Accenture PLC

2014 Undergraduate Analyst Report

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Analyst Report	Ticker: ACN	03/31/2014	UG Student Managed Fund

Accenture Plc

Key Financial Metrics					
Market Cap:	$50.88B	ROE:	66.20%	Net Profit Margin:	10.8%
52 Week Range:	$69.00 - $85.88	ROA:	20.26%	Debt/Equity Ratio:	0.48%
Dividend per Share:	$0.93	ROIC:	66.00%	FCF Yield:	7.3%
P/E:	15.91	Dividend Yield:	2.35%	Credit Rating (Moody's):	A1
Intrinsic Value:	$102.93	Price/Book:	10.70	Shares Outstanding:	666.07M

Recommendation	Closing Price as of 03/31//2014
BUY	$79.72

Recent Stock Performance

Investment Rationale

With Accenture's well-established client base, financial strength, unmatched expertise, and large technology portfolio, it is well positioned to outperform its competitors in the technology and consulting industry. **We recommend a buy price of $82, allowing for a 20% margin of safety on the intrinsic value of $102.**

Company Snapshot

Highlights

- Sustainable business model protected from the risk of evolving technology
- Well-established client base which includes 91 of the Fortune 100 and over 75% of the Fortune 500
- Immense expertise in a wide array of both industry groups as well as technologies
- Consistent growth (both organic and through acquisitions), as well as improving efficiency
- Extremely low debt levels

Investment Risks

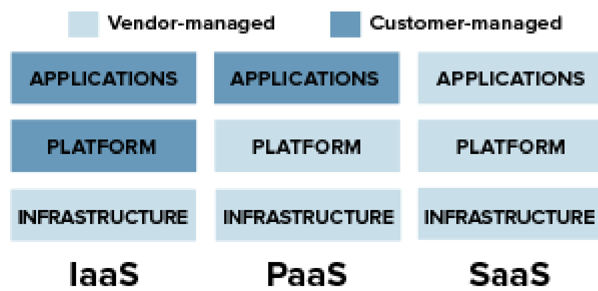
- Exposure to risks associated with holding offices in 56 countries, such as foreign exchange, economic and political risks
- Much of the Global Delivery Network is concentrated in India and the Philippines, exposing the firm to operational risks
- Size of the firm poses organizational challenges

Corporate Social Responsibility	
ESG Disclosure Rating	40.50 (Ind. Avg.: 25.08)
Environmental Disclosure Rating	34.88 (Ind. Avg.: 30.23)
Carbon Disclosure Rating	92.00 (Ind. Avg.: 76.60)
Social Disclosure Rating	42.11 (Ind. Avg.: 29.35)
Governance Disclosure Rating	51.79 (Ind. Avg.: 53.01)
Equal Opportunity Policy	1 (Ind. Avg.: 1)
Community Spending	39.84M (Ind. Avg.: 84.21M)
Total Energy Consumption	.40 (Ind. Avg.: 1.31)

IT Consulting Industry Analysis

Industry Overview

The IT consulting industry is a catch-all term that relates to any business that is involved in assisting other business with building, maintaining, and using IT infrastructure. Firms in this industry can be very hands off and do as little as build a company's servers and networks; or a firm can be intimately involved in a company's operations and develop and use software for the company.



There are three major types of services that IT consulting firms provide: Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS). IaaS consists of a provider only constructing hardware or providing virtual hardware to the client. PaaS additionally provides the client with a platform to run on that infrastructure. This means that the consulting firm will also install and manage the basic applications and tools that end users in the company will use to carry out their jobs and develop applications themselves. SaaS additionally provides the client with custom made applications for end users in the company.

When providing services to clients, IT consulting firms also rely heavily on their knowledge within their clients' industry. Clients want consultants that understand their business so that they can better provide useful solutions to the company's problems. Thus, one of the most important resources a consulting firm has is its employees' industry-specific knowledge.

