



Hindustan Construction Co Ltd

Investor / Analyst Presentation

Q2 FY2014-15



Presentation Flow

HCC	-	Performance Highlights & Financial Results
HCC E&C	-	Updates
Steiner AG	-	Updates
HCC Infrastructure	-	Updates
Lavasa	-	Updates

Key Financial Highlights: Q2 & H1 FY2014-15

- **As compared to the same quarter of the previous year**
 - Turnover is at Rs. 930.3 Cr v/s Rs. 890.1 Cr
 - EBITDA margin at 18.78% V/s 10.04%
 - Profit Before Tax (PBT) of Rs. 10.5Cr V/s Rs. 11.4 Cr
 - Net Profit of Rs. 6.8 Cr v/s Rs. 31.6 Cr
 - **As compared to the half year of the previous year**
 - Turnover is at Rs. 1,915.6 Cr v/s Rs. 2,032.6 Cr
 - EBITDA margin at 19.62% V/s 14.30%
 - Profit Before Tax (PBT) of Rs. 50.8 Cr V/s Rs. 42.0 Cr
 - Net Profit of Rs. 33.9 Cr v/s Rs. 50.8 Cr
- Order backlog is at Rs. 13,679 Cr excluding L1 contracts worth Rs. 2,372 Cr
- Order Inflow during H1 FY 2014-15 Rs. 1,158 Cr

Financial Performance : Q2 FY 2014-15 (3 mth YoY & QoQ)

	Q2 FY15 30 Sept 14	Q2 FY14 30 Sept 13	Q1 FY15 30 June 14	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
Turnover (net of JV)	930.3	890.1	985.3	4.5	(5.6)
Other Income & JV Profit/loss	33.4	111.8	35.0		
Construction Cost (incl. material)	663.5	704.9	693.7	(5.9)	(4.3)
Employee Cost / other expenses	92.0	95.9	90.6	(4.0)	1.6
EBITDA (excluding other income)	174.7	89.4	201.1	95.4	(13.1)
EBITDA Margins	18.78%	10.04%	20.41%		
Interest	161.2	152.3	156.2	5.8	3.2
Depreciation	36.4	37.5	39.6	(2.8)	(8.0)
Exceptional Item	-	-	-	-	
Profit / (Loss) Before Tax **	10.5	11.4	40.3	(8.4)	(74.0)
Tax	3.7	(20.2)	13.2		
Profit / (Loss) After Tax	6.8	31.6	27.1	(78.6)	(75.1)

** including Other Income and JV profit

Financial Performance : H1 FY 2014-15 (6 mth YoY)

	H1 FY14 30 Sept, 2014	H1 FY14 30 Sept, 2013	YoY
	Rs. Cr	Rs. Cr	%
Turnover (net of JV)	1,915.6	2,032.6	(5.8)
Other Income & JV Profit/loss	68.4	127.1	
Construction Cost (incl. material)	1,357.2	1,541.1	(11.9)
Employee Cost / other expenses	182.6	200.9	(9.1)
EBITDA (excluding other income)	375.8	290.6	29.3
EBITDA Margins	19.62%	14.3%	
Interest	317.3	301.2	5.4
Depreciation	76.1	74.6	2.0
Exceptional Item	-	-	-
Profit / (Loss) Before Tax **	50.8	42.0	20.9
Tax	16.9	(8.8)	-
Profit / (Loss) After Tax	33.9	50.8	(33.4)

