

AbbVie Inc

S&P Capital IQ Recommendation

BUY H H H H H

S&P Capital IQ Equity Analyst Jeffrey Loo, CFA

Price
\$58.05 (as of Feb 13, 2015 4:00 PM ET)

12-Mo. Target Price
\$78.00

Report Currency
USD

Investment Style
Large-Cap Growth

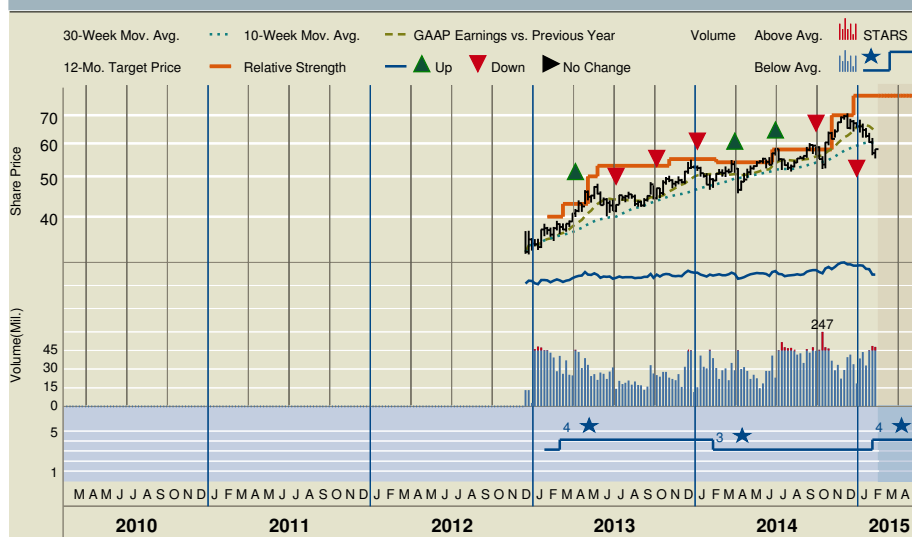
GICS Sector Health Care
Sub-Industry Pharmaceuticals

Summary This company is a global research-based pharmaceuticals business that emerged as a separate entity following its spin-off from Abbott Laboratories at the start of 2013. AbbVie's key drug is Humira for rheumatoid arthritis.

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

52-Wk Range	\$70.76–45.50	S&P Oper. EPS 2015E	4.36	Market Capitalization(B)	\$92.489	Beta	NA
Trailing 12-Month EPS	\$1.10	S&P Oper. EPS 2016E	4.98	Yield (%)	3.38	S&P 3-Yr. Proj. EPS CAGR(%)	18
Trailing 12-Month P/E	52.8	P/E on S&P Oper. EPS 2015E	13.3	Dividend Rate/Share	\$1.96	S&P Quality Ranking	NR
\$10K Invested 5 Yrs Ago	NA	Common Shares Outstg. (M)	1,593.3	Institutional Ownership (%)	78		

Price Performance



Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst **Jeffrey Loo, CFA** on Feb 07, 2015 06:02 PM, when the stock traded at **\$56.90**.

Highlights

- We expect 2015 sales to grow 13.7%, following the 6.2% growth in 2014, driven by the December 2014 approval of its Hepatitis C (HCV) drug, Viekira Pak, and on continued robust sales of Humira for rheumatoid arthritis, on higher pricing and greater penetration of emerging markets. We expect Humira sales to increase 12.4% to \$14.1 billion in 2015, and see Viekira Pak sales of about \$2.4B-\$2.5B. ABBV estimates that Viekira sales will be at an annual run rate of more than \$3 billion at the end of 2015 and believes that it currently has access to about 40% of insured patients. We see operating margins improving to 40.7% in 2015.
- In October, ABBV terminated its \$53.6 billion acquisition agreement to acquire Shire Plc (SHPG 209 NR) and paid a \$1.635 billion breakup fee. We believe ABBV's reversal is based on new Treasury Department rules that make financing tax inversion deals more expensive, in particular the use of "hopscotch" loans. We now expect ABBV to focus on smaller deals, particularly for rare disease. ABBV also announced a \$5 billion stock buyback.
- We see 2015 EPS at \$4.36.

Investment Rationale/Risk

- We believe the shares trading at 13.0X our 2015 EPS estimate, below peers, are attractively valued. In a move to gain market share ABBV entered into an unprecedented deal with Express Scripts (ESRX 82 Buy) where its recently approved HCV drug, Viekira Pak, will be the exclusive HCV drug on ESRX's formulary to treat genotype 1 patients. The wholesale price for Viekira is \$83,319 for a 12-week treatment, but ABBV is providing Viekira to ESRX at an undisclosed "significant discount." This deal shuts out Gilead Science's (GILD 97 Strong Buy) HCV drugs from some of ESRX's clients. But we believe GILD will maintain a dominant market share due to physician preference on significantly easier compliance as GILD's drugs are one pill a day, while Viekira is 4-6 pills taken in the morning and night, and Viekira's multiple drugs increase potential side effects and drug-to-drug interaction. Viekira requires the use of ribavirin for some genotype 1 patients.
- Risks to our recommendation and target price include lower-than-expected Viekira sales.
- Our 12-month target price of \$78 applies an inline-to-peers 17.9X our 2015 EPS estimate.

Analyst's Risk Assessment

LOW **MEDIUM** **HIGH**

Our risk assessment reflects common challenges to branded drugs, including competition from generics, pricing restraints, and R&D related risks. ABBV is also heavily reliant on one drug -- Humira -- which currently accounts for about 55% of sales. However, recently approved Hepatitis C drug, Viekira Pak, should help diversify sales in 2015.

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2014	4,563	4,926	5,019	5,452	19,960
2013	4,329	4,692	4,658	5,111	18,790
2012	4,173	4,493	4,508	5,206	18,380
2011	--	--	--	--	17,639
2010	--	--	--	--	15,638
2009	--	--	--	--	14,214

Earnings Per Share (\$)

2014	0.61	0.68	0.31	-0.51	1.10
2013	0.60	0.66	0.60	0.70	2.56
2012	0.56	0.80	1.01	0.98	3.35
2011	--	--	--	--	2.03
2010	--	--	--	--	--
2009	--	--	--	--	--

Fiscal year ended Dec. 31. Next earnings report expected: Late April. EPS Estimates based on S&P Capital IQ Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.420	Feb 20	Apr 11	Apr 15	May 15 '14
0.420	Jun 19	Jul 11	Jul 15	Aug 15 '14
0.420	Sep 19	Oct 10	Oct 15	Nov 17 '14
0.490	Oct 20	Jan 13	Jan 15	Feb 13 '15

Dividends have been paid since 2013. Source: Company reports.

Past performance is not an indication of future performance and should not be relied upon as such.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Redistribution or reproduction is prohibited without written permission. This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek independent financial advice regarding the suitability and/or appropriateness of making an investment or implementing the investment strategies discussed in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such investments, if any, may fluctuate and that the value of such investments may rise or fall. Accordingly, investors may receive back less than they originally invested. Investors should seek advice concerning any impact this investment may have on their personal tax position from their own tax advisor. Please note the publication date of this document. It may contain specific information that is no longer current and should not be used to make an investment decision. Unless otherwise indicated, there is no intention to update this document.

