



KEC International Limited

PERFORMANCE REVIEW

Quarter ended 30th September 2008



Mumbai, 23rd October 2008

Performance Summary

Rs. crores

Particulars	Q2FY09	Q2FY08	Change %
Sales	806.45	562.96	43%
EBIDTA	56.20	74.54	-25%
PBT	27.40	52.01	-48%
PAT	17.80	33.89	-48%
Interest Cost to Sales (%)	2.89%	2.79%	

Key Highlights

- The company's net sale was Rs. 806 crore at the end of the second quarter as against Rs. 563 crore for last year corresponding quarter. The EBIDTA for the quarter was Rs 56.19 crore at 7 % of sales. The net profit of the company for the quarter was Rs 17.80 crore at 2.21% of sales.
- Other expenditure for the quarter ended on September 30, 2008 includes translation loss on foreign exchange of Rs. 24.78 crore as against a gain of Rs. 7.28 crore for the corresponding quarter last year, accounted in terms of Accounting Standard (AS) 11 for mark to market.
- The Revenue break for the quarter is as follows:
 - International business - Rs 538 crs (67%)
 - South Asia business - Rs 268 crs (33%)

Order Book

- During the quarter the company won three consecutive Rural Electrification orders under the RGGVY and established its presence strongly in the distribution segment
 - Rs.124 crore Turnkey Rural Electrification project in Jharkhand
 - Rs.120 crore Turnkey Rural Electrification project in Orissa
 - Rs. 55 crore Turnkey Rural Electrification project in Orissa

- The company also won a Rs. 97 crore 765 kV Turnkey project in Uttar Pradesh from PGCIL
- The Telecom division bagged another Export Order of USD 4.63 mn from Andrews Corporation, South Africa for supply of towers
- The order book position of the company as on date is Rs 4700 crores.
 - International Rs 3075 cr (65%) | South Asia Rs 1625 crs (35%)
 - Transmission Rs 3480 cr | Distribution & Substation Rs 1160 crs
 - Railways & Telecom Rs 60 cr
- The order book stands robust despite the drying up of transmission orders in India



Future Outlook

- These are turbulent times the world over, characterized by turmoil in the financial markets, severe liquidity crunch, volatile commodities & currencies, with business confidence at an all time low. Indian businesses are also facing the heat. Amidst the turmoil, KEC has not remained untouched. But KEC is prepared to face any situation.
- Supported by a large order book position KEC is confident of accelerating the growth in revenues and reviving margins ahead in the current year.



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.