

29 June 2009

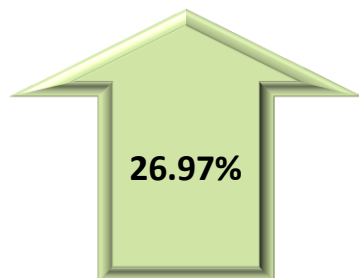


Investor Update FY'09...

Electrotherm (India) Limited

Diversified performance of global excellence





26.97%

Revenue

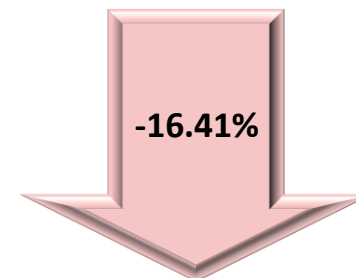
INR 16,828MM



14.09%

EBITDA

INR 2,441MM



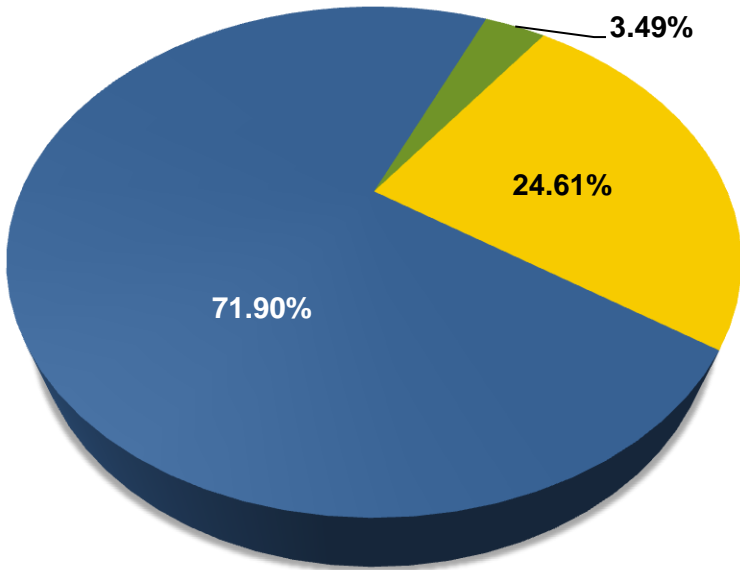
-16.41%

PAT

INR 515MM

- ❑ **Total Revenues** up 26.97% from INR 13,254MM in FY08 to INR 16,828MM in FY09 driven by growth in Special steel segment where revenues jumped by 35% in FY'09
 - Export sales jumped by 50% in FY'09 to INR 2,236MM from INR 1,490MM in FY'08. As %age of revenues export sales contributed 13.29% in FY'09 compared with 11.24% in previous year
- ❑ **EBITDA** up 14.09% from INR 2,140MM in FY08 to INR 2,441MM in FY09; EBITDA margin declined to 14.51% in FY09 from 16.14% in FY08 primarily due to increase in raw material costs which were increased substantially as commodity prices went north in FY'09
- ❑ **Net Profit** down 16.41% from INR 616MM in FY08 to INR 515MM in FY09 impacted by significant increase in interest costs (interest expense increased by 47% to INR 1,150MM in FY'09), the company raised debt to fuel to its expansion plans

