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## Analyst Presentation The Trident, Mumbai

May 25, 2012

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Certain statements in this Investors' Forum concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, global economic conditions, the economic conditions of the regions, locations and industries that are major markets for CGL, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in sectors where we operate including those factors which may affect our cost advantage, wage increases in India and worldwide, trends in raw material prices, market acceptance of new products and services, changes in governmental regulations and costs associated with compliance activities, withdrawal of governmental fiscal incentives, political instability and regional/location conflicts, legal restrictions on raising capital or acquiring companies within and outside India, and unauthorized use of our intellectual property, interest rates, fluctuations in currency exchange rates and general economic conditions affecting our industry.

CG may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Stock Exchanges and Securities and Exchange Board of India and our reports to shareholders. The company does not intend or undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

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# FY 2011-12 Flashback



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- **Q1**
  - **Power Business impacted in India and Europe**
    - Reduced price level due to entry of Chinese players in EHV sector
    - Instability in Middle East and Eurozone
    - CG European manufacturing footprint sub-optimal
    - Fragmented sourcing of key commodities
    - Limited capacity increase potential in Indian plants
  - **Consumer Business impacted in India**
    - High sensitivity to pricing strategy
  - **Industrial Business predominantly India centric**



# FY 2011-12 Flashback



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- **Power Business impacted in India and Europe**
  - Product portfolio and organization 
  - CG European manufacturing footprint sub-optimal 
  - Fragmented sourcing of key commodities 
  - Limited capacity increase potential in Indian plants 
  
- **Consumer Business impacted in India** 
  - Product portfolio evolution / Channel management
  
- **Industrial Business predominantly India centric** 
  - Increased exports



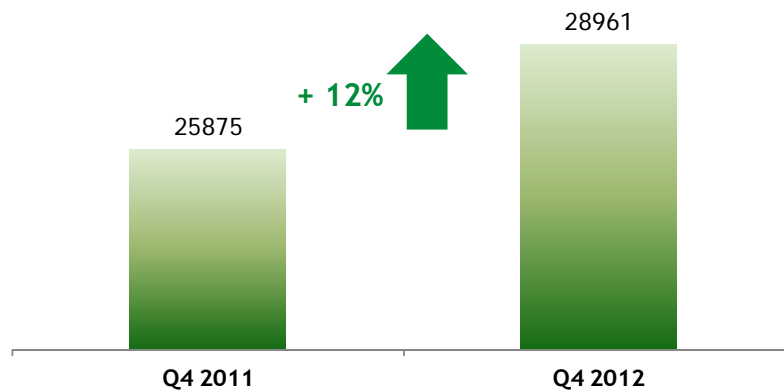
# Q4 Results

# Q4 Highlights - CG Global



## Orders

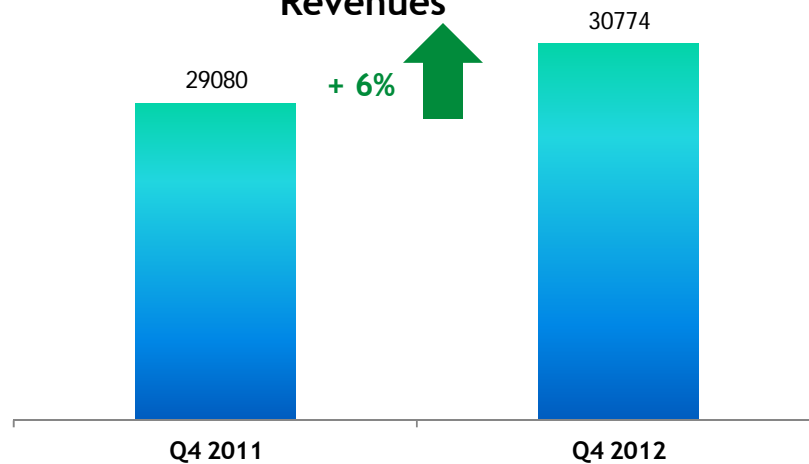
INR Mn.



