

TATA POWER ANNOUNCES STANDALONE AND CONSOLIDATED QUARTERLY RESULTS

STANDALONE – Q1 FY11

- REVENUES STOOD AT Rs. 1867.90 CRORES
- PROFIT AFTER TAX (PAT) FOR THE QUARTER STOOD AT RS. 268.98 CRORES
(For the previous year PAT was Rs. 377.08 Crores and is not comparable. Previous year includes Rs. 232.40 Crores due to MERC tariff orders and judgment of ATE received)
- GENERATION UP 3% AT 4386MUs

CONSOLIDATED – Q1 FY11

- REVENUES UP BY 7% AT RS. 5184.84 CRORES
- PROFIT AFTER TAX (PAT) AT RS. 317.67 CRORES
(PAT for the previous year stood at Rs 552.76 Crores which included Rs. 232.40 Crores due to MERC tariff orders and judgment of ATE received. PAT for this year is after considering Rs. 154 Crores of forex loss on account of realignment of CGPL borrowings)

- Adds 18300 retail consumers in the Mumbai License Area
- Raises US\$ 300 million in Coal SPVs to fund additional acquisitions and/or reduce outstanding debt
- Is Country's leading private Wind Power Generator, chalks out plans to add about 150MW in the current fiscal
- ICRA assigns LAA rating with Positive outlook for the Company's Rs. 6 billion Non-Convertible Debenture programme
- CRISIL assigns 'AA/Positive' rating to the Company's Rs. 6 billion non-convertible debenture programme

Mumbai, 12th August 2010: The Tata Power Company Limited, India's largest private power company, today announced its standalone and consolidated financial results for the first quarter ended June 30th FY 2010-11.

FINANCIAL HIGHLIGHTS- QI FY11 - STANDALONE RESULTS

During the quarter, Company's standalone results reflected a robust financial and operational performance. The Company reported Revenues at Rs. 1867.90 Crores as against Rs. 2015.62 Crores in the corresponding period last year. The decrease was mainly due to lower fuel cost in the Mumbai regulated business. Further, the Company also reduced the fuel cost by replacing oil with cheaper RLNG gas, thereby reducing the tariff for the end consumers. However, the cost of power purchase has gone up as we were prevented from scheduling power generated by us to our distribution business in Mumbai.

Profit After Tax (PAT) for the quarter stood at Rs. 268.98 Crores as compared to Rs. 377.08 Crores in the previous year. This is not comparable as previous year includes amount of Rs. 232.40 Crores due to MERC tariff orders and judgment of ATE received. Other Income has gone up by 19% at Rs.127.54 Crores due to increased earnings out of the FCCBs funds and interest on tax refund. The interest went down by 32% and stood at Rs. 79.58 Crores due to repayment of short term borrowings and refund of interest paid on tax pertaining to previous years. PAT after Statutory Appropriations stood at Rs. 262.98 Crores as against Rs. 396.97 Crores in the corresponding period last year.

FINANCIAL HIGHLIGHTS- QI FY11 - CONSOLIDATED RESULTS

On a consolidated basis, Revenues for the quarter were up by 7% at Rs. 5184.84 Crores compared to Rs. 4852.79 Crores in the corresponding period last year. PAT was at Rs. 317.67 Crores as compared to Rs. 552.76 Crores in the corresponding quarter last year. This decrease is mainly due the Rs.154 crores of forex loss

reported on account of realignment of CGPL borrowings and also Rs. 232.40 Crores due to MERC tariff orders and judgment of ATE received in the previous year.

On Consolidated Segment-wise performance, Net Revenue for Power business was Rs. 3504.81 Crores and Coal Business for Rs 1539.06 Crores, an increase of 5% and 19% as compared to Rs. 3342.97 Crores and Rs. 1298.06 Crores respectively, during the corresponding periods last year.

PBIT for Power Business was Rs. 517.32 Crores against Rs. 662.41 Crores (due to MERC/ATE orders explained above). Whereas, PBIT for Coal Business stood at Rs. 423.97 Crores as compared to Rs. 373.16 Crores, 14% higher than the corresponding quarter last year. This increase is due to higher production and increase in coal prices.

OPERATIONAL HIGHLIGHTS:

During the quarter, Company's Operations continued to report strong performance. Sales volume for the quarter increased by 8% at 4533 MUs as against 4180 MUs in the corresponding period last year. Overall Generation was up by 3% at 4386 MUs as compared to 4260 MUs in the same period last year.

