

BUSINESS UPDATE

February 01, 2016

Order book continues to provide visibility

Welspun Corp Ltd. (WCL), the flagship company of the US\$ 3 billion Welspun Group, announced its consolidated financial results for the nine months and third quarter ended December 31, 2015.

For the quarter ended 31st December, 2015 WCL consolidated reported:

- Total income from operation of Rs.20,322 mn, down 10% YoY
- Reported EBITDA at Rs 2,957 mn, up 22% YoY
- Profit before tax growth of 102% YoY to Rs 1,216 mn
- Profit after tax of Rs 869 mn vs. Rs 175 mn in Q3FY15
- Diluted EPS at Rs.3.28/- vs. Rs 0.66/- in Q3 FY15
- Production and sales of pipes were down 13% / 18% YoY respectively

Order book position:

Current pipe order book position stands at @ 1,028K MTs (Rs. 60 billion). Large orders booked during the period include @ 216K MTs for an onshore pipeline project in Americas.

Concrete Weight Coating: Construction work is on track and the unit is expected to be functional soon. The venture will further augment WCL's product offering to the market.

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, "We remain committed towards generating shareholder value amidst sluggishness in global energy prices. While there have been delays in project allocation, we continue to explore growth opportunities. Outlook in a few markets remain positive and our endeavour is to maintain a healthy order book. We believe our excellent customer connect, focus on quality coupled with cost-optimisation measures and sound financials would be our strengths in a challenging market scenario."

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Consolidated performance highlights:

Figures in Rs. million unless specified

Particulars	Q3-FY16	Q2-FY16	Q3-FY15	9M-FY16	9M-FY15
Production (KMT)					
- Pipes	259	306	297	840	836
- Plates & coils	29	87	45	160	83
Sales (KMT)					
- Pipes	251	325	305	829	860
Income from Operations	20,322	25,033	22,698	64,796	61,191
Reporting EBITDA	2,957	3,362	2,425	8,534	5,371
Operating EBITDA	2,358	3,254	2,106	7,903	4,857
Finance Cost	622	680	728	1,974	2,131
Depreciation and Amortisation	1,120	1,159	1,097	3,397	3,177
PBT	1,216	1,523	601	3,164	63
PAT after Minorities & Associates	869	1,011	175	2,044	(747)
Cash PAT	1,720	2,451	1,538	5,828	3,069

Notes: a) Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/ (loss)

b) Cash PAT = PBT – Current tax + Depreciation - Post-tax Unrealised forex gain/ (loss)

c) Prior period figures have been restated, wherever necessary

Figures in Rs. million unless specified

Consolidated debt	31-Dec-2015	30-Sep-2015	30-Jun-2015	31-Mar-2015
Gross Debt	30,052	34,803	30,725	30,205
Cash & Cash Equivalents	12,252	13,750	12,682	11,111
Net Debt	17,801	21,053	18,043	19,095

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Business outlook:

Our customer's focus on reducing transportation cost to help them align with low energy prices, coupled with weakness in steel prices, remains amongst the few positive demand drivers for pipeline projects. The global scenario of delay and rationalised capex for pipeline projects has a few exceptions, including in the MENA region. While project work on 15,000 KM cross-country gas grid is expected to take definite shape over the next couple of quarters, water transmission currently remains the major driver in the domestic market.

For Plate & Coil Mill Division (PCMD), slab availability has improved over past few months enabling us to increase our capacity utilization and providing us competitive advantage in some domestic market segments. Subject to conducive regulatory environment, PCMD capacity utilisation can further improve in the quarters ahead.

Post Q3FY16 conference call:

WCL management would be happy to answer investor queries on a conference call. Please find details below:

Date : Monday, 1 Feb 2016

Time : 4:30pm IST (7:00pm HKT / 11:00 BST / 6:00am EST)

Dial in details:

- India:
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About Welspun Corp Ltd. (WCL)

Welspun Corp is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from ½ inch to 140 inches, along with specialized coating, double jointing and bending. With current capacity of 2.425 million MTPA in Dahej, Anjar and Mandya in India, Little Rock in the USA and Dammam in Saudi Arabia, Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations. The Line pipe industry caters to the sectors like energy and water resource management where in the line pipes supplied are used to construct cross-country pipelines for transportation of oil, gas, petro-products and water in the safest and most environment friendly way.

For further information please visit www.welspuncorp.com or contact:

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