## Q4 2011-12 vs Q4 2010-11

- » Order Received +12%
- » Revenue growth +6%

## Revenues



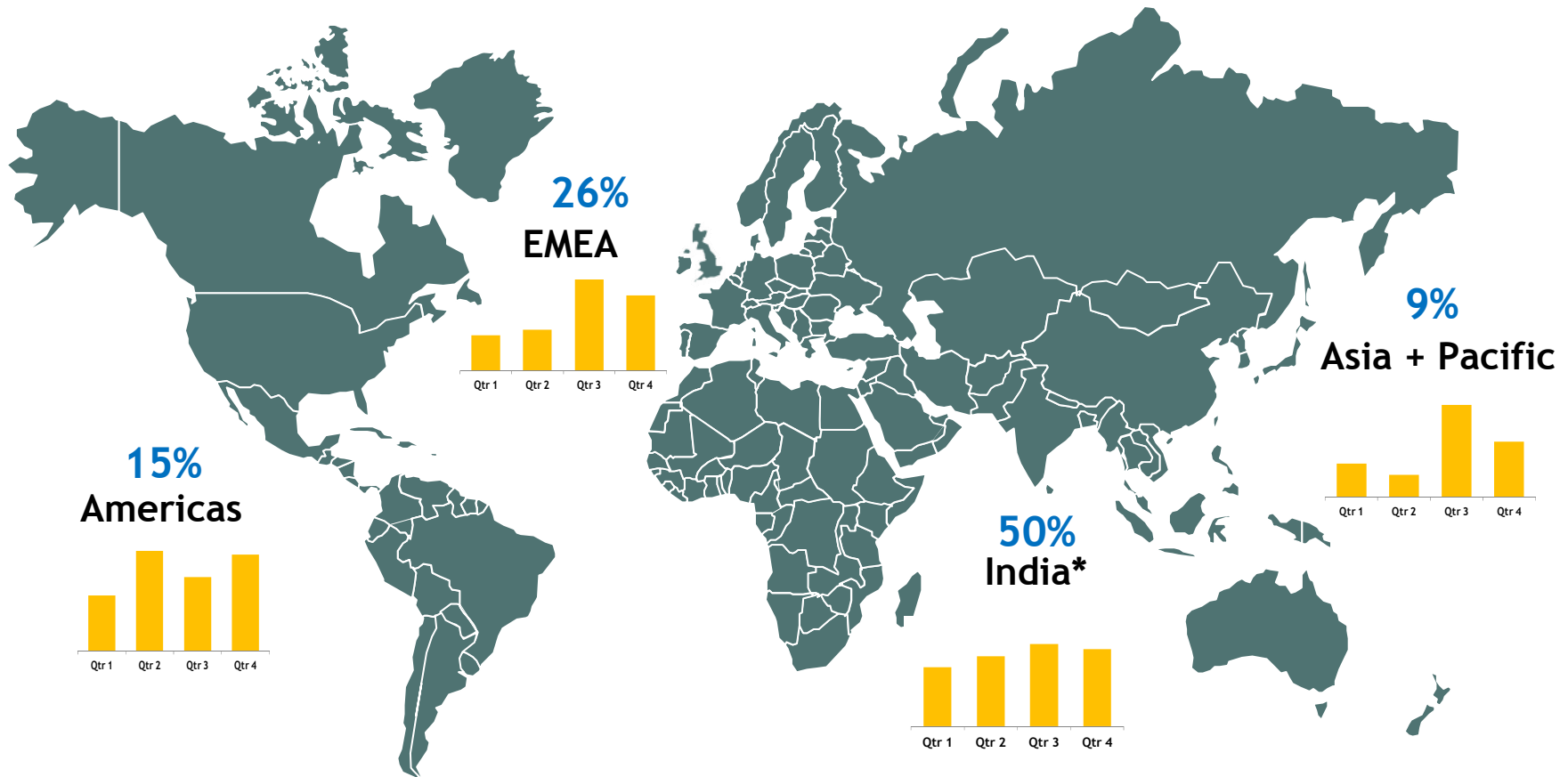
## Q4 2011-12 vs Q3 2011-12

- » Order Received -15%
- » Revenue growth +2%

# Orders by Region



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\* Includes India consumers Business



# Consolidated Financials - Q4



INR Mn.

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	Q4 Mar 2011	Q4 Mar 2012
Orders Received	25875	28961
		12%
Revenues	29080	30774
		6%
Order Backlog	71652	83664
		17%
EBIDTA (W/O Other Income)	3731	2132
<i>as % revenue</i>		7%
EBIT	3134	1493
PAT	2514	1003
EPS (Rs)	3.92	1.56



