AstraZeneca Plc

Isin / FactSet Code	**GB0009895292 / AZN-GB**	Market cap (in EUR mn)	**70 562**	52-week high	**55.20**	Rating	**BUY**
Sector	**Health Care**	Market cap (in local curr. mn)	**61 877**	52-week low	**39.96**	12-month target price	**57.00**
Industry	**Pharmaceuticals**	Local currency	**GBP**	YTD return%	**10.15**	Last price (26/09/17)	**48.88**
Benchmark	**MSCI AC World / Information Technology -SEC**	Free-float	**94%**	12-month return%	**-4.14**	Potential upside	**17%**

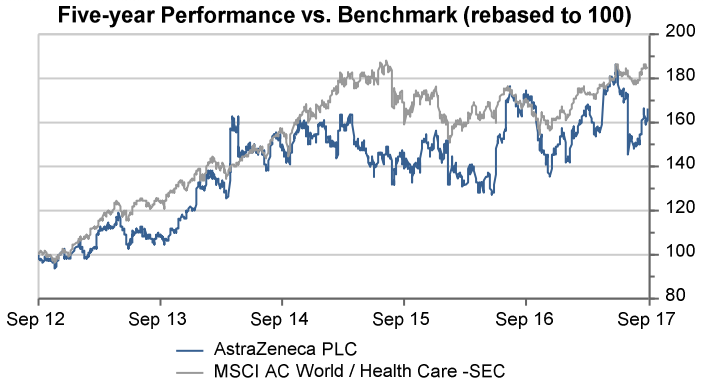
Investment Case:

- AstraZeneca (AZN) coped well with its patent cliff (loss of exclusivity for blockbusters Seroquel, Nexium and Crestor). FY17 is expected to be the trough in earnings. Once sales of its new drugs take off, then the operating margin (31% in 2Q17) can increase strongly (38% FY20E) as marketing spend for these specialty drugs is lower (far fewer sales representatives are needed).
- After the failure of the MYSTIC trial AZN published strong data for other oncology trials (such as lung and breast cancer), as well as good data for injectable respiratory drugs (such as asthma and COPD) and it closed a promising oncology-deal with MRK.
- AZN's shares have almost recovered from the 16% drop following the disappointment from the MYSTIC trial data due to positive pipeline news and takeover speculation. We believe the pipeline has been de-risked, offering multiple opportunities in various therapeutic areas (12 new potential drugs). We initiate AZN with a Buy rating and a target price of GBP 57.00, valuing it at ~20.0x FY18E EPS.

Company Description:

AstraZeneca (AZN) develops prescription medicines primarily in three areas: oncology, cardiovascular & metabolic diseases and respiratory. It is selectively active in autoimmunity, neuroscience and infection. Its Cambridge HQ brings together small molecule and biologics R&D. Other R&D centres are in Gothenburg (Sweden) and Gaithersburg (US).

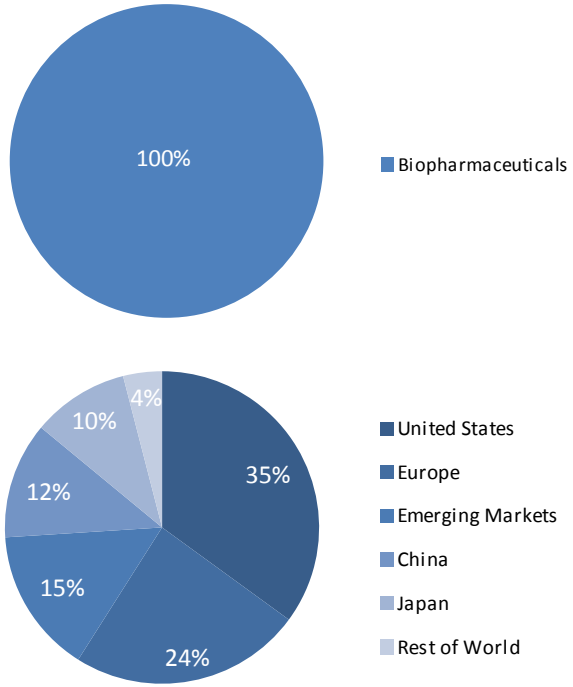
Five-year Performance vs. Benchmark (rebased to 100)



