

Hindustan Unilever

Gamble de`Lever ´s

With HUL's recent price cuts (around 30% in *Rin*) and with P&G upping the ante in price wars, we believe the competitive intensity in HUL's core category of detergents has clearly reached alarming levels. We believe that HUL is once again likely to witness the 2004 era of steep Margin erosion and Earnings fall, in turn justifying the fall in its share price and drop in valuation. HUL is currently trading at 19x FY2012E revised EPS of Rs11.7, a 40% premium to the Sensex v/s the 5-year average of 60-70% premium. **Post revision in estimates, we have downgraded the stock to Neutral, with a revised Target Price of Rs224 (Rs294) based on a P/E of 19x FY2012E (25% discount to its 5-year average) owing to weak Earnings growth vis-à-vis the FMCG Sector, uncertain Earnings environment and significantly higher competitive intensity.**

P&G reacts to *Rin* price cuts, hikes grammage in *Tide Naturals*: In retaliation to HUL's around 30% price cut in *Rin* (January 2010) and the comparative ads (*Rin* v/s *Tide*) broadcast by HUL, P&G has finally struck back taking a 20% indirect price cut (via 25% grammage hike) in *Tide Naturals*.

S&D Segment to drag growth, Earnings estimates cut by 15-16%: In-line with the 2004 detergent wars, we expect HUL to once again bleed heavily in the current price wars. Hence, we have pruned our estimates for the company by 3-4% in Top-line and 15-16% in Bottom-line to factor in negative Value growth in its Core Soaps and Detergents (S&D) Segment post the steep price cuts and possibility of further price cuts in other brands/categories.

We believe that the following factors will decide the course of the HUL stock price in the near future, viz. 1) News-flow on pricing action in detergents by either HUL or competitors, 2) Any spill over of pricing war in other categories, 3) Market share trends, and 4) Volume growth figures for detergents in the upcoming quarterly results post the price cuts.

Key Financials

Y/E March (Rs cr)	FY2009#	FY2010E	FY2011E	FY2012E
Net Sales	20,239	17,587	19,157	21,517
% chg	48.0	(13.1)	8.9	12.3
Net Profit	2,501	2,148	2,223	2,555
% chg	47.2	(14.1)	3.5	14.9
OPM (%)	13.2	14.3	13.5	13.7
EPS (Rs)	11.5	9.9	10.2	11.7
P/E (x)	19.2	23.2	21.5	18.7
P/BV (x)	23.2	23.7	25.4	25.3
RoE (%)	121.3	106.3	117.9	135.2
RoCE (%)	111.4	114.4	132.2	159.9
EV/Sales (x)	2.3	2.6	2.4	2.1
EV/EBITDA (x)	17.2	18.4	17.9	15.5

Source: Company, Angel Research, #Note: FY2009 Results are for 15 Months

NEUTRAL

CMP	Rs220
Target Price	-

Investment Period	-
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Stock Info

Sector	FMCG
Market Cap (Rs cr)	48,571
Beta	0.4
52 Week High / Low	306/215
Avg. Daily Volume	431,633
Face Value (Rs)	1
BSE Sensex	17,167
Nifty	5,137
Reuters Code	HLL.BO
Bloomberg Code	HUVR@IN

Shareholding Pattern (%)

Promoters	52.0
MF / Banks / Indian Fls	17.3
FII / NRIs / OCBs	15.4
Indian Public / Others	15.3

Abs. (%)	3m	1yr	3yr
Sensex	0.3	105.7	33.0
HUL	(19.5)	(2.6)	18.7

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P&G has cut prices of Tide Naturals and Tide by around 20% via 25% grammage hike

