

UBS Investment Research

REITs – Trends in pricing & risk

John Freedman

+61 2 9324 2453

January 2009



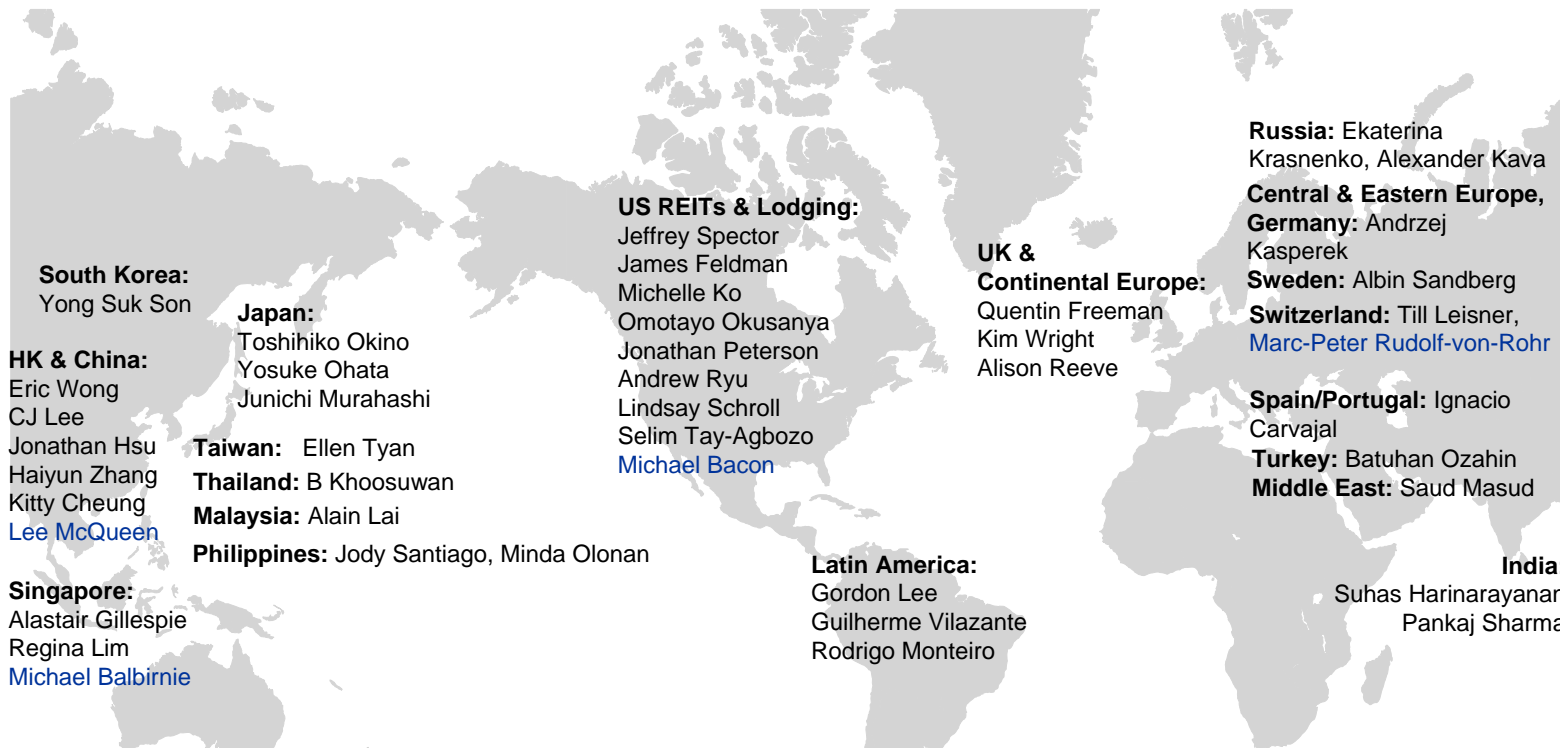
UBS does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 25
This presentation has been prepared by UBS Securities Australia Ltd

www.ubs.com/investmentresearch

UBS Global Real Estate Team

Global Real Estate Strategist: Kim Wright



All Asia Property Research

HK INSTITUTIONAL INVESTOR 2003-2005
HK ASIA MONEY 2005
SINGAPORE ASIA MONEY 2003-2005

Japan Property Research

NIKEI 2003-2007
INSTITUTIONAL INVESTOR 2004-2008



Australia Property Research

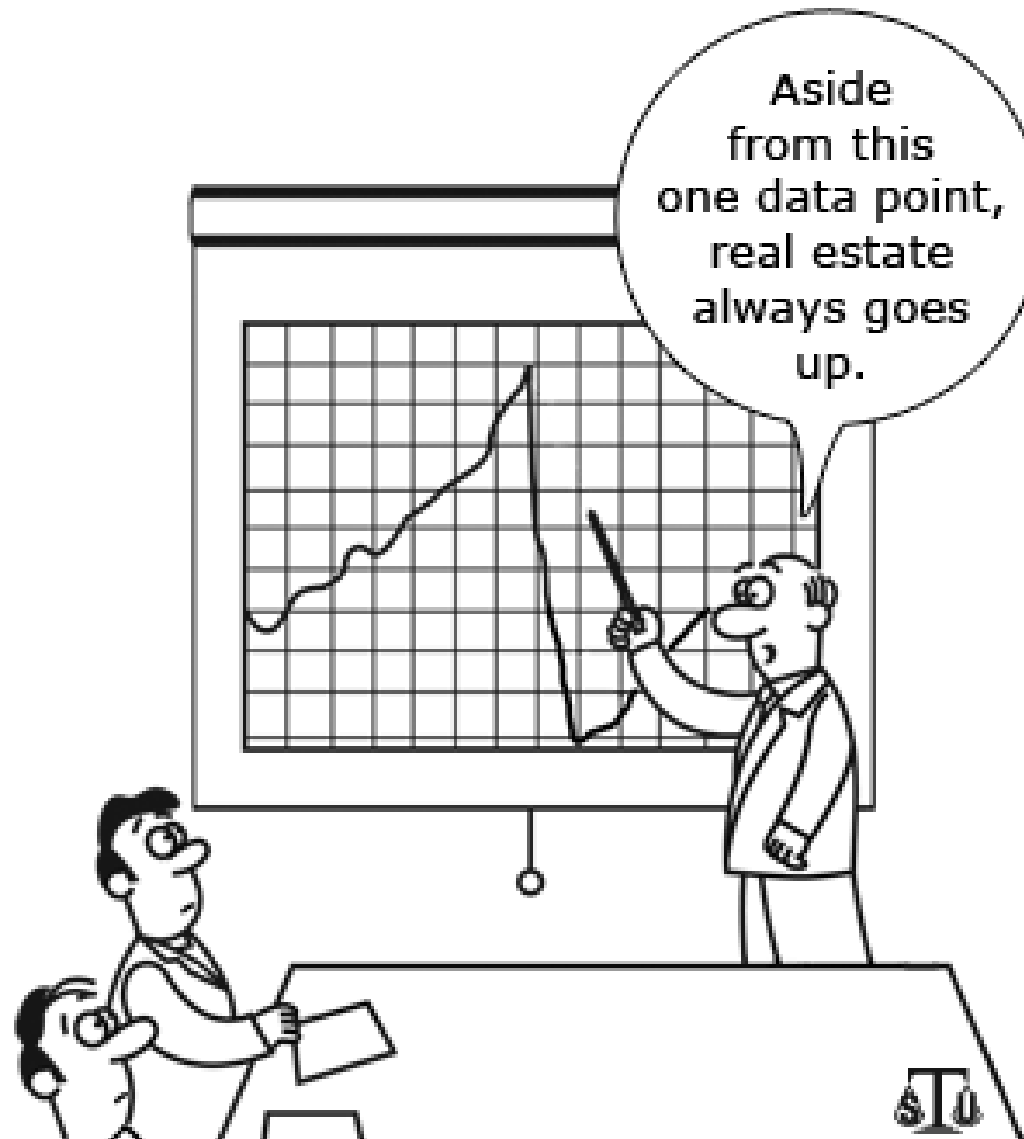
GREENWICH 1996-2007
ASIA MONEY 2003-2005
BRW 1997-2002, 2004-2007



UK & Europe Property Research

EXTEL 2003-2006
FRENCH FOCUS 2003





Executive summary

- ◆ Historical price metrics presently at extreme levels
- ◆ REIT performance drivers changed significantly from 1994-2006 to 2007-08
- ◆ Are new pricing levels & performance drivers permanent or temporary?
- ◆ What will be the key drivers in the short term
 - Return of capital management (re-financing risk etc)
 - Credit market stabilisation

