



MSP STEEL & POWER LIMITED

Press Release August 11th, 2011

Unaudited financial results for quarter 1 of Fiscal 2011-12

Revenue increased by 64%

EBITDA increased by 72%

Net Profit increased 32%

KOLKATA, India, August 11th, 2011 - MSP Steel & Power Limited (referred to as – “MSPL” or the “Company”, NSE: MSPL, BSE: 532650), one of India’s fastest growing integrated steel manufacturing company, announces its Quarter 1st unaudited financial results for Fiscal 2011-12, in accordance with Indian GAAP.

Commenting on the results and performance, Mr. Suresh Kumar Agrawal, Managing Director of the Company said:

“Our financial performance during Q1 of FY 2011-12 registered a sharp growth in sales revenue due to increase in price realization and production volumes. Despite increase in the cost of inputs, the company has maintained a healthy operating margin during the quarter due to better operations of plant and increased realizations from sale of finished products - Structures/TMT. Additional capacity of DRI of 1.15 lac tpa and 18 MW power plant commissioned in last quarter of FY11 has been operating smoothly in the current quarter with better capacity utilization.

Further, projects of pellet and power are in advance stage of implementation and the production volume is expected to increase over coming quarters, we expect revenues and profitability to improve further.”

Financial Highlights			(` in Crore)
Particulars	Q1 FY12	Q1 FY11	QoQ Growth %
Revenue	175.18	107.07	64%
EBITDA	35.52	20.72	72%
EBIT	28.35	16.49	73%
Interest Expense	13.33	5.40	147%
PBT	15.02	11.04	36%
Tax	3.65	2.42	142%
PAT	11.37	8.62	32%
EPS	1.96	1.48	32%



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Business Performance

During Q1 of FY'2011-12, MSP Steel registered a robust financial performance with a revenue growth of 64% to Rs.175.18 Crores, an increase in EBIDTA by 72% to Rs.35.52 Crores, and increase in PAT by 32% to Rs.11.37 Crores.

Operations Performance

The production figures of Q1 FY'11-12 versus Q1 FY'10-11 were as follows :-

Products	UOM	Production	
		Q1 2011-12	Q1 2010-11
Iron Ore Pellets	MT	58,210	41,303
Sponge Iron	MT	49,541	42544
M.S.Billets	MT	34,980	18501
TMT bar	MT	17,520	9951
Structural	MT	18,170	8912
Power	Units	56,989,240	43,261,361

Business Strengthening Initiatives

In the competitive steel industry, business advantage is derived from an ability to enhance capacities, reduce costs and shrink time. At MSP, we created and are creating fresh capacities on one hand and compressing commissioning costs and time for our various projects on the other. These prepond revenues and profits, which accelerated payback. We expect to start upcoming pellet and power plant much ahead of schedule.

Outlook

In FY2012, MSPL expects strong growth in overall business. The expected start of the 10 Lacs Mtpa of beneficiation plant, 6 lacs Mtpa of pellet plant, 34 Mw of Power Plant during Dec quarter, will contribute significantly to the profitability. MSPL expects to benefit directly from the continued strong demand of steel in the construction and infrastructure sectors.

Analyst / Investor / Media Enquiries

Kamal Kumar Jain

MSP Steel & Power Limited

+91 33 4005 7777

kamal.jain@mbspsteel.com/ investor.contact@mbspsteel.com

For further information on MSP Steel & Power Ltd visit www.mbspsteel.com

Notes:

- Net Sales : Excludes Other Income
- EBITDA : Earnings before interest, taxes and depreciation; includes other income and exceptional items.
- Basic EPS: Each share face value of Rs. 10.00; 5.81 Crore Equity shares outstanding as of June 30, 2011.



