

Havells India Limited

Q1 2012-13 {JUNE 30, 2012}
{Un-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 Limited Reviewed by the Auditors of the Company and approved by the Board of Directors in their meeting held on 30th July 2012.

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Key Highlights

QUARTERLY RESULTS HIGHLIGHT

	Q1-FY12	Q1-FY13	Change %
<u>Havells</u>			
Revenue	Rs. 822 cr.	Rs. 1,033 cr.	26%
Operating Profit (EBIDTA)	Rs. 94 cr.	Rs. 128 cr.	36%
Profit before tax	Rs. 79 cr.	Rs. 100 cr.	26%
Profit after tax	Rs. 65 cr.	Rs. 80 cr.	24%
<u>Sylvania Global</u>			
Revenue	Euro 106 mn	Euro 108 mn	2%
Operating Profit (EBIDTA)	Euro 7.8 mn	Euro 5.8 mn	--
Profit before tax	Euro 3.3 mn	Euro(0.5) mn	--
Profit after tax	Euro 2.4 mn	Euro(1.4) mn	--
<u>Consolidated</u>			
Revenue	Rs. 1,496 cr.	Rs. 1,778 cr.	19%
Operating Profit (EBIDTA)	Rs. 146 cr.	Rs. 174 cr.	19%
Profit before tax	Rs. 100 cr.	Rs. 98 cr.	--
Profit after tax	Rs. 80 cr.	Rs. 71 cr.	--

SECTION 1. HAVELLS INDIA (STANDALONE)

A. Q1 2012-13 RESULTS ANALYSIS

The Business demonstrated consistent performance in the current quarter driven by each product segment. All stated quarters for Havells-standalone include financial of erstwhile Standard Electrical.

Table 1.1: P&L Summary (Havells India) - Quarterly

In crores of rupees	Q1 FY12	Q1 FY13	Change (%)	Q4 FY12
Net Revenue	822.4	1,032.8	26%	1,046.7
EBIDTA	94.3	128.1	36%	123.6
<i>as a % of NR</i>	<i>11.5%</i>	<i>12.4%</i>		<i>11.8%</i>
Depreciation	8.6	11.8		16.6
Finance Cost	9.4	10.2		19.7
Foreign Exchange (gain)/ loss	(1.9)	8.4		(21.4)
Add: Other Income	1.3	2.7		2.1
Profit before tax	79.5	100.4	26%	110.8
<i>as a % of NR</i>	<i>9.7%</i>	<i>9.7%</i>		<i>10.6%</i>
Tax	14.7	20.3		19.3
Net Profit	64.8	80.1	24%	91.5
<i>as a % of NR</i>	<i>7.9%</i>	<i>7.8%</i>		<i>8.7%</i>

Results summary

- Net revenue grew consistently during the current quarter, led by growth in each segment. Electrical Consumer Durables revealed strong growth momentum both in Fans and Domestic Appliances.
- Better price realization and cost management led the improvement in operating profit margin (EBIDTA) in Q1FY13. The advertisement and sales promotion expenses were Rs. 43.6 crores in Q1FY13 as compared to Rs. 41.7 crores in Q1FY12.
- Finance cost of Q1FY13 includes Rs. 1.5 crores as exchange loss, as per the revised schedule VI. Exchange loss for Q4FY12 was Rs. 9.4 crores.
- Foreign Exchange loss generated due to movement of INR vs US\$ during current quarter, mainly on foreign currency loan, outstanding balance US\$ 19 million as on 30 June 2012.