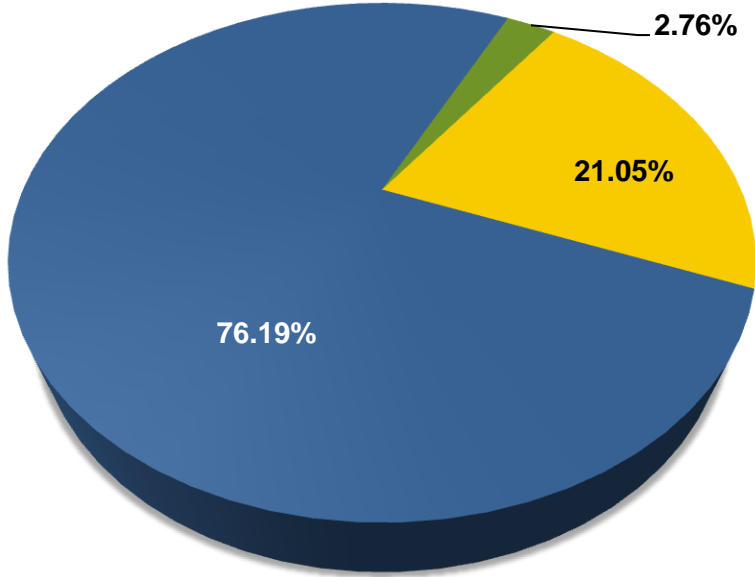
FY'08



■ Engineering ■ Steel ■ Electric Vehicles

FY'08 Revenues: INR 13,254MM

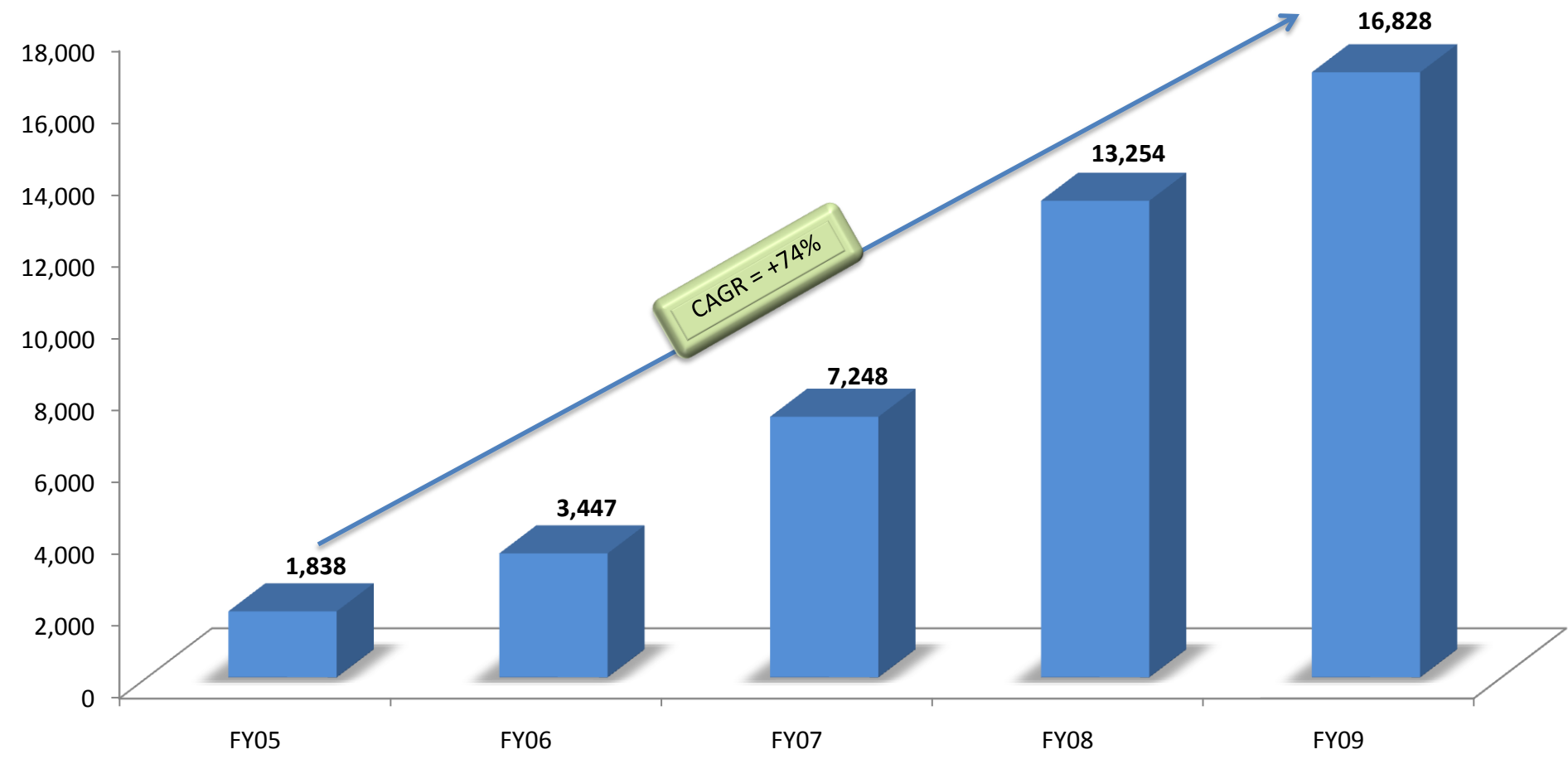
