



KEC International Limited

PERFORMANCE REVIEW

**Quarter ended 31st March 2008**



**Mumbai, 30<sup>st</sup> April 2008**

## Performance Summary – Q4 FY `2007-08

Rs. crores

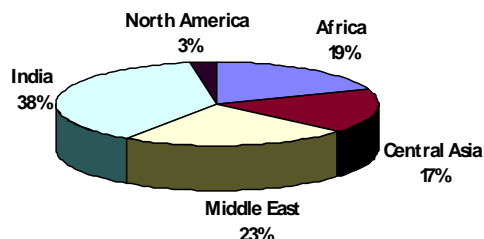
Particulars	Q4 FY08	Q4 FY07	Change %
Sales	1031	644	60%
EBIDTA	113.56	71.57	59%
PBT	90.79	46.73	94%
PAT	60.66	30.19	100%
Interest Cost to Sales (%)	1.74	2.61	

### Key Highlights

- KEC achieved a Net Sales of Rs. 1031 Crs for the fourth quarter, with an EBIDTA of Rs 113.56 crs which is 11% of sales and a PAT of Rs 60.66 crs. For the quarter the Revenue from the International business has been Rs 600 crs & that from the South Asia business has been Rs 431 crs
- For the full year ended 31st March 2008, KEC achieved Net Sales of Rs 2814 Crs as against a sale of Rs. 2041 Crs for the year ended 31st March 2007, an increase of 38%.The break up for the full year is as follows: International business Rs 1838 crs(65%) & South Asia business Rs 976 crs(35%). The company's Net profit for the year is at Rs 172.16 crores, an increase of 65% from 2006-07.
- The EPS of the Company has improved from Rs. 8.01 in Q4 FY` 07 to Rs. 12.29 in Q4 FY` 08 and from Rs. 27.77 in FY 2006-07 to Rs. 39.56 in FY 2007-08.
- The Company has a healthy order book position of Rs 5040 crores of which Rs 840 crs are L1 positions as on 31<sup>st</sup> March 2008
- During the year, the Company has successfully completed 10 International and 21 South Asia projects.

## Order Book (including L1 positions) Break up

	Rs Crores
Africa	974
Central Asia	871
Middle East	1,155
India	1,902
North America	138
	<u>5,040</u>



### Future outlook

- KEC currently has an impressive orders in hand position of Rs. 4200 crores out of which Rs 2950 crores is in International Business and Rs 1250 crores in South business.
- Although some slow-down was experienced in the South Asia sector for some months earlier, things have now started moving positively with PGCIL floating orders worth Rs 2000 crores in the last quarter.
- During the past year the company won projects from various state utilities like Rajasthan, MP, Jammu & Kashmir, Karnataka
- The Union Budget 2008 has also contributed its bit to boost investments in the power sector by making fresh allocations to the APDRP & RGGVY, announcing a National Transmission & Distribution Fund.
- Bangladesh & Sri Lankan markets have become active. During the past year KEC won an order in Bangladesh and is continuing with the execution of the Sri Lanka Project. The company is exploring other markets in the region opportunistically in the current year. Thus South Asia business is looking positive in the year ahead.
- In the telecom market the execution of the USO fund project for 400 sites in 3 states Chhattisgarh, Mizoram, Meghalaya is well underway and progressing speedily.

- Internationally, there are opportunities in Telecom tower EPC business in Africa and Middle East and KEC is exploring the same.
- The Railway electrification business has also been going strong with KEC winning two orders for Northern & Central Railways.
- During the year KEC has entered the South African region (SADC) where it has won orders for an EPC project in Namibia & supply of towers in South Africa.
- KEC`s projects in the Middle East region where it has been a major player for last 15 years, are progressing well and currently about 25% of the order book is from this market.
- In Afghanistan & Kazakhstan, The projects are well on their way of execution. KEC is constantly on a hunt for further opportunities in other CIS countries.
- The huge opportunities in both the South Asia & International markets have given rise to many new players and this is putting pressure on the margins. However, KEC, with its 6 decade of project management experience, cost efficiencies and powerful human resource is well poised to take advantage of the buoyant scenario in various business segments namely Transmission, Distribution, Substations, Telecom & Railways and it hopes to maintain the momentum and consolidate its position further in the times to come, true to its objective of BUILDING INFRASTRUCTURE GLOBALLY.



**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.**