

## Today At A Glance

Company	Ticker	Rating	PT chg	Curr. Q (e) chg	Curr. Y (e) chg	Next Y (e) chg	Est. Type
Diamond Foods	DMND	U to H	\$11.00 to \$15.00	(\$0.29) to (\$0.25)	(\$0.27) to (\$0.11)	\$0.29 to \$0.52	EPS
Green Dot Corp.	GDOT	H	\$12.00 to \$14.00	\$0.35 to \$0.38	\$1.10 to \$1.18	\$1.23 to \$1.25	EPS
Kratos Defense & Security	KTOS	H	\$6.00 to \$5.00	-	\$0.30 to \$0.15	-	EPS
PolyOne Corporation	POL	B	\$27.00 to \$29.00	-	-	\$1.65 to \$1.90	EPS
RigNet, Inc.	RNET	B	\$22.00 to \$25.00	\$0.26 to \$0.23	\$0.96 to \$0.93	\$1.19 to \$1.22	EPS
Costco	COST	H	-	-	\$4.38 to \$4.42	-	EPS
Noble Corp.	NE	H	-	\$0.93 to \$0.92	-	-	EPS
OMNOVA	OMN	B	-	\$0.11 to \$0.09	\$0.80 to \$0.70	\$1.10 to \$1.00	EPS
Aeropostale	ARO	B	-	-	-	-	
Alphatec Holdings	ATEC	B	-	-	-	-	
MasterCard	MA	B	-	-	-	-	
Boeing	BA	B	-	-	-	-	
The Gap, Inc.	GPS	B	-	-	-	-	
Zoetis, Inc.	ZTS	B	-	-	-	-	

## Focus Calls

### Zoetis, Inc. (NYSE: ZTS, \$33.82 , BUY ) >>

Jeffrey Holford, PhD, ACA  
(212) 336-7409  
jholford@jefferies.com

#### Animal Magnetism: Initiating Coverage With A Buy Rating

##### Key Takeaway

**Zoetis deserves a premium rating due to its strong underlying growth profile, combined with the valuation accelerants of significant operating margin expansion, capital allocation upside and its scarcity value. We see mid-term EPS 12%-17% ahead of the initial consensus estimates and set a 12-month PT of \$40. Jefferies acted as a Book Runner in ZTS' January IPO.**

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$40.00	-	\$1.41	\$1.69	EPS	Global

### Pharmaceuticals>>

Jeffrey Holford, PhD, ACA  
(212) 336-7409  
jholford@jefferies.com

#### Global Pharma QM: March Edition

##### Key Takeaway

**We highlight our initiation of Zoetis as well as reiterating our thoughts on our Top Picks AbbVie, Novartis, Sanofi and Roche in this issue. We remind investors on the downside risk in GlaxoSmithKline, whilst giving Merck & Co. shares credit as IMPROVE-IT passes without incident. Novo Nordisk continues to look an interesting trading stock and we advise investors to hold off on AstraZeneca ahead of the Capital Markets day.**

### Metals & Mining>>

Peter Ward, CFA  
(212) 336-7315  
peter.ward@jefferies.com

#### Monthly

##### Key Takeaway

**Global Metals and Mining has a heterogeneous set of fundamentals and valuations. We continue to counsel investors to be selective within the sector.**

## Industrials &gt;&gt;

Jefferies US Industrials Team  
(212) 284-2300  
rdepartm@jefferies.com

## U.S. Industrial Monthly Short-Cycle Monitor: Conditions Unchanged

## Key Takeaway

Our 6 leading indicators are mixed this month. Of our 12 key end-markets, 9 remain favorable, and more improved versus last month than weakened. But overall we do not believe industrial conditions improved much over the last month. **CONFERENCE CALL TODAY @ 10AM; 866-900-5944; Code: 19699269**

## Noble Corp. (NYSE: NE, \$35.33 , HOLD ) &gt;&gt;

Brad Handler  
(212) 336-7249  
brad.handler@jefferies.com

## Operational Changes &amp; Spin-off Afoot; Takeaways from Meetings with Management

## Key Takeaway

Meetings with CEO Dave Williams suggested (1) a "hands-on" effort to improve operations, (2) a conventional asset "SpinCo" could happen sooner rather than later and (3) an MLP would only happen if long-term distribution concerns could be addressed. Shares are more interesting post sell-off, the growth in 2015+ remains compelling and we think "SpinCo" would be a catalyst; yet we prefer more confidence in execution to get aggressive.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$41.00	\$0.93 ▼ \$0.92	\$4.25	-	EPS	Americas

## Green Dot Corp. (NYSE: GDOT, \$14.78 , HOLD ) &gt;&gt;

Ramsey El-Assal  
(212) 284-4649  
ramsey.elassal@jefferies.com

## GDOT &amp; WMT: Framing the Scenarios

## Key Takeaway

Our proprietary analysis examines the evolving relationship between GDOT & WMT (65% of GDOT revs), highlighting the wide range of potential downside/upside EPS impacts from both near-term and longer-term developments, such as Bluebird, pricing pressure, and issues surrounding the F15 WMT contract renewal. We are raising ests and PT due to possible near-term upside to Street, but maintain Hold rating due to longer-term overhangs.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲ \$12.00 to \$14.00	\$0.35 ▲ \$0.38	\$1.10 ▲ \$1.18	\$1.23 ▲ \$1.25	EPS	Americas

