



Responding to Challenges.
Creating Long-term Value.

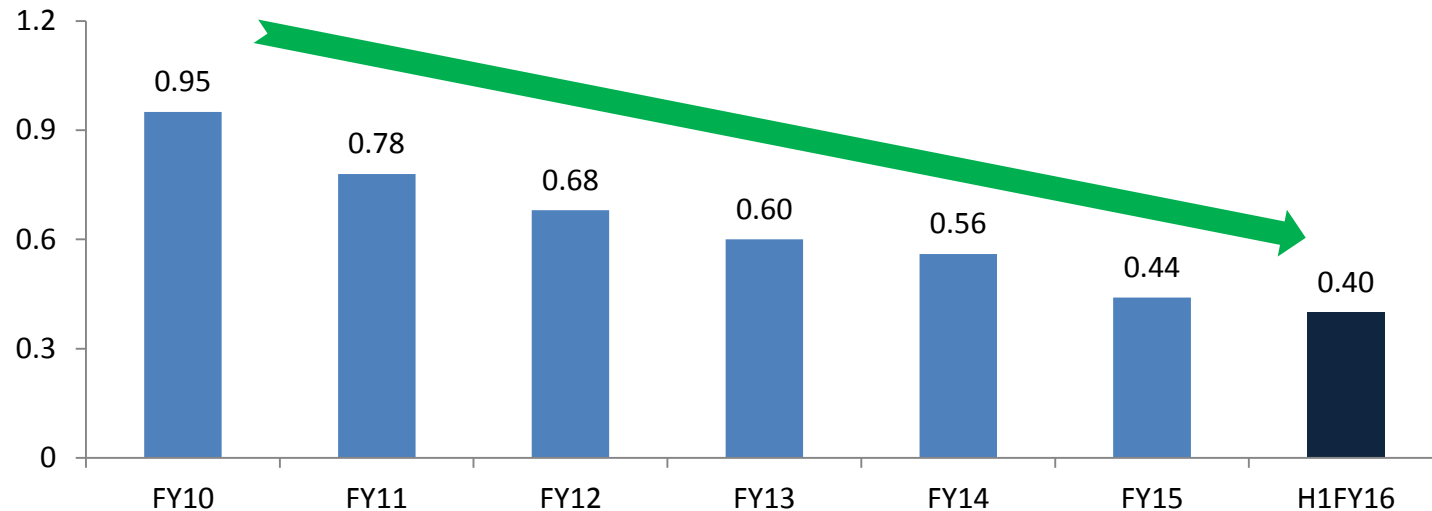


Results Presentation

Second quarter and half-year ended 30th September 2015

5th November 2015

Statements in this presentation describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.



- Committed to ensuring all Tata Steel sites are sustainably fatality free on our way to 'being the benchmark in H&S in our industry'
- KPO start-up undertaken under systemic risk controls
- Maturity of H&S management system continues to develop and acts as a catalyst for organisational learning

Reduction in lost time injuries continues year on year

Tata Steel's continued focus on engaging with communities and improving quality of life



India

- Primary health care services delivery to nearly 275,000 people through static and mobile clinics
- 'MANSI' initiative is being implemented in Jharkhand district for last 5 years
- Partnered with ASPIRE for implementation of Thousand Schools Project in Odisha
- Capacity building of nearly 1,800 self-help group members including Kalinganagar
- Organising cultural programmes to promote tribal culture, tradition and language
- Nearly 1,400 youth trained in various vocational trades across locations

H1 FY16 Spend	Rs Crs
Education	13
Gopalpur Hospital	13
Health	11
Livelihood	10
Infrastructure	6
Others (Sports, Environment, etc.)	43
Total	96

Europe

- More than 2,500 people from neighbouring communities visited open day at Ijmuiden steelworks to learn about our products, manufacturing processes and environmental policy among local communities.
- Nearly 9,500 children participated in this summer's Tata Kids of Steel junior triathlon programme at ten events in Great Britain
- European operations support numerous education and learning initiatives in its local communities



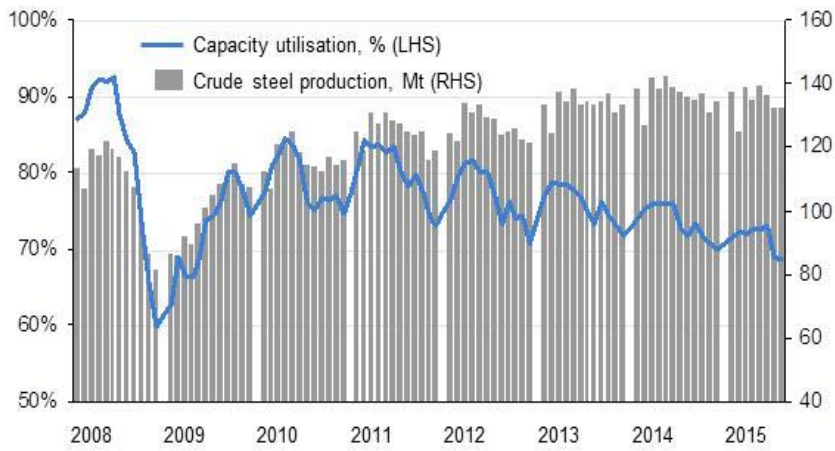
SN	Particulars
1	Financial performance
2	India & SE Asia performance
3	Europe performance
4	Appendix



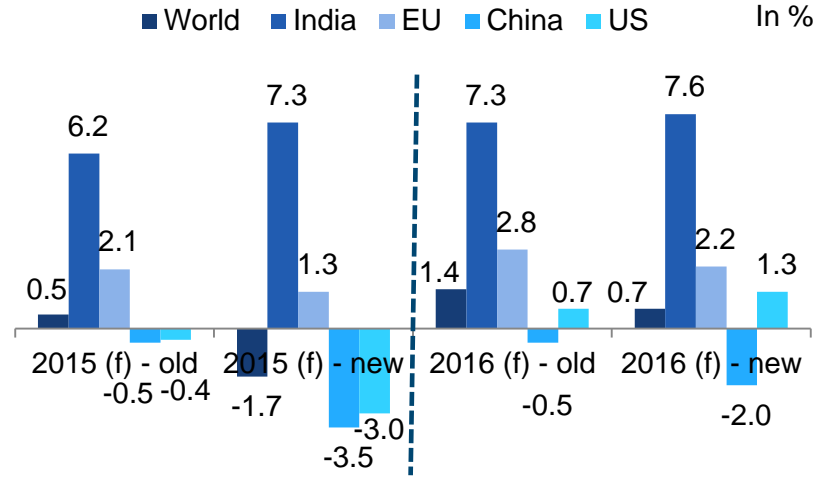
Commodity downcycle weighs intensely on the steel sector



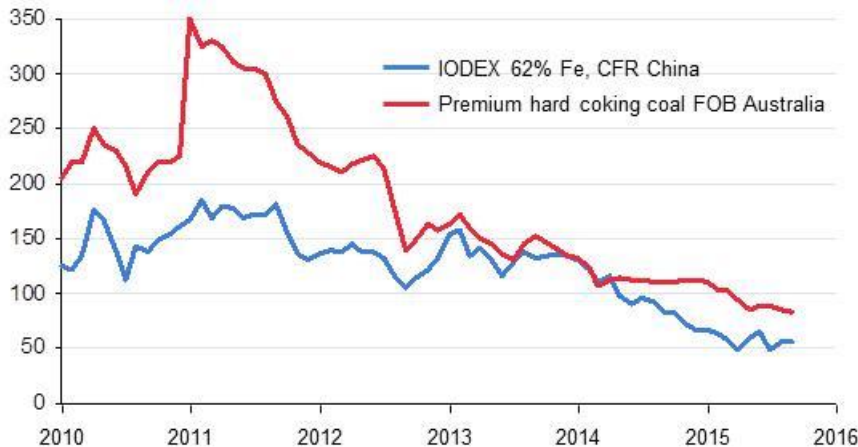
Global crude steel production & capacity utilisation



