



Investor Presentation

Q2 & H1FY10 Results

September 2009



Important Notice

Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this presentation may make references to reports and publications available in the public domain. Shriram EPC Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.



Financial Results (Standalone) & Operating Highlights

Q2 & H1FY10



Financial highlights – H1FY10

- H1FY10 Net Sales of Rs. 3,916.3 million vs. Rs. 3,309.4 million in H1FY09 – growth of 18.3%.
- H1FY10 EBITDA at Rs. 391.9 million vs. Rs. 295.2 million in H1FY09 – growth of 32.8%.
- H1FY10 PAT at Rs. 171.1 million vs. Rs. 143.4 million in H1FY09 – growth of 19.4%.
- H1FY10 EPS (Basic) of Rs. 3.94 per share vs. Rs. 3.32 per share in H1FY09.
- Standalone order book of Rs. 14.48 billion on 30th September 2009.

Financial highlights – Q2FY10

- Q2FY10 Net Sales of Rs. 1,937.7 million vs. Rs. 1,696.2 million in Q2FY09 – growth of 14.2%.
- Q2FY10 EBITDA at Rs. 187.3 million vs. Rs. 139.1 million in Q2FY09 – growth of 34.6%.
- Q2FY10 PAT at Rs. 90.5 million vs. Rs. 69.9 million in Q2FY09 – growth of 29.5%.
- Q2FY10 EPS (Basic) of Rs. 2.08 per share vs. Rs. 1.62 per share in Q2FY09.
- Standalone order book of Rs. 14.48 billion on 30th September 2009.

H1 FY10 Financial Overview

Rs. Million

Income Statement	Standalone		
	H1FY10	H1FY09	Percentage Change
Sales & Services Income	3,916.34	3,309.42	18.34%
Other Operating Income	44.17	14.98	194.82%
Income from Operations	3,960.50	3,324.40	19.13%
Accretion / decretion to Stock	(386.23)	(262.05)	(9.58%)
Consumption of Raw Materials	3,767.23	3,123.76	20.60%
Employee Cost	93.81	96.12	-2.40%
Other Expenditure	93.76	71.39	31.33%
Total Expenditure	3,568.56	3,029.22	17.80%
EBITDA	391.94	295.18	32.78%
Depreciation & Amortisation	42.56	19.05	123.38%
EBIT	349.37	276.12	26.53%
Other Income	11.30	0.08	14577.92%
Interest (net)	125.85	56.40	123.14%
EBT	234.82	219.80	6.83%
Provision for tax	63.71	76.45	-16.66%
Net Income	171.11	143.35	19.36%

