UBS

UBS Investment Research

Equity Market Outlook

Dean Dusanic
Strategist

UBS Australian Equity Strategy

FEBRUARY

2011

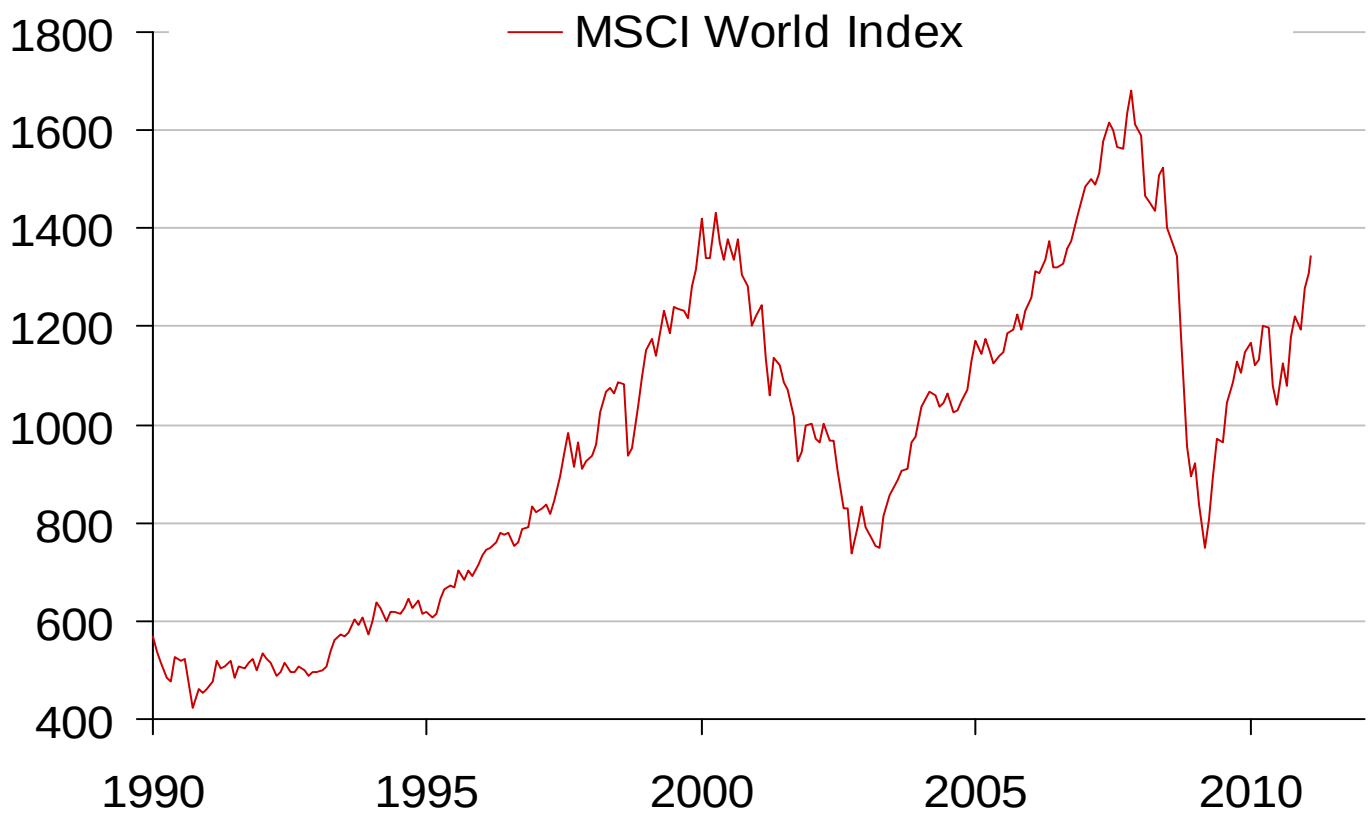
UBS does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment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

