

May 29, 2013

MEDIA RELEASE

Result Update: Consolidated Performance

- Gross Revenue before eliminations declined by 15% from ₹ 44,422 Mn in Q4FY12 to ₹ 37,269 Mn in Q4FY13.
- Gross Revenue before eliminations for FY13 declined by 1% YoY from ₹ 1,53,968 Mn in FY12 to ₹ 1,52,959 Mn in FY13.
- Adjusted EBITDA (Ex Forex) improved by 130% YoY from ₹ 4,184 Mn in Q4FY12 to ₹ 9,624 Mn in Q4FY13.
- Adjusted EBITDA for FY13 (Ex Forex) increased by 40% YoY from ₹ 19,570 Mn in FY12 to ₹ 27,308 Mn in FY13.
- Reported loss of ₹ 316 Mn in Q4FY13 vs. a profit of ₹ 727 Mn in Q4FY12.
- Reported loss of ₹ 10,733 Mn in FY13 vs. a loss of ₹ 1,120 Mn in FY12.
- Forex loss of ₹ 167 Mn recognised during the quarter.
- Adjusted Net Worth of the company stood at ₹ 64,760 Mn as at end of March'2013.

Financial Performance:

	₹ Mn					
Particulars	Q4FY13	Q4FY12	Change (%)	FY13	FY12	Change (%)
Gross Revenue*	37,269	44,422	-15%	1,52,959	1,53,968	-1%
Reported Revenue	35,696	33,762	6%	1,37,388	1,01,690	35%
Reported PAT	-316	727		-10,733	-1,120	
Profit Eliminated	-579	885		31	7,963	-100%
Adj. PAT* (PAT + Profit Eliminated)	-895	1,613		-10,702	6,843	
Cash Profit	2,420	1,910	27%	2,329	13,780	-83%

* Before inter segment / intra-group elimination

Recent Key Developments

- Settlement reached with Perdaman
- Deal executed with Bluewaters for upward revision of prices under coal supply agreement

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Key Balance Sheet Figures as on 31st March, 2013:

₹ Mn

Net Worth (including Minority Interest)		49,599
Add: Profit Eliminated (as per AS 21)		15,161
Adjusted Net Worth		64,760
Gross Debt (of company, subsidiaries & associates) *		3,42,490
Gross debt of projects under operation	1,70,750	
Gross debt of projects under construction	1,71,740	
Cash and Cash Equivalent (including subsidiaries and associates)		6,555
Net Debt		3,35,935
Net Debt / Gross Adjusted Net Worth		5.19

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

Sector Wise Performance:

1. Power:

- Total Outstanding Receivables of ₹ 29,720 Mn from various State Electric Utilities as of March 2013

₹ Mn

Particulars	Q4FY13	Q4FY12	Change (%)	FY13	FY12	Change (%)
Revenue	17,408	11,044	58%	85,302	42,775	99%
Less: Power Trading	2,537	1,975	28%	21,963	10,040	119%
Net Revenue	14,871	9,069	64%	63,339	32,735	93%
EBITDA	4,136	5,082	-19%	19,299	14,085	37%
Forex (loss)/Gain	-108	604		-247	-451	
Less: Power Trading	-88	6		100	105	-4%
Adjusted EBITDA	4,332	4,472	-3%	19,446	14,431	35%
Adj EBITDA Margin (%)	29%	49%		31%	44%	
Cash Profit	-351	1,165		2,179	7,144	-70%



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	412	52%				
Kondapalli II	366	34	4%	1,923	-82	-885	-4%
Amarkantak I	300	469	72%				
Amarkantak II	300	311	48%	2,369	927	50	39%
Tanjore	120	200	77%	743	279	141	38%
Udupi	1200	1,889	73%	7,584	2,810	-92	37%
Anpara	1200	835	32%	2,235	288	-1,873	13%
Budhil	70	1	1%	2	-51	-247	NM
Total	3,924	4,151	49%	14,857	4,172	-2,906	28%

Amarkantak Power (2 X 300 MW)

- PAF for Unit-1 was 96% during the quarter. Low PLF at Unit-2 on account of transmission constraints in W3 region and shutdown due to non-availability of coal.
- For the full year, PLF for Units 1 & 2 stood at 68% and 51% respectively.
- Average realization for unit 1 from MP during the quarter was ₹ 3.45 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% and cumulative PAF for the full year for was 96%.
- Fixed cost recovery for Unit-1 has been adjusted as the unit is now debt free.
- Low PLF at phase 2 due to stoppage of gas supply from KG D6.

Udupi Power (2X 600 MW)

- PAF for the quarter was 75% because of plant shutdown due to non-availability of coal.
- PAF for the full year was 83%.
- Realisations are now based on the interim tariff order of CERC dated Dec 24, 2012.

Anpara Power (2X600 MW)

- PAF was low at 45% during the quarter because of forced shutdown due to non-availability of coal.
- Low PAF of 47% for the year due to infrastructure and fuel constraints.
- Wharf wall that was being constructed to improve coal logistics is now operational.

Budhil Power (2X35 MW)

- Generation at Budhil was affected due to forced shutdown because of transmission line tower failure caused by heavy snowfall.
- Plant is operational now since 30th March.

NETS (Power Trading)

- 811 MU traded during the quarter vs. 858 MU in Q4FY12. 6137 MU traded during FY13, higher by 23% YoY.

