

Lower earnings estimate on equity income reduction



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PO down to NT\$35.3; Neutral maintained

We cut our PO for Asia Cement Corp (ACC) from NT\$44 to NT\$35.3 and maintain our Neutral rating. Though the company has a good outlook for its China operations and its share price has declined by 45% since early Aug., we find its equity income from U-Ming Marine and investment-related subsidiaries weak. We cut 08E-09E EPS by 19%/15% to NT\$8.1bn and NT\$8.4bn.

Expect an investment loss in Q3

We cut our Q3 earnings forecast to NT\$1bn from NT\$2.28bn, mainly reflecting investment loss in investment-related subsidiaries. Though we do not have the details on Asia Cement's major investment-related subsidiaries, we believe these entities will report disappointing numbers in 3Q08 as we can judge from the sluggish market, which has declined by 24% between end-Q2 and end-Q3.

2009 equity income reduction mainly from U-Ming Marine

We cut Asia Cement's 09E equity income from NT\$9.6bn to NT\$8.0bn as the gloomy dry-bulk shipping business will have a negative impact on its major subsidiary, U-Ming Marine (used to contribute one-third of the earnings).

No recovery in domestic demand in 2009

The sluggish property market will offset small incremental demand from government's potential infrastructure projects, on which we have low expectation given the government's poor execution and improper resource allocation as seen in the first domestic stimulation project. ACC will try to raise its domestic and export cement prices, which could slightly help improve domestic operations. China operations will be in line with our forecast in 2009.

Estimates (Dec)

(NT\$)	2006A	2007A	2008E	2009E	2010E
Net Income (Adjusted - mn)	7,153	10,100	8,056	8,399	8,548
EPS	2.47	3.48	2.78	2.90	2.95
EPS Change (YoY)	8.0%	41.2%	-20.2%	4.3%	1.8%
Dividend / Share	1.50	2.40	1.71	1.79	1.82
Free Cash Flow / Share	1.87	1.48	1.50	2.61	1.92

Valuation (Dec)

	2006A	2007A	2008E	2009E	2010E
P/E	10.37x	7.35x	9.21x	8.84x	8.68x
Dividend Yield	5.86%	9.38%	6.69%	6.98%	7.10%
EV / EBITDA*	33.24x	42.89x	66.45x	56.05x	56.47x
Free Cash Flow Yield*	7.32%	5.80%	5.85%	10.18%	7.52%

* For full definitions of *iQmethod*SM measures, see page 9.

Stock Data

Price	NT\$25.60
Price Objective	NT\$44.00 to NT\$35.30
Date Established	15-Oct-2008
Investment Opinion	B-2-7 to B-2-8
Volatility Risk	MEDIUM
52-Week Range	NT\$25.00-NT\$57.83
Mrkt Val / Shares Out (mn)	US\$2,291 / 2,898.8
Average Daily Volume	10,168,210
ML Symbol / Exchange	ASIXF / TAI
Bloomberg / Reuters	1102 TT / 1102.TW
ROE (2008E)	11.0%
Net Dbt to Eqty (Dec-2007A)	23.3%
Est. 5-Yr EPS / DPS Growth	5.0% / 5.0%
Free Float	55.0%



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Refer to important disclosures on page 10 to 11. Analyst Certification on Page 8. Price Objective Basis/Risk on page 8.

iQprofileSM Asia Cement Corp.

Key Income Statement Data (Dec)	2006A	2007A	2008E	2009E	2010E
(NT\$ Millions)					
Sales	10,811	10,746	10,647	12,667	12,686
Gross Profit	2,769	2,113	1,648	1,910	1,909
Sell General & Admin Expense	(398)	(380)	(541)	(720)	(740)
Operating Profit	2,371	1,733	934	1,190	1,169
Net Interest & Other Income	5,364	8,751	7,417	7,650	7,829
Associates	NA	NA	NA	NA	NA
Pretax Income	7,735	10,484	8,351	8,841	8,998
Tax (expense) / Benefit	(582)	(384)	(295)	(442)	(450)
Net Income (Adjusted)	7,153	10,100	8,056	8,399	8,548
Average Fully Diluted Shares Outstanding	2,899	2,899	2,899	2,899	2,899