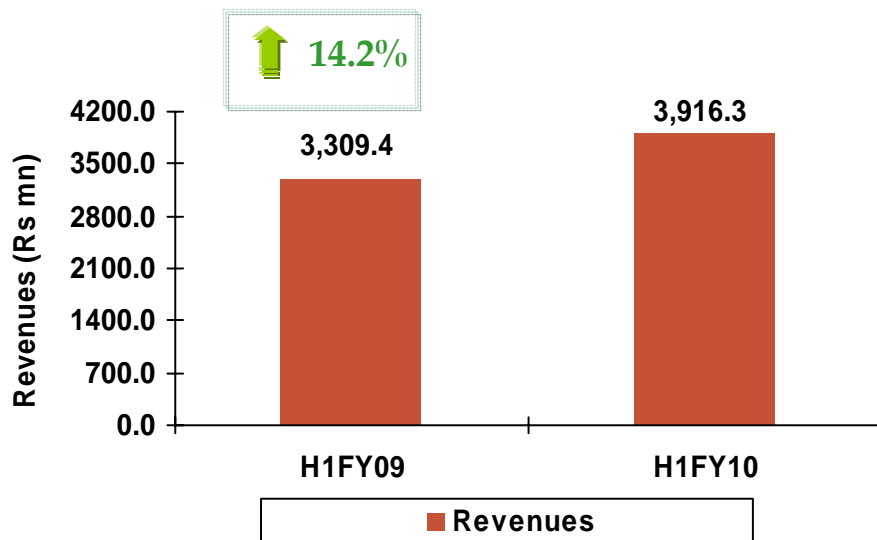
Q2 FY10 Financial Overview

Rs. Million

Income Statement	Standalone		
	Q2FY10	Q2FY09	Percentage Change
Sales & Services Income	1,937.72	1,696.24	14.24%
Other Operating Income	22.98	10.64	115.99%
Income from Operations	1,960.70	1,706.88	14.87%
Accretion / decretion to Stock	(257.37)	(119.53)	(9.58%)
Consumption of Raw Materials	1,950.21	1,603.89	21.59%
Employee Cost	45.28	50.43	-10.21%
Other Expenditure	35.26	32.95	7.02%
Total Expenditure	1,773.38	1,567.74	13.12%
EBITDA	187.32	139.14	34.62%
Depreciation & Amortisation	20.33	7.16	184.02%
EBIT	166.99	131.99	26.52%
Other Income	10.89	0.04	NA
Interest (net)	66.03	25.53	158.68%
EBT	111.85	106.50	5.02%
Provision for tax	21.33	36.58	-41.69%
Net Income	90.52	69.92	29.46%

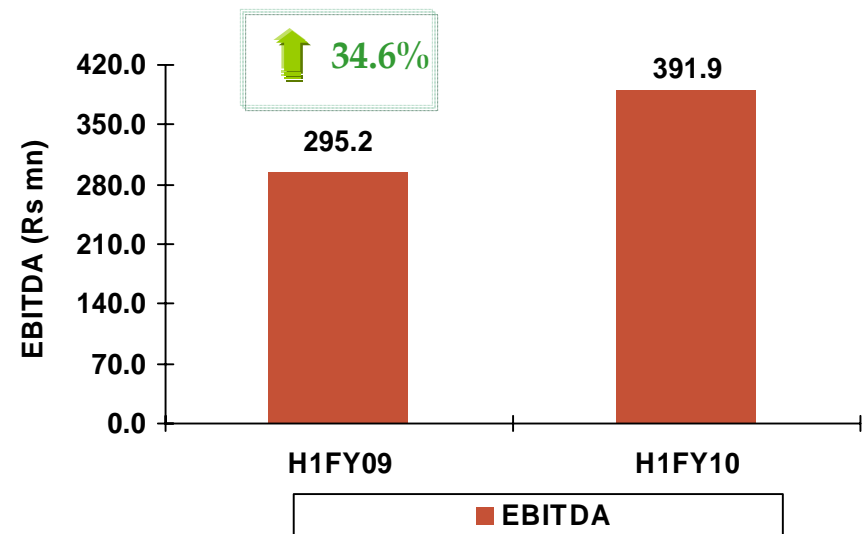
Revenues & EBITDA

Net Sales



- Healthy growth in revenues.
- Business environment not completely settled – growth delivered through specialised offerings.
- Scalability led by expansion of capacities and business skills: Momentum for future intact.

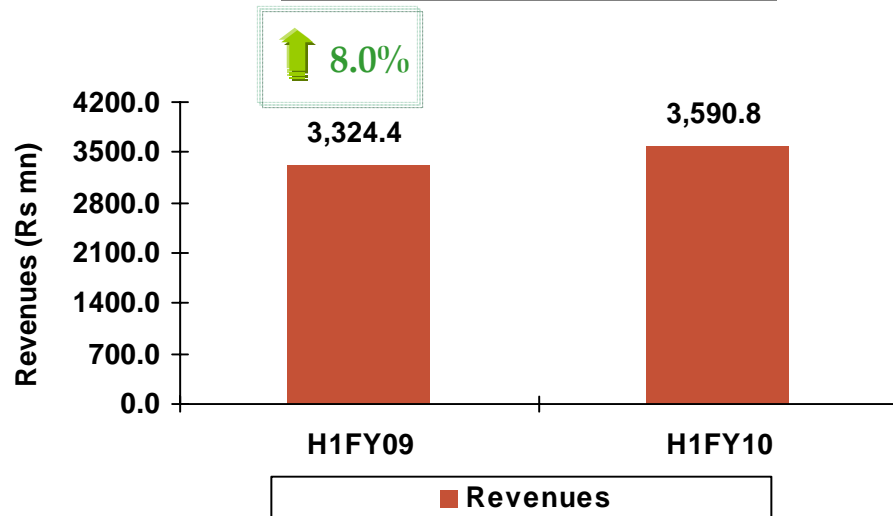
EBITDA



- Sustained growth in EBITDA.
- EBITDA margin improves over same period last year.
- EPC margins are project variable and the pattern of EPC projects will impact EBITDA margins.

