STANDARD & POOR'S

Equity Research / Asia

Valuation Report

Autron Corporation

S$0.28

RIC symbol: AAT.SI / AAT.AX

Bloomberg symbol: AAT SP / AAT AU

MOVING UP THE VALUE CHAIN

ESTIMATED FAIR VALUE: S$0.57

Steven Koh, CFA
steven_koh@sandp.com

Lim Chuan Yang
chuanyang_lim@sandp.com

Profile

Autron Corporation is a distributor of electronics manufacturing equipment. It represents across Asia various brands of equipment for Printed Circuit Board Assembly and semiconductor manufacturing. The planned transformation of Autron into a total solutions provider offering value-added services such as equipment renewal programs and equipment management outsourcing could raise its growth and profitability considerably. S&P Asian Equity Research values Autron at S$0.57 per share.

FY June / A$ '000	2003	2004F	2005F	2006F
Revenue	169,341.0	221,814.9	283,609.0	344,046.4
Net Profit	11,508.0	14,924.1	23,730.1	31,275.3
EPS S$ cents	2.32	2.54	4.04	5.32
P/E @ S$0.28	12.1	11.0	6.9	5.3
Price-to-Book x	4.5	3.6	2.6	2.0
ROAE %	17.9%	17.0%	23.0%	25.6%
ROAIC %	19.5%	19.9%	28.4%	31.9%

GICS

Sector:
Information Technology

Industry:
Electronic Equipment & Instruments

Peer Group:
Technology Distributors

Key Negatives

- The strategy to transform Autron's business model from a low-margin equipment distributor to a profitable solutions provider is compelling, but should management fail in execution, the expected strong growth momentum will be derailed.
- Judging from its cash flow, Autron may need to raise funds in FY05 (June) to finance its ambitious plan and the ensuing working capital requirement. The fear of earnings dilution may cap the share price if equity option is pursued. Debt financing is another option as its gearing level is not high.

Key Positives

- Autron's transformation strategy is expected in the foreseeable future to not only drive up its revenue but also expand profit margin. Consequently, the beneficial impact on the bottom line will be amplified. We forecast EPS to grow 31.9% CAGR from FY03 through FY05.
- In view of the explosive earnings growth anticipated, the valuation of Autron is inexpensive when compared to the small/medium-capitalized technology stocks listed on the Stock Exchange of Singapore and the IT hardware manufacturers on the Taiwan Exchange.

Standard & Poor's
30 Cecil St.
#13-00 Prudential Tower
Singapore 049712

M.I.T.A. (P) 017/08/2002

Executive Summary

- S&P Asian Equity Research values Autron at S$0.57 per share by benchmarking its valuation against the IT hardware manufacturers in Taiwan.

- Our relative valuation analysis shows that the valuation of Autron is favorable when compared to other small/medium-capitalized technology stocks listed on the Stock Exchange of Singapore. At the fair value of SGD0.57 per share, we value Autron at a forward PEG of 0.7x, a conservative discount to the 1.0x PEG commanded by the group of small/medium-capitalized technology stocks.

- The Discounted Cash Flow (DCF) analysis supports our fair value for Autron. Based on the weighted average cost of capital (WACC) of 7.2% and terminal growth rate of 4.0%, the DCF valuation for Autron is S$0.58 per share.

- As pure equipment distribution generates very thin profit margin, Autron has devised a strategy to boost long-term growth and profitability.

- Autron plans to transform from an equipment distributor to a total solutions provider in the electronics manufacturing industry. The value-added services offered include equipment renewal programs and equipment management outsourcing.

- The dynamic demand anticipated in China for Autron's reconditioned equipment and equipment management outsourcing packages would drive earnings in the foreseeable future. OEMs will be receptive to Autron's value-added solutions, as they are inclined to outsource non-core activities such as equipment management.

- It is notable that net margin for value-added solutions is 25.0% vs. the 5.0% commanded by the equipment distribution business. Therefore, for Autron's transformation to be successful, it is imperative to focus on cultivating the value-added solutions business. Management's target is to raise the contribution from value-added solutions to half of group's revenue.

- Because of Autron's transformation and the development of its value-added solutions, EPS is projected to grow strongly at 31.9% CAGR from FY03 through FY05. However, Autron may need to seek new funding to finance its ambitious plan and the working capital requirement.