# Consolidated Segment Results - Q4



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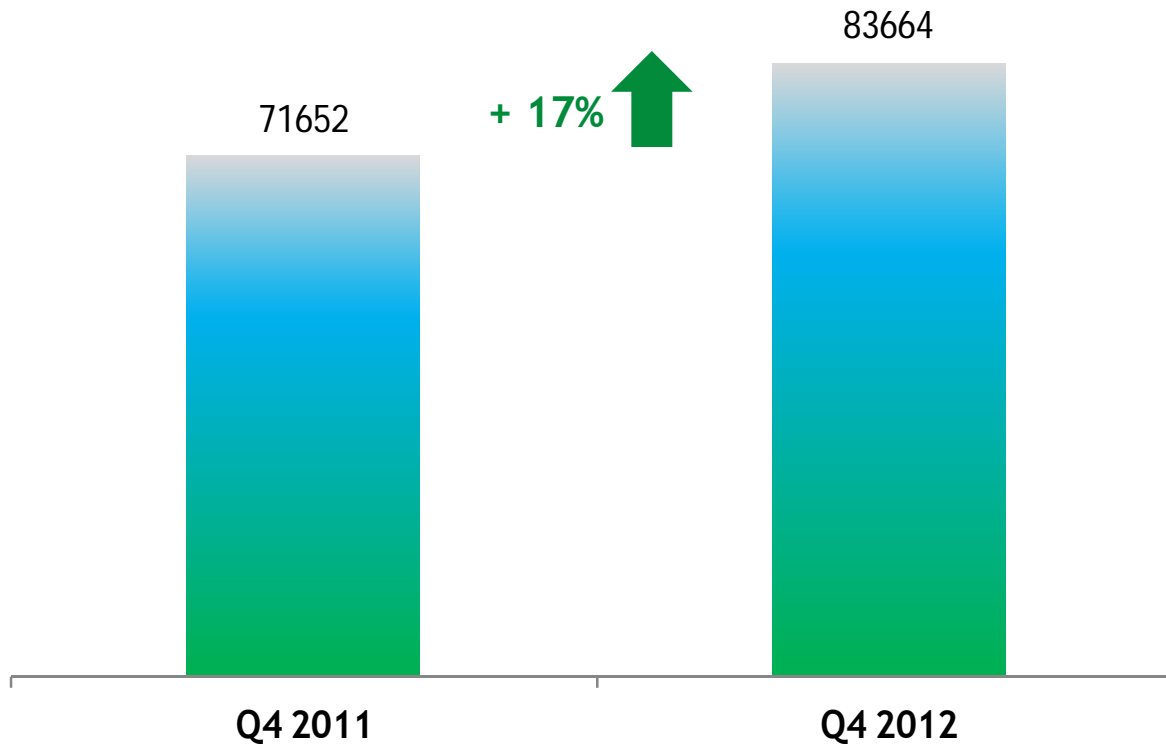
	Q4 Mar 2011	Q4 Mar 2012	Δ Change
<b>Power</b>			
Orders Received	21795	24521	13%
Revenues	19235	19682	2%
EBIT	2570	541	
<i>EBIT Margin</i>	<i>13.4%</i>	<i>2.7%</i>	
<b>Industrial</b>			
Orders Received	4080	4440	9%
Revenues	4345	5001	15%
EBIT	649	542	
<i>EBIT Margin</i>	<i>14.9%</i>	<i>10.8%</i>	
<b>Consumer</b>			
Revenues	5509	6066	10%
EBIT	789	740	
<i>EBIT Margin</i>	<i>14.3%</i>	<i>12.2%</i>	

# UEOB Evolution



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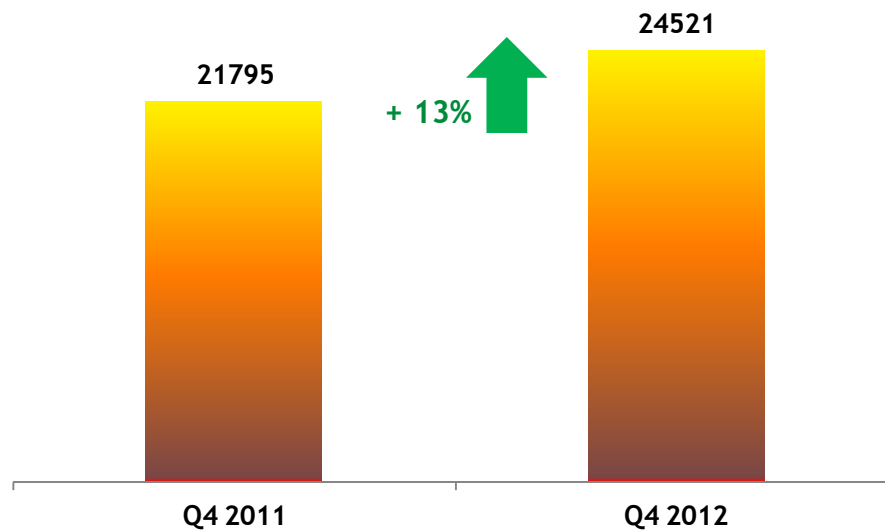
# Power Business



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Rs Mn.

## Order Input



## Q4 Performance

### »EHV

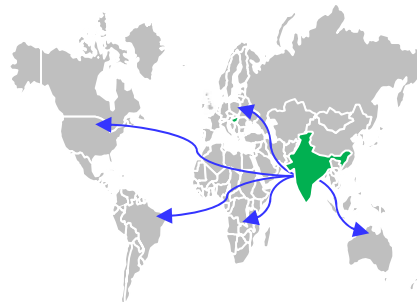
- » Record order for EHV Power Transformers and reactors
- » 22 Nos.765KV from PGCIL
- » 350MVA,220kv and 500kv from PLN

### »Exports

- » 14% increase from India and Hungary (Key destinations - Latin America, ME, Western Europe)

### »Services

- » INR 170 Mn orders for pluri-annual Service maintenance contracts (India, France, Saudi Arabia and Algeria)

