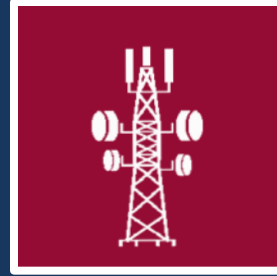
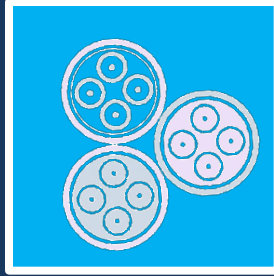


KEC International Limited

Corporate Presentation



February 2014

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Growth Enablers & Strategy Page 38-39		

Company Profile

Page 05-12

KEC International - Introduction

EPC Major

- An Indian multinational infrastructure EPC major
- Flagship company of the RPG group
- Over 6 decades of experience
- Executing 100+ projects

Business Portfolio

- 6 businesses
- Global leader in Power Transmission EPC
- Growing presence in Power Systems, Cables, Telecom, Railways and Water

Revenue and Order Book

- FY13 sales: ₹ 6,979 cr. (\$1.3bn)
- Order book: ₹ 10,250 cr. (\$1.7bn)
- Sales growth 5 yr. CAGR: ~20%

Global Presence

- Spread across 6 continents
- Footprints in 50 countries
- Currently executing projects in 30 countries
- ~60% sales from outside India

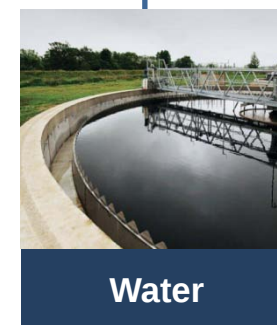
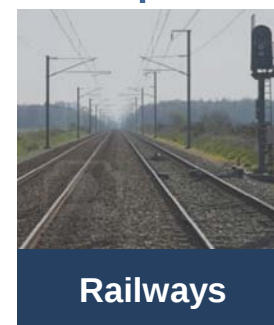
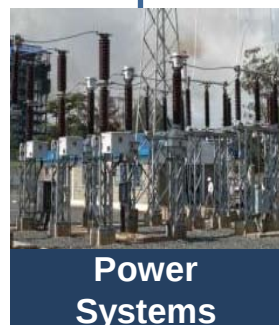
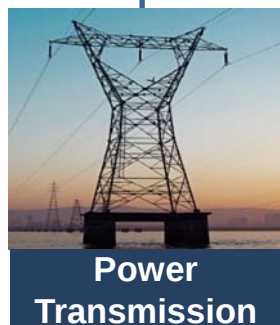
Multi-Locational Manufacturing

- 8 manufacturing facilities across India, Brazil and Mexico
- Manufactures Towers, Cables, Poles and Hardware

Global Workforce

- 5,000+ employees
- Diverse nationalities with 23% non Indian workforce

Business Portfolio



Transmission lines

Substations

Power Cables LT/HT/EHV

Telecom Towers

Electrification

Water Resource Management

Towers - Lattice & Poles

Distribution Network

Telecom Cables

OFC/OPGW Network

Civil & Track Works

Water & Waste Water Treatment

Hardware

Signaling

Our value drivers

Vision

To be a global leader in Power Transmission and Distribution EPC business and a significant player in other infrastructure business, providing superior value to all stakeholders.

