KAVVERI telecom products limited

a global business vision

Kavveri telecom products limited

FY12 Results Update

TIL-TEK antennae | DCI digital communications | SPOTWAVE indoor wireless coverage | TRACKCOM systems international | RYMSA KAVVERI TELECOM | KAVVERI telecom infrastructure limited

Discussion Summary

- Company Profile
- Business Overview
- Financial Overview
- Results Highlights & Outlook

Discussion Summary

- Company Profile
- Business Overview
- Financial Overview
- Results Highlights & Outlook

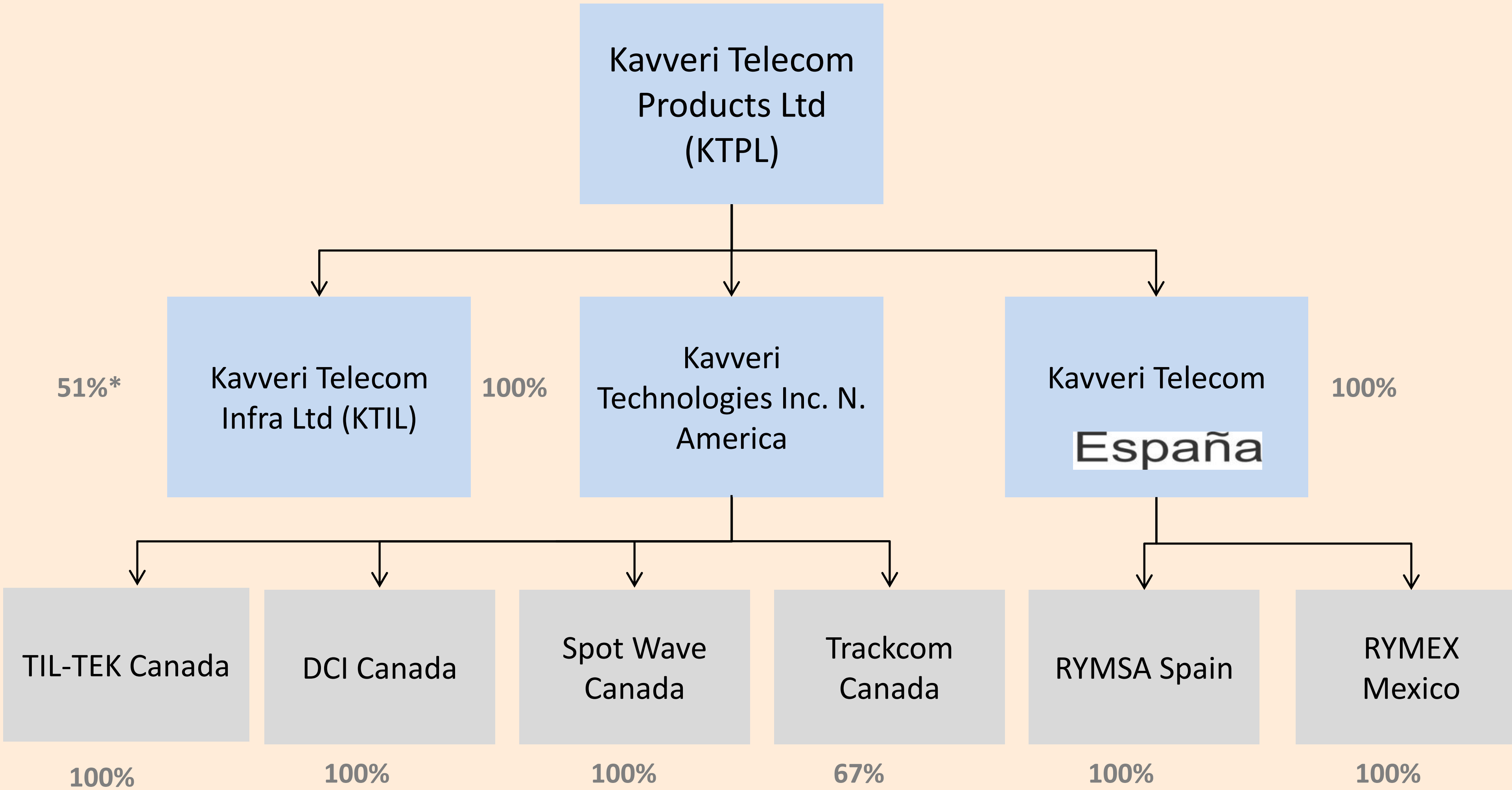
Company Profile

- Founded in 1991 by Mr. S. Reddy and went public in 1997
- Design and Manufacture of Radio-Frequency (RF) and Antenna products for End-to-End Wireless Infrastructure solutions
- Business Offerings

Products - Wireless Sub-system Products	Products - Turnkey Solutions	Services - In-Building Solutions (IBS)
