

Equities

6 June 2011 | 16 pages

NTT Urban Development (8933)

Expecting only modest earnings rebound

■ **Conclusions** — We revise our earnings forecasts for FY3/12 and out. We revise down mainly because leasing revenue looks set to be lower than we previously expected. We also cut our target price to ¥90,000 from ¥100,000. However, the shares still look undervalued, so we maintain our Buy/Medium Risk rating. Not only is the stock trading at a c50% discount to NAV, valuations are near historical lows. We think the market is over-reacting to the likelihood of a limited earnings recovery.

■ **Earnings forecasts** — We look for FY3/12 earnings to be in line with company guidance. We expect a slight decline in OP in FY3/13 (lower construction revenue) and a slight rise in FY3/14 (higher leasing income on contributions as new projects come onstream).

■ **Unrealized gains** — Unrealized gains on leasing assets total ¥443.7bn (-¥27bn YoY). NAV per share is about ¥182,000, or roughly ¥128,000 after tax. However, we estimate adjusted NAV, taking into account the Akihabara UDX building, at about ¥210,000 (or c¥145,000 after tax).

■ **Target price** — Our ¥90,000 target price is a c40% discount to FY3/11A adjusted NAV of ¥145,000 (our previous target price was based on FY3/10A adjusted NAV and also took into account earnings momentum and the balance with other valuation metrics). In setting our target price this time, we again consider the balance with other valuations (FY3/12E PER of 31x and PCFR of 9x).

- Company Update
- Target Price Change
- Estimate Change

Buy/Medium Risk	1M
Price (03 Jun 11)	¥66,600
Target price	¥90,000
from ¥100,000	
Expected share price return	35.1%
Expected dividend yield	1.8%
Expected total return	36.9%
Market Cap	¥219,194M
	US\$2,730M

Price Performance (RIC: 8933.T, BB: 8933 JP)



Consol.	Sales		OP			RP		NP		EPS		PE
	¥M	YOY (%)	¥M	YOY (%)	OPM(%)	¥M	YOY (%)	¥M	YOY (%)	¥	X	
3/10A	149,224	3.4	16,129	-36.1	10.8	10,215	-47.6	6,119	-61.7	1,858	35.8	
3/11A	145,693	-2.4	24,324	50.8	16.7	18,554	81.6	9,308	52.1	2,828	23.5	
3/12CE	144,000	-1.2	24,500	0.7	17.0	18,700	0.8	9,500	2.1	2,886	23.1	
3/12E	144,300	-1.0	24,700	1.5	17.1	18,600	0.2	9,420	1.2	2,862	23.3	
3/12RE	143,300	-1.6	24,500	0.7	17.1	18,600	0.2	9,420	1.2	2,862	23.3	
3/13E	145,500	0.8	26,000	5.3	17.9	19,800	6.5	10,190	8.2	3,096	21.5	
3/13RE	150,500	5.0	23,900	-2.4	15.9	17,800	-4.3	8,910	-5.4	2,707	24.6	
3/14E	150,600	0.1	24,800	3.8	16.5	18,500	3.9	9,360	5.1	2,844	23.4	

A: Actuals, E: CIRA Ests, CE: Company Ests, RE: CIRA Revised Ests, CRE: Company Revised Ests, NA: Not Available, NM: Not Meaningful

Yoshizumi Kimura

+81-3-6270-4863

yoshizumi.kimura@citi.com

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

Citi Investment Research & Analysis is a division of Citigroup Global Markets Inc. (the "Firm"), which does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the Firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

	3/10	3/11	3/12E	3/13E	3/14E
Valuation Ratios					
PER(X)	35.8	23.5	23.3	24.6	23.4
EV/EBITDA	17.3	14.6	14.5	14.9	14.9
P/BVPS	1.5	1.4	1.4	1.3	1.3
Dividend yield	1.8	1.8	1.8	1.8	1.8
Per Share Data (¥)					
EPS adjusted	1,858	2,828	2,862	2,707	2,844
Reported EPS - diluted	1,859	2,828	2,862	2,707	2,844
EPS*	1,858	2,828	2,862	2,707	2,844
BPS	45,646	47,258	48,920	50,427	52,071
DPS	1,200	1,200	1,200	1,200	1,200
Profit & Loss (¥M)					
Net sales	149,224	145,693	143,300	150,500	150,600
Operating expenses	-133,095	-121,369	-118,800	-126,600	-125,800
EBIT	16,129	24,324	24,500	23,900	24,800
Net interest income/expense	-8,172	-7,836	-7,820	-8,020	-8,220
Total other non-operating items	2,258	2,066	1,920	1,920	1,920
Recurring profit	10,215	18,554	18,600	17,800	18,500
Extraord./Min.Int./Pref.div.	10,267	-3,816	-3,200	-3,200	-3,200
Taxation	-14,366	-5,431	-5,980	-5,690	-5,940
Reported net income	6,116	9,307	9,420	8,910	9,360
Analyst adjusted EBITDA	41,650	47,713	48,100	47,400	48,300
Growth Rates (%)					
Net sales	3.4	-2.4	-1.6	5.0	0.1
EBITDA adjusted	-18.3	14.6	0.8	-1.5	1.9
EPS adjusted	-61.7	52.2	1.2	-5.4	5.1
Cash Flow (¥M)					
Cash from operations	35,168	40,417	40,220	39,610	38,060
Depreciation and amortization	25,520	23,388	23,600	23,500	23,500
Net change in working capital	6,471	-6,149	0	0	0
Cash from investing activities	6,695	-28,257	-45,350	-45,350	-45,350
Capital expenditure	-22,231	-24,533	-45,000	-45,000	-45,000
Net acquisitions/disposals	0	0	0	0	0
Cash from financing activities	-30,028	-14,641	1,051	6,051	11,051
Changes in borrowings	-24,417	-8,905	5,000	10,000	15,000
Dividends paid	-3,949	-3,949	-3,949	-3,949	-3,949
Change in cash	11,816	-2,492	-4,079	311	3,761
Balance Sheet (¥M)					
Total assets	916,725	910,490	923,161	940,321	962,932
Cash	9,601	10,270	6,141	6,401	10,112
Accounts receivable	14,403	6,458	6,458	6,458	6,458
Net tangible fixed assets	745,873	745,267	765,067	784,967	804,867
Total liabilities	731,188	719,708	725,708	736,708	752,708
Accounts payable	6,287	8,083	8,083	8,083	8,083
Total Debt	496,680	487,777	492,777	502,777	517,777
Shareholders' funds	185,536	190,782	197,453	203,613	210,224
Profitability/Solvency Ratios (%)					
Analyst Adjusted EBITDA Margin	27.9	32.7	33.6	31.5	32.1
Operating ROE	4.1	6.1	6.0	5.5	5.5
Operating ROIC	0.2	2.3	2.2	2.2	2.2
Net debt to equity	262.5	250.3	246.5	243.8	241.5
Debt to total capital	72.8	71.9	71.4	71.2	71.1

Note: Consolidated data. * EPS: NP/Est Shares OS.

