SPIN-OFF RESEARCH

September 2011
Volume XV Issue 9

Spin-Off Research

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ANNOUNCEMENT CALENDAR

Company	Symbol	Announced Date	Spin-Off	Symbol	Type
ACCOR SA	AC FP	2/24/2010	EDENRED	NSH FP	SP
ACUITY BRANDS	AYI	7/23/2007	ZEP INC	ZEP	SP
ADVANTAGE	AAV	3/7/2011	LONGVIEW	LNV	CO
ALTRIA CORP	MO	8/29/2007	PHILIP MORRIS INTERNATIONAL	PM	SP
AMERICAN STANDARD CO	ASD	2/1/2007	WABCO	WBC	SP
AMR CORP	AMR	8/11/2011	AMERICAN EAGLE		SP
ANADARKO PETROLEUM	ADC	6/30/2007	WESTERN GAS PARTNERS LP	WES	CO
APPLERA	ABI	2/29/2008	CELERA CORP	CRA	SP
ARCELORMITTAL	MT	7/29/2010	APERAM	APEMY	SP
ARVINMERITOR	ARM	5/6/2008	ARVIN INNOVATION	ARVI	SP
ATLAS AMERICA	ATLS	2/27/2006	ATLAS PIPELINE HOLDINGS	AHD	CO
ATS AUTOMATION TOOLING SYS.	ATA CN	3/31/2011	PHOTOWATT		SP
AUTOMATIC DATA PROCESSING	ADP	8/2/2007	BROADRIDGE FINANCIAL SOLUTIONS	BR	SP
AWARE	AWRE	9/24/2010	PATENT LICENSING OPERATIONS		SP
BARRICK GOLD	ABX	2/18/2010	AFRICAN BARRICK GOLD	ABG LN	CO
BELO CORP	BELO	10/1/2007	A. H. BELO CORP	AHC	SP
BENTLEY PHARMACEUTICALS	BNT	7/31/2007	CPEX PHARMACEUTICALS	CPEX	SP
BRISTOL-MYERS SQUIBB	BMY	12/5/2007	MEAD JOHNSON NUTRITION	MJN	CO
BRISTOL-MYERS SQUIBB	BMY	11/15/2009	MEAD JOHNSON NUTRITION	MJN	SPLIT
CABLE & WIRELESS COMM	CWC LN	3/26/2010	CABLE & WIRELESS WORLDWIDE	CWW LN	SP
CABLEVISION SYSTEMS	CVC	11/18/2010	AMC NETWORKS INC.	AMCX	SP
CABLEVISION SYSTEMS	CVC	7/30/2009	MADISON SQUARE GARDEN	MSG	SP
CAPITAL SHOPPING CENTRES	CSCG LN	3/9/2010	CAPITAL & COUNTRY	CAPC LN	SP
CADBURY SCHWEPPES	CBRY LN	10/10/2007	DR. PEPPER SNAPPLE GROUP	DPS	SP
CARROLS RESTAURANT GROUP	TAST	2/24/2011	FIESTA RESTAURANT GROUP		SP
CARDINAL HEALTH	CAH	9/29/2008	CAREFUSION	CFN	SP
CARPHONE WAREHOUSE GROUP	NCW LN	3/26/2010	TALKTALK	TT LN	SP
CHENIERE ENERGY	LNG	12/21/2006	CHENIERE ENERGY PARTNERS	CQP	CO
CITIGROUP	C	11/5/2009	PRIMERICA	PRI	CO
CKX, INC	CKXE	6/19/2007	FX LUXURY REALTY LLC	FXRE	SP
CONOCOPHILLIPS	COP	7/14/2011	DOWNSTREAM BUSINESS		SP
CYPRESS SEMICONDUCTOR	CY	7/17/2008	SUNPOWER	SPWRA	SP
DIANA SHIPPING	DSX	12/23/2010	DIANA CONTAINERSHIPS INC.	DCIX	SP
DIGIMARC	DMRC	6/23/2008	DMRC CORP	DMRCD	SP
DISCOVERY HOLDINGS	DISCA	12/13/2007	DISCOVERY COMMUNICATIONS		SP
DISH NETWORK	DISH	12/13/2007	ECHOSTAR HOLDINGS	SATS	SP
DRYSHIPS INC.	DRYS	12/23/2010	OCEAN RIG UDW	ORIG	SP
E.W. SCRIPPS	SSP	10/16/2007	SCRIPPS NETWORKS INTERACTIVE	SNI	SP
eBAY	EBAY	4/14/2009	SKYPE		CXL
EL PASO CORP	EP	8/31/2007	EL PASO PIPELINE PARTNERS	EPB	CO
EL PASO CORP	EP	5/24/2011	EXPLORATION & PRODUCTION		SP
EMC	EMC	2/8/2007	VMWARE	VMW	SP
ENCANA CORP	ECA	5/13/2008	CENOVUS ENERGY	CVE	SP
ENZON PHARMACEUTICALS	ENZN	5/8/2008	EVIVRUS, INC	HOPE	SP
ESSAR PORTS	ESRS IN	8/12/2010	ESSAR SHIPPING		SP
EXPEDIA	EXPE	4/7/2011	TRIPADVISOR HOLDINGS		SP
FBR INC	FBR	4/10/2007	FBR CAPITAL MARKET	FBCM	CO
FIAT S.P.A.	F	4/21/2010	FIAT INDUSTRIAL	FI IM	SP
FIDELITY NATIONAL INFO	FIS	10/25/2007	LENDER PROCESSING SERVICES	LPS	SP
FIRST AMERICAN (CORELOGIC)	CGLX	1/15/2008	FIRST AMERICAN FINANCIAL	FAF	SP
FMC TECHNOLOGIES	FTI	10/29/2007	JOHN BEAN TECHNOLOGIES	JBT	SP
FOCUS MEDIA HOLDING	FMCN	9/19/2008	ALLYES ONLINE MEDIA HOLDING		CO
FOREST OIL	FST	12/13/2010	LONE PINE RESOURCES	LPR	CO
FORTUNE BRANDS*	FO	12/8/2010	HOME & SECURTIY		SP
FOSTER'S GROUP	FGL AU	2/15/2011	TREASURY WINE ESTATES	TWE	SP
GAIAM	GAIA	2/7/2008	REAL GOODS SOLAR	RSOL	CO
GENCO SHIPPING & TRADING	GNK	10/14/2009	BALTIC TRADING LIMITED	BALT	CO
GENERAL GROWTH PROPERTIES	GGP	8/25/2010	HOWARD HUGHES	HHC	SP
GENERAL GROWTH PROPERTIES	GGP	8/2/2011	ROUSE PROPERTIES		SP
GENERAL ELECTRIC COMPANY	GE	7/10/2008	CONSUMER & INDUSTRIAL BUSINESS		SP
GENWORTH FINANCIAL	GNW	5/29/2009	GENWORTH MI CANADA	MIC CN	CO
GOLAR LNG LTD.	GLNG	3/30/2011	GOLAR LNG PARTNERS	GMLP	CO
GRUPO CARSO	GCARSOA1	8/25/2010	MINERA FRISCO	MFRISCO	SP
GRUPO CARSO	GCARSOA1	8/25/2010	INMUEBLES CARSO	INCARSO	SP
HIL-ROM HOLDINGS	HRC	5/10/2007	HILLENBRAND INC	HI	SP
IDT CORP	IDT	11/2/2010	GENIE ENERGY	GNE	SP
IAC/INTERACTIVE	IACI	11/5/2007	HSN	HSNI	SP
IAC/INTERACTIVE	IACI	11/5/2007	TICKETMASTER	TKTM	SP
IAC/INTERACTIVE	IACI	11/5/2007	INTERVAL LEISURE GROUP	IILG	SP
IAC/INTERACTIVE	IACI	11/5/2007	TREE.COM	TREE	SP
ITT	ITT	1/12/2011	ITT XYLEM		SP
ITT	ITT	1/12/2011	ITT EXELIS		SP
JULIUS BAER	BAER VX	2/12/2008	ARTIO GLOBAL INVESTORS	ART	CO
KRAFT FOODS INC	KFT	8/4/2011	NORTH AMERICAN GROCERY BUS.		SP
KRAFT FOODS INC	KFT	11/15/2007	RALCORP HOLDINGS	RAH	SPLIT

*NAME CHANGE OCT. 4, 2011 TO BEAM INC. (BEAM)

ANNOUNCEMENT CALENDAR

Company	Symbol	Announced Date	Spin-Off	Symbol	Type
KEMIRA	KRA1V FH	3/26/2010	TIKKURILA	TIK1V FH	SP
L-3 COMMUNICATIONS	LLL	7/28/2011	ENGILITY		SP
LAKES ENTERTAINMENT	LACO	10/7/2008	WPT ENTERPRISES	WPTE	SP
LIBERTY INTERNATIONAL	LII LN	4/7/2010	CAPITAL SHOPPING CENTRES	CSC	SP
LIBERTY MEDIA INTERACTIVE	LINTA	6/20/2010	LIBERTY STARZ	LSTZA	SPLIT
LIBERTY MEDIA INTERACTIVE	LINTA	12/12/2008	LIBERTY CAPITAL	LCAPA	SPLIT
LOEWS CORP	L	12/17/2007	LORILLARD INC	LO	SPLIT
LRAD	LRAD	4/8/2010	PARAMETRIC SOUND CORP	PAMT	SP
MARATHON OIL	MRO	1/14/2011	MARATHON PETROLEUM COMPANY	MPC	SPLIT
MARRIOTT	MAR	2/14/2011	MARRIOTT VACATIONS WORLDWIDE		SP
MARSHALL & ILSLEY	MI	4/5/2007	METAVANTE TECHNOLOGIES	MV	SP
MCDERMOTT INTL	MDR	12/7/2009	BABCOCK & WILCOX CO	BWC	SP
MEDTRONIC	MDT	12/4/2006	PHYSIO-CONTROL		SP
MGM RESORTS	MGM	9/27/2010	MGM CHINA HOLDINGS LTD	2282 HK	CO
MODERN TIMES GROUP	MTG AB	4/19/2010	CDON GROUP	CDON	SP
MOTOROLA, INC	MOT	3/26/2008	MOTOROLA MOBLITY	MMI	SP
MOTOROLA, INC	MOT	3/26/2008	MOTOROLA SOLUTIONS	MSI	SP
MYRIAD GENETICS	MYGN	10/20/2008	MYRIAD PHARMACEUTICALS	MYRX	SP
NEWS CORP	NWS	3/3/2011	BRITISH SKY BROADCASTING	BSY LN	SP
NCR	NCR	1/8/2007	TERADATA	TDC	SP
NORTHROP GRUMMAN	NOC	7/13/2010	HUNTINGTON INGALLS	HII	SP
NTELOS	NTLS	12/8/2010	NEW WIRELINE		SP
OCWEN FINANCIAL	OCN	12/19/2008	ALTISOURCE PORTFOLIO SOLUTIONS	ASPS	SP
OVERSEAS SHIPHOLDING	OSG	8/10/2007	OSG AMERICA LP	OSP	CO
PARAGON	PRGN	4/4/2011	BOX SHIPS	TEU	SP
PDL BIOPHARMA	PDLI	4/10/2008	FACET BIOTECH CO	FACT	SP
PEABODY ENERGY	BTU	5/15/2007	PATRIOT COAL	PCX	SP
PHARM PROD DEVELOP	PPDI	10/27/2009	FURIEX	FURX	SP
PHOENIX COS	PNX	2/7/2008	VIRTUS INVESTMENT PARTNERS	VRTS	SP
PIONEER NAT RESOURCES	PXD	4/23/2007	PIONEER SOUTHWEST ENERGY LP	PSE	CO
PIONEER NAT RESOURCES	PXD	4/23/2007	GAS MLP		CO
POTLATCH	PCH	7/17/2008	CLEARWATER PAPER COMPANY	CLW	SP
PRIDE INTERNATIONAL	PDE	12/23/2008	SEAHAWK DRILLING	HAWK	SP
PUNCH TAVERNS	PUB LN	3/22/2011	SPIRIT	SPRT LN	SP
QUANEX CORP	NX	11/19/2007	QUANEX BUILDING PRODUCTS	NX	SP
QUESTAR	STR	4/21/2010	QUESTAR E & P	QEP	SP
QUICKSILVER RESOURCES	KWK	2/12/2007	QUICKSILVER GAS	KGS	CO
SANDRIDGE	SD	1/5/2011	SANDRIDGE MISSISSIPPIAN TRUST I	SDT	CO
SAN MIGUEL CORP	SMC PM	7/24/2007	SAN MIGUEL BREWERY	SMB PM	CO
SARA LEE	SLE	1/28/2011	EUROPEAN-BASED COFFEE UNIT		SP
SEACOR HOLDINGS	CKH	8/2/2011	ERA OIL-HELICOPTER UNIT	ERA	CO
SEARS HOLDINGS CORP.	SHLD	6/23/2011	ORCHARD SUPPLY STORES		SP
SHANDA INTERACTIVE	SNDA	5/25/2009	SHANDA GAMES	GAME	CO
SHANDA INTERACTIVE	SNDA	4/18/2011	CLOUDARY		SP
SIEMENS	SI	3/28/2011	OSRAM		CO
SINO AMERICAN SILICON	5483 TT	4/14/2011	GLOBAL WAFER CORP.		SP
SINO AMERICAN SILICON	5483 TT	4/14/2011	TAIWAN SAPPHIRE CORP.		SP
SOHU.COM	SOHU	3/17/2009	CHANGYOU.COM	CYOU	CO
SOPRA	SOP FP	1/21/2011	AXWAY	AXW FP	CO
SPECTRA ENERGY	SE	3/30/2007	SPECTRA ENERGY PARTNERS	SEP	CO
SPRINT NEXTEL	S	5/1/2007	VIRGIN MOBILE USA	VM	CO
STATOIL ASA	STO	9/2/2010	STATOIL FUEL & RETAIL ASA	SFR	CO
SUN HEALTHCARE	SUNH	5/24/2010	SABRA HEALTH CARE REIT	SBRA	SP
SUNOCO	SUN	6/16/2010	SUNCOKE ENERGY	SCE	SP
SYNOVUS FINANCIAL	SNV	7/24/2007	TOTAL SYSTEMS SERVICES	TSS	SP
TABCORP	TAH AU	10/18/2010	ECHO ENTERTAINMENT	EGP AU	SP
TEEKAY CORP	TK	4/18/2007	TEEKAY TANKERS	TNK	CO
TELMEX	TELMEXL	11/14/2007	TELMEX INTERNATIONAL	TELINTL MM	SP
TEMPLE-INLAND	TIN	2/26/2007	GUARANTY FINANCIAL	GFG	SP
TEMPLE-INLAND	TIN	2/26/2007	FORESTAR REAL ESTATE	FOR	SP
TERRA NOVA	TTT	1/6/2010	KHD HUMBOLT	KHDHF	SP
TESORO	TSO	12/13/2010	TESORO LOGISTICS LP	TLLP	CO
TETRA TECHNOLOGIES	TTI	11/10/2008	COMPRESSCO PARTNERS LP	CP	CO
THE BRINK'S COMPANY	BCO	2/25/2008	BRINK'S HOME SECURITY	CFL	SP
TIME WARNER	TWX	4/29/2009	AOL INC	AOL	SP
TIME WARNER	TWX	4/30/2008	TIME WARNER CABLE	TWC	SP
TOROMONT	TIH CN	11/8/2010	ENERFLEX	EFX CN	SP
VERIZON COMMUNICATIONS	VZ	5/13/2009	FRONTIER COMMUNICATIONS	FTR	SP
VISHAY INTERTECHNOLOGY	VSH	10/27/2009	VISHAY PRECISION	VPG	SP
WALTER ENERGY	WLT	9/30/2008	WALTER INVESTMENT MGT	WAC	SP
WESTERN COPPER CORP*	WRN CN	6/23/2011	COPPER NORTH MINING CORP		SP
WESTERN COPPER CORP*	WRN CN	6/23/2011	NORTHISLE COPPER & GOLD INC		SP
WILLIAMS	WMB	2/16/2011	NEW E&P		SP
	{SP} Spin-Off	{CO} Carve-out	{TR} Tracking	{SPLIT}	Split-Off

*NAME CHANGE TO WESTERN COPPER & GOLD CORPORATION

How Soon Post Spin Can an Acquisition Occur?

Motorola Mobility was created in the January 2011 breakup of Motorola (8 months ago). Last month Google announced its intent to acquire Motorola Mobility (NYSE: MMI, $37.80, Market Capitalization: $11.2 billion) for $40.00 per share or $12.5 billion in cash. The transaction was approved by the boards of directors of both companies and is expected to close by the end of 2011 or early 2012. The offer price was a 63% premium to the closing price of MMI on August 12, 2011. Motorola Mobility started trading on December 17, 2010 (when-issued), when Motorola split into two public parts (Motorola Solutions and Motorola Mobility). The MMI ended its first day of trading at $25.05. The deal sent Mobility's shares up 56 percent, to $37.86.

On August 30, 2011, CoreLogic (NYSE: CLGX-$11.23, $1.2 billion market cap), rose 28 percent a day after the company said it has hired boutique advisory firm Greenhill & Co to explore a possible sale or merger. The company, which provides data to the real estate and mortgage sectors, has formed a committee to look into various strategic options, including cost cutting moves and possible repurchases of debt. CoreLogic, was spun-off from financial services giant First American Corp (NYSE: FAF-$15.51, $1.6 billion cap), in June 2010 (14 months ago). CoreLogic is a leading provider of consumer and property data and analytical services.

With the merger activity heating up in the "spin-off space", we decided to revisit the rules regarding mergers post spin-off. Many investors believe that there is a two-year embargo on such acquisitions. This is simply not so.

Anti-Morris Trust Rules

What are the "anti-Morris Trust" rules? When can a company, either the distributing parent or the spun-off subsidiary, which has participated, recently, in a tax-free spin-off, be acquired? Is there really a two-year embargo on such acquisitions? The answer is no, some additional examples, how do you explain the fact that Realogy, spun-off by Cendant, announced an agreement to be acquired by Apollo, some five months after the spin-off was completed or that First Data, which spun-off Western Union announced, within six months of the separation an agreement to be acquired by KKR? The I.R.S. has issued final regulations setting forth the rules that apply to post-spin-off acquisitions. These rules are quite liberal and belie the notion, widely and erroneously held, that such an embargo exists. In fact, in the case of an acquisition following a spin-off, the events are part of a prohibited "plan" (with the result that the spin-off would become taxable at the distributing corporation's level) only if there was an agreement, understanding, arrangement or "substantial negotiations", regarding the acquisition or a "similar acquisition", at some time during the two year period ending on the date of the spin-off.

Anti-Morris Trust Rules

Named after IRS case, Commissioner V. Morris Trust

- Rules are promulgated in Internal Revenue Code Section 355 (e) and Treasure Regulations 1.355-7.

Typically applicable in scenarios where:

- Company spins-off a controlled subsidiary
- Another company acquires 50% or more of the stock, by voting or value, of the parent company or spun-off company.

Acquisition & spin-off presumed to be part of a plan if:

One or more persons acquires more than a 50% interest in the Parent Company or any controlled (i.e., Spin Co., other subs □ 80% owned) in the two years prior to the spin-off and two years after the spin-off.

Presumption may be overcome if certain conditions are satisfied:

- Company must establish that spin-off and acquisition are not related to a plan or series of related transactions.
- Several "safe harbors" in the Regulations exist where scenarios are not deemed to be part of a plan.
- Also must not violate the device test

Spin-Off Followed by Acquisitions

There is No Two Year Rule…

How long does the parent company or spin-off need to wait after the spin-off to be acquired?

- If certain requirements are met, there is no 2 year waiting period
- Examples of spin-off followed by acquisitions within two years
    1. Cendant spun off Realogy in August 2006 and announced to be acquired by December 2006.
    2. First Data spun off Western Union in October 2006 and announced to be acquired by KKR in April 2007.

Anti-Morris Trust Treasure Regulations

Regulations Issued in April 2005 help companies determine if a transaction is considered to be part of a "plan".

Spin-off could be taxable at the corporate level if:

Considered part of a plan if there was an agreement, understanding, arrangement, or substantial negotiations during the 2 year period ending on the spin-off date.

<u>What are substantial negotiations?</u>

According to Regulations, substantial negotiations generally require discussions of significant economic terms (e.g., exchange ratio is a reorganization) with the other party.

Vaguely defined, never been "tested" and subject to interpretation

Several safe harbors exist and not deemed part of a plan if met

Macro safe harbor: No agreement, understanding, arrangement or substantial negotiations regarding the acquisition during the 2 year period preceding the spin-off date.

- If none, the negotiations and merger could occur immediately after the spin-off
- Importantly, there is no 2-year waiting period for a merger to occur if the situation is not considered part of a "plan" and certain other IRS code requirements are met
- Apart from the safe harbors, companies must then rely on a "facts and circumstances" test to prove no plan existed

Several other "safe harbors" included in Regulations

Safe Harbor I:

1. Corporate business purpose, and
2. Acquisition occurs more than 6 months after spin date; and,
3. No Agreement, understanding, arrangement or substantial negotiations regarding an acquisition during 1 year prior to spin-off date and 6 months after spin-off date.

Safe Harbor II: No agreement, understanding, or arrangement at date of spin-off and no agreement, understanding, arrangement or substantial negotiations 1 year after spin-off.

1. Applicable where there were substantial negotiations with a potential acquirer prior to the spin-off but no agreement was reached.
2. Under this safe harbor you would need to wait 1 year before recommencing negotiations with the same party to use the safe harbor.

Other safe harbors delineated in Reg 1.355-7 (d).

Need to consider all facts and circumstances

- For example, if the spin-off is completed for a corporate business purpose and would have occurred anyway within the same time, and in similar form, could be construed as not part of a plan (for an acquisition followed by a spin-off).

  May be applicable where company carved-out a 15% interest in a subsidiary and was planning to spin-off the remaining interest at some point in time

  In the meantime, parent company is sold to another party and wants to spin-off remaining 85% to shareholders.

- Another scenario could be to spin-off an unwanted business and "sell" the remaining company to a private equity firm.

Spin-Off Followed by Acquisitions

Spin-off and simultaneous merger invariably considered part of a "plan"

- Accordingly, shareholders of the company spinning off the assets must own at least 50%, by voting and value, of the merged entity to avoid Anti-Morris Trust rules.

  Otherwise, there is a corporate level tax levied upon on the distributing corporation equal to the fair market value of the Spin-off less its adjusted basis in the stock.

  Example: Company A agrees to spin-off Spin Co. and merge Spin Co. with Company B

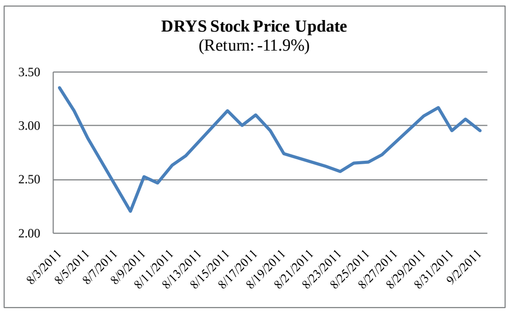
  To maintain tax-free nature, Company A's shareholders would need to obtain 50% or more of the stock of Company B, by voting and value, after the merger to preserve tax-free nature of the spin-off.

Fresh Spin-Off

Dryships (DRYS) to Partial Spin-Off Ocean Rig UDW(ORIG)

Dryships Inc
Parent: Dryships Inc. (NASDAQ: DRYS)
Sector: Transport - Marine
Target Price: $2.83
Share Price: $2.95*
Recommendation: Neutral
Downside: 4.1%
Spin-Off: Ocean Rig UDW Inc (NOTC: OCRG)
Sector: Oil & Gas Drilling
Target Price: NOK57.13
Share Price: NOK83.00*
Recommendation: Sell
Downside: 31.0%
* As on September 2, 2011

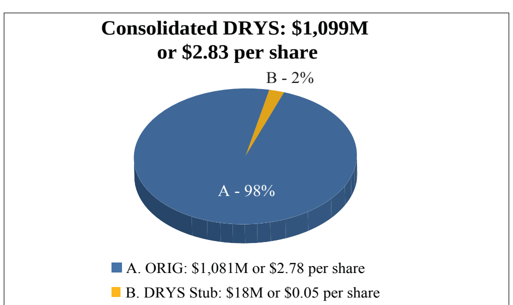
Price Performance - DRYS



Note: The return of -11.9% represents the return on the stock since the initial announcement date of spin-off i.e. August 4, 2011 till date

Key Data – DRYS

Ticker	DRYS
Price (As on September 2, 2011)	$2.95
52 Week range	$2.19 - $6.44
Shares Outstanding (million)	389
Market Cap (million)	$1,147
Dividend (Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	89.7%



DRYS to Spin-Off ORIG in October 2011; When-Issue Trading to Commence on September 19

On August 4, 2011, DryShips Inc. (NASDAQ: DRYS; Market Capitalization: $1,147 million), a global provider of marine transportation services and offshore contract oil drilling services, announced that its Board of Directors approved the partial spin-off of its interest in its majority-owned subsidiary Ocean Rig UDW Inc. (ORIG; NOTC: OCRG; Market Capitalization: NOK10,931 million). ORIG is an international offshore drilling contractor providing oil field services for offshore oil and gas exploration, development, and production drilling. DRYS currently owns 77% of interest in ORIG.

Pursuant to the spin-off, DRYS will distribute approximately 3 million shares of common stock of ORIG. The number of shares of common stock of ORIG to be distributed for each share of common stock of DRYS will be determined by dividing 3 million by the aggregate number of issued and outstanding shares of DRYS as of September 21, 2011. The distribution is expected to reduce DRYS's ownership in ORIG by 2%.

The record date for the spin-off is expected to be September 21, 2011 while the distribution and listing is expected to commence during the early part of October 2011. The management expects 'when-issued' trading of ORIG to commence shortly before the record date around September 19, 2011.

ORIG Trades at Significant Premium on NOTC; Wait for Correction

We believe that the partial spin-off of ORIG offers opportunity to investors to shift from cyclical marine logistics business to more optimistic offshore drilling business. However, based on our analysis, we believe that ORIG currently trades at a significant premium on the Norwegian Over-The-Counter exchange (NOTC). While we attribute the premium valuation at the NOTC to absence of liquidity and very low interest from investors, we believe that a listing in NASDAQ will offer more liquidity and thereby, expect the stock to trade at fair valuation in-line with peer companies. Hence, we advise investors to wait till the beginning of the when-issued trading of ORIG which should offer some valuation correction and offer better entry point into the offshore drilling business.

Valuation and Recommendation

We reiterate our valuation of ORIG at $1,386 million or $10.52 per share or NOK57.13 per share. We reiterate our 'Sell' rating.

We reiterate our valuation of DRYS at $1,099 million or $2.83 per share based on sum-of-the-parts valuation methodology. We reiterate our 'Neutral' rating.

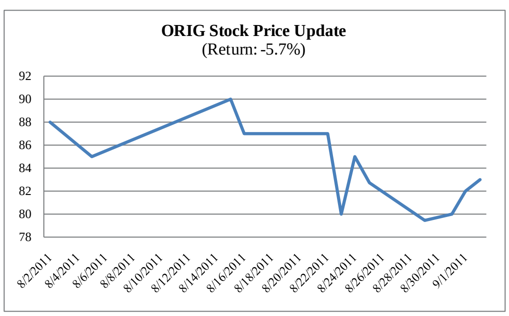
Reiterating Thesis: Offshore Drilling Offers Long Term Growth Opportunity; Logistics Remain Challenging

Top 5 Shareholders - DRYS	
Deutsche Bank AG	5.3%
Fabiana Services SA	3.7%
Entrepreneurial Spirit Holding	3.4%
Entrepreneurial Spirit Fund	2.8%
Ameriprise Financial	1.7%

Spin-Off Details	
Announced Date	August 4, 2011
Expected Date of When-Issued Trading	September 19, 2011
Record Date	September 21, 2011
Distribution and Listing Date	Early October 2011
Tax-Status	Taxable

Key Data – ORIG	
Ticker	NOTC: OCRG
Price (As on Sep 2, 2011)	NOK83.00
52 Week range	NOK75.00-NOK126.00
Shares Outstanding (million)	132
Market Cap (million)	NOK10,931
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	100%

Price Performance - ORIG



Note: The return of -5.7% represents the return on the stock since the initial announcement date of spin-off i.e. August 4, 2011 till date

Top 5 Shareholders - ORIG	
Fidelity Management	2.5%
Carmignac Gestion	1.9%
Odin Forvaltning	1.7%
Nuveen Asset Management	0.8%
Storebrand Fund Managers	0.4%

ORIG offers offshore drilling services for large oil and gas exploration and production companies. While demand for offshore drilling is driven by the overall demand-supply mechanism and oil price volatility, we are, however, optimistic about ORIG in the long term due to a couple of reasons. One, the company is focused on deepwater and ultra-deepwater drilling activities which are expected to offer significant long term growth opportunity due to relatively fewer players and maturity in shallow water drilling. Two, the company's current fleet portfolio and focus on advanced technology adoption clearly indicates the company's long term strategy on gaining competitive advantage and sustainability.

On the other hand, the international logistics industry continues to remain challenging since the 2008 recession, despite the interim surge in global confidence since the second half of 2009 till the end of 2010. The current global economic scenario is wrapped with significant uncertainty due to various global events including the recent downgrade of United States by S&P, adoption of austerity measures by governments of large economies, dwindling GDP growth announcements, and decline in business and consumer confidence levels.

Major Transactions and Recent Developments

Commencement of Exchange Offer: On August 26, 2011, the company commenced the exchange offer pursuant to which an aggregate of 29 million new common shares will be exchanged for an equivalent number of common shares sold through a private offering during December 2010. This exchange offer is scheduled to expire on September 27, 2011. Earlier, in December 2010, the company completed the sale of an aggregate 29 million of its common shares, representing 22% of total shares outstanding, through a private placement. The company raised net proceeds of $488 million pricing its shares at $17.50 per share. The company used $99 million to purchase an option contract from DRYS for the construction of up to 4 additional ultra-deepwater drillships while the remaining proceeds were used towards installment payments for its newbuilding drillships and for general corporate purposes.

Acquisition by DRYS: On July 26, 2011, DRYS entered into a definitive agreement with Ocean Freight Inc (NASDAQ: OCNFD; Market Capitalization: $95 million) to acquire the outstanding shares of OCNFD for a consideration of $19.85 per share, consisting of $11.25 in cash and 0.52326 of a share of common stock of ORIG. The completion of the merger is subject to customary conditions including clearance of a registration statement filed by ORIG to the Securities and Exchange Commission (SEC) and the listing of ORIG shares on the NASDAQ Global Select Market. The merger is expected to close in the fourth quarter of 2011.

DRYS Reported Q2 Earnings Consistent with our Thesis

On August 30, 2011, DRYS reported earnings for the second quarter ending June 30, 2011. Revenue for the quarter ending June 30, 2011 remained flat YOY at $224 million. While the company witnessed good momentum in its offshore drilling business, its logistics business continued to be a drag on the overall performance of the company.

Drybulk Carrier and Tanker Segment (DRYS Stub): Voyage revenue for the quarter ending June 30, 2011 declined by 16% YOY to $97 million compared to $115 million during the previous year quarter ending June 30, 2010. This decline was driven by declines in both volumes and pricing during the quarter. The company operated fewer vessels during the quarter as compared to the previous year quarter at relatively lower charter rates resulting in significant decline in voyage revenues.

Voyage revenue for the six months period ending June 30, 2011 was $196 million, compared to $229 million during the prior year six months period ending June 30, 2010, representing a decline of 15% YOY. The decline was mainly due to decline in both number of vessels operated during the period and relatively lower hire rates during the period compared to the similar period in the prior year. Voyage revenue from the company's tanker segment was $5 million driven by the delivery of three tankers during the first half of 2011.

Drilling Rig Carrier (ORIG): Drilling revenue for the quarter ending June 30, 2011 was $127 million compared to $109 million during the prior year quarter ending June 30, 2010, representing a growth of 16% YOY. The increase is mainly attributable to the commencement of drilling operations of Ocean Rig Olympia during the quarter.

Revenue from drilling contracts increased 25% YOY to $236 million for the six months period ended June 30, 2011, compared to $189 million for the prior year six months period ended June 30, 2010. The increase is primarily due to the operation of ORIG's Olympia and Corcovado that commenced during the six months period ended June 30, 2011.

Valuation

We valued ORIG and DRYS Stub Using Weighted Average of EBITDA Multiple (assigning 85%) and Book Value (assigning 15%) as we believe that the company's assets warrant a valuation inclusion.

Valuation of ORIG

We estimate FY12 revenues to be $505 million, representing a growth of 14% and 10% for FY11 and FY12 respectively. Our growth assumptions are based on the company's current fleet engagement which offers modest growth opportunity in the current year followed by an assumption on company's ability to secure further long term contracts in FY12. With regards to margins, we expect EBITDA margins to remain fairly flat driven by stable gross margins historically. While the acquisition of new fleet is expected to put pressure on the company's liquidity position, we, however, believe operating cash flow margins will be maintained at reasonable levels.

Using 6.2x FY12 EBITDA estimate of $323 million, we arrive at a valuation of $1,048 million. Similarly, using 1.1x book value, we arrive at a valuation of $3,296 million. **Using a weighted average valuation method, we value ORIG at $1,386 million or $10.52 per share.**

ORIG trades at Norwegian OTC at NOK83.00 per share. Our valuation implies a NOK based valuation of NOK57.13 per share. Our valuation implies a downside of 31%. We reiterate our 'Sell' rating.

Valuation of DRYS Stub

We are modeling flat revenue for FY11 and FY12 as we believe the marine transport sector will face significant challenges as the world economy continues to deteriorate. With regards margins, we are, however, modeling flat EBITDA margins, as we believe, the company would be able to sustain its margins at current levels. However, any significant slowdown from current levels, will impact the company's performance significantly.

Using 1.4x FYY12 EBITDA estimate of $325 million, we expect the enterprise value of this business at $455 million. However, due to significant net debt levels, our valuation implies a negative $1.55 per share for the stub. Alternatively, using 1.0x book value, we arrive at a valuation of $3,.543 million or $9.11 per share. **Using a weighted average valuation method, we value DRYS Stub at $18 million or $0.05 per share.**

Valuation of Consolidated DRYS

DRYS currently owns 78% of ORIG, post-private placement of common shares by ORIG. Based on our valuation of ORIG at $1,386 million, DRYS ownership in ORIG is valued at $1,081 million. Using sum-of-the-parts valuation methodology, we value DRYS at $1,099 million or $2.83 per share. Our valuation implies a modest downside of 4% to the current market price of the stock. We reiterate our 'Neutral' rating.

Implied Valuation

DRYS owns 78% of interest in ORIG. Based on the total number of shares of DRYS at 389 million, each share of DRYS has 0.3 shares of ORIG embedded in it. Based on the current market price of ORIG at NOK83.00, DRYS's ownership in ORIG is estimated at $1,570 million or $4.04 per share. Based on the current market price of DRYS at $1,147 million or $2.95 per share, the implied value of the stub is negative $423 million or $1.09 per share.

About DRYS

DRYS is a global provider of marine transportation services for drybulk and petroleum cargos and provides offshore oil and gas drilling services through its majority-owned subsidiary ORIG. As of April 12, 2011, the company owned a fleet of 35 drybulk carriers with an average age of 8.1 years. The company's fleet carries a variety of drybulk commodities including coal, iron ore, and grains. The company is based in Greece.

About ORIG

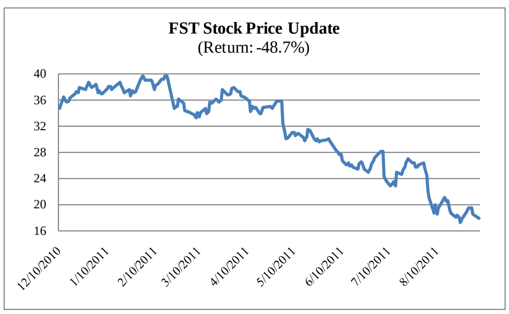
ORIG is an international offshore drilling contractor providing oil field services for offshore oil and gas exploration, development, and production drilling. The company specializes in the ultra-deepwater and harsh-environment segment of the offshore drilling industry. Prior to the private placement of its common shares in December 2010, ORIG was a wholly-owned subsidiary of DRYS. In December 2010, ORIG completed the sale of an aggregate of 29 million common shares representing 22% of outstanding shares through a private placement. Pursuant to this transaction, DRYS owns 78% of ORIG.

Fresh Spin-Off

Forest Oil Corp (FST) to Spin-Off Lone Pine Resources (LPR) on September 30

Forest Oil Corporation
Parent: Forest Oil Corporation (NYSE: FST)
Sector: Oil Companies-Exploration and Production
Target Price - $26.87
Share Price - $17.82*
Recommendation: Buy
Upside: 50.8%
Spin-Off: Lone Pine Resources (NYSE: LPR)
Sector: Oil Companies-Exploration and Production
Target Price - $9.18
Share Price - $8.79*
Recommendation: Neutral
Upside: 4.4%
* As on September 6, 2011

Price Performance



Note: The return of -48.7% represents the return on the stock since the date of announcement of spin-off i.e., December 13, 2010 till date.

Key Data – FST	
Ticker	FST
Price (as on September 6, 2011)	$17.82
52 Week Range	$16.80-$40.23
Shares Outstanding (million)	114
Market Cap (million)	$2,038
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	93.8%

Top Shareholders - FST	Holding %
Perkins Investment	6.5
Anschutz Philip F	5.0
Vanguard Group Inc	3.9
Lord Abbett & Co LLC	3.7
Jeenison Associates	3.6

FST to Spin-Off LPR on September 30

Yesterday, on September 6, 2011, Forest Oil Corp (NYSE: FST; Market Capitalization: $2,038 million), which carved out around 18% of ownership in its Canadian subsidiary, Lone Pine Resources Inc (NYSE: LPR; Market Capitalization: $747 million) in May 2011, announced that it would spin-off its remaining ownership in LPR on September 30, 2011. The company announced that its Board of Directors declared a special stock dividend of its current ownership of 70 million shares of common stock of LPR to the shareholders of FST.

The distribution will be in the form of pro rata common stock dividend to the shareholders of FST as of September 16, 2011 (record date). The final distribution ration will be set out on the record date and will be calculated by dividing 70 million shares of LPR by the number of FST common stock outstanding as on September 16, 2011. Based on FST's current shares outstanding of 114 million shares, each shareholder of FST will receive around 0.6 shares of LPR for every share of FST held.

No action is required to be taken by the shareholders of FST for the receipt of shares of LPR. FST plans to send an information statement on this transaction to the shareholders of FST by around September 19, 2011.

The company expects trading of shares of FST and LPR in both 'when-issued' and 'regular way' begining September 16, 2011 till September 30, 2011. (Details provided on the next page)

Earlier, in June 2011, FST sold 15 million shares of LPR representing around 18% of its ownership in LPR, and raised net proceeds of $183 million pricing at $13.00 per share.

Valuation and Recommendation

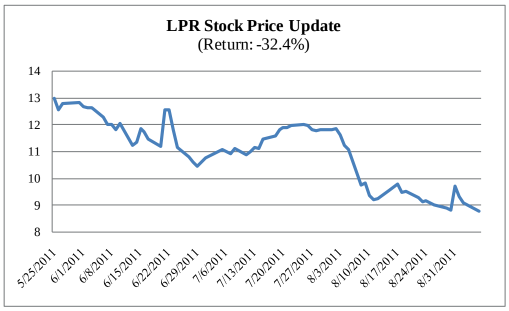
We value LPR at $780 million or $9.18 per share based on 7.2x FY12 EBITDA estimate. Our earlier valuation was based on similar valuation methodology albeit based on the then prevailing peer group average EBITDA multiple. We reiterate our 'Neutral' rating.

We valued FST Stub at $2,372 million or $21.15 per share based on 6.3x FY12 EBITDA estimate. Based on our valuation of LPR and FST's 82% ownership in LPR, we valued FST at $3,014 million or $26.87 per share based on sum-of-the-parts valuation methodology. Our earlier valuation was based on similar valuation methodology albeit based on the then prevailing peer group average EBITDA multiple. We reiterate our 'Buy' rating.

Spin-Off Details

Announced Date	December 13, 2010
S-1 Filed	December 13, 2010
S-1/A Filed	May 11,2011
Prospectus Filed	May 26, 2011
IPO Completion Date	June 1, 2011
Regular Trading Date	June 1, 2011
Spin-Off Record Date	September 16, 2011
When-Issued Trading	September 16, 2011
Expected Spin-Off Date	September 30, 2011
Tax Status	Tax free
Primary Reason	To enhance geographic focus on exploration and production business

Price Performance



Note: The return of -32.4% represents the return on the stock since the trading began on this stock i.e., May 26, 2011 till date. The return is calculated based on the offer price of $13.00 per share

Key Data – LPR

Ticker	LPR
Price (as on September 6, 2011)	$8.79
52 Week Range	$8.53-$13.09
Shares Outstanding (million)	85
Market Cap (million)	$747
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	17.64%

Top Shareholders - LPR	Holding %
Forest Oil Corporation	82.3
Wellington Management	3.3
Steadfast Capital Management	3.1
Hartford Investment	1.2
Jana Partners LLC	1.1

Regular and When-Issued Trading

Beginning September 16, 2011 (record date) and upto and including September 30, 2011 (distribution date), shares of FST and LPR is expected to trade on both 'regular' and 'when-issued' basis. While shares of FST that trade on the 'regular way' will carry an entitlement to the special stock dividend of shares of LPR, shares trading on the 'when-issued' market under the symbol 'FSTwi' will trade without the right to entitlement. Investors who sell their FST common shares on the regular-way prior to or on the distribution date will also be selling their right to receive the special stock dividend of shares of LPR. The New York Stock Exchange (NYSE) is expected to authorize a when-issue market for FST common shares on or about 2 days prior to the record date.

Similarly, shares of LPR that are scheduled to be distributed through the spin-off are expected to trade on 'when-issued' basis on or about 2 days prior to the record date on NYSE under the symbol 'LPRwi' and on the Toronto Stock Exchange under the symbol 'LPR.W'.

Tax Status

FST has obtained a private letter ruling from the U.S. Internal Revenue Service (IRS) and an opinion from legal counsel with regards to the tax-free status of the spin-off except for any cash received in lieu of fractional shares of LPR. However, with regards to tax applicability on Canadian residents, the company is considering making an application to the Canadian Revenue Agency (CRA) to allow the distribution of LPR common shares to be tax-free transaction in Canada. We advise Canadian investors to consult their tax advisors with regards to tax-status of this transaction.

About FST

FST is an independent oil and gas company engaged in exploration and production of oil, natural gas, and NGLs with primary operations in North America with interests in the Greater Buffalo Wallow area in the Texas Panhandle and Western Oklahoma; the East Texas/North Louisiana area. The company has total estimated proved reserves of approximately 2,244 Bcfe as of December 31, 2010.

About LPR

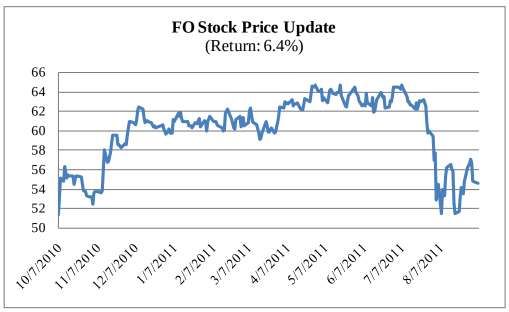
LPR is an independent oil and gas exploration, development, and production company operating in Canada. The company focuses on the Western Canadian Sedimentary Basin, which includes Narraway / Ojay and Wild River fields in the Deep Basin and Evi field in the Peace River Arch.

Fresh Spin-Off

Fortune Brands (FO) to Spin-Off Home & Security Business (FBHS) on October 3

Fortune Brands Inc.
Parent: Fortune Brands (NYSE: FO)
Sector: Consumer Products - Misc
Target Price: $54.43
Share Price: $54.63*
Recommendation: Neutral
Downside: 0.4%
Spin-Off: Fortune Brands Home & Security LLC
Sector: Building & Construction Products - Misc
* As on Septmeber 6, 2011

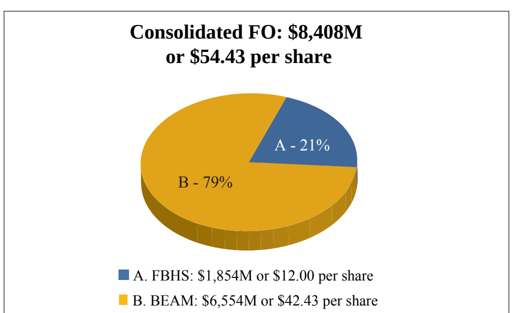
Price Performance



Note: The return of 6.4% represents the return on the stock since the date of announcement of spin-off i.e., October 8, 2010 till date.

Key Data – FO

Ticker	FO
Price (as on September 6, 2011)	$54.63
52 Week Range	$46.54-$65.48
Shares Outstanding (million)	154
Market Cap (million)	$8,438
Dividend (and Dividend Yield)	$0.76 (1.30%)
Fiscal Year Ending	Dec 31
Market Float	99.6%



FO to Spin-Off FBHS on October 3; When-Issued Trading to Begin on September 16

Fortune Brands Inc (NYSE: FO; Market Capitalization: $8,471 million) is scheduled to spin-off its home and security business Fortune Brand Home & Security LLC (FBHS) after the close of business on October 3, 2011. Following the spin-off, FO will change its name to Beam (BEAM) and operate as a pure-play spirits company. The spin-off remains conditioned on the Securities and Exchange Commission (SEC) declaring effective the registration document Form 10. The company has received the private letter ruling from the IRS confirming the tax-free status of the separation.

Pursuant to the spin-off, BEAM will receive a cash dividend of $500 million (or $3.20 per share) from FBHS. Shareholders of FO will receive one share of FBHS for each share of FO outstanding as at 5:00 PM Central Time on September 20, 2011 (record date) and retained through October 3, 2011 (distribution date).

FBHS will begin trading as an independent entity on the NYSE on October 4, 2011 under the ticker 'FBHS'. Following the spin-off, FO will change its name to Beam and will begin trading under the ticker symbol 'BEAM' on October 4, 2011. The ticker symbol 'FO' will be discontinued. FO expects that a 'when-issued' public trading market for both BEAM and FBHS common stock will begin on or about September 16, 2011, and will continue through the distribution date. Shares of FO will continue to trade 'regular way' through the distribution date. Any holders of shares of FO common stock who sell their FO shares 'regular way' on or before the distribution date will also be selling their right to receive shares of FBHS common stock in connection with the spin-off.

Deal Recap: In October 2010, Pershing Square Capital Management LP (PSCM), a hedge fund led by activist investor William Ackman, disclosed its stake of 11% in FO. Known for unleashing true value of diversified companies through spinning-off businesses, the market speculated the spin-off of the then FO into 3 separate companies. In December 2010, FO formally announced its intention to spin-off its home and security and golf business (AC). In May 2011, the company filed draft form 10 announcing the spin-off of FBHS. On May 20, 2011, FO announced that it has entered into a definitive agreement for the sale of AC for $1,225 million in cash.

Valuation and Recommendation

We value FBHS at $1,854 million or $12.00 per share using 5.5x FY12 EBITDA. We value BEAM at $6,554 million or $42.43 per share using 14.0x FY12 EBITDA. Using sum-of-the-parts, we value FO at $8,408 million or $54.43 per share. We reiterate our 'Neutral' rating.

Top 5 Shareholders - FO	Holding %
Pershing Square Capital Management LP	13.5
T Rowe Price Associates	6.6
Vanguard Group Inc	4.7
Mason Capital Management	3.6
State Street Corp	3.4

Spin-Off Details	
Pershing Square Capital Management LP Stake Disclosure Date	October 8, 2010
Announcement Date	December 18, 2010
10-12B Filed	May 6, 2011
10-12B/A	August 22, 2011
Roadshow	September 6, 2011
When-Issued Trading	September 16, 2011
Record Date	September 20, 2011
Distribution Date	October 3, 2011
Listing Date	October 4, 211
Distribution Ratio	1:1
Primary Reason	To unleash the true value of the company

Source: Bloomberg

Risks to our Valuation: Slowdown in housing market; competition and general slowdown in macro economy

Investment Recommendation for the Spin-Off: Hold BEAM, Sell FBHS

We believe the separation offers improved clarity in each of these businesses and offers investors better options in investment planning. While the spirits division is expected to offer long term growth opportunities through geographical expansions and inorganic initiatives, and to some extent act defensive to overall market movements, the home and security business offers purely cyclical investment opportunity tied to the U.S. economy. As the current market scenario continues to be negative on the housing market, especially with the increasing probability of double-dip recession, we believe the spin-off will offer current shareholders an opportunity to offload their stake in this business and retain ownership in larger global spirits business.

FBHS Expected to Exit S&P500; Adds to Further Selling Pressure

FO is currently included in the S&P 500 index. However, post spin-off, we believe FBHS, due to its relative size, may not be included in the index which might trigger selling pressure on the stock during the initial days of trading. Based on the data from Bloomberg, around 84% of total shares outstanding are owned by institutional investors and around 26% of total reported holdings are owned by index funds. We will review our investment rating on the stock post trading on 'when-issued' basis.

FBHS Begins Roadshow

On September 6, 2011, FBHS began a roadshow ahead of the scheduled spin-off. The senior management indicated that the roadshow would be conducted throughout September.

Q2 Earnings Recap: In-line with our Thesis

Revenue for the quarter ending June 30, 2011 was $1,592 million compared to $1,510 million for the prior year quarter ending June 30, 2010, representing a growth of 6% YOY. The company's spirits business posted healthy growth of 11% YOY to $703 million compared to $632 million for the prior year quarter. Major brands including 'Jim Beam', 'Maker's Mark', and the company's latest acquisition 'Skinnygirl' continued to offer good growth during the quarter. However, the company's home and security business (FBHS) continued to be a drag on the overall performance with revenue growing at just 1% YOY to $890 million compared to $878 million.

Adjusted operating income (excluding impact of one-timers like restructuring and business separation charges) for the quarter was $200 million, compared to $209 million during the prior year quarter, representing a decline of 5% YOY. While the company's spirits business posted marginal growth in adjusted operating income, the home and security business witnessed margin contraction due to higher raw materials and transportation costs.

VALUATION

Valuation of BEAM as a Standalone Entity

We valued BEAM using relative forward EV/EBITDA valuation method. Peer group companies that we considered are similar spirit companies at par with BEAM's scale of operations. We value BEAM using 14.0x multiple on 2012 estimated EBITDA. We are assigning a 20% premium on mean peer group EBITDA multiple of 11.7x due to BEAM's ability to grow faster than the market and its recent launch of premium brands which reported good potential in the last quarters.

Expected Forward EV/EBITDA Multiple	14.0x
FY12 EBITDA Estimate ($ million)	712
Expected Enterprise Value ($ million)	**9,997**
Pro forma Debt ($ million)	3,747
Pro forma Cash ($ million)	304
Expected Market Capitalization ($ million)	**6,554**
FO Shares Outstanding (million)	155
Expected Price per Share ($)	**42.43**

Using 14.0x FY12 EBITDA estimate of $712 million, we value BEAM at $6,554 million or $42.43 per share.

Valuation of FBHS as a Standalone Entity

We valued FBHS using relative forward EV/EBITDA valuation method. Peer group companies that we considered are similar companies engaged in home and security business and roughly at par with the company's scale of operations. We valued FBHS using 5.5x multiple on 2012 estimated EBITDA of $416 million roughly in-line with the current peer group average EBITDA multiple. Since the beginning of 2011, the U.S. home market began to witness increasing uncertainty driven by macro economic events, including the discussion on debt ceiling limits and downgrade of U.S. by the S&P.

Expected Forward EV/EBITDA Multiple	5.5x
FY12 EBITDA Estimate ($ million)	416
Expected Enterprise Value ($ million)	**2,301**
Pro forma Debt ($ million)	520
Pro forma Cash ($ million)	74
Expected Market Capitalization ($ million)	**1,854**
FO Shares Outstanding (million)	155
Expected Price per Share ($)	**12.00**

Using 5.5x FY12 EBITDA estimate of $416 million, we value FBHS at $1,854 million or $12.00 per share.

Valuation of Consolidated FO

Based on our valuation of BEAM and FBHS as standalone entities, using sum-of-parts valuation method, we value consolidated FO at $8,408 million or $54.43 per share. We reiterate our 'Neutral' rating on the stock.

	Expected Market Capitalization ($ million)	Expected Price per Share ($)
BEAM	6,554	42.43
FBHS	1,854	12.00
Consolidated FO	**8,408**	**54.43**

BEAM

BEAM is the largest US-based producer and marketer of distilled spirits and is the 4th largest premium, western-style Spirits Company in the world. The company sells its products majorly through direct sales forces, and various joint ventures. Products are also sold through government-controlled liquor authorities in the 18 "control" states (and one county) in the U.S. that have established government control over certain aspects of the purchase and distribution of alcoholic beverages. Major markets for the products of BGSW are the U.S., Australia, Spain, Germany, the U.K. and Mexico. Approximately 45% of BGSW's sales are to markets outside the U.S.

FBHS

Fortune Brands Home & Security LLC (FBHS) is a holding company for several subsidiaries in home products industry. The company offers cabinetry, faucet and sinks, fiberglass and steel entry doors, patio door systems and specialty safety and security devices. Business of this segment is highly dependent on the levels of home improvement and residential construction activity, principally in the US. The company makes approximately 17% of the sales to the international market. FBHS is organized in 4 business segments - Kitchen and Bath Cabinetry, Plumbing and Accessories, Advanced Material Windows & Door Systems and Security & Storage.

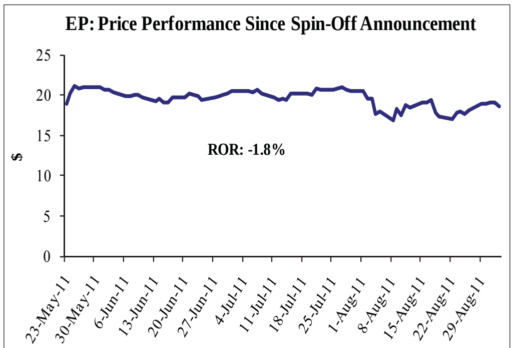
Focus Report

El Paso Corporation (EP) to Spin-Off EP Energy (EPE) Tax-Free

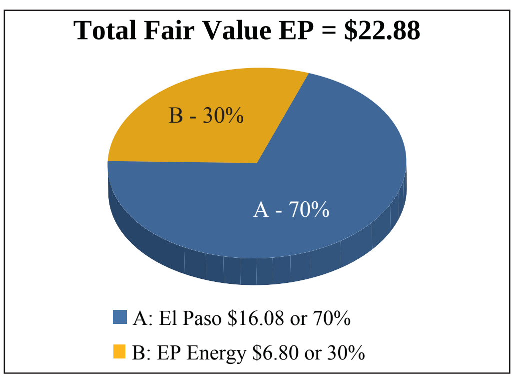
El Paso Corporation

Parent: El Paso (NYSE: EP)
Sector: Oil & Gas (Pipelines)
Spin-Off: EP Energy
Sector: Oil & Gas (E&P)
Target Price – El Paso: $22.88
Share Price – El Paso: $18.63*
Recommendation: Buy
Upside: 23%
*as on September 2, 2011

Price Performance - EP



Source: Bloomberg



Source: Spin-Off estimates

Summary

<u>**On May 24, 2011, El Paso Corporation (NYSE:EP, $18.63, Market Capitalization: $14,568 million) announced the spin-off of its E&P business as a separate, public traded company EP Energy Corporation.**</u> EP Energy Corporation will be North America's leading independent oil and natural gas producer. EP Energy's common shares will be listed on the NASDAQ stock exchange under the symbol "EPE".

EP Energy has net proved reserves of 3,362 Bcfe and posted revenue of $1,789 million for FY10.The parent Company, El Paso Corporation will be comprised of El Paso's Pipeline Group, its Midstream Group and its general and limited partner interests in El Paso Pipeline Partners (NYSE:EPB). El Paso (excluding EP Energy) reported revenue of $2,827 million for FY10.

<u>**On August 11, 2011, El Paso filed its initial Form-10 with the SEC and expects the spin-off to be completed by the year end.**</u> The spin-off is intended to be tax-free to the stock holders and the distribution ratio of the spin-off is yet to be announced.

The spin-off will offer investors a focused choice between oil prices driven growth and an attractive yield play targeting double-digit dividend growth.

<u>**We have a target price of $22.88 for El Paso, implying an upside of 23% from the current market price of $18.63 and we assign a Buy rating.**</u> We value El Paso (post spin-off) at $16.08 and EP Energy at $6.80. Our positive thesis is based on high quality asset ownership yielding double-digit dividend growth and increasing oil-weighted drilling inventory.

Timetable:	
Announcement	May 24, 2011
Form 10 Filing	August 11, 2011
Spin-Off Ratio	To be announced
Record Date	To be announced
Distribution Date	To be announced
Expected Completion	Year end 2011
Tax Status	Tax-free

Deal Overview

On May 24, 2011, El Paso Corporation (NYSE:EP, $18.63, Market Capitalization: $14,568 million) announced the spin-off of its E&P business as a separate, public traded company EP Energy Corporation. EP Energy Corporation will be North America's leading independent oil and natural gas producer. EP Energy's common shares will be listed on the NASDAQ stock exchange under the symbol "EPE".

Key Data – El Paso	
Price ($ as on September 2, 2011)	18.63
Market Capitalization ($ million)	14,568
Primary Exchange	NYSE
Bloomberg Symbol	EP US
Net Debt ($ million as of June 30, 2011)	13,952
EV ($ million as of September 2, 2011)	31,297
Revenue 2010 ($ million)	4,616
Shares Outstanding (million)	782
52 Week Range ($)	11.84 – 21.54
Fiscal Year Ending	December 31

Top 5 Shareholders (El Paso)	Holding %
Icahn Capital LP	6.05%
Vanguard Group Inc	5.37%
UBS AG	5.37%
T Rowe Price Associate	5.34%
State Street Corp	4.24%

Source: Bloomberg

EP Energy has net proved reserves of 3,362 Bcfe and posted revenue of $1,789 million for FY10.The parent Company, El Paso Corporation will be comprised of El Paso's Pipeline Group, its Midstream Group and its general and limited partner interests in El Paso Pipeline Partners (NYSE:EPB). El Paso (excluding EP Energy) reported revenue of $2,827 million for FY10.

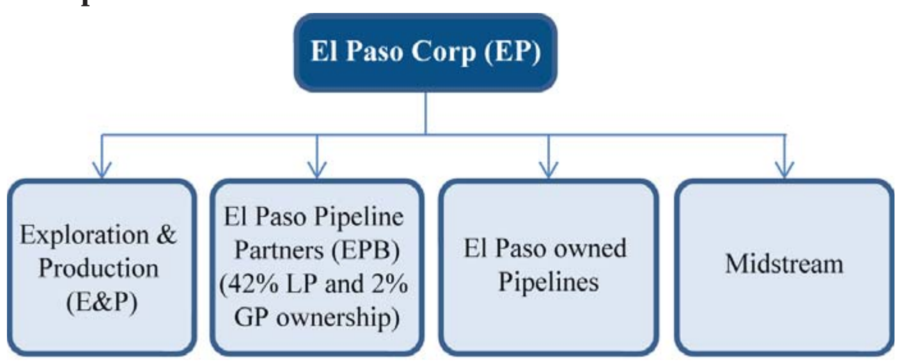
On August 11, 2011, El Paso filed its initial Form-10 with the SEC and expects the spin-off to be completed by year end. The spin-off is intended to be tax-free to the stock holders and the distribution ratio of the spin-off is yet to be announced.

EP Energy will raise around $2-2.25 billion debt and the proceeds will be used for: 1) cash distribution of $1.2 billion to El Paso prior to the spin-off, 2) repayment of an outstanding intercompany debt $636 million and 3) repayment of outstanding debt of $400 million.

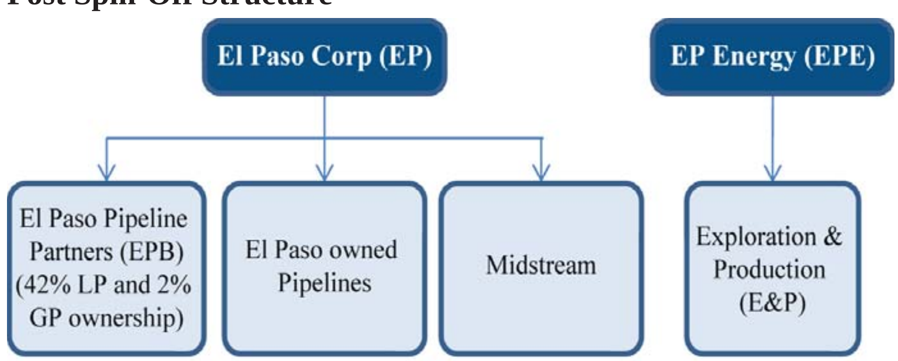
Deal Rationale

El Paso Corporation operates two distinct business lines: E&P business is exposed to commodity price volatility and a stable ownership of pipeline assets. The spin-off will offer investors a focused choice between oil prices driven growth and an attractive yield play targeting low double-digit dividend growth. The spin-off will allow easy allocation of capital and corporate resources based on the strategic priorities and will lower the cost of capital.

Pre Spin-Off Structure



Post Spin-Off Structure



Investment Thesis

We have a target price of $22.88 for El Paso, implying an upside of 23% from the current market price of $18.63 and we assign a Buy rating. **We value El Paso (post spin-off) at $16.08 and EP Energy at $6.80.** Our positive thesis is based on high quality asset ownership yielding low double-digit dividend growth and increasing oil-weighted drilling inventory. The risks are lower-than-expected commodity prices and unfavorable rate cases for the regulated businesses.

El Paso: IDRs in MLP to Yield Double Digit Dividend Growth

El Paso Corporation (EP) holds 42% limited partner (LP) interest and a 2% general partner (GP) interest and all of El Paso Pipeline Partners' (EPB) incentive distribution rights (IDRs). EPB is one of the top ten largest MLPs and owns high quality transmission assets. It has a strong track record of shareholder value creation. The distributions have witnessed 13 consecutive increases and a CAGR of 17% during 2008-11. The per unit distribution rose to $0.46 during 2Q11, already hitting the 50-50% split between the LP and GP distribution. Going forward, the GP distribution will grow significantly with the increase in the overall distributions. El Paso has significant inventory of assets and will continue to pursue its drop down strategy as the assets fetch premium valuation in the MLP. Overall, El Paso expects to pay dividend of $0.6 in 2012 and targets a low double digit growth.

EPB: Distribution of Cash

Quarterly Distributable Cash	LP Share	GP Share
< 0.28750	98%	2%
0.2875 to 0.33063	98%	2%
0.33063 to 0.35938	85%	15%
0.35938 to 0.43125	75%	25%
> 0.43125	50%	50%

El Paso: Long Term Contracts Offer Robust Earnings Visibility

El Paso owns premier natural gas transmission assets which provide robust revenue and earnings visibility. It accounts for 19% of the total US interstate pipeline mileage, 28 Bcf/d capacity or 13% of total US and 17 Bcf/d throughput equivalent to 26% of gas delivered to US consumers. The transmission business is very stable as more than 90% of the revenues are derived from capacity reservation charges. Further, most of its assets have long term contracts with customers which have an average age of 7 – 29 years. Some rate cases are already filed and others are due for 2013-14 providing possible upside. The business has completed 19 projects over the past four years, with the regulatory asset base growing by 75% during 2007-11. The business is well positioned to derive scale benefits and to tap future growth opportunities.

EP Energy: Shift Towards Increasing Oil Inventory

El Paso's asset base has changed dramatically over the past four years and continues to grow. It is now lower risk, more concentrated, more domestic, more oily and more profitable. Over the last two years, access to oil and liquids rich drilling programs has grown significantly. With the addition of the Eagle Ford and Wolfcamp shales and the ongoing development of Altamont field, the Company has added significant oil and liquids rich resources to the drilling program. Currently, it produces almost 85% natural gas and 15% oil on an energy equivalent basis. However, oil constitutes around 40% of the total proved value. The significant shift towards oil weighted resources offers better valuation due to higher oil prices.

EP Energy: Hedging Positions Offer Visibility for FY12

EP Energy Corp enters into various derivative contracts to hedge the commodity price for its production. For FY11, the Company has hedged approximately 80% of its US gas production at $5.89/MMbtu and 85% of its total oil production at $85.99 – 91.88/Bbl. For FY12, the Company has hedged 40% of its US gas production at $6.01/MMbtu and 90% of its total oil production at $93.30 – 112.76/Bbl. The hedging positions are at significantly higher rates than the current market prices and offer robust visibility for FY12.

Valuation

EP Energy

We value EP Energy using a combination of relative valuation methods: EV/EBITDA (50% weight), EV/Proved Reserves (25% weight) and EV/PV10 (25% weight). We believe EV/Reserves and EV/PV10 methods better capture the future earnings potential of the reserves.

Following are our key assumptions:

1) For EV/EBITDA valuation, we apply a 5.2x multiple to FY12 EBITDA estimate of $1,325 million in line with peer group average.
2) We apply EV/Reserves and EV/PV10 multiples of $2.2/Mcfe and 1.9x respectively, 10% discount to the peer group multiples.
3) Pro-forma net debt of $1,829 million factoring in the spin-off related cash to be paid to El Paso Corporation.

Our fair value estimate for EP Energy is $6.80 per share based on the existing El Paso shares (1:1 distribution ratio assumption).

Method	Multiple	Metric	Value	EV ($ million)	Weight
EV/EBITDA	5.2	EBITDA (in $ million)	1,325	6,889	50%
EV/Reserves	2.2	Proved Reserves (Bcfe)	3,170	7,019	25%
EV/PV10	1.9	Pre-Tax PV10 (in $ million)	4,001	7,801	25%

Total EV	**7,150**
Net Debt	1,829
Equity Value	**5,321**
Total shares(diluted)	782
Price ($)	**6.80**

El Paso Corporation

We value El Paso Corporation using two methods: Dividend Discount Model (DDM) and Sum of the Parts (SOTP).

DDM: Our estimate is $16.59 per share based on the following key assumptions:

1. Dividend payout of $0.6 per share for FY12,
2. Dividend growth of 12.5% for five years and 5% thereafter for another five years,
3. Cost of equity of 8% and a terminal growth rate of 2%.

SOTP: We value El Paso Corp. on a sum-of-the-parts (SOTP) basis comprising: a) El Paso owned pipelines, b) El Paso’s 42% LP interest in EPB and c) El Paso’s 2% GP interest in EPB

1. El Paso owned pipelines: we apply a multiple of 10.8x multiple (5% premium to peer group median) to FY12 EBITDA estimate of $1,110 million.
2. El Paso’s 42% LP interest in EPB: We value EPB at 10.8x FY12 EBITDA estimate of $1,205 million and considering the net debt of $3,841 million.

3. El Paso's 2% GP interest in EPB: We have estimated the NPV of all the future cash distributions to be received by El Paso as per the cash distribution policy based on the following assumptions:
   a. Average EBITDA growth rate of 13% over the next five years and 5% growth thereafter for next five years.
   b. Cost of equity of 8% and a terminal growth rate of 2%.

Based on these methods, our estimated fair value for El Paso (excluding EP Energy) is $16.08 per share and for El Paso (including EP Energy) is $22.88 per share.

El Paso Corporation ($ million)	
FY12 EBITDA	1,110
Multiple (x)	10.8
EV	11,991
Net Debt	7,534
LP interest in EPB	3,948
GP interest in EPB	3,764
Total Equity	**12,169**
Total Shares (million)	782
Fair Value Per Share – SOTP method	15.56
Fair Value Per Share – DDM method	16.59
Average Fair Value ($)	**16.08**
Fair value of EP Energy ($)	**6.80**
Total EP Consolidated ($)	**22.88**

Peer Table

El Paso Corp – Valuation Metrics

Company	Price ($)	Market Cap ($ million)	EV ($ million)	EV/EBITDA FY 2011	EV/EBITDA FY 2012	PE FY 2011	PE FY 2012
TransCanada Corporation	40.37	28,365	50,958	10.7	10.1	17.8	16.2
Enbridge	30.78	23,895	39,008	12.5	11.5	21.0	19.3
Kinder Morgan	23.76	19,233	39,665	21.4	18.6	23.4	19.3
Spectra Energy	23.89	15,535	27,375	8.6	8.2	13.4	12.9
Williams Companies	23.84	14,039	23,512	6.3	5.7	15.1	12.7
Oneok Partners	39.86	8,124	11,579	11.2	10.3	16.3	16.7
Boardwalk Pipeline Partners	24.23	4,812	7,880	11.8	11.0	18.7	16.4
Median				**11.2**	**10.3**	**17.8**	**16.4**
Average				**11.8**	**10.8**	**18.0**	**16.2**

EP Energy – Valuation Metrics

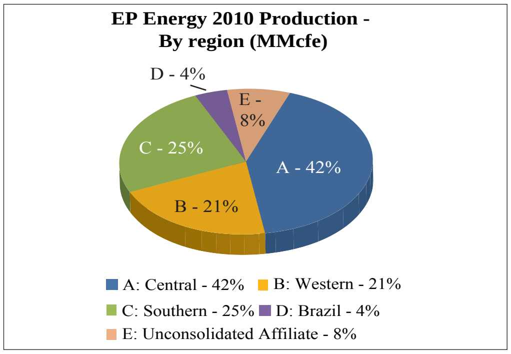
Company	Price ($)	Market Cap ($ million)	EV ($ million)	EV/EBITDA FY 2011	EV/EBITDA FY 2012	PE FY 2011	PE FY 2012
EOG Resources	86.35	23,196	26,845	5.4	4.4	23.9	15.2
Williams Companies	23.84	14,039	23,512	6.3	5.7	15.1	12.7
Noble Energy	79.5	14,033	15,324	5.5	4.3	15.7	11.3
Petrohawk Energy	38.71	11,764	15,544	10.9	7.9	42.8	24.2
Range Resources	56.5	9,100	10,598	13.9	10.0	57.5	35.5
Pioneer Natural	71.5	8,350	10,670	6.6	4.9	19.9	14.2
Cabot Oil & Gas	66.11	6,908	7,963	11.6	7.7	44.9	23.8
Newfield Exploration	45.55	6,132	8,947	5.2	3.9	9.7	7.5
QEP Resources	33.83	5,985	7,609	5.8	4.7	21.9	15.4
Cimarex Energy	59.81	5,118	5,455	4.3	3.6	9.1	7.8
SM Energy	67.44	4,298	4,827	5.4	3.6	23.6	13.4
Plains E&P	27	3,807	7,439	5.7	4.3	14.6	9.3
EXCO Resources	11.97	2,562	4,088	6.6	5.0	15.5	10.2
Forest Oil	17.99	2,057	3,815	6.0	5.1	14.8	10.4
Comstock Resources	19.99	952	1,578	4.6	3.1	N/A	15.1
Median				**5.8**	**4.7**	**17.8**	**13.4**
Average				**6.9**	**5.2**	**23.5**	**15.1**

EP Energy – Operating Metrics

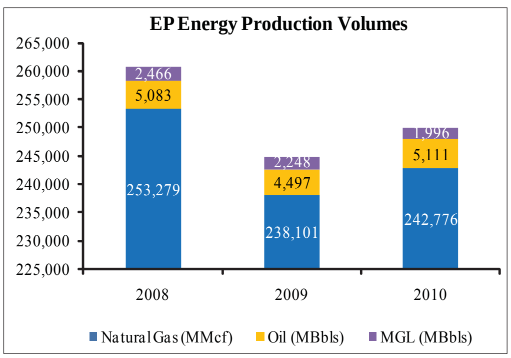
Company	Proved Reserves (Bcfe)	% Gas	Daily Production (MMcfe)	% Gas	Pre-Tax PV-10 ($ million)	EV/ Reserves	EV/PV-10
EOG Resources	11,697	72%	2,318	73%	12,391	2.30	2.17
Williams Companies	4,272	97%	1,174	96%	3,610	5.50	6.51
Noble Energy	6,551	67%	1,248	61%	9,006	2.34	1.70
Petrohawk Energy	3,392	92%	675	95%	3,049	4.58	5.10
Range Resources	4,442	80%	495	79%	4,647	2.39	2.28
Pioneer Natural	6,065	44%	689	53%	5,412	1.76	1.97
Cabot Oil & Gas	2,701	98%	358	97%	2,734	2.95	2.91
Newfield Exploration	3,712	67%	304	74%	4,754	2.41	1.88
QEP Resources	3,031	86%	627	89%	2,706	2.51	2.81
Cimarex Energy	1,884	67%	596	56%	N/A	2.90	N/A
SM Energy	985	65%	301	65%	2,344	4.90	2.06
Plains E&P	2,497	46%	536	49%	3,093	2.98	2.41
EXCO Resources	1,499	97%	307	96%	1,357	2.73	3.01
Forest Oil	2,244	78%	453	75%	2,719	1.70	1.40
Comstock Resources	11,697	72%	2,318	73%	12,391	2.30	2.17
Median	**3,212**		**566**		**3,093**	**2.46**	**2.17**
Average	**3,927**		**720**		**4,448**	**2.65**	**2.24**

Business Overview – EP Energy

EP Energy is North America's leading independent oil and natural gas producer. The company focuses on the entire E&P value chain from drilling to production. As a leading domestic independent, it has a significant reserve base and a strategic presence in fast-emerging unconventional resource areas and a solid international footprint in Brazil (off-shore) and Egypt (on-shore).



Source: Company Data



Source: Company Data

Operating Statistics

EP Energy controls approximately 3.7 million net leasehold acres and has proved natural gas and oil reserves of approximately 3.4 trillion cubic feet of natural gas equivalents (Tcfe). During FY10, daily equivalent natural gas production averaged 782 million cubic feet of natural gas equivalents per day (MMcfe/d), including 62 MMcfe per day from equity interest in Four Star.

Production

The total natural gas, oil and NGL production in FY10 equaled 285,418 million cubic feet of natural gas equivalents (MMcfe) or approximately 782 million cubic feet of natural gas equivalents per day (MMcfe/d) of which Central US accounted for 42% followed by Gulf Coast region which accounted for 25% and Western region that accounted for 21%.