Manufacturers of wireless sub-system products such as Radio-Frequency ("RF") products and antennas	Turnkey solutions for coverage and capacity enhancement requirements	Build Operate & Lease (BOL) for Cellular signal and capacity enhancement in large buildings like malls, hotels, etc.

- Manufacturing-Largest manufacturer of Antennas and RF products in India
  - Manufacturing Capacity of sales value of over Rs. 10bn per annum
- Clientele- Diverse and Reputed
  - Diverse segments: Telecommunications, Defense, Space and Contract Manufacturing
  - Reputed Telecom Majors like Airtel, Vodafone, Reliance, Verizon, Telefonica, AT&T, Rogers, and
  - OEMs such as Nokia Siemens Networks, Ericsson, Alcatel-Lucent, Huawei, DRDO, ISRO, etc.

Company Structure



*49% held by KTPL promoter

Through acquisitions

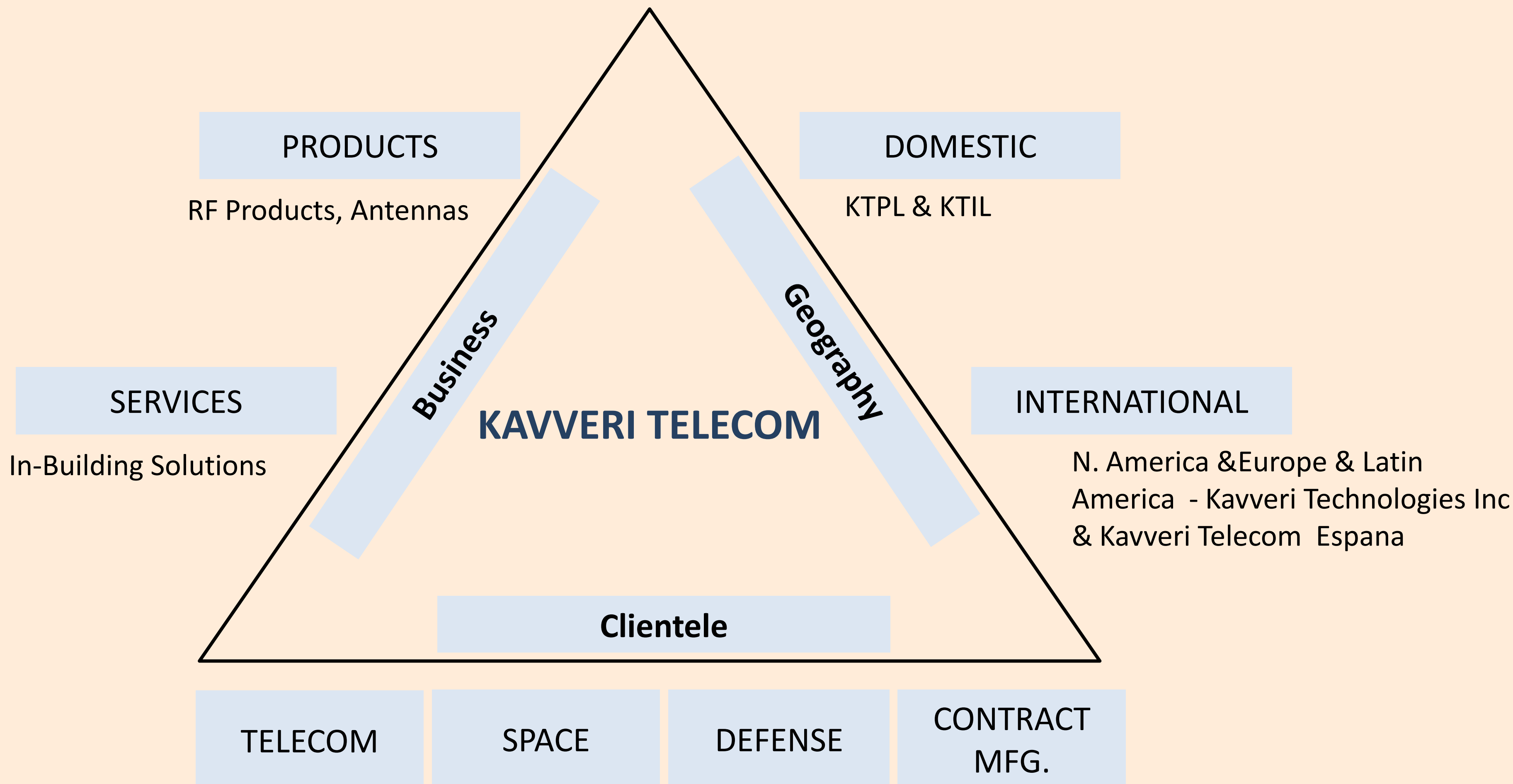
TIL-TEK antennae | DCI digital communications | SPOTWAVE indoor wireless coverage | TRACKCOM systems international | RYMSA KAVVERI TELECOM | KAVVERI