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Regd. Office: 1, Crooked Lane, Kolkata - 700 069

Corp. Office: 16 / S, Block A, New Alipore, Kolkata - 700 053

www.mspsteel.com

Unaudited Financial Results for the quarter ended 30th June 2011

(Rs. in Lacs)

Particulars	3 months ended		Year Ended
	30.06.2011	30.06.2010	31.03.2011
	(Unaudited)		(Audited)
1 Sales/Income from Operations	18,524.80	11,641.09	51,789.50
Less: Excise Duty	1,426.29	989.62	4,042.56
(a) Net Sales/Income from Operations	17,098.51	10,651.47	47,746.94
(b) Other Operating Income	294.29	53.59	3,270.71
Sub Total (a-b)	17,392.80	10,705.06	51,017.65
2 Expenditure:			
(a) (Increase)/Decrease In Stock in Trade and Work in Progress	(641.32)	(676.65)	(3,628.11)
(b) Consumption of Raw Materials	10,636.54	7,563.10	31,657.18
(c) Purchase of Traded Goods	1,331.76	-	3,491.33
(d) Employees Costs	464.76	363.96	1,533.72
(e) Depreciation	717.16	422.72	1,932.90
(f) Other Expenditure	2,174.22	1,385.46	7,371.86
Sub Total (a-f)	14,683.12	9,058.59	42,358.88
3 Profit from Operations before Other Income, Interest, Prior Period Items & Taxes (1-2)	2,709.68	1,646.47	8,658.76
4 Other Income	124.79	2.16	327.38
Profit before Interest, Prior Period Items & Taxes (3+4)	2,834.47	1,648.63	8,986.15
5 Interest	1,333.11	540.35	2,260.43
Profit before prior period items & Taxes (5-6)	1,501.36	1,108.28	6,725.72
8 Prior Period Items (Net)	(0.94)	3.81	15.72
Profit from Ordinary Activities before Taxes (7-8)	1,502.30	1,104.47	6,710.00
10 Tax Expense			
Current Tax [Minimum Alternate Tax (MAT)]	304.12	225.69	1,392.89
MAT Credit Entitlement	(60.23)	(278.45)	(1,055.53)
Deferred Tax Charge	121.61	295.15	1,351.54
Net Profit for the Period (9-10)	1,136.80	862.08	5,021.10
12 Paid up Equity Share Capital (Equity shares of Rs 10/-each)	5,810.00	5,810.00	5,810.00
13 Reserves excluding Revaluation Reserves	N.A.	N.A.	25,434.63
14 Earnings Per Share (EPS) (Rs.) Basic and diluted	1.96	1.48	8.62
15 Public Shareholding			
-- Number of Shares	16,386,500	16,386,500	16,386,500
-- Percentage of Shareholding	28.20%	28.20%	28.20%

Net Sales
increased
by 61%

EBDITA
increased
by 72%

PBT
increased
by 36%



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16	Promoters and Promoter Group shareholding			
	a) Pledged/ Encumbered			
	- Number of shares	Nil	4,330,000	Nil
	- Percentage of Shares (As a % of total shareholding of promoter and Promoter Group)	Nil	10.38%	Nil
	- Percentage of Shares (As a % of total share capital of the Company)	Nil	7.45%	Nil
	b) Non Encumbered			
	- Number of shares	41,713,500	37,383,500	41,713,500
	- Percentage of Shares (As a % of total shareholding of promoter and Promoter Group)	100.00%	89.62%	100.00%
	- Percentage of Shares (As a % of total share capital of the Company)	71.80%	64.35%	71.80%

PAT
increased
by 32%

Notes

- 1 The Company has only one business segment Iron & Steel".
- 2 There were no exceptional /extraordinary items during the respective periods reported above.
- 3 The status of investors complaints for the quarter ended 30th June 2011:
Opening- Nil, Received - 06 Cleared - 06 Closing - Nil
- 4 The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of directors at its meeting held on 11.08.2011.
- 5 The Company has acquired 52.55% stake in AA ESS Tradelink Pvt. Ltd. for an amount of Rs 25 cr on 8th July 2011.
- 6 The Statutory auditors in their report for the year ended 31st March 2011, had considered the income from commodity transactions as speculative in nature and had expressed their inability to ascertain the impact of the same on the tax expense and networth of the Company. The management is of the opinion that these are normal income and does not see any impact of these transaction on the tax expense and net worth of the Company.
- 7 Limited Review of the Unaudited Standalone Financial Results for the quarter ended June 30, 2011 has been carried out by the statutory auditors of the Company
- 8 Previous period figures have been regrouped/rearranged wherever considered necessary.

By Order of the Board

Sd/-

Suresh Kumar Agrawal
Managing Director

Place : Kolkata

Date : 11th August 2011