Table 1.2: Segment wise Revenue analysis (Havells India) - Quarterly

In crores of rupees	Q1 FY12	Q1 FY13	Change (%)	Q4 FY12	Net Revenue by segment
Switchgears	210.8	241.5	15%	237.6	<ul style="list-style-type: none"> Strong growth momentum is apparent in electrical consumer durables led by fans which grew by 42%.
Cable	356.4	431.3	21%	476.7	
Lighting & Fixtures	121.0	149.8	24%	151.1	<ul style="list-style-type: none"> Continued growth trend in domestic appliances. Net revenue in Q1FY13 was Rs. 26.4 crores as compared to Rs. 4.6 crores during Q1FY12.
Electrical Cons. Durables	134.2	210.2	57%	181.3	
Others		--		--	
Total	822.4	1,032.8	26%	1,046.7	

Table 1.3: Segment wise contribution margin analysis (Havells India)

In crores of rupees	Q1 FY12		Q1 FY13	
	Contribution Margins	Contribution Margins %	Contribution Margins	Contribution Margins %
Switchgears (Havells+ Standard)	77.3	36.7%	87.9	36.4%
Cable	28.4	8.0%	42.5	9.8%
Lighting & Fixtures	28.5	23.5%	34.5	23.0%
Electrical Cons. Durables	40.8	30.4%	53.2	25.3%
Others				
Total	175.0	21.3%	218.1	21.1%

Contribution margins derived after deducting material cost, manufacturing variables, direct selling variables and depreciation from the net revenue.

Contribution by Segment

- Depreciation has now been deducted for deriving contribution margins. The change has been done in previous reported period also.
- Continued improvement in margins in Cable division. Margins in electrical consumer durables are largely consistent on sequential basis. The margins are similar in both the divisions i.e. fans and domestic appliances.

Table 1.4: Balance Sheet highlights (Havells India standalone)

In crores of rupees	As at March12 <i>Audited</i>	As at June12 <i>Un-Audited</i>	Summary
Shareholders' Fund			
Share Capital	62.4	62.4	
Reserves and Surplus	1,545.9	1,626.0	
	1,608.3	1,688.4	
Non-current liabilities			
Long term borrowing	69.3	76.9	
Others	58.8	58.4	
Current Liabilities			
Short term borrowings	27.8	0.8	
Trade Payables	542.5	544.8	
Others	340.3	377.3	
Total	2,647.0	2,746.6	
Fixed Assets			
Fixed Assets	834.0	852.8	
Investments	775.1	780.6	
Other non-current assets	41.8	42.9	
Current Assets			
Inventories	648.9	670.4	
Trade receivables	159.7	153.5	
Cash & Bank balance	136.2	199.3	
Others	51.3	47.1	
Total	2,647.0	2,746.6	

- Investment of US\$ One million was made in the China JV i.e. Jiangsu Havells Sylvania Lighting Company Limited under the agreement entered with Shanghai Yaming Lighting Company Limited, China.

Table 1.5: Cash flow analysis (Havells India standalone)

In crores of rupees	Q1FY12	Q1FY13	Cash Flow - Highlights
Cash Flow from Operating Activities	42.9	128.9	
Less: Cash used in Investing activities	(33.2)	(36.0)	
Less: Cash flow from financing activities	(9.6)	(29.6)	
Net increase/ (decrease) in cash and cash equivalents	0.0	63.3	
Opening Cash	57.9	136.0	
Cash taken over on Amalgamation			
Closing Cash	58.0	199.3	

- Significant improvement in Cash Flow from Operating Activities

Table 1.6: Financial Ratios

Financial Ratios	Q1FY12	Q1FY13
Profitability		
OPM (%) {EBIDTA/NR}	11.5%	12.4%
PAT % {PAT/NR}	7.9%	7.8 %
ROCE % (TTM) {EBITDA/CE}	23%	30%
RONW %(TTM) {PAT/NW}	18%	19%
Liquidity Ratio		
Current Ratio {CA/CL}	1.1	1.2
Debtors days {Debtors/NR}	14	14
Inventory days {Inventories/NR}	66	59
Creditors days {TC/COGS}	95	76
Net Working Capital - days	(15)	(3)
Leverage Ratio		
Debt/Total Equity	0.1	0.1

Key Ratios

- Continued improvement in ratios

SECTION 2. SYLVANIA (STANDALONE)

