Your Guide to S&P Capital IQ™ Stock Reports

Confidence. Objectivity. Experience.
For over 80 years, advisors and investors have looked to S&P Capital IQ’s Stock Reports for investment confidence, objectivity and unique research. Our research gives clients confidence by helping them make their investment decisions based on research from a leading provider of independent equity research.

The investment community respects the objectivity of our opinions. Our knowledge is exemplified by our unique research methodology. Stock Reports combine the strengths of S&P Capital IQ’s robust database of publicly traded corporations and its highly regarded team of equity analysts. With their broad array of fundamental, quantitative and technical data, Stock Reports are an essential resource for identifying potential investment opportunities.

A History of Objective Analysis and Opinion

Using our proprietary STARS® [STock Appreciation Ranking System] methodology, our equity analysts cover over 1,500* global stocks. They carry on a strong tradition of objective analysis and opinion dating back over 80 years, using a highly refined, rigorous and globally-consistent process.

Timely, Consistent Analysis

With the help of innovative tools and analytics from Global Markets Intelligence, our equity analysts deliver insights rapidly, responding to news and market trends with market updates. And our global analytical team ensures consistency of coverage through equity analyst transitions and market cycles, delivering consistency that clients can expect.

Robust Reports

Each Stock Report combines the equity analyst’s evaluations and sub-industry outlook with the stock’s performance history, financials, key developments and relevant peers.
Using the Equity Evaluations: A Quick Reference Guide

**Qualitative**

**S&P CAPITAL IQ STARS**

S&P Capital IQ’s fundamental analysis, which currently covers over 1,100* U.S. and over 400* non-U.S. stocks, is expressed in STARS, first introduced in 1987. There are five categories:

- **5-STARS.**
  Total return is expected to outperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

- **4-STARS.**
  Total return is expected to outperform the total return a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

- **3-STARS.**
  Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

- **2-STARS.**
  Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain.

- **1-STARS.**
  Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500® Index, in Europe and in Asia the relevant benchmarks are generally the S&P Europe 350® Index and the S&P Asia 50 Index.

*As of June 30, 2014

**Quantitative**

**S&P CAPITAL IQ FAIR VALUE RANKINGS**

Using S&P Capital IQ’s exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, the most undervalued stocks, to Group 1, the most overvalued stocks, relative to the Fair Value universe. Group 5 stocks are expected to generally outperform all others. A positive [+] or a negative [-] Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a [+] added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. The opposite is true for a stock with a negative [-] Timing Index.

Relative to the Fair Value universe, the rankings imply:

1. Significantly Overvalued
2. Modestly Overvalued
3. Fairly Valued
4. Moderately Undervalued
5. Significantly Undervalued
S&P Capital IQ Stock Reports - In Detail

**DATE OF REPORT**
Stock Report data is updated at least once a week so you know the information is current.

**S&P CAPITAL IQ RECOMMENDATION**
S&P Capital IQ employs a five-level recommendation system, ranging from Strong Sell to Strong Buy. These recommendations are the result of detailed analysis by the equity analysts on each company covered.

**SECTOR BREAKDOWN**
Categorizes the company by sector and sub-industry using the Global Industry Classification Standard (GICS®) developed by S&P Dow Jones Indices and Morgan Stanley Capital International.

**KEY STOCK STATISTICS**
Highlights important statistics, including the S&P Capital IQ equity analyst’s earnings estimates on the company for up to two years. Also includes the value of a hypothetical $10,000 investment in the stock made five years ago, which assumes year-end reinvestment of dividends.

**PRICE CHART**
Provides more than four years of price information in a logarithmic format. It includes the history of the S&P Capital IQ recommendation.

**HIGHLIGHTS & INVESTMENT RATIONALE/RISK**
The equity analyst’s concise evaluation of the company’s financial prospects and forecasted future stock performance.