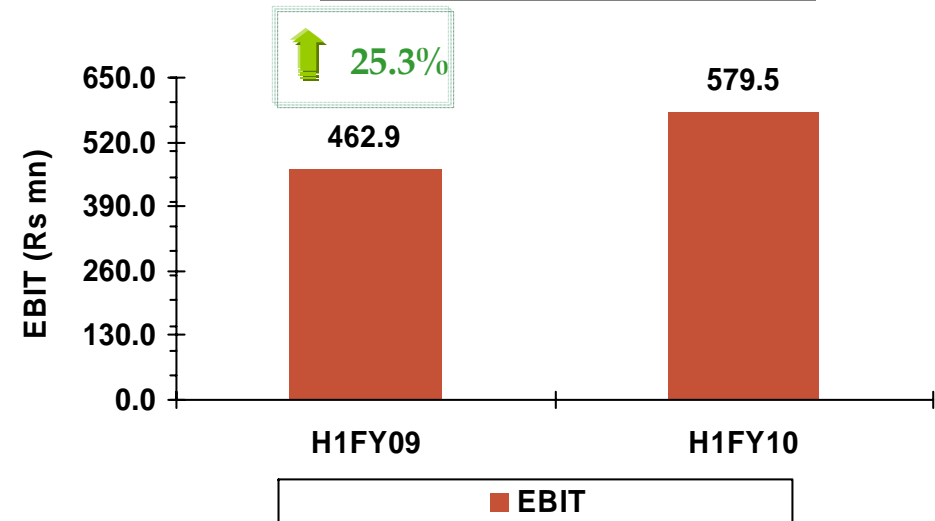
EPC Segment

EPC - Revenues



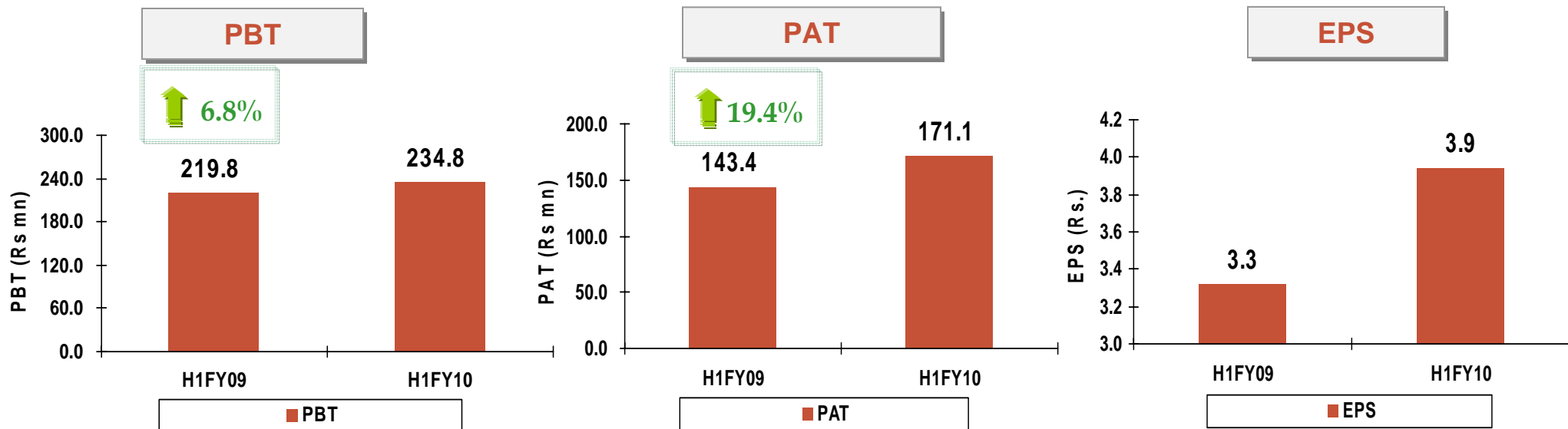
- Healthy traction across all business lines.
- Process & metallurgy key contributor during the quarter.
- Municipal Services vertical contributes to overall turnover as well as profitability.

