

Welspun Corp Ltd announces the sale of its stake in Leighton Welspun India for USD 99 million

Mumbai, December 27, 2013: Welspun Corp Limited (WCL) announces that its subsidiary, Welspun Infra Projects Private Limited (WIPPL), has entered into a Share Sale agreement with Leighton Group to sell Welspun's entire 39.88% stake in Leighton Welspun Contractors India Private Limited (LWIN) for the net cash consideration of USD 99 million. With this sale, LWIN will be renamed as Leighton India.

In 2011, Welspun Corp Ltd acquired a 35% stake in LWIN for cash consideration of Rs 470 Crores, to capitalise on opportunities in the Indian infrastructure sector especially Public-Private Partnership projects and subsequently acquired additional shares in the entity in a cash-less transaction worth Rs 115 Crores.

Welspun Corp Ltd is currently in four businesses viz Line Pipes, Energy, Infrastructure & Steel and enjoys a global leadership position in the first two businesses. It may be recalled that Welspun Corp Ltd is already in advanced stages of demerging the parts of its business other than Line Pipes into Welspun Enterprises Ltd through a court process.

Welspun Corp Ltd has decided to exit LWIN to enable Welspun to redirect its efforts and reposition itself in the infrastructure space which has synergies with its other businesses. To streamline the structure, Welspun Infratech Limited has also entered into an agreement with Welspun Infra Developers Private Limited to acquire its 40% stake in WIPPL.

The net proceeds received by Welspun will primarily be utilized to deleverage its balance-sheet. Welspun Group intends to concentrate on businesses which have potential to give it scale consistent with its quest for being in leadership position.

The transaction between Welspun Corp Ltd and Leighton Group shall be completed in the first quarter of 2014 once the procedural conditions are met.

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