Discussion Summary

- Company Profile
- Business Overview
- Financial Overview
- Results Highlights & Outlook

Well-Diversified Business Portfolio

KAVVERI telecom products limited



Broad Product Offerings..

KAVVERI telecom products limited

Solutions	Application	Products
Telecom - Base Station Solution	Provide and improve signals and network performance at the base station	• RF products • Filters, duplexers • Combiners and RF amplifiers (TMAs, TMBs)
Telecom - Coverage & Capacity Enhancing	Extend and enhance wireless network coverage in areas where signals are difficult to send / receive	• Repeaters, • Indoor / outdoor coverage products • Complete DAS systems
Defence, Aerospace, Homeland Security	In house product development with complimentary products and solutions from strategic Partnerships	• Antennas • Receivers & Transmitters • Interference e systems • Microwave components
Contract Manufacturing	Model with strategic partners who require India based RF Company to manufacture, market and sell their RF products in India market	• Customized RF products and Antennas.

DIVERSIFYINGREVENUE MODEL

KAVVERI TELECOM

- **Products**
  - Revenue Contribution: FY10: 97.94%, FY11: 97.00%, FY12: 88.55%
  - **International**
    - Revenue Contribution: FY10: 0.24%, FY11: 16.00%, FY12: 20.53%
  - **Domestic**
    - Revenue Contribution: FY10: 99.76%, FY11: 84.00%, FY12: 79.47%
- **Services**
  - Revenue Contribution: FY10: 2.06%, FY11: 3.00%, FY12: 11.45%

REVENUE MODEL	DESIGN, BUILD & SELL — RF Products & Antennas	BUILD & OPERATE — Neutral host service network is leased to multiple operators
OFFERINGS	• Telecom Infra • Contract Manufacturing • Defense Equipments	In-Building Solutions

