HAVELLS – An Information Update

Q4 2008-09 {March 31, 2009}

{Audited Financial Results}

We recommend that readers refer to the Havells India financials to get a better appreciation of the business performance. A copy of the latest quarterly/ yearly Financial Results of Havells India Limited are available on Havells website – http://www.havells.com. The results are Audited and adopted by the Board of Directors in their meeting held on June 27, 2009.

HAVELLS demonstrate strong performance in fourth quarter

- Highest EBIDTA margins touching to 11.5% during 4Q FY09 in Indian Business
- Rigorous management of working capital secured strong cash flow into the system.
- Completion of first phase of restructuring in Sylvania.

Highlights in the fourth quarter

HAVELLS INDIA LIMITED (stand alone)

Net Revenue in millions of rupees	**Q4 FY08**	**Q4 FY09**
Net Revenue (NR)	5,481	5,736
EBIDTA	564	659
as a % of NR	10.3%	11.5%
Depreciation	39	52
Interest	67	53
Add: Other Income	3	2
Profit before tax	461	556
as a % of NR	8.4%	9.6%
Tax	70	68
Net Profit	391	488
as a % of NR	7.1%	8.5%

Net revenue

- 5% growth in Net Revenue reaching to Rs. 5,736 mn in Q4FY09 as compare to Rs. 5,481 in Q4 FY08.
- EBIDTA margins improved by 120 bps showing a growth of 17%.
- Profit after tax grow by 25% in 4Q FY09 as compare to 4Q FY08.

Net Revenue by Segment		
In millions of rupees	Q4 FY08	Q4 FY09
Switchgears	1,306	1,618
Cable & Wire	2,541	2,551
Lighting & Fixture	759	680
Electrical Cons. Durables	739	819
Others	208	102
Total	5,553	5,770

(including other income)

Net Revenue by segment

- Switchgear segment reported Net Revenue of Rs. 1,618 mn in Q4FY09 registering a growth of 24% over Q4 FY08.
- Cable & Wire segment reported Net Revenue of Rs. 2,551 mn in Q4FY09 marginally higher despite the drop in prices during second half of the current financial year.
- Lighting & Fixtures segment reported revenue of Rs. 680 mn in Q4FY09 lower than last corresponding quarter due to lower sale of CFL.
- Electrical Consumer Durables reported revenue of Rs. 819 mn in Q4FY09 registering a growth of 11% over Q4FY08.

SYLVANIA (stand alone)

The Sylvania results include the financials of all the overseas wholly owned subsidiaries of Havells India Limited.

Net Revenue		
in millions of rupees	Q4 FY08	Q4 FY09
Net Revenue (NR)	8,276	7,559
EBIDTA	346	184
as a % of NR	4.2%	2.4%
Depreciation	138	203
Interest	153	203
Exceptional Items	--	1208
Add: Other Income	29	(.7)
Profit before tax	84	(1,431)
Tax	6	42
Net Profit	78	(1,473)

Highlights in the quarter

Net revenue

- Sylvania continues to show low operations mainly in European market.
- EBIDTA drop during Q4 09 due to lower volumes and fixed SG & A.
- Profit before Tax amounted to Rs. (1,431) mn due to Exceptional item as mentioned else where in this report.

HAVELLS INDIA LIMITED (consolidated)

Consolidated Net Revenue	Q4FY08			Q4FY09		
in millions of rupees	Havells	Sylvania	Consold.	Havells	Sylvania	Consold.
Net Revenue	5,481	8,276	13,757	5,736	7,559	13,295
EBIDTA	564	346	909	659	185	844
as a % of NR	10.3%	4.2%	6.6%	11.5%	2.4%	6.3%
- Depreciation	39	138	177	52	203	255
- Interest	67	153	220	53	203	256
- Exceptional Item	--	--	--	--	1,208	1,208
+ Other Income	3	29	32	2	(1.9)	0.1
Profit before tax	461	83	544	556	(1,431)	(875)
as a % of NR	8.4%	1%	3.9%	9.6%	--	--
Tax	70	5	75	68	42	110
Net Profit	391	78	469	488	(1,473)	(985)
as a % of NR	7.1%	1%	3.3%	8.5%	--	--

- Consolidated Net revenue for Q4FY09 amounts to Rs. 13,295 mn as compare to Rs. 13,757 mn in Q4FY08.
- EBIDTA for the quarter stood at Rs. 844 mn which is 6.3% of the Net Revenue.
- Profit after Tax amounts to Rs. (985) mn in Q4FY09.

