

BUSINESS UPDATE

February 01, 2016

Order book continues to provide visibility

Welspun Corp Ltd. (WCL), the flagship company of the US\$ 3 billion Welspun Group, announced its consolidated financial results for the nine months and third quarter ended December 31, 2015.

For the quarter ended 31st December, 2015 WCL consolidated reported:

- Total income from operation of Rs.20,322 mn, down 10% YoY
- Reported EBITDA at Rs 2,957 mn, up 22% YoY
- Profit before tax growth of 102% YoY to Rs 1,216 mn
- Profit after tax of Rs 869 mn vs. Rs 175 mn in Q3FY15
- Diluted EPS at Rs.3.28/- vs. Rs 0.66/- in Q3 FY15
- Production and sales of pipes were down 13% / 18% YoY respectively

Order book position:

Current pipe order book position stands at @ 1,028K MTs (Rs. 60 billion). Large orders booked during the period include @ 216K MTs for an onshore pipeline project in Americas.

Concrete Weight Coating: Construction work is on track and the unit is expected to be functional soon. The venture will further augment WCL's product offering to the market.

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, "We remain committed towards generating shareholder value amidst sluggishness in global energy prices. While there have been delays in project allocation, we continue to explore growth opportunities. Outlook in a few markets remain positive and our endeavour is to maintain a healthy order book. We believe our excellent customer connect, focus on quality coupled with cost-optimisation measures and sound financials would be our strengths in a challenging market scenario."

BUSINESS UPDATE

Consolidated performance highlights:

Figures in Rs. million unless specified

Particulars	Q3-FY16	Q2-FY16	Q3-FY15	9M-FY16	9M-FY15
Production (KMT)					
- Pipes	259	306	297	840	836
- Plates & coils	29	87	45	160	83
Sales (KMT)					
- Pipes	251	325	305	829	860
Income from Operations	20,322	25,033	22,698	64,796	61,191
Reporting EBITDA	2,957	3,362	2,425	8,534	5,371
Operating EBITDA	2,358	3,254	2,106	7,903	4,857
Finance Cost	622	680	728	1,974	2,131
Depreciation and Amortisation	1,120	1,159	1,097	3,397	3,177
PBT	1,216	1,523	601	3,164	63
PAT after Minorities & Associates	869	1,011	175	2,044	(747)
Cash PAT	1,720	2,451	1,538	5,828	3,069

Notes: a) Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/ (loss)

b) Cash PAT = PBT – Current tax + Depreciation - Post-tax Unrealised forex gain/ (loss)

c) Prior period figures have been restated, wherever necessary

Figures in Rs. million unless specified

Consolidated debt	31-Dec-2015	30-Sep-2015	30-Jun-2015	31-Mar-2015
Gross Debt	30,052	34,803	30,725	30,205
Cash & Cash Equivalents	12,252	13,750	12,682	11,111
Net Debt	17,801	21,053	18,043	19,095

BUSINESS UPDATE

Business outlook:

Our customer's focus on reducing transportation cost to help them align with low energy prices, coupled with weakness in steel prices, remains amongst the few positive demand drivers for pipeline projects. The global scenario of delay and rationalised capex for pipeline projects has a few exceptions, including in the MENA region. While project work on 15,000 KM cross-country gas grid is expected to take definite shape over the next couple of quarters, water transmission currently remains the major driver in the domestic market.

For Plate & Coil Mill Division (PCMD), slab availability has improved over past few months enabling us to increase our capacity utilization and providing us competitive advantage in some domestic market segments. Subject to conducive regulatory environment, PCMD capacity utilisation can further improve in the quarters ahead.

