For Immediate Release **November 11th, 2011**

Sujana Metal Products Limited

Announces
Unaudited Standalone Financial Results for
Second Quarter and Half Year Ended September 2011

Standalone Performance:
Quarter ended September 2011 vs. Quarter ended September 2010
Net Sales increased by 6.3%
EBITDA increased by 41.0%

Hyderabad, India, November 11th, 2011 – Sujana Metal Products Limited (referred to as "SMPL" or the "Company", NSE: SMPL, BSE: 513414), engaged in the manufacture, trade and sale of steel products in India, announces its Unaudited Standalone Financial Results for Second Quarter and Half Year Ended FY2012, in accordance with Indian GAAP.

Commenting on the results and performance, **Mr. R. K. Birla, Managing Director** of **Sujana Metal Products** said:

"Despite the recent slowdown in global steel market, Sujana Metal Products showed a relatively strong performance in Q2 FY2012. The Company continues to focus on backward integration and exploring cost-effective technologies to enhance productivity and profitability. We are doing well in executing the integration process and securing the raw material supplies."

Standalone Financial Highlights

	Qtr ended Sep		*y-o-y*	Qtr ended Jun	*q-o-q*	Half Year ended Sep		*y-o-y*
(Rs. Crore)	2011	2010	*Growth (%)*	2011	*Growth (%)*	2011	2010	*Growth (%)*
Net Sales	795.5	748.2	*6.3%*	655.0	*21.5%*	1,450.5	1,413.9	*2.6%*
EBITDA	56.6	40.1	*41.0%*	60.3	*(6.1)%*	116.9	95.4	*22.4%*
EBITDA Margin (%)	*7.1%*	*5.4%*		*9.2%*		*8.1%*	*6.8%*	
Net Profit	2.2	5.3	*(58.2)%*	7.2	*(69.4)%*	9.5	19.4	*(51.2)%*
Net Profit Margin (%)	*0.3%*	*0.7%*		*1.1%*		*0.7%*	*1.4%*	
Basic EPS (Rs)	0.11	0.27	*(58.2)%*	0.37	*(69.4)%*	0.48	0.98	*(50.8)%*

Economic Environment[1]

The Index of Industrial Production (IIP) stood at 131.50 in September 2011 with a y-o-y growth rate of 2.3% compared to 3.3% in September 2010. During H1 FY2012, the cumulative growth rate of the core industries was 4.9% compared to 5.6% during H1 FY2011.

- Coal production declined by (17.8)% in September 2011 compared to (1.8)% in September 2010. During H1 FY2012, coal production declined by (4.8)% compared to a growth of 0.2% during the same period last year.
- Steel production grew by 6.6% in September 2011 compared to 11.7% growth in September 2010. During H1 FY2012, steel production grew by 9.5% compared to 7.4% during the same period last year.

Higher raw material prices and moderate demand resulted in slower growth in the steel industry. Rising interest rates and a slowdown in infrastructure spending has led to domestic steel consumption growing at a reduced pace. Muted steel demand also resulted in marginal decline in steel prices sequentially.

[1] Press Information Bureau, Government of India

Business Performance

Q2 FY2012 Net Sales increased by 6.3% as compared to the same period last year and 21.5% on a sequential quarter basis. This y-o-y growth was driven by a 55.0% increase in the manufacturing business but partially offset by a (5.2)% decline in the trading business. The sequential growth was driven by both the manufacturing and trading business activities. In Q2 FY2012, the manufacturing business grew by 32.2% and the trading business grew by 18.0% compared to Q1 FY2012.

Q2 FY2012 EBITDA increased by 41.0% compared to same period last year and EBITDA margin increased by 175 bps. A primary driver of this was the decrease in cost of purchase of traded goods and higher production volumes during the quarter. This was however offset marginally by an increase in input raw material costs. The Company continued its focus on enhancing productivity and operating efficiencies which also resulted in margin expansion.

Q2 FY2012 Net Income decreased by 58.2% compared to same period last year. This decrease was primarily due to a higher interest cost, which increased from Rs. 23.7 Crore in Q2 FY2011 to Rs. 42.6 Crore in Q2 FY2012. This was primarily due to an increase in working capital requirement and a higher interest rate environment.

As of September 30, 2011, the Company had Rs. 1,014.5 Crore of debt, Rs. 55.1 Crore of cash and equivalents and Rs. 959.4 Crore of Net Debt. Total debt consists of Rs. 909.3 Crore of Secured Loans (including 524.4 Crore of Working Capital Facility) and Rs. 105.2 Crore of Unsecured Loans.