FY'09



■ Engineering ■ Steel ■ Electric Vehicles

FY'09 Revenues: INR 16,828MM

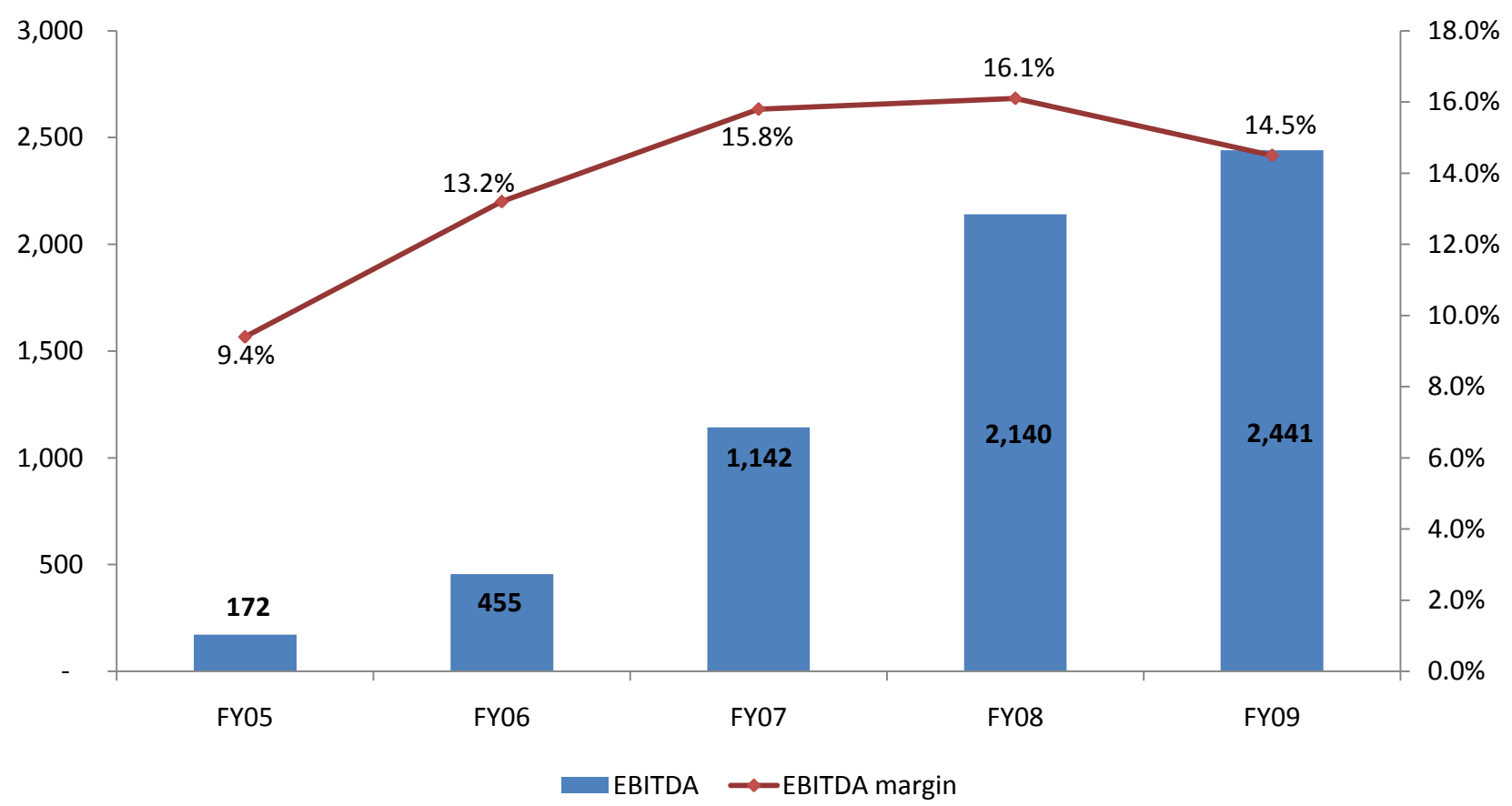
(INR million)