Status of projects under construction:

Projects	Status
Amarkantak (III & IV) (1,320 MW)	Turbine U#3 : HIP Alignment in progress; Box Pushing: U#3 box Pushing Completed
Vidarbha (1,320 MW)	Boiler #1&2 : Ceiling Girder assembly completed; CD bay : Bunker Erection work Started; DM Plant : Vessel Erection partially completed.
Babandh (1,320 MW)	Boiler#1 : APH erection in progress; Boiler#2 : Ceiling Girder erection in progress; ESP: Electrode Erection in progress
Kondapalli III (732 MW)	The 480 MW Simple Cycle units and 252 MW combined cycle unit are almost completed. Gas allocation awaited.
Teesta (500 MW)	Penstock 1 Steel liners works completed, Works in Penstock 2 under progress. Surge Shaft concrete Lining works started
Phata Byung (76 MW)	Power House unit 1 concreting completed & unit 2 concreting under progress, spiral casing works of Unit 2 commenced. 91 % of HRT excavation completed. Surge Shaft & Vertical Pressure Shaft 2 widening nearing completion. EOT full Load Test (125%) completed
Moser Baer (2 X 600 MW)	Unit # 1 Boiler Air Pre Heater erection started; Unit # 2 Boiler Ceiling Girder erection completed; DM Tank # 1,2 & Fuel Oil HFO, LDO tank Hydro test completed; Unit # 1 TG EOT Crane Full Load test completed.
Mahagenco (3 X 660 MW BOP)	DM plant 1 stream commissioned; NDCT #9 Shell casting started; NDCT#10 ring beam casting started; CHP technological structure erection started
Akaz (2 X 125 MW)	Pre commissioning activities for U#1 commenced, GT lube oil flushing & restoration completed; other systems under erection testing; Preparatory work for Pre commissioning activities for U#2 under progress

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2. EPC

Particulars	Q4FY13	Q4FY12	Change (%)	FY13	FY12	Change (%)
Revenue	9,742	25,626	-62%	43,450	86,146	-50%
Forex (loss)/Gain	-178	201		-389	-1,490	
EBITDA	2,979	548	444%	6,903	9,482	-27%
Adjusted EBITDA	3,156	347	811%	7,292	10,972	-34%
Adj EBITDA Margin (%)	32%	1%		17%	13%	
EBITDA Margin (%)	31%	2%		16%	11%	

- Revenue down by 62% YoY due to lower execution
- Increase in EBITDA margins YoY due to cost compensation from some projects

Order Book

- Current EPC order book stands at ₹ 263 Bn (including Power and Solar Projects)
- Internal Projects constitute ~83% of the Power and Construction EPC Order book

3. Solar:

- Solar Generation consists of 41 MW
- Construction of Polysilicon and Wafer Manufacturing Solar Plants is under progress.

Particulars	Q4FY13	Q4FY12	Change (%)	FY13	FY12	Change (%)
Revenue	6,301	8,514	-26%	13,405	18,694	-28%
Forex (loss)/Gain	-62	198		-214	-169	
EBITDA	1,676	947	77%	1,654	2,976	-44%
Adjusted EBITDA	1,738	750	132%	1,868	3,145	-41%
Adj EBITDA Margin (%)	28%	9%		14%	17%	
EBITDA Margin (%)	27%	11%		12%	16%	

- Solar EPC: Order Book of ₹ 33 Bn with 50% orders from external parties.



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 to MoC for approval.
 - 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 and full year FY13 was 0.78 MT and 3.11 MT respectively. Sales were 0.69 MT and 3.03 MT respectively.
 - Deal with Bluewaters for upward revision of coal supply price has been duly executed.
 - Short term expansion plan of ramping up the production to 5 MTPA by March'14 needs no additional capex and manpower.
 - Long Term Expansion plan: - Capacity enhancement of the mine from 4 MTPA to 18 MTPA is in the planning phase and construction is expected to start in FY15.
 - Average normalised realization for the quarter & full year was ~AUD 43 per ton and ~AUD 44 per ton respectively (considering renegotiated prices with Bluewaters).

₹ Mn						
Particulars	Q4FY13	Q4FY12	Change (%)	FY13	FY12	Change (%)
Revenue	4,114	2,072	99%	9,540	6,903	38%
Forex (Loss)/Gain	18	56	-67%	-7	56	
EBITDA	804	-248		-1,058	-472	
Adj EBITDA	785	-304		-1,050	-528	
Adj EBITDA Margin (%)	19%	-15%		-11%	-8%	

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 ₹ 101 Mn during the quarter and ₹ 298 Mn for full year
Bangalore – Hoskote – Mulbagal (NH-4)	81 Km	COD expected by Q1FY14
Aligarh- Kanpur (NH-91)	283 km	Construction to start after obtaining environmental clearance

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 38% QoQ to ₹ 729 Mn.

	₹ Mn					
Particulars	Q4FY13	Q4FY12	Change (%)	FY13	FY12	Change (%)
Revenue	786	340	131%	2,042	1,207	69%
EBITDA	107	31	249%	381	186	105%
EBIDTA Margin (%)	14%	9%		19%	15%	

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 5,710 of which about 10% are outside India across 5 countries. It has an adjusted net-worth of ₹ 64,760 Mn and is present across in 5 core sectors viz. EPC, Power, Natural Resources, Solar and Infrastructure.