This material has been prepared by UBS Securities Australia Ltd

ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 22

www.ubs.com/investmentresearch

Recent Stock Market Trends

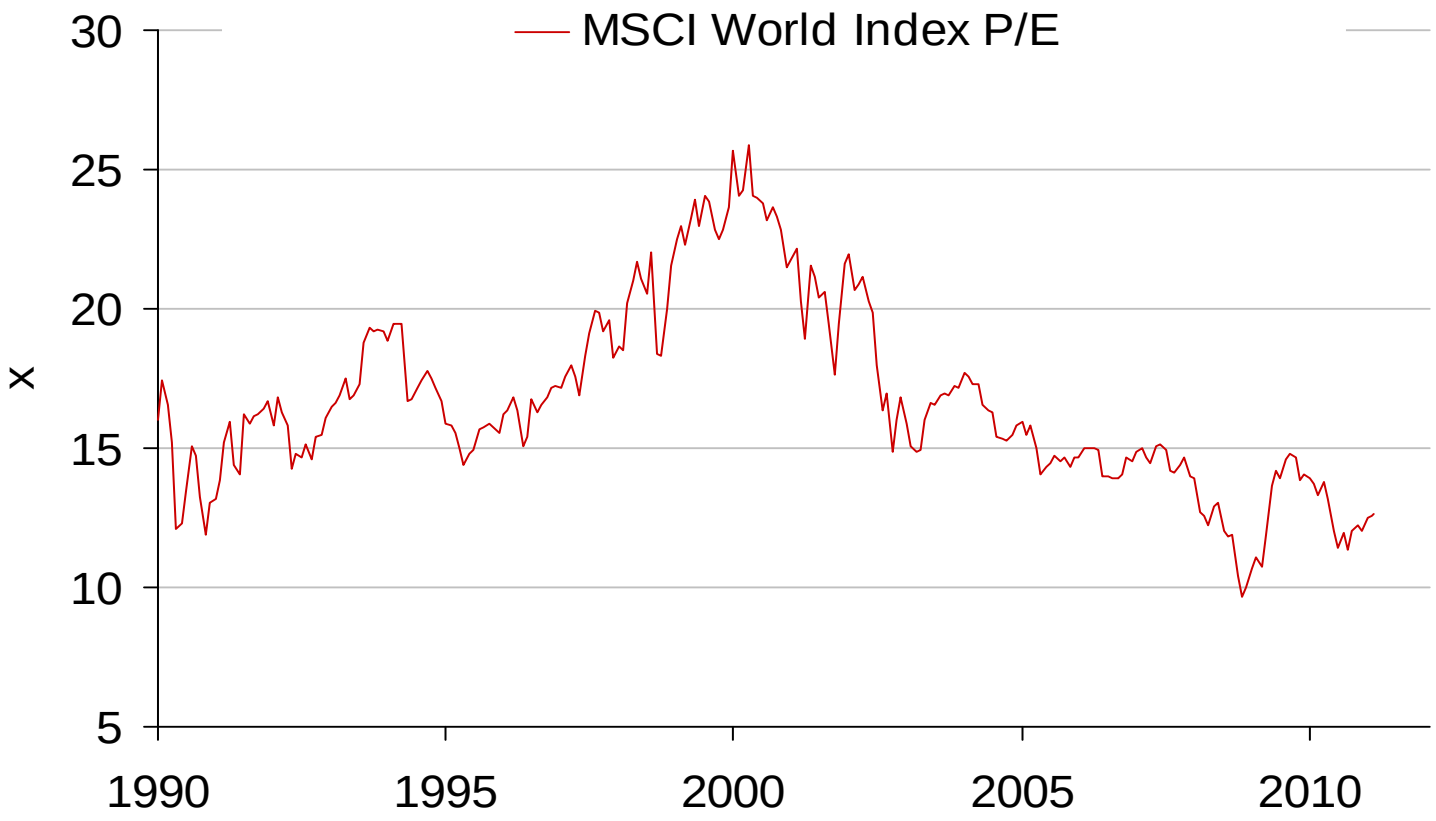


Source: Datastream

UBS

Equity Valuations Back To Normal

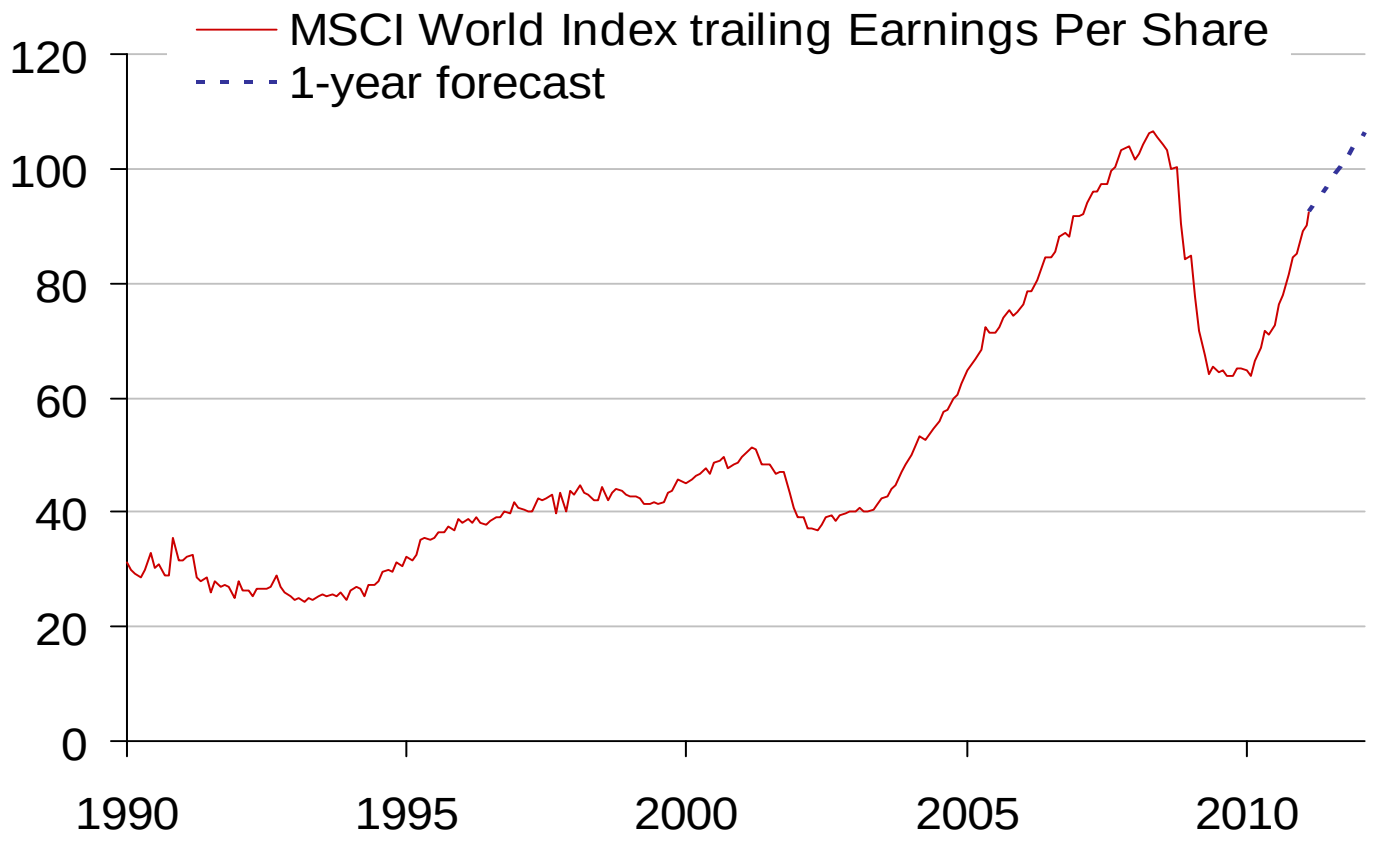
13x-15x forward earnings is “normal”



