

**“First Indian Cable company featured
in Forbes Magazine”**

**Rated among the top 22 Indian companies
featured in the latest ‘200 Best under a
Billion’ list for the Asia-Pacific region by US
magazine Forbes.**



Investor Update

For the quarter and Nine months ended 31stDecember, 2008

Cords Cable Industries Ltd



January 27, 2009

In order to face the challenges posed by the on-going global economic slow-down, Cords Cable Industries Ltd is gradually revamping its whole business model so as to make it long term, sustainable/ risk-free. This would ensure that the interests of all its stakeholders are adequately protected.

To achieve this objective, the Company is developing new export markets- which yield better margins, adding new clients domestically & internationally, developing new vendors for supply of Copper and other Raw materials, entering new product segments and new sectors and increasing focus on R & D.

Performance Review Q3'09 Vs. Q3'08



➤ Revenue in Q3'09 was Rs 66.18 crores compared to Rs 51.81 crores in Q3'08 showing a growth of 27.7%. The company achieved these numbers despite a fall of more than 50% on copper prices.

➤ Raw material consumption constituted 82.1% of total sales during Q3'09 compared to 76.3% of total sales in Q3'08. Copper-LME which constitutes almost 60-70% of raw material came down drastically from a high of approx. \$8800/tn to \$3950/tn during last six months.

➤ The company follows a business model of Cost + Margin and books copper at the time of receiving an order. With sharp fall in copper prices subsequently, some of the customers asked to match the prices in line with reduced prices of copper, before release of manufacturing clearance. With a long term view, the company had to offer some discount to some esteemed customers which further increased the raw material consumption.

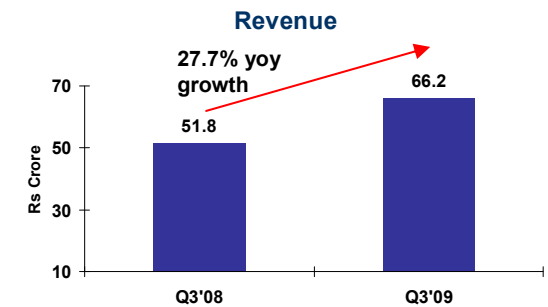
➤ Finally, margins were also negatively affected because of depreciating rupees against dollar. Dollar prices against rupees went up to Rs 50/US\$ from Rs 40/US\$. This movement in dollar prices made the raw material costlier by almost 12-15%

➤ In spite of all the above factors, EBIDTA was Rs 5.39 crores during Q3'09 compared to Rs 7.34 crores in Q3'08

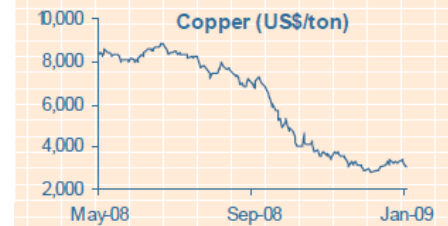
➤ PAT in Q3'09 was Rs 1.22 crores compared to Rs 3.59 crores in Q3'08. PAT Margins were down due to-

➤ Increase in Interest rates and delay in remittances from the customers because of liquidity tightening in the economy. Interest cost went up to 5.4% of sales in Q3'09 compared to 3.6% during the same period last year.

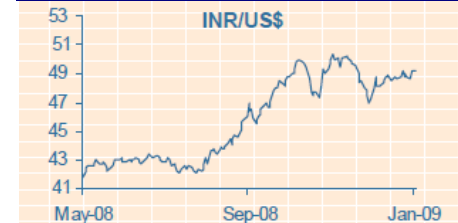
➤ Depreciation charges rose to 1.2% of sales in Q3'09 compared to 0.4% during the same period last year on account of major expansion in production facility completed during Q4FY08 & the on-going expansion.



