

May 23, 2014

MEDIA RELEASE

Result Update: Consolidated Performance

- Gross Revenue before eliminations declined by 24% YoY to ₹ 28,558 Mn in Q4FY14 from ₹ 37,629 Mn in Q4FY13
- Gross Revenue before eliminations declined by 29% YoY to ₹ 1,08,753 Mn in FY14 from ₹ 1,52,959 Mn in FY13
- Adjusted EBITDA (Ex Forex) decreased by 72% YoY to ₹ 2,655 Mn in Q4FY14 from ₹ 9,624 Mn in Q4FY13
- Adjusted EBITDA (Ex Forex) decreased by 25% YoY to ₹ 20,425 Mn in FY14 from ₹ 27,308 Mn in FY13
- Reported loss of ₹ 5,843 Mn in Q4FY14 vs. loss of ₹ 316 Mn in Q4FY13.
- Reported loss of ₹ 22,739 Mn in FY14 vs. loss of ₹ 10,733 Mn in FY13.
- Forex gain of ₹ 802 Mn in Q4FY14 vs. Forex loss of ₹ 167 Mn in Q4FY13.
- Forex loss of ₹ 3,707 Mn in FY14 vs. Forex loss of ₹ 775 Mn in FY13.
- Adjusted Net Worth of the company stood at ₹ 41,584 Mn at end March'2014.

Note:

Due to delays in execution of contracts the cost associated with price escalations, claims of the service providers, subcontractors and upward revision of estimated cost, comprising of provision for expected losses on some ongoing projects and additional costs in recently completed / discontinued projects has resulted in losses for the Quarter and for the year .The company continues to pursue certain entitlements from the clients for suitable compensation.

Financial Performance:

₹ Mn

Particulars	Q4FY14	Q4FY13	Change	FY14	FY13	Change
Gross Revenue*	28,558	37,629	-24%	1,08,753	1,52,959	-29%
Reported Revenue	27,623	35,696	-23%	1,04,300	1,37,388	-24%
Reported PAT	-5,843	-316		-22,739	-10,733	
Profit Eliminated	-390	-579		-149	31	
Adj. PAT* (PAT + Profit Eliminated)	-6,233	-895		-22,888	-10,702	
Cash Profit	-5,065	2,420		-7,434	2,329	

*Before inter segment / Intra-group elimination



Key Balance Sheet Figures as on 31st March, 2014:

₹ Mn

Net Worth (including Minority Interest)		26,573
Add: Profit Eliminated (as per AS 21)		15,012
Adjusted Net Worth		41,584
Gross Debt (of company, subsidiaries & associates) *		3,66,256
Gross debt of projects under operation	1,80,941	
Gross debt of projects under construction	1,85,315	
Cash and Cash Equivalent (including subsidiaries and associates)		6,035
Net Debt		3,60,221
Net Debt / Gross Adjusted Net Worth		8.66

*Excludes acquisition debt of Griffin Coal and working capital loans of power companies

Sector Wise Performance:
1. Power:

- Total Outstanding Receivables of ₹ 28,235 Mn from various State Electric Utilities as of March'2014

₹ Mn

Particulars	Q4FY14	Q4FY13	Change	FY14	FY13	Change
Revenue	20,210	17,408	16%	74,802	85,302	-12%
Less: Power Trading	800	2,537	-68%	5,635	21,963	-74%
Net Revenue	19,409	14,871	31%	69,167	63,339	9%
EBITDA	6,850	4,136	66%	24,272	19,299	26%
Less: Power Trading	-18	-88		109	100	9%
Forex (loss)/Gain	3	-5		-27	-144	
Adjusted EBITDA	6,865	4,229	62%	24,189	19,343	25%
Adj EBITDA Margin (%)	35%	28%		35%	31%	



Details of Power Projects under Operation for the Quarter

Projects	Capacity	Units Generated	PLF	Total Revenue	EBITDA	PAT	EBITDA Margin
	(MW)	(MUs)	%	(₹ Mn)	(₹ Mn)	(₹ Mn)	
Kondapalli I	368	405	51%	1,675	407	-729*	24%
Kondapalli II	366	-	0%				
Amarkantak I	300	589	91%	1,505	543	29*	36%
Amarkantak II	300	-	0%				
Tanjore	120	185	71%	695	206	109	30%
Udupi	1200	2,144	83%	9,069	3,211	2,186*	35%
Anpara	1200	1,826	70%	5,915	2,081	-36	35%
Budhil	70	10	7%	125	37	-204	29%
Total	3,924	5,160	61%	18,984	6,485	1,356	34%

*PAT includes deferred tax liability reduction during the quarter

Amarkantak Power (2 X 300 MW)

- PAF for Unit-1 was 92% during the quarter. PAF for Unit-1 was 96% during the year.
- Unit 2 remained shut throughout the quarter and the year due to non-availability of coal.

