



Company – Unitech CMP:70	Industry - Construction Rating: Neutral
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About the Company

Delhi-based Unitech is engaged in the business of construction, real estate development, consultancy in related areas, hotels, electrical transmission, development of amusement parks and information technology. It has tie-ups with Singapore-based companies through Unitech Prefab for producing ready mix concrete. In addition it has tie-up with Gurgaon Technology Park and Hyundai through Hyundai Unitech Electrical Transmission for galvanising and fabricating electric tower material. Real estate division is the major contributor to revenues generation.

Key Strategies:

- Developing high quality projects at competitive prices---The company aims to become the leading real estate developer in India.
- Increased focus on the affordable housing segment.----The company has already started some of the project in FY 2009-10.
- Implementing of value engineering---To improve t he cost efficiency and enhance customer value.
- Reducing Capital intensive Projects---The company working on this strategy to streamline its financial strength. Company raise money by placing QIPs in previous year and able to restructure its debt structure.

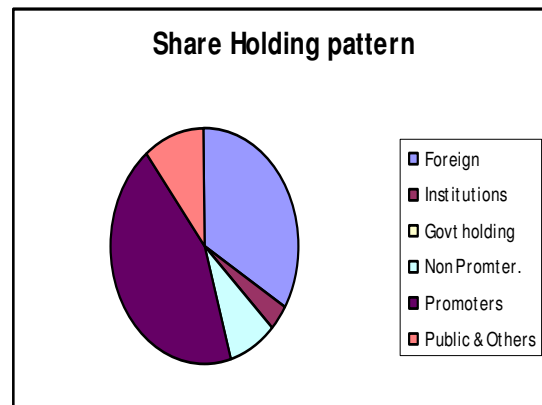
Operational efficiency:

Unitech has maintained its sales momentum, selling another 3m sq. ft. in 3QFY10. Cumulative sales for 9MFY10 stand at 13.1m sq. ft. The company has conducted sales worth Rs 15 billion in 3QFY10, taking its total sales value ytd FY10 to Rs 55.5 billion. The company has increased its workforce from 3,500 workers in April to 20,000. Gross debt (at Rs 62 billion) came down by Rs 4.5 billion in the quarter. This takes the total debt repaid in 9MFY10 to Rs 28.5 billion. The net D/E stands at 0.55. Construction at 46% of the recently launched projects has begun. At 5.6m sq. ft. (of 24.4m sq. ft. of projects) structure or piling work is going on, with finishing at a maiden project in Mumbai. Pre-construction activity at approx. 4.9m sq. ft. of projects has started.

Statistics

NSE Code	Unitech
BSE Code	507878
Face Value	2.00
52 W High/Low	116.65/24.60
Market cap	16649.94cr.
Dividend Yield (%)	0.12
EPS (TTM)	1.69
P/E Ratio	41.24
Book Value (Rs)	30.43

Share Holding pattern



Qtr 3rd Results Analysis

Unitech registered 29% growth in net profit to Rs 176.01 crore despite of 58% growth in revenues to Rs 774.46 crore for the quarter ended December 2009. The growth in sales was triggered by growth in real estate business (up 68% to Rs 627.88 crore), construction business (up 89% to Rs 41.98 crore) and consultancy business (up 121% to Rs 54.69 crore). Operating profit margins crashed by to 24% during the quarter from 50.1% in the corresponding previous period on the back sharp decline in the real estate business margins to 22.6% from 59.3% in the corresponding previous period. The crash in real estate margins during the quarter is primarily due to change in the product mix towards affordable housing and more plot sales. Resultantly, operating profit declined 25% to Rs 185.70 crore. Thanks to sharp decline in the interest cost by 85% to Rs 14.75 crore and Minority interest income of Rs 35.70 crore leading growth in net profits.

Particulars	200912	200812	Var %
Sales	774.46	489.39	58
Other Income	14.64	18.20	-19.6
PBIDT	200.34	262.47	-23.4
Interest	14.75	96.72	-84.7
PBDT	185.59	165.75	12
PAT	176.01	134.45	29

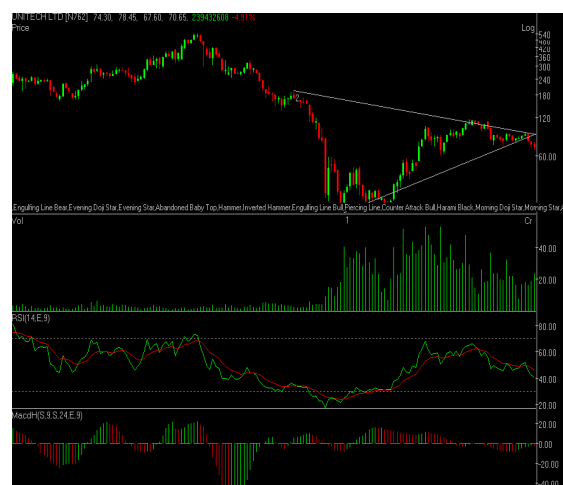
Consolidated Quarterly Performance

For the quarter ended December 2009, the net sales rose by 58% to Rs 774.46 crore. The healthy increase in the revenues is on the back of 68% raise in the real estate business to Rs 627.88 crore and contributed 81% of total business. Construction business and consultancy business rose by whopping 89% and 121% to Rs 41.98 crore and 54.69 crore. During the quarter, revenues from Hospitality, Transmission towers and other segments witnessed degrowth.

Technical Analysis:

The weekly chart analysis indicates that counter has broken the long time support places around 80. The ascending triangle has broken to the downside. Now the price is hovering between 80 and 68 any day closing below 65 along with good volumes will drag the counter further to the level of 55-58. Around these levels prices will be back to the levels of April 2009. The RSI is trading at 40 with negative bias. MACD is in bearish zone. The volumes are supporting the current downfall. At current levels it is trading below all the important moving averages. The downside seems to be capped near 50-52 which will be the good levels to make the fresh new positions. However we advise to accumulate the stock while taking every fall as an opportunity.

Important Level			
Resistance		Support	
R1	76	S1	65
R2	83	S2	61
R3	87	S3	55
R4	93	S4	50



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