For further data queries on Citi's full coverage universe please contact CIRA Data Services Japan at CIRADatServicesJapan@citi.com or +81-3-6270-4720



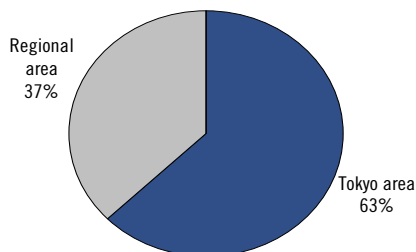
Investment Dashboard

Reasons to Buy

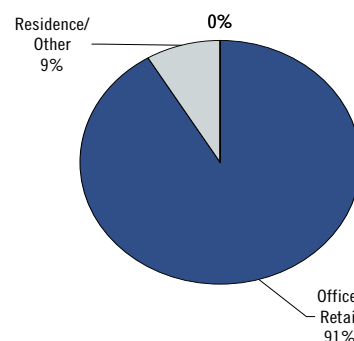
- Leasing revenue is showing signs of bottoming out, while the shares are well below NAV/share

NOI breakdown (FY3/11)

By area



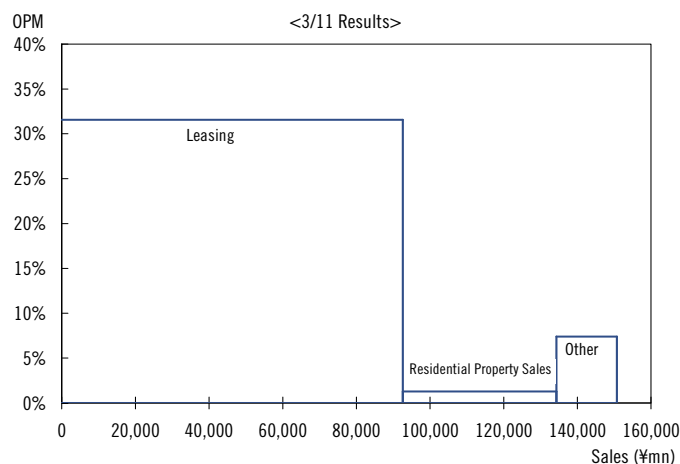
By property type



Source: Company data, Citi Investment Research and Analysis.

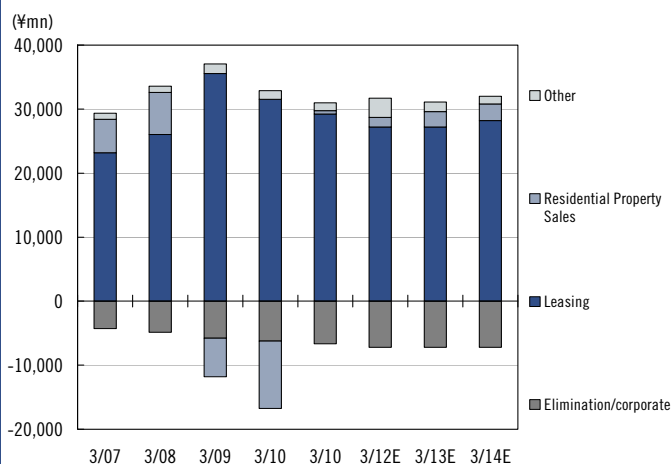
Business portfolio

<3/11 Results>



Source: Company data, Citi Investment Research and Analysis.

OP by segment

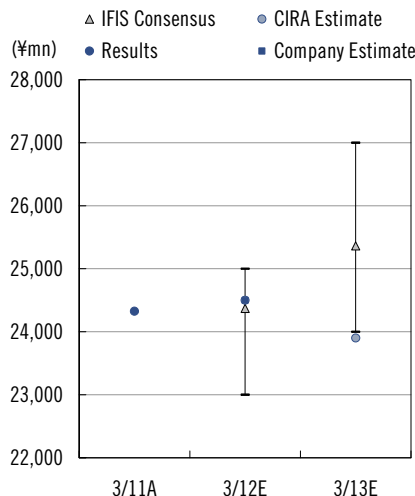


Source: Company data, Citi Investment Research and Analysis.

Alternate scenario: What would make it a Hold

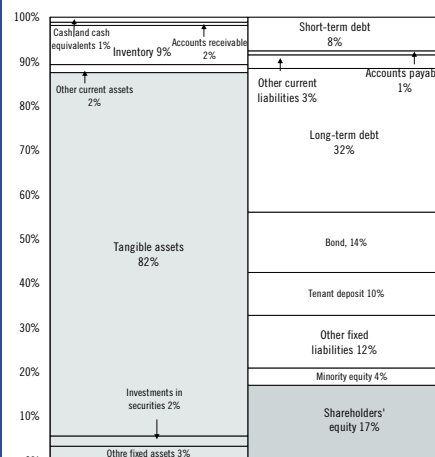
- Weak leasing and residential property earnings due to economic deterioration
- In the above case, the shares could fall to about 50% below NAV (the past bottom was about 60% below), for a theoretical share price of about ¥72,000

OP forecast comparison



Source: Company data, IFIS (June 2), Citi Investment Research and Analysis.

Balance sheet (end-FY3/11)



Source: Company data, Citi Investment Research and Analysis.

Earnings outlook

FY3/12 guidance

For FY3/12, the company expects earnings (Figure 7) to be basically flat YoY, with OP at ¥24.5bn (+¥0.2bn or +1%, YoY).

In the core leasing segment, the company projects a ¥1.5bn YoY decline in revenue and a ¥2bn drop in profits (Figure 1). Despite contributions from the opening of the Urbannet Tenjin Building and a full-year contribution from the Urbannet-Shijo Karasuma Building, rent revisions for existing properties and the scrapping of company housing for NTT West is expected to reduce revenue by ¥2.9bn.

Figure 1. Revenue and profit decline expected for leasing segment

(Consolidated, ¥mn)	3/10	3/11	3/12CE	YoY change from FY3/11 to FY3/12CE
Operating revenue	98,092	92,608	91,100	
YoY change (%)	-1.8%	-5.6%	-1.6%	
YoY change (¥mn)	-1,836	-5,484	-1,508	New bldgs+1,500, existing bldgs-2,900, other-100
Operating profit	31,521	29,226	27,200	
YoY change (%)	-11.4%	-7.3%	-6.9%	
YoY change (¥mn)	-4,039	-2,295	-2,026	New bldgs-100, existing bldgs-2,300, other+500

CE: Company estimates.

Source: Company data, Citi Investment Research and Analysis.

In the residential property segment, the company expects operating revenue of ¥35.6bn (-¥6.1bn YoY) and OP of ¥1.5bn (+¥1bn). Management expects sales volume for mainstay condominiums to drop to 540 units from 717 units and for revenue to fall to around ¥25.6bn from ¥31.6bn. Despite lower sales, the company expects to achieve OP growth on improvement in the operating margin (to 4.2% from 1.3%).

