

7 May 2009

# UBI Banca

Reuters: **UBI.MI** Bloomberg: **UBI IM** Exchange: **MIL** Ticker: **UBI**

## Q1-09 results preview

**Paola Sabbione**Research Analyst  
(+44) 207 54-50791  
paola.sabbione@db.com**Fabrizio Bernardi**Research Analyst  
(+39) 02 86379-731  
fabrizio.bernardi@db.com**Sell, target price raised to Euro 9.6**

Ahead of Q1-09 results, we confirm our Sell recommendation on UBI Banca. We slightly revise our estimates for 2009, still embedding weak trends in net interest income (-6% YoY) and increasing provisions on loan losses (86bps). UBI continues to trade at a premium to its peers (2009E P/TE of 1.0x) and we do not think it to be fully justified, considering that the company's P&L should be resilient but not immune from the effects of the current financial crisis.

**Q1-09 results release due on May 9**

UBI Banca's Board of Directors is set to meet on Friday, May 8 (previously scheduled for May 13) in order to present Q1-09 results to its EGM on May 9. Q1-09 results should be disclosed to the market early Saturday, May 9, and a conference call to comment on them is to take place on May 11 at 3:30PM (dial in +39 02 805 8811 – Italy, +44 203 1474796 – UK, +1 866 632 0328 – US).

**Q1-09 operating trends**

In Q1-09, we expect UBI Banca to report a net profit of Euro 18m. This result should be affected by Euro 69m in write-downs on Available for Sale (AFS) stakes (Intesa and A2A), the value of which has recovered since March 31 due to recent positive market performance. Net interest income should decline some 10% QoQ and 7% YoY due to worsening of the liability spread and the still partial offsetting effect of re-pricing on the lending side. Commissions and other income should be down 18% YoY (due to AUM outflows) and, in our view, down 5% QoQ (as the level of activities generating traditional banking fees likely declined in Q1-09). Provisions on loan losses should be more than 2.5x higher than in Q1-08, implying an annualized provisioning level of 71bps. The flow of bad loans (and their coverage) should be very similar to those seen in Q4-08.

**Valuation and risks**

We increase our target price to Euro 9.6 from Euro 6.4 due to the 1) rolling of estimates to 2011, 2) reduction of the cost of equity to 9.2% (from 9.7%), and 3) estimates revision. We calculate our target price with a Gordon Growth model. Like its peers, UBI Banca's performance could be influenced by any unexpected downturn of the economic environment. Company-specific upside risks include the potential for over-performance compared to the sector due to the stock's high defensiveness. *For further details on valuation and risks, please see page 6.*

**Forecasts and ratios**

Year End Dec 31	2007A	2008A	2009E	2010E
P/E Adjusted (x)	13.4	10.8	<b>29.2</b>	13.3
DPS(EUR)	0.95	0.45	<b>0.08</b>	0.35
P/B Tangible (x)	1.6	1.0	<b>1.0</b>	1.0

Source: Deutsche Bank estimates, company data

Deutsche Bank AG/London

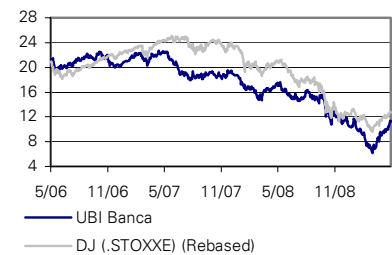
All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies. Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, 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. Independent, third-party research (IR) on certain companies covered by DBSI's research is available to customers of DBSI in the United States at no cost. Customers can access IR at <http://gm.db.com/IndependentResearch> or by calling 1-877-208-6300. DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1.