## Diamond Foods, Inc. (NASDAQ: DMND, \$15.89 , HOLD ) &gt;&gt;

Thilo Wrede  
(212) 284-2473  
twrede@jefferies.com

## Upgrading to Hold – When Revenue Losses Lead to Profit Growth

## Key Takeaway

We are raising DMND to Hold from Underperform with a new \$15 PT as our bear thesis of combined revenue and margin pressure did not play out. Even though DMND continues to face revenue losses, the company apparently cut enough unprofitable SKUs and reduced costs to enhance margins, an event that we had underestimated. Together with the potential for eventually covering the remaining 29% of short interest, we see only limited downside.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲ \$11.00 to \$15.00	(\$0.29) ▲ (\$0.25)	(\$0.27) ▲ (\$0.11)	\$0.29 ▲ \$0.52	EPS	Americas

**The Gap, Inc. (NYSE: GPS, \$36.38 , BUY ) >>**

Randal J. Konik

(212) 708-2719

RKonik@jefferies.com

**10 Things We Expect To Hear From Meeting With Management****Key Takeaway**

We are meeting with GPS management this week. We think it will be an upbeat meeting and below highlight 10 things we expect to hear from management. We view valuation as compelling and GPS remains among our top picks.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$50.00	\$0.56	\$2.80	-	EPS	Americas

**Retailing/Specialty Stores>>**

Randal J. Konik

(212) 708-2719

RKonik@jefferies.com

**4Q "Pre-Game": Earnings Round 3; Buy VRA Into Print****Key Takeaway**

Several companies in our universe report earnings this week; below are our brief thoughts on VRA, ULTA and ZUMZ. ARO also reports earnings this week; please see our separate company note for ARO with a more detailed earnings preview.

**Aeropostale, Inc (NYSE: ARO, \$13.94 , BUY ) >>**

Randal J. Konik

(212) 708-2719

RKonik@jefferies.com

**4Q "Pre-Game": Expectations Bar Very Low = Buy This Stock****Key Takeaway**

ARO reports 4Q earnings on March 14. While topline trends were certainly challenged over the holiday season, we believe expectations are now low enough for FY'14. Further, we see several potential positive catalysts down the road (store closure announcements, share buybacks) and continue to believe this call is based on the balance sheet and cash generating properties of ARO. We see limited downside and attractive risk/reward.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$18.00	\$0.24	\$0.68	\$1.00	EPS	Americas

**All Research****Consumer - Food****Diamond Foods, Inc. (NASDAQ: DMND, \$15.89 , HOLD ) >>**

Thilo Wrede

(212) 284-2473

twrede@jefferies.com

**Upgrading to Hold – When Revenue Losses Lead to Profit Growth****Key Takeaway**

We are raising DMND to Hold from Underperform with a new \$15 PT as our bear thesis of combined revenue and margin pressure did not play out. Even though DMND continues to face revenue losses, the company apparently cut enough unprofitable SKUs and reduced costs to enhance margins, an event that we had underestimated. Together with the potential for eventually covering the remaining 29% of short interest, we see only limited downside.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲ \$11.00 to \$15.00	(\$0.29) ▲ (\$0.25)	(\$0.27) ▲ (\$0.11)	\$0.29 ▲ \$0.52	EPS	Americas

## Consumer - Retailing/Broadlines &amp; Dept Stores

## Costco Wholesale Corp. (NASDAQ: COST, \$103.75 , HOLD ) &gt;&gt;

Daniel Binder, CFA  
(212) 284-4614  
dbinder@jefferies.com

## Low Quality Beat; Strong Traffic Equals High Multiple

## Key Takeaway

Store level operating results were in line, but the EPS beat reflected lower pre-opening expenses, other income, and a lower adjusted tax rate. Similar to last quarter, much of the EBIT margin expansion appears to be coming from growth in the higher margin international business. This may help insulate COST from competitive price pressure in the U.S if it intensifies. High multiple reflects good traffic gains and higher store growth.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$92.00	\$0.99	\$4.38 ▲ \$4.42	\$4.80	EPS	Americas

## Consumer - Retailing/Specialty Stores

## The Gap, Inc. (NYSE: GPS, \$36.38 , BUY ) &gt;&gt;

Randal J. Konik  
(212) 708-2719  
RKonik@jefferies.com

## 10 Things We Expect To Hear From Meeting With Management

## Key Takeaway

We are meeting with GPS management this week. We think it will be an upbeat meeting and below highlight 10 things we expect to hear from management. We view valuation as compelling and GPS remains among our top picks.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$50.00	\$0.56	\$2.80	-	EPS	Americas

## Consumer - Retailing/Specialty Stores

## Retailing/Specialty Stores&gt;&gt;

Randal J. Konik  
(212) 708-2719  
RKonik@jefferies.com

## 4Q "Pre-Game": Earnings Round 3; Buy VRA Into Print

## Key Takeaway

Several companies in our universe report earnings this week; below are our brief thoughts on VRA, ULTA and ZUMZ. ARO also reports earnings this week; please see our separate company note for ARO with a more detailed earnings preview.