---

**Delta Air Lines Inc.**

- **S&P Capital IQ Recommendation**: STRONG BUY
- **S&P Capital IQ Equity Analyst**: Jim Corridore
- **12-Mo. Target Price**: $52.00

**GICS Sector**: Industrials
**Sub-Industry**: Airlines

**Key Stock Statistics** (Source: S&P Capital IQ, Vickers, company reports)

- **52-Wk Range**: $31.06 - 30.12
- **Trailing 12-Month EPS**: $0.78
- **Trailing 12-Month P/E**: 58.3
- **S&P Oper. EPS 2015E**: 4.94
- **P/E on S&P Oper. EPS 2015E**: 5.57
- **Market Capitalization**: $24.07B
- **Common Shares Outst. (M)**: 820.2

**Price Performance**

- **30-Wk Moving Avg.**: 60
- **10-Wk Moving Avg.**: 40

---

**Highlights**

- After rising 7% in 2014, revenue growth of 3% in 2015 is likely. We think, on a 3% capacity increase, 1%-2% higher yields and a 1.0 percentage point decline in passenger load factor. We look for a rise in other revenues from checked bag and other fees. We think industry capacity cuts taken over the past few years will help drive airfare increases and yield improvement. Less fare sales activity should also be a contributor to higher yields, along with improvement in demand for corporate and premium travel. We think both Delta and the industry will benefit in 2015 from strong domestic demand.

**Investment Rational/Risk**

- We expect air travel demand to improve over the next year on recovering U.S. and global economies. We look for business travel demand to improve throughout 2015. Delta has completed its merger integration and we think this is helping drive strong free cash flows relative to peers. We are positive on DAL’s stated goal to reduce net debt to $5.0 billion by the end of 2016. Net debt fell to $7.3 billion at the end of 2014, from $15.0 billion at the end of 2010. We also view positively DAL’s dividend and stock repurchase program.

- Risks to our opinion and target price include...
QUALITY RANKING
A ranking of the growth and stability of the company’s earnings and dividends over the past 10 fiscal years.

QUALITATIVE RISK ASSESSMENT
The S&P Capital IQ equity analyst’s view of a given company’s operational risk or the risk of a firm’s ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P Capital IQ U.S. STARS universe and reflects risk factors related to a company’s operations, as opposed to risk and volatility measures associated with share prices.

DIVIDEND DATA
Brings you a recent history of dividends paid, as well as declaration dates, ex-dividend date, stock of record and payment.
**BUSINESS SUMMARY**
Gives you a detailed summary of the company’s business, with practical information about such topics as its industry, key products and services, subsidiaries, sources of revenue, joint ventures, acquisitions and more.

**EXPANDED RATIO ANALYSIS**
Further sharpens your understanding of the company’s financial performance with ratios such as price to revenue and EBITDA.

**FAIR VALUE RANK**
A stock ranking system using S&P Capital IQ’s proprietary quantitative model. The model also generates the Fair Value Calculation, which indicates the theoretical price at which the stock should trade.

**VOLATILITY**
Ranks the stock’s price volatility over the past year.

**PER SHARE DATA**
A measure of investment desirability. Provides a detailed historical perspective on some of the most important per share data. This includes the Payout Ratio, which can aid your evaluation of dividend policy on a historical basis, and S&P Capital IQ’s Core Earnings.

**INCOME STATEMENT ANALYSIS**
Facilitates year-to-year comparisons of revenues, depreciation, net income and more.

**BALANCE SHEET DATA**
Gives you an easy-to-follow view of the company’s financial condition, including its capital expenditures, current assets, current liabilities, long term debt and cash flow.

**PRIMARY RATIO ANALYSIS**
Provides up to 10 years of historical data on key ratios, such as return on assets and return on equity.
**RESEARCH NOTES & COMPANY NEWS**
Offers recent S&P Capital IQ equity analyst updates on buy/hold/sell recommendations. Also provides updates on company news releases on earnings and other important financials.

**SUB-INDUSTRY OUTLOOK**
The equity analyst’s overview of the sub-industry; the summary covers S&P Capital IQ’s view of recent and projected sub-industry business conditions and more. Also ranks the fundamental outlook for the sub-industry as positive, negative or neutral.

**SUB-INDUSTRY STOCK PERFORMANCE RELATIVE TO SECTOR AND S&P® 1500**
Shows performance of a sub-industry index relative to a related sector index and to the S&P® 1500 Index.