**Forecast Change****Sell**

Price at 6 May 2009 (EUR)	<b>11.24</b>
Price Target (EUR)	<b>9.60</b>
52-week range (EUR)	<b>17.60 - 6.15</b>

**Key changes**

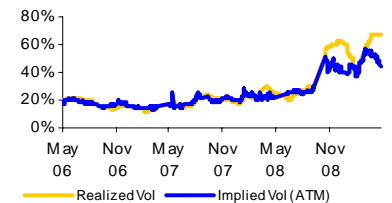
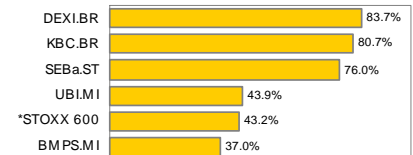
Target Price	6.40 to 9.60 ↑	<b>50.0%</b>
--------------	----------------	--------------

**Price/price relative**

Performance (%)	1m	3m	12m
Absolute	24.7	20.7	-35.5
DJ (.STOXXE)	11.0	4.0	-39.1

**Stock & option liquidity data**

Price Target (EUR)	9.60
Market cap (EUR)	7,177
Shares outstanding (m)	639
Free float (%)	1
Option volume (und. shrs., 1M avg.)	178,211

**Implied & Realized Volatility (3M)****Implied Volatility (3M, ATM) vs. Peers**\*Weighted-avg. of index components  
Data as of 05-May-09

Model updated:06 May 2009

**Running the numbers****Europe****Italy****Banks****UBI Banca**

Reuters: UBI.MI

Bloomberg: UBI IM

**Sell**

Price (6 May 09) EUR 11.24

Target price EUR 9.60

52-week Range EUR 6.15 - 17.60

Market Cap (m) EURm 7,177  
USDm 9,581**Company Profile**

UBI Banca is the second largest Italian Popolare Bank and arose from the merger between BPU Banca and Banca Lombarda (April 2007). It has some 1970 branches, mainly based North West of Italy (Lombardy, Piedmont). At 2006 yearend, it had more than Euro 80bn customer loans, Euro 82m customer deposits and Euro 59bn assets under management.

Fiscal year end 31-Dec	2006	2007	2008	2009E	2010E	2011E
<b>Data Per Share</b>						
EPS (stated)(EUR)	1.94	1.47	0.11	0.11	0.69	0.94
EPS (DB) (EUR)	1.54	1.40	0.95	0.38	0.84	1.05
Growth Rate - EPS (DB) (%)	-35.2	-8.9	-32.1	-59.6	119.3	25.0
DPS (EUR)	0.80	0.95	0.45	0.08	0.35	0.47
BVPS (stated) (EUR)	15.89	18.53	17.56	17.59	17.93	18.40
Tang. NAV p. sh. (EUR)	13.07	11.76	10.81	10.84	11.19	11.66
Market Capitalisation	13,295	12,011	6,571	7,177	7,177	7,177
Shares in issue	491	639	639	639	639	639

**Valuation Ratios & Profitability Measures**

P/E (stated)	10.8	12.8	95.3	104.0	16.2	11.9
P/E (DB)	13.5	13.4	10.8	29.2	13.3	10.7
P/B (stated)	1.3	1.0	0.6	0.6	0.6	0.6
P/Tangible equity (DB)	1.6	1.6	1.0	1.0	1.0	1.0
ROE(stated)(%)	8.8	8.6	0.6	0.6	3.9	5.1
ROTE (tangible equity) (%)	9.2	11.3	8.4	3.5	7.7	9.2
ROIC (invested capital) (%)	7.0	8.1	5.3	2.2	4.7	5.7
Dividend yield(%)	3.9	4.7	3.0	0.7	3.1	4.2
Dividend cover(x)	2.4	1.5	0.2	1.4	2.0	2.0

**Profit & Loss (EURm)**

Net interest revenue	2,599	2,881	3,074	2,893	3,030	3,176
Non interest income	1,780	1,820	1,237	1,330	1,424	1,472
Commissions	1,316	1,335	1,188	1,031	1,069	1,107
Trading Revenue	114	101	-249	45	45	46
Other revenue	349	383	298	255	309	319
Total revenue	4,379	4,701	4,310	4,223	4,454	4,648
Total Operating Costs	2,617	2,738	2,809	2,856	2,893	2,932
Employee Costs	1,530	1,592	1,632	1,639	1,660	1,680
Other costs	1,088	1,146	1,177	1,217	1,234	1,252
Pre-Provision profit/(loss)	1,774	2,001	1,536	1,412	1,606	1,761
Bad debt expense	248	374	553	858	605	557
Operating Profit	1,514	1,589	949	509	955	1,159
Pre-tax associates	0	0	0	0	0	0
Pre-tax profit	1,514	1,589	949	509	955	1,159
Tax	670	577	244	200	353	421
Other post tax items	107	-72	-636	-240	-159	-135
Stated net profit	951	940	69	69	443	602
Goodwill	0	81	88	86	84	62
Extraordinary & Other items	-196	-127	450	90	11	9
Bad Debt Provisioning	0	0	0	0	0	0
Investment reval, cap gains / losses	0	0	0	0	0	0
DB adj. core earnings	755	894	607	245	538	673