Growth Areas for the Industry

The biggest area for growth for the IT consulting industry is in integrating Social, Mobile, Analytics, and Cloud (SMAC) technologies into IT systems around the world. Over the next two decades, the IT systems of nearly every industry will transform as they take advantage of the latest technologies in these areas to increase efficiency and attempt to gain competitive advantage over their peers. Companies are expected to move from IaaS to PaaS, and perhaps even to SaaS over this time period.

The value proposition that these technologies have is extremely powerful and is driving demand for IT consulting services. When a company hires a consulting firm to help the company use these technologies, the consulting firm does not always simply design a single application and hand it off the client. Often times, the consulting firm designs a whole system that must be integrated into existing systems, monitored, maintained and updated. This means that once a consulting firm designs a system for a company, it can continue to earn revenues from that company for many years thereafter.

What also makes these technologies such a strong driver for demand is that they all work most effectively when used together. Social technology promises companies the ability to get closer to their customers so that they can better understand who they are and what they want out of a product. Social technology reduces the cost of gathering this data by having customers submit it freely to the company. Mobile technology improves the customers' experience of a product and increases the efficiency of employees. Mobile apps also help to gather data on customers that cannot be easily gained from social technologies. With all of these data-gathering sources, big data analytics systems are necessary to convert this data into meaningful statistics. Finally, all of these data and processes need to be housed in a location where anyone in the company can access the data. The cheapest way for a company to do that is through public or private cloud systems that allow employees throughout the company to access and interpret the data. This is just one example of how these technologies come together to give companies a competitive advantage.

The International Data Corporation projects worldwide IT spending to grow at 5% year over year to $2.1 trillion in 2014, and will continue to grow at 4.1% through 2017. Emerging markets are expected to grow IT spending by 10%. Worldwide spending on SMAC technologies will grow at 15% to represent 89% of total IT spending growth. Sales of smartphones and tablets are expected to grow at 12% and 18%, respectively. Cloud spending services and technology to enable services will grow by 25% in 2014. Part of this cloud spending is driven by expected big data spending increases of 30%, which will utilize cloud platforms to better manage high data volume.

These trends in the IT industry translate into grand opportunities for consulting firms like Accenture to grow. Not only are companies spending more on the latest SMAC technologies, but as businesses transform their cloud usage from IaaS to PaaS, profit margins will improve as demand for these higher profit margin products increases.

Business Analysis

Global Delivery Model

Accenture uses a global delivery model, which consists of a four-tiered global architecture for service delivery. The tiers are client sites, in-country delivery centers, regional delivery centers, and global delivery centers. For any given project that Accenture may be working on for a client, it will have people from multiple tiers working on different facets of the project. Employees working on client sites directly engage with clients to determine what goals the client is trying to achieve with the project. They then work with other employees at in-country and regional delivery centers to get a more specific idea as to how to achieve that goal by utilizing the industry expertise of the consultants at other locations. Finally, the manual work of coding the program is sent to global delivery centers where labor is cheapest. Global delivery centers are located in places where there are highly skilled workforces that work for extremely low costs, such as India or the Philippines, and is also where the majority of the work that Accenture does takes place. These different tiers are designed to work together to exchange information and capabilities seamlessly between each other.

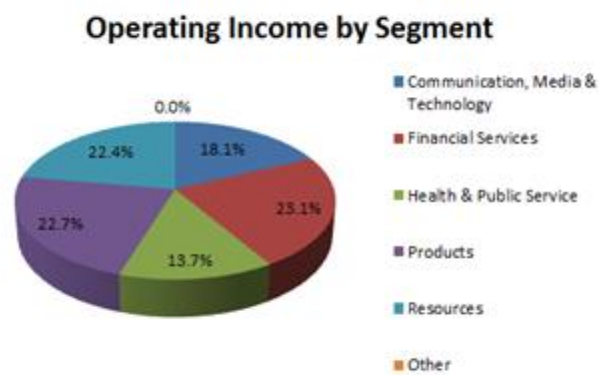
One of the reasons that we found Accenture to be a highly attractive investment is because of the many advantages of the global delivery model. One of the biggest advantages the model has is that it significantly reduces cost while maintaining quality. By sourcing as much work as possible to the global delivery centers, they are able to cut costs through cheap labor. Yet Accenture is able to maintain high quality within its products and services by having some of the work done by local consultants with deep knowledge specific to the clients' industry. This allows for close personal interactions between the clients and the front-office consultants, developing customer intimacy. Additionally, by having worksites located around the world and by "following the sun", Accenture can complete a project very rapidly by having a team continuously work on a project 24 hours a day. This quick turnaround time further increases the attractiveness of Accenture's product offerings to clients.