Sources: SGPB, FactSet

Revenue by Key Segments & Geographies: FY16

(FY ending December)



Sources: SGPB, FactSet

Recent Developments Analysis:

- AZN published 1H17 product sales of USD 9.8 bn (-10% LFL) with core EPS of USD 1.87 (+1% at constant currencies/cc). Results were overshadowed by the failure of the MYSTIC trial (immuno-oncology).
- FY17 guidance is for low-to-mid single-digit sales decline and low-to-mid teens EPS decline. Far more important is the expected launch of several new oncology (Imfinzi, Tagrisso) and respiratory drugs for severe asthma and chronic obstructive pulmonary disease/COPD (Bevespi), which should drive strong sales growth from FY19E.
- On 27 July, AZN announced a global strategic oncology collaboration with MRK for Lynparza, which is approved for ovarian cancer and now being developed in 14 indications across several cancer types. MRK paid USD 1.6 bn upfront and has agreed to pay up to USD 6.2 bn when future regulatory and sales milestones are met. The size of the deal implies that the consensus may underestimate Lynparza's potential (USD 1.1 bn FY22E).
- AZN has promising projects in cardiovascular and metabolic diseases (hyperkalaemia, anaemia). It has a strong diabetes franchise. Farxiga (nearly USD 2.0 bn sales in FY22E) is a leader in the SGLT2 class, a strongly growing segment of the market.

SOCIETE GENERALE
Private Banking

AstraZeneca Plc

DESCRIPTION			VALUATION					GROWTH				PROFITABILITY			BALANCE SHEET		
FactSet Code	Company	Cap (mn€)	EV/EBITDA (e)		P/E (e)		Div. Yield	Sales Growth		EPS Growth		EBITDA Margin	Net Margin	ROE	Net Debt/ EBITDA		Net Debt/ Equity
			FY1x	FY2x	FY1x	FY2x	FY1%	FY1%	FY2%	FY1%	FY2%	FY1%	FY1%	FY1%	FY0x	FY1x	FY0x
ROG-CH	**Roche Holding Ltd Genusssch.**	184 144	10.3	9.6	16.0	15.0	3.5	4.7	4.5	6.3	5.8	40.6	20.5	46.5	1.0	0.4	0.31
NOVN-CH	**Novartis AG**	171 566	17.1	15.8	18.0	16.4	3.4	-2.7	3.5	-2.5	10.2	28.9	22.8	15.4	1.3	1.3	0.21
MRK-US	**Merck & Co., Inc.**	150 537	11.5	10.9	16.7	15.4	2.9	1.4	2.6	2.6	8.6	40.1	26.4	28.9	0.8	0.5	0.31
SAN-FR	**Sanofi**	106 334	9.5	9.3	14.8	14.3	3.6	7.2	2.6	0.9	3.4	32.3	19.8	11.9	0.9	0.4	0.14
GSK-GB	**GlaxoSmithKline plc**	83 123	8.4	8.2	13.4	13.1	5.4	8.2	2.1	8.9	2.2	33.9	18.0	379.2	3.1	1.3	12.14
		Average:	**11.4**	**10.8**	**15.8**	**14.8**	**3.8**	**3.8**	**3.1**	**3.2**	**6.0**	**35.2**	**21.5**	**96.4**	**1.4**	**0.8**	**2.62**
AZN-GB	**AstraZeneca PLC**	70 562	12.5	12.4	17.5	17.2	4.3	-11.5	1.8	-19.2	2.7	34.9	21.8	32.6	1.8	1.6	0.73

na=Not available, nm=Not meaningful

Financial terms detailed in glossary

Sources: SGPB, FactSet

Risks To Our Investment Case:

- Pricing pressure, launch costs and pipeline investments weigh on margins.
- On 27 July 2017, AZN published negative data for the MYSTIC lung cancer trial on progression free survival (PFS, the time a patient survives without further tumor growth). Data for overall survival (OS, the percentage of patients who are still alive for a certain period of time after starting treatment) will be published in 2018. There is still some confidence that OS data will show a benefit, based on experience with previous immune oncology trials. There are already five anti-PD-1/PD-L1 immune oncology drugs on the market. Competition will be fierce.
- The share price may have unduly risen due to takeover speculation.
- AZN has an ambitious 2023 sales target of USD 45 bn. It may have to drop this target. We don't consider this as a major risk as long as sales momentum is picking up from FY19 onwards. Nevertheless, AZN remains highly dependent on the commercial success of its new drugs.