- ◆ Agenda
 - Historical trends (key indicators & drivers)
 - Risk factors & mis-pricing of risk
 - Future investment considerations
 - asset & income mix
 - capital management

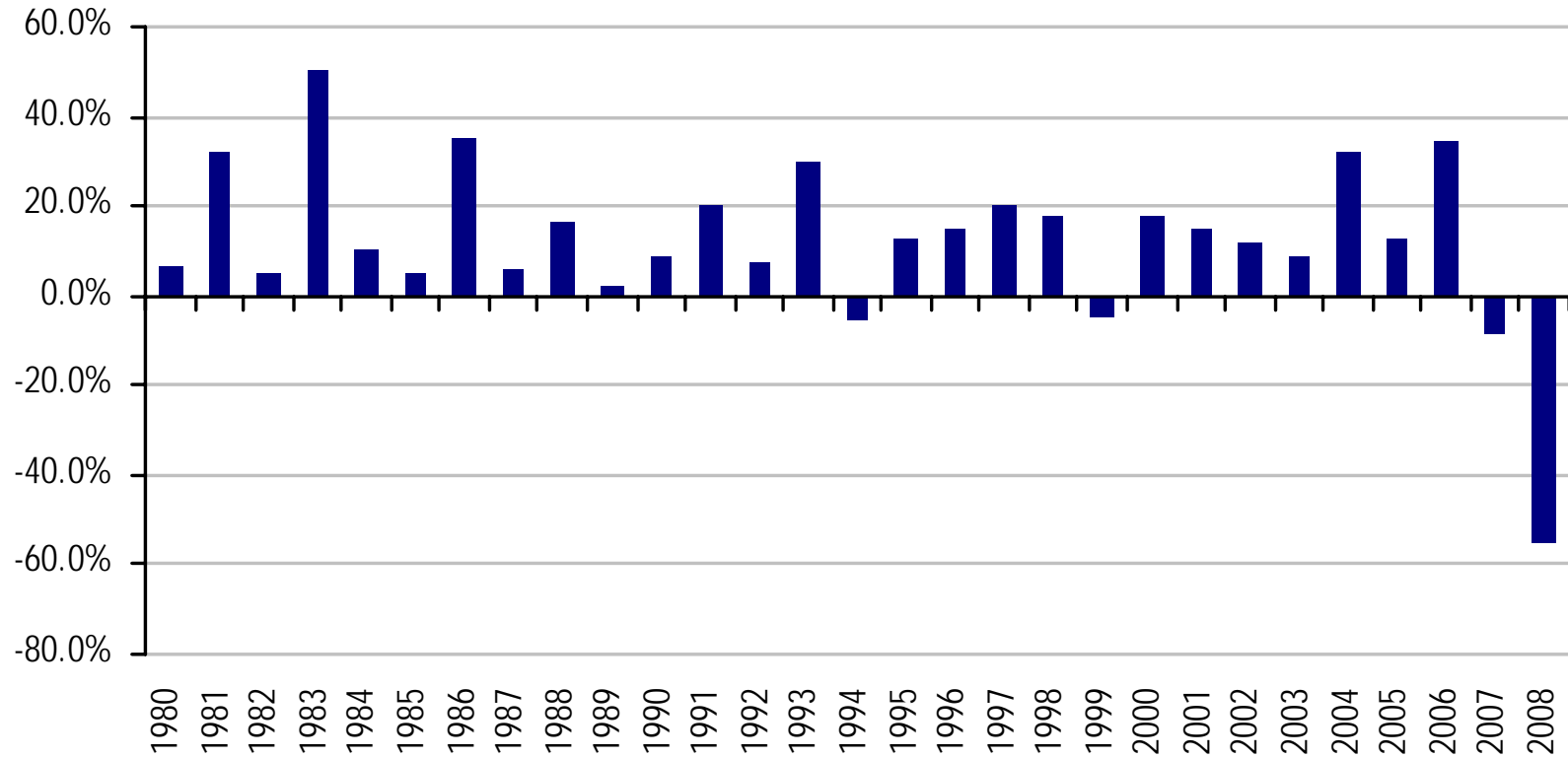


REIT pricing: historical trends to now

Sector performance

- ◆ Few years of negative performance

12mth total return performance – REIT Index Returns to All Ords

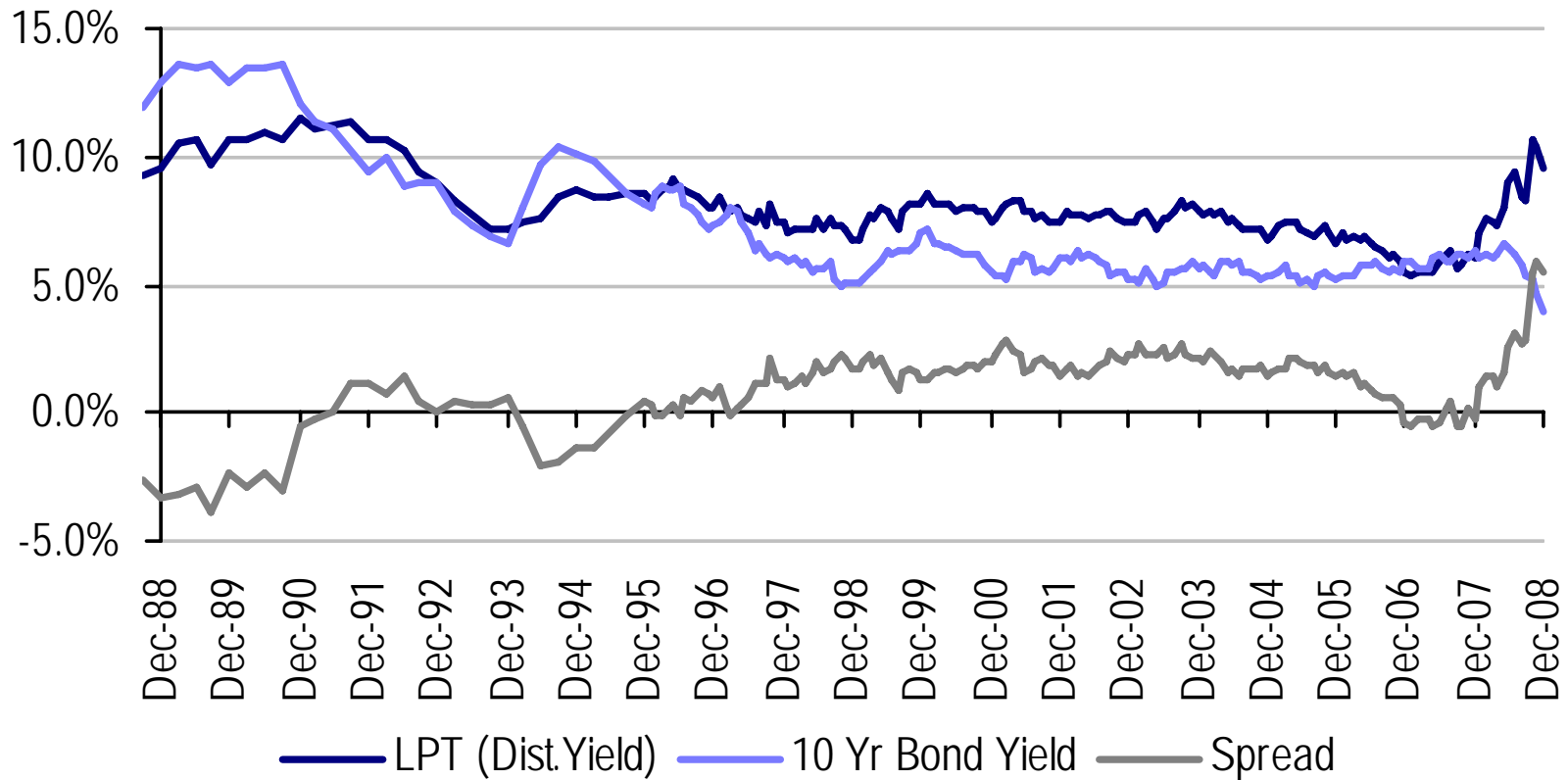


Source: UBS Estimates

Sector valuation – Yield Spread to Bonds

- ◆ FY09e DPS yield 9.5%
- ◆ +550bp spread to 10 year bonds

LPT yield less 10 yr bonds



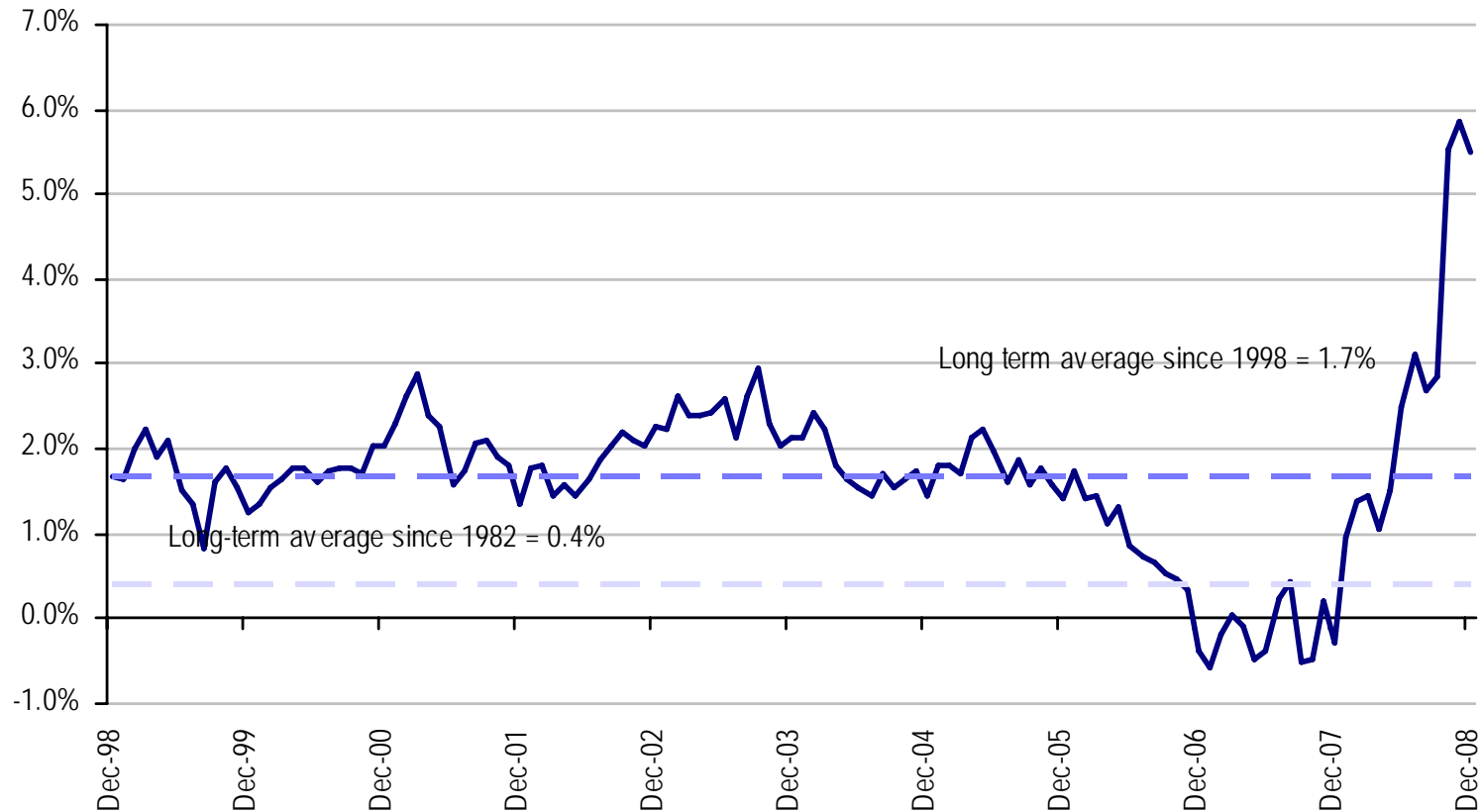
Source: UBS Estimates



Sector valuation – Relative REIT Yield

- ◆ Relative REIT Yield +550bps spread (DPS Yield Less 10 Year Bonds)