Another advantage that Accenture's business model has is that it allows the company to more efficiently use knowledge capital across the firm. For example, when Accenture acquires a consulting company based in one small geographic area that focuses on financial services, Accenture can sell that financial expertise throughout the country, if not the whole world. This allows Accenture to get greater value out of its acquisitions by getting more than just an acquired company's client base.

Operating Groups

Accenture divides the clients it serves and its revenues into five operating groups known as verticals. These include Communication, Media & Technology, Financial Services, Health and Public Service, Products, and Resources.

These groups are then further divided into a total of 19 industry groups. The products and services that Accenture offers to these segments are generally the same, but are tailored to fit the industry specific needs of the client.



Operating Groups and Industry Groups				
Communications, Media & Technology	**Financial Services**	**Health & Public Service**	**Products**	**Resources**
Communications	Banking	Health	Air, Freight & Travel Services	Chemicals
Electronics & High Tech	Capital Markets	Public Service	Automotive	Energy
Media & Entertainment	Insurance		Consumer Goods & Services	Natural Resources
			Industrial Equipment	Utilities
			Infrastructure & Transportation Services	
			Life Sciences	
			Retail	

Products and Services

Accenture divides its products and services into three growth platforms: Consulting, Technology, and Business Process Outsourcing (BPO).

Management Consulting involves improving some aspect of the clients' business, and can be further divided into 7 service areas. Whether it be reducing cost through more efficient operations, or helping a client manage its risk, Accenture will help a client identify solutions and implement changes either within a business unit or throughout the entire organization.

The Technology platform comprises of three service areas: Systems Integration Consulting, Technology Consulting, and Technology Outsourcing. Systems Integration Consulting and Technology Consulting involve developing the hardware and software infrastructure of a company. Technology Outsourcing involves providing cost-cutting measures to help clients with application and infrastructure maintenance.

Finally, Business Process Outsourcing involves a client completely outsourcing a specific business process to Accenture, as Accenture can often provide solutions that are more efficient and more cost effective than if they were carried out in-house. These processes can apply to all industries, such as providing accounting and human resources services, or they can be specific to an industry to address the unique needs of a client.

Other Competitive Advantages
Accenture has several competitive advantages that place it on the forefront of success in its industry going forward. One of these advantages is the high-profile relationships the firm has already established. As of this date, Accenture's clients include 91 of the Fortune 100 and 75% of the Fortune 500 companies, and these figures are continuously growing. Because Accenture often continues to service its clients upon project completion (in areas such as maintenance, modifications, technological upgrades, and outsourcing services), an ongoing business relationship is established. Given this ongoing relationship, Accenture's familiarity with the client and their technological needs, and a typically high satisfaction rating, it is difficult for competitors to disrupt these relationships and to acquire business from established Accenture clients. This becomes evident when considering that 99 of Accenture's top 100 clients (based on revenue) in fiscal 2013 have been clients for at least five years, and 91 have been clients for at least ten years.

Another competitive advantage is Accenture's reputation as a dominant player in terms of quality, which allows it to acquire contracts for very profitable high-profile clients, such as the United States Federal Government for the healthcare.gov website. This reputation exists due to the meticulous and customized focus Accenture places on each client. Each project is staffed with: (1) employees who are specialists within the client's industry, (2) employees who are specialists in the technology needed to complete the project, and (3) employees who are a "hybrid", meaning they are familiar with both the industry and the technology.

