



Sintex Industries Limited, Kalol, Ahmedabad - 382 721 India

**Q2 FY13 Net Sales at Rs.11,860 mln v/s Rs 11,535 mln**  
**PAT Rs 723 mln v/s 388 mln**

**October 11, 2012: Sintex Industries**, a market leader in the plastic and textiles business segments, today announced its unaudited financial results for the quarter ended 30<sup>th</sup> September, 2012.

### **Key Business Highlights**

- ❖ **Gradual improvement in visibility across businesses**
- ❖ **Strong growth in Prefabricated building systems at 37%. Building material registers growth, despite sluggishness in monolithic business**
- ❖ **The Board has also consider proposed preferential allotment of warrant to Promoters as per SEBI regulations**

Commenting on the Company's financial performance for Q2FY13, **Mr. Amit Patel, Managing Director, Sintex Industries**, said:

*"It's been a quarter of crucial importance. We have had a good run rate across the businesses, especially prefabricated systems having done exceptionally well. Our consolidated numbers are looking better over the last couple of quarters, we have grown top line over 10% sequentially and the visibility has improved across businesses. I strongly believe we will bounce back in the near future."*

*"Today we are in a better position to improve the return ratios, ensure better working capital management and shrink the overall size of our balance sheet in the next couple of years. On the business front, I believe the recent spate of reforms from the government will gradually revive the domestic economy. It augurs well for Sintex as a buoyant social spending and an improved capex from private sector will ensure a strong revival in our fortunes. "*

## **Business wise Operating Review**

### **Building materials**

Strong growth momentum continues in Prefabricated building systems business garnering a growth of 37% during the quarter under review. Addition of new orders from Maharashtra and MP and strong execution across geographies has given a boost. The social spending pattern continues to be robust. With the gradual revival in domestic economy, the fillip will come from the private sector as capex's pick up in the near future.

Monolithic construction business is still in a consolidation mode. After factoring the changing business dynamics for the last couple of quarters and strict monitoring on site-to-site basis, the company has been able to cut down the number of slow moving sites to 5 during the quarter under review from 7 earlier. Further action is initiated to bring down the number of sites from 5 to 3 sites in the coming quarters.

The slackness due to external factors and beauraticatic has led to high working capital. This will come down going forward, as the company intends to execute projects only for customers which work smoothly and pay on time. Similarly order book has been realigned to such customers who are proactive in clearing documents at a faster pace. Going ahead, this will ensure lower working capital and overall objective is to ensure the business becomes cash neutral and then take the business to next level. However, long term bullishness on the low cost housing segment is intact. Similarly execution will be moderated and expedited accordingly.

### **Custom molding**

Custom molding revenue has been stable during the quarter. Though India business has grown 9% during the quarter under review, this is a significant achievement considering the problems encountered in one of our leading domestic customer facing labour issues.

The synergies from subsidiaries are gradually flowing through as the company has added one more global OEM domestically. Plans are afoot to ramp up the business further and improve the utilization across geographies.

The company is fairly diversified across sectors and geographies in the segment thus derisking the business from the extreme near term volatilities.

## **Textiles**

Textile segment revenues stood at Rs.1169 million for Q2FY13.

**The following table represents a revenue break-up:**

**(Rs mln)**

<b>Category</b>	<b>Q2FY13</b>	<b>Q2FY12</b>	<b>%</b>
<b><u>Building Materials :</u></b>			
Prefabricated Building Systems	2310	1680	37
Monolithic Construction	2420	2820	(14)
Storage Tanks	620	550	13
<b><u>Custom Molding :</u></b>			
<i>India</i>	2440	2240	9
<i>Overseas</i>	2900	3090	(6)
<i>Textiles</i>	1170	1130	4

## **Financial overview :**

*(Rs mln)*

	<b>Q2FY13</b>	<b>H1FY13</b>
<b>Net Sales</b>	11860	22624
<b>EBITDA</b>	1893	3710
<b>Depreciation</b>	505	988
<b>Interest</b>	361	715
<b>PAT</b>	724	1191
<b>EPS (Rs)</b>	2.67	4.40

## **Key focus areas of Balance Sheet going forward :**

- a) Generate free cash for next couple of years**
- b) Improve return on capital**
- c) Shrink the overall balance sheet size**
- d) Improve working capital by stringent controls on monolithic business**

### **About Sintex Industries Limited**

Sintex Industries Limited is a dominant player in the plastic and textile business segments. The Company manufactures a range of building materials and composites at its 16 plants across India. Subsequent to several strategic acquisitions the Company also possesses a global footprint that is spread across the continents of USA and Europe. In the textile segment the Company is focused on niche offerings, possessing specialization in men's structured shirting in the very premium fashion category.

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*Some of the statements in this communication that are not historical facts are forward looking statements. These statements are based on the present business environment and regulatory framework. Developments that could affect the Company's operations include significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relations. We assume no responsibility for any action taken based on the said information, or to update the same as circumstances change.*