**PEER GROUP ANALYSIS**
Provides vital financial and stock data for the company and its peers. These include S&P Capital IQ’s Quality Rank and key financial ratios. Some of the key terms used in this table are explained in detail in the “Definitions” section starting on page six.

---

**Delta Air Lines Inc.**

**S&P Capital IQ Analyst Research Notes and other Company News**

*February 23, 2015*  
*Delta Air Lines Inc. announced Thomas E. Bovis as the new chief financial officer effective immediately.*

**Sub-Industry Outlook**

We have a positive fundamental outlook for the airline sub-industry for the next 12 months. Traffic statistics showed improving demand and revenues in 2014, and we see that strength carrying on through 2015. We believe the U.S. airline industry is seeing good demand, despite the tepid U.S. economy. We think that once the industry has reduced capacity levels, it should be able to raise fares as passenger travel demand improves, and hold the line on fuel as demand weakens. Oil and jet fuel prices have dropped sharply and should help drive strong profit improvement in 2015. We think the airlines are likely to report better comparisons in 2015, after missing on revenues in 2014 and 2013, but we expect demand for air travel to remain strong.

We think investor sentiment on airline stocks has improved, and we expect further improvement on signs that the U.S. economy is recovering and oil prices continue to fall. The bankruptcy filing of *American Airlines*, one of the largest airlines, led to some downgrades, while *American Airlines*, a U.S. Airlines, increased its market share. The year 2013 brought continued recovery in the airline industry, without the significant challenges that faced airlines in the year 2012. Lower fuel costs, improved traffic, and better performance in the second half of 2013 led to increased profits for U.S. airlines. However, we think the airlines will likely see continued growth in 2015. Many of the shares were undervalued last year, and we view this as a good opportunity.

We estimate that the largest U.S. carriers earned $16.0 billion in 2014, after earning $6.0 billion in 2013, $4.0 billion in both 2011 and 2012, and $2.1 billion in 2010, after losing $2.0 billion in 2009 and $4.6 billion in 2008. Results in 2014 included more of the strong business travel and lower oil prices, while increases in ancillary fees such as baggage, change fees and premium seating skewed. We think that domestic and international supply over the past three years have improved airlines’ pricing power.

We expect passenger mile growth in 2015 to grow 2.5% in 2014, versus a 1.5% increase in 2013. Traffic rose 1.6%, after a 0.7% increase in 2013. Available seat miles rose 2.9%, after a 1.5% increase in 2013. The average seat factor fell to 82.0% from 82.1%, after a dip in 2013.

Year-to-date through February 20, the S&P Airlines Index rose 2.7% versus 1.6% rise for the S&P 100. In 2014, the S&P Airlines Index increased 85.0%, versus a 181.8% rise in the S&P 100. The year compound annual growth rate for the S&P Airlines Index through February 20, was 27.9%, versus 14.1% for the S&P 100.

—Jim C.Strader

**Industry Performance**

<table>
<thead>
<tr>
<th>S&amp;P® 1000 Index</th>
<th>Delta Air Lines Inc.</th>
<th>S&amp;P 1500</th>
<th>Delta Air Lines Inc. vs. S&amp;P 1500</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014</strong></td>
<td>13.4%</td>
<td>6.0%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

**STOCK PERFORMANCE**

<table>
<thead>
<tr>
<th>Peer Group</th>
<th>Delta Air Lines Inc.</th>
<th>BAA</th>
<th>BB</th>
<th>BBB</th>
<th>CCC</th>
<th>CCC-</th>
<th>N/K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysts</td>
<td>36.9%</td>
<td>26.5%</td>
<td>12.9%</td>
<td>13.5%</td>
<td>13.2%</td>
<td>13.3%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Sector</td>
<td>25.6%</td>
<td>17.0%</td>
<td>15.6%</td>
<td>16.2%</td>
<td>16.2%</td>
<td>16.3%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Data (USD)</td>
<td>36.9%</td>
<td>26.5%</td>
<td>12.9%</td>
<td>13.5%</td>
<td>13.2%</td>
<td>13.3%</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

**CONTACT US**

The Americas: +1 877 218 1247 | Asia Pacific: +852 2533 3588 | Europe, Middle East of Africa: +44 20 7186 7836

www.spcapitaliq.com
Glossary
Quick and easy explanations of key terminology in S&P Capital IQ’s Stock Reports, including STARS, Fair Value Rankings, Relative Strength Rank and much more.