Business Quality Review:

- AZN is focussed on the development and commercialisation of prescription drugs, mostly in specialty pharma. It has a broad portfolio of products with a rapid decreasing vulnerability to exclusivity loss. Its pipeline is broad, deep and increasingly de-risked. It has a global presence. China is a key growth driver.
- AZN spent USD 5.89 bn on R&D in FY16 or 25.6% of total revenues.
- Net debt is expected at USD 12.2 bn at the end of FY17.
- S&P credit rating: BBB+ (Stable outlook)

Dividend Policy:

- AZN policy is to maintain or grow its DPS. According to AZN, "DPS will reflect the board's view of the earnings prospects over the entirety of the pharmaceutical investment cycle".
- Dividends are paid twice a year, with a greater proportion paid as a second interim.
- DPS of USD 2.80 has been flat since FY11. FY17 DPS is expected at USD 2.80, a payout ratio of 75%. The payout ratio should drop in the coming years, allowing for renewed growth.

SOCIETE GENERALE
Private Banking

Equity Expert: **Danny Van Quaethem**
danny.vanquaethem@sgpriv.be

Financial Terms And Acronyms

BV (Book Value): is the total value of net assets of a company.

BV/S (Book Value Per Share): is the total value of the net assets of a company divided by the total number of outstanding shares.

C/I (Cost Income Ratio): is used for valuing banks. It shows a company's costs in relation to its income.

CAGR (Compound Annual Growth Rate): is a term used for the geometric progression ratio that provides a constant rate of return over a specific time period.

CAPEX (Capital Expenditure): is the fund used by the company to acquire or upgrade the physical assets such as property, industrial buildings or equipment. The most capital intensive industries include oil, telecom and utilities.

CAR (Capital Adequacy Ratio): is a measure of a bank's capital. It is expressed as a percentage of a bank's risk-weighted credit exposures.

CET I (Common Equity Tier I Ratio) : is a measure of the bank's common equity capital as a percentage of risk-weighted assets. It is generally compared to a defined benchmark stipulated by the regulatory authority to determine whether a bank is sufficiently capitalised.

COMBINED RATIO: It represents the total of acquisition and administrative expenses, and claims and insurance benefits incurred, divided by net premiums earned.

DIVIDEND PER SHARE (DPS): Dividend per share or DPS (total dividend paid out divided by the total number of shares) expressed as a percentage of current stock price.

EBIT (Earnings Before Interest and Taxes): profit before taking into account interest payments and income taxes.

EBIT Margin: Ratio that expresses EBIT as a percentage of total sales (EBIT/Sales*100)

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): profit before taking into account interest payments, income taxes and non-cash operating expenses (depreciation and amortisation).

EPS (Earnings Per Share): is the division of total net profit by the number of shares.

EQUITY is the difference between the value of the assets and the cost of the liabilities.

EV (Enterprise Value) is a measure of a company's value, often used as an alternative to straightforward market capitalisation. It is calculated as (market cap + debt + minority interest + preferred shares) − total cash − cash equivalents.

FCF (Free Cash Flow): represents the difference between operating cash flow and capital expenditures.

FFO (Funds from Operations): measures a REIT's operating performance. It is net income plus gains (minus losses) from property sale and purchase. FFO per share is often used in place of earnings per share when analysing REITs.

FY0: Realised year, **FY1**: Current unrealised year, **FY2**: next year, **FY17E:** Fiscal year 2017 estimation

GOODWILL: is an intangible asset that arises as a result of the acquisition of one company by another company for a premium value.

GROSS INCOME: gross profit calculated as a company's total sales minus its cost of goods sold (COGS) that corresponds to labour and production costs.

GROSS MARGIN: expresses gross income as a percentage of total sales.

LIKE FOR LIKE (LFL) GROWTH: is a measure of growth in sales, adjusted for new or divested businesses.

Loan-to-deposit (L/D) ratio: Loans/Deposits. This helps in assessing a bank's liquidity, lending capacity and balance sheet quality.

LTV (Loan-To-Value Ratio): is a financial term used to express the ratio of a loan to the value of an asset purchased.

NAV (Net Asset Value): is similar to book value and is also called per investment unit. NAV is the marked-to-market value of the company's property investments less liabilities.

