Kirloskar Oil Engines Limited

Earnings Update Apr-Sep 2011

Disclaimer

Statements in this presentation, particularly those which relate to management's views and analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Financials

All numbers in Rs. Crs	Q2 FY2012	Q2 FY2011	∂	YTD Sep2011	YTD Sep2010	∂	Full Year 2011
Net Sales	561	629	-11%	1117	1192	-6%	2364
Other Operating Income	17	14	22%	28	21	31%	53
Total Operating Income	**578**	**643**	**-10%**	**1144**	**1213**	**-6%**	**2417**
Raw Material	338	376	-10%	660	717	-8%	1426
Employee Costs	47	45	6%	95	88	8%	179
Other Expenses	121	130	-7%	231	228	1%	474
Other Income	7	3	153%	13	7	76%	18
EBITDA	79	95	-17%	172	187	-8%	357
Depreciation	24	20	19%	47	41	13%	85
Interest	7	7	-9%	13	14	-9%	25
Profit before Exceptional Items	48	67	-28%	112	132	-15%	248
Exceptional Items - (Expenses) / Income	44	-8		44	-9		-4
PBT	**92**	**59**	**56%**	**156**	**123**	**27%**	**244**
Tax	35	15	135%	56	36	55%	70
PAT	57	44	30%	100	87	15%	174

Q2 FY2012 Segment wise Sales

Rs in Crs

BU	Q2 FY 2012	Q2 FY 2011	% Growth
Power Generation	**190**	**245**	**-23%**
Private	*175*	*207*	*-16%*
Defence	*2*	*7*	*-65%*
Cellular	*13*	*31*	*-59%*
Agriculture	**66**	**70**	**-6%**
Agri - Varsha	*7*	*11*	*-38%*
Agri - Others	*59*	*59*	*0%*
Industrial	**123**	**112**	**10%**
OEM	*58*	*67*	*-13%*
Other	*35*	*28*	*27%*
Tractor	*30*	*17*	*79%*
Product Support	**115**	**107**	**8%**
Large Engines	**33**	**63**	**-48%**
Marine	*-*	*32*	*-100%*
SPP	*-*	*-*	
Spares & Servicing	*33*	*32*	*5%*
Bearings	**37**	**36**	**2%**
S. Total	**564**	**633**	**-11%**
(Inter Unit Sales)	**(3)**	**(4)**	**-20%**
Total – External	**561**	**629**	**-11%**

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YTD Sept 2011 Segment wise Sales

Enriching Lives

Rs in Crs

BU	YTD Sep 2011	YTD Sep 2010	% Growth	Full Year 2011
Power Generation	**393**	**469**	**-16%**	**874**
Private	*367*	*406*	*-10%*	*761*
Defence	*7*	*8*	*-19%*	*18*
Cellular	*19*	*55*	*-66%*	*95*
Agriculture	**110**	**128**	**-13%**	**282**
Agri - Varsha	*10*	*18*	*-43%*	*43*
Agri - Others	*100*	*110*	*-9%*	*238*
Industrial	**242**	**237**	**2%**	**520**
OEM	*147*	*165*	*-11%*	*394*
Other	*44*	*36*	*22%*	*47*
Tractor	*52*	*35*	*46%*	*79*
Product Support	**232**	**210**	**10%**	**419**
Large Engines	**75**	**89**	**-16%**	**142**
Marine	*0*	*32*	*-100%*	*36*
SPP	*6*	*-*	*-*	*5*
Spares & Servicing	*69*	*57*	*20%*	*101*
Bearings	**70**	**66**	**6%**	**138**
S. Total	**1,124**	**1,199**	**-6%**	**2,378**
(Inter Unit Sales)	(8)	(8)	-1%	(16)
Total - External	**1,115**	**1,191**	**-6%**	**2,363**

YTD Sept 2011 Export Sales

Rs. in Crs

BU	Q2 FY 2012	Q2 FY 2011	YTD Sep 2011	YTD Sep 2010	Full Year 2011
Power Generation	21	17	30	24	56
Agriculture	9	7	12	12	28
Industrial	7	7	14	12	31
Product Support	4	3	6	6	16
Large Engines	5	-	5	-	-
Bearings (A/ M)	4	4	7	7	18
Total	50	38	76	62	149
% Growth	31%		24%		
Exports as a % to total Sales	9%	6%	7%	5%	6%

Sales Market Segment wise

Rs. in Crs

Sr. No	Market Segment	YTD Sep 2011		Full Year 2010-11	
		Rs.	%	Rs.	%
1	Power Generation (Incl SPP)	368	33.0%	818	34.6%
2	Agriculture	98	8.8%	254	10.8%
3	Industrial	176	15.8%	411	17.4%
4	Tractor	52	4.6%	79	3.3%
5	Marine	0	0.0%	36	1.5%
6	Automotive (Bearings)	55	4.9%	105	4.4%
7	Exports	76	6.8%	149	6.3%
8	Spares & Servicing (All BUs)	289	26.0%	510	21.6%
	Total Sales	1,115	100.0%	2,363	100.0%

Key Financial Metrics

	YTD Sep 2011	YTD Sep 2010	Full Year 2011
EBITDA %	15.3%	15.7%	15.1%
PBT %	14%	10.3%	10.3%
Inventory (Days)	27	26	20
Receivables (Days)	43	55	51
Creditors (Days)	52	54	56
Fixed Asset Turns	4.0	4.4	4.2
ROCE	25.8%	24.2%	22.9%
Debt	279	236	249
Cash & Equivalents	448	200	321
Net Debt	-169	36	-72

Highlights

- First Coast Guard Order of 60 DG sets
- Received Nuclear Power Corporation order of Rs 396 Crores to be executed over 42 months
- Company has received Rs.57 Crs towards Industrial Promotion Subsidy (IPS)
- Technology License Agreement executed by the Company with Daihatsu Diesel Manufacturing Company Limited, Japan, for manufacture of diesel engines in range of 720 - 900 rpm has become effective from 21 July 2011

Highlights

- Slump sale of Bearings Business Division was completed on 30 September 2011 for a consideration of Rs.87 Crores

- Profit on sale of Bearings division amounting to Rs.44.15 Crs is reported in quarterly results ended 30th Sept. 2011

Thank You!