Relative Yield



Source: UBS Estimates

Sector valuation – Price/NTA

◆ Price to NTA -26.3%

Price to NTA

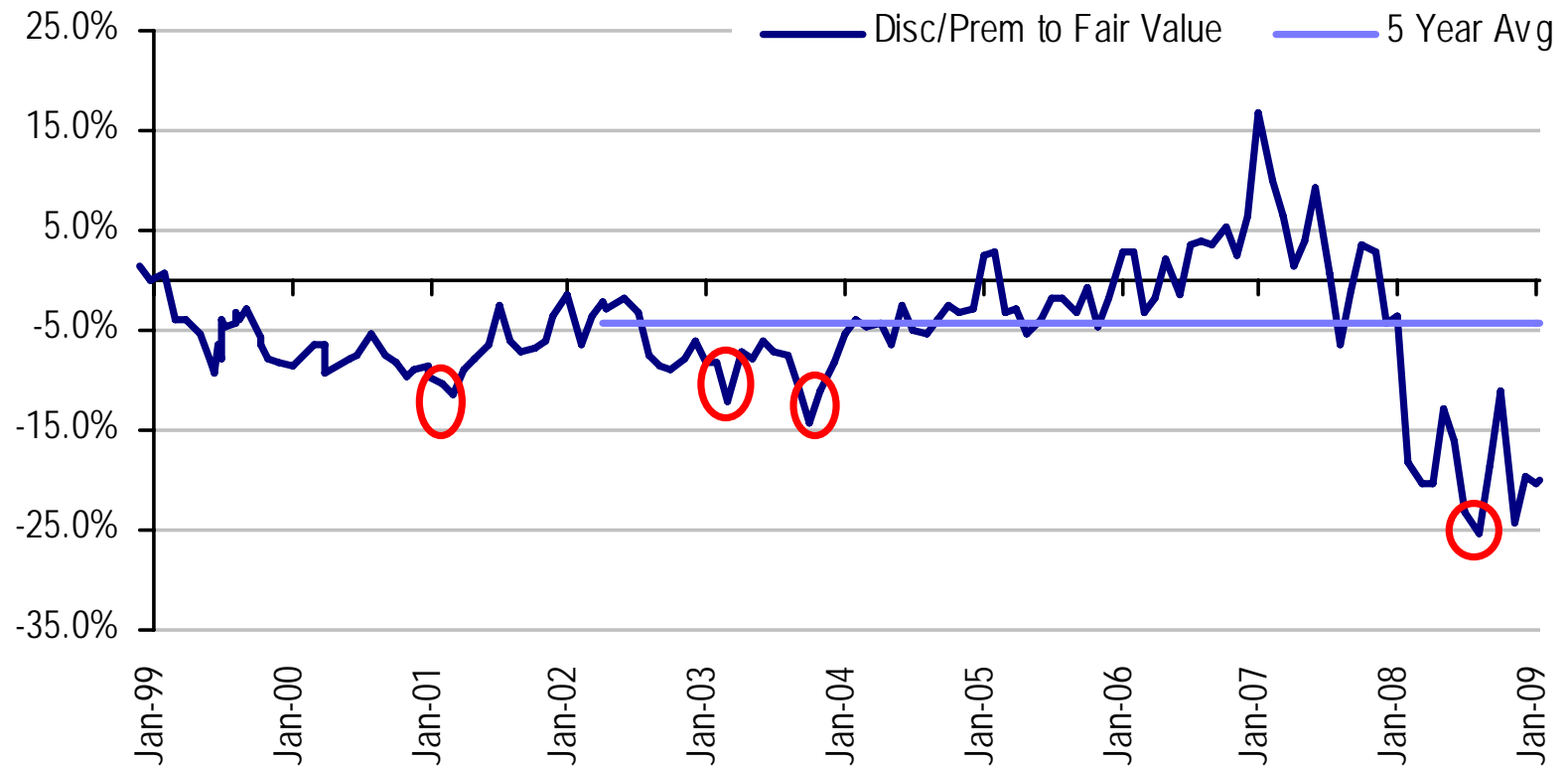


Source: UBS Estimates

Sector valuation – Disc/Premium to Fair Value

- ◆ -20.2% discount to fair value
- ◆ 20.5% 5 year IRR

LPT Premium/Discount to Fair Value



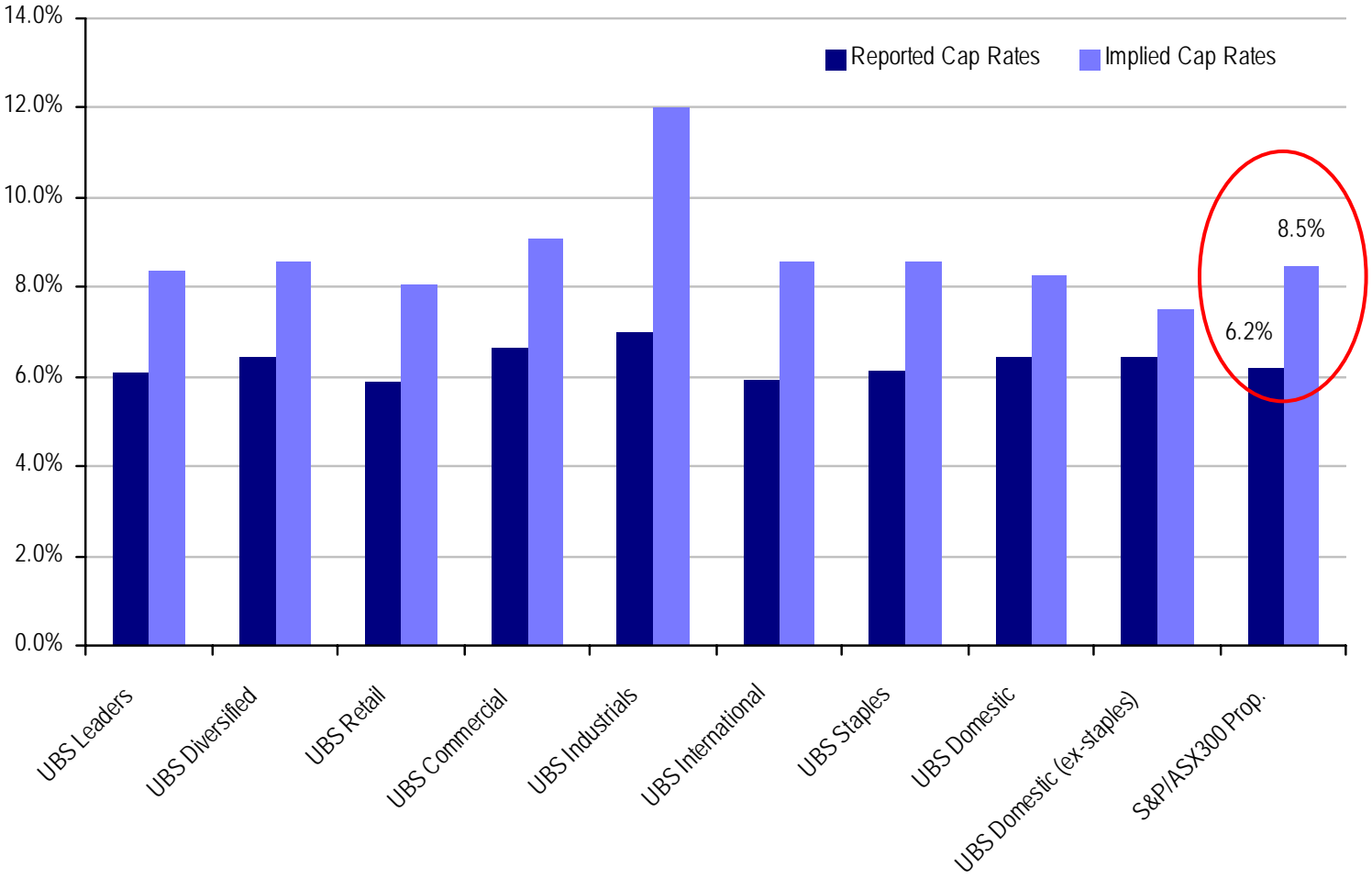
Source: UBS Estimates



Implied direct real estate pricing

- ◆ Pricing implies cap rates +170bps or c28% fall in values off re-based levels
- ◆ But Dec'08 valuations likely to show cap rates moves of 25-75bps