Post Q3FY16 conference call:

WCL management would be happy to answer investor queries on a conference call. Please find details below:

Date : Monday, 1 Feb 2016

Time : 4:30pm IST (7:00pm HKT / 11:00 BST / 6:00am EST)

Dial in details:

- India:
 - Primary +91 22 6746 8309
 - Secondary +91 22 3960 0706
- Other Local Access:
 - +91 22 6000 1221 (Accessible from all major carriers except BSNL/MTNL)
 - +91 22 3940 3977 (Accessible from all major carriers)
- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 080 8101 1573
- USA: 1866 746 2133

For registration and more global access numbers kindly click on the link below:

<http://services.choruscall.in/diamondpass/registration?confirmationNumber=9008674>

BUSINESS UPDATE

About Welspun Corp Ltd. (WCL)

Welspun Corp is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from ½ inch to 140 inches, along with specialized coating, double jointing and bending. With current capacity of 2.425 million MTPA in Dahej, Anjar and Mandya in India, Little Rock in the USA and Dammam in Saudi Arabia, Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations. The Line pipe industry caters to the sectors like energy and water resource management where in the line pipes supplied are used to construct cross-country pipelines for transportation of oil, gas, petro-products and water in the safest and most environment friendly way.

For further information please visit www.welspuncorp.com or contact:

Deepak Khetan, ir_wcl@welspun.com, +91 22 66136584

Harish Venkateswaran, harish_venkateswaran@welspun.com

DISCLAIMER: The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun Corp Ltd. or any of its affiliates. Neither Welspun Corp Ltd., nor their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.



Welspun Corp Ltd (WCL)

Result Presentation

World's Leading Line Pipe Manufacturer

February 2016

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Welspun Corp Limited (the “Company”)**, have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

Performance Highlights – Q3FY16

Rs. 20,322 mn

10% YoY



Income from Operations

251 KMT

18% YoY



Pipe sales volume

Rs. 2,957 mn

22% YoY



Reported EBITDA

Rs. 2,358 mn

12% YoY



Operating EBITDA*

Rs. 869 mn

396 % YoY



Profit After Tax

Rs. 1,720 mn

12% YoY



Cash PAT

Note: All figures are for consolidated entity unless specified

**Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains*

Cash PAT = PBT – Current tax + Depreciation - Post-tax Unrealised forex gain/ (loss)

Performance Highlights – 9MFY16

Rs. 64,796 mn

6 % YoY



Income from Operations

829 KMT

4 % YoY



Pipe sales volume

Rs. 8,534 mn

59% YoY



Reported EBITDA

Rs. 7,903 mn

63% YoY



Operating EBITDA*

Rs. 2,044 mn

Vs. (Rs. 747 mn) YoY



Profit After Tax

Rs. 5,828 mn

90% YoY



Cash PAT

Note: All figures are for consolidated entity unless specified

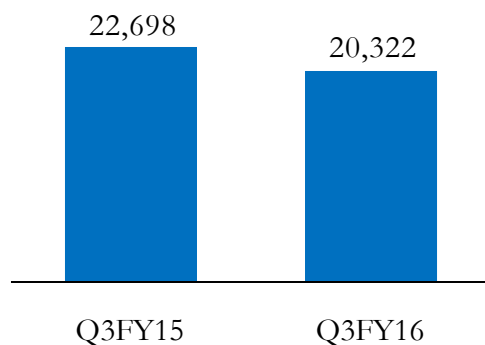
**Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains*

Cash PAT = PBT – Current tax + Depreciation - Post-tax Unrealised forex gain/ (loss)

Q3Y16 Financial performance

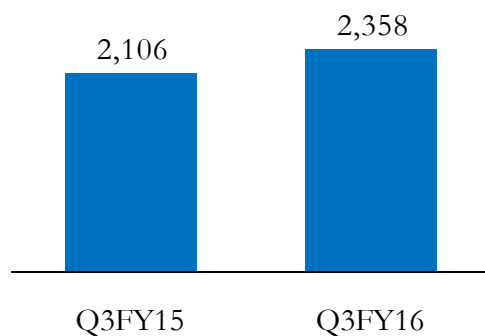
Income from Operations

(Rs. Mn)