Valuation

Driven by its expansion into the reconditioned equipment business, Autron's EPS is projected to increase by 31.9% CAGR from FY03 through FY05. During this period, we expect EBITDA margin to expand from 12.0% in FY03 to 13.2% in FY05. This is due to higher contribution from the reconditioned equipment business booked under "value-added solutions" in its financial statements, with margins of about five times that of its equipment distribution business. In addition, value-added solutions' share of group revenue is expected to increase from 19.2% in 1HFY04 to 30.0% by FY05. Autron's management expects this business to contribute to over half of group's revenue eventually. Accordingly, Autron's ROE is expected to increase from 14.3% in FY03 to 21.3% in FY05 through a combination of operating margin expansion (from 8.6% to 11.0%) and increase in asset turnover (1.0x to 1.3x).

Exhibit 1: Ratio Analysis

FY June	2002	2003	2004F	2005F	2006F	2007F	2008F
Solvency Ratios							
Current ratio (x)	0.95	1.33	1.83	1.83	1.94	2.09	2.19
Total debt to total equity	0.57	0.49	0.25	0.29	0.22	0.15	0.13
Total debt to total capital	0.36	0.33	0.20	0.23	0.18	0.13	0.11
Operating Profitability Ratios							
Return on Equity	**-35.6%**	**14.3%**	**15.7%**	**21.3%**	**23.6%**	**23.3%**	**23.9%**
- Operating Profit Margin	-9.7%	8.6%	8.9%	11.0%	11.8%	12.0%	12.7%
- Total Asset Turnover	1.15	0.99	1.22	1.32	1.38	1.40	1.38
- Interest Expense Rate	5.1%	4.5%	6.9%	4.6%	5.6%	5.8%	5.2%
- Financial Leverage	2.75	2.12	1.91	1.94	1.88	1.79	1.75
- Tax Retention Rate	104.5%	89.3%	82.5%	80.0%	80.0%	80.0%	80.0%

Source: Company data, S&P Asian Equity Research

To arrive at our fair valuation for Autron of S$0.57 per share, we have ascribed a PEG of 0.7x to its FY04 EPS of S$0.025. The target PEG was based on the weighted average valuation of five IT hardware manufacturers listed on the Taiwan Exchange, namely Asusteck Computer, Delta Electronics, Hon Hai Precision Industry, Inventec, and Quanta Computer. Autron's performance is tied to their fortune, as these manufacturers are some of Autron's key customers. As such, we believe the benchmark is appropriate. Incidentally, the group of small/medium-capitalized technology stocks listed on the Stock Exchange of Singapore under our coverage commands a forward PEG (weighted average) of 1.0x. This shows that our valuation of Autron is relatively conservative.

Exhibit 2: Relative Valuation to Small/Mid-cap Tech Stocks:

	2004F PER (x)	**Net Profit CAGR**	**PEG**
Autron at S$0.28	11.0	31.9%	0.35
Autron at S$0.57	22.4	31.9%	0.70
Wtd Avg of Small/Mid-Cap Tech Stocks	22.1	22.0%	1.01

Source: S&P Asian Equity Research

Our fair value is backed by the valuation derived from our DCF analysis. Based on WACC of 7.1% and terminal growth rate of 4.0%, we arrive at the intrinsic value of S$0.58 per share. The following table shows the parameters used in our DCF methodology.

Exhibit 3: DCF Parameters:

FCF CAGR 2004-2008	33%
Terminal Growth	4.0%
WACC	7.1%
Cost of Debt	5.2%
Cost of Equity	8.6%
Risk-Free Rate	4.0%
Beta	0.80
Equity Risk Premium	5.8%
Enterprise Value (A$ mln)	373.3
Less: Net Debt/(Cash) (A$ mln)	32.3
Intrinsic Value (AS$ mln)	**341.0**
Intrinsic Value (S$/share)	**0.58**
Enlarged Issued Number of Shares (mln)	693.4

Source: S&P Asian Equity Research

Competitive Landscape

Autron has traditionally been a distributor of electronics manufacturing equipment to nine regions in Asia, namely Australia, China, Hong Kong, Taiwan, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. It represents various brands of equipment for Printed Circuit Board Assembly (PCBA) and semiconductor manufacturing and integrates them with proprietary software into complete production lines. Autron's long history of operations in Asia – more than 20 years in Greater China – has helped amassed a wide installed base of over 500 customers. In addition to international electronics manufacturers operating in Asia, Autron's clients include the big domestic electronics producers in China.

