

UBS Investment Research

Bathurst Resources

December quarter result

December quarter shows strong q/q growth

BTU reported coal production of 82kt in the December quarter, +75% q/q and 5% above UBSe of 79kt. Cascade production of 19.8kt, up 60% q/q while Takitimu production of 62.5kt was up 81% q/q. During the quarter, the Environment Court heard an appeal against the Escarpment Mine, the hearing was held on 18 December 2012 and a decision is still pending. In addition, an appeal on the basis of Climate Change is to be heard in the Supreme Court on 12 & 13 March.

Revised commodity prices weighs on earnings

We reconcile for the December quarter result and push through revised commodity price forecasts as per UBS Global I/O@: Miner's Price Review *Snakes and ladders* 11 December 2012. Earnings have reduced and we forecast BTU to be barely NPAT breakeven over the coming years. We note that our coal prices are conservative and this provides some upside risk to our estimates.

Buy rating – legal challenges the headwind to share price performance

Our Buy rating is based on valuation. Risks remains to our modelling should the appeals process continue to delay the expansion of the Escarpment project. Although we see BTU rallying with any coal price appreciation, the key catalyst for the stock remains finalisation of the appeals process to unlock production potential from the Escarpment project.

Valuation \$0.82ps (DCF, 10% d.r.)

Our NPV has reduced 5% to \$0.82ps. Our PT is set at a 30% discount to NPV to account for risks associated with the appeals process for the Escarpment project. Price target is unchanged at \$0.60ps.

Highlights (A\$m)	06/11	06/12	06/13E	06/14E	06/15E
Revenues	6	26	34	100	148
EBIT (UBS)	(15)	(25)	(20)	6	17
Net Income (UBS)	(13)	(22)	(16)	0	6
EPS (UBS, A\$)	(0.03)	(0.03)	(0.02)	0.00	0.01
Net DPS (UBS, A\$)	0.00	0.00	0.00	0.00	0.00

Profitability & Valuation	5-yr hist av.	06/12	06/13E	06/14E	06/15E
EBIT margin %	-	-97.7	-59.1	5.9	11.5
ROIC (EBIT) %	-	(24.3)	(13.4)	2.9	6.3
EV/EBITDA (core) x	-	-19.7	-16.4	37.0	18.6
PE (UBS) x	-	NM	NM	NM	49.5
Net dividend yield %	-	0.0	0.0	0.0	0.0

Source: Company accounts, Thomson Reuters, UBS estimates. (UBS) valuations are stated before goodwill, exceptionals and other special items. Valuations: based on an average share price that year, (E): based on a share price of A\$0.40 on 30 Jan 2013 23:34 EST

Glyn Lawcock
Analyst
glyn.lawcock@ubs.com
+61-2-9324 3675

Jo Battershill
Analyst
jo.battershill@ubs.com
+61-2-9324 2834

James Brennan-Chong
Analyst
james.brennan-chong@ubs.com
+61-2-9324 3623

Global Equity Research

Australia

Mining

12-month rating **Buy**
Unchanged

12m price target **A\$0.60/US\$0.63**
Unchanged

Price **A\$0.40/US\$0.41**

RIC: BTU.AX BBG: BTU AU

31 January 2013

Trading data (local/US\$)

52-wk range	A\$0.85-0.28/US\$0.91-0.29
Market cap.	A\$0.27bn/US\$0.29bn
Shares o/s	696m (ORD)
Free float	83%
Avg. daily volume ('000)	3,062
Avg. daily value (m)	A\$1.1

Balance sheet data 06/13E

Shareholders' equity	A\$0.16bn
P/BV (UBS)	1.8x
Net Cash (debt)	(A\$0.02bn)

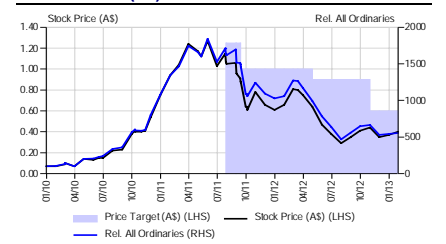
Forecast returns

Forecast price appreciation	+51.9%
Forecast dividend yield	0.0%
Forecast stock return	+51.9%
Market return assumption	7.8%
Forecast excess return	+44.1%