Table 2.1: P&L Summary (Sylvania stand alone) - Quarterly

In millions of Euro	Q1 FY12	Q1 FY13	Q4 FY12
Net Revenue	€ 106.7	€ 107.9	€ 112.0
EBIDTA	€ 7.8	€ 5.8	€ 8.3
as a % of NR	7.3%	5.4%	7.4%
Depreciation	€ 1.9	€ 1.8	€ 1.9
Finance Cost	€ 2.9	€ 6.3	€ 2.9
Foreign Exchange (gain)/loss	€(0.2)	€ 1.7	€ (0.8)
Add: Other Income	€ 0.1	€ 3.5	€ 2.5
Profit before tax	€ 3.3	€ (0.5)	€ 6.8
as % of NR	3.1%	--	6.1%
Tax	€ 0.9	€ 0.9	€ 2.5
Net Profit	€ 2.4	€ (1.4)	€ 4.3

Results Summary

- Revenue shows consistency during the period under review. The global economic environment has not improved and large volatility still exists in various currencies.
- Current quarter doesn't hold benefits from low cost raw material, impacting operating profit margins (EBIDTA). Without this, EBIDTA margins for Q4FY12 would have been 5.7%.
- The refinancing of the loan has been completed in May 2012. The entire cost of Euro 4.2 million has been booked in Q1FY13 and is included under finance cost.
- Other income includes Euro 3.1 million being the profit on sales of fixed assets situated at Brazil.

Table 2.2: Region wise revenue and margin analysis (Sylvania)

Europe results highlights

In millions of Euro	Q1 FY12	%	Q1 FY13	%	Change (%)	Q4 FY12	%
Net Revenue	€ 64.0		€ 61.1		(4)%	€ 70.3	
Operating profit- EBIDTA	€ 3.9	6.1%	€ 2.6	4.2%	--	€ 6.8	9.7%

The operating margins have been impacted due to sales reduction, euro weakening thus increasing procurement cost from Far East. The company is focusing on margin improvement through price increases & better cost management.

Americas (Latin America & USA) results highlights

In millions of Euro	Q1 FY12	%	Q1 FY13	%	Change (%)	Q4 FY12	%
Net Revenue	€ 36.1		€ 39.8		10%	€ 38.2	
Operating profit- EBIDTA	€ 3.6	9.9%	€ 2.9	7.3%	--	€ 2.7	7.1%

There has been general volatility in LatAm market including Brazil, Argentina & Columbia thus impacting sales growth & margin in the region. We expect the same should improve in the next half of the year.

Table 2.3: Balance sheet – Highlights (Sylvania standalone)

In millions of Euro	As at March12 Audited	As at June12 Un-Audited
Shareholders' fund		
Share capital	€ 120.1	€ 120.1
Reserves & Surplus	€ (101.7)	€ (99.8)
	€ 18.4	€ 20.3
Loan Funds	€ 131.4	€ 134.6
Total	€ 149.8	€ 154.9
Fixed Assets	€ 38.3	€ 37.2
Goodwill	€ 53.0	€ 53.0
Current Assets, Loans & Advances		
Inventories	€ 106.2	€ 107.6
Debtors	€ 106.7	€ 109.8
Cash & Bank balance	€ 12.5	€ 22.1
Others	€ 19.5	€ 20.9
Less: Current Liabilities & provisions		
Sundry creditors	€ 72.6	€ 73.3
Pension & Other Liabilities	€ 113.8	€ 119.0
Net current Assets	€ 58.5	€ 64.7
Total	€ 149.8	€ 154.9

Summary

- Loan Funds include Euro 40 million as guaranteed debt from Havells India.
- Sylvania balance sheet includes all the wholly owned subsidiaries of the company incorporated for the acquisition purpose.
- Total termination cost of Euro 1.5 million for the interest hedge on the outgoing loan has been paid off thereby reducing the provisions made subsequently.

