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MSP STEEL & POWER LIMITED

Press Release August 11th, 2011

Unaudited financial results for quarter 1 of Fiscal 2011-12

Revenue increased by 64%

EBITDA increased by 72%

Net Profit increased 32%

KOLKATA, India, August 11th, 2011 - MSP Steel & Power Limited (referred to as – "MSPL" or the "Company", NSE: MSPL, BSE: 532650), one of India's fastest growing integrated steel manufacturing company, announces its Quarter 1st unaudited financial results for Fiscal 2011-12, in accordance with Indian GAAP.

Commenting on the results and performance, Mr. Suresh Kumar Agrawal, Managing Director of the Company said:

"Our financial performance during Q1 of FY 2011-12 registered a sharp growth in sales revenue due to increase in price realization and production volumes. Despite increase in the cost of inputs, the company has maintained a healthy operating margin during the quarter due to better operations of plant and increased realizations from sale of finished products - Structures/TMT. Additional capacity of DRI of 1.15 lac tpa and 18 MW power plant commissioned in last quarter of FY11 has been operating smoothly in the current quarter with better capacity utilization.

Further, projects of pellet and power are in advance stage of implementation and the production volume is expected to increase over coming quarters, we expect revenues and profitability to improve further."

Particulars	Financial Highlights		
	(₹ in Lacs)		
	Q1 FY12	Q1 FY11	QoQ Growth %
Revenue	175.18	107.07	64%
EBITDA	35.52	20.72	72%
EBIT	28.35	16.49	73%
Interest Expense	13.33	5.40	147%
PBT	15.02	11.04	36%
Tax	3.65	2.42	110%
PAT	11.37	8.62	32%
EPS	1.96	1.48	32%



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Business Performance

During Q1 of FY'2011-12, MSP Steel registered a robust financial performance with a revenue growth of 64% to Rs.175.18 Crores, an increase in EBIDTA by 72% to Rs.35.52 Crores, and increase in PAT by 32% to Rs.11.37 Crores.

Operations Performance

The production figures of Q1 FY'11-12 versus Q1 FY'10-11 were as follows :-

Products	UOM	Production	
		Q1 2011-12	Q1 2010-11
Iron Ore Pellets	MT	58,210	41,303
Sponge Iron	MT	49,541	42544
M.S.Billets	MT	34,980	18501
TMT bar	MT	17,520	9951
Structural	MT	18,170	8912
Power	Units	56,989,240	43,261,361

Business Strengthening Initiatives

In the competitive steel industry, business advantage is derived from an ability to enhance capacities, reduce costs and shrink time. At MSP, we created and are creating fresh capacities on one hand and compressing commissioning costs and time for our various projects on the other. These prepond revenues and profits, which accelerated payback. We expect to start upcoming pellet and power plant much ahead of schedule.

Outlook

In FY2012, MSPL expects strong growth in overall business. The expected start of the 10 Lacs Mtpa of beneficiation plant, 6 lacs Mtpa of pellet plant, 34 Mw of Power Plant during Dec quarter, will contribute significantly to the profitability. MSPL expects to benefit directly from the continued strong demand of steel in the construction and infrastructure sectors.

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For further information on MSP Steel & Power Ltd visit www.mspsteel.com

Notes:

1. Net Sales : Excludes Other Income
2. EBITDA : Earnings before interest, taxes and depreciation; includes other income and exceptional items.
3. Basic EPS: Each share face value of Rs. 10.00; 58.1 Crore shares outstanding as of June 30, 2011.