Culture Pillars



Delivery focus



Cost and profitability focus



Ownership and Accountability



Cross functional teamwork



Empowering performance



Valuing people

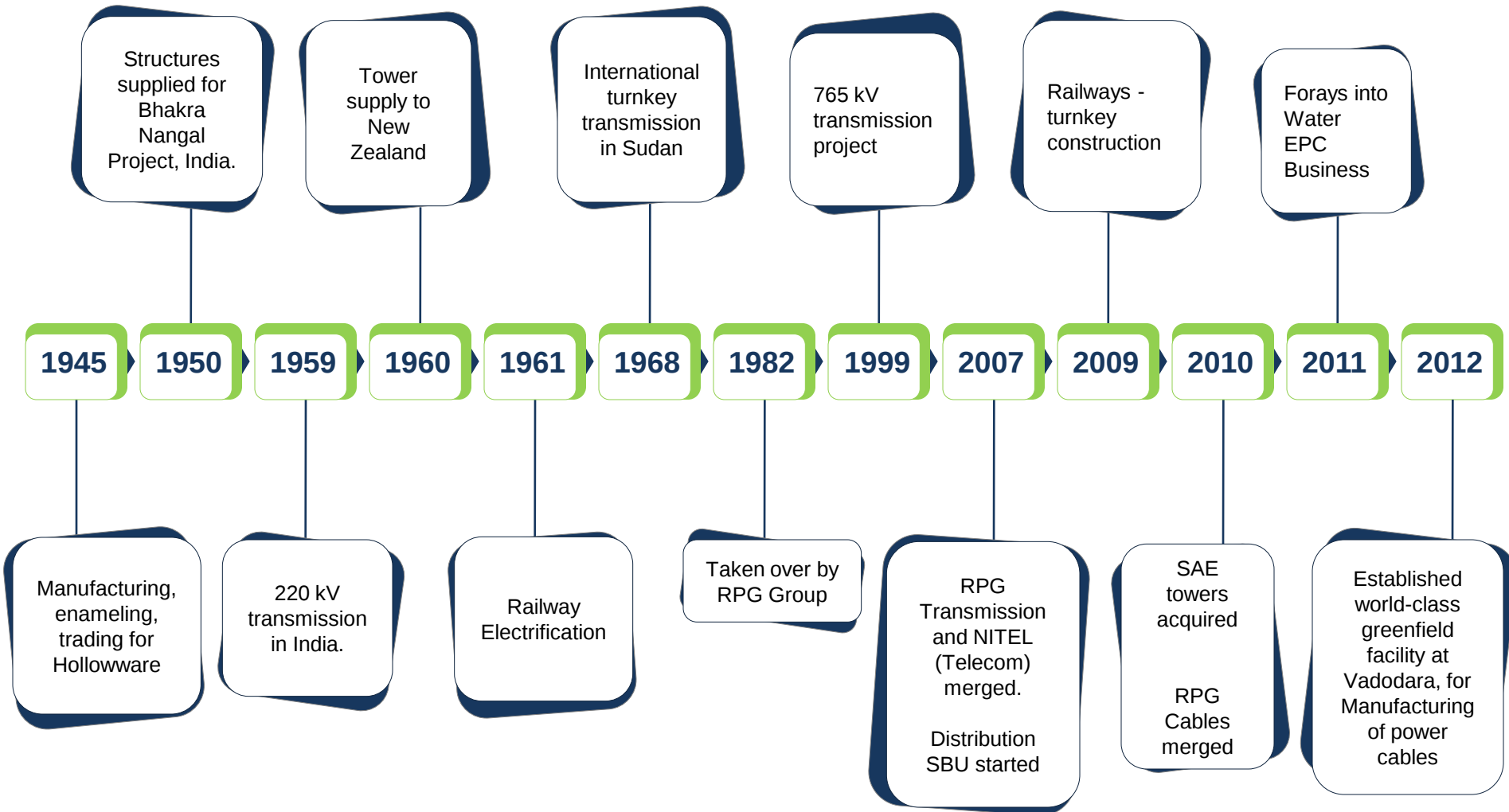


Providing diverse opportunities



Forward looking

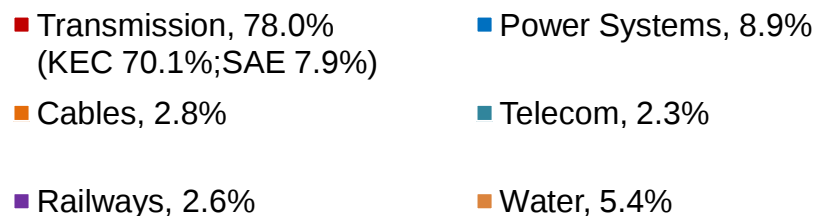
Historical Milestones



Order Book Breakup

Robust and Diversified Order Book – ₹ 10,250

**Business
Wise**



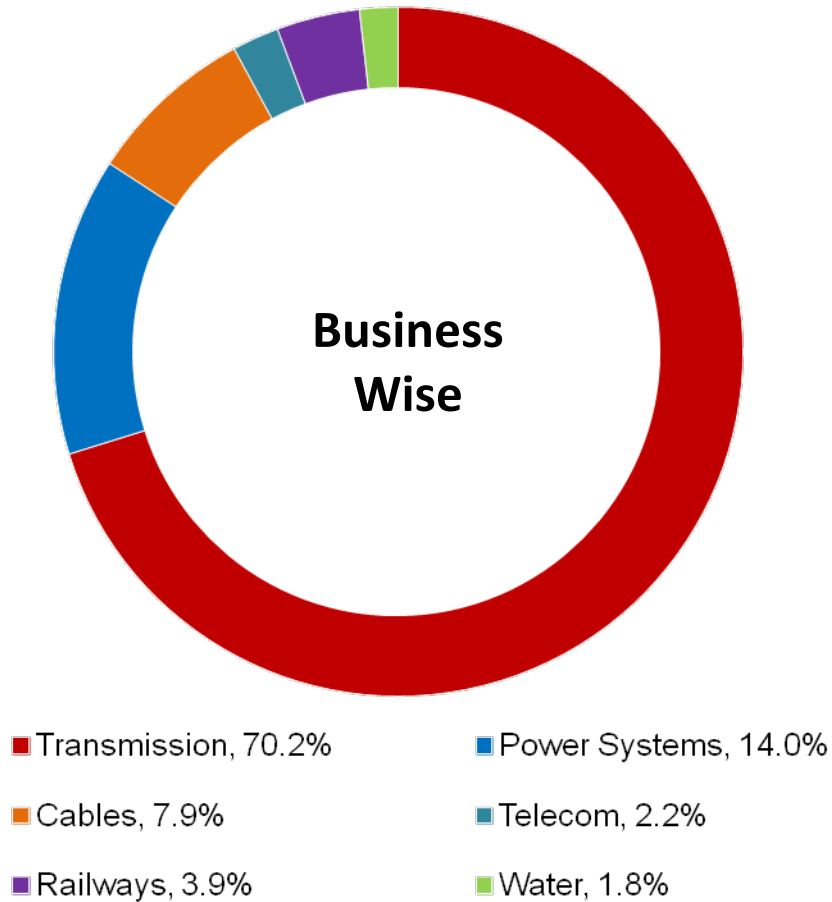
**Geography
Wise**



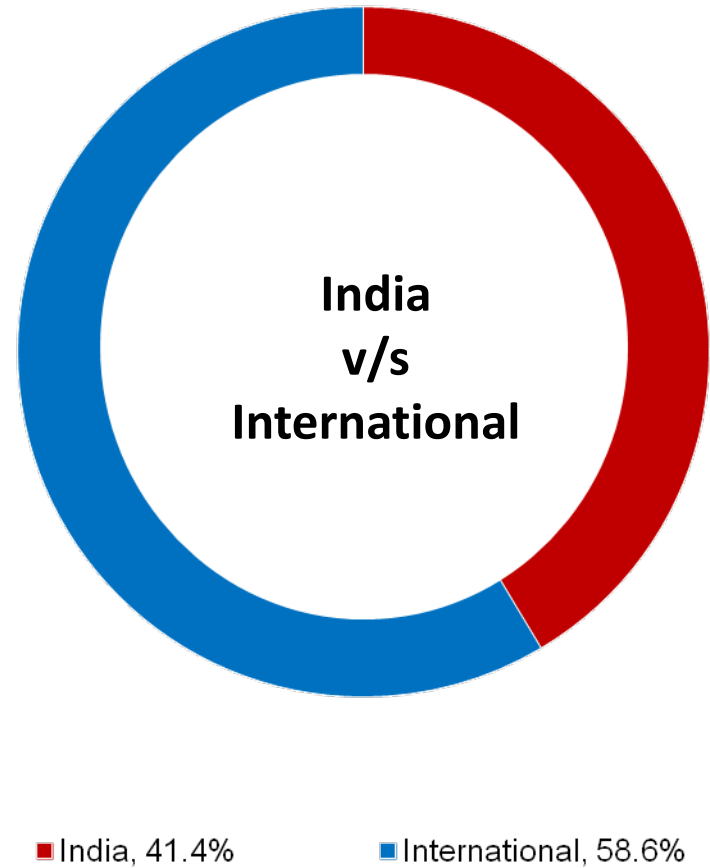
Sales Breakup – FY13

FY13 Sales – ₹ 6,979 crore (\$ 1.3 bn)