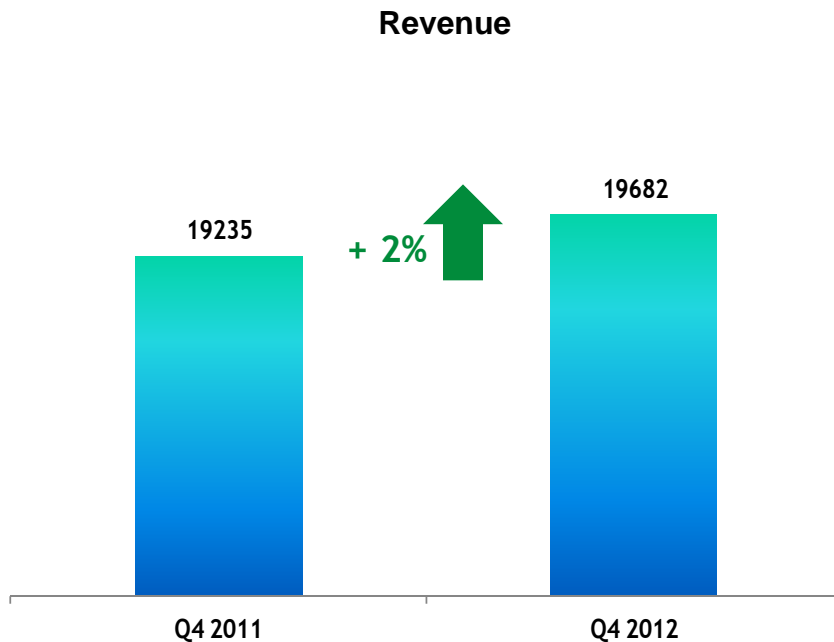


# Power Business



Rs Mn.

## Revenue



## Q4 Performance

»Improvement of factory throughput for 765 kV Projects

»Commissioned 765 kV S/Stn at UPPTCL-Unnao in record time of 14 months in Jan'2012

»First 110 MVar, 765 kV Shunt Reactor delivered for PGCIL in Mar 2012

»Automation:

»First full IEC61850-compliant substation automation system commissioned in Kenya

»Q4 over Q3 growth of -5 %

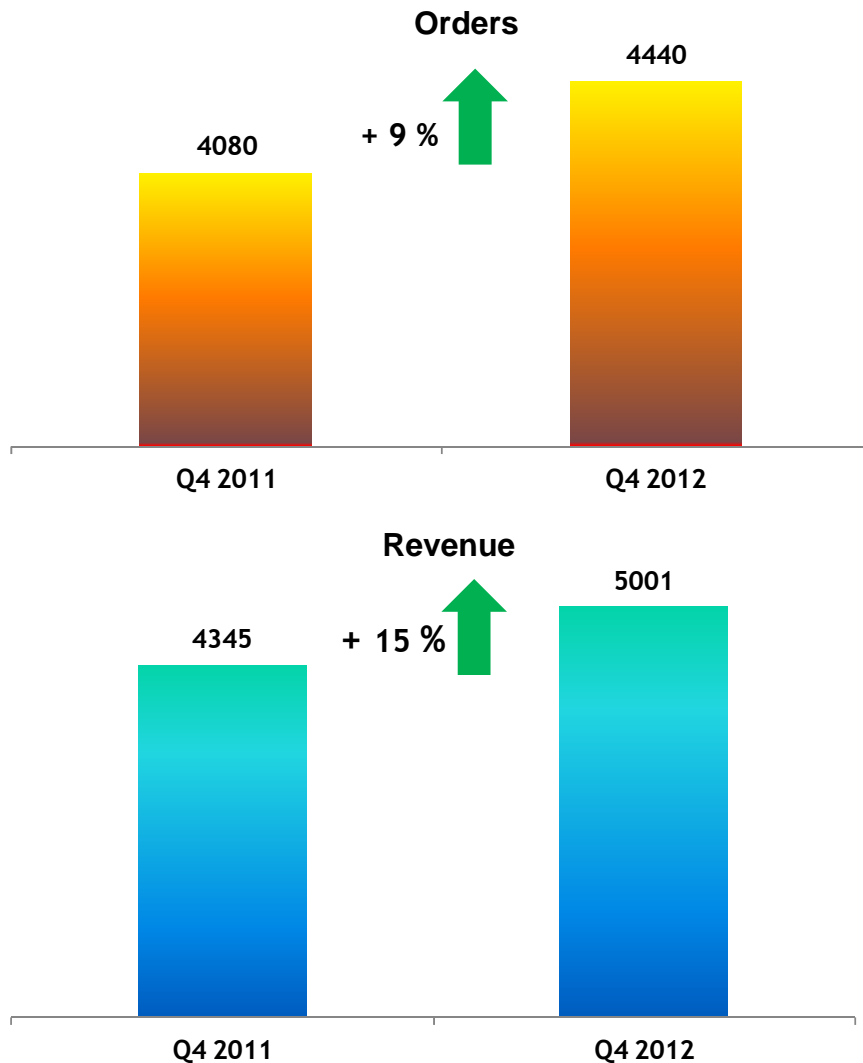


# Industrial Systems



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Rs. Mn



## » Q4 Performance

### » Exports

- » 24% increase in export orders from India mainly to Western countries (HT and LT Motors)
- » First 6.7 MW HT Motor order for German customer for Cement plant

