

VISA STEEL

Shaping the Future with Minerals & Metals

PRESS RELEASE

VISA Steel First Quarter Unaudited Financial Results for FY'2008-09

29th July 2008

VISA Steel, a part of the Rs. 4,000 Crore VISA Group, is currently a producer of Pig Iron, LAM Coke and Ferro Chrome and is setting up a Special and Stainless Steel Plant at Kalinganagar Industrial Complex in Orissa. The VISA Group has business interests in Steel, Power, International Trading, Shipping and Logistics.

The Company announced its first quarter unaudited financial results for FY'2008-09 and also held its Annual General Meeting at Bhubaneswar on 29th July 2008.

During Q1 of FY'2008-09, VISA Steel registered excellent growth in financial performance with a revenue growth of 251% to Rs. 255.82 Crores, increase in EBIDTA by 517% to Rs. 71.11 Crores, increase in PBT by 752% to Rs. 61.95 Crores and increase in PAT by 846% to Rs. 48.51 Crores, compared to Q1 of FY'2007-08.

(Rs. In Crores)

1st Quarter	Revenue	EBIDTA	PBT	PAT
Q1 FY'07-08	72.88	11.52	7.27	5.13
Q1 FY'08-09	255.82	71.11	61.95	48.51
Growth	251%	517%	752%	846%

Commenting on the performance for Q1 of FY'2008-09, Mr. Vishal Agarwal, Managing Director, VISA Steel said -

“VISA Steel’s strong growth in financial performance during the first quarter of FY’2008-09 has been driven on the backing of higher production of LAM Coke and Ferro Chrome and also improved sales realization from LAM Coke and Ferro Chrome.”

During Q1 of FY'08-09, the LAM Coke production increased to 82,386 MT compared to 27,597 MT during the corresponding period in the previous year. The Ferro Chrome production during Q1 of FY'08-09 was 7,921 MT compared to Nil production during the corresponding period in the previous year.

The Pig Iron production resumed on 2nd July after the Blast Furnace relining was completed successfully.

The 300,000 TPA Sponge Iron Plant with 2 x 500 TPD Kilns and 2 x 25 MW Power Plant is nearing completion and are expected to contribute to revenues and profits from Q2 FY'2008-09 onwards.

VISA Steel declared a dividend of 10% on par value of Rs.10 per share for the year ended 31st March 2008, which was approved by the shareholders at the Annual General Meeting. During FY'2007-08, VISA Steel had recorded revenues of Rs. 682.81 Crores, EBITDA of Rs. 93.93 Crores, PBT of Rs. 67.14 Crores and PAT of Rs. 43.15 Crores.

VISA Steel is planning to integrate backwards into mining of iron ore, chrome ore and coal. Iron ore is currently being sourced from OMC until commencement of its own mining operations. A part of the Patrapada Coal Block at Talcher with 54 million tonne deposit has been allotted to the Company. The Company is also developing a chrome ore deposit through its subsidiary company, Ghotaringa Minerals Limited. The requirement of coking coal is being imported from Australia.

VISA Steel is also setting up a 100,000 TPA Ferro Chrome Plant in Orissa in Joint Venture Agreement with Baosteel Resources, China and VISA Comtrade, Switzerland. VISA BAO Limited (VBL) is a subsidiary of VISA Steel with holding of 51%, with the balance 35% being held by Baosteel Resources and 14% by VISA Comtrade.

Commenting on the occasion, Mr. Vishambhar Saran, Chairman, VISA Steel said –

“Our strategy remains to establish a globally-competitive and world-class integrated facility of special and stainless steel making in Orissa, with captive power generation and backward linkage of raw material mines. VISA Steel shall continue to create value by establishing global scale capacities and delivering sustainable growth while reinforcing our commitment to achieve the best standards of corporate governance.”

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