**Key Balance Sheet Items (EURm) & Capital Ratios**

Risk-weighted assets	90,086	97,912	89,892	91,316	95,617	100,142
Interest-earning assets	101,154	105,501	105,932	113,108	120,492	128,384
Customer Loans	83,063	92,729	96,368	99,893	105,655	111,773
Total Deposits	48,376	49,696	54,151	47,090	50,387	53,914
Stated Shareholder Equity	10,150	11,834	11,211	11,230	11,451	11,752
Equals: Tangible Equity	8,344	7,509	6,904	6,923	7,144	7,445
Tier 1 capital	5,884	7,289	6,945	6,880	7,102	7,403
Tier 1 ratio (%)	7	7	8	8	7	7
o/w core tier 1 capital ratio (%)	6.0	6.9	7.1	6.9	6.8	6.8

**Credit Quality**

Gross NPLs/Total Loans(%)	2.31	2.88	3.74	3.62	4.23	3.98
Risk Provisions/NPLs(%)	47	50	33	45	48	50
Bad debt / Avg loans (%)	0.28	0.43	0.58	0.86	0.57	0.50
Bad debt/Pre-Provision Profit(%)	14.0	18.7	36.0	60.8	37.7	31.6

**Growth Rates & Key Ratios**

Growth in revenues (%)	-1	7	-8	-2	5	4
Growth in costs (%)	0	5	3	2	1	1
Growth in bad debts (%)	-22	51	48	55	-29	-8
Growth in RWA (%)	73	9	-8	2	5	5
Net int. margin (%)	2.47	2.79	2.91	2.56	2.51	2.47
Cap.-market rev. / Total revs (%)	nm	nm	nm	nm	nm	nm
Total loans / Total deposits (%)	172	187	178	212	210	207

**ROTE Decomposition**

Revenue % ARWAs	4.86	4.80	4.79	4.66	4.77	4.75
Net interest revenue % ARWA	2.89	2.94	3.42	3.19	3.24	3.24
Non interest revenue % ARWA	1.98	1.86	1.38	1.47	1.52	1.50
Costs/income ratio (%)	59.5	57.4	64.4	66.6	63.9	62.1
Bad debts % ARWAs	0.27	0.38	0.61	0.95	0.65	0.57
Tax rate (%)	44.3	36.3	25.7	39.3	37.0	36.4
Adj. Attr. earnings % ARWA	0.84	0.91	0.68	0.27	0.58	0.69
Capital leverage (ARWA/Equity)	11.0	12.4	12.5	13.1	13.3	13.4
ROTE (Adj. earnings/Ave. equity)	9.2	11.3	8.4	3.5	7.7	9.2

Paola Sabbione

+44 207 54-50791

paola.sabbione@db.com

Source: Company data, Deutsche Bank estimates

# Q1-09 results review

## Results due May 9

UBI Banca's Board of Directors is set to meet on Friday, May 8, 2009 (previously scheduled for May 13, 2009), in order to present Q1-09 results to its EGM (to be held on May 9, 2009).

Q1-09 results should be disclosed to the market early Saturday, May 9, 2009. In Q1-09, UBI Banca should report a net profit of Euro 18m.