Sharp decrease in Copper prices



Increasing \$ prices against Rupee



Focus on Exports

- ✓ To further de-risk its business and to reduce its dependence on Indian market, the company is exploring new export markets
- ✓ The company has received **20% of its revenue from exports in 9M'09 compared to 5% in 9M'08**
- ✓ **Currently 40% Order book of the company constitute export orders which values more than Rs 53Crore worth of orders in hand (Total order book Rs 133.6Crore)**
- ✓ **Has added 3 new clients in international markets during Q3'09 to its existing client base and appointed a new agent in Israel to market its products in Israel and other regions**
- ✓ **Further focus on export market in coming quarters with special focus on Kuwait & Qatar**

Domestic Markets

- ✓ **Diversified Order book worth Rs 80.5cr (Total order book Rs 133.6Crore) as on Dec 31' 2008**
- ✓ **Has added 7 new clients in domestic markets during Q3'09 to its existing client base**

New Developments with Vendors

- ✓ Earlier the company was buying Copper from two major vendors in India but **now it has started buying copper from MMTC also which will import Copper from Russia**. This will further reduce the dependence of the company on existing suppliers
- ✓ **Started importing PVC Resin from China & Korea (LG Chemicals)**
- ✓ **Also started importing ZERO HALOGEN from U.K., Zero Halogen is a rare product used in sheathing of cable to minimise the fire loss.**
- ✓ **These developments will bring down raw material cost in coming quarters and will make the company more competitive & will impact the Topline & Bottomline, positively.**

Entry into New Segments & New Sectors

- ✓ **As a result of continuous innovation and to expand its product portfolio** the company has added cables for new applications:
 - ✓ Fire Survival
 - ✓ Zero Halogen
 - ✓ Low Smoke Cable

- ✓ **Also, to reduce dependence on any particular sector** the company has entered in new sectors like
 - ✓ **Metro Rails**
 - ✓ **Aviation (Airport Modernisation)**

Continuous Innovation

- ✓ **As a part of R&D, the company is focusing on the development of products, which could act as import substitutes.**

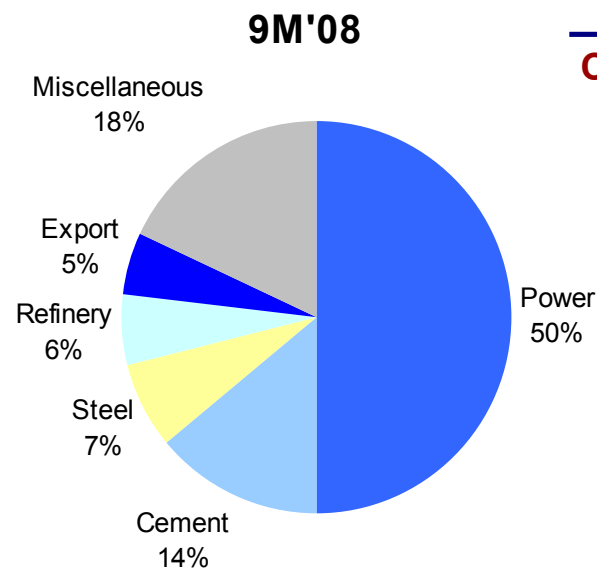
Certificates & Approvals

- ✓ The company has received **“ISO 14001:2004 – Environmental Management System”** and **“Occupational Health & Safety Management System”** from BSI India