### » Smart Solutions

- » 2.5 MW/6-P HT Motors and 6.6kV MV Drives from Steel Plant Central Asia
- » Largest 4 MW 22-P motor for circulating water pump application in Nuclear Power plant in Russia

### » Electrical Transportation

- » Order for 43 Nos Traction Motor for Indian Railways

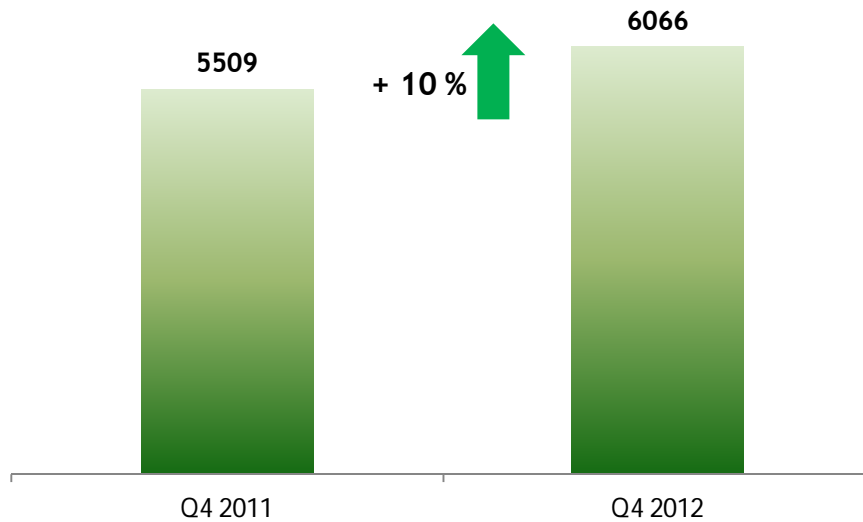
- » Q4 vs Q3 growth of 5%



# Consumer Products

Rs. Mn

## Orders/ Revenue



4th consecutive  
Superbrands  
accreditation  
with CG



Lighting solutions for  
all applications



Premium range  
in Ceiling Fans

### » Fans

- » Successful introduction of the New Premium range of fans
- » Strong traction in volumes for Fans - 972 k Fans sold in Mar 12

### » Lighting Solutions

- » Orders worth INR 100 Mn for Special Applications in the Infrastructure segment including Flame proof lighting

