



KEC International Limited

PERFORMANCE REVIEW

Quarter ended 31st December 2007



Mumbai, 31st January 2008

Performance Summary

Rs. crores

Particulars	Q3FY08	Q3FY07	Change %
Sales	709	555	28%
EBIDTA	103	81	27%
PBT	80	57	40%
PAT	52	38	37%
Interest Cost to Sales (%)	2.51%	2.69%	

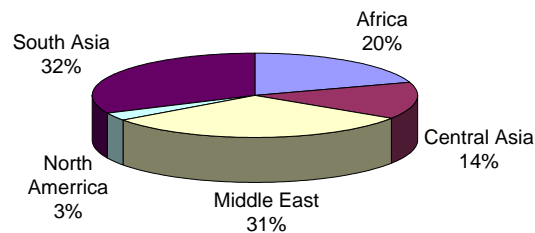
Key Highlights

- The Scheme of Arrangement between KEC, RPGT & NITEL became effective from 1st of October 2007 with the filing of the High Court Order with the ROC on 30th January 2008. Accordingly the results incorporate the financials of RPGT & NITEL with KEC for Q3 FY08.
- The merged entity achieved a Net Sales of Rs. 708.91 Crs for the quarter, with an EBIDTA of Rs 102.57 crs which is 14.46% of sales and a PAT of Rs 52.30 crs which is 7.38% of sales.
- For the sake of comparison, KEC(standalone) achieved a Net Sales of Rs 618 Crs for the quarter as against a sale of Rs. 555 Crs, an increase of 11% as compared to the corresponding quarter of previous year.
- The EBIDTA of KEC (standalone) stood at Rs 89 Crs which is 14.46% of sales.
- For the nine months ended 31st December 2007, KEC (standalone) achieved Net Sales of Rs 1693 Crs for the quarter as against a sale of Rs. 1397 Crs, an increase of 21% as compared to the corresponding period of previous year.
- The EPS of the Company stood at Rs. 10.60 in Q3F Y08 (on diluted equity base)

- The merged Company has a healthy order book position of Rs 5,050 crores of which Rs 830 crs are L1 positions
- During the quarter, the Company has completed two international and four domestic projects.

Order Book(including L1 positions) Break up

Regions	Rs crores
Africa	1,013
Central Asia	716
Middle East	1,560
North America	143
South Asia	1,618



Future outlook

- KEC currently has an impressive order book including L1 position of Rs. 5050 crores out of which Rs 3,430 crores is from International market and Rs 1,620 crores is from South Asia.
- KEC recently won two orders for PGCIL for supply & construction of transmission line on a turnkey basis in Bihar, Jharkhand & Orissa totalling around Rs 97 crores.
- Bangladesh & Sri Lankan markets have become active. Thus South Asia business is looking positive for coming months.
- In the telecom market the execution of the USO fund project where the erstwhile NITEL bagged 384 sites for four clusters in 3 states Chattisgarh, Mizoram, Meghalaya is well underway and progressing speedily. With the merger of NITEL, KEC will now own the sites and will culminate the project with its project management expertise.
- KEC looks forward to enter new geographical locations and capture opportunities in the rural electrification and sub station markets.

- The company has re entered the South African region (SADEC) where, it has won orders for an EPC project in Namibia & supply of towers in South Africa.
- Execution of projects in the Middle East region where the company has been a major player in the last 15 years, are progressing well. KEC has recently bagged more new jobs in the region.
- Projects in Afghanistan & Kazakhstan are well on their way of execution. The company is constantly on a lookout for further opportunities in other CIS countries.
- North America is a market with a huge potential. The flow of projects has been slow as formal approvals especially environmental approvals are yet to come.
- KEC is well placed to take advantage of buoyant scenario both in various business segments namely T & D, Substations, Telecom & Railways and hopes to maintain the momentum and consolidate its position further in the times to come.



Cautionary statement

Statement in this "Performance Review" describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include demand supply conditions, finished goods prices, availability and prices of raw materials, changes in the government regulations, tax regimes, economic development within India and the countries within which the company conducts business and other factors such as litigations and labour negotiations.