KTIL- India's Leading IBS (In-Building Solutions) provider

- **According to Global Mobile Data Traffic Forecast Update, 2011-14, mobile data is increasing at a CAGR of 108% with almost 85% of data and 70% of voice traffic generated In-Building**
- **IBS- Addresses the coverage, quality and capacity requirements of In-Building mobile users**
- **India Potential Market Size**
  - Increasing Data Usage within Buildings due to 3G, BWA, 4G, which due to their high frequency bandwidth cannot penetrate buildings easily
  - Policy changes that would mandate most government and public buildings to have IBS
- **KTIL- India's largest Neutral Host Provider (NHP) of IBS on Build-Operate-Lease model**
  - Flexible- Works with Multi-technology, Multi-vendor, Multi-operator scenarios
  - Simple- Turnkey solutions, one-point contact for end-to-end solutions
  - Technology-ready for all technologies expected in the next 10 years

KTIL- India's Leading IBS (In-Building Solutions) provider

- Vertical Integration - Most of the equipments required are procured from the parent company
  - Faster Turnaround Time and Cost Advantage
- Exclusive Rights - Exclusive Rights for 7-10 years in all the properties
- Annuity Business – Long Term Contracts with Operators provide Business Visibility
- Return Ratios – Higher EBIDTA Margins and sharp RoI increases with higher tenancy
- KTIL- Operational Update - Current Status
  - Tie-up with reputed Builders and Business Houses – Future group, Phoenix group, Brigade group, Salarpuria group Leela group, Mariott group etc.
  - Agreements with leading Operator clients- e.g. Airtel, Aircel, Idea, Reliance, Vodafone, Tata Tele, Uninor
  - Exclusive 37 mn sq.ft. operational
  - Outlook- 60 mn sq.ft space acquired and 11 mn sq. ft wip
  - Current average tenancy – 3

Discussion Summary

- Company Profile
- Business Overview
- Financial Overview
- Results Highlights & Outlook

