

- The company witnessed a challenging quarter where the EBITDA margins dropped by 200 basis points with respect to previous quarter. The standalone EBITDA in Q2 of Rs. 58 Crores was down by 32% on q-o-q basis. The lower profitability is due to weakening markets in the Telecom segment

COMPANY PERFORMANCE (STANDALONE FINANCIALS)

Profit & Loss Statement

INR Cr

	Q2 FY 14	Q1 FY 14	Q2 FY 13	6M FY 14	6M FY 13	FY 13
Sales	642	758	842	1,401	1,708	3,354
EBITDA	58	85	54	144	128	260
<i>EBITDA %</i>	9%	11%	6%	10%	7%	8%
Adjusted EBITDA	58	85	80	144	154	286
<i>Adjusted EBITDA%</i>	9%	11%	10%	10%	9%	9%
Depreciation	25	24	21	49	41	86
EBIT	33	62	34	95	87	174
<i>EBIT %</i>	5%	8%	4%	7%	5%	5%
Interest	16	28	26	44	54	106
PBT	16	34	7	50	33	69
Tax	4	11	3	16	10	21
<i>Effective tax rate</i>	27%	33%	44%	31%	31%	31%
PAT	12	23	4	35	23	47
<i>PAT %</i>	1.9%	3.0%	0.5%	2.5%	1.3%	1.4%

Volumes

	Q2 FY 14	Q1 FY 14	Q2 FY 13	6M FY 14	6M FY 13	FY 13
OF (Million fkm)	2.3	3.8	3.4	6.1	6.7	12.5
OFC (Million fkm)	0.9	1.0	1.3	1.9	2.8	4.6
Conductors (MT)	27,000	27,000	35,600	54,000	71,800	137,750

* Does not include sales done from China JV

- The fiber volumes witnessed a significant drop in this Quarter due to overall decrease in demand in the China market and additionally shift of sales from India operations to China Joint Venture.
- Volume for the optical fiber cable business and conductors were stable and in line with last few quarters
- The order book for the company as on 1st October, 2013 stands close to Rs 2,500 Crores, which has significantly improved over the last quarter. Out of the total open order book, Rs 2,180 Crores accounts for the power segment while telecom accounts for about Rs 320 Crores.

Balance Sheet
INR Cr

	6M FY 14	FY 13
Source of funds	2,393	2,326
Networth	1,218	1,183
Gross Debt	1,064	1,039
Other liabilities/provisions	24	17
Deferred tax liability (Net)	88	87
Application of funds	2,393	2,326
Net fixed assets	1,046	1,030
Current assets	1,142	1,322
- Cash	108	196
Current liabilities	829	960
Other non current assets	1,034	935

- The company has incurred a capex of about Rs 60 Crores in first half of fiscal 2013-14.
- The net debt for the standalone company is at Rs 956 Crores at end of September 2013 against Rs 843 Crores at March 2013.
- In the infrastructure segment, for the ENICL (East North Interconnection) project, the first line connecting Purnea to Bihar Shariff got successfully commissioned in September 2013 and will be generating revenues from the current month. The second line for this project, which is the Bongaigaon – Siliguri line, underwent force majeure issues due to the political unrest in Assam belt. After putting in relentless efforts to address this issue with the different government authorities, the work on this line has been reinitiated. The line is expected to be commissioned by end of the current fiscal.
- The other two projects are largely on track towards progressive revenue generation in FY15. The completion status for Bhopal-Dhule Transmission (BDTCL) is progressing well with the 1500 MVA substation at the Dhule site expected to be commissioned by end of this calendar year. The work on the Jabalpur Transmission (JTCL) is also moving ahead with the first line expected to be commissioned by end of the current fiscal. The second line is facing some delays regarding abnormal forest clearance issues, commissioning expected in Q1 of next fiscal.
- The company also won two new transmission projects – RAPP (Rajasthan Atomic Power Project) transmission project and ERSS – 7 (Eastern Region System Strengthening) transmission project. The combined project cost of these projects stands at Rs 650 Crores with commissioning period of 28

months. The physical work on both these projects will start after the SPVs get transferred from PFC (Power Finance Corporation) which is the awarding agency.

- The combined annual revenues from all the five projects would stand at Rs 690 Crores once all of them get commissioned.
- Total capex for BOOM projects till date has been about Rs 2,740 Crores, Sterlite Technologies has funded about Rs 700 Crores into these projects as an equity infusion while the remaining has been raised as debt so far.

SEGMENTAL PERFORMANCE (STANDALONE FINANCIALS)

Telecom Segment

INR Cr

	Q2 FY 14	Q1 FY 14	Q2 FY 13	6M FY 14	6M FY 13	FY 13
Sales	209	291	275	500	551	1,056
EBITDA	33	61	48	94	95	166
EBITDA %	16%	21%	17%	19%	17%	16%
Depreciation	18	17	14	35	28	58
EBIT	15	44	34	59	67	108
EBIT %	7%	15%	12%	12%	12%	10%

- The telecom performance this quarter was affected due to lower volumes on the fiber side on account of weak demand in China market and due to sales in China from the local operations.
- On a six month basis, the EBITDA margins have shown an improvement of 200 basis points from 17% to 19% compared to same period last year. There has been marginal revenue of Rs 125 Crores in the first half from the SI and the structure cable business.

Power Segment

INR Cr

	Q2 FY 14	Q1 FY 14	Q2 FY 13	6M FY 14	6M FY 13	FY 13
Sales	420	453	549	874	1,118	2,230
EBITDA	26	24	7	50	33	94
EBITDA %	6%	5%	1%	6%	3%	4%
Adjusted EBITDA	26	24	32	50	59	120
Adjusted EBITDA %	6%	5%	6%	6%	5%	5%
Depreciation	7	7	7	15	14	27
EBIT	18	17	(0)	35	20	67
EBIT %	4%	4%	0%	4%	2%	3%

- The EBITDA for the quarter stands at Rs 26 Crore which shown a modest increase of 6% over the previous quarter. The EBITDA / MT for the quarter translates into Rs 9,500.

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