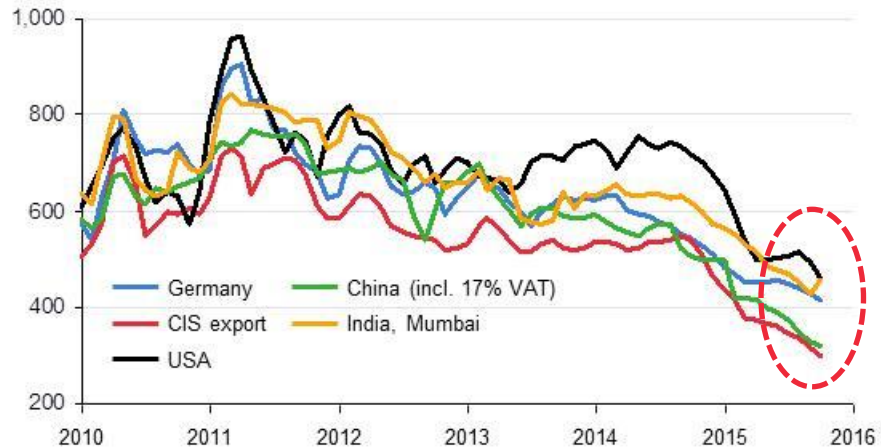
Downward revision of global steel demand forecasts



Iron ore fines and hard coking coal (US\$/tonne)

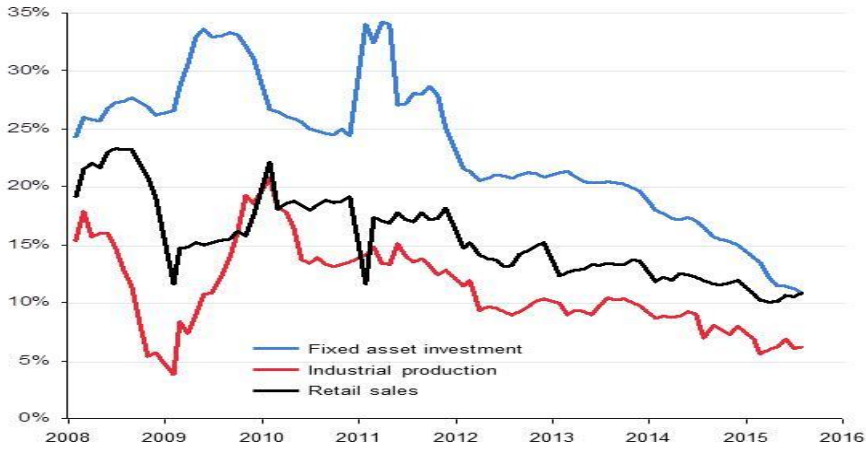


HRC spot price (US\$/tonne)

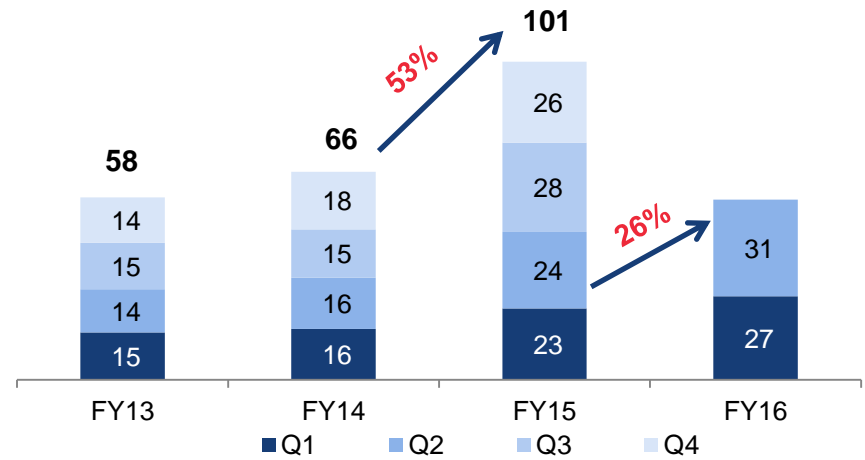


Elevated level of exports by China despite rising protectionism by many steel consuming countries

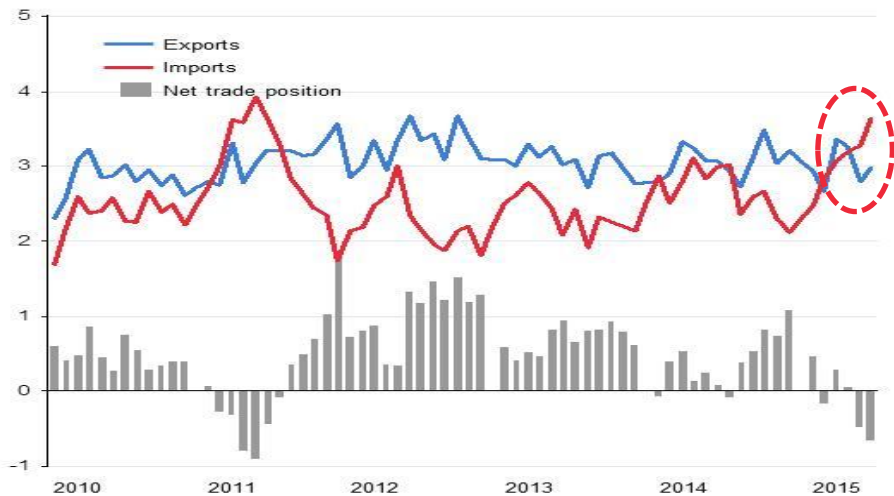
China - Investment, production and sales (y/y% chg)



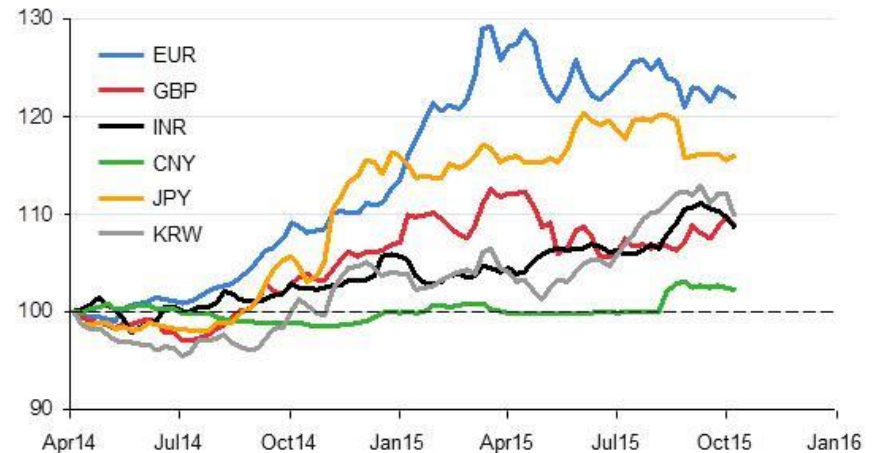
Surge in China's steel exports (MnT)



EU trade balance (MnT)



Currency movement (indexed)