EPC - EBIT



- EBIT growth attributable to volume growth and business mix.
- EBIT margins are variable from project-to-project.
- EBIT outlook strong – capacity expansion in place and order pipeline is robust.

Profitability



- PBT expanded on the back of revenue growth.
- Depreciation expands by 123% - attributable to installation of MW Class wind turbines.
- Interest cost higher on account of increased borrowings.

- Continued growth in PAT.
- PAT margin steady compared to same period last year.
- Company to focus on margin improvement in addition to overall growth.

- Minor dilution in equity due to ESOPs.
- EPS outlook strong – in line with continued growth in PAT.

Operating Highlights

- The Standalone order book is at Rs. 14.48 billion as on September 30, 2009.
- During the Quarter, the company received the following orders:
 - from Orient Green Power Ltd. For EPC works at the 10MW Biomass Power Plant at Sangaria District in Rajasthan. The value of the order is Rs. 368 million..
 - from SIEMENS VAI Metals Technologies for Handling, Storage, Installation, Erection of Mechanical and Auxiliary Equipments. The value of the order is Rs. 95.7 million.
- The Company formally commissioned its integrated wind turbine manufacturing facility in Gummidipoondi, Tamil Nadu on September 25, 2009. The facility was inaugurated by the Union Minister of State for Power, Mr. Bharatsinh Solanki.
- The Gummidipoondi facility has the capacity to manufacture 120 units of MW class wind turbines a year, which will be enhanced to 250 units a year by the end of the next fiscal year. The company also manufactures 250KW turbines at its facilities in Chennai & Puducherry.

Operating Highlights

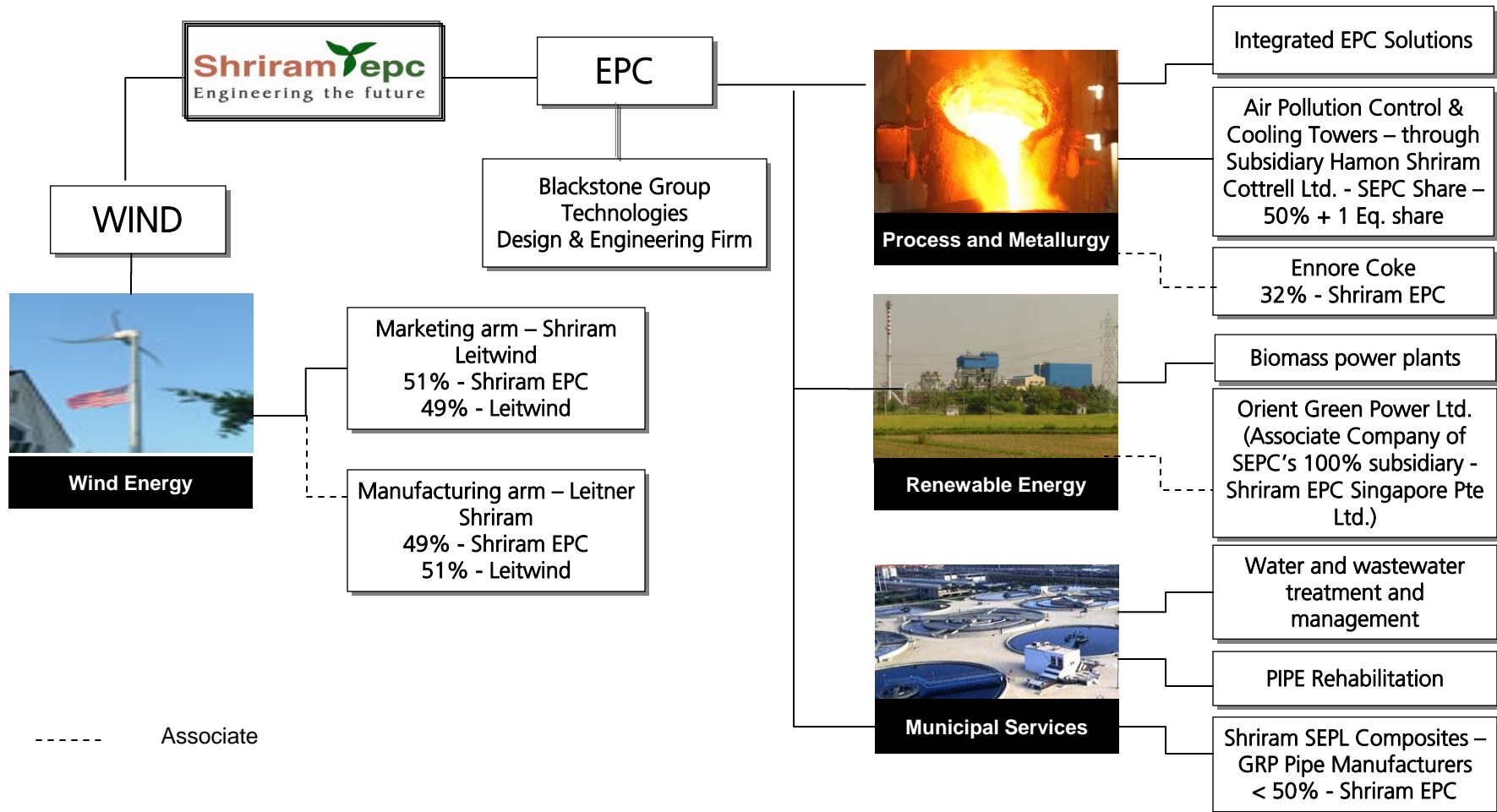
- During the quarter, the company commissioned a 10MW Biomass Power Project for Arora Infrastructure Development Company Pvt. Ltd. at Chhattisgarh
- During the quarter, the company entered into a partnership with Robert & Schaefer, an American company, to make material handling equipment. This is an extension of the company's practice of building these systems itself for turnkey contracts executed by it earlier.