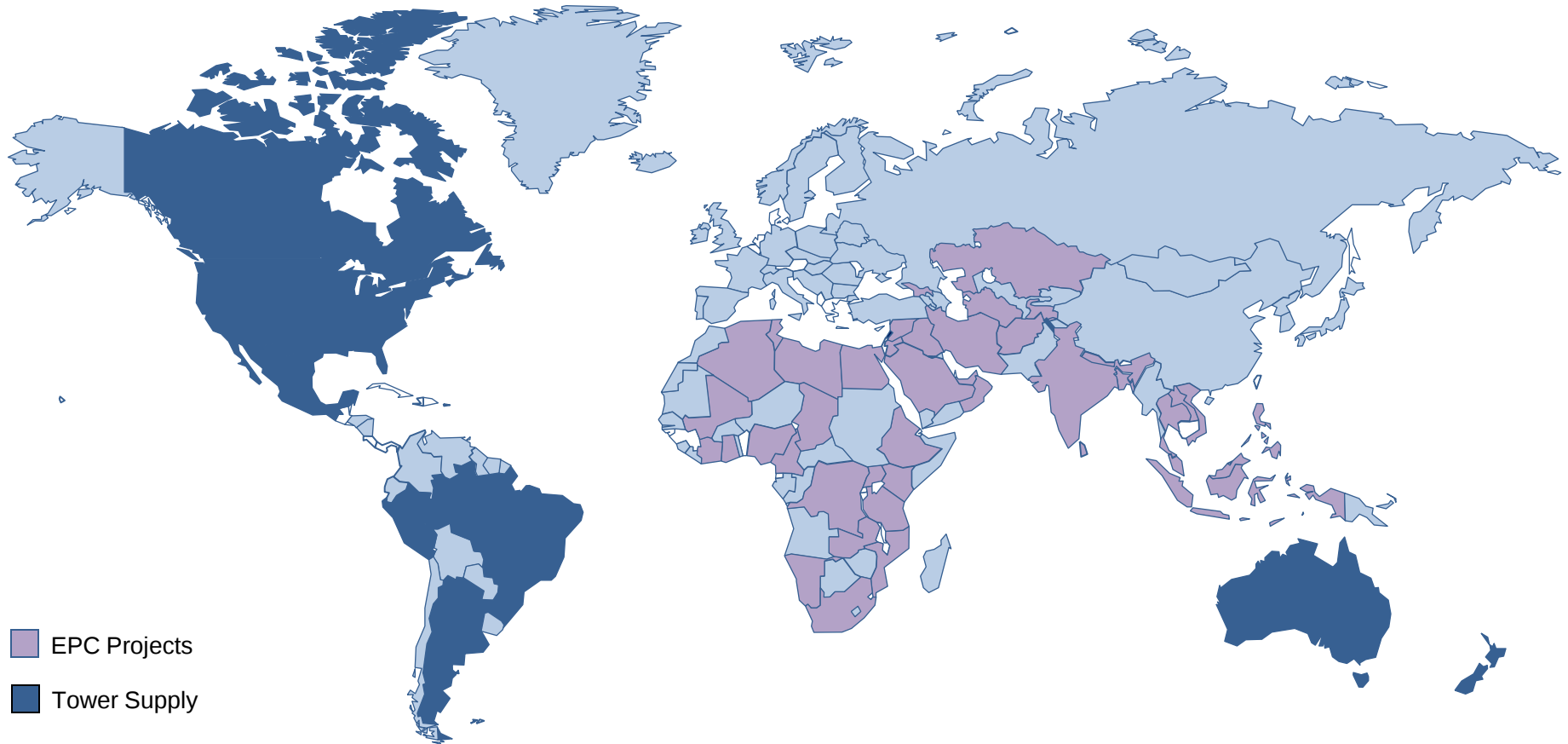
Business Wise



India v/s International



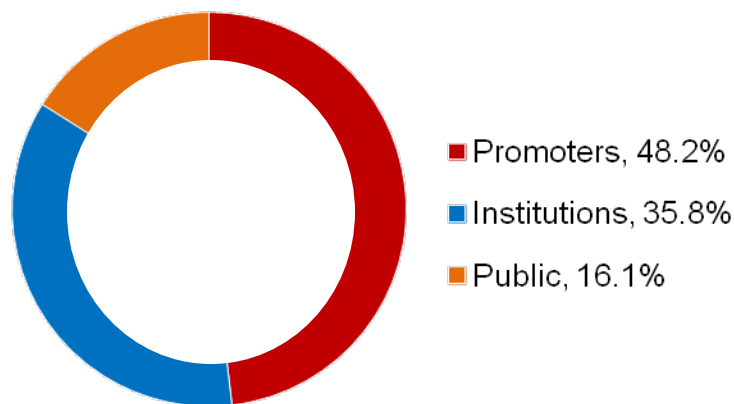
Global Footprint



Footprints in 50 countries across the globe

KEC - Equity Share Information

Shareholding Pattern



Top Institutional Shareholders

Fund Name	Holding (%)
HDFC Mutual Fund	9.06%
LIC of India	5.92%
Reliance Mutual Fund	5.35%
SBI Mutual Fund	3.10%
UTI Mutual Fund	3.00%
Birla Sun Life Mutual Fund	2.44%
Sundaram Mutual Fund	1.63%
DSP Blackrock Mutual Fund	1.35%

Equity Share Information

- **Share Price:** ₹ 54/share *
- **Market Cap:** ₹ 1,388 Cr. (\$ 225 mn) *
- **Net Worth:** ₹ 1,179 cr. (\$ 191 mn)
- **Financial Year** – April to March
- **Face Value** – ₹ 2 per share
- **Listed on Indian Stock Exchanges**
 - Bombay Stock Exchange (Code : 532714)
 - National Stock Exchange (Code : KEC)
 - MCX Stock Exchange (Code : KEC)
- **Bloomberg Code** – KECI IN
- **Reuters Code** – KECL.BO

* as on Feb 12th, 2014

Business Overview

Page 14-21

Power Transmission Business

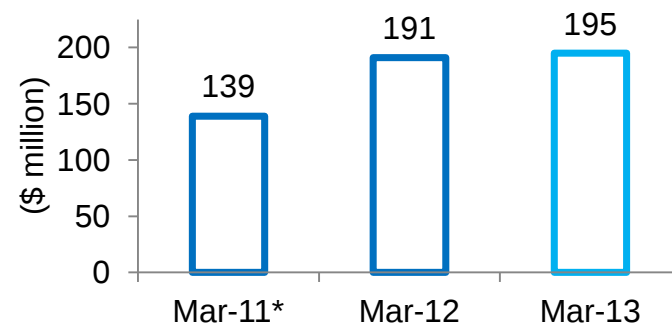


- Global leadership
- KEC's largest business vertical
- Over 5 decades of experience in turnkey construction of transmission lines
- Strong international presence across multiple geographies
- Capability to successfully executing projects in difficult terrain and adverse climatic conditions
- Capability to execute transmission line projects up to 1200 kV
- Strength in the design of very complex and large towers
- Rich talent pool well versed in both conventional as well as advance methods of project execution

SAE Towers, United States : Wholly owned subsidiary of KEC

- Leading manufacturer of lattice transmission towers in the Americas
- Annual production capacity – 100,000 MTs spread over 2 locations
 - Mexico (35,000 MTs) – Serving to North American market
 - Brazil (65,000 MTs) – Serving to Latin American market
- Also manufactures steel poles and hardware.

SAE Towers: Sales Growth



* Trailing 12 months

Power Transmission Business : Capabilities



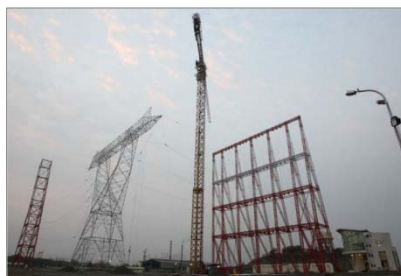
Design & Engineering

- In-house design centers with a strong team of over 100 design experts spread in India and Americas.
- Equipped with latest softwares like BOCAD, PLS Tower, PLS Pole, PLS CADD, AUTOCAD, MICROSTATION and Google Earth.



Manufacturing

- Largest globally operated tower manufacturing capacity
- Multi- locational plants – 3 in India (Nagpur, Jabalpur, Jaipur); 1 in Mexico and 1 in Brazil
- Manufacturing Capacity - 311,200 MTs (Owned)
- In addition to above, the Company also have Value Added Partners for tower manufacturing
- Manufactures Transmission towers, Telecom towers, Steel poles and Hardwares



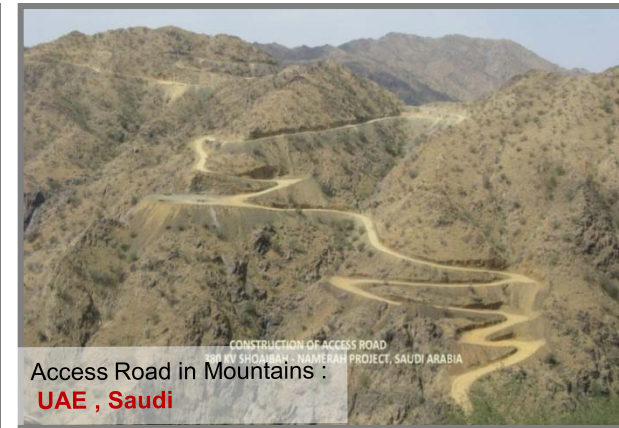
Tower Testing

- The only company in the world to have 4 tower testing stations - 3 in India; 1 in Brazil
- Capable of testing towers up to 1,200 kV
- Brazil facility is the largest tower testing station in the Americas
- Testing stations are strategically located near the manufacturing facilities
- Capable of testing all types of towers: Lattice, Guyed, Tubular and Mono Poles