### » Channel Management

- » “Best Business Partner” program launched

### » Growth of 21% in Q4 over Q3 2012

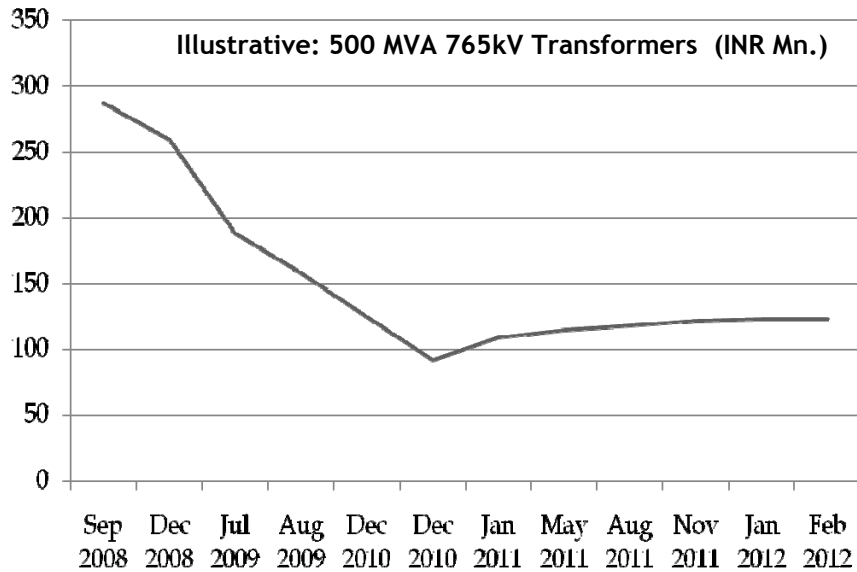


# **FY 2011-12 Results**

# Macro Environment - India

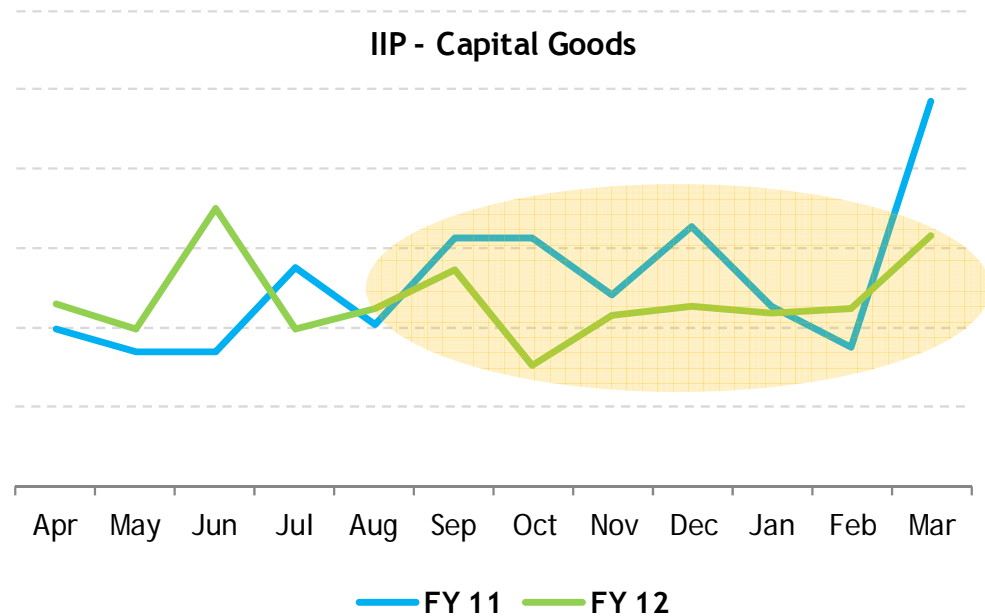


## Price Trend



Price Realizations stabilized towards the lower end

## IIP - Capital Goods

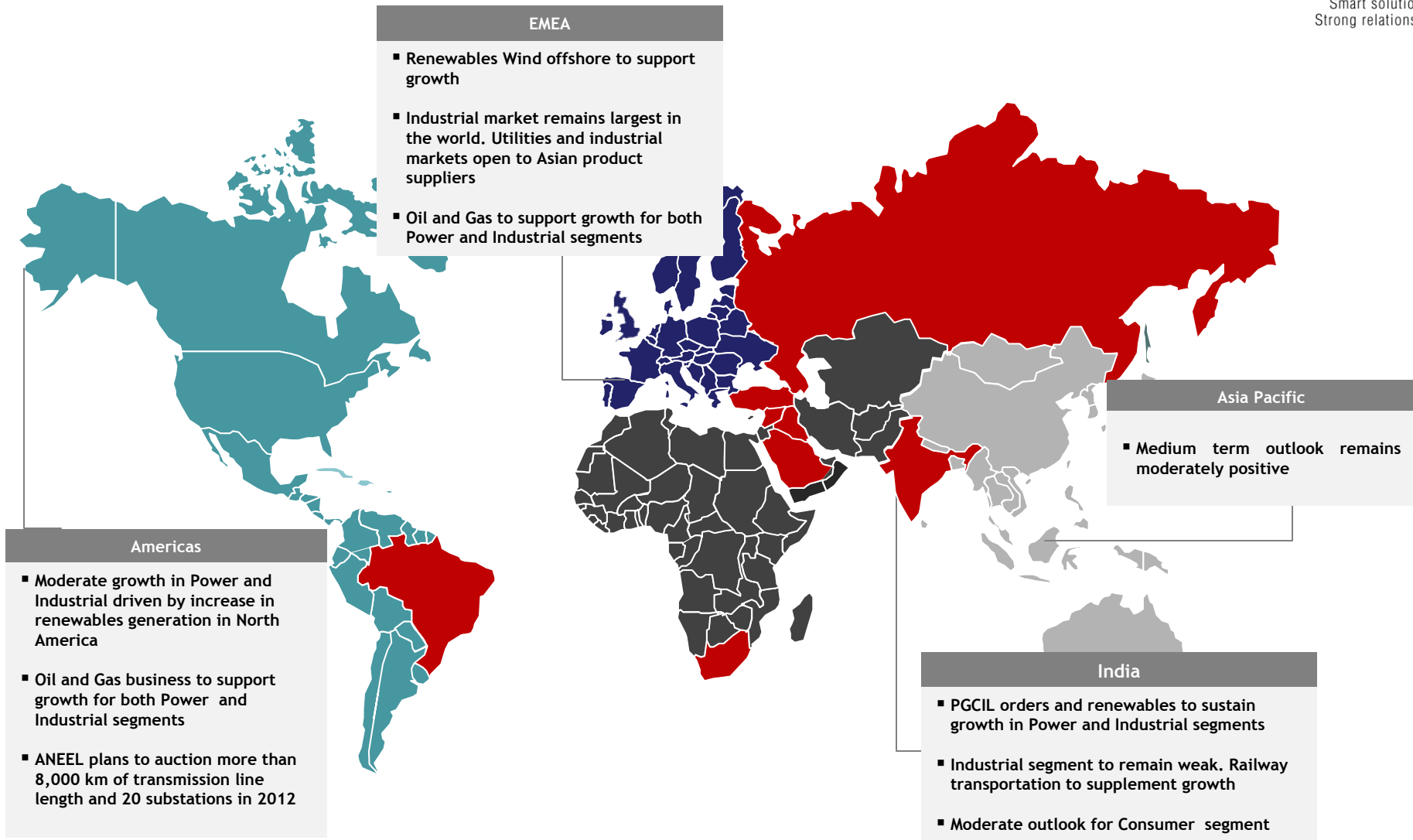


Capital goods segment de-grows by 21% in Mar 2012

Challenging market environment continues