In the others segment, guidance is for operating revenue of ¥22.1bn (+5.7bn YoY) and OP of ¥3bn (+1.8bn). The company expects revenue and profits to rise on contributions from subcontracted construction revenue related to Phase II of the Otemachi Redevelopment Project.

Outlook for FY3/13 and beyond

We look for FY3/12 earnings that are basically in line with company guidance. For FY3/13, we expect OP of ¥23.9bn (down due to lower construction revenue). For FY3/14, we look for OP of ¥24.8bn (up on new production completions).

The medium-term plan announced by the company on May 12, 2010 targets FY3/13 OP of ¥26bn and a net D/E ratio¹ of approximately 2.3x (2.55x at end-FY3/10 and 2.45x at end-FY3/11).

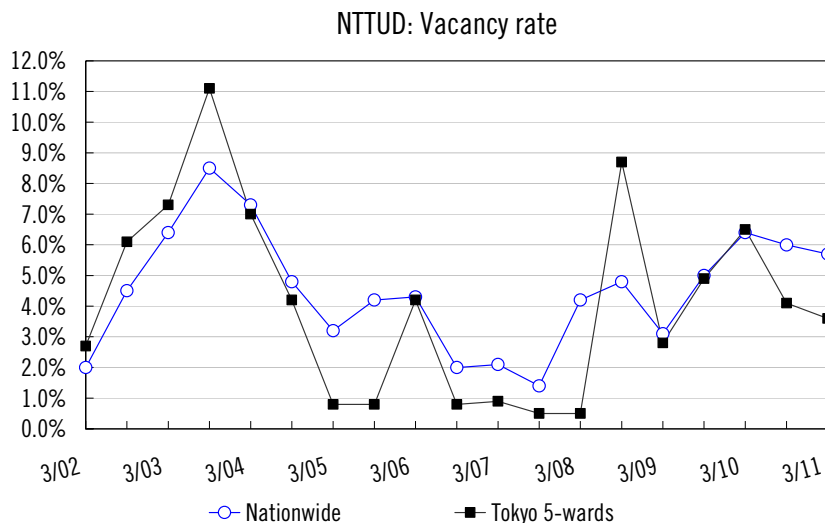
Leasing business trends

The vacancy rate in Tokyo's five central wards was 3.6% at end-FY3/11, and the company assumes a rate of around 3.0% at end-FY3/12. As noted earlier, income from existing buildings is expected to drop ¥2.9bn (YoY) in FY3/12. In our view, NTT

¹ Net D/E ratio = (interest-bearing debt – cash and cash equivalents – time deposits with a maturity greater than three months) / net assets

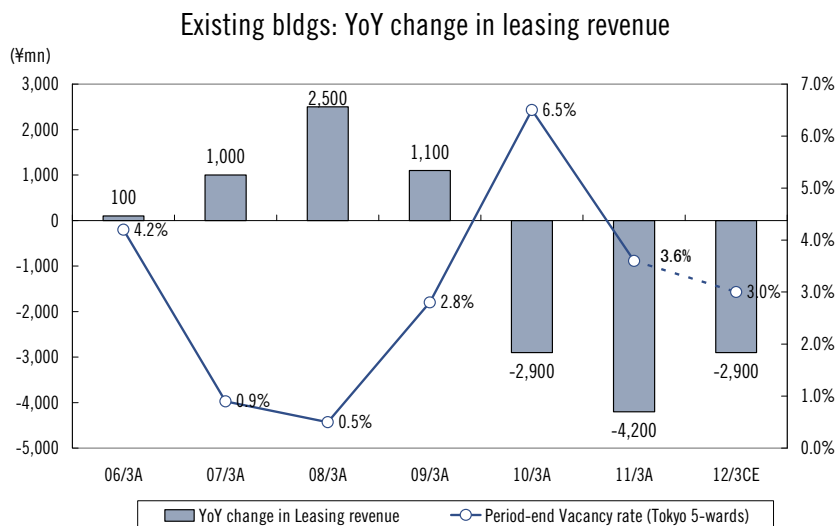
Urban expects revenue to decline despite vacancy rate improvement because of rental revisions for major tenants.

Figure 2. Company expects vacancy rate in Tokyo's five central wards to improve to around 3.0% at end-FY3/12



Source: Company data, Citi Investment Research and Analysis.

Figure 3. Fall in revenue could continue at some existing properties in FY3/13



Source: Company data, Citi Investment Research and Analysis.

Figure 4. NOI at individual properties

Property	NOI (¥mn)						Pct. of total (FY3/2011)
	3/2006	3/2007	3/2008	3/2009	3/2010	3/2011 YoY (%)	
Urbannet Otemachi Bldg.	5,087	5,507	5,845	6,498	5,920	5,371 -9.3%	9.5%
Otemachi First Square	4,739	4,508	4,902	4,994	4,403	3,972 -9.8%	7.0%
NTT Makuhari Bldg.	2,007	2,220	2,371	2,349	2,309	1,979 -14.3%	3.5%
Granpark	4,075	4,051	4,054	4,069	4,727	4,521 -4.4%	8.0%
Seavans N Bldg.	2,521	2,644	2,933	3,182	3,052	2,465 -19.2%	4.3%
Tokyo Opera City	1,522	1,676	1,845	1,862	1,704	1,512 -11.3%	2.7%
Urbannet Ikebukuro Bldg.	977	1,054	1,046	1,106	1,016	-- --	--
Akihabara UDX	--	--	--	7,874	7,722	7,530 -2.5%	13.3%
JA Bldg, Keidanren Kaikan					1,113	1,989 --	3.5%
Urbannet Oroshimachi Bldg.	462	487	532	457	548	216 -60.6%	0.4%
Urbannet Itsutsubashi Bldg.	--	--	--	233	240	217 -9.6%	0.4%
Johoku Bldg.	392	388	521	--	--	-- --	--
Urbannet CS Bldg.	327	349	340	363	347	343 -1.2%	0.6%
Urbannet Shizuoka Bldg.	335	314	293	338	305	307 0.7%	0.5%
Urbannet Shizuoka-Ottecho Bldg.	375	387	404	423	390	359 -7.9%	0.6%
Urbannet Kami-Nagoya Bldg.	86	107	108	107	109	106 -2.8%	0.2%
Urbannet Fushimi Bldg.	448	426	429	457	450	439 -2.4%	0.8%
Urbannet Nagoya Bldg.	760	2,464	2,386	2,464	2,275	2,131 -6.3%	3.8%
Sumitomo Corp. Nagoya Bldg.	--	--	--	--	--	287 --	0.5%
NTT Osaka Chuo Bldg.	441	431	411	410	374	373 -0.3%	0.7%
Urban Ace Kitahama Bldg.	530	443	399	427	435	413 -5.1%	0.7%
Urban Ace Higobashi Bldg.	344	336	329	334	336	328 -2.4%	0.6%
Urban Ace Sannomiya Bldg.	444	452	461	436	437	441 0.9%	0.8%
Urban Ace Awaza Bldg.	465	416	412	376	351	330 -6.0%	0.6%
Urbannet Honmachi Bldg.	357	362	379	376	375	362 -3.5%	0.6%
Tradepia Yodoyabashi	--	--	--	327	849	742 -12.6%	1.3%
NTT Cred Motomachi Bldg.	3,696	3,849	3,732	3,785	3,287	3,269 -0.5%	5.8%
NTT Cred Hakushima Bldg.	828	842	786	806	816	775 -5.0%	1.4%
NTT Cred Okayama Bldg.	531	567	564	467	316	309 -2.2%	0.5%
NTT-T Bldg.	2,044	2,149	2,160	2,220	2,127	2,068 -2.8%	3.6%
NTT-KF Bldg.	313	319	326	324	323	234 -27.6%	0.4%
Urbannet Hakata Bldg.	231	223	273	295	280	248 -11.4%	0.4%
Emuzu Odori Bldg.	427	426	396	415	367	365 -0.5%	0.6%
Emuzu Minami 22-jo Bldg.	108	111	122	119	114	116 1.8%	0.2%
Urbannet Sapporo Bldg.	649	796	767	771	745	767 3.0%	1.4%
Sub-total	35,521	38,304	39,526	48,664	48,162	44,884	79.1%
Other	11,701	12,069	13,207	15,595	13,302	11,820	20.8%
Total	47,237	50,387	52,748	64,277	61,480	56,722	100.0%
Property type (Pct.of total)							
Office/Retail	90%	91%	93%	90%	91%	91%	
Residence/Other	10%	9%	7%	10%	9%	9%	
Total	100%	100%	100%	100%	100%	100%	
Area (Pct.of total)							
Tokyo-Metro area	61%	60%	58%	57%	64%	63%	
Other	39%	40%	42%	43%	36%	37%	
Total	100%	100%	100%	100%	100%	100%	

