

**Usha Martin Limited first half consolidated turnover at Rs. 1708 crores**

**Kolkata, October 31, 2011:** Usha Martin Limited, leading producer of Speciality Steel and one of the largest Wire Rope manufacturer globally announced its result for the second quarter and half year ended 30<sup>th</sup> September 2011.

**Consolidated - Financials**

| Particulars                       | Q2 FY12<br>Rs in Crs | Growth<br>(%) | H1 FY12<br>Rs in Crs | Growth<br>(%) | FY 10-11<br>Rs in Crs |
|-----------------------------------|----------------------|---------------|----------------------|---------------|-----------------------|
| Turnover                          | 890.37               | 8.6           | 1,707.89             | 11.0          | 3,268.40              |
| Net Sales                         | 828.39               | 8.5           | 1,591.77             | 10.8          | 3,046.57              |
| PBDIT                             | 146.46               |               | 292.49               |               | 587.31                |
| PBT                               | 32.01                |               | 68.58                |               | 204.07                |
| Exceptional<br>Items (Forex Loss) | (119.88)             |               | (119.88)             |               |                       |
| PAT                               | (62.69)              |               | (37.02)              |               | 137.03                |

**Standalone - Financials**

| Particulars                       | Q2 FY12<br>Rs in Crs | Growth<br>(%) | H1 FY12<br>Rs in Crs | Growth<br>(%) | FY 10-11<br>Rs in Crs |
|-----------------------------------|----------------------|---------------|----------------------|---------------|-----------------------|
| Turnover                          | 745.97               | 7.3           | 1,406.30             | 9.1           | 2,742.24              |
| Net Sales                         | 686.31               | 7.3           | 1,294.79             | 8.8           | 2,526.70              |
| PBDIT                             | 123.17               |               | 236.15               |               | 496.02                |
| PBT                               | 17.01                |               | 28.44                |               | 145.30                |
| Exceptional<br>Items (Forex Loss) | (120.33)             |               | (120.33)             |               |                       |
| PAT                               | (71.80)              |               | (64.16)              |               | 99.53                 |

**Operational Highlights**

|                   | Q2 – FY12<br>MT | H1 – FY12<br>MT |
|-------------------|-----------------|-----------------|
| <b>Production</b> |                 |                 |
| Billet            | 124,105         | 239,319         |
| Rolled Products   | 120,182         | 230,366         |
| VA Products       | 49,936          | 97,800          |
| <b>Sales</b>      |                 |                 |
| Rolled Products   | 67,670          | 125,066         |
| VA Products       | 47,604          | 89,328          |

**Key Highlights**

- Turnover increased by 11.0% on consolidated basis and 9.1% on stand alone basis.
- Consolidated EBITDA margin at 18.4%.
- Subsidiaries continue to do well.
- After higher charge on account of depreciation and interest but before Notional Forex Losses, PBT for H1'12 was Rs 68.58 Crs on consolidated basis.
- Operational performance could have been better, but for excessive monsoon and rainfall in the mining areas leading to constraints on supply of captive minerals.
- The net notional exchange loss of Rs 120 Crs, arising due to unusual depreciation in value of INR against US Dollar, has been considered as exceptional item.

**Excessive monsoon and rain fall**

The excessive monsoon and rainfall in the mining areas during the period of June'11 to Sep'11, resulted in constraints on production of captive iron ore and coal. The rainfall during this period was about 2000 mm as against 500 mm in previous corresponding period and annual average rainfall of 1200 mm in iron ore mining areas. Whereas in coal mine areas, it was 1170 mm against 530 mm in this period and corresponding period in previous year respectively. As a result, the Company could achieve production of iron ore of 2.66 L MT and Coal of 0.24 L MT during the second quarter.

### **Operations**

The Company could increase turnover to Rs.1707.89 crores by 11.0% in H-1 of FY 11-12 as against Rs.1538.71 crores during the corresponding period last year on consolidated basis. The turnover on standalone basis was higher by 9.1 % to Rs.1406.30 crores in H-1 as against Rs.1289.33 crores during the corresponding period last year.

However the company achieved PBT of Rs 68.58 crores on consolidated basis and Rs 28.44 Crores on standalone basis during the first half of the financial year, before exceptional items.

The bought out metallic to make up for lower availability of captive minerals and higher cost of coking coal pushed up the cost of production which could not be passed on in full due to slow down in economy and auto sector in particular. But for these reasons, the company's profitability could have been better.

### **Forex Loss**

During the month of September, 2011, due to unusual depreciation in the value of INR against USD, there was an exchange loss of Rs.120 crores on account of net notional loss arising out of restatement of outstanding foreign currency loans and acceptances. This loss has been considered as an exceptional item and the Company expects this loss to reverse in subsequent quarters.

### **Floods in Thailand**

In the recent torrential rains and floods in Thailand, the plant of Usha Siam Steel Industries Public Company Limited [USSIL], a subsidiary of the Company has become non operational due to the same being remaining in floods. The loss of properties, materials and profits is broadly covered under insurance policy taken by USSIL. The resumption of operation and assessment of losses would be assessed after the water recedes.

### **Business Locations**

Usha Martin Limited (UML) a leading Integrated Speciality Steel company in India and one of the largest Wire Rope manufacturers globally with facilities spread across major global markets -

|                          |   |                                                            |
|--------------------------|---|------------------------------------------------------------|
| Corporate Office         | - | Kolkata, India                                             |
| Iron Ore Mine            | - | Barajamda, India                                           |
| Coal Mine                | - | Daltonganj, India                                          |
| Steel Plants             | - | Jamshedpur, India<br>Agra, India                           |
| Wire & Wire Rope Plants  | - | Ranchi, India<br>Hoshiarpur, India<br>Thailand, UK & Dubai |
| Bright Bar Plants        | - | Ranchi, India<br>Chennai, India                            |
| Distribution & Marketing | - | USA, Europe, Middle East, South East Asia & Australia      |

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