



Adani Ports and Special Economic Zone Limited
Operational & Financial Highlights – H1 FY 17 & Q2 FY 17

Contents

- + Operational Highlights
- + Cargo Performance
- + Business Verticals
- + Financial Highlights
- + Business Strategy
- + CSR & Awards

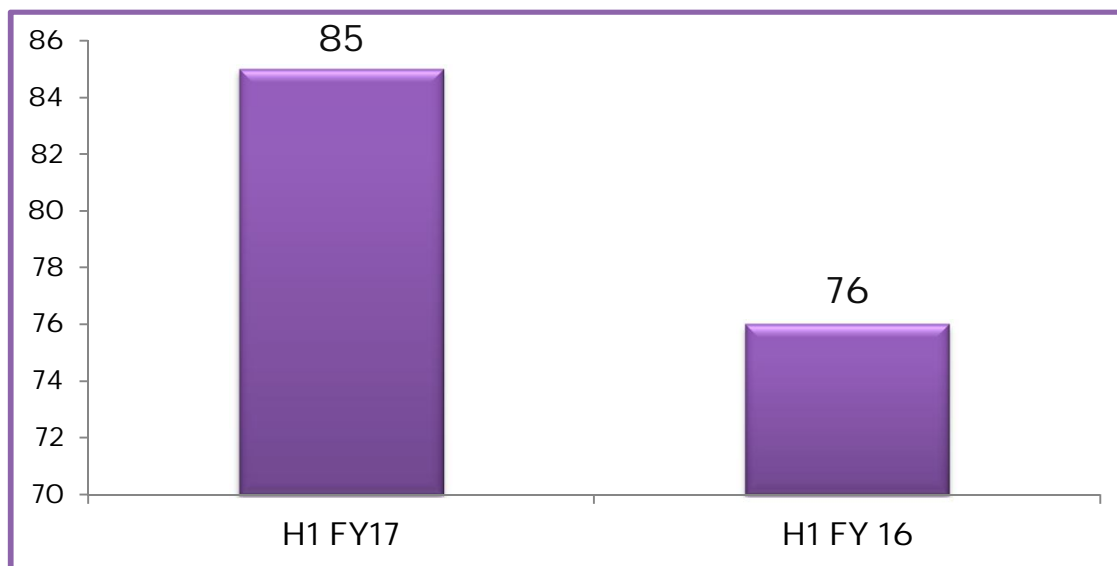


Operational Highlights

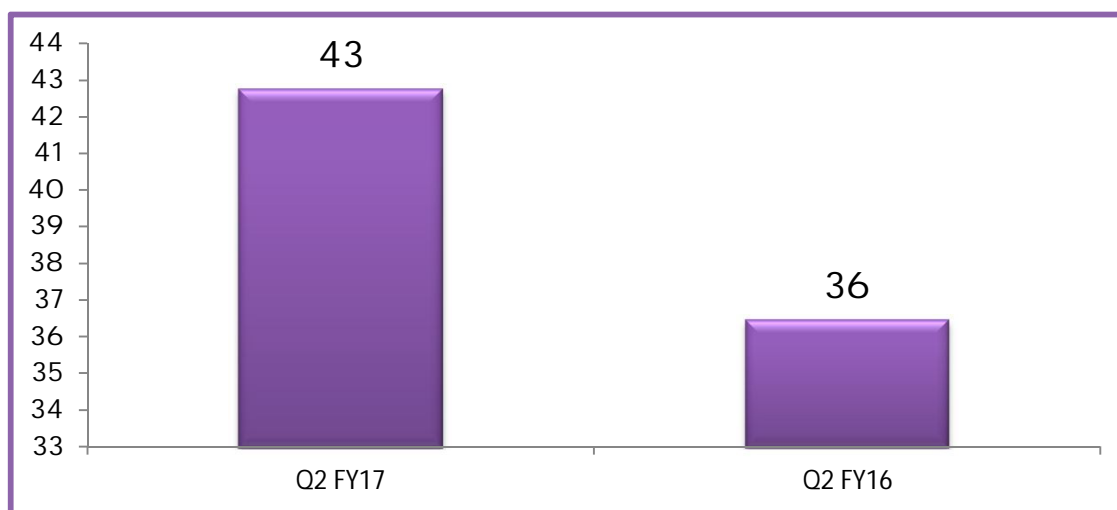
- Cargo Volumes: – 85 MMT in H1 FY 17 – up 12% (Y o Y)
43 MMT Q2 FY 17 – up 17% (Y o Y)
- Container volumes **up 28% in H1 FY 17 & 30% in Q2 FY 17**
- Cargo composition shifting towards containers and other high value cargo
- **Outperformance compared to all India Ports continues.**
 - ✓ In H1FY17 APSEZ grew by 12 % while All India Ports grew by 5% .
 - ✓ In Q2FY17 APSEZ grew by 17% while All India Ports grew by 6%
- In Q2 FY 17 Mundra port cargo volumes grew by 5% YOY. **All other operating ports register double digit cargo volume growth.**
- New service liners at Mundra, Hazira & kattupalli ports commenced.