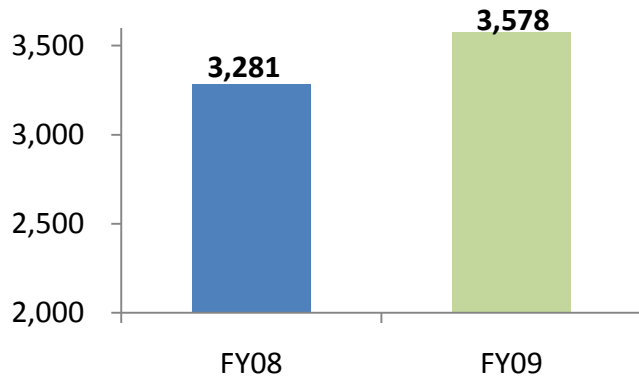
Consolidated Operating Income (EBITDA)



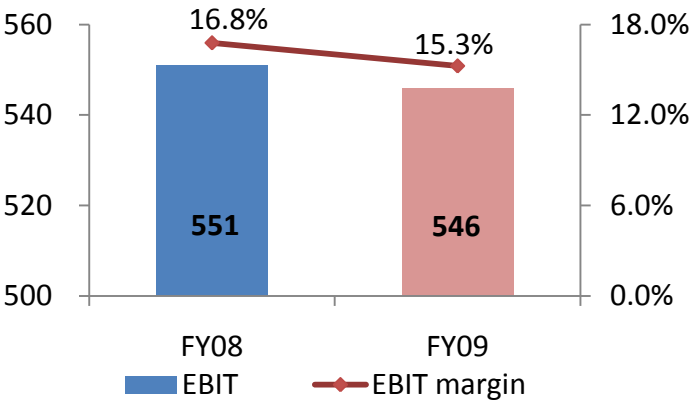
EBITDA = INR million
EBITDA Margin = %



Revenues (INR million)



EBIT (INR million) EBIT Margin (%)



Recent Development

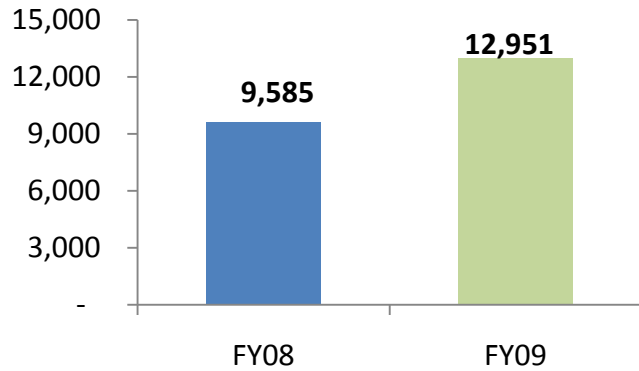
- ❑ Electrotherm started its Transformer Division and the 1st order of transformer was executed in Jan'09. The division is now in commercial operations.

Future Plans

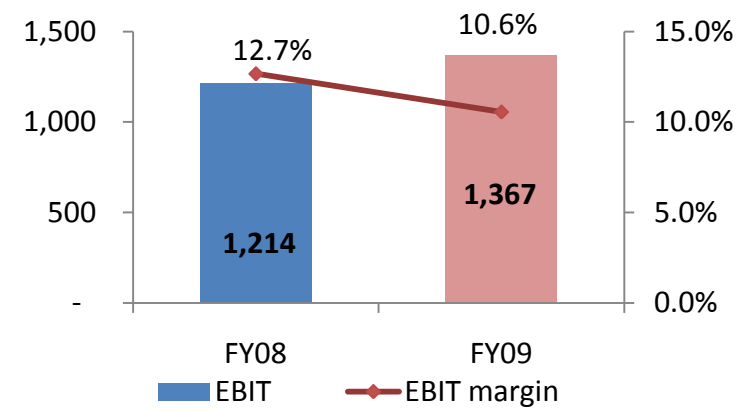
- ❑ The company has started working on galvanizing and fabricating structures required for Transmission Line Towers. Some orders for substations and Transmission Line Towers are in the advanced stage of discussions with the SEBs and the company is expecting to implement the first project in the next financial year (FY 2010 – 2011)