## Consumer - Retailing/Specialty Stores

## Aeropostale, Inc (NYSE: ARO, \$13.94 , BUY ) &gt;&gt;

Randal J. Konik  
(212) 708-2719  
RKonik@jefferies.com

## 4Q "Pre-Game": Expectations Bar Very Low = Buy This Stock

## Key Takeaway

ARO reports 4Q earnings on March 14. While topline trends were certainly challenged over the holiday season, we believe expectations are now low enough for FY'14. Further, we see several potential positive catalysts down the road (store closure announcements, share buybacks) and continue to believe this call is based on the balance sheet and cash generating properties of ARO. We see limited downside and attractive risk/reward.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$18.00	\$0.24	\$0.68	\$1.00	EPS	Americas

## Energy - Oil Services &amp; Equipment

## Noble Corp. (NYSE: NE, \$35.33 , HOLD ) ►►

Brad Handler  
(212) 336-7249

brad.handler@jefferies.com

## Operational Changes &amp; Spin-off Afoot; Takeaways from Meetings with Management

## Key Takeaway

Meetings with CEO Dave Williams suggested (1) a "hands-on" effort to improve operations, (2) a conventional asset "SpinCo" could happen sooner rather than later and (3) an MLP would only happen if long-term distribution concerns could be addressed. Shares are more interesting post sell-off, the growth in 2015+ remains compelling and we think "SpinCo" would be a catalyst; yet we prefer more confidence in execution to get aggressive.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$41.00	\$0.93 ▼ \$0.92	\$4.25	-	EPS	Americas

## Financials - Brokers, Asset Mgrs &amp; Exchanges

## Brokers, Asset Mgrs &amp; Exchanges►►

Daniel T. Fannon  
(415) 229-1523

dfannon@jefferies.com

## Feb Retail Flows: Trends Moderate but Remain Strong

## Key Takeaway

Net new flows into US retail mutual funds remained strong in Feb but were down from a record January. The slowdown was broad-based with all major asset classes experiencing a m/m decline. On a relative basis, flows into traditional mutual funds held up better than ETFs. Of the firms we track, and keeping in mind the high bar set in January, only EV and TROW recorded m/m improvement in flows.

## Financials - Consumer Finance

## Consumer Finance►►

Daniel Furtado  
(415) 229-1569

dfurtado@jefferies.com

## February Master Trust Preview, Expect COF Credit to be Buoyed by Tax Refunds

## Key Takeaway

We expect master trust results to show a modest increase in charge-offs of 15bps on average, while COF shows improving metrics. COF historically has shown improvement of about 39bps into February and we anticipate that tax refunds through February have benefited COF's portfolio, with higher exposure deeper in the credit spectrum.

## Healthcare - Medical Supplies &amp; Devices

## Alphatec Holdings, Inc. (NASDAQ: ATEC, \$2.00 , BUY ) ►►

Raj Denhoy  
(212) 336-7070

rdenhoy@jefferies.com

## Second Time's a Charm...Solus Approved (Again)

## Key Takeaway

Alphatec announced earlier-than-expected FDA approval of the Solus ALIF device. The approval significantly enhances ATEC's spine portfolio and this differentiated product could meaningfully contribute to the top line in coming quarters. As neither guidance nor our model had included Solus, today's approval provides a solid cushion and potential for upside to estimates. Maintain Buy rating.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$2.50	-	-	-	EPS	Americas

## Healthcare - Pharmaceuticals

## Zoetis, Inc. (NYSE: ZTS, \$33.82 , BUY ) &gt;&gt;

Jeffrey Holford, PhD, ACA  
(212) 336-7409  
jholford@jefferies.com

## Animal Magnetism: Initiating Coverage With A Buy Rating

## Key Takeaway

Zoetis deserves a premium rating due to its strong underlying growth profile, combined with the valuation accelerants of significant operating margin expansion, capital allocation upside and its scarcity value. We see mid-term EPS 12%-17% ahead of the initial consensus estimates and set a 12-month PT of \$40. Jefferies acted as a Book Runner in ZTS' January IPO.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$40.00	-	\$1.41	\$1.69	EPS	Global

## Healthcare - Pharmaceuticals

## Pharmaceuticals&gt;&gt;

Jeffrey Holford, PhD, ACA  
(212) 336-7409  
jholford@jefferies.com

## Global Pharma QM: March Edition

## Key Takeaway

We highlight our initiation of Zoetis as well as reiterating our thoughts on our Top Picks AbbVie, Novartis, Sanofi and Roche in this issue. We remind investors on the downside risk in GlaxoSmithKline, whilst giving Merck & Co. shares credit as IMPROVE-IT passes without incident. Novo Nordisk continues to look an interesting trading stock and we advise investors to hold off on AstraZeneca ahead of the Capital Markets day.

