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Financial & Operating Performance

Q1FY2011

- Revenues at Rs 17,339 million
- EBIDTA at Rs 1,341 million
- EBIDTA margins at 7.73 %
- Loss Before Tax at Rs 69 million
- Loss After Tax at Rs 304 million
- EPS (not annualised) : Rs (0.92)

- Strong order book at Rs 255.56 billion as on Aug 03, 2010
- New Orders worth Rs 32.84 billion bagged during Q1FY2011*
- Sembawang continues to perform strongly, wins a major contract in Singapore

Note: All figures in this release are consolidated numbers unless stated otherwise

* New Orders received from April 01, 2010 till date.

Gurgaon, 03 August 2010

Punj Lloyd Limited, one of India's largest engineering and construction companies, today announced its financial results for the quarter ended 30 June 2010.

Punj Lloyd Group – Q1 FY2011 performance overview * **(All comparisons with Q1 FY2010)**

Punj Lloyd Group's consolidated total income for Q1 FY2011 stood at Rs 17,339 million compared to Rs 29,728 million in Q1 FY10. Operating profits (EBITDA) were at Rs 1,341 million compared to Rs 3,058 million in Q1 FY2010. Profit / (Loss) before tax was Rs (69) million compared to Rs 1,872 million in Q1FY2010. Profit / (Loss) after Tax for the quarter under review Rs (304) million compared to Rs 1,250 million in Q1 FY2010. Basic and Diluted EPS for Q1 FY2011 was Rs (0.92).

During Q1 FY2011, 58.07% of the total income for the Group was derived from international operations.

As on 30 June 2010, shareholder funds were at Rs 31,092 million, net block stood at Rs 23,983 million, net current assets were Rs 49,583 million, cash in hand was Rs 11,464 million and debt was Rs 44,594 million, translating into a debt-equity ratio of 1.47:1

** All figures discussed above are consolidated figures*

Punj Lloyd Standalone – Q1 FY2011 performance overview **(All comparisons with Q1 FY2010)**

For Q1 FY2011 total income was Rs 11,155 million, as compared to Rs 19,245 million in Q1 FY 2010. Operating profits (EBIDTA) was at Rs 894 million compared to Rs. 1,857 million in the corresponding quarter last year. Profit / (Loss) before tax was at Rs (139) million compared to Rs 1,009 million in Q1 FY 2010. Profit / (Loss) after tax was at Rs (185) million compared to Rs 687 million in Q1 FY 2010. Basic and Diluted EPS for Q1 FY2011 was Rs (0.56).

Commenting on the Company's performance for Q1 FY2011, Mr. Atul Punj, Chairman, Punj Lloyd, said:

"Our order book continues to grow strongly which is a reflection of our proven capabilities. During the quarter we have won orders worth Rs. 32,838 million both in the domestic and overseas markets. Punj Lloyd Group has bagged several prestigious orders, including the Shah Gas Development project in Abu Dhabi, India's largest solar based EPC contract from Government of Bihar and Group company Sembawang has recently received a follow-on order from Resorts World Sentosa, Singapore, which highlights our expertise and commitment to timely execution of projects. During the quarter under review, we also won some significant infrastructure projects in India which includes construction of a medical college and a technical institute.

Revenues and profitability for the quarter ended June 30, 2010 have been impacted primarily due to client related delay in execution of some of the projects including those in Libya. The work on some of the Libyan orders has commenced and we are hopeful of booking revenues on these projects in the current quarter. As a consequence of these client related delays, we have incurred fixed overheads both in India and overseas. As the macro environment improves, we should witness encouraging opportunities across all our areas of presence. We will continue to bid for large orders and I look forward to improved performance."