AbbVie Inc

Business Summary February 07, 2015

CORPORATE OVERVIEW. AbbVie Inc. is a global research-based drug business that emerged as a separate company following its spin-off from Abbott Laboratories to Abbott shareholders on a share-for-share basis on January 1, 2013.

AbbVie's key product is Humira, an injectable biologic TNF (tumor necrosis factor) blocker treatment for rheumatoid arthritis (RA) and similar conditions, with sales of \$10.59 billion in 2013, up from \$9.3 billion in 2012 and \$7.9 billion in 2011. We estimate that Humira accounts for more than half of the global prescription drug market for rheumatoid arthritis. Besides moderate to severe RA in adults, Humira is also approved for many other uses, including juvenile idiopathic arthritis, psoriasis, ankylosing spondylitis, ulcerative colitis, Crohn's disease and axial spondyloarthritis.

Humira's U.S. composition of matter patent is expected to expire at the end of 2016, with its equivalent European Union patent set to expire in most EU countries in April 2018. Competitors in the rheumatoid arthritis market include Remicade (marketed by Johnson & Johnson), Simponi (Johnson & Johnson) and Enbrel (Pfizer).

Dyslipidemia products comprise treatments for high cholesterol and/or high triglycerides such as Tricor and Trilipix fibric acid derivatives fell 72.4% in 2013 to \$303 million from \$1.1 billion in 2012 as it went off-patent in late 2012, Niaspan extended release niacin fell 28.7% to \$650 million in 2013 from \$911 million. Metabolic/hormonal products include Synthroid treatment for hypothyroidism rose 12.9% to \$622 million from \$551 million, and AndroGel testosterone replacement fell 13.8% to \$1.035 billion from \$1.2 billion. Virology products comprise primarily Kaletra and Norvir HIV treatments fell 4.2% to \$962 million while Lupron for prostate cancer was flat at \$785 million. ABBV's key endocrinology drug, Synagis for respiratory syncytial virus is marketed outside of the U.S. was flat at \$827 million.

CORPORATE STRATEGY. AbbVie's strategic objectives include expanding Humira's sales through greater penetration of emerging markets, increased emphasis on earlier diagnosis of autoimmune patients, and new indications. ABBV also plans to launch five significant new products over the 2013-2016 time frame.

PIPELINE. AbbVie has an R&D pipeline of some 20 compounds or indications in Phase II or Phase III development across a fairly wide spectrum, including immunology, renal care, hepatitis C, women's health, oncology, multiple sclerosis, and Parkinson's and Alzheimer's diseases. In December 2014, the FDA approved Viekira Pak, to treat hepatitis C. Key planned launches include a levodopa-carbidopa intestinal gel (LCIG) in the U.S. for advanced Parkinson's disease; elotuzumab, a humanized monoclonal antibody for the treatment of multiple myeloma; daclizumab, a monoclonal antibody for the treatment of multiple sclerosis; ABT-199, a next-generation bcl-2 inhibitor in development for chronic lymphocytic leukemia; and new indications for Humira.

Key Phase III clinical programs include atrasentan for diabetic kidney disease and ABT-199 in chronic lymphocytic leukemia (CLL). Other important programs are planned Phase IIB starts for: elagolix in uterine fibroids; work on a partnered JAK1 inhibitor for rheumatoid arthritis (RA); BT-061 for RA; and ABT-719 for acute kidney injury associated with major cardiac and other surgeries. ABBV also intends to present clinical data on key development programs, including its rapidly advancing HCV program, oncology, renal disease, immunology and Alzheimer's disease.

MARKET PROFILE. The dollar value of the global drug market is projected to grow at a CAGR (compound annual growth rate) of 3%-6% over the 2012-2016 period, according to forecasts made by IMS Health. The key driver should be emerging markets, whose aggregate sales (17 countries) should advance at a CAGR of 12%-15% over the same period. Growth in developing markets is being spurred by rising standards of living and growing government spending on health care. However, IMS forecasts declining trends in Europe, with combined drug spending for five major European markets projected to decline at a CAGR of 1%-2% over 2012-2016. On the other hand, spending in the U.S. was forecast to grow at a CAGR of 1%-4% over the same period.

Corporate Information

Office
1 North Waukegan Road, North Chicago, IL 60064.

Telephone
847-932-7900.

Website
<http://www.abbvie.com>

Officers

Chrmn & CEO
R.A. Gonzalez

EVP & CSO
M. Severino

COO
A. Saleki-Gerhardt

Chief Acctg Officer & Cntrl
T.A. Hurwich

EVP & CFO
W.J. Chase

Board Members

R. J. Alpern
W. H. Burnside
E. M. Liddy
R. S. Roberts
F. H. Waddell

R. S. Austin
R. A. Gonzalez
E. J. Rapp
G. F. Tilton

Domicile
Delaware

Founded
2012

Employees
25,000

Stockholders
58,250

AbbVie Inc

Quantitative Evaluations	
S&P Capital IQ Fair Value Rank	5 LOWEST HIGHEST Based on S&P Capital IQ's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).
Fair Value Calculation	\$103.60 Analysis of the stock's current worth, based on S&P Capital IQ's proprietary quantitative model suggests that ABBV is Undervalued by \$45.55 or 78.5%.
Investability Quotient Percentile	92 LOWEST = 1 HIGHEST = 100 ABBV scored higher than 92% of all companies for which an S&P Capital IQ Report is available.
Volatility	LOW AVERAGE HIGH
Technical Evaluation	BEARISH Since January, 2015, the technical indicators for ABBV have been BEARISH.
Insider Activity	NA UNFAVORABLE NEUTRAL FAVORABLE

Expanded Ratio Analysis		2013	2012	2011	2010
Price/Sales		4.51	2.97	Nil	Nil
Price/EBITDA		11.80	7.05	Nil	Nil
Price/Pretax Income		15.89	9.55	Nil	Nil
P/E Ratio		20.52	10.36	Nil	Nil
Avg. Diluted Shares Outstg (M)		1,604.0	1,600.0	1,585.0	1,585.0

Figures based on calendar year-end price

Key Growth Rates and Averages		1 Year	3 Years	5 Years	9 Years
Past Growth Rate (%)					
Sales		2.23	6.10	NA	NA
Net Income		-21.74	4.61	NA	NA
Ratio Analysis (Annual Avg.)					
Net Margin (%)		21.97	23.02	25.68	NA
% LT Debt to Capitalization		76.01	81.35	NA	NA
Return on Equity (%)		104.44	NA	NA	NA

For further clarification on the terms used in this report, please visit www.standardandpoors.com/stockreportguide