Exhibit 4: Key Customers

Contract Manufacturers:

Celestica, Flextronics International, Solectron, Sanmina-SCI

Computer Hardware:

Asustek Computer, Hewlett-Packard

Hard Disk Drive:

Seagate Technology

Telecommunications:

Ericsson, Motorola, Nokia

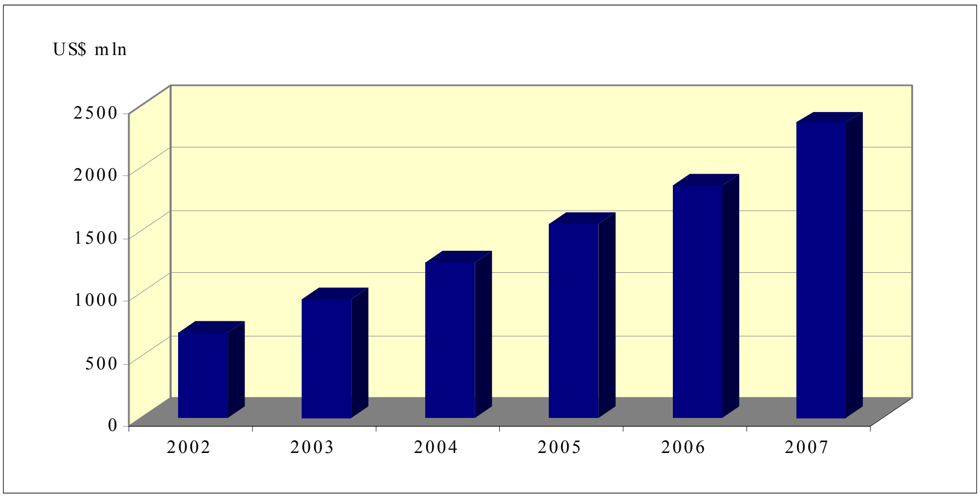
Consumer Electronics Manufacturers:

Haier Group, Konka Group, Sichuan Changhong Electric, TCL Group

Source: Company data

China has emerged in 2003 as the second largest PCB producer in the world (after Japan). Its growing volume of PCB shipment is driven primarily by the robust manufacturing activities relating to the automotive, consumer electronics, and telecommunications industries. This presents a huge market for Surface Mount Technology (SMT) equipment represented by Autron. According to iSuppli/Messe Muenchen, the China market for SMT equipment is projected to grow over 25.0% CAGR from US$950.0 mln in 2003 to US$2.4 bln in 2007. In FY03, Autron generated from North Asia US$67.0 mln worth of revenue, translating to a share of about 7.0% in the China market. We expect the market share to rise to more than 10.0% by December 2004.

Exhibit 5: China Market for SMT Equipment



Source: isuppli / Messe Muenchen

The impetus from China will continue in the foreseeable future to drive demand for equipment and hence Autron's top line, but profitability is under constant threat from two sources. First, Autron competes against numerous other equipment distributors, usually smaller in size, in the region. According to management, Autron's main principal, Fuji Machine Manufacturing, is the world's largest SMT equipment provider with a dominant market share. However, Autron's distributorship is not exclusive in nature. Second, intense competition at the end market has led to cost pressure at various levels of the supply chain which may in turn hinder Autron's customers' budget for capital expenditure.

To be sure, Autron enjoys an entrenched leading position in the equipment distribution business. Its technical personnel have earned accreditation from both principals and customers. As most electronics manufacturers are stringent in the selection of vendors, Autron's accreditation is an important strength and a formidable barrier of entry to new competitors. Further, established OEMs are more inclined to select Autron as the vendor for its sizeable balance sheet vis-à-vis other smaller players. Autron's competitive position is also strengthened by its extensive geographical footprint and comprehensive service support. That being said, the omnipresent pressure on selling prices plagues Autron's legacy business model that is based solely on equipment distribution.

Strategy & Growth Drivers

Autron's pure distribution business yields a wafer-thin net margin of 5.0%, and management understands that an overhaul is required of its business model to counter the pressure on selling prices and ensure long-term growth and profitability. The strategy is to transform Autron from an equipment distributor to a total solutions provider in the electronics manufacturing industry.