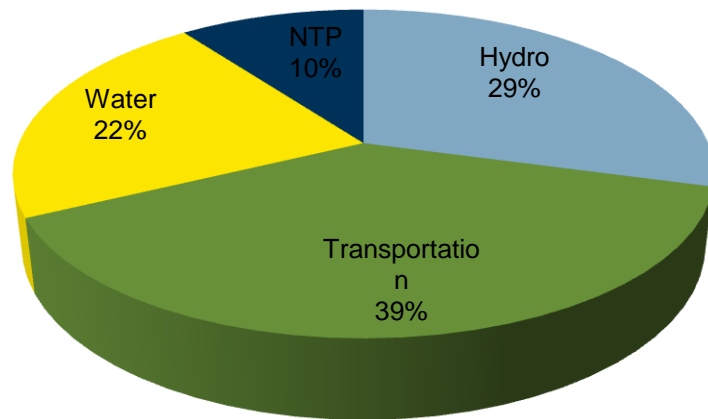
** including Other Income and JV profit



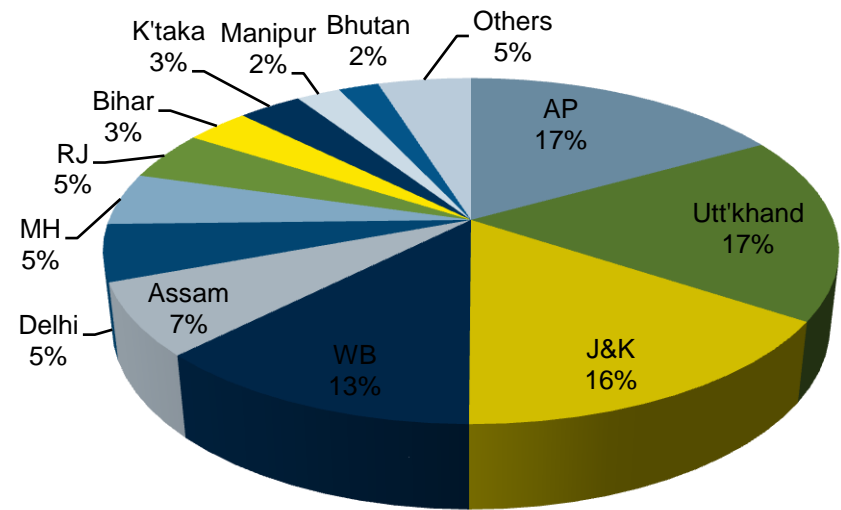
HCC E&C

Order Backlog (as on 1-Oct-2014): Rs 13,679 Cr

Business Line Wise



Geographical Spread



Balanced portfolio having geographical spread across the country

FY 2014-15 till date: Orders Won

(Rs in Cr)

S. No.	Business Line	Name of Project	Client	State	HCC Share
1	Transportation	DMRC CC-66 U/G Metro Tunnel	DMRC	Delhi	300
2	Transportation	Elevated Park Circus to EM Bypass- Bal. works	KMDA	West Bengal	257
3	Sp. Projects	Civil Work in C2 Complex, J3 Project, Jamnagar	Reliance Ind.	Gujarat	88
4	Water	Bhandup Pipeline	MCGM	Maharashtra	120
5	Transportation	Indo Nepal Border to Rudhauri Sec of NH-233	MoRTH	UP	393
	Total				1,158

In addition to orderbook, L1 orders aggregating Rs. 2,372 Cr



Steiner updates

- Steiner AG, one of HCC Group Companies, having comprehensive experience in the real estate development projects, real estate construction and renovation / restructuring real estate projects
- Closing order backlog at CHF 841 million (Rs.5,437 Cr) excluding contracts of CHF 394 million (Rs.2,547 Cr) yet to be signed
- Steady financial performance with strong liquidity position having CHF 105 million (Rs. 680 Cr) of closing cash balance
- Key financials of Steiner AG:

(for P&L : exchange rate of 1 CHF = Rs 66.70 as of September 30, 2014)

(for BS : exchange rate of 1 CHF = Rs 64.65 as of September 30, 2014)

As per IGAAP	Q2 FY 2014-15 (3 months)	Q2 FY 2014-15 (3 months)
	CHF Million	Rs. Cr
Turnover	242.2	1,616.7
PAT / (Loss)	1.9	12.8