Key highlights – Quarter ended 30th September'15

1	Higher deliveries by Tata Steel India despite a weak market environment
2	European volumes lower due to severe weakness in the market and operational restructuring in UK
3	Underlying Balance Sheet leverage stable despite translation loss on foreign debt – Gross debt lower by Rs.1,477 crores compared to June quarter
4	Raised ~Rs 4,200 crores through monetisation of investments in H1 FY16 – Total monetisation in the last 5 years of ~Rs.20,000 crores
5	British Steel Pension Scheme restructured successfully – net credit of Rs.8,570 crores in Q2
6	Impairment and restructuring charges of ~Rs.8,200 crores across the group, predominantly in the UK
7	Regulatory charges in India continues to increase the financial burden especially in mining
8	Kalinganagar Project start up process underway

Exceptional items in Q2FY16



Rs. Crores

Geography	Details of event	Charges	Gains
Europe	Impairment of Strips Products, UK	7,319	-
	Impairment of Long Products, UK	276	
	Impairment of other business	177	
	Restructuring provisions	89	
	Provisions for demands and claims	808	
	Net one-time credit in P&L on restructuring of BSPS scheme	-	8,570
	Net one-time credit on reclassification of main pension scheme in the Netherlands	-	1,113
India	Provision for demands and claims	880	-
	Impairment of assets and investments	125	
	Provision for employee separation compensation scheme of 787 people in Jamshedpur and Collieries	293	
Others	Provision relating to NatSteel Xiamen	158	22
	Impairment of assets at TSKZN	144	
	Profit on divestment in Tata Inc.	-	
Total		10,269	9,705

No impact on Group's financial covenants or its liquidity position

Europe pension scheme successfully restructured

- ✓ UK pension scheme successfully restructured to make it more sustainable

BSPS highlights:	
Asset size	£13.9 billion
Pension surplus as on 30 th Sep 2015 (under IGAAP)	Rs.11,742 crores
One-time net credit in P&L in Q2 FY16	Rs.8,570 crores

- ✓ The triennial valuation exercise of BSPS scheme as of 31st March 2014 is completed. The net deficit is now significantly reduced to £90 million (2011 valuation deficit was £553 million). The deficit contributions until FY18 as agreed in the last valuation will be funded.
- ✓ The main pension scheme in the Netherlands, Stichting Pensioenfonds Hoogovens, is now being considered as a defined contribution scheme which has resulted into a one time credit of Rs.1,113 crores in the consolidated financial statements.

FY15: monetisation
of ~Rs.2,900 crores

- ☑ Stake sale of Dhamra Port Company Limited
- ☑ Sale of Borivali land, Mumbai

Q1 FY16:
monetisation of
~Rs.1,000 crores

- ☑ Monetisation of stake in Titan Limited and Tata Projects Limited
- ☑ Other monetisations of Rs. 160 crores

Q2 FY16:
monetisation of
~Rs.3,200 crores

- ☑ Monetisation of balance stake in Titan Limited for Rs. 703 crores
- ☑ Part-monetisation of stake in Tata Motors for Rs. 2,498 crores

Non-core asset monetisation of ~Rs.4,200 crores in H1 FY16

Financial Performance – Quarter Ended 30th September'15



Figures in Rs. Crore unless specified

Figures in Rs. Crore unless specified	Q2 FY16				Q1 FY16	Q2 FY15	
	India	Europe	SE Asia	Others & Elimn	Group	Group	
Deliveries (Mn T)	2.33	3.27	0.69	-	6.29	6.33	6.50
Turnover	9,531	16,948	2,001	825	29,305	30,300	35,777
Raw Mat consumed	2,871	5,561	90	262	8,784	8,722	10,396
Reported EBITDA	4,771	(238)	70	91	4,694	3,496	3,750
Underlying EBITDA*	1,963	(139)	70	91	1,985	2,799	3,997
Underlying EBITDA/t (Rs.)	8,418	-	1,018	-	3,157	4,424	6,150
EBIT	4,290	(948)	8	(27)	3,323	2,149	2,321
					Q2 FY16	Q1 FY16	Q2 FY15
Exceptional gains/ (charges)					(564)	158	1,145
Profit Before Tax ¹					1,785	1,250	2,447
Profit After Tax, Minority Interest and Associates' Income ¹					1,529	763	1,254

*excludes one-off items and profit on sale of quoted investments

Financial Performance – Half year ended 30th September'15

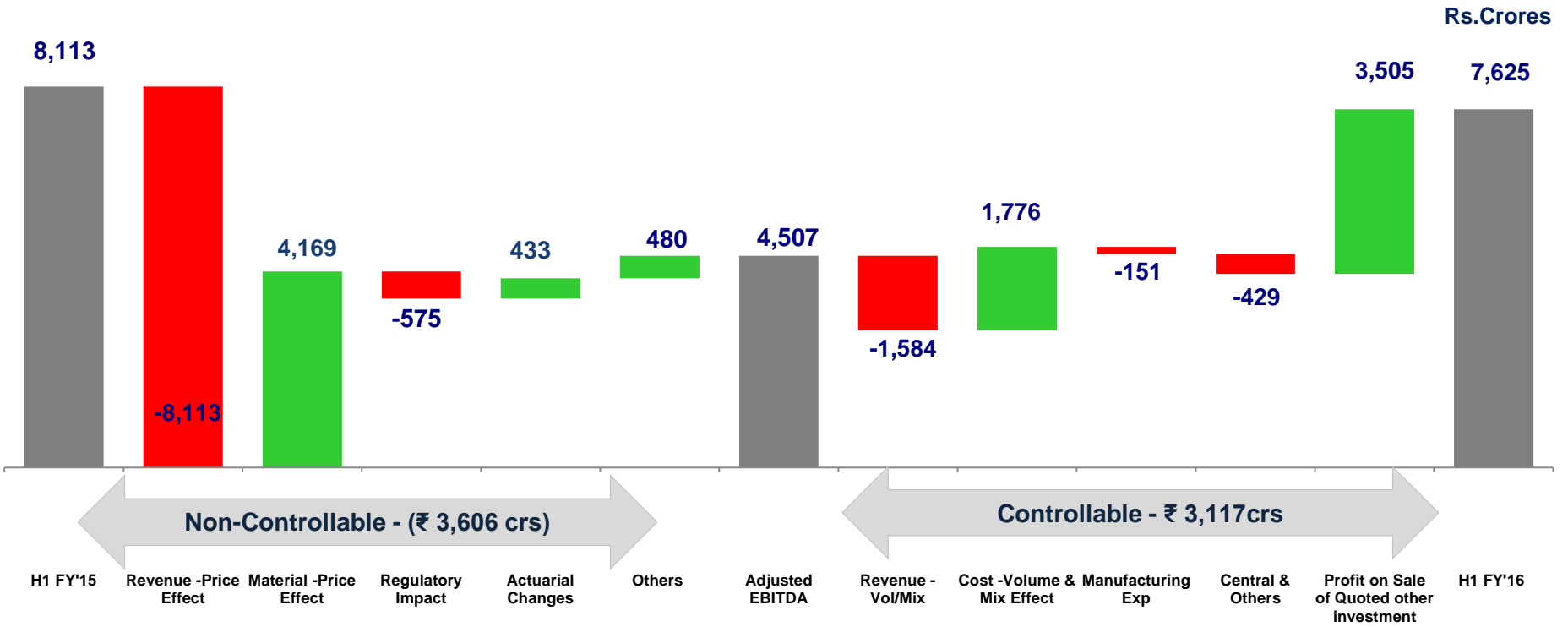


Figures in Rs. Crore unless specified

Figures in Rs. Crore unless specified	H1 FY16				H1 FY15	
	India	Europe	SE Asia	Others & Elimn	Group	
Deliveries (Mn T)	4.48	6.71	1.38	0.05	12.62	12.95
Turnover	18,625	34,803	4,263	1,914	59,605	72,204
Raw Mat consumed	5,201	11,704	165	436	17,506	21,406
Reported EBITDA	7,182	336	104	568	8,190	8,075
Underlying EBITDA*	3,677	436	104	567	4,784	8,322
Underlying EBITDA/t (Rs.)	8,216	649	751	-	3,793	6,424
EBIT	6,233	(1,072)	(19)	331	5,473	5,095
					H1 FY16	H1 FY15
Exceptional gains/ (charges)					(405)	883
Profit Before Tax ¹					3,036	3,871
Profit After Tax, Minority Interest and Associates' Income ¹					2,292	1,591