Accenture is able to maintain its position as a leader in quality due to its ongoing research and development initiatives to stay at the forefront of the latest technological developments. The company currently has approximately 1,800 patents globally, 2,600 patents pending, and it has significantly increased its R&D spending each year for the past three years ($482 million in 2011, $560 million in 2012, $715 million in 2013). Thus, regardless of which firm develops the next disruptive technology, Accenture is still well-positioned to profit by assisting clients in implementing that technology.

Excellence in service is not the only area of innovation for Accenture. The firm also focuses heavily on operating efficiently, boasting a return on invested capital of 66.0%, up from 61.7% ten years prior, and we expect this figure to continue to increase as Accenture continues to refine its operational efficiency.

Competition
The IT consulting industry is highly competitive and has many players, both large and small. Some examples of IT consulting firms that Accenture competes with are IBM, Capgemini, and Cognizant. These firms all offer similar products and services and have the same value proposition: the ability to bring efficiency and innovation to any company through information technologies. Many of these larger competitors also use the same global delivery model, and thus Accenture does not have as large of a competitive advantage against these competitors in this area.

Accenture also competes with many smaller consulting firms. For many of these companies, Accenture does not compete for IT infrastructure work, but instead for consulting work. However, these companies do not pose a significant threat because the clients that Accenture typically pursues are very large, and small consulting firms typically do not have the capacity to take on such large accounts.

However, despite competing with many other consulting firms that in some cases have similar business models, we believe that Accenture is best positioned in the marketplace to succeed. IT consulting firms are selling a promise, and thus the most important asset that any of these companies has is its brand image. Accenture has one of the strongest brand images in the consulting world, being able to claim that they have relationships with more than three quarters of Fortune's Global 500. This fact is a competitive advantage for Accenture over its competitors because we believe that it will be difficult for companies to break these longstanding relationships and appropriate Accenture's existing clients.

Accenture also competes with outsourcing firms based in countries such as India and the Philippines. These firms that offer exclusively business process outsourcing services are able to compete with Accenture on price because they do not have the same global infrastructure to maintain. However, these companies cannot offer a complete package of IT infrastructure and consulting to their clients in the way that Accenture can, and thus the threat they pose is limited.

Growth Factors

Accenture has several key areas where it can grow considerably in the coming years. These areas include growth in revenue from existing clients seeking Accenture's expertise on new projects, organic growth through increasing its client base, and acquisitions.

Growth in revenue from existing clients is primarily driven by demand for investment in technology, strategic advisory services, or outsourcing services. Given the growing trend across virtually all industries to migrate data to the cloud, and given the early stages of this trend, we see significant growth potential in this area as Accenture's existing and future clients require the firm's expertise. With the company's strong reputation of quality, we feel it is likely that Accenture will continue to gain market share, primarily in highly profitable large scale contracts, such as the recent healthcare.gov contract which Accenture was awarded for $90 million. Consolidation is a continuing trend in the consulting industry, and Accenture has been aggressive in keeping pace, acquiring 11 companies in the past year alone. These acquisitions include smaller firms that either specialize in a certain technology or carry unique expertise in a certain industry.

