

Masteel 3Q12 revenue rises on higher tonnage

- *Local market continues to be growth catalyst*
- *Actively seeking new overseas markets*

Petaling Jaya, Malaysia, 30 November 2012 - Integrated steel manufacturer **Malaysia Steel Works (KL) Berhad (Masteel, 马来西亚钢厂 (吉隆坡) 有限公司, Bloomberg: MSW MK; Reuters: MSWK.KL)** has seen group revenue for its third quarter ended 30 September 2012 (3Q12) climb to RM312.9 million, as it benefited from higher sales tonnage from increased sales to the local market.

Masteel was able to record a net profit of RM7.0 million despite higher production costs and the weaker selling price encountered during the quarter under review.

“We are pleased with what Masteel was able to achieve despite the challenging headwinds in the market.

The Group has been able to benefit strongly - thanks to our strategic location within the Klang Valley - to meet the demand for high tensile steel bars from private, public and private-public works that are currently being undertaken.

With more Economic Transformation Programme projects in the pipeline and the seasonal upswing trend expected from our export markets, we are optimistic that we will end the year on a positive note.”

Dato’ Sri Tai Hean Leng (拿督斯里戴贤龙)
Managing Director / Chief Executive Officer, Malaysia Steel Works (KL) Bhd

For its nine months ended 30 September 2012 (9m12), Masteel posted an 8.8% increase in revenue to RM997.0 million from RM916.7 million a year ago. It was also able to achieve a pre-tax profit of RM21.6 million and a net of profit of RM21.2 million.

9m12 basic earnings per share stood at 10.04 sen.

Financial Summary (Unaudited Consolidated Results)						
RM'000	3Q12 to 30.9.12	3Q11 to 30.9.11	Change	9m12 to 30.9.12	9m11 to 30.9.11	Change
Revenue	312,934	300,310	4.2%	996,981	916,710	8.8%
Pre-tax Profit	7,552	17,460	(56.7%)	21,554	39,627	(45.6%)
Net Profit to Shareholders	7,040	16,195	(56.5%)	21,150	37,685	(43.9%)
Basic EPS (sen)	3.34	7.69	(56.6%)	10.04	17.98	(44.2%)

Masteel currently operates a 350,000 metric tonne (MT) per annum rolling mill in Petaling Jaya, Selangor, which produces high-tensile steel bars. It also operates a melt shop in Bukit Raja, also in Selangor, which can produce 550,000 MT of steel billets annually.

Billets are the raw materials used in the production of steel products like bars.

The Group is currently building a second rolling mill in Bukit Raja that, once completed in end-2013 or early-2014, will boost its ability to produce high-tensile steel bars by another 180,000 MT per annum.

Dato' Sri Tai said Masteel's strategic location had already led to the Group landing orders to supply steel bars for the Klang Valley Mass Rapid Transit rail project recently.

He also said that the bulk of 3Q12 sales of steel billets and bars, or 85.3% went to local customers while the 14.7% balance was sold to its clients overseas. "This trend can be seen in our 9m12 results, which saw more than 80% of steel products being consumed locally.

"And, while this increase in local demand is welcomed, we know we cannot depend entirely on the domestic market, especially when our increased capacity comes on-stream.

"Hence, going forward, we will continue to actively grow our export orders - both in the markets that we already export to as well as into new markets that we have yet to penetrate," he concluded.

About Masteel

Malaysia Steel Works (KL) Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. It is involved in the manufacturing of high-tensile deformed steel bars, mild steel round bars and steel billets.

It exports 30% to 40% of its products and has 68 domestic dealers and several international trading houses as partners in Australia, New Zealand, Indonesia, Singapore, Thailand, Vietnam and The Philippines.

Masteel has vast experience in the operations & maintenance of the latest process technologies and automation systems with over 40 years of track record of managing European-made steel mills and industrial plants.

Masteel is one of the top five integrated steel companies in Malaysia.

Issued for and on behalf of MALAYSIA STEEL WORKS (KL) BHD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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