

**Trading data (local/US\$)**

52-wk. range	Rs1,172.60-696.30/US\$26.35-15.19
Market cap.	Rs154bn/US\$3.80bn
Shares o/s	185m (ORD)
Free float	86%
Avg. daily volume ('000)	494
Avg. daily value (Rsm)	403.1

**Balance sheet data 12/06E**

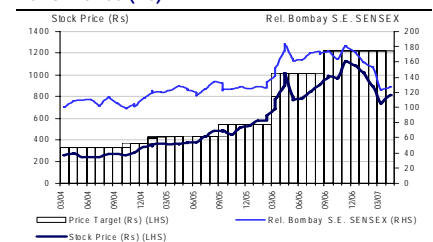
Shareholders' equity	Rs32.4bn
P/BV (UBS)	4.8x
Net cash (debt)	(Rs0.36bn)

**Forecast returns**

Forecast price appreciation	+30.9%
Forecast dividend yield	1.1%
Forecast stock return	+32.0%
Market return assumption	12.8%
Forecast excess return	+19.2%

**EPS (UBS, Rs)**

	12/06E		Cons.	12/05 Actual
	From	To		
Q1E	-	12.19	-	-
Q2E	-	16.69	-	-
Q3E	-	10.87	-	-
Q4E	-	17.71	-	-
12/06E	-	57.62	66.43	
12/07E	-	76.45	64.78	

**Performance (Rs)**


Source: UBS

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## Q1 better than expected; price target cut on valuation concern

### ■ Revenue, EBITDA and PAT better than estimates

ACC's Q1FY07 revenue (Rs16.35bn), EBITDA (Rs5.07bn) and pre-ex PAT (Rs3.44bn) were significantly better than our estimate - Rs15.9bn, Rs4.6bn and Rs3bn respectively. Entire difference in PAT from our estimate was due to higher EBITDA. EBITDA/T (Rs1028 in Q1) rose 65% YoY and 7.6% QoQ, driven by realisation growth (30% YoY and 3.4% QoQ).

### ■ Costs under control

Important cost elements remained flat in Q1 sequentially, except freight, where inclusion of freight cost in sales from some plants inflated both freight cost and revenue. Though coal prices could rise going forward, we believe ACC's new captive power plants (total 105MW in Lakheri, Bargarh and Wadi) could neutralise cost pressures significantly.

### ■ Expansion projects on schedule

Expansion & modernisation of Lakheri is complete, & in CY2007 grinding capacities at Tikaria, Kymore, Wadi and Sindri shall be expanded. Further expansion at Madukkarai, Bargarh and Wadi should take ACC's total capacity to 27.5MT by CY2009 from 21MT currently.

### ■ Valuation: Price target reduced from Rs1225 to Rs1090

We have reduced ACC's target EV/EBITDA multiple from 10x 1-year forward to 8.5x. This is a marginal discount to the average (8.8x) EV/EBITDA multiple over past 18-24 months. The decline in target multiple reflects the recent uncertainty on cement prices.

Highlights (Rs m)	03/05	12/05	12/06E	12/07E	12/08E
Revenues	42,880	33,180	58,091	64,253	68,109
EBIT (UBS)	4,833	3,586	13,717	17,600	18,666
Net income (UBS)	3,589	2,232	10,675	14,185	14,941
EPS (UBS, Rs)	20.17	12.55	57.62	76.45	80.76
Net DPS (UBS, Rs)	8.02	8.02	8.00	8.00	8.00

Profitability & Valuation	5-yr hist. av.	12/05	12/06E	12/07E	12/08E
EBIT margin %	8.0	10.8	23.6	27.4	27.4
ROIC (EBIT) %	10.0	15.5	45.7	57.7	61.3
EV/EBITDA x	10.9	13.9	9.9	7.5	6.5
PE (UBS) x	26.7	26.4	14.5	10.9	10.3
Net dividend yield %	2.2	2.4	1.0	1.0	1.0

Source: Company accounts, Thomson Financial, UBS estimates. (UBS) valuations are stated before goodwill, exceptionals and other special items. Valuations: based on an average share price that year, (E): based on a share price of Rs832.70 on 25 Apr 2007 22:30 HKT

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**ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 5**

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Table 1: ACC Q1 result details

