GLOBAL VALUE INVESTORS
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GVI International Company Profiles - June 2009

Vodafone - United Kingdom

Dividend yield 6.9% **P/E ratio 7.8 times FY1** ***Market cap $A120.7 billion**

Vodafone is the world's largest and most geographically diversified mobile telecommunications company with operations in Europe, Middle East, Africa, Asia and the United States. The company provides a range of voice and data mobile communications services to both the corporate and consumer markets. After restructuring its portfolio of assets over the last few years the company now appears to be on a path of consolidating growth in its core markets which includes a few key emerging markets like India, Turkey and South Africa. After its announcement to continue to increase its dividends on an ongoing basis, we believe that the company is on a path of building sustainable shareholder value. The company trades on a P/E of 7.8 times 2009 earnings and dividend yield of 6.9%.

GDF Suez - France

Dividend yield 5.7% **P/E ratio 9.5 times FY1** ***Market cap $A97.6 billion**

GSZ is the largest fully-integrated utility in the Developed World by revenue and market value through a merger of Gaz de France (the largest gas utility with upstream producing, LNG, midstream transmission, storage and downstream distribution divisions) and Suez (a large power generation utility with water assets and a global presence). It is the 3rd largest global LNG importer and the largest in Europe with one of Europe's most diversified gas off-take from a diversified group of countries including Norway, Russia, Holland, Algeria, Egypt etc and power assets in Europe, US , Middle East and Latin America.

We like the integrated nature of GDF Suez's business, its attractive valuation (PE of 9.5x and a dividend yield of 5.7%) and its very strong cash generation capability. The average growth in dividends per share is expected to be in the order of 10% to 15% per year between 2007 and 2010, with the potential for additional capital returns. Our research shows that GDF will continue to generate significant free-cash-flow and maintain its strong A credit rating in the years ahead.

Johnson & Johnson - USA

Dividend yield 2.9% **P/E ratio 14.3 times FY1** ***Market cap $A190.8 billion**

Johnson & Johnson (JNJ) is one of the world's largest and most diversified healthcare product manufacturers. Unlike the pure pharmaceutical sector, JNJ's consumer products division's profitability does not hinge on the success of patents, but rather on continuous product innovation and brand building over time. To further diversify its revenues, JNJ recently acquired Pfizer's consumer healthcare division and in doing so, acquired excellent brand names such as Nicorette (anti-smoking devices), Benadryl (allergy), Rogaine (hair loss), Visine (eye solution), Listerine (mouthwash), Bengay (sports crème), Sudafed (sinus relief) and Purell (anti-bacterial cleaner). The acquisition also provided JNJ with the advantage of scale to complement its competitive advantage and its strong technology base.

JNJ generates approximately $6 billion of free cash flow per year after dividends. It has a legacy of 24 years of consecutive sales growth, 23 years of consecutive earnings growth, and 44 years of consecutive dividend growth**.** For a company of its nature, we believe JNJ is trading at a very attractive valuation, trading on 14.3 times forecast 2009 earnings and a dividend yield of 2.9%.

Nestle - Switzerland

Dividend yield 3.6% **P/E ratio 13.9 times FY1** ***Market cap $A169.4 billion**

Nestle is a globally diversified food and beverage company operating in over 100 countries. It is second to Unilever in terms of the diversification of its sales across regions and exposure to emerging markets. Some of its core brands include Nescafe, San Pellegrino and Maggi foods. Nestle also owns large stakes in two publicly listed companies: L'Oreal and Alcon. L'Oreal is a household name in the personal care and cosmetics categories whilst Alcon is one of the world's largest eye-care researchers and manufacturers. We believe that Nestle's food business is currently trading on a P/E of 13.9 times 2009 earnings, with a dividend of 3.6% and a strong balance sheet with interest cover of 13 times.

BASF - Germany

Dividend yield 6.0 % **P/E ratio 21.1 times FY1** ***Market cap $A52.3 billion**

BASF is the largest chemical company in the world and has a well balanced portfolio of products (occupying one of the top three market positions in 75% of all of its products and markets) and a clear long-term strategy. Based in Ludwigshafen, Germany, the company has 150 production sites in 38 countries and customer in 170 countries. The company's portfolio ranges form chemicals, plastics vitamins, agricultural products to oil and gas. The company has pioneered a unique concept where in its most modern plants it makes use of by-products in its energy, logistics and waste management divisions thus creating efficient value-adding chains across business divisions. Through organic growth and strategic acquisitions, the company has consistently created and enhanced shareholder value. Combining research and development with innovation the company's success is now being enhanced by its presence in key markets such as China and the rest of Asia, the world's largest and fastest growing chemical market.