Source: I/B/E/S, Datastream

UBS

Corporate Profits Recovering…

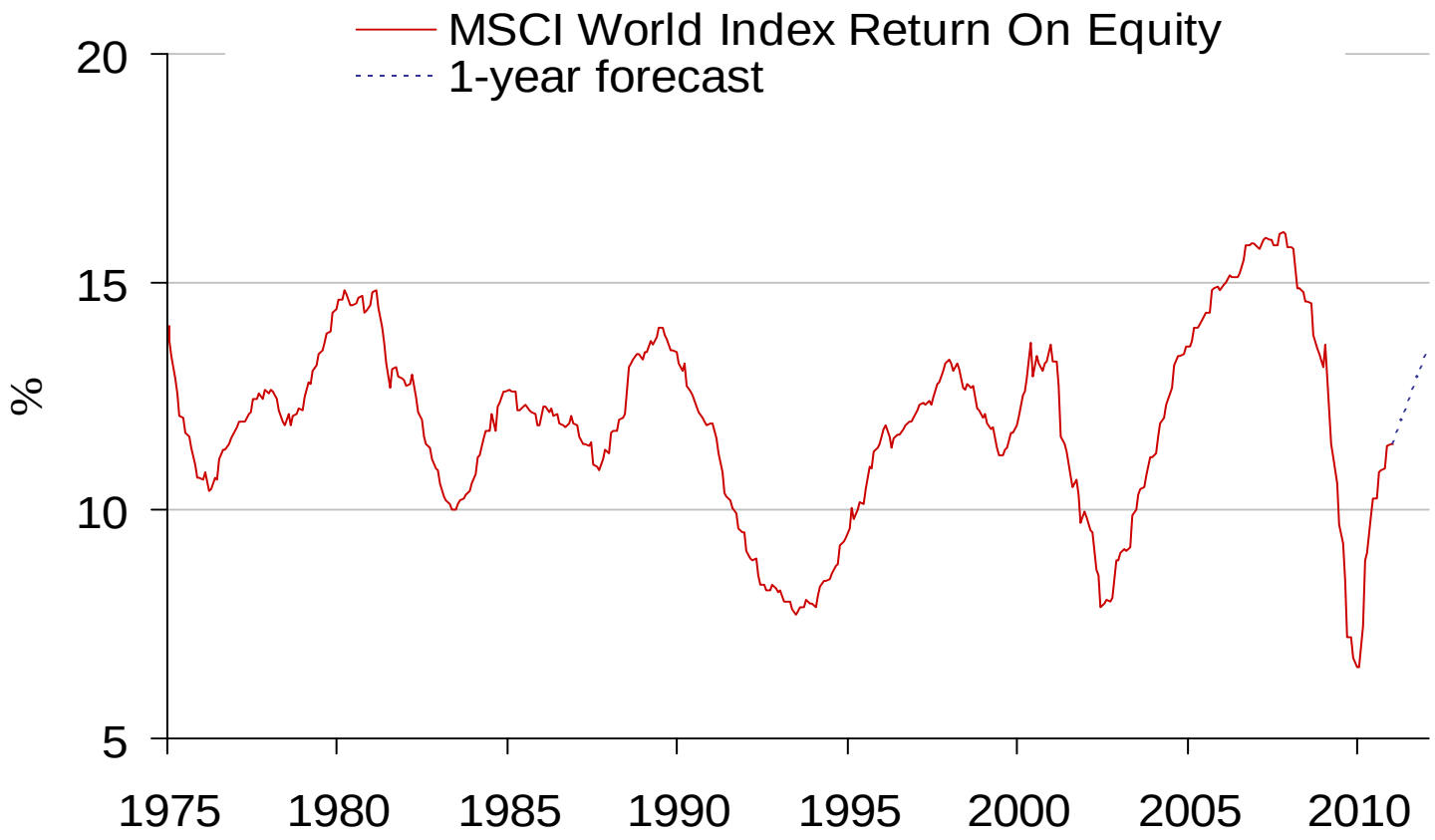


Source: I/B/E/S, Datastream

UBS

…& Still Cyclically Low

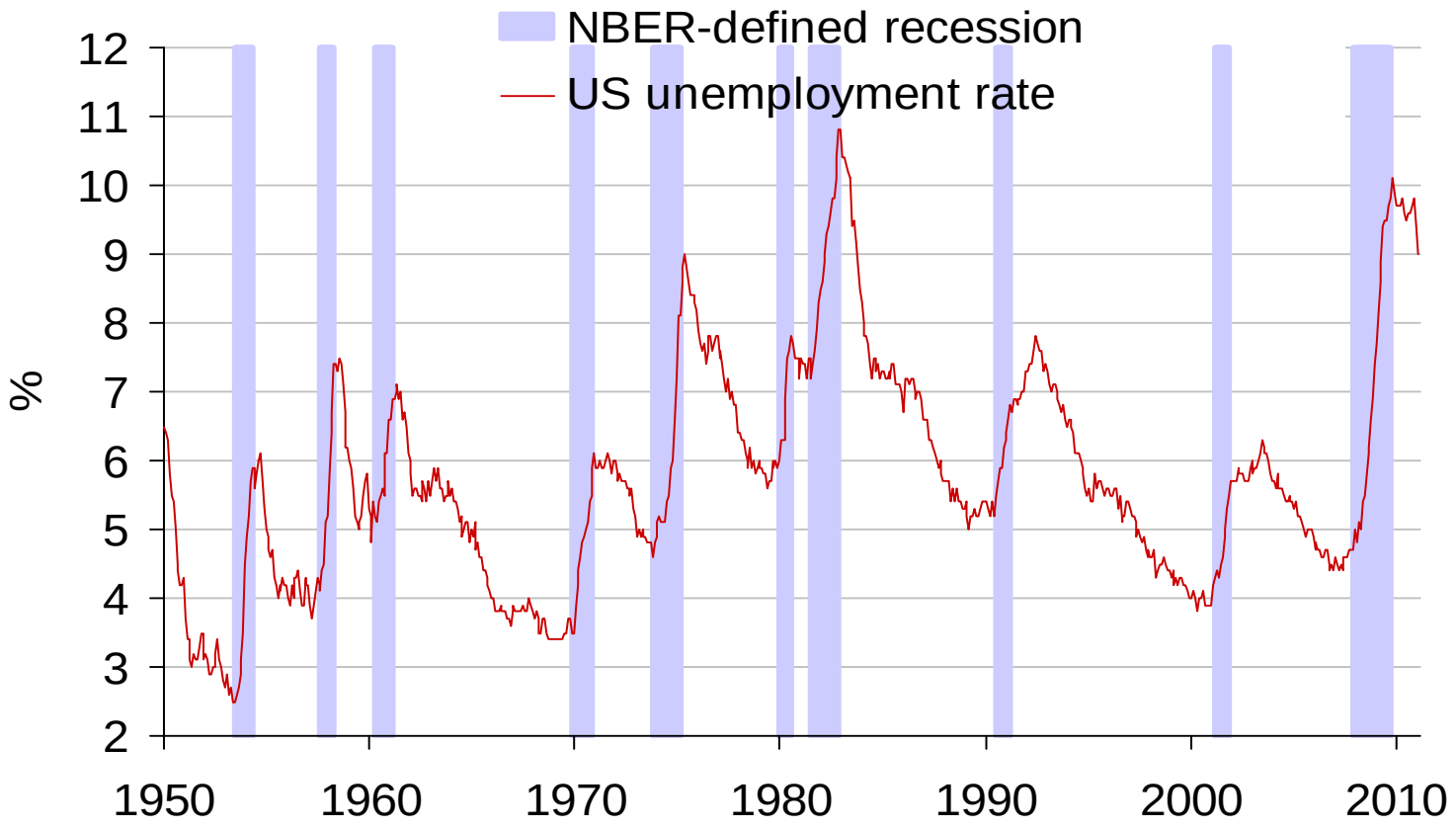
Suggests more upside



Source: MSCI, Datastream

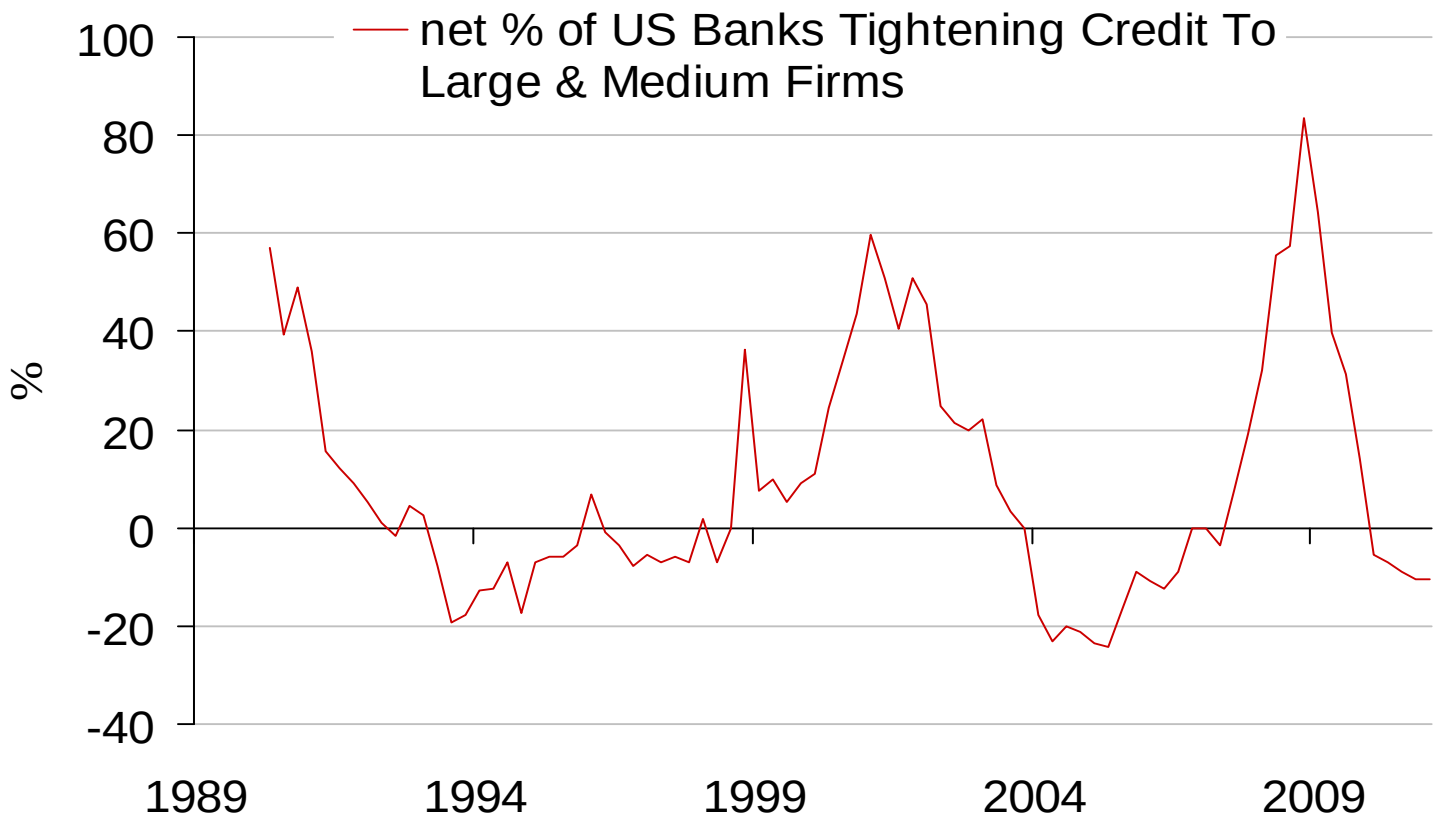
UBS