Revenues (INR million)



EBIT (INR million) EBIT Margin (%)

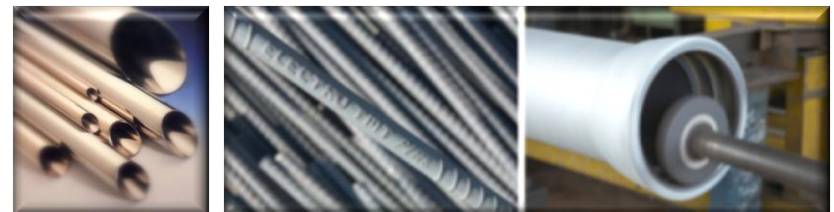


Recent Development

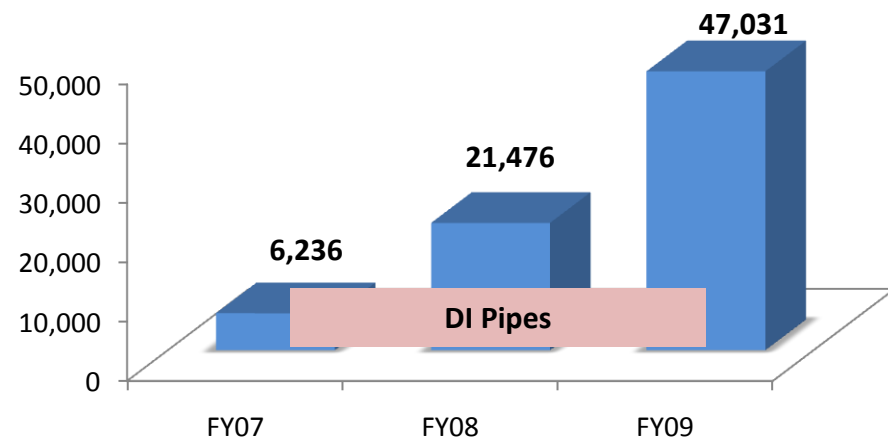
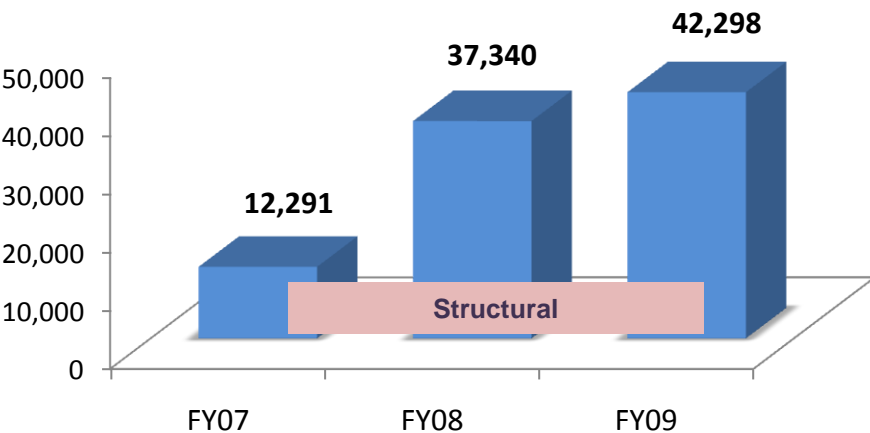
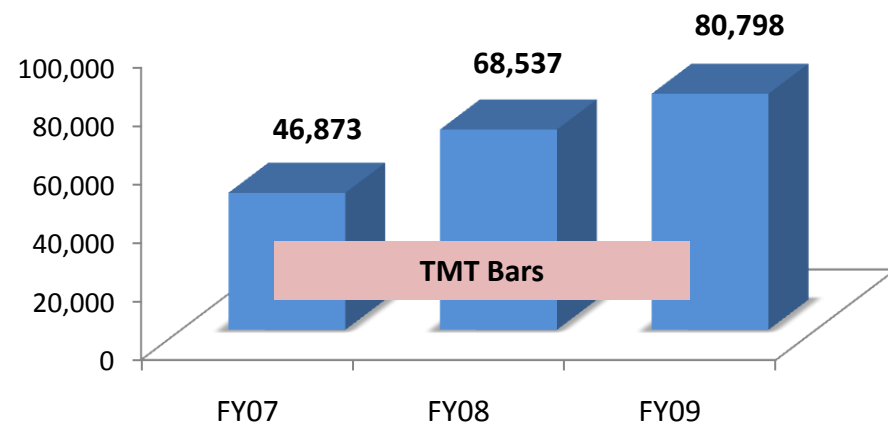
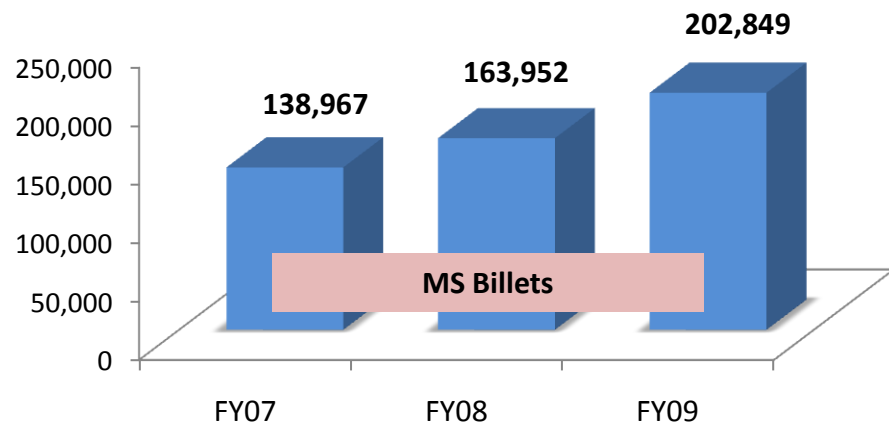
- ❑ 1st indigenously designed Micro Mini Blast Furnace (MBF) became fully operational and the 2nd MBF which is under erection was supervised by Chinese technicians and will go on stream by Aug 09