Autron has taken the first transformation step by acquiring in 4Q2002 IC Equipment, which produces industrial equipment for the semiconductor industry and manufactures on contract precision machining components for the electronics manufacturing industry. The acquisition brings to Autron design, engineering, and manufacturing capabilities. Autron has leveraged on these attributes and introduced in 2H2003 its proprietary series of light emitting diodes (LED) tape and reel machines that have generated a great deal of interests in the LED market.

Exhibit 6: Autron's Value Chain

<table>
<tr><td rowspan="2">Full Line Distribution and Service</td><td colspan="4">VALUE ADDED SOLUTIONS</td><td rowspan="2">Equipment Design, Engineering and Manufacturing</td></tr>
<tr><td>Equipment Renewal Programs</td><td>Remarketing of Certified Refurbished Equipment</td><td>Spare Parts Supply Chain Management</td><td>Financial Support</td></tr>
<tr><td>AMERICAN TEC CO. LTD
AUTRON SEA PTE LTD
TAIWAN AUTRON LTD
(excl Fuji)</td><td colspan="3">AGS PTE LTD</td><td>AUTRON FINANCE DIVISION</td><td>IC EQUIPMENT PTE LTD</td></tr>
</table>

Source: Company data

The second step is to establish a new revenue unit called Autron Global Services (AGS). Via AGS, Autron offers its clients an array of solutions. Service support solution provides equipment maintenance contracts. In the equipment renewal programs and remarketing of certified refurbished equipment (Exhibit 6), Autron is penetrating into the market of reconditioned equipment. The migration of manufacturing activities to Asia, specifically China, has led to excess manufacturing capacity in the US and Europe; the hollow-out enables Autron to acquire used equipment at bargain prices and sell them to Asia after reconditioning.

In the industry, the recycling of used equipment is common but most have been conducted without technical backup, spare part supplies, and warranty protection. Thus, customers' confidence in the refurbished equipment is the critical success factor of the reconditioned market. Notably, Fuji Machine Manufacturing has selected AGS as its main refurbishment partner. Under the partnership, Fuji will train and certify all AGS engineers and audit AGS' refurbishment processes and facilities for quality assurance. Fuji's endorsement of AGS' reconditioned products, services, and warranties is an important competitive edge, because it differentiates Autron from other players in the market.

Because of the lag in technological sophistication, the bulk of manufacturing activities in China concentrates on low-end products. Hence, cost control is the prime consideration for most manufacturers in China, and they will be receptive to AGS' relatively inexpensive but certified reconditioned equipment solutions. With its full range of expertise, AGS is able to offer to manufacturers technical consultation on the choice of equipment of varying brands and age to arrive at the optimal integrated platform. As part of the equipment renewal programs, AGS may accept trade-in by manufacturers of their old equipment for Autron's reconditioned equipment, as AGS will be able to inject, after reconditioning, these old equipment into the refurbishment cycle. Outside China, Autron expects emerging manufacturing hubs in India and Vietnam to evolve into a hotbed for reconditioned equipment. As such, management has set up AGS' presence in these two countries to expand its reach.

Besides the reconditioned equipment market, Autron has apparently uncovered another potential growth catalyst – the outsourcing of equipment management. We understand that management is close to finalizing its negotiation with the China branch of an international OEM for an outsourcing contract. Spanning over two years, the contract amounts to about S$20.0 mln and is renewable upon expiry. We have incorporated this project into our forecasts.

In the arrangement, a number of financial institutions, roped in by Autron as partners, will provide financing facility to take the related equipment off the OEM's balance sheet. Autron will be responsible for the management, maintenance, and renewal of the equipment. Consequently, the OEM will be able to focus on its core strength, which is the manufacturing of its products. In the perspective of the OEM, such outsourcing package is compelling because it will transfer the fixed costs to be incurred for non-core activities into variable costs. If executed successfully, we suspect more manufacturers in China may hop onto the bandwagon.

