Press release

For immediate release

Pennar consolidated Q3FY15 Gross Sales at Rs 336 Crores; up 6.6% YoY
Net Profit at Rs. 7.7 crores, up by 21.1% YoY
Cash PAT at Rs 14.7 crores, up by 13.4% YoY

Hyderabad, February 11, 2015: Pennar Industries Limited is one of India's leading industrial organizations offering specialized, engineered steel solutions announced today their unaudited financial results for the quarter ended 31th December, 2014.

Commenting on the results and performance, ***Aditya Rao, Vice – Chairman & Managing Director, Pennar Industries Limited,*** *said, "We have had another robust quarter with strong order booking across verticals, especially in solar, PEBS and our environment business which grew by over 200%. I am happy to share that our changing product mix over the last few years has resulted in a significant improvement in our EBITDA margin in this quarter over last year's comparable quarter. This trend of improving margin is visible even on a sequential basis. Alongside, there is continuous improvement in profitability, with PAT trending higher in every consecutive quarter. At the gross sales level, we are trending well and will post double-digit growth in revenues and profits this fiscal. We continue to focus on the expansion of our product offerings as well as on exploring new geographies, markets and customers, with an overall objective to improving margins and revenues."*

CONSOLIDATED FINANCIAL HIGHLIGHTS:

	Consolidated							
	Q3		*y-o-y*	Q2	*q-o-q*	9 month		*y-o-y*
(Rs. Crore)	FY2015	FY2014	*Growth (%)*	FY2015	*Growth (%)*	FY15	FY14	*Growth (%)*
Gross Sales	336.2	315.3	*6.6%*	332.7	*1.0%*	985.2	882.4	*11.7%*
Net Sales	295.0	273.2	*8.0%*	289.2	*2.0%*	861.0	765.0	*12.5%*
EBITDA	25.6	21.5	*19.2%*	24.3	*5.6%*	72.3	58.3	*24.1%*
EBITDA Margin (%)	*8.7%*	*7.9%*		*8.4%*		*8.4%*	*7.6%*	
Cash Profit	14.7	13.0	*13.4%*	12.6	*17.3%*	39.8	34.4	*15.6%*
Cash Profit Margin (%)	*5.0%*	*4.8%*		*4.3%*		*4.6%*	*4.5%*	
Net Profit	7.7	6.4	*21.1%*	6.4	*20.9%*	19.9	18.5	*7.5%*
Net Profit Margin (%)	*2.6%*	*2.3%*		*2.2%*		*2.3%*	*2.4%*	
Basic EPS (Rs)	0.64	0.53	*21.1%*	0.53	*20.9%*	1.65	1.54	*7.5%*

Segment Performance

	Sales					**EBITDA**					**EBITDA Margin (%)**		
	Q3		***y-o-y***	**Q2**	***q-o-q***	**Q3**		***y-o-y***	**Q2**	***q-o-q***	**Q3**		**Q2**
(Rs. Crore)	**FY15**	**FY14**	***Growth (%)***	**FY15**	***Growth (%)***	**FY15**	**FY14**	***Growth (%)***	**FY15**	***Growth (%)***	**FY15**	**FY14**	**FY15**
Steel Products	98.9	100.0	*(1.1)%*	100.2	*(1.3)%*	6.2	5.9	*4.7%*	5.4	*13.6%*	6.2%	5.9%	5.4%
Tubes	32.8	34.4	*(4.6)%*	33.7	*(2.6)%*	2.3	1.9	*22.3%*	2.3	*0.8%*	7.1%	5.5%	6.8%
Industrial Components	15.7	13.0	*20.5%*	12.9	*21.4%*	2.2	1.7	*33.3%*	1.9	*18.3%*	14.0%	12.7%	14.4%
Systems and Projects	48.3	36.3	*32.9%*	48.7	*(0.9)%*	5.5	3.7	*47.5%*	6.3	*(13.0)%*	11.3%	10.2%	12.9%
Total Standalone	**195.6**	**183.7**	***6.5%***	**195.5**	***0.1%***	**16.2**	**13.2**	***22.4%***	**15.9**	***1.8%***	**8.3%**	**7.2%**	**8.1%**
Pre-Engineered Buildings	106.7	97.9	*9.0%*	91.0	*17.3%*	9.1	8.6	*5.9%*	7.9	*14.9%*	8.5%	8.8%	8.7%
Pennar Enviro	6.8	2.2	*207.7%*	6.1	*11.7%*	0.4	0.1	*172.7%*	0.4	*(18.2)%*	5.3%	6.0%	7.3%
Sub Total	**309.1**	**283.8**	***8.9%***	**292.5**	***5.7%***	**25.6**	**21.9**	***16.8%***	**24.3**	***5.7%***	**8.3%**	**7.7%**	**8.3%**
Regrouping Adjustments	(14.0)	(10.7)	*31.0%*	(3.3)		0.0	(0.4)		0.0				
Total Consolidated	**295.0**	**273.2**	***8.0%***	**289.2**	***2.0%***	**25.6**	**21.5**	***19.0%***	**24.3**	***5.7%***	**8.7%**	**7.9%**	**8.4%**