EPS (UBS, A\$)

	06/13E		06/12	06/12
	From	To	Cons.	Actual
H1E	(0.01)	(0.01)	-	(0.03)
H2E	(0.01)	(0.01)	-	(0.01)
06/13E	(0.02)	(0.02)	(0.01)	
06/14E	0.01	0.00	0.01	

Performance (A\$)



Source: UBS

www.ubs.com/investmentresearch

This report has been prepared by UBS Securities Australia Ltd
ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 4.

UBS 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.

December quarter report

Table 1: quarterly production summary

		Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	q/q	y/y	UBSe	a/e
Overburden	:bcm's	815	768	541	1,230	1018	-17%	25%		
Production	:kt	72	59	35	47	82	75%	15%	79	5%
Sales	:kt	78	68	48	51	78	54%	0%	79	-1%

Source: BTU, UBS estimates

Earnings change summary

We reconcile for the December quarter result and push through revised commodity price forecasts as per UBS Global I/O@: Miner's Price Review *Snakes and ladders* 11 December 2012. We have made no change to our production forecast at this stage.

Table 2: Earnings change summary

	FY 13e			FY 14e			FY 15e		
	New	Old	Change	New	Old	Change	New	Old	Change
Coal Sales - Mt	0.3	0.3	6%	0.6	0.6	0%	0.9	0.9	0%
Revenue	34	33	3%	100	104	-4%	148	152	-3%
EBITDA	-18	-16	15%	10	16	-40%	22	28	-20%
EBIT	-20	-17	14%	6	12	-52%	17	23	-25%
PBT	-22	-20	8%	1	7	-90%	8	15	-42%
Net Profit (pre-abnormals)	-16	-14	8%	0	5	-95%	6	10	-42%
EPS (pre-abnormals)	-2.0	-1.9	8%	0.0	0.7	-95%	0.8	1.4	-42%
PE	-18.9	-20.3		1193.9	55.1		48.3	28.1	
DPS cps	0.0	0.0		0.0	0.0		0.0	0.0	
NPV (A\$/sh)	0.82	0.86	-5%						

Source: UBS estimates

Bathurst Resources (BTU.AX)

Analyst/s: Glyn Lawcock
Email: glyn.lawcock@ubs.com
31-Jan-13

MARKET INFORMATION

Rating:	Buy
Price (as of 30-Jan-13):	0.39
Price Target (12 months):	0.60
Issued Capital:	695.7
Market Capitalisation:	274.8
Avg. daily turnover (US\$m)	1.2
Year end:	Jun 2013
Website:	http://www.bathurstresources.com/
Major Shareholders:	Matthews Capital 13.0%

INVESTMENT SUMMARY

(A\$m)	2011	2012	2013E	2014E
Net profit [reported] (\$m)	(13.5)	(21.6)	(15.5)	0.2
Net profit [adjusted] (\$m)	(13.5)	(21.6)	(15.5)	0.2
EPS [reported] (\$)	(0.03)	(0.03)	(0.02)	0.00
EPS [adjusted, diluted] (\$)	(0.03)	(0.03)	(0.02)	0.00
EPS Growth (%)	5.5	(9.8)	32.8	NM
PER [adjusted] (x)	<0.0	<0.0	<0.0	1193.9
Dividend (\$)	0.0	0.0	0.0	0.0
Payout ratio (%)	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0
FCF Yield (%)	(4.1)	(10.1)	0.1	4.5
Franking (%)	0.0	0.0	0.0	0.0
Shares [average, diluted] (m)	488.2	710.9	762.0	762.0

VALUATION

Valuation per share [NAV @ 10%]	0.82
Share Price Target [12 months] (¢)	0.60
Price/NAV [10% disc rate] (x)	0.47

Operating Assets [DH11]	A\$m	¢
Buller (incl. Cascade, Wareatea West & Brookdale)	662	90
Takitimu	26	4