Shriram EPC – Overview



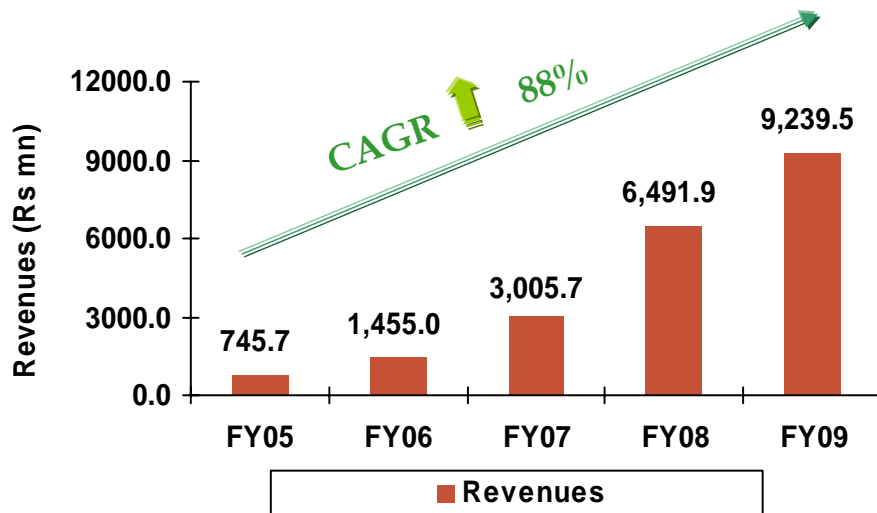
Who we are ...



- Leading provider of integrated EPC services for Renewable Energy, Process and Metallurgy Plants and Municipal Services.
- Project experience and footprint across 16 states in India, and internationally in Zambia and France.
- Leading manufacturer of 250 KW Wind Turbine Generators and also recently commenced manufacture of MW Class Turbines.