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BUSINESS HIGHLIGHTS FOR Q3FY15:

Steel Products: Major orders were received from L&T Geo, Thermax Ltd, Cethar, Hammon in ESPs and Sheet Piling. We also received repeat orders from Toshiba, HBL Ltd, IFB, Luk India etc. Developed new special grade steels for Swaraj Automotives, Shree Stampings , SS Fabcom etc. Going forward, the segment would like to increase its share of business from existing customers. Certain Special Grades like Hydrogen annealing and upgrade HR, CR slitting are also in the pipeline. With revenue increase of 30% targeted for next year, we will aim to increase market share among all products.

Systems & Projects: We see visibility of the railways business improving from this level. Toward this, we are currently constructing a new bay in our Chennai plant for the railways. We are also in talks for various metro rail projects. A huge opportunity for manufacture of complete under frame has presented itself as the ICF proposes to outsource the entire assembly of coaches. In solar, we have secured major orders from Mahindra EPC, Azure Power, L&T construction, B Electric and Enrich.

Tubes: New customers added in this quarter include Mitsubha, KTTM, Fine components, GI Auto, Bridge stone, STTI, Sigma electric and others. Major customers in this segment include ALF, PHI, Thermax, Patton, VECV, KLT and others. Several new products been developed for the 2 & 4 wheeler markets. We have completed capacity expansion in ERW, CDW and further CAPEX is currently underway. Going forward, we are targeting exports as an area of focus. Also in the pipeline is the stainless steel tubes entry in this fiscal. A new tube plant in Chennai and expansion in Isnapur are currently planned as well.

Industrial Components: This segment received repeat orders from INEL, Emerson, Tecumseh, Wabco, and Endurance. We also received new export orders from Xylem, FNSS, Firestone and others. The Hydraulics trail production is underway for a US based customer. New opportunities like Palfinger, ACE, Metso, Grainger identified and RFQs have been received for the next level of revenue growth. Going forward, Hydraulics is expected to drive growth this year. The focus is on market share improvement in existing product lines.

Pre-Engineered Buildings (PEBSL): Strong growth in the order book continued in Q3FY15. This subsidiary's major customers include My Home, Ultratech Cements, Dr. Reddy's, L&T, Schwing Stetter, Reliance, ITC, Renault Nissan, Schneider India, Volvo India, Toyostu Rare Earth, Godrej, IOT Infra and others. Repeat orders were secured from L&T Metro, Ultratech Cements, EFC Logistics, Gupta Power, Etco Denim, Ethnic Tobacco, and Prathamesh.

Pennar Enviro (PEL): This is a new, emerging business for the group. The segment has seen remarkable growth with a robust customer base - Customers in Chemicals of ~200, O&M has 40 customers and Projects with 30 customers.

ABOUT PENNAR INDUSTRIES LIMITED:

Pennar Industries (NSE: PENIND, BSE: 513228) is one of India's leading industrial organizations offering specialized, engineered steel solutions. The Company has a strong presence across growth sectors in India through four business units, Steel Products, Tubes, Industrial Components and Systems & Projects, and two subsidiary companies, Pennar Engineered Building Systems Limited and Pennar Enviro Limited. All of Pennar's manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and six manufacturing plants located at Patancheru, Sadashivpet and lsnapur in AP, Chennai and Hosur in Tamil Nadu, Tarapur in Maharashtra.

For more information, please visit **www.pennarindia.com**

For further enquiries, please contact:

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Safe Harbour:

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pennar's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Pennar undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Q3FY15 CONFERENCE CALL INVITATION:

Dolat Capital will host the Q3FY15 conference call of the Pennar Group on February 12, 2015 at 11 am.
Details are given below –

Primary Number:	**+91 22 6746 5816**
Secondary Number:	**+91 22 3938 1006**
International Toll Free Numbers:	**USA : 1 866 746 2133** **UK : 0 808 101 1573** **Singapore : 800 101 2045** **Hong Kong : 800 964 448**
Date:	**Thursday, 12 February 2015**
Time:	**11:00 AM to 12:00 PM**