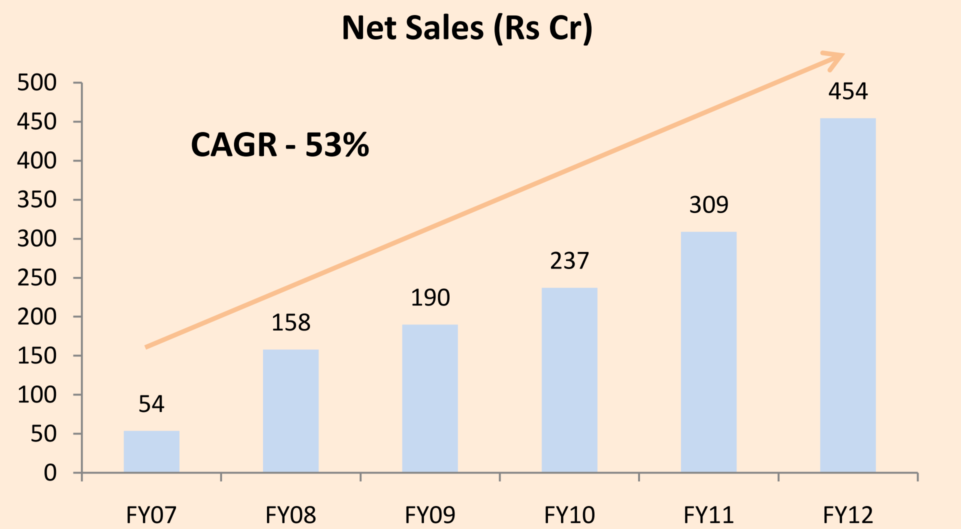
Consolidated Income Statement

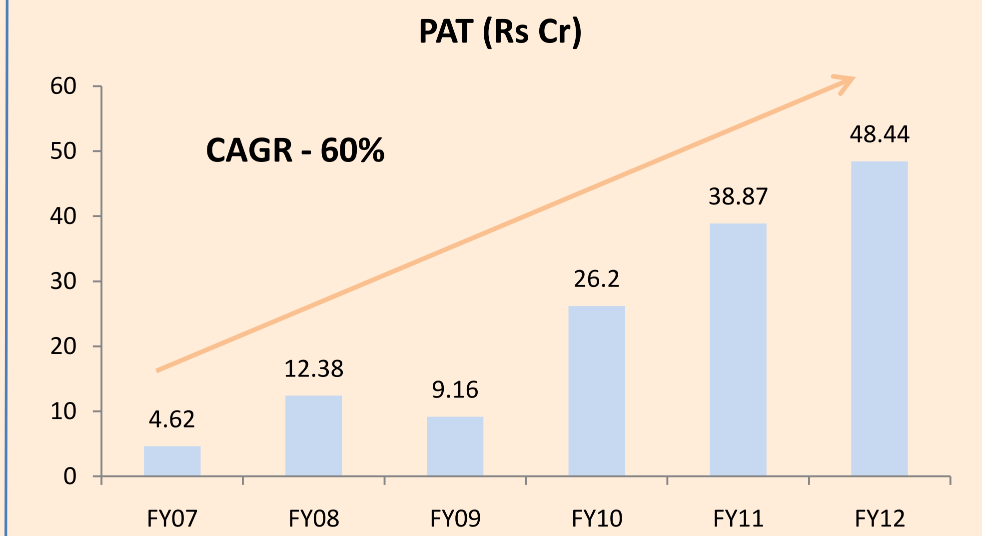
(Rs. Crs.)	FY12	FY11	YOY%
Income from Operations	***454.28***	***308.70***	***47%***
Expenditure			
Raw Materials	317.21	259.17	22%
Other Expenditure	61.50	40.64	51%
Stock Adjustment	7.59	(37.12)	-120%
Total Expenditure	386.30	262.69	47%
EBIDTA	***67.98***	***46.01***	***48%***
EBIDTA Margin (%)	***15%***	***15%***	
Depreciation	9.19	7.17	28%
Interest	14.78	12.52	18%
Other Income	20.30	24.77	-18%
Profit Before Tax (PBT)	***64.31***	***51.09***	***26%***
Tax	15.87	12.21	30%
Profit After Tax (PAT)	***48.44***	***38.87***	***25%***
PAT Margin (%)	***11%***	***13%***	

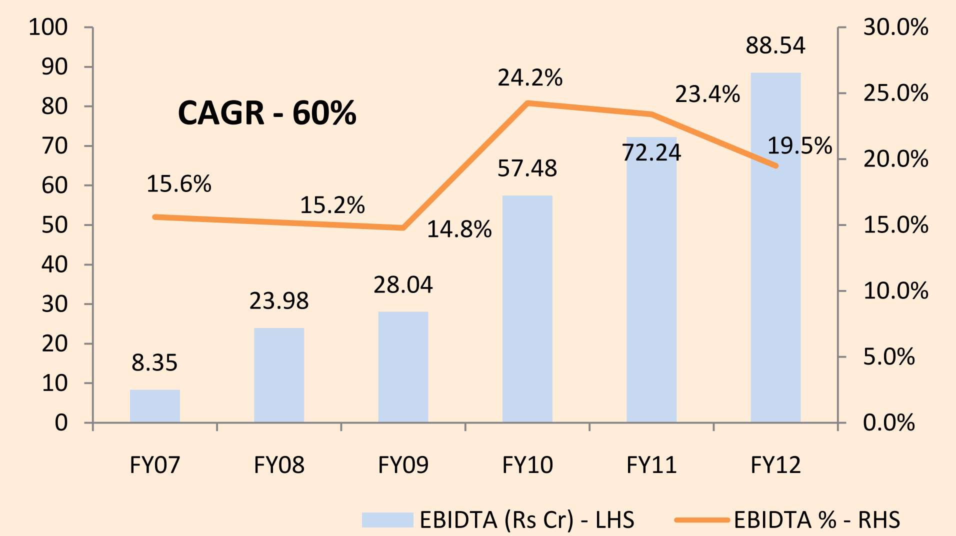
Consolidated Balance Sheet

(Rs. Crs.)	FY11	FY12	YOY%
Sources of Funds			
Equity	204.65	316.80	55%
Loan Funds	93.80	123.69	32%
Total Sources of Funds	***298.45***	***440.49***	***48%***
Application of Funds			
Gross Block	173.57	206.34	19%
Less : Depreciation	20.38	25.88	27%
Net Block	***153.20***	***180.45***	***18%***
CWIP	24.04	81.53	239%
Investments	-	-	
Current Assets			
Inventories	72.22	77.96	8%
Debtors	100.30	174.21	74%
Cash & Bank	7.56	6.82	-10%
Loans & Advances	94.84	99.21	5%
Current Liabilities	153.72	179.70	17%
Total Application of Funds	***298.45***	***440.49***	***48%***

