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PRESS HANDOUT

It has been long cherished dream of NMDC to have a foot-hold in International markets; this has been fulfilled by the acquisition of Legacy Iron Ore, Australia during December 2011. NMDC has recently completed the acquisition of 50% equity in Legacy Iron Ore Limited and also inducted three Directors in Legacy board with Shri N.K. Nanda being appointed as Chairman. Legacy will serve as a platform to propel acquisition and development of mineral assets in Australia. This is endowed with an asset having more than 1 billion tonne of magnetite resource. As this is the first acquisition of NMDC ourselves the immediate need is to take control of the company and lead the company to a smooth transition of the control and operation and it needs immediate attention for settling the issues raised out of the takeover.

NMDC is actively pursuing the acquisition of overseas strategic mineral assets with the objective of meeting its own requirements and also towards raw material security for the country's steel and fertilizer industries. After successful acquisition of Legacy NMDC is in an upbeat mood and is laying its hands for more acquisitions in Brazil, Mozambique, Russia, USA and South Africa.

In Brazil an iron ore asset very close to port with reserves more than 1 billion has been identified for acquisition in Russia and in Mozambique we have identified coking coal assets. These assets have more than 50 MT and 150 MT respectively. In Australia, we are planning to use Legacy as our arm for further acquisition. The rock phosphate asset which we are following for some time is now under due diligence process. Once it is over we may go ahead with acquisition process.

NMDC is in talks with few companies and their projects are being evaluated by the internal team and is also in the process of appointing consultants for their comprehensive due diligence.

NMDC Limited achieved commendable performance for the quarter ended 31 December 2011. These are the best results for the 3rd quarter financial results since inception. The results for the year 2011-12 till date could have been much better had there been no hiccups at both Bellary-Hospet Region in Karnataka and Bailadila Sector in Chhattisgarh. The attention has to be given for improving the evacuation capacity in Bailadila sector and expedite the construction of the only green field steel plant under construction in India. It is pertinent to mention that in September, 2011 when CEC banned mining in this sector, permitted two mines of NMDC to continue operation because of the excellent environmental protection measures being taken up by NMDC. NMDC was also asked to scale up the production upto 1 MT in a month which NMDC could achieve resulting in making available scarce resource to the steel industries of Karnataka.

NMDC is planning to set up 10 MTPA pipe line for evacuation of iron ore from Bailadila Sector to Vizag with a loop line of 2 MTPA capacity at Nagarnar to cater steel plant. This pipe line would help in increasing for production of iron ore and supply to our domestic customers like RINL and ESSAR Steel.

NMDC's vertical integration with Steel production is not ending with only one steel plant in Nagarnar. The land for the NMDC's Greenfield 3 MTPA Integrated Steel Plant was acquired in a record time of 10 months and 5 major packages of the steel plant have already been awarded to internationally acclaimed companies.

It is aggressively taking up the proposal of steel plant in Karnataka with Severstal, the largest steel producer in Russia. At home we are in active discussion with Tata Steel for a Steel plant in Chhattisgarh where they have land and mine.

NMDC has been pursuing all its expansion programmes and NMDC as part of its forward integration programme and value addition is setting up a 3 MTPA steel plant at Nagarnar in Chhattisgarh, for which the land acquisition has been completed in August 2010 and major packages are being finalized and awarded at a cost of around Rs.6,500 crore.

NMDC is one of the prestigious Company of India having strong fundamentals to sustain the market dynamics; this has been possible with its strong CSR policy. NMDC is one of the first Corporate Citizens in India to realize the criticality of the linkage between a business organization and its social relevance in terms of contribution to the development of its immediate society. Right from its inception, NMDC has embarked upon a holistic journey of undertaking developmental activities in the remote tribal villages surrounding its operating units in Bailadila, Bastar region, Chhattisgarh. Popularly known as Peripheral Development, the focus areas have been Education, Healthcare, Drinking Water and Infrastructure mainly in Bastar region in Chhattisgarh and Donimalai in Karnataka and Panna in Madhya Pradesh. During its CSR journey, NMDC had put in place a very comprehensive stake holder consultation process to include all its stakeholders into the process of its CSR.

While in the year 2010-11, NMDC had achieved a target fulfillment of 124% w.r.t. MOU Excellent rating with an expenditure of Rs.62.23 crore, during the current year NMDC by the end of Dec'11 itself had exceeded the MOU Excellent target for the year 2011-12 with an expenditure of Rs.57.32 crore (till Dec'11).

The good work being done by NMDC on the CSR front over the years has been recognized by the Department of Public Enterprises and has recommended to all the CPSEs to emulate the NMDC model of CSR.

NMDC also intends to broaden its product portfolio in order to meet the needs of the nation as well as to broad base its operations. NMDC's corporate conviction has been that- what is good for the country is also good for NMDC's profit and enterprise value.

NMDC has been growing phase by phase from Mini Ratna to Navratna and now very soon it may enter into the big league of Maharatna once its steel plant starts functioning.