Source: Company data, Citi Investment Research and Analysis.

Residential property sales business trends

Inventory stood at ¥80.5bn at end-FY3/11 (just under 9% of total assets). Of this, condos accounted for around 90%, which we understand equates to approximately 3,000 units once on the market (the rest consists of land for residences, etc.).

For FY3/12, the company targets sales of 540 condos in the property sales segment, and we assume the annual target is around 800 units thereafter. The proportion of units subject to appraisal losses is gradually declining, so margins are likely to improve.

Status of new projects and capex

The FY3/12 capex budget is ¥40bn (¥29.9bn in FY3/11). The main projects are the Osaka Station North District Redevelopment Project, the Shibaura Water Reclamation Center Reconstruction Project, the Urbanet Tenjin Building, the Urbanet Kanda Building, and renewal of existing buildings (c¥12bn). We estimate that more than ¥36bn of the budget has already been allocated.

Figure 5 shows the company's major projects. The acquisition of land is basically complete, so future outlays will be mainly construction costs, but we think the required funds are fully within the range of operating cash flow.

Figure 5. Major projects

Projects	Location	Completion	GFA (m)	Total investment (¥mn)
Urbanet Shijo-Karasuma Bldg.	Kyoto-city	10/2010	17,500	17,600
Urbanet Uchihonmachi Bldg.	Osaka-city	6/2011	13,600	5,500
Urbanet Tenjin Bldg.	Fukuoka-city	8/2011	14,800	5,000
Nakasu 4-chome Project (tentative name)	Fukuoka-city	9/2011	9,900	2,300
Urbanet Kanda Bldg.	Chiyoda-ku	4/2012	14,700	22,000
Otemachi Redevelopment Project Phase 2	Chiyoda-ku	9/2012	8,900	15,000
Osaka Station North District Advance Development Project	Osaka-city	3/2013	48,300	50,000
Shibaura Water Reclamation Center Upper-Level Section	Minato-ku	FY2014	NA	NA
Total			127,700	117,400

Note: Total project costs include some CIRA estimates.

Source: Company data, Citi Investment Research and Analysis.

Unrealized gains

The market value of the company's rental real estate at end-FY3/11 totaled ¥1.18trn (¥1.21trn at end-March 2010). The ¥443.7bn difference with book value (¥470.8bn a year earlier) represents unrealized gains. NAV calculated as BPS of ¥47,258 plus unrealized gains comes to approximately ¥182,000 before taxes and roughly ¥128,000 after taxes.

The market value of the Akihabara UDX building (the building is owned by UDX TMK, an NTT Urban Development consolidated subsidiary) is around ¥170bn, which is below book value of approximately ¥220bn (our estimate). At first glance there appears to be an unrealized loss. However, because the company

consolidated the property at the market value for FY3/08², there is actually an unrealized gain.

We estimate the unrealized gain on Akihabara UDX at approximately ¥40bn (portion belonging to NTT Urban Development). The disclosed amount of unrealized gains on the portfolio is ¥443.7bn, but actual unrealized gains on existing properties excluding Akihabara UDX are approximately ¥500bn, so we think total unrealized gains including Akihabara UDX are actually just under ¥540bn. Taking this into account, we estimate NAV at approximately ¥210,000, or approximately ¥145,000 after taxes.

² The difference between book value and market value at the time of consolidation was booked to deferred tax liabilities, negative goodwill, and minority interests.

Figure 6. NTT Urban Development: Valuations



Note. NP used in calculating PER = $(RP \times (1 - \text{effective tax rate}) - \text{minority interests})$, CF used in calculating PCFR = NP + depreciation, EV/EBITDA = $(\text{gross liabilities} + \text{market cap} - \text{cash and deposits}) / \text{EBITDA}$.

Source: Company data, Nikkei Quick, Citi Investment Research and Analysis.