Power Transmission Business : Capabilities



Successfully executed projects in difficult terrains and adverse climatic conditions



Power Systems Business



- The Company's progression from Transmission to Power Systems gives it an advantage to provide end-to-end solutions from power evacuation to distribution to consumers.
- This is the second largest business vertical of the Company.
- The Company undertakes EPC projects of
 - Substations - Executing substation projects up to 1150kV in Kazakhstan and up to 765kV in India.
 - Distribution network – Executing projects in different part of the world
 - Electrical-Balance of Plant (E-BoP), Industrial Electrification and Cabling – Executing a project in India



Substations



Distribution Network

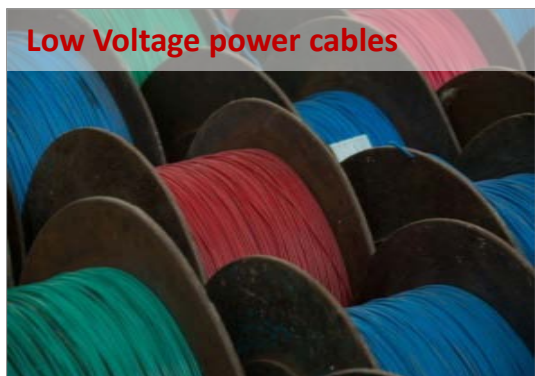


E-BoP

Cables Business



- Fully integrated state-of-the-art manufacturing facilities in different parts of India.
- Pioneered production of XLPE cables in India.
- Manufactures range of power cables and telecom cables.
- Manufacturing locations –
 - Vadodara (Gujarat) – High Tension and Extra High Voltage Power Cables
 - Mysore (Karnataka) – Low Tension Power Cables, Telecom Cables and Instrumentation Cables
 - Silvassa (Union Territory) – Low Tension Power Cables
- Accredited with ISO 9001, ISO 14001 and OHSAS 18001 certifications.
- Testing facilities for the entire range of power cables and telecom cables as per various national and international specifications.



Telecom Business



- Amongst leading EPC players to provide telecom towers on turnkey basis to operators, tower management companies and utilities.
- Experience in laying OFC and OPGW cables on turnkey basis and live line conditions.
- Installation and commissioning of GSM/ CDMA equipment.
- Extensive expertise in Microwave and BTS installations and commissioning.



Railways Business



- Complete turnkey solutions provider in the railways infrastructure EPC space.
 - Civil infrastructure including bridges, tunnels, platform, workshop modernization, station building etc.
 - Earthwork, new track laying and rehabilitation of existing tracks.
 - Railway electrification and power systems.
 - Signaling and telecommunication network.
- Prequalified to bid various parts of dedicated freight corridor projects in consortium with partners



Water Business



- **Undertakes Water Resource Management Projects** - Includes construction of canals, dams, tunnels, embankments and lift irrigation schemes.
- **Undertakes Water and Waste Water Treatment** – Includes intake system, transmission, storage, collection, treatment and disposal of waste water
- Currently executing projects in Gujarat, Madhya Pradesh, Maharashtra and West Bengal



Water Resource Management – Canal Works



Water Treatment Works

Industry Overview

Page 23-28

Industry Outlook: Transmission & Distribution (T&D)



The T&D industry is expected to show strong demand globally driven by -

- Increase in new power generation capacities
- Increasing Private Sector Investments in the sector
- Investments in interconnection grids/projects by various countries
- Replacement of existing aged networks
- More frequent and intense blackouts

Region-wise T&D investment needs, Per Capita Power Consumption and Access to Power

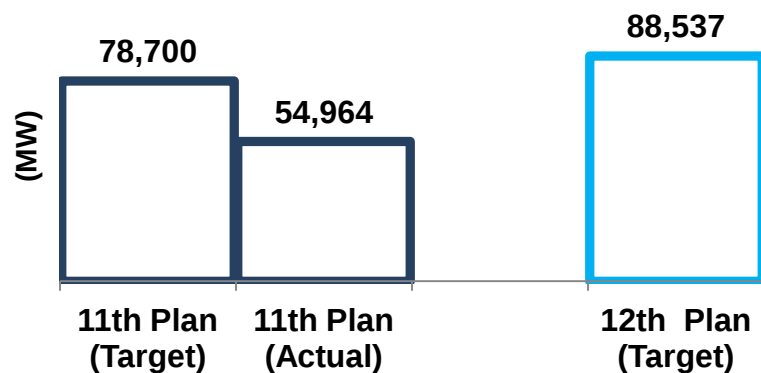
Geographical Region	Investment Needs - Year 2010-20 (\$ Bn)		Per Capita Power Consumption (in 2010) (kwh)	Population without access to Power (in 2009) (%)
	Transmission	Distribution		
India	102	210	616	33.7
Middle East	29	59	2,652	6.2
Africa	28	57	553	67.6
United States	140	302	13,394	NA
North America	169	363	13,567	NA
Brazil	22	46	2,384	1.7
Pacific	91	156	NA	NA
World	986	2,179	2,975	25.9

Source: IEA's World Energy Outlook 2010, World Bank

Industry Outlook: T&D (India)

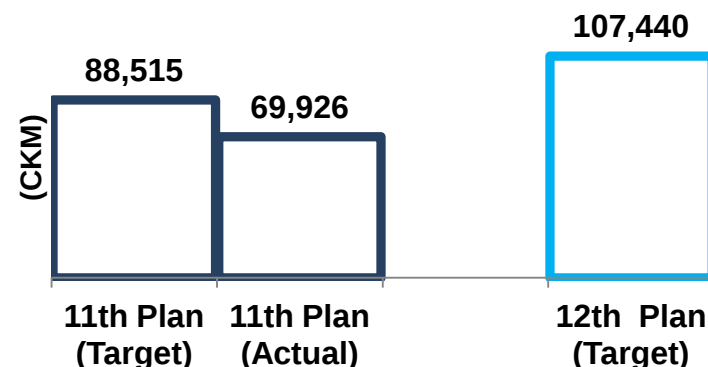


Power Generation



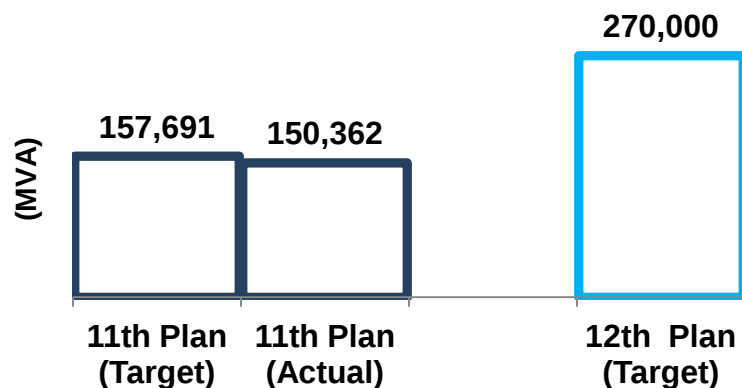
Source: Planning Commission – Draft 12th five year plan