**Figure 1: UBI Banca: quarterly trends**

Consolidated data	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09E	% QoQ	% YoY
(Euro million)	PF	PF	PF	PF							
Net interest income	675	692	700	750	765	767	759	790	715	-10	-7
Dividends & associates	14	82	9	12	7	72	2	-13	1	-109	-84
Trading income	50	24	6	22	-27	38	-61	-193	11	-106	-141
Net commissions & other income	411	425	398	420	386	367	338	335	318	-5	-18
Total net income	1150	1223	1112	1205	1131	1244	1038	920	1045	14	-8
Total costs	659	685	646	709	659	703	634	696	666	-4	1
Gross operating result	491	538	467	495	472	541	404	223	379	70	-20
Total net provisions	75	59	75	202	69	108	114	306	185	-40	169
PPA	20	23	19	18	21	24	19	25	19	-24	-11
Net operating result	395	456	372	275	382	409	271	-108	175	-263	-54
Extraordinary items	0	-108	0	279	43	-3	-16	-538	-79	-85	-284
Pre-tax profit	395	348	372	554	425	406	256	-646	96	-115	-77
Taxes	182	212	177	83	174	80	131	-111	64	-158	-63
Minorities	20	19	25	54	31	26	24	17	14	-17	-55
Net Profit	193	117	170	416	219	300	101	-551	18	-103	-92

Source: Deutsche Bank Estimates, Company Data

### Net interest income

Net interest income should decline some 10% QoQ and 7% YoY due to the worsening of the liability spread and the still partial offsetting effect of the re-pricing on the lending side. Furthermore, we expect limited expansion of the lending book during the quarter (1% in our estimates), not only due to a tightening of offers, but also due to a reduction in demand. Indeed, SMEs and corporate clients are demanding the short-term financing of circulating capital rather than loans for investment or organic growth.

### Trading income

UBI Banca should record an income of Euro 12m, in our estimates, related to dividends and trading activities, thanks to a pick-up of financial markets in Q1-09.

### Commissions and other income

Commissions and other income should be down 18% YoY, due to AUM outflows and, in our view, down 5% QoQ as a result of the likely decline in the level of activities generating traditional banking fees in Q1-09.

### Operating costs

Operating costs should be down 4% QoQ, recovering from the Q4-08 seasonal pick-up; we expect YoY growth in operating costs to be limited to 1%.

**Provisions on loan losses and risk and charges**

Provisions on loan losses should be more than 2.5x higher than in Q1-08, implying an annualized provisioning level of 71bps. The flow of bad loans (and their coverage) should be very similar to those seen in Q4-08. Provisions on risk and charges should reach Euro 11m.

**Extraordinary items**

UBI Banca should record some Euro 79m in negative one-off items in Q1-09: Euro 69m from the impairment of AFS assets (Intesa and A2A), which was recovered during their recent favorable market performance; and Euro 10m in integration costs.

**Figure 2: AFS impairment**

<b>Euro</b>	<b>Number of shares (# m)</b>	<b>Carrying value per share</b>	<b>Prices at 31/03/09</b>	<b>Loss (Euro m)</b>
A2A	11.2	1.3	1.1	1
Intesa	145.0	2.5	2.1	67
LSE	1.6	5.3	5.1	0
<b>Total</b>				<b>69</b>

*Source: Deutsche Bank Estimates, DataStream*

# Estimates revision

## Fine tuning on 2009E and 2010E

We revise our estimates of UBI Banca's adjusted net profit by 11% in 2009 and by 2% in 2010E.

**Figure 3: UBI Banca: estimates revision**

Consolidated data	2008	2009E	2010E	2009E	2010E	2009E	2010E
(Euro million)		old	old			new	new
Net interest income	3,074	2,839	2,981	2	2	2,893	3,030
Dividends & associates	73	23	73	0	0	23	73
Trading income	-249	45	45	0	0	45	45
Net commissions & other income	1,413	1,330	1,369	-4	-4	1,271	1,315
Total net income	4,310	4,236	4,468	0	0	4,232	4,464
Total costs	2,774	2,783	2,822	1	1	2,811	2,848
Gross operating result	1,536	1,454	1,646	-2	-2	1,421	1,615
Total net provisions	587	926	653	-2	0	903	650
PPA total effect	88	86	84			86	84
Net operating result	860	441	909	-2	-3	432	881
Extraordinary items	-450	-21	-11			-90	-11
Pre-tax profit	411	420	898	-19	-3	342	870
Taxes	244	202	360	1	-1	203	356
Minorities	97	98	99	-36	-36	63	64
Net Profit	69	120	438	-38	3	75	450
Adjusted net profit	607	228	533	11	2	252	545

Source: Deutsche Bank Estimates, Company Data

We also roll-over estimates to 2011.