Global Economy Recovering



Source: Datastream

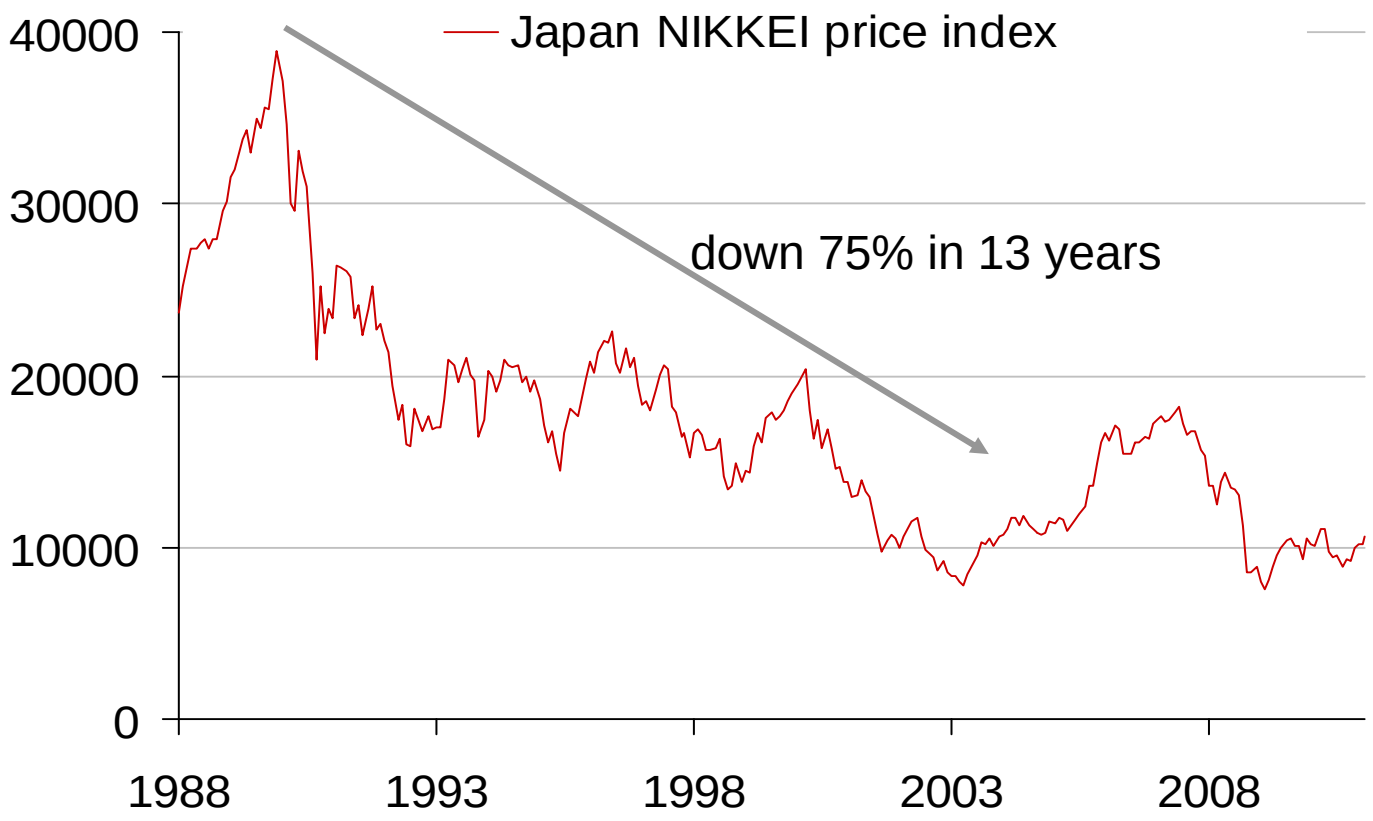
Credit Crunch Over



Source: Fed Senior Loan Officer's Survey, Datastream

UBS

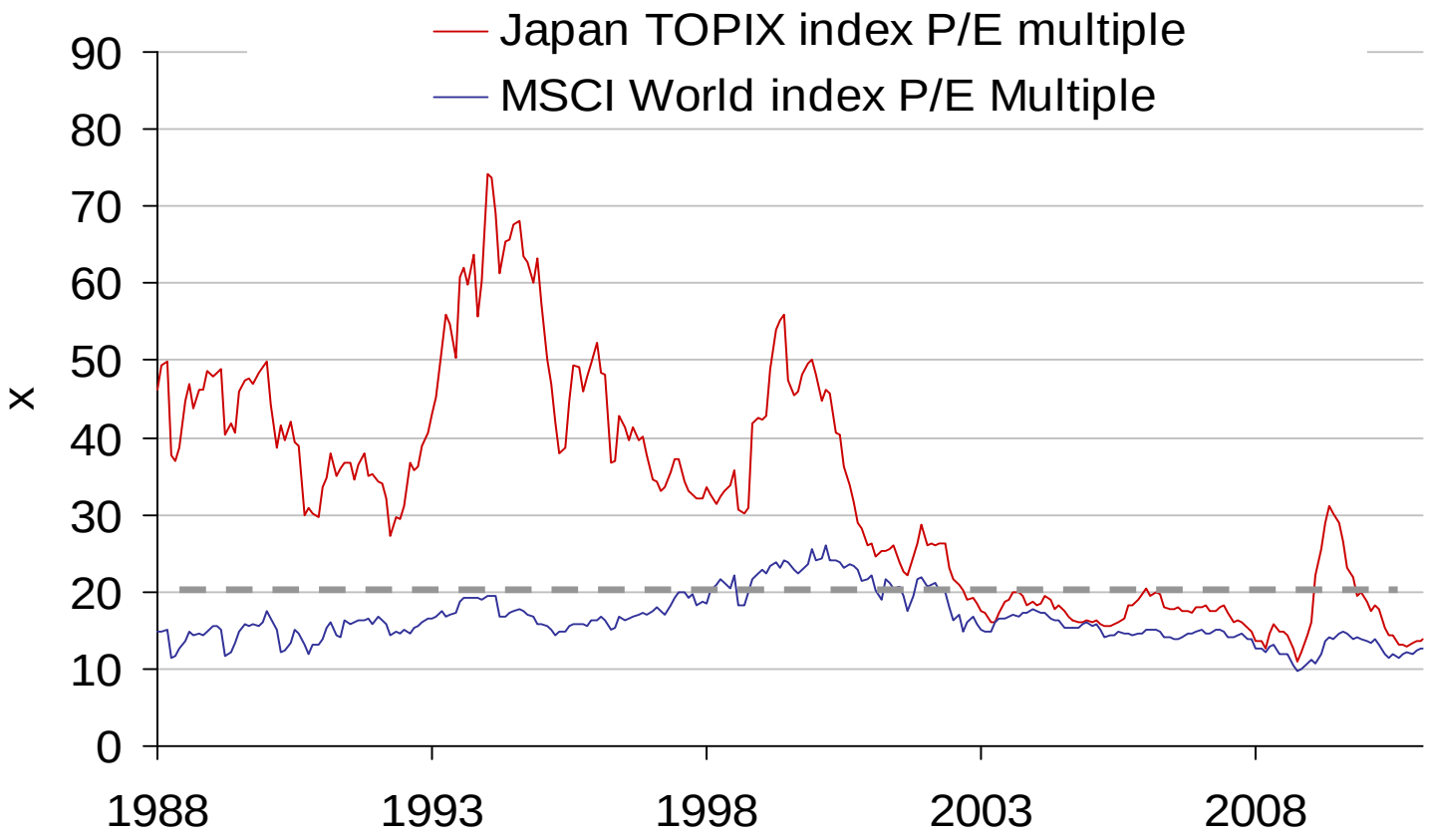
Repeat Of Japan Experience Unlikely…



Source: Datastream

…Given Valuations Are "Normal"