(Rs m)	Q1 FY06	Q4 FY06	Q1 FY07	YoY	QoQ
Produced cement volume (MT)	5.06	4.90	4.93	-2.5%	0.6%
Average realisation (net of excise)	2460	3098	3202	30.1%	3.4%
RMC revenue	675	772	802	18.7%	3.9%
Consultancy and others	333	238	0		
Other operating income	775	736	557	-28.1%	-24.3%
<b>Total operating income (net)</b>	<b>13218</b>	<b>15923</b>	<b>16348</b>	<b>23.7%</b>	<b>2.7%</b>
Incr / (Decr) in WIP	642	-78	35		
Raw material cost	1625	1833	1794	10.4%	-2.1%
Staff cost	876	1054	816	-6.9%	-22.6%
Coal & oil for kilns	1207	1361	1351	11.9%	-0.7%
Purchased power and fuel for power generation	1087	1300	1307	20.2%	0.5%
Outward freight	2011	2264	2587	28.6%	14.2%
Purchase of cement & other products	103	138	128	24.4%	-7.4%
Other expenditure	2516	3366	3259	29.5%	-3.2%
Operating expenses (incl excise)	10125	11514	11677	15.3%	1.4%
<b>EBITDA</b>	<b>3151</b>	<b>4685</b>	<b>5071</b>	<b>61.0%</b>	<b>8.2%</b>
Interest paid	194	41	40	-79.4%	-2.9%
Interest earned + other income	446	580	284	-36.3%	-51.1%
Depreciation	594	771	621	4.6%	-19.4%
Extraordinary income	91	153	200		30.9%
PBT	2900	4606	4894	68.7%	6.2%
Tax	545	1021	1256	130.3%	23.0%
PAT	2355	3585	3638	54.5%	1.5%
Pre-exceptional PAT	2264	3432	3438	51.9%	0.2%
EBITDA margin	23.8%	29.4%	31.0%		

Source: Data from company

Table 2: ACC – cost structure progression

(Rs /T)	Q1 FY06	Q2 FY06	Q3 FY06	Q4 FY06	Q1 FY07	YoY	QoQ
Raw material cost	321	360	376	374	371	15.4%	-0.8%
Staff cost	173	177	167	215	165	-4.5%	-23.1%
Coal & oil for kilns	239	277	265	278	274	14.8%	-1.3%
Purchased power and fuel for power	215	270	261	265	265	23.3%	-0.1%
Outward freight	398	471	466	462	524	31.9%	13.6%
Other expenditure	498	615	722	686	661	32.8%	-3.8%
EBITDA per ton	623	984	870	956	1028	65.1%	7.6%

Source: Data from company

Table 3: ACC's expansion plans

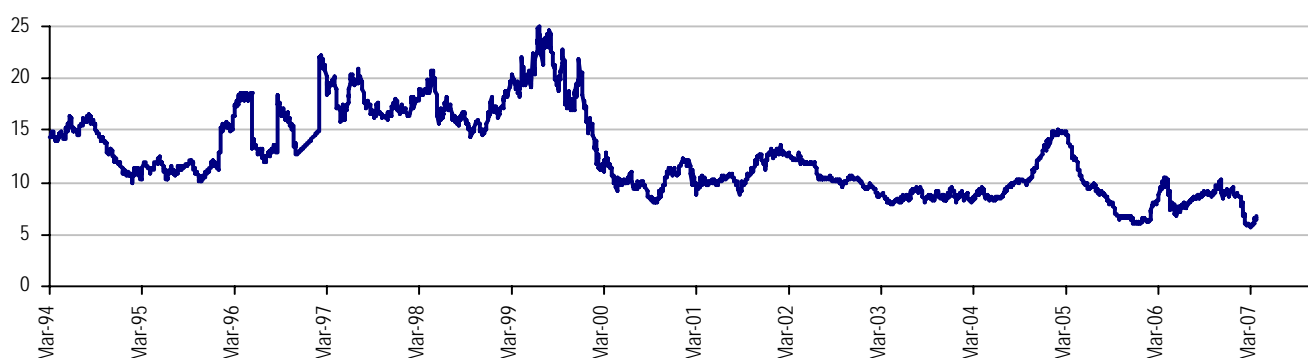
Project	Details	Status
Lakheri expansion	Cement capacity to be expanded by 0.9MT (0.5MT clinker) from 0.6MT to 1.5MT and 25MW thermal captive power plant to be installed	Commissioned in March 2007
Kymore expansion	Augmentation of grinding capacity by 0.5MT	Likely by December 2007
Tikaria expansion	Augmentation of grinding capacity by 0.31MT	Commissioned in April 2007
Sindri expansion	Augmentation of grinding capacity by 0.4MT	Likely by December 2007
Wadi expansion	Augmentation of grinding capacity by 1.08MT	Likely by December 2007
Madukkarai expansion	Augmentation of grinding capacity by 0.22MT	Likely by mid-2008
Bargarh expansion	Expansion of clinkerisation and grinding capacity by 1.18MT and installation of 30MW captive power plant	Likely by December 2008
Wadi expansion (2nd phase)	Expansion of clinkerisation and grinding capacity by 3MT and installation of 50MW captive power plant.	Likely by mid 2009

