



For immediate release

MUSCO ANNOUNCES UNAUDITED FINANCIAL RESULTS OF Q2 & H1-FY 2010-11

Mumbai, October, 27, 2010: The Board of Directors of Mahindra UGINE Steel Company Limited (MUSCO) announced the unaudited financial results for the quarter and half year ended 30th September, 2010 at its meeting held today.

Highlights

Particulars (Rs. Crs)	Q2 (2010-11)	Q2 (2009-10)	H1 (2010-11)	H1 (2009-10)	2009-10
Revenue	329.56	267.40	633.32	492.37	1087.88
EBIDTA	23.94	20.78	46.49	31.08	78.86
PBT	6.41	3.02	11.25	(3.97)	8.63
PAT	3.73	1.95	6.57	(2.61)	4.67

Highlights – Q2 & H1 - Year 2010-11

- The Company posted **PBT of Rs 6.41 crs (PAT-Rs 3.73 crs)** in Q2 FY11, against a PBT of Rs.3.02 crs (PAT-Rs 1.95 crs) of the corresponding quarter of the previous year.
- For FY11, the Company continues to post consistent improvement in performance as Q2-FY11 Revenue and PAT witnessing a growth of **8.5%** and **31%** respectively over corresponding figures of Q1-FY11.
- For the H1 FY11 the Company recorded **PBT of Rs. 11.25 crs (PAT-Rs.6.57 crs)** as against a loss of Rs. 3.97 crs (Net loss- Rs.2.61 crs) incurred in H1 FY10.
- **Total Revenue** for the Q2 FY11 were Rs 329.56 Crs – and for H1 FY11 were Rs.633.32 recording a growth of **23%** and **29%** from the same quarter and half year, respectively, of the previous year.
- **EBIDTA** for the Q2 FY11 and H1-FY11 is up by 15 % and 50%, respectively, as compared to same recorded for the corresponding periods of the previous year
- Quarterly **EPS** is Rs **1.15** for Q2-FY11 and for H1-FY11 is Rs.**2.02** per share of Rs. 10 as against Rs 0.60 and Rs. (0.80) per share of Rs 10 of the corresponding periods of the previous year.

Other Highlights

Steel Division:

- Demand is buoyant in both Auto & Non-auto segments.
- Increased exports realized in H1 FY11 as compared to that recorded in H1 FY10.
- Pressure on price encountered in Q2 FY11 & has since stabilised.
- Input cost escalation due to power and fuel price increase witnessed during the quarter under review. There is reasonably high possibility of wheeling lower cost power into MUSCO Steel under the agreement signed with Wardha Power Company Ltd in Q3 FY 11.

Stampings Division:

- *The general auto industry performance has been healthy which is also reflected in Stamping division's performance.*
- *Received award for Value addition in two years succession from an Auto OEM and for the first time from a Tractor manufacturer*
- *Pantnagar Plant construction at advanced stage.*

Ongoing Activities

Steel Division

- *Focusing on value added growth areas and planned capex for improvement in cost, quality and environment.*
- *Further penetration in oil and energy sectors for new products and also export in these sectors for recognition as global supplier.*
- *The Company is focusing on continuous improvement in operational and quality areas for value added products*

Stampings Division:

- *Improvement of value addition through assemblies*
- *Capacity expansion in the premises of OEMs is the new model being adopted by the OEMs and further capex being planned in the vicinity of auto hub.*
- *Capex at Kanhe unit is under execution*

Q3 (FY 2010-11)

OUTLOOK

The demand from automobile and engineering sectors is increasing in the Steel and Stamping division of your Company.

The Steel division is expected to achieve higher volume and margin in Q3 F 11 since the input cost and selling price likely to remain firm and stable.

The Stamping Division's robust results mirrors strong demand and the outlook for the Indian auto industry is very positive for Q3-FY11.

ABOUT MAHINDRA UGINE STEEL CO.LTD (MUSCO)

Mahindra UGINE Steel Company Limited is the one of the leading manufacturers of alloy steel and special steel products in India and has its Steel Plant in Khopoli, Maharashtra. MUSCO is also in the business of Stampings (Pressed Sheet Metal & Components) and is the leading player in this segment in India. MUSCO Stampings operates from three plants, Kanhe (near Pune), Nashik and Rudrapur. MUSCO is part of Mahindra Group and is subsidiary of Mahindra and Mahindra Limited.

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