Table 2.4: Financial Ratios (Sylvania standalone)

Financial Ratios	Q1FY12	Q1FY13
Profitability		
OPM (%) {EBIDTA/NR}	7.3%	5.4%
PAT % {PAT/NR}	2.3%	--
ROCE % (TTM) {EBITDA/CE}	12.2%	13.5%
RONW % (TTM) {PAT/ANW}	7.6%	5.2%
Liquidity Ratio		
Current Ratio {CA/CL}	1.3	1.3
Debtors days {Debtors/NR}	87	93
Inventory days {Inventories/NR}	92	91
Creditors days {TC/COGS}	110	123
Net Working Capital-days	69	61

Summary

- Improvement in working capital continued.

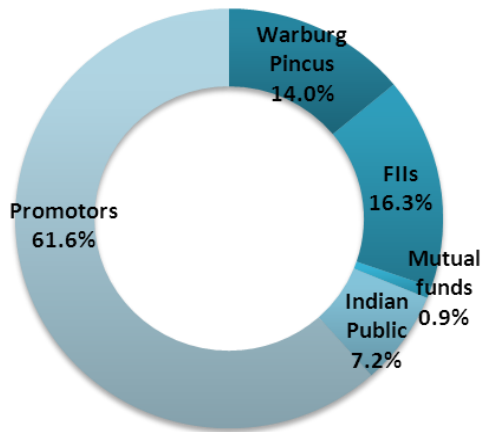
Table 2.5: Havells financial exposure to Sylvania

	As on March12	As on June12
Equity investment (Acquisition)	€ 90mn	€ 90mn
Additional Equity for restructuring (during 2009&10)	€ 35mn	€ 35mn
Debt guaranteed by Havells (during refinancing in 2012)	--	€ 40mn
Additional Guaranteed loan facilities *	€ 5mn	€ 5mn
Total Exposure of Havells India in Sylvania	€ 130mn	€ 170mn

* Deutsche Bank had provided various credit facilities to Sylvania. The payment was an obligation of Sylvania and had been guaranteed by Havells India Limited.

SECTION 3. SHAREHOLDING RELATED INFORMATION

Table 3.1: Shareholding Pattern

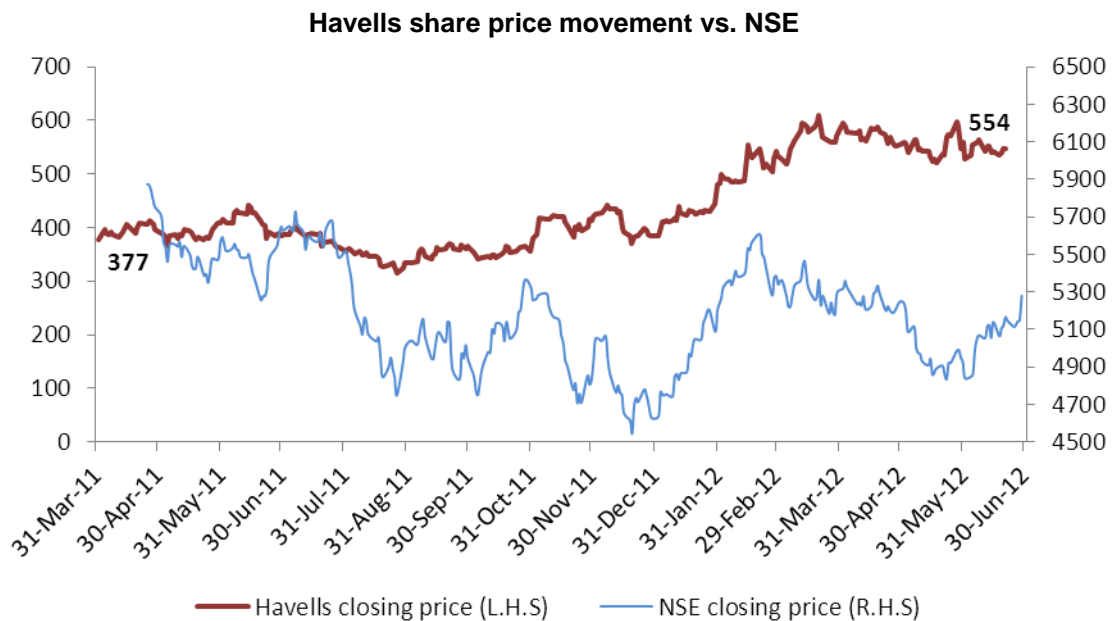


Shareholding pattern

- The promoters holding is 61.6% with Warburg Pincus as the main investor holds 14.0%.

