

TATA POWER POSTS YET ANOTHER QUARTER WITH STRONG OPERATIONAL PERFORMANCE

***Delay in Mundra Tariff revision continues to severely impact profits and net worth
Also Concerned about accumulated Regulatory Assets of Rs 7000 crore
Signs Agreement to exit its stake in Arutmin Coal mine to address cash flow challenges***

- ***Tata Power Group's Q3 Consolidated PAT improved to Rs (74.91) crore as compared to Rs.(328.92) crore despite provisions relating to exceptional expenditures towards settlement of mining rates, mine rehabilitation costs, forex losses and tax demands in Arutmin coal mines. Q3 Consolidated Revenues stood at Rs. 8,700.02 crore.***
- ***Nine Months Consolidated Profit from Operation up by 23% at Rs. 3,879.53 crore. Nine Months Consolidated PAT improves to Rs. (114.64) crore. Previous year had an impairment provision of Rs 850 crore. Nine Months Consolidated Revenues up 12% at Rs 26,804.20 crore.***
- ***Q3 Standalone Profit from Operation up by 27% at Rs. 563.41 crore. Q3 Standalone PAT up by 16% at Rs. 251.13 crore mainly due to favourable ATE order in Mumbai Licence Area. Q3 Standalone Revenue stood at Rs. 2,007.92 crore***
- ***Nine Months Standalone Profit from Operation up 57% at Rs. 1,632.99 crore. Nine Months Standalone PAT up by 5% at Rs.869.90 crore. Nine Months Standalone Revenues stood at Rs 6,814.95 crore.***

Editorial Synopsis:

Key Financial Highlights: Consolidated Q3 FY14 vs Q3 FY13

- Consolidated Revenue stood at Rs. 8,700.02 crore as compared to Rs.9,039.11 crore
- Operating Profit stood at Rs.1,120.95 crore as compared to Rs. 1,268.93 crore
- Consolidated PAT improved to Rs.(74.91) crore as compared to Rs.(328.92) crore

Key Financial Highlights: Consolidated YTD FY14 vs YTD FY13

- Consolidated Revenue up 12 % at Rs. 26,804.20 crore as compared to Rs. 23,992.97 crore
- Profit from Operation up 23% at Rs 3879.53 crore as compared to Rs. 3,145.82 crore
- Consolidated PAT up at Rs.(114.64) crore as compared to Rs. (266.79) crore

Key Financial Highlights: Standalone Q3 FY14 vs Q3 FY13

- Standalone Revenue stood at Rs. 2,007.92 crore as compared to Rs. 2,549.11 crore
- Profit from Operation up 27% at Rs. 563.41 crore as compared to Rs. 441.94 crore
- Standalone PAT up by 16% at Rs. 251.13 crore as compared to Rs. 216.38 crore

Key Financial Highlights: Standalone YTD FY14 vs YTD FY13

- Standalone Revenue stood at Rs. 6,814.95 crore as compared to Rs. 7,353.01 crore
- Profit from Operation up 57% at Rs.1,632.99 crore as compared to Rs. 1,038.02 crore
- Standalone PAT up by 5% at Rs. 869.90 crore as compared to Rs. 824.66 crore

Key Business and Growth Highlights:

- Tata Power exits its Stake in Arutmin Coal & retains KPC mine
- Georgian Prime Minister Mr. Bidzina Ivanishvili performs ground breaking ceremony at Tata Power's 400 MW Hydropower Project
- Tata Power signs an Memorandum of Understanding (MOU) with The Government of Vietnam to develop Long Phu 2 Power Project
- Tata Power honoured by Central Electricity Authority, Ministry of Power in New Delhi on its Meritorious Performance in Generation and Distribution and for early completion of Unit 5 of Mundra UMPP
- Tata Power conferred with the CII ITC Sustainability Award 2013 for sustainable development
- Tata Power signs an MoU with Energy Efficiency Services Ltd (EESL) for energy conservation
- Tata Power wins four awards at the 53rd Association of Business Communicators Awards Nite 2013 held at Mumbai

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Mumbai, February 7th, 2014: Tata Power, one of India's largest integrated power company today announced its results for the quarter ended 31st December, 2013.

