

KEY HIGHLIGHTS

- Revenues for the **Q4, FY15 stood at Rs 979 crores**, marking a strong performance for the Quarter with **growth of 52%** with respect to the same period last year.
- With EBITDA of Rs 131 crores in the last quarter, **profitability continues to show sequential growth** QoQ for the year. On full year basis, the standalone EBITDA for FY15 stood at Rs 386 crores against Rs 271 crores in the previous year translating into a **42% increase on yoy basis**.
- Strong order book of **Rs 4,711 crores** as at end FY 15, against Rs 2,521 crores the previous year. Current order book represents nearly **1.5x of FY 15 revenues**.
- **Successful refinancing of ENICL project** in February 2015 releasing nearly Rs 150 crore of equity and interest rate reduction of 175 bps.
- State-of-the-art **Centre of Excellence** inaugurated in Aurangabad by Honorable Dr. APJ Abdul Kalam with a view to sharpen our research focus on ultra high speed broadband technologies.
- The Board of Directors have recommended a **dividend of 30%** (Rs 0.60 for the year) vs a 15% (Rs 0.30) last year, subject to shareholders approval.
- The Board of Directors have approved the **demerger of the company** segregating the telecom business and power business into two separate entities.

DEMERGER HIGHLIGHTS

- The restructuring will lead to the creation of a **listed pure-play platform for the Telecom businesses** and an **unlisted power business**.
- Both business have today reached at a meaningful scale to be able to benefit from being **independent focussed businesses**.
- **Shareholders will have the option** to continue to be associated with all these businesses, or only specifically invest in businesses that best suit their respective investment philosophy.
- The Appointed Date for the demerger is **April 1, 2015**, and the demerger is expected to be completed by **Q4, FY16**.
- The proposed Corporate Restructuring is **subject to approval** by the High Court, SEBI, shareholders of STL, its creditors and other relevant regulatory authorities.
- The value of the demerged undertaking after taking into consideration the allocation of debt would be Rs 885 crores, implying a value of Rs 22.46 per equity share of STL.
- Post this transaction, as of 31st March 2015, on a proforma basis STL will retain a consolidated net debt of Rs 674 crores against a pre-restructuring consolidated net debt of Rs 4,881 crores.
- Further details in this regards to this corporate reorganisation will be available on the Investor Relations section of our website (<https://www.sterlitechtechnologies.com/investors>)

PRODUCTS BUSINESS – VOLUME TRENDS

	Q4 FY 15	Q3 FY 15	Q4 FY 14	FY 15	FY 14
OF including China JV (Million fkm)	4.9	4.6	3.5	17.7	13.8
OF (Million fkm)	3.6	3.5	2.7	13.1	11.4
OFC (Million fkm)	2.3	2.2	1.7	7.7	5.2
Conductors (MT)	27,396	26,855	18,010	77,996	94,587

- Full year optical fiber volumes recorded at **17.7 mfkm** reflecting a robust growth of **28% on YoY** basis on the backdrop of growing demand in India and our increased global penetration.
- Optical fiber cable volume also recorded a high of **7.7 mfkm** on a full year basis, as we commenced expansion towards **doubling of capacity**.
- Conductor volume **remained subdued** this year on account of muted H1, resulting in de-growth in volumes by 18% on a YoY basis.

COMPANY PERFORMANCE (STANDALONE FINANCIALS)

Profit & Loss Statement (INR Cr)

	Q4 FY 15	Q3 FY 15	Q4 FY 14	FY 15	FY 14
Sales	979	895	646	3,030	2,726
EBITDA	131	102	73	386	271
EBITDA %	13%	11%	11%	13%	10%
Depreciation	27	27	28	108	103
EBIT	104	76	45	278	168
EBIT %	11%	8%	7%	9%	6%
Interest	56	52	28	179	95
PBT	48	24	17	99	73
Tax	9	1	7	15	23
Effective tax rate	19%	5%	39%	15%	32%
PAT	39	23	10	84	50
PAT %	4%	3%	2%	3%	2%

- **FY 15 revenue of Rs 3,030 crores** translating into a **11% growth on YoY** basis driven by strong uptake in the Telecom segment.
- **EBITDA margin expansion by 3 % on full year basis** on the back of strong performance in telecom segment.
- **Net Profit** witnessed an increase of **68% YoY basis** to Rs 84 crores from Rs 50 crores in the previous year.