P&G reacts to Rin price cuts, hikes grammage in Tide Naturals

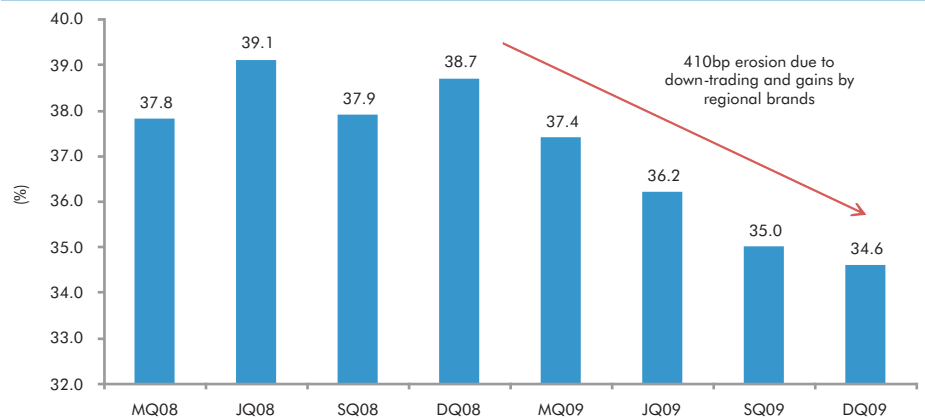
In retaliation to HUL's around 30% price cut in Rin (January 2010) and the comparative ads (Rin v/s Tide) broadcast by HUL, P&G has finally struck back taking a 20% indirect price cut (via 25% grammage hike) in Tide Naturals, which implies that a 200gm pack will now have an additional 50gm at the same price point of Rs10 and the 400gm pack will have an additional 100gm at Rs20 only. Media reports suggest that the company is also increasing the pack size of its mother brand, Tide by a similar percentage. The grammage increases equate to a price cut of almost around 20% in both Tide and Tide Naturals, which will now retail at Rs56/kg (Rs70/kg) and Rs40/kg (Rs50/kg), respectively. **We expect this move to create immense pressure for HUL to increase grammage in its mass brand Wheel, which is currently priced at Rs30/kg and Rs20/650gm to widen the reduced gap with Tide Naturals.**

So, how did it all begin? (Sequence of events leading to 2010 Detergent Wars)

Year 2009- Down-trading leads to market share erosion for HUL

Slowdown in economy and HUL's pricing strategy (took price hikes in 2008 to combat severe input cost inflation) takes its toll on HUL's Laundry Segment as consumers start down-trading to low-priced regional players impacting HUL's mass laundry brands (Wheel and Rin) driving an overall 410bp erosion in market share.

Exhibit 1: Economic slowdown+pricing strategy= Market share erosion



Source: AC Nielsen, Company, Angel Research

HUL reacts by taking both price corrections (price cuts and grammage increase) and improvement in product formulations in its mass laundry brands (both powders and bars) to restore Volume growth and gain lost market share.

Exhibit 2: Corrective steps by HUL taken in its laundry segment

Stock Keeping Unit (SKU)	SQ08	DQ08	MQ09	SQ09	DQ09
Rin Adv Bar (200 Gms)	Rs9	Rs14	Rs14	Rs12	Rs10
Wheel Blue Powder (Rs 10)	275gm	250gm	275gm	350gm	350gm
Wheel Blue Bar (Rs 10)	200gm	200gm	200gm	235gm	235gm

Source: Company, Angel Research

Dec 2009 - the war begin: P&G launches cheaper variant of *Tide Naturals*

In a bid to up-trade users of other mass detergents and protect its flagship brand *Tide*, P&G launches a lower priced variant of *Tide* called *Tide Naturals* at Rs50/kg v/s Rs70/kg for *Tide*. However, **the rationale behind the launch was clear - attack its key competitor HUL when (already battling market share erosion) and where it hurts the most (mid-priced Laundry Portfolio)**. Hence, with the launch of *Tide Naturals*, P&G placed a brand perfectly between *Wheel* and *Rin*, which were priced at Rs32/kg and Rs70/kg respectively, enticing consumers to either upgrade (in case of *Wheel*) or shift to a cheaper brand (in case of *Rin*).

Jan 2010 - Forced to react, HUL cuts prices by 10-30%, takes P&G to court

Left with little choice HUL had to react by cutting prices across its Laundry Portfolio (either via direct price cuts or via grammage increases).

Exhibit 3: HUL plunged into competition-Head on

	Weight		MRP (Rs)		Price Cut (%)
	Old	New	Old	New	
Rin	150gm	200gm	-	-	(33)
	500gm	500gm	35	25	(29)
	1Kg	1Kg	70	50	(29)
Surf Excel Blue	200gm	200gm	25	23	(8)
	500gm	500gm	62	55	(11)
	1Kg	1Kg	155	135	(13)

Source: Company, Angel Research

Moreover, it also moved P&G to court regarding a *Tide Naturals* commercial, which apparently gave consumers the impression that it contains natural ingredients such as sandal, and the brand name itself was proposed to be "misleading". The court ordered P&G to modify the campaign, and P&G admitted that while *Tide Naturals* did not contain any natural ingredients, it exuded fragrances of natural items, such as sandal and lemon.