Going forward, Autron's distribution business should continue to ride on the steady demand for equipment. We project revenue from the distribution segment to grow 3.0% YoY in FY04 to A$167.4 mln. The developing business in value-added solutions is expected to be the main earnings drivers, propelled by reconditioned equipment solutions and outsourcing package of equipment management. Revenue from value-added solutions segment is forecast to grow 1,005.0% in FY04 to A$39.8 mln. By December 2004, revenue from value-added solutions is estimated to account for 18.0% of group sales. In the long run, management's target is to raise the proportion of value-added solutions to half of group sales. This is exciting because net margin for value-added solutions could be as high as 25.0%. Should Autron's strategy be executed properly, it is likely to transform the company from a low-margin distributor to a profitable solutions provider. Management is confident of success, and we look forward to its delivery.

Exhibit 7: Income Statement

FY June / A$ '000	2002	2003	2004F	2005F	2006F	2007F	2008F
Total Revenue	**152,578.0**	**169,341.0**	**221,814.9**	**283,609.0**	**344,046.4**	**395,280.9**	**449,134.4**
Distribution of New Machine	146,874.1	162,532.1	167,408.1	163,892.5	172,087.1	180,691.5	189,726.1
Value-Added Solutions - AGC	5,703.9	3,604.7	39,830.5	81,818.2	118,636.4	144,736.4	174,117.8
Manufacturing - IC Equipment	0.0	3,204.2	14,576.3	37,898.3	53,322.9	69,853.0	85,290.5
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cost of Sales	128,352.0	135,999.0	168,502.8	208,943.4	250,314.2	286,860.1	322,717.6
Chg (%)		6.0%	23.9%	24.0%	19.8%	14.6%	12.5%
Gross Profit	**24,226.0**	**33,342.0**	**53,312.1**	**74,665.6**	**93,732.2**	**108,420.8**	**126,416.8**
Chg (%)		37.6%	59.9%	40.1%	25.5%	15.7%	16.6%
Staff Costs	11,604.0	13,958.0	17,690.9	19,039.8	20,491.6	22,054.1	23,735.7
Depreciation & amortisation	4,217.0	5,649.0	2,412.9	2,538.4	2,959.6	3,372.7	3,797.6
Selling Expenses	13,217.0	11,380.0	12,421.6	15,598.5	18,922.6	21,740.4	24,702.4
Rental	1,474.0	1,349.0	1,996.3	2,552.5	3,096.4	3,557.5	4,042.2
Administrative Expenses	16,455.0	16,480.0	18,854.3	24,106.8	29,243.9	33,598.9	38,176.4
Total Operating Costs	**46,967.0**	**48,816.0**	**53,376.0**	**63,836.0**	**74,714.2**	**84,323.7**	**94,454.4**
EBITDA	**(10,604.0)**	**20,252.0**	**25,541.7**	**37,437.2**	**47,498.9**	**54,611.3**	**64,832.4**
Chg (%)		*-291.0%*	*26.1%*	*46.6%*	*26.9%*	*15.0%*	*18.7%*
EBITDA Margin	*-6.9%*	*12.0%*	*11.5%*	*13.2%*	*13.8%*	*13.8%*	*14.4%*
Operating Profit	**(19,689.0)**	**9,103.0**	**17,452.1**	**29,317.9**	**38,867.7**	**45,400.2**	**54,838.2**
Chg (%)		*-146.2%*	*91.7%*	*68.0%*	*32.6%*	*16.8%*	*20.8%*
Operating margin	*-12.9%*	*5.4%*	*7.9%*	*10.3%*	*11.3%*	*11.5%*	*12.2%*
Net investment and interest income	578.0	114.0	637.8	344.8	226.4	500.7	876.0
Pretax Profits	**(16,241.0)**	**12,820.0**	**18,089.8**	**29,662.7**	**39,094.1**	**45,900.9**	**55,714.1**
Taxation	(732.0)	(1,368.0)	(3,165.7)	(5,932.5)	(7,818.8)	(9,180.2)	(11,142.8)
Minorities	(269.00)	56.00	0.00	0.00	0.00	0.00	0.00
Earnings	**(17,242.0)**	**11,508.0**	**14,924.1**	**23,730.1**	**31,275.3**	**36,720.7**	**44,571.3**
Chg (%)		*-166.7%*	*29.7%*	*59.0%*	*31.8%*	*17.4%*	*21.4%*
EPS (S$ cents)	**(3.9)**	**2.3**	**2.5**	**4.0**	**5.3**	**6.3**	**7.6**
Chg (%)		*-159.6%*	*9.4%*	*59.0%*	*31.8%*	*17.4%*	*21.4%*
PER (x)	n.m.	12.1	11.0	6.9	5.3	4.5	3.7
Enterprise Value (S$ mln)	172.1	202.0	221.0	231.2	226.9	216.6	201.4
EV/EBITDA (x)	n.m.	8.5	7.3	5.2	4.0	3.4	2.6
Price to Book (x)	89.6	5.4	4.2	3.1	2.3	1.8	1.4
NTA per share (S$ cents)	0.31	5.22	6.60	8.96	11.98	15.38	19.37
ROAE (%)	0.0%	17.9%	17.0%	23.0%	25.6%	25.3%	25.9%
WAC (mln shares)	522.9	585.2	693.4	693.4	693.4	693.4	693.4
DPS (S$ cents)	0.6	0.6	0.8	1.3	1.7	2.1	2.6
Dividend yield (%)	2.1%	2.1%	3.0%	4.6%	5.9%	7.4%	9.2%