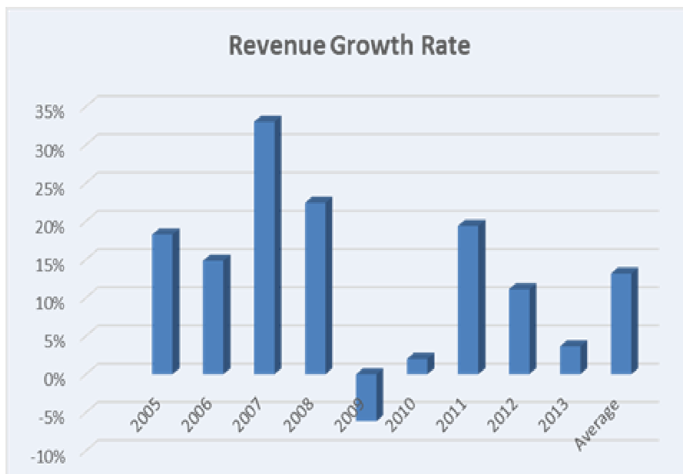
Risks

Accenture's business model faces several operational risks. One of the risks involves the high concentration of Accenture's Global Delivery Network in India and the Philippines. Given the dependency of Accenture's business model on its Global Delivery Network, having a high concentration of that network in only a couple of geographic locations creates several risks, including risk of natural disasters, political risks, wage increases, and other economic risks in that area. Another risk is increased competition. Lower-cost competitors are entering the marketplace, and if economic conditions or other factors incentivize a shift to decreased budgets in technological investment, this could adversely affect Accenture's revenues.

Valuation

We derived a share value of $103.50 for ACN using a discounted cash flow analysis. Our assumptions included a 10-year revenue growth rate of 10%, a WACC of 10%, and a terminal growth rate of 3%.

Historically, Accenture has been able to generate a revenue growth rate of approximately 10-15% on average each year over the past 10 years. We think it is reasonable to assume a similar growth rate over the next decade because as economic conditions improve, budgets for technological investment will subsequently increase. Furthermore, given the strong trends of migration toward cloud and digital technology being seen throughout all industries, we believe this will further incentivize investment in this area. This migration is in its infancy, and we believe that the below average revenue growth rates seen over the past couple of years reflect reduced investment in minor technological upgrades as companies set aside the significant capital requirements necessary for a large technological shift in the future.



Sensitivity Analysis

Discount Rate	Growth Rate 2.0%	2.5%	3.0%	3.5%	4.0%
9.0%	$ 108	$ 113	$ 118	$ 125	$ 132
9.5%	$ 101	$ 105	$ 110	$ 115	$ 121
10.0%	$ 95	$ 99	$ 102	$ 106	$ 111
10.5%	$ 90	$ 93	$ 96	$ 99	$ 103
11.0%	$ 85	$ 88	$ 90	$ 93	$ 96

As mentioned in the section on competitive advantages, Accenture has already established business relationships and ongoing contracts with the majority of the Fortune 100 and Fortune 500 companies. Given the firm's strong brand reputation and highly positive customer feedback, it is likely that Accenture will continue to receive future business from its current client base.

We calculated a WACC of approximately 11.2%. We arrived at this figure using the CAPM model to calculate the cost of equity, using the prevailing 10-year Treasury rate of 2.7% as the risk-free rate, a beta of 0.80, and a market risk premium of 8.0%. For the cost of debt, we used 4.0% which is standard for 10-year bonds issued by companies with similar credit ratings (A1). Using an equity weighting of 99.5% and a debt weighting of 0.5%, we arrived at a WACC figure of 11.2%.