Reported & Implied Cap Rates

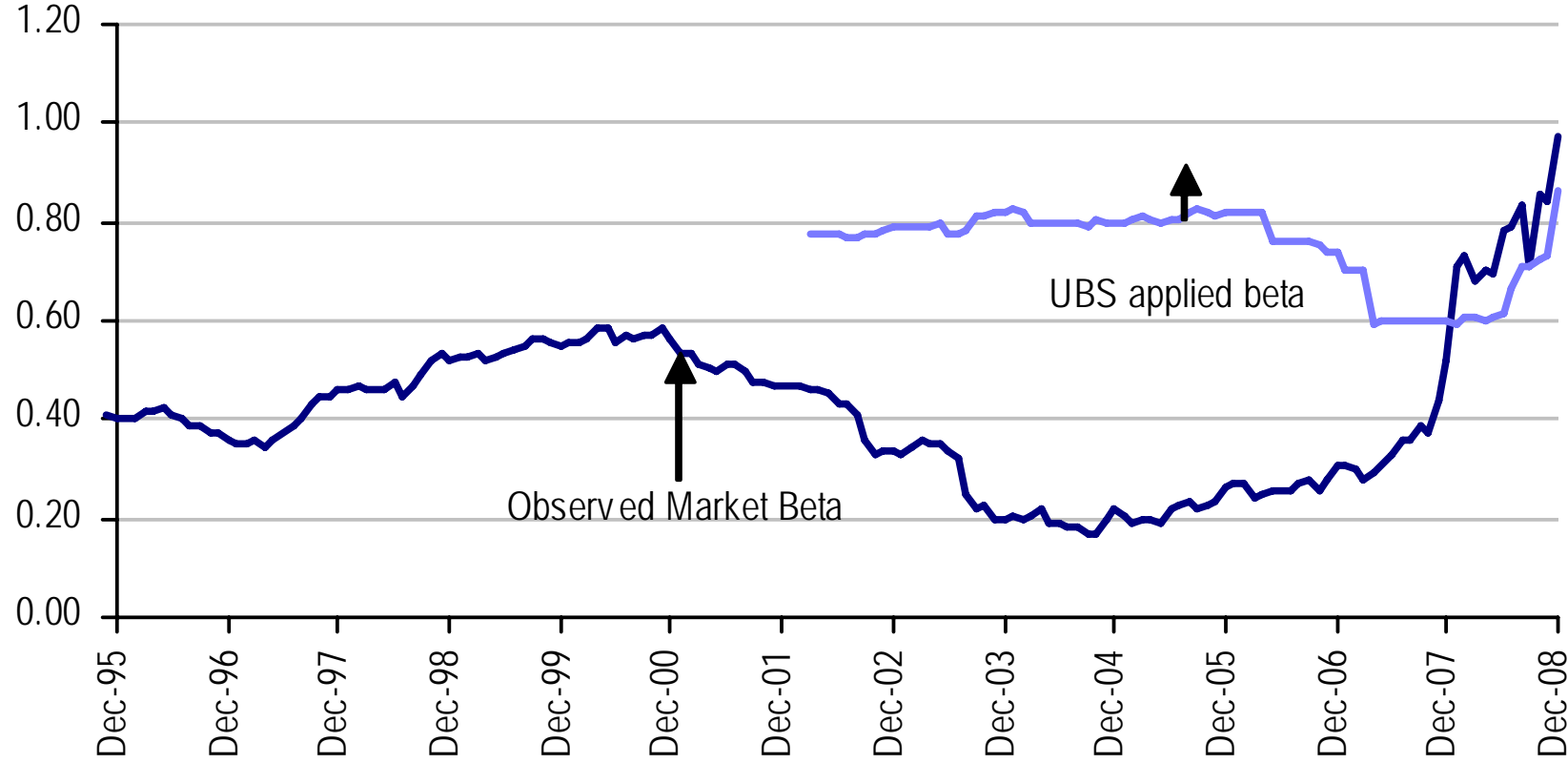


Source: UBS Estimates

Betas ... tend to look backward

- ◆ Real-time betas are above 1.0

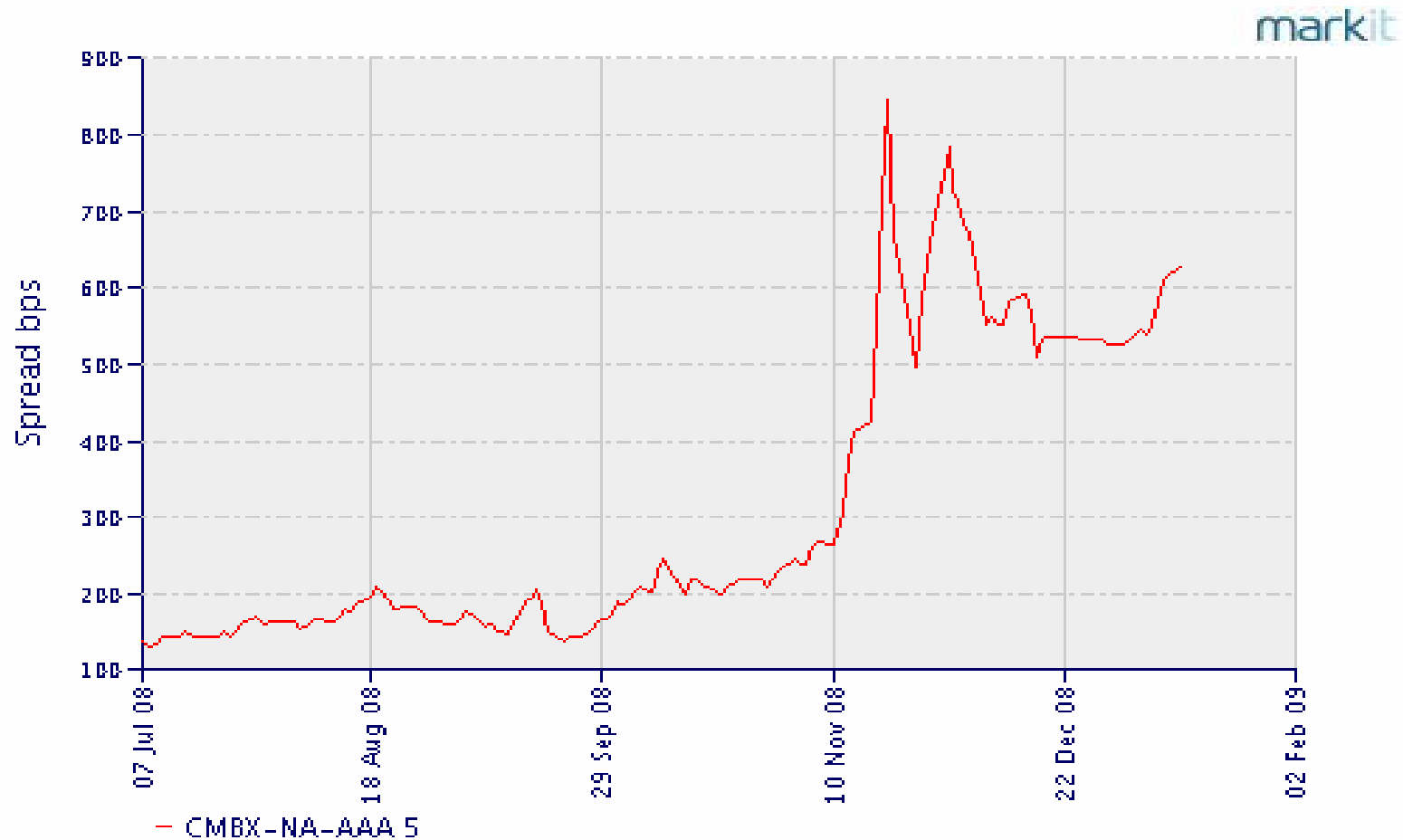
Beta (rolling 3-year basis)



Source: UBS Estimates

CMBS spreads look forwards ... still near all time highs

- ◆ US CMBS spreads near all time highs reached in Nov'08





Key drivers

Taking A Quantitative Approach

- ◆ Two distinct periods emerging: 1996-2006 versus 2007-2008
- ◆ 1996-2006 key drivers:
 - Liquidity
 - Dividend Yield
 - Price Momentum
 - Forecast Revisions
- ◆ 2007-2008 saw new drivers emerge & others strengthen or weaken:
 - More useful:
 - Price momentum
 - Earnings Yield
 - New:
 - NTA yield
 - Gearing
 - Rent as a % of Income
 - Less useful:
 - Dividend Yield
 - EPS & DPS Revisions
 - Liquidity

Taking A Quantitative Approach

Information Coefficients Over Time (Average; ASX 300 REITs)

Factor (Months)	April 1999 - December 2008					January 2007 - December 2008						
	Lag	1	2	3	4	5	Lag	1	2	3	4	5
Momentum												
Price momentum 12m		5.4%	6.5%	6.3%	5.8%	7.1%		20.7%	20.5%	17.1%	15.9%	13.4%