Source: Company data, S&P Asian Equity Research

Exhibit 8: Balance Sheet

FY June / A$ '000	2002	2003	2004F	2005F	2006F	2007F	2008F
Current Assets							
Inventories	33,218.0	35,364.0	47,307.0	60,486.0	73,375.6	84,302.5	95,788.0
Trade Debtors	32,310.0	60,189.0	62,905.7	80,430.3	97,570.1	112,099.9	127,372.6
Other debtors, deposits & prepayment	5,724.0	7,346.0	8,971.9	11,471.3	13,915.8	15,988.2	18,166.4
Lease Receivable	952.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash + Cash Equivalent	5,939.0	7,416.0	1,206.2	1,000.0	1,000.0	4,901.4	17,831.3
Total Current Assets	**78,143.0**	**110,315.0**	**120,390.8**	**153,387.5**	**185,861.5**	**217,292.0**	**259,158.2**
Non-current Assets							
Fixed Assets (net book value)	7,041.0	14,919.0	18,985.6	23,215.6	27,665.8	32,399.2	37,484.3
Receivables	1,389.0	1,046.0	1,046.0	1,046.0	1,046.0	1,046.0	1,046.0
Goodwill	46,463.0	44,174.0	40,967.0	37,760.0	34,553.0	31,346.0	28,139.0
Deferred tax assets	66.0	110.0	110.0	110.0	110.0	110.0	110.0
Total non-current assets	**54,959.0**	**60,249.0**	**61,108.6**	**62,131.6**	**63,374.8**	**64,901.2**	**66,779.3**
Total Assets	**133,102.0**	**170,564.0**	**181,499.4**	**215,519.1**	**249,236.3**	**282,193.1**	**322,443.4**
Current Liabilities							
Trade Creditors	15,410.0	25,542.0	27,929.7	35,710.5	43,320.5	49,771.6	56,552.6
Acquisition consideration payable	19,568.0	8,678.0	8,678.0	0.0	0.0	0.0	0.0
Other creditors	18,956.0	14,161.0	23,053.5	29,475.8	35,757.1	41,082.0	46,679.1
Income tax payable	1,943.0	1,229.0	1,936.7	5,932.5	7,818.8	9,180.2	11,142.8
Provisions	124.0	158.0	158.0	158.0	158.0	158.0	158.0
Current portion of LT loans & HP creditors	11,973.0	2,944.0	2,944.0	2,944.0	2,944.0	2,944.0	2,944.0
Bank Overdraft	14,568.0	30,375.0	1,000.0	9,395.7	5,767.3	1,000.0	1,000.0
Total Current Liabilities	**82,542.0**	**83,087.0**	**65,699.9**	**83,616.6**	**95,765.7**	**104,135.8**	**118,476.5**
Long-term Liabilities							
Term loans & HP creditors	1,192.0	6,397.0	20,027.0	20,027.0	20,027.0	20,027.0	20,027.0
Deferred Taxation	148.0	127.0	127.0	127.0	127.0	127.0	127.0
Total Long-term Liabilities	**1,340.0**	**6,524.0**	**20,154.0**	**20,154.0**	**20,154.0**	**20,154.0**	**20,154.0**
Total Equity							
Share Capital - issued & paid up	48,753.0	74,508.0	74,508.0	74,508.0	74,508.0	74,508.0	74,508.0
Capital Reserves	1,611.0	(3,753.0)	879.2	879.2	879.2	879.2	879.2
Retained Earnings	(1,906.0)	9,602.0	19,662.3	35,765.3	57,333.3	81,920.0	111,323.8
Total Shareholders Equity	**48,458.0**	**80,357.0**	**95,049.5**	**111,152.5**	**132,720.6**	**157,307.3**	**186,711.0**
Minority Interest	762.0	596.0	596.0	596.0	596.0	596.0	596.0
Total Liab. & Shareholders Equity	**133,102.0**	**170,564.0**	**181,499.4**	**215,519.1**	**249,236.3**	**282,193.1**	**325,937.5**

