

15th October 2013

Key Business Highlights for Q2 FY14:

- Topline improves by 15 % on QOQ basis, EBITDA reported at Rs 2125.6 mln.
- Prefabricated Buildings segment rises 31 % continues strong growth.
- Overseas custom molding registers a rise of 22 % in topline
- Textile division sees rise EBITDA margin by 241 bps, topline up 12%

**VUCA world or a VUCA quarter...volatility,
uncertainty, complex and ambiguous**

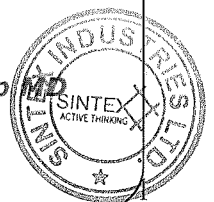
In my lifetime, I've never seen such a volatile quarter . Slowing economy followed by a crashing INR touching a new low at Rs 68 and recovering back equally faster to 62 levels. When all this was looking settled, the US shutdown and forthcoming elections are the new glaring realities to navigate in FY14. All in all, a true VUCA quarter for a diversified global manufacturing company like Sintex. Challenging times.

Dinesh Patel, Chairman

"I believe, we have responded very favorably to the current environment. Our topline grew 15 % and we improved our EBITDA margin. Healthy execution in prefabs as a result of ongoing spending on social schemes maintained the robust growth in prefabs at 31 %. The custom molding business rose 10 % largely because of traction in overseas contribution.

I strongly believe we are at the bottom of an economic cycle, its time we built world scale capacity in businesses with long term potential. On the CM front, we are looking at inorganic opportunities to acquire specific customer or niche technology to bolster our offerings."

Amit Patel, Group



First half FY14 performance*(Rs mln)*

	<i>Q2FY14</i>	<i>Q2FY13</i>	<i>H1FY14</i>	<i>H1FY13</i>
Net Sales	13596	11861	24835	22624
<i>EBITDA (Rs mln)</i>	2126	1893	3821	3710
<i>PBT</i>	993	978	1654	1671
<i>PAT</i>	729	724	1195	1192
<i>EPS</i>	2.34	2.33	3.84	3.83

Segmentwise performance:*(Rs mln)*

	Q2FY14	Q2FY13	H1FY14	H1FY13
Prefabricated Building systems	3031	2312	5079	4036
Monolithic Con.	2633	2423	4502	4574
CM				
Overseas	3529	2901	7116	5816
India	2351	2438	4223	4680
Tanks	750	619	1510	1260
Textiles	1306	1167	2414	2263



Businesswise Review :

Building materials

The building materials business is largely India centric, dominated by Prefabricated (prefabs) structures and monolithic construction. Prefabs is focused on rural infrastructure for setting up school buildings, healthcare centers, sanitation toilet blocks which forms major portion of revenues and other utility structures. Driven by social spending, the segment registered a robust growth of 31 % on QOQ basis. Our long-term strategy to penetrate deeper into geographies and enhanced execution capabilities has led to a healthy jump in revenue. Looking ahead, a host of measures recently through the passage of land bill, food bill reiterates the government's long-term momentum on social spending for education, healthcare and sanitation to only grow bigger in times to come.

The issues related to Monolithic segment are being addressed. As the focus continues on working capital streamlining and improving efficiencies at sites, the business is undergone a sea change. Focus is on few sites, a customer centric approach and maintains a profitable mix through better collections, rather gunning for high growth till things improve on the ground. The long-term addressable opportunity for economically weaker section housing at an affordable cost is a challenge for any future government. Sintex is well poised to address these opportunity.

Custom molding

Custom molding business caters to Fortune 500 OEM's both in India and overseas.

The overseas custom molding business, which is largely centered in Europe, has seen a healthy growth of 22 % on QOQ basis. Strategically, the acquisition of Poschmann holdings is shaping up well in terms of its restructuring plan, though it is yet to realize its full value in terms of topline growth and margins in the coming quarters. Efforts are on to push for better utilization of capacities and rolling out value added products as the economy gradually improves. Inorganic opportunities are being actively scouted for strategic customer or technological acquisitions to enhance our offerings.



The sluggishness in domestic economy has resulted in falling automotive sales; this has resulted in lower utilization of capacities. The objective is to diversify from automotive to electricals and off the road vehicles segment. Off the road vehicles is a ready and large market to be tapped aggressively. This will also help in de-risking from the fluctuating fortunes of the passenger car segment. Efforts are on to incorporate new technological processes and address the non-automotive segment in Bright AutoPlast, our subsidiary. Besides, leverage global relationships with large OEM's to outsource domestically, some of these initiatives are in advanced stages.

Textiles

The textile segment registered a good topline and margin growth. Topline rose 12 % while EBITDA margin rose by 241 bps on QOQ basis. This was driven by better utilization and a US \$ appreciation, resulting in better pricing for the products.

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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