Future Plans

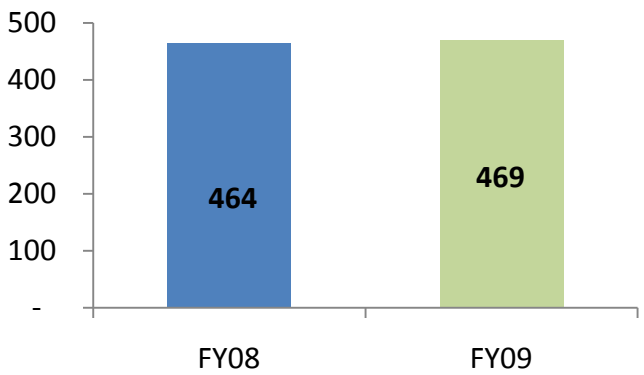
- ❑ The capacity of Ductile Iron Pipe Plant is expected to go upto 250,000 TPA after expansions in Aug'09 and Dec'09



Production (Metric Tonne)



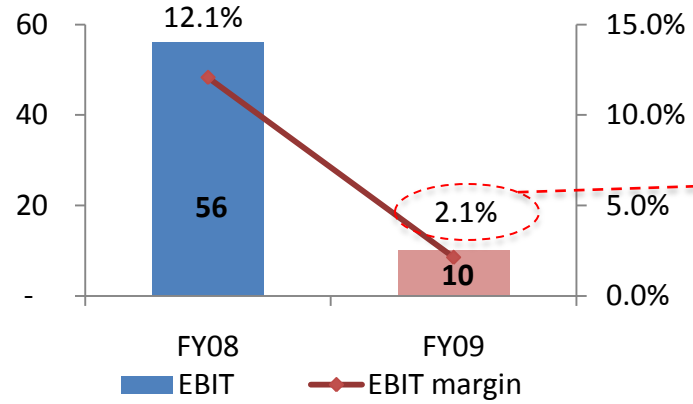
Revenues (INR million)



Recent Development

- Launched new models which will compete with scooters (previous models were competing with Mopeds)
- The speed at which Yo-bykes can run has been increased to 50KM per hour

EBIT (INR million)
EBIT Margin (%)



Future Plans

- Planning to launch Yo EXL and YO Explore, which are expected to become the key revenue drivers for the electric segment of the company