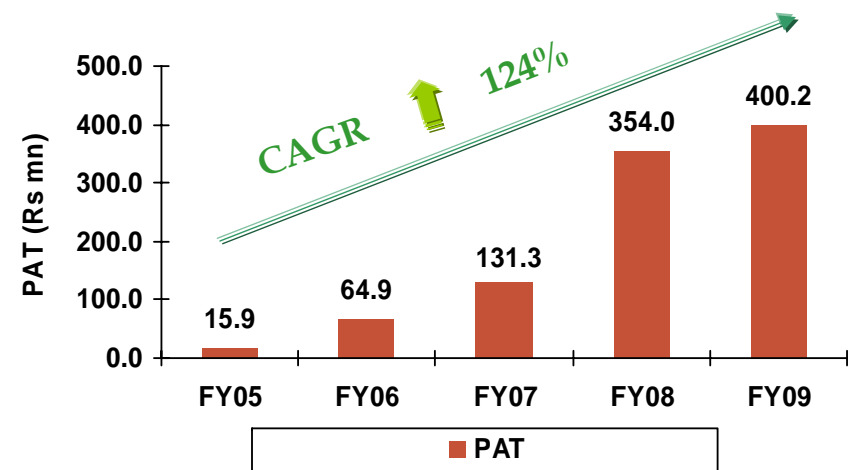
Track Record of Profitable Growth

Revenues



- Standalone Revenue of Rs. 9,218.5 million in FY 2009.
- CAGR of 88% for the period FY 2005 to FY 2009.

PAT



- Standalone PAT of Rs. 400.2 million in FY 2009.
- CAGR of 124% for the period FY 2005 to FY 2009.

Renewable Energy Asset Ownership Strategy

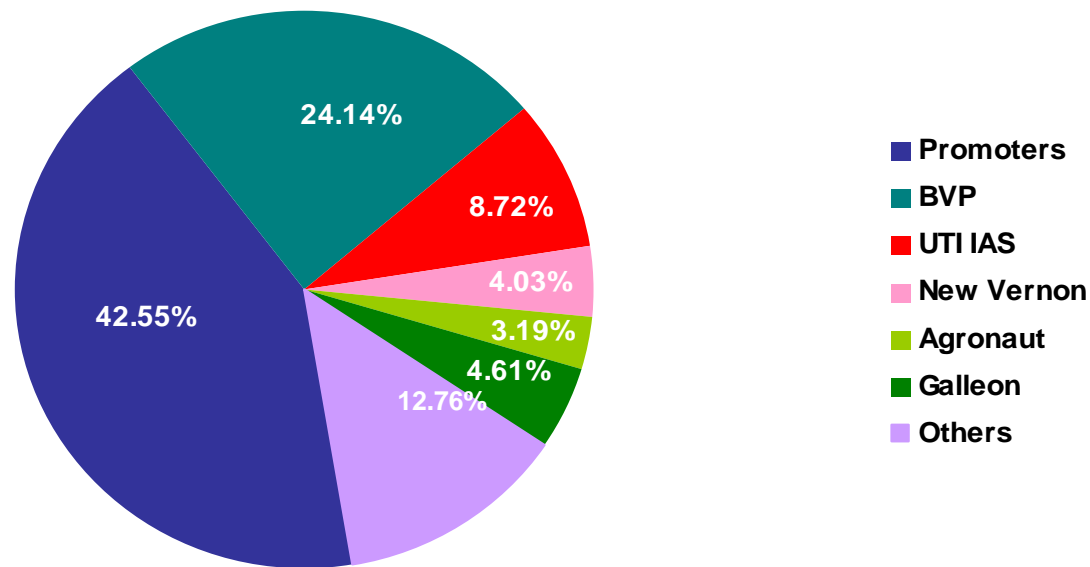
Orient Green Power Pte Ltd., Singapore (OGPS)



- Equity investment with Bessemer Venture Partners and Olympus Capital Holdings Asia.
- OGPL , the holding cum operating company will have Renewable Energy assets on its own as also will have majority equity ownership in SPVs implementing Renewable Energy projects focussing on Biomass, Biogas and Small Hydel.
- Engaged in setting up of 190 MW capacity over next 2 years including 165 MW of Biomass, 15 MW of Small Hydel and 10 MW of Biogas. Of these already 25 MW are in operation and another 25 MW will get added this year.
- BWFL, the holding cum operating company will invest in Wind assets (wind farms). 98 MW of generation capacity is already in operation and expect to add another 50 MW during this year.