RWE - Germany

Dividend yield 7.8% **P/E ratio 8.8 times FY1** ***Market cap $A55.8 billion**

RWE is one of the two dominant power generation companies in Germany, with interests along the energy value chain, including upstream oil and gas, power generation, transmission and distribution. As an investment, RWE represents a fairly pure play on positive developments in the German power price which is set to remain high given tight capacity and volatile commodity prices.

RWE is in the process of acquiring Dutch utility, Essent, for € 9.6 bn subject to regulatory approval. This acquisition in our view seems to be a sensible one given the potential synergies with its core German business. The company also has good growth going forward, offering 5-10% net profit growth out to 2011. Absolute valuation offers good upside (~25%) and the company looks attractive relative to peers. RWE trades on a FY1 PE of 8.8x with a forecast dividend yield of 7.8%.

SES Global - Luxenbourg

Dividend yield 4.4% **P/E ratio 11.8 times FY1** ***Market cap $A11.3 billion**

SES Global is the world's second largest Fixed Satellite Services (FSS) operator with operations across the globe. The company derives around 83% of its revenues from the provision of services to broadcasters and the remainder from data and government services. The FSS industry globally is experiencing strong demand due to the rapid growth in High-Definition Television (HDTV), the proliferation of pay-TV platforms in both Europe and emerging markets, as well as continued strong demand from the US government for data services.

Although the FSS industry is capital intensive, technological advances, combined with the Company's greater purchasing power and its strong market position with high barriers to entry, means that the capital intensive nature of the industry is falling. This automatically translates to boosting the Company's cash generating and capital return potential creating longer term shareholder value. SES Global trades on an FY1 P/E of 11.8x with a dividend yield of 4.4%.

Fraport AG - Germany

Dividend yield 3.8% **P/E ratio 19.4 times FY1** ***Market cap $A4.8 billion**

Fraport AG is one of the leading operators in international airport businesses. Frankfurt Main Airport is a major air transportation hub within Europe and offers connecting services to long-haul destinations in the Americas, Asia, Africa and Australia. Frankfurt Main is also the hub of Deutsche Lufthansa. Fraport has undertaken to expand and transform the airport into Frankfurt Airport City - a retail and business centre with hotels and efficient transport links such as the direct link to the ICE high-speed rail system.

Fraport has a very strong balance sheet and trades on a PE of 19.4x FY1 earnings with a dividend yield of 3.8% and is the cheapest airport stock within Europe when measured on an EV/EBITDA basis. In our view the current share price weakness represents an excellent long-term buying value opportunity.

Osterreichische Post AG (Austrian Post) - Austria

Dividend yield 8.6% **P/E ratio 8.7 times FY1** ***Market cap $A2.4 billion**

Austrian Post (AP) is a modern logistics company and is the incumbent mail provider in Austria. The Company has three core divisions that include the provision of letter mail services, parcel services (both domestic and international) and the distribution of financial products in conjunction with its banking partner, BAWAG. In the years prior to its IPO in 2007 the Company undertook a substantial capital expenditure program in order to entirely modernize and automate mail sorting and delivery procedures making the Company in turn highly efficient compared to many of its peers.

Austria Post trades on a prospective 2009 P/E of 8.7x and a dividend yield of 8.6%. We believe this represents good value for a stock that is highly defensive and generates very stable and predictable free cashflow.

Telefónica - Spain

Dividend yield 7.1% **P/E ratio 9.1 times FY1** ***Market cap $A126.9 billion**

Telefónica is a fully integrated Spanish telecom incumbent which also owns integrated incumbents in Brazil, Argentina, Chile and Peru. In addition, it has a significant presence in Latin American mobile markets.

Telefónica has one of the best quality assets and growth profiles within the telecommunications sector. It is also the No.1 mobile operator in the UK (O2) and it has one of the highest domestic fixed-line market shares in Europe. We rate the management team very highly as they have demonstrated one of the best track records in M&A activity, complemented by growing FCF and dividends, areas where too many others have failed to deliver shareholder value.

Our analysis of Telefónica confirms its strong business model and competitive advantage with very good execution and implementation. The stock is trading on compelling valuations with an 2009 P/E of 8.4 times and a dividend yield of 7.7%

*** Market capitalisation has been converted to Australian dollars (AUD) using the Spot Rate of Exchange as at 30 June 2009.**