# Market Scenario



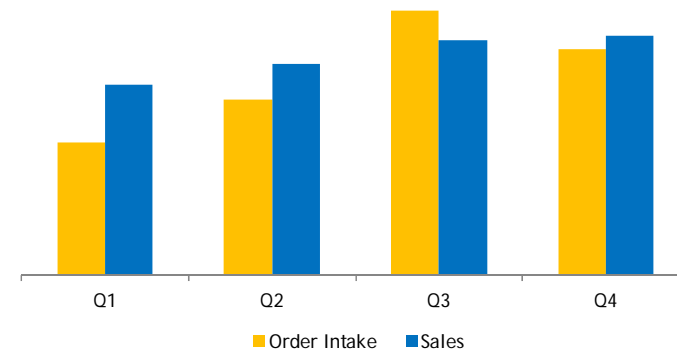
# Consolidated Financials - FY 2012



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INR Mn.

	FY 2010-11	FY 2011-12
Orders Received	89406	102644
		15%
Revenues	100051	112486
		12%
Order Backlog	71652	83664
		17%
EBIDTA (W/O Other Income)	13438	8036
<i>as % revenue</i>		7%
EBIT	11502	5437
PAT	8887	3736
EPS (Rs)	13.85	5.82



# Consolidated Segment Results



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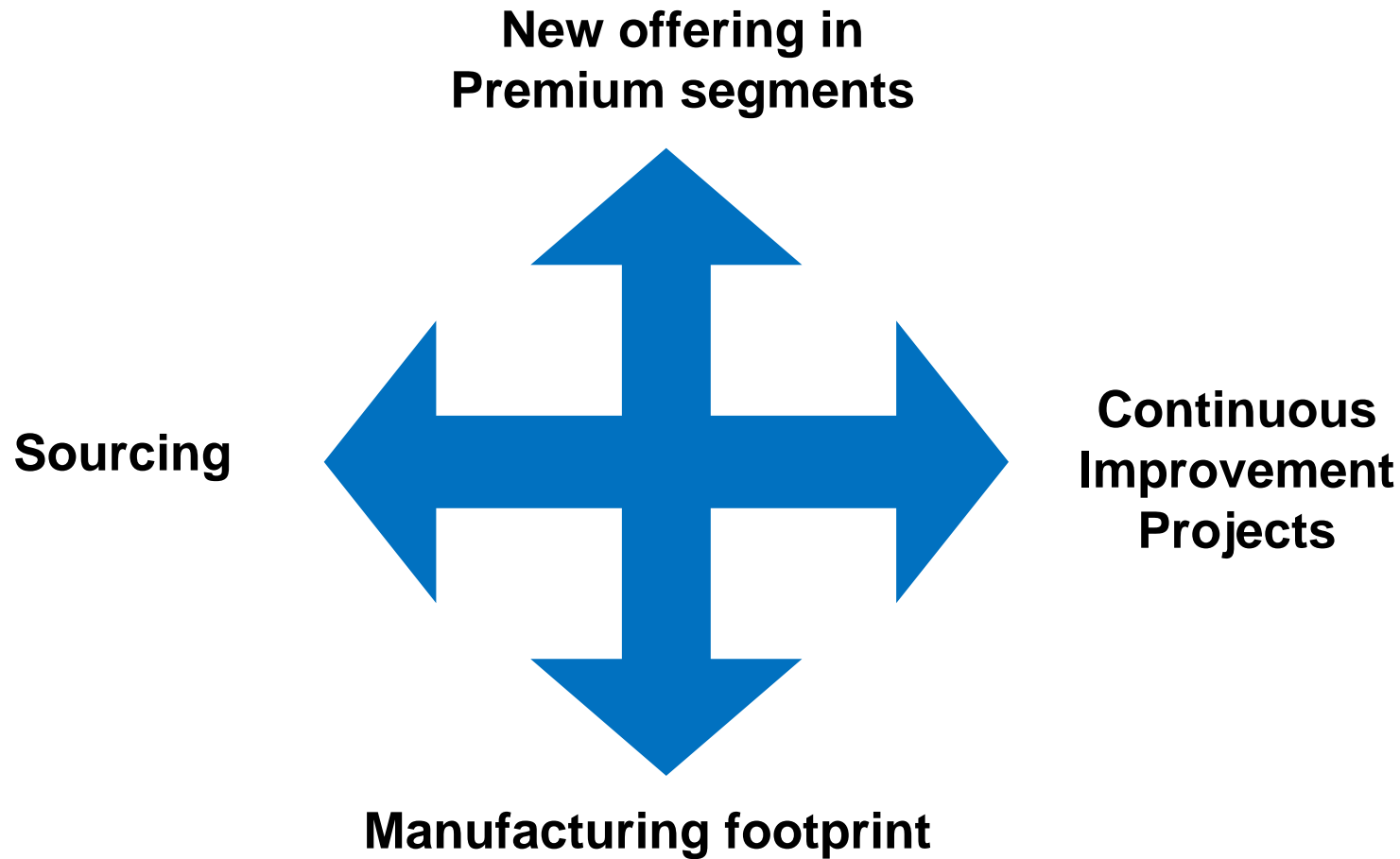
INR Mn.