Driven by increase in advertising expenditure and personnel expenses. Advertising expenditure increased to 11.40% of segment revenues in FY'09 from 9.71% in FY'08
Employee costs increased to 17.37% of revenues in FY'09 from 11.19% in FY'08



Investor	Jun'08	Sep'08	Dec'08	Mar'09
Promoters (A)	29.16	32.27	32.27	33.57
Institutional Investors				
DII's	1.64	1.53	1.40	0.10
FII's	12.66	12.11	12.09	12.09
Sub Total (B)	14.30	13.64	13.49	12.19
Non Institutional Investors				
Individuals	11.90	11.52	11.47	11.60
Body Corporate	31.00	29.46	29.37	29.32
Trusts	12.48	11.92	11.92	11.92
Others	1.16	1.19	1.48	1.40
Sub Total (C)	56.54	54.09	54.24	54.24
Total	100%	100%	100%	100%

Clients we Serve



Hill Metals



- Engaged IBM for implementation of SAP to improve overall effectiveness of organization by managing various resources through SAP.
- Engaged KPMG for Organization building through HR capability building.
- Launched “People First Initiatives” for HR Transformation.
- Engaged ECS Ltd in Steel Division for process improvements and cost optimization.
- Engaged ECS Ltd in E&P Division to enhance project management capability and quality systems.
- Engaged TAACT to establish Technical Training Center for technical skill up-gradation of Engineers.
- Institutionalized ET Academy of Excellence for empowerment through Learning & Development to enhance functional competencies and behavioral reformation.
- Institutionalized “Office of Strategy Management and Organization Transformation” to become Strategy Focused Organization and transform in to New Generation Organization.
- Organized Competency Development Center with assistance from KPMG for top 70 Managers to enhance managerial band width.
- Revisited Vision, Mission through a structured workshop facilitated by KPMG to evolve new ET Vision & Mission and Value System
- Conducted Strategy Awareness Program by IIM Ahmedabad. Organized Strategy formulation workshop internally to construct strategy Map and Balanced Scorecard to link it with performance management system.
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- ❑ Electrotherm has deferred its demerger scheme for the time being till the markets get back on the right track. The company has taken the decision after consulting its equity partners.

Consolidated Income Statement



<i>Figures in INR million</i>	FY'08	FY'09	Y-oY Growth
Total Revenues	13,254	16,828	27.0%
Other Income	68	87	
Increase (Decrease) in Stock	63	903	
Material Costs	(8,677)	(11,896)	37.1%
Power & Fuel charges	(915)	(966)	5.6%
Other Manufacturing expenses	(760)	(1,145)	50.7%
Employee remuneration	(311)	(390)	25.2%
SG&A expenses	(574)	(960)	67.2%
R & D expenses	(8)	(21)	159.7%
EBITDA	2,140	2,441	14.1%
Depreciation & Amortization	(319)	(518)	62.6%
EBIT	1,821	1,923	5.6%
Finance Charges	(785)	(1,150)	46.5%
Profits Before Tax (PBT)	1,036	773	-25.4%
Taxation Charges	(414)	(266)	
Net profits	622	507	-18.5%
Prior period adjustment Income/(Expenses)	2	15	
Profit after Prior Period Adjustment	624	522	-16.2%
Preference Dividend	(7)	(7)	
Net profit for equity holders	616	515	-16.4%
Basic Weighted Avg. shares (MM)	9.14	11.25	
Basic EPS (INR)	67.4	45.8	

Ratio Analysis	FY'08	FY'09
Growth Ratios		
Net Sales	82.9%	27.0%
EBITDA	87.4%	14.1%
EBIT	89.0%	5.6%
Net Profits	44.6%	(16.4%)
Return ratios		
EBITDA margin	16.1%	14.5%
EBIT margin	13.7%	11.4%
Net Profits margin	4.7%	3.1%
RoE*	22.9%	13.7%
RoCE**	20.6%	13.6%
Per Share Data (INR)		
EPS	67.44	45.81
BVPS	339.58	390.18
Operating Ratios		
Debt-Equity	2.20	2.75
Current Ratio	3.30	2.50

* RoE = Net Profit/Avg Equity

** RoCE = EBIT/Avg Capital Employed



Thank You

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