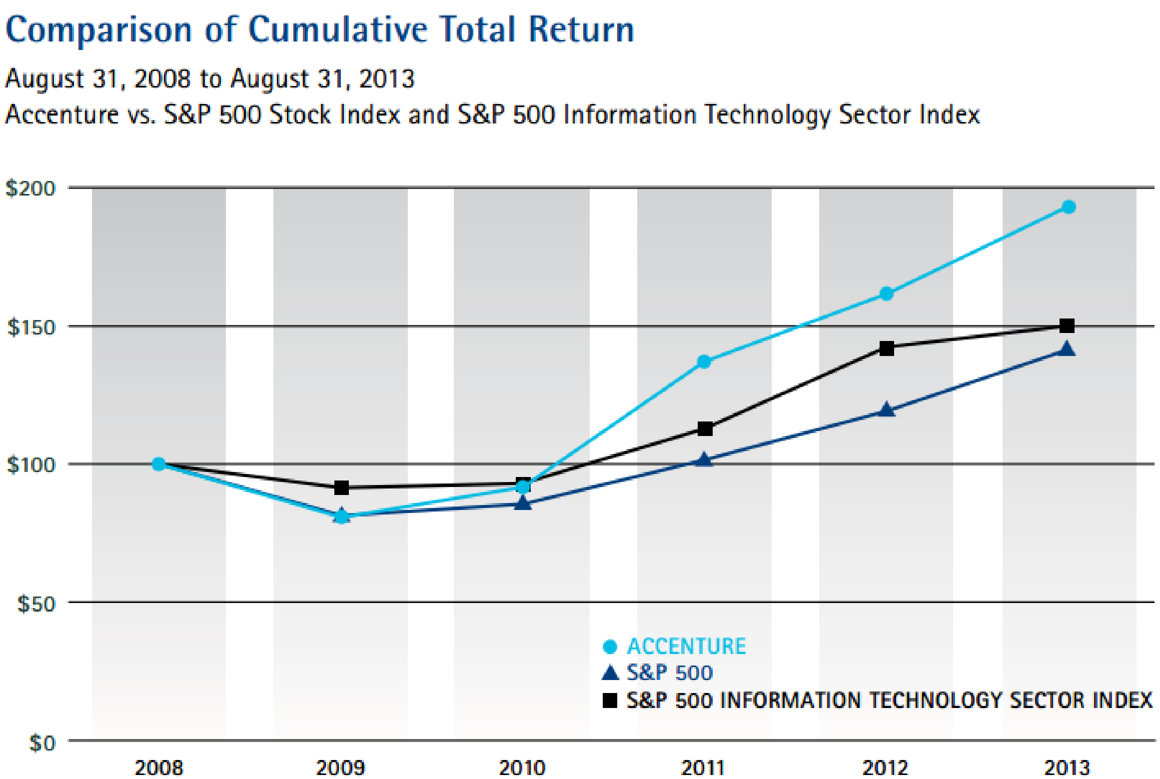
Despite this figure, we proceeded with the DCF calculations using a discount rate of 10%. We feel that given Accenture's low beta and strong debt rating, the WACC figure is unfairly skewed upward toward simply the cost of equity given that Accenture holds almost no debt. If Accenture were to hold a much larger and unnecessary amount of debt, the WACC figure would drop significantly. Considering these circumstances, we decided it would be more reasonable to proceed with a 10% discount rate.

Given Accenture's global market exposure, increasingly high market share, and the sustainability of its business model, we felt that a terminal growth rate of 3% was reasonable.

Past Performance

Since Accenture's IPO in 2001, the company has delivered a compound annual total return of 15% including dividends. This is three times more than the annual return on the S&P 500 for the same period. The company has increased its dividend almost every year since 2006, and has bought back stock every year from the past 10 years at an average rate of 4% per year.

Revenues and profit margins have increased almost every year at a strong pace, with revenues more than doubling and profit margins almost tripling in the past decade.



	Indexed Prices as of August 31,					
	2008	2009	2010	2011	2012	2013
Accenture	$100	$81	$92	$138	$162	$194
S&P 500	100	82	86	102	120	142
S&P 500 Information Technology Sector Index	100	91	93	113	142	150

Conclusion

We feel that Accenture is an attractive investment due to its position as a leader in its industry, its sustainable business model that allows for consistently strong and predictable cash flows, its established contracts and business relationships that create barriers to entry, its strong balance sheet (low debt levels), and its excellent and continuously improving operating efficiency.