ND (Net Debt): is calculated as a company's total debt minus cash and other similar liquid assets.

NET MARGIN: is a financial ratio which measures the profitability of the net income of a company.

NI (Net Income or Bottom Line): represents a company's total earnings (or profit) which is calculated by adjusting revenues for the costs, depreciation, interest, taxes and other expenses.

NIM: Net Interest Margin

NON-PERFORMING LOANS (NPL) RATIO: NPLs/Loans. This indicates the percentage of the loans that are non-performing or are in stressed segments.

OPERATING MARGIN: See definition of EBIT Margin.

ORGANIC GROWTH: is the growth rate that a company can achieve by increasing its output and enhancing sales, excluding any profits or growth from takeovers or M&A activities.

P/E or PER (Price Earnings Ratio): reflects the trading price of a share in relation to the expected earnings.

P/BV (Price To Book Value): expresses the share price with regard to the accounting value of the company.

PAYOUT RATIO: is the proportion of earnings paid out as dividends to shareholders and typically expressed as a percentage.

PROFIT WARNING: is the announcement made by the company before its earnings release indicating the investors that its earnings would not meet the analysts' expectations.

RWA (Risk Weighted Assets): is a measure of the bank's assets, weighted according to their risk. It involves the risk weighting of both on and off-balance-sheet exposures.

REVENUE GROWTH: Illustrates the growth of sales over a given period.

ROA (Return on assets): a financial ratio that is calculated as net income divided by total assets and shows how profitable a company is relative to its total assets.

ROC (Return on invested capital): a profitability ratio which is calculated as net income minus dividends divided by total invested capital.

ROE (Return On Equity): The amount of net income returned as a percentage of shareholders' equity. Return on equity measures a corporation's profitability by disclosing how much profit a company generates with the money shareholders have invested.

TBV (Tangible Book Value): is the book value excluding intangible assets.

TBV/S (Tangible Book Value Per Share): allows to estimate the accounting value of a company by measuring its stockholders' equity per share. Formula: Re-valued Net Assets/Total Shares of Company.

WACC (Weighted Average Cost of Capital): also referred to as the firm's cost of capital, it is the rate that a company is expected to pay on an average to all its security holders to finance its assets.

WORKING CAPITAL: is the difference between a company's current assets and current liabilities and shows whether the company has sufficient short-term assets to cover its short-term debts.

Appendix

Investment Rating Definitions:

Buy Stock that is expected to outperform its MSCI sector index over a 12-month investment horizon.

Neutral Stock that is expected to perform in line with its MSCI sector index over a 12-month investment horizon.

Sell Stock that is expected to underperform its MSCI sector index over a 12-month investment horizon.

Restricted Covered stock that is not rated or assigned a target price as the Societe Generale group has a capital market transaction with that company.

Termination Stock is subject to be deleted from the SGPB recommended universe and will no longer be followed. In this case, a coverage termination alert is issued.

Recommended Universe Principle:

The Recommended Universe is made of companies from the Investment Universe as defined by Societe Generale Private Banking guidelines. Members are chosen by Equity Solutions. There are no lower nor upper limits on the number of stocks in the Recommended Universe. There is no specific constraint in term of geographical or industry representation. A company from the recommended universe can be subject to a rating change, as decided by the Equity Solutions expert covering the company. When a stock is downgraded to a Sell rating, it is still followed for at least 3-month, after which Equity Solutions issues a coverage termination alert.

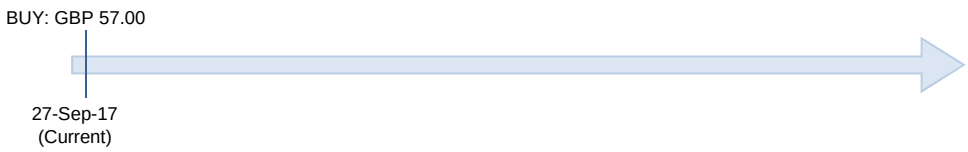
Product Risk Rating:

The product category of single equity, stock, share is rated at '4'.

