



# ANNOUNCEMENTS

16 March 2003

**NatSteel Returns to Profitability with Earnings of S\$183.5 million in 2002 Board Recommends Total Dividend Payment of S\$1.00 per Share**

**INatSteel Returns to Profitability with Earnings of S\$183.5 million in 2002 Board Recommends Total Dividend Payment of S\$1.00 per Share**

SINGAPORE, 16 March 2003: NatSteel Ltd ("NatSteel" or the "Company") announced today its full year 2002 results.

## 2002 Results Highlights

- NatSteel group returned to profitability with earnings of S\$183.5 million
- Total cash proceeds of S\$589.0 million realised from the disposal of NatSteel Broadway and NatSteel Brasil
- Profit before tax of S\$42.0 million achieved for continuing businesses in 2002 compared with S\$10.1 million loss in 2001

## Full Year 2002 Results

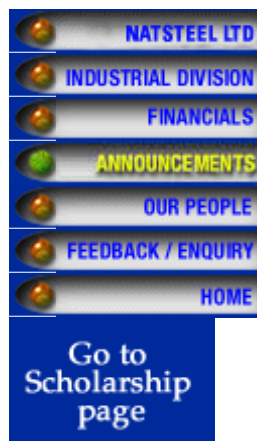
The NatSteel group completed in the second half of 2002 the sale of its shareholding interests in NatSteel Broadway and NatSteel Brasil, which realised an exceptional gain of S\$291.8 million and net proceeds of S\$589.0 million.

Turnover for the NatSteel group's continuing businesses increased by 23.9% to S\$1.544 billion compared with 2001. Profit before tax was S\$42.0 million as against a loss of S\$10.1 million in 2001. All three main business divisions of the NatSteel group performed better.

The Steel Division turned around from an operating loss of S\$24.5 million in 2001 to an operating profit before tax of S\$25.9 million in 2002. The Industrial Division also turned around from an operating loss of S\$1.8 million to an operating profit before tax of S\$8.5 million in 2002. The operating profit before tax of the continuing businesses in the Electronics Division improved by 185% to S\$11.4 million compared with 2001.

## Dividend Recommendation

In December 2002, the then directors of NatSteel had recommended a distribution of S\$0.70 per NatSteel share plus a further distribution of S\$0.27 per NatSteel share. Following a review of the financial position and projected expenditure of the NatSteel group, the current NatSteel Board has decided to recommend a total dividend payment amounting to S\$1.00 per NatSteel share. The dividend payment will comprise a final dividend of S\$0.55 per NatSteel share for 2002 and an interim dividend of S\$0.45 per NatSteel share for 2003.



### **2002 Final Dividend**

Based on the cash position and the anticipated operating cashflow of the NatSteel group and taking into consideration the NatSteel group's borrowings, working capital requirements and planned capital expenditure for 2003/2004, the NatSteel Board is recommending a final dividend of S\$0.55 per NatSteel share from the surplus cash of the NatSteel group. Subject to requisite approvals from shareholders, the 2002 final dividend is expected to be paid on or about 30 June 2003.

### **2003 Interim Dividend**

In line with the NatSteel Board's stated objective to return value to shareholders, the Board is also declaring an interim dividend of S\$0.45 per NatSteel share for the 2003 financial year. The 2003 interim dividend will be paid on 16 April 2003 and represents a distribution of approximately 50% of the net proceeds received by NatSteel from the sale of its shareholding interest in NatSteel Broadway. This 50% distribution is in line with the amount distributed by the Company from the net proceeds of the sale of NatSteel Electronics in 2001.

### **Further Dividends**

The Board will continue to strike an appropriate balance between cash distribution to shareholders and funding business operation and investments requirements and intends to consider further distributions as and when cash generated from the Group's businesses or from disposals are in the Board's opinion, surplus to such operational and investment requirements.

### **Outlook for 2003**

The earnings of the Steel Division and the Industrial Division for 2003 are expected to be lower than that for 2002. Subject to customers' demand, the performance of the Electronics Division in 2003 is expected to be comparable to that in 2002.

The Group's businesses can be adversely affected by continued high oil prices and any adverse economic consequences arising from a possible Iraq war. Barring these and other unforeseen circumstances, the Group's overall pre-tax performance for 2003 could be maintained at 2002 level. However, profit after tax and exceptional items is expected to be lower due to non-recurring gains from disposal of NatSteel Broadway and NatSteel Brasil.

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