Company Financials Fiscal Year Ended Dec. 31		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Per Share Data (\$)											
Tangible Book Value		NA	NM	NM	NM	NA	NA	NA	NA	NA	NA
Cash Flow		NA	3.13	4.07	NA	NA	NA	NA	NA	NA	NA
Earnings		1.10	2.56	3.35	2.03	NA	NA	NA	NA	NA	NA
S&P Capital IQ Core Earnings		NA	2.58	3.37	2.80	2.64	NA	NA	NA	NA	NA
Dividends		1.66	1.60	Nil	NA	NA	NA	NA	NA	NA	NA
Payout Ratio		151%	63%	Nil	NA	NA	NA	NA	NA	NA	NA
Prices:High		70.76	54.78	37.07	NA	NA	NA	NA	NA	NA	NA
Prices:Low		45.50	33.33	32.51	NA	NA	NA	NA	NA	NA	NA
P/E Ratio:High		64	21	11	NA	NA	NA	NA	NA	NA	NA
P/E Ratio:Low		41	13	10	NA	NA	NA	NA	NA	NA	NA
Income Statement Analysis (Million \$)											
Revenue		NA	18,790	18,380	17,639	15,638	14,214	NA	NA	NA	NA
Operating Income		NA	7,181	7,758	NA	6,361	5,826	NA	NA	NA	NA
Depreciation		NA	897	1,150	NA	1,184	697	NA	NA	NA	NA
Interest Expense		NA	299	104	292	NA	NA	NA	NA	NA	NA
Pretax Income		NA	5,332	5,725	3,367	4,836	5,950	NA	NA	NA	NA
Effective Tax Rate		NA	22.6%	7.86%	3.70%	13.6%	22.1%	NA	NA	NA	NA
Net Income		NA	4,128	5,275	3,243	4,178	4,637	NA	NA	NA	NA
S&P Capital IQ Core Earnings		NA	4,135	5,389	4,432	4,182	NA	NA	NA	NA	NA
Balance Sheet & Other Financial Data (Million \$)											
Cash		NA	9,895	7,976	7,200	NA	NA	NA	NA	NA	NA
Current Assets		NA	17,848	15,354	13,546	NA	NA	NA	NA	NA	NA
Total Assets		NA	29,198	27,008	25,948	NA	NA	NA	NA	NA	NA
Current Liabilities		NA	6,879	6,776	6,368	NA	NA	NA	NA	NA	NA
Long Term Debt		NA	14,292	14,630	14,700	NA	NA	NA	NA	NA	NA
Common Equity		NA	4,492	3,363	2,230	NA	NA	NA	NA	NA	NA
Total Capital		NA	18,802	18,015	16,930	NA	NA	NA	NA	NA	NA
Capital Expenditures		NA	491	333	NA	NA	NA	NA	NA	NA	NA
Cash Flow		NA	5,025	6,425	NA	NA	NA	NA	NA	NA	NA
Current Ratio		NA	2.6	2.3	2.1	NA	NA	NA	NA	NA	NA
% Long Term Debt of Capitalization		NA	76.0	81.2	86.8	NA	NA	NA	NA	NA	NA
% Net Income of Revenue		NA	22.0	28.7	NA	NA	NA	NA	NA	NA	NA
% Return on Assets		NA	14.7	22.6	NA	NA	NA	NA	NA	NA	NA
% Return on Equity		NA	104.4	67.7	NA	NA	NA	NA	NA	NA	NA

Data as originally reported in Company reports.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

AbbVie Inc

Sub-Industry Outlook

Our fundamental outlook for the pharmaceuticals sub-industry for the next 12 months is neutral. Although the sector continues to face top-line pressure from patent expirations on many top-selling drugs, as well as from foreign exchange fluctuations, we believe overall industry profits should hold up relatively well, helped by expanding sales of new innovative drug therapies and margin improvements accruing from cost restructurings and merger synergies. EPS comparisons should also benefit from common share repurchases.

While we see recently implemented health care reform legislation continuing to negatively affect industry profitability, we see benefits accruing from significant expansion of the market stemming from new coverage provided to about 26-28 million currently uninsured Americans from 2014-2019.

Despite near-term effects from patent expirations and regulatory pressures on drug pricing, we still think long-term prospects for the industry remain favorable. Pharmaceuticals remains one of the widest-margin U.S. industries, with prospects enhanced by demographic growth in the elderly (which account for about 33% of industry sales) and new drugs stemming from discoveries in genomics and biotechnology. Although FDA approvals of new molecular entities in 2013 fell to 27 from 39 approvals in 2012, we see a pickup in new approvals in 2014.

We expect prospects for the generic/specialty drug group to remain favorable. We see a large number of major drugs losing patent protection over the next few years, providing significant opportunities for this group. We favor companies with rich generic pipelines, especially those with first-to-file generics with the potential for 180 days of marketing exclusivity, and competence in litigating complex patent issues.

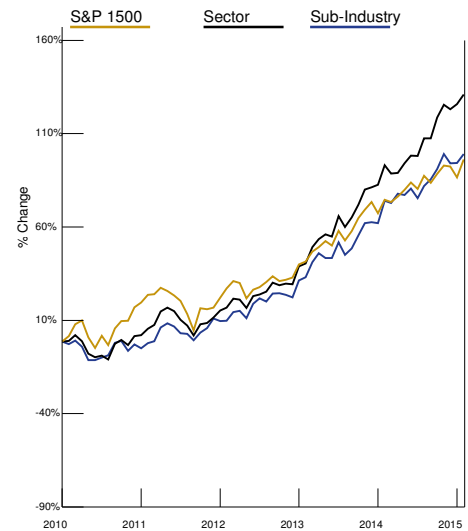
Year to date through September 19, the S&P Pharmaceuticals Index rose 15.6%, versus a 8.2% gain in the S&P 1500 Composite Index.

--Jeffrey Loo, CFA

Industry Performance

GICS Sector: Health Care
Sub-Industry: Pharmaceuticals

Based on S&P 1500 Indexes
Five-Year market price performance through Feb 14, 2015



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Past performance is not an indication of future performance and should not be relied upon as such.

Sub-Industry : Pharmaceuticals Peer Group*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
AbbVie Inc	ABBV	92,489	58.05	70.76/45.50	NA	3.4	53	103.60	NR	92	22.0	76.0
Bayer AG ADR	BAYRY	119,444	144.44	150.63/124.36	1.36	1.5	24	147.10	NR	81	7.9	16.9
Catalent Inc	CTLT	2,059	27.52	30.32/19.30	NA	Nil	44	NA	NR	19	1.0	115.1
GW Pharmaceuticals ADS	GWPH	1,540	78.09	111.46/41.86	NA	Nil	NM	NA	NR	75	NA	NA
Horizan Pharma Plc	HZNP	2,001	16.84	18.30/7.85	2.59	Nil	NM	NA	NR	7	NM	179.6
Hospira Inc	HSP	14,780	87.35	87.77/40.41	0.54	Nil	45	66.40	B-	94	NM	37.1
Impax Laboratories	IPXL	2,562	39.51	39.74/22.12	1.09	Nil	59	41.30	C	80	19.8	NA
Jazz Pharmaceuticals Plc	JAZZ	10,265	169.69	183.84/120.38	0.68	Nil	NM	185.80	NR	81	24.8	29.5
Mallinckrodt plc	MNK	13,397	115.01	115.44/56.12	NA	Nil	NM	NA	NR	18	NA	44.2
Mylan Inc	MYL	20,891	55.85	59.60/44.74	1.23	Nil	24	74.80	A-	89	9.0	71.9
Nektar Therapeutics	NKTR	1,559	13.54	17.53/10.10	1.47	Nil	NM	NA	C	8	NM	356.2
Pacira Pharmaceuticals	PCRX	3,821	113.94	119.08/60.30	1.46	Nil	NM	NA	NR	68	NM	0.5
Prestige Brands Hldgs	PBH	2,038	39.07	40.85/25.94	2.04	Nil	29	35.30	NR	16	12.1	62.4
Theravance Inc	THRX	1,673	14.85	40.82/10.58	1.91	6.7	NM	NA	C	31	NM	49.0
Zoetis Inc 'A'	ZTS	22,790	45.46	47.40/28.14	NA	0.7	39	NA	NR	90	11.1	79.1

