



Press release

For immediate release

May 10, 2013

**Pennar consolidated Q4 FY13 Net Revenues up 15% QoQ to Rs 305 Cr**  
**Robust performance in Engineered Profiles, Tubes and Industrial Components**  
**Board declares 20% dividend**

**Hyderabad, May 10, 2013:** Pennar Industries Limited, one of India’s leading industrial companies engaged in the production and marketing of specialized engineered steel solutions, announced their audited financial results for the year ended 31st March 2013, today. The Board of Directors recommended a dividend of 20% on the Equity Share Capital.

*Commenting on the results and performance, **Nrupender Rao, Chairman of Pennar Industries Limited**, said: “In a challenging macroeconomic environment, Pennar has maintained margins and profitability for the financial year with four out of the six business verticals growing revenue and profits. We have aggressive plans in FY14 to deliver strong growth across all six business verticals. The ground prepared over the past year allows us to aggressively scale the Pre Engineered Building Systems, Precision Tubes and Water Treatment vertices in particular. The strong cash generation and structural changes made during FY2013 will allow us to bring in strong growth over the next few quarters.”*

*Commenting on the results and performance, **Suhas Baxi, President and CEO of Pennar**, said: “2013 was a tough year. However we invested in creating an organization for future growth during this year. We have reorganized our business to create focus on market expansion and market share growth. The leadership team has been augmented with induction of new talent with rich and diversified experience. This will go a long way in driving growth in the future.”*

**CONSOLIDATED FINANCIAL HIGHLIGHTS:**

(Rs. Crore)	Q4		y-o-y	Q3		y-o-y		
	FY2013	FY2012	Growth (%)	FY2013	Growth (%)	FY2013	FY2012	Growth (%)
Gross Sales	345.9	408.3	(15.3)%	300.4	15.2%	1,274.4	1,381.5	(7.8)%
Net Sales	305.1	358.9	(15.0)%	265.8	14.8%	1,115.1	1,218.6	(8.5)%
EBITDA	30.4	26.9	12.9%	27.7	9.7%	116.5	144.7	(19.5)%
EBITDA Margin (%)	10.0%	7.5%		10.4%		10.4%	11.9%	
Cash Profit	12.2	15.1	(19.3)%	15.4	(20.8)%	59.8	81.9	(27.0)%
Cash Profit Margin (%)	4.0%	4.2%		5.8%		5.4%	6.7%	
Net Profit	8.9	11.4	(21.8)%	10.8	(17.5)%	41.9	62.0	(32.5)%
Net Profit Margin (%)	2.9%	3.2%		4.1%		3.8%	5.1%	
Basic EPS (Rs)	0.73	0.94	(21.8)%	0.89	(17.5)%	3.43	5.08	(32.5)%

Note: Scrap sales has been adjusted against raw materials costs

## SEGMENTAL PERFORMANCE:

In an effort to align its businesses with its products and market landscape, Pennar has consolidated its businesses into four business verticals: Steel Products, Tubes, Industrial Components and Systems & Projects.

(Rs. Crore)	Sales					EBITDA					EBITDA Margin (%)				
	Q4		y-o-y	Q3		Q4		y-o-y	Q3		Q4		y-o-y	Q3	
	FY13	FY12	Growth (%)	FY13	Growth (%)	FY13	FY12	Growth (%)	FY13	Growth (%)	FY13	FY12	Growth (%)	FY13	Growth (%)
Steel Products	133.7	168.4	(20.6)%	106.6	25.4%	8.0	12.3	(35.4)%	9.5	(15.6)%	6.0%	7.3%	(136)	8.9%	(289)
Tubes	28.4	23.2	22.8%	21.7	31.2%	1.6	1.7	(8.0)%	1.7	(9.4)%	5.4%	7.3%	(182)	7.9%	(244)
Industrial Components	19.5	20.8	(6.3)%	15.9	22.5%	1.4	2.5	(45.8)%	2.7	(50.7)%	6.9%	12.0%	(504)	17.2%	(1,028)
Systems and Projects	48.7	76.0	(35.9)%	56.8	(14.2)%	6.4	8.2	(22.1)%	6.6	(3.5)%	13.1%	10.8%	233	11.7%	146
<b>Total Standalone</b>	<b>230.4</b>	<b>288.4</b>	<b>(20.1)%</b>	<b>201.0</b>	<b>14.6%</b>	<b>17.3</b>	<b>24.7</b>	<b>(30.1)%</b>	<b>20.5</b>	<b>(15.8)%</b>	<b>7.5%</b>	<b>8.6%</b>	<b>(108)</b>	<b>10.2%</b>	<b>(271)</b>
Pre-Engineered Buildings	88.8	71.1	25.0%	68.6	29.5%	13.0	6.8	91.1%	7.2	82.0%	14.7%	9.6%	508	10.4%	424
<b>Sub Total</b>	<b>319.2</b>	<b>359.5</b>	<b>(11.2)%</b>	<b>269.6</b>	<b>18.4%</b>	<b>30.3</b>	<b>31.6</b>	<b>(3.9)%</b>	<b>27.7</b>	<b>9.5%</b>	<b>9.5%</b>	<b>8.8%</b>	<b>72</b>	<b>10.3%</b>	<b>(77)</b>
Regrouping Adjustments	(14.1)	(0.6)		(3.9)		0.1	(4.6)		0.0						
<b>Total Consolidated</b>	<b>305.1</b>	<b>358.9</b>	<b>(15.0)%</b>	<b>265.8</b>	<b>14.8%</b>	<b>30.4</b>	<b>26.9</b>	<b>12.9%</b>	<b>27.7</b>	<b>9.7%</b>	<b>10.0%</b>	<b>7.5%</b>	<b>246</b>	<b>10.4%</b>	<b>(46)</b>

## BUSINESS HIGHLIGHTS FOR Q4FY13:

- **Steel Products:** Growth in this quarter was driven largely by the Engineered Profiles segment. In a significant development in the quarter, major orders for sheet piles were placed by Delhi Metro rail. With the objective of targeting the newer eastern and northern markets, this division is aggressively hiring manpower at the sales offices in these locations.
- **Tubes:** The business has grown by 67% as compared with 2012. As compared with Q4 of last year, the segment has grown by 27% in volume and 23% in value, whereas CDW tubes have grown by 175%. In Q4, Isnapur plant recorded the highest ever production, amounting to 1900MT of ERW tubes and 290MT of CDW tubes.
- **Industrial Components:** The stabilization of new disc brakes for the automobile segment has begun generating revenues for this segment.
- **Systems & Projects:** Revenues decreased QoQ on account of lower coach & wagon manufacturing orders announced by the Railway Board. However, EBITDA margins were maintained. The Solar business maintained its growth trend in Q4FY13.
- **Pre-Engineered Buildings (PEBS):** Major breakthrough in the cold form steel buildings segment by securing orders. Successful breakthrough into Metro Rail Project through L&T Hyderabad. Entered into power plant segment by bagging order from Ramky.
- **Pennar Enviro:** The company now has an order book of greater than Rs. 5 crores for industrial water treatment projects from some of the industry leaders.



## 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](http://www.pennarindia.com)

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**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.*