APSEZ outperformance in handling cargo volume in India continues

Cargo Volumes – Strong Volume Growth Continues

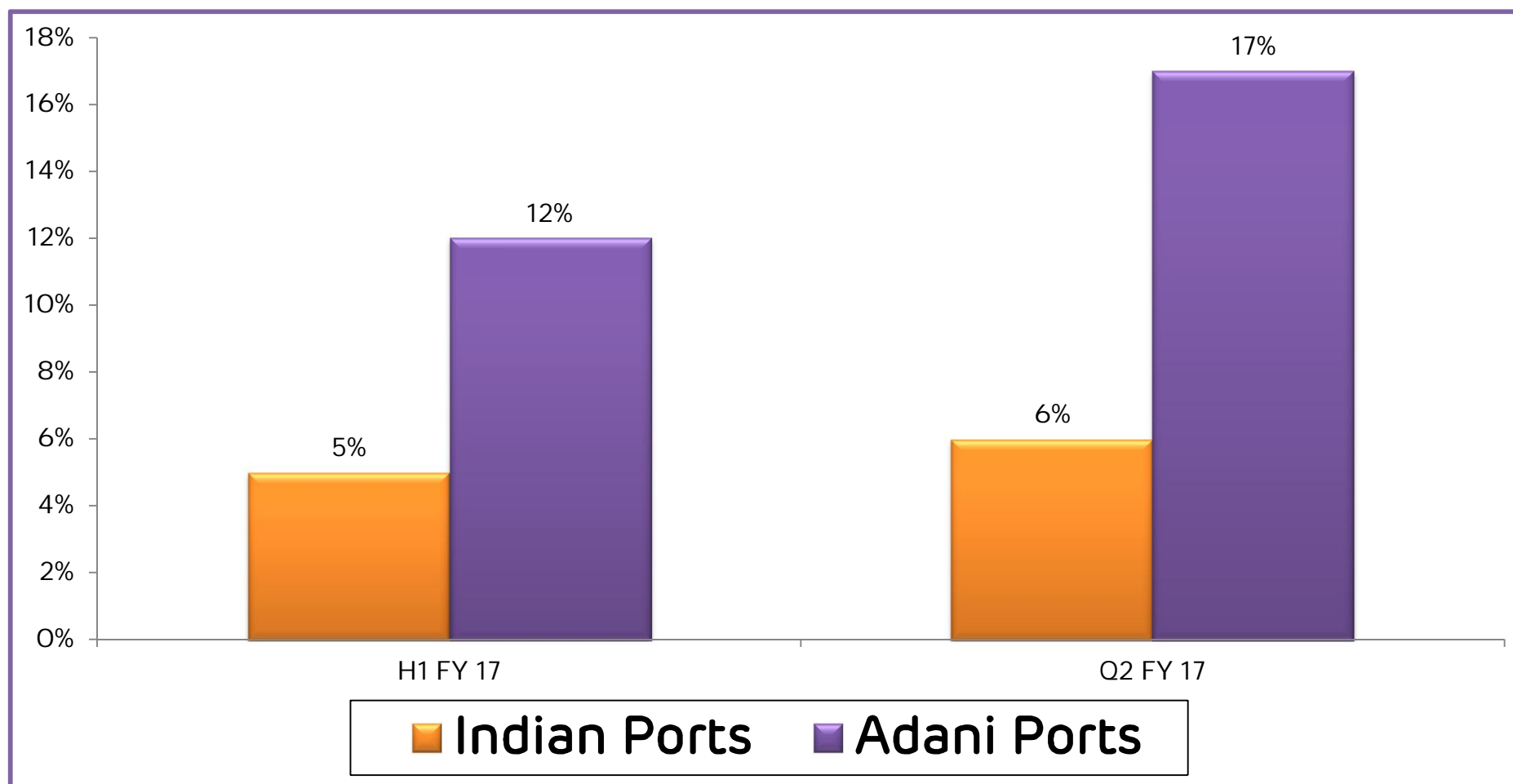


12% YOY



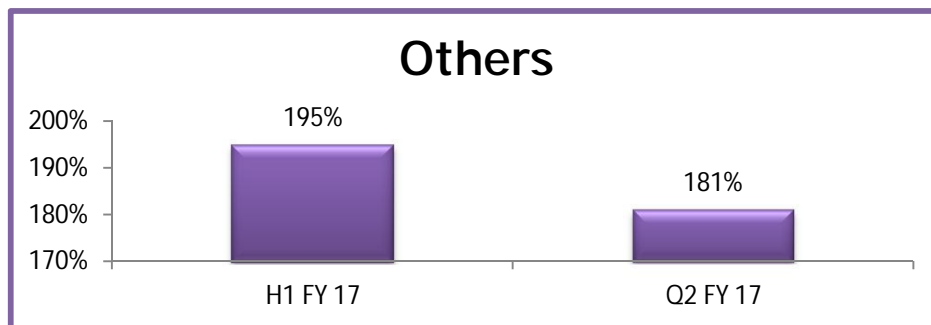