Key Cash Flow Statement Data

Net Income (Reported)	7,153	10,100	8,056	8,399	8,548
Depreciation & Amortization	499	490	501	511	520
Change in Working Capital	91	(19)	34	429	4
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	(2,077)	(5,915)	(3,952)	(1,483)	(3,193)
Cash Flow from Operations	5,666	4,657	4,639	7,856	5,880
Capital Expenditure	(236)	(353)	(300)	(300)	(300)
(Acquisition) / Disposal of Investments	(6,482)	(2,530)	(2,000)	(2,000)	(2,000)
Other Cash Inflow / (Outflow)	178	(203)	0	0	0
Cash Flow from Investing	(6,540)	(3,086)	(2,300)	(2,300)	(2,300)
Shares Issue / (Repurchase)	0	0	0	0	0
Cost of Dividends Paid	(2,813)	(3,798)	(6,568)	(4,686)	(5,062)
Cash Flow from Financing	(763)	(1,197)	(1,528)	(3,686)	(2,062)
Free Cash Flow	5,430	4,303	4,339	7,556	5,580
Net Debt	14,349	16,829	21,160	20,778	22,263
Change in Net Debt	5,213	5,026	4,229	(870)	1,482

Key Balance Sheet Data

Property, Plant & Equipment	1,950	1,965	1,813	1,653	1,485
Other Non-Current Assets	74,035	89,722	92,574	95,980	101,121
Trade Receivables	1,215	1,146	1,136	1,352	1,353
Cash & Equivalents	1,955	2,476	3,287	5,158	6,678
Other Current Assets	1,756	2,011	2,091	2,476	2,481
Total Assets	80,912	97,320	100,901	106,619	113,118
Long-Term Debt	14,727	16,895	21,935	22,935	25,935
Other Non-Current Liabilities	3,267	3,162	6	7	8
Short-Term Debt	1,578	2,410	2,512	3,001	3,006
Other Current Liabilities	1,655	2,533	2,641	3,157	3,163
Total Liabilities	21,227	25,000	27,094	29,099	32,112
Total Equity	59,685	72,320	73,807	77,520	81,007
Total Equity & Liabilities	80,912	97,320	100,901	106,619	113,118

iQmethodSM - Bus Performance*

Return On Capital Employed	3.0%	1.8%	0.9%	1.1%	1.0%
Return On Equity	13.0%	15.3%	11.0%	11.1%	10.8%
Operating Margin	21.9%	16.1%	8.8%	9.4%	9.2%
EBITDA Margin	26.5%	20.7%	13.5%	13.4%	13.3%

iQmethodSM - Quality of Earnings*

Cash Realization Ratio	0.8x	0.5x	0.6x	0.9x	0.7x
Asset Replacement Ratio	0.5x	0.7x	0.6x	0.6x	0.6x
Tax Rate (Reported)	7.5%	3.7%	3.5%	5.0%	5.0%
Net Debt-to-Equity Ratio	24.0%	23.3%	28.7%	26.8%	27.5%
Interest Cover	8.2x	4.6x	1.7x	2.1x	1.9x

Key Metrics

* For full definitions of iQmethodSM measures, see page 9.

Company Description

Founded in 1957 by the Hsu family and belonging to Far Eastern Group, Asia Cement manufactures and distributes cement, clinker, cement products, ready-mixed concrete and ready-mixed concrete admixtures. Currently, Asia Cement is Taiwan's second largest cement maker with around 27% market share in terms of production volume. The company is also an early mover, setting up a cement production base in China.

Investment Thesis

ACC has now focused cement capacity expansion in Western China, where is the hot zone of China's infrastructure projects. ACC's aggressive expansion into China's western region is a strategy in the right direction, based on: growth opportunity in western China, need for high grade cement, and consolidation taking place. However, weak demand in domestic and export market, and potential 2009E earnings downside risk for major earnings contributor, U-Ming Marine, makes Asia Cement less attractive.