Appendix

Exhibit 1: FCF Projections

Inputs:	
Effective Tax Rate:	25.3%
Growth Rate:	10%
WACC:	10%
Terminal Growth Rate:	3%

Accenture DCF Valuation Model

	Historical			Projected									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	$ 27,352,914	$ 29,777,985	$ 30,394,285	$ 33,433,714	$ 36,777,085	$ 40,454,793	$ 44,500,273	$ 48,950,300	$ 53,845,330	$ 59,229,863	$ 65,152,849	$ 71,668,134	$ 78,834,948
EBITDA	3,527,022	3,919,235	4,353,329	4,500,052	4,950,058	5,445,063	5,989,570	6,588,527	7,247,379	7,972,117	8,769,329	9,646,262	10,610,888
Depr. & Amort.	513,256	593,545	593,028	580,625	596,212	612,217	628,653	645,529	662,859	680,653	698,926	717,689	736,955
Tax Expense	958,782	1,079,241	784,775	1,112,269	1,235,550	1,371,482	1,521,340	1,686,525	1,868,579	2,069,198	2,290,248	2,533,782	2,802,060
CapEx	403,714	371,974	369,593	353,881	338,838	324,434	310,642	297,436	284,792	272,685	261,093	249,994	239,367
Change in NWC		914,132	(795,538)	795,847	447,903	492,694	541,963	596,160	655,775	721,353	793,488	872,837	960,121
FCF			**3,994,499**	**2,238,055**	**2,927,767**	**3,256,454**	**3,615,625**	**4,008,406**	**4,438,233**	**4,908,881**	**5,424,500**	**5,989,648**	**6,609,341**

Exhibit 2: DCF with Sensitivity Analysis

	2013	2014 (E)	2015 (E)	2016 (E)	2017 (E)	2018 (E)	2019 (E)	2020 (E)	2021 (E)	2022 (E)	2023 (E)	(TERMINAL)
Free Cash Flow	$ 3,994,499	$ 2,238,055	$ 2,927,767	$ 3,256,454	$ 3,615,625	$ 4,008,406	$ 4,438,233	$ 4,908,881	$ 5,424,500	$ 5,989,648	$ 6,609,341	$ 88,133,397
Discounted Cash Flow	$ 3,994,499	$ 2,034,596	$ 2,419,642	$ 2,446,622	$ 2,469,520	$ 2,488,905	$ 2,505,267	$ 2,519,032	$ 2,530,569	$ 2,540,196	$ 2,548,187	$ 33,979,240

Enterprise Value	$ 62,476,274
+ Cash	5,631,885
- Debt	25,600
Equity Value	68,082,559
Shares Outstanding (ths.)	666,360
Share Price	**$ 102.17**

SENSITIVITY ANALYSIS	
Terminal Growth Rate	**Share Price**
2%	95.36
3%	102.17
4%	111.25
Avg. Share Price	**$ 102.93**

Exhibit 3: WACC Calculation

Cost of Debt		Cost of Equity		WACC	
Debt Rate	4.0%	Risk Free Rate	2.7%	Debt / Capital	0.5%
Marginal Tax Rate	25.3%	Market Risk Prem.	8%	Equity / Capital	99.5%
		Beta	0.8	WACC	11.2%
		Cost of Equity	11.3%		

Exhibit 4: Income Statement

Income Statement			
Period Ending	31-Aug-13	31-Aug-12	31-Aug-11
Total Revenue	30,394,285	29,777,985	27,352,914
Cost of Revenue	21,010,110	20,790,284	18,966,195
Gross Profit	9,384,175	8,987,701	8,386,719
Operating Expenses			
Research Development	-	-	-
Selling General and Administrative	5,317,537	5,114,462	4,914,742
Non Recurring	-272,042	1,691	1,520
Others	-	-	-
Total Operating Expenses	-	-	-
Operating Income or Loss	4,338,680	3,871,548	3,470,457
Income from Continuing Operations			
Total Other Income/Expenses Net	14,649	47,687	56,565
Earnings Before Interest And Taxes	4,353,329	3,919,235	3,527,022
Interest Expense	14,035	15,061	15,000
Income Before Tax	4,339,294	3,904,174	3,512,022
Income Tax Expense	784,775	1,079,241	958,782
Minority Interest	-272,641	-271,423	-275,563
Net Income From Continuing Ops	3,281,878	2,553,510	2,277,677
Non-recurring Events			
Discontinued Operations	-	-	-
Extraordinary Items	-	-	-
Effect Of Accounting Changes	-	-	-
Other Items	-	-	-
Net Income	3,281,878	2,553,510	2,277,677