Figure 7. NTT Urban Development: Key financial data

(¥mn)	3/2009A	3/2010A	3/2011A	3/2012E	3/2013E	3/2014E	3/2012CE
Sales	144,277	149,224	145,693	143,300	150,500	150,600	144,000
YoY	4.4%	3.4%	-2.4%	-1.6%	5.0%	0.1%	-1.2%
Operating profit	25,244	16,129	24,324	24,500	23,900	24,800	24,500
YoY	-12.1%	-36.1%	50.8%	0.7%	-2.4%	3.8%	0.7%
Leasing	35,560	31,521	29,226	27,200	27,200	28,200	27,200
Property sales	-6,018	-10,498	533	1,500	2,400	2,600	1,500
Other	1,500	1,358	1,212	3,000	1,500	1,200	3,000
(Elimination/Corporate)	-5,798	-6,252	-6,647	-7,200	-7,200	-7,200	-7,200
Nonoperating income	2,373	2,564	2,512	2,300	2,300	2,300	
Nonoperating expense	8,113	8,477	8,282	8,200	8,400	8,600	
Recurring profit	19,504	10,215	18,554	18,600	17,800	18,500	18,700
YoY	-25.5%	-47.6%	81.6%	0.2%	-4.3%	3.9%	0.8%
Extraordinary gains	12,037	17,628	220	500	500	500	
Extraordinary loss	4,147	6,025	2,652	2,500	2,500	2,500	
Net pretax profit	27,393	21,819	16,122	16,600	15,800	16,500	
Net profit after tax	15,989	6,116	9,307	9,420	8,910	9,360	9,500
YoY	8.3%	-61.7%	52.2%	1.2%	-5.4%	5.1%	2.1%
EPS (diluted) (¥)	4,858	1,858	2,828	2,862	2,707	2,844	
DPS (¥)	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Margin (%)							
-Operating profit	17.5	10.8	16.7	17.1	15.9	16.5	17.0
Leasing	35.6	32.1	31.6	29.9	29.9	30.6	29.9
Property sales	-18.4	-25.2	1.3	4.2	5.1	5.4	4.2
Other	9.0	9.3	7.4	13.6	8.3	7.5	13.6
-Recurring profit	13.5	6.8	12.7	13.0	11.8	12.3	13.0
-Net profit after tax	11.1	4.1	6.4	6.6	5.9	6.2	6.6
Cash flow							
Cash flow from operations	-12,091	35,168	40,417	40,220	39,610	38,060	
(Depreciation)	25,762	25,520	23,388	23,600	23,500	23,500	
Cash flow from investment	-57,397	6,695	-28,257	-45,350	-45,350	-45,350	
(Capex)	-66,225	-22,231	-24,533	-45,000	-45,000	-45,000	
Cash flow from finance	63,079	-30,028	-14,641	1,051	6,051	11,051	
(Net increase/decrease of debt)	57,103	-30,272	-16,038	5,000	10,000	15,000	
Cash and cash equivalent of end of year	8,691	20,508	18,015	13,936	14,246	18,007	
Profitability							
ROA	2.7%	1.8%	2.7%	2.7%	2.5%	2.6%	
ROE	11.2%	4.1%	6.1%	5.9%	5.4%	5.5%	
Balance sheet							
Total shareholders' equity	183,593	185,537	190,783	197,454	203,614	210,225	
Total assets	936,650	916,725	910,492	923,164	940,324	962,935	
Interest-bearing debt	521,070	496,682	487,780	492,777	502,777	517,777	497,500
NAV per share	--	189,000	182,000	184,000	185,000	187,000	
NAV per share (after tax)	--	131,000	128,000	130,000	131,000	133,000	

Source: Company data, Citi Investment Research and Analysis.

NTT Urban Development

Investment strategy

We rate the shares of NTT Urban Buy/Medium Risk (1M), with a ¥90,000 target price. NTT Urban is the only real estate firm in the NTT group. It was established in 1986 and has developed buildings on NTT-owned land that it took over at book value from the parent. The leasing business accounts for almost all of consolidated OP. In addition, as many of the company's buildings are relatively new, it is sitting on substantial unrealized gains. UrbanNet Otemachi, Otemachi First Square, and Akihabara UDX are the flagship buildings. We see the current discount to NAV as somewhat excessive.

Valuation

Our target price is based on NAV, to which we add a premium or discount as needed to reflect 1) credit market trends and 2) profitability and earnings momentum in non-leasing businesses. We also weigh the balance with other valuation metrics.

NTT Urban Development's end-FY3/11 NAV/share is ¥145,000 (excluding the value of Akihabara UDX), but we set a target price of ¥90,000, about 40% below NAV/share, in light of earnings momentum and balance with other valuation metrics. Our target price assumes an FY3/12E PER of 31x and PCFR of 9x.

Risks

We see the risks to our target price as including potential changes in fundamentals such as earnings deterioration resulting from sluggishness in the office leasing market and the condo sales market, as well as the possibility of rapid changes in valuations due to fluctuations in financial markets.

The share price could diverge from our target price if any of these factors manifest themselves differently than we expect.

We rate the shares Medium Risk (M), considering their historical volatility since listing, the 67% ownership of the company by NTT, and the stable leasing business, which is the firm's earnings core.

Appendix A-1

Analyst Certification

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

IMPORTANT DISCLOSURES

NTT Urban Development (8933)

Ratings and Target Price History Fundamental Research

Analyst: Yoshizumi Kimura

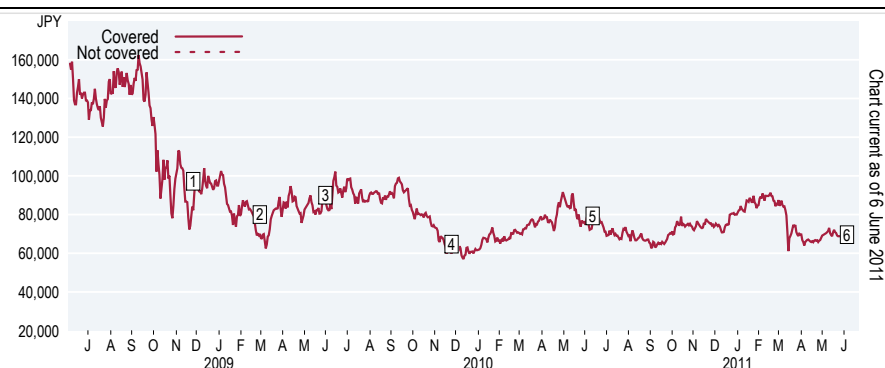


Chart current as of 6 June 2011

Date	Rating	Target Price	Closing Price
1 26-Nov-08	1M	*220,000	82,200
2 27-Feb-09	1M	*170,000	70,000

* Indicates change

Date	Rating	Target Price	Closing Price
3 1-Jun-09	1M	*160,000	88,400
4 25-Nov-09	1M	*98,000	59,800

Date	Rating	Target Price	Closing Price
5 11-Jun-10	1M	*100,000	75,900
6 6-Jun-11	1M	*90,000	66,100

Rating/target price changes above reflect Eastern Standard Time

NTT Urban Development (8933)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Yoshizumi Kimura

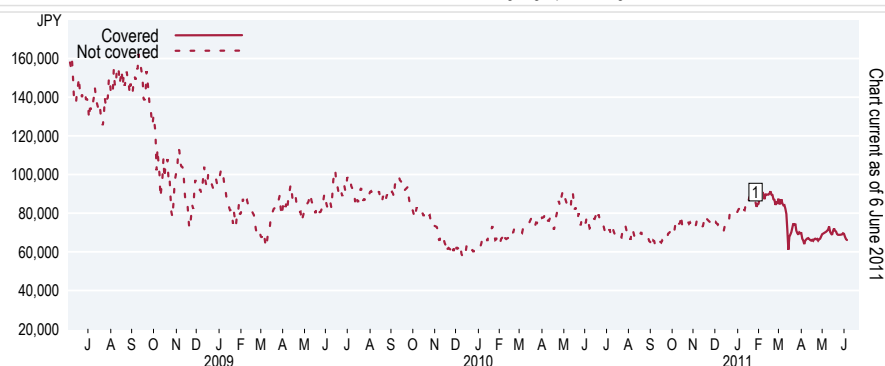


Chart current as of 6 June 2011

Date	Rating	Target Price	Closing Price
1 27-Jan-11	*ADD MP	-	85,500

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Citigroup Global Markets Inc. or its affiliates has received compensation for investment banking services provided within the past 12 months from NTT Urban Development.