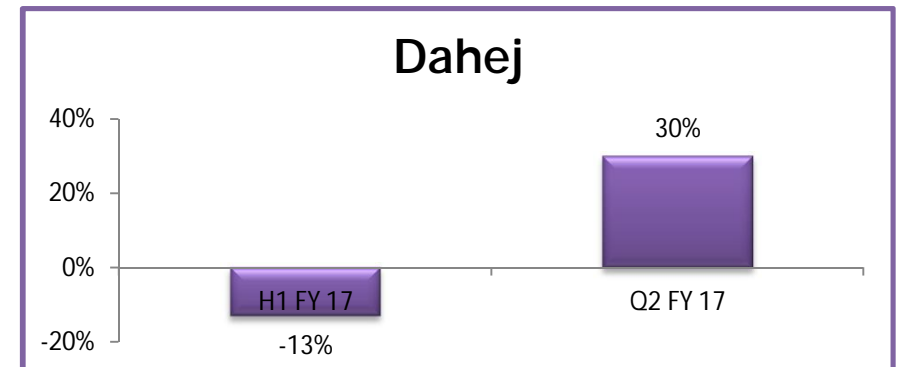
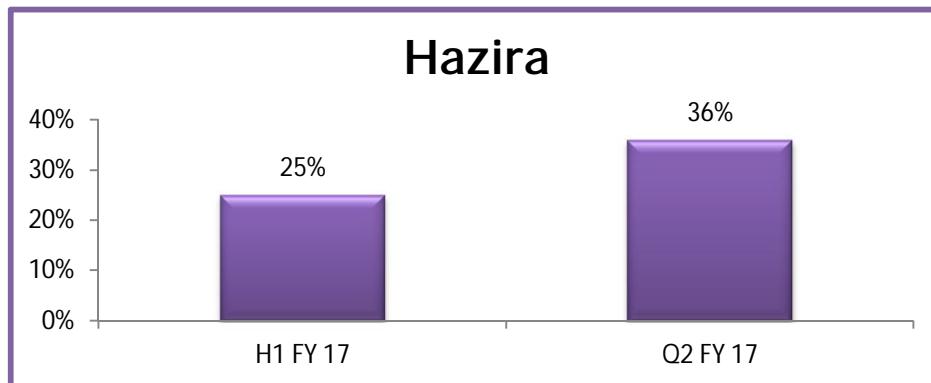
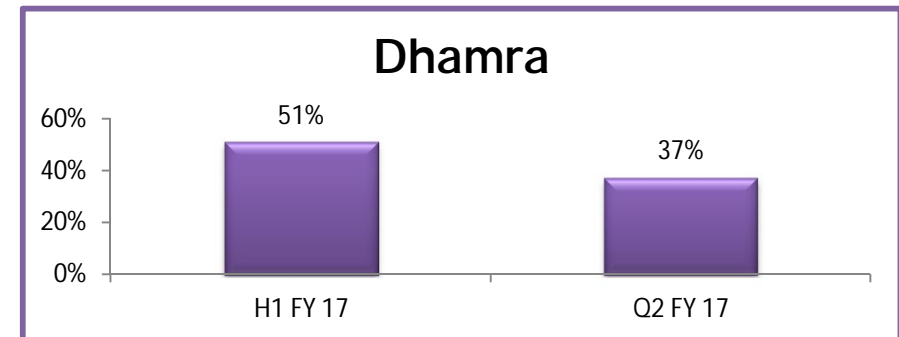
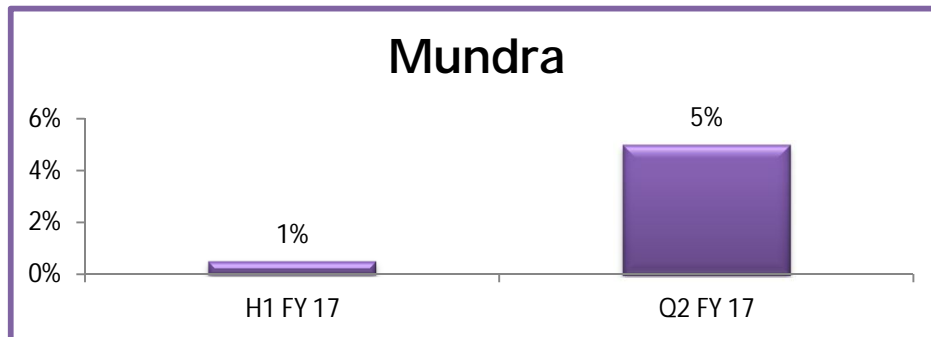
17% YOY