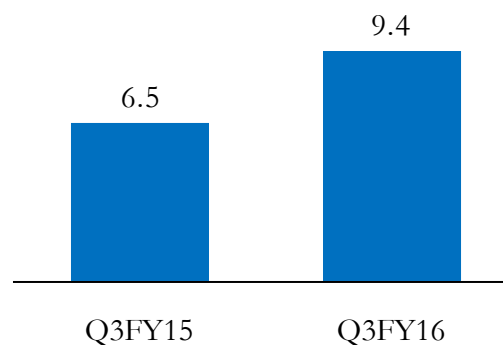
Operating EBITDA

(Rs. Mn)



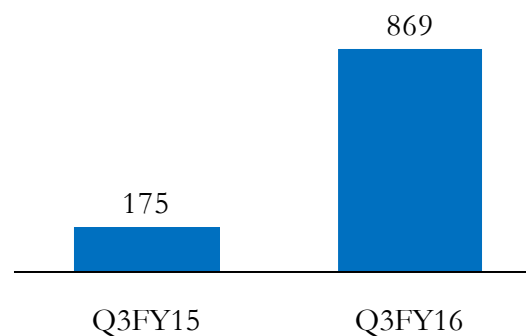
EBITDA per Ton for Pipes

(Rs. '000)



Consolidated PAT

(Rs. Mn)



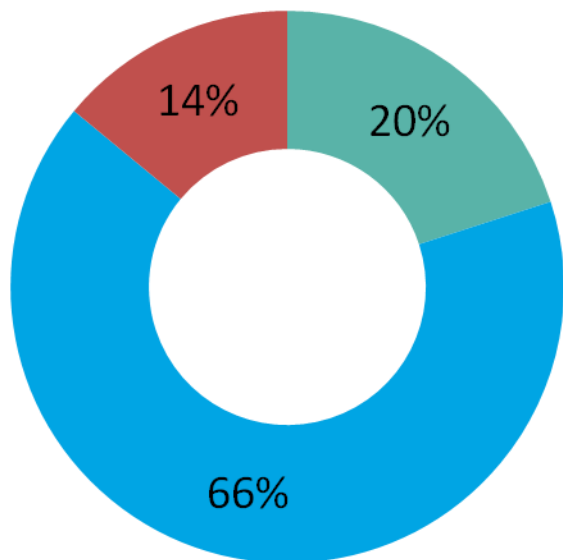
- Reported production and sales of pipes for Q3 at 259 KMT and 251 KMT
- Reported production and sales of pipes for 9M at 840 KMT and 829 KMT
- Net Working Capital has reduced from 56 days in Q2 to 49 days on last 12 month basis
- Net debt at the end of Q3FY16 was at Rs.17,801 mn, down Rs. 3,252 mn Q-o-Q

Note: * Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains

Diversified business across regions & products

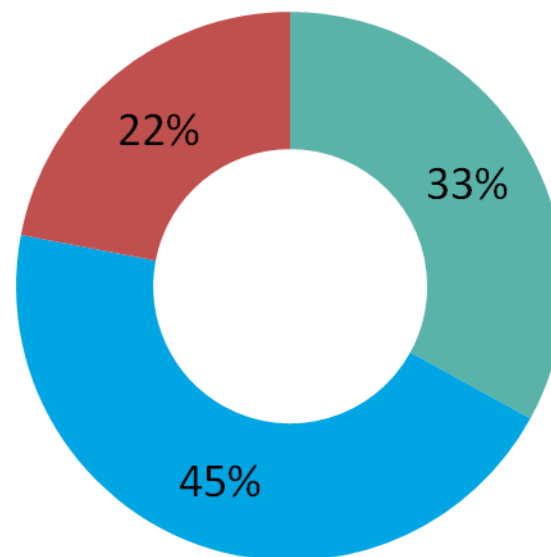
9MFY15 Pipe Sales Volume: 829 KMT

Sales by Type



■ LSAW ■ HSAW ■ ERW

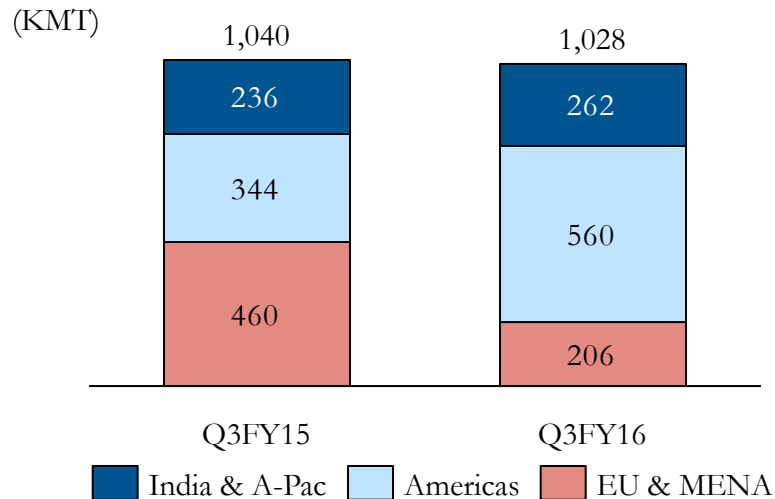
Sales by Plant



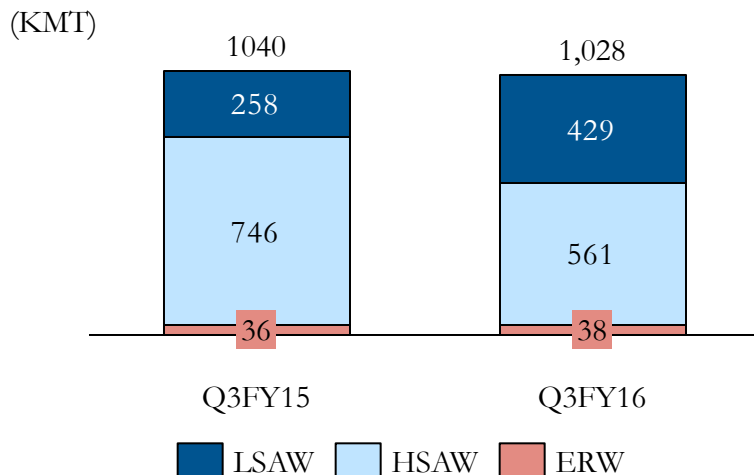
■ USA ■ India ■ Saudi Arabia

Order book analysis

Order book by Region

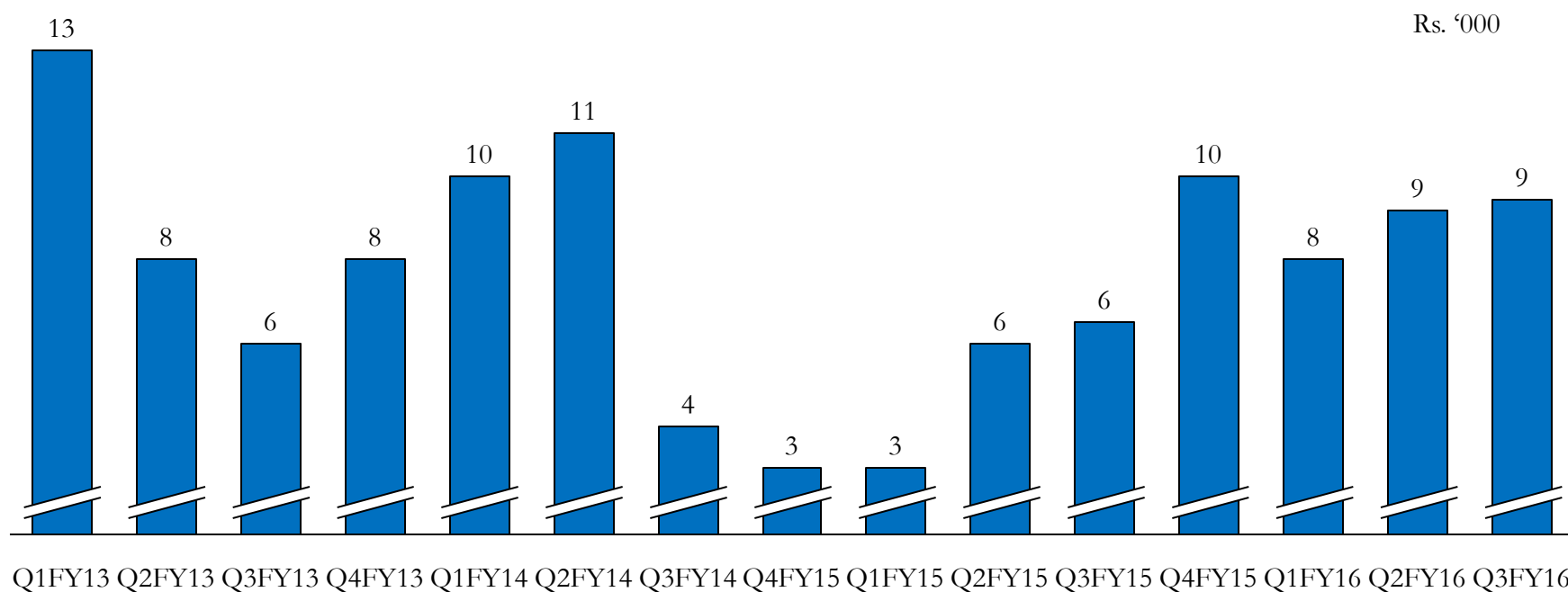


Order book by Type



- Order book continues to be more than 1 mn ton with a good regional mix
- Bid book stands close to 3.8 mn ton skewed towards Americas
- Visibility of approx. 12 mn ton of projects expected to come up for bidding over next few quarters across the globe

EBIDTA per ton for pipe business



Note: *Operating EBIDTA represents Reported EBIDTA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains

Reconciliation – Reported & Operating EBITDA

Details (Rs. mn)	Q3FY16	Q3FY15	9MFY16	9MFY15
Reported EBITDA	2,957	2,425	8,534	5,371
Less : Other Income	570	239	1,129	717
Add : Unrealized FX (Loss)/Profit	(29)	(79)	498	200
Operating EBITDA	2,358	2,106	7,903	4,857