PERFORMANCE HIGHLIGHTS Q3 FY14: CONSOLIDATED

- On consolidated basis, Tata Power's Q3 FY14 Revenues were down by 4% to Rs. 8,700.02 crore as compared to Rs. 9039.31 crore in corresponding quarter last year driven by lower fuel & power purchase cost in Mumbai Operations & TPDDL, which is offset by increase in revenue in Mundra & Maithon Plants due to full operation and higher sales in Tata Power Solar Systems Ltd.
- Profit from Operations stood at Rs. 1,120.95 crore as compared to 1,268.93 crore in Q3FY14. Profits for the quarter were impacted by lower realization of coal prices, provisions relating to settlement of mining rates, mine rehabilitation costs and tax demands in Arutmin coal mines.
- Q3 FY14 PAT was at Rs. (74.91) crore as compared to Rs. (328.92) crore in the corresponding quarter last year. PAT for the current quarter has been impacted by exceptional expenditures accounted in Arutmin Coal mines. Previous Year PAT included provision for impairment of Rs. 600 crore in Mundra.
- On a consolidated segment-wise performance for the quarter, revenues from the Power business was down by 8% at Rs. 5,962.78 crore as compared to Rs.6,462.53 crore in the corresponding quarter last year mainly due to lower fuel prices and power purchase costs. Revenue from Coal Business was marginally up at Rs. 2,567.55 crore as compared to Rs. 2,476.85 crore in Q3 FY13. PBIT from Power Business was up at Rs.1,043.78 crore as against Rs. 844.81 crore in the corresponding quarter last year due to continuing strong operational performance and regulatory orders in Mumbai operations and better capacity utilization at Maithon Plant.

During the quarter, price realizations and margins were lower from coal business due to continuing depressed international coal prices in addition to certain onetime provisions at Arutmin mines. Consequently, PBIT from Coal Business stood at Rs. 16.89 crore as compared to Rs. 444.49 crore reported in the corresponding quarter.

PERFORMANCE HIGHLIGHTS Q3 FY14: STANDALONE

During the quarter, Tata Power's results reflected a strong financial and operational performance.

- Standalone Revenue stood to Rs. 2,007.92 crore, down 21% as against Rs. 2,549.11 crore in Q3 FY13 mainly due to lower fuel cost in Mumbai Licensed Area.
- Profit from Operation was up by 27% at Rs. 563.41 crore as compared to Rs. 441.94 crore in corresponding period last year mainly due to favourable ATE order in Mumbai License Area..
- PAT up by 16% at Rs. 251.13 crore mainly due to favourable ATE order in Mumbai License Area.

PERFORMANCE HIGHLIGHTS NINE MONTHS FY14: CONSOLIDATED

- On the Consolidated basis, Tata Power's Revenues increased 12 % to Rs. 26,804.20 crore as compared to Rs. 23,992.97 crore in corresponding period last year mainly due to full operations of the Mundra plant.

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- Profit from Operation was up 23% at Rs. 3,879.53 crore as compared to Rs.3,145.82 crore in corresponding period last year driven by full operations at Mundra and Maithon and favourable regulatory orders for Mumbai Operations. This was despite lower coal mining profits.
- PAT has shown an improvement over the previous year at Rs (114.64) crore as compared to Previous Year loss of Rs (266.79) crore. The previous year had impairment provision of Rs 850 crore. However, the current year also has higher Forex losses and exceptional provisions at the Coal mines.
- On consolidated Segment-wise performance, Revenues from Power business was up 14% to Rs. 19,285.27 crore as compared to Rs.16,851.02 crore in corresponding period last year and Coal Business reported increase at Rs. 7,279.00 crore as compared to Rs. 6,795.52 crore in the corresponding period last year. PBIT from Power Business was up at Rs. 2,951.97 crore as against Rs. 1,974.99 crore and PBIT from Coal Business stood at Rs.592.61 crore as compared to Rs.1,125.39 crore reported in the corresponding period last year.

PERFORMANCE HIGHLIGHTS NINE MONTHS FY14: STANDALONE

- Standalone Revenue down to Rs. 6,814.95 crore, down 7% as against Rs. 7,353.01 crore in corresponding period last year mainly due to lower fuel costs.
- Profit from Operation up at Rs.1632.99 crore up by 57% mainly due to continuing strong operational performance and favourable regulatory orders in Mumbai License Area.
- PAT is up by 5% at Rs. 869.90 crore as compared to Rs. 824.66 crore in corresponding period last year

Commenting on the Company's performance, Mr. Anil Sardana, Managing Director, Tata Power said, "During the quarter, the Company continued its strong operational performance by all our businesses. All our projects and subsidiaries continue to perform well despite very challenging circumstances. In the international space, we have signed a Memorandum of Understanding (MOU) with The Government of Vietnam to develop Long Phu 2 Power Project a thermal power plant, which will utilize imported coal. Our Georgia hydro project is progressing well.

While, the Company has commissioned its UMPP ahead of schedule and is contributing to the national economy, it is hoped that the much awaited decision in respect of tariff is taken early to ensure viability of the project and the consequent impact on Tata Power's net worth. Keeping the under-recovery challenges in Mundra UMPP operations and cash flow concerns in mind, we have also signed an agreement to exit from PT Arutmin Indonesia to get additional cash flow and to reduce our consolidated debt. We do not expect any impact on the coal supplies to our plants since we stay invested in KPC mines and our coal supply agreement continues as it is.