Shareholding Pattern

As on September 30, 2009



Note: Galleon has since divested its holding in Shriram EPC Ltd. by way of two bulk deals on September 25, 2009 (BSE) and October 22, 2009 (NSE). Details are available on websites of the respective stock exchanges.

Sponsorship by Marquee Financial Investors

Board of Directors

Name	Position	Education / Prior Experience	Board Member Since
Mr. A. Duggal	Chairman & Non Executive	B. Tech (Mech) - IIT (Delhi), MBA - IIM (Ah'bad) Bank of America, HCL Technologies	2007
Mr. T. Shivaraman	Managing Director & CEO	B. Tech (Chem), MS - IIT (Madras), ICI India Ltd.,	2007
Mr. M. A. Shariff	Joint Managing Director	PGD (Chem) - IIT (Madras)	2007
Mrs. V. Ranganathan	Promoter Director	PGD (Econ.) - Madras University Various Capacities - Shriram Group	2006
Mr. R. S. Chandra	Non-Executive Director	BA (Univ of California), MBA - Harvard Commonwealth Capital, Accenture, McKinsey	2006
Mr. K.E.C. Raja Kumar	Nominee Director (UTI)	M. Sc., M. Phil., AMP - Harvard MD - UTI Ventures, Senior Roles at SEBI/UTI	2007
Mr. R. Sundararajan	Independent Director	M. Tech (Mech) - JU, MBA - IIM (Ah'bad) ED/EVP - Matrix Laboratories	2006
Mr. K. Madhava Sarma	Independent Director	PGD (Math/Stats), IAS (Retd.) - TN/Central Govt. Ozone Secratariat - U.N.	2006
Mr. S.R. Ramakrishnan	Independent Director	M. Tech (Mech) - Anantapur Engg, Commercial Director, SAIL; Advisor - C. K. Birla Group	2007
Mr. Sunil Varma	Independent Director	F.C.A., I.C.W.A., PWC, IBM Consulting;	2008
Mr. N. Rangachary	Independent Director	IRS (Retd.), Chairman CBDT, First Chairman - IRDA	2009