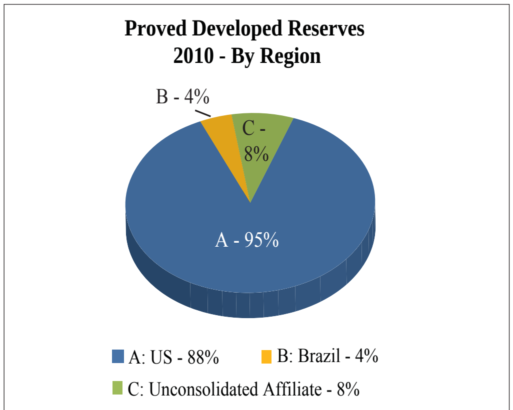
Production volumes fell significantly in FY09 due to 2008 sub-prime crisis but improved by 2% in FY10. While natural gas production increased only by 2%, oil production increased significantly by 14%, indicating the company's strategy of shifting from gas to oil in order to benefit from the pricing advantage of oil over gas.

Natural Gas, Oil and Condensate and NGL Reserves

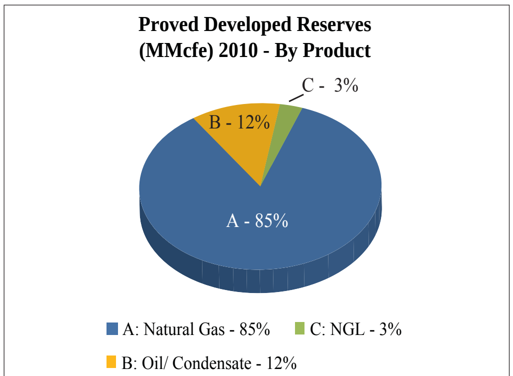
EP is well situated in the key US basins with approximately 3.1 trillion cubic feet of natural gas equivalents (Tcfe) or 91% of the total combined net proved reserves. Majority of the net proved reserves are located in Central US which accounts for 40% of the total reserves whereas Western and Southern regions account for 33% and 18% respectively. New drilling in liquids-rich targets should help the firm take advantage of the current pricing advantage of oil over natural gas.

	Net proved Reserves			
	Natural Gas (MMcf)	Oil/ Condensate (MBbls)	NGL (MBbls)	Total (MMcfe)
US				
Central	1,328,636	908	-	1,334,084
Western	702,472	68,702	1	1,114,690
Southern	364,285	33,630	9,050	620,365
Total	**2,395,393**	**103,240**	**9,051**	**3,069,139**
Brazil	85,219	2,654	-	101,143
Total Consolidated	**2,480,612**	**105,894**	**9,051**	**3,170,282**
Unconsolidated Affiliate	155,031	1,623	4,458	191,518
Total Combined	**2,635,643**	**107,517**	**13,509**	**3,361,800**

Source: Company Data



Source: Company data



Source: Company data

Proved Developed Reserves

Approximately, 2.1 trillion cubic feet of natural gas equivalents (Tcfe) are developed and account for 62% of the total net proved reserves. US accounts for 88% of the total developed reserves and 97% of the total proved un-developed reserves. Natural gas share stands at 85% of the total developed proved reserves and oil represents 12.2%. The proportion of oil in the the total un-developed proved reserves is around 30%.

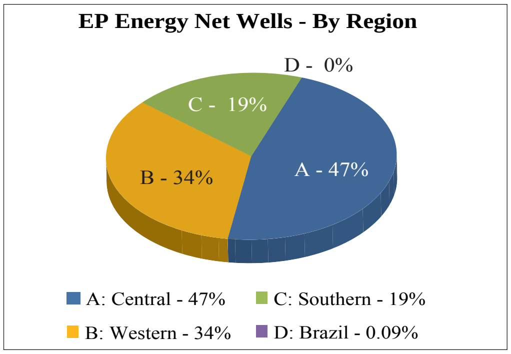
Acreage

US accounts for 66% of the net acreage of which 31% is developed. The net developed acreage is concentrated primarily in Utah (18%), New Mexico (17%), Texas (14%), and Louisiana (10%). Net undeveloped acreage is concentrated primarily in New Mexico (26%), Texas (21%), Indiana (11%), the Gulf of Mexico (10%), Colorado (7%) and Wyoming (6 %). Approximately 10 %, 6% and 21% of the US net undeveloped acreage is held under leases that have minimum remaining primary terms expiring in 2011, 2012 and 2013, respectively.

Around, 10% of the total Brazilian net undeveloped acreage is held under leases that have minimum remaining primary terms expiring in 2012 and that for Egypt have primary terms expiring in 2012 (11%) and 2013 (19%).

	Developed		Un-Developed		Total	
Acreage	Gross	Net	Gross	Net	Gross	Net
US						
Central	373,150	260,354	502,334	382,585	875,484	642,939
Western	395,281	314,094	936,076	723,185	1,331,357	1,037,279
Southern	316,468	180,340	666,273	581,182	982,741	761,522
Total US	**1,084,899**	**754,788**	**2,104,683**	**1,686,952**	**3,189,582**	**2,441,740**
Brazil	47,377	14,492	487,022	122,182	534,399	136,674
Egypt	-	-	2,201,004	1,101,454	2,201,004	1,101,454
Total	**1,132,276**	**769,280**	**4,792,709**	**2,910,588**	**5,924,985**	**3,679,868**

Source: Company Data



Source: Company Data

Wells

EP Energy holds 6,772 gross wells and 4,507 net wells. Central, Western and Guld Coast regions of US account for 2,122, 1,541 and 840 net wells whereas Brazil has 4 net wells. Currently, drilling operations are carried out in 21 domestic net wells and 3 international net wells. Natural gas wells account for 88% of the total wells.

	Natural Gas		Oil		Total	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**
US - Central	3,698	2,116	17	6	3,715	2,122
US - Western	1,398	1,024	593	517	1,991	1,541
US - Southern	1,006	804	46	36	1,052	840
Total US	**6,102**	**3,944**	**656**	**559**	**6,758**	**4,503**
Brazil	9	2	5	2	14	4
Egypt	-	-	-	-	-	-
Total	**6,111**	**3,946**	**661**	**561**	**6,772**	**4,507**

Source: Company Data

Reserve Replacement Ratios

The reserve replacement ratio is an indicator of a company's ability to replenish annual production volumes and grow reserves. Domestically the ratio has improved significantly from 77% (excluding acquisitions) in 2008 to 353% in 2010. The same stands at 331% in 2010 for international operations in comparison to 11% in 2008.

The reserve replacement cost is a measure of firm's ability to establish a long-term trend of adding reserves at a reasonable cost in its core asset areas. The reserve replacement cost for 2010 excluding acquisitions stood at $1.29 per Mcfe as compared to $7.01 per Mcfe in 2008, representing a decline of 82% for domestic assets. Higher reserve replacement ratio and a declining reserve replacement cost indicate EP Energy's strength in core assets and competitive advantage over other oil and gas trading companies.

Operating Segments

The E&P operations of the company are carried out domestically and internationally. The domestic US operations comprise of three divisions: Central, Western and Southern.

In the US the company focuses on 4 core programs: the Haynesville Shale in northwest Louisiana, the Altamont fractured tight sands in Utah, the Eagle Ford Shale in south Texas and the Wolfcamp Shale in west Texas. To benefit from the current pricing advantage of oil over gas the company has increase capital expenditure to $1.6 billion to drill 35 incremental net oil wells in the said core programs.

Internationally, the portfolio consists of producing fields along with several exploration and development projects in offshore Brazil and exploration projects in Egypt's Western Desert.

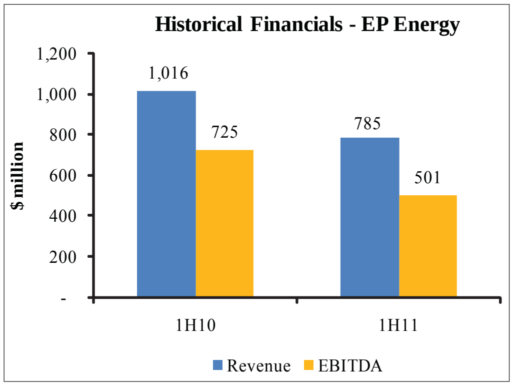
The following table provides summary data for each of the areas of operation:

	Reserves Bcfe	% of Proved Developed	Average Production Mmcfe/d	Net Acres
US				
Central				
Haynesville Shale	584	36%	143	46,000
Other Central	750	82%	185	597,000
Western				
Altamont	512	37%	51	190,000
Other Western	603	68%	109	847,000
Southern				
Eagle Ford Shale	186	24%	6	170,000
Wolfcamp Shale	41	10%	-	138,000
Other Southern	393	90%	193	453,000
International				
Brazil	**101**	**89%**	**33**	**137,000**
Egypt	**-**	**-**	**-**	**1,102,000**
Total Consolidated	**3,170**	**60%**	**720**	**3,680,000**
Unconsolidated Affiliate	**192**	**83%**	**62**	
Total Combined	**3,362**	**62%**	**782**	

Price Risk Management Activities

EP Energy enters into derivative contracts on its oil and natural gas production primarily to stabilize cash flows, and reduce the risk and financial impact of downward commodity price movements on commodity sales. During the first six months of 2011, approximately 86% of the natural gas production and 100% of crude oil production were economically hedged at average floor prices of $5.71 per MMBtu and $85.99 per barrel, respectively. For FY12, the Company has hedged 40% of its US gas production at $6.01/MMbtu and 90% of its total oil production at $93.30 – 112.76/Bbl.

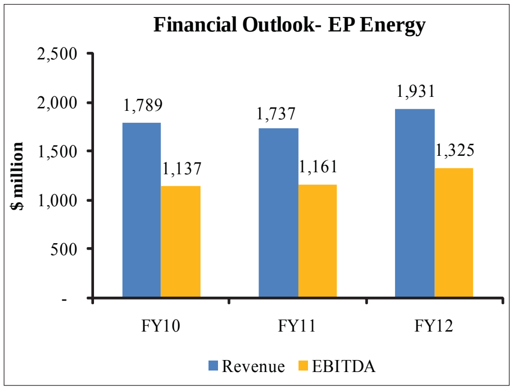
Historical Financials – EP Energy



Source: Company data

Despite an increase in natural gas production (87% of the total production), EP Energy witnessed a significant decline in revenue by 22.7% to $785 million in 1H11 as compared to 1H10 on the back of lower natural gas prices. The decline in revenue is also attributed to $284 million gain booked by the company in 1H10 due to hedging activities as compared to just $23 million booked in 1H11. EBITDA margin contracted by 760bps to 63.8% in 1H11 as compared to 1H10 due to lower prices, higher transportation costs, productions costs and general & administrative expenses.

Financial Outlook - EP Energy



We forecast a 2.9% decline in revenue for EP Energy to $1,737 million in FY11 as compared to FY10. The decline in revenue is primarily attributed to the lower average prices realized for natural gas and oil in 1H11. However, we anticipate the revenue to grow during 2H11 and in FY12 on the back of higher volumes and hedged future production of both natural gas and oil. We forecast the revenue to grow by 11.2% in FY12 to $1,931 million as compared to FY11. EBITDA margins are expected to be 66.8% in FY11 and further to 68.6% in FY12.

Business Overview - El Paso Corporation

Post spin-off, the El Paso Group would comprise of El Paso's Pipeline Group, its Midstream Group and its general and limited partner interests in El Paso Pipeline Partners.

El Paso Pipeline Group

El Paso Pipeline Group's 43,100 mile (including stake in El Paso Pipeline Partners) interstate pipeline system is the nation's leading interstate natural gas pipeline franchise as measured not only by mileage, but also by access to key supply regions and major consuming markets. It constitutes 19% of total U.S. interstate pipeline mileage and serves 27 states. The pipelines reach deep into the traditional Gulf Coast supply areas, the prolific Rockies supply basins, and the shale plays that will play a significant role in meeting the nation's long-term natural gas supply. It serves the major consuming markets of the Northeast, Southeast, Rockies, and Southwest, as well as Mexico.

The 43,100 miles of interstate natural gas pipeline has 28 billion cubic feet per day of capacity, representing 13% of the total US facility. It has 17 billion cubic feet per day of throughput or capacity equivalent to 26% of the gas delivered to U.S. consumers.

The Pipelines segment also includes storage and LNG terminal related facilities including ownership of storage capacity through transmission systems, three underground natural gas storage facilities, and two LNG terminal facilities, one of which is under construction and the other which is located in Elba Island, Georgia. It provides approximately 240 billion cubic feet of storage capacity and the LNG receiving terminal has a peak send out capacity of 1.8 billion cubic feet per day.

Natural Gas Pipeline System

El Paso Pipeline Group has a 100% stake in the Tennessee Gas Pipeline (TGP), El Paso Natural Gas (EPNG), Mojave Pipeline (MPC) and Cheyenne Plains Gas Pipeline (CPG) comprising of total 25,200 miles of pipeline as of FY10. The TGP pipeline is the largest pipeline of the Group that extends from Louisiana, the Gulf of Mexico and south Texas to the northeast section of the US, including the metropolitan areas of New York City and Boston. The below table highlights the key data pertaining to its pipeline network:

Transmission System	Miles of Pipeline	Design Capacity (MMcf/d)	Storage Capacity (Bcf)	Average Throughput (Bbtu/d)
Tennessee Gas Pipeline (TGP)	14,100	7,208	93	5,081
El Paso Natural Gas (EPNG)	10,200	5,650	44	3,356
Mojave Pipeline (MPC)	500	400	-	421
Cheyenne Plains Gas Pipeline	400	934	-	751

Source: Company Data

Apart from the wholly owned pipelines the company owns 4 other pipelines through its master limited partnership El Paso Pipeline Partners and a 50% equity interest in Citrus Corporation which owns FGT System.

Transmission System	Miles of Pipeline	Design Capacity (MMcf/d)	Storage Capacity (Bcf)	Average Throughput (Bbtu/d)
Colorado Interstate Gas (CIG)	4,300	4,592	37	2,131
Southern Natural Gas (SNG)	7,600	3,700	60	2,505
Wyoming Interstate (WIC)	800	3,538	-	2,472
Elba Express	200	945	-	-
Florida Gas Transmission (FGT)	5,000	2,254	-	2,288

Source: Company Data

Expansion Projects

El Paso has a well-stocked project backlog that extends into 2012-14. The firm expects to bring the majority of its $8 billion pipeline backlog into service by year-end 2011, with about $1 billion brought online in 2010, nearly $4 billion in 2011 and tapering off to $1 billion spread over 2012-14. Included in 2011 planned start-ups will be the 680-mile Ruby Pipeline from Wyoming to Oregon. El Paso's pipeline backlog is well-supported with 90% of capacity subscribed under long 10- to 30-year contracts, providing a steady source of cash and earnings growth. The below table highlights the projects that are already completed (FGT and Ruby project) and planned to be completed in 2011.

Project	Existing System	Capacity (MMcf/d)	Description	Anticipated Completion
FGT Phase VIII	FGT	800	Miles: 483 Compression: 213,600 hp	April 2011
Ruby Pipeline	-	1,490	Miles: 680 Compression: 157,000 hp	July 2011
South System III	SNG	370	Miles: 81 Compression: 17,310 hp	2011-2012
Southeast Supply Header Phase II	SNG	350	Compression: 26,000 hp	June 2011
300 Line Project	TGP	350	Miles: 128 Compression: 55,000 hp	November 2011

Source: Company Data

Midstream Group

The midstream group provides services between the wellhead and interstate pipelines from gathering, treating, processing, fractionating to storing of natural gas, NGLs and oil. The company entered into a 50-50 joint venture by selling 50% stake in Altamont gathering and processing assets for $125 million to form EPMIC. Under the venture each of the partners expect to invest upto $500 million in midstream projects over 4 years. The company expects to add $30 billion of gathering and processing infrastructure by 2020.

El Paso Pipeline Partners

El Paso Pipeline Partners is a Delaware master limited partnership formed in 2007 by El Paso Corporation to own and operate natural gas transportation pipelines and storage assets. El Paso Pipeline's assets consist of three wholly owned entities, Wyoming Interstate Company (WIC), an interstate pipeline transportation business primarily located in Wyoming and Colorado, Southern LNG Company (SLNG), which owns LNG storage and re-gasification terminal near Savannah, Georgia, and Elba Express Pipeline Company (Elba Express), an interstate pipeline company which is located in Georgia and South Carolina.

It also owns 100% interest in Southern Natural Gas Company (SNG), an interstate natural gas company located in the southeastern United States, and an 86% interest in Colorado Interstate Gas Company (CIG), an interstate pipeline company which is located in the Rocky Mountains. Combined, these businesses consist of approximately 12,900 miles of pipeline and associated storage facilities with aggregate storage capacity of approximately 97 billion cubic feet (Bcf).

Operating Assets

• Wyoming Interstate Company (WIC)

WIC is a well positioned, low coat 800 miles long pipeline from WIC western Wyoming to northeast Colorado (the Cheyenne Hub) and several lateral pipeline systems. It is one of the primary interstate natural gas transportation systems providing takeaway capacity from the mature Overthrust, Piceance, Uinta, Powder River and Green River Basins.

• Colorado Interstate Gas Company (CIG)

CIG has 4,300 miles of pipeline network that are spread across from production areas in the U.S. Rocky Mountains and the Anadarko Basin to customers in Colorado, Wyoming and indirectly to the midwest, southwest, California and Pacific northwest. It also owns interests in 5 storage facilities located in Colorado and Kansas with approximately 37 billion cubic feet of underground working natural gas storage capacity and one natural gas processing plant located in Wyoming. Additionally, it also holds a 50% ownership stake in WYCO.

• Southern Natural Gas Company (SNG)

SNG is the principal natural gas transporter to southeastern markets in Alabama, Georgia and South Carolina. SNG owns 100% of the Muldon storage facility and a 50% interest in Bear Creek. The storage facilities have a combined working natural gas storage capacity of 60 billion cubic feet and peak withdrawal capacity of 1.2 billion cubic feet per day.

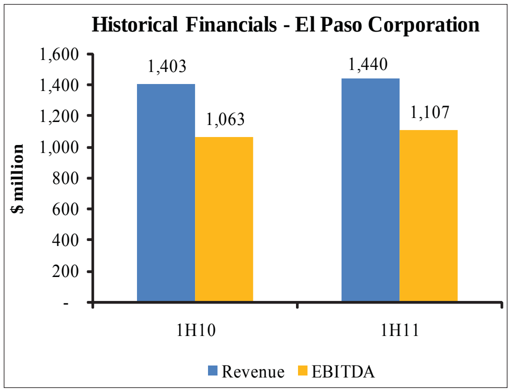
• Elba Express Pipeline Company (Elba Express)

Elba Express owns the Elba Express pipeline, an approximately 200-mile pipeline with a design capacity of 945 million cubic feet per day that transports natural gas supplies from the Elba Island LNG terminal to markets in the southeastern and eastern US. The service is fully subscribed under a 30-year contract with subsidiary of Shell.

• Southern LNG Company (SLNG)

SLNG owns the Elba Island LNG receiving terminal, located near Savannah, Georgia. The Elba Island LNG terminal is one of eleven facilities in the US capable of providing domestic storage and vaporization services to international producers of LNG. The Elba Island LNG terminal has approximately 11.5 equivalent billion cubic feet of LNG storage capacity and 1.8 billion cubic feet per day, of peak send-out capacity. It has fully subscribed 20+ year contracts with subsidiaries of Shell and BG.

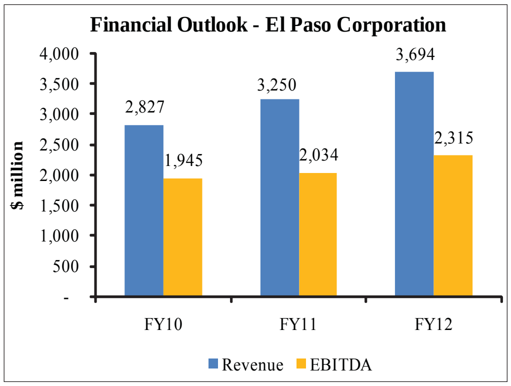
Historical Financials - El Paso Corporation



Source: Company data

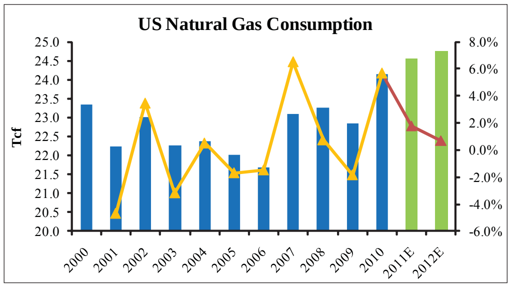
Revenue for El Paso grew marginally by 2.6% in 1H11 to $1,440 million as compared to $1,403 in 1H10. The increase in revenue was due to several expansion projects placed in service in 2010 and early 2011. However, the revenue growth was partially offset by lower revenue from EPNG system due to lower demand and firm transportation commitments in 2011. EBITDA margins improved by 110bps to 76.9% in 1H11 compared to same period previous year. The margin expansion was led by higher rates on TGP system and higher operating revenues, partially offset by higher G&A expenses.

Financial Outlook – El Paso Corporation

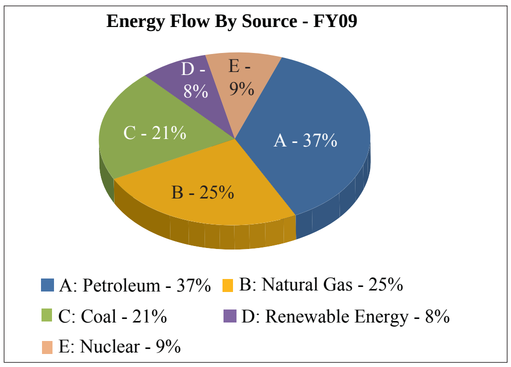


We anticipate a 15% increase in revenue for El Paso in FY11 to $3,250 million as compared to FY10. For FY12, we expect the revenue to continue grow at a slightly lower rate of 13.7% as compared to FY11 revenue. The increase in revenue is primarily driven by expansion projects placed in service in FY10 and FY11. Also, the revenue will be boosted by an increase in average rates for the contracted pipeline capacity. We expect the EBITDA margins to 62.6% in FY11 and 62.7% in FY12.

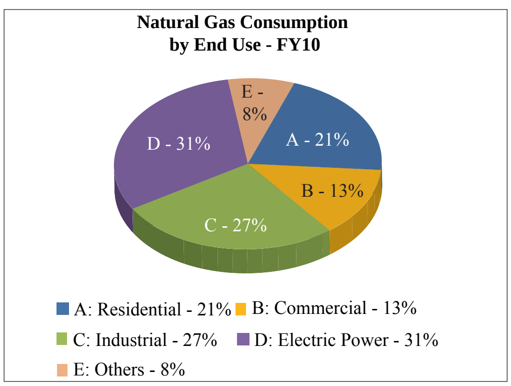
Industry Overview



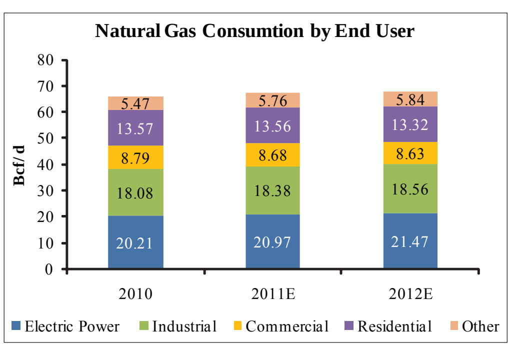
Source: EIA



Source: EIA



Source: EIA



Source: EIA

US Natural Gas Industry

Growth

Natural Gas consumption in the US grew by 1.9% CAGR during FY05-FY10 period to 24.1 trillion cubic feet. In FY10 the consumption increased by 5.7% propelled by high demand due to lower gas prices relative to other energy sources. Consumption in FY10 also benefited from improving economic conditions as the US economy recovered from the recession of the FY08-FY09 period. In addition to being less polluting than coal and oil power plants, natural gas-fired combined cycle generation plants are less capital intensive than other power plants.

Natural Gas consumption is expected to increase by 1.8% to 24.6 trillion cubic feet in FY11 driven by an increase in industrial and electric power sector consumption due to low prices and being a less polluting energy source compared to coal and oil. Consumption is expected to increase marginally by 0.7% in FY12 as the increase in consumption by industrial and electric power sector will be offset by declines in residential and commercial consumption due to anticipated warmer winter weather.

Consumption of Natural Gas

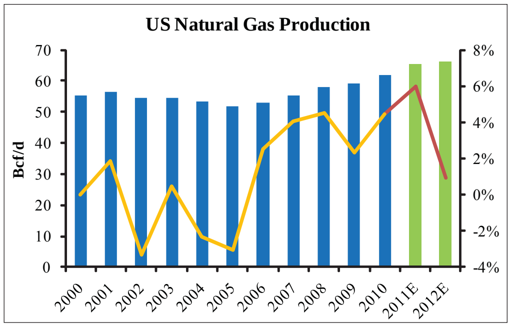
Of the total energy consumption in US, Natural Gas accounted for 25% of the total energy flow in FY09 whereas petroleum continues to contribute the highest at 35.3 Quadrillion Btu. 31% of the Natural Gas supply is utilized for generation of electric power followed by industrial sector that accounted for 27% of natural gas usage in FY10. Residential and commercial usage of natural gas increased by 3.3% in FY10 to 22.4 billion cubic feet per day as compared to 21.6 billion cubic feet in FY09.

The industrial consumption of natural gas is expected to increase by only 1.7% in FY11 in contrast to a 7% increase in FY10 due to a slower economic recovery. Consumption of natural gas for electric power generation is expected to increase by 3.8% in FY11 and 2.4% in FY12 as the electricity demand continues to rise. Residential and commercial use of natural gas is expected to remain flat in FY12 and is expected to decline by 1.8% and 0.6% in FY12 respectively due to anticipated warmer winter weather.

Natural Gas Production

Natural gas production in FY10 stood at 61.8 billion cubic feet per day (Bcf/d), an increase of 4.5% as compared to 59.2 Bcf/d in FY09. In 2010, natural gas production reached its highest level seen over the past decade, driven primarily by strong demand in the industrial and electric power markets. Production tends to closely track trends in demand. The bulk of domestic natural gas production is concentrated around the central US and in the Gulf of Mexico. Key producing states include Alaska, Colorado, New Mexico, Oklahoma, Texas and Wyoming, along with Federal zones of the Gulf of Mexico.

Marketed natural gas production is expected to average 65.5 Bcf/d in FY11, a 3.7 Bcf/d (5.9%) increase over FY10. This growth is centered in the onshore production in the Lower 48 States, which more than offsets projected declines in the Federal Gulf of Mexico. Production is expected to increase



Source: EIA

in FY12 but at a slower pace, increasing 0.6 Bcf/d (0.9%) to an average of 66.1 Bcf/d. The increase in natural gas production results primarily from continued exploration and development of shale gas resources. Shale gas is the largest contributor to production growth, while production from tight sands, coal bed methane deposits, and offshore waters remains stable.

US Natural Gas Pricing

Natural gas prices have been pretty volatile in the recent years. The high gas prices in 2008 are attributable to record high crude oil prices. The recession, which began in the second half of 2008, caused a drop in natural gas demand, particularly in industrial uses. At the same time, production in the U.S. continued to increase and the gas market became oversupplied. This led to sharp decline in natural gas prices in late 2008 which continued in 2009. However, in 2010, the Henry Hub gas spot price averaged to $4.39/MMbtu on the back of global economic recovery. EIA expects the Henry Hub gas average price to be $4.24/MMBtu in 2011 and $4.41/MMBtu in 2012 on the back of increased industrial and electric power consumption. However, the increase in consumption will be offset by projected declines in residential and commercial consumption.

US Natural Gas Pipelines

Pipelines in US

The U.S. natural gas pipeline network is a highly integrated transmission and distribution grid that can transport natural gas to and from nearly any location in the lower 48 States. The natural gas pipeline grid comprises:

- More than 210 natural gas pipeline systems
- 305,000 miles of interstate and intrastate transmission pipelines
- More than 1,400 compressor stations that maintain pressure on the natural gas pipeline network and assure continuous forward movement of supplies
- More than 11,000 delivery points, 5,000 receipt points, and 1,400 interconnection points that provide for the transfer of natural gas throughout the United States.
- 24 hubs or market centers that provide additional interconnections
- 400 underground natural gas storage facilities
- 49 locations where natural gas can be imported/exported via pipelines
- 8 LNG (liquefied natural gas) import facilities and 100 LNG peaking facilities

Regional Overview

US pipeline network can be classified into six regional networks:

- **Southwest Region:** The southeast regions comprises of 5 states and contains the largest number of individual natural gas pipeline systems (more than 90) and the highest level of pipeline mileage (over 106,000).
- **Central Region:** The Central Region produces more gas than it consumes and is a net exporter of natural gas. In recent years, expanding natural gas production in Wyoming, Colorado, New Mexico, and Utah has prompted the construction of several new intra and interstate pipelines in the region and the proposed development of several more over the next several years. The Central region has around 56,000 miles of pipeline.

- **Midwest Region:** Comprising of 6 states, the Midwest Region still receives most of it natural gas supplies from the Southwest Region's producing areas. Since the early 1980's new natural gas pipelines from Canada have grown in importance, currently accounting for over one-quarter of the natural gas pipeline capacity entering the region.
- **Northeast Region:** The Northeast Region's natural gas pipeline network has access to supplies from most major domestic gas-producing areas and from Canada. Domestic gas flows into the region from the Southeast into Virginia and West Virginia, and from the Midwest into West Virginia and Pennsylvania. Canadian imports come into the region principally through New York, Maine, and New Hampshire.
- **Southeast Region:** In the Southeast Region most of the twenty-one interstate pipelines serving the region receive most of their supplies from the Gulf of Mexico or from the States of Texas and/or Louisiana. It has a pipeline mileage of around 39,000 miles.
- **Western Region:** The Western region receives more than 50% of natural gas from the Rocky Mountain area and the Permian and San Juan basins of Texas and New Mexico. These systems enter the region at the New Mexico-Arizona and Nevada-Utah state lines. The rest of the pipeline capacity into the region enters from Wyoming and/or from Canada at the British Columbia-Idaho and Washington State border crossings.

Regulatory Authority

In April 1992, the Federal Energy Regulatory Commission (FERC) issued its Order 636 and re-structured the US pipeline industry. This new requirement meant that interstate natural gas pipeline companies were allowed to only transport natural gas for their customers and no longer buy and sell it. FERC determines the rate-setting methods for interstate pipeline companies, sets rules for business practices, and has the sole responsibility for authorizing the siting, construction, and operations of interstate pipelines, natural gas storage fields, and liquefied natural gas (LNG) facilities.

Competition - EP Energy

Company	Market Cap ($ million)	Description
EOG Resources	23,196	EOG Resources, Inc. explores for, develops, produces and markets natural gas and crude oil. The Company operates in major producing basins in the United States, Canada, Trinidad, the United Kingdom North Sea, China and, from time to time, select other international areas.
Williams Companies	14,039	The Williams Companies, Inc. is an integrated natural gas company that produces, gathers, processes and transports natural gas. The Company's operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, the Eastern Seaboard, and the province of Alberta in Canada.
Noble Energy Inc.	14,033	Noble Energy, Inc. is an independent energy exploration and production company. The Company explores for and produces crude oil, natural gas, and natural gas liquids. Noble Energy operates primarily in the Rocky Mountains, Mid-continent, and deepwater Gulf of Mexico areas in the US, with key international operations offshore Israel, the North Sea and West Africa.
Petrohawk Energy Corporation	11,764	Petrohawk Energy Corporation is an oil and gas company. The Company participates in the exploration and production of natural gas and crude oil. Petrohawk's operations are currently focused in proven oil and gas producing trends primarily in South Texas, Louisiana, and Central California.
Range Resources Corporation	9,100	Range Resources Corporation is an independent oil and gas company that explore, develops, and acquires oil and gas properties. The Company conducts operations primarily in the Southwestern, Appalachian and Gulf Coast regions of the United States.
Pioneer Natural Resources	8,350	Pioneer Natural Resources Company is an independent oil and gas exploration and production company, headquartered in Dallas, Texas, with operations primarily in the United States.
Cabot Oil & Gas Corporation	6,908	Cabot Oil & Gas Corporation is an independent oil and gas company that develops, exploits, and explores oil and gas properties located in North America. The Company holds interests Appalachian Basin, onshore Gulf Coast, including south and east Texas and north Louisiana, the Rocky Mountains and the Anadarko Basin as well as in the deep gas basin of Western Canada.
Newfield Exploration Company	6,132	Newfield Exploration Company is an independent oil and gas company which explores, develops, and acquires oil and natural gas properties. The Company operates in the Gulf of Mexico, in the onshore United States, within Malaysia, and in the Bohai Bay in China.
QEP Resources Inc.	5,985	QEP Resources Inc. is an independent natural gas and oil exploration and production company. The Company's operations are focused in the Rocky Mountain and Midcontinent regions of the United States.
Cimarex Energy	5,118	Cimarex Energy Co. explores for and produces crude oil and natural gas in the United States. The Company conducts activities primarily in Oklahoma, Kansas, Louisiana, and Texas.
SM Energy	4,298	SM Energy Company is an independent energy company that explores for and produces natural gas and crude oil. The Company's operations are focused on The ArkLaTex, Gulf Coast, Mid-Continent, Rocky Mountains, and Permian Basin regions.

Plains E&P	3,807	Plains Exploration & Production Company is an independent oil and gas company with onshore and offshore operations in California, West Texas, East Texas and the Gulf Coast region. The Company is primarily involved in the upstream activities of acquiring, exploiting, developing, and producing oil and gas.
EXCO Resources	2,562	EXCO Resources, Inc. explores for oil and natural gas. The Company operates in onshore locations in the United States.
Forest Oil Corporation	2,057	Forest Oil Corporation is involved in the acquisition, exploration, development, production, and marketing of natural gas and crude oil in North American and international locations. The Company's principal reserves and producing properties are located in the United States, including Alaska, the Gulf of Mexico, Louisiana, Oklahoma, Texas, and Wyoming, and in Canada.
Comstock Resources	952	Comstock Resources, Inc., an independent exploration and production company, acquires, develops, produces, and explores oil and natural gas properties. The Company's oil and natural gas reserves are located in the Gulf of Mexico, Texas, and Louisiana.

Competition - El Paso Corp

Company	Market Cap ($ million)	Description
TransCanada Corporation	28,365	TransCanada Corporation is the parent company of TransCanada PipeLines Limited. The Company is focused on natural gas transmission and power services. TransCanada's network of pipeline transports the majority of Western Canada's natural gas production to markets in Canada and the United States.
Enbridge Inc.	23,895	Enbridge Inc. provides energy transportation, distribution, and related services in North America and internationally. The Company operates a crude oil and liquids pipeline system, is involved in international energy projects, and is involved in natural gas transmission and midstream businesses.
Kinder Morgan Inc.	19,233	Kinder Morgan Inc. is a pipeline transportation and energy storage company. The Company owns and operates pipelines that transport natural gas, gasoline, crude oil, carbon dioxide and other products, and terminals that store petroleum products and chemicals and handle bulk materials like coal and petroleum coke.
Spectra Energy Corp	15,535	Spectra Energy Corporation transmits, stores, distributes, gathers, and processes natural gas. The Company provides transportation and storage of natural gas to customers in various regions of the northeastern and southeastern United States, the Maritime Provinces in Canada and the Pacific Northwest in the United States and Canada, and the province of Ontario, Canada.
Williams Companies	14,039	The Williams Companies, Inc. is an integrated natural gas company that produces, gathers, processes and transports natural gas. The Company's operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, the Eastern Seaboard, and the province of Alberta in Canada.
Oneok Partners LP	8,124	ONEOK Partners, L.P., through a subsidiary limited partnership, owns a general partner interest in a master limited partnership. The partnership owns an interstate pipeline system that transports natural gas primarily in the upper Midwest and Mid Continent regions of the United States.
Boardwalk Pipeline Partners	4,812	Boardwalk Pipeline Partners, LP transports, gathers, and stores natural gas. The Company owns and operates interstate pipeline systems that either serve customers directly or indirectly throughout the northeastern and southeastern United States.

Attachment 1
El Paso (EP) Income Statement (Consolidated)

in $ million except per share	2009	2010
Operating Revenues	4,631	4,616
Operating Expenses	4,682	2,573
Operating Income/(Loss)	(51)	2,043
Earnings from unconsolidated affiliates	67	188
Other Income (Expense)	119	327
Income/(Loss) before income taxes	(873)	1,310
Income tax expense/(benefit)	(399)	386
Net Income/(Loss)	(474)	924

Attachment 2
EP Energy (EPE) Income Statement

in $ million except per share	2009	2010
Operating Revenues	1,828	1,789
Operating Expenses	3,145	1,058
Operating Income/(Loss)	(1,317)	731
Other Income (Expense)	(32)	(4)
Income/(Loss) before income taxes	N/A	600
Income tax expense/(benefit)	N/A	226
Net Income/(Loss)	(911)	374

Attachment 3
Management – El Paso Corporation (EP)

Douglas L. Foshee
Chairman, President and Chief Executive Officer

Douglas L. Foshee has been Chairman of the Board of Directors of El Paso Corporation since May 2009 and President, Chief Executive Officer and a director of El Paso since September 2003. Prior to joining El Paso, Mr. Foshee served as the Executive Vice President and Chief Operating Officer of Halliburton Company having joined that company in 2001 as Executive Vice President and Chief Financial Officer.

John R. Sult
Executive Vice President and Chief Financial Officer

John R. Sult has been Executive Vice President and Chief Financial Officer of El Paso Corporation since March 2010 and Senior Vice President and Chief Financial Officer from November 2009 to March 2010. Mr. Sult previously served as Senior Vice President and Controller of El Paso from November 2005 to November 2009. Mr. Sult also serves on the board of directors of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P.

Attachment 4
Management – EP Energy (EPE)

Brent J. Smolik
President and Chief Executive Officer

Mr. Smolik will serve as the President and Chief Executive Officer of EP Energy upon the effective date of the spin-off. Mr. Smolik has served as Executive Vice President of El Paso Corporation and President of El Paso Exploration & Production Company since November 2006. Mr. Smolik was President of ConocoPhillips Canada from April 2006 to October 2006. Prior to the Burlington Resources merger with ConocoPhillips, he served as the President of Burlington Resources Canada from September 2004 to March 2006.

Clayton A. Carrell
Senior Vice President and Chief Operating Officer

Mr. Carrell will serve as the Senior Vice President and Chief Operating Officer of EP Energy upon the effective date of the spin-off. He has been Senior Vice President and Chief Engineer of El Paso Exploration & Production Company since June 2010. Mr. Carrell joined El Paso in March 2007 as Vice President, Texas Gulf Coast Division. He was previously Vice President, Engineering & Operations at Peoples Energy Production from February 2001 to March 2007.

Dane E. Whitehead
Senior Vice President and Chief Financial Officer

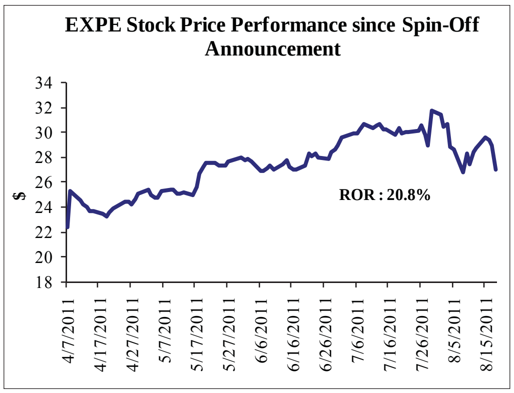
Mr. Whitehead will serve as the Senior Vice President and Chief Financial Officer of EP Energy upon the effective date of the spin-off. Mr. Whitehead has been Senior Vice President of Strategy and Enterprise Business Development of El Paso since October 2009. He previously served as Senior Vice President and Chief Financial Officer for El Paso Exploration & Production Company from May 2006 to October 2009. He was the Vice President and Controller of Burlington Resources Inc. from June 2005 to March 2006.

Focus Report

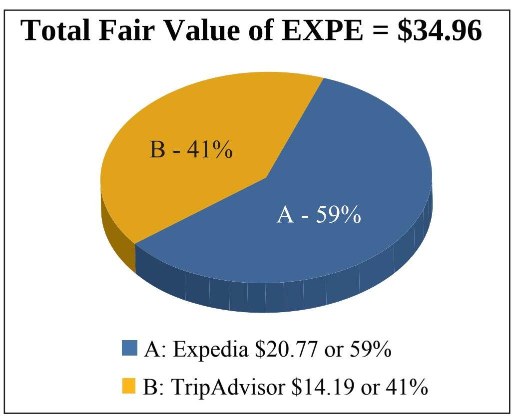
Expedia (EXPE) Files Form S-4 Related to TripAdvisor Spin-Off

Parent: Expedia (NASDAQ: EXPE)
Sector: Internet E-Commerce
Spin-Off: TripAdvisor
Sector: Internet E-Commerce
Target Price – EXPE: $34.96
Share Price – EXPE: $27.05*
Recommendation: Buy
Upside: 29.2%
* As on August 18, 2011

Price Performance - EXPE



Source: Bloomberg



Source: Spin-Off Estimates

Summary

On July 27, 2011, Expedia (NASDAQ: EXPE, $27.05, Market Capitalization: $7.5 billion), filed Form S-4 related to the proposed spin-off of TripAdvisor. Earlier, on April 7, 2011, Expedia had unveiled plans of a tax-free spin-off of its media business – TripAdvisor which will include the domestic and international operations associated with the TripAdvisor Media Group. Expedia will continue to operate the domestic and international operations of the Company's travel transactions brands namely Expedia.com, Hotels.com, eLong, Hotwire, Egencia and others.

The distribution ratio for the spin-off is 1:1 post a reverse stock-split of 1:2 of Expedia's common stock and Class B common stock. **The transaction is subject to final approval by Expedia's Board of Directors and its shareholders' in the forthcoming AGM (Anual General Meeting) and is expected to be completed in the fourth quarter of 2011.** TripAdvisor is expected to be listed on the NASDAQ Exchange.

The spin-off will unlock shareholder value as TripAdvisor will fetch premium valuation which is currently overshadowed by the Group performance. Expedia currently trades at 7.1x EV/EBITDA as compared to 15.8x for the peer group.

Our revised fair value estimate for Expedia is $34.96 (earlier $33.64), implying an upside of 29.2% to the current market price of $27.05 and we maintain our Buy rating on the stock. Our fair estimate of $34.96 comprises of $20.77 (59%) for Expedia and $14.19 (41%) for TripAdvisor. Despite a cautious outlook for the travel industry, Expedia remains a natural beneficiary of the increasing online penetration trend in the travel industry.

Key Highlights of Spin-Off Filing (Form S-4)

Reverse Stock Split: Expedia plans a 1:2 reverse stock split of its common stock and Class B common stock, immediately prior to the spin-off, once it gains approval of the same in the forthcoming AGM. Expedia's warrant will convert in accordance with its terms into an adjusted warrant to purchase Expedia common stock and a new warrant to purchase TripAdvisor common stock, resulting in total 143.2 million outstanding shares of Expedia and 139.7 million outstanding shares of TripAdvisor.

Preferred Stock Merger: Each of Expedia's Series A preferred stock would be converted into a right to receive $22.23 per share in cash plus an amount equal to accrued and unpaid dividends through the effective date of the merger, subject to approval of the same in the next AGM. The spin-off or the reverse stock split will not be executed if the preferred stock merger has not been consummated. The overall impact is estimated to be ~$17,000 (ex-dividends).

Key Data – EXPE	
Price ($ as on August 18, 2011)	27.05
Market Capitalization ($ million)	7,522.6
Primary Exchange	NASDAQ
Bloomberg Symbol	EXPE US
Net Debt ($ million as of June 30, 2011)	236
Revenue 2010 ($ million)	3,017
Shares Outstanding (million)	278.1
52 Week Range ($)	19.61 – 32.89
Fiscal Year Ending	Dec 31

Spin-Off Details	
Announced	April 7, 2011
S-4 Filing Date	July 27, 2011
Record Date	Yet to be announced
Distribution Date	Yet to be announced
Spin-Off Ratio	1:1
Tax-Status	Tax-free
Completion Date	End of 2011

Top 5 Shareholders (Expedia)	Holding %
Liberty USA Holdings Ltd	25.00
Capital World Investors	6.67
Vanguard Group, Inc.	4.20
Microsoft Corp.	3.81
Diller Barry	3.71

Loss of Revenue: Expedia anticipates that it will reduce marketing spend with TripAdvisors resulting in 2-5% lower revenues for tripadvisors. However, TripAdvisor expects that some of this reduction will be offset from third party customers. Additionally, TripAdvisor will see increased corporate expenses as a standalone entity. Due to lower marketing spend with TripAdvisor, Expedia anticipates a fall in bookings which may result in a marginal decline in revenues.

Debt and Cash Split: TripAdvisor expects to enter into a 5-year term-loan of $400 million of which it plans to pay approximately $335 million in cash to Expedia and will retain $165 million in cash and short-term investments. It also plans to enter into a revolving credit facility of $200 million.

Spin-Off Completion: Expedia expects to complete the spin-off in the fourth quarter of 2011. The spin details (record date and distribution date) are yet to be announced.

When-Issued Trading: It is expected that both Expedia and TripAdvisor will trade on when-issued basis.

Tax Consequences: The spin-off is expected to be a tax-free transaction subject to receipt of private letter ruling from the Internal Revenue Service.

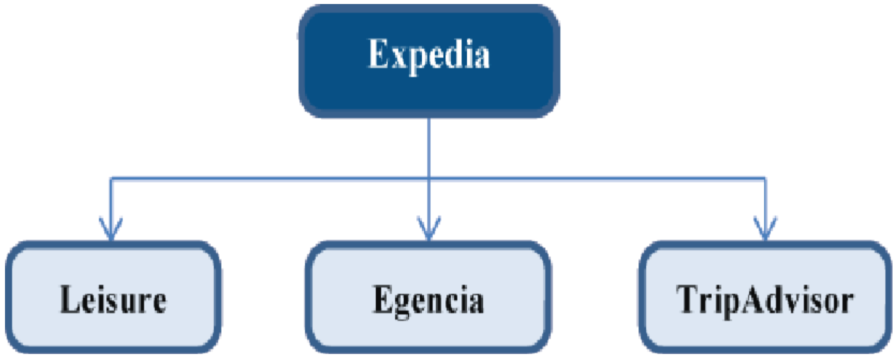
Dividend Policy: Expedia anticipates continuing to pay quarterly cash dividends on Expedia Common Stock and Expedia Class B Common Stock whereas TripAdvisor does not expect to pay any dividends in the immediate future.

Transaction Costs: Total transaction costs relating to the spin-off are estimated to $5 million and will be borne equally by Expedia and TripAdvisor.

Deal Rationale

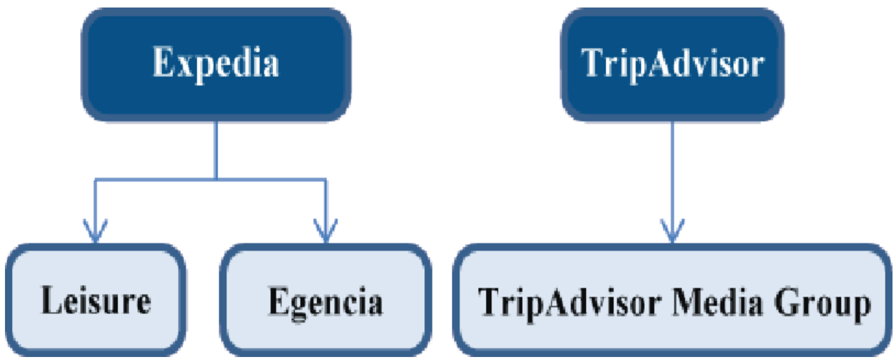
Expedia operates two distinct businesses: transaction based (core Expedia) and media related (TripAdvisor). TripAdvisor is a high growth (+30% YOY growth) and high margin (1Q11 OIBA margins of 48.1%) business as compared to core Expedia growth of 10.6% and 2010 OIBA margins of 19.2%. TripAdvisor accounts for 13.5% of group revenue and 27.6% of the total OIBA. The spin-off will unlock shareholder value as TripAdvisor will fetch premium valuation which is currently overshadowed by Expedia's performance. Expedia currently trades at 7.1x EV/EBITDA as compared to 15.8x for the peer group. The spin-off will create an opportunity for investors to have exposure to a growth stock in the attractive internet media industry.

Pre Spin-Off



Source: Company data

Post Spin-Off



Source: Company data

Investment Thesis

Subsequent to the filing of Form S-4 by Expedia and 2Q11 results, we have revised our fair value estimate for Expedia to $34.96 (earlier $33.64), implying an upside of 29.2% to the current market price of $27.05 and we maintain our Buy rating on the stock. Our fair value estimate for Expedia is $20.77 and for TripAdvisor is $14.19. Our Buy argument is underpinned by the following thesis: 1) potential value unlocking for TripAdvisor - premium high growth and high margin asset, 2) structural tailwinds due to low penetration of online travel in high growth markets, 3) industry leadership and 4) strong balance sheet. The risks include a probable economic recession in the developed countries and increasing competition.

The TripAdvisor Spin-Off will provide an opportunity for investors to have exposure to a growth stock in the attractive internet media industry and Expedia will offer significant free cash flow generation potential.

TripAdvisor: Solid Growth Asset to See Value Unlocking

The high margin media and advertising business, increasing from 4% of total revenues in 2006 to approximately 10% in 2008 and to 12% in 2010 will function as an independent unit post Spin-Off. TripAdvisor business has delivered strong growth in 2010 with a 38.1% increase in revenue and 47.0% of OIBA margins. Though Google Places will have an adverse impact, we believe that the 30% revenue growth in 1Q11 and 2Q11 is backed by its rapidly expanding international presence. TripAdvisor attracts more than 50 million unique monthly visitors and thus promises attractive returns. With robust user generated content and well built brand awareness among users, we expect that revenues will grow by 25.0% in 2011 with OIBA margins of around 46.0%.With the global online ad market expected to touch $100 billion by 2014; there is a vast untapped market for TripAdvisor.

Expedia: Macro Economic Trends Signal Cautious Outlook for the Travel Industry

Expedia's growth is leveraged to the pace of economic growth in the US and worldwide. The outlook for growth remains subdued with concerns of probable recession in the US and the lingering debt crisis in Europe.

Airlines are pruning capacity and raising fares, which adversely affects volume. This coupled with airline consolidation could pressure topline growth and margins.

However, the hotel industry is witnessing a return of business travelers; with a rising demand for leisure. This will have a positive cumulative effect on the three factors: occupancy rate, average daily room rate (ADR) and Revenue per available room (RevPAR) driving higher OIBA margins for Expedia.

Expedia: Continues to Benefit as Travel Industry Shifts Online

Notwithstanding the cautious industry outlook for the travel industry, Expedia remains a natural beneficiary of the increasing online penetration trend in the travel industry. The global online penetration has increased from 32% in 2008 to 38% in 2010. Online penetration is still in a very nascent stage in the APAC (21%) and LATAM (14%) regions compared to a mature market like US (54%) signifying a large under-served market.

Expedia's significant market spending to strengthen its position in these international markets will show positive results in revenue growth. The global online hotel reservation business, Eastern Europe and the APAC region in particular, represent a significant opportunity for Expedia. The market is highly fragmented and consists of very few hotel chains, unlike the US market, which reduces competition from direct suppliers. Expedia's international business accounted for 38% of the total revenues in 2010 and grew 37% YOY in 2Q11. The company anticipates significant international growth with a target of 50+% of total revenue from international operations.

Expedia: Market Leader in Online Travel Industry

Based on gross bookings, Expedia continues to be the world's largest online travel agent and will continue to gain market share from traditional travel agents due to its discounted prices, strong brand awareness and array of travel websites. Expedia attracts 85% more unique monthly visitors over its next largest competitor worldwide, whereas it stands at 88% in the US. Page viewed by users on Expedia is 129% more than it next largest competitor and the minutes spent online is 104% more globally.

The Egencia segment that currently accounts for only 5% of revenues of Expedia is a lucrative segment showing rapid growth. The segment grew by 30.6% in 2Q11. An early lead by Expedia in the corporate travel market may lead to a dominant position among online travel competitors.

Expedia and TripAdvisor: Margin Erosion Led by Intense Competition

The Online Travel Industry is characterized by low barriers to entry, high price elasticity of demand and low brand loyalty. Expedia must continue to compete in a maturing domestic market with both local and foreign firms. Competition will erode profit margins domestically and internationally as travel service providers need to continuously evaluate their products and services with those offered in the market to gain the competitive advantage. Competition is highly price sensitive as customers are more inclined towards lower prices than brand loyalty. Any price competitive strategy by an Online Travel Agent is quickly followed by other competitors.

Expedia has invested heavily on several initiatives like Expedia platform development, expansion in Europe/ APAC, Expedia Rewards loyalty program and mobile applications. TripAdvisor also faces stiff competition from new entrants like Google, Bing and Yahoo. These players enjoy significantly greater financial, technical, marketing resources and large client bases. Consequently, overall margins for the company have fallen from 20% in 1Q10 to 16% in 1Q11 and 26% in 2Q10 to 24% in 2Q11.

Valuation

We value Expedia on a sum-of-part basis. We have revised our fair value estimate for EXPE to $34.96 (earlier $33.64) comprising of $20.77(59%) for Expedia and $14.19(41%) for TripAdvisor.

Following are our key assumptions:

1. We value Expedia at 6.7x (45% discount to the median peer group multiple of 12.2x) FY12 EBITDA estimate. We believe that the discount is justified considering Expedia's revenue growth and EBITDA margins which are much lower than Priceline and Ctrip.

	Revenue Growth		EBITDA Margins	
	2011	2012	2011	2012
Expedia	10%	5%	22%	21%
TripAdvisor	25%	23%	49%	48%
Priceline	40%	25%	34%	35%
Travelzoo	37%	25%	27%	31%
Ctrip	27%	26%	39%	40%

Source: Bloomberg Consensus, Spin-Off Estimates

2. TripAdvisor business is valued at 12.2x FY12 EBITDA in line with the median peer group multiple.
3. Expedia has net cash of $1,203 million comprising of 2,948 million of cash and investments and long term debt of 1,645 million. The cash component includes $335 million that Expedia will receive from TripAdvisor on its separation.
4. TripAdvisor would raise $400 million through a 5-year term loan and retain $165 million of cash and investments on its separation from Expedia.
5. We have considered 143.2 million outstanding shares (diluted) for Expedia after giving effect for the 1:2 reverse stock split and similarly 139.7 million outstanding shares for TripAdvisor.

$ million except per share	Expedia	TripAdvisor
FY12 EBITDA	727	344
Multiple (x)	6.7	12.2
EV	4,881	4,200
Net Debt	(1,203)	235
Minority Interest	134	0
Equity Value	5,950	3,965
# of Shares (million)	143.2	139.7
Fair Value ($)	**41.54**	**28.38**
Fair Value Prior to Reverse Stock-Split ($)	**20.77**	**14.19**
Expedia Consolidated ($)		**34.96**

Source: Spin-Off Estimates

Peer Table

Company	Ticker	Currency	Price	Market Cap ($ million)	EV/EBITDA FY11	EV/EBITDA FY12
Priceline	PCLN US Equity	USD	491.85	24,479.3	15.8	12.2
Travelzoo	TZOO US Equity	USD	36.83	606.3	13.6	9.4
Ctrip	CTRP US Equity	USD	40.37	5,795.7	24.1	18.7
Median					**15.8**	**12.2**

Source: Bloomberg

Business Overview – TripAdvisor

TripAdvisor is the world's largest travel site, offering content and advice on all aspects of travel. The spin-off seeks to separate the media business from the transactions-based business, with the entire TripAdvisor Media Group business coming under the TripAdvisor's umbrella, which includes its flagship brand (TripAdvisor.com), as well as 19 other travel media and advertising brands.

It attracts more than 50 million unique monthly visitors and provides a wide variety of travel choices and planning features (including Flights search, TripAdvisor Mobile and TripAdvisor Trip Friends) with seamless links to booking tools.

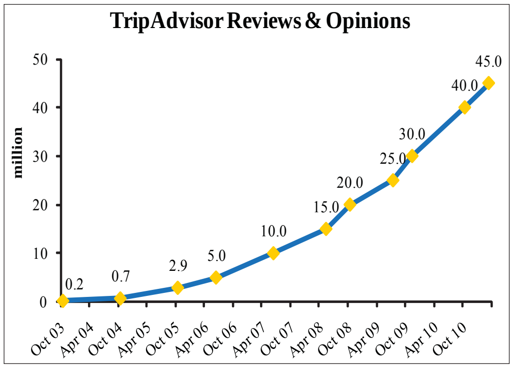
In fact, TripAdvisor-branded sites make up the largest travel community in the world, with operations in 30 countries in 21 languages having 20 million members and over 50 million reviews and opinions. It also operates TripAdvisor for Business, a dedicated division that provides the tourism industry access to TripAdvisor's millions of monthly visitors. The division includes Business Listings, which allows hoteliers to connect directly to millions of researching travelers, and Vacation Rentals, which helps property managers and individual home owners list their properties and showcase hotel alternatives.

Brands

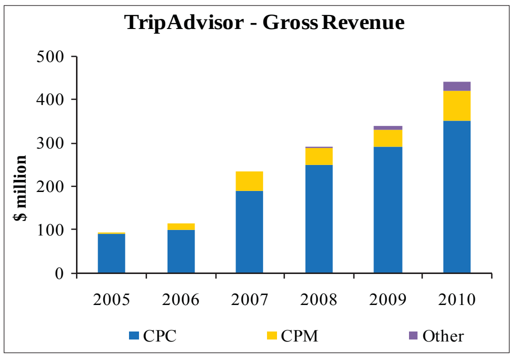
TripAdvisor owns 20 popular travel brands which include TripAdvisor.com, airfarewatchdog.com, bookingbuddy.com, and others catering to the entire travel research and planning needs. The following table provides details on the various brands and their specialization.

Brands	Purpose
TripAdvisor.com, VirtualTourist.com, Whereihavebeen.com	Reviews with social networking
Airfarewatchdog.com, OneTime.com, Bookingbuddy.com	Search tool for fares
TravelPod.com	Travel Blogs
Holidaywatchdog.com	European holiday reviews
Travellibrary.com	Destination services, hotels & vacation rentals
Smartertravel.com	Editorial info and deals
Cruisecritic.com	Cruise reviews & community
IndependentTraveler.com, SeatGuru.com	UGC seat maps and airline info
EveryTrail.com	Guides and bargains
Holidaylettings.co.uk, flipkey.com	Vacation rental
Kuxun.cn, daodao.com	Chinese flight and hotel search engine
SniqueAway.com	Top brands and A-List accommodations
Familyvacationcritic.com	Ideas for family vacation

Source: Company Data



Source: Company data



Source: Company data

Revenue Drivers

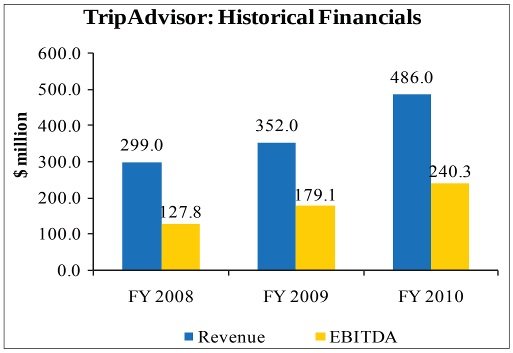
TripAdvisor has registered a phenomenal growth in unique visitors and reviews and opinions posted by them. The unique visitors rose to 50 million in 2010 from less than 20 million in 2007. The reviews and opinions have grown at a CAGR of 113% during 2003-10 indicating the popularity of TripAdvisor among users. The reviews and opinions crossed the 50 million mark in June 2011.

TripAdvisor has essentially three major drivers: Cost per Click based revenue (CPC), display advertising revenue (CPM) and other revenue comprised of subscription-based products. In 2010, CPC accounted for 80% of the total revenues and CPM and Other contributed 16% and 5% respectively.

Revenue driven by display advertising business (CPM) accounted for just 5% of the total revenues in 2005 which has risen to 16% for 2010. Similarly, share of other new products such as hotel business listings, vacation rentals, and a new private sale site, SniqueAway is on the rise.

The international third party revenue is roughly 38.5% of the total revenues.

Financial Outlook - TripAdvisor



Source: Company Data, Spin-Off Estimates

We estimate revenues to grow by 25% in 2011 to $588 million and by 22.5% in 2012, in anticipation of competition from launch of Google Places by Google and its acquisition of ITA software, as well as from Bing through its launch of Bing Travel which could lead to diversion of customer traffic to their own websites or those of a favored partner.

We expect TripAdvisor's EBITDA margins to be lower at 48.8% for 2011 and 47.8% for 2012 compared to 49.7% in 2010. During 1Q11, the Company reported 50.9% EBITDA margin.

Business Overview - Expedia

Expedia is the world's largest online travel services provider, with 96 leisure booking sites, serving travelers in over 60 countries, offering 300+ airlines. It is the single largest provider of hotel bookings to more than 130,000 hotels.

Expedia offers bookings for some of the world's leading airlines and hotels, top consumer brands, high traffic websites, and thousands of active affiliates through Expedia Affiliate Network. The Company delivers consumers value in leisure and business travel, drives incremental demand and direct bookings to travel suppliers, and provides advertisers vast opportunity to reach the most valuable audience of travel consumers.

While serving the global travel marketplace, Expedia has three revenue sources:

- **Agency Model:** acting as a Travel Agent and charging a commission (known as the processing fee or the booking fee) on every transaction
- **Merchant Model:** acting as a Merchant and purchasing the travel inventory (air tickets and hotel stays) from the travel providers (airlines and hotels) in bulk at discounted prices and selling the same to the customers at a premium
- In addition, Expedia sells advertising on its websites and companies (mostly travel suppliers-hotels and airlines) either through pay-per-click or pay a flat fee for the duration of advertising

Portfolio of Brands

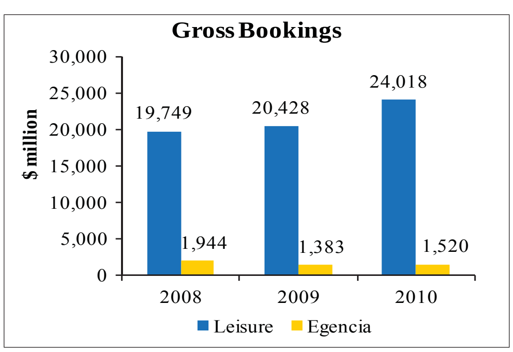
Expedia includes an extensive brand portfolio that includes more than 90 localized Expedia.com and Hotels.com branded sites and various other travel related sites. The following table provides details of the various brands and their functionalities.

Brands	Description
Expedia	World's largest Online Travel Agent (OTA), focusing on the whole trip
Hotels.com	Hotel specialist with over 70 sites in over 60 countries
Hotwire	Unpublished rate booking site
Egencia	5th largest full-service corporate travel management company in the world
eLong	Leading Chinese OTA
Venere.com	Italy-based agency hotel bookings provider
CarRentals.com	Online car rentals consolidator
Classic Vacations	Luxury travel provider
Expedia Cruise Ship Centers	Offline cruise travel agency with retail presence
Expedia Local Expert	Offers face-to-face personalized recommendations and assistance in booking

Source: Company Data

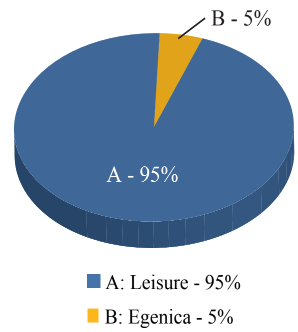
Revenue Drivers

Expedia's operating results are impacted by the total gross bookings and revenue margin earned on those bookings. Increase in the gross bookings is a function of growth in transactions or an increase in airfares / hotel tariffs.



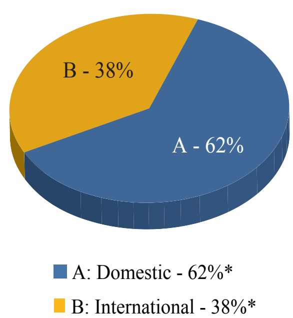
Source: Company data

FY10 Revenue Breakup by Segment



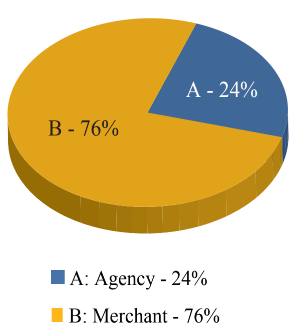
Source: Company data

FY10 Revenue Breakup by Geography



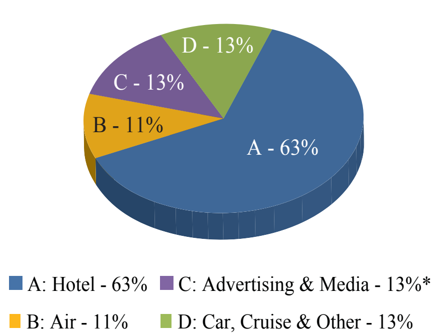
*Includes TripAdvisor, Source: Company Data

FY10 Revenue Breakup by Business Model



Source: Company data

FY10 Revenue Breakup by Product Type



*Includes TripAdvisor, Source: Company data

The Company earns around 12% margin on the gross bookings. The decrease in revenue margin in 2010 as compared to 2009 was primarily due to higher average air ticket prices.

Revenue Margin	2008	2009	2010
Leisure	13.3%	12.9%	12.0%
Egencia	5.7%	7.8%	7.4%
Total Revenue Margin	**12.6%**	**12.6%**	**11.7%**

Source: Company Data

Revenue Breakup

By Operating Segments:

Expedia has two reportable segments: Leisure and Egencia. The Leisure segment provides a full range of travel and advertising services to worldwide customers' accounts for 95% of the total revenues. The Egencia segment caters to only corporate travel saw an increase of 32.4% in FY2010 on account of strong rebound in corporate travel.

By Geography:

Domestic operations relate to US customers and International operations which accounted for 38% of the total revenues in 2010 are all travel bookings done by people outside US and possess huge growth potential.

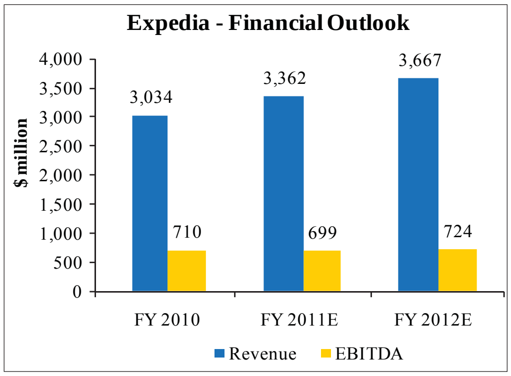
By Business Model:

Merchant revenues which accounted for 76% of the total revenues in 2010, signifies those transactions where Expedia facilitates the booking of hotel rooms, airline seats, car rentals and destination services from its travel suppliers and Expedia is the merchant of record for such bookings. Under the agency model, Expedia acts as the agent in the transaction, passing reservations booked by the traveler to the relevant travel provider. Typically, Merchant revenues offer higher margin potential compared to the Agency model.

By Product Type:

Expedia has diverse revenue streams with hotel transactions accounting for 63% of the total revenues and airlines contributing around 11%..

Financial Outlook – Expedia

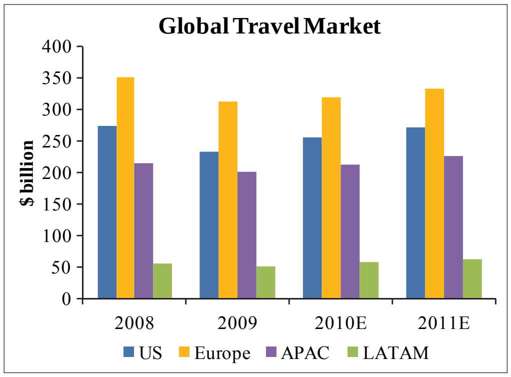


Source: Company Data, Spin-Off Estimates

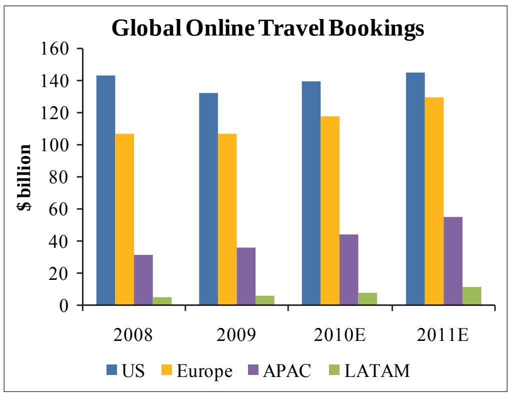
We expect Expedia will benefit from growth in international hotel bookings segment. We expect Expedia to clock revenues of $3,327 (10.3% YOY growth) million in 2011 and $3,477 million in 2012.

We have modeled for an EBITDA margin of 21.9% in 2011, lower compared to 22.7% in 2010 to factor in higher market spending to strengthen its position in international markets and lower margins to sustain and gain market share due to presence of entrenched competitors. For 2012, we expect the margins to be roughly 20.9%.

Industry Overview



Source: Company Data



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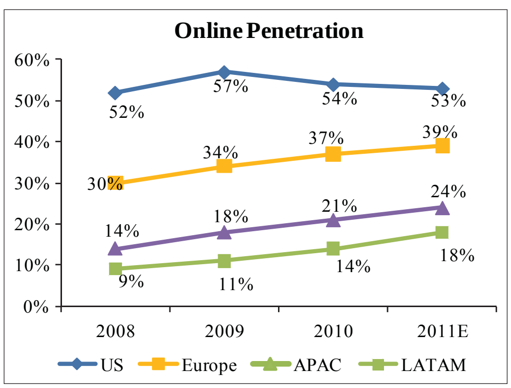
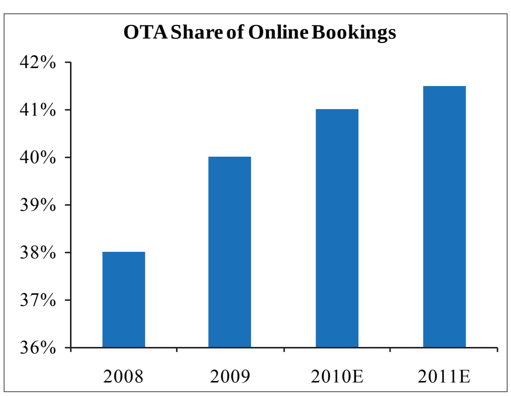


Source: Company Data



Source: Company Data

Global Travel Industry Market

The global travel market is expected to touch $893 billion by 2011 almost flat from 2008 levels. Regionally, US growth during 2008-11 is expected to remain almost flat with APAC and LATAM regions forecast to grow at 1% and 3% CAGR respectively.

Global Online Travel Industry

Global Online Travel Industry size is $309 billion in 2010, roughly 36.6% of the overall Travel industry.

Online bookings have grown at a much faster pace than the growth in travel industry and the trend is expected to continue in future driven by emerging markets of Asia Pacific and LATAM. In these regions the growth potential for online booking channels is significant, outstripping the potential of US and European markets, which are nearly saturated.

US market is forecast to witness a flat growth during 2008-11 as compared to 5% for Europe. APAC and LATAM markets are expected to see a robust growth of 15% and 24% CAGR during 2008-11. Industry sources suggest that online travel bookings are growing at 27% in China.

Online Penetration

In terms of growth and maturity, US ranks ahead of all the global markets. Online booking penetration rate is highest in the US at 54% in 2010 and is expected to remain stable in 2011, followed by Europe where the rate stood at 37% in 2010 and is expected to be 39% in 2011. Increase in online penetration seems very promising in the APAC and LATAM regions where online bookings are in a very nascent stage.

OTA Market Share

Online Travel Agency (OTA) market share of the total online industry is around 40% and is expected to on the rise further as they gain higher share in large untapped markets of APAC and LATAM.

Global Market Opportunity for Online Travel Media

Revenue from media forms an important component of OTA's total revenue, as these have higher margins in comparison to transaction products. The global online ad market is expected to reach $100 billion by 2014, providing a colossal platform of growth opportunities for OTAs as more and more advertisers continue to shift their spending from offline to online channels, mirroring the trend in consumer media consumption. Industry sources estimate that the annual expenditure for global online travel advertising in 2011 will be over $5 billion and is projected to grow at a compound annual rate of 15% through 2014.

Competition

Company	Market Cap ($ million)	Description
Priceline	22,834.4	The Priceline group of companies provides online travel services in 38 languages in 100 countries. It gives leisure travelers multiple ways to save on their airline tickets, hotel rooms, rental cars, vacation packages and cruises. Travelers can also take advantage of priceline.com’s famous “Name Your Own Price” service, which delivers the lowest prices available.
Travelzoo	554.7	Travelzoo provides online marketing solutions to the travel industry. Through the Company's Web site, its newsletter, and by using its listing management software, travel companies can inform Internet users about their specials.
Ctrip	5,537.3	Ctrip is a consolidator of hotel accommodations and airline tickets in China.

Attachment 1
FY10 Pro Forma Income Statement

$ thousands	Expedia	TripAdvisor
Revenue	3,017,029	470,135
Costs & Expenses	(2,511,183)	(274,971)
Operating Income	505,846	195,164
Total other expense, net	(109,777)	(11,920)
Income before Tax	396,069	183,244
Provision for Income Tax	(109,516)	(68,459)
Net Income	**286,553**	**114,785**
Net income attributable to non-controlling interests	(3,882)	(178)
Net income attributable to common shareholders	**282,671**	**114,607**
Net income per share attributable to common shareholders		
Basic ($)	2.00	0.81
Diluted ($)	1.93	0.80

Attachment 2
Management - Expedia

Barry Diller
Chairman & Senior Executive

Barry Diller has been the Chairman and Senior Executive of Expedia since its spin-off from IAC/InterActiveCorp ("IAC") in August 2005. Mr. Diller is also the Chairman and Senior Executive of IAC from 1995 to late 2010. He serves on the boards of The Washington Post Company, The Coca-Cola Company and Live Nation Entertainment. He is also a trustee of New York University and serves on the Executive Board for the Medical Sciences at UCLA, the Board of Conservation International and the Board of Councilors for the School of Cinema-Television at the University of Southern California.