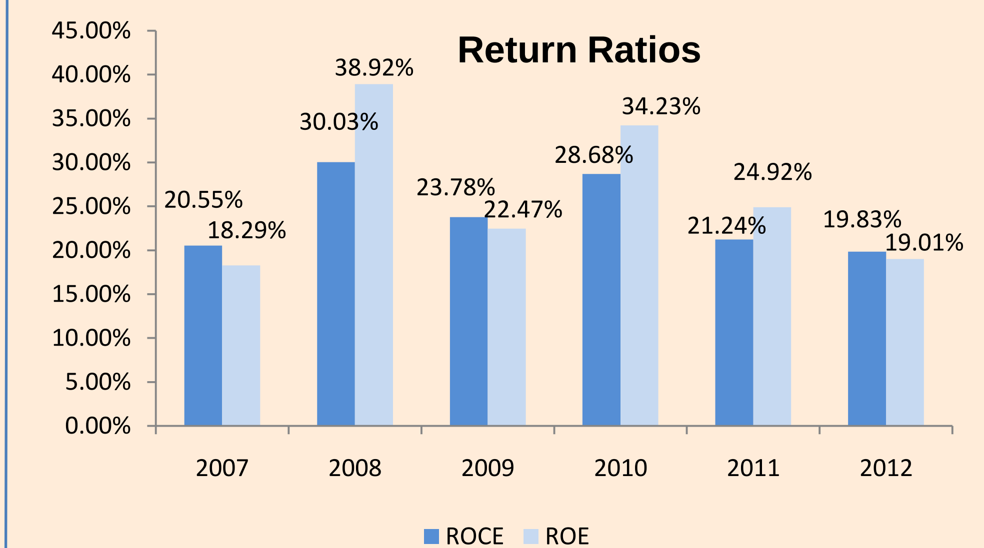
Consolidated Financials Snapshot







* Includes other income



Discussion Summary

- Company Profile
- Business Overview
- Financial Overview
- Result Highlights & Outlook

Result Highlights & Outlook

- The revenues have grown, 47% in FY12 standing at Rs.454 crs. vis-à-vis Rs.308 crs. last year whereas profits have grown, 25% standing at Rs.48 crs. vis-à-vis Rs.39 crs. last year.
- Consistent financial performance; achieved CAGR(FY'06-12) of 53% in Revenue, 66% in EBITDA & 62% in PAT.
- Strong growth from structural telecom growth, favorable policies, broad product portfolio for a diverse clientele, and contract manufacturing for global OEMs.
- KAVVERI TELECOM is the largest domestic manufacturer of RF and Antenna with increasing presence in International markets
  - Contribution of New Acquisition RYMSA for only 5 months – 8.66% (Turned profitable after 11 years within 5 months post acquisition)
- The company has low-cost manufacturing, R&D driven products and strong partnerships: KTPL's sustainable competitive advantages.
- IBS – KTIL the largest IBS player in India with plans to treble the space under coverage.

Thank You

For further Queries:

Company:
Harish mannargudi
Kavveri Telecom Products Ltd.
#31-36, 1st Main, 2nd Stage,
Arakere MICO Layout,
Bannerghatta Road,
Bangalore – 560076
Email - harish.m@kaveritelecoms.com
Contact - +91 9900073110

Investor Relations:
Amit Sabarwal
Seagull Value Consultants LLP.
15/118 , Anand Nagar,
Om CHS Ltd.
Mumbai – 400 055
Email – amit@theseagull.in
Contact : 9819576873