Gross Assets

NPV - corporate costs	(143)	(20)
Cash at bank (Net debt) - bop	52	7
Net Asset Value @ 10% discount rate	597	82

ENTERPRISE VALUE

(A\$m)	2011	2012	2013E	2014E
Enterprise Value	322	454	293	357
EV/EBITDA (x)	<0	<0	<0	37.0
EV/Operating Free Cash Flow (x)	<0	<0	<0	<0

EPS SENSITIVITIES

Commodity	Base	2012	2013E	2014E
	Change	EPS Change		
Hard Coking Coal	+/-US\$10/t	NM	-5%	1253%
AUDUSD	+/-US\$0.05	NM	-7%	1386%

CASH FLOW

(A\$m)	2011	2012	2013E	2014E
Operating income [EBIT, UBS]	(15)	(25)	(20)	6
Depreciation & Amortisation	1	2	2	4
Net change in working capital	0	(1)	3	6
Other (operating)	7	2	23	26
Pre-tax op cash flow	(7)	(22)	9	42
Interest (paid) / received	2	4	2	(1)
Tax paid	(0)	(1)	0	0
Other	0	0	0	0
Operating cash flow	(5)	(19)	11	41
Capital expenditure	(3)	(9)	(11)	(28)
Free cash flow	(8)	(28)	0	13
Net (acquisitions) / disposals	0	0	0	0
Dividends paid (Common)	0	0	0	0
Shares issued/(repurchased)	161	3	0	0

Source: Company accounts, UBS estimates. UBS valuations are stated before goodwill, exceptionals and other special items. Note: For some companies, the data represents an extract of the full company

COMPANY DESCRIPTION

Bathurst Resources (BTU) has a focus to develop the Buller Coal project in the South Island of New Zealand. The Buller project is to produce a high quality hard coking coal, using open cast mining techniques, ramping up to 2Mtpa by FY15. BTU has made two acquisitions in the past 12 months, which has consolidated its holdings in the South Buller region and expanded the resource base. Conceptually, the Buller project may be able to be expanded to 4Mtpa through duplication of wash plant and mining infrastructure in the Northern tenements.

OPERATIONAL ASSUMPTIONS

(Prices in US\$/t)	1H13E	2H13E	2011	2012	2013E	2014E
Hard Coking	198	170	247	260	184	165
PCI	144	130	196	185	137	128
Semi Soft	113	123	190	173	118	118
Thermal - benchmark	115	110	106	126	113	103
Thermal - Newcastle spot	85	105	112	111	95	103
Currency and inflation						
US\$A\$	1.04	1.04	0.99	1.03	1.04	1.04
AUDNZD	1.27	1.25	1.31	1.28	1.26	1.25
NZ\$US\$	1.23	1.20	1.32	1.24	1.21	1.20
Cost inflator	1.00	1.01	1.00	1.00	1.01	1.03

Coal Shipments (Mt)

Buller	1H13E	2H13E	2011	2012	2013E	2014E
Hard Coking Coal	0.0	0.0	0.0	0.0	0.0	0.4
Semi Soft	0.0	0.1	0.0	0.0	0.1	0.0
Thermal	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.1	0.0	0.1	0.1	0.5
Takitimu	0.1	0.1	0.1	0.2	0.2	0.2

DIVISIONAL BREAKDOWN [EBIT]

(A\$m)	1H13E	2H13E	2011	2012	2013E	2014E
Buller	(8.2)	(6.1)	0.0	(10.9)	(14.4)	12.3
Takitimu	1.0	1.9	(1.7)	8.3	2.8	2.1

PROFIT & LOSS

(A\$m)	1H13E	2H13E	2011	2012	2013E	2014E
Sales Revenue	13	20	6	26	34	100
Operating Cash Profit	(1)	4	2	7	3	44
Depn & Amortisation	(1)	(1)	(1)	(2)	(2)	(4)
Operating Profit	(2)	3	1	5	1	41
Exploration	0	0	0	0	0	0
SGA	(9)	(11)	(16)	(30)	(21)	(35)
EBIT	(11)	(8)	(15)	(25)	(20)	6
Net interest	(1)	(1)	(1)	(0)	(2)	(5)
Profit before tax	(12)	(10)	(15)	(26)	(22)	1
Tax expense	3	3	2	4	6	(1)
Equity Associated NPAT	0	0	0	0	0	0
Minority Interests	0	0	0	0	0	0
Dividends [preferred]	0	0	0	0	0	0
Net Profit [reported]	(9)	(7)	(13)	(22)	(16)	0
Abnormal Gain/(Loss) after Tax	0	0	0	0	0	0
Net Profit [adjusted]	(9)	(7)	(13)	(22)	(16)	0

