24 January 2014
Americas/United States
Equity Research
Strategy

CREDIT SUISSE

Weekly Insights

PORTFOLIO RESEARCH

Coverage and Opinion Changes

		Date	Price	Target	Opinion New	Opinion Old	Analyst
Initiations	3D Systems (DDD)*	1/21/2014	$90.53	$90.00	**Neutral**	Outperform	J. Shaffer
	Aramark Holdings Corporation (ARMK)	1/21/2014	24.51	32.00	**Outperform**	—	H. Mazari
	Callidus Software, Inc. (CALD)	1/22/2014	14.56	20.00	**Outperform**	—	M. Nemeroff
	Centene Corporation (CNC)*	1/23/2014	61.46	72.00	**Outperform**	Neutral	C. Carter
	Fidelity & Guaranty Life (FGL)	1/22/2014	19.58	21.00	**Outperform**	—	T. Gallagher
	Hilton Worldwide Holdings (HLT)	1/21/2014	21.96	25.00	**Outperform**	—	J. Simkins
	Molina Healthcare, Inc. (MOH)*	1/23/2014	37.40	42.00	**Neutral**	—	C. Carter
	Stratasys (SSYS)*	1/21/2014	120.56	144.00	**Outperform**	Neutral	J. Shaffer
	WellCare Health Plans, Inc. (WCG)	1/23/2014	70.44	77.00	**Neutral**	—	C. Carter
Opinions	**Upgrades**						
	AAR (AIR)	1/21/2014	$27.60	$29.00	**Neutral**	Underperform	J. Stewart
	Allegheny Technologies, Inc. (ATI)	1/23/2014	32.01	41.00	**Outperform**	Neutral	J. Stewart
	Forest Laboratories, Inc. (FRX)	1/16/2014	69.10	85.00	**Outperform**	Neutral	V. Divan
	Informatica (INFA)	1/22/2014	42.55	52.00	**Outperform**	Neutral	M. Nemeroff
	Paladin Energy (PDN.TO)	1/20/2014	C$0.55	C$0.70	**Neutral**	Underperform	R. Profiti
	Schlumberger (SLB)	1/17/2014	$90.01	$108.00	**Outperform**	Neutral	J. Wicklund
	Downgrades						
	Atwood Oceanics, Inc. (ATW)	1/17/2014	$50.14	$58.00	**Neutral**	Outperform	G. Lewis
	Silver Spring Networks (SSNI)	1/17/2014	23.50	23.00	**Neutral**	Outperform	P. Jobin

*Analyst assumed coverage.

Weighing In

From report dated 23 January 2014
Product Marketing

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Another Dimension

PORTFOLIO RESEARCH

Additive Manufacturing—Upgraded SSYS, Downgraded DDD on Valuation Gap and MakerBot Outgrowth

Jonathan Shaffer upgraded Stratasys to Outperform from Neutral and increased his target price to $144, and he downgraded 3D Systems to Neutral from Outperform and maintains his $90 target price. He also assumed primary coverage of both companies. Shaffer's rating changes are based on a recent valuation divergence between Stratasys and 3D Systems and a more constructive view of the prosumer and consumer 3D printing markets. He notes that 3D Systems currently trades at a significant premium to Stratasys, which he believes is unjustified, given the similar scale for the companies and Stratasys' superior consumer and prosumer positioning. Shaffer's new analysis suggests significant growth for the prosumer (engineers, architects, and educators) and consumer (households with children) markets.

Forest Laboratories—Upgraded to Outperform

Vamil Divan, MD, upgraded Forest Laboratories to Outperform from Neutral and increased his target price to $85. He believes that the company is in the early innings of a multiyear rejuvenation story, given (1) a combination of improvements in base business growth, (2) an opportunity for substantial operating margin expansion, and (3) incremental growth from future business development. Upcoming catalysts include quarterly earnings, a potential Namenda XR hard switch in the fall of 2014, and future business development activities.

Global Biotechnology—Fourth Quarter 2013 Earnings Preview

Ravi Mehrotra, Ph.D., outlined his take-home message from his 2014 outlook that large-cap biotech could be a notable outperformer based on the continued application of his standing generalist growth-at-a-reasonable-price (GARPy) inflows thesis. He believes that the investment driver has shifted from a near solitary focus on growth, given a perfect storm of blockbuster Phase III data and approvals, to one that includes: (1) top- and bottom-line beats, (2) operating leverage, (3) agency cost, (4) pipelines, and (5) pricing. Mehrotra also highlighted his view that small caps and mid-caps could continue to perform on a more selective basis, with stock selection being key.

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Schlumberger—Upgraded to Outperform

James Wicklund upgraded Schlumberger to Outperform from Neutral and increased his target price to $108. Moreover, he is overweight the large-cap integrated oilfield services companies, leading him to see Schlumberger as an even more compelling stock for 2014. Following Schlumberger's positive fourth quarter of 2013, it was made increasingly clear that technology continues to matter more, large-cap integrated companies are prospering at the expense of smaller players, and revenue growth should exceed the nominal increase in global capital expenditure as infrastructure spend wanes and well-related capital expenditure increases. Wicklund believes that Schlumberger's internal efficiency efforts should push margins higher, generating continued double-digit growth in earnings.

U.S. Beauty Care—Profit Pool at Risk as Key Players Battle over Market Share

Michael Steib believes that the U.S. mass-market beauty care categories are likely to become even more competitive in 2014 than investors and consumers are used to. The three main players, Procter & Gamble, Unilever, and L'Oreal, have deep pockets, strong brands, excellent distribution, and a combined market share of roughly 75% in hair shampoo, conditioner, and color and 50% in skin care. Our analysis suggests that, in aggregate, some $9.6 billion in annual retail sales and a profit pool of $1.6 billion is up for grabs, and a key risk is that all three companies engage in heavy promotional spending, which could negatively affect the size of the overall profit pool.

Medicaid Managed Care—Tapping into the Wave of Growth; Initiated on WCG, Assumed Coverage of CNC and MOH

Chris Carter assumed coverage of the Medicaid managed care sector with a positive long-term view and believes that the Medicaid end market is an attractive, investible theme, driven by a continued shift of nonmanaged populations to privately managed health plans. Carter assumed coverage of Centene and upgraded it to Outperform from Neutral with a $72 target price, as he is positive on the multiyear growth story and has the most relative comfort in the company's ability to manage new business. He also assumed coverage of Molina Healthcare and initiated coverage of WellCare Health Plans with Neutral ratings. Carter estimates an industry-wide opportunity for managed care of around $440 billion of annual premium revenue, and while he believes that the top-line opportunity is achievable, he finds that the largest risk is the ability to profitably manage new populations at the onset of contracts.

Key Calls

From report dated 21 January 2014
Electrical Equipment / Multi Industry

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Additive Manufacturing

ASSUMING COVERAGE

Upgraded SSYS, Downgraded DDD on Valuation Gap and MakerBot Outgrowth

- Based on a recent valuation divergence between Stratasys (SSYS, $120.56) and 3D Systems (DDD, $90.53) and a more constructive view of the prosumer and consumer 3D printing markets, we (1) upgraded SSYS to Outperform from Neutral and increased our target price to $144 from $128, and (2) downgraded DDD to Neutral from Outperform and maintain our $90 target price. We maintain our Underperform rating on ExOne (XONE, $57.68) and decreased our target price to $45 from $48 following its 2013 guidance reduction. We also assumed primary coverage of SSYS and DDD.
- Since 2009, SSYS and DDD have traded at similar valuations; however, over the past four months, this trend has broken. DDD currently trades at a significant premium to SSYS, which we believe is unjustified, given their similar scale and SSYS's superior consumer and prosumer positioning. Our new analysis suggests significant growth for the prosumer (engineers, architects, and educators) and consumer (households with children) markets. Following the 2014 consumer electronics show and new printer introductions offering larger build sizes at affordable prices, we are more constructive on this portion of the market and increased our annual total addressable market estimate to around $800 million in 2016. We also remain positive on the additive manufacturing space as a whole, although we are currently more cautious, given higher consensus growth expectations and valuation.
- We believe that SSYS's 2014 sales guidance of $660-680 million is conservative, given the likely MakerBot outgrowth in the second half of 2014 when new product introductions roll out. SSYS is strongly positioned in the prosumer and consumer markets, with premium brand, print quality, ease of use, and high sales exposure (21%). We increased our 2014 and out-year MakerBot estimates based on the new product line and penetration analysis; we estimate SSYS sales and EPS just above the top end of 2014 guidance and over 45% MakerBot organic revenue growth in the second half of 2014.
- DDD should issue 2014 guidance in the coming month; we believe that earnings guidance could disappoint consensus estimates, given heightened R&D costs from the Xerox (XRX, $12.20) transaction and incremental sales and marketing expense. XONE cut its 2013 sales guidance to $40-42 million based on delivery push out and highlighted that 40-50% revenue growth in 2014 remains achievable. We decreased our 2013-15 estimates to reflect the guidance revision. (Stock closing prices are as of January 17, 2014.)

From report dated 17 January 2014
Specialty Pharmaceuticals

Forest Laboratories, Inc. (FRX)

Rating	(from Neutral) **OUTPERFORM***
Price (15 Jan 14, US$)	69.10
Target price (US$)	(from 60.00) 85.00[1]
52-week price range	69.97 - 35.44
Market cap. (US$ m)	18,616.12
Enterprise value (US$ m)	18,414.23

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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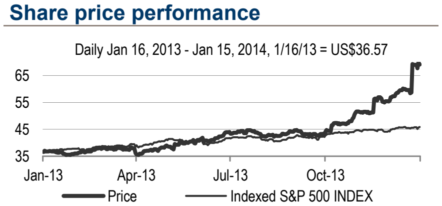
UPGRADE RATING

Upgraded to Outperform

- We upgraded Forest Laboratories to Outperform from Neutral and increased our target price to $85 from $60, as we believe that the company is in the early innings of a multiyear rejuvenation story. We believe that a combination of improvements in base business growth (most notably our increased confidence on the potential and longevity of FRX's Namenda franchise), an opportunity for substantial operating margin expansion, and incremental growth from future business development bode well for the stock.
- We believe that FRX could return to pre-Lexapro cliff revenue and EBITDA levels by fiscal 2015, which is earlier than the consensus currently projects. In addition, we view long-term multiple expansion to be plausible, given the solid commercial execution and operating performance, and additional business development under the new CEO.
- In our view, catalysts include (1) quarterly earnings, (2) a potential Namenda XR hard switch in the fall of 2014, and (3) future business development activities.
- Our $85 target price is based on a blended valuation (75% relative and 25% DCF), with the relative valuation yielding a fair value of $89 per share (20 times our 2015 non-GAAP EPS estimate) and the DCF valuation yielding a fair value of $75 per share (assuming an 8.25% WACC and -0.5% terminal growth).

Share price performance



On 01/15/14 the S&P 500 INDEX closed at 1848.38.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	0.28	0.15	-0.21	0.25
2014E	0.28	0.36	0.05	0.44
2015E	1.01	1.23	0.95	1.24

Financial and valuation metrics

Year	03/13A	03/14E	03/15E	03/16E
EPS (CS adj.) (US$)	0.47	1.13	4.43	5.16
Prev. EPS (US$)	—	1.24	3.35	4.00
P/E (x)	146.5	61.0	15.6	13.4
P/E rel. (%)	833.3	367.4	103.2	98.2
Revenue (US$ m)	3,094.0	3,448.5	4,784.6	4,875.2
EBITDA (US$ m)	228.3	557.0	1,884.4	2,116.9
OCFPS (US$)	0.51	0.98	5.15	4.70
P/OCF (x)	75.1	70.8	13.4	14.7
EV/EBITDA (current)	68.0	27.9	8.2	7.3
Net debt (US$ m)	-3,024	-202	-1,444	-2,658
ROIC (%)	2.13	4.98	22.75	25.83

Number of shares (m)	269.41	IC (current, US$ m)	2,720.96
BV/share (Next Qtr., US$)	21.8	EV/IC (x)	5.3
Net debt (Next Qtr., US$ m)	-2,967.2	Dividend (current, US$)	—
Net debt/tot cap (Next Qtr., %)	-50.3	Dividend yield (%)	—

Source: Company data, Credit Suisse estimates.

From report dated 23 January 2014
Biotechnology

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Global Biotechnology

CATALYST ALERT

Fourth Quarter 2013 Earnings Preview

- *Quick reference fourth quarter 2013 preview summaries for our coverage universe.* In our full report, we include 49 companies, or 88% of the sector's market capitalization (of the top 100 companies). We provide an earnings calendar for the top U.S. and EU biotech and pharma companies.
- *Can biotech really deliver a fourth year of significant outperformance? So far, so good.* Biotech completed 2013 as the best-performing sector (up 74%) for the third year in a row (38% in 2012 and 22% in 2011). In 2014, biotech has been the number-one performing sector so far, up 8% versus the S&P at 0%. On December 10, 2013, we published our 2014 sector outlook, in which we highlighted ten key themes for the year. The take-home message was that large-cap biotech could be a notable outperformer in 2014 based on the continued application of our standing generalist growth-at-a-reasonable-price (GARPy) inflows thesis. However, in our view, the investment driver shifts from a near solitary focus on growth, given a perfect storm of blockbuster Phase III data and approvals, to one that includes (1) top- and bottom-line beats, (2) operating leverage, (3) agency cost, (4) pipelines, and (5) pricing. We also highlighted our view that small caps and mid-caps could continue to perform on a more selective basis, with stock selection being key. On January 7, 2014, we published investor feedback on our outlook report. In addition, on January 10, 2014, we published our sector piece, titled, *Stock and Catalyst Outlook for 2014*, in which we provided investment summaries and flagged key catalysts for our coverage universe.
- *Updated estimates.* We revised our 2014-15 EPS estimates for Corcept Therapeutics (CORT, $3.17, Neutral, target $2) to -$0.28 and $0.01 from -$0.27 and $0.00, respectively. (Stock closing prices are as of January 22, 2014.)

From report dated 17 January 2014
Oil & Gas Exploration & Production

Schlumberger (SLB)

UPGRADE RATING

Rating	(from Neutral) **OUTPERFORM***
Price (17 Jan 14, US$)	90.01
Target price (US$)	(from 105.00) 108.00[1]
52-week price range	94.46 - 69.95
Market cap. (US$ m)	118,539.11
Enterprise value (US$ m)	120,790.74

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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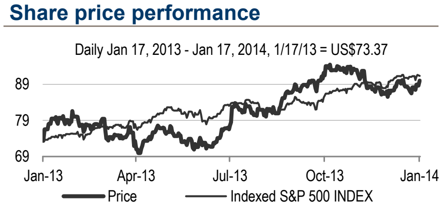
Upgraded to Outperform

- We upgraded Schlumberger to Outperform from Neutral. Given return on invested capital continues to improve, we increased our target price to $108, based on our new 2015 EV/EBITDA multiple of 9.0 (up from 8.4), which is driven by SLB's higher fourth quarter 2013 enterprise value add of 2.7%. We decreased our 2014 EBITDA estimate to $13.5 billion from $14.1 billion. We are overweight the large-cap integrated oilfield services companies, making SLB an even more compelling stock for 2014. We increased our first quarter 2014 and 2014 EPS estimates to $1.23 and $5.47 from $1.30 and $5.70, respectively.
- SLB announced a positive fourth quarter of 2013, beating the guidance, which was revised downward following the incident in Iraq. The outlook and tone were positive, aided considerably by internal initiatives and efforts toward improved capital utilization and efficiency across the entire enterprise. It was made increasingly clear that technology continues to matter more, that the large-cap integrated companies are prospering at the expense of smaller players, and that revenue growth should exceed the nominal increase in global capital expenditure as infrastructure spend wanes and well-related capital expenditure increases. Balanced against these positives is the reality that 2014 numbers should be reduced.
- We believe that 2014 will be similar to 2013. This does not imply any significant acceleration of growth; however, internal efficiency efforts should push margins higher, generating continued double-digit growth in earnings. We increased our target price to $108 from $105, which equates to 9.0 times our 2015 EBITDA estimate and represents around 20% upside potential from the current price.