Excessively high valuations THE reason for Japan's prolonged bear market

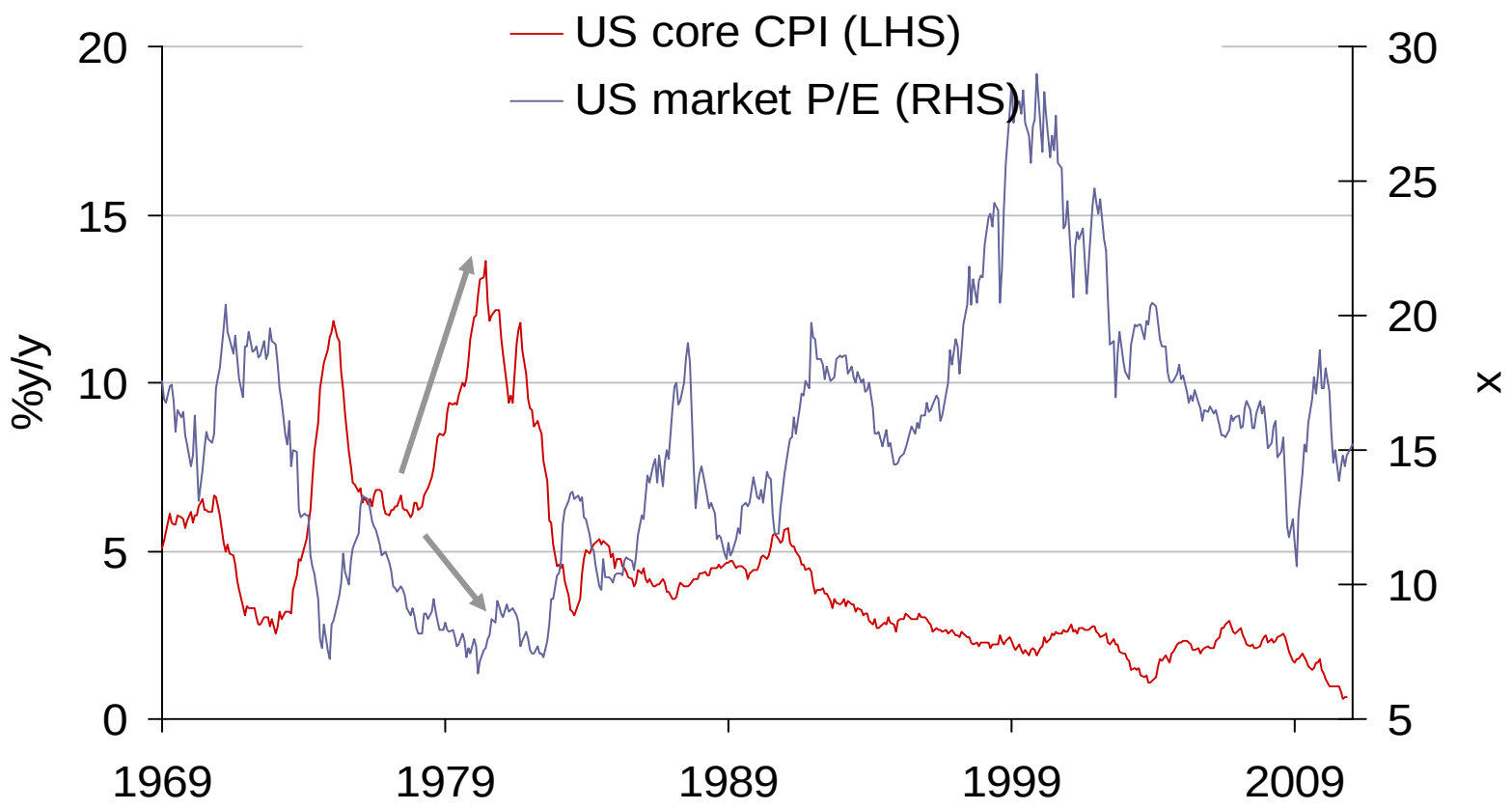


Source: I/B/E/S, Datastream

UBS

Very High Inflation Required For Low 1970s P/Es

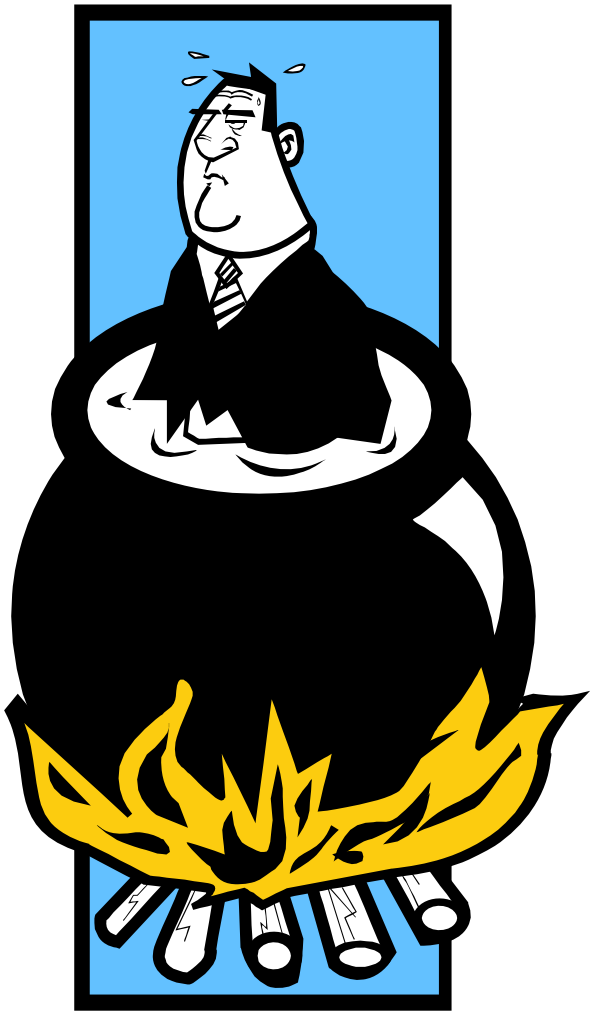
High inflation kills P/E multiples



Source: Datastream, UBS calculations

UBS

The Bad News



Excessive WESTERN GOVERNMENT Debt

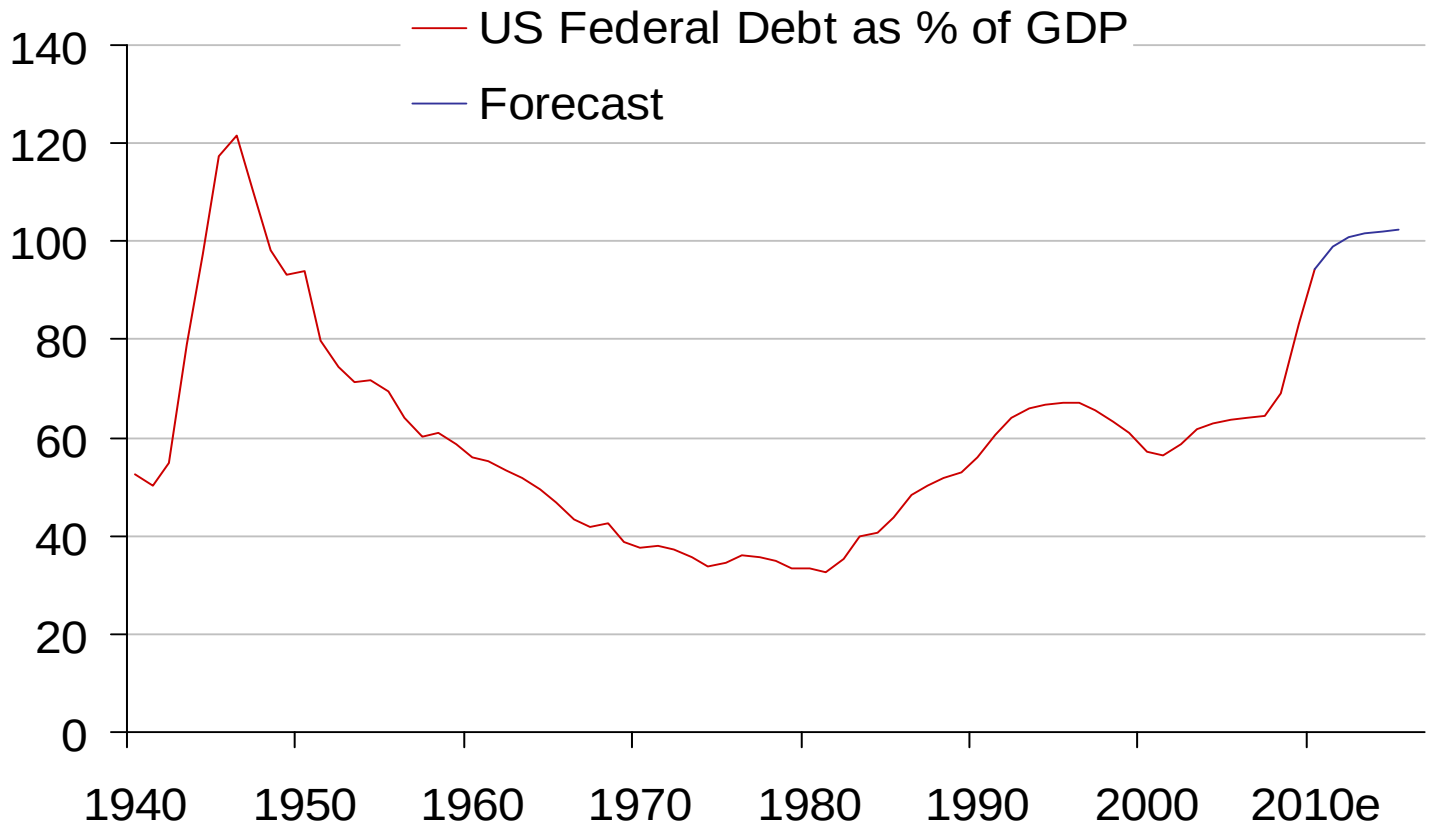
Corporate gearing NOT the problem

Threatens to drive up interest rates in the medium/long-term

	Budget Deficit FY10 as % of GDP	Net Government Debt FY10 as % of GDP
Portugal	-7.3%	78.9%
Ireland	-17.6%	55.2%
Italy	-5.1%	99.0%
Greece	-7.9%	109.5%
Spain	-9.3%	54.1%
Germany	-4.5%	58.7%
Japan	-9.6%	120.7%
United Kingdom	-10.2%	68.8%
United States	-11.1%	65.8%
Australia	-4.5%	5.4%

Source: IMF

Sovereign Debt Issue Not Going Away

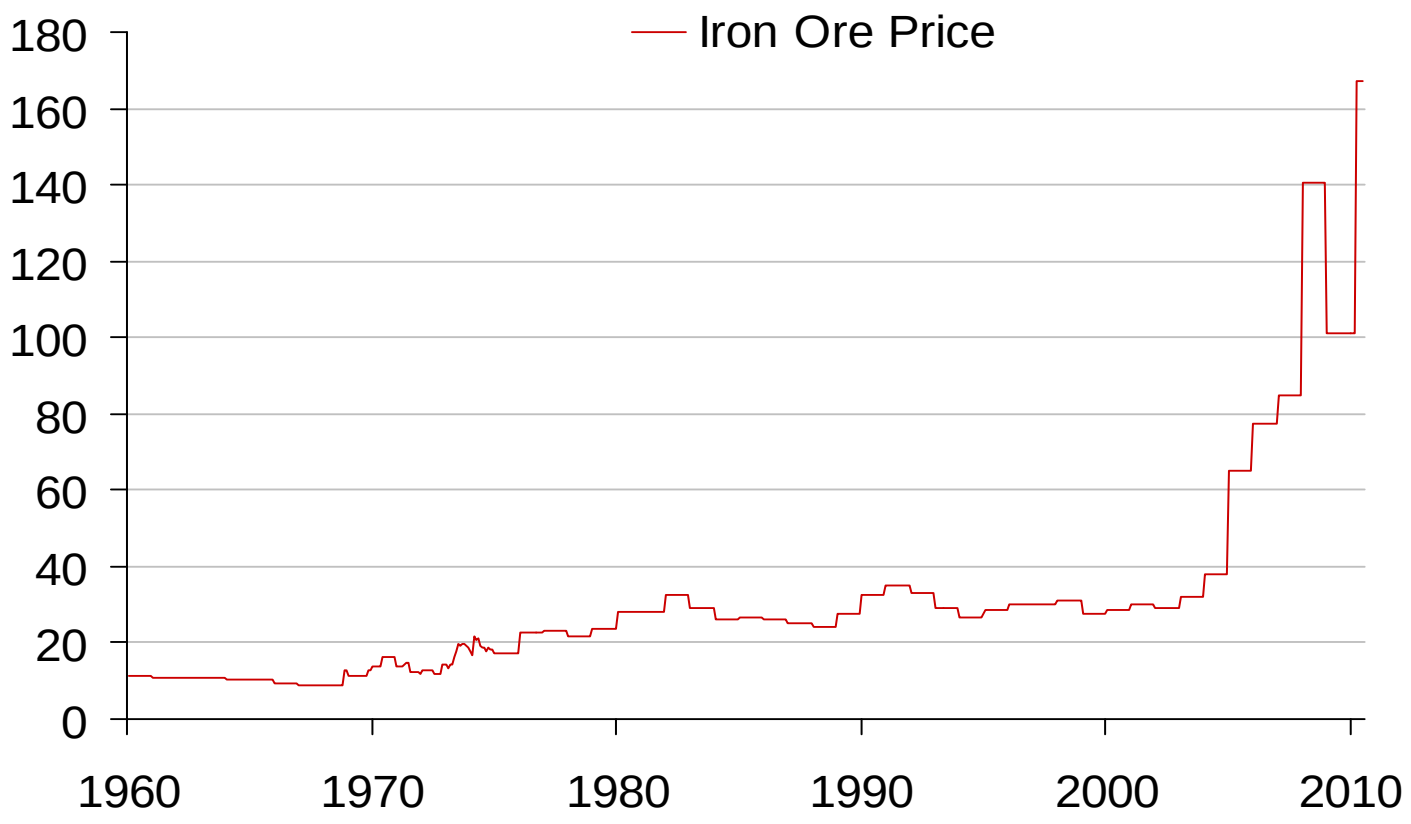


Source: Office Of Management & Budget

UBS

Australia – The Good News

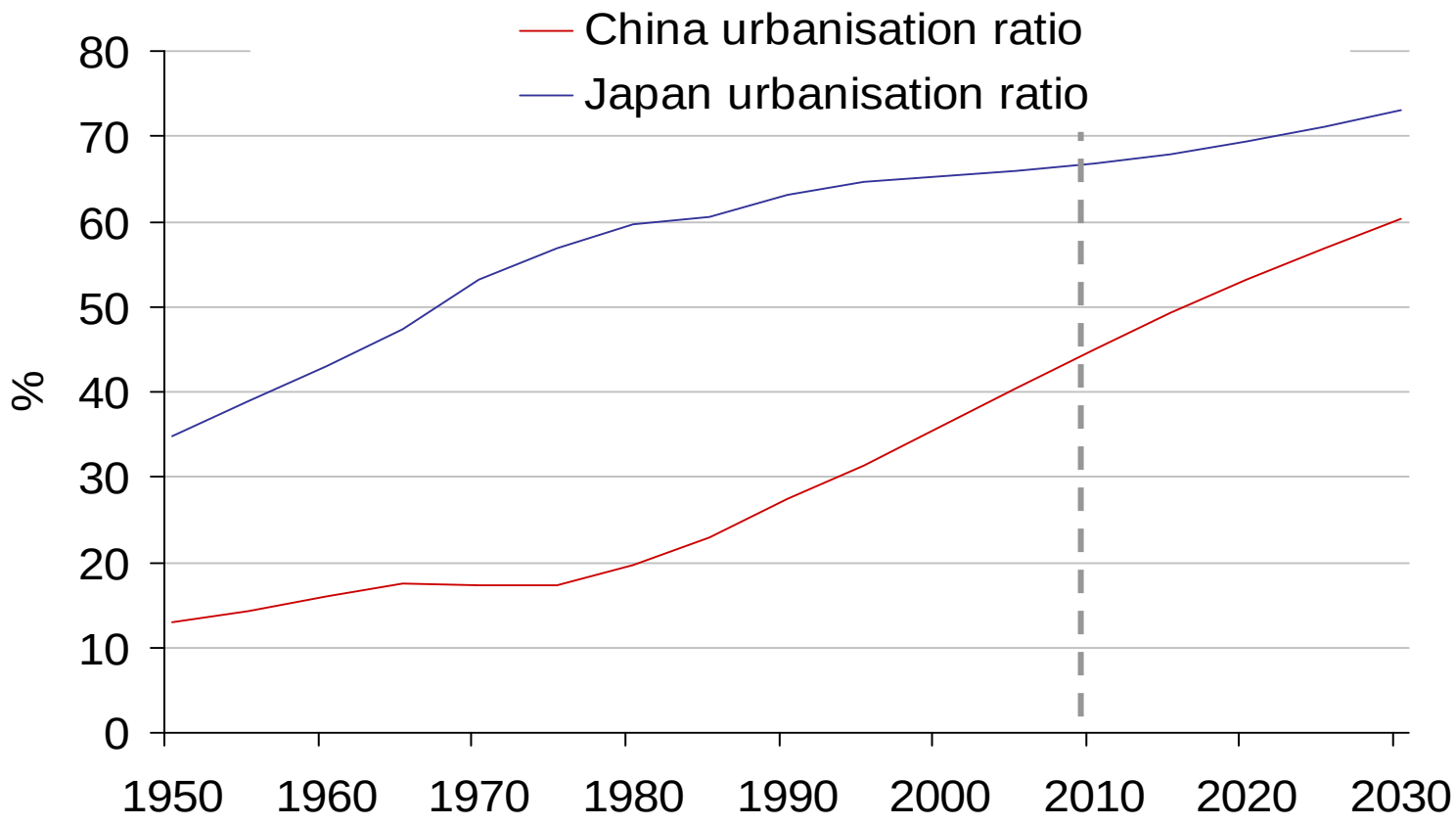
Benefitted from boom in commodity prices