Optimizing Revenue Mix

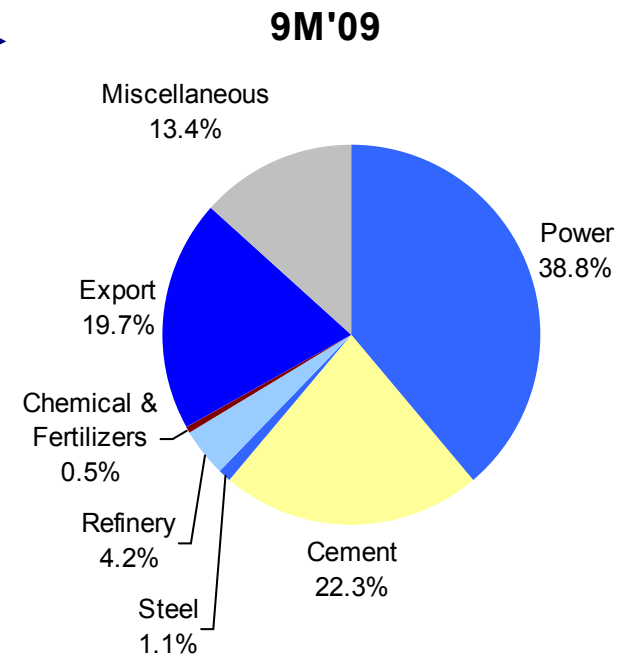


Sector wise Revenue Breakup



Rs 118.8 Crore

→
Changing Revenue Mix



Rs 160.74 Crore

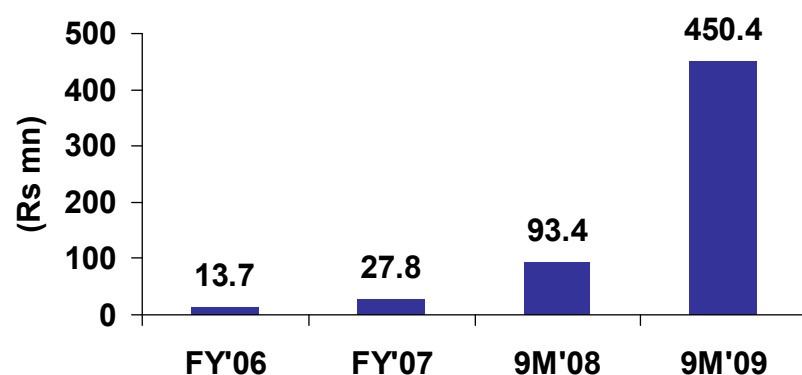
Export Revenues increased to 19.7% in 9M'09 compared to 5% in 9M'08