Share price performance



On 01/17/14 the S&P 500 INDEX closed at 1842.67.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	0.94	1.15	1.29	1.25
2014E	1.23	1.32	1.38	1.54
2015E	—	—	—	—

Financial and valuation metrics

Year	12/13A	12/14E	12/15E	
EPS (CS adj.) (US$)	4.63	5.47	6.53	—
Prev. EPS (US$)	—	5.70	6.59	—
P/E (x)	19.4	16.5	13.8	—
P/E rel. (%)	110.6	99.2	91.3	—
Revenue (US$ m)	45,364.0	49,166.0	55,434.7	—
EBITDA (US$ m)	12,980.0	13,461.5	15,391.3	—
OCFPS (US$)	7.10	7.19	9.09	—
P/OCF (x)	12.7	12.5	9.9	—
EV/EBITDA (current)	9.5	9.2	8.0	—
Net debt (US$ m)	4,806	2,252	-3,199	—
ROIC (%)	15.40	15.96	17.44	—
Number of shares (m)	1,316.95	IC (current, US$ m)		44,441.00
BV/share (Next Qtr., US$)	30.5	EV/IC (x)		2.7
Net debt (Next Qtr., US$ m)	4,573.8	Dividend (current, US$)		—
Net debt/tot cap (Next Qtr., %)	11.4	Dividend yield (%)		—

Source: Company data, Credit Suisse estimates.

From report dated 23 January 2014
Personal Products

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U.S. Beauty Care

THEME

Profit Pool at Risk as Key Players Battle over Market Share

- The U.S. mass-market beauty care categories are likely to become even more competitive in 2014 than investors and consumers are used to. The three main players, Procter & Gamble (PG, $79.23, Neutral, target $85), Unilever (ULVR.L, 2,505p, Underperform, target 2,450p), and L'Oreal (OREP.PA, €127.75, Neutral, target €125), have deep pockets, strong brands, excellent distribution, and a combined market share of roughly 75% in hair shampoo, conditioner, and color and 50% in skin care. PG has committed to returning its U.S. beauty care business to growth in 2014, and we expect product launches in the coming months, along with significant marketing spend. ULVR.L and OREP.PA have expanded their market shares in recent years and will be aggressively defending their territories. Our analysis suggests that, in aggregate, some $9.6 billion in annual retail sales and a profit pool of $1.6 billion is up for grabs. While there is no sign of it yet, a key risk is that the three companies engage in heavy promotional spending, which could negatively affect the overall profit pool size.
- Our share-of-voice analysis suggests that underinvesting is a key reason for PG's multiyear market share losses compared with ULVR.L and OREP.PA. We believe that only a step-change in marketing spend to support innovation can help PG regain some of the lost market share. PG has been the main market share donor for several years in U.S. beauty care. Mr. Lafley publicly stated that turning around Olay and Pantene are top priorities in 2014. PG could also be looking at adding to its skin care portfolio via M&A.
- ULVR.L has grown market share in U.S. personal care but has recently come under pressure. Under Mr. Polman, ULVR.L will defend key market share positions, and cost savings should help fund advertising and promotions to protect margins. Nevertheless, a protracted battle with PG could take the shine off one of the company's strongest businesses and eat into group growth at a time when emerging markets are slowing. Since 2009, OREP.PA has grown at about double the rate of its underlying categories as a result of successful innovation and increased marketing spend. However, market share gains for ULVR.L have moderated recently, and growth appears to be slowing as a result.
- All companies remain committed to growing value market share and focus on innovation. Mr. Polman recently said that the "cost of competing has gone up, and we will fund our combative battles". That said, given lackluster end demand and consumers' preference to rotate among brands as they search for value, we believe that there could be significant pressure on pricing and margins in some of these categories. (Stock closing prices are as of January 22, 2014.)

From report dated 23 January 2014
Managed Care

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Medicaid Managed Care

ASSUMING COVERAGE

Tapping into the Wave of Growth; Initiated on WCG, Assumed Coverage of CNC and MOH

- We assumed coverage of the Medicaid managed care sector with a positive long-term view. We believe that the Medicaid end market is an attractive, investible theme, driven by a continued shift of nonmanaged populations to privately managed health plans. We size the industry-wide revenue opportunity at around $540 billion across unmanaged Medicaid, duals (those eligible for Medicare and Medicaid), and exchanges. We expect Medicaid and government pure plays Centene (CNC, $61.46, Outperform, target $72), Molina Healthcare (MOH, $37.40, Neutral, target $42), and WellCare Health Plans (WCG, $70.44, Neutral, target $77) to be net beneficiaries of this secular trend, although we acknowledge the risk of profitably managing new populations. We also expect M&A potential to provide some level of valuation support.
- We assumed coverage of CNC and upgraded it to Outperform from Neutral with a $72 target price, as we are positive on the multiyear growth story and have the most relative comfort in the company's ability to manage new business. We assumed coverage of MOH with a Neutral rating (unchanged) and a $42 target price, as we opt to sit on the sidelines ahead of 2014 EPS guidance. We initiated coverage of WCG with a Neutral rating and a $77 target price, with our greatest concern being the impact to 2014-15 EPS from expected Medicare Advantage rate cuts.
- Medicaid is an entitlement program jointly funded by state and federal governments that provides health care support for those with low incomes or severe health statuses. The program covers around 62 million people and costs the United States approximately $450 billion annually, or 15% of the $2.9 trillion in total national health expenditure (up from 7% in 1970). Program spending is expected to accelerate as millions of newly insured obtain coverage, driven by health care reform, which gave states the option to expand eligibility up to 138% of the federal poverty level. Managed care currently has high penetration of Medicaid enrollees at around 74%. However, penetration of spending is low at about 26%, given the sickest and most needy populations largely remain in fee-for-service systems. The aged and disabled in Medicaid (including the duals) represent around 22% of enrollment but 65% of program spending.

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The Opportunity for Managed Care

- As state and federal governments continue to face tight budgets, there has been an increased appetite to move new populations to privately managed health plans as a means of cutting costs and improving quality. After adjusting for dual spending included in Medicare, current managed care penetration rates, and recently awarded contracts, we estimate an industry-wide opportunity of around $440 billion of annual premium revenue. (For context, current managed Medicaid plus duals is roughly $140 billion.) Including Medicaid expansion through the Affordable Care Act ($40 billion) and newly created health insurance exchanges ($60 billion), our revenue opportunity estimate increases to $540 billion.
- In our view, while the top-line opportunity is achievable, the largest risk is the ability to profitably manage new populations at the onset of contracts. Margins in Medicaid are the slimmest out of the major end markets (Medicare and commercial), and coupled with high revenue concentration, hiccups in select markets can lead to significant earnings swings and thus stock moves. Handicapping the risk and uncertainty with margins has historically proved challenging, and this is unlikely to change. We also acknowledge other risk factors to investing in the Medicaid space, including a rebound in medical cost trends, reimbursement rate pressures, the $8 billion managed care industry fee, revenue concentration, contract implementation delays, government regulation, and capital raises.
- We have seen three large-scale transactions of government-focused managed care organizations over the past 26 months and several more tuck-in deals. We expect further sector consolidation, driven by the attractive growth profile of government business, the need for greater scale driven by reform, the intangible nature of relationships established over multiyear periods at the local level, and a quicker means of entering new geographies and products. We would not be surprised to see another large-scale transaction over the coming 12 months, which we believe will provide some level of valuation support for the group. (Stock closing prices are as of January 22, 2014.)

Macro View

From report dated 21 January 2014
Product Marketing

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Sugar

INDUSTRY OUTLOOK

A New View of the Food Chain

- Sugar at current levels of consumption is extremely unhealthy. The news flow on sugar, more specifically linking sugar not only to obesity but more importantly to type 2 diabetes, has picked up. Regulators and health officials have begun to act; however, this will vary from country to country and state to state. For example, the Mexican congress approved an 8% tax on sugary drinks over one month ago, and India's congress is debating a similar measure; the World Health Organization preannounced a report in which it will suggest a 5% recommended limit on added sugars as a percentage of total daily calories intake, which is well below the current level of 17% in the United States; and New York City recently launched an aggressive campaign linking sugary drinks to diabetes.
- This has had a negative impact on companies that sell sugar or food and beverages with a high sugar content and a positive impact on companies that market or produce high-intensity natural sweeteners. Our Delta 1 short basket has underperformed the MSCI World Index by 13%.
- We believe that the noise on the impact of excess sugar consumption on our health will increase; therefore, we believe that companies in the trade will need to move faster than we thought a few months ago to change their approach toward self-regulation. For beverage companies, which are the most affected after sugar manufacturing companies, this implies adopting policies that show a clear commitment to reduce the sugar content of their products, further changing their portfolio mix (toward water and nonsugary products), and launching new products with lower calories by using natural sweeteners. The winners of this growing trend are natural sweeteners and companies that are already focusing on self-regulation or have a more defensive portfolio of products (e.g., products with low or no sugar at all).

Consumer Discretionary

From report dated 21 January 2014
Lodging

Hilton Worldwide Holdings (HLT)

INITIATION

Rating	**OUTPERFORM***
Price (17 Jan 14, US$)	21.96
Target price (US$)	25.00[1]
52-week price range	22.28 - 21.50
Market cap. (US$ m)	22,009.66
Enterprise value (US$ m)	34,512.14

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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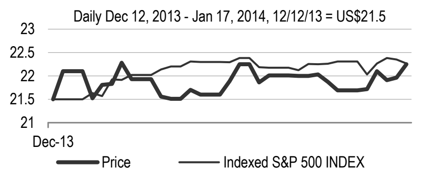
Initiated Coverage with Outperform Rating

- We initiated coverage of Hilton Worldwide Holdings with a $25 target price, which is based on a blended multiple of 13.7 on our 2015 EBITDA estimate, discounted back. HLT's portfolio of ten global brands comprises roughly 4,080 managed, franchised, owned, and leased hotels and timeshare properties, with over 672,000 rooms in 90 countries. Key brands include Waldorf Astoria, Conrad, Hilton, DoubleTree, Embassy Suites, Hilton Garden Inn, Hampton Inn, and Homewood Suites.
- HLT gives large-cap investors another attractive way to play an extended middle innings of the domestic lodging cycle, along with an attractive asset-light growth pipeline. While our preference is tilted toward Marriott International (MAR, $50.62) and Starwood Hotels & Resorts Worldwide (HOT, $78.87), as HLT develops a new public market track record and executes on its playbook, the stock could see additional upside.
- Investors are familiar with HLT, given its scale within lodging and tenure in the public markets prior to its acquisition by private equity in 2007. Much about the company has changed during this period, as HLT is led by well-respected lodging veteran Chris Nassetta (former CEO of Host Hotels [HST, $19.41]). HLT is transitioning toward an asset-light business model, and by year-end 2015, we estimate that asset-light management and franchising EBITDA will account for 60% of profitability, versus 58% in 2013. Investment risks for HLT include (1) a slowdown in U.S. revenue per available room trends, (2) a greater-than-expected ramp of lodging supply, (3) selling pressure from secondary offerings, (4) relatively high balance sheet leverage, and (5) a larger focus on timeshare.

Share price performance



On 01/17/14 the S&P 500 INDEX closed at 1838.7.

Quarterly EPS	Q1	Q2	Q3	Q4
2012A	—	—	—	—
2013E	—	—	—	0.21
2014E	0.13	0.20	0.19	0.21

Financial and valuation metrics

Year	12/12A	12/13E	12/14E	12/15E
EPS (CS adj.) (US$)	—	0.21	0.73	0.92
Prev. EPS (US$)	—	—	—	—
P/E (x)	—	105.7	30.0	23.8
P/E rel. (%)	—	637.1	198.7	174.4
Revenue (US$ m)	9,276.0	9,651.5	10,477.6	11,449.6
EBITDA (US$ m)	1,650.0	2,005.0	2,290.3	2,557.3
OCFPS (US$)	NM	1.28	1.40	1.59
P/OCF (x)	—	17.1	15.7	13.8
EV/EBITDA (current)	22.0	18.1	15.8	14.2
Net debt (US$ m)	15,240	12,502	11,386	10,078
ROIC (%)	3.96	5.42	6.49	7.70

Number of shares (m)	1,002.26	IC (current, US$ m)	17,395.00
BV/share (Next Qtr., US$)	4.2	EV/IC (x)	2.1
Net debt (Next Qtr., US$ m)	12,502.5	Dividend (current, US$)	—
Net debt/tot cap (Next Qtr., %)	312.7	Dividend yield (%)	—

Source: Company data, Credit Suisse estimates.

From report dated 23 January 2014
General Merchandise Stores

Target Corporation (TGT)

DECREASE TARGET PRICE

Rating	**NEUTRAL***
Price (22 Jan 14, US$)	58.98
Target price (US$)	(from 62.00) 55.00[1]
52-week price range	73.32 - 58.98
Market cap. (US$ m)	37,280.53
Enterprise value (US$ m)	54,352.53

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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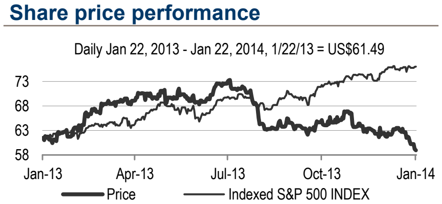
The Best Laid Plans of Mice and Men

- In light of Target's difficulty in achieving positive U.S. comps in 2013 and tougher-than-expected conditions in its entry into Canada, we analyze two scenarios, even as the company stands by its objective of $8 in EPS and $6 billion in Canadian sales in 2017. While TGT has historically been a good growth and income investment, we believe that dilution from Canada and persistent issues in the core U.S. business make the $8 EPS goal difficult to attain. In our view, the stock increasingly risks becoming a value trap. In September 2013, we estimated an annualized Canada productivity of $21 million per unit. After TGT's third quarter 2013 earnings, we decreased our estimate to $19.9 million. Based on TGT's recent disclosure, we estimate that 2013 annualized volumes per unit were $18-19 million for the 124 Canadian units opened during 2013, with annual sales of $1.2 billion.
- Our scenario indicates that, to achieve $8 in EPS by 2017, comps need to be 24% for 2014-15 and 23% for the following two years, while productivity per unit in Canada will need to double in the coming five years, approaching parity with U.S. levels. TGT will also need to buy back more than 8% of stock per year. We believe that a more realistic EPS could be $5.50 in 2017, based on higher levels of capital expenditure and lower profitability. We estimate Canada yearly comps of 7.6-8.5% and largely flat U.S. revenue. We decreased our fourth quarter 2013 and 2015 EPS estimates to $0.85 and $3.75, reflecting the likely negative SG&A impact from diminished credit card profits and higher losses from Canada. We cut our target price to $55, which equates to 7.6 times our 2014 EBITDA estimate, below the average of TGT's ten-year historical range of 6.1-8.0 and the multiple at which the stock currently trades of 8.1. Our TGT valuation is at a discount to Wal-Mart (WMT, $75.35), which trades at a 2014 EV/EBITDA multiple of 7.8. We believe that this discount is warranted, given TGT's diminished profitability prospects.

Share price performance



On 01/22/14 the S&P 500 INDEX closed at 1844.86.

Quarterly EPS	Q1	Q2	Q3	Q4
2012	$1.04	$0.85	$0.56	$1.02
2013E	$0.77	$0.95	$0.54	$0.85
2014E	$0.91	$1.01	$0.68	$1.16

Financial and valuation metrics

Year	01/13A	01/14E	01/15E	01/16E
EPS (CS adj.) (US$)	1.44	3.11	3.75	—
Prev. EPS (US$)	—	3.33	4.15	—
P/E (x)	41.0	19.0	15.7	—
P/E rel. (%)	233.2	114.2	104.1	—
Revenue (US$ m)	71,959.0	72,606.0	73,934.8	—
EBITDA (US$ m)	5,436.0	6,126.5	6,413.2	—
OCFPS (US$)	6.77	6.37	7.77	—
P/OCF (x)	8.9	9.3	7.6	—
EV/EBITDA (current)	10.0	8.8	8.4	—
Net debt (US$ m)	16,864	17,072	17,072	—
ROIC (%)	3.72	7.55	8.01	—

Number of shares (m)	632.09	IC (current, US$ m)	33,422.00
BV/share (Next Qtr., US$)	25.4	EV/IC (x)	1.7
Net debt (Next Qtr., US$ m)	12,395.0	Dividend (current, US$)	1.3
Net debt/tot cap (Next Qtr., %)	75.0	Dividend yield (%)	—

Source: Company data, Credit Suisse estimates.

From report dated 17 January 2013
Drug Retail

Rite Aid Corporation (RAD)

Rating	**OUTPERFORM* [V]**
Price (16 Jan 14, US$)	5.59
Target price (US$)	(from 6.00) 7.00[1]
52-week price range	6.11 - 1.53
Market cap. (US$ m)	5,402.88
Enterprise value (US$ m)	11,130.09

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.
[V] = Stock considered volatile (see Disclosure Appendix).