Consensus Recommendations & Earnings Estimates
Shows other companies providing coverage of the stock and their recent recommendations. Consensus earnings forecasts are charted out as well.

Delta Air Lines Inc.

Stock Report | March 14, 2016 | NYSE Symbol: DAL

Analysts’ Recommendations

Wall Street Consensus Estimate

Of the total 10 companies following DAL, 18 analysts currently follow the recommendation.

Wall Street Consensus vs. Performance

For fiscal year 2015, analysts estimate that DAL will earn $2.63 EPS. For fiscal year 2016, analysts estimate that DAL’s earnings per share will grow by 19% to $3.77.

Contact Us
The Americas: +1 877 219 1247 | Asia Pacific: +852 2533 3588 | Europe, Middle East or Africa: +44 20 7176 7836
www.spcapitaliq.com
Definitions

REGULAR TECHNICAL TERMS AND ACRONYMS THAT CAN APPEAR IN THE STOCK REPORT

ACCRETIVE/DILUTIVE - Contributing favorably/unfavorably to earnings.

BALANCE SHEET - Financial statement that summarizes a company’s assets, liabilities and shareholder equity at a point in time.

BETA - The beta of a share is a number describing the relation of its returns with that of the financial market as a whole. A stock that is perfectly correlated with the market would have a beta of 1. A beta of less than 1 means the security is less volatile than the market. Conversely, a beta of more than 1 means the security is more volatile than the market.

CAGR - Compound annual growth rate: CAGR is a business and investing-specific term for the year-over-year growth rate of an investment over a given time period. CAGR is not an accounting term, but remains widely used, particularly in growth industries or to compare the growth rates of two investments because CAGR dampens the effect of volatility of periodic returns that can render arithmetic means irrelevant. CAGR is often used to describe the growth over a period of time of some element of the business, for example revenue, units delivered, registered users, etc.

CAPEX - Capital expenditures: CAPEX are expenditures intended to create future benefits. A capital expenditure is incurred when a business spends money either to buy fixed assets or to add to the value of an existing fixed asset. CAPEX are used by a company to acquire or upgrade physical assets such as equipment, property, or industrial buildings.

COMMON STOCK - A security that represents part ownership in a corporation. Holders of common stock are entitled to a share of the corporation’s profits and a share of the voting power in shareholder elections. Common stockholders, however, have the lowest priority on a firm’s ownership structure and in the event of liquidation have rights to a company’s assets only after bondholders, preferred shareholders and other debtholders have been paid in full. In the United Kingdom, Common Stock is referred to as ordinary shares.

CONVERTIBLE SECURITY - A corporate security, typically a bond or preferred stock, that can be exchanged for another form of security, typically common stock. In most cases, the holder of a convertible security determines if and when the exchange occurs, but a corporation can retain the right to control the exchange.

CURRENT RATIO - A measure of liquidity, calculated as Current Assets / Current Liabilities. A company with a high current ratio is generally in a better position to pay its current obligations than a company with a lower current ratio.

CY - Calendar Year: Period extending from January 1st to December 31st. This period also corresponds to the Fiscal Year for most companies.
DCF - Discounted Cash Flow: DCF analysis is a method of valuing a company using the concepts of the time value of money. All future cash flows are estimated and discounted to give their present values (PVs) – the sum of all future cash flows, both incoming and outgoing, is the net present value (NPV), which is taken as the value or price of the cash flows in question.

DEPRECIATION/AMORTIZATION - A method of allocating the cost of an asset over a specific period of time. Depreciation is used to allocate the cost of a tangible asset such as machinery over its useful life, while amortization is used for intangible assets, such as patents or trademarks.

DIVIDEND RATE/SHARE - It is the amount paid out by a company to its shareholders.

