

European Portfolio Strategist

World Champions Revisited

- **Divergent growth world** — Our economists continue to expect years of below par growth in DM due to deleveraging and faster growth in strong balance sheet EM.
- **Use analysts to screen for likely long term winners** — We ask Citi analysts what are the global leading business they follow, with shorter term factors put to one side.
- **Quality is more expensive but not worryingly so** — Over the last year “World Champions” have re-rated to slightly above average. Not absolutely expensive.
- **Earnings trends are better for quality** — Outperformance has been more earnings driven than re-rating. Economic divergence argues for this to continue.
- **Balance sheets and returns better as well** — These companies also have more robust balance sheets and higher RoEs than the market.
- **Champions of the world** — In Europe our screen contains c.70 stocks. This is tilted away from the Eurocentric. New entrants include Allianz and Intertek.

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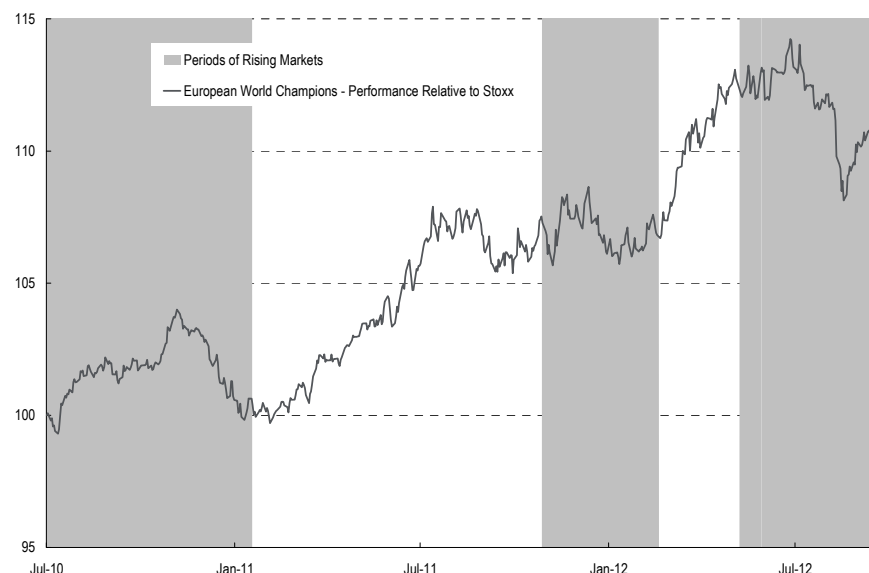
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Figure 1. European World Champions, Relative Performance Since July 2010



Source: Datastream & Citi Research

[Oct 11 – Investor Survey](#)

[Oct 04 – Buyers for Equity Found](#)

[Sep 27 – Earnings Mo to Carry On](#)

[Sep 20 – The Hokey Cokey](#)

[Sep 13 – 100 Years Of Solitude](#)

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

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World Champions Revisited

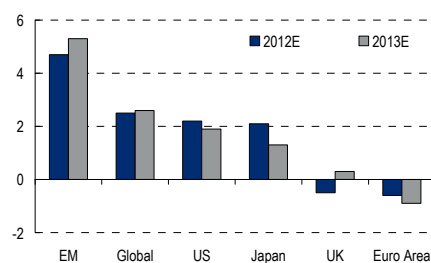
Gold medal. The best. First. The winner. We all want to cross the line before the rest. This week we look for those companies that have already demonstrated this winning performance. More importantly these winners look equipped to carry on winning.

Economic growth

Citi's economists continue to expect a clear gap between the growth rate of the developed world and the emerging markets (Figure 2). The gap is even more pronounced between the Eurozone/UK and EM. At around 5 percentage points we see one clear winner in growth. EM also has much more robust financial system, with government debt to GDP at around 20% compared to 100% for DM. The emerging world has levers to pull that the developed world does not should growth slow again. EM exposure comes with downside growth protection.

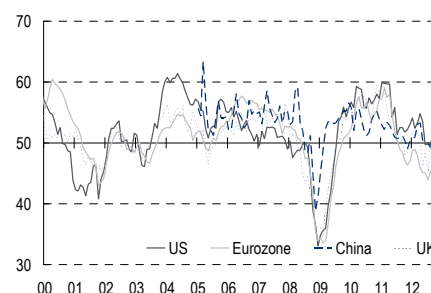
Divergent growth favours EM

Figure 2. GDP Growth Forecasts, 2012E & 13E



Source: Citi Research

Figure 3. European PMIs Lag



Source: Datastream & Havers

Not only is forecast growth weaker in DM but also the lead indicators (Figure 3) do not suggest that anything is going to change materially on these forecasts in the foreseeable future. Combined, these point to a continuation of the growth gap.

Who are the “World Champions”?

The lower level of absolute growth in the recovery, the divergence in economic growth around the world and divergence in balance sheet strength has made earnings growth a rarer and hence more valuable commodity. Europe looks set for two years running of no earnings growth and 2013 is shaping up for that to be a three-peat.

With that as the backdrop we expect companies that can grow to outperform. One way we have looked for this is [defensive growth](#). World Champions is another. For these we ask Citi's analysts who are the World Champion companies under their coverage. We are not looking for companies with short term catalysts or are necessarily buys. We want companies that the industry experts judge to be best in class at what they do. Criteria for inclusion includes market share, largest player, best in class operations etc.

These are the champions

Figure 4. World Champions

ABB	ABBN.VX	Fraport	FRAG.DE	Publicis Groupe	PUBP.PA
Aberdeen Asset Man.	ADN.L	Fresenius Med. Care	FMEG.DE	Reckitt Benckiser	RB.L
Adidas	ADSGn.DE	Galp Energia Sgps	GALP.LS	Roche	ROG.VX
Aggreko	AGGK.L	Geberit R	GEBN.VX	Rolls-Royce Holdings	RR.L
Allianz	ALVG.DE	HSBC Holdings	HSBA.L	Rotork	ROR.L
Anheuser-Busch Inbev	ABI.BR	Icti.HtIs.Gp.	IHG.L	Royal Dutch Shell A	RDSa.L
Antofagasta	ANTO.L	Inditex	ITX.MC	Ryanair Holdings	RYA.I
ARM Holdings	ARM.L	Intertek Group	ITRK.L	SABMiller	SAB.L
Ashmore Group	ASHM.L	JC Decaux	JCDX.PA	Saipem	SPMI.MI
ASML	ASML.AS	Jeronimo Martins	JMT.LS	SAP	SAPG.DE
Atlas Copco A	ATCOa.ST	Johnson Matthey	JMAT.L	Siemens	SIEGn.DE
Barclays	BARC.L	Koninklijke DSM	DSMN.AS	Spirax-Sarco	SPX.L
BG Group	BG.L	Kuehne+Nagel Intl.	KNIN.VX	Standard Chartered	STAN.L
BHP Billiton	BLT.L	L'Oreal	OREP.PA	Swatch B	UHR.VX
BMW	BMWG.DE	Luxottica	LUX.MI	Swiss Re	SRENH.VX
British American Tobacco	BATS.L	LVMH	LVMH.PA	Syngenta	SYNN.VX
Colruyt	COLR.BR	National Grid	NG.L	Veolia Environnement	VIE.PA
Compass Group	CPG.L	Nestle R	NESN.VX	Vinci	SGEF.PA
Continental	CONG.DE	Next	NXT.L	Vodafone Group	VOD.L
Edenred	EDEN.PA	Novo Nordisk B	NOVOB.CO	Volkswagen Pref.	VOWG.DE
Essilor Intl.	ESSI.PA	Pearson	PERSON.L	WPP	WPP.L
Experian	EXPN.L	Pernod-Ricard	PERP.PA	Restricted	
Fenner	FENR.L	Prudential	PRU.L	Restricted	

Source: Citi Research

This screen (Figure 4) comprises c.70 stocks. Each time we re-run this process there are number of tweaks to the list where the analysts have changed their views or changes of coverage. This time is no exception, as 14 stocks leave and 9 join. The list of these is in Figure 15.

