STERLITE TECHNOLOGIES LIMITED
Q1 2015-16 INVESTOR UPDATE

KEY HIGHLIGHTS

- Revenues for the **Q1 FY16 were at Rs 975 crores** an **increase of 73%** as compared to the same period last year. Telecom and Power business contributed Rs 424 crores and Rs 537 crores respectively

- EBITDA for the quarter stood **at Rs 119 Crores a 67% increase YoY** driven by strong performance in the Telecom business and a recovery in the Power business. The Telecom business continued its robust run-rate as it contributed Rs 100 crores while the Power business contributed Rs 19 Crores.

- **Total order book as of 30th June was at Rs 4,205 crores** with the Telecom order book at Rs 2,087 crores and Power at 2,118 crores. Nearly 83% of the order book is domestic focused reflecting the underlying communication and power infrastructure being built out in India.

- **Successfully commissioned the final elements of the BDTCL** transmission line which will benefit nearly a million households in the states of Madhya Pradesh, Maharashtra and Gujarat. Sterlite Grid now has 2 fully operational projects and 4 under various stages of construction in its portfolio. Post the end of the quarter, we have won our **7th transmission grid project, the Maheshwaram** project in Hyderabad, a 765KV line that should generate Rs55 crores of levelised tariff

- Demerger proceedings continuing and **expected to close in Q4 2016** subject to approvals by the High Court, SEBI, shareholders and creditors of STL and other relevant regulatory authorities.

PRODUCTS BUSINESS – VOLUME TRENDS

	Q1 FY 16	Q4 FY 15	Q1 FY 15	FY 15
OF including China JV (Million fkm)	4.5	4.9	3.9	17.7
OF (Million fkm)	3.2	3.6	3.0	13.1
OFC (Million fkm)	1.8	2.3	1.8	7.7
Conductors (MT)	30,347	27,396	8,794	77,996

- Optical fiber and optical fiber cable volumes were **at 4.5m fkm and 1.8m fkm** down 7% and 23% as compared to the previous quarter. The decline this quarter was primarily on account of lower offtake in the first quarter for telcos and Government projects in the country. On a y-o-y basis, optical fiber volumes increased by 15%, while optical fiber cable sales were flat.

- Previously announced optical fiber cable capacity expansion from 8m fkm to 15m fkm continues to progress well and we expect to **complete the expansion during Q4 FY16**.

- Conductor volumes returned to a more **normalized range and were at 30,347MT** an increase of 11% QoQ.

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COMPANY PERFORMANCE (STANDALONE FINANCIALS)

Profit & Loss Statement (INR Cr)

	Q1 FY 16	Q4 FY 15	Q1 FY 15	FY 15
Sales	975	979	564	3,030
EBITDA	119	131	71	386
EBITDA %	*12%*	*13%*	*13%*	*13%*
Depreciation	29	27	27	108
EBIT	91	104	45	278
EBIT %	9%	11%	8%	9%
Interest	62	56	30	179
PBT	29	48	15	99
Tax	8	9	5	15
Effective tax rate	29%	19%	37%	15%
PAT	20	39	9	84
PAT %	*2%*	*4%*	*2%*	*3%*

- Revenue for **Q1 FY16 was at Rs 975 crore** almost similar levels as Rs 979 crore the previous quarter and as compared to the **same quarter last year they were up 73%**. Overall **nearly 24% of the revenues** were from export markets

- **EBITDA for the quarter was at Rs119** crores against Rs 131 crores in the previous quarter, which included one off other income of Rs.14 crores in the previous quarter. On a y-o-y basis EBITDA grew by 67%. Overall EBITDA margins remain consistent.

- The overall net debt for the **standalone business was at Rs1,595 crores vs Rs 1,377 crore**. The increase was primarily on account of increased working capital requirements for our services business. The interest expenses for the quarter were at Rs. 62 crores vs. Rs. 56 crores in the previous quarter due to this increased borrowing.

Telecom Products and Solutions Segment (INR Cr)

	Q1 FY 16	Q4 FY 15	Q1 FY 15	FY 15
Sales	424	467	322	1,487
EBITDA	101	112	70	345
EBITDA %	*24%*	*24%*	*22%*	*23%*
Depreciation	19	19	19	76
EBIT	82	93	50	269
EBIT %	19%	20%	16%	18%
Capital employed	1,283	1,179	1,097	1,179
ROCE %	25%	31%	18%	23%

- Revenues for the quarter were at **Rs 424 crores, up 32%** as compared to the same quarter last year and down 9% as compared to Q4 FY15. Telecom business included nearly Rs 60 crore of services component from the NFS project.

- The EBITDA margins remained **stable at 24%**

Power Products and Solutions Segment (INR Cr)

	Q1 FY 16	Q4 FY 15	Q1 FY 15	FY 15
Sales	537	495	229	1,473
EBITDA	19	19	2	41
EBITDA %	3%	4%	1%	3%
Depreciation	9	8	7	32
EBIT	9	11	(6)	9
EBIT %	2%	2%	-3%	1%
Capital employed	415	323	435	323
ROCE %	9%	14%	-5%	3%

- Revenues **improved by 8% this quarter** on the back of a 11% increase in product volumes sold. In addition to product sales we have seen good traction on our power solutions business, completing 2 re-conductoring projects .