3.2: Stock Price Performance

The graph below depicts the Havells stock price performance vis-à-vis NSE during Apr'11 – Jun'12



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, DGM (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**.

HAVELLS INDIA LIMITED

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**UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED JUNE 30, 2012**

(Rs.in Crores)

S.N.	Particulars	Quarter Ended			Year ended
		30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
		(Unaudited)			(Audited)
1	Income from operations				
	a) Net Sales/Income from Operations (Net of excise duty)	1032.80	1046.68	822.37	3615.61
	b) Other Operating Income	2.51	1.80	1.17	6.39
	Total income from operations (net)	1035.31	1048.48	823.54	3622.00
2	Expenditure				
	a) Cost of materials consumed	561.84	579.31	507.76	2051.59
	b) Purchases of stock-in trade	91.40	88.91	89.78	353.38
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(0.56)	8.51	(82.68)	(113.88)
	d) Employee benefits expense	43.17	35.75	33.72	141.71
	e) Depreciation and amortisation expense	11.81	16.59	8.61	44.66
	f) Foreign Exchange Fluctuation loss/(gain)	8.45	(21.39)	(1.88)	3.38
	g) Other expenses	208.81	210.64	179.55	723.74
	Total expenses	924.92	918.32	734.86	3204.58
3	Profit from operations before other Income, finance costs and exceptional items (1- 2)	110.39	130.16	88.68	417.42
4	Other Income	0.24	0.32	0.15	0.78
5	(3+4)	110.63	130.48	88.83	418.20
6	Finance Costs	10.20	19.68	9.38	44.39
7	items (5-6)	100.43	110.80	79.45	373.81
8	Exceptional items	-	-	-	-
9	Profit from ordinary Activities before tax (7+8)	100.43	110.80	79.45	373.81
10	Tax expenses	20.35	19.28	14.66	68.38
11	Net Profit from ordinary activities after tax (9-10)	80.08	91.52	64.79	305.43
12	Extraordinary Items (net of tax expenses)	-	-	-	-
13	Net Profit for the period (11+12)	80.08	91.52	64.79	305.43
14	Minority interest	-	-	-	-
15	Net Profit after taxes and minority interest (13-14)	80.08	91.52	64.79	305.43
16	Paid up Equity Share Capital (Face value of Rs.5/- each)	62.39	62.39	62.39	62.39
17	Reserves excluding revaluation reserves as per balance sheet of previous year	-	-	-	1,545.93
18	Earnings per share (EPS) before extraordinary items (of Rs.5/-each) (not annualised) :				
	a) Basic and Diluted	6.42	7.33	5.19	24.48
	Earnings per share (EPS) after extraordinary items (of Rs.5/-each) (not annualised) :				
	a) Basic and Diluted	6.42	7.33	5.19	24.48
A.	PARTCULARS OF SHAREHOLDING				
1	Public shareholding				
	- Number of Shares	47961960	47961960	47961960	47961960
	- Percentage of shareholding	38.44	38.44	38.44	38.44
2	Promoters and Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of shares	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	N.A.	N.A.	N.A.	N.A.
	- Percentage of shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.
	b) Non - encumbered				
	- Number of shares	76812852	76812852	76812852	76812852
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	61.56	61.56	61.56	61.56
B.	INVESTORS COMPLAINTS	Quarter ended 30th June 2012			
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	7			
	Disposed of during the quarter	7			
	Remaining unresolved at the end of the quarter	Nil			