Feb 2010 - P&G follows HUL, hits hard with controversial *Rin* commercial

Following HUL's trail, P&G also undertakes price cuts in its 250gm *Tide* bar to Rs9 from Rs17, while the 105gm bar was reduced to Rs4 from Rs6.

However, on Feb 26, 2010, HUL takes the war to a completely new level launching a controversial *Rin* commercial, highlighting the new affordability of *Rin*, and directly taking on both *Tide* and *Tide Naturals*. The ad showed direct comparison between the brands claiming that *Rin* is better than *Tide*, with a tagline '*Tide se kahin behatar safedi de Rin*'.

P&G initiated the war with 20-50% price cuts

Déjà vu 2004?

It was in March that P&G initiated the detergent wars in 2004 when it slashed the prices of its *Tide* and *Ariel* brands by 20-50%. Post success of its 50% price cut in sachets of the same brands in 2003, P&G decided to adopt a similar strategy in detergent bags as well. However, the rationale P&G gave was "Improving internal efficiencies within the company in areas such as distribution, manufacturing and cost of raw material, the company is now in a position to pass on these benefits to the consumer".

HUL soon followed suit matching prices offered by P&G

Hence, the price of *Ariel* was reduced from Rs135/kg to Rs 99/kg, while the *Tide* price was slashed from Rs85/kg to Rs46/kg. HUL forced to react slashed the price of *Surf Excel*, its premium detergent positioned against *Ariel*, from Rs130/kg to Rs99/kg, to match *Ariel's* price. The price of *Surf Blue*, its mid-price detergent powder, was cut to Rs60/kg from Rs85/kg, still higher than *Tide's* new price of Rs46/kg. **The game was clear - boost volume growth immediately via price hikes to battle flat growth rates, upgrade consumers to sustain absolute Margins and eat into competitors' market share particularly the low-priced regional brands to achieve additional growth.**

Price war soon spilled into other categories like shampoo - this time HUL moved first

However, the price war soon spilled into other categories like shampoo. After the aggressive price cut in detergents by P&G, HUL turned aggressor with a one-for-one shampoo free offer for its *Sunsilk* and *Clinic* brands. P&G's riposte was to cut prices for its *Pantene* brand, and throw in a new variant, *Pantene Hair Fall Control*, to change the dynamics of the competitive shampoo market. However, P&G took almost two weeks to react with a price cut, for its premium brands after denying vehemently about joining the shampoo war.

HUL's Margins dip by 500bp; Earnings decline by around 33%

The 2004 price war severely impacted HUL's financials and resulted in a complete collapse of its S&D Segment Margins by almost 750bp, which led to an overall 500bp decline in EBITDA Margins, which HUL is yet to reclaim.

Exhibit 4: Financial Snapshot-Pre & Post Price War of 2004

Y/E Dec. (Rs cr)	CY2003	CY2004	CY2005
Net Sales	10,138	9,927	11,061
yoy %		(2.1)	11.4
Gross Profit	4,853	4,515	4,898
yoy %		(7.0)	8.5
Gross Margin (%)	47.9	45.5	44.3
EBITDA	1,977	1,437	1,443
yoy %		(27.3)	0.4
OPM (%)	19.5	14.5	13.0
PAT	1,804	1,199	1,355
yoy %		(33.5)	12.9
S&D Segment			
Sales	4,379	4,471	4,962
yoy %		2.1	11.0
EBIT	1,088	775	684
yoy %		(28.8)	(11.8)
EBIT Margin (%)	24.8	17.3	13.8