Source: Datastream

China's Development A Long-Term Story

Positive for Australia in the long run.



Source: UN

Australia Dodged The Bullet

- Resources boom boosted national income
- Banking system/housing sector on relatively more sound footing
- Government has been relatively less profligate
- Superannuation system means pension time-bomb will not be as devastating here

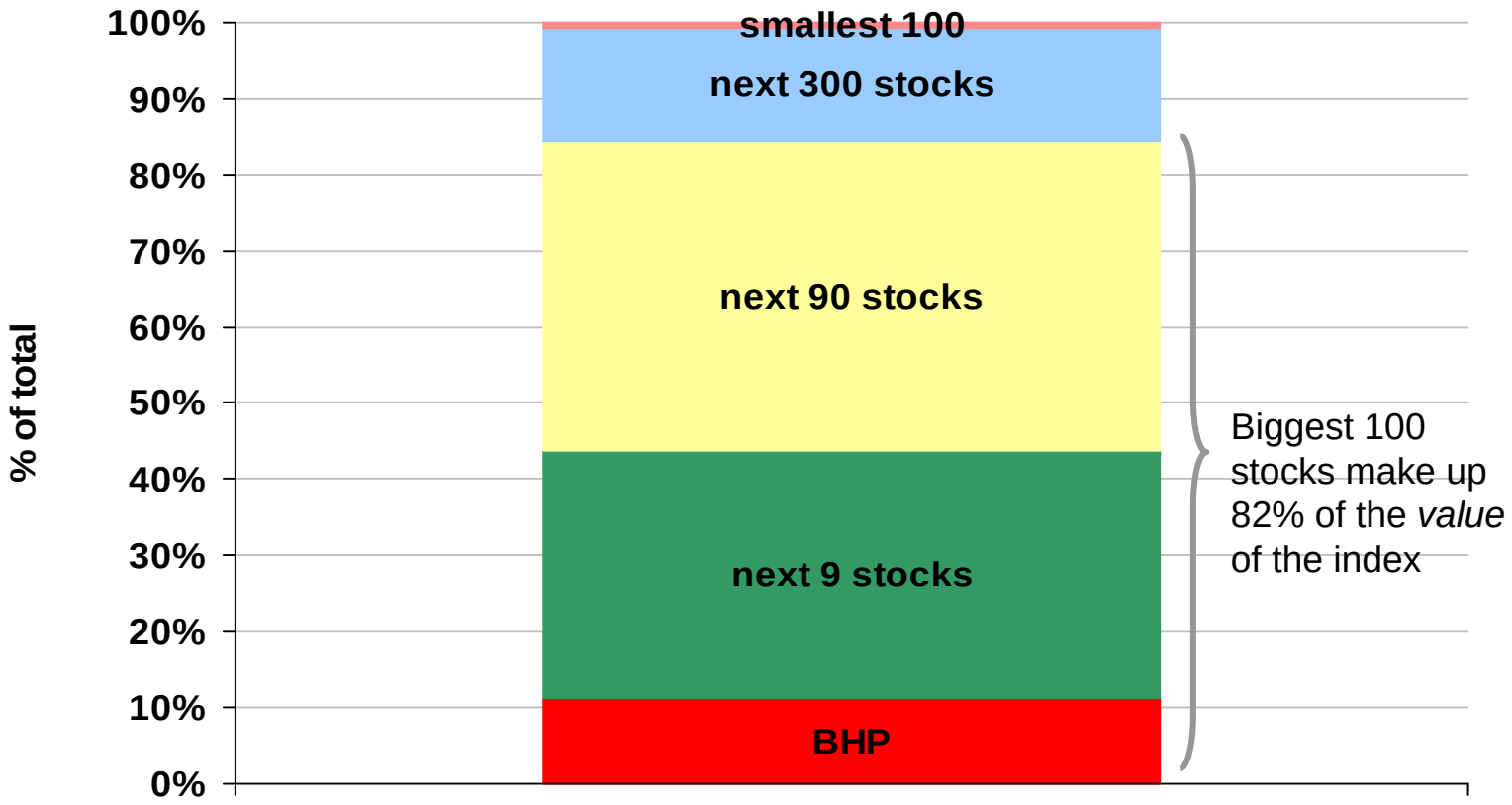
Key Themes

- SHORT-TERM
  - Cyclical recovery well & truly right on track – THE GOOD NEWS
- LONGER-TERM
  - Western Government debt overhang threatens – THE BAD NEWS
- Australia
  - Outperformed due to Resources boom & more solid banking/housing market
  - Likely to continue outperforming given linkage to Asia

Structure Of The All Ordinaries Index

BHP Billiton makes up 11.2% of the index, Rivercity Motorway Group makes up 0.05% of the index

Smallest 100 stocks make up 0.97% of the total

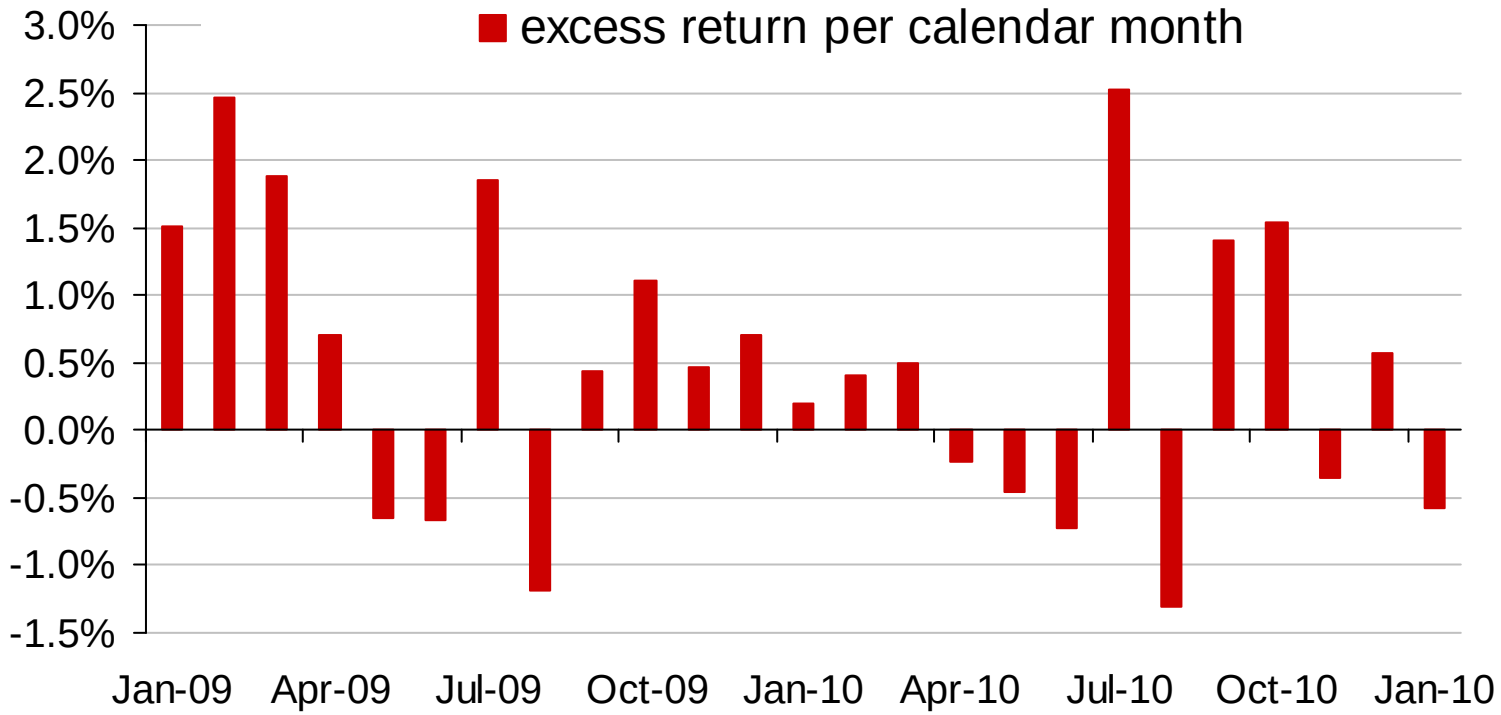


Source: IRESS

UBS Model Portfolio

- Approximately 30 stocks in the portfolio
- Represents the best ideas
- Aims to outperform the ASX200 index

Model Portfolio Performance



Disclosure: As of February 2nd , over the last 12 months the model portfolio has posted a total return of 11.6%, compared to 8.6% for the ASX200 index benchmark. Since inception, the Australian model portfolio has posted a total return of 258.1% compared to 122.4% for the ASX200 index benchmark. Indicated performance returns are based on capital appreciation including dividends and exclude transaction costs such as commissions, fees, margin interest and interest charges. Actual transactions adjusted for such transaction costs will result in reduced total returns. Prices of stocks in this performance reflect closing prices. Over the last 12 months, the model portfolio has had 61 stocks, of which 31 advanced and 28 declined while on the list. A complete record of all the recommendations upon which the report is based is available from UBS upon written request. Past performance is not an indication of future results.