Highlights of the complete Financial Year 2008-09

HAVELLS INDIA LIMITED (stand alone)

Net Revenue in millions of rupees	Year FY08	Year FY09
Net Revenue (NR)	20,556	21,984
EBIDTA	1,992	2,033
as a % of NR	9.7%	9.2%
Depreciation	131	179
Interest	207	193
Add: Other Income	8	12
Profit before tax	1,662	1,673
as a % of NR	8.1%	7.5%
Tax	227	221
Net Profit	1,435	1,452
as a % of NR	7.0%	6.6%

Net revenue

- 7% increase in Net Revenue to Rs. 21,984 mn over the corresponding FY08 of Rs. 20,556 mn
- EBIDTA margins decrease due to drop in the commodity prices mainly in third quarter of this year.
- Marginal increase in Profit After Tax to Rs 1,452mn over the corresponding FY08 of Rs. 1,435mn.

HAVELLS INDIA LIMITED (stand alone) further highlights

Earnings by sector

Segment Results as % to NR in millions of rupees	FY 08	FY09
Switchgears	31.9%	33.3%
Cable & Wire	9.5%	6.4%
Lighting & Fixture	12.3%	18.7%
Electrical Cons. Durables	20.4%	21.3%
Others		
Total	**16.9%**	**17.5%**

- Switchgear margin improved by 140 bps during FY09 as compare to corresponding year FY 08 due to better sale realization.
- Cable & Wire margins dropped due to drop in commodity prices mainly in the third quarter of this year.
- Lighting & Fixtures division shows improved margins by 640 bps due to improved margins in Luminaries with better realization.
- ECD (Fan) margins increase by 90 bps due to economy of scale.

in millions of rupees	FY08	FY09
Net Revenue	20,556	21,984
Raw Material	12,650	13,710
as % to NR	61.5%	62.4%
Staff Cost	726	860
as % to NR	3.5%	3.9%
Other Expenses	5,325	5,445
as % to NR	25.9%	24.8%
Add: Other Operating income	137	64
as % to NR	.7%	0.3%
EBIDTA	1,992	2,033
as % to NR	9.7%	9.2%

Direct cost and other operating expenses

- Raw material cost increase due to drop in commodity prices during third quarter.
- Staff cost increase marginally.
- Other expenses reduce marginally. Advertisement and Sales promotion expenses was Rs. 50 crores in FY09 as compare to Rs.53 crores in FY08.

in millions of rupees	FY08	FY09
Cash Flow from Operating Activities	1,290	2,719
Cash from Investing activities	(3,150)	(3,211)
Cash flow from financing activities	2,236	1,404
Net increase/ (decrease) in cash and cash equivalents	376	912
Opening Cash	266	642
Closing Cash	**642**	**1,554**

Cash Flow - Highlights

- Havells India Limited has guaranteed the repayment of Euro 80 mn loan facilities taken at the time of acquisition in April 2007 and to be met out of its cash flow. Till March 2009 Euro 56.7 mn has been repaid which is appearing as investment in subsidiary company (excluding interest and other cost). The balance Euro 23.3 mn will further be remitted to subsidiary as per the terms of repayment by way of investment in subsidiary. The investment so increased has accordingly reduced the guaranteed obligation of Havells India Ltd.
- Havells India Limited has further guaranteed Euro 14 mn loan facilities taken by Sylvania, repayment of which is to be done by Sylvania.

HAVELLS INDIA LIMITED (stand alone) further highlights

Financial Ratios	FY08	FY09
Profitability		
OPM (%) {EBIT/NR}	9.1	8.4
PAT % {PAT/NR}	7.0	6.6
ROCE % {EBITDA/TCE}	27.8	19.9
RONW % {PAT/NW}	21.5	15.5
Liquidity Ratio		
Current Ratio {CA/(CL+WCL)}	1.4	1.4
Debtors days {Debtors/TR}	11	14
Inventory days {Inventories/NR}	76	34
Creditors days {TC/COGS}	89	66
Leverage Ratio		
Debt/Total Equity	0.1	0.1

Key Ratios

- Operating profit and Profit after Tax margins shows nominal decrease.
- ROCE and RONW decline mainly due to drop in commodity prices and increase in Net Worth.
- Rigorous working capital management has caused Inventory to reduce sharply.

Highlights of the complete Financial Year 2008-09

Sylvania (stand alone)

Net Revenue in millions of rupees	FY08	FY09
Net Revenue (NR)	29,466	32,791
EBIDTA	1,598	750
as a % of NR	5.4%	2.3%
Depreciation	564	726
Interest	733	890
Exceptional Items	--	1,987
Add: Other Income	24	7
Profit before tax	325	(2,845)
Tax	148	208
Net Profit	177	(3,053)

Highlights in the quarter

Net revenue

- Although increase by 11% in INR term, the Net Revenue in Euro term decline by 2%. Europe region shows a decline of 7% on y-o-y basis with Americas including Latin America grown by 6%.
- EBIDTA drop during Q4 09 due to lower volumes and fixed SG & A.
- Detail of Exceptional Items:

	(Rs. in mn)
Severance & Restructuring Cost	1,062
Mark to Market on interest rate Swaps	319
Impairment of fixed assets	63
Exchange Loss	272
Pension Liability	131
Write down of Inventories	140

