STERLITE TECHNOLOGIES LIMITED
Q1 2014-15 INVESTOR UPDATE

- Q1 FY15 had a sequential decrease in revenue of 13% driven primarily by very low volumes in the power segment. EBITDA was down 3% at Rs 71 crore, however EBITDA margins have improved by 200 basis points Q-o-Q.

- Telecom segment registered a healthy growth of 10% in revenue with strong EBITDA growth of 25% on the back of margins improving by 300 basis points.

- Power segment saw a 31% decline in revenue which resulted in a sharp decline in EBITDA on the backdrop of muted demand in domestic market volumes.

COMPANY PERFORMANCE (STANDALONE FINANCIALS)

Profit & Loss Statement *INR Cr*

	Q1 FY 15	Q4 FY 14	Q1 FY 14	FY 14
Sales	**564**	646	758	2,726
EBITDA	**71**	73	85	271
EBITDA %	**13%**	11%	11%	10%
Depreciation	**27**	28	24	103
EBIT	**45**	45	62	168
EBIT %	**8%**	7%	8%	6%
Interest	**30**	28	28	95
PBT	**15**	17	34	73
Tax	**5**	7	11	23
Effective tax rate	**37%**	39%	33%	32%
PAT	**9**	10	23	50
PAT %	**2%**	2%	3%	2%

Volumes

	Q1 FY 15	Q4 FY 14	Q1 FY 14	FY 14
OF (Million fkm)*	**3.0**	2.7	3.8	11.4
OFC (Million fkm)	**1.8**	1.7	1.0	5.2
Conductors (MT)	**8,794**	18,010	27,000	94,587

** Does not include sales done from China JV*

- With China JV selling 0.9 M fkm, this quarter saw the highest ever fiber volumes of 3.9 million fiber kilometer vs 3.5 million fiber kilometer in Q4 2014, fiber cable volume continues to see growth and was at 1.8 million fiber kilometer vs 1.7 million fiber kilometer in Q4 2014.

- Power conductor volumes for this quarter were at the lowest levels in the recent history on account of lack of ordering from large customers combined with a general slow down across other domestic customers.

- Total order book of the company stands at Rs 4,404 crores of which exports account for 28%. The segmental split being Rs 2,216 Crores for the power segment and Rs 2,188 crores for the telecom segment.

- Net Debt at standalone level was at Rs 1,200 crores vs Rs 1,064 crores as at 31st March 2014.

SEGMENTAL PERFORMANCE (STANDALONE FINANCIALS)

Telecom Segment *INR Cr*

	Q1 FY 15	Q4 FY 14	Q1 FY 14	FY 14
Sales	**322**	293	291	1,077
EBITDA	**70**	55	61	187
EBITDA %	***22%***	*19%*	*21%*	17%
Depreciation	**19**	20	17	74
EBIT	**50**	35	44	113
EBIT %	***16%***	*12%*	*15%*	10%
Capital employed	**1,097**	1,088	1,194	1,088
ROCE %	**18%**	13%	15%	10%

- The Telecom business registered growth of 10% on Q-o-Q basis with an EBITDA margin of 22%. The growth in revenues was primarily on account of increased deployment by telecom operators and our increased penetration into global and domestic customers.

- The EBITDA for the quarter grew by 25% Q-o-Q and by 14% Y-o-Y. Globally fiber prices continue to hold steady given the demand from global deployment for FTTH and national backbone projects

Power Segment *INR Cr*

	Q1 FY 15	Q4 FY 14	Q1 FY 14	FY 14
Sales	**229**	331	453	1,587
EBITDA	**2**	18	24	85
EBITDA %	***1%***	*5%*	*5%*	5%
Depreciation	**7**	8	7	29
EBIT	**(6)**	10	17	55
EBIT %	***-3%***	*3%*	*4%*	3%
Capital employed	**435**	*375*	398	*375*
ROCE %	***-5%***	*11%*	17%	15%

- Subdued domestic demand led to sales dropping 31% Q-o-Q and EBITDA falling significantly due to very low volume base.

- We continue to focus on international opportunities and our power segment export order book stands at Rs 1,213 as on June 30th, 2014, which accounts for almost 55% of our total power order book.

Infrastructure Projects

- Sterlite Technologies subsidiary Sterlite Power Grid Ventures Ltd (SPGVL) has signed agreements with Standard Chartered Private Equity for an equity investment of Rs. 500 crores.