Consolidated Profit & Loss Statement

Rs mn	Q3FY16	Q3FY15	Y-o-Y	9MFY16	9MFY15	Y-o-Y	FY15
Income from operations	20,322	22,698	(10%)	64,796	61,191	6%	84,505
Reported EBIDTA	2,957	2,425	22%	8,534	5,371	59%	9,508
Operational EBITDA*	2,358	2,107	12%	7,903	4,857	63%	7,692
Depreciation/ Amortization	1,120	1,097		3,397	3,177		4,365
Finance Cost	622	728		1,974	2,131		2,830
Profit Before Tax	1,216	601		3,164	63		2,313
Tax	301	77		821	(602)		177
Profit after Tax before minority interest	915	524	75%	2,343	664	253%	2,135
Minority Interest	46	349		298	1412		1,445
Profit after minority interest & associates	869	175	396%	2,044	(747)		690

Note: *Operational EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/ (loss)

Prior period figures are reinstated wherever necessary

For further information, please contact:

Company :

Welspun Corp Limited

CIN: L27100GJ1995PLC025609

Mr. Deepak Khetan / Mr. Harish V.

ir_wcl@welspun.com/

harish_venkateswaran@welspun.com

+91-2266136584

www.welspuncorp.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Mr. Vivek Jain

dpayal@sgapl.net / jvivek@sgapl.net

+91-9819916314/ +91-9820207011

www.sgapl.net