

Pennar consolidated Q1FY14 Net Revenues at Rs 254 Cr; PAT at Rs. 6 Cr;**Added over 110 new customers in Q1FY14**

Hyderabad, August 7, 2013: Pennar Industries Limited, one of India's leading industrial companies engaged in the production and marketing of specialized engineered steel solutions, announced their unaudited financial results for the quarter ended 30th June, 2013, today.

Commenting on the results and performance, Aditya Rao, Vice – Chairman of Pennar Industries Limited, said: "In spite of the deteriorating macros, Pennar, with its diversified businesses, continues to remain profitable and generate positive cash flows. To counter the slowdown in demand from automobile, infrastructure and engineering sector of the economy, Pennar group is actively pursuing new business opportunities to realise growth. We are aggressively bringing in structural changes within the organization and relentlessly pursuing efforts to accentuate the transformation story of Pennar. We remain committed to increasing shareholder value and our ongoing buy-back program is effort to do this."

Commenting on the results and performance, Suhas Baxi, President and CEO of Pennar, said: "Pennar continues to make strong efforts to add new customers and new products to its existing lines of business, thereby changing the product mix towards value added engineering products and solutions. There is a perceptible slowdown in customer off-take from white goods, railways and automobiles sectors which contribute more than 60% to our top line. During the 1st quarter, we generated 10% of our revenue from new customers and products; and this is likely to go up in the coming quarters. This definitely helps mitigate the lowering of demand seen in our conventional business. Despite worsening macro variables, owing to the steps taken in the last few quarters to transform Pennar's businesses, we expect the impact of the slowdown to be not as severe as peers in the industry. Pennar is pursuing an ambitious growth strategy and we remain confident of its success. I urge all of you please read our latest annual report which articulates our business strategy in detail."

Read more on Pennar's growth story in the latest FY12-13 annual report titled "TRANSFORM" [LINK](#)

CONSOLIDATED FINANCIAL HIGHLIGHTS:

(Rs. Crore)	Q1		y-o-y	Q4	q-o-q
	FY2014	FY2013	Growth (%)	FY2013	Growth (%)
Gross Sales	293.1	329.0	(10.9)%	345.9	(15.3)%
Net Sales	253.6	285.5	(11.2)%	305.1	(16.9)%
EBITDA	18.2	30.0	(39.4)%	29.9	(39.2)%
EBITDA Margin (%)	7.2%	10.5%		9.8%	
Cash Profit	10.7	16.3	(34.0)%	12.2	(11.9)%
Cash Profit Margin (%)	4.2%	5.7%		4.0%	
Net Profit	6.3	10.9	(42.7)%	8.9	(29.8)%
Net Profit Margin (%)	2.5%	3.8%		2.9%	
Basic EPS (Rs)	0.51	0.90	(42.7)%	0.73	(29.8)%

SEGMENTAL PERFORMANCE:

(Rs. Crore)	Sales					EBITDA					EBITDA Margin (%)				
	Q1		y-o-y	Q4		Q1		y-o-y	Q4		Q1		y-o-y	Q4	
	FY14	FY13	Growth (%)	FY13	Growth (%)	FY14	FY13	Growth (%)	FY13	Growth (%)	FY14	FY13	Growth (%)	FY13	Growth (%)
Steel Products	118.0	134.4	(12.2)%	133.7	(11.8)%	6.1	12.5	(51.0)%	8.0	(23.3)%	5.2%	9.3%	(411)	6.0%	(78)
Tubes	32.3	27.4	18.1%	28.4	13.7%	1.9	2.4	(22.8)%	1.6	20.6%	5.8%	8.8%	(306)	5.4%	33
Industrial Components	18.4	18.7	(1.6)%	19.5	(5.6)%	2.2	2.5	(11.5)%	1.4	65.2%	12.1%	13.5%	(136)	6.9%	519
Systems and Projects	23.6	38.3	(38.3)%	48.7	(51.5)%	1.9	5.2	(62.8)%	6.4	(69.7)%	8.2%	13.6%	(540)	13.1%	(492)
Total Standalone	192.3	218.8	(12.1)%	230.4	(16.5)%	12.2	22.6	(46.3)%	17.3	(29.6)%	6.3%	10.4%	(403)	7.5%	(118)
Pre-Engineered Buildings	71.2	67.3	5.8%	87.5	(18.6)%	6.3	8.0	(21.3)%	13.0	(52.0)%	8.8%	11.8%	(302)	14.9%	(611)
Sub Total	263.5	286.1	(7.9)%	317.9	(17.1)%	18.4	30.6	(39.8)%	30.3	(39.2)%	7.0%	10.7%	(371)	9.5%	(255)
Regrouping Adjustments	(9.9)	(0.6)		(12.8)		(0.3)	(0.6)		(0.4)						
Total Consolidated	253.6	285.5	(11.2)%	305.1	(16.9)%	18.2	30.0	(39.4)%	29.9	(39.2)%	7.2%	10.5%	(334)	9.8%	(263)

BUSINESS HIGHLIGHTS FOR Q1FY14:

- Steel Products:** >75% of the business comes from Auto, Power and Infrastructure Industry. Volume expansion through smaller ticket sizes and steeply widening customer base. 54 new customers added in Q1. Several new product development programs initiated. TPM initiatives undertaken to reduce wastage and improve product quality.
- Systems & Projects:** Offerings in solar segment now include large as well as small projects. Seasonality mitigated by new product approach aiding even in low activity quarters. Added 4 new customers to solar. Introduced solar mounting structures with Tracking System. Railways segment began work for BEML on a new product of body pillars for coaches. Solar business grew from Rs.39 lakhs in Q1 2013 to Rs. 6.6 crore in Q1 2014.
- Tubes:** Tubes grew by 18% over Q1 2013 despite overall negative development. Added over 25 new customers in Q1FY14. Focus more on special grade ERW / CDW products; new product development for CDW accelerated. Utilized over 80% of the installed capacity at 2,200 MT per month; adding capacity for increasing volumes.
- Industrial Components:** Shifting components activities to Chennai under process. Phase 1 of India Nippon Electricals Limited (INEL) consolidation is completed. Opportunity pipeline generated worth Rs. 60 crores.
- Pre-Engineered Buildings (PEBS):** PEBS witnessed a sales growth of 6% YoY. Received major orders from customers such as India Logistics, Shapoorji Pallonji, and Gland Pharma and repeat orders from Reliance, Abir Infra, ACC, S S Developers, and Volvo. PEBS began solar order execution and also started implementation of ERP. Current order book of over Rs.320 crores. Focus will be on new segments like structural steel, multi-storied buildings, industrial racking systems and space frames.

ABOUT PENNAR INDUSTRIES LIMITED:

Pennar Industries (NSE: PENIND, BSE: 513228) is one of India's leading industrial companies engaged in the production and marketing of 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 and Isnapur, Chennai, Tarapur (Maharashtra) and Hosur (Tamil Nadu).

For more information, please visit www.pennarindia.com

For further enquiries, please contact:

Ravi Rajgopal
Pennar Industries

+91 994 868 8771
ravirajgopal@pennarindia.com

Safe Harbour:

This release contains statements that contain "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.