Table 1: Assumptions on shipment volume and ASP

		2007	08E	09E
Taiwan-Domestic	Volume(mn tons)	3.7	3.0	3.5
	ASP(US\$/ton)	63.5	71.6	80.7
-Exports	Volume(mn tons)	1.7	2.0	1.7
	ASP(US\$/ton)	36.6	44.3	48.9
China	Volume(mn tons)	8.0	10.0	14.0
	ASP(RMB/ton)	304	360	381

Source: Merrill Lynch and company

Stock Data

Price to Book Value	1.0x
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PO of NT\$35.3; Neutral maintained

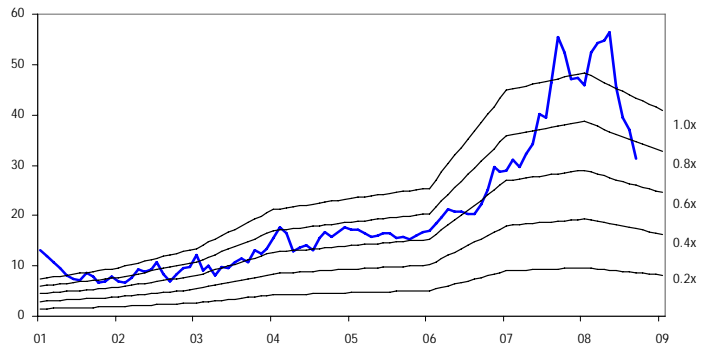
We cut our PO from NT\$44 to NT\$35.3 and maintain the Neutral rating. We change our income rating from 7 to 8 as we forecast its cash dividend to decline with a drop in earnings. . Though the company has a good outlook for its China operations and its share price has declined by 45% early Aug., we find its equity income from U-Ming Marine and investment-related subsidiaries weak. We cut 08E-09E EPS by 19%/15% to NT\$8.1bn and NT\$8.4bn.

Table 2: ACC's valuation basis (sum-of-the-parts valuation)

NT\$m, except per share	Valuation method	Multiple Remarks	Contribution to ACC
Cement business in Taiwan	EV/Capacity	US\$105/ton US\$105/ton is a 5% premium to replacement cost.	18,062
Cement business in China	EV/Capacity	US\$140/ton 09E EBITDA/ton is US\$13.7. US\$140/ton is based on 10.2x 09E EV/EBITDA.	43,161
Far Eastern Textile	Market value	1.0x Market value	28,352
U-Ming Marine	Market value	1.0x Market value	15,258
Far Eastone Telecom	Market value	1.0x Market value	1,162
Yue Yuan Investment	P/B	1.0x 1.0x P/B	3,600
Der Chien Investment	P/B	1.0x 1.0x P/B	8,720
Oriental Securities	P/B	1.0x 1.0x P/B	2,315
Far Eastern Department	P/B	1.0x 1.0x P/B is fair given it's a profit-making company.	1,933
Far Eastern International Bank	P/B	1.0x 1.0x P/B is fair given its above average asset quality	484
Fu Ming Transportation	P/B	1.0x 1.0x P/B is fair given it's a profit-making company.	1,005
Yuan Ding Co.	P/B	1.0x 1.0x is fair given it's a profit-making construction company.	3,187
Oriental Union Chemical Co.	P/B	1.0x 1.0x P/B is fair given it's a profit-making company.	1,694
Chya Hwei Electric Power	P/B	1.0x 1.0x P/B is fair given it will reach break-even this year.	2,716
Others	P/B	1.0x For other small subsidiaries, we assign 1.0x P/B to derive fair value.	8,824
Non-operating properties, net	P/B	1.0x Non-op properties is not revaluated since it was purchased. 1.0x P/B is fair.	6,485
Total value			146,960
(minus net debt)			(20,778)
SOTP-based fair value			126,182
Shares (mn)			2,899
SOTP-based fair value/share			44

Source: Merrill Lynch

Chart 1: Asia Cement: Our new PO is set at the trough valuation



Source: Merrill Lynch

Earnings reduction in equity income

We cut Asia Cement's 2008E/2009E equity income from NT\$9.6bn/NT\$9.62bn to NT\$7.8bn/NT\$8.0bn as the gloomy dry-bulk shipping business and sluggish domestic stock market have dealt a big blow to its major subsidiaries, U-Ming Marine (used to contribute one-third of earnings) and three investment-related companies.