Earnings revisions 3m		2.9%	1.3%	0.2%	0.4%	3.1%		8.9%	4.9%	0.6%	2.7%	2.6%
DPS revisions 3m		3.8%	2.5%	1.9%	1.3%	1.3%		6.8%	3.5%	4.2%	-3.0%	-3.5%
Value												
Earnings yield 12mf		-0.7%	-2.0%	-1.8%	-2.1%	-2.1%		-20.1%	-22.9%	-21.3%	-22.0%	-21.8%
Dividend yield FY1		-3.6%	-4.7%	-3.0%	-2.7%	-4.0%		-19.0%	-22.9%	-20.5%	-20.2%	-21.9%
NTA yield FY0		1.5%	1.5%	0.8%	-0.7%	-0.3%		8.4%	8.8%	9.3%	10.7%	10.3%
Other												
Rent as a % of EBIT FY1		3.1%	2.0%	2.5%	2.7%	2.3%		5.1%	4.9%	6.0%	5.1%	5.4%
Earnings certainty		2.7%	4.6%	5.1%	3.2%	2.9%		10.0%	15.7%	17.6%	16.7%	15.5%
Debt to Shareholders Funds		-6.7%	-6.8%	-5.5%	-6.3%	-6.6%		-20.5%	-20.1%	-22.9%	-24.6%	-24.4%

Source: UBS Estimates

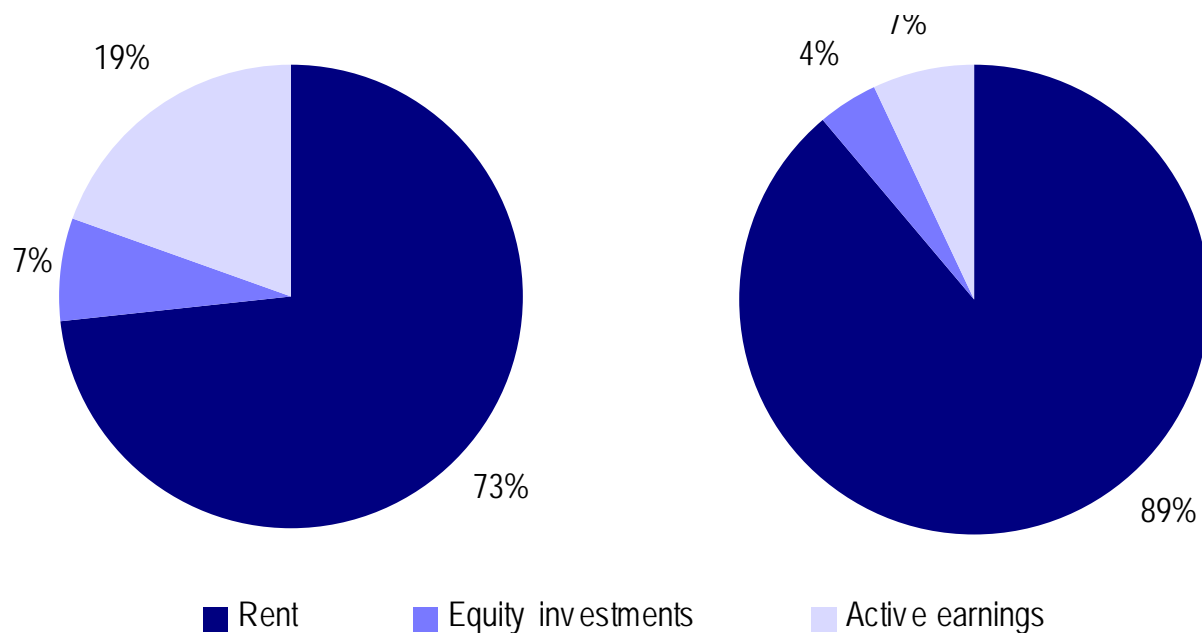


Future investment risk considerations

Re-weighting away from active earnings

- ◆ De-weighting of “active” earnings (funds management & development)
- ◆ Rental income streams now 89% of Leaders’ earnings (vs. 74% in Jun’07)
- ◆ Concentration up with top 6 names now 82.5% of market cap vs 64% in Jun’07
- ◆ Offshore an issue but unlikely to decline on a weighted basis

