

Punj Lloyd turnover up 190% at Rs 2022.5 crore for the first half of the financial year 2007

Order backlog expands to Rs 11,428 crore

Editor's Synopsis

- Consolidated Net Income of Rs 2022.5 crore for H1FY07 as against Rs 696 crore in the corresponding half of the previous year
- Consolidated EBITDA of Rs 153.4 crore for H1FY07 as against Rs 68.4 crore in the corresponding half of the previous year
- Profit after Tax of Rs 59.83 crore for H1FY07 as against Rs. 2.97 crore in the corresponding half of the previous year; an increase of 1578% as compared to the same period in last fiscal
- Punj Lloyd group order backlog of Rs 11,428 crore as on 30/09/06.
- Sembawang E&C becomes 100% subsidiary of Punj Lloyd

New Delhi, October 30, 2006

Engineering and construction major, Punj Lloyd Limited (PLL), has recorded consolidated income of Rs 2022.5 crore for the first half of the FY 07, an increase of 190% as compared to Rs 696 crore in the corresponding previous period, driven by increased order book and by revenue contribution from Sembawang Engineers and Constructors (SembE&C), Singapore. On a consolidated basis, EBITDA for H1FY2007 improved to Rs. 153.4 crore, an increase of 124% as compared to Rs. 68.4 crore in the corresponding previous period. Net profit for the H1FY07 was at Rs 59.83 crore. The basic earnings per share (EPS) (not annualized) for H1FY2007 stood at Rs. 11.44.

The financial results for Q2FY07 reflect the first full quarter of contributions from SembE&C after its acquisition in June 2006. Revenues for the Q2FY07 stood at Rs 1197.10 crore, with Sembawang E&C contributing Rs 596.30 crore. EBITDA for Q2FY07 was at Rs 82.5 crore. Operating margins for Q2FY07 are sub-optimal on account of relatively lower margins that Sembawang E&C has traditionally been delivering. The Company intends to enhance margins in Sembawang E&C going forward by leveraging its expanded capabilities following this acquisition to undertake higher-value projects in attractive markets globally and capturing incremental value by capitalizing on the synergies and integration with its existing operations.

Commenting on the Company's performance for H1 & Q2 FY2007, Mr. Atul Punj, Chairman and Managing Director, Punj Lloyd Ltd., said, " The large value contracts bagged in the first half of the FY07 acknowledges our capabilities and efficiencies in executing large projects of complex nature, even in challenging geographies. The composition of order backlog has changed significantly over the first half of the current year; our operating margins would improve over next few quarters as we integrate SembE&C operations. I am

confident that PLL will soon be one of the largest EPC companies in the world.”

Order book update

As on September 30, 2006, Punj Lloyd Group had an order backlog of Rs 11,428 crore compared to Rs 2,999 crore as on 30 September 2005. This is the total value of unexecuted orders as on the corresponding date. The expansion in order book has been led by multiple contracts won by the Company over the past few months as well as significant contribution from Sembawang E&C.

In terms of geographical diversification, Punj Lloyd group's current order backlog comprises of 40 % domestic contracts and 60 % international contracts, with 40% of the backlog being related to projects to be executed in South Asia, 25 % in the Asia Pacific region, 14 % in the Middle East, 12 % in Africa and 3 % in the Caspian region and 6% in Europe.

From the application perspective, of the Company's total backlog on September 30, 2006, 26 % represents pipelines; 8 % represents storage tanks and terminals, 25 % process facilities and petrochemicals and 41% infrastructure.

During H1FY2007, the Company procured several new contracts including, a Rs 164.24 crore Dabhol-Panvel Pipeline Project (DPPL) from GAIL, Rs 321 crore contract from the Republic of Yemen, Rs 823 crore contract from Rajasthan Vidyut Utpadan Nigam Limited, Rs. 1348 crore order from Sirte Oil Company in Libya and a Rs 349.73 crore contract from Indian Oil Tanking Limited etc. to name a few.

About Punj Lloyd

Punj Lloyd (BSE SCRIP ID: PUNJLLOYD, NSE SYMBOL: PUNJLLOYD), is amongst the largest engineering and construction companies in India providing integrated design, engineering, procurement, construction and project management services for energy and infrastructure sector projects with operations spread across many regions in the Middle East, Caspian, Asia Pacific, Africa and South Asia. The company has acquired a majority stake in SembCorp Engineers & Constructors, a Singapore \$ 1 billion company. Punj Lloyd also entered into a JV with Saudi Prince to form 'Dayim-Punj Lloyd Engineering Limited' and has also entered into a joint venture with KAEFER GmbH, Germany, a world leader in the insulation business. Recently Punj Lloyd has entered into a joint venture with Swissport International, a world leader in the ground handling industry. Further information about the Company is available at www.punjllloyd.com.

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