Order book update

As on 3rd August 2010, Punj Lloyd Group had an order book of Rs 255,565 million (the order backlog is the value of unexecuted orders as on 1st July 2010 and new orders received after that day). During the quarter under review, the Company has bagged the following orders:

- Sembawang Engineers and Constructors won a major contract worth Rs 13,940 million from Resorts World Sentosa, Singapore. The scope of the project includes construction of the Equarius Hotel, a world class spa, beach villas, an oceanarium and a water theme park.
- Prestigious contract from Rajiv Gandhi Institute of Petroleum Technology to construct their technical institute at Jais in Rai Bareli, UP. The contract is valued at Rs 1,799 million and includes civil and structural work for construction of 27 buildings.
- Punj Lloyd Group has secured a contract from the Hyundai Engineering & Construction Co. Ltd. For the Steel Structure, Equipment and Piping Installation Works on Habshan-5 Utilities and Offsites project in UAE for a value of approx. Rs 960 million.
- EPC contract worth Rs 20,560 million for the Shah Gas Development project in Abu Dhabi in consortium with Technicas Reunidas of Spain. The consortium will execute the Gas Gathering Package for the project.
- Contract from the Ministry of Health & Family Welfare for construction of Medical College and Hospital Complex at AIIMS, Raipur for a value of Rs 1,152 million.

- Order for Cuddalore Refinery Project of Nagarjuna Oil Corporation Ltd in Tamil Nadu. The project entails installation of Inside Battery Limit (ISBL) units and interconnection pipe rack at the refinery. The order will be executed over a period of 18 months.
- India's largest solar based EPC contract from the Public Health Engineering Department of the Government of Bihar. The scope of work includes design, construction and commissioning of 850 solar powered water treatment plants across the state of Bihar for value of Rs. 2,328 million.
- Orders worth Rs 2,346 million for a Process Unit and Offsite facilities at the Mangalore refinery. The Company has to construct a Petro Fluid Catalytic Cracking (PFCC) unit for MRPL. The Scope of work includes fabrication and erection of piping erection of equipment including heavy and super heavy lifts, structural work, painting, insulation, and commissioning support for PFCC Unit. The order will be executed over 18 months. On the Offsite facilities of the refinery the scope of work includes piping, fabrication and erection of structures, installation, testing and commissioning of pumps & vessels, fabrication, erection, testing and commissioning support of the flare system.

About Punj Lloyd Limited:

Punj Lloyd is a globally diversified EPC specialist, with interests in oil and gas, infrastructure and defense.

The Group is known for its capabilities in delivering mega projects on-time. The Group possesses a rich experience in successfully delivering projects across the globe, while maintaining the highest standards of health, safety, environment and quality (HSEQ). Its operations are spread across the Middle East, Caspian, Asia Pacific, Africa, South Asia, and Europe.

For more information on Punj Lloyd and its services, please log on to www.punjllloydgroup.com

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Punj Lloyd Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Details to the announcement

Revenue break up

Order book break up

Earnings overview

Key project and business perspectives

Corporate developments/ initiatives

Discussions

Revenue breakups

Sector-wise revenue break-up

(Rs million)	Q1 FY2011	Share in revenue (%)	Q1 FY2010	Share in revenue (%)
Pipelines	5,583	32%	11,966	40%
Tankages	617	4%	768	3%
Infrastructure	4,840	28%	6,370	21%
Process plants, others	4,671	27%	9,811	33%
Others	1,628	9%	813	3%
Total	17,339		29,728	

Geographical break-up of revenue

(Rs million)	Q1 FY2011	Share in revenue (%)	Q1 FY2010	Share in revenue (%)
South Asia	7,271	42%	7,697	26%
SE Asia & Asia-Pac	4,743	27%	6,739	23%
Middle East	4,658	27%	12,601	42%
Europe & Rest of world	667	4%	2,691	9%
Total	17,339		29,728	

Order book breakups

Sector-wise order break-up

(Rs million)	Q1 FY2011	Share of order book (%)	Q1 FY2010	Share of order book (%)
Pipelines	23,688	9%	56,532	20%
Tankages	4,863	2%	5,169	2%
Infrastructure	180,845	71%	155,837	56%
Process plants, others	46,169	18%	61,355	22%
Total	255,565		278,893	