## Industrials - Aerospace &amp; Defense Electronics

## The Boeing Company (NYSE: BA, \$84.16 , BUY ) &gt;&gt;

Howard A. Rubel  
(212) 284-2126  
hrubel@jefferies.com

## A Comprehensive Solution to Put the 787 Back into Service

## Key Takeaway

The FAA announced it has approved Boeing's certification plan for the redesigned 787 battery system. Approval of the plan is the first step in the process of returning the aircraft to commercial service. Boeing is required to conduct extensive testing and analysis to demonstrate compliance with safety regulations and special conditions.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$87.00	-	-	-	Core EPS	Americas

## Industrials - Aerospace &amp; Defense Electronics

## Kratos Defense &amp; Security Solutions, Inc. (NASDAQ: KTOS, \$4.48 , HOLD ) &gt;&gt;

Howard A. Rubel  
(212) 284-2126  
hrubel@jefferies.com

## Recognizing an Impairment and Striving to Improve the Business

## Key Takeaway

Kratos reported Q4 EPS of (\$1.61) vs. our estimate of (\$0.08). The loss was due to non-cash goodwill and intangible asset impairment charges of \$96.6MM. Revenues of \$263.6MM matched our forecast. Excluding one time items, we estimate KTOS broke even.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▼\$6.00 to \$5.00	-	\$0.30 ▼\$0.15	-	EPS	Americas

## Industrials - Chemicals

## OMNOVA Solutions, Inc. (NYSE: OMN, \$8.31 , BUY ) ►►

Laurence Alexander, CFA  
(212) 284-2553  
lalexander@jefferies.com

## Slow Start to 2013 Likely Offsets Refinancing Benefits

## Key Takeaway

2013 is likely off to a slow start. Even with the recent term loan refinancing, we are lowering 2013E \$0.10 to \$1.00, up 18% YoY, with most of the cuts applying to 1H13. We reiterate our Buy rating given expected acceleration into 2014 and significant operating leverage to a cyclical recovery.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$10.00	\$0.11 ▼ \$0.09	\$0.80 ▼ \$0.70	\$1.10 ▼ \$1.00	EPS	Americas

## Industrials - Chemicals

## PolyOne Corporation (NYSE: POL, \$24.90 , BUY ) ►►

Laurence Alexander, CFA  
(212) 284-2553  
lalexander@jefferies.com

## Adjusting Estimates for Spartech Acquisition

## Key Takeaway

To reflect the completion of the Spartech acquisition, we are raising our 12-month price target for PolyOne \$2 to \$29, which effectively maintains our target multiple at 7.6x EBITDA and implies 16% total return. We reiterate our Buy rating.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲ \$27.00 to \$29.00	\$0.28	\$1.40	\$1.65 ▲ \$1.90	EPS	Americas

## Industrials - Industrials

## Industrials►►

Jefferies US Industrials Team  
(212) 284-2300  
rdepartm@jefferies.com

## U.S. Industrial Monthly Short-Cycle Monitor: Conditions Unchanged

## Key Takeaway

Our 6 leading indicators are mixed this month. Of our 12 key end-markets, 9 remain favorable, and more improved versus last month than weakened. But overall we do not believe industrial conditions improved much over the last month. CONFERENCE CALL TODAY @ 10AM; 866-900-5944; Code: 19699269

## Natural Resources - Metals &amp; Mining

## Metals &amp; Mining►►

Peter Ward, CFA  
(212) 336-7315  
peter.ward@jefferies.com

## Monthly

## Key Takeaway

Global Metals and Mining has a heterogeneous set of fundamentals and valuations. We continue to counsel investors to be selective within the sector.

## Technology - Computer Services &amp; IT Consulting

## Computer Services &amp; IT Consulting&gt;&gt;

## JEF "Payments Roundtable" Call 3/15: Emerging Payments Trends

Jason Kupferberg  
(646) 805 5412  
jkupferberg@jefferies.com

## Key Takeaway

On Friday, 3/15 at 11am ET, we are hosting our next "Payments Roundtable" call to discuss emerging payments trends and topics for 2013 and beyond, including: 1) implications of the recent V/JPM deal, 2) pros and cons of various mobile wallets, 3) thoughts on alternative networks/new entrants. Our guest speakers will be Jeff Green and David Kaminsky of Mercator Advisory Group.

## Technology - Computer Services &amp; IT Consulting

## MasterCard, Inc. (NYSE: MA, \$530.89 , BUY ) &gt;&gt;

Jason Kupferberg  
(646) 805 5412  
jkupferberg@jefferies.com

## Mid-Qtr Card Vols Healthy Despite Headwinds

## Key Takeaway

Earlier, MA released mid-qtr spend vol metrics that remain essentially healthy despite headwinds (i.e., lapping of debit processing deals, and delayed tax refunds). While US processed vols growth slowed noticeably vs Q4, cross-border accelerated, and global processed vols remain robust. Separately, MA indicated digital wallets (i.e., PayPal) will be charged a new acquirer-like fee starting in July. Maintain Buy.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$552.00	-	-	-	EPS	Americas

## Technology - Computer Services &amp; IT Consulting

## Green Dot Corp. (NYSE: GDOT, \$14.78 , HOLD ) &gt;&gt;

Ramsey El-Assal  
(212) 284-4649  
ramsey.elassal@jefferies.com

## GDOT &amp; WMT: Framing the Scenarios

## Key Takeaway

Our proprietary analysis examines the evolving relationship between GDOT & WMT (65% of GDOT revs), highlighting the wide range of potential downside/upside EPS impacts from both near-term and longer-term developments, such as Bluebird, pricing pressure, and issues surrounding the F15 WMT contract renewal. We are raising ests and PT due to possible near-term upside to Street, but maintain Hold rating due to longer-term overhangs.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲ \$12.00 to \$14.00	\$0.35 ▲ \$0.38	\$1.10 ▲ \$1.18	\$1.23 ▲ \$1.25	EPS	Americas