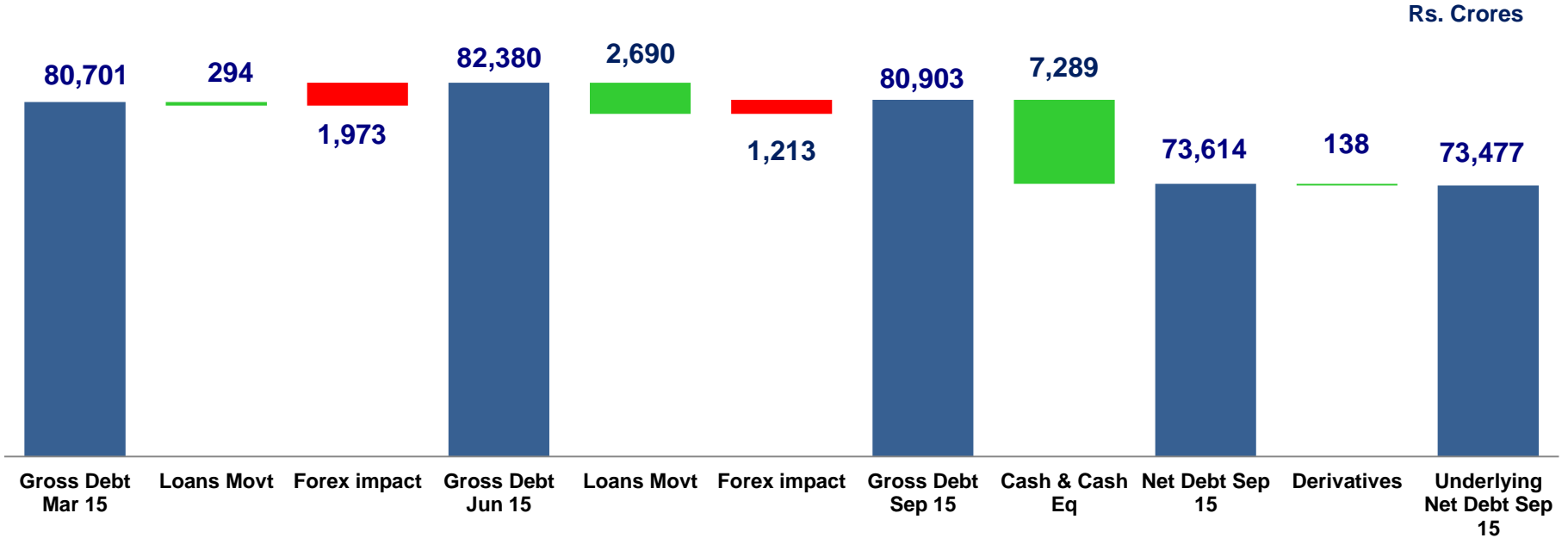
*excludes one-off items and profit on sale of quoted investments

Group EBITDA Bridge H1 FY2016 vs. H1 FY2015



Note: Group EBITDA consists of EBITDA across four operating entities –TSI, TSE, NSH & TSTH

Debt movement as at 30th September'15



- Capex incurred of Rs.2,608 crores in Q2 FY16 and Rs.5,852 crores in H1 FY16
- Gross debt declined in Q2 FY16 while net debt stable
- Strong liquidity of ~Rs.16,600 crores plus undrawn KPO project finance
- Scheduled term debt repayments of Rs.3,500 crores in the next 18 months

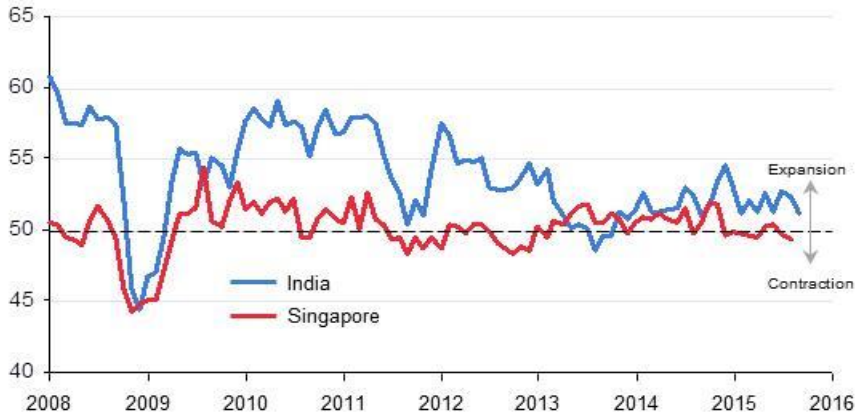
- ✓ India volumes to be ramped up
- ✓ Ferro alloys and Minerals Division to start contributing significantly from H2 FY16
- ✓ Kalinganagar project to diversify our product basket and customer universe
- ✓ Focus on cost savings and improvement initiatives
- ✓ Restructuring of UK business to align it with market conditions

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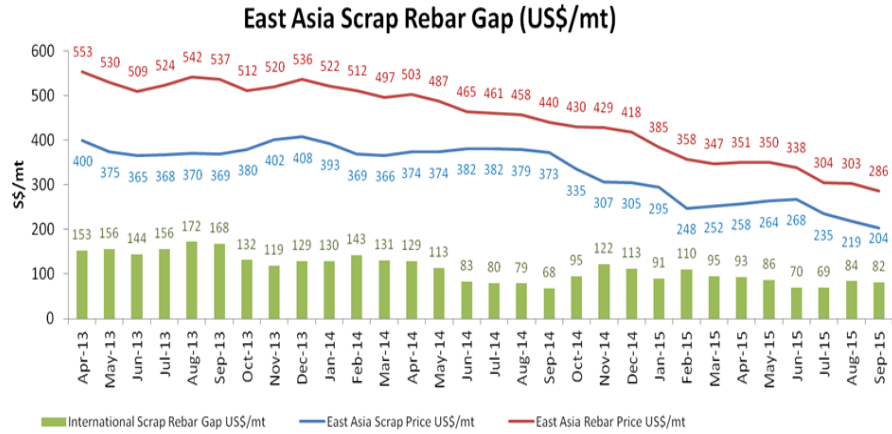
India and SE Asia – Global slowdown coupled with slower pace of reforms impacting the steel demand

PMIs (manufacturing) - India and SEA countries



- Manufacturing activity in India continued its downtrend amid global uncertainties
 - Underlying steel demand in the country continues to be subdued
 - Severe drought and reduced government support has affected the rural demand