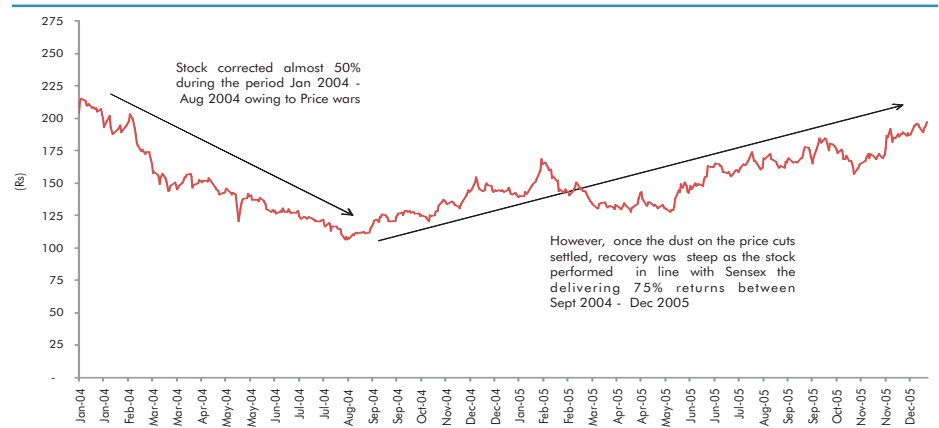
Source: Company, Angel Research

While the stock dipped during price war, it staged a sharp recovery delivering 75% returns over the next 16 months

Stock falls by almost 50% within 8 months

Steep price cuts, high competitive intensity and significant Earnings drop in quarterly results during CY2004 led to a sharp fall of almost 50% in HUL's stock price during January - August 2004. However, an interesting take away from the 2004 era remains that, while Earnings took time to recover and Margins clearly remained at the bottom for more than a year, HUL's stock rallied by almost 75% during September 2004 - December 2005 once the dust on the price cuts settled and Top-line growth was restored.

Exhibit 5: Stock Price performance over CY2004-05



Source: Company, Angel Research

We believe price cuts can be soon extended to other brands like Wheel, Ariel and Surf and to other categories like Shampoo or Skin care

So, what's next for 2010?

The price war in 2004 took almost a year to get over when P&G finally announced 4-5% price hikes in February 2005 in *Ariel* and *Tide*, which saw HUL following suit. However, that was not before the damage was done to HUL's Margins and Profitability. Hence, we believe that the 2010 price war, though lower in quantum, has just started and is likely to significantly impact HUL's Earnings. We anticipate the following to unfold in the ensuing months with the price war spreading to other brands, players and categories as well:

- HUL will increase grammage for *Wheel* to widen the gap with *Tide Naturals*
- P&G will cut prices/hike grammage for *Ariel* to reduce gap with *Tide*
- HUL will react cutting prices of *Surf Excel* to match *Ariel* pricing
- Other categories susceptible to price war include shampoo and skin care where P&G has presence

S&D Segment to drag growth, Earnings estimates cut by 15-16%

In line with the 2004 detergent wars, we expect HUL to once again bleed heavily in the ongoing price war. Hence, we have pruned our estimates for HUL by 3-4% in Top-line and 15-16% in Bottom-line to factor in negative value growth in the Core S&D Segment post the steep price cuts and possibility of further price cuts in other brands/categories.

Exhibit 6: Revision in Estimates

(Rs cr)	Old Estimate		New Estimate		% chg	
	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
Revenue	19,976	22,281	19,157	21,517	(4.1)	(3.4)
OPM (%)	15.7	15.8	13.5	13.7	(220)	(213)
EPS	12.2	13.8	10.2	11.7	(16.3)	(15.1)