In order to draw the attention of potential investors to the risk linked to each investment solution, Societe Generale Private Banking has ranked each product according to its own specific risk scale from the lowest risk (class 0) to the highest risk (class 4). The risk classification in 5 levels, is a Societe Generale Private Banking internal risk indicator. These internal indicators are based on the Value at Risk 95% 1 year (VaR). The VaR corresponds to the maximum amount that the portfolio being considered could lose in normal market conditions over a given period with a given probability (past performances and simulations of performance shall not be considered as a reliable indicator of future performance). If the VaR 95% 1 year is y%, this means that there is a 95% probability that the portfolio will not lose more than y% of its value in one year.

Risk Levels	Losses
0 - Lowest Risk	There is a 95% probability that the product will not depreciate in value in one year.
1 - Low Risk	There is a 95% probability that the product will not lose more than 5% of its value in one year.
2 - Medium Risk	There is a 95% probability that the product will not lose more than 15% of its value in one year.
3 - High Risk	There is a 95% probability that the product will not lose more than 30% of its value in one year.
4 - Highest Risk	There is a minimum of 5% probability that the product will lose more than 30% of its value in one year.

1Y Target Price:



Equity Note Timeline: First disseminated: 4pm Paris time, 27-Sep-16 | Last updated: not applicable

MSCI Disclaimer:

The MSCI sourced information is the exclusive property of Morgan Stanley Capital International Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, redisseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanly Capital International and the MSCI indexes are services marks of MSCI and its affiliates.

Disclosures:

SG acted as co-manager in Novartis' bond issue (7y, 12y Eur).

SG acted as Co-manager in Novartis Finance's Bond issue(EUR;RegS;4yr/10.5yr).

SOCIETE GENERALE
Private Banking

Disclaimers (1/2)

Societe Generale Private Banking is a division of the Societe Generale Group operating through its head office within Societe Generale S.A. and its network (subsidiaries or branches or departments of Societe Generale S.A.), located in various countries, hereinafter mentioned, acting under the "Societe Generale Private Banking" brand, and distributors of the document.

Subject of the document

The present document has been prepared by the experts of the Societe Generale Group and more particularly of Societe Generale Private Banking division, to provide you with information relating to some financial and economic data. The name and function of the people having prepared this document are indicated in the first pages of this document.

This document is non-independent research and is a marketing communication. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and the investment service provider is not subject to any prohibition on dealing ahead of the dissemination of investment research.

In order to read and understand the financial and economic information included in this document, you will need to have knowledge and experience of financial markets.

The content of this document only aims to provide simple information to help you to make your investments or disinvestments decisions, and it shall not constitute a personal recommendation. You keep the liability of your asset's management, and you remain free concerning your investment decisions.

Moreover, the document may mention financial products / asset classes that are not authorized / marketable in certain countries, and / or which might be reserved for certain categories of investors. Therefore, should you wish to make an investment, as the case may be and according to the applicable laws, your advisor within your Societe Generale Private Banking entity will check whether this investment is possible within your jurisdiction and whether it corresponds to your investment profile.

Conflict of interest

This document contains the views of Societe Generale Private Banking's experts. Societe Generale Private Banking trading desks may trade, or have traded, as principal on the basis of the expert(s) views and reports. In addition, Societe Generale Private Banking's experts receive compensation based, in part, on the quality and accuracy of their analysis, client feedback, revenues of their entity of the Societe Generale Group and competitive factors.

As a general matter, entities within the Societe Generale Group may make a market or act as a principal trader in securities referred to in this report and can provide banking services to the companies mentioned in that document, and to their subsidiary. Entities within the Societe Generale Group may from time to time deal in, profit from trading on, hold on a principal basis, or act as advisers or brokers or bankers in relation to securities, or derivatives thereof, or asset class(es) mentioned in this document.

Entities within the Societe Generale Group may be represented on the supervisory board or on the executive board of such persons, firms or entities.Employees of the Societe Generale Group, or persons/entities connected to them, may from time to time have positions in or hold any of the investment products/ asset class(es) mentioned in this document.

Entities within the Societe Generale Group may acquire or liquidate from time to time positions in the securities and/or underlying assets (including derivatives thereof) referred to herein, if any, or in any other asset, and therefore any return to prospective investor(s) may directly or indirectly be affected.