Lanco Kondapalli Power (Unit 1- 368 MW and Unit 2 – 366 MW)

- PAF for Unit-1 for the quarter was 76%. PAF for Unit-1 was 80% during the year. PLF for unit 1 for the year ended March 2014 was 45% compared to 55% for the year ended March 2013, a decline of 18% YoY. Lower generation was on account of lower availability of gas.
- Unit-2 remained shut throughout the quarter and the year due to non-supply of gas from KG D-6.

Udupi Power (2X 600 MW)

- PAF for the quarter was 91%. PAF for the year was 75%.

Anpara Power (2X600 MW)

- PAF for the quarter was 80%. PAF for the year ended March 2014 was 72%.



Budhil Power (2X35 MW).

- Low PLF due to planned shutdown.

Tanjore (1X120 MW)

- PLF for the year ended March 2014 was 70% compared to 86% for the year ended March 2013. Lower PLF was due to short supply of gas by GAIL.

NETS (Power Trading)

- 382 MUs traded during the quarter.

2. EPC

₹ Mn

Particulars	Q4FY14	Q4FY13	Change	FY14	FY13	Change
Revenue	7,286	9,742	-25%	22,556	43,450	-48%
Forex (loss)/Gain	1,443	197	632%	157	-96	
EBITDA	-2,632	2,979		-2,643	6,903	
Adjusted EBITDA	-4,074	2,782		-2,799	6,999	
Adj EBITDA Margin (%)	-56%	29%		-12%	16%	

- Revenue down by 25% YoY due to lower execution

Order Book:

- Current EPC order book stands at ₹ 261,780 Mn (including Power and Solar Projects)
- Internal Projects constitute ~84% of the Power and Construction EPC Order book

3. Solar:

- Solar Generation consists of 41 MW

₹ Mn

Particulars	Q4FY14	Q4FY13	Change	FY14	FY13	Change
Revenue	739	6,301	-88%	5,163	13,405	-61%
Forex (loss)/Gain	46	143	-68%	-518	-214	
EBITDA	-1,127	1,676		-1,003	1,654	
Adjusted EBITDA	-1,172	1,533		-485	1,868	
Adj EBITDA Margin (%)	-159%	24%		-9.4%	14%	

- Solar EPC: Order Book of ₹ 29,490 Mn with 57% orders from external parties.

4. Natural Resources:

Griffin Coal:

- Production for quarter was 0.70 MT vs 0.78 MT in Q4FY13. Sales for the quarter were 0.66 MT vs. 0.69 MT in Q4FY13.
- Average realization for the quarter was ~AUD 40 per ton vs. ~AUD 43 per ton in Q4FY13.

₹ Mn

Particulars	Q4FY14	Q4FY13	Change	FY14	FY13	Change
Revenue	1,454	4,114	-65%	6,811	9,540	-29%
Forex (Loss)/Gain	621	18	3306%	-1,720	-7	
EBITDA	-613	804		-3,864	-1,058	
Adj EBITDA	-1,234	785		-2,144	-1,050	
Adj EBITDA Margin (%)	-85%	19%		-31%	-11%	



5. Infrastructure:

Current portfolio consists of highway projects of about 440 km length, for which the Concession Agreements have been signed with the National Highway Authority of India (NHAI):

	Distance	Status
Neelamangla Junction (Bangalore) – Devihalli (NH-48)	82 km	Toll collection revenue at ₹ 111 Mn during the quarter
Bangalore – Hoskote – Mulbagal (NH-4)	81 Km	Toll collection revenue at ₹ 134 Mn during the quarter
Aligarh- Kanpur (NH-91)	283 km	Construction to start after obtaining necessary clearances

6. Property Development & Others:

Consists of the Lanco Hills project at Hyderabad, which is the only Real estate venture of the Group. During the year, sales at Lanco Hills increased by 17% YoY to ₹ 1962 Mn.

₹ Mn

Particulars	Q4FY14	Q4FY13	Change	FY14	FY13	Change
Revenue	-420	786		2,342	2,042	15%
EBITDA	-41	107		287	381	-25%
EBITDA Margin (%)		14%		12%	19%	

About Lanco

Lanco Infratech Limited, one of the India's largest integrated infrastructure developers, is headquartered in New Delhi Region and has an employee strength of 4,000. It has an adjusted net-worth of ₹ 41,584 Mn and is present across in 5 core sectors viz. EPC, Power, Natural Resources, Solar and Infrastructure.