Source: Company, Angel Research

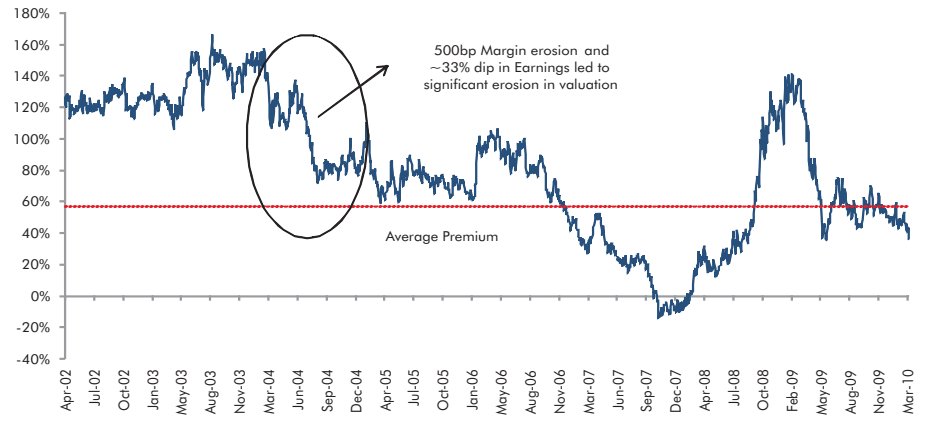
We expect the S&D Segment to post barely 1% growth in Top-line in FY2011E, as growth in Soaps and spike in detergent volume due to the price cuts gets offset by negative Value growth in detergents. Moreover, we have modeled in around 200bp erosion in S&D Segment Margins for FY2011E to factor in the impact of price cuts. Post the revision, we expect HUL to post 10.2% CAGR in Top-line over FY2010-12E, despite the steep price cuts largely aided by steady performance of its Personal Care Division, spike in detergents Volume growth and modest performance of its Soaps business (aided by brand re-launches and select price cuts). In terms of Earnings, we expect HUL to post a weak 9% CAGR during the period impacted by the dip in Margins (due to the price cuts) and higher Tax rate (on account of increase in MAT). **However, further price cuts, spillover of price war to other categories and poor response to brand re-launches, promotions and price cuts carry downside risk to our estimates.**

Fall in valuation likely to sustain, Downgrade stock to Neutral

Consistent market share loss across categories and a slowdown in underlying Volume growth (particularly in Soaps/Detergents), coupled with price cuts (leading to lower Value growth) have emerged as the key concerns for HUL in the recent quarters, leading to a sharp underperformance of the stock. Moreover, with HUL's recent price cuts of around 30% in Rin and with P&G upping the ante in price wars, we believe that the competitive intensity in HUL's core category of detergents has clearly reached alarming levels.

In-line with 2004 era, we believe that HUL is set to witness steep erosion in Margins and decline in Earnings justifying the fall in share price and drop in valuation. HUL is currently trading at 19x FY2012E revised EPS of Rs11.7, a 40% premium to Sensex v/s the 5-year average of 60-70% premium. **Post the revision in estimates, we have downgraded the stock to Neutral, with a revised Target Price of Rs224 (Rs294) based on a P/E of 19x FY2012E (25% discount to its 5-year average) owing to weak Earnings growth vis-à-vis the FMCG Sector, uncertain Earnings environment and significantly higher competitive intensity.**

Exhibit 7: HUL's valuation premium vis-a-vis SENSEX



Source: Company, Angel Research

We believe that the following factors will decide the course of HUL's stock price in the near future, viz. 1) News-flow on pricing action in detergents either by HUL or competitors, 2) Any spill over of pricing war into other categories, 3) Market share trend, and 4) Volume growth figures for detergents in the upcoming quarterly results post the price cuts.