Financial Highlights of Sylvania in Euro currency

in millions of Euro	FY08	FY 09
Net Revenue	€515.33	€504.25
EBIDTA	€27.9	€ 11.5
As % to NR	5.4%	2.3%

*The Net Revenue in Euro shown above is after inter company elimination of transactions between Havells and Sylvania

Havells India Limited - Consolidated

Profitability	FY08	FY09
OPM (%) {EBIT/NR}	5.8	3.4
PAT % {PAT/NR}	3.2	--
ROCE % {EBITDA/TCE}	18.1	15.2
RONW % {PAT/NW}	23.3	--
Liquidity Ratio		
Current Ratio {CA/(CL+WCL)}	1.5	1.4
Debtors days {Debtors to TR}	58	49
Inventory days {Inventories/NR}	76	53
Creditors days (TC/COGS}	91	69
Leverage Ratio		
Debt/Total Equity	1.9	2.0

Key Ratios

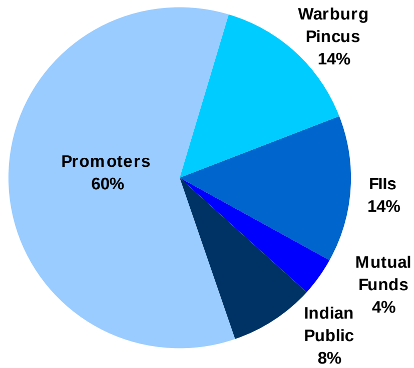
- The consolidated operating profitability is impacted due to one time cost in Havells and Sylvania during the FY09.
- ROCE and RONW on the same way have been impacted.
- Rigorous working capital management has caused Inventory and debtors to reduce during the reported period.

SHAREHOLDERS - THE KEY BEHIND GROWTH

Proposed dividend to shareholders

- Havells continued its philosophy of sharing profits with the shareholders, through declaration of 50% dividend for the Financial Year 2009.

The share capital of the Company as on 31 March 2009 stand at 60,168,406 equity shares of Rs.5/- each after conversion of 2,250,000 warrants into same number of Equity Shares issued to Warburg Pincus group company. The balance 350,000 warrants have been forfeited by the Company on May 26, 2009. There are no further shares pending for allotment.

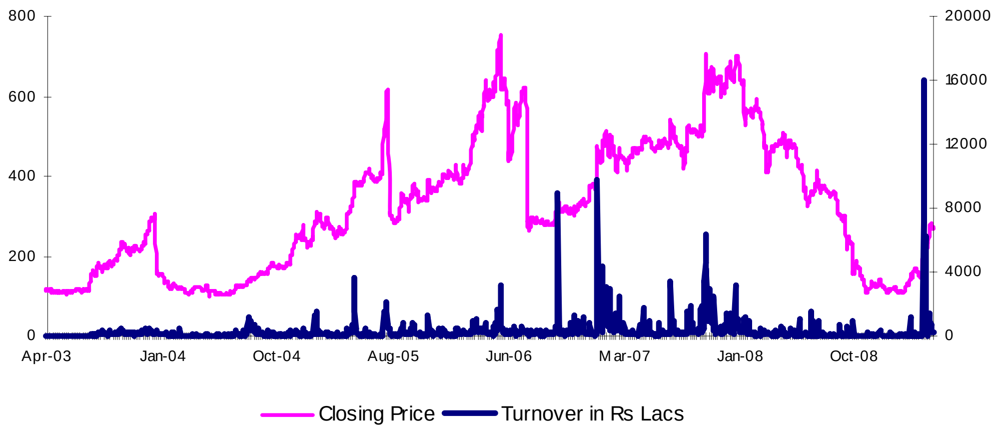


Shareholding pattern

- The promoters holding is 60% with Warburg Pincus as the main investor holds 14.43%.

SHARE PERFORMANCE ON STOCK EXCHANGES

The graph below depicts the Havells performance on the NSE since April`03 to May' 09 and volume in Rs. Lacs at NSE.



DISCLOSURE OF INFORMATION, COMMUNICATION WITH INVESTORS / ANALYSTS / FINANCIAL COMMUNITY

Havells will be issuing a fresh information Update, like the one you are reading now; on the day it declares its Quarterly/ Half Yearly Financial Results. Some forward looking statements on projections, estimates, expectations, outlook etc. are included in such updates to help investors / analysts get a better comprehension of the Company's prospects and make informed investment decisions. Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints. The information contained in such updates is made public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 1992. For further information / clarification, you may contact Mr. Sushil Singhal, AGM (Investor Relations) at Havells India Limited, QRG Towers, 2D Sector 126, Expressway, Noida UP (India), Tel: +91-120-4771000 Fax no.: +91-120-4772000; **E-mail:ir@havells.com**.