EBIT - Earnings Before Interest and Taxes: EBIT is a measure of a firm’s profitability that excludes interest and income tax expenses. Operating income and operating profit are also sometimes used as synonyms for EBIT. This is particularly appropriate if the firm has no non-operating income. To calculate EBIT, expenses [e.g., the cost of goods sold, selling, general and administrative expenses] are subtracted from revenues.

EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization. EBITDA is measured exactly as stated. All interest, tax, depreciation and amortization entries in the income statement are reversed out from the bottom-line net income.

EPS - Earnings Per Share: EPS is calculated by dividing the total earnings of a company during a fiscal year by the weighted average number of common shares over that year.

EV - Enterprise value: EV is economic measure reflecting the total value of a whole business. Enterprise value may be calculated by adding the market value of the company’s stock, the balance sheet values of the company’s debt, preferred stock and minority equity interests, and then subtracting the amount of cash equivalents that a company has.

FCF - Although definitions may vary, FCF is intended to represent the amount of discretionary cash generated by a company after meeting specific obligations. Free cash flow might be used, for example, to fund acquisitions, or for repurchase of company stock.

FUNDS FROM OPERATIONS - A figure used by real estate investment trusts (REITs) to define the cash flow from their operations. It is calculated by adding depreciation and amortization expenses to earnings.

FY - Fiscal Year: Period of usually 12 months, for which a company is reporting its financial results.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - The common set of accounting principles, standards and procedures that US-based public companies use to compile their financial statements.

GOODWILL - The difference between the purchase price of an acquisition and the book value of the assets acquired.

GROSS PROFIT - A company’s revenue minus its cost of production [e.g. ingredient and manufacturing costs].
LIQUIDITY - Access to cash and ability to pay financial obligations.

MARGIN, GROSS OR OPERATING - A profitability metric. Gross margin is calculated as gross profit divided by revenue. Operation margin is calculated as operating income divided by revenue.

MARK TO MARKET - The accounting act of recording the price or value of a security, portfolio or account to reflect its current market value rather than its book value.

NET OPERATING INCOME - After-tax income before net realized investment gains or losses. Analysts most commonly use this measure of insurer profitability when modeling future earnings of an insurer.

ORGANIC GROWTH - This reflects growth of a company’s sales or profits has increased or decreased by, excluding the impact of external and one-time factors such as exchange rate movements, acquisitions and disposals of businesses.

OUTSOURCING - Practice used by companies to reduce costs and expenses by allocating work to third-party partners.

P/E - Price/Earnings: The P/E ratio (price-to-earnings ratio) of a stock (also called its “P/E”, or simply “multiple”) is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. It is a financial ratio used for valuation: a higher P/E ratio means that investors are paying more for each unit of net income, so the stock is more expensive compared to one with a lower P/E ratio.

PEG RATIO - Price/Earnings To Growth ratio: PEG ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company’s expected earnings growth. In general, the P/E ratio is higher for a company with a higher growth rate. Thus using just the P/E ratio would make high-growth companies appear overvalued relative to others. It is assumed that by dividing the P/E ratio by the expected earnings growth rate, the resulting ratio is better for comparing companies with different growth rates.

PREFERRED STOCK - A class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred stock generally has a dividend that must be paid out before dividends to common stockholders and the shares usually do not have voting rights.

PRICE/SALES - A measure of the price paid for a share relative to its annual revenue per share.

PV - Present value: PV is the value on a given date of a future payment or series of future payments, discounted to reflect the time value of money and other factors such as investment risk.

R&D - Research and Development

ROA - Return On Assets: ROA percentage shows how efficient a company’s assets are in generating income. ROA may be calculated by dividing net income into average assets in a given period.
ROE - Return on equity: ROE measures the rate of return on the ownership interest (shareholders’ equity) of the common stock owners. It measures a firm’s efficiency at generating profits from every unit of shareholders’ equity (also known as net assets or assets minus liabilities). ROE is equal to a fiscal year’s net income (after preferred stock dividends but before common stock dividends) divided by total equity (excluding preferred stock), expressed as a percentage. As with many financial ratios, ROE is best used to compare companies in the same industry.