U-Ming Marine: Earnings contribution will see significant decline

We had mentioned in our Asia Cement downgrading report that there are potential risks for Asia Cement's top earnings contributor, U-Ming Marine, which is in the tramp shipping business and is the largest dry bulk shipping company in Taiwan. The BDI index has declined by 80% from its peak and has slid by almost 70% since early August. Although the company has signed long-term contracts with some of its customers, its earnings are exposed to significant risks, in our view.

We cut the earnings contribution from U-Ming Marine from NT\$4.69bn/NT\$4.51bn in 2008E/2009E to NT\$4.23bn/NT\$3.25bn. Our new U-Ming Marine earnings forecast is based on consensus forecast of NT\$11.1bn/NT\$8.56bn over the same period.

Chart 2: The sharp decline on BDI index has a big negative impact on U-Ming Marine



Source: TEJ

Lower equity income from investment-related subsidiaries

We cut its equity income from three major investment-related subsidiaries from NT\$580mn gain to NT\$350mn loss in 2008E and from NT\$430mn gain to zero in NT\$2009E. Though we do not have the details on Asia Cement's major investment-related subsidiaries, we believe these entities will report hugely disappointing numbers in 3Q08 as we can judge from the sluggish market, which has declined by 24% between end-Q2 and end-Q3.

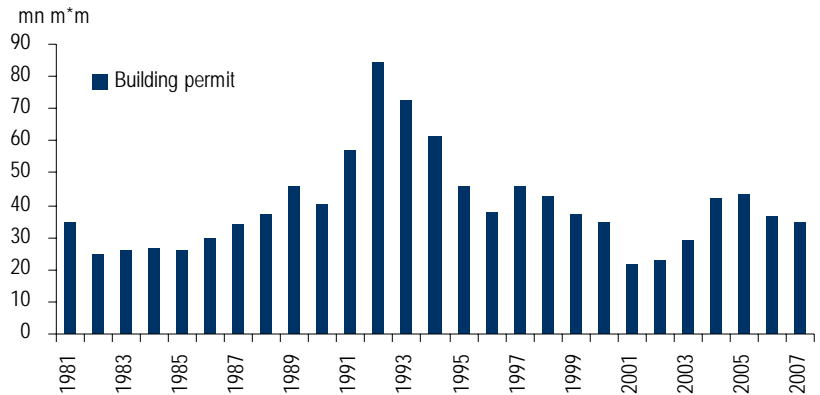
No recovery in domestic demand in 2009

We revise down Taiwan's domestic cement demand growth from -5%/+3% in 2008E/2009E to -10%/+0% as the property market is weak and there is no significant increase in new government projects. In 2009, the sluggish domestic property market (accounting for 70% of cement demand) will offset the small incremental demand from government's potential infrastructure projects, on which we have low expectation given the government's poor execution and improper resource allocation as seen in the first domestic stimulation project. Though ACC will try to raise its domestic and export cement prices in early 2009, we believe it could only help improve Taiwan operations' profitability but could not offset the significant earnings decline caused by the reduction of equity income.

