

- The company has delivered a strong quarter with an EBITDA growth of 18% q-o-q and 16% y-o-y with Q1 FY14 EBITDA at Rs. 85 Crores. The company has shown a increase of 200 basis point in the EBITDA margins compared to previous quarter, showing improved quality of earnings.
- Q1 FY 14 marks a good beginning towards a year of sustainable performance levels.

**COMPANY PERFORMANCE (STANDALONE FINANCIALS)**

**Profit & Loss Statement**

*INR Cr*

	<b>Q1 FY 14</b>	<b>Q4 FY 13</b>	<b>Q1 FY 13</b>	<b>FY 13</b>
Sales	<b>758</b>	817	866	3,354
EBITDA	<b>85</b>	72	74	260
<i>EBITDA %</i>	<b>11%</b>	9%	9%	8%
Depreciation	<b>24</b>	23	21	86
EBIT	<b>62</b>	49	53	174
<i>EBIT %</i>	<b>8%</b>	6%	6%	5%
Interest	<b>28</b>	25	28	106
PBT	<b>34</b>	24	25	69
Tax	<b>11</b>	9	7	21
<i>Effective tax rate</i>	<b>33%</b>	38%	27%	31%
PAT	<b>23</b>	15	18	47

**Volumes**

	<b>Q1 FY 14</b>	<b>Q4 FY 13</b>	<b>Q1 FY 13</b>	<b>FY 13</b>
OF (Million fkm)	<b>3.8</b>	3.2	3.4	12.5
OFC (Million fkm)	<b>1.0</b>	0.9	1.5	4.6
Conductors (MT)	<b>27,000</b>	32,600	36,200	137,750

- The quarter saw the highest ever fiber volumes of 3.8 million fiber kilometer, moving closer to the 20 million kilometer target. The fiber cable volumes saw a q-o-q growth of 10 %, being mostly in line with previous few quarters
- The conductor volumes are lower by 17% q-o-q and 25% y-o-y. This is primarily due to lower demand from the domestic market.
- The **order book** for the company as on date stands at about Rs 1,830 Crores. Rs 1,500 Crores of which is for the power segment while telecom accounts for about Rs 330 Crores.

**Capital expenditure**

- The company has incurred a capex of about Rs 30 Crores in Q1 FY 14.
- In the BOOM projects, for the ENICL (East North Interconnection) project, the first line connecting Purnea to Bihar Shariff will be commissioned in August 2013. The slight delay has been on account of major flooding on the Ganga river which posed challenges in the stringing activity. The second line

for this project, which is the Bongaigaon – Siliguri line is having force majeure issues. The political unrest in Assam belt has put a halt on the last leg of project completion. All measures possible are being taken to address this with the concerned authorities and get this back on track. On the other two projects, which are the Bhopal-Dhule Transmission (BDTCL) and Jabalpur Transmission (JTCL), the project execution is largely on track towards progressive revenue generation in FY15.

- Total **capex for BOOM projects** till date has been about Rs 2,430 Crores, Sterlite Technologies has funded about Rs 680 Crores into these projects as an equity infusion while the remaining has been raised as debt so far.
- The **net debt** for the company has increased to a level of Rs 930 Crores from the last quarter levels of about Rs. 840 Crores.

### SEGMENTAL PERFORMANCE (STANDALONE FINANCIALS)

#### Telecom Segment

INR Cr

	Q1 FY 14	Q4 FY 13	Q1 FY 13	FY 13
Sales	291	262	276	1,056
EBITDA	61	43	47	166
EBITDA %	21%	16%	17%	16%
Depreciation	17	16	14	58
EBIT	44	26	33	108
EBIT %	15%	10%	12%	10%
Capital employed	1,194	1,238	1,101	1,238
ROCE %	15%	9%	12%	9%

- This quarter witnessed good performance on the telecom segment displaying growth both on revenue and profitability side.
- The absolute EBITDA for the quarter grew by 44% q-o-q and by 31% y-o-y. The profitability margins also grew to 21% as compared to 16% in previous quarter and 17% same period last year.

**Power Segment**
*INR Cr*

	<b>Q1 FY 14</b>	<b>Q4 FY 13</b>	<b>Q1 FY 13</b>	<b>FY 13</b>
Sales	<b>453</b>	538	570	2,230
EBITDA	<b>24</b>	30	27	94
<i>EBITDA %</i>	<b>5%</b>	6%	5%	4%
Depreciation	<b>7</b>	7	7	27
EBIT	<b>17</b>	23	20	67
<i>EBIT %</i>	<b>4%</b>	4%	4%	3%
Capital employed	<b>398</b>	387	515	387
<i>ROCE %</i>	<b>17%</b>	24%	16%	17%

- The revenue and the EBITDA in this quarter show a decline on account of lower volumes. The EBITDA/MT translates to around Rs. 9,000/MT.

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