Dara Khosrowshahi
President & CEO

Dara Khosrowshahi has served as CEO of Expedia since August 2005. Previously, he served as CEO of IAC Travel, a division of InterActiveCorp. Prior to joining IAC, Khosrowshahi served as Vice President at Allen & Company LLC. Khosrowshahi holds a BA in Engineering from Brown University.

Michael Adler
Executive VP & CFO

Michael Adler oversees the planning and analysis of the global finance and accounting functions for Expedia. Prior to joining Expedia, Adler served as Senior Vice President of Financial Planning and Analysis for IAC/InterActiveCorp. Previously, Adler served as Chief Financial Officer and General Counsel for SchoolSports, Inc. Adler received a Bachelor's of Science Degree in Economics from The Wharton School, University of Pennsylvania, and a Juris Doctor's Degree from The University of Pennsylvania Law School.

Attachment 3
Management - TripAdvisor

Stephen Kaufer
President and CEO, TripAdvisor.com

Stephen Kaufer co-founded TripAdvisor in 2000 with the mission to help travelers around the world plan and have the perfect trip. Prior to co-founding TripAdvisor, Kaufer was President of CDS, Inc. Kaufer, winner of the 2005 Ernst & Young Entrepreneur of the Year Award, holds several software patents and has spoken at dozens of travel and high-tech conferences worldwide. He is on the board of directors at Glassdoor, a job review site; CarGurus, an online automotive community; and the Caring for Carcinoid Foundation, a non-profit charity dedicated to finding a cure for Carcinoid and Neuroendocrine cancers. Kaufer has a B.S. in Computer Science from Harvard University.

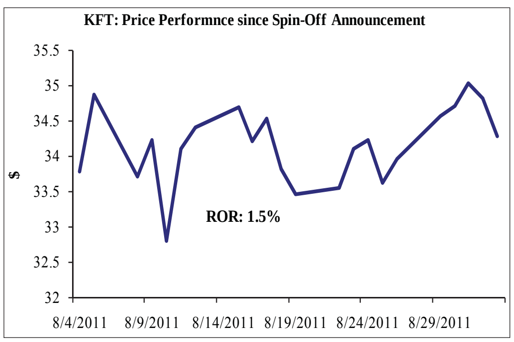
** Additional Management Executives to be announced.*

Focus Report

Kraft (KFT) to Spin-Off North American Grocery Tax-Free

Parent: Kraft Foods (NYSE:KFT)
Sector: Consumer
Spin-Off: NA Grocery
Sector: Consumer
Target Price – KFT: $39.43
Share Price – KFT: $34.27*
Recommendation: Buy
Upside: 15%
*as on September 2, 2011

Price Performance - KFT



Source: Bloomberg

Key Data – KFT	
Price ($ as on September 2, 2011)	34.27
Market Capitalization ($ million)	60,524.2
EV ($ million as of September 2, 2011)	87,957
Primary Exchange	NYSE
Bloomberg Symbol	KFT US
Net Debt ($ million as of June 30, 2011)	27,313
Revenue 2010 ($ million)	49,207
Shares Outstanding (million)	1766.1
52 Week Range ($)	29.80-36.30
Fiscal Year Ending	December 31

Top 5 Shareholders (Kraft)	Holding %
Capital Research	6.28
Berkshire Hathaway	5.63
State Street	4.86
Capital World Investment	4.14
Vanguard	3.65

Summary

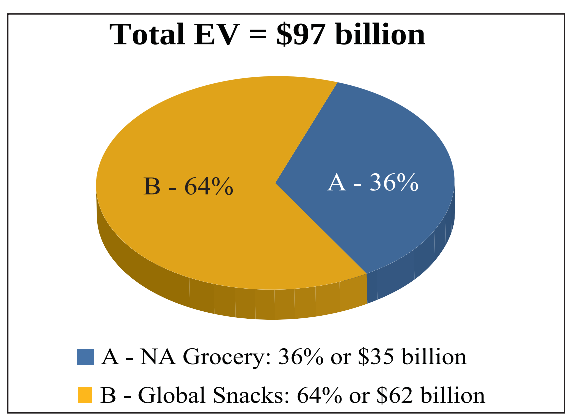
On August 4, 2011, Kraft (NYSE: KFT, $34.27, Market Capitalization: $60.5 billion) unveiled plans to spin-off its North American Grocery business. Kraft will retain the Global Snacks business. NA Grocery, which generated approximately $16 billion in revenues in 2010, will consist of the US Beverages, US Cheese, US Convenient Meals, US Grocery and food service. The Global Snacks business (~$32 billion in revenues in 2010) will consist of the current Kraft Foods Europe and Kraft Foods developing markets units as well as the North American snacks and confectionary brands.

The spin is expected to be tax free, with details (ratio, record date etc) yet to be announced. **The spin-off is expected to be completed before the year-end 2012.** Management is targeting capital structures to maintain investment-grade ratings with access to commercial paper for each new entity. The transaction is subject to final approval by Kraft Board of Directors and satisfaction of certain other conditions.

We view the spin-off as a trigger for unlocking value as it will improve management's focus and streamline capital allocation decisions. The Snacks division will command a higher multiple of around 17x-18x FY11 earnings (vs. 15x for KFT) given its high quality brands and significant exposure to emerging markets. **Our fair value estimate for KFT is $39.43, implying an upside of 15% to the current market price of $34.27 and we assign a Buy rating on the stock.**

Timetable: NA Grocery Spin-Off	
Announced	August 4, 2011
Record & Distribution Date	To be Announced
Spin-Off Ratio	To be Announced
Expected Completion	Before Year-End 2012
Tax-Status	Tax-free

Source: Company data



Source: Spin-Off estimates

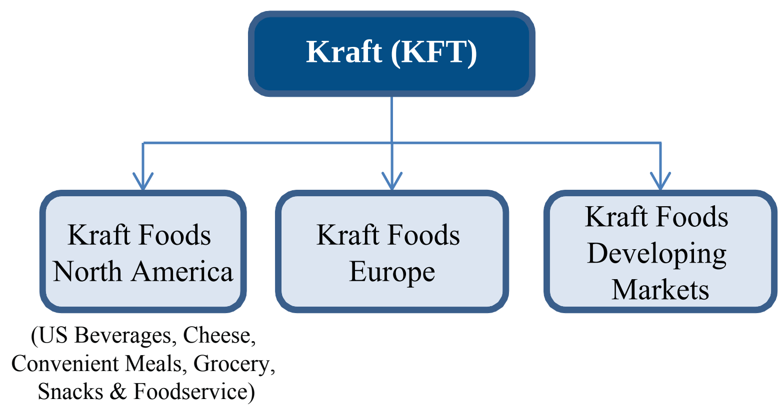
Deal Overview

On August 4, 2011, Kraft announced plans to spin-off (tax-free) its North American Grocery business, while retaining the Global Snacks business. The spin will create two independent public companies: A high-growth global snacks business ($32 billion revenues in 2010) and a high-margin North American grocery business which generated revenues of approximately $16 billion in 2010. The spin-off is expected to be completed before the year-end 2012, with spin details (ratio, record date etc.) yet to be announced. The management is developing detailed plans for the Board's further consideration and final approval. The Company is targeting capital structures to maintain investment-grade ratings with access to commercial paper for each new entity.

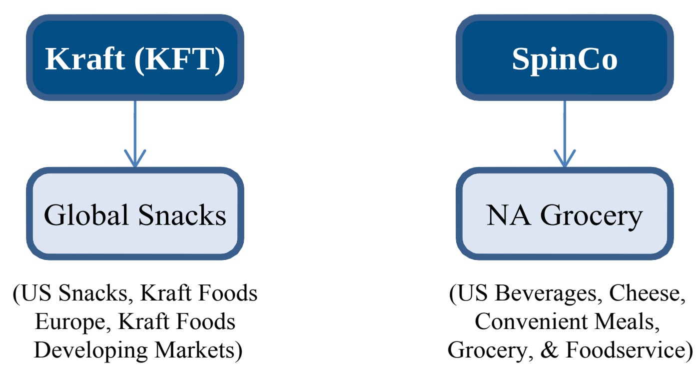
Deal Rationale

NA Grocery is a mature and low growth business, while Global Snacks is a high growth business. The spin-off will enable management to focus on different strategies for each business due to their diverging growth profile. The strategy in Global Snacks is to increase investments and expand scale in developing markets. The strategy in the slower growing North American Grocery is to focus on marketing, innovation, and capital efficiency. The spin-off will also unlock value as the Snacks division will fetch a premium valuation of around 17x-18x FY11 earnings (vs. 15x for KFT) given its high quality brands and significant exposure to emerging markets.

Pre Spin-Off



Post Spin-Off



Source: Company data

Investment Thesis

Our fair value estimate for KFT is $39.43, implying an upside of 15% to the current market price of $34.27 and we assign a Buy rating on the stock. We view spin-off as a trigger for unlocking value as it will improve management's focus and streamline capital allocation decisions. The Snacks division will command a higher multiple of around 17x-18x FY11 earnings (vs. 15x for KFT) given its high quality brands and significant exposure to emerging markets. Snacks division will be attractive to investor seeking exposure in high growth asset, while NA Grocery will appeal to investors seeking yield. We believe that the pricing initiatives will offset cost inflation and continue to drive growth in 2H11. The key risk is weaker than expected global macroeconomic environment.

Spin-Off to Unlock Value: Snacks will be a high growth business, while Grocery will be a mature business focused on dividend payout. We believe that Snacks division will fetch a premium which is currently overshadowed by Grocery business. Kraft currently trades at 15x FY11 earnings. The global snacks division probably merits a 17x-18x P/E (in line with its peers such as Nestle and Hersheys) given that 40% of the business is in emerging markets and it is in the early stages of accelerating growth through revenue synergies. The Snack division spin-off will provide an opportunity for investors to have exposure to a growth stock, while NA Grocery will offer significant free cash flow generation potential.

Global Snacks – Emerging Market Tailwinds to Drive Growth: The revenues have grown at a CAGR of 17% during 2008-2010. Around 40% of Global Snacks revenue is derived from developing markets. The compelling economic and demographic trends in these regions and a rising middle class with greater disposable income provides good long term growth prospects. The highly branded portfolio (including Oreo, LU, Cadbury, Milka, Jacobs, and Tang) in conjunction with the minimal private label competition are also positives. The management has noted of mid to high single digit growth for the business over the long term.

NA Grocery – A Dividend Play: The Grocery portfolio includes many well-recognized brands such as Oscar Mayer, Kraft Mac & Cheese, Lunchables, Maxwell House, A-1 Steak Sauce, Philadelphia, Jell-O and Miracle Whip. Several of these brands have sales exceeding $1 billion, and are the No. 1 or No. 2 brands in their respective category with leading shares (such as 80% for Mac & Cheese, 80% for Lunchables, 60%+ for Philadelphia). Total sales of the Grocery division were close to $18 billion in 2010 making it one of the largest food companies in the region. Due to the mature nature of the business in North America, the segment will likely require less capital expenditure going forward. The new company will therefore likely to be able to return generous amount of cash to its shareholders via dividends and share buybacks.

Aggressive Pricing to Continue to Drive Solid Revenue Growth in 2H11: KFT's 2Q11 sales increased 13.3% YOY to $3.4 billion driven by aggressive pricing. We believe that the pricing initiatives will continue to drive growth in 2H11. Kraft has currently announced 85% of its planned pricing initiatives, with more than 80% of the increases already reflected at the retail level. The Company raised its full-year 2011 guidance to EPS of at least $2.25 and organic growth of 5% compared to the previous guidance of EPS of $2.20 and organic growth of 4%. However, commodity cost inflation remains a key concern. Kraft raised its 2011 cost inflation estimate to low teens, from the previous estimate of 7-8%. Given the rising input cost outlook, the company expects to take additional pricing initiatives this year.

Valuation

We value KFT on P/E basis. We have also indicated EV/EBITDA based SOTP valuation. Our fair value estimate for KFT is $39.43, implying an upside of 15% to the current market price of $34.27 and we assign a Buy rating on the stock. Following are our key assumptions.

1) NA Grocery's average peer group P/E stands at 14.1x, while Global Snacks average P/E is 16.9x. We value Kraft at 15.5x FY12 earnings

2) NA Grocery valued at 8.5x FY12 EBITDA (in line with the median peer group multiple)

3) Global Snacks valued at 11x FY12 EBITDA (in line with Nestle)

4) 1766.1 million shares outstanding and net debt of $27,313 million

P/E	
EPS FY12 ($)	2.54
Multiple	15.5
Fair Value ($ per share)	**39.43**

Source: Spin-Off estimates

EV/EBITDA

In $ million	**Grocery**	**Snacks**
EBITDA FY12	4,116	5,642
Multiple	8.5	11.0
EV	35,088	62,065
Total EV	**97,152.7**	
Debt	29,580.00	
Cash	2,267.0	
Minority	120.0	
Implied Equity	**69,719.7**	
# of shares (million)	1,766.1	
Fair Value ($ per share)	**39.50**	

*Debt excludes pension and healthcare liabilities worth $4,837 million or $2.7 per share

Source: Spin-Off estimates

Peer Group

NA Grocery

	Ticker	Price ($)	MKt Cap ($ mn)	P/E		EV/EBITDA	
				FY11 (x)	FY12 (x)	FY11 (x)	FY 12 (x)
General Mills	GIS US Equity	37.0	23,880.7	14.7	13.1	9.0	8.5
Kellogg	K US Equity	53.4	19,345.5	15.3	14.1	10.3	9.7
Sara Lee	SLE US Equity	17.7	10,338.7	19.0	16.3	9.2	8.2
Campbell Soup	CPB US Equity	31.3	10,053.6	12.6	13.2	8.1	8.5
ConAgra Foods	CAG US Equity	24.0	9,966.8	13.3	12.1	7.4	7.0
Dean Foods	DF US Equity	8.3	1,529.8	12.0	9.5	7.0	6.5
HJ Heinz	HNZ US Equity	51.5	16,561.4	15.4	14.1	9.8	9.2
Mead Johnson	MJN US Equity	68.0	13,866.1	24.6	21.4	15.6	13.9
Mccormick	MKC US Equity	46.0	6,076.1	16.5	14.8	10.7	9.7
J.M Smucker	SJM Us Equity	68.7	7,860.1	13.5	12.5	8.3	7.9
Kraft	KFT US Equity	34.2	60,436.2	15.0	13.5	9.8	9.1

Source: Bloomberg

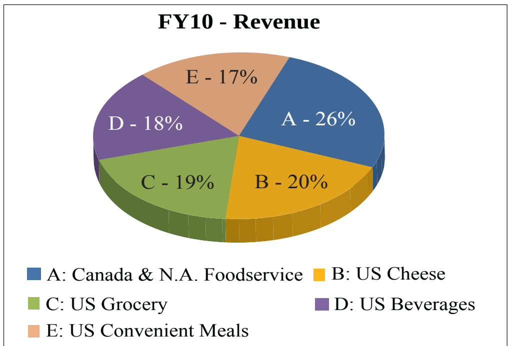
Global Snacks

	Ticker	Price	MKt Cap ($ mn)	P/E		EV/EBITDA	
				FY11 (x)	FY12 (x)	FY11 (x)	FY 12 (x)
Hershey	HSY US Equity	$57.2	12,468.9	20.2	18.4	10.5	9.8
Nestle	NESN VX Equity	CHF50.2	26,483.0	16.3	15.3	11.4	10.9

Source: Bloomberg

Business Overview – North America Grocery

Kraft North America Grocery business will consist of the current US beverages, cheese, convenient meals and grocery segments plus the non-snack categories in Canada and food service. With estimated revenue of $16 billion in FY10, this business will continue to be one of the largest food companies in North America. Its portfolio will include many of the most popular brands on the continent with the number one branded position in 12 of its top 15 categories.



Source: Company Data

Revenue Contribution

In FY10, Canada & NA Foodservice segment contributed 26% and US Cheese contributed 20% of the total net revenue for Kraft North America Grocery. The remaining 54% of the total revenue was contributed by US Grocery 19%, US Beverages 18% and US Convenient Meals 17%.

Major Brands

Segment	Some of the Major Brands
US Beverages	Maxwell House, Starbucks, Gevalia, General Foods International, Kool-Aid
US Cheese	Kraft and Cracker Barrel, Philadelphia, Polly-O and Athenos, Velveeta and Cheez Whiz
US Convenient Meals	Oscar Mayer and Louis Rich, Lunchables, Boca, Deli Creations, Claussen
US Grocery	Jell-O, Cool Whip, Jet-Puffed, Kraft and Miracle Whip, Kraft and Good Seasons, Stove Top, Taco Bell Home Originals, Velveeta
Canada & NA Foodservice	Nabob, Peek Freans

Source: Company data

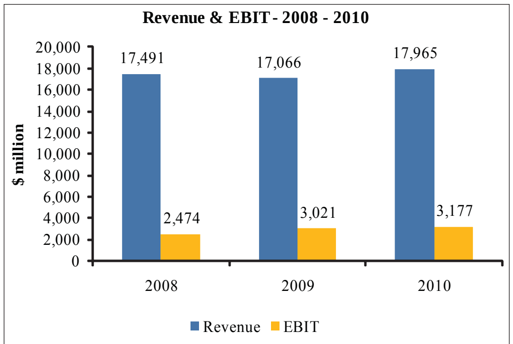
Manufacturing and Distribution

In North America, the Company generally distributes its products through distribution centers, satellite warehouses, company operated and public cold-storage facilities, depots and other facilities. The Company currently distributes most of its products in North America through a combination of direct store delivery and warehouse delivery. It uses consumer marketing, coupons and contests and other trade promotion offers for marketing its products and brand name in North America. The Company has 57 manufacturing facilities and 139 distribution facilities across the US and Canada.

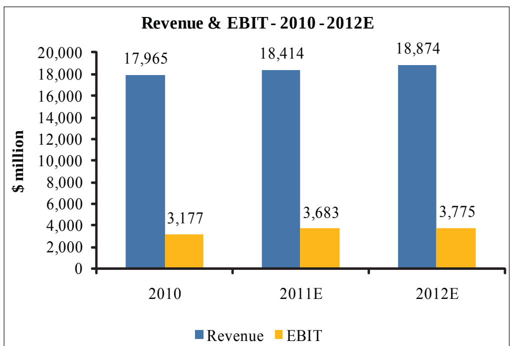
Strategy

Kraft North America Grocery will continue its innovation and marketing efforts to deliver reliable revenue growth in line with its categories. Post spin-off, the Company will concentrate on expanding profit margins through cost rationalization and delivering reliable cash flow. It will use a variety of tools including optimizing trade spending and Lean Six Sigma manufacturing to achieve these goals.

Financials – NA Grocery



Source: Company data



Source: Company data, Spin-Off estimates

Historical Financials

Revenues increased by 5.3% YOY to $17,965 million driven by favorable volume/mix and higher net pricing. Favorable volume/mix was driven by higher base business shipments across all reportable business segments, except US Cheese and US Grocery. Higher net pricing was reflected across all reportable business segments. Operating income (excluding corporate expenses) stood at $3,177 million, up 5.1% YOY on account of higher revenues and lower SG&A expenses which were partly offset by higher raw material costs.

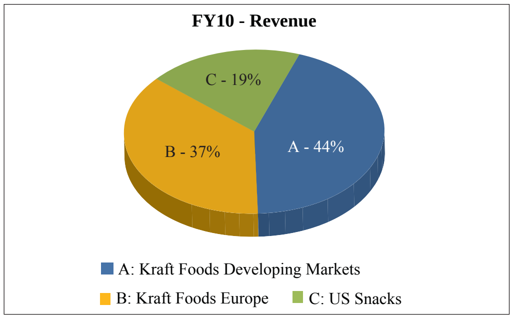
	Revenues	%change	Volume	Price	Others
US Beverages	3,212	5.1%	4.5%	0.6%	-
US Cheese	3,528	(2.1)%	(4.7)%	3.0%	(0.4)%
US Convenient Meals	3,131	3.4%	3.1%	0.3%	-
US Grocery	3,398	(1.6)%	(3.3)%	1.7%	-
NA and Canada Foodservice	4,696	19.7%	0.8%	1.5%	17.4%

Source: Company data

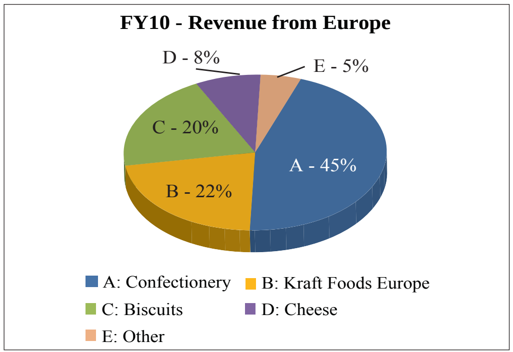
Financial Outlook

NA Grocery is a mature business growing modestly over the last few years. In the first half of 2011, NA Grocery revenues grew by 3.4% YOY. We expect the moderate growth to continue and forecast ~3% revenue growth in 2011 to $18,414 million driven by favorable volume/mix and higher net pricing partially offset by higher commodity costs. The management has stated a long term organic revenue growth target rate of 3%-4%. We expect 2012 revenues to grow by 2.5% to $18,874 million. We have modeled for operating margins of 20% for 2011 and 2012.

Business Overview - Global Snacks



Source: Company Data



Source: Company Data

The Global snacks business will consist of the current Kraft Foods Europe and Kraft Foods developing markets units as well as the North American snacks and confectionary brands. The Company will have a diversified footprint in highly attractive developing markets with a robust growth profile in its global peer group. The non-snacks portion of the portfolio will consistent primarily of powdered beverages and coffee which have strong growth and margin profiles in developing markets and Europe. The Company has estimated revenues of approximately $32 billion in FY10.

Revenue Contribution - 2010

Kraft Foods Developing Markets is the largest revenue contributing segment for Kraft Global Snacks with 44% contribution in FY10. The other two business segments - Kraft Foods Europe and US Snacks contributed 37% and 19% in the FY10 revenue respectively.

Europe – Revenue contribution

Kraft Foods Europe, contributing 37% to the total FY10 revenue, generates 45% of its revenue from Confectionery products. Beverages contribute 22%, Biscuits 20% and Cheese contributes 8% revenue for Kraft Foods Europe. The remaining 5% comes from other products.

Major Brands

Segment	Some of the Major Brands
US Snacks	Oreo, Chips Ahoy!, Newtons, Nilla, Nutter Butter and Snackwell's, Toblerone, Trident, Halls, Stride, Maynards, Bubbas, Chiclets
Kraft Foods Europe	Mini-Star, Ourson, Belin, Fonzies, Milka, Lacta, Milk Tray, Twirl, Flake, Malabar, Jacobs, Kenco, Onko, Splendid, Tang
Kraft Foods Developing Markets	Ritz, Club Social, Express, Picnic, 5 Star, Freddo, Mentos, Royal, Vegemite

Source: Company Data

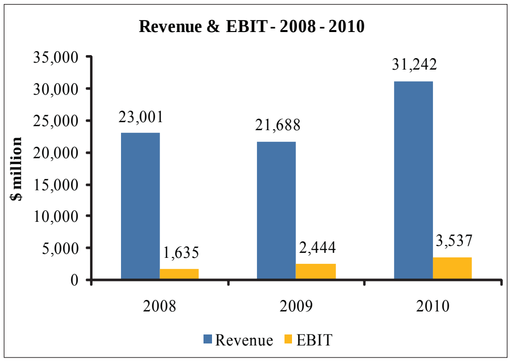
Manufacturing and Distribution

Outside of North America, the Company distributes its products through a combination of direct independent sales offices and agents. The marketing efforts of the Company for sale of its products outside North America are generally carried out through consumer incentive offers, discounts coupons, advertisement in media. The Company has 166 manufacturing facilities and 97 distribution facilities globally.

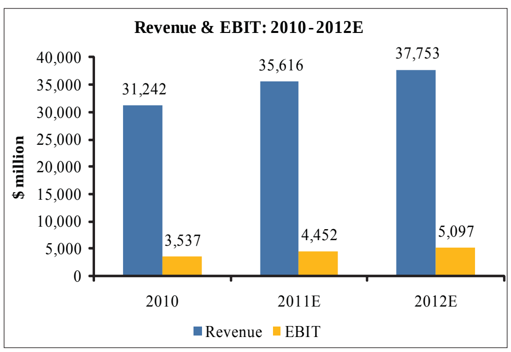
Strategy

Kraft Global Snacks intends to grow through launch of instant consumption channels and global product platforms to develop market presence across the world. The Company focuses to leverage its cost structure through volume growth and enhanced product mix. Going forward, the Company plans to invest in its sales, distribution and manufacturing activities to support its overall growth.

Financials - Global Snacks



Source: Company data



Source: Company data, Spin-Off estimates

Historical Financials

Revenues increased by 44% YOY to $31,242 million driven by the Cadbury acquisition, which added $9,143 million in revenues during the year. Additionally, increased revenues were propelled by favorable volume/mix and higher net pricing. Higher net pricing was reflected across all reportable business segments, except Kraft Foods Europe and US Snacks. Operating income (excluding corporate expenses) rose by 44.7% to $3,537 million primarily on account of increased income of $1,139 million from the Cadbury acquisition.

The table below shows the impact of volume, price and acquisition/ divestitures on revenues.

	Volume	Price	Impact of Acquisition	Impact of Divestitures
US Snacks	0.5%	(0.2)%	21.7%	(1.1)%
Kraft Foods Europe	3.9%	(1.0)%	33.0%	(0.2)%
Developing Market	8.5%	3.3%	59.8%	(0.3)%

Source: Company data

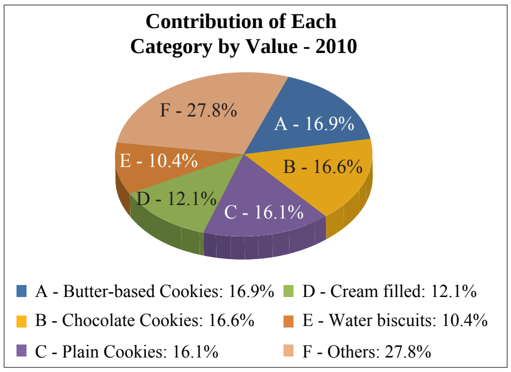
Financial Outlook

We expect revenues to grow by 14% YOY in 2011 to $35,616 million to be driven by strong performance in Europe, Developing markets and favorable currency movement. In the first half of 2011, the European and developing market segments were positively impacted by the currency movement. We expect organic revenue growth of 6% YOY in 2012 to $37,753 million in line with the management's guidance of mid to high single digit growth for the business over the long term. We have modeled for operating margins of 12.5% for 2011. We expect margins to improve to 13.5% in 2012 on account of cost rationalization initiatives taken by the Company.

Industry Overview

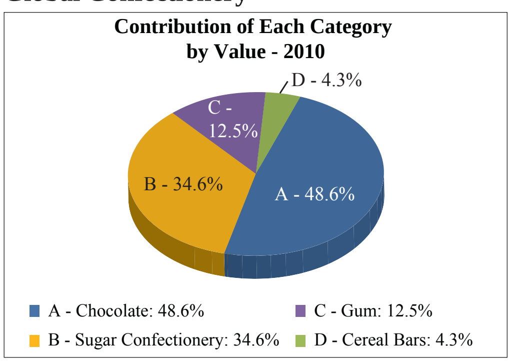
Kraft through its Global Snacks business division caters to the Biscuits and Confectionery segment of the snacks market. NA Grocery is impacted by the developments in the US Food industry.

Global Biscuits



Source: Datamonitor

Global Confectionery



Source: Datamonitor

Global Biscuits

The global biscuits market generated total revenues of $38.7 billion in 2009, representing a CAGR of 3.3% for the period 2005-2009. The performance of the market is forecast to accelerate, with an anticipated CAGR of 3.6% for the period 2009-2014, which is expected to drive the market to a value of $46.1 billion by the end of 2014.

Butter-based cookies sales proved the most lucrative for the global biscuits market in 2009, generating total revenues of $6.5 billion, equivalent to 16.9% of the market's overall value. In comparison, sales of chocolate cookies generated revenues of $6.4 billion in 2009, equating to 16.6% of the market's aggregate revenues.

Global Confectionery

The global confectionery market generated total revenues of $135.3 billion in 2009, representing a CAGR of 3% for the period 2005-2009. The performance of the market is forecast to decelerate very slightly, with an anticipated CAGR of 2.9% for the period 2009-2014, which is expected to lead the market to a value of $156.4 billion by the end of 2014.

Chocolate sales proved the most lucrative for the global confectionery market in 2009, generating total revenues of $65.8 billion, equivalent to 48.6% of the market's overall value. In comparison, sales of sugar confectionery generated revenues of $46.8 billion in 2009, equating to 34.6% of the market's aggregate revenues.

The Global Biscuits and Confectionery industry is expected to be driven by emerging markets. Confectionery, which was once considered as a value item, is transcending traditional notions and gradually attaining the status of staple snack in households in most of the developing markets akin to developed countries such as the US and Europe. Growing disposable incomes in emerging nations such as in China, India, Indonesia, Mexico and Eastern European countries is helping kindle the demand for confectioneries. Availability of value-goods increased as super market chains and malls mushroomed, contributing to rising sales of confectionary.

US Food Industry

The US Food Industry was valued at $624.2 billion in 2010, growing at a CAGR of 4.2% during the period 2005-2010. The Food Industry is expected to grow at a CAGR of 3% during the period 2010-2015 to reach a value of $723 billion. Meat and seafood was the principal segment in 2010 contributing 29% of the overall market size and is expected to account for the largest share in 2015 too.

In $ billion				% Growth	
	2005	2010	2015	2005-10	2010-15
Food Shipments	508.2	624.2	723.0	4.2%	3.0%
Meat and Sea Foods	154.8	181.1	214.2	3.2%	3.4%
Dairy Products	71.0	85.5	99.0	3.8%	3.0%
Grain & Oilseed Mill	53.8	80.5	89.5	8.4%	2.1%
Processed Fruit & Vegetables	52.7	63.4	72.5	3.8%	2.7%
Baked Goods	48.8	57.6	65.6	3.4%	2.6%
Others	127.1	156.1	182.2	4.2%	3.1%

Source: Datamonitor

The US Food industry is expected to be driven by increase in population, recovery in the US economy and changes in the product mix favoring convenient (prepared, single-serve), healthy and upscale items. The shift toward prepared, single-serving and convenient foods is driven by a number of demographic and socioeconomic trends. These include the relatively small size of US households, slow growth in birth rates, the increasing maturity of the general population and a continuing rise in the number of dual-income and single-parent households.

Competition

NA Grocery

Name	Market Cap ($ million)	Description
General Mills	24,345	General Mills manufactures and markets branded and packaged consumer foods worldwide. The Company also supplies branded and unbranded food products to the foodservice and commercial baking industries.
Kellogg	19,537	Kellogg manufactures and markets ready-to-eat cereal and other convenience foods. The Company's products include cereals, cookies, crackers, toaster pastries, cereal bars, fruit snacks, frozen waffles and veggie foods.
HJ Heinz	16,790	H.J. Heinz manufactures and markets processed food products throughout the world. The Company's principal products include ketchup, condiments and sauces, frozen food, soups, beans and pasta meals, infant nutrition and other processed food products.
Mead Johnson	14,445	Mead Johnson manufactures nutritional products for infants, children, and expectant and nursing mothers. The Company markets its products in North America, Latin America, Europe and Asia.
Sara Lee	10,522	Sara Lee manufactures and markets products focused primarily on the meats, baking, beverage and household products categories.
Campbell Soup	10,226	Campbell Soup manufactures and markets branded convenience food products. The Company's core divisions include soups and sauces, biscuits and confectionery, and foodservice.
ConAgra Foods	10,178	ConAgra Foods manufactures and markets packaged foods for retail consumers, restaurants and institutions. The Company offers a wide range of food products, including meals, entrees, condiments, sides, snacks, specialty potato products, milled grain ingredients, dehydrated vegetables and seasonings, and blends and flavors.
J.M Smucker	8,218	The Company's principal products include peanut butter, shortening and oils, fruit spreads, canned milk, baking mixes and ready-to-spread frostings, flour and baking ingredients, juices and beverages, frozen sandwiches, dessert toppings, syrups, pickles and condiments, and potato side dishes.
Mccormick	6,279	McCormick manufactures, markets, and distributes flavor products (including spices, herbs, extracts, seasonings and flavorings) and other specialty food products to the food industry. The Company sells to retail stores, food manufacturers, and food service businesses.
Dean Foods	1,538	Dean Foods provides products such as milk and milk-based beverages, ice cream, half and half, whipping cream, sour cream, cottage cheese, yogurt, dips, and soy milk. Dean Foods also supplies pickles, juice, juice drinks, and water.

Source: Bloomberg

Global Snacks

Company	Market Cap ($ million)	Description
Nestle	26,483	Nestle manufactures and markets a wide range of food products. The Company's product line includes milk, chocolate, confectionery, bottled water, coffee, creamer, food seasoning and pet foods.
Hershey	12,612	Hershey manufactures chocolate and sugar confectionery products. The Company's principal products include chocolate and sugar confectionery products; gum and mint refreshment products; and pantry items, such as baking ingredients, toppings and beverages.

Source: Bloomberg

Attachment 1
Income Statement (Consolidated)

In $ million	2008	2009	2010
Revenue			
NA Grocery	17,491	17,066	17,965
Snacks	23,001	21,688	31,242
Total	40,492	38,754	49,207
EBIT (excluding corporate and other expenses)			
NA Grocery	2,474	3,021	3,177
Snacks	1,635	2,444	3,537
Total	4,109	5,465	6,714
Corporate and other expenses			
Unrealized gains / (losses) on hedging activities	(205)	203	67
Certain U.S. pension plan costs	-	(165)	(179)
General corporate expenses	(304)	(293)	(724)
Amortization of intangibles	(23)	(26)	(211)
EBIT (after Corp. Expenses)	3,577	5,184	5,667
Interest and other expense, net	(1,240)	(1,237)	(2,024)
Profit before tax	2,337	3,947	3,643
Income Tax	(658)	(1,136)	(1,147)
Net Income from continuing operations	1,679	2,811	2,496
Income from discontinued operations, net of income taxes	1,215	218	1,644
Net Income	2,894	3,029	4,140
Non-controlling interest	(9)	(7)	(25)
Net Income attributable to Kraft Foods	2,885	3,022	4,115

Source: Company data

Attachment 2
Management

Irene Rosenfeld
Chairman and CEO

Irene Rosenfeld was appointed Chairman of Kraft Foods in March 2007. She was named CEO of Kraft Foods in June 2006. During her 20+ years with Kraft, Irene has held a number of senior managerial positions. She holds a Ph.D in Marketing and Statistics, a Master of Science in Business, and a Bachelor of Arts in Psychology from Cornell University.

David Brearton
Executive Vice President and Chief Financial Officer

David Brearton is the CFO of the Company since May 2011. Prior to becoming CFO, he was Executive Vice President, Operations and Business Services. He leads the company's financial operations, including accounting and reporting, financial planning and analysis, treasury, tax, audit and investor relations. He holds a Bachelor of Commerce Degree from Queen's University in Canada and is a Certified Management Accountant.

Tim Cofer
Executive Vice President and President, Kraft Foods Europe

Tim leads Kraft Foods $12 Billion European business, based in Zurich, Switzerland. Prior to this position, Tim served as Senior Vice President, Strategy and Integration, leading global integration efforts following Kraft's acquisition of Cadbury in early 2010. During nearly 20 years at Kraft Foods, Tim has progressed through a number of marketing, strategy and general management roles of increasing responsibility.

Sanjay Khosla
Executive Vice President and President, Kraft Foods Developing Markets

Sanjay Khosla is responsible for leading Kraft Foods businesses in developing markets. Prior to joining Kraft Foods, Sanjay was with Fonterra Group, a multinational dairy company based in New Zealand. At Fonterra, Sanjay served as Managing Director of the company's consumer and foodservice business. He also spent 27 years with Unilever in India, London and Europe.

W. Anthony (Tony) Vernon
Executive Vice President and President, Kraft Foods North America

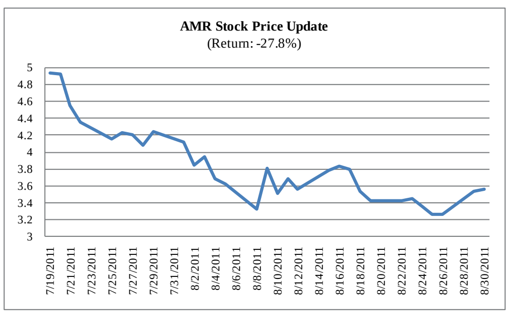
Tony Vernon joined Kraft Foods in August 2009 as Executive Vice President and President, Kraft Foods North America. In this role, he leads the company's $24 billion business in the United States and Canada, based in Northfield, Illinois.

Announced Spin-Off

AMR Corp (AMR) Files 10-12B to Spin-Off AMR Eagle Holding Corp (AEHC)

AMR Corporation
Parent: AMR Corporation (NYSE: AMR)
Sector: Airlines
Target Price: $3.50
Share Price: $3.56*
Recommendation: Neutral
Downside: 2%
Spin-Off: AMR Eagle Holding Corp (AEHC)
Sector: Airlines
* As on August 30, 2011

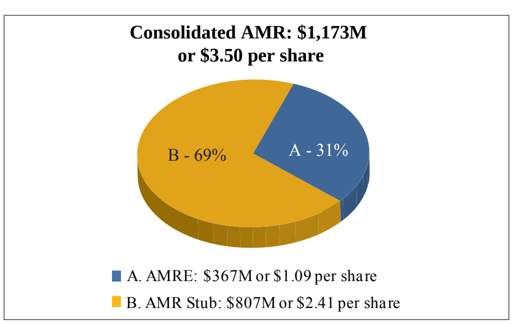
Price Performance - AMR



Note: The return of -27.8% represents the return on the stock since the initial announcement date of spin-off i.e. July 20, 2011 till date

Key Data – AMR

Ticker	AMR
Price (As on August 30, 2011)	$3.56
52 Week range	$3.17 - $8.98
Shares Outstanding (million)	335
Market Cap (million)	$1,193
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	90.8%



AMR to Spin-Off AEHC; Files 10-12B

On August 11, 2011, AMR Corporation (NYSE: AMR; Market Capitalization: $1,193 million) filed form 10-12B with regards to the spin-off of its wholly owned subsidiary AMR Eagle Holding Corp (AEHC). AMR is a commercial aviation business and airline holding company, with a fleet size approximately 900 aircrafts and serving more than 250 cities across 50 countries. AEHC is a leading regional airline providing both regional flight operations and ground handling services.

AMR will distribute 100% of the outstanding shares of AEHC on pro-rata basis and would retain no ownership interest in AEHC. The distribution is expected to be tax free. On July 20, 2011, AMR announced its plan to spin-off AEHC. The spin-off is expected to consummate by end of 2011. AMR had previously planned to spin-off AEHC in 2007, but dropped the plan due to high fuel prices and impact of recession on airline companies.

AEHC Business Model to Offer Long term Growth and Relatively Stable Margins; Overall Outlook Remains Challenging in the Short-Term

Post spin-off, AEHC would become a pure-play service company, wherein it would provide flight operating services and ground handling services to AMR and other mainline airlines. While the demand for service companies like AEHC is driven by the overall airline industry performance, we are, however, optimistic about AEHC in the long term due to the following reasons.

First, prior to spin-off, AEHC would enter into various agreements with AMR, including the Air Services Agreement and the Ground Handling Agreement (Details provided on Page 2), which would represent a significant part of the revenue immediately after the spin-off. Further, AEHC would have an opportunity to pursue business with other mainline carriers in the future, which in our opinion, should offer significant growth opportunity in the long term. Second, the business model of AEHC offers stable margins and a relatively lesser resilience to the slowdown as compared to the mainline airlines. More importantly, the financial model of the company is resistant to fuel price volatility. On the other hand, the airline industry continues to remain challenging due to higher fuel expenses, high wages, and low consumer and business confidence.

Valuation and Recommendation

We value AMR at $1,173.3 million or at $3.50 per share using sum-of-the-parts valuation methodology. We are initiating coverage with a 'Neutral' rating.

Top 5 Shareholders - AMR	
Primecap Management Company	12.4%
Capital World Investors	7.6%
ICC Capital Management	6.3%
Asia Fountain Investment	5.4%
Vanguard Group Inc.	4.6%

Spin-Off Details	
Announced Date	July 20, 2011
Filed 10-12B	August 11 2011
Expected Date of Spin-Off	4th quarter 2011
Tax-Status	Expected to be tax free

Additional Information on Spin-Off

Agreements with AMR: Prior to spin-off, AEHC would enter into various agreements with AMR including the Air Services Agreement (ASA) and the Ground Handling Agreement (GHA). Under the ASA, AEHC will operate 245 regional jet aircraft and 36 Super ATR turbo-prop aircraft on behalf of AMR. AMR would manage the scheduling, ticket pricing, and seat inventories and would be entitled to all the revenues associated with the operation of the aircraft and revenue-related expenses. AEHC would be paid on a monthly basis for the regional flight operations.

Under the GHA, AEHC would provide ground handling services for AMR flight operations at 106 airport locations. The rates at which it would be compensated will be specified on an airport-by-airport basis.

Conditions for Spin-Off: The spin-off is conditioned on the company receiving the private ruling from Internal Revenue Services and an opinion from the legal counsel to the effect that the distribution is tax-free.

About AMR

AMR Corporation is a commercial aviation business and an airline holding company. With a fleet size of approximately 900 aircrafts, it serves 250 cities across 50 countries with, on average 3400 daily flights. AMR owns AEHC Airlines and 20% stake of Aeroperlas, a regional airline operator in Panama.

About AEHC

AEHC is a leading regional airline providing both regional flight operations and ground handling services. It provides flight operation services to AMR and ground handling services to AMR and 13 other airlines. As of July 31, 2011, AEHC had a fleet of 281 aircrafts providing 1,653 daily regional flight departures and provided ground handling services to more 1,619 daily departures.

VALUATION

Valuation of AEHC

We value AEHC using forward EV/EBITDA valuation method. Peer group companies that we considered for valuation include mainline airline companies listed in the United States. Peer group companies trade at an average FY12 EBITDA multiple of 5.7x. We are valuing AEHC at 6.3x FY12 EV/EBITDA multiple, which represents a 10% premium to the peer group average. We attribute this premium to the company's relative strength driven by stable margins and lesser risk. Further, we believe AEHC's relationship with AMR post spin-off would offer better revenue stream for AEHC. Also, the opportunity to pursue business with other mainline carriers would offer significant growth potential in the long term

We are modeling AEHC revenue growth of 6% YOY for fiscal years 2011 and 2012. Our growth estimates are driven by the fact that AEHC would be able to pursue business with other mainline airlines while maintaining its relationship with AMR. With regards EBITDA, we are modeling EBITDA margins at 2.6% and 3.5% for fiscal years 2011 and 2012, which represents a slight decline relative to FY10 proforma EBITDA margin. We expect that the company might face significant challenges with regards to its employee cost as avergae age of employees is much higher than the industry average and the company plans to pursue some initiatives to increase productivity and lower costs. Based on our revenue growth and EBITDA margin assumptions, we estimate FY12 EBITDA at $49 million.

Peer Group Average EV/EBITDA Multiple	5.7x
Expected Premium / Discount	10%
Expected EV/EBITDA Multiple	**6.3x**
FY12 EBITDA Estimate ($ millions)	48.9
Expected Enterprise Value ($ millions)	**307**
Proforma Debt as on June 30, 2011 ($ million)	0
Proforma Cash as on June 30, 2011 ($ million)	60
Expected Market Capitalization ($ million)	**367**
AMR Shares Outstanding (million)	335
Expected Price per Share of AMR ($)	**1.09**

Using 6.3x FY12 EBITDA estimate, we value AEHC at $367 million or $1.09 per share of AMR.

Valuation of AMR Stub

We value AMR stub (Excluding AEHC) using forward EV/EBITDA multiple valuation method. Peer group companies that we considered for valuation are similar U.S. based airline companies. Peer group companies trade at an average FY12 EBITDA multiple of 5.7x. We are valuing AMR stub at the peer group average as we believe that the company's business model is very much in-line with its peers.

We are modeling AMR stub's total revenues to grow at 7% YOY and 6% YOY for fiscal years 2011 and 2012, respectively. We expect the growth to moderate slightly on the back of the current global economic situation. Our revenue growth estimates are driven by our expectation of moderate growth in the available seat miles and reduced cargo ton miles in 2011 before growing moderately in 2012. We expect the passenger revenues from the regional affiliates to grow at 16% YOY and 19% YOY for fiscal years 2011 and 2012.

We expect AMR stub EBITDA margins to contract slightly from fiscal year 2010 levels. due to tranfer of costs of AEHC to AMR pursuant to the new ASA and GHA contracts. More importantly, the new ASA and GHA contracts require AMR to absorb certain costs of AEHC, including fuel cost. We are modeling AMR stub EBITDA to remain at 3% for FY11 and FY12. Our revenue growth and EBITDA margin estimates imply FY12 EBITDA of $863 million.

Peer Group Average EV/EBITDA Multiple	5.7x
Expected Premium / Discount	0%
Expected EV/EBITDA Multiple	**5.7x**
FY12 EBITDA Estimate ($ millions)	863
Expected Enterprise Value ($ millions)	**4,921**
Proforma Debt as on June 30, 2011 ($ million)	9,692
Proforma Cash as on June 30, 2011 ($ million)	5,578
Expected Market Capitalization ($ million)	**807**
AMR Shares Outstanding (million)	335
Expected Price per Share of AMR ($)	**2.41**

Using 5.7x FY12 EBITDA estimate, we value AMR stub at $807 million or $2.41 per share.
Valuation of Consolidated AMR

Based on our valuation of AMR stub and AEHC as standalone entities, using sum-of-the-parts valuation methodology, we value AMR at $1,173 million or $3.50 per share. Our valuation implies a downside of 2% over the current market price of the stock. We are initiating coverage with a 'Neutral' rating.

Consolidated Valuation	Market Capitalization ($ million)	Per Share ($)
AEHC	367	1.09
AEHC Stub	807	2.41
Sum-of-the-Parts Valuation	**1,173**	**3.50**

Analysis of AEHC

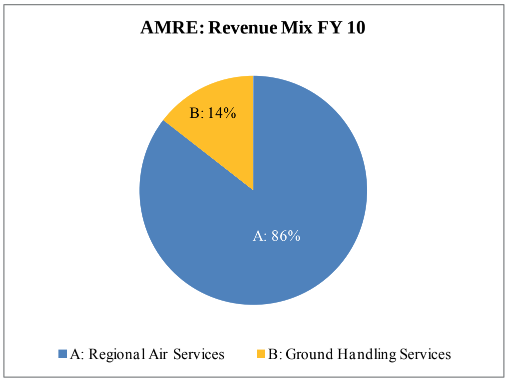


Exhibit 1 (Source: Company Filings & Spin-Off Estimates)

Business Overview

AEHC Eagle AEHC (AEHC) is a leading regional airline that provides both regional flight operations and ground handling services throughout North America. Currently, it is the third largest regional airline in the U.S based on aircraft operated and also one of the largest ground handlers in the U.S based on departures handled. It provides regional flight operations to AEHC and ground services to passenger airlines, which includes AEHC and 13 other airlines.

As of July 1, 2011, AEHC had an active regional aircraft fleet of 281 aircraft providing 1,653 daily regional flight departures throughout the U.S., the Bahamas, the Caribbean, Mexico, and Canada and provided ground handling services for 1,619 daily departures at more than 100 airports across the U.S and Bahamas, the Caribbean, and Canada.

AEHC is a holding company that operates its business through two wholly-owned subsidiaries, American Eagle Airlines Inc. and Executive Airlines Inc. Post spin-off, AEHC will continue to provide regional flight operations using the ‘American Eagle’ trade name.

Business Segments

AEHC operates under two main business segments: Regional Air Services segment and the Ground handling services segment.

Regional Air Services: The company provides regional flight operations to mainline airlines. This segment represents approximately 85% of the company’s total revenue. Currently, AMR represents the only client. Post spin-off, the company plans to pursue similar contracts with other mainline airlines.

Ground Handling Services: The company offers comprehensive range of passenger and ramp services to AMR and other mainline airlines. It provides ground handling services for 1,619 daily departures at more than 100 airports across the U.S and Bahamas, the Caribbean and Canada. This segment represents approximately 15% of the total revenues.

Major Agreement Prior to Spin-off

Prior to the spin-off, AEHC will enter into ASA with AMR, which will have a nine-year term as of the distribution date. In addition, it will also have additional agreements with AMR, including an eight-year GHA covering 106 airport locations, which will become effective on the distribution date.

Air Services Agreement: Under this agreement, AEHC will operate 245 regional jet aircraft and 36 Super ATR turbo-prop aircraft on behalf of AMR. Pursuant to this agreement, AMR will be responsible for managing AEHC’s scheduling, ticket pricing and seat inventories. AMR will be entitled to all ticket, cargo, and ancillary revenues associated with the operation of the aircraft and will be responsible for all revenue-related expenses, including commissions, reservations, and passenger ticket processing expenses. AEHC will be responsible for the operation and maintenance of the aircraft under the ASA.

After the spin-off AMR will compensate AEHC on a monthly basis for the regional flight operations at a pre-set rates, which will be mostly current market rates.

Ground Handling Agreement: Post spin-off, AEHC will provide ground handling services for AMR's flight operations at 106 airport locations pursuant to the GHA. The services and rates will be specified on an airport-by-airport basis. In addition to that, AEHC will be reimbursed for certain additional charges, such as catering, de-icing fluids, and other supplies, and certain taxes and fees.

Competitive Strength

Relationship with AMR Post Spin-Off: AEHC has over 25-year relationship with AMR and post spin-off it will continue to offer services to AMR. The ASA and GHA agreements provide long term visibility of revenues for the next 8 to 9 years. Further, the new agreements shift the onus of certain expenses, including fuel charges, from AEHC to AMR, pursuant to a shift from pass-through costs to absorbtion costs. Additionally, post spin-off, AEHC will transfer all its aircrafts to AMR, resulting in a smaller balance sheet with zero debt.

One of the Largest Regional Flight Operator: AEHC is the third largest regional airline in U.S. based on aircraft operated and the fourth largest regional airline in the U.S. based on passengers carried. The spin-off enables AEHC to pursue business with other mainline airlines, offering significant growth opportunity for the company.

Significant Net Loss Carryover from AMR: Post spin-off, AEHC would be allocated approximately $800 million ($2.39 per share of AMR) of Net Operating Loss carryover balance by AMR for income tax purposes. This would help AEHC offset significant portion of cash obligations it will owe for the U.S. federal tax purposes.

Financial Overview - AEHC

Half year ended June 30, 2011

Vs

Half year ended June 30, 2010

Total revenue increased 18 % YOY to $1,292 million during the half year ended June 30, 2011 compared to $1,097 million during prior half year ended June 30, 2010. The increase was primarily due to increase in revenues from the regional air services.

Revenue from regional air services increased 21% YOY to $1,127 million during the half year ended June 30, 2011 compared to $934 million during the same period in the prior year. This increase was primarily due to a 9%, 11%, and 9% increase in block hours, flight hours, and aircraft days, respectively, associated with the acquisition of additional aircraft between June 2010 and April 2011.

Ground handling services increased 2% YOY to $162 million during the half year ended June 30, 2011 compared to $165 million during the same period in the prior year. The increase was primarily related to a 2% increase in handled departures due to an increase in the number of aircraft.

Aircraft fuel expense during the half year ended June 30, 2011, increased by 45% YOY to $456 million compared to $315 million during the same period in the prior year. The increase was the result of an overall increase in the average price of jet fuel as well as a 13% YOY increase in the number of gallons of jet fuel used, resulting from increased block hours.

Wages, salaries, and benefits expense for the half year ended June 30, 2011, increased by 7% YOY to $327 million compared to $304 million during the same period in the prior year. This increase was primarily due to increased employee hours resulting from the increase in block hours, aircraft days, and handled departures associated with the additional aircraft.

Maintenance, materials and repairs expense for the half year ended June 30, 2011, increased by 7% YOY to $139 million compared to $129 million during the same period in the prior year. This increase was primarily due to additional aircraft in the fleet and timing of scheduled maintenance.

Depreciation and amortization expense for the half year ended June 30, 2011, increased by 14% YOY to $84 million compared to $74 million during the same period in the prior year. This increase was primarily due to the acquisition of additional aircraft.

Passenger handling expense for the half year ended June 30, 2011, increased by 17% YOY to $75 million compared to $64 million during the same period in the prior year. This increase was primarily due to 2% increase in handled departures and increase in travel and incidental expenses associated with training of new crew for the additional aircraft.

Others operating expense for the half year ended June 30, 2011, increased by 8% YOY to $61 million compared to $56 million during the same period in the prior year.

Net interest income from affiliates for the half year ended June 30, 2011, increased by 60% YOY to $0.7 million compared to $0.5 million during the same period in the prior year. Interest income for the first half year ended June 30, 2011, increased by significantly to to $0.5 million compared to the same period in the prior year.

Net Income for the half year ended June 30, 2011, decreased by 18% YOY to $10 million com

pared to $12 million during the same period in the prior year due to higher interest and depreciation related expenses.

EBITDA for the first half year ended June 30, 2011, increased by 6% YOY to $153 million compared to $145 million during the same period in the prior year.

Fiscal year ended December 31, 2010
Vs
Fiscal year ended December 31, 2009

Total revenue increased 7% YOY to $2,265 million in the fiscal year ended December 31, 2010, compared to $1,808 million during the previous year ended December 31, 2009.

Revenue from regional air services increased 7% YOY to $1,938 million for the fiscal year ended December 31, 2010, compared to $1,808 million during the fiscal year ended December 31, 2009. The increase was due to a 6%, 7%, 2.0% and 1% increase in block hours, flight hours, aircraft days, and departures, respectively, and an increase in compensation rates. The increase in block hours and flight hours was due to the addition of new routes and new aircrafts, as well as increased levels of service in certain domestic markets.

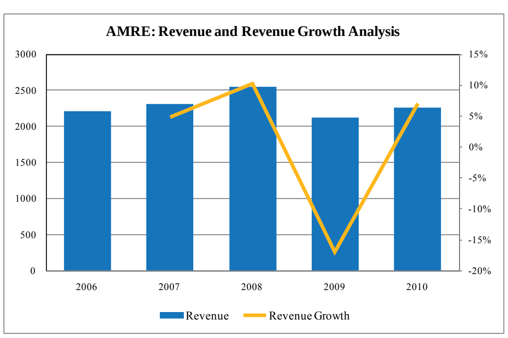


Exhibit 2 (Source: Company Filings & Spin-Off Estimates)

Ground handling services increased 6% YOY to $328 million for the fiscal year ended December 31, 2010, compared to $309 million during the fiscal year ended December 31, 2009. The increase was primarily related to an increase in handled departures associated with new business and additional services provided in 2010 as compared to 2009.

Aircraft fuels expense increased by 24% YOY to $670 million for the fiscal year ended December 31, 2010, compared to $538 million during the fiscal year ended December 31, 2009. The increase was a result of an overall increase in the average price of jet fuel as well as an 8% YOY increase in the number of gallons of jet fuel used, resulting from increased block hours.

Wages, salaries, and benefits expense increased by 5% YOY to $610 million for the fiscal year ended December 31, 2010, compared to $580 million during the fiscal year ended December 31, 2009. This increase was primarily due to increased employee hours resulting from increased block and flight hours in 2010 as compared to 2009.

Maintenance, materials, and repairs expense increased by 4% YOY to $265 million for the fiscal year ended December 31, 2010, compared to $255 million during the fiscal year ended December 31, 2009. The increase was primarily due to increased overhaul repairs on ERJ-145 airframes and engines resulting from increased air services during 2010, as well as the addition of new CRJ-700 aircraft.

Depreciation and amortization expense increased by 2% YOY to $153 million for the fiscal year ended December 31, 2010, compared to $150 million during the fiscal year ended December 31, 2009. The increase was primarily due to the addition of new aircrafts.

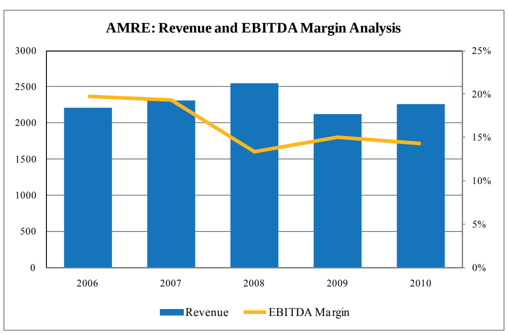


Exhibit 3 (Source: Company Filings & Spin-Off Estimates)

Passenger handling expense increased by 3% YOY to $132 million for the fiscal year ended December 31, 2010, compared to $128 million during the fiscal year ended December 31, 2009. The increase was primarily due to the addition of ground handling services at 31 new stations in 2010 resulting in an increase in the number of handled departures.

Others operating expense decreased by 4% YOY to $104 million for the fiscal year ended December 31, 2010, compared to $108 million during the fiscal year ended December 31, 2009 due to a decrease in average debt balances.

Net interest income from affiliates decreased by 78% YOY to $1 million for the fiscal year ended December 31, 2010, compared to $5 million during the fiscal year ended December 31, 2009. Interest income increased by 790% YOY to $1 million for the fiscal year ended December 31, 2010, compared to the previous year ended December 31, 2009.

Net Income increased by 2% YOY to $41 million for the fiscal year ended December 31, 2010, compared to $40 million during the fiscal year ended December 31, 2009.

EBITDA increased by 2% YOY to $324 million for the fiscal year ended December 31, 2010, compared to $317 million during the fiscal year ended December 31, 2009.

Analysis of AMR

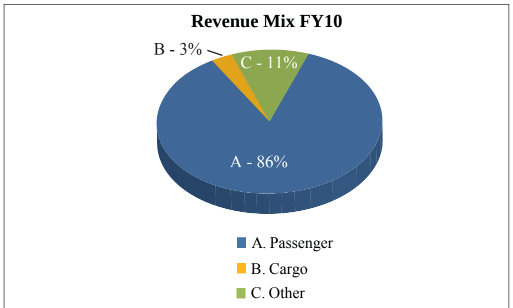


Exhibit 4 (Source: Company Filings & Spin-Off Estimates)

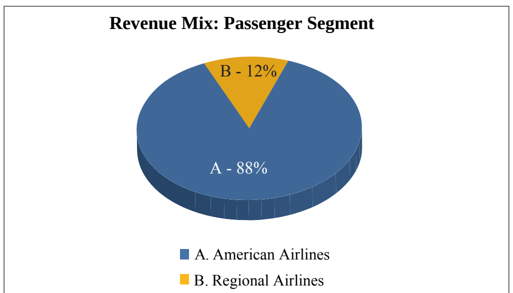


Exhibit 5 (Source: Company Filings & Spin-Off Estimates)

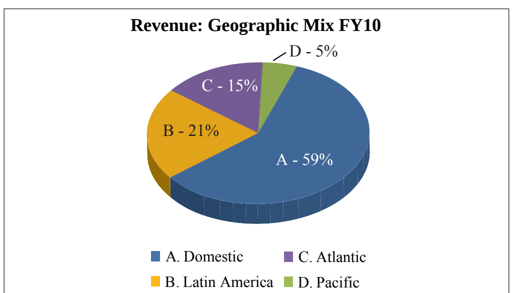


Exhibit 6 (Source: Company Filings & Spin-Off Estimates)

Business Overview

AMR is a commercial aviation and an airline holding company. AMR owns AEHC and American Airlines (AA). The company has a fleet size of approximately 900 aircrafts serving 250 cities across 50 countries with an average 3,400 daily flights.

AA operates a fleet of 620 aircrafts with an average age of 15 years. AA provides services to over 160 places across North America, the Caribbean, Latin America, Europe, and Asia. AA is also one of the largest air freight carriers in the world. AA also contracts with an independently owned regional airline under the name "AmericanConnection".

AEHC operates fleet of 294 aircrafts with an average age of 10 years, as of December 31, 2010. AEHC makes approximately 1,600 departures daily to over 175 destinations across North America, Mexico, and the Caribbean. AEHC is the third largest regional airline in US based on the aircrafts operated.

Segment Overview

AMR primarily operates in two segments: Passenger segment and Cargo segment.

Passenger Segment: This segment primarily includes revenues from passengers travelling in AA and Regional Airlines. Regional Airline includes AEHC and American Connection. This segment contributed around 86% of the total revenue of AMR in the fiscal year ended December 31, 2010.

Cargo Segment: AA has one of the largest air freight carrier network in the world. AA cargo has weekly lift capacity of over 90 million pounds. It provides cargo services to major cities in the United States, Europe, Canada, Mexico, Caribbean, Latin America, and Asia. Revenue from this segment represented 3% of the total revenue of AMR in fiscal year ended December 31, 2010.

Financial Overview - AMR

Quarter ended June 30, 2011

Vs

Quarter ended June 30, 2010

Revenue

The total revenue for AMR in quarter ended June 30, 2011, increased by $440 million to $6,114 million compared to $5,674 million in the prior year quarter, representing an increase of 8% YOY. The primary reason for increase in revenue is an 8% YOY increase in passenger revenue and a 10% YOY increase in cargo revenue.

Passenger revenues for AA increased by 7% YOY to $4,557 million in the quarter ended June 30, 2011 from $4,279 million in the quarter ended June 30, 2010. This increase was primarily due to 2% YOY increase in the passenger revenue miles and 5% YOY increase in the yield per passenger miles.

Passenger revenue from regional affiliates increased by 19% YOY to $711 million in the quarter ended June 30, 2011 compared to $600 million in the quarter ended June 30, 2010. This increase was primarily due to 16% YOY increase in revenue passenger miles and a slight increase of 2% YOY in yield per passenger miles.

Revenue from cargo segment in the quarter ended June 30, 2011, increased by 10% YOY to $187 million compared to $170 million in the quarter ended June 30, 2010. This increase in revenue was primarily due to 14% YOY increase in cargo revenue yield per ton mile which increased from 35.67 cents in the quarter ended June 30, 2010 to 40.76 cents in the quarter ended June 30, 2011, which was partially offset by a 4% decrease in volumes.

EBITDA

EBITDA for AMR in quarter ended June 30, 2011, decreased by $275 million to $188 million compared to $463 million in the quarter ended June 30, 2010, representing a decrease of 60% YOY. The primary reason is the increase in fuel expense by $546 million to $2,202 million in second quarter of 2011 compared to $1,655 million during the same period in the prior year. The price paid by AMR per gallon was $3.12 in quarter ended June 30, 2011 compared to $2.37 in quarter ended June 30, 2010, which represents an increase of 35% YOY.

Fiscal year ended December 31, 2010

vs

Fiscal year ended December 31, 2009

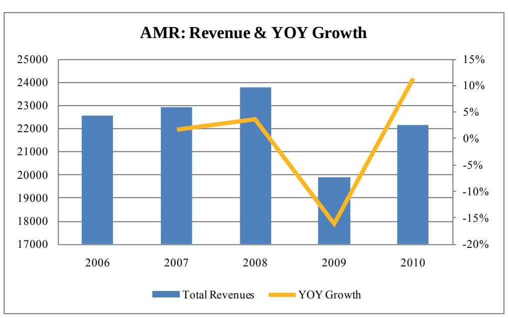


Exhibit 7 (Source: Company Filings & Spin-Off Estimates)

Revenue

The total revenue for AMR in fiscal year ended December 31, 2010, increased $2,253 million to $22,170 million compared to $19,917 million in the fiscal year ended December 31, 2009, representing an increase of 11% on YOY basis. This increase in revenue was primarily due to increase in the number of passengers and higher average fare cost in FY10 compared to FY09.

Passenger revenues for AA increased by 12% to $16,760 million in the fiscal year ended December 31, 2010 from $15,037 million in the fiscal year ended December 31, 2009. This increase was primarily due to 3% YOY increase in the passenger revenue miles and 9% increase in the yield per passenger miles.

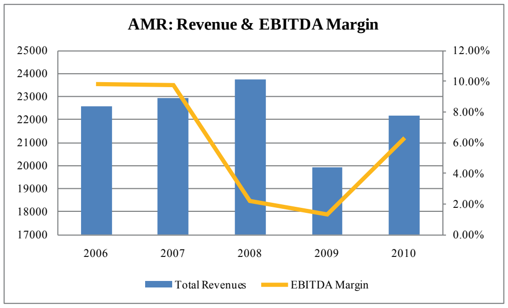


Exhibit 8 (Source: Company Filings & Spin-Off Estimates)

Passenger revenue from regional affiliates in the fiscal year ended December 31, 2010 increased by 16% YOY to $2,327 million compared to $2,012 million in fiscal year ended December 31, 2009. This increase was primarily due to 7% YOY increase in revenue passenger miles and 8% YOY increase in yield per passenger mile.

Revenue from cargo segment in the fiscal year ended December 31, 2010, increased by 16% YOY to $672 million compared to $578 million in fiscal year ended December 31, 2009. This increase in revenue was primarily due to 14% YOY increase in the cargo ton miles from 1,656 million in FY09 to 1,886 million in FY10 and also a slight increase in cargo revenue yield per ton mile which increased from 34.91 cents in FY09 to 35.65 in FY10.

EBITDA

EBITDA for AMR in fiscal year ended December 31, 2010, increased $1,130 million to $1,401 million compared to $271 million in the fiscal year ended December 31, 2009, representing an increase of 417% YOY. EBITDA Margin increased to 6% in FY10 compared to 1% in FY09.

Attachment 1
Income Statement - AMR

$ in million	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11E	FY 12E
Passenger Revenue - American Airlines	15,021.0	16,614.0	17,291.0	17,651.0	18,234.0	15,037.0	16,760.0	17,737.3	18,454.3
Growth YOY		10.6%	4.1%	2.1%	3.3%	-17.5%	11.5%	5.8%	4.0%
Growth QOQ									
Mix%	89%	89%	87%	88%	88%	88%	88%	87%	85%
Passenger Revenue - Regional Affiliates	1,876.0	2,148.0	2,502.0	2,470.0	2,486.0	2,012.0	2,327.0	2,707.5	3,233.7
Growth YOY		14.5%	16.5%	-1.3%	0.6%	-19.1%	15.7%	16.4%	19.4%
Growth QOQ									
Mix%	11.1%	11.4%	12.6%	12.3%	12.0%	11.8%	12.2%	13.2%	14.9%
Total Passenger Revenue	**16,897.0**	**18,762.0**	**19,793.0**	**20,121.0**	**20,720.0**	**17,049.0**	**19,087.0**	**20,444.8**	**21,688.0**
Growth YOY		11.0%	5.5%	1.7%	3.0%	-17.7%	12.0%	7.1%	6.1%
Growth QOQ									
Mix%	91%	91%	88%	88%	87%	86%	86%		
Cargo Revenue	738.0	784.0	827.0	825.0	874.0	578.0	672.0	711.8	771.1
Growth YOY		6.2%	5.5%	-0.2%	5.9%	-33.9%	16.3%	5.9%	8.3%
Growth QOQ									
Mix%	4%	4%	4%	4%	4%	3%	3%	3%	3%
Other Revenue	1,010.0	1,166.0	1,943.0	1,989.0	2,172.0	2,290.0	2,411.0	2,573.1	2,637.4
Growth YOY		15.4%	66.6%	2.4%	9.2%	5.4%	5.3%	6.7%	
Growth QOQ									
Mix%	5%	6%	9%	9%	9%	11%	11%	11%	11%
TOTAL REVENUE	**18,645.0**	**20,712.0**	**22,563.0**	**22,935.0**	**23,766.0**	**19,917.0**	**22,170.0**	**23,729.7**	**25,096.5**
Growth YOY		11.1%	8.9%	1.6%	3.6%	-16.2%	11.3%	7.0%	5.8%
Growth QOQ									
Aircraft Fuel	3,969.0	5,615.0	6,402.0	6,670.0	9,014.0	5,553.0	6,400.0	8,393.8	9,034.7
Margin	21%	27%	28%	29%	38%	28%	29%	35%	36%
Wages, Salaries and Benefits	6,719.0	6,755.0	6,813.0	6,770.0	6,655.0	6,807.0	6,847.0	6,506.7	6,274.1
Margin	36%	33%	30%	30%	28%	34%	31%	27%	25%
Other Rentals and Landing Fees	1,187.0	1,262.0	1,283.0	1,278.0	1,298.0	1,353.0	1,418.0	1,552.8	1,756.8
Margin	6%	6%	6%	6%	5%	7%	6%	7%	7%
Maintenance, Materials and Repairs	961.0	985.0	971.0	1,057.0	1,237.0	1,280.0	1,329.0	1,484.8	1,756.8
Margin	5%	5%	4%	5%	5%	6%	6%	6%	7%
Depreciation and Amortization	1,292.0	1,164.0	1,157.0	1,202.0	1,207.0	1,104.0	1,093.0	1,387.8	1,505.8
Margin	7%	6%	5%	5%	5%	6%	5%	6%	6%
Commissions, Booking Fees, and Credit Card Expenses	1,107.0	1,113.0	1,076.0	1,028.0	997.0	853.0	976.0	1,128.1	1,254.8
Margin	6%	5%	5%	4%	4%	4%	4%	5%	5%
Aircraft Rental	609.0	591.0	606.0	591.0	492.0	505.0	580.0	680.5	752.9
Margin	3%	3%	3%	3%	2%	3%	3%	3%	3%
Food Service	558.0	507.0	508.0	534.0	518.0	487.0	490.0	495.7	501.9
Margin	3%	2%	2%	2%	2%	2%	2%	2%	2%
Special Charges	0.0	0.0	0.0	63.0	1,213.0	171.0	0.0	0.0	0.0
Other Operating Expenses	2,377.0	2,809.0	2,687.0	2,777.0	3,024.0	2,808.0	2,729.0	2,830.9	2,901.6
OPERATING INCOME	**(134.0)**	**(89.0)**	**1,060.0**	**965.0**	**(1,889.0)**	**(1,004.0)**	**308.0**	**(731.2)**	**(642.9)**
Operating Margin	-1%	0%	5%	4%	-8%	-5%	1%	-3%	-3%
Adjusted EBITDA	**1,158.0**	**1,075.0**	**2,217.0**	**2,230.0**	**531.0**	**271.0**	**1,401.0**	**656.5**	**862.9**
EBITDA Margin	6%	5%	10%	10%	2%	1%	6%	3%	3%

Attachment 2
Income Statement - AEHC

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 10 PF	1H 11	1H 11 PF	2H 11 E	FY 11 E	1H 12 E	2H 12 E	FY 12 E
Regional Air Service			2,243.4	1,808.2	1,938.1	979.1	1,126.7	518.2	535.1	1,053.3	544.5	563.6	1,108.1
Growth YOY				-19.4%	7.2%		20.6%	-44.5%	-46.7%	7.6%	5.1%	5.3%	5.2%
Mix %			88.0%	85.4%	85.5%	79.0%	87.2%	79.7%	80.0%	79.9%	79.1%	79.4%	79.3%
Ground Handling Services			306.5	309.1	327.9	261.0	165.0	131.6	134.0	265.6	143.7	146.3	290.0
Growth YOY				0.8%	6.1%		1.6%	-18.9%	-19.1%	1.8%	9.2%	9.2%	9.2%
Mix %			12.0%	14.6%	14.5%	21.0%	12.8%	20.3%	20.0%	20.1%	20.9%	20.6%	20.7%
TOTAL REVENUE	**2,206.3**	**2,313.2**	**2,549.9**	**2,117.3**	**2,266.0**	**1,240.1**	**1,291.7**	**649.8**	**669.1**	**1,318.9**	**688.1**	**710.0**	**1,398.1**
Growth YOY		4.8%	10.2%	-17.0%	7.0%		17.8%	-40.7%	-42.8%	6.4%	5.9%	6.1%	6.0%
Aircraft Fuel			859.8	538.0	669.6	0.0	455.7	0.0	0.0	0.0	0.0	0.0	0.0
Margin			33.7%	25.4%	29.6%	0.0%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Wages, Salaries, and Benefits			588.4	580.4	609.6	609.1	327.1	326.7	334.6	661.2	344.1	355.0	699.0
Margin			23.1%	27.4%	26.9%	49.1%	25.3%	50.3%	50.0%	50.1%	50.0%	50.0%	50.0%
Maintenance, Materials, and Repairs			254.8	255.2	264.8	264.8	138.6	138.6	140.5	279.1	144.5	149.1	293.6
Margin			10.0%	12.1%	11.7%	21.4%	10.7%	21.3%	21.0%	21.2%	21.0%	21.0%	21.0%
Other Rentals and Landing Fees			117.6	123.2	133.8	108.6	67.2	54.3	56.9	111.1	58.5	60.3	118.8
Margin			4.6%	5.8%	5.9%	8.8%	5.2%	8.4%	8.5%	8.4%	8.5%	8.5%	8.5%
Passenger Handling			166.7	128.2	132.5	97.4	75.2	57.2	56.9	114.0	61.9	63.9	125.8
Margin			6.5%	6.1%	5.8%	7.9%	5.8%	8.8%	8.5%	8.6%	9.0%	9.0%	9.0%
Flight Equipment Rentals			8.4	29.6	29.0	0.0	14.6	0.0	0.0	0.0	0.0	0.0	0.0
Margin			0.3%	1.4%	1.3%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Operating Expenses			115.2	108.3	104.0	101.0	61.0	59.3	60.2	119.5	55.0	56.8	111.8
Margin			4.5%	5.1%	4.6%	8.1%	4.7%	9.1%	9.0%	9.1%	8.0%	8.0%	8.0%
EBITDA	**435.4**	**447.0**	**439.0**	**354.5**	**322.7**	**59.2**	**152.3**	**13.8**	**20.1**	**33.9**	**24.1**	**24.8**	**48.9**
EBITDA Margin	19.7%	19.3%	17.2%	16.7%	14.2%	4.8%	11.8%	2.1%	3.0%	2.6%	3.5%	3.5%	3.5%
Special Charges			115.2	42.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and Amoritzation	189.6	197.6	184.0	149.7	153.3	17.5	84.5	8.9	9.0	17.9	9.0	9.0	18.0
OPERATING INCOME	**224.4**	**220.5**	**139.8**	**162.6**	**169.4**	**41.7**	**67.9**	**4.9**	**11.1**	**16.0**	**15.1**	**15.8**	**30.9**
Operating Margin	10.2%	9.5%	5.5%	7.7%	7.5%	3.4%	5.3%	0.8%	1.7%	1.2%	2.2%	2.2%	2.2%

Attachment 3
Management – AMR

Gerard J. Arpey
Chairman and Chief Executive Officer

Mr. Arpey has been serving as the President and the Chief Executive Officer of AMR and American since 2003. He was elected as the Chairman in 2004. He has previously served as the Chief Operating Officer of AMR. He has also served as the Executive Vice-President of Operations, Senior Vice-President of Finance and Planning and Chief Financial Officer for the American. He earned his Bachelors Degree in Administration in 1980 and Masters in Business Administration degree in 1982 from the University of Texas.