Alongside this European list Citi has recently published global sector specific World Champion lists. So far we have published on [Internet, Media & Telcos](#), [Industrials](#), [Materials](#), [Tech](#). There is a deeper selection of European stocks in these sector lists as we have tried to limit sectors to 3 or 4 stocks each and have a broader range of sectors.

Champion performance

World Champions have been winners

The back tested performance (Figure 5) shows steady outperformance without much volatility. This does however include a degree of hindsight bias.

Figure 5. The World Champions, Market Cap Weighted Relative Performance Since 2006



Source: Datastream & Citi Research

Figure 6 attempts to adjust for this and shows the performance since we first wrote on the theme in 2010¹. Over this shorter period the World Champions have still outperformed albeit by a bit less and with a bit more variability. More realistic.

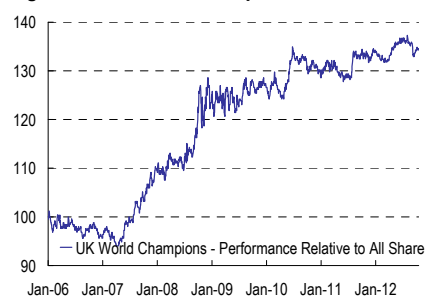
More volatile performance over the shorter term

Figure 6. European World Champions, ST



Source: Datastream & Citi Research

Figure 7. UK World Champions, Rel Perf



Source: Citi Research

Figure 7 shows the UK only version from 2007. It has a similar performance track record to the Pan-European list.

Champion valuation

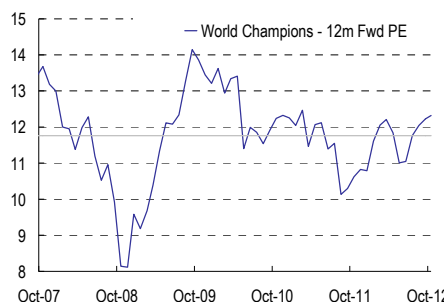
The key question is can this performance continue? That will be most likely determined by valuation and growth.

Figure 8 shows the absolute 12m fwd PE of the group. The bad news is that the World Champions have been re-rated by 20% since Sep 11 to a slightly above 5 year average PE. The good news is this re-rating is not out of line with most of the last 5 years, as the average is pulled down by the 08 bear market. More expensive but not too expensive, in our view.

¹ European Portfolio Strategist — Campeones — 29th July 2010

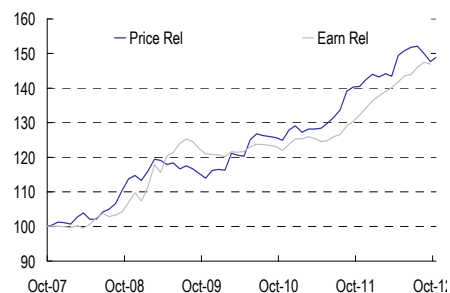
Earnings driven outperformance plus recent re-rating

Figure 8. Absolute 12m Fwd P/E



Source: Datastream & Citi Research

Figure 9. Price & Earnings Relative

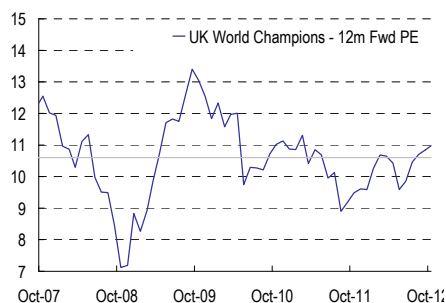


Source: Datastream & Citi Research

More importantly the price and earnings relative performance of the World Champions shows that the outperformance has been earnings driven much more than a re-rating (Figure 9). This gives the outperformance more chance of continuing as long as the earnings do. As we outlined above, we believe the World Champions are well placed to take advantage of the divergent growth.

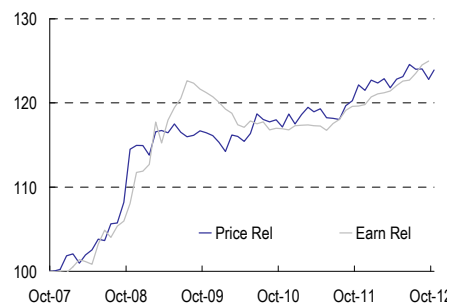
UK shows same earnings led outperformance

Figure 10. Absolute 12m Fwd P/E (UK)



Source: Datastream & Citi Research

Figure 11. Price & Earnings Relative (UK)



Source: Datastream & Citi Research

Figure 10 and Figure 11 repeat the valuation and earnings trends for the UK only World Champions. The picture is similar of an earnings led outperformance, with a more recent mild re-rating.

What makes a champion?

We see three broad characteristics beyond the individual ones that analysts focus on:

- Geography
- Balance sheet
- Profitability

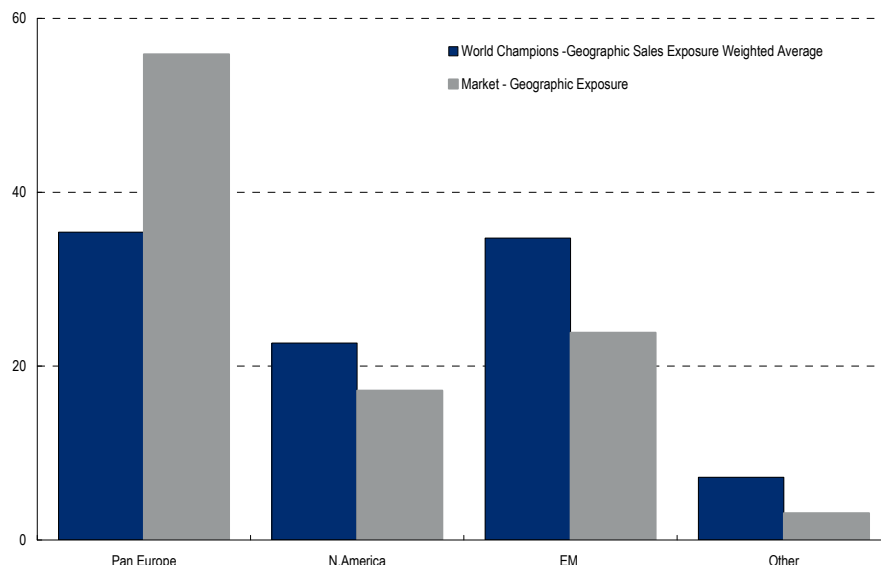
We look at these briefly in turn.

Geography

The World Champions have more exposure to the bits of the world that are growing faster and less exposure to the bits that aren't. This should support earnings growth.

EM heavy, Europe light

Figure 12. World Champions — Geographic Sales Exposure Weighted Average



Source: Datastream & Citi Research

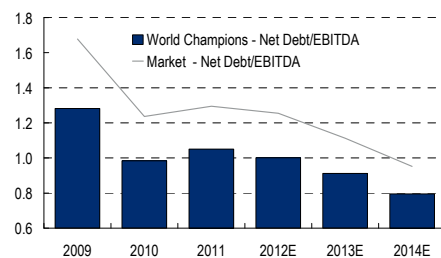
Figure 12 shows the sales exposure of the basket. Around a third is Europe compared to 55% of the index. More than a third is EM compared to around 20% for the market.