**Figure 4: UBI Banca: main P&L trends**

Consolidated data	2006	2007	2008	2009E	2010E	2011E	% 2006/	% 2007/	% 2008E/	% 2009E	% 2010E	% 2011E
(Euro m)							2005	2006	2007	2008E	2009E	2010E
Net interest income	2,599	2,881	3,074	2,893	3,030	3,176	6	11	7	-6	5	5
Dividends & associates	68	103	73	23	73	78	-76	52	-29	-68	215	7
Trading income	114	101	-249	45	45	46	-31	-11	-346	-118	1	1
Net commissions & other income	1,598	1,615	1,413	1,271	1,315	1,358	4	1	-13	-10	3	3
Total net income	4,379	4,701	4,310	4,232	4,464	4,658	-1	7	-8	-2	5	4
Total costs	2,605	2,700	2,774	2,811	2,848	2,886	2	4	3	1	1	1
Gross operating result	1,774	2,001	1,536	1,421	1,615	1,771	-5	13	-23	-7	14	10
Total net provisions	260	412	587	903	650	603	-29	58	42	54	-28	-7
PPA	0	81	88	86	84	62			10	-2		-27
Net operating result	1,514	1,508	860	432	881	1,107	1	0	-43	-50	104	26
Extraordinary items	196	127	-450	-90	-11	-9	86		-454	-80		-18
Pre-tax profit	1,710	1,635	411	342	870	1,098	6	-4	-75	-17	155	26
Taxes	670	577	244	203	356	425	11	-14	-58	-17	76	19
Minorities	89	118	97	63	64	65	0	33	-18	-35	1	1
Net Profit	951	940	69	75	450	609	3	-1	-93	9	498	35

Source: Deutsche Bank Estimates, Company data

# Valuation

## Target price

We increase our target price to Euro 9.6 (from Euro 6.4) and reiterate our Sell recommendation on the stock.

**Figure 5: UBI Banca – valuation**

	2009E	2010E
Equity	11,451	11,752
Goodwill	4,338	4,338
Tangible equity	7,113	7,414
Average tangible equity		7,263
Adjusted net profit	538	673
Average ROTe (%)		9.3
Shares (#)		641
Average tangible equity per share		11.3
Risk-free rate		4.5
Beta		1.18
Market premium		4.0
Discount factor		9.2
g		3.5
Per share valuation (2010)		11.4
Target price		9.6

Source: Deutsche Bank Estimates

We do not yet account for the dilution from the issue of warrants (639m, implying the potential creation of 32m new shares) and the Euro 640m (maximum) in convertible bonds.

## Risks

As for generic risks, we believe that UBI Banca, like its peers, remains exposed to a potential downturn in the economic environment, which could affect our revenues and loan loss provisions assumptions. Moreover, the new and constant attention that a number of authorities (such as consumer associations, the Bank of Italy, antitrust authorities, and the European Union) are paying to the cost of banking services in Italy (in comparison to the lower European average) could be another reason for increasing competition and for margin pressure on the whole system.

For UBI Banca, specific upside risks include a potential over-performance compared to the sector due to the stock's high defensiveness. Another specific upside risk should be the execution of the merger between the former BPU and BL and, in particular, any underestimate of cost and revenue synergies arising from the integration of the two banks.

# Appendix 1

## Important Disclosures

Additional information available upon request

### Disclosure checklist

Company	Ticker	Recent price*	Disclosure
UBI Banca	UBI.MI	11.24 (EUR) 6 May 09	6,7,8,14

\*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

## Important Disclosures Required by U.S. Regulators

Disclosures marked with an asterisk may also be required by at least one jurisdiction in addition to the United States. See "Important Disclosures Required by Non-US Regulators" and Explanatory Notes.