Transmission Lines



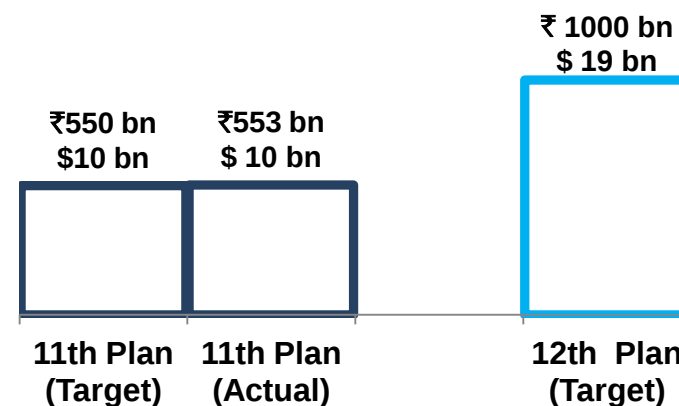
Source: Planning Commission – Draft 12th five year plan

Substation



Source: Planning Commission – Draft 12th five year plan

Power Grid (PGCIL) Capex



Source: PGCIL, India

Industry Outlook – T&D (International)



Region	Key Countries	Key Demand Drivers
Africa	South Africa, Nigeria, Ethiopia, Kenya	- Per capita electricity consumption is very low - 553 kwh v/s World average of 2,975 kwh - Various interconnections are being planned to improve power evacuation infrastructure
Middle East	Saudi, UAE, Oman, Kuwait	- Upcoming large power generating plants - Development of inter-country/regional interconnection lines
North America	United States, Canada	- The US transmission grid is aging due to underinvestment in transmission infrastructure - The American Reinvestment and Recovery Act 2009 – facilitating \$11 bn investment in T&D
South America	Brazil	- Next 10 years plan – 61 GW generation and 42,553 kms transmission - Infrastructure Development backed by 2014 FIFA World Cup & 2016 Olympics - Long distance transmission lines to carry power from northern region (more generation) to southern region (more usage)
Central Asia	Kazakhstan, Ukraine and Georgia	Several initiatives, supported and funded by multilateral institutions, are being undertaken to expand and upgrade power infrastructure
SAARC	Bangladesh, Sri-Lanka, Nepal, Bhutan	- India's cross border electricity transmission interconnection with Bangladesh, Nepal, Bhutan and Sri-Lanka is being expanded - PGCIL, India also initiated steps to establish transmission links with Nepal and Bhutan

Industry Outlook – Cables and Telecom



Cables

- The Current size of cables market in India is estimated to be ₹ 14,000 cr. (\$ 2.6 bn) per annum.
- The demand for power cables is mainly driven by the power sector, real estate and industries such as steel, oil & gas, chemicals etc.
- The Government of India's aggressive growth plans in the power sector, especially in the distribution segment, during the 12th plan, provides significant growth opportunities in power cables.
- Extra High Voltage (EHV) cables is expected to be the fastest growing product segment, as the urban regions of India are increasingly moving away from over-head lines to under-ground cabling.
- The demand for Optical Fibre Cables is driven by growth in the telecom sector.

Telecom

- **OPGW Network** - In India, the PGCIL plans to invest ₹ 4000 cr. (\$740mn) under National Optic Fibre Network (NOFN) for establishing OFC networks on high voltage overhead lines.
- **Telecom Towers** - Domestic tower market continues to be dull as operators are not expanding networks despite subscriber growth and poor quality of network. This is expected to change as demand for improved quality increases.

Industry Outlook - Railways



12th five year plan (2012-17)

- Targets spend is 2x as compare to 11th plan target.

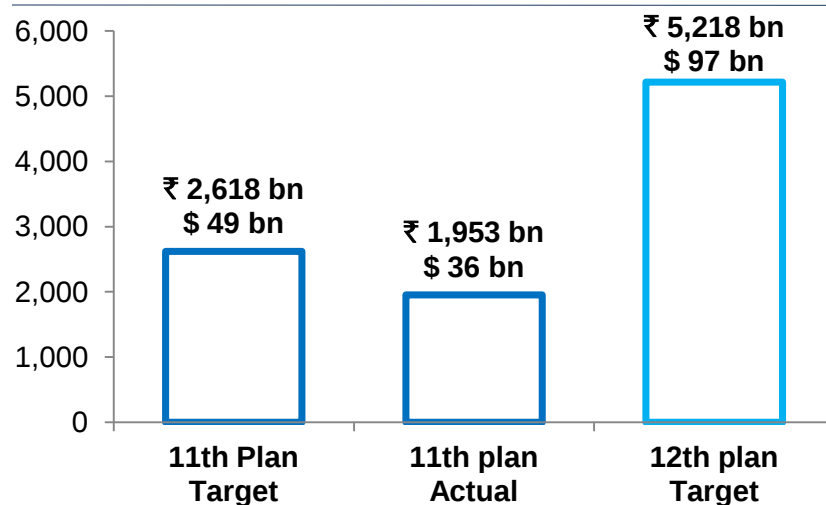
Dedicated Freight Corridors (DFC)

- Two DFCs have been planned – Eastern (1839 kms) and Western (1534 kms)
- Total Investment - Over ₹ 40,000 cr. (\$ 8 bn)
- Scheduled completion – 2017

Mass Rapid Transit System (MRTS) (Metro and Mono)

- Increasing urbanization & strain on existing transport infrastructure is necessitating investment in MRTS.
- Government is planning metro systems for cities with a population of over 2 million.
- ₹ 60,000 cr. (\$ 12 bn) metro projects (272 kms+) are currently in the advanced planning stages and their implementation is likely to begin in next 2-3 years.
- These include Metro in Ahmedabad, Navi Mumbai, Kochi, Bangalore (Phase II) and Delhi (Phase III)

Investment in railway sector in India*



Investment in railway sector in India*

Particulars	11th Plan Target	11th plan Actual	12th plan Target
New lines	2,000	2,205	4,000
Dedicated freight corridor	NA	NA	3,338
Gauge conversion	10,000	5,290	5,500
Doubling	6,000	2,756	7,653
Railway electrification	3,500	4,501	6,500