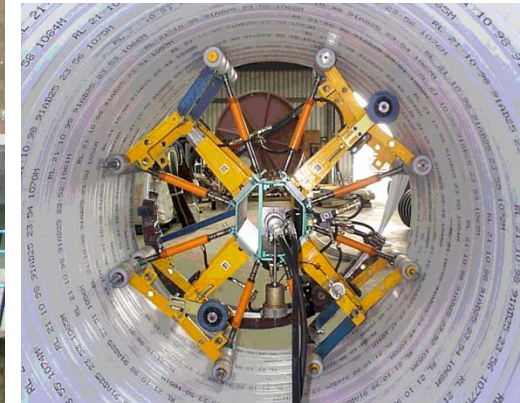
Business Verticals

Q2 & H1FY2010



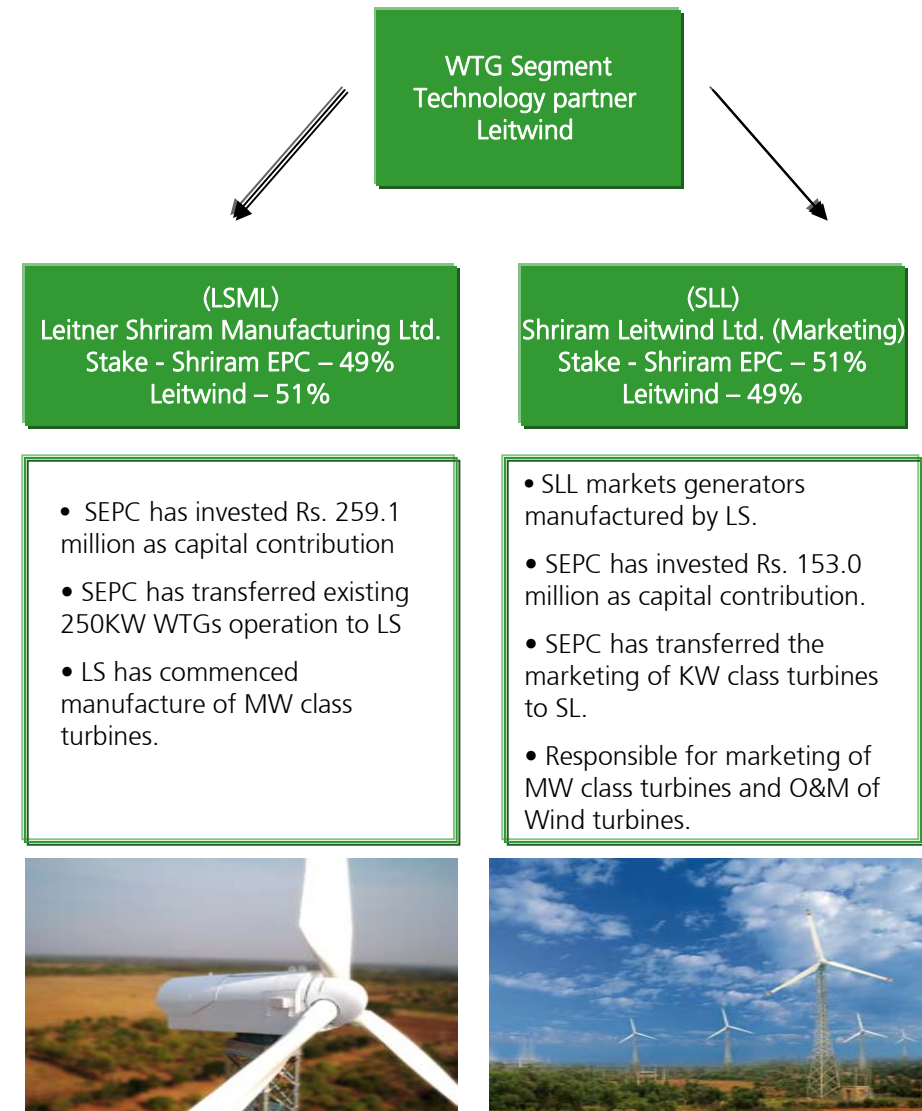
Highlights – EPC

- Turnkey EPC solutions for process and metallurgy plants such as iron & steel, copper, aluminium, cement, paper, pulp, coal fired power plants, coal gasification, etc.
- Provision of turnkey, engineering, fabrication & construction solutions for cooling towers & APC systems through subsidiary Hamon Shriram Cottrell in JV with Hamon Group, Europe.
- Engaged in the design, engineering and construction of biomass power plants and co-generation power plants.
- Turnkey design-build environmental projects catering to water and waste water treatment and management and water distribution systems, sewer and pipe rehabilitation.
- Executed projects for marquee customers like RIL, Grasim, SAIL, Jindal Steel & Power Ltd., BHEL, Vedanta Alumina and Finolex Ltd.
- Strong technical and collaborative partnerships include Leitner Group (Italy), Hamon Group (Belgium & USA), Danielli (Italy), Waterbury (Canada), SSIT (China), CPT (Hongkong), and Angerlehner (Austria), Envirotherm (Germany).



Highlights – Wind Energy

- Provide integrated solutions through subsidiaries - including manufacturing, supply, erection, site identification, technical planning, grid connectivity and O&M.
- SEPC has been manufacturing 250 KW class machines and has commenced manufacture of MW class WTGs at its Integrated manufacturing facility for MW Class Wind Turbines at Gumminipoondi (near Tamil Nadu).
- SEPC offering of gearless MW class WTGs provides the following advantages:
 - greater efficiency,
 - lower net energy loss
 - lesser chance of downtime; and
 - lower maintenance costs.
- Shriram EPC Ltd. will purchase 8 turbines this year from its subsidiaries.
- Pursuant to a request from SLL and LSML for consent to their scheme of amalgamation of merger of SLL with LSML, the Board of Directors at its meeting held on 30th July 2009 have accorded their consent for the same, subject to LSML and SLL obtaining all requisite statutory approvals.





Thank You

