports in addition to Citi Research research reports.

Important disclosure regarding the relationship between the companies that are the subject of this Citi Research 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](http://www.morganstanleysmithbarney.com/researchdisclosures).

For Morgan Stanley and Citigroup Global Markets, Inc. specific disclosures, you may refer to [www.morganstanley.com/researchdisclosures](http://www.morganstanley.com/researchdisclosures) and [https://www.citivelocity.com/cvr/eppublic/citi\\_research\\_disclosures](https://www.citivelocity.com/cvr/eppublic/citi_research_disclosures).

This Citi Research 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 Citi Research. 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 Citi 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. This product is available in **Chile** through Banchile Corredores de Bolsa S.A., an indirect subsidiary of Citigroup Inc., which is regulated by the Superintendencia de Valores y Seguros. Agustinas 975, piso 2, Santiago, Chile. 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 is distributed in **Germany** by Citigroup Global Markets Deutschland AG ("CGMD"), which is regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin). CGMD, Reuterweg 16, 60323 Frankfurt am Main. Research which relates to "securities" (as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) is issued in **Hong Kong** by, or on behalf of, Citigroup Global Markets Asia Limited which takes full responsibility for its content. Citigroup Global Markets Asia Ltd. is regulated by Hong Kong Securities and Futures Commission. If the Research is made available through Citibank, N.A., Hong Kong Branch, for its clients in Citi Private Bank, it is made available by Citibank N.A., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. Citibank N.A. is regulated by the Hong Kong Monetary Authority. Please contact your Private Banker in Citibank N.A., Hong Kong, Branch if you have any queries on or any matters arising from or in connection with this document. 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. Via dei Mercanti, 12, 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 SMBC Nikko 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 Citi Velocity website. If you have questions regarding Citi Velocity, 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 the Financial Services Commission, the Financial Supervisory Service and the Korea Financial Investment Association (KOFIA). Citibank Building, 39 Da-dong, Jung-gu, Seoul 100-180, Korea. KOFIA makes available registration information of research analysts on its website. Please visit the following website if you wish to find KOFIA registration information on research analysts of Citigroup Global Markets Korea Securities Ltd. <http://dis.kofia.or.kr/fs/dis2/fundMgr/DISFundMgrAnalystPop.jsp?companyCd2=A03030&pageDiv=02>. The Product is made available in Korea by Citibank Korea Inc., which is regulated by the Financial Services Commission and the Financial Supervisory Service. Address is Citibank Building, 39 Da-dong, Jung-gu, Seoul 100-180, Korea. The Product is made available in **Malaysia** by Citigroup Global Markets Malaysia Sdn Bhd (Company No. 460819-D) ("CGMM") to its clients and CGMM takes responsibility for its contents. CGMM is regulated by the Securities Commission of Malaysia. Please contact CGMM at Level 43 Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia in respect of any matters arising from, or in connection with, the Product. 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 Comisión Nacional Bancaria y de Valores. Reforma 398, Col. Juárez, 06600 Mexico, D.F. In **New Zealand** the Product is made available to 'wholesale clients' only as defined by s5C(1) of the Financial Advisers Act 2008 ("FAA") through Citigroup Global Markets Australia Pty Ltd (ABN 64 003 114 832 and AFSL No. 240992), an overseas financial adviser as defined by the FAA, 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 **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 the **Philippines** through Citicorp Financial Services and Insurance Brokerage Philippines, Inc., which is regulated by the Philippines Securities and Exchange Commission. 20th Floor Citibank Square Bldg. The Product is made available in the Philippines through Citibank NA Philippines branch, Citibank Tower, 8741 Paseo De Roxas, Makati City, Manila. Citibank NA Philippines NA is regulated by The Bangko Sentral ng Pilipinas. 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.Senatorska 16, 00-923 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. ("CGMSPL"), a capital markets services license holder, and regulated by Monetary Authority of Singapore. Please contact CGMSPL at 8 Marina View, 21st Floor Asia Square Tower 1, Singapore 018960, in respect of any matters arising from, or in connection with, the analysis of this document. This report is intended for recipients who are accredited, expert and institutional investors as defined under the Securities and Futures Act (Cap. 289). 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. Please contact your Private Banker in Citibank N.A., Singapore Branch if you have any queries on or any matters arising from or in connection with this document. This report is intended for recipients who are accredited, expert and institutional investors as defined under the Securities and Futures Act (Cap. 289). This report is distributed in Singapore by Citibank Singapore Ltd ("CSL") to selected Citigroup/Citigroup Private Clients. CSL provides no independent research or analysis of the substance or in preparation of this report. Please contact your Citigroup/Citigroup Private Client Relationship Manager in CSL if you have any queries on or any matters arising from or in connection with this report. This report is intended for recipients who are accredited investors as defined under the Securities and Futures Act (Cap. 289). 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 Gasset, 4th Floor, Madrid, 28006, Spain. The Product is made available in the **Republic of China** through Citigroup Global Markets Taiwan Securities Company Ltd. ("CGMTS"), 14 and 15F, No. 1, Songzhi Road, Taipei 110, Taiwan and/or through Citibank Securities (Taiwan) Company Limited ("CSTL"), 14 and 15F, No. 1, Songzhi Road, Taipei 110, Taiwan, subject to the respective license scope of each entity and the applicable laws and regulations in the Republic of China. CGMTS and CSTL are both regulated by the Securities and Futures Bureau of the Financial Supervisory Commission of Taiwan, the Republic of China. No portion of the Product may be reproduced or quoted in the Republic of China by the press or any third parties [without the written authorization of CGMTS and CSTL]. If the Product covers securities which are not allowed to be offered or traded in the Republic of China, neither the Product nor any information contained in the Product shall be considered as advertising the securities or making recommendation of the securities in the Republic of China. The Product is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security or financial products. Any decision to purchase securities or financial products mentioned in the Product must take into account existing public information on such security or the financial products or any registered prospectus. 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 Citi Research 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 a member of FINRA and registered with 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. Pursuant to Comissão de Valores Mobiliários Rule 483, Citi is required to disclose whether a Citi related company or business has a commercial relationship with the subject company. Considering that Citi operates multiple businesses in more than 100 countries around the world, it is likely that Citi has a commercial relationship with the subject company.