Exhibit 5: Balance Sheet

Balance Sheet				
Period Ending		31-Aug-13	31-Aug-12	31-Aug-11
Assets				
Current Assets				
	Cash And Cash Equivalents	5,631,885	6,640,526	5,701,078
	Short Term Investments	2,525	2,261	4,929
	Net Receivables	5,641,491	5,166,443	5,177,952
	Inventory	-	-	-
	Other Current Assets	568,277	778,701	587,224
Total Current Assets		11,844,178	12,587,931	11,471,183
Long Term Investments		43,631	28,180	40,365
Property Plant and Equipment		779,675	779,494	785,231
Goodwill		1,818,586	1,215,383	1,131,991
Intangible Assets		-	-	-
Accumulated Amortization		-	-	-
Other Assets		807,665	707,719	986,867
Deferred Long Term Asset Charges		1,573,314	1,346,708	1,315,873
Total Assets		16,867,049	16,665,415	15,731,510
Liabilities				
Current Liabilities				
	Accounts Payable	5,930,375	5,834,142	5,682,900
	Short/Current Long Term Debt	-	11	4,419
	Other Current Liabilities	2,230,615	2,275,052	2,219,270
Total Current Liabilities		8,160,990	8,109,205	7,906,589
Long Term Debt		25,600	22	-
Other Liabilities		2,560,415	3,272,452	2,848,352
Deferred Long Term Liability Charges		692,215	659,308	625,697
Minority Interest		467,643	478,595	471,921
Negative Goodwill		-	-	-
Total Liabilities		11,439,220	12,040,987	11,380,638
Stockholders' Equity				
Misc Stocks Options Warrants		-	-	-
Redeemable Preferred Stock		-	-	-
Preferred Stock		-	-	-
Common Stock		75	74	73
Retained Earnings		10,069,844	7,904,242	6,281,517
Treasury Stock		-7,326,079	-5,285,625	-3,577,574
Capital Surplus		2,393,936	1,341,576	525,037
Other Stockholder Equity		-177,590	185,566	649,898
Total Stockholder Equity		4,960,186	4,145,833	3,878,951
Net Tangible Assets		3,141,600	2,930,450	2,746,960

Exhibit 6: Cash Flow Statement

Cash Flow Statement			
Period Ending	31-Aug-13	31-Aug-12	31-Aug-11
Net Income	3,281,878	2,553,510	2,277,677
Operating Activities, Cash Flows Provided By or Used In			
Depreciation	593,028	593,545	513,256
Adjustments To Net Income	44,119	502,426	336,389
Changes In Accounts Receivables	-309,694	-128,459	-620,481
Changes In Liabilities	-259,651	650,837	986,561
Changes In Inventories	-	-	-
Changes In Other Operating Activities	-319,193	-186,430	-327,226
Total Cash Flow From Operating Activities	3,303,128	4,256,852	3,441,739
Investing Activities, Cash Flows Provided By or Used In			
Capital Expenditures	-369,593	-371,974	-403,714
Investments	-	4,995	-241
Other Cash flows from Investing Activities	-786,622	-168,406	-299,432
Total Cash Flows From Investing Activities	-1,156,215	-535,385	-703,387
Financing Activities, Cash Flows Provided By or Used In			
Dividends Paid	-1,121,738	-950,857	-643,642
Sale Purchase of Stock	-2,028,540	-1,644,454	-1,614,511
Net Borrowings	54	-6,268	-1,608
Other Cash Flows from Financing Activities	-29,478	-35,633	-33,057
Total Cash Flows From Financing Activities	-3,065,629	-2,558,855	-2,121,504
Effect Of Exchange Rate Changes	-89,925	-223,164	245,938
Change In Cash and Cash Equivalents	-1,008,641	939,448	862,786

**Note: Financial Statements (Exhibits 4, 5, 6) provided by Yahoo! Finance*