

BUSINESS UPDATE

Welspun Corp delivers strong performance for 9M FY 2011

- Strong order book of over 770 K MT
- Saudi Plant commences production in Q4 FY11
- Geared to capitalize on improving demand prospects globally

Mumbai, January 24, 2011: Welspun Corp Ltd. (WCL) the flagship Company of the \$ 3 billion Welspun Group today announced its results for the 3rd Quarter of FY 2011.

Consolidated Financial Summary (Figures in Rs. Million)

Particulars	Q3 FY11	Q3 FY10	Growth %	9M FY11	9M FY10	Growth %
Sales	15,862	16,395	-3%	58,604	57,528	2%
Reported EBITDA*	3,154	3,561*	-11%	10,493	10,336*	2%
Interest	454	428	6%	1,046	1,790	-42%
Depreciation	653	511	28%	1,808	1,541	17%
PAT	1,465	1,668	-12%	5,150	4,439	16%
Cash PAT	2,297	2,300		7,481	6,191	21%
EPS (Rs./Share) - Diluted	6.65	7.83	-15%	23.26	20.91	11%
Reported EBITDA Margin (%)	19.9%	21.7%		17.9%	18.0%	
PAT Margin (%)	9.2%	10.2%		8.8%	7.7%	

*Reported EBITDA and Profits for the quarter and nine months period ended 31st December 2009 includes Foreign Exchange realignment gain of Rs 590 million and Rs 1,260 million.

Analysis of Results

9M FY2011

- Sales strengthened by volume growth and consolidation of Infra business and is up by 2%
- Interest costs lower by 42%, due to repayment of high cost debt
- Depreciation is higher by 17%, due to capitalization of new capacities and consolidation of Infra business
- PAT at Rs. 5,150 million reflects the growth of 16% on a YoY basis
- Net Debt of Rs 11,120 million and Net Debt Equity Ratio of 33%

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Order Book position

The quarter began with a total outstanding order book (pipe and plate) of Rs 45 billion. Further, in Q3 FY11 Welspun continue to receive new orders from marquee domestic and international Oil & Gas customers. As on date the order book (pipes and plates) stands at Rs 50 billion, comprising of 776K tonnes of pipes and plates order of over 40K tonnes.

New Initiatives:

- The company successfully completed the investment in the Saudi plant, which has commenced production in Q4 FY11
- Implementation of L-SAW plant at Anjar is on schedule, and is likely to be commissioned by the end of Q1 FY12
- The Mandya plant in Karnataka has started production and is ramping up to achieve desired level of production.
- Welspun Middle East is establishing its presence in Dubai to cater to the bouyant markets of Middle East and Africa.

Management comments

Speaking on the results, Mr. B. K. Goenka, Chairman of Welspun said, “The environment for the pipes industry continues to look encouraging aided by higher oil prices. We have won some prestigious orders from oil and gas majors globally. With the Commencement of our operations in Saudi Arabia, the Company’s global reach has been further strengthened. We are now well geared to capitalize on the emerging opportunities and continue to look at the future with optimism.”

Outlook

The strong order book, increasing demand prospects for new orders looks very promising. The company with its strong global footprint is well geared to capitalize on the emerging opportunity. Rising oil prices and a revival of the global economy auger well for the company with many large pipeline projects expected to be announced shortly. India is also witnessing a steep rise in demand for pipes from the oil and gas and water sectors.

About Welspun Corp Ltd. (WCL) www.welspuncorp.com

Welspun Corp (www.welspuncorp.com) is a one-stop service provider offering complete pipe solutions with a capability to manufacture line pipes ranging from ½ inch to 100 inches, along with specialized coating, double jointing and bending. With current capacity of nearly 2 mn MTPA in Dahej, Anjar in Gujarat, India, Little Rock in the USA and 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. Welspun Corp has continued to further strengthen its services to become an integrated Pipe manufacturer by setting up a world class plates and coils manufacturing facility. Since its inception, Welspun Corp has consistently excelled in new business ventures and is committed to its strategy of complete integration by being a one stop solution in the Line Pipe segment, capturing the entire value chain from manufacturing of Plate & Coil to Line pipe and finally to Pipe laying. With business excellence being a clear focus of Welspun Corp, the company will persist with its clear mandate on innovation and technology, state-of-the-art facilities and global scale operations.

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