Isabella D. Goren
SVP & Chief Financial Officer

Ms. Goren has been serving as the Chief Financial Officer of AMR and American since 2010. She has been a member of the Executive Committee and the Senior Vice President of Customer Relationship Marketing since 2006. She has also served as Vice President of Finance and Administration for AMR Services and Vice President of Customer Services Planning for AMR. She earned a B.S. degree in Chemical Engineering from the University of Texas and MBA from Southern Methodist University.

Robert W. Reding
Executive Vice President, Operation

Mr. Reding has been serving as the Executive Vice President, Operation since 2007. Prior to this, he also served as the Senior Vice President-Technical Operations for American Airlines, the Chief Operations Officer for American Eagle, the Vice President of Flight Operations for Midway Airlines, the President and the Chief Executive Officer for Canadian Regional Airlines. He earned a B.S. degree in Aeronautical Engineering from California State Polytechnic University and master’s degree in Business Administration from Southern Illinois University.

Attachment 4
Management – AEHC

Daniel P. Garton
President and Chief Executive Officer

Mr. Garton has been serving as the President and the Chief Executive Officer of American Eagle Airlines since June 2010. Prior to this, he served as the Executive Vice President-Marketing for AMR and also held senior executive positions in operations and finance at AMR. He has also served as the President of American Eagle Airlines from 1995 to 1998, the Senior Vice President and Chief Financial Officer of Continental Airlines. He earned a Bachelors of Arts Degree in Economics from Stanford University in 1979 and Master of Business Administration Degree in Finance from Cornell University in 1984.

John Hutchinson
CFO and Senior Vice President,Planning

Mr. Hutchinson has been serving as the Chief Financial Officer and the Senior Vice President, Planning since 2006. He also served as Vice President of Finance for American Eagle in 2001 and 2002 and as the Managing Director of Corporate Development for American Airlines. He earned a Bachelor of Science degree in Civil Engineering from Brigham Young University and MBA from the University of Texas at Austin.

Fred Cleveland
Senior Vice President Technical Operation

Mr. Cleveland has been serving as Senior Vice President, Technical Operations since joining the company in 2009. He also served as the Vice President of American Airlines. He graduated from the U.S. Naval Academy at Annapolis. He holds MBA in Systems Management and is also a Certified Professional Logistican by the Society of Logistical Engineers.

Announced Spin-Off

ATS Automation Tooling Systems (ATA) Announces Spin-Off of Photowatt Technologies (PTI)

ATS Automation Tooling Systems, Inc.

Parent: ATS Automation Tooling Systems (TSX: ATA)

Sector: Machinery - General Industries

Target Price: C$7.73

Share Price: C$6.76*

Recommendation: Buy

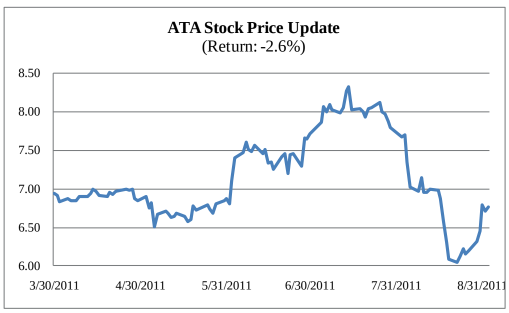
Upside: 14%

Spin-Off: Photowatt Technologies, Inc. (PTI)

Sector: Energy - Alternate Sources

* As on September 2, 2011

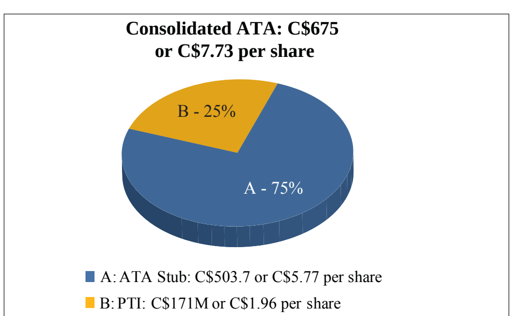
Price Performance - ATA



Note: The return of -2.6% represents the return on the stock since the initial announcement date of spin-off i.e. March 31, 2011 till date

Key Data – ATA

Ticker	ATA
Price (As on September 2, 2011)	C$6.76
52 Week range	C$5.85 - C$8.40
Shares Outstanding (million)	87
Market Cap (C$ million)	590
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	March 31
Market Float	81.5%



ATA to Spin-Off PTI; Board of Directors Approve the Deal

On March 31, 2011, the Board of Directors of ATS Automation Tooling Systems (TSX: ATA ; Market Capitalization: C$590 million) approved the separation of its photowatt business, Photowatt Technologies, Inc (PTI). The company contemplates the separation to be either a spin-off of the PTI or sale of photowatt business in France. While the company is actively looking out for potential buyers for its France operations, the company is also progressing with the alternative separation mechanism of spin-off of PTI.

Currently, the company has detailed plans to effect the spin-off of PTI to the shareholders of ATA. The company has initiated a process to identify the management team and the board of directors. The company currently plans to structure the spin-off as a return of capital to be implemented through a plan of arrangement, which requires court approval. The transaction is subject to approval by the shareholders of ATA. The company intends to spin-off before the end of calendar year 2011.

ATA is an automation industry leader providing innovative, custom designed, built and manufacturing solutions to numerous companies worldwide. PTI is a turnkey project developer and manufacturer of solar energy solutions.

Spin-Off Strategy – Our View: The management believes that the spin-off enables better market understanding, greater focus on individual businesses thereby leading to enhanced valuation for shareholders. While we understand that the businesses and the ecosystem of the company's Automated Systems Group (ASG) and PTI are fairly different (except to the extent of automation required in photowatt industry), we believe that the ongoing challenges in the company's photowatt business in France and the recent set up of Ontorio operations warrants PTI to receive further support from the parent company before a separation is planned. We believe that PTI's France operations will be a drag on the overall PTI's performance and thereby impact valuations negatively.

We are of the opinion that the company should continue to focus on sale of its more challenging France operations while retaining the Ontorio business which, at the current outset, looks promising in terms of growth. More over, its Ontorio operations might be contrued as strategic vehicle to prove inherent growth potential leading to better valuations.

Valuation and Recommendation

We value ATA at C$675 million or at C$7.73 per share using sum-of-the-parts valuation method. We are initiating coverage with a 'Buy' rating.

Top 5 Shareholders - ATA	
Mason Capital Management LLC	18.2%
Fidelity Management & Research	10.1%
Goodwoog Inc	8.7%
Pyramis Global Advisors Trust Co	6.2%
Dimensional Fund Advisors LP	2.8%

Spin-Off Details	
Announced Date	March 31, 2011
Expected Date of Spin-Off	By December 2011

About ATA

ASG provides planning, designing, building, commissioning, and servicing automated manufacturing and assembly systems. ASG operates in 20 manufacturing facilities worldwide. The scale of technology engagement spans across project, program, and enterprise levels from single machines to factory-wide automation. Since 1978, the company's ASG segment deployed more than 15,000 projects for some of the world's largest companies.

About PTI

The company's PTI offers turnkey project development and manufactures solar energy solutions. PTI designs, manufactures, and sells solar modules, installation kits, and provides other value added services. The company operates mainly in France and Ontario, Canada. The company has contributed to the advancement of photovoltaic industry for more than 30 years by providing solar energy technologies to industries, agriculture, and public authorities.

Valuation

Valuation of PTI

We value PTI using forward EV/Revenue multiple valuation method. Peer group companies that we considered for valuation are similar companies manufacturing power equipments and alternate sources of energy. Peer group companies trade at an average FY12 Revenue multiple of 0.7x. We are valuing PTI at the peer group average as we believe that the company's business model is very much in-line with its peers.

We are modeling PTI's total revenues to grow at 10% YOY and 5% YOY for fiscal years 2011 and 2012, respectively. We expect the growth to moderate slightly due to reduction in government incentives and a 500MW annual limit on solar installations in France which would lead to reduced demand and lower average selling prices per watt. While we remain optimistic about the company's Ontorio business, the current challenging environment in France offsets much of our optimism. Our revenue growth estimates imply FY12 Revenue of C$250 million.

We believe, PTI business model requires higher capital investments. Until now, PTI was operating as a part of ATA and hence, the capital investments were taken care by ATA, but upon separation, PTI would be required to raise more money to fulfill its capital investment requirements which would lead to higher debt levels on its balance sheet. We assume that PTI would get 20% of the total cash and 80% of the total debt held by ATA. However, we are not assuming any fresh borrowing in the absence of any information from the company in this regard.

Peer Group Average EV/Revenue Multiple	0.7x
Expected Premium / Discount	0%
Expected EV/Revenue Multiple	**0.7x**
FY12 Revenue Estimate (C$ millions)	250
Expected Enterprise Value (C$ millions)	**163**
Debt (C$ millions)	8
Cash (C$ millions)	17
Expected Market Capitalization (C$ millions)	**171**
Shares Outstanding of ATA (million)	87
Expected Price per Share (C$)	**1.96**

Using 0.7x FY12 revenue estimate, we value PTI at C$171 million or C$1.96 per share of ATA.

Valuation of ASG

ASG (ATA excluding PTI) operates in the manufacturing industry. Peer groups that we considered for valuation include similar companies listed in Canada and the United States. Peer group companies trade at an average FY12 EBITDA multiple of 5.0x. We are valuing ASG at 5.0x FY12 EV/EBITDA multiple as we believe that the company's business model is very much in-line with its peers.

We are modeling ASG revenue growth of 10% YOY for fiscal years 2012 and 2013. While our FY11 growth estimates are driven by the recent acquisitions by ATA which would help boost revenues , our FY12 estimate is driven by our assumption of economical recovery which should drive capital investments across the manufacturing industry.

Further, the company's recent acquisitions justify our EBITDA multiple estimate. More impotantly, ATA's recent acquisition of Assembly & Test Worldwide, Inc (ATW), manufacturer of automation and test systems for transportation, life sciences and energy markets and Sortimat Group (Sortimat), manufacturer of assembly systems for the life sciences market, implied a trailing EBITDA multiple of 5.7x and 9.9x, respectively. In our opinion, the premium for Sortimat was mainly because of its major presence in the life sciences market.

With regards EBITDA, we are modeling EBITDA margins at flat 14% for fiscal years 2011 and 2012. The EBITDA margins are consistent with the historical margins. Based on our revenue growth and EBITDA margin estimates, we estimate FY12 EBITDA at C$87 million.

Further, we believe, ASG business model requires lesser capital investments and would have lower debt levels as compared to the PTI. We assume, ASG would get 80% of the total cash and 20% of the total debt held by ATA

Peer Group Average EV/EBITDA Multiple	5.0x
Expected Premium / Discount	0%
Expected EV/EBITDA Multiple	**5.0x**
FY12 EBITDA Estimate (C$ millions)	87
Expected Enterprise Value (C$ millions)	**439**
Debt (C$ millions)	2
Cash (C$ millions)	67
Expected Market Capitalization (C$ millions)	**504**
Shares Outstanding of ATA (million)	87
Expected Price per Share (C$)	**5.77**

Using 5.0x FY12 EBITDA estimate, we value ASG at C$504 million or C$5.77 per share of ATA.

Valuation of Consolidated ATA

Based on our valuation of PTI and ASG, using sum-of-the-parts valuation methodology, we value ATA at C$675 million or C$7.73 per share. Our valuation implies an upside of 14% over the current market price of the stock. We are initiating coverage with a 'Buy' rating.

	Market Capitalization (C$ million)	Price per Share (C$)
ASG	504	5.77
PTI	171	1.96
Consolidated ATA	**675**	**7.73**

Business Overview

ATA operates in 2 segments – Automation Systems Group (ASG) and Photowatt technologies (PTI). For the fiscal year 2011, ASG represented 70% of total revenue while PTI represented 30% of revenue.

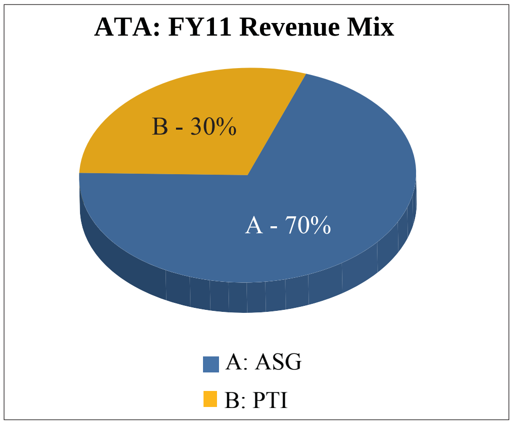


Exhibit 1 (Source: Company Filings & Spin-Off Estimates)

Business Strategy

In fiscal year 2012, the company intends to enhance valuation through both organic and inorganic growth initiatives while pursuing strategies to separate PTI.

Leadership: The company's strategic approach in growth is very much evident in its focus on enhancing leadership. The company plans to develop and improve leadership across its business units. The company's talent management initiatives include expatriate employment arrangements, career development, and succession planning.

Business Processes: The company plans to continue its focus on controlling cost and expand margins through efficient and optimization of supply chain and program management processes. The company aims to reduce 'RED' programs (programs which are not delivered to specification, on-time, or on budget) bought through the recent acquisitions in fiscal year 2011. The company's restructuring plans at Photowatt France (PWF) represent part of this initiative.

Approach to Market: The company plans to pursue its customer-centric approach in its overall approach to market. The company's life sciences unit and the recently set up transportation unit represent the company's initiatives in this regard. We believe that the creation of separate industry vertical-based sub units offer significant leverage in terms of better understanding of the customer requirement and, in the long term, aids creation of specialist solutions and teams to cater to different industries.

Acquisitions: The company's inorganic growth initiatives in the last fiscal year is well commendable as a strategy to expand geographic and industry vertical presence. The company intends to approach acquisitions to continue its growth momentum. We believe that the current market conditions might favor ATA due to its relatively lower debt position and better valuation multiples globally.

Analysis of Automation Systems Group (ASG)

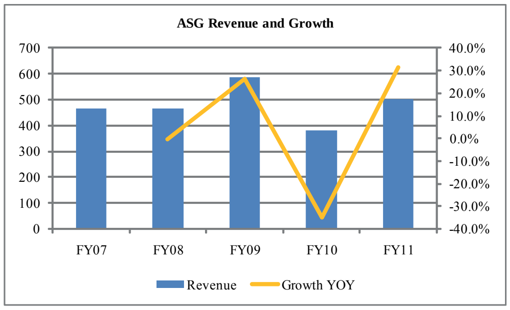


Exhibit 2 (Source: Company Filings & Spin-Off Estimates)

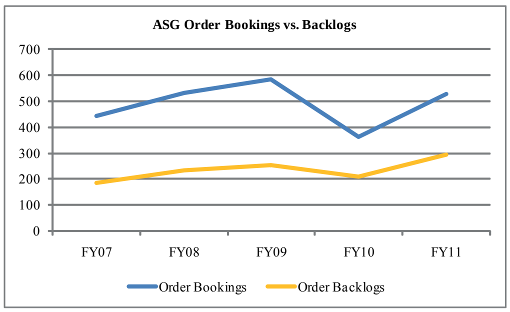


Exhibit 3 (Source: Company Filings & Spin-Off Estimates)

ASG provides planning, designing, building, commissioning, and servicing automated manufacturing and assembly systems. ASG operates in 20 manufacturing facilities worldwide. The scale of technology engagement spans across project, program, and enterprise levels from single machines to factory-wide automation. Since 1978, the company's ASG segment deployed more than 15,000 projects for some of the world's largest companies. An average contract in this segment is valued in excess of C$1 million while the duration typically ranges between 6 to 12 months.

ASG provides a number of services, from engineering design and prototyping to automation system installation, training and after-installation support, maintenance and service. For complex equipment replication, ASG's Automation Products Group (APG) provides value engineering, supply chain management, integration, and manufacturing capabilities. APG solutions are either integrated with larger projects or delivered as a standalone machine.

The business unit's engagement at various levels of project management is depicted in the table below.

Pre-Automation	Automation	Post-Automation
Manufacturing Concepts and Operations Simulations	Design – Mechanical, Electrical, and Software	Operational Support and Efficiency Improvement
Prototype and Product Development	Automation Products	Predictive and Preventive Maintenance
Proof-of-Principle Studies	Integration	Service Agreements
Total Cost of Ownership Analysis	Inspection and Testing	Training and Mentorship
GMP Review and Validation Planning	Qualification	Spare Parts
	Contract Equipment Manufacturing	Modifications, Upgrades and Line Relocation
	Data Acquisition and MES	

Source: Company's Regulatory Filings

Industry Verticals

ASG offers technology services to various industry verticals, including life sciences, computer and electronics, transportation, and energy.

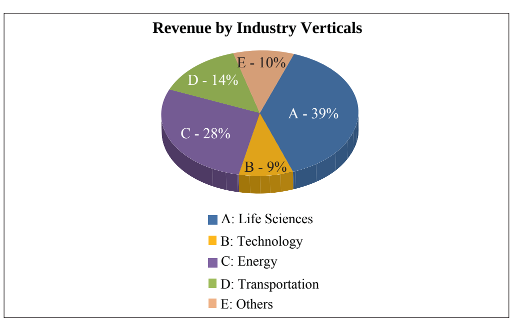


Exhibit 4 (Source: Company Filings & Spin-Off Estimates)

Life Sciences: The company provides technology automation services to producers and manufacturers of medical devices, pharmaceutical, and diagnostic equipments and consumables. The company offers manufacturing solutions that comply with regulatory requirements in terms of quality and consistency with focus on client requirements, including return on investments, and scheduled market launch. Through this segment, the company offers fully tested integrated material handling, automated manufacturing and assembly systems, and package solutions capable of producing around thousand parts per minute while operating within the radars of Food and Drug Administration (FDA).

In June 2010, the company expanded its life sciences market share by acquiring Sortimat Group (Sortimat), a company based in Germany, providing designs systems for medical products and pharmaceutical devices markets, primarily in Europe. The acquisition also strengthened the company's presence in Europe with around 80% of Sortimat's customers based in Europe. More importantly, the acquisition added around 1,000 customers in the life sciences space and added experienced employees strengthening the life sciences team of 750 employees.

Transportation: ATA has more than 3 decades of experience in offering technological automation services to the transportation industry. The company's services in this industry vertical covers some of the most critical aspects of the transportation technology, including steering, safety, comfort, fuel, suspension, and electronic systems.

In fiscal year 2011, the company formed a separate transportation group following the acquisition of majority stake in Assembly & Test Worldwide, Inc (ATW). ATW is an automation and test systems business with operations in the U.S. and Germany. The acquisition offered significant expansion into specialized technologies within the transportation segment such as engine, transmission, axle and braking systems, as well as energy storage for hybrid vehicles. The company's transportation group comprises of 7 facilities and over 550 employees.

Technology: The focus on this technology vertical is more on assembly and packaging, reliable and time to market capabilities. Since its founding, the company has supported high-speed production systems delivering sub-second cycle times for various technology products such as electrical devices, computer peripherals, and personal care products. The company believes its specialization on applications offer high degree of accuracy and flexibility. The company's engineering services are targeted at efficient automated assembly which in turn supports introduction of advanced products.

Post-optimization of manufacturing, the company focuses on providing customized automation solutions covering the comprehensive process of assembly, machining, plastics molding, testing, and real-time data collection and performance analysis.

Energy: The company offers manufacturing solutions to its customers engaged in the energy industry, including clean technology and alternative energy and nuclear energy. For the solar energy sector, the company continues to leverage on its vast experience in providing solutions targeted at achieving lowest cost per watt. The company's automation product portfolio in this regard includes wafer and cell handling technology, cell sorters, solar simulators, and module assembly automation.

On a broader note, the company's automation solutions for the energy sector include material handling, automated assembly, quality and functional testing, data integration, commissioning and support of equipments.

Geographical Presence

The company's ASG operates across the world with majority of its installations located in the North America, followed by Europe and Asia.

ASG: Revenue by Geography

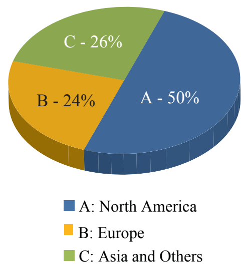


Exhibit 5 (Source: Company Filings & Spin-Off Estimates)

Business Strategy

The company's ASG group operates with the following 3 strategic growth initiatives designed to offer significant long term benefits and market share growth opportunity.

Strengthen Organizational Effectiveness: This strategy is focused on strengthening the leadership which, in our view, offers significant clarity in structure and aids long term growth, along with pursuing inorganic growth opportunities. The company plans to spread best practices and business processes, which benefits in further automations and universal acceptance of certain technologies leading to long term client and industry relationships. More importantly, this strategy aims to expand the company's patent program.

Improve Supply Chain Management: Through this operational strategy, the company aims to reduce third-part material cost, increase internal subcontracting, and standardize products and components, with focus on improving margins.

Advance Approach to Market: The company pursues development of division character whereby the company's sales and marketing and operating divisions are aligned with the industry verticals served. Further, the implementation of centralized accounting function and deployment of Customer Relationship Management (CRM) tools support the company's long term organizational and division control initiatives.

Competitive Strengths

Global Presence to Offer Significant Leverage in Bidding: The company's ASG has manufacturing operations across the world including North America, Europe, and Asia. More specifically, the company's manufacturing operations are located in Canada, the United States, Germany, Switzerland, China, Malaysia, Singapore, and India. While we believe its operations in the developed nations offer significant technological capabilities, its operations in the Asian countries offer lower cost advantage. In our view, the classic mix of technology and lower cost would offer significant competitive advantage to the company in competitive bidding.

Experience and Capabilities Drive Long Term Growth Opportunity: ASG has designed, manufactured, and assembled complex automation systems worldwide since 1978. With current customer-centric focus and long experienced team, the company believes it possesses significant competitive advantage. We believe that the adoption of latest technologies and with proven management supports long term growth opportunity.

Comprehensive Solutions Capabilities to Offer Significant Competitive Advantage: ASG offers a complete suite of automation systems right from design to implementation and support and maintenance post-implementation. We believe that the company's comprehensive solution capabilities offer significant leverage while approaching critical customers who wish to avoid multi-party services which might result in chaotic conditions during and post implementation.

Above all, the management believes that, over the years, the company has been able to leverage on the branding of ATS.

Acquisitions

In fiscal year 2011, the company made significant acquisitions to expand its industry vertical offerings and geographic presence.

Sortimat Group (Sortimat): In June 2010, ATA acquired Sortimat, a manufacturer of assembly systems for the life sciences market. The acquisition expanded the company's life sciences product portfolio along with expanding geographic presence over Germany, Chicago, and India.

Assembly & Test Worldwide Inc. (ATW): In January 2011, ATA acquired majority of ATW, a manufacturer of assembly and test system with focus on transportation, life sciences, and energy industry verticals. The acquisition expanded the company's reach into transportation through further strengthening leading to the creation of a separate transportation group.

Financial Analysis - ASG

Q1 ending July 3, 2011 vs. Q1 ending June 27, 2010

Revenues: ASG revenues for the first quarter ending July 3, 2011 was C$127 million, compared to C$102 million during the prior year quarter ending June 27, 2010, representing a growth of 25% YOY. The increase in revenue is primarily driven by increase in order backlog and revenues from acquisition of Sortimat and ATW.

By industry verticals, revenue from life sciences increased by 10% YOY primarily due to increase in order backlog and the impact of acquisition of Sortimat. The technology vertical witnessed a decline by 49% YOY driven by lower order backlog during the quarter. Similarly, revenues from energy vertical declined 29% YOY due to lower order backlog entering into the quarter. Revenue from transportation vertical increased significantly by 344% YOY primarily due to the impact of acquisition of ATW. Revenue from other industry verticals increased 186% YOY due to increased revenues in the consumer products market.

EBITDA: EBITDA for the first quarter ending July 3, 2011 was C$14 million compared to C$11 million during the prior year quarter ending June 27, 2010, representing a growth of 28% YOY. EBITDA as a percentage of revenue improved slightly to 11% during the quarter compared to 10% in the prior year quarter driven mainly by higher revenues which were partly offset by lower margins at Sortimat and ATW acquired during the year.

Fiscal Year ending March 31, 2011 vs. Fiscal Year ending March 31, 2010

Revenues: ASG revenues increased by 32% YOY to C$503 million in the fiscal year ending March 31, 2011 compared to C$382 million during the prior year ending March 31, 2010. This increase was mainly driven by acquisition of Sortimat (C$66 million) and ATW (C$17 million) during the year along with higher order bookings during the year. However, foreign exchange negatively impacted the top line due to the strengthening of the Canadian dollar against the US dollar and the Euro.

Within industry verticals, life sciences increased 20% YOY driven by incremental revenue from the acquisition of Sortimat during the year. Technology witnessed a growth of 18% YOY while energy increased by 33% YOY. Revenue from transportation vertical increased 56% YOY, driven by higher order bookings and incremental revenue from the acquisition of ATW. Other industries too witnessed growth driven by higher consumer products revenue.

EBITDA: EBITDA for the fiscal year ending March 31, 2011 was C$73 million, compared to C$63 million during the previous fiscal year ending March 31, 2010, representing a growth of 16% YOY. However, EBITDA as a percentage of revenue declined moderately due to the acquisitions made during the year which contributed relatively lower EBITDA margins.

Analysis of Photowatt Technologies (PTI)

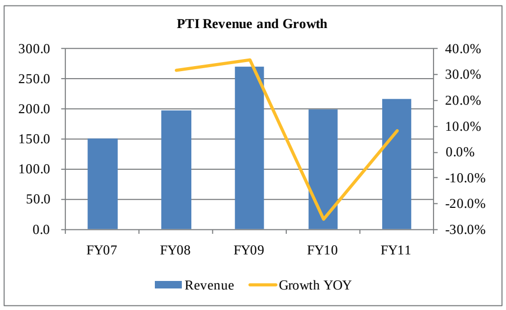


Exhibit 6 (Source: Company Filings & Spin-Off Estimates)

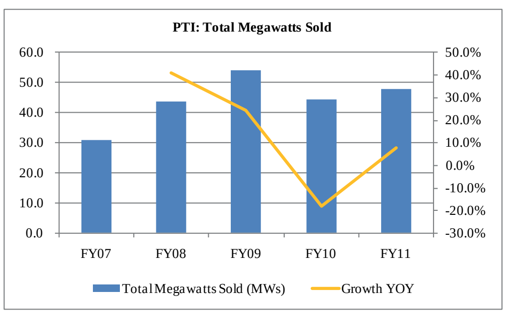


Exhibit 7 (Source: Company Filings & Spin-Off Estimates)

The company's PTI offers turnkey project development and manufactures solar energy solutions. PTI designs, manufactures, and sells solar modules, installation kits, and provides other value added services.

The company operates mainly in France and Ontario, Canada. The company has contributed to the advancement of photovoltaic industry for more than 30 years by providing solar energy technologies to industries, agriculture, and public authorities.

Photowatt France (PWF): The company's PWF business unit designs, manufactures and sells solar modules to customers in Europe, the Middle East and Africa. The company sold more than 3 million modules till date. The company is engaged with energy industry leaders through the Photovoltaic Alliance Joint Venture (PVA) to develop new generation photovoltaic cells offering high performance at low cost. The company formalized an agreement with one of the PVA partners to supply modules made with 50% of the output from the PVA cell line.

The company is currently reorganizing its PWF business unit targeted at achieving growth in system sales while reducing production cost along with improving supply chain management.

Photowatt Ontario (PWO): The PWO was established in fiscal year 2010 to leverage the company's manufacturing facilities in that region. The company produces photovoltaic modules from a 100 megawatt module line to serve the growing demand from local residential and commercial markets. The PWO is also currently developing solar projects directly through a joint venture partner while signing a number of developer agreements for supply of modules and development of installation projects. The manufacturing facility was designed and built by the company's ASG business unit.

The company's PWO is driven by the local government initiative to support alternative energy technologies through the Ontario Green Energy Act and Renewable Feed-in-tariff (FIT) program. These initiatives include a 20-year fixed rate income stream for qualifying solar projects.

Business Strategy

Strengthen Organizational Effectiveness: The company undertook several initiatives to strengthen the organizational leadership of its PTI business unit. To this regard, the company strengthened its leadership through bringing in new members to lead the PWF and PWO business units. Further, to advance the PVA initiatives, the company launched 25 megawatt cell manufacturing line targeted at improving cell efficiency.

Reduce Cost of Operations: The company continues to engage in cost control initiatives through increasing cell efficiency, reduce scrap, and reduce overall overhead costs. The company's PWF initiated a restructuring plan which includes approximately 35% reduction in workforce, outsourcing module production targeted at optimizing production capacity. Further, the business unit is engaged in investments in technologies to increase cell efficiencies, reduce scrap and reduce overall costs.

Advance Approach to Market: Similar to ASG's strategy, the company's PTI plans to increase downstream revenues and build its Ontario pipeline. While the company's PWF witnessed significant challenges due to negative market conditions, the PWO offers certainty through its 2-year secured contracts and customer agreements.

Competitive Strengths

Photowatt Branding to Aid Growth Opportunity: PWF sold solar products in the Europe for around 30 years with over 3 million modules sold worldwide. Photowatt-branded products include cells and modules to complete turn-key systems across a wide range of users including residential, professional, and farm. The company believes that the brand in itself would offer significant leverage in acquiring customers and expand geographical presence.

PWF Restructuring to Offer Low-Cost High-Value Branding: The company's PWF is currently undergoing strategic restructuring aimed at lowering cost through outsourcing basic manufacturing to low-cost geographies in Asia. However, the company is cautious about quality and marketability of its 'Made in France' tag line. Similarly, with the recent expansion into the local geography, the company is aiming at building branding to the extent of creating 'Made in Ontario' products and solutions. We believe that the company is rightly targeting the market in terms of growing the top line while controlling costs to improve margins.

Integrated Manufacturing Capabilities to Offer Significant Leverage in Customer Acquisition and Research and Development Initiatives: The company's PWF offers comprehensive suite of photowatt portfolio, including ingots, wafers, cells and module design. The company believes that the integration of the complete suite of portfolio offers reduced dependence on multiple third parties from customers' perspective while allowing research and development capabilities. In our view, the solar industry is gaining traction due to the rise in prices and decline in supply of fossil fuels. However, the existing technology is not conducive to the financial feasibility of solar projects, which is a major reason for many solar companies either going bust or investments in this sector being viewed with a red flag. We believe that research and development is imperative for the survival of the industry. Further, PWF's 40% partnership in the PVA joint venture contemplates research to improve the efficiency of solar cells.

Financial Analysis – PTI

Q1 ending July 3, 2011 vs. Q1 ending June 27, 2010

Revenues: Revenues for the first quarter ending July 3, 2011 was C$63 million, compared to C$49 million during the prior year quarter, representing a growth of 29% YOY. The increase was mainly driven by increase in total megawatts sold during the quarter. The company sold total megawatts of 14.7 MWs during the quarter compared to 11.4 MWs during the prior year quarter, representing a growth of 29% YOY. However, the increase in volumes was partly offset by lower average selling prices which declined by around 20% for modules.

Fiscal Year ending March 31, 2011 vs. Fiscal Year ending March 31, 2010

Revenues: Revenues for the fiscal year ending March 31, 2011 was C$216 million, compared to C$200 million during the previous year ending March 31, 2010, representing a growth of 8% YOY. The increase in revenue was mainly driven by higher sales of raw material inventory during the year compared to the previous year. Excluding sale of raw materials, revenue declined 15% YOY driven primarily by lower average selling prices. However, these declines were partly offset by increase in total megawatts sold which increased to 47.8 MWs during the year from 44.4 MWs during the previous year, representing a growth of 8% YOY. Further, foreign exchange movements impacted the top line negatively.

EBITDA: EBITDA for the fiscal year ending March 31, 2011 was a negative C$36 million compared to a negative C$31 million during the previous year ending March 31, 2010. The company witnessed significant losses during fiscal year 2011 due to impairment charges, inventory write-downs, restructuring expenses, and higher losses from PWO due to ramp up of 100 MW module line. Further, the company witnessed decline in average selling prices along with volume declines on a YOY basis.

Attachment 1
Income Statement of ATA

	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12 E	FY 13 E
Revenue - ASG	466.0	465.0	588.5	382.4	502.9	553.2	608.5
Growth YOY		-0.2%	26.6%	-35.0%	31.5%	10.0%	10.0%
Mix %	76%	70%	69%	66%	70%	70%	71%
Revenue - PWG	150.6	198.6	269.8	199.9	216.2	237.8	249.7
Growth YOY		32%	36%	-26%	8%	10%	5%
Mix %	24%	30%	31%	34%	30%	30%	29%
Total Revenue	616.6	663.6	858.2	582.3	719.1	791.0	858.2
Operating Income - ASG	6.4	0.9	58.7	56.2	64.2	69.1	76.1
Operating Margin - ASG	1%	0%	10%	15%	13%	13%	13%
Operating Income - PWG	19.4	3.2	24.5	(47.7)	(50.3)	(47.6)	(37.5)
Operating Margin - PWG	13%	2%	9%	-24%	-23%	-20%	-15%
Total Operating Income	**25.8**	**4.1**	**83.3**	**8.5**	**13.9**	**21.6**	**38.6**
Consolidated Operating Margin	4%	1%	10%	1%	2%	3%	4%
Depreciation and Amortization - ASG	11.5	8.2	8.5	6.8	9.1	10.0	11.0
Depreciation and Amortization - PWG	9.5	13.6	15.7	16.4	14.4	15.8	16.6
EBITDA - ASG	17.9	9.1	67.2	63.0	73.3	79.2	87.1
EBITDA Margin - ASG	4%	2%	11%	16%	15%	14%	14%
EBITDA - PWG	28.9	16.8	40.2	(31.3)	(35.9)	(31.7)	(20.8)
EBITDA Margin - PWG	19%	8%	15%	-16%	-17%	-13%	-8%
Total EBITDA	**46.8**	**25.9**	**107.5**	**31.7**	**37.4**	**47.4**	**66.2**
Consolidated EBITDA Margin	8%	4%	13%	5%	5%	6%	8%

Attachment 2
Management - ATA

Anthony Caputo
Chief Executive Officer

Mr. Caputo is the Chief Executive Officer of ATA. Prior to this, he also served as the Corporate Vice-President, the President and the Chief Operating Officer of L-3 Communications. He has also served as the President and the Chief Executive Officer of Spar Aerospace. He earned his Bachelor of Technology in Engineering from Ryerson University and Master of Science in Organizational Development from Pepperdine University.

Maria Perrella
Chief Financial Officer

Ms. Perrella has been serving as the Chief Financial Officer of ATA since February 2008. She also held various executive positions at Arclin, L-3 Communications Canada and Spar Aerospace. She is a qualified Chartered Accountant.

Ronald Keyser
Chief Information Officer

Mr. Keyser is the Chief Information Officer. At ATA, he develops global information technology infrastructure. Previously, he served as the Vice President, Information Technology operations for Magna Services and the shared services unit of automotive components manufacturer Magna International.

Announced Spin-Off

Western Copper (WRN) to Split into Three Companies

On June 23, 2011, Western Copper Corporation (TSX: WRN, C$2.84, Market Capitalization: C$264.1 million/$267.2 million) announced its plan to spin-off Copper North Mining Corp (Spin Co. A) & NorthIsle Copper and Gold Inc (Spin Co. B).

Copper North Mining Corp (Spin Co. A) will own 100% interest in the Carmacks Copper Project located in the Yukon Territory, Canada, as well as the Redstone Project located in the Northwest Territories, Canada. NorthIsle Copper and Gold Inc (SpinCo. B) will own 100% interest in the Island Copper Project located on Northern Vancouver Island, British Columbia, Canada. Western Copper Corporation (Parent Co.) will change its name to Western Copper and Gold Corporation and will focus on the development of its flagship Casino (copper/gold/silver/molybdenum) project.

The Spin-Off agreement will involve a series of short amalgamations involving Western Copper and certain of its subsidiaries, including the amalgamation of Western Copper with certain of its subsidiaries to form "Western Amalco".

The shareholders will receive 0.5 of a share of Copper North Mining (Spin Co. A) and 0.5 of a share of NorthIsle Copper and Gold (Spin Co. B) for every one share held as on record date. Similarly, holders of outstanding Western Copper warrants (upon exercise) prior to the record date will receive one Western Copper share, 0.5 of a Spin Co. A share and 0.5 of a Spin Co. B share. The Company will seek shareholder approval of the Spin-Off arrangement at the shareholders meeting on October 3, 2011. The management expects the Spin-Off to be completed by 4Q11. Post Spin-Off, both the newly formed companies are expected to list on TSX Venture Exchange. Western Copper will continue to remain listed on TSX and NYSE Amex. Western Copper will transfer $2 million to Copper North Mining and $2.5 million to NorthIsle Copper and Gold as a part of the agreement.

The Spin-Off will allow all the three newly formed companies to focus on its distinct projects with adequate working capital and a solid management team. The Company's share price has been flat since the spin-off announcement on June 23, 2011.

Spin-Off Details

Announced	June 23, 2011
Filing	August 31, 2011
Shareholder Meeting	October 3, 2011
Distribution Ratio	Copper North Mining – 1:2; NorthIsle Copper and Gold – 1:2
Expected Completion	End of 2011
Tax Status	Expected to be Tax free

Potential Spin-Off

Hewlett-Packard (HPQ) Considering a Spin of its PC Business

In a dramatic strategy, HP (NYSE: HPQ- $23.59, market cap $49 billion) announced on Thursday (Aug. 18) it is considering a spinoff of its PC business to focus on business software. The world's largest PC maker announced at the same time it will acquire the British software company Autonomy.

HP said it will discontinue its webOS phones and new TouchPad tablet, which has been available for just a few weeks. The products have not met internal milestones or financial targets, the company said. A spinoff of the PC business would amount to a reversal of HP's acquisition nine years ago of Compaq. The move was seen as an acknowledgement of the decreasing relevance of PCs as consumer preferences shift to mobile devices. The spin of PC unit would eliminate the drag of a slumping, low-margin, business on HP.

Autonomy would be HP's third-largest acquisition ever, after Compaq and Electronic Data Systems. The $10 billion offer for Autonomy represents a 64% premium over the market value. Autonomy generated almost $1 billion in revenue in the 12 months ended June 30.

On August 18th, HP also released its earnings report. HP showed that it was continuing to struggle with slow growth. HP reported net income in the quarter ended July 31 grew 9 percent to $1.93 billion, or $0.93 a share, versus $1.77 billion, or $0.75 cents in the year-ago quarter. Revenue was up 1%, to $31.2 billion from $30.7 billion.

HP's outlook for the fourth quarter was well below expectations. Weak PC demand and disappointing services revenue led HP to trim its 2011 revenue guidance. Sales are expected to be $32.1 billion to $32.5 billion, short of the forecast from analysts of slightly more than $34 billion. For the full year, management lowered revenue guidance to between $130 billion and $131.5 billion, from a range of $132 billion to $133.5 billion. Shares of HP fell $1.88, or 6 percent, to close at $29.51. On Friday August 19th, Hewlett-Packard was the Dow's biggest decliner, tumbling 20% to a six-year low as investors sold the stock.

The potential spin plan also marks the second time the company has looked to divest a core business to keep up with the changing tech industry. In 1999, HP spun-off its measurement device unit (Agilent Technologies).

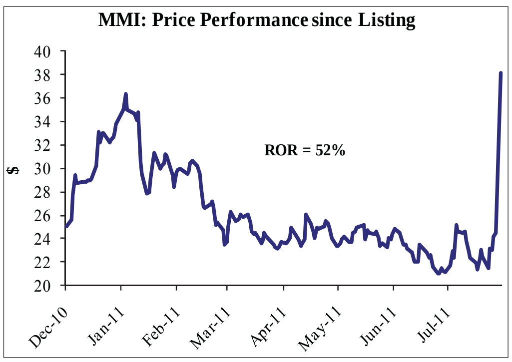
Hewlett-Packard manufactures and sells information technology products and services to businesses and consumers worldwide. With the recent EDS acquisition, we estimate services will constitute about one third of sales, slightly similar to personal computers (30%) but higher than printers (20%) and enterprise storage and servers (13%). The remainder of company sales come from software, financing, and other corporate investments.

Spin-Off Update

Google to Acquire Motorola Mobility (MMI) for $40.00 per share

Parent: Motorola Solutions (NYSE:MSI)
Sector: Technology Hardware & Equipment
Spin-Off: Motorola Mobility (NYSE:MMI)
Sector: Telecommunication Equipment
Target Price: $40.00
Share Price: $38.12*
Recommendation: Hold
Upside: 5%
* As on August 15, 2011

Price Performance



Source: Bloomberg

MMI - Key Data

Price ($ as on August 15, 2011)	38.12
Market Cap ($ million)	11,219
Primary Exchange	NYSE
Bloomberg Symbol	MMI
Net Debt ($ million as of June 30, 2011)	(3,328)
Revenue 2010 ($ million)	11,460
Shares Outstanding (million)	294.3
52-Week Range ($)	20.77-38.73
Fiscal Year Ending	Dec. 31

Spin-Off Details

Announced	February 11, 2010
Record Date	December 21, 2010
Distribution Date	January 4, 2011
When Issued Trading Date	December 17, 2010
Regular Way Trading	January 4, 2011
Spin-Off Ratio	1:8
Tax-Status	Tax free

On August 15, 2011, Google (Nasdaq: GOOG, $557.23, Market Capitalization: $179.9 billion) announced its intent to acquire Motorola Mobility (NYSE: MMI, $38.12, Market Capitalization: $11.2 billion) for $40.00 per share or $12.5 billion in cash. The purchase price is at a 63% premium to the closing price of MMI on August 12, 2011. The transaction was unanimously approved by the boards of directors of both companies and is expected to close by the end of 2011 or early 2012. The transaction is subject to regulatory approvals in the US, the European Union and other jurisdictions, and the approval of MMI's shareholders. MMI has ~$11.3 per share in net cash and we value Home unit in the range of $5-$7 per share. Based on the offer price of $40.00, it suggests a $21.7-$23.7 per share value for the mobile business (including patents).

We believe that MMI's patent portfolio was the key rationale for the deal. Google flags that MMI's strong patent portfolio will allow it to protect itself from anti-competitive threats from Apple, Microsoft and other companies. MMI currently has 17,000 issued patents and 7,500 pending applications. According to Google, Android will continue to remain an open operating system and Motorola Mobility will remain a licensee of Android. Google will run Motorola Mobility as a separate business.

We revise our target price to $40.00 (earlier $26.44) in line with the acquisition price. Our target price implies an upside of 5% to the current market price of $38.12 and we downgrade the stock to Hold. Following this announcement, we believe that MMI shares will trade on M&A news flow instead of fundamentals. The table below shows the performance of Motorola since our initiation on July 9, 2011. **On an overall basis (adjusted for the spin), Motorola has delivered 33% return since our initiation.**

	Price($)	CMP($)	% Gain
Motorola – At Initiation (09/07/2010)	7.94	10.56*	33%
Motorola – Pre Spin (16/12/2010)	8.88	10.56*	19%
MMI – Listing (17/12/2010)	25.05	38.12	52%
MSI – Listing (17/12/2010)	40.50	40.58	0.2%

*Consolidated price- adjusted for the spin-off

Top 5 Shareholders	Holding %
Icahn Associates	11.29%
Dodge & Cox	9.3%
T Rowe Price Associates	7.30%
NWQ Investment Management	6.20%
Vanguard Group	5.33%

Company Description

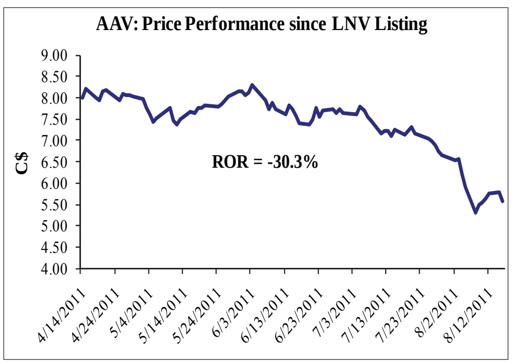
Motorola Mobility business primarily consists of two segments: Mobile devices segment and Home segment. Mobile devices segment designs, manufactures, sells and services wireless handsets, including smartphones, with integrated software and accessory products. Home segment provides products and services to cable and wireline telecommunications service providers that enable the delivery of video, voice and data services to consumers.

Earnings Update

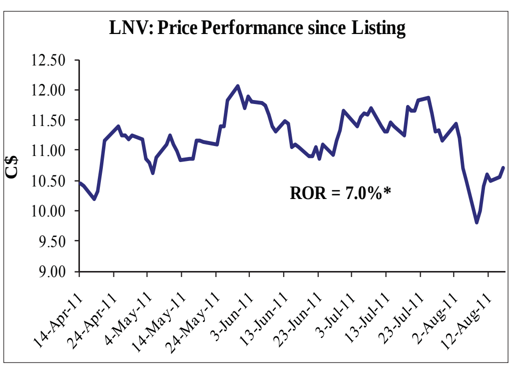
Advantage Oil & Gas (AAV) 2Q11 Results Update

Parent: Advantage Oil & Gas (TSX:AAV)
Sector: Oil & Gas
Spin-Off: Longview Oil Corp. (TSX:LNV)
Sector: Oil & Gas
Target Price – AAV: C$ 8.41
Share Price – AAV: C$5.58 *
Recommendation: Buy
Upside: 51%
Target Price – LNV: C$14.44
Share Price – LNV: C$10.70 *
Recommendation: Buy
Upside: 35%
* As on August 16, 2011

Price Performance



Source: Bloomberg



*Based on IPO Price of C$10.00
Source: Bloomberg

Strong Results; 2H11Production Guidance 23,000 boe/d

Reiterate Buy on Advantage and Longview (LNV)

On August 12, 2011, Advantage Oil & Gas (TSE: AAV, C$5.58, Market Capitalization: C$918 million and NYSE: AAV, $5.67, Market Capitalization: $935 million) reported strong 2Q11 results, driven by higher volumes at Glacier. AAV expects 2H11 production of 23,000 boe/d with anticipated production growth at Glacier.

Based on the results, we have not materially altered our FY11 EBITDA estimates for AAV. **We revise our target price for AAV to C$8.41 (earlier $8.77) to factor in our revised Longview valuation. We maintain our Buy rating on the stock, implying an upside potential of 51% from the current market price of C$5.58. The positive catalyst for the stock will be the success of its new investments in Glacier.**

For LNV, we cut our FY11 EBITDA estimate by 9% to C$77 million due to its weak results in 2Q11. **Our revised valuation for LNV is C$14.44 (earlier C$16.23) and we maintain Buy rating implying an upside of 35% from the current market price of C$10.70.**

Key Highlights of the Results

Production Growth: Production during 2Q11 averaged 23,719 boe/d, an increase of 22% as compared to 1Q11 after adjusting the impact of asset dispositions. This was driven by higher volumes at Glacier.

Pricing Environment: The natural gas prices remained low due to continued high US domestic natural gas production and weak North American economy negatively impacting the demand. The Company believes that the long-term pricing fundamentals for crude oil will remain strong with supply management by the OPEC cartel and strong demand from many developing countries.

Reduced Operating Expenses: The operating cost structure of the Company has decreased considerably in the last few quarters and Advantage is currently one of the lowest operating cost producers among the Canadian intermediate oil and gas sector. The Company further expects the operating expenses to decline as a result of increased production.

Hedging: The current hedging positions include 28.4 mmcf/d of natural gas for 2011 at an average price of C$6.25 per mcf and 1,500 bbls/d of crude oil for 2011 at an average price of C$91.05 per bbl.

Key Data – Advantage Oil & Gas (1$=0.9826C$)	
Price (C$ as on August 16, 2011)	5.58
Market Capitalization (C$ million)	918.2
Market Capitalization ($ million)	934.5
Primary Exchange	TSX
Bloomberg Symbol	AAV CN
Revenue 2010 (C$ million)	365
Net Debt (C$ million) as of June 30, 2011	255
Shares Outstanding (million)	164.6
52 Week Range (C$)	5.21 – 9.00
Fiscal Year Ending	December 31

Key Data – Longview Oil Corp (1$=0.9826C$)	
Price (C$ as on August 16, 2011)	10.70
Market Capitalization (C$ million)	499.7
Market Capitalization ($ million)	508.5
Primary Exchange	TSX
Bloomberg Symbol	LNV CN
Revenue 2010 (C$ million)	134
Net Debt (C$ million) as of June 30, 2011	90
Shares Outstanding (million)	46.7
52 Week Range (C$)	9.80 - 12.05
Fiscal Year Ending	December 31

Top 5 Shareholders – AAV	
Mackenzie Financial Corp	7.02%
Pyramis Global Advisors	6.92%
Daruma Asset Management	4.04%
Fiera Sceptre Inc	3.59%
Natcan Investment Management	3.16%

Source: Bloomberg

Top 5 Shareholders – LNV	
Advantage Oil & Gas Ltd	63.06%
Montrusco Bolton Investment	1.00%
Franklin Resources Inc	0.54%
RBC PH&N Inv Counsel	0.29%
Natcan Investment Management	0.29%

Source: Bloomberg

Company Description

Advantage Oil & Gas (AAV)

Advantage Oil & Gas is a Canadian oil & gas Company that owns and operates numerous properties located in Alberta, British Columbia and Saskatchewan. The Company is focused on the development of the Montney natural gas play at Glacier, Alberta.

Longview Oil Corp. (LNV)

Longview Oil Corp. is a Canadian oil-weighted E&P Company with assets located in West Central Alberta, Southeast Saskatchewan and the Lloydminster area of Saskatchewan. The Company primarily focuses to acquire and operate crude oil producing properties.

Financial Results

Advantage Oil & Gas (consolidated) witnessed a solid 16.9% growth in revenue to C$79.9 million in 2Q11 as compared to 2Q10. The revenue growth was primarily attributed to the increase in the production level due to completion of Phase III program at Glacier and infrastructure expansion work completed in the first quarter of 2011. Despite a decrease in Operating expenses and General & Administrative expenses, the EBIT fell significantly by 75.7% to C$12.49 million during 2Q11 as compared to C$51.5 million in 2Q10 on the back of higher depreciation expenses and extra-ordinary income of C$44.8 million booked in the same period previous year. On an adjusted basis, EBIT increased by 87%. The Company reported a net income of C$1 million resulting in an EPS of C$0.01 for 2Q11 as compared to C$0.19 for 2Q10.

C$'000 (except EPS)	2Q11	2Q10	% change
Revenue	79,908	68,340	16.9%
EBIT	12,490	51,463	(75.7)%
Net Income	997	31,379	(96.8)%
EPS	0.01	0.19	(94.7)%

Source: Company data

AAV (standalone) and LNV Performance:

AAV's net sales in the quarter stood at C$67.6 million with 75% contribution from the sale of Natural gas and remaining 25% contribution from Crude Oil & NGL's. The average daily production for the quarter was 23,719 boe boosted by the successful exploration and development activities. With lower operating expenses, the Company posted an operating income of C$45.2 million in 2Q11 factoring the operating costs for 13 days of production from the assets that were sold to Longview.

In 2Q11, LNV recorded net sales of C$32.4 million with 91% contribution from the sale of Crude Oil & NGL's and remaining 9% from Natural Gas. The average daily production was 5,870 boe, 3.3% lower than 6,070 boe/d in 1Q11. Production in the second quarter was slightly less than that realized during the first quarter of 2011 due to normal declines, shut-ins due to weather related issues and some facility turnarounds. The Company posted operating income of C$17.7 million.

2Q11	AAV	LNV*
Sales (C$'000)	67,605	32,366
Operating Income (C$'000)	45,212	17,658
Daily Production:		
Natural Gas (mcf)	129,123	9,174
NGL (bbls)	992	547
Crude Oil (bbls)	1,206	3,794

*for a period of 78 days
Source: Company data

Realized Prices

Realized natural gas prices, including hedging, were 23% lower for the second quarter 2011 as compared to the same quarter a year ago. The natural gas prices continued to remain weak due to high US domestic natural gas production and ongoing weak North American demand. These factors have resulted in high inventory and have placed considerable downward pressure on natural gas prices. The Company continues to believe in the longer-term price support for natural gas due to increased drilling for new resource based natural gas supplies and reduced conventional natural gas drilling, leading to a more balanced demand and supply environment.

Realized crude oil & NGL prices, including hedging, increased by 40% in the current quarter to C$86.21 as compared to the prices in same period last year. The improvement in prices is primarily attributed to the middle-east civil unrest and associated oil supply concerns. However, the increase was partially offset due to the constant strengthening of the C$/$ exchange rate during the quarter. The Company expects the pricing to remain strong with supply management by the OPEC cartel and increasing demand from the developing countries.

	2Q11	2Q10	% change
Natural Gas (C$/mcf)	4.29	5.58	(23.1)%
Crude Oil & NGL's (C$/bbl)	86.21	61.80	39.5%

Source: Company data

Valuation

Based on the 2Q11 results, we have not materially altered our FY11 EBITDA estimate for AAV of C$131 million. Our revised valuation for AAV is C$8.41 (earlier C$8.77) factoring the change in the equity value of 63% shares held in Longview (LNV). We maintain Buy rating on the stock implying an upside potential of 51% from the current market price of C$5.58. Of the total C$8.41 fair value estimate for AAV, C$2.58 is attributed to its stake in LNV.

For LNV, we revise our FY11 EBITDA estimate to C$77 million (earlier C$85 million) factoring the below expected second quarter 2011 results. Our fair value for LNV is C$14.44 (earlier C$16.23) which factors in our revised EBITDA estimate and updated EV/Reserve and EV/PV10 multiples. We maintain Buy rating on the stock implying an upside of 35% from the current market price of C$10.70.

	Price (C$)	Previous Price (C$)	Comments
AAV	8.41	8.77	Lower LNV valuation
LNV	14.44	16.23	Revised EBITDA estimate

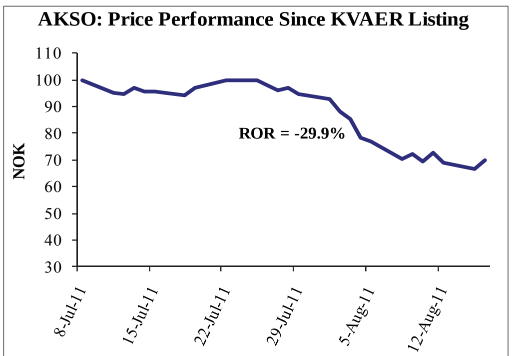
Source: Spin-Off estimates

Earnings Update

Aker Solutions (AKSO) 2Q11 Results Update

Aker Solutions
Parent: Aker Solutions (OSE: AKSO)
Sector: Oil Services
Spin-Off: Kvaerner (OSE: KVAER)
Sector: Oil Services
Target Price – AKSO: NOK84.35
Share Price – AKSO: NOK70.00*
Recommendation: Buy
Upside: 20.5%
*as on August 16, 2011

Price Performance



Source: Bloomberg

Key Data – Aker Solutions (1NOK = 0.182$)	
Price (NOK as on August 16, 2011)	70.00
Market Cap (NOK million)	18,900
Market Cap ($ million)	3,446
Primary Exchange	Oslo
Bloomberg Symbol	AKSO NO
Net Debt (NOK billion as of June 30, 2011)	2.2
Revenue 2010 (NOK million)	13,374
Shares Outstanding (million)	270
Stock Range (NOK)	64.55 – 99.90
Fiscal Year Ending	December 31

Disappointing Results; Healthy Order Backlog

Revise our Target Price to NOK84.35 (earlier NOK102.55) and Upgrade to Buy

On August 12, 2011, Aker Solutions (Oslo: AKSO, NOK70.00, Market Capitalization: NOK18,900 million/$3,446 million) reported weak 2Q11 results. The Company reported a decline in revenues by 3.5% as compared to 2Q10. The margins fell significantly (240 bps) due to issues related to Brazilian contracts. The Company has successfully completed the spin-off of its EPC business, Kvaerner in the second quarter 2011.

To factor in the lower than expected results in 2Q11, we have revised our FY11 EBITDA estimates by around 8%. **Our revised fair value estimate is NOK84.35 (earlier NOK102.55) and we upgrade the stock to Buy, implying 20.5% upside from the current market price of NOK70.00.**

Key Highlights of the Conference Call

Strong Order Intake: During 2Q11, the Company booked new orders worth NOK14.3 billion, excluding Kvaerner. The strongest performance measured by order intake was in Subsea and Drilling Technologies segments. The total order backlog for the Company stood at NOK46 billion at the end of 2Q11, an increase of 18% from 2Q10.

Completed Spin-Off of Kvaerner: In 2Q11, the Company successfully completed spin-off of Kvaerner. Post demerger, Aker Solutions have positioned itself as a pure oil and gas service player, focusing on engineering, products and services.

FY11 Outlook: The management expects high tendering activity due to strong demand in all target markets in the Engineering Solutions segment whereas in the Field Life Solutions segment the management anticipates a good, stable MMO market. In the Product Solutions segment, the market outlook is positive for all the business areas covered.

Net Debt: The Company reported Net interest bearing debt of NOK2.2 billion as at June 30, 2011.

Company Description

Aker Solutions (AKSO) is a leading global oil and gas services company that provides technologies, product solutions and field-life solutions for the upstream oil and gas industry.

Timetable: Kvaerner Spin-Off	
Announcement	April 6, 2011
Shareholder Approval	May 6, 2011
Kvaerner Listing Prospectus	June 15, 2011
Last day of trading in the Aker Solutions with right to receive KVAER shares	July 7, 2011
Listing of Kvaerner on Oslo Stock Exchange	July 8, 2011
Record Date	July 12, 2011
Distribution Date	July 13, 2011
Spin-Off Ratio	1:1
Tax Status	Tax-free

Top 5 Shareholders (Aker Solutions)	Holding %
Aker Holdings	40.27%
Fidelity Management	6.11%
State Street Bank and Trust Company	6.01%
JP Morgan Chase Bank	5.51%
Norway Government Pension Fund	3.63%

Source: Bloomberg

Financial Results

In 2Q11, revenue for Aker Solutions declined by 3.5% to NOK7,809 million compared to 2Q10. The decline in revenue was due to underperformance of the Product Solutions segment and the Engineering Solutions segment, partially arrested by revenue increase from the Field Life Solutions. EBITDA margins contracted by 240bps to 8.1% in the current quarter from 10.5% in same period previous year due to the challenges experienced in Subsea Brazil contracts and in Process systems business. The Company posted a net income of NOK141 million resulting in an EPS of NOK0.50 in 2Q11 compared to an EPS of NOK1.65 in 2Q10.

in NOK million	2Q11	2Q10	% change
Revenues	7,809	8,096	(3.5)%
EBITDA	636	853	(25.4)%
EBITDA Margin	8.1%	10.5%	(240)bps
EBIT	432	652	(33.7)%
Net Profit	141	445	(68.3)%

Source: Company data

Divisional Results:

Product Solutions:

Product Solutions segment experienced a decline in revenue of 3.6% to NOK4,306 million in 2Q11 compared to 2Q10. The reduced revenue were primarily attributed to the Drilling Technologies segment witnessing lower revenues due to low backlog at the start of the year and late materialization of new orders. EBITDA margins declined significantly by 440bps to 6.4% in 2Q11 compared to 10.8% in the same period last year. EBITDA margins were negatively impacted by the subsea business in Brazil and the extra costs incurred on acceleration of the projects in the same segment. The problems with subcontractors on two projects in the Middle East and Brazil in the Process Systems business had further impact on the margins.

in NOK million	2Q11	2Q10	% change
Revenues	4,306	4,469	(3.6)%
EBITDA	276	482	(42.7)%
EBITDA Margin	6.4%	10.8%	(440)bps

Source: Company data

Field Life Solutions:

In 2Q11, revenue for the Field Life Solutions increased by 8.3% to NOK2,899 million compared to 2Q10 driven by growth in all the business areas. However, EBITDA margins disappointed falling by 490bps to 8.6% in 2Q11 compared to 13.5% in 2Q10 due to low utilization of the vessels Skandi Aker and Aker Wayfarer and good results in 2Q10.

in NOK million	2Q11	2Q10	% change
Revenues	2,899	2,678	8.3%
EBITDA	248	362	(31.5)%
EBITDA Margin	8.6%	13.5%	(490)bps

Source: Company data

Engineering Solutions:

Revenue for the Engineering Solutions segment declined by 8.2% to NOK692 million compared to 2Q10. Despite a loss of NOK57 million related to the arbitration ruling on the Blind Faith project, the segment recorded an EBITDA of NOK53 million resulting in an EBITDA margin of 7.7% in 2Q11.

in NOK million	2Q11	2Q10	% change
Revenues	692	754	(8.2)%
EBITDA	53	(37)	NM
EBITDA Margin	7.7%	(4.9)%	1,260bps

Source: Company data

Valuation

Based on the 2Q11 results, we have revised our FY11 EBITDA estimates to NOK2,916 million from earlier NOK3,181 million.

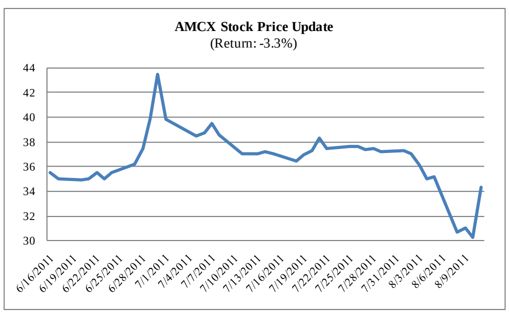
We value Aker Solutions using SOTP approach by ascribing value to each of the segments on an EV/EBITDA basis. Our fair value estimate for Aker Solutions is NOK84.35 (earlier NOK102.55). The decrease is attributed to revised EBITDA estimates, lower average multiple (8.4x vs 8.5x) and higher net debt. We upgrade the stock to Buy, implying 20.5% upside from the current market price of NOK70.00.

Earnings Update

AMC Networks (AMCX) Reports Q2 Earnings; Ad Revenues Drive Growth; Subscribers Stay Flat

Cablevision Systems Corporation
Parent: Cablevision Systems Corp (NYSE: CVC)
Sector: Cable / Satellite TV
Target Price: $16.48@
Share Price: $18.47*
Downside: 10.8%
Recommendation: Neutral@
Spin-Off: AMC Networks Inc. (NASDAQ:AMCX)
Sector: Cable / Satellite TV
Target Price: $16.62
Share Price: $34.31*
Downside: 51.6%
Recommendation: Sell
@ Based on our earlier report dated August 10, 2011
* As on August 11, 2011

Price Performance



Note: The return of -3.3% represents the return on the stock since the stock began trading on when-issued basis i.e., June 16, 2011 till date

Key Data – AMCX	
Ticker	AMCX
Price (as on August 9, 2011)	$34.31
52 Week Range	$29.66-$44.21
Shares Outstanding (million)	72
Market Cap (million)	$2,451
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	78.2%

Top 5 Shareholders - AMCX	Holding %
Luxor Capital Group	12.8
Dolan Charles Franci	3.3
Blackrock Fund Advisors	2.0
Vanguard Group Inc	0.8
Gam International Management Ltd	0.7

Revenue Up 12%; Margins Remain Stable

Yesterday, on August 11, 2011, AMC Networks (NASDAQ: AMCX; Market Capitalization: $2,451 million), which was spun-off from Cablevision Systems Corp (NYSE: CVC; Market Capitalization: $5,314 million) in June 2011, reported earnings for the second quarter ending June 30, 2011. Revenue for the quarter ending June 30, 2011 was $292 million, compared to $260 million for the prior year quarter ending June 30, 2010, representing a growth of 12% YOY. Significant part of the revenue increase was driven by an increase in advertising revenues during the quarter. The company witnessed an increase in advertising revenues primarily at its AMC and WE tv and, to some extent, IFC driven by shift in pricing model from sponsorships to traditional advertising sales model. The company also witnessed a slight increase in affiliate fee revenues, primarily at AMC and WE tv driven by increases in affiliation rates. However, subscribers' base remained fairly flat on both YOY and QOQ basis.

Adjusted operating cash flow, which represents operating income adjusted for depreciation and amortization and other non-cash items, increased 9% YOY to $112 million during the quarter, compared to $103 million during the prior year quarter.

Additional earnings details provided on the next page.

AMCX Trades at Significant Premium to Peers; Reiterate Sell

AMCX continues to trade at significant premium to its peer group. The current market price of AMCX implies an EV/EBITDA multiple of 10.4x, a premium of 51% over the peer group average EBITDA multiple. Moreover, the implied EBITDA multiple represents a premium of 18% over its larger competitor Discovery Networks (NASDAQ: DISCA; Market Capitalization: $15,461 million). Further, the company's higher leverage in the balance sheet, driven by increase in net debt position post spin-off by approximately $1,400 million, warrants a discount to EBITDA multiple, in our view. We reiterate our 'Sell' rating while maintaining our valuation.

Valuation and Recommendation

We value AMCX at $1,191 million or $16.62 per share using 7.6x FY12 EBITDA. Our earlier valuation was based on similar valuation methodology, albeit at the then prevailing peer group multiple. We reiterate our 'Sell' rating.

Spin-Off Details	
Announced Date	November 18, 2010
Primary Reason	To unleash the true value of the company
Form 10 Filed	March 17, 2011
Form 10/A Filed	June 10, 2011
Record Date and When-Issued Trading Date	June 16, 2011
Distribution Date	June 30, 2011
Listing Date	July 1, 2011

Source: Bloomberg

Additional Information on Earnings

National Networks: Revenue from National Networks increased by 10% YOY to $267 million for the quarter ending June 30, 2011, compared to $241 million during the prior year quarter. Revenue growth was driven by higher advertising revenue at AMC and We tv driven by higher pricing per unit and, to some extent, increase in advertising revenue at IFC driven by shift in pricing model from sponsorship to traditional advertising sales model.

Adjusted operating cash flow increased 7% YOY to $117 million compared to $109 million during the prior year quarter.

International and Others: Revenue from this segment was $30 million for the quarter ending June 30, 2011, compared to $23 million during the prior year quarter, representing a growth of 29% YOY. This increase was mainly driven by increased electronic streaming and theatrical revenue at IFC films and, to some extent, increase in affiliation fee revenue driven by an increase in foreign affiliation fees from AMC Canadian distribution channel.

Adjusted operating cash flow was a loss of $5 million for the quarter compared to a loss of $6 million during the prior year quarter.

About AMCX

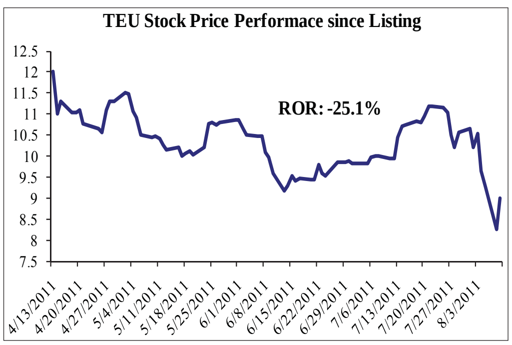
AMCX operates programming network and related businesses of CVC. AMCX's national network includes AMC which is focused on high quality storytelling, WE tv which offers programs focused on women, IFC which is focused on independent film and original alternative comedy series, and Sundance Channel which features independent films and original series. The company's international segment includes AMC/Sundance Channel Global which represents international programming business, IFC Entertainment which offers independent film distribution, and AMC Network Communications representing the company's technical services business. AMCX was spun-off from CVC on June 30, 2011.

Earnings Update

Box Ships (TEU) 2Q11 Results Update

Parent: Paragon Shipping (NYSE: PRGN)
Sector: Shipping - Dry Bulk
Spin-Off: Box Ships (NYSE: TEU)
Sector: Shipping - Containerships
Target Price – TEU: $9.39
Share Price – TEU: $9.07*
Recommendation: Hold
Upside: 3.5%
* as on August 10, 2011

Price Performance



Source: Bloomberg

Key Data – TEU	
Price ($) as on August 10, 2011	9.07
Market Capitalization ($ million)	145.1
Primary Exchange	NYSE
Bloomberg Symbol	TEU US EQUITY
Net Debt ($ million) as of June 30, 2011	150
Shares Outstanding (million)	16.0
52 Week Range ($)	8.27-12.00

TEU IPO Details	
Announcement	April 4, 2011
Filing of F-1 Document	April 4, 2011
Listing	April 13, 2011

Top 5 Shareholders	Holding %
Paragon Shipping	21.35%
Michael Bodouroglou	11.03%
Oppenheimer Funds	10.76%
Quest Investment Management	7.45%
Newland Capital Management	5.29%

Acquires Initial Fleet; Dividends Announced

Revise Target Price to $9.39 (earlier $10.15); Maintain Hold

On August 8, 2011, Box Ships (NYSE: TEU, $9.07, Market Capitalization: $145.1 million) reported 2Q11 results. Post IPO, the Company has completed the acquisition of six vessels during the second quarter and reported acquisition of a new vessel delivered in August. **The Company has announced dividend of $0.15 per share for the quarter and guided for $0.30 per share from 3Q11**. The Company offers robust earnings visibility having secured 100%, 93% and 71% operating days for FY11, FY12 and FY13 respectively.

We estimate annualized FY11 EBITDA of $41 million factoring in all the seven vessels and value TEU at 8.5x FY11 EBITDA (earlier 9.1x). Our revised valuation for TEU is $9.39 (earlier $10.15) implying an upside potential of 3.5% from the current market price of $9.07 and we maintain our Hold rating.

Key Highlights of the Conference Call

Dividends: The Company has declared a quarterly dividend of $0.15 per share, for 2Q11 payable on or about August 24, 2011 to the shareholders on record date of August 15, 2011. The Company expects to pay a dividend of $0.30 per share starting with 3Q11.

New Vessel Acquisition: On August 3, 2011, the Company took delivery of a 2004 built 5,060 TEU containership, the MSC Emma, from an unaffiliated third party for a consideration of $55.0 million. The Company has secured credit facility to finance the acquisition.

Secured Charter Days: The Company has secured contracts for 100%, 93% and 71% of its fleet capacity in 2011, 2012 and 2013, respectively.

Net Debt: The Company reported total debt of $160 million and cash of $10 million at the end of 2Q11.

Company Description

Box Ships is an international shipping company specializing in the transportation of containers. The Company's current fleet consists of seven containerships with a total carrying capacity of 33,237 TEU and a weighted average age of 3.6 years.

Financial Results

The 2Q11 results are based on 296 fleet calendar and available days due to delivery of the Company's Initial Fleet after the completion of its IPO. No comparables are available as this is the first operating quarter for the Company. The company clocked revenues of $7.2 million and EBITDA margins of 63.9%. TEU reported net income of $2.3 million or an EPS of $0.16. The Company operated an average of 3.79 vessels during 2Q11, earning an average time charter equivalent rate (TCE) of $23,828 per vessel per day. Total vessel operating expenses for 2Q11 were $2.5 million, or approximately $8,333 per vessel per day.

($ million)	2Q11
Revenues	7.2
EBITDA	4.6
Net Income	2.3
EPS	0.16

Source: Company data

Fleet Data	2Q11
No. of Vessels	3.79
Available Days	296
Calendar Days	296
Utilization	100%
Time Charter Equivalent Rate ($)	23,828

Source: Company data

Valuation

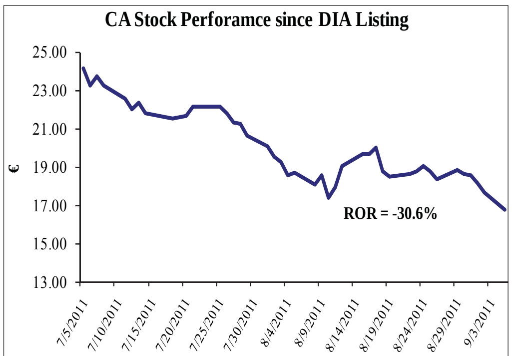
We estimate annualized FY11 EBITDA of $41 million factoring in all the seven vessels and value TEU at 8.5x FY11 EBITDA (earlier 9.1x). Our revised valuation for TEU to $9.39 (earlier $10.15) implying an upside potential of 3.5% from the current market price of $9.07 and maintain our Hold rating.

Earnings Update

Carrefour (CA) 1H11 Results Update

Parent: Carrefour (Paris: CA)
Sector: Retail
Target Price – CA: €20.72
Share Price – CA: €16.75*
Spin-Off: DIA (Madrid: DIA)
Sector: Retail (Hard Discount)
Recommendation: Hold
Upside: 23.7%
*as on September 5, 2011

Price Performance



Source: Bloomberg

Key Data – CA (1 EUR = 1.413 USD)	
Price (€ as on September 5, 2011)	16.75
Market Capitalization (€ billion)	11.0
Market Capitalization ($ billion)	15.6
Primary Exchange	Euronext Paris
Bloomberg Symbol	CA FP
Net Debt (€ million as of June 30, 2011)	9,798
Revenue 2010 (€ million)	80,511
Shares Outstanding (million)	659.2
Fiscal Year Ending	December 31

Top 5 Shareholders (Carrefour)	Holding%
Blue Capital	11.09%
Societe Generale	4.87%
Amundi SA	3.41%
Colony Blue Investor	2.23%
Vanguard Group	0.90%

Disappointing 1H11 Results; Lower FY11 Guidance

Revise our Target Price to €20.72 (earlier €26.16) and Maintain Hold

On August 31, 2011, Carrefour (Paris: CA, €16.75; Market Capitalization: €11.0 billion/$15.6 billion) reported disappointing 1H11 numbers and issued another profit warning. While the sales rose by 2.3% to €39,607 million, operating income fell by 22% to €772 million. Carrefour managed to grow its sales, driven by emerging markets (+11.1%), but overall, results were impacted by poor performance in France, Greece and Italy characterized by major price hike from suppliers and worsening economic environment.

Based on the results, we have lowered our FY11 EBITDA estimate to €4,039 million (earlier €4,172 million). We lower our target price to €20.72 (earlier €26.16) which factors in the challenging economic environment in southern Europe, change in business strategy in France and the latest net debt. **We maintain our Hold rating, implying an upside of 23.7% from the current market price of €16.75.**

Key Highlights of the Conference Call

FY11 Guidance: The Company has given a guidance of 15% decline in operating income for FY11 considering its reset plan for France and challenging consumer environment in Europe which would offset strong performance in emerging countries.

