



Alstom Projects

Not Rated

Rs 1,040

December 14, 2007

Order inflow continues to be strong

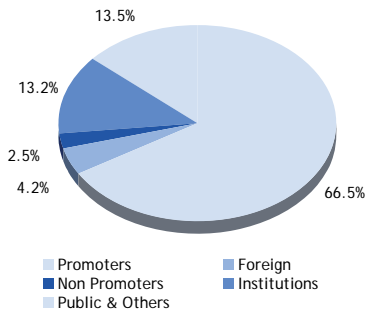
Company Details

Market Cap:	Rs 69,705m
52 Week High/Low:	Rs 1,109 / 369
Bloomberg Code:	ABBAP@IN
Reuters Code:	ABBP.BO / NS
Shares O/s:	68m
Average Volume (3 months):	0.3m

We recently had a call with the management of Alstom Projects India to get an update on the company.

The activity on the hydro business front continues to be strong, with a number of tenders being floated by various agencies. Projects to the tune of 5.5GW are at the clearance stage and another 8GW projects at the survey and implementation stage. This opportunity is expected to benefit Alstom significantly and we expect the order book to witness significant acceleration over the next few years to 48bn in FY09.

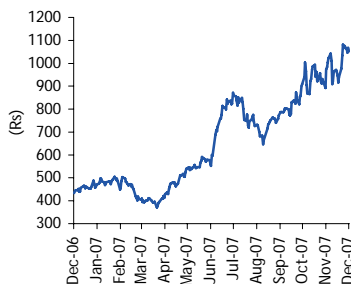
Share Holding Pattern



The recent massive advertisement in the newspapers depicting heavy recruitment by Alstom was actually by the parent company for its detailed engineering requirements and not for Alstom Projects India. Alstom India has been consistently recruiting and increasing its work force to meet the growing industry needs.

Alstom is expected to report 39.9% CAGR in revenue over FY07-09E along with earnings CAGR of 46.2%. At the CMP of Rs1,040, the stock trades at 40.6x and 29.2x FY08E and FY09E earnings of Rs25.6 and Rs35.6 respectively. We remain positive on the stock.

Price Chart



Key Figures

Y/e March	FY06	FY07	FY08E	FY09E
Revenue (Rs m)	9,456	12,215	17,049	23,895
EBITDA (Rs m)	452	1,209	1,898	2,772
<i>Margins (%)</i>	<i>4.8</i>	<i>9.9</i>	<i>10.9</i>	<i>11.6</i>
PAT (Rs m)	479	1,115	1,718	2,383
EPS (Rs)	7.1	16.6	25.6	35.6
PER (x)	145.5	62.5	40.6	29.2
EV / E (x)	145.5	53.4	33.6	22.6
EV / Sales (x)	7.0	5.3	3.7	2.6
<i>RoCE (%)</i>	<i>15.4</i>	<i>34.0</i>	<i>44.7</i>	<i>48.2</i>
<i>RoE (%)</i>	<i>21.0</i>	<i>38.3</i>	<i>46.3</i>	<i>47.2</i>

Price Performance

(%)	1m	3m	12m
Absolute	6.9	33.6	138.1

Relative to			
Sensex	6.0	4.8	8.1

(Stock price as on November 26, 2007)



Notes

This document has been prepared by the Research Division of Prabhudas Lilladher Pvt. Ltd. Mumbai, India (PL) and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security. The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accept any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein. Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor. Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication. We may from time to time solicit or perform investment banking or other services for any company mentioned in this document.