

AGC Networks Announces Audited Results for the Quarter and Year ended March 31, 2014

Mumbai, 30th May 2014 : AGC Networks Limited, (BSE: 500463 and NSE: AGCNET) , an Essar enterprise and a Global ICT Solutions Provider and Integrator in Unified Communications, Network Infrastructure, Data Centre & Virtualization and Enterprise Applications, today announced audited financial results for Q4 FY 2014 and year ended March 31, 2014.

Key Consolidated Financial Highlights for Q4 FY 2014 and FY 2014

Highlights for FY 2014 vs FY 2013 :

- *Revenue decreased by 27% in FY 2014 (Rs 776.9 Crs in FY 2014 versus Rs 1061.3 Crs in FY 2013)*
- *PAT (Loss) in FY 2014 is Rs 282.3 Crs as against PAT (Loss) in FY 2013 of Rs 21.9 Crs.*
- *Gross Margins remain constant; 23.5% in FY 2014 as against 21.9% in FY 2013*

Highlights for Q4 FY 2014 vs Q3 FY 2014 :

- *Revenue decreased marginally by 4% on QoQ basis. Rs 182.1 Crs in Q4 FY 2014 versus Rs 189.3 Crs in Q3 of FY 2014*
- *PAT (Loss) for Q4 FY 14 is Rs 66.0 Crs against PAT (Loss) of Rs 89.6 Crs in Q3 FY 2014*

Highlights for Q4 FY 2014 vs Q4 FY 2013 :

- *Revenues for Q4 FY 2014 decreased by 36% to Rs 182.1 Crs from Rs 284.0 Crs over Q4 FY 2013*
- *PAT (Loss) for Q4 FY 2014 is Rs 66.0 Crs against PAT (Loss) of Rs 67.5 Crs in Q4 FY 2013*

➤ In line with the approach adopted since the beginning of the Financial Year, as well as the re organization of business practices and management, the Company continues

- o its global scale-up plans in growth markets of USA and MEA and consolidating its position in the markets of India and APAC
- o to operate and manage in the overall subdued market conditions with delay in decision making in the Indian market further resulting in the delay of purchase decisions in the quarter gone by
- o to operate in the existing rupee volatility compounded with uncertainty, especially from Government customers, due to recently concluded elections in India, further lowered the agility of the decision making process with most clients, apart from market losses due to currency fluctuations
- o to look forward to a year focused on stability and growth

- The Company has taken a conservative accounting approach including revenue reversals being accounted for; write offs and provisioning in line with ongoing restructuring plan. The company expects these remedial measures to have a sustainable long term positive effect on profitability in the next financial year
- The Company has taken tough decisions to clean up the balance sheet and lay the foundation for a healthy financial future

Marque Business highlights

Despite several challenges faced in FY13-14, some key business wins have been the highlight in the year.

US market

- A multi million \$ Services Contract deal win from one of the TOP 10 Banks in US

Australia market

- A deal from an Australian multinational corporation to provide Unified Communications solution for CM upgrade, maintenance and full time onsite support
- Won a huge order for CM upgrade across 12 APAC countries for a global IT vendor

Middle East & Africa market

- End to end solution provided across Audio Video solutions, Data centre and Virtualization and Unified Communications for creation of spacious residential communities within 4.2 mn sq meters
- Large Board room orders for Middle East's and North Africa's leading communications conglomerate and a leading hospital in Dubai

INDIA market

- Implemented the Single sign on solution for India's premier investment bank allowing client to consolidate applications under single control and have access to its critical applications in a secure manner
- Provided a Unified Communications solution including passport replacement and TDM to IP logger migration for India's Premier technology support company
- Transformed the Network infrastructure for Summit Communications – a large telecom company in Bangladesh by deploying high performing mobile backhaul solution
- Deployed an end to end Unified communications solution spanning Voice & Video for one of the largest Indian media and entertainment company across 15 branches in the country

- Migrated IPLC to MPLS across 7 locations (2 of which is in United States) for a global leader providing integrated technology and operations-based solutions
- Completed a consulting project to enable a Large Housing Project Company implement Information Security Management Systems and achieve ISO 27001 certification

INDUSTRY AWARDS AND CERTIFICATIONS

- AGC US achieved SSAE 16 Type 1 certification
- Industry Partner of the Year – BFSI from Microsoft Corporation
- Strategic Win 2013- Enterprise Sector from Juniper Networks
- Country Partner of the Year from AVAYA
- Video Collaboration Partner of the Year from AVAYA

Speaking on the occasion, **Mr. Sanjeev Verma, President & Executive Director, AGC Networks** said “The Company is optimistic about the prevailing market conditions and the appropriate strategies and relevant processes, controls and procedures adopted by AGC Networks to strengthen its financial position over the forthcoming quarters. We are well poised to uplift our overall performance and profitability in all key markets that we serve. AGC Networks strives towards its corporate vision of delivering enterprise innovation, unlocking value and ultimately creating wealth for its customers and stakeholders. This translated into our strong emphasis on customer-centricity, focus on partner alliance network and AGC’s technology expertise; will continue to gain client-stickiness and focus in proving best-in-class returns to our stakeholders ultimately creating an enabling experience.”

About AGC Networks:

AGC Networks (AGC) is a Global ICT Solutions Provider and Integrator seamlessly delivering technology based solutions across global markets and verticals layered with a spectrum of applications and services in Unified Communications, Network Infrastructure, Data Center & Virtualization and Enterprise Applications. Being a leader in Enterprise Communications in India and spanning the Middle East, North America, Australia, New Zealand and Africa, AGC Networks has a differentiated approach to Solutions Integration and offers domain-focused, flexible and customized solutions to customers across the globe.

Equipped with Global technology alliance partners like Avaya, Juniper, NICE Systems, Aspect, HP, Polycom, Cisco, Microsoft, Verint, NEC, Sony, Plantronics, EMC, Dialogic, NetApp, Checkpoint and Jabra among others. AGC ‘Experience specialists’ deliver ICT solutions. AGC Networks is an Essar Enterprise. For more information log on to www.agcnetworks.com

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