We are also concerned about growing Regulatory Assets which has reached staggering figures of Rs 7000 crore and needs to be discussed for early dilution. On the distribution front, we continue to offer Mumbai consumers one of the lowest tariffs in the country. We are committed to offer 'Mumbaikars' and other cities under our purview with reliable and uninterrupted power supply at competitive prices in the years to come".

OPERATIONAL HIGHLIGHTS:

During the quarter under review, the Company continued its robust operations and performed well. Sales volume for the quarter stood at 3,547 MUs as compared to 3,998 MUs in Q3 FY13. The overall generation was 3,212 MUs as compared to 3,873 MUs reported in corresponding quarter last year. Trombay Thermal Power

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Station generated 1,796 MUs as compared to 2,400 MUs in the corresponding quarter last year. Hydro Power Stations generated 387 MUs as compared to 341 MUs. Jojobera Thermal Power Station generated 685 MUs as compared to 784 MUs and Haldia reported generation of 246 MUs as compared to 239 MUs in the corresponding quarter last year. Industrial Energy Limited (IEL) reported generation of 363 MUs as compared to 383 MUs. Wind Farms generated 96 MUs as compared to 99 MUs in the corresponding quarter last year.

BUSINESS HIGHLIGHTS: KEY SUBSIDIARIES

- **Coastal Gujarat Power Limited (CGPL):** CGPL, the SPV which operates the 4000 MW Mundra UMPP is fully operational now. The Company posted Revenues of Rs. 1,310.64 crore as compared to Rs. 802.09 crore in Q3 FY13, jump of 63% on account of full operations of 5 units. PAT stood at Rs. (317.83) crore as compared to Rs. (829.19) crore.
- **Maithon Power Limited (MPL):** The 74:26 Joint Venture Company between Tata Power and Damodar Valley Corporation reported Revenue of Rs. 640.22 crore, up 24%. PAT stood at Rs. 38.44 crore as compared to Rs. (15.13) crore in Q3 FY13.
- **Industrial Energy Limited (IEL):** The Company reported Revenues of Rs. 111.68 crore, down by 10% and PAT of Rs. 21.56 crore, up 17% as compared to the same quarter last year.
- **Tata Power Renewable Energy Limited (TPREL):** Q3 FY14 Revenues stood at Rs. 26.65 crore, up 59% and PAT was at Rs. 4.38 crore, as compared to Rs. 0.44 crore in Q3FY13.
- **Tata Power Delhi Distribution Limited:** The Company's distribution subsidiary and Joint-Venture with Delhi Government, posted revenues of Rs.1,484.12 crore as compared to Rs. 1,300.24 crore in corresponding quarter last year. PAT was up by 13% at Rs.86.49 crore as compared to Rs. 76.58 crore in Q3FY13. The recoverable Regulatory Assets stood at Rs 4938 crore.
- **Powerlinks Transmission Limited (Powerlinks):** Powerlinks, the first public-private Joint-Venture in power transmission in India reported Revenues of Rs. 63.55 crore in Q3 FY14 as compared to Rs. 67.55 crore in Q3 FY13. PAT stood at Rs. 28.20 crore, as compared to Rs. 25.58 in Q3 FY13.
- **Tata Power Trading Company Limited (TPTCL):** TPTCL traded 2534 MUs as compared to 2441 MUs in the corresponding period last year, resulting in revenues of Rs. 940.10 crore as compared to Rs. 997.86 crore in Q3 FY13. PAT stood at Rs.7.22 crore as compared to Rs. 7.02 crore in Q3FY13.

GROWTH PLANS:

Kalinganagar, Odisha CPP 1 – 202.5 MW: The project is being executed through Industrial Energy Limited, a JV of the Company with Tata Steel Limited. EPC contract has been awarded; all clearances for the project are in place. The project is in an advanced stage of execution. Hydro test for Unit 1 boiler has been completed. Erection of all pressure parts for Unit 2 boiler has also been completed and the same is in progress for Unit 3 boiler. Erection of Unit 1 turbine and generator has been completed. Erection of Unit 1 condenser is in progress. DCS was powered on for Unit 1.

Dugar Hydroelectric JV Project: The pre-feasibility has been completed by the consortium team. The site investigations and development of the Detailed Project Report is under progress by the joint project team set by the Company and SN Power.

1600 MW Coastal Maharashtra Project: All statutory clearances required to start the project implementation are in place. The project is in advance stages of land acquisition. The PPA is being pursued and 30% domestic coal linkage as per policy is also being awaited.