Industry Outlook - Water



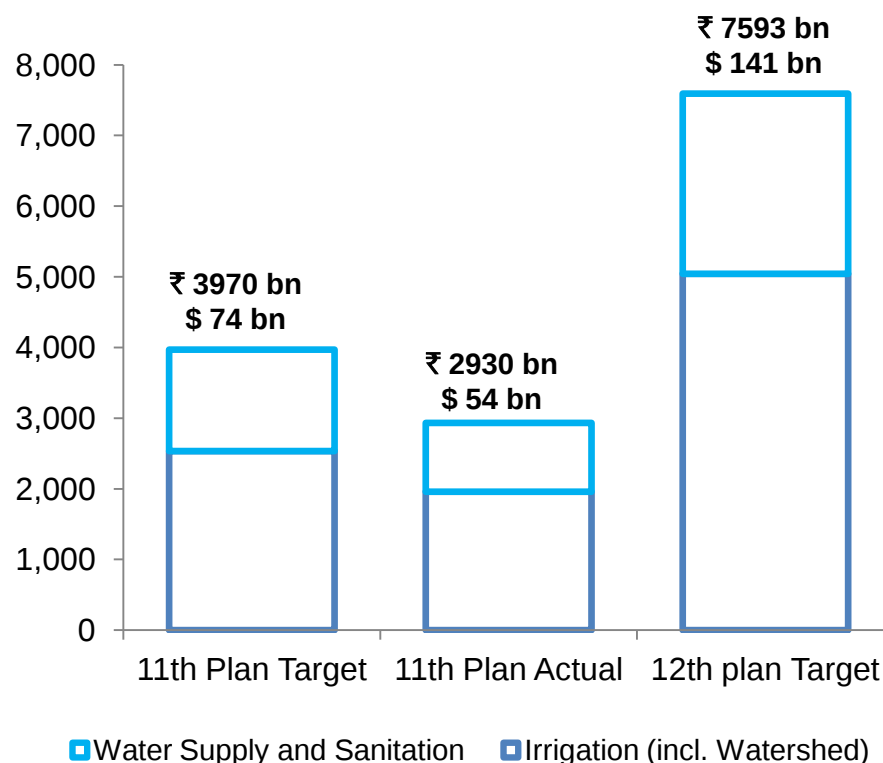
Scarcity of water in India

- India has 16% of the world's population; but only has 4% of world's total available fresh water. *
- While the availability of fresh water is almost fixed, the demand for water is expected to expand from 710 Billion Cubic Meter (BCM) in 2010 to 1,093 BCM in 2025.**
- Only 30% sewage is treated before disposal which is increasingly causing pollution

Government of India initiatives

- Rajiv Gandhi National Drinking Water Mission
- Jawaharlal Nehru National Urban Renewal Mission
- Urban Infrastructure Development for Small and Medium Towns

Investment in water sector in India



Source: Planning Commission – Draft 12th five year plan

* As per Confederation of Indian Industry (CII), Water Quality Assessment Authority, Gol ;

** As per National Commission for Central Water Resources, India

Management Team

Page 30-31

Highly Experienced Team



Ramesh Chandak
MD & CEO

- Meritorious Chartered Accountant with an Advanced Management Programme from Harvard Business School.
- 40 years of varied experience across textile, edible oils & Engg. Industries & also geographies.
- Former President of the Indian Electricals and Electronics Manufacturers Association (IEEMA) along with being an esteemed member of several other Associations.



Vimal Kejriwal
President –Transmission & Distribution

- Meritorious Chartered Accountant, Company Secretary with an Advanced Executive Programme from Kellogg University.
- Over 31 years of experience across pharmaceuticals, fertilizer, banking, oil & gas sectors.



Vardhan Dharkar
Executive Director - Finance

- Chartered Accountant with experience of over 24 years in areas of Finance, Accounts, Tax & Legal matters.
- Previous experience in Pharmaceutical sector.



Yugesh Goutam
Executive Director - HR

- Post graduate in Human Resources with Global Advanced Management Programme from ISB-Kellogg & Michigan University Executive Programme.
- 23 years of experience in HR across Pharmaceutical, Infrastructure & other sectors.

Highly Experienced Team



Nikhil Gupta

Executive Director - Cables

- Meritorious Chartered Accountant and graduate in Economics.
- Has nearly three decades of experience in Consultancy & Manufacturing sector.



Sanjay Chandra

Chief Executive - Railways

- Electrical Engineer with 30 years of experience across sectors - Railway, Electrical, Signaling and EPC construction projects.



Dilip Shukla

Chief Executive - Water

- Mechanical Engineer with 31 years of experience in water management, infrastructure and engineering.



Chip Breitweiser

CEO - SAE Towers

- Engineer with over 25 years of experience in the T&D and steel structures segment.



Randeep Narang

Executive Director –

South Asia Transmission & Distribution

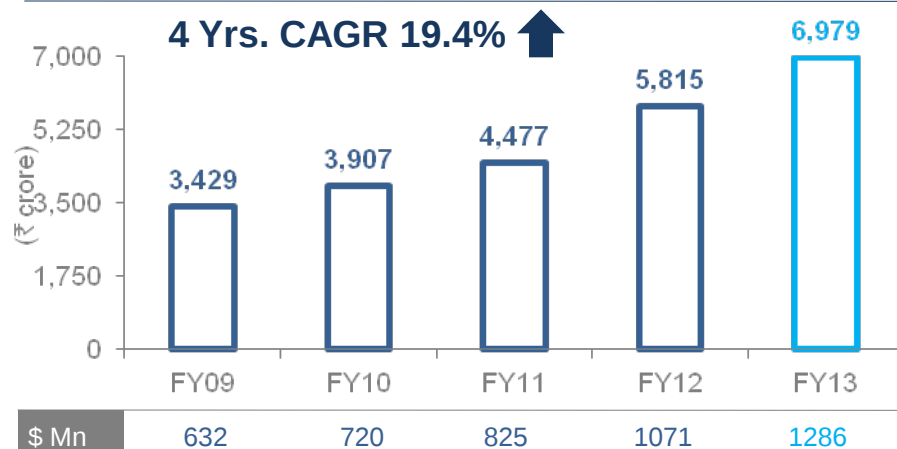
- Commerce graduate and an MBA from NMIMS, Mumbai. Over 26 years of experience in tyres and telecommunications across India's leading corporate houses.