Balance sheet

In a deleveraging, low growth, low interest rate world those with access to debt have an advantage. Whether that debt is used to invest in the company to spur growth, to buy companies to drive inorganic growth or to return cash to shareholders, all offer positive optionality for shareholders. Weak balance sheets conversely have no such upside risk.

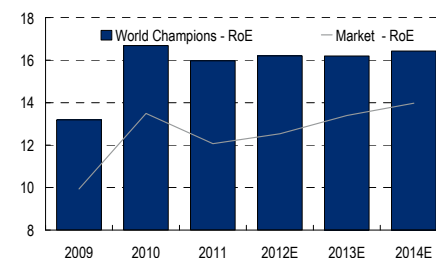
Stronger balance sheets, higher RoEs

Figure 13. Champions Enjoy Stronger B/S



Source: Datastream & Citi Research

Figure 14. Champions Enjoy Better RoE



Source: Datastream & Citi Research

Profitability

Finally the World Champions are more profitable than the market. While in part this is an outcome of being a World Champion it also confers advantages. First these returns are produced without the use of leverage, as shown in the balance sheet section above. That's one measure of quality. Secondly, and more importantly, the high returns imply that these companies are more likely to be self financed, and on top of that generate excess cash flows. Not having to fund growth is a real benefit to shareholders. Companies that retire equity have been consistent outperformers of those that issue shares.

Strategy outlook

World Champions have growth, balance sheet and return advantages. These have helped them outperform, along with their earnings over the last 2 years. While there has been a modest re-rating over the last 12 months we believe this will not stop them from further outperformance. We expect the champions to win again.

Changes to the World Champions

We show below the changes to the World Champions list since we last published in [December 2011](#). These changes reflect either changes to analyst coverage, evolution in the market place or changes to company outlooks.

Figure 15. Changes to World Champions List Since December 2011

Stocks Into Screen		Stocks Out of Screen	
ABB	ABBN.VX	British Land	BLND.L
Allianz	ALVG.DE	Daimler	DAIGn.DE
ASML	ASML.AS	Deutsche Bank	DBKGn.DE
Barclays	BARC.L	EADS	EAD.PA
Essilor Intl.	ESSI.PA	Ericsson B	ERICb.ST
Intertek Group	ITRK.L	GlaxoSmithKline	GSK.L
Roche	ROG.VX	ICAP	IAP.L
Saipem	SPMI.MI	IG Group Holdings	IGG.L
Volkswagen Pref.	VOWG.DE	Novartis R	NOVN.VX
		Repsol Ypf	REP.MC
		SGS N	SGSN.VX
		Sonova N	SOON.VX
		Spirent Communications	SPT.L
		Zurich Financial Services	ZURN.VX

Source: Citi Research

Market Outlook

Overall, global growth is likely to remain sluggish. Risks are probably skewed to the downside, but policy support should limit damage. Growth is likely to be weakest in the euro area with recession this year and next. With plenty of macro risk showing across all regions it is easy to behave like “rabbits dazzled by bright macro headlights”. Despite risks, we see stable macro mega-trends: 1) de-leveraging, 2) lower growth, 3) divergent growth, 4) low interest rates. These trends look embedded for the next few years and our investment strategy remains guided by this.

Macro

GDP	2011	2012E	2013E
Euro zone	1.5	-0.6	-0.9
UK	0.7	-0.5	0.3
Global	3.0	2.5	2.6
US	1.8	2.2	1.9
Japan	-0.8	2.1	1.3

CPI	2011	2012E	2013E
Euro zone	2.7	2.5	2.2
UK	4.5	2.6	2.1
Global	3.6	2.8	2.9
US	2.4	1.9	1.9
Japan	-0.3	0.2	-0.1

Interest Rates	4Q12E	4Q13E
ECB	0.50	0.25
UK Base	0.50	0.50
US Fed Funds	0.25	0.25
Japan Call	0.1	0.1

10Yr Yield	4Q12E	4Q13E
Euro zone	1.50	2.00
UK	1.70	2.25
US	1.65	2.55
Japan	0.95	1.30

Ex Rates	4Q12E	4Q13E
US\$/€	1.27	1.19
US\$/£	1.59	1.54
€/£	1.27	1.30
Y/US\$	77	78

End Year Targets	Now	End-12E	Return
Stoxx	276	275	0%
FTSE 100	5911	6000	2%

Source: Reuters and Citi Research estimates

Our economists expect Grexit (probability recently lowered from 90% to 60%) over the coming 12-18 months, with the most likely timing for this to happen being H1 2014. However, contagion risks from any Grexit should be more limited given progress in building a suitable firewall. The EFSF/ESM, ECB secondary market purchases and further LTRO programmes can help to provide temporary funding to “at risk” countries over the next couple of years. Near-term euro disintegration risks have been reduced, according to our economists. It is likely that financial markets focus more on US elections and fiscal concerns into year-end. Our US economists think that the “fiscal cliff” will be avoided, while downside risks have pushed the Fed to further easing. In China, growth continues to slow.

Weak earnings

We find it hard to see a big acceleration in profit growth in 2013 without a strong economic recovery in Europe and the global economy. Our economists think that is unlikely. We target 0-10% earnings growth top-down in 2013E. An earnings or margin collapse seems unlikely to us without broader recession beyond Europe.

Valuation – support

European equities continue to look decent value. Not rock-bottom prices, but not expensive unless earnings collapse. We expect European equities to trade in a range of c9.5x-12x over the next year and a bit.

Themes

We continue to back the structural re-rating of strong credit, growth, quality and secure income. The global economy is long debt/short growth. We think investors should position oppositely, ie overweight growth/underweight debt. Our core themes such as Defensive Growth, World Champions and various income strategies (CDS, Diamonds) play to this. De-equitisation and earnings momentum strategies should be backed too, in our view. Investors also need to take advantage of tactical opportunities when the 4Ps (policy, politics, price, positioning) are lined up.

Sector Strategy

Our sector Overweights have an international and strong balance sheet bias. Our sector Underweights have a domestic and more levered tilt.

Figure 16. European Sector Strategy

Overweight	Neutral	Underweight
Basic Resources	Autos	Construction
Chemicals	Banks	Real Estate
Food & Bev	Financial Services	Retail
Healthcare	Industrial G&S	Travel & Leisure
Insurance	Technology	Oil & Gas
Personal & Household Goods	Telecoms	
Media	Utilities	