## Technology - Internet

## Internet&gt;&gt;

Jefferies US Internet Team  
pitz-fitz@jefferies.com

## Less Buzz than Usual at SXSW as Focus Shifts Away from Consumer / Social Svcs

## Key Takeaway

The South by Southwest (SXSW) conference has developed a reputation for being a key springboard for consumer / social Internet apps and services like Twitter (2007) and Foursquare (2009). At this year's SXSW, we didn't see any true breakout apps or services, signaling to us the consumer Internet space continues to mature in favor of the larger, more-established, incumbent players.



## Technology - Software

## Software▶▶

## Building Information Modeling: Expert Call

Ross MacMillan  
(212) 284-2439  
rmacmillan@jefferies.com

## Key Takeaway

We will be hosting a conference call at 11 a.m. on Monday March 18th on Building Information Modeling (BIM). BIM is a standard promoted by Autodesk and others for Architecture, Engineering and Construction (AEC). Learn more about what BIM is, who uses it and how it is changing the AEC industry.

## Telecommunications - Telecom Services

## RigNet, Inc. (NASDAQ: RNET, \$21.48 , BUY ) ▶▶

Thomas Seitz  
(212) 284-1726  
tseitz@jefferies.com

## Solid Results

## Key Takeaway

In our view, RNET reported better than expected 4Q results. The company ended the year with \$62.5 million of cash and maintains a net cash position, which we believe could potentially be used to expand into adjacent markets via M&A. Additionally, we see scope for material ARPU expansion over the mid-to-long term. As such, we maintain buy rating and are raising our TP to \$25.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲ \$22.00 to \$25.00	\$0.26 ▼ \$0.23	\$0.96 ▼ \$0.93	\$1.19 ▲ \$1.22	EPS	Americas

## Jefferies Events For further details please call your Jefferies contact

## Conferences

Title	Dates	Location
Jefferies 2013 Denver Specialty Pharmaceuticals Summit	3/21/2013	Denver
Jefferies 2013 Trucking Summit	3/26/2013	New York
Jefferies 2013 Healthcare REIT Summit	4/2/2013	New York
Jefferies 2013 Electronic Payments Summit	4/11/2013	New York
Jefferies 2013 Global Technology, Media & Telecom Conference	5/7/2013 - 5/9/2013	New York
Jefferies 2013 Hoare Govett UK Companies Forum	5/15/2013	London, EC2
Jefferies 2013 Global Healthcare Conference	6/3/2013 - 6/6/2013	New York
Jefferies 2nd Asia Pacific Cross-Thinking Summit - Hong Kong	7/10/2013 - 7/11/2013	Hong Kong
Jefferies 3rd Annual Asia Summit- Hong Kong	10/23/2013 - 10/24/2013	Hong Kong

## Company Marketing

Title	Dates	Location
Novartis AG (NOVN VX)	3/13/2013	London
Westport Innovations Inc (WPRT)	3/13/2013	Los Angeles
EADS (EAD FP)	3/13/2013	Edinburgh
Washington Real Estate Investment Trust (WRE)	3/13/2013	New York
Sanofi SA (SAN FP)	3/13/2013 - 3/14/2013	Atlanta, Ft. Lauderdale
Autoliv Inc (ALV)	3/14/2013	Los Angeles
Accor SA (AC FP)	3/14/2013 - 3/15/2013	Hong Kong, Singapore
Koninklijke Ahold NV (AH NA)	3/14/2013 - 3/15/2013	Edinburgh, London
Glanbia PLC (GLB ID)	3/14/2013 - 3/15/2013	London
Medtronic Inc (MDT)	3/14/2013 - 3/15/2013	Atlanta
WM Morrison Supermarkets PLC (MRW LN)	3/14/2013 - 5/17/2013	London
KEC International Ltd/India (KECI IN)	3/14/2013 - 3/15/2013	Chicago, Jersey City, Kansas City
Adecco SA (ADEN VX)	3/15/2013	Edinburgh