EBITDA margin (%)	(227.3)	(88.4)	(53.2)	9.6
Net Interest Cover [EBIT] (x)	27.2	58.8	11.4	(1.1)
Tax Rate (%)	NM	NM	NM	68%
EBIT/Total Assets (%)	(3.7)	(6.5)	(4.7)	1.4
NPAT/Equity (%)	(7.8)	(12.5)	(9.9)	0.2

BALANCE SHEET [Selected Items]

(A\$m)	2011	2012	2013E	2014E
Net Working capital	(42)	(1)	5	11
Fixed Assets	10	13	22	46
Net Other	121	109	147	182
Capital Employed	89	120	175	239
Net Cash / (Debt)	85	52	(18)	(82)
Total Equity [incl. minorities]	174	172	157	157
Minorities	0	0	0	0
Net Debt / Equity (%)	(48.7)	(30.1)	11.8	52.6
Book Value per Share(\$)	0.26	0.25	0.22	0.23

Source: BTU, UBS

■ Bathurst Resources

Bathurst Resources (BTU) has a focus to develop the Buller Coal project in the South Island of New Zealand. The Buller project is to produce a high quality hard coking coal, using open cast mining techniques, ramping up to 2Mtpa by FY15. BTU has made two acquisitions in the past 12 months, which has consolidated its holdings in the South Buller region and expanded the resource base. Conceptually, the Buller project may be able to be expanded to 4Mtpa through duplication of wash plant and mining infrastructure in the Northern tenements.

■ Statement of Risk

Investment risk inherent in the resource sector includes, but is not limited to movement of commodity price and currency which may differ materially from the assumptions used in this report. Furthermore the sector is subject to political, financial and operational risks, each of which has the potential to significantly impact industry performance.

■ Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner, including with respect to UBS, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

Required Disclosures

This report has been prepared by UBS Securities Australia Ltd, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

For information on the ways in which UBS manages conflicts and maintains independence of its research product; historical performance information; and certain additional disclosures concerning UBS research recommendations, please visit www.ubs.com/disclosures. The figures contained in performance charts refer to the past; past performance is not a reliable indicator of future results. Additional information will be made available upon request. UBS Securities Co. Limited is licensed to conduct securities investment consultancy businesses by the China Securities Regulatory Commission.

UBS Investment Research: Global Equity Rating Allocations

UBS 12-Month Rating	Rating Category	Coverage ¹	IB Services ²
Buy	Buy	48%	34%
Neutral	Hold/Neutral	42%	35%
Sell	Sell	9%	18%
UBS Short-Term Rating	Rating Category	Coverage ³	IB Services ⁴
Buy	Buy	less than 1%	33%
Sell	Sell	less than 1%	0%

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3:Percentage of companies under coverage globally within the Short-Term rating category.

4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Rating allocations are as of 31 December 2012.

UBS Investment Research: Global Equity Rating Definitions

UBS 12-Month Rating	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.
UBS Short-Term Rating	Definition
Buy	Buy: Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.
Sell	Sell: Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.

KEY DEFINITIONS

Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

Market Return Assumption (MRA) is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

Under Review (UR) Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

Short-Term Ratings reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case.

Equity Price Targets have an investment horizon of 12 months.

EXCEPTIONS AND SPECIAL CASES

UK and European Investment Fund ratings and definitions are: Buy: Positive on factors such as structure, management, performance record, discount; Neutral: Neutral on factors such as structure, management, performance record, discount; Sell: Negative on factors such as structure, management, performance record, discount.