Source: Data from company

## Price target Rs1090

Over past 7 years ACC's 1-year forward EV/EBITDA has ranged between 6x and 15x, and currently it's close to the lower end of the range.

Chart 1: ACC rolling 1-year forward EV/EBITDA



Source: UBS estimates

We estimate target EV/EBITDA multiple (1 year hence) of 8.5x – close to the lower end of the range – as we expect the cement cycle to be close to temporary peak at that time.

**Table 4: ACC – price target calculation**

EBITDA - Dec 2007E	20,302
EBITDA - Dec 2008E	21,420
EBITDA - Dec 2009E	21,692
EBITDA - April 2009E	21511
Target EV/EBITDA (xApril 2009E)	8.5
Target EV	182845
Target Market cap	202277
Target price	1090
Implied PE (x FY12/07E)	14.3
Implied PE (x FY12/08E)	13.4

Source: UBS estimates

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## ■ Associated Cement Companies Ltd.

The company was originally promoted by the Tatas. However, in late 1999 and 2000 Tatas sold its entire shareholding to Gujarat Ambuja, which has two representatives on the board of ACC. ACC is India's second largest cement manufacturer with capacity of 17.9Mt, which will increase to 19Mt after modernisation of the Chaibasa plant and enhancement of grinding capacity at Galgal. Apart from manufacturing, selling and trading cement, the company has interests in manufacturing refractory material, and providing research and consultancy services relating to cement business.

## ■ Statement of Risk

Risk to ACC's earnings estimates arises primarily from the fluctuation in cement prices, and high sensitivity of ACC's earnings to cement prices.

## ■ Analyst Certification

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### UBS Investment Research: Global Equity Ratings Definitions and Allocations

UBS rating	Definition	UBS rating	Definition	Rating category	Coverage <sup>1</sup>	IB services <sup>2</sup>
<b>Buy 1</b>	FSR is > 6% above the MRA, higher degree of predictability	<b>Buy 2</b>	FSR is > 6% above the MRA, lower degree of predictability	<b>Buy</b>	47%	37%
<b>Neutral 1</b>	FSR is between -6% and 6% of the MRA, higher degree of predictability	<b>Neutral 2</b>	FSR is between -6% and 6% of the MRA, lower degree of predictability	<b>Hold/Neutral</b>	42%	36%
<b>Reduce 1</b>	FSR is > 6% below the MRA, higher degree of predictability	<b>Reduce 2</b>	FSR is > 6% below the MRA, lower degree of predictability	<b>Sell</b>	12%	28%

1: Percentage of companies under coverage globally within this rating category.

2: Percentage of companies within this rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Ratings allocations are as of 31 March 2007.

### KEY DEFINITIONS

**Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

**Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

**Predictability Level** The predictability level indicates an analyst's conviction in the FSR. A predictability level of '1' means that the analyst's estimate of FSR is in the middle of a narrower, or smaller, range of possibilities. A predictability level of '2' means that the analyst's estimate of FSR is in the middle of a broader, or larger, range of possibilities.

**Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

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**UK and European Investment Fund ratings and definitions are:** Buy: Positive on factors such as structure, management, performance record, discount; Neutral: Neutral on factors such as structure, management, performance record, discount; Reduce: Negative on factors such as structure, management, performance record, discount.