Redwood Trust Inc (RWT)	3/15/2013	San Francisco
DSM N.V. (DSM NA)	3/15/2013	New York
F&C Asset Management PLC (FCAM LN)	3/15/2013 - 3/22/2013	London
Salamander Energy PLC (SMDR LN)	3/18/2013 - 3/21/2013	Edinburgh, London
Sino-Ocean Land Holdings Ltd (3377 HK)	3/18/2013 - 3/19/2013	Singapore
AO Smith Corp (AOS)	3/19/2013	New York
Rolls-Royce Holdings PLC (RR/ LN)	3/19/2013	Edinburgh
Data Center Disruptors: Silicon Photonics Deep Dive at OFC - Luxtera and Kotura	3/19/2013	Anaheim
Associated Banc-Corp (ASBC)	3/19/2013	Mid-Atlantic
Recordati SpA (REC IM)	3/20/2013	London
AM Castle & Co (CAS)	3/20/2013 - 3/22/2013	Boston, New Jersey, New York
Sonoco Products Co (SON)	3/20/2013 - 3/21/2013	Detroit, Milwaukee, Minneapolis
Inmarsat PLC (ISAT LN)	3/20/2013	Boston
Powa	3/20/2013	London
Domino Printing Sciences PLC (DNO LN)	3/21/2013	London
Hang Lung Properties Ltd (101 HK)	3/24/2013 - 3/25/2013	Abu Dhabi, Doha
Seaspan Corp (SSW)	3/25/2013 - 3/26/2013	Boston, New York
France Telecom SA (FTE FP)	3/25/2013 - 3/26/2013	Dublin, Edinburgh
Mitsubishi Corp (8058 JP)	3/25/2013 - 3/27/2013	Hong Kong, Singapore
Deere & Co (DE)	3/25/2013 - 3/27/2013	Austin, Dallas, Denver, Houston
Premier Farnell PLC (PFL LN)	3/25/2013 - 4/19/2013	London
ASOS PLC (ASC LN)	3/26/2013 - 3/28/2013	Atlanta, Ft. Lauderdale, Jersey City, Mid-Atlantic, Nassau
Chico's FAS Inc (CHS)	3/26/2013	Kansas City
TRW Automotive Holdings Corp (TRW) Dinner	3/26/2013	New York

## Analyst Marketing

Title	Dates	Location
Philip Ng	3/13/2013	Boston
Peter Nesvold	3/13/2013 - 3/21/2013	Los Angeles, Portland, OR, San Francisco, Seattle
Corey Davis	3/13/2013	Boston
Lee Simpson	3/13/2013	Frankfurt
Andrew Douglas	3/13/2013	Geneva, Zurich
Brian Pitz, Brian Fitzgerald	3/14/2013 - 3/15/2013	Atlanta, Tampa
Luke Folta	3/14/2013	Chicago
Andrew Douglas	3/14/2013	Frankfurt
Omotayo "Tayo" Okusanya	3/15/2013	New Jersey
Ian Hilliker, Terence McManus	3/15/2013	Dublin
Jeffrey Holford, Swayampakula "R K" Ramakanth	3/15/2013	New York
Douglas Mavrinac	3/18/2013 - 3/20/2013	Atlanta, Charlotte, Orlando, Richmond, Tampa
Lee Simpson	3/18/2013 - 3/22/2013	Boston, Connecticut, New York, San Francisco, Santa Fe
Jerry Dellis, Ulrich Rathe, Giles Thorne	3/18/2013 - 3/22/2013	Boston, New York, Philadelphia, Toronto, Wilmington
Andrew Douglas	3/18/2013 - 3/20/2013	Berwyn, Boston, New York, Princeton, West Conshohocken
Jason Kupferberg	3/18/2013	New York
Eun Yang	3/18/2013 - 4/4/2013	Los Angeles, San Diego, San Francisco
Brian Pitz, Brian Fitzgerald	3/18/2013 - 3/21/2013	Chicago, Kansas City, Milwaukee, Minneapolis
Sandy Morris, Sonal Sagar	3/18/2013 - 3/19/2013	Edinburgh
Ken Usdin	3/19/2013 - 3/20/2013	Atlanta, Tampa
Daniel "Dan" Fannon	3/19/2013	Denver
Jason Kupferberg	3/19/2013 - 3/22/2013	Edinburgh, Geneva, Glasgow, London, Zurich
Kean Marden, Will Kirkness	3/19/2013	Frankfurt

Philip "Phil" Ng	3/19/2013 - 3/20/2013	Milwaukee, Minneapolis
Brian Tanquilut	3/19/2013 - 3/20/2013	Denver, Kansas City
Daniel "Dan" Furtado	3/19/2013 - 3/20/2013	Baltimore, Philadelphia
Omotayo "Tayo" Okusanya	3/20/2013	New York
Biren Amin	3/20/2013	Denver
Seth Rosenfeld	3/20/2013	Frankfurt
Laura Loppacher - Jefferies Engage	3/20/2013	London
James Kisner	3/21/2013 - 3/22/2013	Portland, OR, Seattle
Scott Graham	3/21/2013	Connecticut
Omotayo "Tayo" Okusanya	3/21/2013	Boston
Laurence Alexander	3/21/2013 - 3/22/2013	Houston
Omotayo "Tayo" Okusanya	3/25/2013 - 3/26/2013	Cleveland, Columbus, Pittsburgh
Jon Wood	3/25/2013 - 3/27/2013	Austin, Dallas, Houston, San Antonio
Daniel "Dan" Furtado	3/26/2013 - 3/27/2013	Charlotte, Orlando, Richmond, Tampa
Daniel "Dan" Fannon	3/26/2013 - 3/27/2013	Los Angeles
Sundeeep Bajikar, Yoshihiro Azuma	3/26/2013 - 3/27/2013	Hong Kong
Eun Yang	3/26/2013 - 4/3/2013	Chicago, Denver, Kansas City, Minneapolis

## Important Disclosures

As is the case with all Jefferies employees, the analyst(s) responsible for the coverage of the financial instruments discussed in this report receives compensation based in part on the overall performance of the firm, including investment banking income. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Aside from certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgement.