Market spread in SE Asia

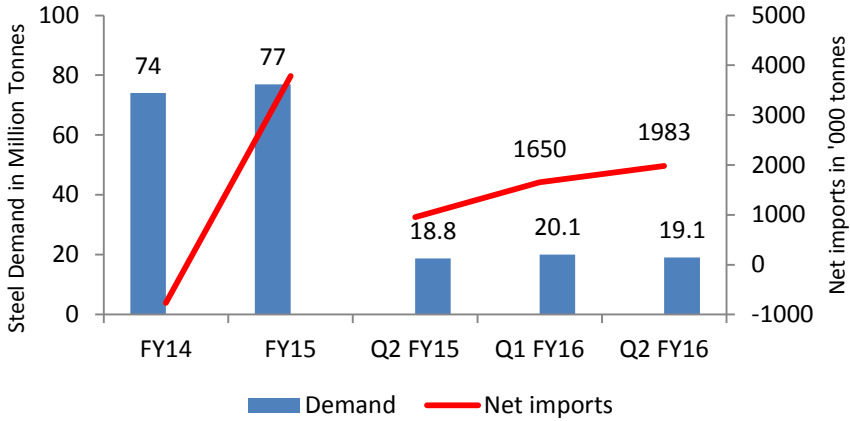


- South East Asian economies continued to witness economic slowdown with Singapore PMI falling in contraction zone
 - Spread between East Asia Scrap-Rebar prices continued to decline. However, falling scrap prices provided some respite

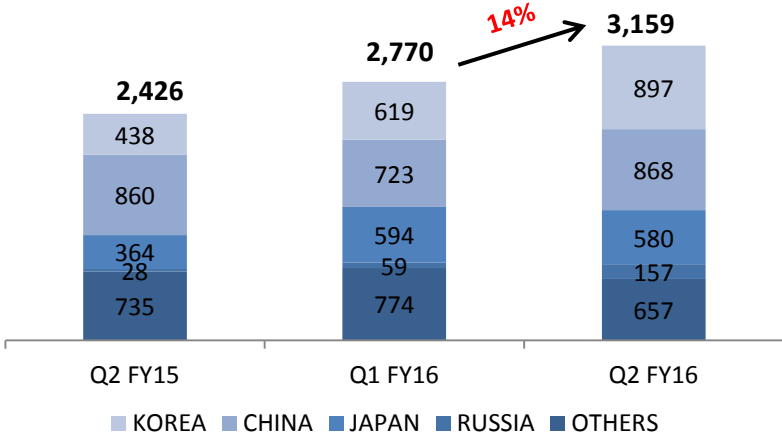
Expectation of steel demand recovery in H1 2016 on reforms implementation

India – Weak demand, volatility in currencies and surge in imports has put significant downward pressure on steel prices

India Apparent steel demand & Net imports



India – Imports continue to rise (in Kt)



- ❑ Decline in international steel prices and rising imports putting pressure on domestic steel prices
 - ❑ Levy of provisional safeguard duty on HRC provided some support
 - ❑ Fall in China's HRC prices has partially offset the impact of safeguard duty
 - ❑ Prices of non-HRC products continue to remain under pressure

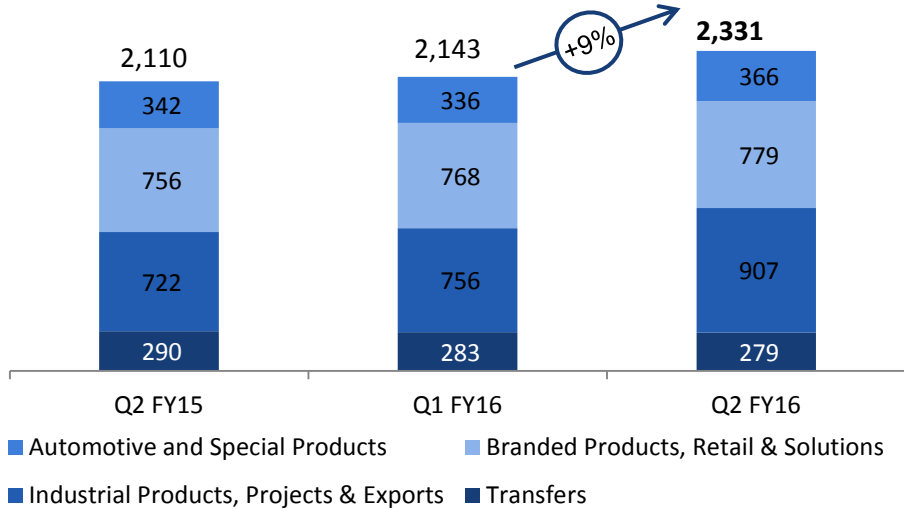
- ❑ Volatility in the emerging market currencies impacted the competitiveness of domestic steel players
 - Currencies like Russia and Korea depreciated significantly in Q2
 - China's yuan devaluation further aggravated pressure

- ❑ Imports continue to surge from China and Russia apart from FTA countries like Korea

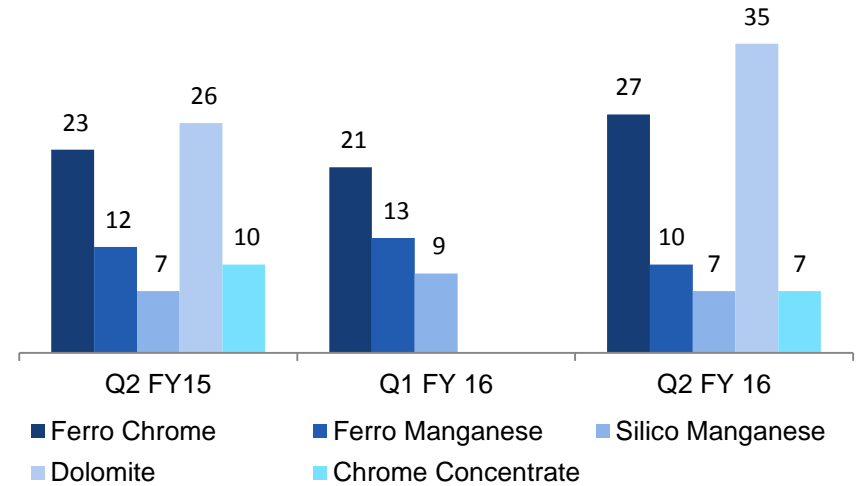
Steel prices to support on expectation of demand recovery

Higher deliveries across key segments despite weak demand environment

Steel sales (in kt)



FAMD sales (in kt)



- ✓ Best ever H1 sales – increasing volumes of Automotive, Branded and value-add products
- ✓ Reaffirmation of leadership position in key segments
- ✓ Ferro Alloys and Minerals Division to be ramped up significantly in H2 FY16 to pre-disruption level

Branded products proportion has increased to 48% of gross turnover in H1 FY16 (Rs.9,236 crores in H1 FY16)



(Wires)



LIVE WITH PRIDE
(Roofing sheets)



A bond of trust



(Wooden finish steel doors)