Trombay Thermal Power Station and Hydro Power Stations generated 2799 MUs and 358 MUs of power respectively as compared to 2779 MUs and 369 MUs in the corresponding period previous year. The Jojobera Thermal Power Station recorded a generation of 850 MUs during the quarter as compared to 803 MUs in the previous year. Belgaum and Haldia reported generation of 94 MUs and 180 MUs as compared to 107 MUs and 116 MUs in the corresponding period last year. PH#6 Jamshedpur recorded a generation of 143 MUs. Wind Farms also recorded a higher generation of 105 MUs as compared to 87 MUs in the same period last year.

Speaking on the performance for the quarter, Mr. Prasad R. Menon, Managing Director, Tata Power, said, *"We have started the year on a strong footing. All our businesses have performed well in this quarter. We are encouraged by the strong performance and growth of our retail business in Mumbai. Our generating stations have also recorded robust increase in power generation.*

Further, we are making good progress on our new projects under implementation. We are entering an important and exciting leg of our growth phase as most of our large projects are in advance stages of completion.

We believe that the growth momentum in Renewables may gather impetus with the strict implementation of RPO obligation and the Renewable Energy Certificate (REC) mechanism. These additional steps can trigger demand from various States in the country. We are well placed to capitalise on the increasing demand for renewable energy sources through a substantially expanded portfolio including wind, solar and geothermal energy sources. Our Joint-Venture with SN Power for Hydro projects provides the potential to expand our presence in hydro projects in India and Nepal. We are progressing as planned and today around 20% of our power generated is from 'clean' sources.

We are glad that we are one of the leading wind power generators in the country. Our 3 MW solar PV plant will be the first and largest grid connected solar plant in Maharashtra and we are exploring opportunities for geothermal energy. Our wind project in Maharashtra has been received the first CDM certified project which further recognizes our commitment towards reducing carbon footprint."

BUSINESS HIGHLIGHTS:

North Delhi Power Limited (NDPL):

The Company's distribution subsidiary and Joint-Venture with Delhi Govt., NDPL posted Revenues of Rs.1115.66 Crores during the quarter, a growth of 45 % as compared to the previous year of Rs. 771.14 Crores. The net profit stood at Rs. 56.71 Crores as compared to Rs. 41.40 Crores in the corresponding period last year. While NDPL reported an increased PAT, its cash accruals since 1st April 2009 are under pressure due to a substantial increase in power purchase cost which is yet to be recovered through appropriate adjustment in tariff. This has resulted in a significant increase in working capital of about Rs. 640 Crores (including Rs. 290 Crores this quarter) since 1st April 2009 .which has been financed through additional borrowings.

Powerlinks Transmission Limited (Powerlinks):

Powerlinks, the first public-private joint venture in power transmission in India has earned Revenues of Rs. 71.52

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Crores as against Rs. 71.54 Crores in the previous year. The PAT also increased to Rs. 25.96 Crores from Rs. 18.62 Crores in the same period last year.

Tata Power Trading Company Limited (TPTCL):

TPTCL traded at total of 1347 MUs during the quarter as compared to 960 MUs in the previous year, thereby resulting in an increase in its Revenues by 7% to Rs. 716.35 Crores from Rs. 671.07 Crores in the previous year. The PAT also increased to Rs. 6.45 Crores as against Rs. 1.79 Crores in the same period last year.

Mumbai Retail Business:

During the quarter, the Company added 18300 new customers out of which 17760 changeover customers taking its total customer base to 76800 within 8 months. The Company had 26,005 direct consumers before it started expansion of its retail business in the Mumbai market.

During the quarter, Tata Power signed an agreement to raise US\$ 300 Million in Bhira Investments Limited and Bhivpuri Investments Limited **Coal Special Purpose Vehicles (SPVs)** through shares with differential rights to be issued to Olympus Capital Holdings Asia (Olympus Capital). Taking current position of debt and cash in coal SPVs, the post money shareholding of Olympus Capital may be in the range of 14-15% for an investment of US\$300 million. These funds could also be utilized to secure further long term coal supplies by investing in coal mines or to reduce the outstanding debt in the SPVs.

CRISIL and ICRA Ratings:

The rating exercise with ICRA and CRISIL was undertaken for the Rs. 350 Crores 15 year 9.15% NCD that was placed in the market to prepay a loan for Company's wind projects. The issue was fully subscribed and the money has been drawn down to prepay the outstanding loan. The NCD is amongst the finer priced issues done. The rating also allows the flexibility to raise an additional up to Rs250 crores of such NCD.

GROWTH PLANS:

The Company's growth plans include steady capacity addition year-on-year, taking its current installed capacity to 2975 MW. Some of the projects commissioned in FY09 and FY10 include 120 MW in Haldia, 120 MW Power House# 6 owned by IEL, 182 MW from wind farms in Maharashtra, Gujarat and Karnataka and 250 MW Trombay expansion project. The progress on Company's upcoming projects is as follows:

- **4000 MW, Mundra Project:** Mundra UMPP is progressing as per schedule with engineering, procurement and construction activities in full swing. Overall project progress achieved is 53%. Ordering of all critical items/major packages has been completed. The first unit is expected to be commissioned by September 2011.