Telecom Products and Solutions Segment (INR Cr)

	Q4 FY 15	Q3 FY 15	Q4 FY 14	FY 15	FY 14
Sales	467	412	293	1,487	1,077
EBITDA	112	88	55	345	187
EBITDA %	24%	21%	19%	23%	17%
Depreciation	19	20	20	76	74
EBIT	93	68	35	269	113
EBIT %	20%	17%	12%	18%	10%
Capital employed	1,179	1,154	1,088	1,179	1,088
ROCE %	31%	24%	13%	23%	10%

- **Telecom segment continues to demonstrate growth in topline** QoQ basis driven by volume expansion for both optical fiber and optical fiber cables. On full year basis, the revenues were at Rs 1,487 crores resulting in an increase of 38% vs previous year revenue of Rs 1,077 crores.
- **With EBITDA of Rs 112 Crores in Q4, FY 15**, the EBITDA grew by 27% QoQ and 85% on YoY basis.
- We start the new fiscal with an **strong orderbook of Rs 2,129 crores**, against the backdrop of strong India demand and our increased global footprint.
- **ROCE for the telecom segment moved upto 31% in Q4, FY'15** on account of profitability expansion over existing capital base.

Power Products and Solutions Segment (INR Cr)

	Q4 FY 15	Q3 FY 15	Q4 FY 14	FY 15	FY 14
Sales	495	461	331	1,473	1,587
EBITDA	19	14	18	41	85
EBITDA %	4%	3%	5%	3%	5%
Depreciation	8	7	8	32	29
EBIT	11	7	10	9	55
EBIT %	2%	2%	3%	1%	3%
Capital employed	323	392	375	323	375
ROCE %	14%	8%	11%	3%	15%

- **Power Product segment witnessed slight de-growth in revenues** on account of sluggish demand in India from PGCIL. **Slight recovery in Q4**, with revenue growth of 7% on QoQ basis, with marginal improvement in volumes.
- **EBITDA dropped for the full year on account of lower volume base than previous year.** The EBITDA/ton on full year basis was close to Rs 5,239/M ton, though Q4 margins of Rs 6,986/M ton is indicative of improvement in the business (as compared to Rs. 5,340/M ton in Q3, FY15).
- We start the year with an **Order book of Rs 2,582 crores** with 41% of order book being export focused.

Balance Sheet (INR Cr)

	FY15	FY 14
Source of funds	2,876	2,623
Networth	1,243	1,218
Gross Debt	1,693	1,313
Other liabilities/provisions	32	5
Deferred tax liability (Net)	50	87
Application of funds	2,876	2,623
Net fixed assets	947	1,023
Current assets	1,834	1,399
- Cash & Short Term Investments	315	249
Current liabilities	1,211	923
Other non-current assets	1,446	1,125

- Net debt at stand alone level was at Rs 1,377 crores against Rs 1,064 crores in last year on account of **increased working capital requirements**.
- The Capex undertaken during the year was approximately **Rs 90 crores**.

Power Transmission Grid business

- The transmission business recorded revenue **of Rs 154 crores** for the year as compared to Rs 54 crores in FY14 as we progressively commissioned various line elements of our first three projects.
- Post full commissioning of ENICL project in Q3 last year, we achieved **successful refinancing** of the project in Q4 as part of stated objectives for this business.
- 7 out of 8 elements on BDTCL have been commissioned, generating 78% of contracted revenue, and on JTCL more than 90% of the construction work is completed. We expect these projects to get fully commissioned and operational in the next half of this financial year.

- We continue to monitor the work progress closely for other 3 projects RAPP, PKTCL and NRSS and expect them to become operational as per original timelines.
- Our total equity investment in the Grid business stands at **Rs 1,200 crores** with Standard Chartered Private Equity having contributed Rs 450 crores as their equity contribution to the business.

INVESTOR EARNINGS CALL DETAILS

The Company will be hosting an earnings update call on May 18 at 16:00 hrs IST. The conference call login details are below.

Primary Number: +91 22 6746 5814
Secondary Number: +91 22 3938 1080

Please dial the below number at least 5 minutes prior to the conference schedule to ensure that you are connected in time

Webcast Link:

<http://services.choruscall.eu/links/sterlitetech150518.html>

INVESTOR RELATIONS CONTACT

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ABOUT STERLITE TECHNOLOGIES

Sterlite Technologies Limited (STL) develops & delivers products, solutions and infrastructure for telecom & power transmission networks, globally. STL is among the global leaders in all its business areas of Optical Fiber, Fiber Optic Cables, Power Conductors and HV / EHV Power Cables through its operations in India, China & Brazil. As the most integrated Optical Fiber Company in the world, STL is pioneering Fiber-to-the-Home (FTTH) deployment in India to enable high speed broadband connectivity. STL is developing several transmission infrastructure projects spanning over 5,000 Circuit Kms, across India. Listed on Stock Exchanges BSE & NSE in Mumbai, India, Sterlite Technologies is a public company with broad shareholder base.

