Press release

For immediate release

Pennar Industries' Q2FY16 Revenues at Rs 389 Crores; up 11% YoY, up 25% QoQ
EBITDA up 37% YoY; 30% QoQ
PAT at Rs. 8.9 Crores; up 52% YoY, up 45% QoQ

Hyderabad, November 09, 2015: Pennar Industries Limited - One of India's leading engineering organizations offering specialized, engineered steel solutions announced their unaudited financial results today for the quarter ended 30th September, 2015.

Commenting on the results and performance, ***Aditya Rao, – Vice-Chairman & Managing Director, Pennar Industries Limited,*** *said, "We have had a remarkable quarter despite the muted economic environment and continued high volatility in raw material prices. Our EBITDA margins have improved by ~ 200 bps overall and we have been consistently shoring up our operating margin. We continue to invest in expanding our existing businesses and in newer products. With this, we are well on our way to achieve our target for the year and deliver superior returns to all our stakeholders. "*

CONSOLIDATED FINANCIAL PERFORMANCE:

	Consolidated							
	Q2		y-o-y	Q1	q-o-q	H1		y-o-y
(Rs. Crore)	FY2016	FY2015	Growth (%)	FY2016	Growth (%)	FY2016	FY2015	Growth (%)
Gross Sales	389.2	349.9	*11.2%*	311.9	*24.8%*	701.0	682.1	*2.8%*
Net Sales	339.8	304.9	*11.4%*	274.3	*23.9%*	614.0	595.7	*3.1%*
EBITDA	34.2	25.0	*36.7%*	26.4	*29.5%*	60.6	48.0	*26.2%*
EBITDA Margin (%)	*10.1%*	*8.2%*		*9.6%*		*9.9%*	*8.1%*	
Cash Profit	14.4	12.0	*19.5%*	11.6	*23.7%*	26.0	23.8	*9.2%*
Cash Profit Margin (%)	*4.2%*	*3.9%*		*4.2%*		*4.2%*	*4.0%*	
Net Profit	8.9	5.8	*52.5%*	6.1	*45.5%*	15.0	10.9	*37.5%*
Net Profit Margin (%)	*2.6%*	*1.9%*		*2.2%*		*2.4%*	*1.8%*	
Basic EPS (Rs)	0.74	0.48	*52.5%*	0.51	*45.7%*	1.25	0.91	*37.5%*

STANDALONE FINANCIAL PERFORMANCE:

`	Sales					EBITDA					EBITDA Margin (%)		
	Q2		y-o-y	Q1	q-o-q	Q2		y-o-y	Q1	q-o-q	Q2		Q1
(Rs. Crore)	FY16	FY15	Growth (%)	FY15	Growth (%)	FY16	FY15	Growth (%)	FY15	Growth (%)	FY16	FY15	FY15
Steel Products	92.2	100.2	*(8.0)%*	79.5	*15.9%*	5.5	5.4	*0.7%*	4.6	*19.1%*	5.9%	5.4%	5.8%
Tubes	34.2	33.7	*1.5%*	33.9	*0.8%*	2.5	2.3	*10.1%*	2.4	*6.0%*	7.4%	6.8%	7.0%
Industrial Components	16.7	12.9	*29.3%*	14.6	*14.3%*	2.5	1.9	*33.4%*	2.2	*15.5%*	14.9%	14.4%	14.7%
Systems and Projects	63.7	48.7	*30.9%*	48.7	*30.8%*	9.1	6.3	*44.6%*	6.9	*32.3%*	14.2%	12.9%	14.1%
Scrap Sales	10.7	13.4		8.2		0.0	0.0		0.0				
Total Standalone	**217.5**	**208.8**	*4.2%*	**184.9**	*17.6%*	**19.6**	15.9	*23.2%*	**16.0**	*22.3%*	**9.0%**	7.6%	8.6%

PENNARINDUSTRIESLIMITED
Floor: 3, DHFLVC Silicon Towers
Kondapur, Hyderabad - 500 084, Telangana

CIN : L27109AP1975PLC 001919
www.pennarindia.com

BUSINESS HIGHLIGHTS FOR Q2FY16:

Systems & Projects: In the Railways vertical, we ramped up the production of Stainless Steel Coach Assemblies during Q2, thereby increasing revenues & profits. During the quarter, repeat orders were received from ICF, BEML Ltd. (CRF Sections for Delhi Metro), Southern Railway and Southern Central Railway and Texmaco/Hindustan/Besco (CRF Sections for wagons). Additionally, new products like Sidewall & Roof Assembly for LACCN & LWLRRM Coach were added. Going forward, we plan to supply more number of Coaches per month with the installation of a new Spot Welding Machine at the Chennai plant and a Laser Cutting Machine at the Patancheru plant. In the Solar vertical, one new customer was added in this quarter. Some of the major orders received in Q2 from Sterling & Wilson, L & T, Mahindra, Nuevosol, Sun Edison, Acme and Tata Power India Ltd, among others.

