INDIA

Tube Investments of India Ltd.
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1st February, 2012

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Bombay Stock Exchange Ltd
1st Floor
New Trading Ring, Rotunda Building
P J Towers, Dalal Street
Fort
Mumbai 400 001

Dear Sirs,

Unaudited financial results for quarter ended 31st December, 2011 – Press Release

Please find enclosed a copy of the Press Release for your records.

Thanking you,

Yours faithfully,
For TUBE INVESTMENTS OF INDIA LIMITED

S SURESH
COMPANY SECRETARY

Encl:

INDIA

murugappa

TUBE INVESTMENTS OF INDIA LTD CONSOLIDATED Q3 PBT UP BY 24%

The Board of Directors of Tube Investments of India Limited (TII) met today and approved the un-audited financial results for the quarter ended 31st December, 2011. The Board declared an interim dividend of Rs. 2/- per share (100%) for the financial year 2011-12.

Sales for the quarter were up by 17% at Rs. 875 Cr. as against Rs.749 Cr. for the same period last year. The profit before depreciation, interest and tax for the quarter was at Rs. 80 Cr. against Rs. 87 Cr. last year, a decline of 7%. The profit before tax and exceptional items for the quarter was Rs. 44 Cr. as compared to Rs. 54 Cr. for the corresponding period in the previous year.

Mr. L. Ramkumar, Managing Director said, "The bicycles division has registered a growth in volume and in revenue over corresponding period last year. However growth in the auto sector dropped for the second consecutive quarter particularly in the passenger car segment which registered a negative growth of 6%. Due to delay in release of orders by Indian Railways for wagons, the Company's revenue from this segment was only 24% of the same quarter last year. These impacted the turnover of engineering and metal formed product segments. The margins were under pressure across all segments due to increased material cost, inflation in fuel costs and rupee depreciation."

Review of Businesses – Third Quarter

Bicycles/E scooters

The bicycle division's turnover for the quarter was up by 28% over the same quarter last financial year. The expansion of retail network continued and 195 outlets have been established in the rural / semi urban areas till date. Electric scooters registered a growth of 47% in volume terms. The margins were under pressure due to product mix, exchange rate and inability to pass on the cost increases fully to the market due to competitive environment.

Engineering

During the quarter this division recorded a growth of 24% over the corresponding period of last year.

Auto industry continued to grow at a lower rate of 12% during the quarter as compared to the corresponding quarter of last year. Precision Tubes (electrical resistance welded and cold drawn welded) grew by 14% in volume terms and Tubular components segment grew by 7% mainly affected by negative growth of passenger car segment. The Cold Rolled Steel sales grew by 8% during the quarter.

Metal Formed Products

During this quarter this division recorded a negative growth of 7% over the corresponding quarter of last year.

During the quarter the company increased the production capacity of two wheeler chains in one of its plant by 20% to meet the growing demand. In this segment, volumes of automotive chains increased by 14% and that of industrial chains by 6%. Export of industrial chains registered a growth of 17% mainly due to higher sale of industrial chains in the European market and better off-take from OEMs in the US. The engineering class chains also registered a strong growth of 44% over last year. The doorframe segment volumes registered a drop of 13% mainly due to negative growth of passenger cars segment. Due to delay in release of orders, the railway segment had registered a negative growth of 89% in volume terms which affected the margin of this segment.

Consolidated Results

The Company's consolidated profit before tax for the quarter was at Rs. 116 Cr. against Rs.93 Cr. in the previous year, a growth of 25%.

Financiere C 10, the Company's overseas subsidiary manufacturing Industrial chains grew by 21% over the same period last year and achieved a turnover of Rs.157 Cr. and a Profit before Tax of Rs. 7 Cr. during the period January to September 2011.

During the quarter Cholamandalam Investment & Finance Company Ltd, a subsidiary company in the financial service business achieved a Profit before tax of Rs.68 Cr. against Rs.11 Cr. in corresponding period of previous year.

Cholamandalam MS General Insurance Company Ltd. a general insurance subsidiary of the Company registered a significant growth of 42% in Gross Written Premium during the quarter. In January 2012, Insurance Regulatory and Development Authority (IRDA) has issued a directive on ultimate loss ratio to the General Insurance Industry for the period 2007/08 to 2010/11. The industry has sought various clarifications and is awaiting guidance from IRDA. Pending clarification, Cholamandalam MS General Insurance Company Ltd. has provided Rs.16 Cr. during the quarter and Rs. 34 Cr for the nine months ended 31st December 2011. The profit after tax for the quarter was at Rs. 1.8 Cr. as against Rs. 5.0 Cr. during corresponding period last year.

About Murugappa Group

Founded in 1900, the Rs. 17051 Crores (USD 3.8 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eight listed Companies actively traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Construction, Bio-products and Nutraceuticals, the Group has forged strong joint venture alliances with leading international companies like Groupe Chimique Tunisien, Foskor, Cargill, Mitsui Sumitomo and Morgan Crucible. The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Gromor and Paramfos are from the Murugappa stable. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees.
For more details, visit www.murugappa.com.

For further information, please contact:

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