Capital Expenditure: Capex increased by 15.5%YOY to €761 million after two consecutive years of drastic decline largely explained by the launch of the Planet rollout in France and in Europe. For FY11, the company expects to slow down expansion in southern Europe considering the economic downturn but would add 583,000 gross square meters of space in emerging countries.

"Reset" Plan for France: The Company aims to implement a new commercial strategy and action plan to improve performance in home market. Under the new plan, the company's investment focus would shift from promotional investments to food pricing investments, 40% Carrefour brand participation, website launch in November 2011, and opening 26 stores instead of 40 stores planned initially.

Roll-out of Carrefour Planet: Despite a limited sample size, the Planet stores reported a 14.3% increase in revenues since the beginning of the year with traffic being the driver at +13%. The company has updated the roll-out plan for Planet stores from 98 to 82 stores by the end of FY11.

Operating Cash Flow and Net Debt: The Company's operating free cash flow declined by 9.4% to €1,573 million and reported net debt of €9,798 million.

Spin-Off Timetable	
Announcement	March 1, 2011
Shareholder Approval Meeting	June 21, 2011
Record Date	July 4, 2011
Distribution Date and Listing of DIA	July 5, 2011
Spin-Off Ratio	1:1
Tax-Status	Taxable

Company Description

Carrefour is the world's second largest retailer and the largest in Europe, with 9,631 stores and operates in 34 countries. The group runs its retail stores under four brick and mortar formats: Hypermarkets, Supermarkets, Convenience Stores and Cash and Carry Stores primarily in Europe, Latin America and Asia.

Financial Results

For 1H11, Carrefour clocked revenues of €39,607 million, an increase of 2.3% YOY, driven by encouraging turnaround in growth markets, offset by weak sales in France and underperformance in Italy and Greece. Operating income declined by 21.9% YOY to €772 million as compared to €989 million in 1H10 on account of weak sales and fragile commercial margins, especially in Southern Europe. Low margins in France and Europe were offset by solid performance in emerging countries, resulting in overall EBITDA margin of 4.2%; contraction of 60bps as compared to 1H10.Net income fell by 49.3% on account of non-recurring charges of €884 million, of which €516 million are pertaining to impairment charges in Italy and €268 million of exceptional tax provision for Spain.

€ million	1H11	1H10	Change
Sales	39,607	38,710	2.3%
EBITDA	1,679	1,855	(9.5)%
EBITDA Margin	4.2%	4.8%	(60)bps
Operating Income	772	989	(21.9)%
Adjusted Net Income	153	302	(49.3)%

Source: Company data

Operating Segments

France

Net Sales increased by 1.6%YOY to €17,073 million. EBITDA declined by 17.4% reflecting a decrease in commercial margin due to rise in supplier tariffs and increase in operating costs in French hypermarkets. EBITDA margin contracted by 90bps to 4.3% in 1H11 as compared to 5.2% in 1H10 due to excessive level of out-of-stocks during the transition phase and sustained competitive pressure. Operating income decreased by 37.1% to €344 million.

€ million	1H11	1H10	Change
Sales	17,073	16,806	1.6%
EBITDA	728	881	(17.4)%
EBITDA Margin	4.3%	5.2%	(90)bps
Operating Income	344	547	(37.1)%

Source: Company data

Europe

Sales decreased by 3.9%YOY in Europe, affected by the challenging economic environment, notably in Greece and Italy; Spain was resilient while Belgium confirmed its recovery. Current operating income stood at €168 million, a 30.9% decline compared to H12010. The impact on profitability of the €472m downturn in sales and the drop in commercial margin, notably in Italy, was partially offset by excellent grip on operating costs. EBITDA margin was down by 70bps and stood at 3.8% for 1H11.

€ million	1H11	1H10	Change
Sales	11,517	11,989	(3.9)%
EBITDA	435	535	(18.7)%
EBITDA Margin	3.8%	4.5%	(70)bps
Operating Income	168	243	(30.9)%

Source: Company data

Latin America

Latin America delivered strong results with a 12.9%YOY increase in revenues driven by continued expansion throughout the region. EBITDA margins improved by 30bps to 4.9% and operating income increased by 28.9% to €205 million, on the back of significant increase in Brazil's profitability.

€ million	1H11	1H10	Change
Sales	7,298	6,463	12.9%
EBITDA	356	295	20.7%
EBITDA Margin	4.9%	4.6%	30bps
Operating Income	205	159	28.9%

Source: Company data

Asia

Asia reported €3,719 million of revenues in 1H11, an increase of 7.7% as compared to 1H10 driven by a sustained pace of expansion. EBITDA increased by 5.9% to €233 million while margins contracted marginally by 10bps. Operating income stood at €128 million, an increase of 8.5% YOY boosted by solid performance in China and confirmed recovery in Taiwan.

€ million	1H11	1H10	Change
Sales	3,719	3,452	7.7%
EBITDA	233	220	5.9%
EBITDA Margin	6.3%	6.4%	(10)bps
Operating Income	128	118	8.5%

Source: Company data

Valuation

We have revised our FY11 EBITDA estimate to €4,039 million (earlier €4,172 million) to factor in the challenging economic environment in Southern Europe and a new turnaround strategy for France.

We value Carrefour on a SOTP basis ascribing value to each of its geographic regions based on EV/EBITDA relative valuation. France is valued at 4.7x FY11 EBITDA estimate (25% discount to peer group multiple), Europe at 5.3x FY11 EBITDA estimate (15% discount to peer group multiple) and the high growth emerging markets of LATAM and Asia at 25% premium to the European multiples at 7.0x FY11 EBITDA estimate. The overall implied multiple is 5.6x (earlier 6.0x).

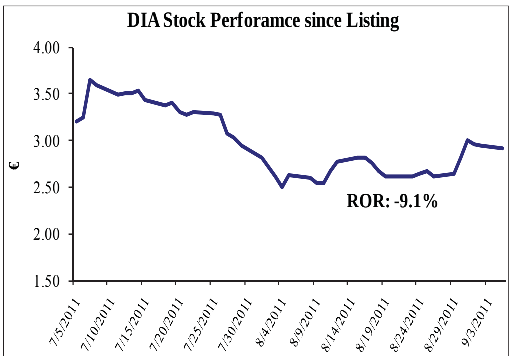
Our fair value estimate for Carrefour is €20.72 (earlier €26.16) implying an upside of 23.7% to the current market price of €16.75 and we reiterate our Hold recommendation on the stock.

Earnings Update

DIA (DIA) 1H11 Results Update

Parent: Carrefour (Paris: CA)
Sector: Retail
Spin-Off: DIA (Madrid: DIA)
Sector: Retail (Hard Discount)
Target Price – DIA: €3.87
Share Price – DIA: €2.91*
Recommendation: Buy
Upside: 33.1%
*as on September 5, 2011

Price Performance



Source: Bloomberg

Key Data – DIA (1 EUR = 1.413 USD)	
Price (€ as on September 5, 2011)	2.91
Market Capitalization (€ million)	1,976.9
Market Capitalization ($ million)	2,793.3
Primary Exchange	Madrid
Bloomberg Symbol	DIA SM
Net Debt (€ million as of June 30, 2011)	690
Revenue 2010 (€ million)	9,673
Shares Outstanding (million)	679.3
Fiscal Year Ending	December 31

Top 5 Shareholders (DIA)	Holding %
Blue Capital	11.09%
Amundi	4.58%
Colony Blue Investor	2.23%
Manning & Napier Advisors	0.75%
Danske Invest	0.74%

Solid 1H11 Results; FY11 Guidance Reaffirmed

Revise our Target Price to €3.87 (earlier €4.41) and Maintain Buy

On August 30, 2011, DIA (Madrid: DIA, €2.91; Market Capitalization: €1,976.9 million/$2,793.3 million) reported strong results despite a tough economic environment in its key markets which are broadly in line with our expectations. DIA reported revenues of €5,422 million, an increase of 3.9% as compared to 1H10 driven by a 20.4% increase in revenues in emerging countries. The adjusted cash EBITDA margin stood at 4.3% demonstrating progress of the "2009-12 Productivity Improvement Programme", which resulted in savings of €157 million, in line with the objective of €230 million by FY12. **The Company has reaffirmed its FY11 guidance of adjusted cash EBITDA of €540 million (reported EBITDA of €478 million).**

Based on the results, we have maintained our FY11 EBITDA estimate of €478 million. We lower our target price to €3.87 (earlier €4.41) to factor in the latest reported net debt post special dividend paid to Carrefour on separation. **We maintain our Buy rating, implying an upside of 33.1% from the current market price of €2.91.**

Key Highlights of the Conference Call

FY11 Guidance: The Company has reaffirmed its FY11 guidance of adjusted cash EBITDA of €540 million (Reported EBITDA €478 million). The company expects revenues to increase by 4.2% in FY11.

Expansion: For the first half of 2011 the total number of stores increased by 91, reaching a total of 6,464 stores. Pursuant to the transformation program around 400 COCO stores were transformed to the new DIA Market and Maxi formats. Also, 140 stores were transformed from COCO format to COFO format.

Net Debt: The Company reported a net debt of €690 million with a ratio of 1.3 times the cash adjusted EBITDA.

Company Description

DIA is the world's third largest pure hard discount player and has 2.6 million square meters of commercial space within 6,464 stores and geographical footprints in Iberia, France and Emerging countries.

Financial Results

The company posted revenues of €5,422 million as compared to €5,220 million in 1H10, an increase of 3.9% despite of a tough economic environment in its key markets. Increase in sales was driven by a 20.4% increase in emerging markets through solid expansion. Despite difficult economic environment in Iberia, sales grew by 1.3%YOY and the fall in revenues in France moderated to 4.2%. Cash adjusted EBITDA increased by 10.1% to €234 million as compared to €212 million in 1H10 while margins improved by 40bps to 4.9%. The company registered net profit of €4.7 million as compared to a loss of 10.5 million in 1H10.

Spin-Off Timetable	
Announcement	March 1, 2011
Shareholder Approval Meeting	June 21, 2011
Record Date	July 4, 2011
Distribution Date and Listing of DIA	July 5, 2011
Spin-Off Ratio	1:1
Tax-Status	Taxable

€ million	1H11	1H10	Change
Sales	5,422	5,220	3.9%
Adjusted Cash EBITDA	234	212	10.1%
Adjusted Cash EBITDA margin	4.90%	4.50%	40bps
Net profit	4.7	(10.5)	NM

Source: Company data

Operating Segments

Iberia

DIA reported a 1.3% increase in revenues to €2,725 million as compared to €2,692 million in 1H10 above market levels. Pursuant to the transformation program and the company's solid position in Spain and Portugal, the sales improvement translated into a significant increase in adjusted cash EBITDA margin, of 6.4%. Adjusted cash EBITDA stood at €174 million as compared to €160 million in 1H10.

€ million	1H11	1H10	Change
Sales	2,725	2,692	1.3%
Adjusted Cash EBITDA	174	160	8.6%
Adjusted Cash EBITDA margin	6.4%	5.9%	50bps

Source: Company data

France

In France, the business environment remained challenging and revenues declined by 4.2% to €1,349 million as compared to €1,409 million in 1H10. Despite of fall in revenues, profitability remained stable during 1H11 on account of cost-cutting efforts and the transformation of Ed stores into DIA stores, as well as the transfer of COCO stores to COFO stores.

€ million	1H11	1H10	Change
Sales	1,349	1,409	(4.2%)
Adjusted Cash EBITDA	39.8	41.8	(4.8%)
Adjusted Cash EBITDA margin	3.0%	3.0%	-

Source: Company data

Emerging Markets

Emerging markets registered high sales growth and considerable improvement in profitability. Sales increased by 20.4% during 1H11 on account of favorable market conditions and expansion plans by DIA. Adjusted cash EBITDA stood at €20.3 million and margins improved by 60bps to 1.5%.

€ million	1H11	1H10	Change
Sales	1,348	1,120	20.4%
Adjusted Cash EBITDA	20.3	10.6	91.5%
Adjusted Cash EBITDA margin	1.5%	0.9%	60bps

Source: Company data

Valuation

We value DIA on a SOTP basis ascribing value to each of its geographic regions based on EV/EBITDA relative valuation. We value Iberia at 7.0x, France at 5.2x and Emerging Markets at 9.3x FY11 EBITDA, implying an overall valuation of 6.9x FY11 EBITDA estimate of €478 million.

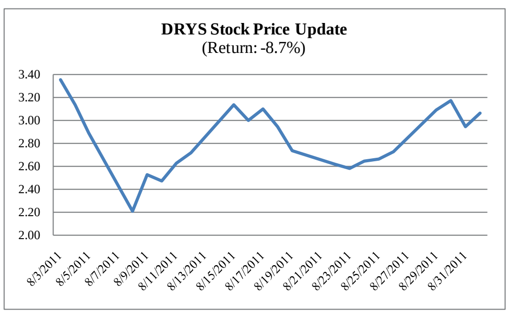
We lower our target price to €3.87 (earlier €4.41) to factor in the latest reported net debt post special dividend paid to Carrefour on separation. We maintain our Buy rating, implying an upside of 33.1% from the current market price of €2.91.

Earnings Update

Dryships (DRYS) Announces Q2 Earnings; Updates Spin-Off Timeline

Dryships Inc
Parent: Dryships Inc. (NASDAQ: DRYS)
Sector: Transport - Marine
Target Price: $2.83
Share Price: $3.06*
Recommendation: Neutral
Downside: 7.5%
Spin-Off: Ocean Rig UDW Inc (NOTC: OCRG)
Sector: Oil & Gas Drilling
Target Price: NOK57.13
Share Price: NOK82.00*
Recommendation: Sell
Downside: 30.3%
* As on September 1, 2011

Price Performance - DRYS



Note: The return of -8.7% represents the return on the stock since the initial announcement date of spin-off i.e. August 4, 2011 till date

Key Data – DRYS

Ticker	DRYS
Price (As on September 1, 2011)	$3.06
52 Week range	$2.19 - $6.44
Shares Outstanding (million)	389
Market Cap (million)	$1,190
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	89.7%

DRYS Reports Earnings Consistent with our Thesis; Drilling Grows while Logistics Decline; Margins Contract

On August 30, 2011, DryShips Inc. (NASDAQ: DRYS; Market Capitalization: $1,190 million), which announced the partial spin-off of its majority-owned subsidiary Ocean Rig UDW Inc. (ORIG; NOTC: OCRG; Market Capitalization: NOK10,931 million), reported earnings for the second quarter ending June 30, 2011. Revenue for the quarter ending June 30, 2011 remained flat YOY at $224 million. The company witnessed continued momentum in its drilling operations while witnessing challenging environment in its drybulk logistics business.

Voyage revenue for the quarter ending June 30, 2011 declined by 16% YOY to $97 million compared to $115 million during the previous year quarter ending June 30, 2010. The declined was driven by declines in both volumes and pricing during the quarter. The company operated fewer vessels during the quarter as compared to the previous year quarter at relatively lower charter rates resulting in significant decline in voyage revenues.

Drilling revenue for the quarter ending June 30, 2011 was $127 million compared to $109 million during the prior year quarter ending June 30, 2010, representing a growth of 16% YOY. The increase is mainly attributable to the commencement of drilling operations of Ocean Rig Olympia during the quarter.

(Additional earnings details are provided on the next page)

Spin-Off Updates: Record Date and Listing Date Announced

The management now expects September 21, 2011 to be the record date while the distribution and listing is expected to commence at the beginning of October 2011. The management expects ‘when-issued’ trading of ORIG to commence shortly before the record date by around September 19, 2011. Earlier, on August 4, 2011, DRYS announced that its board of directors approved the partial spin-off of ORIG.

Valuation and Recommendation

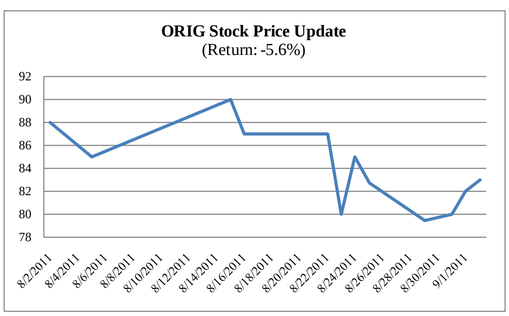
We reiterate our valuation of ORIG at $1,386 million or $10.52 per share which represents a valuation of NOK57.13 per share. We reiterate our ‘Sell’ Rating. We reiterate our valuation of DRYS at $1,099 million or $2.83 per share based on sum-of-the-parts valuation methodology. We reiterate our ‘Neutral’ rating.

Top 5 Shareholders - DRYS	
Deutsche Bank AG	5.3%
Fabiana Services SA	3.7%
Entrepreneurial Spirit Holding	3.4%
Entrepreneurial Spirit Fund	2.8%
Ameriprise Financial	1.7%

Spin-Off Details	
Announced Date	August 4, 2011
Expected Date of When-Issued Trading	September 19, 2011
Record Date	September 21, 2011
Distribution and Listing Date	Early October 2011
Tax-Status	Taxable

Key Data – ORIG	
Ticker	NOTC: OCRG
Price (As on Sep 1, 2011)	NOK82.00
52 Week range	NOK75.00-NOK126.00
Shares Outstanding (million)	132
Market Cap (million)	NOK10,931
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	100%

Price Performance - ORIG



Note: The return of -5.6% represents the return on the stock since the initial announcement date of spin-off i.e. August 4, 2011 till date

Top 5 Shareholders - ORIG	
Fidelity Management	2.5%
Carmignac Gestion	1.9%
Odin Forvaltning	1.7%
Nuveen Asset Management	0.8%
Storebrand Fund Managers	0.4%

Spin-Off Overview

On August 4, 2011, DRYS announced that its Board of Directors approved the partial spin-off of its majority owned subsidiary ORIG. Pursuant to the spin-off, DRYS will distribute approximately 3 million shares of common stock of ORIG. The number of shares of common stock of ORIG to be distributed for each share of common stock of DRYS will be determined by dividing 3 million by the aggregate number of issued and outstanding shared of DRYS as on September 21, 2011. The distribution is expected to reduce DRYS's ownership in ORIG by 2%.

On August 26, 2011, the company commenced the exchange offer pursuant to which an aggregate of 29 million new common shares will be exchanged for an equivalent number of common shares sold through a private offering during December 2010. This exchange offer is scheduled to expire on September 27, 2011.

The management expects September 21, 2011 to be the record date while the distribution and listing is expected to commence at the beginning of October 2011. The management expects 'when-issued' trading of ORIG to commence shortly before the record date by around September 19, 2011.

Additional Information on Earnings

Drilling Rig Carrier (ORIG)

Revenue from drilling contracts increased 25% YOY to $236 million for the six months period ended June 30, 2011, compared to $189 million for the prior year six months period ended June 30, 2010. The increase is primarily due to the operation of ORIG's Olympia and Corcovado that commenced during the six months period ended June 30, 2011.

Gross profit for the period ended June 30, 2011 was $132 million, representing a growth of 2% YOY over $130 million reported during the prior year period. However, gross profit as a percentage of revenues declined significantly by 1,270 basis points to 55.9% due to higher drilling rigs operating expenses driven by higher crew costs and operating expenses incurred for the commencement of drilling operations of its Olympia and Corcovado drilling rigs.

EBITDA for the six months period ending June 30, 2011 was $116 million compared to $120 million during the prior year period, representing a decline of 3% YOY. The decline was mainly driven by gross margin contraction, as explained above, coupled with significant increase in general and administrative expenses which increased due to higher number of drilling rigs operated during the period.

Drybulk Carrier and Tanker Segment (DRYS Stub)

Voyage revenue for the six months period ending June 30, 2011 was $196 million, compared to $229 million during the prior year six months period ending June 30, 2010, representing a decline of 15% YOY. The decline was mainly due to decline in both number of vessels operated during the period and relatively lower hire rates during the period compared to the similar period in the prior year. Voyage revenue from the company's tanker segment was $5 million driven by the delivery of three tankers during the first half of 2011.

Gross profit for the six months period ended June 30, 2011 was $140 million, compared to $180 million during the prior year period, representing a decline of 22% YOY. The company witnessed significant increase in vessel operating expenses during the six months period ending June 30, 2011. While voyage expenses declined by 11% YOY during the six months period driven by fewer number of vessels operated during the period, vessel operating expenses increased by 23% YOY driven by higher cost of drylocking of vessels during the six months period.

EBITDA for the six months period ending June 30, 2011 was $103 million, representing a decline of 30% YOY, compared to $146 million during the prior year six months period. The decline was mainly due to lower gross margins, as explained above, coupled with higher general and administrative expenses, which increased by 8% YOY.

About ORIG

ORIG is an international offshore drilling contractor providing oil field services for offshore oil and gas exploration, development, and production drilling. The company specializes in the ultra-deepwater and harsh-environment segment of the offshore drilling industry. Prior to the private placement of its common shares in December 2010, ORIG was a wholly-owned subsidiary of DRYS. In December 2010, ORIG completed the sale of an aggregate of 29 million common shares representing 22% of outstanding shares through a private placement. Pursuant to this transaction, DRYS owns 78% of ORIG.

About DRYS

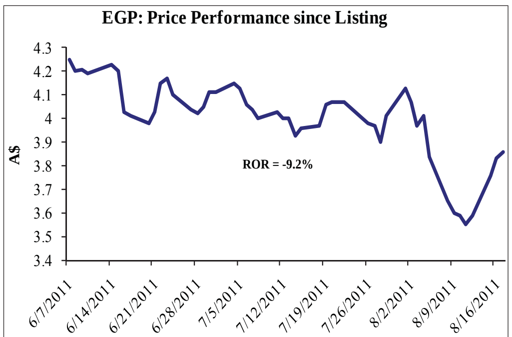
DRYS is a global provider of marine transportation services for drybulk and petroleum cargos and provides offshore oil and gas drilling services through its majority-owned subsidiary ORIG. As of April 12, 2011, the company owned a fleet of 35 drybulk carriers with an average age of 8.1 years. The company's fleet carries a variety of drybulk commodities including coal, iron ore, and grains. The company is based in Greece.

Earnings Update

Echo Entertainment (EGP) FY11 Results Update

Parent: Tabcorp (ASX: TAH)
Sector: Casino and Gaming
Spin-Off: Echo Entertainment Group (ASX: EGP)
Sector: Casino and Gaming
Target Price – EGP: A$4.51
Share Price – EGP: A$3.86*
Recommendation: Buy
Upside: 17%
*as on August 18, 2011

Price Performance



Source: Bloomberg

Key Data – EGP (1 AUD = 1.046 USD)	
Price (A$ as on August 18, 2011)	3.86
Market Capitalization (A$ million)	2,656
Market Capitalization ($ million)	2,778
Primary Exchange	ASX
Bloomberg Symbol	EGP AU
Net Debt (A$ million as of June 30, 2011)	946
Revenue 2011 (A$ million)	1,598
Shares Outstanding (million)	688
Fiscal Year Ending	June 30

Spin Details	
Announced Date	October 18, 2010
Record Date	June 10, 2011
Distribution Date	June 15, 2011
Spin Ratio	1:1
Status	Tax Free

Solid FY11 Results; Star City Expansion on Track

Maintain Our Target Price at A$4.51 and Upgrade to Buy

On August 16, 2011, Echo Entertainment (ASX: EGP, A$3.86, Market Capitalization: A$2.6 billion/$2.7 billion) reported solid full year FY11 results with revenues ahead and operating margins slightly below our estimates. The underlying result was embellished by an adjustment to EGP's theoretical win rate from 1.35% to 1.54%. Normalized revenues grew by 7.4% YOY to A$1,598 million and EBITDA grew by 7.1% YOY to A$404 million on account of strong growth across both states (Sydney & Queensland), despite the disruption to activities at The Star and the flood and cyclone events in Queensland. The Company noted that the Star expansion is on track and expects to open the facilities by 2Q12. The Company expects the second half of FY12 to see significant revenue growth as new facilities at Star open. The Company has clocked an 8.2% normalized revenue growth in the first six weeks of FY12.

We revise our FY12 revenue estimate to A$1,686 million (earlier A$1,643 million), while keep our FY12 EBITDA estimate unchanged at A$430 million. **Our fair value estimate of A$4.51 (unchanged) implies an upside of 17% to the current market price of A$3.86 and we upgrade the stock to Buy.**

Key Highlights of the Result

Star City Expansion on Track: The expansion of The Star casino is progressing well with approximately 70% of the total project and 75% of the Main Gaming Floor completed. Most of the new gaming and non-gaming areas will open in Q2 of FY12.

FY12 Outlook: For Star, the Company expects significant revenue growth in second half of FY12 as new facilities open up. In Queensland, first half 2012 performance will depend on the business climate and consumer confidence, as nothing else will change in the business. In the absence of severe weather events, EGP expects the second half to be stronger.

Capex: FY12 capex is expected to be between A$330-A$370 million and FY13 in the range of A$220-A$240 million.

Company Description

Echo Entertainment Group (EGP) owns and operates casinos and hotels in Australia. EGP currently operates the following four casinos and hotel complexes: 1) Star City Casino in Sydney, 2) Jupiters Hotel and Casino on the Gold Coast, 3) Treasury Hotel and Casino in Brisbane and 4) Jupiters Townsville in Townsville.

Top 5 Shareholders (EGP)	Holding %
Perpetual Ltd	9.05%
Ausbil Dexia Ltd	5.18%
Blackrock Investment Management Ltd	0.96%
Vanguard Group	0.55%
Prudential Financial	0.19%

Overall Results

EGP reported FY11 revenues (normalized) of A$1,598 million, an increase of 7% over FY10 on account of growth across both states (Sydney & Queensland), despite the peak disruption to activities at The Star and the flood and cyclone events in Queensland. The operating income grew 6% YOY to A$305 million driven by VIP business that expanded significantly and adjustment of the theoretical win rates from 1.35% to 1.54%. Stand-alone, the VIP business clocked revenues of A$229 million, up 34% YOY largely attributable to investments into marketing and the addition of a private jet.

A$ million	2H11	2H10	% change	FY11	FY10	% change
Revenues	800	740	8%	1,598	1,488	7%
EBIT	139	132	5%	305	288	6%
EBITDA	191	178	7%	404	377	7%

Results are normalized at theoretical win rate to provide a better representation of the business.

Normalized EBIT and EBITDA excludes pre-opening cost of A$9.2 million (FY11) and A$4.6 million (FY10)

Source: Company data

Divisional Results

Star City

Star City revenues increased by 10% YOY to A$945 million in FY11 as the business expanded its product offering and opened new gaming areas on the Main Gaming Floor. Electronic gaming continued to perform very well, with a YOY growth of 13.7%, despite an unchanged number of EGMs. Tables were up 3.6%, despite the peak construction experienced in Q4. Non-gaming declined by 3.5% as facilities were closed for redevelopment. EBITDA grew by 9% YOY to A$253 million.

A$ million	FY11	FY10	% change
Revenues	945	859	10%
EBIT	195	181	7%
EBITDA	253	233	9%

Results are normalized at theoretical win rate to provide a better representation of the business.

Source: Company data

Queensland

Revenues grew by 4% YOY to A$653 million driven by growth in EGM's (+1.6%), Tables (+2.5%) and Private Gaming Room (+8.9%). The growth was moderated by the impact of Brisbane floods and cyclone Yasi in Townsville. EGP intends to invest A$625 million in its Queensland casinos. This investment will deliver world class entertainment destinations, and includes the construction of two new hotels over the next 5 years. The operating income grew by 4% YOY to A$111 million.

A$ million	FY11	FY10	% change
Revenues	653	629	4%
EBIT	111	107	4%
EBITDA	152	144	5%

Results are normalized at theoretical win rate to provide a better representation of the business.

Source: Company data

Valuation

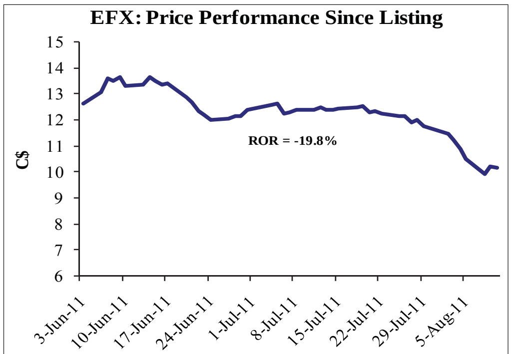
Based on the results, we revise our FY12 revenue estimate to A$1,686 million (earlier A$1,643 million), while keep our FY12 EBITDA estimate unchanged at A$430 million. We value EGP at 9.5x FY12 EBITDA and consider the latest net debt figure of A$946 million. Our fair value estimate of A$4.51 (unchanged) implies an upside of 17% to the current market price of A$3.86 and we upgrade the stock to Buy.

Earnings Update

Enerflex (EFX) 2Q11 Results Update

Enerflex (TSX:EFX)
Parent: Toromont (TSX:TIH)
Sector: Industrial Equipment
Spin-Off: Enerflex (TSX:EFX)
Sector: Oil & Gas
Target Price – Enerflex: C$14.10
Share Price – Enerflex: C$10.15*
Recommendation: Buy
Upside: 39%
*as on August 11, 2011

Price Performance



Source: Bloomberg

Key Data – Enerflex (1C$=1.0151$)

Price (C$) as on August 11, 2011	10.15
Market Capitalization (C$ million)	787
Market Capitalization ($ million)	799
Primary Exchange	TSX
Bloomberg Symbol	EFX CN
Net Debt (C$ million) as on June 30, 2011	129.1
Revenue 2010 (C$ million)	1,125
Shares Outstanding (million)	77.6
52 Week Range (C$)	9.75 – 13.75
Fiscal Year Ending	December 31

Healthy Order Backlog; Positive Outlook for FY11

Revise our Target Price to C$14.10 (earlier C$15.55) and Maintain Buy

On August 10, 2011, Enerflex (TSX: EFX, C$10.15; Market Capitalization: C$787 million/$789 million) reported mixed set of results for 2Q11, lower than our estimates. Although the margins expanded significantly, the top line remained flat.

The Company has guided for an improved second half of 2011 on the back of healthy order backlog. Based on the results, we have lowered our FY11 EBITDA estimate to C$139 million (earlier C$165 million). **We lower our target price to C$14.10 (earlier C$15.55) which factors in our revised estimates and proceeds from the sale of the idle facilities. We maintain our Buy rating implying 39% upside from the current market price of C$10.15.**

Key Highlights of the Results

Order Backlog: Order Backlog as on June 30, 2011 increased by 83.7% to C$722.3 million as compared to C$393.1 million as on June 30, 2010. The growth in the level of backlog was due to increased activity in unconventional natural gas basins, liquids-rich gas basins in the US and various coal seam gas to LNG projects in Australia.

Outlook: Fourth quarter is seasonally strong for the Company. With increased backlog and enhanced financial flexibility, the Company expects to deliver improved results through the balance of 2011 and into 2012.

Margin Expansion: The Company's EBITDA margin improved significantly to 9.7% in 2Q11 from 7.4% in 2Q10 on the back of improved plant utilization rates and lower SG&A costs.

Disposals: EFX sold its idle manufacturing facilities in Calgary and Stettler, Alberta totaling approximately 406,000 sq ft for gross proceeds of C$42.9 million. The sale of the Stettler facility closed at the end of July and the sale of the Calgary facility is scheduled to close in September 2011.

Dividends: The Company has declared dividends of $0.06 per share, payable on October 4, 2011, to shareholders of record on September 12, 2011.

Net Debt: In the current quarter, Enerflex repaid the debt of C$173.3 million to Toromont. The Company reported C$54.3 million in cash and net debt of C$129.1 million.

Company Description

Enerflex is engaged in the business of fabrication, sale and rental of customized natural gas compression, production, processing equipment and related product services.

Spin-Off Details	
Announcement Date	November 8, 2010
Transaction Filing	April 11, 2011
Shareholder Approval Meeting	May 16, 2011
Ontario Superior Court of Justice Hearing	May 25, 2011
Last Day TIH shares traded on TSX with an entitlement to participate in the demerger	June 2 , 2011
EFX Listing	June 3, 2011
Record Date - Eligible Shareholders who hold Toromont's Shares at this date will be entitled to receive EFX shares	June 7, 2011
Spin-Off Ratio	1:1
Tax-Status	Tax-free

Top 5 Shareholders	Holding %
Invesco Trimark	16.30%
Leith Wheeler Investment Counsel Ltd	9.00%
Reliance Capital	0.78%
Mawer Investment Management	0.61%
Ethical Funds Inc	0.46%

Financial Results

In 2Q11, revenues increased marginally by 0.3% to C$254.7 million as compared to 2Q10. The Company witnessed strong revenue growth in the International segment due to the approved change order in MENA. However, the revenue growth was partially offset by decreased revenues from two of the company's key segments, Canada and Northern US, and Southern US and South America. EBITDA margins expanded significantly by 230bps to 9.7% in 2Q11 as compared to 7.4% in the corresponding quarter last year on the back of improved utilization rates and lower SG&A costs. Notably, Canada and Northern US segment delivered strong operating margins. The Company reported a net income of C$9.4 million in the current quarter resulting in an EPS of C$0.12. The Company ended the quarter with a healthy order backlog of C$722 million, a robust 84% YOY increase.

in C$ million	2Q11	2Q10	% change
Revenue	254.7	254.0	0.3%
Gross Profit	47.7	43.8	8.9%
Gross Margin (%)	18.7%	17.3%	140bps
EBITDA	24.8	18.9	31.2%
EBITDA Margin (%)	9.7%	7.4%	230bps
Net Income	9.4	2.8	235.7%
EPS	0.12	0.04	200.0%

Source: Company data

Segment Performance	2Q11	2Q10	% Change
Revenues (C$ million)			
Canada and Northern U.S.	102	102	(1%)
Southern U.S. and South America	62	67	(7%)
International	91	84	7%
Operating Margins (%)			
Canada and Northern U.S.	9.6%	4.9%	470 bps
Southern U.S. and South America	6.8%	14.3%	(750) bps
International	(0.5)%	(8.0)%	750 bps

Orders (C$ million)	1H11	1H10	% Change
Bookings	475	491	(3%)
Backlog	722	393	84%

Valuation

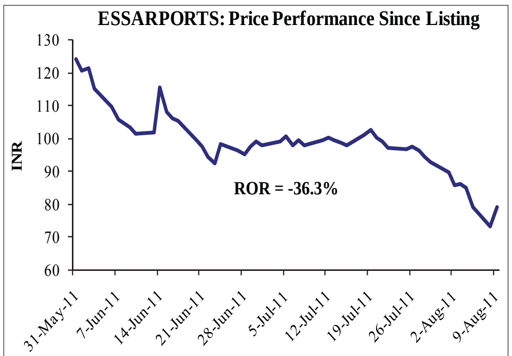
We value Enerflex at 8.5x FY11 EBITDA estimate of C$139 million. Our net debt estimate factors in the proceeds from the sale of its idle facilities. Our target price of C$14.10 implies 39% upside from the current market price of C$10.15 and we reiterate our Buy rating.

Earnings Update

Essar Ports (ESSARPORTS) 1Q12 Results Update

Essar Ports Limited (ESSARPORTS)
Parent: Essar Ports (NSE: ESSARPORTS)
Sector: Ports
Spin-Off: Essar Shipping
Sector: Shipping
Target Price – ESSARPORTS: INR142.26
Share Price – ESSARPORTS: INR79.00*
Recommendation: Buy
Upside: 80%
*as on August 9, 2011

Price Performance



Source: Bloomberg

Key Data – Essar Ports (1$=45.45INR)

Price (INR) as on August 9, 2011	79.00
Market Capitalization (INR million)	32,390
Market Capitalization ($ million)	713
Primary Exchange	NSE
Bloomberg Symbol	ESRS IN
Debt (INR million) as on June 30, 2011	49,690
Revenue FY11 (INR million)	7,327
Shares Outstanding (million)	410
52 Week Range (INR)	70.25 – 128.20
Fiscal Year Ending	March 31

Strong Results; Reports 79% EBITDA Margins

Revise our Target Price to INR142.26 (earlier INR153.76) and Maintain Buy

On August 9, 2011, Essar Ports (NSE: ESSARPORTS, INR79.00; Market Capitalization: INR32,390 million/$713 million) reported strong 1Q12 results ahead of our estimates. The Ports business benefitted from 14% (YOY) higher volumes and improved realization (INR220/ton vs INR173/ton) resulting in EBITDA margins of 79%. The Company has added 12MPTA liquid terminal capacity at Vadinar in April, 2011 and expects to add 16MTPA iron ore capacity at Paradip in 4Q12.

We have not made any material changes to our FY13 EBITDA estimates. **We lower our target price to INR142.26 (earlier INR153.76) to factor in the latest reported debt and maintain our Buy rating implying 80% upside from the current market price of INR79.00. The catalysts for the stock are completion of announced projects and improved utilization and the key risk to our call is execution slippages.**

Key Highlights of the Results

Ports Expansion: The Company has added 12MTPA liquid terminal capacity at Vadinar in April 2011. The current total capacity stands at 88MTPA and is expected to reach around 158MTPA by FY14. 12MTPA capacity at Paradip is expected to be operational by 4Q12 and forest clearance is awaited related to the 30MTPA Salaya project.

Realizations: The average realization for the Ports business was INR220/ton during 1Q12 up from INR173/ton in 1Q11 on the back of higher tariffs. With this increase, the Company posted an EBITDA margins of 79%.

Company Description

Essar Ports is the second largest private Ports operator in India. Essar Ports currently operates two ports – 58 MTPA liquid terminal at Vadinar and 30 MTPA dry bulk terminal at Hazira.

Financial Results

Ports business recorded a 61% YOY growth in 1Q12 driven by higher volumes (27% growth) and realizations (27% growth). Total 12.68MT cargo was billed, of which Vadinar accounted for 8.4MT. The average realizations were INR220/ton compared to INR173/ton in 1Q11. EBITDA increased by 75%, with margins expanding by 600 bps to 79%. PAT jumped to INR396 million compared to INR35 million for the corresponding quarter a year ago.

Spin-Off Details	
Announcement Date	August 12, 2010
Court Approval Date	March 3, 2011
Record Date	May 19, 2011
Listing of Essar Ports	May 31, 2011
Listing of Essar Shipping	To be announced
Spin-Off Ratio	3 shares (ESPLL): 2 shares (Essar Ports) and 1 (Essar Shipping)
Tax-Status	Tax-free

Top 5 Shareholders	Holding %
Promoters	83.67%
India Max Investment Fund	4.45%
Royal Bank of Scotland	1.85%
CLSA Mauritius Limited	1.28%
Dimensional Fund Advisor	0.08%

INR million	1Q12	1Q11	% Change
Billed Volumes (MT)	12.68	10.02	27%
Realization (INR/ton)	220	173	27%
Revenues	2,785	1,730	61%
EBITDA	2,203	1,260	75%
EBITDA Margin (%)	79%	73%	600 bps
PAT	396	35	1,031%

Source: Company data

Valuation

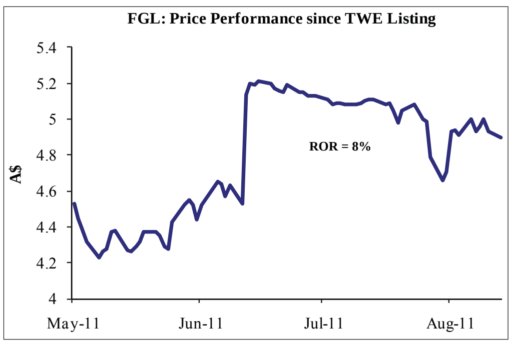
We value Essar Ports at 10.4x FY13 EBITDA estimate of INR10,395 million. We have considered FY13 estimates to factor in the capacity addition over the next two years. We lower our target price to INR142.26 (previous INR152.76) to factor in the latest net debt and maintain our Buy rating implying 80% upside from the current market price of INR79.00.

Earnings Update

Foster's (FGL) FY11 Results Update

Parent: Foster's (ASX: FGL)
Sector: Consumer
Spin-Off: Treasury Wine Estates (ASX: TWE)
Sector: Consumer
Target Price – FGL: A$5.15
Share Price –FGL: A$4.96*
Recommendation: Hold
Upside: 3.80%
*as on August 24, 2011

Price Performance



Source: Bloomberg

Key Data – Foster's (1AUD = 1.046 USD)

Price (A$ as on August 24, 2011)	4.96
Market Capitalization (A$ million)	9,631
Market Capitalization ($ million)	10,074
Primary Exchange	ASX
Bloomberg Symbol	FGL AU
Net Debt (A$ million as of June 30, 2011)	1,513
Revenue 2011 (A$ million)	2,275
Shares Outstanding (million)	1,941.70
52 Week Range (A$)	4.23-6.44
Fiscal Year Ending	June 30

Spin Details

Announced	February 15, 2011
Record Date	May 16, 2011
Distribution Date	May 20, 2011
Spin-Off Ratio	1:3
Tax-Status	Tax-free

Results in line with Our Expectations; Beer Market to Remain Weak in 1H12

Maintain Our Target Price at A$5.15 and Hold Rating

On August 23, 2011, Foster's (ASX: FGL, A$4.96, Market Capitalization: A$9.6 billion/$10.0 billion) reported full year FY11 results in line with our expectations. Revenues declined 5% YOY to A$2,275 million and EBIT declined 8% to A$817 million amid challenging beer market in Australia. Beer volumes declined ~5% YOY in FY11 impacted by lower consumer confidence and exceptional weather events during the year. The management noted that the weakness in the beer market is temporary and it expects modest growth to return. However, the Company expects the softness in the market to continue in the first half of 2012.

Earlier, Foster's had rejected takeover bid from SABMiller citing its offer of A$4.90 per share as too low. We note that Foster's is trading on the market's expectations about the likelihood of a bid from SABMiller succeeding.

We revise our FY12 EBITDA estimate to A$913 million (earlier A$941 million) to factor in weak beer volume growth in 1H12. **Our fair value of A$5.15 (unchanged) implies an upside of 3.8% to the current market price of A$4.96 and we reiterate Hold rating on the stock. FGL announced a share buyback of A$500 million in FY12.**

Key Highlights of the Conference Call

A$500 million Capital Return: The management committed to return at least A$500 million capital to shareholders in FY12 through capital management initiatives (subject to market conditions). Options being considered include an on-market share buyback and a capital reduction which requires a tax ruling from the Australian Tax Office and shareholder approval.

Cost Saving Initiative: Foster's will conduct a cost reduction program which will generate A$55 million annual savings (run rate) by the end of FY13. For FY12, A$45 million cost savings are expected to be delivered.

Long Term Outlook Remains Positive: Management believes that the long term fundamentals of the beer and cider categories remain very attractive. The beer category is expected to return to a more typical level of modest growth when economic conditions improve and "modest and sustainable" price increases are likely. The group's longer term ambitions target mid single digit sales growth, EBIT growth above sales growth, EPS growth above EBIT growth and cash conversion (on Foster's definition) of 95-100%.

Dividend Payout: On August 23, 2011, FGL declared a dividend of 13.25 cents per share. The record date is September 7, 2011. Total dividends relating to the 2011 fiscal year stood at 25.25 cents per share, representing an 83% payout ratio. The Company expects the dividend payout ratio to be at least 80% going forward.

Net Debt: The Company ended the year with net debt of A$1,513 million.

Top 5 Shareholders (FGL)	Holding %
Capital Research Global	6.41%
Perpetual Ltd	5.06%
Deutsche Bank	4.98%
Blackrock Investment	4.94%
CommonWealth Bank of Australia	4.79%

Company Description

Foster's focuses in brewing activities and sells a portfolio of brands through its subsidiaries: 1) Carlton & United Brewers and 2) International Beer.

1) Carlton & United Brewers (CUB) is the largest brewer in Australia with an array of brands in traditional regular, premium domestic and premium international segments.

2) International Beer business generates earnings from the sales, licensing and distribution of its Australian beer brands in markets outside Australia and the Pacific.

Overall Results

Revenues declined 5% YOY to A$2,275 million on account of softness in the beer market. Total beer volume declined 5% primarily as a result of lower consumer confidence and exceptional weather events during the year. EBIT stood at $817 million, down 8% on the prior year. Net debt stood at $1.5 billion at the end of FY11 benefitting from strong cash flow, receipts relating to the Ashwick tax litigation, and exchange rate movement.

A$ million	FY11	FY10	% change
Volume (million 9L cases)	107.9	113.8	(5.2)%
Revenues	2,275	2,395	(5.0)%
EBIT*	817	888	(8.0)%
Net Profit	495	542	(8.7)%
EPS (cents per share)	25.6	28.1	(8.9)%

*Includes corporate costs

Source: Company data

Divisional Results

Carlton & United Brewers (CUB)

Volume declined 5.3% in FY11 driven by the challenging consumer environment and cold and wet weather throughout fiscal 2011. Total market share including both draught and packaged beer for FY11 was the same as the prior period. On premise sales exhibited strong growth while there was a small decline in off-premise share due to actions to reduce below cost selling and a more disciplined response to competitor promotional activity. Revenues declined 4.6% YOY to A$2,229 million. EBIT declined 6.2% YOY to A$848 million impacted by lower volume and higher advertising and promotion spend.

A$ million	FY11	FY10	% change
Volume (million 9L cases)	101	106.6	(5.3)%
Revenues	2,229	2,337	(4.6)%
EBIT	848	904	(6.2)%
EBIT margin	38.0%	38.7%	(70) bps

Source: Company data

Rest of the World

Revenues declined 21% YOY to A$6.9 million with lower sales in New Zealand being the key driver. EBIT remained flat at A$18 million in FY11 with improved earnings in Asia, North America and Europe offset by a decline in New Zealand earnings.

A$ million	FY11	FY10	% change
Volume (million 9L cases)	6.9	7.2	(4.2)%
Revenues	46	58.3	(21.1)%
EBIT	18	18	-
EBIT margin	39.1%	30.9%	820 bps

Source: Company data

Valuation

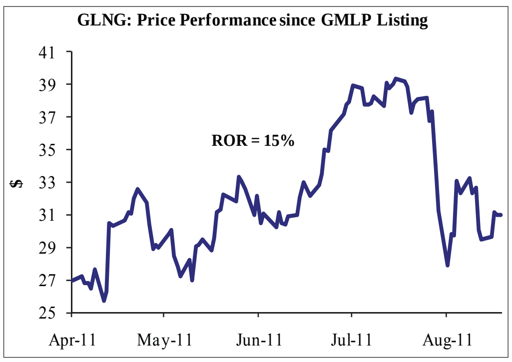
We revise our FY12 EBITDA estimate to A$913 million (earlier A$941 million) to factor in weak beer volume growth in 1H12. We value FGL at 12.5x FY12 EBITDA, in line with the Kirin-Lion Nathan transaction multiple. Our valuation factors in net debt of A$1.5 billion. **Our fair value of A$5.15 (unchanged) implies an upside of 3.8% to the current market price of A$4.96 and we reiterate Hold rating on the stock.**

Earnings Update

Golar LNG Limited (GLNG) 2Q11 Results Update

Parent: Golar LNG Limited (Nasdaq: GLNG)
Sector: Transportation - Marine
Spin-Off: Golar LNG Partners (Nasdaq: GMLP)
Sector: Transportation – Marine
Target Price – GLNG: $35.87
Share Price – GLNG: $30.97*
Recommendation: Buy
Upside: 16.0%
*as on August 25, 2011

Price Performance



Source: Bloomberg

Key Data – GLNG	
Price ($ as on August 25 , 2011)	30.97
Market Capitalization ($ million)	2,471
Primary Exchange	Nasdaq
Bloomberg Symbol	GLNG US
Debt ($ million as of June 30, 2011)	1,198
Revenue 2010 ($ million)	244
Shares Outstanding (million)	79.8
52 Week Range ($)	9.42 - 39.36
Fiscal Year Ending	December 31

Timetable: GMLP IPO	
Announced	March 30, 2011
IPO Prospectus Filing	March 30, 2011
IPO Pricing	April 7, 2011
Listing	April 8, 2011
Over-allotment	April 20, 2011

Solid 2Q11 Results; Spot and Short Term LNG Shipping Market Continue to Improve

Revise our Target Price to $35.87 (Earlier $30.44) and Upgrade to Buy

On August 18, 2011, Golar LNG Limited (Nasdaq: GLNG, $30.97, Market Cap: $2.4 billion) reported solid 2Q11 results with revenues increasing by 33% YOY on account of improved charter rates. Average TCE rate for the second quarter increased to $91,666 from $80,694 in 1Q11. The Company stated that reactivation of vessel Gimi is complete and it is expected to be available for chartering from the beginning of September. GLNG announced that it has placed orders for two additional LNG carriers and one FSRU, taking the total order book to eight LNG carriers and one FSRU. 5 of these new vessels are expected to be delivered in 2013 and remaining 4 in 2014. The Company expressed that the outlook for LNG shipping market remains strong and expects to re-charter the existing carriers at higher rates in 2012.

We revise our FY12 EBITDA estimate for GLNG (excluding GMLP) to $171.4 million (earlier $155.7 million) to factor in tight shipping market and higher rates in 2012. **Our fair value estimate for GLNG is $35.87 (earlier 30.44), implying an upside of 16.0% to the current market price of $30.97 and we upgrade the stock to Buy.**

Key Highlights of the Conference Call

Newbuildings: GLNG entered into firm contracts to build six 160,000 m3 LNG carrriers with Samsung Heavy Industries. Four vessels are to be delivered in 2013 and two in early 2014. The Company has now added to its newbuilding program with orders for two LNG 160,000 m3 carriers and a 170,000 m3 FSRU. The LNG carriers will be delivered in 2014 and the FSRU in September of 2013. The total cost of the 9 vessels will be approximately $1.8 billion.

Outlook: The Company expects operating income in 3Q11 to be positively impacted by the reactivation of Gimi and anticipates strong growth in EBITDA over the next four quarters. The growth is expected to be driven by a tighter shipping market and renewal of the existing modern vessels time-charters at higher levels.

Reactivation of Gimi: The Company stated that Gimi has completed its reactivation and is expected to be available for chartering by the beginning of September. The expenditure for reactivation is now expected to be $20 million from the previous estimate of $10 million. The Company expects the vessel to fetch rate in the range of $40,000-$50,000 per day.

Dividend: GLNG declared a dividend of $0.275 per share for 2Q11. The record date is September 9, 2011.

Top 5 Shareholders (GLNG)	Holding %
World Shipholding Limited	45.97%
Steinberg Asset Management	7.08%
Allianz SE	3.13%
Gilder Gagnon Howe	2.59%
Skagen Funds	1.89%

Company Description

Golar LNG Limited (GLNG) is one of the world's largest independent owners and operators of floating storage and regasification units (FSRUs) and LNG carriers and was formed on May 10, 2001. The Company currently has fleet of 9 vessels and also owns 65.4% interest in Golar LNG Partners (GMLP).

Financial Results

The results for GLNG are consolidated (includes Golar LNG Partners). GLNG's revenues increased 33% YOY in 2Q11 to $73.9 million. The improvement reflects the fact that the Company's four modern vessels were all fully employed during the quarter at improved rates, partly offset by the effect of Golar Maria being in drydock. These vessels will now continue under their current charters through the balance of 2011 until the charters cease during 2012. Vessel utilization for the second quarter increased to 97% as compared to 91% for the first quarter. Average daily TCE rates for the second quarter increased to $91,666 from $80,694 in the first quarter as a result of improved utilization. Vessel operating expenses were higher at $16.2 million for 2Q11 compared to $14.0 million for 2Q10, mainly due to the reactivation costs incurred for the Gimi prior to the vessel entering the charter market. On account of higher revenues, EBITDA increased 33% YOY to $38.9 million in 2Q11.

in $ million	2Q11	2Q10	% change
Revenue	73.9	55.6	33%
EBITDA	38.9	29.2	33%
Margins (%)	53%	52%	100 bps
Net Income	(0.6)	(5.7)	NM

Source: Company data

Fleet Data	2Q11	2Q10	% change
No. of Vessels	13	14	(7)%
TCE Rate ($/day)	91,666	47,332	94%
Ship Operating Expenses ($/day)	14,660	10,938	34%

Source: Company data

Valuation

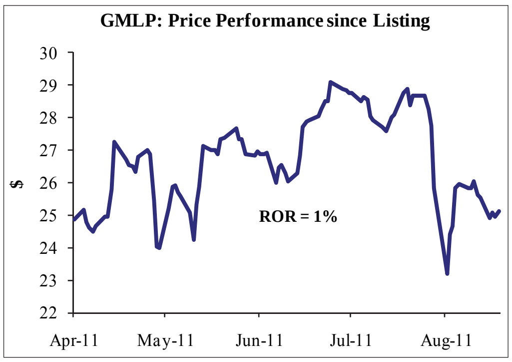
We revise our FY12 EBITDA estimate for GLNG (excluding GMLP) to $171.4 million (earlier $155.7 million) to factor in tight shipping market and higher rates in 2012. Our fair value estimate for GLNG is $35.87 (earlier 30.44), implying an upside of 16.0% to the current market price of $30.97 and we upgrade the stock to Buy. Our fair value is based on 13x FY12 EBITDA for GLNG's 9 vessels and values its stake in GMLP at $9.94 (based on our fair value estimate for GMLP at $30.47).

Earnings Update

Golar LNG Partners (GMLP) 2Q11 Results Update

Parent: Golar LNG Limited (Nasdaq: GLNG)
Sector: Transportation - Marine
Spin-Off: Golar LNG Partners (Nasdaq: GMLP)
Sector: Transportation – Marine
Target Price – GMLP: $30.47
Share Price – GMLP: $25.11*
Recommendation: Buy
Upside: 21.0%
*as on August 25, 2011

Price Performance



Source: Bloomberg

Key Data – GMLP

Price ($ as on August 25 , 2011)	25.11
Market Capitalization ($ million)	1,001
Primary Exchange	Nasdaq
Bloomberg Symbol	GMLP US
Net Debt ($ million as of June 30, 2011)	384
Revenue 2010 ($ million)	153
Shares Outstanding (million)	39.9
Stock Range ($)	23.20 – 29.10
Fiscal Year Ending	December 31

Timetable: GMLP IPO

Announced	March 30, 2011
IPO Prospectus Filing	March 30, 2011
IPO Pricing	April 7, 2011
Listing	April 8, 2011
Over-allotment	April 20, 2011

Results in line With Our Expectations; Two FSRU Dropdowns Expected in 2011-12

Maintain our Target Price at $30.47 and Buy Rating

On August 18, 2011, Golar LNG Partners (Nasdaq: GMLP, $25.11, Market Cap: $1.0 billion) reported 2Q11 results in line with our estimates. Revenues grew by 4% YOY to $39.5 million on account of improved charter rates. The Company has option to acquire two additional FSRUs (Golar Freeze and Khannur) from Golar LNG Limited (GLNG). GLNG's investment in nine new vessels and increasing focus on securing long term contracts for some of them will provide further potential dropdown candidates for GMLP. Further, the Company is also looking for other interesting LNG investment opportunities outside of GLNG.

Based on the results, we keep our FY11 EBITDA estimate unchanged at $121.2 million. **Our fair value estimate for GMLP is $30.47 (unchanged), implying an upside of 21% to the current market price of $25.11 and we maintain Buy rating on the stock.**

Key Highlights of the Results

Option to Acquire Two Additional FSRUs: GMLP has the option to acquire two additional FSRUs, the Golar Freeze and the Khannur from Golar Energy Limited (GLNG). Both FSRU's are subjected to long-term contracts. The Golar Freeze is currently operating under a 10 year charter with Dubai Supply Authority and the Khannur is scheduled to commence its 11 year charter with Nusantara Regas in Indonesia in the first quarter of 2012. GMLP is expected to acquire Golar Freeze in 2011 and Khannur in 2012.

Dividend: The Company declared a dividend of $0.385 for 2Q11 ($0.3342 on a pro-rata basis from April 13 to June 30, 2011) in line with the forecasted distribution at IPO.

Net Debt: GMLP ended the quarter with cash of $45.4 million. Total debt and capital lease obligations, net of restricted cash, were $429 million as of June 30, 2011.

Company Description

Golar LNG Partners (GMLP) provides floating storage and regasification services (FSRU) and LNG marine transportation. The Company operates 2 FSRUs (Golar Spirit and Golar Winter) and 2 LNG carriers (Golar Mazo and Methane Princess). The Company generates revenues by chartering FSRU vessels and LNG carriers under long-term contracts.

Top 5 Shareholders (GMLP)	Holding %
Golar LNG Ltd	65.40%
Bamco	3.25%
Soros Fund Management	3.15%
Hatman Advisors	2.70%
Morgan Stanley	2.22%

Financial Results

GMLP's revenues increased 4% YOY in 2Q11 to $39.5 million driven by higher charter rates due to inflation escalators contained within the charter contracts; in particular the two FSRU's on charter to Petrobras, which both had bi-annual rate increases in April 2011. Vessel utilization for the second quarter stood at ~100%. Vessel operating expenses were higher at $6.8 million for 2Q11 compared to $5.7 million for 2Q10. On account of higher revenues, EBITDA increased 2% YOY to $31.6 million, while net income increased 8% YOY to $13.1 million in 2Q11.

in $ million	2Q11	2Q10	% change
Revenue	39.5	38	4%
EBITDA	31.6	31.0	2%
Margins (%)	80%	82%	(200) bps
Net Income	13.1	12.1	8%

Source: Company data

Valuation

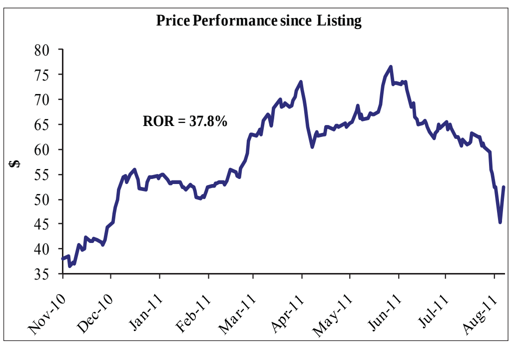
Based on the results, we keep our FY11 EBITDA estimate unchanged at $121.2 million. **Our fair value estimate for GMLP is $30.47 (unchanged), implying an upside of 21% to the current market price of $25.11 and we maintain Buy rating on the stock.**

Earnings Update

Howard Hughes Corporation (HHC)
2Q11 Results Update

Howard Hughes Corporation
Parent: General Growth Properties (NYSE:GGP)
Sector: Real Estate
Spin-Off: Howard Hughes Corp (NYSE:HHC)
Sector: Real Estate
Target Price – HHC: $55.90
Share Price - HHC: $52.36*
Recommendation: Hold
Upside: 6.8%
*as on August 10, 2011

Price Performance - HHC



Source: Bloomberg

HHC – Key Data	
Price ($ as on August 10, 2011)	52.36
Market Cap ($ million)	1,984
Primary Exchange	NYSE
Bloomberg Symbol	HHC
Revenue 2010 ($ million)	142.7
Debt ($ million as of June 30, 2011)	306.6
Shares Outstanding (million)	37.9
Fiscal Year Ending	December 31

Spin-Off Details	
Announced Date	July 12, 2010
Record Date	November 1, 2010
Listing Date	November 5, 2010
Distribution Date	November 8, 2010
Spin-Off Ratio	0.098344:1
Tax-Status	Tax Free

Strong Results driven by MPC Land Sales

Revise our Target Price to $55.90 (earlier $53.34) and Upgrade to Hold

On August 9, 2011, Howard Hughes Corporation (NYSE: HHC, $52.36, Market Capitalization: $1.9 billion) reported 2Q11 results with NOI a tad ahead of our expectations. Master Planned Communities (MPC) land sales increased by 89.2% YOY to $31.1 million primarily attributed to Summerlin's MPC lot sale. The operating assets delivered stable performance with NOI at $10.4 million in 2Q11 ($11.2 million in 2Q10).

Based on the results, we revise our FY11 NOI estimate at $44 million (earlier $42 million). Our revised valuation factors in the latest balance sheet figures and NOI estimates. Our fair value estimate for HHC is $55.90 per share, implying an upside of 6.8% to the current market price of $52.36 and we upgrade our recommendation to Hold.

Key Highlights of the Results

MPC Land Sales: In 2Q11, the Company sold 90.3 residential acres as compared to 67.3 acres in 2Q10. The majority of the acres were sold from Summerlin, Woodlands and Bridgeland communities. In addition, the Company sold 15.6 acres of commercial land in 2Q11, as compared to 10 acres in 2Q10.

Acquisition of Remaining 57.5% Interest in The Woodlands: On July 1, 2011, HHC acquired its partner's 57.5% legal interest in The Woodlands for $117.5 million, consisting of $20.0 million cash paid at closing and a $97.5 million non-interest bearing note due December 1, 2011. The Woodlands generated $24.4 million of total land sales revenues in 2Q11.

Company Description

Howard Hughes Corporation (HHC) owns, manages and develops commercial, residential and mixed-use real estate across the US. Created from a selected subset of 34 assets previously held by General Growth Properties, the Company's properties include master planned communities, operating properties, development opportunities, and other unique assets spanning 18 states from Hawaii to New York.

Top 5 Shareholders (HHC)	
General Trust Company	17.27%
Pershing Square Capital Management	9.40%
Brookfield Asset Management	6.39%
Paulson & Co	5.78%
Horizon Asset Management	5.56%

Overall Results

$ million	2Q11	2Q10	% change
Revenues*			
MPC	21.4	7.7	176%
Operating Asssets	22.4	22.5	(0.3%)
Strategic Development	7.0	0.4	1745%
Total	50.8	30.6	66%
Operating Assets- NOI	10.4	11.2	(-7%)
Net Income**	65.9	(28.0)	NM

*does not include revenues from affiliates

**net income for 2Q11 includes $56.9 million non-cash gain related to decreased warrant liability

Source: Company data

HHC reported 2Q11 revenue of $50.8 million as compared to $30.6 million in 2Q10, an increase of 66% on account of higher land and condominium unit sales. Net income attributable to common stockholders was $65.9 million in 2Q11, compared with net loss of $28.0 million in 2Q10. The increase in net income was primarily on account of non-cash gain related to warrants of $56.9 million in 2Q11.

The operating asset NOI for 2Q11 was $10.4 million, down 7% from $11.2 million in 2Q10 majorly on account of lower rental revenues at Ward Centers and higher energy costs.

Master Planned Communities (MPC) Segment

MPC land sales were $31.3 million (excluding affiliates) in 2Q11, a $14.7 million increase over $16.4 million (excluding affiliates) of land sales in 2Q10 due to higher sales at Summerlin, Bridgeland and Woodlands communities. The Company sold 15.6 acres of commercial land in 2Q11 as compared to 10.0 acres in 2Q10. MPC revenues, including affiliates stood at $49.1 million in 2Q11, as compared to $31.0 million in 2Q10.

Operating Assets Segment

The total revenue for 2Q11 was $22.4 million, down 0.3% from $22.5 million in 2Q10. Total NOI decreased by 7% YOY to $10.4 million in 2Q11. The decrease is principally due to the receipt of past due percentage rent from a tenant at Riverwalk Marketplace in 2Q10, one-time special event revenues at South Street Seaport in 2Q10, lower rental revenues at Ward Centers 2Q11 and higher energy costs. The decrease was partly offset by new leasing activity and lower property tax expenses in 2Q11. Landmark Mall had a $0.3 million decrease in NOI due to rent relief provided to certain tenants and increased vacancy from lease terminations.

Operating Assets - NOI

$'000	2Q11	2Q10	% change
Ward Centers	5,231	5,712	(8%)
110 N. Wacker	1,530	1,529	0%
South Street Seaport	1,081	1,274	(15%)
Columbia Office Properties	987	745	32%
Rio West Mall	304	483	(37%)
Landmark Mall	137	477	(71%)
Riverwalk Marketplace	232	741	NM
Cottonwood Square	134	139	(4%)
Park West	217	42	417%
Other properties	547	60	812%
Total operating assets NOI	10,400	11,202	(7%)

Source: Company data

Strategic Development Segment

The total revenue for 2Q11 was $7.0 million, as compared to $0.4 million in 2Q10 on account of contribution from the condominium sales at Natick project. During 2Q11, the Company sold 13 condominium units and at June 30, 2011, 33 units were remaining in inventory of which eight were under contract for sale.

Valuation

Based on the results, we revise our FY11 NOI estimate to $44 million (earlier $42 million). We value HHC using Book Value and ROI based NAV methods by applying 60:40 weights. Our fair value estimate for HHC is $55.90 per share, implying an upside of 6.8% to the current market price of $52.36 and we upgrade the stock to Hold.

Method	Weight	Fair Value ($)	Previous Fair Value ($)
Book Value	60%	56.21	54.47
ROI based NAV	40%	55.44	51.64
Average		**55.90**	**53.34**

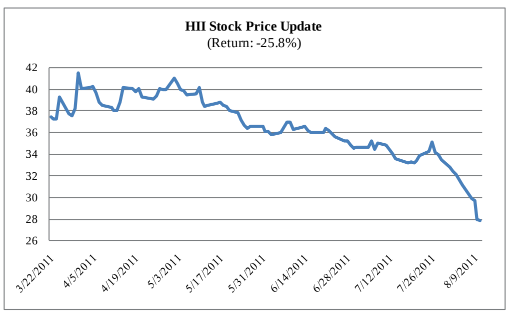
Source: Spin-Off estimates

Earnings Update

Huntington Ingalls (HII) Reports Q2 Earnings; Revenue Declines While Margins Remain Flat

Northrop Grumman Corporation
Parent: Northrop Grumman Corp. (NYSE: NOC)
Sector: Aerospace and Defense
Target Price- $65.59@
Share Price- $51.78*
Recommendation: Neutral@
Upside: 26.7%
Spin-Off: Huntington Ingalls Industries Inc. (NYSE: HII)
Sector: Shipbuilding
Target Price-$26.76
Share Price - $27.83*
Recommendation: Neutral
Downside: 4%
@ Based on our earlier report dated July 28, 2011.
*As on August 11, 2011

Price Performance



Note: The return of -25.8% represents the return on the stock since it began trading on when-issued basis i.e., March 22, 2011 till date.

Key Data – HII

Ticker	HII
Price (as on August 11, 2011)	$27.83
52 Week Range	$26.49-$42.74
Shares Outstanding (million)	49
Market Cap (million)	$1,358
Dividend (and Dividend Yield)	Nil
Fiscal Year Ending	Dec 31
Market Float	100%

Revenue Down 3%; Margins Remain Flat

Yesterday, on August 11, 2011, Huntington Ingalls Industries Inc. (NYSE: HII; Market Capitalization: $1,358 million), which was spun-off from Northrop Grumman Corp (NYSE: NOC; Market Capitalization: $14,398 million) in March 2011, reported earnings for the second quarter ending June 30, 2011. Revenue declined by 3% YOY to $1,563 million for the quarter ending June 30, 2011, compared to $1,610 million for the prior year quarter ending June 30, 2010.

While the company witnessed decline in product sales by 6% YOY, 19% YOY growth in service revenues partly offset the declines. The decline in revenues was mainly due to lower sales volume on its guided missile destroyer program and on nuclear-powered aircraft carrier programs. These declines were partially offset by higher sales on the amphibious assault ships. Further, the company's decision to wind down its shipbuilding operations at its Avondale facility by 2013 had a negative impact on revenues.

Additional information on earnings provided on the next page.

Spending Cuts Driven by S&P Downgrade to Impact Defense Spending; Lowering Price Target; Reiterate Neutral

The recent updates on defense spending cuts, driven further by the recent downgrade of US by S&P requiring US to reduce spending, has triggered significant speculation around the possible cuts in defense spending. While we continue to believe that defense spending is integral to national security and companies like HII would continue to benefit from long term defense contracts, we begin to believe the road ahead continues to look murkier due to expected austerity measures.

The stocks in the sector have declined significantly since the first quarter earnings, predominantly due to growing concerns as said above. The peer group EBITDA multiple has declined significantly in the last 3 months, currently trading at 4.8x FY12 EBITDA (down from around 6x earlier).

Valuation and Recommendation

We value HII at $1,306 million or $26.76 per share using 4.8x FY12 EBITDA estimate. Our earlier valuation was based on similar valuation methodology, albeit based on the then prevailing EBITDA multiple. We reiterate our 'Neutral' rating on the stock.

Top 5 Shareholders	Holding %
State Street Corp	21.4
Franklin Resources	5.3
Greenlight Capital	5.1
Vanguard Group Inc	4.4
Robeco Investment Management	3.9

Spin-Off Details	
Announced Date	July 13, 2010
Form 10-12B Filed	October 15, 2010
Form 10-12B/A Filed	March 16, 2011
When-Issued Trading Date	March 22, 2011
Record Date	March 30, 2011
Regular-way Trading Date	March 31, 2011
Distribution Date	March 31, 2011
Distribution Ratio	1:6
Primary Reason	Unleash the true potential of HII and NOC
Tax Status	Tax-free

Source: Bloomberg

Additional Information on Earnings

Adjusted segment operating income, excluding the impact of Avondale wind down, declined by 5% YOY to $98 million for the quarter compared to $103 million for the prior year quarter. While Ingalls Shipbuilding reported flat operating income, Newport News Shipbuilding witnessed slight decline in operating income. However, the segment operating margins remained flat at 3% and 9% for Ingalls Shipbuilding and Newport News Shipbuilding, respectively.

Ingalls Shipbuilding: Revenue from Ingalls Shipbuilding declined 1% YOY to $708 million, compared to $714 million during the prior year quarter. The decline is mainly due to lower sales in surface combatants driven by lower sales volumes on its guided missile destroyer program.

Adjusted operating income for the quarter remained flat YOY at $19 million.

Newport News Shipbuilding: Revenue for the quarter was $872 million, compared to $913 million during the prior year quarter, representing a decline of 4% YOY. The decline in revenues was mainly due to lower sales in aircraft carriers and submarines during the quarter.

Adjusted operating income for the quarter declined by 6% YOY to $79 million, compared to $84 million during the prior year quarter. However, operating margins remained flat at 9%.

About HII

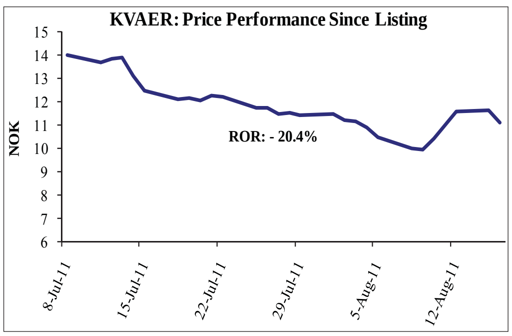
HII designs, builds, and refuels nuclear-powered aircraft carriers and nuclear-powered submarines for the U.S. Navy. It also acts as a service systems provider for the design, engineering, construction, and life cycle support of surface ships for the U.S. Navy, the U.S. Coast Guard, and international navies. HII was spun-off from NOC in March 2011.

Earnings Update

Kvaerner (KVAER) 2Q11 Results Update

Kvaerner
Parent: Aker Solutions (OSE: AKSO)
Sector: Oil Services
Spin-Off: Kvaerner (OSE: KVAER)
Sector: Oil Services
Target Price – KVAER: NOK20.05
Share Price – KVAER: NOK11.14*
Recommendation: Buy
Upside: 80%
*as on August 16, 2011

Price Performance: KVAER



Source: Bloomberg

Key Data – Kvaerner (1NOK = 0.182$)

Price (NOK as on August 16, 2011)	11.14
Market Cap (NOK million)	3,008
Market Cap ($ million)	548
Primary Exchange	Oslo
Bloomberg Symbol	KVAER NO
Net Cash (NOK million as of June 30, 2011)	1,773
Revenue 2010 (NOK million)	33,905
Shares Outstanding (million)	270
Stock Range (NOK)	9.52 – 14.34
Fiscal Year Ending	December 31

Strong Results; Extra-Ordinary Losses Impacting Margins

Revise our Target Price to NOK20.05 (earlier NOK22.13) and Maintain Buy

On August 12, 2011 Kvaerner (Oslo: KVAER, NOK11.14, Market Capitalization: NOK3,008 million/$548 million) reported 2Q11 results, beating our expectation. The Company reported double digit growth in revenues and a solid margin expansion despite booking extra-ordinary losses in the quarter. The Company was successfully spun-off from Aker Solutions and listed as a separate entity on Oslo Stock Exchange (OSE) on July 8, 2011.

Based on the 2Q11 results, we have made minor adjustments to our forecasts and valuation. **Our revised fair value estimate is NOK20.05 (earlier NOK22.13) and we maintain our Buy rating on the stock implying 80.0% upside from the current market price of NOK11.14.** The net cash of NOK1.77 billion equates to NOK6.57 per share (59% of the CMP). The key risk to our call is the uncertainty of claims related to its downstream business.

Key Highlights of the Conference Call

Non-Recurring Expenses: Kvaerner recorded a loss of NOK165 million in the second quarter 2011 related to Blind Faith arbitrage ruling, of which the net cash effect was negative NOK42 million. Kvaerner has made a further loss provision of NOK278 million in respect of the Longview project negatively affecting the EBITDA for 2Q11.

High Tax Rate: The effective tax rate in 2Q11 was 87.6%. The effective tax rate in the quarter was exceptionally high, mainly due to no tax asset being recognized for the negative results in the Downstream & Industrials segment.

FY11 Guidance: The management expects lower activity level in the second half of the year in the Upstream segment, contributing more than 90% of 2Q11 revenue.

Net Cash: The Company reported a net cash of NOK1,773 million as at June 30, 2011.

Company Description

Kvaerner (KVAER) is a specialized engineering, procurement and construction (EPC) provider for upstream and downstream oil and gas operators, industrial companies and other engineering and fabrication providers.