Source: Company data, S&P Asian Equity Research

Exhibit 9: Cashflow Statement

FY June / A$ '000	2002	2003	2004F	2005F	2006F	2007F	2008F
Cashflow from Operating Activities							
PBT	(16,241.0)	12,820.0	18,089.8	29,662.7	39,094.1	45,900.9	55,714.1
Adjustments	(12,293.0)	18,525.0	20,502.7	32,201.0	42,053.7	49,273.7	59,511.8
Income Tax paid	(2,531.0)	(2,082.0)	(2,458.0)	(1,936.7)	(5,932.5)	(7,818.8)	(9,180.2)
	(14,824.0)	16,443.0	18,044.7	30,264.3	36,121.2	41,454.9	50,331.6
Changes in Working Capital	(4,756.0)	(36,248.0)	(5,005.4)	(27,677.8)	(18,582.7)	(15,753.0)	(16,558.3)
Net cash from operating activities	**(19,580.0)**	**(19,805.0)**	**13,039.4**	**2,586.5**	**17,538.5**	**25,701.8**	**33,773.2**
Cashflow from investing activities							
Purchase of equipment	(3,047.0)	(1,169.0)	(6,654.4)	(7,319.9)	(8,051.9)	(8,857.1)	(9,742.8)
Disposal of equipment	98.0	6.0	0.0	0.0	0.0	0.0	0.0
Net cash used in investing activities	**(12,569.0)**	**(4,170.0)**	**(2,247.7)**	**(7,319.9)**	**(8,051.9)**	**(8,857.1)**	**(9,742.8)**
Cashflows from Financing Activities							
Proceeds on issue of ordinary shares	94.0	14,245.0	4,632.2	0.0	0.0	0.0	0.0
Payment for share buy-back	(699.0)	(223.0)	(275.7)	0.0	0.0	0.0	0.0
Dividend to minority shareholders	0.0	(188.0)	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(4,130.0)	0.0	(3,430.0)	(4,863.8)	(7,627.1)	(9,707.2)	(12,134.0)
Net cash from financing activities	**(4,735.0)**	**13,834.0**	**926.5**	**(4,863.8)**	**(7,627.1)**	**(9,707.2)**	**(12,134.0)**
Net Increase/(decrease) in cash & equiv	**(36,884.0)**	**(10,141.0)**	**11,718.2**	**(9,597.2)**	**1,859.5**	**7,137.5**	**11,896.4**

Source: Company data, S&P Asian Equity Research

Notes

Asian Equity Research
30 Cecil Street, Singapore 049712

Lorraine Tan, CFA
Director of Research – Asia
Energy, Utilities & Infrastructure
Steven Koh, CFA
Director, Chief Asian Strategist
Telecommunications
Sharon Wong, CFA
Director, Consumer Discretionary and Staples
Lim Chuan-Yang
Technology
David So
Telecommunications, Tech & Media
John S. Yang
Japan Technology
Winston Siay, CFA
Banking & Finance
Alison Seng
Consumer Staples
Christopher K. Lee
Industrials and Auto
Lai Yeu Huan, CFA
Real Estate
Vincent Ng
Transportation
Donovan Huang
China Utilities and Materials
Dean Khor
Technical Analyst

European Equity Research
20 Canada Square
Canary Wharf, London, UK

Subhajit Gupta, CFA
Director of Research – Europe
Telecommunications & Information Technology
Alessandra Coppola
Consumer Discretionary
Matthew Czepliewicz, CFA
Financials
Christiane Dienhart, CFA
Pharmaceuticals
Jelena Karafotias, CA
Consumer Staples
Sreedhar Mahamkali
Consumer Staples
Yannick Mathieu, CFA
Consumer Discretionary
Habib Nasrallah, CFA
Industrials
Cristina Perea
Telecommunications
David Seemungal
Pharmaceuticals
Sonal Seth
Financials
David Wilson
Utilities
Clive McDonnell
European Strategist