**Core Banding Exceptions (CBE):** Exceptions to the standard +/-6% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Companies Mentioned or Company Disclosure table in the relevant research piece.

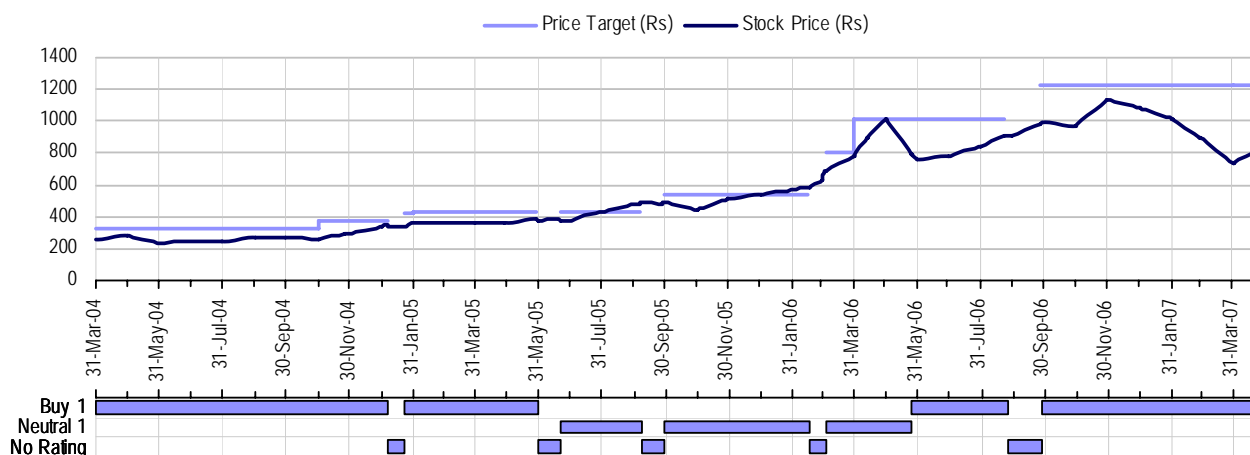
### Companies mentioned

Company Name	Reuters	Rating	Price	Price date/time
Assoc. Cement Co.	ACC.BO	Buy 1	Rs832.70	25 Apr 2007 23:39 HKT

Source: UBS. HKT: Hong Kong time.

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

**Associated Cement Companies Ltd. (Rs)**



Source: UBS; as of 25 April 2007.

Note: On September 9, 2006, UBS adopted new percentage band criteria for its rating system. (See 'UBS Investment Research: Global Equity Ratings Definitions and Allocations' table for details). Between October 13, 2003 and September 9, 2006 the percentage band criteria used in the rating system was 10%. Prior to October 13, 2003, the UBS ratings and their definitions were: Buy 1: Excess return potential >15%, smaller range around price target; Buy 2: Excess return potential >15%, larger range around price target; Neutral 1: Excess return potential between -15% and 15%, smaller range around price target; Neutral 2: Excess return potential between -15% and 15%, larger range around price target; Reduce 1: Excess return potential < -15%, smaller range around price target; Reduce 2: Excess return potential < -15%, larger range around price target. Excess return is defined as the difference between the FSR and the one-year local market interest rate.

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# Associated Cement Companies Ltd.