Cargo Volume : Adani Ports vs All Indian Ports



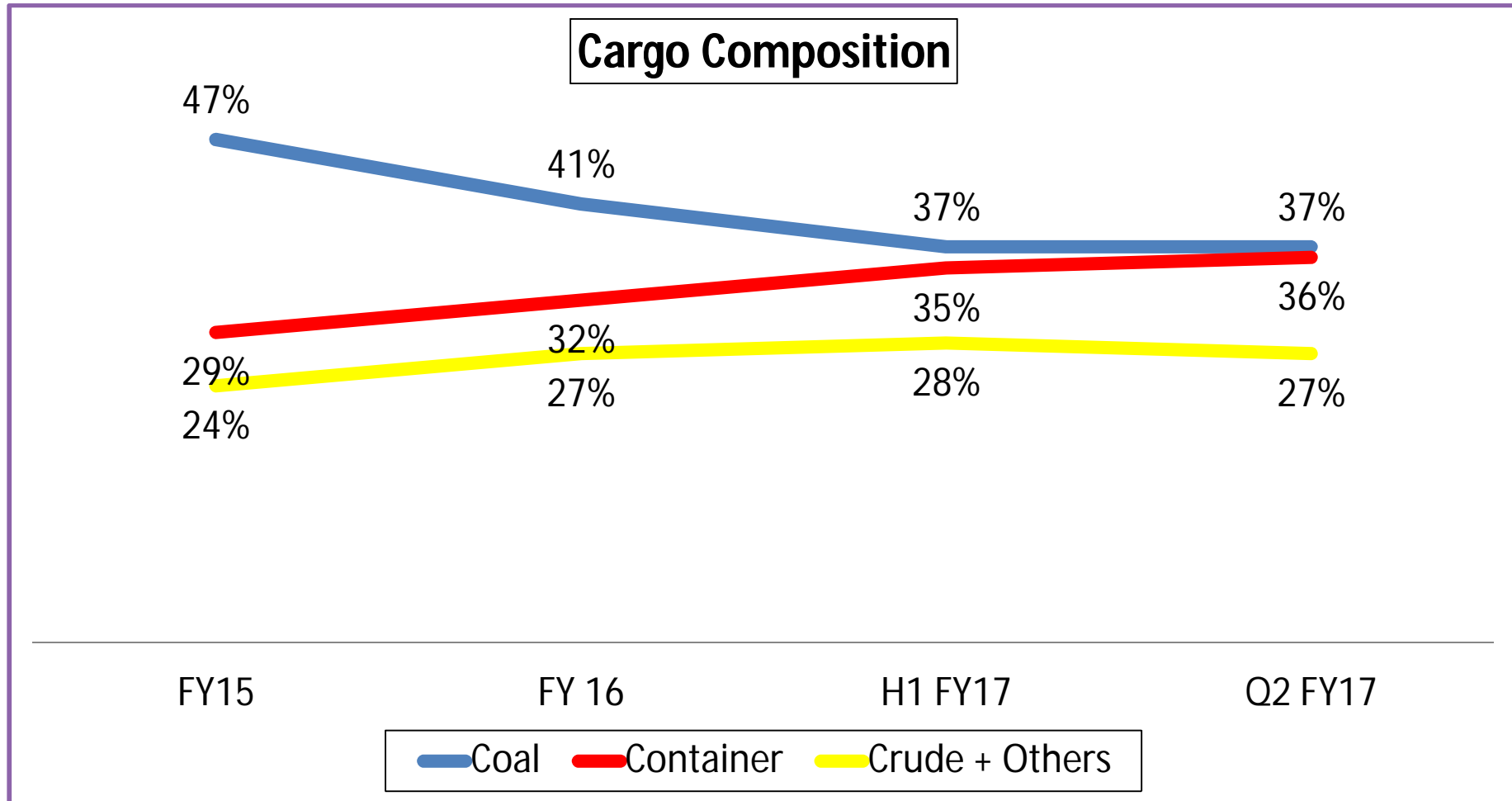
APSEZ Outperforms Total India Ports Growth