Source: Citi Research

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Valuation Tables

Figure 17. Pan-European Sector Weightings & Returns

As at Close 16 Oct 12	Mkt Cap	% of	Return Relative to DJ Stoxx				Absolute Return			
Sector (No of Stocks)	(Euros m) / J Stoxx	J Stoxx	1m	3m	12m	Ytd	1m	3m	12m	Ytd
Oil & Gas (33)	530,696	9.6	-3	-4	-4	-10	-3	3	14	4
Chemicals (25)	283,960	5.1	1	5	11	10	0	13	32	27
Basic Resources (28)	234,890	4.3	-7	-4	-14	-13	-7	3	3	1
Construction & Materials (21)	114,363	2.1	-4	-2	-9	-5	-4	5	9	9
Industrial G&S (104)	573,063	10.4	-1	1	3	3	-2	8	22	19
Automobiles & Parts (14)	129,974	2.4	-5	0	-4	7	-5	7	14	23
Food & Beverage (28)	504,097	9.1	5	-2	11	5	5	5	32	21
Personal & H'hold Goods (31)	326,636	5.9	2	-4	6	3	2	3	27	19
Health Care (36)	637,658	11.5	4	-2	9	1	4	5	29	17
Retail (24)	172,173	3.1	-1	-2	-6	-7	-2	5	11	8
Media (27)	131,835	2.4	2	-1	3	2	1	6	23	18
Travel & Leisure (21)	72,226	1.3	1	-1	10	8	0	6	31	24
Telecommunications (19)	280,750	5.1	-5	-9	-15	-13	-5	-2	1	0
Utilities (25)	247,148	4.5	-1	-2	-12	-5	-1	5	4	10
Banks (46)	661,762	12.0	1	13	-1	5	0	22	18	22
Insurance (33)	311,960	5.6	1	8	9	14	0	16	30	32
Real Estate (29)	79,720	1.4	2	-3	0	9	2	4	19	26
Financial Services (30)	73,669	1.3	-1	0	-2	3	-2	8	17	19
Technology (26)	157,674	2.9	-3	1	-9	-4	-3	8	8	11
Stoxx - Pan Europe (600)	5,524,254	100.0	—	—	—	—	0	7	19	16
Pan Euro - Large Cap	4,529,311	82.0	0	0	0	-1	0	7	19	15
Pan Euro - Mid Cap	697,924	12.6	0	1	1	3	-1	8	20	19
Pan Euro - Small Cap	297,019	5.4	0	1	0	3	-1	8	19	20
Stoxx ex UK - Europe ex UK (420)	3,609,509	65.3	—	—	—	—	0	10	17	16
EuroStoxx - Eurozone (298)	2,427,487	43.9	—	—	—	—	-1	12	13	15

Source: Citi Research & DataStream

Figure 18. Pan-European Sector Relative Ratings

As at Close 16 Oct 12	P/E Relative to DJ Stoxx				Yield Relative to DJ Stoxx			
Sector	2011	2012E	2013E	2014E	2011	2012E	2013E	2014E
Oil & Gas	80	77	83	86	108	112	108	104
Chemicals	108	109	112	111	73	75	73	73
Basic Resources	66	99	95	87	80	85	82	87
Construction & Materials	95	107	105	101	106	103	102	101
Industrial Goods & Services	115	110	113	112	86	86	85	83
Automobiles & Parts	60	62	60	59	99	112	118	120
Food & Beverage	157	143	147	147	70	75	77	78
Personal & H'hold Goods	144	126	129	129	71	77	81	83
Health Care	108	108	114	114	90	94	94	94
Retail	115	110	117	121	93	97	95	94
Media	99	99	104	107	110	102	102	100
Travel & Leisure	135	161	130	123	75	75	73	74
Telecommunications	74	80	90	94	221	167	174	166
Utilities	89	82	97	101	169	163	153	146
Banks	96	104	80	77	93	96	102	112
Insurance	95	68	72	75	115	123	121	118
Real Estate	154	152	161	169	119	117	113	108
Financial Services	114	103	95	93	124	129	119	116
Technology	112	174	137	125	65	68	62	62
Stoxx - Pan Europe	100	100	100	100	100	100	100	100
Pan Euro - Large Cap	96	96	98	99	102	103	103	102
Pan Euro - Mid Cap	125	121	110	108	91	88	89	91
Pan Euro - Small Cap	126	131	107	103	88	86	88	89
Stoxx ex UK - Europe ex UK	101	102	100	100	103	99	99	99
Stoxx Eurozone - Eurozone	94	97	95	95	110	103	102	102

Source: Citi Research & DataStream

Figure 19. Pan-European Sector Growth

As at Close 16 Oct 12 Sector	Earnings Growth %			Net Dividend Growth %		
	2012E	2013E	2014E	2012E	2013E	2014E
Oil & Gas	6.9	3.5	6.2	7.2	4.4	4.8
Chemicals	1.0	8.8	11.4	6.3	6.2	7.8
Basic Resources	-32.3	17.3	19.8	10.3	4.4	15.7
Construction & Materials	-8.9	13.8	14.5	0.6	6.6	8.1
Industrial Goods & Services	6.7	9.5	11.0	3.5	6.6	6.9
Automobiles & Parts	-0.7	16.4	11.5	16.8	14.4	10.4
Food & Beverage	12.0	9.3	10.5	11.3	11.1	10.0
Personal & H'hold Goods	16.6	9.7	10.6	12.9	13.2	11.6
Health Care	2.6	6.4	10.1	8.2	7.7	8.9
Retail	6.8	5.6	6.5	8.6	6.1	6.8
Media	1.9	6.9	7.5	-3.0	7.0	6.9
Travel & Leisure	-14.0	38.8	16.7	3.0	5.4	10.8
Telecommunications	-5.1	0.5	4.7	-21.6	12.6	3.7
Utilities	11.3	-5.9	6.1	0.3	1.0	4.1
Banks	-5.6	44.9	14.7	7.0	14.7	19.2
Insurance	43.6	5.0	6.4	11.2	6.3	6.4
Real Estate	3.1	5.7	5.2	2.3	3.7	4.5
Financial Services	12.9	21.5	12.7	8.3	-0.6	6.3
Technology	-33.9	41.6	21.5	8.5	-2.4	8.9
Sbxx - Pan Europe	2.2	12.1	10.5	3.8	7.9	8.8
Pan Euro - Large Cap	2.1	9.5	9.9	4.4	7.7	8.4
Pan Euro - Mid Cap	5.0	23.5	12.5	0.2	8.3	11.8
Pan Euro - Small Cap	-1.6	36.7	14.9	1.5	10.8	9.7
Sbxx ex UK - Europe ex UK	1.8	13.5	10.9	-0.6	8.1	9.3
Sbxx Eurozone - Eurozone	-0.8	13.9	10.9	-3.5	7.4	8.6

Source: Citi Research & DataStream

Figure 20. Pan-European Sector Ratings

As at Close 16 Oct 12 Sector	Price/Earnings				Net Dividend Yield			
	2011	2012E	2013E	2014E	2011	2012E	2013E	2014E
Oil & Gas	10.2	9.5	9.2	8.7	3.96	4.24	4.43	4.64
Chemicals	13.6	13.5	12.4	11.1	2.66	2.83	3.00	3.24
Basic Resources	8.3	12.3	10.5	8.7	2.91	3.21	3.35	3.88
Construction & Materials	12.0	13.2	11.6	10.1	3.87	3.90	4.15	4.49
Industrial Goods & Services	14.6	13.7	12.5	11.2	3.15	3.26	3.48	3.72
Automobiles & Parts	7.6	7.7	6.6	5.9	3.62	4.23	4.84	5.35
Food & Beverage	19.9	17.8	16.2	14.7	2.56	2.85	3.16	3.48
Personal & H'hold Goods	18.2	15.7	14.3	12.9	2.58	2.91	3.30	3.68
Health Care	13.7	13.4	12.6	11.4	3.29	3.56	3.83	4.17
Retail	14.6	13.6	12.9	12.1	3.39	3.68	3.90	4.17
Media	12.5	12.3	11.5	10.7	4.01	3.89	4.16	4.45
Travel & Leisure	17.1	19.9	14.3	12.3	2.75	2.83	2.99	3.31
Telecommunications	9.4	9.9	9.9	9.5	8.07	6.33	7.13	7.39
Utilities	11.2	10.1	10.7	10.1	6.16	6.18	6.24	6.50
Banks	12.1	12.8	8.9	7.7	3.41	3.64	4.18	4.98
Insurance	12.0	8.4	8.0	7.5	4.19	4.66	4.96	5.27
Real Estate	19.5	18.9	17.8	17.0	4.34	4.44	4.60	4.81
Financial Services	14.4	12.7	10.5	9.3	4.52	4.89	4.86	5.17
Technology	14.2	21.5	15.2	12.5	2.38	2.58	2.52	2.75
Sbxx - Pan Europe	12.7	12.4	11.1	10.0	3.65	3.79	4.09	4.45
Pan Euro - Large Cap	12.1	11.9	10.9	9.9	3.73	3.90	4.19	4.55
Pan Euro - Mid Cap	15.8	15.0	12.2	10.8	3.34	3.34	3.62	4.05
Pan Euro - Small Cap	15.9	16.2	11.9	10.3	3.21	3.26	3.61	3.96
Sbxx ex UK - Europe ex UK	12.8	12.6	11.1	10.0	3.77	3.74	4.05	4.42
Sbxx Eurozone - Eurozone	11.9	12.0	10.5	9.5	4.03	3.89	4.18	4.54

Source: Citi Research & DataStream

Figure 21. Pan-European Country Weightings & Returns

	Mkt Cap (Euros m)	% of Stoxx	Relative Return to Stoxx				Absolute Return			
			1m	3m	12m	YTD	1m	3m	12m	YTD
Austria	22,897	0.4	0	6	-8	-1	0	14	10	15
Belgium	87,007	1.6	2	1	18	18	1	9	41	36
Denmark	104,272	1.9	4	0	25	14	4	7	48	32
Finland	73,145	1.3	-3	3	-16	-8	-3	10	0	7
France	794,532	14.4	-1	3	-4	0	-2	10	15	16
Germany	721,207	13.1	0	4	5	9	0	12	24	26
Greece	6,511	0.1	11	9	-31	-14	10	17	-17	-1
Ireland	34,132	0.6	-3	-14	3	-12	-3	-8	22	1
Italy	203,881	3.7	-3	8	-12	-5	-3	16	4	10
Netherlands	227,071	4.1	1	1	0	0	0	9	19	16
Norway	88,500	1.6	-1	1	6	4	-2	9	26	21
Portugal	14,685	0.3	-2	4	-24	-14	-2	12	-10	-1
Spain	242,419	4.4	-2	14	-19	-14	-3	22	-4	-1
Sweden	256,044	4.6	-4	-4	4	0	-4	3	23	16
Switzerland	733,206	13.3	4	1	4	2	4	9	24	18
UK	1,914,745	34.7	0	-6	2	-3	-1	1	21	13
Stoxx - Pan Europe	5,524,254	100								

Source: Citi Research & DataStream

Figure 22. Pan-European Country Relative Ratings

Country	Price/Earnings				Net Dividend Yield			
	2011	2012E	2013E	2014E	2011	2012E	2013E	2014E
Austria	199	90	88	86	82	92	92	96
Belgium	135	125	128	123	74	71	72	74
Denmark	189	157	144	130	41	49	58	64
Finland	98	197	141	124	145	142	120	113
France	92	92	92	92	105	106	106	107
Germany	97	90	95	97	93	93	92	90
Greece	212	1417	274	113	104	100	69	78
Ireland	145	153	147	138	53	54	52	46
Italy	88	84	85	83	109	105	104	105
Netherlands	99	92	99	98	84	82	77	81
Norway	102	93	93	90	123	114	119	124
Portugal	100	91	92	89	182	138	140	133
Spain	77	137	90	91	218	146	157	152
Sweden	105	105	111	113	99	107	105	102
Switzerland	122	114	113	113	86	88	90	92
UK	98	97	99	100	94	102	102	101
EuroStoxx - Eurozone	94	97	95	95	110	103	102	102
Stoxx ex UK - Europe ex UK	101	102	100	100	103	99	99	99
Stoxx - Pan Europe	100	100	100	100	100	100	100	100

Source: Citi Research & DataStream

Figure 23. Pan-European Country Growth

As at Close 16 Oct 12 Country	Earnings Growth %			Dividend Growth %		
	2012E	2013E	2014E	2012E	2013E	2014E
Austria	125.3	15.3	12.6	17.4	7.3	13.9
Belgium	10.4	9.4	14.3	-0.1	9.2	11.8
Denmark	23.2	22.4	22.4	25.7	26.8	20.1
Finland	-49.3	55.9	25.6	1.6	-8.9	3.0
France	2.1	11.8	10.5	4.9	7.8	10.1
Germany	9.2	6.3	9.1	3.6	7.0	6.8
Greece	-84.7	480.4	168.0	-0.2	-26.1	23.2
Ireland	-3.0	16.5	17.5	3.9	4.2	-2.6
Italy	7.4	10.1	13.7	0.2	6.9	10.3
Netherlands	10.2	3.9	11.4	1.2	0.3	14.8
Norway	12.1	11.3	13.8	-4.4	13.3	12.5
Portugal	12.4	11.8	13.5	-21.1	9.7	2.8
Spain	-42.7	70.4	8.9	-30.3	15.5	5.6
Sweden	1.8	6.4	8.1	11.6	5.6	6.1
Switzerland	9.3	13.9	10.4	5.8	9.8	11.4
UK	3.0	9.5	9.6	12.7	7.4	8.1
EuroStoxx - Eurozone	-0.8	13.9	10.9	-3.5	7.4	8.6
Stoxx ex UK - Europe ex UK	1.8	13.5	10.9	-0.6	8.1	9.3
Stoxx - Pan Europe	2.2	12.1	10.5	3.8	7.9	8.8

Source: Citi Research & DataStream

Figure 24. Pan-European Country Ratings

As at Close 16 Oct 12 Country	Price/Earnings				Net Dividend Yield			
	2011	2012E	2013E	2014E	2011	2012E	2013E	2014E
Austria	25.2	11.2	9.7	8.6	2.98	3.50	3.75	4.27
Belgium	17.0	15.4	14.1	12.3	2.71	2.71	2.96	3.31
Denmark	23.9	19.4	15.9	13.0	1.49	1.87	2.38	2.85
Finland	12.4	24.4	15.6	12.4	5.30	5.38	4.90	5.05
France	11.7	11.4	10.2	9.3	3.83	4.01	4.32	4.76
Germany	12.2	11.2	10.5	9.7	3.38	3.51	3.75	4.01
Greece	26.8	175.6	30.3	11.3	3.80	3.79	2.80	3.45
Ireland	18.4	19.0	16.3	13.8	1.95	2.03	2.12	2.06
Italy	11.2	10.4	9.5	8.3	3.97	3.98	4.25	4.69
Netherlands	12.6	11.4	11.0	9.9	3.09	3.12	3.13	3.60
Norway	12.9	11.5	10.3	9.1	4.51	4.31	4.89	5.50
Portugal	12.7	11.3	10.1	8.9	6.64	5.24	5.75	5.90
Spain	9.7	16.9	9.9	9.1	7.95	5.54	6.40	6.76
Sweden	13.3	13.1	12.3	11.4	3.63	4.05	4.28	4.54
Switzerland	15.5	14.2	12.4	11.3	3.16	3.34	3.67	4.09
UK	12.4	12.0	11.0	10.0	3.45	3.88	4.17	4.51
EuroStoxx - Eurozone	11.9	12.0	10.5	9.5	4.03	3.89	4.18	4.54
Stoxx ex UK - Europe ex UK	12.8	12.6	11.1	10.0	3.77	3.74	4.05	4.42
Stoxx - Pan Europe	12.7	12.4	11.1	10.0	3.65	3.79	4.09	4.45

Source: Citi Research & DataStream

Figure 25. UK Sector Weightings & Relative Returns

As at Close 16 Oct 2012	Mkt Cap £m	% of AllShare	% of Group	Relative return				
				1m	3m	12m	Qtd	Ytd
OIL & GAS (25)	301,593	17.2		0	0	0	0	0
Oil & Gas Producers (18)	289,230	16.5	96	-3	-5	-8	-1	-13
Oil Equip, Serv and Distrib (7)	12,363	0.7	4	-3	4	9	-2	4
BASIC MATERIALS (37)	173,229	9.9		-6	2	-15	-1	-11
Chemicals (7)	11,850	0.7	7	-7	5	16	-6	18
Forestry & Paper (1)	2,455	0.1	1	7	15	24	4	38
Industrial Metals & Mining (4)	1,373	0.1	1	-16	-6	-46	-5	-36
Mining (25)	157,551	9.0	91	-6	2	-17	0	-13
INDUSTRIALS (109)	158,183	9.0		-1	2	11	-1	8
Construction & Materials (11)	12,487	0.7	8	-7	-6	-8	-5	-8
Aerospace (9)	36,582	2.1	23	-1	-2	10	0	8
General Industrials (6)	12,368	0.7	8	2	2	16	1	14
Electronic & Electrical Equip (12)	7,180	0.4	5	-8	-3	11	-7	10
Industrial Engineering (12)	15,330	0.9	10	-5	5	5	-3	-2
Industrial Transportation (8)	2,062	0.1	1	4	7	5	3	10
Support Services (51)	72,175	4.1	46	1	7	15	0	13
CONSUMER GOODS (35)	239,792	13.7		3	-3	7	0	4
Automobiles & Parts (2)	3,385	0.2	1	-13	-8	-6	-7	4
Beverages (4)	71,134	4.1	30	4	1	17	-1	14
Food Producers (11)	38,471	2.2	16	5	3	3	2	1
Household Goods & Home Const (11)	34,265	2.0	14	3	3	8	1	14
Leisure Goods (1)	117	0.0	0	10	27	-7	1	-9
Personal Goods (4)	6,524	0.4	3	7	-6	-18	12	-9
Tobacco (2)	85,895	4.9	36	2	-9	3	-1	-3
HEALTH CARE (13)	130,055	7.4		2	-4	-5	-2	-8
Health Care Equip & Services (5)	7,001	0.4	5	-1	-2	3	-3	-1
Pharmaceuticals & Biotech (8)	123,053	7.0	95	2	-4	-5	-2	-8
CONSUMER SERVICES (85)	164,439	9.4		0	2	0	-1	2
Food & Drug Retailers (6)	37,861	2.2	23	-7	-4	-23	-7	-21
General Retailers (22)	28,682	1.6	17	5	9	10	5	19
Media (23)	49,631	2.8	30	3	4	10	1	8
Travel & Leisure (34)	48,265	2.7	29	1	4	11	0	11
TELECOMMUNICATIONS (8)	108,175	6.2		-2	-9	-1	-4	-5
Fixed-Line Telecoms (6)	20,365	1.2	19	-5	-3	13	-6	10
Mobile Telecoms (2)	87,810	5.0	81	-1	-10	-4	-4	-8
UTILITIES (7)	70,136	4.0		4	-2	5	1	8
Electricity (2)	15,622	0.9	22	5	-1	2	2	6
Gas, Water & Multi-Utilities (5)	54,514	3.1	78	3	-2	5	0	9
TECHNOLOGY (25)	24,781	1.4		-1	6	6	-1	8
Software & Computer Serv (15)	12,491	0.7	50	-1	1	12	-3	14
Technology Hardware & Equip (10)	12,290	0.7	50	-1	13	-1	0	0
TOTAL NON-FINANCIAL (344)	1,370,383	78.0		-1	-2	-2	-2	-3
FINANCIALS (252)	385,762	22.0		3	8	7	7	14
Banks (6)	194,949	11.1	51	5	12	9	6	17
Non-Life Insurance (9)	15,370	0.9	4	2	5	7	2	17
Life Insurance (9)	59,953	3.4	16	1	8	17	4	20
Real Estate Inv. Servs (23)	6,382	0.4	2	2	3	5	0	8
REITS (17)	25,090	1.4	7	1	-2	1	2	14
Financial Services (27)	29,859	1.7	8	1	8	3	2	13
FTSE ALL SHARE (596)	1,756,145	100.0		0	0	0	0	0
FTSE 100 (100)	1,488,915	84.8		0	-1	-1	-1	-2
Mid 250 (250)	228,214	13		0	3	6	3	10
Small Cap (246)	39,015	2		2	5	5	3	10

Source: Citi Research & DataStream

Figure 26. UK Relative Ratings

As at Close 16 Oct 2012	P/E Relative				Yield Relative			
	2011E	2012E	2013E	2014E	2011E	2012E	2013E	2014E
OIL & GAS	83	79	84	87	98	98	96	94
Oil & Gas Producers	81	78	83	86	99	99	98	94
Oil Equip, Serv and Distrib	144	122	112	106	59	61	67	72
BASIC MATERIALS	68	101	93	86	74	76	79	81
Chemicals	135	125	124	123	63	68	70	71
Forestry & Paper	98	125	108	100	92	84	93	87
Industrial Metals & Mining	80	-173	1469	875	12	11	10	9
Mining	65	98	90	84	76	77	80	83
INDUSTRIALS	119	113	113	113	77	79	80	77
Construction & Materials	112	120	117	112	128	117	111	106
Aerospace	105	99	100	103	89	90	89	88
General Industrials	105	101	100	99	89	88	89	91
Electronic & Electrical Equip	120	115	114	114	51	53	54	55
Industrial Engineering	119	111	113	115	70	70	71	72
Industrial Transportation	96	104	101	101	110	104	100	95
Support Services	134	125	124	122	63	70	73	67
CONSUMER GOODS	145	131	130	129	85	84	89	91
Automobiles & Parts	79	66	61	61	79	89	96	98
Beverages	172	153	150	147	63	64	67	68
Food Producers	150	138	139	141	87	83	83	82
Household Goods & Home Const	142	123	128	127	72	67	81	88
Personal Goods	170	151	145	139	54	58	63	67
Tobacco	129	120	119	119	110	111	114	117
HEALTH CARE	88	93	99	100	130	121	120	115
Health Care Equip & Services	124	122	116	113	45	61	62	62
Pharmaceuticals & Biotech	87	92	98	99	134	125	123	118
CONSUMER SERVICES	105	107	108	111	95	90	89	87
Food & Drug Retailers	88	89	99	109	122	112	104	95
General Retailers	107	107	108	108	87	84	85	86
Media	116	108	109	112	91	87	88	88
Travel & Leisure	109	123	116	113	82	79	80	81
TELECOMMUNICATIONS	95	93	98	102	179	189	184	178
Fixed-Line Telecoms	87	80	84	87	113	114	120	125
Mobile Telecoms	97	97	102	106	194	206	199	190
UTILITIES	120	114	121	126	137	135	131	126
Electricity	108	104	118	123	148	144	133	126
Gas, Water & Multi-Utilities	123	117	122	127	134	133	130	126
TECHNOLOGY	192	172	157	155	39	51	44	46
Software & Computer Serv	150	135	128	129	54	58	61	61
Technology Hardware & Equip	271	238	205	195	23	44	28	30
TOTAL NON-FINANCIAL	97	101	102	103	100	100	100	98
FINANCIALS	112	98	91	89	100	100	100	106
Banks	104	93	85	81	86	87	89	101
Non-Life Insurance	195	85	89	92	164	147	144	140
Life Insurance	94	88	88	90	118	124	123	121
Real Estate Inv. Servs	259	223	195	177	50	55	58	60
REITS	188	190	200	204	104	101	98	95
Financial Services	148	115	95	91	120	119	110	111
FTSE ALL SHARE	100	100	100	100	100	100	100	100
FTSE 100	96	99	99	99	102	103	103	103
Mid 250	147	113	109	109	83	79	79	80
Small Cap	86	92	86	83	85	80	82	82

Source: Citi Research & DataStream

Figure 27. UK Sector Growth

As at Close 16 Oct 2012	Earnings Growth %			Net Dividend Growth %		
	2012E	2013E	2014E	2012E	2013E	2014E
OIL & GAS	3.9	2.6	5.6	6.9	5.2	4.6
Oil & Gas Producers	3.6	2.2	5.3	6.8	4.9	4.3
Oil Equip, Serv and Distrib	17.2	18.5	15.3	9.8	16.8	15.8
BASIC MATERIALS	-33.8	18.6	17.9	8.3	10.9	11.7
Chemicals	6.9	9.6	10.1	14.2	10.6	9.1
Forestry & Paper	-22.7	25.9	18.6	-2.9	17.9	0.3
Industrial Metals & Mining	-145.7	-112.8	84.0	1.1	-1.6	0.0
Mining	-34.6	18.4	18.2	8.1	10.8	12.1
INDUSTRIALS	4.1	8.9	9.8	9.4	8.3	3.7
Construction & Materials	-7.5	11.5	14.2	-2.8	1.8	2.7
Aerospace	4.8	7.5	6.9	7.1	6.1	6.3
General Industrials	3.0	10.3	10.0	5.0	8.2	9.3
Electronic & Electrical Equip	3.4	9.3	10.1	10.1	9.6	9.9
Industrial Engineering	6.0	6.8	7.8	7.8	7.7	9.3
Industrial Transportation	-8.2	11.3	10.4	1.3	1.7	3.2
Support Services	6.5	9.5	11.1	16.9	12.0	-0.4
CONSUMER GOODS	9.4	9.2	10.4	6.5	11.8	11.1
Automobiles & Parts	18.7	18.6	8.1	20.0	15.0	10.0
Beverages	11.1	11.1	11.9	9.3	10.1	10.3
Food Producers	7.5	7.6	8.4	1.8	6.6	7.3
Household Goods & Home Cor	14.5	4.8	10.0	0.4	28.4	17.2
Personal Goods	11.8	12.8	14.6	14.5	14.2	14.7
Tobacco	6.5	9.4	10.3	7.7	10.0	11.0
HEALTH CARE	-6.2	2.5	8.1	-0.2	5.3	3.3
Health Care Equip & Services	1.1	13.8	12.5	45.0	8.2	7.9
Pharmaceuticals & Biotech	-6.4	2.0	7.9	-1.0	5.2	3.2
CONSUMER SERVICES	-2.4	7.2	6.7	0.8	5.9	5.5
Food & Drug Retailers	-2.0	-1.5	-1.3	-2.5	-0.8	-1.5
General Retailers	-0.5	7.2	9.5	3.2	7.9	9.2
Media	6.5	7.6	7.3	1.3	8.9	7.4
Travel & Leisure	-12.6	16.0	11.7	2.6	8.6	8.1
TELECOMMUNICATIONS	0.8	3.2	5.7	12.7	4.3	4.1
Fixed-Line Telecoms	7.5	3.9	5.4	7.7	11.9	13.0
Mobile Telecoms	-0.9	3.0	5.7	13.4	3.3	2.8
UTILITIES	3.6	2.5	5.1	5.2	3.3	3.8
Electricity	2.9	-4.5	5.7	3.5	-1.2	1.8
Gas, Water & Multi-Utilities	3.8	4.7	4.9	5.7	4.7	4.3
TECHNOLOGY	10.5	18.8	11.2	41.1	-8.1	11.2
Software & Computer Serv	9.3	14.6	8.9	15.0	11.0	8.9
Technology Hardware & Equip	12.7	26.5	14.9	102.3	-33.5	16.4
TOTAL NON-FINANCIAL	-4.3	6.9	8.8	6.6	6.7	6.1
FINANCIALS	13.7	16.1	12.4	7.2	6.5	14.8
Banks	11.2	18.2	14.8	7.6	9.2	22.8
Non-Life Insurance	127.1	3.5	5.7	-4.2	4.1	5.3
Life Insurance	5.7	9.4	6.3	11.9	5.8	5.6
Real Estate Inv. Servs	14.6	24.6	20.4	16.9	12.4	11.3
REITS	-2.1	3.5	7.4	3.5	3.3	4.1
Financial Services	28.2	31.5	13.8	6.5	-1.6	8.4
FTSE ALL SHARE	-1.1	8.7	9.6	6.7	6.7	7.8
FTSE 100	-3.5	8.2	9.5	7.2	6.6	7.7
Mid 250	28.2	12.7	9.9	2.3	6.9	9.0
Small Cap	-7.5	16.9	13.3	-0.4	10.3	7.7

Source: Citi Research & DataStream

Figure 28. UK Sector Ratings

As at Close 16 Oct 2012	Price/Earnings				Net Dividend Yield			
	2011E	2012E	2013E	2014E	2011E	2012E	2013E	2014E
OIL & GAS	9.7	9.3	9.1	8.6	3.56	3.81	4.01	4.19
Oil & Gas Producers	9.5	9.2	9.0	8.5	3.62	3.87	4.06	4.23
Oil Equip, Serv and Distrib	16.8	14.4	12.1	10.5	2.17	2.38	2.78	3.22
BASIC MATERIALS	7.9	12.0	10.1	8.5	2.72	2.95	3.27	3.65
Chemicals	15.8	14.7	13.5	12.2	2.32	2.65	2.93	3.19
Forestry & Paper	11.4	14.8	11.8	9.9	3.38	3.28	3.87	3.88
Industrial Metals & Mining	9.4	-20.5	159.5	86.7	0.42	0.43	0.42	0.42
Mining	7.6	11.6	9.8	8.3	2.76	2.98	3.31	3.71
INDUSTRIALS	13.9	13.4	12.3	11.2	2.82	3.09	3.34	3.47
Construction & Materials	13.1	14.2	12.7	11.1	4.68	4.55	4.63	4.76
Aerospace	12.2	11.7	10.9	10.2	3.27	3.50	3.71	3.95
General Industrials	12.3	11.9	10.8	9.8	3.27	3.43	3.72	4.06
Electronic & Electrical Equip	14.0	13.5	12.4	11.2	1.86	2.05	2.25	2.47
Industrial Engineering	13.8	13.1	12.2	11.3	2.55	2.74	2.95	3.23
Industrial Transportation	11.3	12.3	11.0	10.0	4.01	4.07	4.14	4.27
Support Services	15.7	14.7	13.4	12.1	2.32	2.71	3.03	3.02
CONSUMER GOODS	16.9	15.4	14.1	12.8	3.09	3.29	3.68	4.09
Automobiles & Parts	9.3	7.8	6.6	6.1	2.89	3.46	3.98	4.38
Beverages	20.1	18.1	16.3	14.5	2.30	2.51	2.77	3.05
Food Producers	17.5	16.3	15.1	13.9	3.16	3.22	3.43	3.68
Household Goods & Home Co	16.6	14.5	13.8	12.6	2.62	2.63	3.37	3.95
Personal Goods	19.9	17.8	15.8	13.8	1.99	2.28	2.60	2.98
Tobacco	15.1	14.2	13.0	11.8	4.00	4.31	4.74	5.26
HEALTH CARE	10.3	11.0	10.7	9.9	4.74	4.73	4.98	5.15
Health Care Equip & Services	14.5	14.3	12.6	11.2	1.63	2.37	2.57	2.77
Pharmaceuticals & Biotech	10.1	10.8	10.6	9.9	4.91	4.86	5.12	5.28
CONSUMER SERVICES	12.3	12.6	11.7	11.0	3.47	3.49	3.70	3.90
Food & Drug Retailers	10.3	10.5	10.7	10.8	4.46	4.35	4.31	4.25
General Retailers	12.5	12.6	11.8	10.7	3.17	3.27	3.53	3.86
Media	13.6	12.8	11.9	11.1	3.33	3.38	3.68	3.95
Travel & Leisure	12.7	14.6	12.6	11.2	3.00	3.08	3.34	3.61
TELECOMMUNICATIONS	11.1	11.0	10.6	10.1	6.53	7.36	7.67	7.98
Fixed-Line Telecoms	10.2	9.5	9.1	8.7	4.12	4.44	4.97	5.62
Mobile Telecoms	11.3	11.4	11.1	10.5	7.07	8.02	8.28	8.52
UTILITIES	14.0	13.5	13.1	12.5	5.01	5.27	5.44	5.65
Electricity	12.6	12.3	12.8	12.2	5.42	5.61	5.54	5.64
Gas, Water & Multi-Utilities	14.4	13.9	13.2	12.6	4.90	5.17	5.42	5.65
TECHNOLOGY	22.4	20.3	17.1	15.4	1.42	2.00	1.84	2.05
Software & Computer Serv	17.5	16.0	13.9	12.8	1.98	2.27	2.52	2.75
Technology Hardware & Equip	31.7	28.1	22.2	19.3	0.86	1.73	1.15	1.34
TOTAL NON-FINANCIAL	11.4	11.9	11.1	10.2	3.66	3.90	4.16	4.41
FINANCIALS	13.1	11.5	9.9	8.8	3.64	3.90	4.15	4.77
Banks	12.2	10.9	9.3	8.1	3.15	3.39	3.70	4.54
Non-Life Insurance	22.7	10.0	9.7	9.1	5.99	5.73	5.97	6.29
Life Insurance	11.0	10.4	9.5	8.9	4.32	4.84	5.12	5.41
Real Estate Inv. Servs	30.2	26.4	21.2	17.6	1.84	2.16	2.42	2.70
REITS	22.0	22.4	21.7	20.2	3.82	3.95	4.08	4.25
Financial Services	17.3	13.5	10.3	9.0	4.37	4.65	4.58	4.97
FTSE ALL SHARE	11.7	11.8	10.9	9.9	3.65	3.90	4.16	4.48
FTSE 100	11.2	11.6	10.8	9.8	3.74	4.01	4.28	4.61
Mid 250	17.2	13.4	11.9	10.8	3.02	3.08	3.30	3.59
Small Cap	10.1	10.9	9.3	8.2	3.12	3.10	3.42	3.69

Source: Citi Research & DataStream

Figure 29. Companies Mentioned

RIC	Stock	Price	Rating	Currency	RIC	Stock	Price	Rating	Currency
ABBN.VX	ABB	18.15	1	CHF	JMT.LS	Jeronimo Martins	13.915	1	EUR
ADN.L	Aberdeen Asset	3.32	1	GBP	JMAT.L	Johnson Matthey	22.79	1	GBP
ABI.BR	ABInBev	66.89	1	EUR	KNIN.VX	Kuehne & Nagel	107.6	1	CHF
ADSGn.DE	Adidas	67.57	1	EUR	OREP.PA	L'Oréal	100.25	2	EUR
AGGK.L	Aggreko	22.75	1	GBP	LUX.MI	Luxottica Grp	28.48	1	EUR
ALVG.DE	Allianz	95.89	1	EUR	LVMH.PA	LVMH	127.95	1	EUR
ANTO.L	Antofagasta	13.21	3	GBP	NG.L	National Grid	7.02	2	GBP
ARM.L	ARM Hld	5.999	1	GBP	NESN.VX	Nestle	61	2	CHF
ASHM.L	Ashmore Grp	3.7	3	GBP	NXT.L	Next Grp	35.87	1	GBP
ASML.AS	ASML Hld	38.78	2	EUR	NOVN.VX	Novartis	58.75	2	CHF
ATCOa.ST	Atlas Copco	157.1	3	SEK	NOVOb.CO	Novo-Nordisk	947.5	1	DKK
BARC.L	Barclays	2.446	1	GBP	PSO.N.L	Pearson	12.12	2	GBP
BG.L	BG	13.45	1	GBP	PERP.PA	Pernod-Ricard	84.77	1	EUR
BLT.L	BHP Billiton	20.40125	1	GBP	PRU.L	Prudential	8.595	1	GBP
BMWG.DE	BMW	61.06	2	EUR	PUBP.PA	Publicis Groupe	42.31	3	EUR
BATS.L	Brit Am Tobacco	32.145	1	GBP	RDSa.L	RD Shell Class A	21.72	2	GBP
BLND.L	British Land	5.39		GBP	RB.L	Reckitt Benckiser	36.38	1	GBP
COLR.BR	Colruyt	33.87	1	EUR	REP.MC	Repsol	15.97	1	EUR
CPG.L	Compass Grp	6.82825	1	GBP	ROG.VX	Roche	185	2	CHF
CONG.DE	Continental	74.78	1	EUR	RR.L	Rolls-Royce	8.745	1	GBP
DAIGn.DE	Daimler	38.48	1	EUR	ROR.L	Rotork	23.25	2	GBP
DBGn.DE	Deutsche Bank	34.735	2	EUR	RYA.I	Ryanair	4.538	1	EUR
DSMN.AS	DSM	40.11	1	EUR	SAB.L	SABMiller	26.15	1	GBP
EAD.PA	EADS	26.855	1	EUR	SPMI.MI	Saipem	35.69	1	EUR
EDEN.PA	Edenred	22.765	1	EUR	SAPG.DE	SAP AG	54.77	1	EUR
ERICb.ST	Ericsson	58.7	1	SEK	SGSN.VX	SGS	2028	2	CHF
ESSI.PA	Essilor	70.87	1	EUR	SIEGn.DE	Siemens	78.65	1	EUR
EXP.N.L	Experian	10.74	1	GBP	SOON.VX	Sonova Hld	97.05	1	CHF
FENR.L	Fenner	3.671995	1	GBP	SPX.L	Spirax Sarco	19.51	1	GBP
FRAG.DE	Fraport	45.305	1	EUR	SPT.L	Spirent Comm	1.5	1	GBP
FMEG.DE	Fresenius Med Care	58.12	2	EUR	STAN.L	Standard Chartered	14.745	1	GBP
GALP.LS	Galp Energia	13.175	2H	EUR	UHR.VX	Swatch Grp	384.7	2	CHF
GEBN.VX	Geberit	205.3	3	CHF	SRENH.VX	Swiss Re	66.5	1	CHF
GSK.L	GlaxoSmithKline	14.235	1	GBP	SYNN.VX	Syngenta	345.3	1	CHF
HSBA.L	HSBC	6.126	1	GBP	VIE.PA	Veolia Environment	8.592	1	EUR
IAP.L	ICAP	3.2975	1	GBP	SGEF.PA	Vinci	35.705		EUR
IGG.L	IG Grp	4.566	1	GBP	VOD.L	Vodafone	1.7575	1	GBP
ITX.MC	Inditex	98.97	1	EUR	VOWG.DE	Volkswagen	135.15	2	EUR
IHG.L	Intercont Hotels	15.85	1	GBP	WPP.L	WPP	8.46	2	GBP
ITRK.L	Intertek	28.27	1	GBP	ZURN.VX	Zurich Ins Grp	236.1	1	CHF
JCDX.PA	JCDecaux	17.4	2	EUR					

Source: Datacentral (Citi Research). Prices as at 17th October

Notes

Notes

Appendix A-1

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