- EBITDA for the quarter remained consistent at **Rs19 crore**

- The order book for the power business was at Rs. **2,118 crores, nearly 33% of which is for export markets**

Power Transmission Grid business

- The Power transmission grid business **generated Rs 88 crore of revenue as compared to Rs 73 crore the previous quarter and EBITDA of Rs 82 crore against Rs 60 crore**. The increase is on account of progressive commissioning of elements in the BDTCL .

- Sterlite Technologies **equity commitment into these grid project stood at Rs 1,250** crore vs Rs 1,200 crore as we invested an additional Rs 50 crore as part of the terms and conditions under which Standard Chartered Private Equity invested in Q1 FY15.

- The remaining 4 projects in the portfolio continue to progress as per schedule and we expect to fully commission JTCL in Q2 FY16.

- Post the end of the quarter, we have won our 7th transmission grid project, the **Maheshwaram project in Hyderabad**, a 765KV line that should generate Rs55 crores of levelised tariff

INVESTOR EARNINGS CALL DETAILS

The Company will be hosting an earnings update call on July 23 at 16:00 hrs IST. The conference call login details are below.

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

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/sterlitetech150723.html

INVESTOR RELATIONS CONTACT

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ABOUT STERLITE TECHNOLOGIES

Sterlite Technologies Limited (STL) develops & delivers solutions for high speed data communication and power transmission networks, globally. STL is among the global leaders in all its business areas through its operations in India, China & Brazil. STL is developing several network projects across India including secure communication network creation in Jammu & Kashmir for Indian army, enabling Bharatnet, establishing urban high speed fiber to the home (FTTH) networks and multiple interstate ultra mega power transmission projects. Listed on Stock Exchanges BSE & NSE in Mumbai, India, Sterlite Technologies is a public company with broad shareholder base. The company has recently announced a demerge of its power products and transmission business into a new company. Sterlite Technologies to remain a pureplay telecom focused company.

COMPANY PERFORMANCE (CONSOLIDATED FINANCIALS)

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

Consolidated numbers for Q1 2015-16 have not been reviewed or audited by statutory auditors.

Particulars	Standalone	Consolidated	Standalone	Consolidated
	Quarter ended		Year ended	
	June 15 (Unaudited)	June 15 (Unaudited / Unreviewed)	Mar 15 (Audited)	Mar 15 (Audited)
Income from Operations				
a) Net Revenue	96,092	97,072	296,023	302,709
b) Other Operating Income	1,408	1,408	6,987	6,997
Total Income from operations (Net)	**97,500**	**98,480**	**303,010**	**309,706**
Total Expenditure	**88,856**	**85,752**	**279,661**	**282,139**
a) Cost of materials consumed	66,696	57,856	194,464	181,176
b) Purchase of stock-in-trade	811	811	4,292	4,292
c) (Inc) / Dec in finished goods, stock-in-trade & WIP	(2,281)	(2,049)	(3,469)	(3,097)
d) Staff Cost	3,801	4,572	15,095	17,594
e) Depreciation & Impairment	2,876	6,471	10,774	18,498
f) Other Expenditure	16,952	18,091	58,505	63,676
Operating profit before other income, interest and tax	**8,644**	**12,728**	**23,349**	**27,567**
Other Income	415	614	4,481	5,134
Profit before interest and tax	**9,059**	**13,342**	**27,830**	**32,701**
Interest Cost	6,197	13,873	17,928	32,690
Profit / (loss) before tax	**2,862**	**(531)**	**9,902**	**11**
Tax Expenses	834	596	1,478	369
Net Profit after tax	**2,028**	**(1,127)**	**8,424**	**(358)**
Adjustment for Minority Interest		7		(94)
Net Profit / (loss) after Tax & Minority Interest	**2,028**	**(1,134)**	**8,424**	**(264)**

Segment Reporting	Standalone	Consolidated	Standalone	Consolidated
	Quarter ended		Year ended	
	June 15 (Unaudited)	June 15 (Unaudited / Unreviewed)	Mar 15 (Audited)	Mar 15 (Audited)
Segment Revenue				
Telecom Product and Solutions	42,400	45,343	148,726	157,643
Power Product and Solutions	53,692	53,692	147,297	147,297
Power Transmission Grid		8,754		15,387
Inter-segment elimination		(10,717)		(17,618)
Total	**96,092**	**97,072**	**296,023**	**302,709**
Profit before interest,depreciation and tax				
Telecom Product and Solutions	10,084	10,216	34,518	34,515
Power Product and Solutions	1,851	1,404	4,086	3,519
Power Transmission Grid		8,198		13,195
Unallocable		(5)		(30)
Total	**11,935**	**19,813**	**38,604**	**51,199**
Profit before Interest and Tax				
Telecom Product and Solutions	8,156	7,730	26,906	24,898
Power Product and Solutions	903	457	924	380
Power Transmission Grid		5,167		7,478
Unallocable		(12)		(55)
Total	**9,059**	**13,342**	**27,830**	**32,701**
Net Interest Cost	6,197	13,873	17,928	32,690
Profit / (loss) before tax	**2,862**	**(531)**	**9,902**	**11**
Capital Employed (Segment Assets- Segment Liabilities)				
Telecom Product and Solutions	128,259	138,628	117,939	129,668
Power Product and Solutions	41,457	42,574	32,272	34,238
Power Transmission Grid		519,039		491,171
Unallocable	136,526	23,505	143,328	28,454
Total	**306,242**	**723,746**	**293,539**	**683,531**

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