	FY Mar 2011	FY Mar 2012	Δ Change
<b>Power</b>			
Orders Received	72120	84710	17%
Revenues	65029	73149	12%
EBIT	8068	2394	
<i>EBIT Margin</i>	<i>12.4%</i>	<i>3.3%</i>	
<b>Industrial</b>			
Orders Received	17290	17930	4%
Revenues	14971	18202	22%
EBIT	2642	2103	
<i>EBIT Margin</i>	<i>17.6%</i>	<i>11.6%</i>	
<b>Consumer</b>			
Revenues	20212	21336	6%
EBIT	2928	2629	
<i>EBIT Margin</i>	<i>14.5%</i>	<i>12.3%</i>	

# Key Areas to Restore Value



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# Strategic Agenda - Three Year Plan



## Strategic levers

## Actions Steps

Offering



- Move to High value added offerings
  - 1200/765 kV Power Transformers, CVT and Surge Arrestors
  - Energy efficient Motors for global market
- New segments: Engineering services for utilities
- Enter new geographies - Middle East, Brazil
- **Additional EBIDTA of 150 bps**

Sourcing



- Global sourcing organization in place
- Sourcing office established in Shanghai, China in July 2011
- **Additional EBIDTA of 150 bps**

Manufacturing Footprint



- European platforms to be consolidated by 2012-13
- Additional capacity in India +50,000 MVA
- CGPS implementation in European plants
- **Additional EBIDTA of 100 bps**

Continuous Improvement



- Six sigma program roll out world wide
- Sustainability program deployed in each unit
- **Additional EBIDTA of 50 bps**

# Outlook 2012-13



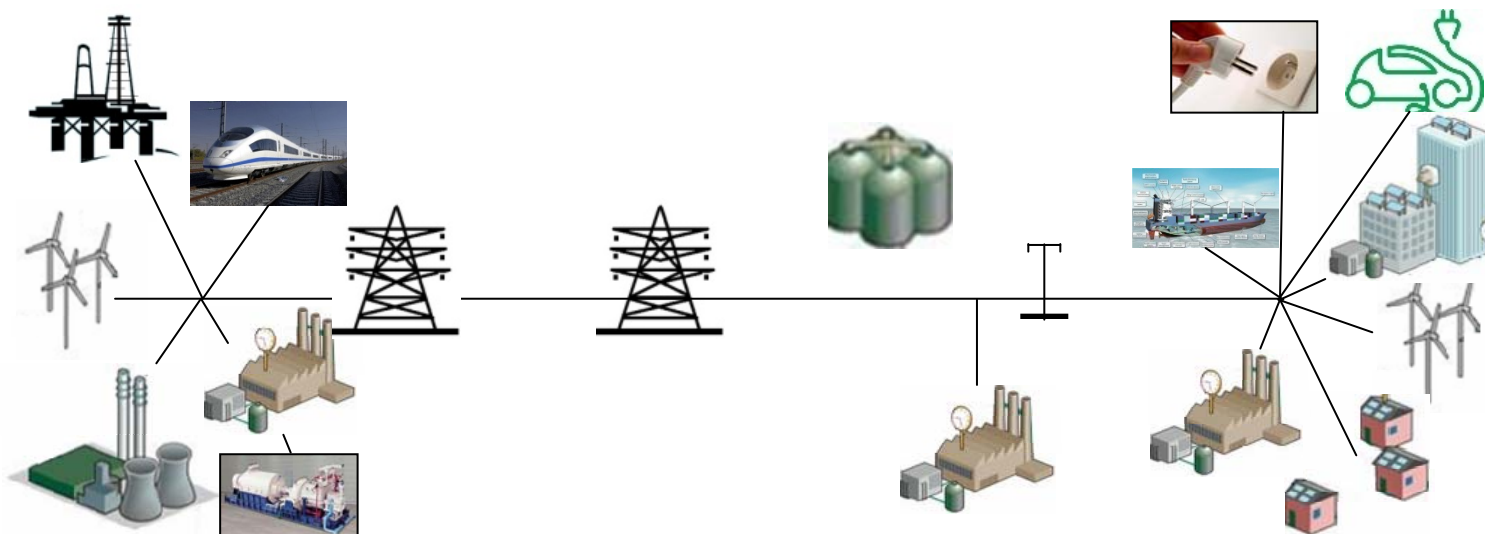
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- **Sales growth to remain strong at 12-14% supported by**
  - Healthy Order Book
  - Robust Order Intake
    - Power BU - UHV and Renewables in Asia, Europe and Americas
    - Industrial BU - Penetration of European and Middle East markets and development of railway transportation in India
    - Consumer BU - Portfolio expansion and consolidation of the Trade channel
- **EBIDTA Margin to be in the range of 8-9%**





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We put all our energy  
into saving yours