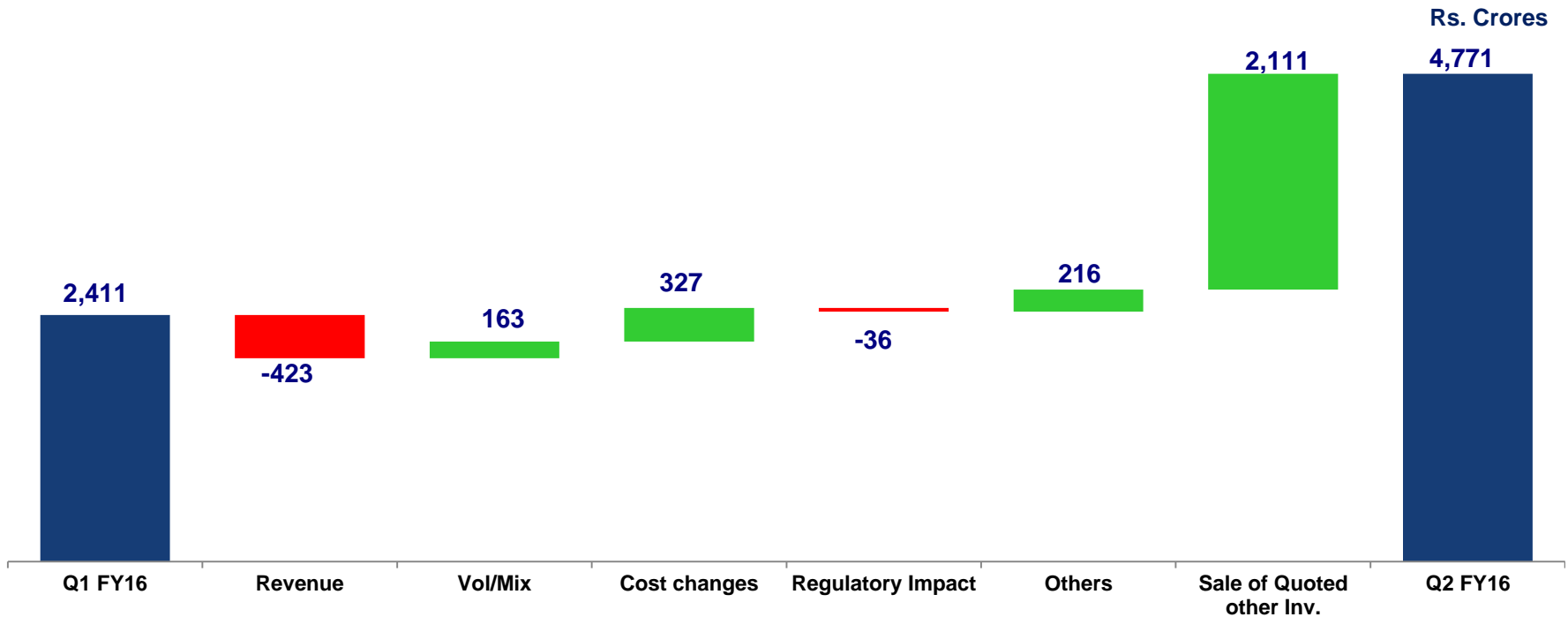


(Housing solutions)



Tata Tiscon and Tata Shaktee recognised as 'Superbrands'

India EBITDA bridge Q2 FY2016 vs. Q1 FY2016



- Decline in steel prices due to depressed market conditions.
- Higher deliveries led to improved volume mix.
- Cost savings and benefits of lower raw material prices
- Regulatory impact due to higher consumption of metaliks largely offset by reversal of DMF provisions
- Others includes higher profitability at IBMD and dividend income



Pan view of Kalinganagar Plant, Odisha



RMHS (Coal Yard)



Coke Oven

Rs.22,300 crores invested in the project as of September 30, 2015



Pan-view - SMS



Main Gate



Power plant



Backside view of the power plant

Kalinganagar project: Will diversify our product basket and expand on customer universe

- ✓ Largest Blast furnace in India with 4330 cubic meter volume
 - ✓ Biggest LD converter in India – 310 tonnes
 - ✓ Twin Waggon Tipplers for achieving faster turnaround time with unloading capacity of 20 mtpa of raw materials
 - ✓ 100% by-product gas-based power generation leading to reduction in carbon footprint
 - ✓ Designed to have minimal water footprint
 - ✓ Significant reduction of noise & dust pollution during production and Zero-effluent discharge
- Production of high-end grades of Flat products to meet the increasing demand of high strength coils upto 2050 mm width and upto 25mm thick catering to high-end applications in,
 - ✓ Automotive
 - ✓ Line pipe segment (API)
 - ✓ Defence
 - ✓ Infrastructure
 - Ability to supply high-end application products in the market (e.g. HS 800, DP 600, DP 1000, API X70/X80, S355, ASTM A572) and also develop unique grades with tighter dimensional tolerance

NatSteel Holdings

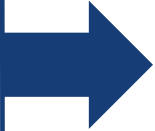


- Deliveries increased ex-China despite higher imports across the region
- Underlying profitability improved even though market spreads for rebar-scrap further contracted. Focus on exports to select niche markets coupled with cost savings & improvement initiative are yielding results.
- Singapore operations continue to focus on Building solutions (downstream products and solutions) business with a robust order book .

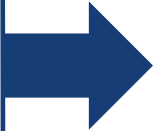
Tata Steel Thailand



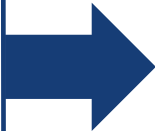
- Deliveries remained flat yoy due to stagnant domestic rebar market and delayed government projects
- Profitability improved with PBT positive operations for Q2 and H1 FY16 on the back of higher exports and focus on value added products and customer services. Better management of fixed costs and inventory also helped.
- Focus on new markets, downstream sales and cost management
- Temporary anti-dumping duty (17-34%) on Low Carbon Wire Rods from China announced in Sep'15 for 4 months to support domestic players



Investment cycle is yet to revive, pace of economic growth likely to be slower

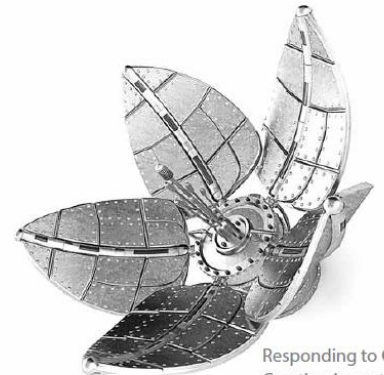


Domestic steel prices to remain under pressure until meaningful uptick in steel demand. Declining international steel prices with strong local currency impacting the competitiveness of domestic steel industry.



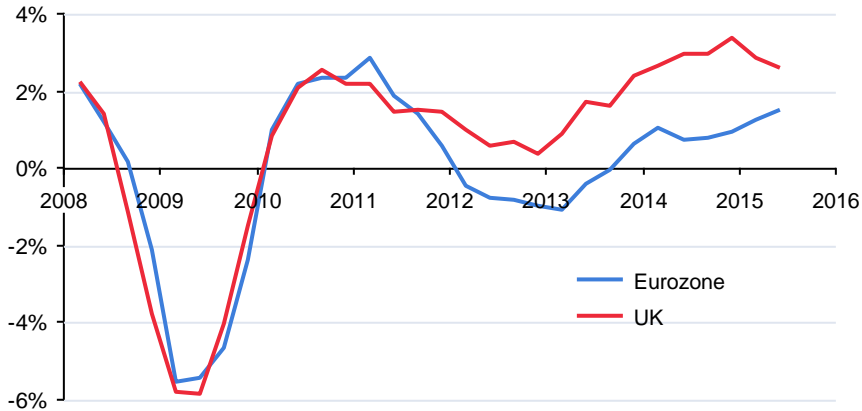
Regional economies in South East Asia continue to be affected by elevated exports from China. Falling scrap prices to provide support to scrap—rebar market spreads. Strategy to focus on exports markets and cost savings.