Geographical break-up of order

(Rs million)	Q1 FY2011	Share of order book (%)	Q1 FY2010	Share of order book (%)
South Asia	74,937	29%	46,450	17%
SE Asia & Asia-Pac	56,659	22%	72,558	25%
Middle East / Africa	115,914	45%	149,641	54%
Europe & Rest of World	8,055	4%	10,244	4%
Total	255,565		278,893	

Key orders

During the quarter under review the Punj Lloyd Group bagged the following orders:

Order	Detail	Value (Rs. million)
Construction	Contract from Resorts World Sentosa, Singapore to construct hotel, villas, marine life park and water theme park	13,940
Construction	Contract from Rajiv Gandhi Institute of Petroleum Technology to construct the institute complex and site in Rai Bareli	1,799
Construction	Contract from the Hyundai Engineering & Construction Co. Ltd for the Steel structure, equipment and Piping Installation work in UAE	960
Process Plant	EPC contract for the Shah Gas Development project in Abu Dhabhi to execute the Gas Gathering Package for the project	20,560
Construction	Contract from the Ministry of Health & Family Welfare for construction of Medical College and Hospital Complex at AIIMS, Raipur	1,152
Process Plant	Order for Cuddalore Refinery Project of Nagarjuna Oil Corporation Ltd in Tamil Nadu.	3,200
Solar Utility	India's largest solar – based EPC contract from the Public Health Engineering Department of the Government of Bihar	2,328
Process Plant	Two Refinery Construction Projects for a Process Unit and Offsite Facilities at The Mangalore Refinery	2,346

Earnings overview

Operating profits

Particulars (Rs. million)	Q1 FY2011	Q1 FY2010	Shift (%)
EBIDTA	1,341	3,058	(56%)
Margin %	7.73%	10.27%	

PBT, PAT and EPS

Particulars (Rs. million)	Q1 FY2011	Q1 FY2010	Shift (%)
PBT	(69)	1,872	
PAT	(304)	1,250	
EPS	(0.92)	4.19	

Key project and business perspectives

Updates on the Ensus bioethanol project: Profits for the Group have been impacted by a reversal of GBP 2.5 million on account of settlement with one sub-contractor working on the bioethanol project for Ensus Limited, UK. The plant continues to operate at 98% capacity utilization level.

Perspective on slow moving orders in Libya: Work has commenced on the civil projects in Libya. However as project milestones have still to be completed; no revenues for these projects have been taken for the quarter under review. It is expected that these projects will contribute to revenues from Q2FY11.

ONGC Heera project: The project has been completed and all 4 offshore rigs are fully operational. There is minimal maintenance work that needs to be executed post the monsoon.

Corporate developments/ initiatives

Sembawang wins contract from Resorts World Sentosa, Singapore

Sembawang Engineers and Constructors (Sembawang), one of the leading engineering and construction companies in Southeast Asia and MENA (Middle East & North Africa) region has clinched a major contract worth Rs. 13,940 million (S\$419 million) from Singapore's landmark integrated resort Resorts World Sentosa.

Resorts World Sentosa is Singapore's first integrated resort, comprising the region's first Universal Studios theme park, four hotels, convention centre and Singapore's first casino.

Under the scope of works for this project, Sembawang will handle the civil, structural, architectural and M&E works for the following developments:

- Equarius Hotel – An eight-storey building with 374 rooms and a basement.
- ESPA – A world-class spa spread across landscaped grounds, it will have various buildings dedicated to treatment, relaxation and wellness.
- Beach Villas – A cluster of 42 luxurious villas, adjoining the ESPA, which will be built in three different designs.
- Marine Life Park – The world's largest oceanarium teeming with marine life and lifestyle activities, the park is spread over 46,000 square metres.
- Water Theme Park – A 13,000 sq m lifestyle park located near Resorts World Sentosa's Hard Rock Hotel

Construction contract from Rajiv Gandhi Institute of Petroleum Technology

Punj Lloyd Group has won a prestigious contract from Rajiv Gandhi Institute of Petroleum Technology to construct their technical institute at Jais in Rae Bareli, U.P. The project is valued at Rs 1,799 million.