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 Citi Research's Products can be found at [https://www.citivelocity.com/cvr/eppublic/citi\\_research\\_disclosures](https://www.citivelocity.com/cvr/eppublic/citi_research_disclosures).

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. With the exception of our product that is made available only to Qualified Institutional Buyers (QIBs) and other product that is made available through other distribution channels only to certain categories of clients to satisfy legal or regulatory requirements, Citi Research concurrently disseminates its research via proprietary and non-proprietary electronic distribution platforms. Periodically, individual Citi Research analysts may also opt to circulate research posted on



such platforms to one or more clients by email. Such email distribution is discretionary and is done only after the research has been disseminated via the aforementioned distribution channels. Citi Research simultaneously distributes product that is limited to QIBs only through email distribution.

The level and types of services provided by Citi Research analysts to clients may vary depending on various factors such as the client's individual preferences as to the frequency and manner of receiving communications from analysts, the client's risk profile and investment focus and perspective (e.g. market-wide, sector specific, long term, short-term etc.), the size and scope of the overall client relationship with Citi and legal and regulatory constraints. Citi Research product may source data from dataCentral. dataCentral is a Citi Research proprietary database, which includes Citi estimates, data from company reports and feeds from Reuters and Datastream.

---

© 2013 Citigroup Global Markets Inc. Citi Research is a division of Citigroup Global Markets Inc. Citi and Citi with Arc Design are trademarks and service marks of Citigroup Inc. and its affiliates and are used and registered throughout the world. All rights reserved. Any unauthorized use, duplication, redistribution or disclosure of this report (the "Product"), including, but not limited to, redistribution of the Product by electronic mail, posting of the Product on a website or page, and/or providing to a third party a link to the Product, is prohibited by law and will result in prosecution. The information contained in the Product is intended solely for the recipient and may not be further distributed by the recipient to any third party. Where included in this report, MSCI sourced information is the exclusive property of Morgan Stanley Capital International Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, redisseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanley Capital International and the MSCI indexes are services marks of MSCI and its affiliates. The Firm accepts no liability whatsoever for the actions of third parties. The Product may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the Product refers to website material of the Firm, the Firm has not reviewed the linked site. Equally, except to the extent to which the Product refers to website material of the Firm, the Firm takes no responsibility for, and makes no representations or warranties whatsoever as to, the data and information contained therein. Such address or hyperlink (including addresses or hyperlinks to website material of the Firm) is provided solely for your convenience and information and the content of the linked site does not in anyway form part of this document. Accessing such website or following such link through the Product or the website of the Firm shall be at your own risk and the Firm shall have no liability arising out of, or in connection with, any such referenced website.

---

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

---