

## Welspun Corp – All time high Order book position of 1.2 mn MT

- **US spiral pipe production recommences; in full swing**
- **ERW plant construction in US on schedule**

**Mumbai, November 10 2012:** Welspun Corp Ltd. (WCL), the flagship Company of the \$3.5 billion Welspun Group, today announced its financial results for the second quarter of FY13.

### **Consolidated Financial Highlights** (Figures in Rs. Million)

<b>Particulars</b>	<b>*Q2 FY13</b>	<b>Q2 FY12</b>	<b>*H1 FY13#</b>	<b>H1 FY12</b>
Sales	20,606	20,538	46,104	38,097
EBITDA	2,171	2,674	4,538	5,989
<i>EBITDA margin</i>	10.5%	13.0%	9.8%	15.7%
Cash PAT	1,344	1,622	2,488	3,780

*\*The above results are after taking into consideration, loss of approximately 70 days of production at the US plant due to fire. The plant has recommenced production in the later part of September 2012 and is now in full swing.*

*# Includes Rs.912 million of foreign exchange provisions for H1 FY13*

The Company has bagged new orders to the tune of Rs.18 billion (212K MT of pipes, and plates) from domestic and international Oil & Gas majors from key markets such as India, Africa and the Americas during the second quarter. The Company has recently received a repeat order from the Americas as well. **This has resulted in all time high order book position of Rs. 85 billion comprising of 1,227K MT of pipes** and 103K MT of Plates (20K MT of external orders and internal plate orders of 83K MT). This signifies Welspun's leadership position and preference of customers for its products and services.

Consolidated Net Debt position stands at Rs. 34,502 million as of end-Q2. Net debt has marginally increased mainly on account of raw material inventory build-up at the US plant due to the forced shutdown. Net debt to equity stands at 69% at the end of the quarter.

As regards Foreign Currency Convertible Bonds (FCCB), the Company has bought back bonds worth US\$44.1 million (out of total bonds of US\$150 million) in October 2012. The same was funded out of new foreign currency loans raised with a door-to-door maturity of six years. Similarly, the Company could successfully place NCD worth Rs. 3,428 million at the most competitive rate.

Commenting on the results, **Mr. B. K. Goenka, Chairman**, Welspun said, "New orders (many of them repeat), despite challenging environment, signifies the strong brand equity that Welspun enjoys amongst large O&G players in the world. With US spiral plant operating now at full swing and our ERW mill nearing completion, Welspun's position in the key North American market shall be further strengthened. We believe that Welspun's commitment towards customer satisfaction shall enable it to win new pipe orders and drive the growth of the Company".

## BUSINESS UPDATE

### Production and Sales

Volume (in KMT)	Q2 FY13	Q2 FY12	H1 FY13	H1 FY12
<b>Production</b>				
Pipes	181	199	398	379
Plates & Coils	101	102	251	210
<b>Sales</b>				
Total Pipes Consolidated	181	210	359	413
Plates & Coils*	102	104	250	219

\* Includes internal sales

### Business Outlook

- Business environment for the Pipe market continue to be challenging. However, Welspun is confident of maintaining its leadership position on the back of its proven execution track record and the trust it enjoys among its customers. The company is well-positioned to win new orders across the key demand markets of North America, Middle East and India as well as other regions such as Latin America, Europe and Asia. We believe Welspun's ability to offer a portfolio of high quality products to customers across regions will help differentiate it from competitors. In our view, new shale gas discoveries, potential export of oil and gas from the Americas and demand from the replacement market will be the key demand drivers in the coming years for the industry. With an order book of 1.2 mn tons and restart of the US plant, Welspun sees good growth potential in the pipe business.
- The Plates, DRI and Infra businesses continue to be challenging amidst difficult steel and infra market conditions.

### About Welspun Corp Ltd. (WCL) [www.welspuncorp.com](http://www.welspuncorp.com)

Welspun Corp ([www.welspuncorp.com](http://www.welspuncorp.com)) is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from ½ inch to 121 inches, along with specialized coating, double jointing and bending. With current capacity of 2.2 mn 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. Welspun Corp has continued to further strengthen its capabilities by setting up a world class plates and coils manufacturing facility. With business excellence being a clear focus, the company is on the path of innovation and technology edge, state-of-the-art facilities and global scale operations.

**For clause 41, please visit :** [www.welspuncorp.com/InvestorRelations/FinancialResults](http://www.welspuncorp.com/InvestorRelations/FinancialResults)

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