ROI - Return on Investment: ROI is the ratio of money gained or lost (whether realized or unrealized) on an investment relative to the amount of money invested. The amount of money gained or lost may be referred to as interest, profit/loss, gain/loss, or net income/loss. The money invested may be referred to as the asset, capital, principal, or the cost basis of the investment. ROI is usually expressed as a percentage rather than a fraction.

ROIC - Return on invested capital: ROIC is a financial measure that quantifies how well a company generates cash flow relative to the capital it has invested in its business. It is defined as net income less dividends divided by total capital and is usually expressed as a percentage. In this calculation, capital invested includes all monetary capital invested: long-term debt, common and preferred equity. When the return on capital is greater than the cost of capital (usually measured as the weighted average cost of capital), the company is creating value; when it is less than the cost of capital, value is destroyed.

SG&A - Selling General and Administrative expenses: SG&A consist of the combined costs of operating the company, which breaks down to:
- **SELLING**: Includes salaries, advertising expenses, rent, and all expenses and taxes directly related to selling product
- **GENERAL**: General operating expenses and taxes that are directly related to the general operation of the company, but don’t relate to the other two categories
- **ADMINISTRATION**: Executive salaries and general support and all associated taxes related to the overall administration of the company.

SHARES OUTSTANDING, DILUTED SHARES OUTSTANDING - Stock currently held by investors, including restricted shares owned by the company’s officers and insiders, as well as those held by the public. Shares that have been repurchased by the company are not considered outstanding stock. Diluted Shares Outstanding refers to the number of shares that could be outstanding, including the assumed exercise of all possible stock options and the conversion of all possible convertible securities.

STOCK BUYBACK OR STOCK REPURCHASE - A program by which a company buys back its own shares from the marketplace, reducing the number of outstanding shares. Share repurchase could be an indication that the company’s management thinks the shares are undervalued.

STOCK OPTIONS OR STOCK-BASED COMPENSATION - Type of equity compensation sometimes provided to corporate executives to incent and/or reward performance. Stock options can decrease a company’s share price by increasing the number of shares outstanding.

SUM-OF-THE-PARTS - A valuation methodology that aggregates the separate worth of a company’s divisions.
TANGIBLE BOOK VALUE (NET ASSET VALUE) PER SHARE - The accounting value of a share of common stock, determined by dividing total shareholders' equity (total assets minus intangible assets and liabilities) by the total number of diluted shares outstanding at the end of a given period.

WACC - Weighted Average Cost of Capital: Companies raise money from a number of sources, generally debt and equity. WACC typically represents a blended average of a company’s cost of debt financing with a required return on equity capital. WACC is the discount rate used in discounted cash flow calculations by S&P Capital IQ analysts.

WORKING CAPITAL - Current assets less current liabilities, used to evaluate the financial health of a company in terms of its ability to repay short-term obligations.

YIELD (%) - Also referred to as Dividend Yield, a financial ratio that shows how much a company pays out in dividends per share each year relative to its share price.
Required Disclosures

S&P Capital IQ’s qualitative STARS recommendations are determined and assigned by S&P Capital IQ equity analysts. For reports containing STARS recommendations refer to the Glossary section of this report for detailed methodology and the definition of STARS rankings.

STARS Stock Reports are prepared by the equity research analysts of Standard & Poor’s Investment Advisory Services LLC ("SPIAS"), a division of S&P Capital IQ. All of the views expressed in STARS Stock Reports accurately reflect the research analyst’s personal views regarding any and all of the subject securities or issuers. Analysts generally update stock reports at least four times each year.

No part of analyst compensation and SPIAS’ compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in Stock Reports and/or Quantitative Stock Reports, as applicable.

S&P Capital IQ’s Research Reports have been prepared and issued by S&P Capital IQ and/or one of its affiliates. In the United States, Research Reports are prepared by SPIAS and issued by Standard & Poor’s Financial Services LLC. SPIAS is authorized and regulated by the U.S. Securities and Exchange Commission.