Income statement (Rs m)	03/02	03/03	03/04	03/05	12/05	12/06E	% ch	12/07E	% ch	12/08E	% ch
Revenue	28,106	29,992	35,078	42,880	33,180	58,091	75.1	64,253	10.6	68,109	6.0
Operating expenses (ex deprn)	-	-	-	-	-	-	-	-	-	-	-
EBITDA (UBS)	4,157	3,318	4,386	7,090	5,303	16,314	207.6	20,302	24.4	21,420	5.5
Depreciation	(1,511)	(1,817)	(1,990)	(2,257)	(1,717)	(2,597)	51.2	(2,702)	4.1	(2,755)	1.9
Operating income (EBIT, UBS)	2,646	1,501	2,397	4,833	3,586	13,717	282.5	17,600	28.3	18,666	6.1
Other income and associates	395	550	1,413	574	785	1,108	41.0	1,018	-8.1	1,080	6.1
Net interest	(1,408)	(1,296)	(1,023)	(936)	(660)	(440)	-33.4	(183)	-58.3	(74)	-59.4
Abnormal items (pre-tax)	18	698	231	436	2,905	1,711	-41.1	0	0	0	0
Profit before tax	1,651	1,454	3,017	4,907	6,616	16,096	143.3	18,434	14.5	19,671	6.7
Tax	(339)	(206)	(677)	(829)	(1,450)	(3,702)	155.4	(4,240)	14.5	(4,721)	11.3
Profit after tax	1,312	1,248	2,340	4,078	5,167	12,394	139.9	14,194	14.5	14,950	5.3
Abnormal items (post-tax)	0	0	0	0	0	0	0	0	0	0	0
Minorities / pref dividends	0	(34)	(139)	(53)	(29)	(8)	-71.7	(9)	7.0	(9)	0.0
Net income (local GAAP)	1,312	1,214	2,201	4,025	5,137	12,385	141.1	14,185	14.5	14,941	5.3
Net income (UBS)	1,294	515	1,970	3,589	2,232	10,675	378.2	14,185	32.9	14,941	5.3
Tax rate (%)	21	14	22	17	22	23	5.0	23	0.0	24	4.3
Pre-abnormal tax rate (%)	21	35	25	19	40	26	-33.8	23	-11.8	24	4.4
Per share (Rs)	03/02	03/03	03/04	03/05	12/05	12/06E	% ch	12/07E	% ch	12/08E	% ch
EPS (local GAAP)	7.67	7.10	12.37	22.62	28.87	66.85	131.6	76.45	14.4	80.76	5.6
EPS (UBS)	7.57	3.01	11.07	20.17	12.55	57.62	359.3	76.45	32.7	80.76	5.6
Net DPS	3.00	2.85	4.84	8.02	8.02	8.00	-0.3	8.00	0.0	8.00	0.0
Cash EPS	16.40	13.64	22.25	32.85	22.20	71.63	222.7	91.02	27.1	95.65	5.1
BVPS	59.64	65.69	79.45	94.44	116.31	173.83	49.5	240.93	38.6	-	-
Balance sheet (Rs m)	03/02	03/03	03/04	03/05	12/05	12/06E	% ch	12/07E	% ch	12/08E	% ch
Net tangible fixed assets	23,167	26,507	28,801	32,745	31,946	34,349	7.5	36,647	6.7	38,647	5.5
Net intangible fixed assets	736	594	395	224	67	27	-59.9	27	0.0	27	0.0
Net working capital	2,499	1,831	1,807	2,266	640	894	39.6	697	-22.1	722	3.6
Other liabilities	(2,330)	(2,482)	(2,884)	(3,114)	(3,049)	(4,820)	58.1	(6,848)	42.1	(9,011)	31.6
Operating invested capital	24,072	26,450	28,119	32,121	29,604	30,450	2.9	30,523	0.2	30,384	-0.5
Investments / other assets	1,753	127	576	188	2,815	2,815	0.0	3,815	35.5	8,815	131.1
Total capital employed	25,825	26,578	28,695	32,309	32,419	33,265	2.6	34,338	3.2	39,199	14.2
Shareholders' equity	10,199	11,233	14,137	16,804	21,517	32,418	50.7	44,934	38.6	57,833	28.7
Minority interests	0	327	351	403	126	484	283.5	623	28.7	779	24.9
Total equity	10,199	11,560	14,487	17,207	21,644	32,903	52.0	45,557	38.5	58,612	28.7
Net debt/(cash)	15,626	15,018	14,208	15,102	10,775	362	-96.6	(11,220)	0	(19,413)	73.0
Debt deemed provisions	0	0	0	0	0	0	0	0	0	0	0
Total capital employed	25,825	26,578	28,695	32,309	32,419	33,265	2.6	34,338	3.2	39,199	14.2
Cash flow (Rs m)	03/02	03/03	03/04	03/05	12/05	12/06E	% ch	12/07E	% ch	12/08E	% ch
Operating income (EBIT, UBS)	2,646	1,501	2,397	4,833	3,586	13,717	282.5	17,600	28.3	18,666	6.1
Depreciation	1,511	1,817	1,990	2,257	1,717	2,597	51.2	2,702	4.1	2,755	1.9
Net change in working capital	431	667	24	(459)	1,626	(254)	0	197	0	(25)	0
Other (operating)	0	0	0	0	0	0	0	0	0	0	0
Operating cash flow	4,588	3,985	4,411	6,631	6,929	16,060	131.8	20,499	27.6	21,395	4.4
Net interest received / (paid)	(1,408)	(1,296)	(1,023)	(936)	(660)	(440)	-33.4	(183)	-58.3	(74)	-59.4
Dividends paid	(512)	(488)	(861)	(1,438)	(1,392)	(1,484)	6.7	(1,670)	12.5	(2,041)	22.2
Tax paid	(134)	(112)	(276)	(599)	(702)	(1,931)	175.3	(2,212)	14.5	(2,557)	15.6
Capital expenditure	(1,779)	(6,275)	(4,896)	(5,836)	1,388	(5,000)	0	(5,000)	0.0	(2,000)	-60.0
Net acquisitions / disposals	61	1,626	(449)	388	(2,627)	0	0	(1,000)	0	(5,000)	400.0
Other	0	0	0	(0)	0	0	0	0	0	0	0
Share issues	(2,118)	309	1,564	81	967	0	0	0	0	0	0
Cash flow (inc)/dec in net debt	(907)	(1,700)	(119)	(1,136)	4,689	8,313	77.3	11,452	37.8	10,802	-5.7
FX / non cash items	2,191	2,309	929	241	(363)	2,101	0	130	-93.8	(2,609)	0
Balance sheet (inc)/dec in net debt	1,284	609	810	(894)	4,326	10,413	140.7	11,582	11.2	8,193	-29.3
Core EBITDA	4,157	3,318	4,386	7,090	5,303	16,314	207.6	20,302	24.4	21,420	5.5
Maintenance capital expenditure	(1,511)	(1,817)	(1,990)	(2,257)	(1,717)	(2,597)	51.2	(2,702)	4.1	(2,755)	1.9
Maintenance net working capital	(0)	(0)	(0)	(0)	(0)	(0)	0.0	(0)	0.0	(0)	0.0
Operating free cash flow, pre-tax	2,645	1,501	2,397	4,833	3,586	13,717	282.5	17,600	28.3	18,665	6.1

