

August 7, 2013

MEDIA RELEASE

Result Update: Consolidated Performance

- Gross Revenue before eliminations declined by 28% from ₹ 40,305 Mn in Q1FY13 to ₹ 29,142 Mn in Q1FY14.
- Adjusted EBITDA (Ex Forex) increased by 6% YoY from ₹ 6,177 Mn in Q1FY13 to ₹ 6,562 Mn in Q1FY14.
- Reported loss of ₹ 5,788 Mn in Q1FY14 vs. loss of ₹ 4,412 Mn in Q1FY13.
- Forex loss of ₹ 2,206 Mn booked during the quarter.
- Adjusted Net Worth of the company stood at ₹ 58,674 Mn at end June'2013.

Financial Performance:

	₹ Mn		
Particulars	Q1FY14	Q1FY13	Change
Gross Revenue*	29,142	40,305	-28%
Reported Revenue	28,225	34,957	-19%
Reported PAT	-5,788	-4,412	-31%
Profit Eliminated	157	552	-72%
Adj. PAT* (PAT + Profit Eliminated)	-5,631	-3,860	-46%
Cash Profit	-169	1,068	

*Before inter segment / intra-group elimination

Key Balance Sheet Figures as on 30th June, 2013:

	₹ Mn	
Net Worth (including Minority Interest)		43,482
Add: Profit Eliminated (as per AS 21)		15,192
Adjusted Net Worth		58,674
Gross Debt (of company, subsidiaries & associates) *		3,53,938
Gross debt of projects under operation	1,77,055	
Gross debt of projects under construction	1,76,883	
Cash and Cash Equivalent (including subsidiaries and associates)		6,240
Net Debt		3,47,699
Net Debt / Gross Adjusted Net Worth		5.93

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

Recent Key Developments:

- Bagged EPC order worth ₹ 33bn for 2X300 MW lignite based thermal power plant of GIPCL
- Bagged 10 MW solar power project from Punjab Energy Development Agency

Sector Wise Performance:

1. Power:

- Total Outstanding Receivables of ₹ 32,851 Mn from various State Electric Utilities as of June'2013

Particulars	Q1FY14	Q1FY13	Change (%)
Revenue	20,216	20,816	-3%
Less: Power Trading	3,132	5,249	-40%
Net Revenue	17,084	15,567	10%
EBITDA	5,370	3,734	44%
Less: Power Trading	62	33	86%
Forex (loss)/Gain	-18	-1,017	98%
Adjusted EBITDA	5,326	4,718	13%
Adj EBITDA Margin (%)	31%	30%	
Cash Profit	426	575	-26%

Details of Power Projects under Operation for the Quarter

Projects	Capacity (MW)	Units Generated (MUs)	PLF %	Total Revenue (₹ Mn)	EBITDA (₹ Mn)	PAT (₹ Mn)	EBITDA Margin
Kondapalli I	368	424	53%				
Kondapalli II	366	-	-	1,815	-105	-789	-6%
Amarkantak I	300	563	86%				
Amarkantak II	300	-	-	1,592	544	-560	34%
Tanjore	120	166	63%	615	219	109	36%
Udupi	1200	1,949	74%	8,014	3,189	-261	40%
Anpara	1200	1,607	62%	4,764	1,268	-958	27%
Budhil	70	73	48%	139	47	-190	34%
Total	3,924	4,781	56%	16,939	5,162	-2,649	30%

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Amarkantak Power (2 X 300 MW)

- PAF for Unit-1 was 98.5% during the quarter.
- Unit 2 remained shut throughout the quarter due to non-availability of coal.
- Average realization for unit 1 from MP during the quarter was ₹ 3.11 per unit at CERC tariff.

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

- PAF for Unit-1 for the quarter was 99%. Lower generation was on account of lower availability of gas.
- Capacity charge has been adjusted in the tariff for Unit 1 as the unit is debt free.
- Unit-2 remained shut throughout the quarter due to non-supply of gas from KG D-6.

Udupi Power (2X 600 MW)

- PAF for the quarter was 81%. Generation was affected due to coal shortage, grid restriction and silt accumulation during monsoon.
- Forex loss of ₹ 376 mn and deferred tax of ₹ 268 mn booked during the quarter.
- Realizations are based on provisional tariff order of CERC dated December 24th, 2012.

Anpara Power (2X600 MW)

- PAF for the quarter was 64%. Lower generation was on account coal supply constraints.
- Sale of 100MW of power to TNEB under Medium Term Open Access commenced from mid-June.

Budhil Power (2X35 MW).

- Revenue affected due to low exchange realizations.

Aban (1X120 MW)

- Lower PLF due to short supply of gas by GAIL.

NETS (Power Trading)

- 802 MU traded during the quarter vs. 1654 MU in Q1FY13.

2. EPC

Particulars	₹ Mn		
	Q1FY14	Q1FY13	Change (%)
Revenue	5,516	15,734	-65%
Forex (loss)/Gain	-875	-312	-180%
EBITDA	412	1,285	-68%
Adjusted EBITDA	1,287	1,597	-19%
Adj EBITDA Margin (%)	23%	10%	

- Revenue down by 65% YoY due to lower execution

Order Book:

- Current EPC order book stands at ₹ 289,992 Mn (including Power and Solar Projects)
- Internal Projects constitute ~74% of the Power and Construction EPC Order book

3. Solar:

- Solar Generation consists of 41 MW

Particulars	₹ Mn		
	Q1FY14	Q1FY13	Change (%)
Revenue	661	2,412	-73%
Forex (loss)/Gain	-389	-271	-44%
EBITDA	25	287	-91%
Adjusted EBITDA	414	557	-26%
Adj EBITDA Margin (%)	63%	23%	

- Solar EPC: Order Book of ₹ 34,602 Mn with 53% orders from external parties.

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4. Natural Resources:

The Natural Resources business consists of 2 key assets-

- **Mahatamil Project:** Gare Palma Sector- 2 Coal Block jointly allocated to TNEB (74%) and MSMC (26%) awarded to Lanco Infratech Limited for Mines Development and Operations along with the development of end use thermal power plant for TNEB share of coal.
 - Lanco targets the coal mine capacity to be developed to produce over 20 MTPA coal output and approximately ~2000 MW of power plant.
 - Exploration has already been completed and Geological Reserve is around 1 Billion Ton.
 - Mining plan has been submitted for approval and presentation made to MoC.
 - Application for Mine Lease has been submitted and is under process for approval from Statutory Authorities
 - Application for environmental and forest clearance has been submitted and MoEF's approval for TOR has been received
 - Power Project is in initial development phase. Potential sites for power plant have been identified and technical assessment is in progress.
- **Griffin Coal:**
 - Production for quarter was 0.836 MT vs 0.776 MT in Q1FY13. Sales for the quarter were 0.928 MT vs. 0.764 MT in Q1FY13.
 - Average realization for the quarter was ~AUD 43 per ton vs. ~AUD 41 per ton in Q1FY13.

₹ Mn			
Particulars	Q1FY14	Q1FY13	Change (%)
Revenue	2,200	1,717	28%
Forex (Loss)/Gain	-688	14	
EBITDA	-1,011	-736	-37%
Adj EBITDA	-323	-750	57%
Adj EBITDA Margin (%)	-15%	-44%	

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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 ₹ 108 Mn during the quarter
Bangalore – Hoskote – Mulbagal (NH-4)	81 Km	COD expected soon
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 quarter, sales at Lanco Hills increased by 19% QoQ to ₹ 869 Mn.

			₹ Mn
Particulars	Q1FY14	Q1FY13	Change (%)
Revenue	1,057	149	609%
EBITDA	149	53	180%
EBIDTA Margin (%)	14%	36%	

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 5,367 of which about 9% are outside India across 5 countries. It has an adjusted net-worth of ₹ 58,674 Mn and is present across in 5 core sectors viz. EPC, Power, Natural Resources, Solar and Infrastructure.

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