- Steiner India (100% subsidiary of Steiner AG), executing Lavasa project and implementing third-party projects in Mumbai, Pune, Delhi and Bangalore areas



HCC Infrastructure

Business Update

- West Bengal Projects (NH34)
 - Baharampore-Farakka (Pkg 3): Toll collection averaging ~Rs.17 lacs daily in last quarter
 - Farakka-Raiganj (Pkg 4) expected to start tolling by year end
- Dhule Palesner Highway (NH3)
 - Toll collection averaging ~Rs.34 lacs daily in last quarter
 - 11 Km Section to be handed over for operations in last quarter of FY15 and to add ~Rs.2-3 lacs daily
- Capital Raising: Company in process of completing stake sales in Portfolio SPVs



Package 3 Toll Plaza at Km 206



Four-laned section on Package 3 at Km 252



Lavasa Corporation Limited



Aerial View



Aerial View of Dasve

Highlights : Operations

- Labour strength : ~3000 Nos. on ground
- Handed Over :
 - 725 units handed over to CMS.
 - 582 units (257 villas and 325 apt) handed over to customers
 - 143 units (91 Villas and 52 apt) balance with CMS for handover
- Mugaon : 29 buildings of residential under development
- Dasve : ~ 8 lakh Sq.ft. of residential, commercial & social under development i.e. villas, Club view, lake view, Delfino, Brook view etc.

Highlights : Institutional sales & updates

- L&T Infra Finance signed an agreement 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
- Guru Deodatta Constructions: Sale of land Parcel in Dasve
- Additional FSI sold to Aashiana Housing Limited in Dasve
- More than 10,000 sq.ft. of Retail Space in Club View building sold to various investors
- Venkys Xpress and Fun Square Miniplex to start operations in Oct'14

Educational Institutions

- 'Christ Institute of Management' inaugurated on 20th July 2014
- Rutgers University conducted two batch for 'International Certificate Program in Training Skills' in Sep 2014, attended by 53 Senior Professional
- ~ 2000 Students visited from different parts of the country

- **Launch of Smart City Campaign**
 - Smart City campaign was launched in August which continued till October 1st week
 - Stemmed from the need to claim the rightful position as India's first smart city
 - Campaign detailed various facts of Lavasa which contributed to this positioning
 - HT Media publications helped (Hindustan Times, Mint and Hindi Hindustan) enhance the reach by 1.5 crore

Awards and Recognitions:

- Awarded for “Best Eco-Tourism Destination” and “Best Convention Centre Western India”. The awards were presented by Chief Guest, Mr. Shripad Yesso Naik, Minister of State for Tourism and Culture
- Awarded for “The Best Tourist Attraction” in West India. The award was presented by Mr. Parvez Diwan, Secretary-Ministry of Tourism

Events:

- Organized a three days music, dance and entertainment event “FREEDOM 2014” at Lavasa powered by passion & pride, with over 50000 visitors
- Celebrated monsoon with Jazz Music, Rain Dance and Entertainment at Lavasa on 12th – 13th July 2014
- Conducted “The Mirchi Queen Bee” Grand Finale at Lavasa Convention Centre on 27th Sep, 2014
- Conducted Corporate Box Cricket Tournament participated by 16 teams
- Over 30 prominent Travel Agents participated in TAFI - Travel Agents Federation of India – Managing Committee conference held at Lavasa

Awards



Lavasa won two prestigious awards :

Best Eco Tourism Destination (LAVASA)
Best Convention Centre Western India
(LICC, for the 2nd year in a row).



Lavasa bagged the award for “**The Best Tourist Attraction**” in West India

Events at Lavasa



Freedom 2014



Mirchi Queen Bee



Thank You

Disclaimer

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.

This presentation contains certain forward looking statements concerning future business prospects and profitability of HCC, which are subject to a number of risks and uncertainties and actual results could materially differ from those in such forward looking statements, important developments that could affect the company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, tax laws, labor relations, litigation etc. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.