U.S. Equity Research
55 Water Street, 44th Floor, New York, NY 10041

Sal Patanio **212-438-4706**
VP Sales
Sharon Shawn **212-438-9505**
Equity Liaison Officer

EQUITY RESEARCH POLICY
Kenneth Shea
Managing Director, Global Equity Research
Stephen Biggar
VP-Deputy Director, Equity Research

INVESTMENT POLICY
Mark Arbeter, CMT
Chief Technical Analyst
Sam Stovall
Chief Investment Strategist
David Wyss, Ph.D.
Chief Economist

CONSUMER DISCRETIONARY
Thomas Graves, CFA, Group Head
Lodging & Gaming
Tuna N. Amobi, CFA, CPA
Media & Entertainment
Jason Asaeda
General Merchandise Stores
William Donald
Publishing, Advertising
Marie Driscoll, CFA
Apparel Retailers & Mfrs.
Amy Glynn, CFA
Broadcasting & Toys
Efraim Levy, CFA
Automobile Manufacturers
Dennis Milton
Restaurants
Amrit Tewary
Household Durables, Consumer Electronics
Yogeesh Wagle
Specialty Retail & Footwear

CONSUMER STAPLES/ENERGY/UTILITIES
Richard Joy, Group Head
Beverages, Packaged Foods
Joseph Agnese
Drug Retail, Food Retail
Howard Choe
Household Products
Anishka Clarke
Diversified Consumer Staples
Stewart Glickman
Oilfield Services & Drilling
Charles LaPorta
Oil & Gas Exploration & Production
Justin McCann
Electric Utilities
Craig Shere, CFA
Gas Utilities
Tina Vital
Integrated Oil & Gas

HEALTH CARE

Robert Gold, Group Head
Health Care Equipment
Frank DiLorenzo, CFA
Biotechnology
Jeffrey Loo, CFA
Diversified Health Care
Herman Saftlas
Pharmaceuticals
Phillip Seligman
Managed Health Care

FINANCIALS

Catherine Seifert, Group Head
Property Casualty Insurance
Erik Eisenstein
Thrifts & Mortgage Finance
Robert Hansen, CFA
Asset Managers & Securities Brokers
Raymond Mathis
Real Estate Investment Trusts
Robert McMillan
Real Estate Investment Trusts
Evan Momios, CFA
Diversified Banks
James O'Brien
Regional Banks

INDUSTRIALS/MATERIALS

Michael Jaffe, Group Head
Homebuilding, Electrical Components & Equipment
James Corridore
Airlines & Air Freight
Robert Friedman, CPA
Aerospace & Defense
John Hingher
Diversified Materials
Bryon Korutz
Paper Products, Forest Products
Leo Larkin
Diversified Metals & Mining
Richard O'Reilly, CFA
Chemicals
James Sanders
Industrial Machinery
Stewart Scharf
Environmental Services, Water Utilities & Packaging
Andrew West, CFA
Railroads & Trucking

INFO. TECHNOLOGY/ TELECOM SVCS.

Thomas Smith, CFA, Group Head
Semiconductors
Ari Bensinger
Telecommunications Equipment
Stephanie Crane
Office Electronics
Megan Graham-Hackett
Computer Hardware
Scott Kessler
Internet Software & Services
Kenneth Leon, CPA
Wireless Telecom Services
Colin McArdle
Semiconductor Equipment
Todd Rosenbluth
Integrated Telecom Services
Jonathan Rudy, CFA
Application Software
Richard Stice, CFA
Computer Storage & Peripherals

EMERGING GROWTH

Mark Basham, Group Head
Emerging Growth
Markos Kaminis
Emerging Growth
William Mack, CFA
Emerging Growth
Massimo Santicchia
Emerging Growth
Richard Tortoriello
Emerging Growth

SUPERVISORY ANALYSTS & EDITORS

Charles Baumann
Diane Cappadona
Mike Fink
Gail Greene
Barry King
Jeff Perlmutter
Paul Willig
Peter Willson