

ELECON ENGINEERING COMPANY LTD.
February 10th, 2011

NOTE

FOR THE NINE MONTHS

(Rs. in Crores)

| Particulars (TURNOVER) | 9Month FY11 | 9MonthFY10 | Growth (%) |
|-------------------------------------|--------------------|-------------------|-------------------|
| Material Handling Equipments | 458 | 427 | 7% |
| GEAR | 368 | 290 | 27% |
| Total | 826 | 717 | 15% |

(Rs. in Crores)

| Particulars | 9Month FY11 | 9MonthFY10 | Growth (%) |
|--------------------|--------------------|-------------------|-------------------|
| TURNOVER | 826 | 717 | 15% |
| PBT | 87 | 56 | 55% |
| PAT | 64 | 39 | 65% |

ORDER BOOKED DURING THE YEAR

(Rs in Crores)

| Division | FY11 Up to 31st January | FY10 | FY09 |
|-------------------------------------|---|-------------|-------------|
| Material Handling Equipments | 909 | 311 | 907 |
| GEAR | 504 | 437 | 427 |
| TOTAL | 1413 | 748 | 1334 |

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UNEXECUTED ORDERS AS ON

(Rs. in Crores)

| Division | January 31, 2011 | January 31, 2010 |
|-------------------------------------|---------------------|---------------------|
| Material Handling Equipments | # 1354 | #1062 |
| GEAR | 337 | 259 |
| Total | 1691 | 1321 |

It Includes the Order of Brahmani Industries Ltd. amounting Rs. 323 Crores which is on hold.

QUARTERWISE ORDERBOOKING

(Rs. in Crores)

| Division | Sept -07 | Dec -07 | Mar -08 | June -08 | Sep -08 | Dec -08 | Mar -09 | Jun -09 | Sep -09 | Dec -09 | Mar -10 | Jun -10 | Sep -10 | Dec -10 |
|--------------|-------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| MHE | 499 | 19 | 414 | 139 | 528 | 195 | 45 | 66 | 75 | 81 | 89 | 414 | 96 | 287 |
| Gear | 88 | 88 | 132 | 116 | 121 | 106 | 84 | 81 | 117 | 112 | 127 | 185 | 136 | 136 |
| Total | 587 | 107 | 546 | 255 | 649 | 301 | 129 | 147 | 192 | 193 | 216 | 599 | 232 | 423 |

QUARTERWISE UNEXECUTED ORDERS

(Rs. in Crores)

| Division | Sep- 07 | Dec- 07 | Mar- 08 | Jun- 08 | Sep- 08 | Dec- 08 | Mar- 09 | Jun- 09 | Sep- 09 | Dec- 09 | Mar- 10 | Jun - 10 | Sep- 10 | Dec- 10 |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|------------|
| MHE | 948 | 876 | 1085 | 1158 | 1527 | 1570 | 1388 | 1269 | 1177 | 1105 | 997 | 1253 | 1166 | 1285 |
| Gear | 213 | 216 | 202 | 241 | 245 | 242 | 239 | 223 | 247 | 257 | 246 | 329 | 335 | 325 |
| Total | 1161 | 1092 | 1287 | 1399 | 1772 | 1812 | 1627 | 1492 | 1424 | 1362 | 1243 | 1582 | 1501 | 1610 |

The Company is having live enquiries of around Rs. 5000 Crores as on January 31, 2011.

The company has grown by around 10% in Turnover for the year 2009-10 over previous year and expects to grow in the range of 15 to 20% in 2010-11.

During nine months of the financial year 2010-11, Rs 38 Crores have been capitalized as Fixed Assets.

We are glad to inform you the Company through its subsidiaries in Mauritius, Sweden, UK & USA has acquired w.e.f. 26th November, 2010 operations of the Benzlers-Radicon Group (“B-R Group”) from David Brown Gear Systems Group through a Sale and Purchase Agreement executed on 25th October, 2010. The details of the transaction are as under:

- 1. Elecon Transmission International Ltd., (Mauritius), a 100% SPV of Elecon Engineering Company Ltd.**
- 2. Elecon UK Transmission Ltd., a wholly owned subsidiary of Elecon Transmission International Ltd.; and**
- 3. Elecon USA Transmission Ltd., a wholly owned subsidiary of Elecon UK Transmission Ltd.**

have executed a sale and purchase agreement with :

- 1. David Brown Systems S.a.r.l, Luxembourg**
- 2. David Brown Gear Systems Ltd., U.K**
- 3. Cone Drive Operations Inc., USA, respectively**

To acquire:

- 1. 100% share holding of David Brown Systems Sweden AB (the Benzlers business);**
- 2. The Applied Products division i.e. RADICON, of David Brown Gear Systems, UK; and**
- 3. Certain assets of the gear motor business of Cone Drive Inc USA**

The gross value of 100% stake of these Businesses as a going-concern on a debt and cash free basis is GBP 18.40 mn.

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Apart of the aforesaid transaction, Power Build Transmission International Ltd., Mauritius, a 100% SPV of Power Build Ltd., a Group Company of Elecon Engineering Company Ltd. has acquired w.e.f. 26th November, 2010 100% stake of David Brown Systems (Thailand) Ltd.

The gross value of 100% stake of David Brown Systems (Thailand) Ltd. as a going-concern is GBP 3.00 mn.

Market Capitalization as on February 09, 2011 was around Rs. 566 Crores.