Sluggish property market to offset small rise in infrastructure projects

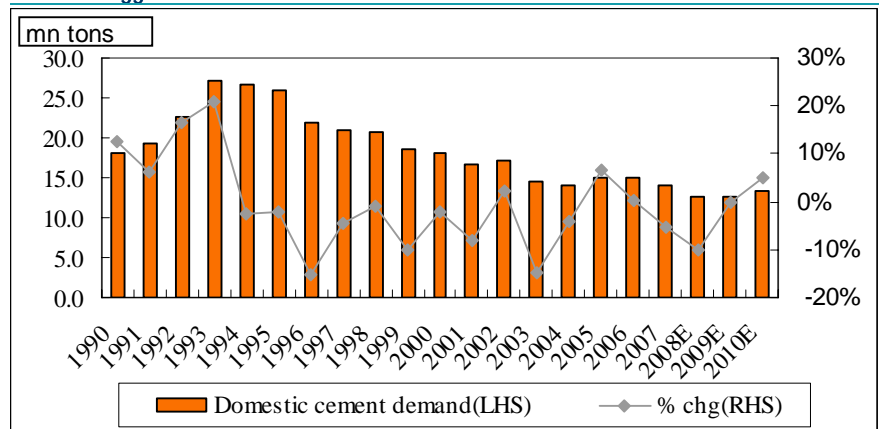
The property market has been getting weaker and weaker after the new government assumed office. In the first 8 months of 2008, building permits (in terms of area) have declined by 18% YoY, higher than the 14% decline in 1H08, due mainly to lack of confidence in the new government, sluggish stock market and lower disposable income. Building permits had peaked in 2005 and had declined by 15% in 2006 and 7% in 2007.

Chart 3: Demand from residential building already declining



Source: TEJ

Chart 4: Sluggish domestic demand



Source: Taiwan Cement Association, Merrill Lynch

Slight cement price increase is of little help

We believe cement makers could raise their domestic cement prices slightly to more than offset their cost hike due to the oligopolistic structure of the domestic market. The top two cement makers command 62% domestic market share. Cement makers are also trying to raise export prices to US\$50/ton in 2009 from the current US\$40/ton, which we think is difficult to achieve. Instead, we think US\$46 could be a more reasonable target, which will help their export business reach break-even from a small loss in 2008E. With better domestic operations and less export loss, we raise Asia Cement's 2009E operating income from NT\$1.14bn to NT\$1.19bn.

China operations are in line

We believe Asia Cement's China operations will be in line with our forecast as there is not much change on the competitive landscape, pricing and volume expansion.

Earnings cut by 19%/15% in 08E/09E

We cut Asia Cement's 2008E/2009E profit by 19%/15% to NT\$8.06bn (-21% YoY) and NT\$ 8.4bn (+4% YoY) as we significantly cut equity income. The slightly better domestic operations in 2009E could offset only a small portion of the shortfall in equity income.

Table 3: Asia Cement: earnings reduction

NT\$m	Original version			New Version			% change		
	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E
Sales	11055	12335	12354	10647	12667	12686	-4%	3%	3%
Gross profits	1855	1852	1850	1648	1910	1909	-11%	3%	3%
Operating profits	1141	1141	1132	934	1190	1169	-18%	4%	3%
Pre-tax profits	10377	10412	9450	8351	8841	8998	-20%	-15%	-5%
Net Profits	9980	9891	8978	8056	8399	8548	-19%	-15%	-5%
EPS(NT\$/share)	3.4	3.4	3.1	2.8	2.9	2.9	-19%	-15%	-5%
Gross margin	16.8%	15.0%	15.0%	15.5%	15.1%	15.0%			
Operating margin	10.3%	9.2%	9.2%	8.8%	9.4%	9.2%			
Net margin	90.3%	80.2%	72.7%	75.7%	66.3%	67.4%			

Source: Merrill Lynch

Table 4: Asia Cement: Quarterly earnings forecast

NT\$m	1Q08	2Q08	3Q08E	4Q08E	2007	2008E	2009E
Sales	2,638.6	2,567.5	2,406.8	3,034.6	10,745.5	10,647.4	12,667.4
Gross profits	481.4	395.0	304.6	466.6	2,112.9	1,647.6	1,910.5
Gross margin	18.2%	15.4%	12.7%	15.4%	19.7%	15.5%	15.1%
Operating profits	308.2	214.4	124.6	286.6	1,733.3	933.8	1,190.5
Operating margin	11.7%	8.3%	5.2%	9.4%	16.1%	8.8%	9.4%
Net Profits	2,863.6	2,301.6	997.1	1,893.4	10,154.2	8,055.7	8,398.8
Net margin	108.5%	89.6%	41.4%	62.4%	94.5%	75.7%	66.3%
EPS(NT\$/share)	0.99	0.79	0.34	0.65	3.50	2.78	2.90