- We won a major project Northern Region Strengthening Scheme project (NRSS 29) to carry over 1000 MWs of electricity from Punjab to the Kashmir Valley. With this addition, we have now a combined portfolio of 6 projects spanning 5000 km of transmission lines across different parts of the country.

- Our total investment in the infrastructure segment has been around Rs 3,850 crores of which Sterlite has funded close to Rs 950 crores and project level debt stands at around Rs 2,900 crores

COMPANY PERFORMANCE (CONSOLIDATED FINANCIALS)
Profit & Loss Statement and Segmental breakdown (Rs. in Lacs)

	Standalone	Consolidated	Standalone	Consolidated
	Quarter ended		Year ended	
	June 14 (Unaudited)	June 14 (Unaudited / Unreviewed)	Mar 14 (Audited)	Mar 14 (Audited)
Income from Operations				
a) Net Revenue	55,068	56,544	266,358	250,098
b) Other Operating Income	1,372	1,372	6,276	6,287
Total Income from operations (Net)	**56,440**	**57,916**	**272,634**	**256,385**
Total Expenditure	**52,253**	**53,326**	**257,493**	**242,178**
a) Cost of materials consumed	36,039	35,552	177,686	156,451
b) Purchase of stock-in-trade	1,419	1,419	2,812	2,826
c) (Inc) / Dec in finished goods, stock-in-trade & WIP	(3,136)	(3,585)	(1,805)	(2,277)
d) Staff Cost	2,942	3,429	12,239	14,258
e) Depreciation & Impairment	2,667	3,690	10,288	13,331
f) Other Expenditure	12,322	12,821	56,273	57,589
Operating profit before other income, interest and tax	**4,187**	**4,590**	**15,141**	**14,207**
Other Income	274	398	1,695	2,250
Profit before interest and tax	**4,461**	**4,988**	**16,836**	**16,457**
Interest Cost	2,966	5,630	9,528	17,978
Profit / (loss) before tax	**1,495**	**(642)**	**7,308**	**(1,521)**
Tax Expenses	546	546	2,288	2,431
Net Profit after tax	**949**	**(1,188)**	**5,020**	**(3,952)**
Adjustment for Minority Interest		(66)		(401)
Net Profit / (loss) after Tax & Minority Interest	**949**	**(1,122)**	**5,020**	**(3,551)**

	Standalone	Consolidated	Standalone	Consolidated
	Quarter ended		Year ended	
	June 14 (Unaudited)	June 14 (Unaudited / Unreviewed)	Mar 14 (Audited)	Mar 14 (Audited)
Segment Revenue				
Telecom Product and Solutions	32,160	33,232	107,671	110,486
Power Product and Solutions	22,908	22,908	158,687	158,687
Power Transmission Grid		1,611		5,413
Inter-segment elimination		(1,207)		(24,488)
Total	**55,068**	**56,544**	**266,358**	**250,098**
Profit before interest,depreciation and tax				
Telecom Product and Solutions	6,954	6,998	18,668	18,123
Power Product and Solutions	174	44	8,456	8,193
Power Transmission Grid		1,635		3,633
Unallocable		1		(161)
Total	**7,128**	**8,678**	**27,124**	**29,788**
Profit before Interest and Tax				
Telecom Product and Solutions	5,034	4,641	11,320	9,374
Power Product and Solutions	(573)	(703)	5,516	5,253
Power Transmission Grid		1,055		2,014
Unallocable		(5)		(184)
Total	**4,461**	**4,988**	**16,836**	**16,457**
Net Interest Cost	2,966	5,630	9,528	17,978
Profit / (loss) before tax	**1,495**	**(642)**	**7,308**	**(1,521)**
Capital Employed (Segment Assets- Segment Liabilities)				
Telecom Product and Solutions	109,712	122,554	108,790	121,714
Power Product and Solutions	43,536	41,789	37,546	33,140
Power Transmission Grid		395,605		373,190
Unallocable	119,527	10,813	108,190	20,250
Total	**272,775**	**570,761**	**254,526**	**548,294**

Note: Consolidated numbers for Q1 2014-15 have not been reviewed or audited by statutatory auditors.

- Power transmission contributed Rs 16 crore of revenue this quarter.

- Total capital employed in the business was at Rs 5,707 crore vs. Rs 5,482 crore at on 31st March 2014

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