Citigroup Global Markets Inc. or an affiliate received compensation for products and services other than investment banking services from NTT Urban Development in the past 12 months.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as investment banking client(s): NTT Urban Development.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, securities-related: NTT Urban Development.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, non-securities-related: NTT Urban Development.

Analysts' compensation is determined based upon activities and services intended to benefit the investor clients of Citigroup Global Markets Inc. and its affiliates ("the Firm"). Like all Firm employees, analysts receive compensation that is impacted by overall firm profitability which includes investment banking revenues.

For important disclosures (including copies of historical disclosures) regarding the companies that are the subject of this Citi Investment Research & Analysis product ("the Product"), please contact Citi Investment Research & Analysis, 388 Greenwich Street, 28th Floor, New York, NY, 10013, Attention: Legal/Compliance. In addition, the same important disclosures, with the exception of the Valuation and Risk assessments and historical disclosures, are contained on the Firm's disclosure website at www.citigroupgeo.com. Valuation and Risk assessments can be found in the text of the most recent research note/report regarding the subject company. Historical disclosures (for up to the past three years) will be provided upon request.

Citi Investment Research & Analysis Ratings Distribution

Data current as of 31 Mar 2011

Citi Investment Research & Analysis Global Fundamental Coverage

% of companies in each rating category that are investment banking clients

12 Month Rating			Relative Rating		
Buy	Hold	Sell	Buy	Hold	Sell
52%	37%	11%	9%	82%	9%
43%	41%	41%	51%	41%	45%

Guide to Citi Investment Research & Analysis (CIRA) Fundamental Research Investment Ratings:

CIRA's stock recommendations include a risk rating and an investment rating.

Risk ratings, which take into account both price volatility and fundamental criteria, are: Low (L), Medium (M), High (H), and Speculative (S).

Investment ratings are a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and risk rating.

Analysts may place covered stocks "Under Review" in response to exceptional circumstances (e.g. lack of information critical to the analyst's thesis) affecting the company and/or trading in the company's securities (e.g. trading suspension). Stocks placed "Under Review" will be monitored daily by management. As soon as practically possible, the analyst will publish a note re-establishing a rating and investment thesis.

To satisfy regulatory requirements, we correspond Under Review to Hold in our ratings distribution table for our 12-month fundamental rating system. However, we reiterate that we do not consider Under Review to be a recommendation.

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

For securities in developed markets (US, UK, Europe, Japan, and Australia/New Zealand), investment ratings are: Buy (1) (expected total return of 10% or more for Low-Risk stocks, 15% or more for Medium-Risk stocks, 20% or more for High-Risk stocks, and 35% or more for Speculative stocks); Hold (2) (0%-10% for Low-Risk stocks, 0%-15% for Medium-Risk stocks, 0%-20% for High-Risk stocks, and 0%-35% for Speculative stocks); and Sell (3) (negative total return).

Investment ratings are determined by the ranges described above at the time of initiation of coverage, a change in investment and/or risk rating, or a change in target price (subject to limited management discretion). At other times, the expected total returns may fall outside of these ranges because of market price movements and/or other short-term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by Research Management. Your decision to buy or sell a security should be based upon your personal investment objectives and should be made only after evaluating the stock's expected performance and risk.

NON-US RESEARCH ANALYST DISCLOSURES

Non-US research analysts who have prepared this report (i.e., all research analysts listed below other than those identified as employed by Citigroup Global Markets Inc.) are not registered/qualified as research analysts with FINRA. Such research analysts may not be associated persons of the member organization and therefore may not be subject to the NYSE Rule 472 and NASD Rule 2711 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account. The legal entities employing the authors of this report are listed below:

Citigroup Global Markets Japan Inc.

Yoshizumi Kimura

OTHER DISCLOSURES

The subject company's share price set out on the front page of this Product is quoted as at 03 June 2011 03:00 PM on the issuer's primary market.

This Product has been modified by the author following a discussion with one or more of the named issuers/issuers of the named securities.

For securities recommended in the Product in which the Firm is not a market maker, the Firm is a liquidity provider in the issuers' financial instruments and may act as principal in connection with such transactions. The Firm is a regular issuer of traded financial instruments linked to securities that may have been recommended in the Product. The Firm regularly trades in the securities of the issuer(s) discussed in the Product. The Firm may engage in securities transactions in a manner inconsistent with the Product and, with respect to securities covered by the Product, will buy or sell from customers on a principal basis.

Securities recommended, offered, or sold by the Firm: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Citibank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Although information has been obtained from and is based upon sources that the Firm believes to be reliable, we do not guarantee its accuracy and it may be incomplete and condensed. Note, however, that the Firm has taken all reasonable steps to determine the accuracy and completeness of the disclosures made in the Important Disclosures section of the Product. The Firm's research department has received assistance from the subject company(ies) referred to in this Product including, but not limited to, discussions with management of the subject company(ies). Firm policy prohibits research analysts from sending draft research to subject companies. However, it should be presumed that the author of the Product has had discussions with the subject company to ensure factual accuracy prior to publication. All opinions, projections and estimates constitute the judgment of the author as of the date of the Product and these, plus any other information contained in the Product, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. Notwithstanding other departments within the Firm advising the companies discussed in this Product, information obtained in such role is not used in the preparation of the Product. Although Citi Investment Research & Analysis (CIRA) does not set a predetermined frequency for publication, if the Product is a fundamental research report, it is the intention of CIRA to provide research coverage of the/those issuer(s) mentioned therein, including in response to news affecting this issuer, subject to applicable quiet periods and capacity constraints. The Product is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in the Product must take into account existing public information on such security or any registered prospectus.

Investing in non-U.S. securities, including ADRs, may entail certain risks. The securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of the U.S. Securities and Exchange Commission. There may be limited information available on foreign securities. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. Securities of some foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, exchange rate movements may have an adverse effect on the value of an investment in a foreign stock and its corresponding dividend payment for U.S. investors. Net

dividends to ADR investors are estimated, using withholding tax rates conventions, deemed accurate, but investors are urged to consult their tax advisor for exact dividend computations. Investors who have received the Product from the Firm may be prohibited in certain states or other jurisdictions from purchasing securities mentioned in the Product from the Firm. Please ask your Financial Consultant for additional details. Citigroup Global Markets Inc. takes responsibility for the Product in the United States. Any orders by US investors resulting from the information contained in the Product may be placed only through Citigroup Global Markets Inc.

Important Disclosures for Morgan Stanley Smith Barney LLC Customers: Morgan Stanley & Co. Incorporated (Morgan Stanley) research reports may be available about the companies that are the subject of this Citi Investment Research & Analysis (CIRA) research report. Ask your Financial Advisor or use smithbarney.com to view any available Morgan Stanley research reports in addition to CIRA research reports.