Core Banding Exceptions (CBE): Exceptions to the standard +/-6% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Company Disclosures table in the relevant research piece.

Research analysts contributing to this report who are employed by any non-US affiliate of UBS Securities LLC are not registered/qualified as research analysts with the NASD and NYSE and therefore are not subject to the restrictions contained in the NASD and NYSE rules on communications with a subject company, public appearances, and trading securities held by a research analyst account. The name of each affiliate and analyst employed by that affiliate contributing to this report, if any, follows.

UBS Securities Australia Ltd: Glyn Lawcock; Jo Battershill; James Brennan-Chong.

Company Disclosures

Company Name	Reuters	12-mo rating	Short-term rating	Price	Price date
Bathurst Resources ^{3, 13}	BTU.AX	Buy	N/A	A\$0.39	31 Jan 2013

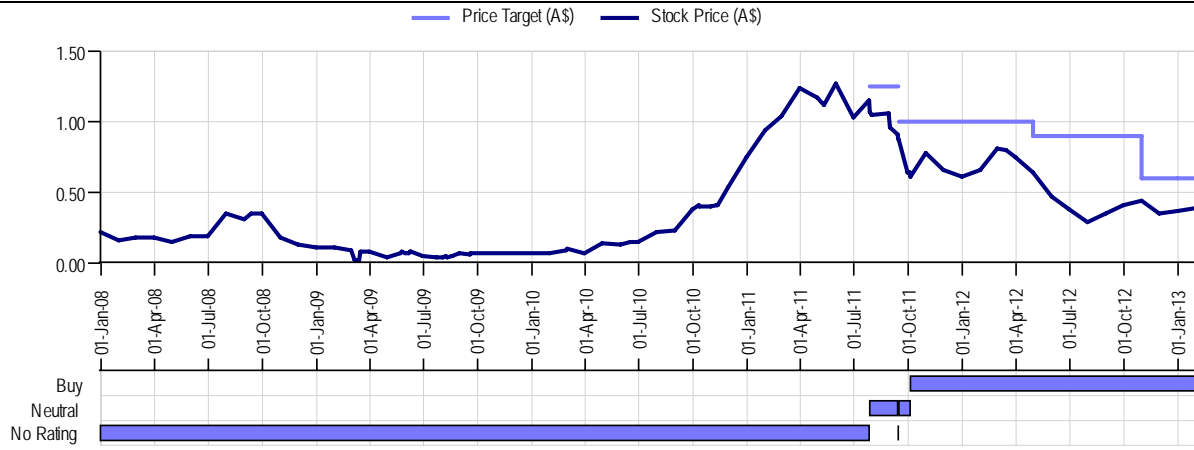
Source: UBS. All prices as of local market close.

Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

3. UBS AG, Australia Branch is acting as Corporate Adviser to Bathurst Resources Limited and will be receiving a fee for acting in this capacity.
13. UBS AG, its affiliates or subsidiaries beneficially owned 1% or more of a class of this company's common equity securities as of last month's end (or the prior month's end if this report is dated less than 10 days after the most recent month's end).

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

Bathurst Resources (A\$)



Source: UBS; as of 31 Jan 2013

Global Disclaimer

This document has been prepared by UBS Securities Australia Ltd, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject UBS to any registration or licensing requirement within such jurisdiction. It is published solely for information purposes; it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in this document ('the Information'), except with respect to Information concerning UBS. The Information is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. UBS does not undertake to update or keep current the Information. Any opinions expressed in this document may change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS.

Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. Investments involve risks, and investors should exercise prudence and their own judgement in making their investment decisions. The financial instruments described in the document may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates or other market conditions. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument referred to in the document. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

The value of any investment or income may go down as well as up, and investors may not get back the full amount invested. Past performance is not necessarily a guide to future performance. Neither UBS nor any of its directors, employees or agents accepts any liability for any loss (including investment loss) or damage arising out of the use of all or any of the Information.

Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. There is no representation that any transaction can or could have been effected at those prices, and any prices do not necessarily reflect UBS's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by UBS or any other source may yield substantially different results.