Leaders’ earnings composition: Re-weighting away from active earnings

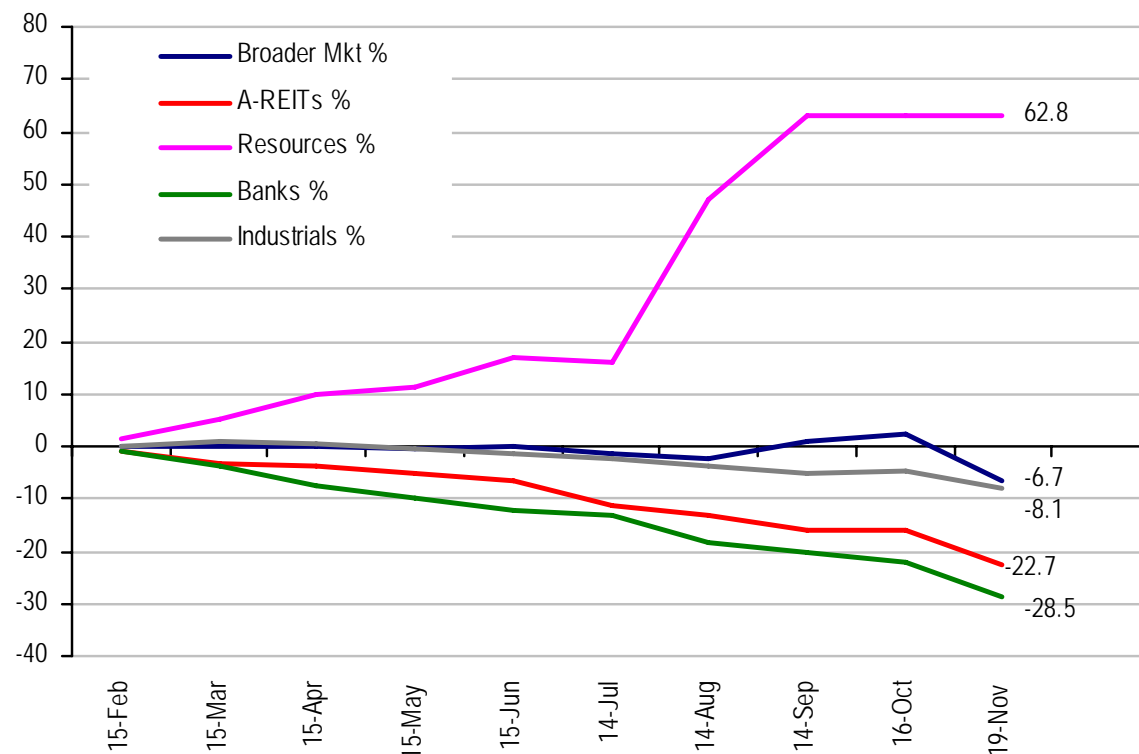


Source: UBS estimates

Earnings: “subject to no further deterioration”

- ◆ FY09 revisions substantial, much came through in confession season
- ◆ Showing -21% EPS growth into FY09
- ◆ Guidance across much of the sector cited market caveats

Market Consensus Earnings - % Revisions – FY09e



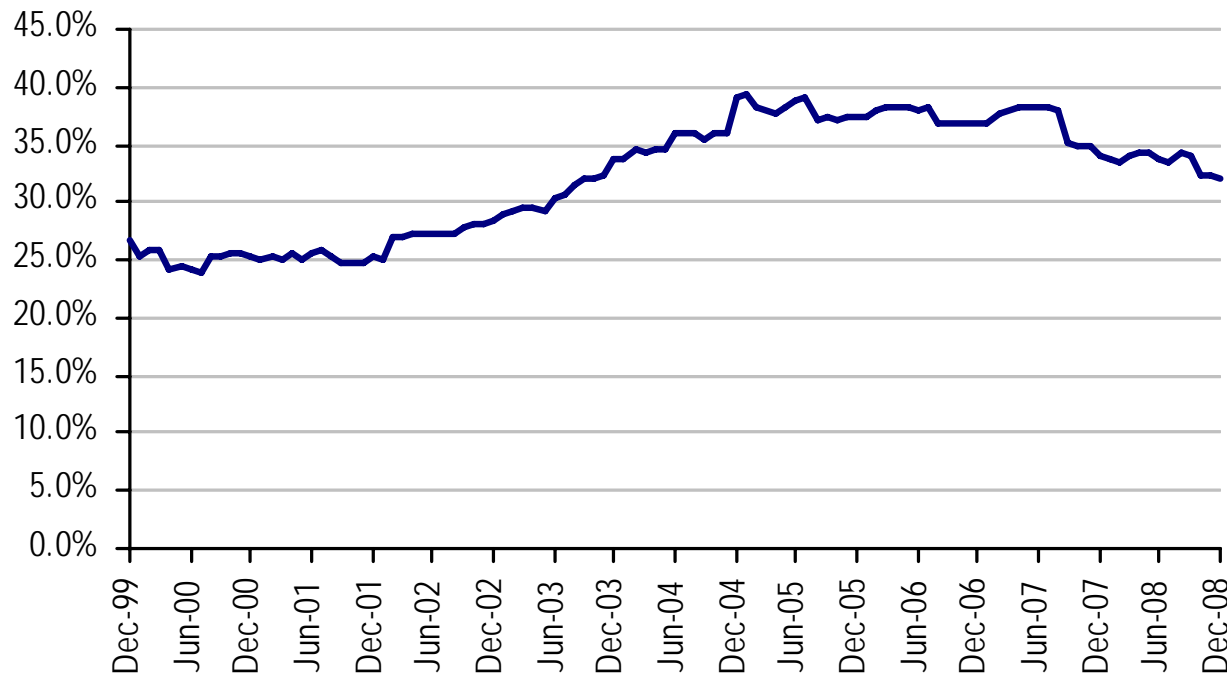
Source: IBESS / UBS Strategy Research



Now to debt: De-leveraging the sector

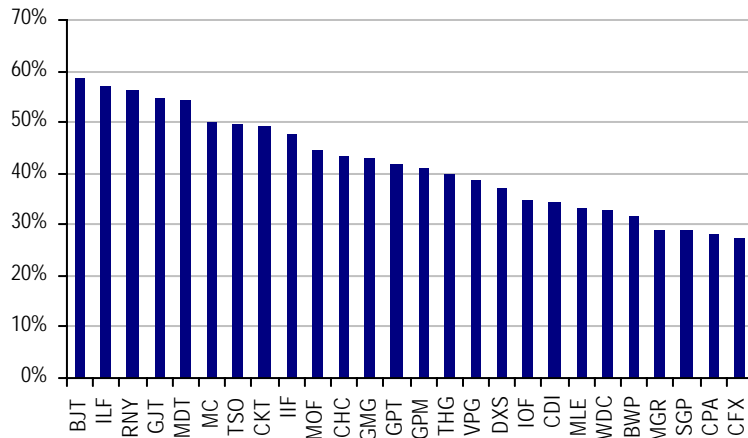
- ◆ Sector gearing peaked in early 2005, now 31% (or 35% ex WDC & SGP)
- ◆ On a Look through basis, sector gearing is 34%, (or 39% ex WDC & SGP)
 - Will go up as negative re-valuations come in, down via sales & raisings
- ◆ This resulted over \$4bn of equity raisings since 30-Jun'08 – expect more