Source: UBS

Current Model Portfolio

			Portfolio weight	Benchmark weight	difference
RESOURCES					
Mining & Metals			**25.8%**	**25.8%**	**+0.0%**
BHP Billiton	BHP	Buy	15.6%	13.4%	+2.2%
Rio Tinto	RIO	Buy	6.6%	3.3%	+3.3%
Avoca Resources	AVO	Not Rated	1.7%	0.1%	+1.7%
Sims Metal Management	SGM	Suspended	1.9%	0.3%	+1.6%
Energy		Not Rated	**7.1%**	**6.9%**	**+0.1%**
Origin Energy	ORG	Buy	2.3%	1.3%	+1.0%
Woodside Petroleum	WPL	Buy	3.3%	2.2%	+1.0%
WorleyParsons	WOR	Not Rated	1.5%	0.5%	+1.0%
FINANCIALS					
Banks			**23.7%**	**23.8%**	**-0.0%**
Westpac Banking Corporation	WBC	Neutral	7.1%	6.1%	+1.0%
ANZ Banking Group	ANZ	Buy	8.2%	5.4%	+2.8%
Commonwealth Bank of Australia	CBA	Neutral	8.4%	7.1%	+1.3%
Real Estate			**4.0%**	**6.6%**	**-2.6%**
Goodman Group	GMG	Buy	2.0%	0.4%	+1.6%
GPT Group	GPT	Buy	2.0%	0.4%	+1.6%
Other Financials			**4.3%**	**7.7%**	**-3.4%**
Insurance Australia Group	IAG	Buy	2.5%	0.7%	+1.9%
IOOF Holdings	IFL	Neutral	1.8%	0.1%	+1.7%
INDUSTRIALS					
Cyclicals			**16.5%**	**9.5%**	**+7.1%**
Brambles	BXB	Buy	3.4%	0.9%	+2.5%
Asciano Group	AIO	Buy	2.9%	0.4%	+2.5%
Qantas Airways	QAN	Buy	3.0%	0.5%	+2.5%
Fairfax Media	FXJ	Buy	2.0%	0.2%	+1.8%
JB Hi-Fi	JBH	Buy	1.7%	0.2%	+1.5%
Myer Holdings	MYR	Buy	2.2%	0.2%	+2.0%
Aristocrat Leisure	ALL	Buy	1.3%	0.1%	+1.2%
Defensives			**14.1%**	**16.7%**	**-2.6%**
Woolworths	WOW	Buy	4.3%	2.8%	+1.5%
CSL	CSL	Buy	4.8%	1.8%	+3.0%
Crown Limited	CWN	Buy	2.3%	0.4%	+2.0%
Transurban Group	TCL	Buy	2.7%	0.7%	+2.0%
Small Caps			**4.4%**	**3.1%**	**+1.3%**
Adelaide Brighton	ABC	Buy	1.5%	0.1%	+1.3%
Graincorp	GNC	Buy	1.5%	0.1%	+1.4%
Flight Centre	FLT	Buy	1.5%	0.1%	+1.4%

Source: UBS

UBS

Disclosures & Analyst Certification

Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

Required Disclosures

This report has been prepared by UBS Securities Australia Ltd, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

For information on the ways in which UBS manages conflicts and maintains independence of its research product; historical performance information; and certain additional disclosures concerning UBS research recommendations, please visit www.ubs.com/disclosures. The figures contained in performance charts refer to the past; past performance is not a reliable indicator of future results. Additional information will be made available upon request.

UBS Securities Co. Limited is licensed to conduct securities investment consultancy businesses by the China Securities Regulatory Commission.

UBS Investment Research: Global Equity Rating Allocations

UBS 12-Month Rating	Rating Category	Coverage[1]	IB Services[2]
Buy	**Buy**	49%	40%
Neutral	**Hold/Neutral**	42%	35%
Sell	**Sell**	8%	21%
UBS Short-Term Rating	**Rating Category**	**Coverage[3]**	**IB Services[4]**
Buy	**Buy**	less than 1%	14%
Sell	**Sell**	less than 1%	0%

1:Percentage of companies under coverage globally within the 12-month rating category.
2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.
3:Percentage of companies under coverage globally within the Short-Term rating category.
4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Rating allocations are as of 31 December 2010.

UBS Investment Research: Global Equity Rating Definitions

UBS 12-Month Rating	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.
UBS Short-Term Rating	**Definition**
Buy	Buy: Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.
Sell	Sell: Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.

Disclosures & Analyst Certification (cont.)

KEY DEFINITIONS

Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.
Market Return Assumption (MRA) is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).
Under Review (UR) Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.
Short-Term Ratings reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case.
Equity Price Targets have an investment horizon of 12 months.

EXCEPTIONS AND SPECIAL CASES

UK and European Investment Fund ratings and definitions are: Buy: Positive on factors such as structure, management, performance record, discount; Neutral: Neutral on factors such as structure, management, performance record, discount; Sell: Negative on factors such as structure, management, performance record, discount.
Core Banding Exceptions (CBE): Exceptions to the standard +/-6% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Company Disclosures table in the relevant research piece.

Research analysts contributing to this report who are employed by any non-US affiliate of UBS Securities LLC are not registered/qualified as research analysts with the NASD and NYSE and therefore are not subject to the restrictions contained in the NASD and NYSE rules on communications with a subject company, public appearances, and trading securities held by a research analyst account. The name of each affiliate and analyst employed by that affiliate contributing to this report, if any, follows.

UBS Securities Australia Ltd: Dean Dusanic

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

Companies Mentioned

Company Name	Reuters	12-mo rating	Short-term rating	Price	Price date
Adelaide Brighton Limited13	ABC.AX	Buy	N/A	A$3.47	10-Feb-11
ANZ Banking Group2, 4, 5a, 6, 13, 16	ANZ.AX	Buy	N/A	A$25.10	10-Feb-11
Aristocrat Leisure Ltd4, 5a, 13	ALL.AX	Buy	N/A	A$2.92	10-Feb-11
Asciano Limited4, 13	AIO.AX	Buy	N/A	A$1.72	10-Feb-11
BHP Billiton Limited4, 5a, 6, 16, 18a, 22	BHP.AX	Buy	N/A	A$46.76	10-Feb-11
Brambles Limited2, 3d, 4, 5a, 5b	BXB.AX	Buy	N/A	A$7.19	10-Feb-11
Commonwealth Bank of Australia2, 4, 16	CBA.AX	Neutral	N/A	A$55.60	10-Feb-11
Crown Limited4, 13	CWN.AX	Buy	N/A	A$8.63	10-Feb-11
CSL Limited4, 16	CSL.AX	Buy	N/A	A$37.03	10-Feb-11
Fairfax Media Limited4, 13, 18b	FXJ.AX	Buy	N/A	A$1.40	10-Feb-11
Flight Centre Limited	FLT.AX	Buy	N/A	A$23.15	10-Feb-11
Goodman Group3a, 3b, 5a	GMG.AX	Buy	N/A	A$0.70	10-Feb-11
GPT Group4, 5a, 13	GPT.AX	Buy	N/A	A$3.08	10-Feb-11
Graincorp Limited13	GNC.AX	Buy	N/A	A$7.67	10-Feb-11
Insurance Australia Group16	IAG.AX	Buy	N/A	A$3.79	10-Feb-11
IOOF Holdings Limited	IFL.AX	Neutral	N/A	A$7.93	10-Feb-11
JB Hi-Fi Limited5a, 13	JBH.AX	Buy	N/A	A$19.27	10-Feb-11
Myer Holdings Limited13	MYR.AX	Buy	N/A	A$3.23	10-Feb-11
Origin Energy5a	ORG.AX	Buy	N/A	A$16.73	10-Feb-11
Qantas Airways Limited4, 13, 18b	QAN.AX	Buy	N/A	A$2.42	10-Feb-11
Rio Tinto Limited3c	RIO.AX	Buy	N/A	A$88.68	10-Feb-11
RiverCity Motorway	RCY.AX	Sell	N/A	A$0.01	10-Feb-11
Sims Metal Management Limited4, 5a, 16	SGM.AX	Suspended	N/A	A$18.23	10-Feb-11
Transurban Group2, 4, 5a	TCL.AX	Buy	N/A	A$5.20	10-Feb-11
Westpac Banking Corporation2, 4, 5a, 16, 22	WBC.AX	Neutral	N/A	A$24.24	10-Feb-11
Woodside Petroleum Limited2, 4, 5a, 16	WPL.AX	Buy	N/A	A$42.48	10-Feb-11
Woolworths Limited4, 16	WOW.AX	Buy	N/A	A$26.38	10-Feb-11
WorleyParsons Limited4, 5a, 13	WOR.AX	Not Rated	N/A	A$29.19	10-Feb-11

Source: UBS. All prices as of local market close.

Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

2 UBS AG, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past 12 months.

3a. UBS AG, Australia Branch is acting as financial adviser to Goodman Group in its proposed strategic acquisition of Moorabbin Airport and business park in Victoria from Goodman Holdings and will be receiving a fee for acting in this capacity.

3b. UBS AG, Australia Branch is acting as Financial Adviser to ING Management Limited, the responsible entity for ING Industrial Fund, on the approach from the Goodman Group led consortium and will be receiving a fee for acting in this capacity.

3c. UBS AG, Australia Branch is acting as Financial Adviser to Riversdale Mining Limited on the approach from Rio Tinto and will be receiving a fee for acting in this capacity.

3d. UBS AG, Australia Branch is acting as Sole Financial Adviser to Brambles Limited on the proposed acquisition of IFCO Systems NV and will be receiving a fee for acting in this capacity.

4 Within the past 12 months, UBS AG, its affiliates or subsidiaries has received compensation for investment banking services from this company/entity.

5a. UBS AG, Australia Branch or an affiliate expect to receive or intend to seek compensation for investment banking services from this company/entity within the next three months.

5b. UBS AG, its affiliates or subsidiaries expect to receive or intend to seek compensation for investment banking services from this company/entity within the next three months.

6 This company/entity is, or within the past 12 months has been, a client of UBS Securities LLC, and investment banking services are being, or have been, provided.

13 UBS AG, its affiliates or subsidiaries beneficially owned 1% or more of a class of this company`s common equity securities as of last month`s end (or the prior month`s end if this report is dated less than 10 days after the most recent month`s end).

16 UBS Securities LLC makes a market in the securities and/or ADRs of this company.

18a. The U.S. equity strategist, a member of his team, or one of their household members has a long common stock position in BHP Billiton.

18b. UBS Securities Australia Ltd and its related bodies corporate has a relevant interest in 5% or more of this companies issued shares.

22 UBS AG, its affiliates or subsidiaries held other significant financial interests in this company/entity as of last month`s end (or the prior month`s end if this report is dated less than 10 working days after the most recent month`s end).

Contact Information

UBS Securities Australia Ltd

Dean Dusanic
Strategist

Contact:
UBS Wealth management

Justin Marshall
Client Advisor

email justin.marshall@ubs.com

Tel: +61- 3 9242 6592

Global Disclaimer

Global Disclaimer

This report has been prepared by UBS Securities Australia Ltd, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS. In certain countries, UBS AG is referred to as UBS SA.

This report is for distribution only under such circumstances as may be permitted by applicable law. Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, except with respect to information concerning UBS AG, its subsidiaries and affiliates, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the report. UBS does not undertake that investors will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment losses. Investments involve risks and investors should exercise prudence in making their investment decisions. The report should not be regarded by recipients as a substitute for the exercise of their own judgement. Past performance is not necessarily a guide to future performance The value of any investment or income may go down as well as up and you may not get back the full amount invested. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS as a result of using different assumptions and criteria. Research will initiate, update and cease coverage solely at the discretion of UBS Investment Bank Research Management. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information. UBS is under no obligation to update or keep current the information contained herein. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS, into other areas, units, groups or affiliates of UBS. The compensation of the analyst who prepared this report is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues, however, compensation may relate to the revenues of UBS Investment Bank as a whole, of which investment banking, sales and trading are a part.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates and other market conditions. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Neither UBS nor any of its affiliates, nor any of UBS' or any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report. For financial instruments admitted to trading on an EU regulated market: UBS AG, its affiliates or subsidiaries (excluding UBS Securities LLC and/or UBS Capital Markets LP) acts as a market maker or liquidity provider (in accordance with the interpretation of these terms in the UK) in the financial instruments of the issuer save that where the activity of liquidity provider is carried out in accordance with the definition given to it by the laws and regulations of any other EU jurisdictions, such information is separately disclosed in this research report. UBS and its affiliates and employees may have long or short positions, trade as principal and buy and sell in instruments or derivatives identified herein.

Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been effected at those prices and any prices do not necessarily reflect UBS's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions, by UBS or any other source, may yield substantially different results.

United Kingdom and the rest of Europe: Except as otherwise specified herein, this material is communicated by UBS Limited, a subsidiary of UBS AG, to persons who are eligible counterparties or professional clients and is only available to such persons. The information contained herein does not apply to, and should not be relied upon by, retail clients. UBS Limited is authorised and regulated by the Financial Services Authority (FSA). UBS research complies with all the FSA requirements and laws concerning disclosures and these are indicated on the research where applicable. **France:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities France SA. UBS Securities France S.A. is regulated by the Autorité des Marchés Financiers (AMF). Where an analyst of UBS Securities France S.A. has contributed to this report, the report is also deemed to have been prepared by UBS Securities France S.A. **Germany:** Prepared by UBS Limited and distributed by UBS Limited and UBS Deutschland AG. UBS Deutschland AG is regulated by the Bundesanstalt fur Finanzdienstleistungsaufsicht (BaFin). **Spain:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities España SV, SA. UBS Securities España SV, SA is regulated by the Comisión Nacional del Mercado de Valores (CNMV). **Turkey:** Prepared by UBS Menkul Degerler AS on behalf of and distributed by UBS Limited. **Russia:** Prepared and distributed by UBS Securities CJSC. **Switzerland:** Distributed by UBS AG to persons who are institutional investors only. **Italy:** Prepared by UBS Limited and distributed by UBS Limited and UBS Italia Sim S.p.A.. UBS Italia Sim S.p.A. is regulated by the Bank of Italy and by the Commissione Nazionale per le Società e la Borsa (CONSOB). Where an analyst of UBS Italia Sim S.p.A. has contributed to this report, the report is also deemed to have been prepared by UBS Italia Sim S.p.A.. **South Africa:** UBS South Africa (Pty) Limited (Registration No. 1995/011140/07) is a member of the JSE Limited, the South African Futures Exchange and the Bond Exchange of South Africa. UBS South Africa (Pty) Limited is an authorised Financial Services Provider. Details of its postal and physical address and a list of its directors are available on request or may be accessed at http:www.ubs.co.za. **United States:** Distributed to US persons by either UBS Securities LLC or by UBS Financial Services Inc., subsidiaries of UBS AG; or by a group, subsidiary or affiliate of UBS AG that is not registered as a US broker-dealer (a **'non-US affiliate'**), to major US institutional investors only. UBS Securities LLC or UBS Financial Services Inc. accepts responsibility for the content of a report prepared by another non-US affiliate when distributed to US persons by UBS Securities LLC or UBS Financial Services Inc. All transactions by a US person in the securities mentioned in this report must be effected through UBS Securities LLC or UBS Financial Services Inc., and not through a non-US affiliate. **Canada:** Distributed by UBS Securities Canada Inc., a subsidiary of UBS AG and a member of the principal Canadian stock exchanges & CIPF. A statement of its financial condition and a list of its directors and senior officers will be provided upon request. **Hong Kong:** Distributed by UBS Securities Asia Limited. **Singapore:** Distributed by UBS Securities Pte. Ltd [mica (p) 039/11/2009 and Co. Reg. No.: 198500648C] or UBS AG, Singapore Branch. Please contact UBS Securities Pte Ltd, an exempt financial advisor under the Singapore Financial Advisers Act (Cap. 110); or UBS AG Singapore branch, an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110) and a wholesale bank licensed under the Singapore Banking Act (Cap. 19) regulated by the Monetary Authority of Singapore, in respect of any matters arising from, or in connection with, the analysis or report. The recipient of this report represent and warrant that they are accredited and institutional investors as defined in the Securities and Futures Act (Cap. 289). **Japan:** Distributed by UBS Securities Japan Ltd to institutional investors only. Where this report has been prepared by UBS Securities Japan Ltd, UBS Securities Japan Ltd is the author, publisher and distributor of the report. **Australia:** Distributed by UBS AG (Holder of Australian Financial Services License No. 231087) and UBS Securities Australia Ltd (Holder of Australian Financial Services License No. 231098) only to 'Wholesale' clients as defined by s761G of the Corporations Act 2001. **New Zealand:** Distributed by UBS New Zealand Ltd. An investment adviser and investment broker disclosure statement is available on request and free of charge by writing to PO Box 45, Auckland, NZ. **Dubai:** The research prepared and distributed by UBS AG Dubai Branch, is intended for Professional Clients only and is not for further distribution within the United Arab Emirates. **Korea:** Distributed in Korea by UBS Securities Pte. Ltd., Seoul Branch. This report may have been edited or contributed to from time to time by affiliates of UBS Securities Pte. Ltd., Seoul Branch. **Malaysia:** This material is authorized to be distributed in Malaysia by UBS Securities Malaysia Sdn. Bhd (253825-x).**India :** Prepared by UBS Securities India Private Ltd. 2/F,2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai (India) 400051. Phone: +912261556000 SEBI Registration Numbers: NSE (Capital Market Segment): INB230951431 , NSE (F&O Segment) INF230951431, BSE (Capital Market Segment) INB010951437.

The disclosures contained in research reports produced by UBS Limited shall be governed by and construed in accordance with English law.

UBS specifically prohibits the redistribution of this material in whole or in part without the written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect. Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. © UBS 2011. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

UBS