Source: Merrill Lynch and company

Table 5: Sensitivity analysis: Coal price increase on EPS

Coal price increase	2008	2009	2010
0%	2.78	2.90	2.95
10%	2.75	2.79	2.85
20%	2.69	2.67	2.75
30%	2.64	2.56	2.64

Source: Merrill Lynch

PS: We assume the company can pass on 50% cost increase

Table 6: Financial forecasts

NT\$m, year-end Dec	2007	2008F	2009F	2010F
Income Statement				
Net sales	10746	10647	12667	12686
Sales growth	-0.6%	-0.9%	19.0%	0.1%
Gross profit	2113	1648	1910	1909
Operating income	1733	934	1190	1169
Pre-tax income	10484	8351	8841	8998
Income tax rate	3.7%	3.5%	5.0%	5.0%
Net income	10154	8056	8399	8548
EPS	3.50	2.78	2.90	2.95
EBIT	10,864	8,900	9,401	9,598
EBITDA	11,355	9,401	9,912	10,118
Balance sheet				
Cash & mkt. securities	2,476	3,287	5,158	6,678
Total current assets	5634	6514	8985	10512
Non-current assets	91686	94387	97633	102606
Total assets	97320	100901	106619	113118
Total current liab.	4,943	5,153	6,157	6,169
Non-current liab.	20,057	21,941	22,942	25,943
Total liabilities	25000	27094	29099	32112
Common stocks	27,347	27,347	27,347	27,347
Total Equity	72,320	73,807	77,520	81,007
Intrest-bearing debt	16,905	21,945	22,945	25,945
Net debt	14,429	18,658	17,787	19,267
Cash flow				
Net income	10154	8056	8399	8548
Depreciation & amortization	490	501	511	520
Cash earnings	10645	8557	8910	9068
Change in working capital	19	-34	-429	-4
Other op. CF changes	-6007	-3884	-625	-3184
Operating cash flow	4657	4639	7856	5880
Net capital expenditures	-326	-300	-300	-300
Change in LT investment	-2,530	-2,000	-2,000	-2,000
Other inv. CF changes	-230	0	0	0
Investing cash flow	-3086	-2300	-2300	-2300
Free cash flow	1570	2339	5556	3580
Dividend paid	-3,798	-6,568	-4,686	-5,062
Equity financing	0	0	0	0
Debt financing	5,400	5,040	1,000	3,000
Other fin. CF changes	-2,798	0	0	0
Financial cash flow	-1197	-1528	-3686	-2062
Exchange influence	0	0	1	2
Change in cash flow	374	811	1871	1520

Source: Merrill Lynch and company

Price objective basis & risk

Asia Cement (ASIXF)

Our PO of NT\$35.3 is based on a 0.8x NAV, equal to the SOTP valuation of its Taiwan cement operations (based on EV/capacity of US\$105/t), China Cement operations (based on EV/capacity of US\$140/t), and its subsidiaries at book or market cap (where available). The company has historically traded at 0.6-1.1x NAV, given its diversified investment holdings. A typical holding company discount could prevent it from trading above 1.0x NAV. Upside risks: better-than-expected domestic demand and higher cement prices. Downside risks: worse-than-expected competition and higher raw material prices.

Analyst Certification

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15 October 2008

Taiwan Coverage Cluster

Investment rating	Company	ML ticker	Bloomberg symbol	Analyst
BUY				
	China Life	CHLJF	2823 TT	Sophia Cheng
	Chinatrust	CTFHF	2891 TT	Katherine Hu
	Depo Auto Parts	DUOPF	6605 TT	Albert Hsu
	Far Eastern Textile	FREYF	1402 TT	Albert Hsu
	Fubon FHC	FUISF	2881 TT	Sophia Cheng
	Nak Sealing Tech	XMOOF	9942 TT	Albert Hsu
	SinoPac Financial Holdings	SPACF	2890 TT	Katherine Hu
NEUTRAL				
	Asia Cement	ASIXF	1102 TT	Albert Hsu
	Cathay FHC	CHYYF	2882 TT	Sophia Cheng
	E.Sun FHC	ESUFF	2884 TT	Katherine Hu
	Far East Dept.	FEDTF	2903 TT	Brandon Chen
UNDERPERFORM				
	China Motor	CHUYF	2204 TT	Albert Hsu
	Eternal Chemical	ETXCF	1717 TT	Albert Hsu
	Hota Ind Mfg Co	HOTIF	1536 TT	Albert Hsu
	Hotai Motor Co	HOTAF	2207 TT	Albert Hsu
	Kinik Company	KIKCF	1560 TT	Albert Hsu
	Shin Kong Financ	SKFHF	2888 TT	Sophia Cheng
	Taishin	TSHFF	2887 TT	Sophia Cheng
	Taiwan Cement	TGBMF	1101 TT	Albert Hsu
	Uni-President	XPDSF	1216 TT	Brandon Chen

