



Escape from the dull zone.

Reining in Europe's deficits will obviously limit growth for a sustained period of time as solving governments' solvency issues will require at least two to three years. Following the PIGS crisis, Germany took the lead for implementing austerity programs, but this also bound the UK, France and the rest of Europe to adopt similar and decisive steps to reduce their respective budget gaps.

Companies with a significant exposure outside Europe will benefit both for a currency aspect (competitive and currency conversion impact) but also because of boosts to top line growth from the relatively faster growing economies of Asia and the Americas.

Issuers most exposed to non European countries:

The list below is a combination of issuers (underlyings) with European exposure below 60% of their total income and a Delta above 20%. As anyone can imagine, not a single REITS is in the list and last, we have not excluded any bonds for pricing issue. As a final comment, at the beginning of the year, we had numerous calls advising the cutting of exposure to overpriced CB's; however, we currently estimate cb valuation to be fairish, in general.

Name	ISIN	Delta %	YTM %	% Revenues ex-Europe
Maurel et Prom 7.125% 2014	FR0010775098	33	7,4	100%
Vedanta 4% 2017	XS0493253396	46	4,4	97%
Vedanta 5.5% 2016	XS0434722087	61	3,0	97%
ASMI 6.5% 2014	XS0464788511	67	2,1	94%
Petropavlovsk 4% 2015	XS0482875811	64	1,8	91%
Xstrata 4% 2017	XS0267908324	48	2,7	75%
Qiagen 1.5% 2024	XS0198529116	89	-2,3	73%
Qiagen 3.25% 2026	XS0254367179	67	1,9	73%
Hochschild 5.75% 2014	XS0457794674	54	3,8	72%
Shire 2.75% 2014	XS0299687482	25	3,5	69%
MTU 2.75% 2012	DE000A0G5NW4	46	-3,4	68%
Acergy SA 2.25% 2013*	XS0267243417	37	1,9	67%
Alcatel Lucent 5% 2015	FR0010798371	62	5,6	66%
Publicis 1% 2018	FR0000180127	27	2,2	65%
Publicis 3.125% 2014	FR0010771899	72	-4,6	65%
Infineon 7.5% 2014	DE000A1AG4K7	90	-15,9	64%
AngloAmerican 4% 2014	XS0424806734	77	-6,8	62%
Bulgari 5.375% 2014	XS0434384920	78	-3,6	62%
Nexans 4% 2016	FR0010771444	55	1,7	60%
Autonomy 3.25% 2015	XS0487597006	64	0,4	60%
WPP 5.75% 2014	XS0426660097	64	-2,1	59%
Actelion 0% 2011	CH0027818514	23	1,0	56%
Subsea7 3.5% 2014*	NO0010542327	64	0,5	56%



Name	ISIN	Delta %	YTM %	% Revenues ex-Europe
Clariant 3% 2014	CH0101753892	89	-12,4	56%
Swatch 2.625% 2010	CH0016772987	92	-44,1	55%
Michelin 0% 2017	FR0010449264	29	4,2	54%
Premier Oil 2.875% 2014	XS0304206161	43	3,0	51%
Inmarsat 1.75% 2017	XS0331843523	46	3,8	50%
UCB 4.5% 2015	BE6000386639	40	3,2	49%
BCP / Portugal Teleco 3% 2015	XS0481400173	41	4,6	49%
Portugal Tel 4.125% 2014	XS0309600848	25	3,6	49%
ArcelorMittal 5% 2014	US03938LAK08	66	-0,6	48%
ArcelorMittal 7.25% 2014	XS0420253212	72	-2,8	48%
International Power 3.75% 2023	XS0173110262	100	-17,4	48%
International Power 3.25% 2013	XS0261440860	24	1,9	48%
SGL Carbon 3.5% 2016	DE000A0Z2BL6	60	1,5	47%
SGL Carbon 0.75% 2013	DE000A0N30U8	35	3,1	47%
Seadrill 4.875% 2014	NO0010538705	66	4,0	44%
Seadrill 3.625% 2012	NO0010395981	31	7,1	44%
Evraz 7.25% 2014	XS0439721035	82	-3,2	43%
Eurazeo / Danone 6.25% 2014	FR0010766295	59	0,7	40%

We had no data available on TUI Travel, Cable & Wireless Worldwide.
A full list (whatever delta) is available on demand.

*Special situation - merger in progress
Source : Bloomberg - HPC

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