HAVELLS INDIA LIMITED

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SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs.in Crores)

S.N.	Particulars	Quarter Ended			Year ended
		30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
		(Unaudited)			(Audited)
1	Net Segment Revenue				
	a) Switchgears	241.49	237.56	210.76	896.15
	b) Cable	431.33	476.66	356.44	1592.99
	c) Lighting & Fixtures	149.82	151.13	120.98	554.39
	d) Electrical Consumer Durables	210.16	181.33	134.19	572.08
	Total	1032.80	1046.68	822.37	3615.61
	Less : Inter Segment Revenue	-	-	-	-
	Sales/ Income from Operations	1032.80	1046.68	822.37	3615.61
2	Segment Results				
	(Profit+)/ Loss(-) before Tax and Interest from each Segment)				
	a) Switchgears	87.89	80.18	77.27	323.42
	b) Cable	42.48	30.65	28.40	125.90
	c) Lighting & Fixtures	34.49	35.74	28.48	131.77
	d) Electrical Consumer Durables	53.22	49.71	40.83	161.02
	Total	218.08	196.28	174.98	742.11
	Less : (i) Finance cost	10.20	19.68	9.38	44.39
	(ii) Other un-allocable expenses net of un-allocable income	107.45	65.80	86.15	323.91
	Total Profit before Tax	100.43	110.80	79.45	373.81
3	Capital Employed				
	(Segment Assets - Segment Liabilities)				
	a) Switchgears	375.51	393.34	391.51	393.34
	b) Cable	251.59	188.09	168.23	188.09
	c) Lighting & Fixtures	262.83	277.96	231.72	277.96
	d) Electrical Consumer Durables	101.51	143.79	124.59	143.79
		991.44	1003.18	916.05	1003.18
	e) Others-Unallocable	696.96	605.14	545.94	605.14
	Total	1688.40	1608.32	1461.99	1608.32

Notes:

- Pursuant to the scheme of amalgamation as approved by the Hon'ble High Court of Delhi vide the order dated September 27, 2011, the Wholly Owned Subsidiary Company "Standard Electrical Limited" has been amalgamated with the Company with effect from appointed date i.e. April 1, 2011. Accordingly, figures of quarter ended June 30, 2011 have been revised to include figures of amalgamated company.
- During the quarter, the Company has invested Rs 5.54 crores in joint venture company named "Jiangsu Havells Sylvania Lighting Co. Ltd" with Shanghai Yaming Lighting Co. Ltd in China representing capital contribution.
- The figures for the current period in this statement have been reported in the format recommended as per SEBI circular dated 16th April 2012. Previous period figures have been reclassified/regrouped to conform to current period classification.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th July, 2012. These results have been limited reviewed by the Statutory Auditors.

For & on behalf of the Board
Havells India Limited

(Qimat Rai Gupta)
Chairman & Managing Director

Noida, July 30, 2012

HAVELLS INDIA LIMITED

Regd. Off. : 1/7, Ram Kishore Road, Civil Lines, Delhi - 110 054
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**CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2012**

S.N.	Particulars	Quarter Ended (Consolidated) 30 June-12	Quarter Ended (Consolidated) 31 March-12	Quarter Ended (Consolidated) 30 June 11	Period Ended (Consolidated) 31 March 12
S.N.	Particulars				
1	Net Revenue	1,777.8	1,777.7	1,495.9	6,518.2
2	Earning before finance cost, depreciation, tax and amortisation	173.8	181.8	146.1	678.5
3	Less: Depreciation	24.6	29.4	21.1	94.9
4	Less: Finance cost	57.5	40.8	29.9	128.1
5	Less : Foreign Exchange Fluctuation (net)	20.3	(25.2)	(3.3)	21.2
6	Add: Other income	26.4	19.9	1.8	41.4
7	Profit Before Tax	97.9	156.7	100.2	475.7
8	Less: Tax expenses	26.6	35.8	20.6	105.8
9	Net Profit after tax	71.3	120.9	79.7	369.9