Research Analyst

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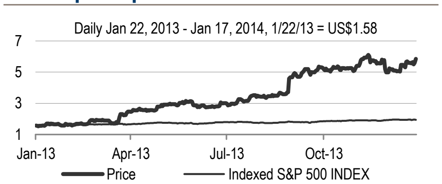
INCREASE TARGET PRICE

Transition from Call Option to Real Stock Complete, but Further Upside Potential Remains

- Rite Aid has completed the transition from a highly speculative call option back to a real stock thanks to missteps at competitors such as Walgreen (WAG, $59.16), industry catalysts such as generics, more favorable high-yield markets, and traction on underlying turnaround initiatives. While the stock has had a terrific run, we believe that further upside potential remains. A reacceleration in the generic wave in 2014, health care reform, improving remodels, a potential generic purchasing partnership, and an emerging debt pay-down strategy should yield strong growth in earnings over the coming few years. We increased our target price to $7 from $6.
- The generic wave has stalled recently but should reaccelerate in mid-2014. The roll out of the Affordable Care Act should also drive better script growth, as the Congressional Budget Office predicts that around 5 million people will sign up for insurance via the public exchanges in 2014 and around 25 million through 2016, with Medicaid expansion providing further upside potential. We project that these tailwinds could add $0.20-0.25 to RAD's EPS by 2016.
- Beyond the secular tailwinds benefiting all drug retailers, RAD's wellness programs are beginning to pay dividends. A 50%-plus sales to productivity gap to CVS Caremark (CVS, $67.97) and WAG is unlikely to be fully closed; however, it highlights the opportunity. RAD remodels are yielding an over 300-basis-point comp lift on the front end and a smaller but improving lift in the pharmacy. Its strong loyalty program is also garnering more attention. We expect acceleration in RAD's comps in 2014-15 from this initiative.

Continued on next page . . .

Share price performance



On 01/17/14 the S&P 500 INDEX closed at 1838.7.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	—	—	—	—
2014E	—	—	—	—
2015E	—	—	—	—

Financial and valuation metrics

Year	03/13A	03/14E	03/15E	03/16E
EPS (CS adj.) (US$)	0.35	0.28	0.43	0.58
Prev. EPS (US$)	—	—	—	—
P/E (x)	16.0	19.8	12.9	9.7
P/E rel. (%)	91.2	119.4	85.5	71.0
Revenue (US$ m)	25,392.3	25,414.1	25,519.3	26,009.9
EBITDA (US$ m)	1,131.2	1,248.9	1,326.6	1,436.7
OCFPS (US$)	0.89	0.66	0.88	1.00
P/OCF (x)	1.9	8.4	6.4	5.6
EV/EBITDA (current)	10.0	8.9	8.1	7.1
Net debt (US$ m)	5,904	5,727	5,292	4,747
ROIC (%)	25.33	20.55	23.85	26.97
Number of shares (m)	966.53	IC (current, US$ m)		3,444.64
BV/share (Next Qtr., US$)	—	EV/IC (x)		—
Net debt (Next Qtr., US$ m)	—	Dividend (current, US$)		—
Net debt/tot cap (Next Qtr., %)	—	Dividend yield (%)		—

Source: Company data, Credit Suisse estimates.

Potential Upside from McKesson Procurement Deal

- Given McKesson's (MCK, $168.12) recent failed tender offer for Celesio, RAD could be the company's logical drug purchasing partner. RAD has a long-standing relationship with MCK on the branded drug side. Given MCK is the only remaining public U.S. wholesaler and national drugstore without a purchasing joint venture, a partnership would likely be well received by the market. Every 1% savings in generic drug procurement costs would yield an estimated $0.02 in EPS upside for RAD.
- The aforementioned tailwinds are translating to solid free cash flow (FCF) growth for the first time in several years. We estimate that FCF will grow to $595 million in fiscal 2016 from approximately $245 million in fiscal 2014, with RAD's FCF yield growing to 11% on our fiscal 2016 estimate from around 5% on fiscal 2014 numbers. We project that RAD's leverage ratio will decline to 3.3 at the end of fiscal 2016 from 4.5 currently. Each $500 million debt pay-down would result in around $0.04 per share in interest savings. Our new target price equates to around 8 times our forward next-12-months EBITDA estimate, which seems reasonable, given the upside potential of this improving turnaround.

Energy

From report dated 17 January 2014
Oil & Gas Equipment & Services

Research Analyst

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Offshore Drillers

SECTOR REVIEW

Beaten, Battered, and Bruised; Downgraded Atwood Oceanics to Neutral

- We downgraded Atwood Oceanics (ATW) to Neutral and lowered our target price to $58 owing to limited upside potential versus the rest of the drillers. ATW is a great company, but it has no near-term catalysts and no dividend yield. The offshore drillers hit the ground falling in 2014, underperforming the Philadelphia Oil Service Sector Index (OSX) by approximately 3% year to date. This comes on the heels of a tough 2013, which saw the group underperform the OSX by approximately 15%. We expect lower-generation floater dayrates to continue to sink in 2014, with new- and next-generation dayrates flattish. The bottom line is that lower dayrates and slowing offshore capital expenditure have put the drillers in the penalty box. Under this backdrop, stock selection matters. We are positive on Noble (NE), given our derisked net asset value (NAV) estimate of $32, and Rowan Companies (RDC), which has a premium fleet that currently trades at a discount.

- Even with the lackluster performance of the drillers, most remain well above their potential floors (on derisked NAV). We estimate floor prices based on secondhand values for 6G+ and Harsh Environment rigs and give floaters 2G-5G credit for existing contracts. This may appear slightly draconian, but some of these rigs may never work again. (It is expensive to stack a floater.) Transocean (RIG, $47.20), NE, Ensco (ESV), Diamond Offshore (DO), and ATW are the only fleets with exposure to lower-end floaters. DO, Seadrill (SDRL, financial engineering), and ATW (a top performer) have the most downside risk should stocks head to the floor. Our new target prices are based on our new DCF models, using a long-term average ultra-deepwater dayrate estimate of $465,000. We also adjusted our EPS estimates to account for our assumption of further stacked rigs (DO), bond issuances (RDC), and other downtime and dayrate adjustments (ATW, Pacific Drilling [PACD], and SDRL). (Stock closing prices are as of January 16, 2014.)

	Price	Price	Rating*		Target Price		Year	EPS	EPS FY1E		EPS FY2E		EPS FY3E	
Company	ccy	16 Jan 14	Prev.	Cur.	Prev.	Cur.	End	Ccy	Prev.	Cur.	Prev.	Cur.	Prev.	Cur.
Atwood Oceanics (ATW)	US$	50.14	O	N	60.00	58.00	Sep 13	US$	—	5.89	8.71	8.60	9.00	8.95
Diamond Offshore Drilling (DO)	US$	54.32	—	N	62.00	58.00	Dec 12	US$	—	4.02	5.07	4.83	7.38	6.07
Ensco Plc. (ESV)	US$	54.84	—	N	64.00	63.00	Dec 12	US$	—	6.06	—	6.41	—	7.64
Noble Corporation (NE)	US$	35.25	—	O	55.00	50.00	Dec 12	US$	—	2.85	—	4.05	—	5.36
Ocean Rig UDW Inc (ORIG)	US$	18.26	—	N	19.00	22.00	Dec 12	US$	—	0.87	—	1.82	—	2.35
Pacific Drilling (PACD)	US$	10.82	—	O	13.00	14.00	Dec 12	US$	0.42	0.39	0.87	0.85	1.47	1.48
Rowan Companies (RDC)	US$	32.85	—	O	—	45.00	Dec 12	US$	—	1.93	3.55	3.36	4.99	4.75
Seadrill (SDRL)	US$	40.14	—	O	55.00	48.00	Dec 12	US$	—	2.80	3.74	3.66	3.92	3.90

**O – Outperform, N – Neutral, U – Underperform, R – Restricted* *[V] = Stock considered volatile (see Disclosure Appendix).*
Source: Company data, Credit Suisse estimates.

CREDIT SUISSE

24 January 2014

From report dated 17 January 2014
Clean Tech

Silver Spring Networks (SSNI)

DOWNGRADE RATING

Rating	(from Outperform) **NEUTRAL* [V]**
Price (16 Jan 14, US$)	23.50
Target price (US$)	(from 26.00) 23.00[1]
52-week price range	32.99 - 15.03
Market cap. (US$ m)	1,189.63

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.
[V] = Stock considered volatile (see Disclosure Appendix).

Research Analyst

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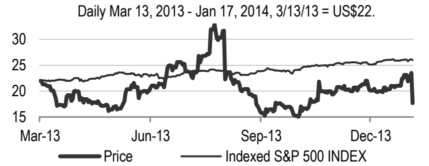
Downgraded to Neutral

- Silver Spring Networks announced disappointing preliminary fourth quarter 2013 revenue and EPS results of $88-89 million and -$0.01-0.00, below our estimates of $101.5 million and $0.16 and prior guidance of about $106 million and $0.19, respectively, which is a $17 million (16%) revenue miss. While this is a meaningful setback and could place SSNI in a temporary holding pattern as investors question the underlying visibility and margin expansion story, a sell off may present opportunities for more patient long-term investors looking for exposure to the smart grid theme and the emerging big data and smart city opportunity. We decreased our 2013-15 EPS estimates and our target price to $23 and downgraded SSNI to Neutral.
- The fourth quarter 2013 revenue miss was owing to several existing customers unexpectedly deferring purchasing decisions to 2014, mostly the high-margin software upsell portion of the offering, amplifying the earnings impact and sending gross margins back to the second quarter 2013 levels of 30%. About one-half of the revenue miss came from one U.S. customer that opted not to license certain software upsell options and the remainder from deferred purchase decisions and delayed pilot conversions. This is not as simple as revenue push-outs, as the customers have not yet contracted. However, SSNI believes that there were no competitive losses or project delays to indicate technology or competitive weaknesses, further confirmed by two new large awards in January 2014 that have not yet been booked.
- SSNI believes that 2014 will be a growth year and that gross margins can improve, but with year-over-year (y/y) revenue declines expected in the first half of 2014 and double-digit y/y growth to resume in the second half of 2014. While there are many transformative developments on the horizon, the significant miss and tepid first-half 2014 outlook distract from an otherwise exciting long-term story and, in our view, should result in lower earnings estimates and potential multiple compression. We decreased our fourth quarter 2013 non-GAAP EPS estimate to -$0.01 (from $0.16).

Share price performance



On 01/17/14 the S&P 500 INDEX closed at 1838.7.

Quarterly EPS	Q1	Q2	Q3	Q4
2012A	-1.45	-0.29	0.01	0.16
2013E	-0.80	-0.10	0.19	-0.01
2014E	-0.01	-0.00	0.12	0.15

Financial and valuation metrics

Year	12/12A	12/13E	12/14E	12/15E
EPS - (Excl. ESO) (US$)	-1.56	-0.10	0.26	1.00
EPS (CS adj.) (US$)	-1.56	-0.10	0.26	1.00
Prev. EPS (CS adj.) (US$)	—	0.12	0.75	1.38
P/E (CS adj., x)	-15.1	-230.1	91.5	23.4
P/E rel. (CS adj., %)	-86.0	-1,386.4	605.5	171.6
Revenue (US$ m)	304.3	343.1	360.4	463.4
EBITDA (US$ m)	2.4	3.8	26.0	75.8
Net debt (US$ m)	-15	-134	-122	-167
OCFPS (US$)	-6.62	-0.15	0.20	1.30
P/OCF (x)	—	-161.2	115.1	18.1

Number of shares (m)	50.62	Price/sales(x)	2.59
BV/share (Next Qtr., US$)	-1.8	P/BVPS (x)	-8.1
Net debt (Next Qtr., US$ m)	-134.4	Dividend (current, US$)	—
Dividend yield (%)	—		

Source: Company data, Credit Suisse estimates.

Financials

From report dated 22 January 2014
Life Insurance

Fidelity & Guaranty Life (FGL)

INITIATION

Rating	**OUTPERFORM***
Price (21 Jan 14, US$)	19.58
Target price (US$)	21.00[1]
52-week price range	19.99 - 18.50
Market cap. (US$ m)	1,139.80

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.
[V] = Stock considered volatile (see Disclosure Appendix).

Research Analyst

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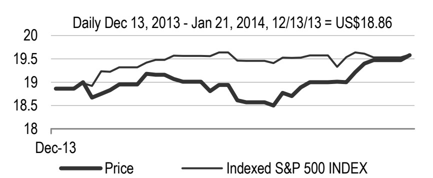
Initiated Coverage with Outperform Rating

- We initiated coverage of Fidelity & Guaranty Life with an Outperform rating and a $21 target price. We established 2014-16 EPS estimates of $1.66, $2.05, and $2.33, respectively. Our target price implies that FGL trades at 0.93 times our 2015 book value estimate versus peers at 1.0 (and 10.2 times our 2015 EPS estimate versus peers at 9.3), in-line with the valuation implied by our price-to-book value versus return on equity (ROE) regression. Although we can make the argument that FGL should trade above the line versus our 2015 ROE regression (as we would expect above average ROE expansion from that level), we believe that the discount associated with the minority ownership position of public investors offsets this.
- Although FGL's current ROE of around 8% lags peers, we expect FGL's ROE to reach 10% heading into 2016, with room to grow off that as the company deploys its current excess capital position, representing nearly 40% of its GAAP book value. Our base case is that FGL should be able to regain historical levels of market share within the growing fixed-indexed annuity market. We see spreads benefiting from the company re-engineering its investment portfolio.
- We see FGL's discount to $25 per share in statutory liquidation value (versus peers trading at 1.5-1.6 times statutory liquidation value) as providing a margin of safety against credit events. We would also expect FGL's excess capital position to build from its current $450 million level if the company is unable to gain market share, a scenario that would allow for the company to deploy capital through accretive stock buybacks.

Share price performance



On 01/21/14 the S&P 500 INDEX closed at 1843.8.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	—	—	—	—
2014E	0.37	0.38	0.45	0.46
2015E	0.49	0.50	0.49	0.57

Financial and valuation metrics

Year	12/13A	12/14E	12/15E	12/16E
EPS (CS adj.) (US$)	7.40	1.66	2.05	2.33
Prev. EPS (US$)	—	—	—	—
P/E (x)	2.6	11.8	9.6	8.4
P/E rel. (%)	15.1	71.1	63.3	61.7
Combined ratio (%)	—	—	—	—
Net written premium (m)	—	—	—	—
Book value per share (US$)	24.8	23.3	27.1	29.2
P/BV (x)	0.76	0.84	0.72	0.67
ROE (%)	28.3	7.7	8.1	8.3
Number of shares (m)	58.21	Dividend (current, US$)		—
BV/share (Next Qtr., US$)	22.0	Dividend yield (%)		—

Source: Company data, Credit Suisse estimates.

Global Services

From report dated 21 January 2014
Business & Professional Services

Aramark Holdings Corp. (ARMK)

INITIATION

Initiated Coverage with Outperform Rating

Rating	OUTPERFORM* [V]
Price (17 Jan 14, US$)	24.51
Target price (US$)	32.00[1]
52-week price range	26.22 - 22.70
Market cap. (US$ m)	5,766.59
Enterprise value (US$ m)	11,288.87

*Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.
[1]Target price is for 12 months.
[V] = Stock considered volatile (see Disclosure Appendix).

Research Analyst

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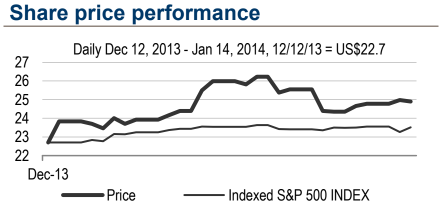
- We initiated coverage of Aramark Holdings with an Outperform rating and a $32 target price. ARMK is a leading global food and support services (FSS) business that also provides uniform and career apparel.
- *Secular growth in a large, fragmented addressable market.* The company operates in a roughly $240 billion addressable market, which is growing as a result of future outsourcing and end-market demand. In our view, an increase of 1% of ARMK's market share of its currently addressable markets would lead to 17% sales growth and $0.32 incremental EPS.
- *Self-help story on margins.* We believe that new leadership is in the early innings of driving cost restructuring, higher net new business, and retention rates to catch up to North American margins that are closer to its largest competitor. Our estimates suggest that there is $200 million in incremental EBITDA, or about $0.50 in EPS, if ARMK can execute on the margin gap.
- *Asset-light model.* ARMK operates an asset-light model in which capital expenditure runs under 3% of sales, leading to high free cash flow despite FSS being a relatively low-margin business.
- Our $32 target price is based on our sum-of-the-parts valuation. We use a multiple of approximately 10.5 on our 2015 FSS EBITDA estimate of around $1.1 billion and a multiple of approximately 8.0 on our 2015 uniform EBITDA estimate of around $255 million.