## Company Specific Disclosures

Jefferies & Co Inc is advising Bristol Myers Squibb on its business combination with Reckitt Benckiser Group Plc regarding Latin American licenses Jefferies Capital Partners, which is associated with and may be deemed an affiliate of Jefferies Group, Inc. and Jefferies & Company Inc., owns 56.6% of the outstanding class A common stock of Edgen Group Inc. In addition, two executive officers of Jefferies Capital Partners are on the Board of Directors of Edgen Group Inc.

Jefferies is acting as Agent in an Open Market Sales Program for Olympic Steel Inc.

## Meanings of Jefferies Ratings

Buy - Describes stocks that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

Hold - Describes stocks that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes stocks that we expect to provide a total negative return (price appreciation plus yield) of 10% or more within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated stocks with an average stock price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated stocks with an average stock price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated stocks with an average stock price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% within a 12-month period.

NR - The investment rating and price target have been temporarily suspended. Such suspensions are in compliance with applicable regulations and/or Jefferies policies.

CS - Coverage Suspended. Jefferies has suspended coverage of this company.

NC - Not covered. Jefferies does not cover this company.

Restricted - Describes issuers where, in conjunction with Jefferies engagement in certain transactions, company policy or applicable securities regulations prohibit certain types of communications, including investment recommendations.

Monitor - Describes stocks whose company fundamentals and financials are being monitored, and for which no financial projections or opinions on the investment merits of the company are provided.

## Valuation Methodology

Jefferies' methodology for assigning ratings may include the following: market capitalization, maturity, growth/value, volatility and expected total return over the next 12 months. The price targets are based on several methodologies, which may include, but are not restricted to, analyses of market risk, growth rate, revenue stream, discounted cash flow (DCF), EBITDA, EPS, cash flow (CF), free cash flow (FCF), EV/EBITDA, P/E, PE/growth, P/CF, P/FCF, premium (discount)/average group EV/EBITDA, premium (discount)/average group P/E, sum of the parts, net asset value, dividend returns, and return on equity (ROE) over the next 12 months.

### Conviction List Methodology

1. The aim of the conviction list is to publicise the best individual stock ideas from Jefferies Global Research
2. Only stocks with a Buy rating are allowed to be included in the recommended list.
3. Stocks are screened for minimum market capitalisation and adequate daily turnover. Furthermore, a valuation, correlation and style screen is used to ensure a well-diversified portfolio.
4. Stocks are sorted to a maximum of 30 stocks with the maximum country exposure at around 50%. Limits are also imposed on a sector basis.
5. Once a month, analysts are invited to recommend their best ideas. Analysts' stock selection can be based on one or more of the following: non-Consensus investment view, difference in earnings relative to Consensus, valuation methodology, target upside/downside % relative to the current stock price. These are then assessed against existing holdings to ensure consistency. Stocks that have either reached their target price, been downgraded over the course of the month or where a more suitable candidate has been found are removed.
6. All stocks are inserted at the last closing price and removed at the last closing price. There are no changes to the conviction list during the month.
7. Performance is calculated in US dollars on an equally weighted basis and is compared to MSCI World AC US\$.
8. The conviction list is published once a month whilst global equity markets are closed.
9. Transaction fees are not included.
10. All corporate actions are taken into account.

## Risk which may impede the achievement of our Price Target

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, the financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions based upon their specific investment objectives and financial situation utilizing their own financial advisors as they deem necessary. Past performance of the financial instruments recommended in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from, any of the financial instruments mentioned in this report can rise as well as fall and may be affected by changes in economic, financial and political factors. If a financial instrument is denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the financial instrument described in this report. In addition, investors in securities such as ADRs, whose values are affected by the currency of the underlying security, effectively assume currency risk.

## Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
<b>BUY</b>	740	46.57%	126	17.03%
<b>HOLD</b>	716	45.06%	85	11.87%
<b>UNDERPERFORM</b>	133	8.37%	2	1.50%

## Other Important Disclosures

Jefferies Equity Research refers to research reports produced by analysts employed by one of the following Jefferies Group LLC ("Jefferies") group companies:

**United States:** Jefferies LLC which is an SEC registered firm and a member of FINRA.

**United Kingdom:** Jefferies International Limited, which is authorized and regulated by the Financial Services Authority; registered in England and Wales No. 1978621; registered office: Vintners Place, 68 Upper Thames Street, London EC4V 3BJ; telephone +44 (0)20 7029 8000; facsimile +44 (0)20 7029 8010.

**Hong Kong:** Jefferies Hong Kong Limited, which is licensed by the Securities and Futures Commission of Hong Kong with CE number AT5546; located at Suite 2201, 22nd Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

**Singapore:** Jefferies Singapore Limited, which is licensed by the Monetary Authority of Singapore; located at 80 Raffles Place #15-20, UOB Plaza 2, Singapore 048624, telephone: +65 6551 3950.

**Japan:** Jefferies (Japan) Limited, Tokyo Branch, which is a securities company registered by the Financial Services Agency of Japan and is a member of the Japan Securities Dealers Association; located at Hibiya Marine Bldg, 3F, 1-5-1 Yuraku-cho, Chiyoda-ku, Tokyo 100-0006; telephone +813 5251 6100; facsimile +813 5251 6101.