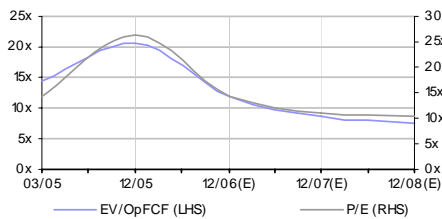
Source: Company accounts, Thomson Financial, UBS estimates. (UBS) valuations are stated before goodwill, exceptionals and other special items. Note: For some companies, the data represents an extract of the full company accounts.

# Associated Cement Companies Ltd.

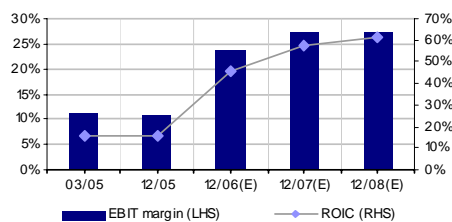
## Company profile

The company was originally promoted by the Tatas. However, in late 1999 and 2000 Tatas sold its entire shareholding to Gujarat Ambuja, which has two representatives on the board of ACC. ACC is India's second largest cement manufacturer with capacity of 17.9Mt, which will increase to 19Mt after modernisation of the Chaibasa plant and enhancement of grinding capacity at Gagal. Apart from manufacturing, selling and trading cement, the company has interests in manufacturing refractory material, and providing research and consultancy services relating to cement business.

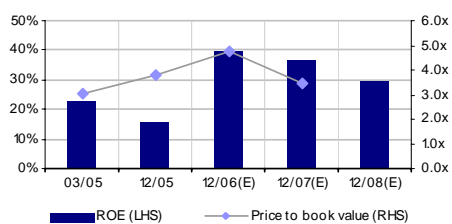
## Value (EV/OpFCF & P/E)