Share price performance



On 01/14/14 the S&P 500 INDEX closed at 1838.88.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	0.34	0.12	0.29	0.39
2014E	0.46	0.28	0.26	0.36
2015E	—	—	—	—

Financial and valuation metrics

Year	09/13A	09/14E	09/15E
EPS (CS adj.) (US$)	1.15	1.34	1.48
Prev. EPS (US$)	—	—	—
P/E (x)	21.3	18.2	16.6
P/E rel. (%)	121.3	109.8	109.7
Revenue (US$ m)	13,945.7	14,690.5	15,362.7
EBITDA (US$ m)	1,180.9	1,284.1	1,369.7
OCFPS (US$)	3.32	2.50	3.13
P/OCF (x)	—	9.8	7.8
EV/EBITDA (current)	9.7	8.5	7.8
Net debt (US$ m)	5,713	5,097	4,858
ROIC (%)	9.09	9.65	8.47

Number of shares (m)	235.27	IC (current, US$ m)	6,616.78
BV/share (Next Qtr., US$)	7.2	EV/IC (x)	1.6
Net debt (Next Qtr., US$ m)	5,120.9	Dividend (current, US$)	0.33
Net debt/tot cap (Next Qtr., %)	330.1	Dividend yield (%)	0.38

Source: Company data, Credit Suisse estimates.

Health Care

From report dated 21 January 2014
Biotechnology

BioMarin Pharmaceutical, Inc.

(BMRN)

COMMENT

Rating	**NEUTRAL***
Price (17 Jan 14, US$)	73.45
Target price (US$)	68.00[1]
52-week price range	78.44 - 53.27
Market cap. (US$ m)	10,445.52
Enterprise value (US$ m)	10,490.69

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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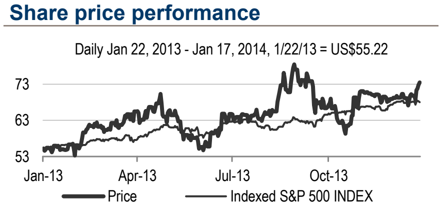
Management Meeting Take-aways

- During our recent meeting, BioMarin Pharmaceutical confirmed that the next key pipeline data release will be the PEG-PAL (PKU) Phase III results in the fourth quarter of 2014. We believe that the PEG-PAL approval and launch is largely in the numbers, although BMRN suggests that this could be a $1 billion market, which would be larger than our expectations and the consensus at $200 and $400 million. (BMN-111 [achondroplasia] Phase I and II data are slated for the second quarter of 2015.) BMRN said that the 2014 consensus estimate of $60-70 million for Vimizim (Morquio A), which is near our estimate, is largely in-line with its expectation, although the EU approval timeline has slipped somewhat. BMRN believes that a Committee for Medicinal Products for Human Use recommendation could come in February 2014, which would put an EU approval around April 2014.
- BMRN stated that the 2014 consensus estimate of $287 million for SG&A is largely in-line with its expectation and the consensus estimate for 2014 R&D of $406 million appears low. In May 2013, we noted that the consensus appeared to be under modeling 2014 operating expenses; we were 9% above on SG&A and 12% above on R&D. The consensus SG&A has since risen by 12%, and R&D has risen by 4% but may need to increase further. Most of 2014 appears to be quiet for pipeline news flow, although this will pave the way for a busier late 2014-15. In addition to PEG-PAL and BMN-111, results from BMN-190 in Batten's disease are due in the second half of 2015. Additional trials in 2015 will see enrollment completion (BMN-701, BMN-673), and BMN-270 will be starting with a Phase I/II trial. BMRN is enthusiastic on this new program. We model base revenues of $547 million for 2013, growing to $668 million in 2014 and $725 million by 2020; we model the pipeline driving total revenues to $2.4 billion in 2020.

Share price performance



On 01/17/14 the S&P 500 INDEX closed at 1838.7.

Quarterly EPS	Q1	Q2	Q3	Q4
2012A	-0.21	-0.27	-0.04	-0.43
2013E	-0.31	-0.15	-0.38	-0.35
2014E	—	—	—	—

Financial and valuation metrics

Year	12/12A	12/13E	12/14E	12/15E
EPS (CS adj.) (US$)	-0.95	-1.19	-1.38	-0.73
Prev. EPS (US$)	—	—	—	—
P/E (x)	-77.2	-61.7	-53.3	-100.8
P/E rel. (%)	-439.5	-371.7	-352.6	-739.9
Revenue (US$ m)	500.7	547.1	668.4	864.6
EBITDA (US$ m)	-64.9	-108.9	-110.8	-20.8
OCFPS (US$)	0.15	-0.57	-0.70	-0.12
P/OCF (x)	336.3	-129.3	-104.3	-621.1
EV/EBITDA (current)	-163.5	-96.3	-93.8	-510.3
Net debt (US$ m)	168	45	-52	170
ROIC (%)	-9.00	-12.36	-17.10	-6.23

Number of shares (m)	142.21	IC (current, US$ m)	1,183.46
BV/share (Next Qtr., US$)	—	EV/IC (x)	—
Net debt (Next Qtr., US$ m)	—	Dividend (current, US$)	—
Net debt/tot cap (Next Qtr., %)	—	Dividend yield (%)	—

Source: Company data, Credit Suisse estimates.

From report dated 22 January 2014
Contract Services Organizations

Contract Research Organizations

Research Analyst
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COMMENT

Fourth Quarter 2013 Preview

- Expectations appear high for the contract research organization (CRO) group going into calendar fourth quarter 2013 earnings. CROs are up an average of 5% year to date versus flat the S&P. So what is new? The preclinical market is back in vogue, positively affecting Charles River Laboratories International (CRL, $58.7, Neutral, target $52) and Covance (CVD, $95.16, Outperform, target $103). There are concerns that clinical growth may be slowing, spurred by pharma R&D restructuring. Furthermore, PAREXEL International (PRXL, $46, Outperform, target $55) positively preannounced on January 13, 2014; however, it is not receiving credit.
- *Preclinical: are the bull times back?* CRL and CVD have been posting improved preclinical results for several quarters, with CVD citing improving toxicology order trends and CRL's preclinical revenues up approximately 5% in 2013. The incrementally bullish management tone is fueling investor enthusiasm. We believe that the margin leverage in this segment is enticing; however, expectations are quite high, and we expect the management teams to adopt reasonably conservative approaches in initial 2014 guidance in light of limited visibility.
- *Concerns on clinical growth slowing.* The focus of investors is still on pharma R&D restructuring; however, investors slowly seem to be becoming comfortable with this risk. We expect intense scrutiny on book-to-bill ratios. Our checks and recent book-to-bill results reinforce confidence in high-single- and low-double-digit top-line growth.
- *PRXL positively preannounced but is not receiving credit.* Following our December 2013 nondeal roadshow, we underscored that concerns around the fiscal first quarter 2014 miss were overblown.
- On January 13, 2014, PRXL positively preannounced fiscal second quarter 2014 results and bookings, and the company increased its guidance. However, the stock has come under pressure. We prefer PRXL into the print, as expectations and valuation screen attractively relative to results and the guidance update. (Stock closing prices are as of January 21, 2014.)

From report dated 16 January 2014
Pharmacy Benefit Managers

Express Scripts, Inc. (ESRX)

Rating	OUTPERFORM*
Price (16 Jan 14, US$)	72.90
Target price (US$)	(from 75.00) 83.00[1]
52-week price range	73.21 - 53.36
Market cap. (US$ m)	58,743.26
Enterprise value (US$ m)	71,007.28

*Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.
[1]Target price is for 12 months.

Research Analyst

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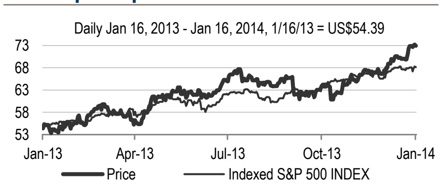
INCREASE TARGET PRICE

Time to Flex Its Balance Sheet Muscle and Think Outside the Box

- Express Scripts' stock price has had a run since the IPO, rising 36,350% versus the S&P, which increased 350%. Although there were some bumps or bruises along the way, we believe that the overall execution during the Barret Toan era as well as the George Paz tenure has been remarkable. That said, the landscape is evolving at a spectacular rate.
- While we continue to believe that ESRX could thrive in its current capacity as the market-leading pharmacy benefit manager, we acknowledge that the growth prospects over the coming three to five years are not as robust or clear to investors as they were in the past 5-, 10-, or 20-year period. One of the prized attributes of ESRX is its consistent and stable cash flow generation capabilities. We believe that ESRX may be better served executing on one of the many options at its disposal to propel its growth trajectory and reposition it in a rapidly changing environment. While maintaining the status quo is certainly a viable option, given the number of growth levers remaining at the company (tighter formulary management, growth in specialty, etc.), we believe that the current paradigm somewhat limits ESRX's ultimate potential.
- We maintain our Outperform rating; however, we acknowledge that our thesis has evolved to incorporate the potential for a more strategic path for the company. We increased our target price to $83 from $75, which pegs a multiple of roughly 14-15 on our 2015 EPS estimate of $5.60. This represents a discount to target multiples for supply chain peers; however, we believe that this gives more credit to the strong cash flows and strategic options that are available to ESRX.

Share price performance



On 01/16/14 the S&P 500 INDEX closed at 1844.82.

Quarterly EPS	Q1	Q2	Q3	Q4
2012A	0.73	0.87	1.03	1.05
2013E	0.99	1.14	1.08	1.11
2014E	1.08	1.26	1.25	1.31

Financial and valuation metrics

Year	12/12A	12/13E	12/14E	12/15E
EPS (CS adj.) (US$)	3.75	4.32	4.89	5.60
Prev. EPS (US$)	—	—	—	—
P/E (x)	19.5	16.9	14.9	13.0
P/E rel. (%)	110.7	101.7	98.7	95.5
Revenue (US$ m)	93,714.3	103,527.3	102,572.2	105,635.2
EBITDA (US$ m)	5,409.1	6,686.4	7,168.8	7,658.2
OCFPS (US$)	4.57	4.85	6.13	6.58
P/OCF (x)	11.8	15.0	11.9	11.1
EV/EBITDA (current)	13.3	10.6	9.7	8.9
Net debt (US$ m)	13,102	12,264	10,799	9,229
ROIC (%)	8.52	11.35	13.06	14.99

Number of shares (m)	805.81	IC (current, US$ m)	36,486.50
BV/share (Next Qtr., US$)	—	EV/IC (x)	—
Net debt (Next Qtr., US$ m)	—	Dividend (current, US$)	—
Net debt/tot cap (Next Qtr., %)	—	Dividend yield (%)	—

Source: Company data, Credit Suisse estimates.

From report dated 22 January 2014
Major Pharmaceuticals

U.S. Pharmaceuticals

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CATALYST ALERT

Lung Cancer Readouts Should Strengthen BMY's Leadership in Immuno-Oncology

- Following an in-depth review of the scientific literature and discussions with experts, we see current lung cancer estimates for Bristol Myers Squibb's (BMY, $54.59, Outperform, target $63) immuno-oncology (I-O) portfolio as conservative, given the significant potential of the nonsmall-cell lung cancer (NSCLC) category, encouraging prior clinical data from BMY's I-O assets, and the multiple ways for BMY to win in this space. We see investor recognition of the upside potential coming upon data releases, starting with the potential release of top-line data in the coming weeks from studies in first- and third-line NSCLC, ahead of the full data presentation at the American Society of Clinical Oncology annual meeting in May/June 2014. Given our increased conviction on these studies, we increased our 2020 BMY I-O lung cancer estimates to approximately $4.2 billion (from roughly $3.3 billion), our overall 2020 BMY I-O estimate to roughly $8.0 billion, and our BMY target price to $63 from $60. We maintain our Outperform rating.
- *Phase I data likely to raise expectations for use of BMY's I-O agents in first-line NSCLC.* There is a significant focus on the Yervoy plus nivolumab (nivo) arm in the '012 study. Relative to the Street, we see less downside risk in this combination, given encouraging prior clinical data for both agents in NSCLC and supportive mechanistic rationale and tumor expression data. In addition, the nivo plus chemotherapy and nivo monotherapy arms in this trial provide BMY with multiple chances to win in first-line NSCLC.
- *Prior Phase I data derisk Phase II study of nivo in third-line NSCLC.* Data from the previous '003 Phase I study in lung cancer showed response rates and a duration of response that we believe have a high likelihood of being replicated in the '063 Phase II study, given the similar patient focus. We believe that the data will ultimately be strong enough to allow a regulatory filing in a condition in desperate need of effective therapeutic options from which oncologists could gain valuable experience with nivo in lung cancer.
- *We see the risk/reward profile as skewed to the positive.* We believe that positive data (particularly in the first-line study) could raise 2020 BMY I-O sales estimates by $1.5-2.0 billion and lead to approximately 15% upside (about $8 per share) from the current stock price. We see a downside scenario limited to roughly $1 billion (about 7%, or $4 per share) owing to BMY exploring multiple approaches to compete in first-line NSCLC. It would take failure across all approaches to negate any presence completely in first-line NSCLC care, which we see as unlikely. (Stock closing prices are as of January 21, 2014.)

Industrials

From report dated 21 January 2014
Aerospace & Defense

AAR (AIR)

Rating	(from Underperform) **NEUTRAL***
Price (17 Jan 14, US$)	27.60
Target price (US$)	(from 26.00) 29.00[1]
52-week price range	31.30 - 16.47
Market cap. (US$ m)	1,092.97
Enterprise value (US$ m)	1,727.70

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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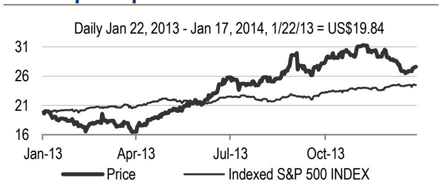
UPGRADE RATING

Upgraded to Neutral

- We upgraded AAR to Neutral following our visit with the company. Our Underperform thesis was based on downside risk to Airlift; however, with the recent guidance reduction for Airlift and a better understanding of AIR's Afghanistan exit plan, we are less concerned about out-year numbers. Given an improving outlook for maintenance, repair, and overhaul (MRO) and commercial supply chain, driven by the addition of widebody work at the new Lake Charles MRO facility, an inflection in the landing gear repair cycle in the coming 6-12 months, new distribution contract wins, and upside potential from the AMR and US Airways integration, we raised our fiscal 2015-16 EPS forecast to $2.21 and $2.30. We decreased our fiscal 2014 EPS estimate to $1.98 to reflect the lower guidance. AIR currently trades at a P/E multiple of 12 on our new fiscal year-two (FY2) estimate, which appears more attractive than the group average and is closer to a FY2 P/E multiple of 16-17. We expect AIR to remain at a discount, as Airlift still poses some downside risk.
- AIR is the largest provider of airframe MRO in North America and is number three globally. The MRO market is expected to grow at a 3-5% CAGR, and AIR may see market share growth too as it fills its sixth MRO facility. The CEO noted a desire to expand geographically in the most recent earnings call, which could provide upside. We estimate that Airlift revenues may be cut in half from the approximate $300 million level in fiscal 2013 as positions are reduced; however, given this is already in guidance for fiscal 2014, combined with the new distribution contracts and upside potential from Lake Charles, we see less risk to out-year numbers. Catalysts include AIR's investor day in early April 2014, guidance introduction for fiscal 2015 in July 2014, new wins in the aviation services segment, and capital deployment.

Share price performance



On 01/17/14 the S&P 500 INDEX closed at 1838.7.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	0.46	0.44	0.45	0.50
2014E	0.45	0.50	0.44	0.58
2015E	0.51	0.54	0.54	0.61

Financial and valuation metrics

Year	05/13A	05/14E	05/15E	05/16E
EPS (CS adj.) (US$)	1.85	1.98	2.21	2.30
Prev. EPS (US$)	—	2.11	2.13	2.14
P/E (x)	14.9	14.0	12.5	12.0
P/E rel. (%)	85.0	84.1	82.8	88.2
Revenue (US$ m)	1,793.3	1,771.1	1,832.5	1,896.1
EBITDA (US$ m)	232.1	240.3	252.1	263.7
OCFPS (US$)	4.01	2.77	1.85	4.82
P/OCF (x)	5.0	10.0	14.9	5.7
EV/EBITDA (current)	7.2	7.0	6.6	6.4
Net debt (US$ m)	633	635	653	504
ROIC (%)	6.52	6.15	6.09	6.57

Number of shares (m)	39.60	IC (current, US$ m)	1,552.80
BV/share (Next Qtr., US$)	28.1	EV/IC (x)	1.1
Net debt (Next Qtr., US$ m)	696.2	Dividend (current, US$)	—
Net debt/tot cap (Next Qtr., %)	71.6	Dividend yield (%)	—

Source: Company data, Credit Suisse estimates.

From report dated 23 January 2014
Aerospace & Defense

Allegheny Technologies, Inc. (ATI)

Rating	(from Neutral) **OUTPERFORM***
Price (22 Jan 14, US$)	32.01
Target price (US$)	(from 34.00) 41.00[1]
52-week price range	36.30 - 26.00
Market cap. (US$ m)	3,456.51
Enterprise value (US$ m)	4,516.28

*Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.
[1]Target price is for 12 months.

Research Analyst

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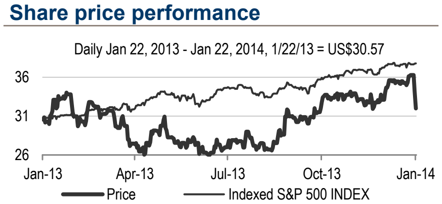
UPGRADE RATING

Upgraded to Outperform

- We upgraded Allegheny Technologies to Outperform and increased our target price to $41. ATI's fourth quarter 2013 results were messy; however, we expected it, which is why we were surprised to see the stock rally over the past six weeks. However, with the stock down 12% in the past two days and 4% below the 50-day moving average, we believe that the bad news is priced in and see downside risk limited to around $29-30, given liquidity issues are fixed. While the call on January 22, 2013, indicated that the 2014 consensus estimate was likely too high, we heard nothing that would change the earnings potential for 2015 and beyond, which we believe is the only reason investors should own the stock. While it may be early to base valuation on 2016 earnings, this is a call for long-term value investors who can weather volatility while the company manages through another transition year. Our new $41 target price is based on a multiple of 12 on our 2016 EPS estimate of $3.46. We decreased our 2014 EPS estimate to $0.28 from $0.45 on nonoperating items guided to on the recent call; however, we maintain our 2015-16 estimates of $2.15 and $3.46.
- The key to our more positive thesis is that liquidity issues are off the table, and the company ended 2013 with $1 billion in cash. With that headwind gone, a line of sight to positive free cash flow in 2015, and an unobstructed line of reasonably positive catalysts in 2014 and 2015, we do not see ATI returning to the mid-$20-per-share level and view the risk/reward profile as favorable. We see peak earnings potential at the mid-$4-per-share level in 2017-18 and believe that, after the fourth quarter of 2013, the three-year down cycle of estimate revisions is close to over, unless there is a major hiccup on the hot rolling and processing facility.

Share price performance



On 01/22/14 the S&P 500 INDEX closed at 1844.86.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	0.09	0.04	-0.32	1.62
2014E	-0.20	-0.07	0.13	0.42
2015E	—	—	—	—

Financial and valuation metrics

Year	12/13A	12/14E	12/15E	12/16E
EPS (CS adj.) (US$)	1.43	0.28	2.15	3.46
Prev. EPS (US$)	—	0.45	—	—
P/E (x)	22.3	114.1	14.9	9.3
P/E rel. (%)	127.0	687.4	98.6	67.9
Revenue (US$ m)	4,043.2	4,252.8	4,742.9	5,418.0
EBITDA (US$ m)	98.6	345.6	652.6	864.9
OCFPS (US$)	3.44	2.31	3.26	4.60
P/OCF (x)	10.4	13.9	9.8	7.0
EV/EBITDA (current)	44.4	12.7	6.7	5.1
Net debt (US$ m)	925	1,060	544	315
ROIC (%)	2.47	5.40	11.70	15.44

Number of shares (m)	107.98	IC (current, US$ m)	3,920.10
BV/share (Next Qtr., US$)	—	EV/IC (x)	1.1
Net debt (Next Qtr., US$ m)	1,052.2	Dividend (current, US$)	0.72
Net debt/tot cap (Next Qtr., %)	35.6	Dividend yield (%)	0.56

Source: Company data, Credit Suisse estimates.

From report dated 21 January 2014
Aerospace & Defense

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Commercial Aerospace

COMMENT

Aftermarket Poised for Strength in 2014

- Following our recent fieldtrip to Florida, where we met with public and private aerospace companies with significant aftermarket exposure, we came away incrementally more positive on a recovery in aftermarket following the unexpected softness in 2013 and less concerned about parts cannibalization. Deferred maintenance, restocking, and greater reliance on used aircraft should drive 2014 aftermarket growth in the high-single to low-double digits.
- The aircraft surplus parts market has expanded over the past few years to a robust market from what was primarily an alternative for distressed players, as return potential has attracted more capital and airlines are seeking used materials to manage maintenance spend (surplus parts sell at about a 15% discount versus new after a use adjustment for the remaining life on a life-limited part). We have been concerned that the proliferation of the part-out market has taken aftermarket share from original equipment (OE) suppliers; however, this phenomenon appears specific to part-type and platform. We currently expect that the overall impact on aftermarket sales for suppliers (including consumable parts manufacturer approval [PMA] supplier Heico [HEI]) from surplus parts is nominal and see an improving trend in the preference for used aircraft, boosting prospects for aftermarket.
- Of the value of a midlife aircraft part-out, 90% is engine related, and OE manufacturers such as General Electric (GE) have become more involved to control the impact from used parts. Part-outs are typically unique situations (single displaced aircraft) or less attractive models (A318 and 737-600, which constitute 2.5% of the installed base of in-service narrowbody aircraft) with depressed residual values and a limited customer base. Financial players in the aircraft market see parting out aircraft as a last resort, given the expense ($60,000-200,000) and time required (up to three months for disassembly and a year to sell the parts), with a strong preference for releasing the aircraft. One private company we saw that focuses on releasing midlife aircraft noted that the demand for used aircraft has been improving and that there is a high demand for releasing and improvement in used aircraft residuals. We believe that the trend to replace relatively young aircraft with new versions of the same model is diminishing, as the nominal fuel advantage is outweighed by the pricing difference. An airline considering a NEO or Max is motivated by much larger operating cost savings, so that is not the focus of this discussion. Delta (DAL) is the most notable example of an airline adjusting its strategy to employ more older aircraft.

Continued on next page . . .

Top Picks

- We prefer TransDigm (TDG), BE Aerospace (BEAV, which also offers profitable OE exposure), and Esterline Technologies (ESL, although its aftermarket is lower as a percentage of sales). Other small and mid-caps with aftermarket exposure on which we have Neutral ratings include HEI via its PMA portfolio and AAR (AIR) via its supply chain and maintenance, repair, and overhaul businesses.

Companies Mentioned *(Price as of 17-Jan-2014)*

AAR (AIR.N, $27.6)
BE Aerospace Inc. (BEAV.OQ, $83.7)
Delta Air Lines (DAL, $31.07)
Esterline Technologies (ESL.N, $108.19)
General Electric (GE.N, $26.58)
Heico Corp (HEI.N, $58.69)
TransDigm (TDG.N, $173.21)

Materials

From report dated 20 January 2014
Diversified Metals & Mining

Paladin Energy (PDN.TO)

Rating	(from Underperform) **NEUTRAL* [V]**
Price (17 Jan 14, C$)	0.55
Target price (C$)	(from 0.55) 0.70[1]
52-week price range	1.29 - 0.38
Market cap. (C$ m)	530.33
Enterprise value (C$ m)	851.90

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.
[V] = Stock considered volatile (see Disclosure Appendix).

Research Analyst

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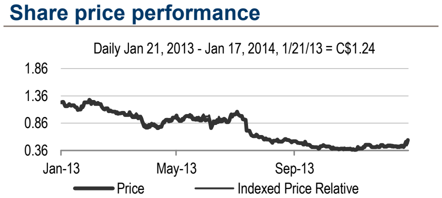
UPGRADE RATING

Upgraded to Neutral

- We upgraded Paladin Energy to Neutral following its $190 million agreement to sell a 25% stake in its Langer Heinrich (LH) mine to China Uranium Corporation; it is expected to close by mid-2014. The transaction valuation is at the low end (versus our estimate of $225 million); however, proceeds from the sale will be used to reduce debt (pending Chinese regulatory approvals and consent from project financiers and the Bank of Namibia), which could reduce the midterm risk profile of PDN.TO. The transaction includes an off-take arrangement for 25% of LH output at spot market prices.
- The transaction is neutral to our net asset value estimate and decreases our net debt to equity ratio to 43% from 75% for the fiscal first quarter of 2014; however, it still remains above PDN.TO's closest peers Cameco (CCO.TO, C$24.97) at 21% and Energy Resources of Australia (ERA.AX, A$1.24) at -24%. We estimate that PDN.TO will reduce its all-in sustaining costs including SG&A, exploration, interest, and sustaining capital expenditure by $0.60 per pound (lb.) in fiscal 2015 to $36 per lb., assuming proceeds are put toward its $300 million of 3.625% convertible bonds that are due November 2015 (or by $1.10 per lb. in fiscal 2015 to $35.50 per lb., assuming proceeds are put toward its $274 million of 6% convertible bonds due April 2017).
- PDN.TO needs higher uranium prices and costs savings to turn free cash flow positive in 2015. Based on our uranium price deck ($41.75 and $55 per lb. in 2014-15) and anticipated unit cost savings at both operations, we do not forecast that external funding will be required and continue to assume successful refinancing and repayment of both tranches of convertible debt. Our C$0.70 target price is based on 0.7 times (up from 0.6) our revised net asset value per share estimate of C$1.14. Our multiples remain at the low end (0.7-1.0) based on PDN.TO's relatively high-cost operations and its strategic position within the peer group of global uranium producers.

Share price performance



On 01/17/14 the TSX-Toronto Stock Exchange 300 Compo closed at 13888.21.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	-0.01	-0.00	-0.02	-0.03
2014E	-0.04	0.01	-0.01	0.00
2015E	0.00	0.01	0.01	0.02

Financial and valuation metrics

Year	06/13A	06/14E	06/15E	06/16E
EPS (CS adj.) (C$)	-0.05	-0.03	0.04	0.06
Prev. EPS (C$)	—	—	—	—
P/E (x)	-10.8	-16.0	12.7	8.5
P/E rel. (%)	-69.6	-99.6	89.3	66.4
Revenue (C$ m)	411.5	352.9	431.3	472.6
EBITDA (C$ m)	-268.1	43.5	137.7	171.2
OCFPS (C$)	0.23	0.05	0.10	0.13
P/OCF (x)	3.8	12.0	5.6	4.1
EV/EBITDA (current)	-4.0	24.5	7.7	6.2
Net debt (C$ m)	600	322	247	148
ROIC (%)	-31.99	-0.82	5.52	7.40

Number of shares (m)	964.24	IC (current, C$ m)	1,247.90
BV/share (Next Qtr., C$)	0.76	EV/IC (x)	0.85
Net debt (Next Qtr., C$ m)	522.8	Dividend (current, C$)	—
Net debt/tot cap (Next Qtr., %)	72.9	Dividend yield (%)	—

Source: Company data, Credit Suisse estimates.

Technology

From report dated 22 January 2014
Software

Callidus Software, Inc. (CALD)

INITIATION

Initiated Coverage with Outperform Rating

Rating	OUTPERFORM*
Price (21 Jan 14, US$)	14.56
Target price (US$)	20.00[1]
52-week price range	14.56 - 4.13
Market cap. (US$ m)	587.91

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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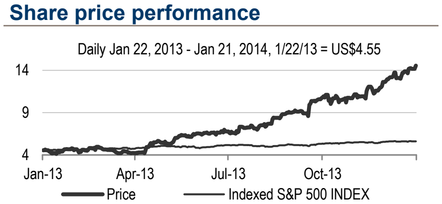
- We initiated coverage of Callidus Software with an Outperform rating and a $20 target price. CALD provides sales performance management software that enables sales and marketing organizations to hire, train, enable, and motivate its revenue-generating employees to become more effective. We believe that CALD will outperform our broader coverage universe owing to better-than-expected billings, revenue, and cash flow growth as a result of increasing customer demand for its market-leading sales performance management solutions, which are based on software as a service.
- We believe that investors should consider CALD owing to its (1) market share leadership in a fast-growing sales performance management market; (2) best-of-breed sales and marketing effectiveness software solutions; (3) compelling go-to-market strategy; and (4) highly visible, recurring, and predictable business model that has significant operating leverage potential.
- Under the leadership of CEO Leslie Stretch, CALD has successfully transitioned its business model to primarily selling subscriptions from selling perpetual licenses. Our CALD model drives off of billings, giving us extra confidence in our estimates.
- Our $20 target price equates to 7.2 times our 2014 revenue estimate and is based on a 50% weighted DCF at $20.06 (11% WACC, 3% terminal growth) and 50% weighted relative multiple at $20 (7.2 times our 2014 revenue estimate of $128.6 million).

Share price performance



On 01/21/14 the S&P 500 INDEX closed at 1843.8.

Quarterly EPS	Q1	Q2	Q3	Q4
2012A	-0.03	-0.02	-0.03	-0.08
2013E	-0.02	-0.02	0.07	0.04
2014E	0.02	0.03	0.04	0.06

Financial and valuation metrics

Year	12/12A	12/13E	12/14E	12/15E
EPS - (Excl. ESO) (US$)	-0.16	0.08	0.14	0.20
EPS (CS adj.) (US$)	-0.16	0.08	0.14	0.20
Prev. EPS (CS adj.) (US$)	—	—	—	—
P/E (CS adj., x)	-92.7	181.1	102.7	74.2
P/E rel. (CS adj., %)	-527.6	1,091.1	680.2	544.5
Revenue (US$ m)	95.0	111.5	128.6	154.4
EBITDA (US$ m)	-1.6	9.8	12.9	16.9
Net debt (US$ m)	44	-10	-22	-35
OCFPS (US$)	-0.04	0.25	0.34	0.40
P/OCF (x)	-102.1	58.7	42.2	36.0

Number of shares (m)	40.38	Price/sales(x)	5.59
BV/share (Next Qtr., US$)	1.0	P/BVPS (x)	12.5
Net debt (Next Qtr., US$ m)	-10.1	Dividend (current, US$)	—
Dividend yield (%)	—		

Source: Company data, Credit Suisse estimates.

24 January 2014

From report dated 22 January 2014
Software

Informatica (INFA)

Rating	(from Neutral) **OUTPERFORM***
Price (21 Jan 14, US$)	42.55
Target price (US$)	(from 41.00) 52.00[1]
52-week price range	43.11 - 31.15
Market cap. (US$ m)	4,617.23

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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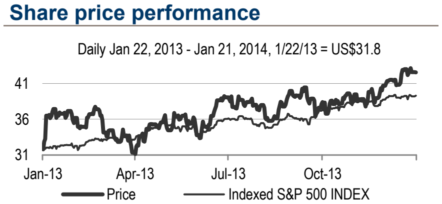
UPGRADE RATING

Upgraded to Outperform

- We upgraded Informatica to Outperform from Neutral and increased our target price to $52 from $41. We believe that INFA's business turned a corner in 2013 after a challenging 2012, and its results should continue to improve over the coming three to four quarters, given the company could be a share gainer in an accelerating data integration (DI) market, driving organic software growth above the consensus in 2014 (up 12.6% year over year [yr/yr]). Our new sum-of-the-parts valuation methodology, in which we more accurately value INFA's subscription business against sales-as-a-service peers, implies a new target price that is more than 20% higher, based on our 2015 estimates. We increased our 2014 revenue and EPS estimates and introduced our 2015 estimates.
- DI industry growth is expected to accelerate in 2014, and INFA could be a market share gainer. The International Data Corporation recently published its 2013-17 DI industry forecasts that call for 9.1% and 10.5% growth in 2014-15 versus 7.4% in 2013, which we believe is a potentially meaningful acceleration. As INFA's internal execution issues continue to abate, as evidenced in its strong results over the past two to three quarters, we anticipate that INFA could once again gain market share in DI and accelerate its organic license growth above 10% in 2014 for the first time in a few years. Annual organic license revenue growth above 10% (over a normal 2013 comp) could cause more growth investors to revisit the name after abandoning it when growth decelerated in 2012.

Continued on next page . . .

Share price performance



On 01/21/14 the S&P 500 INDEX closed at 1843.8.

Quarterly EPS	Q1	Q2	Q3	Q4
2012A	0.35	0.29	0.27	0.41
2013E	0.31	0.31	0.33	0.48
2014E	0.34	0.35	0.38	0.58

Financial and valuation metrics

Year	12/12A	12/13E	12/14E	12/15E
EPS - (Excl. ESO) (US$)	1.31	1.44	1.65	1.90
EPS (CS adj.) (US$)	1.31	1.44	1.65	1.90
Prev. EPS (CS adj.) (US$)	—	—	1.63	—
P/E (CS adj., x)	32.4	29.6	25.7	22.4
P/E rel. (CS adj., %)	184.4	178.6	170.4	164.7
Revenue (US$ m)	811.6	943.2	1,055.1	1,176.9
EBITDA (US$ m)	224.6	250.2	290.3	332.4
Net debt (US$ m)	-190	-325	-478	-739
OCFPS (US$)	1.79	1.86	2.21	2.50
P/OCF (x)	17.0	22.9	19.2	17.0

Number of shares (m)	108.51	Price/sales(x)	5.03
BV/share (Next Qtr., US$)	10.8	P/BVPS (x)	3.9
Net debt (Next Qtr., US$ m)	-325.3	Dividend (current, US$)	—
Dividend yield (%)	—		

Source: Company data, Credit Suisse estimates.

Expect an In-Line to Above Fourth Quarter of 2013

- We view our 15% operating margin contribution for the subscription business as conservative, given INFA stated that subscription revenue margins should improve as that business scales. We also believe that the EV/revenue multiple that we apply to INFA's subscription business is fair, given its fast growth (57% in 2012, and we estimate 57-43% in 2013-14).
- INFA is scheduled to report fourth quarter 2013 results on January 23, 2014. We expect INFA to deliver revenue results in-line to above our estimates and the Street of $271.1 million and $270.1 million (up 15.5% and 15.1% yr/yr, respectively) versus the $267.5 million midpoint of guidance. We believe that INFA will likely meet or exceed our license revenue estimate of $118.1 million (up 13.5% yr/yr) over a manageable fourth quarter 2012 license revenue comp (down 7.2% yr/yr), driven by a stabilization in the macroeconomic environment, particularly in Europe (around 25% of revenues), and as the company benefits from recent organizational changes (i.e., new sales leadership, sales specialists, and a more rigorous planning process).
- Given the third quarter 2013 new order and backlog (potential future revenue less deferred revenue) of $38.3 million (up 56% yr/yr), our regression analysis implies license revenue of $132.3 million (up 27% yr/yr) for the fourth quarter of 2013, which is 12% higher than our estimates. We view the initial 2014 total revenue guide (up 8-12% yr/yr) as achievable and have confidence that INFA is capable of delivering organic license growth above 10% in 2014. We believe that management will increase its initial 2014 guidance that it provided on the third quarter 2013 earnings call. We estimate fourth quarter 2013 software revenue of $130.9 million (up 16% yr/yr) versus the Street at $130.3 million and fourth quarter 2013 EPS of $0.48 versus the Street at $0.48.
- We arrive at our $52 target price by applying an EV/revenue multiple of 8 to our 2015 subscription revenue estimate and a P/E multiple of 25 to our 2015 EPS estimate of $1.82, excluding the subscription business.

From report dated 17 January 2014
Semiconductor Devices

Intel Corporation (INTC)

Rating	**OUTPERFORM***
Price (16 Jan 14, US$)	26.54
Target price (US$)	30.00[1]
52-week price range	26.67 - 20.23
Market cap. (US$ m)	131,930.34

**Stock ratings are relative to the coverage universe in each analyst's or each team's respective sector.*
[1]Target price is for 12 months.

Research Analyst

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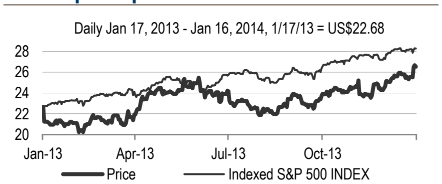
EARNINGS

Enterprise Giveth, Enterprise Taketh Away

- Intel beat revenue and gross margin for the fourth quarter 2013 results and first quarter 2014 guidance but missed comparable Street EPS by $0.01 and $0.03, respectively, owing to a higher operating expenditure and tax rate. Fourth quarter 2013 revenue upside would have been more pronounced if it were not for relative weakness in the Data Center Group (DCG), which offset better-than-expected PC Client Group (PCCG) growth. Relative to several upgrades, improving PC supply chain data points, and a stock that has outperformed the broader market by two times since early December 2013, we believe that results are not good enough.
- We are concerned that DCG missed guidance for the second consecutive quarter, growing 3% quarter over quarter (q/q) versus implied guidance of 10% q/q, and that PCCG upside was driven in part by desktop revenue and specifically Enterprise Desktop, raising the spectre of PC stabilization being driven by Windows XP's end of life. These two issues have overshadowed another strong operational quarter for INTC, in which gross margin beat by 100 basis points and was essentially flat q/q, despite an additional 8% q/q decline in inventory, higher start-up costs, and tablet subsidies.
- While not as clean of a report as expected, fourth quarter 2013 results re-enforce a trough earnings scenario at significantly higher levels of profitability than feared. We have been arguing $2.50-plus in EPS power, even in a scenario in which core PC earnings declined to $1.00. Trough PC EPS currently appear more likely at $1.50 or higher. The most significant setback to our thesis is a slower-than-expected recovery in DCG, which would affect our target multiple if it persists. We maintain our 2014 EPS estimate of $1.90 based on lower 2014 operating expenditure offset by a higher tax rate ($0.05 of EPS). We introduced our 2015 EPS estimate of $2.05 versus the Street of $2.01. We maintain our Outperform rating and $30 target price.

Share price performance



On 01/16/14 the S&P 500 INDEX closed at 1845.89.

Quarterly EPS	Q1	Q2	Q3	Q4
2013A	0.40	0.39	0.58	0.52
2014E	0.36	0.43	0.54	0.56
2015E	0.46	0.48	0.55	0.56

Financial and valuation metrics

Year	12/13A	12/14E	12/15E	12/16E
EPS - (Excl. ESO) (US$)	1.89	1.90	2.05	—
EPS (CS adj.) (US$)	1.89	1.90	2.05	—
Prev. EPS (CS adj.) (US$)	—	—	—	—
P/E (CS adj., x)	14.0	14.0	13.0	—
P/E rel. (CS adj., %)	79.7	84.3	85.9	—
Revenue (US$ m)	52,708.0	53,293.0	54,084.1	—
EBITDA (US$ m)	20,323.0	21,202.9	22,528.0	—
Net debt (US$ m)	-12,862	-16,503	—	—
OCFPS (US$)	4.11	3.86	—	—
P/OCF (x)	6.3	6.9	-	—

Number of shares (m)	4,971.00	Price/sales(x)	2.54
BV/share (Next Qtr., US$)	11.8	P/BVPS (x)	2.3
Net debt (Next Qtr., US$ m)	-13,183.0	Dividend (current, US$)	0.88
Dividend yield (%)	0.83		

Source: Company data, Credit Suisse estimates.

From report dated 21 January 2014
Consumer Internet

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Internet

THEME

Themes for 2014

- In addition to presenting the work that the Internet team has published around topical items such as Amazon's (AMZN, $404.84) Amazon Fresh and Google's (GOOG, $1161.76) enhanced campaigns, as well as thematic take-aways around the recent public offerings and updated work on the travel sector, we introduced a differentiated way to gauge the competitive positioning of each company in our space. We believe that all Internet business models exist to connect consumer dollars to manufacturers of goods and services; therefore, the best-positioned companies should have a foothold in each part of the value chain that ultimately leads to a consumer purchasing decision.
- In our view, the horizontal opportunity for each company comes from the Internet users. Therefore, the operating scope of each company will be at higher multiples than currently, given (1) the user base should increase to 6 billion over the coming five years from 1.5 billion currently; (2) Screens^{n} (screens to the nth power), which contemplates wearables but also at-home and out-of-home screens; and (3) the engagement curve inversion, which contemplates increased time spent online through the day owing to all of the connected devices that consumers will use.
- With the aforementioned opportunity still pending, we are constructive on those companies that have invested well, and we screen those by looking at negative change to return on invested capital. Companies must either start investing to catch up or be left behind. We believe that GOOG, with Android, Chrome/Motorola, and its media properties along every part of the consumer purchasing funnel, is the best positioned, as it has the largest vertical presence as well as horizontal reach. Our other top picks are AMZN, Priceline.com (PCLN, $1206.70), and LinkedIn (LNKD, $221.00). (Stock closing prices are as of January 21, 2014.)

Utilities

From report dated 17 January 2014
Utilities

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FirstEnergy Corporation (FE)

DECREASE TARGET PRICE

How to Talk Yourself into Revisiting the Stock

- FirstEnergy's stock has done poorly for a long time and for a number of valid reasons. We believe that the relevant question is what could change that trajectory. While we still see FE as roughly at fair value, we see potential opportunities that could at least help FE outperform against other Integrateds.
- As a result of our analysis, updated fourth quarter 2013 power prices, and the inclusion of Edison Electric Institute (EEI) disclosures, we decreased our target prices for FE and Exelon (EXC) to $33 and $23, along with our 2013-15 EPS estimates. For relative value, we would spend more time and analyze the potential for FE to rebound in the near term, with long-term opportunity. In the near term, the market is already pricing a dividend cut at FE to come at the board meeting on January 21, 2014. (*Update*. On January 21, 2014, FE cut the dividend to $1.44 from $2.20 for a yield at about 4.5% and a 65% payout on utility less holding company earnings, which was below our $1.50 estimate. FE also provided 2014 EPS guidance of $2.45-2.85, a miss versus the consensus of $2.82. We have low conviction that FE kitchen-sinked expectations alongside the dividend cut but believe that the floor value for the stock is lower than the $31-33 range that we had previously expected owing to weaker assumed distribution earnings power.)
- The large value opportunities will require time, effort, and prodding FE to move but could offer substantial upside potential. Even though FE was aloof to the REIT idea at EEI, we still see a value-creation opportunity if FE would convert the transmission business into a REIT. Given the market demand for other catalysts and the growth and visibility of FE's transmission business, we see upside potential of at least $5 per share. Talk of an EXC and FE deal cooled in early fall 2013 as FE outperformed by 7%, although a terrible November and December 2013 left FE down net 5% since August 2013, potentially leaving EXC more interested. Even with a 15% premium for FE, we see the deal as accretive to EXC on earnings, business mix, and value and about flat to credit. Given power markets remain poor, we believe that management and the board's credibility could be hurt by the dividend cut, and a decision in New Jersey on the currency translation adjustment is a headline risk, but only $0.03 of EPS.

	Price	Price	Rating*		Target Price		Year	EPS	EPS FY1E		EPS FY2E		EPS FY3E	
Company	ccy	16 Jan 14	Prev.	Cur.	Prev.	Cur.	End	Ccy	Prev.	Cur.	Prev.	Cur.	Prev.	Cur.
Exelon Corporation (EXC)	US$	27.30	—	N	25.00	23.00	Dec 12	US$	2.51	2.44	2.30	2.31	2.39	2.33
FirstEnergy (FE)	US$	32.49	—	N	35.00	33.00	Dec 12	US$	2.98	2.97	3.05	3.02	3.28	3.18

**O – Outperform, N – Neutral, U – Underperform, R – Restricted* *[V] = Stock considered volatile (see Disclosure Appendix).*
Source: Company data, Credit Suisse estimates.

Estimate Revisions

Upward

Company	Ticker	2012A Annual	2013E Annual	2013E Previous	2014E Annual	2014E Previous	FY End	Analyst
Archer Daniels Midland Inc.	ADM	$2.24	$2.25	$2.21	$3.35	$3.35	Dec. 31	Robert Moskow
BioAmber Inc.	BIOA	(3.08)	(1.58)	(1.58)	(2.03)	(2.03)	Dec. 31	Patrick Jobin
Credicorp	BAP.N	23.60	23.35	15.54	30.44	21.32	Dec. 31	Marcelo Telles
Gaming and Leisure Properties, Inc.	GLPI	—	0.50	0.50	2.57	2.33	Dec. 31	Joel Simkins
Intercorp	IFS.LM	6.43	5.77	1.75	8.36	5.05	Dec. 31	Marcelo Telles
Jinko Solar	JKS	(4.92)	2.00	1.98	3.98	3.81	Dec. 31	Brandon Heiken
Kirby Corporation	KEX	3.74	4.27	4.27	4.90	4.90	Dec. 31	Gregory Lewis
Knight Transportation	KNX	0.85	0.86	0.82	0.94	0.92	Dec. 31	Allison Landry
Manulife Financial Corporation	MFC.TO	1.19	1.37	1.37	1.62	1.62	Dec. 31	Gabriel Dechaine
Pan American Silver Corp.	PAA.TO	1.18	0.37	0.35	0.11	0.08	Dec. 31	Ralph Profiti
Penn West Petroleum Ltd.	PWT.TO	(0.51)	0.09	0.09	0.16	0.15	Dec. 31	Jason Frew
Rocket Fuel Inc.	FUEL	(0.17)	(0.23)	(0.29)	(0.32)	(0.34)	Dec. 31	Stephen Ju
Texas Instruments Inc.	TXN.OQ	1.52	1.94	1.91	2.25	2.20	Dec. 31	John Pitzer
The Charles Schwab Corp	SCHW	0.69	0.75	0.75	0.90	0.87	Dec. 31	Christian Bolu
Travelers Cos. Inc.	TRV.N	6.21	9.52	9.19	8.98	8.67	Dec. 31	Michael Zaremski
USG Corporation	USG.N	(1.67)	0.48	0.46	1.75	1.58	Dec. 31	Michael Dahl
Valero Energy Corporation	VLO.N	5.59	4.51	3.83	4.73	4.51	Dec. 31	Edward Westlake
Waddell & Reed Financial	WDR.N	1.76	2.85	2.85	3.74	3.70	Dec. 31	Craig Siegenthaler

Company	Ticker	2013A Annual	2014E Annual	2014E Previous	2015E Annual	2015E Previous	FY End	Analyst
Abbott Laboratories	ABT	$2.01	$2.20	$2.20	$2.44	$2.44	Dec. 31	Bruce Nudell
Associated Banc-Corp	ASBC	1.06	1.15	1.11	1.25	1.17	Dec. 31	Matthew Clark
Brinker International Inc.	EAT	2.34	2.78	2.78	3.25	3.21	June 27	Karen Holthouse
El Paso Pipeline Partners, LP	EPB	1.83	1.87	1.81	2.07	2.04	Dec. 31	John Edwards
Forest Laboratories Inc.	FRX	0.47	1.35	1.13	4.48	4.43	Mar. 31	Vamil Divan
General Dynamics Corporation	GD	7.03	7.35	7.35	8.05	7.69	Dec. 31	Robert Spingarn
Ironwood Pharmaceuticals, Inc.	IRWD	(2.35)	(1.12)	(1.28)	(0.23)	(0.61)	Dec. 31	Ravi Mehrotra
Kinder Morgan Energy Partners, LP	KMP	3.77	2.16	2.14	2.06	2.06	Dec. 31	John Edwards
Kinder Morgan, Inc.	KMI	1.15	1.60	1.58	1.77	1.76	Dec. 31	John Edwards
Norfolk Southern	NSC	5.87	6.55	6.42	7.24	7.15	Dec. 31	Allison Landry
Open Text Corporation	OTEX	5.57	6.12	5.68	7.05	5.85	June 30	Michael Nemeroff
Paladin Energy	PDN.TO	(0.05)	(0.03)	(0.03)	0.04	0.04	June 30	Ralph Profiti
Parker Hannifin Corporation	PH	6.26	6.40	6.35	8.50	8.50	June 30	Jamie Cook
PPG Industries, Inc	PPG	8.28	9.88	9.35	11.69	10.94	Dec. 31	John McNulty
Raymond James Financial, Inc.	RJF	2.90	3.25	3.20	3.75	3.75	Sept. 30	Christian Bolu
Rockwell Collins, Inc.	COL	4.58	4.45	4.40	5.02	5.00	Sept. 30	Robert Spingarn
Signature Bank	SBNY	4.74	6.00	5.55	7.25	6.60	Dec. 31	Matthew Clark
Stryker Corporation	SYK	4.49	4.83	4.53	5.48	5.11	Dec. 31	Bruce Nudell
Textron	TXT.N	1.75	2.11	2.10	2.46	2.40	Dec. 31	Julian Mitchell
Webster Financial Corporation	WBS.N	1.93	2.10	2.05	2.30	2.25	Dec. 31	Matthew Clark

Downward

Company	Ticker	2012A Annual	2013E Annual	2013E Previous	2014E Annual	2014E Previous	FY End	Analyst
Alamos Gold Inc.	AGI.N	$1.03	$0.51	$0.58	$(0.07)	$0.18	Dec. 31	Anita Soni
B&G Foods Inc - Class A	BGS	1.34	1.48	1.48	1.70	1.71	Dec. 31	Robert Moskow
Cielo	CIEL3.SA	2.94	3.43	3.47	3.96	4.03	Dec. 31	Victor Schabbel
Con-Way Inc.	CNW	1.82	1.66	1.81	2.40	2.51	Dec. 31	Allison Landry
Eldorado Gold	EGO.N	0.46	0.28	0.32	0.20	0.20	Dec. 31	Anita Soni
Ensco Plc.	ESV	5.42	6.06	6.07	6.41	6.70	Dec. 31	Gregory Lewis
ExOne	XONE.OQ	—	(0.29)	(0.14)	0.40	0.51	Dec. 31	Jonathan Shaffer
FirstEnergy	FE	3.34	2.97	2.98	3.02	3.05	Dec. 31	Dan Eggers
Fleury	FLRY3.SA	0.68	0.42	1.10	1.24	1.45	Dec. 31	Clarissa Berman
Forum Energy Technologies, Inc.	FET	1.74	1.48	1.54	1.83	1.89	Dec. 31	Jonathan Sisto
Freeport-McMoRan Copper & Gold	FCX	3.19	2.49	2.52	2.55	2.60	Dec. 31	Ralph Profiti
IntercontinentalExchange, Inc.	ICE	7.60	8.09	8.21	11.30	11.70	Dec. 31	Christian Bolu
KiOR	KIOR	(0.92)	(1.38)	(1.37)	(0.68)	(0.48)	Dec. 31	Edward Westlake
MercadoLibre Inc.	MELI.OQ	2.37	2.84	2.85	3.60	3.81	Dec. 31	Stephen Ju
Mexichem	MEXCHEM.MX	2.18	1.79	2.87	2.16	3.24	Dec. 31	Vanessa Quiroga
Molina Healthcare Inc	MOH	0.21	0.97	1.15	2.00	2.08	Dec. 31	Chris Carter
Pacific Drilling	PACD	0.05	0.39	0.42	0.85	0.87	Dec. 31	Gregory Lewis
Penn National Gaming	PENN	—	0.61	0.70	0.53	0.59	Dec. 31	Joel Simkins
Rowan Companies	RDC	2.02	1.93	1.93	3.05	3.36	Dec. 31	Gregory Lewis
Silver Spring Networks	SSNI	(1.56)	(0.10)	0.12	0.26	0.75	Dec. 31	Patrick Jobin
Sprint Corp	S	(0.93)	(0.64)	(0.64)	(0.41)	(0.40)	Dec. 31	Joseph Mastrogiovanni
Transocean Inc.	RIG	3.68	4.12	4.15	5.18	5.71	Dec. 31	Gregory Lewis
United Parcel Service Inc.	UPS.N	4.53	4.57	4.74	5.25	5.48	Dec. 31	Allison Landry
Wolverine World	WWW.N	1.38	1.42	1.44	1.63	1.70	Dec. 31	Christian Buss

Company	Ticker	2013A Annual	2014E Annual	2014E Previous	2015E Annual	2015E Previous	FY End	Analyst
Allegheny Technologies, Inc	ATI	$1.43	$0.28	$0.45	$2.15	$2.15	Dec. 31	Julie Yates
American Express Co.	AXP	4.92	5.10	5.10	5.45	5.45	Dec. 31	Moshe Orenbuch
ASML Holding N.V.	ASML	2.49	2.94	3.18	3.56	4.08	Dec. 31	John Pitzer
Baker Hughes Inc.	BHI	2.68	3.95	4.04	5.07	5.15	Dec. 31	James Wicklund
Best Buy	BBY	2.54	1.79	2.40	2.16	2.58	Feb. 01	Gary Balter
BlackRock	BLK	16.60	18.30	18.57	20.90	21.42	Dec. 31	Craig Siegenthaler
Citigroup Inc.	C	4.34	5.25	5.40	5.85	5.85	Dec. 31	Moshe Orenbuch
Coach Inc	COH	3.73	3.16	3.43	3.30	3.66	June 30	Christian Buss
Cree	CREE	1.30	1.64	1.69	1.68	2.02	June 30	Brandon Heiken
CSX Corporation	CSX	1.83	1.85	1.95	2.08	2.16	Dec. 31	Allison Landry
eBay Inc.	EBAY	2.70	3.06	3.22	3.57	3.81	Dec. 31	Stephen Ju
First Horizon National Corp	FHN	0.63	0.70	0.79	0.90	0.94	Dec. 31	Nicholas Karzon
Fusion-io	FIO	0.21	(0.27)	(0.21)	(0.20)	(0.16)	June 30	Kulbinder Garcha
Halliburton	HAL	3.15	4.03	4.34	5.50	6.11	Dec. 31	James Wicklund
Huntington Bancshares Incorporated	HBAN	0.70	0.72	0.74	0.78	0.87	Dec. 31	Craig Siegenthaler
Intel Corp.	INTC	1.89	1.90	1.90	2.05	—	Dec. 31	John Pitzer
International Business Machines Corp.	IBM	16.35	18.00	18.17	20.01	—	Dec. 31	Kulbinder Garcha
Johnson & Johnson	JNJ	5.52	5.79	5.83	6.28	6.33	Dec. 31	Bruce Nudell
Kinder Morgan Management, LLC	KMR	3.77	2.16	3.26	2.06	3.62	Dec. 31	John Edwards
Legg Mason	LM	(2.69)	2.41	2.42	2.90	2.99	Mar. 31	Craig Siegenthaler
lululemon athletica Inc.	LULU.OQ	1.86	1.89	1.98	2.01	2.32	Jan. 31	Christian Buss

continued

Downward

		2013A	2014E		2015E			
Company	**Ticker**	**Annual**	**Annual**	**Previous**	**Annual**	**Previous**	**FY End**	**Analyst**
Motorola Solutions	MSI	$4.73	$4.08	$4.14	$4.75	—	Dec. 31	Kulbinder Garcha
Netflix, Inc.	NFLX	2.86	6.41	6.53	9.68	$10.40	Dec. 31	Stephen Ju
Regions Financial Corporation	RF	0.82	0.80	0.80	0.87	0.90	Dec. 31	Craig Siegenthaler
Schlumberger	SLB	4.63	5.47	5.70	6.53	6.59	Dec. 31	James Wicklund
SLM Corp	SLM	2.96	2.54	2.64	2.70	2.82	Dec. 31	Moshe Orenbuch
St Jude Medical	STJ	3.76	3.98	3.98	4.28	4.28	Dec. 31	Bruce Nudell
Target Corporation	TGT.N	1.44	3.11	3.33	3.75	4.15	Jan. 31	Michael Exstein
Texas Capital Bancshares Inc.	TCBI	2.88	3.28	3.50	3.70	3.90	Dec. 31	Matthew Clark
The Bank of New York Mellon Corp.	BK	2.26	2.45	2.50	2.75	2.80	Dec. 31	Ashley Serrao
United Health Group	UNH.N	5.50	5.63	5.67	6.04	—	Dec. 31	Ralph Giacobbe
United Technologies Corp	UTX.N	6.21	6.86	6.86	7.48	7.51	Dec. 31	Julian Mitchell
Verizon Communications Inc	VZ.N	2.84	3.25	3.31	3.56	3.71	Dec. 31	Joseph Mastrogiovanni
VMware Inc.	VMW.N	3.37	3.56	3.91	4.42	4.62	Dec. 31	Philip Winslow
Woodward Inc	WWD.OQ	2.10	2.10	2.13	2.40	2.40	Sept. 30	Julie Yates

Conference Calendar

2014 Conferences

	Event	Location
January 26, 2014	WMN: Mary Pat Christie	New York
January 29-March 12, 2014	PB Breakfast Seminars	London
February 3-5, 2014	Latin America Investment Conference	Sâo Paolo
February 4, 2014	Joe Girardi / CATCH 25 Event	
February 10, 2014	Global Flagship Event—India	India—Mumbai
February 10-13, 2014	15th Annual Credit Suisse Financial Services Forum	Florida
February 10-13, 2014	19th Annual Energy Summit	Vail Colorado
February 24-26, 2014	Asia Frontier Markets Conference	New York and Boston
February 25, 2014	2014 Credit Suisse HOLT Conference	London
February 25, 2014	5th Annual DC Defense Conference	Washington
March 6, 2014	9th Annual European Cable and Telecoms Conference	London
March 9-11, 2014	Global Services Conference	Scottsdale, AZ
March 11-12, 2014	European Banks Conference 2014	London
March 13-16, 2014	DCM Winter Conference 2014	Silvaplana-Surlej
March 19-21, 2014	Prime Services 2014 Hedge Fund Leadership Conference	Florida
March 25, 2014	Asian Hedge Fund Forum	Hong Kong
March 26-28, 2014	Global Trading Forum 2014	Miami
April 24, 2014	5th European Pensions Strategy Conference	London
June 10, 2014	Thought Leader Forum	
July 9, 2014	Wroclaw Flagship Event	Wroclaw, Poland

**Invitation only event. Please contact your Credit Suisse salesperson.*

Certain events have limited availability.

For further information, please contact your Credit Suisse sales representative directly.

Performance of S&P 500 by Industry

As of January 24, 2014	% of S&P 500	Relative Price Performance 1 Mo.	3 Mos.	12 Mos.	YTD	1WK
CONSUMER DISCRETIONARY	**12.567**	**-1.86**	**-1.31**	**6.24**	**-2.09**	**-0.05**
Auto Components	0.421	-0.47	5.74	35.73	-0.08	-1.57
Auto Parts & Equipment	0.387	-0.64	5.94	34.49	-0.20	-1.52
Tires & Rubber	0.034	1.40	3.49	50.67	1.24	-2.06
Automobiles	0.771	1.38	-6.84	-2.10	1.41	-0.19
Automobile Manufacturers	0.686	2.23	-7.45	-2.29	2.16	0.05
Motorcycle Manufacturers	0.085	-4.55	-2.84	2.32	-3.76	-1.95
Household Durables	0.421	0.33	2.67	-4.17	0.06	0.67
Consumer Electronics	0.088	3.71	3.02	22.80	5.72	-0.43
Home Furnishings	0.087	0.65	1.26	-15.19	0.34	2.07
Homebuilding	0.125	0.44	3.31	-27.57	-1.82	2.26
Household Appliances	0.069	-2.03	-0.24	17.05	-1.17	-1.68
Housewares & Specialties	0.053	-1.42	4.80	13.46	-1.51	-0.07
Leisure Equipment & Products	0.122	-5.00	-5.20	-3.83	-7.51	-1.21
Leisure Products	0.122	-5.00	-5.19	-3.83	-7.50	-1.20
Textiles Apparel & Luxury Goods	0.873	-6.55	-4.97	0.99	-6.52	-0.63
Apparel Accessories & Luxury Goods	0.498	-6.89	-2.33	-8.20	-6.58	-0.83
Footwear	0.374	-6.08	-8.04	12.71	-6.44	-0.34
Hotels, Restaurants & Leisure	1.738	-1.80	-2.11	-4.85	-1.74	-0.72
Casinos & Gaming	0.145	6.62	10.35	32.77	4.87	-3.44
Hotels Resorts & Cruise Lines	0.425	2.57	8.13	-0.99	2.12	0.14
Restaurants	1.168	-3.67	-5.61	-8.60	-3.34	-0.66
Diversified Consumer Services	0.074	0.33	-4.15	-1.05	0.11	0.33
Education Services	0.028	285.46	280.83	209.73	-2.16	0.01
Specialized Consumer Services	0.046	1.17	-3.32	11.20	0.94	0.45
Media	3.625	-1.02	-0.93	11.99	-2.11	0.26
Advertising	0.153	1.78	5.31	15.35	-0.72	-0.71
Broadcasting & Cable TV	0.395	-6.11	-6.91	8.65	-7.80	-0.29
Movies & Entertainment	1.729	-3.08	-5.40	12.80	-4.23	0.97
Publishing	0.093	-4.99	-6.78	19.30	-5.64	-1.63
Distributors	0.075	1.85	2.25	3.88	2.11	0.45
Distributors	0.075	1.85	2.25	3.88	2.11	0.45
Internet & Catalog Retail	1.643	1.07	13.34	36.81	2.51	2.37
Internet Retail	1.643	1.07	13.34	36.81	2.51	2.37
Multiline Retail	0.674	-3.62	-6.32	-11.72	-3.69	-2.23
Department Stores	0.247	-0.88	5.83	-4.21	-1.23	-1.77
General Merchandise Stores	0.427	-5.06	-12.23	-15.61	-4.99	-2.49
Specialty Retail	2.129	-4.77	-6.97	-1.37	-5.09	-0.55
Apparel Retail	0.548	-7.04	-8.95	-6.40	-7.26	-3.34
Computer & Electronics Retail	0.078	-31.32	-40.25	44.64	-29.31	5.24
Home Improvement Retail	0.937	-0.43	-2.80	-1.37	-1.56	0.25
Specialty Stores	0.213	-10.07	-10.31	-10.29	-9.65	0.58
Automotive Retail	0.272	1.69	2.20	10.84	2.78	-0.34
Homefurnishing Retail	0.080	-16.24	-18.83	-11.00	-17.14	-0.02

continued

As of January 24, 2014	% of S&P 500	Relative Price Performance 1 Mo.	3 Mos.	12 Mos.	YTD	1WK
CONSUMER STAPLES	**10.281**	**-1.65**	**-4.57**	**-8.48**	**-1.75**	**-0.17**
Food & Staples Retailing	2.865	-3.54	-5.52	-2.84	-3.06	-0.65
Drug Retail	0.792	-1.47	1.19	14.86	-1.07	0.47
Food Distributors	0.122	-0.72	5.63	-7.87	1.10	-0.54
Food Retail	0.263	-8.81	-21.52	3.15	-7.51	-0.83
Hypermarkets & Super Centres	1.688	-3.96	-6.58	-14.29	-3.80	-1.46
Beverages	2.237	0.83	-1.30	-8.19	-0.16	0.48
Brewers	0.059	-0.81	-2.28	-2.57	-1.95	-1.48
Distillers & Vintners	0.261	13.42	12.93	24.07	13.09	-0.44
Soft Drinks	1.918	-0.54	-2.86	-11.42	-1.60	0.65
Food Products	1.642	-0.63	-2.93	-1.76	-0.87	-0.24
Agricultural Products	0.160	-5.35	-0.12	18.36	-4.82	0.14
Packaged Foods & Meats	0.160	-0.04	-3.25	-3.73	-0.37	-0.29
Tobacco	1.460	-1.58	-6.36	-20.84	-2.22	1.22
Tobacco	1.460	-1.58	-6.36	-20.84	-2.22	1.22
Household Products	1.879	-2.66	-6.06	-9.06	-2.03	-1.19
Household Products	1.879	-2.66	-6.06	-9.06	-2.03	-1.19
Personal Products	0.198	-5.17	-13.67	-13.84	-4.96	-1.45
Personal Products	0.198	-5.17	-13.67	-13.84	-4.96	-1.45
ENERGY	**9.677**	**-1.23**	**-3.49**	**-10.99**	**-1.83**	**0.26**
Energy Equipment & Services	1.794	0.00	-6.73	-9.92	-0.75	0.14
Oil & Gas Drilling	0.373	-3.76	-8.01	-26.82	-5.01	-1.82
Oil & Gas Equipment & Services	1.421	0.94	-6.34	-6.21	0.31	0.61
Oil, Gas & Consumable Fuels	7.883	-1.50	-2.72	-11.17	-2.07	0.28
Integrated Oil & Gas	4.320	-2.86	-0.82	-16.47	-3.68	-1.05
Oil & Gas Exploration & Production	2.367	-0.40	-10.22	-4.60	0.13	2.49
Oil & Gas Refining & Marketing	0.612	1.15	19.26	12.58	-0.96	1.15
Oil & Gas Storage & Transportation	0.505	0.33	-4.15	-1.05	0.11	0.33
Coal & Consumable Fuels	0.078	-1.64	-8.19	-28.35	-3.00	-0.83
FINANCIALS	**16.474**	**-0.58**	**-0.27**	**1.89**	**-0.11**	**-0.94**
Commercial Banks	2.881	2.95	4.97	8.03	3.72	0.48
Diversified Banks	1.906	1.96	4.18	7.58	2.87	0.13
Regional Banks	0.976	4.82	6.44	8.85	5.30	1.14
Thrifts & Mortgage Finance	0.055	-1.64	-3.13	-10.36	-1.75	0.56
Thrifts & Mortgage Finance	0.055	-1.64	-3.13	-10.36	-1.75	0.56
Diversified Financial Services	5.365	-1.04	0.84	3.42	-0.29	-1.27
Other Diversified Financial Services	3.160	0.35	4.71	5.51	1.44	-1.68
Mult-Sector Holdings	1.670	-2.96	-7.27	-16.47	-3.05	-0.73
Specialized Finance	0.535	-4.75	-1.26	15.88	-3.90	-0.14
Consumer Finance	0.996	-2.13	0.64	17.57	-3.35	-1.38
Consumer Finance	0.996	-2.13	0.64	17.57	-3.35	-1.38
Capital Markets	2.410	-0.77	2.79	8.92	-0.90	-1.41
Asset Management & Custody Banks	1.379	-1.20	1.88	7.39	-1.38	-0.18
Investment Banking & Brokerage	1.031	-0.17	4.09	11.09	-0.22	-3.06

continued

As of January 24, 2014	% of S&P 500	Relative Price Performance 1 Mo.	3 Mos.	12 Mos.	YTD	1WK
FINANCIALS continued						
Insurance	2.818	-4.49	-4.27	5.49	-4.05	-2.24
Insurance Brokers	0.297	-1.71	1.17	15.81	-1.12	-1.93
Life & Health Insurance	1.005	-4.25	-0.18	18.48	-3.73	-2.21
Multi-Line Insurance	0.703	-3.78	-6.89	11.51	-2.57	-2.63
Property & Casualty Insurance	0.813	-6.32	-8.55	-5.89	-6.63	-2.05
Real Estate Investment Trusts	1.898	2.85	-8.23	-26.05	3.80	0.63
Diversified REITS	0.103	3.23	-2.33	-14.11	4.38	0.50
Industrial REITS	0.108	1.48	-11.79	-29.21	2.32	1.74
Office REITS	0.094	5.91	-2.60	-22.08	7.58	2.62
Residential REITS	0.226	3.71	-7.63	-31.36	4.17	0.06
Retail REITS	0.489	1.17	-7.63	-26.33	3.31	0.25
Specialized REITS	0.878	3.31	-9.23	-25.35	3.67	0.62
Real Estate Investment Management & Development	0.051	0.57	7.33	1.69	1.00	-0.28
HEALTH CARE	**12.774**	**3.65**	**3.77**	**11.52**	**3.77**	**0.42**
Health Care Equipment & Supplies	2.017	2.53	0.74	-4.32	2.89	-1.00
Health Care Equipment	1.979	2.65	0.75	-4.23	2.99	-0.99
Health Care Supplies	0.039	-3.24	0.15	-9.11	-1.92	-1.26
Health Care Providers & Services	1.972	1.98	6.77	13.73	1.85	1.08
Health Care Distributors	0.479	3.54	10.02	31.43	4.06	1.17
Health Care Services	0.519	5.55	7.02	3.79	5.74	1.38
Health Care Facilities	0.026	12.98	-2.50	-2.99	10.55	-1.84
Managed Health Care	0.948	-0.82	5.39	12.29	-1.35	0.96
Health Care Technology	0.112	2.27	-6.56	13.70	2.42	1.90
Health Care Technology	0.112	2.27	-6.56	13.70	2.42	1.90
Biotechnology	2.526	8.57	8.46	57.52	8.65	3.87
Biotechnology	2.526	8.57	8.46	57.52	8.65	3.87
Pharmaceuticals	5.716	2.61	1.76	2.91	2.79	-0.66
Pharmaceuticals	5.716	2.61	1.76	2.91	2.79	-0.66
Life Sciences Tools & Services	0.431	3.31	7.64	17.44	3.23	-1.21
Life Sciences Tools & Services	0.431	3.31	7.64	17.44	3.23	-1.21
INDUSTRIALS	**10.761**	**-0.60**	**1.45**	**4.78**	**-0.79**	**-0.34**
Aerospace & Defense	2.843	2.54	4.62	25.59	2.42	0.91
Aerospace & Defense	2.843	2.54	4.62	25.59	2.42	0.91
Building Products	0.073	1.49	5.33	7.72	2.12	0.76
Building Products	0.073	1.49	5.33	7.72	2.12	0.76
Construction & Engineering	0.170	3.49	2.36	1.54	2.64	-0.22
Construction & Engineering	0.170	3.49	2.36	1.54	2.64	-0.22
Electrical Equipment	0.733	-1.07	1.26	2.05	-0.89	-1.19
Electrical Components & Equipment	0.733	-1.07	1.26	2.05	-0.89	-1.19
Industrial Conglomerates	2.353	-4.43	-2.02	-0.57	-5.11	-1.87
Industrial Conglomerates	2.353	-4.43	-2.02	-0.57	-5.11	-1.87
Machinery	1.686	-2.15	0.33	-9.48	-2.19	-2.05
Construction & Farm Machinery & Heavy Trucks	0.806	-2.57	-2.47	-23.67	-2.42	-2.24
Industrial Machinery	0.880	-1.74	3.12	8.19	-1.97	-1.87
Trading Companies & Distributors	0.186	1.97	-7.25	-13.61	1.37	-1.08
Trading Companies & Distributors	0.186	1.97	-7.25	-13.61	1.37	-1.08

continued

As of January 24, 2014	% of S&P 500	Relative Price Performance 1 Mo.	3 Mos.	12 Mos.	YTD	1WK
INDUSTRIALS continued						
Commercial Services & Supplies	0.494	-2.30	-1.62	-5.92	-1.94	-0.94
Commercial Printing	#Value!	0.27	-4.36	-22.32	1.08	0.56
Human Resource & Employment Services	0.033	-1.31	1.05	-0.79	-0.52	-1.36
Environmental & Facilities Services	0.241	-3.13	-5.63	-5.68	-2.07	-0.85
Office Services & Supplies	0.027	-2.64	9.07	52.68	-2.87	-2.56
Air Freight & Logistics	0.887	-3.34	-1.07	-2.55	-3.47	-0.62
Air Freight & Logistics	0.887	-3.34	-1.07	-2.55	-3.47	-0.62
Airlines	0.245	15.39	19.59	55.80	17.39	3.55
Airlines	0.245	15.39	19.59	55.80	17.39	3.55
Road & Rail	0.883	1.86	3.55	6.23	1.47	3.39
Railroads	0.861	1.87	3.41	6.16	1.47	3.47
INFORMATION TECHNOLOGY	**19.149**	**1.36**	**4.62**	**2.91**	**1.46**	**0.69**
Internet Software & Services	3.788	2.25	7.72	21.63	3.78	1.48
Internet Software & Services	3.788	2.25	7.72	21.63	3.78	1.48
IT Services	3.705	1.17	3.48	-5.87	0.05	-1.16
IT Consulting & Other Services	1.628	0.69	1.43	-25.83	-0.58	-2.40
Data Processing & Outsourced Services	2.077	1.60	5.39	21.47	0.61	-0.06
Software	3.633	0.19	5.70	1.28	-0.26	-0.13
Application Software	0.632	3.64	6.83	8.55	3.57	-0.41
Systems Software	2.958	-0.60	5.69	-0.81	-1.20	-0.06
Home Entertainment Software	0.042	0.44	-7.87	45.07	5.13	-0.39
Communications Equipment	1.690	4.64	3.84	-9.59	2.98	0.95
Communications Equipment	0.042	4.63	3.84	-9.59	2.98	0.95
Computers & Peripherals	3.903	0.15	3.17	4.52	1.75	2.43
Computer Hardware	3.178	-1.15	1.81	4.23	0.76	2.98
Computer Storage & Peripherals	0.725	6.47	9.82	5.84	6.43	0.03
Electronic Equipment & Instruments	0.432	7.40	3.87	21.99	6.79	2.27
Electronic Equipment Manufacturers	0.028	15.59	14.28	18.58	14.03	2.23
Electronic Manufacturing Services	0.164	9.31	1.85	19.75	8.34	6.00
Office Electronics	0.083	-3.19	18.01	29.42	-2.28	-3.03
Office Electronics	0.083	-3.19	18.01	29.42	-2.28	-3.03
Semiconductors & Semiconductor Equipment	1.914	0.92	4.19	5.28	0.39	0.24
Semiconductor Equipment	0.233	1.00	5.66	4.76	0.43	0.17
Semiconductors	1.681	1.00	5.66	4.76	0.43	0.17
MATERIALS	**3.393**	**-1.12**	**-2.06**	**-8.61**	**-1.37**	**-1.27**
Chemicals	2.523	-0.82	-1.48	-3.48	-0.88	-1.12
Diversified Chemicals	0.776	-1.16	-0.36	5.08	-1.46	-0.08
Fertilizers & Agricultural Chemicals	0.530	-2.67	-0.83	-22.81	-3.07	-2.91
Industrial Gases	0.410	0.74	-0.88	-1.63	1.31	-0.32
Specialty Chemicals	0.553	0.62	-2.36	5.73	0.99	-0.38
Construction Materials	0.045	5.99	7.42	-15.69	4.26	3.34
Construction Materials	0.045	5.99	7.42	-15.69	4.26	3.34
Containers & Packaging	0.202	-2.20	1.03	3.51	-2.18	-0.99
Metal & Glass Containers	0.074	-3.65	2.44	-1.72	-3.83	-0.79
Paper Packaging	0.127	-1.34	0.22	12.37	-1.20	-1.10
Metals & Mining	0.502	-2.22	-7.33	-29.80	-3.62	-2.53
Aluminum	0.075	16.77	26.14	11.21	14.63	6.82
Diversified Metals & Mining	0.201	-6.95	-14.33	-21.81	-9.68	-6.38
Gold	0.070	9.00	-13.32	-65.12	10.37	3.08
Steel	0.156	-7.81	-6.45	-25.83	-8.10	-3.88
Paper & Forest Products	0.122	-3.05	1.22	-9.76	-2.06	-1.20
Paper Products	0.122	-3.06	1.22	-9.76	-2.07	-1.20

continued

As of January 24, 2014	% of S&P 500	Relative Price Performance 1 Mo.	3 Mos.	12 Mos.	YTD	1WK
TELECOMMUNICATION SERVICES	**2.086**	**-2.54**	**-8.31**	**-19.41**	**-2.16**	**0.12**
Diversified Telecommunication Services	1.944	-2.80	-8.28	-19.98	-2.36	0.19
Integrated Telecommunication Services	1.944	-2.80	-8.28	-19.99	-2.36	0.18
Wireless Telecommunication Services	0.142	1.32	-8.77	-11.77	0.76	-0.82
Wireless Telecommunication Services	0.142	1.32	-8.77	-11.77	0.76	-0.82
UTILITIES	**2.837**	**1.70**	**-5.21**	**-15.79**	**2.22**	**1.51**
Electric Utilities	1.542	1.53	-6.36	-21.14	1.96	1.74
Electric Utilities	1.542	1.53	-6.36	-21.14	1.96	1.74
Gas Utilities	0.113	9.11	9.01	10.92	7.08	1.22
Gas Utilities	0.113	9.11	9.01	10.92	7.08	1.22
Multi-Utilities	1.067	1.63	-4.82	-10.96	2.56	1.45
Multi Utilities	1.067	1.63	-4.82	-10.96	2.56	1.45
Independent Power Producers & Energy Traders	0.115	-2.52	-5.39	-0.81	-2.41	-1.11
Independent Power Producers & Energy Traders	0.115	-2.52	-5.39	-0.81	-2.41	-1.11
		Absolute Price Performance				
S&P 500	**100.000**	**-0.27**	**4.36**	**22.32**	**-1.08**	**-0.56**

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U.S. Focus List

U.S. Focus List	1/22 Price	Performance Total Return YTD	3 Mos.	1 Mo.	Valuation EPS Estimates[1] FY1	FY2	P/E Ratios* FY1	FY2	Yield %
Equal Weighted Focus List	393.61	**-0.37***	4.78	0.94	16.90	20.86	23.28	18.87	1.2
S&P 500	1844.86	**-0.19**	5.64	0.92	117.41	125.66	15.71	14.68	1.7
DJIA	16373.34	**-1.23**	6.23	0.48	1212.22	1299.47	13.51	12.60	2.1
Nasdaq Composite[2]	4243.00	**1.59**	8.60	2.27	NA	NA	NA	NA	NA

Focus List Stocks[3, 4]	Ticker	12 Year-End or 13 Recommendation Date	Price	1/22 Price	Return Relative to S&P[5]	Target Price	Potential Price Return	EPS Estimates[6] FY1	FY2	P/E Ratios FY1	FY2	%
Consumer												
Colgate-Palmolive	**CL**	12/31	65.21	64.01	-1.21	**72**	12.5	2.83	3.14	22.61	20.36	2.1%
21st Century Fox	**FOXA**	12/31	35.18	32.07	-8.71	**40**	24.7	1.48	1.90	21.65	16.90	0.8%
Marriott International	**MAR**	12/31	49.36	51.17	3.79	**52**	1.6	1.99	2.30	25.74	22.24	1.0%
Phillips-Van Heusen	**PVH**	12/31	136.02	122.91	-9.53	**146**	18.8	7.06	8.04	17.40	15.29	0.1%
Energy												
Energy Transfer Equity, LP	**ETE**	1/6	79.72	84.88	5.42	**100**	17.8	1.66	1.45	51.18	58.60	3.2%
Halliburton	**HAL**	12/31	50.75	50.54	-0.31	**70**	38.5	4.03	5.50	12.54	9.18	0.0%
MarkWest Energy Partners, LP	**MWE**	12/31	66.13	69.70	5.51	**83**	19.1	0.56	1.40	123.75	49.68	4.9%
Financials												
American International Group Inc.	**AIG**	1/7	51.21	50.29	-2.24	**59**	17.3	4.50	4.25	11.16	11.84	0.0%
Citigroup Inc.	**C**	12/31	52.11	51.90	-0.30	**65**	25.2	5.25	5.85	9.89	8.88	0.2%
Discover Financial Services	**DFS**	12/31	55.95	53.66	-3.99	**62**	15.5	4.93	5.35	10.89	10.04	1.4%
Healthcare												
Aetna Inc.	**AET**	1/9	71.72	70.61	-1.64	**83**	17.5	6.26	6.35	11.27	11.11	1.1%
Bristol Myers Squibb Co.	**BMY**	12/31	53.15	54.81	3.23	**63**	14.9	1.74	1.80	31.54	30.51	2.6%
Catamaran Corp	**CTRX**	12/31	47.48	49.42	4.23	**60**	21.4	1.98	2.35	24.91	20.99	0.0%
Industrials												
Pall Corporation	**PLL**	12/31	85.35	83.33	-2.26	**94**	12.8	3.48	3.85	23.96	21.67	1.2%
Materials												
Agrium Inc.	**AGU**	12/31	91.48	92.60	1.33	**110**	18.8	7.53	8.10	12.30	11.43	2.5%
Rockwood Holdings Inc.	**ROC**	12/31	71.92	72.58	1.02	**83**	14.4	1.87	1.96	38.81	37.03	2.2%
Sealed Air Corp.	**SEE**	12/31	34.05	33.03	-2.89	**42**	27.2	1.29	1.57	25.60	20.98	1.6%
Technology												
EMC Corp	**EMC**	12/31	25.15	26.06	4.14	**30**	15.1	1.80	2.14	14.49	12.15	0.0%
Oracle Corporation	**ORCL**	12/31	38.26	37.98	-0.31	**40**	5.3	2.95	3.24	12.88	11.72	1.1%
Synchronoss Technologies, Inc.	**SNCR**	12/31	31.07	29.99	-3.37	**46**	53.4	1.33	1.66	22.59	18.05	0.0%
Vantiv, Inc.	**VNTV**	12/31	32.61	32.32	-0.78	**35**	8.3	1.18	1.53	27.42	21.07	0.0%

Year	2009	2010	2011	2012	2013
Focus List Performance Statistics					
Credit Suisse US Focus List Performance	48.2	17.5	-5.5	16.5	35.9
S&P 500 Return	26.5	15.1	2.1	16.0	32.4
Relative Performance	21.7	2.4	-7.6	0.5	3.5
Focus List Turnover Statistics					
Average No. of Companies	15	18	17	20	22
Added	22	14	14	18	20
Deleted	18	12	11	16	23
Turnover (%)	145%	73%	72%	86%	93%

[1]Actual earnings are reported; forecast earnings are First Call consensus operating EPS estimates for the S&P indices (top down) and DJIA (bottom up).
[2]Nasdaq Composite Index performance does not include dividends.
[3] Removed from Focus List in 2014: MetLife Inc., 1/7,and Cigna Corp., 1/9.
[4] Added to Focus List in 2014: Energy Transfer Equity, LP, 1/6, American International Group, 1/7, and Aetna Inc., 1/9.
[5]Return for period 12/31/13-1/22/14. The Start Price for stocks added to the Focus List prior to 2014 represents the closing price of the stock on 12/31/13. For stocks added subsequent to 12/31/13, the Start Price reflects the price of the stock on the date it was added to the Focus List.
[6]Fiscal estimates reflect company fiscal year-end. *P/E – Only profitable companies included. NA – Not available. NM – Not meaningful.

Copies of each analyst's most recent report on the companies listed above are available on research-and-analytics.credit-suisse.com or by contacting Credit Suisse's Equity Research Department.

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**We inadvertently published incorrect year-to-date returns for the Focus List ending 1/15/14. The correct year-to-date return was 1.1%..*

Disclosure Appendix

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