**India:** Jefferies India Private Limited, which is licensed by the Securities and Exchange Board of India as a Merchant Banker (INM000011443) and a Stock Broker with Bombay Stock Exchange Limited (INB011438539) and National Stock Exchange of India Limited (INB231438533) in the Capital Market Segment; located at 42/43, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East) Mumbai 400 051, India; Tel +91 22 4356 6000.

This material has been prepared by Jefferies employing appropriate expertise, and in the belief that it is fair and not misleading. The information set forth herein was obtained from sources believed to be reliable, but has not been independently verified by Jefferies. Therefore, except for any obligation under applicable rules we do not guarantee its accuracy. Additional and supporting information is available upon request. Unless prohibited by the provisions of Regulation S of the U.S. Securities Act of 1933, this material is distributed in the United States ("US"), by Jefferies LLC, a US-registered broker-dealer, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6, under the US Securities Exchange Act of 1934. Transactions by or on behalf of any US person may only be effected through Jefferies LLC. In the United Kingdom and European Economic Area this report is issued and/or approved for distribution by Jefferies International Limited and is intended for use only by persons who have, or have been assessed as having, suitable professional experience and expertise, or by persons to whom it can be otherwise lawfully distributed. Jefferies International Limited has adopted a conflicts management policy in connection with the preparation and publication of research, the details of which are available upon request in writing to the Compliance Officer. Jefferies International Limited may allow its analysts to undertake private consultancy work. Jefferies International Limited's conflicts management policy sets out the arrangements Jefferies International Limited employs to manage any potential conflicts of interest that may arise as a result of such consultancy work. For Canadian investors, this material is intended for use only by professional or institutional investors. None of the investments or investment services mentioned or described herein is available to other persons or to anyone in Canada who is not a "Designated Institution" as defined by the Securities Act (Ontario). In Singapore, Jefferies Singapore Limited is regulated by the Monetary Authority of Singapore. For investors in the Republic of Singapore, this material is provided by Jefferies Singapore Limited pursuant to Regulation 32C of the Financial Advisers Regulations. The material contained in this document is intended solely for accredited, expert or institutional investors, as defined under the Securities and Futures Act (Cap. 289 of Singapore). If there are any matters arising from, or in connection with this material, please contact Jefferies Singapore Limited, located at 80 Raffles Place #15-20, UOB Plaza 2, Singapore 048624, telephone: +65 6551 3950. In Japan this material is issued and distributed by Jefferies (Japan) Limited to institutional investors only. In Hong Kong, this report is issued and approved by Jefferies Hong Kong Limited and is intended for use only by professional investors as defined in the Hong Kong Securities and Futures Ordinance and its subsidiary legislation. In the Republic of China (Taiwan), this report should not be distributed. The research in relation to this report is conducted outside the PRC. This report does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves. In India this report is made available by Jefferies India Private

Limited. In Australia this information is issued solely by Jefferies International Limited and is directed solely at wholesale clients within the meaning of the Corporations Act 2001 of Australia (the "Act") in connection with their consideration of any investment or investment service that is the subject of this document. Any offer or issue that is the subject of this document does not require, and this document is not, a disclosure document or product disclosure statement within the meaning of the Act. Jefferies International Limited is authorised and regulated by the Financial Services Authority under the laws of the United Kingdom, which differ from Australian laws. Jefferies International Limited has obtained relief under Australian Securities and Investments Commission Class Order 03/1099, which conditionally exempts it from holding an Australian financial services licence under the Act in respect of the provision of certain financial services to wholesale clients. Recipients of this document in any other jurisdictions should inform themselves about and observe any applicable legal requirements in relation to the receipt of this document.

This report is not an offer or solicitation of an offer to buy or sell any security or derivative instrument, or to make any investment. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation, and is subject to change without notice. Jefferies assumes no obligation to maintain or update this report based on subsequent information and events. Jefferies, its associates or affiliates, and its respective officers, directors, and employees may have long or short positions in, or may buy or sell any of the securities, derivative instruments or other investments mentioned or described herein, either as agent or as principal for their own account. Upon request Jefferies may provide specialized research products or services to certain customers focusing on the prospects for individual covered stocks as compared to other covered stocks over varying time horizons or under differing market conditions. While the views expressed in these situations may not always be directionally consistent with the long-term views expressed in the analyst's published research, the analyst has a reasonable basis and any inconsistencies can be reasonably explained. This material does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to herein and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments. This report has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of securities. None of Jefferies, any of its affiliates or its research analysts has any authority whatsoever to make any representations or warranty on behalf of the issuer(s). Jefferies policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis. Any comments or statements made herein are those of the author(s) and may differ from the views of Jefferies.

This report may contain information obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

Jefferies research reports are disseminated and available primarily electronically, and, in some cases, in printed form. Electronic research is simultaneously available to all clients. This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Jefferies. Neither Jefferies nor any officer nor employee of Jefferies accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this report or its contents.

For Important Disclosure information, please visit our website at <https://javatar.bluematrix.com/sellside/Disclosures.action> or call 1.888.JEfferies

© 2013 Jefferies Group LLC