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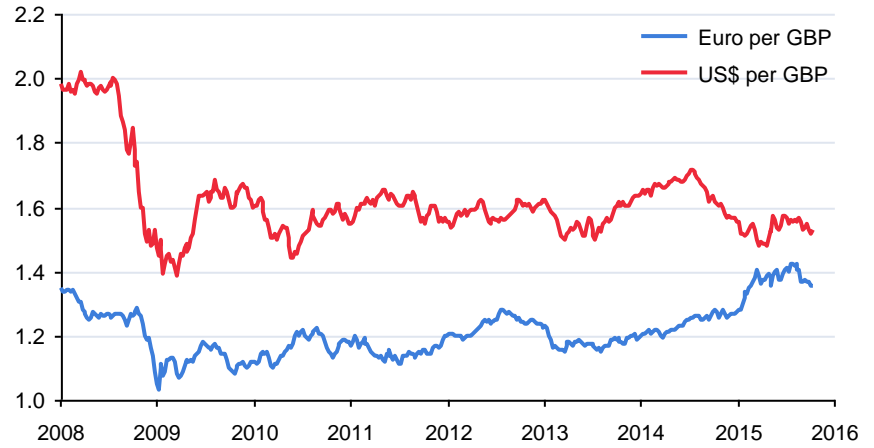


EU steel demand was slightly up in H1 2015 (+0.9%) as the recovery continues

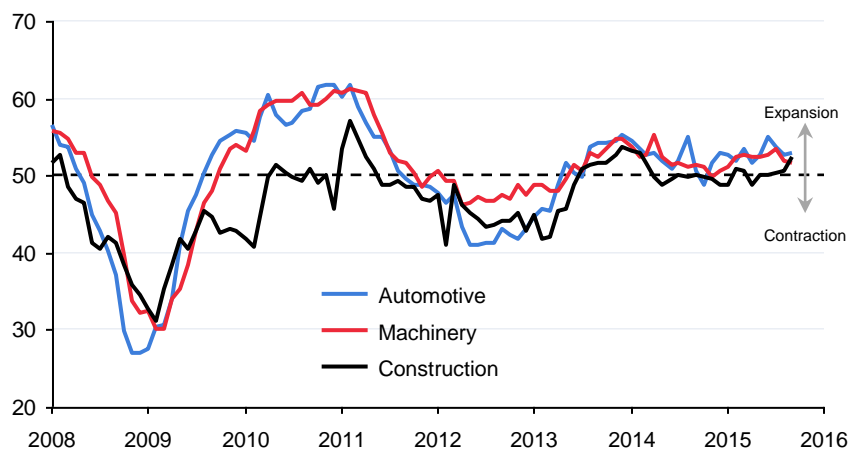
GDP – Eurozone and UK (y/y%)



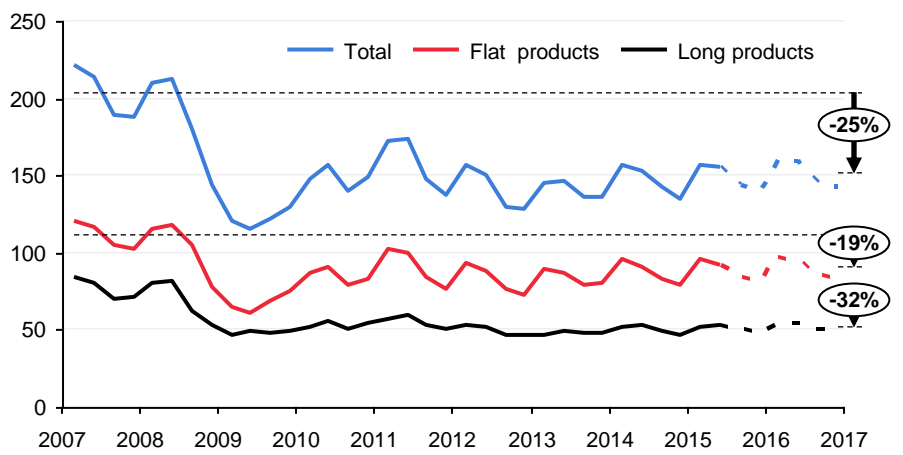
Exchange rates



EU sector PMIs



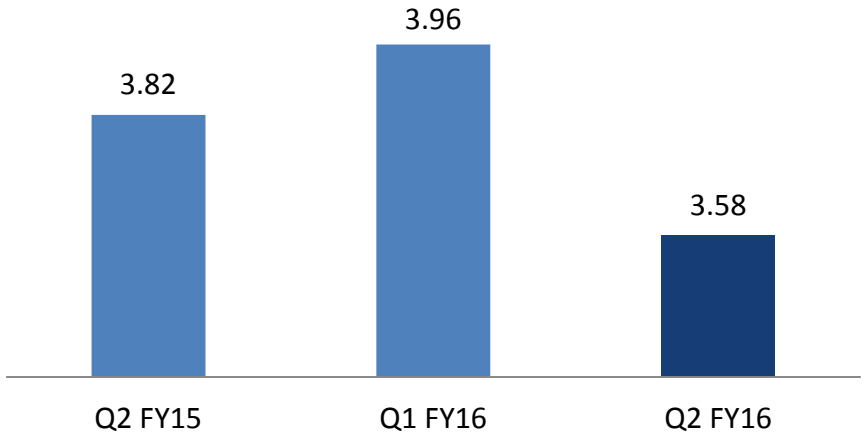
EU apparent steel demand (annualised, Mt)



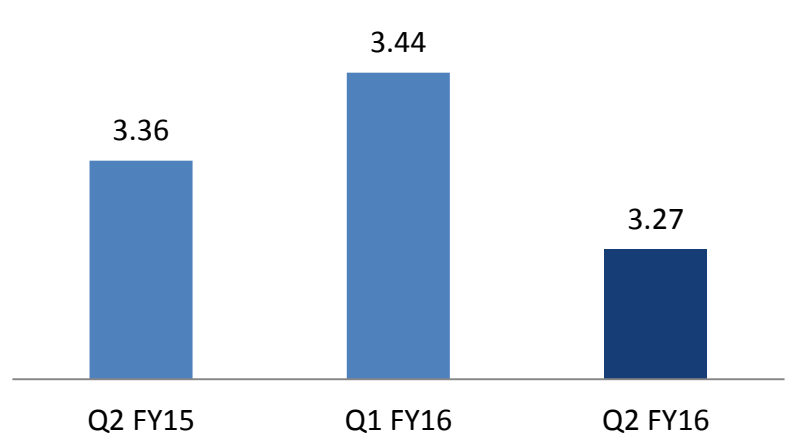
- The economic recovery in the EU continues at a steady pace, but consumption is the main driver
- Exchange rates continue to be unhelpful for our UK operations

EBITDA performance down on previous quarters due to market headwinds in Europe

Production (in MnT)