Port wise Performance – All ports contributing to growth



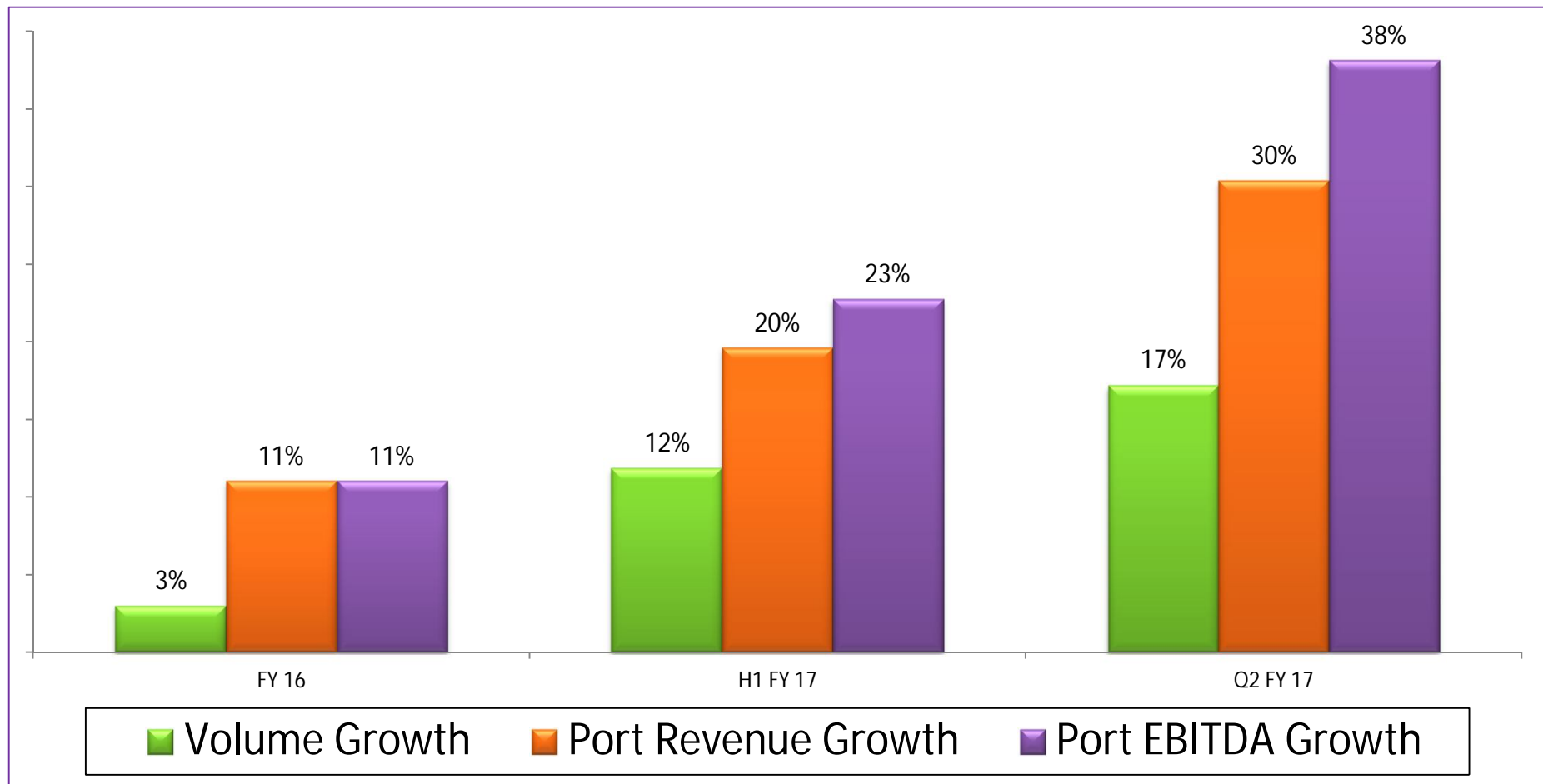
New Ports Contribute To Growth

Cargo Composition - Strategy To Diversify Augurs Well



Systematic Shift Towards Container And Other High Value Cargo

Operational Growth Outpacing Volume Growth



Cargo Volume Growth Has Multiplying Effect On Port Revenue & EBITDA Growth

Container business – Future Ready



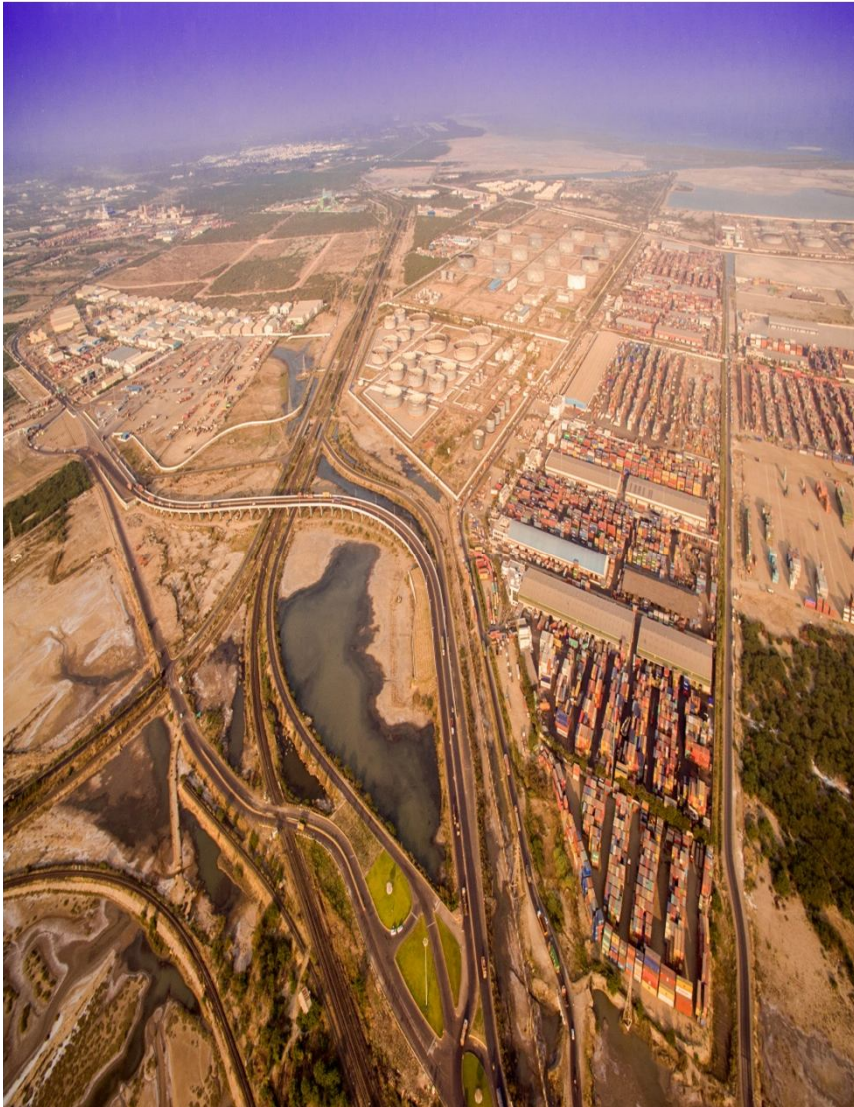
- Current container operations at Mundra, Hazira and Kattupalli.
- Operations at Ennore port is likely to commence during Q4 FY17.
- Geared up to handle larger ships.
- New Services added: -
 - ✓ Mundra - KMTC, COSCO, Evergreen and Wanhai
 - ✓ Kattupalli - Maersk line service has shifted its service from Chennai
 - ✓ Hazira - Connectivity for Far East has increased. New GALEX service of Emirates/KMTC/RCL
- Total capacity of 5.5 million TEUs at Mundra, 0.8 million TEUs at Hazira and 1.2 million TEUs at Kattupalli