Entities within the Societe Generale Group are under no obligation to disclose or take into account this document when advising or dealing with or on behalf of customers.In addition, entities within the Societe Generale Group may issue other reports that are inconsistent with, and reach different conclusions from the information presented in this report and is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

Societe Generale Group maintains and operates effective organisational and administrative arrangements taking all reasonable steps to identify, monitor and manage conflicts of interest. To help the Societe Generale Private Banking entities to do this, they have put in place a management of conflicts of interest policy designed to prevent conflicts of interest giving rise to a material risk of damage to the interests of Societe Generale Private Banking's clients. For further information, Societe Generale Private Banking's clients can refer to the management of conflicts of interest's policy, which was provided to them by the Societe Generale Private Banking entity of which they are clients.

SOCIETE GENERALE
Private Banking

General Warning

This document is subject to modifications and is given for purely informative purposes; it does not constitute a contract. It is not intended to provide investment advice nor any other investment service and the document does not constitute and under no circumstances should it be considered in whole or in part as an offer, a solicitation, advice, a personal recommendation, nor an invitation to invest in the investment products and/or in any class of assets mentioned herein from any of the Societe Generale Private Banking entities. The information indicated in this document shall not be considered as legal or tax or accounting advice.

The analysis made in this document is made as a whole and cannot be dealt with separately.
You should be aware that the investment to which this material relates may involve numerous risks. The amount of risk may vary but can expose you to a significant risk of losing all of your capital, including a potential unlimited loss. Accordingly these products or services may be reserved only for a certain category of eligible investors such as those who are sophisticated and familiar with these types of investment and who understand the risks involved.

Accordingly, before making an investment decision, as the case may be and according to the applicable laws, the potential investor will be questioned by his advisor of the Societe Generale Private Banking entity of which he is the client, as to his eligibility for the envisaged investment, and the compatibility of the investment with his investment profile and objectives. He should also consult his own independent financial, legal and tax advisers to obtain all the financial, legal and tax information which will allow him to appraise the characteristics and the risks of the envisaged investment, as well as his tax treatment, in light of his own circumstances.
The full understanding and agreement to the related contractual and informative documentation including the documentation relating to the relevant risks is required from the potential investor prior to any investment. The potential investor has to remember that he should not base any investment decision and/or instructions solely on the basis of this document. Any investment may have tax consequences and it is important to bear in mind that the Societe Generale Private Banking entities do not provide tax advice. A potential investor should consider seeking independent tax advice (where appropriate). The level of taxation depends on individual circumstances and such levels and bases of taxation can change.
The investment product(s)/asset class(es) described in this document may not be eligible for sale or subscription in all jurisdictions or to certain categories of investors. It is the responsibility of any person in possession of this document to inform to be aware of and to observe all applicable laws and regulations of relevant jurisdictions. This document is not intended to be distributed to a person or in a jurisdiction where such distribution would be restricted or illegal. This document is in no way intended to be distributed in or into the United States of America nor directly or indirectly to any U.S. person.

The price and value of investments and the income derived from them can go down as well as up. Changes in inflation, interest rates and exchange rates may have an adverse effect on the value, price and income of investments issued in a different currency from that of the client. The simulations and examples included in this document are provided only for informational and illustration purposes alone. The present information may change with market fluctuations and views reflected in this document may change.
The Societe Generale Private Banking entities disclaim any responsibility to update or make any revisions to this document. The purpose of this document is to inform investors who shall make their investment decisions without overly relying on the document.
The Societe Generale Private Banking entities disclaim any responsibility for direct or indirect losses related to any use of this publication or its content. The Societe Generale Private Banking entities offer no implicit or explicit guarantees as to the accuracy or exhaustivity of the information or as to the profitability or performance of the asset classes, countries and relevant markets.

The investment product(s)/asset class(es) described herein may be issued by issuer(s) whose credit rating is provided by a rating agency and which can vary. The Societe Generale Private Banking entities are not responsible for any risk in respect of such issuer(s) including but not limited to risk of default of such issuer(s).
This document does not purport to list or summarize all of the financial products' terms and conditions, nor to identify or define all or any of the risks that would be associated with the purchase or sale of the financial product(s)/asset class(es) described herein.
The historical data and information herein, including any quoted expression of opinion, have been obtained from, or are based upon, external sources that the Societe Generale Private Banking entities believe to be reliable but have not been independently verified and are not guaranteed as to their accuracy or completeness. The Societe Generale Private Banking entities shall not be liable for the accuracy, relevance or exhaustiveness of this information. Information about past performance is not a guide to future performance and may not be repeated. Investment value is not guaranteed and the value of investments may fluctuate. Estimates of future performance are based on assumptions that may not be realised, and should not be deemed an assurance or guarantee as to the expected results of investment in such investment products and/or asset class(es).