1980 MW Tirulidih Power Project, Jharkhand: The process of land acquisition for the project has made significant progress. The land acquisition process is in an advanced stage. Various survey studies like hydrology survey for water intake point finalization, river high flood level survey for finalizing plant boundary, hydro-geology survey for rain water/ground water harvesting and satellite imagery have been completed.

660 MW Naraj Marthapur Project, Odisha: The clearance from National Board of Wildlife, which has not met for the last two years, is awaited. With a view to expedite end use plant for Mandakini captive coal, the Company is pursuing alternative land as well suitable disposal of the existing site.

INTERNATIONAL PROJECTS:

Cennergi – Tsitsikamma and Amakhala Projects: The Company's Joint Venture in South Africa, Cennergi has made steady progress and has achieved financial closure for the above referred two wind projects.

126 MW Dagachhu Project: This project is being developed in partnership with The Royal Government of Bhutan. The civil works are progressing as planned and 99% concreting has been completed. Tunnel excavation and tunnel lining is in progress. Slope stabilization and the concreting works for the headrace channel are in progress. Fish ladder is being constructed. 75% erection of turbines has been completed and overall 65% electro-mechanical erection has been completed. The project is being pursued to be commissioned around May 2014, before monsoon.

Hydro Projects, Georgia – The Company has announced start of construction of first phase of 185 MW Shuakhevi Hydropower Project in Georgia being implemented through a JV with Clean Energy Invest AS (Clean Energy) and IFC InfraVentures for developing hydro projects in Georgia, for sale of power primarily to Turkey. During the quarter, a ground breaking ceremony for construction of the first phase of 185 MW Shuakhevi Hydropower Project was held. The Prime Minister of Georgia, Mr. Bidzina Ivanishvili, was the guest of honour at the function along with his key ministers and officials.

Renewable Energy projects: Wind Power – The Company is one of the leading wind power utilities in the country with an installed capacity of 398 MW. TPREL, a 100% subsidiary of Tata Power, India's largest integrated power company signed a SPA for acquisition of 100% shareholding in AES Saurashtra Wind farms Pvt Ltd (ASW), a 100% subsidiary of AES Corporation for acquisition of 39.2 MW wind farm in Gujarat.

Solar Power – The Company's existing solar capacity is 28+ MW and it is in the process of acquiring land in the states of Maharashtra, Rajasthan, Gujarat and Karnataka to develop solar projects. The Company is also developing a 28.8 MW Solar Photovoltaic power plant in Maharashtra to meet its Solar Renewable Purchase Obligations.

AWARDS AND RECOGNITIONS:

- Tata Power won four awards at the 53rd Association of Business Communicators Awards Nite 2013 held at Mumbai
- Tata Power conferred with the CII ITC Sustainability Award 2013 for sustainable development
- Tata Power honoured by Central Electricity Authority, Ministry of Power in New Delhi on its Meritorious Performance in Generation and Distribution

About Tata Power:

Tata Power is India's one of the largest integrated power company with a significant international presence. The Company has an installed generation capacity of 8521 MW in India and a presence in all the segments of the power sector viz. Fuel Security and Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. It has successful public-private partnerships in Generation, Transmission and Distribution in India namely "Tata Power Delhi Distribution Limited" with Delhi Vidyut Board for distribution in North Delhi, 'Powerlinks Transmission Ltd.' with Power Grid Corporation of India Ltd. for evacuation of Power from Tala hydro plant in Bhutan to Delhi and 'Maithon Power Ltd.' with Damodar Valley Corporation for a 1050 MW Mega Power Project at Jharkhand. It is one of the largest renewable energy players in India and has developed the country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. Its international presence includes strategic investments in Indonesia through a 30% stake in the leading coal company PT Kaltim Prima Coal (KPC), 26% stake in mines at PT Baramulti Suksessarana Tbk ("BSSR") and a geothermal project; in Singapore through Trust Energy Resources to securitise coal supply and the shipping of coal for its thermal power generation

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operations; in South Africa through a joint venture called 'Cennergi' to develop projects in South Africa, Botswana and Namibia; in Australia through investments in enhanced geothermal and clean coal technologies and in Bhutan through a hydro project in partnership with The Royal Government of Bhutan. With its track record of technology leadership, project execution excellence, world class safety processes, customer care and driving green initiatives, Tata Power is poised for a multi-fold growth and committed to 'lighting up lives' for generations to come. Visit us at: www.tatapower.com

For further information, please contact:

Shalini Singh
Head - Corporate Communications
The Tata Power Company Limited
Email: shalinis@tatapower.com

Abhinav Srivastava / Sahana Chowdhury
Rediffusion / Edelman
98923 23750 / 9920483225
Email: Abhinav.srivastava@edelman.com
Sahana.chowdhury@edelman.com