Financial Performance

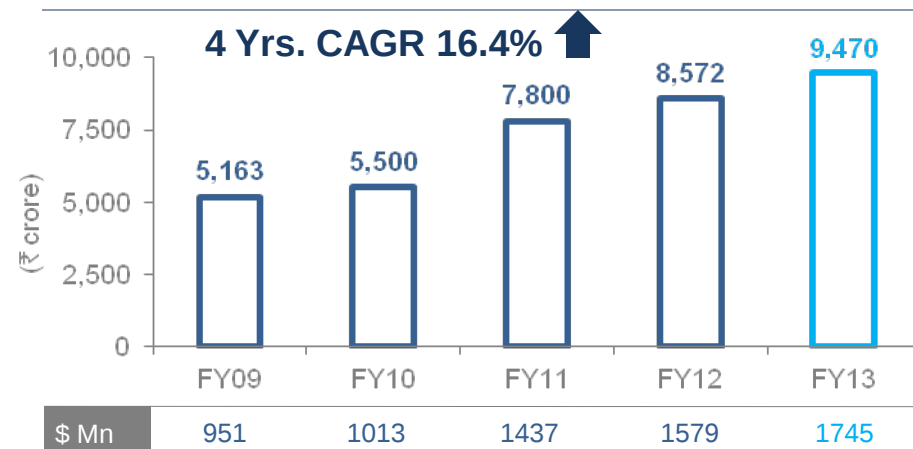
Page 33-36

Financial Performance – Last 5 years

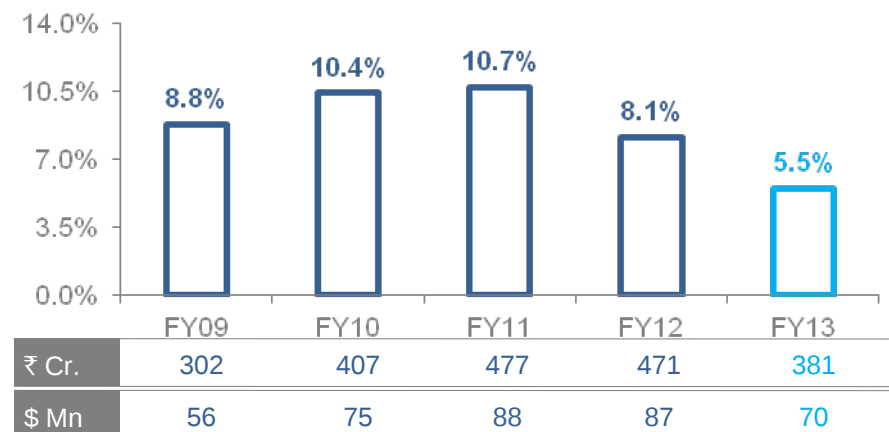
Net Sales



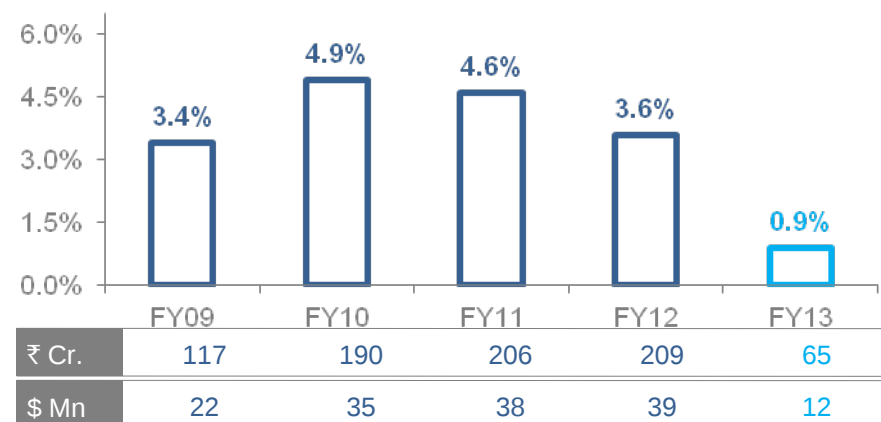
Order Book



EBITDA / EBITDA Margins

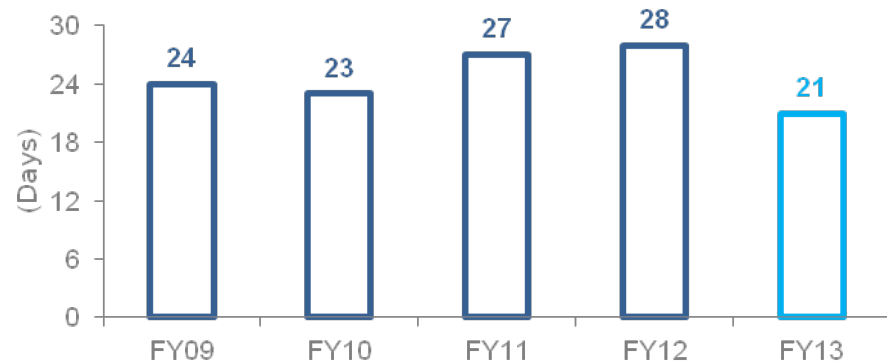


PAT / PAT Margins

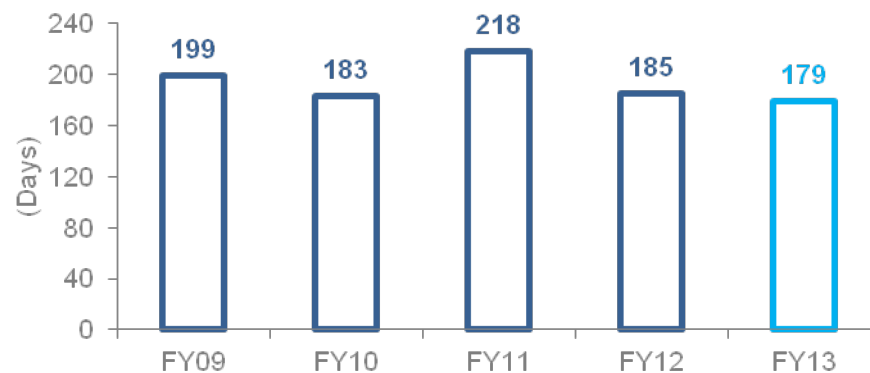


Financial Performance – Last 5 years

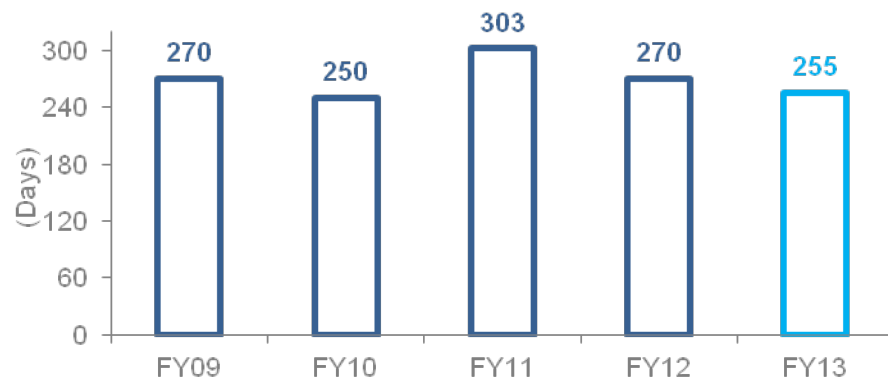
Inventories (Days)



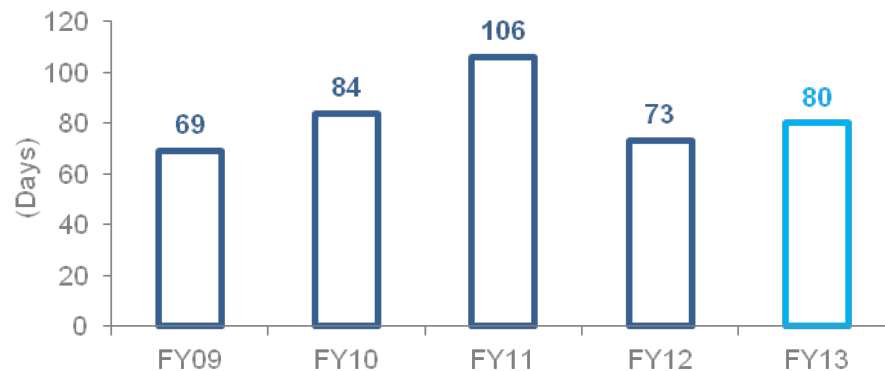
Receivables (Days)



Gross Working Capital (Days)



Net Working Capital (Days)



Profit & Loss Highlights – Q3FY14 and 9MFY14

Particulars	₹ Crore						(\$ Millions)	
	Q3 FY14	Q3 FY13	Growth (Y-o-Y)	9M FY14	9M FY13	Growth (Y-o-Y)	9M FY14	9M FY13
Net Sales	2,202	1,797	22.5%	5,726	4,829	18.6%	927	781
EBITDA	142	103	37.2%	342	292	16.9%	55	47
EBITDA Margins (%)	6.4%	5.8%		6.0%	6.1%		6.0%	6.1%
PBT (excluding VRS expenses)	54	43	26.4%	104	126	-17.6%	17	20
Taxes(excl. taxes on VRS)	35	13	NA	59	47	NA	10	8
PAT (excluding VRS expenses)	19	29	-34.7%	44	79	-43.8%	7	13
VRS exp.(net of ₹ 6.2 cr. taxes)	0	0	NA	12	0	NA	2	0
PAT (including VRS expenses)	19	29	-34.7%	32	79	-59.0%	5	13