Logistics – An end to end logistic service provider



- Two ICD's at Patli (Haryana) and Kishangarh (Rajasthan)
- Strategic partnership at Loni, Bawal and Wardha.
- ICD at Kila-Raipur (Punjab) will be commissioned in Jan 2017.
- ICD Patli - The largest private ICD in the country for Container Volume.
- ALL: In volume terms is India's largest private rail operator. Operating 18 Rail rakes. 100,000 MT coil movement by Rail in 2015-16 ex Mundra.
- Expanded capabilities to offer Warehousing and End-to-End supply chain solutions to clients namely - Maruti Suzuki, Honda, Adani Wilmar, Toyota Tsusho, Hanko, Lanxess, Ravago Shah polymers, Winmar, Hero Motors, Aditya Birla and many more.
- Terminal volume on Year on Year basis increased by 21%.
- Revenues in Q2 FY17 grew by 17%.

Special Economic Zone - Mundra



- Notified land bank of over 8000 Hectares.
- Diverse key sectors operate from Mundra SEZ.
- Integrated rail, road and airport connectivity,
- Recent few big clients - viz., Credo Minerals, OWS (oilfield warehousing services) and a prominent FMCG company operating in India for more than three decades
- In this financial year more than fifty Acres of land lease has been firmed up,
- Assured revenue visibility for the next 15 to 30 years.
- Development of SEZ will lead to increase in EXIM cargo for our Mundra port.

Dredging capabilities – opportunity to do contract works



- Spare resources capacity being used for taking up outside contracts.
- Expecting steady flow of revenue.
- Eyeing to take up projects for national waterways, RORO works.

Financial Highlights

H1 FY 17

Parameter (Rs in cr)	Amount and Y o Y growth	
Total Income	4010 cr up by 14%	
EBITDA	2621 cr up by 14%	
EBITDA Margins	65%	
PAT	1927 cr up 46 %	
EPS in Rs	9.30	



Q2 FY 17

Parameter	Amount and Y o Y growth	
Total Income	2183 cr up by 21%	
EBITDA	1451 cr up by 23%	
EBITDA Margins	66% up by 100 bps	
PAT	1091 cr up by 61%	
EPS in Rs	5.26	



Reduction of related party loans by 1039 crs

Key Ports & Logistic Vertical Performance


H1 FY 17

Particulars	Cargo	Revenue	EBITDA
	(mmt)		
Mundra	57.16	2357	1712
Dhamra	10.55	570	380
Hazira	7.35	487	372
Dahej	3.50	171	117
Logistics	-	358	44

Q2 FY 17

Particulars	Cargo	Revenue	EBITDA
	(mmt)		
Mundra	28.27	1302	990
Dhamra	5.19	286	182
Hazira	3.98	266	208
Dahej	1.99	101	72
Logistics	-	191	22



Key Financial Summary – First Half FY 2017

Particulars	H1 FY 17	H1 FY 16	Variance(%)
Total Income	4010	3523	14%
Of which Logistics	357	341	5%
Of which SEZ ^	214	361	
Other Operating Income	17	12	
Total EBITDA	2621	2295	14%
EBITDA Margin(%)	65%	65%	Maintained
Adjusted Port EBITDA*	2383	1942	23%
Adjusted Port EBITDA Margin *	71%	69%	 200 bps
Port EBITDA	2319	1942	19%
Port EBITDA Margin(%)	69%	69%	Maintained
<u>Other Income</u>			
Interest Income	443	279	
Others	48	31	

* Expense of Rs 64 crs in Kattupalli capitalised earlier has now been charged off