COMPANY PERFORMANCE (CONSOLIDATED FINANCIALS)

Profit & Loss Statement and Segmental breakdown (Rs. in Lacs)

Particulars	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
	Quarter ended		Year ended		Year ended	
	Mar 15 (Audited)	Mar 15 (Unaudited)	Mar 15 (Audited)	Mar 15 (Audited)	Mar 14 (Audited)	Mar 14 (Audited)
Income from Operations						
a) Net Revenue	96,230	100,099	296,023	302,709	266,358	250,098
b) Other Operating Income	1,680	1,682	6,987	6,997	6,276	6,287
Total Income from operations (Net)	97,910	101,781	303,010	309,706	272,634	256,385
Total Expenditure	89,206	90,573	279,661	282,139	257,493	242,178
a) Cost of materials consumed	65,048	60,064	194,464	181,176	177,686	156,451
b) Purchase of stock-in-trade	388	388	4,292	4,292	2,812	2,826
c) (Inc) / Dec in finished goods, stock-in-trade & WIP	(581)	(348)	(3,469)	(3,097)	(1,805)	(2,277)
d) Staff Cost	4,653	5,165	15,095	17,594	12,239	14,258
e) Depreciation & Impairment	2,699	6,307	10,774	18,498	10,288	13,331
f) Other Expenditure	16,999	18,998	58,505	63,676	56,273	57,589
Operating profit before other income, interest and tax	8,704	11,208	23,349	27,567	15,141	14,207
Other Income	1,678	1,811	4,481	5,134	1,695	2,250
Profit before interest and tax	10,382	13,019	27,830	32,701	16,836	16,457
Net Interest Cost	5,556	12,974	17,928	32,690	9,528	17,978
Profit / (loss) before tax	4,826	45	9,902	11	7,308	(1,521)
Tax Expenses	913	(280)	1,478	369	2,288	2,431
Net Profit after tax	3,913	325	8,424	(358)	5,020	(3,952)
Adjustment for Minority Interest	-	18	-	(94)	-	(401)
Net Profit / (loss) after Tax & Minority Interest	3,913	307	8,424	(264)	5,020	(3,551)

Segment Reporting	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
	Quarter ended		Year ended		Year ended	
	Mar 15 (Audited)	Mar 15 (Unaudited)	Mar 15 (Audited)	Mar 15 (Audited)	Mar 14 (Audited)	Mar 14 (Audited)
Segment Revenue						
Telecom Product and Solutions	46,712	49,736	148,726	157,643	107,671	110,486
Power Product and Solutions	49,518	49,518	147,297	147,297	158,687	158,687
Power Transmission Grid	-	7,375	-	15,387	-	5,413
Inter-segment elimination	-	(6,531)	-	(17,618)	-	(24,488)
Total	96,230	100,099	296,023	302,709	266,358	250,098
Profit before interest, depreciation and tax						
Telecom Product and Solutions	11,167	11,581	34,518	34,515	18,668	18,123
Power Product and Solutions	1,914	1,770	4,086	3,519	8,456	8,193
Power Transmission Grid	-	5,984	-	13,195	-	3,633
Unallocable	-	(9)	-	(30)	-	(161)
Total	13,081	19,326	38,604	51,199	27,124	29,788
Profit before Interest and Tax						
Telecom Product and Solutions	9,288	9,170	26,906	24,898	11,320	9,374
Power Product and Solutions	1,094	973	924	380	5,516	5,253
Power Transmission Grid	-	2,890	-	7,478	-	2,014
Unallocable	-	(13)	-	(55)	-	(184)
Total	10,382	13,020	27,830	32,701	16,836	16,457
Net Interest Cost	5,556	12,974	17,928	32,690	9,528	17,978
Profit / (loss) before tax	4,826	47	9,902	11	7,308	(1,521)
Capital Employed (Segment Assets- Segment Liabilities)						
Telecom Product and Solutions	117,939	129,668	117,939	129,668	108,790	121,714
Power Product and Solutions	32,272	34,238	32,272	34,238	37,546	33,140
Power Transmission Grid	-	491,171	-	491,171	-	373,190
Unallocable	143,328	28,454	143,328	28,454	108,190	20,250
Total	293,539	683,531	293,539	683,531	254,526	548,294

Consolidated numbers for Q4 2014-15 have not been reviewed or audited by statutory auditors.