6. Deutsche Bank and/or its affiliate(s) owns one percent or more of any class of common equity securities of this company calculated under computational methods required by US law.
7. Deutsche Bank and/or its affiliate(s) has received compensation from this company for the provision of investment banking or financial advisory services within the past year.
8. Deutsche Bank and/or its affiliate(s) expects to receive, or intends to seek, compensation for investment banking services from this company in the next three months.
14. Deutsche Bank and/or its affiliate(s) has received non-investment banking related compensation from this company within the past year.

## Important Disclosures Required by Non-U.S. Regulators

Please also refer to disclosures in the "Important Disclosures Required by US Regulators" and the Explanatory Notes.

6. Deutsche Bank and/or its affiliate(s) owns one percent or more of any class of common equity securities of this company calculated under computational methods required by US law.
7. Deutsche Bank and/or its affiliate(s) has received compensation from this company for the provision of investment banking or financial advisory services within the past year.

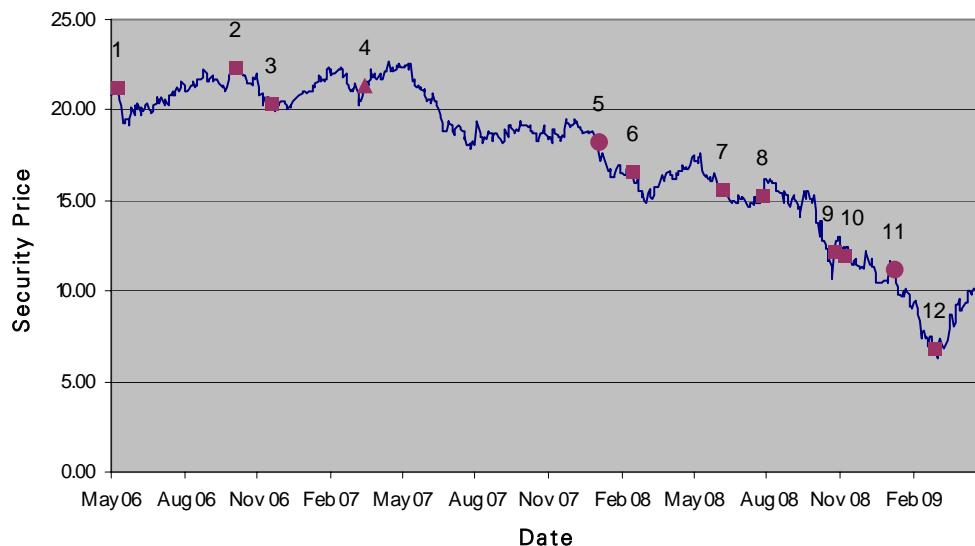
**For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/Disclosure.eqsr?ricCode=UBI.MI>.**

## Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s) about the subject issuer and the securities of the issuer. In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Paola Sabbione

**Historical recommendations and target price: UBI Banca (UBI.MI)**

(as of 6/05/2009)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

\*New Recommendation Structure as of September 9, 2002

1. 16/5/2006:	Hold, Target Price Change EUR22.10	7. 13/6/2008:	Hold, Target Price Change EUR19.10
2. 11/10/2006:	Hold, Target Price Change EUR22.40	8. 1/8/2008:	Hold, Target Price Change EUR15.70
3. 24/11/2006:	Hold, Target Price Change EUR22.00	9. 31/10/2008:	Hold, Target Price Change EUR13.70
4. 22/3/2007:	Upgrade to Buy, Target Price Change EUR24.60	10. 13/11/2008:	Hold, Target Price Change EUR12.60
5. 8/1/2008:	Downgrade to Hold, Target Price Change EUR20.60	11. 13/1/2009:	Downgrade to Sell, Target Price Change EUR9.00
6. 20/2/2008:	Hold, Target Price Change EUR19.70	12. 6/3/2009:	Sell, Target Price Change EUR6.40