^ SEZ Income H1 FY 16 includes MSTPL of 300 crs

Key Financial Summary – Second Quarter FY 2017

Particulars	Q2 FY 17	Q2 FY 16	Variance(%)
Total Income	2183	1808	21%
Of which Logistics	191	164	17%
Of which SEZ ^	196	314	
Other Operating Income	7	6	
Total EBITDA	1451	1178	23%
EBITDA Margin(%)	66%	65%	 100 bps
Adjusted Port EBITDA*	1227	889	38%
Adjusted Port EBITDA Margin *	71%	67%	 400 bps
Port EBITDA	1163	889	31%
Port EBITDA Margin(%)	67%	67%	Maintained
<u>Other Income</u>			
Interest Income	209	135	
Others	25	13	

* Expense of Rs 64 crs in Kattupalli capitalised earlier has now been charged off

^ SEZ Income Q2 FY 16 includes MSTPL of 300 crs

Key Operating Parameters and Financial Ratios

Particulars	H1 FY17	FY 15-16
Net Debt(Rs in Crs)	19106	20399
Net Debt / EBITDA	3.64	4.49
ROA	12%	11%
Capex Additions (Rs in Crs)	1222	

- Net Debt decreases by Rs 1293 crs
- Net DEBT / EBITDA decreases by 0.85x
- ROA improves by 100 bps

Consolidated Financial Performance –SEBI Format

Sr. No.	Particulars	(₹ Crores)				
		Quarter Ended			Half Year Ended	
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
1	a. Net Sales / Income from Operations	2,175.77	1,817.23	1,802.15	3,993.00	3,511.04
	b. Other Operating Income	7.28	9.35	5.99	16.63	11.89
	Total Income from Operations (net)	2,183.05	1,826.58	1,808.14	4,009.63	3,522.93
2	Expenditure					
	a. Operating Expenses	552.96	455.97	412.14	1,008.93	852.84
	b. Employee Cost	80.48	77.35	75.37	157.83	137.70
	c. Depreciation / Amortisation	282.26	280.99	268.33	563.25	521.32
	d. Foreign Exchange (Gain) / Loss (net)	9.71	47.30	51.76	57.01	71.23
	e. Other Expenses	88.43	76.19	90.59	164.62	165.89
	Total Expenditure	1,013.84	937.80	898.19	1,951.64	1,748.98
3	Profit from Operations before Other Income, Finance Cost and Tax (1-2)	1,169.21	888.78	909.95	2,057.99	1,773.95
4	Other Income	233.72	257.14	147.85	490.86	310.24
5	Profit from ordinary activities before Finance Cost and Tax (3+4)	1,402.93	1,145.92	1,057.80	2,548.85	2,084.19
6	Finance Cost					
	a. Finance Cost	296.66	290.34	339.94	587.00	666.97
	b. Derivative (Gain)/Loss	(59.93)	(23.16)	9.57	(83.09)	14.63
7	Profit from ordinary activities before Tax (5-6)	1,166.20	878.74	708.29	2,044.94	1,402.59
8	Tax Expense (net)	82.31	60.96	49.60	143.27	113.81
9	Net profit before minority shareholders (7-8)	1,083.89	817.78	658.69	1,901.67	1,288.78
10	Minority Interest Loss / (Profit)	(5.08)	2.38	16.14	(2.70)	25.16
11	Share of Profit/(Loss) from Associates and joint ventures	12.00	15.55	2.81	27.55	7.48
12	Net Profit (9 + 10 + 11)	1,090.81	835.71	677.64	1,926.52	1,321.42
13	Other Comprehensive Income (including relating to associates and joint ventures (JV) (after tax) (OCI)	(1.51)	(0.55)	(0.56)	(2.06)	(1.11)
14	Total Comprehensive Income (after tax)	1,089.30	835.16	677.08	1,924.46	1,320.31

Consolidated - Reconciliation of IGAAP and Ind-AS result

(₹ Crores)			
Sr No	Nature of Adjustments	Quarter Ended September 30, 2015	Half Year Ended September 30, 2015
	Net Profit as per Previous GAAP	667.46	1,308.34
i)	Remeasurement cost of net defined benefit liability	0.84	1.68
ii)	Net gain/(loss) on financial assets / liabilities fair valued through statement of profit and loss	14.88	(3.45)
iii)	Impact of measuring derivative financial instruments	(10.34)	-
iv)	Restatement of profits eliminated in case of major ports covered under Service Concession Arrangements	(7.45)	(3.22)
v)	Reversal of Amortisation of Goodwill	0.71	1.41
vi)	Measurement of Government Grant as Deferred Income	5.39	10.61
vii)	Deferred tax impact on above adjustments	6.15	6.05
	Total	10.18	13.08
	Net profit Before OCI as per Ind AS	677.64	1,321.42
	Other Comprehensive Income (net of tax)	(0.56)	(1.11)
	Net profit After OCI as per Ind AS	677.08	1,320.31

