

**VOLTAS FINANCIAL RESULTS**

February 14, 2012 Mumbai: The Board of Directors of Voltas Limited, a global air conditioning and engineering services provider of the Tata Group, have today announced the Unaudited Consolidated Financial Results including the Consolidated Segment Report, for the quarter and nine months period ended 31st December, 2011.

Quarter ended December 31, 2011 :

The consolidated Sales / Income from Operations was higher by 11% at ₹ 1160 crores, as against ₹ 1048 crores in the corresponding quarter last year. Operating Profit before Exceptional items was higher by 6% at ₹ 89 crores, as compared to ₹ 84 crores in the corresponding quarter last year. After accounting for Exceptional items including a charge for an onerous contract of ₹ 277 crores, the Loss for the period was ₹ 115 crores compared to a profit of ₹ 71 crores in the previous year.

Electro-Mechanical Projects and Services :

Segment's revenues were higher at ₹ 824 crores as against ₹ 693 crores in the corresponding quarter last year. The profitability of this Segment, before Onerous contract and Exceptional items was higher at ₹ 60 crores as compared to ₹ 44 crores in the corresponding quarter last year. In case of one Onerous contract, there has been a significant upward revision in the estimated costs due to design changes and delay in execution.

The onerous contract pertains to the Sidra Medical & Research Centre hospital project in Qatar. This project is an approx. US \$ 2.5 bln large and complex, design and build state-of-the-art hospital with world class facilities. Voltas's share of work is valued at over ₹ 1000 crores. This prestigious one of a kind project involves extensive co-ordination with multiple agencies / intermediaries and has been under execution since 2008. It is now expected to be completed in phased stages by end 2012.

The Company has in line with AS-7 guidelines accounted for the total estimated cost on the project. The estimates for Sidra have been finalized after an extensive techno commercial review by the Management taking cognizance of cost incurred, and to be incurred, to complete the project on time. Additional revenue claims will be recognized at a later stage as per the Accounting Standard requirement, once they are crystallized and there is greater clarity about the final outcome.

The Order Book of the Segment stood at ₹ 5094 crores, as compared to ₹ 4697 crores in the corresponding quarter last year.

...2



VOLTAS LIMITED

: 2 :

Domestic Project Business :

Within India, the Projects business has performed well, despite current economic conditions, showing an increase in both, revenue and profit. Importantly, this is at a time when major competitors in this business have either reported loss or less than satisfactory results.

Engineering Products and Services :

In view of transfer of Materials Handling business, the Segment Revenues, Results and Capital employed of this segment for the current period (quarters) are not comparable with the corresponding periods last year. Segment's Revenue and Results were at ₹ 88 crores and ₹ 17 crores, respectively.

Unitary Cooling Products for Comfort and Commercial Use :

Segment's revenues grew by 19% to ₹ 234 crores and the profit was ₹ 14 crores.

Nine months period ended December 31, 2011 :

The consolidated Sales / Income from Operations grew by 3% to ₹ 3622 crores as compared to ₹ 3530 crores in the corresponding period last year. Profit after Tax and Minority Interest / share in profit / loss of Associate was ₹ 58 crores as against ₹ 256 crores in the corresponding period last year primarily due to recognition of expected cost over-runs on the Onerous contract. Earnings per share (EPS) stood at ₹ 1.76 on face value of ₹ 1 per share (not annualized)

The Company (International Project Business) has been awarded the prestigious MEP contractor of the Year award in the UAE and Qatar. The long term business prospects in the GCC region remain good and the Company has formed Joint Ventures in the Kingdom of Saudi Arabia and the Sultanate of Oman to expand its reach.

Issued by:

B.N. Garudachar
General Manager
Corporate Communications
Mumbai
Tel: 66656280/1

Rediffusion Dentsu Young & Rubicam Pvt. Itdd.
Prasanna Kotian (Mumbai) – 9833259603
Amrita Thukral (Delhi) – 09560022152