Research will initiate, update and cease coverage solely at the discretion of UBS Investment Bank Research Management. The analysis contained in this document is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting market information. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS into other areas, units, groups or affiliates of UBS. The compensation of the analyst who prepared this document is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues; however, compensation may relate to the revenues of UBS Investment Bank as a whole, of which investment banking, sales and trading are a part.

For financial instruments admitted to trading on an EU regulated market: UBS AG, its affiliates or subsidiaries (excluding UBS Securities LLC) acts as a market maker or liquidity provider (in accordance with the interpretation of these terms in the UK) in the financial instruments of the issuer save that where the activity of liquidity provider is carried out in accordance with the definition given to it by the laws and regulations of any other EU jurisdictions, such information is separately disclosed in this document. For financial instruments admitted to trading on a non-EU regulated market: UBS may act as a market maker save that where this activity is carried out in the US in accordance with the definition given to it by the relevant laws and regulations, such activity will be specifically disclosed in this document. UBS may have issued a warrant the value of which is based on one or more of the financial instruments referred to in the document. UBS and its affiliates and employees may have long or short positions, trade as principal and buy and sell in instruments or derivatives identified herein; such transactions or positions may be inconsistent with the opinions expressed in this document.

United Kingdom and the rest of Europe: Except as otherwise specified herein, this material is distributed by UBS Limited to persons who are eligible counterparties or professional clients. UBS Limited is authorised and regulated by the Financial Services Authority (FSA). **France:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities France S.A. UBS Securities France S.A. is regulated by the Autorité des Marchés Financiers (AMF). Where an analyst of UBS Securities France S.A. has contributed to this document, the document is also deemed to have been prepared by UBS Securities France S.A. **Germany:** Prepared by UBS Limited and distributed by UBS Limited and UBS Deutschland AG. UBS Deutschland AG is regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). **Spain:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities España SV, SA. UBS Securities España SV, SA is regulated by the Comisión Nacional del Mercado de Valores (CNMV). **Turkey:** Prepared by UBS Menkul Degerler AS on behalf of and distributed by UBS Limited. No information in this document is provided for the purpose of offering, marketing and sale by any means of any capital market instruments and services in the Republic of Turkey. Therefore, this document may not be considered as an offer made or to be made to residents of the Republic of Turkey. UBS AG is not licensed by the Turkish Capital Market Board under the provisions of the Capital Market Law (Law No. 2499). Accordingly, neither this document nor any other offering material related to the instruments/services may be utilized in connection with providing any capital market services to persons within the Republic of Turkey without the prior approval of the Capital Market Board. However, according to article 15 (d) (ii) of the Decree No. 32, there is no restriction on the purchase or sale of the securities abroad by residents of the Republic of Turkey. **Poland:** Distributed by UBS Limited (spolka z ograniczona odpowiedzialnoscia) Oddzial w Polsce. **Russia:** Prepared and distributed by UBS Securities CJSC. **Switzerland:** Distributed by UBS AG to persons who are institutional investors only. **Italy:** Prepared by UBS Limited and distributed by UBS Limited and UBS Italia Sim S.p.A. UBS Italia Sim S.p.A. is regulated by the Bank of Italy and by the Commissione Nazionale per le Società e la Borsa (CONSOB). Where an analyst of UBS Italia Sim S.p.A. has contributed to this document, the document is also deemed to have been prepared by UBS Italia Sim S.p.A. **South Africa:** Distributed by UBS South Africa (Pty) Limited, an authorised user of the JSE and an authorised Financial Services Provider. **Israel:** UBS Limited and its affiliates incorporated outside Israel are not licensed under the Investment Advice Law. This material is being issued only to and/or is directed only at persons who are Sophisticated Investors within the meaning of the Israeli Securities Law, and this material must not be relied or acted upon by any other persons. Whilst UBS Limited holds insurance for its activities, it does not hold the same insurance that would be required for an investment advisor or investment marketer under the relevant Investment Advice Law Regulations. **Saudi Arabia:** This document has been issued by UBS AG (and/or any of its subsidiaries, branches or