Diversified Revenue Streams to Reduce Dependence

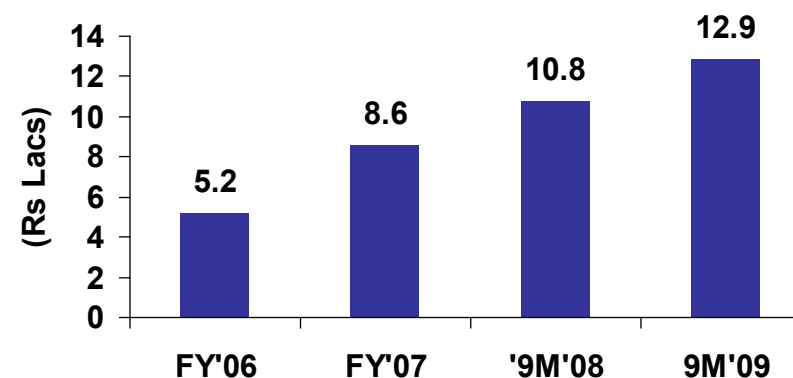
Concentration on High Value Orders



**Increase in Orders Value Executed
for Largest Customer.....**

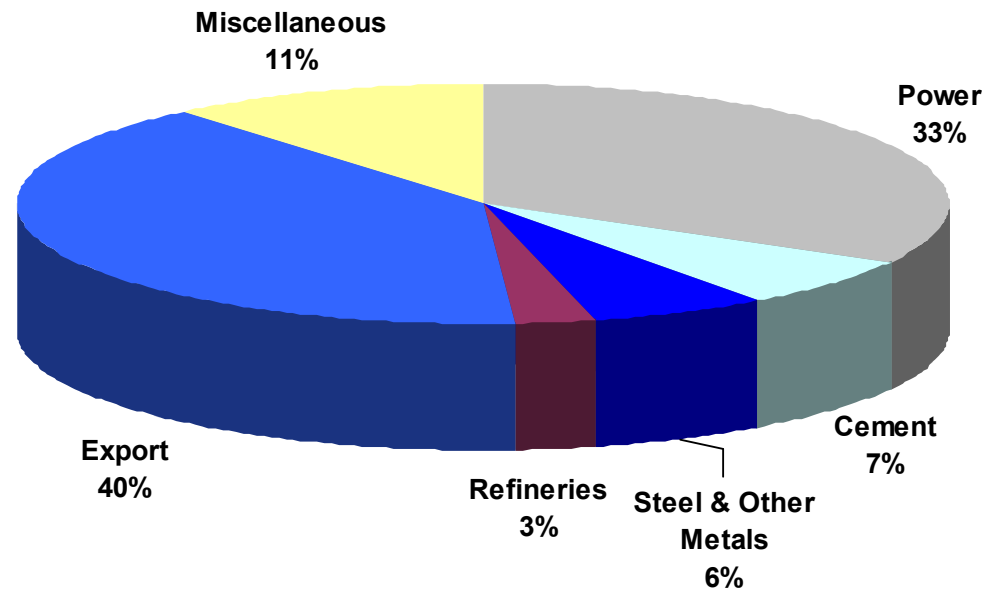


**.....leads to increase in Average
Invoice Value**



✓ The company is focusing more on high value and big projects which lead to increase in average invoice value

Sector wise Order Book Breakup



Total Order Book as on Date – Rs 133.6 Crore

Increasing Focus on Exports to Boost Margins

Details of funds Raised & Utilised



Fund Raised			Rs lacs
IPO			4164.75
Borrowings			1209.68
Proceeds from pre-IPO placement			419.15
			5793.58
Funds Deployed	Proposed	Utilised	
Setting up of production facilities	<i>(As per prospectus)</i>		
Land	1737		1586.35
Building	875		575.90
Plant & Machinery	2610		836.75
Misc. Fixed Assets	120		7.85
IDC & pre operative expenses	165		143.83
Contingencies	233		0.0
Working capital requirements	630		400.00
Issue expenses	450		435.21
	6820		3985.89
Balance**			1807.69

✓ **Considering the current market conditions, management has decided to defer the expansion plan by two quarters**