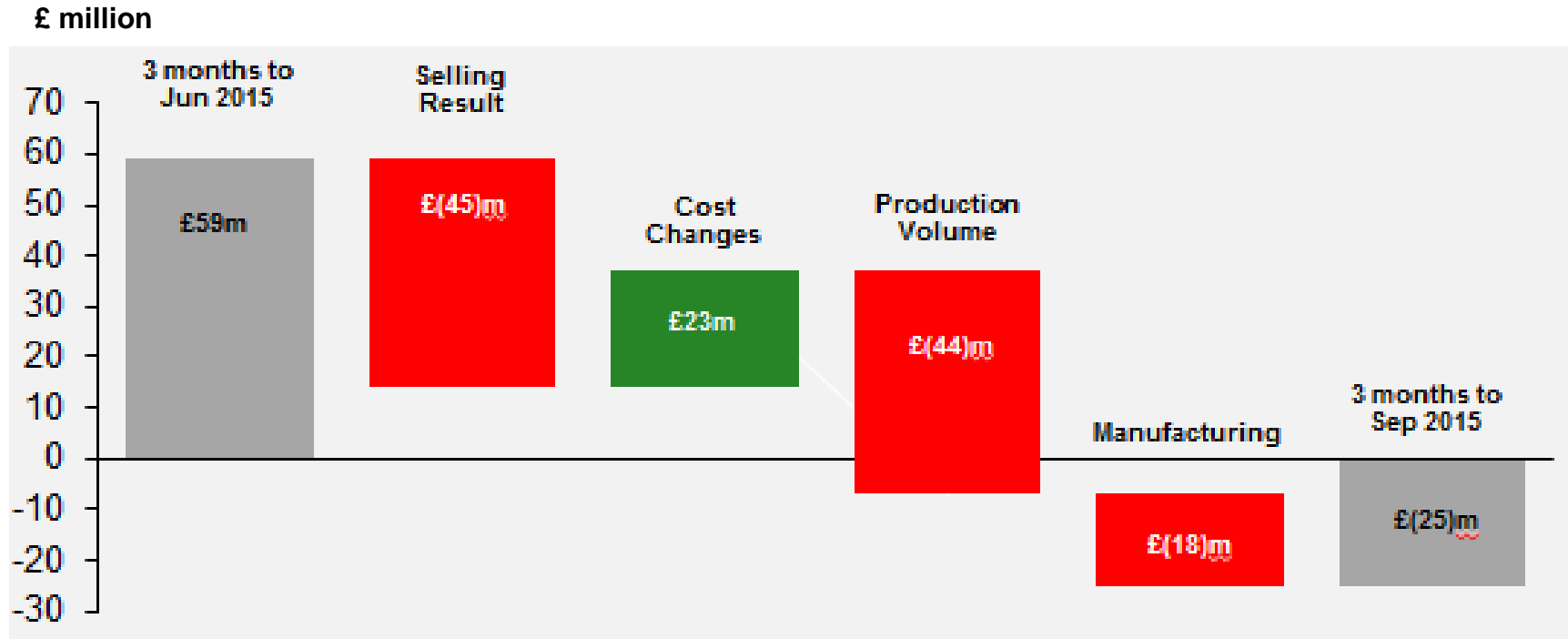


Deliveries (in MnT)



- Reduction in liquid steel production and focus on higher value sales in response to changing market conditions
- Continue to match production and deliveries to lower market conditions
- Turnover impacted by lower steel prices caused by low priced imports into Europe
- Lower EBITDA reflecting the fall in steel prices and lower spreads in UK

EBITDA bridge Q2 FY2016 vs. Q1 FY2016

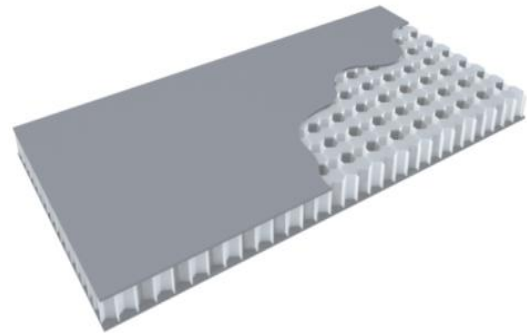


- Selling Result impacted by lower selling prices in Europe with continued downward pressure on prices, particularly in UK due to increased imports from China
- Strategic decision to reduce Production Volume to focus on high value markets
- Manufacturing fell due to increased maintenance activity



Challenges facing UK operations

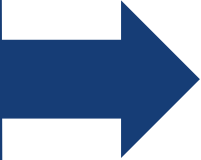
- Low steel prices, strong sterling and unhelpful regulatory environment led to significant restructuring in UK's steel industry
- Restructuring of Tata Steel's UK operations to improve costs and higher value sales
- All strategic options assessed for Long Products Europe



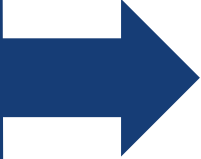
Customer-focused approach

- Focus on world-class potential and strategic locational advantages of IJmuiden facility
- Launched 14 new products in H1 maintaining high pace of innovation and continued focus on steels which give customers a competitive edge and which attract premiums
- New products included full-finish galvanized product for vehicle panels and lightweight panel for walls and flooring in transport and construction
- Improvements to long-term relationships with global automotive manufacturers following recognition of quality performance gains
- Supplier award for continuous improvement from UK's Royal Mint which produces 15% of world's coins





The eurozone economy forecast to grow by 1.5% and the UK by 2.5% in 2015. Strength of pound expected to continue to hinder competitiveness of UK manufacturers



EU steel demand expected to grow by +1.5% in 2015, but importers expected to continue to be biggest beneficiaries



The European steel industry continues to face reduced margins due to significant global overcapacity, especially in China

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Standalone Results – QoQ Variations



All figures in Rs. Crore

Particulars	Q2 FY16	Q1 FY16	Key Reasons
Net sales	9,446	9,006	Higher volumes partly offset by lower steel realisations
Other operating income	85	88	At par with previous quarter
Changes in inventories	(132)	(198)	Inventory buildup during the quarter
Purchases of finished, semis & other products	197	236	Lower purchases of imported rebars by 8kt
Raw materials consumed	2,871	2,330	Higher consumption of purchased iron ore and purchased pellets partly compensated by lower cost of imported coal
Employee benefits expenses	1,085	1,082	At par with previous quarter
Purchase of power	668	694	Reversal of power provision and lower power rates partly offset by higher consumption
Freight and handling	707	695	Higher dispatches partly compensated by favorable rate and destination mix
Depreciation and amortisation	481	468	Increase in line with capex additions
Other expenses	2,272	2,565	Lower due to reversal of excess DMF provision partly offset by one-time provision for water conservation fund in Odisha and increase in stores & spares consumption, repairs to machinery and conversion charges
Other income	2,933	749	Higher profit on sale of quoted investments
Finance costs	331	396	Lower due to debt repayments in last quarter
Exceptional Item	(1,322)	106	Provisions for demands and claims, impairment of assets and provision for employee separation scheme
Tax	138	431	Increase in MAT credit and deferred tax offset by higher current tax

Consolidated Results – QoQ Variations



All figures in Rs. Crore

Particulars	Q2 FY16	Q1 FY16	Key Reasons
Net sales	29,069	29,900	Lower deliveries in Europe and South East Asia partly compensated by higher India deliveries. Lower realisations across geographies.
Other operating income	236	400	Decrease largely in Europe
Changes in inventories	114	(490)	Lower inventories in Europe and South East Asia
Purchases of finished, semis & other products	2,392	2,842	Lower purchases in South East Asia
Raw materials consumed	8,784	8,722	Increase in India and Thailand partly compensated by lower costs in Europe
Employee benefits expenses	4,990	4,896	Increase due to translation impact
Purchase of power	1,379	1,448	Decrease in India and South East Asia
Freight and handling	2,045	2,031	At par with previous quarter
Depreciation and amortisation	1,371	1,347	At par with previous quarter
Other expenses	7,770	8,106	Decrease in India partly offset by increase in NatSteel
Other income	2,938	762	Increase largely in India
Finance costs	1,049	1,098	At par with previous quarter
Exceptional Item	(564)	158	Exceptional items in India, Europe, NatSteel and TSKZN
Tax	240	515	Decrease largely in India

For investor enquiries contact:	For media enquiries contact:
<p>Devang Shah Tel: +91 22 6665 0530 Email: devang.shah@tatasteel.com</p>	<p>Kulvin Suri Tel: +91 657 664 5512 / +91 92310 52397 Email: kulvinsuri@tatasteel.com</p>
<p>Ramvikas Nag Tel: +91 22 6665 0557 Email: ramvikas.nag@tatasteel.com</p>	<p>Bob Jones Tel: +44 207 717 4532 Email: bob.jones@tatasteel.com</p>