Standalone Financial Performance – SEBI Format

Sr. No.	Particulars	(₹ Crores)				
		Quarter Ended			Half Year Ended	
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
1	a. Net Sales / Income from Operations	1,277.92	1,020.81	1,539.07	2,298.73	2,587.23
	b. Other Operating Income	23.95	34.35	20.60	58.30	37.54
	Total Income from Operations (Net)	1,301.87	1,055.16	1,559.67	2,357.03	2,624.77
2	Expenditure					
	a. Operating Expenses	185.82	190.20	196.42	376.02	398.98
	b. Employees Cost	56.65	49.03	50.53	105.68	89.85
	c. Depreciation / Amortisation	133.31	135.34	132.03	268.65	256.91
	d. Foreign Exchange (Gain) / Loss (net)	10.24	44.53	40.94	54.77	61.31
	e. Other Expenses	58.85	50.16	63.12	109.01	113.71
	Total Expenditure	444.87	469.26	483.04	914.13	920.76
3	Profit from Operations before Other Income, Finance Cost and Tax (1-2)	857.00	585.90	1,076.63	1,442.90	1,704.01
4	Other Income	295.91	272.00	263.02	567.91	499.02
5	Profit from ordinary activities before Finance Cost and Tax (3+4)	1,152.91	857.90	1,339.65	2,010.81	2,203.03
6	Finance Cost					
	a. Finance Cost	256.20	244.88	262.18	501.08	487.67
	b. Derivative (Gain)/Loss	(38.55)	(6.66)	(2.33)	(45.21)	2.04
7	Profit from ordinary activities before Tax (5-6)	935.26	619.68	1,079.80	1,554.94	1,713.32
8	Tax Expense (net)	18.59	16.84	20.29	35.43	37.90
9	Net Profit for the Period (7-8)	916.67	602.84	1,059.51	1,519.51	1,675.42
10	Other Comprehensive Income (net of tax) ("OCI")	(1.14)	(0.24)	(0.25)	(1.38)	(0.49)
11	Total Comprehensive Income (after tax)	915.53	602.60	1,059.26	1,518.13	1,674.93

Standalone - Reconciliation of IGAAP & Ind-AS result

(₹ Crores)

Sr No	Nature of Adjustments	Quarter Ended September 30,2015	Half Year Ended September 30,2015
	Net profit as per Previous GAAP	1,036.96	1,656.03
i)	Remeasurement cost of net defined benefit liability	0.37	0.74
ii)	Net gain /(loss) on financial assets /liabilities fair valued through statement of profit and loss	31.92	26.38
iii)	Impact of measuring derivative financial instruments	(8.29)	-
iv)	Reversal of amortization of Goodwill	0.71	1.41
v)	Measurement of government grant as deferred income	0.10	0.10
vi)	Deferred Tax impact on above adjustments	(2.26)	(9.24)
	Total	22.55	19.39
	Net profit Before OCI as per Ind AS	1,059.51	1,675.42
	Other Comprehensive Income (net of tax)	(0.25)	(0.49)
	Net profit After OCI as per Ind AS	1,059.26	1,674.93

FY 17: Focus Areas And Cargo Outlook

- With a cargo growth of 12 % in H1FY17 , guidance for FY17 on track (10 to 15%)
- Diversify cargo mix - To increase the share of containers and high value cargo
 - ✓ **Other bulk cargo:** Iron ore, Fertilizer, Steel, Agricultural products, project cargo share to increase
- **Containers:** Volumes set to increase - New partners on board, existing customers introduce new services at Mundra, Hazira and Kattupalli.
 - ✓ Container Terminal 4 now operational – will bring in additional volumes.
 - ✓ Ennore Port to be commercially operational in Q4 FY17
- Continual focus on maintaining revenue growth, operating costs and ensuring better bottom line

Awards and other Activities – H1 FY 17



- MALA Awards – Container Handling Port of the Year – Mundra – FY 2016
- MALA Awards - Port/ Maritime Personality of the Year – Capt Sandeep Mehta – FY 2016
- Best private port of the year By India Sea Trade Award – FY 2016
- MALA award for best container port in India - By Maritime and Logistic Award - FY 2016
- Best port of the year for (Non – Containerised cargo)- By Indian Maritime Award – FY2016

- Released First Sustainability report of Adani Ports & Special Economic Zone Ltd

Corporate Social Responsibility



Adani Ports: CSR Initiatives



Education

- Underprivileged Children
- Training volunteers for teaching
- Girl Child Education
- Adani Vidyamandir



Health

- Mobile dispensary
- Immunization for kids
- Teaching sanitation in rural area
- HIV /AIDS awareness campaign



Livelihood Development

- Vocational training
- Animal Husbandry
- Cattle vaccination
- Skill gradation



Rural Infrastructure Development

- Pond deepening
- Village drainage system
- Check dam construction
- Roads, drinking water, power etc.

Disclaimer

Certain statements made in this presentation may not be based on historical information or facts and may be “forward-looking statements,” including those relating to general business plans and strategy of Adani Ports and Special Economic Zone Limited (“APSEZL”), the future outlook and growth prospects, and future developments of the business and the competitive and regulatory environment, and statements which contain words or phrases such as ‘will’, ‘expected to’, etc., or similar expressions or variations of such expressions. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in their business, their competitive environment, their ability to implement their strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in India. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of APSEZL’s shares. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of APSEZL.

APSEZL, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless otherwise specified is only current as of the date of this presentation. APSEZL assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. APSEZL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.

No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of APSEZL.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of its should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration therefrom.