S&P Capital IQ or an affiliate may license certain intellectual property or provide pricing or other services to, or otherwise have a financial interest in, certain issuers of securities, including exchange-traded investments whose investment objective is to substantially replicate the returns of a proprietary index of S&P Dow Jones Indices, such as the S&P 500. In cases where S&P Capital IQ or an affiliate is paid fees that are tied to the amount of assets that are invested in the fund or the volume of trading activity in the fund, investment in the fund will generally result in S&P Capital IQ or an affiliate receiving compensation in addition to the subscription fees or other compensation for services rendered by S&P Capital IQ. A reference to a particular investment or security by S&P Capital IQ and/or one of its affiliates is not a recommendation to buy, sell, or hold such investment or security, nor is it considered to be investment advice.

Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index.

S&P Capital IQ and its affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

General Disclaimers

Notice to all jurisdictions:
Where S&P Capital IQ’s Research Reports are made available in a language other than English and in the case of inconsistencies between the English and translated versions of a Research Report, the English version will control and supersede any ambiguities associated with any part or section of a Research Report that has been issued in a foreign language. Neither S&P Capital IQ nor its affiliates guarantee the accuracy of the translation. Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice.

Past performance is not necessarily indicative of future results.
No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor’s Financial Services LLC or its affiliates [collectively, S&P]. The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents [collectively S&P Parties] do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an “as is” basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT’S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses [including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence] in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P’s opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions.

SPIAS does not act as a fiduciary or an investment advisor except where registered as such. While SPIAS has obtained information from sources it believes to be reliable, SPIAS does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

Standard & Poor’s Ratings Services does not contribute to or participate in the development of Research Reports. Standard & Poor’s Ratings Services may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P’s public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Research Reports are not intended to be investment advice and do not constitute any form of invitation or inducement by S&P Capital IQ to engage in investment activity. This material is not intended as an offer or
solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors and this material is not intended for any specific investor and does not take into account an investor’s particular investment objectives, financial situations or needs. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only current as of the stated date of their issue. Prices, values, or income from any securities or investments mentioned in this report may fluctuate, and an investor may, upon selling an investment, lose a portion of, or all of the principal amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor’s chosen currency, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in Research Reports does not constitute advice on the tax consequences of making any particular investment decision. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

Additional information on a subject company may be available upon request.

**Notice to all Non U.S. Residents:**

S&P Capital IQ’s Research Reports may be distributed in certain localities, countries and/or jurisdictions (“Territories”) by independent third parties or independent intermediaries and/or distributors (the “Intermediaries” or “Distributors”). Intermediaries are not acting as agents or representatives of S&P Capital IQ. In Territories where an Intermediary distributes S&P Capital IQ’s Research Reports, the Intermediary, and not S&P Capital IQ, is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes and guidelines established by local and/or regional regulatory authorities, including laws in connection with the distribution of third-party Research Reports, licensing requirements, supervisory and record keeping obligations that the Intermediary may have under the applicable laws and regulations of the territories where it distributes the Research Reports.

Each Research Report 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 which would subject S&P Capital IQ or its affiliates to any registration or licensing requirements in such jurisdiction.

Each Research Report is not directed to, or intended for distribution to or use by, any person or entity who is not in a class qualified to receive Research Reports (e.g., a qualified person and/or investor), as defined by the local laws or regulations in the country or jurisdiction where the person is domiciled, a citizen or resident of, or the entity is legally registered or domiciled.

**S&P Capital IQ’s Research Reports are not intended for distribution in or directed to entities, residents or investors in:** Albania, Belarus, Bosnia, Burma, Cote d’Ivoire, Croatia, Cuba, Democratic Republic of the Congo, Former Yugoslav Republic of Macedonia, Herzegovina, Iran, Iraq, Kosovo, Kuwait, Lebanon, Libya, Montenegro and Serbia, North Korea, Somalia, Sudan, South Korea, Syria, Taiwan, Thailand, Turkey, Yemen, Zimbabwe.

Copyright © 2015 Standard & Poor’s Financial Services LLC. All rights reserved. STANDARD & POOR’S, S&P, S&P 500, S&P EUROPE 350 and STARS are registered trademarks of Standard & Poor’s Financial Services LLC. S&P CAPITAL IQ is a trademark of Standard & Poor’s Financial Services LLC.