Strategic Initiatives

SMPL is working on backward integration from iron-ore mining to steel production. The Company is currently evaluating various options to achieve this purpose.

The Company is also actively looking for cost-effective technologies which are suitable:

1) Geographically: For the quality of raw materials available in the region where the Company has its manufacturing facilities and
2) Product wise: For the range of products which the Company is currently manufacturing.

Performance Outlook[2]

Steel consumption is expected to be 1,398 million MT in CY2011 (a growth of 6.5% y-o-y) and 1,473 million MT in CY2012 (a growth of 5.4% y-o-y). The CY2012 forecast assumes that developing economies continue to drive global growth and the policy response to the European sovereign debt crisis reduces volatility in the financial markets. SMPL expects to benefit directly from the continued economic recovery in the domestic markets. India's steel demand is projected to grow by 4.3% year on year in CY2011 to 67.7 million MT due to inflationary and interest rate pressures lowering the demand. However, in CY2012 it is expected to recover and grow by 7.9%.

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For further information on SMPL visit www.sujana.com

[2] Worldsteel.org

Notes:

1. Net Sales: Excludes other operating income
2. EBITDA: Earnings before interest, taxes and depreciation; includes other income
3. All financial margins are calculated based on Net Sales
4. Net Worth: Share Capital and Reserves and Surplus
5. Basic EPS: Each share face value of Rs. 5.00; 19.63 Crore as of September 30, 2011; includes extraordinary items

Safe Harbor

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to SMPL's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. SMPL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Sujana Metal Products Fact Sheet

Company Background

Sujana Metal Products Limited was incorporated in May, 1988 under the name of. Sujana Steel Re-Rolling Industries Private Limited. The Company was incorporated with an object to manufacture steel re-rolled products. With an initial public offering in 1992, the Company is now focused on manufacturing and marketing value added steel products. Currently, the total capacity of the existing facilities of SMPL is 0.6 million MT/annum. The Company caters to the requirements of some of the most reputable players in the construction and infrastructure, power and telecom sectors.

SMPL is primarily into the business of manufacturing various steel products / applications such as the following cold twisted deformed (CTD) bars, thermo mechanically treated (TMT) bars, MS angels and MS bars, heavy structural steel and Smart Steel. Smart Steel provides the customer with cost-savings, reduces construction cycle time, saves labour costs, reduces the hassles of inventory management, achieves zero scrap and ease of operations.

SMPL supplies high quality CTD/TMT bars of various sizes with varying material properties depending upon the requirements of the customers. It also manufactures structural steel of varying shapes and dimensions for the construction and infrastructure sector and towers for the power and the telecom industry.

Industry Overview

The Indian steel industry ranks fifth in the world with an estimated crude steel production of 63 million MT in FY2011. Integrated steel producers contributed 55% of the total crude steel production in 2010-11 and 45% by secondary producers. According to estimates by the Ministry of Steel, India is expected to add around 200 million MT of capacity during the next decade, increasing overall crude steel capacity from 78 million MT in FY2011 to around 280-290 million MT by 2020. India is expected to become the world's second largest steel producer by FY2016.

India presents a high growth potential with its per capita finished steel consumption of 54 kg, compared with 430 kg in China and 187 kg global average. India's per capita steel consumption in rural locations is only 13 kg, with 70% of Indians residing in these areas. The government is making efforts to leave adequate income in the hands of the rural masses through attractive procurement prices for agricultural produce and NREGA scheme. Rural markets are expected to emerge as a huge opportunity for increasing steel consumption in the coming years.

The construction sector is a major consumer of long-products such as rods, bars/coil sections, wire and reinforcing. The construction industry is expected to regain momentum over the next few years, with the Indian Government laying emphasis on infrastructure development and increasing expenditure on development activities across sectors. The Eleventh Five Year Plan (2007–2012) has allocated investments worth US$ 490 billion for the core infrastructure sector, comprising power, roads, highways, railways, ports, airports, mining and irrigation.

India is the world's second-largest manufacturer of two wheelers and the fifth-largest manufacturer of commercial vehicles. Passenger vehicle production is expected to grow to 4.9 million a year in 2016, while two-wheeler and three wheeler production will touch 36.5 million. Low-cost passenger cars are expected to lend a significant impetus to domestic demand for flat steel products.