affiliates), a public company limited by shares, incorporated in Switzerland with its registered offices at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH-8001 Zurich. This publication has been approved by UBS Saudi Arabia (a subsidiary of UBS AG), a foreign closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial register number 1010257812 having its registered office at Tatweer Towers, P.O. Box 75724, Riyadh 11588, Kingdom of Saudi Arabia. UBS Saudi Arabia is authorized and regulated by the Capital Market Authority to conduct securities business under license number 08113-37. **United States:** Distributed to US persons by either UBS Securities LLC or by UBS Financial Services Inc., subsidiaries of UBS AG; or by a group, subsidiary or affiliate of UBS AG that is not registered as a US broker-dealer (a 'non-US affiliate') to major US institutional investors only. UBS Securities LLC or UBS Financial Services Inc. accepts responsibility for the content of a document prepared by another non-US affiliate when distributed to US persons by UBS Securities LLC or UBS Financial Services Inc. All transactions by a US person in the securities mentioned in this document must be effected through UBS Securities LLC or UBS Financial Services Inc., and not through a non-US affiliate. **Canada:** Distributed by UBS Securities Canada Inc., a registered investment dealer in Canada and a Member-Canadian Investor Protection Fund, or by another affiliate of UBS AG that is registered to conduct business in Canada or is otherwise exempt from registration. **Hong Kong:** Distributed by UBS Securities Asia Limited. **Singapore:** Distributed by UBS Securities Pte. Ltd. [mica (p) 016/11/2011 and Co. Reg. No.: 198500648C] or UBS AG, Singapore Branch. Please contact UBS Securities Pte. Ltd., an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110); or UBS AG, Singapore Branch, an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110) and a wholesale bank licensed under the Singapore Banking Act (Cap. 19) regulated by the Monetary Authority of Singapore, in respect of any matters arising from, or in connection with, the analysis or document. The recipients of this document represent and warrant that they are accredited and institutional investors as defined in the Securities and Futures Act (Cap. 289). **Japan:** Distributed by UBS Securities Japan Co., Ltd. to institutional investors only. Where this document has been prepared by UBS Securities Japan Co., Ltd., UBS Securities Japan Co., Ltd. is the author, publisher and distributor of the document. **Australia:** Distributed by UBS AG (Holder of Australian Financial Services License No. 231087) and/or UBS Securities Australia Ltd (Holder of Australian Financial Services License No. 231098). The information in this document has been prepared without taking into account any investor's objectives, financial situation or needs, and investors should, before acting on the information, consider the appropriateness of the information, having regard to their objectives, financial situation and needs. If the information contained in this document relates to the acquisition, or potential acquisition of a particular financial product by a 'Retail' client as defined by section 761G of the Corporations Act 2001 where a Product Disclosure Statement would be required, the retail client should obtain and consider the Product Disclosure Statement relating to the product before making any decision about whether to acquire the product. **New Zealand:** Distributed by UBS New Zealand Ltd. The information and recommendations in this publication are provided for general information purposes only. To the extent that any such information or recommendations constitute financial advice, they do not take into account any person's particular financial situation or goals. We recommend that recipients seek advice specific to their circumstances from their financial advisor. **Dubai:** The research prepared and distributed by UBS AG Dubai Branch is intended for Professional Clients only and is not for further distribution within the United Arab Emirates. **Korea:** Distributed in Korea by UBS Securities Pte. Ltd., Seoul Branch. This document may have been edited or contributed to from time to time by affiliates of UBS Securities Pte. Ltd., Seoul Branch. **Malaysia:** This material is authorized to be distributed in Malaysia by UBS Securities Malaysia Sdn. Bhd (253825-x). **India:** Prepared by UBS Securities India Private Ltd. 2/F, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai (India) 400051. Phone: +912261556000 SEBI Registration Numbers: NSE (Capital Market Segment): INB230951431, NSE (F&O Segment) INF230951431, BSE (Capital Market Segment) INB010951437.

The disclosures contained in research documents produced by UBS Limited shall be governed by and construed in accordance with English law.

UBS specifically prohibits the redistribution of this document in whole or in part without the written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect. Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. © UBS 2013. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