iQmethodSM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) * (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$	$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill Amortization}$
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5-Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings		
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	$\text{Net Debt} = \text{Total Debt, Less Cash \& Equivalents}$	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit		
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	$\text{Market Cap.} = \text{Current Share Price} * \text{Current Basic Shares}$
Enterprise Value / Sales	$\text{EV} = \text{Current Share Price} * \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Sales Other LT Liabilities}$	
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

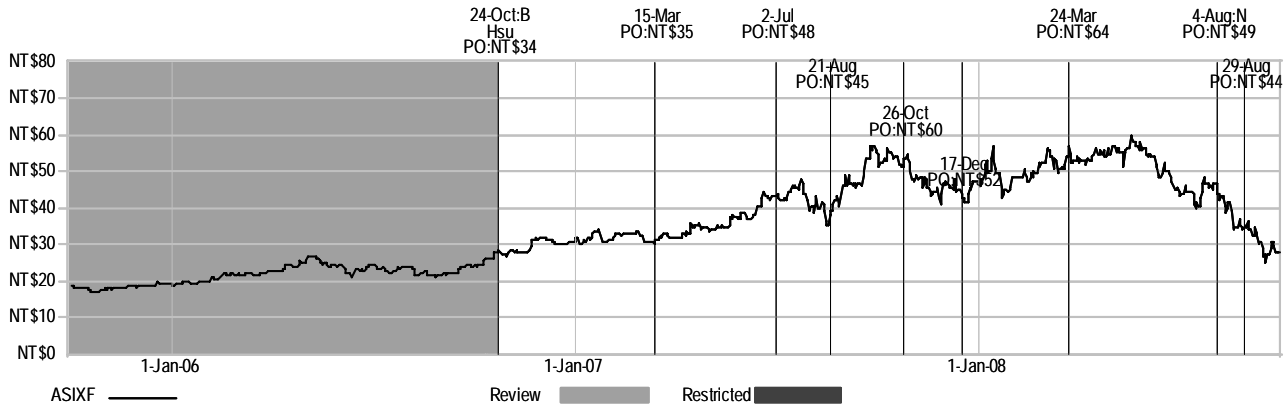
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Important Disclosures

ASIXF Price Chart



B : Buy, N : Neutral, S : Sell, U : Underperform, PO : Price objective, NA : No longer valid

Prior to May 31, 2008, the investment opinion system included Buy, Neutral and Sell. As of May 31, 2008, the investment opinion system includes Buy, Neutral and Underperform. Dark Grey shading indicates that a security is restricted with the opinion suspended. Light grey shading indicates that a security is under review with the opinion withdrawn. The current investment opinion key is contained at the end of the report. Chart is current as of September 30, 2008 or such later date as indicated.

Investment Rating Distribution: Building Group (as of 01 Oct 2008)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	30	30.30%	Buy	5	17.86%
Neutral	24	24.24%	Neutral	4	19.05%
Sell	45	45.45%	Sell	2	4.65%

Investment Rating Distribution: Global Group (as of 01 Oct 2008)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	1647	45.31%	Buy	429	28.83%
Neutral	858	23.60%	Neutral	240	31.41%
Sell	1130	31.09%	Sell	227	22.02%

* Companies in respect of which MLPF&S or an affiliate has received compensation for investment banking services within the past 12 months. For purposes of this distribution, a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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