Industrial Components:. Two milestones in this quarter include the execution of hydraulic cylinders export shipment and increased order size from existing customers. Additionally, new products like the Bead Plate (FSTVS), Rotor Cup (Yamaha), Hydraulic Cylinder (Bailey Hydraulics) and Yoke (Letrika Roots) were added. Going forward, we plan to focus on the Hydraulic Cylinder business in the customized segment, expand more into the Braking segment for critical performance components and horizontally expand to other potential customers in the Rotor Cups market.

Tubes: With over 200 customers covering sectors like Auto, Power, Gen Engg., Textile, Earth Moving Equipment, the major customers of tubes business unit include VECV, Mahindra, Gabriel, Endurance, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco, Tata Vendors and others. During the quarter, we added about 10 new customers like Mega Rubber, Kerala Automobiles, Thai Summit, Indian Rubber, Susira, Presscomp, among others. We have submitted CDW samples to five of our export customers and while sample validation and approval is in progress, we are expecting the pilot lot order supply by end of Q3. We plan to focus on expanding the CDW business. Our plant expansion, which is in progress, will increase the capacity by 25%. We have developed dual thickness APH tubes to improve the efficiency and reduce the replacement/shut down frequency of power plants.

Steel Products: In the CRFS segment, we received orders from KC Cottrell Pvt Ltd for 600MT (Collecting & Discharge Electrodes), Thermax Ltd for 400 MT (Collecting Electrode), Powermech for 825 MT (Roofing & Deck Sheets), and SLR Metaliks for 369MT (Roofing Sheets). Repeat orders were also received from Cethar Ltd. for 732MT (Collecting Electrode). In the CRSS segment, we received orders from Thaker Engineering of C55 (Brake Shoe component) and from Swaraj Automotive Ltd. of QSTE 500 (Blanking Component). In the CRFS segment, 2 new customers (KC Cottrell and Clyde Bergmann India Pvt Ltd) were added. In the CRSS segment, 4 new customers (Rockworth India Ltd, Thaker Engineering, A.P. Explosives and V.V. Industries) were added. A new product, the C55 Grade (Brake Shoe component), was added during the quarter.

Pennar Engineered Building Systems Limited: Our Order book stands at Rs. 410 crores. During the quarter, we received new orders from Siemens, International Cargo terminal, Namasthe Telangana, KEC International, UK Textiles. Also, repeat orders were received from Biological E. Limited, Reliance, L&T, Mylan Laboratories, Frontier Sales Corporation, P L Raju Constructions, Decathlon, Top View Infratech. Additionally we are expanding the engineering segment of the business into newer locations.

Pennar Enviro Limited: During the quarter, we received new orders from Lanco Infratech, Biological E Ltd, Hyderabad (Effluent Treatment Plant)), L&T - Building & Factories Division - (KIAL) Kannur Airport - Total water management, SMK Petrochemicals, and Hatsun Agro. We received repeat orders from Sogex Oman (OTPC) Tripura, SMK Petrochemical, Hetero Labs, L&T (Buildings & Factories Division). During the quarter, we added 15 new customers like Verity Pharma, Senswasser, JFE Engineering, Manchu Toughend Glass (P) Ltd., Nand Lal Steels, Hotel Westin among others. We have added new products such as the HVAC Cleaning Agent for Institutional Sales (PennTreat 8080) and High Performance Cleaners for AHUs for Institutional/ Industrial Sales (PennTreat 8082). On the international front, we bagged our first export order from JFE Engineering to sell chemicals.

ABOUT PENNAR INDUSTRIES LIMITED:

Pennar Industries (NSE: PENIND, BSE: 513228) is one of India's leading industrial organizations offering specialized, engineered steel solutions. The Company has a strong presence across growth sectors in India through four business units, Steel Products, Tubes, Industrial Components and Systems & Projects, and two subsidiary companies, Pennar Engineered Building Systems Limited and Pennar Enviro Limited. All of Pennar's manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and six manufacturing plants located at Patancheru, Sadashivpet, Isnapur and Mallapur near Hyderabad, Chennai in Tamil Nadu and Tarapur in Maharashtra.

For more information, please visit **www.pennarindia.com**

For further enquiries, please contact:

Pennar Industries investorrelations@pennarindia.com

Disclaimer:

This release contains "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pennar's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Pennar undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Q2FY16 EARNINGS CONFERENCE CALL DETAILS:

Primary Number:	**+91 22 3938 1073**
Secondary Number:	**+91 22 6746 8358**
International Toll Free Numbers:	**USA : 1 866 746 2133** **UK : 4 4203 478 5524** **Singapore : 800 101 2045** **Hong Kong : 800 964 448**
Date:	**Tuesday, 10 November 2015**
Time:	**11:45 AM to 12:45 PM IST** **02:15 PM to 03:15 PM Singapore & HK** **06:15 AM to 07.15 AM UK**