



TATA CHEMICALS LIMITED

**Q4 & FY 2011
Press Release**

MUMBAI, May 23, 2011

**TATA CHEMICALS' Q4 FY2011 NET PROFIT UP 14% AT ₹ 146 CRORE
FY2011 NET PROFIT UP 8% AT ₹ 653 CRORE**

DIVIDEND AT ₹ 10

Q4 FY2011 Consolidated Financial Highlights

- PAT after Minority Interest at ₹ 146 crore; up 14%
- Net Sales at ₹ 2,658 crore; up by 16%
- Profit from Operations at ₹ 476 crore; up 14%
- PBT at ₹ 262 crore; up 60%
- EPS (non-annualized) ₹ 5.75

FY2011 Consolidated Financial Highlights

- PAT after Minority Interest at ₹ 653 crore; up 8%
- Net Sales at ₹ 11,060 crore; up by 16%
- Profit from Operations at ₹ 1,864 crore
- PBT at ₹ 1,121 crore; up 20%
- EPS (annualized) ₹ 26.10
- TCL board recommends a dividend of ₹ 10 per share

Corporate Initiatives

- 'i-Shakti Dals' launched in Delhi – Thrust on offering quality and hygienic pulses at an affordable price through linkages with the farmer
- Initial investment of USD 15 million in the biofuel production in Mozambique on engineering and infrastructure
- Acquired 25.1% stake in stream I (1.3 million TPA) at Gabon-based Fertiliser unit for USD 290 million – value accretive and strategic advantages - assured gas supply at fixed price and proximity to port
- Entered into a Technical Services Agreement Notore Chemical Industries Limited (Notore) to optimize and achieve breakthrough performance in the operations of its fertiliser plant
- Rebranding of international subsidiaries in UK, USA and Kenya under the Tata Chemicals corporate brand completed - creates a common global identity whilst strengthening the Tata Chemicals brand across three continents

Growth Projects

- Debottlenecking of SSP capacity at Haldia: Capacity expansion by 50K TPA at a cost of ~ ₹ 11 crore – expected completion by Q4 FY2012
- Expansion of domestic salt capacity: 200K TPA debottlenecking capacity at ₹ 180 crore on track and expected to commence operations by March 2012
- Expansion of soda ash capacity at GCIP: Study under progress for increasing capacity by 400K TPA
- Fertiliser unit at Gabon: Setting up of 1.3 million TPA Urea capacity expected to be commissioned within 36 months
- Phos acid expansion along with DAP capacity at IMACID, Morocco: Study underway to double phos acid capacity along with ~ 1 million TPA DAP capacity
- Capacity doubling at Babrala: Currently on hold - awaiting policy clarity on gas allocation and pricing

Commenting on the Company's Q4 & FY2011 performance , Mr. R Mukundan, Managing Director said:

"Our performance for the quarter and year under review is very encouraging especially considering the strong headwinds in the form of increasing input prices, rising interest rates and natural calamities across many regions of our operations. Our Chemicals business has done well on the back of enhanced operations, increased volumes and stable margins. Our Consumer business also continues to perform very strongly. Tata Salt is a leader by a large margin while our recent introductions, namely i-Shakti salt and pulses continue to enjoy healthy consumer demand. We do see continued growth in our agri business on the back of improved performance of pesticides and the seeds business. However the performance of our fertiliser business needs to be looked at in light of the constraints faced by it as a result of reduction in gas availability and lower subsidies for potash and phosphatic fertilisers.

Tata Chemicals' continued focus will be to expand its operations closer to the source of the raw material. The acquisitions of Magadi and GCIP were a step in that direction and as a result our natural soda ash capacity is 60% of total capacity. Our investment in Gabon towards the setting up of a large scale urea facility is another initiative in line with this strategy.

Tata Chemicals has in place a strong growth platform. We will leverage our combined strengths of customer and distribution leadership position in all markets and access to low cost resources to further enhance our competitive position and create stakeholder value across all our businesses."

YEAR – ON – YEAR PERFORMANCE COMPARISION

FY2011 (April 2010 – March 2011) v/s FY2010 (April 2009 – March 2010)

- Net Sales at ₹ 11,060 crore compared to ₹ 9,544 crore in FY2010, an increase of 16%
- Profit from operations at ₹ 1,864 crore compared to ₹ 1,840 crore in FY2010
- PBT stood at ₹ 1,121 crore, up 20% from ₹ 933 crore in the corresponding period last year
- PAT (after Minority Interest) increased by 8% to ₹ 653 crore from ₹ 606 crore

SEGMENTAL PERFORMANCE

Soda ash

- Domestic demand for Soda ash and sodium bicarbonate healthy - expected to rise by 5% and 14% respectively during FY2012
- However, rising input (coal, coke & limestone) costs continue to exert pressure
- Demand outlook in India, China and Latin America robust
- Extreme winter during early January 2011 and non-availability of anthracite lower production at Tata Chemicals Europe's Lostock plant
- Breakdowns stemming from the severe weather condition in Q4 FY2011 likely to impact production in Q1 FY2012
- Higher production and improved realizations improve Magadi performance
- Increased production combined with rise in annual contract prices result in higher profitability in North America Operations
 - Finished goods prices stable & firm
 - Trona production volumes extremely strong

Consumer Products

- **Salt**
 - Branded Salt volume growth strong at ~ 10%
 - Tata Chemicals remains the market leader with 62% market share in the National Branded segment
- **Pulses**
 - Encouraging response for i-Shakti pulses – FY2011 sales at over ~1,000 tonnes
 - I-Shakti range of pulses launched in Delhi
 - Thrust on introducing quality and hygienic pulses at an affordable price
- **Water Purifier**
 - "Momentum in "Swach" continues – FY2011 sales at over 4 lac units
 - New introductions "Swach" and "Swach Magic" show promise
 - Swach now available across 9 states

Fertilizers

- Phosphatic Fertiliser under pressure due to low subsidy, high input costs
- Subsidy rates for DAP and MOP increased to USD 612 and USD 420 respectively - increase a positive for industry – reduces pressure on operations
- Improved phosphoric acid prices lend healthy visibility for IMACID

Rallis India

- Strong growth in domestic business driven by value added offering to farmers in the last four years – despite the setback due to unseasonal rains
- Revenues up by 20% at ₹ 1,047 crore and PAT up by 25% at ₹ 126 crore for the year ended March 31, 2011

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