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

AbbVie Inc

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

January 30, 2015

02:30 pm ET ... CORRECTION S&P CAPITAL IQ RAISES OPINION ON SHARES OF ABBVIE TO BUY FROM HOLD (ABBV 60.88****): We keep our 12-month target at \$78 on an in-line with peers 17.9X our '15 EPS estimate of \$4.36. We think the shares, now trading at 13.8X our '15 estimate due to recent decline, are attractively valued. Q4 EPS of \$0.89, vs. \$0.82, is \$0.04 ahead of our estimate. Sales grew 5.1% and gross margin expanded 410 basis points. ABBV forecasts Viekira sales will achieve an annualized run rate of more than \$3B by the end of 2015 (prior version said ABBV forecasts \$3B in 2015) and has access to 40% of insured patients. We think Gilead will maintain dominant market share in hepatitis C. /Jeffrey Loo, CFA

January 30, 2015

11:22 am ET ... S&P CAPITAL IQ RAISES OPINION ON SHARES OF ABBVIE TO BUY FROM HOLD (ABBV 60.535****): We keep our 12-month target at \$78 on an in-line with peers 17.9X our '15 EPS estimate of \$4.36. We think the shares, now trading at 13.8X our '15 estimate due to recent decline, are attractively valued. Q4 EPS of \$0.89, vs. \$0.82, is \$0.04 ahead of our estimate. Sales grew 5.1% and gross margin expanded 410 basis points. ABBV forecasts \$3B in '15 sales for recently launched Viekira for Hepatitis C and estimates it has access to 40% of insured patients. But we think \$3B in sales is aggressive and we see about \$2.4B-\$2.5B as we expect Gilead to maintain dominant market share. /Jeffrey Loo, CFA

January 9, 2015

11:34 am ET ... S&P CAPITAL IQ MAINTAINS HOLD OPINION ON SHARES OF ABBVIE (ABBV 65.47****): We keep our target price at \$78 on an in-line to peers 17.9X on our revised 2015 EPS estimate of \$4.36, up from \$4.30. ABBV provides 2015 EPS guidance of \$4.25-\$4.45 with results expected to be driven by strong growth from Humira as well as from the launch of recently approved hepatitis C drug Viekira, partially offset by a decline in several products due to generic competition, including AndroGel. ABBV also reported positive Phase III data yesterday on Elagolix to treat endometriosis. ABBV will provide detailed 2015 sales guidance on Jan. 30. We forecast 17.9% growth to \$23.1B. /Jeffrey Loo, CFA

January 8, 2015

01:11 pm ET ... S&P CAPITAL IQ LOWERS VIEW ON NEUROCRINE BIOSCIENCES TO HOLD FROM STRONG BUY (NBIX 26.139****): Shares are trading sharply higher today following the announcement by its partner AbbVie (ABBV 68****) that data for the first of two Phase III trials of Elagolix to treat premenopausal women with endometriosis met both of its co-primary endpoints of reducing non-menstrual pelvic pain and menstrual pain associated with endometriosis. Data from the 2nd Phase III trial is expected in late 2015. We are encouraged by the trial results and believe Elagolix could be approved by late 2016 with sales reaching \$500M by 2020. We raise our 12-month target price by \$5 to \$30 on revised DCF. /Jeffrey Loo, CFA

January 5, 2015

02:21 pm ET ... S&P REITERATES STRONG BUY OPINION ON SHARES OF GILEAD SCIENCES (GILD 97.28****): CVS Health (CVS 95****) announced it has given GILD's hepatitis C (HCV) drugs, Sovaldi and Harvoni exclusivity on its formularies. This follows AbbVie's (ABBV 64****) exclusive deal with Express Scripts, for its recently approved HCV drug, Viekira. We are not surprised by the CVS/GILD deal and believe it removes some investor concern over a potential ABBV/CVS deal. The companies have not disclosed a pricing discount, but we believe GILD will provide a discount. Express Scripts and CVS are the 2 largest PBMs in the U.S., respectively, and we do not see any more exclusive deals. /Jeffrey Loo, CFA

December 22, 2014

09:33 am ET ... S&P CAPITAL IQ MAINTAINS HOLD OPINION ON SHARES OF ABBVIE (ABBV 67.71****): The FDA approves ABBV's hepatitis C (HCV) drug, Viekira Pak, priced at \$83,319. In an unprecedented deal to gain market share, ABBV entered in an exclusive deal with Express Scripts (ESRX 81****), with Viekira Pak as the exclusive HCV drug on ESRX's formulary and ABBV will provide an undisclosed "significant" discount. We see this deal giving ABBV a greater market share but we think it will hurt margins and raise uncertainty over future biotech drug pricing. We raise our 12-mo. target price \$8 to \$78 on in-line to peers 18.1X our revised '15 EPS estimate \$4.30 up from \$4.08. /Jeffrey Loo, CFA

December 22, 2014

11:15 am ET ... S&P CAPITAL IQ MAINTAINS STRONG BUY OPINION ON SHARES

OF GILEAD SCIENCES (GILD 94.85****): The FDA approved AbbVie's (ABBV 67****) hepatitis C (HCV) drug, Viekira Pak, that will compete with GILD's HCV drugs. ABBV priced Viekira Pak at \$83,319, below Sovaldi and Harvoni. FDA approval was expected, but more importantly, ABBV entered into an exclusive deal with Express Scripts, which includes a "significant discount" with Viekira Pak as the exclusive HCV drug, excluding GILD's drugs. We believe this unprecedented deal will hurt GILD sales by at least \$1B in 2015. We lower our 12-mo. target \$15 to \$135 on below-peers 15X our '15 EPS est. of \$9.00, down from \$9.65. /gcc_support

December 22, 2014

11:15 am ET ... CORRECTION - S&P CAPITAL IQ KEEP STRONG BUY OPINION ON SHARES OF GILEAD SCIENCES (GILD 94.85****): Corrected analyst tag. The FDA approved AbbVie's (ABBV 67****) hepatitis C (HCV) drug, Viekira Pak, that will compete with GILD's HCV drugs. ABBV priced Viekira Pak at \$83,319, below Sovaldi and Harvoni. ABBV entered into an exclusive deal with Express Scripts, which includes a "significant discount" with Viekira Pak as the exclusive HCV drug, excluding GILD's drugs. We believe this unprecedented deal will hurt GILD sales by at least \$1B in 2015. We lower our 12-mo. target \$15 to \$135 on below-peers 15X our '15 EPS est. of \$9.00, down from \$9.65. /Jeffrey Loo, CFA