Timetable: Kvaerner Spin-Off	
Announcement	April 6, 2011
Shareholder Approval	May 6, 2011
Kvaerner Listing Prospectus	June 15, 2011
Last day of trading in the Aker Solutions with right to receive KVAER shares	July 7, 2011
Listing of Kvaerner on Oslo Stock Exchange	July 8, 2011
Record Date	July 12, 2011
Distribution Date	July 13, 2011
Spin-Off Ratio	1:1
Tax Status	Tax-free

Top 5 Shareholders	Holding %
Aker Holdings	41.02%
JP Morgan Chase Bank	6.17%
State Street Bank and Trust Company	4.86%
Morgan Stanley	4.39%
Goldman Sachs & Co	3.97%

Source: Bloomberg

Financial Results

Kvaerner reported revenues of NOK3,947 million for 2Q11, an increase of 38.9% over 2Q10. The strong revenue growth is directly attributable to high activity in the Upstream business segment. Despite, the negative impact of Blind Faith arbitration ruling and a loss provision of USD50 million for the Longview project, EBITDA margins expanded by 610bps to 4.9% in 2Q11 compared to same period previous year. Net Profit for the quarter stood at NOK22 million resulting in an EPS of NOK0.08 compared to a negative EPS of NOK0.07 in 2Q10.

in NOK million	2Q11	2Q10	% change
Revenues	3,947	2,842	38.9%
EBITDA	192	(35)	NM
EBITDA Margin	4.9%	(1.2)%	610bps
EBIT	180	(48)	NM
Net Profit	22	(19)	NM

Source: Company data

Divisional Results:

Upstream:

During the quarter, revenue for the Upstream segment jumped by 107% to NOK3,600 million due to unusual high activity within some of the business areas. The Company witnessed extra-ordinary improvement in EBITDA margins to 15.4% in 2Q11 compared to just 1.7% in 2Q10 as the Company faced challenges on some of its ongoing projects in the same period previous year. The EBITDA margins were also positively impacted by very high activity on international projects in the current quarter.

in NOK million	2Q11	2Q10	% change
Revenues	3,600	1,739	107.0%
EBITDA	554	29	1,810.3%
EBITDA Margin	15.4%	1.7%	1370bps

Source: Company data

Downstream & Industrials:

Revenue for the Downstream & Industrials segment declined significantly by 69% to NOK345 million in 2Q11 compared to NOK1,112 million in 2Q10 due to the revenue reversal on the Longview project (NOK278 million). Also, the segment witnessed reduced revenues as major EPC projects were in the final stages of execution with a limited intake of new projects. The segment posted a negative EBITDA of NOK300 million reflecting the legal costs and a loss provision for the Longview project.

in NOK million	2Q11	2Q10	% change
Revenues	345	1,112	(69.0)%
EBITDA	(300)	(64)	368.8%
EBITDA Margin	(87.0)%	(5.8)%	(8,120)bps

Source: Company data

Valuation

Based on the 2Q11 results, we have revised our FY11 EBITDA estimates to NOK858 million (earlier NOK737 million). We value Kvaerner using EV/EBITDA relative valuation method. Our fair value estimate for Kvaerner is NOK20.05 (earlier $22.13) which factors in revised estimates, lower multiple (4.2x vs. previous 6x) and the latest net debt number. The net cash of NOK1.77 billion equates to NOK6.57 per share (59% of the CMP). We maintain our Buy recommendation on the stock implying 80.0% upside from the current market price of NOK11.14.

Earnings Update

Liberty Media (LINTA, LSTZA, LCAPA) 2Q11 Results Update

Liberty Media

Parent: Liberty Interactive (Nasdaq: LINTA)

Sector: Retail

Spin-Off: Liberty Starz (Nasdaq: LSTZA) and Liberty Capital (Nasdaq: LCAPA)

Sector: Media & Entertainment (Starz)

Target Price – LINTA: $21.87

Share Price – LINTA: $14.49*

Recommendation: Buy

Upside: 50.9%

Target Price - LSTZA: $88.32

Share Price - LSTZA: $70.53*

Recommendation: Buy

Upside: 25.2%

Target Price - LCAPA: $73.67

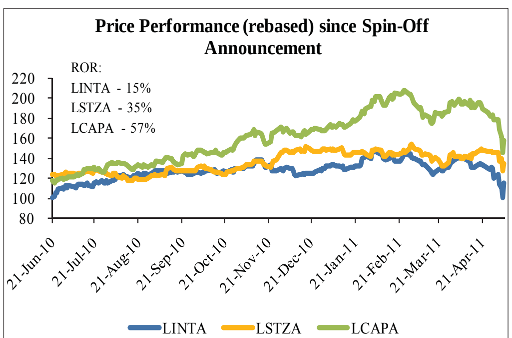
Share Price - LCAPA: $69.15*

Recommendation: Hold

Upside: 6.5%

*as on August 9, 2011

Price Performance



Source: Bloomberg

Split-Off Details

Announcement Date	June 20, 2010
Shareholder Approval Date	May 23, 2011
Court Ruling	September 14, 2011
Expected Completion	3Q11
Tax Status	Tax Free

Results in line with our Expectations; Split-Off Expected to Close in 3Q11

Reiterate Buy on LINTA & LSTZA and Hold on LCAPA

On August 9, 2011, Liberty Media (Nasdaq: LINTA, $14.49, Market Cap: $8.7 billion; Nasdaq: LSTZA, $70.53, Market Cap: $3.6 billion; Nasdaq: LCAPA, $69.15, Market Cap: $5.6 billion) reported 2Q11 results in line with our estimates. LINTA's revenue increased 9% YOY to $2.2 billion in 2Q11, with QVC growing 8% YOY and e-commerce clocking a YOY growth of 18%. QVC benefited from faster than expected recovery in Japan. LSTZA posted 29.6% YOY growth in revenue for 2Q11, while adjusted OIBDA grew by 13.6% (YOY). Starz subscription increased 9.8% YOY in 2Q11, while Encore subscriptions increased by 3.1% YOY. We believe that the positive momentum will continue in FY11 driven by increased visibility of Starz Original programming content and growth in subscribers. **The Company is scheduled to appear before the Delaware Court on September 14 regarding the split-off. Liberty expects to get a favorable ruling and close the split in 3Q11.**

Based on the results, we keep our FY11 revenue and adjusted OIBDA estimate for LINTA unchanged. **Our fair value estimate for LINTA remains unchanged at $21.87 , implying an upside of 50.9% to the current market price of $14.49 and we maintain Buy rating on the stock.** We keep our FY11 revenue and adjusted OIBDA estimate for LSTZA unchanged at $1,627 million and $477 million respectively. **Our fair value estimate of LSTZA is $88.32 (unchanged), implying an upside of 25.2% to the current market price of $70.53 and we maintain Buy rating on the stock. We revise our target price of LCAPA to $73.67 (earlier $88.09)** to factor in the updated market value of its public investments. **Our fair value implies an upside of 6.5% to the current market price of $69.15 and we maintain our Hold rating on the stock.** Note that the market value of public investments has fallen by 17% since our 1Q11 update dated May 9, 2011.

Key Highlights of the Conference Call

Court Ruling for Split-Off on September 14: The Company will appear in front of the Delaware Supreme Court on September 14th regarding the split-off. The management expects to get a favorable ruling and close the split in 3Q11. The Company noted that the shareholder vote for split-off approval that it previously received is valid until September 23rd and it remains confident that it will be able to complete the split-off process by then.

Original Programming Content: Starz entered into a multi-year agreement with BBC that will significantly expand its original programming capacity. Starz expects to debut its original series 'Boss' in October this year. Spartacus franchise is expected to return with Spartacus: vengeance in January 2012. Magic City, a 10-episode drama series is expected to be launched in April 2012.

Key Data - LINTA	
Stock Price ($ as of August 9, 2011)	14.49
Market Cap ($ million)	8,725
Primary Exchange	Nasdaq
Bloomberg Ticker	LINTA
Revenue 2010 ($ million)	8,932
Debt ($ million as of June 30, 2011)	6,877
Shares Outstanding (million)	602
Fiscal Year Ending	December 31
52 Week Range ($)	10.10-18.65

Key Data - LSTZA	
Stock Price ($ as of August 9, 2011)	70.53
Market Cap ($ million)	3,678
Primary Exchange	Nasdaq
Bloomberg Ticker	LSTZA
Revenue 2010 ($ million)	1,342
Debt ($ million as of June 30 2011)	42
Shares Outstanding (million)	52
Fiscal Year Ending	December 31
52 Week Range ($)	53.45-81.36

Key Data - LCAPA	
Stock Price ($ as of August 9, 2011)	69.15
Market Cap ($ million)	5,629
Primary Exchange	Nasdaq
Bloomberg Ticker	LCAPA
Revenue 2010 ($ million)	708
Debt ($ million as of June 30, 2011)	750
Shares Outstanding (million)	81
Fiscal Year Ending	December 31
52 Week Range ($)	42.71-92.55

Top 5 Shareholders - LINTA	
T Rowe Price Associates	11.37%
Southeastern Asset Management	10.47%
Dodge & Cox	6.96%
Harris Associates	3.37%
Clearbridge Advisors	3.08%

Share Repurchase: From May 1 through July 31, 2011 Liberty repurchased 55,097 shares of LCAPA common stock at an average price of $78.27 for total cash consideration of $4.3 million. The company has approximately $306.3 million remaining under its Liberty Capital stock repurchase authorization.

Company Description

Liberty Media owns interests in a broad range of electronic retailing, media, communications and entertainment businesses. Those interests are attributed to three tracking stock groups: LINTA, LSTZA and LCAPA.

LINTA is focused on video and online commerce through its interests in QVC and e-commerce businesses. QVC markets and sells a wide variety of consumer products primarily by means of televised shopping programs on the QVC networks and via the internet.

Liberty Starz (LSTZA) is a tracking stock of Liberty Media Corp, which primarily tracks the Starz premium television networks business. The major operating asset attributed to this tracker is Starz LLC.

Liberty Capital (LCAPA) is a tracking stock of Liberty Media Corp, which is primarily comprised of subsidiaries and assets not attributed to the Interactive Group or the Starz Group.

Financial Results

Liberty Interactive

Liberty Interactive group's revenue increased 9% (YOY) in 2Q11 to $2.2 billion on account of strong performance of QVC and e-commerce business. The adjusted OIBDA decreased by 5.1% YOY to $450 million in 2Q11 primarily due to robust performance in Germany and Japan.

$ million	2Q11	2Q10	% change
Revenue			
QVC	1,898	1,758	8.0%
E-commerce	347	295	18%
Total	2,245	2,053	9%
Adjusted OIBDA			
QVC	418	403	3.7%
E-commerce	36	28	28.6%
Corporate & Other	(4)	(3)	NM
Total	450	428	5.1%

Source: Company data

1) QVC

QVC's consolidated revenue increased 8% YOY in 2Q11 to $1.9 billion. The increase was primarily due to an increase of 4.1% in ASP, net favorable foreign currency rates and increase in units sold from 39.1 million to 39.4 million. QVC's domestic revenues rose by 3% YOY in 2Q11 to $1.2 billion driven by improved performance in beauty, kitchen and apparels. International revenues increased by 18% YOY in 2Q11 to $666 million. QVC Germany's revenue grew 7% YOY in 2Q11 buoyed by increased sales of apparel, jewelry and nutrition products, while Japan's revenue grew 1% YOY in the quarter due to increased sales primarily in apparel.

Top 5 Shareholders -LSTZA	
T Rowe Price Associates	8.46%
Luxor Capital Group	3.32%
Vanguard Group	3.19%
Blackrock	2.62%
Lone Pine Capital	2.56%

Top 5 Shareholders -LCAPA	
Clearbridge Advisors	6.69%
Peninsula Capital	4.18%
Kensico Capital	3.86%
Tiger Global Management	3.30%
John Malone	3.51%

2) Ecommerce

Ecommerce business grew its revenues by 18% in 2Q11 to $347 million on the back of increased sales at each of its companies namely Provide, Backcountry, Bodybuilding and Celebrate. Adjusted OIBDA increased by 29% YOY to $36 million for 2Q11.

Liberty Starz

Starz's revenue increased 5% YOY to $403 million in 2Q11, an increase of $20 million. Revenue for 2Q11 increased as a result of an $8 million increase due to a higher effective rate for the Starz Channels' services, $6 million due to growth in the average number of subscriptions and $3 million in additional ancillary revenue related to international television distribution rights and home video for STARZ original content. The remaining increase was primarily attributable to the home video performance of the movie 'The King's Speech' in the current period which was partially offset by no theatrical releases of films in 2011. Adjusted OIBDA increased 146% YOY to $118 million in 2Q11 on account of reduced expenses due to no theatrical film releases. STARZ subscription units increased 10% and ENCORE subscriptions increased 3% compared to 2Q10.

$ million	2Q11	2Q10	% change
Revenue			
Starz LLC*	403	383	5%
Adjusted OIBDA			
Starz LLC*	118	48	146%

* Includes Starz Entertainment and Starz Media
Source: Company data

Liberty Capital

Liberty Capital group's revenue decreased to $135 million in 2Q11, as compared to $200 million in 2Q10 primarily due to the impact of the change in attribution of Starz Media from Liberty Capital to Liberty Starz which was effective September 30, 2010.Adjusted OIBDA stood at $7 million in 2Q11.

$ million	2Q11	2Q10	% change
Revenue*	135	200	-33%
Adjusted OIBDA	7	-54	NM

*2Q10 results include contribution from Starz Media
Source: Company data

Valuation

LINTA: Based on the results, we keep our FY11 revenue and adjusted OIBDA unchanged at $9,407 million and $1,874 million respectively. We value LINTA using EV/EBITDA relative valuation and DCF method. Our EV/EBITDA valuation considers a multiple of 8.4x in line with the peer group multiple. Our fair value estimate for LINTA is $21.87 (unchanged), implying an upside of 50.9% to the current market price of $14.49 and we maintain Buy rating on the stock.

Method	Multiple	Weight	Target Price ($)
DCF		50%	21.19
EV/EBITDA	8.4x	50%	22.55
Fair Value			21.87

Source: Spin-Off estimates

LSTZA: We keep our FY11 revenue and EBITDA estimate unchanged at $1,674 million $477 million respectively. Our fair value estimate of LSTZA is $88.32 (unchanged), implying an upside of 25.2% to the current market price of $70.53 and we maintain Buy rating on the stock.

Valuation Summary - LSTZA

Method	Multiple	Weight	Target Price ($)
DCF		50%	80.94
EV/EBITDA	7.7x	50%	95.70
Fair Value			88.32

Source: Spin-Off estimates

LCAPA: We value LCAPA using NAV based approach. Our fair value estimate for LCAPA is $73.67 (earlier $88.09), implying an upside of 6.5% to the current market price of $69.15 and we maintain our Hold rating on the stock. The revision is primarily due to decrease in valuations of its public investments.

in $ million	
Value of Investments	8,033
Other AFS debt /securities	619
Debt & Financial Instruments($ million)	(1,916)
Cash & Cash Equivalents ($ million)	1,259
Total NAV ($ million)	**7,995**
Shares outstanding (million)	81
NAV/share ($)	**98.22**
25% Discount ($)	24.56
Fair Value ($)	**73.67**

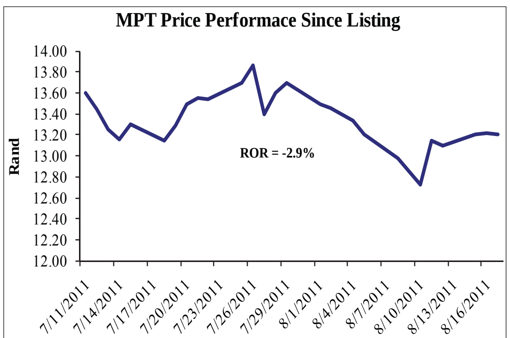
Source: Spin-Off estimates

Earnings Update

Mpact (MPT) 1H11 Results Update

Mpact
Parent: Mondi plc/ Ltd (LSE: MNDI; JSE:MND)
Sector: Paper & Packaging
Spin-Off: Mpact (MPT)
Sector: Paper & Packaging
Target Price – Mpact: R19.31
Share Price – Mpact: R13.20*
Recommendation: Buy
Upside: 46.3%
*as on August 17, 2011

Price Performance



Source: Bloomberg

Key Data – Mpact Ltd (1R = 0.14038$)	
Price (R as on August 17,2011)	13.20
Market Capitalization (R million)	2,165
Market Capitalization ($ million)	304
Primary Exchange	JSE
Bloomberg Symbol	MPT SJ
Net Debt (R million as of July 11, 2010)	1,718
Revenue 2010 (R million)	5,718
Shares Outstanding (million)	164.0
52 Week Range (R)	12.73 – 13.86
Fiscal Year Ending	December 31

Results in Line with our Estimates; Positive Outlook for FY11

Target Price Revised to R19.31 (earlier R21.29) and Maintain Buy

On August 11, 2011, Mpact Limited (JSE: MPT, R13.20, Market Capitalization: R2,165 million/$304 million) reported results for 1H11 in-line with our estimates. Revenues increased marginally by 1.3% YOY with significant price increase offset by lower volumes. The operating margins expanded by 60bps to 6.4% during 1H11 on the back of improved pricing, partially offset by increased raw material prices. Mpact, spun-off from Mondi Limited, was listed on the JSE on July 11, 2011.

Based on the results, we maintain our FY11 EBITDA forecast of R879 million. We have revised our target price to R19.31 (earlier R21.29) to factor in updated peer group multiples. Our revised target price implies an upside of 46.3% from the current market price of R13.20 and we maintain our Buy rating.

Key Highlights of the Results

FY11 Guidance: The Company expects the second half of the year to be positive as a result of significant capital restructuring and seasonal nature of the business. Demand will remain a key issue due to ongoing economic weakness and growing competition from direct and indirect imports. The management anticipates recovery of some of the lost sales and production before the end of the year.

Demerger Costs: The Company has reported demerger and listing transaction costs of R5.4 million as of June 30, 2011. The Company expects another R43 million demerger and listing transaction costs to be incurred in 2H11.

Net Debt: At the date of listing, July 11, 2011, the Company reported a net debt of R1,718 million.

Company Description

Mpact is one of the largest South African packaging businesses, involved in the manufacture and supply of paper and plastic packaging products.

Financial Results

Mpact posted 1H11 results with revenue growing by 1.3% to R3,006 million as compared to 1H10. Revenue growth in 1H11 was primarily led by higher average selling prices, partially offset by lower volumes in the Paper segment. Operating profit increased by 12.5% to R192 million with margins expanding by 60bps to 6.4% in 1H11 as compared to the same period previous year. The Company reported a Net income of R4.9 million resulting in an EPS of R1.0 for 1H11 as compared to a negative EPS of R19.2 for 1H10.

Spin-Off Details	
Announced	April 7, 2011
Mpact Listing	July 11, 2011
Distribution Date	July 18, 2011
Spin-Off Ratio	1:1
Tax-Status	Tax-free for South African shareholders

Top Shareholders – Mpact Ltd	Holding %
Shanduka	10.45%
State Street Corporation	0.18%
Blackrock Asset Management	0.10%

Source: Bloomberg

in Rand million except EPS	1H11	1H10	% change
Sales	3,006	2,968	1.3%
Operating Profit	192.3	170.9	12.5%
Operating Margin (%)	6.4%	5.8%	60bps
Net Income	4.9	(13.1)	NM
EPS	1.0	(19.2)	NM

Source: Company data

Divisional Results

Paper Segment

Paper segment, contributing 72% of the 1H11 revenue, witnessed a marginal increase in the revenue by 2.2% to R2169 million for 1H11 as compared to the same period prior year. The Operating margins expanded by 110 bps to 11.3% in 1H11 as compared to 10.2% in 1H10. The margin expansion was due to the increased average selling prices and cost savings in the 1H11 as compared to first half of the previous year.

in Rand million	1H11	1H10	% change
Net Sales	2169.4	2122.3	2.2%
Operating Profit	244.6	216.8	12.8%
Operating Margin (%)	11.3%	10.2%	110bps

Source: Company data

Plastics Segment

The Plastics business experienced a significant revenue growth of 15.5% to clock R714.5 million in 1H11 as compared to 1H10. The increase was attributable to both increased sales volume and higher average selling prices. Despite higher average selling prices, the operating margin expanded marginally by 10bps on the back of higher raw material costs.

in Rand million	1H11	1H10	% change
Net Sales	714.5	618.8	15.5%
Operating Profit	29.5	24.9	18.5%
Operating Margin (%)	4.1%	4.0%	10bps

Source: Company data

Valuation

We value Mpact at 5.6x (earlier 5.9x) FY11 EBITDA of R879 million and factor in the net debt of R1,718 million.

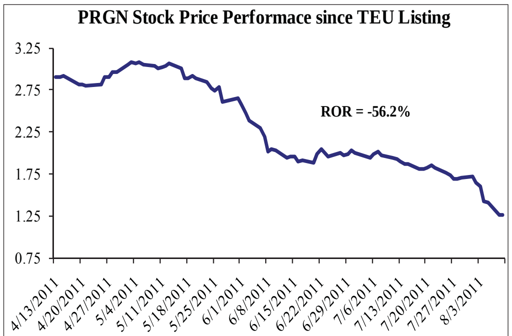
Our revised target price for Mpact is R19.31 per share (earlier R21.29), implying an upside of 46.3% from the current market price of R13.20 and we maintain our Buy rating

Earnings Update

Paragon Shipping (PRGN) 2Q11 Results Update

Parent: Paragon Shipping (NYSE: PRGN)
Sector: Shipping - Dry Bulk
Spin-Off: Box Ships (NYSE: TEU)
Sector: Shipping - Containerships
Target Price – PRGN: $1.84
Share Price – PRGN: $1.29*
Recommendation: Buy
Upside: 43%
* as on August 10, 2011

Price Performance



Source: Bloomberg

Key Data – PRGN

Price ($) as on August 10, 2011	1.29
Market Capitalization ($ million)	73.9
Primary Exchange	NYSE
Bloomberg Symbol	PRGN US EQUITY
Net Debt ($ million) as of June 30, 2011	210
Revenue 2010 ($ million)	118
Shares Outstanding (million)	58.3
52 Week Range ($)	1.20-4.21

TEU IPO Details

Announcement	April 4, 2011
Filing of F-1 Document	April 4, 2011
Listing	April 13, 2011

Industry Downturn to Impact FY12 Earnings

Revise Target Price to $1.84 (earlier $3.05); Reiterate Buy

On August 8, 2011, Paragon Shipping (NYSE: PRGN, $1.29, Market Capitalization: $73.9 million) reported 2Q11 results which were impacted by lower Time Charter Equivalent (TCE) rates and non-cash non-recurring items. With only 57% secured days for FY12, we see a significant downside (around 30%) to the earnings potential. The demand-supply mismatch continues to weigh on the charter rates and will impact Company's earnings going forward. The Company is likely to add four new vessels to its fleet during FY11-12, however, we see little valuation impact.

Factoring in the new vessel additions, we estimate FY12 EBITDA of $38 million and value PRGN at 6.2x FY12 EBITDA in line with its peer group. We revise our valuation for PRGN to $1.84 (earlier $3.05) implying an upside potential of 43% from the current market price of $1.29 and reiterate our Buy rating.

Key Highlights of the Conference Call

Secured Charter Days: The Company has secured operating days of 95%, 57% and 35% for its fleet in 2011, 2012 and 2013, respectively.

Newbuildings: The Company has a total of six vessels under construction, including four dry bulk carriers and two containerships. The vessel deliveries are expected during 4Q11-4Q13 period.

Net Debt: The Company reported total debt of $255 million and cash of $45 million at the end of 2Q11. The cash balance does not include $30 million due from Box Ships.

Company Description

Paragon Shipping is an international shipping company specializing in the transportation of drybulk cargoes. The Company's current fleet consists of eleven drybulk vessels with a total carrying capacity of 747,994 dwt.

Financial Results

The Company clocked revenues of $25.1 million for 2Q11, a decline of 14.9% over 2Q10 due to a 22.7% decline in Time Charter Equivalent (TCE) rate, partially offset by higher operating days. Vessel operating expenses were higher at $7,784 per vessel per day as compared to $7,618 for the corresponding quarter of the previous year. Adjusted EBITDA fell by 4.9% YOY to $15.4 million as compared to $16.2 million for 2Q10. The adjusted net income for the quarter was $5.2 million as compared to $6.7 million in the previous year. During the quarter, the Company recorded non-cash, non-recurring loss of $19.8 million due to loss on sale of vessels to TEU and other items. Including these items, the reported net loss for the quarter stood at $16.8 million.

Top 5 Shareholders	Holding %
Michael Bodouroglou	18.12
Oceanic Investment Management	3.52
Steelhead Partners LLC	2.72
Steel Partners LP	2.39
Morgan Stanley	0.85

($ million)	2Q11	2Q10	% Change
Revenues	25.1	29.5	(14.9%)
EBITDA Adjusted	15.4	16.2	(4.9%)
Net Income Adjusted	5.2	6.7	(22.4%)
EPS Adjusted	0.09	0.13	(30.8%)

Source: Company data

Fleet Data	2Q11	2Q10	% Change
No. of Vessels	11.8	11.0	7.2%
Available Days	1,048	956	9.6%
Calendar Days	1,077	1,001	7.6%
Utilization	97%	96%	100bps
Time Charter Equivalent Rate ($)	22,466	29,054	(22.7%)

Source: Company data

Valuation

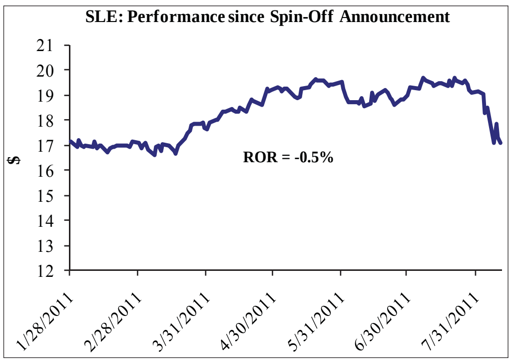
Factoring in the new vessel additions, we estimate FY12 EBITDA of $38 million and value PRGN at 6.2x FY12 EBITDA in line with its peer group. We value TEU stake at $9.39 per share equivalent to $0.55 per PRGN share. We revise our valuation for PRGN to $1.84 (earlier $3.05) implying an upside potential of 43% from the current market price of $1.29 and reiterate our Buy rating.

Earnings Update

Sara Lee (SLE) 4Q11 & Full Year Results Update

Sara Lee Corporation (SLE)
Parent: Sara Lee (NYSE: SLE)
Sector: Consumer
Spin-Off: Coffee Co.
Sector: Consumer
Target Price – SLE: $18.66
Share Price – SLE: 17.09*
Recommendation: Hold
Upside: 9.1%
*as of August 11, 2011

Price Performance



Source: Bloomberg

Key Data – Sara Lee	
Price ($ as on August 11, 2011)	17.09
Market Capitalization ($ million)	9,981
Primary Exchange	NYSE
Bloomberg Symbol	SLE US
Net Debt ($ million as of June 30, 2011)	600
Revenue 2010 ($ million)	8,665
Shares Outstanding (million)	584
52 Week Range ($)	13.22-20.26
Fiscal Year Ending	June 30

Spin-Off Details	
Announced	January 28, 2011
Record Date	To be announced
Distribution Date	To be announced
Expected Completion	1HCY12
Tax-Status	Tax-free

FY11 Results Impacted by High Commodity Costs; Spin-Off on Track to be Completed by First Half of 2012

Maintain Our Target Price at $18.66 and "Hold" Rating

On August 11, 2011, Sara Lee (NYSE:SLE, $17.09, Market Capitalization: $9.9 billion) reported FY11 results which were impacted by high commodity costs ($646 million increase over FY10). Overall adjusted sales (excluding NA Refrigerated Dough) rose by 5% YOY in FY11 to $8,636 million driven by pricing and mix. The adjusted operating margin slipped to 9.4% in FY11 (60 bps below the prior-year period) on account of commodity cost inflation. The Company now expects $500 million commodity cost increase in FY12. The Company divested its North American Refrigerated Dough business to Ralcorp for $545 million and stated that the earlier divestitures of H&BC and NA Fresh Bakery will be completed soon. The management noted it is making good progress towards the sale of French Dough and Spanish Bakery businesses and expect to complete it by Q1/Q2 of 2012.

The spin-off is on track and is expected to be completed by first half of 2012. We roll forward our valuation to FY12 EBITDA estimate of $1,234 million (excludes International Bakery). **Our fair value estimate is $18.66 (unchanged), implying an upside of 9.1% to the current market price of $17.09 and we maintain our Hold recommendation on the stock.**

Key Highlights of the Conference Call

FY12 Guidance: The International Bakery segment is excluded from 2012 guidance. The Company expects sales (excluding International Bakery) for FY12 to be between $8.5-$8.75 billion. The management has guided for adjusted operating income in the range of $875-$930 million and EPS in the range of $0.89-$0.95. The Company expects to end FY12 with cash balance of $300 million and debt of $2.3 billion.

Spin-Off on Track: Sara Lee reaffirmed that the spin process is progressing well and will be completed by 1HCY12.

Commodity Cost Inflation: The Company said that it now expects commodity costs increase of $500 million for FY12. Roughly 60%-65% is in the coffee, while the remaining is in North American Retail.

Divestitures: On August 9, 2011, the Company announced the sale of NA Refrigerated Dough business to Ralcorp for $545 million. Sara Lee decided in August to divest the Spanish bakery and French refrigerated dough businesses. For both, a sales process is underway and numerous bids have been received. These businesses will be reclassified to discontinued operations in the first quarter of fiscal 2012. The Australian frozen desserts business remains under strategic review. The earlier divestitures of H&BC and NA Fresh Bakery will be completed soon.

Top 5 shareholders	
Harris Associated LP	5.79%
Vanguard Group	4.09%
State Street Corp	3.82%
Valueact Holdings	3.49%
Sasco Capital	2.58%

Company Description

Sara Lee is a manufacturer and marketer of high quality branded products focused primarily in the meat, baking and beverage (coffee & tea) category. It operates under four business segments namely 1) North American Retail 2) North American Foodservice 3) International Beverage and 4) International Bakery.

Overall Results

The results have been adjusted for the sale of North American Refrigerated Dough business. Sara Lee reported 4Q11 adjusted net sales of $2,268 million, an increase of 8% over 4Q10 driven by a 10.5% increase in pricing, 0.8% in mix offset by 6.6% volume contraction. Operating margin increased by 190 bps to 8.3% in 4Q11 on account of cost saving initiatives and price increases. The EPS stood at $0.19 compared to $0.28 a year ago.

$ million	4Q11	4Q10	% change	FY11	FY10	% change
Net Sales	2,268	2,103	8%	8,636	8,231	5%
Operating Income	189	135	9%	809	827	(2%)
Margin (%)	8.3%	6.4%	190 bps	9.4%	10.0%	(60 bps)
EPS - Basic	0.19	0.28	(32%)	0.78	0.67	16%

All figures are non-GAAP
Source: Company data

Divisional Results

North American Retail

The segment reported sales of $715 million in 4Q11, an increase of 4% over 4Q10 as favorable price / mix (+8.6%) was partially offset by lower volumes (-6.9%). Management attributed lower volumes to pricing elasticity and the rationalization of low-margin promotional programs.

Adjusted operating income came in at $82 million (11.5% margins), compared to $38 million (5.5% margins) as commodity costs were more than offset by pricing and cost savings initiatives.

$ million	4Q11	4Q10	% change	FY11	FY10	% change
Net Sales	715	690	4%	2857	2766	3.3%
Operating Income	82	38	116%	317	335	(5.4%)
Margin (%)	11.5%	5.5%	600 bps	11.1%	12.1%	(100 bps)

All figures are non-GAAP
Source: Company data

North American Foodservice

Sales increased 9% YOY to $400 million in 4Q11 on the back of higher price (+9.5%) and mix (+6.8%) partly offset by lower volume (-13.4%). The company noted strong performance in meats, frozen bakery and liquid coffee. Adjusted operating margin expanded 100 basis points over the prior year to 5.0% driven by manufacturing efficiencies and favorable sales mix. Adjusted operating income increased by 33% YOY to $20 million in 4Q11.

$ million	4Q11	4Q10	% change	FY11	FY10	% change
Net Sales	400	366	9%	1566	1523	2.8%
Operating Income	20	15	33%	102	86	18.6%
Margin (%)	5.0%	4.1%	90 bps	6.5%	6.5%	0 bps

All figures are non-GAAP
Source: Company data

International Beverage

The International Beverage segment posted sales of $978 million, a YOY increase of 14% supported by pricing (+14.7%) and mix (+2.7%). The volume declined by 9.3% on account of price increase. Adjusted operating income decreased by 12% in 4Q11 to $121 million due to price increases lagging strong commodity cost inflation.

$ million	4Q11	4Q10	% change	FY11	FY10	% change
Net Sales	978	857	14%	3514	3199	9.8%
Operating Income	121	138	(12%)	489	593	(17.5%)
Margin (%)	12.4%	16.1%	370 bps	13.9%	18.5%	(460 bps)

All figures are non-GAAP
Source: Company data

International Bakery

Sales were down 8% YOY to $182 million in 4Q11 on account of lower volume (-1.2%) and negative contribution from price/mix (-6.8%). The Company flagged weak performance in the Spanish operations, which continues to be impacted by difficult macro-economic and competitive conditions. In Spain, further price reductions were required to maintain market share, which led to additional short-term margin pressure. Restructuring activities to transform the company's sales force to independent operators are progressing as planned. Adjusted operating income was $13 million lower than the prior year.

$ million	4Q11	4Q10	% change	FY11	FY10	% change
Net Sales	182	198	(8%)	726	775	(6.3%)
Operating Income	0	13	(100%)	16	45	(64.4%)
Margin (%)	-	7%	NM	2.2%	5.8%	(360 bps)

All figures are non-GAAP
Source: Company data

Valuation

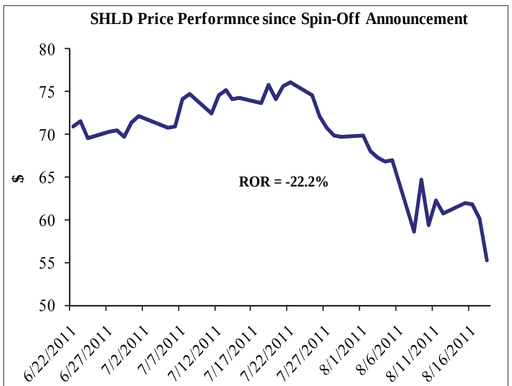
We roll forward our valuation to FY12. Our estimate for FY12 revenue and EBITDA is $8,526 million and $1,234 million respectively, excluding International Bakery. Our valuation factors in debt guidance of $2.3 billion and cash of $300 million for FY12. Our SOTP valuation considers 7.5x FY12 EBITDA for NA Retail, 10.4x FY12 EBITDA for International Beverage and 6.5x FY12 EBITDA for NA Foodservice business. Our fair value estimate for Sara Lee is $18.66 (unchanged), implying an upside of 9.1% to the current market price of $17.09 and we maintain "Hold" recommendation on the stock.

Earnings Update

Sears Holdings (SHLD) 2Q11 Results Update

Parent: Sears Holdings (Nasdaq:SHLD)
Sector: Retail (Broadlines)
Spin-Off: Orchard Supply Hardware Stores
Sector: Retail (Home Improvement)
Target Price – SHLD: $52.54
Share Price – SHLD: $55.23*
Recommendation: Sell
Downside: 5%
*as on August 18, 2011

Price Performance



Source: Bloomberg

Key Data – SHLD

Price ($ as on August 18, 2011)	55.23
Market Capitalization ($ million)	5,948.3
Primary Exchange	Nasdaq
Bloomberg Symbol	SHLD US
Net Debt ($ million as of July 30, 2011)	2,960
Revenue 2010 ($ million)	43,326
Shares Outstanding (million)	107.7
52 Week Range ($)	54.91-94.79
Fiscal Year Ending	January 31

Spin Details

Announced	June 23, 2011
Form S-1 Filing	June 23, 2011
Record & Distribution Date	To be Announced
Spin-Off Ratio	To be Announced
Tax-Status	Tax-free

Weak 2Q11 Results; Misses Expectations

Revise Our Target Price to $52.54 (earlier $59.03) and Reiterate Sell

On August 18, 2011, Sears Holdings (NASDAQ: SHLD, $55.23, Market Capitalization: $5.9 billion) reported disappointing 2Q11 results below our expectations. Net loss widened to $144 million in 2Q11, compared to a loss of $39 million in 2Q10. Revenues fell 1% YOY to $10,333 million and adjusted EBITDA fell by 69% YOY to $79 million. The results primarily reflect lack of store traffic, sales being driven by promotional activity, service cuts and lack of investment in infrastructure. The weak results of this quarter combined with a challenging macro environment in the US point to continued challenges for Sears ahead.

We lower our FY12 EBITDA estimate to $897 million (earlier $1027 million) to factor in weaker than expected 2Q11 results. **Our fair value estimate of $52.54 (earlier $59.03) implies a downside of 5% to the current market price of $55.23 and we maintain Sell rating on the stock.** The valuations remain expensive as Sears trades at ~10x FY11 EBITDA, well above its peer group (average multiple ~6x) despite earnings remaining weak. The stock has fallen by 18% (vs 5% fall in S&P 500 index) since we initiated coverage on August 5, 2011.

Key Highlights of the Result

New Brands: The Company launched new exclusive brands in apparel - the Kardashian Kollection at Sears and Sofia by Sofia Vergara at Kmart. SHLD also introduced innovative products, such as the newly launched 31 cubic foot Kenmore Trio refrigerator.

New Management: During the quarter, Sears hired new leaders to the team, including Rob Schriesheim as CFO, Edgar Huber to lead Lands' End and Monica Woo as head of Sears marketing.

Net Debt: Cash at the end of the quarter was $679 million, while debt was $3.6 billion.

Company Description

Sears Holding (SHLD) is a broadline retailer operating primarily in the US and Canada. The US operations are carried out through Kmart and Sears stores, while Canadian operations are conducted through Sears Canada (92% owned subsidiary).

Top 5 Shareholders (Sears)	Holding %
RBS Partners	45.07
Lampert Edward S	15.96
Fairhome Capital Management	15.32
Tisch Thomas J	3.67
State Street Corporation	3.33

Overall Results

Total revenues decreased 1% YOY $10,333 million in 2Q11 on account of a 0.7% decrease in domestic comparable store sales and the effect of having fewer Kmart and Sears Full-line stores in operation, in addition to a 5.8% decline in comparable store sales at Sears Canada. The operating loss stood at $177 million in 2Q11, as compared to an operating income of $5 million in 2Q10. The decline was largely due to decline in our gross margin and an increase in SG&A expenses at Sears Canada.

$ million	2Q11	2Q10	% change
Revenues	10,333	10,458	(1)%
EBIT	(177)	5	NM
Adjusted EBITDA	79	254	(69)%
Net Loss	(146)	(39)	NM

Source: Company data

Divisional Results

Kmart

Revenues decreased by $6 million in 2Q11, while comparable store sales were flat. The decline in revenue was primarily due to the impact of Kmart having fewer stores in operation during 2Q11. Kmart recorded an operating loss of $16 million in 2Q11, compared to an operating income of $19 million in 2Q10. The decrease was mainly the result of a YOY 160 bps decline in gross margin and lower revenues.

$ million	2Q11	2Q10	% change
Revenues	3,624	3,630	(0.2)%
EBIT	(16)	19	NM
Adjusted EBITDA	26	57	(54)%

Source: Company data

Sears Domestic

Revenues fell by 2% YOY to $5,534 million on account of lower comparable store sales (-1.2%) and fewer full-line stores in operation. The decrease in comparable store sales was primarily driven by the consumer electronics category. The gross margin declined by 110 bps (YOY) in 2Q11. Consequently, the operating loss widened to $163 million in 2Q11, as compared to $63 million in 2Q10.

$ million	2Q11	2Q10	% change
Revenues	5,534	5,674	(2%)
EBIT	(163)	(65)	NM
Adjusted EBITDA	25	121	(79)%

Source: Company data

Sears Canada

Revenues grew by 2% YOY to $1,175 million primarily due to $86 million favorable impact of exchange rate. Operating income declined by 96% YOY to $2 million in 2Q11 as gross margins declined by 10 bps and SG&A expenses increased.

$ million	2Q11	2Q10	% change
Revenues	1,175	1,154	2%
EBIT	2	51	(96)%
Adjusted EBITDA	28	76	(63)%

Source: Company data

Valuation

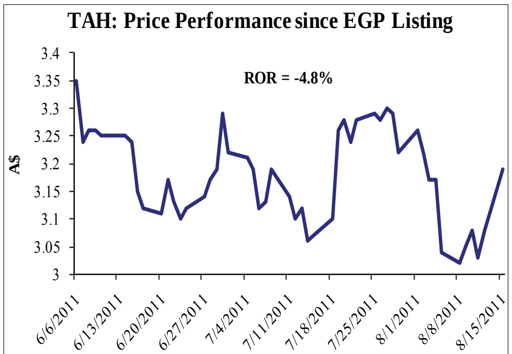
We lower our FY12 EBITDA estimate to $897 million (earlier $1027 million) to factor in weaker than expected 2Q11 results. We value SHLD on a sum-of-parts basis. We have used EV/EBITDA and EV/Sales relative valuation with 50:50 weight to each. We value Sears Domestic (including Kmart) at 6.1x FY12 EBITDA and 0.3x FY12 sales and Sears Canada at 8.1x FY12 EBITDA and 0.8x FY12 sales. Our valuation factors in the net debt of $2,960 million and pension liabilities of $2,044 million. Our fair value estimate of $52.54 (earlier $59.03) implies a downside of 5% to the current market price of $55.23 and we maintain Sell rating on the stock.

Earnings Update

Tabcorp (TAH) Full Year Results Update

Parent: Tabcorp (ASX: TAH)
Sector: Casino and Gaming
Spin-Off: Echo Entertainment Group (ASX: EGP)
Sector: Casino and Gaming
Target Price – TAH: A$4.01
Share Price – TAH: A$3.24*
Recommendation: Buy
Upside: 24%
*as on August 17, 2011

Price Performance



Source: Bloomberg

Key Data – TAH (1 AUD = 1.046 USD)	
Price (A$ as on August 17, 2011)	3.24
Market Capitalization (A$ million)	2,229
Market Capitalization ($ million)	2,332
Primary Exchange	ASX
Bloomberg Symbol	TAH AU
Net Debt (A$ million as of June 30, 2011)	818
Revenue 2011 (A$ million)	3,064
Shares Outstanding (million)	688
Fiscal Year Ending	June 30

Spin Details	
Announced Date	October 18, 2010
Record Date	June 10, 2011
Distribution Date	June 15, 2011
Spin Ratio	1:1
Status	Tax Free

FY11 Results in line with our Estimates; Bags New Victorian Wagering and Betting License

Maintain Our Target Price at A$4.01 and Buy Rating

On August 16, 2011, Tabcorp (ASX: TAH, A$3.24, Market Capitalization: A$2.2 billion/$2.3 billion) reported full year FY11 results in line with our estimates. Revenues grew 2.9% YOY to A$2,491 million and EBIT grew by 5.2% YOY to A$562.5 million on account of strong growth across all segments (Wagering, Keno and Gaming). TAH won a new Victorian wagering and betting license which will commence from August 2012. The Company expects steady growth in FY12 to be driven by rollout of new fixed betting and trackside products in NSW and commencement of new Victorian wagering and keno licenses.

We revise our FY13 EBITDA estimate to A$470 million (earlier A$363 million) to factor in contribution from the new Victorian Wagering and Betting license. Our valuation factors in net debt of A$818 million and license fee payment of A$410 million related to the new Victorian license. **Our fair value estimate of A$4.01 (unchanged) implies an upside of 24% to the current market price of A$3.24 and we maintain Buy rating on the stock.**

Key Highlights of the Conference Call

New Licenses: The Company won a new 10 year Victorian Keno license which will be rolled out from April 2012 and a new Victorian Wagering and Betting license which will commence from August 2012. Besides this, TAH signed agreement with the NSW racing industry and NSW Government to introduce Tabcorp's animated racing game, Trackside, and an expanded fixed odds offering into the NSW market.

FY12 Outlook: TAH said that it is poised to clock steady growth in FY12 but did not provide any specific guidance. Guidance on new initiatives were unchanged, NSW Trackside to earn A$30 million EBITDA by FY13, Tabcorp Gaming Solutions to earn A$45 million in EBITDA from August 2012, and Victorian Keno A$20 million of EBITDA by FY15.

Dividends: Tabcorp intends to target a dividend payout ratio of 50% of net profit in FY12 and 80% of FY13.

Company Description

Tabcorp operates retail wagering, gaming and keno businesses in Australia. Its operations are mainly focused in Victoria, New South Wales (NSW) and Queensland.

Top 5 Shareholders (Tabcorp)	Holding %
Perpetual Ltd	8.14%
Blackrock Investment Management	6.30%
National Australia Bank	4.75%
Lazard Asset Management	4.46%
Maple-Brown Abbott	3.74%

Overall Results

TAH reported FY11 revenues of A$2,942 million, an increase of 3% over FY10 on account of growth across all its business segments. The operating income grew 6% YOY to A$563 million. In FY11, TAH was awarded the new 10-year Victorian Keno license, Victorian Wagering license and introduced animated racing game, Trackside, and an expanded fixed odds offering in the NSW market.

A$ million	2H11	2H10	% change	FY11	FY10	% change
Revenues	1414	1528	(7)%	2,942	2,860	3%
EBIT	262	300	(13)%	563	535	6%
EBITDA	327	360	(9)%	687	649	5%

Source: Company data

Wagering

The segment reported 1% YOY increase in revenues to A$1,569 million in FY11 driven by growth in fixed odds (+31.7% YOY) and online wagering (+18% YOY) partly offset by decrease in totalisator revenues. Retail business in both New South Wales and Victoria delivered improved results, following the rollout of Trackside. EBITDA grew by 5% YOY to A$288 million with margins improving by 60 bps to 18.3%.

A$ million	2H11	2H10	% change	FY11	FY10	% change
Revenues	743	826	(10)%	1,569	1,554	1%
EBIT	95	125	(24)%	220	211	5%
EBITDA	130	158	(18)%	288	274	5%

Source: Company data

Media & International

Revenues grew by 9% YOY to A$179 million largely attributed to expansion of sky racing to three channels. TAH entered into media agreements with Racing Queensland, Harness Racing NSW, Greyhound Racing Victoria and WA Thoroughbreds.

A$ million	2H11	2H10	% change	FY11	FY10	% change
Revenues	89.8	89.5	0.3%	179	164	9%
EBIT	26.1	26.7	(2)%	53	51	4%
EBITDA	29.8	30.0	(1)%	60	56	7%

Source: Company data

Gaming

Revenues grew 4% YOY to A$1,077 million, while operating expenses declined by 6% YOY to A$37 million. Consequently, operating income grew by 7% YOY to A$241 million. TAH's market share increased to 53.9% in FY11, as compared to 52.9% in FY10. The Company's new initiative Tabcorp Gaming Solution (TGS) is gaining traction with 7,500 EGM's already contracted so far.

A$ million	2H11	2H10	% change	FY11	FY10	% change
Revenues	521.2	556.2	(6)%	1,077	1,037	4%
EBIT	116.7	124.7	(6)%	241	225	7%
EBITDA	136.2	143.4	(5)%	280	262	7%

Source: Company data

Keno

Keno business posted revenues of A$170 million, up 8% YOY due to strong performance in NSW and Queensland. Operating income increased 5% YOY to A$49 million. In the second half of FY11, Tabcorp obtained a new 10-year Victoria Keno license.

A$ million	2H11	2H10	% change	FY11	FY10	% change
Revenues	85.8	83.8	2%	170	157	8%
EBIT	25.2	23.6	7%	49	47	5%
EBITDA	31.5	29.1	8%	61	56	9%

Source: Company data

Valuation

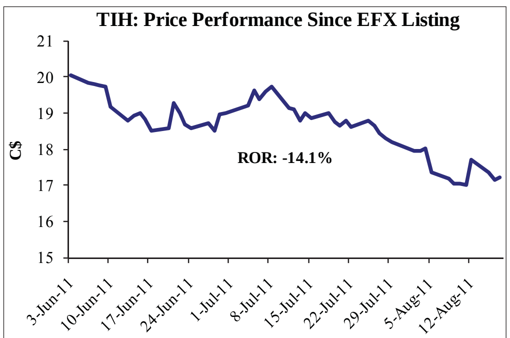
We revise our FY13 EBITDA estimate to A$470 million (earlier A$363 million) to factor in the impact of new Victorian Wagering and Betting license. We value TAH at 8.1x FY13 EBITDA, in line with the Tatts Group multiple. Our valuation factors in net debt of A$818 million and license fee payment of A$410 million related to the new Victorian license. We have considered the residual value of VIC Gaming license expiring in 2012 in our valuation. Our fair value estimate of A$4.01 (unchanged) implies an upside of 24% to the current market price of A$3.24 and we maintain Buy rating on the stock.

Earnings Update

Toromont (TIH) 2Q11 Results Update

Toromont
Parent: Toromont (TSX:TIH)
Sector: Industrial Equipment
Spin-Off: Enerflex (TSX:EFX)
Sector: Oil & Gas
Target Price – Toromont: C$19.26
Share Price – Toromont: C$17.22*
Recommendation: Hold
Upside: 12%
*as on August 17, 2011

Price Performance



Source: Bloomberg

Key Data – Toromont (1C$=1.0189$)	
Price (C$) as on August 17, 2011	17.22
Market Capitalization (C$ million)	1,336
Market Capitalization ($ million)	1,361
Primary Exchange	TSX
Bloomberg Symbol	TIH CN
Net Debt (C$ million) as on June 30, 2011	114
Revenue 2010 (C$ million)	2,332
Shares Outstanding (million)	77.6
52 Week Range (C$)	16.80 – 20.05
Fiscal Year Ending	December 31

Strong Results; Positive Outlook for FY11

Revise our Target Price to C$19.26 (earlier C$19.36) and Maintain Hold

On August 12, 2011, Toromont Industries (TSX: TIH, C$17.22; Market Capitalization: C$1,336 million/$1,361 million) reported 2Q11 results, broadly in line with our estimates. Whereas the revenues increased by 9.3%, operating margins improved marginally due to higher operating expenses.

The Company has guided for an improved second half of 2011 on the back of healthy order backlog and seasonal nature of the business. Based on the results, we have revised our FY11 EBITDA estimate to C$185 million (earlier C$177 million). **<u>We have revised our target price to C$19.26 (earlier C$19.36) which factors in the latest net debt number. We maintain our Hold rating implying 12% upside from the current market price of C$17.22.</u>**

Key Highlights of the Results

Order Backlog: Order Backlog as on June 30, 2011 increased by 41.9% to C$335 million as compared to C$236 million as on June 30, 2010. The growth in the level of backlog was primarily due to a significant mining order with deliveries scheduled over the next six quarters.

Outlook: The fourth quarter is seasonally strong for the Company. In the Equipments segment, the Company is experiencing improved equipment orders in many markets, including mining, road building and general construction and expects the investment levels to remain high. For the CIMCO segment, the Company anticipates increased revenue from industrial refrigeration sector, partially offset by declining revenue from recreation projects.

Spin-Off of Enerflex (EFX): The Company completed the spin-off of its natural gas compression and processing equipment business, Enerflex.

Dividends: The Company has declared dividends of C$0.11 per share, payable on October 3, 2011, to shareholders of record on September 15, 2011.

Net Debt: The Company reported C$19.6 million in cash and debt of C$134.3 million at the end of second quarter 2011.

Company Description

Toromont is a Canada-based leading equipment dealer for Caterpillar products and offers rental solutions. It also operates industrial and recreational refrigeration business.

Spin-Off Details	
Announcement Date	November 8, 2011
Transaction Filing	April 11, 2011
EFX Listing	June 3, 2011
Record Date	June 7, 2011
Spin-Off Ratio	1:1
Tax-Status	Tax-free

Top 5 Shareholders Toromont Industries	Holding %
Invesco Trimark	10.59%
Leith Wheeler Investment Counsel	9.53%
RBC PH&N Investment Counsel	4.17%
AGF Investments Inc.	2.64%
Robert M Ogilvie	2.57%

Source: Bloomberg

Financial Results

Toromont posted positive 2Q11 results with revenue growing by 9.3% to C$344.6 million as compared to 2Q10. The growth in revenue is equally attributed to both the business segments, Equipment Group and CIMCO, growing by 9.3% each. Gross margins expanded significantly by 110bps to 24.3% in 2Q11 as compared to 23.2% in the same period previous year. However, operating margins improved marginally by 20bps to 10.0% in the quarter due to higher Selling & Administrative expenses. The Company reported a net income of C$159.7 million in the current quarter resulting in an EPS of C$2.07 as compared to an EPS of C$0.29 in 2Q10. The Net income for 2Q11 includes C$133.2 million gain on spin-off of Enerflex. On an adjusted basis, Net income grew by 21% in 2Q11 as compared to 2Q10.

in C$ million except EPS	2Q11	2Q10	% change
Revenue	344.6	315.3	9.3%
Gross Profit	83.7	73.3	14.2%
Gross Margin (%)	24.3%	23.2%	110bps
Operating Income	34.5	30.7	12.1%
Operating Margin (%)	10.0%	9.8%	20bps
Net Income	159.7	21.9	629.2%
EPS	2.07	0.29	613.8%

Source: Company data

Divisional Results

Equipment Group

In 2Q11, Equipment Group's revenue increased by 9.3% to C$289.1 million as compared to 2Q10 due to strong performance in all the business areas. Sales for both new equipment and old equipment increased on the back of strong demand from heavy construction and power systems market segments. Rental revenues and Power generation revenues increased due to higher rental rates and higher average prices for electricity respectively. Another key business area, Product support, witnessed higher revenues benefitted from higher utilization of equipment and increased general economic activity. However, Operating margins contracted slightly by 20bps to 10.2% in 2Q11 as compared to 10.4% in 2Q10 reflecting higher costs across a number of areas including compensation, warranty, freight and information technology.

in C$ million	2Q11	2Q10	% change
Revenue	289.1	264.5	9.3%
Operating Income	29.4	27.4	7.3%
Operating Margin (%)	10.2%	10.4%	(20)bps

Source: Company data

CIMCO

Revenue for the second quarter 2011 increased by 9.3% to C$55.5 million as compared to 2Q10. CIMCO's package sales and rental revenue increased by 14% due to solid performance in Industrial refrigeration business in both Canada and the US, partially offset by declining Recreational revenues. Product support revenue increased marginally by 2% due to increased activity in Canada. Operating margin improved significantly by 250bps to 9.0% in 2Q11 on the back of higher revenues and higher margins on improved execution.

in C$ million	2Q11	2Q10	% change
Revenue	55.5	50.8	9.3%
Operating Income	5.0	3.3	51.5%
Operating Margin (%)	9.0%	6.5%	250bps

Source: Company data

Valuation

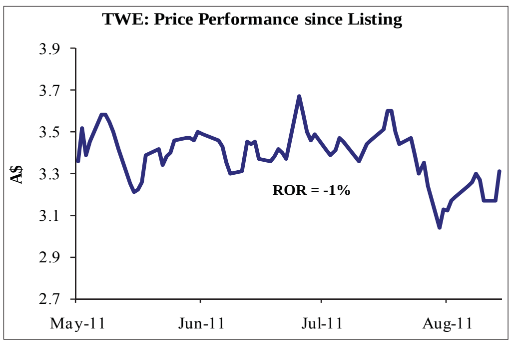
Based on the strong 2Q11 results, we have revised our FY11 EBITDA estimates to C$185 million (earlier C$177 million). We revise our target price to C$19.26 (earlier C$19.36) taking into account the latest net debt of C$114 million. Our target price of C$19.26 implies 12% upside from the current market price of C$17.22 and we reiterate our Hold rating.

Earnings Update

Treasury Wine Estates (TWE) FY11 Results Update

Parent: Foster's (ASX: FGL)
Sector: Consumer
Spin-Off: Treasury Wine Estates (ASX: TWE)
Sector: Consumer
Target Price – TWE: A$3.57
Share Price –TWE: A$3.31*
Recommendation: Hold
Upside: 8.0%
*as on August 23, 2011

Price Performance



Source: Bloomberg

Key Data – TWE (1 AUD = 1.041 USD)	
Price (A$ as on August 23, 2011)	3.31
Market Capitalization (A$ million)	2,142
Market Capitalization ($ million)	2,230
Primary Exchange	ASX
Bloomberg Symbol	TWE AU
Net Debt (A$ million as of June 30, 2011)	72
Revenue 2011 (A$ million)	1,758
Shares Outstanding (million)	647.2
Fiscal Year Ending	June 30

Spin Details	
Announced	February 15, 2011
Record Date	May 16, 2011
Distribution Date	May 20, 2011
Spin-Off Ratio	1:3
Tax-Status	Tax-free

Results in line with Our Expectations; Soft Volume Growth in Americas and EMEA

Maintain Our Target Price at A$3.57 and Hold Rating

On August 22, 2011, Treasury Wine Estates (ASX: TWE, A$3.31, Market Capitalization: A$2.1 billion/$2.2 billion) reported full year FY11 results in line with our expectations. Revenues declined 7% YOY to A$1,758 million on account of soft volume growth in Americas and EMEA. Both the regions were hit by consumer uncertainty, extreme competitor activity, deep promotional pricing and strong Australian dollar. Although volume declined 6.6% YOY, many brands produced outstanding volume and value growth. The management noted that the fundamentals underpinning the wine industry remain robust and it sees significant growth opportunities in the US, Australia and Asia.

We keep our FY12 sales and EBITDA estimate unchanged at A$1,770 million and A$281 million respectively. **Our fair value of A$3.57 (unchanged) implies an upside of 8% to the current market price of A$3.31 and we reiterate Hold rating on the stock.**

Key Highlights of the Conference Call

FY12 Priorities: The Company is looking to stabilize the volume of commercial brands in the Americas and EMEA, by adopting a more balanced approach to volume and value growth. The management will continue to build on the momentum in ANZ and maintain focus on driving EBITS growth. The management also stated that it intends to implement its cost efficiency program (roughly A$30 million in savings).

Dividend Payout: TWE declared a final dividend of $0.06 per share. The Company will target a dividend payout ratio of between 55% and 70%.

Net Debt: The Company ended the year with cash and cash equivalents of A$64.8 million and debt of A$136.5 million.

Company Description

Treasury Wine Estates is a leading international wine business with a portfolio of luxury, premium and commercial wines. Treasury Wine Estates comprises four regional business units: ANZ, Americas, EMEA and Asia.

Overall Results

Revenues declined 7% YOY to A$1,758 million on account of soft volume growth in Americas and EMEA. Total volume declined 6.6% primarily as a result of reduced promotional activity and price support across the commercial wine portfolio in the Americas. Volume in the Americas declined 11.2%, in EMEA volume declined 3.8% and in ANZ volume was marginally below the prior year. In Asia, volume increased 10.5% compared to the prior year with volume in China increasing by 37.6%. EBITS stood at $195.2 million, down 3.7% on account of currency impact of A$30 million. On a constant currency basis, EBITS increased 13.1% YOY.

Top 5 Shareholders (TWE)	Holding %
CommonWealth Bank of Australia	11.47%
IOOF Holdings	7.67%
Capital Group	7.25%
Perpetual Ltd	4.75%
Harris Associates	1.39%

			% change	
A$ million	FY11	FY10	Reported Currency	Constant Currency
Volume (million 9L cases)	33	36	(6.7)%	(6.6)%
Revenues	1,758	1,890	(7.0)%	(0.5)%
Revenue per case (A$)	52.9	53.1	(0.4)%	0.5%
EBITS	195	203	(3.7)%	13.1%
EBITDAS	267	298	(10.3)%	-

Source: Company data

Divisional Results

Australia & New Zealand (ANZ)

Revenues grew 4.2% YOY to A$578 million driven by strong growth in luxury wine volume and price increases on a number of brands. Overall volume decreased by 1.2% YOY, but core brand portfolio in Australia (excluding discontinued and licensed brands) grew 3% YOY. EBITS increased by 13.2% YOY on a constant currency basis to A$96 million helped by mix improvement, pricing and a diligent focus on cost.

			% change	
A$ million	FY11	FY10	Reported Currency	Constant Currency
Volume (million 9L cases)	7.8	7.9	(1.3)%	(1.2)%
Revenues	578	555	4.2%	4.6%
Revenue per case (A$)	73.8	69.9	5.5%	5.8%
EBITS	96	84	14.5%	13.2%
EBITS margin	16.7%	15.2%	150 bps	130 bps

Source: Company data

Americas

Revenues fell 14.8% YOY to A$795 million on account of disappointing volume growth in the region. EBITS declined by 14.2% YOY to A$92 million largely due to unfavorable foreign exchange impact of A$22 million. On a constant currency basis, EBITS in the Americas increased 8.2% to $92.2 million. Strong first half EBITS growth was partially offset by a 17.7% decline in second half EBITS on a constant currency basis.

			% change	
A$ million	FY11	FY10	Reported Currency	Constant Currency
Volume (million 9L cases)	15.9	17.9	(11.2)%	(11.2)%
Revenues	795	933	(14.8)%	(5.7)%
Revenue per case (A$)	49.9	52.0	(4.1)%	6.2%
EBITS	92	107	(14.2)%	8.2%
EBITS margin	11.6%	11.5%	10 bps	150 bps

Source: Company data

EMEA

Revenues declined by 9.7% YOY to A$304 million. Volume declined slightly more than expected by 3.8% to 8.5 million cases. In the UK and Ireland, volume is down 4.4%, and the Nordics down 3.2% and down 3.6% in Continental Europe. EBITS fell some 56.7% to A$6.5 million as market conditions remained challenging across the whole of Europe with extremely competitive retail environment and negative currency impacts.

			% change	
A$ million	**FY11**	**FY10**	**Reported Currency**	**Constant Currency**
Volume (million 9L cases)	8.5	8.9	(3.8)%	(3.8)%
Revenues	304	336	(9.7)%	(1.0)%
Revenue per case (A$)	35.7	38.0	(6.1)%	2.9%
EBITS	7	15	(56.7)%	-
EBITS margin	2.1%	4.5%	(240) bps	-

Source: Company data

Asia

Volume across the region was up 10.5% to 1 million cases driven by strong range and premium brands with Penfolds volume up 28% and Beringer volume up 45%. Volume in China increased by 38% YOY. Consequently, revenues grew 23.5% YOY to A$82 million. EBITS increased 19.1% on a constant currency basis. EBITS margin was below last year as investment in long term brand building activities and organizational capability increased.

			% change	
A$ million	**FY11**	**FY10**	**Reported Currency**	**Constant Currency**
Volume (million 9L cases)	1.0	0.9	10.5%	10.5%
Revenues	82	66	23.5%	24.7%
Revenue per case (A$)	85.6	76.5	11.8%	12.8%
EBITS	27	23	18.6%	19.1%
EBITS margin	33.5%	34.8%	(130) bps	(150) bps

Source: Company data

Valuation

We value TWE at 8.5x FY12 EBITDA of A$281 million, in line with the average peer group multiple. Our valuation factors in the latest net debt of A$71.7 million. Our fair value of A$3.57 (unchanged) implies an upside of 8% to the current market price of A$3.31 and we reiterate Hold rating on the stock.

Global Calendar by Date

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
1	ArcelorMittal	MT	Aperam	APEMY	Spin-Off	**USA**	Jan-11
2	Diana Shipping	DSX	Diana Containership Inc.	DCIXV	Spin-Off	Greece	Jan-11
3	Dundee Wealth	DW CN	Dundee Capital Markets	DCM CN	Spin-Off	Canada	Jan-11
4	Grupo Carso	GCARSOA1 MM	Minera Frisco SAB	MFRISCOA MM	Spin-Off	Mexico	Jan-11
5	Grupo Carso	GCARSOA1 MM	Inmuebles Carso SAB	INCARSOB MM	Spin-Off	Mexico	Jan-11
6	Motorola Solutions	MSI	Motorola Mobility	MMI	Spin-Off	**USA**	Jan-11
7	International Coal Holdings Ltd.	ICL AU	Straits Resources Limited	SRQ AU	Spin-Off	Australia	Feb-11
8	Seadrill	SDRL NO	North Atlantic Drilling Ltd.	NADL NO	Spin-Off	Norway	Feb-11
9	Green Dragon	GRDGF	Greka Drilling	GDL LN	Spin-Off	China	Mar-11
10	Hutchison Whampoa Ltd.	13 HK	Hutschison Holdings Trust	HPHT SP	IPO	Singapore	Mar-11
11	Celebrity Fashions	CFLI IN	Indian Terrain Fashions Ltd	ITFL IN	Spin-Off	India	Mar-11
12	Northrop Grumman	NOC	Huntington Ingalls Industries Inc	HII	Spin-Off	**USA**	Mar-11
13	Advantage Oil & Gas	AAV CN	Longview Oil Corp.	LNV CN	IPO	Canada	Apr-11
14	CFC Stanbic Holdings	CFCB KN	CFC Insurance Holdings	CFCI KN	Spin-Off	Kenya	Apr-11
15	CVR Energy, Inc.	CVI	CVR Partners LP	UAN	IPO	**USA**	Apr-11
16	Genzyme	GENZ	Sanofi	GCVRZ	Spin-Off	**USA**	Apr-11
17	Golar LNG Partners LP	GLNG	Golar LNG Partners LP	GMLP	IPO	**USA**	Apr-11
18	Mvelaphanda Resources	MVL SJ	Northam Platinum	NHM SJ	Spin-Off	South Africa	Apr-11
19	Paragon Shipping	PRGN	Box Ships Inc.	TEU	Spin-Off	**USA**	Apr-11
20	SandRidge Energy	SD	SandRidge Mississippian Trust	SDT	IPO	**USA**	Apr-11
21	Tesoro Petroleum Corp.	TSO	Tesoro Logistics LP	TLLP	IPO	**USA**	Apr-11
22	Transport Corp. of India	TRPC IN	TCI Developers	TCID IN	Spin-Off	India	Apr-11
23	Foster's Group	FGL AU	Treasury Wine Estates	TWE AU	Spin-Off	Australia	May-11
24	Rieter Holding AG	RIEN SW	Autoneum	AUTN SW	Spin-Off	Switzerland	May-11
25	Phoenix Satellite	2008 HK	Phoenix New Media	FENG	IPO	**USA**	May-11
26	PostNL	PNL NA	TNT Express	TNTE NA	Spin-Off	Netherlands	May-11
27	Sevan Marine	SEVAN NO	Sevan Drilling	SEVDR NO	IPO	Norway	May-11
28	Cablevision Systems Corp	CVC	AMC Networks Inc.	AMCX	Spin-Off	**USA**	Jun-11
29	General Finance Corp	GFN	Royal Wolf	RWH AU	IPO	Australia	Jun-11
30	Haldex AB	HLDX SS	Concentric AB	COIC SS	Spin-Off	Sweden	Jun-11
31	Lee & Man Holdings	746 HK	Lee & Man Handbags	1488 HK	Spin-Off	Hong Kong	Jun-11
32	MGM Resorts International	MGM	MGM China Holdings Ltd.	2282 HK	IPO	Hong Kong	Jun-11
33	Marathon	MRO	Marathon Petroleum Corp.	MPC	Spin-Off	**USA**	Jun-11
34	New World Development Co.	17 HK	Newton Resources	1231 HK	Spin-Off	Hong Kong	Jun-11
35	Sopra Group	SOP FP	Axway	AXW FP	IPO	France	Jun-11
36	Tabcorp	TAH AU	Echo Entertainment	EGP AU	Spin-Off	Australia	Jun-11
37	Toromont	TIH CN	Enerflex Ltd	EFX CN	Spin-Off	Canada	Jun-11
38	Aker Solutions ASA	AKER NO	Kvaerner	KAVAER NO	Spin-Off	Norway	Jul-11
39	Carrefour	CA FP	(Dia) Distribuidora Intl de Alim	DIA SM	Spin-Off	France	Jul-11
40	Forest Oil	FST	Lone Pine Resources	LPR	IPO	**USA**	Jul-11
41	Mondi Ltd.	MND SJ	Mpact	MPT SJ	Spin-Off	South Africa	Jul-11
42	Sunoco	SUN	SunCoke Energy	SXC US	IPO	**USA**	Jul-11
43	Punch Taverns	PUB LN	Spirit	SPRT	Spin-Off	London	Aug-11
44	Siemens	SIG GR	Osram		IPO	Germany	Sep-11
45	Western Copper Corp.*	WRN CN	Copper North Mining Corp		Spin-Off	Canada	Sep-11
46	Western Copper Corp.*	WRN CN	NorthIsle Copper & Gold Inc.		Spin-Off	Canada	Sep-11
47	DryShips Inc.	DRYS	Ocean Rig UDW		Spin-Off	**USA**	Oct-11

Global Calendar by Date

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
48	Fortune Brands**	FO	Home & Security Unit	FBHS	Spin-Off	**USA**	Oct-11
49	IDT Corporation	IDT	Genie Energy	GNE	Spin-Off	**USA**	Oct-11
50	PCCW Ltd	8 HK	PCCW Telecommunications		IPO	Hong Kong	Oct-11
51	Sino American Silicon	5483 TT	Taiwan Sapphire Corp.		Spin-Off	Taiwan	Oct-11
52	Sino American Silicon	5483 TT	Global Wafer Corp.		Spin-Off	Taiwan	Oct-11
53	Triveni Engineering & Industries	TRE IN	Triveni Turbine Ltd.		Spin-Off	India	Oct-11
54	Benton Resources Group	BTC LN	Caldwell Copper Corp.		Spin-Off	Canada	Q3-11
55	Canaco Resources Inc.	CAN CN	Tigray Resources		Spin-Off	Canada	Q3-11
56	Century Plyboards India Ltd.	CPBI IN	Bldg Prod-Wood		Spin-Off	India	Q3-11
57	Expedia	EXPE	Trip Advisor		Spin-Off	**USA**	Q3-11
58	Liberty Media Interactive	LINTA	Liberty Capital	LCAPA	Split-Off	**USA**	Q3-11
59	Liberty Media Interactive	LINTA	Liberty Starz	LSTZA	Split-Off	**USA**	Q3-11
60	Marriott	MAR	Marriott Vacations Worldwide		Spin-Off	**USA**	Q3-11
61	Minemakers Ltd.	MAK AU	TNT Mines Ltd.		Spin-Off	Australia	Q3-11
62	Minera Andes Inc.	MAI CN	Los Azules Copper Project		Spin-Off	Canada	Q3-11
63	Reservoir Capital Corp.	REO CN	Resevoir Minerals Inc.		Spin-Off	Canada	Q3-11
64	Strategic Metals Ltd.	SMD	Silver Range Resources Inc.		Spin-Off	Canada	Q3-11
65	Tintinagold Resources Inc.	TAU CN	Colorade Creek Mining		Spin-Off	Canada	Q3-11
66	TPV Technology Ltd	903 HK	AOC Brand		Spin-Off	Hong Kong	Q3-11
67	Unitech Ltd.	UT	Unitech Infra Ltd.		Spin-Off	India	Q3-11
68	Vedanta Resources	VED LN	Konkola Copper Mines	KKCP ZL	IPO	London	Q3-11
69	Williams	WMB	New E&P		IPO	**USA**	Q3-11
70	AGR Group ASA	AGR	Petroleum Services		Spin-Off	Norway	Q4-11
71	Banco Santander SA	STD	Santander UK		Spin-Off	UK	Q4-11
72	Carrols Restaurant Group	TAST	Fiesta Restaurant Group		Spin-Off	**USA**	Q4-11
73	El Paso Corp	EP	EP Energy	EPE	Spin-Off	**USA**	Q4-11
74	General Growth Properties	GGP	Rouse Properties		Spin-Off	**USA**	Q4-11
75	Gold Bullion Development Corp.	GBB CN	Castle Silver Mines		Spin-Off	Canada	Q4-11
76	Rederi AB Transatlantic	RABTB SS	Trans Viking Offshore		Spin-Off	Sweden	Q4-11
77	Telecom Corp of New Zealand	NZT	Chorus (Fiber Network)		Split	New Zealand	Q4-11
78	**ATS Automantion Tooling Sys.**	**ATA CN**	**Photowatt**		**Spin-Off**	**Canada**	**2H-11**
79	ITT	ITT	ITT Xylem		Spin-Off	**USA**	2H-11
80	ITT	ITT	ITT Exelis		Spin-Off	**USA**	2H-11
81	nTelos Holdings Corp.	NTLS	nTelos Wireless One		Spin-Off	**USA**	2H-11
82	Shanda Interactive Entertainment	SNDA	Cloudary		IPO	**USA**	2H-11
83	American Security Resources Corp.	ARSC	Hydra Fuel Cell Corporation		Spin-Off	**USA**	2011
84	Aware Inc.	AWRE	Patent Licensing Operations		Spin-Off	**USA**	2011
85	Banco Santander	SAN SM	Argentinian Arm		Spin-Off	**USA**	2011
86	Callinan Royalties Corp.	CAA CN	B.C. and Manitoba		Spin-Off	Canada	2011
87	Fortis Healthcare LTD	FORH IN	Super Religare Laboratoreis		IPO	India	2011
88	Guinness Peat Group	GPG AU	GPG Australia		Spin-Off	Australia	2011
89	IDT Corporation	IDT	Innovative Comm. Tech., Inc	CANCELLED	Spin-Off	**USA**	2011
90	JBS SA	JBS SA	JBS USA Holdings	CANCELLED	IPO	**USA**	2011
91	Medtronic	MDT	Physio-Control		Spin-Off	**USA**	2011
92	Molopo Energy Ltd	MPO AU	Molopo Energy Canada Ltd		IPO	Canada	2011
93	News Corp	NWS	British Sky Broadcasting	CANCELLED	Spin-Off	UK	2011