**Equity rating key** **Equity rating dispersion and banking relationships**

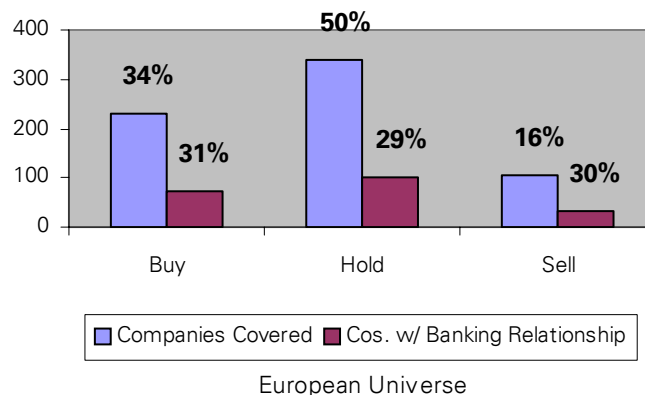
**Buy:** Based on a current 12- month view of total shareholder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield ) , we recommend that investors buy the stock.

**Sell:** Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock

**Hold:** We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

**Notes:**

1. Newly issued research recommendations and target prices always supersede previously published research.
2. Ratings definitions prior to 27 January, 2007 were:
  - Buy: Expected total return (including dividends) of 10% or more over a 12-month period
  - Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period
  - Sell: Expected total return (including dividends) of -10% or worse over a 12-month period



## Regulatory Disclosures

### 1. Important Additional Conflict Disclosures

Aside from within this report, important conflict disclosures can also be found at <https://gm.db.com/equities> under the "Disclosures Lookup" and "Legal" tabs. Investors are strongly encouraged to review this information before investing.

### 2. Short-Term Trade Ideas

Deutsche Bank equity research analysts sometimes have shorter-term trade ideas (known as SOLAR ideas) that are consistent or inconsistent with Deutsche Bank's existing longer term ratings. These trade ideas can be found at the SOLAR link at <http://gm.db.com>.

### 3. Country-Specific Disclosures

**Australia:** This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

**EU countries:** Disclosures relating to our obligations under MiFiD can be found at <http://globalmarkets.db.com/riskdisclosures>.

**Japan:** Disclosures under the Financial Instruments and Exchange Law: Company name - Deutsche Securities Inc. Registration number - Registered as a financial instruments dealer by the Head of the Kanto Local Finance Bureau (Kinsho) No. 117. Member of associations: JSDA, The Financial Futures Association of Japan. Commissions and risks involved in stock transactions - for stock transactions, we charge stock commissions and consumption tax by multiplying the transaction amount by the commission rate agreed with each customer. Stock transactions can lead to losses as a result of share price fluctuations and other factors. Transactions in foreign stocks can lead to additional losses stemming from foreign exchange fluctuations.

**New Zealand:** This research is not intended for, and should not be given to, "members of the public" within the meaning of the New Zealand Securities Market Act 1988.

**Russia:** This information, interpretation and opinions submitted herein are not in the context of, and do not constitute, any appraisal or evaluation activity requiring a license in the Russian Federation.

## Deutsche Bank AG/London

### European locations

#### Deutsche Bank AG London

1 Great Winchester Street  
London EC2N 2EQ

Tel: (44) 20 7545 8000

#### Deutsche-Bank AG,

Secursale de Paris  
3, Avenue de Friedland  
75008 Paris Cedex 8  
France  
Tel: (33) 1 44 95 64 00

#### Deutsche Bank AG

Equity Research  
Große Gallusstraße 10-14  
60272 Frankfurt am Main  
Germany  
Tel: (49) 69 910 00

#### Deutsche Bank Sim S.p.a

Via Santa Margherita 4  
20123 Milan  
Italy

Tel: (39) 0 24 024 1

#### Deutsche Bank AG

Herengracht 450  
1017 CA Amsterdam  
Netherlands

Tel: (31) 20 555 4911

#### Deutsche Securities

S.V.B, S.A.  
PO de la Castellana, 42  
7th Floor  
28046 Madrid, Spain  
Tel: (34) 91 782 8400

