

Press Release

HCC Turnover up 5.5% at Rs 958.9 crore

For the sixth consecutive quarter, HCC reports positive results with profits

Mumbai: October 30, 2014: HCC has registered Operating Profit of Rs 174.7 crore for the second quarter of FY 2014-15 compared to Rs 89.4 crore in the corresponding period last year. This is the sixth quarter in a row when company has shown positive results thereby establishing that its strategy of efficient project management, cost control and focus on claim management is yielding consistent results. The PBT (Profit Before Tax) stood at Rs 10.5 crore compared to Rs 11.4 crore last year. The turnover in Q2 stood at Rs 958.9 crore compared to Rs 908.7 crore in the previous year.

Financial highlights - HCC unaudited results

For the quarter ended September 30, 2014

- Turnover at Rs 958.9 crore against Rs 908.7 crore on YOY basis
- Operating Profit at Rs 174.7 crore compared to Rs 89.4 crore on YOY basis
- EBIDTA margins at 18.8% compared to 10% on YOY basis
- Net Profit of Rs 6.8 crore compared to Rs 31.6 crore on YOY basis
- Current order book at Rs 13,679 crore, excluding L1 contracts worth Rs 2,372 crore

Commenting on the company's performance, **Praveen Sood, Group CFO** said, "The performance is to be viewed keeping in mind that extra ordinary flood affected operations at Jammu & Kashmir, where the company is executing major projects. However, sustained and focused efforts to improve its operational efficiency helped in maintaining the turnover growth in spite of this setback. The company is fully geared to take up new projects to be announced by the government. HCC will further aim at consolidating its financial parameters in the coming quarters."

Performance of HCC subsidiaries:

Steiner AG: The company has registered a revenue of CHF 242.2 million (Rs 1,616.7 crore) in Q2 of FY2014-15 compared to CHF 208.6 million (Rs 1,391.6 crore) in the previous year. The net profit stood at CHF 1.9 million (Rs 12.8 crore) compared to loss of CHF 5.7 million (Rs 38.2 crore). The closing cash balance of the company was CHF 105.3 million (Rs. 680 crore) reflecting company's steady financial performance with strong liquidity position. During Q2 FY2014-15, the company secured fresh orders worth CHF 48 million (Rs. 310.3 crore). The order backlog was CHF 841 million (Rs. 5,437 crore) at the end of the quarter. In

addition to this, the company has secured orders for more than CHF 394 million (Rs. 2,547 crore), where the contracts are yet to be signed.

Lavasa Corporation Limited (LCL): The construction activities in Lavasa city are in full swing with over 3,000 workers on ground. In the first town, Dasve more than 8 lakh sq ft of residential, commercial and social infrastructure is under development. In the second town, Mugaon 29 residential buildings are under development. L&T Infra Finance signed an agreement with Lavasa Corporation for purchase of 20.23 hectares of land, with a development potential of 5 lakh sq ft at Mugaon for setting up corporate and back-office requirements of L&T Financial services. As an emerging destination, Lavasa continues to attract tourists with close to 2.5 lakh tourists visiting the city in the last quarter. Venky's Xpress and Fun Square Miniplex will commence operations in Lavasa city in October 2014. In the education space, Christ University's Management course commenced operations in July 2014 and Rutgers University conducted two batches for 'International Certificate Program in Training Skills in September 2014.

HCC Infrastructure Co Limited: Construction activity is expected to pick up on NH-34 with the end of monsoons and the Farakka Raiganj Highway project (102km, Rs 1,378 crore) is expected to commence operations by end of this year. The Baharampore Farakka Highway (101 km, Rs. 1,169 crore) was commissioned in May 2014 and has been operating smoothly for more than 5 months now; daily revenue from the project is currently approximately Rs. 24 lacs daily. Further, the NH-34 SPVs have filed claims for Rs. 883 Cr. as compensation from the NHAI for delays faced by the Company, primarily due to tardy land acquisition.

Lavasa Corporation Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a draft red herring prospectus, ("DRHP") with the Securities and Exchange Board of India, ("SEBI"). The DRHP is available on the SEBI website at www.sebi.gov.in as well as the respective websites of the BRLMs at www.axiscapital.co.in, <http://investmentbank.kotak.com>, www.icicisecurities.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section "Risk Factors" on page 19 of the DRHP.