Important disclosure regarding the relationship between the companies that are the subject of this CIRA research report and Morgan Stanley Smith Barney LLC and its affiliates are available at the Morgan Stanley Smith Barney disclosure website at www.morganstanleysmithbarney.com/researchdisclosures.

The required disclosures provided by Morgan Stanley and Citigroup Global Markets, Inc. on Morgan Stanley and CIRA research relate in part to the separate businesses of Citigroup Global Markets, Inc. and Morgan Stanley that now form Morgan Stanley Smith Barney LLC, rather than to Morgan Stanley Smith Barney LLC in its entirety. For Morgan Stanley and Citigroup Global Markets, Inc. specific disclosures, you may refer to www.morganstanley.com/researchdisclosures and https://www.citigroupgeo.com/geopublic/Disclosures/index_a.html.

This CIRA research report has been reviewed and approved on behalf of Morgan Stanley Smith Barney LLC. This review and approval was conducted by the same person who reviewed this research report on behalf of CIRA. This could create a conflict of interest.

The Citigroup legal entity that takes responsibility for the production of the Product is the legal entity which the first named author is employed by. The Product is made available in Australia through Citigroup Global Markets Australia Pty Ltd. (ABN 64 003 114 832 and AFSL No. 240992), participant of the ASX Group and regulated by the Australian Securities & Investments Commission. Citigroup Centre, 2 Park Street, Sydney, NSW 2000. The Product is made available in Australia to Private Banking wholesale clients through Citigroup Pty Limited (ABN 88 004 325 080 and AFSL 238098). Citigroup Pty Limited provides all financial product advice to Australian Private Banking wholesale clients through bankers and relationship managers. If there is any doubt about the suitability of investments held in Citigroup Private Bank accounts, investors should contact the Citigroup Private Bank in Australia. Citigroup companies may compensate affiliates and their representatives for providing products and services to clients. The Product is made available in Brazil by Citigroup Global Markets Brasil - CCTVM SA, which is regulated by CVM - Comissão de Valores Mobiliários, BACEN - Brazilian Central Bank, APIMEC - Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais and ANBID - Associação Nacional dos Bancos de Investimento. Av. Paulista, 1111 - 11º andar - CEP. 01311920 - São Paulo - SP. If the Product is being made available in certain provinces of Canada by Citigroup Global Markets (Canada) Inc. ("CGM Canada"), CGM Canada has approved the Product. Citigroup Place, 123 Front Street West, Suite 1100, Toronto, Ontario M5J 2M3. This product is available in Chile through Banchile Corredores de Bolsa S.A., an indirect subsidiary of Citigroup Inc., which is regulated by the Superintendencia de Valores y Seguros. Agustinas 975, piso 2, Santiago, Chile. The Product is made available in France by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. 1-5 Rue Paul Cézanne, 8ème, Paris, France. The Product is distributed in Germany by Citigroup Global Markets Deutschland AG ("CGMD"), which is regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin). CGMD, Reuterweg 16, 60323 Frankfurt am Main. If the Product is made available in Hong Kong by, or on behalf of, Citigroup Global Markets Asia Ltd., it is attributable to Citigroup Global Markets Asia Ltd., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. Citigroup Global Markets Asia Ltd. is regulated by Hong Kong Securities and Futures Commission. If the Product is made available in Hong Kong by The Citigroup Private Bank to its clients, it is attributable to Citibank N.A., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. The Citigroup Private Bank and Citibank N.A. is regulated by the Hong Kong Monetary Authority. The Product is made available in India by Citigroup Global Markets India Private Limited, which is regulated by Securities and Exchange Board of India. Bakhtawar, Nariman Point, Mumbai 400-021. The Product is made available in Indonesia through PT Citigroup Securities Indonesia. 5/F, Citibank Tower, Bapindo Plaza, Jl. Jend. Sudirman Kav. 54-55, Jakarta 12190. Neither this Product nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable capital market laws and regulations. This Product is not an offer of securities in Indonesia. The securities referred to in this Product have not been registered with the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market laws and regulations. The Product is made available in Israel through Citibank NA, regulated by the Bank of Israel and the Israeli Securities Authority. Citibank, N.A., Platinum Building, 21 Ha'arba'ah St, Tel Aviv, Israel. The Product is made available in Italy by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. Foro Buonaparte 16, Milan, 20121, Italy. The Product is made available in Japan by Citigroup Global Markets Japan Inc. ("CGMJ"), which is regulated by Financial Services Agency, Securities and Exchange Surveillance Commission, Japan Securities Dealers Association, Tokyo Stock Exchange and Osaka Securities Exchange. Shin-Marunouchi Building, 1-5-1 Marunouchi, Chiyoda-ku, Tokyo 100-6520 Japan. If the Product was distributed by Nikko Cordial Securities Inc. it is being so distributed under license. In the event that an error is found in an CGMJ research report, a revised version will be posted on the Firm's Global Equities Online (GEO) website. If you have questions regarding GEO, please call (81 3) 6270-3019 for help. The Product is made available in Korea by Citigroup Global Markets Korea Securities Ltd., which is regulated by the Financial Services Commission, the Financial Supervisory Service and the Korea Financial Investment Association (KOFIA). Citibank Building, 39 Da-dong, Jung-gu, Seoul 110-180, Korea. KOFIA makes available registration information of research analysts on its website. Please visit the following website if you wish to find KOFIA registration information on research analysts of Citigroup Global Markets Korea Securities Ltd. <http://dis.kofia.or.kr/fs/dis2/fundMgr/DISFundMgrAnalystPop.jsp?companyCd2=A03030&pageDiv=02>. The Product is made available in Malaysia by Citigroup Global Markets Malaysia Sdn Bhd, which is regulated by Malaysia Securities Commission. Menara Citibank, 165 Jalan Ampang, Kuala Lumpur, 50450. The Product is made available in Mexico by Acciones y Valores Banamex, S.A. De C. V., Casa de Bolsa, Integrante del Grupo Financiero Banamex ("Accival") which is a wholly owned subsidiary of Citigroup Inc. and is regulated by Comisión Nacional Bancaria y de Valores. Reforma 398, Col. Juárez, 06600 Mexico, D.F. In New Zealand the Product is made available through Citigroup Global Markets New Zealand Ltd. (Company Number 604457), a Participant of the New Zealand Exchange Limited and regulated by the New Zealand Securities Commission. Level 19, Mobile on the Park, 157 Lambton Quay, Wellington. The Product is made available in Pakistan by Citibank N.A. Pakistan branch, which is regulated by the State Bank of Pakistan and Securities Exchange Commission, Pakistan. AWT Plaza, 1.1. Chundrigar Road, P.O. Box 4889, Karachi-74200. The Product is made available in the Philippines through Citicorp Financial Services and Insurance Brokerage Philippines, Inc., which is regulated by the Philippines Securities and Exchange Commission. 20th Floor Citibank Square Bldg. The Product is made available in Poland by Dom Maklerski Banku Handlowego SA an indirect subsidiary of