Disclaimers (2/2)

This document is confidential, intended exclusively to the person to whom it is given, and may not be communicated nor notified to any third party (with the exception of external advisors on the condition they themselves respect this confidentiality undertaking) and may not be copied in whole or in part, without the prior written consent of the relevant Societe Generale Private Banking entity.

Risk level

In order to draw the attention of potential investors to the risk linked to each investment solution, Societe Generale Private Banking has ranked each product according to its own specific risk scale from the lowest risk (class 0) to the highest risk (class 4). The risk classification is a Societe Generale Private Banking internal risk indicator.

Risk Classification
R0: Lowest Risk
R1: Low Risk
R2: Medium Risk
R3: High Risk
R4: Highest Risk

These internal indicators are based on the Value at Risk 95% 1 year (VaR). The VaR corresponds to the maximum amount that the portfolio being considered could lose in normal market conditions over a given period with a given probability (past performances and simulations of performance shall not be considered as a reliable indicator of future performance). If the VaR 95% 1 year is y%, this means that there is a 95% probability that the portfolio will not lose more than y% of its value in one year.

Potential risks in case of an investment Risk of loss of the total amount invested, volatility risk, risk linked to small and mid capitalization, credit risk, counterpart risk, issuer's risk, liquidity risk, risk linked to discretionary management, change risk, market risk.

Specific warnings per jurisdiction (SGPB)

France: Unless otherwise expressly indicated, this document has been issued and distributed by Societe Generale, a French bank authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution, located at 61, rue Taitbout, 75436 Paris Cedex 09, under the prudential supervision of the European Central Bank ("ECB"), and under the control of the Autorité des Marchés Financiers ("AMF"). Societe Generale is also registered at ORIAS as an insurance intermediary under the number 07 022 493 orias.fr. Societe generale is a French Société Anonyme with its registered address at 29 boulevard Haussman, 75009 Paris, with a capital of EUR 1,009,641,917.50 on 31 December 2016 and unique identification number 552 120 222 R.C.S. Paris. Further details are available on request or can be found at www. http://www.privatebanking.societegenerale.fr/.

Belgium: This document has been distributed in Belgium by Societe Generale Private Banking SA/NV, a Belgian credit institution according to Belgian law and controlled and supervised by the National Bank of Belgium ("NBB") and the Financial Services and Markets Authority ("FSMA"), and under the prudential supervision of the European Central Bank ("ECB"). Societe Generale Private Banking SA/NV is registered as an insurance broker at the FSMA under the number 61033A. Societe Generale Private Banking SA/NV has its registered address at 9000 Ghent, Kortrijksesteenweg 302, registered at the RPM Ghent, under the number VAT BE 0415.835.337. Further details are available on request or can be found at www.privatebanking.societegenerale.be.

Luxembourg: This document has been distributed in Luxembourg by Societe Generale Bank and Trust ("SGBT"), a credit institution which is authorised and regulated by the Commission de Surveillance du Secteur Financier ("CSSF"), under the prudential supervision of the European Central Bank ("ECB"), and whose head office is located at 11 avenue Emile Reuter – L 2420 Luxembourg. Further details are available on request or can be found at www.sgbt.lu. No investment decision whatsoever may result from solely reading this document. SGBT accepts no responsibility for the accuracy or otherwise of information contained in this document. SGBT accepts no liability or otherwise in respect of actions taken by recipients on the basis of this document only and SGBT does not hold itself out as providing any advice, particularly in relation to investment services. The opinions, views and forecasts expressed in this document (including any attachments thereto) reflect the personal views of the author(s) and do not reflect the views of any other person or SGBT unless otherwise mentioned. SGBT has neither verified nor independently analysed the information contained in this document. The CSSF has neither verified nor analysed the information contained in this document.

Monaco: The present document has been distributed in Monaco by Societe Generale Private Banking (Monaco) S.A.M., located 13, 15 Bd des Moulins, 98000 Monaco, Principality of Monaco, governed by the Autorité de Contrôle Prudentiel et de Résolution and the Commission de Contrôle des Activités Financières. The Financial products marketed in Monaco can be reserved for qualified investors in accordance with Law No. 1339 of 07/09/2007 and Sovereign Ordinance No 1.285 of 10/09/2007. Further details are available upon request or on www.privatebanking.societegenerale.mc.