1050 MW Maithon Project: is also progressing well and has achieved 82% completion. The target of synchronising Unit 1 on oil is by October 2010 and commissioning soon thereafter, the major challenge being the railway linkage from the main line. All efforts are being taken to commission the unit by end of 2010.

IEL: 120 MW Unit 5 being constructed at the Company's existing site at Jojobera has been synchronized. The project is expected to be commissioned in the first half of FY11.

114 MW Dagachhu Project: in partnership with The Royal Government of Bhutan (RGoB) is progressing well. Major ordering for the project has been completed. All statutory clearances, land, water and environment clearances have been received and PPA for the entire quantum of power has been signed for the project. The first unit is targeted to be commissioned by FY14.

Partnership with SN Power: The Company has signed an exclusive partnership agreement with SN Power, Norway to set up joint ventures for developing hydropower projects in India and Nepal. Tata Power and SN Power have already begun pursuing potential project opportunities based on the vast reserves of renewable energy in the Himalayan region.

1600 MW Coastal Maharashtra Project: During the year, the Company has made substantial progress in this

project. The R & R authority of the GoM has approved the R&R proposal of the company. Land acquisition is in progress. The plant is expected to be commissioned within 3 years of land acquisition.

1320 MW Naraj Marthapur, Orissa: The major clearances for the 1320 MW Naraj Marthapur project have been obtained. Process is on for obtaining environmental clearance from MoEF. The plant is expected to be commissioned within 42-45 months of completion of the land acquisition, which is expected to be completed during the year. The Company has been allotted the Mandakini coal block located in the Angul district of Orissa, along with Monnet Ispat and Energy Limited, and Jindal Photo Limited, which will feed coal to the plant.

Tiruldih Power Project, Jharkhand (3 X 660 MW): The process of land acquisition is expected to take around 12 to 18 months. The first tranche of land (300 acres) is expected to be acquired around October 2010. In - principle clearance has been received from Railways for transportation of coal from Tubed Coal Block. Tubed Coal Block has been jointly allotted to Tata Power and Hindalco in Jharkhand.

Renewable Projects:

Wind Power: Tata Power is the leading private wind generation company with an installed capacity of 200 MW and added another first to its credit by commissioning 2 MW-class wind turbines designed by Kenersys GmbH of Germany and manufactured and installed by Kenersys India. Currently, Tata Power's wind power capacity is spread across three States namely Maharashtra (100MW), Gujarat (50 MW) and Karnataka (50 MW). The Company has placed an order for 150 MW additional wind capacity to be set up in Maharashtra and Tamil Nadu.

Solar Power: The Company is implementing a 3 MW solar photo-voltaic plant at Mulshi and will be one of the largest grid connected plants in Maharashtra. The plant is expected to be commissioned by October 2010. The Company has also applied for allocation of 25 MW solar capacity to be put up in Gujarat under the new policy of Government of Gujarat.

SUSTAINABILITY INITIATIVES:

Tata Power Energy Club: In FY10, the Club became a national movement on energy conservation. In FY11, the Club plans to reach out to 275 schools nationwide and targets to save 2 million units. Key locations targeted are Mumbai, Delhi, Pune, Ahmedabad, Bengaluru, Kolkata, Belgaum, Jamshedpur and Lonavla.

Resources: Rain Water Harvesting - Studies have been completed at various locations and implementation is to commence.

Energy Efficiency: MERC approved EE T5 FTL Program – Supplier was finalized based on techno-commercial analysis. The program is planned to be made available to the Company's consumers by August 2010. Tata BP Solar commissioned the solar water heating system (8,600 litres capacity) in Trombay housing colony during March 2010.

About Tata Power:

Tata Power is India's largest integrated private sector power utility with an installed generation capacity of about 3000 MW and a presence in all the segments of the power sector viz Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. The Company has successful public-private partnerships in Generation, Transmission and Distribution - "North Delhi Power 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 has acquired 30% stake in Coal Companies at Indonesia and is developing the first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. With its track record of technology leadership, customer care and redefining contours of the Indian power sector, Tata Power is poised for a five-fold growth and committed to 'lighting up lives' for generations to come.

Disclaimer Statement: Some of the statements in this document, except for the historical information, are forward-looking statements. These forward-looking statements include references to growth projections, plans, strategies, intentions and beliefs concerning our business and operating environment. There are risks, uncertainties and other factors that may cause actual results to differ materially from those projected by these forward-looking statements.

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