Sector Gearing

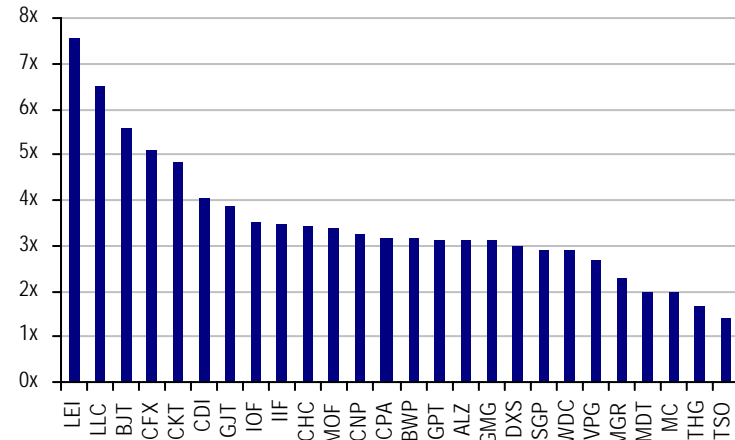


Debt ... more specifically

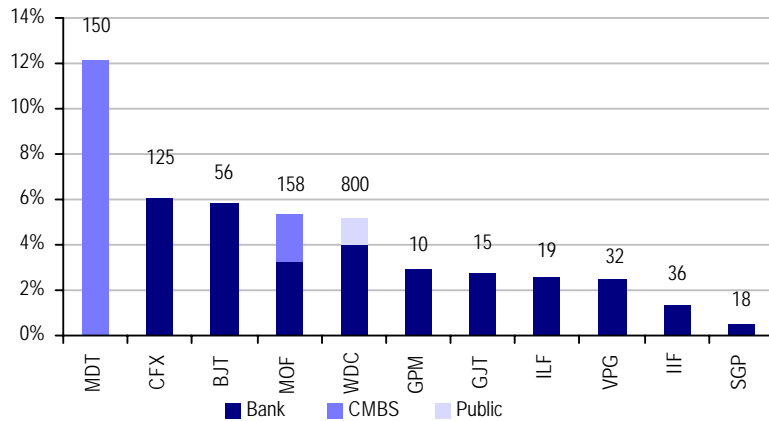
Look through gearing



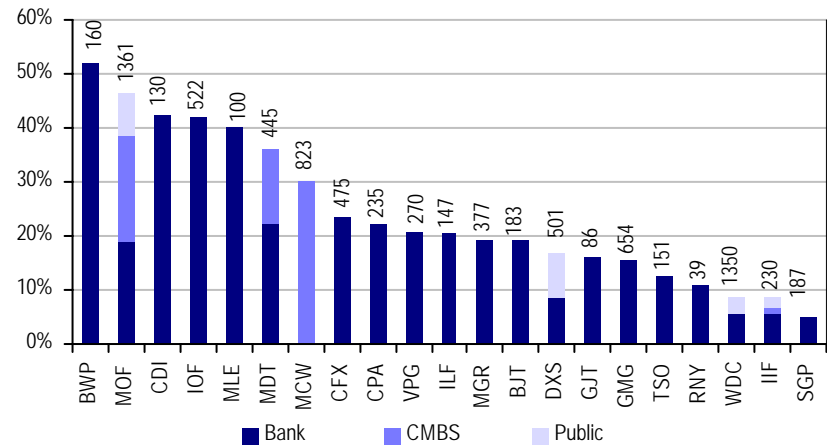
Interest Cover



FY09 expiries



FY10 expiries



Source: UBS Estimates

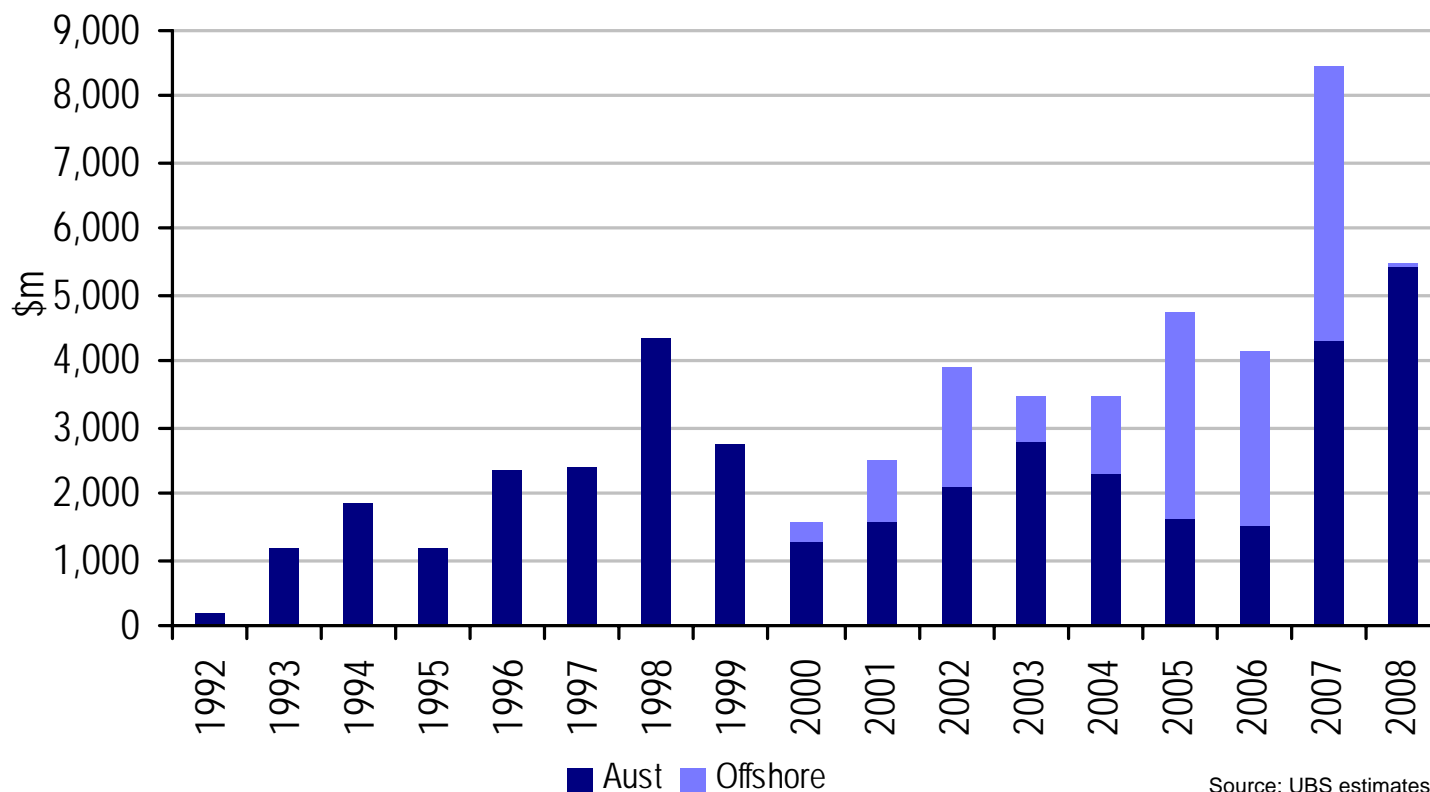
Source: UBS Estimates



De-leveraging: If you can't sell assets...

- ◆ Re-fi risk helped drive \$4bn+ of equity raisings over Jun-Dec'08
- ◆ Market participants views all vary on appropriate gearing levels
- ◆ Expect banks views to win out i.e. more equity raisings coming

Equity raisings 1992-2008



Source: UBS estimates

Strong re-caps performance smooth path for raisings

\$5.6bn of LPT re-capitalisation since June 2008

Trust Code	Ann. Date	Amount Raised (\$m)	Issue Price	FY 09E Yield	Gearing Pre deal	Gearing Post deal
2008						
MGR	23-Jan-08	300.00	\$5.20	6.2%	35.0%	33.0%
ALZ	28-Jul-08	400.00	\$0.60	n.a.	44.9%	34.9%
SGP	8-Oct-08	300.00	\$5.30	7.7%	28.9%	26.8%
CFX	9-Oct-08	325.00	\$2.00	6.2%	27.3%	27.0%
GPT	23-Oct-08	1331.00	\$0.60	12.0%	51.0%	42.0%
GPT	23-Oct-08	250.00	\$0.97	10.0%		
GMG	28-Oct-08	955.00	\$0.90	21.6%	39.9%	35.0%
FKP	15-Oct-08	104.00	\$1.50-2.00	n.a.	38.6%	35.3%
MGR	5-Nov-08	500.00	\$0.90	15.0%	35.0%	29.1%
SGP	12-Nov-08	222.87	\$4.37	9.0%	27.5%	28.0%
DXS	3-Dec-08	300.00	\$0.77	9.8%	37.0%	34.1%
IOF	5-Dec-08	400.00	\$0.80	10.6%	34.7%	32.0%
MOF	12-Dec-08	508.00	\$0.20	15.0%	45.8%	37.5%
Total 2008		5,387.87				