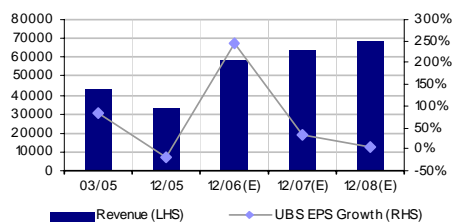
## Profitability



## ROE v Price to book value



## Growth (UBS EPS)



Valuation (x)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
P/E (local GAAP)	23.4	12.7	11.5	12.5	10.9	10.3
P/E (UBS)	26.7	14.3	26.4	14.5	10.9	10.3
P/CEPS	9.7	8.8	14.9	11.6	9.1	8.7
Net dividend yield (%)	2.2	2.8	2.4	1.0	1.0	1.0
P/BV	2.5	3.1	2.8	4.8	3.5	-
EV/revenue (core)	1.5	1.6	2.2	2.8	2.4	2.1
EV/EBITDA (core)	10.9	9.8	13.9	9.9	7.5	6.5
EV/EBIT (core)	18.3	14.3	20.6	11.8	8.7	7.5
EV/OpFCF (core)	18.3	14.3	20.6	11.8	8.7	7.5
EV/op. invested capital	1.7	2.3	3.2	5.4	5.0	4.6

Enterprise value (Rs m)	03/05	12/05	12/06E	12/07E	12/08E
Average market cap	51,303	80,819	154,050	154,050	154,050
+ minority interests	403	126	484	623	779
+ average net debt (cash)	14,655	12,939	5,569	(5,429)	(15,316)
+ pension obligations and other	3,114	3,049	4,820	6,848	9,011
- non-core asset value	(188)	(2,815)	(2,815)	(3,815)	(8,815)
Core enterprise value	69,286	98,551	162,107	152,277	139,708

Growth (%)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
Revenue	13.6	22.2	3.2	31.3	10.6	6.0
EBITDA (UBS)	20.8	61.6	-0.3	130.7	24.4	5.5
EBIT (UBS)	26.0	101.6	-1.1	186.9	28.3	6.1
EPS (UBS)	48.4	82.2	-17.1	NM	32.7	5.6
Cash EPS	27.5	47.6	-9.9	142.1	27.1	5.1
DPS Net	38.2	65.8	0.0	-0.3	0.0	0.0
BVPS	8.8	18.9	23.2	49.5	38.6	-

Margins (%)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
EBITDA / revenue	13.6	16.5	16.0	28.1	31.6	31.5
EBIT / revenue	8.0	11.3	10.8	23.6	27.4	27.4
Net profit (UBS) / revenue	4.6	8.4	6.7	18.4	22.1	21.9

Return on capital (%)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
EBIT ROIC (UBS)	10.0	16.0	15.5	45.7	57.7	61.3
ROIC post tax	-	13.1	9.4	33.7	44.4	46.5
Net ROE	12.3	23.2	15.5	39.6	36.7	29.1

Coverage ratios (x)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
EBIT / net interest	2.9	5.8	6.6	NM	NM	NM
Dividend cover (UBS EPS)	2.1	2.5	1.6	7.2	9.6	10.1
Div. payout ratio (% UBS EPS)	54.1	39.8	64.0	13.9	10.5	9.9
Net debt / EBITDA	3.4	2.1	1.5	0.0	NM	NM

Efficiency ratios (x)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
Revenue / op. invested capital	7.3	1.4	1.4	1.9	2.1	2.2
Revenue / fixed assets	7.1	1.4	1.4	1.8	1.8	1.8
Revenue / net working capital	1.1	21.1	30.4	75.7	80.8	96.0

Investment ratios (x)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
OpFCF / EBIT	1.0	1.0	1.0	1.0	1.0	1.0
Capex / revenue (%)	NM	13.6	NM	8.6	7.8	2.9
Capex / depreciation	2.5	2.6	NM	1.9	1.9	0.7

Capital structure (%)	5Yr Avg	03/05	12/05	12/06E	12/07E	12/08E
Net debt / total equity	NM	89.9	50.1	1.1	-25.0	-33.6
Net debt / (net debt + equity)	54.6	47.3	33.4	1.1	-33.3	-50.5
Net debt (core) / EV	31.4	21.2	17.5	3.4	-3.6	-11.0

Source: Company accounts, Thomson Financial, UBS estimates. (UBS) valuations are stated before goodwill, exceptional and other special items. Valuations: based on an average share price that year, (E): based on a share price of Rs832.70 on 24 Apr 2007 23:39 HKT; Market cap (E) may include forecast share issues/buybacks.

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