Citigroup Inc., which is regulated by Komisja Nadzoru Finansowego. Dom Maklerski Banku Handlowego S.A. ul. Senatorska 16, 00-923 Warszawa. The Product is made available in the Russian Federation through ZAO Citibank, which is licensed to carry out banking activities in the Russian Federation in accordance with the general banking license issued by the Central Bank of the Russian Federation and brokerage activities in accordance with the license issued by the Federal Service for Financial Markets. Neither the Product nor any information contained in the Product shall be considered as advertising the securities mentioned in this report within the territory of the Russian Federation or outside the Russian Federation. The Product does not constitute an appraisal within the meaning of the Federal Law of the Russian Federation of 29 July 1998 No. 135-FZ (as amended) On Appraisal Activities in the Russian Federation. 8-10 Gasheka Street, 125047 Moscow. The Product is made available in Singapore through Citigroup Global Markets Singapore Pte. Ltd., a Capital Markets Services Licence holder, and regulated by Monetary Authority of Singapore. 1 Temasek Avenue, #39-02 Millenia Tower, Singapore 039192. The Product is made available by The Citigroup Private Bank in Singapore through Citibank, N.A., Singapore branch, a licensed bank in Singapore that is regulated by Monetary Authority of Singapore. This report is distributed in Singapore by Citibank Singapore Ltd ("CSL") to selected Citigold/Citigold Private Clients. CSL provides no independent research or analysis of the substance or in preparation of this report. Please contact your Citigold/Citigold Private Client Relationship Manager in CSL if you have any queries on or any matters arising from or in connection with this report. Citigroup Global Markets (Pty) Ltd. is incorporated in the Republic of South Africa (company registration number 2000/025866/07) and its registered office is at 145 West Street, Sandton, 2196, Saxonwold. Citigroup Global Markets (Pty) Ltd. is regulated by JSE Securities Exchange South Africa, South African Reserve Bank and the Financial Services Board. The investments and services contained herein are not available to private customers in South Africa. The Product is made available in Spain by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. 29 Jose Ortega Y Gassef, 4th Floor, Madrid, 28006, Spain. The Product is made available in Taiwan through Citigroup Global Markets Taiwan Securities Company Ltd., which is regulated by Securities & Futures Bureau. No portion of the report may be reproduced or quoted in Taiwan by the press or any other person. 14 and 15F, No. 1, Songzhi Road, Taipei 110, Taiwan. If the Product is related to non-Taiwan listed securities, neither the Product nor any information contained in the Product shall be considered as advertising the securities or making recommendation of the securities. The Product is made available in Thailand through Citicorp Securities (Thailand) Ltd., which is regulated by the Securities and Exchange Commission of Thailand. 18/F, 22/F and 29/F, 82 North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand. The Product is made available in Turkey through Citibank AS which is regulated by Capital Markets Board. Tekfen Tower, Eski Büyükdere Caddesi # 209 Kat 2B, 23294 Levent, Istanbul, Turkey. In the U.A.E, these materials (the "Materials") are communicated by Citigroup Global Markets Limited, DIFC branch ("CGML"), an entity registered in the Dubai International Financial Center ("DIFC") and licensed and regulated by the Dubai Financial Services Authority ("DFSA") to Professional Clients and Market Counterparties only and should not be relied upon or distributed to Retail Clients. A distribution of the different CIRA ratings distribution, in percentage terms for Investments in each sector covered is made available on request. Financial products and/or services to which the Materials relate will only be made available to Professional Clients and Market Counterparties. The Product is made available in United Kingdom by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. This material may relate to investments or services of a person outside of the UK or to other matters which are not regulated by the FSA and further details as to where this may be the case are available upon request in respect of this material. Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB. The Product is made available in United States by Citigroup Global Markets Inc, which is a member of FINRA and registered with the US Securities and Exchange Commission. 388 Greenwich Street, New York, NY 10013. Unless specified to the contrary, within EU Member States, the Product is made available by Citigroup Global Markets Limited, which is regulated by Financial Services Authority.

Pursuant to Comissão de Valores Mobiliários Rule 483, Citi is required to disclose whether a Citi related company or business has a commercial relationship with the subject company. Considering that Citi operates multiple businesses in more than 100 countries around the world, it is likely that Citi has a commercial relationship with the subject company.

Many European regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of investment research. The policy applicable to CIRA's Products can be found at www.citigroupgeo.com.

Compensation of equity research analysts is determined by equity research management and Citigroup's senior management and is not linked to specific transactions or recommendations.

The Product may have been distributed simultaneously, in multiple formats, to the Firm's worldwide institutional and retail customers. The Product is not to be construed as providing investment services in any jurisdiction where the provision of such services would not be permitted.

Subject to the nature and contents of the Product, the investments described therein are subject to fluctuations in price and/or value and investors may get back less than originally invested. Certain high-volatility investments can be subject to sudden and large falls in value that could equal or exceed the amount invested. Certain investments contained in the Product may have tax implications for private customers whereby levels and basis of taxation may be subject to change. If in doubt, investors should seek advice from a tax adviser. The Product does not purport to identify the nature of the specific market or other risks associated with a particular transaction. Advice in the Product is general and should not be construed as personal advice given it has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs. Prior to acquiring any financial product, it is the client's responsibility to obtain the relevant offer document for the product and consider it before making a decision as to whether to purchase the product. CIRA concurrently disseminates its research via proprietary and non-proprietary electronic distribution platforms. Periodically, individual analysts may also opt to circulate research to one or more clients by email. Such email distribution is discretionary and is done only after the research has been disseminated via the aforementioned distribution channels.

© 2011 Citigroup Global Markets Inc. Citi Investment Research & Analysis is a division of Citigroup Global Markets Inc. Citi and Citi with Arc Design are trademarks and service marks of Citigroup Inc. and its affiliates and are used and registered throughout the world. All rights reserved. Any unauthorized use, duplication, redistribution or disclosure of this report (the "Product"), including, but not limited to, redistribution of the Product by electronic mail, posting of the Product on a website or page, and/or providing to a third party a link to the Product, is prohibited by law and will result in prosecution. The information contained in the Product is intended solely for the recipient and may not be further distributed by the recipient to any third party. Where included in this report, MSCI sourced information is the exclusive property of Morgan Stanley Capital International Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, redisseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan

Stanley Capital International and the MSCI indexes are services marks of MSCI and its affiliates. The Firm accepts no liability whatsoever for the actions of third parties. The Product may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the Product refers to website material of the Firm, the Firm has not reviewed the linked site. Equally, except to the extent to which the Product refers to website material of the Firm, the Firm takes no responsibility for, and makes no representations or warranties whatsoever as to, the data and information contained therein. Such address or hyperlink (including addresses or hyperlinks to website material of the Firm) is provided solely for your convenience and information and the content of the linked site does not in anyway form part of this document. Accessing such website or following such link through the Product or the website of the Firm shall be at your own risk and the Firm shall have no liability arising out of, or in connection with, any such referenced website.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST