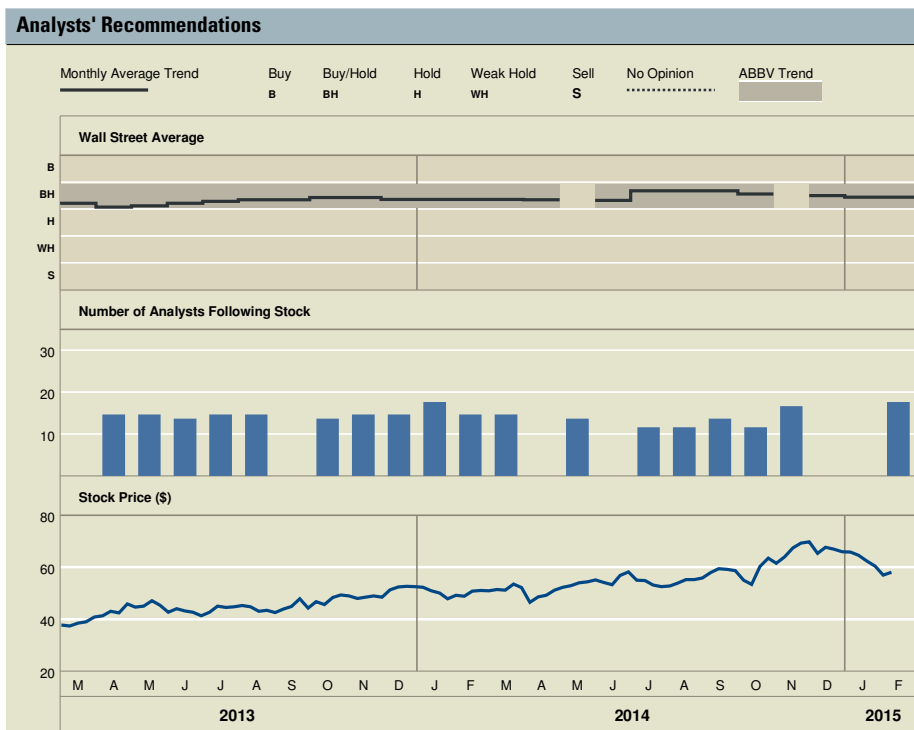
December 17, 2014

03:04 pm ET ... S&P CAPITAL IQ MAINTAINS STRONG BUY OPINION ON SHARES OF NPS PHARMACEUTICALS (NPSP 35.84****): Shares are trading significantly higher today following an unconfirmed report in Bloomberg that Shire (SHPG 213, NR) is looking at several acquisition targets focused on rare diseases, including a potential bid for NPSP. Shire recently received a \$1.635 billion breakup fee from AbbVie (ABBV 66, Hold), following the termination of their proposed merger. We believe NPSP's focus on rare diseases would be complementary fit with Shire's pipeline. The FDA action date for NPSP's Natpara to treat hypoparathyroidism is January 24, 2015. We keep our target price at \$42. /Jeffrey Loo, CFA

October 31, 2014

12:35 pm ET ... S&P CAPITAL IQ KEEPS HOLD OPINION ON SHARES OF ABBVIE (ABBV 63.8301****): We raise our '14 EPS estimate \$0.10 to \$3.26 and 12-mo. target \$12 to \$70 on an in-line to peers 18.5X our forward 12-mo. EPS estimate of \$3.77. Q3 adjusted EPS of \$0.89 vs. \$0.82 is \$0.12 ahead of our estimate. Sales rose 7.8% with Humira sales up 17.5%. We anticipate ABBV's Hepatitis C (HCV) combination drug to be approved in Q4 14 but believe Gilead Sciences' recently approved drug, Harvoni, will command a market leading position. Still we expect HCV to be a large growth driver in '15. ABBV ruled out any large tax inversion deal, but would be interested in rare disease deals. /Jeffrey Loo, CFA

AbbVie Inc



Wall Street Consensus Opinion

BUY/HOLD

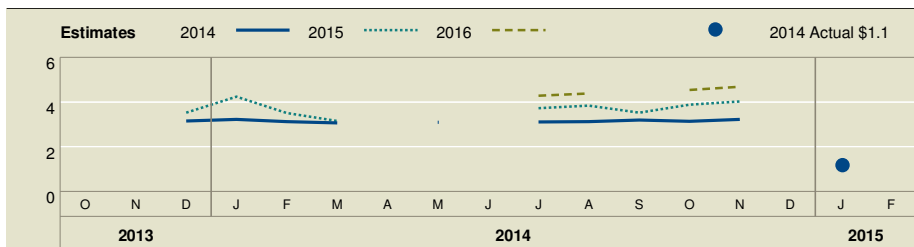
Companies Offering Coverage

- Argus Research Company
- BMO Capital Markets Equity Research
- Barclays
- BofA Merrill Lynch
- Citigroup Inc
- Cowen and Company, LLC
- Credit Suisse
- Deutsche Bank
- Evercore ISI
- Goldman Sachs
- Guggenheim Securities, LLC
- Hilliard Lyons
- JP Morgan
- Jefferies LLC
- Morgan Stanley
- Morningstar Inc.
- UBS Investment Bank

Of the total 17 companies following ABBV, 17 analysts currently publish recommendations.

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	6	35	0	6
Buy/Hold	4	24	0	6
Hold	6	35	0	3
Weak Hold	0	0	0	1
Sell	1	6	0	0
No Opinion	0	0	0	0
Total	17	100	0	16

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2016	4.99	5.38	4.46	12	11.6
2015	4.36	4.36	4.36	1	13.3
2016 vs. 2015	▲ 14%	▲ 23%	▲ 2%	▲ 1100%	▼ -13%

Wall Street Consensus vs. Performance

For fiscal year 2015, analysts estimate that ABBV will earn US\$ 4.36. For fiscal year 2016, analysts estimate that ABBV's earnings per share will grow by 14% to US\$ 4.99.

A company's earnings outlook plays a major part in any investment decision. S&P Capital IQ organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Glossary

S&P Capital IQ STARS

Since January 1, 1987, S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, S&P Capital IQ Equity Research has ranked Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P Capital IQ equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Capital IQ Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Capital IQ EPS Estimates

S&P Capital IQ earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P Capital IQ EPS estimates reflect either forecasts of S&P Capital IQ equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to S&P Capital IQ Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Capital IQ Core Earnings

S&P Capital IQ Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the S&P Capital IQ definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

S&P Capital IQ 12-Month Target Price

The S&P Capital IQ equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Capital IQ Fair Value.

S&P Capital IQ Equity Research

S&P Capital IQ Equity Research U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as S&P Capital IQ; Standard & Poor's Equity Research Services Asia includes: McGraw-Hill Financial Singapore Pte. Limited, Standard & Poor's Investment Advisory Services (HK) Limited, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Capital IQ Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model

EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

S&P Capital IQ Qualitative Risk Assessment

Reflects an 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 S&P Capital IQ Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

H 5-STARs (Strong Buy):

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.

H H 4-STARs (Buy):

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

H H H 3-STARs (Hold):

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.

H H H 2-STARs (Sell):

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

H H H 1-STAR (Strong Sell):

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 the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

Required Disclosures

S&P Capital IQ ranks stocks in accordance with the following ranking methodologies:

STARS Stock Reports:

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.

Quantitative Stock Reports:

S&P Capital IQ's quantitative evaluations are derived from S&P Capital IQ's proprietary Fair Value quantitative ranking model. The Fair Value Ranking methodology is a relative ranking methodology. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity. Some Quantitative Stock Reports contain Buy, Hold and Sell recommendations. Reports that do not contain a recommendation may or may not contain ranking information. For reports containing a recommendation or ranking information refer to the Glossary Section of this report for more information, including a detailed description of the methodology and definition of S&P Quality Ranking and S&P Fair Value Rank.

STARS Stock Reports and Quantitative Stock Reports:

The methodologies used in Stock Reports and Quantitative Stock Reports (collectively, the "Research Reports") reflect different criteria, assumptions and analytical methods and may have differing recommendations. S&P Capital IQ believes that the methodologies and data used to generate the different types of Research Reports are reasonable and appropriate. Generally, S&P Capital IQ does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. S&P Capital IQ reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

STARS Stock Reports:

S&P Capital IQ Global STARS Distribution as of December 31, 2014

Ranking	North America	Europe	Asia	Global
Buy	37.7%	25.4%	33.8%	35.2%
Hold	51.6%	48.4%	45.0%	50.4%
Sell	10.7%	26.2%	21.2%	14.4%
Total	100%	100%	100%	100%

STARS Stock Reports are prepared by the equity research analysts of Standard & Poor's Investment Advisory Services LLC ("SPIAS"). 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.

Quantitative Stock Reports:

The Fair Value ranking distribution is a fixed distribution based on relative weightings as described in the Glossary section of this report under S&P Capital IQ Fair Value Rank. Certain reports with Fair Value Rank do not have a Buy/Hold/Sell recommendation, for ranking definition please refer to the Glossary section of the respective report. The Fair Value Ranking distribution includes all the stocks that have S&P Fair Value Ranking. Quantitative Stock Reports are prepared by the equity research group of SPIAS. All of the views expressed in these reports reflect S&P Capital IQ's research models output regarding any and all of the subject securities or issuers. Quantitative Stock Reports are updated daily. Quantitative Stock Reports rely on the availability of data and therefore SPIAS do not provide a report when sufficient data is not available.

STARS Stock Reports and Quantitative Stock Reports:

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.

About S&P Capital IQ's Distributors

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 ("S&P"). SPIAS is authorized and regulated by the U.S. Securities and Exchange Commission. McGraw-Hill Financial Research Europe Limited ("MHFRE"), which is authorized and regulated by the Financial Conduct Authority and trades as S&P Capital IQ, includes within its territorial scope under the Markets in Financial Instruments Directive (MiFID) in relation to the distribution of investment research reports, the following European Union member states and the three (3) European Economic Area European Free Trade Association (EFTA) States (Iceland, Liechtenstein and Norway): Austria; Belgium; Bulgaria; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Gibraltar; Greece; Hungary; Iceland; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Malta; Netherlands; Norway; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden and the United Kingdom. In Hong Kong, Research Reports have been prepared and issued by Standard & Poor's Investment Advisory Services (HK) Limited, which is regulated by the Hong Kong Securities Futures Commission; in Singapore, by McGraw-Hill Financial Singapore Pte. Limited ("MHFSPL"), which is regulated by the Monetary Authority of Singapore; in Malaysia, by Standard & Poor's Malaysia Sdn Bhd, which is regulated by the Securities Commission of Malaysia; in Australia, by Standard & Poor's Information Services (Australia) Pty Ltd ("SPIS"), which is regulated by the Australian Securities & Investments Commission; and in Japan, by McGraw-Hill Financial Japan KK, which is registered by Kanto Financial Bureau.

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.

For details on the S&P Capital IQ research objectivity and conflict-of-interest policies, please visit: www.spcapitaliq.com/Policies

For a list of companies mentioned in a Research Report for which McGraw Hill Financial, Inc. and/or one of its affiliates own 1% or more of common equity securities and for a list of companies mentioned in a Research Report that own more than 5% of the common equity securities of McGraw Hill Financial, Inc. and/or one of its affiliates, please visit: www.spcapitaliq.com/issuer-stock-ownership

S&P Capital IQ and/or one of its affiliates has performed services for and received compensation from this company during the past twelve months.

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.

S&P Capital IQ, its affiliates, 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 or adequacy of this material, and S&P Parties shall have no liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of the information provided by the S&P Parties. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. 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) in connection with any use of the information contained in this document even if advised of the possibility of such damages.

Ratings from Standard & Poor's Ratings Services are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update its opinions following publication in any form or format. S&P should not be relied on and are not substitutes for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions do not address the suitability of any security.

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 credit-related 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's publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

S&P Capital IQ and its affiliates do not act as a fiduciary. 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.

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.

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.

For residents of Australia: Research Reports are issued and/or distributed in Australia by SPIS. Any express or implied opinion contained in a Research Report is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s) alone. The information in a Research Report has not been prepared for use by retail investors and has been prepared without taking account of any particular investor's financial or investment objectives, financial situation or needs. Before acting on any advice, any investor using the advice should consider its appropriateness having regard to their own or their clients' objectives, financial situation and needs. Investors should obtain a Product Disclosure Statement relating to the product and consider the statement before making any decision or recommendation about whether to acquire the product. Each opinion must be weighed solely as one factor in any investment decision made by or on behalf of any adviser and any such adviser must accordingly make their own assessment taking into account an individual's particular circumstances.

SPIS holds an Australian Financial Services License Number 258896. Please refer to the SPIS Financial Services Guide for more information at: www.spcapitaliq.com/FinancialServicesGuide

More information about the written criteria and methodologies for the generation of Research Reports and historical information for Research Reports for the past 12 months are available by contacting S&P Capital IQ Client Services Department at 61-1300-792-553 or via e-mail at spsupportcenter@standardandpoors.com.

For residents of Bahamas: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with licensing requirements under the Securities Industry Act of 1999 and the Securities Industry Regulations of 2000 of The Bahamas, when distributing Research Reports to members of the public in The Bahamas. The Intermediary is also solely responsible for providing any required disclosures under applicable securities laws and regulations to its Bahamian clients, including but not limited to disclosing whether the Intermediary: (i) has a reasonable basis for specific investment recommendations, and the recommended security's price or price range at the time of the recommendation to the client; (ii) makes a market in the recommended security; (iii) its directors, officers or principal shareholders have a current or contingent financial interest in the recommended security, unless the interest is nominal; (iv) participated in a public offering of the recommended security in the last two (2) years; and (v) has disclosed any conflict of interest between it and the issuer of the recommended security.

For residents of Bermuda: The Bermuda Monetary Authority or the Registrar of Companies in Bermuda has not approved the Research Reports and any representation, explicit or implicit, is prohibited.

For residents of Brazil: Research reports are distributed by S&P Capital IQ and in compliance with Instruction 483 enacted by Comissao de Valores Mobiliarios (the Brazilian Securities Commission) dated as of July 6, 2010, the analyst (where applicable) who prepares a Research Report or a report extract affirms: (i) that all the views expressed herein and/or in a Research Report accurately reflect his or her personal views about the securities and issuers; (ii) that all recommendations issued by him or her were independently produced, including from the opinion of the entity in which he or she is an employee. S&P Capital IQ is of the opinion its Research Reports have been prepared in accordance with section 17, II of Instruction 483. The distributor of the Research Report is responsible for disclosing any circumstances that may impact the independence of S&P Capital IQ's Research Report, in accordance with

section 17, II of Instruction 483.

For residents of British Virgin Islands: All products and services offered by S&P Capital IQ and its affiliates are provided or performed, outside of the British Virgin Islands. The intended recipients of the Research Reports are (i) persons who are not members of the public for the purposes of the Securities and Investment Business Act, 2010 ("SIBA"); (ii) persons who are professional services providers to the British Virgin Islands business companies for the purposes of SIBA; and (iii) any other person who is given the Research Reports by a person licensed as an investment advisor in the British Virgin Islands. If you are in any doubt as to whether you are the intended recipient of this document, please consult your licensed investment advisor.

For residents of Canada: Canadian investors should be aware that any specific securities discussed in a Research Report can only be purchased in Canada through a Canadian registered dealer and, if such securities are not available in the secondary market, they can only be purchased by eligible private placement purchasers on a basis that is exempt from the prospectus requirements of Canadian securities law and will be subject to resale restrictions. Information in Research Reports may not be suitable or appropriate for Canadian investors. Only a registered distributor is eligible to distribute excerpts of any Research Reports, and distributor will be deemed to assume regulatory responsibility for the excerpted information, and undertakes to provide notice to clients that it will be assuming such responsibility.

For residents of Chile: S&P Capital IQ shall not be acting as an intermediary of any securities referred to in a Research Report. S&P Capital IQ (and its affiliates) is not registered with, and such securities may not be registered in the Securities Registry maintained by the Superintendencia de Valores y Seguros de Chile (Chilean Securities and Insurance Superintendencia or "SVS") pursuant to the Chilean Securities Market Law 18045. Accordingly, investment research presented in a Research Report is not intended to constitute a public or private offer of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law 18045, as amended and restated, and supplemental rules enacted thereunder.

For residents of China: S&P Capital IQ's Research Reports are not distributed in or directed to residents in The People's Republic of China. Neither S&P Capital IQ nor its affiliates target investors in China.

For residents of Colombia: This information and/or information contained in Research Reports is not intended or should not be construed as constituting information delivery to the Colombian Securities Market under Colombian Law.

For residents of Czech Republic: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with licensing requirements under the Capital Markets Act (Act No. 256/2004 Coll., as amended), implementing Directive 2004/39/EC of the European Parliament and of the Council of 21 April, 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and its implementing directives, and Directive 2003/125/EC implementing Directive 2003/6/EC as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest; and the Civil Code (Act No. 40/1964 Coll., as amended) as regards the distance financial contract regulation protecting the consumers.

For residents of Dubai (DIFC): The information contained in Research Reports distributed by S&P Capital IQ is intended for investors who are "professional clients", as defined in Rule 2.3.2(2) of the Conduct of Business Module (COB) of the DFSA Rulebook.

For residents of the European Economic Area (EEA): Research Reports have been approved for distribution in the EEA listed here: Austria; Belgium; Bulgaria; Cyprus; Czech Republic (see further disclosure above); Denmark; Estonia; Finland; France (see further disclosure below); Germany; Gibraltar; Greece (see further disclosure below); Hungary (see further disclosure below); Iceland; Ireland (see further disclosure below); Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Malta (see further disclosure below); Netherlands; Norway; Poland; Portugal; Romania; Slovakia (see further disclosure below); Slovenia; Spain (see further disclosure below); Sweden and United Kingdom (see further disclosure below), as investment research by MHFRE, which is authorized and regulated by the Financial Conduct Authority in the UK. S&P Capital IQ's Stock Reports are to be read in conjunction with "Your Guide to S&P Capital IQ's Stock Reports" which can be found at: www.spcapitaliq.com/stockreportguide.

More information about the written criteria and methodologies for the generation of Research Reports and historical information for Research Reports for the past 12 months are available by contacting S&P Capital IQ Client Services Department at (212) 438-4510 or via e-mail at: spsupportcenter@standardandpoors.com.

For residents of Guernsey, Isle of Man and Jersey: The Research Reports provide by S&P Capital IQ serve to assist the Intermediary in determining the advice it provides to its clients, but are not intended as advice to any of the Intermediary's

Redistribution or reproduction is prohibited without written permission. Copyright © 2015 Standard & Poor's Financial Services LLC. STANDARD & POOR'S, S&P, S&P 500, S&P CAPITAL IQ, S&P EUROPE 350 and STARS are registered trademarks of Standard & Poor's Financial Services LLC.

clients and the intermediary, and not S&P Capital IQ, will be solely responsible for the provision of investment advice to the client. Independent investment advice should be sought by persons in their capacity as investors or potential investors and the Intermediary will be solely responsible for complying with any applicable regulatory obligations relating to the distribution of investment research.

For residents of France: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to the distribution of investment recommendations as specified in the Financial Code and the Autorité des Marchés Financiers rule book.

For residents of Greece: S&P Capital IQ Research Reports should only be used for the purposes of investment research, and should not be interpreted as or be used to provide investment advice or as part of any offer to the public of any specific security or financial instrument.

For residents of Hong Kong: Information in the Research Reports shall not be construed to imply any relationship, advisory or otherwise, between S&P and the recipient user of the research report unless expressly agreed by S&P Capital IQ. S&P Capital IQ is not acting nor should it be deemed to be acting, as a "fiduciary" or as an "investment manager" or "investment advisor" to any recipient of this information unless expressly agreed by S&P Capital IQ. The Distributor of the Research Reports will be solely responsible for describing its role to its clients with respect to the distribution of S&P Capital IQ's Research Reports.

For residents of Hungary: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to data protection requirements as set out in Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of information; and with Act CLV. of 1997 on Consumer Protection and with Act CXXXVIII of 2007 on Investment services.

For residents of India: Residents of India should consult their financial and legal advisers regarding the suitability of any of S&P Capital IQ's services and products. S&P Capital IQ does not intend to utilize the Research Report service to invite or carry out any business activities with S&P Capital IQ. Research Reports provided by S&P Capital IQ serve to assist the Intermediary in determining the advice it provides to its clients, but are not intended as advice to the Intermediary and to any of the Intermediary's clients and the intermediary will be solely responsible for the provision of investment advice to the client.

For residents of Indonesia: Research Reports do not constitute an offering document and it should not be construed as an offer of securities in Indonesia, and any such securities will only be offered or sold through a financial institution.

For residents of Israel: Research reports are intended only for distribution to "Qualified Investors", as defined in the Schedule to Israel's Regulation of Investment Advice, Investment Marketing and Portfolio Management Law of 1995. All other persons who are not Qualified Investors under Israeli law should seek additional investment advice from their financial advisers. The relevant analyst declares that the views expressed in a particular Research Report faithfully reflect the analyst's personal views regarding the securities under review and the issuer of the securities.

For residents of Japan: Research Reports are intended only for distribution to "Asset Management Firms".

For residents of Kazakhstan: Research Reports are not intended for distribution to the public in Kazakhstan. Any distribution to specific persons is the sole responsibility of the distributor and the distributor, and not S&P Capital IQ, is responsible for complying with all local regulations, including but not limited to advertising requirements related to public solicitation.

For residents of Malta: The distributor of Research Reports in Malta, is solely responsible for ensuring that the investment research produced by S&P Capital IQ and proposed to be disseminated in or from within Malta is reviewed for compliance with the investment services rules issued by the Malta Financial Services Authority in terms of the Investment Services Act, Cap 370 of the laws of Malta.

For residents of Mexico: S&P Capital IQ is not regulated or supervised by the Mexican National Banking and Securities Commission ("CNBV"). S&P Capital IQ has a licensed rating agency affiliate in Mexico (Standard & Poor's, S.A. De C.V.), of which S&P maintains firewalls and seeks to avoid conflicts of interest, pursuant to approved policies. Research Reports on securities that are not registered with the National Securities Registry maintained by the Mexican National Securities Registry are intended only for distribution to qualified, institutional investors or to any other investors to whom distribution the S&P Research is permissible under Mexican law.

For residents of Monaco: The Intermediary, and not S&P Capital IQ, will be solely responsible for providing copies of S&P Capital IQ Research Reports to the appropriate Monegasque regulator prior to distributing to its clients.

For residents of Morocco: Research Reports are intended for distribution only to professional investors.

For residents of Peru: S&P Capital IQ's Research Reports shall not, under any circumstances, be considered an invitation to take deposits or funds from the public, under any mechanism, or to carry on any activities that may be prohibited by Peruvian law. The Intermediary also agrees that the use of S&P Capital IQ's Research Reports shall not be used by Intermediary to solicit an investment in the securities that are the subject of the Research Report in any way that may be prohibited by Peruvian law.

For residents of Qatar: The Distributor, and not S&P Capital IQ, is responsible for complying with all relevant licensing requirements as set forth by the Qatar Financial Markets Authority or the Qatar Central Bank, and with all relevant rules and regulations set out in the Qatar Financial Markets Authority's rule book, including third party branded investment research distribution of securities that are admitted for trading on a Qatari securities exchange (Admitted Securities).

For residents of Russia: Research Reports on financial instruments are intended for "qualified investors", as defined in the Securities market law of the Russian Federation dated 22 April 1996, as amended, only.

For residents of The Kingdom of Saudi Arabia: S&P Capital IQ and its affiliates do not distribute Research Reports in the Kingdom of Saudi Arabia. Residents of Saudi Arabia should be aware that the distributor of S&P Capital IQ's Research Reports may not be permitted to distribute investment research either: (i) from a permanent place of business in or otherwise within the territory of the Kingdom of Saudi Arabia; or (ii) to an investor in the Kingdom of Saudi Arabia unless that investor is a Capital Market Authority authorized investor or the Saudi Arabian Monetary Agency.

When a distributor disseminates S&P Capital IQ's Research Reports in the Kingdom of Saudi Arabia, the distributor, and not S&P Capital IQ, is solely responsible for approving the contents of Research Reports and complying with licensing requirements and authorizations of the Saudi Arabian Capital Market Authority's ("CMA"), including CMA's Authorized Persons Regulations concerning securities advertisements.

S&P does not conduct a securities business in the Kingdom of Saudi Arabia and the distributor, and not S&P Capital IQ, assumes all responsibilities and liabilities for distributing Research Reports in the Kingdom of Saudi Arabia. **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 an investment activity in the Kingdom of Saudi Arabia.** S&P Capital IQ does not communicate directly with a distributor's customers and a distributor's customers should not contact S&P Capital IQ directly regarding any information or data provided in Research Reports.

For residents of Singapore: Research reports that contain extracts from S&P Capital IQ's Research Reports are not prepared, issued or reviewed by MHFSP and MHFSP assumes no responsibility for the Research Reports, and nothing referenced by MHFSP should be considered to be a solicitation or recommendation to buy or sell any security, nor should it be considered to be investment advice.

For residents of Slovak Republic: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to the Slovak Securities Act (Act No. 566/2001 Coll., as amended), implementing Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and its implementing directives, and Directive 2003/125/EC implementing Directive 2003/6/EC as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest; and with the Slovak Act on Consumer Protection in Distance Financial Services Contracts (Act No. 266/2005 Coll., as amended).

For residents of Spain: Certain of S&P Capital IQ's equity Research Reports may be considered to be marketing communications for purposes of Spanish law.

For residents of Switzerland: Research reports are only directed at and should only be relied on by investors outside of the EEA or investors who are inside the EEA and who have professional experience in matters relating to investments or who are high net worth investors, as defined in Article 19(5) or Article 49(2) (a) to (d) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, respectively. S&P Capital IQ's Stock Reports are to be read in conjunction with "Your Guide to S&P Capital IQ's Stock Reports" which can be found at www.standardandpoors.com/stockreportguide. For some clients, Research reports have been prepared by S&P Capital IQ and/or one of its affiliates, and redistributed by the client.

For residents of the United Arab Emirates (UAE): S&P Capital IQ and its affiliates neither undertake banking, financial, or investment consultations business in or into

the UAE within the meaning of the Central Bank Board of Directors' Resolution No. 164/8/94 regarding the regulations for investment companies nor provides financial analysis or consultation services in or into the UAE within the meaning of UAE SECURITIES AND COMMODITIES AUTHORITY DECISION NO. 48/R OF 2008 concerning financial consultation and financial analysis.

Investment research distributed by S&P Capital IQ and its affiliates is not intended to amount to an offer of securities within the meaning of DIFC Law NO. 12 OF 2004 (the DIFC Markets Law) or the equivalent laws, rules and regulations made by the Central Bank of the UAE and their Emirates Securities and Commodities Authority. Neither the Dubai Financial Services Authority, the UAE Securities nor Commodities Authority of the Central Bank of the UAE has reviewed or verified any of the information provided in a Research Report or through any service provided by S&P Capital IQ or its affiliates, or has any responsibility for it.

If a recipient of Research Report does not understand any of the contents of the Research Report, the recipient should contact a financial advisor. Users of extracts of investment Research Reports should be aware that if they are distributed in the UAE by an intermediary, the intermediary is solely responsible for the distribution and contents of the investment research in the UAE.

For residents of the United Kingdom: In the United Kingdom Research Reports are approved and/or communicated by MHFRE which is authorized and regulated by the Financial Conduct Authority for the conduct of investment business in the UK. Research Reports are only directed at and should only be relied on by investors outside of the UK or investors who are inside the UK and who are professional clients in matters relating to investments or who are high net worth investors, as defined by the FCA and in Article 19(5) or Article 49(2) (a) to (d) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, respectively. MHFRE may not distribute Research Reports to retail clients, as defined by the FCA. S&P Capital IQ's Stock Reports are to be read in conjunction with "Your Guide to S&P Capital IQ's Stock Reports" which can be found at www.spcapitaliq.com/stockreportguide.

For residents of Uruguay: S&P Capital IQ or its affiliates are not, individually a risk assessment entity registered with the Central Bank of Uruguay, and S&P Capital IQ's Research Reports do not constitute a risk assessment. Investment research presented in a Research Report is not intended to constitute a public or private offer of securities in Uruguay. S&P Capital IQ's Research Reports are not intended for worldwide distribution, as such, and are not published to Uruguayan clients in Spanish.

For residents of Venezuela: Research Reports can only be distributed in Venezuela by an investment advisor, duly licensed under Venezuelan law. The distributor of the Research Reports, and not S&P Capital IQ, is solely responsible for complying with licensing requirements.

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.