

**VOLTAS CONSOLIDATED FINANCIAL RESULTS FOR 2011-12**

May 24, 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 Consolidated Audited Financial Results and Segment Report for the year ended March 31, 2012.

Quarter ended 31st March, 2012:

The consolidated Sales/Income from operations for the quarter ended 31st March, 2012 was Rs.1573 crores as compared to Rs.1671 crores in the corresponding quarter last year. Operating Profit for the quarter was Rs.138 crores as compared to Rs.145 crores in the corresponding quarter last year. The Profit before tax (after exceptional items) was Rs.141 crores for the current quarter as compared to Rs.153 crores in the corresponding quarter last year. However, due to lower incidence of tax, the Net Profit after Minority interest for the current quarter was higher at Rs.104 crores as compared to Rs.101 crores in the corresponding quarter last year.

Year Ended 31st March , 2012:

Despite challenging global economic condition and uncertainties which has impacted most of the businesses, the consolidated Sales/Income from operations for the year 2011-12 were by and large at the same level of Rs.5175 crores as compared to Rs.5177 crores, last year. The high interest rates, inflation, increase in prices of commodities/materials and components had an adverse impact on the Operating Profit, which was at Rs.370 crores for the year under review as compared to Rs.484 crores last year. After exceptional items and charge of an Onerous contract, the Profit before tax was Rs.219 crores and Net Profit was Rs.162 crores for the year 2011-12 as compared to Rs.524 crores and Rs.352 crores, respectively in the previous year.

The Board has recommended dividend of Rs 1.60 per share of Re. 1/- each (160%) for the year ended 31st March, 2012.

Electro - Mechanical Projects and Services:

Segment's revenue were higher at Rs.3183 crores as compared to Rs.3041 crores last year. However, the profitability of this segment, before Onerous contract and exceptional items was lower at Rs.172 crores as compared to Rs.239 crores last year. In case of one



Onerous contract, there has been significant upward revision in the estimated cost due to design changes and delay in execution.

As earlier reported, while publishing Q3 (2011-12) results, the Onerous contract pertains to the Sidra Medical and Research Centre hospital project in Qatar. This project is an approx. US \$ 2.5 billion large and complex, design and build state - of - the art hospital with world - class facilities and has been under execution since 2008. Voltas' share of work is presently valued at over Rs.1000 crores and involves extensive co-ordination with multiple agencies and intermediaries. There have been several impediments and constraints arising from delay in designs, frequent changes in architectural/interior layouts, ceiling height restrictions and abortive engineering/ rework. Voltas has, in line with the requirements of Accounting Standard (AS) -7, accounted for the estimated costs on this project, based on an extensive techno-commercial review by the management taking cognizance of cost incurred and to be incurred, to complete this project. However, uncertainties exists on variations/ additional revenue claims and costs to come till the completion of the project due to the complex nature of the 'design and build' project, changes in the designs still being made by the client and delay in the completion of this project.

Domestic Project Business:

Within India, the projects business have performed well and recorded higher turnover. Despite the current economic conditions and pressure being experienced by the industry, the domestic electro-mechanical projects business was able to maintain its gross margins/profitability, by and large at the same level of last year.

The Order Book of the Segment stood at Rs.4292 crores as at 31st March, 2012 as compared to Rs. 4888 crores as at 31st March, 2011.

Engineering Products and Services:

In view of transfer of Material Handling business, the Revenues, Results and Capital employed of this segment for the current year are not comparable with last year. While the Textile Machinery business has performed well on the strength of large order book built earlier, the performance of Mining and Construction business was impacted by high interest rates and certain environmental issues for mining activities. Global industry consolidation and takeover of some of the major Principals of Voltas also affected the Engineering Products and Services business. Revenues and Results were at Rs. 412 crores and Rs. 69 crores as compared to Rs. 564 crores and Rs. 103 crores, respectively, last year.



Unitary Cooling Products for Comfort and Commercial use:

Despite intense competition / new players entering the market, unfavourable climatic conditions and subdued consumer sentiments, Voltas maintained its No.2 market position in the Unitary Cooling Products business. As the AC industry witnessed de-growth in sales volumes in 2011-12, the Segment's Revenue marginally dropped by 1% and was Rs.1539 crores for the year under review as compared to Rs.1561 crores last year. The profit was Rs.130 crores as compared to Rs.160 crores last year.

Stand-alone Financial Results:

	Quarter ended		Year ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Net Sales/Income from Operations	1620	1705	5161	5135
Profit before Tax	136	158	207	522
Profit after Tax	102	104	152	354

While Net Sales/Income from Operations were marginally higher at Rs.5161 crores for the year 2011-12 as compared to Rs.5135 crores last year, profit was adversely impacted largely due to the Onerous Contract - Sidra Medical and Research Centre hospital project in Qatar.

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