Equity raisings since June 2008

	SGP	CFX	GPT	GMG	MGR	SGP (2)	DXS	IOF	MOF
Date	7-Oct	8-Oct	23-Oct	29-Oct	5-Nov	12-Nov	3-Dec	5-Dec	12-Dec
Prev Close (to offer)	5.70	2.40	1.15	1	0.985	4.37	0.84	1.02	0.21
10 Day VWAP	5.67	2.23	1.18	1.44	1.61	4.20	0.82	0.98	0.26
Issue	5.30	2.00	0.60	0.90	0.90	4.37	0.77	0.80	0.20
Discount to 10 day VWAP	-7%	-11%	-49%	-38%	-44%	4%	-6%	-18%	-24%
TERP	n.a.	n.a.	0.90	0.97	0.96	n.a.	n.a.	0.97	0.21
Price performance (to offer price)									
Day 1	-1%	10%	40%	11%	44%	-2%	9%	5%	30%
Week 1	-11%	6%	24%	6%	67%	-16%	17%	-14%	75%
To today	-33%	-11%	51%	4%	39%	-18%	-3%	-18%	18%
Price performance (to TERP)									
Day 1	n.a.	n.a.	-6%	3%	35%	n.a.	n.a.	-13%	27%
Week 1	n.a.	n.a.	-17%	-2%	56%	n.a.	n.a.	-29%	71%
To today	n.a.	n.a.	1%	-3%	31%	n.a.	n.a.	-32%	15%
Index price performance									
Day 1	-4%	-7%	2%	7%	-5%	2%	-2%	1%	0%
Week 1	-15%	-8%	5%	12%	-2%	-6%	-1%	-2%	1%
To today	-38%	-35%	-11%	-13%	-19%	-18%	-6%	-4%	-2%
Rel price performance (to offer price)									
Day 1	2%	17%	38%	4%	49%	-4%	11%	4%	30%
Week 1	4%	14%	19%	-7%	68%	-10%	18%	-12%	74%
To today	5%	24%	62%	17%	59%	0%	4%	-13%	20%
Rel price performance (to TERP)									
Day 1	n.a.	n.a.	-8%	-4%	40%	n.a.	n.a.	-15%	27%
Week 1	n.a.	n.a.	-22%	-14%	58%	n.a.	n.a.	-27%	70%
To today	n.a.	n.a.	12%	10%	50%	n.a.	n.a.	-28%	17%



Conclusion

- ◆ Historical price metrics are presently at extreme levels
- ◆ Likely to remain so until credit clears
- ◆ REIT performance drivers changed significantly from 1994-2006 to 2007-08
- ◆ New performance drivers will become semi-permanent in our view
- ◆ In some respects these conditions are a return to normal long term drivers
 - Balance sheet strength valued in the past (Westfield 10% debt at IPO)
 - Underlying earnings quality (past focus on rental returning)

Disclosures & Analyst Certification

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 (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 Investment Research: Global Equity Rating Allocations

UBS 12-Month Rating	Rating Category	Coverage ¹	IB Services ²
Buy	Buy	53%	36%
Neutral	Hold/Neutral	36%	34%
Sell	Sell	10%	20%
UBS Short-Term Rating	Rating Category	Coverage ³	IB Services ⁴
Buy	Buy	less than 1%	43%
Sell	Sell	less than 1%	22%

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 2008.

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.



Disclosures & Analyst Certification (cont.)

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.

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 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 follows.

UBS Securities Australia Ltd: John Freedman

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

Companies Mentioned Cont.

- 1a. UBS AG, Australia Branch is acting as Joint Lead Manager to GPT Group on their buyback of bonds and will be receiving a fee for acting in this capacity.
- 1b. UBS AG, Australia Branch is acting as Joint Lead Manger and Joint Bookrunner to FKP Property Group on a non-renounceable Entitlement Offer and will be receiving a fee for acting in this capacity.
- 2a. UBS AG, Australia Branch or an affiliate has acted as manager/co-manager, underwriter or placement agent in regard to an offering of securities for this company/entity or one of its affiliates within the past 12 months.
- 2b. UBS AG, Australia Branch or an affiliate has acted as manager/co-manager, underwriter or placement agent in regard to an offering of securities of this company/entity within the past three years.
- 2c. UBS AG, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past 12 months.
- 2d. UBS AG, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past five years.
- 2e. UBS AG, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past three years.
- 3a. UBS AG, Australia Branch is acting as broker to Babcock & Brown Japan Property Trust in relation an on-market share buy-back and will be receiving a fee for acting in this capacity.
- 3b. UBS AG, Australia Branch is acting as Broker to Thakral Holdings Group on the announced on market share buy-back and will be receiving a fee for acting in this capacity.
4. Within the past 12 months, UBS AG, its affiliates or subsidiaries has received compensation for investment banking services from this company/entity.
5. UBS AG, Australia Branch or an affiliate expect to receive or intend to seek compensation for investment banking services from this company/entity within the next three months.
6. This company/entity is, or within the past 12 months has been, a client of UBS Securities LLC, and investment banking services are being, or have been, provided.
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).
16. UBS Securities LLC makes a market in the securities and/or ADRs of this company.
18. UBS Securities Australia Ltd and its related bodies corporate has a relevant interest in 5% or more of this companies issued shares.
19. Because UBS believes this security presents lower-than-normal risk, its rating is deemed Buy if the FSR exceeds the MRA by 5% and Sell if the FSR is more than 5% below the MRA (compared with 6% and 6%, respectively, under the normal rating system).
22. UBS AG, its affiliates or subsidiaries held other significant financial interests in this company/entity as of last month`s end (or the prior month`s end if this report is dated less than 10 working 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.

For a complete set of disclosure statements associated with the companies discussed in this report, including information on valuation and risk, please contact UBS Securities LLC, 1285 Avenue of Americas, New York, NY 10019, USA, Attention: Publishing Administration.



Global Disclaimer

Global Disclaimer

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. In certain countries, UBS AG is referred to as UBS SA.

This report is for distribution only under such circumstances as may be permitted by applicable law. Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, except with respect to information concerning UBS AG, its subsidiaries and affiliates, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the report. UBS does not undertake that investors will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment losses. Investments involve risks and investors should exercise prudence in making their investment decisions. The report should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS as a result of using different assumptions and criteria. Research will initiate, update and cease coverage solely at the discretion of UBS Investment Bank Research Management. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information. UBS is under no obligation to update or keep current the information contained herein. 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 report 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.

The securities described herein 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 and other market conditions. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Neither UBS nor any of its affiliates, nor any of UBS' or any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report. For financial instruments admitted to trading on an EU regulated market: UBS AG, its affiliates or subsidiaries (excluding UBS Securities LLC and/or UBS Capital Markets LP) 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 research report. 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.

Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other 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.

United Kingdom and the rest of Europe: Except as otherwise specified herein, this material is communicated by UBS Limited, a subsidiary of UBS AG, to persons who are eligible counterparties or professional clients and is only available to such persons. The information contained herein does not apply to, and should not be relied upon by, retail clients. UBS Limited is authorised and regulated by the Financial Services Authority (FSA). UBS research complies with all the FSA requirements and laws concerning disclosures and these are indicated on the research where applicable. **France:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities France SA. 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 report, the report 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 Değerler AS on behalf of and distributed by UBS Limited. **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 report, the report is also deemed to have been prepared by UBS Italia Sim S.p.A.. **South Africa:** UBS South Africa (Pty) Limited (Registration No. 1995/011140/07) is a member of the JSE Limited, the South African Futures Exchange and the Bond Exchange of South Africa. UBS South Africa (Pty) Limited is an authorised Financial Services Provider. Details of its postal and physical address and a list of its directors are available on request or may be accessed at <http://www.ubs.co.za>. **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 report 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 report 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 subsidiary of UBS AG and a member of the principal Canadian stock exchanges & CIPF. A statement of its financial condition and a list of its directors and senior officers will be provided upon request. **Hong Kong:** Distributed by UBS Securities Asia Limited. **Singapore:** Distributed by UBS Securities Pte. Ltd or UBS AG, Singapore Branch. **Japan:** Distributed by UBS Securities Japan Ltd to institutional investors only. Where this report has been prepared by UBS Securities Japan Ltd, UBS Securities Japan Ltd is the author, publisher and distributor of the report. **Australia:** Distributed by UBS AG (Holder of Australian Financial Services License No. 231087) and UBS Securities Australia Ltd (Holder of Australian Financial Services License No. 231098) only to 'Wholesale' clients as defined by s761G of the Corporations Act 2001. **New Zealand:** Distributed by UBS New Zealand Ltd. An investment adviser and investment broker disclosure statement is available on request and free of charge by writing to PO Box 45, Auckland, NZ. **China:** Distributed by UBS Securities Co. Limited. **Portugal:** Prepared by UBS Limited and distributed by UBS Limited and UBS Bank, SA, Sucursal em Portugal. UBS Bank, SA, Sucursal em Portugal, is regulated by Comissão do Mercado de Valores Mobiliários (CMVM). Where an analyst of UBS Bank, SA, Sucursal em Portugal has contributed to this report, the report is also deemed to have been prepared by UBS Bank, SA, Sucursal em Portugal.

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

UBS specifically prohibits the redistribution of this material 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. © UBS 2009. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

