STERLITE TECHNOLOGIES LIMITED
Q3 2013-14 INVESTOR UPDATE

- Q3, FY 14 showed a marginal increase of 6% in the revenues Q-o-Q driven by better volumes in the Telecom segment, however the profitability remained flat on account of slight drop in margins on power business.
- On 9 months basis, the EBITDA % showed an improvement of around 300 basis points driven by better margin improvement in both Telecom and Power business.

COMPANY PERFORMANCE (STANDALONE FINANCIALS)

Profit & Loss Statement *INR Cr*

	Q3 FY 14	Q2 FY 14	Q3 FY 13	9M FY 14	9M FY 13	FY 13
Sales	680	642	829	2,081	2,537	3,354
EBITDA	54	58	60	198	188	260
EBITDA %	*8%*	*9%*	*7%*	*10%*	*7%*	*8%*
Depreciation	26	25	21	75	63	86
EBIT	29	33	39	123	125	174
EBIT %	*4%*	*5%*	*5%*	*6%*	*5%*	*5%*
Interest	23	16	26	67	81	106
PBT	6	16	12	56	45	69
Tax	1	4	2	16	12	21
Effective tax rate	*11%*	*27%*	*17%*	*29%*	*27%*	*31%*
PAT	5	12	10	40	33	47
PAT %	*0.8%*	*1.9%*	*1.2%*	*1.9%*	*1.3%*	*1.4%*

- The order book for the company as on 1st January, 2014 stands close to Rs 2,600 Crores, out of which Rs 2,400 Crores accounts for the power segment while telecom accounts for about Rs 200 Crores.
- The company has incurred a capex of about Rs 80 Crores in the nine months of fiscal 2013-14.
- The net debt for the standalone company is Rs 1,028 Crores at end of December 2013 against Rs 843 Crores at March 2013.

Volumes

	Q3 FY 14	Q2 FY 14	Q3 FY 13	9M FY 14	9M FY 13	FY 13
OF (Million fkm) *	2.6	2.3	2.6	8.7	9.3	12.5
OFC (Million fkm)	1.6	0.9	1.0	3.5	3.8	4.6
Conductors (MT)	22,925	27,000	34,500	76,925	106,300	137,750

** Does not include sales done from China JV*

- The fiber volumes picked up in this quarter, nearing towards the normal quarterly run rate. The China JV did volumes of 0.8 million fkm this quarter making the total volumes for this quarter at 3.4 million fkm as compared to 2.9 million km last quarter.
- There is a Q-o-Q jump of 80% in the fiber cable volumes driven by domestic demand.
- The ordering from PGCIL continued to remain subdued which is reflected in lower volumes for conductor in this quarter.

SEGMENTAL PERFORMANCE (STANDALONE FINANCIALS)

Telecom Segment *INR Cr*

	Q3 FY 14	Q2 FY 14	Q3 FY 13	9M FY 14	9M FY 13	FY 13
Sales	283	209	242	784	793	1,056
EBITDA	38	33	29	131	124	166
EBITDA %	*13%*	*16%*	*12%*	*17%*	*16%*	*16%*
Depreciation	18	18	15	53	42	58
EBIT	19	15	15	78	81	108
EBIT %	*7%*	*7%*	*6%*	*10%*	*10%*	*10%*

- The revenue and absolute EBITDA has improved compared to last quarter driven by improved volumes in fiber and fiber cable segment.

- The fiber prices have seen some drop because of flat demand in China in recent quarters which led to realization pressures in the telecom segment

Power Segment *INR Cr*

	Q3 FY 14	Q2 FY 14	Q3 FY 13	9M FY 14	9M FY 13	FY 13
Sales	383	420	574	1,256	1,692	2,230
EBITDA	17	26	31	67	64	94
EBITDA %	*4%*	*6%*	*5%*	*5%*	*4%*	*4%*
Depreciation	7	7	7	22	21	27
EBIT	10	18	24	45	44	67
EBIT %	*3%*	*4%*	*4%*	*4%*	*3%*	*3%*

- The EBITDA for the quarter stands at Rs 17 Crore which has reduced by 35% compared to last quarter. This is primarily on account of fall in volumes for the quarter. The EBITDA per MT stands at Rs. 7,333.

Infrastructure Segment (BOOM Projects)

- In the infrastructure segment, for the ENICL (East North Interconnection) project, the first line connecting Purnea to Bihar Shariff is successfully running and generated close to Rs. 16 Crores of revenue in this quarter. The second line for this project, which is the Bongaigaon – Siliguri line, underwent force majeure issues due to the political unrest in Assam belt. The line is expected to be commissioned by end of the current fiscal and revenue generating by Q1 of next fiscal.

- The work on other two projects is in full swing; however there are foreseeable delays due to forest clearance issues faced on different terrains. All necessary efforts are being made by involving relevant authorities to expedite the process. For the Bhopal-Dhule Transmission (BDTCL) line, the 1500 MVA substation at the Dhule site is reaching its completion in the next month. For both projects, progressive revenue generation is expected throughout the next fiscal year.

- The two recent transmission projects – RAPP (Rajasthan Atomic Power Project) transmission project and ERSS – 7 (Eastern Region System Strengthening) transmission project won by the Company are scheduled to be commissioned by February 2016. For the ERSS project, the transfer of SPV from PFC (bid coordinator) has completed whereas for the RAPP project the same is pending.

- The combined annual revenues from all the five projects would stand close to Rs 690 Crores once all of them get commissioned.

- Total capex for BOOM projects till date has been about Rs 3,100 Crores, Sterlite Technologies has funded about Rs 800 Crores into these projects as an equity infusion while the remaining has been raised as debt so far.

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