Switzerland: This document has been communicated in Switzerland by Societe Generale Private Banking (Suisse) SA (« SGPBS »), whose head office is located at rue du Rhône 8, CP 5022, CH-1211 Geneva 11. SGPBS is a bank authorized by the Swiss Financial Market Supervisory Authority ("FINMA"). Further details are available on request or can be found at www.privatebanking.societegenerale.ch.
Unless it expressly appears from this document that it was drafted with the involvement of SGPBS, this document was issued outside of Switzerland for the « Private Banking » and is not the result of SGPBS' own financial analysis. The Directives of the Swiss Bankers Association (SBA) on the Independence of Financial Research (the « Directives ») do not apply to this document.
SGPBS did not verify nor independently analyzed the information contained in this document. SGPBS accepts no responsibility for the accuracy or otherwise of information contained in this document. The opinions, views and forecasts expressed in this document reflect the personal views of the relevant author(s) and shall not engage SGPBS' liability.
If it expressly appears from this document that it was drafted with the involvement of SGPBS, the Directives only apply if and to the extent this document includes an opinion or a recommendation about a company or a security.
This document is not a prospectus within the meaning of articles 652a and 1156 of the Swiss Code of Obligations.
United Kingdom This document has been distributed in the United Kingdom by SG Hambros Bank Limited, whose head office is located at 8 St. James's Square, London SW1Y 4JU ("SGPB Hambros"). SGPB Hambros is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The availability of the products or services described in this document in the United Kingdom may be restricted by law. Further details are available on request.

Jersey : This document has been distributed in Jersey by SG Hambros Bank (Channel Islands) Limited ("SGH CI Limited"), whose registered office address is PO Box 78, SG Hambros House, 18 Esplanade, St Helier, Jersey JE4 8PR. This document has not been authorised or reviewed by the Jersey Financial Services Commission ("JFSC"). SGH CI Limited is authorised by the JFSC for the conduct of investment business.

Guernsey : This document has been distributed in or from within the Bailiwick of Guernsey by SG Hambros Bank (Channel Islands) Limited – Guernsey Branch, whose principal address in Guernsey is PO Box 6, Hambros House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3AE. SG Hambros Bank (Channel Islands) Limited – Guernsey Branch is licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, and the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Gibraltar : This document has been distributed in Gibraltar by SG Hambros Bank (Gibraltar) Limited, whose head office is located at Hambros House, 32 Line Wall Road, Gibraltar ("SG Hambros Gibraltar"). SG Hambros Gibraltar is authorised and regulated by the Gibraltar Financial Services Commission for the conduct of banking, investment and insurance mediation business. The availability of the products or services described in the document in Gibraltar may be restricted by law. Further details are available on request.

Societe Generale Private Banking Hambros is part of the wealth management arm of the Societe Generale Group, Societe Generale Private Banking. Societe Generale is a French bank authorised in France by the Autorité de Contrôle Prudentiel et de Résolution, located at 61, rue Taitbout, 75436 Paris Cedex 09, and under the prudential supervision of the European Central Bank ("ECB"). It is also authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information on the SGPB Hambros Group including additional legal and regulatory details can be found on www.privatebanking.societegenerale.com/hambros.

http://www.privatebanking.societegenerale.com.

Equity Solutions Team:

Asia: Bangalore: Shishir Malik, Abhishek Iyer, Anirudh Srivastava, Harini Naidu, Jyotiraditya Sharma, Neeraj Mendiratta, Ravi Kumar, Sairam Sastry, Saurabh Lohariwala, Shalinee G, Shekhar Kedia, Sriram Chellappa, Tarun Dhawan.

Europe: Jérôme Matt, Danny Van Quaethem, Kristof De Graeve.

SOCIETE GENERALE
Private Banking

Societe Generale Private Banking
Tour Alicante
17, Cours Valmy
92043 Paris La Défense Cedex
France

www.sgprivatebanking.com

Societe Generale S.A.
Share Capital: EUR 1,009,641,917.50 at 31 December 2016
Registered under # 552 120 222

SOCIETE GENERALE
Private Banking