Profit & Loss Statement
Rs crore

Y/E March	CY2006	CY2007	FY2009#	FY2010E	FY2011E	FY2012E
Gross sales	13,035.1	14,715.1	21,649.5	18,709.1	20,423.2	22,963.4
Less: Excise duty	931.7	1,039.7	1,410.2	1,122.5	1,266.2	1,446.7
Net Sales	12,103.4	13,675.4	20,239.3	17,586.6	19,157.0	21,516.7
Total operating income	12,103.4	13,675.4	20,239.3	17,586.6	19,157.0	21,516.7
% chg		13.0	48.0	(13.1)	8.9	12.3
Total Expenditure	10,455.3	11,796.8	17,561.4	15,069.1	16,576.5	18,575.3
Cost of Materials	6,502.8	7,268.5	10,837.9	9,015.8	10,134.1	11,468.4
Advertising Exp	1,272.9	1,440.2	2,130.9	2,391.8	2,547.9	2,818.7
Personnel	642.8	767.8	1,152.1	923.3	1,015.3	1,118.9
Others	2,036.9	2,320.2	3,440.4	2,738.2	2,879.3	3,169.4
EBITDA	1,648.1	1,878.7	2,678.0	2,517.5	2,580.4	2,941.3
% chg		14.0	42.5	(6.0)	2.5	14.0
(% of Net Sales)	13.6	15.5	22.1	20.8	21.3	24.3
Depreciation & Amortisation	130.2	138.4	195.3	185.5	198.4	211.5
EBIT	1,517.9	1,740.3	2,482.7	2,332.1	2,382.0	2,729.8
% chg		14.7	42.7	(6.1)	2.1	14.6
(% of Net Sales)	12.5	14.4	20.5	19.3	19.7	22.6
Interest & other Charges	10.7	25.5	25.3	8.8	13.0	10.0
Other Income	354.5	431.5	567.8	352.0	445.0	535.0
(% of PBT)	19.0	20.1	18.8	13.2	15.8	16.4
Share in profit of Associates	-	-	-	-	-	-
Recurring PBT	1,861.7	2,146.3	3,025.1	2,675.2	2,814.0	3,254.8
% chg		15.3	40.9	(11.6)	5.2	15.7
Prior Period & Ext. Exp./ (Inc.)	(315.7)	(182.4)	4.3	84.2	-	-
PBT (reported)	2,177.4	2,328.7	3,020.9	2,591.1	2,814.0	3,254.8
Tax	322.0	403.2	524.4	527.0	590.9	699.8
(% of PBT)	17.3	18.8	17.3	19.7	21.0	21.5
PAT (reported)	1,539.7	1,743.1	2,500.7	2,148.2	2,223.1	2,555.0
Add: Share of associate	-	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
PAT after MI (reported)	1,539.7	1,743.1	2,500.7	2,148.2	2,223.1	2,555.0
ADJ. PAT	1,855.4	1,925.5	2,496.4	2,064.0	2,223.1	2,555.0
% chg		3.8	29.7	(17.3)	7.7	14.9
(% of Net Sales)	15.3	14.1	12.3	11.7	11.6	11.9
Basic EPS (Rs)	7.0	8.0	11.5	9.9	10.2	11.7
Fully Diluted EPS (Rs)	7.0	8.0	11.5	9.9	10.2	11.7
% chg		14.7	43.3	(14.1)	3.5	14.9

Source: Company, Angel Research, #Note: FY2009 Results are for 15 Months

Balance Sheet
Rs crore

Y/E March	CY2006	CY2007	FY2009#	FY2010E	FY2011E	FY2012E
SOURCES OF FUNDS						
Equity Share Capital	220.7	217.8	218.0	218.0	218.0	218.0
Preference Capital	-	-	-	-	-	-
Reserves& Surplus	2,502.8	1,221.5	1,843.5	1,803.4	1,667.3	1,671.8
Shareholders Funds	2,723.5	1,439.2	2,061.5	2,021.4	1,885.3	1,889.8
Minority Interest	-	-	-	-	-	-
Total Loans	72.6	88.5	422.0	272.0	172.0	72.0
Deferred Tax Liability	(224.6)	(212.4)	(254.8)	(254.8)	(254.8)	(254.8)
Total Liabilities	2,571.5	1,315.4	2,228.6	2,038.5	1,802.4	1,706.9
APPLICATION OF FUNDS						
Gross Block	2,462.7	2,669.1	2,881.7	3,197.6	3,420.9	3,646.9
Less: Acc. Depreciation	1,061.9	1,146.6	1,275.0	1,460.4	1,658.8	1,870.3
Net Block	1,400.8	1,522.5	1,606.8	1,737.2	1,762.1	1,776.6
Capital Work-in-Progress	110.3	185.6	472.1	383.7	342.1	364.7
Goodwill	-	-	-	-	-	-
Investments	2,413.9	1,440.8	332.6	832.6	1,332.6	1,832.6
Current Assets	3,169.7	3,277.4	5,601.0	4,331.8	4,243.7	4,400.7
Cash	416.9	200.9	1,777.4	850.2	579.7	393.1
Loans & Advances	764.6	679.6	757.9	685.9	708.8	817.6
Other	1,988.1	2,397.0	3,065.8	2,795.8	2,955.2	3,190.0
Current liabilities	4,523.1	5,111.0	5,783.8	5,246.8	5,878.1	6,667.6
Net Current Assets	(1,353.4)	(1,833.6)	(182.8)	(915.0)	(1,634.4)	(2,266.9)
Mis. Exp. not written off	-	-	-	-	-	-
Total Assets	2,571.5	1,315.4	2,228.6	2,038.5	1,802.4	1,706.9