The scope of work entails civil, structural & associated work including site development for setting up of Rajiv Gandhi Institute of Petroleum Technology (RGIPT). This involves construction of 27 buildings consisting of administration and library building, auditorium, community centre, lecture halls, commercial centre, staff housing facility, hostels and health care centre over an area of 16 lac sq feet. The order will be executed over a period of 24 months.

Contract from the Hyundai Engineering and Construction Company Limited

The Company secured a contract from the Hyundai Engineering and Construction Company Limited for the Steel Structure, Equipment and Piping Installation works on Habshan-5 Utilities and Offsites project in UAE for a value of approx. Rs 960 million.

EPC contract for the Shah Gas Development project in Abu Dhabi

The Company won an EPC contract for the Shah Gas Development project in Abu Dhabi in consortium with Technicas Reunidas of Spain. The consortium will execute the Gas Gathering Package for the project. The order valued at Rs. 20,560 million has been awarded by Abu Dhabi Gas Development Company Limited. The package includes development of well pads, flow lines; inter pad lines, transfer lines and overhead lines. The project is scheduled to be completed by August 2014.

Construction of Medical College and Hostel Complex at AIIMS, Raipur

Punj Lloyd won a prestigious contract worth Rs 1,152 million from Ministry of Health and Family Welfare. The scope of work includes the construction of Medical College and Hostel Complex at AIIMS, Raipur. The order will be executed over a period of 15 months. This is the Group's second project in the medical space after the successful completion of Medanta, the Medicity in Gurgaon.

Cuddalore Refinery project from Nagarjuna Oil

Punj Lloyd has been awarded an order by Nagarjuna Oil Corporation Limited for installation of Inside Battery Limit (ISBL) units and Interconnection Pipe Rack at Cuddalore Refinery project at Tamil Nadu.

The scope of work involves construction related procurement, building and civil work, structural work including prefabrication, mechanical equipment erection including revamp, piping, painting and insulation, NDE services, electrical and Instrumentation.

India's largest solar- based EPC contract from the Government of Bihar

Punj Lloyd Group won India's largest solar-based EPC contract of combined value of Rs 2,328 million from the Public Health Engineering Department of the Government of Bihar. The solar water treatment plants, designed and constructed by Punj Lloyd, will resolve the severe groundwater contamination, resulting in many types of diseases including skin and lung cancer.

The scope of work includes design, construction and commissioning of 850 water treatment plants across the state of Bihar, completely solar powered. The contract will be executed by Punj Lloyd Group's renewable energy arm, Punj Lloyd Delta Renewables.

Two Refinery Construction Projects for Mangalore Refinery

Petro Fluid Catalytic Cracking Unit – The Company received an order from Engineers India Limited for Phase III Refinery Project of Mangalore Refinery & Petrochemicals Ltd (MRPL), Karnataka, a subsidiary of ONGC Limited to construct a Petro Fluid Catalytic Cracking (PFCC) unit. The project forms part of the upgradation and expansion plan of MRPL refinery which has a current capacity of 12 MMTPA. The scope of work includes fabrication and erection of piping, erection of equipment including heavy and super heavy lifts, structural work, painting, insulation, and commissioning support for PFCC Unit. The order will be executed over 18 months.

Offsite - Punj Lloyd has received an order from MRPL for the Offsite facilities of the refinery where the scope of work includes piping, fabrication and erection of structures, installation, testing and commissioning of pumps & vessels, fabrication, erection, testing and commissioning support of the flare system.