

- ✓ Q2, FY 13 reflected sustained business performance (without exceptional items) for the company with a marginal improvement in operational profitability as compared to previous quarter.
- ✓ In this quarter the company has provided for Rs 25.90 Crores in the Power Segment (*one-off item*) towards receivable from a customer, who has disputed the payment on various grounds. This has resulted in a muted performance on the reported EBITDA and PAT. (*Note 2 of results*)
- ✓ The adjusted EBITDA for the company (*without one-off item*) in this quarter was Rs 80 Crores against Rs 74 Crores in previous quarter.

COMPANY PERFORMANCE (STANDALONE FINANCIALS)

Profit & loss statement

	Q2 FY 13	Q1 FY 13	Q2 FY 12	6M FY 13	6M FY 12	FY 11-12
Sales	842	866	707	1,708	1,255	2,727
Adjusted EBITDA	80	74	54	154	98	223
<i>Adjusted EBITDA %</i>	<i>10%</i>	<i>9%</i>	<i>8%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>
EBITDA	54	74	54	128	98	223
<i>EBITDA %</i>	<i>6%</i>	<i>9%</i>	<i>8%</i>	<i>7%</i>	<i>8%</i>	<i>8%</i>
Depreciation	21	21	16	41	30	71
EBIT	34	53	38	87	67	152
<i>EBIT %</i>	<i>4%</i>	<i>6%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>6%</i>
Interest	26	28	21	54	43	95
PBT	7	25	17	33	25	57
Tax	3	7	5	10	7	13
<i>Effective tax rate</i>	<i>44%</i>	<i>27%</i>	<i>26%</i>	<i>31%</i>	<i>28%</i>	<i>23%</i>
PAT	4	18	13	23	18	44
<i>PAT %</i>	<i>0.5%</i>	<i>2.1%</i>	<i>1.8%</i>	<i>1.3%</i>	<i>1.4%</i>	<i>1.6%</i>

- The **order book** as on date stands at Rs 2,200 Crores. Rs 1,900 Crores of this is for the power conductors business with Telecom accounting about Rs 300 Crores.

Volumes

	Q2 FY 13	Q1 FY 13	Q2 FY 12	6M FY 13	6M FY 12	FY 11-12
OF (Million fkm)	3.4	3.4	2.8	6.7	5.6	11.7
OFC (Million fkm)	1.3	1.5	0.8	2.8	1.6	3.6
Conductors (MT)	35,600	36,200	36,500	71,800	67,800	135,658

→ The volumes remain stable for this quarter for all businesses and represent a growth on a yoy basis

Balance sheet

	6M FY 12-13	FY 11-12
Source of funds	2,213	1,946
Net worth	1,172	1,149
Gross Debt	939	664
Other liabilities/Provisions	16	59
Deferred tax liability (Net)	85	74
Application of funds	2,213	1,946
Net fixed assets	1,035	1,008
Current assets	1,482	1,270
- Cash	102	185
Current liabilities	934	851
Other non-current assets	629	519

→ The **net debt** for the standalone company as at end of Q2, FY13 was Rs 838 Crores against Rs 700 Crores in the previous quarter. The debt for the company has been primarily increasing on account of equity infusion towards the BOOM projects.

→ Total **capex for BOOM projects** till date has been about Rs 1,150 Crores, Sterlite Technologies has funded about Rs 470 Crores into these projects as an equity infusion while Rs 680 Crores has been raised as debt against these projects so far.

→ The first BOOM project for Sterlite that is East North Interconnection Company Limited (ENICL) is on track to be completed by March 2013. The project will start generating revenues from April 2013.

SEGMENTAL PERFORMANCE (STANDALONE FINANCIALS)

Power segment

	Q2 FY 13	Q1 FY 13	Q2 FY 12	6M FY 13	6M FY 12	FY 11-12
Sales	549	570	506	1,118	892	1,902
Adjusted EBITDA	32	27	24	59	32	84
<i>Adjusted EBITDA %</i>	6%	5%	5%	5%	4%	4%
EBITDA	7	27	24	33	32	84
<i>EBITDA %</i>	1%	5%	5%	3%	4%	4%
Depreciation	7	7	5	14	10	22
EBIT	(0)	20	18	20	22	62
<i>EBIT %</i>	0%	4%	4%	2%	2%	3%

- The power segment profitability is depressed significantly due to a provision of Rs 25.90 Crores taken by the company this quarter against an ongoing dispute with one of its customers which is a one off adjustment.
- The adjusted EBITDA for the power segment (w/o one-off adjustment) was Rs 32 Crores which represents an EBITDA/MT of about Rs 9000/MT. This is comparable to Rs 7,400/MT in Q1 FY 13 and Rs 6,500/MT in Q2 FY 12.

Telecom segment

	Q2 FY 13	Q1 FY 13	Q2 FY 12	6M FY 13	6M FY 12	FY 11-12
Sales	275	276	183	551	328	771
EBITDA	48	47	30	95	66	139
<i>EBITDA %</i>	17%	17%	16%	17%	20%	18%
Depreciation	14	14	10	28	20	49
EBIT	34	33	20	67	46	90
<i>EBIT %</i>	12%	12%	11%	12%	14%	12%

- The Telecom Segment showed a stable revenue and profitability on a QoQ basis while a 50% growth in revenues and 100 bps improvement in profitability for the corresponding quarter on a YoY basis.

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