Global Calendar by Date

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
94	Ralcorp Holdings Inc.	RAH	Post Foods Unit		Spin-Off	**USA**	2011
95	Seacor Holdings Inc.	CKH	Era Oil-Helicopter Unit	ERA	IPO	**USA**	2011
96	Sears Holdings Corp	SHLD	Orchard Supply Hardware Stores		Spin-Off	**USA**	2011
97	Shui On Construction & Mat.	983 HK	Lafarge Shui On Cement	LFSUCZ	IPO	France, HK	2011
98	ThyssenKrupp	TKA GR	Stainless Steel Operations		Spin-Off	Germany	2011
99	Woori Finance Holdings	053000 KS	Credit Card Business		Spin-Off	South Korea	2011
100	De' Loughi	DLG IM	De' Louhi Clima S.p.A.		Spin-Off	Italy	Jan-12
101	Sara Lee Corp	SLE	European-Based Coffee Unit		Spin-Off	**USA**	Q1-12
102	Tyco International	TYC	Electrical and Metal Products	CANCELLED	Spin-Off		Q1-12
103	Williams	WMB	New E&P		Spin-Off	**USA**	Q1-12
104	ConocoPhillips	COP	Downstream Business		Spin-Off	**USA**	1H-12
105	L-3 Communications Holdings	LLL	Engility		Spin-Off	**USA**	1H-12
106	Sunoco	SUN	SunCoke Energy	SXC US	Spin-Off	**USA**	1H-12
107	AMR Corporation	AMR	AMR Eagle Holding Corporation		Spin-Off	**USA**	2012
108	ING Groep	ING	US Insurance		IPO	**USA**	2012
109	ING Groep	ING	European Insurance		IPO	Netherlands	2012
110	Macmahon Hodings Ltd.	MAH AU	Construction East		Split	Australia	2012
111	Macmahon Hodings Ltd.	MAH AU	Construction West		Split	Australia	2012
112	AGR Group ASA	AGR NO	AGR Petroleum Services		Spin-Off	Norway	TBA
113	Alcatel-Lucent	NLU FP	Phones/Equipment Business		Spin/IPO	France	TBA
114	AstraZeneca	AZN LN	Astra Tech		Spin-Off	London	TBA
115	BT Group	BT/A LN	Yell Group	YELL LN	Spin-Off	UK	TBA
116	Chambal Fertilisers & Chemicals	CHMB IN	India Steamship		Spin-Off	India	TBA
117	China Flavors & Fragrance Co.	3318 HK	Universal Fragrance Co.		Spin-Off	China	TBA
118	China Green	904 HK	Branded Beverage Business		Spin-Off	Hong Kong	TBA
119	China Travel International Inv. HK	308 HK	Hotel Operations		Spin-Off	Hong Kong	TBA
120	Coalworks Limited	CWK AU	Orpheus Energy Limited	OEG AU	Spin-Off	Australia	TBA
121	Ctrip.com International Ltd.	CTRP	Lvping.com		Spin-Off	Shanghai	TBA
122	Dalmia Cement	DCB IN	Dalmia Bharat Enterprises	DBEL IN	Spin-Off	India	TBA
123	Elan Corp	ELN ID	Elan Drug Technologies		Spin-Off	Ireland	TBA
124	Essar Shipping & Logistics	ESRS IN	Essar Shipping		Spin-Off	India	TBA
125	Finmeccanica SpA	FNC IM	Real Estate		Spin-Off	Italy	TBA
126	Hindustan Unilever	AUVR In	Export Business		Spin-Off	India	TBA
127	Hitachi Ltd	HIT	Hitachi Global Storage Tech.		IPO	**USA**	TBA
128	Intesa Sanpaolo	ISP IM	Banca Fideuram	BFI IM	Spin-Off	Italy	TBA
129	Kam Hing International	2307 HK	Garment Business		Spin-Off	Hong Kong	TBA
130	Kenmec Mechanical Eng.	6125 TT	EMS Unit		IPO	Taiwan	TBA
131	Kith Holdings Ltd.	1201 HK	Megalogic Technology		IPO	Hong Kong	TBA
132	**Mercator**	**MERL SV**	**Hardware/Electronics Division**		**Spin-Off**	**Slovenia**	**TBA**
133	Misys	MSY LN	Healthcare Business		Spin-Off	UK	TBA
134	Nippon T & T	9432 JT	Fiber-optics ops Nippon T & T		Spin-Off	Japan	TBA
135	**Orascom Telecom Holdings**	**OTLD LI**	**Orascom Telecom Media**		**Spin-Off**	**Egypt**	**TBA**
136	Pembangunan	PTPP IJ	Property Unit		IPO	Indonesia	TBA
137	**Rowan**	**RDC**	**Land Rig Unit**		**Spin-Off**	**USA**	**TBA**
138	Severstal	SVST LI	Nord Gold NV	NORD LN	IPO	London	TBA
139	Shinsegae Co. Ltd.	004170 KS	Department & Discount Stores		Spin-Off	South Korea	TBA
140	Tessera Technologies Inc.	TSKA	Imaging & Optics Business		Spin-Off	**USA**	TBA
141	Usinas	USIM5 BZ	Iron Mining Unit		IPO	Brazil	TBA
142	Vedanta Resources	VED LN	Aluminium		Spin-Off	London	TBA

Global Calendar by Date

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
143	Wilh. Wilhelmsen ASA	WWI NO	Shipping and Logistics		Spin-Off	Norway	TBA
144	**Vodone**	**82 HK**	**Mobile Game/Handset Design Bus.**		**Spin-Off**	**Hong Kong**	**TBA**
145	News Corp	NWSA	Myspace	SOLD	Spin-Off	Hong Kong	SOLD
			Recently Added				
1	ATS Automantion Tooling Sys.	ATA CN	Photowatt		Spin-Off	Canada	2H-11
2	Mercator	MERL SV	Hardware/Electronics Division		Spin-Off	Slovenia	TBA
3	Orascom Telecom Holdings	OTLD LI	Orascom Telecom Media		Spin-Off	Egypt	TBA
4	Rowan	RDC	Land Rig Unit		Spin-Off	**USA**	TBA
5	Vodone	82 HK	Mobile Game/Handset Design Bus.		Spin-Off	Hong Kong	TBA
			Cancelled				
1	IDT Corporation	IDT	Innovative Comm. Tech., Inc	ICTI	Spin-Off	**USA**	2011
2	JBS SA	JBS SA	JBS USA Holdings		IPO	**USA**	2011
3	News Corp	NWS	British Sky Broadcasting	CANCELLED	Spin-Off	UK	2011
4	Tyco International	TYC	Electrical and Metal Products		Spin-Off	**USA**	Q1-12

*NAME CHANGE TO WESTERN COPPER & GOLD CORP

**NAME CHANGE OCT. 4, 2011 TO BEAM INC. (BEAM)

USA **Recenly Added** **Cancelled**

Global Calendar by Parent

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
1	Advantage Oil & Gas	AAV CN	Longview Oil Corp.	LNV CN	IPO	Canada	Apr-11
2	AGR Group ASA	AGR	Petroleum Services		Spin-Off	Norway	Q4-11
3	AGR Group ASA	AGR NO	AGR Petroleum Services		Spin-Off	Norway	TBA
4	Aker Solutions ASA	AKER NO	Kvaerner	KAVAER NO	Spin-Off	Norway	Jul-11
5	Alcatel-Lucent	NLU FP	Phones/Equipment Business		Spin/IPO	France	TBA
6	American Security Resources Corp.	ARSC	Hydra Fuel Cell Corporation		Spin-Off	**USA**	2011
7	AMR Corporation	AMR	AMR Eagle Holding Corporation		Spin-Off	**USA**	2012
8	ArcelorMittal	MT	Aperam	APEMY	Spin-Off	**USA**	Jan-11
9	AstraZeneca	AZN LN	Astra Tech		Spin-Off	London	TBA
10	**ATS Automantion Tooling Sys.**	**ATA CN**	**Photowatt**		**Spin-Off**	**Canada**	**2H-11**
11	Aware Inc.	AWRE	Patent Licensing Operations		Spin-Off	**USA**	2011
12	Banco Santander	SAN SM	Argentinian Arm		Spin-Off	**USA**	2011
13	Banco Santander SA	STD	Santander UK		Spin-Off	UK	Q4-11
14	Benton Resources Group	BTC LN	Caldwell Copper Corp.		Spin-Off	Canada	Q3-11
15	BT Group	BT/A LN	Yell Group	YELL LN	Spin-Off	UK	TBA
16	Cablevision Systems Corp	CVC	AMC Networks Inc.	AMCX	Spin-Off	**USA**	Jun-11
17	Callinan Royalties Corp.	CAA CN	B.C. and Manitoba		Spin-Off	Canada	2011
18	Canaco Resources Inc.	CAN CN	Tigray Resources		Spin-Off	Canada	Q3-11
19	Carrefour	CA FP	(Dia) Distribuidora Intl de Alim	DIA SM	Spin-Off	France	Jul-11
20	Carrols Restaurant Group	TAST	Fiesta Restaurant Group		Spin-Off	**USA**	Q4-11
21	Celebrity Fashions	CFLI IN	Indian Terrain Fashions Ltd	ITFL IN	Spin-Off	India	Mar-11
22	Century Plyboards India Ltd.	CPBI IN	Bldg Prod-Wood		Spin-Off	India	Q3-11
23	CFC Stanbic Holdings	CFCB KN	CFC Insurance Holdings	CFCI KN	Spin-Off	Kenya	Apr-11
24	Chambal Fertilisers & Chemicals	CHMB IN	India Steamship		Spin-Off	India	TBA
25	China Flavors & Fragrance Co.	3318 HK	Universal Fragrance Co.		Spin-Off	China	TBA
26	China Green	904 HK	Branded Beverage Business		Spin-Off	Hong Kong	TBA
27	China Travel International Inv. HK	308 HK	Hotel Operations		Spin-Off	Hong Kong	TBA
28	Coalworks Limited	CWK AU	Orpheus Energy Limited	OEG AU	Spin-Off	Australia	TBA
29	ConocoPhillips	COP	Downstream Business		Spin-Off	**USA**	1H-12
30	Ctrip.com International Ltd.	CTRP	Lvping.com		Spin-Off	Shanghai	TBA
31	CVR Energy, Inc.	CVI	CVR Partners LP	UAN	IPO	**USA**	Apr-11
32	Dalmia Cement	DCB IN	Dalmia Bharat Enterprises	DBEL IN	Spin-Off	India	TBA
33	De' Loughi	DLG IM	De' Louhi Clima S.p.A.		Spin-Off	Italy	Jan-12
34	Diana Shipping	DSX	Diana Containership Inc.	DCIXV	Spin-Off	Greece	Jan-11
35	DryShips Inc.	DRYS	Ocean Rig UDW		Spin-Off	**USA**	Oct-11
36	Dundee Wealth	DW CN	Dundee Capital Markets	DCM CN	Spin-Off	Canada	Jan-11
37	El Paso Corp	EP	EP Energy	EPE	Spin-Off	**USA**	Q4-11
38	Elan Corp	ELN ID	Elan Drug Technologies		Spin-Off	Ireland	TBA
39	Essar Shipping & Logistics	ESRS IN	Essar Shipping		Spin-Off	India	TBA
40	Expedia	EXPE	Trip Advisor		Spin-Off	**USA**	Q3-11
41	Finmeccanica SpA	FNC IM	Real Estate		Spin-Off	Italy	TBA
42	Forest Oil	FST	Lone Pine Resources	LPR	IPO	**USA**	Jul-11
43	Fortis Healthcare LTD	FORH IN	Super Religare Laboratoreis		IPO	India	2011
44	Fortune Brands**	FO	Home & Security Unit	FBHS	Spin-Off	**USA**	Oct-11
45	Foster's Group	FGL AU	Treasury Wine Estates	TWE AU	Spin-Off	Australia	May-11
46	General Finance Corp	GFN	Royal Wolf	RWH AU	IPO	Australia	Jun-11
47	General Growth Properties	GGP	Rouse Properties		Spin-Off	**USA**	Q4-11

Global Calendar by Parent

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
48	Genzyme	GENZ	Sanofi	GCVRZ	Spin-Off	**USA**	Apr-11
49	Golar LNG Partners LP	GLNG	Golar LNG Partners LP	GMLP	IPO	**USA**	Apr-11
50	Gold Bullion Development Corp.	GBB CN	Castle Silver Mines		Spin-Off	Canada	Q4-11
51	Green Dragon	GRDGF	Greka Drilling	GDL LN	Spin-Off	China	Mar-11
52	Grupo Carso	GCARSOA1 MM	Minera Frisco SAB	MFRISCOA MM	Spin-Off	Mexico	Jan-11
53	Grupo Carso	GCARSOA1 MM	Inmuebles Carso SAB	INCARSOB MM	Spin-Off	Mexico	Jan-11
54	Guinness Peat Group	GPG AU	GPG Australia		Spin-Off	Australia	2011
55	Haldex AB	HLDX SS	Concentric AB	COIC SS	Spin-Off	Sweden	Jun-11
56	Hindustan Unilever	AUVR In	Export Business		Spin-Off	India	TBA
57	Hitachi Ltd	HIT	Hitachi Global Storage Tech.		IPO	**USA**	TBA
58	Hutchison Whampoa Ltd.	13 HK	Hutschison Holdings Trust	HPHT SP	IPO	Singapore	Mar-11
59	IDT Corporation	IDT	Genie Energy	GNE	Spin-Off	**USA**	Oct-11
60	IDT Corporation	IDT	Innovative Comm. Tech., Inc	CANCELLED	Spin-Off	**USA**	2011
61	ING Groep	ING	US Insurance		IPO	**USA**	2012
62	ING Groep	ING	European Insurance		IPO	Netherlands	2012
63	International Coal Holdings Ltd.	ICL AU	Straits Resources Limited	SRQ AU	Spin-Off	Australia	Feb-11
64	Intesa Sanpaolo	ISP IM	Banca Fideuram	BFI IM	Spin-Off	Italy	TBA
65	ITT	ITT	ITT Xylem		Spin-Off	**USA**	2H-11
66	ITT	ITT	ITT Exelis		Spin-Off	**USA**	2H-11
67	JBS SA	JBS SA	JBS USA Holdings	CANCELLED	IPO	**USA**	2011
68	Kam Hing International	2307 HK	Garment Business		Spin-Off	Hong Kong	TBA
69	Kenmec Mechanical Eng.	6125 TT	EMS Unit		IPO	Taiwan	TBA
70	Kith Holdings Ltd.	1201 HK	Megalogic Technology		IPO	Hong Kong	TBA
71	L-3 Communications Holdings	LLL	Engility		Spin-Off	**USA**	1H-12
72	Lee & Man Holdings	746 HK	Lee & Man Handbags	1488 HK	Spin-Off	Hong Kong	Jun-11
73	Liberty Media Interactive	LINTA	Liberty Capital	LCAPA	Split-Off	**USA**	Q3-11
74	Liberty Media Interactive	LINTA	Liberty Starz	LSTZA	Split-Off	**USA**	Q3-11
75	Macmahon Hodings Ltd.	MAH AU	Construction East		Split	Australia	2012
76	Macmahon Hodings Ltd.	MAH AU	Construction West		Split	Australia	2012
77	Marathon	MRO	Marathon Petroleum Corp.	MPC	Spin-Off	**USA**	Jun-11
78	Marriott	MAR	Marriott Vacations Worldwide		Spin-Off	**USA**	Q3-11
79	Medtronic	MDT	Physio-Control		Spin-Off	**USA**	2011
80	**Mercator**	**MERL SV**	**Hardware/Electronics Division**		**Spin-Off**	**Slovenia**	**TBA**
81	MGM Resorts International	MGM	MGM China Holdings Ltd.	2282 HK	IPO	Hong Kong	Jun-11
82	Minemakers Ltd.	MAK AU	TNT Mines Ltd.		Spin-Off	Australia	Q3-11
83	Minera Andes Inc.	MAI CN	Los Azules Copper Project		Spin-Off	Canada	Q3-11
84	Misys	MSY LN	Healthcare Business		Spin-Off	UK	TBA
85	Molopo Energy Ltd	MPO AU	Molopo Energy Canada Ltd		IPO	Canada	2011
86	Mondi Ltd.	MND SJ	Mpact	MPT SJ	Spin-Off	South Africa	Jul-11
87	Motorola Solutions	MSI	Motorola Mobility	MMI	Spin-Off	**USA**	Jan-11
88	Mvelaphanda Resources	MVL SJ	Northam Platinum	NHM SJ	Spin-Off	South Africa	Apr-11
89	New World Development Co.	17 HK	Newton Resources	1231 HK	Spin-Off	Hong Kong	Jun-11
90	News Corp	NWS	British Sky Broadcasting	CANCELLED	Spin-Off	UK	2011
91	News Corp	NWSA	Myspace	SOLD	Spin-Off	Hong Kong	SOLD
92	Nippon T & T	9432 JT	Fiber-optics ops Nippon T & T		Spin-Off	Japan	TBA
93	Northrop Grumman	NOC	Huntington Ingalls Industries Inc	HII	Spin-Off	**USA**	Mar-11
94	nTelos Holdings Corp.	NTLS	nTelos Wireless One		Spin-Off	**USA**	2H-11

Global Calendar by Parent

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
95	**Orascom Telecom Holdings**	**OTLD LI**	**Orascom Telecom Media**		**Spin-Off**	**Egypt**	**TBA**
96	Paragon Shipping	PRGN	Box Ships Inc.	TEU	Spin-Off	**USA**	Apr-11
97	PCCW Ltd	8 HK	PCCW Telecommunications		IPO	Hong Kong	Oct-11
98	Pembangunan	PTPP IJ	Property Unit		IPO	Indonesia	TBA
99	Phoenix Satellite	2008 HK	Phoenix New Media	FENG	IPO	**USA**	May-11
100	PostNL	PNL NA	TNT Express	TNTE NA	Spin-Off	Netherlands	May-11
101	Punch Taverns	PUB LN	Spirit	SPRT	Spin-Off	London	Aug-11
102	Ralcorp Holdings Inc.	RAH	Post Foods Unit		Spin-Off	**USA**	2011
103	Rederi AB Transatlantic	RABTB SS	Trans Viking Offshore		Spin-Off	Sweden	Q4-11
104	Reservoir Capital Corp.	REO CN	Resevoir Minerals Inc.		Spin-Off	Canada	Q3-11
105	Rieter Holding AG	RIEN SW	Autoneum	AUTN SW	Spin-Off	Switzerland	May-11
106	**Rowan**	**RDC**	**Land Rig Unit**		**Spin-Off**	**USA**	**TBA**
107	SandRidge Energy	SD	SandRidge Mississippian Trust	SDT	IPO	**USA**	Apr-11
108	Sara Lee Corp	SLE	European-Based Coffee Unit		Spin-Off	**USA**	Q1-12
109	Seacor Holdings Inc.	CKH	Era Oil-Helicopter Unit	ERA	IPO	**USA**	2011
110	Seadrill	SDRL NO	North Atlantic Drilling Ltd.	NADL NO	Spin-Off	Norway	Feb-11
111	Sears Holdings Corp	SHLD	Orchard Supply Hardware Stores		Spin-Off	**USA**	2011
112	Sevan Marine	SEVAN NO	Sevan Drilling	SEVDR NO	IPO	Norway	May-11
113	Severstal	SVST LI	Nord Gold NV	NORD LN	IPO	London	TBA
114	Shanda Interactive Entertainment	SNDA	Cloudary		IPO	**USA**	2H-11
115	Shinsegae Co. Ltd.	004170 KS	Department & Discount Stores		Spin-Off	South Korea	TBA
116	Shui On Construction & Mat.	983 HK	Lafarge Shui On Cement	LFSUCZ	IPO	France, HK	2011
117	Siemens	SIG GR	Osram		IPO	Germany	Sep-11
118	Sino American Silicon	5483 TT	Taiwan Sapphire Corp.		Spin-Off	Taiwan	Oct-11
119	Sino American Silicon	5483 TT	Global Wafer Corp.		Spin-Off	Taiwan	Oct-11
120	Sopra Group	SOP FP	Axway	AXW FP	IPO	France	Jun-11
121	Strategic Metals Ltd.	SMD	Silver Range Resources Inc.		Spin-Off	Canada	Q3-11
122	Sunoco	SUN	SunCoke Energy	SXC US	IPO	**USA**	Jul-11
123	Sunoco	SUN	SunCoke Energy	SXC US	Spin-Off	**USA**	1H-12
124	Tabcorp	TAH AU	Echo Entertainment	EGP AU	Spin-Off	Australia	Jun-11
125	Telecom Corp of New Zealand	NZT	Chorus (Fiber Network)		Split	New Zealand	Q4-11
126	Tesoro Petroleum Corp.	TSO	Tesoro Logistics LP	TLLP	IPO	**USA**	Apr-11
127	Tessera Technologies Inc.	TSKA	Imaging & Optics Business		Spin-Off	**USA**	TBA
128	ThyssenKrupp	TKA GR	Stainless Steel Operations		Spin-Off	Germany	2011
129	Tintinagold Resources Inc.	TAU CN	Colorade Creek Mining		Spin-Off	Canada	Q3-11
130	Toromont	TIH CN	Enerflex Ltd	EFX CN	Spin-Off	Canada	Jun-11
131	TPV Technology Ltd	903 HK	AOC Brand		Spin-Off	Hong Kong	Q3-11
132	Transport Corp. of India	TRPC IN	TCI Developers	TCID IN	Spin-Off	India	Apr-11
133	Triveni Engineering & Industries	TRE IN	Triveni Turbine Ltd.		Spin-Off	India	Oct-11
134	Tyco International	TYC	Electrical and Metal Products	CANCELLED	Spin-Off		Q1-12
135	Unitech Ltd.	UT	Unitech Infra Ltd.		Spin-Off	India	Q3-11
136	Usinas	USIM5 BZ	Iron Mining Unit		IPO	Brazil	TBA
137	Vedanta Resources	VED LN	Konkola Copper Mines	KKCP ZL	IPO	London	Q3-11
138	Vedanta Resources	VED LN	Aluminium		Spin-Off	London	TBA
139	**Vodone**	**82 HK**	**Mobile Game/Handset Design Bus.**		**Spin-Off**	**Hong Kong**	**TBA**
140	Western Copper Corp.*	WRN CN	Copper North Mining Corp		Spin-Off	Canada	Sep-11
141	Western Copper Corp.*	WRN CN	NorthIsle Copper & Gold Inc.		Spin-Off	Canada	Sep-11
142	Wilh. Wilhelmsen ASA	WWI NO	Shipping and Logistics		Spin-Off	Norway	TBA
143	Williams	WMB	New E&P		IPO	**USA**	Q3-11

Global Calendar by Parent

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
144	Williams	WMB	New E&P		Spin-Off	**USA**	Q1-12
145	Woori Finance Holdings	053000 KS	Credit Card Business		Spin-Off	South Korea	2011
			Recently Added				
1	ATS Automantion Tooling Sys.	ATA CN	Photowatt		Spin-Off	Canada	2H-11
2	Mercator	MERL SV	Hardware/Electronics Division		Spin-Off	Slovenia	TBA
3	Orascom Telecom Holdings	OTLD LI	Orascom Telecom Media		Spin-Off	Egypt	TBA
4	Rowan	RDC	Land Rig Unit		Spin-Off	**USA**	TBA
5	Vodone	82 HK	Mobile Game/Handset Design Bus.		Spin-Off	Hong Kong	TBA
			Cancelled				
1	IDT Corporation	IDT	Innovative Comm. Tech., Inc	ICTI	Spin-Off	**USA**	2011
2	JBS SA	JBS SA	JBS USA Holdings		IPO	**USA**	2011
3	News Corp	NWS	British Sky Broadcasting	CANCELLED	Spin-Off	UK	2011
4	Tyco International	TYC	Electrical and Metal Products		Spin-Off	**USA**	Q1-12

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**NAME CHANGE OCT. 4, 2011 TO BEAM INC. (BEAM)

USA **Recenly Added** **Cancelled**

Global Calendar by Spin-Off

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
1	Carrefour	CA FP	(Dia) Distribuidora Intl de Alim	DIA SM	Spin-Off	France	Jul-11
2	AGR Group ASA	AGR NO	AGR Petroleum Services		Spin-Off	Norway	TBA
3	Vedanta Resources	VED LN	Aluminium		Spin-Off	London	TBA
4	Cablevision Systems Corp	CVC	AMC Networks Inc.	AMCX	Spin-Off	**USA**	Jun-11
5	AMR Corporation	AMR	AMR Eagle Holding Corporation		Spin-Off	**USA**	2012
6	TPV Technology Ltd	903 HK	AOC Brand		Spin-Off	Hong Kong	Q3-11
7	ArcelorMittal	MT	Aperam	APEMY	Spin-Off	**USA**	Jan-11
8	Banco Santander	SAN SM	Argentinian Arm		Spin-Off	**USA**	2011
9	AstraZeneca	AZN LN	Astra Tech		Spin-Off	London	TBA
10	Rieter Holding AG	RIEN SW	Autoneum	AUTN SW	Spin-Off	Switzerland	May-11
11	Sopra Group	SOP FP	Axway	AXW FP	IPO	France	Jun-11
12	Callinan Royalties Corp.	CAA CN	B.C. and Manitoba		Spin-Off	Canada	2011
13	Intesa Sanpaolo	ISP IM	Banca Fideuram	BFI IM	Spin-Off	Italy	TBA
14	Century Plyboards India Ltd.	CPBI IN	Bldg Prod-Wood		Spin-Off	India	Q3-11
15	Paragon Shipping	PRGN	Box Ships Inc.	TEU	Spin-Off	**USA**	Apr-11
16	China Green	904 HK	Branded Beverage Business		Spin-Off	Hong Kong	TBA
17	News Corp	NWS	British Sky Broadcasting	CANCELLED	Spin-Off	UK	2011
18	Benton Resources Group	BTC LN	Caldwell Copper Corp.		Spin-Off	Canada	Q3-11
19	Gold Bullion Development Corp.	GBB CN	Castle Silver Mines		Spin-Off	Canada	Q4-11
20	CFC Stanbic Holdings	CFCB KN	CFC Insurance Holdings	CFCI KN	Spin-Off	Kenya	Apr-11
21	Telecom Corp of New Zealand	NZT	Chorus (Fiber Network)		Split	New Zealand	Q4-11
22	Shanda Interactive Entertainment	SNDA	Cloudary		IPO	**USA**	2H-11
23	Tintinagold Resources Inc.	TAU CN	Colorade Creek Mining		Spin-Off	Canada	Q3-11
24	Haldex AB	HLDX SS	Concentric AB	COIC SS	Spin-Off	Sweden	Jun-11
25	Macmahon Hodings Ltd.	MAH AU	Construction East		Split	Australia	2012
26	Macmahon Hodings Ltd.	MAH AU	Construction West		Split	Australia	2012
27	Western Copper Corp.*	WRN CN	Copper North Mining Corp		Spin-Off	Canada	Sep-11
28	Woori Finance Holdings	053000 KS	Credit Card Business		Spin-Off	South Korea	2011
29	CVR Energy, Inc.	CVI	CVR Partners LP	UAN	IPO	**USA**	Apr-11
30	Dalmia Cement	DCB IN	Dalmia Bharat Enterprises	DBEL IN	Spin-Off	India	TBA
31	De' Loughi	DLG IM	De' Louhi Clima S.p.A.		Spin-Off	Italy	Jan-12
32	Shinsegae Co. Ltd.	004170 KS	Department & Discount Stores		Spin-Off	South Korea	TBA
33	Diana Shipping	DSX	Diana Containership Inc.	DCIXV	Spin-Off	Greece	Jan-11
34	ConocoPhillips	COP	Downstream Business		Spin-Off	**USA**	1H-12
35	Dundee Wealth	DW CN	Dundee Capital Markets	DCM CN	Spin-Off	Canada	Jan-11
36	Tabcorp	TAH AU	Echo Entertainment	EGP AU	Spin-Off	Australia	Jun-11
37	Elan Corp	ELN ID	Elan Drug Technologies		Spin-Off	Ireland	TBA
38	Tyco International	TYC	Electrical and Metal Products	CANCELLED	Spin-Off		Q1-12
39	Kenmec Mechanical Eng.	6125 TT	EMS Unit		IPO	Taiwan	TBA
40	Toromont	TIH CN	Enerflex Ltd	EFX CN	Spin-Off	Canada	Jun-11
41	L-3 Communications Holdings	LLL	Engility		Spin-Off	**USA**	1H-12
42	El Paso Corp	EP	EP Energy	EPE	Spin-Off	**USA**	Q4-11
43	Seacor Holdings Inc.	CKH	Era Oil-Helicopter Unit	ERA	IPO	**USA**	2011
44	Essar Shipping & Logistics	ESRS IN	Essar Shipping		Spin-Off	India	TBA
45	ING Groep	ING	European Insurance		IPO	Netherlands	2012
46	Sara Lee Corp	SLE	European-Based Coffee Unit		Spin-Off	**USA**	Q1-12
47	Hindustan Unilever	AUVR In	Export Business		Spin-Off	India	TBA

Global Calendar by Spin-Off

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
48	Nippon T & T	9432 JT	Fiber-optics ops Nippon T & T		Spin-Off	Japan	TBA
49	Carrols Restaurant Group	TAST	Fiesta Restaurant Group		Spin-Off	**USA**	Q4-11
50	Kam Hing International	2307 HK	Garment Business		Spin-Off	Hong Kong	TBA
51	IDT Corporation	IDT	Genie Energy	GNE	Spin-Off	**USA**	Oct-11
52	Sino American Silicon	5483 TT	Global Wafer Corp.		Spin-Off	Taiwan	Oct-11
53	Golar LNG Partners LP	GLNG	Golar LNG Partners LP	GMLP	IPO	**USA**	Apr-11
54	Guinness Peat Group	GPG AU	GPG Australia		Spin-Off	Australia	2011
55	Green Dragon	GRDGF	Greka Drilling	GDL LN	Spin-Off	China	Mar-11
56	**Mercator**	**MERL SV**	**Hardware/Electronics Division**		**Spin-Off**	**Slovenia**	**TBA**
57	Misys	MSY LN	Healthcare Business		Spin-Off	UK	TBA
58	Hitachi Ltd	HIT	Hitachi Global Storage Tech.		IPO	**USA**	TBA
59	Fortune Brands**	FO	Home & Security Unit	FBHS	Spin-Off	**USA**	Oct-11
60	China Travel International Inv. HK	308 HK	Hotel Operations		Spin-Off	Hong Kong	TBA
61	Northrop Grumman	NOC	Huntington Ingalls Industries Inc	HII	Spin-Off	**USA**	Mar-11
62	Hutchison Whampoa Ltd.	13 HK	Hutschison Holdings Trust	HPHT SP	IPO	Singapore	Mar-11
63	American Security Resources Corp.	ARSC	Hydra Fuel Cell Corporation		Spin-Off	**USA**	2011
64	Tessera Technologies Inc.	TSKA	Imaging & Optics Business		Spin-Off	**USA**	TBA
65	Chambal Fertilisers & Chemicals	CHMB IN	India Steamship		Spin-Off	India	TBA
66	Celebrity Fashions	CFLI IN	Indian Terrain Fashions Ltd	ITFL IN	Spin-Off	India	Mar-11
67	Grupo Carso	GCARSOA1 MM	Inmuebles Carso SAB	INCARSOB MM	Spin-Off	Mexico	Jan-11
68	IDT Corporation	IDT	Innovative Comm. Tech., Inc	CANCELLED	Spin-Off	**USA**	2011
69	Usinas	USIM5 BZ	Iron Mining Unit		IPO	Brazil	TBA
70	ITT	ITT	ITT Exelis		Spin-Off	**USA**	2H-11
71	ITT	ITT	ITT Xylem		Spin-Off	**USA**	2H-11
72	JBS SA	JBS SA	JBS USA Holdings	CANCELLED	IPO	**USA**	2011
73	Vedanta Resources	VED LN	Konkola Copper Mines	KKCP ZL	IPO	London	Q3-11
74	Aker Solutions ASA	AKER NO	Kvaerner	KAVAER NO	Spin-Off	Norway	Jul-11
75	Shui On Construction & Mat.	983 HK	Lafarge Shui On Cement	LFSUCZ	IPO	France, HK	2011
76	**Rowan**	**RDC**	**Land Rig Unit**		**Spin-Off**	**USA**	**TBA**
77	Lee & Man Holdings	746 HK	Lee & Man Handbags	1488 HK	Spin-Off	Hong Kong	Jun-11
78	Liberty Media Interactive	LINTA	Liberty Capital	LCAPA	Split-Off	**USA**	Q3-11
79	Liberty Media Interactive	LINTA	Liberty Starz	LSTZA	Split-Off	**USA**	Q3-11
80	Forest Oil	FST	Lone Pine Resources	LPR	IPO	**USA**	Jul-11
81	Advantage Oil & Gas	AAV CN	Longview Oil Corp.	LNV CN	IPO	Canada	Apr-11
82	Minera Andes Inc.	MAI CN	Los Azules Copper Project		Spin-Off	Canada	Q3-11
83	Ctrip.com International Ltd.	CTRP	Lvping.com		Spin-Off	Shanghai	TBA
84	Marathon	MRO	Marathon Petroleum Corp.	MPC	Spin-Off	**USA**	Jun-11
85	Marriott	MAR	Marriott Vacations Worldwide		Spin-Off	**USA**	Q3-11
86	Kith Holdings Ltd.	1201 HK	Megalogic Technology		IPO	Hong Kong	TBA
87	MGM Resorts International	MGM	MGM China Holdings Ltd.	2282 HK	IPO	Hong Kong	Jun-11
88	Grupo Carso	GCARSOA1 MM	Minera Frisco SAB	MFRISCOA MM	Spin-Off	Mexico	Jan-11
89	**Vodone**	**82 HK**	**Mobile Game/Handset Design Bus.**		**Spin-Off**	**Hong Kong**	**TBA**
90	Molopo Energy Ltd	MPO AU	Molopo Energy Canada Ltd		IPO	Canada	2011
91	Motorola Solutions	MSI	Motorola Mobility	MMI	Spin-Off	**USA**	Jan-11
92	Mondi Ltd.	MND SJ	Mpact	MPT SJ	Spin-Off	South Africa	Jul-11
93	News Corp	NWSA	Myspace	SOLD	Spin-Off	Hong Kong	SOLD

Global Calendar by Spin-Off

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
94	Williams	WMB	New E&P		IPO	**USA**	Q3-11
95	Williams	WMB	New E&P		Spin-Off	**USA**	Q1-12
96	New World Development Co.	17 HK	Newton Resources	1231 HK	Spin-Off	Hong Kong	Jun-11
97	Severstal	SVST LI	Nord Gold NV	NORD LN	IPO	London	TBA
98	Seadrill	SDRL NO	North Atlantic Drilling Ltd.	NADL NO	Spin-Off	Norway	Feb-11
99	Mvelaphanda Resources	MVL SJ	Northam Platinum	NHM SJ	Spin-Off	South Africa	Apr-11
100	Western Copper Corp.*	WRN CN	NorthIsle Copper & Gold Inc.		Spin-Off	Canada	Sep-11
101	nTelos Holdings Corp.	NTLS	nTelos Wireless One		Spin-Off	**USA**	2H-11
102	DryShips Inc.	DRYS	Ocean Rig UDW		Spin-Off	**USA**	Oct-11
103	**Orascom Telecom Holdings**	**OTLD LI**	**Orascom Telecom Media**		**Spin-Off**	**Egypt**	**TBA**
104	Sears Holdings Corp	SHLD	Orchard Supply Hardware Stores		Spin-Off	**USA**	2011
105	Coalworks Limited	CWK AU	Orpheus Energy Limited	OEG AU	Spin-Off	Australia	TBA
106	Siemens	SIG GR	Osram		IPO	Germany	Sep-11
107	Aware Inc.	AWRE	Patent Licensing Operations		Spin-Off	**USA**	2011
108	PCCW Ltd	8 HK	PCCW Telecommunications		IPO	Hong Kong	Oct-11
109	AGR Group ASA	AGR	Petroleum Services		Spin-Off	Norway	Q4-11
110	Phoenix Satellite	2008 HK	Phoenix New Media	FENG	IPO	**USA**	May-11
111	Alcatel-Lucent	NLU FP	Phones/Equipment Business		Spin/IPO	France	TBA
112	**ATS Automantion Tooling Sys.**	**ATA CN**	**Photowatt**		**Spin-Off**	**Canada**	**2H-11**
113	Medtronic	MDT	Physio-Control		Spin-Off	**USA**	2011
114	Ralcorp Holdings Inc.	RAH	Post Foods Unit		Spin-Off	**USA**	2011
115	Pembangunan	PTPP IJ	Property Unit		IPO	Indonesia	TBA
116	Finmeccanica SpA	FNC IM	Real Estate		Spin-Off	Italy	TBA
117	Reservoir Capital Corp.	REO CN	Resevoir Minerals Inc.		Spin-Off	Canada	Q3-11
118	General Growth Properties	GGP	Rouse Properties		Spin-Off	**USA**	Q4-11
119	General Finance Corp	GFN	Royal Wolf	RWH AU	IPO	Australia	Jun-11
120	SandRidge Energy	SD	SandRidge Mississippian Trust	SDT	IPO	**USA**	Apr-11
121	Genzyme	GENZ	Sanofi	GCVRZ	Spin-Off	**USA**	Apr-11
122	Banco Santander SA	STD	Santander UK		Spin-Off	UK	Q4-11
123	Sevan Marine	SEVAN NO	Sevan Drilling	SEVDR NO	IPO	Norway	May-11
124	Wilh. Wilhelmsen ASA	WWI NO	Shipping and Logistics		Spin-Off	Norway	TBA
125	Strategic Metals Ltd.	SMD	Silver Range Resources Inc.		Spin-Off	Canada	Q3-11
126	Punch Taverns	PUB LN	Spirit	SPRT	Spin-Off	London	Aug-11
127	ThyssenKrupp	TKA GR	Stainless Steel Operations		Spin-Off	Germany	2011
128	International Coal Holdings Ltd.	ICL AU	Straits Resources Limited	SRQ AU	Spin-Off	Australia	Feb-11
129	Sunoco	SUN	SunCoke Energy	SXC US	IPO	**USA**	Jul-11
130	Sunoco	SUN	SunCoke Energy	SXC US	Spin-Off	**USA**	1H-12
131	Fortis Healthcare LTD	FORH IN	Super Religare Laboratoreis		IPO	India	2011
132	Sino American Silicon	5483 TT	Taiwan Sapphire Corp.		Spin-Off	Taiwan	Oct-11
133	Transport Corp. of India	TRPC IN	TCI Developers	TCID IN	Spin-Off	India	Apr-11
134	Tesoro Petroleum Corp.	TSO	Tesoro Logistics LP	TLLP	IPO	**USA**	Apr-11
135	Canaco Resources Inc.	CAN CN	Tigray Resources		Spin-Off	Canada	Q3-11
136	PostNL	PNL NA	TNT Express	TNTE NA	Spin-Off	Netherlands	May-11
137	Minemakers Ltd.	MAK AU	TNT Mines Ltd.		Spin-Off	Australia	Q3-11
138	Rederi AB Transatlantic	RABTB SS	Trans Viking Offshore		Spin-Off	Sweden	Q4-11
139	Foster's Group	FGL AU	Treasury Wine Estates	TWE AU	Spin-Off	Australia	May-11
140	Expedia	EXPE	Trip Advisor		Spin-Off	**USA**	Q3-11
141	Triveni Engineering & Industries	TRE IN	Triveni Turbine Ltd.		Spin-Off	India	Oct-11
142	Unitech Ltd.	UT	Unitech Infra Ltd.		Spin-Off	India	Q3-11

Global Calendar by Spin-Off

	Parent Name	Ticker	Spin-Off Name	Ticker	Spin-Off Type	Listing	Date
143	China Flavors & Fragrance Co.	3318 HK	Universal Fragrance Co.		Spin-Off	China	TBA
144	ING Groep	ING	US Insurance		IPO	**USA**	2012
145	BT Group	BT/A LN	Yell Group	YELL LN	Spin-Off	UK	TBA
			Recently Added				
1	Mercator	MERL SV	Hardware/Electronics Division		Spin-Off	Slovenia	TBA
2	Rowan	RDC	Land Rig Unit		Spin-Off	**USA**	TBA
3	Vodone	82 HK	Mobile Game/Handset Design Bus.		Spin-Off	Hong Kong	TBA
4	Orascom Telecom Holdings	OTLD LI	Orascom Telecom Media		Spin-Off	Egypt	TBA
5	ATS Automantion Tooling Sys.	ATA CN	Photowatt		Spin-Off	Canada	2H-11
			Cancelled				
1	News Corp	NWS	British Sky Broadcasting	CANCELLED	Spin-Off	**UK**	2011
2	Tyco International	TYC	Electrical and Metal Products		Spin-Off	**USA**	Q1-12
3	IDT Corporation	IDT	Innovative Comm. Tech., Inc	ICTI	Spin-Off	**USA**	2011
4	JBS SA	JBS SA	JBS USA Holdings		IPO	**USA**	2011

*NAME CHANGE TO WESTERN COPPER & GOLD CORP

**NAME CHANGE OCT. 4, 2011 TO BEAM INC. (BEAM)

USA **Recenly Added** **Cancelled**

Spin Analysts' Focus List

By Company Name

Company	Ticker	Currency	Market Cap ($ M)	Initiation Date	Rating	Initiation Market Price	CMP*	Target Price	Performance till Date	Upside
ATS Automation Tooling Sys	ATA	CAD	580	9/6/2011	Buy	CAD 6.76	CAD 6.76	CAD 7.73	0%	14%
Axway Software	AXW	EUR	554	6/14/2011	Buy	€ 23.59	€ 19.75	€ 30.34	-16%	54%
Carrols Restaurant Group	TAST	USD	194	6/13/2011	Buy	$8.81	$8.79	$11.28	0%	28%
ConocoPhillips	COP	USD	91,224	8/3/2011	Buy	$70.63	$66.44	$98.55	-6%	48%
CVR Energy	CVI	USD	2,352	3/31/2011	Buy	$23.16	$27.17	$31.56	17%	16%
DIA	DIA	EUR	2,011	7/6/2011	Buy	€ 3.20	€ 2.96	€ 3.87	-8%	31%
El Paso	EP	USD	14,349	9/6/2011	Buy	$18.63	$18.63	$22.88	0%	23%
Essar Ports	ESSARPORTS	INR	630	5/31/2011	Buy	INR 124.00	INR 70.60	INR 142.26	-43%	102%
Expedia	EXPE	USD	7,508	6/27/2011	Buy	$28.29	$30.20	$34.96	7%	16%
Fiat Industrial	FI	EUR	10,616	1/3/2011	Buy	€ 8.78	€ 6.74	€ 11.01	-23%	63%
Forest Oil Corp	FST	USD	2,117	12/28/2010	Buy	$38.40	$18.51	$32.80	-52%	77%
Golar LNG Ltd.	GLNG	USD	2,591	4/25/2011	Buy	$30.62	$32.43	$35.87	6%	11%
IDT Corp	IDT	USD	453	12/3/2010	Buy	$23.80	$21.17	$31.39	-11%	48%
ITT Corp	ITT	USD	8,592	8/1/2011	Buy	$53.34	$46.37	$64.60	-13%	39%
Kraft Foods	KFT	USD	60,524	9/6/2011	Buy	$34.27	$34.27	$39.43	0%	15%
Liberty Interactive	LINTA	USD	9,053	8/3/2010	Buy	$11.40	$15.81	$21.87	39%	38%
Marathon Oil Corp	MRO	USD	18,407	2/7/2011	Buy	$28.16	$25.78	$38.67	-8%	50%
Sunoco, Inc.	SUN	USD	4,374	5/6/2011	Buy	$40.06	$36.11	$44.97	-10%	25%
Williams Companies, Inc	WMB	USD	15,276	3/30/2011	Buy	$31.45	$25.94	$39.24	-18%	51%

* as on September 1, 2011 except ATS, EP and KFT

By Market Capitalization

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Carrols Restaurant Group	TAST	USD	194	6/13/2011	Buy	$8.81	$8.79	$11.28	0%	28%

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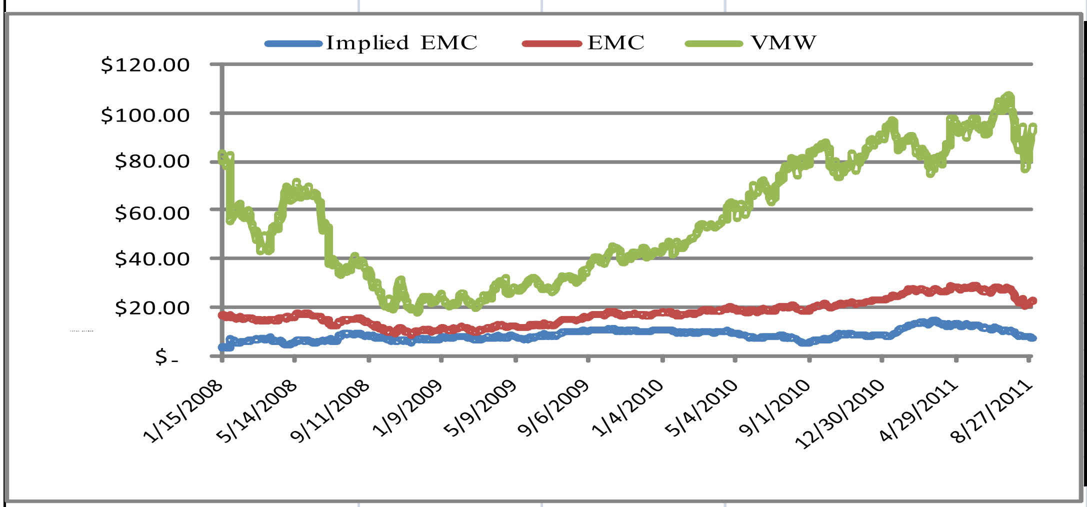
Valuation Snapshots

EMC CORP/MASS / VMWARE INC-CL A

millions except per share data					
EMC CORP/MASS--EMC		1-508-435-1000	VMWARE INC-CL A--VMW		1-650-427-5000
Current Price	$ 22.11		Current Price | Cur Year EPS est.	$ 92.18	$ 2.08
Shares Out	2,064.9		Shares Out / Float	422.3	
Market Cap	$ 45,656.0		Market Cap	$ 38,927.2	
Enterprise Value	$ 44,660.9		Enterprise Value	$ 35,674.1	
Sales 12 Month Trailing	$ 18,553.9		TTM Sales | Price / Sales	3314.84	11.57
Book Per Share	$ 8.8		Book Value | Price / Book	$ 10.2	9.04
Institutional Holdings		90%	Institutional Holdings		94%
Short Int. / Ratio	79.79	2.02	Short Int. / Ratio	2.36	0.62
52 Week Range	$19.14--	$28.73	52 Week Range ($)	$71.04--	$111.43
EMC ownership of VMW			EMC Relationship with VMW		
Shares owned	333.3		Intend to Spin	No	
Share owned per EMC share	0.16		IRS Tax Free Ruling		
Value per EMC share	$ 14.88		Record Date / Distr. Date		
EMC Stub Value	$7.23		VMW IPO Date /Price	8/13/2007	$ 29.0
Economic Interest	79%		IPO Lockup Expires	2/9/2008	

Parent Comparables	NTAP	ORCL	SYX	QLGC	
Price-to-Sales	2.54	3.95	0.13	2.37	
Price-to-Book	3.59	3.55	1.09	2.26	
Price/Earnings	23.11	15.73	10.02	10.91	
Price/EBITDA	13.77	9.06	5.59	8.09	
Enterpr./EBITDA	10.39	8.28	4.47	5.68	

Spin-off Comparables	MSFT	CTXS	IBM	ORCL	HPQ
Price-to-Sales	3.18	5.53	2.02	3.95	0.43
Price-to-Book	3.85	6.27	8.80	3.55	1.37
Price/Earnings	9.93	34.51	13.84	15.73	5.73
Price/EBITDA	7.44	21.77	8.73	9.06	3.02
Enterpr./EBITDA	5.97	19.99	9.16	8.28	3.61



Spread Relationship		
40 Day Average	$	9.13
40 Day Variance		1.45
40 Day St. Dev	$	1.21
40 Day Max	$	10.92
40 Day Min	$	7.23
20 Day Average	$	8.01
20 Day Variance		0.16
20 Day St. Dev	$	0.40
20 Day Max	$	8.90
20 Day Min	$	7.23
10 Day Average	$	7.79
10 Day Variance		0.12
10 Day St. Dev	$	0.34
10 Day Max	$	8.16
10 Day Min	$	7.23

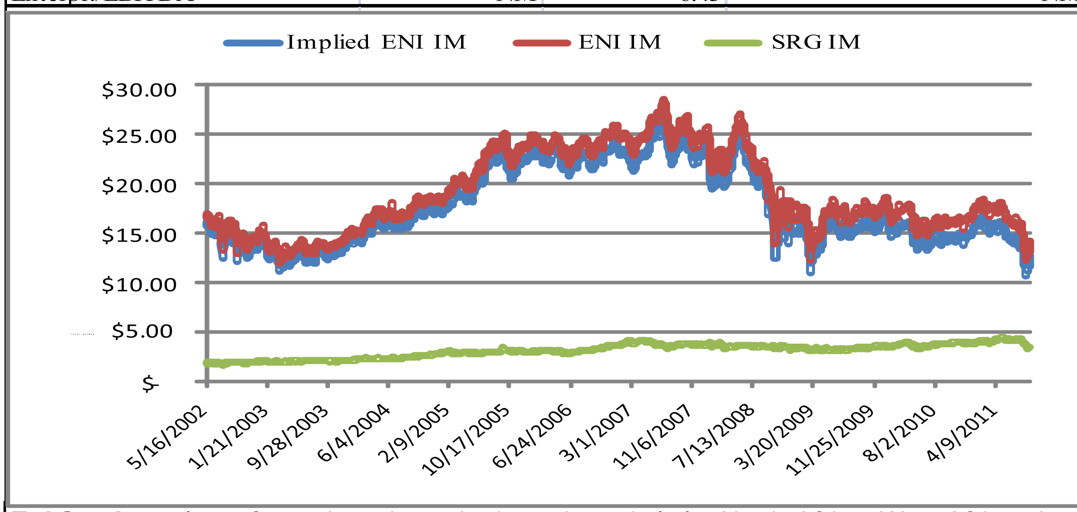
EMC Corporation provides enterprise storage systems, software, networks, and services. The Company's products store, retrieve, manage, protect, and share information from all major computing environments, including UNIX, Windows NT, and mainframe platforms. EMC operates offices around the world.

VMware Inc. develops virtual infrastructure solutions. The Company's products include vManage, which manages virtual infrastructure, vPlatform, a uniform platfrom for information technology infrastructure, and vTools, a virtual infrastructure integration tool.

Valuation Snapshots

ENI SPA / SNAM RETE GAS

millions except per share data					
ENI SPA--ENI		39-06-59821	SNAM RETE GAS--SRG		39-02-5201
Current Price	€ 14.15		Current Price | Cur Year EPS est.	€ 3.38	€ 0.31
Shares Out	4005.36		Shares Out / Float	3570.83	
Market Cap	€ 56,675.83		Market Cap	€ 12,062.27	
Enterprise Value	€ 87,197.83		Enterprise Value	N/A	
Sales 12 Month Trailing	€ 104,192.00		TTM Sales | Price / Sales	€ 3,543.00	€ 3.31
Book Per Share	€ 12.72		Book Value | Price / Book	€ 1.86	NM
Institutional Holdings		€ 0.45	Institutional Holdings		€ 0.12
52 Week Range	€11.83--	€ 18.66	52 Week Range	€ 3.164--	€ 4.31
ENI IM ownership of SRG IM			ENI IM Relationship with SRG IM		
Shares owned	1,786.0		Intend to Spin	No	
Share owned per ENI IM share	0.45		IRS Tax Free Ruling		
Value per ENI IM share	€ 1.51		Record Date / Distr. Date		
ENI IM Stub Value	€ 12.64		SRG IM IPO Date /Price	12/6/2001	€ 2.80
Economic Interest	50%		IPO Lockup Expires	6/4/2002	
Parent Comparables	RDSA	BG/	XOM	CVX	FP
Price-to-Sales	0.49	3.94	0.93	0.91	0.50
Price-to-Book	1.28	2.61	2.30	1.71	1.26
Price/Earnings	7.48	19.81	9.66	8.70	6.69
Price/EBITDA	4.52	7.74	5.56	4.31	2.51
Enterpr./EBITDA	5.18	8.84	5.63	4.29	3.30
Spin-off Comparables	A2A	HER	ACS	ASC	SOL
Price-to-Sales	0.49	0.37	0.32	0.38	0.86
Price-to-Book	NM	0.83	NM	NM	1.33
Price/Earnings	25.68	11.21	12.39	14.87	12.90
Price/EBITDA	NM	2.39	NM	NM	3.74
Enterpr./EBITDA	NM	6.43	NM	NM	5.23



Spread Relationship		
40 Day Average	€	12.68
40 Day Variance		1.22
40 Day St. Dev	€	1.10
40 Day Max	€	14.50
40 Day Min	€	10.59
20 Day Average	€	11.70
20 Day Variance		0.25
20 Day St. Dev	€	0.50
20 Day Max	€	12.64
20 Day Min	€	10.59
10 Day Average	€	11.92
10 Day Variance		0.20
10 Day St. Dev	€	0.45
10 Day Max	€	12.64
10 Day Min	€	11.02

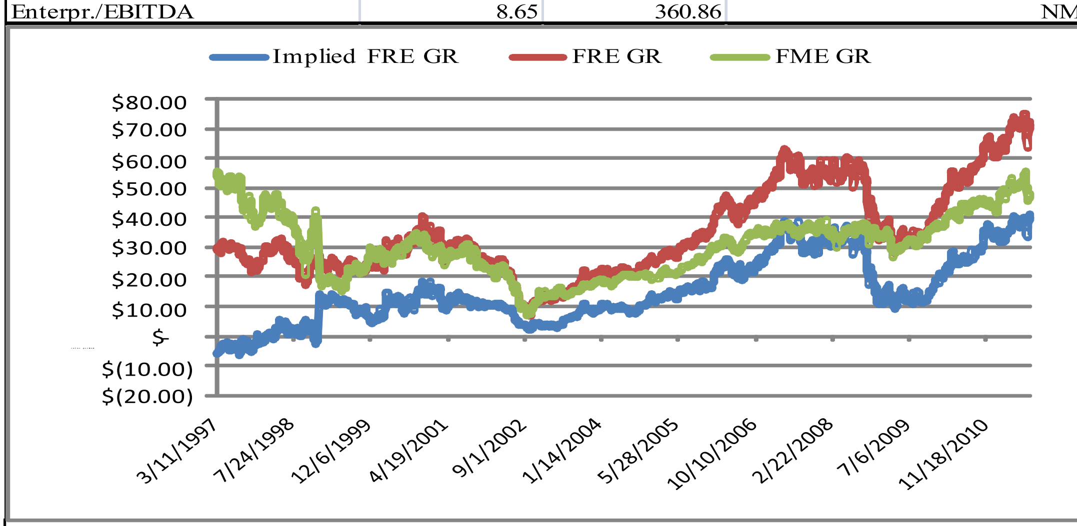
Eni S.p.A. explores for and produces hydrocarbons in Italy, North Africa, West Africa, the North Sea, and the Gulf of Mexico. The Company both produces natural gas and imports it for sale in Italy and elsewhere in Europe. Eni transports natural gas in pipelines. The Company generates and trades electricity, refines oil, and operates gasoline service stations.

Snam Rete Gas S.p.A. owns and operates Italy's natural-gas distribution network. The Company transports gas on behalf of importers, distributors, and companies supplying Italian households. Rete owns a network of high-and medium-pressure pipes, including trunklines connected to production and importation sites in Italy.

Valuation Snapshots

FRESENIUS SE & C / FRESENIUS MEDICA

millions except per share data					
FRESENIUS SE & C--FRE		49-6172-608-2637	FRESENIUS MEDICA--FME		49-6172-6090
Current Price	€ 72.53		Current Price | Cur Year EPS est.	€ 47.60	€ 3.61
Shares Out	162.83		Shares Out / Float	301.69	
Market Cap	€ 11,810.29		Market Cap	€ 14,360.61	
Enterprise Value	€ 24,618.29		Enterprise Value	N/A	
Sales 12 Month Trailing	€ 16,290.00		TTM Sales | Price / Sales	€ 12,455.60	€ 1.65
Book Per Share	€ 30.23		Book Value | Price / Book	€ 26.56	€ 2.56
Institutional Holdings		€ 0.56	Institutional Holdings		€ 0.27
52 Week Range	€55.47--	€ 76.65	52 Week Range	€ 40.83--	€ 55.77
FRE GR ownership of FME GR			FRE GR Relationship with FME GR		
Shares owned	106.6		Intend to Spin	No	
Share owned per FRE GR share	0.65		IRS Tax Free Ruling		
Value per FRE GR share	€ 31.16		Record Date / Distr. Date		
FRE GR Stub Value	€ 41.37		FME GR IPO Date /Price	NM	NM
Economic Interest	35%		IPO Lockup Expires	NM	
Parent Comparables	BAX	DVA	DRW3	BIO3	MED
Price-to-Sales	2.36	1.08	0.53	1.13	0.36
Price-to-Book	4.48	3.64	1.97	1.49	1.09
Price/Earnings	13.67	16.62	13.28	26.59	24.67
Price/EBITDA	8.99	5.71	4.64	NM	6.20
Enterpr./EBITDA	9.58	8.65	5.63	NM	7.87
Spin-off Comparables	DVA	NXTM	PM3		
Price-to-Sales	1.08	4.61	0.04		
Price-to-Book	3.64	6.46	NM		
Price/Earnings	16.62	NM	NM		
Price/EBITDA	5.71	384.80	NM		
Enterpr./EBITDA	8.65	360.86	NM		



Spread Relationship		
40 Day Average	€	38.35
40 Day Variance		3.72
40 Day St. Dev	€	1.93
40 Day Max	€	41.37
40 Day Min	€	33.03
20 Day Average	€	37.93
20 Day Variance		6.82
20 Day St. Dev	€	2.61
20 Day Max	€	41.37
20 Day Min	€	33.03
10 Day Average	€	39.99
10 Day Variance		1.10
10 Day St. Dev	€	1.05
10 Day Max	€	41.37
10 Day Min	€	37.96

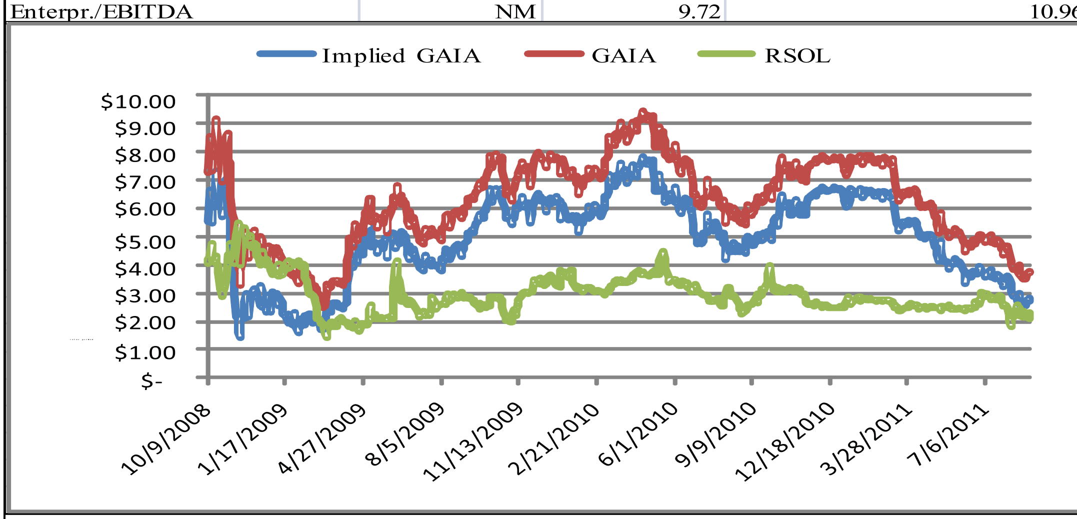
Fresenius SE is a global health care group with products and services for dialysis, the hospital and the medical care of patients at home. The Company sells dialysis, infusion, transfusion, and diagnostics equipment and systems,blood separators and plasma and hemofilters, nutritional liquids, and solid and liquid pharmaceuticals.

Fresenius Medical Care AG offers kidney dialysis services and manufactures and distributes equipment and products used in the treatment of dialysis patients. The Company also offers clinical laboratory testing and diagnostic testing services and provides home infusion, respiratory therapy, ultrasound, and echo-cardiography. Fresenius operates worldwide.

Valuation Snapshots

GAIAM INC-A / REAL GOODS SOL-A

millions except per share data					
GAIAM INC-A--GAIA		1-303-222-3600	REAL GOODS SOL-A--RSOL		1-303-222-3953
Current Price	$ 3.71		Current Price | Cur Year EPS est.	$ 2.08	$ 0.06
Shares Out	23.3		Shares Out / Float	18.0	
Market Cap	$ 86.5		Market Cap	$ 37.3	
Enterprise Value	$ 85.5		Enterprise Value	$ 27.5	
Sales 12 Month Trailing	$ 261.2		TTM Sales | Price / Sales	82.17	0.47
Book Per Share	$ 6.4		Book Value | Price / Book	$ 2.9	0.73
Institutional Holdings		54%	Institutional Holdings		37%
Short Int. / Ratio	0.21	3.70	Short Int. / Ratio	0.01	0.03
52 Week Range	$3.34--	$7.95	52 Week Range ($)	$1.82--	$4.07
GAIA ownership of RSOL			GAIA Relationship with RSOL		
Shares owned	10.0		Intend to Spin	No	
Share owned per GAIA share	0.43		IRS Tax Free Ruling		
Value per GAIA share	$ 0.9		Record Date / Distr. Date		
GAIA Stub Value	$2.82		RSOL IPO Date /Price	5/8/2008	10
Economic Interest	56%		IPO Lockup Expires	11/4/2008	
Parent Comparables	DIS	NWSA		CAB	HSNI
Price-to-Sales	1.57	1.32		0.57	0.59
Price-to-Book	1.56	1.50		1.45	3.40
Price/Earnings	13.91	13.89		12.95	17.20
Price/EBITDA	6.84	7.20		5.47	7.33
Enterpr./EBITDA	7.96	7.83		12.75	7.31
Spin-off Comparables	SOLR	SPWRA		FSLR	ESLR
Price-to-Sales	N/A	0.52		3.30	N/A
Price-to-Book	N/A	0.91		2.27	N/A
Price/Earnings	N/A	N/A		16.05	N/A
Price/EBITDA	NM	6.53		10.97	NM
Enterpr./EBITDA	NM	9.72		10.96	NM



Spread Relationship		
40 Day Average	$	3.17
40 Day Variance		0.18
40 Day St. Dev	$	0.42
40 Day Max	$	3.84
40 Day Min	$	2.52
20 Day Average	$	2.81
20 Day Variance		0.07
20 Day St. Dev	$	0.26
20 Day Max	$	3.49
20 Day Min	$	2.52
10 Day Average	$	2.66
10 Day Variance		0.01
10 Day St. Dev	$	0.11
10 Day Max	$	2.82
10 Day Min	$	2.52

Gaiam, Inc. is a lifestyle media production and marketing company. The Company markets its content and products through media, national retailers, the Internet, catalogs, and subscriptions. Gaiam offers products that include DVDs, workout systems, and non-theatrical media.

Real Goods Solar Inc. is a residential solar energy integrator. The Company designs, installs, and maintains solar energy systems.

Valuation Snapshots

GENCO SHIPPING & / BALTIC TRADING L

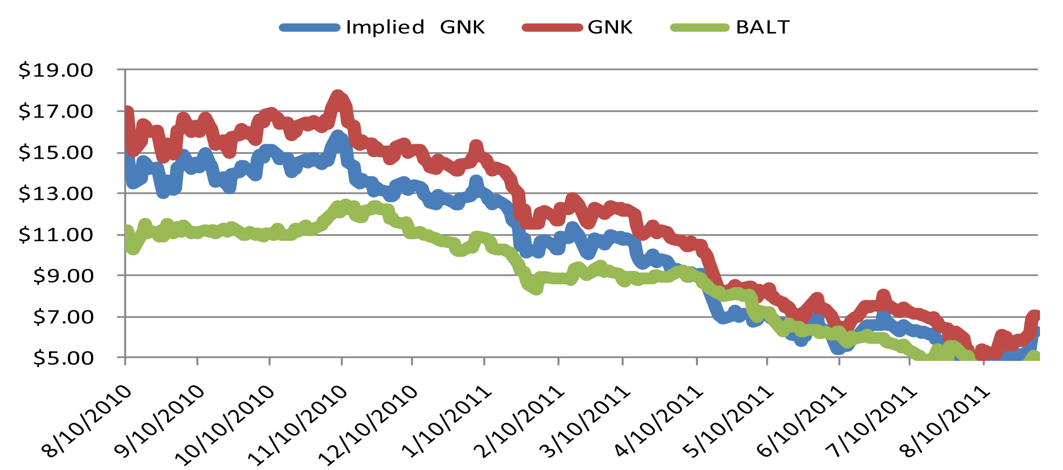
millions except per share data

GENCO SHIPPING &--GNK			1-646-443-8550	BALTIC TRADING L--BALT				1-646-443-8550
Current Price	$	7.06		Current Price | Cur Year EPS est.	$	5.01	$	(0.03)
Shares Out		36.0		Shares Out / Float		22.6		
Market Cap	$	253.9		Market Cap	$	113.1		
Enterprise Value	$	1,932.2		Enterprise Value	$	210.5		
Sales 12 Month Trailing	$	449.4		TTM Sales | Price / Sales		45.03		2.45
Book Per Share	$	32.1		Book Value | Price / Book	$	12.6		0.40
Institutional Holdings			65%	Institutional Holdings				51%
Short Int. / Ratio		8.48	7.99	Short Int. / Ratio		1.17		4.52
52 Week Range		$4.15-- $18.08		52 Week Range ($)		$3.64-- $12.69		

GNK ownership of BALT		GNK Relationship with BALT		
Shares owned	5.7	Intend to Spin		
Share owned per GNK share	0.16	IRS Tax Free Ruling		
Value per GNK share	$0.79	Record Date / Distr. Date		
GNK Stub Value	$6.27	BALT IPO Date /Price	3/9/2010	14
Economic Interest	25%	IPO Lockup Expires	NM	

Parent Comparables	DSX	EGLE	DRYS	NM	EXM
Price-to-Sales	2.64	0.38	1.08	0.55	0.32
Price-to-Book	0.64	0.17	0.36	0.37	0.09
Price/Earnings	5.79	26.71	9.50	4.16	1.89
Price/EBITDA	NM	1.01	1.64	1.52	NM
Enterpr./EBITDA	NM	1.01	NM	NM	NM

Spin-off Comparables	GNK	EGLE	DRYS
Price-to-Sales	0.55	0.38	1.08
Price-to-Book	0.22	0.17	0.36
Price/Earnings	2.76	26.71	9.50
Price/EBITDA	0.75	1.01	1.64
Enterpr./EBITDA	5.91	10.53	8.87



Spread Relationship		
40 Day Average	$	5.33
40 Day Variance		0.56
40 Day St. Dev	$	0.75
40 Day Max	$	6.48
40 Day Min	$	3.84
20 Day Average	$	5.04
20 Day Variance		0.47
20 Day St. Dev	$	0.68
20 Day Max	$	6.29
20 Day Min	$	3.84
10 Day Average	$	5.51
10 Day Variance		0.27
10 Day St. Dev	$	0.52
10 Day Max	$	6.29
10 Day Min	$	4.92

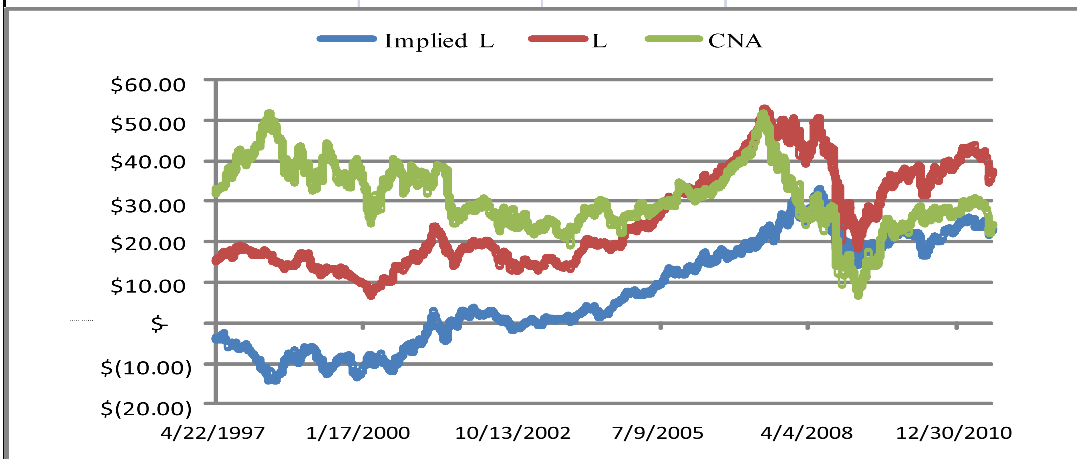
Genco Shipping & Trading Limited engages in the ocean transportation of drybulk cargoes through the ownership and operation of drybulk carrier vessels worldwide. It primarily transports iron ore, coal, grain, steel products, and other drybulk cargoes. The company charters its vessels primarily to trading houses, including commodities traders; producers; and government-owned entities.

Baltic Trading Limited owns drybulk vessels. The company trades in trip charters and vessel pools in the spot market.

Valuation Snapshots

LOEWS CORP / CNA FINL CORP

millions except per share data					
LOEWS CORP--L		1-212-521-2000	CNA FINL CORP--CNA		1-312-822-5000
Current Price	$ 36.88		Current Price | Cur Year EPS est.	$ 24.04	$ 2.44
Shares Out	404.1		Shares Out / Float	269.3	
Market Cap	$ 14,903.2		Market Cap	$ 6,473.4	
Enterprise Value	$ 28,454.2		Enterprise Value	$ 9,184.4	
Sales 12 Month Trailing	$ 14,626.0		TTM Sales | Price / Sales	9174.00	0.71
Book Per Share	$ 46.8		Book Value | Price / Book	$ 43.1	0.56
Institutional Holdings		65%	Institutional Holdings		10%
Short Int. / Ratio	3.10	0.71	Short Int. / Ratio	0.76	1.80
52 Week Range ($)	$34.3--	$45.31	52 Week Range ($)	$21.67--	$31.53
L ownership of CNA			L Relationship with CNA		
Shares owned	242.4		Intend to Spin	No	
Share owned per L share	0.60		IRS Tax Free Ruling		
Value per L share	$ 14.42		Record Date / Distr. Date		
L Stub Value	$22.46		CNA IPO Date /Price	NM	NM
Economic Interest	90%		IPO Lockup Expires	NM	
Parent Comparables	HIG	CINF	HERO	ETE	CNO
Price-to-Sales	0.33	1.14	0.72	1.16	0.37
Price-to-Book	0.39	0.88	0.60	N/A	0.34
Price/Earnings	5.74	34.28	NM	38.24	18.12
Price/EBITDA	NM	NM	2.73	5.08	NM
Enterpr./EBITDA	NM	NM	7.37	15.68	NM
Spin-off Comparables	HIG	CINF	CNO	AIZ	
Price-to-Sales	0.33	1.14	0.37	0.43	
Price-to-Book	0.39	0.88	0.34	0.67	
Price/Earnings	5.74	34.28	18.12	7.73	
Price/EBITDA	NM	NM	NM	NM	
Enterpr./EBITDA	NM	NM	NM	NM	



Spread Relationship		
40 Day Average	$	23.06
40 Day Variance		0.73
40 Day St. Dev	$	0.86
40 Day Max	$	24.91
40 Day Min	$	21.17
20 Day Average	$	22.34
20 Day Variance		0.20
20 Day St. Dev	$	0.45
20 Day Max	$	23.06
20 Day Min	$	21.17
10 Day Average	$	22.29
10 Day Variance		0.14
10 Day St. Dev	$	0.37
10 Day Max	$	22.98
10 Day Min	$	21.81

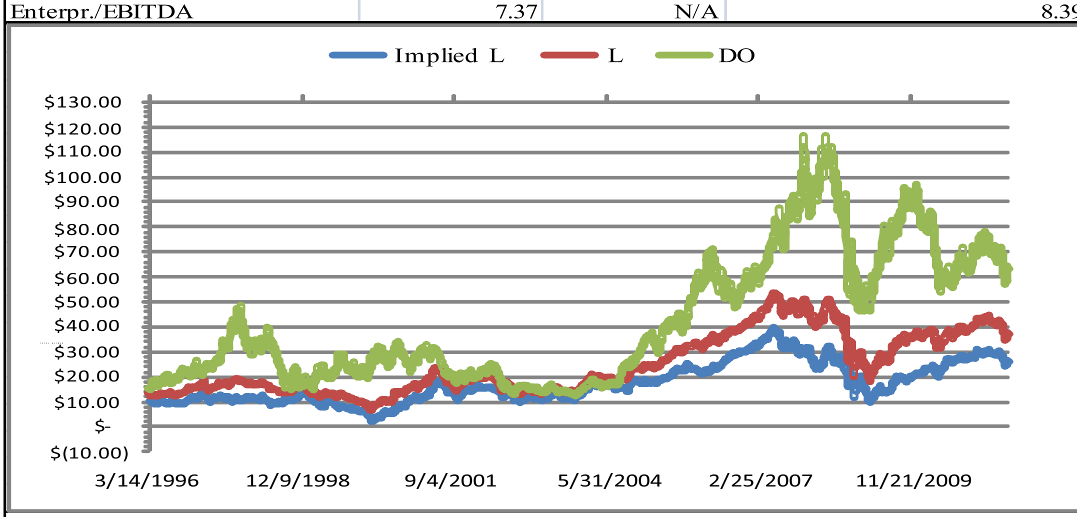
Loews Corporation is a diversified holding company. The Company, through its subsidiaries, is involved in a variety of businesses including commercial property-casualty insurance, offshore drilling, natural gas exploration and production, operation of natural gas pipeline systems, and the operation of hotels and resorts.

CNA Financial Corporation operates as an insurance holding company and, through its subsidiaries, provides commercial property and casualty coverages. The Company's services include risk management, information services, warranty and claims administration.