#### Deutsche Bank AG

Stureplan 4 A, Box 5781  
S-114 87 Stockholm  
Sweden

Tel: (46) 8 463 5500

#### Deutsche Bank AG

Uraniastrasse 9  
PO Box 7370  
8023 Zürich  
Switzerland  
Tel: (41) 1 224 5000

#### Deutsche Bank AG, Helsinki

Kaivokatu 10 A, P.O.Bvox 650  
FIN-00101 Helsinki  
Finland

Tel: (358) 9 25 25 25 0

#### Deutsche Bank AG

Hohenstaufengasse 4  
1010 Vienna  
Austria

Tel: (43) 1 5318 10

#### Deutsche Bank AG

Aurora business park  
82 bld.2 Sadovnicheskaya street  
Moscow, 115035  
Russia  
Tel: (7) 495 797-5000

#### Deutsche Bank AG, Warsaw

al.Armi Ludowej 26  
Budynek FOCUS  
00-609 Warsaw  
Poland  
Tel: (48) 22 579 87 00

#### Deutsche Bank AG, Turkey

Eski Buyukdere Cad. Tekfen Tower  
No:209 Kat:17-18  
TR-34394 Istanbul  
Tel: (90) 212 317 01 00

#### Deutsche Bank AG, Greece

23A Vassilissis Sofias Avenue  
6th Floor  
10674 Athens, Greece  
Tel: (30) 210 72 56 150

### International locations

#### Deutsche Bank Securities Inc.

60 Wall Street  
New York, NY 10005  
United States of America  
Tel: (1) 212 250 2500

#### Deutsche Bank AG London

1 Great Winchester Street  
London EC2N 2EQ  
United Kingdom  
Tel: (44) 20 7545 8000

#### Deutsche Bank AG

Große Gallusstraße 10-14  
60272 Frankfurt am Main  
Germany  
Tel: (49) 69 910 00

#### Deutsche Bank AG

Deutsche Bank Place  
Level 16  
Corner of Hunter & Phillip Streets  
Sydney, NSW 2000  
Australia  
Tel: (61) 2 8258 1234

#### Deutsche Bank AG

Level 55  
Cheung Kong Center  
2 Queen's Road Central  
Hong Kong  
Tel: (852) 2203 8888

#### Deutsche Securities Inc.

2-11-1 Nagatacho  
Sanno Park Tower  
Chiyoda-ku, Tokyo 100-6171  
Japan  
Tel: (81) 3 5156 6701

## Global Disclaimer

The information and opinions in this report were prepared by Deutsche Bank AG or one of its affiliates (collectively 'Deutsche Bank'). The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Deutsche Bank makes no representation as to the accuracy or completeness of such information.

Deutsche Bank may (1) engage in securities transactions in a manner inconsistent with this research report, (2) with respect to securities covered by this report, sell to or buy from customers on a principal basis, and (3) consider this report in deciding to trade on a proprietary basis.

Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of Deutsche Bank and are subject to change without notice. Deutsche Bank has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice. This report is provided for informational purposes only. It is not an offer or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy.

The financial instruments discussed in this report may not be suitable for all investors and investors must make their own informed investment decisions. Stock transactions can lead to losses as a result of price fluctuations and other factors. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the investment. Past performance is not necessarily indicative of future results.

Unless governing law provides otherwise, all transactions should be executed through the Deutsche Bank entity in the investor's home jurisdiction. In the U.S. this report is approved and/or distributed by Deutsche Bank Securities Inc., a member of the NYSE, the NASD, NFA and SIPC. In Germany this report is approved and/or communicated by Deutsche Bank AG Frankfurt authorized by the BaFin. In the United Kingdom this report is approved and/or communicated by Deutsche Bank AG London, a member of the London Stock Exchange and regulated by the Financial Services Authority for the conduct of investment business in the UK and authorized by the BaFin. This report is distributed in Hong Kong by Deutsche Bank AG, Hong Kong Branch, in Korea by Deutsche Securities Korea Co. and in Singapore by Deutsche Bank AG, Singapore Branch. In Japan this report is approved and/or distributed by Deutsche Securities Inc. The information contained in this report does not constitute the provision of investment advice. In Australia, retail clients should obtain a copy of a Product Disclosure Statement (PDS) relating to any financial product referred to in this report and consider the PDS before making any decision about whether to acquire the product. Deutsche Bank AG Johannesburg is incorporated in the Federal Republic of Germany (Branch Register Number in South Africa: 1998/003298/10). Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Deutsche Bank's prior written consent. Please cite source when quoting.