Source: Company, Angel Research, #Note: FY2009 Results are for 15 Months

Cash Flow Statement
Rs crore

Y/E March	CY2006	CY2007	FY2009#	FY2010E	FY2011E	FY2012E
Profit before tax	1,861.7	2,146.3	3,025.1	2,675.2	2,814.0	3,254.8
Depreciation	130.2	138.4	195.3	185.5	198.4	211.5
Change in Working Capital	(13.1)	122.2	(330.3)	(224.8)	441.0	445.9
Interest / Dividend (Net)	(136.3)	(141.7)	(126.3)	(91.2)	(122.0)	(155.0)
Direct taxes paid	322.0	403.2	524.4	527.0	590.9	699.8
Others	566.8	(25.5)	(19.4)	(54.5)	8.0	-
Cash Flow from Operations	2,087.2	1,836.5	2,219.9	1,963.3	2,748.5	3,057.4
(Inc.)/ Dec. in Fixed Assets	(106.9)	(289.0)	(629.5)	(227.5)	(181.7)	(248.6)
(Inc.)/ Dec. in Investments	(594.5)	998.1	1,167.5	(500.0)	(500.0)	(500.0)
Cash Flow from Investing	(701.3)	709.1	538.0	(727.5)	(681.7)	(748.6)
Issue of Equity	35.8	(633.4)	39.4	-	-	-
Inc./(Dec.) in loans	15.7	15.9	333.4	(150.0)	(100.0)	(100.0)
Dividend Paid (Incl. Tax)	1,511.4	2,291.9	1,676.6	2,104.1	2,359.2	2,550.5
Interest / Dividend (Net)	(136.0)	(147.7)	(122.3)	(91.2)	(122.0)	(155.0)
Cash Flow from Financing	(1,323.9)	(2,761.7)	(1,181.4)	(2,163.0)	(2,337.2)	(2,495.5)
Inc./(Dec.) in Cash	61.9	(216.1)	1,576.5	(927.2)	(270.4)	(186.7)
Opening Cash balances	355.0	416.9	200.9	1,777.4	850.2	579.7
Closing Cash balances	416.9	200.9	1,777.4	850.2	579.7	393.1

Source: Company, Angel Research, #Note: FY2009 Results are for 15 Months

Key Ratios

Y/E March	CY2006	CY2007	FY2009#	FY2010E	FY2011E	FY2012E
Valuation Ratio (x)						
P/E (on FDEPS)	26.1	24.8	19.2	23.2	21.5	18.7
P/CEPS	28.7	25.4	17.8	20.5	19.8	17.3
P/BV	17.6	33.3	23.2	23.7	25.4	25.3
Dividend yield (%)	2.7	4.1	3.4	3.8	4.2	4.6
EV/Sales	3.7	3.4	2.3	2.6	2.4	2.1
EV/EBITDA	27.3	24.6	17.2	18.4	17.9	15.5
EV / Total Assets	17.5	35.2	20.7	22.8	25.6	26.8
Per Share Data (Rs)						
EPS (Basic)	7.0	8.0	11.5	9.9	10.2	11.7
EPS (fully diluted)	7.1	8.0	11.5	9.9	10.2	11.7
Cash EPS	7.7	8.6	12.4	10.7	11.1	12.7
DPS	6.0	9.1	7.5	8.3	9.3	10.0
Book Value	12.5	6.6	9.5	9.3	8.6	8.7
Returns (%)						
RoCE (Pre-tax)	64.4	89.5	140.1	109.3	124.0	155.6
Angel RoIC (Pre-tax)	-	-	-	-	-	-
RoE	61.2	83.7	142.9	105.2	113.8	135.4
Turnover ratios (x)						
Asset Turnover (Gross Block)	4.9	5.1	7.0	5.5	5.6	5.9
Inventory / Sales (days)	46.7	52.1	45.6	48.7	47.4	45.6
Receivables (days)	13.3	11.8	9.7	9.4	8.9	8.5
Payables (days)	96.6	102.4	76.8	81.8	85.8	88.3
Working cap. (ex-cash) (days)	(53.4)	(54.3)	(35.4)	(36.6)	(42.2)	(45.1)

Source: Company, Angel Research, #Note: FY2009 Results are for 15 Months

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Note: Please refer important 'Stock Holding Disclosure' report on Angel web-site (Research Section).

Disclosure of Interest Statement	HUL
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	Yes
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below Rs 5 lakh for Angel, its Group companies and Directors.

Ratings (Returns) :	Buy (> 15%) Reduce (-5% to -15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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