Financial Statements– Income Statements

Amount in Rs Lacs

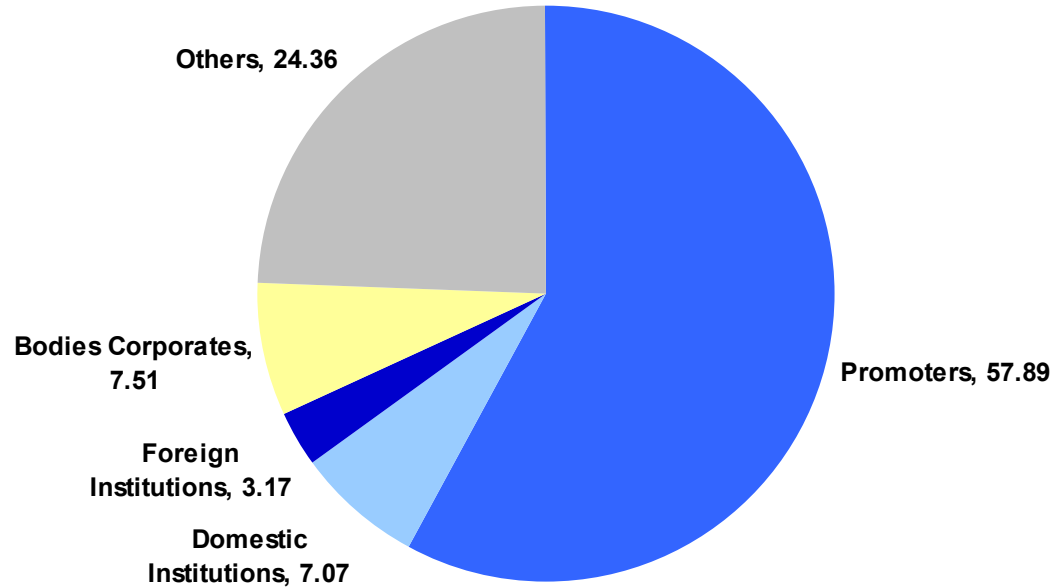
Particulars	Q3'09	Q3'08	9M'09	9M'08	FY'08
Net Income from Operations	6,617.5	5181.2	16,074.2	11880.3	17085.1
Total Expenditure	6078.5	4447.4	14303.1	10126.2	14463.1
(a) Consumption of Raw Material	4,810.9	3997.2	13,687.8	9257.5	12772.5
(b) Staff Cost	207.37	133.6	539.32	405.2	541.3
(c) Other Expenses	435.9	358.1	1095.5	828.7	1214.9
(d) Increase(-)/ Decrease in Stock in trade	624.29	(41.43)	(1019.56)	(365.17)	(65.55)
OPBITDA	539.0	733.8	1,771.1	1754.1	2622.0
Depreciation & Amortisation	81.0	21.9	193.0	56.4	87.8
OPBIT	458.0	711.9	1,578.1	1697.7	2534.3
Finance Charges	356.5	185.3	756.6	374.1	555.6
OPBT	101.6	526.6	821.5	1323.6	1978.7
Non Operating Income/ Other Income	92.6	12.3	242.1	34.1	131.9
PBT	194.2	538.9	1063.6	1357.6	2110.6
Tax	71.80	179.7	361.30	462.7	734.5
PAT	122.4	359.3	702.3	894.9	1376.1
EPS (Rs.)	1.07	4.47	6.15	11.87	16.81

**In Q3'08, the company was unlisted. These EPS numbers are not comparable due to expanded capital base post listing. Full effects of fresh capital raised will be reflected by Q4'10.*

Key Ratios

Key Ratios	Q3'09	Q3'08	9M'09	9M'08	FY'08
EBIDTA Margin	8.1%	14.2%	11.0%	14.8%	15.3%
PAT Margin	1.8%	6.9%	4.4%	7.5%	8.1%
Total Expenditure/Net Income from Operations	91.9%	85.8%	89.0%	85.2%	84.7%
Raw material/Net Income from Operations	82.1%	76.3%	78.8%	74.8%	74.4%
Staff Cost/Net Income from Operations	3.1%	2.6%	3.4%	3.4%	3.2%

Percentage Shareholding



As on December 31, 2008

Disclaimer



About Cords Cable Industries Ltd

Cords Cable Industries Ltd is engaged in the manufacturing and marketing of cables. The ISO 9001:2000 accredited company manufactures cables and the product range includes low tension (LT) control cables, LT power cables, instrumentation cables, coaxial cables, thermocouple extension cables and speciality cables. The company has a manufacturing unit at Chopanki, Rajasthan and is in the process of setting up a new manufacturing unit to be partly funded by their recently concluded IPO. The company caters to industries like power, steel, cement, fertilizers, chemicals, and petroleum among several others. The company's main focus area is on Specialised and Value added business. Around 80% of company's revenue comes from these specialised cables. For more information please visit www.cordscable.com

About Emerging India Value Advisors Pvt Ltd

Emerging India Value Advisors Pvt Ltd. (EIVA) has been set up to provide comprehensive financial solutions to business entities who have a scalable and sustainable business model to enable them to realize their full potential. Our service offerings include – IPO Consulting, Investor Relations, Fund Raising, M&A Consulting, Pre & Post IPO equity placement & Capital Restructuring. Our client list includes various corporations, institutional investors & high net-worth individuals. Emerging India has a team of experienced analysts covering the key sector including FMCG, Real Estate, Infrastructure and manufacturing among others. For more information please visit www.emergingindia.co.in

Forward Looking Statement

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company 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 our reports to shareholders. The company does not 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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