Balance Sheet – as on December 2013 end

Particulars	Value	
	₹ crore	\$ million
Net Worth	1,179	191
Gross Debt	2,022	327
Deferred Tax Liability (Net)	58	9
Total	3,259	527
Net Fixed Assets (Including Goodwill)	1,453	235
Receivables	4,194	679
Other assets (Current / Non Current)	1,628	264
Gross Working Capital	5,822	942
(-) Liabilities & Provisions (Current / Non Current)	4,016	650
Net Working Capital	1,807	292
Total	3,259	527

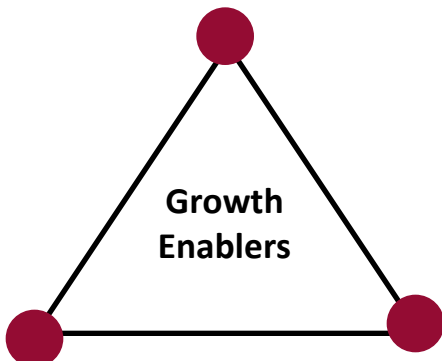
Growth Enablers and Strategy

Page 38-39

Growth Enablers

Strong Industry Fundamentals

- Power, Telecom, Railways and Water: Basic infrastructure needs for economic development of all the developing & underdeveloped countries
- Each of our business has large global potential



**Growth
Enablers**

Strong Balance Sheet

- Superior working capital management
- Ability to grow through internal accruals; no equity dilution in last 15 years
- Credit Rating: A+ & A1
- Ability to borrow for growth

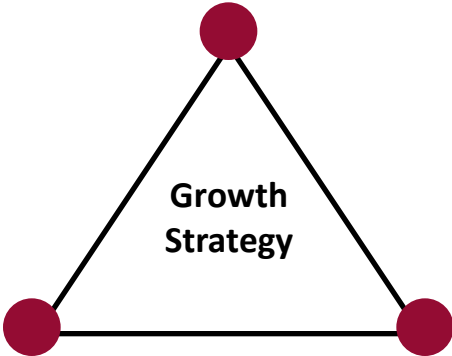
Diversified Presence

- Well balanced business portfolio : 6 businesses
- Global presence: Ability to secure business from across the world
- Presence in developing markets as well as developed markets

Growth Strategy

Product Expansion

- Entered in Power Systems, Railways, Cables, Telecom and Water; contributes over 25% of sales
- Established new facility for EHV cables at Vadodara
- Exploring opportunities in Solar and Wind EPC
- Monopolies business in US; Increased capacity at Mexico
- Hardware product portfolio expanded in Brazil



Growth Strategy

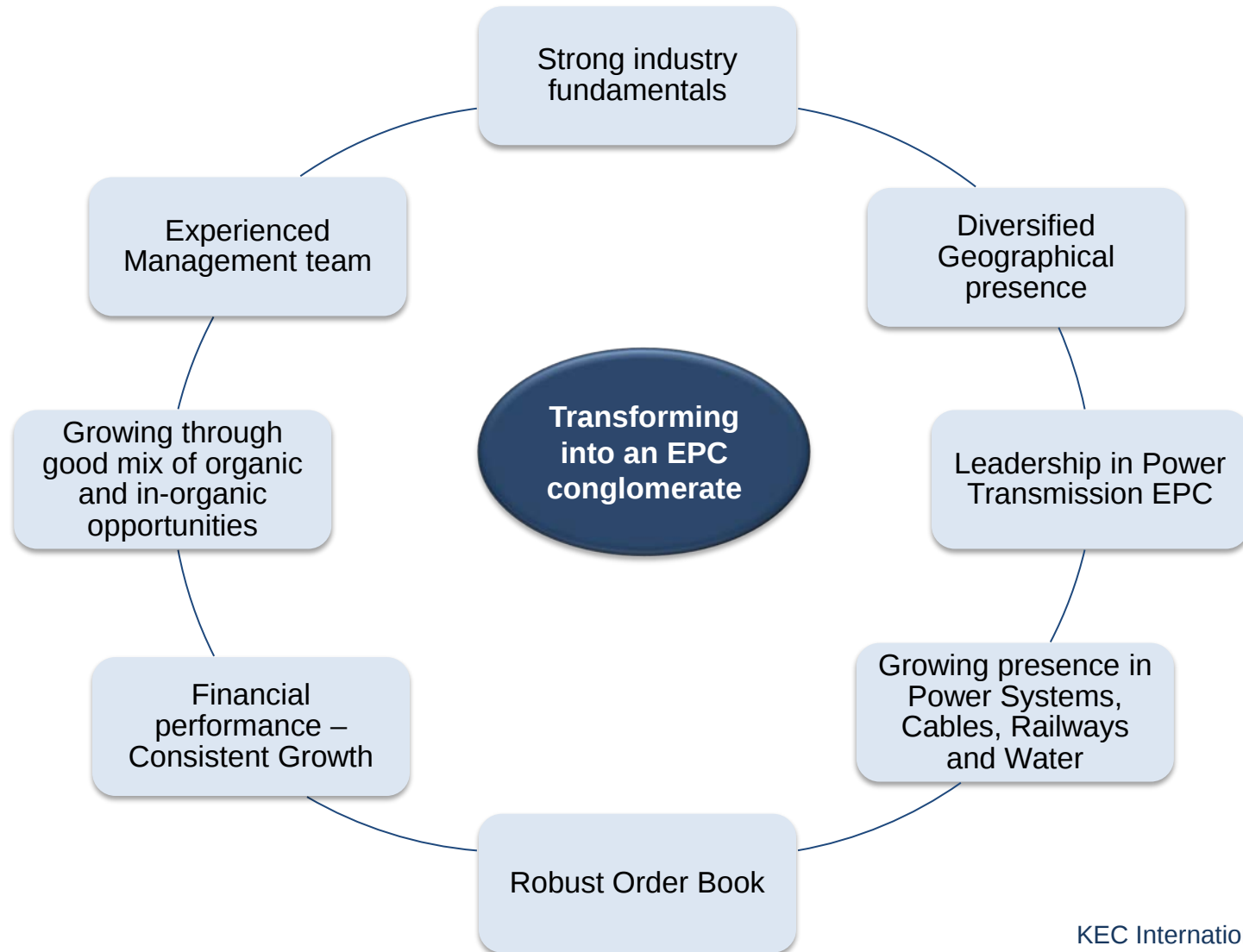
Geographical Expansion

- Enter new countries every year
- Expand foothold in South America
- Strengthen presence in SAARC & Southeast Asia
- Expand each businesses internationally by leveraging strong global presence

Business Expansion

- Expand prequalification (PQ) base for new businesses
- Acquisition of 220 kV cables PQ
- Target construction opportunities in Americas
- Increasing tower manufacturing capacity in India at existing plants
- M&A: Proven track record; Continue to look for opportunistic acquisition

Summary



THANK YOU

Registered Office

RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030.

Phone: +91-22-6667 0200 | Email: kecindia@kecrpg.com

www.kecrpg.com