Valuation Snapshots

LOEWS CORP / DIAMOND OFFSHORE

millions except per share data					
LOEWS CORP--L		1-212-521-2000	DIAMOND OFFSHORE--DO		1-281-492-5300
Current Price	$ 36.88		Current Price | Cur Year EPS est.	$ 63.32	$ 6.24
Shares Out	404.1		Shares Out / Float	139.0	
Market Cap	$ 14,903.2		Market Cap	$ 8,803.2	
Enterprise Value	$ 28,454.2		Enterprise Value	$ 9,318.5	
Sales 12 Month Trailing	$ 14,626.0		TTM Sales | Price / Sales	3336.58	2.64
Book Per Share	$ 46.8		Book Value | Price / Book	$ 29.8	2.13
Institutional Holdings		65%	Institutional Holdings		49%
Short Int. / Ratio	3.10	0.71	Short Int. / Ratio	11.22	3.43
52 Week Range	$34.3--	$45.31	52 Week Range ($)	$56.4--	$79.52
L ownership of DO			L Relationship with DO		
Shares owned	70.1		Intend to Spin	No	
Share owned per L share	0.17		IRS Tax Free Ruling		
Value per L share	$ 10.98		Record Date / Distr. Date		
L Stub Value	$25.9		DO IPO Date /Price	10/10/1995	$ 24.0
Economic Interest	50%		IPO Lockup Expires	NM	
Parent Comparables	HIG	CINF	HERO	ETE	CNO
Price-to-Sales	0.33	1.14	0.72	1.16	0.37
Price-to-Book	0.39	0.88	0.60	N/A	0.34
Price/Earnings	5.74	34.28	NM	38.24	18.12
Price/EBITDA	NM	NM	2.73	5.08	NM
Enterpr./EBITDA	NM	NM	7.37	15.68	NM
Spin-off Comparables	HERO	PDE	ATW	HLX	
Price-to-Sales	0.72	N/A	4.30	1.31	
Price-to-Book	0.60	N/A	1.72	1.31	
Price/Earnings	NM	N/A	10.37	23.42	
Price/EBITDA	2.73	N/A	7.56	3.19	
Enterpr./EBITDA	7.37	N/A	8.39	4.81	



Spread Relationship	
40 Day Average	$ 27.05
40 Day Variance	2.46
40 Day St. Dev	$ 1.57
40 Day Max	$ 30.23
40 Day Min	$ 24.37
20 Day Average	$ 25.68
20 Day Variance	0.33
20 Day St. Dev	$ 0.57
20 Day Max	$ 26.78
20 Day Min	$ 24.37
10 Day Average	$ 25.60
10 Day Variance	0.26
10 Day St. Dev	$ 0.51
10 Day Max	$ 26.56
10 Day Min	$ 25.00

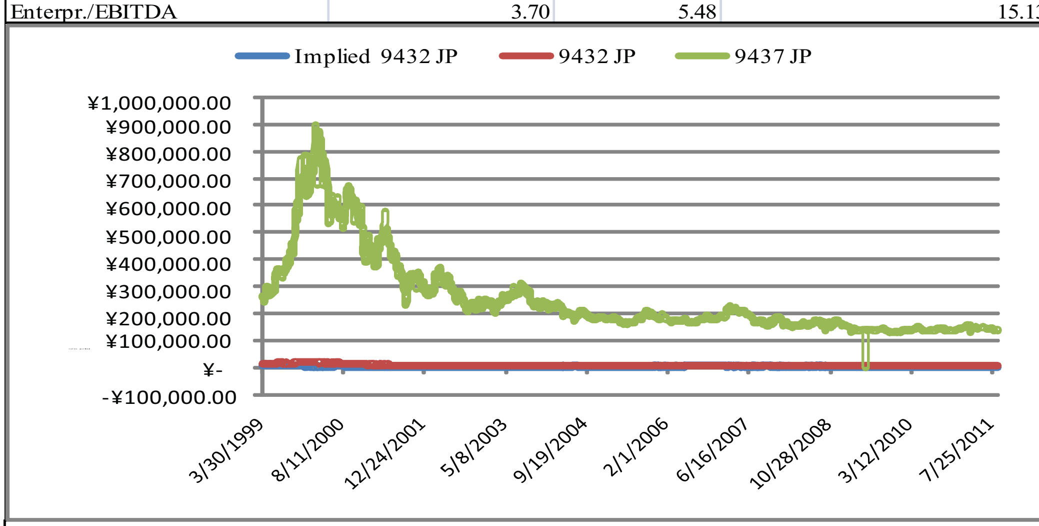
Loews Corporation is a diversified holding company. The Company, through its subsidiaries, is involved in a variety of businesses including commercial property-casualty insurance, offshore drilling, natural gas exploration and production, operation of natural gas pipeline systems, and the operation of hotels and resorts.

Diamond Offshore Drilling, Inc. drills offshore oil and gas wells on a contract basis. The Company is a world-wide deep water driller with a fleet of offshore rigs, consisting of semisubmersibles, jack-ups, and drillships.

Valuation Snapshots

NIPPON TELEGRAPH / NTT DOCOMO INC

millions except per share data					
NIPPON TELEGRAPH--9432		81-3-5205-5581	NTT DOCOMO INC--9437		81-3-5156-1111
Current Price	JPY 3,585.00		Current Price | Cur Year EPS est.	JPY 139,700.00	JPY 12,379.14
Shares Out	1448.66		Shares Out / Float	43.65	
Market Cap	JPY 5,193,443.00		Market Cap	JPY 6,097,905.00	
Enterprise Value	JPY 10,276,538.00		Enterprise Value	JPY 6,228,223.00	
Sales 12 Month Trailing	JPY 10,305,000.00		TTM Sales | Price / Sales	JPY 4,224,273.00	JPY 1.38
Book Per Share	JPY 6,061.92		Book Value | Price / Book	JPY 111,121.10	JPY 1.26
Institutional Holdings		JPY 0.53	Institutional Holdings		JPY 0.14
52 Week Range	JPY3220--	JPY 4,170.00	52 Week Range	JPY 128000--	JPY 159,000.00
9432 JP ownership of 9437 JP			9432 JP Relationship with 9437 JP		
Shares owned	27.6		Intend to Spin	No	
Share owned per 9432 JP share	0.02		IRS Tax Free Ruling		
Value per 9432 JP share	JPY 2,665.44		Record Date / Distr. Date		
9432 JP Stub Value	JPY 919.56		9437 JP IPO Date /Price	10/22/1998	JPY 3,900,000.00
Economic Interest	63%		IPO Lockup Expires	NM	
Parent Comparables	9433	9445	9448	6676	
Price-to-Sales	0.73	0.30	N/A	0.39	
Price-to-Book	1.16	2.10	N/A	1.27	
Price/Earnings	9.86	25.77	NM	7.65	
Price/EBITDA	2.70	6.44	N/A	N/A	
	3.70	6.07	N/A	N/A	
Spin-off Comparables	9433	9984	9444	4829	
Price-to-Sales	0.73	0.93	0.12	1.13	
Price-to-Book	1.16	4.53	0.99	0.92	
Price/Earnings	9.86	14.80	14.95	15.88	
Price/EBITDA	2.70	3.16	3.75	8.42	
Enterpr./EBITDA	3.70	5.48	15.13	0.70	



Spread Relationship	
40 Day Average	JPY 1,026.78
40 Day Variance	8312.50
40 Day St. Dev	JPY 91.17
40 Day Max	JPY 1,161.14
40 Day Min	JPY 894.10
20 Day Average	JPY 943.19
20 Day Variance	1039.66
20 Day St. Dev	JPY 32.24
20 Day Max	JPY 994.44
20 Day Min	JPY 894.10
10 Day Average	JPY 923.10
10 Day Variance	660.09
10 Day St. Dev	JPY 25.69
10 Day Max	JPY 976.93
10 Day Min	JPY 894.10

NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) provides a variety of telecommunication services, including telephone, telegraph, leased circuits, data communication, terminal equipment sales, and related services. The Company provides both local and long distance telephone services within Japan.

NTT DoCoMo, Inc. provides various types of telecommunication services including cellular phones, personal handyphone systems (PHS), paging, satellite mobile communication, and wireless Private Branch Exchange system services. The Company also sells cellular phones, PHS, car phones, and pagers.

Valuation Snapshots

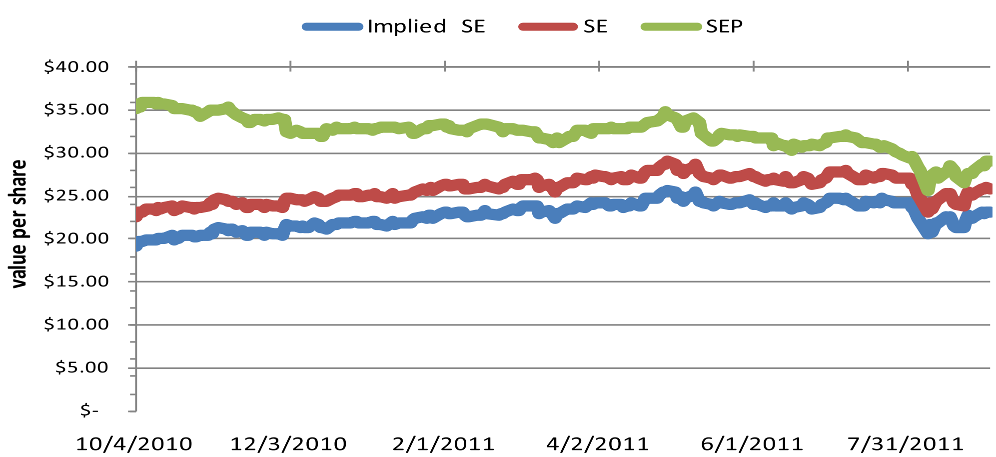
SPECTRA ENERGY / SPECTRA ENERGY PARTNERS

millions except per share data

SPECTRA ENERGY--SE		1-713-627-5400	SPECTRA ENERG--SEP		1-713-627-5400
Current Price	$ 25.92		Current Price | Cur Year EPS est.	$ 29.05	$ 1.60
Shares Out	650.3		Shares Out / Float	91.0	
Market Cap	$ 16,855.3		Market Cap	$ 3,474.8	
Enterprise Value	$ 28,695.3		Enterprise Value	$ 3,727.2	
Sales 12 Month Trailing	$ 5,202.0		TTM Sales | Price / Sales	194.00	12.78
Book Per Share	$ 13.0		Book Value | Price / Book	$ 17.4	1.67
Institutional Holdings		69%	Institutional Holdings		28%
Short Int. / Ratio	12.26	1.76	Short Int. / Ratio	0.17	0.65
52 Week Range	$20.97-- $29.24		52 Week Range ($)	$25.53-- $36.31	
SE ownership of SEP			**SE Relationship with SEP**		
Shares owned	62.7		Intend to Spin	No	
Share owned per SE share	0.10		IRS Tax Free Ruling		
Value per SE share	$2.80		Record Date / Distr. Date	6/27/2007	
SE Stub Value	$23.12		SEP IPO Date /Price	6/26/2007	$ 22.0
Economic Interest	69%		IPO Lockup Expires	NM	

Parent Comparables	EP	WMB	CNP	OKE	DUK
Price-to-Sales	3.11	1.59	1.00	0.55	1.71
Price-to-Book	3.15	2.05	2.54	3.31	1.11
Price/Earnings	21.23	35.38	17.21	24.90	13.06
Price/EBITDA	5.15	4.61	3.87	5.95	4.36
Enterpr./EBITDA	12.05	7.37	7.80	10.94	7.43

Spin-off Comparables	EPD	DPM	MMP	EPB	SXL
Price-to-Sales	0.72	1.10	4.16	5.28	0.32
Price-to-Book	3.19	2.83	4.67	3.99	5.63
Price/Earnings	23.57	55.90	20.10	17.71	13.13
Price/EBITDA	8.49	10.47	12.26	7.54	6.47
Enterpr./EBITDA	15.34	17.69	15.95	12.78	10.14



Spread Relationship		
40 Day Average	$	23.14
40 Day Variance		1.35
40 Day St. Dev	$	1.16
40 Day Max	$	24.72
40 Day Min	$	20.66
20 Day Average	$	22.18
20 Day Variance		0.57
20 Day St. Dev	$	0.76
20 Day Max	$	23.17
20 Day Min	$	20.66
10 Day Average	$	22.54
10 Day Variance		0.47
10 Day St. Dev	$	0.69
10 Day Max	$	23.17
10 Day Min	$	21.33

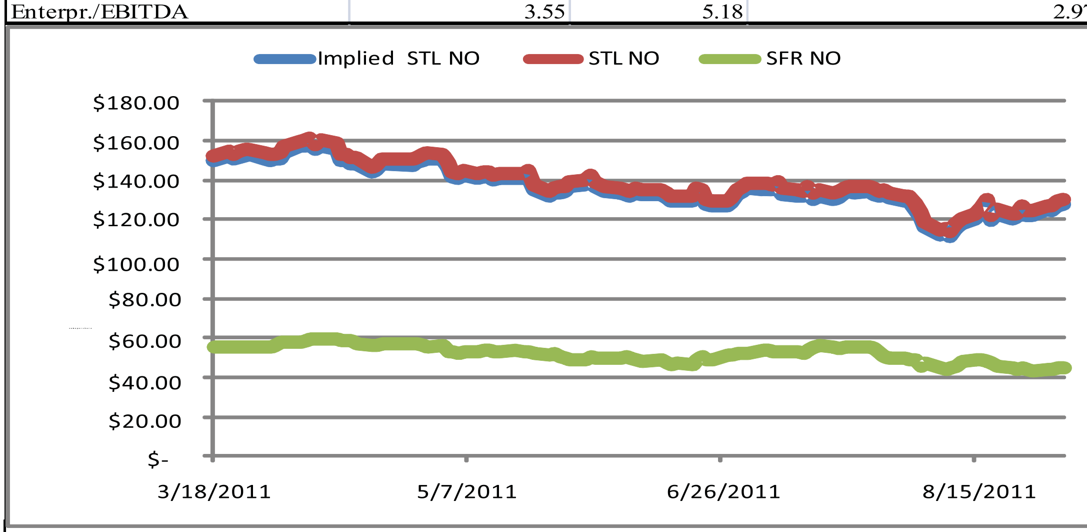
Spectra Energy Corporation transmits, stores, distributes, gathers, and processes natural gas. The Company provides transportation and storage of natural gas to customers in various regions of the northeastern and southeastern United States, the Maritime Provinces in Canada and the Pacific Northwest in the United States and Canada, and the province of Ontario, Canada.

Spectra Energy Partners LP owns and operates natural gas transportaion and storage assets. The Company owns interstate natural gas pipeline systems located in the southeastern United States and natural gas storage facilities in Texas and Louisiana.

Valuation Snapshots

STATOIL ASA / STATOIL FUEL

millions except per share data					
STATOIL ASA--STL		47-51-99-00-00	STATOIL FUEL--SFR		47-22-96-20-00
Current Price	NOK 129.90		Current Price | Cur Year EPS est.	NOK 44.80	NOK 4.35
Shares Out	3,188.647		Shares Out / Float	300.0	
Market Cap	NOK 414,205.25		Market Cap	NOK 13,440.00	
Enterprise Value	NOK 451,964.25		Enterprise Value	NOK 17,776.00	
Sales 12 Month Trailing	NOK 574,042.00		TTM Sales | Price / Sales	NOK 70,334.00	NM
Book Per Share	NOK 73.94		Book Value | Price / Book	24.54	1.83
Institutional Holdings		23%	Institutional Holdings		34%
52 Week Range	NOK108.1--	NOK 161.70	52 Week Range	NOK 37.89266--	NOK 59.91
STL NO ownership of SFR NO			STL NO Relationship with SFR NO		
Shares owned	162.0		Intend to Spin	No	
Share owned per STL NO share	0.05		IRS Tax Free Ruling		
Value per STL NO share	NOK 2.28		Record Date / Distr. Date		
STL NO Stub Value	NOK 127.62		SFR NO IPO Date /Price	10/22/2010	NOK 39.00
Economic Interest	54%		IPO Lockup Expires	4/20/2011	
Parent Comparables	BP/	RDSA	ENI		
Price-to-Sales	0.35	0.49	0.50		
Price-to-Book	1.11	1.28	1.11		
Price/Earnings	5.89	7.48	8.47		
Price/EBITDA	2.87	4.52	2.10		
Enterpr./EBITDA	3.55	5.18	3.50		
Spin-off Comparables	BP/	RDSA	LKOH	ES	
Price-to-Sales	0.35	0.49	N/A	0.08	
Price-to-Book	1.11	1.28	N/A	0.66	
Price/Earnings	5.89	7.48	N/A	7.58	
Price/EBITDA	2.87	4.40	N/A	4.08	
Enterpr./EBITDA	3.55	5.18	2.97	5.42	



Spread Relationship		
40 Day Average	NOK	125.80
40 Day Variance		43.53
40 Day St. Dev	NOK	6.60
40 Day Max	NOK	133.96
40 Day Min	NOK	111.43
20 Day Average	NOK	120.66
20 Day Variance		23.96
20 Day St. Dev	NOK	4.89
20 Day Max	NOK	127.62
20 Day Min	NOK	111.43
10 Day Average	NOK	123.57
10 Day Variance		5.94
10 Day St. Dev	NOK	2.44
10 Day Max	NOK	127.62
10 Day Min	NOK	120.31

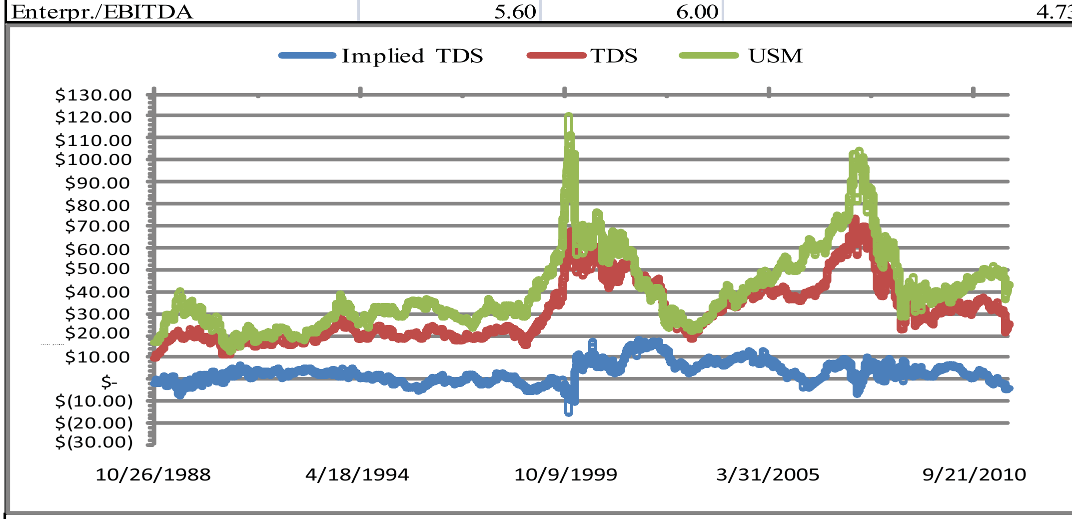
Statoil ASA explores for, produces, transports, refines, and trades oil and natural gas. The Company explores for oil in Europe, Africa, the Middle East, Asia, and the Americas.

Statoil Fuel & Retail ASA operates retail gasoline filling stations. The Company operates in Scandinavia, Poland, Latvia, Lithuania, Estonia, and Russia.

Valuation Snapshots

TELEPHONE & DATA / US CELLULAR CORP

millions except per share data					
TELEPHONE & DATA--TDS		1-312-630-1900	US CELLULAR CORP--USM		1-773-399-8900
Current Price	$ 25.04		Current Price | Cur Year EPS est.	$ 42.83	$ 1.84
Shares Out	102.9		Shares Out / Float	84.5	
Market Cap	$ 2,576.2		Market Cap	$ 3,620.7	
Enterprise Value	$ 3,884.5		Enterprise Value	$ 4,041.2	
Sales 12 Month Trailing	$ 5,070.5		TTM Sales | Price / Sales	4257.21	0.86
Book Per Share	$ 37.8		Book Value | Price / Book	$ 41.8	1.02
Institutional Holdings		99%	Institutional Holdings		27%
Short Int. / Ratio	3.06	3.79	Short Int. / Ratio	1.25	10.42
52 Week Range	$20.3--	$37.91	52 Week Range ($)	$35.58--	$52.41
TDS ownership of USM			TDS Relationship with USM		
Shares owned	70.8		Intend to Spin	No	
Share owned per TDS share	0.69		IRS Tax Free Ruling		
Value per TDS share	$ 29.47		Record Date / Distr. Date		
TDS Stub Value	$-4.43		USM IPO Date /Price	5/4/1988	$ 15.0
Economic Interest	84%		IPO Lockup Expires	NM	
Parent Comparables	VZ	T	S	DTE	NIHD
Price-to-Sales	0.95	1.33	0.34	0.96	1.03
Price-to-Book	2.58	1.47	0.84	1.25	1.75
Price/Earnings	16.46	13.21	NM	14.00	15.60
Price/EBITDA	2.84	4.35	2.07	3.48	3.90
Enterpr./EBITDA	5.60	4.35	4.73	6.76	3.90
Spin-off Comparables	VZ	T	S	DTE	
Price-to-Sales	0.95	1.33	0.34	0.96	
Price-to-Book	2.58	1.47	0.84	1.25	
Price/Earnings	16.46	13.21	NM	14.00	
Price/EBITDA	2.84	4.35	2.07	3.48	
Enterpr./EBITDA	5.60	6.00	4.73	6.76	



Spread Relationship	
40 Day Average	$ (3.17)
40 Day Variance	1.40
40 Day St. Dev	$ 1.19
40 Day Max	$ (1.62)
40 Day Min	$ (4.81)
20 Day Average	$ (4.23)
20 Day Variance	0.43
20 Day St. Dev	$ 0.66
20 Day Max	$ (1.85)
20 Day Min	$ (4.81)
10 Day Average	$ (4.23)
10 Day Variance	0.06
10 Day St. Dev	$ 0.25
10 Day Max	$ (3.94)
10 Day Min	$ (4.56)

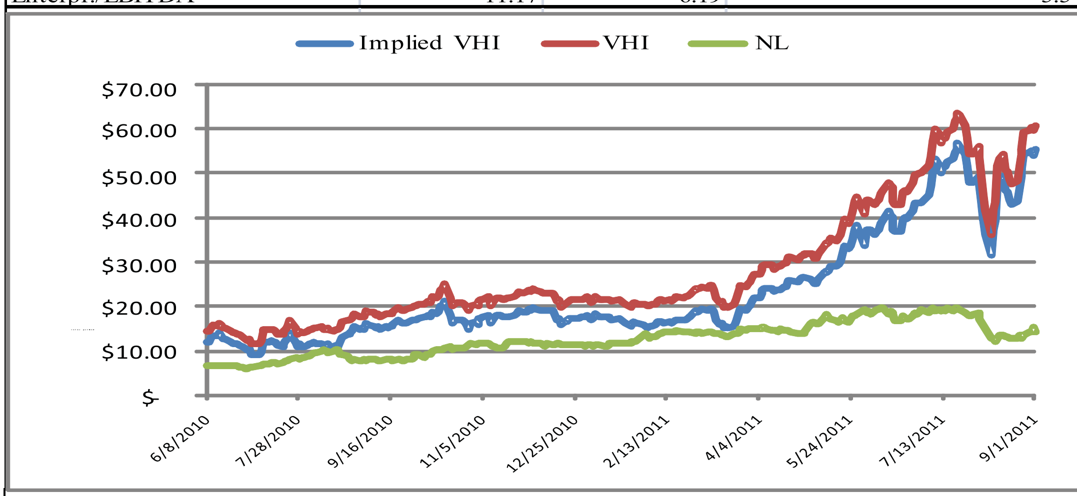
Telephone and Data Systems, Inc. is a diversified telecommunications company. The company operates primarily in the cellular, local telephone, and personal communications services markets. Telephone and Data Systems provides telecommunications services throughout the United States.

United States Cellular provides wireless voice and data services under the U.S. Cellular name in the United States. It offers a range of wireless handsets and laptop cards, as well as accessories, such as carrying cases, hands-free devices, batteries, and battery chargers. The company also provides wide area and national consumer plans that can be tailored to a customer's needs by the addition of features or feature packages. In addition, it offers custom usage features, such as wide-area, national, and mobile-to-mobile call delivery; caller ID blocking; call forwarding; voice mail; call waiting; and three-way calling, as well as custom data features comprising email services, instant messaging, and text and picture messaging. The company distributes its products and services through various channels consisting of retail sale and service centers, independent agents, and direct sale, as well as Internet and telesales.

Valuation Snapshots

VALHI INC / NL INDUSTRIES

millions except per share data					
VALHI INC--VHI		1-972-233-1700	NL INDUSTRIES--NL		1-972-233-1700
Current Price	$ 60.30		Current Price | Cur Year EPS est.	$ 14.07	N/A
Shares Out	113.0		Shares Out / Float	48.7	
Market Cap	$ 6,816.1		Market Cap	$ 684.7	
Enterprise Value	$ 8,537.1		Enterprise Value	$ 745.7	
Sales 12 Month Trailing	$ 1,857.8		TTM Sales | Price / Sales	138.10	4.96
Book Per Share	$ (0.5)		Book Value | Price / Book	$ 7.6	1.86
Institutional Holdings		96%	Institutional Holdings		8%
Short Int. / Ratio	0.08	1.38	Short Int. / Ratio	0.36	4.96
52 Week Range	$16.8--	$63.99	52 Week Range	$7.66--	$19.90
VHI ownership of NL			VHI Relationship with NL		
Shares owned	40.4		Intend to Spin		
Share owned per VHI share	0.36		IRS Tax Free Ruling		
Value per VHI share	$ 5.03		Record Date / Distr. Date		
VHI Stub Value	$55.27		NL IPO Date /Price	NM	NM
Economic Interest	83%		IPO Lockup Expires	NM	
Parent Comparables	DD	HUN	ECOL	SYNL	CYT
Price-to-Sales	1.27	0.29	2.34	0.40	0.70
Price-to-Book	3.78	1.45	3.35	0.95	1.13
Price/Earnings	12.58	9.86	17.69	9.22	13.75
Price/EBITDA	8.57	2.79	8.45	4.70	5.84
Enterpr./EBITDA	11.17	6.19	9.90	5.00	6.29
Spin-off Comparables	DD	HUN	GGC	CYT	ALB
Price-to-Sales	1.27	0.29	0.23	0.70	1.74
Price-to-Book	3.78	1.45	1.45	1.13	2.65
Price/Earnings	12.58	9.86	10.56	13.75	11.56
Price/EBITDA	8.57	2.79	2.67	5.84	7.40
Enterpr./EBITDA	11.17	6.19	5.54	6.29	7.99



Spread Relationship		
40 Day Average	$	48.50
40 Day Variance		35.40
40 Day St. Dev	$	5.95
40 Day Max	$	56.41
40 Day Min	$	31.31
20 Day Average	$	46.43
20 Day Variance		45.61
20 Day St. Dev	$	6.75
20 Day Max	$	55.27
20 Day Min	$	31.31
10 Day Average	$	50.51
10 Day Variance		22.73
10 Day St. Dev	$	4.77
10 Day Max	$	55.27
10 Day Min	$	42.91

Valhi, Inc. is involved in the titanium dioxide pigments, component products, titanium metals products, and waste management industries. The Company produces titanium dioxide pigments, titanium metals products, ergonomic computer support systems, and precision ball bearing slides. Valhi also owns and operates a facility for the processing, treatment, and disposal of hazardous wastes.

NL Industries, Inc. produces titanium dioxide pigments through Kronos, Inc. Titanium pigments are used for imparting whiteness, brightness, and opacity to plastics, paper, fibers, and ceramics. The Company's products are marketed under the Kronos and Titanox brand names. Customers include domestic and international paint, plastics, and paper manufacturers.

Valuation Snapshots

WESTON (GEORGE) / LOBLAW COS LTD

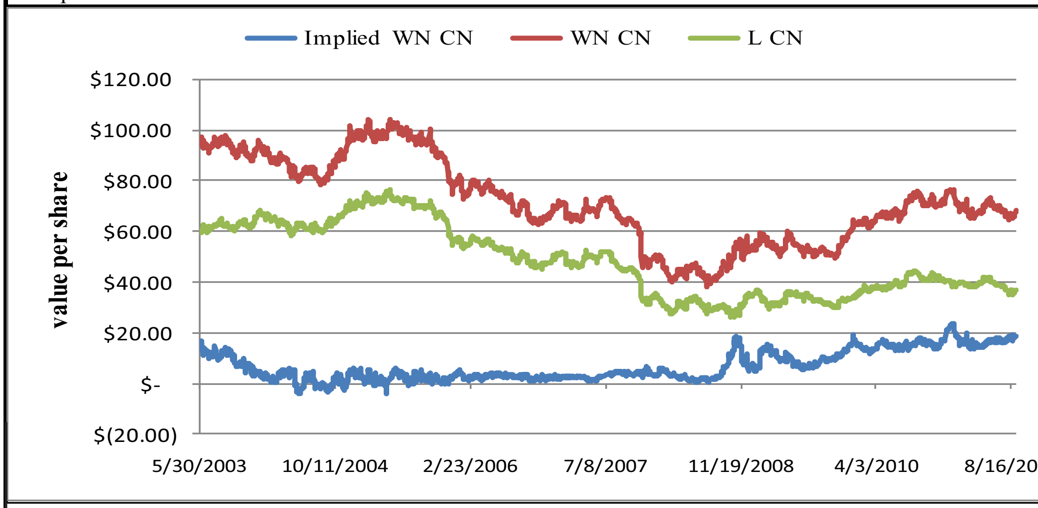
millions except per share data

WESTON (GEORGE)--WN		1-416-922-2500	LOBLAW COS LTD--L		1-905-459-2500
Current Price	CAD 68.14		Current Price | Cur Year EPS est.	CAD 36.99	CAD 2.82
Shares Out	129.09		Shares Out / Float	282.25	
Market Cap	CAD 8,796.09		Market Cap	CAD 10,440.35	
Enterprise Value	CAD 16,294.09		Enterprise Value	CAD 15,317.35	
Sales 12 Month Trailing	CAD 31,980.00		TTM Sales | Price / Sales	CAD 30,904.00	CAD 0.34
Book Per Share	CAD 35.12		Book Value | Price / Book	CAD 20.84	CAD 1.77
Institutional Holdings		CAD 0.09	Institutional Holdings		CAD 0.11
52 Week Range	CAD63.8--	CAD 78.03	52 Week Range	CAD 34.51--	CAD 44.38

WN CN ownership of L CN			WN CN Relationship with L CN		
Shares owned		172.7	Intend to Spin	No	
Share owned per WN CN share		1.34	IRS Tax Free Ruling		
Value per WN CN share	CAD	49.50	Record Date / Distr. Date		
WN CN Stub Value	CAD	18.64	L CN IPO Date /Price	NM	NM
Economic Interest		61%	IPO Lockup Expires	NM	

Parent Comparables	EMP/A	MRU/A	SOY	ATD/B	MKC
Price-to-Sales	0.24	0.42	0.33	0.28	1.83
Price-to-Book	1.19	1.84	1.09	2.59	3.84
Price/Earnings	12.65	12.27	23.07	14.37	17.13
Price/EBITDA	4.68	6.46	6.43	7.69	10.03
Enterpr./EBITDA	5.36	7.44	9.90	7.75	11.50

Spin-off Comparables	EMP/A	MRU/A	SOY	ATD/B
Price-to-Sales	0.24	0.42	0.33	0.28
Price-to-Book	1.19	1.84	1.09	2.59
Price/Earnings	12.65	12.27	23.07	14.37
Price/EBITDA	4.68	6.44	6.43	7.69
Enterpr./EBITDA	5.36	7.44	9.90	7.75



Spread Relationship	
40 Day Average	CAD 17.50
40 Day Variance	0.69
40 Day St. Dev	CAD 0.83
40 Day Max	CAD 18.94
40 Day Min	CAD 15.95
20 Day Average	CAD 18.09
20 Day Variance	0.29
20 Day St. Dev	CAD 0.54
20 Day Max	CAD 18.94
20 Day Min	CAD 16.96
10 Day Average	CAD 18.30
10 Day Variance	0.21
10 Day St. Dev	CAD 0.46
10 Day Max	CAD 18.91
10 Day Min	CAD 17.33

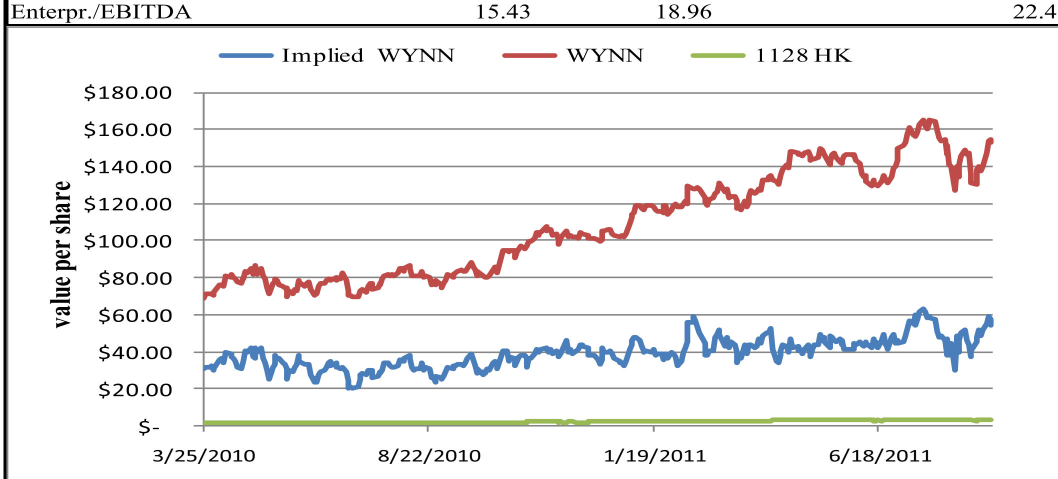
George Weston Limited processes and distributes food throughout North America to grocer wholesalers, warehouses, and independent accounts. The Company also processes and packages fish.

Loblaw Companies Limited is a retail and wholesale food distributor with operations across Canada. The Company's operations include both company and franchisee operated stores, warehouses, and cash and carry outlets.

Valuation Snapshots

WYNN RESORTS LTD / WYNN MACAU LTD

millions except per share data					
WYNN RESORTS LTD--WYNN		1-702-770-7555	WYNN MACAU LTD--1128		853-2888-9966
Current Price	$152.82		Current Price | Cur Year EPS est.	HKD 25.55	HKD 1.26
Shares Out	124.95		Shares Out / Float	5187.55	
Market Cap	$19,094.64		Market Cap	HKD 132,541.91	
Enterprise Value	$20,785.10		Enterprise Value	N/A	
Sales 12 Month Trailing	$4,870.76		TTM Sales | Price / Sales	HKD 26,636.77	HKD 4.98
Book Per Share	$20.08		Book Value | Price / Book	HKD 0.83	NM
Institutional Holdings		$0.66	Institutional Holdings		HKD 0.17
52 Week Range	$76.1551--	$172.58	52 Week Range	HKD 12.395--	HKD 29.10
WYNN ownership of 1128 HK			WYNN Relationship with 1128 HK		
Shares owned	3,750.0		Intend to Spin	No	
Share owned per WYNN share	30.01		IRS Tax Free Ruling		
Value per WYNN share	$ 94.24		Record Date / Distr. Date		
WYNN Stub Value	$ 58.58		1128 HK IPO Date /Price	10/9/2009	HKD 10.08
Economic Interest	72%		IPO Lockup Expires	4/7/2010	
Parent Comparables	LVS	MGM	PNK	PENN	880
Price-to-Sales	3.88	0.82	0.71	1.16	1.38
Price-to-Book	4.66	0.84	1.62	1.58	6.56
Price/Earnings	33.14	7.22	37.60	33.54	20.21
Price/EBITDA	11.81	4.75	3.56	4.56	16.39
Enterpr./EBITDA	15.43	18.96	8.18	7.29	14.47
Spin-off Comparables	LVS	MGM	1928	880	27
Price-to-Sales	3.88	0.82	6.00	1.38	3.08
Price-to-Book	4.66	0.84	5.70	6.56	NM
Price/Earnings	33.14	7.22	37.32	20.21	93.30
Price/EBITDA	11.81	4.48	20.71	16.39	NM
Enterpr./EBITDA	15.43	18.96	22.45	14.47	NM



Spread Relationship	
40 Day Average	HKD 50.68
40 Day Variance	61.61
40 Day St. Dev	HKD 7.85
40 Day Max	HKD 63.08
40 Day Min	HKD 29.83
20 Day Average	HKD 47.51
20 Day Variance	51.79
20 Day St. Dev	HKD 7.20
20 Day Max	HKD 59.15
20 Day Min	HKD 29.83
10 Day Average	HKD 51.25
10 Day Variance	32.65
10 Day St. Dev	HKD 5.71
10 Day Max	HKD 59.15
10 Day Min	HKD 40.30

Wynn Resorts Limited owns and operates luxury hotels and destination casino resorts in Las Vegas, Nevada and in Macau, China. The resorts features guest rooms and suits, restaurants, golf courses, and on-site luxury automotive dealerships.

Wynn Macau, Limited owns and operates Wynn Macau, a destination casino resort currently featuring hotel rooms and suites, a casino, casual and fine dining restaurants, retail space and leisure amenities.

Implied Value

Parent Company	Symbol	Price	Carve-Out/Holding	Symbol	Price	Ratio	Economic % Owned	Embeded Value	Stub Value 9/1/2011	Stub Value 8/1/2011
BROOKFIELD ASSET MANAGE-CL A	BAM	$29.43	BROOKFIELD OFFICE PROPERTIES	BPO	$16.60	0.3983	49.5%	$6.61	$22.82	$22.96
CHENIERE ENERGY INC	LNG	$7.58	CHENIERE ENERGY PARTNERS LP	CQP	$15.20	1.8082	90.3%	$27.48	$(19.90)	$(22.66)
COMVERSE TECHNOLOGY INC	CMVT	$6.90	VERINT SYSTEMS INC	VRNT	$27.49	0.0907	48.5%	$2.49	$4.41	$4.49
CROSSTEX ENERGY INC	XTXI	$11.57	CROSSTEX ENERGY LP	XTEX	$16.21	0.3476	32.4%	$5.63	$5.94	$8.21
EMC CORP/MASS	EMC	$22.11	VMWARE INC-CLASS A	VMW	$92.18	0.1614	78.9%	$14.88	$7.23	$9.68
GAIAM INC-CLASS A	GAIA	$3.71	REAL GOODS SOLAR INC-CLASS A	RSOL	$2.08	0.4290	55.7%	$0.89	$2.82	$3.40
GENCO SHIPPING & TRADING LTD	GNK	$7.06	BALTIC TRADING LTD	BALT	$5.01	0.1585	25.2%	$0.79	$6.27	$4.75
HELIX ENERGY SOLUTIONS GROUP	HLX	$16.63	CAL DIVE INTERNATIONAL INC	DVR	$2.82	0.0047	0.5%	$0.01	$16.62	$18.52
LABRANCHE & CO INC	LAB	$3.96	NYSE EURONEXT	NYX	$31.40	0.0244	0.4%	$0.87	$3.08	$3.09
LOEWS CORP	L	$36.88	DIAMOND OFFSHORE DRILLING	DO	$63.32	0.1735	50.4%	$10.98	$25.90	$36.98
LOEWS CORP	L	$36.88	CNA FINANCIAL CORP	CNA	$24.04	0.5999	90.0%	$14.42	$22.46	$23.12
LOEWS CORP	L	$36.88	BOARDWALK PIPELINE PARTNERS	BWP	$25.24	0.3107	63.2%	$7.84	$29.04	$29.50
PENN VIRGINIA GP HOLDINGS LP	PVG	$26.30	PENN VIRGINIA RESOURCE PARTN	PVR	$27.25	0.5016	27.6%	$14.13	$12.21	$12.20
PNC FINANCIAL SERVICES GROUP	PNC	$48.54	BLACKROCK INC	BLK	$162.68	0.1165	40.9%	$18.95	$29.59	$32.90
SPECTRA ENERGY CORP	SE	$25.92	SPECTRA ENERGY PARTNERS LP	SEP	$29.05	0.0964	68.9%	$2.80	$23.12	$23.60
TELEPHONE AND DATA SYSTEMS	TDS	$25.04	US CELLULAR CORP	USM	$42.83	0.6882	83.8%	$29.47	$(4.43)	$(3.47)
VALHI INC	VHI	$60.30	NL INDUSTRIES	NL	$14.07	0.3574	83.0%	$5.03	$55.27	$47.43
WILLIAMS COS INC	WMB	$26.89	WILLIAMS PARTNERS LP	WPZ	$53.80	0.3644	73.9%	$19.61	$7.28	$9.91

Foreign Implied Value

Parent Company	Exchange	Symbol	Price	Carve-Out/Holding	Exchange	Symbol	Price	Ratio	Economic % Owned	Embeded Value	Stub Value 9/1/2011	Stub Value 8/1/2011
ABENGOA SA	Continuous	ABG SM	$25.59	TELVENT GIT SA	NASDAQ GS	TLVT	$40.50	0.1503	39.9%	$6.09	$19.50	$19.90
ALTRIA GROUP INC	New York	MO	$27.09	SABMILLER PLC	London	SAB LN	$36.78	0.2076	27.1%	$7.64	$19.45	$18.49
ENI SPA	BrsaItaliana	ENI IM	$20.22	SNAM RETE GAS	BrsaItaliana	SRG IM	$4.83	0.4460	50.0%	$2.15	$18.07	$18.43
FORMULA SYSTEMS (1985) LTD	Tel Aviv	FORT IT	$16.11	MAGIC SOFTWARE ENTERPRISES	NASDAQ GS	MGIC	$4.28	1.3154	50.6%	$5.63	$10.48	$10.76
FRESENIUS SE & CO KGAA	Xetra	FRE GR	$103.67	FRESENIUS MEDICAL CARE AG &	Xetra	FME GR	$68.03	0.6553	35.8%	$44.58	$59.09	$53.50
GROUPE BRUXELLES LAMBERT SA	EN Brussels	GBLB BB	$80.68	TOTAL SA	EN Paris	FP FP	$49.12	0.5819	4.0%	$28.58	$52.10	$50.24
GROUPE BRUXELLES LAMBERT SA	EN Brussels	GBLB BB	$80.68	IMERYS SA	EN Paris	NK FP	$66.77	0.1432	30.5%	$9.56	$71.13	$71.10
GROUPE BRUXELLES LAMBERT SA	EN Brussels	GBLB BB	$80.68	LAFARGE SA	EN Paris	LG FP	$41.59	0.3737	21.0%	$15.54	$65.14	$62.44
MEDIOBANCA SPA	BrsaItaliana	MB IM	$9.17	ASSICURAZIONI GENERALI	BrsaItaliana	G IM	$17.99	0.2253	12.5%	$4.05	$5.11	$4.29
NIPPON TELEGRAPH & TELEPHONE	Tokyo	9432 JP	$46.68	NTT DOCOMO INC	Tokyo	9437 JP	$1,819.01	0.0191	63.3%	$34.71	$11.97	$13.70
POWER FINANCIAL CORP	Toronto	PWF CN	$27.12	GREAT-WEST LIFECO INC	Toronto	GWO CN	$22.36	0.7677	57.2%	$17.17	$9.95	$10.31
POWER FINANCIAL CORP	Toronto	PWF CN	$27.12	IGM FINANCIAL INC	Toronto	IGM CN	$44.72	0.2000	54.9%	$8.94	$18.17	$18.54
RENAULT SA	EN Paris	RNO FP	$40.01	NISSAN MOTOR CO LTD	Tokyo	7201 JP	$9.31	6.6346	43.4%	$61.77	$(21.75)	$(20.41)
SEARS HOLDINGS CORP	NASDAQ GS	SHLD	$58.55	SEARS CANADA INC	Toronto	SCC CN	$13.45	0.9102	93.7%	$12.24	$46.31	$53.71
SOFTBANK CORP	Tokyo	9984 JP	$33.78	YAHOO JAPAN CORP	Tokyo	4689 JP	$317.45	0.0196	37.3%	$6.22	$27.55	$31.47
SOFTBANK CORP	Tokyo	9984 JP	$33.78	SOFTBANK TECHNOLOGY CORP	Tokyo	4726 JP	$8.45	0.0048	50.4%	$0.04	$33.74	$38.22
SOFTBANK CORP	Tokyo	9984 JP	$33.78	UTSTARCOM HOLDINGS CORP	NASDAQ GS	UTSI	$1.39	0.0133	9.4%	$0.02	$33.76	$38.24
STATOIL ASA	Oslo	STL NO	$24.10	STATOIL FUEL & RETAIL AS	Oslo	SFR NO	$8.31	0.0508	54.0%	$0.42	$23.68	$23.80
TOYOTA INDUSTRIES CORP	Tokyo	6201 JP	$28.76	TOYOTA MOTOR CORP	Tokyo	7203 JP	$35.86	0.6175	5.8%	$22.14	$6.62	$7.75
WESTON (GEORGE) LTD	Toronto	WN CN	$69.86	LOBLAW COMPANIES LTD	Toronto	L CN	$37.92	1.3378	61.2%	$50.73	$19.12	$18.83
YAHOO! INC	NASDAQ GS	YHOO	$13.35	YAHOO JAPAN CORP	Tokyo	4689 JP	$317.45	0.0160	34.7%	$5.08	$8.27	$7.39
WYNN RESORTS LTD	NASDAQ GS	WYNN	$152.82	WYNN MACAU LTD	Hong Kong	1128 HK	$3.28	0.0000	0.0%	$-	$152.82	$146.83

Potential Spin-Off Watch List

Parent	Symbol	Potential Spin-Off		Report Date
Accor SA	AS FP	Lucien Barriere	CANCELLED	April-10
Agrium	AGU CN	Agricultural Retail Business		July-09
Alcoa	AA	Restructuring		May-07
Alibaba	1688 HK	Web Hosting Business		July-11
American International Group	AIG	International Lease Finance Corp.		August-11
AMR Corp	AMR	AAdvantage		October-07
Angiotech Pharmaceutical	ANPI	Angiotech Pharmaceutical Interventions		July-08
Borland Industries	BORL	Developer Tools Group		October-06
Boston Scientific	BSX	Endosurgery Unit		April-07
Blyth Industries	BTH	European Wholesale Unit		April-06
BP	BP	Refining & Marketing		August-11
Cerus	CERS	Immunotherapy Programs		June-07
Chesapeake Energy	CHK	Service Fleets		May-11
Commerzbank	CBK GR	Jupiter Asset Management		December-06
CSR Ltd	CSR AU	Sugar Unit		July-09
Dean Foods	DF	WhiteWave Foods		September-10
Deutsche Telekom	DT	T-Mobile USA		February-10
Dow Chemical	DOW	Dow Agricultural Unit		May-09
Eastman Kodak Co.	EK	Spin Co.		September-11
Elan	ELN	Elan Drug Technology		May-10
Exelon Corp	EXC	Commonwealth Edison		August-07
General Electric	GE	NBC Universal		October-09
Genworth Financial	GNW	U.S. Mortgage Unit		October-08
Genzyme	GENZ	Testing/Diagnostic/Pharmaceutical		May-10
Grindrod Ltd	GND SJ	Shipping Unit		May-07
Hartford Financial Services Group	HIG	Split		February-09
HealthSouth	HLS	Non-Core Businesses		September-06
Himax	HIMX	Monitor Chipset Business		November-07
Hewlett-Packard	HPQ	PC Business		September-11
Invensys PLC	ISYS LN	Spin Co.		September-11
Limited Brands	LTD	Limited Stores		June-07
Loral Space	LORL	SS/L		March-11
LJ International	JADE	ENZO Retail Division		August-06
McDonald's Corp	MCD	Boston Market		February-07
McGraw-Hill	MHP	Spin Co.		August-11
NetEase.com	NTES	Portal Business		May-09
News Corp	NWS	Sky Italia		June-06
PHH Corp	PHH	Fleet Business		September-06
Pride International	PDE	International Land Operations		October-06
Qantas Airways Limited	QAN AU	Frequent Flier Program		July-08
Ralcorp Holdings Inc.	RAH	Post Foods		September-11
Raytheon	RTN	Aircraft Business		August-06
Semiconductor Manufacturing	SMIC	Beijing Operations		March-07
Shimao Property Holdings Ltd.	813 HK	Hotel, Tourism, & Leisure Property Business		May-11
Sina Corporation	SINA	Weibo Microblogging Unit		April-11
SK Chemicals Co.	006120 KS	Chemical & Pharmaceuticals		July-11
Target Corporation	TGT	Credit Card Division		October-07
Tessara Technologies Inc.	TSRA	Imaging & Optics Business		May-11
UBS AG	UBSN VX	Break up		April-08
Wal-Mart	WMT	Sam's Club		May-07
Weyerhaeuser	WY	Packaging Unit		June-07

Spin-Off Calendar by Date

Parent	Symbol	Listed Options	Spin-Off	Symbol	Announce Date	Record Date	Spin-Off Date	Report Date	Tax Exempt	Ratio
Time Warner	TWX	Y	Time Warner Cable	TWC	4/21/2005		3/1/2007	Mar-07		SP
Weyerhaeuser	WY	Y	Domtar	UFS	8/23/2006		3/7/2007	Apr-07		11.14:1
Cheniere Energy	LNG		Cheniere Energy Ptnrs	CQP	12/21/2006		3/20/2007	Apr-07		CO
Valhi	VHI		Titanium Metals	TIE	2/28/2007	3/12/2007	3/26/2007	Apr-07		.4776:1
Altria	MO	Y	Kraft Foods	KFT	1/31/2007	3/16/2007	3/30/2007	Apr-07		0.692:1
Auto. Data Process	ADP	Y	Broadridge Fin Solutions	BR	8/2/2006	3/23/2007	3/30/2007	Apr-07		1:4
Halliburton	HAL	Y	KBR Inc	KBR	9/5/2006		4/5/2007	Apr-07		SP
FBR Inc	FBR	Y	FBR Capital Markets	FBCM	4/10/2007		6/7/2007	Jun-07		CO
Disney	DIS	Y	Citadel Broadcasting	CDL	2/6/2005	6/6/2007	6/12/2007	Jul-07	Y	.0766:1
Spectra Energy	SE	Y	Spectra Energy Partners	SEP	3/30/2007		6/27/2007	Jul-07		CO
Tyco International	TYC	Y	Tyco Electronics	TEL	1/13/2006	6/18/2007	6/29/2007	Jul-07	Y	1:4
Tyco International	TYC	Y	Covidien	COV	1/13/2006	6/18/2007	6/29/2007	Jul-07	Y	1:4
Morgan Stanley	MS	Y	Discover Financial	DFS	9/19/2006	6/18/2007	6/30/2007	Jul-07	Y	1:2
Trane Inc	TT	Y	WABCO Holdings	WBC	2/1/2007	7/19/2007	7/31/2007	Jan-07	Y	1:3
AmerisourceBergen	ABC	Y	PharMerica	PMC	8/7/2006	7/20/2007	7/31/2007	Aug-07	Y	.083:1
Kindred Healthcare	KND	Y	PharMerica	PMC	8/7/2006	7/20/2007	7/31/2007	Aug-07	Y	.366:1
Quicksilver Resources	KWK	N	Quicksilver Gas	KGS	2/12/2007		8/7/2007	Sep-07		CO
Acacia Research	ACTG		CombiMatrix	CBMX	1/10/2006		8/15/2007	Sep-07	Y	1:10
EMC Corporation	EMC	Y	VMware	VMW	2/7/2007		8/14/2007	Sep-07		CO
Encore Acquisition	EAC	Y	Encore Energy Partners	ENP			9/12/2007	Oct-07		CO
NCR	NCR	Y	Teradata	TDC	1/8/2007	9/14/2007	9/30/2007	Oct-07	Y	1:1
Sprint Nextel	S	Y	Virgin Mobile USA	VM	5/1/2007		10/10/2007	Nov-07		CO
Acuity Brands	AYI	Y	Zep, Inc	ZEP	7/23/2007	10/17/2007	10/31/2007	Nov-07	Y	1:2
Peabody Coal	BTU	Y	Patriot Coal	PCX	5/10/2007	10/22/2007	10/31/2007	Nov-07	Y	1:10
Marshall & Ilsley	MI	Y	Metavante Technologies	MV	4/3/2007		11/1/2007	Nov-07	Y	1:3
Overseas Shipholding	OSG	Y	OSG America LP	OSP	8/10/2007		11/8/2007	Dec-07		CO
Abraxis Bioscience	ABII	Y	APP Pharmaceuticals	APPX	7/1/2007	11/13/2007	11/13/2007	Dec-07	Y	1:4
Morgan Stanley	MS	Y	MSCI	MXB	7/31/2007		11/14/2007	Aug-08		CO
El Paso	EP	Y	El Paso Energy Partners	EPB	8/31/2007		11/16/2007	Dec-07		CO
Teekay Corp	TK	Y	Teekay Tankers	TNK	4/18/2007		12/13/2007	Jan-08		CO
Temple-Inland	TIN	Y	Guaranty Financial Grp	GFG	2/26/2007	12/14/2007	12/28/2007	Jan-08	Y	1:3
Temple-Inland	TIN	Y	Forestar Real Estate	FOR	2/26/2007	12/14/2007	12/28/2007	Jan-08	Y	1:3
Synvous Financial	SNV	Y	Total System Services	TSS	7/24/2007	12/18/2007	12/31/2007	Jan-08	Y	0.484:1
DISH Network	DISH	Y	EchoStar Holdings	SATS		12/27/2007	1/1/2008	Jan-08	Y	1:5
CKX, Inc.	CKXE	Y	FX Luxury Realty	FXRE	6/19/2007	12/31/2007	1/4/2008	Sep-07		1:5
Williams Companies	WMB	Y	Williams Pipelines Ptnrs	WMZ	9/12/2007		1/17/2008	Feb-08		CO
Belo Corp	BLC	Y	A. H. Belo Corp	AHC	10/1/2007	1/25/2008	2/8/2008	Feb-08	Y	1:5
Altria Group	MO	Y	Philip Morris Intl	PM	8/29/2007	3/19/2008	3/28/2008	Mar-08	Y	1:1
Verizon Com	VZ	Y	FairPoint Com	FRP	1/16/2007	3/5/2008	3/31/2008	Mar-08	Y	1:53
Hil-Rom Holdings	HRC	Y	Hillenbrand Inc	HI	5/15/2007	3/24/2008	3/31/2008	Apr-08	Y	1:1
Quanex	NX	Y	Quanex Building Products	NX	11/19/2007	4/23/2008	4/23/2008	May-08	N	1:1
Pioneer Natural Res	PXD	Y	Pioneer SW Energy Ptrns	PSE	4/23/2007		5/1/2008	May-07		CO
Gaiam	GAIA		Real Goods Solar	RSOL	2/7/2008		5/8/2008	May-08	N	CO
Anadarko Petroleum	APC	Y	Western Gas Partners	WES	6/30/2007		5/9/2008	May-08		CO
Loews Corp	LTR	Y	Lorillard Inc	LO	12/17/2007		6/10/2008	Jun-08	Y	SP
Bentley Pharma	BNT	Y	CPEX Pharmaceuticals	CPEX	7/31/2007	6/20/2008	6/30/2008	Jul-08	Y	1:10
E.W. Scripps	SSP	Y	Scripps Networks Inter.	SNI	10/16/2007	6/16/2008	7/1/2008	Jun-08	Y	1:1
Applera	ABI	Y	Celera Corp	CRA	2/29/2008		7/1/2008	Jul-08	Y	1:1
Fidelity Nat Info	FIS	Y	Lender Processing Serv	LPS	10/25/2007	6/24/2008	7/2/2008	Apr-09	Y	1:2
FMC Technologies	FTI	Y	John Bean Technologies	JBT	10/29/2007	7/22/2008	7/31/2008	Aug-08	Y	.216:1
Kraft Foods	KFT	Y	Ralcorp Holdings	RAH	11/15/2007	8/4/2008	8/4/2008	Aug-08	Y	Split

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IAC/InterActive	IACI	Y	HSN	HSNI	11/5/2007	8/11/2008	8/21/2008	Aug-08	Y	1:5
IAC/InterActive	IACI	Y	Ticketmaster	TKTM	11/5/2007	8/11/2008	8/21/2008	Feb-09	Y	1:5
IAC/InterActive	IACI	Y	Interval Leisure Group	IILG	11/5/2007	8/11/2008	8/21/2008	Aug-08	Y	1:5
IAC/InterActive	IACI	Y	Tree.com	TREE	11/5/2007	8/11/2008	8/21/2008	Aug-08	Y	1/30:1
Cypress Semi	CY	Y	SunPower	SPWRA	7/17/2008	9/17/2008	9/29/2008	Oct-08	Y	0.27:1
Discovery Holdings	DISCA	Y	Discovery Com	DISAD	12/13/2007	9/17/2008	9/26/2008	Oct-08	Y	1:2
The Brink's Company	BCO	Y	Brink's Home Security	CFL	2/25/2008	10/21/2008	10/31/2008	Nov-08	Y	1:1
Procter & Gamble	PG	Y	The Folgers Coffee Co	FOL	6/4/2008	11/6/2008	11/6/2008	Nov-08		Split
Lakes Entertainment	LACO	Y	WPT Enterprises	WPTE	10/7/2008	10/24/2008	11/21/2008	Dec-08		0.48:1
PDL BioPharma	PDLI	Y	Facet Biotech Co	FACT	4/10/2008	12/5/2008	12/18/2008	Sep-09	N	1:5
Potlatch	PCH		Clearwater Paper Corp	CLW	7/17/2008	12/9/2008	12/16/2008	Mar-09	Y	1:3.5
Phoenix Cos	PNX	Y	Virtus Investment Ptnrs	VRTS	2/7/2008	12/22/2008	12/31/2008	Feb-09		1:20
Bristol-Myers Squibb	BMY	Y	Mead Johnson	MJN	12/5/2007		2/11/2009	Nov-09		CO
Digimarc	DMRC		DMRC Corp	DMRCD	6/23/2008	8/1/2008	8/14/2008	Sep-08	N	01:03.5
Time Warner	TWX	Y	Time Warner Cable	TWC	4/30/2008	3/12/2009	3/27/2009	May-09		0.08:1
Walter Industries	WLT	Y	Walter Invest Mgt	WAC	9/30/2008	2/27/2009	4/17/2009	May-09	N	0.36:1
Chesapeake Energy	CHK		Natural Gas Gathering Unit		8/18/2008			Sep-08		
Harris Corp	HRS	Y	Harris Stratex Networks	HSTX	3/31/2009	5/14/2009	5/27/2009	May-09	N	0.24:1
Amer Intl Group	AIG	Y	Transatlantic Holdings	TRH			6/4/2009	Jun-09	N	CO
Myriad Genetics	MYGN	Y	Myriad Pharmaceuticals	MYRX	10/20/2008	6/17/2009	6/30/2009	Jul-09	Y	1:4
Ocwen Financial	OCN		Altisource Portfolio Sol	ASPS	12/12/2008	8/4/2009	8/10/2009	Aug-09	Y	1:3
Pride International	PDE	Y	Seahawk Drilling	HAWK	12/23/2008	8/14/2009	8/28/2009	Sep-09	Y	1:15
Cardinal Health	CAH	Y	CareFusion Corp	CFN	9/29/2008	8/25/2009	8/31/2009	Sep-09	Y	1:2
Shanda Interactive	SNDA		Shanda Games	GAME	5/25/2009		9/25/2009	Oct-09		CO
E-House Holdings	EJ	Y	China Real Estate Info	CRIC	2/26/2008		10/15/2009	Nov-09	N	CO
Liberty Media	LMDIA		Liberty Entertainment		12/12/2008		11/19/2009	Dec-09		1:1
EnCana Corp	ECA	Y	Cenovus Energy	CVE	5/13/2008	12/7/2009	12/7/2009	Dec-09	Y	1:1
Time Warner	TWX	Y	AOL	AOL	4/29/2009	11/27/2009	12/9/2009	Dec-09	Y	1:11
Bristol-Myers Squibb	BMY	Y	Mead Johnson Nutrition	MJN	11/15/2009		12/17/2009	Dec-09	Y	Split
Cablevision Systems	CVC	Y	Madison Square Garden	MSG	7/30/2009	1/25/2010	2/9/2010	Jan-10	Y	1:4
Genco Shipping & Trad.	GNK	Y	Baltic Trading Limited	BALT	10/14/2009		3/10/2010	Jan-10		CO
Barrick Gold Corp	ABX	Y	African Barrick Gold	ABG LN	02/18/10		3/5/2010	Mar-10		CO
Terra Nova	TTT		KHD Humboldt	KHDHF	1/6/2010		3/31/2010	May-10	N	1:10
Citigroup	C	Y	Primerica	PRI	11/5/2009		4/1/2010	Nov-09		CO
CoreLogic	CLGX	Y	First American Financial	FAF	1/15/2008	5/26/2010	6/1/2010	Mar-10	Y	1:1
Pharm Product Develop	PPDI	Y	Furiex Pharmaceutical	FURX	10/27/2009	6/1/2010	6/15/2010	Nov-09	Y	SP
Questar	STR	Y	Questar E & P	QEP	4/21/2010	6/18/2010	6/30/2010	May-10	Y	1:1
Verizon Com	VZ	Y	Frontier Com	FTR	5/13/2009		7/1/2010	Nov-09	Y	SP
Vishay Intertechnology	VSH	Y	Vishay Precision Group	VPG	10/27/2009	6/25/2010	7/6/2010	Nov-09	Y	SP
McDermott International	MDR	Y	Babcock & Wilcox	BWC	12/7/2009	7/9/2010	7/30/2010	Dec-09	Y	SP
LRAD	LRAD		Parametric Sound Corp	PAMT	4/8/2010	9/10/2010	9/27/2010	Apr-10	Y	1:2
Statoil ASA	STO		Statoil Fuel & Retail	SFR NO	9/2/2010		10/22/2010	Sep-10		CO
General Growth Prop	GGP		Howard Hughes	HHC	8/25/2010	11/1/2010	11/8/2010	Sep-10	Y	.098344:1
Rurban Financial	RBNF		RSDI Banking System	RSDI	CANCEL		CANCEL	Jan-10		SP
Sun Healthcare	SUNH		Sabra Health Care REIT	SBRA	5/24/2010	11/5/2010	11/15/2010	Aug-10	N	SP
Tyco	TYC	Y	Elect. & Metal Products		CANCEL		CANCEL	May-10	Y	SP
Motorola Solutions	MSI	Y	Motorola Mobility	MMI	2/11/2010	12/21/2010	1/4/2011	Mar-09	Y	1:8
ArcelorMittal	MT		Aperam	APEMY	7/29/2010	1/28/2011	1/26/2011	Sep-10		1:20
Diana Shipping	DSX		Diana Containership Inc.	DCIX	12/23/2010	1/3/2011	1/19/2011	Jan-11	N	.0325:1
Northrop Grumman	NOC		Huntington Ingalls	HII	7/13/2010	3/30/2011	3/31/2011	Aug-10		SP
CVR Energy	CVI		Fertilizer Business	UAN	12/20/2010		4/7/2011	Apr-11		CO
SandRidge Energy	SD		SandRidge Mississippian Trust I	SDT	1/5/2011		4/7/2011	Jan-11		CO

Spin-Off Calendar by Date

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Paragon	PRGN		Box Ships	TEU	4/4/2011		4/13/2011	May-11		CO
Golar	GLNG		Golar LNG Partners	GMLP	3/30/2011		4/20/2011	May-11		CO
Tesoro Petroleum Corp.	TSO		Tesoro Logistics LP	TLLP	12/13/2010		4/20/2011	Jan-11	N	CO
Forest Oil	FST		Lone Pine Resources	LPR	12/12/2010		6/1/11	Jan-11		CO
Marathon	MRO		Marathon Petroleum Co	MPC	1/13/2011	6/27/2011	6/30/2011	Feb-11	Y	1:2
Cablevision Systems	CVC		AMC Networks Inc.	AMCX	11/18/2010		6/30/2011	Dec-10	Y	SP
Sunoco	SUN	Y	SunCoke Energy	SXC	6/16/2010		7/21/2011	Jul-10	Y	CO
Forest Oil	FST		Lone Pine Resources	LPR	12/12/2010	9/16/11	9/30/11	Jan-11	Y	SP
Fortune Brands*	FO		Home & Security		12/18/2011	9/20/11	10/3/11	Dec-10	Y	SP
Fortune Brands*	FO		Acushnet		SOLD		SOLD	Dec-10		SP
IDT Corp	IDT		Genie Energy	GNE	11/2/2010		Oct-11	Dec-10	Y	SP
Expedia	EXPE		Trip Advisor		4/7/2011		Q3-11	May-11	Y	SP
Liberty Media Interactive	LINTA	Y	Liberty Capital	LCAPA	6/20/2010		Q3-11	Jul-10	Y	Split
Liberty Media Interactive	LINTA	Y	Liberty Starz	LSTZA	6/20/2010		Q3-11	Jul-10	Y	Split
Williams	WMB		Williams Energy	WPX	2/16/2011		Q3-11	Mar-11	Y	CO
Carrols Restaurant Group	TAST		Fiesta Restaurant Group		2/24/2010		Q4-11	Mar-11	Y	SP
El Paso	EP		EP Energy	EPE	5/24/2011		Q4-11	Jun-11	Y	SP
General Growth Prop	GGP		Rouse Properties		8/2/2011		Q4-11	Aug-11	N	SP
ITT	ITT		ITT Xylem		1/12/2011		Q4-11	Feb-11	Y	SP
ITT	ITT		ITT Exelis		1/12/2011		Q4-11	Feb-11	Y	SP
Marriott	MAR		Marriott Vacations Worldwide		2/14/2011		Q4-11	Mar-11	Y	SP
Siemens	SI		Osram		3/28/2011		Q4-11	Apr-11		CO
Sunoco	SUN	Y	SunCoke Energy	SXC	6/16/2010		2H-11	Jul-10	Y	SP
nTelos Holdings Corp.	NTLS		Wireline		12/8/2010	3/15/2011	2H-11	Jan-11	Y	SP
General Electric Co	GE	Y	Consumer & Industrial		7/10/2008		Mid-2011	Jul-08		SP
DryShips	DRYS	Y	Ocean Rig UDW	ORIG	12/23/2010		Oct-11	Jun-08		SP
IDT Corp	IDT		Innovative Comm. Technology	ICTI	CANCEL		CANCEL	Apr-11	Y	1:5
Rowan	RDC		LeTourneau		SOLD		SOLD	Mar-11		SP
AMR Corp.	AMR		American Eagle		8/11/2011		2H-11	Sep-11	Y	SP
Seacor Holdings Inc.	CKH		ERA Oil-Helicopter Unit		8/2/2011		2H-11	Aug-11		CO
Williams	WMB		Williams Energy	WPX	2/16/2011		Q1-12	Mar-11	Y	SP
ConocoPhillips	COP		Downstream Business		7/14/2011		1H-12	Aug-11	Y	SP
L-3 Communications	LLL		Engility		6/23/2011		1H-12	Aug-11		SP
Aware	AWRE		Patent Licensing Ops		9/24/2010		2012	Oct-10	Y	SP
Kraft Foods	KFT		North American Grocery Bus.		8/4/2011		2012	Aug-11	Y	SP
Sara Lee	SLE		European-Based Coffee Unit		1/28/2011		2012	Jan-11	Y	SP
CompuCredit	CCRT		Purpose Financial		12/3/2009		TBA	Jan-10	Y	SP
Medtronic	MDT	Y	Physio-Control		12/4/2006		TBA	Jun-07	Y	SP
Sears Holdings Corp.	SHLD		Orchard Supply Stores		6/23/2011		TBA	Jul-11	Y	SP

*NAME CHANGE OCT. 4, 2011 TO BEAM INC. (BEAM)

Foreign Spin-Off by Date

Parent	Symbol	Country	Spin-Off	Symbol	Announce Date	Spin-Off Date	Report Date	Ratio
Petroleum Geo-Services	PGS	Norway	Petrojarl ASA	PETRO NO	3/28/2006	6/30/2006	Jul-06	CO
Infineon Technologies	INF GR	Germany	Qimonda	QI	11/17/2005	8/8/2006	Sep-06	CO
WH Smith	SMWH LN	U.K.	Smith News	NWS LN	4/12/2006	8/31/2006	Aug-06	1:1
GUS	GUS LN	U.K.	Home Retail Group	HOME LN	3/28/2006	10/10/2006	Oct-06	1:1
BBA Group plc	BBA LN	U.K.	Fiberweb	FWEB LN	10/24/2006	11/17/2006	Dec-06	1:4
Anglo American	AAL LN	U.K.	Mondi		1/15/2006	7/3/2007	Jul-06	1:10
Barloworld Ltd.	BAW SJ	S. Africa	Pretoria Portland	PPC SJ		7/16/2007	Aug-07	1.8:1
Provident Financial	PFG LN	U.K.	Intl Personal Fin	IPF LN		7/16/2007	Aug-07	CO
Man Group	EMG LN	U.K.	MF Global Ltd	MF US		7/18/2007	Aug-07	CO
Portugal Telecom	PTC PL	Portugal	Cable Television Unit		8/3/2006	11/7/2007	Nov-07	4:25
Umicore	UMI BB	Belgium	Nyrstar	NYR BB	12/11/2006	10/29/2007	Dec-07	CO
Zinifex	ZFX AU	Australia	Nyrstar	NYR BB	12/11/2006	10/29/2007	Dec-07	CO
Brookfield Asset Mgt	BAM CN	Canada	Brookfield Infrastructure	BIP	7/31/2007	1/31/2008	Feb-08	SP
RWE AG	RWE GR	Germany	American Water Works	AWK	3/24/2006	4/24/2008	Apr-08	CO
Cadbury	CBRY LN	U.K.	Dr. Pepper Snapple	DPS	10/10/2007	5/7/2008	Apr-09	3:25
Penoles SA	PE&OLES*	Mexico	Fresnillo Ltd	FRES LN		5/8/2008	May-08	CO
San Miguel	SMC PM	Philippines	San Miguel Brewery		7/24/2007	5/12/2008	May-08	CO
Telmex	TELMEXL	Mexico	Telmex Intl	TELINTL MM		6/10/2008	Jun-08	SP
Suez SA	SZE FP	France	Suez Environnement SA	SEV FP	9/2/2007	7/22/2008	Jul-08	SP
Richemont SA	CFR VX	Switzerland	Reinet	REIN LX	8/8/2008	10/20/2008	Nov-08	SP
Sohu.com	SOHU	China	Changyou.com	CYOU	3/17/2009	4/2/2009	Apr-09	CO
Genworth Financial	GNW	U.S.	Genworth MI Canada	MIC CN		7/7/2009	Aug-09	CO
Julius Baer	BAER VX	Switzerland	Artio Global Investors	ART	2/12/2008	9/23/2009	Oct-09	CO
Wynn Resorts	WYNN	U.S.	Wynn Macau Ltd	1128 HK		9/30/2009	Oct-09	CO
Banco Santander	SAN SM	Spain	Banco Santander Brasil	SANB11 BZ		10/7/2009	Oct-09	CO
Aviva plc	AV LN	U.K.	Delta Lloyd	DL NA		11/2/2009	Dec-09	CO
Rio Tinto	RTP	U.K.	Cloud Peak Energy	CLD	8/8/2008	11/19/2009	Dec-09	CO
Las Vegas Sands	LVS	U.S.	Sands Macau Ltd	1928 HK		11/20/2009	Dec-09	CO
Barrick Gold Corp	ABX	Canada	African Barrick Gold	ABG LN	02/18/10	3/5/2010	Mar-10	CO
Cable & Wireless Comm	CWC LN	U.K.	C&W Worldwide	CWW LN	11/5/2009	3/26/2010	Nov-09	SP
Carphone Warehouse	CPW LN	U.K.	TalkTalk	TALK LN		3/26/2010	Apr-10	SP
Kemira	KRA1V FH	Finland	Tikkurila	TIK1V FH	2/8/2010	3/26/2010	Apr-10	SP
Terra Nova	TTT	Canada	KHD Humboldt	KWG GR	1/6/2010	3/31/2010	May-10	01:03.5
Capital Shopping Centres	CSC	U.K.	Capital & Country	CAPC	3/9/2010	5/17/2010	May-10	SP
ACCOR SA	AC FP	France	Edenred	EDEN FP	2/24/2010	7/2/2010	Mar-10	SP
Statoil ASA	STO	Norway	Statoil Fuel & Retail	SFR NO	9/2/2010	10/22/2010	Sep-10	CO
Modern Times Group	MTGB ST	Sweden	CDON Group	CDON SS	4/19/2010	12/15/2010	May-10	1:1
Fiat SpA	F IM	Italy	Fiat Industrial	FI IM	9/27/2010	1/3/2011	May-10	1:1
Grupo Carso	GCARSOA1	Mexico	Minera Frisco	MFRISCO	8/25/2010	1/6/2011	Sep-10	SP
Grupo Carso	GCARSOA1	Mexico	Inmuebles Carso	INCARSO	8/25/2010	1/6/2011	Sep-10	SP
ArcelorMittal	MT	France	Aperam	APEMY	7/29/2010	1/31/2011	Sep-10	1:20
Advantage Oil & Gas	AAV CN	Canada	Longview Oil	LNV CN	3/7/2011	4/14/2011	Apr-11	CO
Foster's Group	FGL AU	Australia	Treasury Wine Estates	TWE	2/15/2011	5/20/2011	Mar-11	1:3
MGM Resorts	MGM	US	MGM China	2282 HK	9/27/2010	6/3/2011	Oct-10	CO
Toromont	TIH CN	Canada	Enerflex Ltd.	EFX CN	11/8/2010	6/3/2011	May-11	1:1
Sopra	SOP FP	France	Axway	AXW FP	1/21/2011	6/14/2011	Mar-11	1:1
Tabcorp	TAH AU	Australia	Echo Entertainment	EGP CN	10/18/2010	6/21/2011	Nov-10	1:1
Lee & Man Holdings	746 HK	Hong Kong	Lee & Man Handbags	1488 HK	1/5/2011	6/27/2011	Jul-11	SP
Carrefour	CA FP	France	Dia	Madrid: DIA	3/1/2011	7/5/2011	Mar-11	SP
Aker Solutions	AKSO NO	Norway	Kvaerner	KVAER NO	4/6/2011	7/13/2011	Jul-11	1:1
Mondi	MNDI LN	London	Mpact	MPT SJ	4/7/2011	7/18/2011	Apr-11	1:1
Punch Taverns	PUB LN	London	Spirit	SPRT LN	3/22/2011	8/1/2011	Apr-11	SP
Western Copper Corp*	WRN CN	Canada	Copper North Mining Corp		6/23/2011	Q4-2011	Sep-11	SP
Western Copper Corp*	WRN CN	Canada	NorthIsle Copper & Gold Inc.		6/23/2011	Q4-2011	Sep-11	SP
ACE Aviation	ACE.A CN	Canada	Air Canada		8/11/2006	Summer-11	Nov-06	CO
Sino American Silicon	5483 TT	China	Taiwan Sapphire Corp.		4/14/2011	10/1/2011	May-11	SP
Sino American Silicon	5483 TT	China	Global Wafer Corp.		4/14/2011	10/1/2011	May-11	SP
Essar Ports	ESRS IN	India	Essar Shipping		8/18/2010	TBA	Mar-11	SP
ATS Automation Tooling Sys.	ATA CN		Photowatt		3/31/2011	TBA	Sep-11	SP

*NAME CHANGE TO WESTERN COPPER & GOLD CORP.

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